Investor Presentation

November 6, 2019

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; ability to achieve expected synergies and benefits and performance from strategic acquisitions; 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.

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. Current and prior period market data presented herein reflects restatements of Convenience Channel data executed by Nielsen during the second quarter of 2019 and fourth quarter of 2018. 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

This Investor Presentation 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"), Adjusted EBITDA Margin, Adjusted Gross Profit, Adjusted Gross Margin, Adjusted Earnings per Share ("Adjusted EPS"), collectively referred to as "Non-GAAP Financial Measures". These non-GAAP Financial Measures exclude certain items included in the comparable GAAP financial measure. Adjusted EBITDA Margin represents Adjusted EBITDA divided by 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.

a sustainable, profitable growth story

Hostess Brands

Celebrating 100 Years of Delighting Consumers

LTM Net Revenue
$906 million

LTM Adjusted EBITDA
$204 million

LTM Operating Cash Flow
$141 million

- **Iconic** Brands
- **19.2%** Market Share
- **Continuous Innovation** to Drive Growth
- **Efficient** Manufacturing & Distribution Model
- **Proven** Scalable Platform

#1 Market Share in Subcategory

Financial data are for the last twelve months ("LTM") ended September 30, 2019 as reported. 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. Market Share for the Company within the Sweet Baked Goods ("SBG") category per Nielsen U.S. total universe, 13 weeks ending September 28, 2019.

At Hostess Brands…

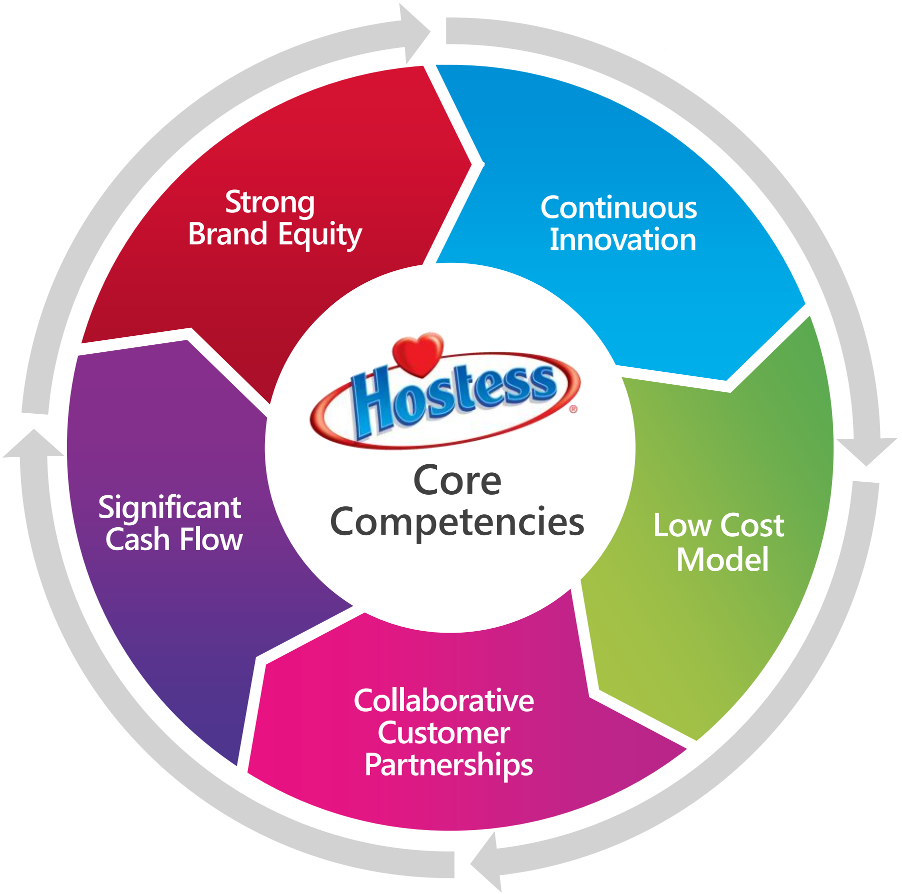
We delight consumers and build iconic brands supported by our core competencies to drive profitable growth

