

Post Holdings, Inc.  
Form 10-K  
November 25, 2015  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 10-K

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(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934

For the fiscal year ended September 30, 2015

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934

Commission file number: 1-35305

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POST HOLDINGS, INC.  
(Exact name of registrant as specified in its charter)

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Missouri  
(State of incorporation)

45-3355106  
(I.R.S. Employer Identification No.)

2503 S. Hanley Road, St. Louis, Missouri  
(Address of principal executive offices)

63144  
(Zip Code)

Registrant's telephone number, including area code: (314) 644-7600

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Securities registered pursuant to Section 12(b) of the Act:

Title of each class  
Common Stock, \$.01 par value

Name of each exchange on which registered  
New York Stock Exchange, Inc.

Securities registered pursuant to Section 12(g) of the Act: None

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Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.  Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files.)  Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements

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incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of these terms in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).  Yes  No

The aggregate market value of the registrant's Common Stock held by non-affiliates of the registrant as of March 31, 2015, the last day of the registrant's second quarter, was \$2,421,540,228.

Number of shares of Common Stock, \$.01 par value, outstanding as of November 16, 2015: 62,080,447

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**DOCUMENTS INCORPORATED BY REFERENCE**

Certain portions of the registrant's definitive proxy statement for its annual meeting of shareholders, to be filed with the Securities and Exchange Commission within 120 days after September 30, 2015, are incorporated by reference into Part III of this report.

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CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

Forward-looking statements, within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), are made throughout this report. These forward-looking statements are sometimes identified by the use of terms and phrases such as “believe,” “should,” “expect,” “project,” “estimate,” “anticipate,” “aim,” “intend,” “plan,” “will,” “can,” “may,” or similar elsewhere in this report. Our results of operations and financial condition may differ materially from those in the forward-looking statements. Such statements are based on management’s current views and assumptions, and involve risks and uncertainties that could affect expected results. Those risks and uncertainties include but are not limited to the following:

- our ability to realize the synergies contemplated by the acquisition of MOM Brands Company (“MOM Brands”);
- our ability to promptly and effectively integrate the MOM Brands business;
- our high leverage and substantial debt, including covenants that restrict the operation of our business;
- our ability to service our outstanding debt or obtain additional financing, including both secured and unsecured debt;
- our ability to continue to compete in our product markets and our ability to retain our market position;
- our ability to identify and complete acquisitions, manage our growth and integrate acquisitions;
- changes in our cost structure, management, financing and business operations;
- significant volatility in the costs of certain raw materials, commodities, packaging or energy used to manufacture our products;
- our ability to maintain competitive pricing, introduce new products or successfully manage our costs;
- our ability to successfully implement business strategies to reduce costs;
- impairment in the carrying value of goodwill or other intangibles;
- the loss or bankruptcy of a significant customer;
- allegations that our products cause injury or illness, product recalls and product liability claims and other litigation;
- our ability to anticipate and respond to changes in consumer preferences and trends;
- changes in economic conditions and consumer demand for our products;
- disruptions in the U.S. and global capital and credit markets;
- labor strikes, work stoppages or unionization efforts;
- legal and regulatory factors, including advertising and labeling laws, changes in food safety and laws and regulations governing animal feeding operations;
- our ability to comply with increased regulatory scrutiny related to certain of our products and/or international sales;
- the ultimate impact litigation may have on us, including the lawsuit (to which Michael Foods is a party) alleging violations of federal and state antitrust laws in the egg industry;
- our reliance on third party manufacturers for certain of our products;
- disruptions or inefficiencies in supply chain;
- our ability to recognize the expected benefits of the closing of our Boise, Idaho and Farmers Branch, Texas manufacturing facilities as well as our Parsippany, New Jersey office;
- our ability to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act of 2002, including with respect to acquired businesses;
- business disruptions caused by information technology failures and/or technology hacking;
- fluctuations in foreign currency exchange rates;
- consolidations in the retail grocery and foodservice industries;

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change in estimates in critical accounting judgments and changes to or new laws and regulations affecting our business;

losses or increased funding and expenses related to our qualified pension and other post-retirement plans;

loss of key employees;

our ability to protect our intellectual property;

changes in weather conditions, natural disasters, disease outbreaks and other events beyond our control;

our ability to successfully operate our international operations in compliance with applicable laws and regulations; and

other risks and uncertainties included under “Risk Factors” in this document.

You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur. Moreover, we undertake no obligation to update publicly any forward-looking statements for any reason after the date of this document to conform these statements to actual results or to changes in our expectations.

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PART I

ITEM 1. BUSINESS

INTRODUCTION

Post Holdings, Inc. is a Missouri corporation incorporated on September 22, 2011. Our principal executive offices are located at 2503 S. Hanley Road, St. Louis, Missouri 63144. We are a consumer packaged goods holding company, operating in the center-of-the-store, foodservice, ingredient, refrigerated, active nutrition and private label food categories. Unless otherwise stated or the context otherwise indicates, all references in this Form 10-K to “Post,” “the Company,” “us,” “our” or “we” mean Post Holdings, Inc. and its consolidated subsidiaries.

On February 3, 2012, Post completed its legal separation via a tax free spin-off (the “Spin-Off”) from Ralcorp Holdings, Inc. (Ralcorp was subsequently acquired by ConAgra Foods, Inc. on January 29, 2013). On February 6, 2012, Post common stock began trading on the New York Stock Exchange under the ticker symbol “POST.” In 2012, we had a single operating segment, our Post Foods branded ready-to-eat (“RTE”) cereal business. As a result of acquisitions, we now operate in four reportable segments:

• **Post Consumer Brands:** Includes the Post Foods branded RTE cereal operations and the business of MOM Brands Company (“MOM Brands”);

• **Michael Foods Group:** Comprised of MFI Holding Corporation (“Michael Foods”), the October 2015 acquisition of Willamette Egg Farms (“WEF”) and Dakota Growers Pasta Company, Inc. (“Dakota Growers”) and produces value-added egg products, refrigerated potato products and cheese and other dairy case products as well as pasta for the the foodservice, retail and food ingredient channels;

• **Active Nutrition:** Includes the protein shakes, bars and powders and nutritional supplement businesses of Premier Nutrition Corporation (“PNC”) and Dymatize Enterprises, LLC (“Dymatize”), as well as the PowerBar brand; and

• **Private Brands:** Includes the businesses of Golden Boy Foods Ltd. (“Golden Boy”) and American Blanching Company (“ABC”), which produce private label peanut and other nut butters, as well as dried fruits and snacking nuts, and provides peanut blanching, granulation and roasting services for the commercial peanut industry, as well as the business of Attune Foods, LLC, which produces premium natural and organic granola, cereals and snacks.

Financial segment information for the four reportable segments for fiscal 2015 is contained in this Annual Report. “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, which we refer to as MD&A, under Item 7 of this report contains financial and other information concerning our business developments and operations and are incorporated into this Item 1.

Additional information about us, including our Form 10, Forms 10-K, Forms 10-Q, Forms 8-K, other securities filings (and amendments thereto), press releases and other important announcements, is available at our website at [www.postholdings.com](http://www.postholdings.com) or the Security and Exchange Commission’s (“SEC”) website at [www.sec.gov](http://www.sec.gov) (for securities filings only). These documents can be printed free of charge as soon as reasonably practicable after their electronic filing with the SEC. Our Corporate Governance Guidelines, Global Standards of Business Conduct, Director Code of Ethics, and the charters of the Audit and Corporate Governance and Compensation Committees of our board of directors are also available on our website, from which they can be printed free of charge. All of these documents are also available to shareholders at no charge upon request sent to our corporate secretary (2503 S. Hanley Road, St. Louis, Missouri 63144-2503, Telephone: 314-644-7600). The information on our website is not part of this report.

Our Businesses

Post Consumer Brands

Post Consumer Brands includes the Post Foods and MOM Brands cereal businesses and manufactures, markets and sells branded and private label RTE cereal products. The RTE cereal category has been one of the most prominent categories in the food industry. According to Nielsen’s expanded All Outlets Combined (xAOC) information, the category was approximately \$8.7 billion for the 52-week period ended October 24, 2015. We have leveraged the strength of our brands, category expertise, and over a century of institutional knowledge to create a diverse portfolio of cereals. Post Consumer Brands is the third largest seller of RTE cereals in the United States with an 18.2% share of retail dollar sales and a 21.0% share of retail pound sales for the 52-week period ended October 24, 2015, based on Nielsen’s xAOC information. Nielsen’s xAOC is representative of food, drug and mass merchandisers (including Walmart), some club retailers (including Sam’s Club & BJ’s), some dollar retailers (including Dollar General, Family

Dollar & Dollar Tree) and military. Our brands include Honey Bunches of Oats, the fourth largest brand of RTE cereal in the United States with a 4.6% xAOC dollar market share for the 52-week period ended October 24, 2015, as well as Pebbles, Great Grains, Grape-Nuts, Post Shredded Wheat, Oh's, Honeycomb, Golden Crisp, Post Raisin Bran, Alpha-

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Bits, Shreddies, Malt-O-Meal, Farina, Dyno-Bites and MOM's Best. These products are primarily manufactured through a flexible production platform at eight owned facilities in the United States and Canada.

### Michael Foods Group

Through our Michael Foods Group segment, we produce and/or distribute egg products, refrigerated potato products, cheese and other dairy case products and pasta products. Our egg products business produces and distributes numerous egg products under the Better'n Eggs, All Whites, Papetti's, Abbotsford Farms, Emulsa, EasyEggs, Table Ready and Willamette Egg Farms brands, among others. Through this business, we operate 13 egg products production facilities located in the United States and Canada, some of which are fully integrated, from the production and maintenance of laying flocks through the processing of egg products. Refrigerated potato products are marketed under a variety of brands, including Simply Potatoes, Diner's Choice and Farm Fresh, and this business maintains a main processing facility in Minnesota, with a smaller facility located in Nevada. Our cheese and other dairy-case products are marketed principally under the Crystal Farms brand, and other trademarks include Crescent Valley, Westfield Farms and David's Deli. Through this business, we operate a cheese packaging facility in Lake Mills, Wisconsin, which processes and packages various cheese products for the Crystal Farms brand and for various private label customers. Our pasta business, Dakota Growers, has vertically integrated durum wheat milling and pasta production capabilities and produces over 150 different shapes of pasta products at two manufacturing plants. We sell products to the foodservice, food ingredient, retail grocery and private label markets. Our major customers include foodservice distributors, restaurant chains and major retail grocery chains.

### Active Nutrition

Our Active Nutrition segment markets and distributes premium protein beverages, bars, powders and gels under the Premier Protein, Dymatize, Supreme Protein and PowerBar brands, and ready-to-drink beverages and other liquid-based solutions under the Joint Juice brand. The Active Nutrition segment's products are primarily manufactured under co-manufacturing agreements at various third party facilities located in the United States and Europe. We also own a facility in Germany that primarily manufactures products for our PowerBar brand. Our active nutrition products are primarily sold in club, grocery, drug and specialty stores as well as online.

### Private Brands

Our Private Brands segment manufactures and distributes organic and conventional private label peanut butter and other nut butters, baking nuts, raisins and other dried fruit, and trail mixes, with sales to grocery retailers, food ingredient and foodservice channels primarily in the United States and Canada. We also co-manufacture peanut butter and other nut butters for national brands, private label retail and industrial markets. Our Private Brands business also provides peanut blanching, granulation and roasting services for the commercial peanut industry.

Our Private Brands segment also includes the business of Attune Foods. Through this business we manufacture and market branded premium natural and organic cereals and snacks, including Uncle Sam high fiber cereals, Attune chocolate probiotic bars and Erewhon gluten-free cereals and organic graham crackers. Attune Foods also includes the Golden Temple, Peace Cereal, Sweet Home Farm and Willamette Valley Granola Company brands as well as a private label granola business. Attune Foods' products are largely sold through the natural/specialty channels, as well as in the bulk foods section of both conventional and natural/specialty retailers. Our manufacturing facility in Eugene, Oregon provides us the ability to manufacture a wide variety of product and package formats. Additionally, some products are manufactured under co-manufacturing agreements at various third party facilities located in the United States.

### Sales and Marketing

Each of our businesses has developed marketing strategies specific to each product line that emphasize high quality products and customer service. For certain of our products, we have consumer-targeted marketing campaigns, which include television, digital and print advertisements, coupon offers, co-marketing arrangements with complementary



consumer product companies and co-op advertising with select retail customers. We also use traditional outdoor, print and digital advertising and social media, as well as more targeted grass roots programs such as sampling events and business drops in order to increase brand awareness and loyalty at both national and local levels. Our internet and social media efforts are used to educate consumers about the nutritional value of our products as well as for product promotion and consumer entertainment.

Our Post Consumer Brands segment sells products primarily through an internal sales staff and broker organizations. We also occasionally sell Post Consumer Brands products to military, internet and foodservice channels and may utilize broker, distribution or similar arrangements for sales of Post Consumer Brands products outside the United States. Our Michael Foods Group segment aligns its sales and marketing efforts by distribution channel, with a dedicated team for each of the foodservice, retail and food ingredient channels. Our Active Nutrition segment uses a flexible sales model that combines a national direct sales force and

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broker network. Our Private Brands segment primarily sells its products through internal sales staff and broker organizations, including a strong broker network that services the natural/specialty and conventional grocery channels.

### Research and Development

Our research and development efforts span our business segments. These capabilities extend to ingredients, grains and packaging technologies; new product and process development, as well as analytical support; bench-top and pilot plant capabilities; and research support to operations. We incurred expenses of approximately \$16.8 million, \$10.2 million and \$8.6 million during the fiscal years ended September 30, 2015, 2014 and 2013, respectively, for research and development activities.

### Raw Materials

Raw materials used in our businesses consist of ingredients and packaging materials. The principal ingredients for most of our businesses are agricultural commodities, including wheat, oats, other grain products, vegetable oils, fruits, peanuts, almonds and other tree nuts, dairy and soy based proteins, cocoa, corn syrup and sugar. We also buy significant amounts of grain to feed layer hens. Additionally, the principal ingredients for the Michael Foods business are eggs, potatoes, cheese and other dairy products. The principal packaging materials are linerboard cartons, corrugated boxes, plastic containers, flexible and beverage packaging and cartonboard.

We purchase raw materials from local, regional, national and international suppliers. With respect to our Michael Foods Group segment, a portion of the division's egg needs are satisfied by production from our own hens, with the balance being purchased under third-party egg procurement contracts and in the spot market. Certain of our segments, such as the Post Consumer Brands and Private Brands segments, identify raw material sources to ensure that its products meet the standards and certification requirements for non-GMO, organic and gluten-free.

Supply and prices paid for raw materials can fluctuate widely due to weather conditions, feed costs, labor disputes, government policies and regulations, industry consolidation, economic climate, energy shortages, transportation delays, commodity market prices, currency fluctuations and other unforeseen circumstances, such as avian influenza which could affect the domestic poultry industry and our egg supply. We continuously monitor worldwide supply and cost trends of these raw materials to enable us to take appropriate action to obtain ingredients and packaging needed for production. Although the prices of the principal raw materials can be expected to fluctuate, we believe such raw materials to be in adequate supply and generally available from numerous sources.

Cereal processing ovens and most of the Michael Foods production facilities are generally fueled by natural gas or propane, which are obtained from local utilities or other local suppliers. Electricity and steam (generated in on-site, gas-fired boilers) are also used in our processing facilities. Short-term standby propane storage exists at several plants for use in the event of an interruption in natural gas supplies. Oil may also be used to fuel certain operations at various plants in the event of natural gas shortages or when its use presents economic advantages. In addition, considerable amounts of diesel fuel are used in connection with the distribution of our products.

### Trademarks and Intellectual Property

We own a number of trademarks that are critical to the success of our businesses. Our Post Consumer Brands business' key trademarks include Post<sup>®</sup>, Honey Bunches of Oats<sup>®</sup>, Post Selects<sup>®</sup>, Great Grains<sup>®</sup>, Spoon Size<sup>®</sup> Shredded Wheat, Oh's<sup>®</sup>, Grape-Nuts<sup>®</sup>, Honeycomb<sup>®</sup> Frosted Mini Spooners<sup>®</sup>, Golden Puffs<sup>®</sup>, Cinnamon Toasters<sup>®</sup>, Fruity Dyno-Bites<sup>®</sup>, Cocoa Dyno-Bites<sup>®</sup>, Berry Colossal Crunch<sup>®</sup> and Malt-O-Meal<sup>®</sup>. The key trademarks for our Michael Foods Group include Papetti'<sup>®</sup>, All Whites<sup>®</sup>, Better'n Egg<sup>®</sup>, Easy Eggs<sup>®</sup>, Table Ready<sup>®</sup>, Abbotsford Farms<sup>®</sup>, Simply Potatoes<sup>®</sup> and Crystal Farms<sup>®</sup>. Our Active Nutrition segment's key trademarks include Premier Protein<sup>®</sup>, Joint Juice<sup>®</sup>, Dymatize<sup>®</sup>, Supreme Protein<sup>®</sup> and PowerBar<sup>®</sup>, and the key trademarks for our Private Brands segment are Attune<sup>®</sup>, Uncle Sam<sup>®</sup>, Erewhon<sup>®</sup>, Peace Cereal<sup>®</sup> and Sweet Home Farm<sup>®</sup>. Our trademarks are in most cases protected through registration in the United States and most other markets where the related products are sold.

Certain of our products, such as our Pebbles<sup>™</sup> products, are sold under trademarks that have been licensed from a third party pursuant to a long-term license agreement that covers the sale of such branded cereal products in the United States, Canada and several other international markets.

Similarly, we own several patents in North America. While our patent portfolio as a whole is material to our business, no one patent or group of related patents is material to our business. In addition, we have proprietary trade secrets,

technology, know-how processes, and other intellectual property rights that are not registered.

Seasonality

Demand for certain of our products may be influenced by holidays, changes in seasons or other events. For example, demand for our egg products, cheese and snacking and baking nuts tends to increase during the holiday season, which may result in increased net sales during the first quarter of our fiscal year.

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### Working Capital

A description of our working capital practices is included in the Liquidity and Capital Resources section of MD&A in Item 7 of this report. Receipts from goods sold, supplemented as required by borrowings, provide for our operating expenses and working capital needs.

### Customers

We sell Post Consumer Brands products primarily to grocery, mass merchandise, supercenters, club store and drug store customers. We also sell to military, internet and foodservice channels. Our Michael Foods Group's primary customers include foodservice distributors, national restaurant chains, retail grocery stores and major food processors. Our Active Nutrition segment's customers are predominately warehouse club stores, grocery stores, drug stores, convenient stores and supplement stores. Our Private Brands segment's products are sold to grocery store, foodservice and food ingredient customers as well as natural/specialty grocery stores and conventional grocery stores.

