



Investor Day Growth Story

MARCH 1, 2022



Amit Sharma

VICE PRESIDENT INVESTOR RELATIONS

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; our ability 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; 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; our ability to identify or complete strategic acquisitions; sufficiency of insurance coverage; 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.

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

The long-term algorithms introduced 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. All prior period market data in this presentation reflects the restatement of convenience channel data executed by Nielsen during 2020. Additionally, prior period Nielsen data was adjusted to exclude the Cloverhill® and Big Texas® brands in the periods they were not owned by Hostess. Hostess Brands has supplemented this information where necessary with information from discussions with Hostess customers and its own internal estimates, taking into account publicly available information about other industry participants and Hostess Brands’ management’s best view as to information that is not publicly available.

Use of Non-GAAP Financial Measures

Adjusted net revenue, adjusted gross profit, adjusted gross margin, adjusted operating income, adjusted net income, adjusted diluted shares and adjusted EPS collectively referred to as “Non-GAAP Financial Measures,” are commonly used in the Company’s industry and should not be construed as an alternative to net revenue, gross profit, operating income, net income, net income attributed to Class A stockholders or earnings per share as indicators of operating performance (as determined in accordance with GAAP). These Non-GAAP financial measures exclude certain items included in the comparable GAAP financial measure. This Investor Presentation also includes non-GAAP financial measures, including earnings before interest, taxes, depreciation, amortization and other adjustments to eliminate the impact of certain items that we do not consider indicative of our ongoing performance (“Adjusted EBITDA”) and Adjusted EBITDA Margin. Adjusted EBITDA Margin represents Adjusted EBITDA divided by adjusted net revenues. Hostess Brands believes that these Non-GAAP Financial Measures provide useful information to management and investors regarding certain financial and business trends relating to Hostess Brands’ financial condition and results of operations. Hostess Brands’ management uses these Non-GAAP Financial Measures to compare Hostess Brands’ performance to that of prior periods for trend analysis, for purposes of determining management incentive compensation, and for budgeting and planning purposes. Hostess Brands believes that the use of these Non-GAAP Financial Measures provides an additional tool for investors to use in evaluating ongoing operating results and trends. Management of Hostess Brands does not consider these Non-GAAP Financial Measures in isolation or as an alternative to financial measures determined in accordance with GAAP. Other companies may calculate non-GAAP measures differently, and therefore Hostess Brands’ Non-GAAP Measures may not be directly comparable to similarly titled measures of other companies. The Company does not provide a reconciliation of the forward-looking information to the most directly comparable GAAP measures because of the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliations. Totals in this Investor Presentation may not add up due to rounding.

The Company provides guidance only on a 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.

Today we'll be talking about

1 WELCOME TO THE NEW HOSTESS BRANDS

Andy Callahan | CEO & President

2 QUARTERLY RESULTS & 2022 GUIDANCE

Mike Gernigin | Chief Accounting Officer & Interim CFO

3 ENTERING THE NEXT PHASE OF GROWTH

Andy Callahan | CEO & President

4 OUR DIFFERENTIATED GROWTH STRATEGY

Dan O'Leary | Chief Growth Officer

Tina Lambert | VP, Growth & Innovation

5 ATTRACTIVE LONG-TERM FINANCIAL ALGORITHM

Mike Gernigin | Chief Accounting Officer & Interim CFO

6 Q&A



Andy Callahan

PRESIDENT &
CHIEF EXECUTIVE OFFICER



Welcome to the new Hostess Brands

Hostess  [®]
BRANDS

...a snacking company

We are Proud of our Progress

Talent, capabilities and expanded brand portfolio to launch us into the next phase of growth



We are a Different Company

Differentiated Look

Hostess 
BRANDS

Differentiated Results

Sustained top
quartile growth
and shareholder
returns

Differentiated Growth

What **TODAY**
is all about!!

Today's Key Messages

1 Poised to **CATAPULT** Hostess into the next phase of growth

2 Building a snacking pure-play with unique access to **GROWING SPACES**, best-in-class **BUSINESS MODEL**, and accelerating **INNOVATION & MARKETING** capabilities

3 Attractive **LONG-TERM GROWTH ALGORITHM** and **CONTINUING** to deliver top-tier shareholder returns

Q4 Caps an Outstanding Year of Double-Digit Growth

Double Digit Growth in Net Revenue, Adjusted EBITDA and Adjusted EPS

Net Revenue



Adjusted EBITDA



Adjusted EPS



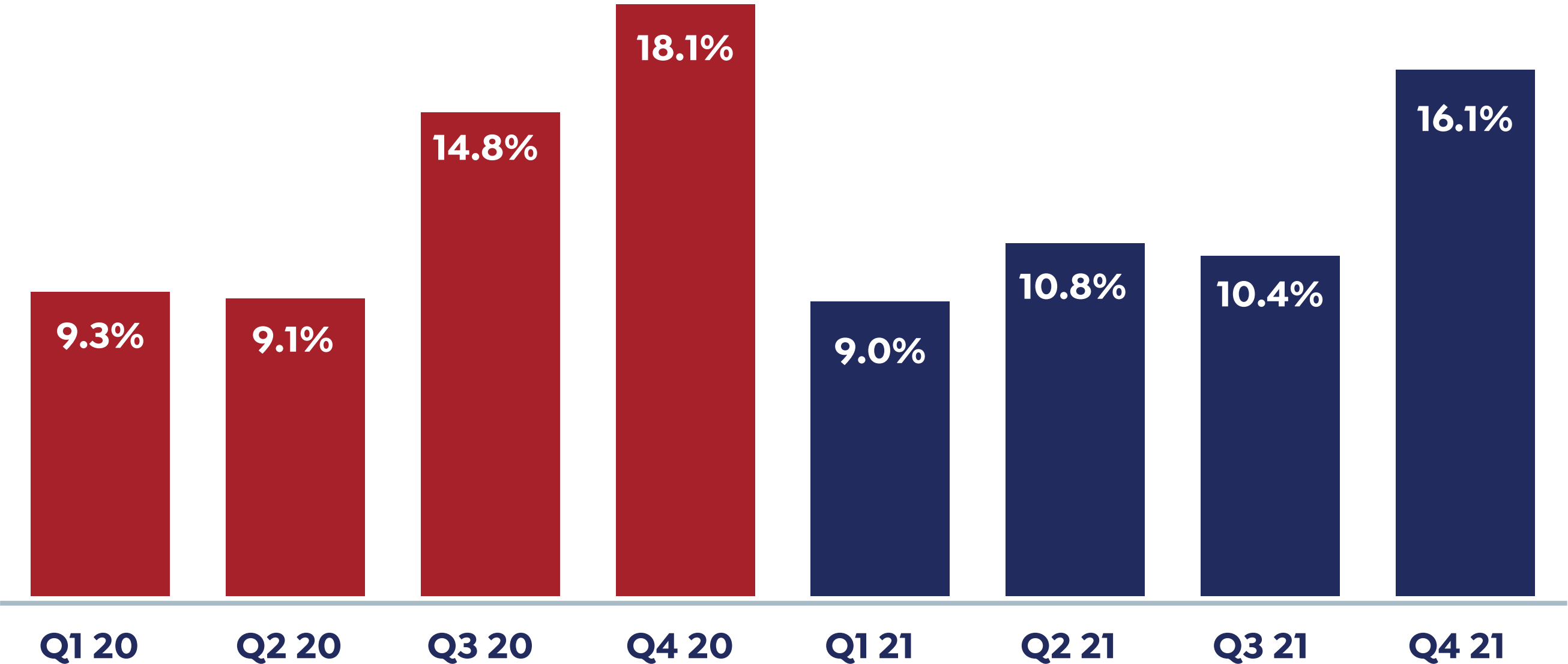
Results are for three months ended December 31, 2021 vs.2020.

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.

8th Consecutive Quarter of over 9% Revenue Growth

Consistent Net Revenue Growth Driven by Strong Demand

Quarterly Adjusted Net Revenue Growth

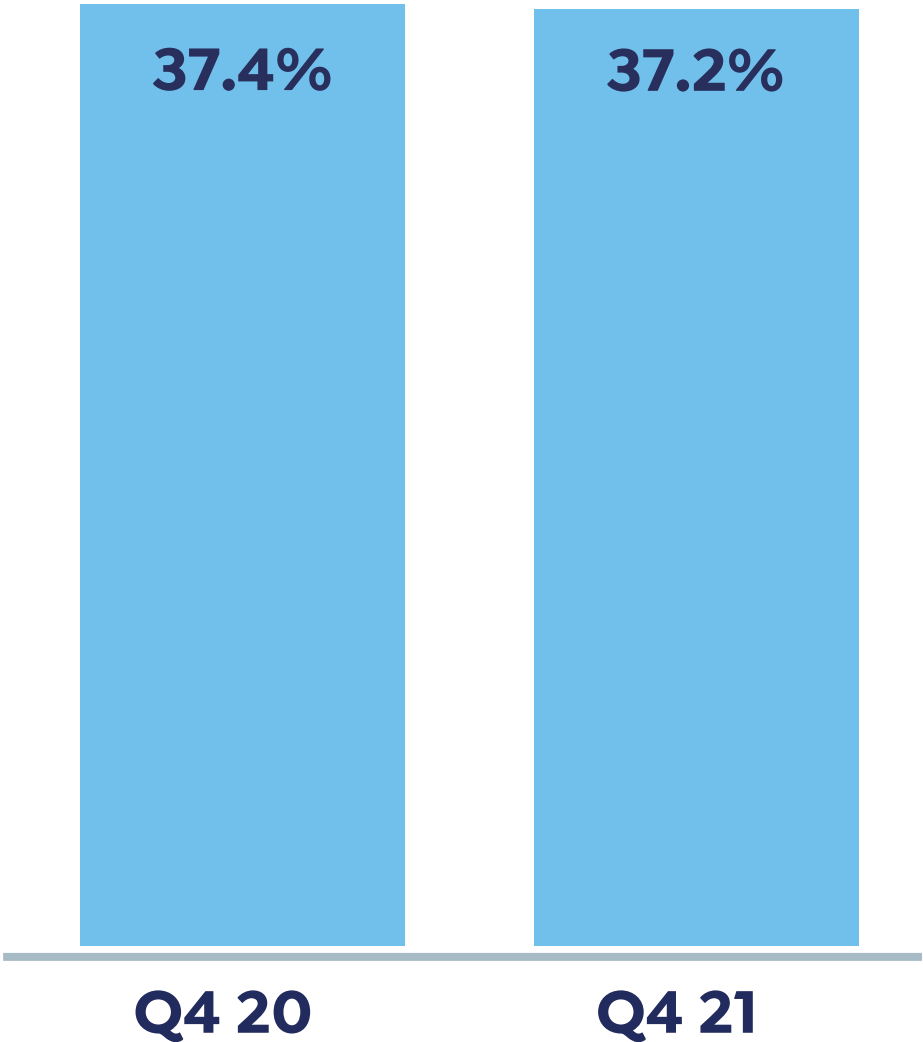


Adjusted Net Revenue is a non-GAAP financial measures. See “Use of Non-GAAP Financial Measures” and the Appendix for an explanation of all non-GAAP financial measures and reconciliations to the comparable GAAP measures.

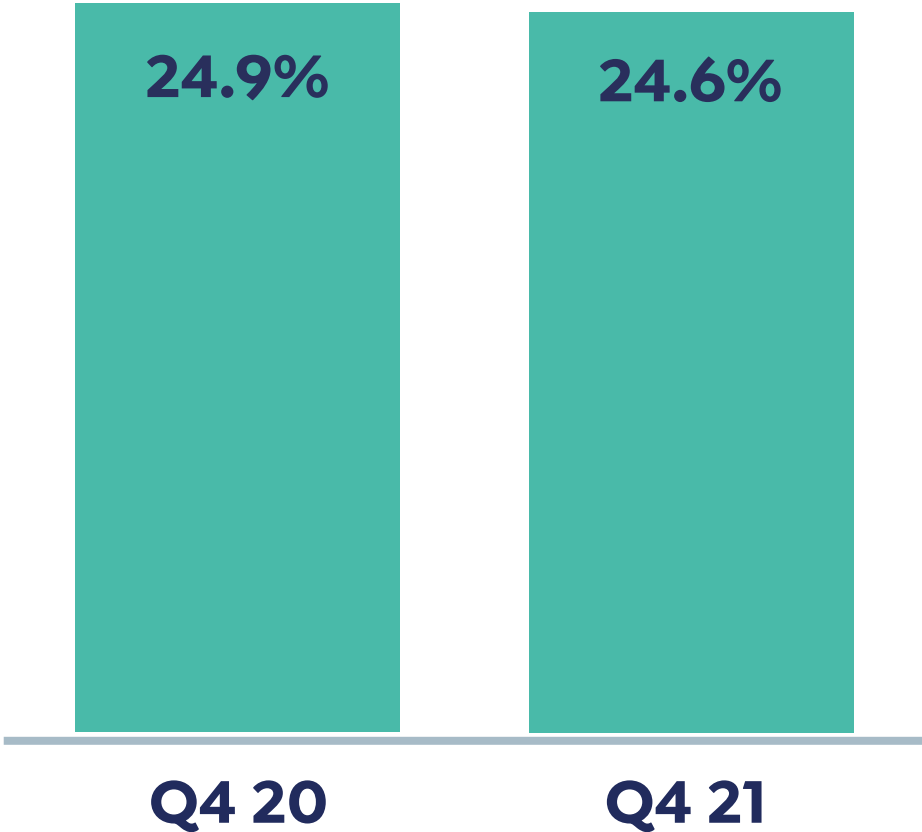
While Maintaining Industry-Leading Margins in Q4

Held margins relatively flat despite double-digit inflation and investments for growth

Adjusted Gross Margins



Adjusted EBITDA Margins



Results are for three months ended December 31, 2021 and 2020.
Adjusted Gross and EBITDA Margins 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.



Mike Gernigin

CHIEF ACCOUNTING OFFICER INTERIM
CFO

2021 Financial Results & 2022 Guidance

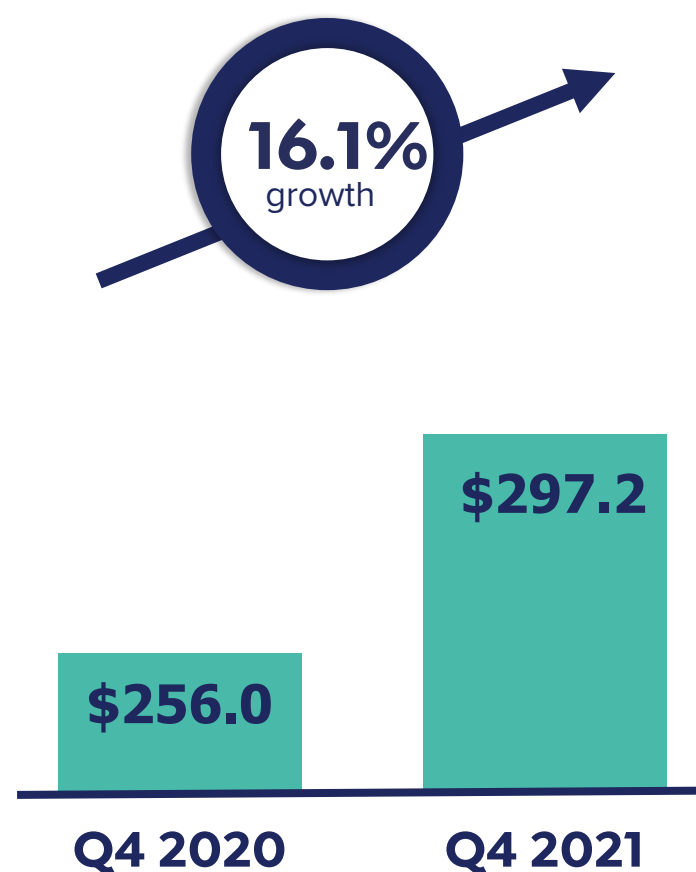


Excellent Fourth Quarter Performance

Outstanding retail and operational execution amplifies solid consumer demand

Net Revenue

(in millions)



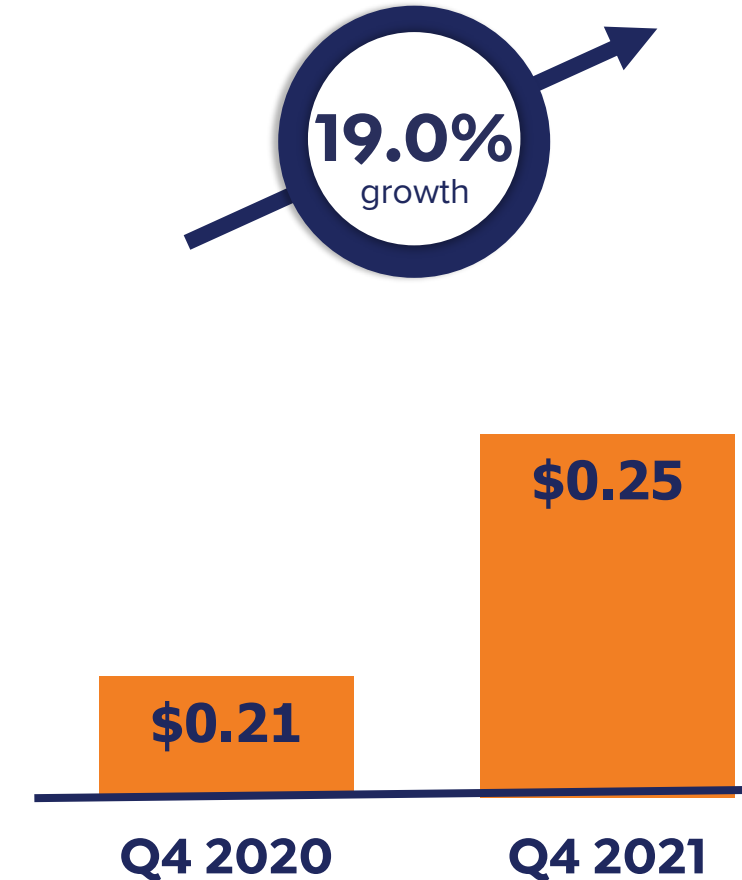
Adjusted EBITDA

(in millions)



Adjusted EPS

(in millions)



Results are for three ended December 31, 2021 and 2020.

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.

Record-High Fourth Quarter Net Revenue

Brand strength and innovation drove broad-based volume growth complemented by pricing actions and favorable mix

Net Revenue

(in millions)



Growth highlights:

- Sweet Baked Goods up **17.3%**
- Cookies up **6.6%**
- Category leading innovation
- Volume growth despite pricing actions

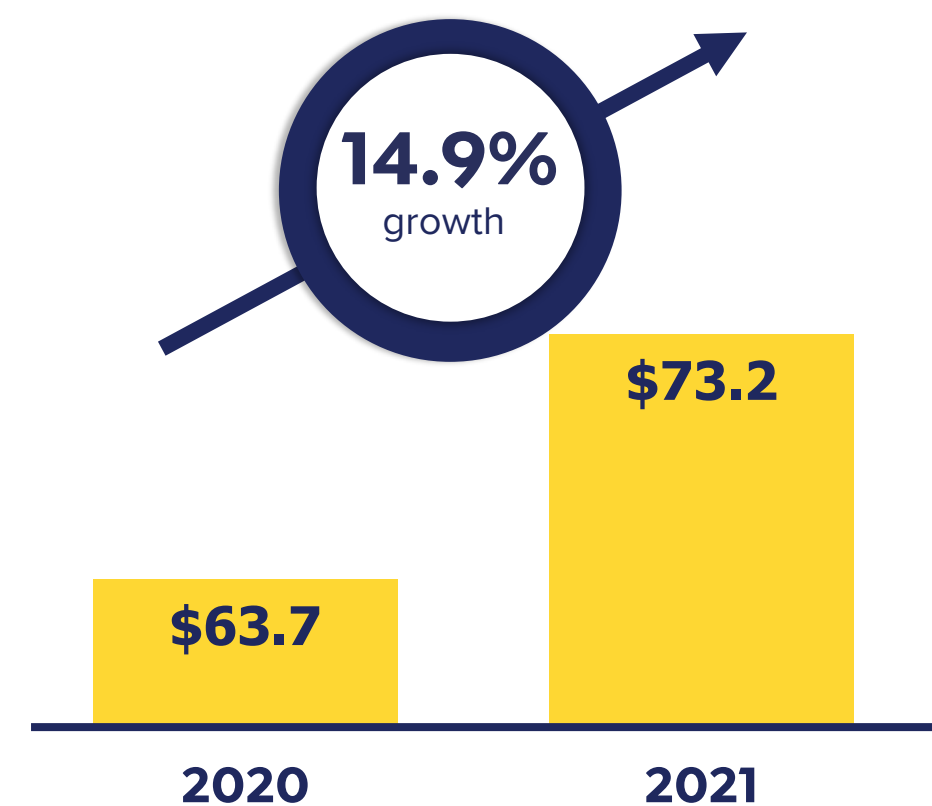
Double-Digit EBITDA Growth

Higher gross profit partially offset by higher labor costs to support our workforce

- Relatively flat gross margins despite double-digit inflation and discretionary “thank-you” bonus to our bakery associates
- Double digit gross profit and EBITDA growth highlights our disciplined execution in a volatile and challenging operating environment

Adjusted EBITDA

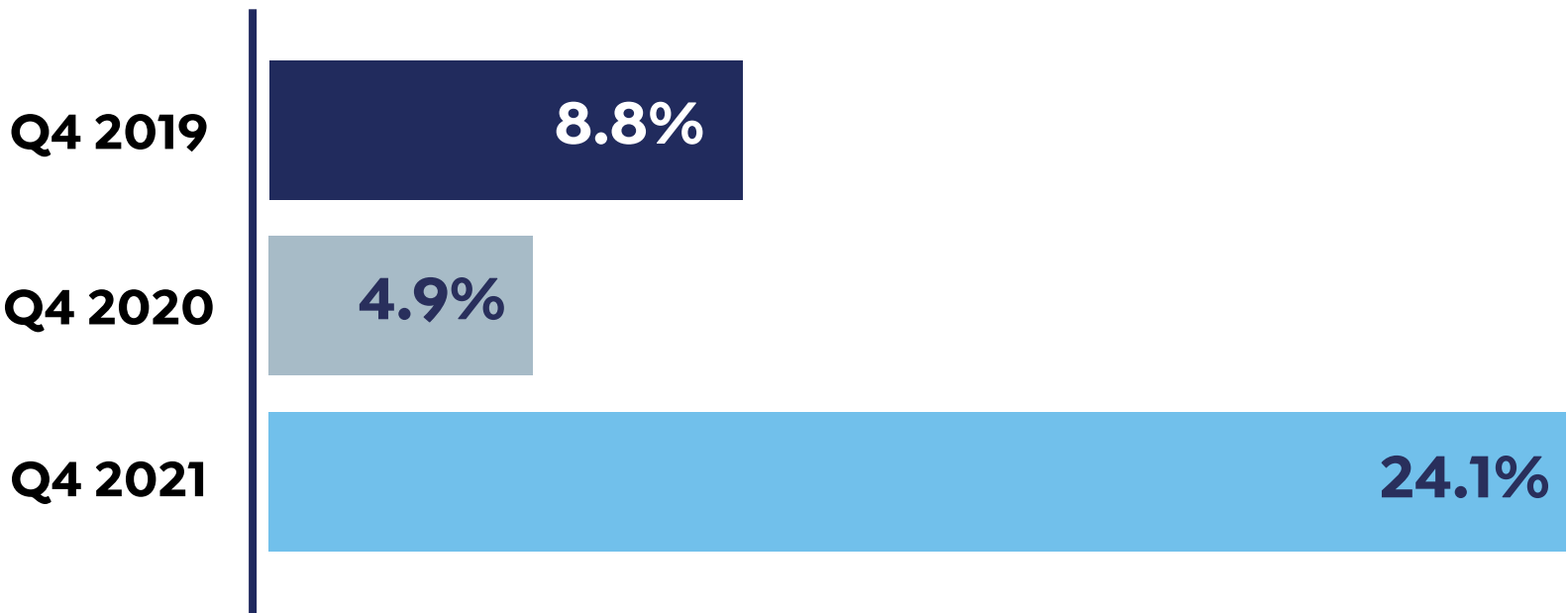
(in millions)



