



# First Quarter 2026 Earnings Results Prepared Remarks Utz Brands, Inc.

Wednesday, May 6, 2026

---

## CORPORATE PARTICIPANTS

Trevor Martin, Senior Vice President, Head of Corporate Finance  
Howard Friedman, Chief Executive Officer  
BK Kelley, EVP and Chief Financial Officer

## PRESENTATION

### Trevor Martin

Good morning and thank you for joining us today for our pre-recorded discussion of our first quarter 2026 earnings results. Joining me on the call today are Howard Friedman, CEO, and BK Kelley, EVP and CFO. In addition, this morning at 8:30 a.m. Eastern Time, we will host a live question-and-answer session which you can access via webcast on our Investor Relations website.

Please note that some of our comments today will contain forward-looking statements based on our current view of our business and actual future results may differ materially. Please see the forward-looking statement disclaimer in the earnings materials and our recent SEC filings, which identify the principal risks and uncertainties that could affect future performance.

Today, we will discuss certain adjusted or non-GAAP financial measures, which are described in more detail in this morning's earnings materials. Reconciliations of non-GAAP financial measures and other associated disclosures are contained in our earnings materials and posted on our Investor Relations website.

Finally, the Company has also posted presentation slides and additional supplemental financial information on our Investor Relations website.

And now, I'd like to turn the call over to Howard.

### Howard Friedman

Good morning, everyone, and thank you, Trevor. I'll kick off today's call with our first quarter business update, after which BK will provide detailed financial commentary. Before we get started, I would like to thank all of our hardworking associates across the company for their continued dedication to Utz.

In February, we presented at the CAGNY Conference in Orlando and described our key strategies – outgrow the category, profitably, expand margins, and accelerate free cash flow. Supporting everything we do is



deploying leading capabilities to build a best-in-class organization. I'm proud to say we delivered on each of these strategies in the first quarter.

First, outgrow the category, profitably. Our top-line performance was solid this quarter, with Net Sales growth of 2.6%, led by Branded Salty Snacks Organic Net Sales of 5.2%. Note, that as there were no acquisitions or divestitures impacting the first quarter, Organic Net Sales growth is equal to reported Net Sales growth. We were encouraged to see the improvement in both metrics versus the fourth quarter of 2025. Retail inventory levels have largely normalized, and our Branded Salty Snacks Organic Net Sales growth of 5.2% was modestly ahead of first quarter Retail Sales growth of 4.6%. The category continues to show signs of improvement, with first quarter growth retail sales growth of 2.4%. We gained dollar share in the category, despite the volume share impacts from lapping Bonus Packs in the first quarter of last year.

Second, expand margins. While BK will cover the financials in more detail later, we were pleased with strong year over year first quarter Adjusted Gross Profit Margin expansion of 210bps and Adjusted EBITDA margin expansion of 50bps. We continued to reinvest in the business, with significant increases in marketing and capabilities to drive geographic expansion.

Third, accelerate free cash flow. This is a newer strategic pillar for us, and we are off to a good start in 2026. Adjusted free cash flow improved by approximately \$32 million year over year and we reduced leverage by 0.4x turns from the first quarter of 2025 to 3.6x. This represents our lowest first quarter leverage ratio since becoming a public company. BK will also go into more detail on cash flow metrics and our reiterated 2026 guidance later.

Before I cover more details on our first quarter topline performance and retail sales performance, I would like to offer some comments on the category, competitive environment, and the second quarter-to-date trends we are seeing.

First, our performance in the first quarter, inclusive of key selling windows such as Super Bowl and Easter gives us confidence that pricing actions and significant resets undertaken by large competitors will not require major changes to our commercial plans. We will continue to be agile and prudent as the year continues. We believe we have consistently maintained appropriate price gaps through combinations of shelf and promotional prices and have the flexibility within our plan to adjust as necessary. Recall, we did not follow the industry on the latest rounds of price increases, leaving ourselves some more flexibility in our price gaps.

