

TRAEGER

INVESTOR PRESENTATION

FIRST QUARTER 2024

SAFE HARBOR STATEMENT

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this presentation that do not relate to matters of historical fact should be considered forward-looking statements, including, without limitation, statements regarding our anticipated full year fiscal 2024 results. These statements are neither promises nor guarantees, but involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including, but not limited to, our history of operating losses, our ability to manage our future growth effectively, our ability to expand into additional markets, our ability to maintain and strengthen our brand to generate and maintain ongoing demand for our products, our ability to cost-effectively attract new customers and retain our existing customers, our failure to maintain product quality and product performance at an acceptable cost, the impact of product liability and warranty claims and product recalls, the highly competitive market in which we operate, the use of social media and community ambassadors, issues in relation to environmental, social and governance matters, both in relation to our own operations and the operations of our supply chain partners, a decline in sales of our grills, our dependence on three major retailers, risks associated with our international operations, our reliance on a limited number of third-party manufacturers and problems with (or loss of) our suppliers or an inability to obtain raw materials, and the ability of our stockholders to influence corporate matters and the other important factors discussed under the caption "Risk Factors" in our periodic and current reports filed with the Securities and Exchange Commission from time to time, including our Annual Report on Form 10-K for the year ended December 31, 2023. Any such forward-looking statements represent management's estimates as of the date of this presentation. While we may elect to update such forward-looking statements at some point in the future, we disclaim any obligation to do so, even if subsequent events cause our views to change.



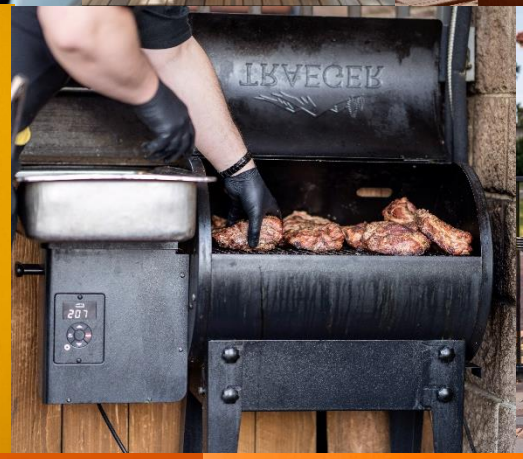


TRAEGER
SWEET &
HEAT
BBQ SAUCE
NET WT. 16 oz (454g)







TRAEGER
APRICOT
SWEET & TANGY BBQ SAUCE





TRAEGER
87
GAME DAY

TRAEGER
TRAEGER SAUCE
CLASSIC BBQ SAUCE

WHISKEY BENT
BBQ
&COMPANY


CEO COMMENTARY

“In the first quarter, we executed on our plan and delivered revenue and adjusted EBITDA results at the high-end of our guidance range. As we anticipated, consumer demand for grills remained soft in the first quarter. Despite facing a challenging demand backdrop for our category, our first quarter results demonstrate our commitment to financial and operational improvement, and we reported our highest quarterly gross margin since being a public company.

Our team is highly focused on execution as we head into the peak selling season for the grill category and we remain committed to our long-term strategic goals of driving household penetration and innovation. I continue to believe that we are positioned for strong long-term growth as the demand environment normalizes over time.”

