VITAL FARMS, INC.

(NASDAQ: VITL)

May 2023 Corporate Presentation

REPORTING DISCLAIMER

This presentation contains, in addition to historical information, certain forward-looking statements, as defined in Private Securities Litigation Reform Act of 1995, that are based on our current assumptions, expectations and projections about future performance and events and relate to, among other matters, our future financial performance, our business strategy, industry and market trends, future expectations concerning our market position, future operations and capital expenditures. Statements in this release that are forward-looking include, but are not limited to, statements related to the impact of the COVID-19 pandemic on the Company’s business, the company’s ability to acquire new customers and successfully retain existing customers and the Company’s ability to effectively manage long-term growth.

Forward-looking statements generally contain words such as "believes," "expects," "may," "will," "should," "seeks," "approximately," "intends," "plans," "estimates," "anticipates," and similar expressions. These forward-looking statements are only predictions, not historical fact. You should, therefore, not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this presentation. Forward-looking statements are based on information available at the time those statements are made and/or management’s good faith belief as of that time with respect to future events and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Important factors that could cause actual results to differ materially from expectations include, among others: the effects of the public health pandemics such as COVID-19, or fear of such outbreaks, on Vital Farms’ supply chain, the demand for its products, and on overall economic conditions and consumer confidence and spending levels; expectations regarding its revenue, expenses and other operating results; Vital Farms’ ability to acquire new customers, to successfully retain existing customers and to attract and retain its farmers, suppliers, distributors, and co-manufacturers; Vital Farms’ ability to sustain or increase its profitability; Vital Farms’ ability to procure sufficient high-quality eggs, cream and other raw materials; Vital Farm’s ability to successfully enter into new product categories, real or perceived quality with Vital Farms’ products or other issues that adversely affect Vital Farms’ brand and reputation; changes in the tastes and preferences of consumers; the financial condition of, and Vital Farms’ relationships with, its farmers, suppliers, co-manufacturers, distributors, retailers, and foodservice customers, as well as the health of the foodservice industry generally; the impact of agricultural risks, including diseases such as avian influenza, or the perception that such outbreaks may occur or regulatory or market responses to such outbreaks generally; the ability of Vital Farms, its farmers, suppliers, and its co-manufacturers to comply with food safety, environmental or other laws or regulations; future investments in its business, anticipated capital expenditures and estimates regarding capital requirements; anticipated changes in Vital Farms’ product offerings and Vital Farms’ ability to innovate to offer successful new products; the costs and success of marketing efforts; Vital Farms’ ability to effectively manage its growth and to compete effectively with existing competitors and new market entrants; the impact of adverse economic conditions, including as a result of unfavorable global economic and political conditions, increased interest rates and inflation; the impact of increased interest rates; the potential negative impact of Vital Farms’ focus on a specific public benefit purpose and producing a positive effect for society on its financial performance; seasonality; and the growth rates of the markets in which Vital Farms competes; and other risks and uncertainties detailed in our Quarterly Report on Form 10-Q for the 13-week period ended March 26, 2023 and in subsequent filings we make with the Securities and Exchange Commission. We are under no duty to update any of these forward-looking statements after the date of this presentation except as otherwise required by law.

This presentation also contains estimates and other statistical data obtained from independent parties and by us relating to market size and growth and other data about our industry, customers and consumers. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates and data. In addition, projections, assumptions and estimates of our future performance and the future performance of the geographic and other markets in which we operate are necessarily subject to a high degree of uncertainty and risk. Our historical results are not necessarily indicative of the results to be expected for any future periods and our operating results for the 13-week period ended March 26, 2023 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2023 or any other interim periods or any future year or period.

Non-GAAP Financial Measures

Adjusted EBITDA is a financial measure that is not required by, or presented in accordance with generally accepted accounting principles in the United States (“GAAP”). We believe that Adjusted EBITDA, when taken together with our financial results presented in accordance with GAAP, provides meaningful supplemental information regarding our operating performance and facilitates internal comparisons of our historical operating performance on a more consistent basis by excluding certain items that may not be indicative of our business, results of operations or outlook. Adjusted EBITDA should not be considered as an alternative to net income (loss) income, net (loss) income per share or any other performance measures derived in accordance with GAAP as measures of operating performance, operating cash flows or liquidity. Our presentation of Adjusted EBITDA should not be construed to imply that our future results will be unaffected by these items. See the appendix to this presentation for a reconciliation of Adjusted EBITDA to net (loss) income, the most directly comparable financial measure presented in accordance with GAAP.

