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Consumer | Consumer Products

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Industry Report

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Industry Insights

Time for Chess, Not Checkers

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The Game Recap

Now is the time to play chess, not checkers, in the consumer packaged goods (CPG) industry, as status quo is not working. CPG companies need to consider more strategic moves to address sea-changing consumer preferences and a variety of pressures on profitability, while leaning into today's low earnings multiples and presence of businesses and brands that could benefit from restructuring as well as rationalization (M&A).

Now in the midst a three-year sector bear market in the food and household and personal products sectors, it is tempting to journey down the intellectual "path of least resistance" and assume the sector bear will persist in perpetuity. However, historical precedents, plausible catalysts, and valuation conditions suggest that this sector bear will end, and we believe that investors could benefit by taking a contrarian, rather than consensus, view and reconsider the group and individual names.

Still, to mend the sector, CPG companies and management teams will need to take bolder actions and macro/market dynamics will need to cooperate to promote rationalization and rotation. On the former, we use chess strategy as an analogy for winning moves; and on the latter we suggest muted expectations and valuations can restore animal spirits. For both, we summarize our thoughts here and present each in more detail in the body of the report.

- **Material count.** A player that knows total piece value for each player can win by trading pieces to enter a winning endgame. The CPG equivalent: accumulate more quality assets.

- **Piece activity.** A player with more active (not just more) pieces has a decision advantage that can lead to good outcomes. The CPG equivalent: activate (not idle) assets.

- **Pawn structure.** A player with an effective pawn structure has more options to create successful plans. The CPG equivalent: align all elements of the go-to-market strategy.

- **Space.** A player with more space—squares behind their pawns—has more degrees of freedom to attack or defend the other player. The CPG equivalent: develop superpowers.

- **King safety.** A player with a safe king remains in the game, while a player with an unsafe king might get checkmated. The CPG equivalent: own and protect the core.

Assistance from other influences should relate to 1) restructuring encouraged by investor activism and fresh leadership; 2) rotation prompted by macro factors and market narratives; and 3) revival of interest in the sector from new public companies (IPOs).

With earnings expectations and valuations lower now than at any other time during this sector bear, risk-return relationships are better. We recommend investors consider "fallen angel" names—e.l.f. Beauty, Freshpet, BellRing, Simply Good, Vital Farms, and (while newly public) Once Upon a Farm—as a basket with growth and takeout potential. We also endorse back-to-basics ideas—Scotts Miracle-Gro, J&J Snack Foods, and Primo Brands—as idiosyncratic names with meaningful self-care opportunities. Investors may need more patience with legacy CPG stocks as they may require more time and effort to reengineer complex portfolios and operations.

The Board

This three-year sector bear market in the food and household and personal products sectors was ushered in by a range of factors, some within and some outside the industry's control.

- **The COVID effect.** The origins of this sector bear date back to the spread of COVID-19. Consumers confined to their homes purchased consumer packaged goods, condensing four to five years' worth of volume growth into one year. Then the knock-on effects of supply chain disruption and higher commodity costs drove up wholesale and retail prices as much as 20% to 30% over the course of a couple of years. These once-in-a-generation changes drove a multiyear "cooling off" period, and sector demand (volume) has had to reset to a pre-pandemic trend line and was further adversely impacted by elasticities from much higher inflation-induced pricing.

- **The macro factors.** Low consumer confidence and a less conducive interest rate environment have compounded the COVID hangover effect on the sector. The University of Michigan survey of U.S. consumer sentiment in April 2026 registered the lowest reading in its 70-year-plus history, at 47.6, with pessimism across demographics, income levels, and political affiliations on concerns over the Iran conflict, surging energy prices, assessments of personal finances, and fear of sustained inflation. In addition, the rise in interest rates—the 10-year Treasury yield was near 0.5% in 2020 and is now 4.3% in 2026, has reduced the appeal of "bond proxy" sectors such as CPG.

- **The market dynamics.** Powerful investing themes including AI, data centers, and the electrification economy have captured institutional investor mind share and money. The Mag Seven drove 63%, 54%, and 43% of the total S&P 500 returns in 2023, 2024, and 2025, respectively. At the same time, CPG has lacked a powerful plotline and, often, has contended with counterproductive narratives such as GLP-1s, persistent inflation, retailer power, and a frugal consumer. While market narratives tend to burn brightest before they begin to fade, it remains unclear when these forces will shift.

- **The industry inertia.** The landscape around CPG is changing faster than in recent memory, and most companies have not adapted as fast as needed. Consumer preferences are evolving rapidly toward clean function and flavor in food, prestige at accessible price points in personal care, and self-care and personalization in consumer health. Media preferences and information collection are increasingly fragmented, with new social and retail media platforms. Inflation across food, energy, healthcare, and many other areas of spending has taken a toll on consumers and how they assess value. The retail landscape is both more concentrated and brand proliferated. The consumer path to purchase is changing every day, non-linear, and strewn with distractions.

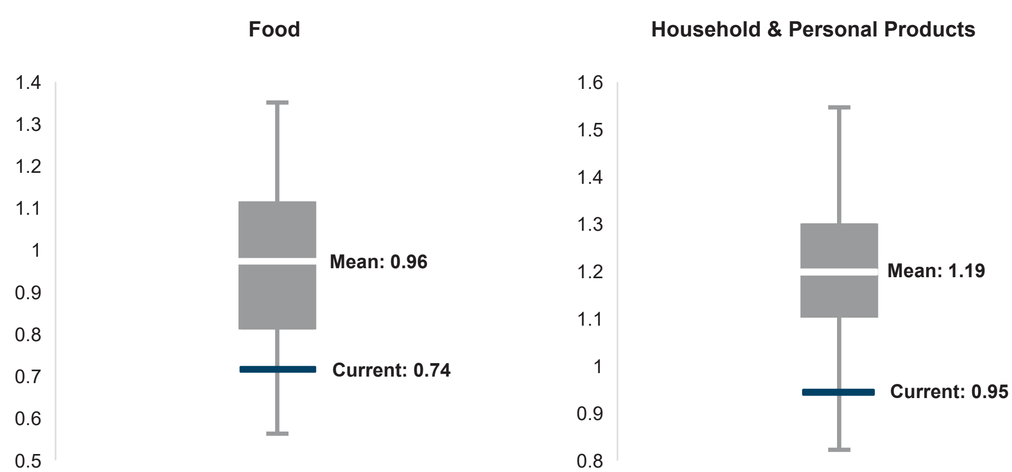
The Stalemate

How do we know the above? It is evident in the performance of the food and household & personal products subsectors. Both the absolute and relative P/E multiples of the subsectors fall in their lowest quartiles and near trough levels of the past 20 years.

- **Food.** The food subsector portion of the S&P 1500 is down 28% from early 2023 to present, compared with the overall S&P 1500 up 54%. The absolute P/E multiple is 14.9x, an 11% discount to the 20-year historical average of 16.7x. The relative P/E multiple is 0.75x, a 23% discount to the historical average of 0.96x.

- **Household and Personal Products.** The household and personal products subsector is down 22% from late 2024 to present, compared with the overall S&P 1500 up 8%. The absolute P/E multiple is 19.0x, a 9% discount to the 20-year historical average of 20.9x. The relative P/E multiple is 0.95x, a 20% discount to the historical average of 1.20x.

Exhibit 1
Industry Insights
CPG Subsector Valuations Are Low

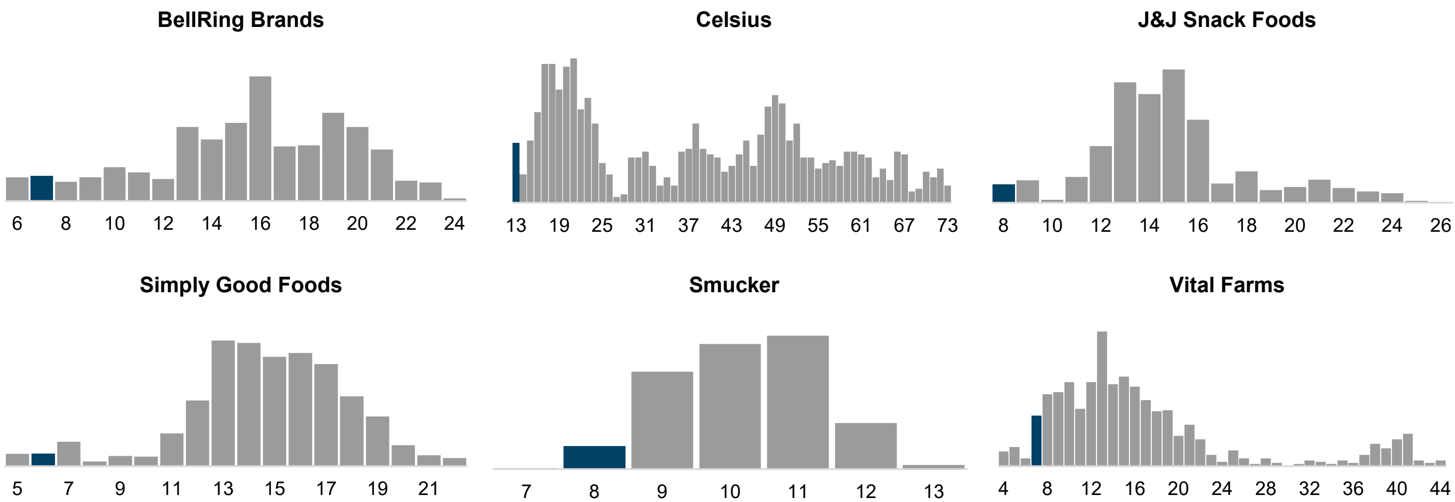


Note: Values represent the premium or discount of the sector P/E multiple relative to the S&P 500 P/E multiple.
Sources: FactSet and William Blair Equity Research

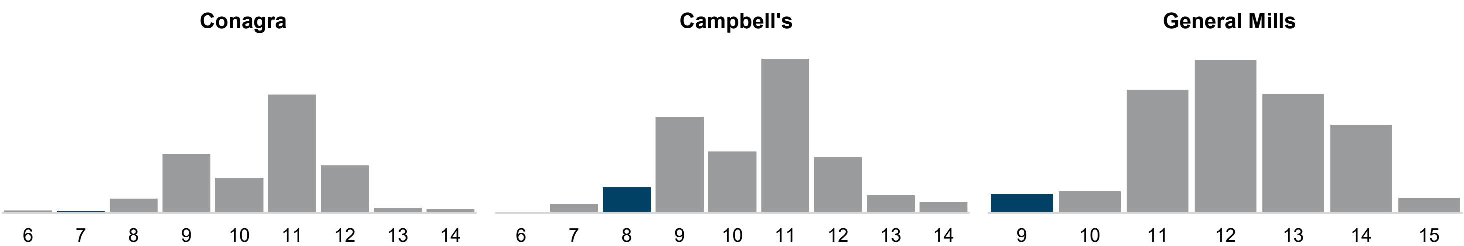
For reasons cited earlier, many food stocks are trading at multiples near 10-year trough levels, including larger legacy food names like General Mills, Smucker, and Conagra and smaller next-generation businesses and brands such as BellRing, Simply Good, and Vital Farms, or transforming companies such as J&J Snack Foods. A similar story can be told about many household and personal products stocks, including covered names like e.l.f., Scotts Miracle-Gro, and Prestige. We believe these valuations support the view of improved risk-return relationships, although the reliability of the earnings estimates underpinning these multiples is also central to the proposition. To this latter point, we think sales and earnings expectations now better reflect subsector prospects than in the past, a topic we address in more detail later in this report.

Exhibit 2
Industry Insights
Food Stock Valuations Near Troughs

Select Covered Companies

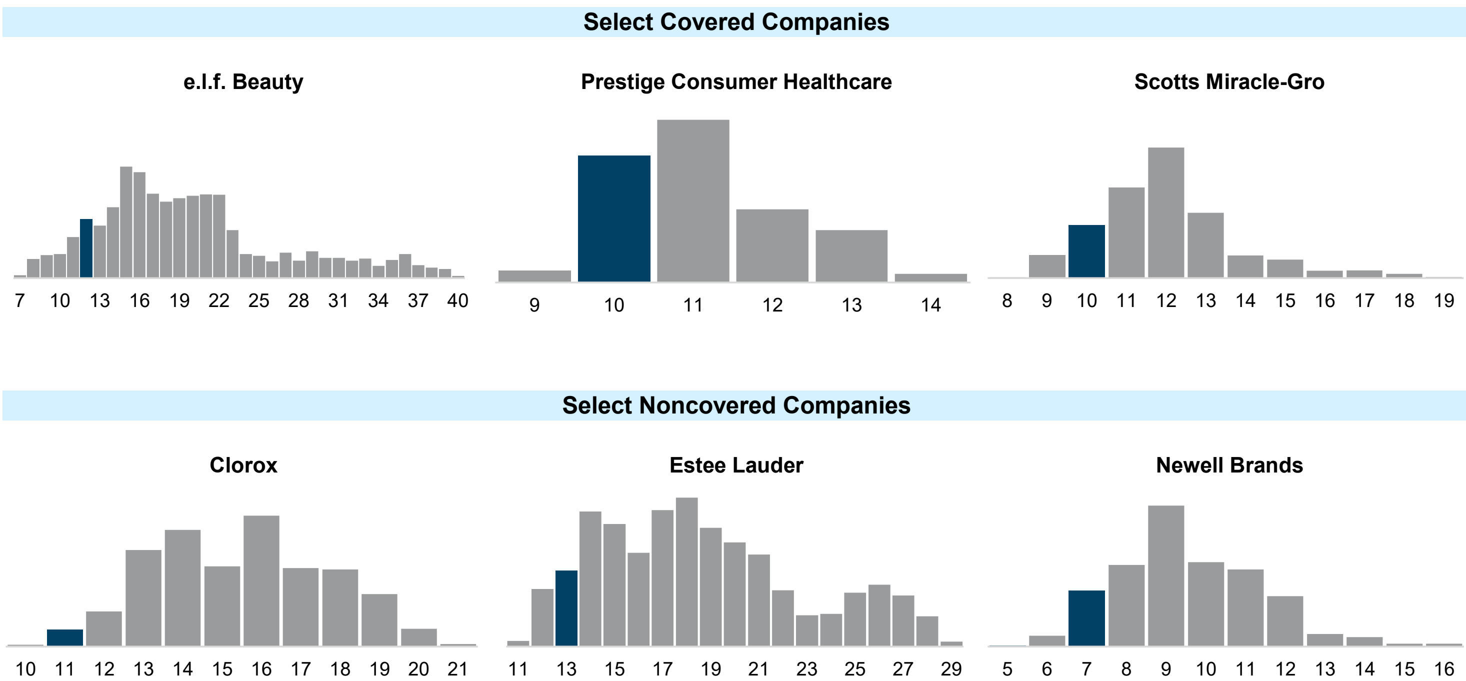


Select Noncovered Companies



Note: Values are forward EV-to-EBITDA multiples. Dark blue bar denotes the current multiple.
Sources: FactSet and William Blair Equity Research

Exhibit 3
Industry Insights
Household and Personal Products Stock Valuations At Discounts



Note: Navy bars represent the range in which the current multiple sits.
Sources: FactSet and William Blair Equity Research

The Statistics

One rarely knows the combination of events that serve to force a sector from bear to bull (or visa versa), we can seek some understanding by examining past cycles and developing logical hypotheses. For purposes of the following review, we consider the 11 GICS defined sectors in the S&P 1500; we define a bear as a 20% decline in a sector index; and we use the past 20 years of market performance (excluding the initial COVID stock market pullback).

- **Number.** There were 29 sector bears. The most occurrences were in materials (5) and energy (4); the fewest happened in healthcare (1).
- **Depth and duration.** The average decline was 38%. The average length of the sector bears was 1.3 years; the minimum was 0.4 years and maximum was 2.4 years.
- **Post-trough performance.** After ending, the average one-, two-, and three-year returns were 42%, 69%, and 83%, respectively.