Consumer Demand Accelerates in the Fourth Quarter

Leading Sweet Baked Goods growth across channels, pack-types and occasions

Point-of-Sale Growth



Two Year
Stack
Growth
29.0%

Market Share



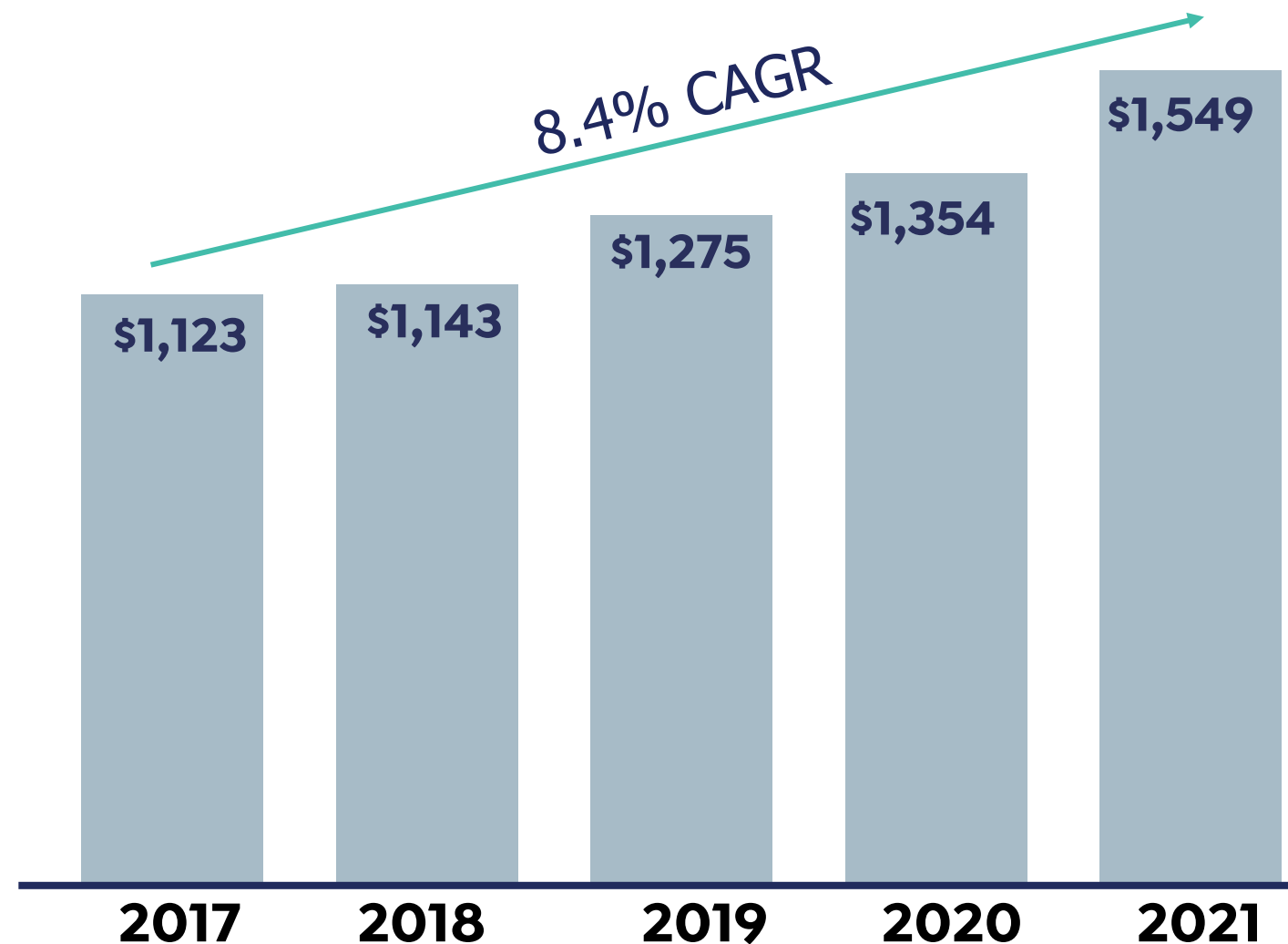
Market
Share
Growth of
218bps

Consistent Track Record of Market Share Gains

Outstanding execution in 2021 drives 187 basis points of share gains in Sweet Baked Goods category

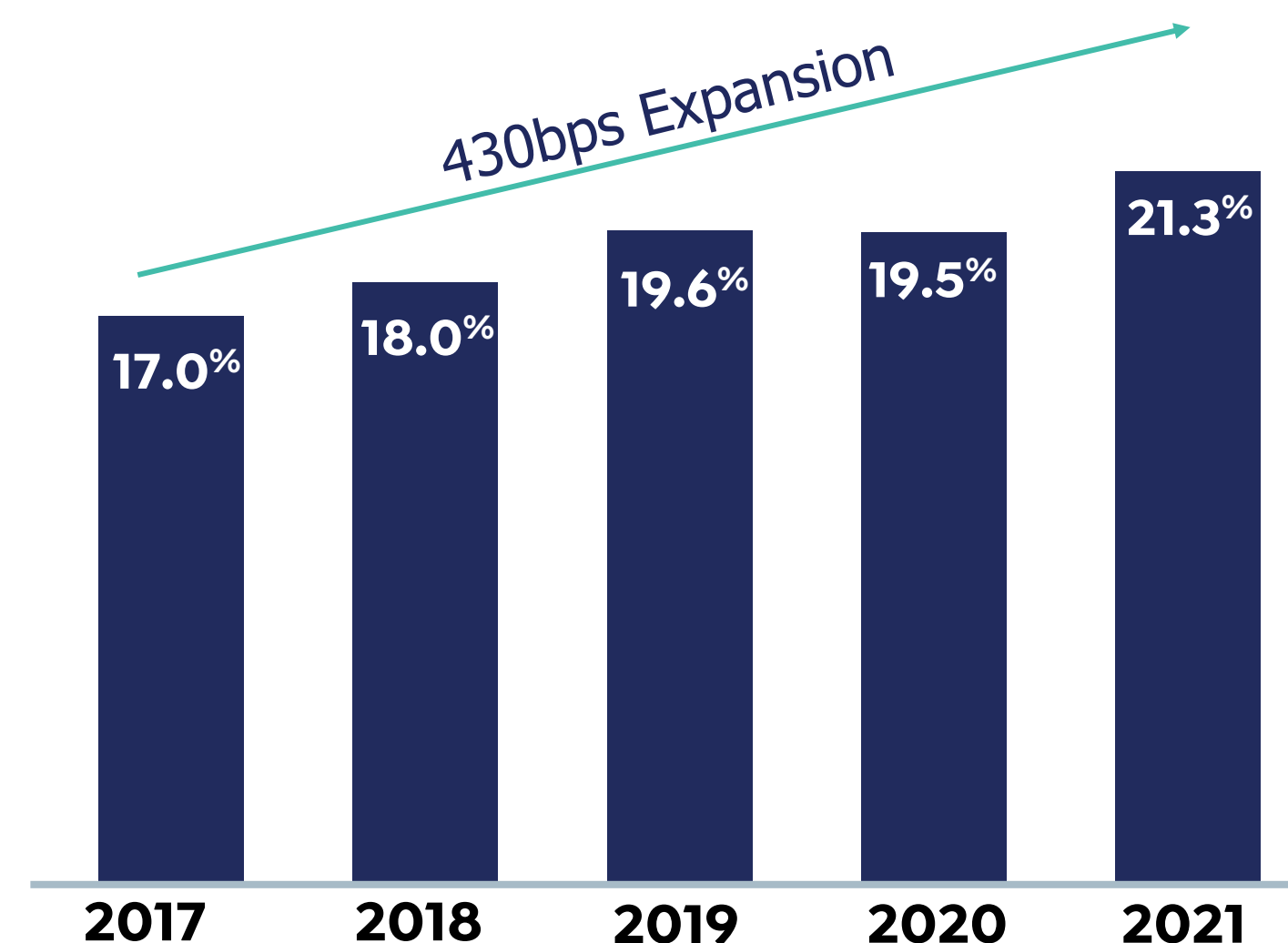
Point-of-Sale

(52 weeks, in millions)



Market Share

(52 Weeks)



Source: Nielsen, Total Nielsen Universe for the Company within the SBG Category. Point of Sale and Market Share, 52 weeks ending 1/6/18, 1/5/19, 1/4/20, 1/2/21 1/1/22.

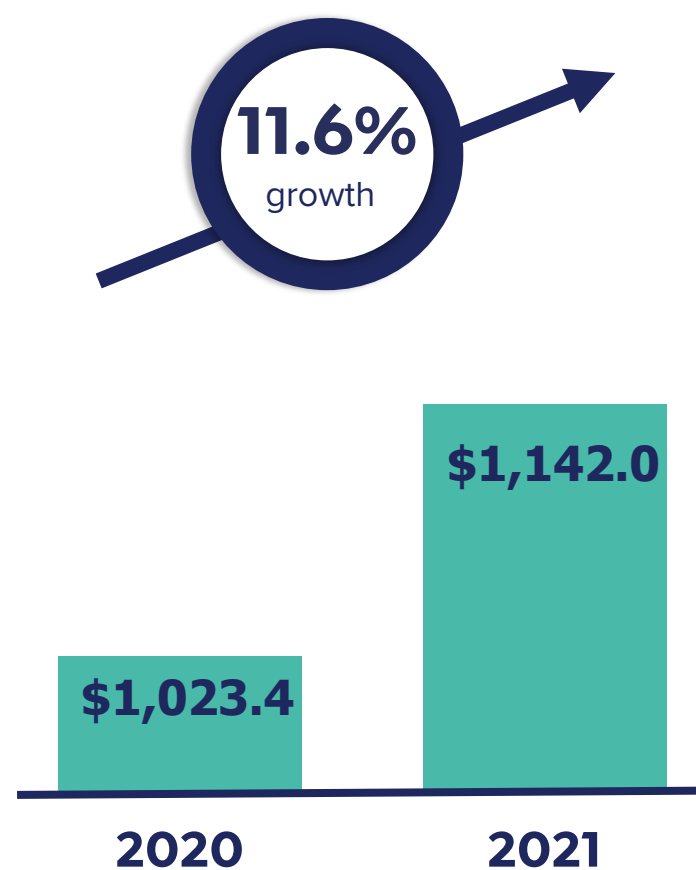
Prior period Nielsen data reflects the restatement of convenience channel data executed by Nielsen during 2020. Additionally, prior period Nielsen data was adjusted to exclude the Cloverhill® and Big Texas® brands in the periods they were not owned by Hostess (2017 – 2018).

Outstanding Full Year 2021 Results

Double-digit growth in revenue, EBITDA and EPS while maintaining margins in a challenging environment

Adjusted Net Revenue

(in millions)



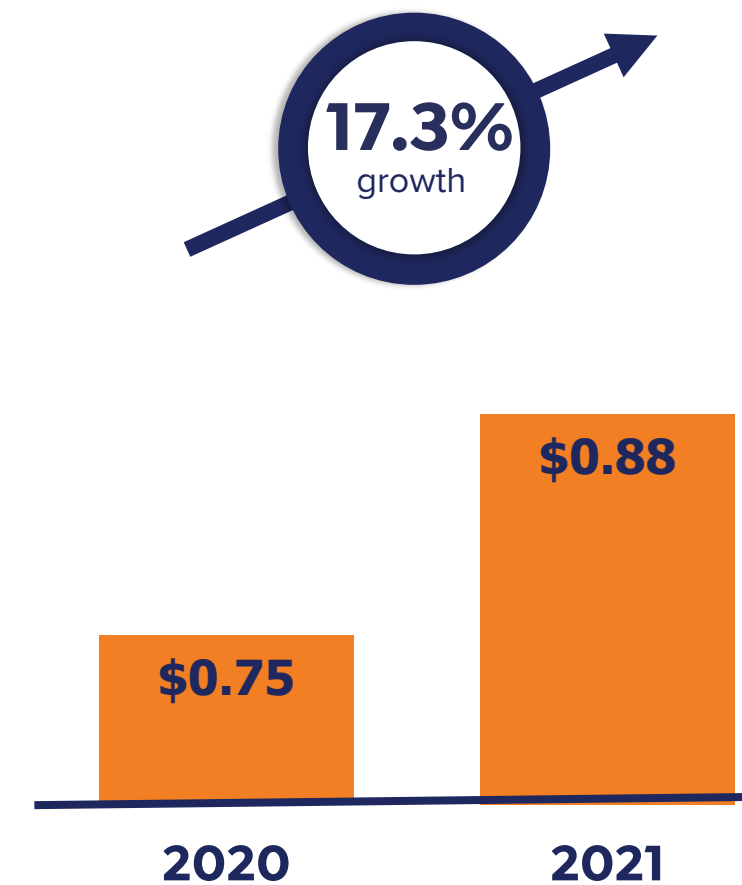
Adjusted EBITDA

(in millions)



Adjusted EPS

(in millions)



Results are for twelve months ended December 31, 2021 and 2020.

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

2022 Guidance Builds on Continued Momentum

**Net
Revenue
Growth**

5 – 8%

- Strong consumer trends
- Market share gains
- New products targeting key snacking occasions

**Adjusted
EBITDA**

\$280 – \$290M

- Benefit from pricing actions
- Productivity savings
- Continued inflationary pressures
- Higher A&M investments

**Adjusted
EPS**

\$0.93 – \$0.98

- Benefit of strong operating performance
- D&A headwinds from capital investments



Andy Callahan

PRESIDENT &
CHIEF EXECUTIVE OFFICER

INVESTOR DAY 2022

Entering Our Next Phase of Growth



Catapulting to the Next Phase of Growth

Hostess Brands positioned as high growth snacking focused company

Relaunch

2013–2015

- Modern Hostess relaunched
- Shift to warehouse delivery model
- Regain and expand distribution
- Basic innovation, R&D, and A&M capabilities

Solidify Foundation

2016–2021

- Create a sustainable growth company
- Invest in talent, analytics, and capabilities
- Streamline portfolio; build robust innovation pipeline
- Platform for accretive acquisitions

Catapult to Next Phase of Growth

2022+

- Focus on faster growing snacking occasions
- Attractive, top-tier long-term growth algorithm
- Activate growth fly-wheel through continuous productivity
- Unlock balance sheet to drive organic and inorganic growth agenda

Delivered Against Commitments Unlocking Growth

Strategic investments in our products, talent, capabilities and operations for sustained profitable growth



Solidified Foundation with Investments for Growth

Strategic investments in our products, talent, capabilities and operations for sustained profitable growth

✓ **Strengthened our core**

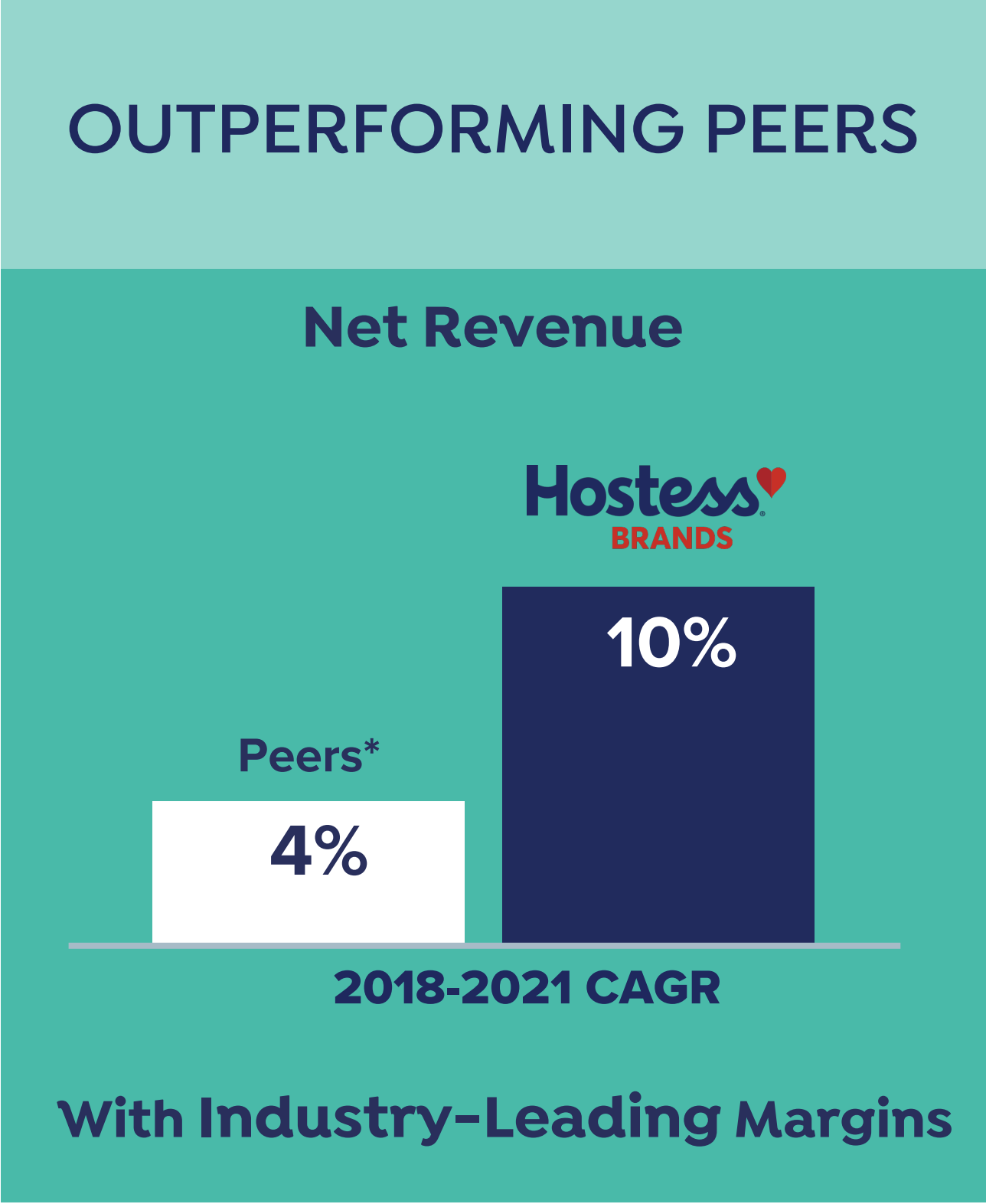
✓ **Enhanced capabilities**

✓ **Leveraged and expanded our highly efficient and profitable business model**

✓ **Executed strategic acquisitions while effectively managing our capital structure**

Track Record of Financial Outperformance

Proven history of sustained growth consistently outperforming the peer set



* Weighted average of peer group including BGS, 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 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.

Today's Agenda is Focused on our Organic Growth Potential

A diagram illustrating the company's growth strategy. It features a large teal shape on the left and a white shape on the right, separated by a dark blue circle with a white plus sign. The teal shape contains a white rounded rectangle with the text 'Organic Growth'. The white shape contains a white rounded rectangle with the text 'M&A'.

