

Research Note

Investors should consider this report as only a single factor in making their investment decision.

MamaMancini's Holdings, Inc.

Speculative Buy

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October 1, 2019

MMMB \$0.69 — (OTC)

	FY2017 A	FY2018 A	FY2019 A	FY2020 E	FY2021 E
Revenue (in millions)	\$18.0	\$27.5	\$28.5	\$34.3	\$45.0
Earnings (loss) per share	(\$0.02)	\$0.01	\$0.02	\$0.06	\$0.11
52-Week range	\$1.00 – \$0.33		Fiscal year ends:		January
Shares outstanding ^{a/o 09/12/19}	32.0 million		Revenue/shares (ttm)		\$0.95
Approximate float	16.4 million		Price/Sales (ttm)		0.7X
Market Capitalization	\$22 million		Price/Sales (2021) E		0.5X
Tangible Book value/shr	(\$0.01)		Price/Earnings (ttm)		19.3X
Price/Book	NMF		Price/Earnings (2021) E		6.4X

MamaMancini's Holdings, Inc., headquartered in East Rutherford, NJ, is a specialty prepared foods marketer and distributor of natural, authentic Italian meatballs containing beef, turkey, chicken, and pork combined with its homemade slow cooked Italian sauce and other Italian products.

Key Investment Considerations:

Maintaining Speculative Buy rating and twelve-month price target of \$1.35 per share.

On September 27, 2019, MamaMancini's announced it entered into a strategic partnership with Beyond Meat, Inc. (BYND). MamaMancini's is introducing a new line of fully cooked authentic Italian foods to existing customers using Beyond Meat's plant-based Beyond Beef®.

Initially, new Beyond Meat based products will include Beyond Beef Meatballs & Sauce in several sizes, as well as vegan and gluten-free based Spaghetti and Beyond Beef Meatball Pasta Bowls. Initial pilot tests are likely to begin in October 2019.

On September 25, 2019, the company held a virtual road show webinar, where it stated that operating expenses have been streamlined faster than we had anticipated. We are reducing our 2H20 operating expenses (primarily in freight) accordingly.

For FY20, we project EPS of \$0.06 (prior was \$0.05) on 20.6% sales growth to \$34.4 million (unchanged). Our revised forecast reflects operating expense margins of 26% (prior was 27%), compared to 29.5%, in FY19.

For FY21, we project EPS of \$0.11 on 30.9% sales growth to \$45 million (unchanged) reflecting an increase in product shelf placements and initial penetration within food service customers. We project gross and operating expense margins of 34.2% and 25.7%, respectively, compared to 33.1% and 27%, in FY20. We anticipate gross margin improvement due primarily to plant efficiencies, offset by lower margin initial food service sales.

Please view our Disclosures on pages 10 – 12.

Appreciation Potential

Maintaining Speculative Buy rating and twelve-month price target of \$1.35 per share. Our rating is based on a compound annual revenue growth rate of 28.1% to FY21 (from FY16) reflecting increased product shelf placements at retail and grocery locations of its slow cooked Italian style sauce, meatball offerings, and meal kits including new pasta bowl offerings. In the near-term, MMMB, which is working toward additional shelf placements, commenced shipments in 1H20 of nine new products into retail grocery customers including BJ's Club Stores, Walmart, and Ahold, owner of Stop & Shop supermarkets. In 2H20, MMMB is scheduled to have new product placements or special merchandising activity in approximately 2,500 major grocery retailer locations such as Publix, Sam's Club, Albertsons, and Tops Markets.

In FY19, MMMB invested in its manufacturing capabilities in order to more easily introduce new products and create the ability to enter the food service segment that could be as large as the retail grocery segment. In 1Q19, the process of building customer relationships began in MMMB's food service segment.

Our 12-month price target of \$1.35 per share implies shares could nearly double in the next twelve months.

The company's forward P/E multiple is 6.3X (prior was 5.3X) compared to the peer group (see table on the right) of 13.4X (prior was 13.6X). We project EPS growth of 73.2% in FY21 to \$0.11 from our EPS forecast of \$0.06 in FY20, compared to 13.6% EPS growth for its peers. We believe investors should accord a valuation multiple inline with its peer group based on forecasted EPS growth.