-Jeremy Andrus, CEO of Traeger

Our Mission is to Create a More Flavorful World

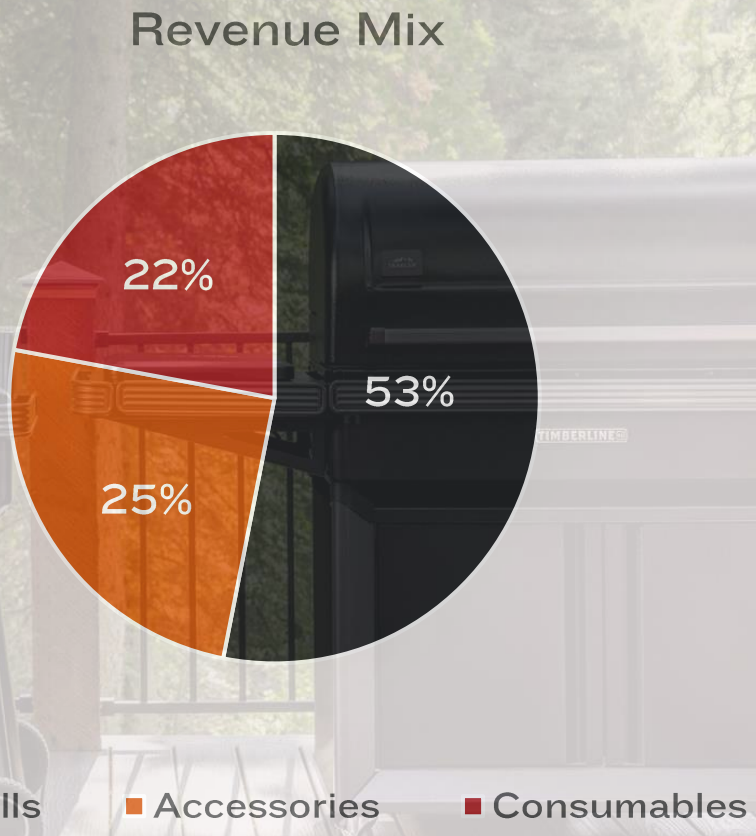
IQ 2024 AT A GLANCE

$145MM
Revenue

43.2%
Gross Margin

$24MM
Adj. EBITDA (1)

16.8%
Adj. EBITDA Margin (1)



GROWTH PILLARS: QUARTERLY HIGHLIGHTS

1 Accelerate Brand Awareness

- Grew followers across all social channels by 11% versus 1Q 2023
- Super Bowl focused content included recipes for the game using your Traeger and a guest appearance on The Dan Patrick Show demonstrating Game Day recipes
- Record user-generated content and connected cooks on the day of Super Bowl LVIII
- Invested behind our Captain Traeger program which provides retail associates with access to training, limited edition products, and VIP events, and transforms these associates into Traeger evangelists

2 Disrupt Outdoor Cooking with Product Innovation

- Completed the build out of new R&D lab at our Corporate Headquarters in Salt Lake City
- Ranked #6 in Fast Company's Most Innovative Companies in North America in 2024, recognizing Traeger's commitment to innovation and disruption
- Launched the Traeger ModiFIRE Sear Grate, a reversible grate which allows users to achieve the perfect sear by placing the grate directly on their Traeger

3 Drive Recurring Revenue

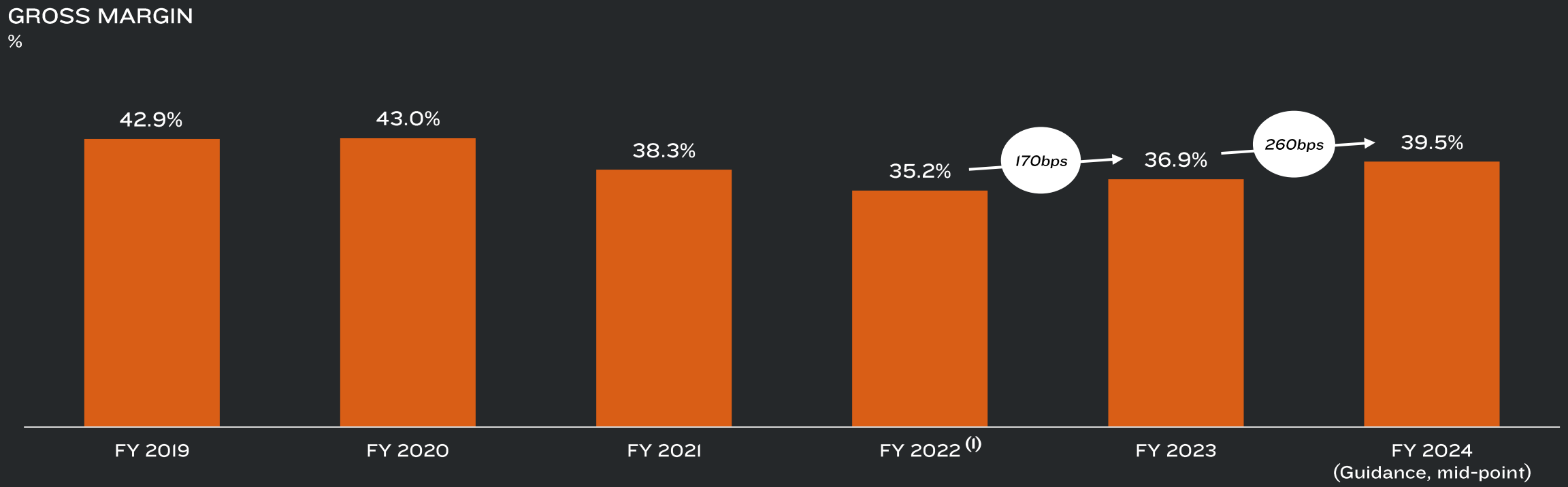
- Partnered with Louisville Slugger to launch a limited-edition wood pellet
- Relaunched branded barbecue sauces across all markets with new and improved formula and squeeze-top bottles

