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

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**FORM 8-K**

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**CURRENT REPORT**  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934  
Date of Report (Date of earliest event reported): August 3, 2022

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**Hostess Brands, Inc.**

(Exact name of registrant as specified in its charter)

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Delaware (State or other jurisdiction of incorporation)	1-37540 (Commission File Number)	47-4168492 (I.R.S. Employer Identification No.)
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)	

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

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

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

Title of each Class	Trading Symbol	Name of exchange on which registered
Class A Common Stock, par value \$0.0001 per share	TWNK	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 August 3, 2022, Hostess Brands, Inc. (the "Company") issued a press release announcing financial results for the three and six months ended June 30, 2022, 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 August 3, 2022, the Company disseminated an investor presentation. 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](http://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	<a href="#">Press Release dated August 3, 2022 announcing financial results for the three and six months ended June 30, 2022</a>
99.2	<a href="#">Investor Presentation of the Company dated August 3, 2022</a>
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: August 3, 2022

By: /s/ Travis E. Leonard  
Name: Travis E. Leonard  
Title: Executive Vice President, Chief Financial Officer

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**Hostess Brands Reports Second Quarter 2022 Results**  
**17% Organic Net Revenue Growth**  
**Raises Full Year Sales Growth, Reaffirms Full Year EBITDA and EPS Guidance**

LENEXA, KS, August 3, 2022 - Hostess Brands, Inc. (NASDAQ: TWNK) (the "Company", "we", "our") today reported its financial results for the three and six months ended June 30, 2022.

"Hostess Brands' iconic brands, access to faster growing snacking occasions, broad-based distribution footprint and excellent execution continues to drive growth in a volatile environment. During the second quarter, our top-line momentum continued as we posted the 10th straight quarter of double-digit growth. I am proud of our team's timely actions to address the ongoing supply-chain fragility and higher inflation which pressured our margins in the quarter," commented Andy Callahan, the Company's President and Chief Executive Officer.

He continued, "Our year-to-date results are tracking ahead of our initial expectations and our long-term growth targets, enabling us to raise our full-year net revenue guidance to at least 15% growth while maintaining our full-year EBITDA and EPS guidance."

**Second Quarter 2022 Financial Highlights<sup>1</sup>**

- Net revenue of \$340.5 million increased 16.8% from the same period last year as higher prices and favorable product mix accounted for 13.8% of the quarterly growth, with remaining growth attributed to higher volumes.
- Gross profit increased 7.2% to \$112.7 million, or 33.1% of net revenues, while on an adjusted basis, gross profit increased 7.1% to \$112.8 million, or 33.1% of net revenue. As expected, second quarter gross margins declined by 295 basis points, 299 basis points on an adjusted basis, from year-ago levels as favorable price/mix was more than offset by 20% inflation and inefficiencies caused by supply-chain fragility.
- Net income was \$30.5 million or \$0.22 per diluted share, a slight increase from the prior year period. Adjusted net income and adjusted EPS of \$30.5 million, and \$0.22, respectively, decreased modestly from the prior year period.
- Adjusted EBITDA increased 0.7% to \$68.9 million. Adjusted EBITDA margin of 20.2% declined from 23.5% in the prior year period due to lower gross margins and higher operating expenses.
- Cash and cash equivalents and short-term investments were \$227.7 million, as of June 30, 2022, reflecting a net leverage ratio of 3.0x.
- Capital expenditures increased to \$41.9 million from \$22.2 million in the prior-year period. The Company continues to expect capital expenditures to be in the \$120 - \$140 million range in 2022.
- Raising full year 2022 net revenue guidance to at least 15% growth, while maintaining full year adjusted EBITDA guidance towards the higher end of \$280 - \$290 million and adjusted EPS guidance of \$0.93 - \$0.98.

**Other Highlights**

- The Company's Sweet Baked Goods point-of-sale ("POS") increased 15.6%, maintaining its share of category dollar sales at 21.7%.
- Voortman® branded POS grew 25.0% and its share of the Cookie category increased by 20 basis points driven in parts by the ongoing momentum in the faster-growing sugar-free sub-segment.
- Full year inflation is currently expected to be in the high teens for the full year, in-line with previous estimates.
- Repurchased \$48.5 million of shares year-to-date, the majority of which were under the previously announced \$150 million share repurchase program.

<sup>1</sup>This press release contains certain non-GAAP financial measures, including 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 second quarter of 2021. 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 or Cookie categories as reported by Nielsen but do not include other products sold outside of those categories. All market data in this press release refer to the thirteen-week period ended July 2, 2022. The Company's leverage ratio is net debt (total long-term debt less cash and short-term investments) divided by the trailing twelve months adjusted EBITDA.

## Guidance and Outlook

The Company is raising its full year 2022 net revenue growth guidance:

	Updated Guidance	Previous Guidance
Net revenue growth	At least 15%	At least 12%
Adjusted EBITDA	Towards the higher end of \$280 - \$290 million	Towards the higher end of \$280 - \$290 million
Adjusted EPS (diluted)	\$0.93 - \$0.98	\$0.93 - \$0.98
Capital expenditures	\$120 - \$140 million (Including capacity expansion)	\$120 - \$140 million (Including capacity expansion)
Effective tax rate	27.0%	27.0%
Weighted average shares outstanding	138.5 - 139.5 million	139.0 - 140.0 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.

### Second Quarter 2022 Compared to Second Quarter 2021

Net revenue was \$340.5 million, an increase of 16.8%, or \$49.0 million, from the prior-year period. Contribution from previously taken pricing actions and product mix provided 13.8% of the growth, while higher volumes accounted for 3.0% of the quarterly growth. Compared to the same period last year, sweet baked goods net revenue of \$303.5 million increased 15.6% or \$41.0 million, while cookies net revenue of \$37.0 million increased 27.6% or \$8.0 million.

