



Acquisition of

The word "Acquisition of" is in a bold, black, sans-serif font. To its right is the QUEST NUTRITION logo, which consists of the word "QUEST" in a large, bold, blue, sans-serif font, with "NUTRITION" in a smaller, all-caps, blue, sans-serif font below it.

August 21, 2019

Disclaimer

Forward Looking Statements

Certain statements made in this presentation 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 statements regarding the potential acquisition of Quest (the “Quest Transaction”), future plans for the Company, the estimated or anticipated future results (including those of Quest) 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, one or more of the closing conditions to the Quest Transaction, including regulatory approvals, not being satisfied or waived; the Quest Transaction not being completed in the timeframe expected by the Company or at all; delays or failures relating to the financing of the Quest transaction; unexpected costs, charges or expenses resulting from the proposed Quest Transaction; failure to realize the anticipated benefits of the proposed Quest Transaction; difficulties and delays in achieving the synergies and cost savings in connection with the Quest Transaction; 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; changes in consumer preferences and purchasing habits; the Company’s ability to maintain adequate product inventory levels to timely supply customer orders; 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 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 presentation. 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 the Company’s non-GAAP measures to the most directly comparable GAAP measures are set forth in the quarterly earnings releases available on the Company’s website. 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 Nutritionals, 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. The estimated adjusted EBITDA is not reconciled to net income due to the difficulty in estimating all of the components to derive estimated future net income.

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Today's Agenda

Speakers

Joe Scalzo

Chief Executive Officer

Todd Cunfer

Chief Financial Officer

Mark Pogharian

Vice President Investor Relations, Treasury and Business Development

Discussion Topics



SMPL Performance Recap



Introduction to Quest Nutrition



Investment Highlights



Financial Highlights



Q&A

Becoming a Leading Nutritional Snacking Company

Expands SMPL's Attractive Nutritional Snacking Portfolio

- Quest is a fast-growing ~\$345mm lifestyle brand with highly-engaged consumer base
- On-trend nutritional philosophy: high-protein, minimal sugars and low net carbs
- Minimal consumer overlap with Atkins; significantly younger target consumer
- Portfolio combination of Atkins, Quest and Simply Protein (better for you)

Tremendous Incremental Growth Opportunity

- Opportunity to grow brand awareness and household penetration by complementing social / digital strength with traditional marketing
- Continue bar business momentum; expand selectively into new product categories (e.g. build on success of cookies and salty snacks)
- Augment non-MULO channel strength with SMPL's deep knowledge of traditional FDM channels

Compelling Financial Returns

- Quest's organic growth is complementary to SMPL's long-term trajectory
- Identified synergies of ~\$20mm to be achieved within 3 years
- Enterprise value of \$870 million net of tax benefit (\$1.0 billion total transaction value including tax benefit). Represents net transaction multiple of 12.4x EBITDA¹
- Transaction expected to be accretive to cash EPS in year 1

QUEST NUTRITION® OVERVIEW

JOE SCALZO

PRESIDENT AND CHIEF EXECUTIVE OFFICER



QUEST : A Unique and Fast-Growing Active Nutrition Brand

Business Overview

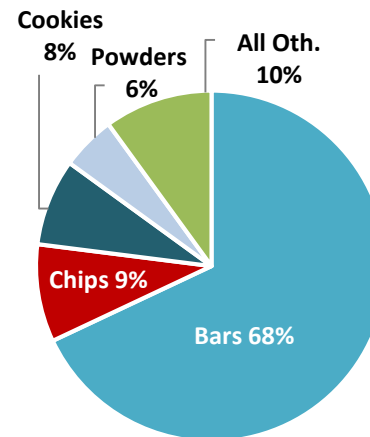
- Healthy lifestyle food brand with the mission of making foods people crave **work for them, not against them**
- **Diverse array of product offerings** spanning protein bars, pizzas, chips, cookies, and powders
- **Die-hard fan base** that spans broad consumer demographics to support their **long-term health goals**
- Quest is expected to generate **~\$345mm of net sales** with **\$50mm of Adj. EBITDA** in CY2019
- Identified synergies of ~\$20mm

