THIRD QUARTER 2023 PREPARED REMARKS

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CORPORATE PARTICIPANTS

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Ryals McMullian, *Chairman and CEO*

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PRESENTATION

J.T. Rieck, *EVP of Finance and Investor Relations*

Hello everyone. This is J.T. Rieck, EVP of finance and investor relations. Welcome to the pre-recorded discussion of Flowers Foods' third-quarter 2023 results. We will host a live Q&A session on Friday, November 10 at 8:30 a.m. Eastern. Further details about the live call, along with our earnings release, a transcript of these recorded remarks, and a related slide presentation, are posted on the investor section of flowersfoods.com.

Before we get started, keep in mind that the information presented here may include forward-looking statements about the company's performance. Although we believe these statements to be reasonable, they are subject to risks and uncertainties that could cause actual results to differ materially. In addition to what you hear in these remarks, important factors relating to Flowers Foods' business are fully detailed in our SEC filings.

Providing remarks today are Ryals McMullian, chairman and CEO, and Steve Kinsey, our CFO. Ryals, I'll turn it over to you…

Ryals McMullian, *Chairman and CEO*

Thanks J.T.

It's a pleasure to welcome everyone to our call.

We continued to execute well in the third quarter. Despite the challenging environment, we achieved record sales driven by growth in both our Branded Retail and Other categories. That growth benefitted from pricing taken earlier this year, but it's also important to highlight that our Branded Retail volumes improved sequentially, down only 1.1% compared to the 6.3% and 1.5% declines in the first and second quarters respectively. Volume trends in our "Other" category also improved, as the impact of business rationalizations designed to improve the profitability of that business moderated.

On our last call we noted our expectation that these planned business rationalizations would moderate in the second half of 2023. And that trend is playing out, though the timing of certain business exits did come sooner than planned. Combined with lower-than-normal storm activity, these business exits led to third quarter sales below our expectations and an adjustment in our 2023 sales and EBITDA guidance. Although the timing was unplanned, such exits are the natural result of our portfolio strategy, which is driving meaningful improvement in the margins of our foodservice business. I am encouraged by the progress we are making in enhancing the profitability of this category and expect continued improvement moving forward.

For the second consecutive quarter we held unit share flat in tracked channels versus the prior year. Dave's Killer Bread and Wonder showed particular strength, increasing unit share 20 and 10 basis points respectively, while Nature's Own lost only 10 basis points of unit share.

Specialty loaf, sandwich buns and rolls, and breakfast achieved historical highs for the third quarter with unit share in each of these subcategories up a respective 150, 40, and 20 basis points. Sandwich buns and rolls benefitted from outstanding bun season execution, much of which can be attributed to the improved focus resulting from our new sales and supply chain structure.

Importantly, we have maintained our positive momentum into the fourth quarter, gaining more than 20 basis points of unit share in the bread category in each of the first three weeks.

The uncertain economic environment continued to encourage consumers to trade down to private label products and shift more of their purchases to value channels like mass, club, and dollar stores. Private label products gained 40 basis points of unit share in the third quarter. However, that growth is moderating, down from 70 and 50 basis point gains in the first and second quarters. And private label gains remain centered in the mass channel, with share in the grocery channel falling again in the quarter.

Now, I'll provide an overview of our third quarter performance in the context of our four strategic priorities: developing our team, focusing on our brands, prioritizing margins, and pursuing smart M&A. Following that, Steve will review our financial results, and then I'll come back with a discussion of key themes moving forward.

I'd like to start by recognizing the incredible contributions of our team. Our third quarter performance is a testament to their passion and effort. One of my most important jobs is ensuring that we have the right team, with the necessary skills to achieve our long-term goals.

To that end, we announced several leadership changes in August. Heeth Varnedoe has assumed the president title, in addition to continuing as chief operating officer. Heeth has proven to be an invaluable member of our management team, having successfully led a number of crucial initiatives. His promotion to president acknowledges that impact and what I expect him to contribute moving forward.