Gross profit was \$112.7 million or 33.1% of net revenue, compared to 36.1% for the same period last year. Gross margin declined 295 basis points, 299 basis points on an adjusted basis, as favorable price/mix and productivity benefits were more than offset by inflation and inefficiencies caused by supply-chain fragility. Adjusted gross profit increased 7.1% on pricing actions and higher volume.

Operating income was \$51.0 million, a decrease of 4.0% from the prior-year period. Adjusted operating income of \$51.7 million decreased 4.6% from the same period last year, as higher gross profit was offset by higher advertising expense, greater workforce investments as well as higher depreciation and share-based compensation expense.

Adjusted EBITDA of \$68.9 million, or 20.2% of net revenue, increased 0.7% from the same period last year as higher gross profit was partially offset by higher operating expenses.

The Company's effective tax rate was 27.0% compared to 28.2% in the prior year. The current year effective tax rate, excluding certain immaterial discrete items, was 27.2% compared to 27.3% in the prior-year period.

Net income was \$30.5 million, a slight increase from \$29.8 million from the prior-year period. Adjusted net income of \$30.5 million decreased 5.3% from the same period last year. Diluted EPS was \$0.22 compared to \$0.21 in the prior-year period. Adjusted EPS was \$0.22 compared to \$0.23 in the prior-year period due to the changes in adjusted net income.

Operating cash flows for the six months ended June 30, 2022 were \$87.2 million, relatively unchanged as compared to \$87.3 million for the same period last year.

### Conference Call and Webcast

The Company will host a conference call and webcast with an accompanying presentation today, August 3, 2022 at 4:30 p.m. ET to discuss the results for the second quarter. Investors interested in participating in the live call can dial 877-451-6152 from the U.S. and 201-389-0879 internationally. A telephone replay will be available approximately two hours after the call concludes through August 17, 2022, by dialing 844-512-2921 from the U.S., or 412-317-6671 internationally, and entering confirmation code 13730838. The simultaneous, live webcast and presentation will be available on the Investor Relations section of the Company's website at [www.hostessbrands.com](http://www.hostessbrands.com). The webcast will be archived for 30 days.

### About Hostess Brands, Inc.

Hostess Brands, Inc. (NASDAQ: TWNK) is a snacking powerhouse with a portfolio of iconic brands and a mission to inspire moments of joy by putting our heart into everything we do. Hostess Brands is proud to make America's No. 1 cupcake, mini donut and sugar-free cookie brands. With annual sales exceeding \$1.1 billion and employing approximately 2,600 dedicated team members, Hostess Brands produces new and classic snacks, including Hostess® Donettes®, Twinkies®, CupCakes, Ding Dongs® and Zingers®, as well as a variety of Voortman® cookies and wafers. For more information about Hostess Brands please visit [hostessbrands.com](http://hostessbrands.com).

#### Investor Contact

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### 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 for 2021. 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.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
*(Unaudited, amounts in thousands, except shares and per share data)*

	June 30, 2022	December 31, 2021
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 206,831	\$ 249,159
Short-term investments	20,918	—
Accounts receivable, net	178,769	148,180
Inventories	60,809	52,813
Prepays and other current assets	10,540	10,564
Total current assets	477,867	460,716
Property and equipment, net	359,444	335,305
Intangible assets, net	1,932,636	1,944,392
Goodwill	706,615	706,615
Other assets, net	52,645	19,283
Total assets	\$ 3,529,207	\$ 3,466,311
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Long-term debt and lease obligations payable within one year	\$ 14,009	\$ 14,170
Tax receivable agreement payments payable within one year	11,100	11,600
Accounts payable	84,147	68,104
Customer trade allowances	60,668	52,746
Accrued expenses and other current liabilities	42,079	47,009
Total current liabilities	212,003	193,629
Long-term debt and lease obligations	1,092,797	1,099,975
Tax receivable agreement obligations	125,452	134,265
Deferred tax liability	336,587	317,847
Other long-term liabilities	1,635	1,605
Total liabilities	1,768,474	1,747,321
Class A common stock, \$0.0001 par value, 200,000,000 shares authorized, 142,546,549 issued and 136,486,712 shares outstanding as of June 30, 2022 and 142,031,329 shares issued and 138,278,573 shares outstanding as of December 31, 2021	14	14
Additional paid in capital	1,304,970	1,303,254
Accumulated other comprehensive income (loss)	22,993	(506)
Retained earnings	540,434	475,400
Treasury stock	(107,678)	(59,172)
Stockholders' equity	1,760,733	1,718,990
Total liabilities and stockholders' equity	\$ 3,529,207	\$ 3,466,311

**HOSTESS BRANDS, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

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

	Three Months Ended		Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Net revenue	\$ 340,472	\$ 291,485	\$ 672,523	\$ 556,906
Cost of goods sold	227,772	186,379	444,199	356,281
Gross profit	112,700	105,106	228,324	200,625
Operating costs and expenses:				
Advertising and marketing	15,587	13,144	27,537	24,925
Selling	10,137	9,454	19,914	18,084
General and administrative	30,127	23,504	59,799	45,689
Amortization of customer relationships	5,878	5,878	11,756	11,756
Total operating costs and expenses	61,729	51,980	119,006	100,454
Operating income	50,971	53,126	109,318	100,171
Other expense (income):				
Interest expense, net	9,741	9,954	19,407	19,971
Change in fair value of warrant liabilities	—	531	—	455
Other expense (income)	(507)	1,067	(71)	1,430
Total other expense	9,234	11,552	19,336	21,856
Income before income taxes	41,737	41,574	89,982	78,315
Income tax expense	11,261	11,727	24,948	21,736
Net income	\$ 30,476	\$ 29,847	\$ 65,034	\$ 56,579
Earnings per Class A share:				
Basic	\$ 0.22	\$ 0.23	\$ 0.47	\$ 0.43
Diluted	\$ 0.22	\$ 0.21	\$ 0.47	\$ 0.41
Weighted-average shares outstanding:				
Basic	137,909,156	131,354,059	138,255,803	131,096,686
Diluted	138,958,242	138,925,489	139,263,303	138,026,854