Name	Symbol	Price 09-30-19	Market Cap in \$Mil	Price to EBITDA 2019 E	Price to EBITDA 2020 E	P/E 2019 E	EPS Growth Rate	P/E 2020 E
B&G Foods Inc.	BGS	18.91	1241	4.0	4.0	10.3	2.7%	10.1
United Natural Foods Inc.	UNFI	11.52	581	1.0	0.9	5.4	(21.7%)	6.9
Sunopta Inc.	STKL	1.80	157	3.8	2.8	NMF	37.0%	NMF
Sprouts Farmers Market Inc	SFM	19.34	2417	7.7	7.4	17.9	3.1%	17.4
Sysco Corp.	SY	79.53	40789	11.0	10.3	20.9	8.9%	19.2
Farmer Brothers. Co.	FARM	12.95	221	6.4	6.1	NMF	51.4%	NMF
Average				5.7	5.2	13.6	13.6%	13.4
Company				1/31/2020	1/31/2021	1/31/2020		1/31/2021
MamaMancini's Holdings Inc MMMB		0.69	22	6.8	4.7	11.5	73.2%	6.3

Source: Taglich Brothers estimates, Yahoo Finance, and Thompson Reuters - Eikon * MMMB Year Ends Jan. 2020 and 2021, respectively

We applied a 13.4X (prior was 13.6X) multiple to our FY21 EPS forecast of \$0.11, discounted for execution risk, to obtain a year-ahead value of approximately \$1.35 per share.

MamaMancini's Holdings, Inc. valuation improvement is contingent upon consistent quarterly revenue growth, expense leverage, cash earnings, and sustained annual profitability. MMMB has produced profits in eight out of its last nine quarters. We forecast the company to generate consistent operating profits in FY20 and FY21, and produce cash earnings of \$4.5 million in FY21, up from our FY20 cash earnings projection of nearly \$3 million and \$1.5 million reported in FY19.

In our view this stock is suitable for risk-tolerant investors. Revenue growth and reaching our earnings expectations for FY20/21 will depend on MMMB successfully increasing its penetration of supermarket locations and shelf placements, as well as successfully entering the foodservice segment late in FY20.

Recent Developments

On September 27, 2019, MamaMancini's announced it entered into a strategic partnership with Beyond Meat, Inc. (BYND). MamaMancini's is introducing a new line of fully cooked authentic Italian foods to existing customers using Beyond Meat's plant-based Beyond Beef®.

Initially, new Beyond Meat based products will include Beyond Beef Meatballs & Sauce in several sizes, as well as vegan and gluten-free based Spaghetti and Beyond Beef Meatball Pasta Bowls. Initial pilot tests are likely to begin in October 2019.

Beyond Meat, Inc. believes that this partnership provides a large distribution network that should help deliver Beyond Meat's product into homes across the country, allowing customers to experience the appeal and taste of iconic Italian food with a more sustainable alternative ingredient.

Projections

Basis of Forecast

Our forecasts reflect the company growing its sales network of paid broker representatives and entry into the food service segment. In July 2018, the company hired a new West Coast VP-sales, as well as appointed a new broker network for that region. The expectation is to begin seeing West Coast product placements in 1H20. In April 2019, the company hired a VP-Business Development in order to head MamaMancini's entry into the food service and alternate market segments. Once shipments commence (latter part of calendar 2019), we anticipate a rapid increase in revenue from this segment in 2H21.

We anticipate product shelf placements on retail and grocery shelves will increase stemming from the company's ability to expand into new retail and grocery locations from new and existing customers, as well as utilizing its brokers to develop merchandising strategies to expand the scope of business within existing supermarket and club store locations, and new product launches such as pasta bowl meal component kits designed for supermarkets, club stores and food service customers.

Additional growth drivers supporting our growth forecast include the company's relationship with the QVC network that has enabled them to introduce at least twelve new offerings to consumers, building brand awareness for MamaMancini's offerings through social media marketing, satellite radio advertising, and targeted consumer merchandising activity that includes virtual couponing, on-pack couponing, and mail-in rebates.

We believe the strategic partnership (announced on September 27, 2019) with Beyond Meat, Inc., could potentially be a significant boost to shelf placements. However, until customers complete the testing and begin placing orders of MMB's new line of fully cooked authentic Italian foods to existing customers using Beyond Meat's plant-based Beyond Beef, we are not going to incorporate revenue into our FY21 forecast.

We project FY20 gross margin of 33.1%, down from 35% in FY19 due primarily to the inclusion of depreciation expense in cost of sales (prior was in G&A expense) related to significant plant capacity additions made by the company in FY19. In FY21, we anticipate gross margin expanding to 34.2% from our FY20 estimate of 33.1% due to the realization of plant efficiencies, offset in part by commencing initial product shipments to food service customers that are likely to carry lower margins. We anticipate operating margin expense decreasing to 25.7% in FY21 from an estimated 26% in FY20 (prior was 27%) and 29.5% in FY19. The change to our FY20 operating expense forecast is due primarily to streamlining G&A costs faster than anticipated stemming from the company's ability to reduce freight costs in the 2H20.

