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): February 21, 2023

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

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

7905 Quivira Road	
Lenexa, KS	66215
(Address of principal executive offices)	(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	**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.

Item 2.02 Results of Operations and Financial Condition.

On February 21, 2023, Hostess Brands, Inc. (the "Company") issued a press release announcing financial results for the three and twelve months ended December 31, 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 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Amended and Restated HB Key Executive Severance Benefit Plan

On February 19, 2023, the Company's Talent and Compensation Committee of the Board of Directors of (the "Committee") approved certain amendments to the HB Key Executive Severance Benefit Plan (as amended, the "Amended Plan"). The Company maintains the plan to provide severance benefits for certain employees in the event of certain termination events (as specified in the Amended Plan).

The principal changes made by the Amended Plan are as follow:

- In the event that an Eligible Employee (as defined in the Amended Plan) experiences a Qualifying Termination (as defined in the Amended Plan), such Eligible Employee will be eligible to receive continued payments of: (i) in the case of the Chief Executive Officer, his or her Annual Compensation (base salary plus target annual incentive cash bonus, as defined in the Amended Plan) for 24 months, and (ii) in the case of other Eligible Employees, his or her base salary for 12 months in the case of an Executive Vice President or Senior Vice President and six months in the case of a Vice President, plus in all cases, the Prorated Bonus Amount (as defined in the Amended Plan and described below).

- In the event that an Eligible Employee experiences a Change in Control Termination (as defined in the Amended Plan), such Eligible Employee will be eligible to receive continued payments of his or her Annual Compensation (i) for 30 months in the case of the Chief Executive Officer, (ii) 18 months in the case of an Executive Vice President or Senior Vice President, plus the Prorated Bonus Amount, and (iii) 12 months in the case of a Vice President, plus in all cases, the Prorated Bonus Amount.

- Prorated Bonus Amount is defined as the annual incentive cash bonus amount the Eligible Employee would have received for the year in which the Qualifying Termination or Change in Control Termination, as applicable, occurs had the Qualifying Termination Change in Control Termination, as applicable, not occurred, prorated for the calendar year through the date of the Qualifying Termination Change in Control Termination, as applicable; provided that, in the event of a Change in Control Termination, the Committee may determine that the Prorated Bonus Amount shall be determined based on a proration of the Eligible Employee's target annual incentive cash bonus for the year of the Change in Control Termination, instead of the amount the Eligible Employee would have received based on performance. Any Prorated Bonus Amount payable under the Amended Plan would be paid as and when annual incentive cash bonuses are paid to other participants for the year of termination, but no later than March 15 of the calendar year following the year of termination.

The following additional principal terms of the Amended Plan are unchanged:

- If an Eligible Employee elects COBRA coverage after experiencing either a Qualifying Termination or a Change of Control Termination, such Eligible Employee will receive a COBRA subsidy through the COBRA Subsidy Cessation Date (as defined in the Amended Plan).

- Payment of any severance benefits under the Amended Plan is subject to the Eligible Employee's execution and non-revocation of the Company's standard agreement and release.

- In addition, an Eligible Employee will forfeit the severance benefits under the Amended Plan if during the period of time during which such Eligible Employee is eligible to receive continued compensation, he or she (i) works for a competitor of the Company, (ii) solicits employees of the Company, or (iii) solicits customers or distributors of the Company with whom such Eligible Employee had contact during the final one year period of their employment with the Company or if the Plan Administrator makes a determination that the Eligible Employee should have been terminated for Cause (as defined in the Amended Plan).

The foregoing summary of the Amended Plan does not purport to be complete and is qualified in its entirety by reference to the Amended Plan, which is filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference.

Amendment to Employment Agreement

The Company's wholly owned subsidiary, Hostess Brands, LLC, is party to an employment agreement with Andrew P. Callahan dated April 12, 2018, as amended as of August 1, 2018, pursuant to which Mr. Callahan serves as the Company's President and Chief Executive Officer (the "Employment Agreement").

In connection with the Amended Plan, Hostess Brands, LLC and Mr. Callahan entered into a Second Amendment to the Employment Agreement (the "Amendment") that increased the amount of cash severance to which he would be entitled in certain circumstances. Pursuant to the Employment Agreement, as amended by the Amendment, Mr. Callahan will be entitled to severance and other benefits payable under the Amended Plan if he experiences a Qualifying Termination or Change in Control Termination, as applicable (in each case, as defined in the Amended Plan, as modified by the Employment Agreement). Upon a Qualifying Termination of Mr. Callahan's employment, his cash severance amount will be 24 months of

Annual Compensation (defined as annual base salary and target annual incentive cash bonus), and upon a Change in Control Termination of Mr. Callahan's employment, his cash severance amount will be 30 months of Annual Compensation, plus in either case, a pro rata portion of the annual incentive cash bonus for the year of termination based on the Company's actual performance through the end of the month during which the termination occurs. Any payment of severance to Mr. Callahan will be subject to his execution and delivery of the Company's standard release agreement. Except as modified by the Amendment, the Employment Agreement remains in full force and effect.

The foregoing description of the Amendment does not purport to be complete and is qualified in its entirety by reference to the complete text of the Amendment, filed as Exhibit 10.2 hereto and incorporated by reference herein and to the Employment Agreement as filed as an exhibit to the Company's Annual Report on Form 10-K.

Item 7.01 Regulation FD Disclosure.

On February 21, 2023, 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, 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
10.1	HB Amended and Restated Key Executive Severance Benefit Plan
10.2	Amendment No. 2, dated February 20, 2023, to the Employment Agreement, dated April 12, 2018, by and between Hostess Brands, Inc. and Andrew Callahan
99.1	Press Press Release dated February 21, 2023 announcing financial results for the three and twelve months ended December 31, 2022
99.2	Investor Presentation of the Company dated February 21, 2023
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: February 21, 2023	By:	/s/ Travis E. Leonard
	Name:	Travis E. Leonard
	Title:	Executive Vice President, Chief Financial Officer

HB Amended and Restated
Key Executive Severance Benefit Plan

Effective
February 19, 2023

Section 1
Establishment and Purpose

1.1 Establishment of the Plan. Effective September 12, 2017, the Company established a plan for certain senior executives of Hostess Brands, LLC and its subsidiaries known as the "HB Key Executive Severance Benefits Plan" (the **"Original Plan"**). Effective February 19, 2023 (the "**Amendment Effective Date**"), the Company amended and restated the Original Plan (the "**Amended Plan**", and together with the Original Plan, the "**Plan**").

1.2 Description of the Plan. This Plan is intended to constitute an unfunded welfare benefit plan that is established primarily for the purpose of providing certain severance benefits for Eligible Employees in the event of a Qualifying Termination or Change in Control Termination.

1.3 Purpose of the Plan. The purpose of this Plan is to advance the interests of the Company by providing Eligible Employees with an assurance of equitable treatment in terms of compensation and economic security and to induce continued employment with the Company by providing severance benefits under certain circumstances in the event of a Qualifying Termination or Change in Control Termination.

Section 2
Definitions

2.1 Definitions. In addition to the other definitions contained in the Plan, the following terms shall have the following meaning:

(a) **"Annual Compensation Amount''** means an Eligible Employee's Base Salary and Bonus Amount, in each case, immediately prior to the Termination Date and determined without giving effect to any reduction which is alleged to constitute Good Reason.
(b) **"Base Salary"** means an Employee's annual base salary and does not include any other compensation including but not limited to, incentive bonuses, allowances or any other type of regular payment.
(c) **"Board"** means the Board of Directors of the Company.
(d) **"Bonus Amount"** means an Eligible Employee's target annual incentive cash bonus.
(e) **"Cause"** means, in the context of an Employee's termination or separation from employment with the Company, an Employee's (i) neglect, refusal or failure (other than by reason of illness, accident or other physical or mental incapacity), in any material respect, to attend to duties as assigned by the Company; (ii) failure in any material respect to comply with any terms of employment as expressed in an offer or employment letter, communication from management generally or specifically to said employee or otherwise; (iii) failure to successfully complete a performance improvement plan; (iv) failure to follow the established, reasonable and material policies, standards, and regulations of the Company or direction from the Board; (v) fraud, misappropriation of funds or other willful engagement in misconduct injurious to the Company; or (vi) conviction in a court of law of, or pleading of guilty or nolo contendere to, any crime that constitutes a felony in the jurisdiction involved.
(f) **"Change in Control"** shall have the meaning ascribed to such term in Section 12.2 the Company's 2016 Equity Incentive Plan, as amended from time to time (or any successor thereto).
(g) **"Change in Control Termination"** means any termination of employment of (a) an Eligible Employee (i) by the Company (other than for Cause and other than during an Eligible Employee's Disability) within twelve (12) months following a Change in Control, or (ii) at the request of an acquirer or potential acquirer in connection with, or prior to, a Change in Control; provided that, any termination of the employment of an Eligible Employee will not be considered a Change in Control Termination if the Eligible Employee

is offered comparable employment by the Company or its successors, defined as a position having a comparable role (e.g., CFO) of the go-forward entity with similar or greater span of responsibility and with comparable compensation and benefit opportunities, regardless of whether the Eligible Employee accepts such offer of employment or (b) a Level 2 Eligible Employee by such Level 2 Eligible Employee for Good Reason within twelve (12) months following a Change in Control.

(h) **"Code"** means the Internal Revenue Code of 1986, as amended.

(i) **"Company"** means Hostess Brands, Inc. and its subsidiaries.

(j) **"Disability"** shall mean, unless otherwise defined in an individual agreement the Employee has been unable to perform the essential duties, responsibilities and functions of Employee's position with the Company by reason of any medically determinable physical or mental impairment for 180 days in any one-year period and has qualified to receive long-term disability payments under the Company's long-term disability policy, as may be in effect from time to time. Employee shall cooperate in all respects with the Company if a question arises as to whether Employee has become subject to a Disability (including, without limitation, submitting to reasonable examinations by one or more medical doctors and other health care specialists selected by the Company and authorizing such medical doctors and other health care specialists to discuss Employee's condition with the Company). Notwithstanding the foregoing, in the event that a Participant is party to an employment, consulting, severance or other service-related agreement with the Company and such agreement contains a definition of "Disability," the definition of "Disability" set forth above shall be deemed replaced and superseded, with respect to such Employee, by the definition of "Disability" used in such agreement.