Multiple Product Forms

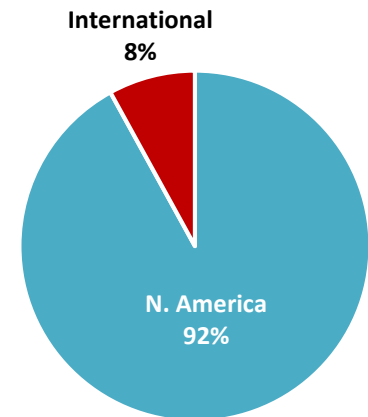


2019E Quest Annual Revenue¹

Product



Geography



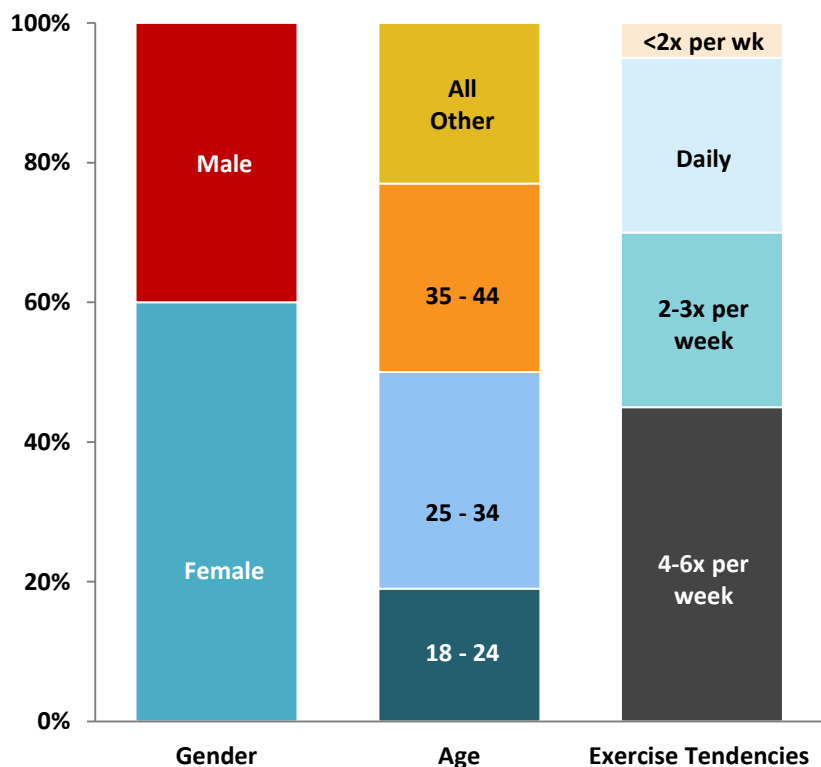
Blue Chip Customer Base



QUEST NUTRITION® Has a Broad Consumer Base

Brand resonates broadly across different consumer needs, demographics, motivations, life stages and lifestyles

Diverse Consumers...



...Diverse Motivations...



Gain
Strength



Daily
Nutrition



Meal
Replacement

...and Favorable Demographics



Working
Professionals



College
Graduates



Household
Income \$75k+



Urban
Residents

QUEST's Bar Credentials Are a Strong Hook To Consumers

Quest's positioning, flavors, quality ingredients, and label provide the ability to play across entire bar category



Nutrition Facts	
Serving Size 1 Bar (60g)	
Servings Per Container 12	
Amount per serving	% Daily Value*
Calories 200	Calories from Fat 80
Total Fat 9g	
Saturated Fat 3g	
Trans Fat 0g	
Cholesterol 5mg	
Sodium 190mg	
Total Carbohydrate 21g	
Dietary Fiber 14g	
Sugars 1g	
Erythritol 3g	
Protein 21g	
Vitamin A 0%	Vitamin C 0%
Calcium 10%	Iron 4%

