



FY20 Q1 Earnings Presentation

September 26, 2019



Today's Presenters

Brian Kearney

Investor Relations

Sean Connolly

President and Chief Executive Officer

Dave Marberger

Chief Financial Officer



Legal Disclosure

Note on Forward-looking Statements

This document contains forward-looking statements within the meaning of the federal securities laws. These forward-looking statements are based on management's current expectations and are subject to uncertainty and changes in circumstances. Readers of this document should understand that these statements are not guarantees of performance or results. Many factors could affect our actual financial results and cause them to vary materially from the expectations contained in the forward-looking statements, including those set forth in this document. These risks, uncertainties, and factors include, among other things: the risk that the cost savings and any other synergies from the acquisition of Pinnacle (the "acquisition") may not be fully realized or may take longer to realize than expected; the risk that the acquisition may not be accretive within the expected timeframe or to the extent anticipated; the risks that the acquisition and related integration will create disruption to the Company and its management and impede the achievement of business plans; the risk that the acquisition will negatively impact the ability to retain and hire key personnel and maintain relationships with customers, suppliers, and other third parties; risks related to our ability to successfully address Pinnacle's business challenges; risks related to our ability to achieve the intended benefits of other recent and pending acquisitions and divestitures, including the pending divestiture of the DSD snacks business; risks related to the timing to complete a potential divestiture of the DSD snacks business; risks related to the ability and timing to obtain required regulatory approvals and satisfy other closing conditions for the divestiture of the DSD snacks business; risks associated with general economic and industry conditions; risks associated with our ability to successfully execute our long-term value creation strategies, including those in place for specific brands at Pinnacle before the acquisition; risks related to our ability to deleverage on currently anticipated timelines, and to continue to access capital on acceptable terms or at all; risks related to our ability to execute operating and restructuring plans and achieve targeted operating efficiencies from cost-saving initiatives, related to the acquisition and otherwise, and to benefit from trade optimization programs, related to the acquisition and otherwise; risks related to the effectiveness of our hedging activities and ability to respond to volatility in commodities; risks related to the Company's competitive environment and related market conditions; risks related to our ability to respond to changing consumer preferences and the success of its innovation and marketing investments; risks related to the ultimate impact of any product recalls and litigation, including litigation related to the lead paint and pigment matters, as well as any securities litigation, including securities class action lawsuits; risk associated with actions of governments and regulatory bodies that affect our businesses, including the ultimate impact of new or revised regulations or interpretations; risks related to the availability and prices of raw materials, including any negative effects caused by inflation or weather conditions; risks and uncertainties associated with intangible assets, including any future goodwill or intangible assets impairment charges, related to the acquisition or otherwise; the costs, disruption, and diversion of management's attention due to the integration of the acquisition; and other risks described in our reports filed from time to time with the Securities and Exchange Commission. We caution readers not to place undue reliance on any forward-looking statements included in this document, which speak only as of the date of this document. We undertake no responsibility to update these statements, except as required by law.

Note on Non-GAAP Financial Measures

This document includes certain non-GAAP financial measures, including adjusted EPS, organic net sales, adjusted gross profit, adjusted operating profit, adjusted SG&A, adjusted corporate expenses, adjusted gross margin, adjusted operating margin, adjusted effective tax rate, adjusted net income, adjusted net interest expense, free cash flow, net debt, adjusted equity method investment earnings, and adjusted EBITDA. Management considers GAAP financial measures as well as such non-GAAP financial information in its evaluation of the Company's financial statements and believes these non-GAAP measures provide useful supplemental information to assess the Company's operating performance and financial position. These measures should be viewed in addition to, and not in lieu of, the Company's diluted earnings per share, operating performance and financial measures as calculated in accordance with GAAP.

Certain of these non-GAAP measures, such as organic net sales, adjusted operating margin, adjusted effective tax rate, adjusted net interest expense, adjusted EPS, net debt, and free cash flow, are forward-looking. Historically, the Company has excluded the impact of certain items impacting comparability, such as, but not limited to, restructuring expenses, the impact of the extinguishment of debt, the impact of foreign exchange, the impact of acquisitions and divestitures, hedging gains and losses, impairment charges, the impact of legacy legal contingencies, and the impact of unusual tax items, from the non-GAAP financial measures it presents. Reconciliations of these forward-looking non-GAAP financial measures to the most directly comparable GAAP financial measures are not provided because the Company is unable to provide such reconciliations without unreasonable effort, due to the uncertainty and inherent difficulty of predicting the occurrence and the financial impact of such items impacting comparability and the periods in which such items may be recognized. For the same reasons, the Company is unable to address the probable significance of the unavailable information, which could be material to future results.

Hedge gains and losses are generally aggregated, and net amounts are reclassified from unallocated corporate expense to the operating segments when the underlying commodity or foreign currency being hedged is expensed in segment cost of goods sold. The Company identifies these amounts as items that impact comparability within the discussion of unallocated Corporate results.



Sean Connolly

President and Chief Executive Officer



Fiscal 2020 On-Track Following Q1

- Continuing to make progress on executing value-over-volume on Legacy Pinnacle
- Integration, synergies, and de-leveraging remain on-track
- Maintaining momentum on Legacy Conagra; domestic retail businesses exceeded organic growth expectations
- Reaffirming fiscal 2020 guidance