“Adjusted EBITDA” is defined as as net income, adjusted to exclude: (1) depreciation and amortization; (2) (benefit) or provision for income taxes as applicable; (3) stock-based compensation expense; (4) interest expense; (5) change in fair value of contingent consideration; (6) interest income; and (7) the costs related to our exit of the convenient breakfast product line. We believe the costs directly related to the convenient breakfast exit should be excluded as they are unlikely to recur.

“Adjusted EBITDA Margin” is defined as Adjusted EBITDA divided by net revenues.

Adjusted EBITDA and Adjusted EBITDA Margin are presented for supplemental informational purposes only, have limitations as analytical tools and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. Some of the limitations of Adjusted EBITDA and Adjusted EBITDA Margin include that (1) they do not properly reflect capital commitments to be paid in the future, (2) although depreciation and amortization are non-cash charges, the underlying assets may need to be replaced and Adjusted EBITDA and Adjusted EBITDA Margin do not reflect these capital expenditures, (3) they do not consider the impact of stock-based compensation expense, (4) they do not include costs related to the discontinuation of our convenient breakfast product line; (5) they do not reflect other non-operating expenses, including interest expense; (6) they do not consider the impact of any contingent consideration liability valuation adjustments; and (7) they do not reflect tax payments that may represent a reduction in cash available to us. In addition, our use of Adjusted EBITDA and Adjusted EBITDA Margin may not be comparable to similarly titled measures of other companies because they may not calculate Adjusted EBITDA and Adjusted EBITDA Margin in the same manner, limiting the usefulness as comparative measures. Because of these limitations, when evaluating our performance, you should consider Adjusted EBITDA and Adjusted EBITDA Margin alongside other financial measures, including our net income and other results stated in accordance with GAAP.

Bird of the Quarter

Bashful Bridget pops her head out of her fort of greenery to see what all the fuss is about.

OUR VALUES ARE ROOTED IN CONSCIOUS CAPITALISM

We operate a

STAKEHOLDER MODEL

That prioritizes the long-term benefits of each of our stakeholders

Our approach has been validated by our designation as a

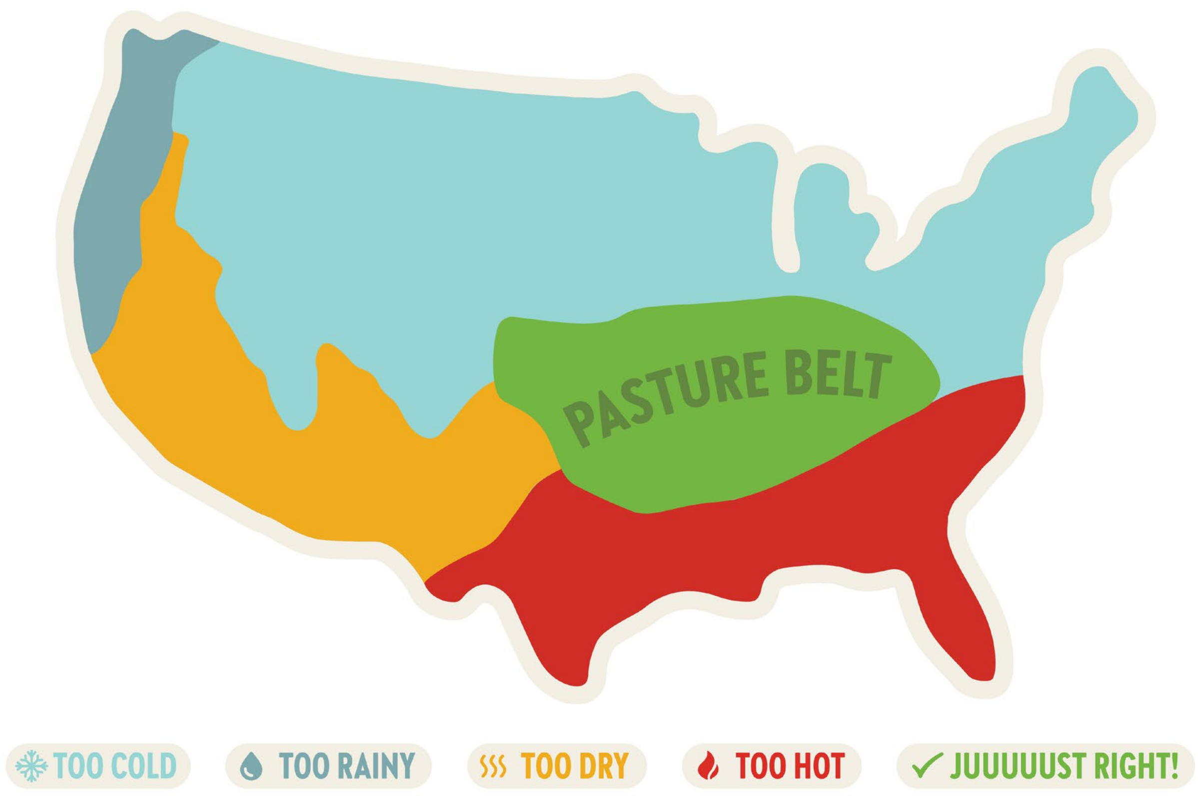
CERTIFIED B CORPORATION,

a certification reserved for businesses that balance profit and purpose to meeting the highest verified standards of social and environmental performance, public transparency, and legal accountability

