



B&G Foods (NYSE: BGS)

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MFIF

Minutemen Fixed Income Fund

Investment Thesis

We recommend **an overweight position on B&G Foods' (the Company/BGS) 8.000% 2028 Senior Secured Notes**, which currently offer one of the highest yields in the consumer staples space. We believe the market is underestimating the Company's deleveraging progress, tariff resilience, and improving credit profile, leading to a mispricing relative to both peers and its own unsecured 2027 notes. As B&G executes its asset divestiture program and reallocates proceeds toward debt reduction, **we expect spreads to tighten by 150-300 bps**. If no near-term tightening is seen, we are comfortable holding to maturity, receiving a yield of 9.688%. Since 2023, B&G has been actively restructuring its portfolio, divesting from assets such as Back to Nature, Green Giant US, Le Sueur, and Don Pepino/Sclafani, with management committing to directing these and any future asset-sale proceeds to debt repayment. **We believe a potential sale of the remainder of Green Giant could reduce leverage by 0.6-1.1 turns, accelerating the path toward the Company's stated sub-6x target by 1H26.** Meanwhile, B&G's Spices & Seasonings segment continues to benefit from improving consumer demand and solid performance under tariff headwinds. Domestic manufacturing and sourcing, alongside pricing initiatives provide further insulation amongst tariff uncertainty. Despite these improving fundamentals, the Company's **2028 Secured Notes trade ~265bps wide of the CCC unsecured 2027s**, a sharp inversion from historical norms and a clear indication of market mispricing. Solid liquidity, cash flow generation, and collateral protection provide greater security for the 2028s. Given the high coupon, structural seniority, and multiple near-term catalysts for credit improvement, we view B&G's 2028 notes as an attractive opportunity for spread compression and total return in a stabilizing rate environment.

Figure 1: Capitalization Table

B&G Foods Capitalization Table										
	10/22/25	9/12/23	Interest	Cash	Debt / Adj. EBITDA					
	Face	Price	Market	Rate	Interest	Maturity	YTW	OAS	LTM	FY25E
Cash & Cash Equivalents	\$54,084									
First Lien										
Revolving Credit Facility	235,000	-	235,000	S + 200	14,339	12/18/28				
Term Loan B due 2029	446,630	96.1	429,046	S + 350	33,951	10/10/29	8.6%			
Secured notes due 2028	799,320	95.8	765,749	8.00%	63,946	9/15/28	9.7%	620 bps		
Total First Lien Debt	\$1,480,950		\$1,429,795		\$112,235				5.4x	5.3x
Net First Lien Debt	1,426,866		1,375,711						5.2x	5.1x
Senior Unsecured										
Notes due 2027	529,310	96.2	509,016	5.25%	27,789	9/15/27	7.0%	340 bps		
Less: Unamortized debt financing costs	(15,933)									
Less: Unamortized discount	(4,961)									
Total Debt	\$1,989,366		\$1,938,811		\$140,024				7.3x	7.1x
Total Net Debt	1,935,282		1,884,727						7.1x	6.9x
Earnings										
LTM Adj. EBITDA	\$273,566									
FY25E Adj. EBITDA	\$280,700									

Source: Company Filings, Bloomberg

Security Data

Bond Maturity: 09/15/2028

Rating: B+

Rank: 1st Lien

Price: 95.80

Yield-to-worst: 9.688%

Coupon: 8.000%

OAS: 620 bps

CUSIP: 05508WAC9

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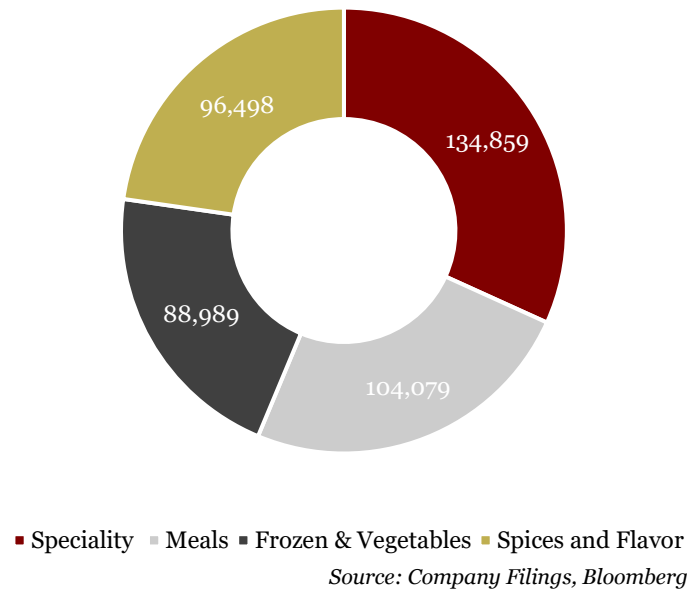
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Company Overview

B&G foods is a multibillion-dollar food company that manufactures, sells, and distributes shelf-stable and frozen food products across the United States, Canada, and Puerto Rico. Headquarter in Parsippany, New Jersey, the Company operates 12 manufacturing and warehouse facilities, 4 distribution centers, and 1 storage facility across North America. With over 50 brands in its portfolio, B&G's products are sold through supermarkets, mass merchants, warehouse clubs, foodservice distributors, and specialty retailers. Most notably, Walmart currently accounts for roughly 30% of net sales. Beginning in FY24, B&G reorganized its operations into 4 reportable segments: Specialty (32%), Meals (25%), Frozen & Vegetables (21%) and Spices & Flavor Solutions (23%), which together accounted for \$1.9bn of sales. The Company's products range from baking ingredients and sauces to condiments, cereals, and frozen vegetables. Its diverse brand portfolio includes numerous category leaders such as Crisco (a leader in U.S. branded vegetable oils) and Green Giant, one of the most recognizable frozen vegetable brands in North America. Since its incorporation in 1996, B&G had an aggressive M&A policy, completing over 50 acquisitions to build a diverse portfolio. However, the Company has recently shifted from a "buy-and-build" strategy to a deleveraging plan focused on core, higher-margin legacy businesses.

