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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934  
Date of Report (Date of earliest event reported): February 21, 2017

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**Hostess Brands, Inc.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**1-37540**  
(Commission  
File Number)

**47-4168492**  
(I.R.S. Employer  
Identification No.)

**1 East Armour Boulevard, Kansas City, Missouri**  
(Address of principal executive offices)

**64111**  
(Zip Code)

**(816) 701-4600**  
(Registrant's telephone number, including area code)

**Not applicable**  
(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 7.01 Regulation FD Disclosure**

On February 21, 2017, Hostess Brands, Inc. (the “Company”) will issue an investor presentation that will be used by the Company in making presentations to certain investors. A copy of the investor presentation is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information furnished in this Item 7.01, including Exhibit 99.1, is being furnished and shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference into any registration statement filed pursuant to the Securities Act of 1933, as amended, except as may be expressly set forth by specific reference in such filing.

The Company expressly disclaims any obligation to update or revise any of the information contained in the investor presentation.

The investor presentation is available on the Company’s website located at [www.hostessbrands.com](http://www.hostessbrands.com), although the Company reserves the right to discontinue that availability at any time. The information contained on our website shall not be deemed to be incorporated by reference herein.

**Forward Looking Statements**

This Current Report on Form 8-K contain statements reflecting our views about our future performance that constitute “forward-looking statements” within the meaning of the Securities Act and Exchange Act that involve substantial risks and uncertainties. Statements that constitute forward-looking statements are generally identified through the inclusion of words such as “believes,” “expects,” “intends,” “estimates,” “projects,” “anticipates,” “will,” “plan,” “may,” “should,” or similar language. Statements addressing our future operating performance and statements addressing events and developments that we expect or anticipate will occur are also considered as forward-looking statements. All forward-looking statements included herein are made only as of the date hereof. These statements inherently involve risks and uncertainties that could cause actual results to differ materially from those anticipated in such forward-looking statements. It is routine for the Company’s internal projections and expectations to change throughout the year, and any forward-looking statements based upon these projections or expectations may change prior to the end of the next quarter or year. Readers are cautioned not to place undue reliance on any such forward-looking statements. The Company undertakes no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.

**Item 9.01 Financial Statements and Exhibits.**

Exhibits

Exhibit No.	Description of Exhibits
99.1	Investor Presentation of the Company dated February 21, 2017.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HOSTESS BRANDS, INC.

Date: February 21, 2017

By: /s/ Thomas Peterson

Name: Thomas Peterson

Title: Executive Vice President, Chief Financial Officer

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## Exhibit List

Exhibit No.	Description of Exhibits
99.1	Investor Presentation of the Company dated February 21, 2017.



**THE  
ORIGINAL.**

**HOSTESS BRANDS**

Consumer Analyst Group of New York Conference  
February 2017



# DISCLAIMER

## Forward Looking Statements

This investor presentation contains statements reflecting our views about our future performance that constitute "forward-looking statements" that involve substantial risks and uncertainties. Forward-looking statements are generally identified through the inclusion of words such as "believes," "expects," "intends," "estimates," "projects," "anticipates," "will," "plan," "may," "should," or similar language. Statements addressing our future operating performance and statements addressing events and developments that we expect or anticipate will occur are also considered as forward-looking statements. All forward looking statements included herein are made only as of the date hereof. Hostess undertakes no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.

These statements inherently involve risks and uncertainties that could cause actual results to differ materially from those anticipated in such forward-looking statements. These risks and uncertainties include, but are not limited to, maintaining, extending and expanding our reputation and brand image; protecting our intellectual property rights; leveraging our brand value to compete against lower-priced alternative brands; correctly predicting, identifying and interpreting changes in consumer preferences and demand and offering new products to meet those changes; operating in a highly competitive industry; our continued ability to produce and successfully market products with extended shelf life; our ability to drive revenue growth in our key products or add products that are faster-growing and more profitable; volatility in commodity, energy, and other input prices; our dependence on our major customers; our geographic focus could make us particularly vulnerable to economic and other events and trends in North America; increased costs in order to comply with governmental regulation; general political, social and economic conditions; a portion of our workforce belongs to unions and strikes or work stoppages could cause our business to suffer; product liability claims, product recalls, or regulatory enforcement actions; unanticipated business disruptions; dependence on third parties for significant services; our insurance may not provide adequate levels of coverage against claims; failures, unavailability, or disruptions of our information technology systems; our ability to achieve expected synergies and benefits and performance from our strategic acquisitions; dependence on key personnel or a highly skilled and diverse workforce; and our ability to finance our indebtedness on terms favorable to us; and other risks as set forth from time to time in our Securities and Exchange Commission filings.

## Industry and Market Data

In this Investor Presentation, Hostess relies on and refers to information and statistics regarding market shares in the sectors in which it competes and other industry data. Hostess obtained this information and statistics from third-party sources, including reports by market research firms, such as Nielsen. Hostess has supplemented this information where necessary with information from discussions with Hostess customers and its own internal estimates, taking into account publicly available information about other industry participants and Hostess' management's best view as to information that is not publicly available.

## Use of Non-GAAP Financial Measures

This Investor Presentation includes non-GAAP financial measures, including earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"), Adjusted EBITDA Margin and Free Cash Flow. In this Investor Presentation, Adjusted EBITDA and Adjusted EBITDA Margin exclude certain add-backs. Adjusted EBITDA Margin represents Adjusted EBITDA divided by total revenues. Free Cash Flow conversion is defined as Adjusted EBITDA minus capital expenditures divided by Adjusted EBITDA. You can find the reconciliation of these measures to the nearest comparable GAAP measures in the Appendix.

Hostess believes that these non-GAAP measures of financial results provide useful information to management and investors regarding certain financial and business trends relating to Hostess' financial condition and results of operations. Hostess' management uses these non-GAAP measures to compare Hostess' performance to that of prior periods for trend analyses, for purposes of determining management incentive compensation, and for budgeting and planning purposes. These measures are used in monthly financial reports prepared for management and Hostess' board of directors.

Hostess believes that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends. Management of Hostess does not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with GAAP.

Other companies may calculate Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow and other non-GAAP measures differently, and therefore Hostess' Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow and other non-GAAP measures may not be directly comparable to similarly titled measures of other companies.