During our forecast period, MMB is unlikely to fully use its tax loss carry forwards of approximately \$10 million at April 30, 2019.

Operations – FY20

We project net sales growth of 20.6% to \$34.4 million (unchanged) due to an increase in annual revenue per shelf placement to \$767, up from \$658 in FY19. The increase in annual revenue per shelf placement should stem from shipments to higher volume customers, as well as the addition of new product offerings such as its line of pasta bowls introduced in 1Q20

We project a 13.8% increase in gross profit to \$11.4 million, driven by sales gains, partly offset by gross margin contraction to 33.1% from 35% in FY19 reflecting the inclusion of depreciation expense in cost of sales of approximately \$740,000 that was previously accounted for as part of G&A expense. We project operating profits increasing 55.7% to \$2.4 million from \$1.6 million in FY19 due to sales growth and operating expense margin decreasing to 26% (prior was 27%) from 29.5% in FY19.

We anticipate operating expenses increasing 6% to \$8.9 million due primarily to G&A expense of \$8.8 million compared to \$8.3 million in FY19. G&A expense should increase to support sales growth. However, we have lowered G&A expense by approximately \$350,000 due primary to lower than originally anticipated freight and

shipping costs (approximately reductions of \$100,000 and \$250,000 from our prior forecast). We project an operating margin of 7.1% vs. 5.5%.

Non-operating expense should decrease to \$382,000 (interest expense of \$359,000 and \$23,000 in debt discount) from a total of \$1 million (interest expense of \$882,000 and \$133,000 in debt discount). The decrease in interest expense is due primarily to lower interest rates and paying down a significant portion of its outstanding term loan.

We project net income of \$2.1 million or \$0.06 per share. We previously projected net income of \$1.7 million or \$0.05 per share.

Operations – FY21

We project net sales growth of 30.9% to \$45 million (unchanged) due primarily to an increase in annual revenue per shelf placement to \$845, up from an estimated \$767 in FY19, brand awareness campaigns driving increased sales by consumers within each retail and grocery location, and the full year impact from shipments to food service customers.

We project a 35.3% increase in gross profit to \$15.4 million, driven by sales gains and gross margin expansion to 34.2% from an estimated 33.1% in FY20 reflecting plant efficiencies, offset in part by initial stocking shipments to food service customers and depreciation costs for plant improvements made in prior years. We project operating profits increasing 56.6% to \$3.8 million from an estimated \$2.4 million in FY20 due to sales growth, gross margin expansion, and operating expense margin decreasing to 25.7% from an estimated 26% in FY20.

We anticipate operating expenses increasing 29.5% to \$11.6 million due to G&A expense of \$11.5 million compared to an estimated \$8.9 million in FY20. G&A expense should increase to support sales growth including expenses for the expansion of product shipments to food service customers. We project an operating margin of 8.5% vs. 7.1%.

Non-operating expense (exclusively interest expense) should decrease to \$250,000 from \$382,000 due primarily to lower average debt balances.

We project net income of \$3.6 million or \$0.11 per share, which is unchanged from our prior forecast.

Finances

For FY20, we project cash earnings of nearly \$3 million and an increase in working capital of \$825,000 due primarily to increases in inventories and receivables and decreases in payables and accrued expenses. Cash from operations of \$2.2 million should cover capital expenditures and debt repayments, increasing cash by \$387,000 to \$996,000 at January 31, 2020.

For FY21, we project cash earnings of \$4.5 million and an increase in working capital of \$850,000 due primarily to increases in receivables and inventories and decreases in payables. Cash from operations of \$3.7 million is unlikely to cover capital expenditures and debt repayments, reducing cash by \$25,000 to \$971,000 at January 31, 2021.

Risks

In our view, these are the principal risks underlying the stock:

Customer Concentration

In 1H20 (ended July 31, 2019), MMMB's three largest customers accounted for approximately 66% of gross sales compared to one customer accounting for 52% of gross sales in 1H19. MMMB does not have long-term contracts with its principal customers, which if lost, could diminish future sales. In 1H20, three customers accounted for approximately 61% of total gross outstanding receivables compared to one customer accounting for 49% in 1H19.

Regulation

The company's food products manufactured at Joseph Epstein Food Enterprises are subject to extensive regulation by the US Food and Drug Administration (FDA), the US Department of Agriculture (USDA) and other national, state,

and local authorities. If these regulators change regulations at some point in the future, or should MMMB change its existing recipes to include ingredients that do not meet regulation standards, the company's operations could be adversely affected.

Food Safety

MMMB's products are subject to numerous food safety and other laws and regulations regarding the manufacturing, marketing, and distribution of food products, as well as if those products cause injury or illness to consumers. The company's manufacturing operations are certified in the Safe Quality Food Program. These standards are integrated food safety and quality management protocols designed specifically for the food sector and offer a comprehensive methodology to manage food safety and quality simultaneously. The certification provides an independent and external validation that a product, process or service complies with applicable regulations and standards.

