

- Sound Foundation
- Demonstrated Performance
- Critical Products and Services



FORWARD-LOOKING STATEMENTS

The information contained in this presentation includes “forward-looking statements” which reflect management’s expectations or belief as of the date of this presentation. Hawkins, Inc. cautions that actual future results could differ materially from the forward-looking statements in this presentation. Actual results may be affected by many important factors including risks and uncertainties identified in the section captioned Risk Factors in Item 1A of Hawkins, Inc.’s Annual Report on Form 10-K. Hawkins disclaims any intention or obligation to update or revise any forward looking statements, whether as a result of new information, future events or otherwise.

Agenda



- Overview
- Locations / Capabilities and Products
- Business Strategy
- Financials
- Industrial
- Water Treatment
- Health and Nutrition
- Summary



❑ What we do:

- Distribute
- Formulate
- Blend and Manufacture

Value-added chemicals and specialty ingredients for our customers in a wide variety of industries

❑ Vision:

Be the preferred partner for our customers' specialty, nutritional, industrial and water treatment product needs in the markets we serve.

❑ Three reporting segments:

- Industrial
- Water Treatment
- Health & Nutrition

❑ 44 facilities, in 20 states, with 680+ employees

❑ Fiscal 2020 Performance

- Sales of \$540.2M
- Operating income of \$41.7M
- EBITDA of \$65.3M
- Diluted Earnings Per Share (EPS) of \$2.66

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- The background of the slide is split into two vertical panels. The left panel shows a silhouette of a person running, with glowing orange circles highlighting the knees and ankles. The right panel shows a blurred image of a factory interior with industrial equipment and a staircase.
- ❑ **Hawkins is considered part of our Country's Essential Critical Infrastructure Workforce**
 - ❑ **Hawkins impacts millions of people daily across the U.S.**
 - Providing the critical products needed to maintain safe drinking water
 - Ingredients essential for large-scale food, pharmaceutical and other health product manufacturing
 - Products needed to support our critical infrastructure
 - ❑ **Employee and Customer safety is always a priority**
 - Hawkins strives to comply with all CDC requirements
 - Implemented additional processes and procedures to ensure safety
 - ❑ **Redundant plant capabilities**
 - ❑ **Increased inventory to meet customer needs**

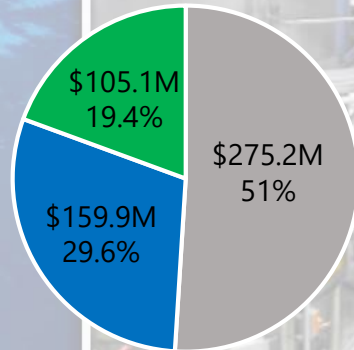
- ☐ Hawkins is committed to demonstrating environmental responsibility in our operations
- ☐ Nearly all the chemicals that we sell can be neutralized to a safe pH balance when necessary, reducing their impact on the environment
- ☐ Many of our products can be used to help our customers improve efficiencies, reduce emissions and improve their environmental footprint
- ☐ Hawkins Water Treatment Group supplies the products that keep water safe and clean for millions of people throughout the United States
- ☐ Core to our business is ensuring product quality, safety, and responsible distribution

Three Business Segments:

- ◆ Industrial (IND)
- ◆ Water Treatment (WTG)
- ◆ Health & Nutrition (H&N)

Hawkins' diversified market segments provide multiple avenues for sustainable and profitable growth and create synergies among the different segments.

Fiscal 2020 Revenue By Segment



- Water Treatment
- Industrial
- Health & Nutrition



- ☐ **Hawkins acquired American Development Corporation of Tennessee (ADC) on July 28th, 2020**
- ☐ **ADC started business in 1996 and has a similar go-to-market strategy as Hawkins**
- ☐ **ADC Water Treatment acquisition expands our geographical footprint and filled a void in the South**
- ☐ **Expanded product offerings will be available**
- ☐ **Former owner will continue to be involved in the business**
- ☐ **Acquisition expected to be accretive in FY2021**

Locations



End Markets Served (partial list)



Pharmaceutical

- Sugars
- Excipients
- Phosphates
- Cleaners, Acid, Alkaline

Food and Beverage

- Preservatives
- Dairy Processing Aids
- Acidulants
- Brewery Additives
- Ingredients

Water usage

- Waste water
- Drinking water
- Pools
- Bioaugmentation

Industrial / Manufacturing

- Mining and Oil Fields
- Metal salts
- Cleaners and Acids
- Plating additives

Health and Nutrition

- Vitamins
- Amino acids
- Minerals
- Botanicals
- Joint products
- Sweeteners
- Excipients