Our largest customer, Walmart, accounted for approximately 10% of our consolidated net sales in fiscal 2015. No other customer accounted for more than 10% of our fiscal 2015 consolidated net sales, but certain of our segments depend on sales to large customers. For example, the largest customer of our Post Consumer Brands segment, Walmart, accounted for approximately 27% of Post Consumer Brands' net sales in fiscal 2015. Additionally, the largest customers of our Michael Foods Group segment, Sysco and US Foods, accounted for approximately 14% and 12%, respectively, of the segment's net sales in fiscal 2015, and the largest customers of our Active Nutrition business, Costco and Sam's Club, accounted for approximately 27% and 12%, respectively, of the Active Nutrition segment's net sales in fiscal 2015. The largest customers of our Private Brands segment, Whole Foods and Trader Joe's, accounted for approximately 15% and 11%, respectively, of Private Brands' net sales in fiscal 2015.

For the fiscal years ended September 30, 2015, 2014 and 2013, sales to locations outside of the United States were approximately 9%, 13% and 14% of total net sales, respectively. For fiscal year 2015, the amount includes the sales of recent acquisitions including the PowerBar business, ABC and MOM Brands.

### Competition

The consumer foods industry is highly competitive, and the food categories in which we participate are also very competitive and highly sensitive to both pricing and promotion. Many of our principal competitors in these categories may have substantially more financial, marketing and other resources. Competition is based on product quality, price, effective promotional activities, and the ability to identify and satisfy dynamic, emerging consumer preferences. Our principal strategies for competing in each of our segments include effective customer relationship management, category insights, superior product quality and food safety, product innovation, an efficient supply chain and price. In addition, in many of our product categories, we compete not only with widely advertised branded products, but also with private label products. The industries in which we operate are expected to remain highly competitive in the foreseeable future.

### Governmental Regulation and Environmental Matters

We are subject to regulation by federal, state, local and foreign governmental entities and agencies. Our activities in Canada and Germany are subject to regulations similar to those applicable to our business in the United States. As a producer and distributor of goods for human consumption, our operations must comply with stringent production, storage, distribution, labeling and marketing standards administered by the Food and Drug Administration ("FDA"), Department of Commerce and Federal Trade Commission in the United States as well as similar regulatory agencies in Canada and Germany. Products that do not meet regulatory standards may be considered to be adulterated and/or misbranded and subject to recall. Additionally, following the recent adoption of the Food Safety Modernization Act, the FDA is developing additional regulations focused on prevention of food contamination, more frequent inspection of high-risk facilities, increased record-keeping and improved tracing of food.

Certain egg products produced by our Michael Foods Group segment are under the jurisdiction of U.S. Department of Agriculture ("USDA") regulations regarding quality, labeling and sanitary control, rather than FDA regulations. The Michael Foods egg products division processing plants that break eggs, and some of our other egg-processing operations, are subject to continuous on-site USDA inspection. Our other facilities are subject to periodic inspection by the USDA, FDA and/or state regulatory authorities, such as state departments of agriculture.

Our facilities, like those of similar businesses, are subject to certain safety regulations including regulations issued pursuant to the U.S. Occupational Safety and Health Act in the United States and similar regulatory agencies in Canada and Germany. These regulations require us to comply with certain manufacturing safety standards to protect our employees from accidents. Additionally, some of the food commodities on which our business relies are subject to governmental agricultural programs. These programs have substantial effects on prices and supplies and are subject to Congressional and administrative review.

Our operations are also subject to various federal, state and local laws and regulations with respect to environmental matters, including air quality, wastewater discharge and pretreatment, storm water, waste handling and disposal, and other regulations intended to protect public health and the environment. In the United States, the laws and regulations include the Clean Air Act,

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the Clean Water Act and the Resource Conservation and Recovery Act. Our foreign facilities are subject to regulations similar to those applicable to us in the United States. We have made, and will continue to make, expenditures to ensure environmental compliance.

Employees

We have approximately 8,500 employees as of November 1, 2015, of which approximately 7,750 are in the United States, approximately 620 are in Canada and approximately 125 are located in other jurisdictions, including Germany. Currently, approximately 13% of our employees are unionized. We have entered into several collective bargaining agreements on terms that we believe are typical for the industries in which we operate. Most of the unionized workers at our facilities are represented under contracts which expire at various times throughout the next several years. As these agreements expire, we believe that the agreements can be renegotiated on terms satisfactory to us. We believe that our relations with employees and their representative organizations are good.

Executive Officers

The section below provides information regarding our executive officers as of November 17, 2015:

William P. Stirtz, age 81, has served as our Executive Chairman since November 2014. Previously, Mr. Stirtz served as the Chairman of our Board of Directors and Chief Executive Officer from February 2012 until November 1, 2014. Prior to joining Post, Mr. Stirtz served as the Chairman of the Board of Directors of Ralcorp Holdings, Inc. from 1994 until February 2012.

Robert V. Vitale, age 49, has served as our President and Chief Executive Officer since November 2014. Previously, Mr. Vitale served as our Chief Financial Officer from October 2011 until November 1, 2014. He previously served as President and Chief Executive Officer of AHM Financial Group, LLC, a diversified provider of insurance brokerage and wealth management services from 2006 until 2011.

Rich Koulouris, age 59, has served as our Executive Vice President and President and CEO, Private Brands since November 2015. Previously, Mr. Koulouris served as our Executive Vice President and President and CEO, Post Foods Group from February 2015 until November 2015. From January 2014 until joining Post in February 2015, Mr. Koulouris was not engaged in any professional activities as the result of a non-compete agreement with his prior employer. Prior to joining Post and until January 2014, Mr. Koulouris served as Vice President and President of the Ralcorp Food Group of ConAgra Foods, Inc., which acquired Ralcorp in January 2013. From 2003 until the acquisition of Ralcorp in January 2013, Mr. Koulouris served in various senior roles at Ralcorp, most recently as Corporate Vice President and President of Ralcorp Snacks, Sauces & Spreads.

James E. Dwyer, Jr., age 57, has served as Executive Vice President and President and CEO, Michael Foods Group since November 2014. Previously, Mr. Dwyer served as the President and CEO of our Michael Foods business since June 2014, when Post acquired Michael Foods. Prior to the acquisition, Mr. Dwyer served as the Chief Executive Officer of Michael Foods since October 2009 and its Chairman since July 2013.

Christopher J. Neugent, age 54, has served as our President and CEO, Post Consumer Brands since May 2015, when Post acquired MOM Brands Company. From 2001 until the acquisition, Mr. Neugent served in various roles at MOM Brands Company, most recently as Chairman and CEO.

Jeff A. Zadoks, age 50, has served as our Senior Vice President and Chief Financial Officer since November 2014. Previously, Mr. Zadoks served as our Senior Vice President and Chief Accounting Officer from January 2014 until November 1, 2014, and also our Corporate Controller since October 2011. Prior to joining Post, Mr. Zadoks served as Senior Vice President and Chief Accounting Officer at RehabCare Group, Inc., a leading provider of post-acute care in hospitals and skilled nursing facilities, from February 2010 to September 2011, and as Vice President and Corporate Controller of RehabCare Group from December 2003 until January 2010.

Diedre J. Gray, age 37, has served as our Senior Vice President, General Counsel and Chief Administrative Officer, as well as our Corporate Secretary, since November 2011. Previously, Ms. Gray served as our Legal and Corporate Secretary from December 2011 until September 2012 when she became our Senior Vice President, General Counsel and Corporate Secretary. Prior to joining Post, Ms. Gray served as Associate General Counsel and Assistant Secretary at MEMC Electronic Materials, Inc. (now SunEdison, Inc.), a semiconductor and solar wafer manufacturing company. Ms. Gray was an attorney at Bryan Cave LLP from 2003 to 2010.



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Available Information

We make available free of charge through our website ([www.postholdings.com](http://www.postholdings.com)) reports we file with the SEC, including our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. The SEC maintains an internet site containing these reports and proxy and information statements at <http://www.sec.gov>. Any materials we file can be read and copied online at that site or at the SEC's Public Reference Room at 100 F Street, NE, Washington, D.C. 20549, on official business days during the hours of 10:00 a.m. and 3:00 p.m. Information on the operation of the Public Reference Room can be obtained by calling the SEC at 1-800-SEC-0330.



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### ITEM 1A. RISK FACTORS

In addition to the factors discussed elsewhere in this report, the following risks and uncertainties could have a material adverse effect on our business, financial condition and results of operations. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operation, financial condition or results.

#### Risks Related to Our Business

We operate in categories with strong competition.

The food and beverage industry is highly competitive. Our competitors may have substantial financial, marketing and other resources. Increased competition can reduce our sales due to loss of market share or the need to reduce prices to respond to competitive and customer pressures. In most product categories, we compete not only with widely advertised branded products, but also with private label and store brand products. A strong competitive response from one or more of our competitors to our marketplace efforts, or a shift in consumer preferences to competitors' products, could result in us reducing pricing, increasing marketing or other expenditures or losing market share. Our profits could decrease if a reduction in prices or increased costs are not counterbalanced with increased sales volume.

We must identify changing consumer preferences and develop and offer food products to meet these preferences.

Consumer preferences evolve over time. The success of our food products depends on our ability to identify the tastes and dietary habits of consumers and to offer products that appeal to their preferences, including concerns of consumers regarding health and wellness, obesity, product attributes and ingredients, including carbohydrate content and processed ingredients. Introduction of new products and product extensions requires significant development and marketing investment. If our products fail to meet consumer preferences, or we fail to introduce new and improved products on a timely basis, the return on that investment will be less than anticipated and our strategy to grow sales and profits with investments in marketing and innovation will be less successful. Similarly, demand for our products could be affected by consumer concerns or perceptions regarding the health effects of our products or certain ingredients.

Our business strategy depends on us identifying and completing additional acquisitions and other strategic transactions. We may not be able to successfully consummate favorable transactions or successfully integrate acquired businesses.

We continuously evaluate and may in the future enter into additional strategic transactions. Any such transaction could happen at any time, could be material to our business and could take any number of forms, including, for example, an acquisition, investment or merger, for cash or in exchange for our equity securities, or a divestiture. Evaluating potential transactions, including divestitures, and integrating businesses after completion of an acquisition requires additional expenditures (including legal, accounting and due diligence expenses, higher administrative costs to support the acquired entities, information technology, personnel and other integration expenses) and may divert the attention of our management from ordinary operating matters. The success of these potential transactions will depend, in part, on our ability to realize the anticipated growth opportunities and cost synergies through the successful integration of the businesses we acquire with our existing businesses. Even if we are successful in integrating acquired businesses, we cannot assure you that these integrations will result in the realization of the full benefit of any anticipated growth opportunities or cost synergies or that these benefits will be realized within the expected time frames. In addition, acquired businesses may have unanticipated liabilities or contingencies.

Our corporate development activities may present financial and operational risks, including integrating or separating personnel and financial and other systems, and may have adverse effects on existing business relationships with suppliers and customers. Future acquisitions could also result in potentially dilutive issuances of equity securities, the incurrence of debt, contingent liabilities and/or amortization expenses related to certain intangible assets and increased operating expenses, all of which could singly or collectively adversely affect our results of operations and financial condition.

Economic downturns could limit consumer demand for our products.

The willingness of consumers to purchase our products depends in part on general or local economic conditions. In periods of economic uncertainty, consumers may purchase less of our products and may forego certain purchases altogether. In those circumstances, we could experience a reduction in sales of our products. In addition, as a result of

economic conditions or competitive actions, we may be unable to raise our prices sufficiently to protect profit margins. Any of these events could have an adverse effect on our results of operations.

Commodity price volatility and higher energy costs could negatively impact profits.

The primary commodities used by our businesses include wheat, semolina, nuts, sugar, edible oils, corn, oats, cocoa, milk and soy based protein. The supply and price of these ingredients are subject to market conditions and are influenced by many factors beyond our control, including weather patterns affecting ingredient production, governmental programs and regulations, insects, and plant diseases. Our primary packaging includes linerboard cartons, corrugated boxes, plastic bags and liners, and flexible beverage packaging. In addition, our manufacturing operations use large quantities of natural gas and electricity. The cost

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of such commodities may fluctuate widely and we may experience shortages in commodity items as a result of commodity market fluctuations, availability, increased demand, weather conditions and natural disasters, as well as other factors outside of our control. Higher prices for natural gas, electricity and fuel may also increase our production and delivery costs. Changes in the prices charged for our products may lag behind changes in our energy and commodity costs. Accordingly, changes in commodity or energy costs may limit our ability to maintain existing margins and have a material adverse effect on our operating profits. Competitive pressures often limit our ability to increase prices in response to higher input costs. If we fail to hedge and prices subsequently increase, or if we institute a hedge and prices subsequently decrease, our costs may be greater than anticipated or greater than our competitors' costs, and our financial results could be adversely affected.

Michael Foods' operating results are significantly affected by egg, potato and cheese prices and the prices of corn and soybean meal, which are the primary grains fed to laying hens. Historically, the prices of these raw materials have fluctuated widely. In addition, the Michael Foods cheese and butter products are affected by milk price supports established by the U.S. Department of Agriculture (USDA). Although steps can be taken to mitigate the effects of changes in raw material costs, fluctuations in prices are outside the control of the Michael Foods business, and changes in the price of such items may have a material adverse effect on the Michael Foods business, prospects, results of operations and financial condition. An inability to keep selling prices in line with input costs may result in lower operating profit margins.

Impairment in the carrying value of intangible assets could negatively impact our net worth. If our goodwill, indefinite-lived intangible assets or other long-term assets become impaired, we will be required to record additional impairment charges, which may be significant.

Our balance sheet includes a significant amount of intangible assets, including goodwill, trademarks, trade names and other acquired intangibles. Intangibles and goodwill expected to contribute indefinitely to our cash flows are not amortized, but our management reviews them for impairment on an annual basis or whenever events or changes in circumstances indicate that their carrying value may be impaired. Impairments to intangible assets may be caused by factors outside our control, such as increasing competitive pricing pressures, lower than expected revenue and profit growth rates, changes in industry EBITDA and revenue multiples, changes in discount rates based on changes in cost of capital (interest rates, etc.) or the bankruptcy of a significant customer. These factors, along with other internal and external factors, could negatively impact our net worth and could have a significant impact on our fair valuation determination, which could then result in a material impairment charge in our results of operations. During fiscal 2015 and fiscal 2014, we had an impairment of goodwill and trademark intangible assets. In fiscal 2013 we had an impairment of trademark intangible assets. We could have additional impairments in the future. See further discussion of these impairment losses in MD&A and Notes 2 and 6 of "Notes to Consolidated Financial Statements" of our audited consolidated financial statements contained in this report.

Unsuccessful implementation of business strategies to reduce costs may adversely affect our results of operations. Many of our costs, such as raw materials, energy and freight, are outside our control. Therefore, we must seek to reduce costs in other areas, such as through operating efficiency. If we are not able to complete projects designed to reduce costs and increase operating efficiency on time or within budget, our operating profits may be adversely impacted. In addition, if the cost-saving initiatives we have implemented or any future cost-saving initiatives do not generate the expected cost savings and synergies, our results of operations may be adversely affected.

Our Active Nutrition and Michael Foods products are subject to a higher level of regulatory scrutiny, resulting in increased costs of operations and delays in product sales.

Our products and operations are subject to the laws and regulations of the federal Food and Drug Administration (which we refer to as FDA), the USDA, and other applicable laws and regulations. Some of our Active Nutrition products are regulated by the FDA as dietary supplements, which are subject to different FDA regulations and levels of regulatory scrutiny. Certain of Michael Foods' products, specifically the egg products, are also subject to higher scrutiny by the FDA and the USDA, as well as continuous on-site inspections. It is also possible that federal, state or foreign enforcement authorities might take regulatory or enforcement action, which could result in significant fines or penalties. If we are found to be significantly out of compliance, the FDA could issue a warning letter and/or institute enforcement actions that could result in substantial delays in production or even a temporary shutdown in

manufacturing and product sales while the non-conformances are rectified. Also, we may have to recall products and temporarily cease their manufacture and distribution, which would increase our costs and reduce our revenues. Any product liability claims resulting from the failure to comply with applicable laws and regulations would be expensive to defend and could result in substantial damage awards against us or harm our reputation. Any of these events would negatively impact our revenues and costs of operations.

Our Active Nutrition business has significant international sales. The production and marketing of our Active Nutrition products are currently subject to extensive regulation and review by numerous governmental authorities in the United States and will face similar regulation from governmental authorities outside of the United States.

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Our inability to raise prices may adversely affect our results of operations.

Our ability to raise prices for our products may be adversely affected by a number of factors, including but not limited to industry supply, market demand and promotional activity by competitors. If we are unable to increase prices for our products as may be necessary to cover cost increases, our results of operations could be adversely affected. In addition, price increases typically generate lower sales volumes as customers purchase fewer units. If these losses are greater than expected or if we lose distribution as a result of a price increase, our results of operations could be adversely affected.

Loss of a significant customer may adversely affect our results of operations.

A limited number of customer accounts represents a large percentage of our consolidated net sales. Our largest customer, Walmart, accounted for approximately 10% of our net sales in fiscal 2015. Walmart is also the largest customer of our Post Consumer Brands segment, accounting for approximately 27% of Post Consumer Brands' net sales in fiscal 2015. Additionally, the largest customers of our Michael Foods Group segment, Sysco and US Foods, accounted for approximately 14% and 12%, respectively, of its net sales in fiscal 2015, and the largest customers of our Active Nutrition segment, Costco and Sam's Club, accounted for approximately 27% and 12%, respectively, of the Active Nutrition segment's net sales in fiscal 2015. The largest customers of our Private Brands segment, Whole Foods and Trader Joe's, accounted for approximately 15% and 11%, respectively, of Private Brands' net sales in fiscal 2015. The success of our businesses depends, in part, on our ability to maintain our level of sales and product distribution through high-volume food distributors, retailers, super centers and mass merchandisers. The competition to supply products to these high-volume stores is intense. Currently, we do not have long-term supply agreements with a substantial number of our retail customers, including our largest customers. These high-volume stores and mass merchandisers frequently reevaluate the products they carry. A decision by our major customers to decrease the amount of merchandise purchased from us, sell a national brand on an exclusive basis or change the manner of doing business with us could reduce our revenues and materially adversely affect our results of operations. In the event of a loss of any of our large customers, or the bankruptcy or serious financial difficulty of any of our large customers, our sales may be adversely affected.

Consolidation among the retail grocery and foodservice industries may hurt profit margins.

Over the past several years, the retail grocery and foodservice industries have undergone significant consolidations and mass merchandisers are gaining market share. As this trend continues and such customers grow larger, they may seek to use their position to improve their profitability through improved efficiency, lower pricing, increased reliance on their own brand name products, increased emphasis on generic and other value brands and increased promotional programs. If we are unable to respond to these requirements, our profitability or volume growth could be negatively impacted. Additionally, if the surviving entity is not a customer, we may lose significant business once held with the acquired retailer.

