



Investor Presentation

November 9, 2021

Disclaimer



Forward Looking Statements

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

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

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

Industry and Market Data

In this Investor Presentation, Hostess Brands relies on and refers to information and statistics regarding market shares in the sectors in which it competes and other industry data. Hostess Brands obtained this information and statistics from third-party sources, including reports by market research firms, such as Nielsen. All prior period market data in this presentation reflects the restatement of convenience channel data executed by Nielsen during 2020. 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 profit 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.

Strong Momentum Continues in the Third Quarter



Raising Full Year Top-Line Guidance

- **10.4% net revenue growth** with broad-based Hostess® and Voortman® branded growth
- **Outstanding retail performance and higher A&M investments** driving market share gains and double-digits point-of-sale growth
- **Strong contribution from new product innovation** headlined by Baby Bundts, Muff'n Stix, and Crispy Minis
- **Favorable mix, higher prices, and increasing productivity** meaningfully offset rising inflation; additional price realization to come in Q4
- **Raising 2021 revenue guidance** reflecting strong performance and ongoing momentum
- **Simplified capital structure** by completing the cashless exercise of remaining warrants
- **Returned capital to shareholders** through share buyback



Our Mission is to Inspire Moments of Joy by Putting our  into Everything We Do!

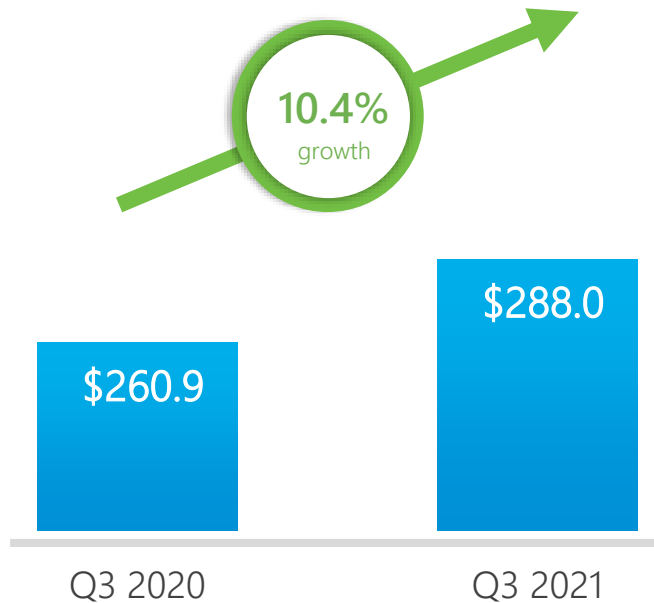
Strong Q3 Net Revenue and EBITDA Growth



Driven by Hostess® Brand Growth

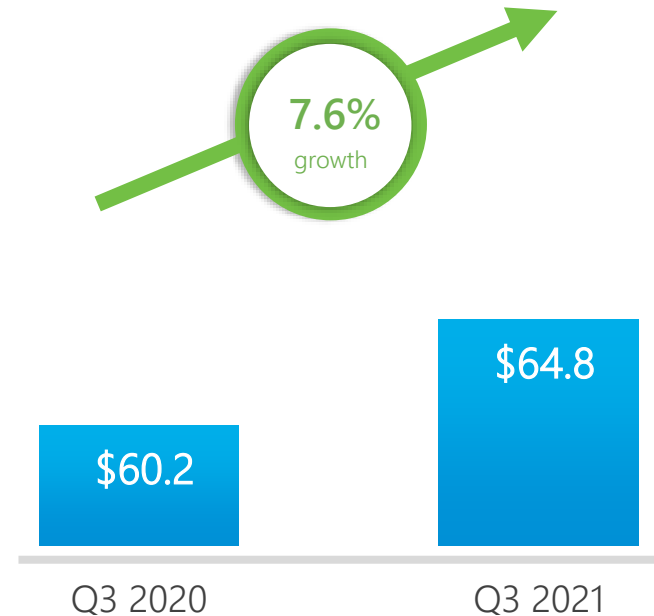
Net Revenue

(in millions)



Adjusted EBITDA

(in millions)



Results are for three months ended September 30, 2021 and 2020.

