Flowers FOODS

SECOND QUARTER 2024 REVIEW

August 16, 2024

REGARDING FORWARD-LOOKING STATEMENTS

Statements contained in this presentation 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 for the year ended December 30, 2023 (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 corporate responsibility 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 the Middle East), 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 July 13, 2024 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.

KEY MESSAGES

- **Solid** top- and bottom-line **performance**
- Brands gained the **most unit and dollar share** of any company in fresh packaged bread category
- **Improved profitability** in away-from-home and private label businesses
- **Execution of savings initiatives** helped drive strong margin improvement
- Maintaining 2024 guidance with expected benefits from **increased savings initiatives and new business wins**

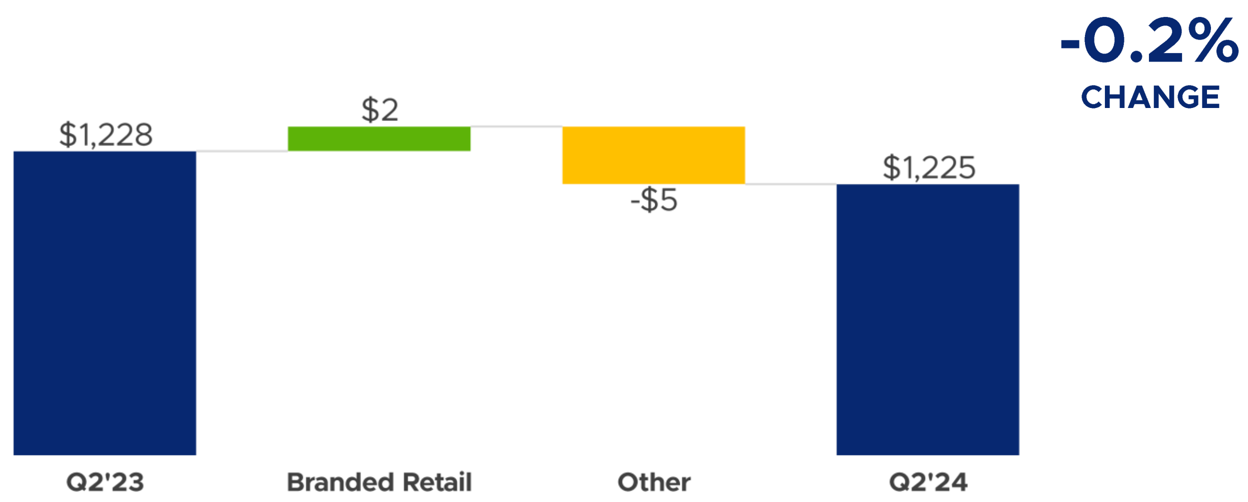
Q2 2024 FINANCIAL HIGHLIGHTS

Sales declined modestly as lower volume, largely due to away-from-home business exits, was partly offset by improved mix

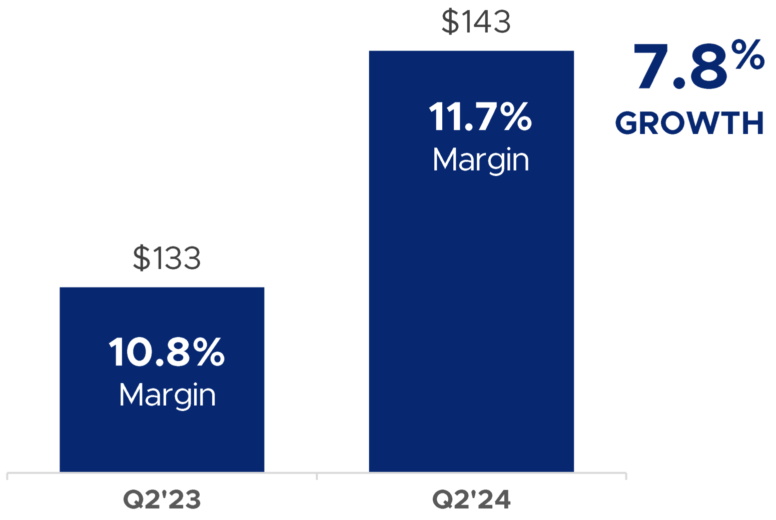
Net income increased 5% to $67.0 million due to increased operating income, partly offset by higher net interest and income tax expense

Adjusted EBITDA increased primarily due to lower materials, supplies, labor, and other production costs, partly offset by softer sales

COMPONENTS OF Q2'24 SALES CHANGE (MILLIONS)



ADJUSTED EBITDA (MILLIONS)[1]



(1) *Earnings before interest, taxes, depreciation & amortization, adjusted for matters affecting comparability. See non-GAAP reconciliations at the end of this slide presentation.*

Q2 2024 FINANCIAL REVIEW

NET SALES

$1.225B -0.2% v PY

- Price/Mix +1.0%[1]
- Volume -1.2%[2]
- Improved mix, partly offset by lower volume

CASH FLOWS — YTD

Cash from Ops
$168.4M

Dividends
$101.9M

Capex
$61.3M

NET INCOME

$67.0M +5.0% v PY

ADJ. EBITDA[3]

$143.5M +7.8% v PY

- 11.7% of sales, up 90 bps
- Higher gross margin, partly offset by lower sales

GAAP DILUTED EPS

$0.32 +$0.02 v PY

ADJ. DILUTED EPS[4]

$0.36 +$0.03 v PY

- Higher EBITDA
- Increased depreciation and amortization, net interest expense, and tax rate

(1) Calculated as (current year period units X change in price per unit) / prior year period sales $
(2) Calculated as (prior year period price per unit X change in units) / prior year period sales $
(3) Earnings before interest, taxes, depreciation & amortization (EBITDA), adjusted for matters affecting comparability. See non-GAAP reconciliations at the end of this slide presentation. Earnings are net income. EBITDA and Adjusted EBITDA are reconciled to net income.
(4) Earnings per share (EPS), adjusted for matters affecting comparability. See non-GAAP reconciliations at the end of this slide presentation.