Additionally, Terry Thomas joined the leadership team as chief growth officer. He knows the company well as a former board member, and his experience at several leading CPG firms will bring new capabilities and perspectives to Flowers. He is already working hard to uncover new revenue streams and further our transition to a more consumer- and brand-centric company.

We were also fortunate to add two new board members: Brigitte King, the global chief digital officer at Colgate-Palmolive, and Joanne Smith, executive vice president and chief people officer at Delta Air Lines. Brigitte and Joanne bring new perspectives to our board, and experience that aligns perfectly with two of our strategic imperatives: growing our brands and developing our team. Their knowledge and experience should benefit us as we look to expand more into digital commerce, and enhance our recruitment, retention, and talent development programs.

I couldn't be more excited about the positive changes we expect these appointments to bring.

Our second strategic priority is focusing on our brands, and they continue to perform well despite a pressured consumer.

DKB was a particular standout, outpacing both the bread category overall and the organic subcategory. The brand continued to prove that consumers are willing to pay premium prices for differentiation and superior quality and taste, even in the current economic environment. In contrast to the overall bread category, where units in tracked

channels declined 2.2%, DKB grew overall units 5.6%, with units up in each business cell—loaf, buns, and breakfast. That performance resulted in noteworthy share gains, with a 20 basis point improvement in unit share of fresh packaged bread, 160 basis points in the specialty loaf category, and 290 basis points in the organic category.

Another highlight was Nature's Own Keto bread, which demonstrates our ability to meet changing consumer preferences. This newly introduced product has been a hit with consumers since its rollout in the second quarter, and has been gaining share rapidly, with unit share up 440 basis points in the quarter. And those share gains are largely incremental, with the majority of sales coming from consumers who are new to Nature's Own and Flowers.

Speaking of innovation, the rollout of our DKB snack bars continues its strong pace, ending the quarter with distribution in almost 14 thousand stores. In addition to our traditional customer store base, we are also targeting small format locations, adding significant growth potential via new points of distribution. Average ACV has been improving weekly, and velocities are ahead of some of the leading brands in the category. We are investing to continue that growth, with shopper marketing and ecommerce programs designed to drive trial and conversion with existing DKB consumers.

We are also preparing for the national launches of DKB protein bars and DKB snack bites in the spring and second half of 2024, respectively. Our teams are working hard to add to the list of retailers who have already approved these promising new products. We are excited about their potential to supplement the initial snack bar launch.

Last quarter, we discussed some near-term headwinds in tracked channels for our Canyon-branded products, which were caused by two factors. First, a mix shift to channels that aren't comprehensively measured by syndicated data. And second, a shortage of gluten-free capacity that impacted our ability to meet consumer demand.

I'm happy to report that we have resolved the capacity issue and we've got aggressive plans to reaccelerate growth. We are resuming promotions, restarting production of discontinued SKUs, and reinvigorating our innovation pipeline. Although units declined in the quarter versus the prior year as we brought on new capacity, sales improved in each consecutive period in the third quarter. And the timing of this push couldn't have been better, as October was Gluten Free Awareness Month. We remain optimistic about the potential for Canyon, which remains solidly in the number one market share position.

Our third strategic priority is margins. While margins benefitted from price increases taken earlier this year and moderating commodity costs, we are continuing to invest in growth, such as marketing to support the snack bar launch, and the rollout of our digital initiatives, including our new ERP system.

To help offset the impact of those investments, we are focused on executing our portfolio strategy and maximizing efficiencies. Branded retail products increased to 64.3% of sales, up 20 basis points sequentially, despite continued pressure from private label. And our progress toward our 2023 savings goal is ahead of schedule, having already achieved $25 million in savings compared to the original $20 to $30 million goal. Based on this progress, we are updating the goal to a range of $30 to $35 million.

Our fourth priority is smart M&A.

M&A has been a key contributor to our growth for decades, expanding our geographic coverage and supplementing our brand lineup. Moving forward, we also expect M&A to help us move into faster-growing, adjacent categories beyond bread.

We continue to monitor the deal market, actively vetting potential acquisitions and investments that could add capabilities, brands, or products to our robust existing lineup. Our strong balance sheet positions us well to act when we have financial, commercial, and operational conviction.

