Hostess
BRANDS

Investor Presentation

NOVEMBER 2, 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.

Key Takeaways

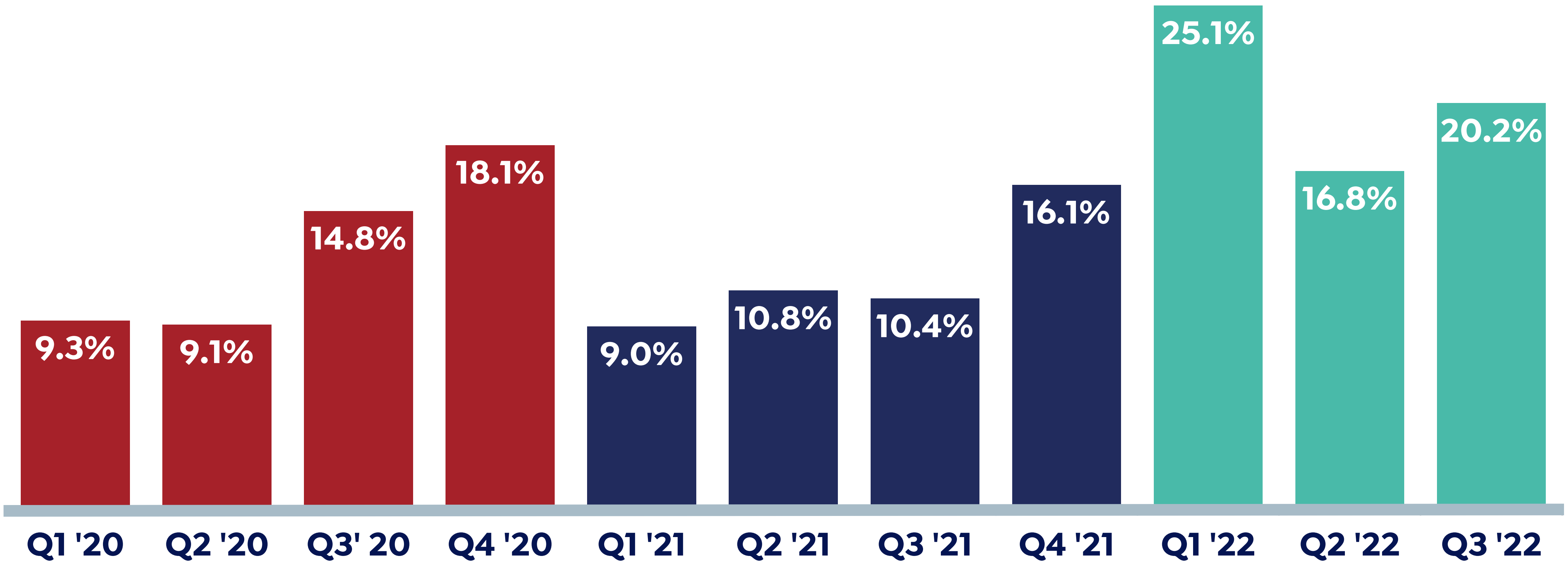
- **Strong topline momentum** with 20.2% organic net revenue growth during the quarter reflecting higher price/mix while maintaining volume
- **17.0% Hostess Brands' point-of-sale growth** in Sweet Baked Goods and **28.8% Voortman® branded growth** in Cookies*
- **Executed previously announced pricing actions** to mitigate ongoing cost inflation and supply chain fragility
- **Raising full-year guidance** reflecting strong execution and continued growth momentum
- **Ramping up advertising investments** in the fourth quarter to support the launch of our Bouncers™ innovation

*Source: Nielsen, Total Nielsen Universe for the Company within the SBG Category and Cookie Category. Point of Sale, 13 weeks ending 10/1/22 vs comparable prior year period.

Demonstrated Top-tier Net Revenue Growth

11th Straight 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.

Net revenue compared to the following peer group: BGS, CAG, CPB, FLO, FRPT, GIS, HAIN, HRL, HSY, JJSF, K, KHC, LANC, LW, MDLZ, MKC, NOMD, PEP, POST, SJM, SMPL, STKL, THS per Factset

Outstanding Financial Performance

Demonstrating Agility in a Challenging Operating Environment

Net Revenue

(in millions)

Adjusted EBITDA

(in millions)

Adjusted EPS

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.