(k) **"Eligible Employee"** means collectively Level 1 Eligible Employees and Level 2 Eligible Employees.

(l) **"Employee"** means any individual who is employed full-time by the Company and who is regularly scheduled to work at least 30 hours per week for the Company.

(m) **"Good Reason"** means the occurrence of any one or more of the following without the Level 2 Eligible Employee's written consent: (i) a material reduction in the Level 2 Eligible Employee's then-current Base Salary or Bonus Amount; (ii) a material diminution in the Level 2 Eligible Employee's authorities, duties, or responsibilities; (iii) the Company's requiring the Level 2 Eligible Employee to be based at an office location which is at least fifty (50) miles from his or her then-current office location and which materially increases such Level 2 Eligible Employee's travel time from his or her then current residence; or (iv) failure of any successor of the Company to expressly assume the Plan for a minimum period of twelve (12) months from the date of Change in Control; provided, that a Level 2 Eligible Employee may not rely on any particular action or event as a basis for terminating his or her employment due to Good Reason unless he or she delivers a notice based on that action or event within 90 days after its occurrence and the Company has failed to correct the circumstances cited by the Level 2 Eligible Employee as constituting Good Reason within 30 days of receiving such notice, and the Level 2 Eligible Employee terminates employment within 60 days following the Company's failure to correct. However, notwithstanding any language to the contrary above, no event shall be considered to constitute Good Reason if the Level 2 Eligible Employee is offered comparable employment, defined as a position having a comparable role (e.g., CFO) of the go-forward entity with similar or greater span of responsibility and with comparable compensation and benefit opportunities, with respect to his or her position without giving effect to the events allegedly constituting Good Reason, by the Company or any subsidiary or affiliate of the Company, regardless of whether the Level 2 Eligible Employee accepts such offer of employment.

(n) "Level 1 Eligible Employee" means each Employee who is employed at an internally designated Vice President level or has otherwise been designated in writing by the CEO of the Company or his designee.

(o) “Level 2 Eligible Employee” means each Employee who is employed at an internally designated Senior Vice President level or above or has otherwise been designated in writing by the CEO of the Company or his designee.

(p) **“Payment Commencement Date”** means the first payroll date after the Eligible Employee’s execution and non-revocation of the Company’s Agreement and Release, subject to the provisions of Section 6.7(d).

(q) **“Plan”** means the HB Key Executive Severance Benefit Plan as amended from time to time.

(r) **“Plan Administrator’’** means the Administrative Committee of the Company (the **“Administrative Committee”**). The Administrative Committee may delegate any or all its powers and responsibilities as Plan Administrator to an individual, a committee, or both.

(s) “**Prorated Bonus Amount**” means the annual incentive cash bonus amount the Eligible Employee would have received for the year in which the Qualifying Termination or Change in Control Termination, as applicable, occurs had the Qualifying Termination or Change in Control Termination, as applicable, not occurred, prorated for the calendar year through the date of the Qualifying Termination or Change in Control Termination, as applicable; provided that, in the event of a Change in Control Termination, the Talent and Compensation Committee of the Board may determine that the Prorated Bonus Amount shall be determined based on a proration of the Eligible Employee’s target annual incentive cash bonus for the year of the Change in Control Termination, instead of the amount the Eligible Employee would have received based on performance.

(t) **“Qualifying Termination”** means any termination of employment of an Eligible Employee that does not constitute a Change in Control Termination, and is by the Company other than for Cause, and other than during the Eligible Employee’s Disability, provided, that, any termination of the employment of an Eligible Employee will not be considered a Qualifying Termination if the Eligible Employee is offered comparable employment, defined as a position having a comparable role (e.g., CFO) of the go-forward entity with similar or greater span of responsibility and with comparable compensation and benefit opportunities, by the Company or its successors, regardless of whether the Eligible Employee accepts such offer of employment.

(u) **“Restricted Period”** means the specific period of time, as set forth in sections 5.1 and 5.2, throughout which an Eligible Employee cannot and will not, directly or indirectly, (i) as an employee, agent, partner, consultant, representative, contractor or in any other capacity, work for a competitor of the Company in the in-store bakery or sweet baked goods business, (ii) engage, recruit, solicit for employment or engagement, offer employment to or hire, or otherwise seek to influence or alter any relationship with any person who is an employee of the Company or (iii) solicit, call on, divert, negotiate with or communicate with any customer or distributor of the Company with whom the Eligible Employee had contact during the final one (1) year period of Eligible Employee’s employment with the Company for the purpose of providing or selling competitive products or services to those of the Company or diverting or inducing the diversion of business from the Company.

(v) **“Severance Period”** means the period of time during which an Eligible Employee will receive payments under the Plan.

(w) **“Termination Date”** means the date on which a Qualifying Termination or Change in Control Termination occurs. For the avoidance of doubt, the determination of the Termination Date shall be made consistent with the definition of “separation from service” under Section 409A (as defined in Section 6.7 below).

Section 3
Eligibility and Participation

3.1 <u>Eligibility.</u> An Employee shall become a participant in the Plan when such employee meets the definition of a Level 1 Eligible Employee or a Level 2 Eligible Employee. Once an Eligible Employee is a participant in the plan the Eligible Employee shall remain covered under the Plan, subject to the termination of participation provisions under Section 3.2. An Eligible Employee’s participation in the Plan and ability to receive benefits under the Plan is conditioned upon and subject to Eligible Employee's execution and non-revocation of the Company's standard agreement and release in its current form at the time of termination (**"Agreement and Release"**).

3.2 Termination of Participation. An Eligible Employee shall remain covered by the Plan until the earliest of (i) the date the Eligible Employee no longer meets the definition of a Level 1 Eligible Employee or Level 2 Eligible Employee; (ii) the date upon which the Eligible Employee's employment terminates for any reason; or (iii) the date of termination of the Plan. Notwithstanding the preceding sentence, if an Eligible Employee's termination of employment is a Qualifying Termination or Change in Control Termination, then the Eligible Employee will be entitled to severance benefits subject to the terms and conditions of this Plan.

Section 4
General Severance Benefit

4.1 Severance Benefit. The Company shall provide severance benefits as set forth in Section 5 to Eligible Employees, pursuant to the terms, conditions and limitations set forth in this Plan and subject to the execution and non-revocation of the Company's Agreement and Release by the Eligible Employee in accordance with Section 3.1. The Plan supersedes all prior practices, policies, procedures, plans or agreements relating to severance benefits from the Company and/or any affiliated or predecessor entities which would result in any duplication of benefits.

Section 5
Severance Benefits

5.1 Qualifying Termination Severance Benefits. Except as otherwise provided herein, an Eligible Employee shall be entitled to the following severance benefits under the Plan if such Eligible Employee experiences a Qualifying Termination:

Eligible Employee	Severance Period	Restricted Period	Cash Severance Amount
Chief Executive Officer	24 Months	24 Months	24 Months Annual Compensation Amount + Prorated Bonus Amount
Executive Vice President and Sr. Vice President	12 Months	12 Months	12 Months Base Salary + Prorated Bonus Amount
Vice President	6 Months	6 Months	6 Months Base Salary + Prorated Bonus Amount

The Base Salary or Annual Compensation Amount, as applicable, shall be paid in cash as payroll continuation payments, beginning on the Payment Commencement Date and ending on the last day of the Severance Period as set forth in the chart above, subject to any applicable withholding taxes. The Prorated Bonus Amount shall be paid at the time annual incentive cash bonuses are paid to other executives for the year in which the Qualifying Termination occurs, and no later than March 15 after the end of such year, subject to applicable tax withholding.

5.2 Change in Control Termination Severance Benefits. Except as otherwise provided herein, an Eligible Employee shall be entitled to the following severance benefits under the Plan if such Eligible Employee experiences a Change in Control Termination:

Eligible Employee	Severance Period	Restricted Period	Cash Severance Amount
Chief Executive Officer	30 Months	30 Months	30 Months Annual Compensation Amount + Prorated Bonus Amount
Executive Vice President and Sr. Vice President	18 Months	18 Months	18 Months Annual Compensation Amount + Prorated Bonus Amount
Vice President	12 Months	12 Months	12 Months Annual Compensation Amount + Prorated Bonus Amount

The Annual Compensation Amount shall be paid in cash as payroll continuation payments, beginning on the Payment Commencement Date and ending on the last day of the Severance Period as set forth in the chart above, subject to applicable withholding taxes. The Prorated Bonus Amount shall be paid when annual incentive cash bonuses are paid to other executives for the year in which the Change in Control Termination occurs, and no later than March 15 after the end of such year, subject to applicable withholding taxes.

5.3 Outplacement Services. If an Eligible Employee experiences a Qualifying Termination or a Change in Control Termination, the Company shall, at its sole cost and expense, provide the Eligible Employee with outplacement services with the person or entity of the Company's choosing suitable to the Eligible Employee's position.

5.4 Health Benefits. If an Eligible Employee experiences a Qualifying Termination or a Change in Control Termination, and if the Eligible Employee is participating in the Company's medical, vision, dental and prescription benefits (**"Health Benefits"**) on the Termination Date, then after the Termination Date, coverage under the Health Benefits will continue to be available to the Eligible Employee and his/her covered dependents for up to eighteen (18) months to the extent provided pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (COBRA). If the Eligible Employee elects the continuation of Health Benefits under COBRA, then until the earliest of (i) the last day of the Severance Period or (ii) the first day the Eligible Employee becomes eligible for comparable benefits under the health and welfare benefit plans of a subsequent employer (such date, the **"COBRA Subsidy Cessation Date"**), the Eligible Employee will be responsible for the payment of the same amount of premiums for such coverage as would be paid by a similarly situated full-time employee of the Company, and the Company will pay all additional premium amounts (which shall constitute taxable income to the Eligible Employee). Following the COBRA Subsidy Cessation Date and for the remainder of the 18 month period described above, if the Eligible Employee continues Health Benefits under COBRA the Eligible Employee will be responsible for the full cost of any premiums associated with the continuation of Company Health Benefits under COBRA, in such amount as determined by the Plan Administrator. The Health Benefits for purposes of continued coverage under this Section 5 will be determined by the provisions of the applicable plan documents as amended by the Company from time to time.