## DEAN METROPOULOS

Executive Chairman

Founder and Executive Chairman of **Metropoulos & Co.**

More than **30 years of successful experience** revamping iconic brands throughout the consumer space

**Strong track record** of growing revenues, reducing costs and enhancing capital efficiency of portfolio companies





## BILL TOLER

President & CEO

Former CEO and President of **AdvancePierre Foods** and former President of **Pinnacle Foods**

More than **30 years of executive experience** in the food and consumer sector

Proven track record for **brand growth, strategic planning** and **operations**





1

**BUSINESS  
OVERVIEW**

2

**LEADER OF  
CATEGORY  
GROWTH**

3

**GROWTH  
DRIVERS**

4

**FINANCIAL  
OVERVIEW**





days  
left

#twinkies  
#firstbatch

THE  
SWEETEST  
COMEBACK  
IN THE HISTORY OF  
EVER.™



1

## BUSINESS OVERVIEW



# KEY BUSINESS THEMES



Iconic Brands  
With Nearly  
100-year History

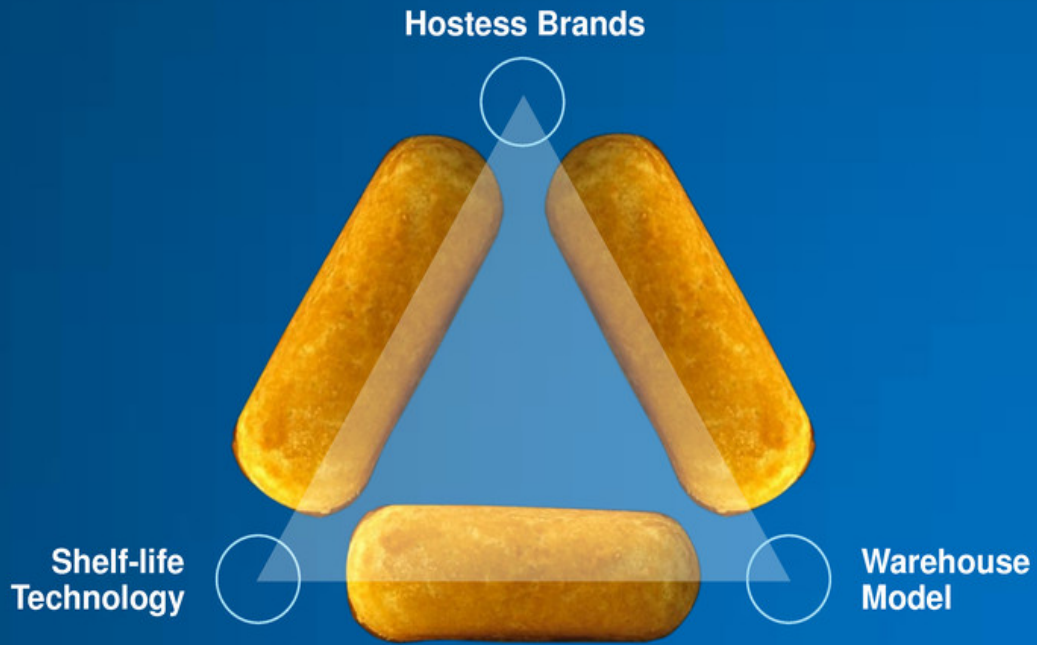
Snacking Trends  
Create Tailwinds  
for Growth

Strong Market Share  
Momentum &  
Brand Innovation

Best-in-class  
Financial Position



# BUSINESS TRANSFORMATION



**ICONIC BRAND**

Delivering Classic Sweet Treats

**CupCakes**

**Brownies**

**Cinnamon Roll**

**Suzy Q's**

**donettes**

**snoballs**

**mini muffins**

**Twinkies**

**Fruit Pie**

**Zingers**

**DING DONGS**

**HoHos**

**Coffee Cakes**

**Jumbo Honey Bun**



## EMOTIONAL BRAND CONNECTION

U.S. consumers share a special emotional relationship with the 96 year old Hostess, a brand that defines the rapidly growing “Indulgent Snacking” trend

**96**

Year history

**90%+**

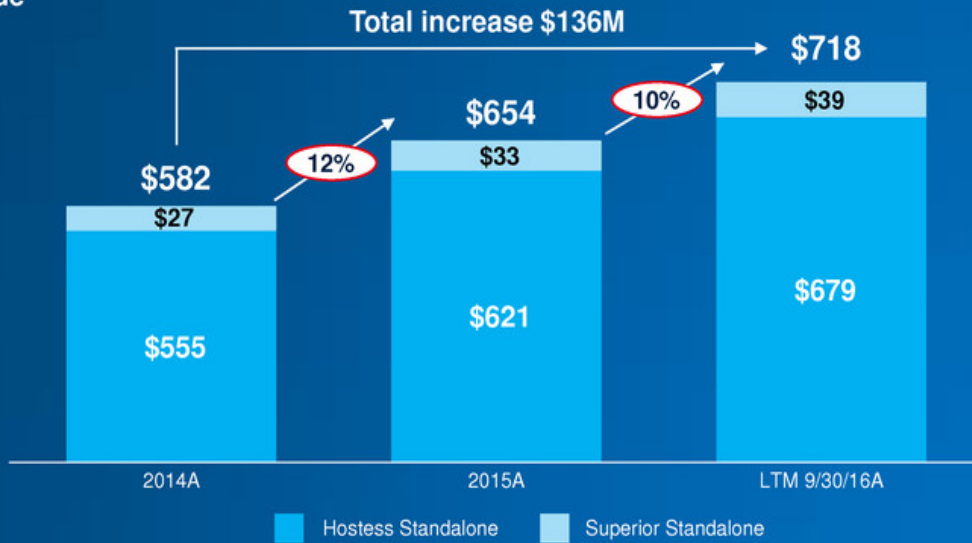
Brand awareness



Notes: Harmon Atchison, Awareness, Use and Status Perception Study, 12/8/14

# SIGNIFICANT GROWTH SINCE RE-LAUNCH WITH MEANINGFUL UPSIDE POTENTIAL

**Net Revenue**  
(\$ in millions)



Notes: Superior Cake Products, Inc. figures are unaudited based upon actual/estimated results and do not contain any adjustments as a result of applying purchase accounting. Some figures may not add up exactly due to rounding. See Appendix for an explanation of all non-GAAP measures and a reconciliation to the most comparable GAAP measures.