FISCAL 2024 GUIDANCE

(Provided August 16, 2024)

SALES	ADJ. EBITDA[1]	ADJ. DIL. EPS[2]
$5.091 to $5.172B	$524 to $553M	$1.20 to $1.30

OTHER

Depreciation & amortization
$155 – $160M

Effective tax rate
APPROX. 25.0%

Net interest expense
$20 - $24M

Diluted shares outstanding
APPROX. 212.5M

Capital expenditures
$145 – $155M[3]

Fiscal 2024 Considerations

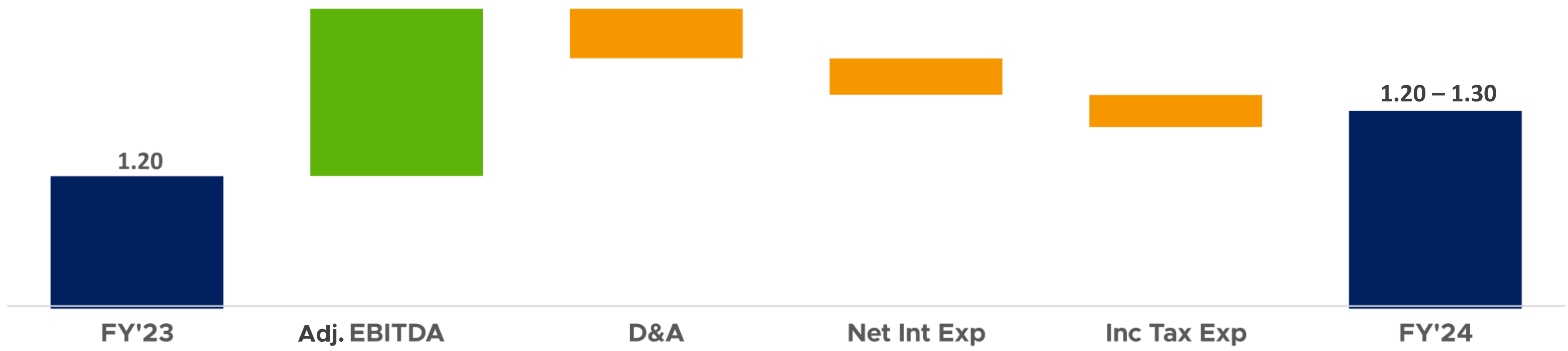
- Consumer resiliency
- Promotional environment
- Ability to mitigate cost inflation
- Business rationalizations
- New business wins
- Timing and effectiveness of cost savings initiatives
- California distribution transition

(1) *No reconciliation of the forecasted range for adjusted EBITDA to net income for the 52-week Fiscal 2024 is included in this presentation because the company is unable to quantify certain amounts that would be required to be included in the GAAP measure without unreasonable efforts. In addition, the company believes such reconciliation would imply a degree of precision that would be confusing or misleading to investors*

(2) *Earnings per share (EPS), adjusted for matters affecting comparability. See non-GAAP reconciliations at the end of this slide presentation.*

(3) *$3-6 million related to ERP upgrade*

GUIDANCE DRIVERS



KEY CONSIDERATIONS	+ Pricing actions + Share gains + Innovation + Business wins + Moderating ingredient inflation + Savings initiatives – Category declines – Business exits – Promotional activity – Strategic investments	– Higher capital employed from acquisition and ERP	– Increased debt from PP acquisition and CA transition – Lower interest income	– Higher tax rate due to fewer discrete benefits

Data is not indicative of actual expected impact. Graph is intended for directional purposes only.

LONG-TERM GROWTH TARGET SCORECARD

	LT Targets[1]	CAGR[1]				
		FY'20[2]	FY'21	FY'22	FY'23	FY'24[3]
Sales	1-2%	6.4%	2.5%	5.2%	5.4%	4.5%
Adj EBITDA	4-6%	23.4%	7.8%	5.9%	4.4%	5.0%[4]
Adj dil. EPS	7-9%	36.5%	13.7%	9.8%	5.7%	5.4%[5]

(1) Off FY'19 base. No reconciliation of the forecasted range for adjusted diluted EPS to diluted EPS and adjusted EBITDA to net income is included in this presentation because the company is unable to quantify certain amounts that would be required to be included in the GAAP measure without unreasonable efforts. In addition, the company believes such reconciliations would imply a degree of precision that would be confusing or misleading to investors.

(2) FY'20 was a 53-week year

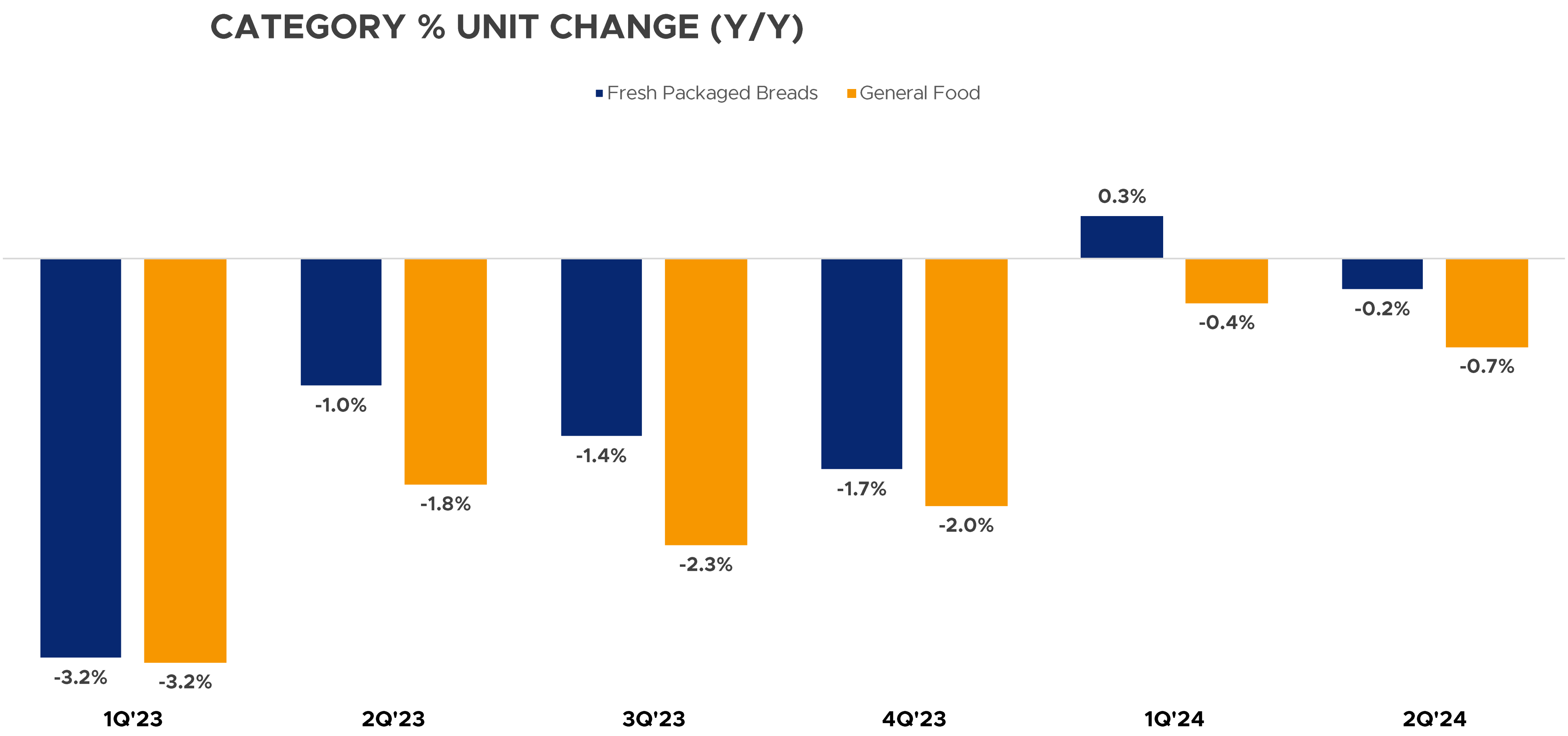
(3) Implied return using FY'24 guidance midpoint

