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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
Date of Report (Date of earliest event reported): September 6, 2017

Hostess Brands, Inc.
(Exact name of registrant as specified in its charter)

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)

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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure

On September 6, 2017, Hostess Brands, Inc. (the "Company") will participate in the Barclays Global Consumer Staples Conference. A copy of the 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 and 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 presentation.

The presentation will be on Wednesday, September 6, 2017 at 4:30 p.m. ET and can be accessed live over the Internet hosted at the "News & Events" section of the Company's website at www.hostessbrands.com and will be archived online for 90 days.

Forward Looking Statements

This Current Report on Form 8-K contains statements reflecting our views about our future performance that constitute "forward-looking statements" within the meaning of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, 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*(d) Exhibits*

99.1 Presentation of the Company dated September 6, 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: September 6, 2017

By: /s/ Thomas Peterson

Name: Thomas Peterson

Title: Executive Vice President, Chief Financial Officer

Exhibit List

Exhibit No.	Description of Exhibits
99.1	Presentation of the Company dated September 6, 2017



**THE
ORIGINAL.**

HOSTESS BRANDS

Barclays Global Consumer Staples Conference

September 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 Brands 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 under the caption "Risk Factors" from time to time in our Securities and Exchange Commission filings.

Industry and Market Data

In this Investor Presentation, Hostess Brands relies on and refers to information and statistics regarding market shares in the sectors in which it competes and other industry data. Hostess Brands obtained this information and statistics from third-party sources, including reports by market research firms, such as Nielsen. Hostess Brands 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 Brands' management's best view as to information that is not publicly available. Hostess Brands has transitioned to a new Nielsen database for Market Share and Industry Data. All prior periods have been restated utilizing the updated database.

Pro Forma Combined Financial Information

Hostess Brands, Inc. acquired a controlling interest in Hostess Brands on November 4, 2016 (the "Business Combination"). Unless otherwise noted, financial information for 2016 and LTM ended June 30, 2017 is presented on a pro forma combined basis given effect to the Business Combination as if it occurred on January 1, 2016.

Use of Non-GAAP Financial Measures

This Investor Presentation includes non-GAAP financial measures, including earnings before interest, taxes, depreciation, amortization and other adjustments to eliminate the impact of certain items that we do not consider indicative of our ongoing performance ("Adjusted EBITDA"), Adjusted EBITDA Margin, Adjusted Gross Profit, Adjusted Gross Profit Margin, Free Cash Flow and Free Cash Flow Conversion. Adjusted EBITDA and Adjusted Gross Profit exclude certain items. Adjusted EBITDA Margin represents Adjusted EBITDA divided by net revenues. Adjusted Gross Profit Margin represents Adjusted Gross Profit divided by net revenues. Free Cash Flow is defined as Adjusted EBITDA minus capital expenditures, and Free Cash Flow conversion is defined as Free Cash Flow divided by Adjusted EBITDA. You can find the reconciliation of these measures to the nearest comparable GAAP measures in the Appendix. Hostess Brands believes that these non-GAAP financial measures provide useful information to management and investors regarding certain financial and business trends relating to Hostess Brands' financial condition and results of operations. Hostess Brands' management uses these non-GAAP measures to compare Hostess Brands' 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 Brands' board of directors. Hostess Brands 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 Brands 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, Adjusted Gross Profit, Adjusted Gross Profit Margin, Free Cash Flow, Free Cash Flow Conversion and other non-GAAP measures differently, and therefore Hostess Brands' Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Gross Profit, Adjusted Gross Profit Margin, Free Cash Flow, Free Cash Flow Conversion and other non-GAAP measures may not be directly comparable to similarly titled measures of other companies.

Totals in this Investor Presentation may not add up due to rounding.





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**
Former President of **Pinnacle Foods**

30+ years of executive experience in the packaged food and consumer sectors

Proven track record of **brand growth, strategic planning, operations management,**
and **profit growth**



AGENDA

- ① COMPANY OVERVIEW
- ② BRAND & CHANNEL POSITIONING
- ③ GROWTH DRIVERS
- ④ FINANCIAL OVERVIEW

APPENDIX





days
left

#twinkies
#firstbatch

THE
SWEETEST
COMEBACK
IN THE HISTORY OF
EVER.™



1

COMPANY OVERVIEW



HOSTESS BRANDS AT A GLANCE

Iconic American brand delivering new and classic sweet treats to our customers for generations



CupCakes
HoHos
donettes
DING DONGS
Twinkies



KEY HIGHLIGHTS

LTM Net Sales⁽¹⁾:
\$763m

LTM Adj. EBITDA⁽²⁾:
\$226m

% Adj. EBITDA
margin⁽²⁾: **30%**

Product Portfolio
with Numerous
Iconic Brands

**#2 Market
Position**
in \$6.55bn Sweet
Baked Goods
Category

**Modern and
Efficient** National
Manufacturing System

**Direct to
Warehouse**
Distribution Model
Driving Industry
Leading Profitability

**Proven
Platform**
with Multiple Avenues
of Growth

Source: Nielsen U.S. total universe, 52 weeks ending 8/12/17.

(1) Financial results for 2016 and LTM ended 6/30/17 are presented on a pro forma combined basis. See "Pro Forma Combined Financial Information" on page 2.

(2) See "Use of Non-GAAP Financial Measures" and the Appendix for an explanation of all non-GAAP measures on page 2 and reconciliations to the comparable GAAP measures.



