Utz Brands, Inc.

FIRST QUARTER 2023 EARNINGS PRESENTATION

MAY 11, 2023

Disclaimer

Forward-Looking Statements
Certain statements made herein are not historical facts but are "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, as amended. The forward-looking statements generally are accompanied by or include, without limitation, statements such as "will", "expect", "intends", "goal" or other similar words, phrases or expressions. These forward-looking statements include the expected effects from the COVID-19 pandemic, future plans for the Utz Brands, Inc. ("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, the effects of inflation or supply chain disruptions, statements regarding the Company's project balance sheet and liabilities, including net leverage, 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. Factors that may cause such differences include, but are not limited to: the risk that the Company's gross profit margins may be adversely impacted by a variety of factors, including variations in raw materials pricing, retail customer requirements and mix, sales velocities and required promotional support; changes in consumers' loyalty to the Company's brands due to factors beyond the Company's control; changes in demand for the Company's products affected by changes in consumer preferences and tastes or if the Company is unable to innovate or market its products effectively; costs associated with building brand loyalty and interest in the Company's products, which may be affected by actions by the Company's competitors' that result in the Company's products not suitably differentiated from the products of their competitors; fluctuations in results of operations of the Company from quarter to quarter because of changes in promotional activities; the possibility that the Company may be adversely affected by other economic, business or competitive factors; the risk that the Company may not recognize the anticipated benefits of recently completed business combinations and other acquisitions recently completed by the Company (collectively, the "Business Combinations"), which may be affected by, among other things, competition and the ability of the Company to grow and manage growth profitably and retain its key employees; the ability of the Company to close planned acquisitions; changes in applicable law or regulations; costs related to the Business Combinations and other planned acquisitions; the inability of the Company to maintain the listing of the Company's Class A Common Stock on the New York Stock Exchange; the inability of the Company to develop and maintain effective internal controls;-and other risks and uncertainties set forth in the section entitled "Risk Factors" and "Forward-Looking Statements" in the Company's Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (the "Commission") for the fiscal year ended January 1, 2023, and other reports filed by the Company with the Commission. 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. 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. The Company cautions investors not to place undue reliance upon any forward-looking statements, which speak only as of the date made. The Company does not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any change in its expectations or any change in events, conditions or circumstances on which any such statement is based, except as otherwise required by law.

Non-GAAP Financial Measures
This presentation includes certain financial measures not presented in accordance with U.S. generally accepted accounting principles ("GAAP") including, but not limited to, Organic Net Sales, Adjusted Gross Profit, Adjusted SD&A, EBITDA, Adjusted EBITDA, Normalized Adjusted EBITDA, Adjusted Net Income, and Adjusted Earnings Per Share, and certain ratios and other metrics derived therefrom. These non-GAAP financial measures do not represent 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 these non-GAAP measures to the most directly comparable GAAP measures are set forth in the appendix to this presentation. 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 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 non-GAAP financial measures are not recognized in accordance with GAAP and should not be viewed as an alternative to GAAP measures of performance.



Business Overview

HOWARD FRIEDMAN

CHIEF EXECUTIVE OFFICER



First Quarter Key Takeaways

Power Brands retail sales growth of 9.8%(1) while continuing our geographic expansion

Net sales volume performance as expected as we lapped a very strong prior year, and rationalized our portfolio focused on reducing private label and partner brands

Increased **consumer investment** to drive demand

Fourth consecutive quarter of year-over-year **Adjusted Gross Margin expansion** driven by pricing execution and productivity savings

Executed against our **manufacturing network optimization** strategies

"Our business momentum continued as we executed against the long-term strategies that have made this great company successful"
—Howard Friedman, Utz Chief Executive Officer

(1) Retail sale are Circana Total US MULO-C, custom Utz Brands hierarchy, 13-weeks ended 4/2/2023; % YoY Growth compared to the comparable period in the prior year on a pro forma basis.

Summary of First Quarter 2023 Results

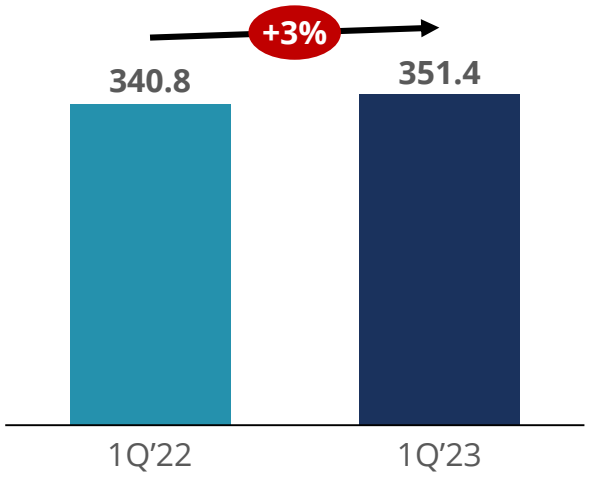
Organic Net Sales growth of 4.0%

- Lapping 20.7% comparable growth in 1Q'22
- Excludes the negative impact of Independent Operator ("IO") route conversions and positive impact of acquisitions

