Flowers
FOODS

FIRST QUARTER 2022 REVIEW

May 19, 2022

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 future financial condition and results of operations and the ultimate impact of the novel strain of coronavirus (“COVID-19”) on our business, results of operations and financial condition 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 ultimate impact of the COVID-19 pandemic and future responses and/or measures taken in response thereto, including, but not limited to, new and emerging variants of the virus and the efficacy and distribution of vaccines, which are highly uncertain and are difficult to predict, (c) our ability to manage the demand, supply and operational challenges with the actual or perceived effects of the COVID-19 pandemic; (d) the loss or financial instability of any significant customer(s), including as a result of product recalls or safety concerns related to our products, (e) changes in consumer behavior, trends and preferences, including health and whole grain trends, and the movement toward more inexpensive store branded products, (f) the level of success we achieve in developing and introducing new products and entering new markets, (g) our ability to implement new technology and customer requirements as required, (h) our ability to operate existing, and any new, manufacturing lines according to schedule, (i) our ability to implement and achieve our environmental, social, and governance (“ESG”) goals in accordance with suppliers, regulations, and customers; (j) our ability to execute our business strategies which may involve, among other things, (1) the ability to realize the intended benefits of 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, (k) consolidation within the baking industry and related industries, (l) changes in pricing, customer and consumer reaction to pricing actions (including decreased volumes), and the pricing environment among competitors within the industry, (m) our ability to adjust pricing to offset, or partially offset, inflationary pressure on the cost of our products; (n) disruptions in our direct-store-delivery distribution model, including litigation or an adverse ruling by a court or regulatory or governmental body, or other regulatory developments, that could affect the independent contractor classifications of the independent distributor partners, (n) increasing legal complexity and legal proceedings that we are or may become subject to, (p) labor shortages and turnover or increases in employee and employee-related costs, (q) the credit, business, and legal risks associated with independent distributor partners and customers, which operate in the highly competitive retail food and foodservice industries, (r) any business disruptions due to political instability, pandemics, armed hostilities (including the ongoing conflict between Russia and Ukraine), 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 (“IT”) systems to perform adequately, including any interruptions, intrusions, cyber-attacks or security breaches of such systems or risks associated with the planned implementation of the upgrade of our ERP system; and (t) the potential impact of climate change on the company, including physical and transition risks, 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 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 April 23, 2022 and subsequent filing 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

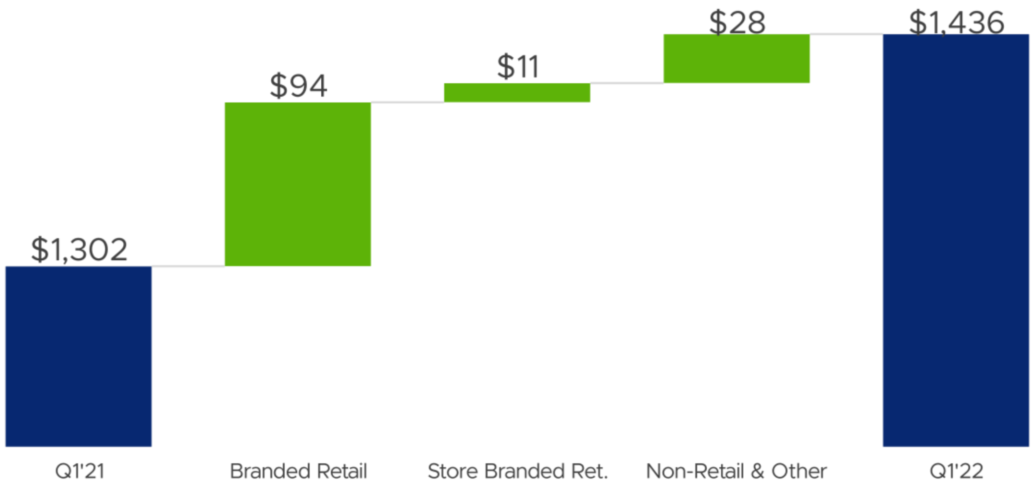
- Strong sales increase driven by pricing actions to offset inflationary pressures, positive mix shift, and improved promotional efficiency
- Leading brands continue to gain market share and grow volumes despite higher prices, driven by investments in innovation and marketing
- Increased 2022 sales outlook due to pricing actions to offset additional inflation
- Lowered EPS guidance range to account for 5 cent expected impact from inflationary headwinds and supply chain disruption

Q1 2022 FINANCIAL HIGHLIGHTS

Sales increased due to price increases to mitigate inflation, positive mix shift, and improved promotional efficiency, partly offset by lower volume.