These principles guide our day-to-day operations and, we believe, deliver a more **SUSTAINABLE AND SUCCESSFUL** business

WE HAVE DEVELOPED AN ALTERNATIVE TO FACTORY FARMING PRACTICES

Year-Round Production

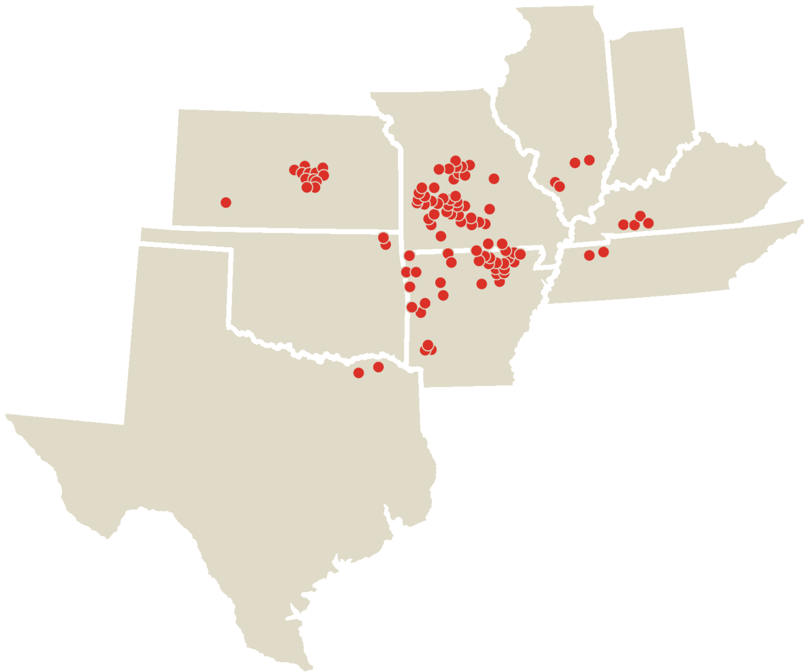


Our Framework

LIVING CONDITIONS	OPEN AIR, 108 SQUARE FEET PER HEN
FEED	OMNIVOROUS, INCLUDING GRAIN, PLANTS, INSECTS
LAND MANAGEMENT	SUSTAINABLE PRACTICES
NETWORK	DIRECT RELATIONSHIPS WITH FAMILY FARMS