Agenda



Legacy Pinnacle Update



Legacy Conagra Update



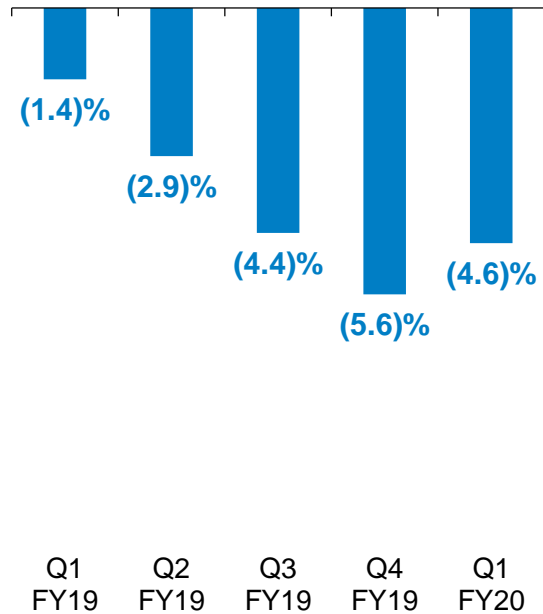
Looking Ahead



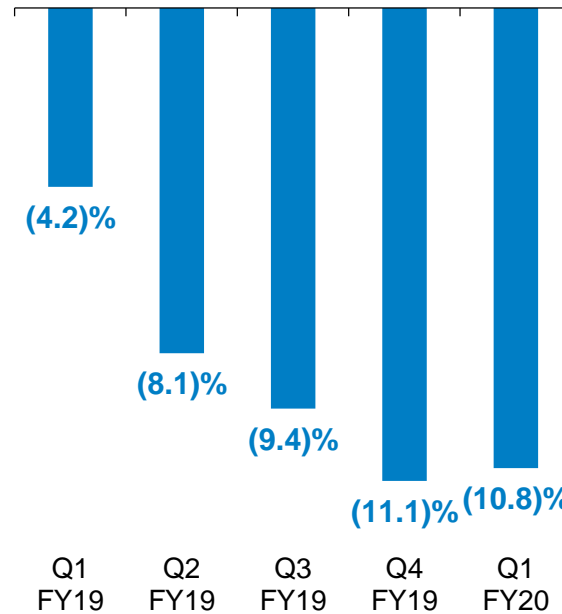
Strengthening Foundation in Legacy Pinnacle Portfolio With Value-Over-Volume

Total Pinnacle Foods Retail Scanner Data

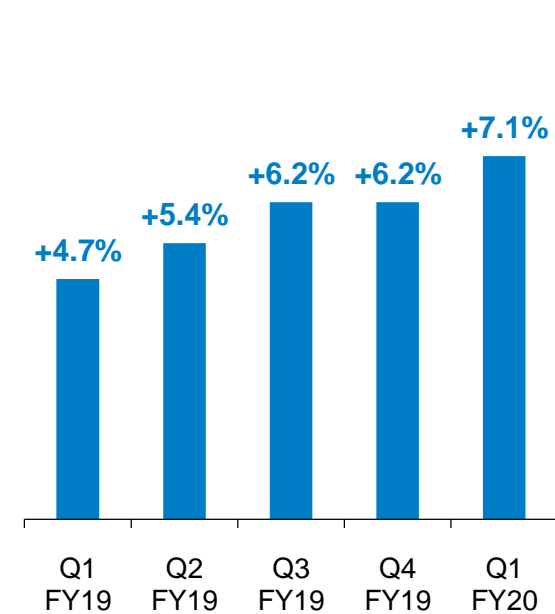
Total Sales
(% Change vs. YA)



Distribution: Avg. Weekly TPDs
(% Change vs. YA)



Base Sales Velocity
(% Change vs. YA)

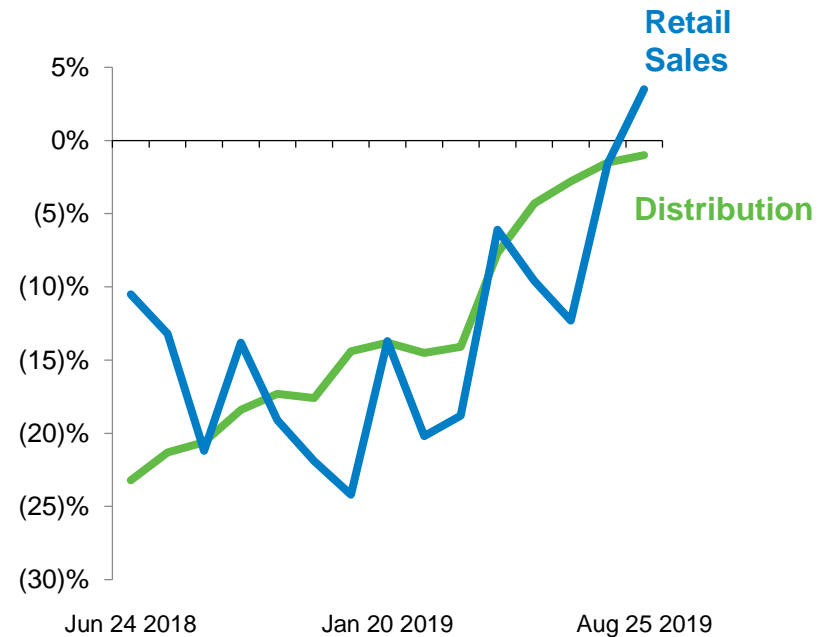




Wishbone Recovery Furthest Along



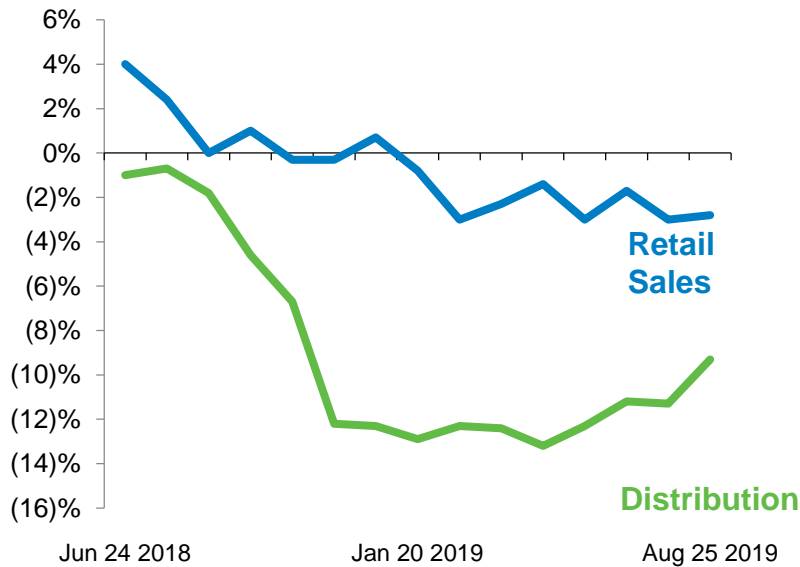
Wish-Bone
(% Change vs. YA)



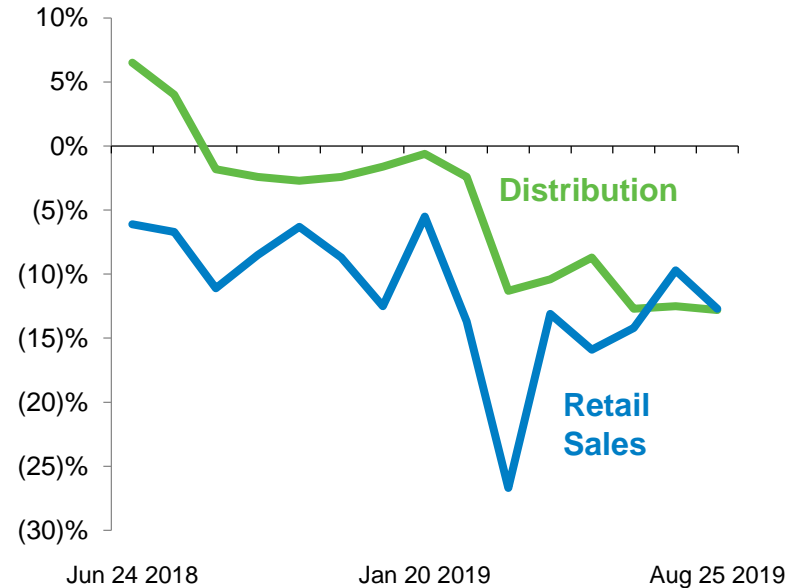


Birds Eye and Duncan Hines Expected to Improve in H2

Birds Eye (incl. Voila)
(% Change vs. YA)



