First Quarter Fiscal Year 2021 Earnings Conference Call & Webcast Presentation

January 6, 2021

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; 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, 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 January 6, 2021. 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

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

Agenda

- Introduction
- Q1 Highlights
- Business Update
- Financial Summary
- Q&A

Key Messages

- Simply Good Foods is uniquely positioned as a U.S. leader in the attractive nutritional snacking category
  - Underpenetrated category with household penetration of about 50%
  - In Atkins® and Quest®, Simply Good Foods has two, large, scale brands
  - Benefitting from the consumer mega-trends of both health and wellness and convenience and on-the-go nutrition
  - A diversified business across retail channels, customers and forms
- Asset-light business model generates strong cash flow to fund organic growth and enables participation in M&A
- Nutritional snacking category growth rates temporarily off due to fewer consumer shopping trips and lower on-the-go usage occasions. Although trends improving as mobility increases
- Confident that as consumer mobility increases, the growth rate of our brands will improve driven by the underlying benefits of the consumer mega-trends
- Remain committed to operating our business for the long-term and doing the right things for our brands, employees, customers and consumers during these challenging times
- First quarter results greater than our estimates; a good start to the year
- Total retail takeaway performance of our brands improving

First Quarter Fiscal 2021 Overview

- Q1 Simply Good Foods net sales exceeded expectations due to:
  - Continued strong e-commerce growth
  - Slightly better retail takeaway versus our expectation, despite soft Back-to-School season
  - Shipped slightly ahead of consumption due to earlier than anticipated seasonal inventory build by certain retailers

- Q1 Adjusted EBITDA growth driven by:
  - Quest acquisition, greater than anticipated net sales increase and strong cost controls

- Total Simply Good Foods Q1 measured and unmeasured retail takeaway increased mid single-digits[1]
  - "Snackier" portion of our portfolio - confections, chips and cookies – drove performance
  - Bars remain soft due to fewer on-the-go usage occasions
  - Simply Good Foods market share increased; category down low single-digits

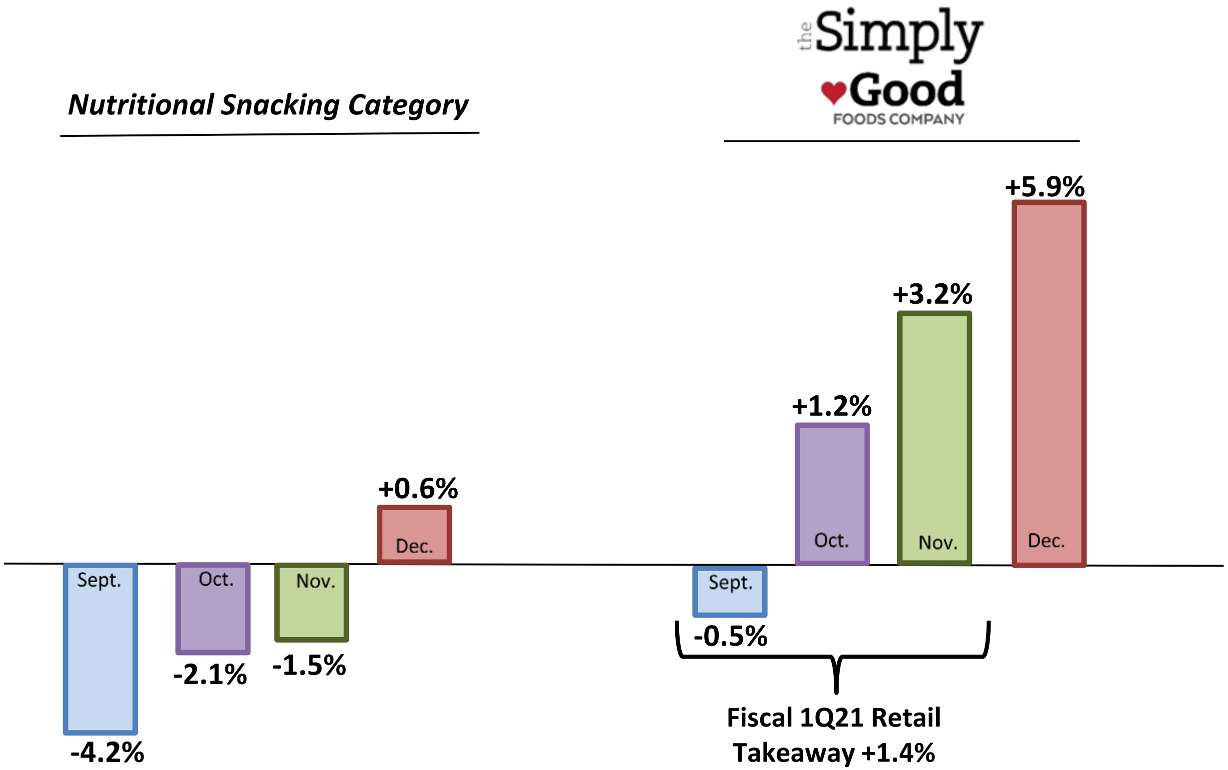
- Mass channel slightly better but still soft due to reduced shopper traffic

