UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended March 31, 2023

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _____ to _____

Commission File Number: 1-39093

BellRing Brands, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**87-3296749**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

2503 S. Hanley Road
St. Louis, Missouri 63144
(Address of principal executive offices) (Zip Code)

(314) 644-7600
(Registrant’s telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value per share	**BRBR**	**New York Stock Exchange**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

Act.

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date:

Common Stock, $0.01 par value per share – 132,802,631 shares as of May 2, 2023

BELLRING BRANDS, INC.
QUARTERLY REPORT ON FORM 10-Q
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PART I. FINANCIAL INFORMATION.

ITEM 1. FINANCIAL STATEMENTS (UNAUDITED).

BELLRING BRANDS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)
(in millions, except per share data)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2023	**2022**	**2023**	**2022**
Net Sales	$ 385.6	$ 315.2	$ 748.3	$ 621.7
Cost of goods sold	268.5	228.2	509.4	442.4
Gross Profit	117.1	87.0	238.9	179.3
Selling, general and administrative expenses	54.3	48.9	96.0	85.7
Amortization of intangible assets	4.8	4.9	9.7	9.8
Operating Profit	58.0	33.2	133.2	83.8
Interest expense, net	16.8	8.5	33.5	16.9
Loss on extinguishment of debt, net	—	17.6	—	17.6
Earnings before Income Taxes	41.2	7.1	99.7	49.3
Income tax expense	10.3	3.2	24.6	6.1
Net Earnings Including Redeemable Noncontrolling Interest	30.9	3.9	75.1	43.2
Less: Net earnings attributable to redeemable noncontrolling interest	—	2.6	—	33.7
Net Earnings Available to Common Stockholders	$ 30.9	$ 1.3	$ 75.1	$ 9.5
Earnings per share of Common Stock:				
Basic	$ 0.23	$ 0.02	$ 0.56	$ 0.19
Diluted	$ 0.23	$ 0.02	$ 0.56	$ 0.19
Weighted-Average shares of Common Stock Outstanding:				
Basic	133.4	62.7	134.1	51.0
Diluted	134.5	62.9	134.8	51.2

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited).

BELLRING BRANDS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)
(in millions)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2023	**2022**	**2023**	**2022**
Net Earnings Including Redeemable Noncontrolling Interest	$ 30.9	$ 3.9	$ 75.1	$ 43.2
Hedging adjustments:				
Reclassifications to net earnings	—	6.6	—	7.1
Foreign currency translation adjustments:				
Unrealized foreign currency translation adjustments	0.3	(0.4)	1.8	(0.8)
Tax expense on other comprehensive income:				
Reclassifications to net earnings	—	(0.4)	—	(0.4)
Total Other Comprehensive Income Including Redeemable Noncontrolling Interest	0.3	5.8	1.8	5.9
Less: Comprehensive income attributable to redeemable noncontrolling interest	—	7.1	—	38.3
Total Comprehensive Income Available to Common Stockholders	$ 31.2	$ 2.6	$ 76.9	$ 10.8

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited).

BELLRING BRANDS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)
(in millions)

	March 31, 2023	September 30, 2022
ASSETS		
Current Assets		
Cash and cash equivalents	$ 25.5	$ 35.8
Receivables, net	193.8	173.3
Inventories	265.5	199.8
Prepaid expenses and other current assets	12.2	12.4
Total Current Assets	497.0	421.3
Property, net	8.3	8.0
Goodwill	65.9	65.9
Intangible assets, net	193.7	203.3
Other assets	7.6	8.7
Total Assets	$ 772.5	$ 707.2
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities		
Accounts payable	$ 105.0	$ 93.8
Other current liabilities	52.0	49.7
Total Current Liabilities	157.0	143.5
Long-term debt	970.1	929.5
Deferred income taxes	1.3	2.2
Other liabilities	7.2	8.2
Total Liabilities	1,135.6	1,083.4
Stockholders' Deficit		
Common stock	1.4	1.4
Additional paid-in capital	12.0	7.0
Accumulated deficit	(280.5)	(355.6)
Accumulated other comprehensive loss	(2.5)	(4.3)
Treasury stock, at cost	(93.5)	(24.7)
Total Stockholders' Deficit	(363.1)	(376.2)
Total Liabilities and Stockholders' Deficit	$ 772.5	$ 707.2

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited).

BELLRING BRANDS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(in millions)

	Six Months Ended March 31,	
	2023	**2022**
Cash Flows from Operating Activities		
Net earnings including redeemable noncontrolling interest	$ 75.1	$ 43.2
Adjustments to reconcile net earnings including redeemable noncontrolling interest to net cash provided by operating activities:		
Depreciation and amortization	10.5	10.6
Loss on extinguishment of debt, net	—	17.6
Non-cash stock-based compensation expense	7.0	3.3
Deferred income taxes	(0.9)	1.7
Other, net	0.2	(0.9)
Other changes in operating assets and liabilities:		
Increase in receivables, net	(19.8)	(28.9)
Increase in inventories	(64.5)	(27.3)
Decrease in prepaid expenses and other current assets	0.3	0.7
Decrease in other assets	0.9	1.1
Increase (decrease) in accounts payable and other current liabilities	11.5	(3.4)
Decrease in non-current liabilities	—	(0.1)
Net Cash Provided by Operating Activities	20.3	17.6
Cash Flows from Investing Activities		
Additions to property	(0.5)	(1.1)
Net Cash Used in Investing Activities	(0.5)	(1.1)
Cash Flows from Financing Activities		
Proceeds from issuance of long-term debt	115.0	109.0
Payment of merger consideration	—	(115.5)
Repayments of long-term debt	(75.0)	(609.9)
Purchases of treasury stock	(68.5)	(18.1)
Payments of debt issuance, extinguishment costs and deferred financing fees	—	(11.1)
Distributions to Post Holdings, Inc., net	—	547.2
Other, net	(2.2)	(1.1)
Net Cash Used in Financing Activities	(30.7)	(99.5)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	0.6	(0.1)
Net Decrease in Cash and Cash Equivalents	(10.3)	(83.1)
Cash and Cash Equivalents, Beginning of Year	35.8	152.6
Cash and Cash Equivalents, End of Period	$ 25.5	$ 69.5
Supplemental noncash information:		
Debt issued to Post Holdings, Inc. in connection with Spin-off	$ —	$ 840.0

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited).

BELLRING BRANDS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT (Unaudited)
(in millions)

	As of and for the Three Months Ended March 31,		As of and for the Six Months Ended March 31,	
	2023	2022	2023	2022
Common Stock				
Beginning of period	$ 1.4	$ 0.4	$ 1.4	$ 0.4
Impact of Spin-off	—	1.0	—	1.0
End of period	1.4	1.4	1.4	1.4
Additional Paid-in Capital				
Beginning of period	8.4	—	7.0	—
Activity under stock and deferred compensation plans	0.1	—	(2.0)	(1.0)
Non-cash stock-based compensation expense	3.5	1.8	7.0	3.3
Redemption value adjustment to redeemable noncontrolling interest	—	(1.4)	—	(1.9)
End of period	12.0	0.4	12.0	0.4
Accumulated Deficit				
Beginning of period	(311.4)	(2,806.6)	(355.6)	(3,059.7)
Net earnings available to common stockholders	30.9	1.3	75.1	9.5
Distribution to Post Holdings, Inc.	—	—	—	(3.2)
Redemption value adjustment to redeemable noncontrolling interest	—	124.3	—	372.4
Impact of Spin-off	—	2,252.6	—	2,252.6
End of period	(280.5)	(428.4)	(280.5)	(428.4)
Accumulated Other Comprehensive Loss				
Hedging Adjustments, net of tax				
Beginning of period	—	(1.5)	—	(1.6)
Net change in hedges, net of tax	—	1.5	—	1.6
End of period	—	—	—	—
Foreign Currency Translation Adjustments				
Beginning of period	(2.8)	(2.0)	(4.3)	(1.9)
Foreign currency translation adjustments	0.3	(0.2)	1.8	(0.3)
End of period	(2.5)	(2.2)	(2.5)	(2.2)
Treasury Stock				
Beginning of period	(65.9)	(18.1)	(24.7)	—
Purchases of treasury stock	(27.6)	—	(68.8)	(18.1)
Impact of Spin-off	—	18.1	—	18.1
End of period	(93.5)	—	(93.5)	—
Total Stockholders' Deficit	$ (363.1)	$ (428.8)	$ (363.1)	$ (428.8)

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited).

BELLRING BRANDS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
($ in millions, except per share information and where indicated otherwise)

NOTE 1 — BACKGROUND AND BASIS OF PRESENTATION

Background

On October 21, 2019, BellRing Intermediate Holdings, Inc. (formerly known as BellRing Brands, Inc.) ("Old BellRing") closed its initial public offering (the "IPO") of 39.4 million shares of its Class A common stock, $0.01 par value per share (the "Old BellRing Class A Common Stock"), and contributed the net proceeds from the IPO to BellRing Brands, LLC, a Delaware limited liability company and subsidiary of Old BellRing ("BellRing LLC"), in exchange for 39.4 million BellRing LLC non-voting membership units (the "BellRing LLC units"). As a result of the IPO and certain other transactions completed in connection with the IPO (the "formation transactions"), BellRing LLC became the holder of the active nutrition business of Post Holdings, Inc. ("Post"). Old BellRing, as a holding company, had no material assets other than its ownership of BellRing LLC units and its indirect interests in the subsidiaries of BellRing LLC and had no independent means of generating revenue or cash flow. The members of BellRing LLC were Post and Old BellRing.