ICONIC BRAND

Delivering New and Classic Sweet Treats

75+
YEARS OLD

50+
YEARS OLD

<50
YEARS OLD

BRANDS SINCE
RELAUNCH

CupCakes
Twinkies

DING DONGS *HoHos*
donettes
snoballs *Fruit Pie*
SUZY Q's

Zingers
Jumbo Honey Bun *mini muffins*
Coffee Cakes

Brownies *Cinnamon Roll*
Danish Muffin


BAKE SHOP


Hostess

EMOTIONAL BRAND CONNECTION

Consumers share a special emotional relationship with the 98 year old Hostess, a brand that defines the rapidly growing “Indulgent Snacking” trend

98

Year history

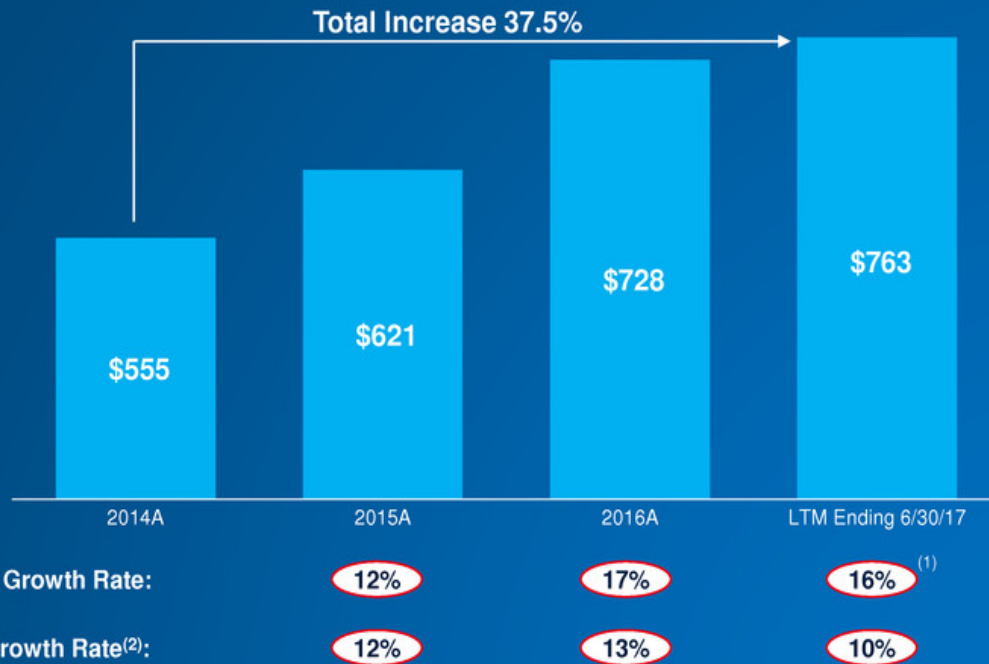
90%+

Brand awareness



SIGNIFICANT GROWTH SINCE RE-LAUNCH WITH MEANINGFUL UPSIDE POTENTIAL

Net Revenue
(\$ in millions)



Note: Does not include Superior pre-acquisition revenue.
Financial results for 2016 and LTM Ending 6/30/16 are presented on a pro forma combined basis. See "Pro Forma Combined Financial Information."
(1) Compared to \$659m for the LTM Ended 06/30/16.
(2) Growth rate excluding the acquisition of Superior Cake Products, Inc.



SINCE THE RELAUNCH, HOSTESS HAS...

Created a Compelling Growth Story

Powerful
Hostess Brand



Aggressive
Capital
Investment



Competitively
Advantaged
Business Model



Compelling
Growth Story



EXPERIENCED SENIOR LEADERSHIP



Dean Metropoulos
Executive Chairman



Bill Toler
President & CEO



Tom Peterson
EVP & CFO



Michael Cramer
EVP & Chief Administrative Officer



Andrew Jacobs
EVP & Chief Commercial Officer



Burke Raine
SVP & CMO



Darryl Riley
SVP, Quality/ Food Safety & R&D



Jolyn Sebree
SVP, General Counsel & Corporate Secretary



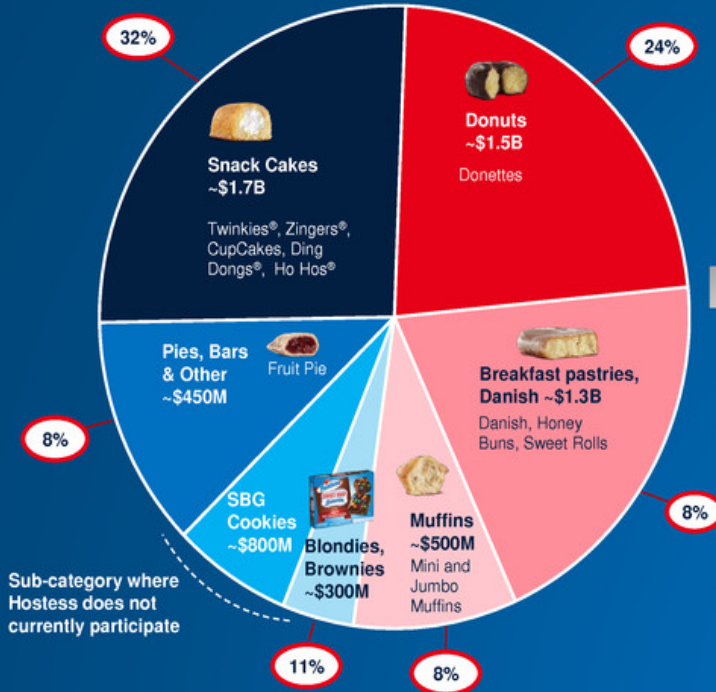
2

BRAND & CHANNEL POSITIONING



STRONG MARKET POSITION IN KEY SEGMENTS

In \$6.55bn Sweet Baked Goods Category,
14% Increase Since Re-launch



Significant Untapped Market Potential

Donuts	Regular Donuts, Donut Sticks ~\$500M
Bars & Other	Bars & Crisps ~\$150MM
SBG Cookies	SBG Cookies ~\$800MM
Total	~\$1.5B

= Hostess Share of Retail Sales

Source: Nielsen U.S. total universe, 52 weeks ending 8/12/17.