(4) No reconciliation of the forecasted range for adjusted EBITDA to net income for the 52-week Fiscal 2024 is included in this presentation because the company is unable to quantify certain amounts that would be required to be included in the GAAP measure without unreasonable efforts. In addition, the company believes such reconciliation would imply a degree of precision that would be confusing or misleading to investors.

(5) Earnings per share (EPS), adjusted for matters affecting comparability. See non-GAAP reconciliations at the end of this slide presentation.

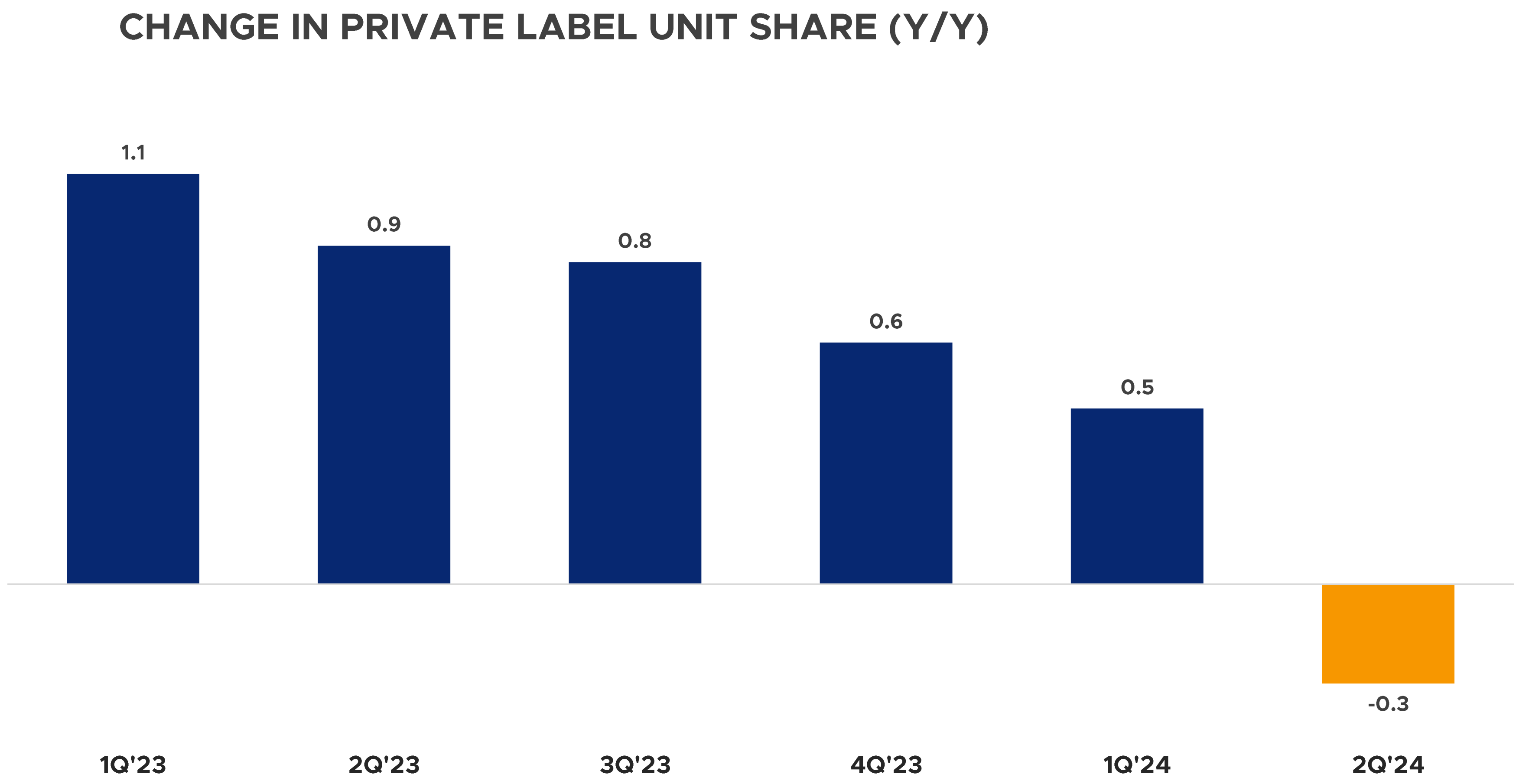
FRESH PACKAGED BREAD CATEGORY

Bread category outperforming overall food



Source: Flowers Custom Database – Circana Total US Mulo+ with Conv
Due to a change in methodology and sources, data provided previously by Circana may not be comparable to current data

