



# A Differentiated Growth Company

**Barclays Consumer Conference**  
SEPTEMBER 8, 2022



# Disclaimer

## Forward Looking Statements

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

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

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

## Industry and Market Data

In this Investor Presentation, Hostess Brands relies on and refers to information and statistics regarding market shares in the sectors in which it competes and other industry data. Hostess Brands obtained this information and statistics from third-party sources, including reports by market research firms, such as Nielsen. Prior period Nielsen data was adjusted to exclude the Cloverhill® and Big Texas® brands in the periods they were not owned by Hostess. Hostess Brands has supplemented this information where necessary with information from discussions with Hostess customers and its own internal estimates, taking into account publicly available information about other industry participants and Hostess Brands’ management’s best view as to information that is not publicly available.

## Use of Non-GAAP Financial Measures

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

# Today's Presenters



**Andy Callahan**  
President & CEO



**Travis Leonard**  
Chief Financial  
Officer



**Arist Mastorides**  
Chief Customer  
Officer

# We have an Experienced, Talented Leadership Team



**Andy Callahan**

CHIEF EXECUTIVE  
OFFICER



**Travis Leonard**

CHIEF FINANCIAL  
OFFICER



**Arist Mastorides**

CHIEF CUSTOMER  
OFFICER



**Dan O'Leary**

CHIEF GROWTH  
OFFICER



**Darryl Riley**

CHIEF SUSTAINABILITY  
OFFICER



**Jolyn Sebree**

GENERAL COUNSEL



**Mike Cramer**

CHIEF ADMIN. OFFICER



**Rob Weber**

CHIEF PEOPLE OFFICER



**Tina Lambert**

VP, MARKETING CENTER  
OF EXCELLENCE



**Stu Blankenhorn**

VICE PRESIDENT  
STRATEGY



**Gary Schmidt**

HEAD OF  
