

LANDEC

INNOVATIONS FOR
HEALTHY LIVING

ICR Conference
Orlando, Florida

January 2020

LANDEC'S OPERATING BUSINESSES: DIVERSIFIED HEALTH AND WELLNESS *SOLUTIONS*



Curation Foods is focused on innovating and distributing plant-based foods with 100% clean ingredients to retail, club and foodservice channels throughout North America.



YUCATAN®



Lifecore is a CDMO focused on sterile injectable product formulation, development, and commercial manufacturing.

FY19 FINANCIAL HIGHLIGHTS

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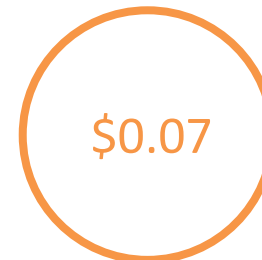
FY19 vs FY18



REVENUE



Adj. EBITDA



EPS

Curation
FOODS

FY19 vs FY18



REVENUE



Adj. EBITDA

DRIVERS

- Acquired Yucatan Foods on 12/1/18
- Incurred \$3.2mm of acquisition related costs for Yucatan Foods
- Growth in salads and oil and vinegar were offset by lower green bean sales due to weather-related supply shortages

Lifecore
BIOMEDICAL

FY19 vs FY18



REVENUE



EBITDA

DRIVERS

- Increase in aseptic sales to existing customers
- Increase in business development revenues due to expanded customer pipeline

FY20 OUTLOOK FOR SUSTAINABLE, PROFITABLE GROWTH STRATEGIES

Landec will create shareholder value by delivering against our long-term financial targets, investing in growth, strengthening our balance sheet, implementing strategic priorities to improve operating margins at Curation Foods, and driving topline momentum at Lifecore, while protecting the planet for future generation with sustainable business practices.



Focus on Streamlining

- Simplify our business
- Innovate delicious quality products for consumers and customers
- Focus on high margin products that deliver improved gross profit
- Drive cost out across all brands
- Optimize operations and supply chain



Focus on Growth

- Capitalize on trend to outsource specialty services and manufacturing
- Expanding business development pipeline to support future growth
- Advance product commercialization
- Maximize new capacity for filling vials and maximizing capacity of syringes

FY20 FINANCIAL GUIDANCE

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FY20 vs FY19

+8%-10%
\$603mm -
\$614mm

REVENUE

+38%-54%
\$36mm -
\$40 mm

EBITDA

\$0.28 -
\$0.32

EPS

Curation
FOODS

FY20 vs FY19

+8%-10%
\$519mm -
\$529mm

REVENUE

+73%-91%
\$19mm -
\$21mm

EBITDA

DRIVERS

- Project SWIFT activation
- Recognizing a full year of revenue and income for Yucatan and Cabo Fresh avocado products
- Targeting \$18mm - \$20mm in cost out

Lifecore
BIOMEDICAL

FY20 vs FY19

+10%-12%
\$84mm -
\$85mm

REVENUE

+5%-15%
\$21mm -
\$23mm

EBITDA

DRIVERS

- Investing ~\$13mm for capacity expansion
- 15-20 customers in the business development
- Projecting 1 -2 regulatory approvals annually

OPERATING BUSINESS: LIFECORE



Lifecore is a CDMO focused on sterile injectable product formulation, development, and commercial manufacturing

Two platforms for launching and manufacturing future medical products:

Legacy

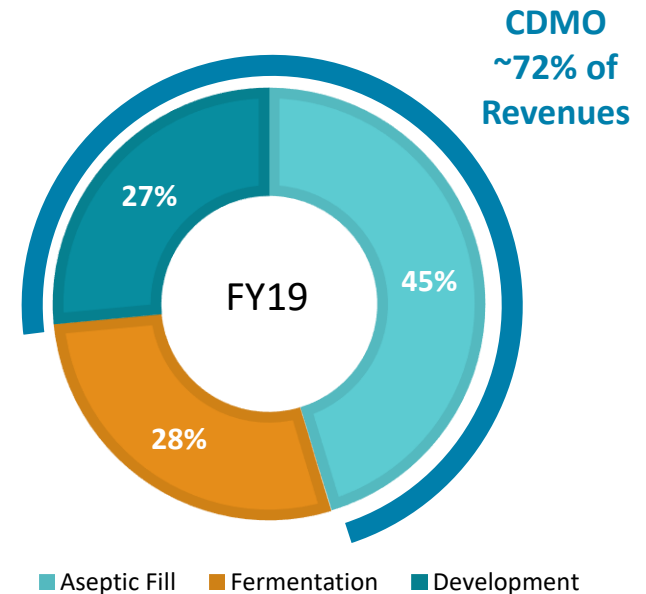
A leading supplier of pharmaceutical grade, sodium hyaluronate in ophthalmology, orthopedic and veterinary medicine