Revenue Growth Driven by Hostess® and Voortman®

18+% Organic Growth Across our Portfolio of Sweet Baked Goods and Cookies

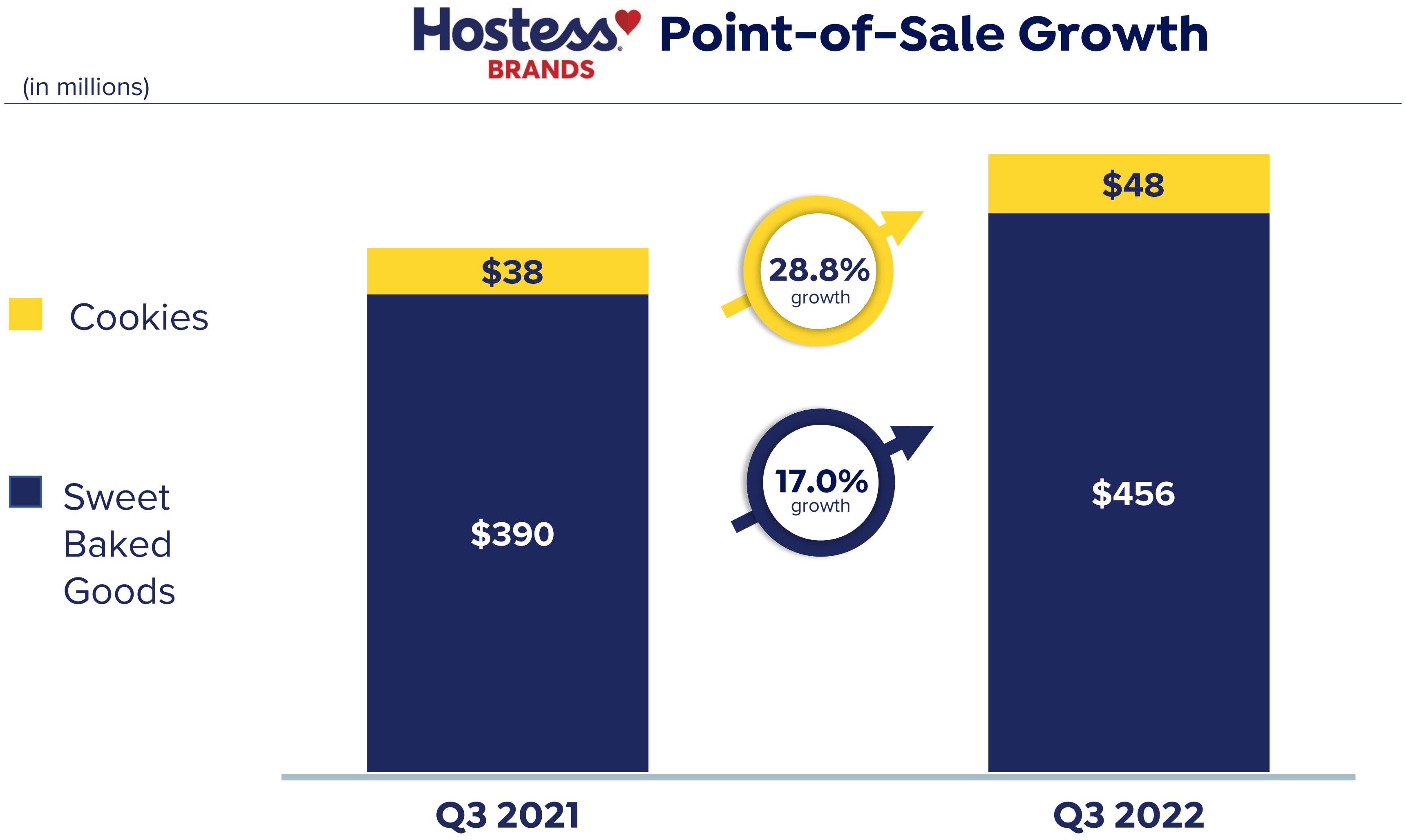
	Three Months Ended				Nine Months Ended			
	September 30,		Change		September 30,		Change	
($ in millions)	2022	2021	$	%	2022	2021	$	%
Sweet Baked Goods	$307.3	$258.8	$48.5	18.7%	$907.2	$759.0	$148.2	19.5%
Cookies	38.9	29.2	9.7	33.2%	111.6	85.9	25.7	29.9%
Total Net Revenue	$346.2	$288.0	$58.2	20.2%	$1,018.8	$844.9	$173.9	20.6%

Positive Price/Mix Driving 20% Revenue Growth

Maintaining Volumes While Implementing Incremental Pricing to Offset Inflation

Continued POS Dollar Growth Across Portfolio

Outstanding Execution Drives Point-of-Sale Growth in the Sweet Baked Goods and Cookie Categories



Source: Nielsen, Total Nielsen Universe for the Company within the SBG Category and Cookie Category. Point of Sale, 13 weeks ending 10/2/21 and 10/1/22.