**Organic
Growth**



M&A

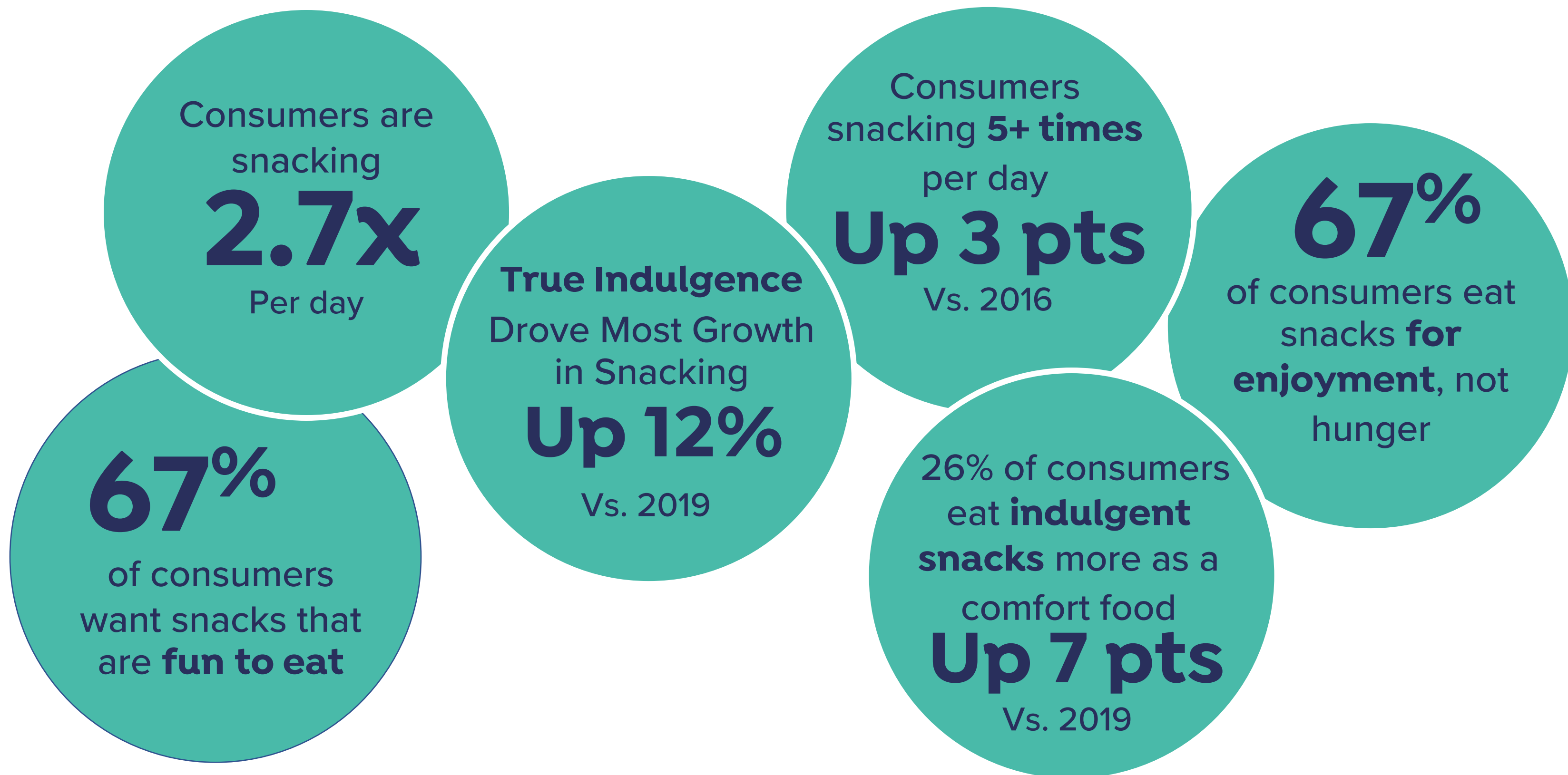
Key Enablers of Differentiated Growth

To catapult Hostess Brands into the next phase of organic growth



Snacking Trends Have Positive Momentum

Our snacking portfolio is perfectly positioned to benefit from these strong consumer trends





Faster Growing Snacking Pure-Play

Snacking focused portfolio uniquely positioned within the snacking universe

Snacking % of Total Retail Sales

● Retail Sales Growth YoY



Source: NielsenIQ Total Snacking as percentage of All Departments Cal Yr 2021 W/E 01/01/22

Consumers Snack by Occasions

Targeting consumer snacking occasions expands addressable market








Source: NielsenIQ Total Universe select categories through October 2021
Occasions: Hostess Consumer Snacking Survey (N=6082; 12/2020), McKinsey Analytics with Nielsen POS data through October 2021

Targeting Fastest Growing Snacking Occasions

Large addressable markets aligned well to our product portfolio

**\$50 Billion +
ADDRESSABLE
MARKET In
Targeted
Occasions**

Target Snacking Occasions

Morning Sweet Start	Lunchbox	Afternoon Reward	Immediate Consumption	Afternoon Sharing
				

Composite 3 year CAGR of
just these 5 segments = **5.6%**

Best in Class Business Model is a Sustained Competitive Advantage

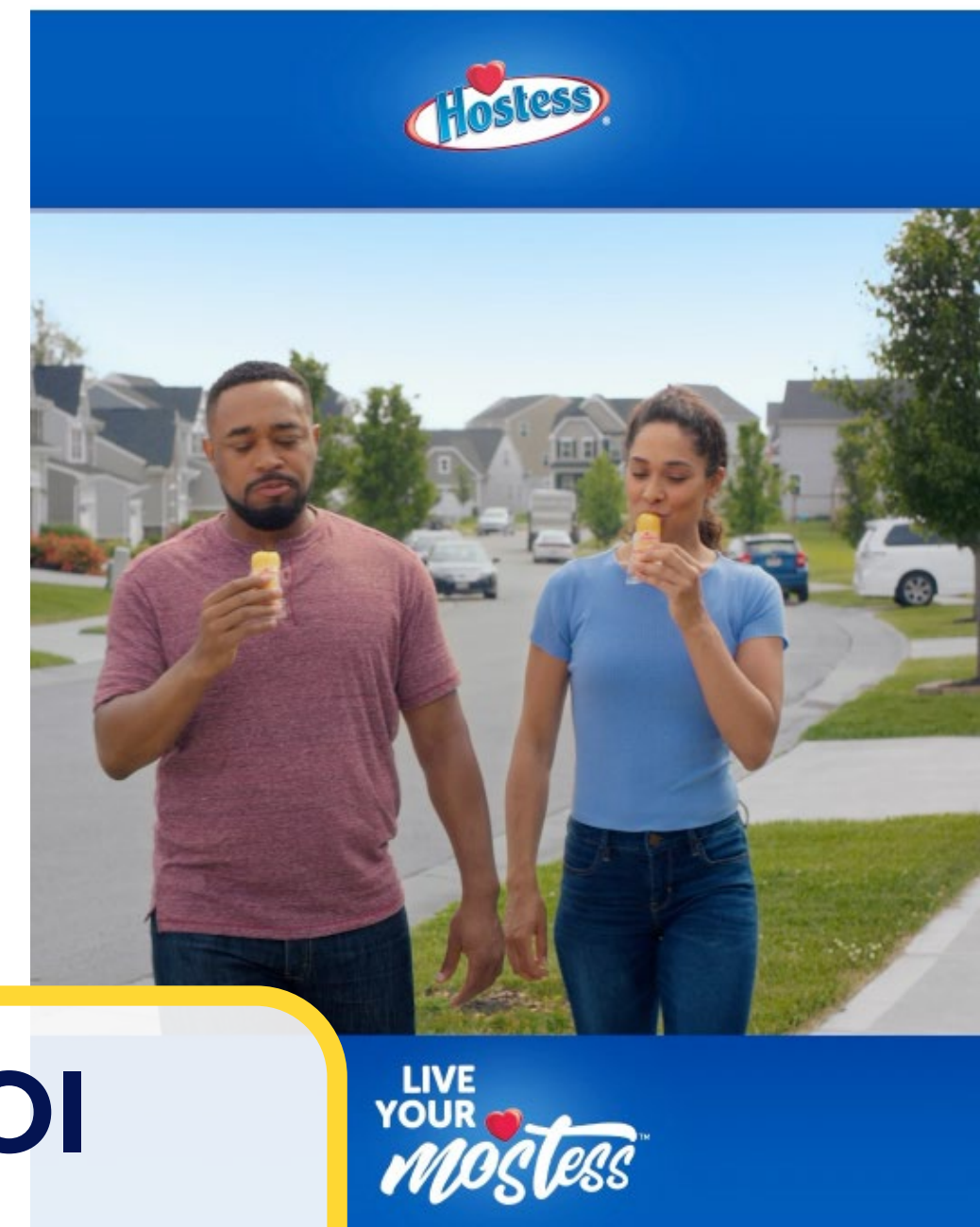


Strong Consumer Activation

**Incremental
Innovation**



**High ROI
Marketing
Communication**



Fly-Wheel to Drive Sustained Growth

High margin business with focused productivity provides fuel for investing to drive strong growth



Introducing New Long-Term Growth Algorithm

Delivering leading sales and profit growth while maintaining our industry-leading margins

**Mid-Single
Digit
Organic
Revenue
Growth**

**5-7%
EBITDA
Growth**

**7-9%
EPS
Growth**

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

ROI-Driven Capital Allocation Priorities

Capital allocation priorities shift to drive organic and in-organic growth

- 1** Support Core Growth

- 2** Targeted M&A

- 3** Return Capital to Shareholders

- 4** Maintain Targeted Leverage

Committed to Transparency and Progress in our ESG Journey



Making Progress on ESG Priority Areas of Focus

Environmental

- Committed to developing a plan to address greenhouse gas emissions
- Include a health, safety, and environment impact assessment in all Cap Ex decisions



Making Progress on ESG Priority Areas of Focus

Equity & Inclusion

- Adopted a policy for Diversity, Equity, Inclusion, and Belonging
- Expanded diversity and inclusion training for all employees
- Named one of Forbes top places to work and one of the top 100 places to work for veterans



Making Progress on ESG Priority Areas of Focus

Health & Safety

- 100% of our high-risk suppliers have GFSI benchmarked certifications
- Our safety incident rates are 75% lower than the national average for our industry*
- Maintained company-wide turnover rates below the national average**

*Total Incident Reports for manufacturing

**U.S. Bureau of Labor Statistics December 2021 Job Opening and Labor Turnover Report, Food Manufacturing



Making Progress on ESG Priority Areas of Focus

Governance

- An independent and diverse Board of Directors
- Board level oversight for our ESG and Corporate Responsibility initiatives
- ESG goals included within executive team's strategic objectives



Our Sustainable and Differentiated Corporate Culture

Our culture is driven by the values of our people and their **nimbleness**, **integrity**, **tenacity**, **inclusivity**, and **commitment to quality**.

We have a Clear Mission

**We inspire moments of
joy by putting our  into
everything we do.**

We have an Experienced, Talented Leadership Team

27 Years
Average
Experience

Strong CPG
Backgrounds



Andy Callahan
CHIEF EXECUTIVE
OFFICER



Dan O'Leary
CHIEF GROWTH
OFFICER



Mike Gernigin
CHIEF ACCOUNTING
OFFICER, INTERIM CFO



Arist Mastorides
CHIEF CUSTOMER
OFFICER



Jolyn Sebree
GENERAL COUNSEL



Mike Cramer
CHIEF ADMIN. OFFICER



Rob Weber
CHIEF PEOPLE OFFICER



Tina Lambert
VP INSIGHTS,
INNOVATION &
ACTIVATION



Darryl Riley
SVP, QUALITY,
FOOD SAFETY
AND R&D



Gary Schmidt
HEAD OF
MANUFACTURING



Stu Blankenhorn
VICE PRESIDENT
STRATEGY

Key Takeaways

1 Poised to **CATAPULT** Hostess into the next phase of growth

2 Building a snacking pure-play with unique access to **GROWING SPACES**, best-in-class **BUSINESS MODEL**, and accelerating **INNOVATION & MARKETING** capabilities

3 Attractive **LONG-TERM GROWTH ALGORITHM** and **CONTINUING** to deliver top-tier shareholder returns



Dan O'Leary

CHIEF GROWTH OFFICER

Key Growth Strategy Messages



1

Our business
sits in
**GROWING
SPACES**

2

Our
**BUSINESS
MODEL**
is best-in-class

3

Our
**INNOVATION &
MARKETING** are
gaining
momentum

OUR BUSINESS SITS IN

Growing Spaces



We are a Snacking Pure-Play Company



- Indulgent snacking is one of **largest and fastest growing** snacking segments
- **Expanding consumption occasions**
- Attractive exposure across **all consumer cohorts**
- **Broad access to all channels** even more attractive given consumer dislocation
- Relatively **low private label** exposure

Compete In Faster-Growing Snacking Occasions

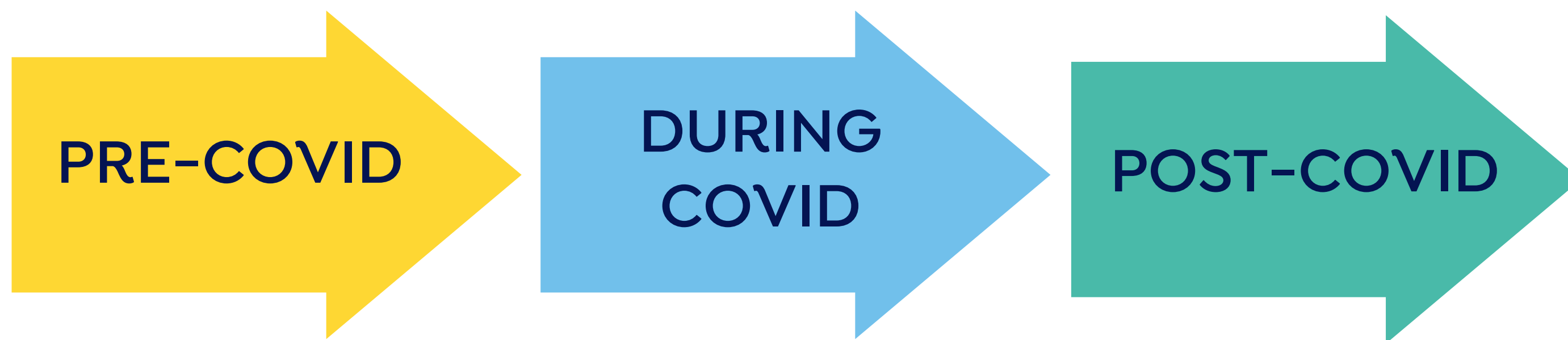
US Sweet Snacking Universe annual sales are **\$91B**,
growing **4.8% CAGR** over the last 3 years

Number of consumers **eating 5+ snacks
a day** is up double digits vs. 2018

Targeted snacking occasions
growing at 3-year **CAGR of 5.6%**

Source: NielsenIQ Total Universe select categories through October 2021
IRI How America Eats: The Snacking Frenzy in 2021 and Beyond, May 11,
2021, consumers 25-44
Occasions: Hostess Consumer Snacking Survey (N=6082; 12/2020),
McKinsey Analytics with Nielsen POS data through October 2021

Trends Driving Our Business Are Evergreen



Durable Consumer Trends that Create a Long Growth Runway



Snackification



**Renewed
Family
Focus**



**The Era of
Trusted
Brands**



**Aging
without
Compromise**

Traditional Category View of Snacking Misses True Growth Potential

Total US Sweet Snacking Universe annual sales are **\$91B**, with 3-year **CAGR of 4.8%**

Sweet Baked Goods category is **growing at 4%**

Sweet Snacking Categories



...Because Consumers Buy Snacks Based on Occasion

Occasion is a **combination of three** factors:






- Role of the snack (treat vs. healthy vs. mini meal)
- Time of day
- Where they are (at-home vs. on-the-go)

Within each occasion, **a wide range of sweet** and salty snacks is consumed

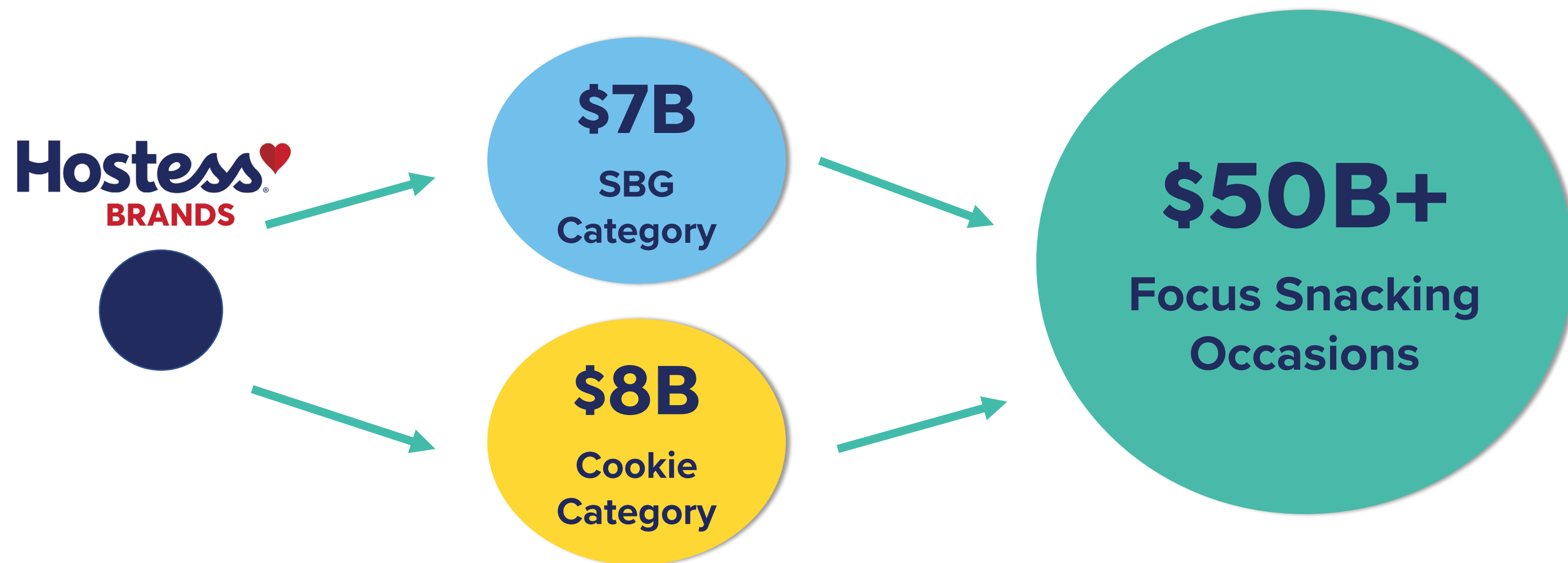
\$50B+ Addressable Market in Targeted Snacking Occasions

Hostess Brands Top Five Focus Snacking Occasions

Over \$50B Annual Sales, Three-year CAGR: 5.6%

	Morning Sweet Start	Lunchbox	Afternoon Reward	Immediate Consumption	Afternoon Sharing
\$ Market	\$5.8B	\$6.2B	\$13.6B	\$8.4B	\$19.3B
3-year CAGR	5.5%	5.5%	5.9%	4.7%	5.9%
Snack Examples					

Large Addressable Snacking Occasions Provide Confidence to Grow our Brands and Categories



“Morning Sweet Start” Snacking Occasion

Time of day:

Morning

Location:

At home

Total Size:

\$5.8B,

\$1.1B is SBG

Top snacks in this occasion:

Refrigerated Pastries

Breakfast Cookies

Donuts, Danish

Muffins/scones

Crispy Minis™ Innovation for Afternoon Sharing

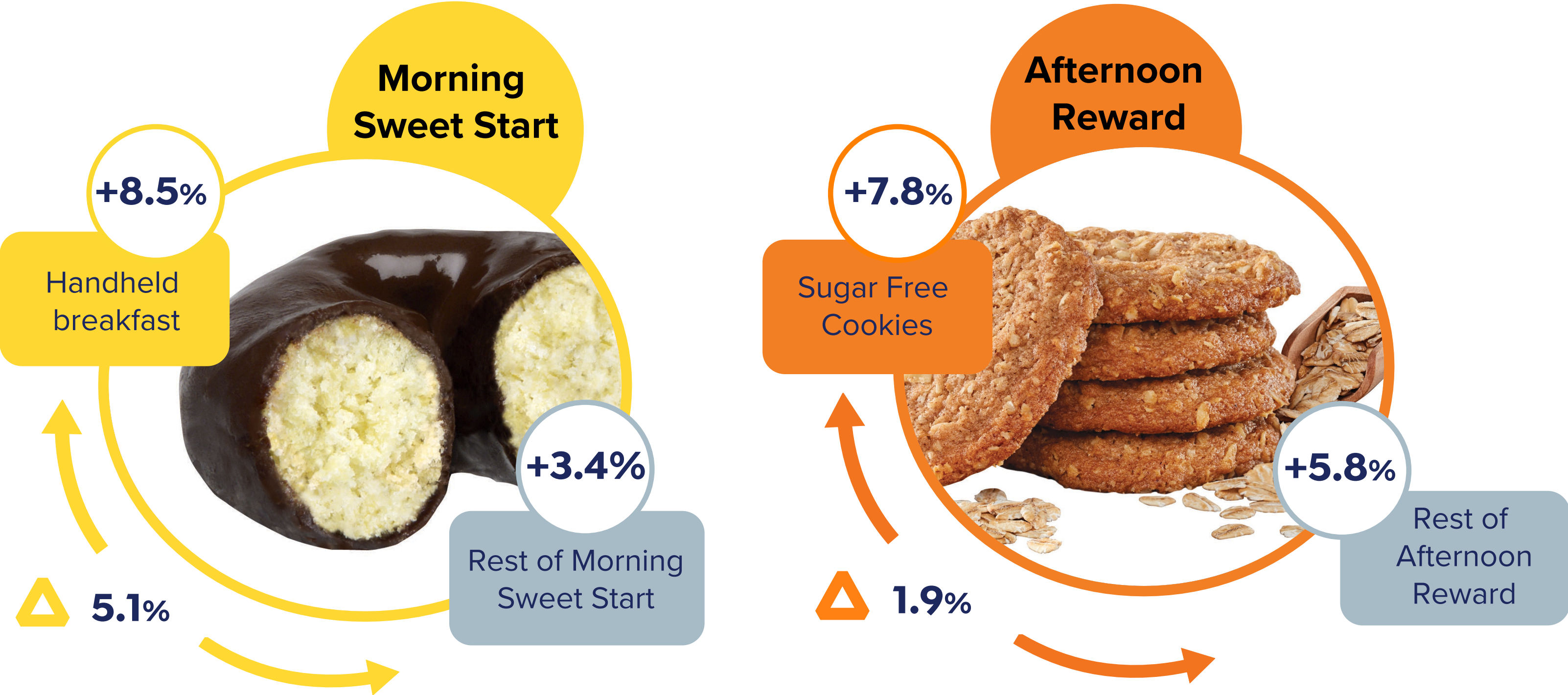
Afternoon Sharing Occasion is \$19.3B, one of the largest snacking occasions for consumers



**Crispy, Crunchy,
Small Pieces**

**Sharable, Resealable
Packaging**

Outperforming Within Targeted Occasions

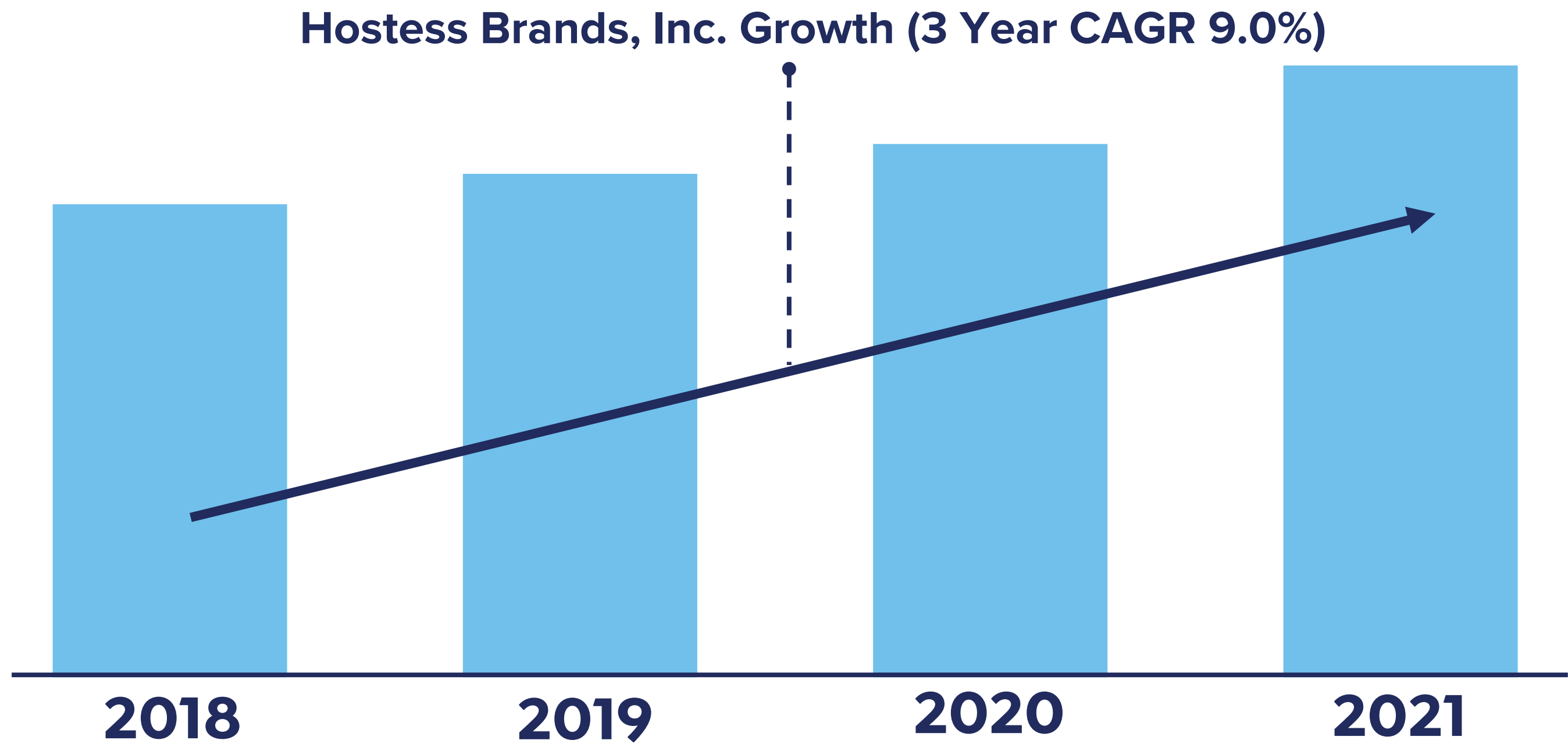


Source: Hostess Consumer Snacking Survey (N=6082; 12/2020), McKinsey Analytics with Nielsen POS data through October 2021