Exhibit 4
Industry Insights
Historical Sector Bear Market Cycle Analysis

Sector	No. of Bear Cycles	Depth of Bear Cycle	Duration of Bear Cycle: Min	Duration of Bear Cycle: Mean	Duration of Bear Cycle: Max	Cumulative Return After Bottom: 1 Year	Cumulative Return After Bottom: 2 Year	Cumulative Return After Bottom: 3 Year
Energy	4	-47%	0.4	1.2	2.1	46%	70%	87%
Materials	5	-33%	0.4	1.0	2.2	45%	72%	67%
Industrials	3	-35%	0.4	0.8	1.3	40%	80%	94%
Consumer Discretionary	2	-46%	1.0	1.3	1.7	57%	94%	110%
Consumer Staples	2	-21%	0.7	0.9	1.2	19%	35%	42%
Healthcare	1	-36%		1.2		38%	43%	61%
Financials	3	-41%	0.5	1.4	2.0	54%	79%	76%
Information Technology	2	-39%	0.8	1.0	1.3	52%	105%	137%
Communication Services	3	-38%	1.3	1.8	2.4	30%	64%	101%
Utilities	2	-30%	1.3	1.4	1.5	23%	36%	49%
Real Estate	2	-54%	1.8	1.9	2.0	58%	84%	92%
All Sectors	**29**	**-38%**	0.4	1.3	2.4	**42%**	**69%**	**83%**

Note: Bear cycle defined as a decline in the sector index of at least 20%. Figures are based on 20 years of market results.
Sources: FactSet and William Blair Equity Research

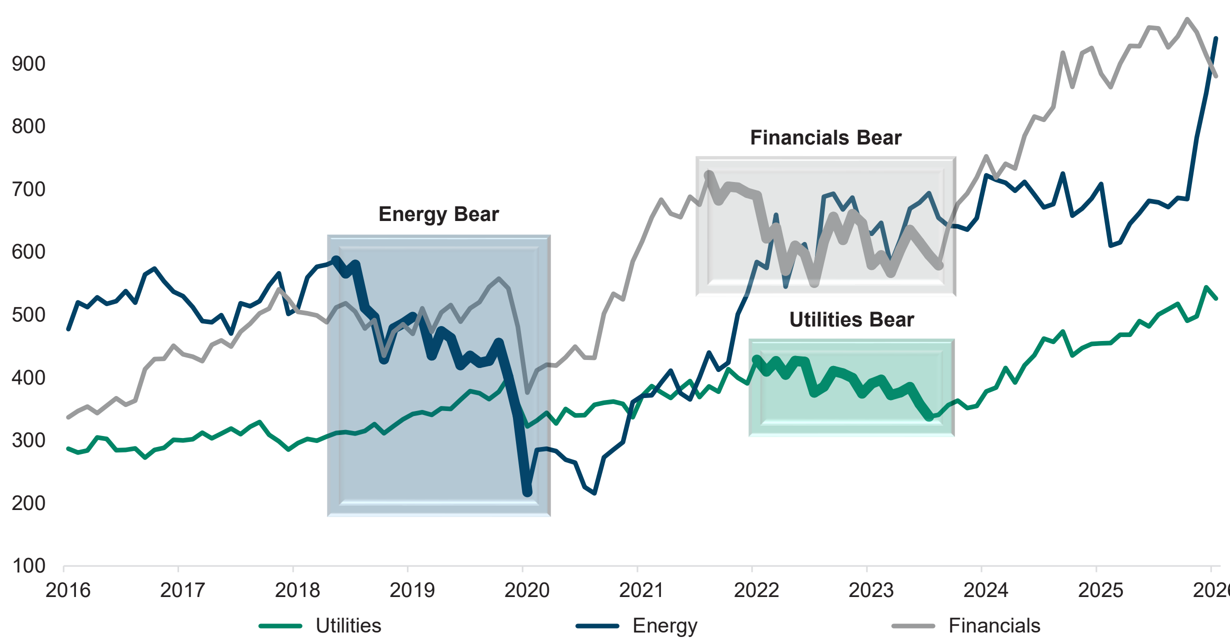
Below, we examine three recent sector bears—utilities, energy, and finance—to help identify a range of influences that can put a sector into one and lead a sector out.

- **Utilities.** After the COVID market pullback, utilities faced a sector bear during 2022 and 2023 in part due to elevated valuation, a rise in interest rates, and rotation away from defensive sectors into cyclicals. The sector eventually regained its footing as a growth play on surging electricity demand from AI data centers.

- **Energy.** From 2018 to 2020, energy experienced a sector bear in part due to oil oversupply (U.S. shale boom), shift in investor sentiment away from traditional fossil fuels toward renewables that saw oil prices momentarily fall below zero, and soft global demand. The sector exited the bear as OPEC+ cut oil production (by 10% of global supply) and in anticipation of post-pandemic economic reopening.

- **Financials.** In 2022 and early 2023, financials confronted a sector bear in part due to a series of interest rate hikes, inflation, renewed fears of a recession, and a regional banking crisis. The sector inflected as consumer spending remained resilient, the Fed reduced interest rates, and post-election optimism took hold.

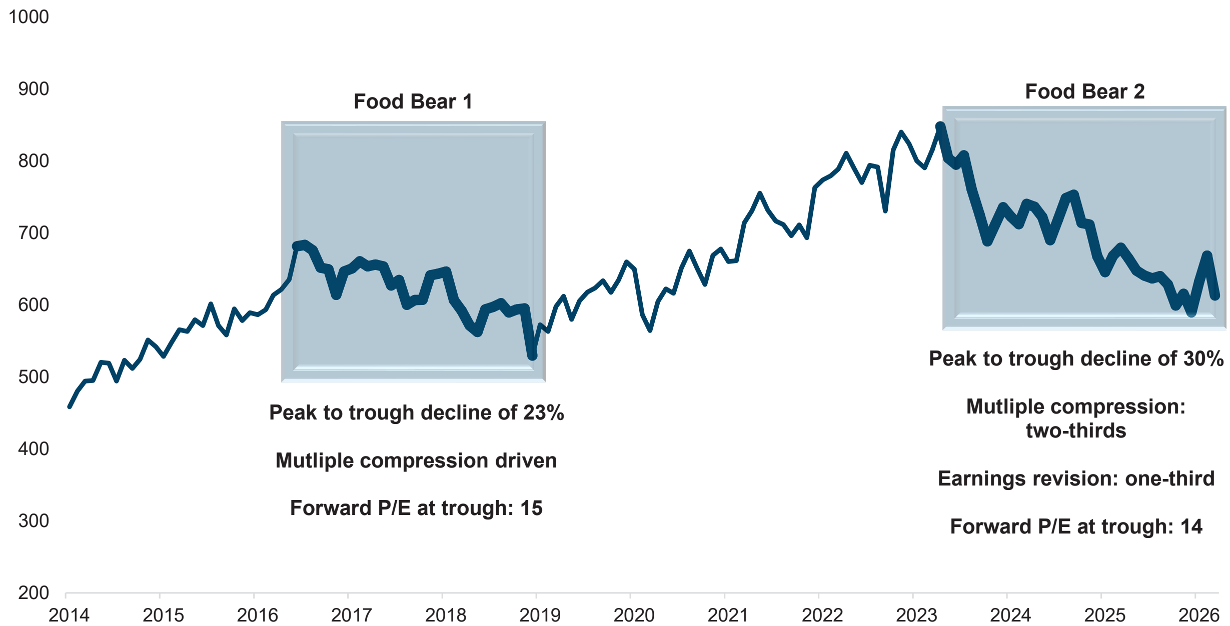
Exhibit 5
Industry Insights
Select Sector Index Prices and Bear Cycles



Sources: FactSet and William Blair Equity Research

- **Food.** Before the current food bear, the subsector experienced a prior one from 2017 to 2019. This was due in part to a Fed tightening cycle made of "bond proxies," such as: food names less attractive; cost pressures from higher commodity and transportation prices; narrative headwinds around e-commerce disruption and the rise of DTC brands; and rotation into growth and cyclical sectors, with the latter encouraged by the Tax Cuts and Jobs Act of late 2017. The sector regained momentum as COVID and fiscal stimulus spurred purchases of consumables and monetary policy and rotation favored more defensive, yield-oriented sectors.

Exhibit 6
Industry Insights
Food Subsector Index Prices and Bear Cycles



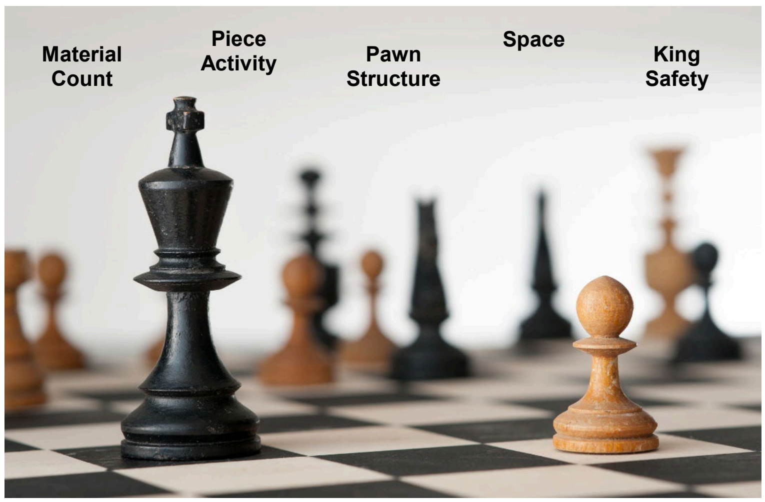
Sources: FactSet and William Blair Equity Research

We note that insurance, another typical safe-haven sector, experienced a bear market in 2025 and the first part of 2026, which perhaps provides more evidence that we have been (and remain) in a risk-on environment. Still, all sector bears eventually come to an end, and when they do, subsequent returns have often proved to be quite positive.

The Strategy

Still, low valuation alone is typically not enough to generate alpha; that also requires fundamental changes. Thus, to more fully mend the sector, CPG companies and management teams will need to take bolder actions, and macro/market dynamics will need to cooperate to promote rationalization and rotation. Below, we use the chess strategy as an analogy for potential winning moves.

Exhibit 7
Industry Insights
Strategy for Chess and CPG



Source: Getty Image

- **Material count (more resources).** A player that knows the total piece value for each player can win by trading pieces to enter a winning endgame. The CPG equivalent is to accumulate more quality assets. The CPG strategy is to add businesses, brands, and capabilities that make the total greater than the sum of the individual parts.

  A CPG example: McCormick acquired Unilever's food business for $45 billion to create a global flavor and condiment powerhouse. The move expands McCormick's portfolio, increases its emerging market exposure (to over 40%), boosts scale and competitiveness at retail, and creates a leading foodservice platform combining front-of-house strengths with back-of-house products.

- **Piece activity (kinetic assets).** A player with more active (not just more) pieces has a decision advantage that can lead to good outcomes. The CPG equivalent is to activate (not idle) assets. The CPG strategy is to adjust every aspect of the value proposition to get all assets back in the game.

  A CPG example: PepsiCo lowered the prices of key snack brands (up to 15%) and innovating healthier options (Doritos Protein, SunChips Fiber) to get the assets moving. The actions helped drive North American Food volume growth for the first time in more than two years.

- **Pawn structure (aligned levers).** A player with an effective pawn structure has more options to create successful plans. The CPG equivalent is to optimize the go-to-market strategy. The CPG strategy is to make each touchpoint with the customer and consumer fit-for-purpose.

A CPG example: Procter & Gamble centered its portfolio on daily-use product categories where performance plays a significant role in the consumer's choice of brands, and it aligned its go-to-market strategies for superiority on product, packaging, brand communication, retail execution, and value. The strategy resulted in accelerated and balanced sales and earnings growth.

- **Space (wider moat).** A player with more space—squares behind their pawns—has more degrees of freedom to attack or defend the other player. The CPG equivalent is to develop superpowers. The CPG strategy is to build differentiated capabilities that are difficult to replicate.

  A CPG example: E.l.f. developed a community-driven innovation and entertainment-led marketing model to offer best combination of quality, cost, and service. This approach made it one of only six (out of 546) public consumer companies to grow for 28 straight quarters and average at least 20% sales growth per quarter.

- **King safety (protected core).** A player with a safe king remains in the game, while a player with an unsafe king might get checkmated. The CPG equivalent is to own and protect the core. The CPG strategy is to define the must-win battles and resource them accordingly.

  A CPG example: After unsuccessfully venturing into hydroponics, Scotts Miracle-Gro divested that operation (Hawthorne) to focus solely on its breadwinning U.S. consumer (lawn and garden) business, where it has the need, right, and ability to win. This transition resulted in greater levels of predictability, stability, and financial flexibility.

As in chess, a good strategy for corporations is paramount. Still, for CPG to exit its bear market, assistance from other influences also may be required. Below, we discuss three strategies: 1) restructuring encouraged by investor activism and fresh leadership; 2) rotation prompted by macro factors and market narratives; and 3) revival of interest in the sector from new public companies (IPOs).

- **Restructuring.** Structural changes seem warranted. Forward-thinking companies must think about long-term reinvention and constructive disruption to drive market growth and productivity, while mitigating cost pressures to create value for consumers, retail partners, and themselves. Procter & Gamble announced a major restructuring in June 2025 to cut 7,000 nonmanufacturing jobs (6% of its workforce) over two years. Nestlé initiated a plan in late 2025 to cut 16,000 jobs for $3.8 billion in savings. Coca-Cola announced a workforce reduction in early 2026, starting with 75 corporate roles. General Mills, Campbell's, and Hormel have all announced restructuring involving facility closures and overhead reductions.

  – ***Leadership.*** The industry is experiencing a leadership reset. Among the top 50 global consumer products companies, 15 new CEOs—including at Coca-Cola, Procter & Gamble, and Kraft Heinz—were announced or took office in 2025, the highest turnover in many years. The trend continued in 2026 with new CEO announcements at Conagra and Simply Good Foods.

  – ***Activism.*** CPG has been a primary target of activist investors pushing for the breakup or sale of businesses. In September 2025, Elliott built a $4 billion stake in PepsiCo, citing a "historic opportunity" to boost its stock price. Throughout 2025, Starboard pushed for change at Kenvue eventually leading to the (pending) sale of the company to Kimberly-Clark.

- **Rotation.** For some time now CPG has not been on the right side of the sector rotation game, although we believe that will eventually come to an end. When it does, macro factors and market narratives may play key roles.

- *Macro factors.* While the U.S. has not experienced a formal recession since the Great Recession of 2008 and 2009, we posit economic cycles still exists and defensive sectors (like CPG) will continue to benefit from sector rotation during late-cycle or recessionary times. The rate tightening cycle of the 2020s—and the sector rotations out of bond proxies that usually accompany them—is over.

- *Market narratives.* While hard to know impact and duration, market narratives tend to have defined lifecycles. Thus, while current plotlines such as AI and the electrification economy are driving overweight and outperformance in some sectors and names, such effects are unlikely to persist in perpetuity and at some points get overbought. The inverse can be said about the GLP-1 narrative (discussed more later).

- **Newness.** With many legacy players in transition, we believe there is both a need and appetite for newness in public equities in the CPG sector. In February 2026, Once Upon a Farm successfully completed its IPO (see our initiation report: Poised to Garner More Parent Purchases; Initiating at Outperform), marking the first time a growth (consumer) staple company has gone public in about five years. A robust pipeline of next-generation CPG businesses and brands entering public equity markets may help revive interest and ownership of the sector.

The Capture

In addition to the above, M&A will likely be fundamental driver of industry reformation. Given its importance we address the rationale for such actions, some history of acquisitions in our space, and the prospects for takeouts of names on our coverage list.

M&A can help accelerate change by getting assets into the hands of operators best able to effectively steward them. This can be particularly important during periods of great change, when need and opportunity often converge. At present, sea-changes in consumer preferences, cost and competitive pressures, and low valuation multiples present a window for companies and investors to create value through well-conceived and executed deals with clear strategic, financial, and operational merits.

- **Portfolio.** The addition (or subtraction) of the right business and brands can help upskill a portfolio and platform by allowing for better alignment to rapidly evolving consumer preferences and retailer goals.

- **Scale.** The ability to generate scale and cost synergies (or foster greater focus and specialization) can help combat profit pressures caused by commodity inflation, tariffs, and the bargaining power of retailers.

- **Capability.** The acquisition of new or enhanced capabilities—people, process, technology—can position a business to grow more rapidly, enhance profit and capital returns, and/or deepen and widen a moat.

We are well versed in M&A in CPG. Since we formally began covering CPG in 2006, there have been 23 separate companies (including pending) acquired from our list with three in the past six months alone. The following exhibit shows those acquired companies and the rational for them, although most deals were motivated by and met multiple criteria.

Exhibit 8
Industry Insights
Acquired Companies From Our Coverage List

Portfolio Optimizer

Capability Enhancer **Scale Builder**

Source: William Blair Equity Research

In general, we have seen buyers move to engage with companies after those potential acquirees experienced shorter-term demand or execution issues that triggered a stock price decline, thus offering the potential for a more attractive purchase price multiple. Evidence of buyers working on their shopping lists can be found in the data, showing the share prices of the acquired companies were trading at discounts, on average, of 33% to their early peaks. Historical deal prices and current earnings multiples suggest that current valuations should attract buyers. Based on EV-to-trailing-12-month-EBITDA, the average purchase price multiple of these acquired names (15x) is significantly higher than the current multiples of most names on our current list. It also exceeds the average valuation multiple of the constituents within the S&P 1500 food (11x) and household and personal products (15x) subsectors.

