

Research Report – Update

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

Mama’s Creations, Inc.

Speculative Buy

Howard Halpern

September 14, 2023

MAMA \$4.31 — (NASDAQ)

	FY2022 A	FY2023 A	FY2024 E	FY2025 E
Net Sales (in millions)	\$47.1	\$93.2	\$101.5	\$111.2
Earnings (loss) per share	(\$0.01)*	\$0.06**	\$0.17	\$0.25
52-Week range	\$4.70 – \$0.93		Fiscal year ends:	January
Shares outstanding a/o 09/11/23	37.4 million		Revenue/shares (ttm)	\$2.60
Approximate float	24.7 million		Price/Sales (ttm)	1.7X
Market Capitalization	\$161.2 million		Price/Sales (2025) E	1.5X
Tangible Book value/shr	\$0.04		Price/Earnings (ttm)	23.9X
Price/Book	NMF		Price/Earnings (2025) E	17.2X

* Includes one-time acquisition related transaction expenses of \$748,000 or (\$0.02) per share ** Includes one-time positive book-to-tax adjustment of approximately \$500,000 or \$0.01 per share

Mama’s Creations, Inc., headquartered in East Rutherford, NJ, is a marketer and manufacturer of prepared foods with over 45,000 product placements in grocery, mass, club and convenience stores nationally.

Key Investment Considerations:

Maintaining Speculative Buy rating and establishing a twelve month price target of \$8.50 per share based on utilizing an EBITDA valuation model to better reflect the company’s growth potential through FY25.

MAMA’s has substantial growth potential for its authentic Italian products and chicken-based dishes, olives, savory products, and salads through its T&L Creative Salads and Olive Branch subsidiaries. Also driving growth should be the introduction of a new platform brand called Mama’s Creations, which will enable entry into the branded prepared foods space for international cuisine for such items as General Tso’s Chicken, vegetarian Chana Masala, Beef Fajitas, Korean-Inspired Meatballs, and more.

Supporting our net sales, cash flow, and EPS forecasts is the expansion of MAMA’s branded sleeve product line, offering a lunch and dinner entrée with initial orders secured from two large national grocery chains.

In 2Q24, MAMA reported (on 9-12-23) EPS of \$0.05 on net sales increasing 8.5% to \$24.8 million. In 2Q23, net sale were \$22.8 million with a loss per share of (\$0.03). We projected EPS of \$0.02 on net sales of \$23.3 million.

For FY24, we forecast EPS of \$0.17 (unchanged) on net sales growth of 8.9% to \$101.5 million (prior was \$101 million). Our net sales and EPS forecasts reflects 2Q24 results and gross margin improving to 28.8% from 20.8% in FY23 due to MAMA’s margin improvement program.

For FY25, we forecast EPS of \$0.25 (unchanged) on net sales growth of 9.5% to \$111.2 million (unchanged) reflecting a full year contribution from 2H24 build out of new sales team members and programs to expand the number of product placements within existing customers. We anticipates EBIDTA growth of 35.9% to \$15.1 million from an estimated \$11.1 million in FY23. Our forecast reflects gross margin improving to 30.8% from an estimated 28.8% in FY24 and operating expense margin of 19.1% from an estimated 19.8% in FY24.

Please view our Disclosures on pages 14 – 16.

Appreciation Potential

Maintaining Speculative Buy rating and establishing a twelve month price target of \$8.50 per share based on utilizing an EBITDA (a proxy for cash flow) valuation model to better reflect the company's growth potential through FY25. Our rating reflects the company's growth potential for its specialty prepared authentic Italian products and assortment of chicken-based dishes, olives, savory products, and salads through its T&L Creative Salads and Olive Branch subsidiaries, as well as the June 2023 introduction of its new platform brand called Mama's Creations. This brand will serve to broaden product offerings by enable entry into the branded prepared foods space for international cuisine for such items as General Tso's Chicken, vegetarian Chana Masala, Beef Fajitas, Korean-Inspired Meatballs, and more.

Our rating and forecasts should be supported the expansion of MAMA's branded sleeve product line, offering a lunch and dinner entrée in convenient grab-and-go packaging with initial orders secured from two large national grocery chains, as well as the company's implementation of a dedicated margin improvement program that we estimate should drive gross margins to 30.8% in FY25, up from an estimated 28.8% in FY24. In FY23, gross margin was 20.8%. The gross margin improvement should enable the company to reinvest into programs to drive sustained net sales and EBITDA (a non-GAAP proxy for cash flow) growth.

Our 12-month price target of \$8.50 per share implies shares could nearly double over the next twelve months. According to finviz, the average cash flow multiples for companies in the Packaged and Distribution Food sectors is 22.7X. We believe investors are likely to accord the sector valuation multiple based on our projection of the company generating significant cash earnings through our forecast period. We applied a multiple of 22.7X to our FY25 EBITDA (a proxy for cash flow) forecast of \$0.40, discounted for execution risk, to obtain a year-ahead value of approximately \$8.50 per share.

Mama's Creations, Inc. valuation improvement is contingent upon quarterly net sales growth, expense leverage, cash earnings growth, as well as maintaining quarterly profitability that began in 3Q23. In FY25, we forecast MAMA generating operating profits of \$12.9 million compared to an estimated \$8.5 million in FY24. In FY23, the company generated an operating profit of \$2.8 million. We anticipate cash earnings of \$11.9 million in FY25, up from our FY24 cash earnings projection of \$8.4 million, which compares to cash earnings of \$3.9 million in FY23.

Overview

Mama's Creations, Inc., headquartered in East Rutherford, New Jersey, is a leading marketer and manufacturer of prepared foods with over 45,000 product placements in grocery, mass, club and convenience stores nationally. The company's broad product portfolio, born from a rich history in Italian foods, now consists of a variety of high quality, fresh, clean and easy to prepare foods to address the needs of both our consumers and retailers. Our vision is to become a one-stop-shop deli solutions platform, leveraging vertical integration and a diverse family of brands to offer a wide array of prepared foods to meet the changing demands of the modern consumer.

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 immigrated 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. These offerings will still carry the MamaMancini's brand name.