**HOSTESS BRANDS, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

*(Unaudited, amounts in thousands)*

	Six Months Ended	
	June 30, 2022	June 30, 2021
<b>Operating activities</b>		
Net income	\$ 65,034	\$ 56,579
Depreciation and amortization	27,951	25,223
Debt discount amortization	615	621
Change in fair value of warrant liabilities	—	455
Unrealized foreign exchange losses (gains)	(217)	73
Non-cash lease expense	247	659
Share-based compensation	4,987	4,363
Deferred taxes	10,374	13,932
Change in operating assets and liabilities:		
Accounts receivable	(30,600)	(23,194)
Inventories	(7,996)	(2,816)
Prepays and other current assets	(131)	8,844
Accounts payable and accrued expenses	8,967	1,735
Customer trade allowances	7,934	827
Net cash provided by operating activities	<u>87,165</u>	<u>87,301</u>
<b>Investing activities</b>		
Purchases of property and equipment	(36,302)	(20,051)
Acquisition of short-term investments	(20,918)	—
Acquisition and development of software assets	(5,607)	(2,129)
Net cash used in investing activities	<u>(62,827)</u>	<u>(22,180)</u>
<b>Financing activities</b>		
Repayments of long-term debt and lease obligations	(5,584)	(5,584)
Repurchase of common stock	(48,506)	(16,691)
Tax payments related to issuance of shares to employees	(5,512)	(1,235)
Cash received from exercise of options and warrants	2,241	13,524
Payments on tax receivable agreement	(9,313)	(9,270)
Net cash provided by (used in) financing activities	<u>(66,674)</u>	<u>(19,256)</u>
Effect of exchange rate changes on cash and cash equivalents	8	(92)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(42,328)</b>	<b>45,773</b>
Cash and cash equivalents at beginning of period	249,159	173,034
<b>Cash and cash equivalents at end of period</b>	<b>\$ 206,831</b>	<b>\$ 218,807</b>
<b>Supplemental Disclosures of Cash Flow Information:</b>		
Cash paid during the period for:		
Interest, net of amounts capitalized	\$ 18,599	\$ 19,451
Net taxes paid (refunded)	\$ 11,489	\$ (1,506)
Supplemental disclosure of non-cash investing:		
Accrued capital expenditures	\$ 6,358	\$ 5,046

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

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 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 or the tax receivable agreement.

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

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

<b>Three Months Ended June 30, 2022</b>						
	<b>Gross Profit</b>	<b>Gross Margin</b>	<b>Operating Income</b>	<b>Net Income</b>	<b>Net Income Margin</b>	<b>Diluted EPS</b>
GAAP Results	\$ 112,700	33.1 %	\$ 50,971	\$ 30,476	9.0 %	\$ 0.22
Non-GAAP adjustments:						
Foreign currency remeasurement	—	—	—	(537)	(0.2)	—
Project consulting costs (1)	—	—	559	559	0.2	—
Other (2)	144	—	144	175	—	—
Discrete income tax expense	—	—	—	(80)	—	—
Tax impact of adjustments	—	—	—	(53)	—	—
Adjusted Non-GAAP results	<u>\$ 112,844</u>	<u>33.1 %</u>	<u>\$ 51,674</u>	<u>30,540</u>	<u>9.0</u>	<u>\$ 0.22</u>
Income tax				11,394	3.3	
Interest expense				9,742	2.9	
Depreciation and amortization				14,560	4.2	
Share-based compensation				2,648	0.8	
Adjusted EBITDA				<u>\$ 68,884</u>	<u>20.2 %</u>	

(1) Project consulting costs are included in general and administrative on the condensed consolidated statement of operations.

(2) Costs related to certain corporate initiatives, including \$0.1 million of accelerated depreciation.

<b>Three Months Ended June 30, 2021</b>						
	<b>Gross Profit</b>	<b>Gross Margin</b>	<b>Operating Income</b>	<b>Net Income</b>	<b>Net Income Margin</b>	<b>Diluted EPS</b>
GAAP Results	\$ 105,106	36.1 %	\$ 53,126	\$ 29,847	10.2 %	\$ 0.21
Non-GAAP adjustments:						
Foreign currency remeasurement	—	—	—	(52)	—	—
Change in fair value of warrant liabilities	—	—	—	531	0.2	—
Other (1)	158	—	1,066	2,184	0.6	0.02
Tax impact of adjustments	—	—	—	(329)	(0.1)	—
Adjusted Non-GAAP results	<u>\$ 105,264</u>	<u>36.1 %</u>	<u>\$ 54,192</u>	<u>32,181</u>	<u>10.9</u>	<u>\$ 0.23</u>
Income tax				12,056	4.3	
Interest expense				9,954	3.4	
Depreciation and amortization				12,532	4.3	
Share-based compensation				1,640	0.6	
Adjusted EBITDA				<u>\$ 68,363</u>	<u>23.5 %</u>	

(1) Costs related to certain corporate initiatives, of which \$0.2 million is included in cost of goods sold, \$0.9 million is included in general and administrative expenses and \$1.1 million is included in other non-operating expenses.