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.

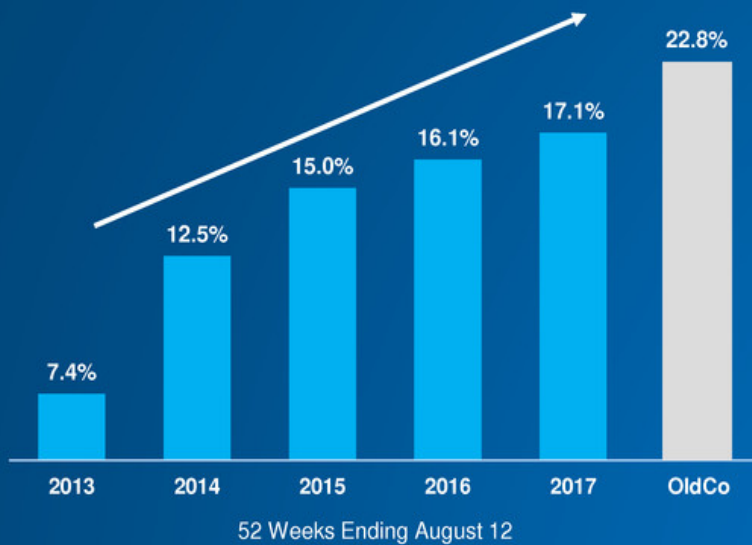
Sweet Baked Goods category includes items determined to be 'Commercial Sweet Baked Goods' (items wrapped for individual sale); All Fresh Bakery products are excluded from the scope; Sunbelt Granola Bars are the only Granola Bars included - because they are a part of McKee's total SBG business and targeted 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).



FURTHER STRENGTHEN THE CORE BUSINESS

Hostess Still Has Significant Headroom For Growth and Share Gains

Hostess \$ share of SBG category⁽¹⁾



Significant Upside Remains

- ✓ Distribution expansion (more items in more stores)
- ✓ Custom SKUs
- ✓ Seasonal flavors
- ✓ Display execution

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.

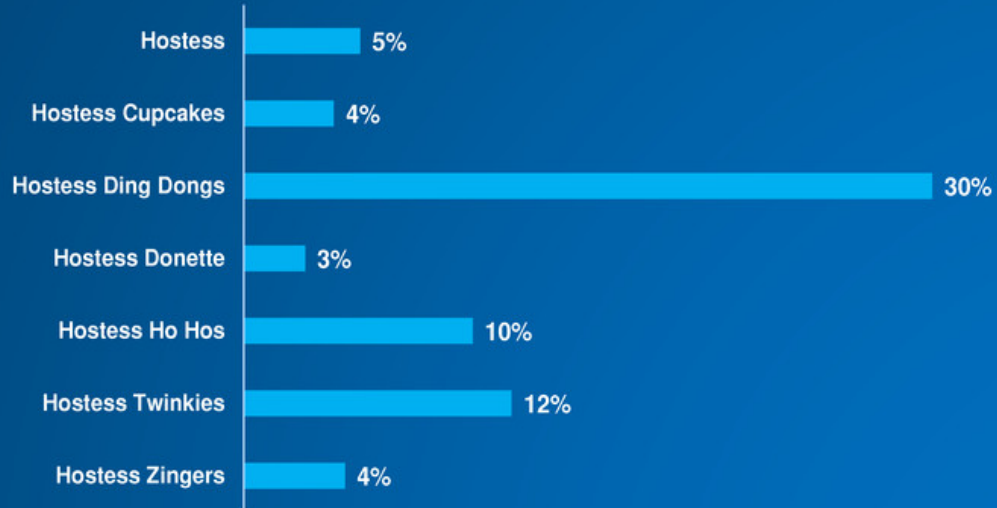
(1) Source: Nielsen, Total Nielsen Universe. \$ Share, 52 weeks ending 8/17/13, 8/16/14, 8/15/15, 8/13/16 & 8/12/17 vs 12 weeks ending 10/13/2012 ("OldCo")