5.5 Forfeiture and Recovery of Severance Benefits. Notwithstanding any provisions hereunder to the contrary, an Eligible Employee's benefits under the preceding provisions of this Section 5 are contingent upon the Eligible Employee complying with the requirements of the Restricted Period and are contingent upon the Plan Administrator not making a determination subsequent to the Eligible Employee's termination of employment other than for Cause that the Eligible Employee should have been terminated for Cause. Upon a determination by the Plan Administrator that an Eligible Employee has not complied with the requirements of the Restricted Period or that an Eligible Employee should have been terminated for Cause, all benefits hereunder will be immediately forfeited and the Eligible Employee shall repay to the Company any payments previously made by the Company under the preceding provisions of this Section 5. Any such repayment must be made no later than 30 days after the Company provides written notice to the Eligible Employee of the repayment obligation. Any amount not paid within 30 days will accrue interest from the date payment is due under the preceding sentence until paid at the applicable interest rate compounded monthly. The applicable interest rate for purposes of the preceding sentence is the monthly short-term borrowing rate of the Company. No failure or delay on the part of the Company in exercising any power, right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy whether or not specified herein. In addition, all cash payments provided for under this Plan will be subject to any applicable clawback or recoupment policies that may be approved or implemented by the Board or a committee of the Board from time to time, whether or not approved before or after the Amendment Effective Date and the Company may offset any payments due under this Plan to an Eligible Employee by any required repayments that such Eligible Employee under any applicable clawback or recoupment policy; provided than any application of a clawback policy or offset in respect thereof will be applied consistent with Section 409A (as defined below).

Section 6
Miscellaneous

6.1 Entire Agreement; No Duplication of Benefits. Any amounts payable under this Plan shall not be duplicative of any other severance benefits, and to the extent an Eligible Employee has executed an individually negotiated agreement with the Company relating to severance benefits that is in effect on his or her Termination Date, no amounts will be due hereunder unless such Eligible Employee acknowledges and agrees that the severance benefits, if any, provided under this Plan are in lieu of and not in addition to any severance benefits provided under the terms of such individually negotiated agreement.

6.2 No Implied Employment Contract. This Plan is not an employment contract. Nothing in this Plan or any other instrument executed pursuant to this Plan shall confer upon an Eligible Employee any right to continue in the Company’s employ or service nor limit in any way the Company’s right to terminate an Eligible Employee’s employment at any time for any reason. The Company and the Eligible Employee acknowledge that the Eligible Employee employment is and shall continue to be “at-will”, as defined under applicable law, except to the extent otherwise expressly provided in a written agreement between the Eligible Employee and the Company.

6.3 Exclusive Discretion. The Plan Administrator will have the exclusive discretion and authority to (i) establish rules, forms, and procedures for the administration of the Plan, (ii) construe and interpret the Plan, (iii) decide any and all questions of fact, interpretation, definition, computation or administration arising in connection with the operation of the Plan, including, but not limited to, the eligibility to participate in the Plan and amount, if any, of benefits paid under the Plan, and (iv) take all other actions related to the Plan, and all action taken by the Plan Administrator under this Section 6.3 will be binding and conclusive on all persons.

6.4 Claims Procedure. In the event that a dispute arises over an Eligible Employee’s benefit, the Eligible Employee must make a written claim to the Plan Administrator. The Plan Administrator shall review the written claim and, if the claim is denied in whole or in part, the Plan Administrator shall provide, in writing and within ninety (90) days of receipt of such claim, its specific reasons for such denial and reference to the provisions of the Plan upon which the denial is based and any additional material or information necessary to perfect the claim. If the Eligible Employee desires a second review, the Eligible Employee shall notify the Plan Administrator in writing of the request for a second review within sixty (60) days of the first claim denial. The Plan Administrator shall then review the claim again and provide a written decision within sixty (60) days of receipt of such request for a second review. This decision shall likewise state the specific reasons for the decision and shall include reference to specific provisions of the Plan upon which the decision is based. If the Eligible Employee wishes to pursue the Eligible Employee's claim further, a suit may be filed against the Company. Any suit by or on behalf of an Eligible Employee for benefits under the Plan must be filed in court no later than the earlier of (i) one year after the date the Eligible Employee's claim for benefits presented under the Plan's claims procedure has been denied, or (ii) one year after the date of the Eligible Employee's termination of employment.

6.5 <u>Amendment or Termination of the Plan.</u> The Company, by action of its Talent and Compensation Committee of the Board, reserves the right to amend or terminate the Plan at any time and in any manner that it deems advisable.

6.6 <u>Governing Law.</u> The Plan shall be subject to and construed in accordance with the laws of the State of Missouri to the extent not preempted by federal law.

6.7 <u>Code Section 409A.</u> Notwithstanding any provision of this Agreement,

(a) This Plan shall be construed and interpreted so that payments made and benefits provided hereunder are exempt from Code Section 409A (**"Section 409A"**) insofar as possible. To the extent payments and benefits hereunder are subject to Section 409A, this Plan shall be construed and interpreted to retain compliance with Section 409A.
(b) Each payment under the Plan shall be treated as a separate payment of compensation for purposes of applying the exclusion from Section 409A for certain short-term deferral amounts and involuntary separation payments.
(c) Any amounts payable solely on account of an involuntary separation from service within the meaning of Section 409A shall be excludible from the requirements of Section 409A, either as involuntary separation pay or as short-term deferral amounts (e.g., amounts payable under the schedule prior to March 15 of the calendar year following the calendar year of involuntary separation) to the maximum possible extent.
(d) Any in-kind benefits provided under the Plan shall be provided in accordance with the requirements of Section 409A, including, where applicable, the provision that in-kind benefits provided during a calendar year may not affect the in-kind benefits to be provided in any other calendar year and the provision that the right to in-kind benefits is not subject to liquidation or exchange for another benefit.
(e) If payment of any amount of "deferred compensation" (as defined under Section 409A, after giving effect to the exemptions thereunder) (**"Deferred Compensation"**) is contingent upon the Eligible Employee's taking any employment related action, including but not limited to, agreeing to execution of a release and waiver of claims, and if the period within which the Eligible Employee must take the employment related action would begin in one calendar year and expire in the following calendar year, then any payments contingent on such employment-related action shall be made in such following calendar year (regardless of the year of execution of such release) if payment in such following calendar year is required in order to avoid taxes, interest and penalties under Section 409A.
(f) If an Eligible Employee is a "specified" employee as the date of termination of employment, payment of any amount of Deferred Compensation required to be delayed in compliance with Code Section 409A(a)(2)(B), shall not be made prior to the earlier of the expiration of the 6-month period measured from the Eligible Employee's separation from service, or the date of the Eligible Employee's death. Amounts delayed under this provision shall be paid in one lump sum, without interest, within ten days after the date payment becomes due after such delay.

6.8 <u>Income and Excise Taxes.</u> The Eligible Employee is solely responsible for the payment of all federal, state and local income and excise taxes resulting from the Eligible Employee's benefits under this Plan. The Eligible Employee acknowledges and agrees that notwithstanding this provision or any other provision of this Plan, the Company is not providing the Eligible Employee with any tax advice with respect to Code Section 409A or otherwise and is not making any guarantees or other assurances of any kind to the Eligible Employee with respect to the tax consequences or treatment of any amounts paid or payable to the Eligible Employee under this Plan.

SECOND AMENDMENT TO EMPLOYMENT AGREEMENT

This Second Amendment (this "Amendment"), dated as of February 20, 2023 (the "Effective Date"), by and between Hostess Brands, LLC (together with Hostess Brands, Inc., the "Company") and Andrew P. Callahan (the " Executive") amends the Employment Agreement, dated April 12, 2018, as amended (the "Employment Agreement"), between the Company and the Executive. Capitalized terms used herein but not defined shall have the meanings ascribed to such terms in the Employment Agreement.