Hostess on a Higher Growth Trajectory

Poised to maintain the current momentum through increasing focus on targeted snacking occasions

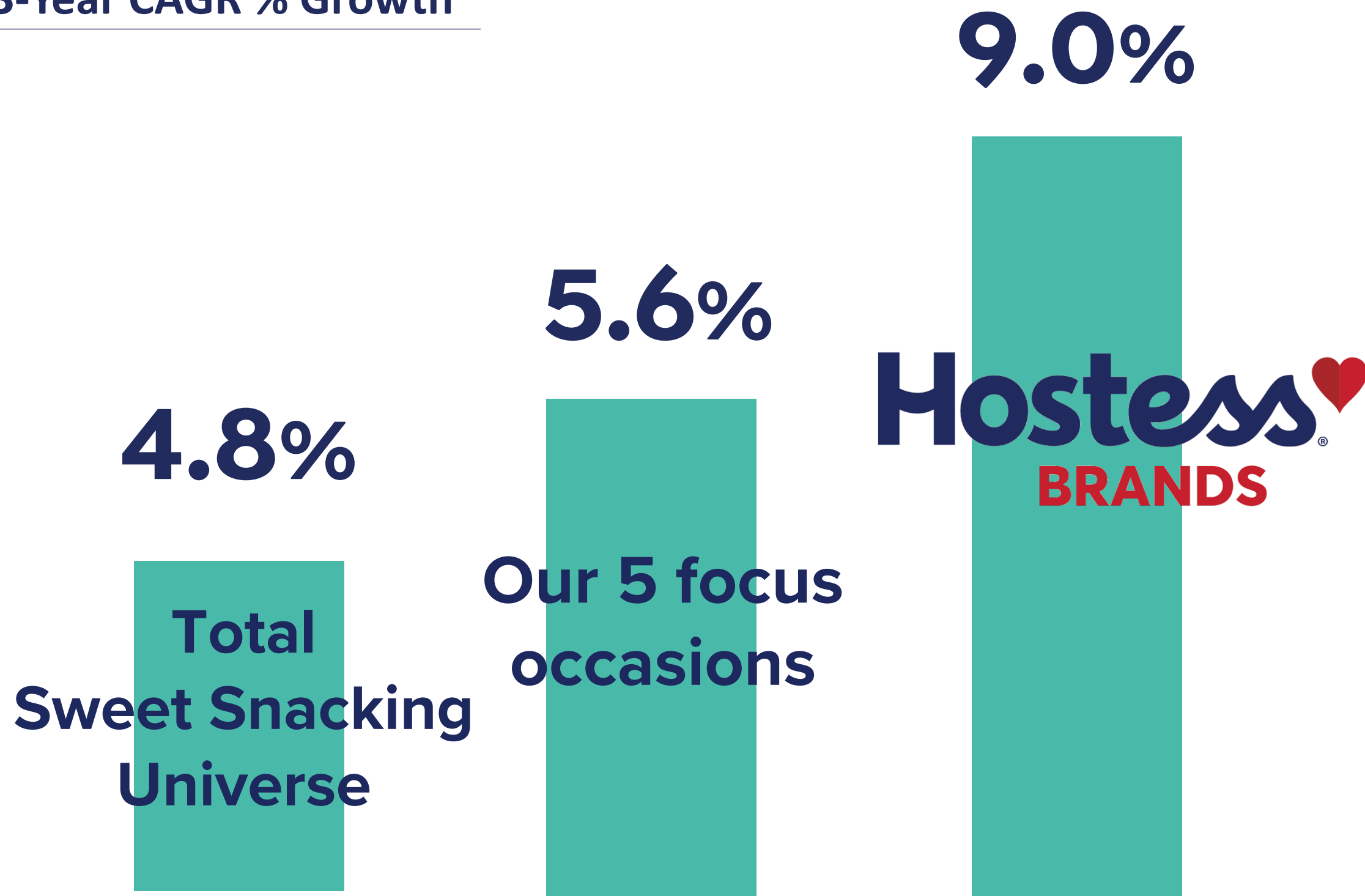
Hostess Brands, Inc. Retail Sales Dollars (\$ Millions)



Source: NielsenIQ Total Universe, Total Company Retail Dollar Sales, 52W-E 1/5/19, 1/4/20, 1/2/21 1/1/22, 2018 and 2019 include sales from Voortman prior to 2020 acquisition

Our Business Sits in Growing Spaces, and We Are OUTPERFORMING Even These Fast-Growing Spaces

3-Year CAGR % Growth



OUR

Business Model

IS BEST-IN-CLASS



Business Model Tailor-Made for High Impulse Categories



45% of
SBG purchases are
impulse



37% of cookie
purchases are
impulse



=

Best-in-Class
Business
Model for
Impulse
Categories

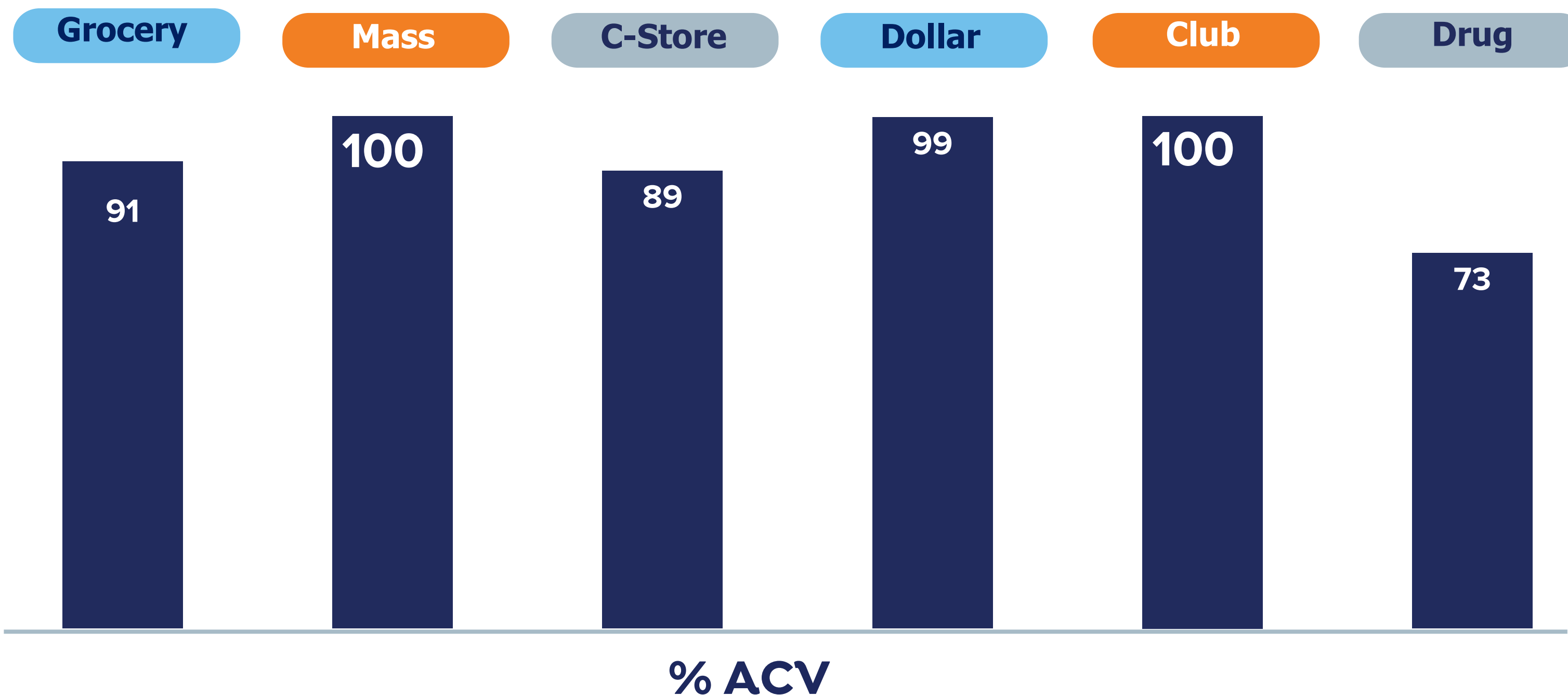
First Key Pillar of our Business Model: **Wide Availability**



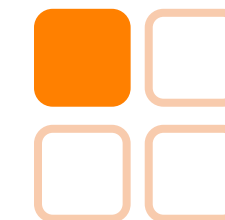
We are Nearly Everywhere Consumers Shop for Snacks



TOTAL DISTRIBUTION BY CHANNEL – HOSTESS MANUFACTURER



Broad Multi-aisle Placements Within Stores Means We are Best Positioned for Impulse Buys



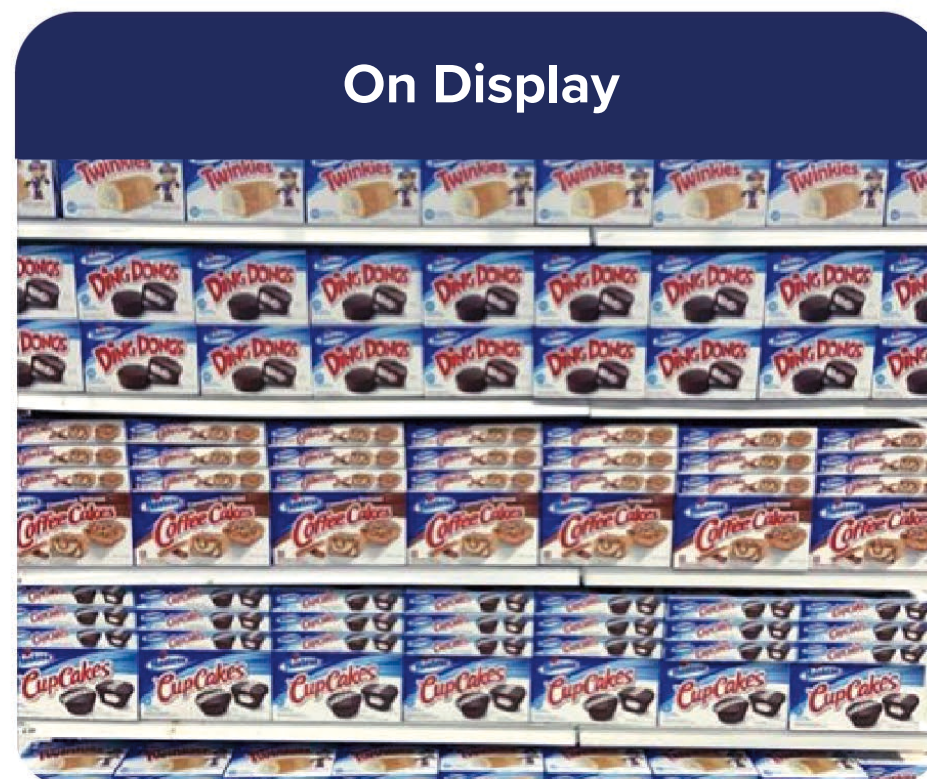
In Aisle



Single Serve at Checkout



On Display



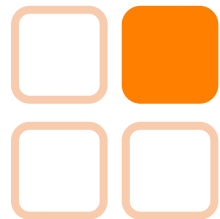
Secondary Permanent Placement



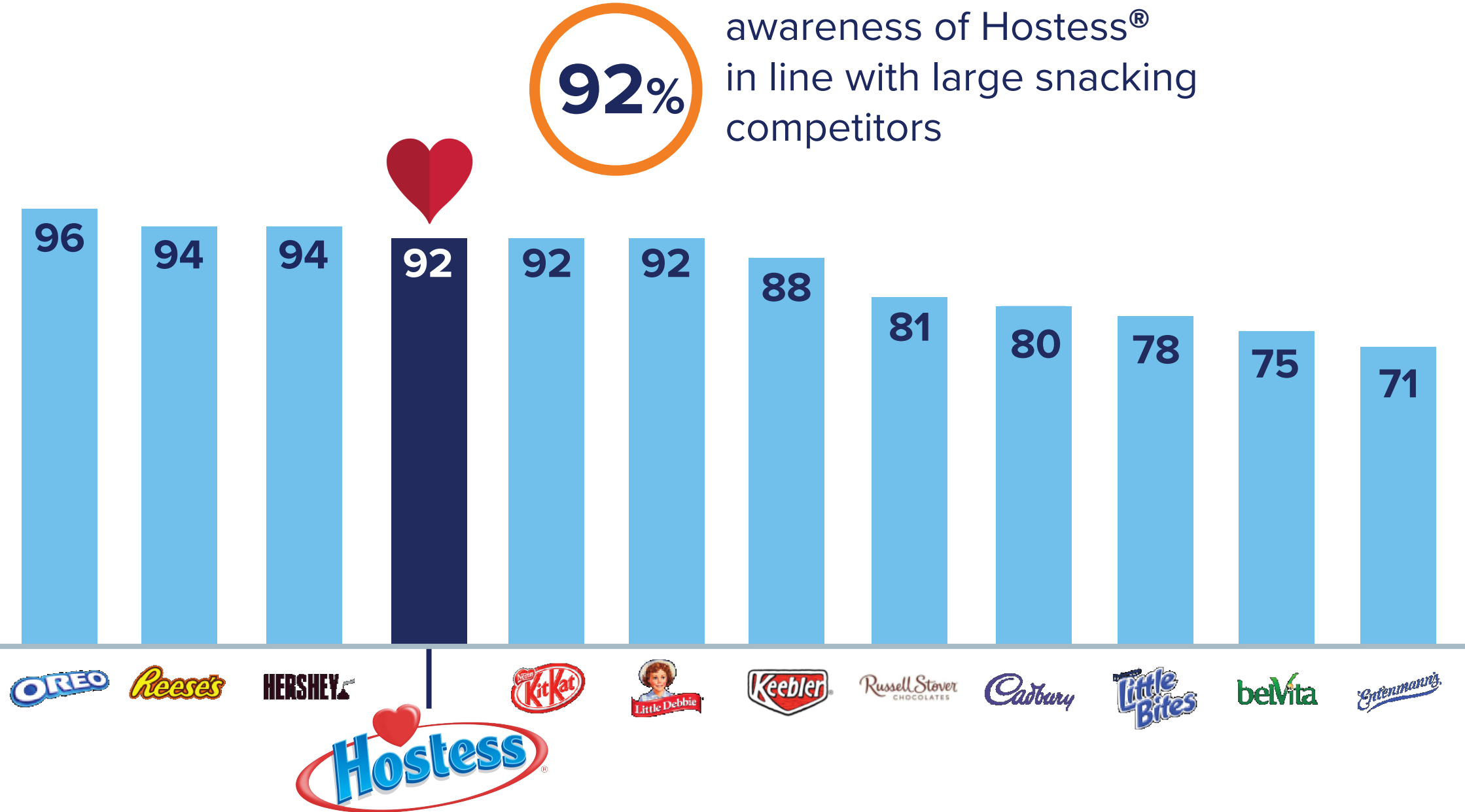
Second Key Pillar of our Business Model: **Strong Brands**



Consumers Love and Crave Hostess® as Seen by Industry-leading Awareness

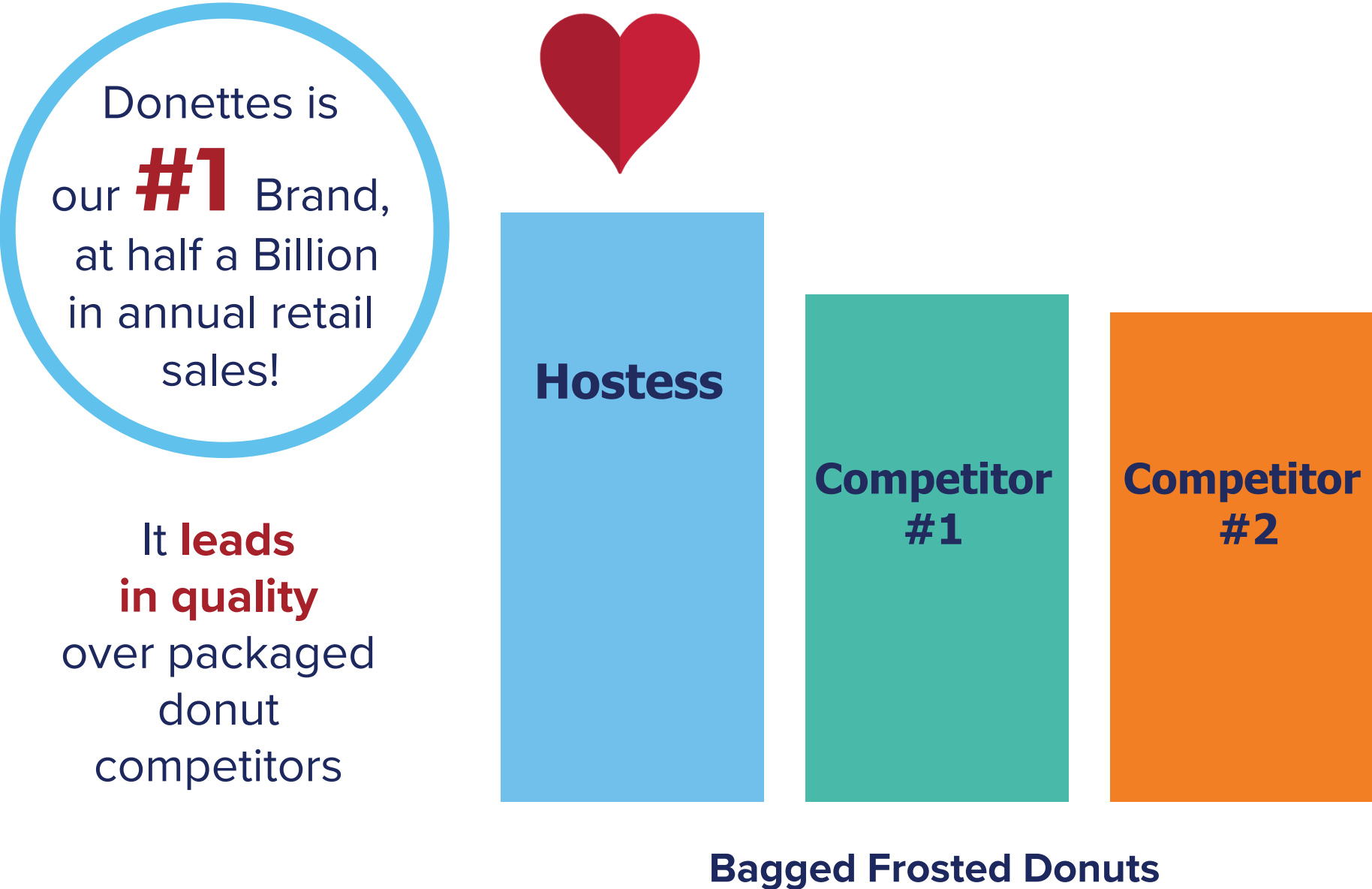


Percent of People Aware of Brand – Aided (%)