During December 2021, MAMA acquired T&L Creative Salads, Inc. and Olive Branch, LLC. T&L Creative Salads offers its customers a line of chicken products, including grilled and breaded chicken breasts, chicken strips, as well as a kosher salad line. Their offerings should be expanded into MAMA's national network of retailers and Club Stores. T&L Creative Salads, through their safe quality food level 2 certified USDA facility located in Farmingdale, New York, offers salads and prepared products to over 250 delis, bagel shops, smaller retail accounts and food distributors in the New York metropolitan area.

Olive Branch sells olives, olive mixes, and savory products to a limited number of large retail customers, primarily in pre-packaged containers. Olive Branch products are manufactured at the same facility as T&L in Farmingdale, NY.

In 2Q23, MAMA acquired a 24% minority interest in Chef Inspirational Foods for \$1.2 million. Chef Inspirational, based in West Palm Beach, Florida, and Long Island, New York, was founded in 2008 and sells fresh and frozen prepared foods for supermarkets, club stores, and distributors across the US with a focus on the Deli Department where it sells prepared salads, prepared entrees, and olives. During June 2023, the remaining 76% was acquired.

Mama's Creations mission is to position the company as the leading national one-stop-shop solution for high quality fresh, clean and easy to prepare foods within grocery, supermarket, club, and convenience stores. The company's vision should fit with the significant lifestyle changes that consumers faced over the last three years, with many focusing quick, clean and, fresh meals made with better ingredients at a price more affordable than eating out.

Recent Developments

On August 1, 2023, the corporate name was changed to Mama's Creations, Inc. This change reflects the evolution into a national deli prepared foods platform organization. In conjunction with the name change, Mama's new trading symbol is MAMA and its share will continue to trade on The Nasdaq Capital Market. While the consumer facing Italian foods brand MamaMancini's will remain unchanged, this strategic change should further enable the company to drive incremental new product offerings onto customers shelves.

On June 29, 2023, the company announced it purchased the remaining 76% interest in Chef Inspirational Foods, Inc., a deli prepared food sales agent. The remaining 76% interest was purchased for nearly \$3.7 million with nearly \$2.2 million of the purchase price payable in cash in two tranches, one due at closing and the second in June 2024. The \$1.5 million common stock component is payable in June 2025.

Product Distribution Growth

The Food Marketing Institute (FMI) estimates there are 45,575 supermarket locations in the US. Adding in the number of US club stores and convenience stores, locations selling groceries could approximate 300,000 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. Mama's distributes (see some of its new customers pictured in top of the picture on the right along with long-standing customers) to retail and grocery locations, with Publix, Stop&Shop, Sam's Club and BJ's locations fully penetrated. Other supermarkets still have significant growth opportunities in terms of location expansion. The aim is to develop merchandising and distribution programs with new customers such as Target and to obtain full year round distribution with existing club store customers such as Costco and Sam's Club. The revenue potential could be as much as \$25 million annually if the company were to obtain full year-round distribution at Costco stores in the US. Currently, the company has limited but growing distribution in US Costco locations.



The acquisitions of T&L Creative Salads and Olive Branch should provide MAMA with 3,000 brand new locations and over 10,000 spots on retailer shelves. Also, MAMA secured new authorizations and shipments of products into national and regional food retailers, club stores, and a distributor to a major European airline carrier, as well as the addition of T&L Creative Salads products into its existing relationships with Sam's Club.

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.

Growth Strategy

The company is intent on a strong distribution pipeline of product offerings starting with its core product portfolio along with the offerings of T&L Creative Salads and Olive Branch are still underpenetrated in existing sales channels. The plan calls for MAMA to increase its sales team in order to leverage its brand, quality, and high-touch service to existing customers, as well as obtain new customer authorizations. This began with the hiring of a Chief Marketing Officer and director of West Coast sales. By leveraging existing customer relationships through cross-selling of MAMA's newly acquired and internally developed brands it should overtime drive larger consumer baskets, expanding promotional opportunities, and reducing freight charges. The company will also reinvest the savings from operating efficiencies into brand awareness programs in order to build new customer relationships and expand relationships with existing customers to drive sustained net sales and cash flow growth.

The company is dedicated to become more consumer focused that should drive future innovation. MAMA will develop an information gathering program designed to understand consumers' unmet deli needs. The goal is to develop products that capture incremental occasions, incremental consumer groups, and incremental sales channels. An example is the company's new on-the-go snacking product line of In-a-Cup products. This new product line builds upon the initial success of Meatballs In-a-Cup tests in convenience stores with enhancement being made to the packaging that expanded shelf life from five to twenty-one days. The on-the-go In-a-Cup offering include Beef Meatballs, Turkey Meatballs, Chicken Cacciatore, Chana Masala, Sausage, Peppers and Onions, as well as Beef and Rice Stuffing in a cup.

Growth is likely to occur through accretive, complementary acquisitions within new deli categories. This strategy should be beneficial as the fresh prepared foods category is highly fragmented. The company will seek acquisition candidates that bring in incremental and accretive manufacturing capabilities, entry into a new deli sub-category, strengthen distribution capabilities, and/or enhance management capabilities.

The company overarching strategy is to become the one stop shop deli solution. To achieve that goal MAMA will need to grow organically, geographically, and through the cross-selling of new products either developed internally or through acquisitions. One step in the process is branding of the company. In August 2023, the company change its name to Mama's Creations, Inc. to better reflect becoming a one stop shop deli solutions company.

Industry Dynamics

Consumer surveys, industry trends, and market growth indicate Mama's Creations, Inc. 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.



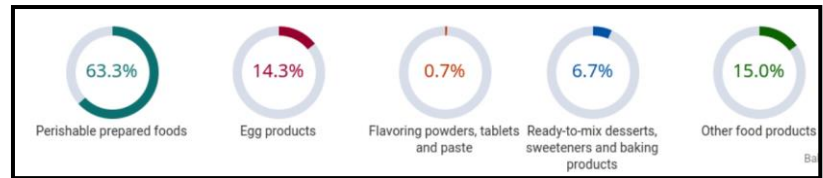
The market for the company's specialty and prepared foods offerings of authentic Italian meatballs includes several perimeter sections of a supermarket that are experiencing growth of approximately 8% to 10% annually. The section the company's products are in include deli-prepared foods, refrigerated meal kits, and the specialty section of the meat department such as the fresh hot bar (see chart above is from a company presentation).