During the second quarter of fiscal 2022, Post completed its distribution of 80.1% of its ownership interest in BellRing Brands, Inc. (formerly known as BellRing Distribution, LLC) ("BellRing") to Post's shareholders. On March 9, 2022, pursuant to the Transaction Agreement and Plan of Merger, dated as of October 26, 2021 (as amended by Amendment No. 1 to the Transaction Agreement and Plan of Merger, dated as of February 28, 2022, the "Transaction Agreement"), by and among Post, Old BellRing, BellRing and BellRing Merger Sub Corporation, a wholly-owned subsidiary of BellRing ("BellRing Merger Sub"), Post contributed its share of Old BellRing Class B common stock, $0.01 par value per share ("Old BellRing Class B Common Stock"), all of its BellRing LLC units and $550.4 of cash to BellRing (collectively, the "Contribution") in exchange for certain limited liability company interests of BellRing (prior to the conversion of BellRing into a Delaware corporation) and the right to receive $840.0 in aggregate principal amount of BellRing's 7.00% Senior Notes (as defined in Note 13).

On March 10, 2022, BellRing converted into a Delaware corporation and changed its name to "BellRing Brands, Inc.", and Post distributed an aggregate of 78.1 million, or 80.1%, of its shares of BellRing common stock, $0.01 par value per share ("BellRing Common Stock") to Post shareholders in a pro-rata distribution (the "Distribution").

Upon completion of the Distribution, BellRing Merger Sub merged with and into Old BellRing (the "Merger"), with Old BellRing continuing as the surviving corporation and becoming a wholly-owned subsidiary of BellRing. Pursuant to the Merger, each outstanding share of Old BellRing Class A Common Stock was converted into one share of BellRing Common Stock and $2.97 in cash, or $115.5 total consideration paid to Old BellRing Class A common stockholders pursuant to the Merger. As a result of the transactions described above (collectively, the "Spin-off"), BellRing became the new public parent company of, and successor issuer to, Old BellRing, and shares of BellRing Common Stock were deemed to be registered under Section 12(b) of the Securities Exchange Act of 1934, as amended, pursuant to Rule 12g-3(a) promulgated thereunder.

Immediately prior to the Spin-off, Post held 97.5 million BellRing LLC units, equal to 71.5% of the economic interest in BellRing LLC, and one share of Old BellRing Class B Common Stock, which represented 67% of the combined voting power of the common stock of Old BellRing. Immediately following the Spin-off, Post owned 19.4 million shares, or 14.2% of BellRing Common Stock, which did not represent a controlling interest in BellRing. As a result of the Spin-off, the dual class voting structure in the BellRing business was eliminated.

On August 11, 2022, Post transferred 14.8 million shares of its BellRing Common Stock to certain financial institutions in satisfaction of term loan obligations of Post, which reduced Post's ownership of BellRing Common Stock to 3.4% as of September 30, 2022. In connection with this transaction, BellRing repurchased 0.8 million of the transferred shares from certain of the financial institutions.

On November 25, 2022, Post transferred the remaining of its 4.6 million shares of BellRing Common Stock to certain financial institutions in satisfaction of term loan obligations of Post. In connection with this transaction, BellRing repurchased 0.9 million of the transferred shares from certain of the financial institutions. Post had no ownership of BellRing Common Stock as of March 31, 2023.

The Company incurred separation-related expenses in connection with its separation from Post of $0.4 and $0.7 during the three and six months ended March 31, 2023, respectively, and $10.3 and $12.3 during the three and six months ended March 31, 2022, respectively. These expenses generally included third party costs for advisory services, fees charged by other service providers and government filing fees and were included in "Selling, general and administrative expenses" in the Condensed Consolidated Statements of Operations.

The term “Company” generally refers to Old BellRing and its consolidated subsidiaries during the periods prior to the Spin-off and to BellRing and its consolidated subsidiaries during the periods subsequent to the Spin-off, unless otherwise stated or context otherwise indicates. The term “Common Stock” generally refers to Old BellRing Class A Common Stock and Old BellRing Class B Common Stock during the periods prior to the Spin-off and to BellRing Common Stock during the periods subsequent to the Spin-off. The term “Net earnings available to common stockholders” generally refers to net earnings available to Old BellRing Class A common stockholders during the periods prior to the Spin-off and to net earnings available to BellRing common stockholders during the periods subsequent to the Spin-off.

The Company is a consumer products holding company operating in the global convenient nutrition category and is a provider of ready-to-drink (“RTD”) protein shakes, other RTD beverages and powders. The Company has a single operating and reportable segment, with its principal products being protein-based consumer goods. The Company’s primary brands are *Premier Protein* and *Dymatize.*

Basis of Presentation

These unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”), under the rules and regulations of the United States (the “U.S.”) Securities and Exchange Commission (the “SEC”), and on a basis substantially consistent with the audited consolidated financial statements of the Company as of and for the fiscal year ended September 30, 2022. These unaudited condensed consolidated financial statements should be read in conjunction with such audited consolidated financial statements, which are included in the Company’s Annual Report on Form 10-K for the fiscal year ended September 30, 2022, filed with the SEC on November 17, 2022.

These unaudited condensed consolidated financial statements include all adjustments (consisting of normal recurring adjustments and accruals) that management considers necessary for a fair statement of the Company’s results of operations, comprehensive income, financial position, cash flows and stockholders’ equity for the interim periods presented. Interim results are not necessarily indicative of the results for any other interim period or for the entire fiscal year. Certain reclassifications have been made to previously reported financial information to conform to the current period presentation.

Prior to the Spin-off, the financial results of BellRing LLC and its subsidiaries were consolidated with Old BellRing, and a portion of the consolidated net earnings of BellRing LLC was allocated to the redeemable noncontrolling interest (the “NCI”). The calculation of the NCI was based on Post’s ownership percentage of BellRing LLC units during each period prior to the Spin-off, and reflected the entitlement of Post to a portion of the consolidated net earnings of BellRing LLC prior to the Spin-off. During the periods subsequent to the Spin-off, any remaining ownership of BellRing by Post no longer represented a NCI to the Company (see Note 5). All intercompany balances and transactions have been eliminated. See Note 4 for further information on transactions with Post included in these financial statements.

NOTE 2 — RECENTLY ISSUED ACCOUNTING STANDARDS

The Company has considered all new accounting pronouncements and has concluded there are no new pronouncements that had or will have a material impact on the Company’s results of operations, comprehensive income, financial position, cash flows, stockholders’ equity or related disclosures based on current information.

NOTE 3 — REVENUE

The following table presents net sales by product.

	Three Months Ended March 31,		Six Months Ended March 31,	
	2023	**2022**	**2023**	**2022**
Shakes and other beverages	$ 299.9	$ 246.0	$ 596.9	$ 491.0
Powders	73.8	59.1	129.9	109.9
Other	11.9	10.1	21.5	20.8
Net Sales	$ 385.6	$ 315.2	$ 748.3	$ 621.7

NOTE 4 — RELATED PARTY TRANSACTIONS

Both prior to and subsequent to the Spin-off, transactions with Post were considered related party transactions as certain of the Company’s directors continue to serve as officers or directors of Post.

The Company sells certain products to, purchases certain products from and licenses certain intellectual property to and from Post and its subsidiaries based upon pricing governed by agreements between the Company and Post and its subsidiaries, consistent with pricing of similar arm's-length transactions. During each of the three and six months ended March 31, 2023 and 2022, net sales to, purchases from and royalties paid to and received from Post and its subsidiaries were immaterial.

The Company uses certain functions and services performed by Post under a master service agreement (the “MSA”). These functions and services include finance, internal audit, treasury, information technology support, insurance and tax matters, the use of office and/or data center space, payroll processing services and tax compliance services. The MSA was amended and restated upon completion of the Spin-off to provide for similar services following the Spin-off and such other services as BellRing and Post may agree. For the three and six months ended March 31, 2023, MSA fees were $1.0 and $2.3, respectively. For the three and six months ended March 31, 2022, MSA fees were $1.2 and $1.8, respectively. MSA fees were reported in “Selling, general and administrative expenses” in the Condensed Consolidated Statements of Operations.

The Company had immaterial receivables and other current liabilities with Post at both March 31, 2023 and September 30, 2022 related to sales and royalty expense with Post and its subsidiaries. The Company had $0.4 and $1.4 of payables with Post at March 31, 2023 and September 30, 2022, respectively, related to MSA fees as well as related party purchases, which were recorded in “Accounts payable,” on the Condensed Consolidated Balance Sheets.

Tax Agreements

Prior to the Spin-off, BellRing LLC made payments to Post related to quarterly tax distributions and state corporate tax withholdings made pursuant to the terms of the amended and restated limited liability company agreement of BellRing LLC (the “BellRing LLC Agreement”). During the six months ended March 31, 2022, BellRing LLC paid $3.2 to Post related to quarterly tax distributions.

In connection with and upon completion of the Spin-off, the Company entered into a tax matters agreement (the “Tax Matters Agreement”) by and among Post, BellRing and Old BellRing. The Tax Matters Agreement (i) governs the parties’ respective rights, responsibilities and obligations with respect to taxes, including taxes arising in the ordinary course of business and taxes, if any, that may be incurred if the Distribution fails to qualify for its intended tax treatment, (ii) addresses U.S. federal, state, local and non-U.S. tax matters and (iii) sets forth the respective obligations of the parties with respect to the filing of tax returns, the administration of tax contests and assistance and cooperation on tax matters.

Pursuant to the Tax Matters Agreement, BellRing is expected to indemnify Post for (i) all taxes for which BellRing is responsible (as described in the Tax Matters Agreement) and (ii) all taxes incurred by reason of certain actions or events, or by reason of any breach by BellRing or any of its subsidiaries of any of their respective representations, warranties or covenants under the Tax Matters Agreement that, in each case, affect the intended tax-free treatment of the Spin-off. Additionally, Post is expected to indemnify BellRing for the (i) taxes for which Post is responsible (as described in the Tax Matters Agreement) and (ii) taxes attributable to a failure of the Spin-off to qualify as tax-free, to the extent incurred by any action or failure to take any action within the control of Post. There were no amounts incurred by BellRing or Post under the Tax Matters Agreement during each of the three and six months ended March 31, 2023 and 2022.