Our Growth Strategy

Strengthening our core Hostess brand and expanding into adjacent categories through innovation and strong partnerships with our customers

Leveraging our highly efficient and profitable business model

Executing strategic acquisitions to accelerate growth while effectively managing our capital structure



ADDRESSABLE MARKET:

Snacking Is On The Rise

95% of U.S. adults snack daily

21% increase in snacking frequency in 2018 vs. 2017

1/3 of growing snacking occasions are in the morning

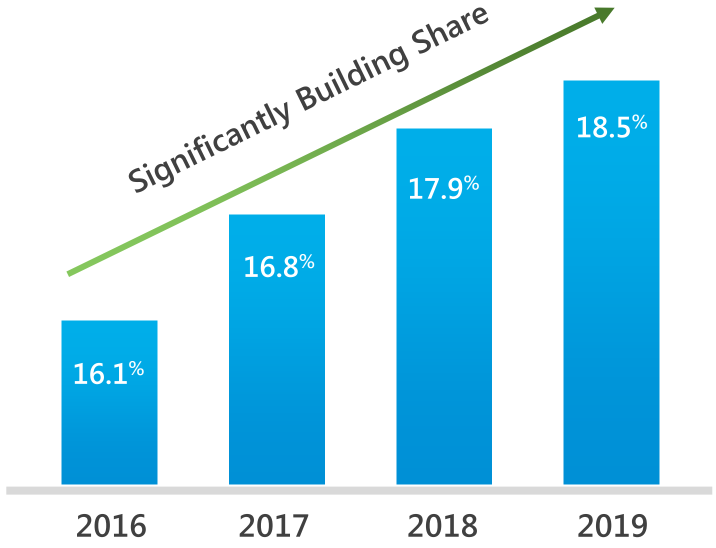
$30B Growth projected in snack market, from 2018-2022 ($150B-$180B)

Source: Mintel Snacking Motivations and Attitudes, January 2019, Market sizing from NPD, Mintel, IRI, "The Keynote Report: Snacking March 2018, and Hostess snacking needstates, Oct. 2019

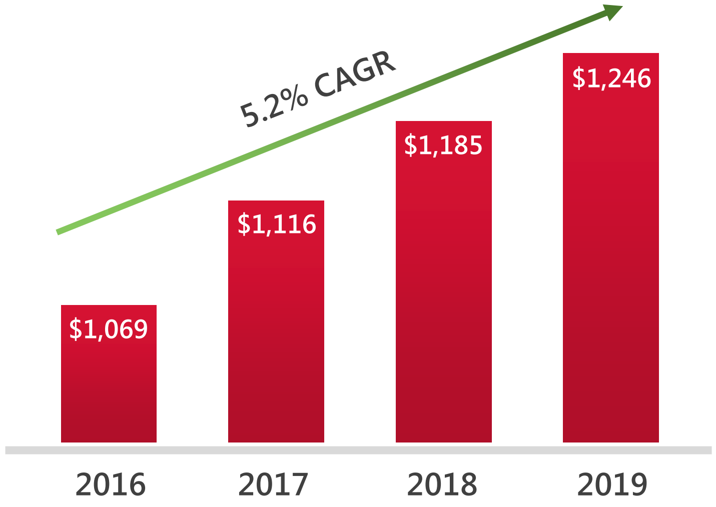
Strong Market Position

Consistent Point-of-Sale and Market Share Growth in the Sweet Baked Goods Category

Market Share
(52 Weeks)



Point-of-Sale
(52 weeks, in millions)

