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Research Report – Update

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

MamaMancini's Holdings, Inc.

Speculative Buy

Howard Halpern

April 23, 2021

MMMB $2.91 — (OTC)

	FY2019 A	FY2020 A	FY2021 A	*FY2022 E*	*FY2023 E*
Revenue (in millions)	$27.3**	$33.8	$40.8	***$48.1***	***$60.0***
Earnings (loss) per share	$0.01	$0.04	$0.10*	***$0.12***	***$0.16***

52-Week range	$3.15 – $1.31	Fiscal year ends:	January
Shares outstanding a/o 04/19/21	35.6 million	Revenue/shares (ttm)	$1.20
Approximate float	19.4 million	Price/Sales (ttm)	2.4X
Market Capitalization	$103.6 million	Price/Sales (2023) E	1.8X
Tangible Book value/shr	$0.23	Price/Earnings (ttm)*	29.1X
Price/Book	12.7X	Price/Earnings (2023) E	18.2X

** Excludes a deferred tax benefit of $745,000 or $0.02 per share   ** Estimated revenue impact related to the revenue recognition change adopted in 4Q21*

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 increasing our twelve-month price target to $4.25 per share from $3.75 due primarily to increased sector valuation and our FY23 EPS forecast.

MamaMancini's has substantial growth potential for its specialty prepared authentic Italian products. Entering FY22, we estimate MMMB's Italian products were available in over 45,000 US shelf locations. The number of products available to US consumers should increase as MMMB obtains additional product authorizations to new and existing customer locations.

Supporting our forecasts are new product authorizations (nearly 5,500 locations) the company obtained in 2H21 and 1Q22, as well as the engagement of B&A Food Brokers that should enable MMMB to penetrate the food service industry more easily within the US Mid-Atlantic region, as well as strategic national accounts.

MMMB reported (on 04-20-21) FY21 EPS of $0.10 (excludes a one-time deferred tax benefit of $0.02 per share) on 20.8% revenue growth to $40.8 million. We projected EPS of $0.10 on revenue of $42.11 million. In FY20, EPS was $0.04 on revenue of $33.8 million.

For FY22, we are reducing our EPS and sales forecasts to $0.12 and $48.1 million, respectively, from of $0.19 and $55.6 million. Our reduced sales forecast is due primarily to delays in obtaining food service customers and the residual impacts from the COVID-19 pandemic environment on existing customers. Our EPS forecast reflects gross margin improving to 32.3% from 31.3% in FY21, partly offset by operating expense margin increasing to 23.4% from 22.7% in FY21.

For FY23, we project EPS of $0.16 on sales growth of 24.7% to $60 million. Our sales forecast reflects new authorizations of up to 15,000 new spots on retailer shelves anticipated to occur in 2H22, modest revenue from food service customers, and new purchase orders. Our EPS forecast reflects a tax rate of 26% as MMMB exhausts in operating loss carryforwards in 1Q23. We anticipate gross margin improving to 33.7% from 32.3% as the company leverages its manufacturing plant operations.

Please view our Disclosures on pages 13 – 15.

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Appreciation Potential

Maintaining Speculative Buy rating and increasing our twelve-month price target to $4.25 per share from $3.75 due primarily to increased sector valuation and our FY23 EPS forecast. Our rating reflects the substantial growth potential for the company's specialty prepared authentic Italian products. Entering FY22, we estimate MMMB's Italian products were available in over 45,000 US shelf locations, which should grow through our forecast period. Growth should be supported by the company's receipt of new authorizations (2H21 and 1Q22) representing up to 15,000 new spots on retailer shelves from national accounts, club stores and large regional retailers.

Also in FY21, the company engaged B&A Food Brokers that should enable it to better penetrate the food service industry by the end of FY22.

Our rating also reflects the company having no debt and a growing cash position. We anticipate cash per share increasing to $0.19 in FY23, up from $0.02 per share in FY19. We anticipate our cash earnings forecast should support the company's working capital needs to grow revenue to $60 million in FY23 from $40.8 million in FY21.

Our 12-month price target of $4.25 per share implies shares could appreciate at least 45% over the next twelve months. According to finviz (a/o 4/21/21), the average forward P/E multiple for companies in the Packaged and Distribution Food sectors is 32X (prior was 25.8X). The company's forward P/E multiple is 18.2X. We project FY23 EPS growth of 33.3% to $0.16, compared to 18.4% EPS growth for the sector. We believe investors are likely to provide a valuation multiple approaching that of the company's sector based on forecasted EPS growth. We applied a 30X (prior was 22X) multiple to our FY23 EPS forecast of $0.16, discounted for execution risk, to obtain a year-ahead value of approximately $4.25 per share.

MamaMancini's Holdings, Inc. valuation improvement is contingent upon quarterly revenue growth, expense leverage, cash earnings, and sustained annual profitability. MMMB has produced profits in its last ten quarters. We forecast MMMB to generate operating profits in FY22 and FY23 and produce cash earnings of $6.7 million in FY23, up from our FY22 cash earnings projection of $5.2 million and $4.9 million reported in FY21.