The Business Research Company (a market research and intelligence company) published a report indicating that the global specialty foods market should grow 7.1% to an estimated \$170.2 billion in 2022 from \$158.9 billion in 2021. By 2026, the global market is estimated to reach \$224.9 billion. Overall growth should be driven by younger people preferring at-home and healthy meals coupled with growing interest in having nutritious food for a healthy lifestyle. According to the Specialty Foods Association, they are twice as likely to plan at-home meals and give high preferences for specialty products to create interesting and healthy eating experiences.

IBISWorld estimated the supermarkets and grocery stores industry will grow 1% annually to \$853.5 billion in 2028 from \$811.5 billion in 2022. Supermarket growth will be sustained as per capita disposable income increases and consumers continue shifting to premium, organic and all-natural brands, as well as price increases due to inflationary pressures. If the market share holds (see product segmentation table on right), fresh and frozen meats should reach \$116.1 billion in 2028, up from \$110.4 billion in 2022.



IBISWorld estimated the US market for baking mix and prepared food production should grow 1.5% annually to \$39.2 billion in 2028 from an estimated \$36.5 billion in 2023. The primary growth drive should be the increasing emphasis of consumers being health conscious and the demanding seek fresh ingredients instead of processed foods. If the market share holds (see product segmentation table on bottom of prior page), perishable prepared foods should reach \$24.8 billion in 2028, up from an estimated \$23.1 billion in 2023.



Projections

Basis of Forecast

Our forecasts reflect core MAMA growth occurring through the sales team securing additional product placements with existing customers, initiating new customer deployments, gaining consumer and customer awareness of the company's recently introduced on-the-go snacking product line of In-a-Cup products and pasta bowls, as well as new meals-for-one products in 14 and 28 ounce microwavable trays. In June 2023, the company launched Mama's Creations a new international deli foods platform brand offering Asian, Tex-Mex, Indian and other incremental international cuisine opportunities that should contribute to top line results in 2H24. We also anticipate acquiring the remaining 76% in Chef Inspirational Foods should assist the company in further driving sales growth and assist in rationalizing costs.

Our net sales forecast through FY25 reflects the company establishing a dedicated team of sales professionals to drive organic growth across all of the company's divisions, which includes increased cross selling programs to existing customer that should drive more products on the shelves being purchased by consumers.

We project FY24 gross margin of 28.8%, up from 20.8% in FY23. In FY25, we anticipate gross margin improving to 30.7%. The gross margin improvement should occur through the implementation of technology systems that will enable MAMA to improve pricing relative to input commodity costs and realization of procurement efficiencies. The company anticipates using the efficiencies from those gross margin improvement programs to drive future sales growth.

At January 31, 2023 the company had federal and state tax loss carry forwards of approximately \$2.7 million and \$8.8 million, respectively. We anticipate that the company should exhaust its federal tax loss carry forwards during our forecast period. The company began recording income tax expense starting in 1Q22 and our forecast anticipates MAMA is likely to record income tax provisions or (benefits) through FY25.

Operations – FY24

We project net sales growth of 8.9% to \$101.5 million (prior was \$101 million) due primarily to 2Q24 results and an increase in shelf placements and shipping volumes to new and existing customer, as well as seeing a sales

contribution from shipments of its meals-for-one product line and on the go In-a-Cup offerings and its newly launched Asian, Tex-Mex, and Indian offerings.

We project gross profit increasing 50.6% to \$29.2 million from \$19.4 million in FY23 driven by net sales growth and gross margin expansion to 28.8% from 20.8% in FY23, reflecting inflationary pressures stabilizing and the implementation in 2H23 of a new pricing process to accurately and rapidly tracks inputs costs ensuring specified margin profiles are achieved. We project an operating profit increasing to \$9.1 million from a profit of \$2.8 million in FY23 due primarily to net sales growth and gross margin improvement, partly offset by operating expense margin increasing to 19.8% compared to 17.8% in FY23.

We anticipate operating expenses increasing 21.1% to \$20.1 million from \$16.6 million last year. The increase reflects G&A expense of \$19.8 million compared to \$16.5 million in FY23. G&A expense should increase due primarily to the hiring of top level management personnel and additional sales professions to drive increased shelf placements. R&D expense should increase to \$336,000 from \$135,000 as programs expand that are aimed at driving product innovation.

We project interest expense of \$684,000 compared to \$634,000 in FY23.

We are maintaining our net income forecast of \$6.4 million or \$0.17 per share after recording an income tax provision of \$2.2 million and \$223,000 of income from its equity investment in Chef Inspirational Foods, as well as recording convertible preferred dividends of \$49,000.

Finances

For FY24, we project cash earnings of \$8.7 million and an increase in working capital of \$2.8 million. Cash from operations of \$5.9 million should cover capital expenditures, capital lease payments, cash used to acquire the remaining 76% Chef Inspirational Foods, and repayment of debt, increasing cash by \$2.5 million to \$6.9 million at January 31, 2024.

Operations – FY25

We project net sales growth of 9.5% to \$111.2 million (unchanged) as the company's hiring of new sales team members during FY24 drives increased shelf placements and shipping volumes to new and existing customers, as well as the meals-for-one, on the go product lines, and Mama's Creations international cuisine offerings for the branded prepared foods space gain increased consumer awareness.

We project gross profit increasing 16.7% to \$34.1 million from an estimated \$29.2 million in FY24 driven by net sales growth and gross margin expansion to 30.7% from an estimated 28.8% in FY24. We project operating profits increasing 41.4% to \$12.9 million from an estimated \$9.1 million in FY24 due primarily to net sales growth, gross margin improvement, and operating expense margin improving to 19.1% from an estimated 19.8% in FY24.

