



NEWS RELEASE

## Utz Brands Provides Business Update at 2024 Barclays Global Consumer Staples Conference

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HANOVER, Pa.--(BUSINESS WIRE)-- Utz Brands, Inc. (NYSE: UTZ) ("Utz" or the "Company"), a leading U.S. manufacturer of branded Salty Snacks and a small-cap value and growth Staples equity, today provided a full-year 2024 financial outlook update in conjunction with its participation at the 2024 Barclays Global Consumer Staples Conference.

"We experienced a strong start in the first half of the year, thanks to our continued focus on our growth strategies and value creation initiatives," said Howard Friedman, Chief Executive Officer of Utz. "Further, we are executing well on our distribution growth opportunities, which we expect will continue into 2025 and beyond. However, our consumption trends in the third quarter to date moderated more than we expected due to a more competitive promotional environment primarily in response to consumer value-seeking behavior. We will continue to make appropriate adjustments to our promotional activities to meet consumer value expectations but will remain disciplined and focused on building sustainable long-term demand. As a result, today we are revising our 2024 Organic Net Sales growth outlook."

Friedman continued, "Our accelerated productivity cost savings give us the flexibility to expand our margins and increase investments in our brands to support our geographic expansion. We remain confident that we are well-positioned to deliver the 2026 targets that we introduced at our Investor Day in December 2023, and that we will successfully navigate this dynamic environment."

For the full year fiscal 2024, Utz is reaffirming its outlook for Adjusted EBITDA and Adjusted Earnings per Share growth and Net Leverage Ratio, and revising its Organic Net Sales growth outlook (1) :

- Organic Net Sales are now expected to grow between 2% - 2.5% compared to its previous expectation of approximately 3%. The revised outlook is primarily due to the expectation for a more competitive promotional environment in the second half of 2024.

- Adjusted EBITDA is expected to grow 5% - 8%, which is consistent with the Company's prior expectation.
- Adjusted Earnings per Share are expected to grow 28% - 32%, which is consistent with the Company's prior expectation.
- Net Leverage Ratio is expected to be approximately 3.6x at year-end fiscal 2024, which is consistent with the Company's prior expectation.

The Company's full year fiscal 2024 outlook is based on the following expectations that all remain unchanged:

- An effective tax rate (normalized GAAP basis tax expense, which excludes one-time items) in the range of 17% - 19%.
- Interest expense of approximately \$47 million.
- Capital expenditures in the range of \$80 - \$90 million.

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(1) Organic Net Sales, Adjusted EBITDA, Adjusted Earnings Per Share and Net Leverage Ratio are each non-GAAP financial measures. A quantitative reconciliation is not available for such financial measures without unreasonable efforts due to the high variability, complexity, and low visibility with respect to certain items which are excluded from Organic Net Sales, Adjusted EBITDA, Adjusted Earnings Per Share and Net Leverage Ratio, respectively. We expect the variability of these items to have a potentially unpredictable, and potentially significant, impact on our future financial results. Please see "Non-GAAP Financial Measure" below for a description of the Company's use of non-GAAP financial measures.

## About Utz Brands, Inc.

Utz Brands, Inc. (NYSE: UTZ) manufactures a diverse portfolio of savory snacks through popular brands, including Utz®, On The Border® Chips & Dips, Zapp's®, and Boulder Canyon®, among others.

After a century with a strong family heritage, Utz continues to have a passion for exciting and delighting consumers with delicious snack foods made from top-quality ingredients. Utz's products are distributed nationally through grocery, mass merchandisers, club, convenience, drug, and other channels. Based in Hanover, Pennsylvania, Utz has multiple manufacturing facilities located across the U.S. to serve our growing customer base. For more information, please visit the Company's website or call 1-800-FOR-SNAX.

Investors and others should note that Utz announces material financial information to its investors using its Investor Relations website, U.S. Securities and Exchange Commission (the "Commission") filings, press releases, public conference calls, and webcasts. Utz uses these channels, as well as social media, to communicate with our stockholders and the public about the Company, the Company's products, and other Company information. It is possible that the information that Utz posts on social media could be deemed to be material information. Therefore, Utz encourages investors, the media, and others interested in the Company to review the information posted on the social media channels listed on Utz's Investor Relations website.