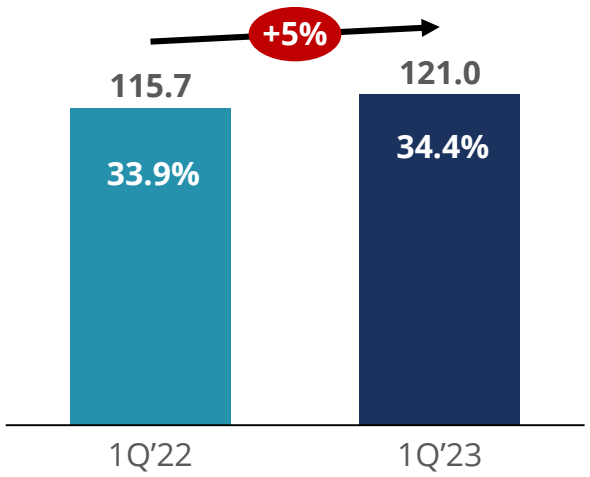
Gross margin improvement represents benefits from pricing actions and productivity offsetting significant inflation

- Estimate IO conversions adversely impacted Adjusted Gross Margin by approximately 90 bps

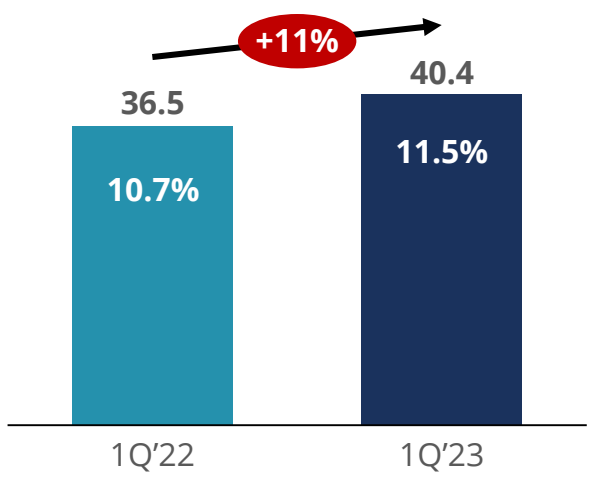
Net Sales
($ in M)



Adj. Gross Profit (% margin)
($ in M)



Adj. EBITDA (% margin)
($ in M)



Note: Organic Net Sales, Adjusted Gross Profit, and Adjusted EBITDA, are Non-GAAP financial measures.
See appendix for reconciliation of Non-GAAP financial measures to most directly comparable GAAP measures.

First Quarter Retail Sales Overview

UTZ POWER BRANDS RETAIL SALES GROWTH

9.8%

IN 1Q'23

THREE LARGEST POWER BRANDS

Double-digit growth

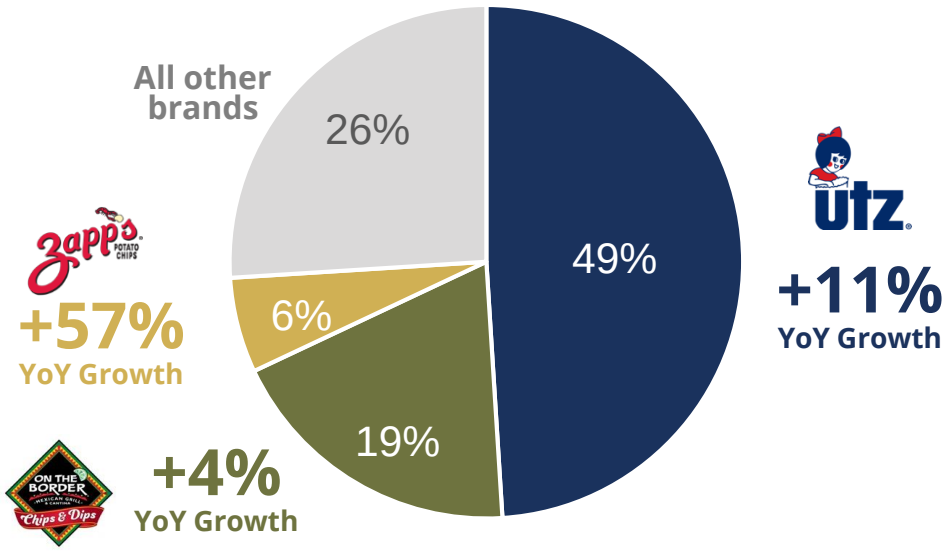
IN 1Q'23

~75%

OF TOTAL 1Q'23 RETAIL SALES

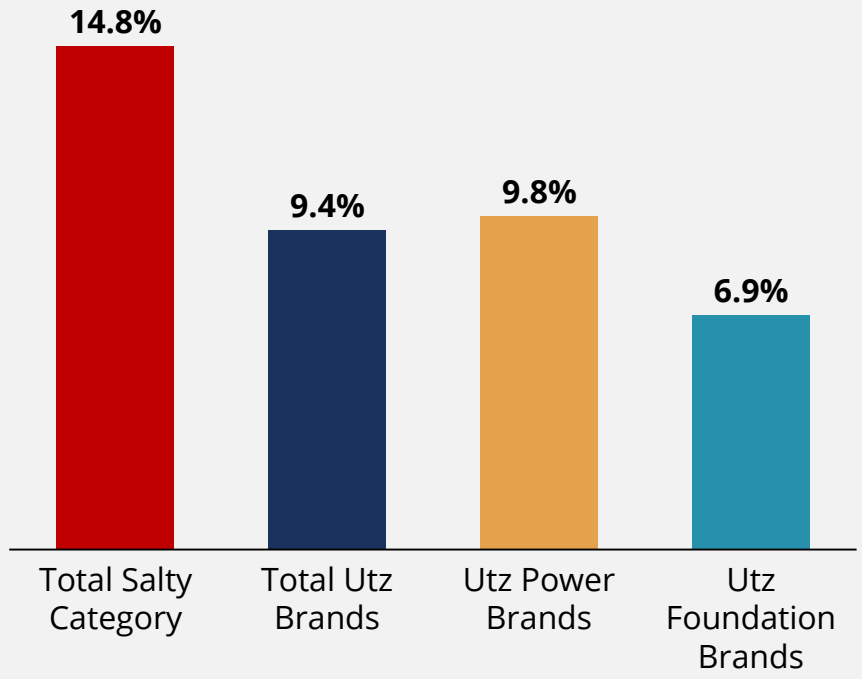
% of Total Retail Sales

(13-Weeks Ended 4/2/23)