Second, we were able to achieve modest net price realization in the first quarter, excluding the impact of last year's Bonus Packs, through some targeted pricing and significant improvement in our revenue growth management tools, which is improving the efficiency of our promotional prices. We will continue to strive for a balanced approach to net price versus volume/mix.

Third, as I mentioned at CAGNY, we have exciting plans for later this year with brands that explicitly address value and consumer affordability.



Fourth, we continue to believe that marketing and on-trend innovation are the key drivers of the Salty Snack category, and we are seeing strong traction from our significantly increased marketing spending and new product introductions that I will discuss more later.

And finally, fifth, we continued to drive strong distribution and shelf space gains with TDP's up more than 7% in the first quarter, driven not only by our Expansion Geographies but also our Core Geographies. In summary, our strategy remains primarily to attract new households to our brands through Geographic Expansion, innovation, and marketing versus a more aggressive promotional strategy. On the promotional front, we will remain fully competitive while staying rational and managing our price gaps prudently.

As it relates to second quarter-to-date retail trends, performance is largely in line with our own expectations so far. Consumption data has exhibited more volatility during recent weekly periods as we continue to lap Bonus Packs in April, the Easter Shift, and merchandising events in select large retailers in the year ago periods. Our quarter-to-date Retail Sales growth of low single digits in Food, our largest channel at 50% of sales, gives us confidence in the underlying strength of our business. As it relates to Boulder Canyon, growth rates are as expected versus the prior year periods. Boulder grew 101% in tracked channels during the first quarter and is up about 45% quarter to date in the second quarter as measured by Circana MULO with Convenience, cycling significant launch activity in the Club channel from prior year. We would expect Boulder to re-accelerate somewhat from current second quarter trend as new distribution continues to build and our innovation continues to roll out across channels. We are excited by our plans for the rest of the quarter and the year across our entire Branded portfolio, including significant innovation and increased merchandising.

Organic Net Sales growth of 2.6% in the first quarter was driven by pricing of 3.7%, partially offset by a volume/mix decline of 1.1%. Importantly, lapping Bonus Packs from first quarter of prior year had a 2.7-point positive impact on price and 2.7-point negative impact on volume. Excluding Bonus Packs, volume/mix increased 1.6% and net price increased 1%.

From a portfolio perspective, Branded Salty Snacks posted strong Organic Net Sales growth of 5.2%. This marks our ninth consecutive quarter of organic growth in Branded Salty Snacks, and an improved mix as our Branded Salty Snacks portfolio now represents 89% of our total Net Sales. Since the first quarter of 2023, Branded Salty Snacks mix has increased by 10 percentage points from 79% of our net sales to 89%. We continue to emphasize our Branded Salty Snacks portfolio, which is higher margin and higher visibility, and benefits from our marketing and innovation plans.

Our Non-Branded Non-Salty Portfolio Net Sales declined 14.3%, driven primarily by Non-Branded, due to declines in partner brands. We further accelerated plans to eliminate lower margin items in this portfolio. While our more targeted portfolio rationalization efforts had a 230 basis point impact on first quarter Non-Branded and Non-Salty sales and were a 60 basis point headwind to total first quarter net sales, we believe emphasizing our own portfolio of branded products is the right long-term business strategy. These actions in our Non-Branded Salty portfolio should have no impact on our full year revenue guidance given the stronger performance from our Branded Salty Snacks portfolio.



Shifting to retail sales performance, we gained dollar share in the Salty Snacks category for the 13-week period ended March 29, 2026, as measured by Circana MULO with convenience. We believe that Circana MULO plus Convenience captures approximately 85% of our reported Branded Salty Snacks Organic Net Sales. As we mentioned, Branded Salty Snacks Organic Net Sales grew 5.2% in the first quarter.