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. 4

Net Revenue Growth Driven by Hostess® Brand



(\$ in millions)	Three Months Ended				Nine Months Ended			
	September 30,		Change		September, 30		Change	
	2021	2020	\$	%	2021	2020	\$	%
Sweet Baked Goods	\$258.8	\$234.1	\$24.7	10.6%	\$759.0	\$693.1	\$65.9	9.5%
Cookies	29.2	26.8	2.4	9.0%	85.9	74.3	11.6	15.6%
Total Adjusted Net Revenue	\$288.0	\$260.9	\$27.1	10.4%	\$844.9	\$767.4	\$77.5	10.1%



Adjusted Net Revenue 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.

Ideally Positioned for Evolving Consumer Behaviors



Leading Sweet Baked Goods Growth Across Both Single-Serve and Multi-Pack

Hostess Brands

Single-Serve
Point-of-Sale



Q3 2019



3.0%

Q3 2020



2.8%

Q3 2021



15.4%

Two Year
Stack Growth
18.2%

Two-year stack
accelerated as Hostess®
leading single-serve
category growth

Hostess Brands

Multi-Pack
Point-of-Sale



Q3 2019



13.6%

Q3 2020



10.1%

Q3 2021



12.4%

Two Year
Stack Growth
22.5%

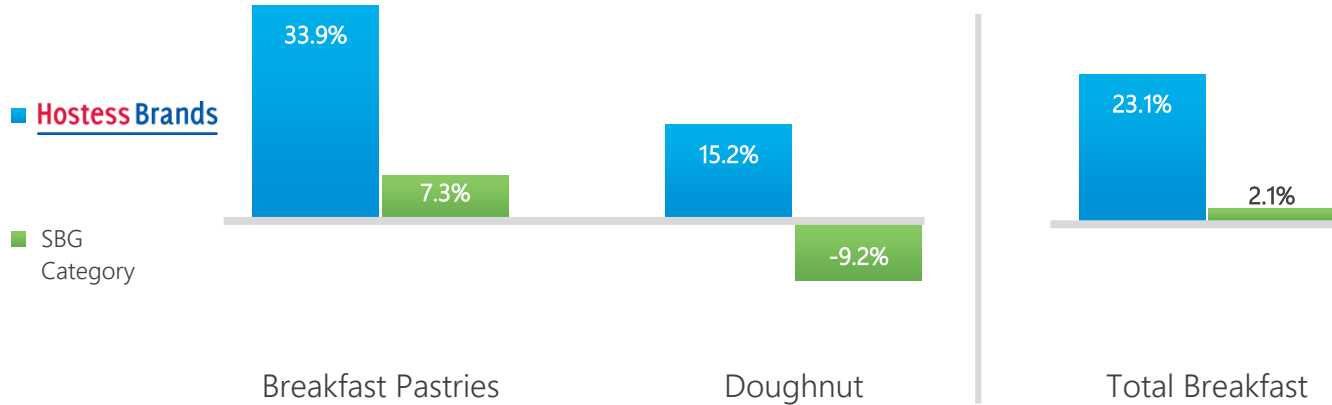
At-home snacking
remains elevated;
Hostess® leading multi-
pack growth

Breakfast Expansion Remains a Key Growth Driver



Hostess® Growth Driven by Superior Innovation, Retail Execution
 Growing Share in On-Trend Consumer Morning Snacking Occasion

