Third Quarter Fiscal Year 2022 Earnings Conference Call & Webcast Presentation

June 30, 2022

Disclaimer

Forward Looking Statements

Certain statements made herein 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”, “intends” or other similar words, phrases or expressions. These forward-looking statements include the expected effects from the COVID-19 outbreak, statements regarding the integration of Quest, future plans for the Company, the estimated or anticipated future results and benefits of the Company’s future plans and operations, future capital structure, 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 the effect of the COVID-19 outbreak on the Company's business, suppliers (including its contract manufacturing and logistics suppliers), customers, consumers and employees along with disruptions or inefficiencies in the supply chain resulting from any effects of the COVID-19 outbreak; achieving the anticipated benefits of the Quest acquisition; difficulties and delays in achieving the synergies and cost savings in connection with the Quest acquisition; changes in the business environment in which the Company operates including general financial, economic, capital market, regulatory and political conditions affecting the Company and the industry in which the Company operates; unforeseen business disruptions or other effects due to current global geopolitical tensions, including relating to Ukraine; changes in consumer preferences and purchasing habits; the Company’s ability to maintain adequate product inventory levels to timely supply customer orders; 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 or Quest’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.

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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 and Adjusted Diluted EPS. 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, earnings per share, 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 June 30, 2022. 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 the Company 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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JOSEPH E. SCALZO

PRESIDENT AND CHIEF EXECUTIVE OFFICER

Today's Speakers and Agenda

Speakers

Mark Pogharian
VP, Investor Relations

Joe Scalzo
President & Chief Executive Officer

Todd Cunfer
Chief Financial Officer

Joe Scalzo
President & Chief Executive Officer

Agenda

- Introduction
- Overview and Q3 Highlights
- Business Update
- Financial Summary
- Fiscal Year 2022 Outlook
- Q&A

Third Quarter Fiscal 2022 Overview

- Solid third quarter net sales and earnings, slightly greater than our expectations due to better than anticipated retail takeaway growth and higher customer inventory levels

- Simply Good Foods Q3 net sales increased +11.5%, including the Europe exit and Quest frozen pizza licensing agreement
  - Net price realization was a high-single digit percentage point contribution to net sales growth

- Simply Good Foods Q3 retail takeaway in the combined measured and unmeasured channels about 15%
  - Core N. America net sales growth in Q3 about the same as retail takeaway

- Net income of $38.8 million versus $5.9 million in the year ago period. The year ago period was impacted by the fair value change of private warrant liabilities of $35.8 million

- Gross margin of 37.5% was in line with estimates and sequentially improved versus last quarter of 36.6%. The 510 basis point decline versus the year ago period was due to supply chain cost headwinds, partially offset by pricing
  - Customer service performance was solid
  - Continue to anticipate that full-year fiscal 2022 gross margin will decline about 250 basis points versus last year

- As expected, Q3 Adjusted EBITDA[1] of $63.3 million was less than the year ago period of $67.5 million

- Executed well against our priorities and remain committed to doing the right thing for our brands, customers, and consumers
  - Our brands and diversification of our portfolio across forms and retail channels provides us with multiple ways to win in the marketplace and deliver shareholder value

