
**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): November 9, 2021



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.)
7905 Quivira Road Lenexa, KS (Address of principal executive offices)		66215 (Zip Code)
	(816) 701-4600 (Registrant's telephone number, including area code)	
	7905 Quivira Lenexa, Kansas 66215 (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))

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

Title of each Class

Class A Common Stock, par value \$0.0001 per share

Warrants, each exercisable for a half share of Class A Common Stock

Trading Symbol

TWNK

TWKNW

Name of exchange on which registered

The Nasdaq Stock Market LLC

The Nasdaq Stock Market LLC

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.

On November 9, 2021, Hostess Brands, Inc. (the "Company") issued a press release announcing financial results for the three and nine months ended September 30, 2021, a copy of which is attached as Exhibit 99.1.

The information in this Item 2.02 and Exhibit 99.1 attached hereto is being furnished and shall not be deemed "filed" for 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 incorporated by reference into any filing under the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such filing.

Item 7.01 Regulation FD Disclosure.

On November 9, 2021, the Company disseminated an investor presentation to be used in connection with the earnings call. A copy of the investor presentation is furnished as Exhibit 99.2 to this Current Report on Form 8-K.

The information furnished in this Item 7.01, and Exhibit 99.2 attached hereto is being furnished and shall not be deemed "filed" for 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 incorporated by reference into any filing under 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, although the Company reserves the right to discontinue that availability at any time.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description of Exhibits
99.1	Press Release dated November 9, 2021 announcing financial results for the three and nine months ended September 30, 2021
99.2	Investor Presentation of the Company dated November 9, 2021
104.1	The cover page from this Current Report on Form 8-K, formatted in Inline XBRL

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 thereto duly authorized.
HOSTESS BRANDS, INC.

Date: November 9, 2021

By: /s/ Andrew P. Callahan
Name: Andrew P. Callahan
Title: President, Chief Executive Officer
(Principal Executive Officer)



Hostess Brands, Inc. Announces Strong Third Quarter 2021 Financial Results

Ten Percent Net Revenue Growth Signaling Continued Momentum

Raises 2021 Net Revenue Guidance

Announces Chief Financial Officer Departure

LENEXA, KS, November 9, 2021 - Hostess Brands, Inc. (NASDAQ: TWNK) (the “Company”, “we”, “our”) today reported its financial results for the three and nine months ended September 30, 2021.

“Our solid momentum continued in the third quarter enabling us to exceed our top and bottom-line expectations. Third quarter sales increased by 10% as strong execution across our retail network and exciting innovation generated meaningful volume growth in both Hostess® and Voortman® branded portfolios. I am proud of the way in which our team is performing in a dynamic and challenging operating environment as productivity initiatives and higher price realization offset rising inflation allowing us to maintain our attractive margin structure,” commented Andy Callahan, the Company’s President and Chief Executive Officer.

He continued, “We are raising our full-year net revenue guidance while maintaining our EBITDA and EPS outlook as we continue to invest in our capabilities, advertising and marketing to generate top-tier growth and shareholder value over the long-term.”

Third Quarter 2021 Financial Highlights¹

- Net revenue of \$288.0 million increased 10.4% from the same period last year, reflecting strong Hostess® and Voortman® branded growth across multiple channels.
- Gross profit increased 8.6% to \$99.0 million. On an adjusted basis, gross profit increased 8.9% to \$99.3 million, or 34.5% of net revenues, as higher volume, favorable product mix, pricing and productivity offset rising inflation.
- Net income was \$26.2 million or \$0.19 per diluted share. Adjusted net income increased 14.2% to \$28.9 million and resulted in adjusted EPS of \$0.21 compared to \$0.19 in the prior year period.
- Adjusted EBITDA increased 7.6% to \$64.8 million, or 22.5% of net revenue, as higher gross profits were partially offset by higher advertising and marketing spend.
- Cash and cash equivalents were \$228.1 million as of September 30, 2021. Net leverage ratio declined to 3.3x driven by improved operating cash flow.
- Raising full year 2021 guidance for net revenue growth to 9.0% - 10.0% and reiterating adjusted EBITDA and adjusted EPS guidance of \$260 million - \$268 million and \$0.83 - \$0.87.

Other Highlights

- Hostess manufacturer point-of-sale (“POS”) increased 13.7% and its share of the Sweet Baked Goods category increased by 179 basis points to 21.6% driven by solid core performance and strong contribution from new product innovation, including Hostess® Baby Bundts and Hostess® Muff’n Stix.
- Voortman® branded POS grew 20.5% reflecting expanded distribution and robust consumer demand.
- Pricing actions taken through third quarter benefited quarterly margins and this positive impact is expected to increase through the fourth quarter.
- Completed cashless settlement of remaining warrants in early November, simplifying the Company’s capital structure. Total warrants exercised during the year resulted in the issuance of 10.7 million shares, which is factored into our 139 million average shares outstanding estimate for the full year.
- Repurchased \$50 million of shares year-to-date under our previously authorized \$100 million share repurchase authorization.

¹This press release contains certain non-GAAP financial measures, including adjusted net revenue, adjusted gross profit, adjusted gross profit margin, adjusted operating income, adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted net income margin and adjusted earnings per share (“EPS”). Please refer to the schedules in the press release for reconciliations of non-GAAP financial measures to the comparable GAAP measure. Unless otherwise stated, all comparisons of financial measures in this press release are to the third quarter of 2020. All measures of market performance contained in this press release, including point of sale and market share include all Company branded products within the SBG category as reported by Nielsen but do not include other products sold outside of the SBG category. All market data in this press release refer to the thirteen-week period ended October 2, 2021 and reflects a scheduled one-week shift in current and prior-year reporting periods performed by Nielsen in April 2021 to better coincide with calendar periods. The Company’s leverage ratio is net debt (total long-term debt less cash) divided by the trailing twelve months adjusted EBITDA.

Guidance and Outlook

The Company is raising its full year 2021 net revenue guidance from 7.5% - 9.0% to 9.0% - 10.0%. The updated guidance is as follows:

	Updated Guidance
Adjusted net revenue growth	9.0% - 10.0%
Adjusted EBITDA	\$260 - \$268 million
Adjusted EPS (diluted)	\$0.83 - \$0.87*
Leverage ratio	~3x
Capital expenditures	\$60 - \$65 million
Effective tax rate	27.5%

*Based on weighted average shares outstanding of 139 million.

The Company provides guidance only on a non-generally accepted accounting principles (non-GAAP) basis and does not provide a reconciliation of the Company's forward-looking financial expectations to the most directly comparable GAAP financial measure because of the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliation, including adjustments that could be made for deferred taxes, remeasurement of the tax receivable agreement, and other non-operating gains or losses reflected in the Company's reconciliation of historic non-GAAP financial measures, the amount of which could be material. Please refer to the Reconciliation of Non-GAAP Financial Measures included in this press release for further information about the use of these measures.