PRIVATE LABEL MOMENTUM FADING

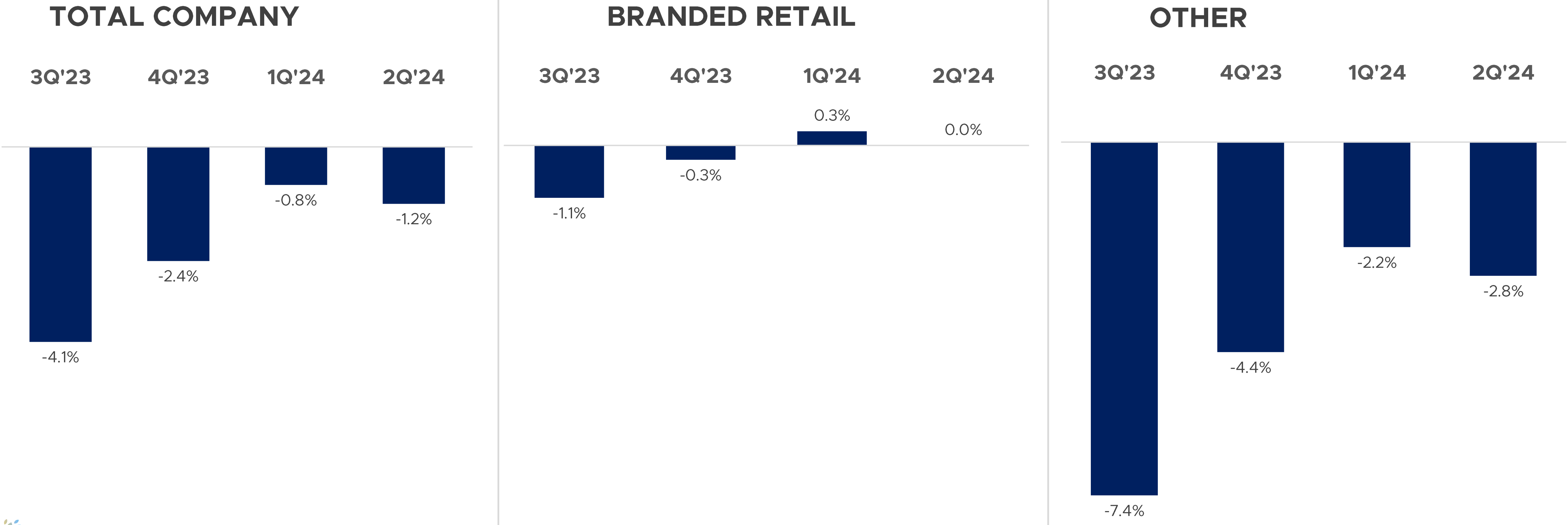


Source: Flowers Custom Database – Circana Total US Mulo+ with Conv
Due to a change in methodology and sources, data provided previously by Circana may not be comparable to current data

VOLUME TRENDS

- Branded retail benefitting from stronger bread performance, offset by cake softness
- Other pressured by business exits and weakness in away-from-home, partly offset by strength in private label and new business wins

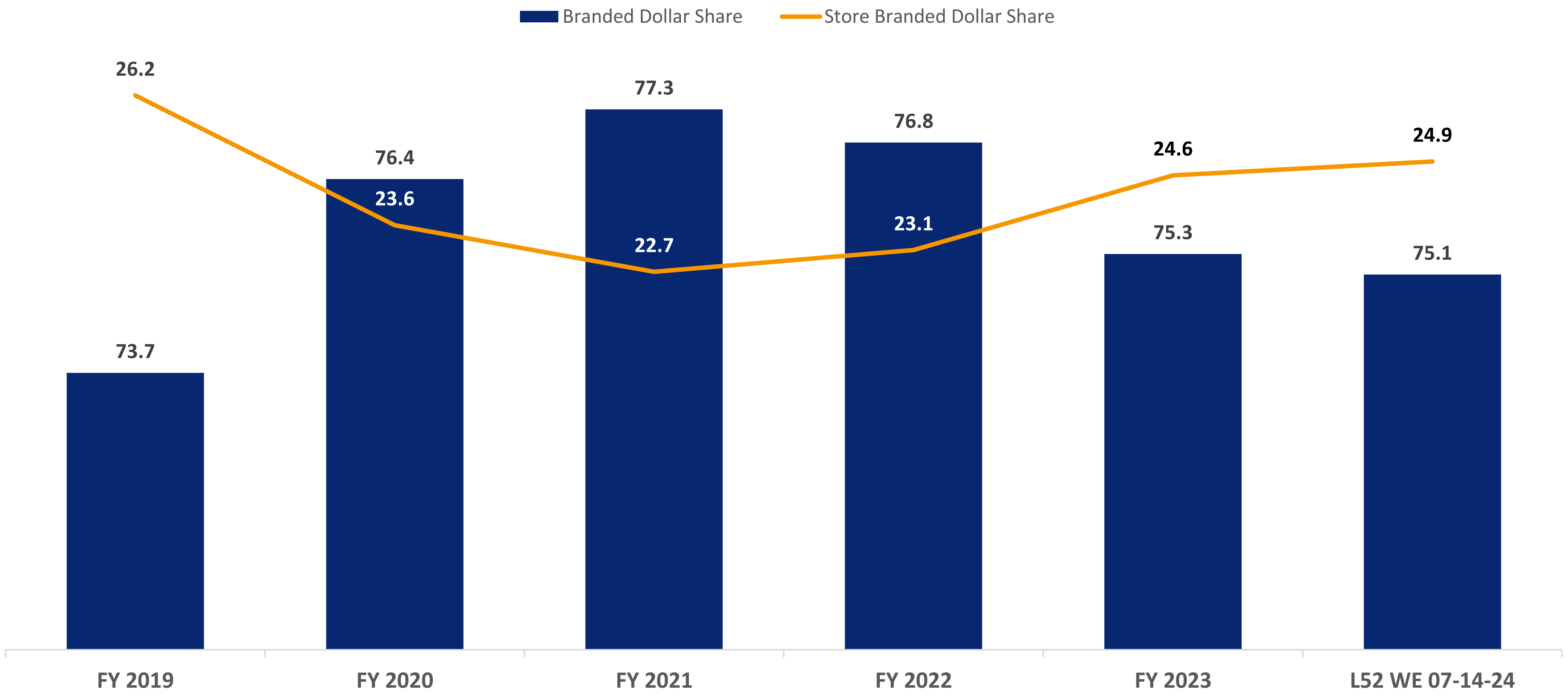
FLO Volume % Change (Y/Y)



Source: Flowers internal data
Volume data excludes impact of acquisitions during first year after acquisition date

BRANDED VS STORE BRAND MARKET SHARE

Long-term trend of branded share gains interrupted by inflationary pressure on consumers



