



**THIRD QUARTER FISCAL YEAR 2018 EARNINGS  
CONFERENCE CALL & WEBCAST PRESENTATION**

**July 10, 2018**

# DISCLAIMER

## **Forward Looking Statements**

This presentation contains certain statements made herein that are not historical facts but are forward-looking statements for purposes of the safe harbor provisions under The Private Securities Litigation Reform Act of 1995. Forward-looking statements generally are accompanied by or include words such as “will”, “expect”, “aspire”, “outlook” or other similar words, phrases or expressions. These forward-looking statements include statements regarding future plans for the Company, the estimated or anticipated future results and benefits of the Company’s future plans and operations, future opportunities for the Company, and other statements that are not historical facts. These statements are based on the current expectations of the Company’s management and are not predictions of actual performance. These statements are subject to a number of risks and uncertainties and the Company’s business and actual results may differ materially. These risks and uncertainties include, but are not limited to, changes in the business environment in which the Company operates including general financial, economic, regulatory and political conditions affecting the industry in which the Company operates; changes in consumer preferences and purchasing habits; the impact of the Tax Act on the Company’s business; changes in taxes, tariffs, duties, governmental laws and regulations; the availability of or competition for other brands, assets or other opportunities for investment by the Company or to expand the Company’s business; competitive product and pricing activity; difficulties of managing growth profitably; the loss of one or more members of the Company’s management team; and other risk factors described from time to time in the Company’s Form 10-K, Form 10-Q, and Form 8-K reports (including all amendments to those reports) filed with the U.S. Securities and Exchange Commission from time to time. In addition, forward-looking statements provide the Company’s expectations, plans or forecasts of future events and views as of the date of this communication. Except as required by law, the Company undertakes no obligation to update such statements to reflect events or circumstances arising after such date, and cautions investors not to place undue reliance on any such forward-looking statements. These forward-looking statements should not be relied upon as representing the Company’s assessments as of any date subsequent to the date of this communication.

## **Non-GAAP Financial Measures**

This presentation includes certain financial measures not presented in accordance with generally accepted accounting principles (“GAAP”) including, but not limited to, Adjusted EBITDA and certain ratios and other metrics derived there from. These non-GAAP financial measures are not measures of financial performance in accordance with GAAP and may exclude items that are significant in understanding and assessing financial results. Therefore, these measures should not be considered in isolation or as an alternative to net income, cash flows from operations or other measures of profitability, liquidity or performance under GAAP. You should be aware that the presentation of these measures may not be comparable to similarly-titled measures used by other companies. Reconciliations of these non-GAAP measures to the most directly comparable GAAP measures are set forth in the Press Release dated July 10, 2018. We believe (i) these non-GAAP measures of financial results provide useful information to management and investors regarding certain financial and business trends relating to the financial condition and results of operations of Atkins Nutritional, Inc. (“Atkins”) to date; and (ii) that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends in and in comparing financial measures with other similar companies, many of which present similar non-GAAP financial measures to investors. These non-GAAP financial measures are subject to inherent limitations as they reflect the exercise of judgments by management about which expense and income are excluded or included in determining these non-GAAP financial measures.