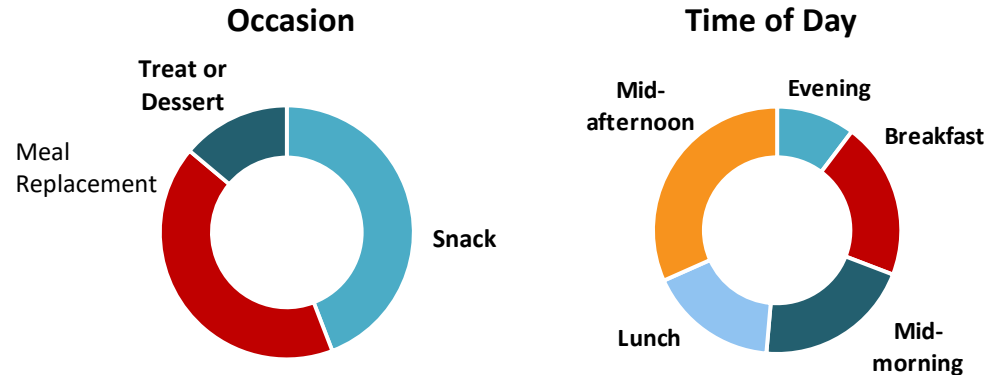
	Calories	2,000	2,500
Total Fat	Less than	65g	80g
Salt Fat	Less than	20g	25g
Cholesterol	Less than	300mg	300mg
Sodium	Less than	2,400mg	2,400mg
Total Carbohydrate	Less than	300g	375g
Dietary Fiber	Less than	25g	30g
Protein	Less than	50g	65g

21g PROTEIN **4g** NET CARBS **1g** SUGAR **14g** FIBER

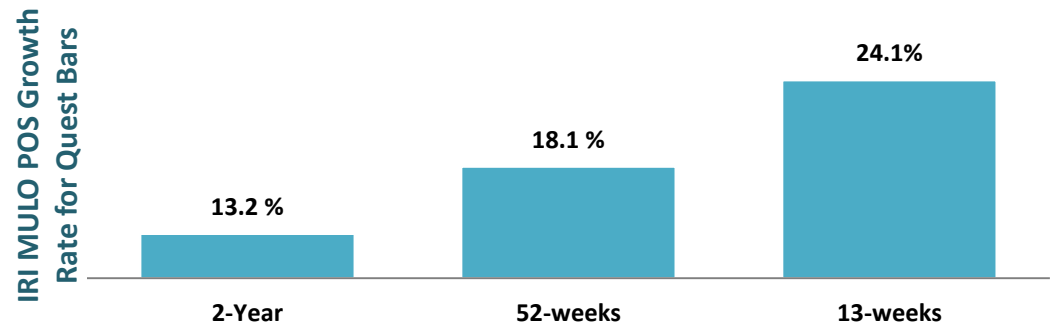


Differentiated nutritional profile results in the Quest bar being incredibly versatile: to be enjoyed 24/7 as a meal replacement, snack or treat

Broad Consumption Patterns¹



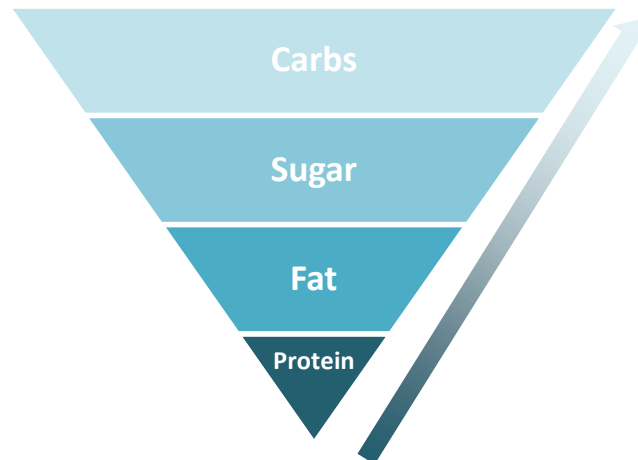
Business Momentum Outpacing Already Strong Category Growth²