Exhibit 9
Industry Insights
Covered Company Acquisition Details

Companies		**Deal Details**			**Share Price**			**Share Price Difference**		
Acquiree (Covered)	**Acquirer**	**Close** (Date)	**Price** ($ in billions)	**Multiple** (TTM EBITDA)	**Peak**	**Before Acq.**	**At Acq.**	**Before Acq. vs. Peak**	**At vs. Before Acq.**	**At Acq. vs. Peak**
Kenvue	Kimberly-Clark	2H26E	$48.7	14.3x	$26.55	$16.14	NA	(39%)	NA	NA
SunOpta	Refresco	2Q26E	$1.1	11.0x	$16.52	$4.83	$6.50	(71%)	35%	(61%)
TreeHouse	Investindustrial	Feb-26	$2.9	8.5x	$104.35	$16.30	$22.50	(84%)	38%	(78%)
Primo Water	BlueTriton	Nov-24	NA	NA	$22.91	$22.33	NA	(3%)	NA	NA
PetIQ	Bansk	Oct-24	$1.3	11.4x	$45.35	$20.57	$31.00	(55%)	51%	(32%)
Sovos	Campbells	Mar-24	$2.7	19.6x	$19.92	$18.02	$23.00	(10%)	28%	15%
SodaStream	PepsiCo	Dec-18	$3.2	24.4x	$96.67	$87.30	$144.00	(10%)	65%	49%
Pinnacle	Conagra	Oct-18	$10.9	15.8x	$61.65	$60.65	$60.00	(2%)	(1%)	(3%)
Amplify Snack	Hershey	Jan-18	$1.6	18.4x	$18.00	$7.00	$12.00	(61%)	71%	(33%)
Bob Evans	Post	Jan-18	$1.6	17.0x	$75.00	$72.93	$77.00	(3%)	6%	3%
Inventure	Utz	Dec-17	$0.2	NM	$14.28	$4.46	$4.00	(69%)	(10%)	(72%)
Mead Johnson	Reckitt Benckiser	Jun-17	$17.9	17.6x	$105.07	$70.46	$90.00	(33%)	28%	(14%)
WhiteWave	Danone	Apr-17	$12.5	23.5x	$52.16	$47.43	$56.25	(9%)	19%	8%
Jarden	Newell Rubbermaid	Apr-16	$15.4	13.0x	$56.25	$52.68	$59.21	(6%)	12%	5%
Keurig Green Mountain	JAB	Mar-16	$13.9	13.6x	$157.10	$51.70	$92.00	(67%)	78%	(41%)
Boulder Brands	Pinnacle	Jan-16	$1.0	16.7x	$17.94	$10.07	$11.00	(44%)	9%	(39%)
Annie's	General Mills	Oct-14	$0.8	NM	$51.84	$33.89	$46.00	(35%)	36%	(11%)
Ralcorp	ConAgra	Jan-13	$6.8	11.5x	$60.58	$55.39	$90.00	(9%)	62%	49%
Alberto Culver	Unilever	May-11	$3.7	14.8x	$47.69	$31.48	$37.50	(34%)	19%	(21%)
American Italian Pasta	Ralcorp	Jul-10	$1.2	8.0x	$51.78	$41.73	$53.00	(19%)	27%	2%
Bare Escentuals	Shiseido	Mar-10	$1.7	10.0x	$42.99	$13.01	$18.20	(70%)	40%	(58%)
Chattem	Sanofi	Feb-10	$2.1	12.8x	$81.45	$69.98	$93.50	(14%)	34%	15%
Wrigley	Mars	Oct-08	$22.7	18.1x	$68.44	$62.45	$80.00	(9%)	28%	17%
Average				**15.0x**				**(33%)**	**32%**	**(14%)**

S&P 1500 Food (current)		**11.0x**
S&P 1500 Household and Personal Products (current)		**14.9x**

Sources: Company reports, CapIQ, Bloomberg, FactSet, William Blair Equity Research

These same acquired companies also have other commonalities. Most had focused portfolios with one (or a few) brand(s) targeting an on-trend category(s) or segment(s). The brand(s) were responsive to innovation and marketing, enough to consistently gain share and reach a size that supported strong brand building investments. They were also profitable and cash flow generative and provided acquirers with means to drive revenue and cost synergies.

We believe it is important to get going while the going is good. At present, a more lenient antitrust regulatory environment under the current administration means more favorable conditions for the approval of M&A, including faster merger reviews and increased willingness to accept settlements. The Department of Justice (DOJ) and Federal Trade Commission (FTC) have revived early termination of waiting periods and are favoring structural remedies over litigation. The Premerger Notification Office has resumed granting early terminations of the 30-day waiting period for low-risk deals. Agencies are now more willing to accept consent agreements and divestitures (structural remedies) to allow mergers to proceed, a sharp departure from the previous administration's "litigate over settle" strategy. This said, complex deals are still receiving scrutiny, and the administration has selectively pursued investigations and challenged anticompetitive practices in areas such as technology.

The Material

Now in the midst of a three-year sector bear market in the food and household and personal products sectors, it is tempting to journey down the intellectual "path of least resistance" and assume the sector bear will persist in perpetuity. However, like all sectors bears this one too shall pass, and investors could benefit by taking a contrarian, rather than consensus, view.

1. We call for CPG leadership to apply (chess) strategy—from asset accumulation (material count) and activation (piece activity) to go-to-market alignment (pawn structure) and moat enhancement (space) to core reinforcement (king safety)—for winning endgames.

2. We discuss possible events—restructuring, rotation, and newness (IPOs)—that may help CPG regain its footing; and we examine the importance of M&A as a value driver, historical transactions, and prospects for takeouts of names we cover (below).

3. We suggest such actions and events are more important and likely during great change, when need and opportunity converge, and argue that we are in such a time with changing consumer preferences, cost and competitive pressures, and low valuation multiples.

The signs are there, including certain corporate tactics, high-profile activist investments, and deal activity. On the latter, we believe there are potential acquisitions, including many companies on our list, that could create value. For those names on our list, such potential may help to limit downside (put in a floor) and create optionality (offer alpha). Below, we score our covered companies on strategic, financial, and operational fit to assess their potential as acquisition targets.

Exhibit 10
Industry Insights
Rationalization (M&A) Candidate Assessment

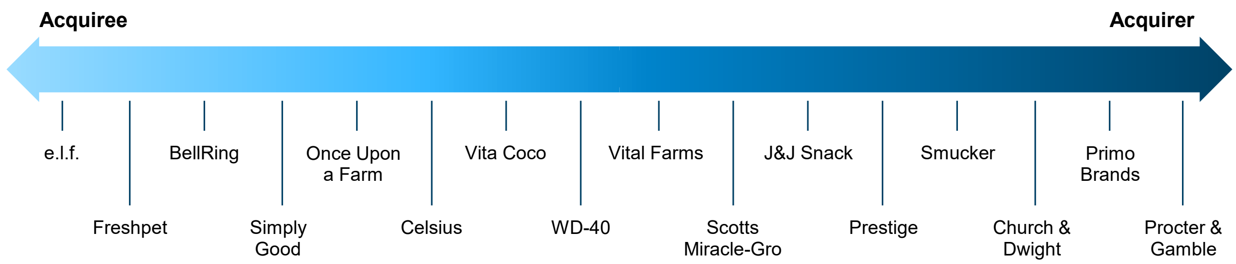
	Strategic				Financial				Operational			
Company	Market Attraction	Portfolio Focus	Brand Equity	Unique Capabilities	Sales Growth	Profit Margin	Cash Flow	Financial Position	Size of Business	Synergy Potential	Integration Ease	Total
BellRing Brands	●	●	◕	◑	◕	◕	◕	◕	◕	◕	●	◕
Celsius	◑	●	◕	◑	●	◕	◕	◑	◑	◕	◑	◕
Church & Dwight	◔	◑	◕	◔	◑	◕	◕	●	◔	◔	○	◑
e.l.f. Beauty	●	●	●	◕	●	●	◕	◕	●	◕	◕	●
Freshpet	●	●	●	●	●	◕	◔	◕	●	◑	◕	◕
J&J Snack	◑	◑	◑	◑	◑	◔	◑	●	◑	◑	◔	◑
Once Upon a Farm	◕	●	●	◕	●	◔	◔	●	◕	◑	●	◕
Prestige	◑	◑	◑	◔	◑	◕	○	◔	◑	◑	◑	◑
Procter & Gamble	◔	◔	◕	◕	◑	◕	◕	◕	○	◔	○	◑
Primo Brands	◔	◑	◑	●	◕	◑	◑	◑	◔	◑	○	◑
Smucker	◔	◑	◕	◑	◑	◕	◕	◑	◕	◔	○	◑
Scotts Miracle-Gro	◕	◕	●	●	◑	◕	◑	◑	◑	◑	◑	◕
Simply Good	◕	◕	◕	◔	◑	◕	◕	●	●	◕	●	◕
Vita Coco	◑	●	◕	◑	●	◑	◑	●	●	◔	◑	◕
Vital Farms	◑	●	◕	◕	◕	◑	◑	◕	●	◑	◑	◕
WD-40	◑	●	◕	◑	◕	◕	◕	◕	◕	◑	◑	◕

Note: ○ Represents minimal acquisition target compatibility ● Represents significant acquisition target compatibility

Source: William Blair Equity Research

The following exhibit helps readers better visualize the likely role a company might play in the M&A continuum as well as the likelihood of being acquired. As discussed earlier, the acquirees (to the left in the exhibit) have greater focus, attractive categories, leading brands, unique capabilities, and solid profitability, financial positions, and balance sheets. The acquirers (to the right) often skew larger and more levered to slower-growth categories or segments but also possess greater financial resources to pursue acquisitions.

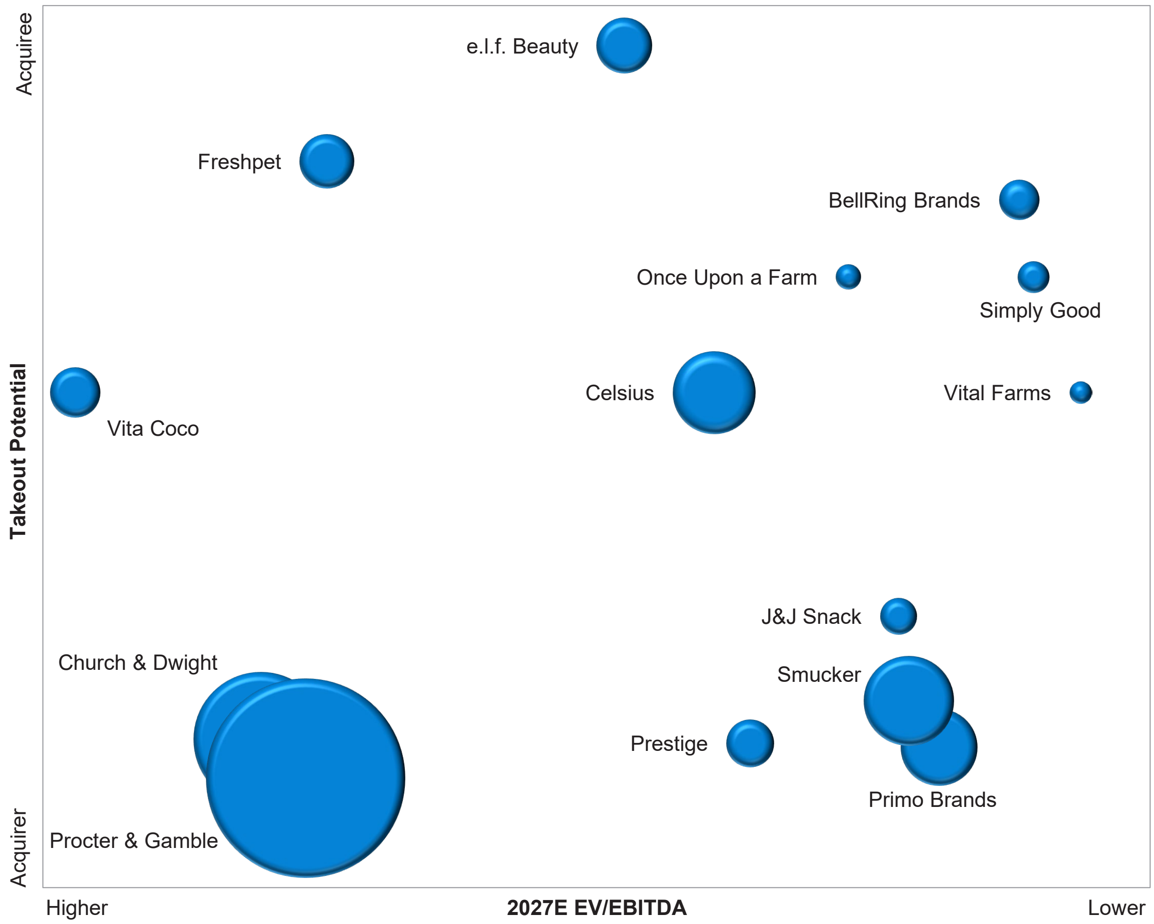
Exhibit 11
Industry Insights
Rationalization (M&A) Participation Spectrum



Source: William Blair Equity Research

In exhibit 12, on the following page, we show our covered companies a matrix to convey takeout potential based on both business attributes and valuation levels. Those names toward the upper-right quadrant are more likely to be takeout candidates, given their rich strategic, financial, and operational attributes and low valuations. Those names toward the lower-left quadrant are less likely to be takeout candidates given their size or complexity and higher valuations.

Exhibit 12
Industry Insights
Rationalization (M&A) Probability Matrix



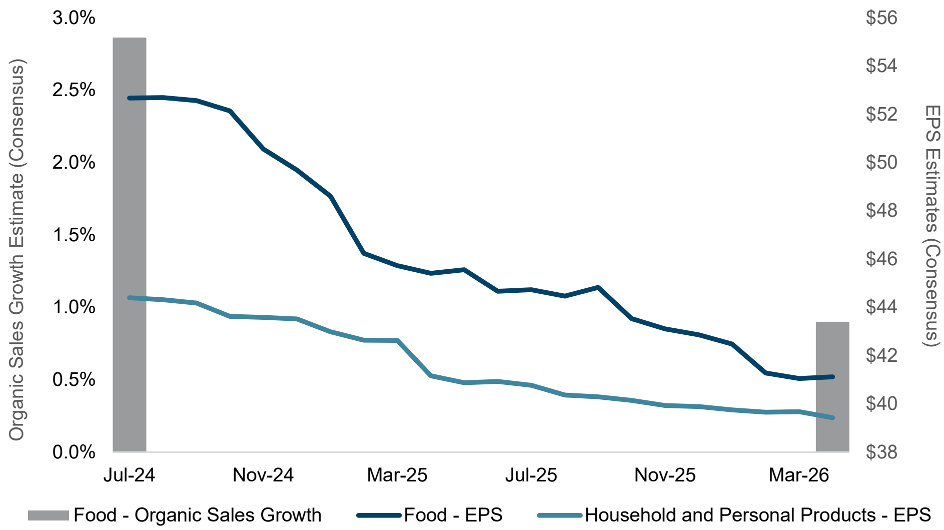
Note: Long-term algorithm EBITDA margin of 18% used to calculate Once Upon a Farm 2027E EV/EBITDA.

Sources: Company reports, FactSet, William Blair Equity Research

Having made our more constructive case for CPG, we acknowledge risks persist and are as diverse and unpredictable as the war in Iran and energy prices, the health of the U.S. consumer, government policy (tariffs), AI's potential to increase unemployment, and rotations (or lack thereof) created by market narratives. Moreover, our point of view is supported, at least in part, by our ability to rely on current earnings estimates. On this latter point, we are encouraged by a reset in expectations, which we believe better reflect sector fundamentals now than they did a couple of years ago.

In early 2024, the consensus organic sales growth rate for a consumer-packaged food group (12 large-cap food companies) was about 3.0%, whereas today it is about 1.0%. In addition, consensus EPS estimates for the food subsector were $54 in April 2024 but had been revised down to $41 as of April 2026. While the 200-basis-point reduction in organic sales growth and 25% reduction in EPS estimates are key contributors to the current bear market in this subsector, these revisions have also lowered the bar for the sector.