In our view this stock is suitable for risk-tolerant investors. Revenue growth and reaching our earnings expectations for FY23/22 will depend on MMMB successfully increasing its penetration of supermarket locations and shelf placements, as well as continuing programs to increase operating efficiencies at its manufacturing facility.

Overview

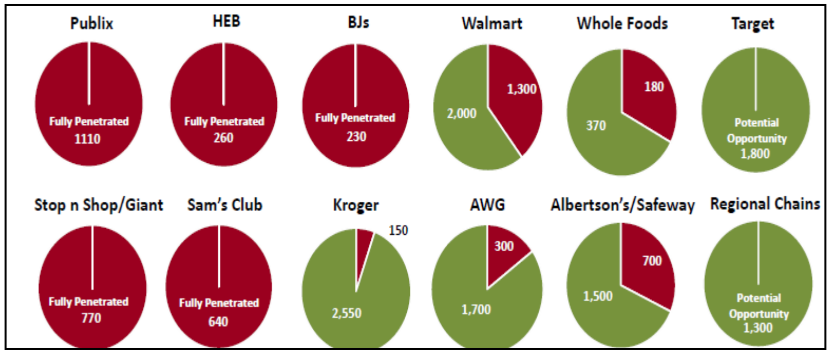
MamaMancini's Holdings, Inc., headquartered in East Rutherford, New Jersey, is a specialty prepared foods marketer and distributor of all natural, authentic Italian meatballs that contain beef, turkey, chicken, and pork combined with its homemade slow cooked Italian sauce. Additional major product categories produced and sold by the company include Italian style meatloaf, stuffed pepper filling kits, chicken parmigiana stuffed meatballs, beef and turkey parmigiana meat loaves, slow cooked marinara sauce, and gluten free slow cooked Italian style sauce and meatballs (beef and turkey). New products include Meatball Pot Pie and Spaghetti and Meatballs.

The company's all natural products contain a minimum number of ingredients and are generally derived from the original recipes of Anna "Mama" Mancini. The products are aimed at appealing to health-conscious consumers who seek to avoid artificial flavors, synthetic colors and preservatives that are used in many conventional packaged foods. Dan Dougherty, the grandson of Anna 'Mama' Mancini, founded the company. Mama's recipes arrived in the US when she emigrated from Bari, Italy to Bay Ridge, Brooklyn in 1921. Her grandson developed the company's line of all natural specialty prepared, frozen and refrigerated foods that include beef, turkey, chicken and pork meatballs, all with slow cooked Italian sauce from her recipes. A trademark of the company's offerings is that they are produced with as few ingredients as possible in order to appeal to health-conscious consumers seeking to avoid artificial flavors, synthetic colors and preservatives.

Recent Developments

In 1Q22, the company announced it initiated a new internal search program to target and acquire complementary food product companies that have complementary products in the perimeter of the supermarket, as well as operational growth. MMMB anticipates acquiring such a business should enable it to leverage new distribution relationships and push new products through its existing distributor network. The company indicated that it will be highly selective to ensure the acquisition target is accretive and that it can be financed through its existing cash earnings and/or line of credit.

Product Distribution Growth



The Food Marketing Institute (FMI) estimates there are 38,300 supermarket locations in the US. Adding in the number of US club stores, locations selling groceries approximates 40,000 in the US.

Distribution for the company's products includes supermarkets and mass-market club store retailers, such as Sam's Club. The company's products are sold in multiple places within a supermarket, but primarily in the fresh prepared food section, which is typically located along the perimeter of a retail or grocery location. MamaMancinis distributes (see picture above – September 2020 presentation) to retail and grocery locations, with Publix, Stop n Shop/Giant, Sam's Club and BJs locations fully penetrated. Five other supermarket stores still have significant growth opportunities in terms of location expansion. The company's aim is to develop merchandising and distribution programs with new customers such as Target (approximately 1,800 locations).

In 2H21, MMMB announced new product authorizations that includes a cycle rotation at select 1,500 Walmart locations, as well as additions in merchandising locations at 500 Whole Foods Kitchens, 500 Winn Dixie locations, and 170 Weis Supermarkets. Also, the company has authorizations to expand into 1,250 Publix Super Markets locations and select Sam's Club locations, and a Michigan distributor that serves 5,000+ accounts. In 1Q22, the company secured new retailer commitments including new product placements at 220 Shop Rite locations, 500 Winn Dixie locations, 600 Sam's Club locations, a commitment for a minimum of 500 Walmart locations, and 300 independent chain locations through distributor Krasdale Foods.

Overall, the company received new authorizations representing up to 15,000 new spots on retailer shelves from national accounts, club stores and large regional retailers for introduction in calendar 2021.

The company aims to expand sales and deliver more products within several areas frequented by consumers within the supermarket. The areas of growth include fresh packaged meat, fresh prepared meals, hot bars, cold bars in delis, and sandwich sections of supermarkets.

Due to the COVID-19 pandemic environment, the company continues to have unanticipated delays in entering the food service and alternate market channels, which could double its market size opportunity.

