



Barclays Global Consumer Staples Conference

September 9, 2021

Disclaimer



Forward Looking Statements

This investor presentation contains statements reflecting our views about the future performance of Hostess Brands, Inc. and its subsidiaries (referred to as “Hostess Brands” or the “Company”) that constitute “forward-looking statements” that involve substantial risks and uncertainties. Forward-looking statements are generally identified through the inclusion of words such as “believes,” “expects,” “intends,” “estimates,” “projects,” “anticipates,” “will,” “plan,” “may,” “should,” or similar language. Statements addressing our future operating performance and statements addressing events and developments that we expect or anticipate will occur are also considered forward-looking statements. All forward looking statements included herein are made only as of the date hereof. We undertake no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.

These statements inherently involve risks and uncertainties that could cause actual results to differ materially from those anticipated in such forward-looking statements. These risks and uncertainties include, but are not limited to; our ability to maintain, extend or expand our reputation and brand image; failing to protect our intellectual property rights; our ability to leverage our brand value to compete against lower-priced alternative brands; our ability to correctly predict, identify and interpret changes in consumer preferences and demand and offering new products to meet those changes; our ability to operate in a highly competitive industry; our ability to maintain or add additional shelf or retail space for our products; our ability to continue to produce and successfully market products with extended shelf life; our ability to successfully integrate, achieve expected synergies and manage our acquired businesses and brands; our ability to drive revenue growth in our key products or add products that are faster-growing and more profitable; volatility in commodity, energy, and other input prices and our ability to adjust our pricing to cover any increased costs; the availability and pricing of transportation to distribute our products; our dependence on our major customers; our geographic focus could make us particularly vulnerable to economic and other events and trends in North America; consolidation of retail customers; increased costs to comply with governmental regulation; general political, social and economic conditions; increased healthcare and labor costs; the fact that a portion of our workforce belongs to unions and strikes or work stoppages could cause our business to suffer; product liability claims, product recalls, or regulatory enforcement actions; unanticipated business disruptions; dependence on third parties for significant services; inability to identify or complete strategic acquisitions; our insurance not providing adequate levels of coverage against claims; failures, unavailability, or disruptions of our information technology systems; departure of key personnel or a highly skilled and diverse workforce; and our ability to finance our indebtedness on terms favorable to us; and other risks as set forth under the caption “Risk Factors” from time to time in our Securities and Exchange Commission filings.

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

Industry and Market Data

In this Investor Presentation, Hostess Brands relies on and refers to information and statistics regarding market shares in the sectors in which it competes and other industry data. Hostess Brands obtained this information and statistics from third-party sources, including reports by market research firms, such as Nielsen. All prior period market data in this presentation reflects the restatement of convenience channel data executed by Nielsen during 2020. Hostess Brands has supplemented this information where necessary with information from discussions with Hostess customers and its own internal estimates, taking into account publicly available information about other industry participants and Hostess Brands’ management’s best view as to information that is not publicly available.

Use of Non-GAAP Financial Measures

Adjusted net revenue, adjusted EBITDA 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, net income or earnings per share (as determined in accordance with GAAP) as indicators of operating performance. These Non-GAAP financial measures exclude certain items included in the comparable GAAP financial measure. Adjusted EBITDA is defined as 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. 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.



Andy Callahan

President and Chief Executive Officer

Brian Purcell

Chief Financial Officer

Amit Sharma

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Hostess Brands – High Margin Sustained Growth Story



Snacking Focused with Market Leading Iconic Brands in Sweet Indulgent Sub-Segments