MANUFACTURING



**Mike Gernigin**

SVP, COMMERCIAL  
FINANCE

# Poised to Enter the Next Phase of Our Growth

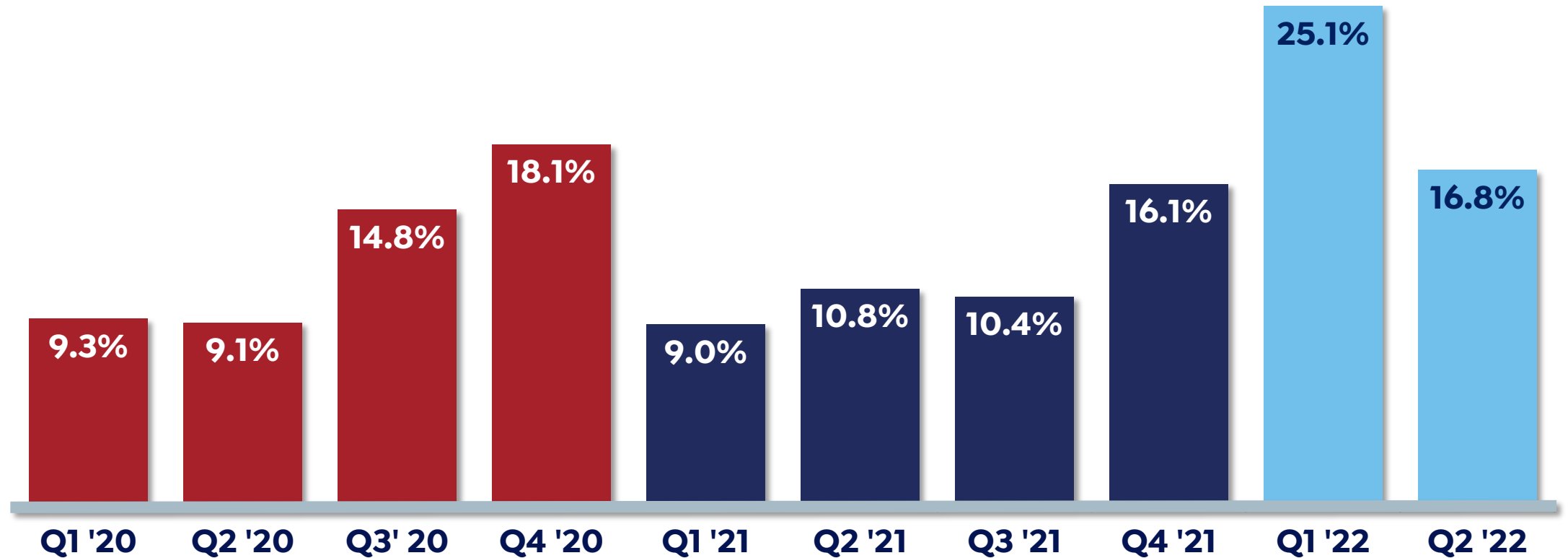
Built on a Strong Foundation



# Demonstrated Consistent Impressive Growth

## 10th Quarter of Over 9% Net Revenue Growth

### Quarterly Adjusted Net Revenue Growth

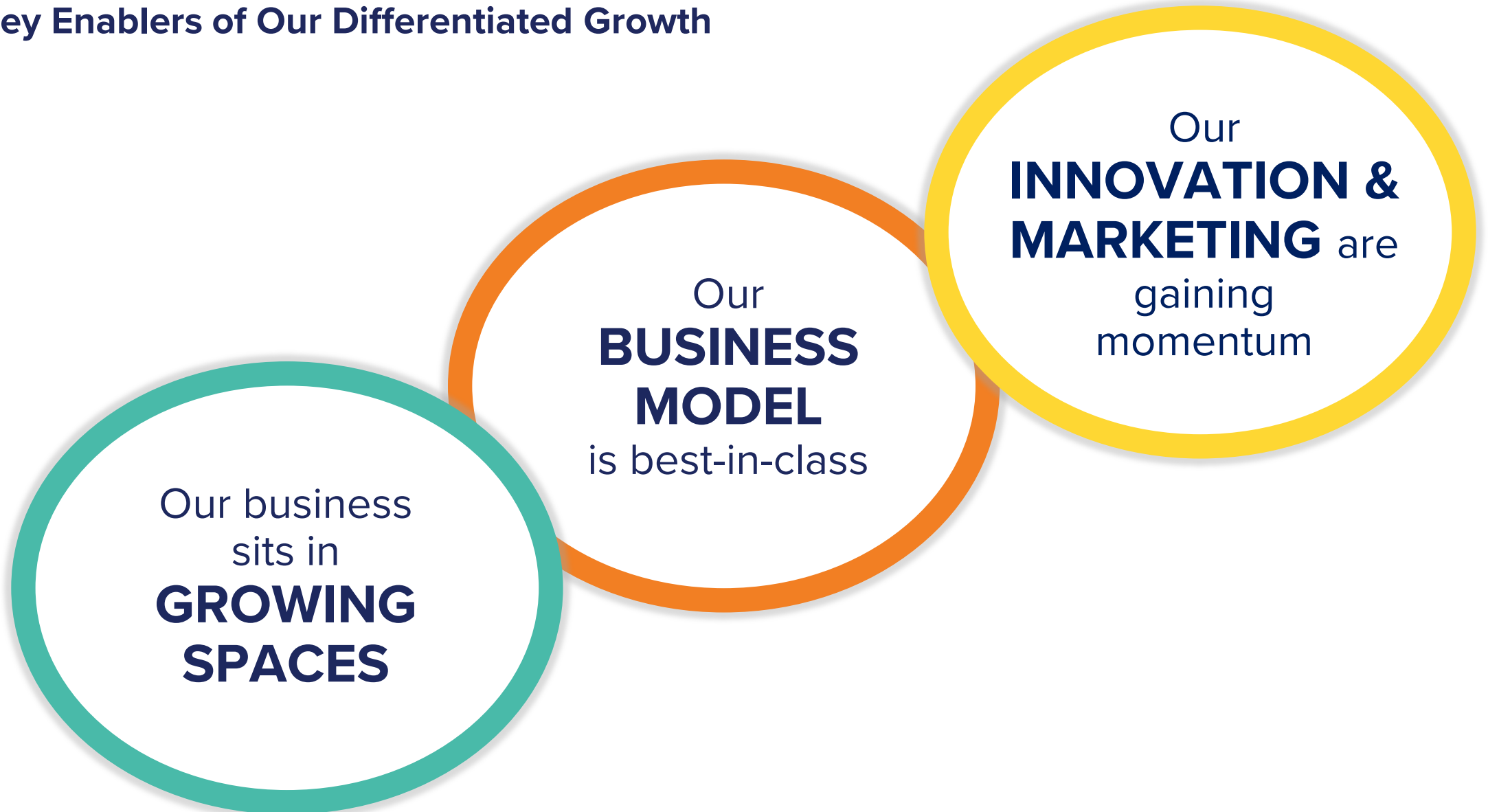


Adjusted Net Revenue is a non-GAAP financial measures. See "Use of Non-GAAP Financial Measures" and the Appendix for an explanation of all non-GAAP financial measures and reconciliations to the comparable GAAP measures.



# Building a Snacking Powerhouse

Key Enablers of Our Differentiated Growth



# Focused on Fast Growing Snacking Occasions

Large Addressable Markets Aligned Well to Our Product Portfolio

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## \$50+ Billion ADDRESSABLE MARKET in Five Target Snacking Occasions

Morning  
Sweet Start



Lunchbox



Afternoon  
Reward



Immediate  
Consumption



Afternoon  
Sharing



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

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# Driving Growth Fly-Wheel

With Revenue Growth Management and Productivity Initiatives



**Enhanced focus on productivity initiatives to generate pipeline of future savings**

- Reducing Complexity
- Optimizing Network/ Distribution
- Driving manufacturing efficiencies
- Executing procurement savings opportunities

# Sustained Competitive Advantage

With Best-in-Class Business Model



# The “NEW” Hostess

Retailers Appreciate Our Differentiated Growth

- ✓ Driving category growth
- ✓ Innovating in fast growing snacking occasions
- ✓ Best-in-class execution



# Insights-Driven Innovation

## Consistent Track-record of Category Leading Innovation



- Three-year innovation pipeline
- Targeted for specific occasions and channels
- Supported by broad investments in digital media