Six Months Ended June 30, 2022						
	Gross Profit	Gross Margin	Operating Income	Net Income	Net Income Margin	Diluted EPS
GAAP Results	\$ 228,324	34.0 %	\$ 109,318	\$ 65,034	9.7 %	\$ 0.47
Non-GAAP adjustments:						
Foreign currency remeasurement	—	—	—	(220)	—	—
Project consulting costs (1)	—	—	3,887	3,887	0.6	0.03
Other (2)	273	—	273	422	0.1	—
Discrete income tax expense	—	—	—	512	0.1	—
Tax impact of adjustments	—	—	—	(1,104)	(0.2)	(0.01)
Adjusted Non-GAAP results	<u>\$ 228,597</u>	<u>34.0 %</u>	<u>\$ 113,478</u>	<u>68,531</u>	<u>10.3 %</u>	<u>\$ 0.49</u>
Income tax				25,540	3.8	
Interest expense				19,407	2.9	
Depreciation and amortization				27,857	4.1	
Share-based compensation				4,987	0.7	
Adjusted EBITDA				<u>\$ 146,322</u>	<u>21.8 %</u>	

(1) Project consulting costs are included in general and administrative on the condensed consolidated statement of operations.

(2) Costs related to certain corporate initiatives, including \$0.1 million of accelerated depreciation.

Six Months Ended June 30, 2021						
	Gross Profit	Gross Margin	Operating Income	Net Income	Net Income Margin	Diluted EPS
GAAP Results	\$ 200,625	36.0 %	\$ 100,171	\$ 56,579	10.2 %	\$ 0.41
Non-GAAP adjustments:						
Foreign currency remeasurement	—	—	—	71	—	—
Change in fair-value of warrant liabilities	—	—	—	455	0.1	—
Other (1)	158	0.1	1,066	2,422	0.4	0.02
Tax impact of adjustments	—	—	—	(428)	(0.1)	—
Adjusted Non-GAAP results	<u>\$ 200,783</u>	<u>36.1 %</u>	<u>\$ 101,237</u>	<u>\$ 59,099</u>	<u>10.6 %</u>	<u>\$ 0.43</u>
Income tax				22,164	4.0	
Interest expense				19,970	3.6	
Depreciation and amortization				25,223	4.5	
Share-based compensation				4,363	0.8	
Adjusted EBITDA				<u>\$ 130,819</u>	<u>23.5 %</u>	

(1) Costs related to certain corporate initiatives, of which \$0.2 million is included in cost of goods sold, \$0.9 million is included in general and administrative expenses and \$1.3 million is included in other non-operating expenses.



# Investor Presentation

AUGUST 3, 2022

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# 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 long-term algorithms contained in this presentation are goals that are subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Company and are based on assumptions with respect to future actions which are subject to change.

## 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. 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 gross profit, adjusted gross margin, adjusted operating income, adjusted net income, adjusted net income margin, 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, diluted shares outstanding 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.



## Key Takeaways

- **Strong topline momentum** with 16.8% organic net revenue growth during the quarter reflecting higher price/mix and volumes
- **15.6% Hostess Brands' point-of-sale growth** in Sweet Baked Goods and **25.0% Voortman® branded growth** in Cookies\*
- **Executed previously announced pricing actions** to mitigate ongoing cost inflation and supply chain fragility
- **Raising full-year revenue guidance** reflecting a strong first half and continued growth momentum
- **Ramping up advertising investments** to support the launch of first national video campaign in over a decade

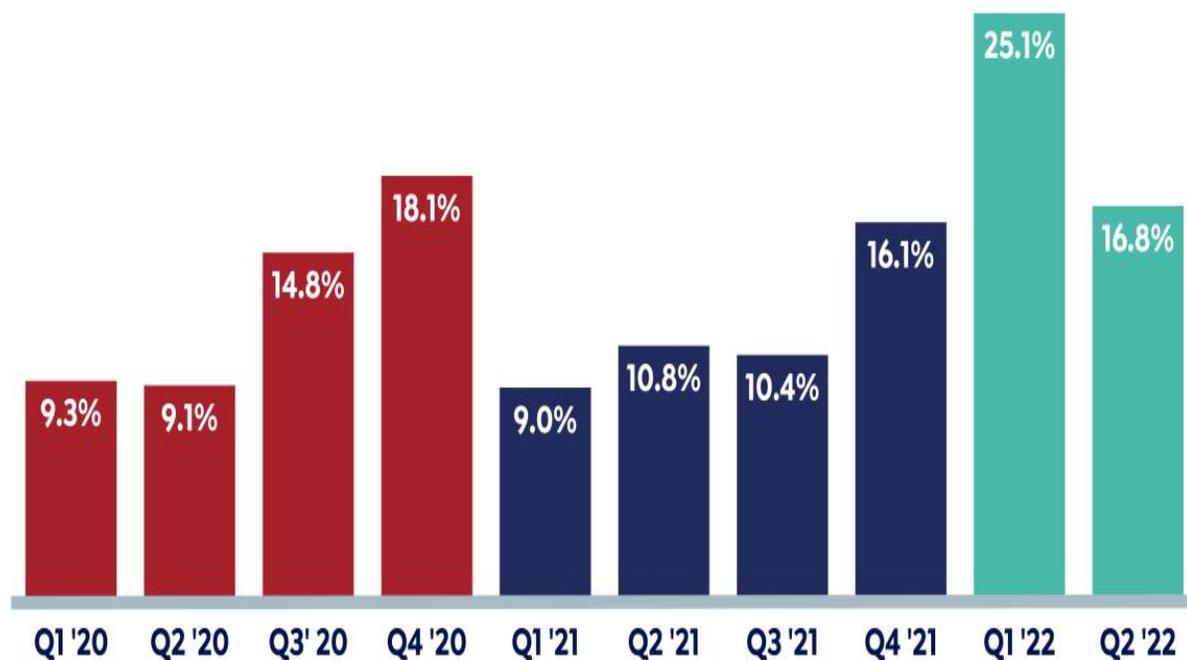
\*Source: Nielsen, Total Nielsen Universe for the Company within the SBG Category and Cookie Category. Point of Sale, 13 weeks ending 7/2/22 vs comparable prior year period.