Third Quarter 2021 Compared to Third Quarter 2020

Net revenue was \$288.0 million, an increase of 10.4%, or \$27.1 million, compared to \$260.9 million. Net revenue growth was primarily driven by sweet baked goods net revenue, which increased \$24.7 million or 10.6%. This growth was led by gains in the club, dollar, convenience, drug and grocery channels with continued momentum of single-serve products driving favorable product mix. Cookies net revenue of \$29.2 million increased 9.0% or \$2.4 million due to expanded distribution and strong point of sale growth.

Gross profit was \$99.0 million, or 34.4% of net revenue compared to 35.0% in the same period last year. Adjusted gross profit margin of 34.5% declined from 35.0% in the same period last year due to transportation and input cost inflation partially offset by favorable product mix, pricing actions and productivity initiatives. Adjusted gross profit increased 8.9% on higher volume and expanded distribution.

Operating income was \$46.6 million. Adjusted operating income of \$49.4 million increased 13.3% from the same period last year as higher gross profit was partially offset by higher advertising and marketing spending to support top-line growth.

Adjusted EBITDA of \$64.8 million, or 22.5% of adjusted net revenue, increased 7.6% from the same period last year driven by strong Hostess® branded volume and favorable product mix. Depreciation and amortization expense declined \$1.7 million to \$12.8 million while share-based compensation expense increased \$0.5 million to \$2.6 million in the quarter.

The Company's effective tax rate was 27.4% compared to 19.3% in the prior year. The prior year period's effective tax rate reflected a \$2.3 million non-taxable gain on change in fair value of warrant liabilities. The effective tax rate, excluding discrete items was 26.7% in the current quarter.

Net income was \$26.2 million consistent with the prior year period. Adjusted net income of \$28.9 million increased 14.2% from the same period last year. Diluted EPS was \$0.19. Adjusted EPS was \$0.21 compared to \$0.19 in the prior year period as higher income was partially offset by higher share dilution from the warrants.

Cash from operations for the nine months ended September 30, 2021 was \$147.6 million compared to \$108.0 million for the same period last year. Operating cash flow benefited from increased profitability as well as lapping prior-year costs related to the integration and conversion of Voortman's operations, partially offset by an increase in working capital.

¹This press release contains certain non-GAAP financial measures, including adjusted net revenue, adjusted gross profit, adjusted gross margin, adjusted operating income, adjusted EBITDA, adjusted EBITDA margin and adjusted earnings per share ("EPS"). Please refer to the schedules in the press release for reconciliations of non-GAAP financial measures to the comparable GAAP measure. Unless otherwise stated, all comparisons of financial measures in this press release are to the third quarter of 2020.

Management Changes

The Company also announced that Brian T. Purcell, Executive Vice President, Chief Financial Officer, resigned from the Company, effective November 9, 2021 and that the Company's Board of Directors has appointed Michael J. Gernigin, the Company's Senior Vice President and Corporate Controller, as the Company's Chief Accounting Officer and Interim Chief Financial Officer until a permanent successor has been named.

"We appreciate Brian's contributions to Hostess and wish him the best in his future endeavors" commented Andy Callahan. He continued, "Mike, who has been with the Company since 2016, is a strong finance and accounting executive and is well positioned to lead the talented finance organization while we search for a new permanent CFO."

Conference Call and Webcast

The Company will host a conference call and webcast with an accompanying presentation today, November 9, 2021 at 4:30 p.m. ET to discuss the results for the third quarter. Investors interested in participating in the live call can dial 800-430-8332 from the U.S. and 856-344-9206 internationally. A telephone replay will be available approximately two hours after the call concludes through Tuesday, November 23, 2021, by dialing 844-512-2921 from the U.S., or 412-317-6671 from international locations, and entering confirmation code 3009366. The simultaneous, live webcast and presentation will be available on the Investor Relations section of the Company's website at www.hostessbrands.com. The webcast will be archived for 30 days.

About Hostess Brands, Inc.

Hostess Brands, Inc. is a leading sweet snacks company focused on developing, manufacturing, marketing, selling and distributing snacks in North America sold under the Hostess® and Voortman® brands. The Company produces a variety of new and classic treats including iconic Hostess® Donettes®, Twinkies®, CupCakes, Ding Dongs® and Zingers®, as well as a variety of Voortman® cookies and wafers. For more information about Hostess Brands, Inc. please visit hostessbrands.com.

Forward-Looking Statements

This press release contains statements reflecting the Company's views about its future performance that constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, 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 the Company's future operating performance and statements addressing events and developments that the Company expects or anticipates will occur are also considered as forward-looking statements. All forward-looking statements included herein are made only as of the date hereof. The Company 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 the Company's reputation and brand image; protecting intellectual property rights; leveraging the Company's 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; the continued ability to produce and successfully market products with extended shelf life; the ability to pass cost increases on to our customers; the ability to maintain or add additional shelf or retail space for the Company's products; our ability to identify or complete strategic acquisitions, alliances, divestitures or joint ventures; our ability to successfully integrate, achieve expected synergies and manage our acquired businesses and brands; the ability to drive revenue growth in key products or add products that are faster-growing and more profitable; adverse impact or disruption to our business caused by COVID-19 or future outbreaks of highly infectious or contagious diseases; volatility in commodity, energy, and other input prices and the ability to adjust pricing to cover increased costs; significant changes in the availability and pricing of transportation; dependence on major customers; increased labor and employee related costs; strikes or work stoppages; product liability claims, product recalls, or regulatory enforcement actions; dependence on third parties for significant services; unanticipated business disruptions; geographic focus could make the Company particularly vulnerable to economic and other events and trends in North America; consolidation of retail customers; unsuccessful implementation of business strategies to reduce costs; increased costs to comply with governmental regulation; failures, unavailability, or disruptions of the Company's information technology systems; dependence on key personnel or a highly skilled and diverse workforce; the Company's ability to finance indebtedness on terms favorable to the Company; and other risks as set forth from time to time in the Company's Securities and Exchange Commission filings.

As a result of a number of known and unknown risks and uncertainties, the Company's actual results or performance may be materially different from those expressed or implied by these forward-looking statements. Risks and uncertainties are identified and discussed in Item 1A-Risk Factors in the Company's Annual Report on Form 10-K/A for 2020 and its Quarterly Report on Form 10-Q for the quarter ended September 30, 2021 to be filed today. All subsequent written or oral forward-looking statements attributable to us or persons acting on the Company's behalf are expressly qualified in their entirety by these risk factors. The Company undertakes no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.