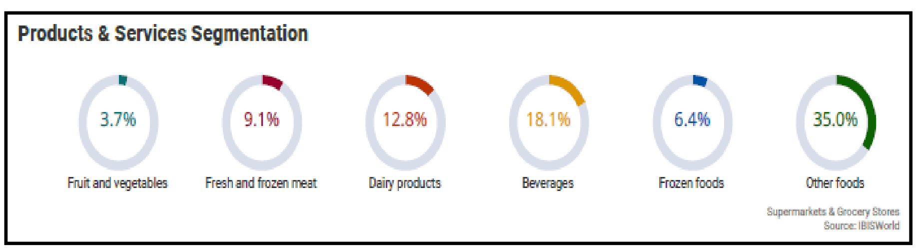
Industry Dynamics

The market for the company's specialty and prepared foods offerings of authentic Italian meatballs includes several perimeter sections of a supermarket, including deli-prepared foods, refrigerated meal kits, and the specialty section of the meat department such as the fresh hot bar (see chart at right – September 2020 presentation).

Consumer surveys, industry trends, and market growth indicate MamaMancini's product offerings are positioned for profitable growth through our forecast period. Consumer surveys funded by the Beef Checkoff (a producer-funded marketing and research program) show that 34.1% of consumers surveyed indicated their favorite sauce and style of meatballs is Italian meatballs with marinara sauce with 42.9% preferring 100% beef meatballs, and 57.3% willing to buy frozen cooked or ready-to-cook meatballs from the meat department. Approximately 61.6% still prefer to make their own meatballs from fresh ground meat.

In February 2021, consulting firm WiseGuyReports.com published a report indicating that the global specialty foods market was expected to decline to $145.3 billion in 2020 from $165.1 billion in 2019 due to the COVID-19 pandemic environment stemming from restrictive containment measures involving social distancing, remote working, and the closure of industries and other commercial activities. The report indicates that the global specialty foods market should grow nearly 13% annually to $209.5 billion in 2023 from $145.3 billion in 2020. Growth should be supported by the easing of COVID-19 pandemic conditions and the desire of consumers for high quality ingredients.

In November 2020, statistics gathered and published by Statista indicate that total deli department sales in the US reached $36.9 billion for the year ended June 8, 2019 compared to $23.4 billion in 2014. Market surveys indicate households with incomes in excess of $100,000 are 20% more likely to purchase items in the deli prepared section of a supermarket. Empty nesters and senior couples in that same income category purchase 17% and 21% more than the average consumer, respectively. A significant competitive advantage the company should have as it builds on its brand awareness and merchandising campaigns is the taste and nutritional value of MamaMancini's offerings since 25% of consumers feel that traditional deli prepared foods lack health and nutrition and 16% believe they lack freshness.



IBISWorld estimates (see table on the right) the supermarkets and grocery stores industry will grow 0.6% annually to $675 billion in 2025 from an estimated $656 billion in 2020. Supermarket growth will be sustained as per capita disposable income increases and consumers continue shifting to premium, organic and all-natural brands. If the market share holds, fresh and frozen meats should reach $61.4 billion in 2025, up from $59.7 billion in 2020.

Projections

<u>*Basis of Forecast*</u>
Our FY22 forecast reflects the adoption of a revenue recognition standard by the company that shifts promotional fees that were previously recorded in G&A expense to slotting fees and discounts.

Our forecasts reflect the company growing its sales network of paid broker representatives and eventual (delayed until late FY22 due to the COVID-19 pandemic) entry into the food service segment. Sales from the company's placements and new product introductions on QVC are likely to remain strong as consumers have become accustom to ordering its products online due primarily to the COVID-19 pandemic.

We anticipate product shelf placements on retail and grocery store shelves and deli departments increasing in 2H22 (prior was early FY22) 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. Also, customer acceptance of new product launches such as pasta bowl meal component kits designed for supermarkets, club stores and food service customers should help drive sales.

Our forecast includes new product authorizations that could see up to 15,000 new spots for the company's products on retailer shelves from national accounts, club stores and large regional retailers. However, timing issues and the adoption of a new revenue recognition standard resulted in a reduction in our sales forecast for FY21 to $48.1 million from our prior forecast of $55.6 million. In FY23, we anticipate robust sales growth of 24.7% to $60 million due to a return to normalcy from COVID-19 pandemic conditions within supermarkets' fresh deli and hot bar locations, as well as a full year contribution from new product authorizations that should occur by the end of FY22, and modest revenue from food service customers.

We project FY23 gross margin of 33.7%, up from an estimated 32.3% in FY21, and 31.3% in FY20, due primarily to plant efficiencies that include automation of certain processes that were previously conducted by plant staff, restrained in part by the inclusion of depreciation expense related to significant plant capacity additions made by the company.

Driving EPS growth should be ongoing programs initiated by the company to continually achieve streamlined operations in order to maximize operating leverage. We anticipate operating expense margin decreasing to 20.8% in FY23 from an estimated 23.3% in FY22. The improvement in our FY23 operating expense forecast is due primarily to streamlining G&A costs stemming from the company's ability to reduce personnel and mange freight costs.

At January 31, 2021 the company had federal and state tax loss carry forwards of approximately $3.8 million and $5.2 million, respectively. We anticipate the company will exhaust its federal tax loss carry forwards in 1Q23 and its state tax loss carry forwards by 2Q23.

