Third Quarter Fiscal Year 2023 Earnings Conference Call & Webcast Presentation

June 29, 2023

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.

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, EBITDA, 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 29, 2023. 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.

Third Party Marks

JOSEPH E. SCALZO

CHIEF EXECUTIVE OFFICER

Today's Speakers and Agenda

Speakers

Mark Pogharian
VP, Investor Relations

Joe Scalzo, *CEO*

Geoff Tanner, President,
COO and CEO Elect

Shaun Mara, *CFO*

Agenda

- Introduction
- Business Overview
- Quest and Atkins Update
- Initial Observations
- Financial Summary
- Fiscal Year 2023 Outlook
- Q&A

Third Quarter Fiscal 2023 Business Overview

- Q3 retail takeaway and financial performance greater than forecast
  - POS growth of 11%[1] resulted in higher net sales growth versus our estimate
  - Q3 retail takeaway, as expected, outpaced net sales growth due to the prior year retail customer inventory build

- Q3 net sales increased 2.6% to $324.8 million
  - Growth driven by N. America performance, International about the same as the year ago period
  - Strong Quest momentum continued

- Net income of $35.4 million versus $38.8 million last year

- Gross margin 36.7%; exceeded our estimate
  - Decline of 80 bps versus last year due to higher ingredient and packaging costs
  - Inflation eased substantially versus the first half of the year

- Adjusted EBITDA[2] of $66.6 million was greater than our forecast and increased 5.3% versus last year
  - Better than expected growth was due to higher net sales and gross profit as well as SG&A cost control
  - Provides us with flexibility to invest in brand building initiatives in Q4

- July 7, 2023 succession plan on track:
  - Geoff Tanner to become Chief Executive Officer
  - Joe Scalzo will be appointed as Executive Vice Chair of the Board of Directors

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[1] *Combined IRI MULO + C-store and unmeasured channel estimate, 13 weeks ending May 28, 2023*

[2] Adjusted EBITDA is a non-GAAP financial measure. Please refer to "Reconciliation of EBITDA and Adjusted EBITDA" in the earnings release dated June 29, 2023, 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.