WHEREAS, the Company and the Executive have agreed upon new contractual terms governing the Executive's severance benefits; and

WHEREAS, pursuant to Section 23 of the Employment Agreement, the Company and the Executive wish to amend the Employment Agreement to provide for these new contractual terms;

NOW, THEREFORE, in consideration of the premises, and of the agreements and other good and sufficient consideration set forth herein, the Company and the Executive hereby agree as follows:

1. Effective as of the Effective Date, Section 5 of the Employment Agreement is hereby deleted in its entirety and replaced with the following:

> 5. Termination without Cause; Resignation for Good Reason. The Company may terminate the Executive's employment at any time without "Cause" upon 30 days' advance written notice (or pay in lieu of notice), and the Executive may initiate a termination of employment by resigning for "Good Reason," as such terms are defined herein. Upon termination by the Company without Cause or resignation by the Executive for Good Reason, if the Executive executes and does not revoke the Company's standard written release agreement (the "Release") within fifty-five (55) days following the Termination Date, the Executive shall be entitled to receive severance and other benefits payable under the Severance Plan in connection with a "Qualifying Termination" or "Change in Control Termination," as applicable, as such terms are defined in the Severance Plan, subject to the terms and conditions of the Severance Plan, as well as the prorated annual bonus described in Section 2(b) of this Agreement, unless otherwise provided in this Agreement; provided that a Qualifying Termination under the Severance Plan shall additionally include a resignation by the Executive for Good Reason, termination due to death or disability, and expiration of the Term due to non-renewal by the Company; and provided further that Good Reason shall have the meaning ascribed to such term in the Severance Plan and shall additionally include the Company requiring the

Executive to move his principal residence to Kansas City without his consent and any material breach of this Agreement or any other material agreement between the Company and Executive, subject to, for the avoidance of doubt, the notice and cure requirements under Section 2.1(n) of the Severance Plan. Upon a Qualifying Termination of Executive under the Severance Plan as described above, the Executive's Cash Severance Amount shall be 24 months of his Annual Compensation Amount, or, upon a Change in Control Termination, Executive's Cash Severance Amount shall be 30 months of his Annual Compensation Amount, all as defined in the Severance Plan, in addition to the prorated annual bonus described in Section 2(b) above. The Company shall pay the Accrued Obligations (as defined below), regardless of whether the Executive executes or revokes the Release. For purposes of this Agreement, the term "Accrued Obligations" shall mean (i) all accrued but unpaid Base Salary, and all accrued but unused vacation under the terms of the Company's vacation policy, through the date of termination of the Executive's employment, (ii) any unpaid or unreimbursed expenses incurred through the date of such termination in accordance with Section 4 hereof, and (iii) any vested accrued compensation, equity awards or benefits provided under the Company's employee incentive or benefit plans upon or following a termination of employment, in accordance with the terms of the applicable plan. For purposes of this Agreement, the term "Cause" shall mean (a) Executive's failure or refusal to perform his job functions, or to follow the lawful directives of the Company (other than by reason of a physical or mental impairment); (b) commission of any felony or commission of a non-felony crime involving moral turpitude; (c) embezzlement, misappropriation or fraud, whether or not related to the Executive's employment with the Company; (d) engagement in material dishonesty or misconduct which negatively reflects on the public reputation of the Company; (e) violation of any material written policy of the Company; (f) Executive's breach of the restrictive covenants contained in any agreement between him and the Company; or (g) Executive's material breach of this Agreement or any other written agreement between him and the Company, provided that in the case of subsections (a), (e), and (g), if such failure, refusal, violation or breach is reasonably capable of being cured, the Company shall provide Executive with written notice of and 30 days to reasonably cure such failure, refusal, violation or breach; and provided further that with respect to each of (a), (e), and (g), Executive shall have one (1) opportunity to cure unless otherwise agreed to by the parties.

2. The Employment Agreement, as amended by this Amendment, constitutes the entire and exclusive agreement between the parties with respect to the subject matter hereof. All previous discussions and agreements with respect to the subject matter of this Amendment are superseded by this Amendment.

3. Except as expressly amended hereby, all terms, conditions and provisions of the Employment Agreement, as amended, shall remain in full force and effect. This Amendment shall form a part of the Employment Agreement for all purposes.

4. This Amendment may be executed in counterparts and by facsimile or other electronic means, including by portable document format (PDF), each of which shall be deemed to have the same legal effect as an original and together shall constitute one and the instrument.

5. Each party represents and warrants that it has the full power and authority to enter into this Amendment.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date and year first above written.

COMPANY

By: ______________________________
Name: Robert C. Weber
Title: CPO
Date: February 20, 2023

EXECUTIVE

____
Andrew P. Callahan
Date: February 20, 2023

Hostess Brands Reports Strong Sales and Earnings Growth in 2022
2023 Guidance Shows Continued Profitable Growth

LENEXA, KS, February 21, 2023 - Hostess Brands, Inc. (NASDAQ: TWNK) ("Hostess Brands" or the "Company") today reported its financial results for the fourth quarter and year ended December 31, 2022.

"Hostess Brands delivered another year of strong top and bottom-line results in 2022, highlighting our attractive snacking portfolio and the resiliency of our advantaged business model. I am very proud of the focus, agility, and commitment of the Hostess Brands team as they continue to execute with excellence against our key strategic growth initiatives in a dynamic environment," commented Andy Callahan, the Company's President and Chief Executive Officer.

He added, "Our track record of top-tier net revenue and earnings growth over the last three years, operational excellence and continued investments in our marketing and innovation capabilities give us the confidence to maintain our profitable growth momentum and deliver growth ahead of our long-term targets in 2023, as outlined by our initial guidance."

Fourth Quarter 2022 Financial Highlights as Compared to the Prior Year Period[1]:

- Net revenue of $339.5 million increased 14.2% from the same period last year, as 20.5% contribution from price/mix more than offset lower volumes in the quarter.
- Gross profit increased 10.4% to $121.9 million, or 35.9% of net revenue, while on an adjusted basis, gross profit increased 11.3% to $123.1 million, or 36.3% of net revenue. Fourth quarter gross margin declined by 124 basis points, 95 basis points on an adjusted basis, from year-ago quarter largely due to 20.2% inflation.
- Net income was $32.9 million, or $0.24 per diluted share compared to $36.5 million, or $0.25 in the same period last year. Adjusted net income remained relatively flat at $33.9 million, resulting in $0.25 adjusted EPS in both periods.
- Adjusted EBITDA increased 2.6% to $75.1 million as higher gross profit was partially offset by the planned increase in operating costs, particularly advertising and marketing. Adjusted EBITDA margin of 22.1% declined 249 basis points from 24.6% in the prior year period.

Full Year 2022 Financial Highlights as Compared to the Prior Year Period[1]:

- Net revenue of $1,358.2 million increased 18.9% from last year driven by positive volume growth of 2.6% and 16.3% contribution from price/mix.
- Gross profit increased 13.6% from the year-ago period to $465.7 million, or 34.3% of net revenue, while on an adjusted basis, gross profit increased 13.9% to $467.7 million, or 34.4% of net revenue. Annual gross margin declined by 161 basis points, 152 basis points on an adjusted basis.
- Net income of $164.2 million, or $1.19 per diluted share increased from $119.3 million, or $0.86 per diluted share in the same period last year. Adjusted net income and adjusted EPS, which exclude the receipt of Voortman insurance proceeds, increased by double-digits to $134.6 million, and $0.98, respectively.
- Adjusted EBITDA increased 9.4% to $294.1 million. Adjusted EBITDA margin of 21.7% 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 $116.5 million as of December 31, 2022. Net leverage ratio improved from 3.1x to 2.9x.
- Capital expenditures increased to $130.5 million from $65.4 million in the prior-year period as a result of the ongoing investments, including the addition of a new bakery in Arkadelphia, to support growth.

[1] This press release contains certain non-GAAP financial measures, including adjusted gross profit, adjusted gross margin, adjusted EBITDA, adjusted EBITDA margin, adjusted operating 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 fourth quarter or full year 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 13-week or 52-week period ended December 31, 2022 and the prior-year comparable period. The Company's leverage ratio is net debt (total long-term debt less cash and cash equivalents and short-term investments) divided by adjusted EBITDA.

Other Highlights:

- Hostess Brands' Sweet Baked Goods point-of-sale ("POS") increased by 9.2% and 16.4% for the quarter and year respectively. Its share of the Sweet Baked Goods category decreased by 150 basis points to 20.1% during the quarter and remained relatively stable at 21.2% for the year.
- Voortman® branded POS grew 28.2% for the quarter, nearly 1.5x faster than the overall Cookie category, and 27.7% for the year, driven in part by the ongoing momentum in the faster-growing sugar-free sub-segment.
- Repurchased $130.1 million of shares in 2022.
- Prepaid $100.0 million on its term loan.

2023 Financial Guidance[2]

The Company's guidance for the full year 2023 is as follows:

- Adjusted net revenue growth of 4% to 6%
- Adjusted EBITDA of $315 million to $325 million, an increase of 7% to 10% from 2022
- Adjusted EPS of $1.08 to $1.13, an increase of 10% to 15% from 2022
- Weighted average diluted shares outstanding of approximately ~135 million
- Capital expenditures of approximately $150 million to $170 million
- Income tax rate of approximately ~27%

Fourth Quarter 2022 Compared to Fourth Quarter 2021

Net revenue was $339.5 million, an increase of $42.3 million, or 14.2%, compared to the same period last year. Contribution from previously taken pricing actions and favorable mix provided 20.5% of the growth, offset by a 6.3% decline in volume. Sweet baked goods net revenue increased $36.8 million, or 13.8%, while cookies net revenue increased $5.5 million, or 18.0%.

Gross profit increased 10.4% and was 35.9% of net revenue for the quarter ended December 31, 2022, a decrease of 124 basis points from a gross margin of 37.1% for the same period last year. The decrease in gross margin was primarily due to inflation, partially offset by favorable price/mix, including revenue growth management initiatives.

Operating income was $56.6 million. Adjusted operating income of $57.8 million increased 1.6% from the same period last year as higher gross profit was partially offset by higher advertising and marketing expense as well as higher investments in our workforce.

Adjusted EBITDA of $75.1 million, or 22.1% of net revenue, increased 2.6% from the same period last year. The improvement in adjusted EBITDA was driven by higher gross profit, partially offset by the planned increase in operating costs, particularly advertising and marketing expense, as well as higher investments in our workforce.

The Company's effective tax rate was 27.3% compared to 19.6% in the prior year. Effective tax rates were impacted by non-taxable changes in the fair value of the warrant liabilities in the prior year as well as a tax benefit related to revaluing our deferred tax liabilities due to a change in the estimated state tax rate. The effective tax rates, excluding discrete items, were 27.3% and 27.7% in the current year and prior year period, respectively.

Net income was $32.9 million. Adjusted net income of $33.9 million remained relatively consistent as compared to the same period last year. Diluted EPS was $0.24 compared to $0.25 in the prior period. Adjusted EPS was $0.25 in both periods.

Cash flow from operations for the twelve months ended December 31, 2022 was $248.8 million compared to $203.0 million for the same period last year. Operating cash flow benefited from current year improvement in profitability, including the insurance proceeds of $33.0 million, partially offset by an increase in tax payments and an increase in working capital.

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[2] 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, 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 this press release for further information about the use of these measures.