Third Quarter POS Growth



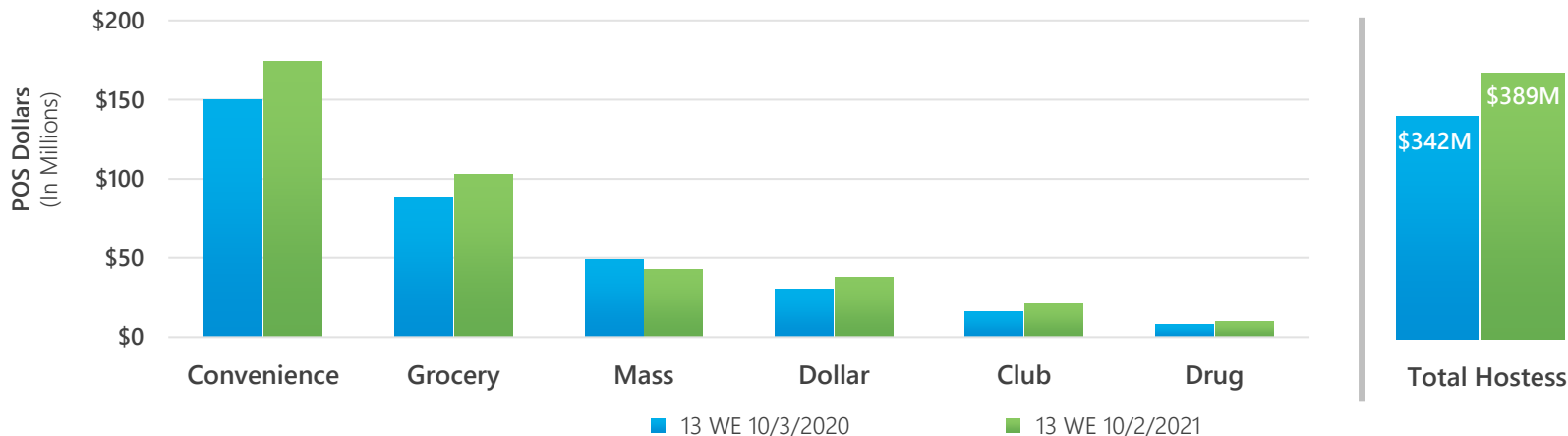
Source: Nielsen, Total Nielsen Universe for the Company within the SBG Category. Point of sale ("POS") changes for the 13 weeks ended 10/2/2021 as compared to the comparable period in the prior year and reflects a scheduled one-week shift in current and prior-year reporting periods performed by Nielsen in April 2021 to better coincide with calendar periods.

Strong Market Share Gains



Broad-based Gains Driving Growth Ahead of the Category

POS Change	16.2%	16.6%	(12.6)%	24.9%	33.1%	15.2%	13.7%
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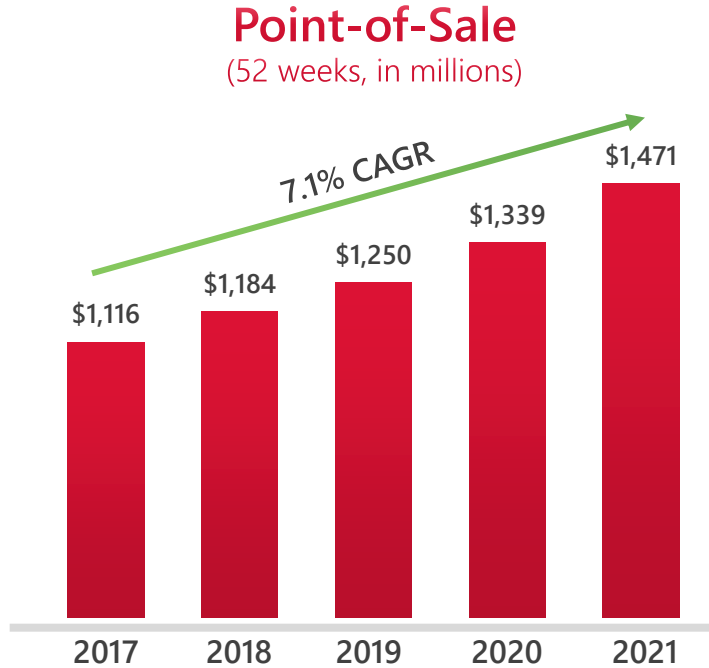
Market Share	30.6%	16.3%	11.1%	33.4%	24.1%	57.7%	21.6%
Market Share Change (bps)	292	229	(235)	444	204	765	179

