First Quarter Fiscal Year 2023 Earnings Conference Call & Webcast Presentation

January 5, 2023

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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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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

Shaun Mara
Chief Financial Officer

Joe Scalzo
President & Chief Executive Officer

Agenda

- Introduction
- Overview and Q1 Highlights
- Business Update
- Financial Summary
- Fiscal Year 2023 Outlook
- Q&A

First Quarter Fiscal 2023 Overview

- Simply Good Foods fiscal Q1 2023 net sales increased +7.0%
  - As expected, retail takeaway outpaced net sales growth

- Fiscal first quarter 2023 retail takeaway about 14% in combined measured and unmeasured channels
  - Strong Quest performance across key forms, customers and channels
  - Atkins e-commerce growth resulted in about 4% POS growth in combined measured and unmeasured channels

- Net income of $35.9 million versus $21.2 million last year. The year ago period was impacted by the fair value change of private warrant liabilities of $17.3 million

- Gross margin of 36.9% declined 450 bps versus the year ago period, slightly higher than expectations
  - Ingredient and packaging cost inflation, as well as trade investment, in line with expectations, logistics and contract manufacturer costs greater than estimates
  - Customer service performance continues to improve and nearing at target levels

- Fiscal Q1 2023 Adjusted EBITDA[1] of $60.8 million, versus $65.6 million in the year ago period
  - Sales growth and SG&A cost control offset by higher supply chain costs

- Focused on our plans and in position to deliver on our 2023 net sales Adjusted EBITDA objectives

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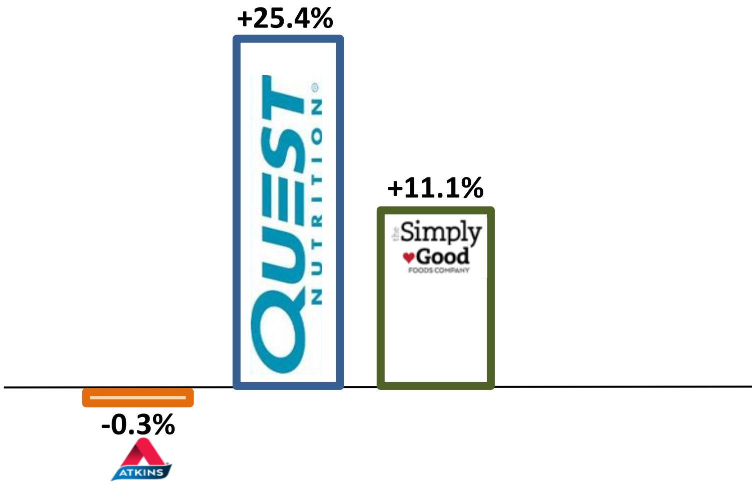
[1]Adjusted EBITDA is a non-GAAP financial measure. Please refer to “Reconciliation of EBITDA and Adjusted EBITDA” in the earnings release dated January 5, 2023, available on our website for a presentation of the most directly comparable GAAP financial measure and an explanation and reconciliation of this non-GAAP financial measure.

Simply Good Foods Retail Takeaway Performance

- Fiscal 1Q23 Simply Good Foods IRI MULO + C-store retail takeaway increased +11.1% and about +14% 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[2] Channels
Retail Takeaway % Change vs. Year Ago

[1]IRI MULO + C-store, 13 weeks ending November 27, 2022
[2]Combined IRI MULO + C-store and unmeasured channel estimate, 13 weeks ending November 27, 2022

Atkins® Overview

- Atkins Q1 POS growth in combined measured and unmeasured channels increased about 4%[1] as strong e-commerce growth outperformed flat measured channels
  - Retail takeaway at Amazon increased about 75% versus last year
  - Total unmeasured channel retail takeaway increased more than 40%

- In Q1, new buyer growth increased as post pandemic work trends improved
  - Buy rate slightly down but improving. Strength in meal replacement bars and shakes offset by snack bars and confections that lapped strong pandemic consumption in the year ago period

- Atkins Q1 IRI MULO + C-store[2] retail takeaway about the same as the year ago period; strong performance in mass channel offset by softness in the food class-of-trade
  - Shakes increased 7.6% driven by growth across all channels
  - Bars off 6.9%; meal bars, about two-thirds of bar business, about the same as last year, offset by snack bars distribution losses discussed last quarter and price sensitivity
  - Confections retail takeaway improved versus Q4; off 5.3% in Q1 due to the strong year ago dessert bars launch

