Flowers FOODS

THIRD QUARTER 2026 REVIEW

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CORPORATE PARTICIPANTS

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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 2026 results. We will host a live Q&A session Friday, November 13 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 investors 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 Anthony Scaglione, our CFO. Ryals, I'll turn it over to you.

Ryals McMullian, *Chairman and CEO*

Thanks, J.T. and thanks to everyone for joining us today.

Our third-quarter results reflect many of the challenging conditions we discussed last quarter, including pressure on household budgets, evolving consumer preferences and heightened competitive activity. Overall, the operating environment remains demanding, and these conditions, along with areas where we need to move faster with focused execution, resulted in performance below expectations.

As we discussed last quarter, constrained household budgets continued to drive price sensitivity, with consumers placing greater emphasis on affordability in their purchasing decisions. Consumer behavior also continued to shift toward alternative formats, package sizes and attributes, particularly in areas where we are working to build greater scale. Additionally, promotional activity increased in the quarter, intensifying competition and having a greater impact on our performance than we anticipated. Traditional and premium loaf were the areas most impacted.

We entered the quarter expecting our earlier pricing actions and the Nature's Own relaunch to help stabilize the business while we introduced new products to market, including half loaves. But improvement in Nature's Own has not yet reached the pace we anticipated in the quarter, as rebuilding brand awareness into sustained performance takes time. Still, we are encouraged by growing customer support for the relaunch, rising

consumer awareness, and improving areas of performance across the Nature's Own franchise. At the same time, we are accelerating innovation to close portfolio gaps and bring new offerings to market more quickly. As these products scale over time, we expect them to strengthen performance across the portfolio.

While these early signs are encouraging, they have not been enough to offset the broader pressures on our business, resulting in a 4.7% sales decline in the quarter.

We recognize the urgency to improve these results and are accelerating initiatives that are already underway. We are moving faster to close innovation gaps and better align our portfolio with consumer preferences. This includes expanding our half-loaf offerings and bringing sourdoughs and other innovation to market. At the same time, our teams are sharpening their commercial execution and working closely with customers on assortment, merchandising and promotional cadence.

While we expect overall conditions to remain challenging in the near term, we are seeing encouraging signs in U.S. Food segments, particularly within traditional grocery. Additionally, our year-over-year share losses in Nature's Own traditional loaf narrowed compared with the second quarter, and Nature's Own Perfectly Crafted held unit share and gained dollar share. Since the Nature's Own relaunch, we have seen gains in brand awareness and consideration. These early signs are encouraging, but they do not yet represent a broad-based recovery or change our assessment of the quarter. Our focus is on turning this progress into sustained improvement through greater awareness and strong execution.

We also saw continued strength in food service during the quarter. Food service is approximately a $1 billion business for Flowers and remains an attractive growth opportunity. Our scale, capabilities, and customer relationships position us to build on this business going forward.

Our teams are also working to on-board the new business wins we discussed last quarter. Many are still ramping, and we expect them to begin contributing to our results in 2027 and beyond. These successes open up future avenues for growth and show how our brands, network and capabilities can help us win new business.

We are encouraged by this progress and recognize that more meaningful improvement will take time. We believe the benefits of our actions will build over several quarters as we continue to navigate a challenging environment – including higher input costs in 2027. It is also important to keep the broader opportunity in perspective. We serve large, attractive markets in fresh packaged bread, cake, and better-for-you snacking that together represent more than $80 billion in annual sales. Food service and away-from-home represent an additional market of more than $8 billion annually. While some of these markets remain under pressure, we see meaningful opportunities for long-term growth through innovation and geographic expansion, among other avenues. We are well positioned to pursue those opportunities, with leading brands, an extensive bakery and distribution network, and experienced people. Those teams bring deep industry expertise and a strong understanding of our customers. We are putting these strengths to work with greater speed and consistency to improve performance and create long-term shareholder value.

Now, let me provide some additional perspective on our brands and the work underway across several priority areas.

Our strategic focus remains centered on strengthening our leading brands and accelerating innovation to better align our portfolio with where consumer demand is moving. The total fresh packaged bread category remained under pressure during the quarter, with units declining 2.8%. Against that backdrop, we underperformed, with the greatest pressure concentrated in both traditional and premium loaf. Promotional activity intensified across

the category, and our additional merchandising support did not deliver the volume or share improvement we expected.

