

# **Fourth Quarter and Fiscal Year 2017 Earnings Conference Call & Webcast Presentation**

November 8, 2017

# Disclaimer

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This presentation contains statements that are not historical facts but that may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can generally be identified by the use of forward-looking words such as “may”, “will”, “could”, “expect”, “intend”, “plan”, “estimate”, “target”, “anticipate”, “believe”, “continue”, “progress”, “growth”, or other similar words. These forward-looking statements include statements regarding future plans for The Simply Good Foods Company (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 as of the date hereof and are not predictions of actual performance. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those described in the statements based on a number of factors, including but not limited to the following: changes in the business environment including general financial, economic, regulatory and political conditions affecting the industry in which the Company operates; changes in consumer preferences and affinities for our products and related purchasing habits; changes in consumer eating trends and interest in cleaner product labels and ingredients; the availability of or competition for other brands, assets or other opportunities for investment by the Company or to expand the Company’s business; changes in taxes, governmental laws, and regulations; competitive product and pricing activity; difficulties of managing growth profitably; the loss of one or more members of Company’s management teams; 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. We undertake no duty to update or revise the information contained herein, publicly or otherwise.

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# Today's Speakers & Agenda

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## Speakers

Joe Scalzo  
*Chief Executive Officer*

Todd Cunfer  
*Chief Financial Officer*

## Agenda

- Introduction
- Fiscal Year 2017 Highlights
- Company Overview
- Update on Key Growth Initiatives
- Financial Summary