16+% Single-Serve and Multi-Pack POS Growth in Q3

Uniquely Positioned to Drive Both At-Home and Immediate Consumption Occasions

Hostess BRANDS

Single-Serve Point-of-Sale

Single-serve
2 year stacked growth
33.1%

Multi-Pack Point-of-Sale

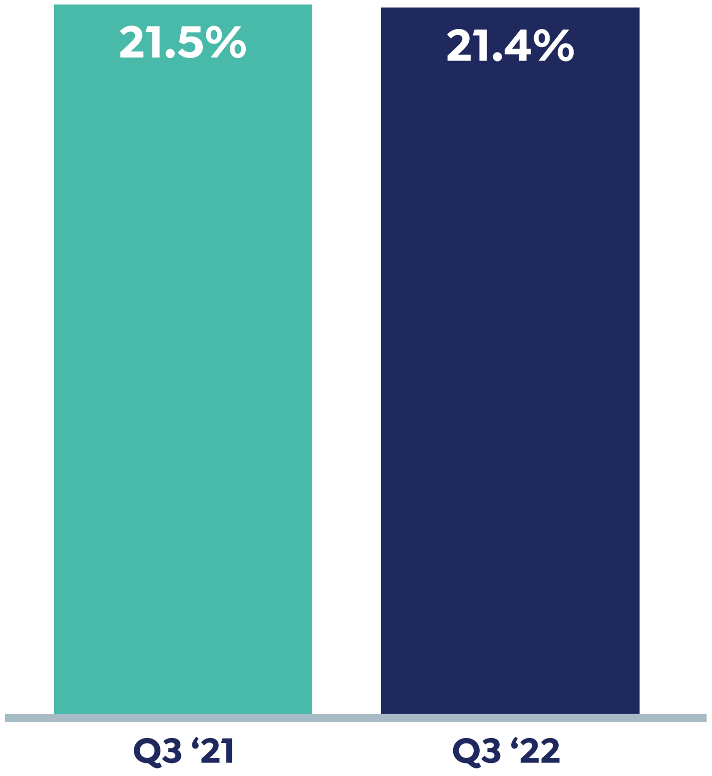
Multi-pack
2 year stacked growth
28.9%

Source: Nielsen, Total Nielsen Universe for the Company within the SBG Category. Point of Sale, 13 weeks ending 10/2/21 and 10/1/22.

Holding Market Share in Volatile Market Environment

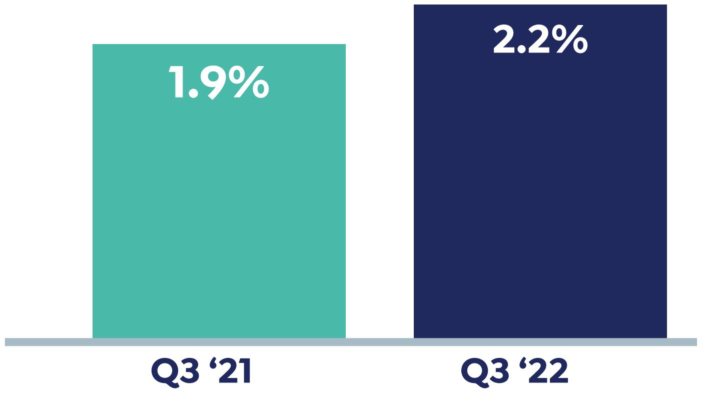
Market Share (SBG)

(13 weeks)



Market Share (Cookies)

(13 weeks)



Breakfast POS up +20%, Continuing to Grow Market Share of SBG Sub-category

Sugar Free POS up 28%, Growing Market Share of Cookies Sub-category by +500 bps!