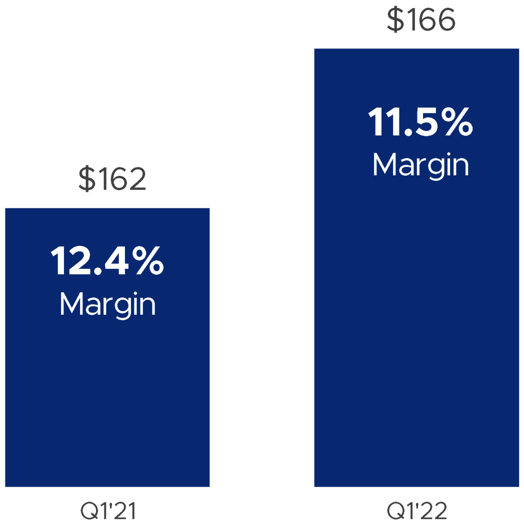
Adjusted EBITDA increased as inflation-driven pricing actions more than offset significant input and logistics cost increases

COMPONENTS OF Q1’22 SALES CHANGE (MILLIONS)



10.3%
CHANGE

ADJUSTED EBITDA (MILLIONS)[1]



2.4%
CHANGE

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

Q1 2022 FINANCIAL REVIEW

NET SALES

$1.436B +10.3% v PY

- Price/Mix +13.5%
- Volume -3.2%
- Price increases to mitigate inflation, positive mix shift

CASH FLOWS

Cash from Ops	Dividends
$124.2M	**$46.7M**
Capex	
$50.5M	

ADJ. EBITDA[1]

$165.5M +2.4% v PY

- 11.5% of sales, down 90 bps
- Inflation-driven pricing actions more than offset significant input and logistics cost increases

GAAP DILUTED EPS

$0.40 +$0.06 v PY

ADJ. DILUTED EPS[2]

$0.44 +$0.03 v PY

- Increased EBITDA
- Reduced interest and tax expense, partly offset by higher D&A expense

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

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

FISCAL 2022 GUIDANCE
(Provided May 19, 2022)

SALES

10.0% to 12.0%

ADJ. EPS[1]

$1.20 to $1.30

OTHER

Depreciation & amortization
$135 – $145M

Effective tax rate
24.0% - 24.5%

Net interest expense
~$7M

Diluted shares outstanding
~213.5M

Capital expenditures
$150 – $160M[2]

Fiscal 2022 Considerations

- Ability to mitigate inflation
- Supply chain disruptions and availability of materials
- Demand elasticity
- Timing of cost savings initiatives
- Persistence of pandemic and impact on mix
- Promotional environment

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(1) *Adjusted for items affecting comparability. See reconciliations of non-GAAP measures in the financial statements following this release.*
(2) *$60-70 million related to ERP upgrade*

LONG-TERM GROWTH TARGET SCORECARD

Continuing to exceed financial targets

	LT Targets[1]	CAGR[1]		
		FY'20[2]	FY'21	FY'22[3]
Sales	1-2%	6.4%	2.5%	5.2%
Adj EBITDA	4-6%[4]	23.4%	7.8%	N/A
Adj EPS	7-9%[4]	36.5%	13.7%	9.2%