OUR MODEL ALLOWS US TO DELIVER QUALITY AT SCALE

Network of more than 300 Family Farms



WE AGGREGATE PRODUCTS FROM FARM NETWORK

EGG CENTRAL STATION
Springfield, MO

WASH, GRADE, PACK, SHIP, QUALITY CONTROL

REMOTE WORKFORCE
Across the United States

BRANDING, SELLING, SUPPORTING

WE DELIVER DIRECTLY TO CUSTOMERS AND THROUGH DISTRIBUTORS

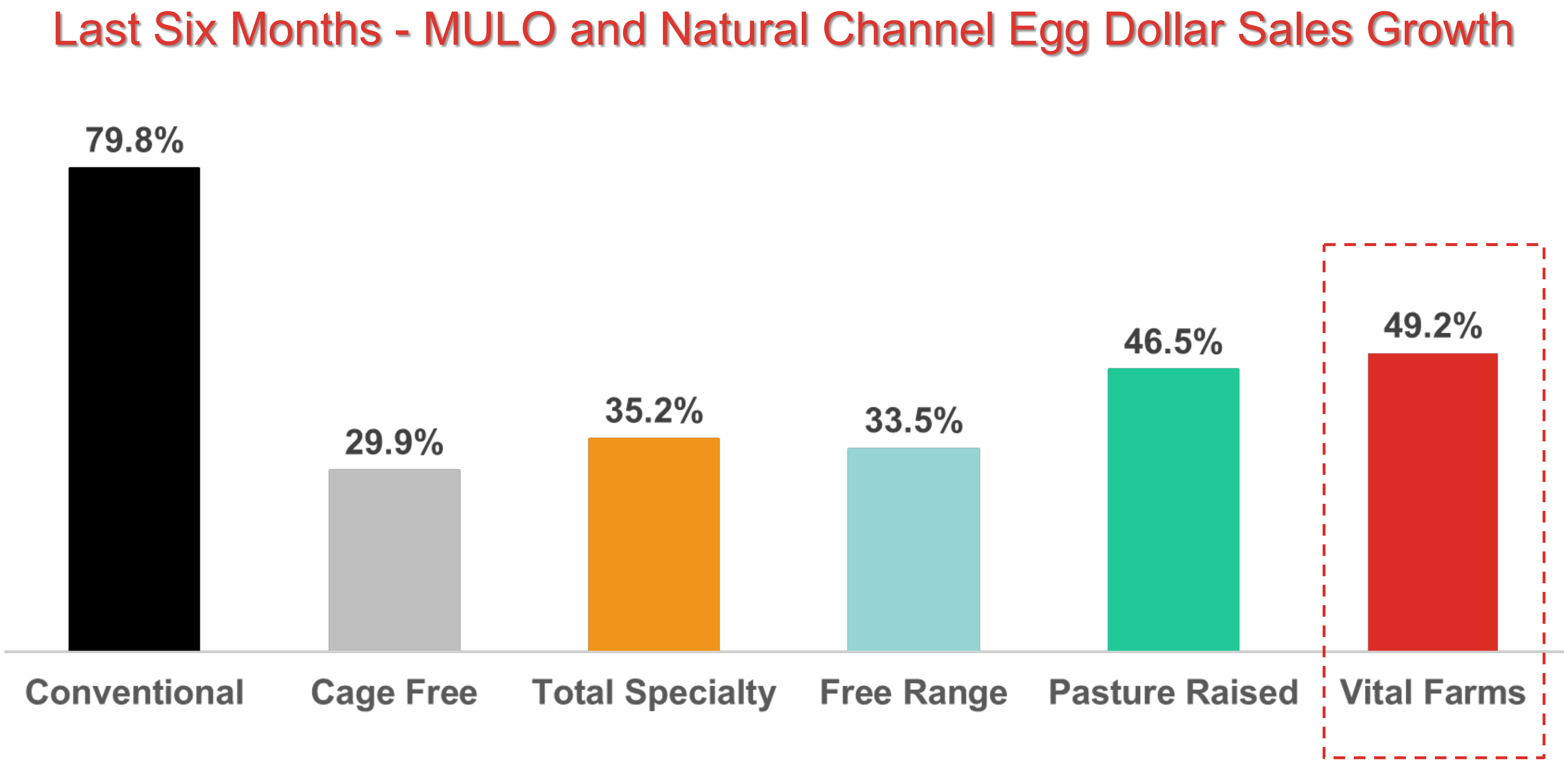
National Distribution (Products in over 22,000 Retail Stores)

RETAIL

FOODSERVICE

INDUSTRY GROWTH REMAINS VOLATILE

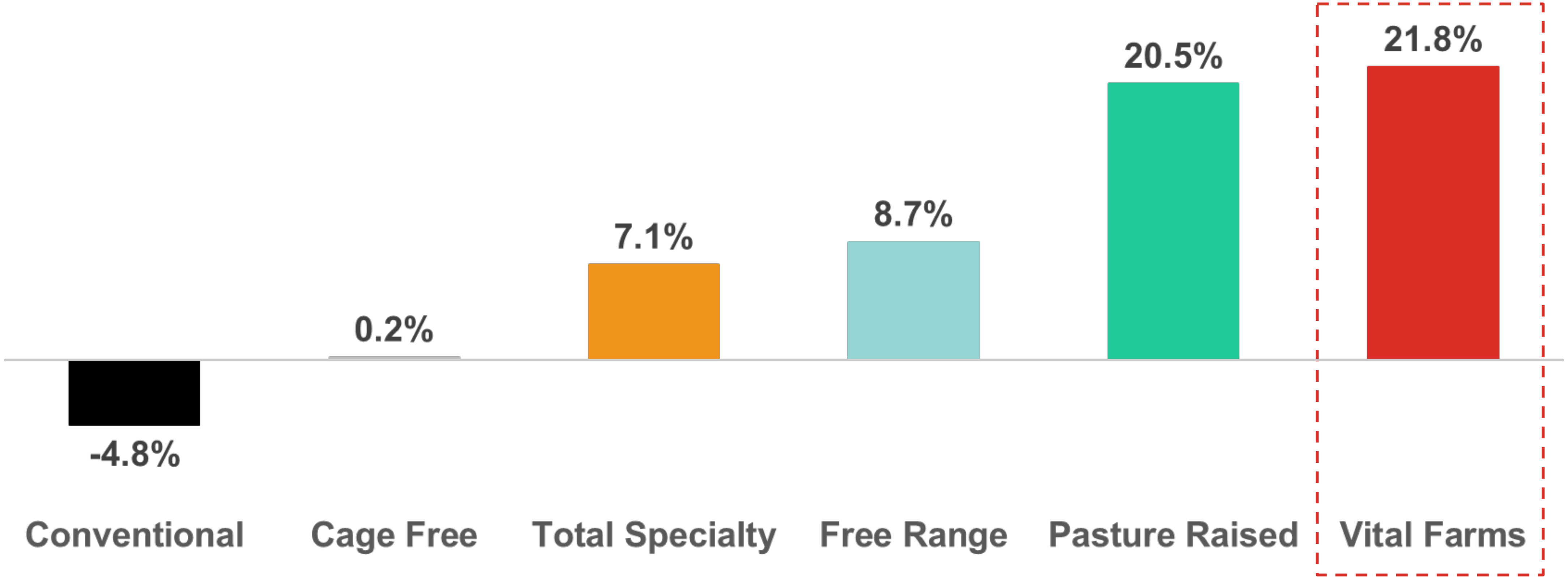
INFLATION HAS HELPED PRIVATE LABEL AND CONVENTIONAL EGGS SHOW SIZEABLE DOLLAR GROWTH