Retail Sales Year-over-Year Growth

(13-Weeks Ended 4/2/23)



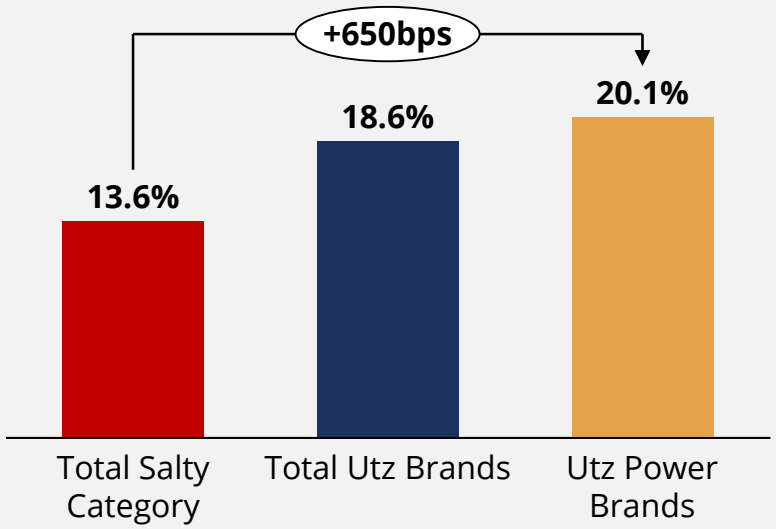
Source: Retail sales are Circana Total US MULO-C, custom Utz Brands hierarchy, 13-weeks ended 4/2/2023; % YoY growth compared to the comparable period in the prior year on a pro forma basis.

Our 2-Year Performance is in-line with the Salty Snacks Category

Utz Power Brands Gained Share vs. 2-Years ago

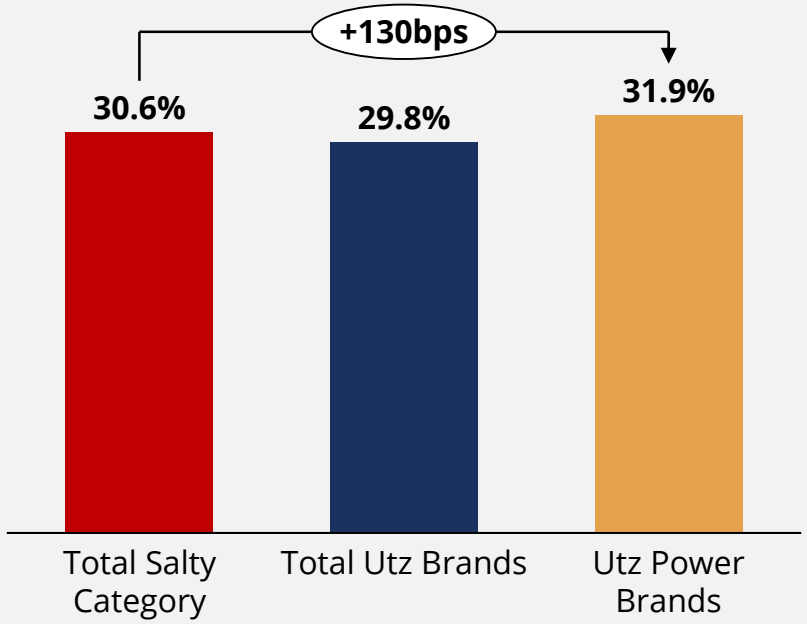
Retail Sales Year-over-Year Change in the Prior Year

1Q'22 vs. 1Q'21



Retail Sales 2-year Change

1Q'23 vs. 1Q'21



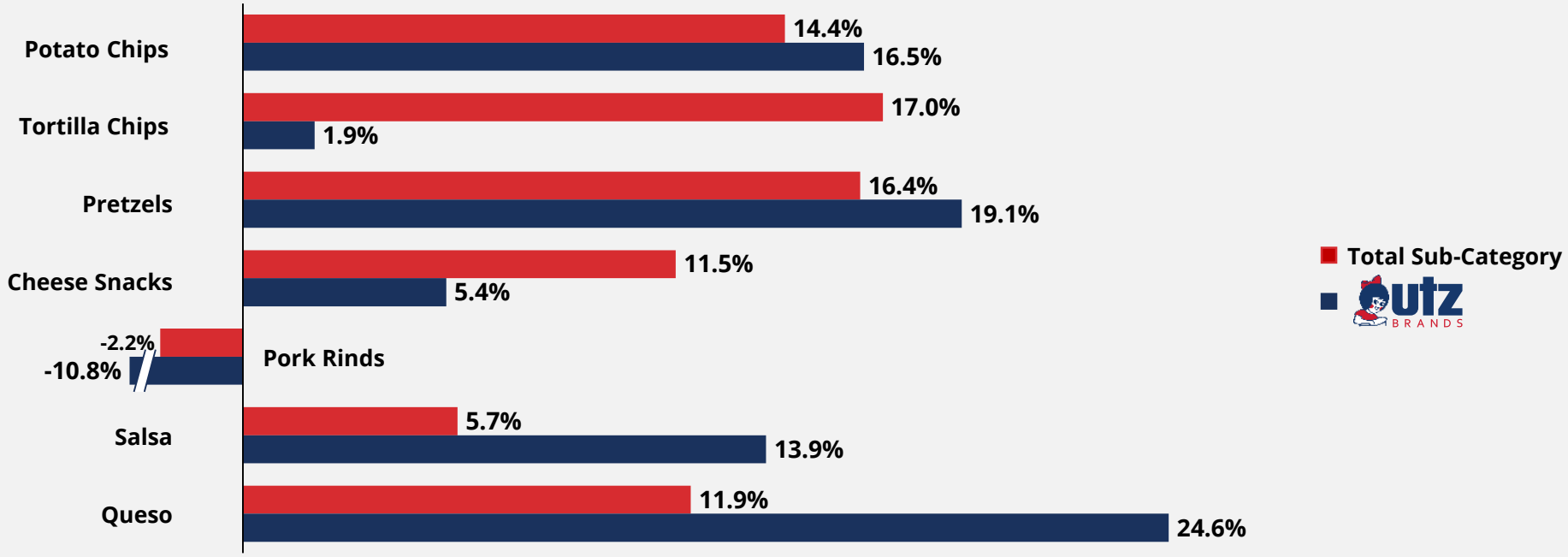
Source: Retail sales are Circana Total US MULO-C, custom Utz Brands hierarchy, % YoY and 2-year growth compared to the comparable periods in the prior years on a pro forma basis.