Reimbursement Agreement and Co-Packing Agreement

In the first quarter of fiscal 2022, Premier Nutrition Company, LLC (“Premier Nutrition”), a subsidiary of the Company, and Michael Foods, Inc. (“MFI”), a subsidiary of Post, entered into a reimbursement agreement relating to MFI’s acquisition and development of property intended to be used as an aseptic processing plant for MFI or another subsidiary of Post to produce RTD shakes for Premier Nutrition (the “Reimbursement Agreement”). Pursuant to the Reimbursement Agreement, prior to the execution of a definitive agreement governing such production of RTD shakes for Premier Nutrition, Premier Nutrition would reimburse MFI for certain costs and expenses incurred in the acquisition and development of property for the processing plant. Premier Nutrition did not reimburse MFI for any amounts under the Reimbursement Agreement during fiscal 2022 and the Reimbursement Agreement terminated by its terms on September 30, 2022.

On September 30, 2022, Premier Nutrition entered into a Co-Packing Agreement with Comet Processing, Inc. (“Comet”), a wholly-owned subsidiary of Post. Under the Co-Packing Agreement, Comet will manufacture for Premier Nutrition, and Premier Nutrition will purchase from Comet, certain RTD shakes. Additionally, pursuant to the Co-Packing Agreement, Premier Nutrition will reimburse Comet for certain costs and expenses incurred in the acquisition and development of property for the processing plant. During the three and six months ended March 31, 2023, Premier Nutrition made no payments to Comet pursuant to the Co-Packing Agreement.

NOTE 5 — REDEEMABLE NONCONTROLLING INTEREST

Immediately prior to the Spin-off, Post held 97.5 million BellRing LLC units equal to 71.5% of the economic interest in BellRing LLC. Prior to the Spin-off, Post had the right to redeem BellRing LLC units for, at BellRing LLC’s option (as determined by its Board of Managers), (i) shares of Old BellRing Class A Common Stock, at an initial redemption rate of one share of Old BellRing Class A Common Stock for one BellRing LLC unit, subject to customary redemption rate adjustments for stock splits, stock dividends and reclassification or (ii) cash (based on the market price of the shares of Old BellRing Class A Common Stock).

Post's ownership of BellRing LLC units prior to the Spin-off represented a NCI to the Company, which was classified outside of permanent stockholders' equity as the BellRing LLC units were redeemable at the option of Post, through Post's ownership of its share of Old BellRing Class B Common Stock (see Note 1). The carrying amount of the NCI was the greater of (i) the initial carrying amount, increased or decreased for the NCI's share of net income or loss, other comprehensive income or loss ("OCI") and distributions or dividends or (ii) the redemption value. Changes in the redemption value of the NCI were recorded to "Additional paid-in capital", to the extent available, and "Accumulated deficit" on the Condensed Consolidated Statements of Stockholders' Deficit.

Immediately prior to the Spin-off, Old BellRing owned 28.5% of the outstanding BellRing LLC units. Prior to the Spin-off, the financial results of BellRing LLC and its subsidiaries were consolidated with Old BellRing, and the portion of the consolidated net earnings of BellRing LLC to which Post was entitled was allocated to the NCI during each period.

Immediately following the Spin-off, Post owned 14.2% of the BellRing Common Stock, which did not represent a controlling interest in the Company. As a result of the Spin-off, the carrying amount of the NCI was reduced to zero. As of March 31, 2023, Post had no ownership of BellRing Common Stock.

The following table summarizes the changes to the Company's NCI for the three and six months ended March 31, 2022. There were no changes to the Company's NCI for the three and six months ended March 31, 2023 as the carrying amount of the NCI was reduced to zero immediately following the Spin-off in fiscal 2022.

	As of and for the Three Months Ended March 31, 2022	As of and for the Six Months Ended March 31, 2022
Beginning of period	$ 2,780.9	$ 2,997.3
Net earnings attributable to NCI	2.6	33.7
Net change in hedges, net of tax	4.7	5.1
Foreign currency translation adjustments	(0.2)	(0.5)
Redemption value adjustment to NCI	(122.9)	(370.5)
Impact of Spin-off	(2,665.1)	(2,665.1)
End of period	$ —	$ —

The following table summarizes the effects of changes in NCI on the Company's equity for the three and six months ended March 31, 2022. There were no transfers to or from NCI for the three and six months ended March 31, 2023 as the carrying amount of the NCI was reduced to zero immediately following the Spin-off in fiscal 2022.

	Three Months Ended March 31, 2022	Six Months Ended March 31, 2022
Net earnings available to common stockholders	$ 1.3	$ 9.5
Transfers from NCI:		
Changes in equity as a result of redemption value adjustment to NCI	(122.9)	(370.5)
Increase in equity as a result of the Spin-off	(2,665.1)	(2,665.1)
Changes from net earnings available to common stockholders and transfers from NCI	$ (2,786.7)	$ (3,026.1)

NOTE 6 — INCOME TAXES

Prior to the Spin-off, Old BellRing held an economic interest in BellRing LLC (see Note 1) which, as a result of the IPO and formation transactions, was treated as a partnership for U.S. federal income tax purposes. As a partnership, BellRing LLC itself was generally not subject to U.S. federal income tax under current U.S. tax laws. Generally, items of taxable income, gain, loss and deduction of BellRing LLC were passed through to its members, Old BellRing and Post. Old BellRing was responsible for its share of taxable income or loss of BellRing LLC allocated to it in accordance with the BellRing LLC Agreement and partnership tax rules and regulations.

Subsequent to the Spin-off, the Company reported 100% of the income, gain, loss and deduction of BellRing LLC for U.S. federal, state, and local income tax purposes.

The effective income tax rate was 25.0% and 45.1% for the three months ended March 31, 2023 and 2022, respectively. The decrease in the effective income tax rate compared to the prior year was primarily due to higher separation-related expenses incurred in connection with the Spin-off in the prior year period that were treated as non-deductible, partially offset by the Company reporting 100% of the income, gain, loss and deduction of BellRing LLC in the periods subsequent to the Spin-off.

The effective income tax rate was 24.7% and 12.4% for the six months ended March 31, 2023 and 2022, respectively. The increase in the effective income tax rate compared to the prior year period was primarily due to the Company reporting 100% of the income, gain, loss and deduction of BellRing LLC in the periods subsequent to the Spin-off.

For additional information on the Tax Matters Agreement by and among Post, BellRing and Old BellRing, see Note 4.

NOTE 7 — EARNINGS PER SHARE

Prior to the Spin-off, basic earnings per share was based on the average number of shares of Old BellRing Class A Common Stock outstanding during each period. Diluted earnings per share was based on the average number of shares of Old BellRing Class A Common Stock used for the basic earnings per share calculation, adjusted for the dilutive effect of stock options and restricted stock units using the "treasury stock" method. In addition, "Net earnings available to common stockholders for diluted earnings per share" in the table below was adjusted for the dilutive impact of net earnings per share of Old BellRing Class A Common Stock attributable to NCI.

Subsequent to the Spin-off, basic earnings per share is based on the average number of shares of BellRing Common Stock outstanding during each period. Diluted earnings per share is based on the average number of shares of BellRing Common Stock used for the basic earnings per share calculation, adjusted for the dilutive effect of stock options and restricted stock units using the "treasury stock" method.

Prior to the Spin-off, the share of Old BellRing Class B Common Stock did not have economic rights, including rights to dividends or distributions upon liquidation, and was therefore not a participating security. Subsequent to the Spin-off, the share of Old BellRing Class B Common Stock was no longer outstanding. As such, separate presentation of basic and diluted earnings per share of Old BellRing Class B Common Stock under the two-class method was not presented for any periods.

The following table sets forth the computation of basic and diluted earnings per share.

	Three Months Ended March 31,		Six Months Ended March 31,	
	2023	2022	2023	2022
Net earnings available to common stockholders for basic earnings per share	$ 30.9	$ 1.3	$ 75.1	$ 9.5
Dilutive impact of net earnings attributable to NCI	—	—	—	—
Net earnings available to common stockholders for diluted earnings per share	$ 30.9	$ 1.3	$ 75.1	$ 9.5
shares in millions				
Weighted-average shares for basic earnings per share	133.4	62.7	134.1	51.0
Effect of dilutive securities:				
Stock options	0.1	—	0.1	—
Restricted stock units	0.2	0.2	0.2	0.2
Performance-based restricted stock units	0.8	—	0.4	—
Weighted-average shares for diluted earnings per share	134.5	62.9	134.8	51.2
Basic earnings per share of Common Stock	$ 0.23	$ 0.02	$ 0.56	$ 0.19
Diluted earnings per share of Common Stock	$ 0.23	$ 0.02	$ 0.56	$ 0.19

The following table details the securities that have been excluded from the calculation of weighted-average shares for diluted earnings per share as they were anti-dilutive.

	Three Months Ended March 31,		Six Months Ended March 31,	
shares in millions	2023	2022	2023	2022
Restricted stock units	—	0.2	0.1	0.1
Performance-based restricted stock units	—	0.1	0.3	0.1

NOTE 8 — INVENTORIES

	March 31, 2023	September 30, 2022
Raw materials and supplies	$ 91.2	$ 58.3
Work in process	0.1	0.1
Finished products	174.2	141.4
Inventories	$ 265.5	$ 199.8

NOTE 9 — PROPERTY, NET

	March 31, 2023	September 30, 2022
Property, at cost	$ 23.0	$ 21.5
Accumulated depreciation	(14.7)	(13.5)
Property, net	$ 8.3	$ 8.0

NOTE 10 — GOODWILL

The components of “Goodwill” on the Condensed Consolidated Balance Sheets at both March 31, 2023 and September 30, 2022 are presented in the following table.