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# TODAY'S SPEAKERS & AGENDA

## Speakers

Mark Pogharian

*V. President Investor Relations*

Joe Scalzo

*Chief Executive Officer*

Todd Cunfer

*Chief Financial Officer*

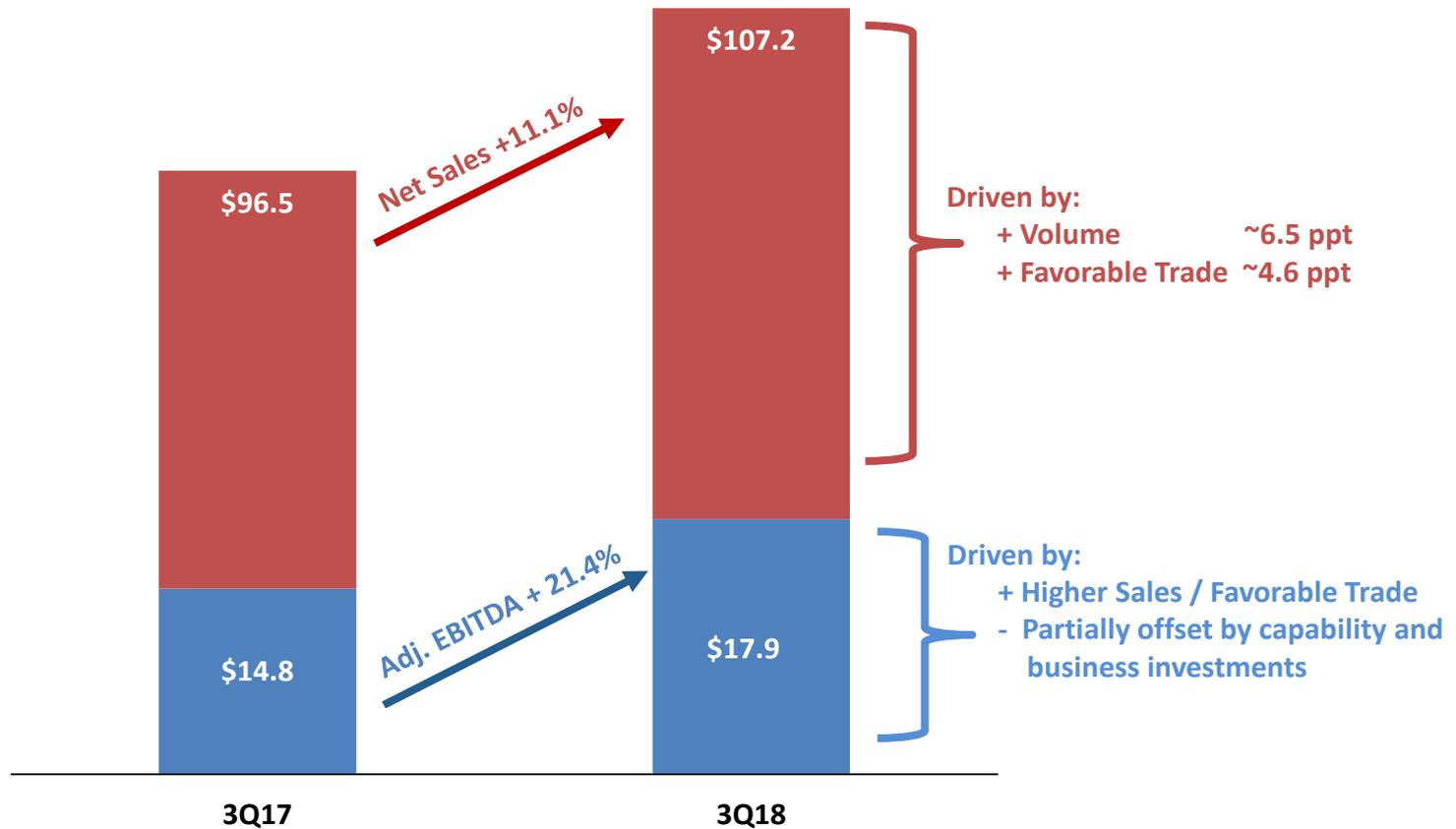
## Agenda

- Introduction
- Third Quarter 2018 Highlights
- Business Update
- Financial Summary
- Q&A