1Q'23 Retail Sales by Sub-Category

- **Strong double-digit growth** across Potato Chips and Pretzels which were ~55% of retail sales
- **Tortilla Chip and Cheese Snacks** share performance impacted by lapping strong performance in the Mass Channel in the prior year
- **2-year Utz tortilla chip growth** of 37.6% vs. Sub-category growth of 32.0%

Sub-Category Retail Sales Year-over-Year Growth

(13-Weeks Ended 4/2/23)



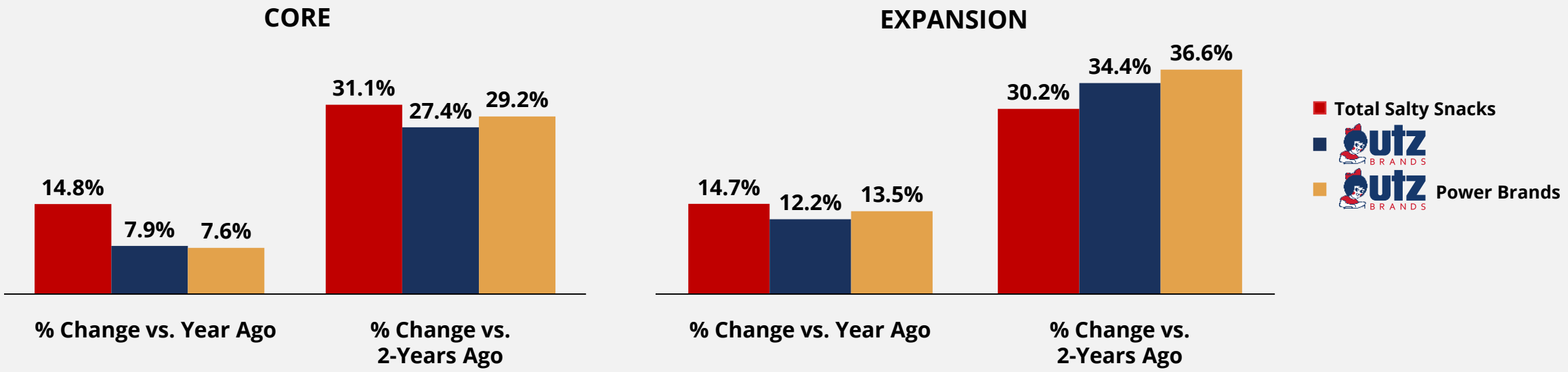
Source: Retail sale are Circana Total US MULO-C, custom Utz Brands hierarchy, 13-weeks ended 4/2/2023; % YoY growth compared to the comparable period in the prior year on a pro forma basis.

1Q’23 Retail Sales by Geography

- **Core share performance** impacted by lapping strong Utz® brand share gains and declines in Golden Flake® Pork, Good Health®, and TORTIYAHS®
- **Expansion share performance** impacted by On The Border® lapping strong activity in the Mass channel
- **2-year Power Brands’ growth** in Expansion outpacing the Salty Category

1Q’23 Geographic Channel Retail Sales Growth

(13-Weeks Ended 4/2/23)



Source: Retail sales are Circana Total US MULO-C, custom Utz Brands hierarchy, % YoY and 2-year growth compared to the comparable periods in the prior years on a pro forma basis.

2023 Innovation Focus on Flavor & Occasions

Pretzels + Flavor



Scaling Zapp's Seasoned Pretzels and Utz Peanut Butter-filled Pretzels

Capturing Occasions



New Seasonal Offerings and Assortments in Multipacks

On-Trend Flavors



Hot & Spicy Limited Time Offerings and Line Extensions

Building on Our Momentum with Focused Execution in 2023

- **Drive strong organic growth** enabled by our resilient and recession-resistant Salty Snack sub-categories
- **Expand the reach of our Power Brands** through increased distribution, advertising, and enhanced innovation
- **Increase supply chain and selling infrastructure investments** to support growth and margin expansion
- **Enhance our margins** through our productivity and revenue management programs
- **Generate stronger cash flow** and reduce leverage to unlock further growth opportunities







