



NEWS RELEASE

Utz Brands to Acquire RW Garcia

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Acquisition Expands Production Capacity to Support Growth of the Company's Brands and Enhances Utz's Better-For-You Product Portfolio

HANOVER, Pa.--(BUSINESS WIRE)-- Utz Brands, Inc. (NYSE: UTZ) ("Utz" or the "Company"), a leading U.S. manufacturer of branded salty snacks, announced that its subsidiaries have entered into a definitive agreement with R.W. Garcia Holdings, LLC and related entities ("RW Garcia"), to acquire the equity and certain real estate assets related to the operation of RW Garcia. Founded in 1982, RW Garcia is a family-owned and operated artisan maker of high-quality organic tortilla chips, crackers, and corn chips. All RW Garcia products are non-GMO verified, certified gluten-free, low sodium, kosher, and free of artificial additives or preservatives.

With manufacturing facilities located in Nevada and North Carolina, RW Garcia has significant production capacity to support the continued growth of the Utz portfolio of brands. RW Garcia is complementary to Utz's June 2021 acquisition of Michigan-based Festida Foods, providing Utz with strategically well-placed production capabilities in the North, East, and West regions of the United States. RW Garcia also has strong capabilities in Better-For-You tortilla chips, crackers, and corn chips, which will benefit from Utz's distribution capabilities and customer relationships across the United States. The total purchase price of the transaction is \$56 million and is subject to customary purchase price adjustments.

"We expect this strategic acquisition will enable strong supply chain synergies, enhance our ability to expand distribution of our existing brands, and supplement our better-for-you product portfolio," said Dylan Lisette, Chief Executive Officer of Utz. "RW Garcia has a great track record of better-for-you innovation and production capabilities, and with the RW Garcia brand as part of our portfolio, Utz's retail sales in the better-for-you segment will exceed \$100 million on an annual basis following the closing. We believe this strategic combination will help accelerate the growth of Utz's brands and expand margins over the long-term, and we look forward to continuing to serve RW Garcia's existing customers."

“The RW Garcia team is thrilled to be joining the Utz family,” said Robert Garcia, Founder and CEO of RW Garcia. “As a premier supplier of tortilla chips, crackers, and corn chips to retailers in North America, we believe Utz will be well-positioned to leverage RW Garcia’s manufacturing footprint and capacity to support its brands across the U.S. Moreover, the Utz platform will enable our better-for-you RW Garcia branded product line to reach more retailers and consumers. Finally, our RW Garcia team is excited to be part of the Utz culture that fosters a growth mindset and places a strong emphasis on talent development. They are truly an ideal long-term partner for RW Garcia.”

Compelling Financial Benefits

For the fiscal year ended June 30, 2021, RW Garcia generated net sales and Adjusted EBITDA of approximately \$66.2 million and \$5.8 million, respectively. The transaction represents an acquisition multiple of approximately 9.6x RW Garcia Adjusted EBITDA of \$5.8 million excluding synergies, and an acquisition multiple of 5.7x including expected run-rate cost synergies of approximately \$4.0 million. Utz expects the transaction to be accretive to earnings in fiscal 2022 and beyond.

Transaction Details

Under the terms of the definitive agreement, the equity and certain real estate of RW Garcia will be acquired by subsidiaries of Utz. The Company expects to use balance sheet cash and its revolving credit facility to fund the \$56.0 million cash purchase price. The transaction is subject to customary closing conditions and is expected to close in the fourth quarter of 2021.

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, Golden Flake®, Zapp’s®, Good Health®, Boulder Canyon®, Hawaiian® Brand, and TORTIYAHS!®, among others. After nearly a century with 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 merchant, club, convenience, drug and other channels. Based in Hanover, Pennsylvania, Utz operates fifteen facilities located in Pennsylvania, Alabama, Arizona, Illinois, Indiana, Louisiana, Michigan, Washington, and Massachusetts. For more information, please visit www.utzsnacks.com 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 (investors.utzsnacks.com), SEC 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 issues. 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.

About RW Garcia

Founded in 1982, RW Garcia is a family-owned and operated artisan maker of high-quality, tortilla chips, crackers, and corn chips. RW Garcia is committed to sourcing the finest ingredients available and produces all products in its wholly owned tree nut- and peanut-free facilities in Las Vegas, Nevada and Lincolnton, North Carolina. All RW Garcia products are non-GMO verified, certified gluten-free, low sodium, kosher and free of artificial additives or preservatives. RW Garcia founders Robert and Margaret Garcia are Specialty Food Association Hall of Fame inductees for their outstanding contributions to the industry. Their distinctive products can be found throughout North America as well as in Europe and Australia. For more information, visit www.rwgarcia.com or visit the brand on **Facebook**, **Twitter**, or Instagram.