Our forecast does not include the potential for the company completing an acquisition during our forecast period.

Operations – FY22

We project net sales growth of 18% to $48.1 (prior was $55.6 million) with a 21.9% increase in gross profit to $15.5 million driven by sales growth and gross margin expansion to 32.3% from 31.3 in FY21. Gross margin improvement reflects plant efficiencies. We project operating profits increasing 23.2% to nearly $4.3 million from nearly $3.5 million in FY21 due to sales growth and gross margin expansion, restrained in part by operating expense margin of 23.4% from 22.7% in FY21.

We anticipate operating expenses increasing 21.5% to nearly $11.3 million due to G&A expense of $11.1 million compared to nearly $9.2 million in FY21. G&A expense should increase to support sales growth that includes the expansion of product placements to new and existing customers and laying the ground work for expanding its offerings to food service customers. We project an operating margin of 8.9% vs. 8.5%.

Non-operating expense (exclusively interest expense) should decrease to zero from $156,000 (includes $18,000 in debt discount) due to the repayment of outstanding debt in November 2020. We project net income of nearly $4.3 million or $0.12 per share. We previously projected net income of $6.8 million or $0.19 per share.

Operations – FY23

We project net sales growth of 24.7% to $60 million due primarily to an increase in shelf placements and shipping volumes to new and existing customers stemming from new authorizations in FY22, as well as anticipated revenue contribution from shipments to food service customers.

We project a 30.2% increase in gross profit to $20.2 million from an estimated $15.5 million in FY22 driven by sales growth and gross margin expansion to 33.7% from an estimated 32.3% in FY22 reflecting continued plant efficiencies. We project operating profits increasing 80.2% to $7.7 million from an estimated $4.3 million in FY21 due to sales growth, gross margin expansion, and operating expense margin improving to 20.8% from an estimated 23.4% in FY22.

We anticipate operating expenses increasing 11.1% to $12.5 million due to G&A expense of $12.3 million compared to an estimated $11.1 million in FY22. G&A expense should increase to support sales growth. We project an operating margin of 12.9% vs. 8.9%.

Non-operating expense should be zero as the company has no outstanding debt since November 2020. We project net income of $5.7 million or $0.16 per share, after approximately $2 million of income tax expense (an estimated rate of 26%).

Finances

For FY22, we project cash earnings of nearly $5.2 million and an increase in working capital of $2.6 million due primarily to increases in inventories and receivables and a decrease in payables. Cash from operations of $2.5 million should cover capital expenditures and capital lease payments, increasing cash by $1.6 million to $4.8 million at January 31, 2022.

For FY23, we project cash earnings of nearly $6.7 million and an increase in working capital of nearly $3.5 million due primarily to increases in receivables and inventories and decreases in payables. Cash from operations of nearly $3.2 million is likely to cover capital expenditures and capital lease payments, increasing cash by $1.9 million to $6.7 million at January 31, 2023.

2021 and 4Q21 Results

2021

Net sales increased 20.8% to $40.8 million from $33.8 million in FY20. The increase in sales reflects increased product shipments to existing customers, as well as shipments to new customers. COVID-19 pandemic conditions caused consumer hoarding of food that resulted in retailers building inventory in 1Q21 but also caused a slowing of new placements in 3Q21.

Gross profit increased 27.6% to $12.7 million reflecting higher sales and gross margin improvement to 31.3% from 29.6% in FY20. Gross margin improvement was due primarily to plant efficiencies and process improvements, partly offset by higher beef prices during the spring and summer months.

Operating expenses increased 17.2% to $9.3 million from $7.9 million due primarily to a $981,000 increase in postage and freight costs, commissions, and payroll and related expenses due to the addition of a senior executive. Also contributing to the increase was a nearly $140,000 increase related to increases in royalty expense and investor relations and investment banking activities. The increase in operating expenses was partly offset by a $158,000 decrease related to reduced trade show, travel, and director expenses.

The company reported operating income increased 66.9% to nearly $3.5 million from $2.1 million last year. The improvement reflects higher sales, gross margin expansion, and operating margin expense decreasing to 22.7% from 23.4% in FY20. Operating margin was 8.5%, up from 6.2% in FY20.

Non-operating expense was $156,000 compared to $550,000 as interest expense decreased to $138,000 from $483,000 due to a lower average debt balance. Each period reflects $18,000 and $68,000 in amortization expense related to the debt discount, respectively.

Net income was $4.1 million or $0.12 per share compared to income of $1.5 million or $0.04 per share. We projected EPS of $0.10 on sales of $42.1 million. In FY21, the company recorded a one-time deferred tax benefit of $745,000 or $0.02 per share. Excluding the tax benefit, EPS was $0.10 per share. Of note, the company was required to restate prior period's sales net of slotting fees and discounts as promotional fees recorded in G&A expense was shifted to slotting fees. The shift resulted in lower sales net of slotting fees (which is why reported sales was lower than our forecast) that was completely offset by lower G&A expenses.

4Q21

Net sales increased 1.4% to nearly $10 million from $9.9 million in the year-ago period. Gross profit increased 15% to $3.3 million reflecting higher sales and gross margin improvement to 32.9% from 29%. Gross margin improvement was due primarily to a change in customer mix to higher margin accounts including QVC.