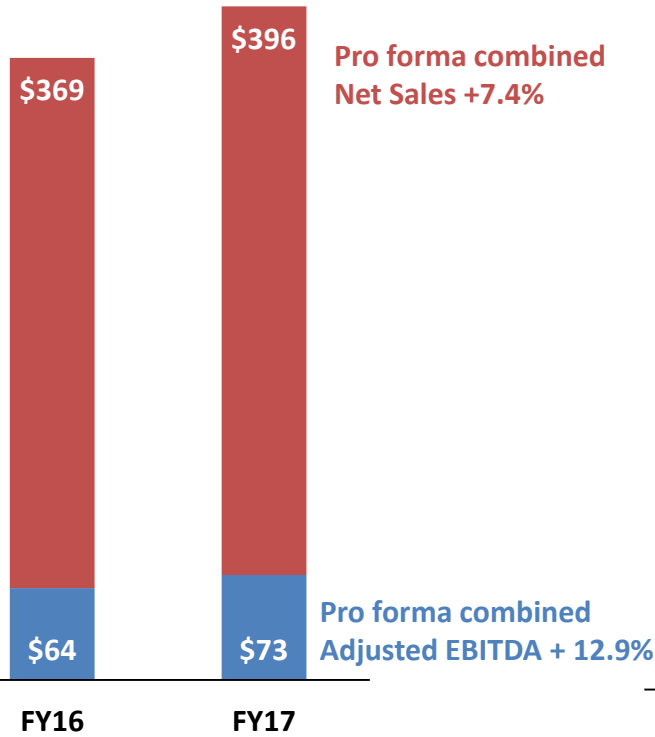
# Fiscal Year Highlights

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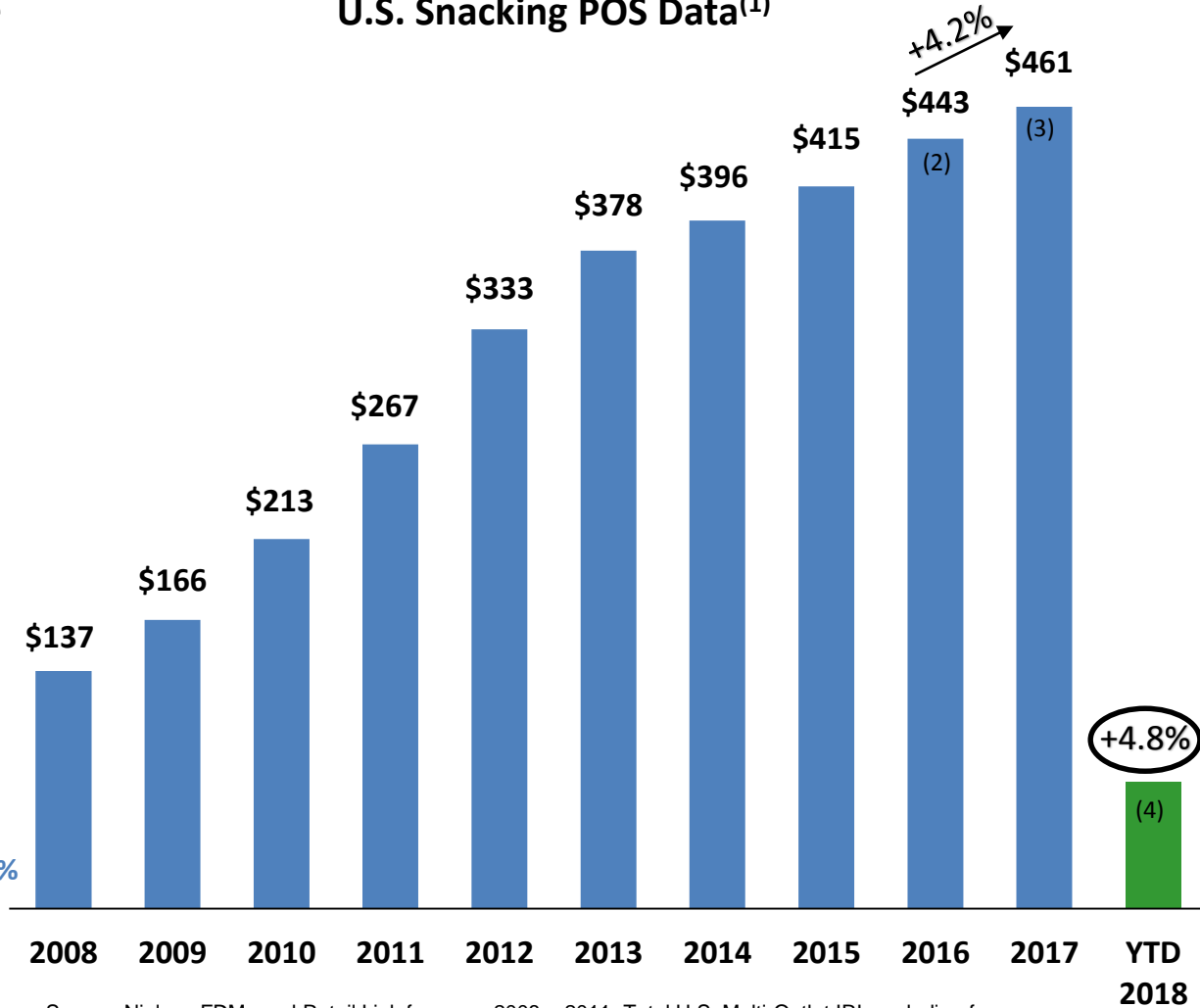
- Delivered strong financial results as a result of the implementation of our new growth strategy
- Targeting a broader consumer audience and introducing new and re-formulated products led to 9th straight year of U.S. snacking POS growth
- Became publicly traded, strengthened our balance sheet and positioned the Company for long-term, profitable growth

# Revenue, Profit and Consumption Growth

## Net Sales and Profit Growth In Line with Long Term Growth Objectives



## U.S. Snacking POS Data<sup>(1)</sup>



Note 1: Dollars in millions. Financial metrics presented for September – May periods (based on August fiscal year ends) and are pro forma in 2016 for the licensing of the frozen meals business. Financial metrics do not include the impact of purchase accounting or other impacts from the consummation of this transaction.

Source: Nielsen FDMx and Retail Link for years 2008 – 2011. Total U.S. Multi-Outlet IRI, excluding frozen meals, for 2012 onwards.