Our Post Consumer Brands segment operates in the mature ready-to-eat (RTE) cereal market, and the failure or weakening of this market could materially adversely affect our financial results.

Our Post Consumer Brands segment produces and distributes branded, licensed and private label RTE and hot cereals, selling products to grocery stores, big box retailers, and foodservice distributors across the United States, Puerto Rico, Canada, Mexico, and the Caribbean. The RTE cereal category has experienced weakness in recent years, and we expect this trend to continue. Continuing weaknesses in the RTE category, or the weakening of our major products competing in this category, could have a material adverse impact on our business.

If our products become adulterated, misbranded or mislabeled or become contaminated, we might need to recall those items and may experience product liability claims if consumers are injured.

Selling food products and nutritional supplements involves a number of legal and other risks, including product contamination, spoilage, product tampering, allergens or other adulteration. Additionally, many of the inputs used to make certain of our products, particularly eggs, raw potatoes and peanuts, are vulnerable to contamination by pathogens, naturally occurring disease-producing organisms, such as salmonella. We may need to recall some or all of our products if they become adulterated, mislabeled or misbranded. This could result in destruction of product inventory, negative publicity, temporary plant closings, substantial costs of compliance or remediation and increased scrutiny by federal and state regulatory agencies. Should consumption of any product cause injury, we may be liable

for monetary damages as a result of a judgment against us. In addition, adverse publicity, including claims, whether or not valid, that our products or ingredients are unsafe or of poor quality may discourage consumers from buying our products or cause production and delivery disruptions. Any of these events, including a significant product liability claim against us, could result in a loss of consumer confidence in our food products. This could have an adverse effect on our financial condition, results of operations and/or cash flows.

Pending and future litigation may lead us to incur significant costs.

We are, or may become, party to various lawsuits and claims arising in the normal course of business, which may include lawsuits or claims relating to contracts, intellectual property, product recalls, product liability, false or deceptive advertising,

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employment matters, environmental matters or other aspects of our business. In addition, we may be required to pay damage awards or settlements or become subject to injunctions or other equitable remedies, which could have a material adverse effect on our financial position, cash flows or results of operations. The outcome of litigation is often difficult to predict, and the outcome of pending or future litigation may have a material adverse effect on our financial position, cash flows or results of operations.

In addition to ordinary course of business litigation risk, Michael Foods is currently subject to a lawsuit alleging violations of federal and state antitrust laws in connection with the production and sale of shell eggs and egg products, and seeking unspecified damages. If Michael Foods cannot resolve this matter favorably, it could be subject to (i) monetary damages and/or (ii) injunctive relief. If injunctive relief were to be granted, depending on its scope, it could affect the manner in which Michael Foods operates. The defense of these actions and any other actions brought in the future, is time consuming and diverts management's attention. Even if Michael Foods is ultimately successful in defending such matters, Michael Foods is likely to incur significant fees, costs and expenses as long as they are ongoing.

While we have various insurance programs in place, the potential liabilities associated with these litigation matters, or those that could arise in the future, could be excluded from coverage or, if covered, could exceed the coverage provided by such programs. In addition, insurance carriers may seek to rescind or deny coverage with respect to pending or future claims or lawsuits. If we do not have sufficient coverage under our policies, or if coverage is denied, we may be required to make material payments to settle litigation or satisfy any judgment. Any of these consequences could have a material adverse effect on our business, financial condition and results of operations.

Disruption of our supply chain could have an adverse effect on our business, financial condition and results of operations.

In coordination with our suppliers, business partners and contract manufacturers, our ability to make, move and sell products is critical to our success. Damage or disruption to our collective manufacturing or distribution capabilities resulting from weather, any potential effects of climate change, natural disaster, disease, fire or explosion, terrorism, pandemics, strikes, repairs or enhancements at our facilities, or other reasons, could impair our ability to manufacture or sell our products. Failure to take adequate steps to mitigate the likelihood or potential impact of such events or to effectively manage such events if they occur, could adversely affect our business, financial condition and results of operations, and may require additional resources to restore our supply chain.

We are currently dependent on third party manufacturers to manufacture many products for our business. Our business could suffer as a result of a third-party manufacturer's inability to produce our products for us on time and to our specifications.

Our business relies on independent third parties for the manufacture of many products, such as protein bars, shakes and powders and certain cereal and granola products. The business could be materially affected if we fail to develop or maintain our relationships with these third parties, if these parties fail to comply with governmental regulations applicable to the manufacturing of our products, or if any of these third parties ceases doing business with us or goes out of business. Additionally, we cannot be certain that we will not experience operational difficulties with these third-party manufacturers, such as increases in manufacturing costs, reductions in the availability of production capacity, errors in complying with merchandise specifications, insufficient quality control and failure to meet production deadlines. The inability of a third party manufacturer to ship orders in a timely manner, in desirable quantities or to meet our safety, quality and social compliance standards or regulatory requirements could have a material adverse impact on our business.

Termination of our material licenses would have a material adverse effect on our business.

We manufacture and market certain of our products in the United States, Canada and several other locations pursuant to intellectual property license agreements. These licenses give us the right to use certain names, characters and logos in connection with our products and to sell the products in certain regions. If we were to breach any material term of these license agreements and not timely cure the breach, the licensor could terminate the agreement. If the licensor were to terminate our rights to use the names, characters and logos for this or any other reason, the loss of such rights could have a material adverse effect on our business.

Global capital and credit market issues could negatively affect our liquidity, increase our costs of borrowing and disrupt the operations of our suppliers and customers.

U.S. and global credit markets have, from time to time, experienced significant dislocations and liquidity disruptions which caused the spreads on prospective debt financings to widen considerably. These circumstances materially impacted liquidity in the debt markets, making financing terms for borrowers less attractive and in certain cases resulted in the unavailability of certain types of debt financing. Events affecting the credit markets have also had an adverse effect on other financial markets in the U.S., which may make it more difficult or costly for us to raise capital through the issuance of common stock or other equity securities or refinance our existing debt, sell our assets or borrow more money if necessary. Our business could also be negatively impacted if our suppliers or customers experience disruptions resulting from tighter capital and credit markets or a slowdown in the general economy. Any of these risks could impair our ability to fund our operations or limit our ability to expand our business or increase our interest expense, which could have a material adverse effect on our financial results.



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Changing currency exchange rates may adversely affect our earnings and financial position.

We have operations and assets in the United States as well as foreign jurisdictions, and a portion of our contracts and revenues are denominated in foreign currencies. Our consolidated financial statements are presented in U.S. dollars. We therefore must translate our foreign assets, liabilities, revenue and expenses into U.S. dollars at applicable exchange rates. Consequently, fluctuations in the value of foreign currencies may negatively affect the value of these items in our consolidated financial statements. To the extent we fail to manage our foreign currency exposure adequately, we may suffer losses in value of our net foreign currency investment, and our consolidated results of operations and financial position may be negatively affected.

Violations of laws or regulations, as well as new laws or regulations or changes to existing laws or regulations, could adversely affect our business.

The food production and marketing industry is subject to a variety of federal, state, local and foreign laws and regulations, including food safety requirements related to the ingredients, manufacturing, processing, storage, marketing, advertising, labeling and distribution of our products as well as those related to worker health and workplace safety. Our activities, both in and outside of the United States, are subject to extensive regulation. In the U.S. we are regulated by, among other federal and state authorities, the FDA, the USDA, U.S. Federal Trade Commission and the U.S. Departments of Commerce and Labor. We are also regulated by similar authorities abroad. Governmental regulations also affect taxes and levies, healthcare costs, energy usage, immigration and other labor issues, any and/or all of which may have a direct or indirect effect on our business or those of our customers or suppliers. In addition, because we market and advertise our products, we could be the target of claims relating to alleged false or deceptive advertising under federal, state and foreign laws and regulations and may be subject to initiatives to limit or prohibit the marketing and advertising of our products to children. Changes in these laws or regulations or the introduction of new laws or regulations could increase the costs of doing business for us or our customers or suppliers or restrict our actions, causing our results of operations to be adversely affected. As a specific example, possible new laws in the future, similar to legislation that has been introduced in various state legislatures, could require us to alter hen cage sizes. Further, if we are found to be out of compliance with applicable laws and regulations in these areas, we could be subject to civil remedies, including fines, injunctions or recalls, as well as potential criminal sanctions, any and/or all of which could have a material adverse effect on our business.

Changing rules and regulations applicable to public companies impose significant costs and obligations on us.

As a publicly traded company, we are subject to changing rules and regulations of federal and state government, as well as the stock exchange on which our common stock is listed. These entities, including the Public Company Accounting Oversight Board, the SEC and the New York Stock Exchange, have issued a significant number of new and increasingly complex requirements and regulations over the course of the last several years and continue to develop additional regulations and requirements in response to laws enacted by Congress. Our efforts to comply with these requirements may result in an increase in expenses and a diversion of management's time.

We may not be able to operate successfully if we lose key personnel, are unable to hire qualified additional personnel or experience turnover of our management team.

We are highly dependent on our ability to attract and retain qualified personnel to operate and expand our business. If we lose one or more members of our senior management team, or if we fail to attract new employees, our business and financial position, results of operations or cash flows could be harmed.

Changes in weather conditions, natural disasters and other events beyond our control can adversely affect our results of operations.

Changes in weather conditions and natural disasters, such as floods, droughts, frosts, earthquakes, hurricanes, tornadoes, fires or pestilence, may affect the cost and supply of commodities and raw materials, including grains, eggs, potatoes, tree nuts, corn syrup and sugar. Additionally, these events can result in reduced supplies of raw materials and longer recoveries of usable raw materials. Competing manufacturers can be affected differently by weather conditions and natural disasters depending on the location of their suppliers and operations. Failure to take adequate steps to reduce the likelihood or mitigate the potential impact of such events, or to effectively manage such events if they occur, particularly when a product is sourced from a single location, could adversely affect our business and results of operations, and/or require additional resources to restore our supply chain.

Unusual agricultural diseases (such as avian influenza) and/or pests could harm our business.

Many of our business activities are subject to a variety of agricultural risks, including disease and pests which can adversely affect the quality and quantity of the raw materials we use, as well as the food products we produce and distribute. Any actual or potential contamination of our products could result in product recalls, market withdrawals, safety alerts, cessation of manufacturing and/or distribution or, if we fail to comply with applicable FDA or USDA requirements, enforcement actions. We could also be subject to product liability claims or adverse publicity if any of our products are alleged to have caused illness or injury.

Avian influenza occasionally affects the domestic poultry industry, leading to hen deaths. In the spring of 2015, an avian influenza outbreak occurred in the Midwest United States affecting a substantial portion of our Michael Foods business' owned

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and third party contracted flock. As a result of this outbreak, we estimated that the total affected egg supply was approximately 25% of our annualized egg volume commitments. Although we utilize biosecurity measures at our layer locations to protect against disease exposures, if our facilities are exposed to diseases and pests, such exposure could affect a substantial portion of our production facilities in any year and could have a material adverse effect on our business, prospects, results of operations and financial condition.

Labor strikes or work stoppages by our employees could harm our business.

Some of our full-time production and maintenance employees are covered by collective bargaining agreements. A dispute with a union or employees represented by a union could result in production interruptions caused by work stoppages. If a strike or work stoppage were to occur, our results of operations could be adversely affected. In addition, we could be subject to unionization efforts at our non-union facilities. Increased unionization of our workforce could lead to disruptions in our business, increases in our operating costs and/or constraints on our operating flexibility.

In the event of a work stoppage, we have contingency plans in place to manufacture products in other locations to mitigate disruption to the business. However, there are limitations inherent in any plan to mitigate disruption to our business in the event of a work stoppage and, particularly in the case of a prolonged work stoppage, there can be no assurance that it would not have a material adverse effect on our results of operations.

Increases in costs of medical and other employee health and welfare benefits may reduce our profitability.

With approximately 8,500 employees, our profitability is substantially affected by costs of medical and other health and welfare benefits for these employees as well as certain former employees. These costs can vary substantially as a result of changes in health care laws, costs and experience. These factors may increase the cost of providing medical and other employee health and welfare benefits. We can provide no assurance that we will succeed in limiting future cost increases. If we do not succeed, our profitability could be negatively affected.

We may experience losses or be subject to increased funding and expenses to our qualified pension and other post-retirement plans, which could negatively impact profits.

We maintain qualified defined benefit plans in the United States and Canada for our Post Foods business, and we are obligated to ensure that these plans are funded or paid in accordance with applicable regulations. In the event the assets in which we invest do not perform according to expectations, or the valuation of the projected benefit obligation increases due to changes in interest rates or other factors, we may be required to make significant cash contributions to these plans and recognize increased expense on our financial statements.

Technology failures could disrupt our operations and negatively impact our business.

We are increasingly dependent on information technology networks and systems, including the internet, to process, transmit, and store electronic and financial information, to manage and support a variety of business processes and activities, and to comply with regulatory, legal, and tax requirements. We increasingly rely on information technology systems to process, transmit and store electronic information. For example, our production and distribution facilities and inventory management utilize information technology to increase efficiencies and limit costs. Furthermore, a significant portion of the communications between our personnel, customers and suppliers depends on information technology. Our information technology systems may be vulnerable to a variety of interruptions due to events beyond our control, including, but not limited to, natural disasters, terrorist attacks, telecommunications failures, computer viruses, hackers and other security issues. Such interruptions could negatively impact our business.

If we do not allocate and effectively manage the resources necessary to build and sustain the proper technology infrastructure and to maintain and protect the related automated and manual control processes, we could be subject to billing and collection errors, business disruptions, or damage resulting from security breaches. If any of our significant information technology systems suffer severe damage, disruption, or shutdown, and our business continuity plans do not effectively resolve the issues in a timely manner, our product sales, financial condition, and results of operations may be materially and adversely affected, and we could experience delays in reporting our financial results. In addition, there is a risk of business interruption, litigation risks, and reputational damage from leakage of confidential information.

Our intellectual property rights are valuable and any inability to protect them could reduce the value of our products and brands.

We consider our intellectual property rights, particularly our trademarks, but also our patents, trade secrets, copyrights and licenses, to be a significant and valuable aspect of our business. We attempt to protect our intellectual property rights through a combination of patent, trademark, copyright and trade secret laws, as well as licensing agreements, third party nondisclosure and assignment agreements and the policing of third party misuses of our intellectual property. Our failure to obtain or maintain adequate protection of our intellectual property rights, or any change in law or other changes that serve to lessen or remove the current legal protections of intellectual property, may diminish our competitiveness and could materially harm our business.

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We face the risk of claims that we have infringed third parties' intellectual property rights. Any claims of intellectual property infringement, even those without merit, could be expensive and time consuming to defend; cause us to cease making, licensing or using products that incorporate the challenged intellectual property; require us to redesign or rebrand our products or packaging, if feasible; divert management's attention and resources; or require us to enter into royalty or licensing agreements in order to obtain the right to use a third party's intellectual property. Any royalty or licensing agreements, if required, may not be available to us on acceptable terms or at all. Additionally, a successful claim of infringement against us could result in our being required to pay significant damages, enter into costly license or royalty agreements or stop the sale of certain products, any and/or all of which could have a negative impact on our operating profits and harm our future prospects.

Media campaigns related to food production present risks.

Media outlets, including new social media platforms, provide the opportunity for individuals or organizations to publicize inappropriate or inaccurate stories or perceptions about us or the food industry. Such practices have the ability to cause damage to our brands, the industry generally, or consumers' perceptions of us or the food production industry and may result in negative publicity and adversely affect our financial results.

We are subject to environmental laws and regulations that can impose significant costs and expose us to potential financial liabilities.

We are subject to extensive and frequently changing federal, state, local and foreign laws and regulations relating to the protection of human health and the environment, including those limiting the discharge and release of pollutants into the environment and those regulating the transport, use, treatment, storage, disposal and remediation of, and exposure to, solid and hazardous wastes and materials. In addition, our Michael Foods business is subject to particular federal and state environmental requirements governing animal feeding operations involving the management of animal waste, which have become the subject of increasing regulatory scrutiny. Certain environmental laws and regulations can impose joint and several liability without regard to fault on responsible parties, including past and present owners and operators of sites, related to cleaning up sites at which hazardous wastes or materials were disposed or released. Failure to comply with environmental laws and regulations could result in severe fines and penalties by governments or courts of law. In addition, various current and likely future federal, state, local and foreign laws and regulations could regulate the emission of greenhouse gases, particularly carbon dioxide and methane. We cannot predict the impact that such regulation may have, or that climate change may otherwise have, on our business.

Future events, such as new or more stringent environmental laws and regulations, any new environmental claims, the discovery of currently unknown environmental conditions requiring response action or more vigorous enforcement or a new interpretation of existing environmental laws and regulations, might require us to incur additional costs that could have a material adverse effect on our financial results.

Our international operations subject us to additional risks.

As a result of recent acquisitions, we now have larger operations outside of the United States. We are accordingly subject to a number of risks relating to doing business internationally, any of which could significantly harm our business. These risks include:

- restriction on the transfer of funds to and from foreign countries, including potentially negative tax consequences;
- exchange controls and currency exchange rates;
- increased exposure to general market and economic conditions outside the United States;
- additional political risk;
  - compliance with anti-corruption regulations (including the U.S. Foreign Corrupt Practices Act);
- data security; and
- foreign tax treaties and policies.

Our financial performance on a U.S. dollar denominated basis is subject to fluctuations in currency exchange rates.

Our principal exposure is to the Canadian dollar.



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Our actual operating results may differ significantly from our guidance.

From time to time, we release guidance regarding our future performance or the expected future performance of companies or businesses that we have agreed to acquire. This guidance, which consists of forward-looking statements, is prepared by our management and is qualified by, and subject to, the assumptions and the other information contained or referred to in such release and the factors described under “Forward-Looking Statements” in our current and periodic reports filed with the SEC. Our guidance is not prepared with a view toward compliance with published guidelines of the American Institute of Certified Public Accountants, and neither our independent registered public accounting firm nor any other independent expert or outside party compiles or examines the guidance and, accordingly, no such person expresses any opinion or any other form of assurance with respect thereto.

Guidance is based upon a number of assumptions and estimates that, while presented with numerical specificity, are inherently subject to business, economic and competitive uncertainties and contingencies, many of which are beyond our control and are based upon specific assumptions with respect to future business decisions, some of which will change. We generally state possible outcomes as high and low ranges which are intended to provide a sensitivity analysis as variables are changed but are not intended to represent that actual results could not fall outside of the suggested ranges. The principal reason that we release this data is to provide a basis for our management to discuss our business outlook with analysts and investors. We do not accept any responsibility for any projections or reports published by any such persons.