Exhibit 13
Industry Insights
Historical Revisions to Financial Expectations



Note: EPS estimates are for S&P 1500 subsectors. Organic sales growth estimates are a 12 large-cap average.
Sources: FactSet and William Blair Equity Research

Before concluding we revisit GLP-1 adoption. KFF estimates that nearly one in eight (12%), or about 33 million, U.S. adults are taking GLP-1s, and of those who are not about 22% indicate interest in taking one. If this latter group of non-users were ultimately to use GLP-1s, there may be as many as 50 million new users over time. Moreover, studies indicated GLP-1 users consume 20% to 25% fewer calories when they are on the drugs. Using this data, we estimate that 50 million new users (consuming fewer calories) within five years could trim 300 basis points (or 60 basis points per year) from consumer-packaged food sales over the next five years. We suggest it is possible that current organic sales growth expectations for food—roughly 1.0% to 1.5% now versus about 3.0% two years ago—better account for this impact. The effect of GLP-1s will not be felt uniformly and should benefit certain categories and foods, such as those higher in protein or fiber. Food companies are also beginning to respond with new products designed to better serve the preferences and nutritional demands of GLP-1 users, perhaps helping to blunt the impact.

The Endgame

Now in the midst a three-year sector bear market in the food and household and personal products sectors, it is tempting to take and assume the intellectual “path of least resistance” in that it will persist in perpetuity. However, historical precedents and plausible catalysts suggest this sector bear will end and that investors could benefit by taking a contrarian, rather than consensus, view and reconsidering the group and individual names. Moreover, with earnings expectations and valuations lower now than at any other time during this sector bear, risk-return relationships are better.

We recommend investors consider fallen angel names, those that despite recent share price declines still possess powerful investment merits given their attractive target categories, leading brand positions, and solid go-to-market capabilities. Important and as noted earlier, BellRing, Simply Good, Vital Farms, and (while newly public) Once Upon a Farm represent a basket with growth and takeout potential. We also endorse back-to-basics ideas—Scotts Miracle-Gro, J&J Snack Foods, and Primo Brands—as idiosyncratic names with meaningful self-care opportunities. True, during consequential periods, the performance of such names could prove more binary, so investors may consider a basket of these names for alpha exposure while mitigating idiosyncratic risk.

We believe investors can afford to take a more patient approach with larger legacy CPG names, as they in aggregate may require more time to turn their fortunes. This latter point is likely due to the presence of legacy brands with hardened consumer perceptions and complex, far-flung operations and legacy systems. Still, pressure is building, and we believe it is a matter of when, not if, this group will benefit from bolder industry moves, whether originated from within or a result of discussed external influences.

Stock Considerations

BellRing Brands
Despite more fluid category conditions, we believe in our thesis that BellRing's convenient nutrition market, top-tier Premier Protein brand, and scalable manufacturing platform should allow it to grow at a pace well above food industry norms. With enterprise value at 6.7x our fiscal 2027 estimate, we remain at Outperform. Risks include category concentration, competition, and input costs.

Celsius
We continue to believe in our thesis that Celsius's energy drink category, trend-right brand portfolio, and operational synergies should allow it to grow at a pace well above beverage industry norms. With enterprise value at 10.5x our 2027 EBITDA estimate, we remain at Outperform. Risks include consumer demand, competition, and acquisition integration.

Church & Dwight
We believe in our thesis that Church & Dwight's balanced portfolio of premium and value-based products in key consumables categories, cash-generative business, and capital allocation optionality support solid shareholder returns. With enterprise value at about 16.2x our 2026 EBITDA estimate, we remain at Outperform. Risks include competition, input and tariff costs, and M&A execution.

E.l.f. Beauty
We believe in our thesis that e.l.f. Beauty's distinctive value proposition and go-to-market capabilities will enable it to further its pursuit of becoming a global leader in beauty. With enterprise value at 11.6x our calendar 2026 EBITDA estimate, we reiterate our Outperform rating. Risks include consumer demand, competition, tariffs, and acquisition integration.

Freshpet
While consumer and competitive dynamics impact near-term visibility, we believe in our thesis that Freshpet will maintain a strong leadership position in a fast-growing (fresh) segment of the dog food category. With its enterprise value at 15.4 times our 2027 EBITDA estimate, we reiterate our Outperform rating. Risks include consumer demand, competitive entry, and operational execution.

J&J Snack Foods
While transformation programs typically do not proceed in linear fashion, we believe in our thesis that J&J Snack Foods' broad portfolio of leading snack food brands, channels, and customers, coupled with Project Apollo, supports an attractive long-term shareholder return opportunity. With enterprise value at about 8.2 times our fiscal 2027 EBITDA estimate, we remain at Outperform. Risks include consumer demand, competition, and execution.

J.M. Smucker
While the macro environment is dynamic and evolving, we believe in our thesis that Smucker's diversified portfolio of center-of-store categories and brands, coupled with disciplined cost management and operations execution, supports a shareholder return opportunity in line with the broader market. With enterprise value at 8.1 times our calendar EBITDA 2026 estimate, we remain at Market Perform. Risks include competition, input costs, and acquisition integration.

Kenvue
Kenvue agreed to be acquired by Kimberly-Clark in early November 2025. The transaction is expected to close in the second half of 2026. We believe in our thesis that Kenvue's focus on a product portfolio of leading consumer healthcare brands, coupled with cost savings and demand generation investments, supports balanced growth. With its acquisition pending, we maintain our Market Perform rating. Risks include adapting to consumer preferences, competition, and global execution.

Once Upon a Farm
We view Once Upon a Farm as a trusted parent-ally brand underpinned by differentiated products, impactful marketing and merchandising, and an agile scalable supply chain, and believe in our thesis that it is a next-generation brand that will garner substantial incremental household penetration and market share in childhood nutrition. With the stock trading at an enterprise value of about 1.6 times our 2027 sales estimate, we reaffirm our Outperform rating. Risks include consumer demand, competition, and operational execution.

Prestige Consumer Healthcare
We continue to believe in our thesis that Prestige's diversified portfolio of consumer healthcare brands and asset-light, cash-generative business model support solid long-term shareholder returns. With shares at about 12.1 times our calendar 2026 EPS estimate, we maintain our Outperform rating. Risks include competition, supply chain execution, and acquisition integration.

Procter & Gamble
Despite a generally uncertain consumer and geopolitical environment, we believe in our thesis that Procter & Gamble's focus on a product portfolio of daily-use categories, superiority, and productivity supports balanced growth. With shares at 20.6 times our 2026 EPS estimate, our rating is Market Perform. Risks include macro conditions, commodity costs, and geopolitical conditions.

Primo Brands
Despite recent integration challenges, we believe in our thesis that Primo Brands' position as a top provider of healthy hydration solutions, portfolio of leadership brands, holistic go-to-market model, and scale and national footprint support attractive long-term shareholder returns. With shares trading at 7.7 times our 2027 EBITDA estimate, we remain at Outperform. Risks include substitutes, competition, and merger integration.

Scotts Miracle-Gro
We believe in our thesis that Scotts operates with a wide a moat in the attractive North American lawn and garden market, given its superior brands and distinctive capabilities. With shares at 10.2 times fiscal 2027 EPS, we reiterate our Outperform rating. Risks include consumer demand, weather dependence, and input costs.

Simply Good Foods
While current consumer and competitive dynamics impact near-term visibility, we believe in our thesis that Simply Good's target purposeful nutrition (snacking) market; on-trend brands (notably the $1 billion brand Quest); renewed commitment and plans to drive focus, productivity, and execution; and asset-light cash-generative model can support solid absolute sales grow, margins, and

free cash flow over time. With enterprise value at 6.5x our fiscal 2027 EBITDA estimate, we remain at Outperform. Risks include competition, dietary preference changes, commodity cost dynamics, and acquisition integration.

SunOpta
SunOpta agreed to be acquired by Refresco in early February 2026. The transaction is expected to close in the second quarter of 2026. With the discount to the agreed-upon acquisition price now less than 1% and the deal expected to close over the next few months, our rating remains Market Perform. Risks are now related to the probability of the transaction closing under the specified terms.

Vita Coco
We believe in our thesis that Vita Coco's category, leading brand, and supply chain should allow it to grow at a pace above beverage industry norms. With enterprise value at 18.6 times our 2027 EBITDA estimate, we remain at Market Perform. Risks are category concentration, competition, and supply chain complexity.

Vital Farms
We believe in our thesis that Vital Farms' trusted brand and distinctive capabilities will trend sales toward $2 billion with mid- to upper-teens EBITDA margin over the long term. With enterprise value 5.9 times our 2027 EBITDA estimate, we maintain our Outperform rating. Risks include category concentration, competition, and input costs.

WD-40
The current enterprise valuation is 25.2 times our 2027 EBITDA estimate, a multiple we see as warranted given the company's durable organic growth (above the rate of most household product companies), profitability characterized by earnings growth ahead of sales, reliable free cash flow generation, and disciplined deployment of capital to maintain a healthy balance sheet with return of cash to shareholders in the form of both dividends and share repurchases. We maintain our Outperform rating. Risks include macro conditions, input costs, and execution.

Exhibit 14
Industry Insights
BellRing Brands - Earnings Model

	2024	2025	1Q26 Dec-25	2Q26E Mar-26	3Q26E Jun-26	4Q26E Sep-26	2026E	2027E
Income Statement								
Total sales	**$1,996.2**	**$2,316.6**	**$537.3**	**$605.6**	**$577.6**	**$689.4**	**$2,410.0**	**$2,555.0**
Cost of goods sold	1,294.2	1,531.0	376.5	430.6	389.9	468.0	1,665.0	1,744.8
Gross profit	702.0	785.6	160.8	175.0	187.7	221.4	744.9	810.2
Selling, general, and administrative expenses	284.8	328.4	76.7	102.4	80.9	84.9	344.9	365.6
Amortization of intangible assets	35.0	17.0	4.3	4.3	4.3	4.3	17.2	17.1
Other operating expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating income	**$382.2**	**$440.2**	**$79.8**	**$68.4**	**$102.6**	**$132.1**	**$382.8**	**$427.5**
Interest expense	58.3	68.4	20.6	21.5	21.0	20.5	83.6	81.2
Other expense (income)	(17.4)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pretax income	341.3	371.8	59.2	46.9	81.6	111.6	299.2	346.3
Income taxes	85.8	92.7	15.1	11.9	20.8	28.4	76.2	88.9
Net income including noncontrolling interest	255.5	279.1	44.1	34.9	60.8	83.2	223.1	257.4
Noncontrolling interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income (Non-GAAP)	255.5	279.1	44.1	34.9	60.8	83.2	223.1	257.4
Diluted shares outstanding	132.3	128.5	119.9	118.4	116.9	115.4	117.7	114.2
EPS	**$1.93**	**$2.17**	**$0.37**	**$0.30**	**$0.52**	**$0.72**	**$1.90**	**$2.25**
EBITDA	**$440.2**	**$482.1**	**$90.3**	**$78.9**	**$113.1**	**$142.7**	**$425.0**	**$470.0**
Margin analysis								
Gross margin	35.2%	33.9%	29.9%	28.9%	32.5%	32.1%	30.9%	31.7%
Selling, general, and administrative expenses	14.3%	14.2%	14.3%	16.9%	14.0%	12.3%	14.3%	14.3%
Other expense (income)	1.8%	0.7%	0.8%	0.7%	0.7%	0.6%	0.7%	0.7%
Operating income	19.1%	19.0%	14.9%	11.3%	17.8%	19.2%	15.9%	16.7%
Tax rate	25.1%	24.9%	25.5%	25.5%	25.5%	25.5%	25.5%	25.7%
EBITDA	**22.1%**	**20.8%**	**16.8%**	**13.0%**	**19.6%**	**20.7%**	**17.6%**	**18.4%**
Year-over-year comparison								
Total sales	**19.8%**	**16.1%**	**0.8%**	**3.0%**	**5.5%**	**6.4%**	**4.0%**	**6.0%**
Gross profit	32.4%	11.9%	-18.8%	-13.7%	-2.4%	15.1%	-5.2%	8.8%
Selling, general, and administrative expenses	36.9%	15.3%	-3.5%	13.5%	3.9%	5.0%	5.0%	6.0%
Amortization of intangible assets	79.5%	-51.4%	2.4%	2.4%	-0.6%	0.8%	1.2%	-0.5%
Operating income	26.3%	15.2%	-30.2%	-36.9%	-7.0%	23.2%	-13.0%	11.7%
EPS	**40.4%**	**12.5%**	**-36.7%**	**-44.2%**	**-5.9%**	**42.5%**	**-12.7%**	**18.9%**
EBITDA	**30.1%**	**9.5%**	**-27.9%**	**-33.5%**	**-6.0%**	**21.1%**	**-11.8%**	**10.6%**

Note: figures are adjusted to represent operating earnings.
Sources: Company reports and William Blair Equity Research

Exhibit 15
Industry Insights
Celsius - Earnings Model

	2024	2025	1Q26E Mar-26	2Q26E Jun-26	3Q26E Sep-26	4Q26E Dec-26	2026E	2027E
Income Statement								
Total sales	**$1,355.6**	**$2,515.3**	**$765.5**	**$900.9**	**$876.7**	**$841.9**	**$3,385.0**	**$3,640.0**
Cost of goods sold	675.4	1,225.5	398.0	464.0	442.7	421.6	1,726.3	1,801.8
Gross profit	680.2	1,289.8	367.4	436.9	433.9	420.3	1,658.6	1,838.2
Selling, general, and administrative	464.5	738.8	233.5	261.3	256.0	247.8	998.6	1,045.2
Operating income	**$215.7**	**$551.0**	**$134.0**	**$175.7**	**$178.0**	**$172.5**	**$660.1**	**$793.0**
Interest expense	(39.3)	27.9	1.5	0.5	(0.6)	(1.2)	0.3	(11.8)
Other expense (income)	(1.8)	(11.9)	0.0	0.0	0.0	0.0	0.0	0.0
Foreign exchange loss (gain)	1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pretax income	255.0	535.0	132.5	175.2	178.5	173.6	659.8	804.8
Income taxes	52.2	152.1	33.1	43.8	44.6	43.4	164.9	201.6
Net income	165.2	338.7	91.8	123.9	126.4	122.7	464.8	581.2
Diluted shares outstanding	237.4	253.2	257.8	257.8	257.8	257.8	257.8	257.8
EPS	**$0.70**	**$1.34**	**$0.36**	**$0.48**	**$0.49**	**$0.48**	**$1.80**	**$2.25**
EBITDA	**$255.7**	**$619.6**	**$151.2**	**$193.1**	**$195.6**	**$190.1**	**$730.0**	**$825.0**
Margin analysis								
Gross margin	50.2%	51.3%	48.0%	48.5%	49.5%	49.9%	49.0%	50.5%
Selling, general, & administrative	34.3%	29.4%	30.5%	29.0%	29.2%	29.4%	29.5%	28.7%
Operating income	15.9%	21.9%	17.5%	19.5%	20.3%	20.5%	19.5%	21.8%
Tax rate	20.5%	28.4%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
EBITDA	**18.9%**	**24.6%**	**19.8%**	**21.4%**	**22.3%**	**22.6%**	**21.6%**	**22.7%**
Year-over-year comparison								
Total sales	**2.9%**	**85.5%**	**132.5%**	**21.9%**	**20.9%**	**16.7%**	**34.6%**	**7.5%**
Gross profit	7.4%	89.6%	113.2%	8.5%	16.3%	22.9%	28.6%	10.8%
Other expense (income)	26.6%	59.1%	109.9%	25.9%	34.6%	7.9%	35.2%	4.7%
Operating income	-19.0%	155.5%	119.1%	-9.9%	-2.6%	53.9%	19.8%	20.1%
EPS	**-9.4%**	**92.2%**	**99.3%**	**2.7%**	**16.6%**	**85.3%**	**34.8%**	**25.0%**
EBITDA	**-13.5%**	**142.3%**	**117.0%**	**-8.2%**	**-4.9%**	**41.8%**	**17.8%**	**13.0%**

Note: figures are adjusted to represent operating earnings.
Sources: Company reports and William Blair Equity Research