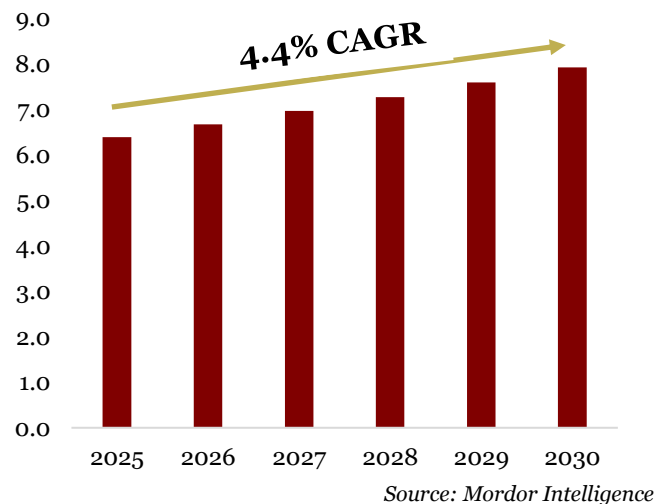
Figure 2: 2Q25 Revenue Breakdown



Industry Overview

The global packaged food industry is valued at \$6.4tn in 2025 and is projected to reach \$7.9tn by 2030 (4.4% CAGR). Demand is anchored by at-home consumption and convenience across shelf-stable, frozen, and refrigerated categories, with Asia-Pacific leading growth. Product innovation around functional and clean-label offerings, plus higher sustainability regulations, supports mix and packaging upgrade. Near term, easing grocery inflation and a cautious consumer temper pricing power, while private label gains and input-cost volatility pressure margins. Furthermore, tariffs have also been a headwind for the consumer-packaged food industry, especially those that rely on sourcing raw ingredients outside of the US. Producers are leaning on scale, productivity, and portfolio optimization to protect cash flow and balance sheets, whilst mitigating tariff risk, often through pricing. Despite muted volume and promotional intensity, packaged foods remain a defensive staples segment with resilient cash generation

Figure 3: CPG Growth Rate (\$tn)



Investment Rationale and Catalysts

Asset divestitures will allow B&G Foods to streamline its product portfolio and use proceeds to pay down debt, ultimately accelerating deleveraging

Since 2023, BGS has been actively reshaping its portfolio and has explicitly committed to using asset-sale proceeds to reduce long-term debt. B&G has pivoted from a strategy of "buy-and-build" to focus on core, higher-margin businesses whilst simultaneously deleveraging and improving its credit profile. In 1Q23, the Company sold its Back to Nature business to a subsidiary of Barilla America, for a purchase price of \$51.4mm cash. During 3Q23, BGS also sold its Green Giant US business for ~\$56mm, with proceeds from both divestitures being used for repayment of debt. Continuing this trend, in 1H25 B&G sold its Don Pepino and Sclafani brands for \$10.6mm, followed by the divestiture of Le Sueur for \$59.1mm at a 1.6x sales multiple. These transactions show strong buyer appetite for B&G's assets, which is an encouraging sign for future divestitures. We believe the potential sale of the remaining Green Giant brand for ~\$310mm, and the rest of their Frozen & Vegetables segment, will be the largest near-term catalyst to de-lever and improve the Company's credit profile. Although Green Giant is a nationally recognized brand and B&G's Frozen & Vegetables segment provides consistent sales (\$395M in FY24), the segment doesn't complement the rest of their portfolio. This has led to slim margins, high working capital intensity, and a lack of synergies. Management has repeatedly stated that they are in "advanced talks" of divesting this asset, and we are confident with management's view that the sale could be completed by FY25. Management has also stated that this divestiture could lower leverage by ~0.5 turns; however, we believe these are conservative estimates. Through our analysis, we determined an average sales multiple of 1.5x in recent frozen/CPG transactions in the consumer industry. Due to B&G's highly leveraged situation and recent underperformance of their Frozen Foods segment (~\$4mm) in

EBITDA 1H25), we used a range of 0.7x-1.2x to determine the possible valuation of Green Giant, which is well below the industry average and previous B&G divestitures in the Frozen & Vegetables segment (such as Le Sueur). Based on LTM Green Giant sales of ~\$345mm (net of Le Sueur divestiture), we believe that B&G would be able to sell Green Giant from \$241mm-\$414mm, deleveraging from a range of 0.6x-1.25x. Even at our projected floor, B&G will be able to de-lever more than management initially states. We still believe that the demand for B&G's assets is relatively strong and will greatly help the Company in achieving its long-term leverage goal of sub 6x by 1H26.

The market is overreacting over B&G's tariff exposure, and we expect EBITDA to recover in 2H25

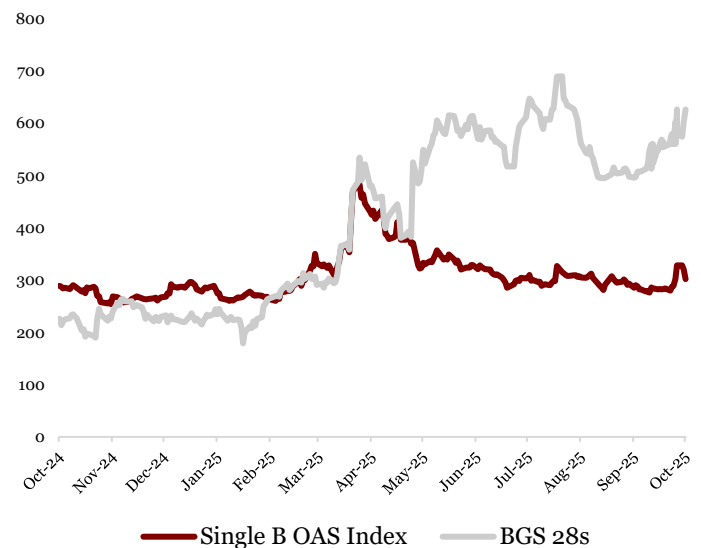
We believe the market is significantly overestimating B&G's tariff exposure by overlooking both the limited earnings impact and the demand resilience of its Spices & Seasonings portfolio. Since the "Liberation Day" tariff announcement in March 2025, B&G's 2028 notes widened ~230 bps, outpacing the ~130bps move in the broader Single B OAS Index. While both direct peers in the packaged food industry as well as the Single B Index both tightened significantly since then, B&G's spreads continued to widen which we believe is unjustified given the company's improving cost control and stabilizing end-market demand. Tariff-related exposure totaled only \$1.6mm in 2Q25, with ~\$1.0mm concentrated in the Spices & Flavors segment, a negligible <1% headwind to quarterly EBITDA. This exposure primarily stems from garlic imports from China and black pepper from Vietnam, while the broader supply chain remains highly domestic: ~90% of B&G's 19 manufacturing facilities and 60% of global distributors are located in the US. Management reiterated that pricing actions are already being executed across major retail partners to offset these import costs. Furthermore, approximately 85% of B&G's raw-material sourcing now comes from the United States, further minimizing exposure to trade volatility. Importantly, industry peers have taken similar pricing actions, limiting elasticity risk and preserving category-level pricing integrity. Fundamentally, the Spices & Seasonings segment continues to outperform amid the enduring "cook-at-home" shift. Elevated food-away-from-home CPI levels (+3.9% y/y vs. +2.7% for food-at-home as of August 2025) have reinforced consumer substitution toward in-home meal preparation. B&G's spice brands occupy an essential, low-ticket category with high repeat purchase frequency, providing natural insulation against volume volatility. Nielsen consumption data for spices shows a 6.12% increase in LTM Dollar Sales for the Spices/Extracts industry, underscoring the segment's relative strength. In fact, this is the best performing segment in the General Grocery industry. Although B&G's Spices & Seasonings segment faces the greatest tariff exposure, it remains the company's most resilient performer. For example, while overall sales declined -4.8% y/y in 2Q25, Spices & Seasonings fell only -2.0%, and have grown +5.0% since 1Q25, demonstrating continued recovery ahead of other segments. We believe that as pricing actions flow through and the consumer backdrop improves, this segment will remain defensive against any lingering tariff risks. Moreover, we expect a broader recovery in B&G's core operations in 2H25, with profitability and EBITDA margins rebuilding toward management's full-year guidance midpoint of \$273-\$283mm. Management emphasized that current margin compression is cyclical and identified multiple levers driving a return to normalized profitability. Roughly \$10mm of incremental