Iconic Brands

Impactful Innovation

Broad Distribution

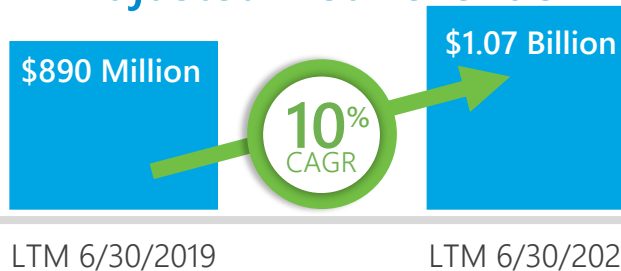
Efficient Operations

Scalable Snacking Platform

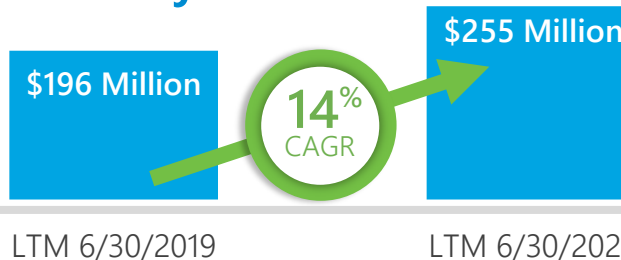
#1 Market Share
in Subcategory*



Adjusted Net Revenue



Adjusted EBITDA



* Market share for the company for the doughnuts and snack cake subcategories within the Sweet Baked Goods category and sugar-free cookies and crème wafers subcategories within the Cookie category per Nielsen U.S. total universe, 13 weeks ending July 3, 2021.

Adjusted Net Revenue and Adjusted EBITDA 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.

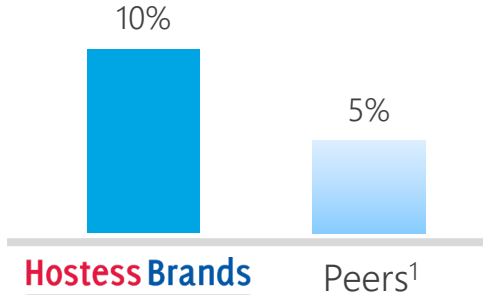
Strong Financial Results Ahead of Peers



Top Tier Financial Performance Amongst US Packaged Food Peers

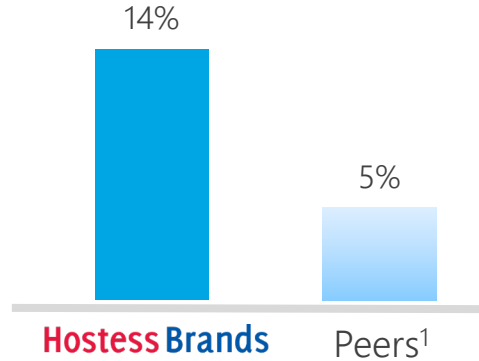
Adjusted Net Revenue

LTM 2019 – 2021
CAGR



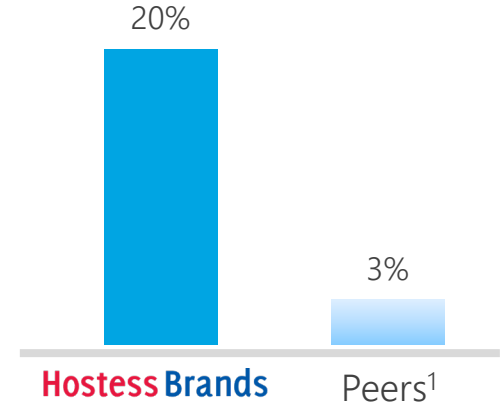
Adjusted EBITDA

LTM 2019 – 2021
CAGR



Adjusted EPS

LTM 2019 – 2021
CAGR



¹Weighted average of peer group including BGS, BRBR, CAG, CPB, FLO, FRPT, GIS, HAIN, HRL, HSY, JBSS, JJFS, K, KHC, LANC, LW, MDLZ, MKC, NOMD, PEP, POST, SJM, SMPL, STKL, THS per Factset
Adjusted Net Revenue, Adjusted EBITDA and Adjusted EPS are non-GAAP financial measure. See "Use of Non-GAAP Financial Measures" and the Appendix for an explanation of all non-GAAP financial measures and reconciliations to the comparable GAAP measures.