Agriculture

- Fertilizers
- Barn water treatment
- Crop preservation

Other Markets

- Custom blending
- Toll manufacturing
- Customer formulations

Products (sub-set)



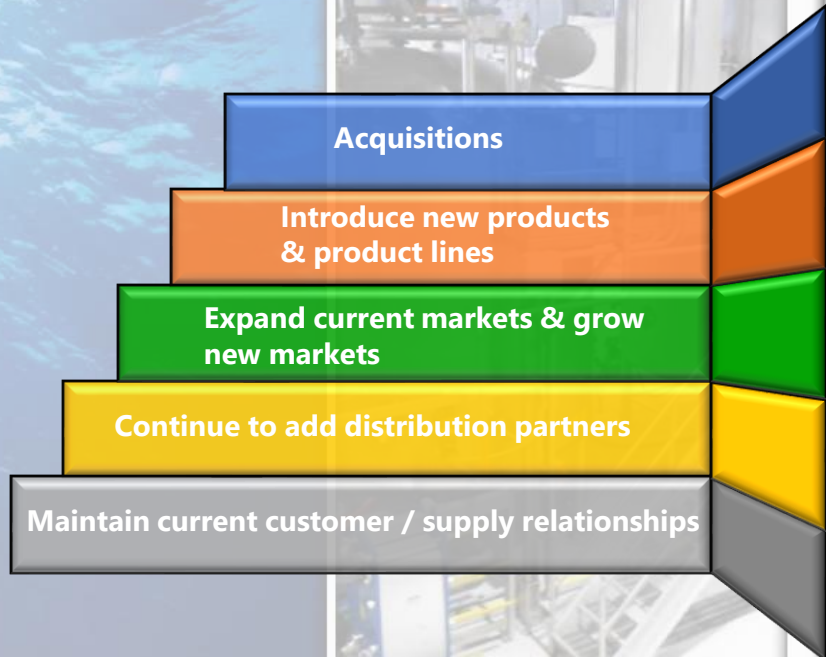
- Acetic acid
- Ammonia and Aqua Ammonia
- Bleach
- Calcium chloride
- Caustic Potash (Potassium Hydroxide)
- Caustic Soda (Sodium Hydroxide)
- Chlorine gas
- Ferric Chloride
- Formic acid
- Hydrochloric acid
- Nitric acid
- Phosphoric acid
- Propionic acid
- Propylene Glycol

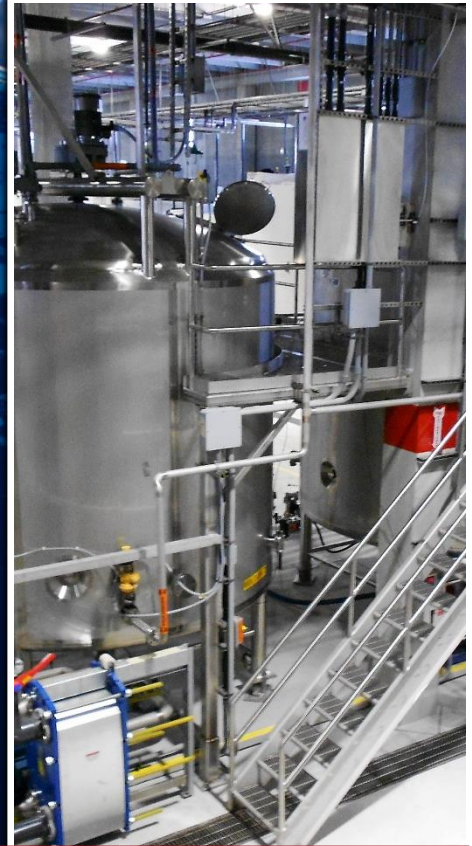
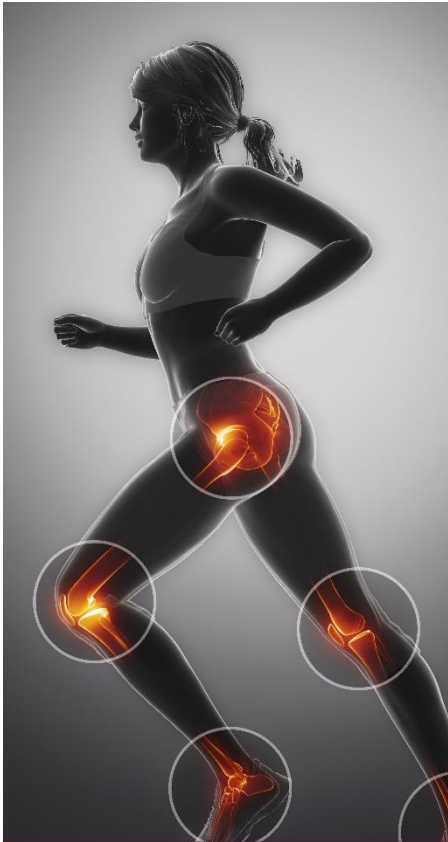
- Sulfuric acid
- Urea
- Food Additives and Preservatives
- Brewery line
- Flocculants
- Coagulants
- Precipitants
- Antifoams
- Fluoridation
- Equipment
- Agricultural Fertilizers and Adjuvants
- Amino acids
- Minerals
- Oils
- And many more