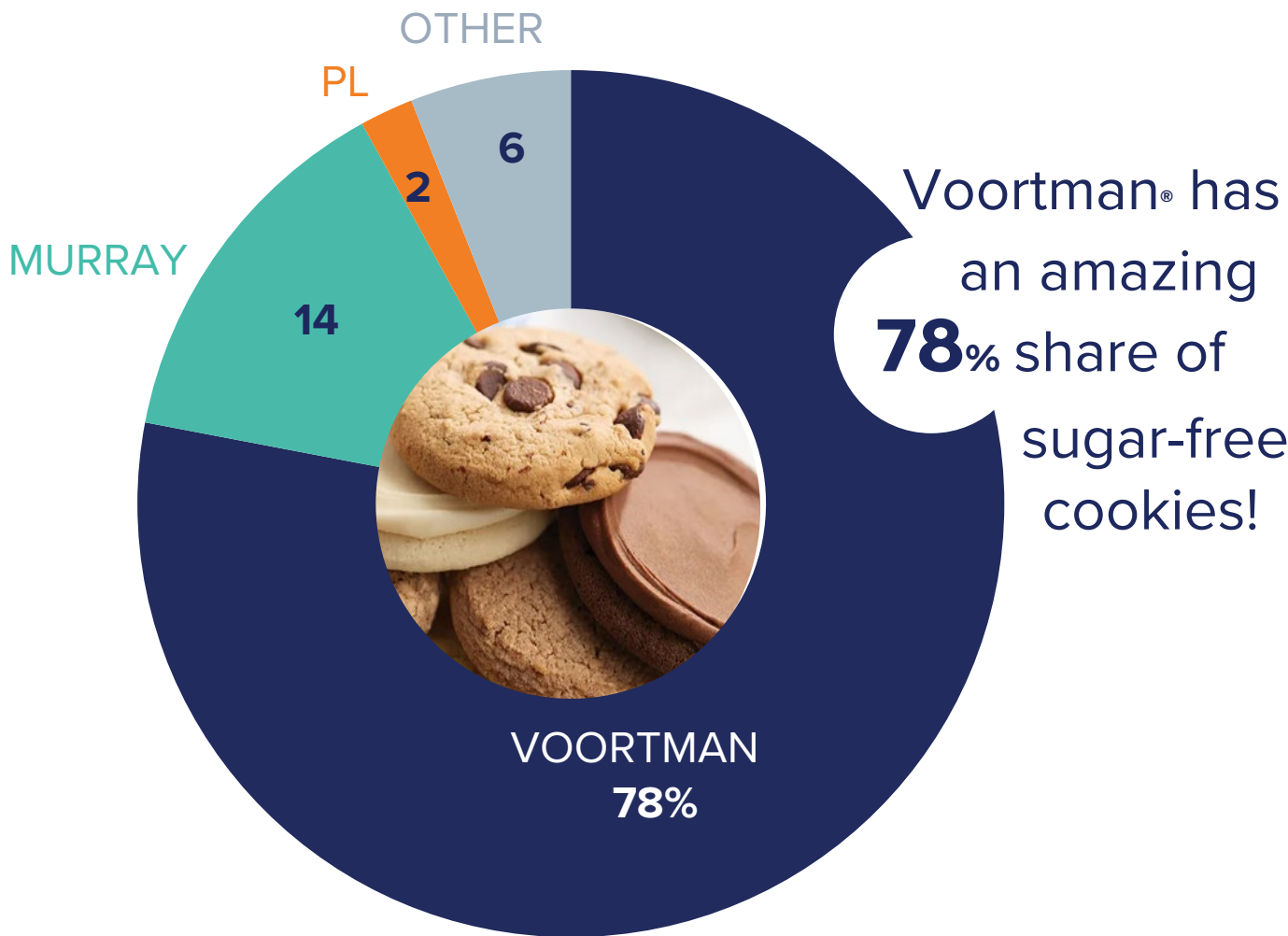
Unbranded: Overall Product Liking



Voortman® is Becoming a Power Brand

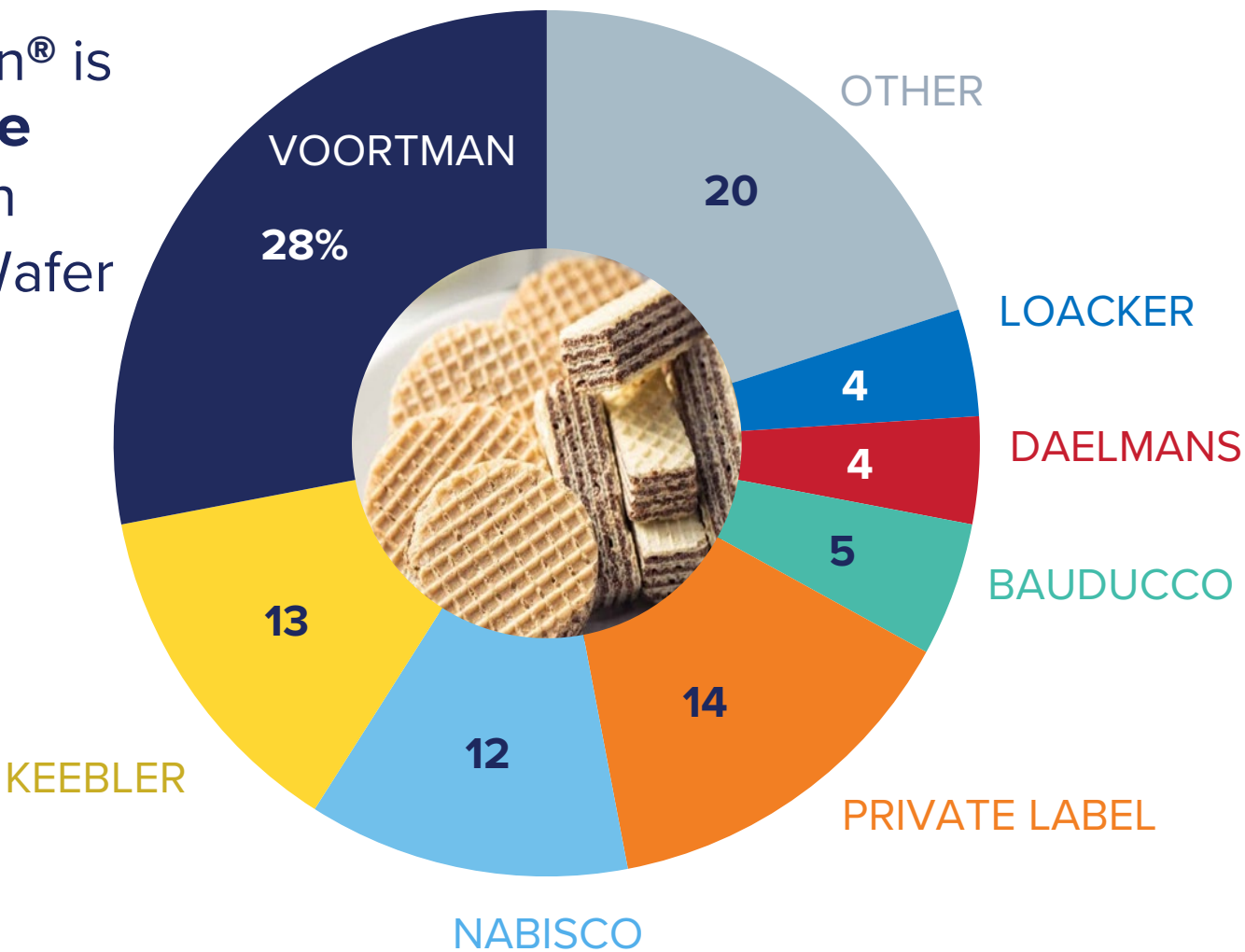


Share of Sugar-Free



Share of Crème Wafer

Voortman® is the **share leader** in Crème Wafer cookies



Voortman Retail Sales are up 22% since acquisition!!

Third Key Pillar of our Business Model: **Go-to-Market Approach**



We have Unmatched Go-to-Market Capabilities

Warehouse+ model delivers a strong combination of warehouse distribution and in-store merchandizing



**Efficient
Warehouse
Model ...**

**... with
Superior
Service**



Low-cost = best-in-class margins



Distribution Breadth
Centralized and highly efficient
distribution center



Reliable weekly visits to stores

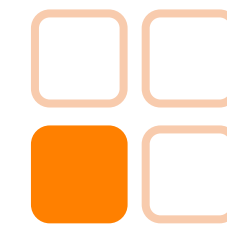


Broker and distributor data fed back to HQ



**Strong shelf and display execution,
customized by channel**

Advantaged vs. Our Direct Store Delivery Peers



50%+ longer shelf life vs. leading competitor enables effective inventory management across channels



~ 75k Independent Convenience Retailers

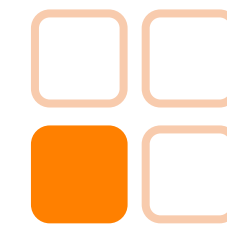


Small & local grocery chains reached leveraging both our warehouse model and frozen distributor delivery



Ability to reach vending and drive onsite impulse snacking!

Highly Developed Customizable Merchandising



Cost efficient agile implementation of the hugely effective customized displays programs

- Pre-built displays **shipped from single consolidated warehouse** drive display all 52 weeks of the year!
- Displays fuel our best-in-class seasonal program, worth over **\$50MM** retail sales annually



Complementary In-store Capabilities

Our wide broker network greatly expands our in-store execution

- Hostess **provides broker support** to Grocery, Mass and Convenience Stores
- Broker executes **more than 550,000 Retail calls** per quarter
- Ensures **strong shelf presence and displays**
- Enables **data stream** back to HQ



Unmatched Access to the On-The-Go Consumer

HPP drives superior in-store execution in the critical, high-impulse Convenience stores channel

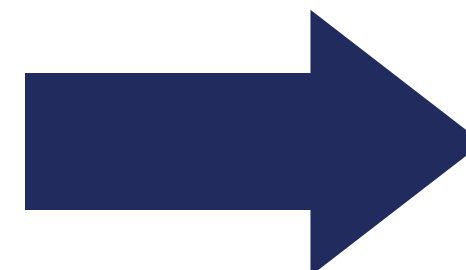
- We have partnership agreements in place with over **700 CHAINS AND OVER 52,000 C-STORES!**
- That represents **1/3 of the total** C-store market
- Our partnerships on average lead to **the highest availability in our category!**



Data-driven Insights Underpin our Strong Share Gains, Particularly in Convenience Channel



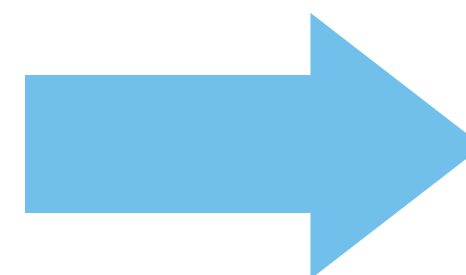
Distributors report all shipments to C-Store



Store-level performance data captured for over half of all C-stores!



Broker reps identify and report out of stock from store

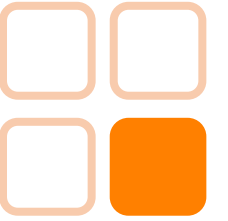


Data loop back to Hostess can correct service outages and ensure product is on shelf

Fourth Key Pillar of our Business Model: **Operational Excellence**



Our Operational Excellence Provides a Foundation to Build Upon



Our **STRONG
FOUNDATION**

Of strong operational
execution

Enables us to
**FOCUS ON THE
FUTURE**

by investing in
capacity and
efficiency

Strong Foundation of Operational Excellence

Excellent Safety Record

- Safety incident rates are 75% lower than industry peer average

Consumer-focused Product Quality

- Culture of continuous improvement

Highly Efficient Operations

- Output per labor hour up more than ~10% vs. prior year

Edgerton Centralized Warehouse Anchors Distribution Network

Enables growth and provides competitive advantage

**Supports Organic
and Inorganic
Growth Agenda**

**Increased
Capacity 75%
since 2019**

**Removed 2
Million Road
Miles since
2019**



Leading Customer Service

Over-coming industry-wide supply chain challenges

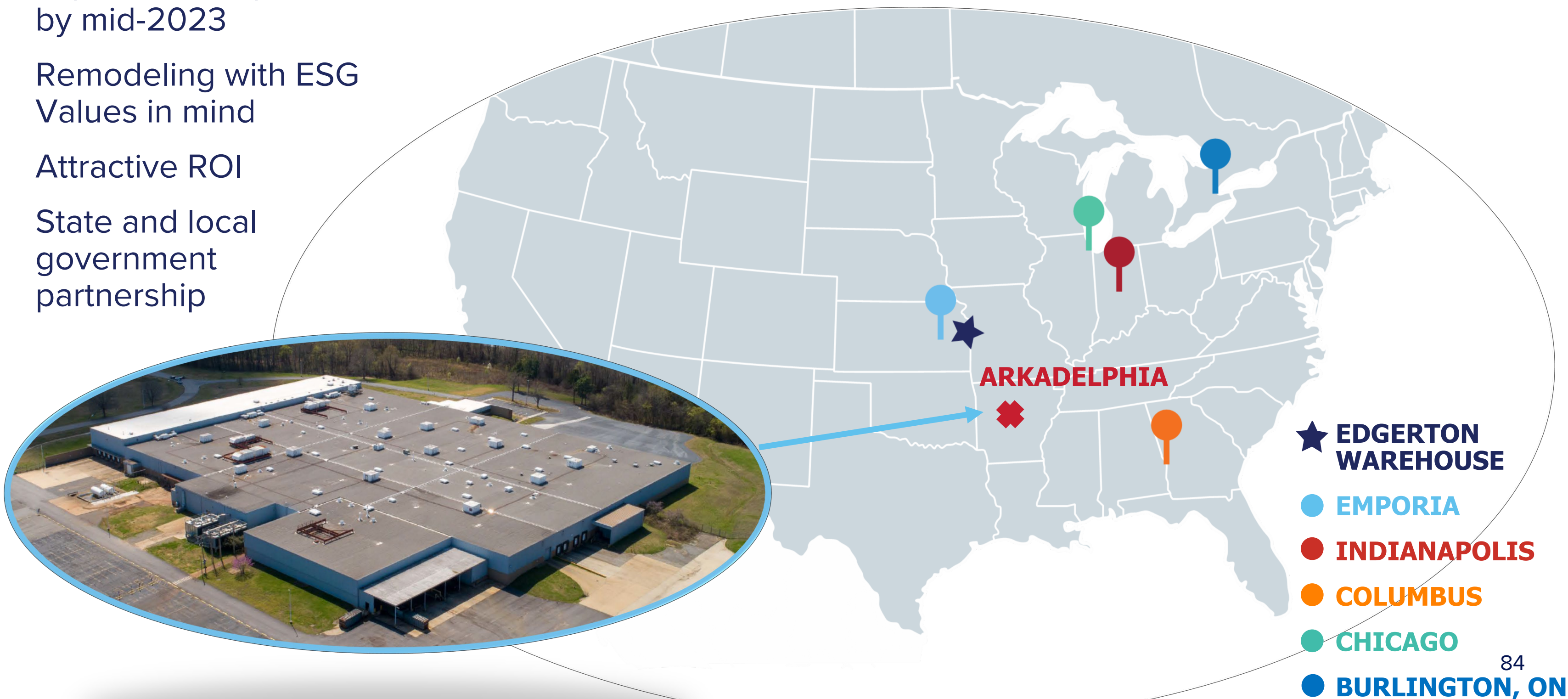
**Top quartile on-time
and in-full service at
major retailer**



Investing in New Capacity for Future Growth

New bakery facility purchased in Arkansas

- Expect to be operational by mid-2023
- Remodeling with ESG Values in mind
- Attractive ROI
- State and local government partnership



OUR

Business Model

IS BEST-IN-CLASS

1

**Wide
Availability**

2

**Beloved
Brands**

**Unique Go-
to-Market
Approach**

3

**Operational
Excellence**

4



Tina Lambert

VP INSIGHTS, INNOVATION & ACTIVATION

OUR

Innovation & Marketing

ARE GAINING MOMENTUM



Our Innovation & Marketing are Gaining Momentum

**Incremental
Innovation**



**High ROI
Marketing
Communication**



**Incremental
Innovation**



**High ROI
Marketing
Communication**

Systematic Approach to Innovation

Our Best-in-Class CPG Innovation Approach

People

- **Dedicated** marketing, R&D, and project manager leaders
- **Each with 15+ years** of food innovation **experience**

Process

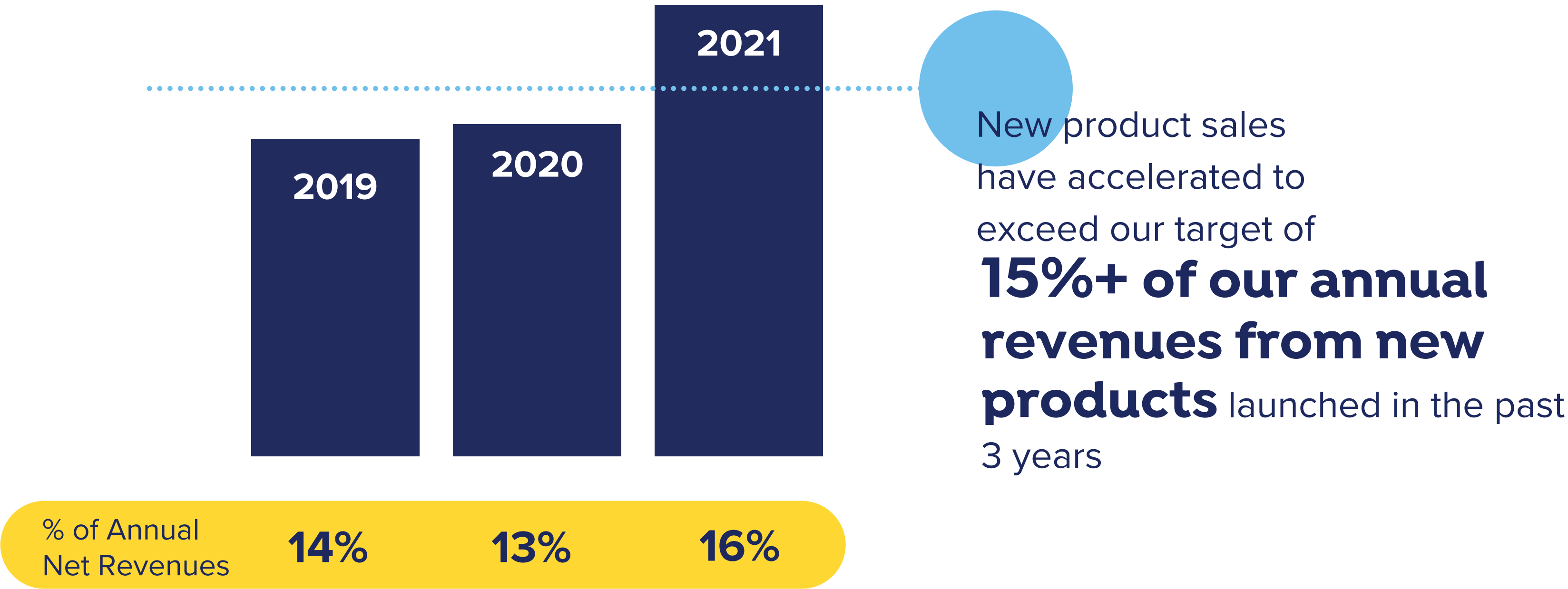
- **Disciplined, stage-driven approach**
- **3-year innovation pipeline** allowing for more complex projects

Ideas

- **Robust consumer insights** driving ideation
- **Innovation** focused on new usage occasions
- **New product forms** and packaging
- Innovation **customized by retail channel**

Proven Ability to Grow Through Innovation

Net Revenue from Innovation Launched in the Last Three Years (\$ Millions)



Strong Innovation in 2021

Baby Bundts and Crispy Minis launches in 2021 were a great start towards accelerated innovation ahead



On track to be over **\$40MM** in Retail Sales in Year 1!



Focus on targeted occasion drove **incremental sales!**

Social Media is Excited About our Innovation

“These exceeded my expectations and were very flavorful! One of the best Hostess things I’ve tried lately.”

“These are good in flavor and moist!”

“I can’t choose. I like them both!”

“Cinnamon Swirl Baby Bundts are the best treats you have!”

“The lemon drizzle is EVERYTHING”



“These are a great invention: light, airy and great strawberry flavor”

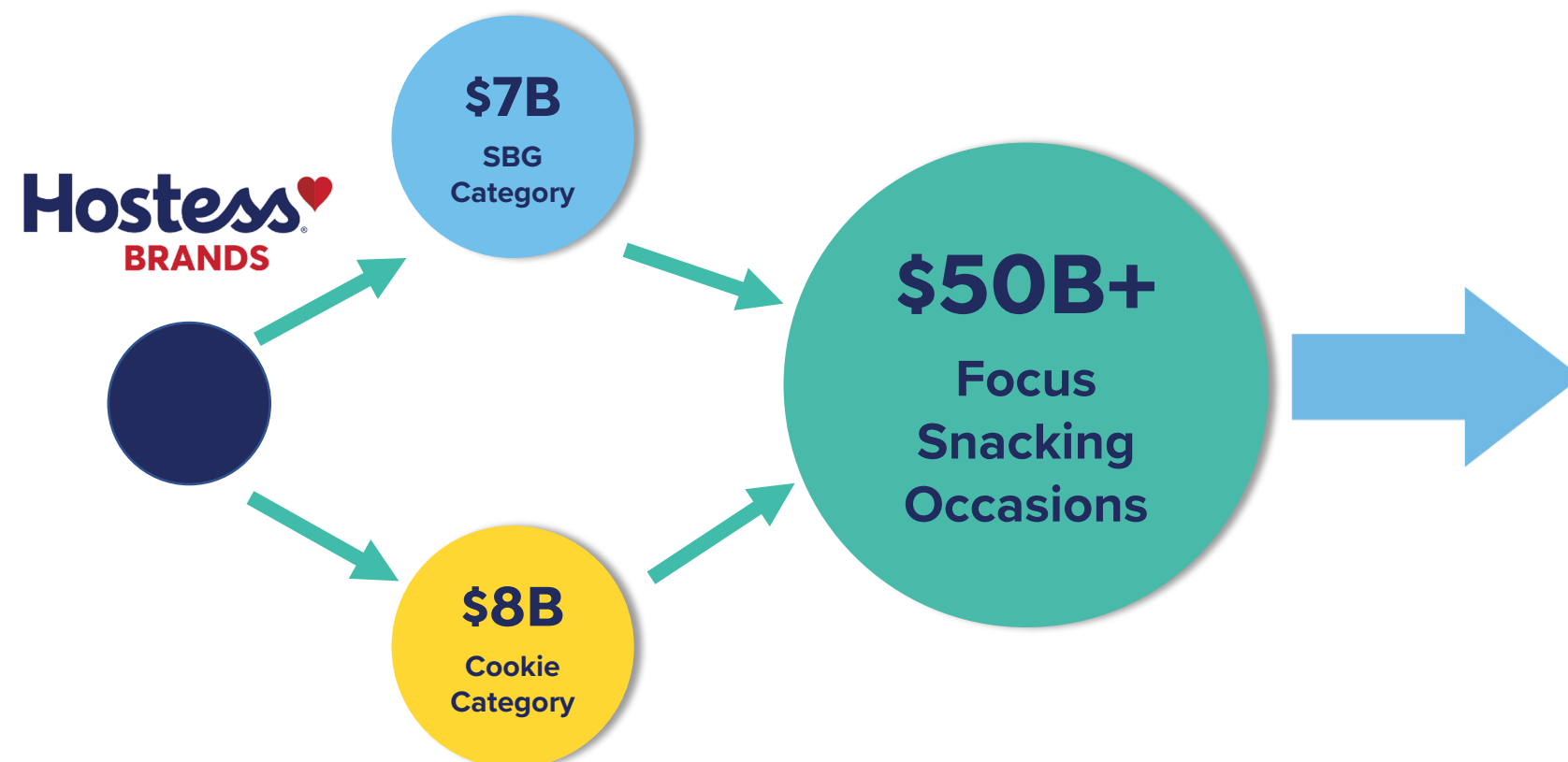
“These are the lightest wafer squares... they just melted away in my mouth”

“OMG! These are FANTASTIC! What sets it apart is the topping”



Accelerating Innovation to Drive Incrementality

Big Incremental Growth Opportunity



Innovation Acceleration Plan to Reach New Occasions

Flavor & Seasonal Innovation
(2017 +beyond)



New Snacking Forms
(2021 +beyond)



Breakthrough Innovation
(2023 +beyond)



Lunchbox Occasion Innovation: Hostess® Bouncers



Poppable,
portable, filled
mini cakes



Launching **Summer 2022**
in Large Format Stores
and **Fall 2022** in Small
Format Stores

Afternoon Sharing Occasion Innovation: Voortman mini cookies and Peanut Butter wafers



Poppable and **sugar-free** for guilt-free, hand-to-mouth snacking



Made with **real peanut butter**

Immediate Consumption Innovation: Hostess Boost Donettes®

72%
of young
males visit C-
stores
1+/week



Caffeine of
one cup
of coffee!