- (1) Calendar years ending December for 2008 – 2013 and fiscal years ending August for 2014 – 2017.
- (2) IRI POS data for fiscal year to date as of August 28<sup>th</sup> 2016
- (3) IRI POS data for fiscal year to date as of August 27<sup>th</sup> 2017
- (4) IRI POS data for 8 weeks ending October 22, 2017

# Simply Good Foods Company Overview

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- Asset-light business model
- Strong free cash flow generation
- Atkins is the leader in nutritional snacking
- Atkins has 60 SKUs – bars, ready-to-drink shakes, snacks
- 85% aided brand awareness – high degree of consumer loyalty
- Aligned with consumer megatrends
- Compelling organic growth opportunities
- Executed bolt-on M&A in December 2016 via Simply Protein

# Remain Focused on Key Growth Strategies

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- 1 Improved advocacy, education and activation for the core program users
- 2 Communication to target newly identified self-directed low-carbers
- 3 Product innovation / portfolio expansion to meet consumer demands for cleaner labels, higher protein and new product forms
- 4 Expand distribution into “white space”

# Marketing: “Today’s Atkins” and “The Atkins Effect”



## Program Buyer

- Lauren Alaina, country music artist
- “Today’s Atkins” Get healthy and lose weight: ***not*** just a before and after story
- Emphasis on cutting carbs, choosing healthy proteins and healthy foods – focus on *Healthy Snacking*

## Self-Directed Low-Carber

- No weight loss messaging
- “Don’t have to be doing Atkins to get the benefit of Atkins”
- Emphasis on “Hidden Sugars”
- Pick your bar or shake and go for “The Atkins Effect”



# 'Clean Bar' Product Initiative

- Atkins continues to improve its current product portfolio to deliver on “cleaner” label/ recognizable ingredient trends while maintaining same great taste
- Existing products being reformulated and new products developed with “cleaner” labels
  - Seven out of ten meal bars flavors have been reformulated and are currently shipping
  - Four out of eleven snack bars reformulated

## Chocolate Peanut Butter Bar

NEW

OLD

Nutrition Facts	
Serving Size 1 Bar (60g)	
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 65g	80g
Saturated Fat	Less than 20g	25g
Cholesterol	Less than 300mg	300mg
Sodium	Less than 2,400mg	2,400mg
Potassium	3,500mg	3,500mg
Total Carb	300g	375g
Dietary Fiber	25g	30g
Protein	50g	65g

**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	ATKINS NET CARBS
23g	- 12g	- 8g	3g

**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.

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Nutrition Facts	
Serving Size 1 Bar (60g)	
Amount Per Serving	
Calories 250	Fat Calories 120
% Daily Value	
Total Fat 14g	22%
Saturated Fat 8g	40%
Trans Fat 0g	
Cholesterol <5mg	1%
Sodium 190mg	8%
Potassium 110mg	3%
Total Carbohydrate 23g	8%
Dietary Fiber 9g	36%
Sugars 1g	
Sugar Alcohols 11g	
Protein 17g	22%
Vitamin A 25%	Vitamin C 25%
Calcium 4%	Iron 8%
Vitamin E 15%	Vitamin K 15%
Niacin 15%	Riboflavin 15%
Thiamin 15%	Vitamin B6 15%
Folate 15%	Vitamin B12 15%
Biotin 15%	Pantothnic Acid 15%
Phosphorus 8%	Magnesium 10%
Zinc 15%	Selenium 15%
Chromium 10%	

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 65g	80g
Saturated Fat	Less than 20g	25g
Cholesterol	Less than 300mg	300mg
Sodium	Less than 2,400mg	2,400mg
Potassium	3,500mg	3,500mg
Total Carb	300g	375g
Dietary Fiber	25g	30g
Protein	50g	65g

\* Sugar Alcohols total includes 8g of glycerin.

**Counting Carbs?**  
Atkins Net Carb Count assists you in tracking carbs that impact blood sugar. Fiber and sugar alcohols should be subtracted from the total carbs since they minimally impact blood sugar.