Business Strategy



- ❑ **Expand our specialty and value-added services**
 - Customer formulation
 - Technical and quality
 - Sales
- ❑ **Bolster and improve our extensive supplier base**
- ❑ **Add new Water Treatment facilities annually**
- ❑ **Invest in higher margin / growth production capabilities**
- ❑ **Foster strong people culture**
 - Hire and develop employees
 - Safe and ethical
 - Continuous Improvement





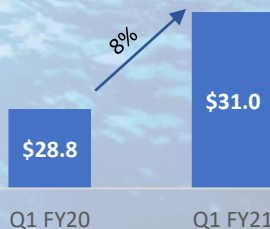
- Sound Foundation
- Demonstrated Performance
- Critical Products and Services

Quarter 1 Financials (FY21)



- ❑ Ninth consecutive quarter of year-over-year operating income growth
- ❑ Record first quarter net income of \$11.8M
- ❑ Diluted earnings per share (EPS) of \$1.11, which was \$0.19, or 21%, higher than the prior year
- ❑ Debt leverage ratio below 1x

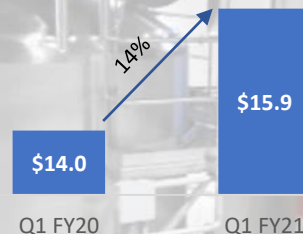
Gross Profit



Net Income



Operating Income



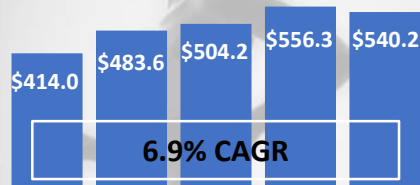
Diluted EPS



Fiscal 2016-2020 Financials (in millions)

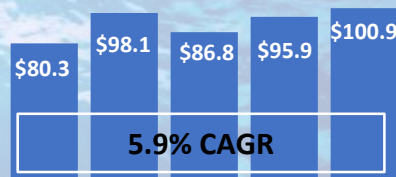


Sales



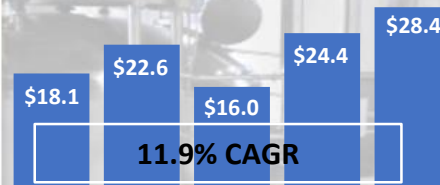
FY 2016 FY 2017 FY 2018 FY 2019 FY 2020

Gross Profit



FY 2016 FY 2017 FY 2018 FY 2019 FY 2020

Net Income



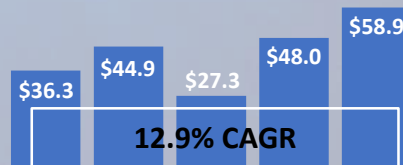
FY 2016 FY 2017 FY 2018* FY 2019 FY 2020

Diluted EPS



FY 2016 FY 2017 FY 2018* FY 2019 FY 2020

Operating Cash Flow



FY 2016 FY 2017 FY 2018 FY 2019 FY 2020

Dividend Paid Per Share (Dollars)



FY 2016 FY 2017 FY 2018 FY 2019** FY 2020

*Adjusted for goodwill impairment change of \$39.1 million (\$3.68 per diluted share) related to our Health & Nutrition segment and a one-time tax benefit of \$13.9 million (\$1.31 per diluted share)