Exhibit 16
Industry Insights
Church & Dwight - Earnings Model

	2024	2025	1Q26E Mar-26	2Q26E Jun-26	3Q26E Sep-26	4Q26E Dec-26	2026E	2027E
Income Statement								
Consumer domestic	4,732.3	4,774.8	1,097.0	1,133.3	1,170.9	1,230.3	4,631.6	4,725.8
Household products	2,584.3	2,556.9	571.9	637.0	633.8	791.0	2,633.6	2,712.6
Personal care products	2,148.0	2,217.9	525.2	496.3	537.1	439.3	1,997.9	2,013.1
Consumer international	1,071.5	1,129.4	284.2	297.6	305.8	323.2	1,210.7	1,283.4
Specialty products	303.3	299.0	78.4	77.6	79.6	78.4	314.0	329.6
Total sales	**$6,107.1**	**$6,203.2**	**$1,459.6**	**$1,508.5**	**$1,556.3**	**$1,631.8**	**$6,156.2**	**$6,338.8**
Cost of goods sold	3,348.7	3,401.5	792.7	818.8	841.0	876.8	3,329.3	3,418.5
Gross profit	2,758.4	2,801.7	666.9	689.7	715.3	755.1	2,826.9	2,920.3
Marketing expenses	698.1	708.9	144.5	161.4	180.5	211.1	697.5	718.2
Selling, general, and administrative	907.4	921.7	226.2	214.2	236.6	246.4	923.4	947.6
Operating income	$1,152.9	$1,171.1	$296.2	$314.1	$298.2	$297.6	$1,206.0	$1,254.4
Interest expense, net	59.9	70.1	20.5	19.5	18.0	17.0	75.0	56.8
Other expense (income), net	(10.3)	(7.9)	(2.0)	(2.0)	(2.0)	(2.0)	(8.0)	(8.6)
Pretax income	1,103.3	1,108.9	277.7	296.6	282.2	282.6	1,139.0	1,206.3
Income taxes	255.2	247.0	58.3	64.4	61.2	61.3	245.2	259.4
Net income	848.1	861.9	219.3	232.2	220.9	221.3	893.8	946.9
Diluted shares outstanding	246.9	244.3	238.8	238.5	238.1	237.8	238.3	237.0
EPS	**$3.44**	**$3.53**	**$0.92**	**$0.97**	**$0.93**	**$0.93**	**$3.75**	**$4.00**
EBITDA	**$1,392.0**	**$1,418.5**	**$362.0**	**$379.7**	**$364.0**	**$363.4**	**$1,469.1**	**$1,517.8**
Margin analysis								
Gross margin	45.2%	45.2%	45.7%	45.7%	46.0%	46.3%	45.9%	46.1%
Marketing expenses	11.4%	11.4%	9.9%	10.7%	11.6%	12.9%	11.3%	11.3%
Selling, general, and administrative	14.9%	14.9%	15.5%	14.2%	15.2%	15.1%	15.0%	15.0%
Operating income	18.9%	18.9%	20.3%	20.8%	19.2%	18.2%	19.6%	19.8%
Tax rate	23.1%	22.3%	21.0%	21.7%	21.7%	21.7%	21.5%	21.5%
EBITDA	**22.8%**	**22.9%**	**24.8%**	**25.2%**	**23.4%**	**22.3%**	**23.9%**	**23.9%**
Year-over-year comparison								
Consumer domestic	3.5%	0.9%	-2.9%	-1.8%	-4.0%	-3.2%	-3.0%	2.0%
Household products	4.0%	-1.1%	-7.0%	-2.0%	-2.0%	22.6%	3.0%	3.0%
Personal care products	2.9%	3.3%	2.0%	-1.5%	-6.3%	-29.8%	-9.9%	0.8%
Consumer international	9.8%	5.4%	8.5%	7.2%	5.4%	7.8%	7.2%	6.0%
Specialty products	-5.5%	-1.4%	4.0%	4.0%	5.0%	7.0%	5.0%	5.0%
Total sales	**4.1%**	**1.6%**	**-0.5%**	**0.1%**	**-1.8%**	**-0.8%**	**-0.8%**	**3.0%**
Gross profit	6.6%	1.6%	0.8%	1.8%	0.1%	0.9%	0.9%	3.3%
Marketing expenses	8.9%	1.5%	5.8%	2.7%	-11.0%	-0.6%	-1.6%	3.0%
Selling, general, and administrative	5.4%	1.6%	1.7%	4.8%	-1.8%	-3.0%	0.2%	2.6%
Operating income	6.1%	1.6%	-2.1%	-0.6%	10.2%	5.5%	3.0%	4.0%
EPS	**8.2%**	**2.7%**	**0.9%**	**3.3%**	**14.2%**	**8.1%**	**6.3%**	**6.5%**
EBITDA	**6.1%**	**1.9%**	**-0.4%**	**1.9%**	**8.8%**	**4.4%**	**3.6%**	**3.3%**

Note: figures are adjusted to represent operating earnings.
Sources: Company reports and William Blair Equity Research

Exhibit 17
Industry Insights
E.l.f. Beauty - Earnings Model

	2024	2025	1Q26 Jun-25	2Q26 Sep-25	3Q26 Dec-25	4Q26E Mar-26	2026E	2027E
Income Statement								
Total sales	**$1,023.9**	**$1,313.5**	**$353.7**	**$343.9**	**$489.5**	**$412.8**	**$1,600.0**	**$1,835.0**
Cost of goods sold	299.8	377.8	109.2	105.1	142.0	121.5	477.8	538.8
Gross profit	724.1	935.7	244.5	238.9	347.5	291.3	1,122.2	1,296.3
Selling, general and administrative	526.4	690.9	177.3	193.2	249.2	271.6	891.4	1,019.5
Operating income	$197.7	$244.8	$67.2	$45.6	$98.3	$19.7	$230.9	$276.7
Interest expense	7.0	13.8	2.6	9.2	12.4	12.3	36.4	43.2
Other expense (income)	(1.2)	(1.3)	(5.0)	1.9	1.3	0.0	(1.8)	0.0
Pretax income	191.9	232.3	69.6	34.6	84.6	7.4	196.3	233.5
Income taxes	23.8	52.1	22.6	3.5	22.1	1.9	50.1	58.8
Net income	168.1	180.2	47.0	31.1	62.5	5.6	146.2	174.7
Diluted shares outstanding	57.8	58.3	57.7	59.6	60.2	60.2	59.4	60.2
EPS	**$3.18**	**$3.39**	**$0.89**	**$0.68**	**$1.24**	**$0.24**	**$3.05**	**$3.50**
EBITDA	**$234.7**	**$296.8**	**$87.1**	**$66.2**	**$123.0**	**$46.6**	**$323.0**	**$385.0**
Margin analysis								
Gross margin	70.7%	71.2%	69.1%	69.4%	71.0%	70.6%	70.1%	70.6%
Selling, general and administrative	51.4%	52.6%	50.1%	56.2%	50.9%	65.8%	55.7%	55.6%
Operating income	**19.3%**	**18.6%**	**19.0%**	**13.3%**	**20.1%**	**4.8%**	**14.4%**	**15.1%**
Tax rate	12.4%	22.4%	32.5%	10.1%	26.1%	25.0%	25.5%	25.2%
EBITDA	**22.9%**	**22.6%**	**24.6%**	**19.3%**	**25.1%**	**11.3%**	**20.2%**	**21.0%**
Year-over-year comparison								
Total sales	**76.9%**	**28.3%**	**9.0%**	**14.2%**	**37.8%**	**24.1%**	**21.8%**	**14.7%**
Gross profit	85.5%	29.2%	5.7%	11.6%	37.2%	22.9%	19.9%	15.5%
Selling, general and administrative	79.5%	31.2%	7.8%	20.6%	29.2%	56.7%	29.0%	14.4%
Operating income	103.5%	23.8%	0.5%	-15.2%	62.6%	-69.0%	-5.7%	19.9%
EPS	**91.7%**	**6.5%**	**-19.0%**	**-11.6%**	**67.8%**	**-68.8%**	**-10.0%**	**14.8%**
EBITDA	**101.0%**	**26.5%**	**12.4%**	**-4.5%**	**79.0%**	**-42.7%**	**8.8%**	**19.2%**

Note: figures are adjusted to represent operating earnings.
Sources: Company reports and William Blair Equity Research

Exhibit 18
Industry Insights
Freshpet - Earnings Model

	2024	2025	1Q26E Mar-26	2Q26E Jun-26	3Q26E Sep-26	4Q26E Dec-26	2026E	2027E
Income Statement								
Total sales	**$975.2**	**$1,102.0**	**$286.4**	**$285.3**	**$308.5**	**$309.9**	**$1,190.2**	**$1,273.5**
Cost of goods sold	521.7	586.9	154.4	149.4	164.1	159.9	627.8	662.2
Gross profit	453.5	515.2	132.0	136.0	144.3	150.1	562.4	611.3
Selling, general and administrative	291.6	319.4	94.5	90.7	84.2	82.9	352.4	366.2
Operating income	$161.9	$195.7	$37.5	$45.2	$60.1	$67.2	$210.0	$245.0
Interest expense, net	0.4	4.9	1.1	1.1	1.0	1.0	4.2	2.0
Other expense (income)	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pretax income	161.4	190.8	36.4	44.1	59.1	66.2	205.9	243.0
Income taxes	0.6	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	160.8	190.8	36.4	44.1	59.1	66.2	205.9	243.0
Diluted shares outstanding	50.3	56.0	55.9	55.9	55.9	55.9	55.9	55.9
EPS	**$3.20**	**$3.41**	**$0.65**	**$0.79**	**$1.06**	**$1.18**	**$3.68**	**$4.35**
EBITDA	**$161.8**	**$195.7**	**$37.5**	**$45.2**	**$60.1**	**$67.2**	**$210.0**	**$245.0**
Margin analysis								
Gross margin	46.5%	46.7%	46.1%	47.7%	46.8%	48.4%	47.3%	48.0%
Selling, general and administrative	29.9%	29.0%	33.0%	31.8%	27.3%	26.7%	29.6%	28.8%
Operating income	16.6%	17.8%	13.1%	15.9%	19.5%	21.7%	17.6%	19.2%
Tax rate	0.4%	(0.0)%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBITDA	**16.6%**	**17.8%**	**13.1%**	**15.9%**	**19.5%**	**21.7%**	**17.6%**	**19.2%**
Year-over-year change								
Total sales	**27.2%**	**13.0%**	**8.8%**	**7.8%**	**6.8%**	**8.7%**	**8.0%**	**7.0%**
Gross profit	47.9%	13.6%	9.8%	9.6%	8.7%	8.7%	9.2%	8.7%
Selling, general and administrative	21.5%	9.6%	11.6%	14.0%	7.7%	7.8%	10.3%	3.9%
Operating income	143.3%	20.9%	5.4%	1.8%	10.1%	9.9%	7.3%	16.7%
EPS	**136.2%**	**6.4%**	**-7.5%**	**-7.7%**	**10.7%**	**10.1%**	**8.2%**	**18.1%**
EBITDA	**143.2%**	**20.9%**	**5.4%**	**1.8%**	**10.1%**	**9.9%**	**7.3%**	**16.7%**

Note: figures are adjusted to represent operating earnings.

Sources: Company reports and William Blair Equity Research

Exhibit 19
Industry Insights
J&J Snack Foods - Earnings Model

	2024	2025	1Q26 Dec-25	2Q26E Mar-26	3Q26E Jun-26	4Q26E Sep-26	2026E	2027E
Income Statement								
Food Service	985.2	1,001.4	219.2	214.8	271.6	256.1	961.6	971.2
Retail Supermarket	221.3	213.8	45.9	52.8	65.1	53.5	217.3	219.4
Frozen Beverages	368.3	368.1	78.7	77.5	113.3	106.7	376.2	389.3
Total sales	**$1,574.8**	**$1,583.2**	**$343.8**	**$345.0**	**$450.0**	**$416.2**	**$1,555.0**	**$1,580.0**
Cost of goods sold	1,088.4	1,113.4	247.8	247.7	301.2	283.7	1,080.4	1,094.1
Gross profit	486.3	469.9	96.0	97.3	148.9	132.5	474.7	485.9
Marketing	116.3	121.0	31.0	29.3	33.8	33.4	127.5	129.6
Distribution	170.3	168.3	38.1	40.1	43.4	42.0	163.6	162.3
Administrative	69.8	73.0	18.9	18.4	18.0	18.0	73.2	74.6
Other expense (income)	(0.6)	(0.7)	0.1	0.0	0.0	0.0	0.1	0.0
Operating income	**$130.4**	**$108.2**	**$8.0**	**$9.4**	**$53.7**	**$39.1**	**$110.2**	**$119.5**
Interest expense	1.8	1.5	0.1	0.1	0.1	0.1	0.6	0.4
Other expense (income)	(3.2)	(3.6)	(0.7)	(0.7)	(0.7)	(0.7)	(2.8)	(3.0)
Pretax income	131.8	110.3	8.5	10.0	54.3	39.7	112.5	122.1
Income taxes	35.9	27.1	2.1	2.6	13.9	10.2	28.8	32.0
Net income	96.0	83.2	6.4	7.4	40.3	29.5	83.6	90.1
Diluted shares outstanding	19.4	19.5	19.3	19.3	19.2	19.1	19.2	19.0
EPS	**$4.93**	**$4.27**	**$0.33**	**$0.39**	**$2.10**	**$1.54**	**$4.35**	**$4.75**
EBITDA	**$200.1**	**$180.9**	**$27.0**	**$28.0**	**$72.3**	**$57.7**	**$185.0**	**$195.0**
Margin analysis								
Gross margin	30.9%	29.7%	27.9%	28.2%	33.1%	31.8%	30.5%	30.8%
Marketing	7.4%	7.6%	9.0%	8.5%	7.5%	8.0%	8.2%	8.2%
Distribution	10.8%	10.6%	11.1%	11.6%	9.7%	10.1%	10.5%	10.3%
Administrative	4.4%	4.6%	5.5%	5.3%	4.0%	4.3%	4.7%	4.7%
Other expense (income)	(0.0)%	(0.0)%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Operating income	8.3%	6.8%	2.3%	2.7%	11.9%	9.4%	7.1%	7.6%
Tax rate	27.2%	24.6%	25.0%	25.7%	25.7%	25.7%	25.6%	26.2%
EBITDA	**12.7%**	**11.4%**	**7.9%**	**8.1%**	**16.1%**	**13.9%**	**11.9%**	**12.3%**
Year-over-year comparison								
Food Service	0.3%	1.6%	-8.3%	-5.0%	-2.0%	-1.2%	-4.0%	1.0%
Retail Supermarket	2.7%	-3.4%	2.6%	-2.0%	2.0%	4.1%	1.6%	1.0%
Frozen Beverages	1.9%	-0.1%	-0.3%	1.7%	0.0%	7.1%	2.2%	3.5%
Total sales	**1.0%**	**0.5%**	**-5.2%**	**-3.1%**	**-0.9%**	**1.5%**	**-1.8%**	**1.6%**
Gross profit	3.5%	-3.4%	2.2%	1.7%	-0.8%	1.7%	1.0%	2.4%
Marketing	7.8%	4.1%	10.7%	5.5%	1.8%	4.2%	5.3%	1.6%
Distribution	-0.4%	-1.2%	-3.9%	-4.1%	-2.8%	-0.5%	-2.8%	-0.8%
Administrative	1.5%	4.6%	6.9%	-0.2%	-4.1%	-1.2%	0.3%	1.8%
Other expense (income)	-132.1%	NM	-72.9%	NM	-100.0%	-86.5%	NM	-100.0%
Operating income	8.5%	-17.1%	-2.4%	6.2%	0.5%	3.6%	1.8%	8.5%
EPS	**9.5%**	**-13.4%**	**-1.0%**	**9.8%**	**5.3%**	**-2.3%**	**1.8%**	**9.1%**
EBITDA	**10.2%**	**-9.6%**	**7.0%**	**7.1%**	**0.3%**	**0.5%**	**2.3%**	**5.4%**

Note: figures are adjusted to represent operating earnings.
Sources: Company reports and William Blair Equity Research