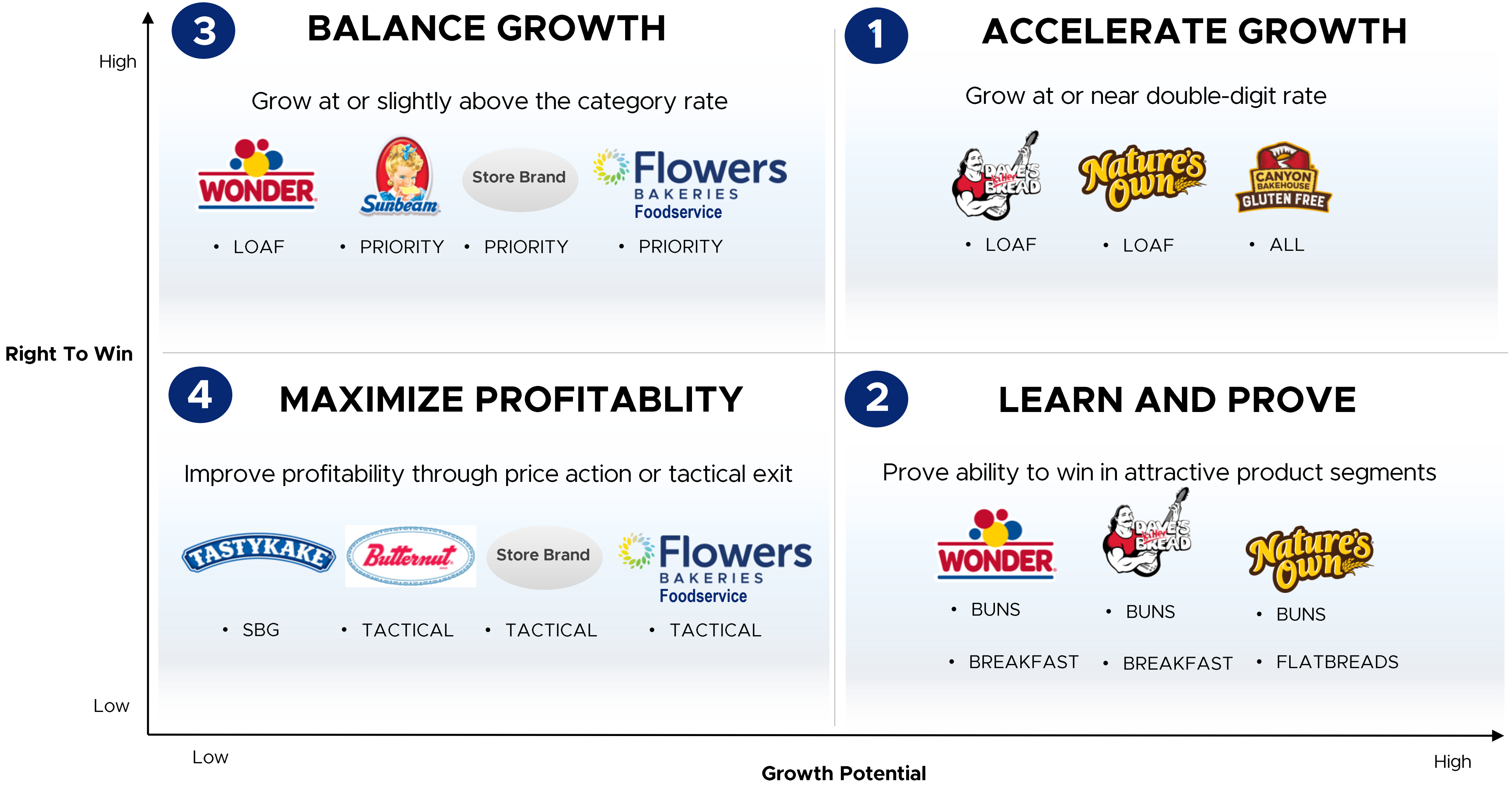
(1) *Off FY'19 base*

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

(3) *Implied return using FY'22 guidance midpoint*

(4) *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.*

PORTFOLIO STRATEGY



3 BALANCE GROWTH

Grow at or slightly above the category rate

WONDER
- LOAF

Sunbeam
- PRIORITY

Store Brand
- PRIORITY

Flowers BAKERIES Foodservice
- PRIORITY

1 ACCELERATE GROWTH