Internal Controls

As of July 31, 2019, material weaknesses in internal controls continue to include deficiencies in functional controls and segregation of duties. The company is committed to improving its financial organization by creating a position to segregate duties consistent with control objectives and plans to increase its personnel resources and technical accounting expertise within the accounting function when funds are available.

Shareholder Control

Officers and directors collectively own nearly 50% of the outstanding voting stock (as of the SEC filing in April 2019). This group could potentially greatly influence the outcome of matters requiring stockholder approval. These decisions may or may not be in the best interests of the other shareholders.

Miscellaneous Risk

The company's financial results and equity values are subject to other risks and uncertainties, including competition, operations, financial markets, regulatory risk, and/or other events. These risks may cause actual results to differ from expected results.

Trading Volume

Over the last three-months to September 30, 2019 average daily volume was approximately 27,400 shares. The company has a float of 16.4 million shares and 32 million outstanding shares.

MamaMancini's Holdings, Inc.
Consolidated Balance Sheets – Ending January 31
FY2017 – FY2021E
(in thousands)

	<u>FY2017A</u>	<u>FY2018A</u>	<u>FY2019A</u>	<u>2Q20A</u>	<u>FY2020E</u>	<u>FY2021E</u>
ASSETS						
Current assets:						
Cash	\$ 671	\$ 581	\$ 609	\$ 635	\$ 996	\$ 971
Accounts receivable, net	1,818	3,085	2,699	2,711	2,832	3,016
Inventories	807	824	1,396	1,465	1,644	2,116
Prepaid expenses	<u>180</u>	<u>262</u>	<u>155</u>	<u>379</u>	<u>350</u>	<u>365</u>
Total current assets	3,476	4,752	4,860	5,191	5,823	6,467
Property and equipment plus deposits, net includes deposit on machiner	1,563	2,500	2,885	2,858	2,875	2,909
Operating lease right of use assets, net	-	-	-	1,557	1,534	1,534
Deposits and Debt issuance costs, net	20	20	20	20	20	20
Total assets	<u>\$ 5,059</u>	<u>\$ 7,272</u>	<u>\$ 7,764</u>	<u>\$ 9,626</u>	<u>\$ 10,252</u>	<u>\$ 10,930</u>
LIABILITIES AND STOCKHOLDERS' EQUITY						
Current liabilities:						
Accounts payable and accrued expenses	2,125	3,457	3,062	3,065	2,813	2,633
Capital leases payable	-	-	54	-	-	-
Line of credit	1,363	2,689	-	-	-	-
Term loan	140	107	500	500	500	200
Operating lease liability	-	-	-	125	125	125
Finance leases payable	-	-	-	100	100	100
Notes payable	1,402	1,403	-	-	-	-
Convertible note payable, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>5,030</u>	<u>7,656</u>	<u>3,616</u>	<u>3,789</u>	<u>3,538</u>	<u>3,058</u>
Term loan - net	513	652	1,914	1,119	725	-
Line of credit	-	-	2,612	2,677	2,675	1,220
Operating lease liability - net	-	-	-	1,432	1,375	1,375
Finance leases payable - net	-	-	163	340	300	148
Notes payable - includes related party	2,198	900	642	642	642	342
Stockholders' equity:						
Common stock, \$0.00001 par value; authorized 250,000,000 shares	0	0	0	0	0	0
Paid-in capital	15,825	16,345	16,547	16,642	16,672	16,897
Treasury stock and common stock subscribed	(149)	(149)	(150)	(150)	(150)	(150)
Retained earnings (deficit)	<u>(18,358)</u>	<u>(18,130)</u>	<u>(17,580)</u>	<u>(16,866)</u>	<u>(15,526)</u>	<u>(11,961)</u>
Total stockholders' equity	<u>(2,683)</u>	<u>(1,935)</u>	<u>(1,182)</u>	<u>(373)</u>	<u>997</u>	<u>4,787</u>
Total liabilities and stockholders' equity	<u>\$ 5,059</u>	<u>\$ 7,272</u>	<u>\$ 7,764</u>	<u>\$ 9,626</u>	<u>\$ 10,252</u>	<u>\$ 10,930</u>
SHARES OUT	27,375	31,753	31,866	31,991	32,000	32,250

Source: Company reports and Taglich Brothers estimates

MamaMancini's Holdings, Inc.
Annual Income Statement – Ending January 31
FY2017 – FY2021E
(in thousands)