Goodwill, gross	$ 180.7
Accumulated impairment losses	(114.8)
Goodwill	$ 65.9

NOTE 11 — INTANGIBLE ASSETS, NET

Total intangible assets are as follows:

	March 31, 2023			September 30, 2022		
	Carrying Amount	Accumulated Amortization	Net Amount	Carrying Amount	Accumulated Amortization	Net Amount
Customer relationships	$ 178.4	$ (89.8)	$ 88.6	$ 178.3	$ (84.9)	$ 93.4
Trademarks and brands	194.0	(88.9)	105.1	195.1	(85.2)	109.9
Other intangible assets	3.1	(3.1)	—	3.1	(3.1)	—
Intangible assets, net	$ 375.5	$ (181.8)	$ 193.7	$ 376.5	$ (173.2)	$ 203.3

NOTE 12 — FAIR VALUE MEASUREMENTS

The Company’s financial assets and liabilities include cash and cash equivalents, receivables and accounts payable for which the carrying value approximates fair value due to their short maturities (less than 12 months). The Company does not record its long-term debt at fair value on the Condensed Consolidated Balance Sheets. The fair value of outstanding borrowings under the Revolving Credit Facility (as defined in Note 13) as of March 31, 2023 and September 30, 2022 approximated its carrying value. Based on current market rates, the fair value (Level 2) of the Company’s debt, excluding any borrowings under the Revolving Credit Facility, was $854.5 and $767.4 as of March 31, 2023 and September 30, 2022, respectively.

Certain assets and liabilities, including property, plant and equipment, goodwill and other intangible assets, are measured at fair value on a non-recurring basis.

NOTE 13 — LONG-TERM DEBT

The following table presents the components of “Long-term debt” on the Condensed Consolidated Balance Sheets.

	March 31, 2023	September 30, 2022
7.00% Senior Notes maturing in March 2030	$ 840.0	$ 840.0
Revolving Credit Facility	139.0	99.0
Total principal amount of debt	979.0	939.0
Less: Debt issuance costs, net	8.9	9.5
Long-term debt	$ 970.1	$ 929.5

Senior Notes

On March 10, 2022, pursuant to the Transaction Agreement, the Company issued $840.0 aggregate principal amount of 7.00% senior notes maturing in March 2030 (the “7.00% Senior Notes”) to Post as partial consideration for the Contribution in connection with the Distribution. Post subsequently delivered the 7.00% Senior Notes to certain financial institutions in satisfaction of term loan obligations of Post in an equal principal amount.

The 7.00% Senior Notes were issued at par, and the Company incurred debt issuance costs of $10.2, which were deferred and are being amortized to interest expense over the term of the 7.00% Senior Notes. Interest payments are due semi-annually each March 15 and September 15, and began on September 15, 2022. The 7.00% Senior Notes are senior unsecured obligations of BellRing and are guaranteed by BellRing’s existing and subsequently acquired or organized direct and indirect wholly-owned domestic subsidiaries (other than immaterial subsidiaries, certain excluded subsidiaries and subsidiaries the Company may designate as unrestricted subsidiaries). The maturity date of the 7.00% Senior Notes is March 15, 2030.

Credit Agreement

On March 10, 2022, pursuant to the Transaction Agreement, the Company entered into a credit agreement (as amended, the “Credit Agreement”), which provides for a revolving credit facility in an aggregate principal amount of $250.0 (the “Revolving Credit Facility”), with commitments made available to the Company in U.S. Dollars, Euros and United Kingdom (“U.K.”) Pounds Sterling. Letters of credit are available under the Credit Agreement in an aggregate amount of up to $20.0. The outstanding amounts under the Credit Agreement must be repaid on or before March 10, 2027.

Borrowings under the Revolving Credit Facility bear interest at an annual rate equal to: (i) in the case of loans denominated in U.S. Dollars, at the Company’s option, the base rate (as defined in the Credit Agreement) plus a margin which was initially 2.00% and thereafter will range from 2.00% to 2.75% depending on the Company’s secured net leverage ratio (as defined in the Credit Agreement), or the adjusted term SOFR rate (as defined in the Credit Agreement) for the applicable interest period plus a margin which was initially 3.00% and thereafter will range from 3.00% to 3.75% depending on the Company’s secured net leverage ratio; (ii) in the case of loans denominated in Euros, the adjusted Eurodollar rate (as defined in the Credit Agreement) for the applicable interest period plus a margin which was initially 3.00% and thereafter will range from 3.00% to 3.75% depending on the Company’s secured net leverage ratio; and (iii) in the case of loans denominated in U.K. Pounds Sterling, the adjusted daily simple RFR (as defined in the Credit Agreement) plus a margin which was initially 3.00% and thereafter will range from 3.00% to 3.75% depending on the Company’s secured net leverage ratio. Facility fees on the daily unused amount of commitments under the Revolving Credit Facility initially accrued at the rate of 0.25% per annum, and thereafter, will accrue at rates ranging from 0.25% to 0.375% per annum, depending on the Company’s secured net leverage ratio.

The Company incurred $1.5 of financing fees in connection with the Revolving Credit Facility, which were deferred and are being amortized to interest expense over the term of the Revolving Credit Facility. During the six months ended March 31, 2023 and 2022, the Company borrowed $115.0 and $109.0 under the Revolving Credit Facility, respectively, and repaid $75.0 and zero under the Revolving Credit Facility, respectively. The interest rates on the utilized portion of the Revolving Credit Facility ranged from 7.86% to 10.00% as of March 31, 2023 and 5.95% to 8.25% as of September 30, 2022. The available borrowing capacity under the Revolving Credit Facility was $111.0 and $151.0 as of March 31, 2023 and September 30, 2022, respectively. There were no outstanding letters of credit as of March 31, 2023 or September 30, 2022.

Under the terms of the Credit Agreement, the Company is required to maintain a total net leverage ratio (as defined in the Credit Agreement) not to exceed 6.00:1.00, measured as of the last day of each fiscal quarter. The total net leverage ratio of the Company did not exceed this threshold as of March 31, 2023.

The Credit Agreement provides for potential incremental revolving and term facilities at the Company's request and at the discretion of the lenders or other persons providing such incremental facilities, in each case on terms to be determined, and also permits the Company to incur other secured or unsecured debt, in all cases subject to conditions and limitations as specified in the Credit Agreement.

Furthermore, the Credit Agreement provides for customary events of default. Upon the occurrence and during the continuance of an event of default, the maturity of the loans under the Credit Agreement may accelerate and the administrative agent and lenders under the Credit Agreement may exercise other rights and remedies available at law or under the loan documents, including with respect to the collateral securing, and guarantees of, the Company's obligations under the Credit Agreement.

The Company's obligations under the Credit Agreement are unconditionally guaranteed by its existing and subsequently acquired or organized direct and indirect subsidiaries (other than immaterial subsidiaries, certain excluded subsidiaries and subsidiaries the Company may designate as unrestricted subsidiaries) and are secured by security interests in substantially all of the Company's assets and the assets of its subsidiary guarantors, but excluding, in each case, real property.

Old Credit Agreement

On October 21, 2019, BellRing LLC entered into a credit agreement (as subsequently amended, the "Old Credit Agreement") which provided for a term B loan facility in an aggregate original principal amount of $700.0 (the "Term B Facility") and a revolving credit facility in an aggregate principal amount of up to $200.0 (the "Old Revolving Credit Facility"), with the commitments under the Old Revolving Credit Facility to be made available to BellRing LLC in U.S. Dollars, Euros and U.K. Pounds Sterling. Letters of credit were available under the Old Credit Agreement in an aggregate amount of up to $20.0.

On March 10, 2022, with certain of the proceeds from the transactions related to the Spin-off, BellRing LLC repaid the aggregate outstanding principal balance of $519.8 on its Term B Facility and terminated all obligations and commitments under the Old Credit Agreement. The Company recorded a loss of $17.6 during the three and six months ended March 31, 2022, which was included in "Loss on extinguishment of debt, net" in the Condensed Consolidated Statements of Operations. This loss included (i) a $6.9 write-off of unamortized discounts and debt extinguishment fees, (ii) a $6.1 write-off of unamortized net hedging losses recorded within accumulated OCI related to the Term B Facility and (iii) a $4.6 write-off of debt issuance costs and deferred financing fees.

Following the termination of the Old Credit Agreement, BellRing LLC and the guarantors had no further obligations under the Old Credit Agreement and the related guarantees other than customary indemnification obligations which continue.

The Term B Facility required quarterly scheduled amortization payments of $8.75 which began on March 31, 2020. Interest was paid on each Interest Payment Date (as defined in the Old Credit Agreement) during the periods prior to the termination of the Old Credit Agreement. The Term B Facility contained customary mandatory prepayment provisions, and during the six months ended March 31, 2022 and prior to the termination of the Old Credit Agreement, the Company repaid $81.4 on its Term B Facility as a mandatory prepayment from fiscal 2021 excess cash flow (as defined in the Old Credit Agreement), which was in addition to the scheduled amortization payments.

There were no borrowings under or repayments on the Old Revolving Credit Facility during the six months ended March 31, 2022 prior to the facility being terminated.

NOTE 14 — COMMITMENTS AND CONTINGENCIES

Legal Proceedings

Joint Juice Litigation

In March 2013, a complaint was filed on behalf of a putative, nationwide class of consumers against Premier Nutrition in the U.S. District Court for the Northern District of California seeking monetary damages and injunctive relief. The case asserted that some of Premier Nutrition's advertising claims regarding its *Joint Juice* line of glucosamine and chondroitin dietary supplement beverages were false and misleading. In April 2016, the district court certified a California-only class of consumers in this lawsuit (this lawsuit is hereinafter referred to as the "California Federal Class Lawsuit").

In 2016 and 2017, the lead plaintiff's counsel in the California Federal Class Lawsuit filed ten additional class action complaints in the U.S. District Court for the Northern District of California on behalf of putative classes of consumers under the laws of Connecticut, Florida, Illinois, New Jersey, New Mexico, New York, Maryland, Massachusetts, Michigan and Pennsylvania (the "Related Federal Actions"). These complaints contain factual allegations similar to the California Federal Class Lawsuit, also seeking monetary damages and injunctive relief. The action on behalf of New Jersey consumers was voluntarily dismissed. Trial in the action on behalf of New York consumers was held beginning in May 2022, and the jury delivered its verdict in favor of plaintiff in June 2022. In August 2022, the Court entered a judgment in that case in favor of plaintiff in the amount of $12.9, which includes statutory damages and prejudgment interest. In October 2022, each plaintiff and Premier Nutrition filed Notices of Appeal to the Ninth Circuit, on February 7, 2023 plaintiff filed its Opening Brief and on April 28, 2023 Premier Nutrition filed its Answering Brief. The other eight Related Federal Actions remain pending, and the court has certified individual state classes in each of those cases (except New Mexico).