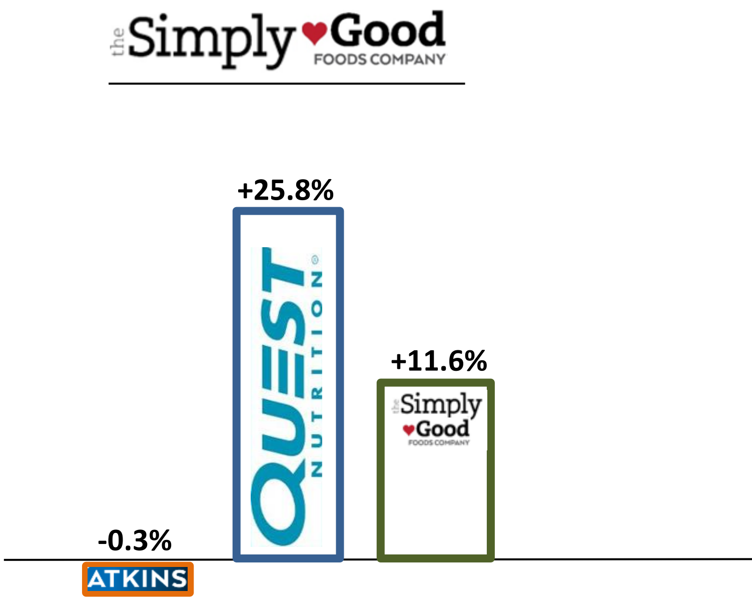
GEOFF TANNER

PRESIDENT, CHIEF OPERATING OFFICER AND CEO ELECT

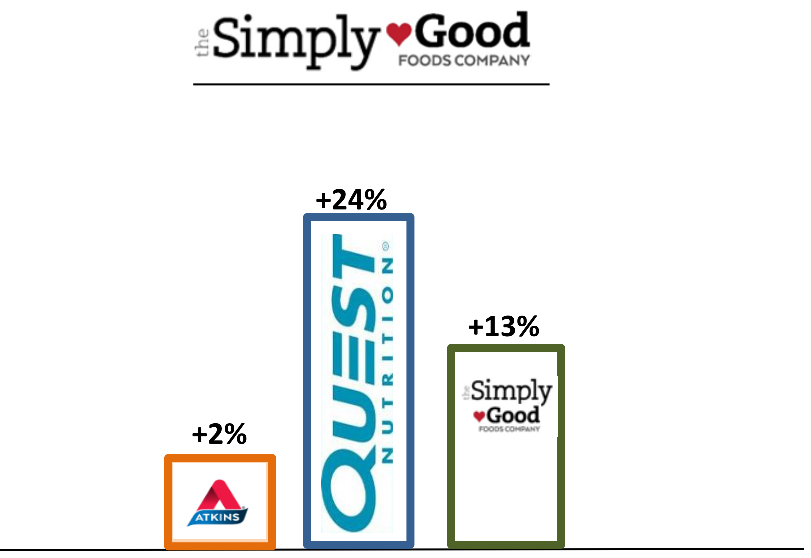
Simply Good Foods Year-to-Date Retail Takeaway Performance

- Fiscal F3Q23 year-to-date Simply Good Foods IRI MULO + C-store retail takeaway increased +11.6% and about +13% in the combined measured and unmeasured channels
- Atkins and Quest marketplace performance solid within the sub-segments of weight management and active nutrition

U.S. IRI MULO + C-store[1]
Retail Takeaway % Change vs. Year Ago



Measured + Unmeasured Channels[2]
Retail Takeaway % Change vs. Year Ago



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[1]IRI MULO + C-store, 39 weeks ending May 28, 2023
[2]Combined IRI MULO + C-store and unmeasured channel estimate, 39 weeks ending May 28, 2023

Quest® Overview

- Increasing buy rate and household penetration continues to play a large role in Quest's growth

- Quest Q3 POS growth about 24%[1] in combined measured and unmeasured channels and continues to out pace the nutritional snacking category
  - IRI MULO + C-store retail takeaway increased 25.0%[2]
  - Retail takeaway at Amazon increased 29% versus last year

- Strong growth across key product forms and double-digit retail takeaway across all major channels
  - Performance driven by distribution, base velocity and continued new product success
  - Household penetration and brand awareness below many competitors indicating a long runway for growth

- Q3 measured channel retail takeaway growth of both bars and snacks[3] about 25%[2]
  - Bars performance solid across the portfolio
  - Quest snacks[3] nearly 45% of measured channel retail sales, reinforcing the opportunity for the brand to expand into adjacent categories, day parts and usage occasions
  - Chips, nearly half of the Quest snacks[3] business, continues to be a meaningful driver of growth

[1]Combined IRI MULO + C-store and unmeasured channel estimate, 13 weeks ending May 28, 2023
[2]IRI MULO + C-store, 13 weeks ending May 28, 2023
[3]Snack = Confections, Cookies & Salty Snacks

Atkins® Overview

- Atkins Q3 POS growth in combined measured and unmeasured channels down about 2%[1]
  - Solid retail takeaway at Amazon, up 16%, offset by softness in measured channels

- Atkins Q3 IRI MULO + C-store retail takeaway declined 3.4%[2]
  - Softness primarily due to incremental programming in the year ago period that did not repeat this year and lack of bar innovation that led to distribution losses
  - Q3 marketplace performance solid at our largest Mass retail channel customer

- Measured channel performance by form was mixed
  - Shakes and meal bars retail takeaway was slightly up
  - As expected, snack bars and confections retail takeaway was off. As previously discussed, these short-term challenges are due to innovation gaps and distribution losses

- Year-to-date total buyers about the same as the year ago period resulting in household penetration flat over the last 52-weeks

- Atkins work underway:
  - Near term, a focus on bars innovation and regaining snack bars distribution losses
  - Continue to invest in the accelerating e-commerce business and work with retail customers to strengthen programming

- Expect F4Q23 POS growth rate to sequentially improve versus F3Q23

[1]Combined IRI MULO + C-store and unmeasured channel estimate, 13 weeks ending May 28, 2023
[2]IRI MULO + C-store, 13 weeks ending May 28, 2023