	<u>FY2017A</u>	<u>FY2018A</u>	<u>FY2019A</u>	<u>FY2020E</u>	<u>FY2021E</u>
Sales - net of slotting fees, discounts	\$ 18,049	\$ 27,543	\$ 28,522	\$ 34,384	\$ 45,000
Cost of goods sold	<u>10,830</u>	<u>18,283</u>	<u>18,532</u>	<u>23,017</u>	<u>29,620</u>
Gross Profit	7,219	9,261	9,990	11,367	15,380
Operating Expenses:					
Research and development	153	138	131	100	100
General and administrative	6,609	8,060	8,294	8,832	11,465
Total Operating Expenses	<u>6,763</u>	<u>8,198</u>	<u>8,425</u>	<u>8,932</u>	<u>11,565</u>
Operating Income (loss)	456	1,063	1,565	2,436	3,815
Other Income (Expense)					
Interest income (expense)	(729)	(680)	(882)	(359)	(250)
Amortization of debt discount	<u>(29)</u>	<u>(63)</u>	<u>(133)</u>	<u>(23)</u>	<u>-</u>
Total Other Income (Expense)	<u>(757)</u>	<u>(743)</u>	<u>(1,015)</u>	<u>(382)</u>	<u>(250)</u>
Pre-Tax Income	(301)	320	550	2,054	3,565
Income Tax Expense (Benefit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income (loss)	<u><u>\$ (301)</u></u>	<u><u>\$ 320</u></u>	<u><u>\$ 550</u></u>	<u><u>\$ 2,054</u></u>	<u><u>\$ 3,565</u></u>
Preferred dividends	<u><u>205</u></u>	<u><u>92</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Net Income (loss)	<u><u>\$ (506)</u></u>	<u><u>\$ 228</u></u>	<u><u>\$ 550</u></u>	<u><u>\$ 2,054</u></u>	<u><u>\$ 3,565</u></u>
EPS	<u><u>\$ (0.02)</u></u>	<u><u>\$ 0.01</u></u>	<u><u>\$ 0.02</u></u>	<u><u>\$ 0.06</u></u>	<u><u>\$ 0.11</u></u>
Avg Shares (000)	<u><u>27,100</u></u>	<u><u>32,206</u></u>	<u><u>32,874</u></u>	<u><u>32,026</u></u>	<u><u>32,088</u></u>
Adjusted EBITDA	\$ 1,432	\$ 2,069	\$ 2,407	\$ 3,268	\$ 4,715
Margins					
Gross Margins	40.0%	33.6%	35.0%	33.1%	34.2%
Operating Margin	2.5%	3.9%	5.5%	7.1%	8.5%
Pre-Tax Margins	(1.7%)	1.2%	1.9%	6.0%	7.9%
Research and development	0.8%	0.5%	0.5%	0.3%	0.2%
General and administrative	36.6%	29.3%	29.1%	25.7%	25.5%
Tax Rate	0.0%	0.0%	0.0%	0.0%	0.0%
YEAR / YEAR GROWTH					
Net Sales	43.2%	52.6%	3.6%	20.6%	30.9%

Source: Company reports and Taglich Brothers estimates

MamaMancini's Holdings, Inc.
Income Statement Model – Ending January 31
Quarters FY2019A – 2021E
(in thousands)