Operating expenses increased $200,000 to $2.4 million due to higher merchandising support. The company reported operating income increased 39.9% to $908,000 compared to $649,000 as operating expense margin improved to 23.9% compared to 24.3% in the year-ago period.

Non-operating income was $34,000 compared to and expense of $239,000 in the year-ago period. Net income was nearly $1.7 million or $0.05 per share, compared to net income of $410,000 or $0.01 per share. The current period included a one-time deferred tax benefit of $745,000 or $0.02 per share. Excluding the tax benefit, EPS was $0.03 per share. No such tax benefit was recorded last year.

Finances

In FY21, cash earnings of $4.9 million and an increase in working capital of $1.2 million resulted in cash from operations of $3.7 million. The increase in working capital primarily reflects an increase a deferred tax asset. Cash from operations and the issuance of common stock from the exercise of warrants covered capital expenditures and the repayment of debt and capital lease obligations. Cash increased nearly $2.8 million to $3.2 million at January 31, 2021.

Capital Structure

On January 4, 2019, the company arranged a $3.5 million working capital line of credit with M&T Bank at LIBOR plus four points with a two year expiration. On January 29, 2020, the facility was amended to increase the total available balance to $4 million and extend the maturity date to June 30, 2022.

Advances under the new line of credit are limited to 80% of eligible accounts receivable and 50% of eligible inventory. The financing is supported by a first priority security interest in all of the company's business assets and is further subject to financial covenants and a limited guaranty by the company's CEO.

At January 31, 2021, the company had no outstanding balance from its line of credit.

Competition

MamaMancini's meatballs are sold within the gourmet and specialty pre-packaged food industry which has competitors specializing in global cuisine. The company competes in the niche Italian specialty market segment. Competition in this segment can be based on product quality, price and brand identification. The company aims to become an aggressive marketer and provide quality assurance programs that have the potential to drive consumer support and high value perceptions of its product offerings. Competitors within this industry include Quaker Maid, Philly-Gourmet Meat Company, Hormel, Rosina Company, Inc., Casa Di Bertacchi, Inc., Farm Rich, Inc., Mama Lucia, and Buona Vita, Inc.

On a broader basis, MamaMancini's has the potential to compete against national and regional producers of meat and protein sources such as beef, chicken, pork, turkey, fish, peanut butter, and whey. National competition could come from Tyson Foods, Inc., Smithfield Foods, Inc., as well as ConAgra Foods, Inc., Cargill, Inc. and Butterball, LLC.

Risks

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

Customer Concentration
In FY21 (ended January 31, 2021), MMMB's two largest customers accounted for approximately 54% of gross sales compared to three customers accounting for 67% of gross sales in the year-ago period. MMMB does not have long-term contracts with its principal customers, which if lost, could diminish future sales. In FY21, two customers accounted for approximately 37% of total gross outstanding receivables compared to three customers accounting for 58% in FY20.

Regulation
The company's food products manufactured at its plant 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.

Global Pandemic
A potential disruption of US economic conditions lies in the global spread of COVID-19 that could cause supply chain issues for MMMB which could adversely impact corporate operating results. Production could be materially adversely affected if inputs become scarce (beef, chicken, turkey), the need to close any of MMMB's facilities were to occur, and/or a critical number of its employees became too ill to work. Overall, uncertainties surrounding the pandemic could have a material adverse effect on the financial condition and/or results of the company's operations.

Shareholder Control
Officers and directors collectively own nearly 51.1% of the outstanding voting stock (as of the SEC filing in April 2021). 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 April 22, 2021, average daily volume was approximately 64,000 shares. The company has a float of 19.4 million shares and 35.6 million outstanding shares.

MamaMancini's Holdings, Inc.
Consolidated Balance Sheets – Ending January 31
FY2019 – FY2023E
(in thousands)

	FY2019A	FY2020A	FY2021A	**FY2022E**	**FY2023E**
ASSETS					
Current assets:					
Cash	$ 609	$ 394	$ 3,191	**$ 4,823**	**$ 6,741**
Accounts receivable, net	2,651	3,728	3,974	**4,560**	**5,756**
Inventories	1,348	1,246	1,195	**2,171**	**3,315**
Prepaid expenses	155	252	520	**600**	**1,000**
Total current assets	4,763	5,620	8,879	**12,154**	**16,812**
Property and equipment plus deposits, net includes deposit on machinery	2,885	2,806	2,964	**3,000**	**2,050**
Intangibles	-	-	88	**88**	**88**
Operating lease right of use assets, net	-	1,491	1,352	**1,309**	**1,500**
Deferred tax asset, net	-	-	745	**745**	**745**
Deposits and Debt issuance costs, net	20	20	20	**20**	**20**
Total assets	$ 7,668	$ 9,937	$ 14,048	**$ 17,316**	**$ 21,215**
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable and accrued expenses	3,062	3,553	3,707	**2,714**	**1,989**
Finance leases payable	54	105	191	**191**	**191**
Line of credit	-	-	-	-	-
Term loan	500	424	-	-	-
Operating lease liability	-	127	148	**148**	**48**
Notes payable	-	-	-	-	-
Total current liabilities	3,616	4,208	4,045	**3,053**	**2,228**
Term loan - net	1,914	-	-	-	-
Line of credit	2,612	2,997	-	-	-
Operating lease liability - net	-	1,372	1,218	**1,118**	**327**
Finance leases payable - net	163	315	475	**475**	**175**
Notes payable - includes related party	642	642	-	-	-
Stockholders' equity:					
Common stock, $0.00001 par value; authorized 250,000,000 shares	0	0	0	**0**	**0**
Paid-in capital	16,547	16,695	20,536	**20,611**	**20,711**
Treasury stock and common stock subscribed	(150)	(150)	(150)	**(150)**	**(150)**
Retained earnings (deficit)	(17,677)	(16,144)	(12,077)	**(7,792)**	**(2,077)**
Total stockholders' equity	(1,279)	402	8,310	**12,670**	**18,485**
Total liabilities and stockholders' equity	$ 7,668	$ 9,937	$ 14,048	**$ 17,316**	**$ 21,215**
SHARES OUT	31,866	31,991	35,604	**35,700**	**35,750**