Financial Performance

AJAY KATARIA
CHIEF FINANCIAL OFFICER

First Quarter Financial Results Summary

In $ millions, except per share amounts	1Q'23 13-weeks ended April 2, 2023	1Q'22 13-weeks Ended April 3, 2022	YoY Change
Net Sales	**351.4**	**340.8**	**+3.1%**
Organic Net Sales	**354.4**	**340.8**	**+4.0%**
Adj. Gross Profit	**121.0**	**115.7**	**+4.6%**
% of net sales	*34.4%*	*33.9%*	*+48 bps*
Adj. SD&A Expense	**80.6**	**79.2**	**1.5%**
% of net sales	*22.9%*	*23.2%*	*+31 bps*
Adj. EBITDA	**40.4**	**36.5**	**+10.7%**
% of net sales	*11.5%*	*10.7%*	*+79 bps*
Adj. Net Income	**15.0**	**15.4**	**(2.6%)**
Adj. EPS	**$0.11**	**$0.11**	**—**

Note: Organic Net Sales, Adjusted SD&A, Adjusted Gross Profit, Adjusted EBITDA, Adjusted Net Income and Adjusted EPS are Non-GAAP financial measures. See appendix for reconciliation of Non-GAAP financial measures to most directly comparable GAAP measures.

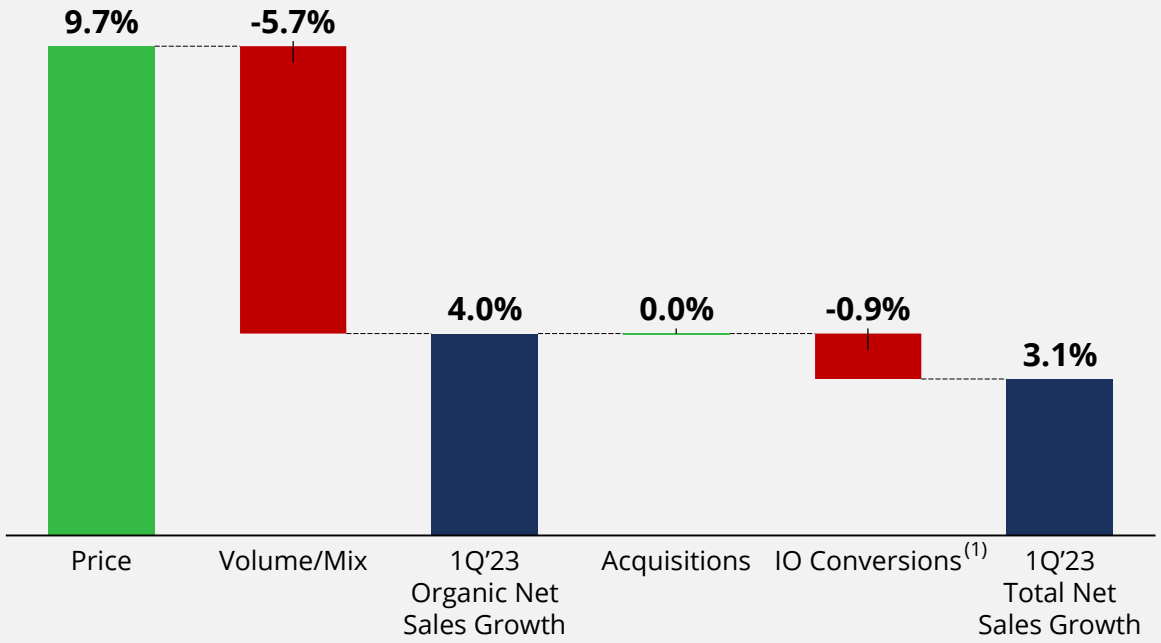
"Our margins continued to recover from inflation as we execute our margin-enhancing programs, and we delivered our fourth consecutive quarter of year-over-year Adjusted Gross Margin expansion"

—Ajay Kataria, Utz CFO

1Q’23 Net Sales Bridge

- **Total net sales growth of 3.1%** and Organic Net Sales growth of +4.0%
- **Net price realization** as a result of inflation-justified actions in fiscal 2022
- **Organic volume growth impacted** by SKU rationalization focused on private label and certain partner brands that reduced volumes by approximately 4%, and lapping strong performance in the Mass Channel in the prior year
- **Impact from conversion** of company-owned direct store delivery (“DSD”) routes to IOs of (0.9%)

1Q’23 Net Sales YoY Growth Decomposition



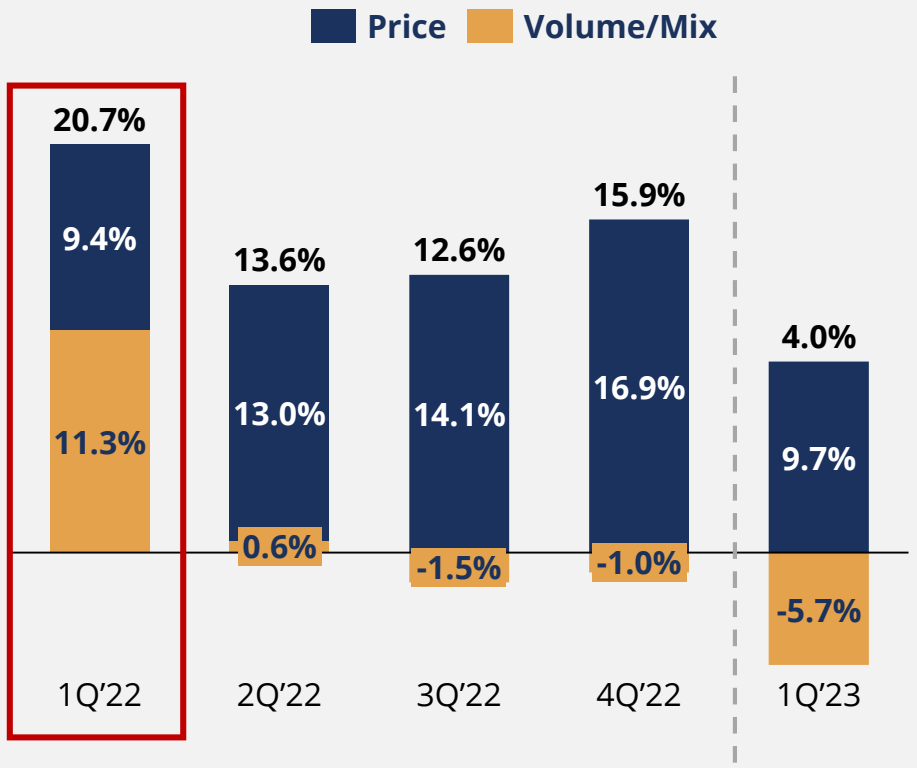
Note: Organic Net Sales is a Non-GAAP financial measure.
Note: See appendix for reconciliation of Non-GAAP financial measures to most directly comparable GAAP measures.