Duncan Hines
(% Change vs. YA)





Integration, Synergies, and De-Leveraging Remained On-Track

Integration on-track

- Corporate SAP conversion completed in Q1
- Employee transition substantially complete

Synergy capture on-track

- \$40 million in Q1, \$71 million since closing through the end of Q1

De-leveraging on-track

- Reduced debt by \$148 million in Q1, >\$1 billion from Q2 FY19 through Q1 FY20



Agenda



Legacy Pinnacle Update



Legacy Conagra Update



Looking Ahead



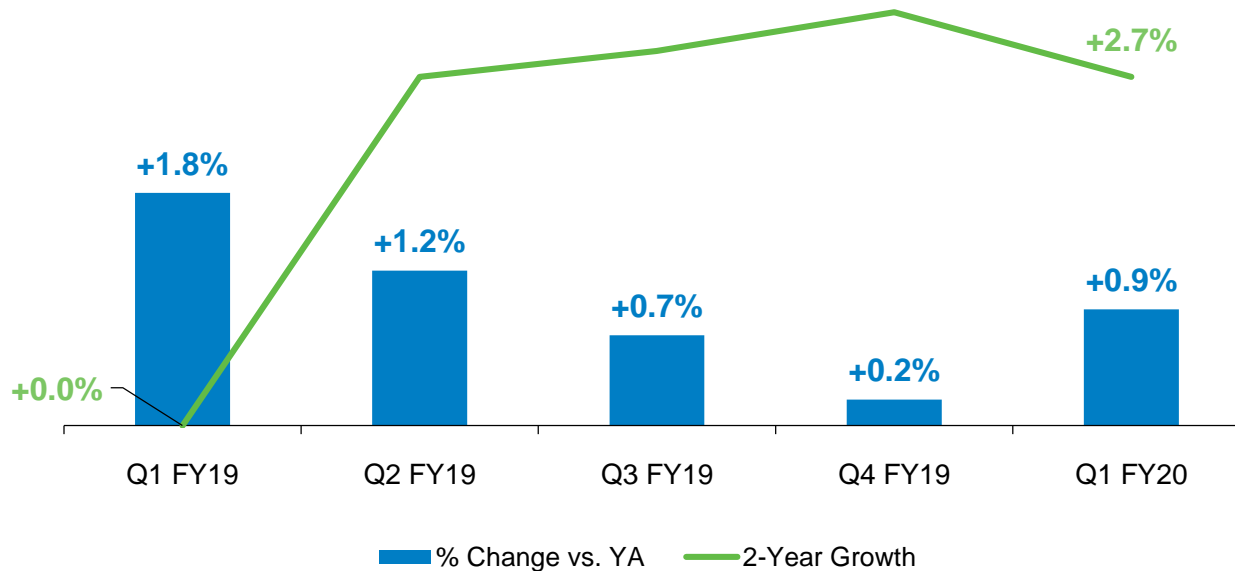
Legacy Conagra is On-Track

- As planned, strong momentum continued in frozen and snacks
- As planned, Grocery sales impacted by carryover from Q4 issues and intentional actions; plans in place, trends improving
- Unplanned softness in International and Foodservice sales; root causes transitory, full recovery expected by year end; profit better than planned in Q1 in both segments



Legacy Conagra Continued its Solid In-Market Performance in Q1

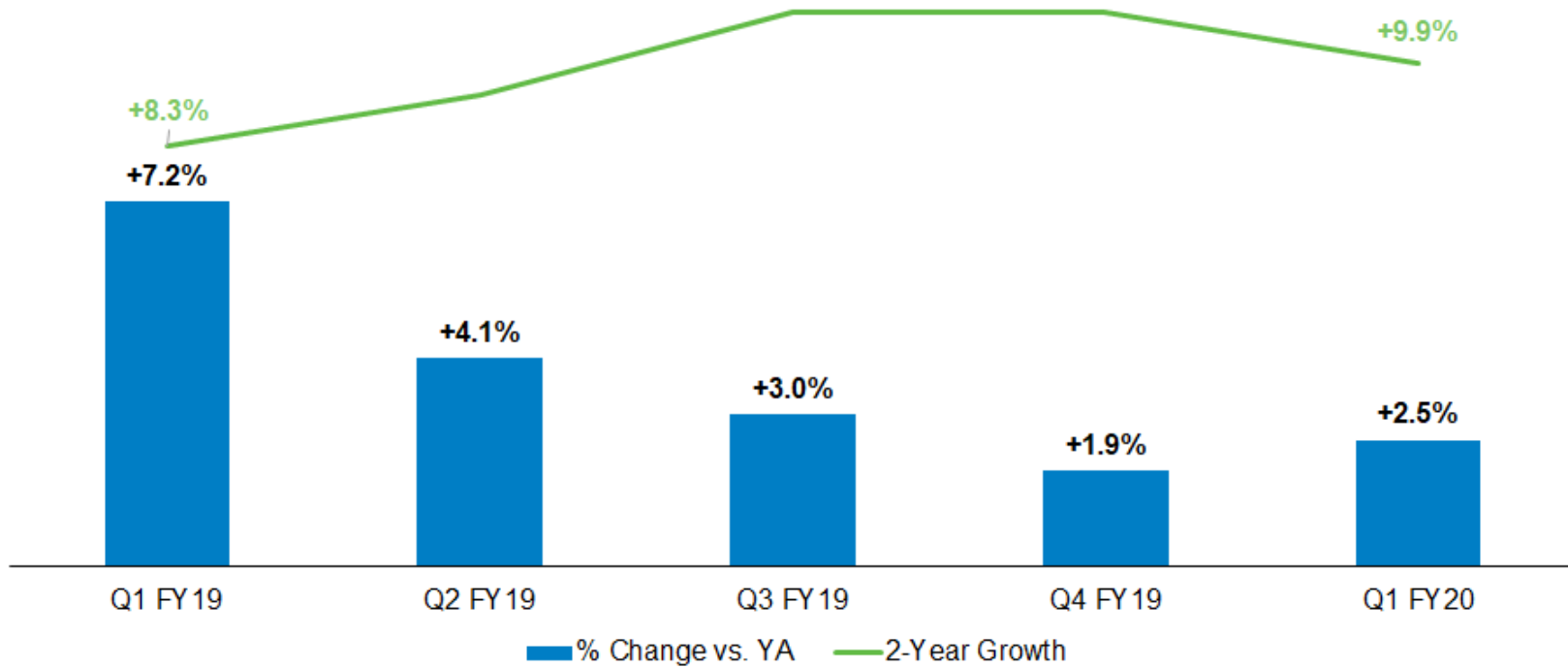
Legacy Conagra Total Retail Sales (% Change vs. YA)