# 10<sup>th</sup> Consecutive Quarter of 9+% Net Revenue Growth

Double-digit growth in each of the last 5 quarters

## Quarterly Adjusted Net Revenue Growth

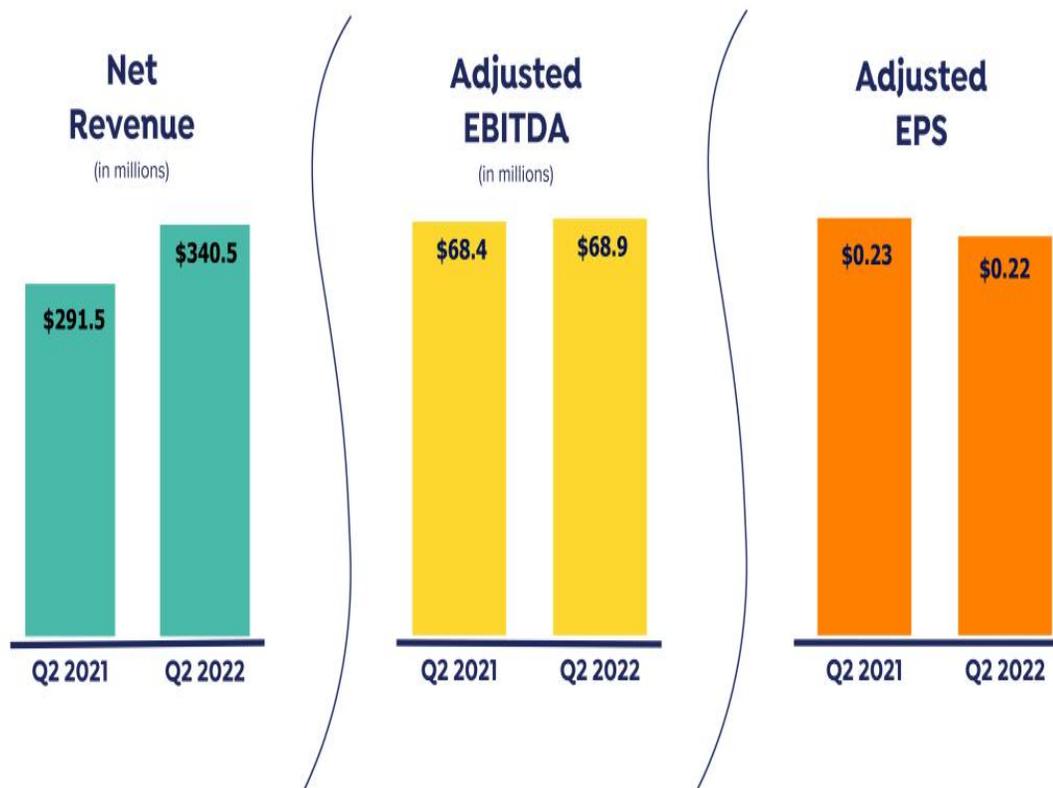


Adjusted Net Revenue is a non-GAAP financial measure. See "Use of Non-GAAP Financial Measures" and the Appendix for an explanation of all non-GAAP financial measures and reconciliations to the comparable GAAP measures.



# 16.8% Net Revenue Growth in Challenging Environment

Continued EBITDA growth demonstrates resilience



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 and reconciliations to the comparable GAAP measures.



## Revenue Growth Driven by Hostess® and Voortman®

15+% organic growth across our portfolio of sweet baked goods and cookies

(\$ in millions)	Three Months Ended				Six Months Ended			
	June 30,		Change		June 30,		Change	
	2022	2021	\$	%	2022	2021	\$	%
Sweet Baked Goods	\$303.5	\$262.5	\$41.0	15.6%	\$599.8	\$500.2	\$99.6	19.9%
Cookies	37.0	29.0	8.0	27.6%	72.7	56.7	16.0	28.2%
Total Net Revenue	\$340.5	\$291.5	\$49.0	16.8%	\$672.5	\$556.9	\$115.6	20.8%



# Both Price/Mix and Volume Driving Revenue Growth

Continued volume growth despite incremental pricing driven by solid consumer demand