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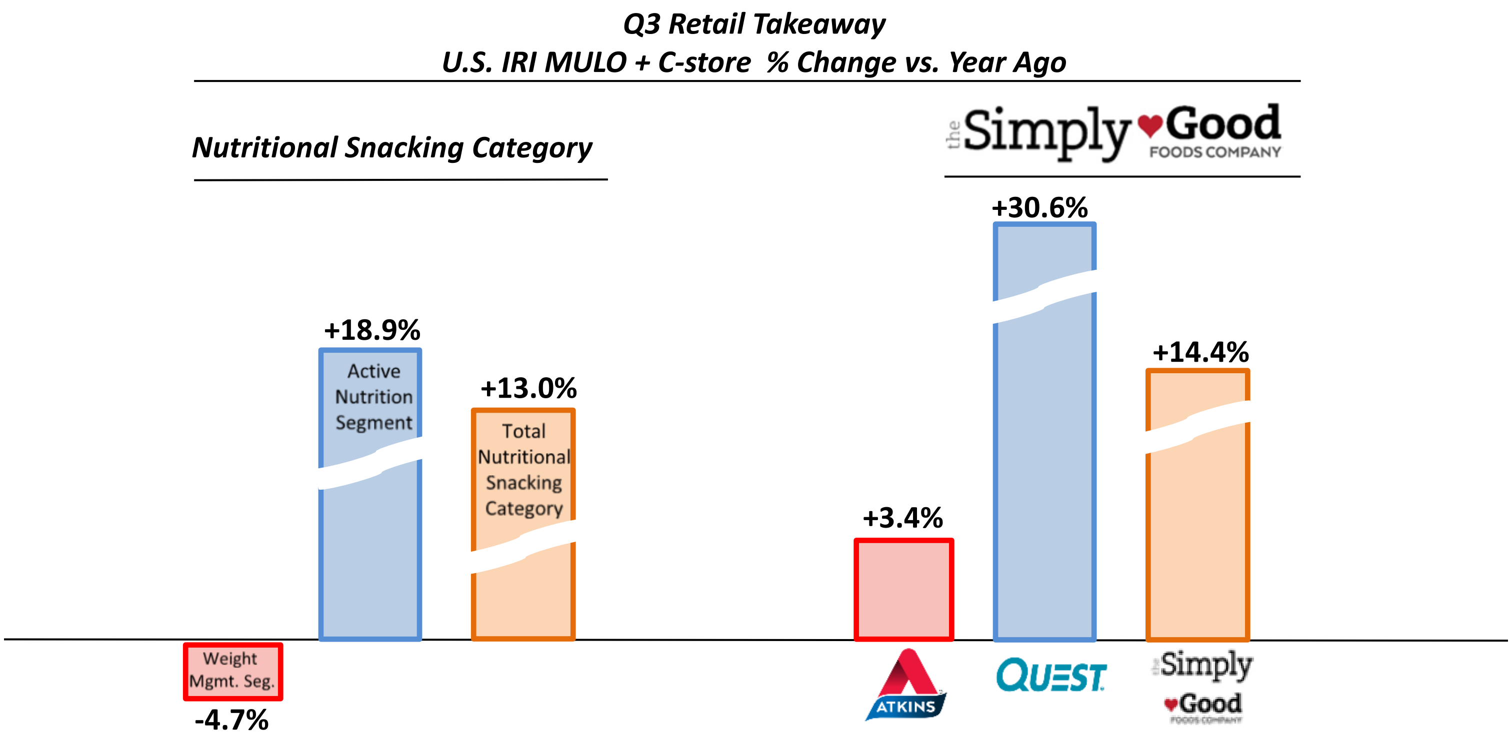
[1]Adjusted EBITDA is a non-GAAP financial measure. Please refer to "Reconciliation of EBITDA and Adjusted EBITDA" in the earnings release dated June 30, 2022, available on our website for a presentation of the most directly comparable GAAP financial measure and an explanation and reconciliation of this non-GAAP financial measure.

Simply Good Foods and Nutritional Snacking Category Retail Performance

- Simply Good Foods IRI MULO + C-store retail takeaway outpaced the nutritional snacking category
- Atkins and Quest continue to gain share in the respective segments of weight management and active nutrition
- Simply Good Foods unmeasured retail takeaway increased about 15% on a percentage basis versus last year, as e-commerce growth more than that offset declines in the specialty channel



Source: IRI MULO + C-store, 13-weeks ended May 29, 2022 ; bars/graph not to scale

Atkins® Overview

- Atkins Q3 IRI MULO + C-store retail takeaway increased 3.4%[1]
- Atkins Retail takeaway at Amazon increased 39% versus last year
  - Total unmeasured channel retail sales up 22%
  - Unmeasured channels about 12% of total brand retail sales
- Atkins growth in combined measured and unmeasured channels about 6%[2] as fewer shopping trips in brick and mortar were offset by strong e-commerce growth
- Consumer interest in Atkins and total buyer growth remains strong
  - Retained and new buyers higher versus year ago
  - Buy rate lower than historical average
- Atkins core bars and shakes Q3 IRI MULO + C-store retail takeaway increased 3.5% driven by solid shakes growth of 14.1%, partially offset by a decline in bars of -4.2%
- Atkins all other snacks[3] Q3 IRI MULO + C-store retail takeaway increased 3.2%
  - While early, Atkins cookies off to a good start and in line with our estimates
  - Confections retail takeaway off 8.1% as it laps the strong year ago dessert bars launch
  - All other snacks[3] nearly 30% of total Atkins measured channel retail sales

[1]IRI MULO + C-store, 13 weeks ending May 29, 2022
[2]Combined measured and unmeasured channels
[3]Confections, Cookies & Chips

Quest® Overview

- Quest Q3 IRI MULO + C-store retail takeaway increased 30.6%, outpacing[1] the nutritional snacking category and the active nutrition segment
  - Growth driven by the increase of household penetration, strong consumption across all major forms and success of new products

- Bars Q3 IRI MULO + C-store retail takeaway increased +14.1%; solid growth across all major channels