Note: Specialty eggs defined as cage free, free range and pasture-raised.
[1] Vital Farms Growth represents sales of shell eggs as reported by SPINS in the MULO and Natural channels, based on the last 26 weeks ended 26-March-2023

VITAL FARMS MAINTAINS STRONGLY POSITIVE VOLUME GROWTH

Last Six Months - MULO and Natural Channel Egg Unit Sales Growth



Note: Specialty eggs defined as cage free, free range and pasture-raised.
[1] Vital Farms Growth represents sales of shell eggs as reported by SPINS in the MULO and Natural channels, based on the last 26 weeks ended 26-March-2023

FINANCIAL UPDATE

FINANCIAL SUMMARY HIGHLIGHTS

Q1 2023 PERFORMANCE UPDATE

Highlights

- Net revenue increased 54.7% to $119.2 million in the first quarter of 2023, compared to $77.1 million in the first quarter of 2022. Growth in net revenue was driven by volume gains of 26%, primarily due to increases at both new and existing customers, as well as pricing increases.
- The increase in gross profit was primarily driven by higher sales. The change in gross profit was primarily driven by higher sales. Gross margin benefited from increased pricing across our portfolio partially offset by a few headwinds, including higher input costs (inclusive of commodity impacts) across our shell egg and butter businesses, and higher packaging costs.
- Adjusted EBITDA was $13.9 million, or 11.6% of net revenue, in the first quarter of 2023, compared to Adjusted EBITDA of $0.5 million in the first quarter of 2022. The change in Adjusted EBITDA was primarily due to higher sales and improved gross profit performance, partially offset by increased employee-related expenses and higher marketing spend.[1]

Financial Performance

($ thousands)	Q1'23	Q1'22	% Change	$ Change
Net Revenues	**$ 119,172**	**$ 77,058**	**54.7%**	**42,114**
Gross Profit	**42,668**	**21,700**	**96.6%**	**20,968**
Gross Margin %	*35.8%*	*28.2%*	*764 bps*	
Operating Income	10,896	(4,086)	-366.7%	14,982
Net Income	7,150	(1,538)	-564.9%	8,688
Adjusted EBITDA(1)	**$ 13,852**	**$ 514**	**2594.9%**	**13,338**
Adjusted EBITDA Margin (1)	*11.6%*	*0.7%*	*1096 bps*	