Guidance is necessarily speculative in nature, and it can be expected that some or all of the assumptions of the guidance furnished by us will not materialize or will vary significantly from actual results. Accordingly, our guidance is only an estimate of what management believes is realizable as of the date of release. Actual results will vary from the guidance. Investors should also recognize that the reliability of any forecasted financial data diminishes the farther in the future that the data is forecast. In light of the foregoing, investors are urged to put the guidance in context and not to place undue reliance on it.

Any failure to successfully implement our operating strategy or the occurrence of any of the events or circumstances set forth in this report could result in actual operating results being different than the guidance, and such differences may be adverse and material.

If we are unable to continue to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act of 2002, or our internal control over financial reporting is not effective, the reliability of our financial statements may be questioned, and our stock price may suffer.

Section 404 of the Sarbanes-Oxley Act of 2002 requires any company subject to the reporting requirements of the U.S. securities laws to perform a comprehensive evaluation of its and its consolidated subsidiaries’ internal control over financial reporting. To comply with this statute, we are required to document and test our internal control procedures, our management is required to assess and issue a report concerning our internal control over financial reporting, and our independent registered public accounting firm is required to issue an opinion on their audit of our internal control over financial reporting.

The rules governing the standards that must be met for management to assess our internal control over financial reporting are complex and require significant documentation, testing and possible remediation to meet the detailed standards under the rules. During the course of its testing, our management may identify material weaknesses or significant deficiencies which may not be remedied in time to meet the annual deadline imposed by the Sarbanes-Oxley Act of 2002. If our management cannot favorably assess the effectiveness of our internal control over financial reporting or our independent registered public accounting firm identifies material weaknesses in our internal controls, investor confidence in our financial results may weaken, and our stock price may consequently suffer. As of September 30, 2015, management had determined that our internal control over financial reporting was effective. We have recently acquired companies that were not subject to Sarbanes-Oxley regulations and, therefore, they may lack the internal controls of a United States public company, which could ultimately affect our ability to ensure compliance with the requirements of Section 404 of the Sarbanes-Oxley Act.

We have recently acquired companies that were not previously subject to Sarbanes-Oxley regulations and accordingly were not required to establish and maintain an internal control infrastructure meeting the standards promulgated under the Sarbanes-Oxley Act of 2002. Our assessment of and conclusion on the effectiveness of our internal control over

financial reporting as of September 30, 2015 did not include the internal controls of the PowerBar business and MOM Brands Company, each of which was acquired during our fiscal year ended September 30, 2015 and will be included in our assessment of and conclusion on the effectiveness of our internal control over financial reporting for the fiscal year ending September 30, 2016.

Although our management will continue to review and evaluate the effectiveness of our internal controls in light of these acquisitions, we cannot provide any assurances that there will be no significant deficiencies or material weaknesses in our internal control over financial reporting. Any significant deficiencies or material weaknesses in the internal control structure of our acquired businesses may cause significant deficiencies or material weaknesses in our internal control over financial reporting, which could have a material adverse effect on our business and our ability to comply with Section 404 of the Sarbanes-Oxley Act.



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We may be unable to integrate the MOM Brands business successfully and realize the anticipated benefits of the acquisition.

The acquisition of MOM Brands involves the combination of two companies that previously operated as independent companies. We are devoting significant management attention and resources to integrating business practices, cultures and operations. Potential difficulties we may encounter as part of the integration process include the following:

- the inability to successfully combine the businesses in a manner that permits us to achieve the synergies and other benefits anticipated to result from the acquisition;

- the challenge of integrating complex systems, operating procedures, regulatory compliance programs, technology, networks and other assets in a seamless manner that minimizes any adverse impact on customers, suppliers, employees and other constituencies;

- potential unknown liabilities, liabilities that are significantly larger than we currently anticipate and unforeseen increased expenses or delays associated with the acquisition, including cash costs to integrate the two businesses that may exceed the cash costs that we currently anticipate; and

- the representations and warranties made by MOM Brands in the merger agreement did not survive the closing and we do not have any recourse or indemnification rights against MOM Brands or any of its former owners in the event any of such representations or warranties prove to have been inaccurate or breached.

Accordingly, the contemplated benefits of the acquisition of MOM Brands may not be realized fully, or at all, or may take longer to realize than expected.

Actions of shareholders could cause us to incur substantial costs, divert management's attention and resources, and have an adverse effect on our business.

From time to time, we may be subject to proposals and other requests from shareholders urging us to take certain corporate actions, including proposals seeking to influence our corporate policies or effecting a change in our management. In the event of such shareholder proposals, particularly with respect to matters which our management and Board of Directors, in exercising their fiduciary duties, disagree with or have determined not to pursue, our business could be adversely affected because responding to actions and requests of shareholders can be costly and time-consuming, disrupting our operations and diverting the attention of management and our employees.

Additionally, perceived uncertainties as to our future direction may result in the loss of potential business opportunities and may make it more difficult to attract and retain qualified personnel, business partners and customers.

### Risks Related to our Indebtedness

We have substantial debt and high leverage, which could have a negative impact on our financing options and liquidity position and which could adversely affect our business.

We have a significant amount of debt. We had \$4,485.2 million in aggregate principal amount of total debt as of September 30, 2015. Additionally, our secured revolving credit facility has borrowing capacity of \$395.8 million at September 30, 2015 (all of which would be secured when drawn).

Our overall leverage and the terms of our financing arrangements could:

- limit our ability to obtain additional financing in the future for working capital, capital expenditures and acquisitions;

- make it more difficult for us to satisfy our obligations under the terms of our financing arrangements;

- limit our ability to refinance our indebtedness on terms acceptable to us or at all;

- limit our flexibility to plan for and to adjust to changing business and market conditions in the industries in which we operate and increase our vulnerability to general adverse economic and industry conditions;

- require us to dedicate a substantial portion of our cash flow from operations to make interest and principal payments on our debt, thereby limiting the availability of our cash flow to fund future investments, capital expenditures, working capital, business activities and other general corporate requirements;

- limit our ability to obtain additional financing for working capital, for capital expenditures, to fund growth or for general corporate purposes, even when necessary to maintain adequate liquidity, particularly if any ratings assigned to our debt securities by rating organizations were revised downward; and

- subject us to higher levels of indebtedness than our competitors, which may cause a competitive disadvantage and may reduce our flexibility in responding to increased competition.

Our ability to meet expenses and debt service obligations will depend on our future performance, which will be affected by financial, business, economic and other factors, including potential changes in consumer preferences, the success of product and

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marketing innovation and pressure from competitors. If we do not generate enough cash to pay our debt service obligations, we may be required to refinance all or part of our existing debt, sell assets, borrow more money or raise additional equity.

The agreements governing our debt, including the indentures governing our senior notes, contain, or may in future financings contain, various covenants that limit our ability to take certain actions and also require us to meet financial maintenance tests, failure to comply with which could have a material adverse effect on us.

Our financing arrangements contain restrictions, covenants and events of default that, among other things, require us to satisfy certain financial tests and maintain certain financial ratios and restrict our ability to incur additional indebtedness and to refinance our existing indebtedness. Financing arrangements which we enter into in the future could contain similar restrictions and could additionally require us to comply with similar, new or additional financial tests or to maintain similar, new or additional financial ratios. The terms of our financing arrangements, financing arrangements which we enter into in the future and any future indebtedness may impose various restrictions and covenants on us that could limit our ability to pay dividends, respond to market conditions, provide for capital investment needs or take advantage of business opportunities by limiting the amount of additional borrowings we may incur. These restrictions include compliance with, or maintenance of, certain financial tests and ratios and may limit or prohibit our ability to, among other things:

- borrow money or guarantee debt;
- create liens;
- pay dividends on or redeem or repurchase stock or other securities;
- make investments and acquisitions;
- enter into or permit to exist contractual limits on the ability of our subsidiaries to pay dividends to us;
- enter into new lines of business;
- enter into transactions with affiliates; and
- sell assets or merge with other companies.

Various risks, uncertainties and events beyond our control could affect our ability to comply with these restrictions and covenants. Failure to comply with any of the restrictions and covenants in our existing or future financing arrangements could result in a default under those arrangements and under other arrangements containing cross-default provisions.

Our credit agreement contains customary financial covenants including a maximum senior secured leverage ratio and a quarterly minimum interest coverage ratio. Our credit agreement permits us, subject to certain exceptions, to incur additional unsecured debt only if, among other conditions, our consolidated interest coverage ratio, calculated as provided in our credit agreement, would be greater than or equal to 2.00 to 1.00 after giving effect to such new debt. The indentures that govern our senior notes contain a similar restriction.

A default would permit lenders to accelerate the maturity of the debt under these arrangements and to foreclose upon any collateral securing the debt. Under these circumstances, we might not have sufficient funds or other resources to satisfy all of our obligations, including our obligations under the notes. In addition, the limitations imposed by financing agreements on our ability to incur additional debt and to take other actions might significantly impair our ability to obtain other financing.

To service our indebtedness and other cash needs, we will require a significant amount of cash. Our ability to generate cash depends on many factors beyond our control.

Our ability to pay interest on our outstanding senior notes, to satisfy our other debt obligations, and to fund any planned capital expenditures, dividends and other cash needs will depend in part upon the future financial and operating performance of our subsidiaries and upon our ability to renew or refinance borrowings. Prevailing economic conditions and financial, business, competitive, legislative, regulatory and other factors, many of which are beyond our control, will affect our ability to make these payments.

If we are unable to make payments or refinance our debt or obtain new financing under these circumstances, we may consider other options, including:

- sales of assets;
- sales of equity;

reduction or delay of capital expenditures, strategic acquisitions, investments and alliances; or negotiations with our lenders to restructure the applicable debt.

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Our business may not generate sufficient cash flow from operations, and future borrowings may not be available to us in an amount sufficient to enable us to pay our indebtedness, including the senior notes and our other debt obligations, including the term loan, or to fund our other liquidity needs. We may need to refinance all or a portion of our indebtedness on or before maturity. We may not be able to refinance any of our debt on commercially reasonable terms or at all.

### Risks Related to Our Common Stock

Your percentage ownership in Post may be diluted in the future.

As with any publicly traded company, our shareholders' percentage ownership in Post may be diluted in the future because of equity issuances for acquisitions, capital market transactions or otherwise, including equity awards that we expect will be granted to our directors, officers and employees and the accelerated vesting of other equity awards. For a more detailed description of the stock incentive plan, see "Executive Compensation."

The market price and trading volume of our common stock may be volatile.

The market price of our common stock could fluctuate significantly for many reasons, including in response to the risk factors listed in this report or for reasons unrelated to our performance, such as reports by industry analysts, investor perceptions, or negative developments relating to our customers, competitors or suppliers, as well as general economic and industry conditions.

Provisions in our articles of incorporation and bylaws and provisions of Missouri law may prevent or delay an acquisition of our company, which could decrease the trading price of our common stock.

Our articles of incorporation, bylaws and Missouri law contain provisions intended to deter coercive takeover practices and inadequate takeover bids by making such practices or bids unacceptably expensive and to incentivize prospective acquirers to negotiate with our board of directors rather than to attempt a hostile takeover. These provisions include, among others:

- the board of directors is divided into three classes with staggered terms;
- the board of directors fixes the number of members on the board;
- elimination of the rights of our shareholders to act by written consent (except when such consent is unanimous) and to call shareholder meetings;
- rules regarding how shareholders may present proposals or nominate directors for election at shareholder meetings;
- the right of our board of directors to issue preferred stock without shareholder approval;
- supermajority vote requirements for certain amendments to our articles of incorporation and bylaws;
- anti-takeover provisions of Missouri law which may prevent us from engaging in a business combination with an interested shareholder, or which may deter third parties from acquiring amounts of our common stock above certain thresholds; and
- limitations on the right of shareholders to remove directors.

### ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

### ITEM 2. PROPERTIES

We own our principal executive offices and lease corporate administrative offices in St. Louis, Missouri. The general offices and location of our principal operations for each of our businesses are set forth in the summary below. We also lease sales offices mainly in the United States and maintain a number of stand-alone distribution facilities. In addition, there is on-site warehouse space available at many of our manufacturing facilities. Utilization of manufacturing capacity varies by manufacturing plant based upon the type of products assigned and the level of demand for those products.

We own many of our manufacturing facilities. Certain of our owned real property are subject to mortgages or other applicable security interests pursuant to our financing arrangements. Management believes our facilities are suitable and adequate for the purposes for which they are used and are adequately maintained. We generally believe each location or facility provides adequate capacity for current and anticipated future customer demand.



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### Post Consumer Brands

The main administrative office for Post Consumer Brands, which we own, is located in Lakeville, Minnesota. Post Consumer Brands also leases domestic administrative and sales offices in Irvine, California and Bentonville, Arkansas. Post Consumer Brands also has administrative office space in Toronto, Canada, which is leased. Post Consumer Brands has eight owned manufacturing facilities located in Battle Creek, Michigan; Jonesboro, Arkansas; Niagara Falls, Ontario; Asheboro, North Carolina; Tremonton, Utah; St. Ansgar, Iowa; and two facilities, in addition to warehouse space, in Northfield, Minnesota. Post Consumer Brands also maintains approximately 3.2 million square feet of warehouse and distribution space throughout the United States, 2.0 million of which is directly leased by us and 1.2 million of which we contract with third party logistics providers who operate warehouse and distribution space on our behalf. As previously announced, the Modesto, California facility closed in the fourth fiscal quarter of 2014. We expect to sell this facility within a year. As also previously announced, the Parsippany, New Jersey administrative office, which we lease, is expected to close by May 2016 in connection with the expiration of the lease.

### Michael Foods Group

The Michael Foods Group's primary administrative offices, which are leased, are located in Minnetonka, Minnesota. Michael Foods owns six egg products production facilities, which are located in Iowa, Minnesota and Nebraska. The egg products business also leases three facilities in Pennsylvania and New Jersey and a facility in Canada for egg product production and/or distribution. Additionally, the egg products business owns five layer facilities located in the United States. With the acquisition of WEF in October 2015, Michael Foods Group also owns two layer facilities in Canby, Oregon and Moses Lake, Washington. The refrigerated potato products business' main processing facility is located in Chaska, Minnesota, which is owned, and the business also leases a smaller processing facility in North Las Vegas, Nevada. The Michael Foods Group also owns a cheese packaging facility in Lake Mills, Wisconsin for its cheese and other dairy-case products business. Finally, Dakota Growers, which is reported in our Michael Foods Group segment, owns manufacturing facilities in Carrington, North Dakota and New Hope, Minnesota which are used for pasta production.

### Active Nutrition

The Active Nutrition segment's PNC and PowerBar administrative offices, which are leased, are located in Emeryville, California. The Dymatize business owns a manufacturing facility with administrative office space in Farmers Branch, Texas, however, as previously announced, we have closed this facility. Additionally, we own a manufacturing facility in Voerde, Germany and lease office space in Munich, Germany for the PowerBar brand's international operations.

### Private Brands

Our Private Brands business owns manufacturing facilities in Fitzgerald, Georgia, which is used for peanut butter production and peanut blanching, and Eugene, Oregon, which is used for granola and cereal manufacturing. We also lease administrative office space in Eugene, Oregon. Additionally, the Private Brands business leases manufacturing facilities in Troy, Alabama; Blaine, Washington; Markham, Ontario; Brampton, Ontario; and Burnaby, British Columbia for nut butter and snacking nuts production. Additionally, we lease a sales office in Scottsdale, Arizona and lease an administrative office in Burnaby, British Columbia for the Golden Boy business.

## ITEM 3. LEGAL PROCEEDINGS

Antitrust claims: In late 2008 and early 2009, some 22 class-action lawsuits were filed in various federal courts against Michael Foods, Inc. and approximately 20 other defendants (producers of shell eggs, manufacturers of processed egg products, and egg industry organizations), alleging violations of federal and state antitrust laws in connection with the production and sale of shell eggs and egg products, and seeking unspecified damages. In December 2008, the Judicial Panel on Multidistrict Litigation ordered the transfer of all cases to the Eastern District of Pennsylvania for coordinated and/or consolidated pretrial proceedings. Between late 2010 and early 2012, a number of companies, each of which would be part of the purported class in the antitrust action, brought separate actions against defendants. These "opt-out" cases, brought primarily by various grocery chains and food companies, assert essentially the same allegations as in the main action. The opt-out cases are also pending in the Eastern District of Pennsylvania, where they are being treated as related to the main action. On September 18, 2015, the court denied the motion of the

Indirect Purchaser Plaintiffs for class certification. On September 21, 2015, the court granted the motion of the Direct Purchaser Plaintiffs to certify a shell-egg subclass, but denied their motion to certify an egg-products subclass. Michael Foods received a Civil Investigative Demand (“CID”) issued by the Florida Attorney General on November 27, 2008, regarding an investigation of possible anticompetitive activities “relating to the production and sale of eggs or egg products.” The CID requested information and documents related to the pricing and supply of shell eggs and egg products, as well as our



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participation in various programs of United Egg Producers. The Florida Attorney General's Office has not taken any further enforcement action during the pendency of proceedings in the civil antitrust litigation referenced above. We do not believe it is possible to estimate the possible loss in connection with these litigated matters. Accordingly, we cannot predict what impact, if any, these matters and any results from such matters could have on our future results of operations.

Other: We are subject to various other legal proceedings and actions arising in the normal course of our business. In the opinion of management, based upon the information presently known, the ultimate liability, if any, arising from such pending legal proceedings, as well as from asserted legal claims and known potential legal claims which are likely to be asserted, taking into account established accruals for estimated liabilities (if any), are not expected to be material individually and in the aggregate to our consolidated financial position, results of operations or cash flows. In addition, while it is difficult to estimate the potential financial impact of actions regarding expenditures for compliance with regulatory matters, in the opinion of management, based upon the information currently available, the ultimate liability arising from such compliance matters is not expected to be material to our consolidated financial position, results of operations or cash flows.

ITEM 4. MINE SAFETY DISCLOSURE

Not applicable.

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## PART II

## ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED SHAREHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

## Common Stock Market Prices and Dividends

Our common stock is traded on the New York Stock Exchange ("NYSE") under the symbol "POST." There were approximately 6,269 shareholders of record on November 1, 2015. We did not pay any cash dividends on our common stock during the fiscal years ended September 30, 2015 or 2014. We have no plans to pay cash dividends on our common stock in the foreseeable future, and the indentures governing our debt securities and our credit facilities restrict our ability to pay dividends. The range of high and low sale prices of our common stock as reported by the NYSE is set forth in the table below.