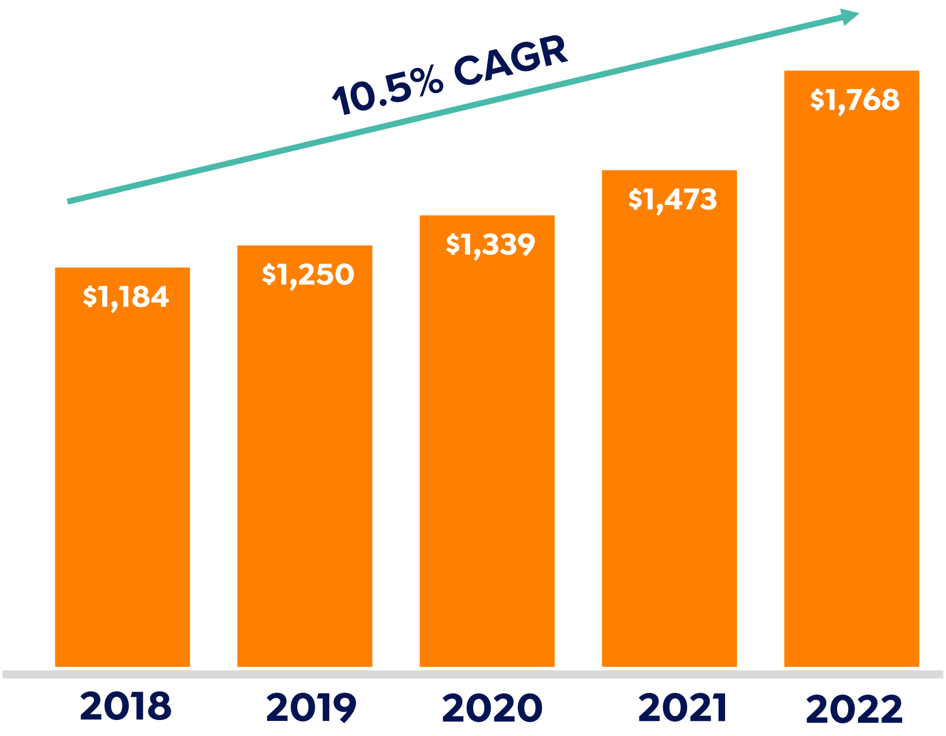
Source: Nielsen, Total Nielsen Universe for the Company within the SBG Category. Point of sale and share changes for the 13 weeks ended 13 weeks ending 10/2/21 and 10/1/22.

Consistent Track Record of Market Share Gains

Outstanding Execution Drives POS Growth and Expanding Market Share in Sweet Baked Goods Category

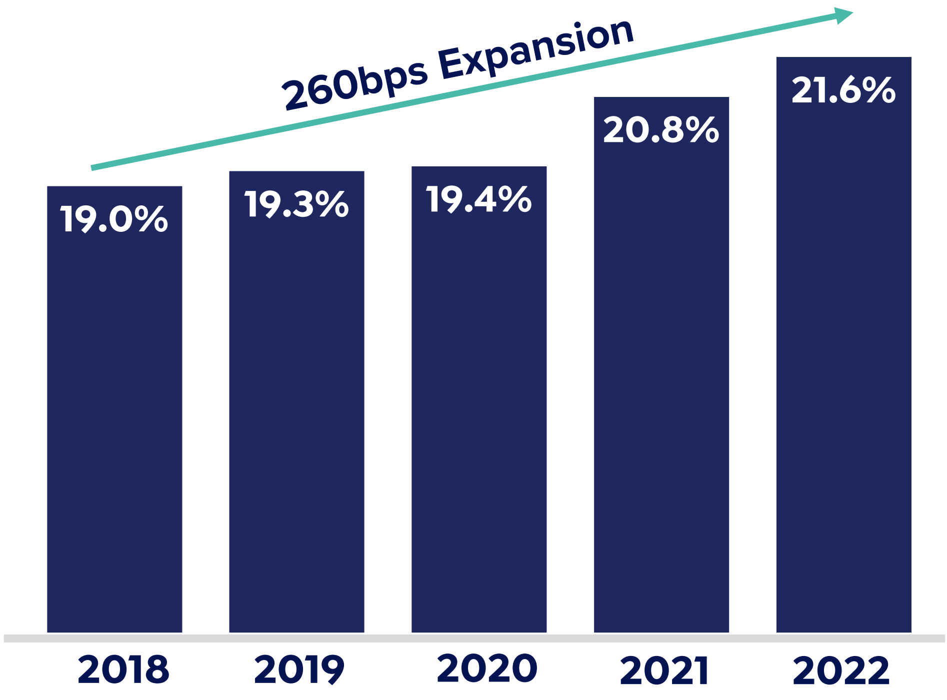
Point-of-Sale

(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 10/6/18, 10/5/19, 10/3/20, 10/2/21, and 10/1/22.
Prior period Nielsen data was adjusted to exclude the Cloverhill® and Big Texas® brands in the periods they were not owned by Hostess (2018).