We anticipate operating expenses increasing 5.4% to \$21.2 million from an estimated \$20.1 million in FY24. The increase reflects G&A expense of \$20.9 million compared to an estimated \$19.8 million in FY24. G&A expense should increase to support sales growth. R&D expense should approximate \$300,000 compared to an estimated \$336,000 last year in order to continue driving product innovation.

Interest expense should decrease to \$475,000 compared to an estimated interest expense of \$684,000 in FY24 due primarily to lower average debt balances as the company pays down its bank debt.

We are maintaining our net income forecast of \$9.2 million or \$0.25 per share after recording an income tax provision of \$3.2 million.

Finances

For FY25, we project cash earnings of \$11.9 million and an increase in working capital of \$3.6 million. Cash from operations of \$8.3 million should cover capital expenditures, capital lease payments, and repayment of debt, increasing cash by \$3.1 million to nearly \$10 million at January 31, 2025.

2Q24 and 1H24 Results**2Q24**

Net sales increased 8.5% to \$24.8 million from \$22.8 million in 2Q23. The increase in net sales was due primarily to volume gains and successful pricing actions. Volume gains were driven by the acquisition of new customers, same-customer cross-selling, the acquisition of Chef Inspirational Foods, and product additions.

Gross profit nearly tripled to \$7.5 million from nearly \$2.6 million in the year-ago period stemming from net sales growth and gross margin expansion to 30.3% from 11.2% in 2Q23. Gross margin expansion is due primarily to successful pricing actions, improvements in procurement, manufacturing and logistics efficiencies, as well as normalization of costs for commodities.

Operating expenses (primarily consisting of G&A expenses) increased 47% to \$5.2 million compared to \$3.6 million in the year-ago period. R&D expenses were \$95,000 compared to \$41,000 in the year-ago period. The key component that resulted in increases in operating costs compared to last year were from payroll and related expenses (a \$1 million increase) due primarily to executive and office hires and insurance expenses (a \$395,000 increase) reflecting growth of the company and increases in coverage, including enhanced cyber security, as well as higher professional fees and director fees of \$135,000 and amortization of intangible assets of \$85,000 due to the acquisition of Chef Inspirational Foods. Partly offsetting the increases was a \$220,000 decrease in freight related expenses due to the addition of dedicated logistics employees and a \$39,000 decrease in commissions reflecting the product mix.

The company reported operating income of \$2.3 million compared to an operating loss of \$996,000 in the year-ago period. The swing to an operating profit reflects net sales growth and gross margin improvement, partly offset by operating expense margin increasing to 21.1% from 15.6% in 2Q23.

Non-operating expense was \$180,000 compared to an expense of \$139,000 in last year. The current period consisted of \$182,000 in interest expense compared to \$139,000 last year.

MAMA reported a net income of \$1.7 million or \$0.05 per share after recording an income tax expense of \$430,000 and \$78,000 of income from its equity investment in Chef Inspirational, as well as a preferred dividend of \$21,000. We projected a net income of \$917,000 or \$0.02 per share on net sales of \$23.3 million.

1H24

Net sales increased 7.2% to \$47.9 million from \$44.7 million in 1H23 reflecting volume gains and successful pricing.

Gross profit increased 110.7% to nearly \$13.9 million from \$6.6 million in the year-ago period stemming from net sales growth and gross margin expansion to 29% from 14.7% in 1H23. Gross margin expansion reflects successful pricing actions, improvements in manufacturing efficiencies, and normalization of commodity costs.

Operating expenses (primarily consisting of G&A expenses) increased 34.9% to \$9.7 million compared to \$7.2 million in the year-ago period stemming from executive and office hires and professional fees to support sales growth, partly offset by lower freight related expenses due to the addition of dedicated logistics employees.

Operating income of \$3.9 million compared a loss of \$838,000 was driven by net sales growth and gross margin improvement, partly offset by operating expense margin increasing to 20.2% from 16% in 1H23.

	In Thousands \$	6 Mos 24A	6 Mos 23A	% D
Net Sales		47,911	44,677	7.2%
Cost of goods sold		34,034	38,090	(10.6%)
Gross Profit		13,877	6,587	110.7%
Total Operating Expenses		9,659	7,157	34.9%
Operating Income		4,219	(570)	NMF
Total Other Income (Expense)		(343)	(267)	
Pre-Tax Income		3,876	(838)	NMF
Chef Inspirational minority interest		223	19	
Income Tax Expense (Benefit)		954	(180)	
Net Income (loss)		\$ 3,145	\$ (658)	NMF
Preferred dividends		(49)	-	
Net Income (loss)		3,096	(640)	NMF
EPS		\$ 0.08	\$ (0.02)	NMF
Avg Shares Out-Fully Diluted		37,195	35,786	
EBITDA		5,398	(177)	NMF
Tax Rate		24.6%	21.4%	
Margins				
Gross Margins		29.0%	14.7%	
Operating Margin Expense		20.2%	16.0%	
Operating Margin		8.8%	(1.3%)	

Source: company reports

Non-operating expense was \$343,000 compared to an expense of \$267,000 in last year.

MAMA reported a net income of \$3.1 million or \$0.04 per share compared to a loss of \$640,000 or (\$0.02) per share in 1H23.

Finances

In 1H24, cash earnings of \$4.2 million and an \$845,000 increase in working capital that resulted in cash from operations of nearly \$3.4 million. Cash from operations covered capital expenditures, repayment of debt, cash to acquire Chef Inspirational Foods, payment of preferred dividends, and lease payments. Cash increased by \$1.2 million to nearly \$5.6 million at July 31, 2023.

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. On June 11, 2021, the facility was amended to increase the total available balance to \$4.5 million. On October 26, 2022, the line was amended to increase the available borrowings to \$5.5 million and extended the maturity date to June 30, 2024. Advances under this 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. At July 31, 2023, the outstanding balance was \$500,000.

On August 30, 2021, MAMA announced it secured an expanded credit facility with M&T bank in the amount of \$10.5 million for the purpose of acquisition financing. On December 29, 2021, the company entered into a \$7.5 million term loan that matures on January 17, 2027. The outstanding balance was \$5.4 million at July 31, 2023.