HOSTESS BRANDS, INC.
CONSOLIDATED BALANCE SHEETS

(Unaudited, amounts in thousands, except shares and per share data)

	September 30, 2021	December 31, 2020
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 228,096	\$ 173,034
Accounts receivable, net	156,720	125,550
Inventories	49,309	49,348
Prepays and other current assets	7,624	21,614
Total current assets	441,749	369,546
Property and equipment, net	318,492	303,959
Intangible assets, net	1,950,270	1,967,903
Goodwill	706,615	706,615
Other assets, net	17,861	17,446
Total assets	<u>\$ 3,434,987</u>	<u>\$ 3,365,469</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Long-term debt and lease obligations payable within one year	\$ 14,171	\$ 13,811
Tax receivable agreement payments payable within one year	10,000	11,800
Accounts payable	71,139	61,428
Customer trade allowances	55,157	46,779
Warrant liabilities	1,249	861
Accrued expenses and other current liabilities	46,541	55,715
Total current liabilities	198,257	190,394
Long-term debt and lease obligations	1,103,327	1,113,037
Tax receivable agreement obligations	137,274	144,744
Deferred tax liability	315,544	295,009
Other long-term liabilities	1,595	1,560
Total liabilities	1,755,997	1,744,744
Class A common stock, \$0.0001 par value, 200,000,000 shares authorized, 132,741,603 issued and 129,170,487 shares outstanding as of September 30, 2021 and 130,791,908 shares issued and 130,347,464 shares outstanding as of December 31, 2020	13	13
Additional paid in capital	1,300,329	1,281,018
Accumulated other comprehensive loss	(4,161)	(10,407)
Retained earnings	438,872	356,101
Treasury stock	(56,063)	(6,000)
Stockholders' equity	1,678,990	1,620,725
Total liabilities and stockholders' equity	<u>\$ 3,434,987</u>	<u>\$ 3,365,469</u>

HOSTESS BRANDS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited, amounts in thousands, except shares and per share data)

	Three Months Ended		Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Net revenue	\$ 287,969	\$ 260,855	\$ 844,875	\$ 760,566
Cost of goods sold	188,990	169,700	545,271	500,700
Gross profit	98,979	91,155	299,604	259,866
Operating costs and expenses:				
Advertising and marketing	14,767	11,762	39,692	32,983
Selling expense	8,166	8,675	26,250	39,173
General and administrative	23,565	21,913	69,254	71,261
Amortization of customer relationships	5,877	6,739	17,633	20,333
Business combination transaction costs	—	—	—	4,282
Other operating expense	—	729	—	756
Total operating costs and expenses	52,375	49,818	152,829	168,788
Operating income	46,604	41,337	146,775	91,078
Other expense (income):				
Interest expense, net	9,928	10,265	29,899	32,570
Change in fair value of warrant liabilities	228	(2,260)	683	(64,978)
Other expense	378	818	1,808	2,503
Total other expense (income)	10,534	8,823	32,390	(29,905)
Income before income taxes	36,070	32,514	114,385	120,983
Income tax expense	9,878	6,281	31,614	12,022
Net income	26,192	26,233	82,771	108,961
Less: Net income attributable to the non-controlling interest	—	1,368	—	2,860
Net income attributable to Class A stockholders	\$ 26,192	\$ 24,865	\$ 82,771	\$ 106,101
Earnings per Class A share:				
Basic	\$ 0.20	\$ 0.20	\$ 0.63	\$ 0.86
Diluted	\$ 0.19	\$ 0.18	\$ 0.60	\$ 0.33
Weighted-average shares outstanding:				
Basic	129,846,551	124,905,538	130,679,974	123,889,306
Diluted	138,058,866	127,586,881	138,036,371	126,079,472

HOSTESS BRANDS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited, amounts in thousands)

	Nine Months Ended	
	September 30, 2021	September 30, 2020
Operating activities		
Net income	\$ 82,771	\$ 108,961
Depreciation and amortization	37,992	40,999
Debt discount amortization	931	977
Tax receivable agreement remeasurement	—	610
Change in fair value of warrant liabilities	683	(64,978)
Unrealized foreign exchange losses	(177)	1,392
Non-cash lease expense	971	358
Share-based compensation	7,005	6,583
Deferred taxes	18,280	8,575
Loss on sale of assets	—	317
Change in operating assets and liabilities, net of acquisitions and dispositions:		
Accounts receivable	(31,240)	(7,106)
Inventories	39	7,462
Prepays and other current assets	13,991	(4,334)
Accounts payable and accrued expenses	7,949	2,186
Customer trade allowances	8,441	5,989
Net cash provided by operating activities	<u>147,636</u>	<u>107,991</u>
Investing activities		
Purchases of property and equipment	(33,360)	(33,382)
Acquisition of business, net of cash acquired	—	(316,013)
Acquisition and development of software assets	(3,330)	(4,994)
Net cash used in investing activities	<u>(36,690)</u>	<u>(354,389)</u>
Financing activities		
Repayments of long-term debt and lease obligations	(8,375)	(8,375)
Proceeds from long-term debt origination, net of fees paid	—	136,888
Distributions to non-controlling interest	—	(3,423)
Repurchase of common stock	(50,063)	—
Tax payments related to issuance of shares to employees	(1,277)	(1,383)
Cash received from exercise of options and warrants, net of fees	13,285	565
Payments on tax receivable agreement	(9,270)	(10,327)
Net cash provided by (used in) financing activities	<u>(55,700)</u>	<u>113,945</u>
Effect of exchange rate changes on cash and cash equivalents	(184)	(337)
Net increase (decrease) in cash and cash equivalents	55,062	(132,790)
Cash and cash equivalents at beginning of period	173,034	285,087
Cash and cash equivalents at end of period	\$ 228,096	\$ 152,297
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the period for:		
Interest	\$ 29,019	\$ 31,883
Net taxes paid	\$ 1,568	\$ 5,403
Supplemental disclosure of non-cash investing:		
Accrued capital expenditures	\$ 5,603	\$ 3,124

HOSTESS BRANDS, INC.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

Adjusted net revenue, adjusted gross profit, adjusted gross profit margin, adjusted operating income, adjusted net income, adjusted net income margin, adjusted EBITDA, adjusted EBITDA margin and adjusted EPS collectively referred to as “Non-GAAP Financial Measures,” are commonly used in the Company’s industry and should not be construed as an alternative to net revenue, gross profit, operating income, net income, net income attributed to Class A stockholders or earnings per share as indicators of operating performance (as determined in accordance with GAAP). These Non-GAAP Financial Measures may not be comparable to similarly titled measures reported by other companies. The Company has included these Non-GAAP Financial Measures because it believes the measures provide management and investors with additional information to measure the Company’s performance, estimate the Company’s value and evaluate the Company’s ability to service debt.

Non-GAAP Financial Measures are adjusted to exclude certain items that affect comparability. The adjustments are itemized in the tables below. You are encouraged to evaluate these adjustments and the reason the Company considers them appropriate for supplemental analysis. In evaluating adjustments, you should be aware that in the future the Company may incur expenses that are the same as or similar to some of the adjustments set forth below. The presentation of Non-GAAP Financial Measures should not be construed as an inference that future results will be unaffected by unusual or recurring items.