Source: Company reports and Taglich Brothers estimates

MamaMancini's Holdings, Inc.
Annual Income Statement – Ending January 31
FY2019 – FY2023E
(in thousands)

	FY2019A*	FY2020A**	FY2021A	**FY2022E**	**FY2023E**
Sales - net of slotting fees, discounts	$ 27,334	$ 33,750	$ 40,759	**$ 48,100**	**$ 60,000**
Cost of goods sold	18,580	23,766	28,019	**32,565**	**39,780**
Gross Profit	8,754	9,984	12,739	**15,535**	**20,220**
Operating Expenses:					
Research and development	131	115	111	**200**	**200**
General and administrative	7,154	7,786	9,151	**11,050**	**12,300**
Total Operating Expenses	7,285	7,901	9,261	**11,250**	**12,500**
Operating Income (loss)	1,469	2,083	3,478	**4,285**	**7,720**
Other Income (Expense)					
Interest income (expense)	(882)	(483)	(138)	-	-
Amortization of debt discount	(133)	(67)	(18)	-	-
Total Other Income (Expense)	(1,015)	(550)	(156)	-	-
Pre-Tax Income	453	1,533	3,322	**4,285**	**7,720**
Income Tax Expense (Benefit)	-	-	(745)	-	**2,005**
Net Income (loss)	$ 453	$ 1,533	$ 4,067	**$ 4,285**	**$ 5,715**
EPS	$ 0.01	$ 0.04	$ 0.12	**$ 0.12**	**$ 0.16**
Avg Shares (000)	32,522	34,339	34,017	**36,108**	**36,128**
Adjusted EBITDA	$ 2,407	$ 2,897	$ 4,350	**$ 5,145**	**$ 8,560**
Margins					
Gross Margins	32.0%	29.6%	31.3%	**32.3%**	**33.7%**
Operating Margin	5.4%	6.2%	8.5%	**8.9%**	**12.9%**
Pre-Tax Margins	1.7%	4.5%	8.2%	**8.9%**	**12.9%**
Research and development	0.5%	0.3%	0.3%	**0.4%**	**0.3%**
General and administrative	26.2%	23.1%	22.5%	**23.0%**	**20.5%**
Tax Rate	0.0%	0.0%	(22.4%)	**0.0%**	**26.0%**
YEAR / YEAR GROWTH					
Net Sales	(0.8%)	23.5%	20.8%	**18.0%**	**24.7%**

** Restated for a revenue recognition change adopted in 4Q21
* Estimated (revenue and G&A expense) impact related to the revenue recognition change adopted in 4Q21

Source: Company reports and Taglich Brothers estimates

MamaMancini's Holdings, Inc.
Income Statement Model – Ending January 31
Quarters FY2021A – 2023E
(in thousands)