Retail sales growth of 4.6% was driven by a 7.9% increase in price, partially offset by a 3% decline in volumes. This performance was ahead of the category growth of 2.4%. On a two-year stack basis, which we believe normalizes the impact of our year ago Bonus Packs, Retail Sales also increased 4.6%, significantly ahead of the category two-year stack of 0.7%. Our two-year stack results were balanced with volume up 2.7% and price up 2.5%.

Our performance was again driven by the momentum of our Power Four Brands. Our strong consumption results reflect sustained momentum of Boulder Canyon® and strong gains in Expansion Geographies. Our Power Four Brands increased 6.7% in Retail Sales dollars, driven by 9.2% of price partially offset by volume declines of 2.3%. Once again, the first quarter volume performance in Circana was impacted by the Bonus Packs lap from prior year.

Now turning to our Core geographies, where our share performance improved notably from the fourth quarter of 2025 and we gained dollar share in our Power Four Brands. Total Company Retail Sales dollars in Core geographies increased 2.7%, with Power Four Brands leading at 4.8% versus the Total Salty Category up 3%. Total Company Retail volume decreased by 4.8%, while Power Four Brands decreased 3.9%. While Boulder Canyon® was the leading growth driver in Core markets, we also saw dollar share growth in Golden Flake® Pork Rinds and Utz® Pretzels.

Momentum in our Expansion Geographies continued this quarter, with the total Company and our Power Four Brands both capturing dollar share. We achieved strong total Company Retail Sales growth of 6.5%, which significantly outpaced the Salty Snack category growth of 2.1% in these markets, driven by ongoing distribution gains. Brands contributing to our growth in Expansion Markets included Utz® Cheese & Pretzels, Boulder Canyon® and Golden Flake® Pork Rinds.

We believe the growth runway remains substantial, as our average market share of 3.1% in our Expansion Geographies vs. 6.6% in our Core markets illustrates the opportunity we see ahead. As we previewed in our CAGNY presentation, we have introduced two growth stages of Expansion Geographies – Initial Expansion and Recent Expansion. In the first quarter, our Initial Expansion Geographies continued to experience strong retail sales growth of 4.3%, whereas our Recent Expansion Geographies grew double digits, at 10.1%.

Our California expansion initiative launched in late February, and we will continue to build new distribution in the market as we progress through 2026. California exhibited high single digit year-over-year retail sales growth in the first quarter.

Our Boulder Canyon® brand continues to outperform and gain share, both in the Natural and Conventional channels, with growth of 19% and 101% in the first quarter, respectively. We believe consumers are connecting with the brand and are appreciating its better-for-you attributes and great taste.



We also believe Boulder Canyon's innovation is gaining significant traction and the items per store opportunity remains another clear growth driver. Boulder Canyon® Beef Tallow launched in the Club Channel and quickly sold out, with bags confirmed to be selling on auction platforms for over \$20. We have accelerated our plans to expand Tallow even further in 2026 and believe this product line can be highly incremental for the Boulder Canyon® brand.

Boulder's other 2026 innovation launch – flavored Tortillas – has also exceeded our expectations. The line of four SKUS launched in the Natural Channel with strong results, and we also plan to accelerate our rollout of these items as well to other retailers later in 2026.

As we previewed at CAGNY, we are excited to launch Utz® Protein in the second quarter, with four pretzel SKUS and two cheese SKUS. This product is currently in market at select retailers with plans to roll out more fully by the end of the second quarter.

On the marketing front, we increased investment year-over-year in the first quarter, with marketing spend up 35% versus prior year. We believe our household penetration statistics continue to support our investment in a more meaningful share of voice. For the 52-week period ended March 22, 2026, versus the comparable prior year period, our:

- Household penetration has increased 1.1 points to 50.2%;
- Buyers have increased by 1.9 million to 65.8 million; and
- Buyer repeat rates increased by 0.6 points to 70.0%.

Our first quarter performance underscores our commitment to delivering on our key strategies. First, outgrow the category, profitably driven by our Power Four brands and geographic expansion. Second, drive margin expansion through productivity and reinvest strategically in marketing and growth. Third, accelerate free cash flow conversion. All of these outcomes are made possible by our capabilities and associates, and I am proud of our progress.