- Quest Q3 IRI MULO + C-store snacks - confections, cookies & chips - retail takeaway increased 65%
  - Strong performance across all forms
  - Quest snacks slightly greater than 40% of measured channel retail sales

- Quest continues to grow across all major customers and channels
  - Retail takeaway growth similar across all major channels

- Quest retail takeaway at Amazon increased about 23% versus last year
  - Total unmeasured channel retail sales up 12%
  - Unmeasured channels about 25% of total brand retail sales

[1]*IRI MULO + C-store, 13 weeks ending 5/29/22 (excludes Frozen pizza)*

Summary

- Third quarter results slightly better than expected

- Anticipate that 4Q22 retail takeaway will increase high-single digits on a percentage basis versus last year

- We entered 4Q22 with slightly higher customer inventory levels as we shipped ahead of consumption in the first half[1] of fiscal 2022
  - Anticipate retail takeaway growth in 4Q22 to be better than net sales performance as customers adjust inventories to more normal fiscal year-end levels

- No change to fiscal 2022 supply chain cost inflation and gross margin outlook
  - Implementation of the price increase announced in April 2022, primarily a benefit in fiscal 2023, progressing as planned

- Executing well against our plans and delivering on our financial objectives with flexibility to invest in the business as a path to increasing shareholder value

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[1] *H22 = the second half of fiscal year 2022 (September-February)*

TODD CUNFER

CHIEF FINANCIAL OFFICER

Net Sales Performance

Net Sales Growth by Geography
Fiscal 2022[1] vs. Year Ago Period

	Q3	Year-to-Date
North America	12.9%	22.2%
International	-25.1%	-25.9%
Total Simply Goods Foods	11.5%	19.9%

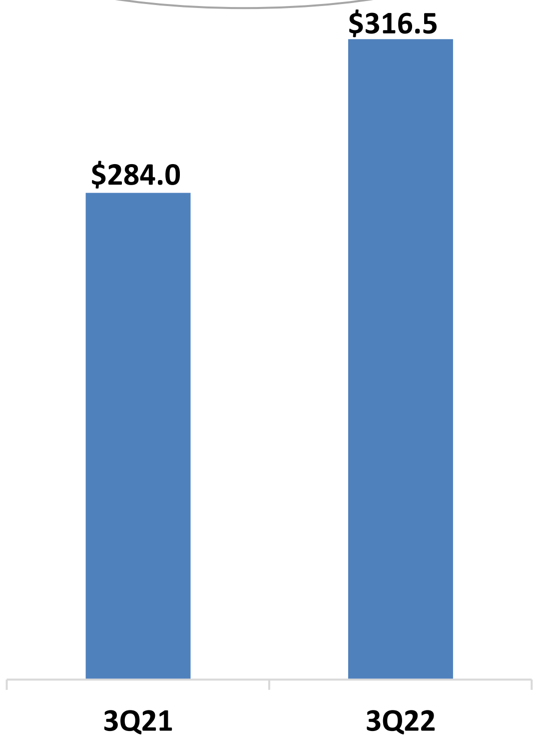
[1]*Fiscal 2022 third quarter and year-to-date include the impact of the European business exit and licensing of the Quest frozen pizza business, a combined 2.9 and 2.1 ppt headwind to total Company net sales growth*

3rd Quarter Net Sales and Profit

Fiscal Q3 2022 vs. Year Ago Period

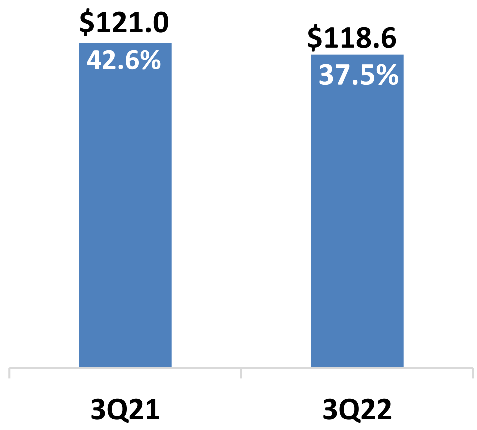
Net Sales[1]

+11.5% Year-Over-Year Percent Change



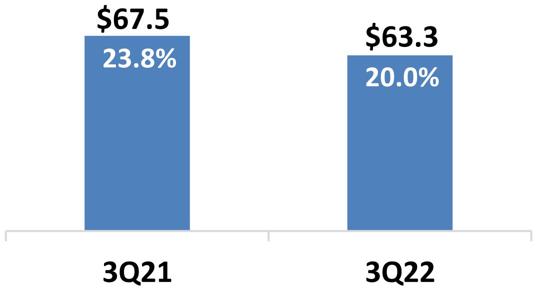
Gross Profit *(and % Margin)*[1]