CONTINUED CORE BRAND GROWTH

Top Six Hostess Brands Posted Consumption Growth YTD

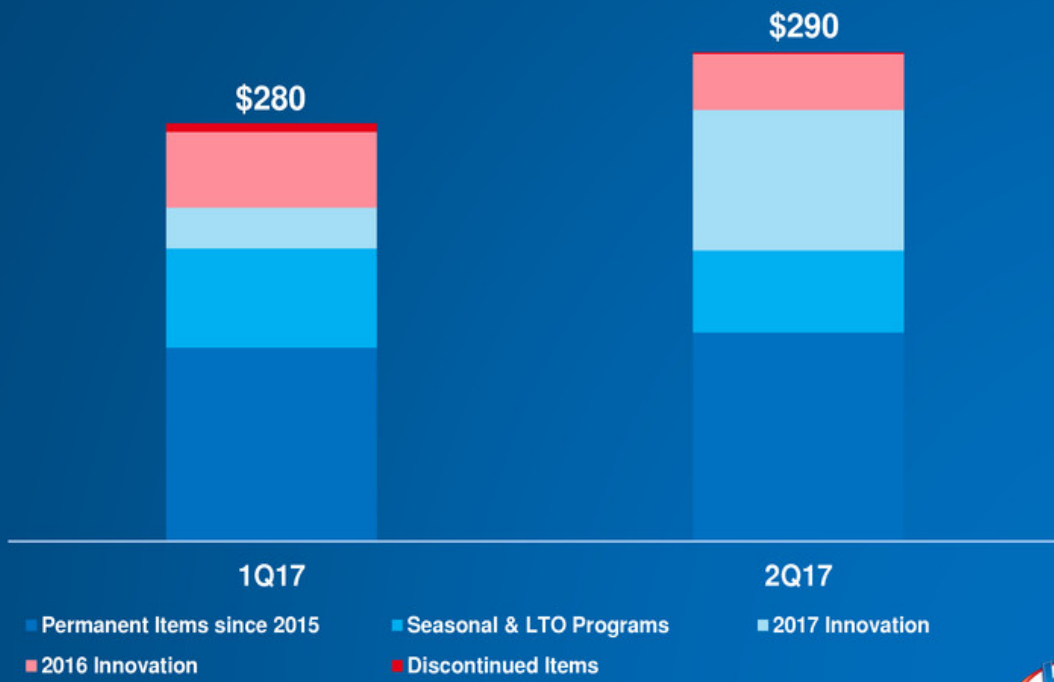
Hostess Brands \$ % Change - First Half 2017



SOLID FIRST HALF POS PERFORMANCE

Total Nielsen POS
(\$ in millions)

Growth vs. PY **8%** **3%**



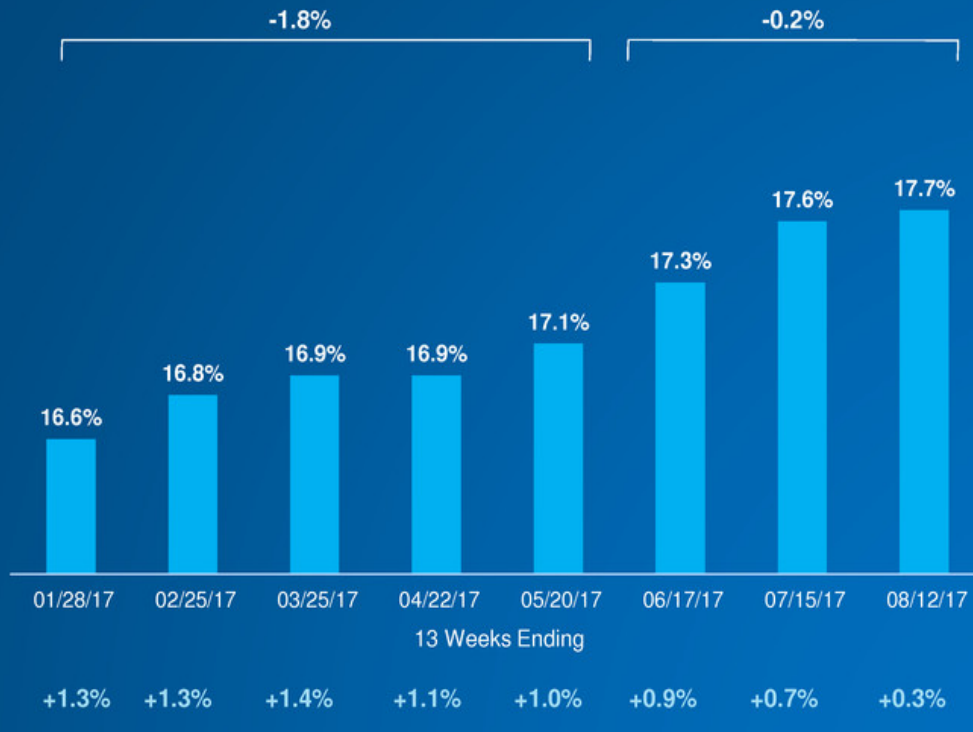
Source: Total Nielsen Universe, Hostess Q1 dollars through 04/01/17, Q2 dollar through 07/01/17.