Continued Momentum in Legacy Conagra Frozen Portfolio

Legacy Conagra Brands Frozen Total Retail Sales
(% Change vs. YA)

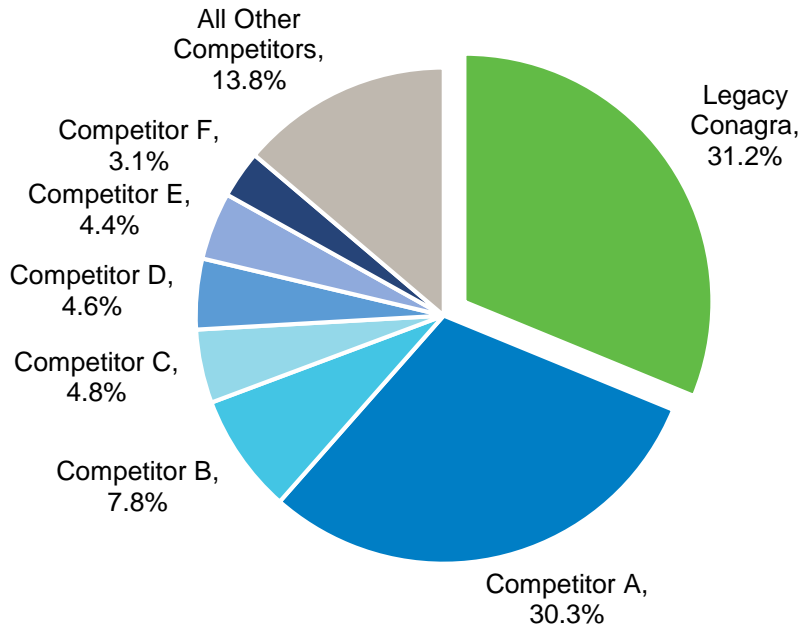




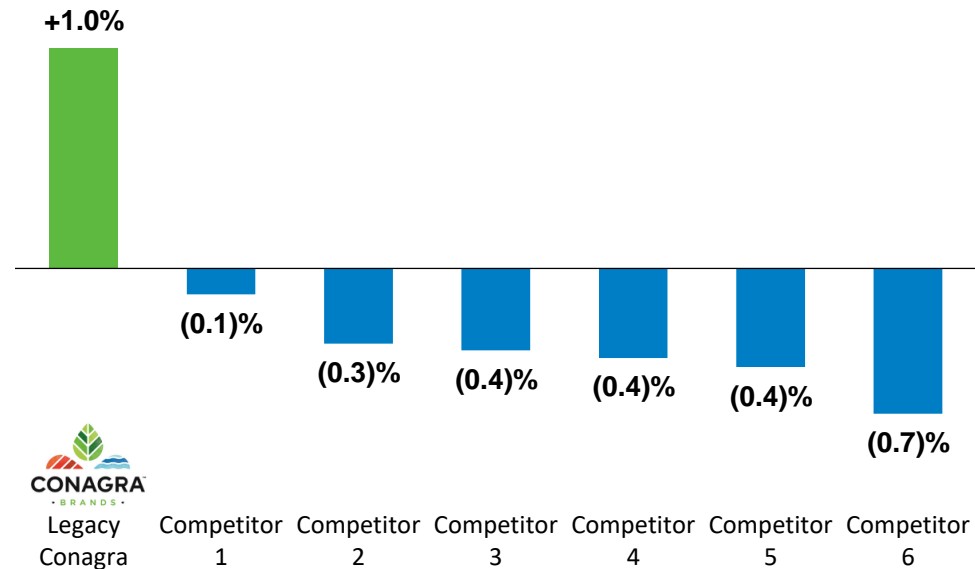
Gaining Share of Category in Frozen Meals

Total Frozen Meals (Single Serve + Multi Serve)

Share of Total Retail Sales
(% Change vs. YA)



Change in Share of Total Retail Sales
(% Change vs. YA)