-1.9% Year-Over-Year Percent Change



Adjusted EBITDA *(and % Margin)*[1,2]

-6.2% Year-Over-Year Percent Change



[1] Dollars in millions. Unaudited financial information for the 13-weeks ended May 29, 2021 and 13-weeks ended May 28, 2022

[2] Adjusted EBITDA (Earnings Before Interest, Taxes, Depreciation & Amortization) is a non-GAAP financial measure. Please refer to "Reconciliation of EBITDA and Adjusted EBITDA" in the earnings release dated June 30, 2022 available on our website for a presentation of the most directly comparable GAAP financial measure and an explanation and reconciliation of this non-GAAP financial measure.

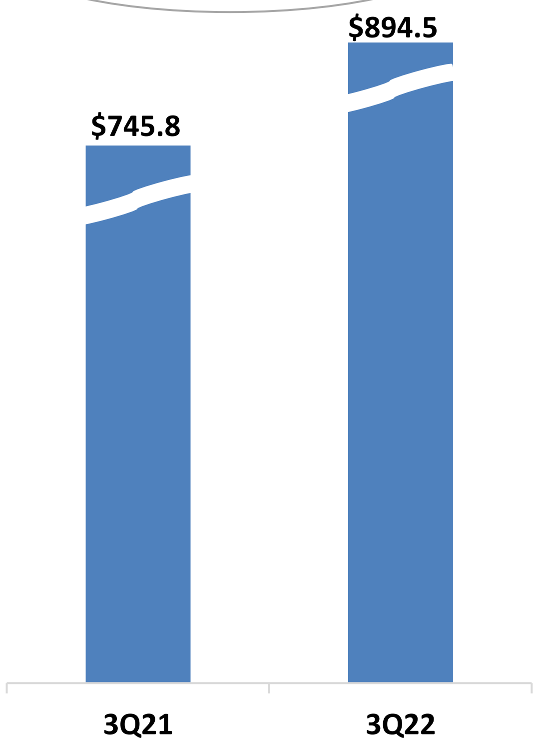
Note: *Dollar amounts in millions; Bars/graphs not to scale*

Year-to-Date Net Sales and Profit

Fiscal YTD 2022 vs. Year Ago Period

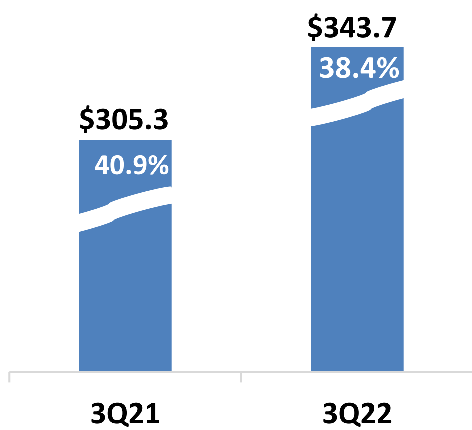
Net Sales[1]

19.9% Year-Over-Year Growth



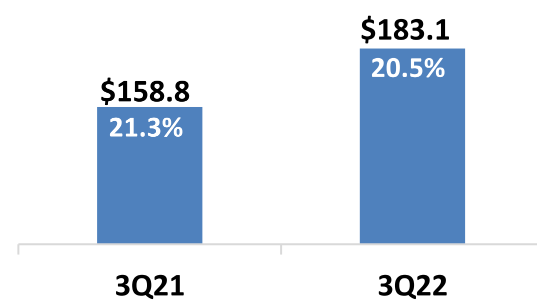
Gross Profit *(and % Margin)*[1]

12.6% Year-Over-Year Growth



Adjusted EBITDA *(and % Margin)*[1,2]

15.3% Year-Over-Year Growth



[1] Dollars in millions. Unaudited financial information for the 39-weeks ended May 29, 2021 and 39-weeks ended May 28, 2022

[2] Adjusted EBITDA (Earnings Before Interest, Taxes, Depreciation & Amortization) is a non-GAAP financial measure. Please refer to "Reconciliation of Adjusted EBITDA" in the earnings release dated June 30, 2022 available on our website for a presentation of the most directly comparable GAAP financial measure and an explanation and reconciliation of this non-GAAP financial measure.