Grow at or near double-digit rate

Dave's Killer Bread
- LOAF

Nature's Own
- LOAF

CANYON BAKEHOUSE GLUTEN FREE
- ALL

4 MAXIMIZE PROFITABLITY

Improve profitability through price action or tactical exit

TASTYKAKE
- SBG

Butternut
- TACTICAL

Store Brand
- TACTICAL

Flowers BAKERIES Foodservice
- TACTICAL

2 LEARN AND PROVE

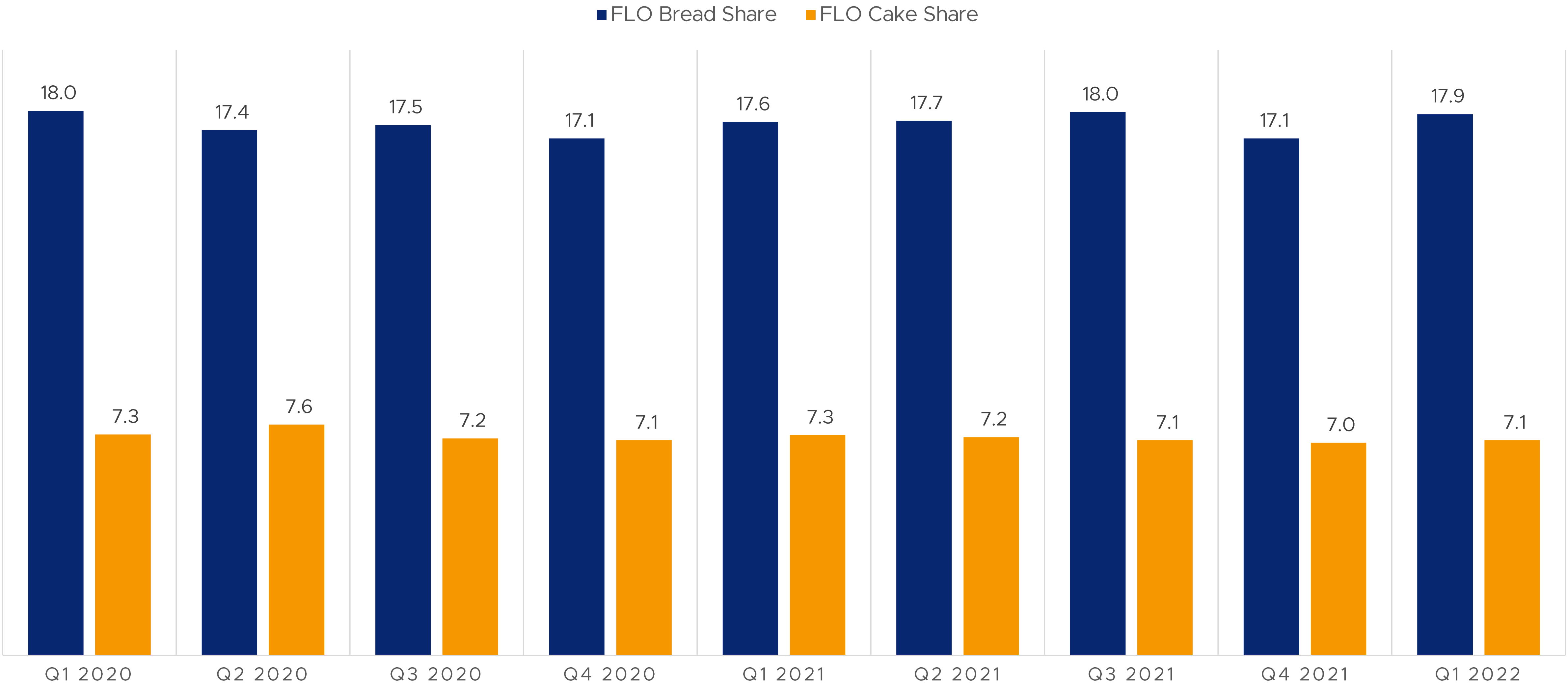
Prove ability to win in attractive product segments