With that, I'll turn it over to BK, who will walk you through our financial results and guidance in more detail.

## **BK Kelley**

Thank you, Howard, and good morning everyone.

In the first quarter, our Net Sales increase of 2.6% was led by price of 3.7%. This was partially offset by lower volume/mix of 1.1%, which reflects the 2.7-point impact on both price and volume/mix from Bonus Packs in prior year. The Bonus Packs impact was in line with our expectations in the first quarter. Excluding Bonus Packs, volume/mix increased 1.6% and price increased 1%. We were pleased to deliver Branded Salty Snacks Organic Net Sales growth of 5.2% led by price growth of 4.1%. Organic Net Sales in our Non-Branded and Non-Salty Snacks declined 14.3%, primarily driven by our partner brands portfolio. As Howard mentioned, we



continue to emphasize our Branded Salty Snacks business and further accelerated the elimination of low margin items in our Non-Branded portfolio during the first quarter.

We delivered strong margin performance with Adjusted EBITDA up 6.2% and Adjusted Gross Profit Margin expansion of 210 basis points. Our productivity initiatives drove these gains, allowing us to offset supply chain cost inflation and fund our continued marketing and SG&A investments.

Adjusted EBITDA margin expanded by 50 basis points to 13.3%. Productivity savings contributed 420 basis points to Adjusted EBITDA margin expansion, volume/mix contributed 20 basis points, and price contributed 100bps. This was partially offset by 350 basis points of increased supply chain costs and inflation, 50 basis points of higher marketing spend, and 90 basis points of selling and administrative expenses.

Adjusted SG&A Expense increased 13.2% versus the prior-year quarter, or 170 basis points as a percentage of Net Sales. This increase was largely driven by planned investments in marketing, selling, and capabilities.

Note that our planned investments in California expansion are present in both supply chain costs and SG&A and the phasing is as expected.

Adjusted Net Income decreased 4.5%, driven primarily by expected increases in Depreciation and Amortization. Total D&A increased by \$3.8 million to \$22.5 million, reflecting recent additions of property and equipment related to our Supply Chain transformation. Adjusted EPS declined 6.3%, consistent with our expectations.

Our more transformational supply chain consolidation initiatives are winding down as expected, with CapEx in the first quarter normalizing considerably year over year and cash transformation costs in the quarter declining substantially from the second half of 2025. We have revised the titles and groupings for our non-GAAP adjustments in the first quarter, to more clearly present our supply chain and corporate transformation costs, with prior periods presented with the current presentation. We continue to expect \$30 to \$35 million of total supply chain and corporate transformation costs in 2026, with continued sequential reductions in both supply chain and corporate transformation costs as we progress through the year.

We remain on track to deliver on our productivity target of approximately 4% of Adjusted COGS for 2026, as our supply chain investments continue to generate meaningful productivity.

Turning to cash flow and the balance sheet, cash used by operations for the thirteen weeks ended March 29, 2026, was \$12.2 million, an improvement from prior year as we continue to focus on working capital efficiency. Capital Expenditures in the first quarter were \$13.8 million, a substantial decline of \$25 million versus prior year first quarter. In the first quarter we also paid \$9.7 million in dividends and distributions to shareholders. We did not repurchase any shares in the first quarter, and \$50 million remains on the authorization.

Adjusted Free Cash Flow, which is defined as Cash Flow from Operations less Capex and plus Net Proceeds from Sales of Property and Equipment, was negative \$25.9 million in the quarter. Adjusted Free Cash Flow



improved \$32.3 million versus prior year, reflecting our sharpened focus on cash metrics. Net proceeds from sales of property and equipment were \$0.1 million in the quarter.