Exhibit 20
Industry Insights
Kenvue - Earnings Model

	2024	2025	1Q26E Mar-26	2Q26E Jun-26	3Q26E Sep-26	4Q26E Dec-26	2026E	2027E
Income Statement								
Self Care	6,527.0	6,378.0	1,678.7	1,614.1	1,621.9	1,622.8	6,537.5	6,700.9
Skin, health, & beauty	4,240.0	4,114.0	1,016.1	1,085.5	1,058.8	1,036.0	4,196.3	4,280.2
Essential health	4,688.0	4,632.0	1,135.4	1,280.1	1,191.1	1,162.7	4,769.3	4,912.4
Total sales	**$15,455.0**	**$15,124.0**	**$3,830.1**	**$3,979.7**	**$3,871.7**	**$3,821.5**	**$15,503.0**	**$15,893.5**
Cost of goods sold	6,127.0	6,012.0	1,532.1	1,552.1	1,490.6	1,564.5	6,139.2	6,262.0
Gross profit	9,328.0	9,112.0	2,298.1	2,427.6	2,381.1	2,257.0	9,363.8	9,631.4
Selling, general, and administrative	5,844.0	5,979.0	1,532.1	1,532.2	1,521.6	1,461.1	6,047.0	6,214.3
Other operating expenses	156.0	(40.0)	0.0	0.0	0.0	0.0	0.0	0.0
Operating income	$3,328.0	$3,173.0	$766.0	$895.4	$859.5	$795.9	$3,316.9	$3,417.1
Interest expense	378.0	379.0	93.0	91.0	90.0	89.0	363.0	338.0
Other expense (income)	(3.0)	36.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortization	269.0	257.0	64.0	64.0	64.0	64.0	256.0	256.0
Pretax income	3,222.0	3,015.0	737.0	868.4	833.5	770.9	3,209.9	3,335.1
Income taxes	754.0	682.0	168.3	201.1	192.4	176.7	738.5	769.8
Net income	2,199.0	2,076.0	504.8	603.3	577.1	530.2	2,215.4	2,309.3
Diluted shares outstanding	1,923.0	1,924.0	1,920.0	1,920.0	1,920.0	1,920.0	1,920.0	1,920.0
EPS	**$1.14**	**$1.08**	**$0.26**	**$0.31**	**$0.30**	**$0.28**	**$1.15**	**$1.20**
EBITDA	**$3,660.0**	**$3,437.0**	**$843.1**	**$972.4**	**$936.6**	**$872.9**	**$3,625.0**	**$3,725.1**
Margin analysis								
Gross margin	60.4%	60.2%	60.0%	61.0%	61.5%	59.1%	60.4%	60.6%
Selling, general, and administrative	37.8%	39.5%	40.0%	38.5%	39.3%	38.2%	39.0%	39.1%
Other operating expenses	1.0%	(0.3)%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Operating income	21.5%	21.0%	20.0%	22.5%	22.2%	20.8%	21.4%	21.5%
Tax rate	23.4%	22.6%	22.8%	23.2%	23.1%	22.9%	23.0%	23.1%
EBITDA	**23.7%**	**22.7%**	**22.0%**	**24.4%**	**24.2%**	**22.8%**	**23.4%**	**23.4%**
Year-over-year comparison								
Self Care	1.2%	-2.3%	0.7%	3.8%	3.7%	1.9%	2.5%	2.5%
Skin, health, & beauty	-3.2%	-3.0%	4.0%	2.5%	2.0%	-0.4%	2.0%	2.0%
Essential health	1.6%	-1.2%	3.5%	4.5%	2.5%	1.3%	3.0%	3.0%
Total sales	**0.1%**	**-2.1%**	**2.4%**	**3.7%**	**2.9%**	**1.1%**	**2.5%**	**2.5%**
Gross profit	3.4%	-2.3%	2.4%	3.8%	3.3%	1.5%	2.8%	2.9%
Selling, general, and administrative	3.8%	2.3%	2.1%	3.6%	1.6%	-2.7%	1.1%	2.8%
Other operating expenses	NM	-125.6%	-100.0%	NM	NM	NM	NM	NM
Operating income	-3.7%	-4.7%	3.4%	2.9%	6.0%	6.0%	4.5%	3.0%
EPS	**-11.2%**	**-5.6%**	**8.8%**	**8.2%**	**7.4%**	**3.3%**	**6.9%**	**4.2%**
EBITDA	**-1.0%**	**-6.1%**	**4.3%**	**3.7%**	**6.9%**	**7.1%**	**5.5%**	**2.8%**

Note: figures are adjusted to represent operating earnings.
Sources: Company reports and William Blair Equity Research

Exhibit 21
Industry Insights
Once Upon a Farm - Earnings Model

	2024	2025	1Q26E Mar-26	2Q26E Jun-26	3Q26E Sep-26	4Q26E Dec-26	2026E	2027E
Income Statement								
Kid	104.9	139.3	38.0	41.0	42.5	40.4	162.0	211.5
Baby	51.9	101.4	26.4	32.4	39.9	41.8	140.4	197.9
Total Sales	**$ 156.8**	**$ 240.7**	**$ 64.4**	**$ 73.4**	**$ 82.4**	**$ 82.3**	**$ 302.4**	**$ 409.4**
Cost of goods sold	88.5	138.8	38.1	46.0	49.6	44.5	178.2	229.7
Gross profit	68.3	101.9	26.3	27.4	32.8	37.8	124.3	179.7
Logistics	10.6	13.3	3.5	4.3	3.9	3.5	15.3	20.9
SG&A	64.0	92.1	32.1	27.5	27.1	26.2	112.9	141.3
Other operating expenses	0.0	2.6	9.1	0.0	0.0	(0.0)	9.1	0.0
Operating income	(6.3)	(5.7)	(18.4)	(4.4)	1.7	8.1	(13.0)	17.5
Interest expense	0.7	2.4	(0.7)	(1.0)	(1.0)	(1.1)	(3.8)	(4.4)
Other expense (income)	16.7	9.1	0.0	0.0	0.0	0.0	0.0	0.0
Pretax income	(23.8)	(17.2)	(17.7)	(3.4)	2.7	9.1	(9.3)	21.9
Income taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.9
Net income (non-GAAP)	(23.8)	(17.2)	(17.7)	(3.4)	2.7	9.1	(9.3)	21.0
Diluted shares outstanding	46.7	46.7	51.8	51.8	51.8	51.8	51.8	51.8
EPS	**($0.51)**	**($0.37)**	**($0.34)**	**($0.07)**	**$0.05**	**$0.18**	**($0.18)**	**$0.41**
EBITDA	**($3.7)**	**$2.1**	**($7.8)**	**($2.8)**	**$3.4**	**$9.8**	**$2.5**	**$25.0**
Margin analysis								
Gross margin	43.6%	42.3%	40.8%	37.3%	39.8%	45.9%	41.1%	43.9%
Logistics								
SG&A	40.8%	38.3%	49.8%	37.4%	32.9%	31.9%	37.3%	34.5%
Other operating expenses	0.0%	1.1%	14.1%	0.0%	0.0%	(0.0)%	3.0%	0.0%
Operating income	(4.0)%	(2.4)%	(28.6)%	(6.0)%	2.1%	9.8%	(4.3)%	4.3%
Tax rate	(0.2)%	(0.0)%	0.0%	0.0%	0.0%	0.0%	0.0%	4.2%
EBITDA	**(2.3)%**	**0.9%**	**(12.1)%**	**(3.8)%**	**4.1%**	**11.9%**	**0.8%**	**6.1%**
Year-over-year comparison								
Total Sales	66.3%	53.5%	27.3%	22.3%	24.8%	28.5%	25.7%	35.3%
Kid	50.3%	32.9%	17.4%	13.7%	17.7%	16.4%	16.3%	30.5%
Baby	111.7%	95.1%	44.8%	35.2%	33.3%	42.8%	38.6%	40.9%
Gross profit	76.2%	49.1%	37.5%	12.1%	18.1%	23.6%	22.0%	44.6%
Logistics	18.6%	24.9%	10.3%	32.4%	17.1%	1.8%	15.3%	36.4%
SG&A	41.8%	43.9%	31.2%	34.0%	9.4%	17.1%	22.5%	25.1%
Other operating expenses	NM	NM	1303.1%	-100.0%	-100.0%	-100.0%	250.6%	-100.0%
EPS	**NM**	**NM**	**NM**	**NM**	**NM**	**-63.5%**	**NM**	**NM**
EBITDA	**NM**	**NM**	**NM**	**-240.9%**	**269.7%**	**47.7%**	**23.4%**	**881.2%**

Note: figures are adjusted to represent operating earnings.
Sources: Company reports and William Blair Equity Research

Exhibit 22
Industry Insights
Prestige Consumer Healthcare - Earnings Model

	2024	2025	1Q26 Jun-25	2Q26 Sep-25	3Q26 Dec-25	4Q26E Mar-26	2026E	2027E
Income Statement								
North America	958.3	960.0	212.6	230.8	235.7	245.0	924.0	942.8
International	167.1	177.8	37.0	43.4	47.7	47.9	176.0	182.2
Total sales	**$1,125.4**	**$1,137.8**	**$249.5**	**$274.1**	**$283.4**	**$292.9**	**$1,100.0**	**$1,125.0**
Cost of goods sold	500.9	503.3	109.2	122.5	126.1	126.2	484.0	492.2
Gross profit	624.4	634.5	140.3	151.6	157.4	166.7	616.0	632.8
Advertising and promotion	153.3	155.7	34.9	38.7	40.1	37.6	151.2	156.4
General and administrative	106.2	108.2	28.5	28.0	29.2	25.4	111.1	112.5
Depreciation and amortization	22.6	21.3	5.2	5.2	5.1	5.1	20.6	20.7
Operating income	$342.4	$349.2	$71.8	$79.7	$83.0	$98.7	$333.1	$343.2
Interest expense	67.2	47.6	10.2	10.0	10.7	10.8	41.7	43.2
Other expense (income)	(0.8)	5.0	(0.2)	0.5	(0.3)	0.0	(0.0)	0.0
Pretax income	276.0	296.7	61.8	69.1	72.6	87.9	291.4	300.0
Income taxes	64.7	70.3	14.3	16.7	17.8	21.5	70.3	72.0
Net income	211.3	226.3	47.5	52.5	54.9	66.4	221.2	228.0
Diluted shares outstanding	50.2	50.1	49.8	49.3	48.1	47.6	48.7	47.5
EPS	**$4.21**	**$4.52**	**$0.95**	**$1.07**	**$1.14**	**$1.39**	**$4.54**	**$4.80**
EBITDA	**$373.9**	**$374.5**	**$79.6**	**$86.8**	**$90.9**	**$106.3**	**$363.7**	**$375.3**
Margin analysis								
Gross margin	55.5%	55.8%	56.2%	55.3%	55.5%	56.9%	56.0%	56.3%
Advertising and marketing	13.6%	13.7%	14.0%	14.1%	14.1%	12.8%	13.8%	13.9%
General and administrative	9.4%	9.5%	11.4%	10.2%	10.3%	8.7%	10.1%	10.0%
Depreciation and amortization	2.0%	1.9%	2.1%	1.9%	1.8%	1.7%	1.9%	1.8%
Operating income	30.4%	30.7%	28.8%	29.1%	29.3%	33.7%	30.3%	30.5%
Tax rate	23.4%	23.7%	23.2%	24.1%	24.5%	24.5%	24.1%	24.0%
EBITDA	**33.2%**	**32.9%**	**31.9%**	**31.7%**	**32.1%**	**36.3%**	**33.1%**	**33.4%**
Year-over-year comparison								
OTC	-1.6%	0.2%	-8.5%	-3.8%	-1.4%	-1.6%	-3.8%	2.0%
Household	8.5%	6.4%	6.1%	-1.4%	-7.1%	0.7%	-1.0%	3.5%
Total sales	**-0.2%**	**1.1%**	**-6.6%**	**-3.4%**	**-2.4%**	**-1.2%**	**-3.3%**	**2.3%**
Gross profit	-0.1%	1.6%	-3.9%	-3.7%	-2.3%	-1.9%	-2.9%	2.7%
Advertising and promotion	5.7%	1.6%	-11.2%	-6.5%	5.6%	1.5%	-2.9%	3.4%
General and administrative	-1.1%	1.9%	-1.6%	7.6%	11.5%	-6.1%	2.7%	1.3%
Depreciation and amortization	-10.1%	-5.6%	-9.1%	-7.1%	3.8%	0.1%	-3.4%	0.6%
Operating income	-1.5%	2.0%	-0.4%	-5.5%	-9.8%	-2.2%	-4.6%	3.0%
EPS	**0.1%**	**7.3%**	**6.3%**	**-2.1%**	**-6.6%**	**5.9%**	**0.5%**	**5.7%**
EBITDA	**-1.1%**	**0.2%**	**0.0%**	**-5.5%**	**-7.7%**	**1.8%**	**-2.9%**	**3.2%**

Note: figures are adjusted to represent operating earnings.
Sources: Company reports and William Blair Equity Research

Exhibit 23
Industry Insights
Procter & Gamble - Earnings Model

	2024	2025	1Q26 Sep-25	2Q26 Dec-25	3Q26E Mar-26	4Q26E Jun-26	2026E	2027E
Income Statement								
Beauty	15,220.0	14,964.0	4,143.0	4,039.0	3,866.0	3,840.8	15,888.8	16,406.7
Grooming	6,654.0	6,662.0	1,817.0	1,794.0	1,608.0	1,688.2	6,907.2	7,052.9
Health Care	11,793.0	11,998.0	3,220.0	3,406.0	3,073.0	2,840.1	12,539.1	12,929.1
Fabric Care & Home Care	29,495.0	29,617.0	7,793.0	7,686.0	7,403.0	7,525.8	30,407.8	31,222.7
Baby, Feminine & Family Care	20,277.0	20,248.0	5,171.0	5,123.0	5,058.0	5,126.8	20,478.8	20,941.6
Corporate	600.0	795.0	242.0	160.0	227.0	166.0	795.0	795.0
Total sales	**$84,039.0**	**$84,284.0**	**$22,386.0**	**$22,208.0**	**$21,235.0**	**$21,187.7**	**$87,016.7**	**$89,348.1**
Cost of goods sold	40,778.0	41,185.0	10,849.0	10,681.0	10,607.0	10,814.4	42,951.4	44,280.9
Gross profit	43,261.0	43,099.0	11,537.0	11,527.0	10,628.0	10,373.2	44,065.2	45,067.2
Selling, general, & administrative	23,273.0	22,643.0	5,566.0	5,865.0	5,908.0	6,068.5	23,407.5	23,766.6
Operating income	**$19,988.0**	**$20,456.0**	**$5,971.0**	**$5,662.0**	**$4,720.0**	**$4,304.8**	**$20,657.8**	**$21,300.6**
Interest expense, net	452.0	438.0	89.0	105.0	123.0	123.0	440.0	430.0
Other expense (income)	(916.0)	(943.0)	(275.0)	(184.0)	(193.0)	(200.0)	(852.0)	(852.0)
Pretax income	20,452.0	20,961.0	6,157.0	5,741.0	4,790.0	4,381.8	21,069.8	21,722.6
Income taxes	4,077.0	4,095.0	1,276.0	1,149.0	934.0	902.6	4,261.6	4,388.0
Net income	16,375.0	16,866.0	4,881.0	4,592.0	3,856.0	3,479.1	16,808.1	17,334.6
Diluted shares outstanding	2,471.9	2,454.4	2,436.8	2,424.0	2,416.5	2,410.5	2,422.0	2,395.5
EPS (core)	**$6.59**	**$6.83**	**$1.99**	**$1.88**	**$1.59**	**$1.44**	**$6.90**	**$7.20**
EBITDA	**$22,884.0**	**$23,303.0**	**$6,732.0**	**$6,464.0**	**$5,505.0**	**$5,098.2**	**$23,799.2**	**$24,451.3**
Margin analysis								
Gross margin	51.5%	51.1%	51.5%	51.9%	50.0%	49.0%	50.6%	50.4%
Selling, general, & administrative	27.7%	26.9%	24.9%	26.4%	27.8%	28.6%	26.9%	26.6%
Operating income	**23.8%**	**24.3%**	**26.7%**	**25.5%**	**22.2%**	**20.3%**	**23.7%**	**23.8%**
Tax rate	19.9%	19.5%	20.7%	20.0%	19.5%	20.6%	20.2%	20.2%
EBITDA	**27.2%**	**27.6%**	**30.1%**	**29.1%**	**25.9%**	**24.1%**	**27.4%**	**27.4%**
Year-over-year comparison								
Beauty	1.4%	-1.7%	6.4%	5.0%	10.8%	2.9%	6.2%	3.3%
Grooming	3.7%	0.1%	5.5%	2.4%	6.8%	0.4%	3.7%	2.1%
Health Care	5.1%	1.7%	2.3%	4.8%	6.7%	4.3%	4.5%	3.1%
Fabric Care & Home Care	4.0%	0.4%	1.1%	1.5%	6.5%	1.9%	2.7%	2.7%
Baby, Feminine & Family Care	0.3%	-0.1%	1.4%	-3.3%	6.4%	0.7%	1.1%	2.3%
Total sales	**2.5%**	**0.3%**	**3.0%**	**1.5%**	**7.4%**	**1.4%**	**3.2%**	**2.7%**
Gross profit	10.2%	-0.4%	2.1%	0.6%	5.4%	1.1%	2.2%	2.3%
Selling, general, & administrative	10.2%	-2.7%	1.3%	2.5%	7.0%	2.8%	3.4%	1.5%
Operating income	10.2%	2.3%	2.9%	-1.4%	3.6%	-1.2%	1.0%	3.1%
EPS (core)	**11.6%**	**3.8%**	**2.9%**	**0.0%**	**3.1%**	**-2.5%**	**1.0%**	**4.3%**
EBITDA	**9.8%**	**1.8%**	**3.1%**	**0.3%**	**4.9%**	**0.4%**	**2.1%**	**2.7%**

Note: figures are adjusted to represent operating earnings.
Sources: Company reports and William Blair Equity Research