WONDER
- BUNS
- BREAKFAST

Dave's Killer Bread
- BUNS
- BREAKFAST

Nature's Own
- BUNS
- FLATBREADS

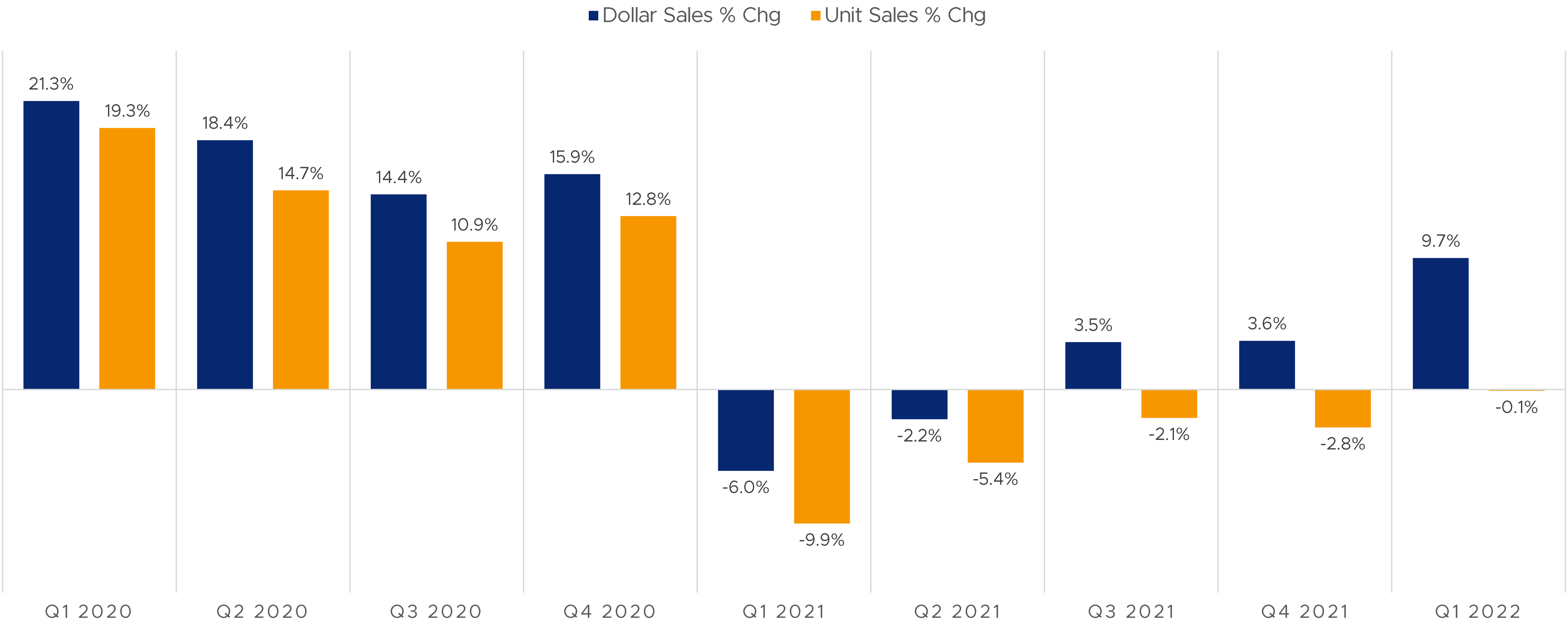
FLOWERS' MARKET SHARE



Source: Flowers Custom Database – IRi Total US Mulo + C Store

CATEGORY REVIEW

FLOWERS FRESH PACKAGED BREADS

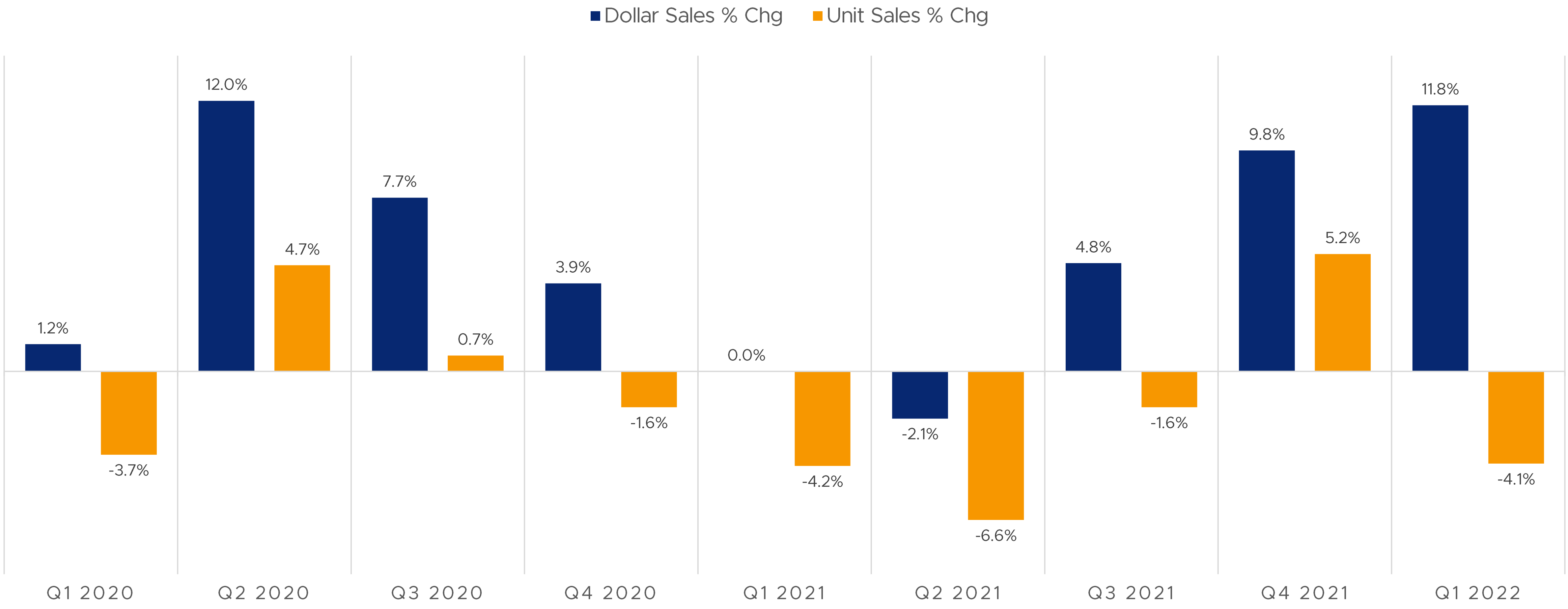


	Dollar Sales % Chg	Unit Sales % Chg
Q1 2020	21.3%	19.3%
Q2 2020	18.4%	14.7%
Q3 2020	14.4%	10.9%
Q4 2020	15.9%	12.8%
Q1 2021	-6.0%	-9.9%
Q2 2021	-2.2%	-5.4%
Q3 2021	3.5%	-2.1%
Q4 2021	3.6%	-2.8%
Q1 2022	9.7%	-0.1%