# THIRD QUARTER FISCAL 2018 HIGHLIGHTS

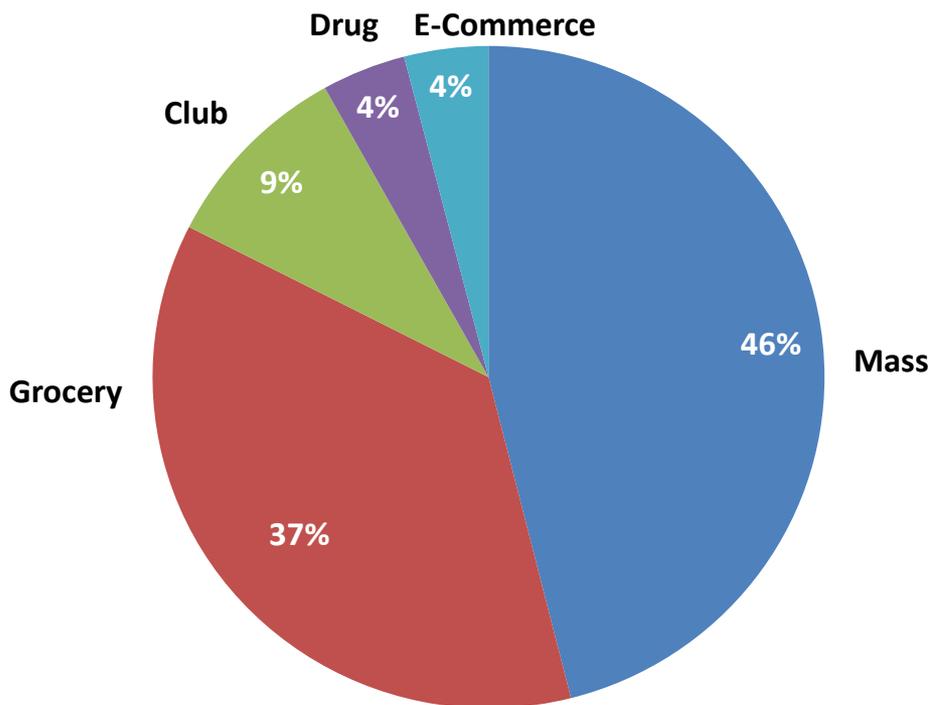
# 3<sup>RD</sup> QUARTER HIGHLIGHTS: REVENUE & PROFIT GROWTH