## Forward-Looking Statements

This press release includes certain statements that 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, forward-looking or conditional statements such as “will”, “expect”, “intends”, “goal”, “flexibility,” “positioned” or other similar words, phrases or expressions. These forward-looking statements include future plans for the Company, the estimated or anticipated future results and benefits of the Company’s future plans and operations, including with respect to promotional activities and efforts to build sustainable long-term demand for the Company’s products; plans related to transformation of the Company’s supply chain; the Company’s product mix; the Company’s ability to reduce debt and anticipated interest expense savings; the Company’s cost savings plans and the Company’s logistics optimization efforts; the estimated or anticipated future results and benefits of the Company’s plans and operations; the effects of inflation or supply chain disruptions on the Company or its business; the benefits of the Company’s productivity initiatives; the effects of the Company’s marketing and innovation initiatives; future capital structure; future opportunities for the Company; the Company’s projected 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, including changes in consumer spending due to factors such as increasing household debt; 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, particularly in the Company’s Expansion geographies; 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 being suitably differentiated from the products of their competitors; consolidation of key suppliers to the Company; any inability of the Company to adopt efficiencies into its manufacturing processes, including automation and labor optimization, its network, including through plant consolidation and lowest landed cost for shipping its products, or its logistics operations; 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 recently completed business combinations and other acquisitions recently completed by the Company (collectively, the “Business Combinations”) or dispositions that disrupt plans and operations; the ability to recognize the anticipated benefits of such Business Combinations or dispositions, 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 outcome of any legal proceedings that may be instituted against the Company following the consummation of such Business Combinations or dispositions; changes in applicable law or regulations; costs related to the Business Combinations or dispositions; the ability of the Company to maintain the listing of the Company’s Class A Common Stock on the New York Stock Exchange; the ability 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 Commission, for the fiscal year ended December 31, 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:**

Utz uses non-GAAP financial information and believes it is useful to investors as it provides additional information to facilitate comparisons of historical operating results, identify trends in our underlying operating results, and provides additional insight and transparency on how we evaluate the business. We use non-GAAP financial measures to budget, make operating and strategic decisions, and evaluate our performance. These non-GAAP financial measures do not represent financial performance in accordance with generally accepted accounting principles in the United States (GAAP) and may exclude items that are significant to understanding and assessing financial results. Therefore, these measures should not be considered in isolation or as an alternative to net sales, net income, cash flows from operations, diluted earnings per share 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.

Management believes that non-GAAP financial measures should be considered as supplements to the GAAP measures reported, should not be considered replacements for, or superior to, the GAAP measures, and may not be comparable to similarly named measures used by other companies. The Company's calculation of the non-GAAP financial measures may differ from methods used by other companies. We believe that these non-GAAP financial measures provide useful information to investors regarding certain financial and business trends relating to the financial condition and results of operations of the Company to date when considered with both the GAAP results and the reconciliations to the most comparable GAAP measures, and that the presentation of non-GAAP financial measures is useful to investors in the evaluation of our operating performance compared to other companies in the Salty Snack industry, as similar measures are commonly used by the companies in this industry. 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. As new events or circumstances arise, these definitions could change. When the definitions change, we will provide the updated definitions and present the related non-GAAP historical results on a comparable basis.

Utz uses the following non-GAAP financial measures in this press release, and in the future could use others:

- Organic Net Sales
- Adjusted Net Income
- Adjusted Earnings Per Share
- EBITDA
- Adjusted EBITDA
- Normalized Adjusted EBITDA
- Net Leverage Ratio

**Organic Net Sales** is defined as net sales excluding the impacts of acquisitions, divestitures and independent operator route conversions.

**Adjusted Net Income** is defined as Net Income excluding the additional Depreciation and Amortization expense, a non-cash item, related to the Business Combination with Collier Creek Holdings and the acquisitions of Kennedy Endeavors, Kitchen Cooked, Inventure, Golden Flake, Truco Enterprises, R.W. Garcia and Festida. In addition, Adjusted Net Income is also adjusted to exclude deferred financing fees, interest income, and expense relating to IO loans and certain non-cash items, such as those related to stock-based compensation, hedging, and purchase commitments adjustments, asset impairments, acquisition and integration costs, business transformation initiatives, remeasurement of warrant liabilities and financing-related costs. Lastly, Adjusted Net Income normalizes the income tax provision to account for the above-mentioned adjustments.

**Adjusted Earnings Per Share** is defined as Adjusted Net Income (as defined, herein) divided by the weighted average shares outstanding for each period on a fully diluted basis, assuming the Private Placement Warrants are net settled and the shares of Class V Common Stock held by Continuing Members are converted to Class A Common Stock.

**EBITDA** is defined as Net Income Before Interest, Income Taxes, and Depreciation and Amortization.

**Adjusted EBITDA** is defined as EBITDA further adjusted to exclude certain non-cash items, such as stock-based compensation, hedging and purchase commitments adjustments, asset impairments, acquisition and integration costs, business transformation initiatives; and financing-related costs. Adjusted EBITDA is one of the key performance indicators we use in evaluating our operating performance and in making financial, operating, and planning decisions. We believe Adjusted EBITDA is useful to the users of this release because the financial information contained in the release can be used in the evaluation of Utz's operating performance compared to other companies in the Salty Snack industry, as similar measures are commonly used by companies in this industry. We also provide in this release, Adjusted EBITDA as a percentage of Net Sales, as an additional measure for readers to evaluate our Adjusted EBITDA Margin on Net Sales.

Normalized Adjusted EBITDA is defined as Adjusted EBITDA after giving effect to pre-acquisition Adjusted EBITDA for certain acquisitions and dispositions from time to time.

Net Leverage Ratio is defined as Normalized Adjusted EBITDA divided by Net Debt. Net Debt is defined as Gross Debt less Cash and Cash Equivalents.

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