Source: Nielsen, Total Nielsen Universe for the Company within the SBG Category.
 Point of sale ("POS") and market share data changes for the 13 weeks ended 10/2/2021 as compared to the comparable period in the prior year. Prior period Nielsen data reflects the restatement of convenience channel data executed by Nielsen during 2020.

Sustained Growth and Market Share Gains



Contributing to and outperforming Sweet Baked Goods Category Point-of-Sale Growth



Source: Nielsen, Total Nielsen Universe for the Company within the SBG Category. Point of Sale and Market Share, 52 weeks ending 9/30/17, 9/29/18, 9/28/19, 9/26/20 10/2/21.

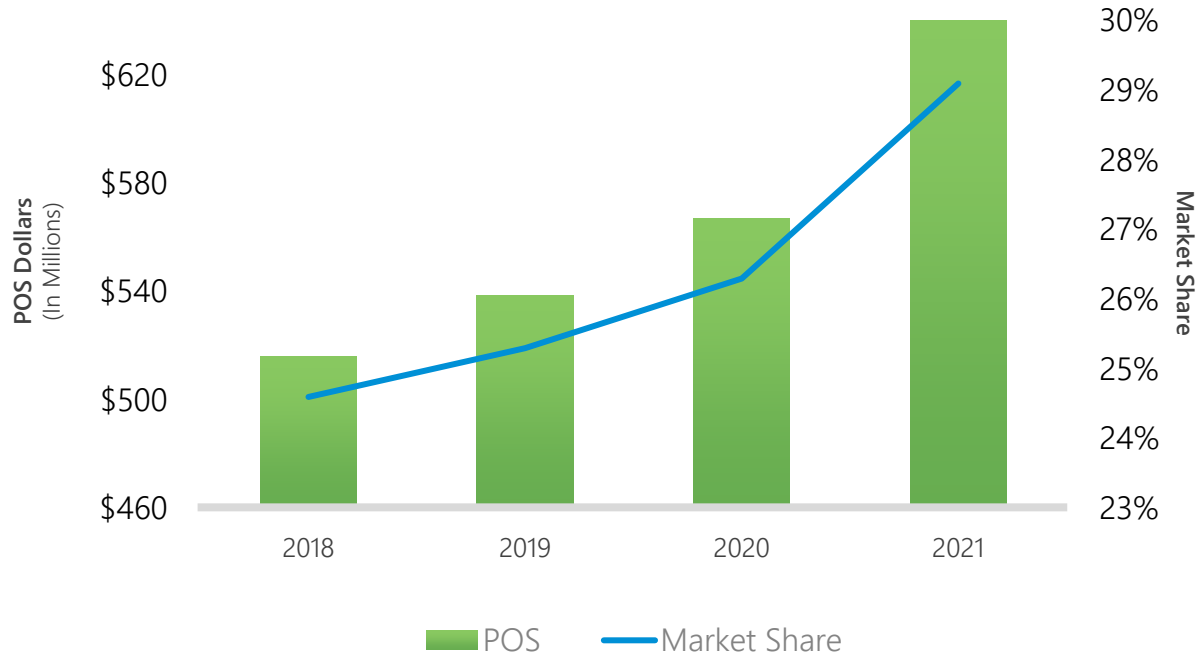
Prior period Nielsen data reflects the restatement of convenience channel data executed by Nielsen during 2020. Additionally, prior period Nielsen data was adjusted to exclude the Cloverhill® and Big Texas® brands in the periods they were not owned by Hostess (2017 – 2018).