4 Expand Traeger Brand Globally

- Rolled out sales training initiative to educate sales associates and demo Traeger products in direct EU markets
- Launched distribution of MEATER at Canadian Tire, one of the leading retailers in Canada



GROSS MARGIN PROGRESSION



- Significant pressure on gross margin in FY 2021 and FY 2022, largely driven by increased transportation costs
- Gross margin recapture in FY 2023 and expected gains in FY 2024 driven by normalization of transportation costs as well as margin-enhancing initiatives including direct import program and pellet mill capacity optimization

BALANCE SHEET AND LIQUIDITY

Significant Actions to Increase Financial Flexibility

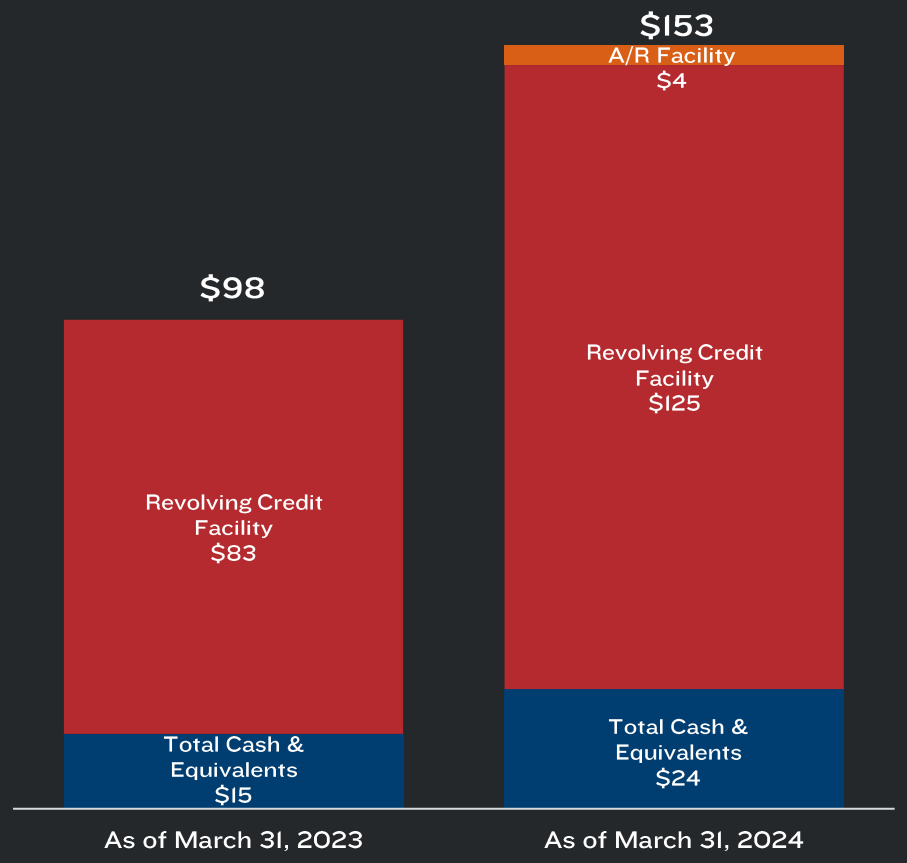
Lowered Exposure to Rising Rates

- Entered into floating-to-fixed interest rate swap agreement on First Lien Term Loan in February 2022
- Agreement provides for a notional amount of $379.2MM, hedging approximately 85% of our outstanding debt as of IQ 2024, out to February 2026
- Effective rate of 5.33% for hedged portion of outstanding debt