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Adjusted Diluted Earnings Per Share

Reconciliation of Adjusted Diluted EPS

	Fiscal 2022	
	Q3	YTD
GAAP Diluted EPS	$0.38	$0.78
Depreciation & Amortization	$0.05	$0.14
Stock Based Compensation	$0.03	$0.09
Tax Effects of Adjustments[1]	-$0.02	-$0.06
Loss in fair value change of warrant liability[2,3]	--	$0.30
Dilution impact from Warrant Accounting Treatment[2.3]	--	-$0.03
Rounding	--	$0.01
Adjusted Diluted EPS	$0.44	$1.23

[1]This line item reflects the aggregate tax effect of all non-tax adjustments reflected in the preceding line items of the table. The tax effect of each adjustment is computed (i) by dividing the gross amount of the adjustment, as shown in the Adjusted EBITDA reconciliation, by the number of diluted weighted average shares outstanding for the applicable fiscal period and (ii) applying an overall assumed statutory tax rate of 26% for the 13 and 39-weeks ended May 28, 2022.

[2]Adjusted Diluted EPS for the 39 weeks ended May 28, 2022 reflects fully diluted shares outstanding of 102.3 million which includes 2.1 million shares to reverse the exclusion of the private warrants in fully diluted shares outstanding under GAAP due to the private warrants being classified as a liability on our balance sheet.

[3]Diluted earnings per share includes the fair value loss and the resulting exclusion of anti-dilutive shares related to the Private Warrants. Fair value adjustments are a permanent tax difference and do not impact tax expense. The Company excludes the non-cash fair value loss and subsequently considers the dilutive share count effect of such adjustment in the non-GAAP measure. Note, mark to market gain adjustments are already excluded from the numerator, and dilutive shares are included, in calculating diluted earnings per share in accordance with GAAP.

Q3 = 13 weeks ended 5/28/22
YTD = 39 weeks ended 5/28/22

Balance Sheet & Cash Flow

- Fiscal third quarter year-to-date cash flow from operations of $67.4 million
  - Cash flow from operations affected by the timing of working capital and tax payments
  - Cash balance at May 28, 2022 of $56.7 million
- Term loan debt balance at May 28, 2022, $406.5 million (SOFR[1] +325 bps)
  - Trailing twelve-month Net Debt to Adjusted EBITDA[2,3] ratio 1.5x
- Open market repurchase of common stock in the fiscal third quarter of $8.1 million, at an average cost of $37.16 per share
  - On April 13, 2022 existing stock repurchase program increased by $50 million
  - As of May 28, 2022, approximately $69.3 million remained available under the stock repurchase program
- Anticipate fiscal 2022 GAAP interest expense, including amortization of debt issuance costs, of around $22 million
- Fiscal third quarter and year-to-date capital expenditures $0.4 million and $4.7 million, respectively
  - Full year fiscal 2022 capital expenditures expected to be about $6 million

[1] SOFR minimum floor 0.50%, plus applicable credit spread adjustment

[2] Adjusted EBITDA (Earnings Before Interest, Taxes, Depreciation & Amortization) is a non-GAAP financial measure. Please refer to "Reconciliation of EBITDA and Adjusted EBITDA" and "Reconciliation of Net Debt to Adjusted EBITDA" in the earnings release dated June 30, 2022 available on our website for a presentation of the most directly comparable GAAP financial measure and an explanation and reconciliation of these non-GAAP financial measure.

[3] Please refer to the earnings release dated June 30, 2022 available on our website for a presentation of the trailing twelve-month net debt to Adjusted EBITDA calculation

Fiscal 2022 Outlook and Commentary

- On track to deliver solid net sales and Adjusted EBITDA growth in fiscal 2022

[1]

- Full Fiscal Year 2022 Outlook versus 2021:

	Previous 4/6/22	6/30/22	
Net Sales	+13% to +15%	+14% to +15%	- Includes Europe exit and pizza licensing, a combined ~2 ppt. headwind
Gross Margin	Decline of about ~250 bps	Decline of about ~250 bps	- Driven primarily by ingredient costs; fiscal '22 input cost needs largely covered
Adjusted EBITDA	Slightly less than Net Sales growth rate	Slightly less than Net Sales growth rate	- Marketing anticipated to increase high single digits on a percentage basis versus last year. Previous outlook was for a mid to high single digit increase - Anticipate significant SG&A leverage
Adjusted EPS	Higher than Adj. EBITDA growth rate	Higher than Adj. EBITDA growth rate	

- A portfolio of brands uniquely aligned with consumer megatrends of wellness snacking, convenience and meal replacement. These characteristics will become increasingly more relevant as consumers return to more normal lives

- Executing against our strategy and delivering on our financial objectives with flexibility to invest in the business as a path to increasing shareholder value over the long term

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[1] *2H22 = the second half of fiscal year 2022 (March-August)*

Q&A