	<u>1Q19A</u>	<u>2Q19A</u>	<u>3Q19A</u>	<u>4Q19A</u>	<u>FY2019A</u>	<u>1Q20A</u>	<u>2Q20A</u>	<u>3Q20E</u>	<u>4Q20E</u>	<u>FY2020E</u>	<u>1Q20E</u>	<u>2Q20E</u>	<u>3Q20E</u>	<u>4Q20E</u>	<u>FY2021E</u>
Sales - net of slotting fees, discounts	\$ 7,742	\$ 5,641	\$ 8,243	\$ 6,896	\$ 28,522	\$ 7,365	\$ 8,099	\$ 9,045	\$ 9,875	\$ 34,384	\$ 9,000	\$ 10,200	\$ 12,425	\$ 13,375	\$ 45,000
Cost of goods sold	4,913	3,579	5,555	4,484	18,532	4,994	5,408	6,015	6,600	23,017	6,015	6,780	8,125	8,700	29,620
Gross Profit	2,829	2,062	2,687	2,412	9,990	2,371	2,691	3,030	3,275	11,367	2,985	3,420	4,300	4,675	15,380
Operating Expenses:															
Research and development	30	37	32	32	131	25	25	25	25	100	25	25	25	25	100
General and administrative	2,245	1,895	2,120	2,035	8,294	1,866	2,216	2,350	2,400	8,832	2,475	2,750	3,000	3,240	11,465
Total Operating Expenses	2,275	1,932	2,151	2,067	8,425	1,891	2,240	2,375	2,425	8,932	2,500	2,775	3,025	3,265	11,565
Operating Income (loss)	554	130	536	346	1,565	480	451	655	850	2,436	485	645	1,275	1,410	3,815
Other Income (Expense)															
Interest income (expense)	(188)	(291)	(160)	(242)	(882)	(117)	(87)	(80)	(75)	(359)	(70)	(65)	(60)	(55)	(250)
Amortization of debt discount	(41)	(49)	(20)	(23)	(133)	(7)	(5)	(5)	(5)	(23)	-	-	-	-	-
Total Other Income (Expense)	(230)	(340)	(180)	(266)	(1,015)	(124)	(93)	(85)	(80)	(382)	(70)	(65)	(60)	(55)	(250)
Pre-Tax Income	324	(210)	356	80	550	356	358	570	770	2,054	415	580	1,215	1,355	3,565
Income Tax Expense (Benefit)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income (loss)	\$ 324	\$ (210)	\$ 356	\$ 80	\$ 550	\$ 356	\$ 358	\$ 570	\$ 770	\$ 2,054	\$ 415	\$ 580	\$ 1,215	\$ 1,355	\$ 3,565
Preferred dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Income (loss)	\$ 324	\$ (210)	\$ 356	\$ 80	\$ 550	\$ 356	\$ 358	\$ 570	\$ 770	\$ 2,054	\$ 415	\$ 580	\$ 1,215	\$ 1,355	\$ 3,565
EPS	\$ 0.01	\$ (0.01)	\$ 0.01	\$ 0.00	\$ 0.02	\$ 0.01	\$ 0.01	\$ 0.02	\$ 0.02	\$ 0.06	\$ 0.01	\$ 0.02	\$ 0.04	\$ 0.04	\$ 0.11
Avg Shares (000)	34,655	31,860	32,489	32,490	32,874	32,098	31,982	32,000	32,025	32,026	32,050	32,075	32,100	32,125	32,088
Adjusted EBITDA	\$ 751	\$ 349	\$ 759	\$ 547	\$ 2,407	\$ 688	\$ 655	\$ 865	\$ 1,060	\$ 3,268	\$ 710	\$ 870	\$ 1,500	\$ 1,635	\$ 4,715
Margins															
Gross Margins	36.5%	36.6%	32.6%	35.0%	35.0%	32.2%	33.2%	33.5%	33.2%	33.1%	33.2%	33.5%	34.6%	35.0%	34.2%
Operating Margin	7.1%	2.3%	6.5%	5.0%	5.5%	6.5%	5.6%	7.2%	8.6%	7.1%	5.4%	6.3%	10.3%	10.5%	8.5%
Pre-Tax Margins	4.2%	(3.7%)	4.3%	1.2%	1.9%	4.8%	4.4%	6.3%	7.8%	6.0%	4.6%	5.7%	9.8%	10.1%	7.9%
Research and development	0.4%	0.7%	0.4%	0.5%	0.5%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%
General and administrative	29.0%	33.6%	25.7%	29.5%	29.1%	25.3%	27.4%	26.0%	24.3%	25.7%	27.5%	27.0%	24.1%	24.2%	25.5%
Tax Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
YEAR / YEAR GROWTH															
Net Sales	44.5%	(19.5%)	12.1%	(11.9%)	3.6%	(4.9%)	43.6%	9.7%	43.2%	20.6%	22.2%	25.9%	37.4%	35.4%	30.9%

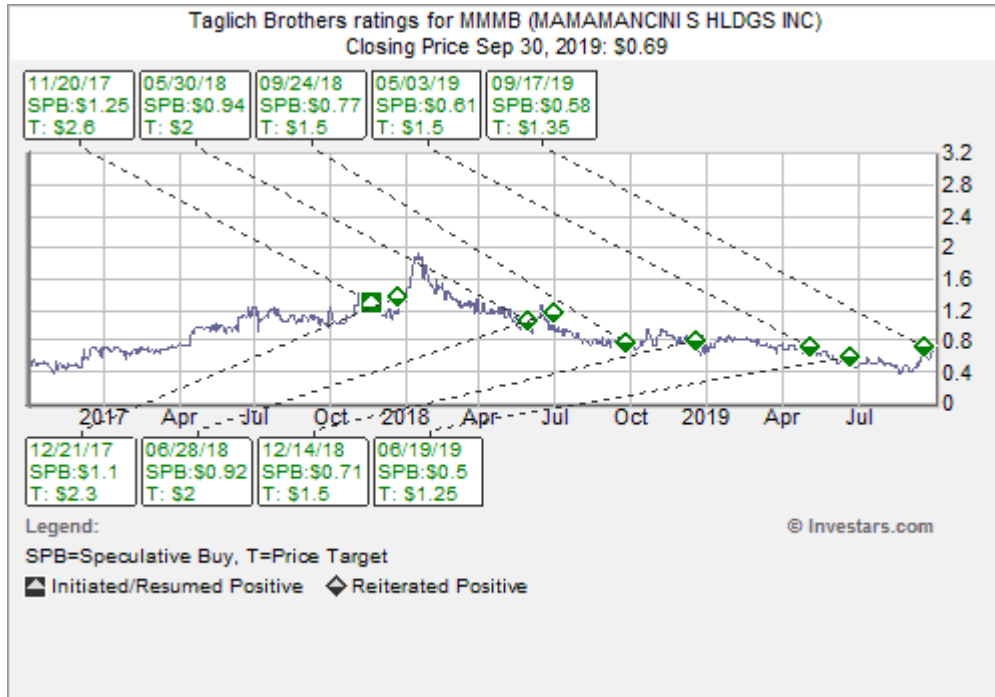
Source: Company reports and Taglich Brothers estimates