CATEGORY IS STRENGTHENING

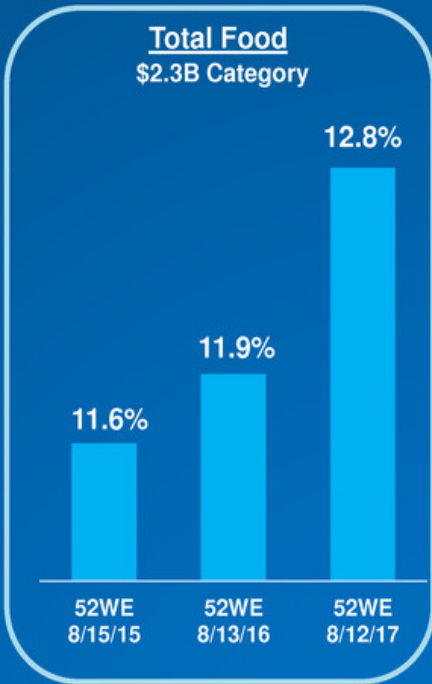
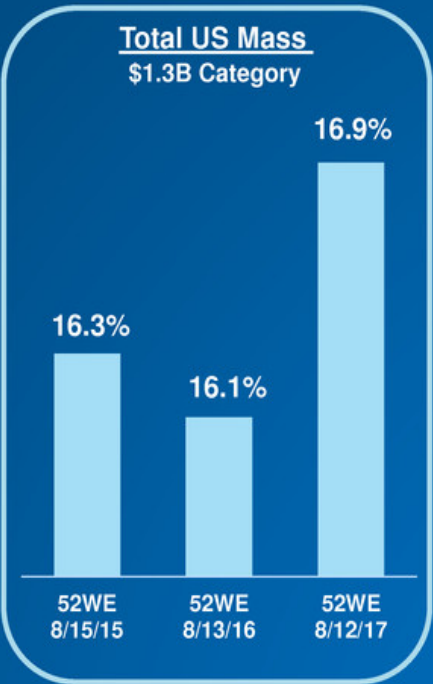
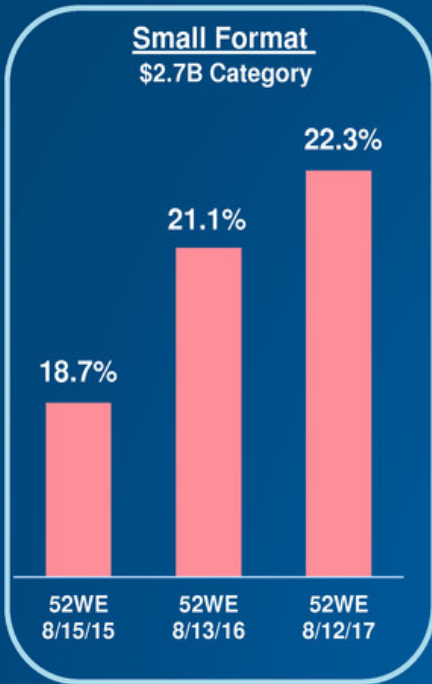
Hostess SBG Share (%)

Total Nielsen
SBG Category
\$ % Chg ⁽¹⁾



Source: Nielsen Total Universe, Sweet Baked Goods, Dollar Volume & % Chg through 8/12/17
 (1) Represents Total Nielsen Universe Sweet Baked Goods for January through May 2017 and June through August 2017

BROAD CHANNEL OPPORTUNITY



OldCo: **30.1%**

20.3%

19.1%

Source: Hostess Market Dollar Share, 52 weeks ending 8/15/15, 8/13/16 and 8/12/17. (Oldco) shares, Total Nielsen Universe 12 weeks ending 10/13/12
 Total US Mass revised from previously published documents to include additional retailers
 Club includes 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.



THE SULTAN OF SWEET



3

GROWTH DRIVERS



FUTURE OPPORTUNITIES

**Rebuild Core
Business**

**Innovation &
Renovation**

White Space

M&A



REBUILD CORE PRODUCTS



**More Items in
More Stores**

**Continue to Build
Distribution**

10%+ TDP Growth

**Drive Penetration
in Channels
Unlocked by
Warehouse Model**



2017 INNOVATION

Cinnamon Sugar
Crunch Donettes



White Fudge



Twinkies



Peanut Butter



Apple Streusel



Cupcake Expansion



2017 RENOVATION

The Chocodile



Pies



Suzy Q's



Brownies



WHITESPACE – KEY FOCUS AREAS

1

In-Store Bakery



2

Foodservice



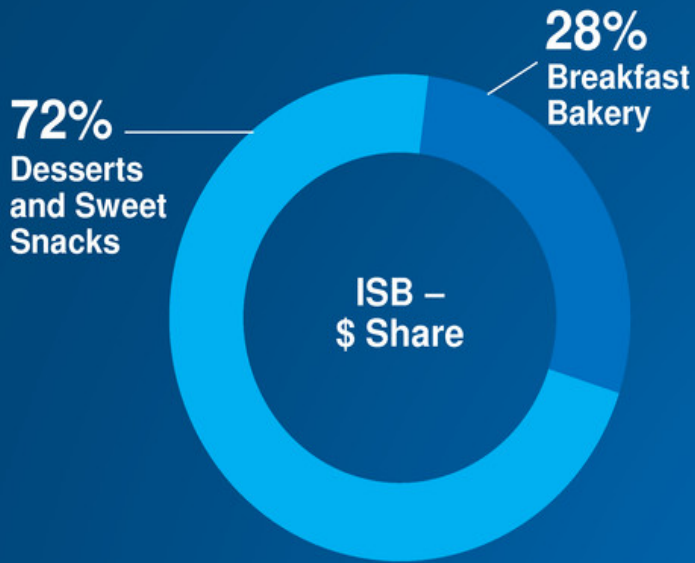
3

International



WHITESPACE OPPORTUNITY

In-Store Bakery (Sweets) is an \$8.0 Billion Category



- ✓ Introduced Hostess Bake Shop™
- ✓ Providing “Made With” for Retailer Own Labels
- ✓ Launching Incremental Innovation in New Forms
 - Club Tub Donettes
 - Big Twinkie Cake



Source: Nielsen Perishable Group, In Store Bakery, Total US, 52 weeks ending 7/1/17.
Note: Total In-Store Bakery is \$11.3B Category (including Bread and Rolls)