TOTAL CARBS	FIBER	SUGAR ALCOHOLS	ATKINS NET CARBS
23g	- 9g	- 11g	3g

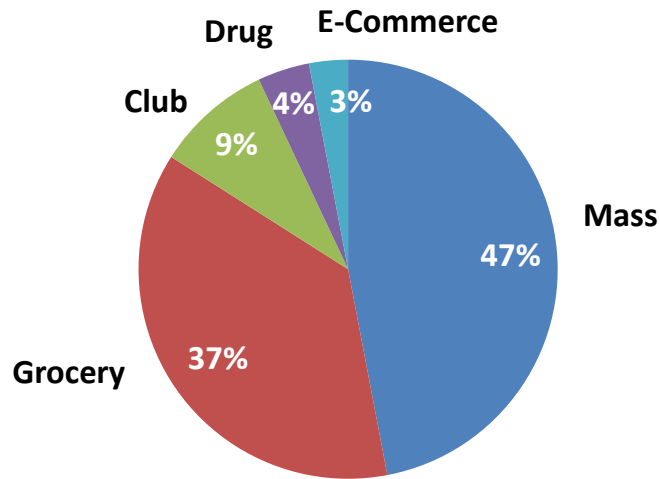
**INGREDIENTS:** CHOCOLATE FLAVORED COATING (POLYDEXTROSE, PALM KERNEL AND PALM OIL, WHEY PROTEIN ISOLATE, COCOA POWDER (PROCESSED WITH ALKALI), SOY LECITHIN, ARTIFICIAL FLAVOR, SUCRALOSE, ACESULFAME POTASSIUM), PEANUT BUTTER FLAVORED LAYER (MALTITOL, PALM KERNEL AND PALM OIL, PEANUT BUTTER, PARTIALLY DEFATTED PEANUT FLOUR, NONFAT DRY MILK, WHEY POWDER, PEANUTS, SALT, SOY LECITHIN, ANHYDROUS MILK FAT, COCOA POWDER (PROCESSED WITH ALKALI)), GLYCERIN, PROTEIN BLEND (SOY PROTEIN ISOLATE, WHEY PROTEIN ISOLATE, SODIUM CASEINATE), PEANUTS, HYDROLYZED GELATIN, WATER, POLYDEXTROSE, PEANUT BUTTER (GROUND, ROASTED PEANUTS), CELLULOSE, NATURAL AND ARTIFICIAL FLAVORS, PALM KERNEL OIL, OLIVE OIL, CLARIFIED BUTTER, SOY LECITHIN, GUAR GUM, VITAMIN MINERAL MIX (DICALCIUM PHOSPHATE, MAGNESIUM OXIDE, ASCORBIC ACID (VITAMIN C), SODIUM ASCORBATE, VITAMIN E ACETATE, NIACINAMIDE, ZINC OXIDE, D-CALCIUM PANTOTHENATE, PYRIDOXINE HYDROCHLORIDE (VITAMIN B6), THIAMIN MONONITRATE (VITAMIN B1), RIBOFLAVIN (VITAMIN B2), VITAMIN A PALMITATE, FOLIC ACID, BIOTIN, CHROMIUM AMINO ACID CHELATE, SODIUM SELENITE, PHYLLOQUINONE (VITAMIN K1), CYANOCOBALAMIN (VITAMIN B12)), SALT, MALTODEXTRIN, CITRIC ACID, SUCRALOSE, MONO AND DIGLYCERIDES, DIPOTASSIUM PHOSPHATE.

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# Distribution White Space Opportunities