\* Primarily to offset higher inflation

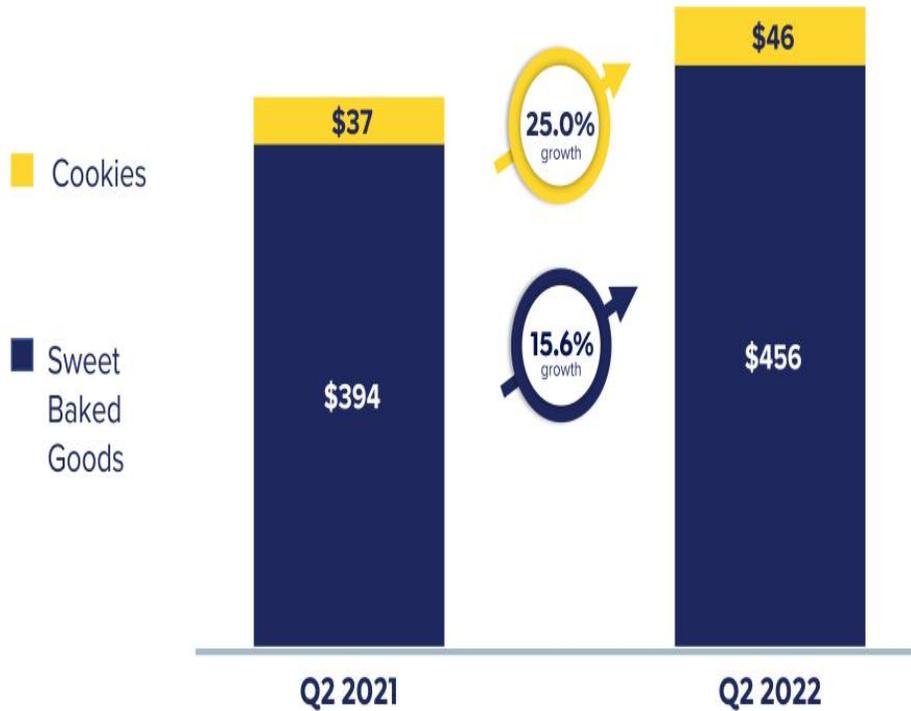


# Continued POS Dollar Growth Across Portfolio

Outstanding execution drives point-of-sale growth in the Sweet Baked Goods and Cookie categories

## Hostess<sup>®</sup> Point-of-Sale Growth BRANDS

(in millions)



Source: Nielsen, Total Nielsen Universe for the Company within the SBG Category and Cookie Category, Point of Sale, 13 weeks ending 7/3/21 and 7/2/22.

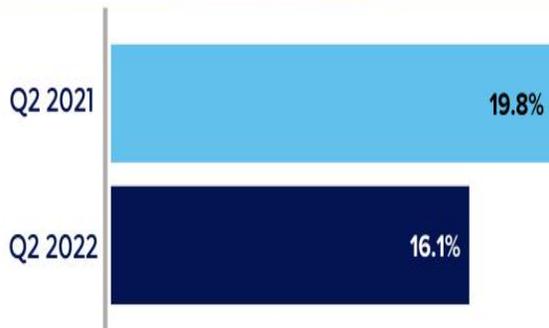


# 15+% Single-Serve and Multi-Pack POS Growth in Q2

Uniquely positioned to drive both at-home and immediate consumption occasions

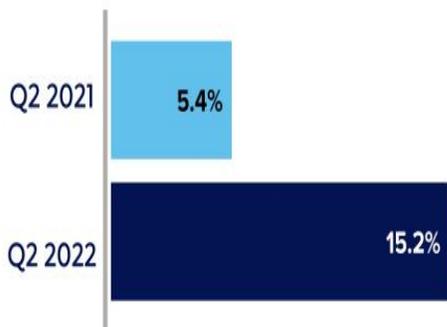


## Single-Serve Point-of-Sale



Single-serve  
2 year stacked growth  
**35.9%**

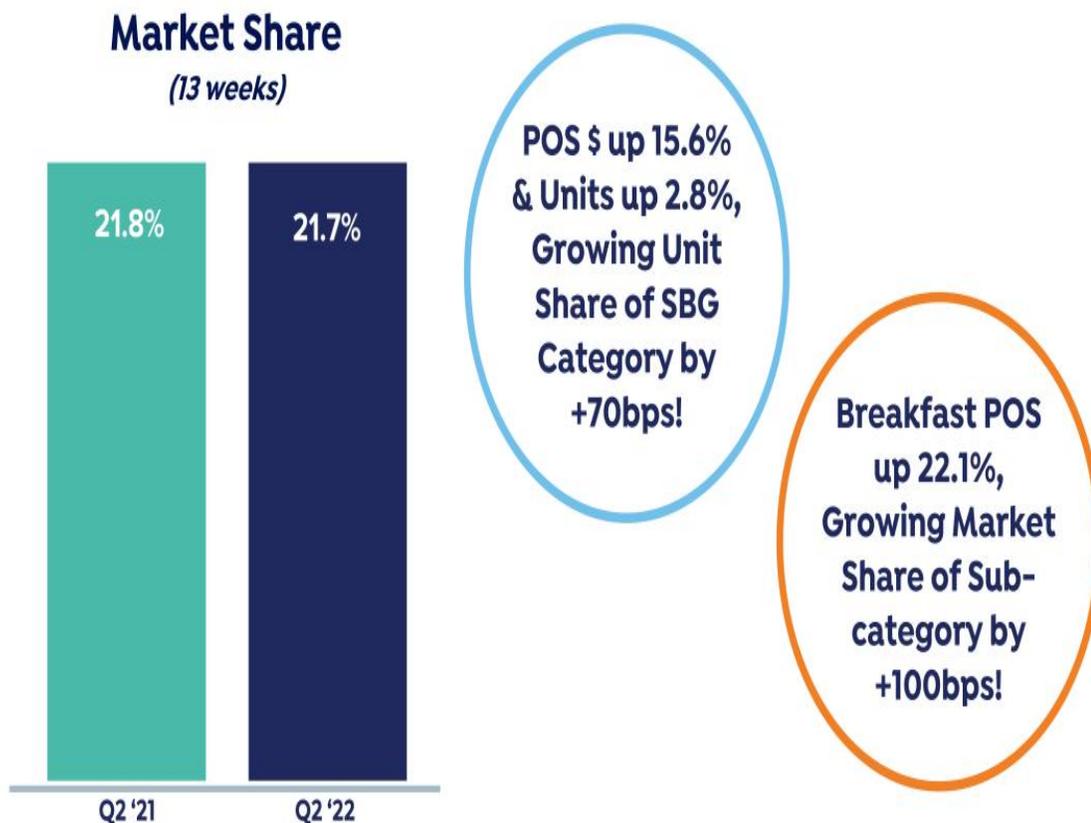
## Multi-Pack Point-of-Sale



Multi-pack  
2 year stacked growth  
**20.6%**

Source: Nielsen, Total Nielsen Universe for the Company within the SBG Category. Q2 2022 – 13 weeks ended 7/2/2022 and prior year comparable periods.