Reiterate Recently Raised Guidance



Solid Growth Building on Strong 1H Performance

Key Metric	Guidance
Adjusted Net Sales Growth	7.5%-9.0%
Adjusted EBITDA	\$260-\$268 million
Adjusted Diluted EPS	\$0.83-\$0.87
Leverage Ratio	~3x
Capex	\$60-\$65 million



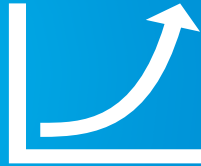
Adjusted Net Revenue, Adjusted EBITDA and Adjusted Diluted EPS are non-GAAP financial measures. See "Use of Non-GAAP Financial Measures" and the Appendix for an explanation of all non-GAAP financial measures. The Company's leverage ratio is net debt (total long-term debt less cash) divided by adjusted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

Multiple Growth Levers to Sustain Momentum



Positioned for sustained growth momentum even in the post-COVID environment

Stronger growth in indulgent snacking supported by consumer behavior tailwinds



Superior execution driving market share gains



Impactful innovation and greater A&M support



M&A opportunities in macro-snacking segments





Appendix

Non-GAAP Reconciliations



<i>In millions, except per-share data</i>	LTM 6/30/2021			LTM 6/30/2020			LTM 6/30/2019		
	Net Revenue	Net Income	Diluted EPS	Net Revenue	Net Income	Diluted EPS	Net Revenue	Net Income	Diluted EPS
GAAP results	\$ 1,073.8	\$ 82.1	\$ 0.59	\$ 943.6	\$ 113.1	\$ 0.39	\$ 889.6	\$ 59.5	\$ 0.40
<i>LTM 2019 - 2021 CAGR, GAAP</i>	<i>10%</i>	<i>17%</i>	<i>21%</i>						
Foreign currency impacts	-	1.1	0.01	-	(6.1)	(0.05)	-	-	-
Acquisition disposal and integration related costs (1)	-	1.9	0.01	6.8	31.2	0.22	-	10.1	0.08
Facility transition costs (2)	-	-	-	-	17.0	0.13	-	0.8	0.01
Special employee incentive compensation	-	-	-	-	-	-	-	3.8	0.03
COVID-19 costs	-	-	-	-	2.4	0.02	-	-	-
Tax receivable agreement remeasurement	-	0.8	0.01	-	0.7	0.01	-	(0.6)	(0.01)
Impairment of property and equipment and intangible assets	-	3.0	0.02	-	1.0	0.01	-	4.6	0.04
Change in fair value of warrant liabilities	-	23.2	0.17	-	(58.8)	-	-	11.3	0.09
Remeasurement of deferred tax liabilities	-	(0.5)	-	-	(1.3)	(0.01)	-	(3.6)	(0.03)
Other (3)	-	3.5	0.03	-	2.6	0.02	-	0.8	0.01
Tax impact of adjustments	-	(2.1)	(0.01)	-	(11.8)	(0.09)	-	(4.4)	(0.04)
Adjusted non-GAAP results	<u>\$ 1,073.9</u>	<u>113.0</u>	<u>\$ 0.83</u>	<u>\$ 950.4</u>	<u>90.0</u>	<u>\$ 0.65</u>	<u>\$ 889.6</u>	<u>82.3</u>	<u>\$ 0.58</u>
Interest		40.5			41.6			40.9	
Depreciation and amortization		53.7			47.9			42.7	
Share-based compensation		8.5			9.0			7.7	
Income tax		39.0			27.9			22.6	
Adjusted EBITDA		<u>\$ 254.7</u>			<u>\$ 216.4</u>			<u>\$ 196.2</u>	
<i>LTM 2019 - 2021 CAGR, Non-GAAP</i>	<i>10%</i>	<i>14%</i>	<i>20%</i>						

1. Acquisition, disposal and integration costs incurred to acquire and transition Voortman and Cloverhill operations and dispose of In-Store Bakery operations
2. Facility transition costs include non-capitalizable costs incurred to move the Company's primary distribution center and category sales and marketing functions.
3. Other expenses included transaction and other non-operating professional fees.