AdvancePierre Foods

Earnings Call
Fourth Quarter 2016

Forward-Looking Statements / Non-GAAP Measures

This presentation contains forward-looking statements, which are subject to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to risks and uncertainties, which should be carefully considered by investors as actual results could differ materially from these forward-looking statements, and the Company undertakes no obligation to update these statements based upon subsequent events. For more information, please visit the SEC Filings page in the Investor Relations section of our website, including our Registration Statement on Form S-1.

References to "fiscal 2016" and "fiscal 2015" are to the 52-week periods ended December 31, 2016 and January 2, 2016, respectively. References to "Q4 2016" and "Q4 2015" are to the 13-week periods ended December 31, 2016 and January 2, 2016, respectively.

This presentation contains certain financial measures that are not presented in accordance with U.S. generally accepted accounting principles ("GAAP"), including Adjusted EBITDA, Adjusted Net Income and Adjusted Net Income per Diluted Common Share. These are not financial measures calculated under GAAP and do not comply with GAAP because they are adjusted to exclude certain cash and non-cash expenses. We believe these measures are useful tools because they are frequently by other interested parties in their evaluation of the operating performance of companies in industries similar to ours. However, our definitions of non-GAAP measures may not be the same as similarly titled measures used by other companies. Reconciliations of these non-GAAP measures may be found in our Annual Report on Form 10K for the Fiscal Year ended December 31, 2016.

See Appendix for additional information concerning risks and uncertainties, and non-GAAP measures.

Q4 Overview

- Strong earnings and executional improvements
- Profitable volume growth
  - All three core segments delivered at or above long-term growth targets
  - Overall organic core of 5.7% for Q4 and 2.5% for the full year
- Adjusted EBITDA(*) increases of 17.9% for Q4 and 15.4% for the full year
  - Driven by volume growth, ongoing productivity and favorable input costs
- Significant progress in integrating Allied Specialty Foods acquisition
  - On track to deliver expected synergies
- Ongoing "APF Way" productivity gains enabling 2017 consolidation of capacity in Enid manufacturing complex
- Leadership transition largely complete

(*) See appendix for the Company's use of non-GAAP financial measures and reconciliations of GAAP to non-GAAP financial measures

Consolidated Operating Results

(in millions, except per share amounts)	**Q4 2016**	Q4 2015	Q4 Δ	**Fiscal Year 2016**	Fiscal Year 2015	Fiscal Year Δ
Volume (lbs.) – Total	**158.3**	146.0	+8.4%	**599.6**	595.1	+0.8%
Volume (lbs.) – Core[1]	**149.7**	137.7	+8.7%	**568.0**	548.6	+3.5%
Net Sales	**$409.4**	386.1	+6.1%	**$1,568.3**	1,611.6	-2.7%
Gross Profit	**$116.5**	95.7	+21.8%	**$423.1**	354.4	+19.4%
Margin	***28.5%***	*24.8%*	*+370bps*	***27.0%***	*22.0%*	*+500bps*
Adjusted EBITDA[2]	**$81.2**	68.9	+17.9%	**$300.2**	260.2	+15.4%
Margin	***19.8%***	*17.8%*	*+200bps*	***19.1%***	*16.1%*	*+300bps*
Operating Income[3]	**$56.6**	40.3	+40.4%	**$184.0**	150.4	+22.3%
Margin	***13.8%***	*10.4%*	*+340bps*	***11.7%***	*9.3%*	*+240bps*
Adjusted Net Income[2][3]	**$42.0**	15.3	+174.7%	**$124.4**	66.8	+86.2%
Per Diluted Common Share	***$0.53***	*$0.23*	*$0.30*	***$1.73***	*$1.01*	*$0.72*

(1) Includes 4.1MM lbs. from Allied Specialty Foods acquisition in Q4 2016
(2) See appendix for the Company's use of non-GAAP financial measures and reconciliations of GAAP to non-GAAP financial measures
(3) Operating income reduced by IPO and M&A costs excluded from Adjusted EBITDA of $0.8 in Q4 2016, $1.3 in Q4 2015, $14.9 for the full year 2016 and $6.2 for the full year 2015. Full year 2016 results were also adversely impacted by $9.3 ($0.12 per share) of third quarter incremental non-cash equity compensation charges resulting from the IPO.