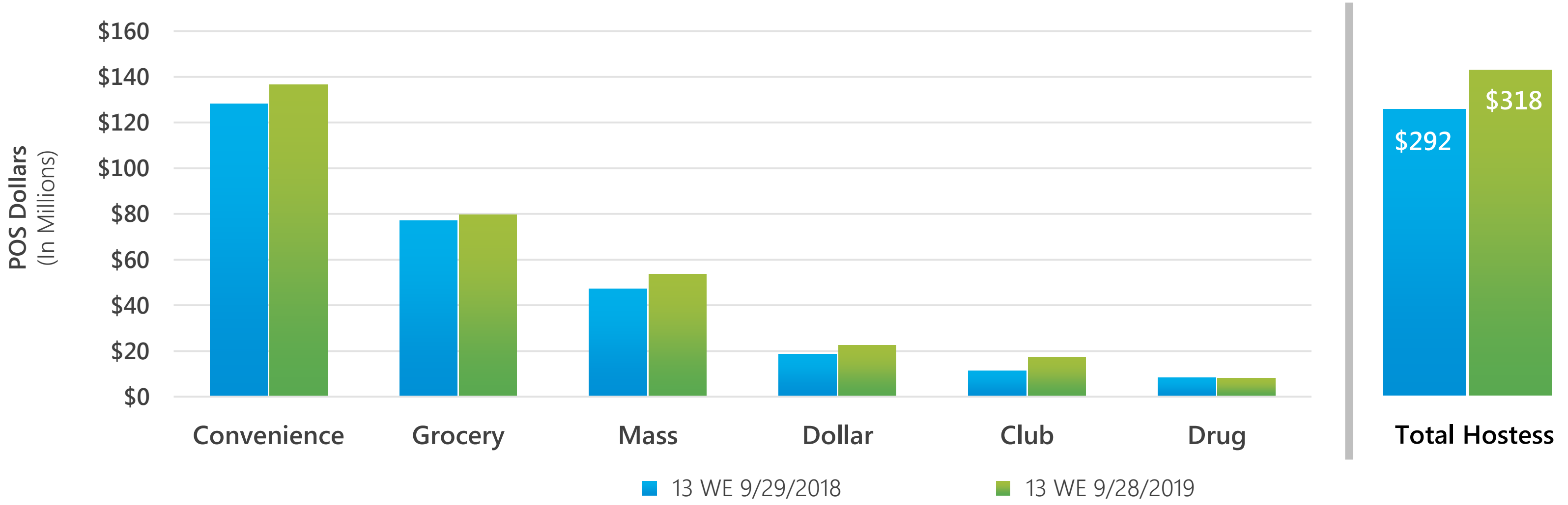


Source: Nielsen, Total Nielsen Universe for the Company within the SBG Category.
Point of Sale and Market Share, 52 weeks ending 10/1/16, 9/30/17, 9/29/2018 & 9/28/19.
Current and prior period market data presented herein reflects the restatements of Convenience Channel data executed by Nielsen during the fourth quarter 2018 and the second quarter of 2019.
Additionally, prior period Nielsen data was adjusted to exclude the Cloverhill® and Big Texas® brands in the periods they were not owned by Hostess.

3rd Quarter Channel Point of Sale & Share

Growth Across Multiple Channels

	Convenience	Grocery	Mass	Dollar	Club	Drug	Total Hostess
POS Change	6.0%	3.5%	13.2%	19.5%	50.4%	(2.5%)	8.8%



	Convenience	Grocery	Mass	Dollar	Club	Drug	Total Hostess
Market Share	24.7%	14.0%	15.8%	23.8%	23.5%	40.3%	19.2%
Market Share Change (bps)	134	32	96	248	782	(303)	118

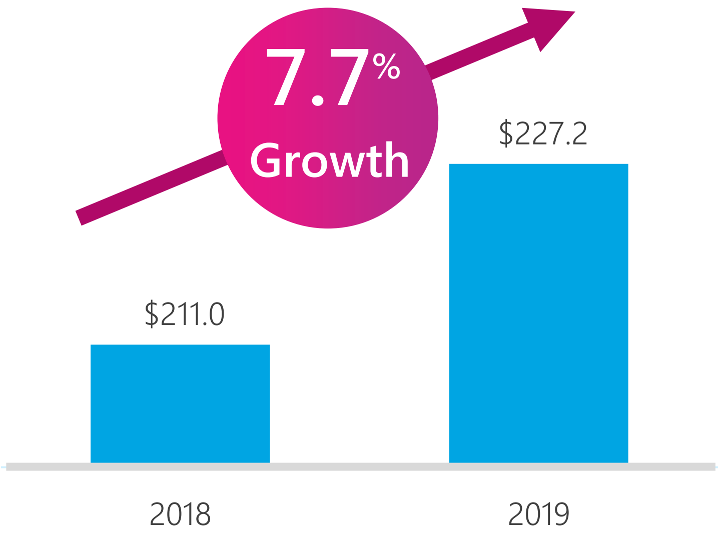
Point of sale and market share data for the 13 weeks ended 9/28/19 as compared to the comparable period in the prior year. Data reflects restatements of the Convenience Channel prior year data executed by Nielsen during the fourth quarter of 2018 and the second quarter of 2019.

