
**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): March 5, 2018



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.
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Item 2.02 Results of Operations and Financial Condition.

During the fourth quarter of 2017, Hostess Brands, Inc. (the "Company") reassessed its reportable segments due to a change in the Company's internal reporting structure. Previously, the "Other" reportable segment included In-Store Bakery as well as bread and buns and frozen retail products. Subsequent to the reassessment, bread and buns and frozen retail products are reported within the Sweet Baked Goods reportable segment and In-Store Bakery is presented as a stand-alone reportable segment. This change was reflected on the Company's Annual Report filed on Form 10-K for the year ended December 31, 2017 (the "2017 10-K"), filed with the Securities and Exchange Commission on February 28, 2018.

Attached as Exhibit 99.1 to this Current Report on Form 8-K are unaudited segment results for each quarter of the year ended December 31, 2017 and 2016 reflecting the new reportable segments. The information in the attached Exhibit 99.1 is presented on a historical basis for each quarter of the year ended December 31, 2017, and on a pro forma combined basis, giving effect to the Company's November 2016 business combination, for each quarter of the year ended December 31, 2016, as more fully described therein.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

[99.1 Unaudited Segment Results](#)

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: March 5, 2018

By: /s/ Thomas Peterson
Name: Thomas Peterson
Title: Executive Vice President, Chief Financial Officer

UNAUDITED SEGMENT RESULTS

The tables below present unaudited segment results for each quarter of the year ended December 31, 2017, and for each quarter of the pro forma combined year ended December 31, 2016, reflecting the Company's new reportable segments.

The unaudited segment results are presented on a historical basis for each quarter of the year ended December 31, 2017 and on a pro forma combined basis for each quarter of the year ended December 31, 2016.

Unaudited Pro Forma Financial Information

The unaudited pro forma segment results for each quarter of the year ended December 31, 2016, present consolidated segment results of operations giving pro forma effect as if the Business Combination (as defined below) had occurred as of January 1, 2016. The unaudited pro forma consolidated financial information is included for informational purposes only and does not purport to reflect the results of operations of Hostess Brands, Inc. that would have occurred had the Business Combination occurred as of January 1, 2016.

On November 4, 2016 (the "Closing Date"), in a transaction referred to as the "Business Combination," the Company, then known as Gores Holdings, Inc., acquired a controlling interest in Hostess Holdings, L.P. ("Hostess Holdings"), an entity owned indirectly by C. Dean Metropoulos and certain equity funds managed by affiliates of Apollo Global Management, LLC. Hostess Holdings had acquired the Hostess brand and certain strategic assets out of the bankruptcy liquidation proceedings of its prior owner, free and clear of all past liabilities, in April 2013, and relaunched the Hostess brand later that year.

The Business Combination was accounted for using the acquisition method of accounting. The initial estimated fair values of the acquired assets and assumed liabilities as of the Closing Date, which are based on the consideration paid and management's estimates and assumptions, are reflected herein. The total purchase price of approximately \$2.4 billion to acquire Hostess Holdings, has been allocated to the assets acquired and assumed liabilities of Hostess Holdings based upon fair values at the date of acquisition. Third party valuation specialists conducted analyses in order to assist management in determining the fair values of the acquired assets and liabilities assumed. The Company has valued the fair value of assets acquired and liabilities assumed at the date of acquisition.

The unaudited pro forma financial information contains a variety of adjustments, assumptions and estimates, is subject to the assumptions and adjustments as described in the accompanying notes hereto and numerous other uncertainties, and should not be relied upon as being indicative of results of operations had the Business Combination occurred on January 1, 2016. The unaudited pro forma financial information also does not project results of operations for any future period or date.

For additional information with respect to the Company's presentation of unaudited pro forma financial information, please see the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations-Supplemental Unaudited Pro Forma Financial Information" in the 2017 10-K.