Consolidated Financial Results

Delivering Double-digit Net Revenue and Adjusted EBITDA Growth for the Quarter and Year-to-date

	Three Months Ended				Nine Months Ended			
	September 30,		Change		September 30,		Change	
($ in millions, except per share data)	2022	2021	$	%	2022	2021	$	%
Net Revenue	$346.2	$288.0	$58.2	20.2%	$1,018.8	$844.9	$173.9	20.6%
Adjusted Gross Profit	$116.1	$99.3	$16.8	16.9%	$344.7	$300.1	$44.6	14.9%
Adjusted Gross Margin	33.5%	34.5%		(93bps)	33.8%	35.5%		(169bps)
Adjusted Operating Income	$54.2	$49.4	$4.8	9.7%	$167.7	$150.6	$17.1	11.4%
Adjusted EBITDA	$72.7	$64.8	$7.9	12.2%	$219.0	$195.6	$23.4	12.0%
Adjusted EBITDA Margin	21.0%	22.5%		(150bps)	21.5%	23.2%		(166bps)
Adjusted EPS	$0.23	$0.21	$0.02	9.5%	$0.73	$0.64	$0.09	14.1%

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.

Raising Full-Year 2022 Guidance

($ in millions, except EPS)	Updated Guidance	Previous Guidance
Net Revenue Growth	17% - 19%	At least 15%
Adjusted EBITDA	$290 – $293	Towards the higher end of $280 – $290
Adjusted EPS	$0.96 - $0.98	$0.93 - $0.98
Capital Expenditures	$125 - $135 (Including Capacity Expansion)	$120 - $140 (Including Capacity Expansion)
Income Tax Rate	27%	27%
Weighted Average Shares Outstanding	~138 million	138.5 – 139.5 million

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 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.

Bouncers™ Innovation Off to a Great Start

Consistent Track-record of Category Leading Innovation

Bouncers™ are receiving strong retailer support

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

Brand Activation is Fueling Consumer Interest

Increasing Top-of-mind Awareness and Consideration

High impulse snacking categories + **High margin branded business** + **Disciplined, test and learn approach** = **High ROI Advertising Spend**

Executing on Key Capital Allocation Priorities

Flexibility to Invest in Growth and Generate Shareholder Value

1	**Support Core Growth**	Capex of $63.8 million YTD ‘22, including investment in new bakery to support continued growth
2	**Targeted M&A**	Growth-oriented branded targets, that expand our capabilities in snacking universe
3	**Return Capital to Shareholders**	$94.1 million share repurchases executed YTD ‘22
4	**Maintain Targeted Net Leverage 3.0x – 4.0x**	Net Leverage of 2.9x at end of Q3 ‘22

Building a Snacking Powerhouse

Key Enablers of Our Differentiated Growth

Our business sits in **GROWING SPACES**

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

Our **INNOVATION & MARKETING** are gaining momentum

Learn more about our long-term growth story outlined at our recent Investor Day using this QR Code

Attractive Long-Term Growth

Delivering Leading Growth While Maintaining our Industry-leading Margins

Hostess® BRANDS

Long-term Growth Algorithm

Mid-Single Digit	5-7%	7-9%
Organic Revenue Growth	EBITDA Growth	EPS Growth

Delivering Top-Tier Shareholder Returns

See "Forward Looking Statements." EBITDA is a non-GAAP financial measure defined as earnings before interest, taxes, depreciation, amortization and stock compensation. See "Use of Non-GAAP Financial Measures."