Conference Call and Webcast

The Company will post an earnings presentation and pre-recorded management discussion of its fourth quarter and full year 2022 results and business update to its website at www.hostessbrands.com.

In addition, the Company will host a live question and answer session via conference call and webcast today, February 21, 2023 at 5:00 p.m. ET. Investors interested in participating in the live call can dial 877-451-6152 from the U.S. and +1-201-389-0879 internationally or use the following Call me™ link: https:/callme.viavid.com. A telephone replay will be available approximately two hours after the call concludes through March 7, 2023, by dialing 844-512-2921 from the U.S., or +1-412-317-6671 internationally, and entering confirmation code 13735597. The pre-recorded discussion, presentation and live Q&A webcast 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. (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 $1.3 billion and employing approximately 2,800 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 www.hostessbrands.com.

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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; leveraging the Company's brand value to compete against lower-priced alternative brands; the ability to pass cost increases on to our customers; correctly predicting, identifying and interpreting changes in consumer preferences and demand and offering new products to meet those changes; protecting intellectual property rights; operating in a highly competitive industry; the ability to maintain or add additional shelf or retail space for the Company's products; the 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 integrate and manage capital investments; the ability to manage changes in our manufacturing processes resulting from the expansion of our business and operations, including with respect to cost-savings initiatives and the introduction of new technologies and products; the ability to drive revenue growth in key products or add products that are faster-growing and more profitable; volatility in commodity, energy, and other input prices due to inflationary pressures and the ability to adjust pricing to cover increased costs; loss of one or more of our co-manufacturing arrangements; significant changes in the availability and pricing of transportation; negative impacts of climate change; dependence on major customers; increased labor and employee related costs; strikes or work stoppages; product liability claims, product recalls, or regulatory enforcement actions; the ability to produce and successfully market products with extended shelf life; dependence on third parties for significant services; unanticipated business disruptions; adverse impact or disruption to our business caused by pandemics or outbreaks of highly infectious or contagious diseases; disruptions in global economy due to the Russia and Ukraine conflict; 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 2022. 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)

	December 31, 2022	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	$ 98,584	$ 249,159
Short-term investments	17,914	—
Accounts receivable, net	168,783	148,180
Inventories	65,406	52,813
Prepaids and other current assets	16,375	10,564
Total current assets	367,062	460,716
Property and equipment, net	425,313	335,305
Intangible assets, net	1,920,880	1,944,392
Goodwill	706,615	706,615
Other assets, net	72,329	19,283
Total assets	$ 3,492,199	$ 3,466,311
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Long-term debt and lease obligations payable within one year	$ 3,917	$ 14,170
Tax receivable agreement obligations payable within one year	12,600	11,600
Accounts payable	85,667	68,104
Customer trade allowances	62,194	52,746
Accrued expenses and other current liabilities	59,933	47,009
Total current liabilities	224,311	193,629
Long-term debt and lease obligations	999,089	1,099,975
Tax receivable agreement obligations	123,092	134,265
Deferred tax liability	347,030	317,847
Other long-term liabilities	1,593	1,605
Total liabilities	1,695,115	1,747,321
Class A common stock, $0.0001 par value, 200,000,000 shares authorized, 142,650,344 shares issued and 133,117,224 shares outstanding as of December 31, 2022 and 142,031,329 shares issued and 138,278,573 shares outstanding as of December 31, 2021	14	14
Additional paid in capital	1,311,629	1,303,254
Accumulated other comprehensive income (loss)	35,078	(506)
Treasury stock	(189,232)	(59,172)
Retained earnings	639,595	475,400
Stockholders' equity	1,797,084	1,718,990
Total liabilities and stockholders' equity	$ 3,492,199	$ 3,466,311

HOSTESS BRANDS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

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

	Three Months Ended		Year Ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Net revenue	$ 339,458	$ 297,161	$ 1,358,207	$ 1,142,036
Cost of goods sold	217,524	186,782	892,528	732,053
Gross profit	121,934	110,379	465,679	409,983
Operating costs and expenses:				
Advertising and marketing	19,401	11,991	62,754	51,683
Selling	10,932	10,038	40,542	36,288
General and administrative	29,152	29,919	119,453	99,173
Amortization of customer relationships	5,878	5,877	23,512	23,510
Tax receivable agreement remeasurement	—	(1,409)	(860)	(1,409)
Total operating costs and expenses	65,363	56,416	245,401	209,245
Operating income	56,571	53,963	220,278	200,738
Other expense:				
Interest expense, net	11,267	9,863	40,950	39,762
Change in fair value of warrant liabilities	—	(1,249)	—	(566)
Other expense (income)	36	(78)	(31,956)	1,730
Total other expense	11,303	8,536	8,994	40,926
Income before income taxes	45,268	45,427	211,284	159,812
Income tax expense	12,376	8,899	47,089	40,513
Net income	32,892	36,528	164,195	119,299
Earnings per Class A share:				
Basic	$ 0.25	$ 0.27	$ 1.20	$ 0.91
Diluted	$ 0.24	$ 0.25	$ 1.19	$ 0.86
Weighted-average shares outstanding:				
Basic	134,177,696	134,247,010	136,768,310	131,571,733
Diluted	135,564,487	138,435,782	137,924,471	138,198,176

HOSTESS BRANDS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited, amounts in thousands)

	Year Ended	
	December 31, 2022	December 31, 2021
Operating activities		
Net income	$ 164,195	$ 119,299
Depreciation and amortization	60,086	51,681
Debt discount amortization	1,514	1,238
Tax receivable agreement remeasurement	(860)	(1,409)
Change in fair value of warrant liabilities	—	(566)
Unrealized loss (gain) on foreign currency	631	(503)
Non-cash lease expense	462	1,247
Share-based compensation	10,450	9,585
Realized and unrealized gains on short-term investments	(490)	—
Deferred taxes	16,511	18,995
Change in operating assets and liabilities, net of acquisitions and dispositions:		
Accounts receivable	(20,763)	(22,728)
Inventories	(12,593)	(3,465)
Prepaids and other current assets	(5,959)	9,876
Accounts payable and accrued expenses	26,072	13,723
` Customer trade allowances	9,546	6,056
Net cash provided by operating activities	248,802	203,029
Investing activities		
Purchases of property and equipment	(119,374)	(60,803)
Acquisition of short-term investments	(80,424)	—
Proceeds from maturity of short-term investments	63,000	—
Acquisition and development of software assets	(11,123)	(4,622)
Net cash used in investing activities	(147,921)	(65,425)
Financing activities		
Repayments of long-term debt and financing lease obligations	(108,375)	(11,167)
Repurchase of common stock	(130,060)	(53,172)
Payment of taxes related to the net issuance of employee stock awards	(6,045)	(1,767)
Payments on tax receivable agreement	(9,313)	(9,270)
Cash received from exercise of options and warrants, net of fees	3,970	14,121
Net cash used in financing activities	(249,823)	(61,255)
Effect of exchange rate changes on cash and cash equivalents	(1,633)	(224)
Net increase (decrease) in cash and cash equivalents	(150,575)	76,125
Cash and cash equivalents at beginning of period	249,159	173,034
Cash and cash equivalents at end of period	$ 98,584	$ 249,159
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the period for:		
Interest paid, net of amounts capitalized	$ 39,419	$ 38,567
Net taxes paid	$ 28,003	$ 12,081
Supplemental disclosure of non-cash investing:		
Accrued capital expenditures	$ 8,638	$ 2,244

HOSTESS BRANDS, INC.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

Adjusted gross profit, adjusted gross margin, adjusted operating income, adjusted net income, adjusted net income margin, adjusted EBITDA, adjusted EBITDA 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 margin, diluted shares outstanding 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 per share data)

	Three Months Ended December 31, 2022					
	Gross Profit	**Gross Margin**	**Operating Income**	**Net Income**	**Net Income Margin**	**Diluted EPS**
GAAP results	$ 121,934	35.9 %	$ 56,571	$ 32,892	9.7 %	$ 0.24
Non-GAAP adjustments:						
Foreign currency remeasurement	—	—	—	(159)	—	—
Accelerated depreciation related to network optimization	1,132	0.4	1,132	1,132	0.3	0.01
Other (1)	—	—	104	300	0.1	—
Discrete income tax expense	—	—	—	32	—	—
Tax impact of adjustments	—	—	—	(344)	(0.1)	—
Adjusted Non-GAAP results	$ 123,066	36.3 %	$ 57,807	33,853	10.0	$ 0.25
Income tax				12,688	3.7	
Interest expense				11,267	3.3	
Depreciation and amortization				14,452	4.3	
Share-based compensation				2,850	0.8	
Adjusted EBITDA				$ 75,110	22.1 %	

(1) Costs related to certain corporate initiatives, of which $0.1 million is included in general and administrative and $0.2 million is included in other expense (income) on the consolidated statement of operations.

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

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

	Three Months Ended December 31, 2021					
	Gross Profit	**Gross Margin**	**Operating Income**	**Net Income**	**Net Income Margin**	**Diluted EPS**
GAAP results	$ 110,379	37.1 %	$ 53,963	$ 36,528	12.3 %	$ 0.25
Non-GAAP adjustments:						
Foreign currency remeasurement	—	—	—	(327)	(0.1)	—
Project consulting costs (1)	—	—	3,578	3,578	1.2	0.03
Change in fair value of warrant liabilities	—	—	—	(1,249)	(0.4)	(0.01)
Tax receivable agreement remeasurement	—	—	(1,409)	(1,409)	(0.5)	—
Other (2)	176	0.1	755	1,004	0.3	0.01
Remeasurement of tax liabilities	—	—	—	(3,357)	(1.1)	(0.02)
Tax impact of adjustments	—	—	—	(769)	(0.3)	(0.01)
Adjusted Non-GAAP results	$ 110,555	37.2 %	$ 56,887	33,999	11.4	$ 0.25
Income tax				13,025	4.4	
Interest expense				9,863	3.3	
Depreciation and amortization				13,689	4.6	
Share-based compensation				2,580	0.9	
Adjusted EBITDA				$ 73,156	24.6 %	

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

(2) Costs related to certain corporate initiatives, including $0.5 million of Voortman acquisition related costs. Of the total $1.0 million, $0.2 million is included in costs of goods sold, $0.6 million is included in general and administrative and $0.2 million is included in other expense (income) on the consolidated statement of operations.