Growth

Fully integrated Contract Development & Manufacturing Organization (CDMO) assisting companies to bring new, FDA-approved injectable therapies to market



Revenue Streams



FY19

- Revenues: \$76mm
- EBITDA: \$20mm

Lifecore Strategic Priorities

1

Managing Business Development Pipeline

Q2 FY20 business development revenue increased **49% YoY**

15 projects in various stages of the product lifecycle

2

Maximizing Capacity

Commercial validation for the new multi-purpose filler Q2 FY20

Increase capacity ~ **21%**

3

Advancing Product Commercialization

Target a minimum of **one regulatory product** approval annually

Currently have **one product under review** at the FDA

EXPERTISE IN PHARMACEUTICAL GRADE HA CREATES DIFFERENTIATION & DEVELOPMENT OPPORTUNITIES



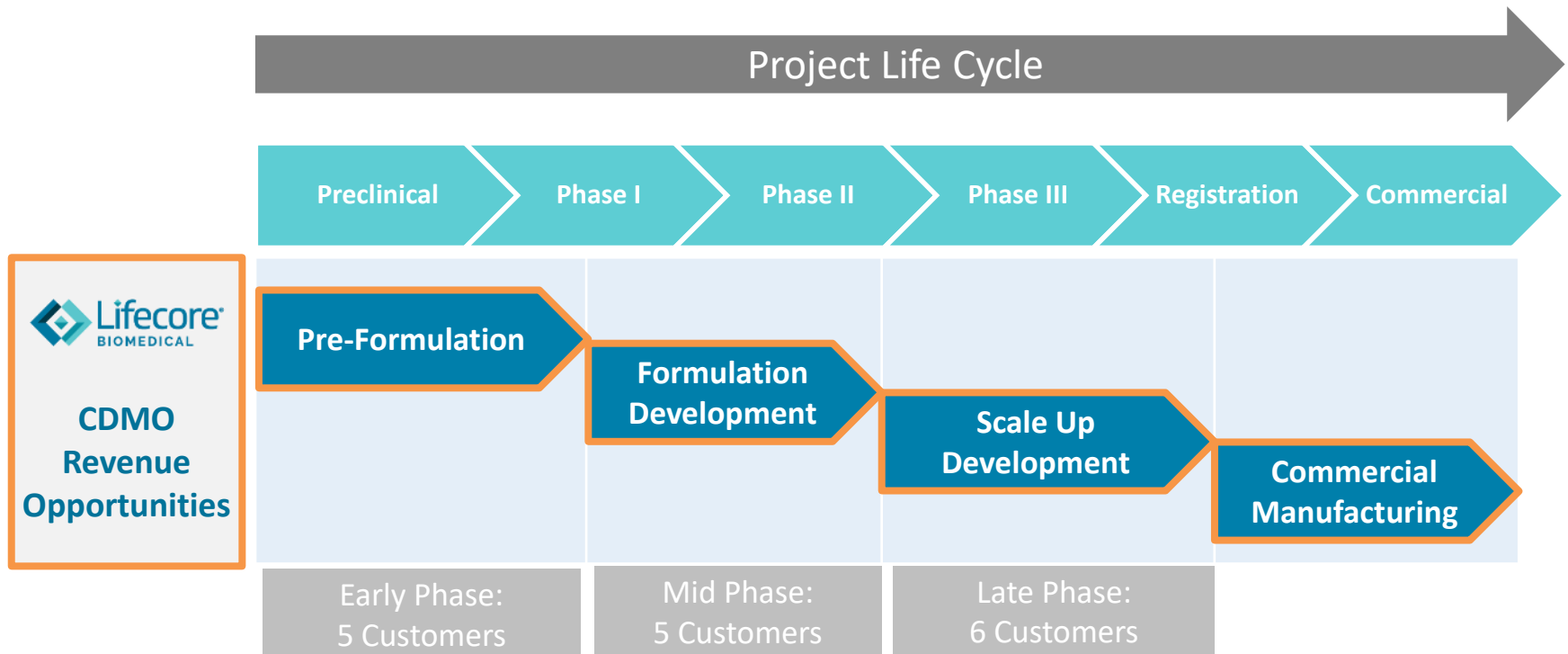
	Type of HA	Quality	Uses & Types of Products	Barriers to Competition
	Pharmaceutical Injectable Grade	Highest Governed by regulatory agencies	<ul style="list-style-type: none"> • Ophthalmic surgery • Joint Injections • Bone grafts • Intra-articular injections • Carrier for drugs • Tissue engineering 	High <ul style="list-style-type: none"> • Product specs tailored to needs of end user • Heightened quality control in highly regulated US/EU markets • Regulatory barriers to change source
	Topical Medical Grade	Moderate Governed by regulatory agencies with less restrictions	<ul style="list-style-type: none"> • Eye drops • Topical wound healing • Topical medications • Intradermal injections 	Moderate
	Cosmetic Nutraceuticals	Lowest Limited or no regulatory agency oversight	<ul style="list-style-type: none"> • Cosmetics, lotions, creams • Nutraceuticals, supplements 	Low to No <ul style="list-style-type: none"> • Commoditized