# SINCE THE RELAUNCH, HOSTESS HAS...

## Established a best-in-class financial position

**Strong and sustainable  
top-line growth**

**Industry-leading  
EBITDA margins  
of ~29%<sup>(1)</sup>**

**Significant Adjusted  
EBITDA to Free Cash  
Flow Conversion<sup>(2)</sup>**

**Clean balance sheet —  
No legacy issues**

(1) See Appendix for an explanation of all non-GAAP measures and a reconciliation to the most comparable GAAP measures.

(2) Defined as (Adj. EBITDA – Capex) / Adj. EBITDA. Capex includes maintenance capex and expansion capex.





# SINCE THE RELAUNCH, HOSTESS HAS...

Created a compelling growth story

Powerful Hostess  
brand



Aggressive  
capital  
investment



Competitively  
advantaged  
business model



Compelling growth  
story

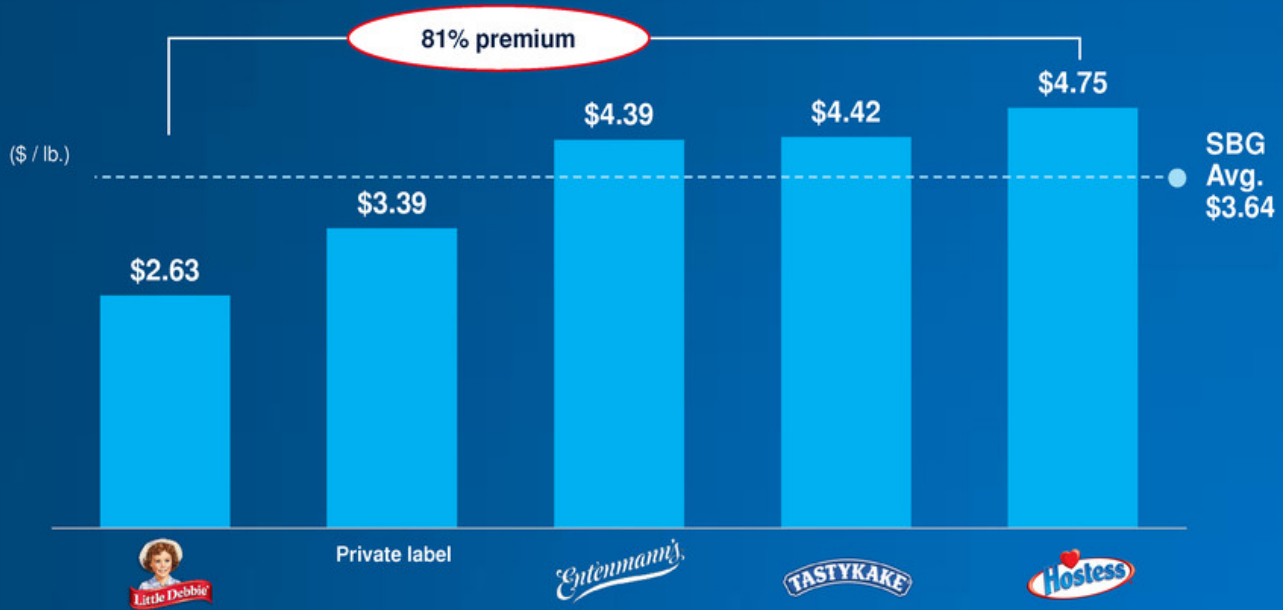


2

**LEADER OF  
CATEGORY  
GROWTH**



# SELLING AT A PREMIUM PRICE POINT



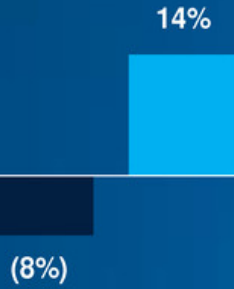
Notes: Hostess data does not include Superior. The Company has transitioned to a new Nielsen database for Market Share and Industry Data, all prior periods have been restated utilizing the updated database.  
Source: Nielsen U.S. total universe, 52 weeks ending 12/31/2016.



# LEADING CATEGORY GROWTH

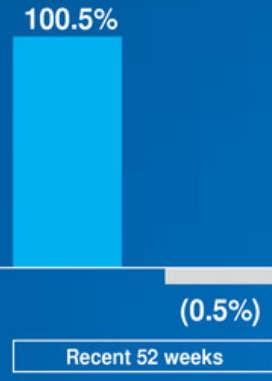
## Category Growth

■ Hostess hiatus <sup>(1)</sup> ■ Category growth <sup>(2)</sup> since relaunch



## Hostess Contribution to Category Growth<sup>(3)</sup>

■ Hostess ■ All Other



**Notes:** Hostess data does not include Superior. The Company has transitioned to a new Nielsen database for Market Share and Industry Data, all prior periods have been restated utilizing the updated database.

(1) Nielsen U.S. total universe, 12 weeks ending 10/13/2012 compared to 12 weeks ending 1/26/2013.

(2) Nielsen U.S. total universe, 52 weeks ending 12/31/2016 compared to 52 weeks ending 7/6/2013.

