



NEWS RELEASE

Vital Farms Updates Long-Term Financial Targets

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Company Sets \$1 Billion Net Revenue Target for 2027
Maintains 2023 Net Revenue and Adjusted EBITDA Forecast

AUSTIN, Texas, Sept. 19, 2023 (GLOBE NEWSWIRE) -- Vital Farms (Nasdaq: VITL), a Certified B Corporation that offers a range of ethically produced foods nationwide, today updated its long-term financial targets and plans to provide additional detail at its Analyst Day presentation later today.

“Our progress as a brand and as a public company reinforces my enthusiasm about the long-term potential of this business. We believe that what we have built still has significant growth potential within our current categories,” said Russell Diez-Canseco, Vital Farms’ President and CEO.

Diez-Canseco continued, “Vital Farms is well-positioned for continued significant net revenue growth through 2027. The \$1 billion net revenue target reflects our confidence in our current business trajectory and the potential we see to further our brand’s momentum. To get there, we will continue increasing brand awareness among consumers, expand retail distribution across new and existing partners, and scale our resilient supply chain.”

Update on Long-Term Financial Targets

- By the end of fiscal year 2027, management expects to generate annual net revenue of more than \$1 billion in its current categories.
- Management expects gross margin of at least 35% of net revenue by the fiscal year 2027.
- Management expects Adjusted EBITDA Margin in the range of 12% to 14% of net revenue by the fiscal year 2027.

Update on Fiscal 2023 Outlook

- For the full fiscal year 2023, management continues to expect net revenue of more than \$465 million, which still anticipates higher net revenue growth rates and gross margin in the first half of year than in the second half of the year.
- Management continues to expect Adjusted EBITDA of more than \$35 million for the full fiscal year 2023.
- Finally, management also continues to expect fiscal year 2023 capital expenditures in the range of \$16 to \$21 million.

Vital Farms' guidance continues to assume that there are no additional significant disruptions to the supply chain or its customers or consumers, including any issues from adverse macroeconomic factors. Vital Farms cannot provide a reconciliation between its forecasted Adjusted EBITDA and Adjusted EBITDA Margin and their most directly comparable GAAP measures without unreasonable effort due to the unavailability of reliable estimates for income taxes, among other items. These items are not within our control and may vary greatly between periods and could significantly impact future financial results.

Webcast Details

Vital Farms will host a webcast beginning at 10:00 a.m. ET with members of the leadership team. The presentation will review updates across the business including an update on the company's long-term financial targets. Register **here** to access the webcast. Alternatively, participants can access the live webcast on the Vital Farms Investor Relations website at <https://investors.vitalfarms.com> under "Events."

About Vital Farms

Vital Farms (Nasdaq: VITL) is a Certified B Corporation that offers a range of ethically produced foods nationwide. Started on a single farm in Austin, Texas in 2007, Vital Farms has become a national consumer brand that works with over 300 family farms and is the leading U.S. brand of pasture-raised eggs by retail dollar sales. Vital Farms' ethics are exemplified by its focus on the humane treatment of farm animals and sustainable farming practices. In

addition, as a Delaware public benefit corporation, Vital Farms prioritizes the long-term benefits of each of its stakeholders, including farmers and suppliers, customers and consumers, communities and the environment, crew members, and stockholders. Vital Farms' products, including shell eggs, butter, hard-boiled eggs, and liquid whole eggs, are sold in approximately 24,000 stores nationwide. For more information, please visit www.vitalfarms.com.

Forward-Looking Statements

This press release and the Analyst Day presentation referencing this press release contain “forward-looking” statements, as that term is defined under the federal securities laws, including but not limited to statements regarding Vital Farms’ market opportunity, anticipated growth, and future financial performance, including management’s outlook for fiscal year 2023 and management’s long-term outlook. These forward-looking statements are based on Vital Farms’ current assumptions, expectations, and beliefs and are subject to substantial risks, uncertainties, assumptions, and changes in circumstances that may cause Vital Farms’ actual results, performance, or achievements to differ materially from those expressed or implied in any forward-looking statement.

The risks and uncertainties referred to above include, but are not limited to: Vital Farms’ expectations regarding its revenue, expenses, and other operating results; Vital Farms’ ability to acquire new customers, to successfully retain existing customers, and to attract and retain its personnel, farmers, suppliers, distributors, and co-manufacturers; Vital Farms’ ability to sustain or increase its profitability; Vital Farms’ ability to procure sufficient high-quality eggs, cream for its butter, and other raw materials; Vital Farms’ ability to successfully enter into new product categories; real or perceived quality with Vital Farms’ products or other issues that adversely affect Vital Farms’ brand and reputation; changes in the tastes and preferences of consumers; the financial condition of, and Vital Farms’ relationships with, its farmers, suppliers, co-manufacturers, distributors, retailers, and foodservice customers, as well as the health of the foodservice industry generally; the impact of agricultural risks, including diseases such as avian influenza; the ability of Vital Farms, its farmers, suppliers, and its co-manufacturers to comply with food safety, environmental or other laws or regulations; the effects of a public health pandemic or contagious disease on Vital Farms’ supply chain, the demand for its products, and on overall economic conditions and consumer confidence and spending levels; future investments in its business, anticipated capital expenditures and estimates regarding capital requirements; anticipated changes in Vital Farms’ product offerings and Vital Farms’ ability to innovate to offer successful new products; the costs and success of marketing efforts; Vital Farms’ ability to effectively manage its growth and to compete effectively with existing competitors and new market entrants; the impact of adverse economic conditions, increased interest rates, and inflation; the potential negative impact of Vital Farms’ focus on a specific public benefit purpose and producing a positive effect for society on its financial performance; seasonality; and the growth rates of the markets in which Vital Farms competes.

These risks and uncertainties are more fully described in Vital Farms' filings with the Securities and Exchange Commission (SEC), including in the sections entitled "Risk Factors" in its Quarterly Report on Form 10-Q for the fiscal quarter ended June 25, 2023 and other filings and reports that Vital Farms may file from time to time with the SEC. Moreover, Vital Farms operates in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for management to predict all risks, nor can Vital Farms assess the impact of all factors on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements Vital Farms may make. In light of these risks, uncertainties, and assumptions, Vital Farms cannot guarantee future results, levels of activity, performance, achievements, or events and circumstances reflected in the forward-looking statements will occur. Forward-looking statements represent management's beliefs and assumptions only as of the date of this press release. Vital Farms disclaims any obligation to update forward-looking statements except as required by law.

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