(1) Estimated impact due to conversion of employee-serviced DSD routes to independent operator-serviced routes.

Perspective on 1Q'23 Organic Net Sales Growth

- **Lapping 20.7% Organic Net Sales growth** and 11.3% volume growth in 1Q'22
- **Continued to aggressively trim lower-quality volume** and rationalized private label and partner brand items
- **SKU rationalization is unlocking manufacturing capacity** for our Power Brands and enabling network optimization

Trending Organic Net Sales Year-over-Year Growth



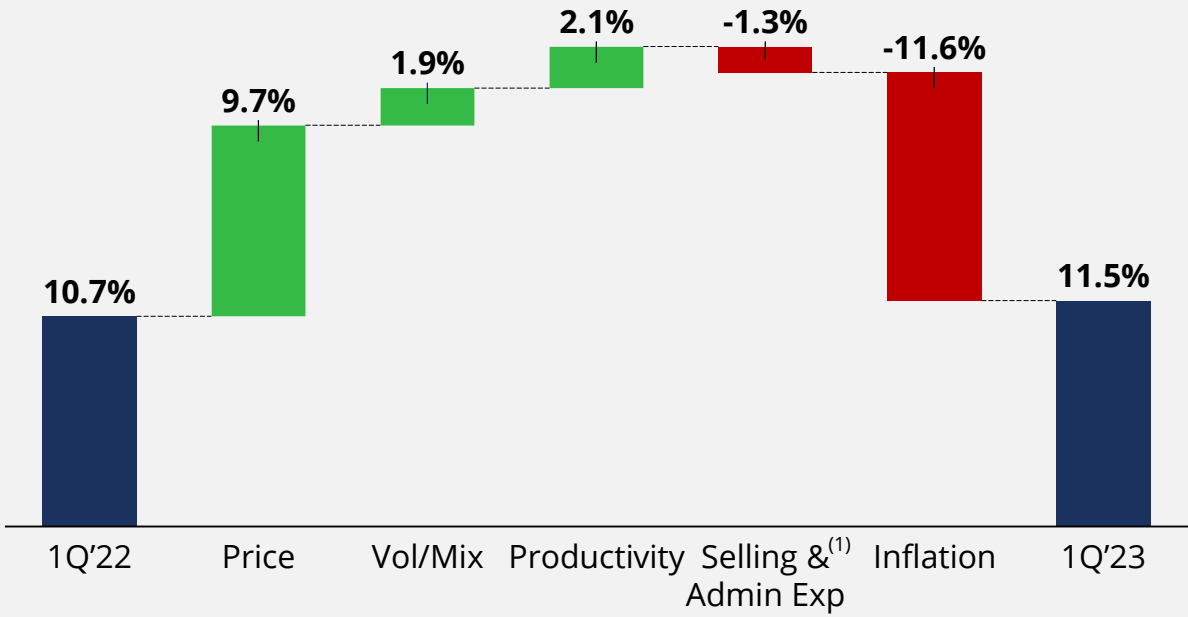
Note: Fiscal 2022 price and volume/mix amounts have been recast to conform to the current year presentation.

1Q'23 Adjusted EBITDA Margin Bridge

- **Pricing and productivity fully offset higher gross input cost inflation**
  - Benefits from inflation-justified pricing actions and improved mix
  - Momentum increasing on productivity initiatives
- **Increase in Selling & Admin expense primarily impacted by:**
  - Increased investments in our people, brands, selling infrastructure, and supply chain capabilities to support long-term growth

Note: Adjusted EBITDA Margin is a Non-GAAP financial measure.
See appendix for reconciliation of Non-GAAP financial measures to most directly comparable GAAP measures.