	1Q21A*	2Q21A*	3Q21A*	4Q21A	FY2021A	1Q22E	2Q22E	3Q22E	4Q22E	**FY2022E**	1Q23E	2Q23E	3Q23E	4Q23E	**FY2023E**
Sales - net of slotting fees, discounts	$ 10,894	$ 10,178	$ 9,693	$ 9,994	$ 40,759	$ 9,900	$ 11,400	$ 12,750	$ 14,050	**$ 48,100**	$ 11,500	$ 15,125	$ 16,600	$ 16,775	**$ 60,000**
Cost of goods sold	7,373	7,170	6,774	6,702	28,019	6,800	7,750	8,600	9,415	**32,565**	7,705	10,050	10,950	11,075	**39,780**
Gross Profit	3,521	3,008	2,919	3,292	12,739	3,100	3,650	4,150	4,635	**15,535**	3,795	5,075	5,650	5,700	**20,220**
Operating Expenses:															
Research and development	29	26	31	25	111	50	50	50	50	**200**	50	50	50	50	**200**
General and administrative	2,516	2,175	2,101	2,359	9,151	3,000	2,500	2,650	2,900	**11,050**	3,000	3,100	3,200	3,000	**12,300**
Total Operating Expenses	2,545	2,201	2,132	2,384	9,261	3,050	2,550	2,700	2,950	**11,250**	3,050	3,150	3,250	3,050	**12,500**
Operating Income (loss)	976	807	787	908	3,478	50	1,100	1,450	1,685	**4,285**	745	1,925	2,400	2,650	**7,720**
Other Income (Expense)															
Interest income (expense)	(64)	(62)	(46)	34	(138)	-	-	-	-	-	-	-	-	-	-
Amortization of debt discount	(5)	(5)	(7)	-	(18)	-	-	-	-	-	-	-	-	-	-
Total Other Income (Expense)	(70)	(67)	(53)	34	(156)	-	-	-	-	-	-	-	-	-	-
Pre-Tax Income	906	740	734	942	3,322	50	1,100	1,450	1,685	**4,285**	745	1,925	2,400	2,650	**7,720**
Income Tax Expense (Benefit)	-	-	-	(745)	(745)	-	-	-	-	-	120	520	650	715	**2,005**
Net Income (loss)	$ 906	$ 740	$ 734	$ 1,687	$ 4,067	$ 50	$ 1,100	$ 1,450	$ 1,685	**$ 4,285**	$ 625	$ 1,405	$ 1,750	$ 1,935	**$ 5,715**
EPS	$ 0.03	$ 0.02	$ 0.02	$ 0.05	$ 0.12	$ 0.00	$ 0.03	$ 0.04	$ 0.05	**$ 0.12**	$ 0.02	$ 0.04	$ 0.05	$ 0.05	**$ 0.16**
Avg Shares (000)	33,946	33,544	35,726	35,800	34,017	36,100	36,105	36,110	36,115	**36,108**	36,120	36,125	36,130	36,135	**36,128**
Adjusted EBITDA	$ 1,202	$ 1,029	$ 1,000	$ 1,119	$ 4,350	$ 265	$ 1,315	$ 1,665	$ 1,900	**$ 5,145**	$ 955	$ 2,135	$ 2,610	$ 2,860	**$ 8,560**
Margins															
Gross Margins	32.3%	29.6%	30.1%	32.9%	31.3%	31.3%	32.0%	32.5%	33.0%	**32.3%**	33.0%	33.6%	34.0%	34.0%	**33.7%**
Operating Margin	9.0%	7.9%	8.1%	9.1%	8.5%	0.5%	9.6%	11.4%	12.0%	**8.9%**	6.5%	12.7%	14.5%	15.8%	**12.9%**
Pre-Tax Margins	8.3%	7.3%	7.6%	9.4%	8.2%	0.5%	9.6%	11.4%	12.0%	**8.9%**	6.5%	12.7%	14.5%	15.8%	**12.9%**
Research and development	0.3%	0.3%	0.3%	0.2%	0.3%	0.5%	0.4%	0.4%	0.4%	**0.4%**	0.4%	0.3%	0.3%	0.3%	**0.3%**
General and administrative	23.1%	21.4%	21.7%	23.6%	22.5%	30.3%	21.9%	20.8%	20.6%	**23.0%**	26.1%	20.5%	19.3%	17.9%	**20.5%**
Tax Rate	0.0%	0.0%	0.0%	(79.1%)	(22.4%)	0.0%	0.0%	0.0%	0.0%	**0.0%**	16.1%	27.0%	27.1%	27.0%	**26.0%**
YEAR / YEAR GROWTH															
Net Sales	47.9%	25.7%	4.6%	(1.1%)	20.8%	(9.1%)	12.0%	31.5%	40.6%	**18.0%**	16.2%	32.7%	30.2%	19.4%	**24.7%**

* Estimated (revenue and G&A expense) impact related to the revenue recognition change adopted in 4Q21

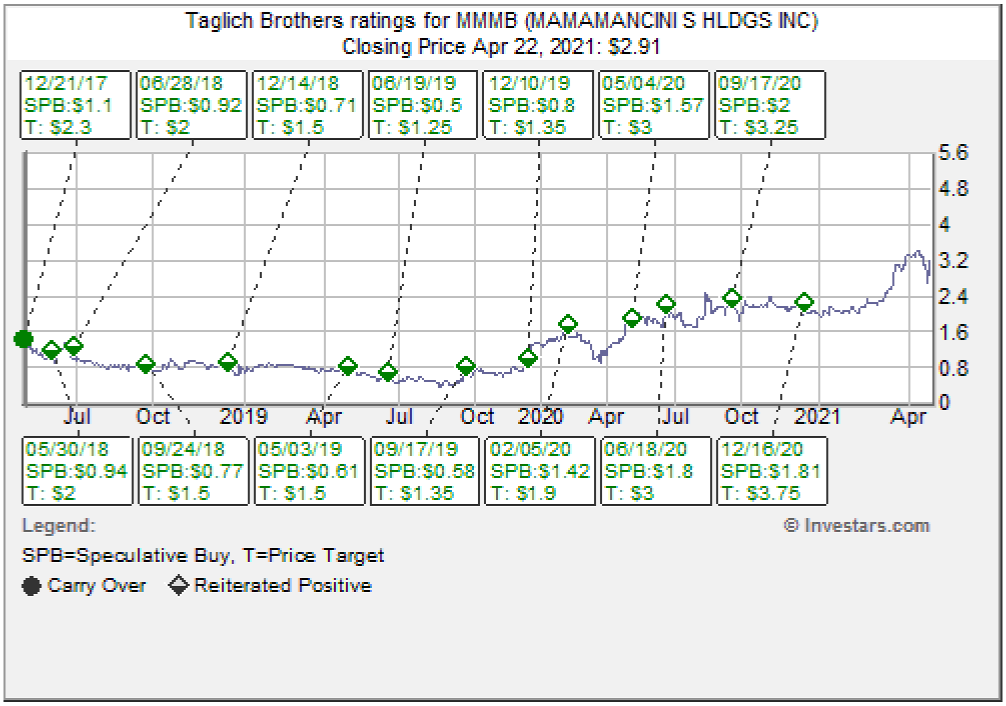
Source: Company reports and Taglich Brothers estimates