Meaningful Growth Q3 2019 vs. Prior Year

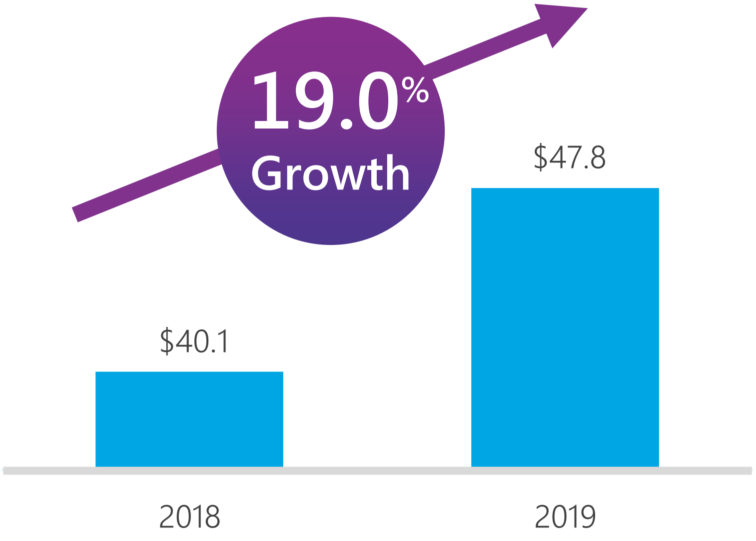
Continued Industry-Leading Results

Net Revenue growth of 9.2% excluding ISB

Net Revenue
(in millions)



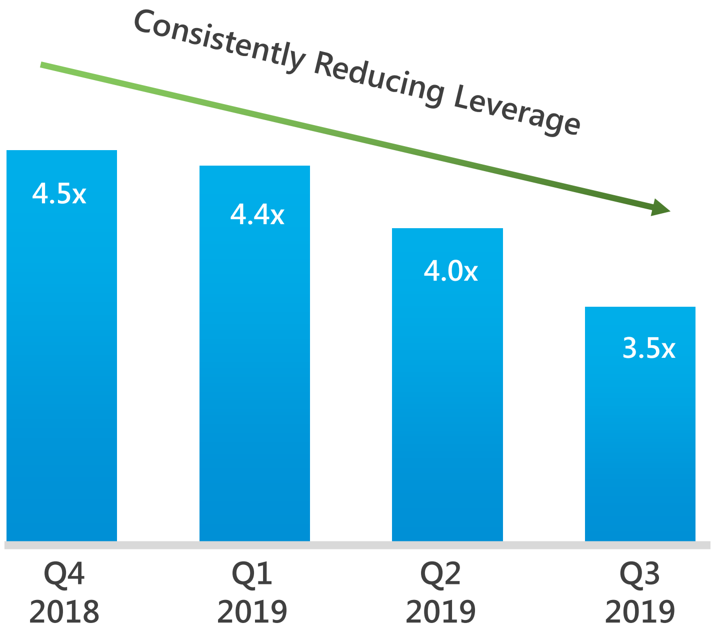
Adjusted EBITDA
(in millions)



Quarter-to-Date results for three months ended September 30, 2019 and 2018.
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.

Significant Cash Flow Provides Flexibility

Net Leverage Ratio[1]



Disciplined approach to use of excess cash

- Reinvest in business for future growth
- Strategic acquisitions
- De-leverage
- Return capital to shareholders

1. 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.