[1] See appendix for reconciliation of Adjusted EBITDA

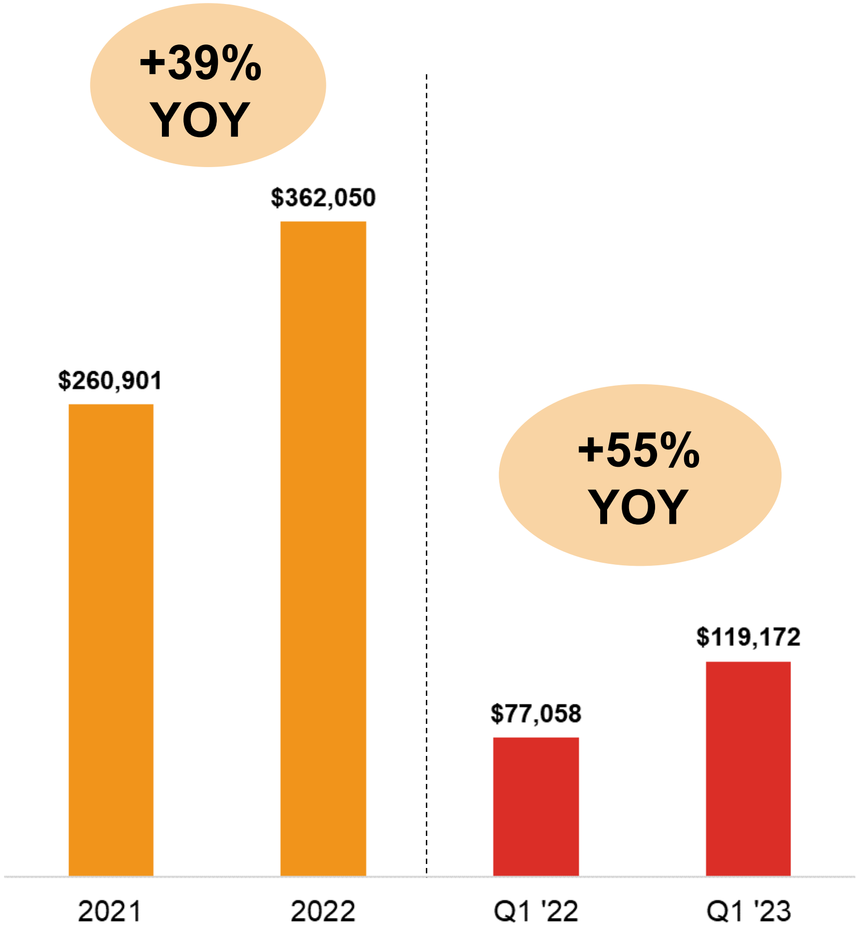
FINANCIAL SUMMARY HIGHLIGHTS

NET REVENUE GROWTH

Net Revenues Summary

Year-Over-Year and Quarterly Net Revenue Growth

($ Thousands)



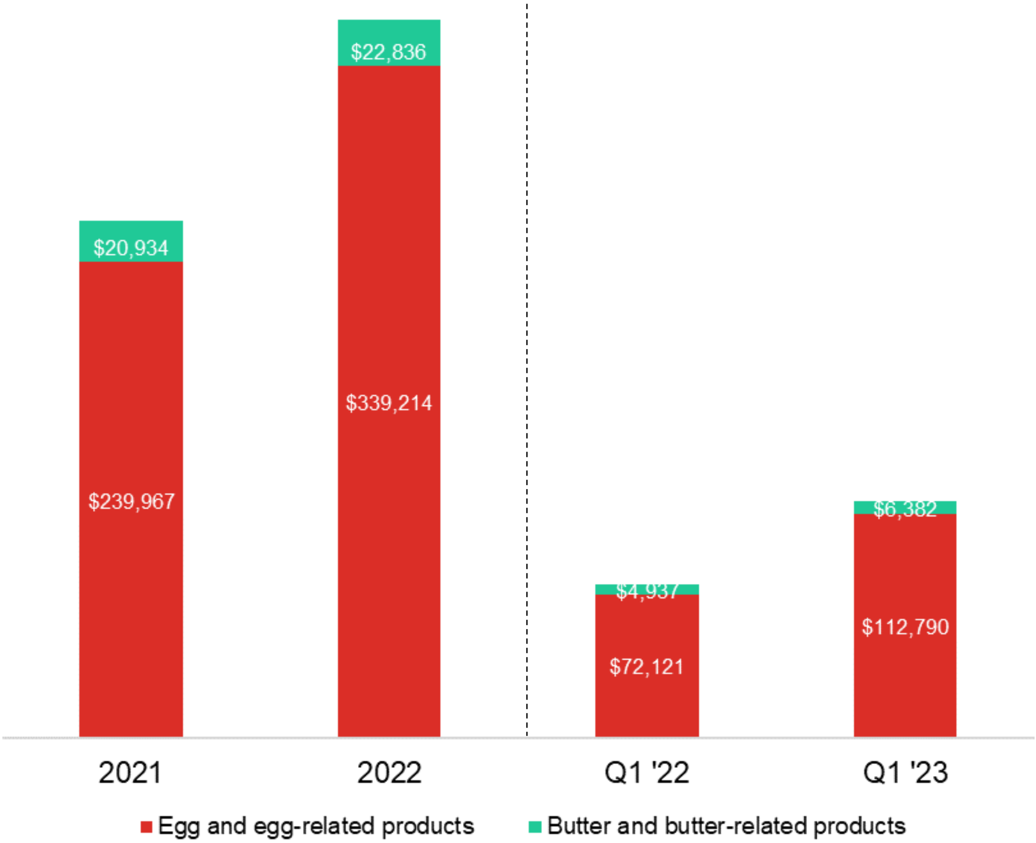
Net Revenues by Product Segment

Growth Rates	2021	2022	Q1 '22	Q1 '23
Eggs	22%*	41%	33%	56%
Butter	19%*	9%	20%	29%
Consolidated	**22%***	**39%**	**32%**	**55%**