Inventory and Cost Actions Driving Enhanced Liquidity

- Liquidity availability has increased by more than $50MM since IQ 2023 (3)
- Inventory rightsizing has freed up more than $30MM of working capital since IQ 2023
- Gross margin recapture contributing to expected growth in Adjusted EBITDA in FY 2024

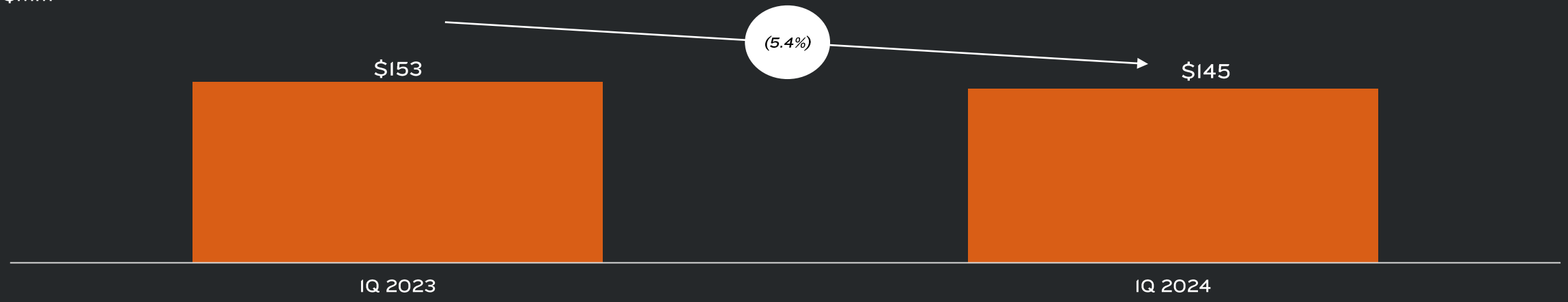
Available Liquidity
($MM)