The Company defines adjusted EBITDA as net income adjusted to exclude (i) interest expense, net, (ii) depreciation and amortization (iii) income taxes and (iv) share-based compensation, as further adjusted to eliminate the impact of certain items that the Company does not consider indicative of its ongoing operating performance. Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of the Company’s results as reported under GAAP. For example, adjusted EBITDA:

- does not reflect the Company’s capital expenditures, future requirements for capital expenditures or contractual commitments;
- does not reflect changes in, or cash requirements for, the Company’s working capital needs;
- does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on the Company’s debt; and
- does not reflect payments related to income taxes, the tax receivable agreement or distributions to the non-controlling interest to reimburse its tax liability.

HOSTESS BRANDS, INC.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(Unaudited, amounts in thousands, except percentages and per share data)

Three Months Ended September 30, 2021						
	Gross Profit	Gross Margin	Operating Income	Net Income	Net Income Margin	Diluted EPS
GAAP Results	\$ 98,979	34.4 %	\$ 46,604	\$ 26,192	9.1 %	\$ 0.19
Non-GAAP adjustments:						
Foreign currency impacts	—	—	—	(249)	(0.1)	—
Project consulting costs	—	—	1,604	1,604	0.6	0.01
Change in fair value of warrant liabilities	—	—	—	228	0.1	—
Other (1)	370	0.1	1,185	1,810	0.6	0.01
Tax impact of adjustments	—	—	—	(674)	(0.2)	—
Adjusted Non-GAAP results	<u>\$ 99,349</u>	<u>34.5 %</u>	<u>\$ 49,393</u>	<u>28,911</u>	<u>10.1</u>	<u>\$ 0.21</u>
Income tax				10,552	3.7	
Interest expense				9,928	3.4	
Depreciation and amortization				12,769	4.4	
Share-based compensation				2,642	0.9	
Adjusted EBITDA				<u>\$ 64,802</u>	<u>22.5 %</u>	

(1) Costs related to certain corporate initiatives, of which \$0.4 million is included in cost of goods sold, \$0.8 million is included in general and administrative and \$0.6 million is included in other non-operating expenses.

Three Months Ended September 30, 2020						
	Gross Profit	Gross Margin	Operating Income	Net Income	Net Income Margin	Diluted EPS
GAAP Results	\$ 91,155	35.0 %	\$ 41,337	\$ 26,233	10.1 %	\$ 0.18
Non-GAAP adjustments:						
Foreign Currency impacts	—	—	—	398	0.2	—
Acquisition, disposal and integration related costs (1)	—	—	1,556	1,556	0.6	0.01
Tax receivable agreement remeasurement	—	—	610	610	0.2	0.01
Change in fair value of warrant liabilities	—	—	—	(2,260)	(0.9)	—
Other	—	—	120	541	0.2	—
Remeasurement of deferred taxes	—	—	—	(1,222)	(0.5)	(0.01)
Tax impact of adjustments	—	—	—	(601)	(0.2)	—
Adjusted Non-GAAP results	<u>\$ 91,155</u>	<u>35.0 %</u>	<u>\$ 43,623</u>	<u>25,255</u>	<u>9.7</u>	<u>\$ 0.19</u>
Income tax				8,104	3.1	
Interest expense				10,265	3.9	
Depreciation and amortization				14,522	5.6	
Share-based compensation				2,080	0.8	
Adjusted EBITDA				<u>\$ 60,226</u>	<u>23.1 %</u>	

(1) Acquisition, disposal and integration operating costs are included in general and administrative expenses on the consolidated statement of operations.

Nine Months Ended September 30, 2021							
	Net Revenue	Gross Profit	Gross Margin	Operating Income	Net Income	Net Income Margin	Diluted EPS
GAAP Results	\$ 844,875	\$ 299,604	35.5 %	\$ 146,775	\$ 82,771	9.8 %	\$ 0.60
Non-GAAP adjustments:							
Foreign currency impacts	—	—	—	—	(178)	—	—
Project consulting costs	—	—	—	2,503	2,503	0.3	0.02
Change in fair value of warrant liabilities	—	—	—	—	683	0.1	—
Other (1)	—	528	—	1,352	3,334	0.4	0.03
Tax impact of adjustments	—	—	—	—	(1,102)	(0.1)	(0.01)
Adjusted Non-GAAP results	\$ 844,875	\$ 300,132	35.5 %	\$ 150,630	88,011	10.5	\$ 0.64
Income tax					32,716	3.9	
Interest expense					29,899	3.5	
Depreciation and amortization					37,992	4.5	
Share-based compensation					7,005	0.8	
Adjusted EBITDA					\$ 195,623	23.2 %	

(1) Costs related to certain corporate initiatives, of which \$0.5 million is included in cost of goods sold, \$0.8 million is included in general and administrative and \$2.0 million is included in other non-operating expenses.

Nine Months Ended September 30, 2020							
	Net Revenue	Gross Profit	Gross Margin	Operating Income	Net Income	Net Income Margin	Diluted EPS
GAAP Results	\$ 760,566	\$ 259,866	34.2 %	\$ 91,078	\$ 108,961	14.3 %	\$ 0.33
Non-GAAP adjustments:							
Foreign currency impacts	—	—	—	—	1,394	0.2	0.01
Acquisition, disposal and integration related costs (1)	6,821	7,963	0.7	28,857	28,857	3.6	0.22
Facility transition costs	—	3,681	0.5	5,710	5,710	0.8	0.04
Tax receivable agreement remeasurement	—	—	—	610	610	0.1	—
COVID-19 Costs (2)	—	2,082	0.3	2,388	2,388	0.3	0.02
Change in fair-value of warrant liabilities	—	—	—	—	(64,978)	(8.5)	—
Other	—	—	—	100	1,217	0.2	0.01
Remeasurement of tax liabilities	—	—	—	—	(1,222)	(0.2)	(0.01)
Tax impact of adjustments	—	—	—	—	(9,894)	(1.4)	(0.08)
Adjusted Non-GAAP results	\$ 767,387	\$ 273,592	35.7 %	\$ 128,743	73,043	9.4	\$ 0.54
Income tax					23,138	3.0	
Interest expense					32,570	4.3	
Depreciation and amortization					40,999	5.4	
Share-based compensation					6,582	0.9	
Adjusted EBITDA					\$ 176,332	23.0 %	

(1) Acquisition, disposal and integration operating costs include \$8.0 million of selling expense, \$8.6 million of general and administrative expenses and \$4.3 million of business combination transaction costs on the consolidated statement of operations.

(2) COVID-19 costs are included in general and administrative expenses on the consolidated statement of operations. Total COVID-19 non-GAAP adjustments primarily consist of costs of incremental cleaning and sanitation, personal protective equipment and employee bonuses.