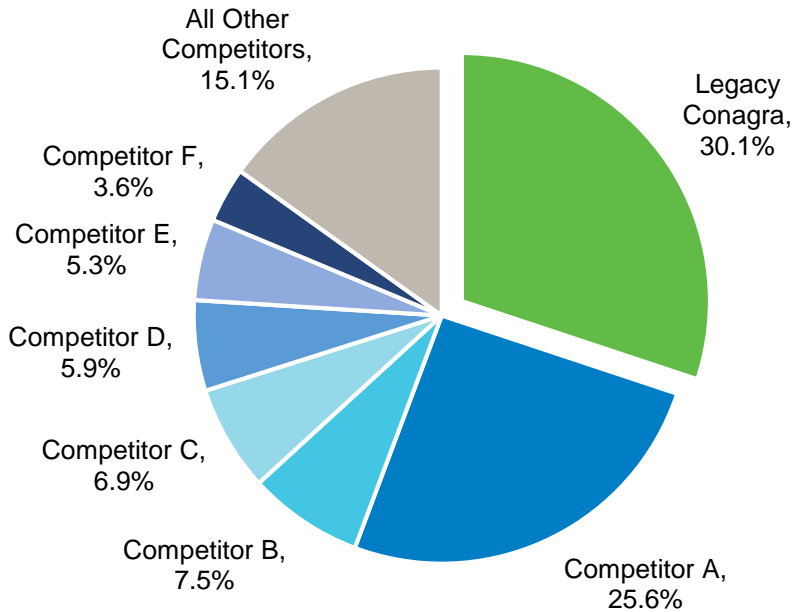




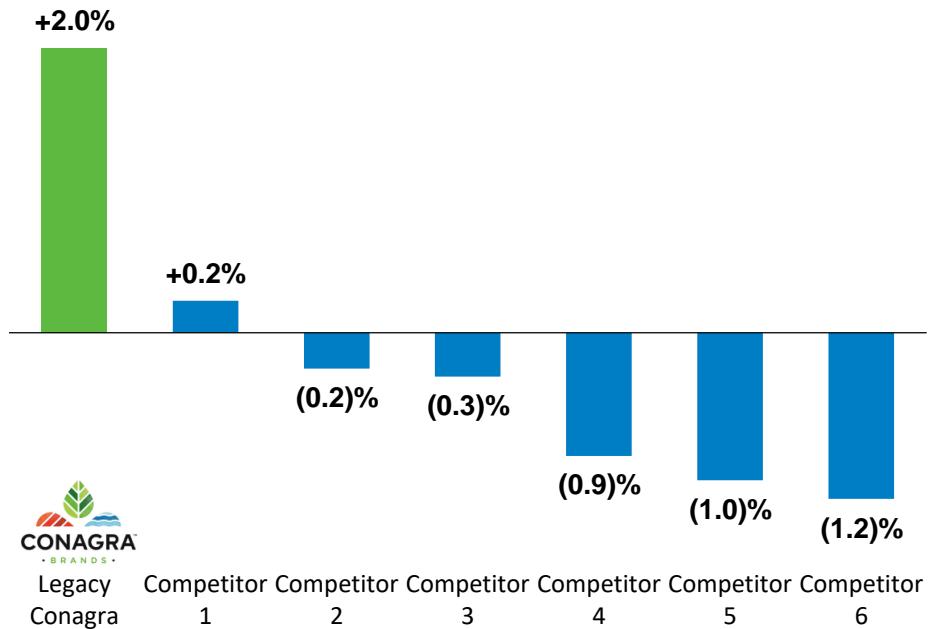
Gaining Share of Shelf in Frozen Meals

Total Frozen Meals (Single Serve + Multi Serve)

Share of Distribution
(% Change vs. YA)



Change in Share of Distribution
(% Change vs. YA)

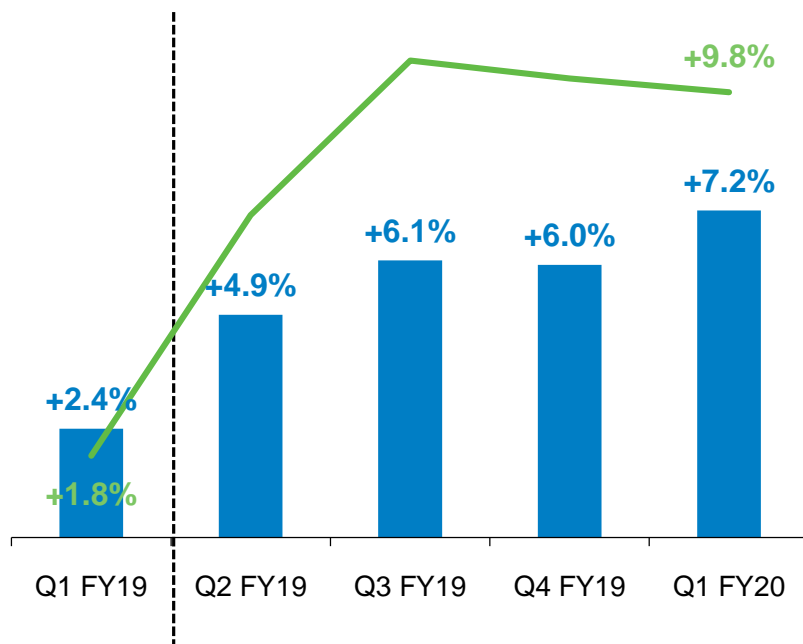




Snacks Momentum Also Continued for Legacy Conagra in Q1

Legacy Conagra Snacks Total Retail Sales (% Change vs. YA)

NACSSHOW2018



■ % Change vs. YA — 2-Year Growth

Popcorn
+6.8%



Meat Snacks
+9.4%



Sweet Treats
+2.7%



Seeds
+8.5%



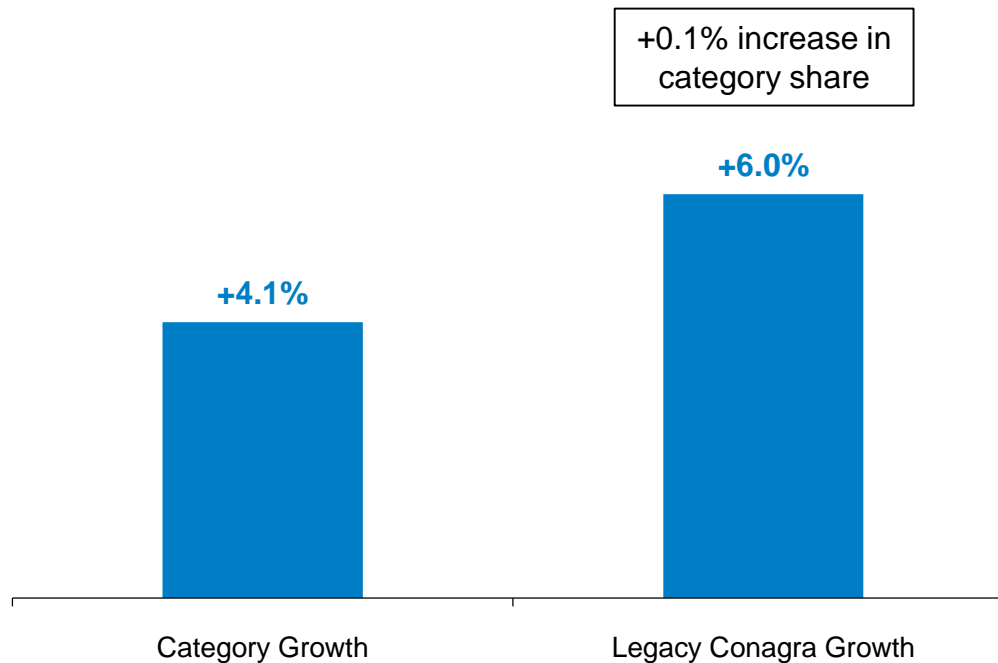
Source (Left Chart): IRI Market Advantage, IRI Custom Database, Total US MULO+C, data through August 25, 2019

Source (Right Chart): IRI Market Advantage, IRI Custom Database, Total US MULO (Seeds + Meat Snacks MULO+C), 13-weeks ended August 25, 2019