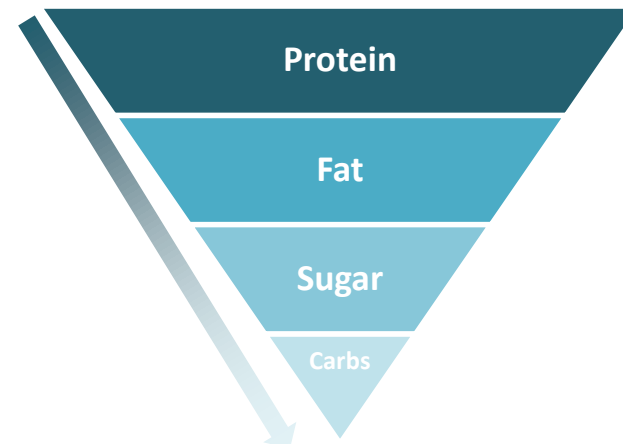
QUEST[®]'s Nutritional Ideals Apply Across Categories

Flipping
nutritional
to deliver
craveable
foods with
minimal
sugar and
net carbs




Typical Snacks



Quest



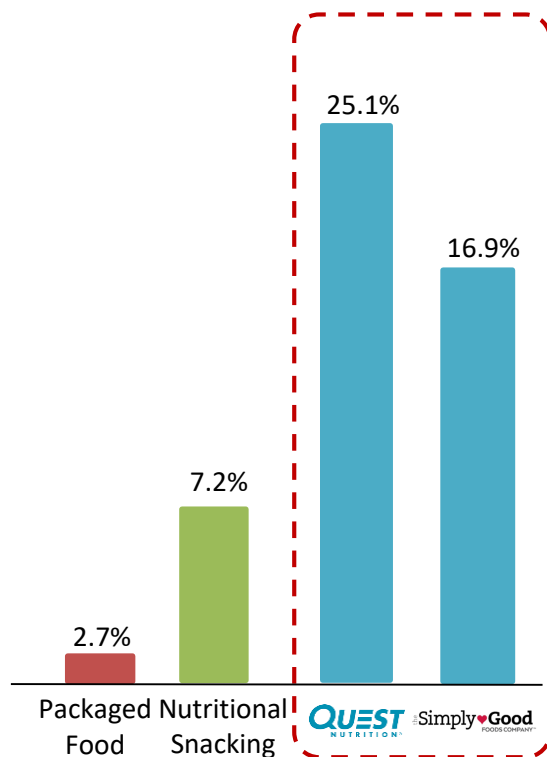
Nutritional
ideals can
be deployed
across
product
categories

											
		Traditional Cookie		QUEST[®]				Traditional Pizza		QUEST[®]	
Calories	270	250	Calories	370	340	Calories	170	14	Calories	170	14
Net Carbs	40	4	Net Carbs	40	6	Net Carbs	19	4	Net Carbs	19	4
Sugar	23	<1	Sugar	7	3	Sugar	1	1	Sugar	1	1
Protein	1	15	Protein	14	27	Protein	2	19	Protein	2	19
'18 – '19 Net Sales Growth		11%+	'18 – '19 Net Sales Growth		100%+	'18 – '19 Net Sales Growth		70%+	'18 – '19 Net Sales Growth		70%+

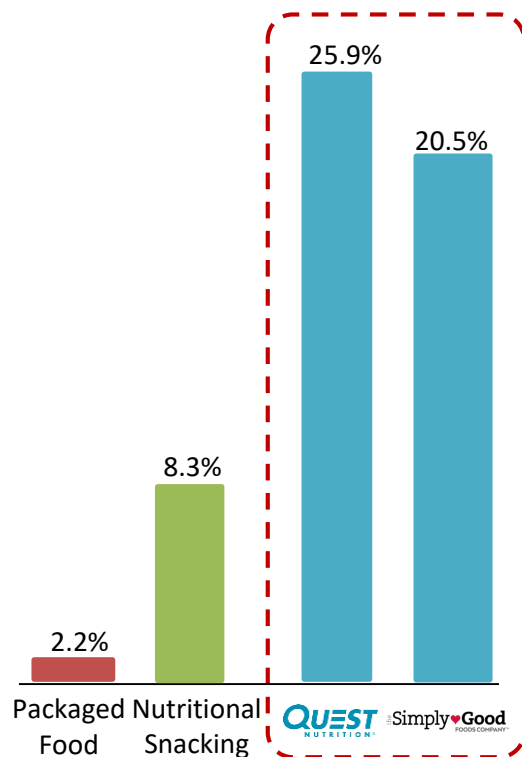
On-Trend Nutritional Snacking is Winning Consumers