Figure 4: Green Giant Divestiture Scenarios

Net Leverage Change			
Sales Multiple	Est. Proceeds	Imp. Leverage Ratio	Δ
0.7x	241,798	6.5x	0.6x
0.8x	276,341	6.4x	0.7x
0.9x	310,883	6.2x	0.9x
1.0x	345,426	6.1x	1.0x
1.2x	414,511	5.8x	1.2x

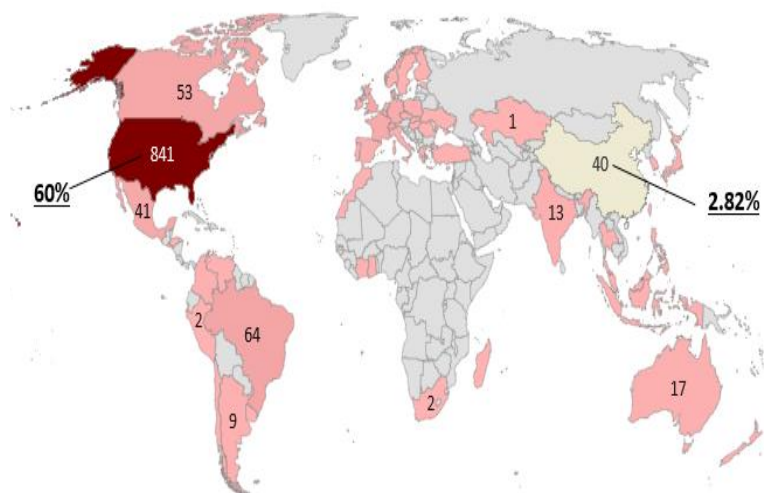
Source: Company Filings

Figure 5: BGS 28s vs Single B Index OAS



Source: Bloomberg, ICE BofA

Figure 6: BGS Global Distributors



Source: Bloomberg

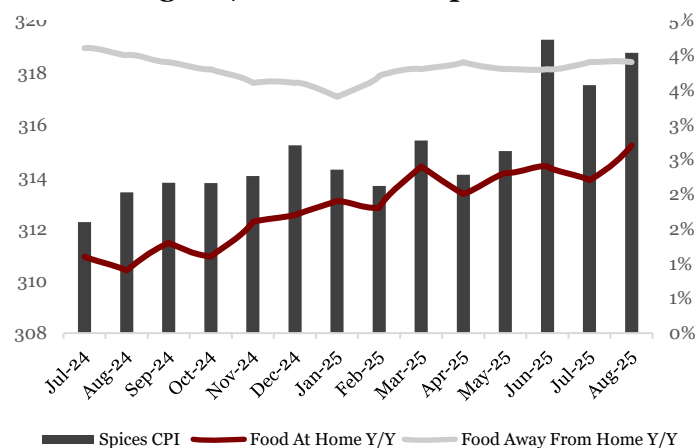
EBITDA improvement in 2H25 is expected from targeted cost-control actions: $\frac{1}{3}$ from corporate restructuring and SG&A reductions, $\frac{1}{3}$ from manufacturing productivity gains, and finally from trade-spend optimization. These initiatives ongoing cost and efficiency program launched earlier in 2025 and are projected to generate a recurring \$15–20mm annualized run-rate benefit. Additionally, the Green Giant business is expected to contribute an incremental \$8–10mm y/y improvement in the back half of 2025, supported by normalized crop costs, favorable FX trends at the Irapuato, Mexico facility, and a partial 53rd-week benefit. Although we still expect B&G to divest Green Giant, we believe it would only be announced at the end of 2025, thus the Company would still recognize this EBITDA improvement. Together, these tailwinds should more than offset ~\$6–7mm of EBITDA loss from recently divested non-core brands and short-term tariff headwinds, positioning B&G for sequential improvement in cash flow, margin expansion, and spread compression into FY26.

Spread inversion highlights market mispricing of B&G's Secured 2028s relative to Unsecured 2027s

We believe the market is currently mispricing the relative risk of B&G Foods' 8% Senior Secured Notes relative to the CCC 5.25% 2027 Senior Unsecured Notes. Currently, the CCC notes are trading at a YTW of 6.96% versus 9.69% of the 2028s and an OAS of 340 bps, versus 620 bps for the 28s. Since being issued, the 28s have traded *through* the 27s by an average of roughly 81 bps, consistent with their higher B+ rating, pari passu status with the 2029 TLB, and superior collateral protection. However, spreads have inverted sharply, with the 2028s now trading ~280 bps back of the 2027s, a 360 bps deviation from historical norms and a statistically extreme move (~3.16 σ from the mean). This inversion is not, in our view, a signal of deteriorating credit fundamentals or sector-wide weakness. Instead, we attribute it to a technical overreaction to the 2028s' one year-longer maturity and temporary volatility following the company's 2Q25 earnings release. Historically, even during periods of tariff pressure (liberation day), and cost inflation/weak volume growth (1Q25 earnings miss), the 2028s have consistently traded tighter and at a higher dollar price than the 2027s. Yet, the spread inversion began only after Q2 results, which we interpreted as incrementally positive for the company. The quarter reaffirmed management's deleveraging strategy, showed sequential improvement in adjusted EBITDA proceeds from divestitures earlier in the year,