DRIVING LONG-TERM GROWTH AND PROFITABILITY BY MANAGING OUR PIPELINE

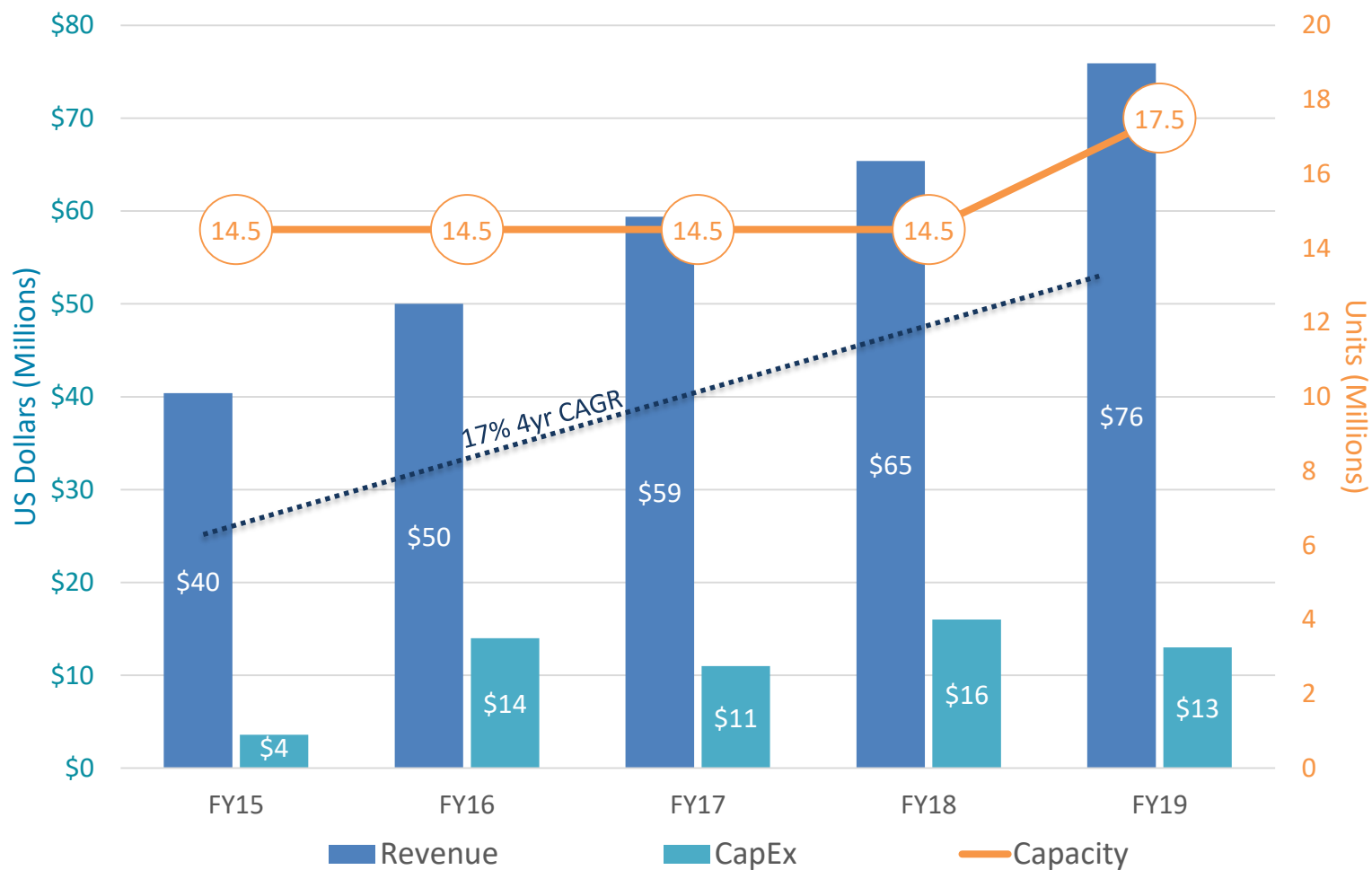


Lifecore can address the customer's entire product development and commercial life cycle



Lifecore development pipeline aims to maintain a pipeline of 15-20 FDA regulated drug and medical device products in various stages of development

Lifecore Revenue and CapEx vs Capacity



1. Drug development is on the rise

+5.2% CAGR

(Pre-Clinical; Phase 1-3) 2008 – 2018

Source: Informa, Pharma R&D Annual Review 2018

2. Outsourcing of manufacturing of NDA approvals remains strong

16%

Generic

29%

Mid-size

45%

Small

10%

Global

Source: GlobalData PharmSource database; NDA approvals 2009-2018

3. Substantial growth in injectable NDA approvals

+5.2% CAGR

(Injectables) 2006 – 2017

45% of total approvals

2017

Source: GlobalData PharmSource database

4. Industry forecasting significant demand for specialized CDMOs

2,000+

Injectable drug candidates

90-132

*Estimated new approvals of
injectables to CDMOs*

75-100M units

*(vials, syringes)
incremental demand*

Source: GlobalData PharmSource Report: Demand and Supply for Contract Manufacturing of Injectable Drugs Through 2023

OPERATING BUSINESS: CURATION FOODS