** FY19 changed to quarterly dividends, FY19 annualized quarterly dividend would have equated to \$.90

Consistent growth, 6.9% Sales CAGR, 11.9% Net Income CAGR

FY20 Sales \$540.2M

- Gross profit \$100.9M
- Net Income \$28.4M

FY19 Sales \$556.3M

- Gross profit \$95.9M
- Net Income \$24.4M

FY18 Sales \$504.2M

- Gross profit \$86.8M
- Net Income \$16.0M*

FY17 Sales \$483.6M

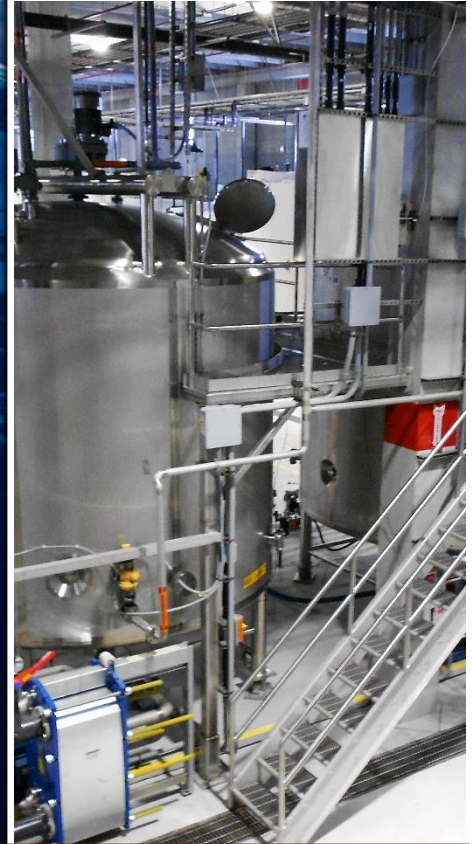
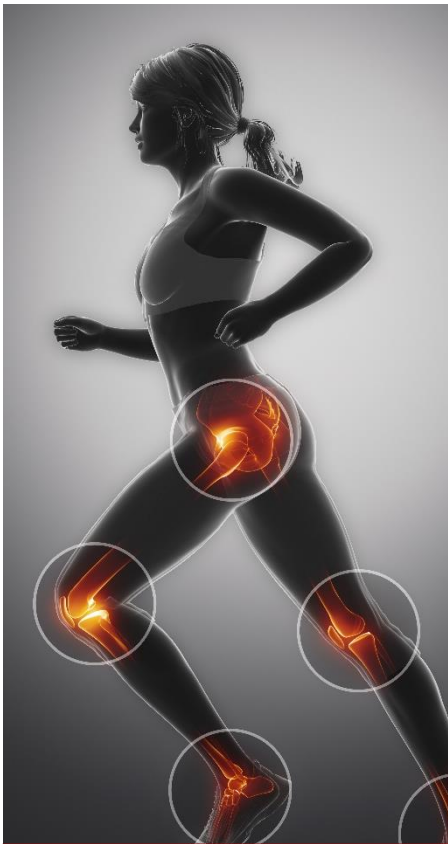
- Gross profit \$98.1M
- Net Income \$22.6M

FY16 Sales \$414.0M

- Gross profit \$80.3M
- Net Income \$18.1M

HAWKINS

**Adjusted for goodwill impairment change of \$39.1 million (\$3.68 per diluted share) related to our Health & Nutrition segment and a one-time tax benefit of \$13.9 million (\$1.31 per diluted share)*



- Sound Foundation
- Demonstrated Performance
- Critical Products and Services

INDUSTRIAL GROUP



The Industrial Group formulates, manufactures, and distributes specialty and industrial chemicals.

Hawkins also provides custom toll blending and product development services for our customers.

INDUSTRIAL GROUP

Focus Areas



Typical end markets:

- Industrial Manufacturers
- Food Processors
- Pharmaceutical
- Oil Fields
- Surface Finishers
- Agricultural Operations

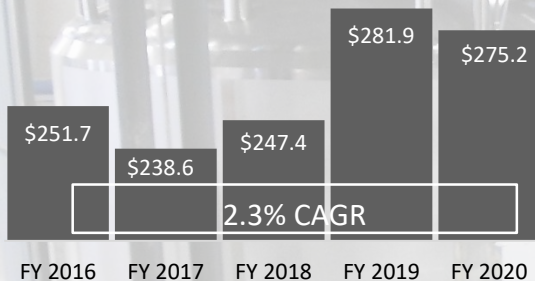
Market Focus Areas:

- Food Ingredients
- Pharmaceutical
- Oil and Gas
- Chemical Processing
- Agricultural
- Electronics
- Plating
- Energy

INDUSTRIAL GROUP Financials (millions)