Investor Presentation

November 9, 2021

Disclaimer



Forward Looking Statements

This investor presentation contains statements reflecting our views about the future performance of Hostess Brands, Inc. and its subsidiaries (referred to as "Hostess Brands" or the "Company") 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 forward-looking statements. All forward looking statements included herein are made only as of the date hereof. We undertake 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; our ability to maintain, extend or expand our reputation and brand image; failing to protect our intellectual property rights; our ability to leverage our brand value to compete against lower-priced alternative brands; our ability to correctly predict, identify and interpret changes in consumer preferences and demand and offering new products to meet those changes; our ability to operate in a highly competitive industry; our ability to maintain or add additional shelf or retail space for our products; our ability to continue to produce and successfully market products with extended shelf life; our ability to successfully integrate, achieve expected synergies and manage our acquired businesses and brands; 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 and our ability to adjust our pricing to cover any increased costs; the availability and pricing of transportation to distribute our products; our dependence on our major customers; our geographic focus could make us particularly vulnerable to economic and other events and trends in North America; consolidation of retail customers; increased costs to comply with governmental regulation; general political, social and economic conditions; increased healthcare and labor costs; the fact that 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; inability to identify or complete strategic acquisitions; our insurance not providing adequate levels of coverage against claims; failures, unavailability, or disruptions of our information technology systems; departure of 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.

The impact of COVID-19 may also exacerbate these risks, any of which could have a material effect on the Company. This situation is changing rapidly and additional impacts may arise that the Company is not aware of currently. All subsequent written or oral forward-looking statements attributable to us or persons acting on the Company's behalf are expressly qualified in their entirety by these risk factors. The Company undertakes no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.

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. All prior period market data in this presentation reflects the restatement of convenience channel data executed by Nielsen during 2020. Additionally, prior period Nielsen data was adjusted to exclude the Cloverhill® and Big Texas® brands in the periods they were not owned by Hostess. 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.

Use of Non-GAAP Financial Measures

Adjusted net revenue, adjusted gross profit, adjusted gross profit margin, adjusted operating income, adjusted net income, adjusted diluted shares and adjusted EPS collectively referred to as "Non-GAAP Financial Measures," are commonly used in the Company's industry and should not be construed as an alternative to net revenue, gross profit, operating income, net income, net income attributed to Class A stockholders or earnings per share as indicators of operating performance (as determined in accordance with GAAP). These Non-GAAP financial measures exclude certain items included in the comparable GAAP financial measure. This Investor Presentation also 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") and Adjusted EBITDA Margin. Adjusted EBITDA Margin represents Adjusted EBITDA divided by adjusted net revenues. 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 Financial Measures to compare Hostess Brands' performance to that of prior periods for trend analysis, for purposes of determining management incentive compensation, and for budgeting and planning purposes. 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 Financial Measures in isolation or as an alternative to financial measures determined in accordance with GAAP. Other companies may calculate non-GAAP measures differently, and therefore Hostess Brands' Non-GAAP Measures may not be directly comparable to similarly titled measures of other companies. The Company does not provide a reconciliation of the forward-looking information to the most directly comparable GAAP measures because of the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliations. Totals in this Investor Presentation may not add up due to rounding.

Strong Momentum Continues in the Third Quarter



Raising Full Year Top-Line Guidance

- **10.4% net revenue growth** with broad-based Hostess® and Voortman® branded growth
- **Outstanding retail performance and higher A&M investments** driving market share gains and double-digits point-of-sale growth
- **Strong contribution from new product innovation** headlined by Baby Bundts, Muff'n Stix, and Crispy Minis
- **Favorable mix, higher prices, and increasing productivity** meaningfully offset rising inflation; additional price realization to come in Q4
- **Raising 2021 revenue guidance** reflecting strong performance and ongoing momentum
- **Simplified capital structure** by completing the cashless exercise of remaining warrants
- **Returned capital to shareholders** through share buyback



Our Mission is to Inspire Moments of Joy by Putting our  into Everything We Do!



Strong Q3 Net Revenue and EBITDA Growth

Driven by Hostess® Brand Growth



Results are for three months ended September 30, 2021 and 2020.

Adjusted EBITDA is a non-GAAP financial measure. See "Use of Non-GAAP Financial Measures" and the Appendix for an explanation of all non-GAAP financial measures and reconciliations to the comparable GAAP measures. 4

Net Revenue Growth Driven by Hostess® Brand



(\$ in millions)	Three Months Ended				Nine Months Ended			
	September 30,		Change		September, 30		Change	
	2021	2020	\$	%	2021	2020	\$	%
Sweet Baked Goods	\$258.8	\$234.1	\$24.7	10.6%	\$759.0	\$693.1	\$65.9	9.5%
Cookies	29.2	26.8	2.4	9.0%	85.9	74.3	11.6	15.6%
Total Adjusted Net Revenue	\$288.0	\$260.9	\$27.1	10.4%	\$844.9	\$767.4	\$77.5	10.1%



Adjusted Net Revenue is a non-GAAP financial measure. See "Use of Non-GAAP Financial Measures" and the Appendix for an explanation of all non-GAAP financial measures.

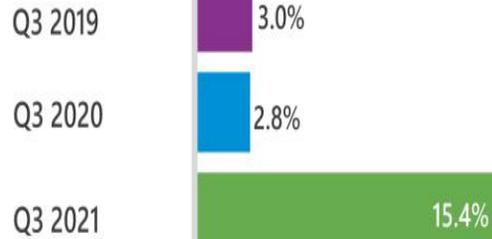
Ideally Positioned for Evolving Consumer Behaviors



Leading Sweet Baked Goods Growth Across Both Single-Serve and Multi-Pack

Hostess Brands

Single-Serve
Point-of-Sale



Two Year
Stack Growth
18.2%

Two-year stack accelerated as Hostess® leading single-serve category growth

Hostess Brands

Multi-Pack
Point-of-Sale



Two Year
Stack Growth
22.5%

At-home snacking remains elevated; Hostess® leading multi-pack growth

Source: Nielsen, Total Nielsen Universe for the Company within the SBG Category. Q3 2021 – 13 weeks ended 10/2/21 and prior year comparable periods

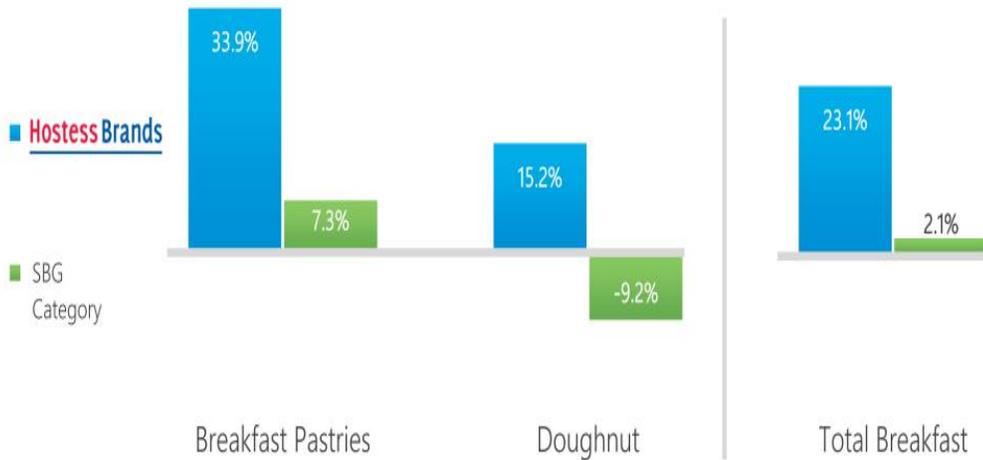
Breakfast Expansion Remains a Key Growth Driver