Point-of-Sale Growth Rates That Have Consistently Outpaced the Industry

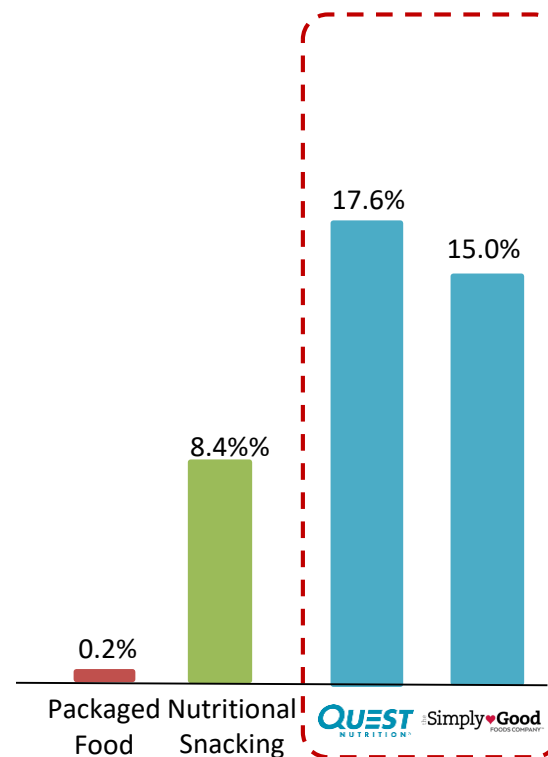
13-Week Growth



52-Week Growth



2-Year Growth



INVESTMENT HIGHLIGHTS

JOE SCALZO

PRESIDENT AND CHIEF EXECUTIVE OFFICER



SMPL Presents a Compelling Investment Thesis

1 Large and Fast-Growing Nutritional Snacking Category

2 Highly Attractive Portfolio of Nutritional Snacking Brands

3 Scalable Growth-Oriented Platform

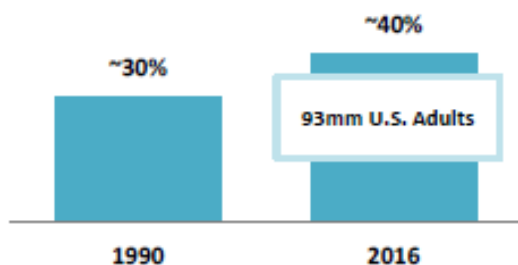
4 Synergies of Scale and Complementary Capabilities

5 Proven Strategy to Expand the Quest Brand

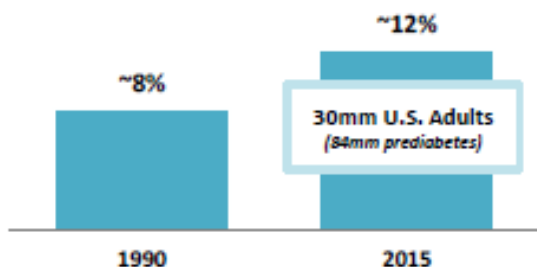
Our Business Aligns With Consumer Mega Trends

Health Concerns Continue to Grow...

US Obesity Rate¹:



US Diabetes Rate²:



Consensus Building on Nutrition...

Over 100 scientific studies showing the benefits of the Atkins approach to eating lower carbs

Media Attention:

The New York Times

A Call for a Low Carb Diet That Embraces Fat

BJSM
The Journal of Sport & Exercise Medicine

Sugar and Carbs, Not Physical Inactivity, Behind Surge in Obesity

THE WALL STREET JOURNAL

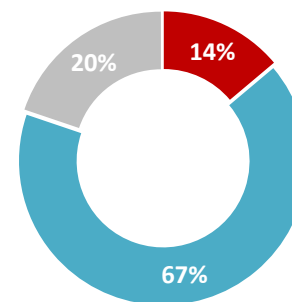
FDA Seeks to Redefine "Healthy"

theguardian

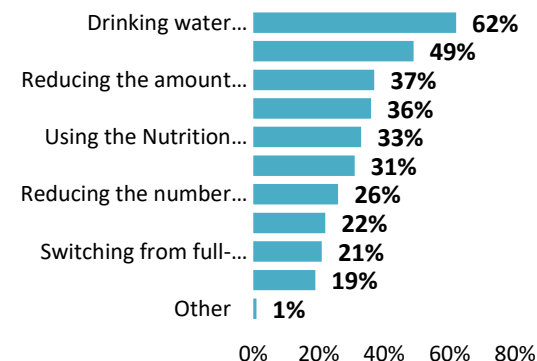
Sugar is Now Enemy Number One in the Western Diet