2017 Atkins U.S. Snacking Gross Sales By Channel

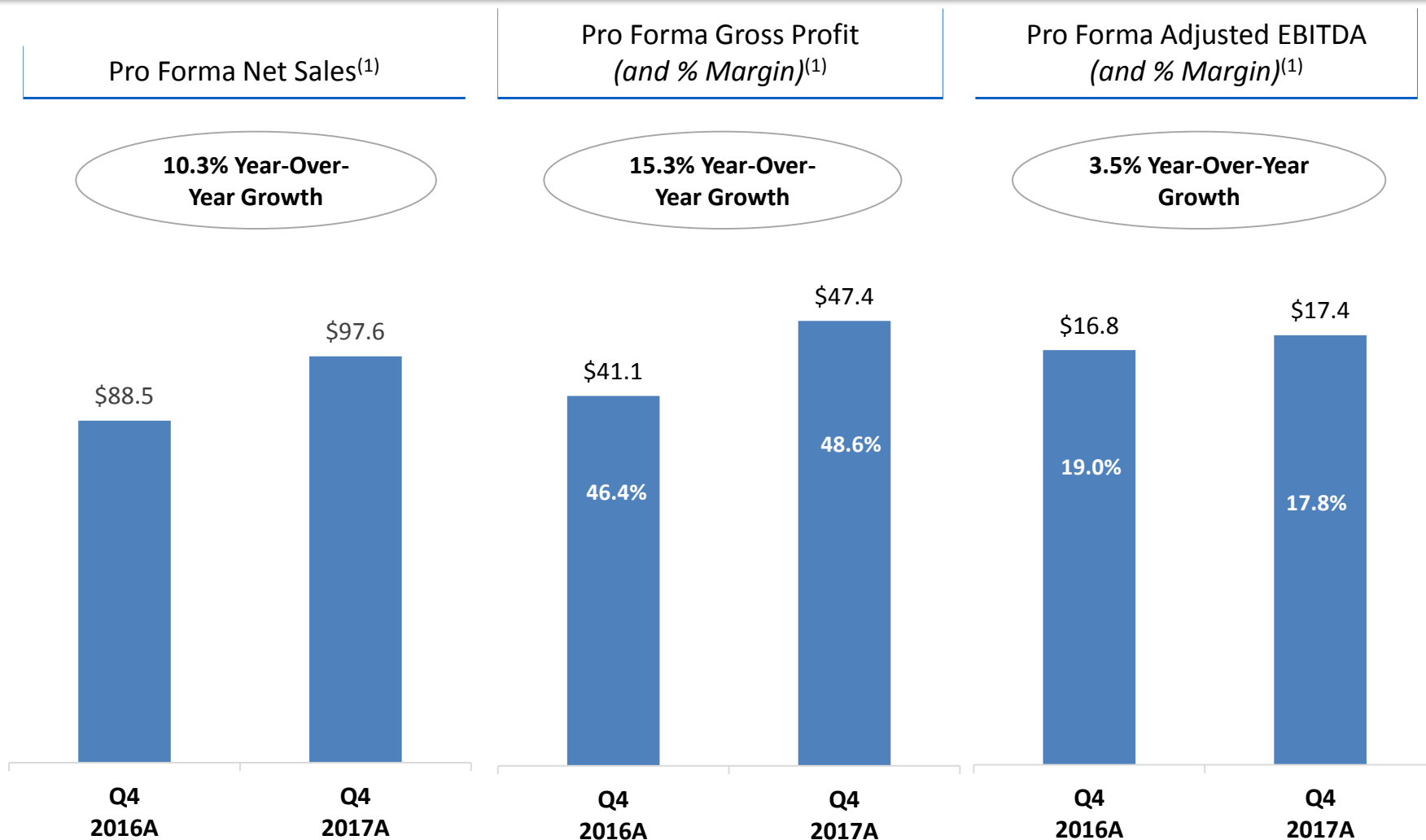
White Space Opportunities



- E-commerce starting to show strong growth with more focus and investment
  - Q4 E-Commerce gross sales up nearly 50%
  - FY17 E-Commerce gross sales up nearly 50%
- Simply Protein: growing in Canada with U.S. launch contemplated