Within traditional loaf, total category units declined more than 5% in the quarter as constrained household budgets, changing consumer behavior and lower consumption impacted demand. Consumers continued to move toward smaller loaves and more differentiated products, which are areas where we are still working to build scale. These shifts, combined with intense promotional activity in the quarter, weighed on our performance, with traditional loaf accounting for the most pressure. While performance remained challenging, our year-over-year share losses narrowed compared with the second quarter. Nature's Own Perfectly Crafted was a bright spot, holding unit share and gaining dollar share despite the intensely competitive environment.

We continue to believe the investment behind the Nature's Own relaunch is the right long-term decision, but conversion has been slower than we anticipated. Part of this reflects the lift required to rebuild momentum for a brand that had been fairly dormant from an advertising perspective for a period of time before the relaunch.

That said, we are beginning to see early signs of progress. In reviewing consumer data with our customers and media partners, some of the largest and best-known retailers are increasingly supportive of the relaunch, recognizing the positive benefits and viewing it as a standout initiative. The data also shows encouraging gains in brand health and consumer engagement. Awareness and consideration have increased considerably, and more consumers now associate Nature's Own with simple ingredients, Non-GMO and healthier choices -- the key attributes behind the relaunch. We are also building stronger connections with younger consumers and families. Nature's Own was recently recognized as one of the top 20 brands for increasing brand equity among millennials in a recent Harris Poll study. Notably, it was the only fresh packaged bread brand on the list and was recognized alongside some of the best-known names in apparel, entertainment, and media. That tells us we are resonating with a demographic that favors simpler ingredients and better-for-you attributes.

The next step is translating stronger awareness and perception into sustained share improvement. We are seeing green shoots in this area. Since the relaunch, unit share across the Nature's Own franchise has increased 40 basis points and dollar share has increased 10 basis points, with gains in Nature's Own buns and rolls and in Perfectly Crafted. However, this early traction has not yet offset year-over-year pressure in traditional loaf, the largest part of the franchise. To close that gap, we are supporting Nature's Own with advertising and merchandising, sharpening execution and expanding the portfolio through innovation. The relaunch gives us a stronger foundation, but more work remains, particularly in traditional loaf.

On the innovation front, we also see a meaningful opportunity in small and half-loaf offerings, where we are working to build greater scale and better alignment with changing consumer preferences. Our position in reduced pack sizes remains below where we want it to be, but we are ramping up our new half-loaf offerings, an important step toward closing this portfolio gap. Although it is early, data from the past few weeks indicates that we are gaining traction.

We are also expanding our sourdough varieties and presence, an area where we believe our brands and distribution can help us participate more meaningfully. As we build distribution and sales velocity, we expect these offerings to gain momentum beginning in 2027. Together with our half-loaf offerings, this expansion shows how we are moving faster to close portfolio gaps and meet evolving consumer preferences.

In sandwich buns and rolls, category units declined about 4%, and we lost unit and dollar share amid heavy promotional activity. Nature's Own, however, gained unit and dollar share, led by Perfectly Crafted, which gained 10 basis points of unit share and 30 basis points of dollar share. This supports our confidence in the brand's premium positioning and relaunch strategy, and we are focused on delivering more consistent results across the franchise.

In organics, Dave's Killer Bread faced unit and dollar share pressure in the third quarter and fell well below our expectations. Category and economic pressures, lower household consumption and increased competition weighed on results. DKB's limited presence in sourdough also constrained performance. With distribution relatively stable, our focus is on restoring sales velocity. DKB remains well positioned, leading organics with nearly a 70% share, and continues to resonate with consumers who value its high-quality, organic and Non-GMO ingredients. We remain confident in its differentiation and long-term growth potential.

To help stabilize DKB, we are responding with stronger promotional and display support, along with focused marketing to attract new households and reinforce what makes the brand distinctive. We are also advancing innovation, including sourdough offerings, to better align DKB with consumers. Together, these actions are aimed at rebuilding momentum and improving the brand's performance as they take hold.

Canyon Bakehouse, the leading gluten-free bread brand, was a standout and gained both unit and dollar share, demonstrating the brand's important role within our broader better-for-you portfolio. We continue to see opportunities across organic, gluten-free, keto and protein products to meet specific dietary and functional needs of consumers.

The breakfast category was more resilient, with units down approximately 1% versus nearly 3% for fresh packaged bread overall. Our share declined, primarily due to softer DKB performance, though Wonder gained share. Our breakfast share remains above historical levels, and we see room for long-term growth through broader distribution, targeted innovation and focused execution.

Turning to cake, we held unit share and increased dollar share despite the category declining more than 5%. Our performance was led by Wonder, with gains offsetting softness elsewhere in the portfolio. Wonder cake has been impressive. In less than two years, it has grown from launch to more than $100 million in revenue, highlighting the power of our brands. We are encouraged by that result, particularly since it came with lower promotional activity, and we see an opportunity to build on Wonder's momentum.