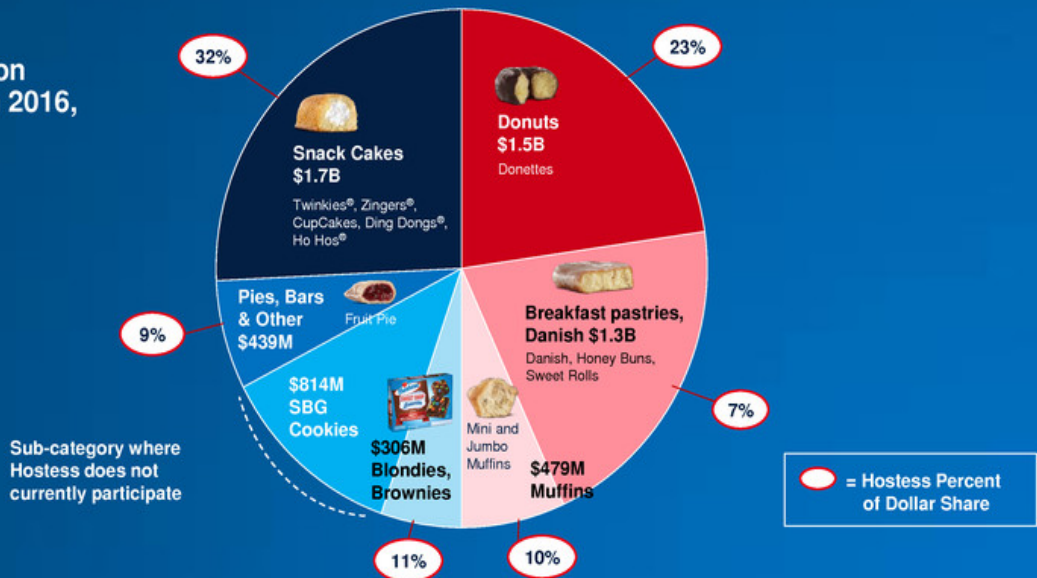
(3) Nielsen U.S. 52 weeks ending 12/31/2016.

Market share based on retail sales dollars.



# STRONG MARKET POSITION IN KEY SEGMENTS

SBG – \$6.5 billion of retail sales in 2016, 14% increase since relaunch



Source: Nielsen U.S. total universe, 52 weeks ending 12/31/16

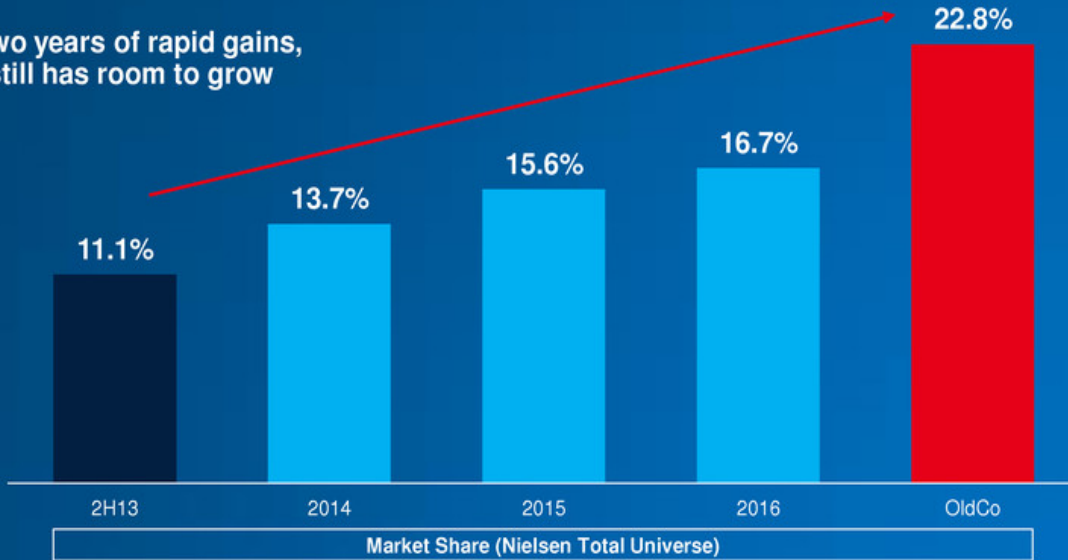
Note: Hostess data does not include Superior. The Company has transitioned to a new Nielsen database for Market Share and Industry Data, all prior periods have been restated utilizing the updated database.

Note: Sweet Baked Goods category includes items determined to be 'Commercial Sweet Baked Goods' (items wrapped for individual sale); All Fresh Bakery products are excluded from the scope; Sunbelt Granola Bars are the only Granola Bars included – because they are a part of McKee's total SBG business and targeted for sale with SBG items. Only SBG Cookies or non-traditional aisle-cookies are included (e.g., Nutty Fudge Bars, Oatmeal Cream Sandwiches, Whoopie Pies)



# STRONG GROWTH MOMENTUM<sup>(1)</sup>

Despite two years of rapid gains, Hostess still has room to grow



Notes: Hostess data does not include Superior.

(1) Hostess market share, Total Nielsen Universe, Nielsen U.S. 24 weeks ending 10/13/2012, 52 weeks ending 1/4/2014, 52 weeks ending 1/3/2015, 1/2/2016, and 52 weeks ending 12/31/2016.

Market share based on retail sales dollars. The Company transitioned to a new Nielsen database for Market Share and Industry Data; all prior periods have been restated utilizing the updated database.



# THE SULTAN OF SWEET



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## GROWTH DRIVERS



# COMPETITIVELY ADVANTAGED BUSINESS MODEL

Expanded distribution reach

Enhanced in-store merchandizing capabilities

**Warehouse model**

Compelling retailer economics

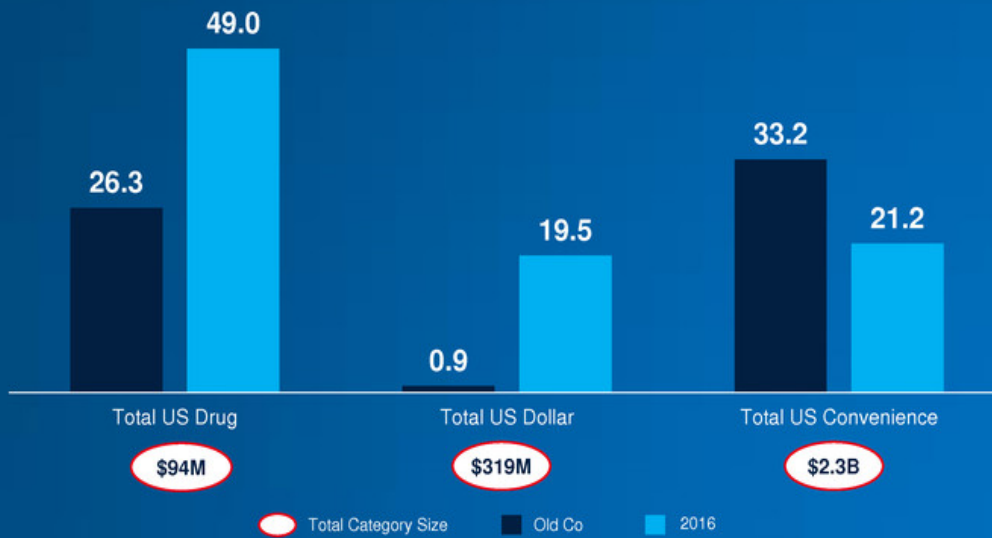
Close partnerships with third party distributors