Regarding the balance sheet, cash on hand was \$73.7 million. Liquidity, including access to our revolver, remained strong at \$196.1 million, giving us ample financial flexibility. Net Debt at quarter-end was \$780.3 million and our Net Leverage Ratio was 3.6 times trailing twelve months Adjusted EBITDA of \$219.3 million. As expected, our first quarter leverage increased modestly from the fourth quarter of 2025 given seasonal working capital build, but improved 0.4 turns versus prior year first quarter. We continue to expect first quarter to be the peak of leverage for the year and our leverage ratio should improve as we progress through 2026.

Now turning to our outlook. Today, we are reaffirming all aspects of our 2026 outlook that we discussed on our fourth quarter earnings call in February. We continue to expect Organic Net Sales growth of 2% to 3%, which assumes a flat category. While the category is up 2.4% in the first quarter, the consumer environment remains uncertain, and comparisons become more difficult in the back-half. We believe it is prudent to see more of the year before revisiting our category view. Our confidence in the Branded Salty Snacks portfolio is strengthening as our innovation gains traction, California expansion ramps, and we continue to reinvest in marketing. As it relates to our Non-Branded and Non-Salty portfolio, we would expect modestly improving rates of decline as we progress through the remainder of the year and lap some of the portfolio rationalization initiatives from the second half of last year.

I would also like to make some comments on the recent increase in energy prices. We believe we can manage through this pressure in 2026 and are confident in our guidance range. First, we are largely covered on fuel costs through the remainder of the year due to our hedging and risk management programs. Second, our freight is approximately 85% contracted, with only modest spot market exposure. We import less than 10% of our raw materials, which means relatively minor exposure to ocean freight. Third, delivery and logistics costs are also core to our productivity program and we have several initiatives underway as part of our normal continuous improvement efforts, including actively shifting freight to intermodal. Fourth, we are working proactively with our IO partners to ensure we maintain service levels as they face higher fuel costs. Helping the IO to drive growth and targeted incentives remain the most effective tools to contend with periods of higher costs. And finally, fifth, we are near fully covered on agricultural commodities through the end of 2026. Although we expect to have some pockets of inflation to manage through in the second half, including some packaging, we believe that our productivity programs and other mitigation efforts should allow us to offset this incremental inflation. This view assumes commodity prices generally in-line with today's market.

If higher energy costs persist beyond 2026, we believe we have ample flexibility in our model to address this given our robust productivity programs, ability to leverage our recent SG&A investments, continued growth opportunities across our portfolio, and enhanced revenue growth management capabilities. We believe this provides us with several levers to contend with any inflation that proves to be more structural.

We are reiterating our Adjusted EBITDA guidance of 5% to 8% growth and our Adjusted EPS guidance of a 3% to 6% decline. As a reminder, both these metrics include the benefit of the 53<sup>rd</sup> week. We are also reiterating our Adjusted Free Cash Flow guidance of \$60 million to \$80 million.



We continue to expect an Effective Normalized Tax Rate of between 17% to 19%, interest expense of \$47 to \$49 million, and Depreciation and Amortization of \$93 million to \$97 million. We continue to expect capital expenditures to be \$60 to \$65 million, with the majority focused on delivering accelerated productivity savings. Net leverage ratio is expected to be 3.0x to 3.2x at year end 2026.

With that, I'll turn it back to Howard for closing remarks.

### **Howard Friedman**

Thank you, BK.

I am proud of our first quarter results and our ability to execute our key strategies. We outgrew the Salty Snack category on a dollar basis, with our Branded Salty Snacks portfolio demonstrating continued strong growth.

We expanded Adjusted Gross profit and Adjusted EBITDA margins, as our productivity initiatives continue to generate meaningful cost savings and allow for strategic reinvestment.

We accelerated free cash flow conversion, with a significant year-over-year improvement in Adjusted Free Cash Flow and leverage ratio.

This is all made possible by the capabilities we have built and deployed during the past several years.

On behalf of everyone at Utz, I want to thank you for your ongoing confidence in our team as we continue bringing our beloved snacks to new markets and new consumers nationwide.