Finally, in better-for-you snacking, we continue to be encouraged by our platform anchored by Simple Mills. Simple Mills grew in the quarter, with broad-based momentum across its portfolio, strong underlying consumer demand and an encouraging response to recent innovation launches.

Based on tracked channel data, volumes grew 13%, driven by strength in Cookies and Crackers, reinforcing the resilience and appeal of the brand. Consumption in Cookies grew 35% and Crackers grew 8% in the quarter, both outpacing their respective categories. This performance was driven by a combination of distribution expansion, ecommerce performance, and strong velocities on core lines in the food and mass channels. Recent innovation launches have exceeded distribution goals and delivered promising early results, reinforcing our confidence in Simple Mills' market position and long-term growth potential.

Turning to our outlook, given our third-quarter performance and the continued challenging operating environment, we are revising our full-year 2026 guidance. Anthony will provide additional details in a few minutes.

As we look ahead, we are putting our brands, network, and capabilities to work to improve performance and support long-term earnings growth. We are accelerating innovation in small loaves, sourdough and other differentiated products, expanding distribution, and working to enhance promotional effectiveness. We are also capturing productivity opportunities from our earlier comprehensive review by simplifying the organization, evaluating our bakery and distribution network, and aligning resources with customer needs. In addition, we are evaluating AI tools to improve consumer targeting and promotional effectiveness. These actions will take

time to deliver their full benefits, but we are focused on delivering consistent performance, improved profitability and long-term shareholder value.

Before I turn it over to Anthony, I'd also like to welcome Shaun Mara and Ken Plunk, who will join our board on November 18. Their extensive leadership experience, broad financial backgrounds and transformation expertise will further strengthen our board's capabilities as we sharpen execution, strengthen our portfolio and position Flowers for future growth. We look forward to working with them.

With that, I will hand it over to our CFO, Anthony Scaglione, for additional details and a review of our financial results.

Anthony Scaglione, *CFO*

Thanks, Ryals, and good morning, everyone.

I'll review our third-quarter financial results and updated outlook for 2026, then discuss the actions we are taking to manage through the challenging environment and our priorities as we look ahead to 2027.

As Ryals discussed, many of the pressures we experienced during the first half continued into the third quarter. Consumer demand remained challenging, while continued high promotional activity added to the competitive environment. These factors continued to weigh on volume and profitability. Against this backdrop, our focus remains on managing costs carefully and driving execution to accelerate the top line.

For the quarter, net sales decreased 4.7% to approximately $1.17 billion, as the benefit from price/mix was more than offset by lower volume. Volume declined 7%, with the greatest pressure in traditional loaf, organic bread and store-branded products.

Breaking this down further, branded retail sales declined 5.1% and "Other" sales declined 4.0%. Non-retail sales increased 2.7%, including continued strength in foodservice. We also saw sales growth in both branded breakfast bread and gluten-free, as well as in Simple Mills, where their recently launched innovation items are resonating well and they continue to execute at a high level.

Overall, lower sales reduced operating leverage in the quarter, while increased promotional activity, higher sales allowances and stales added further pressure on profitability.

Gross margin, excluding depreciation and amortization, was 46.7%, down 120 basis points. The decline reflected lower volume and the resulting operating deleverage, partially offset by lower ingredient costs.

Adjusted SD&A increased about 160 basis points as a percentage of sales, primarily reflecting higher marketing, fuel and logistics costs. The increase in marketing was largely related to the Nature's Own relaunch, while logistics and freight were impacted by higher fuel costs and lower sales.

I will note that higher fuel costs remain a headwind for Flowers and the broader food industry. We continue to manage our exposure through freight contracts, hedging and forward purchases. Fuel remains one of the key factors we are monitoring as we evaluate the 2027 cost environment and work to mitigate its impact.

Adjusted EBITDA was $79 million in the quarter, down 33%, with adjusted EBITDA margin of 6.8% compared with 9.6% last year. GAAP EPS was 7 cents and adjusted diluted EPS was 10 cents, compared with 19 cents and 23 cents, respectively, in the prior-year quarter. Our results were clearly below our expectations, and as you

heard, we are taking targeted actions to help stabilize performance and navigate the challenging market conditions, which I will address momentarily.

Turning to the balance sheet, our priorities are reducing leverage and maintaining financial flexibility, having reduced debt by $80 million year-to-date.