## Net Sales Momentum Continues



# GROWTH ACROSS ALL MAJOR CHANNELS

Year-to-Date F3Q18 Atkins  
U.S. Snacking Gross Sales By Channel



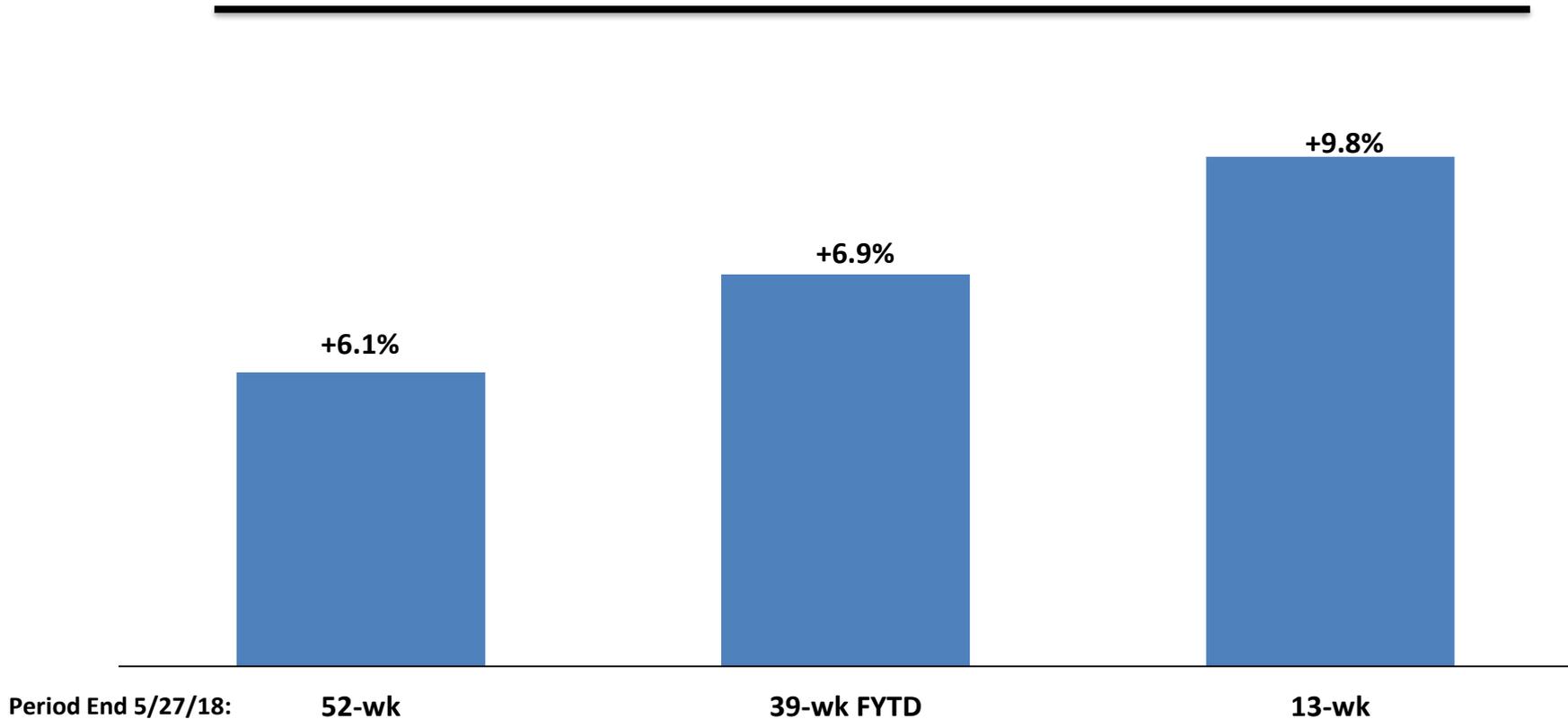
F3Q18 Highlights  
Gross Sales

- F3Q18 gross sales growth across all major channels
- E-commerce gross sales up +71% YTD

# RETAIL TAKEAWAY MOMENTUM...

*On pace for a 10<sup>th</sup> consecutive year of retail sales growth*

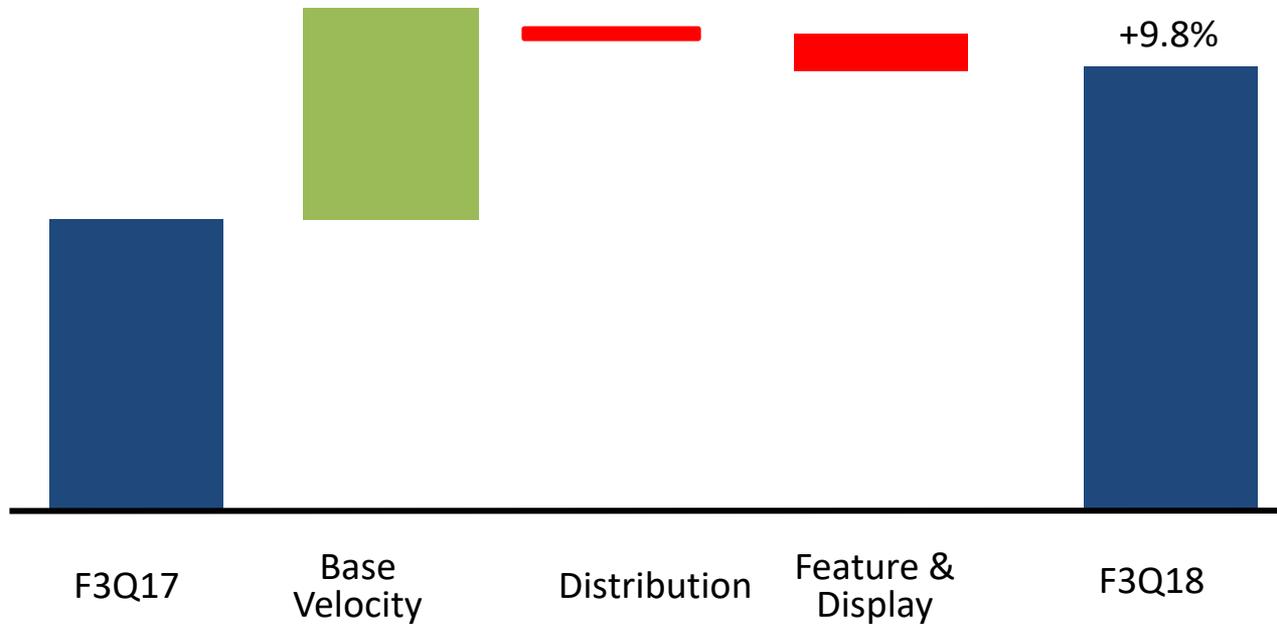
## Atkins U.S. Snacking Point of Sale Scanner Data % Chg. Vs. Year Ago