Accelerating Convenience Channel Growth



Market Share Increased to All-Time High

Convenience POS and Market Share



Continued Market Share Gains Establish Strong Platform for Future Growth

Source: Nielsen, Total Nielsen Universe for the Company in the Convenience channel within the SBG Category for the 52 weeks ended October 2, 2021 and the comparable prior year periods and reflects a scheduled one-week shift in current and prior-year reporting periods performed by Nielsen in April 2021 to better coincide with calendar periods.

Executing Exciting Innovation Slate



Multi-pronged Approach to Innovation Pipeline Establishing New Platforms for Continued Incremental Growth

New Platforms

Expanding into New Consumer Need States
Targeting Younger Consumers



Expanding Breakfast

Accelerating Growth within Fastest Growing Subsegment of Category



Voortman Channel Expansion

Penetrating Convenience Channel with Single-serve Usage Occasion



Core Development

Building on Iconic Brand Favorites with Flavor Extensions



Limited-Time-Offers

Keeping Products Relevant and Engaging for Consumers



2021 Innovation On Record Pace



Baby Bundts

- Strong distribution achieving over 50% ACV
- Consumer Trial is exceeding expectations with a strong Repeat Rate
- Highly appealing to Hostess core consumer



Cr!spy Minis

- Building distribution and expanding into the front of the stores
- Over indexes with the Millennial and Gen Z shopper
- Incremental to Hostess and to the category



Muff'n Stix

- Strong distribution build with ACV approaching 40%
- Reached top 20 velocity amongst Hostess single-serve SKUs
- Solid repeat rate exceeding expectations

2021 Brand Activation Showing Positive Early Returns

Digital First Mindset Enabling Rapid Learning & Continuous Improvement



Advertising
response
rates
exceeding
CPG
benchmarks



eCommerce
advertising
driving
incremental
sales



Increasing
Social
Engagement



Voortman – Multiple Avenues for Growth



Successfully Executing Against Building Blocks for Accretive Growth
Well-Positioned to Take Advantage of Growing Consumer Trends

Increase
Depth of
Distribution



Expand
Breadth of
Distribution
Across Key
Channels



Leverage the
Hostess-proven
Merchandising
Model



Increase Brand
Awareness
through
Advertising &
Marketing



Drive
Incremental
Growth Through
Innovation



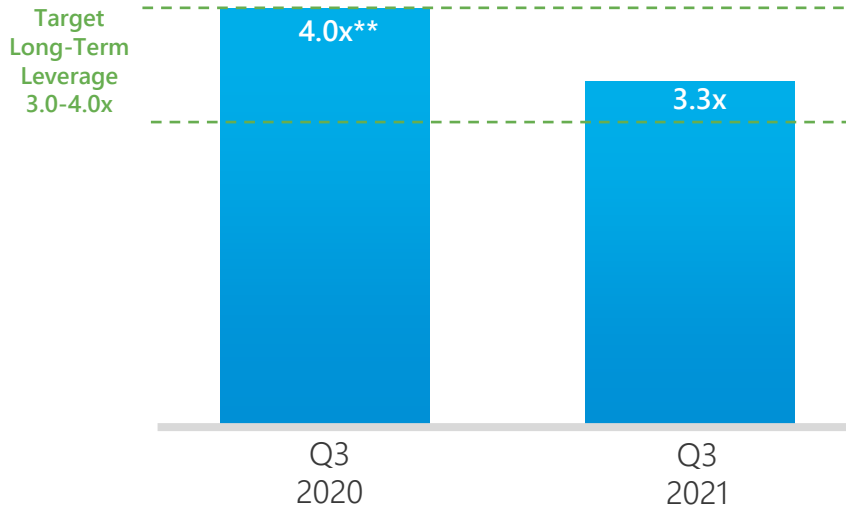
Ample Liquidity and Cash Flow



Provides Flexibility to Invest in Growth and Generate Shareholder Value

Net Leverage Ratio*

History of successfully reducing leverage while increasing shareholder value through accretive acquisitions and disciplined investments for growth