On December 29, 2021, upon closing of the acquisitions, the company executed a \$3 million promissory note. The 3.5% promissory note requires annual principal payments of \$750,000 payable on each anniversary of the closing. As of July 31, 2023, the outstanding balance under the note was nearly \$2.3 million.

In June 2023, to acquire the remaining 76% of Chef Inspirational Foods the Company agreed to pay \$600,000 to each seller on the first anniversary of the closing date and \$750,000 shall be paid by the company to each seller in common stock on the second closing anniversary. As of July 31, 2023, the company recorded \$1.2 million as promissory notes – related parties and \$1.5 million recorded as promissory notes – related parties, net of current.

Competition

MamaMancini's meatballs are sold by Mama's Creations, Inc. within the gourmet and specialty pre-packaged food industry which has competitors specializing in global cuisine. Competition in this segment is 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. 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:

Inflationary Pressure

One of the consequences of the global COVID-19 pandemic has been supply chain issues that resulted in increased raw material and packaging cost for MAMA which through 1H23 had adversely impacted corporate operating results. The pressure on operating results could reemerge if inputs prices of beef, chicken, turkey, packaging materials, and transportation increase at a faster rate than can be passed along to its retail customers. In 3Q23, the

company began instituting a new pricing process to more accurately and rapidly track inputs costs that will strive to ensure every single sale made should provide a certain margin profile.

Integration of Acquisitions

MAMA acquired two companies in December 2021 (4Q22) and the remaining interest in in Chef Inspirational Foods in 2Q24. The successful integration of those operations will be key to the company's overall sales and operating income growth. Future acquisitions could involve substantial investment of funds or financings, as well as resulting in related expenses and also the potential to either dilute the interests of existing shareholders or result in the issuance or assumption of debt. Future acquisitions may require management's time and effort to generate revenues and operating profits that could take away from existing operations.

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 MAMA change its existing recipes to include ingredients that do not meet regulation standards, the company's operations could be adversely affected.

Food Safety

The company'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.

Customer Concentration

In 1H24, three customers accounted from approximately 46% of gross revenues compared to three customers accounting for approximately 49% of gross revenue in the year-ago period. The loss of a large customer could significantly reduce revenue, which would have a material adverse effect on operations.

Shareholder Control

Officers and directors collectively own 23.4% of the outstanding voting stock (as of SEC filing in June 2023). 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, recalls, promotional activities, packaging, and/or other events. These risks may cause actual results to differ from expected results.

Trading Volume

Over the last three-months to September 13, 2023, average daily volume was approximately 310,000 shares. The company has a float of 24.7 million shares and 37.4 million outstanding shares.

Mama's Creations, Inc.
Consolidated Balance Sheets – Ending January 31
FY2021 – FY2025E
(in thousands)

	FY2021A	FY2022A	FY2023A	2Q24A	FY2024E	FY2025E
ASSETS						
Current assets:						
Cash	\$ 3,191	\$ 851	\$ 4,378	\$ 5,560	\$ 6,896	\$ 9,983
Accounts receivable, net	3,974	7,628	6,832	8,844	8,723	9,569
Inventories	1,195	2,891	3,636	3,309	3,611	5,135
Prepaid expenses	<u>520</u>	<u>269</u>	<u>828</u>	<u>474</u>	<u>525</u>	<u>750</u>
Total current assets	8,879	11,638	15,675	18,187	19,754	25,438
Property and equipment plus deposits, net includes deposit on machinery	2,964	3,679	3,423	4,068	4,100	4,150
Intangibles	88	1,985	1,503	5,754	5,256	4,211
Goodwill	-	8,633	8,633	8,633	8,633	8,633
Operating lease right of use assets, net	1,352	3,596	3,237	3,124	3,124	3,124
Deferred tax asset, net	745	449	718	68	68	68
Equity method investment in Chef Inspirational	-	-	1,343	-	-	-
Deposits and Debt issuance costs, net	20	52	54	65	65	65
Total assets	<u>\$ 14,048</u>	<u>\$ 30,032</u>	<u>\$ 34,587</u>	<u>\$ 39,900</u>	<u>\$ 41,000</u>	<u>\$ 45,689</u>
LIABILITIES AND STOCKHOLDERS' EQUITY						
Current liabilities:						
Accounts payable and accrued expenses	3,707	6,479	9,065	8,873	7,823	6,847
Finance leases payable	191	218	182	335	335	335
Term loan	-	1,235	1,492	1,503	1,500	1,655
Operating lease liability	148	293	392	415	415	415
Promissory note - related party	<u>-</u>	<u>760</u>	<u>750</u>	<u>1,950</u>	<u>1,950</u>	<u>1,950</u>
Total current liabilities	<u>4,045</u>	<u>8,985</u>	<u>11,881</u>	<u>13,075</u>	<u>12,023</u>	<u>11,202</u>
Term loan - net	-	6,207	4,655	3,879	3,155	155
Line of credit	-	765	890	500	-	-
Promissory note - related party	-	2,250	1,500	3,000	3,000	2,000
Operating lease liability - net	1,218	3,339	2,897	2,739	2,739	2,739
Finance leases payable - net	475	376	249	906	877	877
Stockholders' equity:						
Preferred stock, \$0.00001 par value;						
Series B convertible preferred stock, 200,000 shares authorized	-	-	-	-	-	-
Common stock, \$0.00001 par value; authorized 250,000,000 shares	0	0	0	0	0	0
Paid-in capital	20,536	20,588	22,724	22,912	22,974	23,239
Treasury stock and common stock subscribed	(150)	(150)	(150)	(150)	(150)	(150)
Retained earnings (deficit)	<u>(12,077)</u>	<u>(12,329)</u>	<u>(10,060)</u>	<u>(6,964)</u>	<u>(3,620)</u>	<u>5,626</u>
Total stockholders' equity	<u>8,310</u>	<u>8,110</u>	<u>12,515</u>	<u>15,799</u>	<u>19,205</u>	<u>28,716</u>
Total liabilities and stockholders' equity	<u>\$ 14,048</u>	<u>\$ 30,032</u>	<u>\$ 34,587</u>	<u>\$ 39,900</u>	<u>\$ 41,000</u>	<u>\$ 45,689</u>
SHARES OUT						
Series B convertible preferred stock - outstanding	35,604	35,572	36,318	36,318	37,450	37,475
	-	-	55	-	-	-