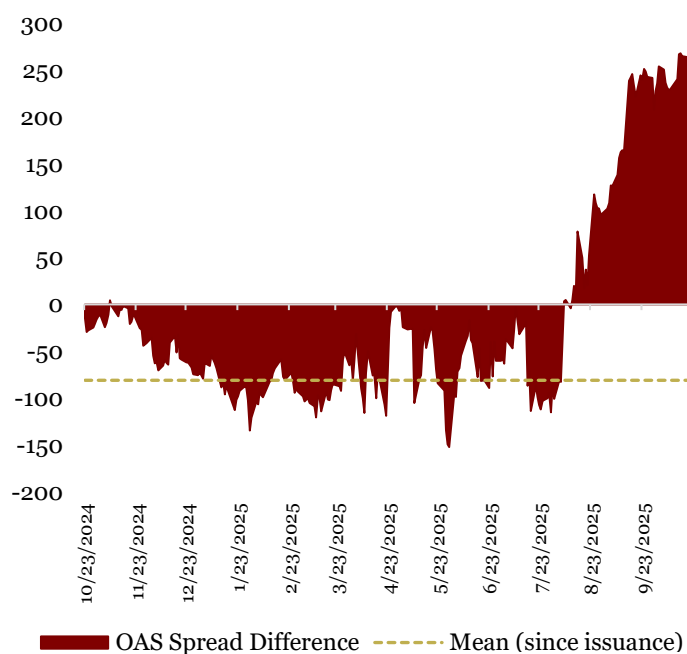
progress in margin recovery within its core shelf-stable segment. Despite these signs of stabilization, markets appear to have misread the release as credit-negative for the long term, exaggerating the risk differential between the two tranches. Overall, we believe B&G's credit profile remains stronger than its trading levels imply. Liquidity stands at roughly \$250mm (cash and revolver availability), free cash flow comfortably covers the firm's annual interest obligations, and net leverage of ~7.07x remains below the recently amended 7.5x covenant threshold. Although we disagree with management's decision to reaffirm its yearly dividend this past summer, we see it as an opportunity for additional liquidity if the situation becomes more distressed. Suspension of this dividend would immediately free nearly \$60mm annually and further strengthen coverage ratios and liquidity flexibility. While we do not view bankruptcy as a realistic base case, we ran a conservative downside liquidation analysis to evaluate structural protection. Under this scenario, the 28s benefit from their superior standing in the capital structure, ranking pari passu with the TLB and ahead of the unsecured 27s. Even with a longer maturity, the 2028s are better insulated under any potential restructuring or liquidation. Our analysis suggests that in such an event, the 2028s would achieve 100% recovery, whereas the subordinated 2027s would recover only ~15–20%. Notably, this analysis does not account for potential cash from B&G's more than 50 subsidiary brands or its annual \$60mm dividend, both of which provide additional optionality and cushion to secured creditors. Despite these credit strengths, the 2028s yield higher than the 2027s, an inversion we view as temporary market mispricing. As B&G executes its asset-sale program, directs proceeds toward debt reduction, and EBITDA stabilizes, spreads should revert toward historical norms. We anticipate at least 150 bps of tightening relative to the 2027s as the market reassess default risk and acknowledges the secured notes superior standing in the capital structure.

Figure 7: Food Consumption CPI



Source: Bloomberg, Bureau of Labor Statistics

Figure 8: 28s vs 27s OAS Spread Inversion



Source: Bloomberg

Figure 9: Liquidation Analysis with EBITDA multiple

Chapter 11: "Going Concern" Valuation							
(\$ in thousands)		Low		Midpoint		High	
LTM Adj. EBITDA		\$250,000		\$280,000		\$290,000	
(x) Comps-Derived EV Multiple		7.50x		7.75x		8.00x	
Enterprise Value		\$1,875,000		\$2,170,000		\$2,320,000	
Plus: Cash & Cash Equivalents		54,084		54,084		54,084	
Total Distributable Value		\$1,929,084		\$2,224,084		\$2,374,084	
"Super Priority" Claims	Amount	% of Claim		% of Claim		% of Claim	
Revolving Credit Facility	\$235,000	(235,000)		(235,000)		(235,000)	
Less: Total Super Priority Recovery	\$235,000	(235,000)	100%	(235,000)	100%	(235,000)	100%
Remaining Distributable Value		\$1,694,084		\$1,989,084		\$2,139,084	
Secured Claims	Amount						
Term Loan B	\$446,630	(446,630)	100%	(446,630)	100%	(446,630)	100%
Remaining Distributable Value		\$1,247,454		\$1,542,454		\$1,692,454	
Notes Due 2028	\$799,320	(799,320)	100%	(799,320)	100%	(799,320)	100%
Remaining Distributable Value		\$448,134		\$743,134		\$893,134	
Less: Total 1L Recovery	\$1,245,950	(1,245,950)	100%	(1,245,950)	100%	(1,245,950)	100%
Remaining Distributable Value		\$448,134		\$743,134		\$893,134	
Unsecured Claims							
Notes due 2027	\$529,310	(81,176)	15%	(529,310)	100%	(529,310)	100%
Less: Total 2L Recovery	\$529,310	\$81,176	15%	\$529,310	100%	\$529,310	100%
Remaining Distributable Value		-		\$213,824		\$363,824	