Source: Flowers Custom Database – Circana Total US Mulo+ with Conv
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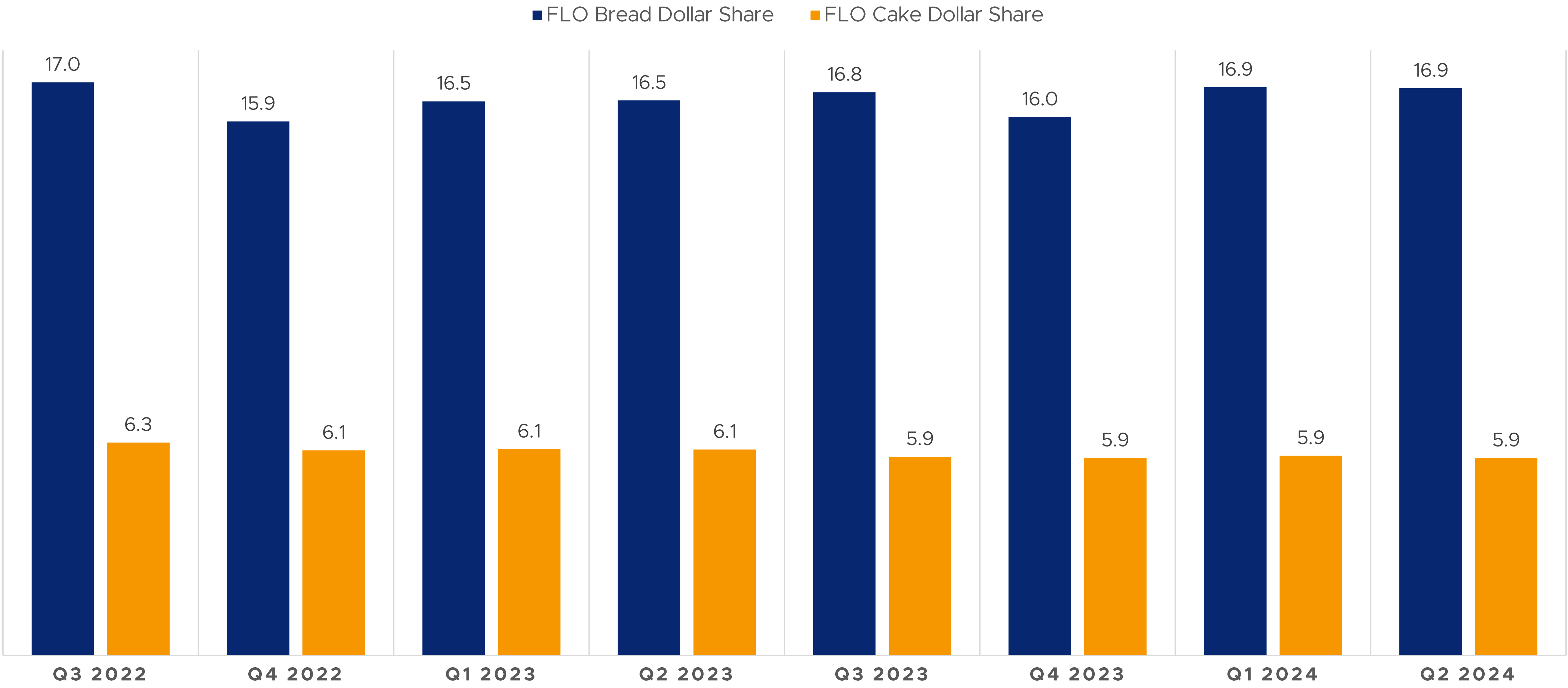
FLOWERS MARKET SHARE



Source: Flowers Custom Database – Circana Total US Mulo+ with Conv
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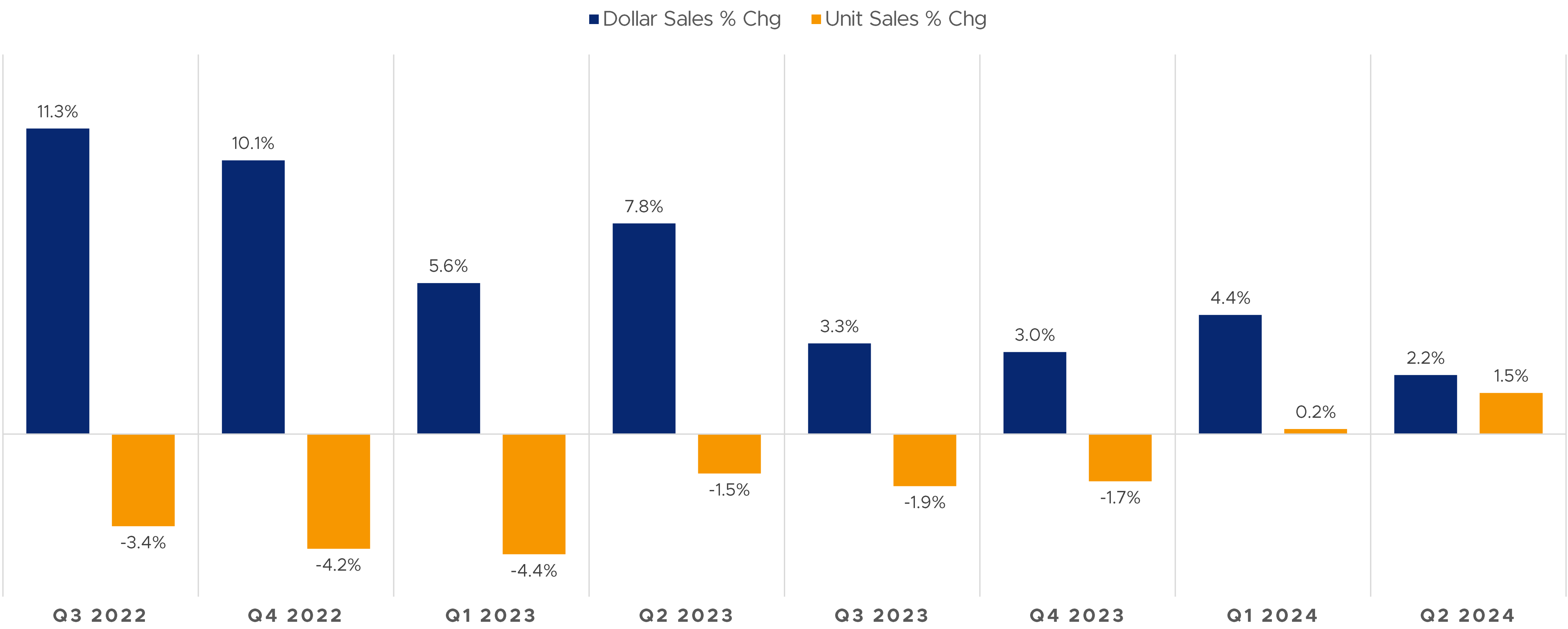
FLOWERS FRESH PACKAGED BREADS