- Collaboration with retailers is solid and their commitment to the category remains strong
  - Q2 in-store merchandising and programming in place

[1]Combined IRI MULO + C-store and unmeasured channel estimate, 13 weeks ending November 27, 2022
[2]IRI MULO + C-store, 13 weeks ending November 27, 2022

Quest® Overview

- Quest Q1 POS growth in combined measured and unmeasured channels[1] about the same as the IRI MULO + C-store universe
  - Retail takeaway at Amazon increased about 36% versus last year
  - Total unmeasured channel retail takeaway approximately 20%
  - Unmeasured channels about 24% of total brand Q1 retail sales

- Quest Q1 IRI MULO + C-store[2] retail takeaway increased 25.4%
  - 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
  - Strong growth across all major customers and channels

- Bars Q1 IRI MULO + C-store[2] retail takeaway increased 16.8%; consumer response to reformulation positive and driving growth

- Snacks[3] Q1 IRI MULO + C-store[2] retail takeaway increased 41%
  - Strong performance across all forms
  - Snacks household penetration increasing and about the same as bars
  - Meaningful chips growth, although price elasticity slightly greater than estimates
  - Quest snacks nearly 45% of measured channel retail sales and we expect the POS growth rate will moderate given the increasing size of the business

[1]Combined IRI MULO + C-store and unmeasured channel estimate, 13 weeks ending November 27, 2022
[2]IRI MULO + C-store, 13 weeks ending November 27, 2022
[3]Snack = Confections, Cookies & Salty Snacks

Summary

- Pleased with first quarter net sales and retail takeaway performance
  - The recessionary economy remains challenging; higher prices affecting demand and shopper foot traffic at brick-and-mortar retailers, particularly the food channel
  - We remain cautiously optimistic about our business with strong POS momentum over the first 4 months of our fiscal year
  - We are well positioned in mass and e-commerce retail channels that typically do well as shoppers seek out value

- In Q2, strong merchandising and programming in place for the upcoming “New Year, New You” season

- No change to full year fiscal 2023 gross margin outlook
  - We are seeing early signs of improving ingredient and packaging costs

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

SHAUN MARA

CHIEF FINANCIAL OFFICER

Net Sales Growth

- F1Q23 Net Sales $300.9 million, an increase of $19.6 million versus the year ago period

Fiscal Q1 2023 Net Sales

Net Sales Drivers of Growth:	
Price	9.8%
Volume	-1.7%
March 2022 Pizza Licensing	-1.1%
Total Simply Goods Foods Net Sales Growth	7.0%

Reconciliation of 1Q23 POS to Net Sales Growth[1]

Combined Measured & Unmeasured POS	14%
"Double Pricing" Estimate	-1%
Timing of Trade Promotion Investment	-2%
March 2022 Pizza Licensing	-1%
Estimated Retail Inventory Change vs. Prior Year	-2%
North America Net Sales Growth	~8%

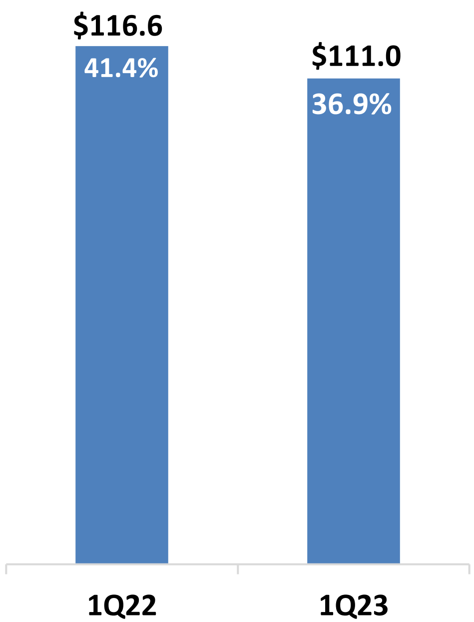
[1]*Company estimates*

1st Quarter Profit

Fiscal Q1 2023 vs. Year Ago Period

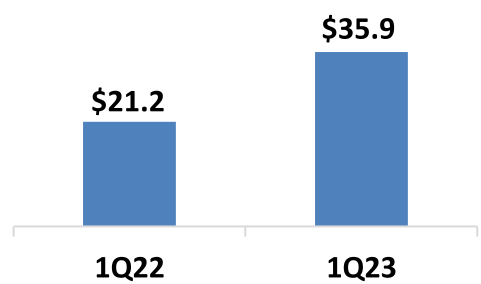
Gross Profit
(and % Margin)[1]