80% Of Consumers Trying to Limit / Avoid Sugars³

Limiting/Avoiding Sugars:



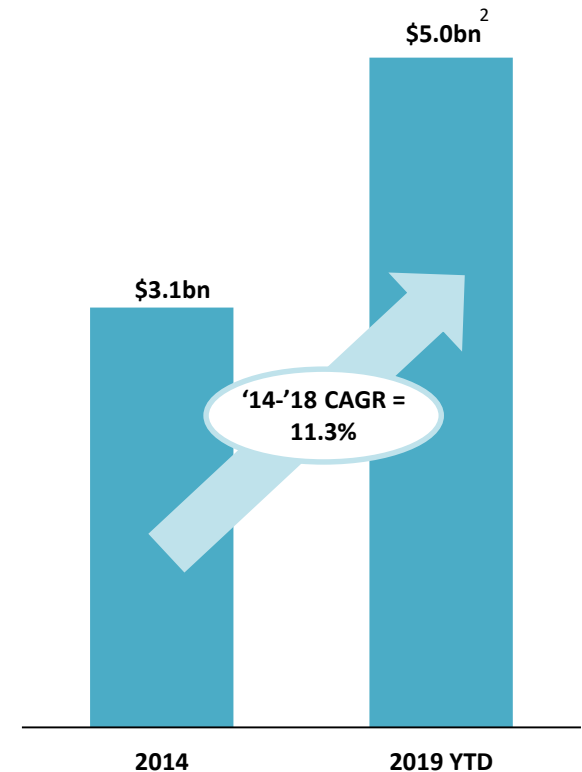
■ Avoid ■ Limit



Large and Fast-Growing Nutritional Snacking Category

Nutritional Snacking in Measured Channels¹

- In IRI measured channels¹ alone, \$5+ billion Nutritional Snacking segment
- Consistent and robust annual category growth (double-digits in measured channels)
- Primarily a branded category with premium price points
- Attractive retailer margins
- Significant runway to expand current ~50-55% household penetration



Highly Attractive Portfolio of Nutritional Snacking Brands

the Simply♥Good
FOODS COMPANY™



Low-carb lifestyle brand



Sports and active nutrition brand



Synergies of Scale and Complementary Capabilities

Cost Synergies

- **Similar asset-light business models** with in-network co-manufacturer flexibility
- Overlap of **sourcing and supply chain**
 - Sourcing raw materials and Packaging
 - Freight, Warehousing & Distribution
- Synergies from duplicative **corporate SG&A**
- High confidence in achieving **\$20 million in synergies**
 - Prudent and methodical approach to synergy realization over a 3-year horizon

Complementary Insights

- Quest to benefit from Simply Good Foods's knowledge and capabilities within traditional FDM channels
- Simply Good Foods to benefit from Quest's effectiveness within e-commerce, specialty and other non-tracked channels
- Blends Quest's online / social media strengths with Simply Good Foods's advertising / PR / celebrity capabilities
- Quest skews much younger, creating opportunity for Simply Good Foods to market to a broader and new consumer base
- Complementary growth-oriented team cultures

Proven Strategy to Expand the Quest Brand

Focus on Core Nutrition Philosophy

- Build on key benefits of clean/good nutrition and protein
- Validate robust and dynamically evolving innovation pipeline
- Leverage existing buyers and increase cross purchases within the portfolio

Improved Integrated Marketing



- Improve ROI driven approach to advertising / marketing investment
- Determine the right balance of in-store and e-commerce spend
- Improve effectiveness of digital and social media platforms
- Implement coordinated public relations efforts that coincides with TV advertising, celebrity, etc.