- Commitment to the nutritional snacking category by major retailers remains strong
  - Our new product distribution gains in-line with expectations
  - Early consumer off-take of our new products is encouraging

[1] *IRI MULO + C-store and management estimate of e-commerce and specialty channel performance for the 13 weeks ended 11/29/20*

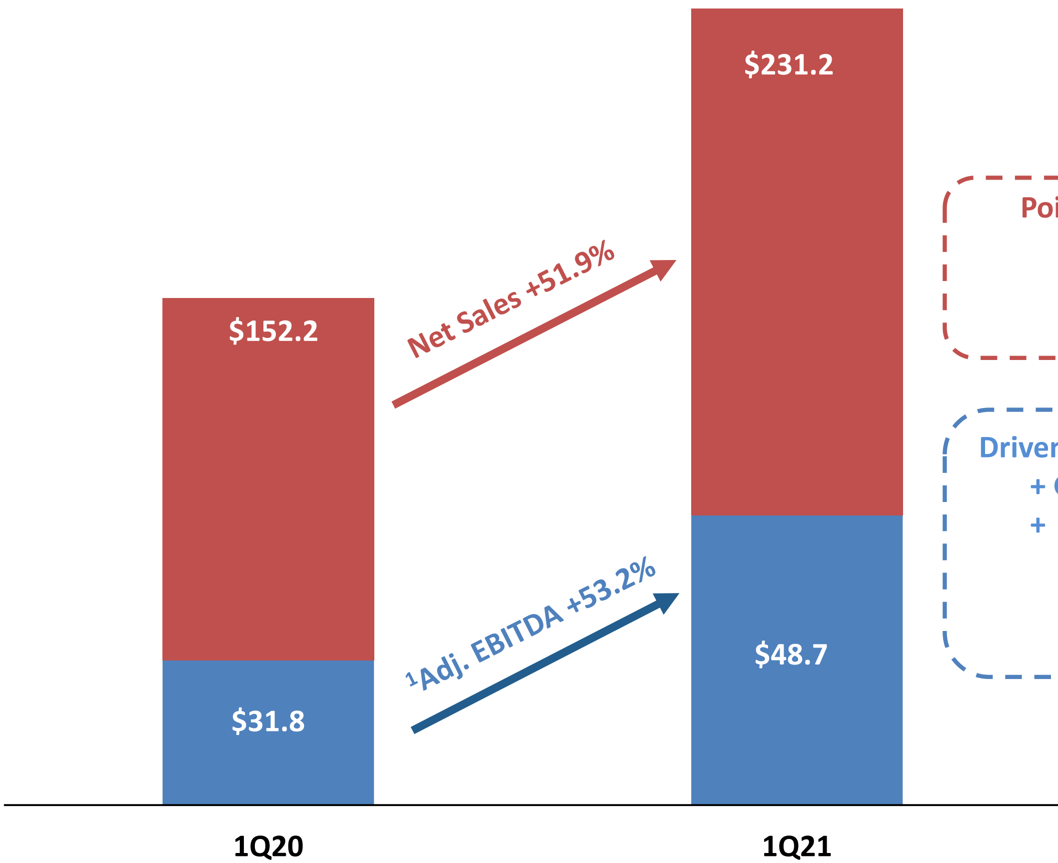
Simply Good Foods Retail Takeaway Outpacing the Category

Nutritional Snacking Category and Simply Good Foods
U.S. Retail Takeaway % Change vs. Year Ago



Source: IRI/MULO + C-stores; bars/graph not to scale

1st Quarter Net Sales and Adjusted EBITDA



Points of Growth:

Quest	+51.7%
Atkins	+1.9%
SimplyProtein	-1.7%

Driven by:

- \+ Gross profit increase driven by Quest contribution
- \+ SG&A beginning to benefit from Quest acquisition synergies

[1]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 January 6, 2021 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

Atkins® Retail Takeaway

- Atkins Q1 retail takeaway off -5.7%[1] due to temporary softer consumer interest in weight management during COVID-19 era along with fewer on-the-go usage occasions