	Year Ended September 30,			
	2015		2014	
	High	Low	High	Low
First Quarter	\$42.97	\$30.94	\$53.90	\$38.31
Second Quarter	50.91	38.95	60.63	48.81
Third Quarter	54.65	41.63	55.76	45.55
Fourth Quarter	71.27	50.73	51.93	32.87

## Issuer Purchases of Equity Securities

There were no purchases of equity securities by the issuer or affiliated purchasers during the fourth quarter of fiscal 2015.

## Performance Graph

The following performance graph compares the changes, for the period indicated, in the cumulative total value of \$100 hypothetically invested in each of (a) Post common stock, (b) the Russell 2000 index and (c) a peer group composed of 14 U.S.-based public companies in the food and consumer packaged goods industries. The peer group companies are: B&G Foods, Inc.; Brown-Forman Corporation; Coca-Cola Bottling Co.; Cott Corporation; Darling International Inc.; Diamond Foods, Inc.; Flowers Foods, Inc.; The Hain Celestial Group, Inc.; J&J Snack Foods Corp.; Pinnacle Foods Inc.; Sanderson Farms, Inc.; Snyder's-Lance, Inc.; Sunopta Inc. and TreeHouse Foods Inc. This graph covers the period from February 6, 2012 (the first day our common stock began "when-issued" trading on the NYSE) through September 30, 2015.



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\* \$100 invested on 2/6/12 in stock or index.

Performance Graph Data

	Post (\$)	Russell 2000 Index (\$)	Peer Group (\$)
2/6/2012	100.00	100.00	100.00
9/28/2012	111.79	101.10	112.90
9/30/2013	150.13	129.63	135.92
9/30/2014	123.39	132.99	157.05
9/30/2015	219.78	132.87	176.92

The stock price performance included in this graph is not necessarily indicative of future stock price performance.

This performance graph shall not be deemed “filed” for purposes of Section 18 of the Exchange Act or incorporated by reference into any of our filings under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

The information required under this Item 5 concerning equity compensation plan information is set out below under Item 12 and is incorporated herein by this reference.

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## ITEM 6. SELECTED FINANCIAL DATA

## FIVE YEAR FINANCIAL SUMMARY

(in millions, except per share data)

(dollars in millions, except per share data)	Year Ended September 30,				
	2015 (c)	2014 (c)	2013 (c)	2012	2011
<b>Statements of Operations Data</b>					
Net sales	\$4,648.2	\$2,411.1	\$1,034.1	\$958.9	\$968.2
Cost of goods sold	3,473.8	1,789.9	609.2	530.0	516.6
Gross profit	1,174.4	621.2	424.9	428.9	451.6
Selling, general and administrative expenses	734.1	459.5	298.2	274.5	239.5
Amortization of intangible assets	141.7	70.8	14.6	12.6	12.6
Impairment of goodwill and other intangible assets (a)	60.8	295.6	2.9	—	566.5
Other operating expenses, net	25.1	3.0	1.4	2.7	1.6
Operating profit (loss)	212.7	(207.7 )	107.8	139.1	(368.6 )
Interest expense, net	287.5	183.7	85.5	60.3	51.5
Other expense (income)	92.5	35.5	—	(1.6 )	10.5
(Loss) earnings before income taxes	(167.3 )	(426.9 )	22.3	80.4	(430.6 )
Income tax (benefit) expense	(52.0 )	(83.7 )	7.1	30.5	(6.3 )
Net (loss) earnings	(115.3 )	(343.2 )	15.2	49.9	(424.3 )
Preferred stock dividends	(17.0 )	(15.4 )	(5.4 )	—	—
Net (loss) earnings available to common shareholders	\$(132.3 )	\$(358.6 )	\$9.8	\$49.9	\$(424.3 )
<b>(Loss) Earnings Per Share (b)</b>					
Basic	\$(2.33 )	\$(9.03 )	\$0.30	\$1.45	\$(12.33 )
Diluted	\$(2.33 )	\$(9.03 )	\$0.30	\$1.45	\$(12.33 )
<b>Statements of Cash Flows Data</b>					
Depreciation and amortization	\$272.8	\$155.8	\$76.8	\$63.2	\$58.7
Cash provided (used) by:					
Operating activities	\$451.6	\$183.1	\$119.2	\$144.0	\$143.8
Investing activities	(1,248.7 )	(3,793.6 )	(423.8 )	(30.9 )	(14.9 )
Financing activities	1,372.4	3,484.2	648.8	(57.1 )	(132.1 )
<b>Balance Sheet Data</b>					
Cash and cash equivalents	\$841.4	\$268.4	\$402.0	\$58.2	\$1.7
Working capital (excluding cash, cash equivalents, restricted cash and current portion of long-term debt)	326.5	371.5	82.0	25.1	(0.7 )
Total assets	9,220.4	7,731.1	3,473.8	2,732.3	2,723.2
Debt, including short-term portion	4,527.4	3,856.1	1,408.6	945.6	784.5
Other liabilities	290.2	182.4	116.3	129.2	104.9
Total equity	2,976.0	2,283.2	1,498.6	1,231.5	1,434.7

(a) For information about the impairment of goodwill and other intangible assets, see “Critical Accounting Policies and Estimates” and Notes 2 and 6 of “Notes to Consolidated Financial Statements.”

Loss per share for the fiscal year ended September 30, 2011 is calculated assuming weighted-average shares outstanding of 34.4 million shares which represents the amount of common shares outstanding following the (b)distribution of one share of Post common stock for every two shares of its former owners’ common stock and the retention of approximately 6.8 million shares by its former owner. For this period, there are no dilutive shares as there were no actual shares or share-based awards outstanding prior to the distribution.

(c) The data in these columns include results from the fiscal 2015, 2014 and 2013 acquisitions from the respective date of acquisition through September 30, 2015. See Note 5 of “Notes to Consolidated Financial Statements.”

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion summarizes the significant factors affecting the consolidated operating results, financial condition, liquidity, and capital resources of Post Holdings, Inc. This discussion should be read in conjunction with the financial statements under Item 8, and the "Cautionary Statement on Forward-Looking Statements" on page 1.

OVERVIEW

We are a consumer packaged goods holding company operating in four reportable segments: Post Consumer Brands, Michael Foods Group, Active Nutrition and Private Brands. Our products are sold through a variety of channels such as grocery, club and drug stores, mass merchandisers, foodservice, ingredient and via the internet.

The United States retail food industry has continued to shift from traditional food retailers (those who carry a full array of refrigerated, frozen and shelf stable products) to specialty retailers who cater to consumers who migrate to either end of the value spectrum. These specialty retailers tend to focus on either value offerings for consumers looking for the maximum value of their food purchases or catering to consumers looking for the highest quality ingredients, unique packaging or products to satisfy particular dietary needs. Additionally, trends to natural products and quick service restaurant offerings are increasing areas of consumer focus. These trends include shifting to products that are organic or natural, as well as convenience offerings that provide greater portability. This changing behavior has prompted us to acquire diverse businesses to meet changing customer and consumer needs. We believe we have the necessary portfolio of products available to address these trends and to continue to focus on consumers' needs.

RECENT DEVELOPMENTS

Acquisitions

We have completed the following acquisitions:

Fiscal 2015

- PowerBar and Musashi brands ("PowerBar"), acquired October 1, 2014;
- American Blanching Company ("ABC"), acquired November 1, 2014; and
- MOM Brands Company ("MOM Brands"), acquired May 4, 2015.

Fiscal 2014

- Dakota Growers Pasta Company, Inc. ("Dakota Growers"), acquired January 1, 2014;
- Dymatize Enterprises, LLC ("Dymatize"), acquired February 1, 2014;
- Golden Boy Foods Ltd. ("Golden Boy"), acquired February 1, 2014; and
- MFI Holding Corporation ("Michael Foods"), acquired June 2, 2014.

Fiscal 2013

- Attune Foods, Inc. ("Attune"), acquired December 31, 2012;
- Certain assets of Hearthsides Food Solutions ("Hearthsides"), acquired May 28, 2013; and
- Premier Nutrition Corporation ("PNC"), acquired September 3, 2013.

In addition, on October 3, 2015, Post acquired Willamette Egg Farms, LLC ("WEF").

Segment Reorganization

During the third quarter of fiscal 2015, we reorganized our reportable segments in accordance with ASC 280, "Segment Reporting." At September 30, 2015, our reportable segments were as follows:

- Post Consumer Brands: primarily consisting of ready-to-eat ("RTE") cereals;
- Michael Foods Group: including the predominantly foodservice and food ingredient egg, potato and pasta businesses and the retail cheese business;
- Active Nutrition: including protein shakes, bars and powders and nutritional supplements; and
- Private Brands: primarily consisting of peanut and other nut butters, dried fruit and nuts, and granola.

All segment results reported herein have been reclassified to conform with the September 30, 2015 presentation.

Avian Influenza

During fiscal 2015, our Michael Foods Group egg business was impacted by an outbreak of avian influenza ("AI") in the Midwest United States, which reduced our available egg supply by approximately 25% of our volume commitments. As a result





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of AI, we have incurred increased costs related to enhanced biosecurity measures, egg supply constraints, production inefficiencies and higher market-based egg prices due to shortness of eggs available on the open market. We have mitigated the increased costs through a combination of aggressive cost containment, management of volume needs with customers and pricing actions to cover the higher cost structure. Through these actions, we have mitigated the impact of AI on the profitability of the egg business. However, these actions do not contemplate further AI outbreaks, and we expect AI to have continued impact on our egg volumes until supply is re-established.

**Restructuring, Plant Closures, Divestitures and Assets Held-for-Sale**

In September 2015, we announced our plan to close our Dymatize manufacturing facility in Farmers Branch, Texas and permanently transfer production to third party facilities under co-manufacturing agreements. Plant production ceased in the fourth quarter of 2015.

In July 2015, we completed the sale of our PowerBar Australia business and Musashi trademark and our peanut butter plant in Portales, New Mexico.

In May 2015, we announced our plan to consolidate our cereal business administrative offices in Lakeville, Minnesota. As a result of the announcement, we plan to close our office located in Parsippany, New Jersey and relocate those functions as well as certain functions located in Battle Creek, Michigan to the Lakeville office. The office closure is expected to be completed by May 2016.

In March 2015, we announced our plan to close our facility in Boise, Idaho, which manufactures certain PowerBar products distributed in North America. Plant production ceased in June 2015, and we sold the facility in September 2015.

In April 2013, we announced management's decision to close our plant located in Modesto, California as part of a cost savings and capacity rationalization effort. The transfer of production capabilities and closure of the plant was completed during September 2014 and only routine upkeep and maintenance expenses were incurred in the year ended September 30, 2015.

Related to the closure of our Modesto, California facility, we have land, building and equipment classified as assets held for sale, as well as machinery and equipment related to the manufacturing shutdown of our Dymatize facility which was also classified as held for sale at September 30, 2015. For additional information on our assets held for sale, refer to Note 4 in the "Notes to Consolidated Financial Statements."

**RESULTS OF OPERATIONS**

(dollars in millions)	Year Ended September 30,		
	2015	2014	2013
Net Sales	\$4,648.2	\$2,411.1	\$1,034.1
Operating Profit (Loss)	\$212.7	\$(207.7)	\$107.8
Interest expense, net	287.5	183.7	85.5
Other expense	92.5	35.5	—
Income tax (benefit) expense	(52.0)	(83.7)	7.1
Net (Loss) Earnings	\$(115.3)	\$(343.2)	\$15.2
Net Sales			

**Fiscal 2015 compared to 2014**

Net sales increased \$2,237.1 million, or 93%, during the year ended September 30, 2015. This increase includes incremental net sales contributions from fiscal 2015 and 2014 acquisitions for the years ended September 30, 2015 and 2014 of \$3,363.9 million and \$1,185.6 million, respectively. Excluding the impact of acquisitions, net sales increased 5% for the year ended September 30, 2015 compared to the corresponding period in the prior year. For further discussion, refer to "Segment Results" within this section.

**Fiscal 2014 compared to 2013**

Net sales increased \$1,377.0 million, or 133%, during the year ended September 30, 2014. This increase includes incremental net sales contributions from fiscal 2014 and 2013 acquisitions for the years ended September 30, 2014 and 2013 of \$1,448.7 million (including \$0.7 million of sales to the Post Consumer Brands segment) and \$51.7 million (including \$0.4 million of sales to the Post Consumer Brands segment), respectively. Excluding the impact of

acquisitions, net sales decreased 2% for the year

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ended September 30, 2014 compared to the corresponding period in the prior year. For further discussion, refer to “Segment Results” within this section.

Operating Profit (Loss)

Fiscal 2015 compared to 2014

Operating profit (loss) increased \$420.4 million to \$212.7 million for the year ended September 30, 2015. This increase includes losses related to the impairment of goodwill and intangible assets of \$60.8 million and \$295.6 million for the years ended September 30, 2015 and 2014, respectively, as well as incremental segment profit contributions from current and prior year acquisitions of \$192.6 million and \$18.3 million for the years ended September 30, 2015 and 2014, respectively. Excluding impairment charges and incremental segment profit contributions from acquisitions, operating profit increased 16% for the year ended September 30, 2015 compared to the corresponding period in the prior year. For further discussion, refer to “Segment Results” within this section.

Fiscal 2014 compared to 2013

Operating profit (loss) decreased \$315.5 million to \$(207.7) million for the year ended September 30, 2014. This decrease includes losses related to the impairment of goodwill and intangible assets of \$295.6 million and \$2.9 million recorded in fiscal 2014 and 2013, respectively, as well as incremental segment profit contributions from current and prior year acquisitions of \$38.8 million and \$3.5 million for the years ended September 30, 2014 and 2013, respectively. Excluding impairment charges and incremental segment profit contributions from acquisitions, operating profit decreased 54% for the year ended September 30, 2014 compared to the corresponding period in the prior year. For further discussion, refer to “Segment Results” within this section.

Interest Expense

Interest expense increased 57% for the year ended September 30, 2015, compared to the prior year. The increase is driven primarily by the increase in the principal balance of outstanding debt due to various debt issuances in 2015 and 2014, as well as an increase in our weighted average interest rate. Our weighted average interest rate was 6.9% and 6.1% at September 30, 2015 and 2014, respectively. The increase in our weighted average interest rate is primarily due to the August 2015 issuances of our 7.75% and 8.00% senior notes.

Interest expense increased \$98.2 million to \$183.7 million for the year ended September 30, 2014 compared to fiscal 2013. The increase was driven primarily by the increase in outstanding debt due to various debt issuances in 2014 and 2013 and the amortizing note component of our 5.25% tangible equity units (“TEUs”), as well as the prior year July 2013 issuance of an additional \$350.0 million of our 7.375% senior notes, partially offset by a decrease in our weighted average interest rate. The term loan and the amortizing note component of the TEUs bear interest at rates of 3.75% and 5.25%, respectively. Our weighted average interest rate was 6.1% and 7.4% at September 30, 2014 and 2013, respectively.

For additional information on our debt, refer to Note 14 in the “Notes to Consolidated Financial Statements” and “Quantitative and Qualitative Disclosures About Market Risk” in Item 7A.

Other Expense

During the years ended September 30, 2015 and 2014, we recognized losses of \$92.5 million and \$35.5 million, respectively, on non-cash mark-to-market adjustments related to our interest rate swaps. These amounts are reported in “Other expense” on the Consolidated Statements of Operations. There were no such losses in the year ended September 30, 2013. For additional information on our interest rate swaps, refer to Note 12 in the “Notes to Consolidated Financial Statements” and “Quantitative and Qualitative Disclosures About Market Risk” in Item 7A.

Income Taxes

The effective tax rate for fiscal 2015 was 31.1% compared to 19.6% for fiscal 2014 and 31.8% for fiscal 2013. The effective tax rate for fiscal 2015 was affected by incremental tax expense (benefit) of \$16.5 million related to the non-deductible goodwill impairment loss, \$0.4 million resulting from non-deductible compensation in accordance with the provisions of Internal Revenue Code (“IRC”) section 162(m), \$0.6 million resulting from non-deductible outside service expenses incurred in relation to merger and acquisition transactions, \$6.7 million resulting from recording valuation allowances against the net deferred tax assets of various subsidiaries, \$(2.7) million resulting from the receipt of non-taxable interest income, \$4.9 million resulting from changes in deferred tax rates and \$(3.4) million resulting from changes in uncertain tax positions.

The effective tax rate for fiscal 2014 was affected by incremental tax expense (benefit) of \$70.9 million related to the non-deductible goodwill impairment loss, \$0.8 million resulting from non-deductible compensation in accordance with the provisions of IRC section 162(m), \$2.8 million resulting from non-deductible outside service expenses incurred in relation to merger and acquisition transactions, \$2.3 million resulting from recording a valuation allowance against the net deferred tax assets of a Canadian subsidiary, and \$(2.9) million resulting from the receipt of non-taxable interest income.

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The effective tax rate for fiscal 2013 was affected by \$0.7 million of incremental tax expense resulting from non-deductible compensation in accordance with the provisions of IRC section 162(m), and \$0.2 million of incremental tax expense resulting from non-deductible outside service expenses incurred in relation to merger and acquisition transactions.

For fiscal 2015 and 2013, the effective tax rate was reduced by the effects of the Domestic Production Activities Deduction (“DPAD”) of \$(5.9) and \$(2.9), respectively. There was no DPAD effect on the fiscal 2014 effective tax rate.

The effective tax rate was also impacted in all three fiscal years by minor effects of shifts between the relative amounts of domestic and foreign income and state tax apportionment.

**SEGMENT RESULTS**

We evaluate each segment’s performance based on its segment profit, which is its operating profit before impairment of property and intangible assets, plant closure related costs, restructuring expenses, losses on assets held for sale, gain on sale of plant and other unallocated corporate income and expenses. During the first quarter of fiscal 2015, we changed our methodology for allocating certain corporate costs to segment profit. Accordingly, segment profit for years ended September 30, 2014 and 2013 has been adjusted to align with current year presentation.

(dollars in millions)	Year Ended September 30,		
	2015	2014	2013
Net Sales			
Post Consumer Brands	\$1,260.8	\$963.1	\$982.8
Michael Foods Group	2,305.7	874.8	—
Active Nutrition	555.0	293.3	13.9
Private Brands	529.7	280.6	37.8
Eliminations	(3.0 )	(0.7 )	(0.4 )
Total	\$4,648.2	\$2,411.1	\$1,034.1
Segment Profit (Loss)			
Post Consumer Brands	\$205.5	\$173.4	\$174.1
Michael Foods Group	188.2	21.6	—
Active Nutrition	(13.8 )	(1.8 )	1.0
Private Brands	41.5	19.0	2.5
Other Items			
General corporate expenses and other	(147.9 )	(124.3 )	(66.9 )
Impairment of goodwill and other intangibles	(60.8 )	(295.6 )	(2.9 )
Operating Profit (Loss)	\$212.7	\$(207.7 )	\$107.8

## Fiscal 2015 compared to 2014

The tables below show the incremental impact by segment from acquisitions on net sales and segment profit for the years ended September 30, 2015 and 2014 related to the acquisitions of Dakota Growers, Dymatize, Golden Boy, Michael Foods, PowerBar, ABC and MOM Brands, all of which were completed during fiscal years 2014 and 2015.