Disciplined Distribution and Innovation



- Increase velocity of core items in existing channels and e-commerce
- Increase distribution in underpenetrated FDM channels
- Growth opportunities in new channels
- Strong platform for product innovation and extension

FINANCIAL HIGHLIGHTS

TODD CUNFER

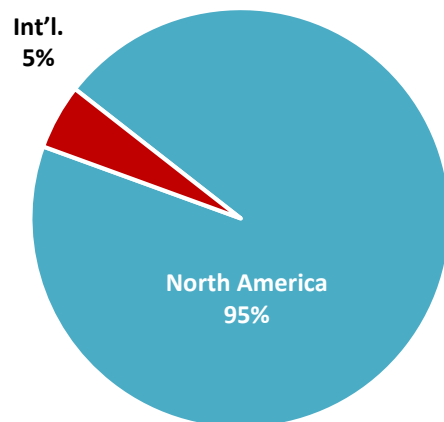
CHIEF FINANCIAL OFFICER



Geographic Portfolio Summary

the **Simply Good**¹
FOODS COMPANY™

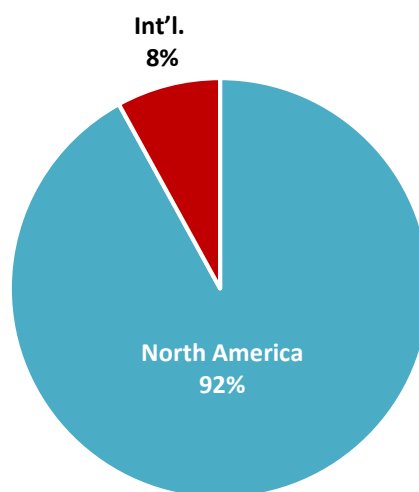
LTM (May-2019)



\$492mm
sales

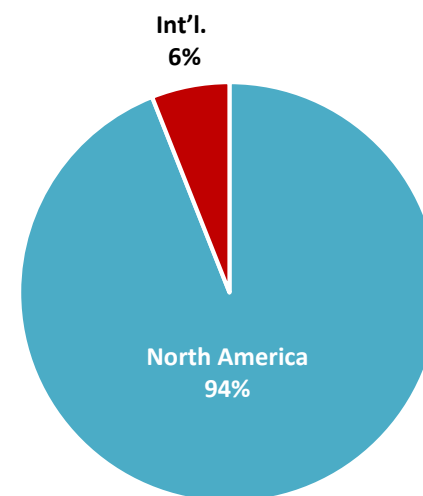
QUEST²
NUTRITION®

FY 2019E



~\$345mm
sales

Pro Forma



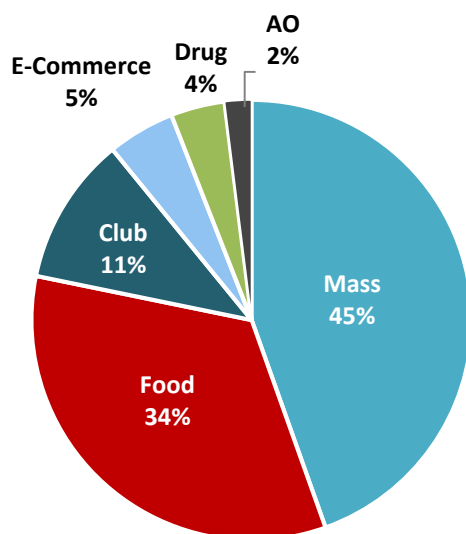
~\$837mm
sales

North America-focused nutritional snacking company

Channel Portfolio Summary

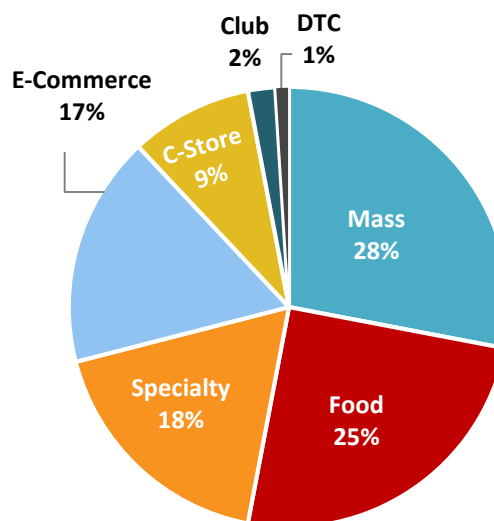
the **Simply Good**¹
FOODS COMPANY™

LTM (May-2019)