Focused Execution Has Resulted in Share Gains in Growing Categories

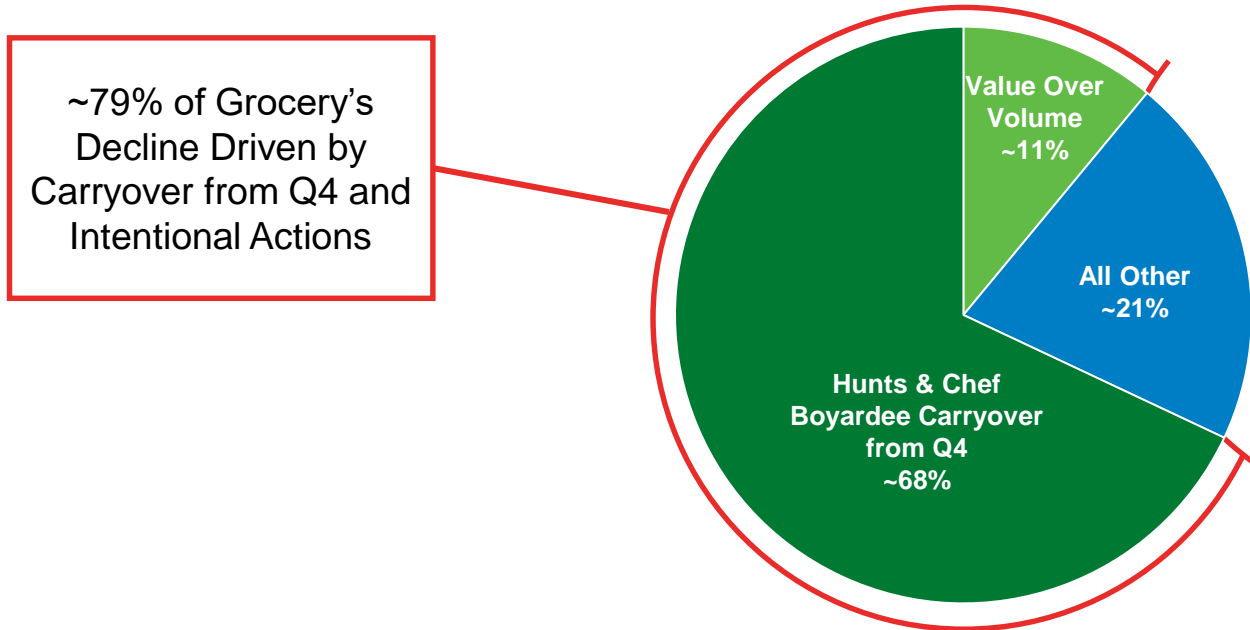
Snacks Total Retail Sales (Last 52 weeks, Change vs. YA)





As Planned, Grocery Carryover from Q4; Declines Isolated, Action Plan in Place

Drivers of Q1 Grocery Organic Net Sales¹ Decline



1. Organic net sales growth excludes the impact of foreign exchange, the Trenton facility sale, and divested businesses, as well as acquisitions (until the anniversary date of the acquisitions).



International and Foodservice Top Line Softer Than Planned, Profit Better Than Planned

International

- Discrete events in Puerto Rico & India affected timing of sales
 - Shipments now expected to occur in second half
- Higher than planned Q1 op. profit/margins: mix, cost savings

Foodservice

- Higher than planned value-over-volume activity in Q1 weighed on sales, helped margins
- Expect stronger top line balance-of-year
 - Gardein
 - Additional renovation and innovation



Agenda



Legacy Pinnacle Update



Legacy Conagra Update



Looking Ahead



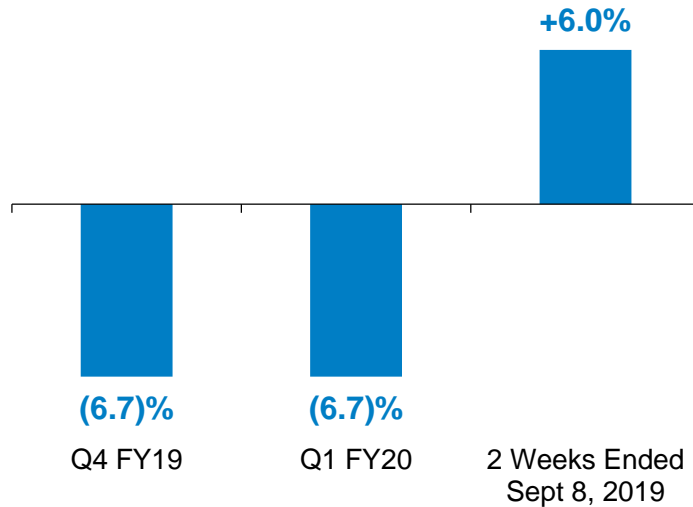
Looking Ahead

- More competitive promotional support on Hunt's and Chef Boyardee to drive improved trends in Q2
- Brand-building investments peak in Q2
- Expect strong second half growth

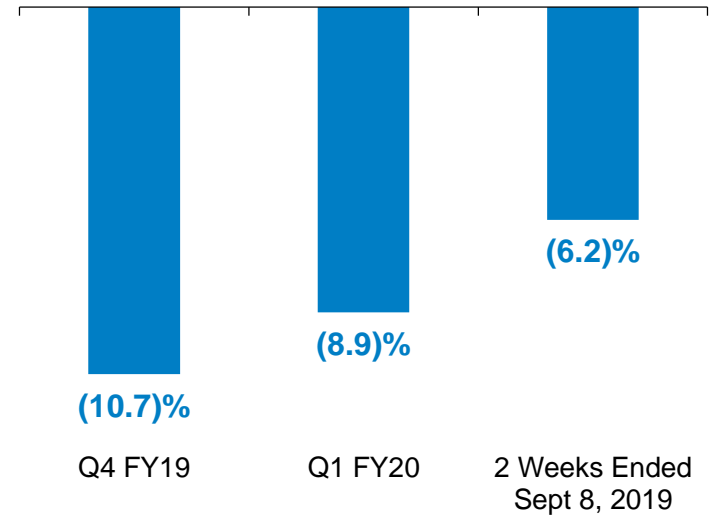


Promotional Support on Hunt's and Chef Boyardee Driving Early Signs of Improvement

Chef Boyardee Shelf Stable Meals Retail Sales (% Change vs. YA)



Hunt's Tomatoes Retail Sales (% Change vs. YA)





Bringing New News to Sweet Treats

Modernizing Packaging



Reframing Duncan Hines as a Sweet Treat



Bringing New Excitement to Legacy Conagra





Continuing to Launch Strongest Frozen Innovation Slate Yet in Fiscal 2020



Note: Product and/or packaging under development; subject to change.