# Unique Go-To-Market Capabilities

Executional Excellence Driving Success in Tough Operating Environment



Ability to reach any retail store  
across channels



Data-driven dynamic merchandizing  
and performance models

# Positioned For Sustained Growth

Building Upon Advantaged Business Model

**Driving Category Growth**

**Leading Innovation**

**Incremental Digital Media Support**

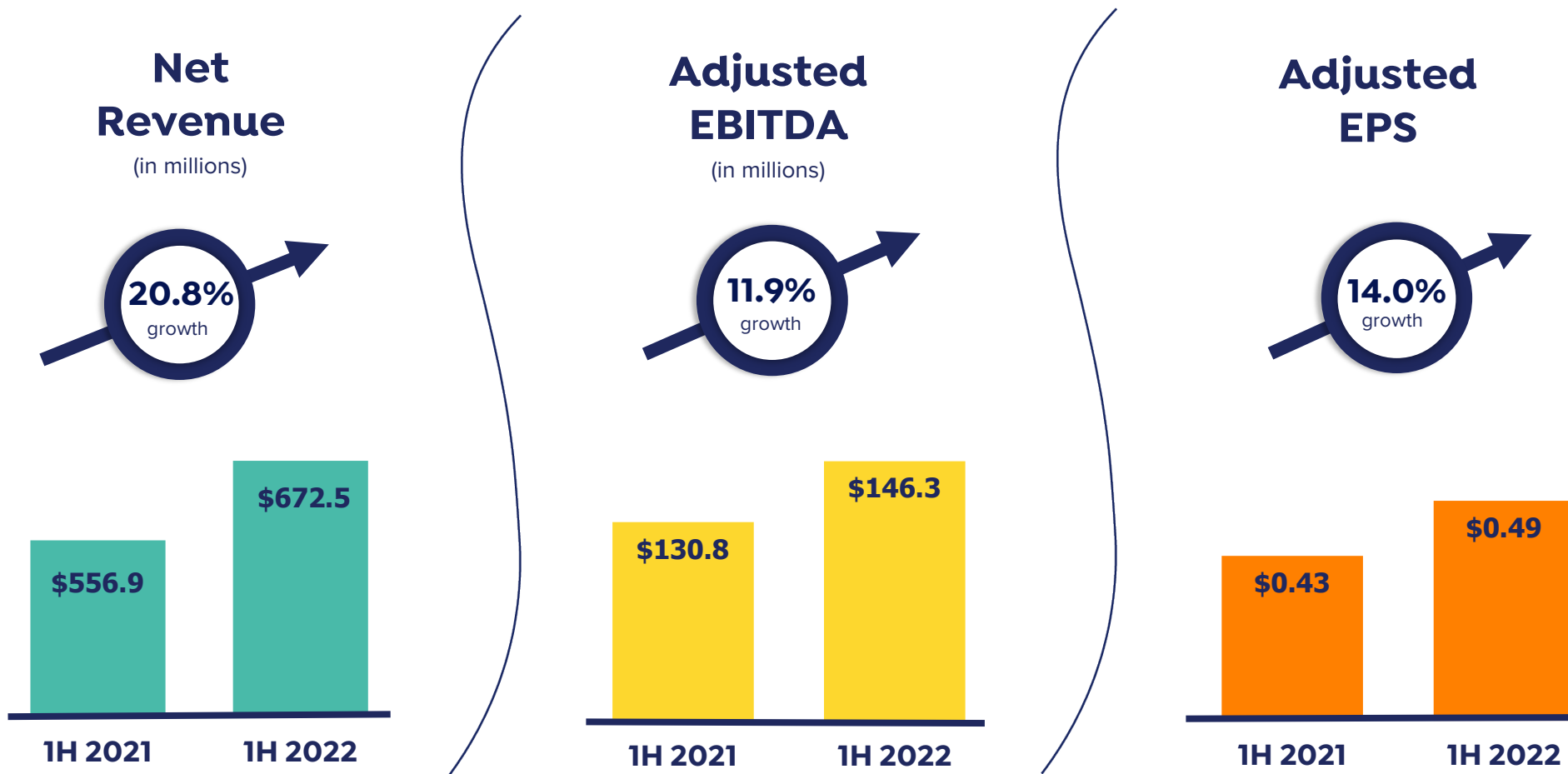
**Best-in-class Retail Execution**





# Outstanding 1<sup>st</sup> Half 2022 Performance

Demonstrating Agility in a Challenging 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.

