Fourth Quarter and Full Fiscal Year 2022
Earnings Conference Call & Webcast Presentation

October 21, 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 October 21, 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
- Full Year and Q4 Overview
- Business Update
- Financial Summary
- Fiscal Year 2023 Outlook
- Q&A

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Simply Good Foods Company Full Year Fiscal 2022 Overview

- ***Delivered solid full year fiscal 2022 results in a challenging operating environment***
  - Net sales growth of 16.2%, slightly greater than expectations
  - Adjusted EBITDA increased about 13%, in line with estimates; marketing expense up nearly 9% versus last year

- ***Fiscal 2022 retail takeaway of 15.5%[1] in combined measured and unmeasured channels exceeded our expectations***
  - Strong Quest performance across key forms, customers and channels throughout the year
  - Atkins e-commerce growth resulted in mid single-digit POS growth in combined measured and unmeasured channels

- ***Supply chain performed well, and customer service levels improved during the year***
  - Customer service performance approached target levels
  - Full year fiscal 2022 gross margin declined 260 basis points primarily due to ingredient and packaging cost inflation

- ***Solid cash flow*** provides financial flexibility to support future growth, debt reduction and opportunistic share buy back

- ***Executed well against our priorities and positioned well as we enter fiscal 2023***
  - While early, F1Q23 retail takeaway trends are improving; 6-weeks ending October 8th POS growth 13.9%, in the combined measured and unmeasured channels
  - Despite a slowing economy, we are cautiously optimistic as our brands are well developed with mid-to-upper income households, there is not a meaningful private label alternative, and we are well positioned in mass retail channels
  - Anticipate fiscal 2023 Net Sales growth and Adjusted EBITDA increase to be similar
  - Expect gross margin to decline, although at a lower rate than fiscal 2022. Most of the decline will occur in F1Q23 as gross margin in the year ago period increased given that we had yet to experience significant supply chain cost inflation
  - Price increase effective late in F4Q22 in place to mostly mitigate current higher supply chain costs

- ***Focused on delivering long-term, sustainable net sales and earnings growth***

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[1]IRI MULO + C-store + Company estimated unmeasured channel POS, 52-weeks ending 8/28/22

Fourth Quarter Fiscal 2022 Overview

- Simply Good Foods Q4 net sales increased +5.5%, slightly greater than our estimate
  - As expected, retail takeaway outpaced net sales growth
  - The retail inventory draw down during the quarter resulted in more typical retail inventory levels as we exited fiscal 2022

- Fiscal fourth quarter 2022 retail takeaway of 11.7% in combined measured and unmeasured channels exceeded our expectations

- Net income of $30.1 million versus $18.2 million last year. The year ago period was impacted by the fair value change of private warrant liabilities of $5.5 million

- Gross margin of 37.1% declined 310 bps versus the year ago period, slightly greater than expectations
  - Customer service performance approached target levels

- Q4 Adjusted EBITDA[1] of $51.0 million, in line with expectations, increased 5.1% versus last year
  - Sales growth and SG&A cost control partially offset by higher supply chain costs and inflation

[1]Adjusted EBITDA is a non-GAAP financial measure. Please refer to "Reconciliation of EBITDA and Adjusted EBITDA" in the earnings release dated October 21, 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.