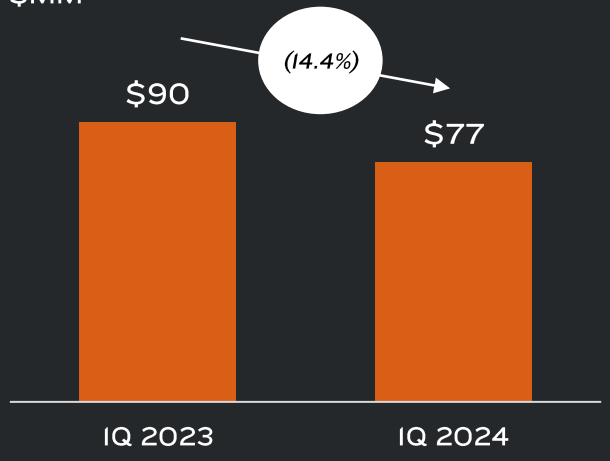
FINANCIALS

1st QUARTER 2024 REVENUE RESULTS

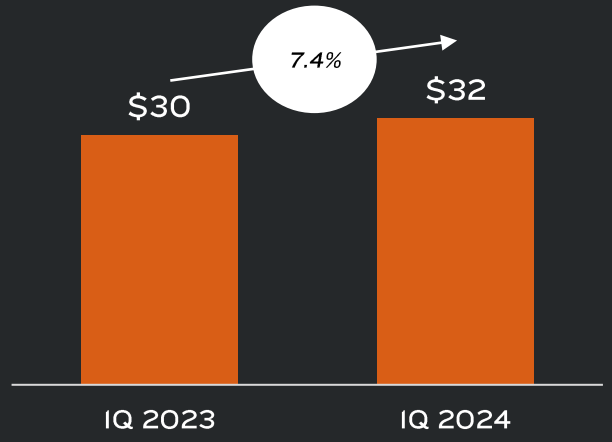
TOTAL REVENUE
$MM



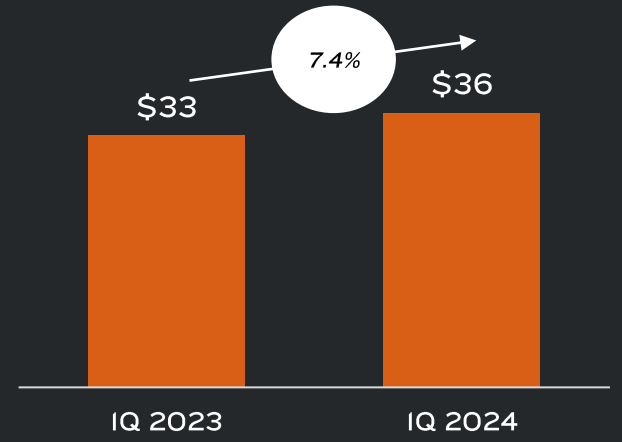
GRILL REVENUE
$MM



CONSUMABLES REVENUE
$MM



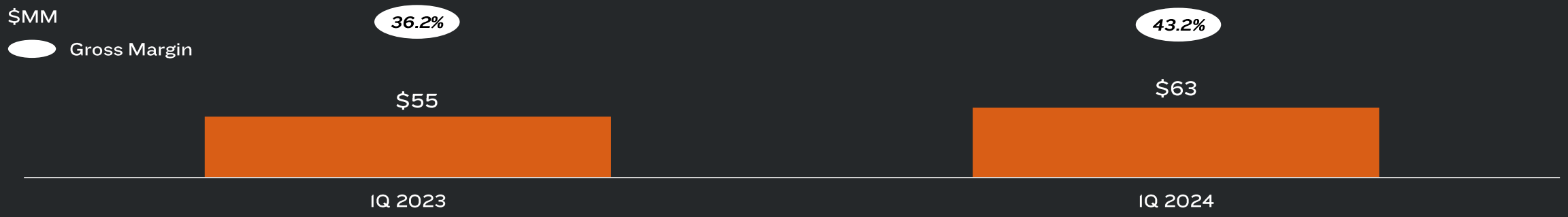
ACCESSORIES REVENUE
$MM



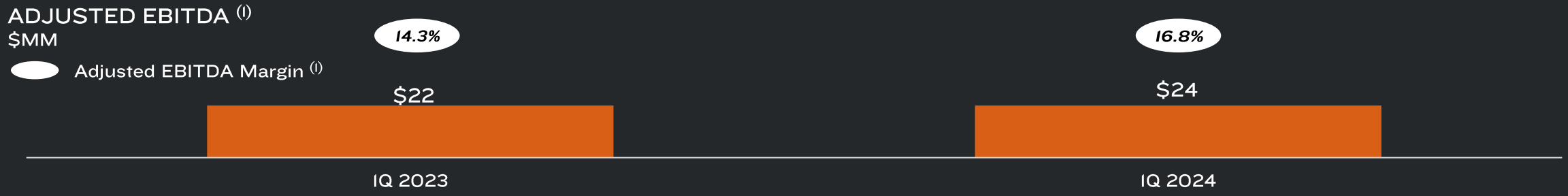
TRAEGER

1st QUARTER 2024 PROFITABILITY RESULTS

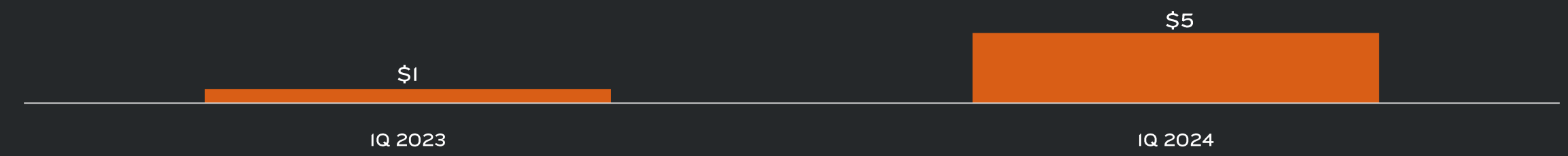
GROSS PROFIT
$MM



ADJUSTED EBITDA (1)
$MM



ADJUSTED NET INCOME (4)
$MM



TRAEGER

GUIDANCE FOR FULL YEAR FISCAL 2024

Fiscal 2024 Guidance

METRIC	LOW	HIGH
Total Revenue	$580MM	$605MM
Gross Margin	39%	40%
Adj. EBITDA (1)	$62MM	$71MM

Key Assumptions:

- Expected contraction in grill industry sales driven by continued pressure on high-ticket, home-related spend
- Lapping of the IH 2023 load-in of new grill and griddle lines expected to contribute to year-over-year sales pressure on grills
- Expected sunsetting of certain grill SKUs in 2H 2024 ahead of new product launches
- Significant expected growth in gross margin driven by lower inbound transportation costs as well as internal margin-enhancing initiatives

APPENDIX

TRAEGER

FOOTNOTES

1. Adjusted EBITDA, Adjusted EBITDA Margin, and Adjusted Gross Margin are non-GAAP measures. See the appendix to this presentation for a presentation of, and a reconciliation of these measures to, the nearest comparable GAAP measures, including Net Loss, Net Loss Margin, and Gross Margin, respectively. A reconciliation of Adjusted EBITDA guidance to Net Loss on a forward-looking basis cannot be provided without unreasonable efforts, as the Company is unable to provide reconciling information with respect to provision for income taxes, interest expense, depreciation and amortization, other (income) expense, stock-based compensation, non-routine legal expenses, change in fair value of contingent consideration, and other adjustment items all of which are adjustments to Adjusted EBITDA.

2. IQ 2024 general, administrative, sales, and marketing expenses included $10MM of stock-based compensation and $1MM of non-recurring items, as compared to IQ 2023 general, administrative, sales, and marketing expenses which included $8MM of stock-based compensation and $2MM of non-recurring items.