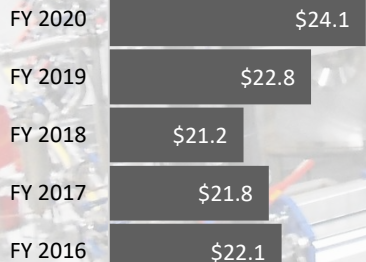
Sales



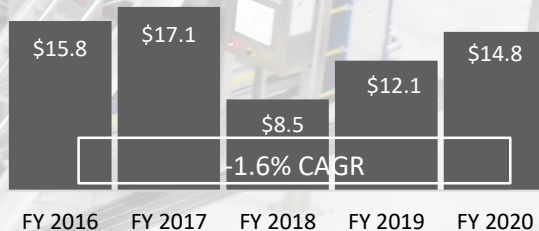
Gross Profit (0.6% CAGR)



SG&A (2.2% CAGR)



Operating Income



INDUSTRIAL GROUP

Differentiators



- Technical Knowledge – 80+ Years of experience
- Geographic Distribution – Multiple manufacturing facilities with extensive storage capacity
- Custom Solutions, Toll Blending, Large and Diverse Product Lines
- Packaging to Fit Customers' Needs:
 - Bulk, Drums, Totes, Custom Packaging
- Services Include:
 - Contract Manufacturing and Packaging
 - Regulatory and Safety Assistance
 - Inventory Management
 - Remote Tank Monitoring
 - Technical and Engineering Support

WATER TREATMENT



Specializes in providing chemicals, equipment, and solutions for potable water, municipal and industrial wastewater, agricultural water, and industrial process water.

Our salesperson/route driver is a trained technician who can deliver our products and diagnose our customers' water treatment needs.

We believe that the high level of service provided by these individuals allows us to serve as the trusted water treatment expert for the municipalities and other customers that we serve.

WATER TREATMENT Differentiators

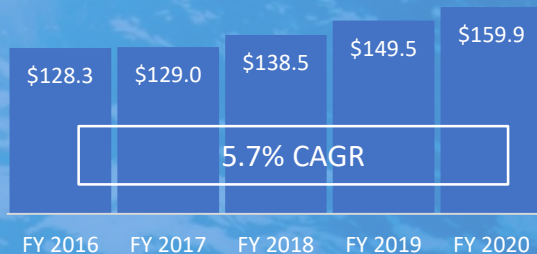


- Large Geographic Territory
 - Locations in 30 Cities in 18 States
- Full Line Product Offering
 - Chemistries and Equipment
- Route Sales/Service Business Model
 - Technical Application Specialists

WATER TREATMENT Group Financials (millions)



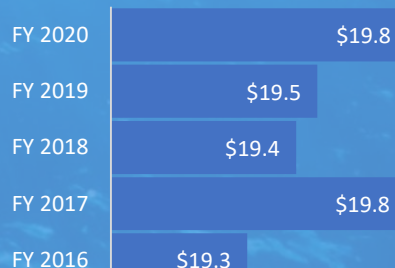
Sales



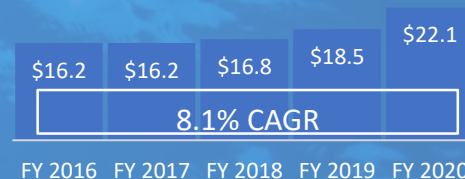
Gross Profit (4.3% CAGR)



SG&A (0.7% CAGR)



Operating Income



WATER TREATMENT

Focus Areas



- Municipal Drinking Water
- Municipal Wastewater
- Municipal Swimming Pools
- Industrial Wastewater
- Industrial Process Water
- Heating / Boiler
- Cooling Systems / Cooling Towers

- Breweries / Wineries
- Agricultural Water Treatment
 - Poultry
 - Swine
 - Dairy
 - Citrus Groves
 - Farm Crops



HEALTH & NUTRITION

The Health & Nutrition Group provides a broad spectrum of high-quality ingredients that support dietary supplements, functional food and beverage, pharmaceutical and pet food products.

The Health & Nutrition Group is represented by a team of professionals trained to sell all product categories, to fully support product development on specific raw material requirements and applications.