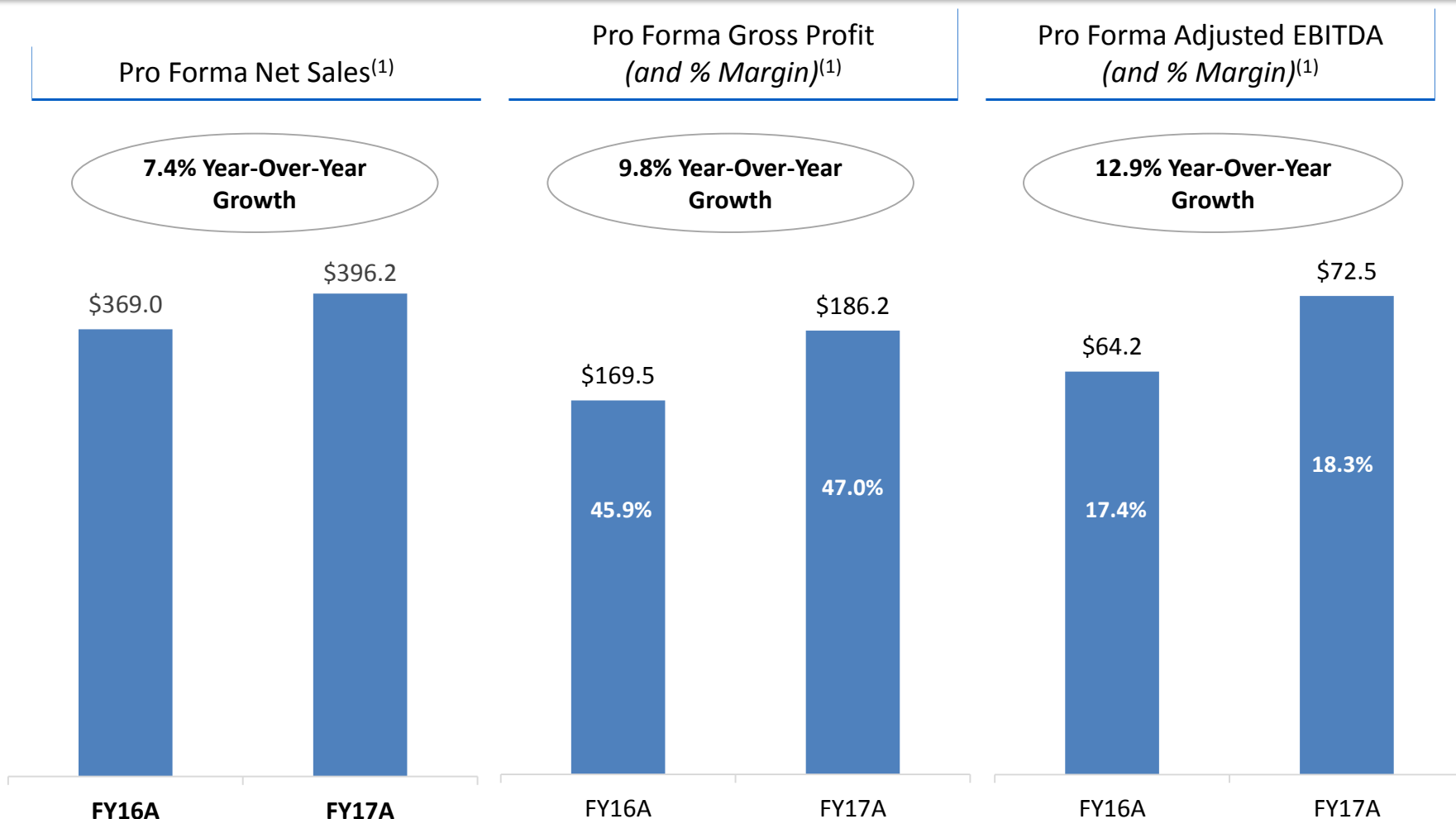
# Financial Overview

# 4Q17 Represents Solid Growth...



Note 1: Dollars in millions. Financial metrics presented for June - August periods (based on August fiscal year ends) and are pro forma for the impacts of the business combination and for the licensing of the frozen meals business in 2016 and are pro forma combined in 2017 for the historical predecessor and successor periods. Financial metrics do not include the impact of purchase accounting or other impacts from the consummation of this transaction. The pro forma combined Adjusted EBITDA is a non-GAAP measure. See appendix for reconciliation to GAAP financials.