# Holding Market Share in Volatile Market Environment



Source: Nielsen, Total Nielsen Universe for the Company within the SBG Category. Point of sale and share changes for the 13 weeks ended 7/2/2022 vs. the comparable prior year period.

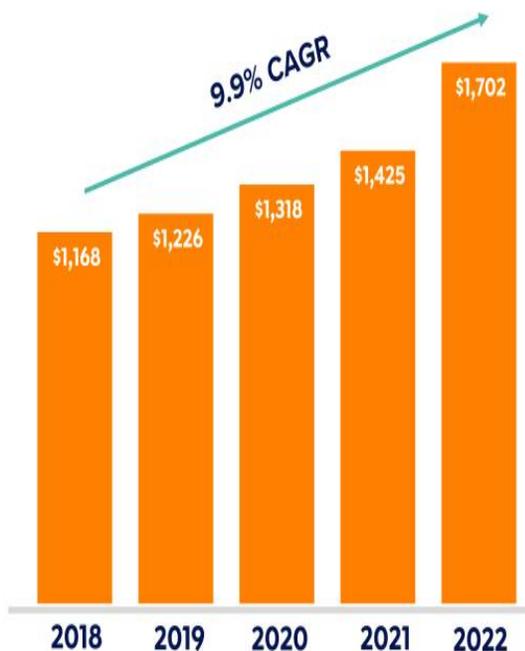


# Consistent Track Record of Market Share Gains

Outstanding execution drives POS growth and expanding market share in Sweet Baked Goods category

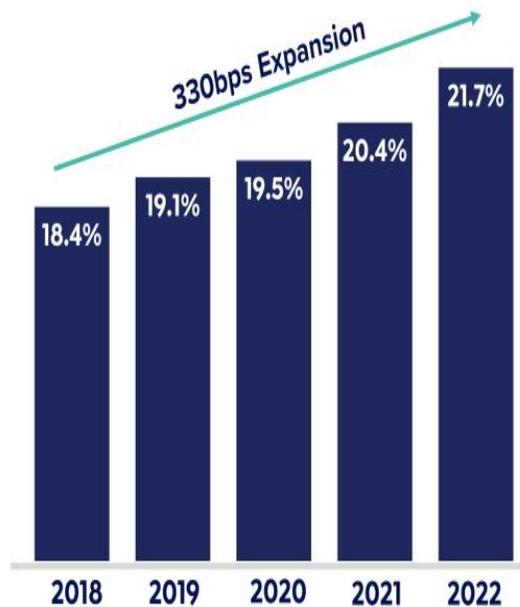
## Point-of-Sale

(52 weeks, in millions)



## Market Share

(52 Weeks)



Source: Nielsen, Total Nielsen Universe for the Company within the SBG Category. Point of Sale and Market Share, 52 weeks ending 7/7/18, 7/6/19, 7/4/20, 7/3/21, and 7/2/22. Prior period Nielsen data was adjusted to exclude the Cloverhill® and Big Texas® brands in the periods they were not owned by Hostess (2018).



# Consolidated Financial Results

Delivering double-digit net revenue growth for the quarter and year-to-date

(\$ in millions, except per share data)	Three Months Ended				Six Months Ended			
	June 30,		Change		June 30,		Change	
	2022	2021	\$	%	2022	2021	\$	%
Net Revenue	\$340.5	\$291.5	\$49.0	16.8%	\$672.5	\$556.9	\$115.6	20.8%
Adjusted Gross Profit	\$112.8	\$105.3	\$7.5	7.1%	\$228.6	\$200.8	\$27.8	13.8%
Adjusted Gross Margin	33.1%	36.1%		(299bps)	34.0%	36.1%		(207bps)
Adjusted Operating Income	\$51.7	\$54.2	\$(2.5)	(4.6%)	\$113.5	\$101.2	\$12.3	12.2%
Adjusted EBITDA	\$68.9	\$68.4	\$0.5	0.7%	\$146.3	\$130.8	\$15.5	11.9%
Adjusted EBITDA Margin	20.2%	23.5%		(323bps)	21.8%	23.5%		(174bps)
Adjusted EPS	\$0.22	\$0.23	\$(0.01)	(4.3%)	\$0.49	\$0.43	\$0.06	14.0%

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.



# Raising Full-Year 2022 Revenue Guidance

	Updated Guidance	Previous Guidance
(\$ in millions, except EPS)		
Net Revenue Growth	At least 15%	At least 12%
Adjusted EBITDA	Towards the higher end of \$280 – \$290	Towards the higher end of \$280 – \$290
Adjusted EPS	\$0.93 – \$0.98*	\$0.93 – \$0.98*
Capital Expenditures	\$120 – \$140 (Including Capacity Expansion)	\$120 – \$140 (Including Capacity Expansion)
Income Tax Rate	27%	27%
Weighted Average Shares Outstanding	138.5 – 139.5 million	139 – 140 million

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 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.