**“Contains
caffeine” claims
are up 141% vs.
2YA!**

Source: Mintel: Convenience Stores US, March 2020

IRI How America Eats: Making Center of Store Stick, July 22, 2021

Our Innovation & Marketing Capabilities are Gaining Momentum

Incremental
Innovation



**High ROI
Marketing
Communication**

Simply Reminding Consumers About Hostess® Drives Incremental Sales

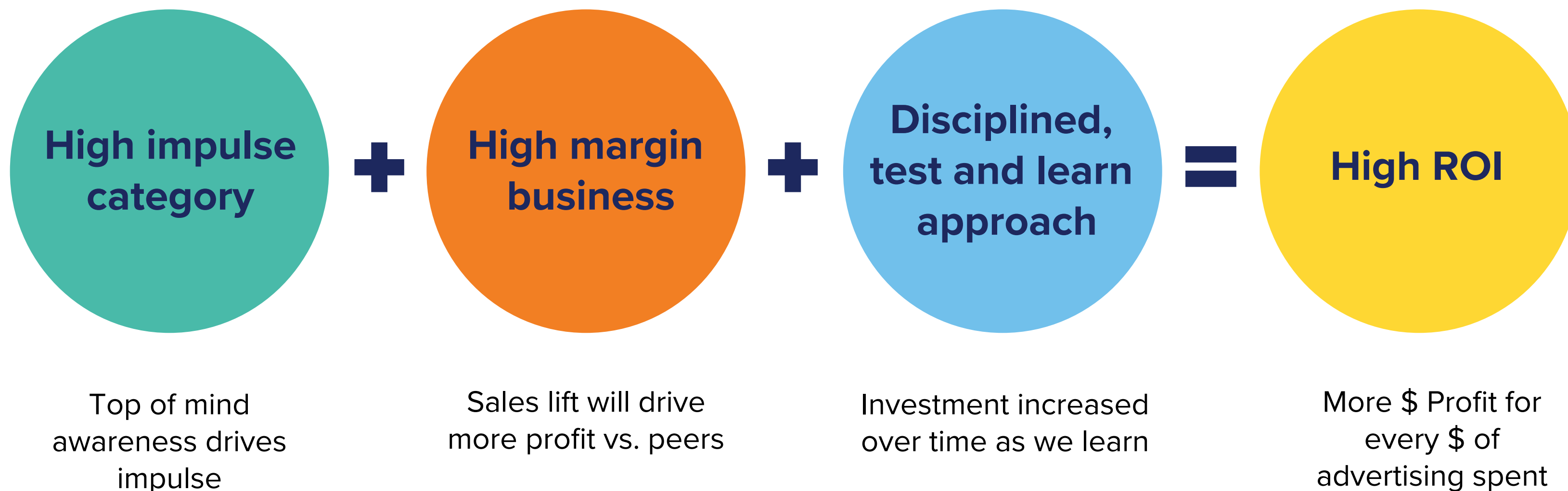


2021
Launched
"Live Your Mostess®"
campaign

Source: 92% Aided Awareness: Hostess Brand Tracker data Q4 2021, N=504 Total US Adults
36% top-of-mind awareness: Hostess Brand Tracker data Q4 2021, N= 1,002 Total US Adults
61% lack of salience: Hostess Brand Tracker, Nov 2020, N=395 Aware/Non Most Often Buyers

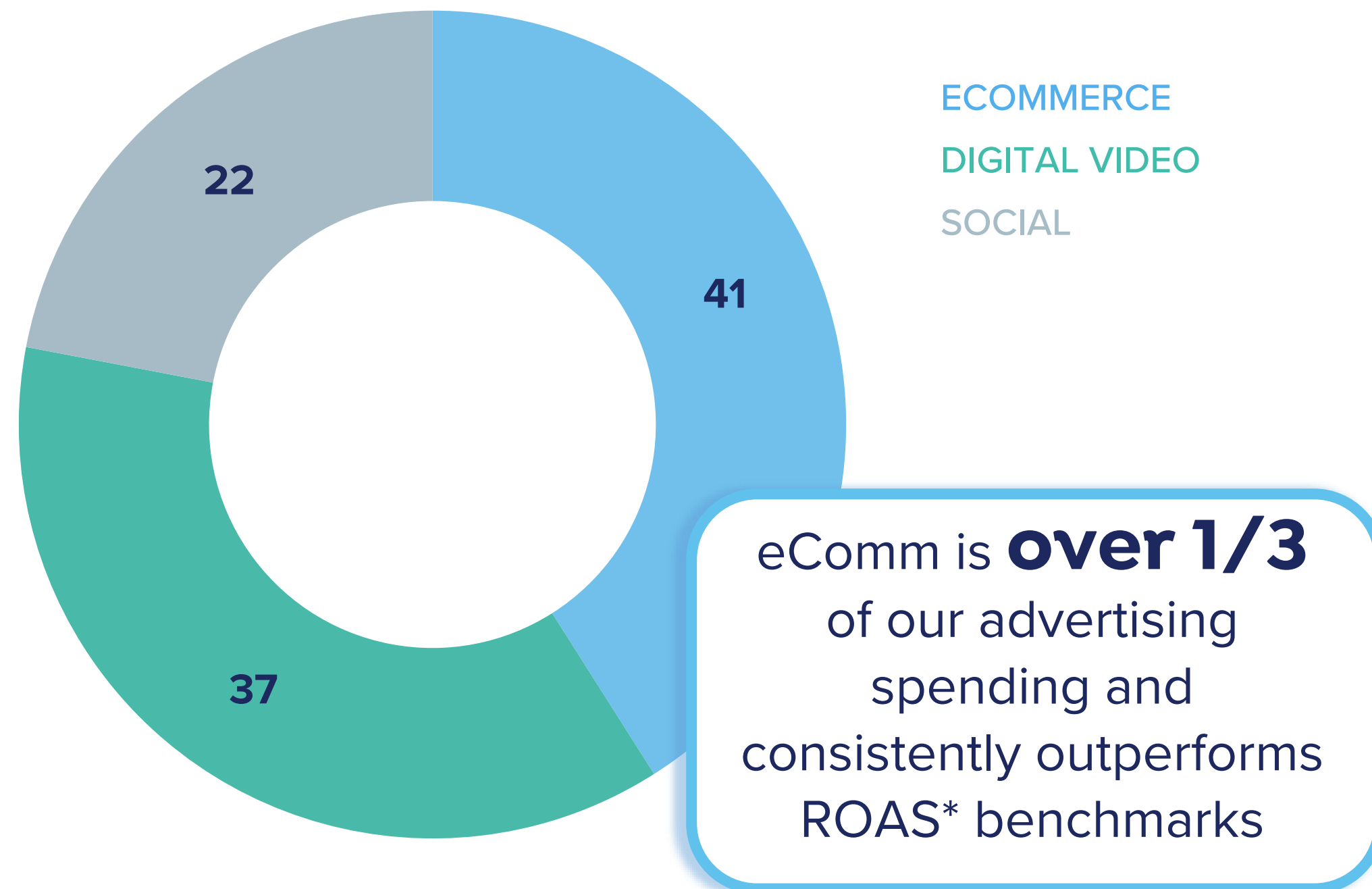
Our Marketing Will be a Key Growth Driver

Well-positioned to increase top-of-mind awareness in an impulse category



Focused on Higher ROI Digital Media Without Traditional Media Baggage of our Snacking Peers

**100% of
Media
Spend is
Digital**



eCommerce Growth Flywheel

Investing in all three prongs of eCommerce flywheel to maximize our returns and efficiency



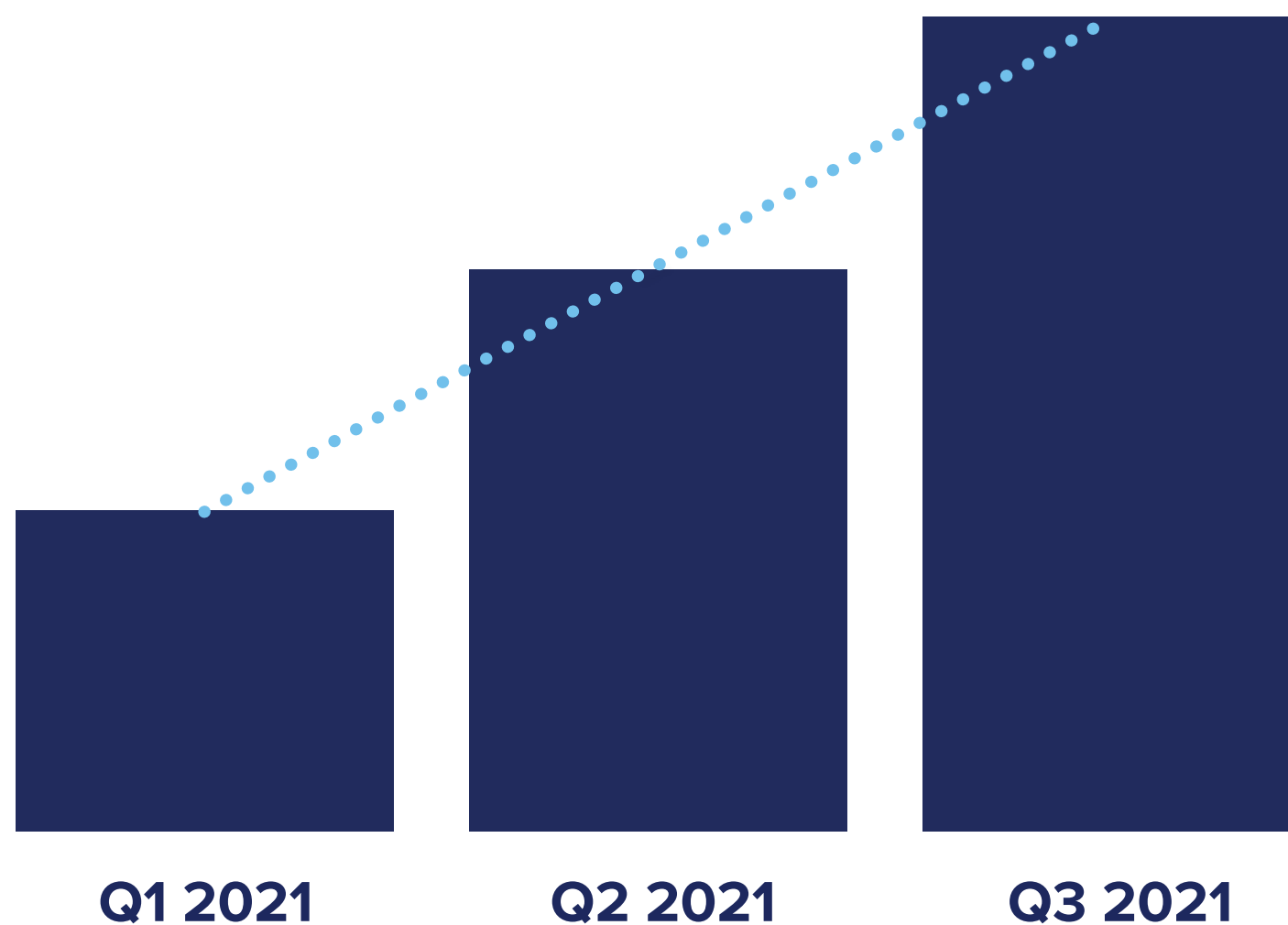
Disciplined Test and Learn Approach to Media



Improving Media ROI

Digital media focus and a rigorous disciplined test and learn approach driving higher ROI on media spend

Hostess Brand Media ROI Results (\$)



~150%
increase in ROI in
just 2 quarters through
testing and learning

Our Marketing Works: Case Study at Top Grocer

Digital Coupons **3x**
above typical redemption rates

7x Benchmark Response
rate in eComm



Marketing drove **+8%**

increase in unit velocity

Source:
Redemption Rates: Inmar average redemption for digital Add to Cart coupon
Benchmark Response EComm: Xaxis Q2-Q3 2021 CPG Food industry performance
Baby Bundts Unit Lift based on internal sales lift analysis of leading retailer data 28 wks ending 11/9/21

Our Innovation & Marketing Are Gaining Momentum

**Incremental
Innovation**



**High ROI
Marketing
Communication**

Key Growth Strategy Takeaways

1

Our business
sits in
**GROWING
SPACES**

- Five Key Snacking Occasions
- Evergreen consumer trends

2

Our
**BUSINESS
MODEL**
is best-in-class

- Wide Availability
- Strong Brands
- Unique Go to Market Model
- Operational Excellence

3

Our
**INNOVATION &
MARKETING**
are gaining
momentum

- Incremental Innovation
- High ROI Marketing Communication



Mike Gernigin

CHIEF ACCOUNTING OFFICER INTERIM
CFO

Attractive Long-term Growth Algorithm



Key Financial Messages



1

New
**LONG-TERM
ALGORITHM**
built on top-tier
growth

2

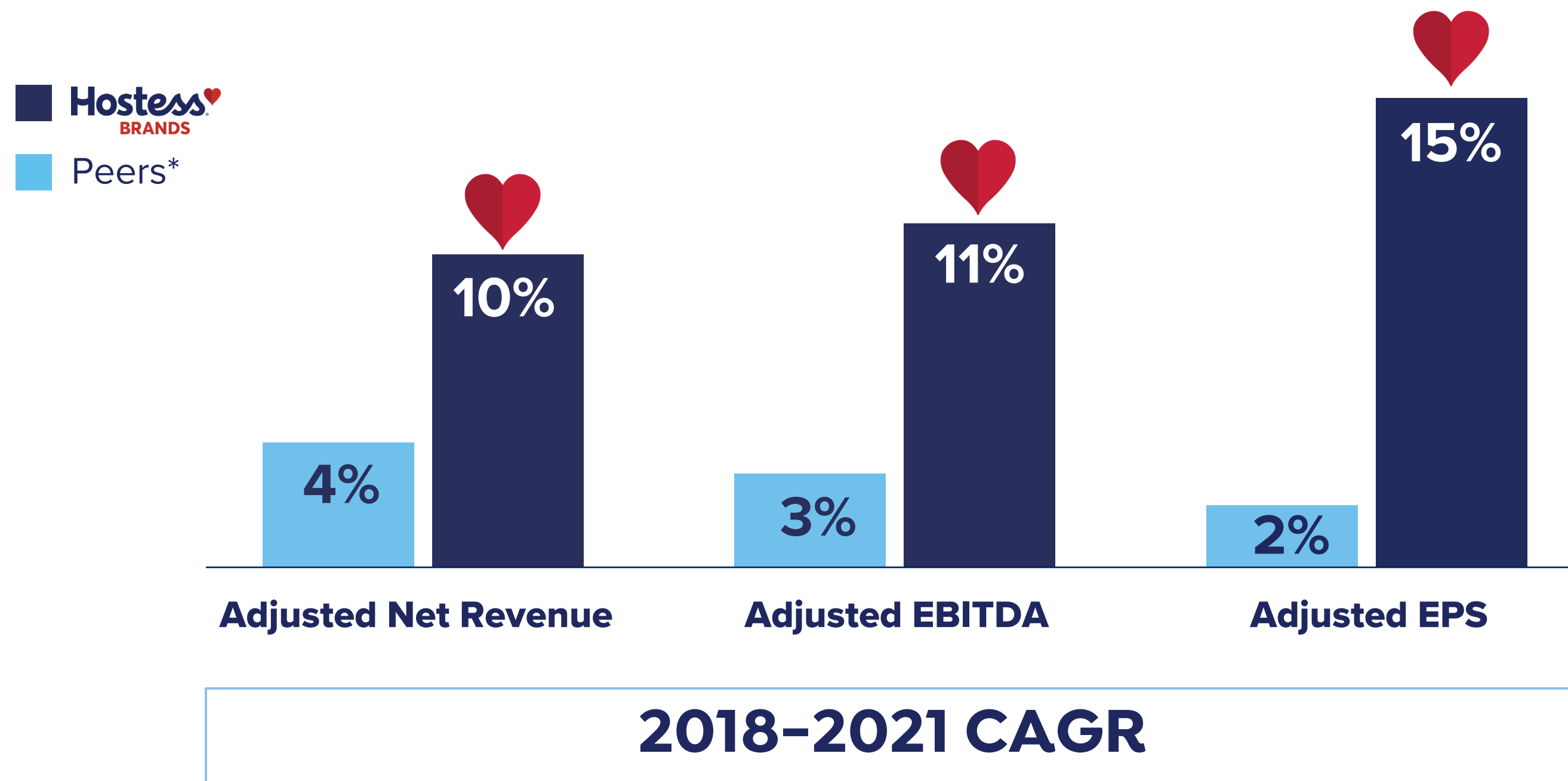
ACTIVATING
the growth
FLYWHEEL
to maintain
momentum

3

INCREASING
FIRE-POWER
to deliver compelling
shareholder
returns

Double Digit Topline and Profit Growth

Strong foundation built on top-tier performance over last three years

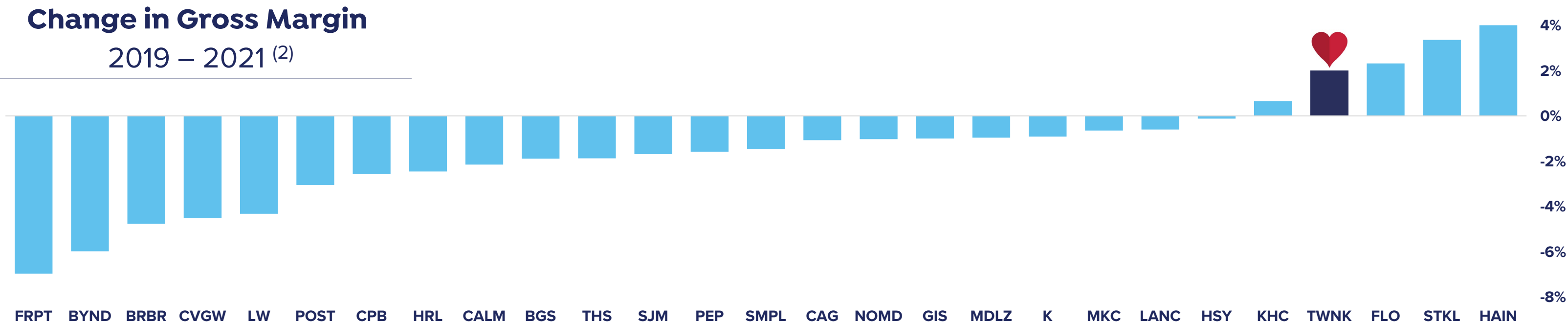
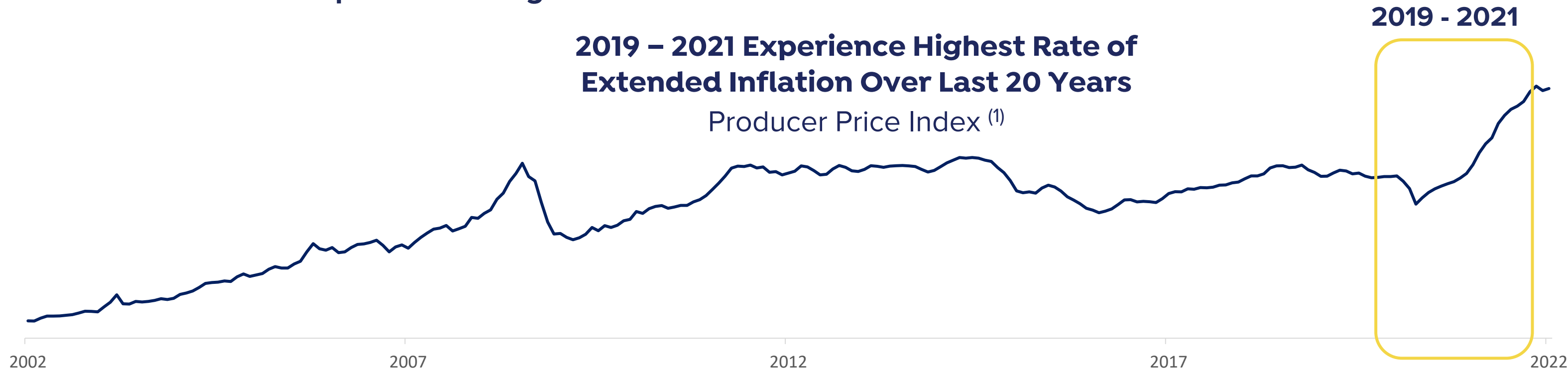


* Weighted average of peer group including BGS, CAG, CPB, FLO, FRPT, GIS, HAIN, HRL, HSY, JBSS, JJFS, K, KHC, LANC, LW, MDLZ, MKC, NOMD, PEP, POST, SJM, SMPL, STKL, THS per Factset
Adjusted Net Revenue, Adjusted EBITDA and Adjusted EPS are non-GAAP financial measure. See “Use of Non-GAAP Financial Measures”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



Stable Gross Margins Better Than Most Food Peers Despite Historically High Inflation

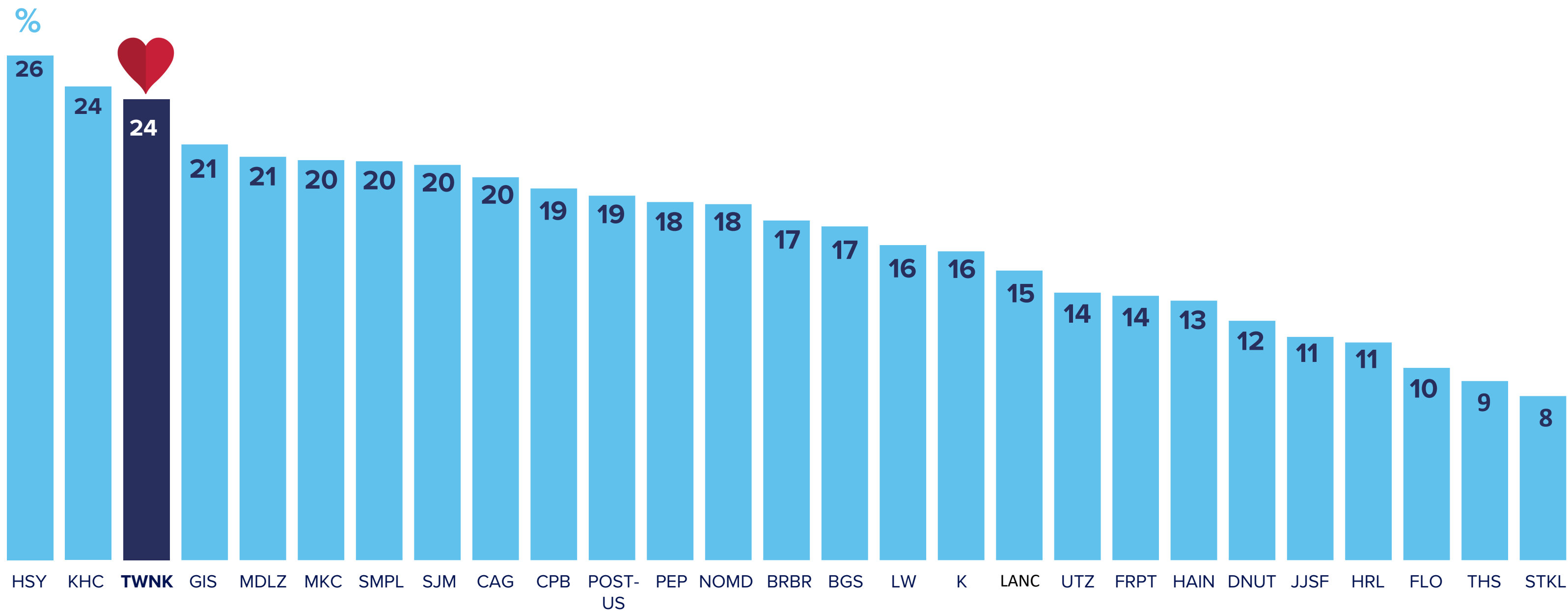
Resilient business model proven in tough environment