Source: Flowers Custom Database – IRi Total US Mulo + C Store

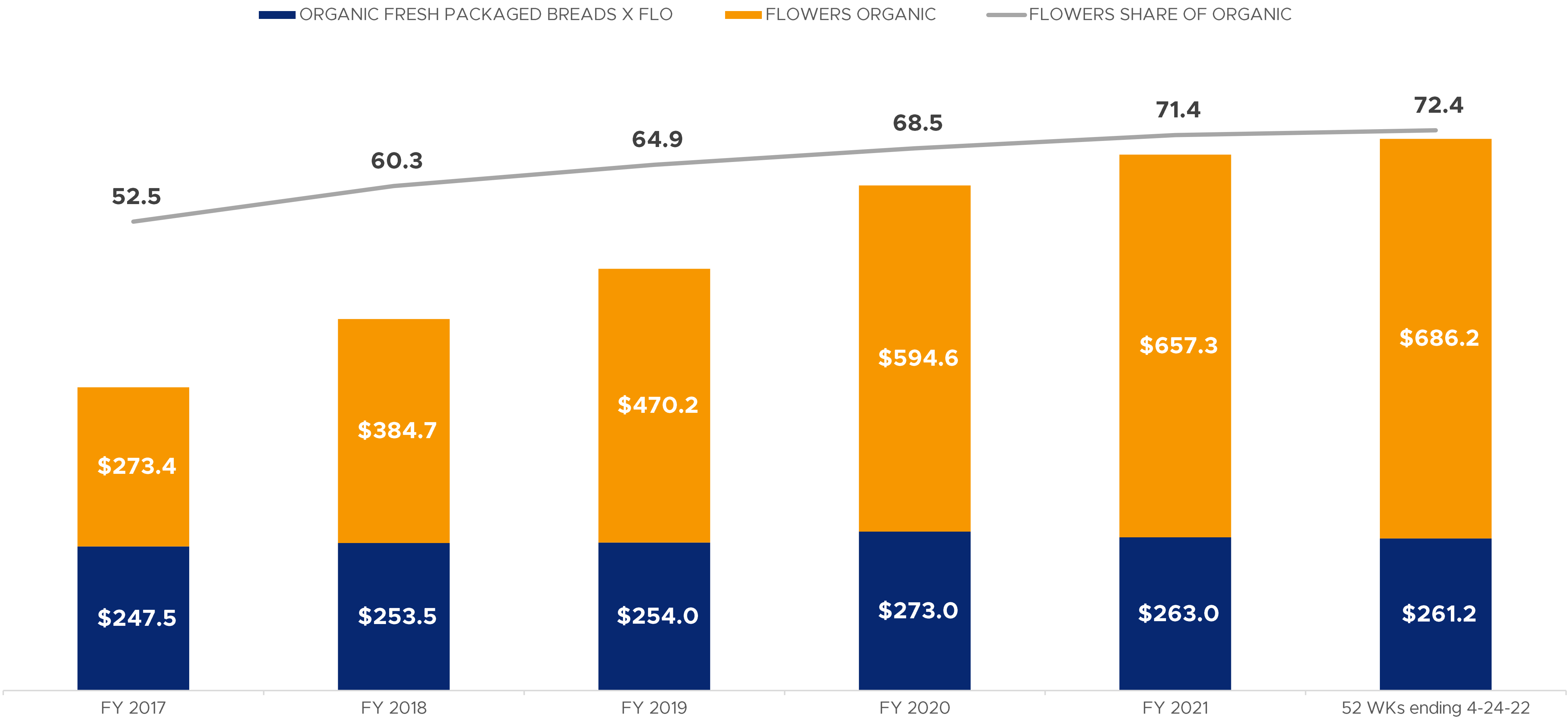
CATEGORY REVIEW

FLOWERS COMMERCIAL CAKE



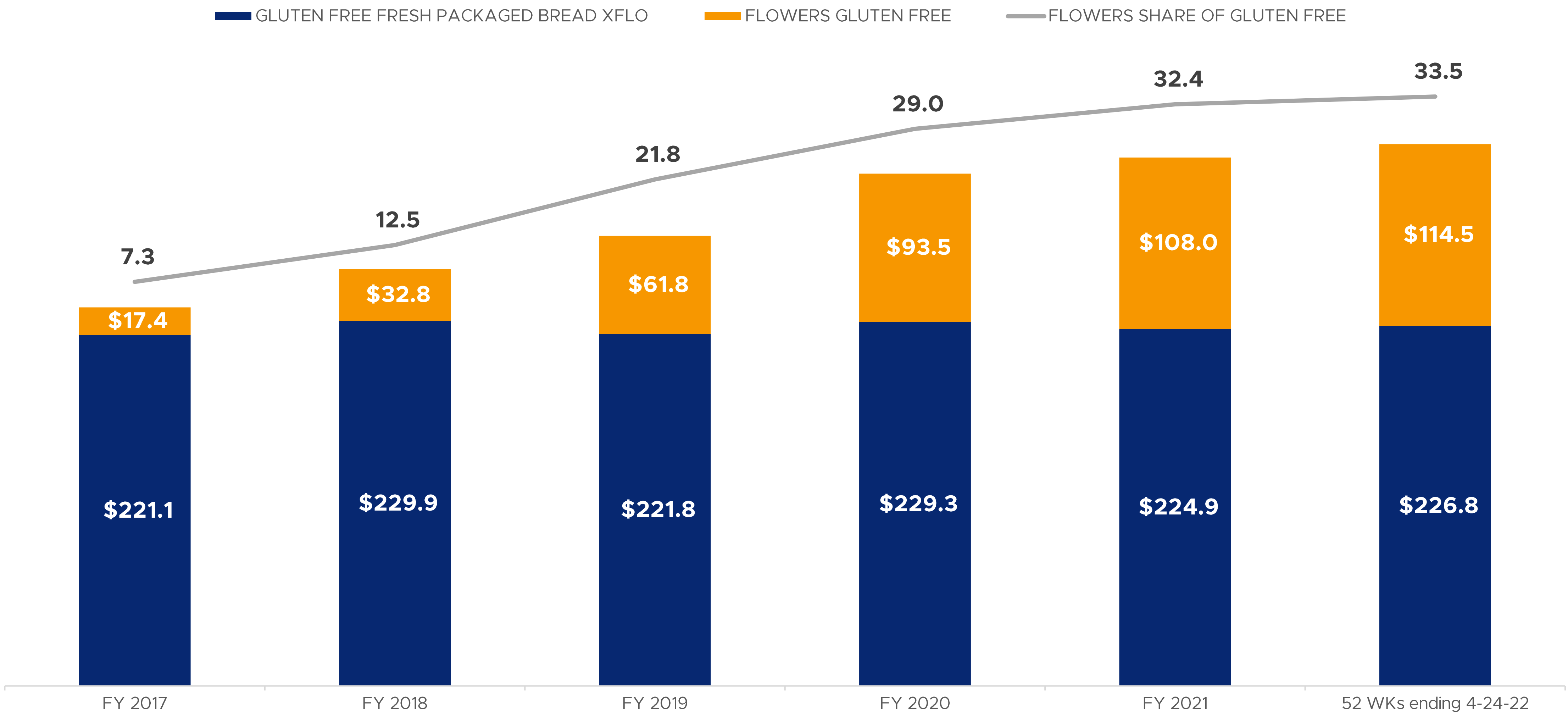
Source: Flowers Custom Database – IRi Total US Mulo + C Store