Products Categories

This Group's product line includes:

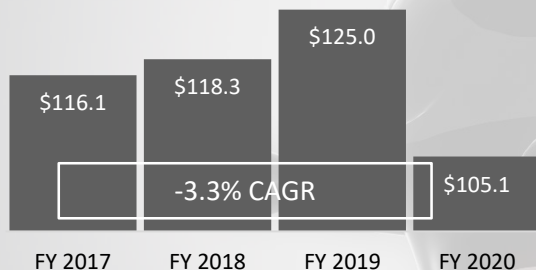
- Energy, Immunity, and Cognition ingredients
- Amino acids
- Antioxidants
- Botanicals
- Enzymes
- Green foods
- Minerals
- Oils / Oil Powders
- Fibers
- Probiotics
- Plant Proteins
- Vitamins

HEALTH & NUTRITION

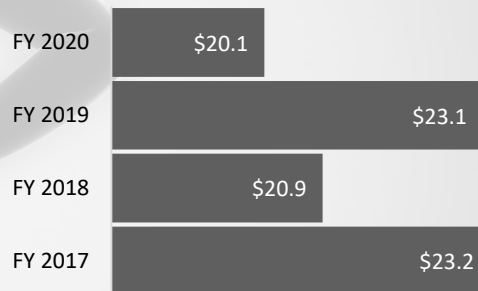
Group Financials (millions)
(first full FY 2017)



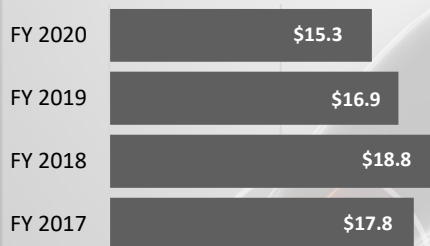
Sales



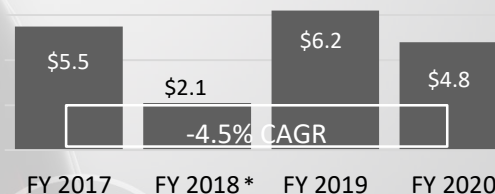
Gross Profit (-4.7% CAGR)



SG&A (-4.8% CAGR)



Operating Income



*Fiscal 2018 Adjusted for goodwill impairment of \$39.1 M

HEALTH & NUTRITION

Differentiators

- Robust product portfolio
- Represent key BRAND manufacturers that offer science based clinically studied products
- Provide value-added services, including dry blending and granulations, quality control and compliance, and innovative solutions with an exceptional level of customer service

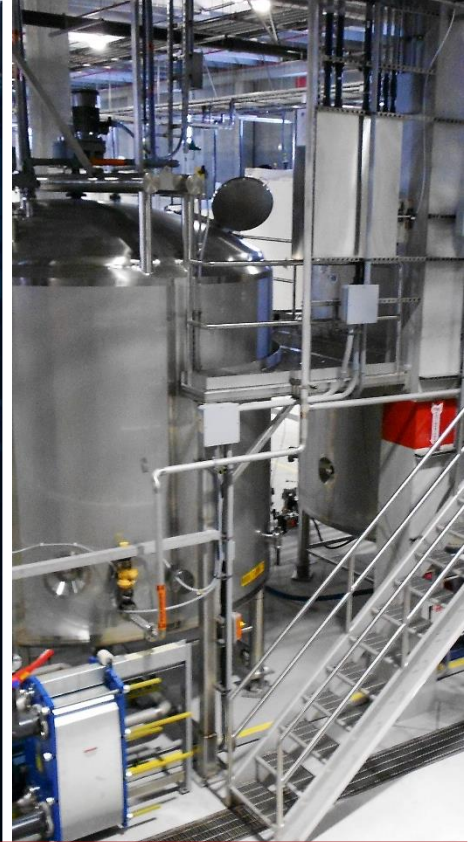
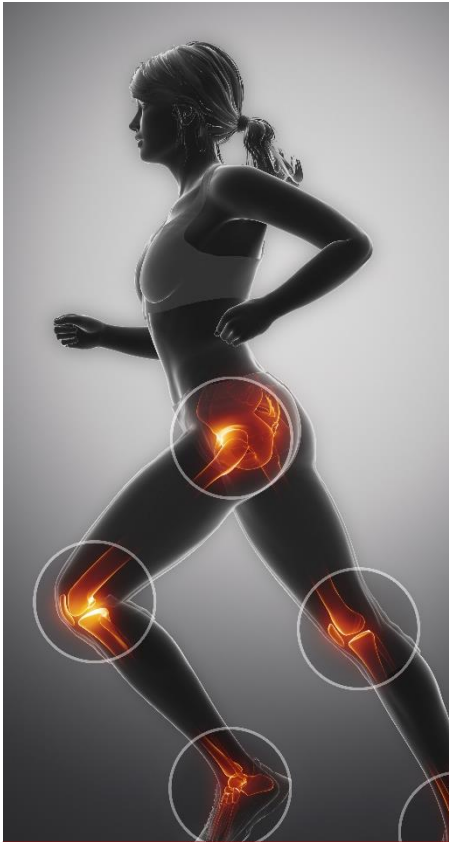
Health & Nutrition is positioned as a one-stop ingredient solutions provider to its customers and is highly regarded as a brand and leader in the health and nutrition industry.