Source: Company Filings, Bloomberg

Figure 10: Liquidation Scenario via Asset Sale

B&G Foods (\$ in thousands)		Percent Recovery			Estimated Recovery		
	Book Value	Low	Base	High	Low	Base	High
Liquidation of Assets							
Cash and cash equivalents	54,084	100.0%	100.0%	100.0%	54,084	54,084	54,084
Accounts receivable	140,397	90.0%	95.0%	100.0%	126,357	133,377	140,397
Inventories	531,637	92.0%	95.0%	100.0%	489,106	505,055	531,637
Income tax receivable	1,137						
Other	35,334	90.0%	95.0%	100.0%	31,801	33,567	35,334
Current asset subtotal	762,589	92.0%	95.2%	99.9%	701,348	726,084	761,452
Property, plant, and equipment	261,303	60.0%	70.0%	80.0%	156,782	182,912	209,042
Operating/Finance lease right-of-use	47,400	0.0%	2.0%	5.0%	-	948	
Goodwill	543,838	0.0%	0.0%	0.0%	-	-	-
Trademarks	1,117,364	60.0%	70.0%	80.0%	670,418	782,155	893,891
Other intangible assets	158,375	20.0%	35.0%	50.0%	31,675	55,431	79,188
Deferred income taxes	8,930	0.0%	0.0%	5.0%	-	-	447
Other intangible assets	37,141	30.0%	40.0%	50.0%	11,142	14,856	18,571
Non-current asset subtotal	2,174,351	40.0%	47.7%	54.4%	870,018	1,036,303	1,182,121
Total estimated proceeds from liquidation of assets	2,936,940	53.5%	60.0%	66.2%	1,571,365	1,762,386	1,943,573
(-) Total liquidation costs					157,137	176,239	194,357
Net proceeds from liquidation of assets					1,414,229	1,586,148	1,749,216
Recovery by Tranche							
Super Priority Claims							
Revolving Credit Facility	235,000	100.0%	100.0%	100.0%	235,000	235,000	235,000
Total Recovery	235,000	100.0%	100.0%	100.0%	235,000	235,000	235,000
First Lien Secured Bonds							
BGS Term Loan B	446,630	94.6%	100.0%	100.0%	422,713	446,630	446,630
BGS 8.0% 2028 notes	799,320	94.6%	100.0%	100.0%	756,516	799,320	799,320
Total Recovery	1,245,950	94.6%	100.0%	100.0%	1,179,229	1,245,950	1,245,950
Senior Unsecured Loans							
BGS 5.25% 2027 notes	529,310	0.0%	19.9%	100.0%	-	105,198	529,310
Total Recovery	529,310	0.0%	19.9%	100.0%	-	105,198	529,310

Source: Company Filings, Bloomberg

Relative Valuation

BGS' 2028 notes are currently trading at a 9.69% YTW and an OAS spread of 620 bps, trading the widest amongst similar peers and the broader HY CPG industry. We believe that the market is over-reacting over short-term financial distress, and the notes provide significant value as the Company's credit profile improves. POST is the closest peer with a secured bond, yielding 5.13% and BB rating, roughly 500 bps tighter than BGS despite having a four-year longer maturity and higher Debt/FCF ratio. Although POST operates on a much larger scale with \$5.6B in market cap, BGS has demonstrated stronger category momentum in POST's legacy product, reporting 3.58% LTM volume growth in hot cereal versus 2.25% for POST. Historically, THS has traded closest to BGS, and often wider pre-Liberation Day. Now, although THS' 28s are CCC+ as opposed to BGS' B+ 28s, they are trading around 460 bps wider. Given THS' weaker EBITDA margins (11.3% vs BGS' 16.3%), lower FCF, and lower rating, we expect spreads to tighten significantly. Lamb Weston (LW) and US Foods (USFD), both rated BB+, trade at 5.28% and 5.32% YTW, respectively reflecting their investment-grade adjacencies and larger scale. However, these companies offer materially lower spreads per turn of