Segment Results

	$ in Millions			Δ due to			
	Q4 2016	Q4 2015	Δ	Acquisition	Volume	Mix	Pricing
Net sales							
Foodservice	219.9	214.7	+2.4%	+5.4%	+2.0%	-1.2%	-3.8%
Retail	106.4	98.4	+8.1%	+0.1%	+7.2%	+5.0%	-4.2%
Convenience	62.2	51.5	+20.7%	+0.5%	+19.8%	+1.5%	-1.1%
Industrial	21.0	21.4	-1.9%	+9.1%	-8.8%	-0.1%	-2.1%
Total	409.4	386.1	+6.1%	+3.6%	+4.9%	+1.0%	-3.4%
Core segments[1]				+3.3%	+5.7%	+1.0%	-3.5%

	$ in Millions			Margins		
	Q4 2016	Q4 2015	Δ	Q4 2016	Q4 2015	Δ
Operating income						
Foodservice	46.7	36.3	+28.6%	21.2%	16.9%	*+430bps*
Retail	9.1	7.0	+30.0%	8.5%	7.1%	*+140bps*
Convenience	11.6	8.1	+43.4%	18.7%	15.7%	*+300bps*
Industrial	1.5	1.9	-20.4%	7.1%	8.8%	*-170bps*
Corporate[2]	(12.3)	(13.0)	-5.2%	NM	NM	*NM*
Total	56.6	40.3	+40.4%	13.8%	10.4%	*+340bps*

[1] Core segments include Foodservice, Retail and Convenience segments and exclude Industrial segment
[2] Includes M&A related costs of $0.8 in Q4 2016 and $1.3 in Q4 2015
[3] NM = Not meaningful

Cash Flow and Liquidity

(in millions)	Fiscal Year 2016	Fiscal Year 2015
Cash Flow From Operations	**$198.4**	157.2
Cash Flow From Investing[*]	**(100.6)**	(108.3)
Cash Flow From Financing	**2.1**	(44.5)
Net Cash Flow	**$99.9**	4.4
Cash	**$104.4**	4.5
Term Loan Borrowings	**695.0**	1,272.3
Senior Notes	**400.0**	-
Total Net Leverage	**3.3x**	4.9x
Secured Net Leverage	**2.0x**	4.9x

[*] Includes $62.3 for the acquisition of Allied Specialty Foods in 2016 and $72.5 for the acquisitions of Landshire and Better Bakery in 2015

Financial Expectations

(In millions, except per share amounts)	**2017 Expectations**		
Net Sales	$1,640	-	$1,670
Adjusted EBITDA[1]	315	-	325
Capital Expenditures[2]	(40)	-	(45)
Interest Expense	(58)	-	(60)
Adjusted Net Income per Diluted Share[1][3]	$1.30	-	$1.37
Average Diluted Shares[3]	78.3		

(1) See appendix for the Company's use of non-GAAP financial measures and reconciliations of GAAP to non-GAAP financial measures
(2) Includes $8 - $9 for new plant construction related to the acquisition of Allied
(3) Includes dilutive effect of unvested restricted shares, restricted stock units and options

Looking ahead

- Positioned to deliver long-term growth ahead of the broader food space
  - Solid engine in place to drive profitable growth
  - Balance customized requirements with diligent focus on eliminating cost of complexity
  - Relative scale + speed to market in core product lines
- Robust "APF Way" continuous improvement to yield margin enhancement through the elimination of non-value added costs
- Committed to:
  - Driving long-term organic volume growth in core segments
  - Further enhancing margins and higher relative growth in EBITDA
  - Efficiently deploying cash to return dividends to shareholders and complete accretive acquisitions

Appendix

About Non-GAAP Financial Measures

"Adjusted Net Income" (which excludes income tax credits related to reversal of valuation allowances on deferred tax assets, charges related to the refinancing of AdvancePierre's credit facilities, restructuring expenses, sponsor fees and expenses, merger and acquisition expenses, public filing expenses and other items), "Adjusted Diluted Net Income per Share," "EBITDA" (net income before net interest expense, income taxes, depreciation and amortization, and loss on modification and extinguishment of term loans), and "Adjusted EBITDA" (EBITDA as adjusted for restructuring expenses, non-cash stock-based compensation expense, sponsor fees and expenses, merger and acquisition expenses and public filing expenses, and other items) are "non-GAAP financial measures." A non-GAAP financial measure is a numerical measure of financial performance that excludes or includes amounts that are different from the most directly comparable measure calculated and presented in accordance with GAAP in AdvancePierre's consolidated balance sheets and related consolidated statements of operations, comprehensive income, changes in stockholders' equity and cash flows.

AdvancePierre presents Adjusted Net Income, Adjusted Diluted Net Income per Share, EBITDA and Adjusted EBITDA as performance measures because it believes these measures facilitate a comparison of its operating performance on a consistent basis from period-to-period and provide for a more complete understanding of factors and trends affecting its business than measures under GAAP can provide alone. AdvancePierre also believes these non-GAAP financial measures are useful tools because they are frequently used by securities analysts, investors and other interested parties in their evaluation of the operating performance of companies in industries similar to AdvancePierre's. However, AdvancePierre's definition of these non-GAAP financial measures may not be the same as similarly titled measures used by other companies.

AdvancePierre also believes that Adjusted EBITDA is useful to investors in evaluating its operating performance because it provides a means to evaluate the operating performance of its business on an ongoing basis using criteria that management uses for evaluation and planning purposes. Because Adjusted EBITDA facilitates internal comparisons of AdvancePierre's historical financial position and operating performance on a more consistent basis, management also uses Adjusted EBITDA in measuring AdvancePierre's performance relative to that of its competitors, in communications with its board of directors concerning its operating performance and in evaluating acquisition opportunities. In addition, targets for Adjusted EBITDA are among the measures AdvancePierre uses to evaluate management's performance for purposes of determining their compensation.