HEALTH & NUTRITION

Key Brands





- Sound Foundation
- Demonstrated Performance
- Critical Products and Services

People and Culture Matter



❑ Strong Supplier Relationships

- Strong partnerships with key suppliers including caustic soda, hydrochloric acid, phosphates and specialty products

❑ Tenured Employees

- Average tenure 7 years
- 650+ employees
- Median employee pay \$91k and CEO pay ratio of 20:1
- Average Hawkins Executive tenure - 15 years

❑ Long-Term Customers

- Strong, long-term relationships
- Deliveries 365 days/year

❑ Local Community Involvement

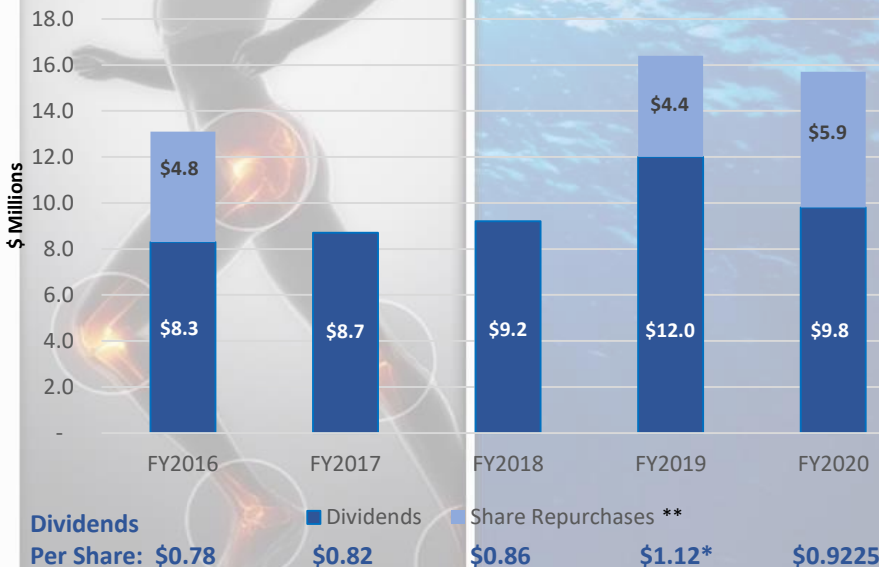
❑ COVID-19 Donations

- Products for production of sanitizers
- Bleach to local municipalities
- Dollars to food shelves and front-line workers

Shareholder Return



Hawkins Dividends & Share Repurchases



2.1%

Dividend Yield

35

Consecutive years of cash dividends

4.3%

FY20 Dividend CAGR

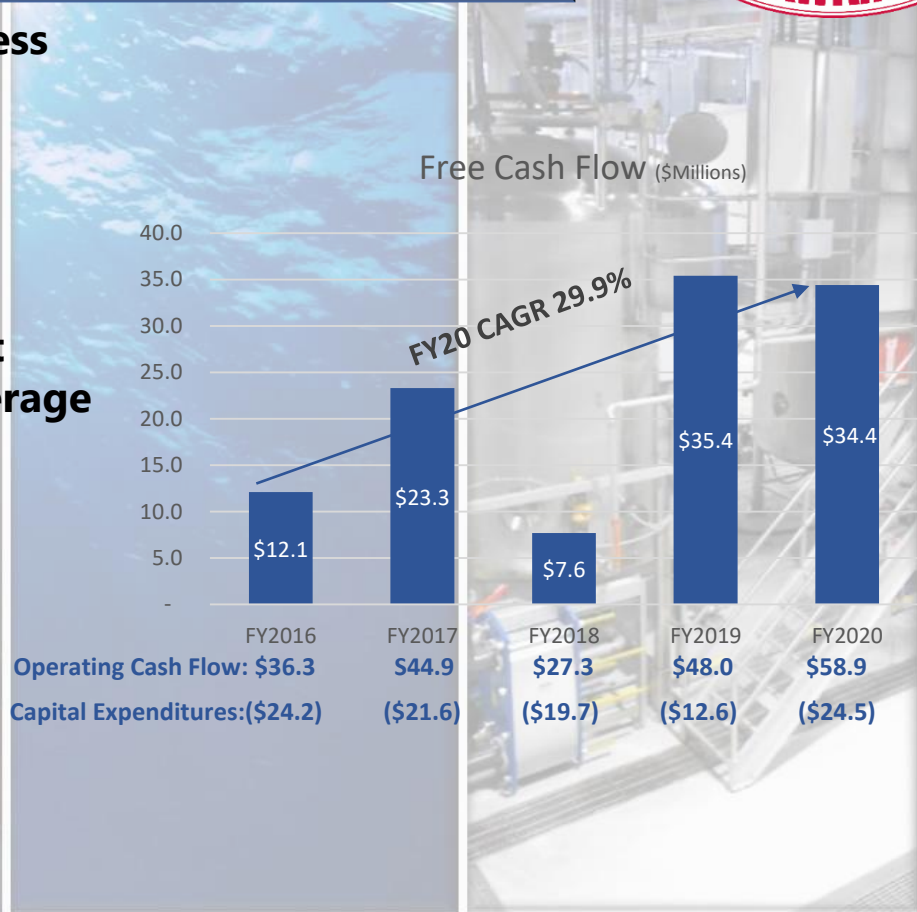
*FY19 changed to quarterly dividends, FY19 annualized quarterly dividend would have equated to \$0.90