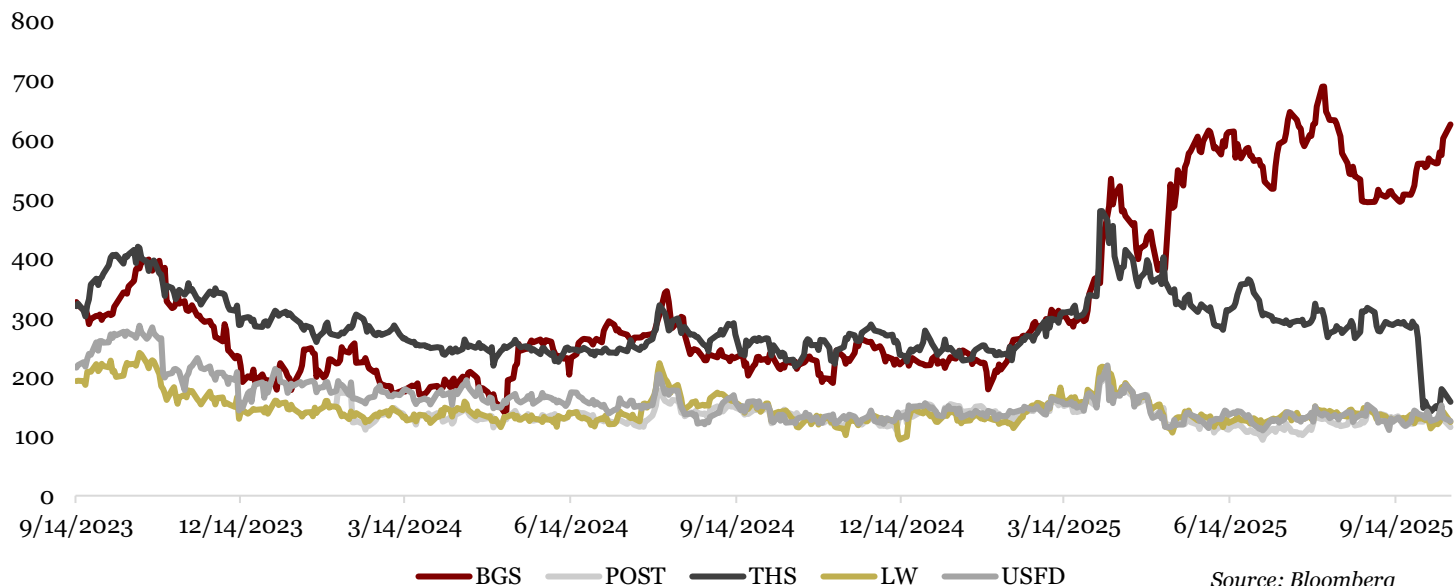
Figure 11: Comparable Company Analysis

Comps (USD in Millions)	BGS	POST	THS	LW	USFD
Market Cap	373	5,587	998	7,848	16,923
Total Debt	1,990	7,347	1,647	4,254	5,012
Cash & Equivalents	54	1,056	17	71	61
Enterprise Value	2,309	11,889	2,628	12,031	21,874
Net Debt	1,936	6,291	1,630	4,183	4,951
Revenue (LTM)	1,863	7,921	3,335	6,451	38,652
Adj. EBITDA (LTM)	274	1,373	378	1,130	1,726
FCF (LTM)	183	433	94	230	932
Adj. EBITDA Margin (LTM)	16.3%	17.3%	11.3%	17.5%	4.5%
Debt/Adj. EBITDA (LTM)	7.07x	4.58x	4.32x	3.70x	2.87x
Debt/FCF (LTM)	10.6x	14.5x	17.3x	18.2x	5.3x
Adj. EBITDA/Interest (LTM)	1.76x	4.05x	5.12x	6.01x	5.64x
Individual Security Comps					
Rating	B+	BB	CCC+	BB+	BB+
Collateral	Secured	Secured	Unsecured	Unsecured	Unsecured
Coupon	8.000%	6.250%	4.000%	4.875%	4.750%
Maturity	9/15/2028	2/15/2032	9/1/2028	5/15/2028	2/15/2029
Price	95.80	103.38	96.50	100.21	98.28
OAS	620.0 bps	115.6 bps	164.4 bps	124.0 bps	159.2 bps
YTW	9.69%	5.13%	5.10%	5.28%	5.32%
Next Call Date	9/15/2026	10/15/2029	10/25/2025	11/15/2027	11/9/2025
Next Call Price	102	103	100	100	101
Spread/Turn of Leverage	87.7 bps	25.2 bps	38.1 bps	33.5 bps	55.5 bps

Source: Company Filings, Bloomberg

highlighting the relative value of BGS's 8% secured bonds. Even with a smaller balance sheet and elevated gross leverage, BGS's improving cost controls and ongoing divestitures provide tangible catalysts for spread tightening. Overall, BGS offers the highest coupon, shortest maturity, and secured collateral. We believe the market is over stating BGS' risk profile relative to peers, and as leverage trends toward sub 6x by 1H26, spreads could tighten 150-300 bps.

Figure 12: Comparable Company Option Adjusted Spreads



Source: Bloomberg

Risks to Thesis

- Failure to complete planned asset divestitures or use proceeds for debt reduction could delay deleveraging
- Further tariffs can lead to sustained input costs or weak pricing power could compress margins
- Slower consumer demand for shelf-stable categories or the growth of private-label competition could hinder top line

Total Return Rationale

Scenario 1: Tightening and selling in 2027

In this scenario, an investor buys the 2028 notes now, expecting spreads to tighten by approximately 225 basis points, leading to a projected total return of 18.1% (12.7% annualized) by March 31, 2027. This outcome assumes the market begins to recognize the secured nature of the 2028s and their limited tariff exposure, alongside improvements in B&G's EBITDA through ongoing cost management and portfolio simplification. As the Company continues to stabilize margins and deliver incremental deleveraging, investor sentiment toward its credit profile should improve, driving spread compression and price appreciation. Furthermore, broader rate cuts and a favorable consumer staples backdrop could accelerate this tightening, allowing investors to benefit from both coupon income and capital gains ahead of maturity.

Scenario 2: Early Call in 2026

In this scenario, we assume the Green Giant divestiture is completed toward the upper end of our valuation range, enabling B&G to meaningfully de-lever and refinance its 2028s at the next call price on September 15, 2026. Under this case, spreads tighten by roughly 225 bps, producing a total return of 13.82% (15.49% annualized) and driving the bond price closer to the call range of 102. Lower leverage (below 5.0x) combined with a decreasing interest rate environment will allow the company to refinance from an 8% coupon to a more favorable rate.

Scenario 3: Hold to Maturity

In this scenario, investors hold the notes to maturity, benefiting from the large 8% coupon and a total yield of 9.69%. While this approach yields stable and predictable returns, it forgoes price appreciation from tightening spreads or early refinancing. Still, we are comfortable holding to maturity given the company's solid liquidity, strong FCF, and its first lien standing in the capital structure.

Figure 13: Scenario 1 Total Return Calculator

Bond Information	
Maturity Date	09/15/2028
Coupon Percentage	8.000%
Next Coupon Date	3/15/2026
\$ Coupon	\$ 4.00
Clean Price	\$ 95.80
Accrued Interest	\$ 0.84
Dirty Price	\$ 96.64

Assumptions	
Purchase Date	10/22/2025
Sell Date	03/31/2027
Sell Price	\$ 101.15

Return Statistics	
No. of Coupons	3.09
No. of Whole Coupons	3.00
Cash from Coupons	\$ 12.00
Cash from Bond Sale	\$ 101.15
Cash Return	\$ 113.15
Total Return	18.11%
Total Annualized Return	12.27%

Source: Bloomberg

Figure 14: Scenario 2 Total Return Calculator

Bond Information	
Maturity Date	09/15/2028
Coupon Percentage	8.000%
Next Coupon Date	3/15/2026
\$ Coupon	\$ 4.00
Clean Price	\$ 95.80
Accrued Interest	\$ 0.84
Dirty Price	\$ 96.64

Assumptions	
Purchase Date	10/22/2025
Sell Date	09/15/2026
Sell Price	\$ 102.00

Return Statistics	
No. of Coupons	2.01
No. of Whole Coupons	2.00
Cash from Coupons	\$ 8.00
Cash from Bond Sale	\$ 102.00
Cash Return	\$ 110.00
Total Return	13.82%
Total Annualized Return	15.49%