Hostess® Growth Driven by Superior Innovation, Retail Execution

Growing Share in On-Trend Consumer Morning Snacking Occasion

Third Quarter POS Growth



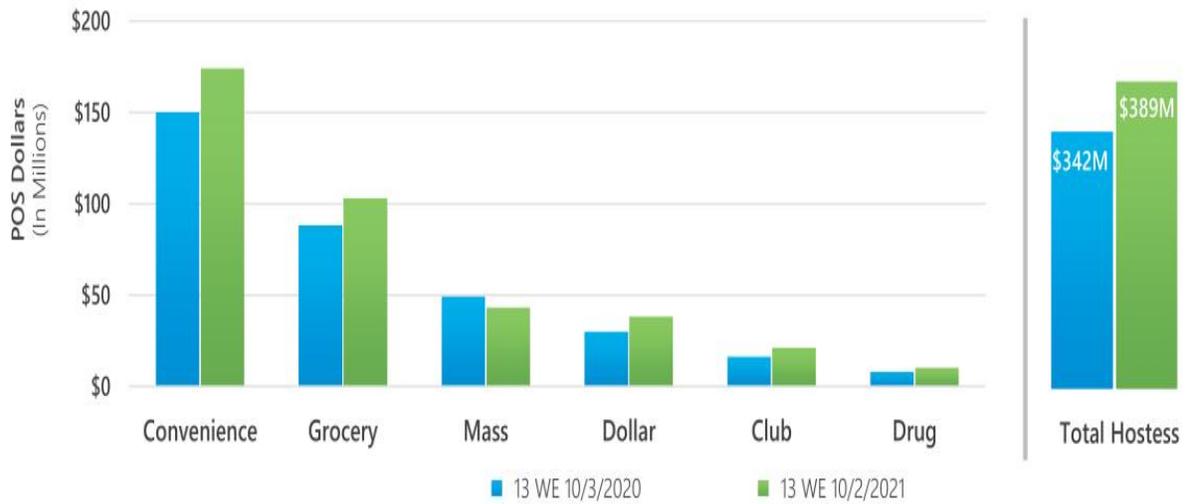
Source: Nielsen, Total Nielsen Universe for the Company within the SBG Category. Point of sale ("POS") changes for the 13 weeks ended 10/2/2021 as compared to the comparable period in the prior year and reflects a scheduled one-week shift in current and prior-year reporting periods performed by Nielsen in April 2021 to better coincide with calendar periods.



Strong Market Share Gains

Broad-based Gains Driving Growth Ahead of the Category

POS Change	16.2%	16.6%	(12.6)%	24.9%	33.1%	15.2%	13.7%
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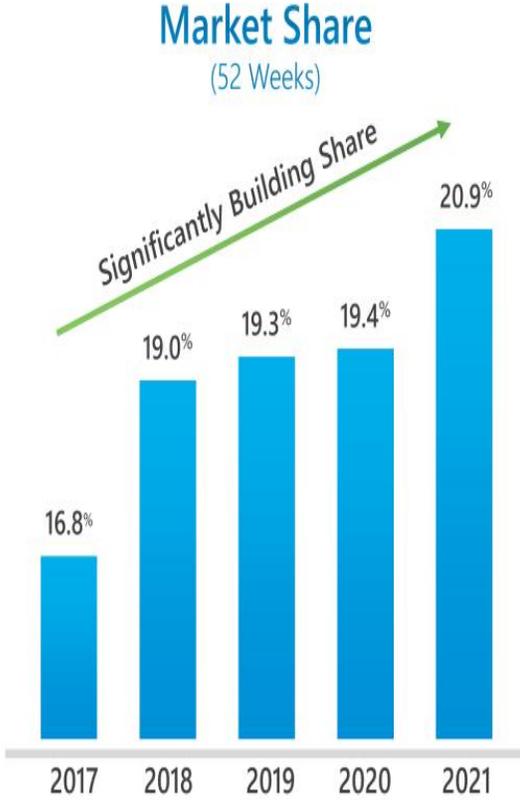
Market Share	30.6%	16.3%	11.1%	33.4%	24.1%	57.7%	21.6%
Market Share Change (bps)	292	229	(235)	444	204	765	179

Source: Nielsen, Total Nielsen Universe for the Company within the SBG Category. Point of sale ("POS") and market share data changes for the 13 weeks ended 10/2/2021 as compared to the comparable period in the prior year. Prior period Nielsen data reflects the restatement of convenience channel data executed by Nielsen during 2020.

Sustained Growth and Market Share Gains



Contributing to and outperforming Sweet Baked Goods Category Point-of-Sale Growth



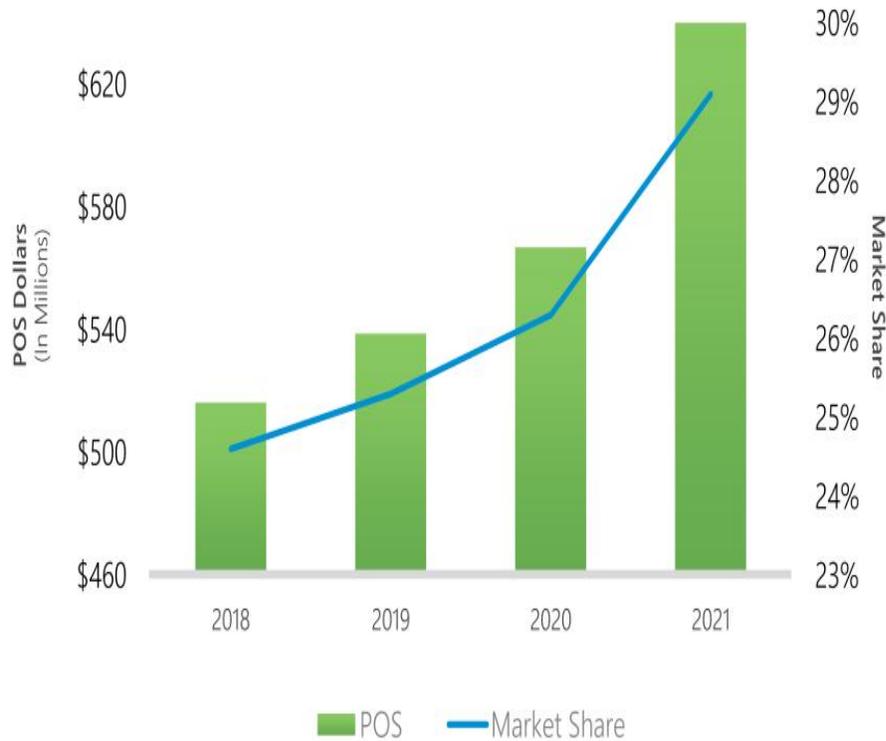
Source: Nielsen, Total Nielsen Universe for the Company within the SBG Category. Point of Sale and Market Share, 52 weeks ending 9/30/17, 9/29/18, 9/28/19, 9/26/20 10/2/21. Prior period Nielsen data reflects the restatement of convenience channel data executed by Nielsen during 2020. Additionally, prior period Nielsen data was adjusted to exclude the Cloverhill® and Big Texas® brands in the periods they were not owned by Hostess (2017 – 2018).