MamaMancini's Holdings, Inc.
Cash Flow Statement – Ending January 31
FY2017 – FY2021E
(in thousands)

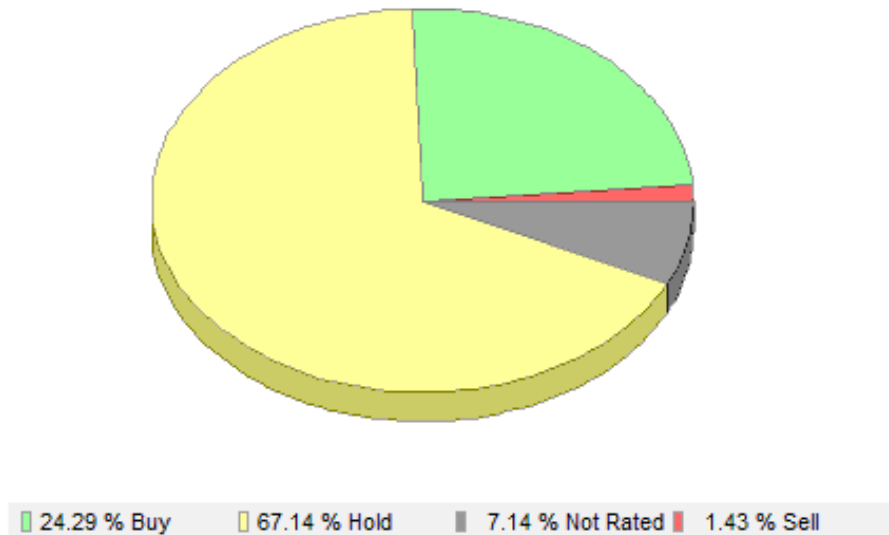
	FY2017A	FY2018A	FY2019A	6 Mos20A	FY2020E	FY2021E
<i>Cash Flows from Operating Activities</i>						
Net Income (loss)	\$ (301)	\$ 320	\$ 550	\$ 714	\$ 2,054	\$ 3,565
Depreciation	442	538	679	370	740	700
Amortization of debt issuance and discount costs	29	63	133	13	26	30
Share-based compensation	598	428	162	30	125	225
Amortization of right of use assets	-	-	-	43	43	-
Cash earnings (burn)	<u>767</u>	<u>1,350</u>	<u>1,525</u>	<u>1,170</u>	<u>2,988</u>	<u>4,520</u>
<i>Changes In:</i>						
Accounts receivable	(341)	(1,267)	386	(13)	(134)	(183)
Inventories	(249)	(18)	(572)	(69)	(248)	(472)
Prepaid expenses	29	(82)	107	(159)	(195)	(15)
Current portion of operating lease liability	-	-	-	(43)	-	-
Accounts payable and accrued expenses	151	1,332	(2)	4	(249)	(180)
Net (increase)/decrease in Working Capital	<u>(410)</u>	<u>(34)</u>	<u>(81)</u>	<u>(280)</u>	<u>(825)</u>	<u>(850)</u>
Net cash Provided (used) by Operations	<u>357</u>	<u>1,316</u>	<u>1,443</u>	<u>890</u>	<u>2,163</u>	<u>3,670</u>
<i>Cash Flows from Investing Activities</i>						
Cash paid for fixed assets	<u>(553)</u>	<u>(1,475)</u>	<u>(1,034)</u>	<u>(90)</u>	<u>(250)</u>	<u>(550)</u>
Net cash used in Investing	<u>(553)</u>	<u>(1,475)</u>	<u>(1,034)</u>	<u>(90)</u>	<u>(250)</u>	<u>(550)</u>
<i>Cash Flows from Financing Activities</i>						
Proceeds from issuance of common stock and exercise of options	-	-	40	-	-	-
Debt issuance and deferred offering costs	(50)	(25)	(120)	-	-	-
Proceeds (repayment) from credit line	404	1,339	(90)	65	(100)	(1,500)
Proceeds (repayment) of demand and promissory notes	(486)	(1,350)	(2,131)	-	-	-
Borrowings (repayment) from term loan	213	105	1,741	(808)	(1,208)	(1,125)
Capital lease obligations (repayment) proceeds	-	-	186	(31)	(218)	(220)
Borrowings (repayment) from convertible note and notes payable -related party	<u>(7)</u>	<u>-</u>	<u>(8)</u>	<u>-</u>	<u>-</u>	<u>(300)</u>
Net cash provided by Financing	<u>73</u>	<u>70</u>	<u>(382)</u>	<u>(774)</u>	<u>(1,526)</u>	<u>(3,145)</u>
Net change in Cash	(122)	(89)	28	26	387	(25)
Cash Beginning of Period	<u>793</u>	<u>671</u>	<u>581</u>	<u>609</u>	<u>609</u>	<u>996</u>
Cash End of Period	<u>\$ 671</u>	<u>\$ 581</u>	<u>\$ 609</u>	<u>\$ 635</u>	<u>\$ 996</u>	<u>\$ 971</u>