# BROAD CHANNEL OPPORTUNITY

## Small Format \$ Share Comparison

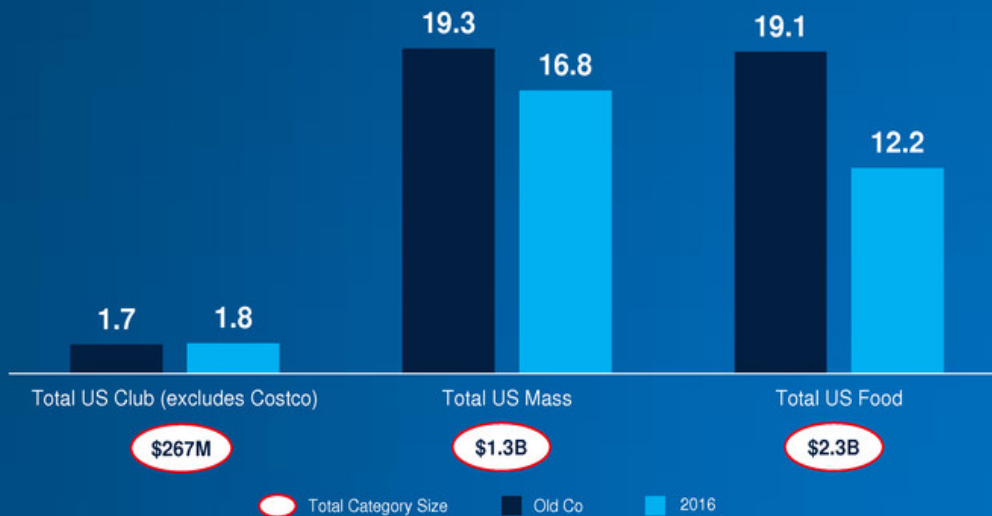


Source: Hostess market share, Total Nielsen Universe, Nielsen U.S. 12 weeks ending 10/31/2012 compared to 52 weeks ending 12/31/2016. Market share based on retail sales dollars.  
The Company has transitioned to a new Nielsen database for Market Share and Industry Data, all prior periods have been restated utilizing the updated database.



# BROAD CHANNEL OPPORTUNITY

## Large Format \$ Share Comparison



Source: Hostess market share, Total Nielsen Universe, Nielsen U.S. 12 weeks ending 10/31/2012 compared to 52-weeks ending 12/31/2016. Market share based on retail sales dollars.  
Club does not include Costco, only Sam's and BJ's.  
The Company has transitioned to a new Nielsen database for Market Share and Industry Data, all prior periods have been restated utilizing the updated database.



# OPPORTUNITIES FOR THE FUTURE

**Rebuild Core  
Business**

**Innovation & Line  
Extensions**

**White Space**



# REBUILD CORE PRODUCTS



More items in  
more stores

Continue to build  
distribution

Drive penetration  
in channels  
unlocked by our  
warehouse model



# 2016 INNOVATION & LINE EXTENSIONS

The Return of Suzy Q



Brownie Innovation



Twinkies Innovation



New & Improved Whole Grain Mini Muffins



Premium Seasonal



E-Commerce



Notes: M&M's is a registered trademark of Mars, Incorporated. Ghostbusters is a registered trademark of Columbia Pictures Industries, Inc.



# 2017 INNOVATION & LINE EXTENSIONS

Cinnamon Sugar Crunch Donettes



White Fudge



Twinkies Innovation



Peanut Butter



Apple Streusel

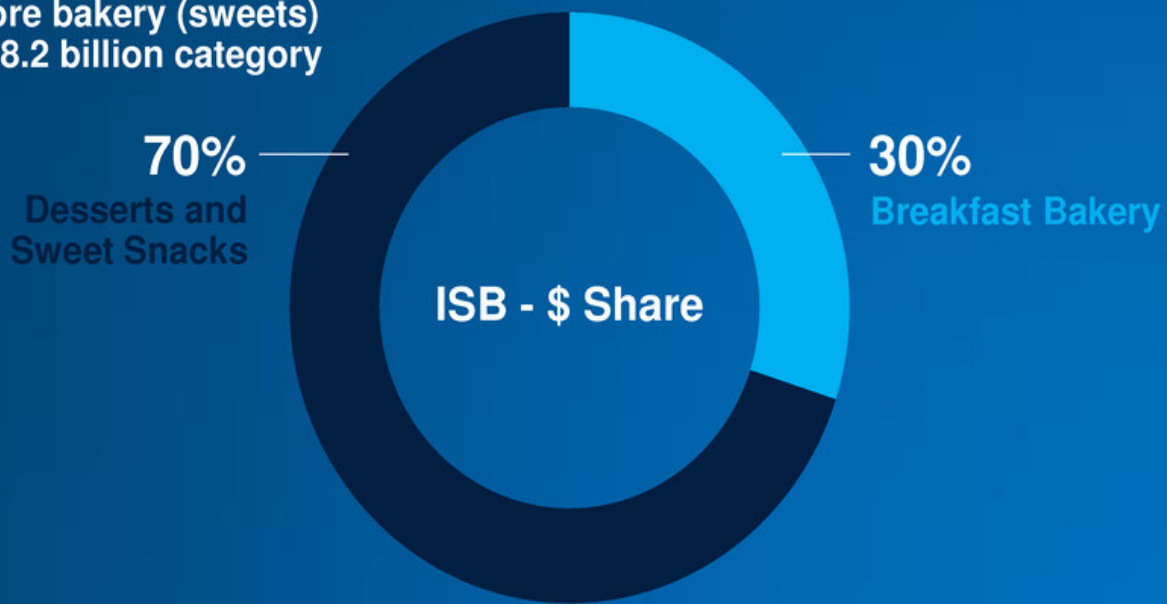


Cupcake Expansion



# WHITE SPACE ...IN-STORE BAKERY IS A COMPELLING OPPORTUNITY

In-store bakery (sweets) is a \$8.2 billion category



Source: Nielsen Perishable Group, In Store Bakery, 52 Weeks ending 12/31/16.  
Total In Store Bakery \$11.6 Billion for 52wks ending 12/31/16.



