



November 29, 2017

Landec Corporation Reiterates Fiscal Year 2018 EPS Guidance and Lowers Second Quarter EPS Guidance due to Impact from Extreme Weather Events

Second Quarter and Fiscal 2018 Revenue Guidance Remains Unchanged

SANTA CLARA, Calif., Nov. 29, 2017 (GLOBE NEWSWIRE) -- Landec Corporation (NASDAQ:LNDC), a leading innovator of diversified health and wellness solutions within the branded natural food and biomaterial markets, is reiterating its guidance for fiscal 2018 and lowering its earnings per share guidance for the second fiscal quarter.

For fiscal 2018, Landec is reiterating its revenue growth guidance of 2% to 4% compared to fiscal 2017 and earnings per share guidance of \$0.52 to \$0.58. For the second quarter of fiscal 2018, Landec is reiterating its revenue guidance of \$135 to \$140 million and lowering its earnings per share from prior guidance of \$0.06 to \$0.08 per share down to a new range of \$0.01 to \$0.03. The Company expects the lower second fiscal quarter earnings per share to be offset by higher net income than originally expected in the second half of fiscal 2018. The Company will provide guidance for the third fiscal quarter and second half of fiscal 2018 in its second quarter earnings release in early January.

The revised earnings per share guidance for the second fiscal quarter is a result of the larger than expected impact on the supply and quality of produce at Apio, Landec's food business, than management had originally projected from the hurricanes and tropical storms that occurred during the late summer and early fall. It is important to note that there has been no disruption to the supply of vegetables for Apio's Eat Smart[®] packaged salads during this time, nor does management expect future disruptions in its ability to meet demand for its salad product offerings.

The most significant impact during the quarter was on the supply and quality of green beans leading to excessive green bean shortages throughout the industry. During the month of November, these shortages have resulted in the highest average procurement cost for green beans in over 15 years, 26% higher than the second highest average price for the month of November in 2008. In Landec's press release on September 19, management explained that the fall transition crop of green beans, which is grown in northern Florida and Georgia, was impacted by Hurricane Irma, leading to an expectation of a tightening green bean supply market during the fall. Knowing this, the Apio procurement team had its growers plant green beans in alternative geographical areas to fill that gap. Subsequent to that release, unexpected additional storms in the Southeast United States exacerbated the impact on the fall transition crop, as well as the alternative planting areas. In addition, the extreme heat and tropical storms in the Western U.S. and Mexico have impacted yields, and thus the Company's cost of procurement, for several West Coast produce items such as brussel sprouts and broccoli.

Molly Hemmeter, Landec's President and CEO said, "We continue to invest in innovation to drive profitable growth across each of our growth platforms: Lifecore Biomedical, Eat Smart salads and our natural foods business, which currently includes O Olive Oil and represents an expansion of our food product offerings to higher margin natural food products. The performance of these businesses, as well as Landec's investment in Windset, remain strong and each is expected to meet or exceed its growth goals for fiscal 2018.

"As stated in our original guidance for fiscal 2018, we expected our Lifecore revenues to grow 6% to 8%, Eat Smart salad products revenue to grow at low double digits (10% to 12%), O Olive to increase revenues by \$5 to \$6 million and Apio's lower margin core and export businesses to decrease \$20 to \$25 million compared to fiscal 2017. We now expect growth in Lifecore, Eat Smart salads and O Olive to reach or exceed the high end of our guidance for each of these high margin growth platforms, driving increased profitability partially offsetting raw product supply cost increases. As a result, despite the headwinds over the last couple of months due to the extreme weather, we are able to reiterate our revenue and earnings per share guidance for fiscal 2018.

"We are focused on: (1) growing our Eat Smart salad business by double digits each year on average, (2) expanding our food product offerings beyond produce to refrigerated, natural food products with higher margins, and (3) growing our Lifecore business annually on average by double digits as we build our product development pipeline with HA and non-HA initiatives poised for future commercialization. We will provide additional detail on these initiatives during our second quarter earnings release in early January," concluded Hemmeter.

About Landec Corporation

Landec Corporation (NASDAQ:LNDC) is a leading innovator of diversified health and wellness solutions within the packaged natural food and biomaterial markets. Landec's food business includes Apio, Inc. and O Olive, Inc. Apio[™] is a leader in

branded, packaged fresh vegetables in North America, utilizing its proprietary BreatheWay® packaging technology to naturally extend the shelf life of fresh produce. Apio combines this technology with the capabilities of a large national fresh produce supplier to offer healthy fresh vegetable products under the Eat Smart® brand to consumers through club and retail grocery stores. Extending its reach into adjacent natural food products outside of produce, Landec recently acquired O Olive Oil®, an organic and natural producer and marketer of olive oils and vinegars under the O brand. Lifecore Biomedical, Landec's biomaterial business, is a fully integrated Contract Development and Manufacturing Organization (CDMO) that offers expertise and capabilities in fermentation, specialty formulation, aseptic filling and final packaging for FDA regulated medical devices and drugs to customers for applications in a wide array of markets including Ophthalmic, Orthopedic and Oncology. For more information about the company, visit Landec's website at www.landec.com.

Important Cautions Regarding Forward-Looking Statements

Except for the historical information contained herein, the matters discussed in this news release are forward-looking statements that involve certain risks and uncertainties that could cause actual results to differ materially, including such factors among others, as the timing and expenses associated with operations, the ability to achieve acceptance of the Company's new products in the market place, weather conditions that can affect the supply and price of produce, the amount and timing of research and development funding and license fees from the Company's collaborative partners, the timing of regulatory approvals, the mix between domestic and international sales, and the risk factors listed in the Company's Form 10-K for the fiscal year ended May 28, 2017 (See item 1A: Risk Factors) which may be updated in Part II, Item 1A Risk Factors in the Company's Quarterly Reports on Form 10-Q. As a result of these and other factors, the Company expects to continue to experience significant fluctuations in quarterly operating results and there can be no assurance that the Company will remain consistently profitable. The Company undertakes no obligation to update or revise any forward-looking statements whether as a result of new developments or otherwise.

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