Sources: (1) Federal Reserve Data; (2) Factset; *= Consensus gross margins for full-year 2019 and 2021

Industry Leading Margins

Industry leading EBITDA margins through a premium portfolio and advantaged supply-chain

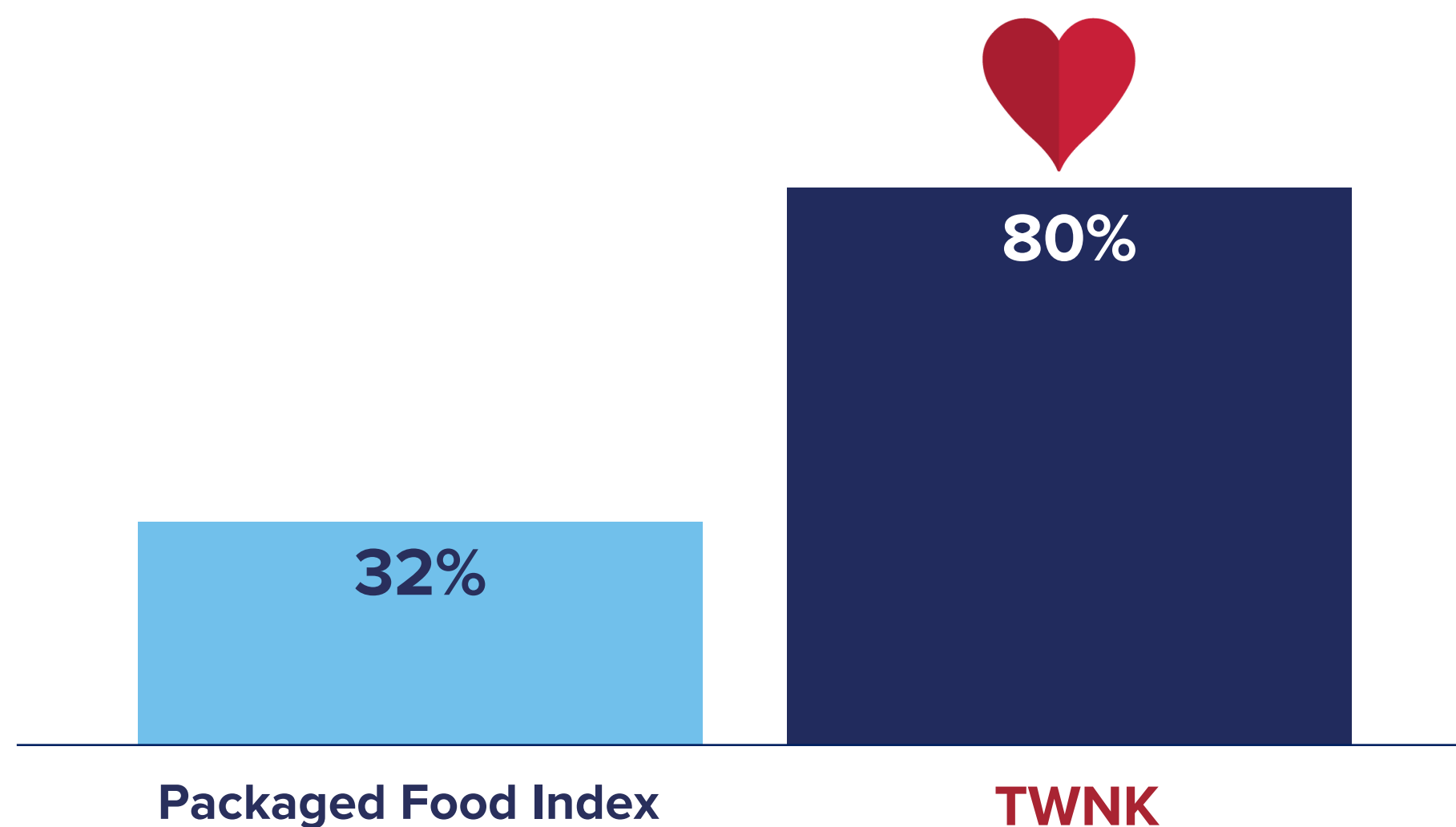


Source: Factset; *= Consensus EBITDA margins for full-year 2021, Hostess Adjusted EBITDA
Adjusted EBITDA is a non-GAAP financial measure. See “Use of Non-GAAP Financial Measures” and the Appendix for an explanation of all non-GAAP financial measures and reconciliations to the comparable GAAP measures.

Top-tier Total Shareholder Returns Over Last 3 Years

Superior shareholder returns amongst food peers

Three-year Total Shareholder Return 2019-2022 (%)*



*Total returns for S&P Composite 1500 Packaged Foods and Meats, S&P 500 and TWNK from 2/1/2019 – 2/1/2022, Source: Factset

Hostess Brands Well-positioned as High Growth Snacking Focused Company

Catapult to Next Phase of Growth

2022+

- Focus on faster growing snacking occasions
- Attractive, top-tier long-term growth algorithm
- Activate growth fly-wheel through continuous productivity
- Unlock balance sheet to drive organic and inorganic growth agenda

Introducing New Long-Term Growth Algorithm

Delivering leading sales and profit growth while maintaining our industry-leading margins

**Mid-Single
Digit
Organic
Revenue
Growth**

**5-7%
EBITDA
Growth**

**7-9%
EPS
Growth**

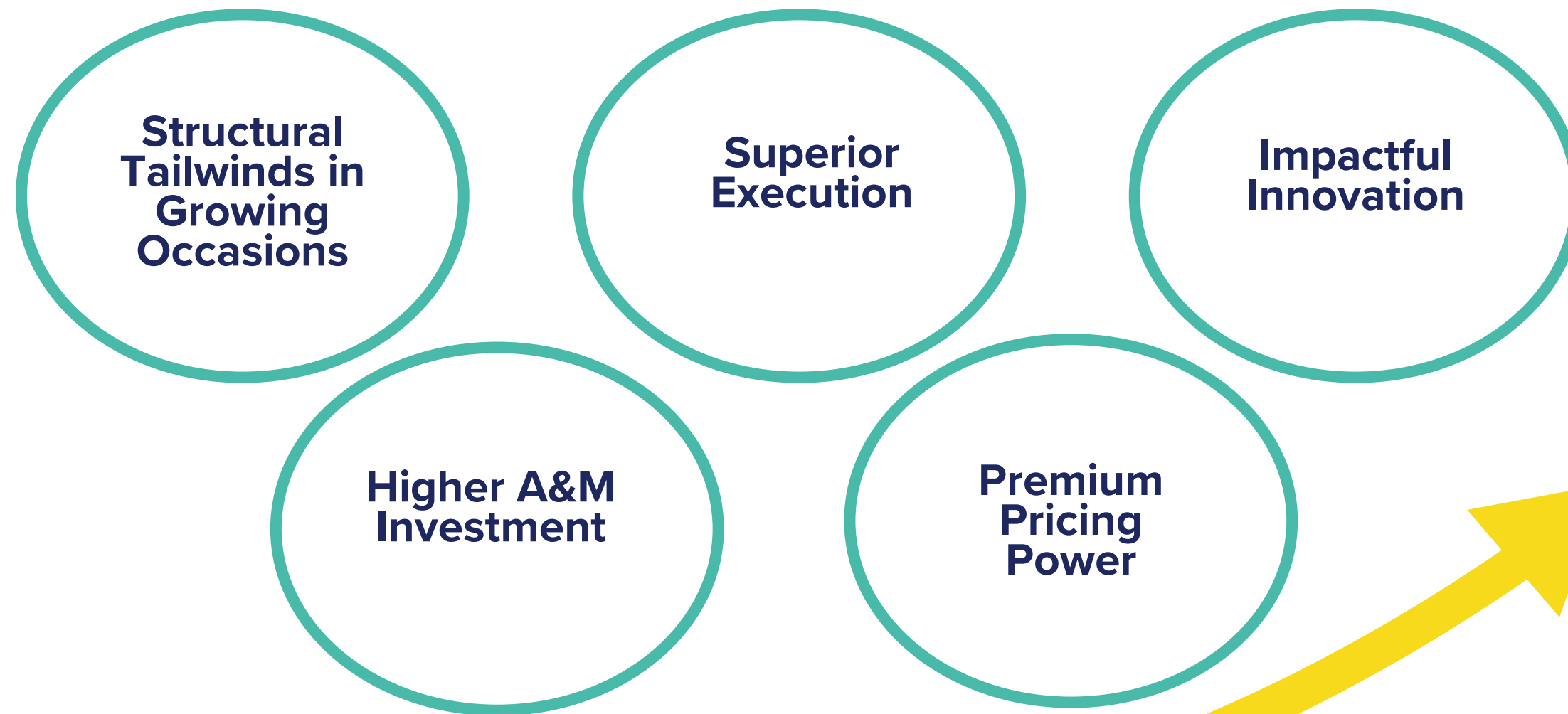
**Long-term Growth Algorithm to Deliver
Top-Tier Shareholder Returns**

Mid-single Digit Topline Growth

Category leading growth given access to faster-growing snacking occasions, advantaged business model and improving consumer capabilities



Key Growth Drivers

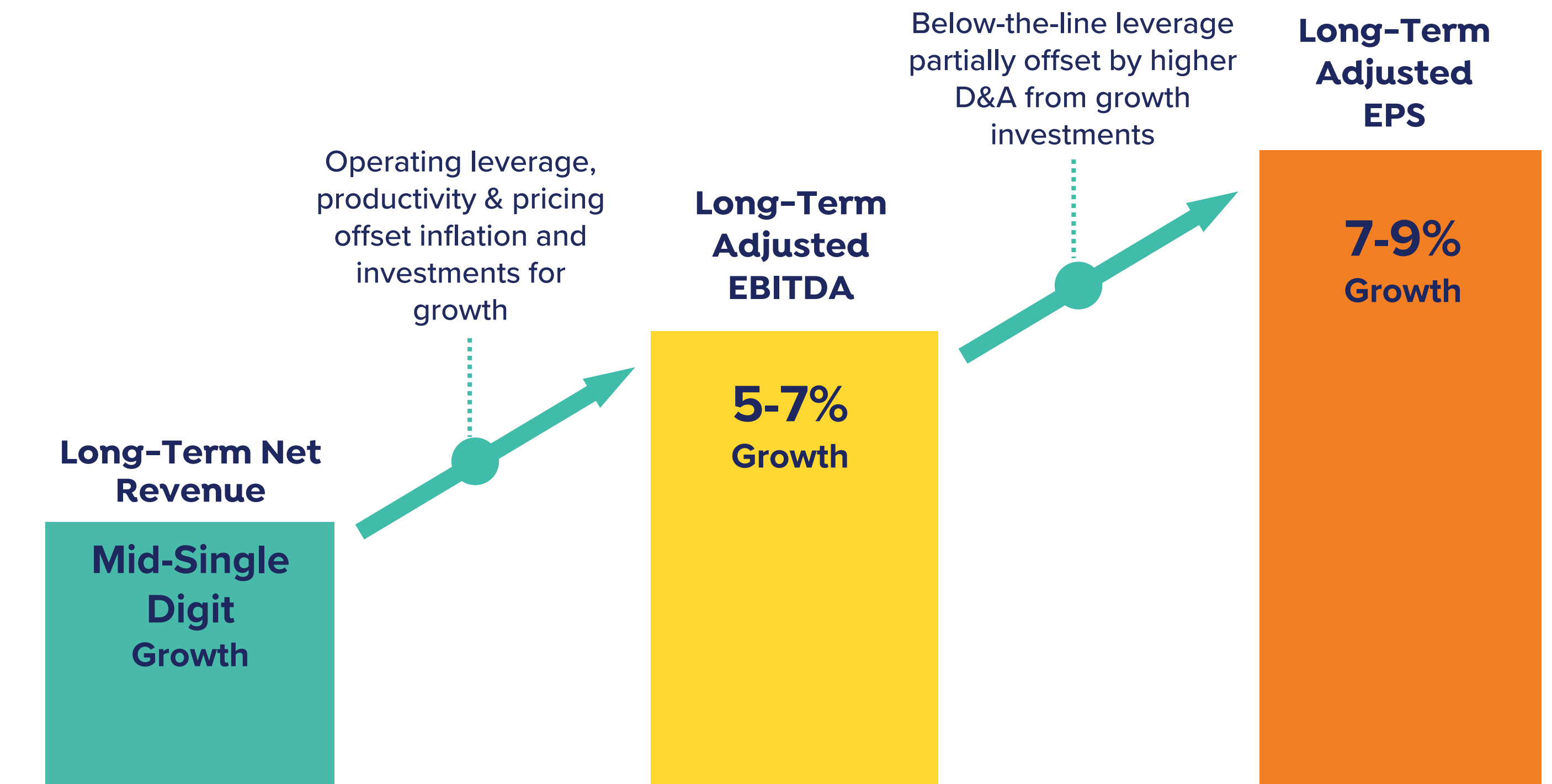


Long-term Net Revenue

**Mid-Single
Digit
Organic
Growth**

High-single Digit EPS Growth

Attractive topline complemented by strong and rising margins



Activating the Growth Fly-Wheel

Increase growth investments while maintaining our attractive margin structure



Multiple Levers to Create Operating Leverage



Volume-led growth and pricing power complements scalable operating model

1

Superior Pricing Power
through premium brands to help offset inflation

2

Volume-Led Growth
to drive efficiencies of scale

3

Positive Sales/Mix
with strategic management of product portfolio

4

Scalable and Efficient
operating model

Enhanced Approach to Efficiency Initiatives

Data driven centralized approach to manage and oversee all enterprise-wide productivity initiatives

This disciplined approach will centralize:

- Ownership and management of **productivity initiatives** across the company
- Development and adoption of **scalable and repeatable processes**
- Facilitation of **cross functional collaboration** and best practices



Productivity Fueling Our Growth Agenda

Enhanced focus provides confidence in future productivity savings

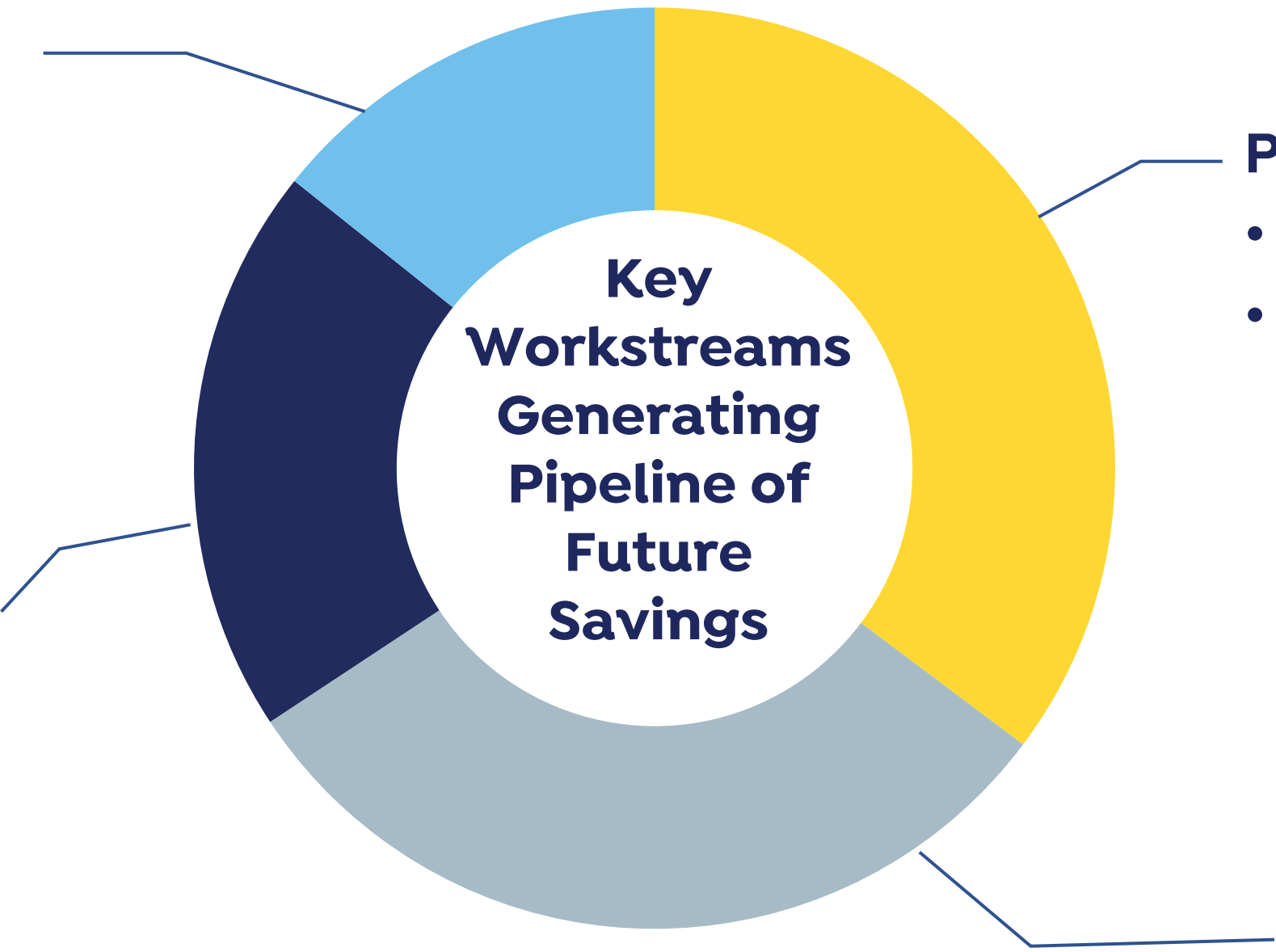


Reduce Complexity

- Formulation simplification
- SKU Rationalization

Network/Distribution

- Simplify shipping/transport scheduling
- Sales/Planning Optimization



Procurement

- Strategic sourcing
- Design to value opportunities

Manufacturing Efficiencies

- Digitization to extract better performance out of our equipment
- Automation assets to better utilize headcount

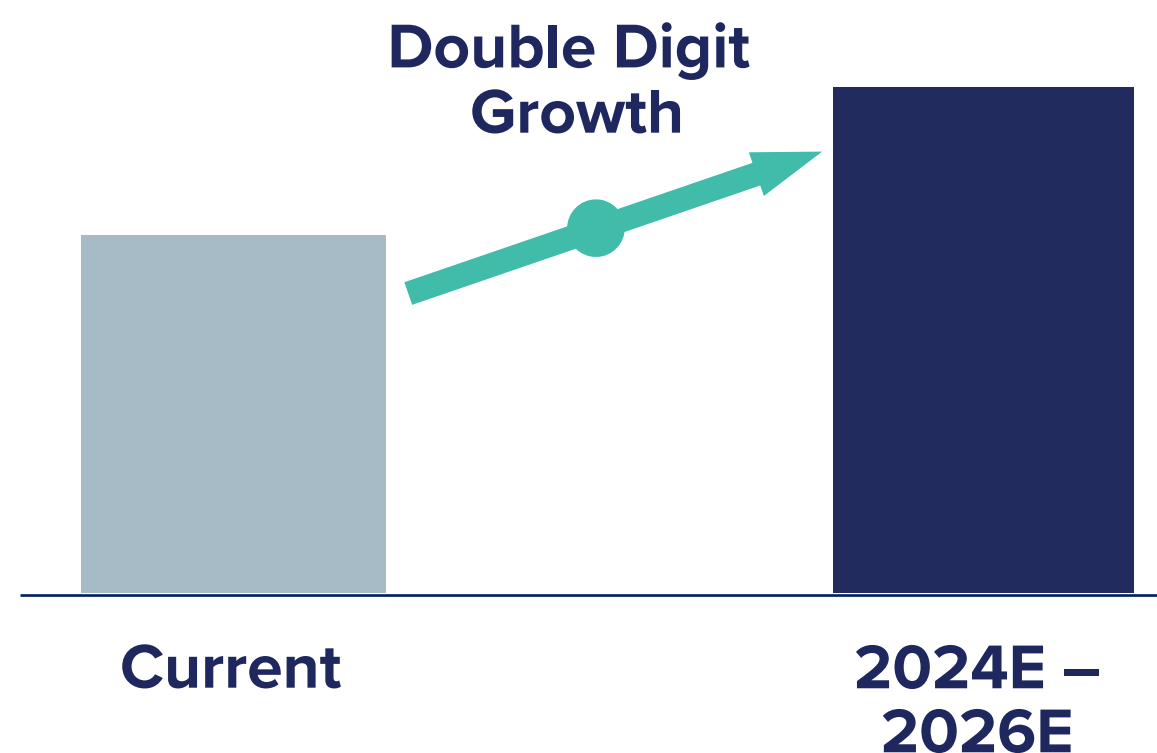
Expect High ROI on Incremental Marketing

Investing more behind growth



Fueling Growth by Increasing A&M

Hostess A&M Spend



Increasing spend over next several years to fully leverage advantaged brands and categories

Deliver Strong Long-Term Sales Growth

Growth fly-wheel to deliver consistent industry-leading topline growth with improving margins



**Access to
Faster Growing
Snacking
Occasions**



**Iconic,
Premium
Brands**



**Sharper
Data-Driven
Insights**



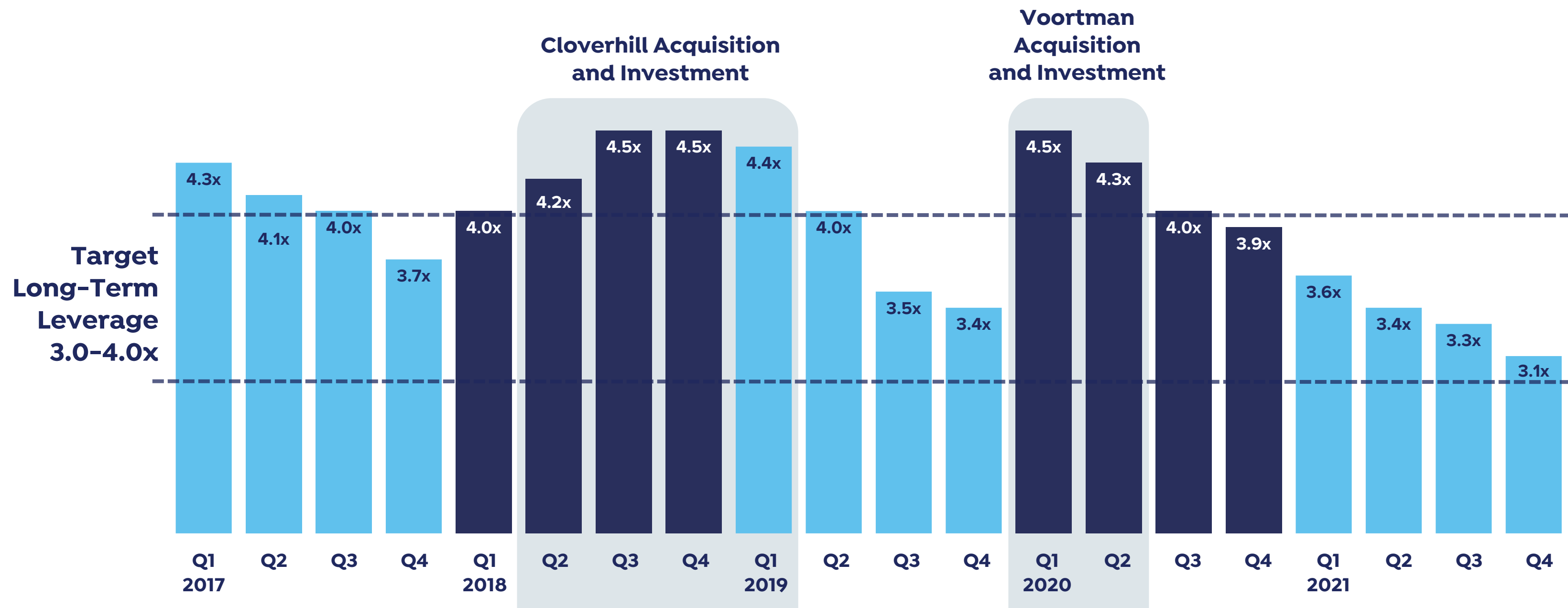
**Consumer-
Centric
Innovation**



**High
ROI A&M
Investments**

Proven Track Record of Reducing Leverage

With leverage back within the target range, debt paydown becomes a lower priority



* Net Leverage ratio is net debt (total long-term debt less lease obligations, unamortized debt premiums and cash and cash equivalents) divided by adjusted EBITDA for the trailing twelve-month period.