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

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

	Year Ended December 31, 2022					
	Gross Profit	Gross Margin	Operating Income	Net Income	Net Income Margin	Diluted EPS
GAAP Results	$ 465,679	34.3 %	$ 220,278	$ 164,195	12.1 %	$ 1.19
Non-GAAP adjustments:						
Foreign currency remeasurement	—	—	—	630	—	0.01
Project consulting costs (1)	—	—	3,887	3,887	0.3	0.03
Tax receivable agreement remeasurement	—	—	(860)	(860)	(0.1)	(0.01)
Gain on Voortman insurance proceeds (2)	—	—	—	(32,970)	(2.3)	(0.24)
Accelerated depreciation related to network optimization	1,908	0.1	1,908	1,908	0.1	0.02
Other (3)	161	—	265	650	—	—
Remeasurement of tax liabilities	—	—	—	(2,161)	(0.2)	(0.02)
Discrete income tax expense	—	—	—	1,188	0.1	0.01
Tax impact of adjustments	—	—	—	(1,910)	(0.1)	(0.01)
Adjusted Non-GAAP results	$ 467,748	34.4 %	$ 225,478	134,557	9.9	$ 0.98
Income tax				49,972	3.7	
Interest expense				40,950	3.0	
Depreciation and amortization				58,178	4.3	
Share-based compensation				10,450	0.8	
Adjusted EBITDA				$ 294,107	21.7 %	

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

(2) Gain from receipt of insurance proceeds under the representation and warranty insurance policy purchased in connection with the Voortman acquisition in 2020 included in other expense (income) on the consolidated statement of operations.

(3) Costs related to certain corporate initiatives, of which $0.2 million is included in cost of goods sold, $0.1 million is included in general and administrative and $0.4 million is included in other expense (income) on the consolidated statement of operations.

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

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

	Year Ended December 31, 2021					
	Gross Profit	Gross Margin	Operating Income	Net Income	Net Income Margin	Diluted EPS
GAAP results	$ 409,983	35.9 %	$ 200,738	$ 119,299	10.4 %	$ 0.86
Non-GAAP adjustments:						
Foreign currency remeasurement	—	—	—	(505)	—	—
Project consulting costs (1)	—	—	6,081	6,081	0.5	0.04
Change in fair value of warrant liabilities	—	—	—	(566)	—	—
Tax receivable agreement remeasurement	—	—	(1,409)	(1,409)	(0.1)	(0.01)
Other (2)	704	0.1	2,107	4,338	0.4	0.03
Remeasurement of tax liabilities	—	—	—	(3,357)	(0.3)	(0.03)
Tax impact of adjustments	—	—	—	(1,871)	(0.2)	(0.01)
Adjusted Non-GAAP results	$ 410,687	36.0 %	$ 207,517	122,010	10.7	$ 0.88
Income tax				45,741	4.0	
Interest expense				39,762	3.5	
Depreciation and amortization				51,681	4.5	
Share-based compensation				9,585	0.8	
Adjusted EBITDA				$ 268,779	23.5 %	

(1) Project consulting costs are included in general and administrative on the consolidated statement of operations.
(2) Costs related to certain corporate initiatives, including $2.8 million of Voortman acquisition related costs. Of the total $4.3 million, $0.7 million is included in cost of goods sold, $1.4 million is included in general and administrative and $2.2 million is included in other expense (income) on the consolidated statement of operations.

Hostess BRANDS

Investor Presentation

FEBRUARY 21, 2023

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, maintaining, extending and expanding the Company's reputation and brand image; leveraging the Company's brand value to compete against lower-priced alternative brands; the ability to pass cost increases on to our customers; correctly predicting, identifying and interpreting changes in consumer preferences and demand and offering new products to meet those changes; protecting intellectual property rights; operating in a highly competitive industry; the ability to maintain or add additional shelf or retail space for the Company's products; the 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 integrate and manage capital investments; the ability to manage changes in our manufacturing processes resulting from the expansion of our business and operations, including with respect to cost-savings initiatives and the introduction of new technologies and products; the ability to drive revenue growth in key products or add products that are faster-growing and more profitable; volatility in commodity, energy, and other input prices due to inflationary pressures and the ability to adjust pricing to cover increased costs; loss of one or more of our co-manufacturing arrangements; significant changes in the availability and pricing of transportation; negative impacts of climate change; dependence on major customers; increased labor and employee related costs; strikes or work stoppages; product liability claims, product recalls, or regulatory enforcement actions; the ability to produce and successfully market products with extended shelf life; dependence on third parties for significant services; unanticipated business disruptions; adverse impact or disruption to our business caused by pandemics or outbreaks of highly infectious or contagious diseases; disruptions in global economy due to the Russia and Ukraine conflict; 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.

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

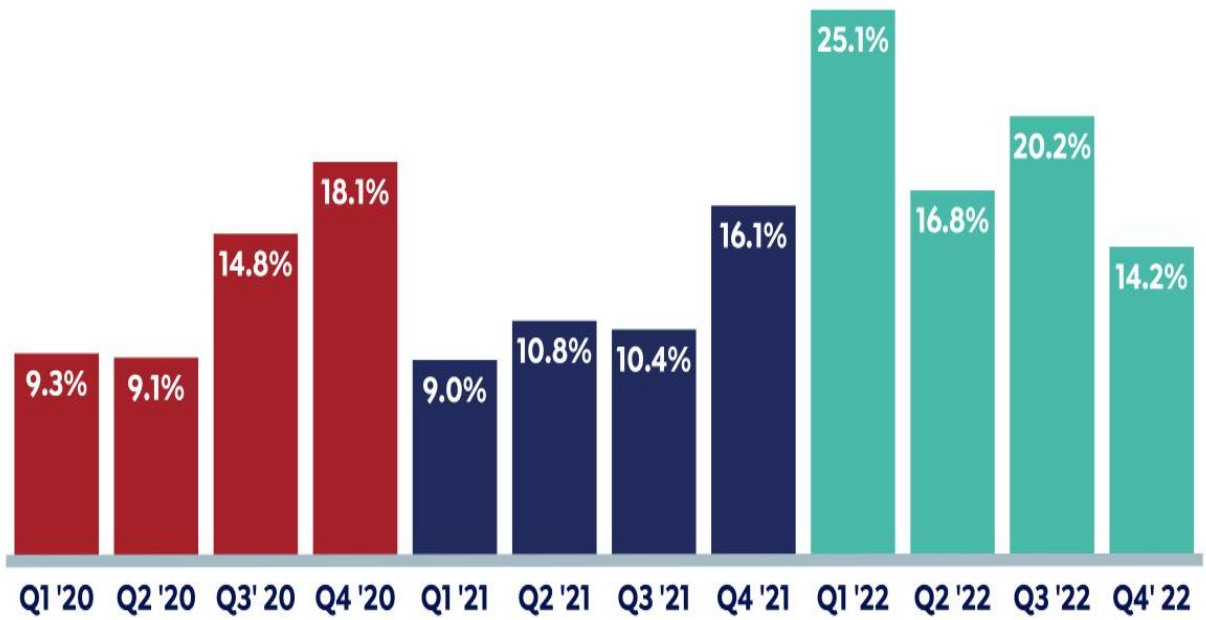
- **Third straight year of double-digit growth** with net revenue growth of 18.9% in 2022
- **9.2% Hostess Brands' point-of-sale growth** in Sweet Baked Goods and **28.2% Voortman® branded growth** in Cookies during the fourth quarter*
- **Ranked #1 in sweet baked category innovation retail sales** with innovation sales contributing 4% of the category's 2022 growth*
- **Pricing actions and enhanced focus on revenue growth management and productivity** to mitigate inflation and supply chain fragility
- **Disciplined capital allocation** with $130 million of share buyback and $100 million in debt paydown in 2022 **while continuing to invest for future growth**
- **Introducing full year 2023 guidance** reflecting strong execution and continued profitable growth momentum

*Source: Nielsen, Total Nielsen Universe for the Company within the SBG Category and Cookie Category. Point of Sale, 13 weeks and 52 weeks ending 12/31/2022 vs comparable prior year period.