1Q'23 Adjusted EBITDA Margin Decomposition



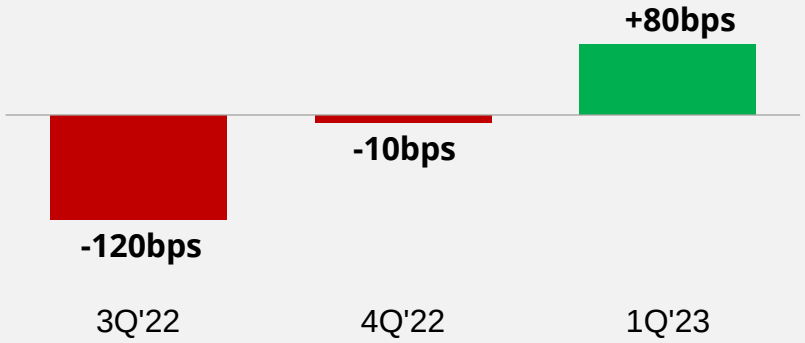
(1) Excludes Distribution Expense

Building Momentum Across Margin-Enhancing Initiatives

- **Managing cost inflation** with FY'22 pricing execution with strategic revenue management programs ongoing
- **Improving margin mix** through the continued reduction of private label and partner brands SKU's
- **Delivering productivity** approaching ~4% in FY'23
- **Network optimization** underway with the recently announced actions

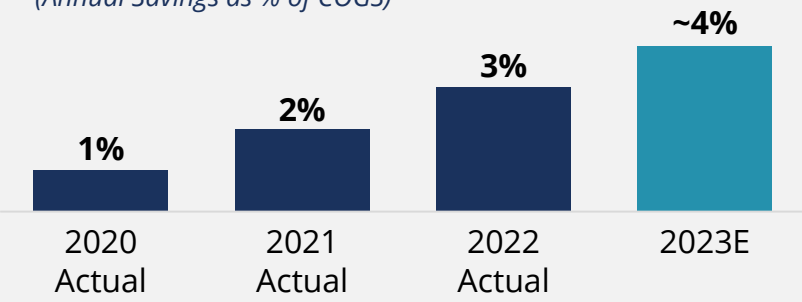
Adjusted EBITDA Margin YoY Change

(as % of Net Sales)



Productivity(1)

(Annual Savings as % of COGS)



1) Excluding FY2020 and FY2021 acquisitions.

Note: Adjusted EBITDA Margin is a Non-GAAP financial measure.
See appendix for reconciliation of Non-GAAP financial measures to most directly comparable GAAP measures.

Cash Flow and Balance Sheet Highlights

Cash Flow Highlights *13-Weeks Ended April 2, 2023*

Net Cash Used in Operations	**($8.4M)**
Capital Expenditures	**$13.9M**
Dividends Paid(1)	**$8.0M**

Balance Sheet Highlights *As April 2, 2023*

Cash and Cash Equivalents	**$57.9M**
Gross Debt(2)	**$949.7M**
Net Debt	**$891.8M**
Net Leverage Ratio(3)	**5.1x**

Note: See appendix for reconciliation of Non-GAAP financial measures to most directly comparable GAAP measures.
(1) Includes $3.4M of Distributions to Non-controlling Interest.
(2) Includes Term Loan, ABL Facility and Capital Leases. Capital Leases include equipment term loans and excludes the impact of step-up accounting.
(3) Net Leverage Ratio is a Non-GAAP financial measure and is based on Normalized Adjusted EBITDA of $174.5M.

Fiscal 2023 Outlook

Fiscal 2023 Growth versus Fiscal 2022 Actual Results

Net Sales	**+3% to 5% Total growth** **+4% to 6% Organic growth** ***(unchanged)***	▪ Organic Net Sales growth led by price and volume/mix consistent with fiscal 2022 ▪ IO route conversion negative impact of ~1% on total net sales growth and expect IO route conversion to be substantially complete in 2H'23 ▪ Growth supported by increased marketing and innovation, and continued distribution gains, partially offset by the Company's SKU rationalization program
Adjusted EBITDA	**+7% to 10% growth** ***(previously +6% to 10%)***	▪ Gross margin expansion to more than offset higher SD&A expenses ▪ Gross input cost inflation of high-single-digits with moderation in 2H'23 ▪ SD&A expense growth driven by higher advertising and marketing expenses, and capability and selling infrastructure investments
Additional Assumptions: *(all unchanged)*		▪ Effective tax rate of between 20% to 22%(1) ▪ Net interest expense of approximately $55M ▪ Capital expenditures of between $50M to $55M ▪ Net leverage below 4.5x at year-end fiscal 2023

Note: See appendix for reconciliation of Non-GAAP financial measures to most directly comparable GAAP measures.
(1) Normalized GAAP basis tax expense, which excludes one-time items.



utz BRANDS

Save the Date
2023 Investor Day

DATE: DECEMBER 15, 2023

LOCATION: NEW YORK, NY

More Details To Follow


Grandma
utz
Kettle-Style
BAR-B-Q
FLAVORED
POTATO CHIPS
ON THE BORDER
SALSA
MONTEREY JACK
utz
SOURDOUGH
Special
MULTIGRAIN
PRETZELS
EXTRA DARK
PRETZELS
ORIGINAL

Appendix

Reconciliation of Non-GAAP Financial Measures to Reported Financial Measures

Net Sales and Organic Net Sales

	13-Weeks Ended		
(dollars in millions)	April 2, 2023	April 3, 2022	Change
Net Sales as Reported	$ 351.4	$ 340.8	3.1 %
Impact of Acquisitions	—		
Impact of IO Conversions	3.0		
Organic Net Sales [1]	$ 354.4	$ 340.8	4.0 %

Gross Profit and Adjusted Gross Profit

	13-Weeks Ended	
(dollars in millions)	April 2, 2023	April 3, 2022
Gross Profit	$ 104.5	$ 103.8
Depreciation and Amortization	8.6	10.6
Non-Cash, Non-recurring adjustments	7.9	1.3
Adjusted Gross Profit	***$ 121.0***	***$ 115.7***
Adjusted Gross Profit as a % of Net Sales	34.4 %	33.9 %

See footnotes in Utz's 1Q'23 earnings press release dated May 11, 2023.