Source: IRI / MULO

# ...DRIVEN BY BASE VOLUME VELOCITY GROWTH

Atkins U.S. Snacking Point of Sale Drivers of Growth



# STRATEGIC INITIATIVES DRIVING GROWTH

## NEW MARKETING CAMPAIGN



## CLEAN LABEL: FEWER, RECOGNIZABLE INGREDIENTS

Nutrition Facts	
Serving Size 1 Bar (80g)	
Amount Per Serving	
Calories 250	Fat Calories 130
% Daily Value	
Total Fat 14g	22%
Saturated Fat 8g	40%
Trans Fat 0g	
Polyunsaturated Fat 1g	
Monounsaturated Fat 3g	
Cholesterol 5mg	2%
Sodium 250mg	10%
Potassium 210mg	6%
Total Carbohydrate 23g	8%
Dietary Fiber 12g	48%
Sugars 2g	
Glycerin 8g	
Protein 16g	20%

Vitamin A	0%	Vitamin C	0%
Calcium	6%	Iron	8%
Percent Daily Values are based on a 2,000 calorie diet. Your Daily Values may be higher or lower depending on your calorie needs.			
Calories		2,000	2,500
Total Fat	Less than 5g	5g	5g
Saturated Fat	Less than 25g	25g	25g
Cholesterol	Less than 300mg	300mg	300mg
Sodium	Less than 2,400mg	2,400mg	2,400mg
Potassium	3,000mg	3,000mg	3,000mg
Total Carb	30g	37g	
Dietary Fiber	25g	30g	
Protein	5g	45g	

### Counting Carbs?

Glycerin is naturally sourced from vegetables and gives our bars a soft texture. Glycerin and fiber should be subtracted from the total carbs since they minimally impact blood sugar.

**TOTAL CARBS** FIBER GLYCERIN  
 $23g - 12g - 8g =$  **3g** NET CARBS

**INGREDIENTS:** PROTEIN BLEND (SOY PROTEIN ISOLATE, GELATIN, WHEY PROTEIN ISOLATE, WHEY PROTEIN CONCENTRATE), POLYDEXTROSE, PEANUTS, VEGETABLE GLYCERIN, PALM KERNEL AND PALM OIL, NATURAL FLAVOR, WATER, COCOA POWDER (PROCESSED WITH ALKALI), CELLULOSE POWDER, CONTAINS LESS THAN 2% OF: PEANUT OIL, BUTTERFAT, SOY LECITHIN, OLIVE OIL, MILK, SALT, GUAR GUM, SUCRALOSE.

## IMPROVED / REFRESHED PACKAGING



## NEW PRODUCTS



# INVESTMENTS TO DRIVE NEAR-TERM & FUTURE GROWTH

*Strong results and marketplace performance provides financial flexibility across the business*

## Brand Investments

- Incremental brand building, advertising and go-to-market strategies
- Higher levels of e-commerce investments

## Capabilities

- Additions to improve organizational capabilities in key functions and processes
- Prepare for future compliance requirements