MamaMancini's Holdings, Inc.
Cash Flow Statement – Ending January 31
FY2019 – FY2023E
(in thousands)

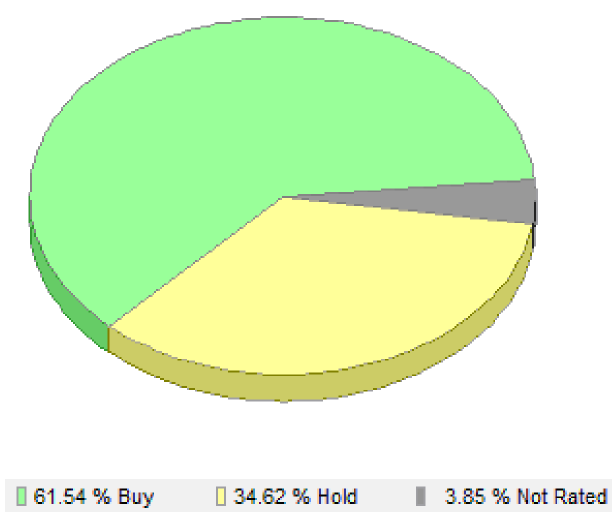
	FY2019A	FY2020A	FY2021A	**FY2022E**	**FY2023E**
Cash Flows from Operating Activities					
Net Income (loss)	$ 453	$ 1,533	$ 4,067	**$ 4,285**	**$ 5,715**
Depreciation	679	640	663	**675**	**700**
Amortization of debt issuance and discount costs	133	68	18	**-**	**-**
Share-based compensation	162	94	53	**75**	**100**
Amortization of right of use assets	-	109	138	**138**	**138**
Cash earnings (burn)	1,428	2,444	4,939	**5,173**	**6,653**
Changes In:					
Accounts receivable	434	(1,077)	(246)	**(586)**	**(1,196)**
Deferred tax asset	-	-	(745)	**-**	**-**
Inventories	(523)	101	51	**(976)**	**(1,144)**
Prepaid expenses	107	(43)	(268)	**(80)**	**(400)**
Current portion of operting lease liability	-	(101)	(133)	**-**	**-**
Accounts payable and accrued expenses	(2)	491	99	**(993)**	**(725)**
Net (increase)/decrease in Working Capital	15	(629)	(1,241)	**(2,635)**	**(3,465)**
Net cash Provided (used) by Operations	1,443	1,815	3,699	**2,538**	**3,188**
Cash Flows from Investing Activities					
Cash paid for fixed assets	(1,034)	(268)	(419)	**(450)**	**(850)**
Cash paid for intangible assets	-	-	(33)	**-**	**-**
Net cash used in Investing	(1,034)	(268)	(452)	**(450)**	**(850)**
Cash Flows from Financing Activities					
Proceeds from issuance of common stock and excerise of warrants/options	40	-	3,788	**-**	**-**
Debt issuance and deferred offering costs	(120)	-	-	**-**	**-**
Proceeds (repayment) from credit line	(90)	385	(2,997)	**-**	**-**
Proceeds (repayment) of demand and promissory notes	(2,131)	-	-	**-**	**-**
Borrowings (repayment) from term loan	1,741	(2,058)	(442)	**-**	**-**
Capital lease obligations (repayment) proceeds	186	(89)	(156)	**(455)**	**(420)**
Borrowings (repayment) from convertible note and notes payable -related party	(8)	-	(642)	**-**	**-**
Net cash provided by Financing	(382)	(1,762)	(450)	**(455)**	**(420)**
Net change in Cash	28	(216)	2,797	**1,633**	**1,918**
Cash Beginning of Period	581	609	394	**3,191**	**4,823**
Cash End of Period	$ 609	$ 394	$ 3,191	**$ 4,823**	**$ 6,741**

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	3	16
Hold		
Sell		
Not Rated		

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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:

Conagra Brands	(NYSE: CAG)	Hormel Foods	(NYSE: HRL)
Sysco Corp.	(NYSE: SYY)	Tyson Foods	(NYSE: TSN)

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.

Discontinued – Research coverage discontinued due to the acquisition of the company, termination of research services (includes 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.

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