Top-tier Net Revenue Growth

12th Straight Quarter of 9%+ Net Revenue Growth

Quarterly Adjusted Net Revenue Growth

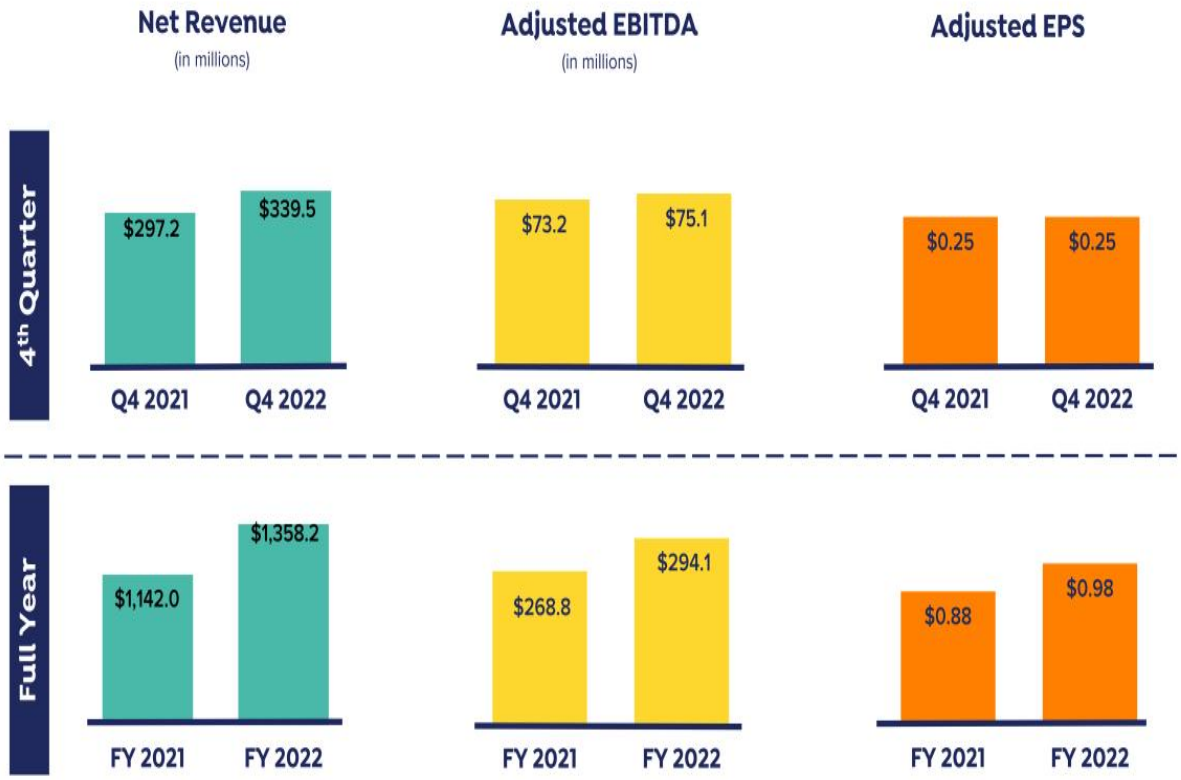


Adjusted Net Revenue is a non-GAAP financial measures. See "Use of Non-GAAP Financial Measures" and the Appendix for an explanation of all non-GAAP financial measures and reconciliations to the comparable GAAP measures.

Net revenue compared to the following peer group: BGS, BRBR, CAG, CPB, FLO, GIS, HAIN, HRL, HSY, JJSF, K, KHC, LANC, LW, MDLZ, MKC, NOMD, PEP, POST, SJM, SMPL, THS per Factset

Outstanding Full Year Financial Performance

Strong Execution in a Dynamic Operating Environment



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.

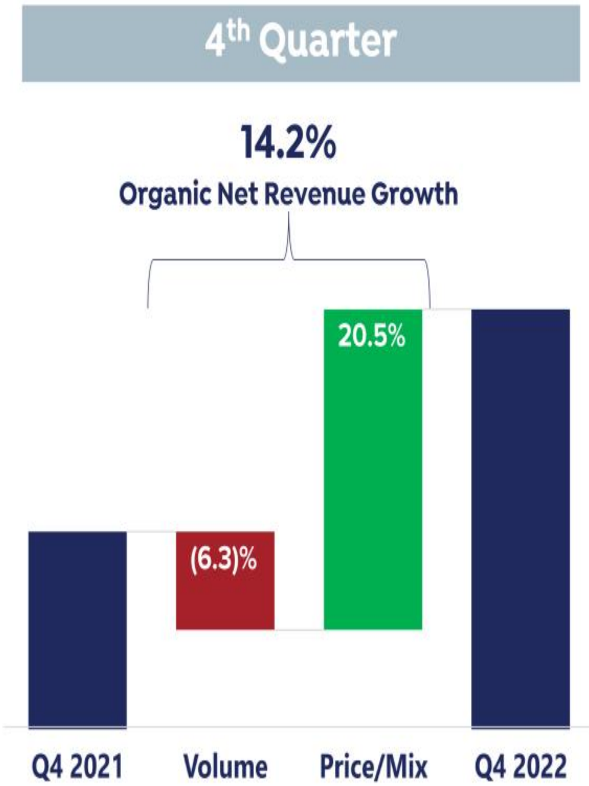
Revenue Growth Driven by Hostess® and Voortman®

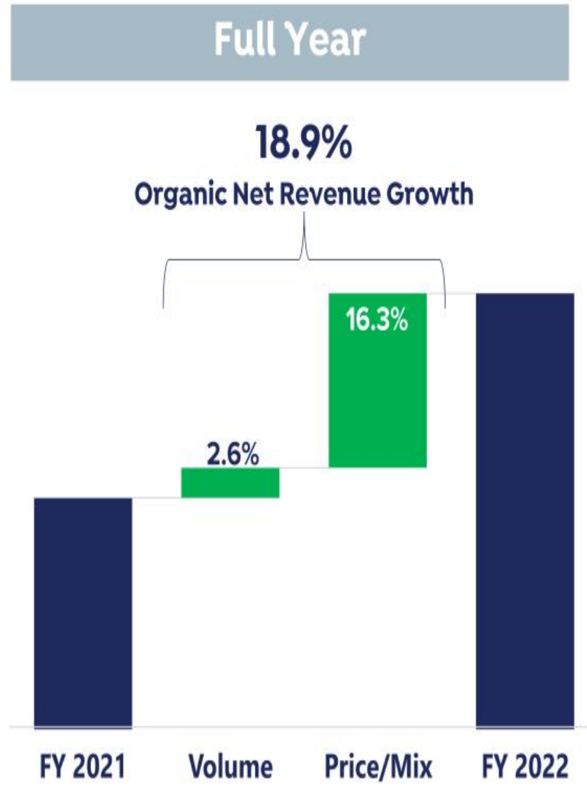
18%+ Organic Growth Across our Portfolio of Sweet Baked Goods and Cookies

	Three Months Ended				Twelve Months Ended			
	December 31,		Change		December 31,		Change	
($ in millions)	2022	2021	$	%	2022	2021	$	%
Sweet Baked Goods	$303.4	$266.6	$36.8	13.8%	$1,210.5	$1,025.5	$185.0	18.0%
Cookies	36.1	30.6	5.5	18.0%	147.7	116.5	31.2	26.8%
Total Net Revenue	$339.5	$297.2	$58.2	14.2%	$1,358.2	$1,142.0	$216.2	18.9%

Positive Price/Mix Driving Revenue Growth

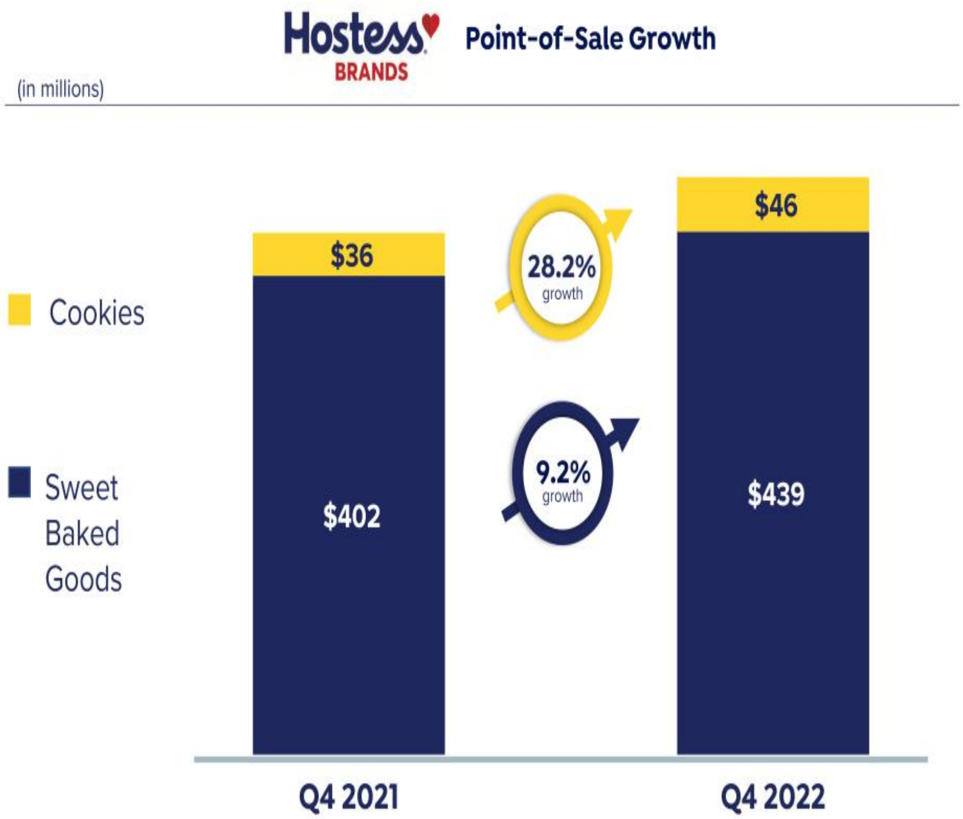
Maintaining Volume While Implementing Incremental Pricing to Offset Inflation in 2022





Continued POS Dollar Growth Across Portfolio

Outstanding Execution Drives Point-of-Sale Growth in the Sweet Baked Goods and Cookie Categories

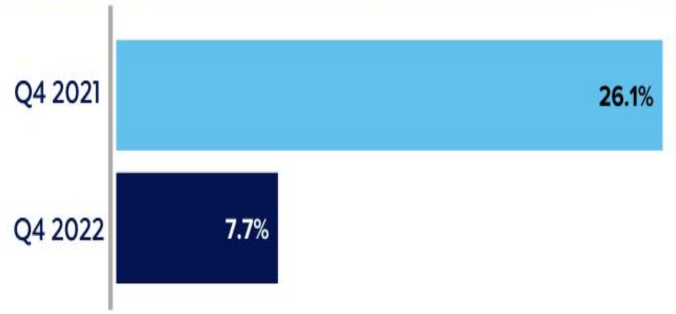


Source: Nielsen, Total Nielsen Universe for the Company within the SBG Category and Cookie Category. Point of Sale, 13 weeks ending 1/1/22 and 12/31/22.