In April 2018, the district court dismissed the California Federal Class Lawsuit with prejudice. This dismissal was upheld on appeal by the U.S. Court of Appeals for the Ninth Circuit in 2020, and plaintiff's petition for an en banc rehearing by the Ninth Circuit was denied.

In September 2020, the same lead counsel re-filed the California Federal Class Lawsuit against Premier Nutrition in California Superior Court for the County of Alameda, alleging identical claims and seeking restitution and injunctive relief on behalf of the same putative class of California consumers as the California Federal Class Lawsuit. Following the federal district court's denial of Premier Nutrition's motion to permanently enjoin the Alameda action under the doctrine of *res judicata*, Premier Nutrition appealed to the Ninth Circuit. In September 2022, the Ninth Circuit affirmed the district court's denial of Premier Nutrition's motion to enjoin the Alameda action, holding that the Alameda Superior Court would have to decide whether plaintiff's claims are barred by *res judicata*. The hearing on Premier Nutrition's motion for judgment based on *res judicata* currently in the Alameda Superior Court was held on February 24, 2023 and on March 23, 2023 the Court granted the motion in part and denied it in part. On April 14, 2023, Plaintiff filed a motion for reconsideration and Premier Nutrition filed a motion for judgment on the pleadings. Both motions remain pending. This case is set for trial in September 2023 and will be consolidated for trial with the case set forth in the following paragraph.

In January 2019, the same lead counsel filed an additional class action complaint against Premier Nutrition in California Superior Court for the County of Alameda, alleging claims similar to the above actions and seeking monetary damages and injunctive relief on behalf of a putative class of California consumers, beginning after the California Federal Class Lawsuit class period. This case is set for trial in September 2023 and will be consolidated for trial with the case set forth in the immediately preceding paragraph..

The Company continues to vigorously defend these cases and intends to appeal any adverse judgements and awards of damages. The Company does not believe that the ultimate resolution of these cases will have a material adverse effect on its financial condition, results of operations or cash flows.

Other than legal fees, no expense related to this litigation was incurred during the three or six months ended March 31, 2023 or 2022. At both March 31, 2023 and September 30, 2022, the Company had an estimated liability of $16.0 related to these matters that was included in "Other current liabilities" on the Condensed Consolidated Balance Sheets.

Other

In the fourth quarter of fiscal 2022, a voluntary product recall was initiated by one of the Company's contract manufacturers which produces RTD shakes for Premier Nutrition. The recall covered the Company's products produced from December 8, 2021 through July 9, 2022 at one of the contract manufacturer's facilities. The Company believes the impact of the recall on the financial condition, results of operations and cash flows of the Company has been and will continue to be immaterial.

The Company is subject to various other legal proceedings and actions arising in the normal course of business. In the opinion of management, based upon the information presently known, the ultimate liability, if any, arising from such pending legal proceedings, as well as from asserted legal claims and known potential legal claims which are likely to be asserted, taking into account established accruals for estimated liabilities (if any), are not expected to be material individually or in the aggregate to the consolidated financial condition, results of operations or cash flows of the Company. In addition, although it is difficult to estimate the potential financial impact of actions regarding expenditures for compliance with regulatory matters, in the opinion of management, based upon the information currently available, the ultimate liability arising from such compliance matters is not expected to be material to the consolidated financial condition, results of operations or cash flows of the Company.

NOTE 15 — STOCKHOLDERS' DEFICIT

The following table summarizes the Company's repurchases of BellRing Common Stock. There were no repurchases of BellRing Common Stock during the three and six months ended March 31, 2022.

	Three Months Ended March 31, 2023	Six Months Ended March 31, 2023
Shares repurchased *(in millions)*	0.9	2.7
Average price per share (a)	$ 29.74	$ 25.52
Total share repurchase cost (b)	$ 27.6	$ 68.8

(a) Average price per share excludes accrued excise tax and broker's commissions, which are included in "Total share repurchase cost" within this table.

(b) "Purchases of treasury stock" in the Condensed Consolidated Statements of Cash Flows for the six months ended March 31, 2023 excluded $0.3 of accrued excise tax that had not been paid as of March 31, 2023 and was included in "Other current liabilities" on the Condensed Consolidated Balance Sheets at March 31, 2023.

The following table summarizes the Company's repurchases of Old BellRing Class A Common Stock. There were no repurchases of Old BellRing Class A Common Stock during the three months ended March 31, 2022.

	Six Months Ended March 31, 2022
Shares repurchased *(in millions)*	0.8
Average price per share (a)	$ 23.34
Total share repurchase cost	$ 18.1

(a) Average price per share excludes broker's commissions, which are included in "Total share repurchase cost" within this table.

In connection with the Spin-off, 0.8 million shares of Old BellRing Class A Common Stock held in treasury stock immediately prior to the Merger effective time were cancelled pursuant to the Transaction Agreement.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion summarizes the significant factors affecting the consolidated operating results, financial condition, liquidity and capital resources of BellRing Brands, Inc. (formally known as BellRing Distribution, LLC) ("BellRing") and its consolidated subsidiaries. This discussion should be read in conjunction with our unaudited condensed consolidated financial statements and notes thereto included herein, our audited consolidated financial statements and notes thereto in our Annual Report on Form 10-K for the fiscal year ended September 30, 2022, and the "Cautionary Statement on Forward-Looking Statements" section included below.

OVERVIEW

On October 21, 2019, BellRing Intermediate Holdings, Inc. (formerly known as BellRing Brands, Inc.) ("Old BellRing") closed its initial public offering (the "IPO") of 39.4 million shares of its Class A common stock, $0.01 par value per share (the "Old BellRing Class A Common Stock") and contributed the net proceeds from the IPO to BellRing Brands, LLC, a Delaware limited liability company and subsidiary of Old BellRing ("BellRing LLC"), in exchange for 39.4 million BellRing LLC non-voting membership units (the "BellRing LLC units"). As a result of the IPO and certain other transactions completed in connection with the IPO (the "formation transactions"), BellRing LLC became the holding company for the active nutrition business of Post Holdings, Inc. ("Post"). Old BellRing, as a holding company, had no material assets other than its ownership of BellRing LLC units and its indirect interests in the subsidiaries of BellRing LLC and had no independent means of generating revenue or cash flow. The members of BellRing LLC were Post and Old BellRing.

During the second quarter of fiscal 2022, Post completed its distribution of 80.1% of its ownership interest in BellRing to Post's shareholders. On March 9, 2022, pursuant to the Transaction Agreement and Plan of Merger, dated as of October 26, 2021 (as amended by Amendment No. 1 to the Transaction Agreement and Plan of Merger, dated as of February 28, 2022, the "Transaction Agreement"), by and among Post, Old BellRing, BellRing and BellRing Merger Sub Corporation, a wholly-owned subsidiary of BellRing ("BellRing Merger Sub"), Post contributed its share of Old BellRing Class B common stock, $0.01 par value per share ("Old BellRing Class B Common Stock"), all of its BellRing LLC units and $550.4 million of cash to BellRing (collectively, the "Contribution") in exchange for certain limited liability company interests of BellRing (prior to the conversion of BellRing into a Delaware corporation) and the right to receive $840.0 million in aggregate principal amount of BellRing's 7.00% senior notes maturing in 2030 (the "7.00% Senior Notes").

On March 10, 2022, BellRing converted into a Delaware corporation and changed its name to "BellRing Brands, Inc.", and Post distributed an aggregate of 78.1 million, or 80.1%, of its shares of BellRing common stock, $0.01 par value per share ("BellRing Common Stock") to Post shareholders in a pro-rata distribution (the "Distribution").

Upon completion of the Distribution, BellRing Merger Sub merged with and into Old BellRing (the "Merger"), with Old BellRing continuing as the surviving corporation and becoming a wholly-owned subsidiary of BellRing. Pursuant to the Merger, each outstanding share of Old BellRing Class A Common Stock was converted into one share of BellRing Common Stock plus $2.97 in cash, or $115.5 million total consideration paid to Old BellRing Class A common stockholders pursuant to the Merger. As a result of the transactions described above (collectively, the "Spin-off"), BellRing became the new public parent company of, and successor issuer to, Old BellRing, and shares of BellRing Common Stock were deemed to be registered under Section 12(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), pursuant to Rule 12g-3(a) promulgated thereunder.

Immediately prior to the Spin-off, Post held 97.5 million BellRing LLC units, equal to 71.5% of the economic interest in BellRing LLC, and one share of Old BellRing Class B Common Stock, which represented 67% of the combined voting power of the common stock of Old BellRing. Immediately following the Spin-off, Post owned 19.4 million shares, or 14.2% of BellRing Common Stock, which did not represent a controlling interest in BellRing. As a result of the Spin-off, the dual class voting structure in the BellRing business was eliminated.

On August 11, 2022, Post transferred 14.8 million shares of its BellRing Common Stock to certain financial institutions in satisfaction of term loan obligations of Post, which reduced Post's ownership of BellRing Common Stock to 3.4% as of September 30, 2022. In connection with this transaction, BellRing repurchased 0.8 million of the transferred shares from certain of the financial institutions.

On November 25, 2022, Post transferred the remaining of its 4.6 million shares of BellRing Common Stock to certain financial institutions in satisfaction of term loan obligations of Post. In connection with this transaction, BellRing repurchased 0.9 million of the transferred shares from certain of the financial institutions. Post had no ownership of BellRing Common Stock as of March 31, 2023.

BellRing incurred separation-related expenses in connection with its separation from Post of $0.4 million and $0.7 million during the three and six months ended March 31, 2023, respectively, and $10.3 million and $12.3 million during the three and six months ended March 31, 2022, respectively. These expenses generally included third party costs for advisory services, fees charged by other service providers and government filing fees and were included in "Selling, general and administrative expenses" in the Condensed Consolidated Statements of Operations.