Disciplined Approach to Cash Management

- Reinvest in business for future growth
- Deleverage the balance sheet
- Strategic acquisitions
- Return capital to shareholders through securities repurchases (\$50M executed YTD)



* 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 \$25 million of incremental EBITDA from the acquisition of Voortman and removal of \$1.2 million of historical in-store bakery EBITDA

Consolidated Financial Results




Double-Digit YTD Net Revenue and Earnings Growth

(\$ in millions, except per share data)	Three Months Ended				Nine Months Ended			
	September 30,		Change		September 30,		Change	
	2021	2020	\$	%	2021	2020	\$	%
Adjusted Net Revenue	\$288.0	\$260.9	\$27.1	10.4%	\$844.9	\$767.4	\$77.5	10.1%
Adjusted Gross Profit	\$99.3	\$91.2	\$8.1	8.9%	\$300.1	\$273.6	\$26.5	9.7%
Adjusted Gross Margin	34.5%	35.0%		(48bps)	35.5%	35.7%		(13bps)
Adjusted Operating Income	\$49.4	\$43.6	\$5.8	13.3%	\$150.6	\$128.7	\$21.9	17.0%
Adjusted EBITDA	\$64.8	\$60.2	\$4.6	7.6%	\$195.6	\$176.3	\$19.3	10.9%
Adjusted EBITDA Margin	22.5%	23.1%		(57bps)	23.2%	23.0%		18bps
Adjusted EPS	\$0.21	\$0.19	\$0.02	10.5%	\$0.64	\$0.54	\$0.10	18.5%

Adjusted Gross Profit, Adjusted Gross Margin, Adjusted Operating Income, Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted EPS are non-GAAP financial measures. See "Use of Non-GAAP Financial Measures" in the Appendix for an explanation of all non-GAAP financial measures and reconciliations to the comparable GAAP measures.

Updating 2021 Guidance



Metric	Updated Guidance	Previous Guidance
Adjusted Net Revenue Growth	9.0% - 10.0% 	7.5% - 9.0%
Adjusted EBITDA	\$260 - \$268 million	\$260 - \$268 million
Adjusted EPS (diluted)	\$0.83 - \$0.87*	\$0.83 - \$0.87*
Leverage Ratio	~3x	~3x
Capital Expenditures	\$60 - \$65 million	\$60 - \$65 million
Effective tax rate	~27.5%	~27.5%



*Based on weighted average shares outstanding of 139 million.

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



A Sustainable, Profitable Growth Story

Objective: Long-term leading performance in our peer group



Organic Revenue
Growth
Top Quartile of
Peer Group¹



Adjusted EBITDA
Margin
Top Quartile of
Peer Group¹



Free Cash Flow
Conversion²
Top Quartile of
Peer Group¹



Delivering Industry-Leading Total Shareholder Returns

1. Peer group defined as S&P Composite 1500 Packaged Foods and Meats Sub Index.
2. Free Cash Flow conversion is defined as (operating cash flow - capital expenditures)/net income.