[2]Basis point

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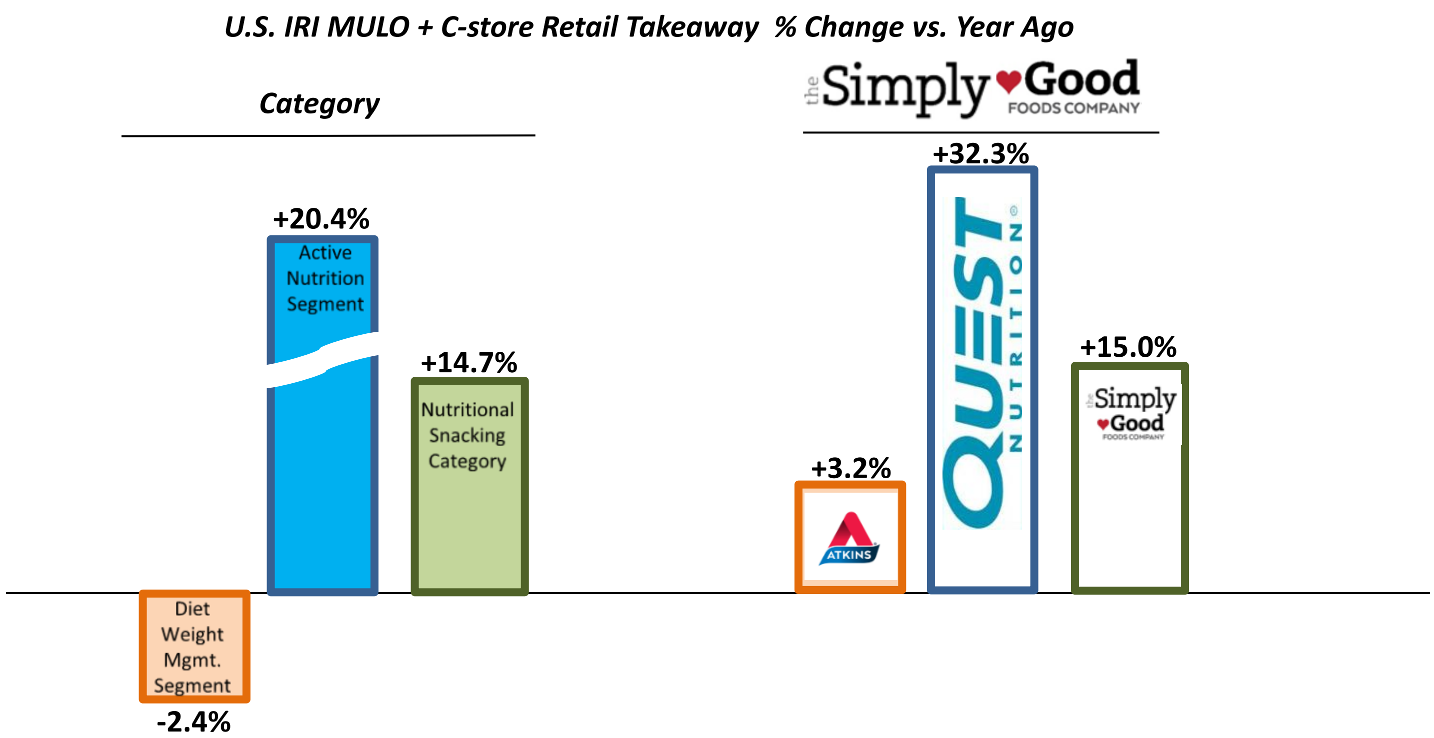
Simply Good Foods and Nutritional Snacking Category Retail Performance

- Full year fiscal 2022 Simply Good Foods IRI MULO + C-store retail takeaway increased 15.0%
- Atkins and Quest outpaced the sub-segments of weight management and active nutrition



Source: IRI MULO + C-store, 52-weeks ending 8/28/22; bars /graphs not to scale

Atkins® Overview

- Brand relevance remains strong as total buyer growth in fiscal 2022 increased 11%

- Atkins Q4 POS growth in combined measured and unmeasured channels increased 0.5%[1] as strong e-commerce growth offset softness in measured channels
  - Atkins retail takeaway at Amazon increased 75% versus last year
  - Total unmeasured channel retail takeaway increased 40%
  - Unmeasured channels about 12% of total brand retail sales

- Atkins Q4 IRI MULO + C-store retail takeaway[2] off 3.7% due to channel shifting to e-commerce
  - Shakes retail takeaway increased 5.5%, driven by solid growth in the food and club channels
  - Meal bars retail sales, about two-thirds of bar business, about the same as last year
  - Cookies and chips growth is progressing and still in early stages of driving trial
  - Confections and snack bars remained soft due to distribution losses and the strong year ago comparison due to the dessert bars launch