Accelerating Convenience Channel Growth

Market Share Increased to All-Time High

Convenience POS and Market Share



Continued Market Share Gains Establish Strong Platform for Future Growth

Source: Nielsen, Total Nielsen Universe for the Company in the Convenience channel within the SBG Category for the 52 weeks ended October 2, 2021 and the comparable prior year periods and reflects a scheduled one-week shift in current and prior-year reporting periods performed by Nielsen in April 2021 to better coincide with calendar periods.



Executing Exciting Innovation Slate

Multi-pronged Approach to Innovation Pipeline Establishing New Platforms for Continued Incremental Growth

New Platforms	Expanding Breakfast	Voortman Channel Expansion	Core Development	Limited-Time-Offers
<p>Expanding into New Consumer Need States Targeting Younger Consumers</p>	<p>Accelerating Growth within Fastest Growing Subsegment of Category</p>	<p>Penetrating Convenience Channel with Single-serve Usage Occasion</p>	<p>Building on Iconic Brand Favorites with Flavor Extensions</p>	<p>Keeping Products Relevant and Engaging for Consumers</p>
				

2021 Innovation On Record Pace



Baby Bundts

- Strong distribution achieving over 50% ACV
- Consumer Trial is exceeding expectations with a strong Repeat Rate
- Highly appealing to Hostess core consumer



Crispy Minis

- Building distribution and expanding into the front of the stores
- Over indexes with the Millennial and Gen Z shopper
- Incremental to Hostess and to the category



Muff'n Stix

- Strong distribution build with ACV approaching 40%
- Reached top 20 velocity amongst Hostess single-serve SKUs
- Solid repeat rate exceeding expectations

2021 Brand Activation Showing Positive Early Returns

Digital First Mindset Enabling Rapid Learning & Continuous Improvement



Advertising
response
rates
exceeding
CPG
benchmarks



eCommerce
advertising
driving
incremental
sales



Increasing
Social
Engagement





Voortman – Multiple Avenues for Growth

Successfully Executing Against Building Blocks for Accretive Growth
Well-Positioned to Take Advantage of Growing Consumer Trends



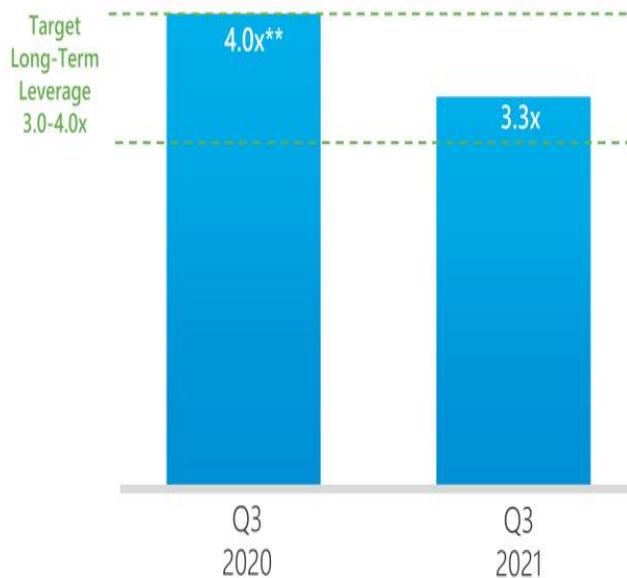


Ample Liquidity and Cash Flow

Provides Flexibility to Invest in Growth and Generate Shareholder Value

Net Leverage Ratio*

History of successfully reducing leverage while increasing shareholder value through accretive acquisitions and disciplined investments for growth



Disciplined Approach to Cash Management

- Reinvest in business for future growth
- Deleverage the balance sheet
- Strategic acquisitions
- Return capital to shareholders through securities repurchases (\$50M executed YTD)



* Net Leverage ratio is net debt (total long-term debt less lease obligations, unamortized debt premiums and cash and cash equivalents) divided by adjusted EBITDA for the trailing twelve-month period.
** 2020 proforma leverages included an assumption of \$25 million of incremental EBITDA from the acquisition of Voortman and removal of \$1.2 million of historical in-store bakery EBITDA



Consolidated Financial Results

Double-Digit YTD Net Revenue and Earnings Growth

(\$ in millions, except per share data)	Three Months Ended				Nine Months Ended			
	September 30,		Change		September 30,		Change	
	2021	2020	\$	%	2021	2020	\$	%
Adjusted Net Revenue	\$288.0	\$260.9	\$27.1	10.4%	\$844.9	\$767.4	\$77.5	10.1%
Adjusted Gross Profit	\$99.3	\$91.2	\$8.1	8.9%	\$300.1	\$273.6	\$26.5	9.7%
Adjusted Gross Margin	34.5%	35.0%		(48bps)	35.5%	35.7%		(13bps)
Adjusted Operating Income	\$49.4	\$43.6	\$5.8	13.3%	\$150.6	\$128.7	\$21.9	17.0%
Adjusted EBITDA	\$64.8	\$60.2	\$4.6	7.6%	\$195.6	\$176.3	\$19.3	10.9%
Adjusted EBITDA Margin	22.5%	23.1%		(57bps)	23.2%	23.0%		18bps
Adjusted EPS	\$0.21	\$0.19	\$0.02	10.5%	\$0.64	\$0.54	\$0.10	18.5%

Adjusted Gross Profit, Adjusted Gross Margin, Adjusted Operating Income, Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted EPS are non-GAAP financial measures. See "Use of Non-GAAP Financial Measures" in the Appendix for an explanation of all non-GAAP financial measures and reconciliations to the comparable GAAP measures.



Updating 2021 Guidance

Metric	Updated Guidance	Previous Guidance
Adjusted Net Revenue Growth	9.0% - 10.0% 	7.5% - 9.0%
Adjusted EBITDA	\$260 - \$268 million	\$260 - \$268 million
Adjusted EPS (diluted)	\$0.83 - \$0.87*	\$0.83 - \$0.87*
Leverage Ratio	~3x	~3x
Capital Expenditures	\$60 - \$65 million	\$60 - \$65 million
Effective tax rate	~27.5%	~27.5%



*Based on weighted average shares outstanding of 139 million.