Reconciliation of Non-GAAP Financial Measures to Reported Financial Measures

Adjusted Selling, Distribution, and Administrative Expense

	13-Weeks Ended	
(dollars in millions)	April 2, 2023	April 3, 2022
Selling, Distribution, and Administrative Expense - Incl Depreciation and Amortization	$ 106.1	$ 126.7
Depreciation and Amortization in SD&A Expense	(11.5)	(11.5)
Non-Cash, and/or Non-recurring Adjustments	(14.0)	(36.0)
Adjusted Selling, Distribution, and Administrative Expense	***$ 80.6***	***$ 79.2***
Adjusted SD&A Expense as a % of Net Sales	22.9 %	23.2 %

Depreciation & Amortization

	13-Weeks Ended	
(dollars in millions)	April 2, 2023	April 3, 2022
Core D&A - Non-Acquisition-related included in Gross Profit	$ 5.8	$ 6.5
Step-Up D&A - Transaction-related included in Gross Profit	2.8	4.1
Depreciation & Amortization - included in Gross Profit	***8.6***	***10.6***
Core D&A - Non-Acquisition-related included in SD&A Expense	2.4	2.4
Step-Up D&A - Transaction-related included in SD&A Expense	9.1	9.1
Depreciation & Amortization - included in SD&A Expense	***11.5***	***11.5***
Depreciation & Amortization - Total	***$ 20.1***	***$ 22.1***
Core Depreciation and Amortization	$ 8.2	$ 8.9
Step-Up Depreciation and Amortization	11.9	13.2
Total Depreciation and Amortization	***$ 20.1***	***$ 22.1***

See footnotes in Utz's 1Q'23 earnings press release dated May 11, 2023.

Reconciliation of Non-GAAP Financial Measures to Reported Financial Measures

Adjusted Net Income

(dollars in millions, except per share data)	13-Weeks Ended April 2, 2023	13-Weeks Ended April 3, 2022
Net Loss	$ (14.5)	$ (31.9)
Income Tax (Benefit) Expense	(2.6)	2.8
Loss Before Taxes	***(17.1)***	***(29.1)***
Deferred Financing Fees	—	0.3
Acquisition Step-Up Depreciation and Amortization	11.9	13.2
Certain Non-Cash Adjustments	9.2	3.5
Acquisition and Integration	3.7	28.8
Business and Transformation Initiatives	8.2	4.4
Financing-Related Costs	0.1	0.1
Loss (Gain) on Remeasurement of Warrant Liability	2.2	(1.9)
Other Non-Cash and/or Non-Recurring Adjustments	***35.3***	***48.4***
Adjusted Earnings before Taxes	***18.2***	***19.3***
Taxes on Earnings as Reported	2.6	(2.8)
Income Tax Adjustments [1]	(5.8)	(1.1)
Adjusted Taxes on Earnings	(3.2)	(3.9)
Adjusted Net Income	***$ 15.0***	***$ 15.4***
Average Weighted Basic Shares Outstanding on an As-Converted Basis	140.3	137.9
Fully Diluted Shares on an As-Converted Basis	142.8	139.9
Adjusted Earnings Per Share	**$ 0.11**	**$ 0.11**

See footnotes in Utz's 1Q'23 earnings press release dated May 11, 2023.

Reconciliation of Non-GAAP Financial Measures to Reported Financial Measures

EBITDA and Adjusted EBITDA

	13-Weeks Ended	
(dollars in millions)	April 2, 2023	April 3, 2022
Net Loss	$ (14.5)	$ (31.9)
Plus non-GAAP adjustments:		
Income Tax (Benefit) Expense	(2.6)	2.8
Depreciation and Amortization	20.1	22.1
Interest Expense, Net	14.4	9.1
Interest Income (IO loans)[1]	(0.4)	(0.5)
EBITDA	**17.0**	**1.6**
Certain Non-Cash Adjustments[2]	9.2	3.5
Acquisition and Integration[3]	3.7	28.8
Business Transformation Initiatives[4]	8.2	4.4
Financing-Related Costs[5]	0.1	0.1
(Gain) loss on Remeasurement of Warrant Liabilities[6]	2.2	(1.9)
Adjusted EBITDA	**$ 40.4**	**$ 36.5**
Net income (loss) as a % of Net Sales	(4.1)%	(9.4)%
Adjusted EBITDA as a % of Net Sales	11.5 %	10.7 %

See footnotes in Utz's 1Q'23 earnings press release dated May 11, 2023.

Reconciliation of Non-GAAP Financial Measures to Reported Financial Measures

Normalized Adjusted EBITDA

	FY 2022					FY 2023	
(dollars in millions)	Q1	Q2	Q3	Q4	FY 2022	Q1	TTM
Adjusted EBITDA	$ 36.5	$ 42.2	$ 47.7	$ 44.1	$ 170.5	$ 40.4	$ 174.4
Pre-Acquisition Adjusted EBITDA[1]	0.2	—	—	—	0.2	—	—
Normalized Adjusted EBITDA	*$ 36.7*	*$ 42.2*	*$ 47.7*	*$ 44.1*	*$ 170.7*	*$ 40.4*	*$ 174.4*

Net Debt and Leverage Ratio

(dollars in millions)	As of April 2, 2023
Term Loan	$ 777.3
Real Estate Loan	87.3
ABL Facility	20.0
Capital Leases[1]	64.9
Deferred Purchase Price	0.2
Gross Debt[2]	**949.7**
Cash and Cash Equivalents	57.9
Total Net Debt	**$ 891.8**
Last 52-Weeks Normalized Adjusted EBITDA	$ 174.4
Net Leverage Ratio[3]	**5.1x**

See footnotes in Utz's 1Q'23 earnings press release dated May 11, 2023.

Utz Geographic Classifications