During the quarter, we repaid our notes that were due Oct 1 and drew down $390 million on our previously announced $400 million delayed-draw term loan facility, with cash reflected on our balance sheet mainly as a timing issue.

We will continue to take a disciplined approach and prioritize investments for attractive returns and work to strengthen our balance sheet and flexibility over time.

And to that end, given the expected challenging conditions for the industry in 2027, we are proactively working with our bank partners to ensure we have ample financial flexibility for a range of market dynamics in the year ahead. At the same time, we continue to manage our business with an eye toward cost management and discipline.

Turning to cash flow, we generated $320 million in cash from operating activities year-to-date, in line with last year despite lower EBITDA. This reflects disciplined working capital management and timing. We invested $65 million in capital expenditures and returned $108 million to shareholders through dividends during the same period.

Turning to our outlook, given our third-quarter performance and the continued challenging environment, we are updating our expectations for 2026. We now expect net sales to be in the range of $5.016 billion to $5.063 billion, adjusted EBITDA to be in the range of $415 million to $430 million, and adjusted diluted EPS to be in the range of $0.63 to $0.68 cents per share.

Our updated outlook reflects what we know today and assumes the current macroeconomic backdrop, with market and competitive conditions remaining generally consistent throughout the balance of the year.

While disappointed by our performance to date, our priorities remain focused on stabilizing volume and share, improving customer and promotional execution, reducing stales and capturing productivity gains.

We are also reviewing SKUs and channels to focus resources on the strongest opportunities and evaluating AI technology to better manage promotional spending and other levers.

These efforts complement the commercial initiatives Ryals discussed and are designed to strengthen our financial performance over time

Looking ahead to 2027, while we are not providing guidance at this time, we expect operating conditions to remain challenging, including a more difficult cost environment. Consumer demand, competition and geopolitical conditions will shape the pace of improvement and input costs. Our priorities are to strengthen volume, manage costs carefully, preserve financial flexibility and improve returns on our investments.

We expect the benefits of these efforts to build over time as we address near-term pressures and strengthen the business.

In closing, we remain committed to focused execution, aligning our portfolio with consumer needs, driving efficiencies and maintaining financial discipline. Together, these priorities position Flowers to deliver long-term shareholder value.

With that, I'll turn it back over to Ryals.

Ryals McMullian, *Chairman and CEO*

Thanks, Anthony.

Our priorities are clear and our foundation remains strong as we navigate the challenging environment. We are committed to moving faster with focused execution, strengthening our alignment with market trends, and driving improved performance. Trusted brands, scaled manufacturing, an extensive distribution network and deep customer relationships give us a strong foundation to build on. And our experienced team, with deep knowledge of the industry, customers and consumers, helps us adapt and positions us to pursue future growth.

What matters now is turning those strengths into results. We are working to meet the needs of customers and consumers across attractive markets, including fresh packaged bread, food service, cake and better-for-you snacking. We are accelerating innovation and using our network more effectively to capture opportunities to grow, including through geographic expansion.

Improvement will take time, but our team is committed to driving long term value for shareholders. Today's challenges do not change the substantial long-term growth opportunity across our markets. With more than a century of experience, we are addressing near-term pressures while positioning Flowers to capture it. We believe putting our brands, network and capabilities to work with greater speed and consistency will improve profitability, support long-term earnings growth and create lasting shareholder value.

That concludes our prepared remarks.

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Forward-Looking Statements

Statements contained in this press release 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 January 3, 2026 (the "Form 10-K") and our 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 the impacts of tariffs, including retaliatory tariffs); 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 consumer buying habits, the movement toward less expensive store branded products, and the continued reduction of purchases in the fresh packaged bread category, (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 the expectations of our 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, such as the acquisition of Simple Mills, (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 or tariffs (including retaliatory tariffs) 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 (“IDPs”), 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) impacts from credit rating agency downgrades and our ability to satisfy financial covenants in our credit facility and term loan facility, which could have an adverse effect on our costs and availability of capital; (p) risks related to our indebtedness and current leverage profile; (q) the credit, business, and legal risks associated with IDPs and customers, which operate in the highly competitive retail food and foodservice industries, (r) any business disruptions due to political instability, pandemics, armed hostilities, 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, (s) 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 (t) the potential impact of climate change on the company, including physical and transition risks, our availability or restriction of resources, higher regulatory and compliance costs, reputational risks, and our 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 our Form 10-K, Part II, Item 1A., Risk Factors, of the Form 10-Q for the quarter ended October 10, 2026 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 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 and integration-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, provide 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 a performance measure in the company's incentive compensation program.

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 release to the most comparable GAAP financial measure.