# Full-Year 2022 Guidance

## Current Guidance

Net Revenue

At least 15% Growth

Adjusted EBITDA

Towards the higher end of  
\$280 – \$290 million

Adjusted EPS

\$0.93 – \$0.98

# Attractive Long-Term Growth

Delivering Leading Growth While Maintaining our Industry-leading Margins



## Long-term Growth Algorithm

**Mid-Single  
Digit**

**Organic  
Revenue  
Growth**

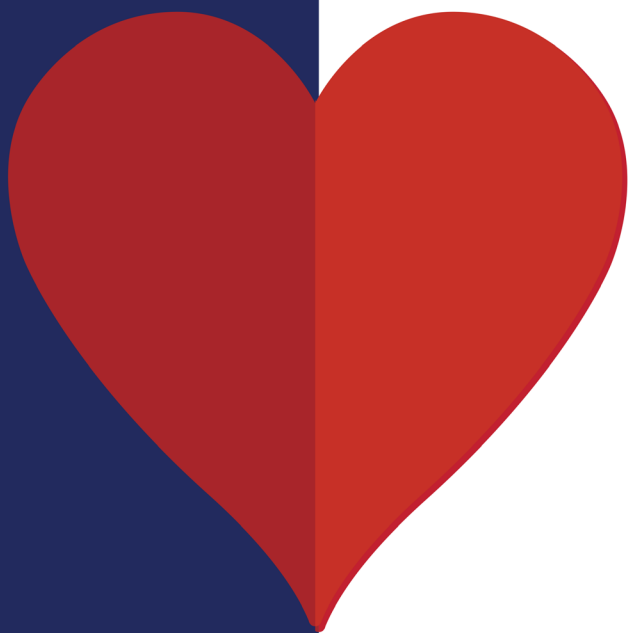
**5-7%**

**EBITDA  
Growth**

**7-9%**

**EPS  
Growth**

**Delivering Top-Tier Shareholder Returns**



# Appendix

# Non-GAAP Reconciliations

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

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