3. First lien liquidity defined as unrestricted cash plus availability on first lien cash flow revolver and A/R facility.

4. Adjusted Net Income is a non-GAAP measure. See the appendix to this presentation for a presentation of, and a reconciliation of this measure to, the nearest comparable GAAP measures, including Net Loss.

INFORMATION REGARDING NON-GAAP FINANCIAL MEASURES

In addition to our results and measures of performance determined in accordance with U.S. GAAP, we believe that certain non-GAAP financial measures are useful in evaluating and comparing our financial and operational performance over multiple periods, identifying trends affecting our business, formulating business plans and making strategic decisions.

Each of Adjusted EBITDA, Adjusted Net Income, Adjusted Net Income per share, Adjusted EBITDA Margin, and Adjusted Net Income Margin are key performance measures that our management uses to assess our financial performance and is also used for internal planning and forecasting purposes. We believe that these non-GAAP financial measures are useful to investors and other interested parties in analyzing our financial performance because it provides a comparable overview of our operations across historical periods. In addition, we believe that providing each of Adjusted EBITDA and Adjusted Net Income, together with a reconciliation of Net Loss to each such measure, and providing Adjusted Net Income per share, together with a reconciliation of Net Loss per share to such measure, and Adjusted EBITDA Margin and Adjusted Net Income Margin, together with a reconciliation of Net Loss Margin to such measures, helps investors make comparisons between our company and other companies that may have different capital structures, different tax rates, and/or different forms of employee compensation. For example, due to finite-lived intangible assets included on our balance sheet following our corporate reorganization in 2017, we have significant non-cash amortization expense attributable to the nature of our capital structure.