- Retail takeaway sequentially improved, despite a slow start in September due to a soft Back-to-School season:

	Q1 Retail Takeaway		
	Sept.	Oct.	Nov.
Atkins IRI MULO + C-store	-8.0%	-5.3%	-3.4%

- While early, pleased with distribution gains and consumption performance of recent innovation, particularly iced coffee protein shakes and Endulge dessert bars

- E-commerce POS +45%; new buyers about one-third of total sales. RTD shakes increased double digits

- New buyers up, but buy rate lower than historical average reflecting lower on-the-go usage occasions

- As we move into fiscal Q2:
  - Expect that e-commerce growth will continue to be strong
  - Anticipate improving consumption from new product distribution gains and seasonal merchandising
  - Remain cautious of consumer seasonal participation given the recent surge in COVID-19 cases

[1] *IRI MULO + C-store, 13 weeks ending 11/29/20 (excludes frozen pizza)*

Quest® Retail Takeaway

- Quest significantly outpaced the category with Q1 retail takeaway[1] increasing +15.2%
  - Cookies, chips and confections combined retail takeaway increased +76%
  - Beginning to lap RTD shake launch and distribution
  - While early, pleased with distribution gains and consumption performance of recent innovation

- Quest bars impacted by lower on-the-go usage occasions, although performed better than the bar category

- Quest Q1 e-commerce retail takeaway increased +60%
  - Retail takeaway across bars, chips and cookies similar

- As we move into fiscal Q2:
  - Anticipate that POS will continue to be strong in measured and e-commerce channels
  - Chips, cookies, and confections distribution gains will be a benefit
  - Seasonal merchandising should be greater than last year
  - Remain cautious of consumer seasonal participation due to the recent surge in COVID-19 cases; year ago POS comps strong in part due to RTD shake launch

[1] *IRI MULO + C-store, 13 weeks ending 11/29/20 (excludes frozen pizza)*

Summary

- First quarter results better than expected driven by solid Quest performance and earlier than anticipated shipments related to seasonal inventory build by certain retailers
- Encouraged with improving Atkins and Quest marketplace performance
- Continued headwinds due to the increase in COVID-19 cases and select state imposed movement restrictions impacting mobility
- Executing well against our plan and initiatives that are focused on driving sales and earnings growth in fiscal 2021

TODD CUNFER

CHIEF FINANCIAL OFFICER

Net Sales Drivers of Growth

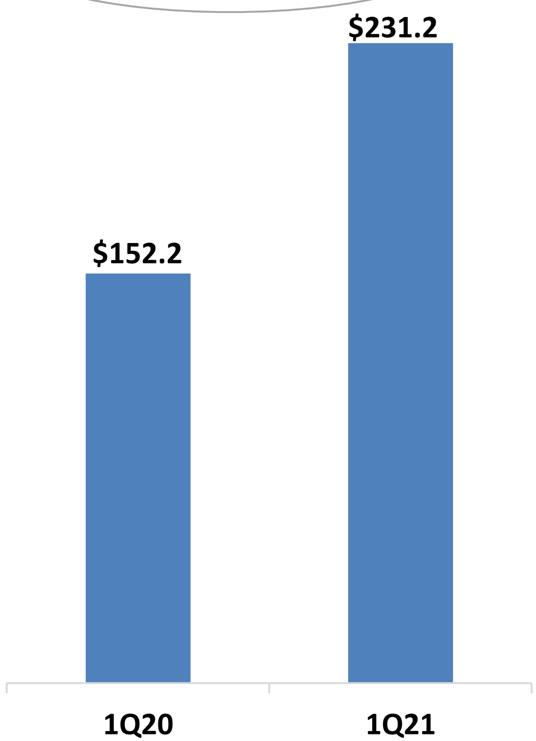
	Total Simply Good Foods
	1Q
	% of Total NS Growth
Atkins	1.9%
SimplyProtein Divestiture	-1.7%
Quest Nutrition	51.7%
Total Simply Good Foods	51.9%

1st Quarter Net Sales and Profit

Fiscal Q1 2021 vs. Year Ago Period

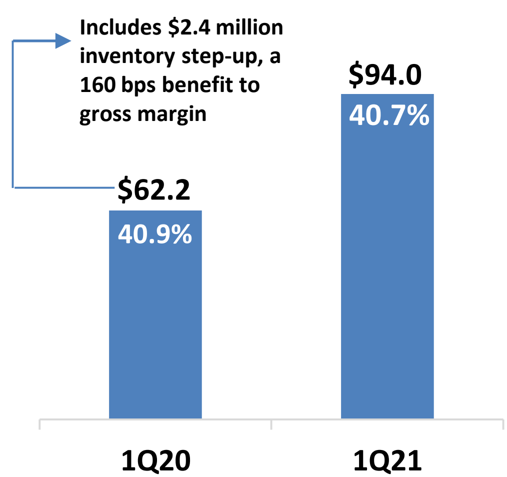
Net Sales[1]