Impact of Birds Eye Innovation Expected to Accelerate in H2

Recently Launched Items Build Distribution and Velocity



Q2-Q4 Launches



Leveraging Gardein to Seize Plant-Based Meat Alternative Opportunity

Foodservice

- Gardein Foodservice business grew net sales 25%+ in Q1
- Accelerating penetration across multiple Foodservice channels

Retail

- New capacity coming online
- New innovation slate hitting market in second half of fiscal 2020



(Refrigerated)



(Frozen)



(Frozen)



(Frozen)



Fiscal 2020 On-Track Following Q1

- Good progress in Q1
- On-track with our plan
- Reaffirming fiscal 2020 guidance



Dave Marberger

Chief Financial Officer



Performance Summary

Dollars in Millions, except per share data Increase/(Decrease)	Q1	vs. YA
Reported Net Sales	\$2,391	+30.3%
Organic Net Sales ¹		(1.7)%
Adj. Gross Profit	676	+29.0%
Adj. Gross Margin	28.3%	(29) bps
A&P	45	+5.9%
A&P as % of NS	1.9%	(44) bps
Adj. SG&A	256	+19.9%
Adj. SG&A as % of NS	10.7%	(93) bps
Adj. Op. Profit ²	375	+40.0%
Adj. Op. Margin ²	15.7%	+108 bps
Adj. Net Income	210	+12.5%
Adj. EBITDA ³	481	+35.4%
Adj. Diluted EPS from cont. ops.	\$0.43	(8.5)%

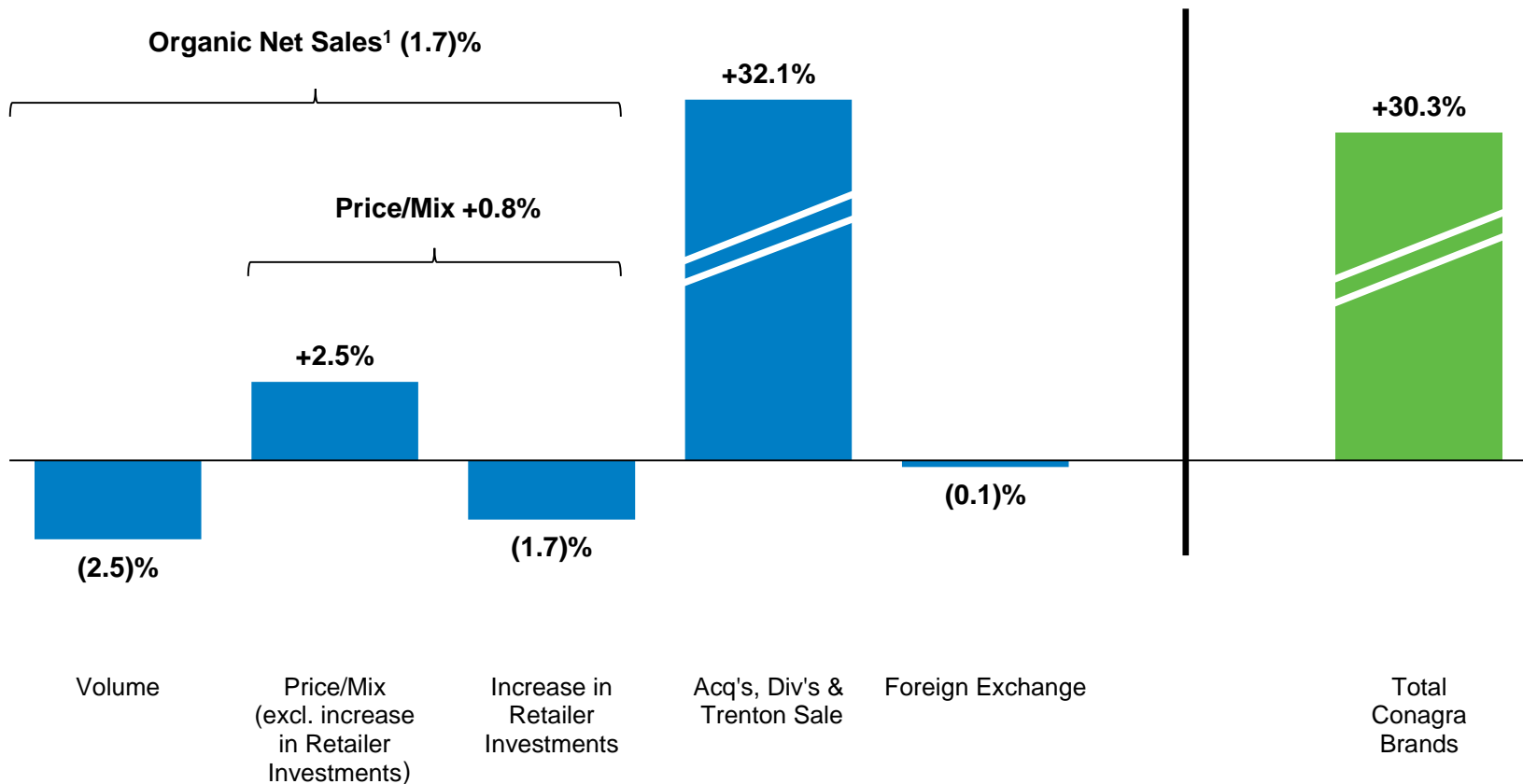
Note: "Adjusted" financial measures and organic net sales are non-GAAP. See the end of this presentation for a reconciliation of these measures to the most directly comparable GAAP measures.

1. Organic net sales excludes the impact of foreign exchange, the Trenton facility sale, and divested businesses, as well as acquisitions (until the anniversary date of the acquisitions).
2. Adjusted operating profit and adjusted operating margin exclude equity method investment earnings.
3. Adjusted EBITDA includes equity method investment earnings and pension and postretirement non-service income.



Net Sales Bridge vs. Year Ago

Q1 Drivers of Net Sales Change (% Change vs. YA)



Note: Organic net sales growth is non-GAAP. See the end of this presentation for a reconciliation of this measure to the most directly comparable GAAP measure.

1. Organic net sales growth excludes the impact of foreign exchange, the Trenton facility sale, and divested businesses, as well as acquisitions (until the anniversary date of the acquisitions).