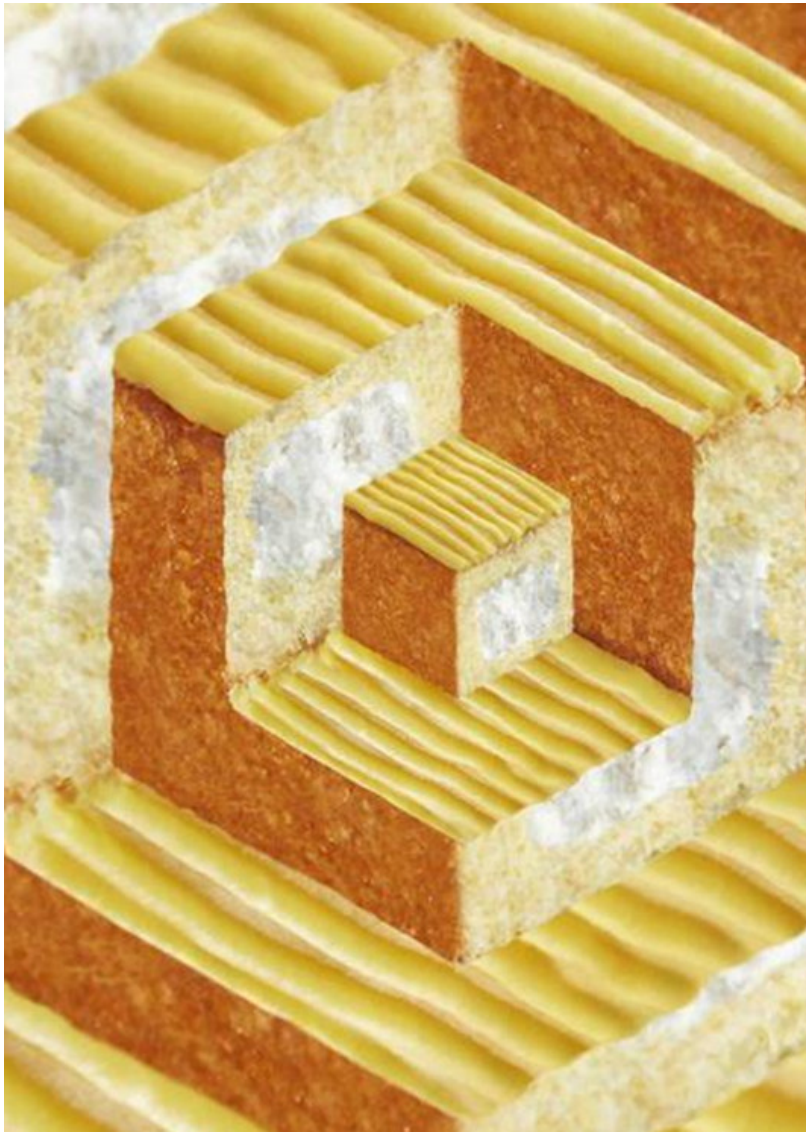


M&A STRATEGY

We are focused on potential targets that:

- ✓ Leverage Hostess Brand and/or warehouse model
- ✓ Expand baking capabilities, including further into ISB, or move into attractive adjacent categories
- ✓ Facilitate building Hostess' scale as broader snacking platform
- ✓ Provide cash flow and EPS accretion





4

FINANCIAL OVERVIEW





TOM PETERSON

EVP & CFO

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

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

20+ years of accounting and finance expertise

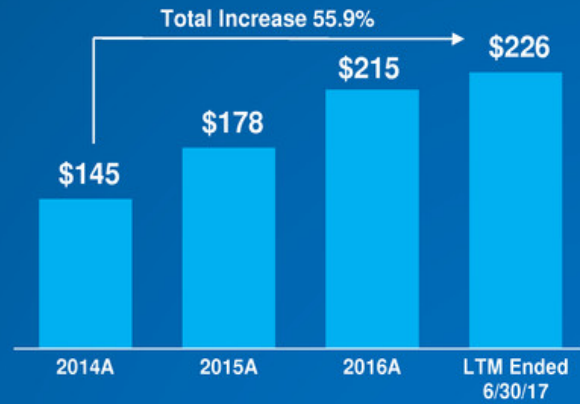


SIGNIFICANT GROWTH SINCE RE-LAUNCH WITH MEANINGFUL UPSIDE POTENTIAL

Net Revenue⁽¹⁾⁽²⁾
(\$ in millions)



Adjusted EBITDA⁽¹⁾⁽²⁾⁽³⁾
(\$ in millions)



	2014A	2015A	2016A	LTM Ended 6/30/17
Growth Rate	12%	17%	16%	16%
Organic Growth Rate ⁽⁴⁾	12%	13%	10%	10%
% Adj. EBITDA Margin ⁽³⁾	26%	29%	30%	30%

All growth rates are based on the comparable period in the prior year

(1) Does not include Superior pre-acquisition results.

(2) Financial results for 2016 and LTM Ended 6/30/17 are presented on a pro forma combined basis. See "Pro Forma Combined Financial Information."

(3) See "Use of Non-GAAP Financial Measures" and the Appendix for an explanation of all non-GAAP measures and reconciliations to the comparable GAAP measures.

(4) Growth rate excluding the acquisition of Superior Cake Products, Inc.



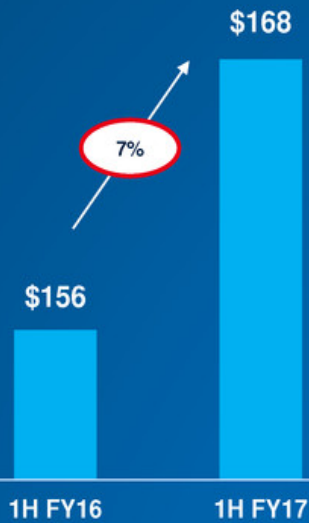
MOMENTUM CONTINUES IN 1H 2017...