The terms "our", "we", "us" and the "Company" generally refer to Old BellRing and its consolidated subsidiaries during the periods prior to the Spin-off and to us and our consolidated subsidiaries during the periods subsequent to the Spin-off unless otherwise stated or context otherwise indicates. The term "Common Stock" generally refers to Old BellRing Class A Common Stock and Old BellRing Class B Common Stock during the periods prior to the Spin-off and to BellRing Common Stock during the periods subsequent to the Spin-off. The term "Net earnings available to common stockholders" generally refers to net earnings available to Old BellRing Class A common stockholders during the periods prior to the Spin-off and to net earnings available to BellRing common stockholders during the periods subsequent to the Spin-off.

We are a consumer products holding company operating in the global convenient nutrition category and are a provider of ready-to-drink ("RTD") protein shakes, other RTD beverages and powders. We have a single operating and reportable segment, with our principal products being protein-based consumer goods. Our primary brands are *Premier Protein* and *Dymatize.*

Market Trends

Events such as the COVID-19 pandemic have resulted in certain ongoing impacts to the global economy, including market disruptions, supply chain challenges and inflationary pressures. During the first half of fiscal 2023, input cost inflation continued to pressure our supply chain. Raw material and packaging inflation has been widespread, rapid and significant and has put downward pressure on profit margins. As a result, we have taken pricing actions on nearly all products. We expect inflationary pressures to continue during the fiscal year, and this trend could have a materially adverse impact in the future if inflation rates were to significantly exceed our ability to achieve price increases or cost savings or if such price increases impact demand for our products.

For additional discussion, refer to "Liquidity and Capital Resources" and "Cautionary Statement on Forward-Looking Statements" within this section.

RESULTS OF OPERATIONS

	Three Months Ended March 31,				Six Months Ended March 31,			
			favorable/(unfavorable)				favorable/(unfavorable)	
dollars in millions	2023	2022	$ Change	% Change	2023	2022	$ Change	% Change
Net Sales	$ 385.6	$ 315.2	$ 70.4	22 %	$ 748.3	$ 621.7	$ 126.6	20 %
Operating Profit	$ 58.0	$ 33.2	$ 24.8	75 %	$ 133.2	$ 83.8	$ 49.4	59 %
Interest expense, net	16.8	8.5	(8.3)	(98)%	33.5	16.9	(16.6)	(98)%
Loss on extinguishment of debt, net	—	17.6	17.6	100 %	—	17.6	17.6	100 %
Income tax expense	10.3	3.2	(7.1)	(222)%	24.6	6.1	(18.5)	(303)%
Less: Net earnings attributable to redeemable noncontrolling interest	—	2.6	2.6	100 %	—	33.7	33.7	100 %
Net Earnings Available to Common Stockholders	$ 30.9	$ 1.3	$ 29.6	2,277 %	$ 75.1	$ 9.5	$ 65.6	691 %

Net Sales

Net sales increased $70.4 million, or 22%, during the three months ended March 31, 2023, compared to the prior year period. Sales of *Premier Protein* products were up $65.1 million, or 26%, driven by higher average net selling prices. Average net selling prices increased in the three months ended March 31, 2023 due to targeted price increases taken to mitigate inflation. Volumes increased 6% primarily driven by higher production. Sales of *Dymatize* products were up $5.8 million, or 11%, driven by higher average net selling prices, on 1% lower volumes. Average net selling prices increased in the three months ended March 31, 2023 due to targeted price increases, partially offset by increased promotional spending. Sales of all other products were down $0.5 million.

Net sales increased $126.6 million, or 20%, during the six months ended March 31, 2023, compared to the prior year period. Sales of *Premier Protein* products were up $122.3 million, or 25%, driven by higher average net selling prices. Average net selling prices increased in the six months ended March 31, 2023 primarily due to targeted price increases taken to mitigate inflation. Volumes increased 6% primarily driven by higher production. Sales of *Dymatize* products were up $6.9 million, or 7%, driven by higher average net selling prices. Average net selling prices increased in the six months ended March 31, 2023 due to targeted price increases and favorable product mix, partially offset by increased promotional spending. This increase in average net selling prices was partially offset by volume decreases of 10%, which were primarily driven by the lapping of prior year product discontinuations. Sales of all other products were down $2.6 million.

Operating Profit

Operating profit increased $24.8 million, or 75%, during the three months ended March 31, 2023, compared to the prior year period. This increase was primarily driven by higher net sales, as previously discussed, and $9.9 million of lower costs related to the separation from Post. These positive impacts were partially offset by higher net product costs of $26.2 million primarily driven by unfavorable raw material costs, partially offset by lower freight costs. In addition, advertising expenses increased by $7.4 million.

Operating profit increased $49.4 million, or 59%, during the six months ended March 31, 2023, compared to the prior year period. This increase was primarily driven by higher net sales, as previously discussed, and $11.6 million of lower costs related to the separation from Post. These positive impacts were partially offset by higher net product costs of $51.0 million primarily driven by unfavorable raw material costs partially offset by lower freight and manufacturing costs. In addition, we incurred higher advertising expenses of $8.4 million and higher employee related expenses.

Interest Expense, Net

Interest expense, net increased $8.3 million during the three months ended March 31, 2023, compared to the prior year period. This increase was primarily due to higher outstanding principal amounts of debt and a higher weighted-average interest rate compared to the prior year period. The weighted-average interest rate on our total outstanding debt increased to 7.3% for the three months ended March 31, 2023 from 5.6% for the three months ended March 31, 2022, primarily driven by the issuance of our 7.00% Senior Notes in March of fiscal 2022.

Interest expense, net increased $16.6 million during the six months ended March 31, 2023, compared to the prior year period. This increase was primarily due to higher outstanding principal amounts of debt and a higher weighted-average interest rate compared to the prior year period. The weighted-average interest rate on our total outstanding debt increased to 7.2% for the six months ended March 31, 2023 from 5.2% for the six months ended March 31, 2022, primarily driven by the issuance of our 7.00% Senior Notes in March of fiscal 2022. See Note 13 within "Notes to Condensed Consolidated Financial Statements" for additional information on our debt.

Loss on Extinguishment of Debt, Net

During the three and six months ended March 31, 2022, we recognized a $17.6 million loss related to the termination of our credit agreement entered into on October 21, 2019 (as subsequently amended, the "Old Credit Agreement"). This loss included (i) a $6.9 million write-off of unamortized discounts and debt extinguishment fees, (ii) a $6.1 million write-off of unamortized net hedging losses recorded within accumulated other comprehensive income or loss related to BellRing LLC's term loan B facility (the "Term B Facility") and (iii) a $4.6 million write-off of debt issuance costs and deferred financing fees.

See Note 13 within "Notes to Condensed Consolidated Financial Statements" for additional information on our debt.

Income Tax Expense

Prior to the Spin-off, Old BellRing held an economic interest in BellRing LLC which, as a result of the IPO and formation transactions, was treated as a partnership for United States ("U.S.") federal income tax purposes. As a partnership, BellRing LLC itself was generally not subject to U.S. federal income tax under applicable U.S. tax laws. Generally, items of taxable income, gain, loss and deduction of BellRing LLC were passed through to its members, Old BellRing and Post. Old BellRing was responsible for its share of taxable income or loss of BellRing LLC allocated to it in accordance with the amended and restated limited liability company agreement of BellRing LLC and partnership tax rules and regulations.

Subsequent to the Spin-off, we reported 100% of the income, gain, loss and deduction of BellRing LLC for U.S. federal, state and local income tax purposes.

Our effective income tax rate was 25.0% and 45.1% for the three months ended March 31, 2023 and 2022, respectively. The decrease in our effective income tax rate compared to the prior year was primarily due to higher separation-related expenses incurred in connection with the Spin-off in the prior year period that were treated as non-deductible, partially offset by us reporting 100% of the income, gain, loss and deduction of BellRing LLC in the periods subsequent to the Spin-off.

Our effective income tax rate was 24.7% and 12.4% for the six months ended March 31, 2023 and 2022, respectively. The increase in our effective income tax rate compared to the prior year period was primarily due to us reporting 100% of the income, gain, loss and deduction of BellRing LLC in the periods subsequent to the Spin-off.

In accordance with Accounting Standards Codification ("ASC") Topic 740, "Income Taxes," we recorded income tax expense for interim periods using the estimated annual effective income tax rate for the full fiscal year adjusted for the impact of discrete items occurring during the interim periods.

LIQUIDITY AND CAPITAL RESOURCES

We expect to generate positive cash flows from operations and believe our cash on hand, cash flows from operations and possible future credit facilities will be sufficient to satisfy our future working capital requirements, research and development activities, debt repayments, share repurchases and other financing requirements for the foreseeable future. Our asset-light business model requires modest capital expenditures, with annual capital expenditures over the last three fiscal years averaging less than 1% of net sales. No significant capital expenditures are planned for the remainder of fiscal 2023. Our ability to generate positive cash flows from operations is dependent on general economic conditions, competitive pressures and other business risk factors. If we are unable to generate sufficient cash flows from operations, or otherwise to comply with the terms of our credit facilities, we may be required to seek additional financing alternatives. Additionally, we may seek to repurchase shares of our common stock. Such repurchases, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

During the six months ended March 31, 2023, we borrowed $115.0 million under our revolving credit facility, which is provided for under our credit agreement entered into on March 10, 2022 (as amended, the "Credit Agreement") in an aggregate principal amount of $250.0 million (the "Revolving Credit Facility"), and repaid $75.0 million under the Revolving Credit Facility. We had available borrowing capacity under the Revolving Credit Facility of $111.0 million and no outstanding letters of credit under the Revolving Credit Facility as of March 31, 2023. Letters of credit are available under the Revolving Credit Facility in an aggregate amount of up to $20.0 million. Our Credit Agreement provides for potential incremental revolving and term facilities at the Company's request and at the discretion of the lenders or other persons providing such incremental facilities, in each case on terms to be determined, and also permits the Company to incur other secured or unsecured debt, in all cases subject to conditions and limitations on the amount as specified in the Credit Agreement.