- While early, F1Q23 retail takeaway trends are improving; 6-weeks ending October 8th POS growth 3.4% in the combined measured and unmeasured channels
  - Performance driven by continued strong e-commerce growth and improving core shake and meal bars business

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[1]Combined measured and unmeasured channels, 13 weeks ending August 28, 2022
[2]IRI MULO + C-store, 13 weeks ending August 28, 2022

Quest® Overview

- Quest Q4 IRI MULO + C-store retail takeaway[1] increased 24.6% outpacing the nutritional snacking category and the active nutrition segment
  - Household penetration continues to build with growth platforms leading the way
  - Quest brand equity fundamentals strong, driven by significant base velocity growth, distribution gains and new product introductions
- Quest Q4 unmeasured channel retail takeaway in line with measured channels as Amazon growth more than offset declines in the specialty channel
- Bars Q4 IRI MULO + C-store retail takeaway[1] increased 11.1% and outpaced the bar segment of 7.8%
- Snacks[2] Q4 IRI MULO + C-store retail takeaway[1] increased 51% with strong performance across all forms
  - Quest snacks[2] slightly greater than 40% of measured channel retail sales
- In fiscal 2023 we have a good balance of innovation and variety across forms

[1]IRI MULO + C-store, 13 weeks ending August 28, 2022
[2]Confections, Cookies & Chips

Summary

- Simply Good Foods is uniquely positioned as a U.S. leader in nutritional snacking
  - *Atkins®* and *Quest®* are consumer lifestyle brands that are well developed across multiple forms
  - A diversified product portfolio that satisfies snacking usage occasions at home, in the office, or on the go

- Health and wellness snacking remains important to consumers
  - Low category household penetration a tailwind, as well as the consumer megatrends of wellness snacking, convenience and meal replacement

- Positioned well to deliver solid net sales and Adjusted EBITDA growth in fiscal 2023
  - Pricing and costs savings initiatives in place to offset projected supply chain dollar cost inflation
  - Broad spot market prices of ingredients and packaging have softened versus the peak, although we have not seen meaningful cost declines for our key inputs
  - Expect gross margin to decline, although at a lower rate than fiscal 2022

- Variable business model with lean infrastructure enables strong cash flow from operations

- Executing against our priorities and focused on driving long-term sustainable net sales and earnings growth

TODD CUNFER

CHIEF FINANCIAL OFFICER

Net Sales Performance

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

	Q4	Full Year Fiscal 2022
North America	6.4%	18.1%
International	-16.6%	-23.8%
Total Simply Goods Foods	5.5%	16.2%

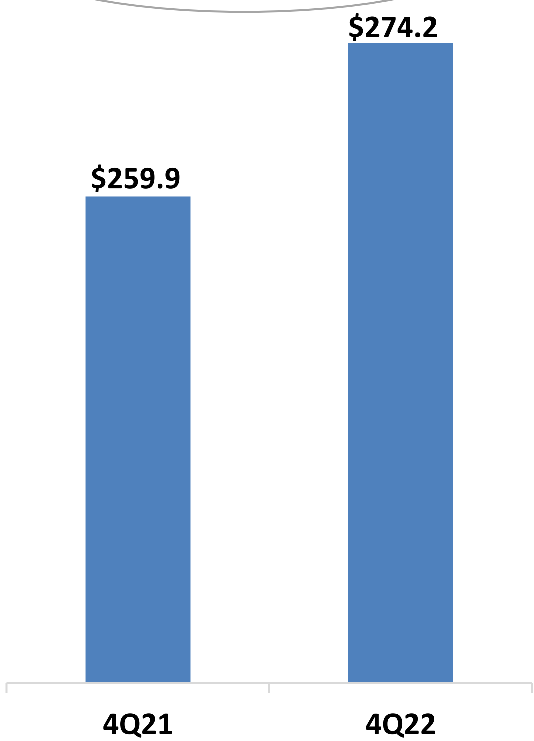
[1]Fiscal 2022 fourth quarter and year-to-date include the impact of the European business exit and licensing of the Quest frozen pizza business, a combined 1.6 and 2.0 ppt headwind to total Company net sales growth