Driven by new product initiatives and white space opportunities, including ISB, Food Service and International channels

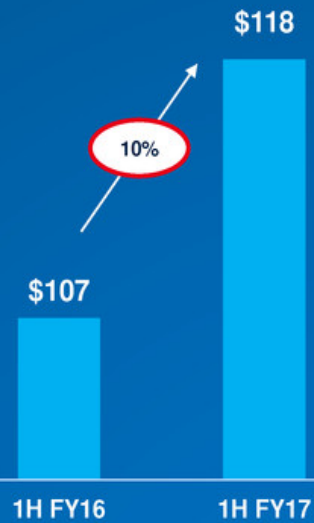
Net Revenue
(\$ in millions)



Adjusted Gross Profit⁽¹⁾
(\$ in millions)



Adjusted EBITDA⁽¹⁾
(\$ in millions)



% Adj. Gross Profit Margin⁽¹⁾ **44%**

43%

% Adj. EBITDA Margin⁽¹⁾ **30%**

30%

(1) See "Use of Non-GAAP Financial Measures" and the Appendix for an explanation of all non-GAAP measures and reconciliations to the comparable GAAP measures.



2016 INNOVATION SUCCESS TO LAP

1Q17

- Strong Results and Share Gains

2Q17

Lapping from 2Q16

Return of Suzy Q



Brownie Innovation



3Q17

Lapping from 3Q16

Twinkies Innovation



Brownie Innovation



Return of Suzy Q



4Q17

- Lap Gets Easier
- Return to Drivers of Growth:
 - Distribution
 - Innovation
 - Whitespace

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



STRONG CASH FLOW ENABLES MULTIPLE VALUE CREATION OPPORTUNITIES

FREE CASH FLOW

(\$ in millions)



FCF Conversion:

65%

86%

84%

83% - 87%

- ✓ Anticipate 2017 net increase in cash of \$95M to \$105M after giving consideration to capital expenditures, required debt payments and partnership tax distributions
- ✓ Expect net leverage of approximately 3.65x to 3.75x at year end
- ✓ Potential uses of cash include acquisitions, optional debt reductions and opportunistically simplifying equity structure

Notes: FCF defined as Adj. EBITDA-Capex and FCF conversion defined as Adj. EBITDA-Capex / Adj. EBITDA are non-GAAP financial measures. See "Use of Non-GAAP Financial Measures" and the Appendix for an explanation of all non-GAAP measures and reconciliations to the comparable GAAP financial measures. Financial results for 2016 are presented on a pro forma combined basis. See "Pro Forma Combined Financial Information."



CONCLUDING REMARKS

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





APPENDIX



HOSTESS NON-GAAP RECONCILIATIONS

Adjusted EBITDA

\$ in millions	Pro Forma Combined, Twelve Months ended 30-Jun-17	Six Months Ended 30-Jun-17 (Successor)	Pro Forma Six Months Ended 30-Jun-16	Successor 4-Nov-16 to 31-Dec-16	Predecessor 1-Jan-16 to 3-Nov-16	Pro Forma Combined, Year Ended 31-Dec-16	Year Ended 31-Dec-15	Year Ended 31-Dec-14
Net income (loss)	\$100.7	\$52.4	\$34.2	(\$8.5)	\$60.4	\$82.4	\$88.8	\$81.5
Plus non-GAAP adjustments:								
Income tax provision	40.5	21.3	13.6	(7.8)	0.4	32.9	–	–
Interest expense, net	44.8	19.9	26.5	6.6	60.4	51.4	50.0	37.4
(Gain) loss on debt extinguishment ⁽¹⁾	(0.8)	–	–	(0.8)	–	(0.8)	25.9	–
Depreciation and amortization	37.1	18.9	18.2	5.8	10.3	36.5	9.8	7.1
Executive chairman agreement termination and execution ⁽²⁾	–	–	–	26.7	–	–	–	–
Share/Unit-based compensation ⁽³⁾	4.4	4.4	–	–	3.9	–	1.4	0.4
Other (income) expense ⁽⁴⁾	(3.1)	1.0	6.5	0.8	1.6	2.4	(8.7)	0.6
Business combination transaction costs ⁽⁵⁾	–	–	0.6	–	31.8	0.6	–	–
Impairment of property and equipment ⁽⁶⁾	–	–	7.3	–	7.3	7.3	2.7	13.2
Loss on sale/abandonment of property and equipment and bakery shutdown costs ⁽⁷⁾	2.6	–	–	–	2.6	2.6	4.2	5.2
Inventory fair value adjustment ⁽⁸⁾	–	–	–	8.9	–	–	–	–
Special employee incentive compensation ⁽⁹⁾	–	–	–	–	4.7	–	3.9	–
Adjusted EBITDA	\$226.2	\$117.7	\$106.8	\$31.9	\$183.4	\$215.3	\$177.9	\$145.3
Net Revenue	\$762.7	\$387.7	\$352.6	\$112.0	\$615.6	\$727.6	\$620.8	\$554.7
Adjusted EBITDA Margin (Adj. EBITDA divided by Net Rev.)	29.7%	30.4%	30.3%	28.5%	29.8%	29.6%	28.7%	26.2%
Capital Expenditures	\$34.5	\$15.1	\$15.7	\$6.5	\$28.6	\$35.1	\$25.1	\$51.1
Free Cash Flow	\$191.7	\$102.6	\$91.1	\$25.4	\$154.8	\$180.2	\$152.8	\$94.2
FCF Conversion (Adjusted EBITDA – Capital Expenditures divided by Adjusted EBITDA)	84.7%	87.2%	85.3%	79.6%	84.4%	83.7%	85.9%	64.9%

Footnotes on following page.