Appendix

Non-GAAP Reconciliations



Three Months Ended September 30, 2021

Three Months Ended September 30, 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	Diluted EPS
GAAP Results	\$ 99.0	34.4%	\$ 46.6	\$ 26.2	9.1%	\$ 0.19	\$ 91.2	35.0%	\$ 41.3	\$ 26.2	10.1%	\$ 0.18
Non-GAAP adjustments:												
Foreign currency impacts	-	-	-	(0.2)	(0.1)	-	-	-	-	0.4	0.2	-
Acquisition, disposal and integration related costs (1)	-	-	-	-	-	-	-	-	1.6	1.6	0.6	0.01
Tax Receivable Agreement Remeasurement	-	-	-	-	-	-	-	-	0.6	0.6	0.2	0.01
Change in fair value of warrant liabilities	-	-	-	0.3	0.1	-	-	-	-	(2.3)	(0.9)	-
Project consulting costs	-	-	1.6	1.6	0.6	0.01	-	-	-	-	-	-
Other (2)	0.4	0.1	1.2	1.8	0.6	0.01	-	-	0.1	0.5	0.2	-
Remeasurement of deferred taxes	-	-	-	-	-	-	-	-	-	(1.2)	(0.5)	(0.01)
Tax impact of adjustments	-	-	-	(0.7)	(0.2)	-	-	-	-	(0.6)	(0.2)	-
Adjusted Non-GAAP results	\$ 99.3	34.5%	\$ 49.4	28.9	10.1	\$ 0.21	\$ 91.2	35.0%	\$ 43.6	25.2	9.7	\$ 0.19
Income tax				10.6	3.7					8.1	3.1	
Interest expense				9.9	3.4					10.3	3.9	
Depreciation & amortization				12.8	4.4					14.5	5.6	
Share-based compensation				2.6	0.9					2.1	0.8	
Adjusted EBITDA				<u>\$ 64.8</u>	<u>22.5%</u>					<u>\$ 60.2</u>	<u>23.1%</u>	

1. Acquisition, disposal and integration operating costs are included in general and administrative expenses on the consolidated statement of operations.
2. Costs related to certain corporate initiatives, of which \$0.4 million is included in cost of goods sold, \$0.8 million in general and administrative and \$0.6 million is included in other non-operating expenses.

Non-GAAP Reconciliations



Nine Months Ended September 30, 2021

Nine Months Ended September 30, 2020

	Net Revenue	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	Diluted EPS
GAAP Results	\$ 844.9	\$ 299.6	35.5%	\$ 146.8	\$ 82.8	9.8%	\$ 0.60	\$ 760.6	\$ 259.9	34.2%	\$ 91.1	\$ 109.0	14.3%	\$ 0.33
Non-GAAP adjustments:														
Foreign currency impacts	-	-	-	-	(0.2)	-	-	-	-	-	-	1.4	0.2	0.01
Acquisition, disposal and integration related costs (1)	-	-	-	-	-	-	-	6.8	8.0	0.7	28.9	28.9	3.6	0.22
Facility transition costs	-	-	-	-	-	-	-	-	3.6	0.5	5.7	5.7	0.8	0.04
Tax Receivable Agreement Remeasurement	-	-	-	-	-	-	-	-	-	-	0.6	0.6	0.1	-
COVID-19 costs (2)	-	-	-	-	-	-	-	-	2.1	0.3	2.4	2.4	0.3	0.02
Change in fair value of warrant liabilities	-	-	-	-	0.7	0.1	-	-	-	-	-	(65.0)	(8.5)	-
Project consulting costs	-	-	-	2.5	2.5	0.3	0.02	-	-	-	-	-	-	-
Other (3)	-	0.5	-	1.3	3.3	0.4	0.02	-	-	-	0.1	1.2	0.2	0.01
Remeasurement of tax liabilities	-	-	-	-	-	-	-	-	-	-	-	(1.2)	(0.2)	(0.01)
Tax impact of adjustments	-	-	-	-	(1.1)	(0.1)	-	-	-	-	-	(9.9)	(1.4)	(0.08)
Adjusted Non-GAAP results	\$ 844.9	\$ 300.1	35.5%	\$ 150.6	\$ 88.0	10.5	\$ 0.64	\$ 767.4	\$ 273.6	35.7%	\$ 128.7	\$ 73.0	9.4	\$ 0.54
Income tax					32.7	3.9						23.1	3.0	
Interest expense					29.9	3.5						32.6	4.3	
Depreciation & amortization					38.0	4.5						41.0	5.4	
Share-based compensation					7.0	0.8						6.6	0.9	
Adjusted EBITDA					\$ 195.6	23.2%						\$ 176.3	23.0%	

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 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. Costs related to certain corporate initiatives, of which \$0.5 million is included in cost of goods sold, \$0.8 million in general and administrative and \$2.0 million is included in other non-operating expenses.