Now, I'll turn it over to Steve to review the details of the quarter, and then I'll come back a little bit later to discuss our outlook for the current business environment. Steve?

Steve Kinsey, *CFO*

Thank you, Ryals – and hello everyone.

Total sales in the third quarter increased 3.5% from the prior-year period. Improved price/mix drove the year-over-year increase, up 6.3%, primarily due to price increases to mitigate inflationary pressures. Volume decreased 4.1%, partly due to targeted sales rationalizations in foodservice. The Papa Pita acquisition added 1.3%.

Gross margin as a percentage of sales, excluding depreciation and amortization, increased 170 basis points to 48.5%. Comparisons benefitted from inflation-driven pricing actions more than offsetting input cost inflation, lower production volumes, increased product returns, and higher maintenance and labor costs.

Selling, distribution, and administrative expenses as a percentage of sales were 50.4%, a significant increase over the prior year period due to increased legal settlement expense, workforce-related costs, marketing investments, and amortization of technology. Those costs were partly offset by lower distributor distribution fees as a percentage of sales and acquisition costs incurred in the prior year period. Excluding matters affecting comparability, adjusted SD&A expenses were 38.4% of sales, a 200-basis point increase, due to the factors previously mentioned with the exception of the legal settlement expense and prior-year acquisition costs.

As we have previously disclosed, on August 29, 2023 we reached an agreement to settle distributor-related class action litigation in California. The settlement provides for a $55 million common fund to cover settlement payments to a class of approximately 475 plaintiffs, and attorneys' fees, among other payments and expenses. The settlement also requires a phased repurchase of approximately 350 distribution rights in California. Once completed, the company plans to service its California market with an employment model.

The repurchase of distribution rights is anticipated to be completed by the fourth quarter of Fiscal 2024. We estimate the net repurchase cost to be approximately $65 million. This amount is higher than the previously announced estimate due to the inclusion of approximately 50 additional distribution rights that are not part of the settlement. These amounts were recorded in SD&A during the third quarter of fiscal 2023. Please note that the terms of the settlement require court approval, which is expected in early 2024.

GAAP diluted EPS for the quarter was a loss of 22 cents per share compared to income of 19 cents in the prior-year period. Excluding the items affecting comparability detailed in the release, adjusted diluted EPS in the quarter was 29 cents per share, down 1 cent from the prior-year period.

Turning now to our balance sheet, liquidity, and cash flow.

Year-to-date, cash flow from operating activities decreased by $34.2 million to $257.3 million. Cash flow from operating activities was affected by lower net income and reduced deferred income taxes, partly offset by working capital decreases largely due to higher legal settlement accruals. Capital expenditures decreased $31.4 million to $97.0 million and included $24.0 million for the ongoing ERP upgrade. Dividends paid increased $6.7 million to $146.7 million.

Our financial position remains strong. At quarter end, net debt to trailing twelve month adjusted EBITDA stood at approximately 2.0-times. We held approximately $15 million in cash and cash equivalents and had approximately $547 million of remaining availability on our credit facilities.

To reflect the third quarter results, we are adjusting the sales and EBITDA forecast for our 2023 guidance. Our updated expectation is for sales in the range of $5.085 to $5.104 billion and adjusted EBITDA in the range of $495 to $515 million, compared to the prior ranges of $5.095 to $5.141 billion, and $503 to $528 million, respectively. Our EPS target is unchanged at $1.18 to $1.25.

While earnings per share were roughly in line with our expectations in the third quarter, sales were a bit less than planned. As Ryals mentioned, the primary drivers of that variance were business rationalizations that materialized sooner than expected and a lower-than-normal amount of storm activity.

For the fourth quarter of 2023, we expect a quarterly cadence similar to historic trends. Key factors that could shift results within our guidance range include demand reversion, price elasticities, consumer resilience, timing of business exits, and continued inflationary pressure. Overall, demand elasticity has been in line with our expectations, remaining below historical levels.