Source: Company reports and Taglich Brothers estimates

Mama's Creations, Inc.
Annual Income Statement – Ending January 31
FY2021 – FY2025E
(in thousands)

	FY2021A	FY2022A	FY2023A	FY2024E	FY2025E
Sales - net of slotting fees, discounts	\$ 40,759	\$ 47,084	\$ 93,188	\$ 101,461	\$ 111,150
Cost of goods sold	<u>28,019</u>	<u>35,230</u>	<u>73,769</u>	<u>72,214</u>	<u>77,030</u>
Gross Profit	12,739	11,854	19,418	29,247	34,120
Operating Expenses:					
Research and development	111	121	135	336	300
General and administrative	9,151	11,650	16,461	19,768	20,890
Total Operating Expenses	<u>9,261</u>	<u>11,771</u>	<u>16,597</u>	<u>20,104</u>	<u>21,190</u>
Operating Income (loss)	3,478	83	2,822	9,144	12,930
Other Income (Expense)					
Interest income (expense)	(138)	(73)	(634)	(684)	(475)
Amortization of debt discount	(18)	(2)	(22)	(22)	(24)
Other Income (expense)	<u>-</u>	<u>38</u>	<u>3</u>	<u>27</u>	<u>-</u>
Total Other Income (Expense)	<u>(156)</u>	<u>(38)</u>	<u>(653)</u>	<u>(679)</u>	<u>(499)</u>
Pre-Tax Income	3,322	45	2,168	8,465	12,431
Income (loss) from equity method investment in Chef Inspirational	-	-	143	223	-
Income Tax Expense (Benefit)	<u>(745)</u>	<u>296</u>	<u>9</u>	<u>2,199</u>	<u>3,185</u>
Net Income (loss)	<u>\$ 4,067</u>	<u>\$ (252)</u>	<u>\$ 2,303</u>	<u>\$ 6,489</u>	<u>\$ 9,246</u>
Dividends on convertible Series B preferred stock	<u>-</u>	<u>-</u>	<u>34</u>	<u>49</u>	<u>-</u>
Net Income (loss) - to common shareholders	<u>\$ 4,067</u>	<u>\$ (252)</u>	<u>\$ 2,269</u>	<u>\$ 6,440</u>	<u>\$ 9,246</u>
EPS	<u>\$ 0.12</u>	<u>\$ (0.01)</u>	<u>\$ 0.06</u>	<u>\$ 0.17</u>	<u>\$ 0.25</u>
Avg Shares (000)	<u>34,017</u>	<u>35,702</u>	<u>37,313</u>	<u>37,646</u>	<u>37,724</u>
EBITDA	\$ 4,297	\$ 1,103	\$ 4,227	\$ 11,123	\$ 15,115
Adjusted EBITDA	\$ 4,350	\$ 1,136	\$ 4,337	\$ 11,323	\$ 15,330
Margins					
Gross Margins	31.3%	25.2%	20.8%	28.8%	30.7%
Operating Margin	8.5%	0.2%	3.0%	9.0%	11.6%
Pre-Tax Margins	8.2%	0.1%	2.3%	8.3%	11.2%
Research and development	0.3%	0.3%	0.1%	0.3%	0.3%
General and administrative	22.5%	24.7%	17.7%	19.5%	18.8%
Tax Rate	(22.4%)	665.5%	0.4%	26.0%	25.6%
YEAR / YEAR GROWTH					
Net Sales	20.8%	15.5%	97.9%	8.9%	9.5%

Source: Company reports and Taglich Brothers estimates

Taglich Brothers, Inc.

Mama's Creations, Inc.
Income Statement Model – Ending January 31
Quarters FY2023A – 2025E
(in thousands)