Source: Flowers Custom Database – Circana Total US Mulo+ with Conv
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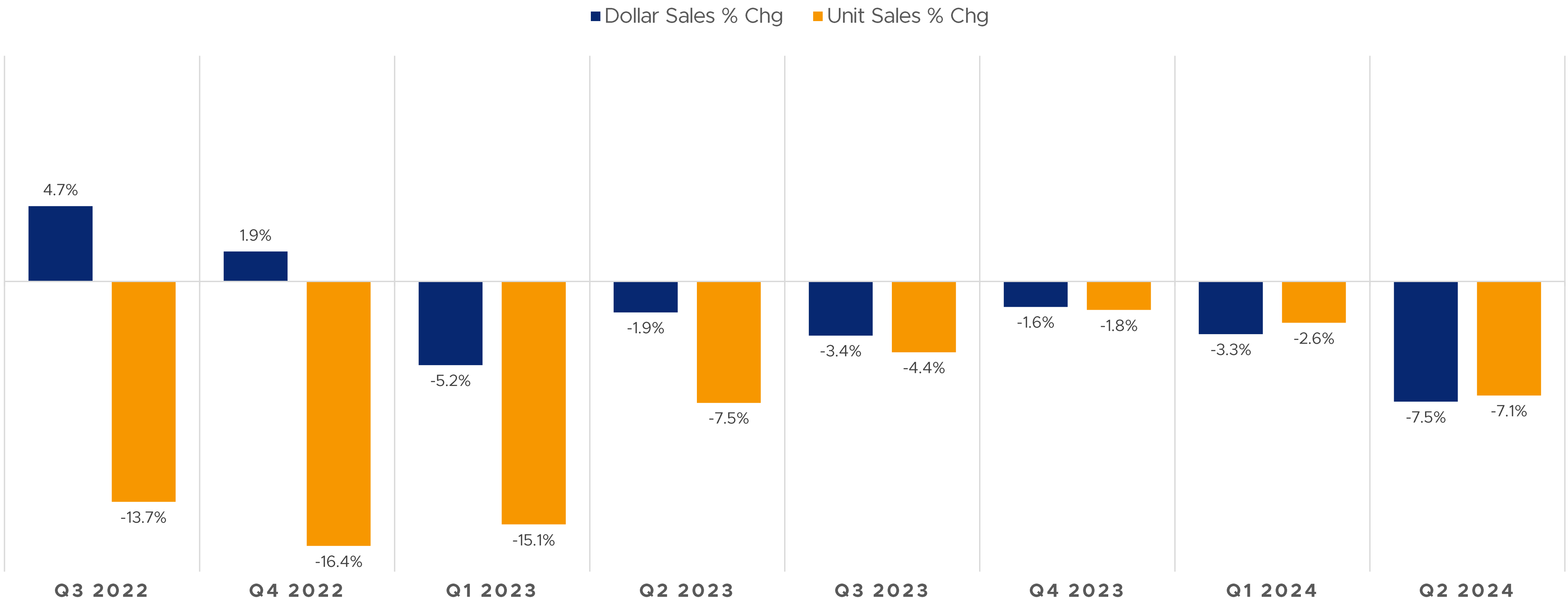
FLOWERS COMMERCIAL CAKE



Source: Flowers Custom Database – Circana Total US Mulo+ with Conv
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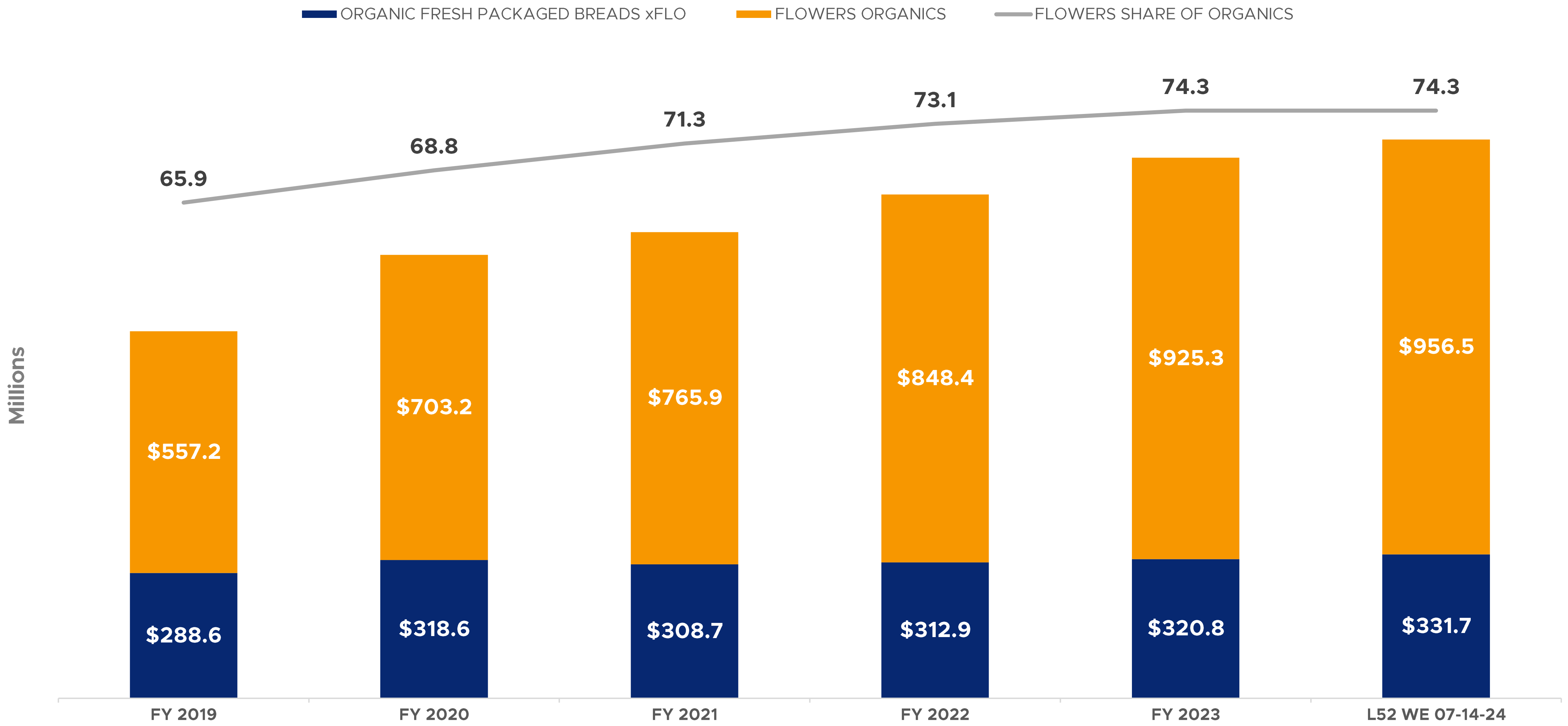
ORGANIC CATEGORY SALES