As a reminder, our adjusted EBITDA guidance incorporates approximately $17 million (or 6 cents per share) of incremental costs versus the prior year related to the ERP project. Those incremental costs were $2.7 million (or 1 cent per share) in the third quarter. We anticipate these costs to moderate substantially by project completion in 2026. Additionally, our 2023 adjusted EPS guidance incorporates an 8-10 cent per share impact from an increase in interest, depreciation, and amortization expense associated with the ERP implementation and Papa Pita acquisition.

Our ERP rollout went live in the second quarter, and we continue to make progress in that implementation. In Fiscal 2023, we expect costs for the upgrade of our ERP system to be approximately $70 to $80 million, including $25 to $35 million expected to be capitalized. As of October 7, 2023, we have incurred costs related to the project of approximately $201 million, of which $108 million has been capitalized.

At quarter end, approximately 96% of our key raw materials for 2023 were covered. To minimize volatility and provide adequate visibility into costs, we strive to maintain our historical hedging strategy in which we attempt to increase the certainty of our key commodity costs 6 to 12 months out. Based on current coverage, our guidance incorporates a moderate decline in commodity costs in the fourth quarter of 2023 relative to our initial expectations. Commodity prices remain volatile, and we continue to monitor them closely, exploring opportunities to extend coverage at lower values that could benefit our future results.

Thank you. And now I'll turn it back to Ryals.

Ryals McMullian, *Chairman and CEO*

Thank you, Steve.

Now I'd like to discuss some of the trends impacting our current performance, and the steps we are taking to maximize our opportunities in this environment and beyond. I'll first touch on the health of the consumer and then address the competitive environment.

As we discussed earlier, the consumer remains pressured. Category volumes are being impacted by higher food prices. And though lumpy, tracked channel data showed volume trends improving throughout the year as the

magnitude of those price increases waned. That volume trend improvement reversed toward the end of the third quarter, largely due to tough comparisons from Hurricane Ian in the prior year. Category volume resumed the favorable trend as we moved into the fourth quarter.

In response to higher prices, consumers have shifted more of their purchases to private label, which gained 40 basis points of unit share in the third quarter. However, similar to the overall bread category, branded bread product trends improved consistently throughout the year. Private label unit share growth ticked up toward the end of the third quarter due to year over year storm comparisons, but its share growth moderation resumed in the early part of the fourth quarter. The disparity between mass and grocery also continued, with private label losing 30 basis points of unit share in grocery.

Private label unit share gains continued to be concentrated in traditional loaf, the subcategory with the least differentiation. Areas with greater product differentiation, such as specialty premium, dinner breads and rolls, and sandwich buns and rolls showed declines in private label share. And those subcategories were where we gained the most unit share, in both the mass and grocery channels. Our grocery business was a particular area of strength, as we gained 10 basis points of unit share in the quarter.

We continue to closely monitor consumer trends, including the potential impact of GLP-1 agonists. So far, we haven't detected any change to consumer demand as a result of these drugs, while acknowledging that there are many unknowns, including their impact on eating habits, long-term effectiveness, and side effects.

However, we think our brand portfolio is well positioned to benefit should these drugs gain traction. Many of our products, including those of our strongest brands, such as DKB and Canyon Bakehouse, have health attributes that we believe would complement the potential benefits of GLP-1s. Research seems to show that consumers taking these drugs tend to seek out healthier foods, which we believe could drive demand for some of our breads and snacks. We plan to conduct research to better understand the potential impact of these drugs and how our products might satisfy consumer needs in this area.

I'll turn now to the competitive environment in the bread category, which remains rational, despite the weakened consumer and category volume declines. As one would expect, promotions have increased relative to the abnormally low rates in recent years. However, they remain below pre-pandemic levels. Lifts from promotion are also lower than historic levels, as inflationary pressure on consumers translates into reduced expandable consumption. Syndicated data shows that all of grocery, including the bread category, continues to be largely base sales driven.

Having a portfolio of leading brands is crucial in such an environment. The ability of DKB to grow units even as consumers seek to stretch their spending, highlights the advantage of differentiated products. And we are innovating to align our portfolio even closer to consumer demand, as evidenced by our Nature's Own Keto products and DKB snacking initiatives.