Single-Serve and Multi-Pack Point-of-Sale Growth in Q4

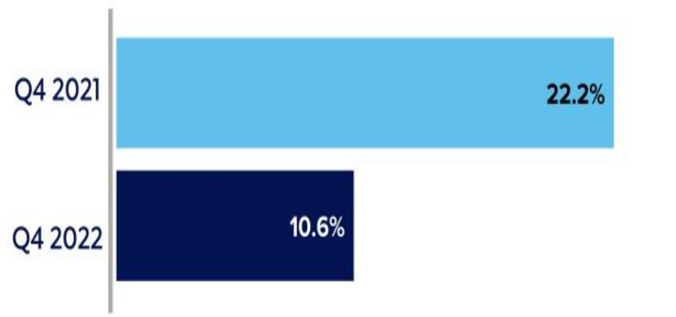
Solid Growth in Both At-Home and Immediate Consumption Occasions

Single-Serve Point-of-Sale



Single-serve
2 year stacked growth
33.8%

Multi-Pack Point-of-Sale



Multi-pack
2 year stacked growth
32.8%

Source: Nielsen, Total Nielsen Universe for the Company within the SBG Category. Point of Sale, 13 weeks ending 1/1/22 and 12/31/22.

Holding Market Share in Volatile Environment

SBG Market Share up over 170 Basis Points on Two-Year Basis

Sugar Free POS up 29%, Growing Market Share of Cookies Sub-category by Nearly 600 bps!

Source: Nielsen, Total Nielsen Universe for the Company within the SBG Category. Point of sale and share changes for the 52 weeks ending 1/1/22 and 12/31/22.

Consistent Track Record of Point-of-Sale Growth

Outstanding Execution Drives Growth in Sweet Baked Goods Category

Source: Nielsen, Total Nielsen Universe for the Company within the SBG Category. Point of Sale and Market Share, 52 weeks ending 1/5/19, 1/4/20, 1/2/21, 1/1/22, and 12/31/22.
Prior period Nielsen data was adjusted to exclude the Cloverhill® and Big Texas® brands in the periods they were not owned by Hostess (2018).

Ranked #1 in SBG Category Innovation Retail Sales

Leading Innovation Sales in All Channels

Highest share of innovation in category at

44%

Hostess® has

10 of the top 20

new items

Innovation sales contributed

21% of our POS growth

Source: Nielsen, Total Nielsen Universe for the Company within the SBG Category. Point of Sale and Market Share, 52 weeks ending 12/24/22.

Brand Activation is Fueling Consumer Interest

Increasing Top-of-Mind Awareness and Consideration

High impulse snacking categories + High margin branded business + Disciplined, test and learn approach = High ROI Advertising Spend

Supported Strong Bouncers Innovation Launch in Q4

Executing on Key Capital Allocation Priorities

Flexibility to Invest in Growth and Generate Shareholder Value

1	**Support Core Growth**	$130.5 million capital expenditures in 2022, including investment in new bakery to support continued growth
2	**Targeted M&A**	Growth-oriented branded targets, that expand our capabilities in the snacking universe
3	**Return Capital to Shareholders**	$130.1 million of share repurchases in 2022
4	**Manage Net Leverage**	Net Leverage reduced from 3.1x to 2.9x at end of 2022

Consolidated Financial Results

Delivering Double-Digit Net Revenue Growth for the Quarter and Full Year

($ in millions, except per share data)	Three Months Ended December 31, 2022	2021	Change $	%	Twelve Months Ended December 31, 2022	2021	Change $	%
Net Revenue	$339.5	$297.2	$42.3	14.2%	$1,358.2	$1,142.0	$216.2	18.9%
Adjusted Gross Profit	$123.1	$110.6	$12.5	11.3%	$467.7	$410.7	$57.0	13.9%
Adjusted Gross Margin	36.3%	37.2%		(95bps)	34.4%	36.0%		(152bps)
Adjusted Operating Income	$57.8	$56.9	$0.9	1.6%	$225.5	$207.5	$18.0	8.7%
Adjusted EBITDA	$75.1	$73.2	$1.9	2.6%	$294.1	$268.8	$15.3	9.4%
Adjusted EBITDA Margin	22.1%	24.6%		(249bps)	21.7%	23.5%		(188bps)
Adjusted EPS	$0.25	$0.25	$0.00	0%	$0.98	$0.88	$0.01	11.4%

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.

Introducing 2023 Guidance

($ in millions, except EPS)	2023 Guidance
Net Revenue Growth	4% - 6%
Adjusted EBITDA	$315 – $325 million (7% - 10% growth)
Adjusted EPS	$1.08 - $1.13 (10% - 15% growth)
Capital Expenditures	$150 - $170 million (Including Capacity Expansion)
Income Tax Rate	~27%
Weighted Average Shares Outstanding	~135 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.

Attractive Long-Term Growth

Delivering Strong Growth While Maintaining our Industry-Leading Margins

Hostess BRANDS

Long-term Growth Algorithm

Mid-Single Digit	5-7%	7-9%
Organic Revenue Growth	EBITDA Growth	EPS Growth

Delivering 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 December 31, 2022						Three Months Ended December 31, 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	$ 121.9	35.9%	$ 56.6	$ 32.9	9.7%	$ 0.24	$ 110.4	37.1%	$ 54.0	$ 36.5	12.3%	$ 0.25
Non-GAAP adjustments:												
Foreign currency remeasurement	-	-	-	(0.2)	-	-	-	-	-	(0.3)	(0.1)	-
Project consulting costs (1)	-	-	-	-	-	-	-	-	3.6	3.6	1.2	0.03
Tax receivable agreement remeasurement	-	-	-	-	-	-	-	-	(1.4)	(1.4)	(0.5)	-
Change in fair value of warrant liabilities	-	-	-	-	-	-	-	-	-	(1.2)	(0.4)	(0.01)
Accelerated depreciation related to network optimization	1.1	0.4	1.1	1.1	0.3	0.01	-	-	-	-	-	-
Other (2)	-	-	0.1	0.3	0.1	-	0.2	0.1	0.8	1.0	0.3	0.01
Remeasurement of tax liabilities	-	-	-	-	-	-	-	-	-	(3.4)	(1.1)	(0.02)
Tax impact of adjustments	-	-	-	(0.3)	(0.1)	-	-	-	-	(0.8)	(0.3)	(0.01)
Adjusted Non-GAAP results	$ 123.1	36.3%	$ 57.8	33.9	10.0	$ 0.25	$ 110.6	37.2%	$ 56.9	34.0	11.4	$ 0.25
Income tax				12.7	3.7					13.0	4.4	
Interest expense				11.3	3.3					9.9	3.3	
Depreciation & amortization				14.5	4.3					13.7	4.6	
Share-based compensation				2.9	0.8					2.6	0.9	
Adjusted EBITDA				$ 75.1	22.1%					$ 73.2	24.6%	

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, of which $0.1 million is included in general and administrative expenses and $0.2 million is included in other expense (income) on the consolidated statement of operations. In 2021, costs related to certain corporate initiatives, including $0.5 million of Voortman acquisition related costs. Of the total $1.0 million, $0.2 million is included in cost of goods sold, $0.6 million is included in general and administrative and $0.2 million is included in other expense (income) on the consolidated statement of operations.

Non-GAAP Reconciliations

	Twelve Months Ended December 31, 2022						Twelve Months Ended December 31, 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	$ 465.7	34.3%	$ 220.3	$ 164.2	12.1%	$ 1.19	$ 410.0	35.9%	$ 200.7	$ 119.3	10.4%	$ 0.86
Non-GAAP adjustments:												
Foreign currency remeasurement	-	-	-	0.6	-	0.01	-	-	-	(0.5)	-	-
Project consulting costs (1)	-	-	3.9	3.9	0.3	0.03	-	-	6.1	6.1	0.5	0.04
Tax receivable agreement remeasurement	-	-	(0.9)	(0.9)	(0.1)	(0.01)	-	-	(1.4)	(1.4)	(0.1)	(0.01)
Change in fair value of warrant liabilities	-	-	-	-	-	-	-	-	-	(0.6)	-	-
Insurance proceeds (2)	-	-	-	(33.0)	(2.3)	(0.24)	-	-	-	-	-	-
Accelerated depreciation related to network optimization	1.9	0.1	1.9	1.9	0.1	0.02	-	-	-	-	-	-
Other (3)	0.2	-	0.3	0.7	-	-	0.7	0.1	2.1	4.3	0.4	0.03
Remeasurement of tax liabilities	-	-	-	(2.2)	(0.2)	(0.02)	-	-	-	(3.3)	(0.3)	(0.03)
Discrete income tax expense	-	-	-	1.2	0.1	0.01	-	-	-	-	-	-
Tax impact of adjustments	-	-	-	(1.9)	(0.1)	(0.01)	-	-	-	(1.9)	(0.2)	(0.01)
Adjusted Non-GAAP results	$ 467.7	34.4%	$ 225.5	134.6	9.9	$ 0.98	$ 410.7	36.0%	$ 207.5	122.0	10.7	$ 0.88
Income tax				50.0	3.7					45.7	4.0	
Interest expense				41.0	3.0					39.8	3.5	
Depreciation & amortization				58.2	4.3					51.7	4.5	
Share-based compensation				10.5	0.8					9.6	0.8	
Adjusted EBITDA				$ 294.1	21.7%					$ 268.8	23.5%	

1. Project consulting costs are included in general and administrative on the condensed consolidated statement of operations.
2. Gain from receipt of insurance proceeds under the representation and warranty insurance policy purchased in connection with the Voortman acquisition in 2020 included in other expense (income) on the condensed consolidated statement of operations.
3. In 2022, costs related to certain corporate initiatives, of which $0.2 million is included in cost of goods sold, $0.1 million is included in general and administrative and $0.4 million is included in other expense (income) on the consolidated statement of operations. In 2021, costs related to certain corporate initiatives, including $2.8 million of Voortman acquisition related costs. Of the total $4.3 million, $0.7 million is included in cost of goods sold, $1.4 million is included in general and administrative and $2.2 million is included in other expense (income) on the consolidated statement of operations.