Exhibit 24
Industry Insights
Primo Brands - Earnings Model

	2024	2025	1Q26E Mar-26	2Q26E Jun-26	3Q26E Sep-26	4Q26E Dec-26	2026E	2027E
Income Statement								
Total sales	**$6,725.7**	**$6,664.0**	**$1,578.2**	**$1,738.8**	**$1,782.0**	**$1,585.0**	**$6,684.0**	**$6,900.0**
Cost of goods sold	3,530.9	4,518.0	1,089.0	1,182.4	1,211.8	1,095.5	4,578.5	4,715.8
Gross profit	2,811.3	2,146.0	489.2	556.4	570.2	489.6	2,105.5	2,184.2
Selling, general, and administrative expenses	1,954.9	1,323.7	304.4	331.4	294.8	280.2	1,210.8	1,215.8
Other operating expenses	10.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating income	**$846.1**	**$822.3**	**$184.8**	**$225.0**	**$275.4**	**$209.4**	**$894.7**	**$968.4**
Interest expense (income)	367.6	326.5	79.0	76.0	74.0	71.0	300.0	241.0
Other expense (income)	0.0	(175.6)	0.0	0.0	0.0	0.0	0.0	0.0
Pretax income	478.5	671.4	105.8	149.0	201.4	138.4	594.7	727.4
Income taxes	74.1	173.3	27.0	38.0	51.4	35.3	151.6	181.9
Net income (Non-GAAP)	404.4	498.1	78.8	111.0	150.1	103.1	443.0	545.6
Diluted shares outstanding	380.6	374.9	368.8	368.8	368.8	368.8	368.8	368.8
EPS	**$1.06**	**$1.33**	**$0.21**	**$0.30**	**$0.41**	**$0.28**	**$1.20**	**$1.48**
EBITDA	**$1,346.5**	**$1,446.8**	**$330.0**	**$376.0**	**$430.0**	**$364.0**	**$1,500.0**	**$1,590.0**
Margin analysis								
Gross margin	41.8%	32.2%	31.0%	32.0%	32.0%	30.9%	31.5%	31.7%
Selling, general, and administrative expenses	29.1%	19.9%	19.3%	19.1%	16.5%	17.7%	18.1%	17.6%
Other operating expenses	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Operating income	12.6%	12.3%	11.7%	12.9%	15.5%	13.2%	13.4%	14.0%
Tax rate	15.5%	25.8%	25.5%	25.5%	25.5%	25.5%	25.5%	25.0%
EBITDA	**20.0%**	**21.7%**	**20.9%**	**21.6%**	**24.1%**	**23.0%**	**22.4%**	**23.0%**
Year-over-year comparison								
Total sales		**-0.9%**	**-2.2%**	**0.5%**	**0.9%**	**2.0%**	**0.3%**	**3.2%**
Gross profit		-23.7%	-6.4%	-3.9%	-0.2%	3.4%	-1.9%	3.7%
Selling, general, and administrative expenses		-32.3%	5.9%	-7.3%	-10.7%	-19.6%	-8.5%	0.4%
Other operating expenses		-100.0%	-100.0%	NM	NM	-100.0%	NM	NM
Operating income		-2.8%	-21.4%	1.7%	14.0%	68.6%	8.8%	8.2%
EPS		**25.0%**	**-27.1%**	**-17.3%**	**-1.8%**	**9.6%**	**-9.6%**	**23.1%**
EBITDA		**7.4%**	**-3.4%**	**2.5%**	**6.3%**	**8.4%**	**3.7%**	**6.0%**

Note: figures are adjusted to represent operating earnings.
Sources: Company reports and William Blair Equity Research

Exhibit 25
Industry Insights
J.M. Smucker - Earnings Model

	2024	2025	1Q26 Jul-25	2Q26 Oct-25	3Q26 Jan-26	4Q26E Apr-26	2026E	2027E
Income Statement								
U.S retail coffee market	2,704.4	2,806.6	717.2	848.9	908.2	851.5	3,325.8	3,480.8
U.S retail frozen handhelds and spreads	1,815.6	1,877.0	484.7	461.1	454.0	482.9	1,882.7	1,929.8
U.S. retail pet food	1,822.8	1,663.6	368.0	413.2	417.1	399.6	1,597.9	1,621.9
Sweet baked snacks	637.3	1,178.8	253.2	256.1	224.8	219.6	953.7	963.2
International & away from home	1,198.6	1,200.1	290.2	350.8	335.3	338.5	1,314.8	1,354.3
Total sales	**$8,178.7**	**$8,726.1**	**$2,113.3**	**$2,330.1**	**$2,339.4**	**$2,292.2**	**$9,075.0**	**$9,350.0**
Cost of goods sold	5,067.1	5,390.5	1,370.1	1,540.2	1,548.6	1,439.8	5,898.7	5,984.0
Gross profit	3,111.6	3,335.6	743.2	789.9	790.8	852.3	3,176.2	3,366.0
Selling, general, and administrative	1,666.5	1,730.2	423.1	445.8	409.5	427.7	1,706.1	1,839.1
Operating income	$1,445.1	$1,605.4	$320.1	$344.1	$381.3	$424.6	$1,470.1	$1,526.8
Interest expense	264.3	388.7	100.2	98.6	94.5	88.0	381.3	336.0
Other expense (income)	1.1	14.4	1.9	0.6	1.2	0.0	3.7	0.0
Pretax income	1,179.7	1,202.3	218.0	244.9	285.6	336.6	1,085.1	1,190.8
Income taxes	291.8	290.4	52.7	58.7	69.3	79.4	260.1	285.8
Net income	887.9	911.9	165.3	186.2	216.3	257.2	825.1	905.0
Diluted shares outstanding	104.4	106.6	106.8	106.9	106.7	106.7	106.8	106.7
EPS (ex. amortization)	**$9.94**	**$10.12**	**$1.90**	**$2.10**	**$2.38**	**$2.76**	**$9.15**	**$9.90**
EBITDA	**$1,874.8**	**$2,093.5**	**$453.4**	**$486.8**	**$524.2**	**$564.7**	**$2,029.1**	**$2,106.5**
Margin analysis								
Gross margin	38.0%	38.2%	35.2%	33.9%	33.8%	37.2%	35.0%	36.0%
Selling, general, and administrative	20.4%	19.8%	20.0%	19.1%	17.5%	18.7%	18.8%	19.7%
Operating income	17.7%	18.4%	15.1%	14.8%	16.3%	18.5%	16.2%	16.3%
Tax rate	24.7%	24.2%	24.2%	24.0%	24.3%	23.6%	24.0%	24.0%
EBITDA	**22.9%**	**24.0%**	**21.5%**	**20.9%**	**22.4%**	**24.6%**	**22.4%**	**22.5%**
Year-over-year comparison								
U.S retail coffee market	-1.1%	3.8%	15.0%	20.6%	22.6%	15.3%	18.5%	4.7%
U.S retail frozen handhelds and spreads	11.3%	3.4%	-2.4%	-5.0%	2.0%	7.4%	0.3%	2.5%
U.S. retail pet food	-40.0%	-8.7%	-7.9%	-7.2%	-1.4%	1.0%	-4.0%	1.5%
Sweet baked snacks	NM	85.0%	-24.1%	-18.8%	-19.3%	-12.5%	-19.1%	1.0%
International & away from home	6.6%	0.1%	6.9%	9.2%	12.3%	9.6%	9.6%	3.0%
Total sales	**-4.1%**	**6.7%**	**-0.6%**	**2.6%**	**7.0%**	**6.9%**	**4.0%**	**3.0%**
Gross profit	10.0%	7.2%	-10.7%	-10.2%	-3.5%	6.0%	-4.8%	6.0%
Selling, general, and administrative	2.8%	3.8%	-4.0%	0.2%	0.0%	-1.8%	-1.4%	7.8%
Operating income	19.6%	11.1%	-18.3%	-20.9%	-7.0%	15.1%	-8.4%	3.9%
EPS (ex. amortization)	**11.5%**	**1.8%**	**-21.8%**	**-23.9%**	**-8.6%**	**19.5%**	**-9.6%**	**8.2%**
EBITDA	**14.7%**	**11.7%**	**-12.4%**	**-12.9%**	**-0.8%**	**15.6%**	**-3.1%**	**3.8%**

Note: figures are adjusted to represent operating earnings.
Sources: Company reports and William Blair Equity Research

Exhibit 26
Industry Insights
Scotts Miracle Gro - Earnings Model

	2024	2025	1Q26 Dec-25	2Q26E Mar-26	3Q26E Jun-26	4Q26E Sep-26	2026E	2027E
Income Statement								
U.S. Consumer	3,013.7	2,993.7	328.5	1,315.4	1,081.5	314.2	3,039.7	3,100.1
Other	254.7	262.1	25.9	78.0	128.5	25.1	257.4	262.6
Total sales	**$3,268.4**	**$3,255.8**	**$354.4**	**$1,393.4**	**$1,210.0**	**$339.3**	**$3,297.1**	**$3,362.7**
Cost of goods sold	2,367.9	2,226.1	264.4	836.1	809.1	329.2	2,238.7	2,249.7
Gross profit	900.5	1,029.7	90.0	557.4	400.9	10.1	1,058.4	1,113.1
Selling, general, & administrative	507.6	563.8	106.0	186.7	152.5	124.6	569.7	587.5
Other expense (income)	20.8	18.6	2.7	8.4	7.3	2.1	20.4	20.2
Operating income	$372.1	$447.3	($18.7)	$362.3	$241.2	($116.6)	$468.2	$505.4
Unconsolidated affiliates	(6.2)	1.0	(13.1)	(6.0)	25.0	(8.0)	(2.1)	0.0
Other non-operating income	(5.6)	(5.3)	0.0	0.0	0.0	0.0	0.0	0.0
Interest expense	157.6	129.0	27.2	30.5	30.0	27.0	114.7	116.0
Other expense (income)	0.0	0.0	1.2	0.0	0.0	0.0	1.2	0.0
Pretax income	202.7	314.0	(60.2)	325.8	236.2	(151.6)	350.2	389.4
Income taxes	57.8	91.1	(15.6)	92.8	67.3	(43.2)	101.4	111.0
Net income	144.9	222.9	(44.6)	233.0	168.8	(108.4)	248.8	278.4
Diluted shares outstanding	57.7	58.7	57.9	59.0	59.2	58.3	58.6	58.6
EPS	**$2.51**	**$3.80**	**($0.77)**	**$3.95**	**$2.85**	**($1.86)**	**$4.25**	**$4.75**
EBITDA	**$505.2**	**$569.7**	**$3.0**	**$392.3**	**$271.2**	**($86.5)**	**$580.0**	**$610.0**
Margin analysis								
Gross margin	27.6%	31.6%	25.4%	40.0%	33.1%	3.0%	32.1%	33.1%
Selling, general, & administrative	15.5%	17.3%	29.9%	13.4%	12.6%	36.7%	17.3%	17.5%
Other expense (income)	0.6%	0.6%	0.8%	0.6%	0.6%	0.6%	0.6%	0.6%
Operating income	**11.4%**	**13.7%**	**(5.3)%**	**26.0%**	**19.9%**	**(34.4)%**	**14.2%**	**15.0%**
Tax rate	28.5%	29.0%	NM	28.5%	28.5%	NM	28.9%	28.5%
EBITDA	**15.5%**	**17.5%**	**0.8%**	**28.2%**	**22.4%**	**(25.5)%**	**17.6%**	**18.1%**
Year-over-year comparison								
U.S. Consumer	6.0%	-0.7%	-3.6%	0.3%	5.0%	1.0%	1.5%	2.0%
Other	6.0%	2.9%	0.8%	-0.2%	-0.5%	-13.8%	-1.8%	2.0%
Total sales	**-8.0%**	**-0.4%**	**-3.3%**	**0.3%**	**4.4%**	**-0.3%**	**1.3%**	**2.0%**
Gross profit	6.8%	14.3%	0.1%	1.8%	7.0%	-42.8%	2.8%	5.2%
Selling, general, & administrative	-7.9%	11.1%	-6.6%	5.0%	5.2%	-2.4%	1.1%	3.1%
Other expense (income)	20700.0%	-10.6%	-37.2%	99.1%	2.2%	-29.1%	9.9%	-1.3%
Operating income	27.6%	20.2%	NM	-0.8%	8.3%	NM	4.7%	8.0%
EPS	**108.0%**	**51.2%**	**NM**	**-1.3%**	**8.9%**	**NM**	**11.8%**	**11.9%**
EBITDA	**13.0%**	**12.8%**	**233.3%**	**-2.3%**	**7.0%**	**NM**	**1.8%**	**5.2%**

Note: figures are adjusted to represent operating earnings.
Sources: Company reports and William Blair Equity Research

Exhibit 27
Industry Insights
Simply Good Foods - Earnings Model

	2022	2024	2025	1Q26 Nov-25	2Q26 Feb-26	3Q26E May-26	4Q26E Aug-26	2026E	2027E
Income Statement									
Total sales	**$1,168.7**	**$1,331.3**	**$1,450.9**	**$340.2**	**$326.0**	**$327.0**	**$338.8**	**$1,332.0**	**$1,350.0**
Cost of goods sold	723.1	816.5	923.8	227.7	219.1	219.6	222.7	889.0	886.8
Gross profit	445.6	514.8	527.2	112.5	106.9	107.5	116.1	443.0	463.2
Distribution, Selling and Marketing Expens	121.7	143.9	134.3	29.7	28.2	31.1	28.2	117.1	124.1
General & Administrative	91.6	106.8	119.1	28.3	25.0	30.0	29.7	113.0	110.7
Depreciation and Amortization	17.3	16.9	16.9	4.6	4.3	4.2	4.4	17.6	17.8
Other expense (income)	0.0	0.0	0.0	0.5	0.1	0.0	0.0	0.6	0.0
Operating income	**$215.0**	**$247.1**	**$256.9**	**$49.4**	**$49.4**	**$42.2**	**$53.9**	**$194.8**	**$210.5**
Interest expense	21.9	21.7	20.6	3.8	5.0	4.9	4.7	18.3	16.4
Other expense (income)	0.3	(1.0)	0.2	(0.0)	(0.3)	0.0	0.0	(0.3)	0.0
Pretax income	192.9	226.4	236.1	45.6	44.7	37.3	49.2	176.7	194.1
Income taxes	33.4	41.3	32.3	6.6	3.1	7.5	9.9	27.0	38.8
Net income	159.5	185.1	203.9	39.0	41.6	29.8	39.3	149.7	155.3
Diluted shares outstanding	100.6	101.3	101.5	99.1	92.3	89.0	89.0	92.3	89.0
EPS	**$1.59**	**$1.83**	**$2.01**	**$0.39**	**$0.45**	**$0.33**	**$0.44**	**$1.62**	**$1.75**
EBITDA	**$234.0**	**$269.1**	**$278.2**	**$55.6**	**$55.5**	**$48.0**	**$59.8**	**$219.0**	**$235.0**
Margin analysis									
Gross margin	38.1%	38.7%	36.3%	33.1%	32.8%	32.9%	34.3%	33.3%	34.3%
Selling, general, & administrative	10.4%	10.8%	9.3%	8.7%	8.6%	9.5%	8.3%	8.8%	9.2%
Other expense (income)	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Operating income	18.4%	18.6%	17.7%	14.5%	15.2%	12.9%	15.9%	14.6%	15.6%
Tax rate	17.3%	18.3%	13.7%	14.4%	7.0%	20.0%	20.0%	15.3%	20.0%
EBITDA	**20.0%**	**20.2%**	**19.2%**	**16.4%**	**17.0%**	**14.7%**	**17.6%**	**16.4%**	**17.4%**
Year-over-year comparison									
Total sales	**16.2%**	**7.1%**	**9.0%**	**-0.3%**	**-9.4%**	**-14.2%**	**-8.2%**	**-8.2%**	**1.4%**
Gross profit	8.7%	13.5%	2.4%	-14.4%	-18.1%	-22.4%	-8.3%	-16.0%	4.5%
Distribution, Selling and Marketing Expens	7.8%	20.5%	-6.7%	-10.1%	-19.7%	-8.1%	-13.1%	-12.8%	6.0%
General & Administrative	1.0%	17.0%	11.5%	-3.5%	-11.9%	-6.1%	0.8%	-5.1%	-2.0%
Depreciation and Amortization	1.8%	-2.9%	-0.1%	11.4%	3.9%	1.1%	0.6%	4.2%	1.2%
Other expense (income)	NM	NM	NM	NM	NM	NM	NM	NM	-100.0%
Operating income	13.7%	9.7%	4.0%	-24.0%	-21.5%	-38.5%	-10.7%	-24.2%	8.1%
EPS	**25.4%**	**12.4%**	**9.9%**	**-18.8%**	**-1.1%**	**-33.8%**	**-21.0%**	**-19.3%**	**7.6%**
EBITDA	**12.9%**	**9.6%**	**3.4%**	**-20.6%**	**-18.4%**	**-35.0%**	**-9.7%**	**-21.3%**	**7.3%**

Note: figures are adjusted to represent operating earnings.
Sources: Company reports and William Blair Equity Research