During the six months ended March 31, 2023, we repurchased 2.7 million shares of BellRing Common Stock at an average share price of $25.52 per share and a total cost, including accrued excise tax and broker's commissions, of $68.8 million.

In December 2022, we entered into a co-manufacturing agreement for the manufacturing and packaging of our RTD shakes (the "Agreement"). The Agreement included a minimum purchase quantity requirement and a "take-or-pay" provision, which increased our purchase commitments by $200.0 million through fiscal 2028 (with $40.0 million due in the next 12 months).

The following table shows select cash flow data, which is discussed below.

dollars in millions	Six Months Ended March 31, 2023	Six Months Ended March 31, 2022
Cash provided by (used in):		
Operating activities	$ 20.3	$ 17.6
Investing activities	(0.5)	(1.1)
Financing activities	(30.7)	(99.5)
Effect of exchange rate changes on cash and cash equivalents	0.6	(0.1)
Net decrease in cash and cash equivalents	$ (10.3)	$ (83.1)

Operating Activities

Cash provided by operating activities for the six months ended March 31, 2023 increased $2.7 million compared to the prior year period. This increase was primarily driven by higher net earnings and favorable changes related to fluctuations in the timing of purchases and payments of trade payables and sales and collections of trade receivables. These positive impacts were partially offset by unfavorable changes related to an increase in inventory, which was driven by input cost inflation and higher raw material levels, increased tax payments (net of refunds) of $28.5 million and increased interest payments of $20.6 million.

Investing Activities

Cash used in investing activities for the six months ended March 31, 2023 decreased $0.6 million compared to the prior year period resulting from a decrease in capital expenditures.

Financing Activities

Six months ended March 31, 2023

Cash used in financing activities for the six months ended March 31, 2023 was $30.7 million. We paid $68.5 million, including broker's commissions, for the repurchase of shares of our Common Stock and repaid $75.0 million under the Revolving Credit Facility. Additionally, we borrowed $115.0 million under the Revolving Credit Facility.

Six months ended March 31, 2022

Cash used in financing activities for the six months ended March 31, 2022 was $99.5 million. We repaid the outstanding principal balance of the Term B Facility of $609.9 million, paid $115.5 million to Old BellRing Class A common stockholders pursuant to the Merger and paid $11.1 million of debt issuance costs, debt extinguishment costs and deferred financing fees related to the issuance of the 7.00% Senior Notes and the Revolving Credit Facility. Additionally, we paid $18.1 million, including broker's commissions, for the repurchase of shares of Old BellRing Class A Common Stock prior to the Spin-off. We received $550.4 million of cash from Post in connection with the Spin-off, which was partially offset by cash distributions to Post of $3.2 million related to quarterly tax distributions pursuant to BellRing LLC's amended and restated limited liability company agreement prior to the Spin-off. Additionally, we borrowed $109.0 million under the Revolving Credit Facility.

Debt Covenants

The Credit Agreement contains customary affirmative and negative covenants applicable to us and our restricted subsidiaries for agreements of this type, including delivery of financial and other information; compliance with laws; maintenance of property; existence, insurance and books and records; inspection rights; obligation to provide collateral and guarantees by certain new subsidiaries; delivery of environmental reports; participation in an annual meeting with the agent and the lenders; further assurances; and limitations with respect to indebtedness, liens, fundamental changes, restrictive agreements, use of proceeds, amendments of organization documents, prepayments and amendments of certain indebtedness, dispositions of assets, acquisitions and other investments, sale leaseback transactions, changes in the nature of business, transactions with affiliates and dividends and redemptions or repurchases of stock. Under the terms of the Credit Agreement, we are also required to comply with a financial covenant requiring us to maintain a total net leverage ratio (as defined in the Credit Agreement) not to exceed 6.00:1.00, measured as of the last day of each fiscal quarter. We were in compliance with the financial covenant as of March 31, 2023, and we do not believe non-compliance is reasonably likely in the foreseeable future.

The Credit Agreement provides for potential incremental revolving and term facilities at our request and at the discretion of the lenders or other persons providing such incremental facilities, in each case on terms to be determined, and also permits us to incur other secured or unsecured debt, in all cases subject to conditions and limitations on the amount as specified in the Credit Agreement.

In addition, the indenture governing the 7.00% Senior Notes contains customary negative covenants that limit our ability and the ability of our restricted subsidiaries to, among other things: borrow money or guarantee debt; create liens; pay dividends on, or redeem or repurchase, stock; make specified types of investments and acquisitions; enter into or permit to exist contractual limits on the ability of our subsidiaries to pay dividends to us; enter into transactions with affiliates; and sell assets or merge with other companies. Certain of these covenants are subject to suspension when and if the 7.00% Senior Notes receive investment grade ratings.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our critical accounting policies and estimates are more fully described in our Annual Report on Form 10-K for the year ended September 30, 2022, as filed with the Securities and Exchange Commission (the "SEC") on November 17, 2022. There have been no significant changes to our critical accounting policies and estimates since September 30, 2022.

RECENTLY ISSUED ACCOUNTING STANDARDS

We have considered all new accounting pronouncements and have concluded there are no new pronouncements that had or will have a material impact on our results of operations, comprehensive income, financial position, cash flows, stockholders' equity or related disclosures based on current information.

CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

Forward-looking statements, within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act, are made throughout this report, including statements regarding unanticipated developments that negatively impact the BellRing Common Stock. These forward-looking statements are sometimes identified from the use of forward-looking words such as "believe," "should," "could," "potential," "continue," "expect," "project," "estimate," "predict," "anticipate," "aim," "intend," "plan," "forecast," "target," "is likely," "will," "can," "may" or "would" or the negative of these terms or similar expressions elsewhere in this report. Our financial condition, results of operations and cash flows may differ materially from those in the forward-looking statements. Such statements are based on management's current views and assumptions and involve risks and uncertainties that could affect expected results. Those risks and uncertainties include, but are not limited to, the following:

- our dependence on sales from our RTD protein shakes;
- our ability to continue to compete in our product categories and our ability to retain our market position and favorable perceptions of our brands;
- disruptions or inefficiencies in our supply chain, including as a result of our reliance on third party suppliers or manufacturers for the manufacturing of many of our products, pandemics (including the COVID-19 pandemic) and other outbreaks of contagious diseases, labor shortages, fires and evacuations related thereto, changes in weather conditions, natural disasters, agricultural diseases and pests and other events beyond our control;
- our dependence on a limited number of third party contract manufacturers for the manufacturing of most of our products, including one manufacturer for the majority of our RTD protein shakes;
- the ability of our third party contract manufacturers to produce an amount of our products that enables us to meet customer and consumer demand for the products;
- our reliance on a limited number of third party suppliers to provide certain ingredients and packaging;
- significant volatility in the cost or availability of inputs to our business (including freight, raw materials, packaging, energy, labor and other supplies);
- the impact of the COVID-19 pandemic, including negative impacts on the global economy and capital markets, the health of our employees, our ability and the ability of our third party contract manufacturers to manufacture and deliver our products, operating costs, demand for our on-the-go products and our operations generally;
- our ability to anticipate and respond to changes in consumer and customer preferences and behaviors and introduce new products;
- consolidation in our distribution channels;
- our ability to expand existing market penetration and enter into new markets;
- the loss of, a significant reduction of purchases by or the bankruptcy of a major customer;
- legal and regulatory factors, such as compliance with existing laws and regulations, as well as new laws and regulations and changes to existing laws and regulations and interpretations thereof, affecting our business, including current and future laws and regulations regarding food safety, advertising, labeling, tax matters and environmental matters;
- fluctuations in our business due to changes in our promotional activities and seasonality;
- our ability to maintain the net selling prices of our products and manage promotional activities with respect to our products;
- our leverage, our ability to obtain additional financing (including both secured and unsecured debt) and our ability to service our outstanding debt (including covenants that restrict the operation of our business);
- the accuracy of our market data and attributes and related information;
- changes in estimates in critical accounting judgments;
- uncertain or unfavorable economic conditions that limit customer and consumer demand for our products or increase our costs;
- risks related to our ongoing relationship with Post following the Spin-off, including our obligations under various agreements with Post;
- conflicting interests or the appearance of conflicting interests resulting from certain of our directors also serving as officers or directors of Post;
- risks related to the Spin-off, including our inability to take certain actions because such actions could jeopardize the tax-free status of the Distribution and our possible responsibility for U.S. federal tax liabilities related to the Distribution;
- the ultimate impact litigation or other regulatory matters may have on us;

- risks associated with our international business;
- our ability to protect our intellectual property and other assets and to continue to use third party intellectual property subject to intellectual property licenses;
- costs, business disruptions and reputational damage associated with information technology failures, cybersecurity incidents and/or information security breaches;
- impairment in the carrying value of goodwill or other intangibles;
- our ability to identify, complete and integrate or otherwise effectively execute acquisitions or other strategic transactions and effectively manage our growth;
- our ability to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act of 2002;
- significant differences in our actual operating results from any guidance we may give regarding our performance;
- our ability to hire and retain talented personnel, employee absenteeism, labor strikes, work stoppages or unionization efforts; and
- other risks and uncertainties included under “Risk Factors” in this report and in our Annual Report on Form 10-K for the fiscal year ended September 30, 2022, filed with the SEC on November 17, 2022.

You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur. Moreover, we undertake no obligation to update publicly any forward-looking statements for any reason after the date of this report to conform these statements to actual results or to changes in our expectations.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Commodity Price Risk

In the ordinary course of business, the Company is exposed to commodity price risks relating to the purchases of raw materials. The Company manages the impact of cost increases, wherever possible, on commercially reasonable terms, by locking in prices on the quantities through purchase commitments required to meet production requirements. In addition, the Company may attempt to offset the effect of increased costs by raising prices to customers. However, for competitive reasons, the Company may not be able to pass along the full effect of increases in raw materials and other input costs as they are incurred.

Foreign Currency Risk

Related to Active Nutrition International GmbH whose functional currency is the Euro, the Company is exposed to risks of fluctuations in future cash flows and earnings due to changes in exchange rates.