4th Quarter Net Sales and Profit

Fiscal Q4 2022 vs. Year Ago Period

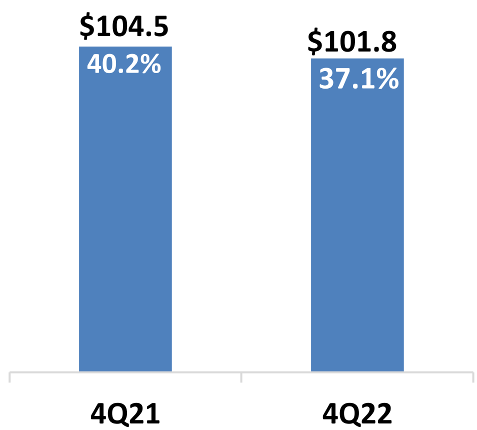
Net Sales[1]

+5.5% Year-Over-Year Percent Change



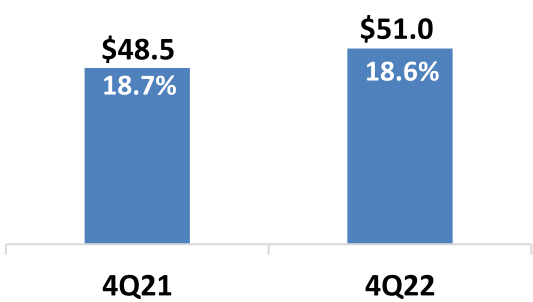
Gross Profit *(and % Margin)*[1]

-2.5% Year-Over-Year Percent Change



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

+5.1% Year-Over-Year Percent Change



[1] Dollars in millions. Unaudited financial information for the 13-weeks ended August 28, 2021 and 13-weeks ended August 27, 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 October 21, 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*

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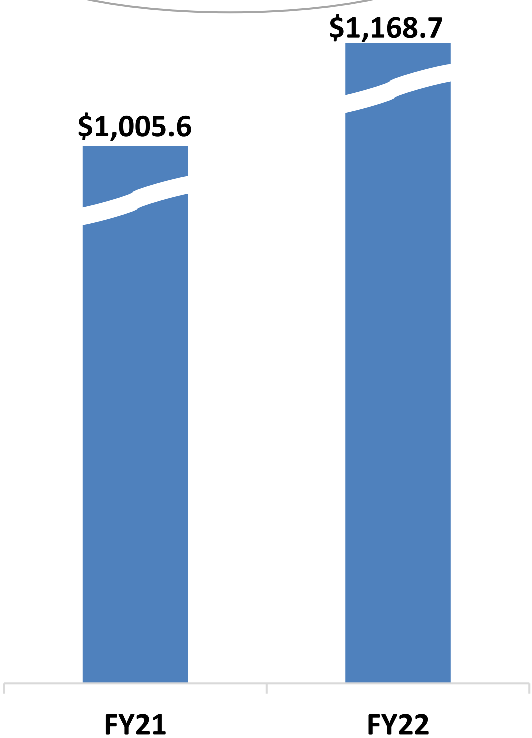
Full Year Fiscal 2022 Net Sales and Profit

2022 vs. Year Ago Period

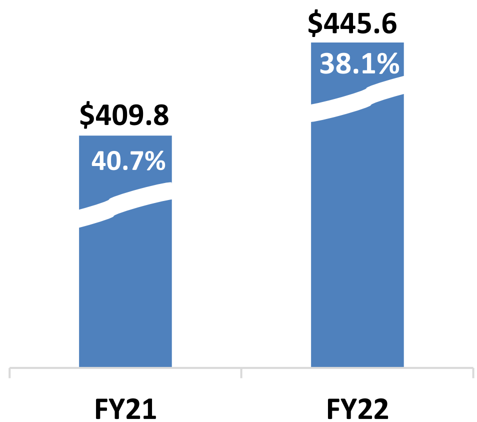
Net Sales[1]