Non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation from, or as an alternative to, or more meaningful than, the most directly comparable measure calculated and presented in accordance with GAAP. Because of these limitations, investors should rely primarily on the most directly comparable measure calculated and presented in accordance with GAAP and use non-GAAP financial measures only as a supplement. In evaluating non-GAAP financial measures, investors should be aware that in the future AdvancePierre may incur expenses similar to those for which adjustments are made in calculating Adjusted Net Income, Adjusted Diluted Net Income per Share, EBITDA and Adjusted EBITDA. These non-GAAP financial measures should not be considered as a measure of discretionary cash available to AdvancePierre to invest in the growth of its business.

Additional information regarding EBITDA and Adjusted EBITDA, and a reconciliation of EBITDA and Adjusted EBITDA to net income is included in the tables below for the fourth quarter and full year of 2016 and 2015, along with the components of EBITDA and Adjusted EBITDA. Also included below are reconciliations of Adjusted Net Income to net income for the fourth quarter and full year of 2016 and 2015.

Reconciliation of EBITDA to Adjusted EBITDA

AdvancePierre Foods

AdvancePierre Foods Holdings, Inc.
Reconciliation of EBITDA and Adjusted EBITDA to Net Income
(In thousands)

	Fourth Quarter Ended		Fiscal Year Ended	
	December 31, 2016	**January 2, 2016**	**December 31, 2016**	**January 2, 2016**
Net income	$ 33,145	$ 11,688	$ 136,288	$ 37,111
Interest expense	22,235	25,727	104,695	104,377
Income tax provision (benefit)	1,176	2,862	(56,990)	8,919
Depreciation and amortization expense	16,772	16,484	64,723	62,857
EBITDA	73,328	56,761	248,716	213,264
Restructuring expenses (a)	-	960	120	4,740
Non-cash stock based compensation expense (b)	6,333	8,529	31,485	17,198
Sponsor fees and expenses (c)	-	810	14,214	11,883
Merger and acquisition expenses and public filing expenses (d)	776	1,282	4,988	6,246
Other (e)	746	533	682	6,867
Adjusted EBITDA	$ 81,183	$ 68,875	$ 300,205	$ 260,198

(a) Costs associated with reorganization and restructuring activities, business acquisitions, integration of acquired businesses and implementation of the APF Way.

(b) Employee stock and option grants, which we expense over the vesting period, based on the fair value of the award on the date of the grant or any subsequent modification date.

(c) Quarterly management fees and expense reimbursements paid to affiliates of Oaktree and certain of our other existing stockholders. Amounts in fiscal 2016 also include a $9.0 million success fee paid to Oaktree.

(d) Expenses related to the acquisitions of Landshire, Better Bakery and Allied and costs associated with other unconsummated transactions along with certain public filing expenses.

(e) Amount primarily relates to disposal of assets, acquisition step-up effects and, in fiscal 2015, product recall costs.

Reconciliation of Net Income to Adjusted Net Income

AdvancePierre Foods Holdings, Inc.
Reconciliation of Adjusted Net Income to Net income
(In thousands, except per share amounts)

	Fourth Quarter Ended		Fiscal Year Ended	
	December 31, 2016	January 2, 2016	December 31, 2016	January 2, 2016
Net income	$ 33,145	$ 11,688	$ 136,288	$ 37,111
Reversal of deferred tax asset valuation allowance (a)	(1,242)	-	(59,416)	-
Charges related to refinancing and prepayment of credit facilities (b)	8,531	-	27,567	-
Restructuring expenses (c)	-	960	120	4,740
Sponsor fees and expenses (d)	-	810	14,214	11,883
Merger and acquisition expenses and public filing expenses (e)	776	1,282	4,988	6,246
Other (f)	746	533	682	6,867
Adjusted net income	$ 41,956	$ 15,273	$ 124,443	$ 66,847
Adjusted diluted net income per share	$0.53	$0.23	$1.73	$1.01

(a) Reversal of a portion of existing valuation allowances on net operating loss and other deferred tax benefits.

(b) Charges related to refinancings of the Company’s credit facilities in June and December 2016, and partial prepayment of term loan in July 2016.

(c) Costs associated with reorganization and restructuring activities, business acquisitions, integration of acquired businesses and the implementation of the APF Way.

(d) Quarterly management fees and expense reimbursements paid to affiliates of Oaktree and certain of our other existing stockholders. Amounts in fiscal 2016 also include a $9.0 million IPO success fee paid to Oaktree.

(e) Expenses related to the acquisitions of Landshire, Better Bakery and Allied, and costs associated with other unconsummated transactions along with certain public filing expenses.

(f) Amount primarily relates to disposal of assets, acquisition step-up effects and, in fiscal 2015, product recall costs.

(g) The estimated tax effects of the items marked (b) to (f) above were determined to be de minimus, based on a comparison of the expected tax liability with and without such items.