Geoff Tanner – Initial Observations

Nutritional Snacking Category Leadership	Focus on Driving Top Tier Growth: Quest	Focus on Driving Top Tier Growth: Atkins	Fuel Margin and Brand Reinvestment	Simply Good Foods, a Platform for Growth
• Partner with key retailers to drive category growth • Continue to be the leader in defining product forms and omni shopping experience	• Maintain Quest's momentum and rapid growth • Incremental innovation and increased distribution • Higher levels of marketing to drive brand awareness and trial	• Near term, shore up bars innovation and address distribution losses with customer specific programming • Continue to invest in e-commerce efforts that drives accelerated growth • Ensure Atkins marketing remains best-in-class with vibrant and culturally relevant messaging for todays and tomorrow's consumers	• Gross margin recovery to fuel brand investment • Advertising and marketing target level ~10% of net sales	• Solid margin and asset light business model results in strong cash generation • Flexibility to opportunistically participate in M&A and share buybacks

SHAUN MARA

CHIEF FINANCIAL OFFICER

Net Sales Growth

- F3Q23 Net Sales $324.8 million, an increase of 2.6% versus the year ago period

Net Sales Drivers of Growth

	Q3[1]
Pricing	7.3%
Volume	-4.6%
Total Simply Good Foods Net Sales YoY Change	2.6%

Reconciliation of N. America Retail Takeaway to Net Sales Growth

	Q3
Combined Measured & Unmeasured POS[2]	11%
Estimated Retail Inventory Change	-8%
N. America Net Sales Growth	3%

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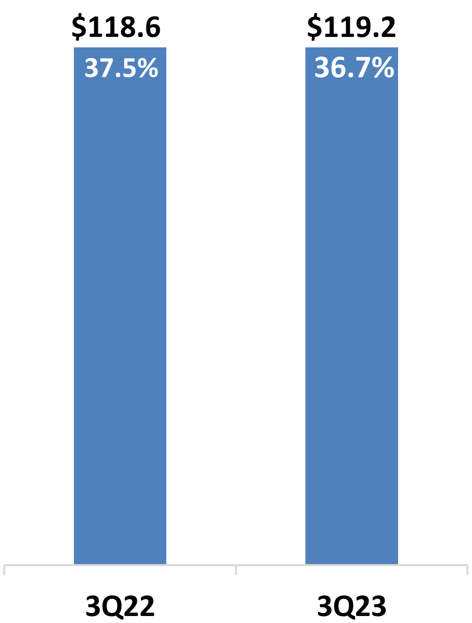
[1]Does not sum down due to rounding
[2]Company estimates

3rd Quarter Profit

Fiscal Q3 2023 vs. Year Ago Period

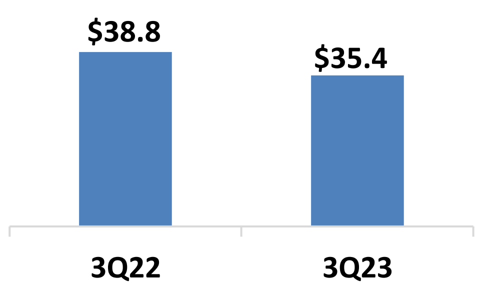
Gross Profit *(and % Margin)*[1]

+0.5% Year-Over-Year Percent Change



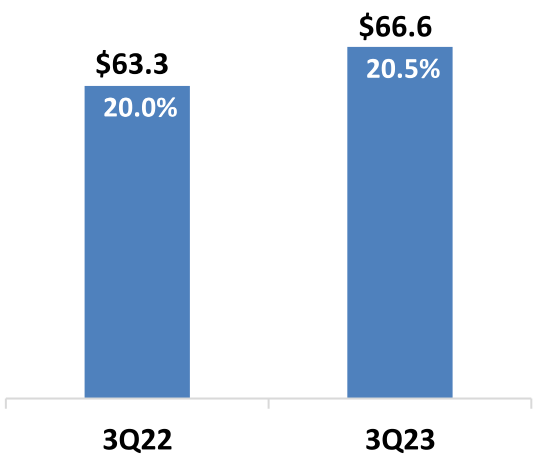
Net Income[1]

-8.8% Year-Over-Year Percent Change



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

+5.3% Year-Over-Year Percent Change



[1] Dollars in millions. Unaudited financial information for the 13-weeks ended May 28, 2022 and 13-weeks ended May 27, 2023

[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 29, 2023 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*

Adjusted Diluted Earnings Per Share

Reconciliation of Adjusted Diluted EPS

	Q3
GAAP Diluted EPS	$0.35
Depreciation & Amortization	$0.05
Stock Based Compensation	$0.04
Term Debt Extension Transaction Costs	$0.02
Executive Transition Costs	$0.01
Tax Effects of Adjustments[1]	-$0.03
Adjusted Diluted EPS	$0.44

[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 ended May 27, 2023.