Unaudited Segment Results

<i>(In thousands)</i>	Three Months Ended March 31, 2017 (Successor)	Three Months Ended March 31, 2016 (Predecessor)	Pro Forma Adjustments	Three Months Ended March 31, 2016 (Pro Forma)
Net Revenue				
Sweet Baked Goods	\$ 174,793	\$ 160,217	\$ —	\$ 160,217
In-Store Bakery	9,745	—	—	—
Total Net Revenue	<u>\$ 184,538</u>	<u>\$ 160,217</u>	<u>\$ —</u>	<u>\$ 160,217</u>
Gross Profit				
Sweet Baked Goods	\$ 76,781	\$ 70,325	\$ (258) i.	\$ 70,067
In-Store Bakery	2,514	—	—	—
Total Gross Profit	<u>\$ 79,295</u>	<u>\$ 70,325</u>	<u>\$ (258)</u>	<u>\$ 70,067</u>

i. Represents the adjustment to depreciation expense associated with the allocation of purchase price to property and equipment

<i>(In thousands)</i>	Three Months Ended June 30, 2017 (Successor)	Three Months Ended June 30, 2016 (Predecessor)	Pro Forma Adjustments	Three Months Ended June 30, 2016 (Pro Forma)
Net Revenue				
Sweet Baked Goods	\$ 191,695	\$ 185,515	\$ —	\$ 185,515
In-Store Bakery	11,483	6,828	—	6,828
Total Net Revenue	<u>\$ 203,178</u>	<u>\$ 192,343</u>	<u>\$ —</u>	<u>\$ 192,343</u>
Gross Profit				
Sweet Baked Goods	\$ 85,486	\$ 84,433	\$ (242) i.	\$ 84,191
In-Store Bakery	2,958	1,993	—	1,993
Total Gross Profit	<u>\$ 88,444</u>	<u>\$ 86,426</u>	<u>\$ (242)</u>	<u>\$ 86,184</u>

i. Represents the adjustment to depreciation expense associated with the allocation of purchase price to property and equipment

<i>(In thousands)</i>	Three Months Ended September 30, 2017 (Successor)	Three Months Ended September 30, 2016 (Predecessor)	Pro Forma Adjustments	Three Months Ended September 30, 2016 (Pro Forma)
Net Revenue				
Sweet Baked Goods	\$ 182,009	\$ 186,519	\$ —	\$ 186,519
In-Store Bakery	10,241	9,678	—	9,678
Total Net Revenue	<u>\$ 192,250</u>	<u>\$ 196,197</u>	<u>\$ —</u>	<u>\$ 196,197</u>
Gross Profit				
Sweet Baked Goods	\$ 76,291	\$ 80,031	\$ 185 i.	\$ 80,216
In-Store Bakery	2,074	2,548	—	2,548
Total Gross Profit	<u>\$ 78,365</u>	<u>\$ 82,579</u>	<u>\$ 185</u>	<u>\$ 82,764</u>

i. Represents the adjustment to depreciation expense associated with the allocation of purchase price to property and equipment

<i>(In thousands)</i>	Three Months Ended December 31, 2017 (Successor)	From November 4, 2016 Through December 31, 2016 (Successor)	From October 1, 2016 Through November 3, 2016 (Predecessor)	Pro Forma Adjustments	Three Months Ended December 31, 2016 (Pro Forma Combined)
Net Revenue					
Sweet Baked Goods	\$ 185,330	\$ 105,211	\$ 63,394	\$ —	\$ 168,605
In-Store Bakery	10,891	6,787	3,437	—	10,224
Total Net Revenue	<u>\$ 196,221</u>	<u>\$ 111,998</u>	<u>\$ 66,831</u>	<u>\$ —</u>	<u>\$ 178,829</u>
Gross Profit					
Sweet Baked Goods	\$ 78,358	\$ 37,387	\$ 26,087	\$ 10,547 i.	\$ 74,021
In-Store Bakery	2,435	1,327	1,112	504 i.	2,943
Total Gross Profit	<u>\$ 80,793</u>	<u>\$ 38,714</u>	<u>\$ 27,199</u>	<u>\$ 11,051</u>	<u>\$ 76,964</u>

i. Represents the non-cash impact of the remeasurement of inventory at fair value as a result of the Business Combination of approximately \$8.9 million and special payments the Company made to certain bakery facility employees in connection with the Business Combination, offset by the impact to depreciation and amortization associated with the allocation of the purchase price to property and equipment.