Interest Rate Risk

As of both March 31, 2023 and September 30, 2022, the Company had outstanding principal value of indebtedness of $840.0 million related to its 7.00% Senior Notes. Additionally, the Company had an aggregate principal amount of $139.0 million and $99.0 million outstanding under its Revolving Credit Facility as of March 31, 2023 and September 30, 2022, respectively. Borrowings under the Revolving Credit Facility bear interest at variable rates.

As of March 31, 2023 and September 30, 2022, the fair value of the Company’s debt, excluding any borrowings under its Revolving Credit Facility, was $854.5 million and $767.4 million, respectively. Changes in interest rates impact fixed and variable rate debt differently. For fixed rate debt, a change in interest rates will only impact the fair value of the debt, whereas a change in the interest rates on variable rate debt will impact interest expense and cash flows. A hypothetical 10% decrease in interest rates would have increased the fair value of the fixed rate debt by approximately $14 million and $17 million as of March 31, 2023 and September 30, 2022, respectively. A hypothetical 10% increase in interest rates would have had an immaterial impact on both interest expense and interest paid during each of the three and six months ended March 31, 2023 and 2022. For additional information regarding the Company’s debt, see Note 13 within “Notes to Condensed Consolidated Financial Statements.”

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

Management, with the Executive Chairman, Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of the Company, has evaluated the effectiveness of its disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based on that evaluation, the Executive Chairman, CEO and CFO concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures were effective to provide reasonable assurance of achieving the desired control objectives.

Changes in Internal Control Over Financial Reporting

There were no significant changes in the Company's internal control over financial reporting during the quarter ended March 31, 2023 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION.

ITEM 1. LEGAL PROCEEDINGS.

The information required under this Item 1 is set forth in Note 14 within "Notes to Condensed Consolidated Financial Statements" included in Part I, Item 1 of this report, which is incorporated herein by reference. For disclosure of environmental proceedings with a governmental entity as a party pursuant to Item 103(c)(3)(iii) of Regulation S-K, the Company has elected to disclose matters where the Company reasonably believes such proceeding would result in monetary sanctions, exclusive of interest and costs, of $1.0 million or more. Applying this threshold, there are no such environmental proceedings to disclose for the three months ended March 31, 2023.

ITEM 1A. RISK FACTORS.

In addition to the information set forth elsewhere in this Quarterly Report on Form 10-Q (the "Quarterly Report"), you should carefully consider the risk factors we previously disclosed in our Annual Report on Form 10-K, filed with the SEC on November 17, 2022, as of and for the year ended September 30, 2022 (the "Annual Report"). As of the date of this Quarterly Report, there have been no material changes to the risk factors previously disclosed in the Annual Report. These risks could materially and adversely affect our business, financial condition, results of operations and cash flows. The enumerated risks have been or may be heightened, or in some cases manifested, by the impacts of the COVID-19 pandemic and the ongoing conflict in Ukraine and are not the only risks we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business, financial condition, results of operations and cash flows.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

The following table sets forth information with respect to repurchases of shares of BellRing Common Stock, $0.01 par value per share, during the three months ended March 31, 2023 and our BellRing Common Stock repurchase authorization.

Period	Total Number of Shares Purchased	Average Price Paid per Share (a)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (b)	Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs (b)
January 1, 2023 - January 31, 2023	112,494	$ 24.88	112,494	$ 26,112,974
February 1, 2023 - February 28, 2023	155,000	$ 31.17	155,000	$ 21,282,114
March 1, 2023 - March 31, 2023	651,037	$ 30.23	651,037	$ 1,598,541
Total	918,531	$ 29.74	918,531	$ 1,598,541

(a) Does not include broker's commissions or accrued excise tax.

(b) On December 5, 2022, the Company's Board of Directors approved a $50,000,000 repurchase authorization with respect to shares of BellRing Common Stock (the "Prior Authorization"). The Prior Authorization was effective December 5, 2022 and had an expiration date of December 5, 2024. On May 3, 2023, the Company's Board of Directors approved a new $80,000,000 repurchase authorization with respect to shares of BellRing Common Stock effective May 3, 2023 (the "New Authorization") and terminated the Prior Authorization.

ITEM 6. EXHIBITS.

The following exhibits are either provided with this Form 10-Q or are incorporated herein by reference.

Exhibit No.	Description
*2.1	Transaction Agreement and Plan of Merger, dated as of October 26, 2021, by and among Post Holdings, Inc., BellRing Brands, Inc., BellRing Distribution, LLC and BellRing Merger Sub Corporation (Incorporated by reference to Exhibit 2.1 to the Company's Form 8-K filed on October 27, 2021)
2.2	Amendment No. 1 to Transaction Agreement and Plan of Merger, dated as of February 28, 2022, by and among Post Holdings, Inc., BellRing Brands, Inc., BellRing Distribution, LLC and BellRing Merger Sub Corporation (Incorporated by reference to Exhibit 2.1 to the Company's Form 8-K filed on February 28, 2022)
3.1	BellRing Brands, Inc. Certificate of Incorporation (Incorporated by reference to Exhibit 3.1 to the Company's Second Form 8-K filed on March 10, 2022)
3.2	BellRing Brands, Inc. Bylaws (Incorporated by reference to Exhibit 3.2 to the Company's Second Form 8-K filed on March 10, 2022)
*4.1	Indenture, dated March 10, 2022, by and among BellRing Brands, Inc. and Computershare Trust Company, N.A., as trustee (Incorporated by reference to Exhibit 4.1 to the Company's Second Form 8-K filed on March 10, 2022)
4.2	Form of Note (Incorporated by reference to Exhibit 4.2 to the Company's Second Form 8-K filed on March 10, 2022, which Exhibit 4.2 is referenced in Exhibit 4.1 to such filing)
31.1	Certification of Robert V. Vitale pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated May 9, 2023
31.2	Certification of Darcy H. Davenport pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated May 9, 2023
31.3	Certification of Paul A. Rode pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated May 9, 2023
32.1	Certification of Robert V. Vitale, Darcy H. Davenport and Paul A. Rode, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated May 9, 2023
101	Interactive Data File (Form 10-Q for the quarterly period ended March 31, 2023 filed in iXBRL (Inline eXtensible Business Reporting Language)). The financial information contained in the iXBRL-related documents is "unaudited" and "unreviewed."
104	The cover page from the Company's Form 10-Q for the quarterly period ended March 31, 2023, formatted in iXBRL (Inline eXtensible Business Reporting Language) and contained in Exhibit 101

* Exhibits and schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company agrees to furnish supplementally to the Securities and Exchange Commission (the "SEC") a copy of any omitted exhibit or schedule upon request by the SEC.

Certain agreements and other documents filed as exhibits to this Quarterly Report on Form 10-Q contain representations and warranties that the parties thereto made to each other. These representations and warranties have been made solely for the benefit of the other parties to such agreements and may have been qualified by certain information that has been disclosed to the other parties to such agreements and other documents and that may not be reflected in such agreements and other documents. In addition, these representations and warranties may be intended as a way of allocating risks among parties if the statements contained therein prove to be incorrect, rather than as actual statements of fact. Accordingly, there can be no reliance on any such representations and warranties as characterizations of the actual state of facts. Moreover, information concerning the subject matter of any such representations and warranties may have changed since the date of such agreements and other documents.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, BellRing Brands, Inc. has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

		BELLRING BRANDS, INC.	
Date:	May 9, 2023	By:	/s/ Darcy H. Davenport
			Darcy H. Davenport
			President and Chief Executive Officer

EXHIBIT 31.1

Certification pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Robert V. Vitale, certify that:

1. I have reviewed this quarterly report on Form 10-Q of BellRing Brands, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2023

By: /s/ Robert V. Vitale
Robert V. Vitale
Chief Executive Chairman

EXHIBIT 31.2

Certification pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Darcy H. Davenport, certify that:

1. I have reviewed this quarterly report on Form 10-Q of BellRing Brands, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2023

By: /s/ Darcy H. Davenport
Darcy H. Davenport
President and Chief Executive Officer

EXHIBIT 31.3

Certification pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Paul A. Rode, certify that:

1. I have reviewed this quarterly report on Form 10-Q of BellRing Brands, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2023

By: /s/ Paul A. Rode
Paul A. Rode
Chief Financial Officer

EXHIBIT 32.1

<u>Certification Pursuant to</u>
<u>18 U.S.C. Section 1350, as adopted pursuant to</u>
<u>Section 906 of the Sarbanes-Oxley Act of 2002</u>

The undersigned, the Chief Executive of BellRing Brands, Inc. (the “Company”), hereby certifies that, to his knowledge on the date hereof:

(a) the quarterly report on Form 10-Q for the period ended March 31, 2023, filed on the date hereof with the Securities and Exchange Commission (the “Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(b) information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date:	May 9, 2023	By:	/s/ Robert V. Vitale
			Robert V. Vitale
			Chief Executive Chairman

A signed original of this written statement required by Section 906 has been provided to BellRing Brands, Inc. and will be retained by BellRing Brands, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Certification Pursuant to
18 U.S.C. Section 1350, as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

The undersigned, the President and Chief Executive Officer of BellRing Brands, Inc. (the “Company”), hereby certifies that, to her knowledge on the date hereof:

(a) the quarterly report on Form 10-Q for the period ended March 31, 2023, filed on the date hereof with the Securities and Exchange Commission (the “Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(b) information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date:	May 9, 2023	By:	/s/ Darcy H. Davenport
			Darcy H. Davenport
			President and Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to BellRing Brands, Inc. and will be retained by BellRing Brands, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Certification Pursuant to
18 U.S.C. Section 1350, as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

The undersigned, the Chief Financial Officer of BellRing Brands, Inc. (the “Company”), hereby certifies that, to his knowledge on the date hereof:

(a) the quarterly report on Form 10-Q for the period ended March 31, 2023, filed on the date hereof with the Securities and Exchange Commission (the “Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(b) information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date:	May 9, 2023	By:	/s/ Paul A. Rode
			Paul A. Rode
			Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to BellRing Brands, Inc. and will be retained by BellRing Brands, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.