* Impacted by lapping COVID related demand in 2020

Product Segment Mix

($ Thousands)



Highlights

- Net revenue for Q1 2023 was $119.2 million compared to $77.1 million for Q1 2022.
- The growth was primarily driven by volume-related increases of $19.9 million and price/mix increases of $22.2 million.
- The increases in egg-related sales were primarily due to:
  - Volume increases at new and existing customers
  - Price increases

  The increases in butter-related related sales were primarily due to:
  - Volume increases

FINANCIAL SUMMARY HIGHLIGHTS

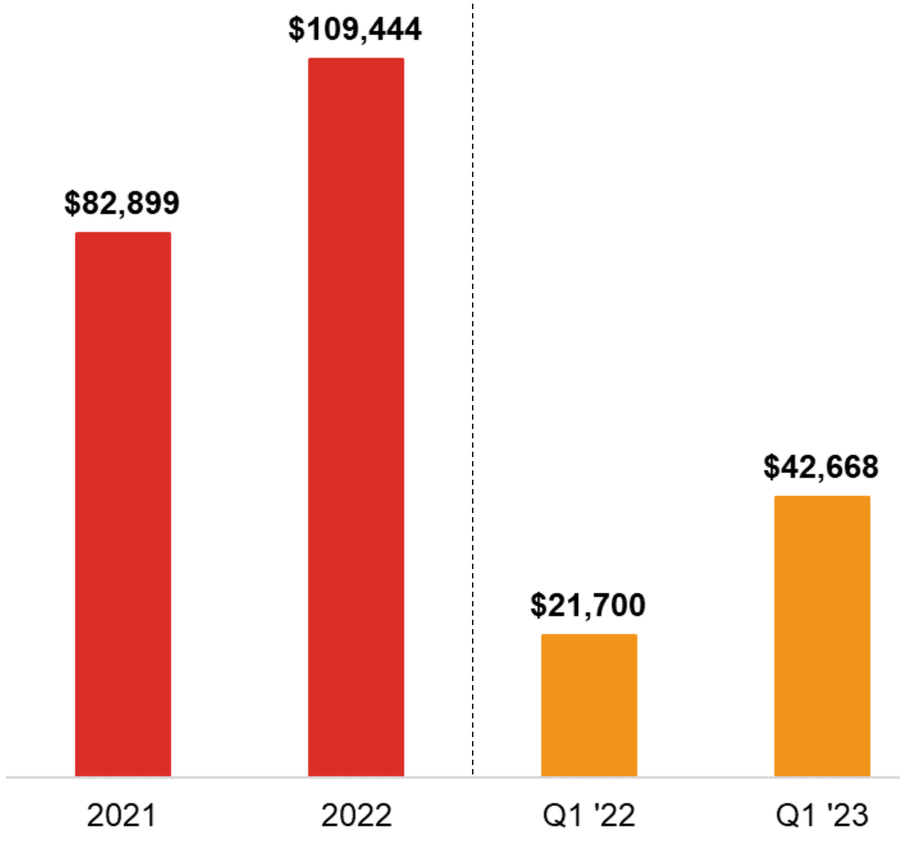
MARGIN PROFILE

Gross Profit and Margin

Gross Margins

2021	2022	Q1 '22	Q1 '23
32%	30%	28%	36%

($ Thousands)