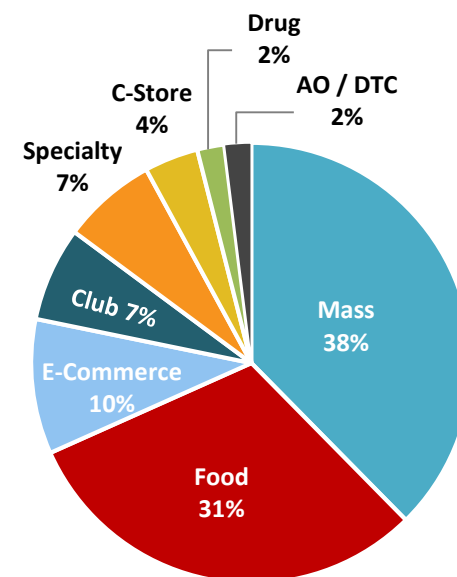


QUEST²
NUTRITION®

FY 2019E



Pro Forma



Provides better channel balance and a foundation for long-term sustainable growth

Go-Forward Financial Profile

QUEST¹
NUTRITION®
FY 2019E

the **Simply Good**²
FOODS COMPANY™
LTM (May-2019)

Long-Term Growth Algorithm

Revenue	~\$345mm	\$492mm	✓ Sustainable + 4% - 6% annual growth with more growth avenues
Revenue Growth	~17%	17%	
Adj. EBITDA	~\$50mm (~\$70 with run-rate synergies)	\$93mm ³	✓ Long-term EBITDA growth slightly ahead of sales growth
Adj. EBITDA Margin	~15% (20% with synergies)	19%	
Capex	\$1mm	\$2mm	✓ Asset-light, low capex business model

¹ Management estimates for 12 months ended 12/31/19

² Reported financials for 12 months ended 5/25/19

³ Reconciliation of the Company's non-GAAP measures to the most directly comparable GAAP measures are set forth in the quarterly earnings releases available on the Company's website."

Financial Summary and Timing

Purchase Price

- \$1.0 billion in cash (\$870 million net of the present value of expected tax benefit)
- Net transaction multiple of 12.4x EBITDA¹

Financial Impact

- Near-term enhancing to SMPL's top-line growth profile (long-term target of 4-6% sales growth)
- \$20 million in identified cost synergies
- Solid and increasing EBITDA margin with continued expansion as synergies are realized
- Transaction expected to be accretive to cash EPS in year 1

Financing

- Will utilize ~\$225 million of balance sheet cash
- Backed by committed secured debt financing by Barclays, Credit Suisse and Goldman Sachs
- Anticipate net leverage of ~4.0x, or less, by year-end August 2020
- Target leverage includes equity issuance

Timing

- Expected closing by the end of calendar 2019, subject to customary conditions

CONCLUDING THOUGHTS & Q&A

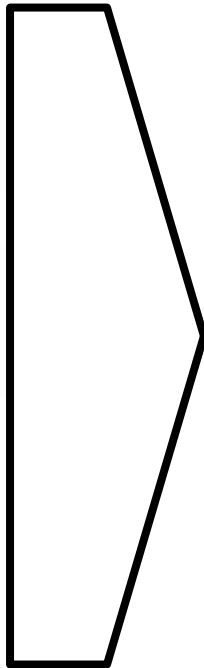


Combination to Drive Shareholder Value

the **Simply Good**
FOODS COMPANY™



QUEST
NUTRITION®



- *Atkins* core brand growth, profitability and cash flow provides financial flexibility to pursue organic growth and additional M&A opportunities
- Acquisition of *Quest* further enhances Simply Good Foods scale, enhancing value creation
- A unique portfolio of leading brands in on-trend consumer categories and formats
- An experienced management team focused on increasing shareholder value

Q&A