Each of Adjusted EBITDA, Adjusted Net Income, and Adjusted Net Income per share are used by our management team as an additional measure of our performance for purposes of business decision-making, including managing expenditures, and evaluating potential acquisitions. Period-to-period comparisons of Adjusted EBITDA, Adjusted Net Income, and Adjusted Net Income per share help our management identify additional trends in our financial results that may not be shown solely by period-to-period comparisons of Net Loss or Loss from Operations or Net Loss per share. In addition, we may use Adjusted EBITDA in the incentive compensation programs applicable to some of our employees. Each of Adjusted EBITDA, Adjusted Net Income, and Adjusted Net Income per share has inherent limitations because of the excluded items, and may not be directly comparable to similarly titled metrics used by other companies.

PRESENTATION OF COMPARABLE GAAP MEASURES AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES

(amounts in thousands, except share and per share amounts)	Three Months Ended March 31, 2024	2023
Net loss	$(4,683)	$(10,930)
Adjustments:		
Other income (1)	(5,862)	(1,359)
Stock-based compensation	10,098	7,943
Non-routine legal expenses (2)	103	233
Amortization of acquisition intangibles (3)	8,255	8,253
Change in fair value of contingent consideration	-	1.043
Other adjustment items (4)	-	143
Tax impact of adjusting items (5)	(3,227)	(4,094)
Adjusted net income	$4,684	$1,232
Net loss	$(4,683)	$(10,930)
Adjustments:		
Provision for income taxes	190	164
Interest expense	8,096	8,081
Depreciation and amortization	14,247	14,255
Other (income) expense (6)	(3,637)	1,014
Stock-based compensation	10,098	7,943
Non-routine legal expenses (2)	103	233
Change in fair value of contingent consideration	-	1.043
Other adjustment items (4)	-	143
Adjusted EBITDA	$24,414	$21,946
Revenue	$144,914	$153,161
Net loss margin	*(3.2)%*	*(7.1)%*
Adjusted net income margin	*3.2%*	*0.8%*
Adjusted EBITDA margin	*16.8%*	*14.3%*
Net loss per diluted share	*$(0.04)*	*$(0.09)*
Adjusted net income per diluted share	*$0.04*	*$0.01*
Weighted average common shares outstanding - diluted	*125,196,934*	*122,699,114*

Notes:

1. Represents realized and unrealized gains on the interest rate swap, including amortization of dedesignated cash flow hedge, losses on the disposal of property, plant, and equipment, and unrealized gains (losses) from foreign currency transactions and derivatives.
2. Represents external legal expenses incurred in connection with the defense of a class action lawsuit and intellectual property litigationRepresents external legal expenses incurred in connection with the defense of a class action lawsuit and intellectual property litigation.
3. Represents amortization of acquisition intangibles includes amortization expense associated with intangible assets recorded in connection with the 2017 acquisition of Traeger Pellet Grills Holdings LLC..
4. Represents non-routine operational wind-down costs.
5. Represents the tax effect of non-GAAP adjustments calculated at an estimated blended statutory tax rate of 25.6% and 25.2% for the three months three months ended March 31, 2024 and 2023, respectively. The amounts for the three months ended March 31, 2023. have been adjusted to reflect the application of the estimated blended statutory tax rates, as opposed to effective income tax rates that was used in the prior period, in order to include the current and deferred income tax expenses that are commensurate with the non-GAAP measure of profitability.
6. Represents realized and unrealized gains on the interest rate swap, losses on the disposal of property, plant, and equipment, and unrealized gains (losses) from foreign currency transactions and derivatives.

PRESENTATION OF COMPARABLE GAAP MEASURES AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES

RECONCILIATION OF DEBT TO NET DEBT

(amounts in thousands)	March 31, 2024
Line of credit	**$40,635**
Current portion of notes payable	**250**
Notes payable, net of current portion	**397,586**
Add: Debt issuance costs	5,926
Less: Cash and cash equivalents	(23,620)
Total net debt	**$420,777**

RECONCILIATION OF GROSS MARGIN TO ADJUSTED GROSS MARGIN

	Year Ended December 31, 2022
Gross margin	**34.9%**
Add: Impact of restructuring costs recorded in cost of revenue	0.3%
Adjusted gross margin	**35.2%**