## Post Consumer Brands

(dollars in millions)	Year Ended September 30,	
	2015	2014
Net sales	\$1,260.8	\$963.1
Contributions to net sales from acquisitions	329.7	—
Net sales excluding acquisition impact	\$931.1	\$963.1
Segment profit	\$205.5	\$173.4
Contributions to segment profit from acquisitions	15.9	—
Segment profit excluding acquisition impact	\$189.6	\$173.4

Net sales for the Post Consumer Brands segment increased \$297.7 million, or 31%, for the year ended September 30, 2015. Excluding the impact of sales from acquisitions, net sales decreased \$32.0 million or 3%. The decrease was due

to 3% lower volumes and slightly lower average net selling prices for the year ended September 30, 2015. Volume declines are primarily the

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result of significantly lower co-manufacturing volumes. Volumes for branded RTE cereal were down approximately 1% year over year primarily due to lower volumes for Great Grains, Grape-Nuts and Golden Crisp. The decrease in average net selling prices is primarily the result of changes in sales mix with a current year shift to larger package sizes which sell at a lower average selling price per pound, partially offset by lower trade spending and coupon redemption. Net sales were also negatively impacted by unfavorable changes in foreign exchange rates. Compared to the prior year pre-acquisition period, sales for our recently acquired MOM Brands business were up, driven by growth in branded bag and private label products as well as the launch of licensed brands.

Segment profit for the year ended September 30, 2015, increased 19% to \$205.5 million when compared to the prior year. Excluding the impact of acquisitions, segment profit increased \$16.2 million or 9%. The increase was driven by reduced advertising and promotional spending of \$24.3 million, lower raw material costs (primarily packaging, corn, rice, wheat, and oil, partially offset by unfavorable nuts) and favorable manufacturing expense, partially offset by lower volumes and lower average net selling prices, as previously described, costs incurred of \$8.6 million related to the integration of Post Foods and MOM Brands as well as unfavorable changes in foreign exchange rates. MOM Brands segment profit was negatively impacted in fiscal 2015 by a \$17.0 million acquisition accounting related inventory valuation adjustment. Excluding this impact, MOM Brands contributed \$32.9 million to segment profit for the year ended September 30, 2015.

## Michael Foods Group

(dollars in millions)	Year Ended September 30,	
	2015	2014
Net sales	\$2,305.7	\$874.8
Contributions to net sales from acquisitions	2,305.7	874.8
Net sales excluding acquisition impact	\$—	\$—
Segment profit	\$188.2	\$21.6
Contributions to segment profit from acquisitions	188.2	21.6
Segment profit excluding acquisition impact	\$—	\$—

Net sales for the Michael Foods Group segment increased \$1,430.9 million to \$2,305.7 million for the year ended September 30, 2015, primarily resulting from the inclusion of eight additional months of results in the current year amounts due to the timing of the Michael Foods acquisition in June 2014. Total net sales for the egg, potato and cheese businesses increased 1% for the year ended September 30, 2015, compared to the prior year (partially pre-acquisition) period. In the year ended September 30, 2015, egg product sales were up 1%, with volume down 7%. Lower volumes are due to the impacts of AI which reduced our egg supply available for sale. Despite the lower volumes, revenues increased slightly as a result of substantially higher sales prices on market-based egg sales and price increases taken to offset higher costs incurred as a result of AI. Refrigerated potato products sales were up 1% with volume down 6%, and cheese and other dairy case products sales were down 2%, with volume down 4%. Sales have been positively impacted by the pasta business in the year ended September 30, 2015, compared to the prior year (partially pre-acquisition) period, resulting from increased volumes as well as favorable average selling prices. Segment profit increased \$166.6 million to \$188.2 million for the year ended September 30, 2015, primarily resulting from the inclusion of eight additional months of results in the current year amounts due to the timing of the Michael Foods acquisition in June 2014. Segment profit increased in the year ended September 30, 2015 compared to the prior year (partially pre-acquisition) period, primarily resulting from increases in our egg, cheese and pasta businesses, partially offset by declines in our potato business. Egg results improved compared to below average fiscal 2014 results, despite the impacts of AI, due to aggressive cost containment, higher market prices on market-based egg sales and price increases taken to offset AI related costs. Results for our cheese business improved as a result of a favorable pricing environment combined with lower and more stable cheese costs compared to a year ago. Pasta results were strong year over year, driven by volume increases and higher pricing relative to underlying commodity costs. Potato results decreased from the prior year primarily due to the poor quality of the potato crop resulting in higher product costs. Segment profit was negatively impacted in the fiscal 2014 by a \$21.0 million acquisition accounting related inventory valuation adjustment.





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## Active Nutrition

(dollars in millions)	Year Ended September 30,	
	2015	2014
Net sales	\$555.0	\$293.3
Contributions to net sales from acquisitions	306.9	124.1
Net sales excluding acquisition impact	\$248.1	\$169.2
Segment loss	\$(13.8)	\$(1.8)
Contributions to segment loss from acquisitions	(40.3)	(13.7)
Segment profit excluding acquisition impact	\$26.5	\$11.9

Net sales for the Active Nutrition segment increased \$261.7 million, or 89%, for the year ended September 30, 2015. Excluding the impact of sales from acquisitions in both periods, net sales increased \$78.9 million or 47%. This increase is attributable to strong growth in our Premier Nutrition branded products. Volumes were up 49% fueled by increased distribution of shakes within the club channel. Increased bar volumes and new product introductions also contributed to the volume increases. Volume gains were partially offset by an increase in trade spending for the year ended September 30, 2015. Sales attributable to our prior year acquisition of Dymatize decreased when compared to the prior year (partially pre-acquisition) period. Decreases were primarily driven by fourth quarter production issues resulting in the Company's decision to close its manufacturing facility and permanently transfer production to third party facilities under co-manufacturing agreements. These fourth quarter declines more than offset higher sales through the first three quarters of fiscal 2015.

Segment loss for the year ended September 30, 2015 was \$(13.8) million compared to \$(1.8) million in the prior year. Excluding the impact of acquisitions in both periods, segment profit increased \$14.6 million or 123%. The increase was driven by higher protein shake and bar volumes, as previously described, and lower raw material costs (primarily milk protein concentrate), partially offset by increased incentive compensation and severance related business reorganization costs. When compared to the prior year (partially pre-acquisition) period, results for our fiscal 2014 acquisition of Dymatize were negatively impacted by lower sales, as previously discussed, as well as a write-off of unsalable inventory of approximately \$9.2 million resulting from plant operational and quality issues and unfavorable manufacturing and warehousing costs. Segment profit was negatively impacted in the current year by \$5.0 million of PowerBar integration costs and a \$1.9 million acquisition accounting related inventory valuation adjustment and in fiscal 2014 by a \$3.9 million acquisition accounting related inventory valuation adjustment.

## Private Brands

(dollars in millions)	Year Ended September 30,	
	2015	2014
Net sales	\$529.7	\$280.6
Contributions to net sales from acquisitions	421.6	186.7
Net sales excluding acquisition impact	\$108.1	\$93.9
Segment profit	\$41.5	\$19.0
Contributions to segment profit from acquisitions	28.8	10.4
Segment profit excluding acquisition impact	\$12.7	\$8.6

Net sales for the Private Brands segment increased \$249.1 million to \$529.7 million (including \$3.0 million of sales to the Post Consumer Brands segment) for the year ended September 30, 2015. This increase is primarily due to the impact of current and prior year acquisitions. Excluding this impact, net sales increased \$14.2 million or 15%. The increase is primarily the result of 19% higher granola sales in the year ended September 30, 2015, largely resulting from successful selling efforts with new and existing private label granola customers during the year.

When comparing the results of our recently acquired nut butter and fruit and nut businesses to their prior year comparable (partially pre-acquisition) period for the year ended September 30, 2015, net sales increased on higher volumes as well as improved net selling prices. Volume increases were driven by conventional peanut butter and tree nut butters, partially offset by declines in fruit and nut sales and organic peanut butter.

Segment profit increased \$22.5 million to \$41.5 million for the year ended September 30, 2015. This increase is primarily due to current and prior year acquisitions. Excluding the impact of acquisitions in both periods, segment profit increased \$4.1 million due to an increase in granola net sales volumes, as previously discussed. Also contributing to the increase in segment profit are favorable manufacturing costs, lower raw materials costs (primarily packaging) and reduced freight costs.

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When comparing the results of our recently acquired nut butter and fruit and nut businesses to their prior year comparable (partially pre-acquisition) period for the year ended September 30, 2015, segment profit was unfavorably impacted by higher commodity costs, increased fixed manufacturing costs and an increase in amortization expense of acquired intangibles. Segment profit was negatively impacted in the years ended September 30, 2015 and 2014 by inventory valuation adjustments of \$1.3 million and \$1.2 million, respectively.

## Fiscal 2014 compared to 2013

The tables below show the incremental impact by segment from acquisitions on net sales and segment profit for the years ended September 30, 2014 and 2013 related to the acquisitions of Attune, Hearthside, PNC, Dakota Growers, Dymatize, Golden Boy and Michael Foods, all of which were completed during fiscal years 2013 and 2014.

## Post Consumer Brands

(dollars in millions)	Year Ended September 30,	
	2014	2013
Net sales	\$963.1	\$982.8
Contributions to net sales from acquisitions	—	—
Net sales excluding acquisition impact	\$963.1	\$982.8
Segment profit	\$173.4	\$174.1
Contributions to segment profit from acquisitions	—	—
Segment profit excluding acquisition impact	\$173.4	\$174.1

Net sales decreased 2% to \$963.1 million primarily due to a 3% decline in average net selling prices partially offset by 1% higher volumes. Volume increases were driven by growth in branded RTE cereal, partially offset by reduced volumes associated with co-manufacturing agreements. The decrease in average net selling prices in fiscal 2014 was the result of higher liquidation sales of aged product and a sales mix shift to larger sized packages, which sell at a lower average price per ounce, and higher trade spending and coupon expense. Additionally, we saw declines in the overall branded RTE cereal category (as measured by Nielsen), with the rate of category decline increasing in 2014, which contributed to increased trade spend to maintain and grow market share positions.

Segment profit decreased \$0.7 million to \$173.4 million for the year ended September 30, 2014. The decrease was driven by lower average net selling prices as previously described, partially offset by reduced advertising and promotional spending, lower raw material costs (primarily corn, sugar, wheat and fruits), increased volumes and favorable manufacturing expense.

## Michael Foods Group

(dollars in millions)	Year Ended September 30,	
	2014	2013
Net sales	\$874.8	\$—
Contributions to net sales from acquisitions	874.8	—
Net sales excluding acquisition impact	\$—	\$—
Segment profit	\$21.6	\$—
Contributions to segment profit from acquisitions	21.6	—
Segment profit excluding acquisition impact	\$—	\$—

The Michael Foods Group segment had net sales of \$874.8 million for the year ended September 30, 2014. Net sales related to our egg, potato and cheese business increased 9% compared to the comparable fiscal 2013 period prior to our ownership. This increase was driven by an 8% increase in volumes, primarily in eggs and potatoes. Net sales were down for our pasta business as compared to the comparable fiscal 2013 period prior to our ownership as certain customers in-sourced pasta production.

Segment profit was \$21.6 million for the year ended September 30, 2014. Segment profit was unfavorably impacted by a \$21.0 million acquisition accounting related inventory valuation adjustment.



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## Active Nutrition

(dollars in millions)	Year Ended September 30,	
	2014	2013
Net sales	\$293.3	\$13.9
Contributions to net sales from acquisitions	293.3	13.9
Net sales excluding acquisition impact	\$—	\$—

Segment (loss) profit	\$(1.8	)	\$1.0
Contributions to segment (loss) profit from acquisitions	(1.8	)	1.0
Segment profit excluding acquisition impact	\$—		\$—

Net sales for the Active Nutrition segment were \$293.3 million for the year ended September 30, 2014 compared to \$13.9 million in the prior year. Segment loss was \$(1.8) million for the year ended September 30, 2014 compared to profit of \$1.0 million in the prior year. Fluctuations in both net sales and segment profit were due to the timing of acquisitions within the Active Nutrition segment and the inclusion of additional months of results in fiscal 2014 as compared to fiscal 2013. Segment profit was negatively impacted in the year ended September 30, 2014 by \$3.9 million of acquisition accounting related inventory valuation adjustments. Additionally, net sales and segment profit during fiscal 2014 were negatively impacted by incremental costs to address supply chain disruptions at Dymatize and elevated input costs for milk protein concentrate.

## Private Brands

(dollars in millions)	Year Ended September 30,	
	2014	2013
Net sales	\$280.6	\$37.8
Contributions to net sales from acquisitions	280.6	37.8
Net sales excluding acquisition impact	\$—	\$—

Segment profit	\$19.0	\$2.5
Contributions to segment profit from acquisitions	19.0	2.5
Segment profit excluding acquisition impact	\$—	\$—

Net sales for the Private Brands segment were \$280.6 million (including \$0.7 million of sales to the Post Consumer Brands segment) for the year ended September 30, 2014 compared to \$37.8 million (including \$0.4 million of sales to the Post Consumer Brands segment) for the year ended September 30, 2013. Segment profit was \$19.0 million for the year ended September 30, 2014 compared to \$2.5 million for the year ended September 30, 2013. Increases in both net sales and segment profit were due to the timing of acquisitions within the Private Brands segment and the inclusion of additional months of results in 2014 as compared to 2013. Segment profit was negatively impacted in fiscal 2014 and 2013 by \$1.2 million and \$1.4 million, respectively, of acquisition accounting related inventory valuation adjustments.

## Other Items

## General Corporate Expenses and Other

## Fiscal 2015 compared to 2014

General Corporate Expenses and Other increased \$23.6 million to \$147.9 million during the year ended September 30, 2015. The increase was due to restructuring and plant closure costs of \$25.6 million (including \$9.7 million related to usable inventory rendered less than fully recoverable recorded as cost of goods sold) compared to \$5.6 million in fiscal 2014 and losses on assets held for sale of \$34.2 million compared to \$5.4 million in fiscal 2014 to adjust the carrying value of the assets to their estimated fair value less estimated selling costs, \$12.2 million higher cash and non-cash stock-based compensation expense (including \$8.0 million of accelerated stock compensation expense related to an employee retirement and reorganization initiatives) and higher compensation related costs resulting from an increase in holding company headcount to support the larger organization. These cost increases were partially offset by reduced third party acquisition related costs of \$15.3 million, reduced accelerated depreciation of \$5.9 million as compared to 2014 and reduced losses related to mark-to-market adjustments on commodity hedges of \$1.3 million. In addition, prior year results included a loss of \$13.1 million related to a hedge of the CAD \$320.0 million

purchase price of Golden Boy.

Of the total restructuring and plant closure costs for the year ended September 30, 2015, \$10.1 million relates to the Post Consumer Brands segment and \$15.5 million relates to the Active Nutrition segment. Accelerated depreciation of \$2.1 million in the year ended September 30, 2015 relates to the Post Consumer Brands segment. Of the total losses on assets held for sale

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for the year ended September 30, 2015, \$15.4 million relates to the Private Brands segment, \$11.7 million relates to the Active Nutrition segment and \$7.1 million relates to the Post Consumer Brands segment. For the year ended September 30, 2014, the \$5.6 million of restructuring and plant closure costs, \$8.0 million of accelerated depreciation and \$5.4 million of losses on assets held for sale, related to the Post Consumer Brands segment. These amounts are excluded from the measure of segment profit.

Fiscal 2014 compared to 2013

General Corporate Expenses and Other increased \$57.4 million to \$124.3 million during the year ended September 30, 2014. The increase is due to higher third party acquisition related costs of \$24.0 million, increased losses related to mark-to-market adjustments on commodity hedges of \$2.0 million, losses on assets held for sale of \$5.4 million recorded to adjust the carrying value of the assets to their estimated fair value less estimated selling costs, \$4.6 million higher cash and non-cash stock-based compensation expense and higher compensation related costs resulting from an increase in holding company headcount to support the larger organization. Results for the year ended September 30, 2014 also included a loss of \$13.1 million related to a hedge of the CAD \$320.0 million purchase price of Golden Boy. These cost increases were partially offset by reduced separation related costs of \$6.3 million primarily related to third party professional service fees to effect the spin-off from our former owner and duplicative costs incurred by Post to establish stand-alone processes and systems. In addition, we incurred \$0.8 million lower restructuring and plant closure costs and reduced accelerated depreciation of \$1.6 million in fiscal 2014 as compared to fiscal 2013. Restructuring, plant closure costs and losses on assets held for sale in both years were related to the Post Consumer Brands segment. These amounts are excluded from the measure of segment profit.

Impairment of Goodwill and Other Intangible Assets

During fiscal 2015, we recorded non-cash impairment charges totaling \$60.8 million. These charges consist of a goodwill impairment of \$57.0 million and trademark impairment charges of \$3.8 million. The goodwill impairment charge relates to Dymatize, which is reported in the Active Nutrition segment. Trademark impairment charges consist of \$3.7 million for our Grape-Nuts brand and \$0.1 million for our 100% Bran brand, which are reported in our Post Consumer Brands segment.

During fiscal 2014, we recorded non-cash impairment charges totaling \$295.6 million. These charges consisted of a goodwill impairment of \$212.6 million and trademark impairment charges of \$83.0 million. The goodwill impairment charge includes \$181.3 million for the Post Consumer Brands segment and \$31.3 million related to Dymatize, which is reported in the Active Nutrition segment. Trademark impairment charges consisted of \$34.4 million for our Post brand, \$23.0 million for our Honey Bunches of Oats brand, \$17.2 million for our Post Shredded Wheat brand and \$8.4 million for our Grape-Nuts brand.

During September 2013, we concluded two indefinite-lived trademarks were impaired and we recorded impairment losses of \$0.2 million for our Post Shredded Wheat brand and \$2.7 million for our Post brand, which are reported in our Post Consumer Brands segment. For more information, refer to “Critical Accounting Policies and Estimates” as well as Notes 2 and 6 in the “Notes to Consolidated Financial Statements.”