Source: Bloomberg

Figure 15: Total Return Sensitivity Analysis

		Date of Sale																
		1/30/2026	3/31/2026	5/31/2026	7/31/2026	9/30/2026	11/30/2026	1/31/2027	3/31/2027	5/31/2027	7/31/2027	9/30/2027	11/30/2027	1/31/2028	3/31/2028	5/31/2028	7/31/2028	9/15/2028
Tightening/Widening from Current Spread	+270	-6.70%	-2.52%	-2.52%	-2.52%	1.65%	1.65%	1.65%	5.83%	5.83%	5.83%	10.01%	10.01%	10.01%	14.18%	14.18%	14.18%	29.44%
	+225	-5.58%	-1.40%	-1.40%	-1.40%	2.77%	2.77%	2.77%	6.95%	6.95%	6.95%	11.12%	11.12%	11.12%	15.30%	15.30%	15.30%	29.44%
	+180	-4.46%	-0.29%	-0.29%	-0.29%	3.89%	3.89%	3.89%	8.06%	8.06%	8.06%	12.24%	12.24%	12.24%	16.41%	16.41%	16.41%	29.44%
	+135	-3.35%	0.83%	0.83%	0.83%	5.00%	5.00%	5.00%	9.18%	9.18%	9.18%	13.35%	13.35%	13.35%	17.53%	17.53%	17.53%	29.44%
	+90	-2.23%	1.94%	1.94%	1.94%	6.12%	6.12%	6.12%	10.29%	10.29%	10.29%	14.47%	14.47%	14.47%	18.64%	18.64%	18.64%	29.44%
	+45	-1.12%	3.06%	3.06%	3.06%	7.23%	7.23%	7.23%	11.41%	11.41%	11.41%	15.59%	15.59%	15.59%	19.76%	19.76%	19.76%	29.44%
	+0	0.00%	4.18%	4.18%	4.18%	8.35%	8.35%	8.35%	12.53%	12.53%	12.53%	16.70%	16.70%	16.70%	20.88%	20.88%	20.88%	29.44%
	+45	1.12%	5.29%	5.29%	5.29%	9.47%	9.47%	9.47%	13.64%	13.64%	13.64%	17.82%	17.82%	17.82%	21.99%	21.99%	21.99%	29.44%
	+90	2.23%	6.41%	6.41%	6.41%	10.58%	10.58%	10.58%	14.76%	14.76%	14.76%	18.93%	18.93%	18.93%	23.11%	23.11%	23.11%	29.44%
	+135	3.35%	7.52%	7.52%	7.52%	11.70%	11.70%	11.70%	15.87%	15.87%	15.87%	20.05%	20.05%	20.05%	24.22%	24.22%	24.22%	29.44%
	+180	4.46%	8.64%	8.64%	8.64%	12.81%	12.81%	12.81%	16.99%	16.99%	16.99%	21.17%	21.17%	21.17%	25.34%	25.34%	25.34%	29.44%
	+225	5.58%	9.76%	9.76%	9.76%	13.93%	13.93%	13.93%	18.11%	18.11%	18.11%	22.28%	22.28%	22.28%	26.46%	26.46%	26.46%	29.44%
	+270	6.70%	10.87%	10.87%	10.87%	15.05%	15.05%	15.05%	19.22%	19.22%	19.22%	23.40%	23.40%	23.40%	27.57%	27.57%	27.57%	29.44%
	+315	7.81%	11.99%	11.99%	11.99%	16.16%	16.16%	16.16%	20.34%	20.34%	20.34%	24.51%	24.51%	24.51%	28.69%	28.69%	28.69%	29.44%
	+360	8.93%	13.10%	13.10%	13.10%	17.28%	17.28%	17.28%	21.45%	21.45%	21.45%	25.63%	25.63%	25.63%	29.80%	29.80%	29.80%	29.44%