Source: Flowers Custom Database – Circana Total US Mulo+ with Conv
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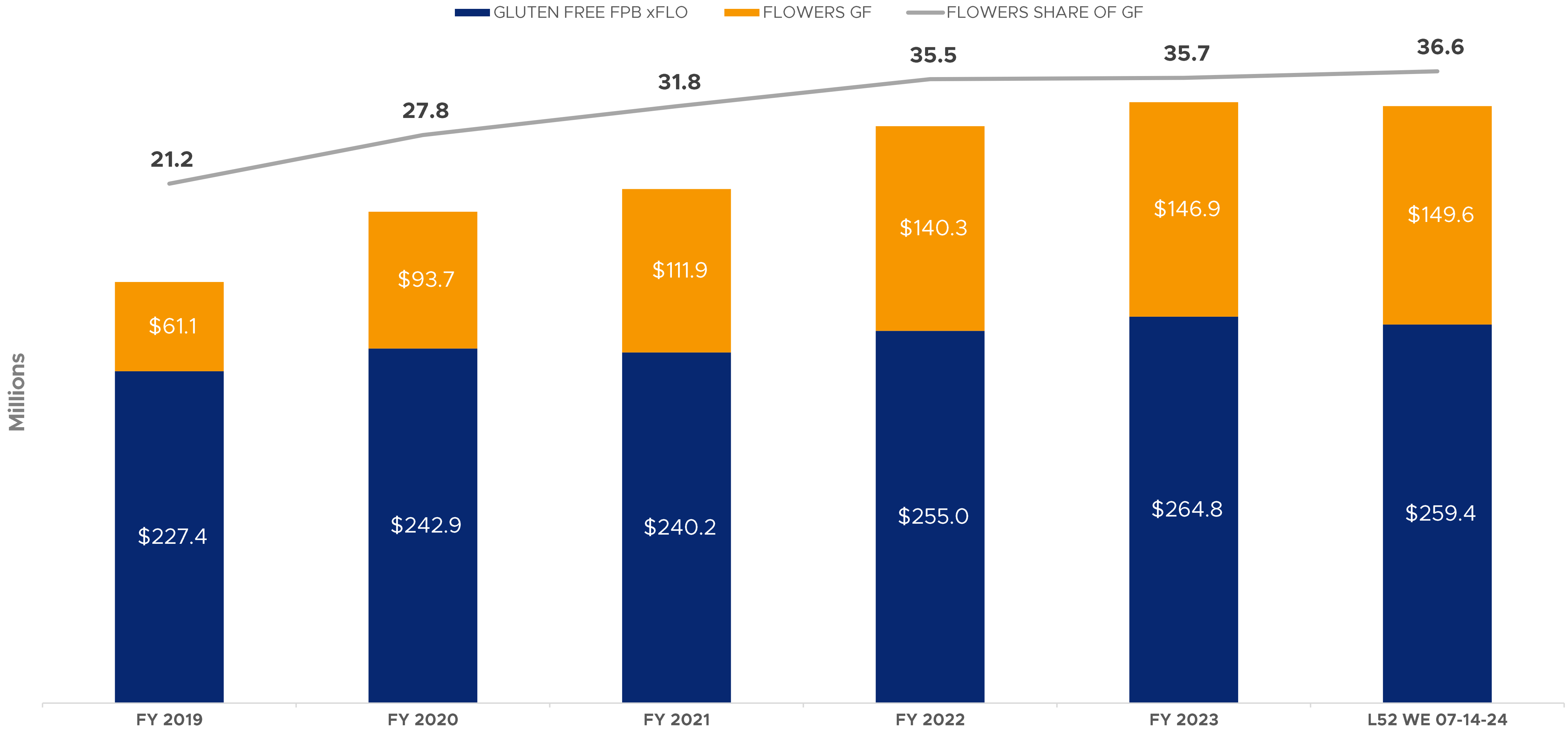
GLUTEN-FREE CATEGORY SALES



Source: Flowers Custom Database – Circana Total US Mulo+ with Conv
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INFORMATION REGARDING NON-GAAP FINANCIAL MEASURES

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. 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 to increase the investors' insights about the company's core operations. These costs include, but are not limited to, the costs of closing a plant or costs associated with acquisition-related activities, restructuring activities, certain impairment charges, legal settlements, costs to implement an enterprise resource planning system and enhance bakery digital capabilities (business process improvement costs) to provide investors direct insight into these costs, 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. Adjusted EBITDA is used as the primary performance measure in the company's 2014 Omnibus Equity and Incentive Compensation Plan (Amended and Restated Effective May 25, 2023).

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.

No reconciliation of the forecasted range for adjusted EBITDA or adjusted EPS is included in this presentation because we are unable to quantify certain amounts that would be required to be included in the GAAP measure without unreasonable efforts. In addition, the company believes such reconciliations would imply a degree of precision that would be confusing or misleading to investors.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

RECONCILIATION OF EARNINGS PER SHARE TO ADJUSTED DILUTED EARNINGS PER SHARE

	For the 12 Week Period Ended July 13, 2024	For the 12 Week Period Ended July 15, 2023
Net income per diluted common share	**$ 0.32**	$ 0.30
Business process improvement costs	**0.01**	0.02
Impairment of assets	**NM**	—
Restructuring charges	**0.02**	0.01
Restructuring-related implementation costs	**0.01**	—
Acquisition-related costs	**—**	NM
Adjusted net income per diluted common share	**$ 0.36**	**$ 0.33**

NM – Not meaningful.
Certain amounts may not add due to rounding.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

RECONCILIATION OF GROSS MARGIN EXCLUDING DEPRECIATION AND AMORTIZATION TO GROSS MARGIN (000S OMITTED)

	For the 12 Week Period Ended July 13, 2024	For the 12 Week Period Ended July 15, 2023
Sales	$ 1,224,983	$ 1,228,050
Materials, supplies, labor and other production costs (exclusive of depreciation and amortization)	613,362	626,097
Gross Margin excluding depreciation and amortization	611,621	601,953
Less depreciation and amortization for production activities	20,314	19,259
Gross Margin	$ 591,307	$ 582,694
Depreciation and amortization for production activities	$ 20,314	$ 19,259
Depreciation and amortization for selling, distribution and administrative activities	16,513	15,725
Total depreciation and amortization	$ 36,827	$ 34,984