ORGANIC CATEGORY SALES



Source: Flowers Custom Database – IRi Total US Mulo + C Store

GLUTEN-FREE CATEGORY SALES

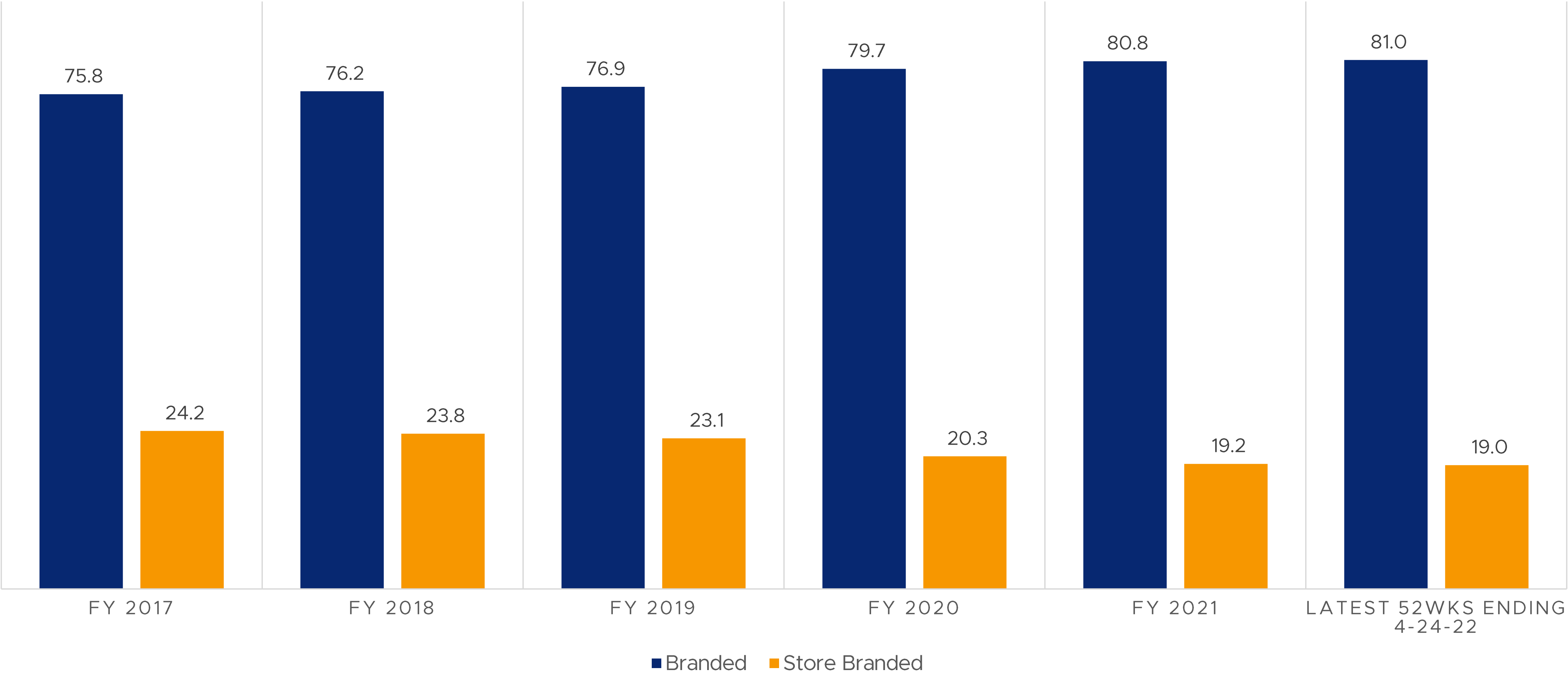


	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	52 WKs ending 4-24-22
GLUTEN FREE FRESH PACKAGED BREAD XFLO	$221.1	$229.9	$221.8	$229.3	$224.9	$226.8
FLOWERS GLUTEN FREE	$17.4	$32.8	$61.8	$93.5	$108.0	$114.5
FLOWERS SHARE OF GLUTEN FREE	7.3	12.5	21.8	29.0	32.4	33.5

Source: Flowers Custom Database – IRi Total US Mulo + C Store

BRANDED PRODUCTS CONTINUE SHARE GAINS

FRESH PACKAGED BREAD BRANDED VS. STORE BRAND MARKET SHARE



Source: Flowers Custom Database – IRi Total US Mulo + C Store

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, EBITDA margin, adjusted EBITDA margin, adjusted net income, adjusted EPS, adjusted income tax expense, adjusted selling, distribution and administrative expenses (SD&A), gross margin excluding depreciation and amortization, free cash flow, and the ratio of net debt to adjusted EBITDA. 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, EBITDA margin, adjusted EBITDA margin, adjusted net income, adjusted diluted EPS, adjusted income tax expense and adjusted SD&A, respectively, excluding the impact of asset impairment charges, Project Centennial consulting costs, business process improvement costs, lease terminations and legal settlements, acquisition-related costs, and pension plan settlements. Adjusted income tax expense also excludes the impact of tax reform. 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.

The company defines free cash flow as operating cash flow minus capital expenditures. The company believes that free cash flow provides investors a better understanding of the company's liquidity position. The company defines net debt as total debt less cash and cash equivalents. Net debt to EBITDA is used as a measure of financial leverage employed by the company. Gross margin excluding depreciation and amortization is used as a performance measure to provide additional transparent information regarding our results of operations on a consolidated and segment basis. Changes in depreciation and amortization are separately discussed and include depreciation and amortization for materials, supplies, labor and other production costs and operating activities.

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.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

RECONCILIATION OF EARNINGS PER SHARE TO ADJUSTED EARNINGS PER SHARE

	For the 16-Week Period Ended April 23, 2022	For the 16-Week Period Ended April 24, 2021
Net income per diluted common share	$ 0.40	$ 0.34
Loss on inferior ingredients	—	NM
Business process improvement consulting costs	0.03	0.02
Impairment of assets	NM	—
Loss on extinguishment of debt	—	0.06
Adjusted net income per diluted common share	$ 0.44	$ 0.41

NM - not meaningful.
Certain amounts may not add due to rounding.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