Operating Expenses

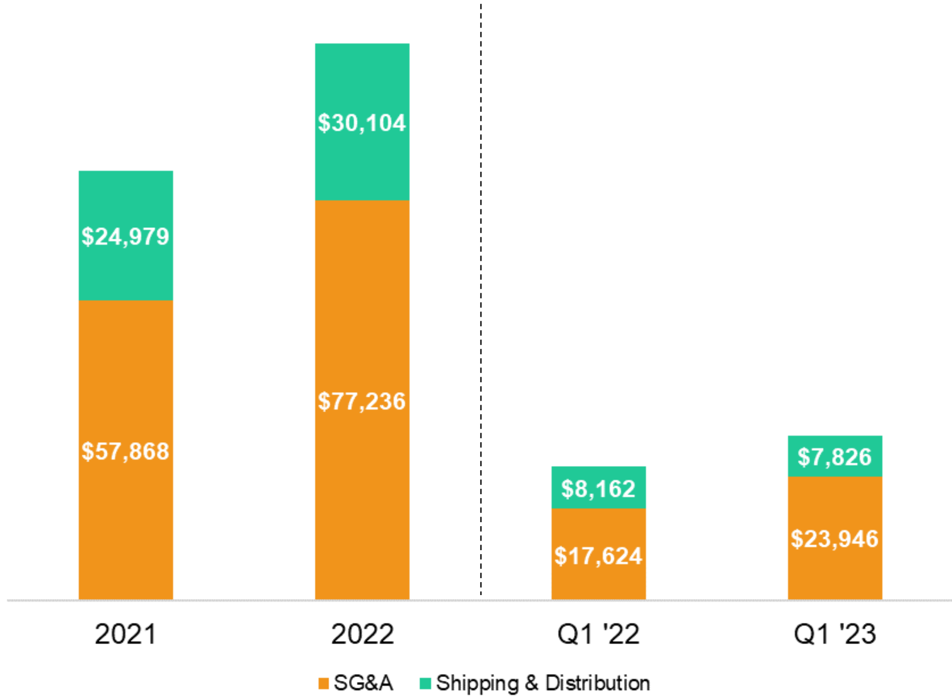
SG&A as a % of Net Revenues

2021	2022	Q1 '22	Q1 '23
22%	21%	23%	20%

Shipping & Distribution as a % of Net Revenues

2021	2022	Q1 '22	Q1 '23
10%	8%	11%	7%

($ Thousands)



Highlights

- The increase in gross profit of $21.0 million in Q1 2023 compared to Q1 2022 was driven by increased sales volume and pricing.
- Gross margin increased by 765 bps in Q1 2023 compared to Q1 2022, primarily driven by increased pricing across our portfolio partially offset by a few headwinds, including higher input costs (inclusive of commodity impacts) across our shell egg and butter businesses, and higher packaging costs.
- Selling, general, and administrative expenses as a percent of net sales improved to 20% for Q1 2023, compared to 23% for Q1 2022. The increase in SG&A was primarily driven by higher employee-related costs as we grew headcount to support our continued growth and higher marketing expenses.
- Shipping and distribution decreased $0.3 million, to 7% of net revenues in Q1 2023 compared to 11% of net revenues in Q1 2022, driven by a decline in line haul rates and internal operational efficiency, which was offset by higher volumes.

2023 GUIDANCE

NET REVENUE GROWTH	25%
NET REVENUES	More than $450 Million
ADJUSTED EBITDA	More than $30 Million
CAPITAL EXPENDITURES	$25 to $30 Million

[1]See appendix for reconciliation of Adjusted EBITDA. Note: We cannot provide a reconciliation between our forecasted Adjusted EBITDA and net income, its most directly comparable GAAP measure, without unreasonable effort due to the unavailability of reliable estimates for income taxes, among other items. These items are not within our control and may vary greatly between periods and could significantly impact future financial results.

OUR LONG-TERM FINANCIAL GOALS

NET REVENUE GROWTH	Over 25%
GROSS MARGIN	Mid-30%
ADJUSTED EBITDA MARGIN	Low Double Digit % of Net Revenues

Note: These metrics are management goals only, and are subject to a number of risks and uncertainties, including risks described in the "Risk Factors" in our Quarterly Report on Form 10-Q for the period ended March 26, 2023, and other filings and reports that the Company may file from time to time with the Securities and Exchange Commission.

APPENDIX

ADJUSTED EBITDA RECONCILIATION

($ thousands)	13-Weeks Ended 26-Mar-23		27-Mar-22	
Net income (loss)	**$**	**7,150**	**$**	**(1,538)**
Depreciation and amortization		2,140		907
(Benefit)/Provision for income tax		2,522		(2,377)
Stock-based compensation expense		2,241		1,296
Interest expense		139		8
Change in fair value of contingent consideration (1)		0		7
Interest income		(340)		(130)
Costs related to the exit of convenient breakfast product line		0		2,341
Adjusted EBITDA	**$**	**13,852**	**$**	**514**
Net Income as a % of Net Revenues		*6.0%*		*(2.0%)*
Adjusted EBITDA Margin		***11.6%***		***0.7%***

(1) Amount reflects the change in fair value of a contingent consideration liability in connection with our 2014 acquisition of certain assets of Heartland Eggs

QUESTIONS?

matt.siler@vitalfarms.com