** 2020 proforma leverages included an assumption of incremental EBITDA from the acquisition of Voortman and removal of historical in-store bakery EBITDA

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

ROI-Driven Capital Allocation Priorities

Capital allocation priorities shift to drive organic and in-organic growth

- 1

Support Core Growth

Disciplined capital investments with high ROI hurdle

- 2

Targeted M&A

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

- 3

Return Capital to Shareholders

Through share repurchases

- 4

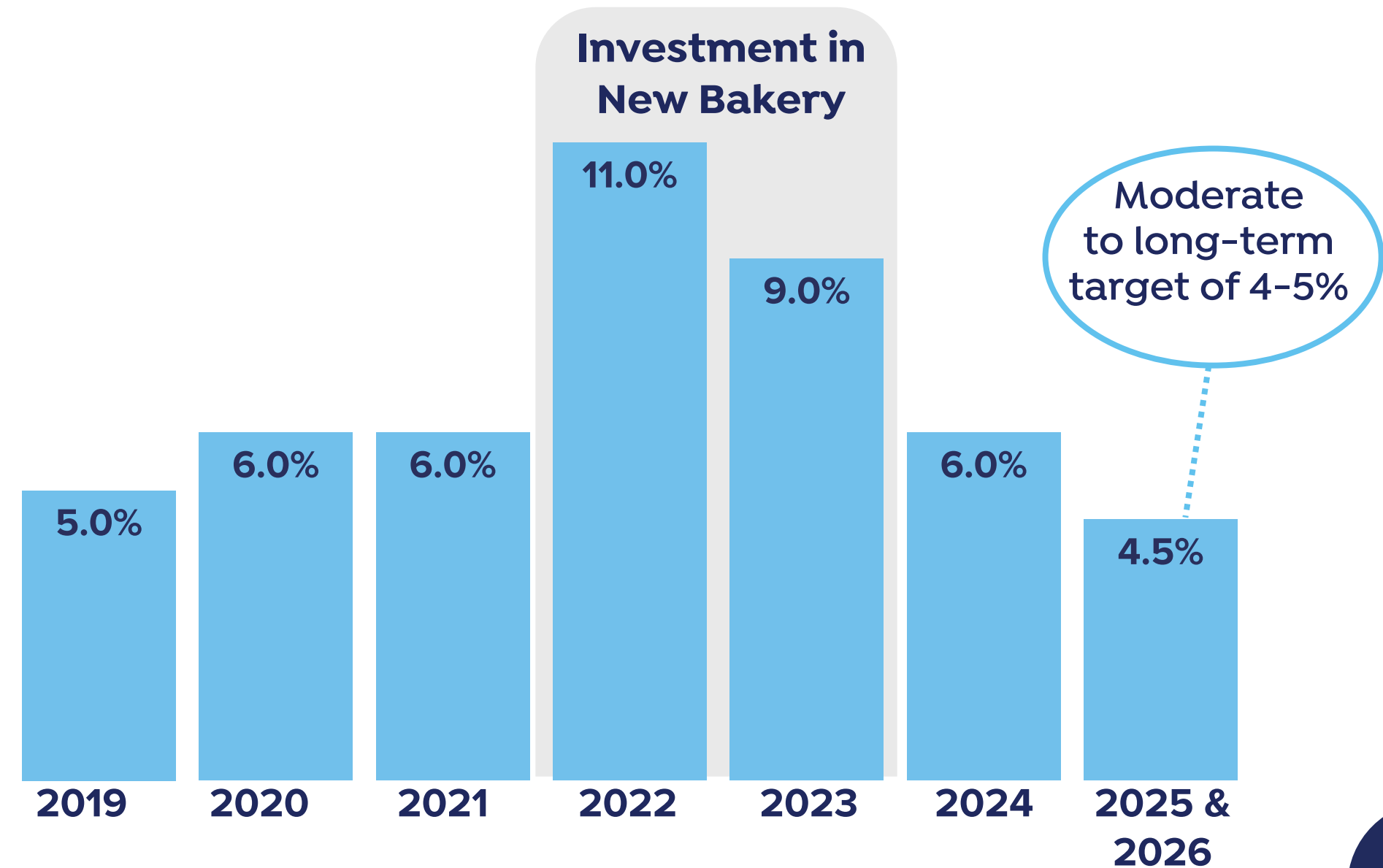
Maintain Targeted Leverage

Target Net Debt to EBITDA leverage of 3-4x

Disciplined Capital Investment Behind Growth

Elevated capex in 2022/23 to support strong growth and productivity agenda

Capex as % of Sales



Key Capital Expenditure Priorities

Build and Expand Capabilities Providing Growth Capacity

Drive Productivity with Automation and Efficiency

Maintain Network and Support Innovation

Investment Priorities Grounded in ESG-Based Principles

Ample Firepower for Strategic Opportunities

Up to \$1.5 to \$2.0 Billion available for strategic investments through 2026



Includes projected organic operating results 2022-2026

Free cash flow defined as operating cash flow less cash used for purchase of property and equipment and acquisition and development of software costs

Well-Defined M&A “Funnel” to Pursue Growth and Capabilities

Prepared to look beyond core SBG categories to generate stronger sales and earnings growth

Expand Within the Targeted Snacking Universe

Leverage Core Hostess Capabilities

New Brands

**New
Capabilities**

**Scale &
Synergy**

**Disciplined,
ROI-Based Decisions**

Announcing New \$150M Share Buyback Authorization

Increasing balance sheet flexibility enhances capital return to shareholders

**\$150
Million**

New share
buyback
authorization

Opportunistic buyback
implemented at management
direction

No specified expiration

Replaces ~\$40 million
remaining capacity on prior
authorization

Key Financial Takeaways

1

New
**LONG-TERM
ALGORITHM**
built on top-tier
growth

2

ACTIVATING
the growth
FLYWHEEL
to maintain
momentum

3

INCREASING
FIRE-POWER
to deliver compelling
shareholder
returns

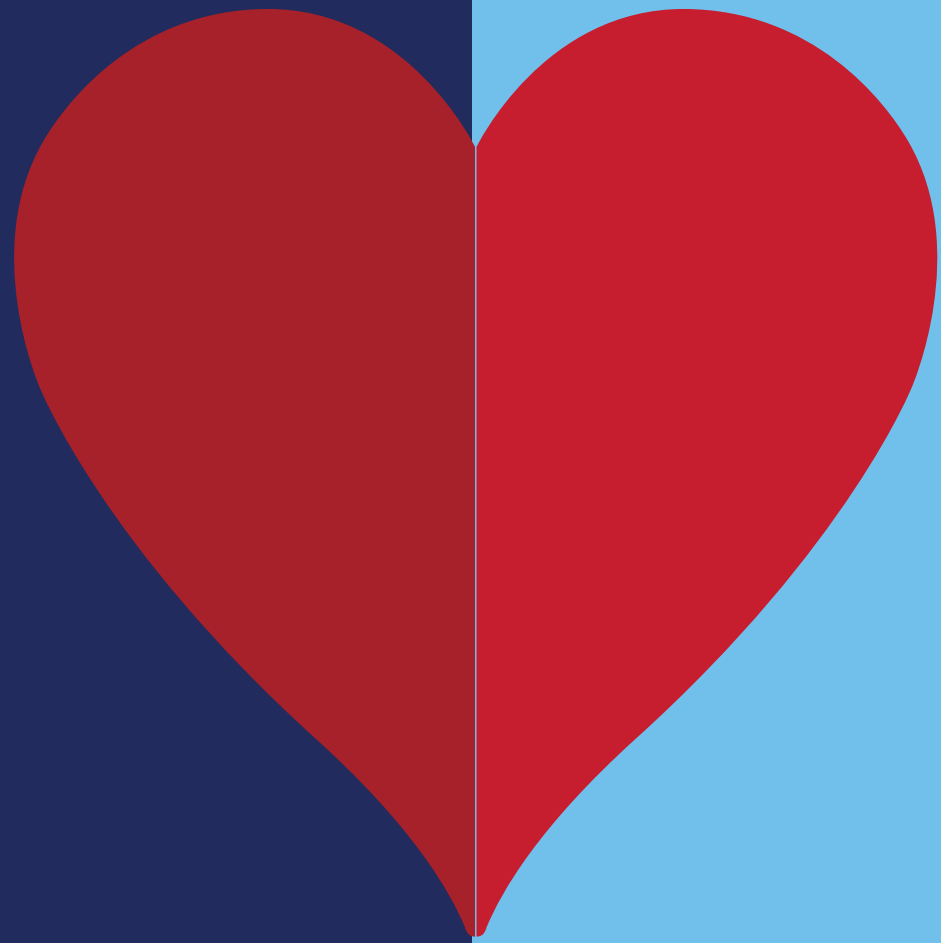
Overall Key Takeaways

1 Poised to **CATAPULT** Hostess into the next phase of growth

2 Building a snacking pure-play with unique access to **GROWING SPACES**, best-in-class **BUSINESS MODEL**, and accelerating **INNOVATION & MARKETING** capabilities

3 Attractive **LONG-TERM GROWTH ALGORITHM** to **UNLOCK** top-tier shareholder returns

thanks 



Appendix

SPEAKER BIOS



Andy Callahan

President and Chief Executive Officer

Andy Callahan has served as a member of our Board of Directors since April 2018 and as our President and Chief Executive Officer since May 2018. Mr. Callahan served as a member of the Tyson Foods Executive Leadership Team in multiple operations general management roles from August 2014 to September 2017, including President of North American Foodservice & International at Tyson Foods, Inc. from February 2017 until September 2017, and President of Retail Packaged Brands, including iconic brands such as Tyson®, Jimmy Dean®, Hillshire Farm®, Sara Lee®, Aidells® and Ball Park®, from August 2014 to February 2017. He served as an Executive Vice President and President of Retail at The Hillshire Brands Company (f/k/a Sara Lee Corporation), a producer of packaged meat and frozen bakery products, from June 2012 until its acquisition by Tyson in August 2014. Prior to joining The Hillshire Brands Company, Mr. Callahan served in positions of increasing responsibility in marketing, sales and general management for Sara Lee Corporation and Kraft Foods, Inc. Prior to joining Kraft Foods, Inc., Mr. Callahan spent seven years in the U.S. Navy as a Naval Flight Officer.



Mike Gernigin

Chief Accounting Officer, Interim Chief Financial Officer

Mike Gernigin has served as our Chief Accounting Officer and Interim Chief Financial Officer since November 2021. Mike has been with the Company since September 2016 as the Corporate Controller. From September 2013 until September 2016, he served as Corporate Vice President, Controller at the former H.D. Smith Wholesale Drug Company, a pharmaceutical wholesaler, heading its core finance, accounting, treasury and tax functions. Prior to that, he served in various roles at KPMG LLP.

SPEAKER BIOS



Dan O'Leary

Chief Growth Officer

Dan O'Leary has served as our Chief Growth Officer since May, 2021. From February 2019 through April 2021, he was at Tyson Foods, serving first as Senior Vice President of the Hillshire Farm business unit, and then as of September 2019, as the Group General Manager of the Prepared Retail business, where he was responsible for P&L management of the following brands, among others: Jimmy Dean, Hillshire Farm, and Ball Park. From October 2014 through February 2019, he was Senior Vice President at Mizkan America with responsibility for marketing, consumer insights, R&D and key supply chain functions. From August 2004 through October 2014, Dan was at Kraft Foods in a variety of general management, marketing and sales roles.



Tina Lambert

Vice President Innovation & Growth

Tina Lambert has served as Vice President over Consumer Insights, Innovation and Marketing Activation since December 2020. Prior to joining Hostess Brands, Tina ran various innovation teams at Tyson Foods, Inc. from 2014 – 2020. Her roles at Tyson included running the agile Innovation Lab, Foodservice Innovation, Disruptive Innovation, and Innovation Strategy & Planning. As leader of Innovation Strategy & Planning, Tina ran the integration of innovation processes, systems and projects for Tyson Foods and Hillshire Brands after the acquisition. From 2010 to 2014 she acted as Marketing Director of Meals and Desserts Innovation for Kraft Foods working on brands including Jello®, Cool Whip® and Kraft Mac & Cheese®. Tina led Marketing Innovation in various roles at The Kellogg Company including on the Mini Wheats®, Special K®, Froot Loops®, Pop-Tarts® and Krave® brands from 2004 to 2010. She began her career at Procter & Gamble in 1999, holding brand management roles on brands including Sunny Delight® and Pringles®.

Non-GAAP Reconciliations

	Three Months Ended December 31, 2021						Three Months Ended December 31, 2020							
	Gross Profit	Gross Margin	Operating Income	Net Income	Net Income Margin	Diluted EPS	Gross Profit	Gross Margin	Operating Income	Net Income	Net Income Margin	Class A Net Income	Diluted Shares	Diluted EPS
GAAP results	\$ 110.4	37.1%	\$ 54.0	\$ 36.5	12.3%	\$ 0.25	\$ 95.8	37.4%	\$ 44.2	\$ (0.7)	-0.3%	\$ (1.4)	128,353	(0.01)
Non-GAAP adjustments:														
Foreign currency remeasurement	-	-	-	(0.3)	(0.1)	-	-	-	-	0.7	0.3	0.6	-	0.01
Acquisition, disposal and integration related costs (1)	-	-	-	-	-	-	-	-	0.3	0.3	0.1	0.3	-	-
Tax receivable agreement remeasurement	-	-	(1.4)	(1.4)	(0.5)	-	-	-	0.2	0.2	0.1	0.2	-	-
Impairment of property and equipment	-	-	-	-	-	-	-	-	3.0	3.0	1.2	2.9	-	0.02
Change in fair value of warrant liabilities	-	-	-	(1.2)	(0.4)	(0.01)	-	-	-	25.0	9.8	25.0	4,050	0.19
Project consulting costs (2)	-	-	3.6	3.6	1.2	0.03	-	-	-	-	-	-	-	-
Other (3)	0.2	0.1	0.8	1.0	0.3	0.01	-	-	-	0.5	0.2	0.5	-	-
Remeasurement of tax liabilities	-	-	-	(3.4)	(1.1)	(0.02)	-	-	-	0.8	0.3	0.8	-	0.01
Tax impact of adjustments	-	-	-	(0.8)	(0.3)	(0.01)	-	-	-	(1.1)	(0.4)	(1.1)	-	(0.01)
Adjusted Non-GAAP results	\$ 110.6	37.2%	\$ 56.9	34.0	11.4	\$ 0.25	\$ 95.8	37.4%	\$ 47.7	28.7	11.3	\$ 27.8	132,403	\$ 0.21
Income tax				13.0	4.4					8.7	3.4			
Interest expense				9.9	3.3					10.3	4.0			
Depreciation & amortization				13.7	4.6					13.9	5.4			
Share-based compensation				2.6	0.9					2.1	0.8			
Adjusted EBITDA				\$ 73.2	24.6%					\$ 63.7	24.9%			

1. Acquisition, disposal and integration operating costs are included in general and administrative expenses on the consolidated statement of operations.
2. Project consulting costs are included in general and administrative expenses on the consolidated statement of operations.
3. 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 non-operating expenses.

Non-GAAP Reconciliations

	Twelve Months Ended December 31, 2021						Twelve Months Ended December 31, 2020							
	Gross Profit	Gross Margin	Operating Income	Net Income	Net Income Margin	Diluted EPS	Net Revenue	Gross Profit	Gross Margin	Operating Income	Net Income	Net Income Margin	Class A Net Income	Diluted EPS
GAAP results	\$ 410.0	35.9%	\$ 200.7	\$ 119.3	10.4%	\$ 0.86	\$ 1,016.7	\$ 355.6	35.0%	\$ 135.3	\$ 108.3	10.7%	\$ 104.7	\$ 0.51
Non-GAAP adjustments:														
Foreign currency remeasurement	-	-	-	(0.5)	-	-	-	-	-	-	2.1	0.2	2.0	0.02
Acquisition, disposal and integration related costs (1)	-	-	-	-	-	-	6.8	8.0	0.5	29.2	29.2	2.7	27.6	0.22
Facility transition costs	-	-	-	-	-	-	-	3.7	0.4	5.7	5.7	0.6	5.4	0.04
Tax receivable agreement remeasurement	-	-	(1.4)	(1.4)	(0.1)	(0.01)	-	-	-	0.8	0.8	0.1	0.8	-
Impairment of property and equipment	-	-	-	-	-	-	-	-	-	3.0	3.0	0.3	2.9	0.02
COVID-19 costs (2)	-	-	-	-	-	-	-	2.1	0.2	2.4	2.4	0.2	2.3	0.02
Change in fair value of warrant liabilities	-	-	-	(0.6)	-	-	-	-	-	-	(39.9)	(3.9)	(39.9)	-
Project consulting costs (3)	-	-	6.1	6.1	0.5	0.04	-	-	-	-	-	-	-	-
Other (4)	0.7	0.1	2.1	4.3	0.4	0.03	-	-	-	0.1	1.8	0.2	1.7	0.01
Remeasurement of tax liabilities	-	-	-	(3.4)	(0.3)	(0.03)	-	-	-	-	(0.5)	(0.1)	(0.5)	-
Tax impact of adjustments	-	-	-	(1.9)	(0.2)	(0.01)	-	-	-	-	(11.0)	(1.1)	(11.0)	(0.09)
Adjusted Non-GAAP results	\$ 410.7	36.0%	\$ 207.5	122.0	10.7	\$ 0.88	\$ 1,023.4	\$ 369.4	36.1%	\$ 176.4	101.8	9.9	\$ 95.9	\$ 0.75
Income tax				45.7	4.0						31.8	3.1		
Interest expense				39.8	3.5						42.8	4.2		
Depreciation & amortization				51.7	4.5						54.9	5.4		
Share-based compensation				9.6	0.8						8.7	0.9		
Adjusted EBITDA				<u>\$ 268.8</u>	<u>23.5%</u>						<u>\$ 240.1</u>	<u>23.5%</u>		

1. Acquisition, disposal and integration operating costs include \$8.0 million of selling expense, \$8.6 million of general and administrative expenses and \$4.3 million of business combination transaction costs on the consolidated statement of operations.
2. COVID-19 costs are included in cost of goods sold and general and administrative expenses on the consolidated statement of operations. Total COVID-19 non-GAAP adjustments primarily consist of costs of incremental cleaning and sanitation, personal protective equipment and employee bonuses.
3. Project consulting costs are included in general and administrative expenses on the consolidated statement of operations.
4. 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 non-operating expenses.

Non-GAAP Reconciliations

Twelve Months Ended December 31, 2018

	Gross Profit	Gross Margin	Operating Income	Net Income	Net Income Margin	Class A Net Income	Diluted EPS
GAAP results	\$ 267.3	31.4%	\$ 121.6	\$ 160.6	18.9%	\$ 142.1	\$ 0.61
Non-GAAP adjustments:							
Acquisition, disposal and integration related costs	10.1	1.2	10.4	10.4	1.2	8.9	0.08
Tax receivable agreement remeasurement	-	-	(1.8)	(14.2)	(1.7)	(14.2)	(0.14)
Impairment of property and equipment	-	-	5.0	5.0	0.6	4.2	0.04
Special employee incentive compensation	2.0	0.2	3.4	3.4	0.4	2.9	0.02
Change in fair value of warrant liabilities	-	-	-	(79.2)	(9.3)	(79.2)	-
Other	-	-	0.6	0.8	0.1	0.6	-
Remeasurement of tax liabilities	-	-	-	(5.4)	(0.6)	(5.4)	(0.05)
Tax impact of adjustments	-	-	-	(2.0)	(0.2)	(2.0)	(0.02)
Adjusted Non-GAAP results	\$ 279.4	32.8%	\$ 139.2	\$ 79.4	9.4%	\$ 57.9	\$ 0.54
Income tax				20.4	2.4		
Interest expense				39.4	4.6		
Depreciation & amortization				41.4	4.9		
Share-based compensation				5.6	0.6		
Adjusted EBITDA				<u>\$ 186.2</u>	<u>21.9%</u>		