# STRATEGIC SOURCING INITIATIVE

*Initiative to maintain strong gross margin*



**Procurement**



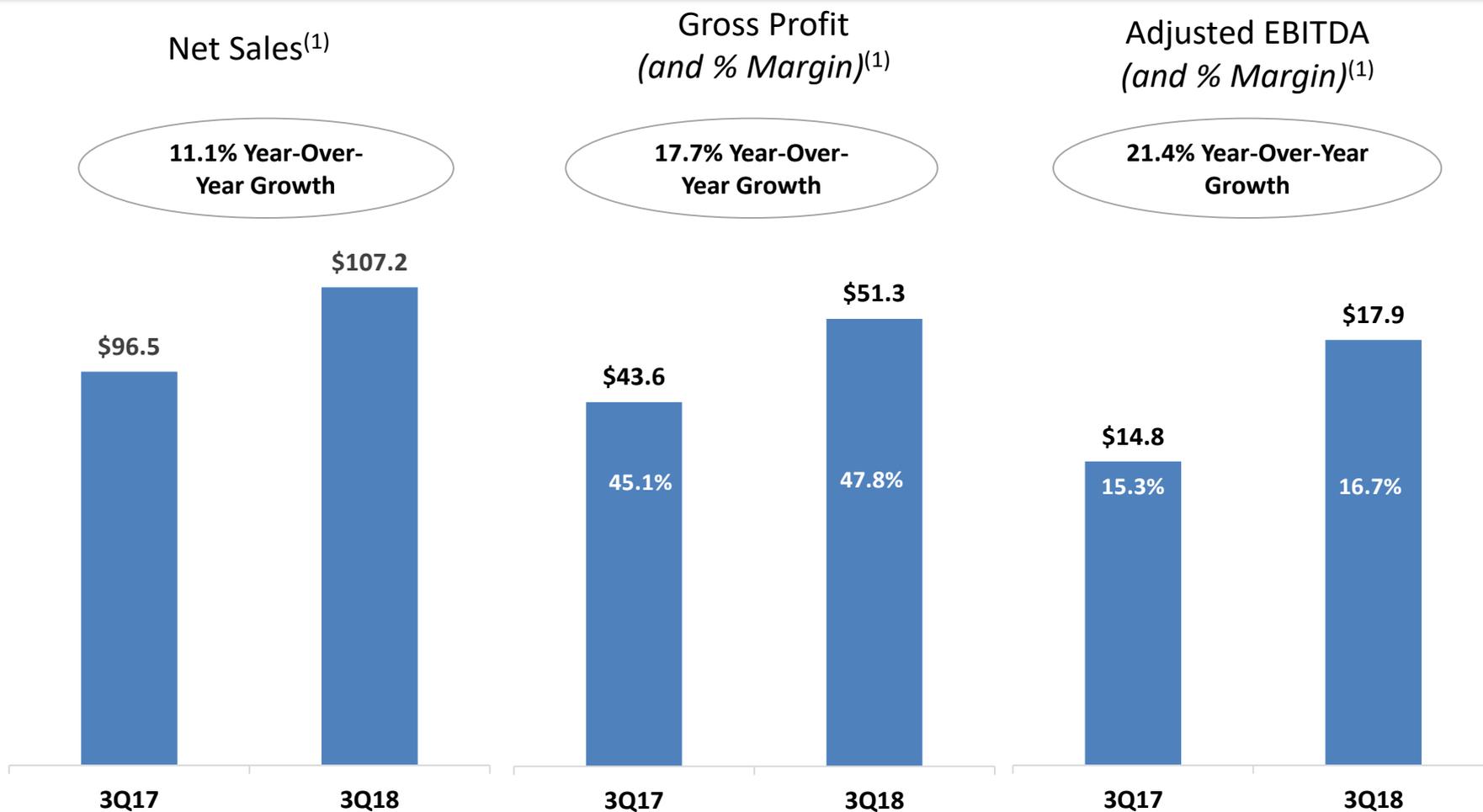
**Co-manufacturing**



**Logistics**

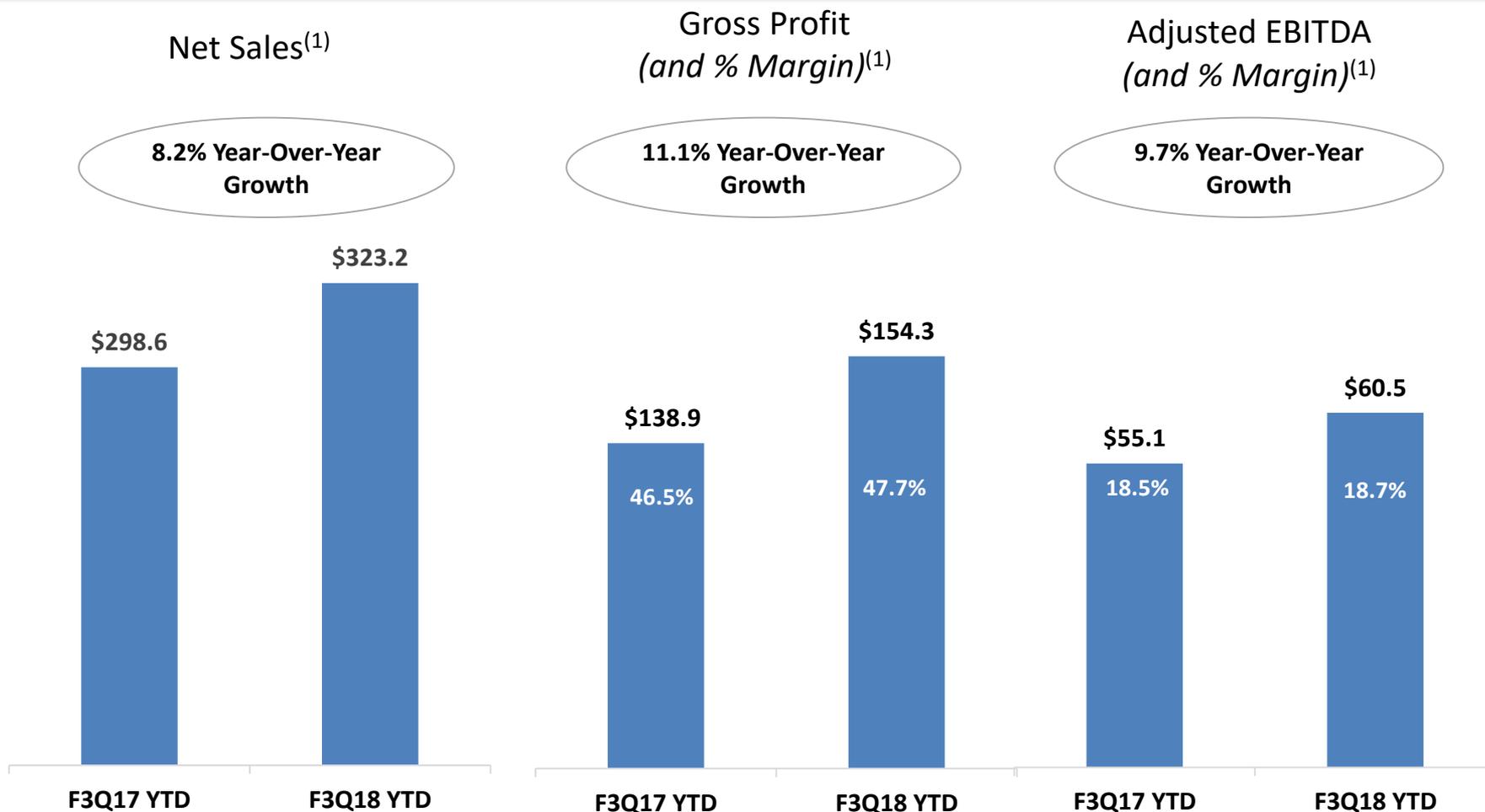
# FINANCIAL OVERVIEW

# 3Q18 - Strong Net Sales Growth and Margin Expansion



Note 1: Dollars in millions. Unaudited financial information for the 13 weeks ended May 26, 2018 and pro-forma financial information for the 13 weeks ended May 27, 2017. The pro-forma financial statements provide results as if the Business Combination transactions had been completed as of the beginning of fiscal 2017. All financial measures related to fiscal 2017 discussed today will be on a pro forma basis. See the corresponding earnings release dated July 10, 2018 for a reconciliation to GAAP financials.

# YTD 2018 Results Strong Across Key Metrics



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Bars/graphs not to scale

# Balance Sheet Highlights

- Solid balance sheet and cash flow provide financial flexibility to support future growth
- As of May 27, 2018, the Company has Cash of \$88.4 million and a \$199 million Term Loan (Libor +350 bps), resulting in a pro forma Net Debt to Adjusted EBITDA ratio for the LTM of ~1.4-times
- The Company also has a \$75.0 million revolving line of credit currently not utilized
- In late May Standard & Poor's and Moody's reaffirmed the Company's debt rating

# Summary

- Confident in near and long term growth opportunities and ability to execute against our strategic initiatives
- Incremental investments in business delivered solid growth
- Full Year 2018 Outlook:
  - Net Sales growth rate to be similar to the year-to-date rate
  - Adjusted EBITDA growth rate to be slightly less than net sales growth rate
- Realistic and achievable long-term targets; +4-6% net sales and adjusted EBITDA growth greater than net sales growth

# Q&A