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

	For the 16 Week Period Ended April 23, 2022	For the 16 Week Period Ended April 24, 2021
Sales	**$ 1,435,932**	$ 1,302,168
Materials, supplies, labor and other production costs (exclusive of depreciation and amortization)	**724,592**	643,576
Gross Margin excluding depreciation and amortization	**711,340**	658,592
Less depreciation and amortization for production activities	**23,434**	23,130
Gross Margin	**$ 687,906**	$ 635,462
Depreciation and amortization for production activities	**$ 23,434**	$ 23,130
Depreciation and amortization for selling, distribution and administrative activities	**19,989**	18,256
Total depreciation and amortization	**$ 43,423**	$ 41,386

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

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

	For the 16 Week Period Ended April 23, 2022	For the 16 Week Period Ended April 24, 2021
Selling, distribution and administrative expenses	**$ 554,952**	$ 501,973
Less:		
Business process improvement consulting costs	**(9,064)**	(4,958)
Adjusted selling, distribution and administrative expenses	**$ 545,888**	$ 497,015
Sales	**$ 1,435,932**	$ 1,302,168
Adjusted SD&A as a percent of sales	**38.0%**	38.2%

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

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

	For the 16 Week Period Ended April 23, 2022	For the 16 Week Period Ended April 24, 2021
Net income	**$ 85,589**	$ 71,655
Income tax expense	**24,523**	23,231
Interest expense, net	**2,101**	4,201
Loss on extinguishment of debt	**-**	16,149
Depreciation and amortization	**43,423**	41,386
EBITDA	**155,636**	156,622
Other pension benefit	**(238)**	(125)
Asset Impairment	**990**	-
Loss on inferior ingredients	**-**	122
Business process improvement consulting costs	**9,064**	4,958
Adjusted EBITDA	**$ 165,452**	$ 161,577
Sales	**$ 1,435,932**	$ 1,302,168
Adjusted SD&A as a percent of sales	**11.5%**	12.4%

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

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

	For the 16 Week Period Ended April 23, 2022	For the 16 Week Period Ended April 24, 2021
Income tax expense	**$ 24,523**	$ 23,231
Tax impact of:		
Business process improvement consulting costs	**2,266**	1,240
Loss on inferior ingredients	**-**	31
Loss on extinguishment of debt	**-**	4,037
Asset Impairment	**248**	-
Adjusted income tax expense	**$ 27,037**	$ 28,539

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

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

	For the 16 Week Period Ended April 23, 2022	For the 16 Week Period Ended April 24, 2021
Net Income	**$ 85,589**	$ 71,655
Business process improvement consulting costs	**6,798**	3,718
Loss on inferior ingredients	**-**	91
Loss on extinguishment of debt	**-**	12,112
Asset Impairment	**742**	-
Adjusted net income	**$ 93,129**	$ 87,576

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

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

	For the 12 Week Period Ended July 17, 2021	For the 12 Week Period Ended October 9, 2021	For the 12 Week Period Ended January 1, 2022	For the 16 Week Period Ended April 23, 2022	Trailing 52 Week Period Ended April 23, 2022
Net income	$ 56,358	$ 38,852	$ 39,322	$ 85,589	$ 220,121
Income tax expense	16,586	12,048	12,720	24,523	65,877
Interest expense, net	1,070	1,311	1,419	2,101	5,901
Depreciation and amortization	31,619	31,680	31,874	43,423	138,596
EBITDA	105,633	83,891	85,335	155,636	430,495
Other pension benefit	(93)	(94)	(93)	(238)	(518)
Pension plan settlement loss	-	-	403	-	403
Asset Impairment	-	-	-	990	990
(Recovery) loss on inferior ingredients	-	(950)	1,772	-	822
Legal settlements and related costs	-	23,089	-	-	23,089
Other lease termination gain	-	-	(2,644)	-	(2,644)
Business process improvement consulting costs	13,205	9,233	3,897	9,064	35,399
Acquisition consideration adjustment	3,400	-	-	-	3,400
MEPP withdrawal and related costs	-	3,300	-	-	3,300
Adjusted EBITDA	$ 122,145	$ 118,469	$ 88,670	$ 165,452	$ 494,736

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 April 23, 2022
Current maturities of long-term debt	$ -
Long-term debt	891,007
Total debt	891,007
Less: Cash and cash equivalents	205,147
Net Debt	$ 685,860
Adjusted EBITDA for the Trailing Twelve Months Ended April 23, 2022	$ 494,736
Ratio of Net Debt to Trailing Twelve Month Adjusted EBITDA	1.4

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

RECONCILIATION OF EARNINGS PER SHARE - FULL YEAR FISCAL 2022 GUIDANCE RANGE ESTIMATE

	Range Estimate		
Net income per diluted common share	$ 1.17	to	$ 1.27
Business process improvement consulting costs	0.03		0.03
Impairment of Assets	NM		NM
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 DEBT TO NET DEBT AND CALCULATION OF NET DEBT TO TRAILING TWELVE MONTH ADJUSTED EBITDA RATIO (000S OMITTED)

	As of January 1, 2022
Current maturities of long-term debt	$ -
Long-term debt	890,609
Total debt	890,609
Less: Cash and cash equivalents	185,871
Net Debt	$ 704,738
Adjusted EBITDA for the Trailing Twelve Months Ended January 1, 2022	$ 490,861
Ratio of Net Debt to Trailing Twelve Month Adjusted EBITDA	1.4

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

RECONCILIATION OF EARNINGS PER SHARE TO ADJUSTED EARNINGS PER SHARE

	For FY 2019 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 costs	NM
Adjusted net income per diluted common sh	$ 0.96

NM - not meaningful.