	1Q23A	2Q23A	3Q23A	4Q23A	FY2023A	1Q24A	2Q24A	3Q24E	4Q24E	FY2024E	1Q25E	2Q25E	3Q25E	4Q25E	FY2025E
Sales - net of slotting fees, discounts	\$ 21,831	\$ 22,846	\$ 25,694	\$ 22,817	\$ 93,188	\$ 23,121	\$ 24,790	\$ 26,145	\$ 27,405	\$ 101,461	\$ 27,000	\$ 27,500	\$ 28,600	\$ 28,050	\$ 111,150
Cost of goods sold	17,970	20,285	19,130	16,384	73,769	16,750	17,284	18,695	19,485	72,214	18,980	19,100	19,595	19,355	77,030
Gross Profit	3,860	2,562	6,564	6,432	19,418	6,371	7,506	7,450	7,920	29,247	8,020	8,400	9,005	8,695	34,120
Operating Expenses:															
Research and development	27	41	24	43	135	71	95	85	85	336	75	75	75	75	300
General and administrative	3,573	3,516	5,041	4,331	16,461	4,357	5,136	5,125	5,150	19,768	5,165	5,200	5,275	5,250	20,890
Total Operating Expenses	3,599	3,557	5,066	4,374	16,597	4,428	5,230	5,210	5,235	20,104	5,240	5,275	5,350	5,325	21,190
Operating Income (loss)	261	(996)	1,499	2,058	2,822	1,943	2,276	2,240	2,685	9,144	2,780	3,125	3,655	3,370	12,930
Other Income (Expense)															
Interest income (expense)	(124)	(139)	(184)	(187)	(634)	(177)	(182)	(165)	(160)	(684)	(135)	(130)	(110)	(100)	(475)
Amortization of debt discount	(4)	(3)	(3)	(12)	(22)	(6)	(6)	(6)	(6)	(22)	(6)	(6)	(6)	(6)	(24)
Other Income (expense)	-	3	-	0	3	20	7	-	-	27	-	-	-	-	-
Total Other Income (Expense)	(128)	(139)	(187)	(199)	(653)	(163)	(180)	(171)	(166)	(679)	(141)	(136)	(116)	(106)	(499)
Pre-Tax Income	133	(1,135)	1,312	1,859	2,168	1,780	2,096	2,069	2,519	8,465	2,639	2,989	3,539	3,264	12,431
Income (loss) from equity method investment in Chef Inspirational	-	19	72	53	143	146	78	-	-	223	-	-	-	-	-
Income Tax Expense (Benefit)	29	(209)	286	(97)	9	525	430	560	685	2,199	675	765	910	835	3,185
Net Income (loss)	\$ 104	\$ (908)	\$ 1,026	\$ 1,956	\$ 2,303	\$ 1,401	\$ 1,744	\$ 1,509	\$ 1,834	\$ 6,489	\$ 1,964	\$ 2,224	\$ 2,629	\$ 2,429	\$ 9,246
Dividends on convertible Series B preferred stock	-	-	12	22	34	27	21	-	-	49	-	-	-	-	-
Net Income (loss) - to common shareholders	\$ 104	\$ (908)	\$ 1,086	\$ 1,987	\$ 2,269	\$ 1,374	\$ 1,723	\$ 1,509	\$ 1,834	\$ 6,440	\$ 1,964	\$ 2,224	\$ 2,629	\$ 2,429	\$ 9,246
EPS	\$ 0.00	\$ (0.03)	\$ 0.03	\$ 0.06	\$ 0.06	\$ 0.04	\$ 0.05	\$ 0.04	\$ 0.05	\$ 0.17	\$ 0.05	\$ 0.06	\$ 0.07	\$ 0.06	\$ 0.25
Avg Shares (000)	36,149	35,811	36,318	36,494	37,313	37,626	37,635	37,650	37,675	37,646	37,700	37,715	37,730	37,750	37,724
EBITDA					\$ 4,227					\$ 11,123					\$ 15,115
Adjusted EBITDA	\$ 471	\$ (648)	\$ 2,063	\$ 2,452	\$ 4,337	\$ 2,465	\$ 2,933	\$ 2,740	\$ 3,185	\$ 11,323	\$ 3,380	\$ 3,725	\$ 4,255	\$ 3,970	\$ 15,330
Margins															
Gross Margins	17.7%	11.2%	25.5%	28.2%	20.8%	27.6%	30.3%	28.5%	28.9%	28.8%	29.7%	30.5%	31.5%	31.0%	30.7%
Operating Margin	1.2%	(4.4%)	5.8%	9.0%	3.0%	8.4%	9.2%	8.6%	9.8%	9.0%	10.3%	11.4%	12.8%	12.0%	11.6%
Pre-Tax Margins	0.6%	(5.0%)	5.1%	8.1%	2.3%	7.7%	8.5%	7.9%	9.2%	8.3%	9.8%	10.9%	12.4%	11.6%	11.2%
Research and development	0.1%	0.2%	0.1%	0.2%	0.1%	0.3%	0.4%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
General and administrative	16.4%	15.4%	19.6%	19.0%	17.7%	18.8%	20.7%	19.6%	18.8%	19.5%	19.1%	18.9%	18.4%	18.7%	18.8%
Tax Rate	22.1%	18.4%	21.8%	(5.2%)	0.4%	29.5%	20.5%	27.1%	27.2%	26.0%	25.6%	25.6%	25.7%	25.6%	25.6%
YEAR / YEAR GROWTH															
Net Sales	111.7%	89.4%	136.8%	64.7%	97.9%	5.9%	8.5%	1.8%	20.1%	8.9%	16.8%	10.9%	9.4%	2.4%	9.5%

Source: Company reports and Taglich Brothers estimates

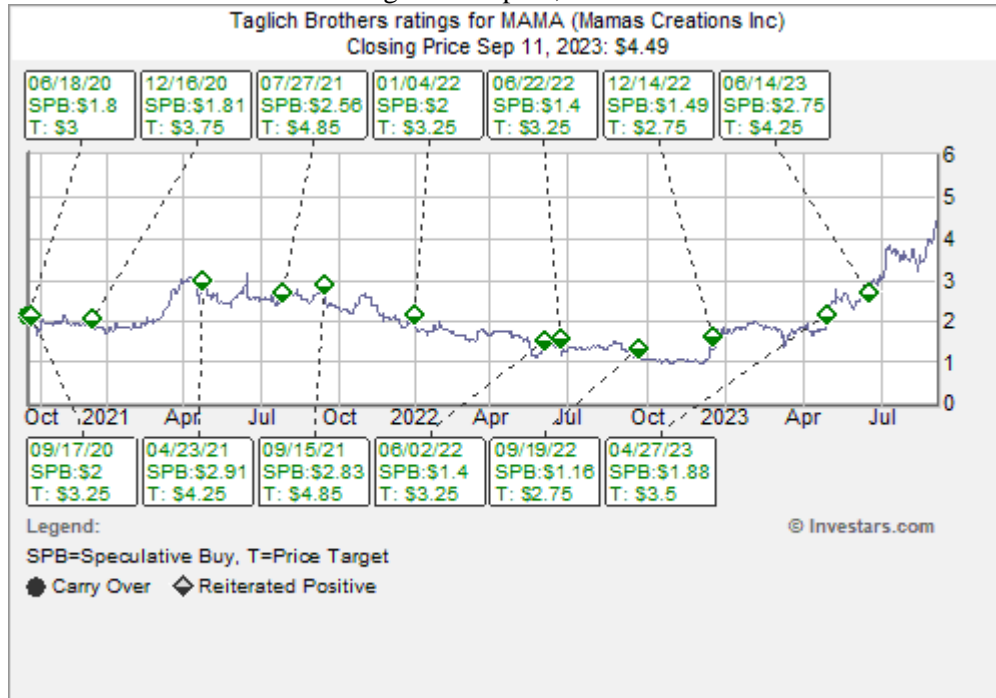
Mama's Creations, Inc.
Cash Flow Statement – Ending January 31
FY2021 – FY2025E
(in thousands)