Curation Foods is focused on innovating and distributing plant-based foods with 100% clean ingredients to retail, club and foodservice channels throughout North America.

PROJECT SWIFT PATHWAY TO PROFITABILITY



\$3.7 million

Annualized Cost Savings

Simplify Win Innovate Focus Transform

Project SWIFT is a value creation program will improve Curation Foods' operating cost structure, enhance profitability and strengthen the Company's balance sheet.

1

Network &
Operational
Optimization

+

2

Focus on
Strategic
Assets

+

3

Organizational
Redesign

PROFITABILITY



LANDEC CONSOLIDATED FINANCIAL OVERVIEW

FY19 FINANCIAL METRICS

REVENUE

\$558mm

FY20 FINANCIAL GUIDANCE

\$602mm –
\$613mm

FY20 FINANCIAL DRIVERS

YoY increase driven by

- \$38mm – \$48mm increase in Net Revenue at Curation Foods
- \$8mm – \$9mm increase in Net Revenue at Lifecore

ADJUSTED EBITDA

\$26mm

\$36mm –
\$40mm

YoY increase driven by

- \$8mm – \$11mm increase in Adjusted EBITDA at Curation Foods
- \$2mm-\$3mm increase in EBITDA at Lifecore

EPS

\$0.07

\$0.28 - \$0.32

- Continued growth at Lifecore
- Avocado Products generating income
- Cost –Out initiatives

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