Adjusted Net Revenue, Adjusted EBITDA and Adjusted EPS are non-GAAP financial measures. See "Use of Non-GAAP Financial Measures" and the Appendix for an explanation of all non-GAAP financial measures. The Company's leverage ratio is net debt (total long-term debt less cash) divided by adjusted EBITDA. The Company does not provide a reconciliation of forward-looking financial expectations to the most directly comparable GAAP financial measure because of the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliation, including adjustments that could be made for deferred taxes; remeasurement of the tax receivable agreement, transformation expenses and other non-operating gains or losses reflected in the Company's reconciliation of historic non-GAAP financial measures, the amount of which could be material. Please refer to the Reconciliation of Non-GAAP Financial Measures included in the Appendix for further information about the use of these measures.



A Sustainable, Profitable Growth Story

Objective: Long-term leading performance in our peer group



Organic Revenue
Growth
Top Quartile of
Peer Group¹



Adjusted EBITDA
Margin
Top Quartile of
Peer Group¹



Free Cash Flow
Conversion²
Top Quartile of
Peer Group¹



Delivering Industry-Leading Total Shareholder Returns

1. Peer group defined as S&P Composite 1500 Packaged Foods and Meats Sub Index.

2. Free Cash Flow conversion is defined as (operating cash flow - capital expenditures)/net income.



Appendix

Non-GAAP Reconciliations



	Three Months Ended September 30, 2021						Three Months Ended September 30, 2020					
	Gross Profit	Gross Margin	Operating Income	Net Income	Net Income Margin	Diluted EPS	Gross Profit	Gross Margin	Operating Income	Net Income	Net Income Margin	Diluted EPS
GAAP Results	\$ 99.0	34.4%	\$ 46.6	\$ 26.2	9.1%	\$ 0.19	\$ 91.2	35.0%	\$ 41.3	\$ 26.2	10.1%	\$ 0.18
Non-GAAP adjustments:												
Foreign currency impacts	-	-	-	(0.2)	(0.1)	-	-	-	-	0.4	0.2	-
Acquisition, disposal and integration related costs (1)	-	-	-	-	-	-	-	-	1.6	1.6	0.6	0.01
Tax Receivable Agreement Remeasurement	-	-	-	-	-	-	-	-	0.6	0.6	0.2	0.01
Change in fair value of warrant liabilities	-	-	-	0.3	0.1	-	-	-	-	(2.3)	(0.9)	-
Project consulting costs	-	-	1.6	1.6	0.6	0.01	-	-	-	-	-	-
Other (2)	0.4	0.1	1.2	1.8	0.6	0.01	-	-	0.1	0.5	0.2	-
Remeasurement of deferred taxes	-	-	-	-	-	-	-	-	-	(1.2)	(0.5)	(0.01)
Tax impact of adjustments	-	-	-	(0.7)	(0.2)	-	-	-	-	(0.6)	(0.2)	-
Adjusted Non-GAAP results	\$ 99.3	34.5%	\$ 49.4	28.9	10.1	\$ 0.21	\$ 91.2	35.0%	\$ 43.6	25.2	9.7	\$ 0.19
Income tax				10.6	3.7					8.1	3.1	
Interest expense				9.9	3.4					10.3	3.9	
Depreciation & amortization				12.8	4.4					14.5	5.6	
Share-based compensation				2.6	0.9					2.1	0.8	
Adjusted EBITDA				<u>\$ 64.8</u>	<u>22.5%</u>					<u>\$ 60.2</u>	<u>23.1%</u>	

1. Acquisition, disposal and integration operating costs are included in general and administrative expenses on the consolidated statement of operations.
2. Costs related to certain corporate initiatives, of which \$0.4 million is included in cost of goods sold, \$0.8 million in general and administrative and \$0.6 million is included in other non-operating expenses.

Non-GAAP Reconciliations



	Nine Months Ended September 30, 2021							Nine Months Ended September 30, 2020						
	Net Revenue	Gross Profit	Gross Margin	Operating Income	Net Income	Net Income Margin	Diluted EPS	Net Revenue	Gross Profit	Gross Margin	Operating Income	Net Income	Net Income Margin	Diluted EPS
GAAP Results	\$ 844.9	\$ 299.6	35.5%	\$ 146.8	\$ 82.8	9.8%	\$ 0.60	\$ 760.6	\$ 259.9	34.2%	\$ 91.1	\$ 109.0	14.3%	\$ 0.33
Non-GAAP adjustments:														
Foreign currency impacts	-	-	-	-	(0.2)	-	-	-	-	-	-	1.4	0.2	0.01
Acquisition, disposal and integration related costs (1)	-	-	-	-	-	-	-	6.8	8.0	0.7	28.9	28.9	3.6	0.22
Facility transition costs	-	-	-	-	-	-	-	-	3.6	0.5	5.7	5.7	0.8	0.04
Tax Receivable Agreement Remeasurement	-	-	-	-	-	-	-	-	-	-	0.6	0.6	0.1	-
COVID-19 costs (2)	-	-	-	-	-	-	-	-	2.1	0.3	2.4	2.4	0.3	0.02
Change in fair value of warrant liabilities	-	-	-	-	0.7	0.1	-	-	-	-	-	(65.0)	(8.5)	-
Project consulting costs	-	-	-	2.5	2.5	0.3	0.02	-	-	-	-	-	-	-
Other (3)	-	0.5	-	1.3	3.3	0.4	0.02	-	-	-	0.1	1.2	0.2	0.01
Remeasurement of tax liabilities	-	-	-	-	-	-	-	-	-	-	-	(1.2)	(0.2)	(0.01)
Tax impact of adjustments	-	-	-	-	(1.1)	(0.1)	-	-	-	-	-	(9.9)	(1.4)	(0.08)
Adjusted Non-GAAP results	\$ 844.9	\$ 300.1	35.5%	\$ 150.6	\$ 88.0	10.5%	\$ 0.64	\$ 767.4	\$ 273.6	35.7%	\$ 128.7	\$ 73.0	9.4%	\$ 0.54
Income tax					32.7	3.9						23.1	3.0	
Interest expense					29.9	3.5						32.6	4.3	
Depreciation & amortization					38.0	4.5						41.0	5.4	
Share-based compensation					7.0	0.8						6.6	0.9	
Adjusted EBITDA					\$ 195.6	23.2%						\$ 176.3	23.0%	

1. Acquisition, disposal and integration operating costs include \$8.0 million of selling expense, \$8.6 million of general and administrative expenses and \$4.3 million of business combination transaction costs on the consolidated statement of operations.
2. COVID-19 costs are included in general and administrative expenses on the consolidated statement of operations. Total COVID-19 non-GAAP adjustments primarily consist of costs of incremental cleaning and sanitation, personal protective equipment and employee bonuses.
3. Costs related to certain corporate initiatives, of which \$0.5 million is included in cost of goods sold, \$0.8 million in general and administrative and \$2.0 million is included in other non-operating expenses.