**LIQUIDITY AND CAPITAL RESOURCES**

In connection with funding acquisitions and managing our capital structure, we completed the following transactions (for additional information see Note 14, Note 18 and Note 19 in the “Notes to Consolidated Financial Statements”):

Fiscal 2015

- \$341.4 million net proceeds through the issuance of 7.475 million shares of common stock, par value \$0.01 per share, at a price to the public of \$47.50 per share

- \$700.0 principal value term loan

- \$391.3 million net proceeds through the issuance of 6.73 million shares of common stock, par value \$0.01 per share, at a price to the public of \$60.00 per share

- \$800.0 million principal value of 7.75% senior notes

- \$400.0 million principal value of 8.00% senior notes

- \$1,200.0 million principal payment made on the term loan

Fiscal 2014

- \$525.0 million principal value of 6.75% senior notes

\$310.2 million net proceeds through the issuance of 3.0 million shares of 2.5% Series C Cumulative Perpetual Convertible Preferred Stock

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• Revolving credit facility in an aggregate available principal amount of \$400.0 million, undrawn during fiscal 2014 with \$4.2 million utilized under a letter of credit provision at September 30, 2015

• \$885.0 million principal value term loan

• \$350.0 million principal value of 6.75% senior notes

• \$303.5 million net proceeds through the issuance of 5.750 million shares of common stock, par value \$0.01 per share, at a price to the public of \$55.00 per share

• \$289.9 million net proceeds through the issuance of 6.325 million shares of common stock, par value \$0.01 per share, at a price to the public of \$47.70 per share

• \$278.6 million net proceeds through a public offering of 2.875 million TEUs each with a stated value of \$100.00

• \$630.0 million principal value of 6.00% senior notes

Fiscal 2013

• \$600.0 million principal value of 7.375% senior notes

• \$234.0 million net proceeds through the authorization and issuance of approximately 2.4 million shares of 3.75% Series B Cumulative Perpetual Convertible Preferred Stock

The following table shows cash flow data for fiscal years 2015, 2014 and 2013, which is discussed below.

(dollars in millions)	Year ended September 30,		
	2015	2014	2013
Cash provided by operating activities	\$451.6	\$183.1	\$119.2
Cash used in investing activities	(1,248.7 )	(3,793.6 )	(423.8 )
Cash provided by financing activities	1,372.4	3,484.2	648.8
Effect of exchange rate changes on cash and cash equivalents	(2.3 )	(7.3 )	(0.4 )
Net increase (decrease) in cash and cash equivalents	\$573.0	\$(133.6 )	\$343.8

Historically, we have generated and expect to continue to generate positive cash flows from operations. We believe our cash on hand, cash flows from operations and our current and possible future credit facilities will be sufficient to satisfy our future working capital requirements, interest payments, research and development activities, capital expenditures, pension contributions and other financing requirements for the foreseeable future. Our ability to generate positive cash flows from operations is dependent on general economic conditions, competitive pressures and other business risk factors. If we are unable to generate sufficient cash flows from operations, or otherwise to comply with the terms of our credit facilities, we may be required to seek additional financing alternatives or waivers under our Credit Agreement and indentures governing our senior notes. There can be no assurance that we would be able to obtain additional financing or any such waivers on terms acceptable to us or at all.

Short-term financing needs primarily consist of working capital requirements, principal and interest payments on our long-term debt and dividend payments on our cumulative preferred stock. Long-term financing needs will depend largely on potential growth opportunities, including acquisition activity and repayment or refinancing of our long-term debt obligations.

#### Operating Activities

##### Fiscal 2015 compared to 2014

Cash provided by operating activities for the fiscal year ended September 30, 2015 increased by \$268.5 million compared to the fiscal year ended September 30, 2014. This increase was primarily driven by incremental cash flows from our 2015 and 2014 acquisitions and \$97.7 million of favorable working capital changes during the year ended September 30, 2015, when compared to working capital changes in fiscal 2014, primarily related to the collection of a \$55.5 million income tax receivable, partially offset by higher interest payments of \$92.2 million, as well as higher payments for federal income taxes of \$34.5 million in 2015. In addition, cash provided by operating activities in 2014 included a \$20.1 million premium received on the issuances of our senior notes.

##### Fiscal 2014 compared to 2013

Cash provided by operating activities for the fiscal year ended September 30, 2014 increased by \$63.9 million compared to the fiscal year ended September 30, 2013. This increase was primarily driven by incremental cash flows from our 2014 and 2013 acquisitions, \$62.1 million of favorable working capital changes during the year ended September 30, 2014 when compared to working capital changes in fiscal 2013, as well as lower payments for federal

income taxes, partially offset by higher interest

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payments of \$67.0 million in the current year and lower premium received on the issuances of our senior notes (\$20.1 million in fiscal 2014 compared to \$35.1 million in fiscal 2013).

Investing Activities

Fiscal 2015 compared to 2014

Cash used in investing activities for fiscal 2015 decreased by \$2,544.9 million compared to fiscal 2014. The decrease was driven by the reduction of cash paid for acquisitions of \$2,324.9 million and \$20.4 million of proceeds related to the sale of property during fiscal 2015, primarily relating to the sale of facilities located in Portales, New Mexico (completed on July 29, 2015) and Boise, Idaho (completed on September 22, 2015), as well as \$3.8 million of proceeds related to the sale of our PowerBar Australian business and Musashi trademark. In the year ended September 30, 2014, cash used in investing activities was impacted by a \$75.0 million payment, classified as an other long-term asset, made as a prepayment of the purchase price for the acquisition of PowerBar as well as escrow deposits of \$55.0 million and \$14.0 million, classified as restricted cash, related to the acquisitions of PowerBar and ABC, respectively. Capital expenditures were \$107.9 million and \$115.5 million in fiscal years 2015 and 2014, respectively. The decrease is primarily due to a reduction of capital expenditures in 2015 related to the closure of our Modesto, California facility and the associated migration of production capacity from Modesto to other facilities. Expenditures in 2014 also included the purchase of a peanut butter manufacturing facility. These decreases were partially offset by an increase in capital expenditures during 2015 related to acquired businesses.

Fiscal 2014 compared to 2013

Cash used in investing activities for fiscal 2014 increased by \$3,369.8 million compared to fiscal 2013. The increase was driven by net cash paid in fiscal 2014 for the acquisitions of Dakota Growers, Dymatize, Golden Boy and Michael Foods. Cash used in investing activities was also impacted in fiscal 2014 by a \$75.0 million payment, classified as an other long-term asset, made as a prepayment of the purchase price for the acquisition of PowerBar as well as escrow deposits of \$55.0 million and \$14.0 million, classified as restricted cash, related to the acquisitions of PowerBar and ABC, respectively. Partially offsetting these impacts was a \$4.3 million cash inflow related to insurance proceeds received for loss of property at Michael Foods.

Capital expenditures were \$115.5 million and \$32.8 million in fiscal years 2014 and 2013, respectively. Expenditures in these years primarily related to the closure of our Modesto, California facility and the associated migration of production capacity from Modesto to other facilities as well as expenditures made to build out our stand-alone IT infrastructure in fiscal 2013. Fiscal 2014 and 2013 acquisitions added \$43.0 million of capital expenditures in 2014.

Also in fiscal 2014, the Company purchased a peanut butter manufacturing facility located in Portales, New Mexico for \$25.8 million.

Financing Activities

Fiscal 2015 compared to 2014

Cash provided by financing activities was \$1,372.4 million for fiscal 2015 compared to \$3,484.2 million in 2014. Cash provided by financing activities is primarily driven by proceeds from debt and equity issuances and debt repayments all of which are listed above within this section. In addition, in the year ended September 30, 2015, we received proceeds of \$15.5 million related to the exercise of stock options.

Fiscal 2014 compared to 2013

Cash provided by financing activities was \$3,484.2 million for fiscal 2014 compared to \$648.8 million in 2013. The increase was primarily driven by proceeds from debt and equity issuances all of which are listed above within this section. The proceeds from these issuances were used to fund the purchase price of acquisitions completed during 2014.

Debt Covenants

Under the terms of the Credit Agreement, we are required to comply quarterly with certain financial covenants consisting of ratios for maximum senior secured leverage and minimum interest expense coverage. As of September 30, 2015, we were in compliance with such financial covenants. We do not believe non-compliance is reasonably likely in the foreseeable future.

With limited exceptions, our Credit Agreement permits us to incur additional unsecured debt only if our pro forma consolidated interest expense coverage ratio, calculated as provided in the Credit Agreement, would be greater than or

equal to 2.00 to 1.00 after giving effect to such new debt. As of September 30, 2015, our pro forma consolidated interest expense coverage ratio exceeded this threshold.

**Contractual Obligations**

In the normal course of business, we enter into contracts and commitments which obligate us to make payments in the future. The table below sets forth our significant future obligations by time period as of September 30, 2015. For consideration of the

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table below, “Less Than 1 Year” refers to obligations due between October 1, 2015 and September 30, 2016, “1-3 Years” refers to obligations due between October 1, 2016 and September 30, 2018, “3-5 Years” refers to obligations due between October 1, 2018 and September 30, 2020, and “More Than 5 Years” refers to any obligations due after September 30, 2020.

(dollars in millions)	Total (f)	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years
Debt	\$4,485.2	\$16.0	\$13.0	\$0.7	\$4,455.5
Interest on long-term debt(a)	2,256.0	312.2	613.2	612.8	717.8
Operating lease obligations(b)	60.9	14.3	22.0	13.7	10.9
Purchase obligations(c)	2,462.4	786.4	863.0	508.1	304.9
Deferred compensation obligations(d)	14.2	1.4	3.1	2.9	6.8
Net benefit obligations(e)	126.1	5.0	10.9	12.4	97.8
Total	\$9,404.8	\$1,135.3	\$1,525.2	\$1,150.6	\$5,593.7

Interest on long-term debt is calculated using current market rates. As of September 30, 2015, we have interest rate swaps with a notional value of \$1,477.6 million, of which \$727.6 million will result in cash payments beginning in (a) June 2016 and ending in May 2021 and \$750.0 million which will result in a net settlement in July 2018. Those payments have been excluded from this table. For additional information on our interest rate swaps, refer to “Quantitative and Qualitative Disclosures About Market Risk” in Item 7A.

(b) Operating lease obligations consist of minimum rental payments under noncancelable operating leases, as shown in Note 15 of “Notes to Consolidated Financial Statements.”

Purchase obligations are legally binding agreements to purchase goods, services or equipment that specify all (c) significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction.

(d) Deferred compensation obligations have been allocated to time periods based on existing payment plans for terminated and severed employees and the estimated timing of distributions to current employees based on age.

(e) Benefit obligations consist of future payments related to pension and other postretirement benefits as estimated by an actuarial valuation and shown in Note 16 of “Notes to Consolidated Financial Statements.”

We have excluded from the table above \$11.3 million, which also excludes interest and penalties, for certain provisions of ASC 740 “Income Taxes” associated with liabilities for uncertain tax positions due to the uncertainty as (f) to the amount and timing of payment, if any. In addition, we have excluded payments for workers compensation, general liability and auto liability claim losses for which we had a liability recorded of \$9.9 million at September 30, 2015, of which \$3.4 million was classified as current, due to the uncertainty of the amount and timing of payments.

#### COMMODITY TRENDS AND SEASONALITY

Our company is exposed to price fluctuations primarily from purchases of raw and packaging materials, fuel, and energy. Primary exposures include corn, wheat, soybean oil and meal, nuts, eggs, dairy, durum wheat, whey protein concentrate, milk protein concentrate, natural gas, diesel fuel, linerboard and resin. These costs have been volatile in recent years and future changes in such costs may cause our results of operations and our operating margins to fluctuate significantly. We manage the impact of cost increases, wherever possible, on commercially reasonable terms, by locking in prices on the quantities required to meet our production requirements. In addition, we offset the effect of increased costs by raising prices to our customers. However, for competitive reasons, we may not be able to pass along the full effect of increases in raw materials and other input costs as we incur them. In addition, inflationary pressures can have an adverse effect on Post through higher raw material and fuel costs. We believe that inflation has not had a material adverse impact on our operations for the years ended September 30, 2015, 2014 and 2013, but could have a material impact in the future if inflation rates were to significantly exceed our ability to achieve price increases.

Our results are affected by seasonal fluctuations of net sales. Shell egg, cheese and snacking and baking nut prices typically rise seasonally in the first quarter of our fiscal year due to increased demand during holiday periods.

**CURRENCY**

Certain sales and costs of our foreign operations were denominated in Canadian Dollars and Euro. Consequently, profits from these businesses can be impacted by fluctuations in the value of the Canadian Dollar and Euro relative to the U.S. Dollar.

**OFF-BALANCE SHEET ARRANGEMENTS**

As of September 30, 2015 and September 30, 2014, we did not have any material off-balance sheet arrangements that would be reasonably likely to have a material impact on our financial position or results of operations.

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### CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The following discussion is presented pursuant to the United States Securities and Exchange Commission's Financial Reporting Release No. 60, "Cautionary Advice Regarding Disclosure About Critical Accounting Policies." The policies below are both important to the representation of Post's financial condition and results of operations and require management's most difficult, subjective or complex judgments.

Under generally accepted accounting principles in the United States, we make estimates and assumptions that impact the reported amounts of assets, liabilities, revenues and expenses as well as the disclosure of contingent liabilities. We base estimates on past experience and on various other assumptions that are believed to be reasonable under the circumstances. Those estimates form the basis for making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

**Revenue Recognition** - Revenue is recognized when title of goods is transferred to the customer, as specified by the shipping terms. Net sales reflect gross sales, including amounts billed to customers for shipping and handling, less sales discounts and trade allowances (including promotional price buy downs and new item promotional funding). Customer trade allowances are generally computed as a percentage of gross sales. Products are generally sold with no right of return except in the case of goods which do not meet product specifications or are damaged and related reserves are maintained based on return history. If additional rights of return are granted, revenue recognition is deferred. Estimated reductions to revenue for customer incentive offerings are based upon customer redemption history.

**Business Combinations** - We use the acquisition method in accounting for acquired businesses. Under the acquisition method, our financial statements reflect the operations of an acquired business starting from the completion of the acquisition. The assets acquired and liabilities assumed are recorded at their respective estimated fair values at the date of the acquisition. Any excess of the purchase price over the estimated fair values of the identifiable net assets acquired is recorded as goodwill. Significant judgment is often required in estimating the fair value of assets acquired, particularly intangible assets. As a result, in the case of significant acquisitions we normally obtain the assistance of a third-party valuation specialist in estimating fair values of tangible and intangible assets. The fair value estimates are based on available historical information and on expectations and assumptions about the future, considering the perspective of marketplace participants. While we believe those expectations and assumptions are reasonable, they are inherently uncertain. Unanticipated market or macroeconomic events and circumstances may occur, which could affect the accuracy or validity of the estimates and assumptions.

**Inventory** - Inventories, other than flocks, which are discussed below, are generally valued at the lower of average cost (determined on a first-in, first-out basis) or market value and have been reduced by an allowance for obsolete product and packaging materials. The estimated allowance is based on a review of inventories on hand compared to estimated future usage and sales. Flock inventory represents the cost of purchasing and raising chicken flocks to egg laying maturity. The costs included in our flock inventory include the costs of the chicks, the feed fed to the birds and the labor and overhead costs incurred to operate the pullet facilities until the birds are transferred into the laying facilities, at which time their cost is amortized to operations, as cost of goods sold, over their expected useful lives of one to two years.

**Long-Lived Assets** - We review long-lived assets, including leasehold improvements, property and equipment, and amortized intangible assets for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Long-lived assets to be disposed of are reported at the lower of the carrying amount or fair value less the cost to sell. Recoverability of assets held for sale is measured by a comparison of the carrying amount of an asset or asset group to their fair value less estimated costs to sell. Estimating future cash flows and calculating the fair value of assets requires significant estimates and assumptions by management.

**Indefinite Lived Assets** - Trademarks with indefinite lives are reviewed for impairment during the fourth quarter of each fiscal year following the annual forecasting process, or more frequently if facts and circumstances indicate the trademark may be impaired. In assessing other intangible assets not subject to amortization for impairment, we have the option to perform a qualitative assessment to determine whether the existence of events or circumstances leads to a

determination that it is more likely than not that the fair value of such an intangible asset is less than its carrying amount. If we determine that it is not more likely than not that the fair value of such an intangible asset is less than its carrying amount, then we are not required to perform any additional tests for assessing intangible assets for impairment. However, if we conclude otherwise or elect not to perform the qualitative assessment, then we are required to perform a quantitative impairment test that involves a comparison of the estimated fair value of the intangible asset with its carrying value. If the carrying value of the intangible asset exceeds its fair value, an impairment loss is recognized in an amount equal to that excess.

In fiscal years 2015, 2014 and 2013, we elected not to perform a qualitative assessment and instead performed a quantitative impairment test. The estimated fair value is determined using an income-based approach (the relief-from-royalty method), which requires significant assumptions for each brand, including estimates regarding future revenue growth, discount rates, and appropriate royalty rates. We estimated royalty rates based on consideration of several factors for each brand, including profit levels, research of external royalty rates by third party experts, and the relative importance of each brand to the Company. Revenue



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growth assumptions are based on historical trends and management's expectations for future growth by brand. The discount rates are based on a weighted average cost of capital utilizing industry market data of similar companies. At September 30, 2015, Post recorded impairment losses in the Post Consumer Brands segment of \$3.7 million for the Grape-Nuts brand and \$0.1 million for the 100% Bran brand to record these trademarks at their estimated current fair values of \$11.2 million and zero, respectively. Impairment charges of these Post Foods brands were primarily the result of declines within the branded RTE cereal category and as a result, management's decisions to reduce advertising and consumer spend for the brands and to no longer pursue product adjacencies related to Grape-Nuts. A change to the management team for the Post Consumer Brands segment occurred in May 2015, and at that time a comprehensive reassessment of brand strategies was performed which resulted in the fourth quarter decisions that triggered the impairments. Due to repeated past impairments, continued weakness in the brand forecasts and a lack of sales growth from recent brand support efforts, as of October 1, 2015, the Grape-Nuts brand will be converted to a definite-lived asset and assigned a 20 year useful life.

At September 30, 2014, we recorded impairment losses in the Post Consumer Brands segment of \$34.4 million for our Post brand, \$23.0 million for our Honey Bunches of Oats brand, \$17.2 million for our Post Shredded Wheat brand and \$8.4 million for our Grape-Nuts brand to record these trademarks at their estimated fair values of \$144.0 million, \$243.9 million, \$8.2 million and \$14.9 million, respectively. Impairment charges of these Post Foods brands were primarily the result of the acceleration of declines within the branded RTE cereal category, as well as the expectation that revenue and profit growth for Post Foods will be challenged in the medium to long-term. Due to repeated past impairments, continued weakness in the brand forecasts and a lack of sales growth from recent brand support efforts, as of October 1, 2014, the Post Shredded Wheat brand was converted to a definite-lived asset and assigned a 20 year useful life.

At September 30, 2013, we recorded impairment losses in the Post Consumer Brands segment of \$0.2 million for our Post Shredded Wheat brand and \$2.7 million for our Post brand to record these trademarks at their estimated current fair values of \$25.4 million and \$178.4 million, respectively.