-4.8% Year-Over-Year Percent Change



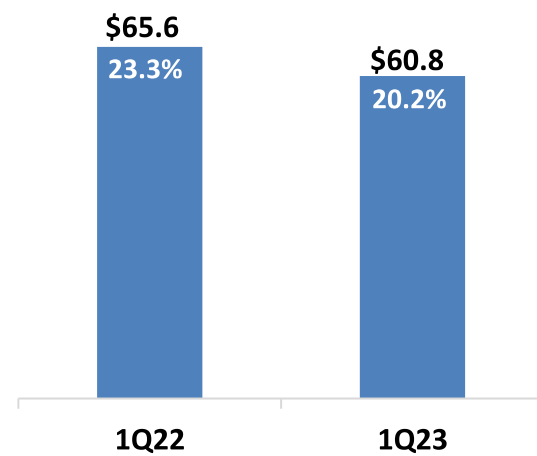
Net Income[1]

+69.5% Year-Over-Year Percent Change



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

-7.4% Year-Over-Year Percent Change



[1] Dollars in millions. Unaudited financial information for the 13-weeks ended November 27, 2021 and 13-weeks ended November 26, 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 January 5, 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*

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Adjusted Diluted Earnings Per Share

Reconciliation of Adjusted Diluted EPS

	1Q23
GAAP Diluted EPS	$0.36
Depreciation & Amortization	$0.05
Stock Based Compensation	$0.03
Tax Effects of Adjustments[1]	-$0.02
Adjusted Diluted EPS	$0.42

[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 November 26, 2022.*

Balance Sheet & Cash Flow

- Cash balance at November 26, 2022 of $54.1 million
  - Cash flow from operations of $8.7 million affected by the timing of working capital

- Open market repurchase of common stock in the fiscal first quarter of $16.4 million, at an average cost of $30.11 per share
  - As of November 26, 2022, approximately $71.5 million remained available under the stock repurchase program

- Term loan debt balance at November 26, 2022, $400.0 million (SOFR[1] + 325 bps)
  - Term loan debt pay-down of $6.5 million in F1Q23

- F1Q23 capital expenditures $1.2 million

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

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

Fiscal 2023 Outlook and Commentary

- In a challenging economic environment, we are on track to deliver on our fiscal 2023 financial objectives
- Full Fiscal Year 2023 Outlook versus 2022:

	Fiscal 2022 ACT	Fiscal '23 Outlook @ Jan. 5, 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	- Pricing and cost savings initiatives in place to mostly mitigate higher supply chain costs - Seeing early signs of improving outlook related to ingredient and packaging costs
Adjusted EBITDA	$234.0[1]	↑ Growth rate expected to be in line with the Net Sales increase	- Anticipate SG&A total dollar cost to be about the same as last year resulting in significant leverage
Adjusted Diluted EPS	$1.59	↑ Higher vs. last year but growth rate less than the Adj. EBITDA increase	- Expect term loan interest rate in 2023 to be greater than 2022

- We have good momentum – December POS 16%[2] - heading into the "New Year, New You" season and have strong customer programming in place
- Expect F2Q23 net sales to be slightly down versus last year as we anniversary the impact of the prior year retail customer inventory build
- F2Q23 Adjusted EBITDA to decline upper single digits on a percentage basis compared to F2Q22. Profitability is pressured as a result of lower sales and gross margin contraction due to higher ingredient and packaging costs compared to the year ago period
- Anticipate that gross margin in F2H23 to be slightly higher compared to the year ago period
- Excited about our near and long-term prospects and ability to create shareholder value

[1]*Dollars in millions*
[2]*Combined IRI MULO + C-store and unmeasured channel estimate for the period ended December 25, 2022*

Q&A