51.9% Year-Over-Year Growth



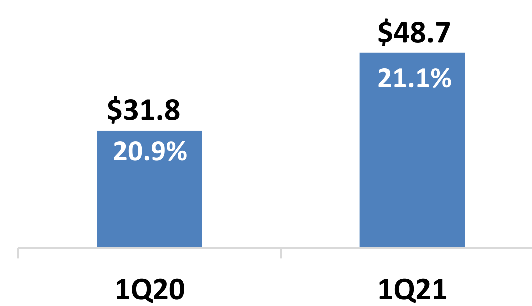
Gross Profit
(and % Margin)[1]

51.2% Year-Over-Year Growth



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

53.2% Year-Over-Year Growth



[1] Dollars in millions. Unaudited financial information for the 13-weeks ended November 30, 2019 and 13 weeks ended November 28, 2020

[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 January 6, 2021 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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Earnings Per Share-Diluted

Reconciliation of Adjusted Diluted EPS[1]

	1Q20	1Q21
GAAP Diluted EPS	($0.05)	$0.23
Business Transaction Costs	$0.22	--
Integration Expense	$0.01	$0.01
Inventory Step-up	$0.02	--
Stock Based Compensation	$0.01	$0.01
Depreciation & Amortization	$0.02	$0.03
Restructuring	--	$0.02
Net Loss Impacted on Diluted EPS	($0.01)	--
Rounding	--	($0.01)
Adjusted Diluted EPS	$0.22	$0.29

[1] Adjusted Diluted Earnings Per Share is a non-GAAP financial measure. The Company excludes, among other items, acquisition related costs, such as business transaction costs, integration expense and non-cash deal amortization expense to derive Adjusted Diluted Earnings Per Share. Please refer to the earnings release dated January 6, 2021, for the full definition and reconciliation of this non-GAAP financial measure.

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Balance Sheet & Cash Flow

- Fiscal 1Q21 term loan debt pay-down of $25 million; term loan debt balance at November 28, 2020, $581.5 million (LIBOR[1] +375 bps)
- Fiscal 1Q21 cash flow from operations of $15.2 million and proceeds from sale of SimplyProtein business of $5.8 million
  - Cash and cash equivalents balance at November 28, 2020 of $91.5 million
  - Trailing twelve month Net Debt to Adjusted EBITDA[2] ratio 2.9x
- First quarter depreciation and amortization of $4.5 million and capital expenditures $0.1 million
- Fiscal 2021 capital expenditures expected to be $5-6 million driven by equipment purchases at our new warehouse
- Anticipate fiscal 2021 interest expense, including amortization of debt issuance costs, of approximately $30 million

[1] LIBOR minimum floor 1.00%

[2] Adjusted EBITDA (Earnings Before Interest, Taxes, Depreciation & Amortization) is a non-GAAP financial measure. Please refer to "Reconciliation of Adjusted EBITDA" and "Reconciliation of Net Debt to Adjusted EBITDA" in the earnings release dated January 6, 2021 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.

Fiscal 2021

- As consumer mobility increases we expect the growth rate of our brands will improve
  - We have a portfolio of brands aligned around consumer mega-trends of health and wellness, convenience and on-the-go nutrition
  - Consumers continue to express that protein, low carb and minimal sugar are important attributes when making snacking decisions

- Our business is performing well, particularly confections, chips and cookies which are more often consumed at home
  - The unknown duration of reduced consumer mobility could continue to pressure bar usage occasions and trips in the Mass channel
  - Remains difficult to provide a full-year fiscal 2021 outlook at this time. First half of fiscal 2021 outlook updated:
    - Net sales to be in the $455-465 million range
    - Adjusted EBITDA in the $85-90 million range
    - Includes divestiture of SimplyProtein business and the exit of Europe, about a combined 2% headwind to both the first half and full year fiscal 2021 net sales growth

- Reaffirm full year fiscal 2021 expectation of gross margin to be about the the same as fiscal 2020 and Adjusted EBITDA margin expansion

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

- We remain confident in our growth prospects and will continue to execute against our plans which position our business for long-term growth

Q&A