# WHITE SPACE ...IN-STORE BAKERY IS A COMPELLING OPPORTUNITY





# WHITE SPACE

Frozen Aisle



Schools



Club Channel



Licensing



Canada



Foodservice



# DIFFERENTIATED BUSINESS MODEL DRIVES CONTINUED GROWTH

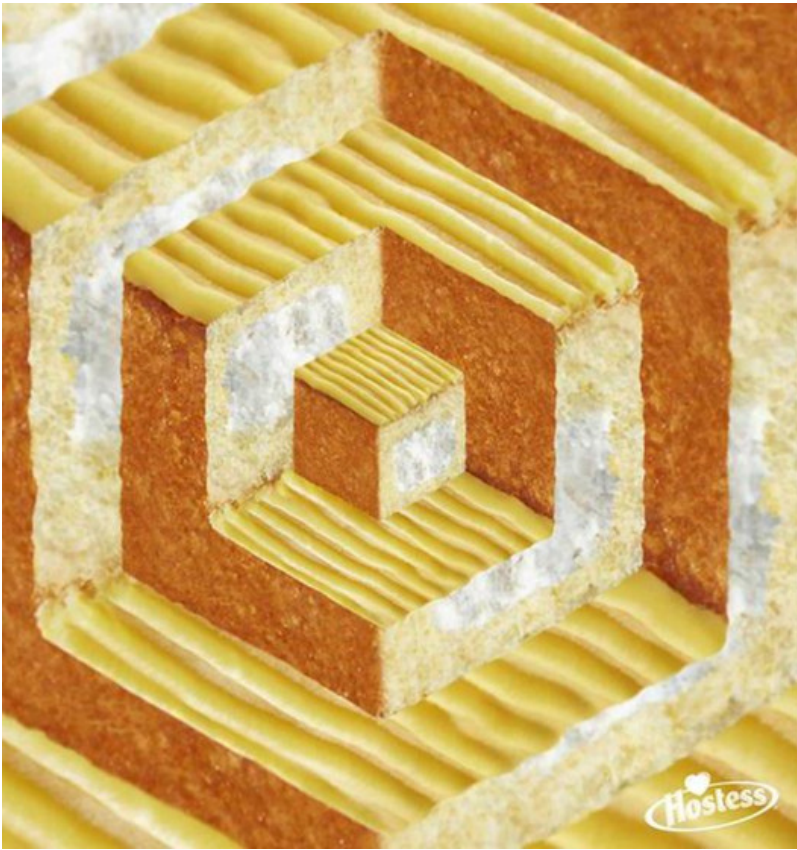
Hostess is well positioned for future growth...

Warehouse distribution  
unique in SBG category

Supports strength of  
innovation pipeline and  
speed-to-market

Compelling opportunity for  
continued market share  
and volume gains across  
distribution channels





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## FINANCIAL OVERVIEW





## TOM PETERSON

EVP & CFO

Served as Hostess Corporate Controller since relaunch and promoted to CFO in March 2016

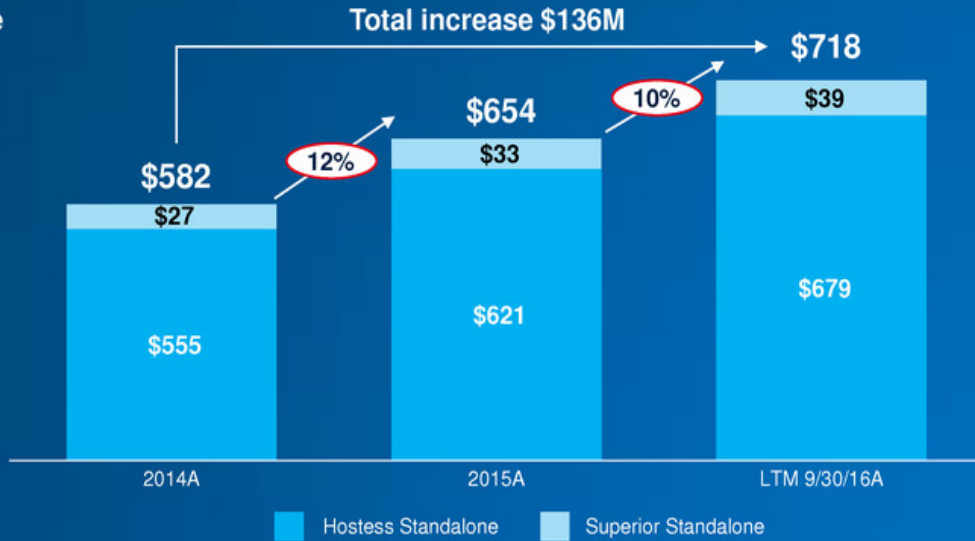
Formerly a **Managing Director at FTI Consulting** and on the restructuring team of Legacy Hostess

More than **20 years of accounting and finance expertise** in a broad range of industries