HOSTESS NON-GAAP RECONCILIATIONS

Adjusted EBITDA

Footnotes from prior page:

- (1) For the pro forma combined twelve months ended June 30, 2017, the Successor period November 4, 2016 through December 31, 2016, and pro forma combined year ended December 31, 2016, we recorded a gain on extinguishment of debt of \$0.8 million, which consisted of penalties of \$3.0 million, the write-off of deferred financing costs of \$0.2 million net of debt premium write-offs of approximately \$4.0 million. For the year ended December 31, 2015 (Predecessor), we recorded a loss on extinguishment of debt 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 Successor period November 4, 2016 through December 31, 2016, we expensed \$26.7 million related to stock awarded to Mr. Metropoulos as required under his new employment arrangements.
- (3) For the pro forma combined twelve months ended June 30, 2017 and the six months ended June 30, 2017, we recorded expenses of \$4.4 million related to units awarded under the Hostess Brands, Inc. 2016 Equity Incentive Plan.
- (4) For the pro forma combined twelve months ended June 30, 2017, other income consisted of the recovery of previously accrued recall costs and a gain related to the modification of our long-term debt offset by professional fees incurred related to the secondary public offering of common stock and the registration of certain privately held warrants. For the pro forma six months ended June 30, 2016, we incurred costs associated with a Hostess voluntary recall. The recall loss was recovered during the third quarter of 2016. Other costs include professional fees incurred related to the secondary public offering of common stock and the registration of certain privately held warrants offset by a gain recognized related to the modification of our long-term debt. For the Successor period November 4, 2016 through December 31, 2016, we recorded expenses of \$0.8 million which primarily consisted of legal and professional fees and other post-Business Combination costs such as fees related to securities filings. For the Predecessor period from January 1, 2016 through November 3, 2016, other expense consisted of transaction costs attributable to the pursuit of a potential acquisition that has since been abandoned, offset partially by a gain from the settlement of the Grain Craft peanut recall matter of approximately \$0.8 million. For the year ended December 31, 2015, other income consisted of \$12.0 million of proceeds from the sale of foreign trademark rights and certain "know how" in certain countries in the Middle East, partially offset by \$3.3 million for professional service fees related to the pursuit of a potential sale transaction. For the year ended, December 31, 2014, other expense was \$0.6 million.
- (5) For the pro forma six months ended June 30, 2016, for the Predecessor period from January 1, 2016 through November 3, 2016, and for the pro forma combined year ended December 31, 2016, business combination transaction costs consisted primarily of professional and legal costs.
- (6) For the pro forma six months ended June 30, 2016, for the period January 1, 2016 through November 3, 2016, and for the pro forma combined year ended December 31, 2016, we closed multiple production lines at the Indianapolis, Indiana bakery and transitioned production to other facilities resulting in a loss of \$7.3 million.
- (7) For the pro forma combined twelve months ended June 30, 2017, the Predecessor period January 1, 2016 through November 3, 2016, and for the pro forma combined year ended December 31, 2016, we incurred a loss on a sale/abandonment of property and bakery shutdown costs of \$0.3 million, primarily due to utilities, insurance, taxes and maintenance expenses related to the Schiller Park, Illinois bakery. In addition, we incurred losses of approximately \$2.6 million related to equipment that we no longer intended to use or had idled.
- (8) For the Successor period November 4, 2016 through December 31, 2016, we re-measured inventory at fair value at the Closing Date, resulting in additional non-cash cost of goods sold of \$8.9 million.
- (9) For the Predecessor period January 1, 2016 through November 3, 2016, a special bonus payment of \$2.5 million and \$2.2 million was paid to employees at the bakery facilities and corporate employees, respectively, as compensation for their efforts in the Business Combination. For the year ended December 31, 2015, a special bonus payment of \$2.6 million and \$1.3 million was paid to employees at the bakery facilities and corporate employees, respectively, as compensation for their efforts in the recapitalization of the Company.



HOSTESS NON-GAAP RECONCILIATIONS

Adjusted Gross Profit

\$ in millions	Successor 4-Nov-16 to 31-Dec-16	Predecessor 1-Jan-16 to 3-Nov-16	Pro Forma Combined, Year Ended 31-Dec-16	Year Ended 31-Dec-15	Year Ended 31-Dec-14
Net revenue	\$112.0	\$615.6	\$727.6	\$620.8	\$554.7
Cost of goods sold	73.3	346.9	411.6	356.0	320.8
Special employee incentive compensation	–	2.2	–	2.6	–
Gross Profit – US GAAP	\$38.7	\$266.5	\$316.0	\$262.2	\$233.9
Add back:					
Special employee incentive compensation ⁽¹⁾	–	\$2.2	–	\$2.6	–
Inventory fair value adjustment ⁽²⁾	\$8.9	–	–	–	–
Adjusted Gross Profit	\$47.6	\$268.7	\$316.0	\$264.9	\$233.9
Gross Margin – GAAP	34.6%	43.3%	43.4%	42.2%	42.2%
Adjusted Gross Margin	42.5%	43.7%	43.4%	42.7%	42.2%

(1) For the Predecessor period January 1, 2016 through November 3, 2016, a special bonus payment of \$2.2 million was paid to employees at the bakery facilities as compensation for their efforts in the Business Combination. For the year ended December 31, 2015, a special bonus payment of \$2.6 million was paid to employees at the bakery facilities as compensation for their efforts in the recapitalization of Hostess.

(2) For the Successor period November 4, 2016 through December 31, 2016, the Company re-measured inventory at fair value at the Business Combination date, resulting in additional non-cash cost of goods sold of \$8.9 million.



GLOSSARY

Term	Definition
BFY	Better-for-you
ISB	In-store bakery
SBG	Sweet baked goods
SKU	Stock keeping unit