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

RECONCILIATION OF SELLING, DISTRIBUTION AND ADMINISTRATIVE EXPENSES TO ADJUSTED SD&A (000S OMITTED)

	For the 12 Week Period Ended July 13, 2024	For the 12 Week Period Ended July 15, 2023
Selling, distribution and administrative expenses	$ 471,400	$ 475,916
Business process improvement costs	(1,606)	(6,588)
Acquisition-related costs	-	(489)
Restructuring-related implementation costs	(1,635)	-
Adjusted selling, distribution and administrative expenses	$ 468,159	$ 468,839
Sales	$ 1,224,983	$ 1,228,050
Adjusted SD&A as a percent of sales	38.2%	38.2%

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

RECONCILIATION OF NET INCOME TO EBITDA AND ADJUSTED EBITDA (000S OMITTED)

	For the 12 Week Period Ended July 13, 2024	For the 12 Week Period Ended July 15, 2023
Net income	$ 66,967	$ 63,760
Income tax expense	23,455	20,605
Interest expense, net	4,908	4,251
Depreciation and amortization	36,827	34,984
EBITDA	132,157	123,600
Other pension benefit	(118)	(62)
Business process improvement costs	1,606	6,588
Restructuring charges	6,805	2,499
Acquisition-related costs	-	489
Impairment of assets	1,377	-
Restructuring-related implementation costs	1,635	-
Adjusted EBITDA	$ 143,462	$ 133,114
Sales	$ 1,224,983	$ 1,228,050
Adjusted EBITDA margin	11.7%	10.8%

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

RECONCILIATION OF INCOME TAX EXPENSE TO ADJUSTED INCOME TAX EXPENSE (000S OMITTED)

	For the 12 Week Period Ended July 13, 2024	For the 12 Week Period Ended July 15, 2023
Income tax expense	**$ 23,455**	$ 20,605
Tax impact of:		
Business process improvement costs	**401**	1,647
Restructuring charges	**1,701**	624
Acquisition-related costs	**-**	122
Impairment of assets	**344**	-
Restructuring-related implementation costs	**409**	-
Adjusted income tax expense	**$ 26,310**	$ 22,998

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

RECONCILIATION OF NET INCOME TO ADJUSTED NET INCOME (000S OMITTED)

	For the 12 Week Period Ended July 13, 2024	For the 12 Week Period Ended July 15, 2023
Net income	$ 66,967	$ 63,760
Business process improvement costs	1,205	4,941
Restructuring charges	5,104	1,875
Acquisition-related costs	-	367
Impairment of assets	1,033	-
Restructuring-related implementation costs	1,226	-
Adjusted net income	$ 75,535	$ 70,943

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

RECONCILIATION OF NET INCOME TO EBITDA AND ADJUSTED EBITDA (000S OMITTED)

	For the 12 Week Period Ended October 7, 2023	For the 12 Week Period Ended December 30, 2023	For the 16 Week Period Ended April 20, 2024	For the 12 Week Period Ended July 13, 2024	Trailing 52 Week Period Ended July 13, 2024
Net income (loss)	$ (46,730)	$ 35,676	$ 73,043	$ 66,967	$ 128,956
Income tax expense (benefit)	(16,567)	10,398	23,052	23,455	40,338
Interest expense, net	4,010	3,885	5,611	4,908	18,414
Depreciation and amortization	35,974	37,016	48,235	36,827	158,052
EBITDA	(23,313)	86,975	149,941	132,157	345,760
Other pension benefit	(62)	(62)	(158)	(118)	(400)
Business process improvement costs	5,814	2,900	3,683	1,606	14,003
Legal settlements and related costs	137,529	-	-	-	137,529
Restructuring charges	179	226	598	6,805	7,808
Impairment of assets	1,034	6,264	4,000	1,377	12,675
Restructuring-related implementation costs	-	-	1,344	1,635	2,979
Adjusted EBITDA	$ 121,181	$ 96,303	$ 159,408	$ 143,462	$ 520,354

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

RECONCILIATION OF DEBT TO NET DEBT AND CALCULATION OF NET DEBT TO TRAILING TWELVE MONTH ADJUSTED EBITDA RATIO (000S OMITTED)

	As of July 13, 2024
Current maturities of long-term debt	$ -
Long-term debt	1,068,844
Total debt	1,068,844
Less: Cash and cash equivalents	6,866
Net Debt	**$ 1,061,978**
Adjusted EBITDA for the Trailing Twelve Months Ended July 13, 2024	$ 520,354
Ratio of Net Debt to Trailing Twelve Month Adjusted EBITDA	**2.0**

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

RECONCILIATION OF EARNINGS PER SHARE - FULL YEAR FISCAL 2024 GUIDANCE RANGE ESTIMATE

Net income per diluted common share	$	1.12	to	$	1.22
Business process improvement costs		0.02			0.02
Impairment of assets		0.02			0.02
Restructuring charges		0.03			0.03
Restructuring-related implementation costs		0.01			0.01
Adjusted net income per diluted common share	$	1.20	to	$	1.30

NM – Not meaningful.
Certain amounts may not add due to rounding.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

RECONCILIATION OF EARNINGS PER SHARE TO ADJUSTED EARNINGS PER SHARE

	For the 52-Week Period Ended December 28, 2019
Net income per diluted common share	$ 0.78
Restructuring and related impairment charges	0.08
Legal settlements and related costs	0.10
Executive retirement agreement	NM
Project Centennial consulting costs	NM
Recovery on inferior ingredients	NM
Acquisition-related costs	NM
Adjusted net income per diluted common share	$ 0.96

NM – Not meaningful.
Certain amounts may not add due to rounding.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

RECONCILIATION OF NET INCOME TO EBITDA AND ADJUSTED EBITDA

	For the 52 Week Period Ended December 28, 2019
Net income	$ 164,538
Income tax expense	47,545
Interest expense, net	11,097
Depreciation and amortization	144,228
EBITDA	367,408
Other pension cost	2,248
Project Centennial consulting costs	784
Acquisition-related costs	22
Restructuring and related impairment charges	23,524
Legal settlements and related costs	28,014
Executive retirement agreement	763
Recovery on inferior ingredients	(37)
Adjusted EBITDA	$ 422,726