No matter the environment, our four strategic pillars guide us on our path to maximize shareholder value over the long-term. We have added significant talent to our already strong team and improved our operating structure to allow for greater focus on key initiatives. We continue to innovate, adding new products to our leading brands and pushing them into adjacent categories to increase their market potential. We expect these activities to expand the proportion of our higher-margin branded retail products and improve corporate profitability. And we aim to supplement that organic growth by adding new capabilities, brands, and products through M&A.

We are focused on finishing the year strongly and continuing that momentum into 2024. I remain extraordinarily confident in our long-term prospects, and I look forward to reporting on our progress over the coming quarters.

Thank you very much for your time. And that concludes our prepared remarks.

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Forward-Looking Statements

Statements contained in this transcript and certain other written or oral statements made from time to time by Flowers Foods, Inc. (the "company", "Flowers Foods", "Flowers", "us", "we", or "our") and its representatives that are not historical facts are forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements relate to current expectations regarding our business and our future financial condition and results of operations and are often identified by the use of words and phrases such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "predict," "project," "should," "will," "would," "is likely to," "is expected to" or "will continue," or the negative of these terms or other comparable terminology. These forward-looking statements are based upon assumptions we believe are reasonable. Forward-looking statements are based on current information and are subject to risks and uncertainties that could cause our actual results to differ materially from those projected. Certain factors that may cause actual results, performance, liquidity, and achievements to differ materially from those projected are discussed in our Annual Report on Form 10-K (the "Form 10-K") and Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission ("SEC") and may include, but are not limited to, (a) unexpected changes in any of the following: (1) general economic and business conditions; (2) the competitive setting in which we operate, including advertising or promotional strategies by us or our competitors, as well as changes in consumer demand; (3) interest rates and other terms available to us on our borrowings; (4) supply chain conditions and any related impact on energy and raw materials costs and availability and hedging counter-party risks; (5) relationships with or increased costs related to our employees and third-party service providers; (6) laws and regulations (including environmental and health-related issues); and (7) accounting standards or tax rates in the markets in which we operate, (b) the loss or financial instability of any significant customer(s), including as a result of product recalls or safety concerns related to our products, (c) changes in consumer behavior, trends and preferences, including health and whole grain trends, and the movement toward less expensive store branded products, (d) the level of success we achieve in developing and introducing new products and entering new markets, (e) our ability to implement new technology and customer requirements as required, (f) our ability to operate existing, and any new, manufacturing lines according to schedule, (g) our ability to implement and achieve our environmental, social, and governance goals in accordance with regulatory requirements and expectations of stakeholders, suppliers, and customers; (h) our ability to execute our business strategies which may involve, among other things, (1) the ability to realize the intended benefits of completed, planned or contemplated acquisitions, dispositions or joint ventures, (2) the deployment of new systems (e.g., our enterprise resource planning ("ERP") system), distribution channels and technology, and (3) an enhanced organizational structure (e.g., our sales and supply chain reorganization), (i) consolidation within the baking industry and related industries, (j) changes in pricing, customer and consumer reaction to pricing actions (including decreased volumes), and the pricing environment among competitors within the industry, (k) our ability to adjust pricing to offset, or partially offset, inflationary pressure on the cost of our products, including ingredient and packaging costs; (l) disruptions in our direct-store-delivery distribution model, including litigation or an adverse ruling by a court or regulatory or governmental body that could affect the independent contractor classifications of the independent distributor partners, and changes to our direct-store-delivery distribution model in California, (m) increasing legal complexity and legal proceedings that we are or may become subject to, (n) labor shortages and turnover or