# SIGNIFICANT GROWTH SINCE RE-LAUNCH WITH MEANINGFUL UPSIDE POTENTIAL

**Net Revenue**  
(\$ in millions)

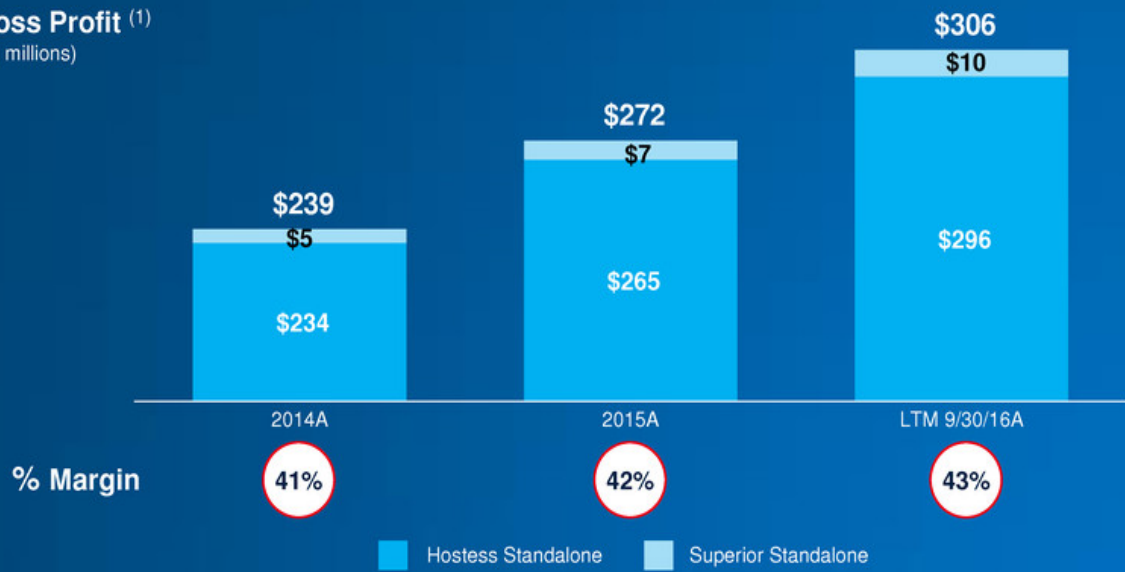


Notes: Superior Cake Products, Inc. figures are unaudited based upon actual/estimated results and do not contain any adjustments as a result of applying purchase accounting. Some figures may not add up exactly due to rounding. See Appendix for an explanation of all non-GAAP measures and a reconciliation to the most comparable GAAP measures.



# SIGNIFICANT GROWTH SINCE RE-LAUNCH WITH MEANINGFUL UPSIDE POTENTIAL

**Gross Profit <sup>(1)</sup>**  
(\$ in millions)



Notes: Superior Cake Products, Inc. figures are unaudited based upon actual/estimated results and do not contain any adjustments as a result of applying purchase accounting. Some figures may not add up exactly due to rounding. See Appendix for an explanation of all non-GAAP measures and a reconciliation to the most comparable GAAP measures.  
(1) Gross profit figures exclude special employee incentive compensation in 2015A of \$2.6 million.



# STRONG MARGIN PROFILE

Established margin structure driven by...

The health of the  
SBG category

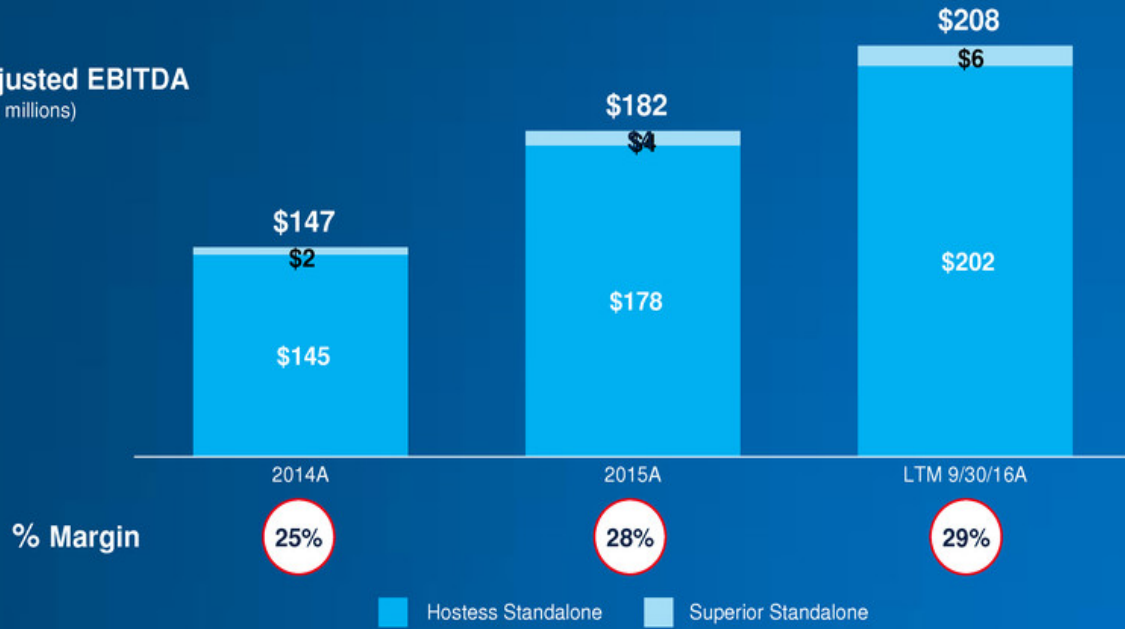
Hostess is a leading brand  
sold at a premium price

Highly efficient  
operating model



# SIGNIFICANT GROWTH SINCE RE-LAUNCH WITH MEANINGFUL UPSIDE POTENTIAL

**Adjusted EBITDA**  
(\$ in millions)



Notes: Superior Cake Products, Inc. figures are unaudited based upon actual/estimated results and do not contain any adjustments as a result of applying purchase accounting. Some figures may not add up exactly due to rounding. See Appendix for an explanation of all non-GAAP measures and a reconciliation to the most comparable GAAP measures.





# AGGRESSIVE CAPITAL INVESTMENT

● Baking facility

■ Distribution center (third-party)

★ Headquarters



~\$150 million of capital invested in operations and systems



# SUSTAINABILITY OF MARGINS



Pricing



Manufacturing



SG&A and  
Distribution



# ATTRACTIVE MARGINS RELATIVE TO PEERS

Best-in-class financial position

Approximately 29% LTM 9/30/16 Adjusted EBITDA Margins

85.8% LTM 9/30/16 Free Cash Flow Conversion <sup>(1)</sup>

Hostess' competitively advantaged business model contributes to its best in class margins

Notes: LTM as of 9/30/2016.

(1) FCF conversion defined as (Adj. EBITDA-Capex) / Adj. EBITDA.

Represents LTM 9/30/2016 Hostess FCF Conversion; Adj. EBITDA - \$207.4 million, Capex \$29.4 million; Hostess LTM 9/30/16 FCF Conversion of 85.8%.