Exhibit 28
Industry Insights
SunOpta - Earnings Model

	2023	2024	1Q25 Mar-25	2Q25 Jun-25	3Q25 Sep-25	4Q25 Dec-25	2025	2026E
Income Statement								
Total sales	**$626.7**	**$723.7**	**$201.6**	**$191.5**	**$205.4**	**$219.2**	**$817.7**	**$865.0**
Cost of goods sold	518.6	604.6	170.8	162.3	177.4	186.0	696.5	735.2
Gross profit	108.2	119.1	30.9	29.2	28.0	33.2	121.2	129.7
Selling, general and administrative	73.8	76.6	19.2	17.7	15.3	18.7	70.9	77.8
Amortization of intangibles	1.8	1.8	0.4	0.5	0.5	0.5	2.0	1.9
Other expense (income)	0.1	(0.3)	0.1	0.3	0.1	(0.3)	0.2	0.0
Operating income	$32.4	$41.0	$11.1	$10.6	$12.0	$14.3	$48.0	$50.0
Interest expense	26.9	24.9	5.1	5.3	5.4	5.2	21.1	19.1
Other expense (income)	0.0	0.7	0.4	0.5	0.6	0.6	2.1	2.0
Pretax income	5.5	15.4	5.6	4.8	6.0	8.4	24.8	28.9
Income taxes	3.3	1.5	0.1	0.3	0.0	0.2	0.7	2.9
Minority interest	2.0	0.5	0.1	0.0	0.0	0.0	0.2	0.0
Net income	0.3	13.4	5.3	4.4	6.0	8.3	23.9	26.0
Diluted shares outstanding	114.2	116.6	125.0	124.7	124.7	124.7	124.8	124.7
EPS	**$0.00**	**$0.12**	**$0.04**	**$0.04**	**$0.05**	**$0.07**	**$0.19**	**$0.21**
EBITDA	**$75.9**	**$88.7**	**$22.4**	**$22.7**	**$23.6**	**$26.2**	**$94.9**	**$102.0**
Margin analysis								
Gross margin	17.3%	16.5%	15.3%	15.2%	13.6%	15.1%	14.8%	15.0%
Selling, general and administrative	11.8%	10.6%	9.5%	9.3%	7.5%	8.5%	8.7%	9.0%
Amortization of intangibles	0.3%	0.2%	0.2%	0.3%	0.3%	0.2%	0.2%	0.2%
Other expense (income)	0.0%	(0.0)%	0.0%	0.2%	0.0%	(0.1)%	0.0%	0.0%
Operating income	5.2%	5.7%	5.5%	5.5%	5.8%	6.5%	5.9%	5.8%
Tax rate	59.1%	9.5%	2.6%	7.2%	0.4%	2.1%	2.8%	10.0%
EBITDA	**12.1%**	**12.3%**	**11.1%**	**11.9%**	**11.5%**	**12.0%**	**11.6%**	**11.8%**
Year-over-year change								
Plant-based F&B	-100.0%	NM	NM	NM	NM	NM	NM	NM
Fruit-based F&B	-100.0%	NM	NM	NM	NM	NM	NM	NM
Total sales	**6.0%**	**15.5%**	**9.3%**	**12.9%**	**16.6%**	**13.2%**	**13.0%**	**5.8%**
Gross profit	1.7%	10.2%	-1.6%	7.6%	-4.2%	5.5%	1.7%	7.1%
Selling, general and administrative	-4.5%	3.7%	-14.1%	-0.3%	-22.7%	12.3%	-7.4%	9.7%
Amortization of intangibles	0.0%	0.0%	0.0%	17.9%	17.9%	17.9%	13.5%	-6.0%
Other expense (income)	-80.0%	-366.0%	NM	-31.9%	NM	NM	NM	-100.0%
Operating income	21.1%	26.4%	28.6%	25.8%	34.3%	-5.0%	17.0%	4.2%
EPS	**-98.5%**	**4510.9%**	**164.1%**	**86.4%**	**213.0%**	**2.5%**	**66.5%**	**8.9%**
EBITDA	**19.3%**	**16.8%**	**2.3%**	**13.9%**	**13.4%**	**0.5%**	**7.0%**	**7.5%**

Note: figures are adjusted to represent operating earnings.
Sources: Company reports and William Blair Equity Research

Exhibit 29
Industry Insights
Vita Coco - Earnings Model

	2024	2025	1Q26E Mar-26	2Q26E Jun-26	3Q26E Sep-26	4Q26E Dec-26	2026E	2027E
Income Statement								
Americas	442.3	508.8	122.0	171.3	169.3	118.7	581.3	650.3
International	73.7	101.0	23.6	30.5	35.5	29.1	118.7	134.8
Total Sales	**$ 516.0**	**$ 609.8**	**$ 145.7**	**$ 201.8**	**$ 204.8**	**$ 147.8**	**$ 700.0**	**$ 785.0**
Cost of goods sold	317.2	387.2	90.4	123.1	124.9	89.5	427.9	471.0
Gross profit	198.8	222.6	55.2	78.7	79.9	58.3	272.1	314.0
SG&A	124.3	136.5	31.0	38.9	43.0	36.7	149.7	168.0
Other expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating income	74.5	86.1	24.2	39.7	36.9	21.6	122.4	146.0
Interest expense	(6.7)	(6.5)	(1.8)	(2.0)	(2.2)	(2.2)	(8.2)	(10.8)
Foreign Currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other expense (income)	0.0	(0.2)	0.0	0.0	0.0	0.0	0.0	0.0
Pretax income	81.2	92.9	26.0	41.7	39.1	23.8	130.6	156.8
Income taxes	14.8	21.7	5.7	9.2	8.6	5.2	28.7	35.3
Net income (non-GAAP)	66.3	71.2	20.3	32.6	30.5	18.6	101.9	121.5
Diluted shares outstanding	59.3	60.0	60.2	60.0	59.8	59.6	59.9	59.1
EPS	**$1.12**	**$1.19**	**$0.34**	**$0.54**	**$0.51**	**$0.31**	**$1.70**	**$2.06**
EBITDA	**$84.1**	**$98.2**	**$26.5**	**$42.2**	**$39.3**	**$24.0**	**$132.0**	**$157.0**
Margin analysis								
Gross margin	38.5%	36.5%	37.9%	39.0%	39.0%	39.5%	38.9%	40.0%
SG&A	24.1%	22.4%	21.3%	19.3%	21.0%	24.8%	21.4%	21.4%
Other expense	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Operating income	14.4%	14.1%	16.6%	19.7%	18.0%	14.6%	17.5%	18.6%
Tax rate	18.3%	23.3%	22.0%	22.0%	22.0%	22.0%	22.0%	22.5%
EBITDA	**16.3%**	**16.1%**	**18.2%**	**20.9%**	**19.2%**	**16.2%**	**18.9%**	**20.0%**
Year-over-year comparison								
Total Net Sales	4.5%	18.2%	11.3%	19.6%	12.3%	15.7%	14.8%	12.1%
Americas	2.8%	15.0%	8.4%	20.7%	11.6%	15.8%	14.3%	11.9%
Vita Coco Water	8.2%	23.6%	17.7%	18.9%	8.0%	8.3%	13.1%	12.3%
Private Label	-12.9%	-30.2%	-30.0%	40.0%	45.0%	68.7%	23.2%	10.0%
Other	-7.1%	137.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.0%
International	16.3%	37.1%	28.9%	13.6%	16.0%	15.2%	17.5%	13.5%
SG&A	1.6%	9.8%	10.3%	10.7%	8.9%	9.0%	9.7%	12.2%
Other expense	NM	NM	NM	NM	NM	NM	NM	NM
Operating income	27.5%	15.7%	21.1%	52.4%	26.3%	98.4%	42.1%	19.3%
EPS	**32.4%**	**6.1%**	**25.0%**	**45.2%**	**25.7%**	**122.4%**	**43.3%**	**20.9%**
EBITDA	**23.4%**	**16.8%**	**17.9%**	**44.1%**	**21.2%**	**70.4%**	**34.3%**	**19.0%**

Note: figures are adjusted to represent operating earnings.
Sources: Company reports and William Blair Equity Research

Exhibit 30
Industry Insights
Vital Farms - Earnings Model

	2024	2025	1Q26E Mar-26	2Q26E Jun-26	3Q26E Sep-26	4Q26E Dec-26	2026E	2027E
Income Statement								
Total sales	**$606.3**	**$759.4**	**$180.0**	**$198.6**	**$213.9**	**$232.5**	**$825.0**	**$920.0**
Cost of goods sold	376.4	473.8	125.9	138.4	146.1	157.8	568.2	620.8
Gross profit	229.9	285.7	54.1	60.2	67.7	74.7	256.7	299.2
Selling, general, and administrative expens	133.9	159.4	41.0	43.5	44.4	47.1	176.1	191.7
Shipping and distribution	32.4	37.9	9.1	10.1	10.9	11.8	41.9	46.9
Operating income	**$63.6**	**$88.4**	**$3.9**	**$6.6**	**$12.5**	**$15.8**	**$38.8**	**$60.5**
Interest expense (income)	(4.2)	(4.1)	(0.7)	0.1	0.3	0.6	0.4	3.0
Other expense (income)	0.3	1.2	0.0	0.0	0.0	0.0	0.0	0.0
Pretax income	67.5	91.3	4.6	6.5	12.1	15.2	38.4	57.5
Income taxes	14.2	25.0	1.2	1.7	3.2	4.0	10.0	15.0
Net income including noncontrolling interest	53.4	66.3	3.4	4.8	9.0	11.3	28.4	42.6
Noncontrolling interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income (Non-GAAP)	53.4	66.3	3.4	4.8	9.0	11.3	28.4	42.6
Diluted shares outstanding	45.1	46.0	46.0	45.8	45.7	45.5	45.7	45.1
EPS	**$1.18**	**$1.44**	**$0.07**	**$0.10**	**$0.20**	**$0.25**	**$0.62**	**$0.94**
EBITDA	**$86.7**	**$114.0**	**$11.4**	**$14.2**	**$20.6**	**$23.9**	**$70.0**	**$95.0**
Margin analysis								
Gross margin	37.9%	37.6%	30.0%	30.3%	31.7%	32.1%	31.1%	32.5%
Selling, general, and administrative expens	22.1%	21.0%	22.8%	21.9%	20.8%	20.3%	21.3%	20.8%
Shipping and distribution	5.3%	5.0%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%
Operating income	10.5%	11.6%	2.2%	3.3%	5.8%	6.8%	4.7%	6.6%
Tax rate	21.0%	27.4%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%
EBITDA	**14.3%**	**15.0%**	**6.3%**	**7.1%**	**9.6%**	**10.3%**	**8.5%**	**10.3%**
Year-over-year comparison								
Total sales	**28.5%**	**25.3%**	**11.0%**	**7.5%**	**7.5%**	**8.9%**	**8.6%**	**11.5%**
Gross profit	41.6%	24.2%	-13.5%	-16.2%	-9.6%	-2.2%	-10.1%	16.5%
Selling, general, and administrative expens	31.7%	19.0%	28.6%	11.6%	0.1%	6.7%	10.4%	8.9%
Shipping and distribution	18.6%	16.8%	3.5%	12.1%	18.5%	8.6%	10.6%	12.0%
Operating income	91.1%	39.1%	-82.1%	-72.3%	-41.7%	-26.1%	-56.1%	56.1%
EPS	**100.4%**	**21.7%**	**-80.0%**	**-71.1%**	**-44.7%**	**-30.2%**	**-56.9%**	**51.8%**
EBITDA	**79.2%**	**31.6%**	**-58.6%**	**-52.6%**	**-24.9%**	**-18.2%**	**-38.6%**	**35.7%**

Note: figures are adjusted to represent operating earnings.
Sources: Company reports and William Blair Equity Research

Exhibit 31
Industry Insights
WD-40 - Earnings Model

	2024	2025	1Q26 Nov-25	2Q26 Feb-26	3Q26E May-26	4Q26E Aug-26	2026E	2027E
Income Statement								
Total sales	**$566.7**	**$600.0**	**$151.1**	**$158.9**	**$171.8**	**$173.1**	**$655.0**	**$690.0**
Cost of goods sold	261.1	266.2	65.4	69.9	76.4	79.6	291.3	311.3
Gross profit	305.7	333.8	85.7	89.0	95.3	93.6	363.6	378.6
Selling, general, and administrative	182.5	198.7	55.1	54.6	56.7	53.1	219.4	227.7
Operating income	**$89.8**	**$98.0**	**$22.6**	**$25.7**	**$28.3**	**$28.7**	**$105.3**	**$109.9**
Interest expense	3.8	2.9	0.5	0.5	0.5	0.3	1.7	0.3
Other expense (income)	1.0	(0.8)	0.2	(0.1)	0.2	0.2	0.5	0.8
Pretax income	84.9	95.9	21.9	25.2	27.7	28.2	103.1	108.8
Income taxes	20.3	21.3	5.0	5.4	6.5	6.6	23.5	25.0
Net income	64.7	74.6	16.9	19.8	21.2	21.6	79.5	83.7
Diluted shares outstanding	13.6	13.6	13.6	13.5	13.4	13.3	13.5	13.2
EPS	**$4.74**	**$5.50**	**$1.24**	**$1.46**	**$1.58**	**$1.62**	**$5.90**	**$6.35**
EBITDA	**$99.4**	**$108.7**	**$24.9**	**$28.6**	**$31.1**	**$31.5**	**$116.0**	**$121.0**
Margin analysis								
Gross margin	53.9%	55.6%	56.7%	56.0%	55.5%	54.0%	55.5%	54.9%
Selling, general, & administrative	32.2%	33.1%	36.4%	34.3%	33.0%	30.7%	33.5%	33.0%
Operating income	15.8%	16.3%	15.0%	16.1%	16.5%	16.6%	16.1%	15.9%
Tax rate	23.9%	22.2%	22.8%	21.4%	23.5%	23.5%	22.8%	23.0%
EBITDA	**17.5%**	**18.1%**	**16.5%**	**18.0%**	**18.1%**	**18.2%**	**17.7%**	**17.5%**
Year-over-year comparison								
Total sales	**5.5%**	**5.9%**	**2.2%**	**12.4%**	**12.5%**	**9.6%**	**9.2%**	**5.3%**
Gross profit	11.5%	9.2%	4.6%	14.2%	10.3%	7.0%	8.9%	4.1%
Other expense (income)	18.0%	8.9%	9.9%	12.1%	10.5%	9.2%	10.4%	3.8%
Operating income	0.1%	9.2%	-4.4%	17.0%	8.8%	8.7%	7.4%	4.3%
EPS	**-1.8%**	**15.9%**	**-5.0%**	**18.6%**	**6.8%**	**9.9%**	**7.3%**	**7.6%**
EBITDA	**0.8%**	**9.3%**	**-4.1%**	**17.2%**	**5.7%**	**8.9%**	**6.8%**	**4.3%**

Note: figures are adjusted to represent operating earnings.
Sources: Company reports and William Blair Equity Research

The prices of the common stock of other public companies mentioned in this report follow:

BellRing Brands (Outperform)	$16.20
Campbell	$20.62
Celsius (Outperform)	$34.59
Church & Dwight (Outperform)	$95.02
Coca-Cola	$76.63
Conagra	$14.17
Diageo	$79.29
E.l.f. Beauty (Outperform)	$63.72
Freshpet (Outperform)	$66.15
General Mills	$34.97
Hershey	$191.48
Hormel	$21.55
J&J Snack Foods (Outperform)	$84.16
J.M. Smucker (Market Perform)	$96.07
Kenvue (Market Perform)	$17.49
Kimberly-Clark	$97.85
Kraft-Heinz	$21.94
McCormick	$51.93
Nestle (ADR)	$103.26
Once Upon a Farm (Outperform)	$14.86
PepsiCo	$155.44
Post Holdings	$103.65
Prestige Consumer Healthcare (Outperform)	$58.94
Procter & Gamble (Market Perform)	$148.18
Primo Brands (Outperform)	$20.40
Sanofi	$46.78
Scotts Miracle Gro (Outperform)	$67.20
Simply Good Foods (Outperform)	$13.36
SunOpta (Market Perform)	$6.49
Unilever	$58.13
Vita Coco (Market Perform)	$50.39
Vital Farms (Outperform)	$12.64
WD-40 (Outperform)	$224.96

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DOW JONES: 49499.30
S&P 500: 7230.12
NASDAQ: 25114.40

Additional information is available upon request.

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Coverage Universe	**Percent**	**Inv. Banking Relationships ***	**Percent**
Outperform (Buy)	73	Outperform (Buy)	13
Market Perform (Hold)	26	Market Perform (Hold)	2
Underperform (Sell)	1	Underperform (Sell)	0

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