Balance Sheet & Cash Flow

- Cash balance at May 27, 2023 of $68.8 million
  - Year-to-date F3Q23 cash flow from operations of $110.4 million

- Term loan debt balance at May 27, 2023, $325 million (SOFR[1] + 250 bps)
  - Term Loan B debt pay-down of $40 million in F3Q23
  - Trailing twelve-month Net Debt to Adjusted EBITDA[2,3] ratio 1.1x
  - Completed Term Loan B reprice and maturity extension from July 2024 to March 2027

- Anticipate fiscal 2023 interest income and GAAP interest expense, including amortization of debt issuance costs, of approximately $28-30 million

- Year-to-date capital expenditures and depreciation $10.1 million and $15.0 million, respectively
  - Capital expenditures includes about $8 million to secure specialized equipment at a co-manufacturer

[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 29, 2023 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 29, 2023 available on our website for a presentation of the trailing twelve-month net debt to Adjusted EBITDA calculation

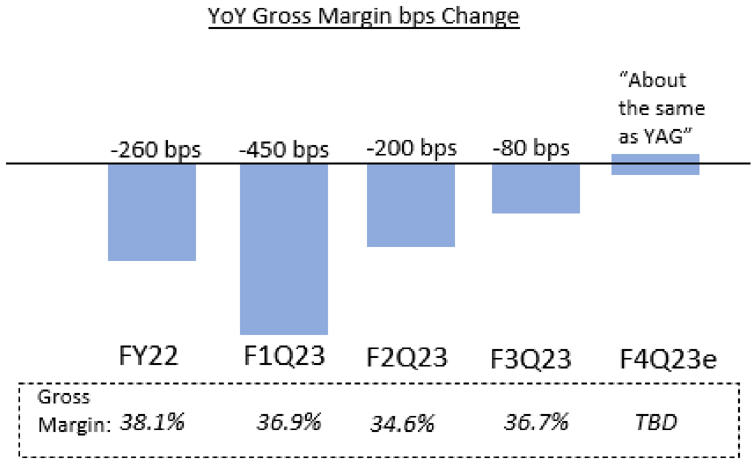
Summary

- Third quarter results and retail takeaway performance slightly better than expected
  - Provides us with flexibility to invest in brand building initiatives in Q4

- June retail takeaway increased about 11%[1]; POS expected to moderate late in Q4 as we lap the July 2022 price increase

- Net sales will outpace POS growth in Q4 as we lap a significant retail customer inventory reduction in the year ago period

- Continue to expect fiscal 2023 gross margin to be lower than last year
  - Improving overall cost environment, including ingredients
  - Gross margin recovery on track:



- Executing against our priorities and remain committed to doing the right thing over the near and long-term for our brands, customers, and consumers

[1]Combined IRI MULO + C-store and unmeasured channel estimate, 3 weeks ending June 18, 2023
[2]Graph not to scale

Fiscal 2023 Outlook and Commentary

- A portfolio of brands uniquely aligned with consumer megatrends of wellness snacking, convenience and meal replacement

- Reaffirm Fiscal Year 2023 Outlook:

	Fiscal 2022A	Fiscal '23 Outlook @ 6/29/2023	
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	- Ingredient and pacakging cost inflation moderating
Adjusted EBITDA	$234.0[1]	⇧ Growth rate expected to be slightly less than the Net Sales increase	- Anticipate SG&A total dollar costs to be slightly lower than last year
Adjusted Diluted EPS	$1.59	⇧ Higher vs. '22 but growth rate less than the Adj. EBITDA increase	- Expect term loan interest rate in 2023 to be greater than 2022

- Excited about our prospects and ability to create shareholder value

[1]*Dollars in millions*

Q&A