increases in employee and employee-related costs, (o) the credit, business, and legal risks associated with independent distributor partners and customers, which operate in the highly competitive retail food and foodservice industries, (p) any business disruptions due to political instability, pandemics, armed hostilities (including the ongoing conflict between Russia and Ukraine and the conflict in Israel and Gaza), incidents of terrorism, natural disasters, labor strikes or work stoppages, technological breakdowns, product contamination, product recalls or safety concerns related to our products, or the responses to or repercussions from any of these or similar events or conditions and our ability to insure against such events, (q) the failure of our information technology systems to perform adequately, including any interruptions, intrusions, cyber-attacks or security breaches of such systems or risks associated with the implementation of the upgrade of our ERP system; and (r) the potential impact of climate change on the company, including physical and transition risks, availability or restriction of resources, higher regulatory and compliance costs, reputational risks, and availability of capital on attractive terms. The foregoing list of important factors does not include all such factors, nor does it necessarily present them in order of importance. In addition, you should consult other disclosures made by the company (such as in our other filings with the SEC or in company press releases) for other factors that may cause actual results to differ materially from those projected by the company. Refer to Part I, Item 1A., Risk Factors, of the Form 10-K, Part II, Item 1A., Risk Factors, of the Form 10-Q for the quarter ended October 7, 2023 and subsequent filings with the SEC for additional information regarding factors that could affect the company's results of operations, financial condition and liquidity. We caution you not to place undue reliance on forward-looking statements, as they speak only as of the date made and are inherently uncertain. The company undertakes no obligation to publicly revise or update such statements, except as required by law. You are advised, however, to consult any further public disclosures by the company (such as in our filings with the SEC or in company press releases) on related subjects.

Information Regarding Non-GAAP Financial Measures

The company prepares its consolidated financial statements in accordance with U.S. Generally Accepted Accounting Principles (GAAP). However, from time to time, the company may present in its public statements, press releases and SEC filings, non-GAAP financial measures such as, EBITDA, adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted diluted EPS, adjusted income tax expense, adjusted selling, distribution and administrative expenses (SD&A), and gross margin excluding depreciation and amortization. The reconciliations attached provide reconciliations of the non-GAAP measures used in this presentation or release to the most comparable GAAP financial measure. The company's definitions of these non-GAAP measures may differ from similarly titled measures used by others. These non-GAAP measures should be considered supplemental to, and not a substitute for, financial information prepared in accordance with GAAP.

The company defines EBITDA as earnings before interest, taxes, depreciation and amortization. Earnings are net income. The company believes that EBITDA is a useful tool for managing the operations of its business and is an indicator of the company's ability to incur and service indebtedness and generate free cash flow. EBITDA is used as the primary performance measure in the company's 2014 Omnibus Equity and Incentive Compensation Plan. Furthermore, pursuant to the terms of our credit facility, EBITDA is used to determine the company's compliance with certain financial covenants. The company also believes that EBITDA measures are commonly reported and widely used by investors and other interested parties as measures of a company's operating performance and debt servicing ability because EBITDA measures assist in comparing performance on a consistent basis without regard to depreciation or amortization, which can vary significantly depending upon accounting methods and non-operating factors (such as historical cost). EBITDA is also a widely-accepted financial indicator of a company's ability to incur and service indebtedness.

EBITDA should not be considered an alternative to (a) income from operations or net income (loss) as a measure of operating performance; (b) cash flows provided by operating, investing and financing activities (as determined in

accordance with GAAP) as a measure of the company's ability to meet its cash needs; or (c) any other indicator of performance or liquidity that has been determined in accordance with GAAP.

The company defines adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted diluted EPS, adjusted income tax expense and adjusted SD&A, respectively, to exclude additional costs that the company considers important to present to investors. These costs include, but are not limited to, the costs of closing a plant or costs associated with acquisition-related activities, certain impairment charges, legal settlements and other costs impacting past and future comparability. The company believes that these measures, when considered together with its GAAP financial results, provides management and investors with a more complete understanding of its business operating results, including underlying trends, by excluding the effects of certain charges.

Presentation of gross margin includes depreciation and amortization in the materials, supplies, labor and other production costs according to GAAP. Our method of presenting gross margin excludes the depreciation and amortization components, as discussed above.

The reconciliations attached provide reconciliations of the non-GAAP measures used in this presentation or release to the most comparable GAAP financial measure.