**Goodwill** - Goodwill represents the excess of the cost of acquired businesses over the fair market value of their identifiable net assets. We conduct a goodwill impairment qualitative assessment during the fourth quarter of each fiscal year following the annual forecasting process, or more frequently if facts and circumstances indicate that goodwill may be impaired. The goodwill impairment qualitative assessment requires us to perform an assessment to determine if it is more likely than not that the fair value of the business is less than its carrying amount. The qualitative assessment considers various factors, including the macroeconomic environment, industry and market specific conditions, financial performance, cost impacts, and issues or events specific to the business. If adverse qualitative trends are identified that could negatively impact the fair value of the business, we perform a quantitative goodwill impairment test. In fiscal years 2015, 2014 and 2013, we elected not to perform a qualitative assessment and instead performed a quantitative impairment test for all reporting units.

Under the two-step quantitative impairment test, the first step of the evaluation involves comparing the current fair value of each reporting unit to its carrying value, including goodwill. The estimated fair values were determined using a combined income and market approach with a greater weighting on the income approach (75% of the calculation for all reporting units, excluding Dymatize and the international operation of PowerBar which are 100%). The income approach is based on discounted future cash flows and requires significant assumptions, including estimates regarding future revenue, profitability, and capital requirements. The market approach (25% of the calculation for all reporting units, excluding Dymatize and the international operations of PowerBar which are 0%) is based on a market multiple (revenue and EBITDA which stands for earnings before interest, income taxes, depreciation, and amortization) and requires an estimate of appropriate multiples based on market data. Revenue growth assumptions (along with profitability and cash flow assumptions) were based on historical trends for the reporting units and management's expectations for future growth. The discount rates were based on a risk adjusted weighted average cost of capital utilizing industry market data of businesses similar to the reporting units and based upon management judgment. For the market approach, we used estimated EBITDA and revenue multiples based on industry market data. For the Dymatize and PowerBar International reporting units, the market approach was not used as it was concluded that the selected industry market data was not consistent with a business with the future growth expectations of those reporting

units.

If the fair value of a reporting unit determined in the first step of the evaluation is lower than its carrying value, we proceed to the second step, which compares the carrying value of goodwill to its implied fair value. In estimating the implied fair value of goodwill for a reporting unit, we must assign the fair value of the reporting unit (as determined in the first step) to the assets and liabilities associated with the reporting unit as if the reporting unit had been acquired in a business combination. Any excess of the carrying value of goodwill of the reporting unit over its implied fair value is recorded as impairment.

As of September 30, 2015, we recorded a total charge of \$57.0 million for the impairment of goodwill. The impairment charge relates to the Active Nutrition segment and is primarily the result of fourth quarter production issues at Dymatize which resulted in the Company's decision to close its manufacturing facility and permanently transfer production to third party facilities under co-manufacturing agreements. At September 30, 2015, the estimated fair values of the remaining unimpaired reporting units exceed their carrying values in excess of 15%.

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At September 30, 2014, we recorded a total charge of \$212.6 million for the impairment of goodwill. The impairment charge included \$181.3 million related to Post Consumer Brands segment primarily resulting from the acceleration of declines within the RTE cereal category. Additionally, the expectation was that revenue and profit growth for Post Foods would be challenged in the medium to long-term. The Active Nutrition segment recognized charges of \$31.3 million resulting from reduced near-term profitability related to supply chain disruptions at Dymatize and incremental remediation expenses, which were identified subsequent to the initial valuation at the acquisition date of February 1, 2014.

**Pension and Other Postretirement Benefits** - Pension assets and liabilities are determined on an actuarial basis and are affected by the estimated market-related value of plan assets, estimates of the expected return on plan assets, discount rates, future salary increases, and other assumptions inherent in these valuations. We annually review the assumptions underlying the actuarial calculations and make changes to these assumptions, based on current market conditions and historical trends, as necessary. Differences between the actual return on plan assets and the expected return on plan assets and changes to projected future rates of return on plan assets will affect the amount of pension expense or income ultimately recognized. The other postretirement benefits liability (partially subsidized retiree health and life insurance) is also determined on an actuarial basis and is affected by assumptions including the discount rate and expected trends in healthcare costs. Changes in the discount rate and differences between actual and expected healthcare costs will affect the recorded amount of other postretirement benefits expense. For both pensions and postretirement benefit calculations, the assumed discount rate is determined by projecting the plans' expected future benefit payments as defined for the projected benefit obligation or accumulated postretirement benefit obligation, discounting those expected payments using a theoretical zero-coupon spot yield curve derived from a universe of high-quality (rated AA or better by Moody's Investor Service) corporate bonds as of the measurement date, and solving for the single equivalent discount rate that results in the same present value. A 1% decrease in the assumed discount rate (from 4.55% to 3.55% for U.S. pension; from 4.60% to 3.60% for U.S. other postretirement benefits; from 3.82% to 2.82% for Canadian pension; and from 3.91% to 2.91% for Canadian other postretirement benefits) would have increased the recorded benefit obligations at September 30, 2015 by approximately \$10.8 million for pensions and approximately \$23.9 million for other postretirement benefits. The expected return on plan assets was determined based on historical and expected future returns of the various asset classes, using the target allocations of the plans. A 1% decrease in the assumed return on plan assets (from 5.72% to 4.72% for U.S. and from 6.00% to 5.00% for Canadian) would have increased the net periodic benefit cost for the pension plans by approximately \$0.4 million. We expect to contribute \$6.1 million to the combined pension plans and \$2.6 million to our postretirement medical benefit plans in fiscal 2016. Contributions beyond 2016 remain uncertain and will significantly depend on changes in actuarial assumptions, actual return on plan assets and any legislative or regulatory changes that may affect plan funding requirements. See Note 16 of "Notes to Consolidated Financial Statements" for more information about pension and other postretirement benefit assumptions.

**Stock-Based Compensation** - Stock-based compensation cost is measured at the grant date based on the value of the award and is recognized as expense over the vesting period for awards expected to vest. Determining the fair value of share-based awards at the grant date requires judgment, including estimating the expected term, expected stock price volatility, risk-free interest rate, and expected dividends. In addition, judgment is required in estimating the amount of share-based awards that are expected to be forfeited before vesting. For equity awards, the original estimate of the grant date fair value is not subsequently revised unless the awards are modified, but the estimate of expected forfeitures is revised throughout the vesting period and the cumulative stock-based compensation cost recognized is adjusted accordingly. For liability awards, the fair value is remeasured at the end of each reporting period. See Note 17 of "Notes to Consolidated Financial Statements" for more information about stock-based compensation and our related estimates.

**Income Tax** - We estimate income tax expense based on taxes in each jurisdiction. We estimate current tax exposures together with temporary differences resulting from differing treatment of items for tax and financial reporting purposes. These temporary differences result in deferred tax assets and liabilities. We believe that sufficient income will be generated in the future to realize the benefit of most of our deferred tax assets. Where there is not sufficient evidence that such income is likely to be generated, we establish a valuation allowance against the related deferred tax

assets. We are subject to periodic audits by governmental tax authorities of our income tax returns. These audits generally include questions regarding our tax filing positions, including the amount and timing of deductions and the allocation of income among various tax jurisdictions. We evaluate our exposures associated with our tax filing positions, including state and local taxes, and record reserves for estimated exposures.

Based on the provisions of the Tax Allocation Agreement with our former owner, our former owner retained responsibility for income tax liabilities and income tax returns related to all periods prior to the separation date of February 3, 2012. U.S. federal, U.S. state and Canadian income tax returns for the tax years ended September 30, 2014, 2013 and 2012 are subject to examination by the tax authorities in each respective jurisdiction.

See Note 7 of "Notes to Consolidated Financial Statements" for more information about estimates affecting income taxes.

#### RECENTLY ISSUED ACCOUNTING STANDARDS

See Note 3 of "Notes to Consolidated Financial Statements" for a discussion regarding recently issued accounting standards.

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ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Commodity Price Risk

In the ordinary course of business, we are exposed to commodity price risks relating to the acquisition of raw materials and fuels. We use futures contracts, options and swaps, to manage certain of these exposures when it is practical to do so. For more information, see “Commodity Trends and Seasonality” and Note 12 of “Notes to Consolidated Financial Statements.”

Foreign Currency Risk

We have foreign currency exchange rate risk related to our Canadian and German entities, whose functional currencies are the Canadian Dollar and Euro, respectively.

Interest Rate Risk

As of September 30, 2015, we have principal value of indebtedness of \$4,485.2 million related to our various senior notes issuances, our term loan, our 5.25% tangible equity units, \$5.7 million of remaining principal balances for debt and capital leases assumed in the acquisition of Michael Foods and an undrawn \$400.0 million revolving credit facility. The revolving credit facility has outstanding letters of credit of \$4.2 million which reduces the available borrowing capacity to \$395.8 million at September 30, 2015. Of the total \$4,485.2 million outstanding indebtedness, approximately \$4,110.8 million bears interest at fixed rates with a weighted-average interest rate of 7.2% and is not subject to change based on changes in market interest rates.

The remaining \$374.4 million is variable rate debt comprised of the unpaid principal balance of our term loan, which bears interest at the lower of LIBOR or a 0.75% floor plus a 3% spread. In June 2014, we entered into interest rate swaps, with a two-year forward start date, with a notional value of \$727.6 million at September 30, 2015, that obligate us to pay a fixed rate of 3.1% and receive one-month LIBOR. The interest rate swaps have the effect of fixing the interest rate we will incur on our variable rate term loan with cash payments beginning in June 2016 (see Note 12). In addition, as of September 30, 2015, we have interest rate swaps with a \$750.0 million notional amount that obligate us to pay a weighted-average fixed rate of approximately 4.0% and receive three-month LIBOR and will result in a net settlement in July 2018.

In November 2015, we converted \$650.0 million of our \$727.6 million notional amount interest rate swap and entered into an additional \$250.0 million notional interest rate swap for a combined \$900.0 million interest rate swaps that obligate us to pay a weighted-average fixed rate of 3.67% and receive three-month LIBOR and will result in a net settlement in December 2019.

Borrowings, if any, under the revolving credit facility would bear interest at the Eurodollar Rate or the Base Rate (as such terms are defined in the Credit Agreement) plus an applicable margin ranging from 2.00% to 2.50% for Eurodollar Rate-based loans and from 1.00% to 1.50% for Base Rate-based loans, depending upon our senior secured leverage ratio.

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Post Holdings, Inc.

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, comprehensive income/(loss), stockholders' equity and cash flows present fairly, in all material respects, the financial position of Post Holdings, Inc. and its subsidiaries at September 30, 2015 and 2014, and the results of their operations and their cash flows for each of the three years in the period ended September 30, 2015 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of September 30, 2015, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As described in Management's Report on Internal Control Over Financial Reporting, management has excluded PowerBar and MOM Brands Company from its assessment of internal control over financial reporting as of September 30, 2015 because they were acquired by the Company in a purchase business combination during 2015. We have also excluded PowerBar and MOM Brands Company from our audit of internal control over financial reporting. PowerBar and MOM Brands Company total assets and total revenues collectively represent 12% and 10%, respectively, of the related consolidated financial statement amounts as of and for the year ended September 30, 2015.

/s/PricewaterhouseCoopers LLP  
St. Louis, Missouri  
November 25, 2015

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POST HOLDINGS, INC.  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(in millions, except per share data)

	Year Ended September 30,		
	2015	2014	2013
Net Sales	\$4,648.2	\$2,411.1	\$1,034.1
Cost of goods sold	3,473.8	1,789.9	609.2
Gross Profit	1,174.4	621.2	424.9
Selling, general and administrative expenses	734.1	459.5	298.2
Amortization of intangible assets	141.7	70.8	14.6
Impairment of goodwill and other intangible assets	60.8	295.6	2.9
Other operating expenses, net	25.1	3.0	1.4
Operating Profit (Loss)	212.7	(207.7 )	107.8
Interest expense, net	287.5	183.7	85.5
Other expense	92.5	35.5	—
(Loss) Earnings before Income Taxes	(167.3 )	(426.9 )	22.3
Income tax (benefit) expense	(52.0 )	(83.7 )	7.1
Net (Loss) Earnings	(115.3 )	(343.2 )	15.2
Preferred stock dividends	(17.0 )	(15.4 )	(5.4 )
Net (Loss) Earnings Available to Common Shareholders	\$(132.3 )	\$(358.6 )	\$9.8
(Loss) Earnings per share:			
Basic	\$(2.33 )	\$(9.03 )	\$0.30
Diluted	\$(2.33 )	\$(9.03 )	\$0.30
Weighted-Average Common Shares Outstanding:			
Basic	56.7	39.7	32.7
Diluted	56.7	39.7	33.0

See accompanying Notes to Consolidated Financial Statements.

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## POST HOLDINGS, INC.

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME

(in millions)

	Year Ended September 30,		
	2015	2014	2013
Net (Loss) Earnings	\$(115.3 )	\$(343.2 )	\$15.2
Pension and postretirement benefit adjustments, net of tax of \$3.3, \$5.1 and \$(8.2), respectively	(5.2 )	(10.4 )	14.4
Foreign currency translation adjustments	(56.3 )	(4.1 )	(2.9 )
Total Comprehensive (Loss) Income	\$(176.8 )	\$(357.7 )	\$26.7

See accompanying Notes to Consolidated Financial Statements.



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POST HOLDINGS, INC.  
CONSOLIDATED BALANCE SHEETS  
(in millions, except par value)

	September 30,	
	2015	2014
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$841.4	\$268.4
Restricted cash	18.8	84.8
Receivables, net	366.2	413.7
Inventories	465.3	380.7
Deferred income taxes	47.7	27.0
Prepaid expenses and other current assets	42.3	44.4
Total Current Assets	1,781.7	1,219.0
Property, net	1,333.2	831.9
Goodwill	3,072.8	2,886.7
Other intangible assets, net	2,969.3	2,643.0
Other assets	63.4	150.5
Total Assets	\$9,220.4	\$7,731.1
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current Liabilities		
Current portion of long-term debt	\$16.0	\$25.6
Accounts payable	265.2	225.0
Other current liabilities	329.8	269.3
Total Current Liabilities	611.0	519.9
Long-term debt	4,511.4	3,830.5
Deferred income taxes	831.8	915.1
Other liabilities	290.2	182.4
Total Liabilities	6,244.4	5,447.9
Commitments and Contingencies (See Note 15)		
Shareholders' Equity		
Preferred Stock, \$0.01 par value, 50.0 shares authorized		
3.75% Series B, 2.4 shares issued and outstanding	0.1	0.1
2.50% Series C, 3.2 shares issued and outstanding		
Common stock, \$0.01 par value, 300.0 shares authorized, 62.1 and 44.8 shares outstanding, respectively	0.6	0.5
Additional paid-in capital	3,538.8	2,669.3
Accumulated deficit	(421.0)	(305.7)
Accumulated other comprehensive loss	(89.1)	(27.6)
Treasury stock, at cost, 1.8 shares in each year	(53.4)	(53.4)
Total Shareholders' Equity	2,976.0	2,283.2
Total Liabilities and Shareholders' Equity	\$9,220.4	\$7,731.1

See accompanying Notes to Consolidated Financial Statements.



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POST HOLDINGS, INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(in millions)

	Year Ended September 30,		
	2015	2014	2013
Cash Flows from Operating Activities			
Net (loss) earnings	\$(115.3 )	\$(343.2 )	\$15.2
Adjustments to reconcile net (loss) earnings to net cash flow provided by operating activities:			
Depreciation and amortization	272.8	155.8	76.8
Premium from issuance of long-term debt	—	20.1	35.1
Amortization of deferred financing costs and debt discount/premium, net	36.2	15.3	4.2
Impairment of goodwill and other intangible assets	60.8	295.6	2.9
Unrealized loss on interest rate swaps	92.5	40.4	—
Loss on write-down of assets held for sale	34.2	5.4	—
Non-cash stock-based compensation expense	22.7	14.5	10.5
Deferred income taxes	(120.1 )	(87.5 )	(29.1 )
Other, net	7.2	2.7	(3.3 )
Other changes in current assets and liabilities, net of business acquisitions:			
Decrease (increase) in receivables	89.5	(50.3 )	(9.7 )
Decrease (increase) in inventories	30.5	30.7	(10.8 )
(Increase) decrease in prepaid expenses and other current assets	(7.0 )	(0.2 )	6.8
Increase in accounts payable and other current and non-current liabilities	47.6	83.8	20.6
Net Cash Provided by Operating Activities	451.6	183.1	119.2
Cash Flows from Investing Activities			
Business acquisitions, net of cash acquired	(1,239.2 )	(3,564.1 )	(352.9 )
Additions to property	(107.9 )	(115.5 )	(32.8 )
Restricted cash	72.1	(43.3 )	(38.1 )
Proceeds from sale of property	20.4	—	—
Proceeds from sale of business	3.8	—	—
Cash advance for acquisition	—	(75.0 )	—
Insurance proceeds on loss of property	2.1	4.3	—
Net Cash Used in Investing Activities	(1,248.7 )	(3,793.6 )	(423.8 )
Cash Flows from Financing Activities			
Proceeds from issuance of long-term debt	1,896.5	2,385.6	600.0
Proceeds from issuance of preferred stock, net of issuance costs	—	310.2	234.0
Proceeds from issuance of common stock, net of issuance costs	732.7	593.4	—
Proceeds from issuance of equity component of tangible equity units, net of issuance costs	—	238.1	—
Proceeds from issuance of debt component of tangible equity units	—	41.8	—
Repayments of long-term debt	(1,225.1 )	(6.9 )	(170.6 )
Payments of preferred stock dividends	(17.1 )	(14.4 )	(4.2 )
Payments of debt issuance costs	(31.5 )	(64.0 )	(10.5 )
Proceeds from exercise of stock awards	15.5	—	—
Other, net	1.4	0.4	0.1
Net Cash Provided by Financing Activities	1,372.4	3,484.2	648.8

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Effect of Exchange Rate Changes on Cash and Cash Equivalents	(2.3 )	(7.3 )	(0.4 )
Net Increase (Decrease) in Cash and Cash Equivalents	573.0	(133.6 )	343.8
Cash and Cash Equivalents, Beginning of Year	268.4	402.0	58.2
Cash and Cash Equivalents, End of Year	\$841.4	\$268.4	\$402.0

See accompanying Notes to Consolidated Financial Statements.

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POST HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(in millions)

	Preferred Stock		Common Stock		Additional Paid-in Capital	Retained Earnings (Deficit)	Accumulated Other Comprehensive Loss Retirement Benefit Adjustments net of tax	Foreign Currency Translation Adjustments	Treasury Stock	Total Shareholders' Equity
	Shares	Amount	Shares	Amount						
Balance, September 30, 2012	—	\$ —	32.7	\$ 0.3	\$ 1,272.6	\$ 36.6				