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# APPENDIX



# HOSTESS NON-GAAP RECONCILIATIONS (UNAUDITED)

	Twelve Months Ended 30-Sep-16	Nine Months Ended 30-Sep-16	Three Months Ended 30-Sep-16	Twelve Months Ended 31-Dec-15	Nine Months Ended 30-Sep-15	Three Months Ended 30-Sep-15	Twelve Months Ended 31-Dec-14
Net income (loss)	\$98.7	\$81.5	\$33.5	\$88.8	\$71.6	(\$4.1)	\$81.5
Plus non-GAAP adjustments:							
Interest expense, net	71.9	53.8	18.0	50.0	31.8	32.3	37.4
Loss on debt extinguishment <sup>(1)</sup>	–	–	–	25.9	25.9	–	–
Depreciation and amortization	11.7	9.1	3.4	9.8	7.2	2.6	7.1
Unit-based compensation	0.8	0.7	0.3	1.4	1.3	0.9	0.4
Other (income) expense <sup>(2)</sup>	9.4	9.4	0.2	(8.7)	(4.8)	7.3	0.6
Impairment of property and equipment	11.2	7.5	0.2	2.7	1.9	1.5	13.2
Loss on sale/abandonment of property and equipment and bakery shutdown costs <sup>(3)</sup>	0.4	0.3	–	4.2	1.0	0.2	5.2
Special employee incentive compensation <sup>(4)</sup>	–	–	–	3.9	–	–	–
Distributions for Cash taxes and tax sharing and income tax provision	0.3	0.3	–	–	–	–	–
<b>Adjusted EBITDA<sup>(5)</sup></b>	<b>\$204.5</b>	<b>\$162.4</b>	<b>\$55.6</b>	<b>\$177.9</b>	<b>\$135.9</b>	<b>\$40.7</b>	<b>\$145.3</b>
Superior Adjusted EBITDA <sup>(6)(7)</sup>	3.0	2.0	–	4.2	3.3	0.9	2.1
<b>Adjusted EBITDA (incl. Superior)</b>	<b>\$207.4</b>	<b>\$164.5</b>	<b>\$55.6</b>	<b>\$182.2</b>	<b>\$139.2</b>	<b>\$41.6</b>	<b>\$147.5</b>
Revenue (incl. Superior)	\$717.9	\$562.5	\$196.2	\$653.7	\$498.3	\$166.2	\$582.2
EBITDA Margin (Adjusted EBITDA divided by Revenue)	28.9%	29.2%	28.4%	27.9%	27.9%	25.1%	25.3%
Capital Expenditures (incl. Superior)	\$29.4	\$26.0	\$11.0	\$27.7	\$24.3	\$6.9	\$55.1
FCF Conversion (Adjusted EBITDA incl. Superior – Capital Expenditures divided by Adjusted EBITDA incl. Superior)	85.8%	84.2%	80.2%	84.8%	82.5%	83.3%	62.6%

Footnotes on next page



# HOSTESS NON-GAAP RECONCILIATIONS (UNAUDITED)

## Footnotes from prior page

- (1) For the nine months ended September 30, 2015, Hostess Holdings recorded a loss on a partial extinguishment of Hostess Holdings' original Term Loan of \$25.9 million, which consisted of prepayment penalties of \$9.9 million and write-off of deferred financing costs of \$16.0 million. For the year ended December 31, 2015, Hostess Holdings recorded a loss on extinguishment related to Hostess Holdings' original Term Loan of \$25.9 million, which consisted of prepayment penalties of \$9.9 million and write-off of deferred financing costs of \$16.0 million.
- (2) For the nine months ended September 30, 2016 and the year ended September 30, 2016, other expense of \$9.4 million primarily consisted of legal and professional fees related to Hostess Holdings' business combination agreement with Gores Holdings, Inc., transaction costs attributable to the acquisition of Superior, and the pursuit of a potential acquisition that has since been abandoned. Other income for the nine months ended September 30, 2015, primarily consisted of \$12.0 million of proceeds from the sale of foreign trademark rights and perpetual irrevocable licenses to certain "know how" in certain countries in the Middle East. For the year ended December 31, 2015, other income consisted of \$12.0 million of proceeds from the sale of foreign trademark rights and perpetual irrevocable licenses to certain "know how" in certain countries in the Middle East, partially offset by \$3.3 million for professional service fees related to Hostess Holdings' pursuit of a potential sale of Hostess. For the three months ended September 30, 2016, the three months ended September 30, 2015, and the year ended December 31, 2014 other expense was \$0.3 million, \$7.3 million and \$0.6 million, respectively.
- (3) For the nine months ended September 30, 2016, Hostess Holdings incurred a loss on sale/abandonment of property and equipment and bakery shutdown costs of \$0.4 million, primarily due to utilities, insurance, taxes and maintenance expenses related to the Schiller Park, Illinois bakery. For the nine months ended September 30, 2015, Hostess Holdings incurred bakery shutdown costs of \$1.0 million associated with the closure and relocation of assets. For the years ended December 31, 2015 and December 31, 2014, Hostess Holdings incurred bakery shutdown costs associated with the closure and relocation of assets of \$1.2 million and \$1.4 million, respectively. Also, for the year ended December 31, 2014, Hostess Holdings incurred bakery shutdown costs associated with employee severance and Worker Adjustment and Retraining Notification (WARN) Act payments of \$2.9 million. Hostess Holdings recorded a loss on sale and abandonment of property and equipment of \$3.0 million and \$0.8 million for the years ended December 31, 2015 and December 31, 2014, respectively.
- (4) For the year ended December 31, 2015, a one-time special bonus payment of \$2.6 million and \$1.3 million was paid to employees at Hostess Holdings' bakery facilities and corporate employees, respectively, as compensation for their efforts in the successful recapitalization of Hostess.
- (5) Adjusted EBITDA does not addback related party expenses, which consists of expenses associated with the employment agreement with Mr. Metropoulos as the Chief Executive Officer/Executive Chairman. Upon consummation of the transaction with Gores Holdings, Inc., Mr. Metropoulos's employment agreement was terminated and a new employment agreement was entered into with cash payments for



## GLOSSARY

Term	Definition
ACV	All-commodity volume (%)
BFY	Better-for-you
C-store	Convenience store
ISB	In-store bakery
LTO	Limited time offer
PHO	Partially hydrogenated oils
SBG	Sweet baked goods
SKU	Stock keeping unit