	<u>FY2021A</u>	<u>FY2022A</u>	<u>FY2023A</u>	<u>6 Mos 24A</u>	<u>FY2024E</u>	<u>FY2025E</u>
<i>Cash Flows from Operating Activities</i>						
Net Income (loss)	\$ 4,067	\$ (252)	\$ 2,303	\$ 3,145	\$ 6,440	\$ 9,246
Depreciation	663	779	921	512	1,025	1,200
Amortization of debt issuance and discount costs	18	2	22	11	22	24
Amortization of intangibles	-	44	482	304	810	1,000
Share-based compensation	53	33	110	110	200	215
Income from equity method investment in Chef Inspirational	-	-	(143)	(223)	(223)	-
Allowance for obsolete inventory	-	-	-	93	93	-
Provision for doubtful accounts	-	-	233	140	140	-
Amortization of right of use assets	138	191	17	112	225	225
Cash earnings (burn)	4,939	797	3,944	4,204	8,732	11,910
<i>Changes In:</i>						
Accounts receivable	(246)	(938)	563	1,127	(1,890)	(847)
Deferred tax asset	(745)	296	(271)	650	-	-
Inventories	51	(475)	(745)	234	25	(1,525)
Prepaid expenses	(268)	254	(174)	347	303	(225)
Current portion of operating lease liability	(133)	(169)	-	(135)	-	-
Accounts payable and accrued expenses	99	1,176	2,192	(3,049)	(1,242)	(976)
Security deposits	-	(32)	(2)	(18)	-	-
Net (increase)/decrease in Working Capital	(1,241)	113	1,562	(845)	(2,804)	(3,572)
Net cash Provided (used) by Operations	<u>3,699</u>	<u>910</u>	<u>5,506</u>	<u>3,360</u>	<u>5,928</u>	<u>8,338</u>
<i>Cash Flows from Investing Activities</i>						
Cash paid for fixed assets	(419)	(862)	(593)	(253)	(850)	(1,000)
Cash paid for intangible assets	(33)	-	-	-	-	-
Acquisition of businesses, net	-	(10,409)	(500)	(646)	-	-
Net cash used in Investing	<u>(452)</u>	<u>(11,271)</u>	<u>(1,093)</u>	<u>(898)</u>	<u>(850)</u>	<u>(1,000)</u>
<i>Cash Flows from Financing Activities</i>						
Proceeds from advance/completed preferred convertible stock offering, net	-	-	1,300	-	-	-
Proceeds from issuance of common stock and exercise of warrants/options	3,788	19	26	28	50	50
Proceeds (repayment) from credit line	(2,997)	765	125	(390)	(890)	-
Proceeds (repayment) of demand and promissory notes	-	-	(750)	-	-	(1,100)
Borrowings (repayment) from term loan	(442)	7,500	(1,318)	(776)	(1,492)	(3,000)
Cash paid for financing fees	-	(64)	-	-	-	-
Capital lease obligations (repayment) proceeds	(156)	(199)	(235)	(93)	(180)	(200)
Payment of preferred B dividends	-	-	(34)	(49)	(49)	-
Borrowings (repayment) from convertible note and notes payable -related party	(642)	-	-	-	-	-
Net cash provided by Financing	<u>(450)</u>	<u>8,021</u>	<u>(885)</u>	<u>(1,279)</u>	<u>(2,561)</u>	<u>(4,250)</u>
Net change in Cash	2,797	(2,340)	3,528	1,182	2,517	3,088
Cash Beginning of Period	394	3,191	851	4,378	4,378	6,896
Cash End of Period	<u>\$ 3,191</u>	<u>\$ 851</u>	<u>\$ 4,378</u>	<u>\$ 5,560</u>	<u>\$ 6,896</u>	<u>\$ 9,983</u>

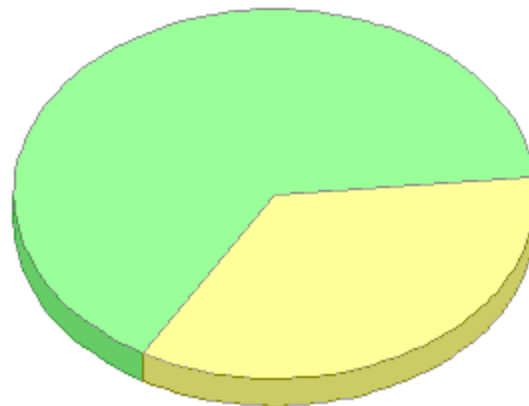
Source: Company reports and Taglich Brothers estimates

Price Chart

Closing Price Sep 13, 2023: \$4.30



Taglich Brothers Current Ratings Distribution



65.22 % Buy | 34.78 % Hold

Investment Banking Services for Companies Covered in the Past 12 Months

Rating	#	%
Buy	4	22
Hold		
Sell		
Not Rated		

Important Disclosures

As of the date of this report, we, our affiliates, any officer, director or stockholder, or any member of their families do not have a position in the stock of the company mentioned in this report. An employee of Taglich Brothers owns or has a controlling interest in MAMA of 15,000 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 within the last three years.

All research issued by Taglich Brothers, Inc. is based on public information. In October 2017, the company paid Taglich Brothers a monetary fee of \$4,500 (USD) representing payment for the creation and dissemination of research reports for three months. In February 2018, the company began paying Taglich Brothers a monthly monetary fee of \$1,500 (USD) for the creation and dissemination of research reports.

General Disclosures

The information and statistical data contained herein have been obtained from sources, which we believe to be reliable but in no way are warranted by us as to accuracy or completeness. We do not undertake to advise you as to changes in figures or our views. This is not a solicitation of any order to buy or sell. Taglich Brothers, Inc. is fully disclosed with its clearing firm, Axos Clearing, LLC, is not a market maker and does not sell to or buy from customers on a principal basis. The above statement is the opinion of Taglich Brothers, Inc. and is not a guarantee that the target price for the stock will be met or that predicted business results for the company will occur. There may be instances when fundamental, technical and quantitative opinions contained in this report are not in concert. We, our affiliates, any officer, director or stockholder or any member of their families may from time to time purchase or sell any of the above-mentioned or related securities. Analysts and members of the Research Department are prohibited from buying or selling securities issued by the companies that Taglich Brothers, Inc. has a research relationship with, except if ownership of such securities was prior to the start of such relationship, then an Analyst or member of the Research Department may sell such securities after obtaining expressed written permission from Compliance.

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:

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.

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.