Source: Company reports and Taglich Brothers estimates

Price Chart



Taglich Brothers Current Ratings Distribution



Investment Banking Services for Companies Covered in the Past 12 Months		
Rating	#	%
Buy	2	9
Hold		
Sell		
Not Rated	1	25

Important Disclosures

As of the date of this report, we, our affiliates, any officer, director or stockholder, or any member of their families own less than 1% of the stock of the company mentioned in this report. An employee of Taglich Brothers owns or has a controlling interest in MMMB of 10,000 common shares. Taglich Brothers, Inc. does not currently have an Investment Banking relationship with the company mentioned in this report and was not a manager or co-manager of any offering for the company with in the last three years.

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General Disclosures

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Analyst Certification

I, Howard Halpern, the research analyst of this report, hereby certify that the views expressed in this report accurately reflect my personal views about the subject securities and issuers; and that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this report.

Public Companies mentioned in this report:

Amplify Snack Brands Inc.	(NASDAQ: BETR)	B&G Foods Inc.	(NYSE: BGS)
Conagra Brands	(NYSE: CAG)	Farmer Brothers. Co.	(NASDAQ: FARM)
Hormel Foods	(NYSE: HRL)	Inventure Foods	(NASDAQ: SNAK)
Lifeway Foods Inc.	(NASDAQ: LWAY)	Sunopta Inc.	(NASDAQ: STKL)
Sprouts Farmers Market	(NYSE: SFM)	Tyson Foods	(NYSE: TSN)
Sysco Corp.	(NYSE: SYY)	Beyond Meat, Inc.	(NASDAQ: BYND)

Meaning of Ratings

Buy – The growth prospects, degree of investment risk, and valuation make the stock attractive relative to the general market or comparable stocks.

Speculative Buy – Long-term prospects of the company are promising but investment risk is significantly higher than it is in our BUY-rated stocks. Risk-reward considerations justify purchase mainly by high risk-tolerant accounts. In the short run, the stock may be subject to high volatility and could continue to trade at a discount to its market.

Neutral – Based on our outlook the stock is adequately valued. If investment risks are within acceptable parameters, this equity could remain a holding if already owned.

Sell – Based on our outlook the stock is significantly overvalued. A weak company or sector outlook and a high degree of investment risk make it likely that the stock will underperform relative to the general market.

Dropping Coverage – Research coverage discontinued due to the acquisition of the company, termination of research services, non-payment for such services, diminished investor interest, or departure of the analyst.

Some notable Risks within the Microcap Market

Stocks in the Microcap segment of the market have many risks that are not as prevalent in Large-cap, Blue Chips or even Small-cap stocks. Often it is these risks that cause Microcap stocks to trade at discounts to their peers. The most common of these risks is liquidity risk, which is typically caused by small trading floats and very low trading volume which can lead to large spreads and high volatility in stock price. In addition, Microcaps tend to have significant company-specific risks that contribute to lower valuations. Investors need to be aware of the higher probability of financial default and higher degree of financial distress inherent in the microcap segment of the market.

From time to time our analysts may choose to withhold or suspend a rating on a company. We continue to publish informational reports on such companies; however, they have no ratings or price targets. In general, we will not rate any company that has too much business or financial uncertainty for our analysts to form an investment conclusion, or that is currently in the process of being acquired.