**Share repurchases are to offset dilution. FY17 and FY18, there were no share repurchases as focus was to pay down debt after the Health and Nutrition acquisition

Capital Allocation



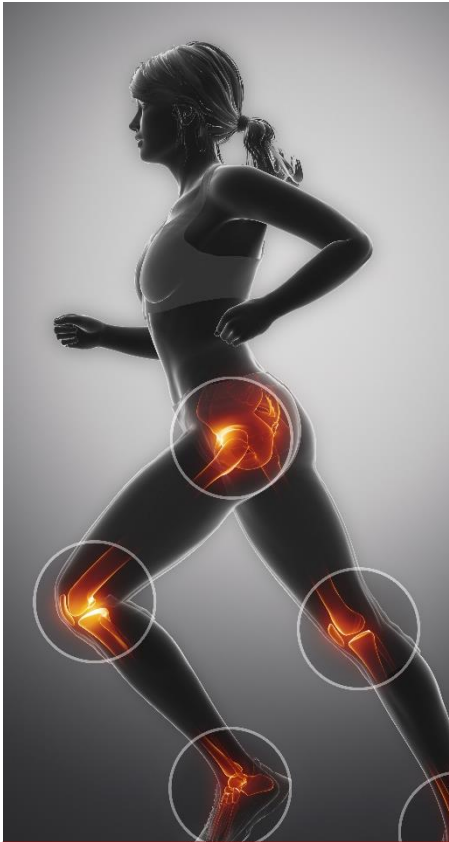
- ☐ Invest in the business
- ☐ Issue Dividends
- ☐ Manage Debt – not to exceed 3.0x leverage
- ☐ Repurchase shares to offset dilution
- ☐ Opportunistic Acquisitions



Business Strategy



- ❑ **Expand our specialty and value-added services**
 - Customer formulation
 - Technical and quality
 - Sales
- ❑ **Add new Water Treatment facilities annually**
- ❑ **Bolster and improve our extensive supplier base**
- ❑ **Invest in higher margin / growth production capabilities**
- ❑ **Foster strong people culture**
- ❑ **Grow earnings**



- Sound Foundation
- Demonstrated Performance
- Critical Products and Services

Non-GAAP Measures



Adjusted EBITDA

(In thousands)

Net income (loss) (GAAP)

Interest expense
Income tax expense (benefit)
Amortization of intangibles
Depreciation expense
Non-cash compensation expense
Non-recurring debt refinancing costs

Fiscal Year Ended

March 29, 2020	March 31, 2019
\$ 28,367	\$ 24,433
2,511	3,361
10,589	9,097
5,073	5,454
16,511	16,302
2,273	2,010
—	92
\$ 65,324	\$ 60,749

Adjusted EBITDA

FY2018 Adjusted Net Income

(In thousands, except share and per share data)

As Reported (GAAP)

Revaluation of net deferred tax liabilities
Goodwill impairment

As Adjusted

Net (Loss) Income	Diluted (loss) earnings per share
\$ (9,177)	\$ (0.86)
(13,943)	(1.31)
39,116	3.68
\$ 15,996	\$ 1.50



*Celebrating 80+ years of
serving our customers*