# Strong Innovation in Targeted Consumer Occasions



Continued great momentum of recent innovation across **morning sweet start** and **afternoon sharing** occasions



## Bouncers Innovation

Launching in 2H 2022 with strong retailer reception

Targeted at the fast-growing **lunchbox occasion**





# Brand Activation is Helping Fuel Consumer Interest

Increasing top-of-mind awareness and consideration

## Driving Social Engagement

Over 1.6 Billion Earned Impressions in Q2



## Continuing High ROI Marketing Investments



## Building Impactful E-Commerce Presence

With new content and consumer product reviews across digital platforms





# Executing on Key Capital Allocation Priorities

Flexibility to invest in growth and generate shareholder value

1

**Support Core Growth**

Capex of \$41.9M YTD '22, including investment in new bakery to support continued growth

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2

**Targeted M&A**

Growth-oriented branded targets, that expand our capabilities in snacking universe

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3

**Return Capital to Shareholders**

\$48.5M share repurchases executed YTD '22

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4

**Maintain Targeted Net Leverage 3.0x – 4.0x**

Net Leverage of 3.0x at end of Q2 '22

# Catapulting Into the Next Phase of Organic Growth

Key enablers of our differentiated growth



Learn more about our long-term growth story outlined at our recent Investor Day using this QR Code





# Attractive Long-Term Growth Algorithm

Recent Investor Day unveiled a leading sales and profit growth algorithm

**Mid-Single  
Digit  
Organic  
Revenue  
Growth**

**5-7%  
EBITDA  
Growth**

**7-9%  
EPS  
Growth**

**Long-term Growth Algorithm to Deliver  
Top-Tier Shareholder Returns**

See "Forward Looking Statements." EBITDA is a non-GAAP financial measure defined as earnings before interest, taxes, depreciation, amortization and stock compensation. See "Use of Non-GAAP Financial Measures."



# Appendix





# Non-GAAP Reconciliations

	Three Months Ended June 30, 2022							Three Months Ended June 30, 2021						
	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	\$ 112.7	33.1%	\$ 51.0	\$ 30.5	9.0%	\$ 0.22		\$ 105.1	36.1%	\$ 53.1	\$ 29.8	10.2%	\$ 0.21	
Non-GAAP adjustments:														
Foreign currency remeasurement	-	-	-	(0.5)	(0.2)	-		-	-	-	(0.1)	-	-	
Project consulting costs (1)	-	-	0.6	0.6	0.2	-		-	-	-	-	-	-	
Change in fair value of warrant liabilities	-	-	-	-	-	-		-	-	-	0.5	0.2	-	
Other (2)	0.1	-	0.1	0.2	-	-		0.2	-	1.1	2.2	0.6	0.02	
Discrete income tax expense	-	-	-	(0.1)	-	-		-	-	-	-	-	-	
Tax impact of adjustments	-	-	-	(0.1)	-	-		-	-	-	(0.3)	(0.1)	-	
<b>Adjusted Non-GAAP results</b>	<b>\$ 112.8</b>	<b>33.1%</b>	<b>\$ 51.7</b>	<b>30.5</b>	<b>9.0%</b>	<b>\$ 0.22</b>		<b>\$ 105.3</b>	<b>36.1%</b>	<b>\$ 54.2</b>	<b>32.2</b>	<b>10.9%</b>	<b>\$ 0.23</b>	
Income tax				11.4	3.3						12.1	4.3		
Interest expense				9.7	2.9						10.0	3.4		
Depreciation & amortization				14.6	4.2						12.5	4.3		
Share-based compensation				2.6	0.8						1.6	0.6		
Adjusted EBITDA				<u>\$ 68.9</u>	<u>20.2%</u>						<u>\$ 68.4</u>	<u>23.5%</u>		

1. Project consulting costs are included in general and administrative on the condensed consolidated statement of operations.
2. In 2022, costs related to certain corporate initiatives, which includes \$0.1 million of accelerated depreciation. In 2021, costs related to certain corporate initiatives, of which \$0.2 million is included in cost of goods sold, \$0.9 million is included in general and administrative expenses and \$1.1 million is included in other non-operating expenses.



# Non-GAAP Reconciliations

	Six Months Ended June 30, 2022						Six Months Ended June 30, 2021					
	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	\$ 228.3	34.0%	\$ 109.3	\$ 65.0	9.7%	\$ 0.47	\$ 200.6	36.0%	\$ 100.2	\$ 56.6	10.2%	\$ 0.41
Non-GAAP adjustments:												
Foreign currency remeasurement	-	-	-	(0.2)	-	-	-	-	-	0.1	-	-
Project consulting costs (1)	-	-	3.9	3.9	0.6	0.03	-	-	-	-	-	-
Change in fair value of warrant liabilities	-	-	-	-	-	-	-	-	-	0.5	0.1	-
Other (2)	0.3	-	0.3	0.4	0.1	-	0.2	0.1	1.1	2.4	0.4	0.02
Discrete income tax expense	-	-	-	0.5	0.1	-	-	-	-	-	-	-
Tax impact of adjustments	-	-	-	(1.1)	(0.2)	(0.01)	-	-	-	(0.4)	(0.1)	-
<b>Adjusted Non-GAAP results</b>	<b>\$ 228.6</b>	<b>34.0%</b>	<b>\$ 113.5</b>	<b>68.5</b>	<b>10.3</b>	<b>\$ 0.49</b>	<b>\$ 200.8</b>	<b>36.1%</b>	<b>\$ 101.2</b>	<b>59.1</b>	<b>10.6</b>	<b>\$ 0.43</b>
Income tax				25.5	3.8					22.2	4.0	
Interest expense				19.4	2.9					20.0	3.6	
Depreciation & amortization				27.9	4.1					25.2	4.5	
Share-based compensation				5.0	0.7					4.4	0.8	
<b>Adjusted EBITDA</b>				<b>\$ 146.3</b>	<b>21.8%</b>					<b>\$ 130.8</b>	<b>23.5%</b>	

1. Project consulting costs are included in general and administrative on the condensed consolidated statement of operations.
2. In 2022, costs related to certain corporate initiatives, which includes \$0.1 million of accelerated depreciation. In 2021, costs related to certain corporate initiatives, of which \$0.2 million is included in cost of goods sold, \$0.9 million is included in general and administrative expenses and \$1.3 million is included in other non-operating expenses.