16.2% Year-Over-Year Growth



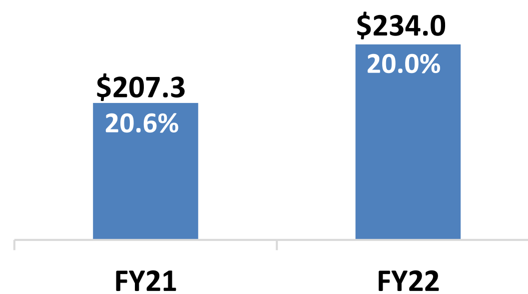
Gross Profit *(and % Margin)*[1]

8.7% Year-Over-Year Growth



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

12.9% Year-Over-Year Growth



[1] Dollars in millions. Unaudited financial information for the 52-weeks ended August 28, 2021 and 52-weeks ended August 27, 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 October 21, 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	
	Q4	Full Yr.
GAAP Diluted EPS	$0.30	$1.08
Depreciation & Amortization	$0.05	$0.19
Stock Based Compensation	$0.03	$0.12
Tax Effects of Adjustments[1]	-$0.02	-$0.08
Loss in fair value change of warrant liability [2,3]	--	$0.30
Dilution impact from Warrant Accounting Treatment [2.3]	--	-$0.02
Adjusted Diluted EPS	$0.36	$1.59

[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 25% for the 13 and 52-weeks ended August 27, 2022.

[2]Adjusted Diluted EPS for the 52 weeks ended August 27, 2022 reflects fully diluted shares outstanding of 102.1 million which includes 1.5 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.

Q4 = 13 weeks ended 8/27/22
YTD = 52 weeks ended 8/27/22

Balance Sheet & Cash Flow

- In fiscal 2022, term loan debt pay-down was $50 million; term loan debt balance at August 27, 2022, $406.5 million (SOFR[1] +325 bps)

- Fiscal fourth quarter and full year cash flow from operations of $43.3 and $110.6 million, respectively
  - Cash and cash equivalents balance at August 27, 2022 of $67.5 million
  - Trailing twelve-month Net Debt to Adjusted EBITDA[2,3] ratio 1.4x

- Open market repurchase of common stock:

	Shares Repurchased	Average Price	Total Cost ($ million)
Fiscal Q4 '2022	930,778	$33.69	$31.3
Full Year 2022	1,720,520	$34.79	$59.9
Fiscal Q1 2023	546,346	$30.11	$16.4

  - On October 19, 2022, the Board of Directors approved a $50 million increase to the stock repurchase authorization; $71.5 million available under the updated authorization

- Full year fiscal 2022 capital expenditures of $5.2 million
  - Full year fiscal 2023 capital expenditures expected to be in the $5-6 million range

- Anticipate fiscal 2023 interest income and GAAP interest expense, including amortization of debt issuance costs, of approximately $25-26 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 October 21, 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 October 21, 2022 available on our website for a presentation of the trailing twelve-month net debt to Adjusted EBITDA calculation

Fiscal 2023 Outlook and Commentary

- In a challenging economic environment, in fiscal 2023 we are on track to deliver solid net sales and Adjusted EBITDA growth
- Pricing and costs savings initiatives in place to offset projected supply chain dollar cost inflation
- The significant marketing and organizational investments we have made in our business should continue to grow our consumer base, distribution and market share
- Full Fiscal Year 2023 Outlook versus 2022:

	Fiscal 2022 ACT	Fiscal '23 Outlook	
Net Sales	$1,168.7 [1]	⇧ Growth to be slightly greater than LT algorithm of +4-6%	- Includes impact related to the pizza licensing agreement of almost 1 ppt.
Gross Margin	38.1%	⇩ Lower than fiscal 2022	- Pricing and cost savings initiatives in place to mostly mitigate projected higher supply chain costs - Majority of the decline will occur in F1Q23. Inflation over the remaining 3 quarters of the year should only slightly pressure gross margin
Adjusted EBITDA	$234.0 [1]	⇧ Growth rate expected to be in line with the Net Sales increase	- Anticipate significant SG&A leverage
Adjusted Diluted EPS	$1.59	⇧ Similar to the Adj. EBITDA growth rate	- Expect term loan interest rate in 2023 to be greater than 2022

[1]Dollars in millions

Q&A