Consolidated Financial Results

Meaningful Growth as Compared to Prior Year

($ in millions, except per share data)	Quarter Ended September 30, 2019	Quarter Ended September 30, 2018	Change $	Change %	Year-to-Date September 30, 2019	Year-to-Date September 30, 2018	Change $	Change %
Net Revenue	$227.2	$211.0	**$16.2**	**7.7%**	$691.0	$635.6	**$55.4**	**8.7%**
Adjusted Gross Profit	$75.2	$64.1	**$11.1**	**17.3%**	$235.5	$205.6	**$29.9**	**14.5%**
Adjusted Gross Margin	33.1%	30.4%		**270 bps**	34.1%	32.4%		**170 bps**
Adjusted EBITDA	$47.8	$40.1	**$7.7**	**19.2%**	$152.3	$134.8	**$17.5**	**13.0%**
Adjusted EBITDA Margin	21.0%	19.0%		**201 bps**	22.0%	21.2%		**84 bps**
Adjusted EPS	$0.13	$0.10	**$0.03**	**30.0%**	$0.44	$0.37	**$0.07**	**18.9%**

Adjusted Gross Profit, Adjusted Gross Margin, Adjusted EBITDA, Adjusted EBITDA Margin 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.

Pillars for Growth

Grow the Core	Grow through Innovation	Improve through Agility & Efficiency	Cultivate Talent & Capabilities	Leverage Strong Cash Flow
Profitably drive core growth by building the consumer brand and building customer relationships	**Accelerate** growth through innovation based on consumer insights and industry-leading capabilities	**Operate** at lowest practical cost and optimum value to consumers	**Focused** on investing in talent, insights and information to create industry-leading capabilities to support the next phase of growth	**Generated** from high cash conversion rates and efficient operating capital needs

2019 Progress Against Pillars for Growth

Grow the Core

- ✓ Executed multi-faced price increase across all channels
- ✓ Developing new tools and capabilities to improve analytics
- ✓ Expanding Hostess Partner Program to Grocery channel

Grow through Innovation

- ✓ Launch of Birthday Cupcakes, Totally Nutty and Triple Chocolate Brownies
- ✓ Expansion of Breakfast and Value Brands
- ✓ Continued development of innovation pipeline

Improve through Agility & Efficiency

- ✓ Cloverhill Business improved profitability
- ✓ Developing in-house distribution capabilities in Kansas on-track
- ✓ Achieved additional core bakery savings

Cultivate Talent & Capabilities

- ✓ Expanding new hub for marketing, innovation and category management in Chicago with key new hires including new CMO
- ✓ Investing in new R&D Center

Leverage Strong Cash Flow

- ✓ Generated operating cash flow of $107.4M YTD
- ✓ Improved leverage by 1x and on pace to achieve full year target
- ✓ Sold In-Store Bakery business for $65.0 million
- ✓ Refinanced debt at favorable terms

A Look at 2019

Revenue Growth Well Above the SBG Category & Significant Adjusted EBITDA Growth

Q1

- ☑ Execute Pricing & Launch Breakfast

Q2

- ☑ Expand Distribution of New Products
- ☑ Accelerate Growth Behind Improved Merchandising Execution

Q3

- ☑ Strong Back-to-School Programming
- ☑ Complete Sale of In-Store Bakery Business
- ☑ Continue Distribution Build of Breakfast & Other Innovation

Q4

- ☐ Finish 2019 Strong with Significant Revenue & EBITDA Growth
- ☐ Substantially Improve Net Leverage
- ☐ HQ and DC (KS), Commercial Office (Chicago) relocations