# ...and a Successful End to Fiscal Year 2017



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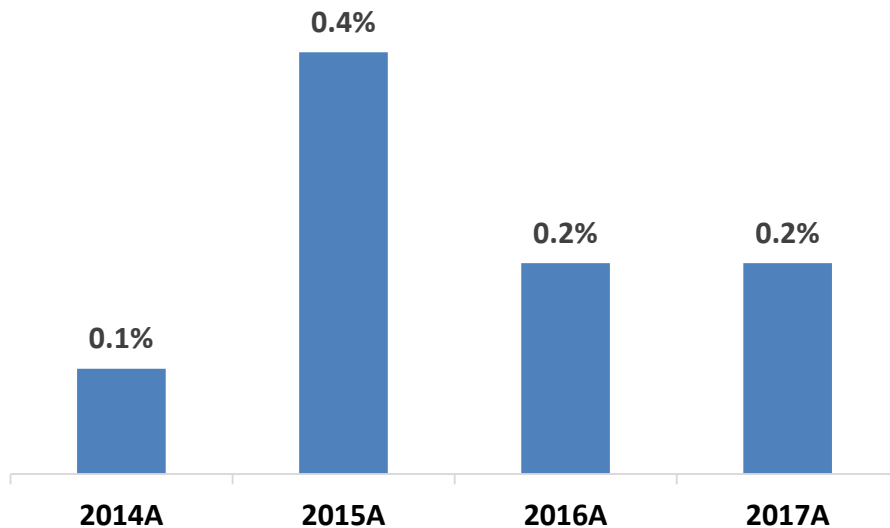
# Highly Attractive Cash Flow Characteristics

Asset-lite business model with strong cash flow generation

- Capital expenditures of ~\$1mm
- Working capital needs of 10% - 11% of Net Sales

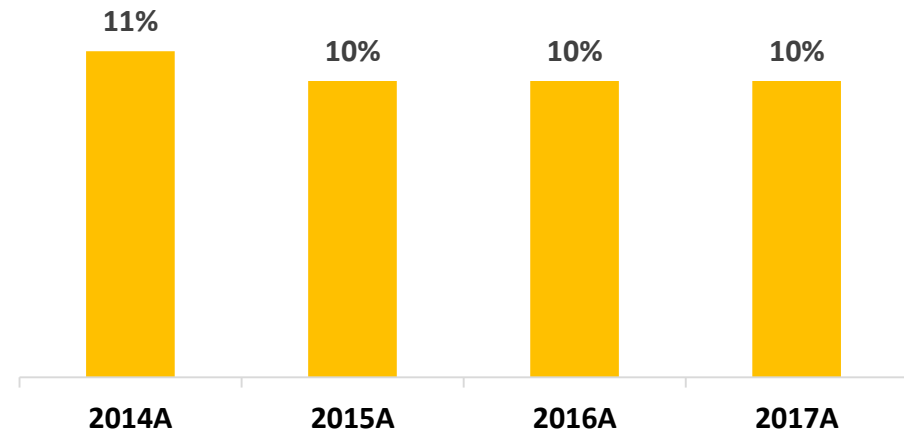
Capital Expenditures as % of Net Sales

Minimal Annual  
Capital Expenditure  
Needs of ~\$1mm



Working Capital as % of Net Sales

Modest Working  
Capital Requirements



# Balance Sheet Highlights

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- Solid balance sheet and cash flow provide financial flexibility to support future growth
- As of August 26, 2017, the Company has Cash of \$56.5 million and a \$200.0 million Term Loan outstanding, resulting in a pro forma Net Debt to Adjusted EBITDA ratio for the LTM of 2.0x
- The Company also has a \$75.0 million revolving line of credit currently not utilized
- As a result of the July 7 merger with Conyers Park all of the former debt was re-paid

# Summary

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- Confident in growth opportunities and our plans to execute against them
- Well-positioned to deliver 10<sup>th</sup> straight year of U.S. snacking POS growth in FY 18
- Expect to deliver 2018 net sales in-line with previously stated long-term growth algorithm of 4-6%
- Anticipate Adjusted EBITDA will grow at a slightly higher rate than Net Sales, including the impact of an incremental \$2.0 million of public company costs



**Q&A**

**FOURTH QUARTER AND FISCAL YEAR 2017 EARNINGS  
CONFERENCE CALL & WEBCAST PRESENTATION**

November 8, 2017