About Non-GAAP Financial Measures and Items Affecting Comparability

A non-GAAP financial measure is a numerical measure of financial performance that excludes or includes amounts so as to be different than the most directly comparable measure calculated and presented in accordance with generally accepted accounting principles in the United States (GAAP). Utz believes that the non-GAAP financial measures are meaningful to investors because they increase transparency and assist investors to understand and analyze our ongoing operational performance. The financial measures are shown as supplemental disclosures in this release because they are widely used by the investment community for analysis and comparative evaluation. They also provide additional metrics to evaluate Utz's operations and, when considered with both the GAAP results, provide a more complete understanding of Utz's business than could be obtained absent this disclosure. These non-GAAP measures are not and should not be considered an alternative to the most comparable GAAP measures or any other figure calculated in accordance with GAAP, or as an indicator of operating performance. Utz's calculation of the non-GAAP financial measures may differ from methods used by other companies. Utz's management believes that the non-GAAP measures are important to having an understanding of Utz's overall operating results or those of RW Garcia in the periods presented. 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. As new events or circumstances arise, these definitions could change.

"Adjusted EBITDA" is defined as EBITDA further adjusted to exclude certain non-cash items, such as stock-based compensation, hedging and purchase commitments adjustments, and 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 and financial information contained in this release 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 have historically reported an Adjusted EBITDA metric to investors and banks for covenant compliance. 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 margins on Net Sales. "RW Garcia Adjusted EBITDA" is defined as EBITDA further adjusted to exclude certain non-cash items, non-recurring items, and certain costs that will not be incurred after the closing date of the acquisition of RW Garcia. Utz uses RW Garcia Adjusted EBITDA to evaluate the estimated contribution of RW Garcia to the Company's Adjusted EBITDA upon transaction close. Utz believes RW Garcia Adjusted EBITDA is useful to the users of this release and financial information contained in the release to evaluate the estimated contribution of the RW Garcia acquisition to the Company's Adjusted EBITDA and compare to other companies in the salty snack industry, as similar measures are commonly used by companies in this industry. "EBITDA" is defined as net income before interest, income taxes, and depreciation and amortization.

Forward-Looking Statements

This press release includes "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. The forward-looking statements contained in this press release include, without limitation, statements related to the planned acquisition of RW Garcia and the timing and financing thereof; the expected impact of the planned acquisition, including without limitation, the expected impact on Utz's overall market position, RW Garcia Adjusted EBITDA included in the release and the predictions related to earnings included in the release, the projected retail sales included in the release. Utz's actual results may differ from its expectations, estimates and projections and consequently, you should not rely on these forward-looking statements as predictions of future events. Words such as "expect," "estimate," "project," "budget," "forecast," "anticipate," "intend," "plan," "may," "will," "could," "should," "believes," "predicts," "potential," "continue," and similar expressions are intended to identify such forward-looking statements. We also make statements that assume the RW Garcia transaction has closed, those statements should also be seen as forward looking. These forward-looking statements include, without limitation, Utz's expectations with respect to future performance. These forward-looking statements involve significant risks and uncertainties that could cause the actual results to differ materially from the expected results. Most of these factors are outside Utz's control and are difficult to predict. Factors that may cause such differences include, but are not limited to: whether and when the closing conditions will be satisfied and whether and when the acquisition will close, whether and when Utz will be able to realize the expected financial results and intended accretive effect of the acquisition, and how customers, competitors, suppliers and employees will react to the acquisition; the risk that recently completed business combinations disrupt plans and operations; the ability to recognize the anticipated benefits of such business combinations, which may be affected by, among other things, competition and the ability of Utz to grow and manage growth profitably and retain its key employees; the outcome of any legal proceedings that may be instituted against Utz following the consummation of such business combinations; changes in applicable law or regulations; costs related to recently completed and future business combinations; the inability of Utz to maintain the listing of Utz's Class A Common Stock and public warrants on the New York Stock Exchange; the inability of Utz to develop and maintain effective internal controls; the risk that Utz'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 Utz's control; changes in demand for Utz's products affected by changes in consumer preferences and tastes or if Utz is unable to innovate or market its products effectively; costs associated with building brand loyalty and interest in Utz's products, which may be affected by Utz's competitors' actions that result in Utz's products not suitably differentiated from the products of competitors; fluctuations in results of operations of Utz from quarter to quarter because of changes in promotional activities; the possibility that Utz may be adversely affected by other economic, business or competitive factors; and other risks and uncertainties set forth in the section entitled "Risk Factors" and "Forward-Looking Statements" in Utz's Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission for the fiscal year ended January 3, 2021. Some of these risks and uncertainties may in the future be amplified by the COVID-19 outbreak and there may be additional risks that Utz considers immaterial or which are unknown. It is not possible to predict or identify all such risks. Utz cautions that the foregoing list of factors is not exclusive. Utz cautions readers not to place undue reliance upon any forward-looking statements, which speak only as of the date made. Utz 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.

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