Source: Bloomberg

Figure 16: Summary Model

Financial Statement Model for B&G Foods (BGS)													
Fiscal Year	FY23A	FY24A	1Q24A	2Q24A	3Q24A	4Q24A	1Q25A	2Q25A	3Q25E	4Q25E	FY25E	FY26E	FY27E
EOP Date	12/30/2023	12/28/2024	3/30/2024	6/29/2024	9/28/2024	12/28/2024	3/29/2025	6/28/2025	9/28/2025	12/28/2025	12/28/2025	12/28/2026	12/28/2027
Income Statement													
Revenue													
Specialty	722,429	679,076.0	154,729.0	146,624.0	160,991.0	216,732.0	134,400.0	134,859.0	148,344.9	170,596.6	588,200.5	648,678.0	681,493.0
P/P	-6.6%	-6.0%		-5%	10%	35%	-38%	0%	10%	15%	-13%	10%	5%
Meals	477,567	462,397.0	120,031.0	107,889.0	111,582.0	122,895.0	106,142.0	104,079.0	111,364.5	120,273.7	441,859.2	439,246.2	469,565.0
P/P	-1.5%	-3.2%		-10%	3%	10%	-14%	-2%	7%	8%	-4%	-1%	7%
Frozen & Vegetables	473,570	395,785	104,887.0	91,580.0	89,181.0	110,137.0	93,119.0	88,989.0	94,328	108,478	384,914	380,921	385,097
P/P	-10.0%	-16.4%		-13%	-3%	23%	-15%	-4%	6%	15%	-3%	-1%	1%
Spices & Seasonings	388,747	395,196	95,576.0	98,497.0	99,319.0	101,804.0	91,741.0	96,498.0	108,078	111,320	407,637	427,132	423,172
P/P	2.7%	1.7%		3%	1%	3%	-10%	5%	12%	3%	3%	5%	-1%
Total Revenues	2,062,313	1,932,454	475,223	444,590	461,073	551,568	425,402	424,425	462,116	510,668	1,822,611	1,895,977	1,959,327
P/P		-6.3%		-6%	4%	20%	-23%	0%	9%	11%	-6%	4%	3%
Cost of products	1,606,792	1,510,504	366,342	352,553	358,728	432,881	335,315	337,443	358,140	395,768	1,426,665	1,469,382	1,518,479
as % of revenue	77.9%	78.2%											
Operating Expenses													
SG&A	196,044	188,068	48,612	43,128	45,988	50,340	49,132	47,198	41,590	45,960	183,881	170,638	176,339
as % of revenue	9.5%	9.7%	10.2%	9.7%	10.0%	9.1%	11.5%	11.1%	9.0%	9.0%	10.1%	9.0%	9.0%
Amortization expense	20,760	20,444	5,112	5,111	5,110	5,111	5,109	5,109	5,109	5,109	20,436	20,436	20,436
as % of revenue	1.0%	1.1%	1.1%	1.1%	1.1%	0.9%	1.2%	1.2%	1.1%	1.0%	1.1%	1.1%	1.0%
Impairment of goodwill	-	70,580	70,580	-	-	-	-	-	-	-	-	-	-
as % of revenue	0.0%	3.7%	14.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Loss (gain) on sale of assets	137,798	135	135	-	-	-	-	12,646	-	-	12,646	12,646	-
as % of revenue	6.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.0%	0.0%	0.0%	0.7%	0.7%	0.0%
Impairment of assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
as % of revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Impairment of intangible assets	20,500	320,000	-	-	-	320,000	-	-	-	-	-	-	-
as % of revenue	1.0%	16.6%	0.0%	0.0%	0.0%	58.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total operating expenses	375,102	599,227	124,439	48,239	51,098	375,451	54,241	64,953	46,699	51,069	216,963	203,720	196,775
as % of revenue	18.2%	31.0%											
EBIT	84,200	(173,062)	(14,516)	44,844	52,293	(255,683)	36,993	23,230	57,277	63,831	181,331	235,521	244,073
(+) Depreciation & amortization	69,620	68,614	17,209	17,343	17,157	16,905	16,838	16,716	16,824	17,950	68,328	69,028	70,876
EBITDA	153,820	(104,448)	2,693	62,187	69,450	(238,778)	53,831	39,946	74,101	81,781	249,658	304,549	314,949
(+) Acquisition/Divestiture and non recurring exepnses	5,877	8,938	1,637	1,733	919	4,649	2,313	5,388	3,851	3,851	15,402	15,402	15,402
(+) Impairment of Goodwill	-	70,580	70,580	-	-	-	-	-	-	-	-	-	-
(+) Loss on Sale of Assets	137,798	135	135	-	-	-	-	12,646	-	-	12,646	-	-
(+) Impairment of PP&E	-	208	-	-	-	208	2,994	-	-	-	2,994	-	-
(+) Impairment of intangibles	20,500	320,000	-	-	-	320,000	-	-	-	-	-	-	-
Adj. EBITDA	317,995	295,413	75,045	63,920	70,369	86,079	59,138	57,980	77,951	85,631	280,700	319,951	330,351
Balance Sheet Summary													
Cash and Cash Equivalents	41,094	50,583	42,460	40,323	54,694	50,583	61,235	54,084	23,211	55,119	55,119	75,312	(416,073)
Accounts Receivable	142,841	172,260	136,011	142,252	159,986	172,260	138,391	140,397	152,865	168,926	168,926	158,634	168,609
Inventories	568,980	511,232	560,589	559,594	618,093	511,232	514,235	531,637	531,423	517,949	517,949	533,458	551,282
Total Current Assets	802,824	785,321	785,321	796,576	882,507	781,444	758,259	762,589	752,853	787,348	787,348	812,758	349,173
PP&E, net	302,288	278,119	296,004	287,395	278,310	278,119	269,526	261,303	256,524	250,963	250,963	232,540	213,385
Total Assets	3,463,290	3,418,415	3,360,524	3,351,549	3,418,415	2,994,052	2,953,810	2,936,940	2,931,726	2,960,660	2,960,660	2,967,648	2,484,908
Total Debt	2,045,088	2,020,448	2,036,153	2,044,426	2,079,353	2,020,448	2,005,647	1,990,481	1,986,328	1,986,328	1,986,328	1,986,328	1,457,018
Net Debt	2,003,994	1,969,865	1,993,693	2,004,103	2,024,659	1,969,865	1,944,412	1,936,397	1,963,117	1,931,209	1,931,209	1,911,016	1,873,091
Total Liabilities	2,627,827	2,469,245	2,579,304	2,586,538	2,663,108	2,469,245	2,440,716	2,435,510	2,436,616	2,449,850	2,449,850	2,443,292	1,929,528
Cash Flow Summary													
Net Income (loss)	(66,198)	(251,251)	(40,239)	3,938	7,464	(222,414)	835	(9,772)	8,884	30,902	30,848	74,358	91,836
Changes in Working Capital	(65,756)	4,173	680	(234,482)	38,271	199,704	(14,969)	(26,852)	3,813	38,242	234	21,086	(468,583)
Cash Flow from Operations	247,759	130,914	35,122	11,288	4,156	80,348	52,745	17,823	(4,597)	54,369	120,340	111,189	130,009
Capex	(25,689)	27,325	8,743	7,621	6,126	4,835	8,681	10,387	6,936	7,279	(30,971)	(30,170)	(31,284)
Cash Flow from Investing	81,593	(27,685)	(8,058)	(6,111)	(4,835)	(8,681)	(10,337)	4,392	(6,936)	(7,279)	(20,160)	(31,170)	(31,284)
Dividends	(56,011)	(60,041)	(14,939)	(15,019)	(15,042)	(15,041)	(15,038)	(15,161)	(15,203)	(15,203)	(60,605)	(60,812)	(60,812)
Cash Flow from Financing	(333,691)	(92,963)	(25,529)	(7,044)	15,080	(75,470)	(31,900)	(29,903)	(19,340)	(15,182)	(96,325)	(60,825)	(590,109)
Net Change in Cash	(4,348)	9,489	1,366	(2,137)	14,371	(4,111)	10,652	(7,151)	(30,873)	31,908	4,536	20,193	(491,385)
FCF Reconciliation													
(+) NOPAT	84,200	(173,062)	(14,516)	44,844	52,293	(255,683)	36,993	23,230	57,277	63,831	181,331	235,521	244,073
(+) D&A	69,620	68,614	17,209	17,343	17,157	16,905	16,838	16,716	16,824	17,950	68,328	69,028	70,876
(+) Impairment of Intangibles	20,500	320,000	-	-	-	320,000	-	-	-	-	-	-	-
(-) Capex	(25,689)	27,325	8,743	7,621	6,126	4,835	8,681	10,387	6,936	7,279	30,971	30,170	(31,284)
(-) Change in Working Capital	(65,756)	4,173	680	(234,482)	38,271	199,704	(14,969)	(26,852)	3,813	38,242	234	21,086	468,583
Free Cash Flow to Firm	265,765	184,054	(6,730)	289,048	25,053	(123,317)	60,119	56,411	63,351	36,259	218,453	253,293	(122,350)
Operating Metrics													
Gross Margin	22.1%	21.8%	22.9%	20.7%	22.2%	21.5%	21.2%	20.5%	22.5%	22.5%	21.7%	22.5%	22.5%
Operating Margin	4.1%	-9.0%	-3.1%	10.1%	11.3%	-46.4%	8.7%	5.9%	12.4%	12.5%	9.9%	12.4%	12.5%
Adj. EBITDA Margin	15.4%	15.3%	15.8%	14.4%	15.3%	15.6%	13.9%	13.7%	16.9%	16.8%	15.4%	16.9%	16.9%
FCF Margin	12.9%	9.5%	-1.4%	65.0%	5.4%	-22.4%	14.1%	13.3%	13.7%	7.1%	12.0%	13.4%	-6.2%
Credit Metrics													
Net Debt/Adj. EBITDA	6.3x	6.7x	6.4x	6.5x	6.8x	6.7x	7.0x	7.1x	7.0x	6.9x	6.9x	5.9x	5.8x
Net Debt/FCF	7.5x	10.7x	9.4x	4.8x	7.8x	-14.5x	-27.1x	-6.4x	-7.4x	8.8x	8.1x	8.0x	7.8x
Adj. EBITDA/Interest	2.1x	1.9x	1.9x	1.7x	2.0x	1.9x	2.4x	1.3x	3.2x	1.9x	2.0x	2.3x	2.6x
FCF/Interest	1.8x	1.2x	-0.2x	7.6x	0.6x	-3.1x	1.6x	1.6x	1.4x	1.5x	0.7x	0.6x	-1.0x

Source: Company Filings