Appendix

Non-GAAP Reconciliations

	Three Months Ended September 30, 2022						Three Months Ended September 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	$ 115.4	33.3%	$ 54.4	$ 66.3	19.1%	$ 0.48	$ 99.0	34.4%	$ 46.6	$ 26.2	9.1%	$ 0.19
Non-GAAP adjustments:												
Foreign currency remeasurement	-	-	-	1.0	0.3	0.01	-	-	-	(0.2)	(0.1)	-
Project consulting costs (1)	-	-	-	-	-	-	-	-	1.6	1.6	0.6	0.01
Tax receivable agreement remeasurement	-	-	(0.9)	(0.9)	(0.3)	(0.01)	-	-		-	-	-
Change in fair value of warrant liabilities	-	-	-	-	-	-	-	-	-	0.2	0.1	-
Insurance proceeds (2)	-	-	-	(33.0)	(9.5)	(0.24)	-	-	-	-	-	-
Accelerated depreciation related to network optimization	0.7	0.2	0.7	0.7	0.2	0.01	-	-	-	-	-	-
Other (3)	-	-	-	-	-	-	0.4	0.1	1.2	1.8	0.6	0.01
Remeasurement of tax liabilities	-	-	-	(2.2)	(0.6)	(0.02)	-	-	-	-	-	-
Discrete income tax expense	-	-	-	0.6	0.2	-	-	-	-	-	-	-
Tax impact of adjustments	-	-	-	(0.5)	(0.1)	-	-	-	-	(0.7)	(0.2)	-
Adjusted Non-GAAP results	$ 116.1	33.5%	$ 54.2	32.2	9.3	$ 0.23	$ 99.3	34.5%	$ 49.4	28.9	10.1	$ 0.21
Income tax				11.7	3.4					10.6	3.7	
Interest expense				10.3	3.0					9.9	3.4	
Depreciation & amortization				15.9	4.5					12.8	4.4	
Share-based compensation				2.6	0.8					2.6	0.9	
Adjusted EBITDA				$ 72.7	21.0%					$ 64.8	22.5%	

1. Project consulting costs are included in general and administrative on the condensed consolidated statement of operations.
2. Gain from receipt of insurance proceeds under the representation and warranty insurance policy purchased in connection with the Voortman acquisition in 2020 included in other expense (income) on the condensed consolidated statement of operations.
3. Costs related to certain corporate initiatives, of which $0.4 million is included in cost of goods sold, $0.8 million is included in general and administrative expenses and $0.6 million is included in other expense (income) on the condensed consolidated statement of operations.

Non-GAAP Reconciliations

	Nine Months Ended September 30, 2022						Nine Months Ended September 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	$ 343.7	33.7%	$ 163.7	$ 131.3	12.9%	$ 0.95	$ 299.6	35.5%	$ 146.8	$ 82.8	9.8%	$ 0.60
Non-GAAP adjustments:												
Foreign currency remeasurement	-	-	-	0.8	0.1	0.01	-	-	-	(0.2)	-	-
Project consulting costs (1)	-	-	3.9	3.9	0.4	0.03	-	-	2.5	2.5	0.3	0.02
Tax receivable agreement remeasurement	-	-	(0.9)	(0.9)	(0.1)	(0.01)	-	-	-	-	-	-
Change in fair value of warrant liabilities	-	-	-	-	-	-	-	-	-	0.7	0.1	-
Insurance proceeds (2)	-	-	-	(33.0)	(3.2)	(0.24)	-	-	-	-	-	-
Accelerated depreciation related to network optimization	0.8	0.1	0.8	0.8	0.1	0.01	-	-	-	-	-	-
Other (3)	0.2	-	0.2	0.4	-	-	0.5	-	1.4	3.3	0.4	0.03
Remeasurement of tax liabilities	-	-	-	(2.2)	(0.2)	(0.02)	-	-	-	-	-	-
Discrete income tax expense	-	-	-	1.2	0.1	0.01	-	-	-	-	-	-
Tax impact of adjustments	-	-	-	(1.6)	(0.2)	(0.01)	-	-	-	(1.1)	(0.1)	(0.01)
Adjusted Non-GAAP results	$ 345.7	33.8%	$ 167.7	100.7	9.9	$ 0.73	$ 300.1	35.5%	$ 150.6	88.0	10.5	$ 0.64
Income tax				37.3	3.7					32.7	3.9	
Interest expense				29.7	2.9					28.9	3.5	
Depreciation & amortization				43.7	4.3					38.0	4.5	
Share-based compensation				7.6	0.7					7.0	0.8	
Adjusted EBITDA				$ 219.0	21.5%					$ 195.6	23.2%	

1. Project consulting costs are included in general and administrative on the condensed consolidated statement of operations.
2. Gain from receipt of insurance proceeds under the representation and warranty insurance policy purchased in connection with the Voortman acquisition in 2020 included in other expense (income) on the condensed consolidated statement of operations.
3. In 2022, costs related to certain corporate initiatives. In 2021, costs related to certain corporate initiatives, of which $0.5 million is included in cost of goods sold, $0.8 million is included in general and administrative expenses and $2.0 million is included in other expense (income) on the condensed consolidated statement of operations.