Full-Year 2019 Guidance

Narrowing Adjusted EBITDA and EPS Guidance Within Previously Disclosed Range

($ in millions, except ratio, per share data and tax rate)	2018 Actuals	2019 Previous Guidance	2019 Updated Guidance
Net revenue	$850.4	**Growth well above** the SBG Category	**Growth well above** the SBG Category
Adjusted EBITDA	$186.2	$200 - $210	$202 - $208
Adjusted EPS	$0.54	$0.57 - $0.62	$0.58 - $0.61
Leverage Ratio	4.5x	3.2x - 3.4x	3.2x – 3.4x
Cash Flow from Operations	$143.7	$145 - $155	$140 - $150
Capital Expenditures	$48.4	$30 - $35	$30 - $35
Effective Tax Rate	18.2%	23% - 24%	22% - 23%

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'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, changes in allocation to the non-controlling interest, 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.

a sustainable, profitable growth story

Organic Revenue Growth
Top Quartile of Peer Group[1]
(Well ahead of the SBG Category)

Adjusted EBITDA Margin
Top Quartile of Peer Group[1]

Free Cash Flow Conversion
Top Quartile of Peer Group[1]

Delivering Industry-Leading Total Shareholder Returns

1. Peer group defined as S&P Composite 1500 Packaged Foods and Meats Sub Index

Appendix

Non-GAAP Reconciliations

Adjusted Gross Profit

($ in millions, except percentages)	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2019
Gross profit	**$70.4**	**$60.4**	**$229.1**	**$198.5**
Non-GAAP adjustments:				
Acquisition and integration costs	-	3.5	1.6	5.4
Facility transition costs	4.8	-	4.8	-
Special employee incentive compensation	-	0.2	-	1.8
Adjusted gross profit	**$75.2**	**$64.1**	**$235.5**	**$205.6**
Adjusted gross margin	**33.1%**	**30.4%**	**34.1%**	**32.4%**

Non-GAAP Reconciliations

Adjusted EBITDA

($ in millions, except percentages)	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2019
Net income	**$10.7**	**$11.2**	**$54.0**	**$65.1**
Non-GAAP adjustments:				
Income tax provision	3.0	2.6	10.9	9.3
Interest expense, net	9.8	10.0	30.4	29.1
Depreciation and amortization	10.7	10.7	32.7	31.4
Share-based compensation	2.4	1.5	7.2	4.2
Tax Receivable Agreement remeasurement and gain on buyout	1.8	-	1.3	(14.1)
Impairment of property and equipment, intangible assets and goodwill and loss on sale	0.5	-	1.5	1.4
Acquisition, disposition and integration costs	2.0	3.5	3.6	5.4
Facility transition costs	5.3	-	6.2	-
Special employee incentive compensation	-	0.7	1.9	2.3
Other	1.5	-	2.8	0.7
Adjusted EBITDA	**$47.8**	**$40.1**	**$152.3**	**$134.8**
Adjusted EBITDA as a % of Net revenue	21.0%	19.0%	22.0%	21.2%

Non-GAAP Reconciliations

Adjusted Net Income and EPS

($ in millions, except per shares and per share data)	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2019
Net income	**$10.7**	**$11.2**	**$54.0**	**$65.1**
Non-GAAP adjustments:				
Tax receivable agreement remeasurement and gain on buyout	1.8	-	1.3	(14.1)
Remeasurement of deferred taxes	(0.4)	-	(3.7)	(5.0)
Impairment of property and equipment, intangible assets and goodwill and loss on sale	0.5	-	1.5	1.4
Acquisition, disposition and integration costs	2.0	3.5	3.6	5.4
Facility transition costs	5.3	-	6.2	-
Special employee incentive compensation	-	0.7	1.9	2.3
Other	1.5	-	2.3	-
Tax impact of adjustments	(2.2)	(0.9)	(3.5)	0.2
Adjusted net income	19.2	14.6	63.6	55.2
Non-controlling interest allocation of net income	(1.9)	(3.2)	(12.6)	(14.0)
Non-controlling interest allocation of adjustments	(1.1)	(1.0)	(2.2)	(2.1)
Adjusted net income attributed to Class A stockholders	**$16.2**	**$10.3**	**$48.8**	**$39.1**
Weighted average Class A shares outstanding-diluted	121,122,895	102,963,080	110,804,367	104,299,251
Adjusted EPS	**$0.13**	**$0.10**	**$0.44**	**$0.37**