Net Sales Summary by Segment

Dollars in Millions Increase/(Decrease)	Net Sales		
	Q1	Reported vs. YA	Organic vs. YA ¹
Grocery & Snacks	\$978	+26.9%	(3.7)%
Refrigerated & Frozen	959	+51.0%	+1.5%
International	204	+5.5%	(3.0)%
Foodservice	250	+6.3%	(3.2)%
Total Conagra Brands	\$2,391	+30.3%	(1.7)%

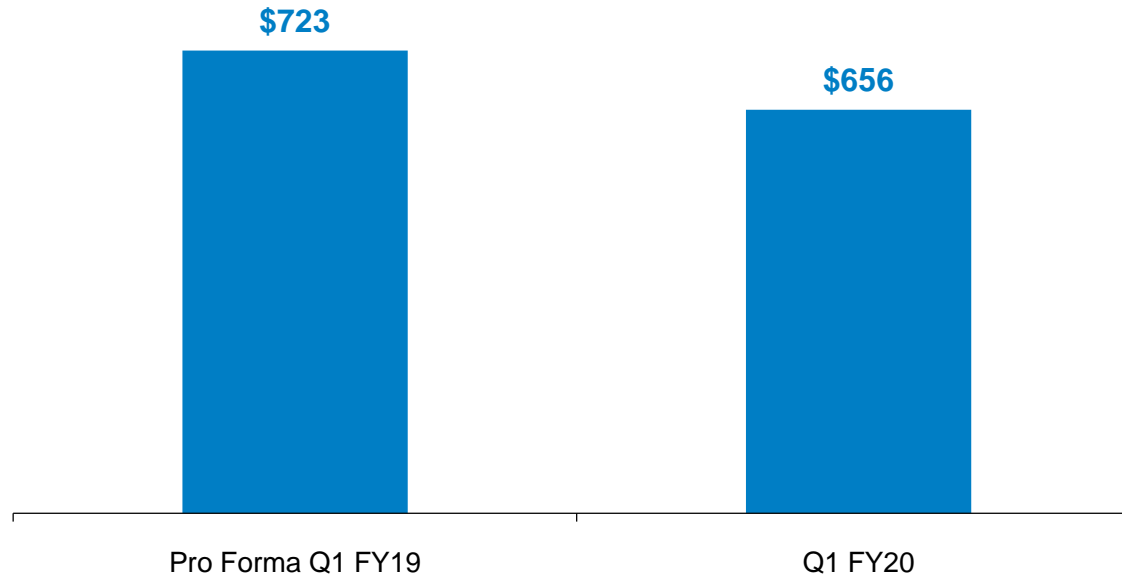
Note: Organic net sales growth is non-GAAP. See the end of this presentation for a reconciliation of this measure to the most directly comparable GAAP measure; Numbers may not add due to rounding.

1. Organic net sales growth excludes the impact of foreign exchange, the Trenton facility sale, and divested businesses, as well as acquisitions (until the anniversary date of the acquisitions).



Pinnacle Pro Forma Net Sales

Pinnacle Q1 FY20 Net Sales and Q1 FY19 Pro Forma Net Sales (\$ in millions)

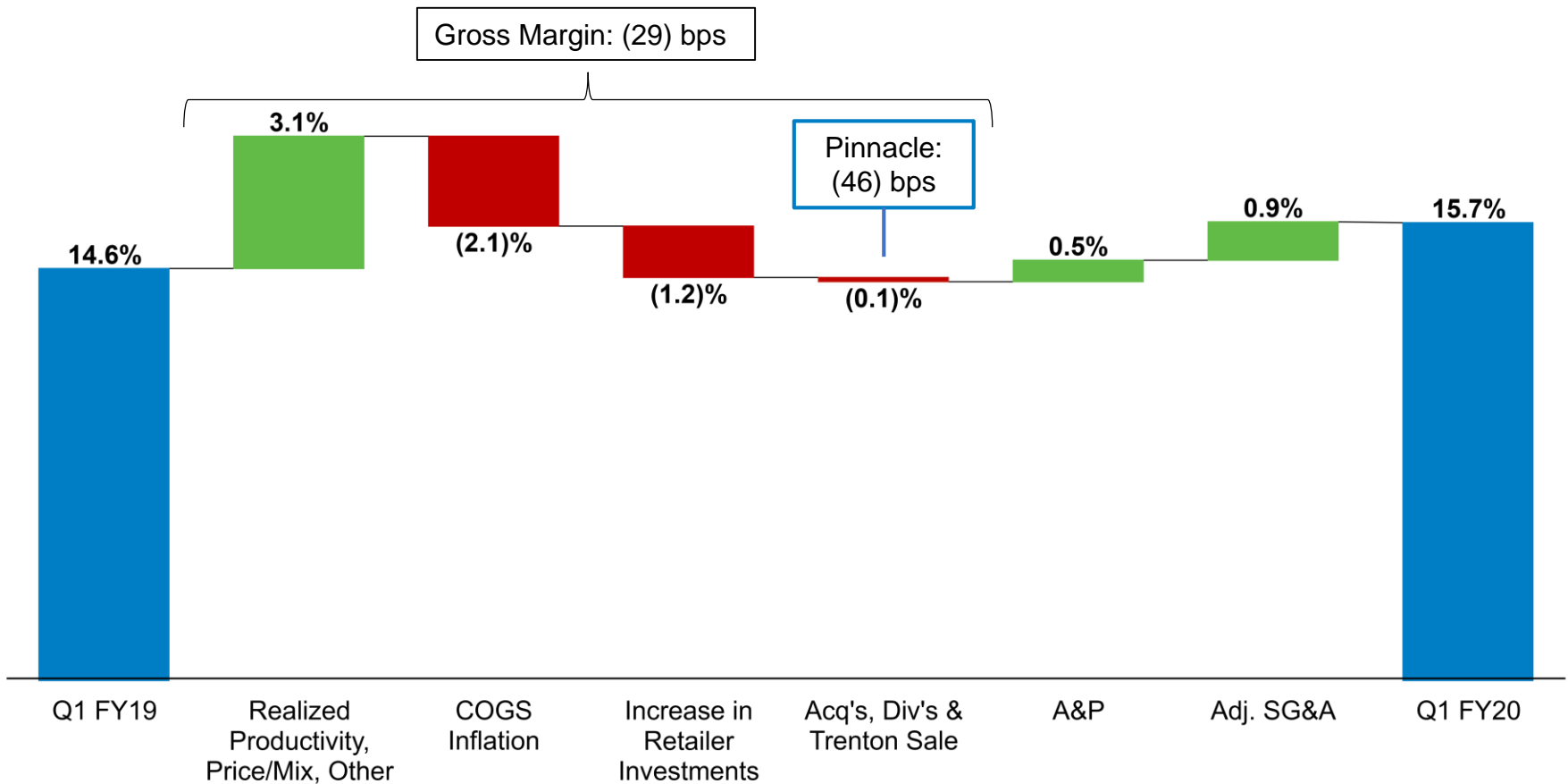


Note: References to pro forma items throughout this document refer to historical financial results for Pinnacle Foods prior to completion of the acquisition of Pinnacle Foods by the Company. These items have been adjusted to align with the Company's fiscal calendar and accounting policies to the extent that is practicable. Comparison to pro forma results allows the Company to discuss and evaluate performance of the Pinnacle segment when a comparable period is not available due to the recency of the acquisition.



Operating Margin Bridge

Q1 Adj. Operating Margin (% Change vs. YA)



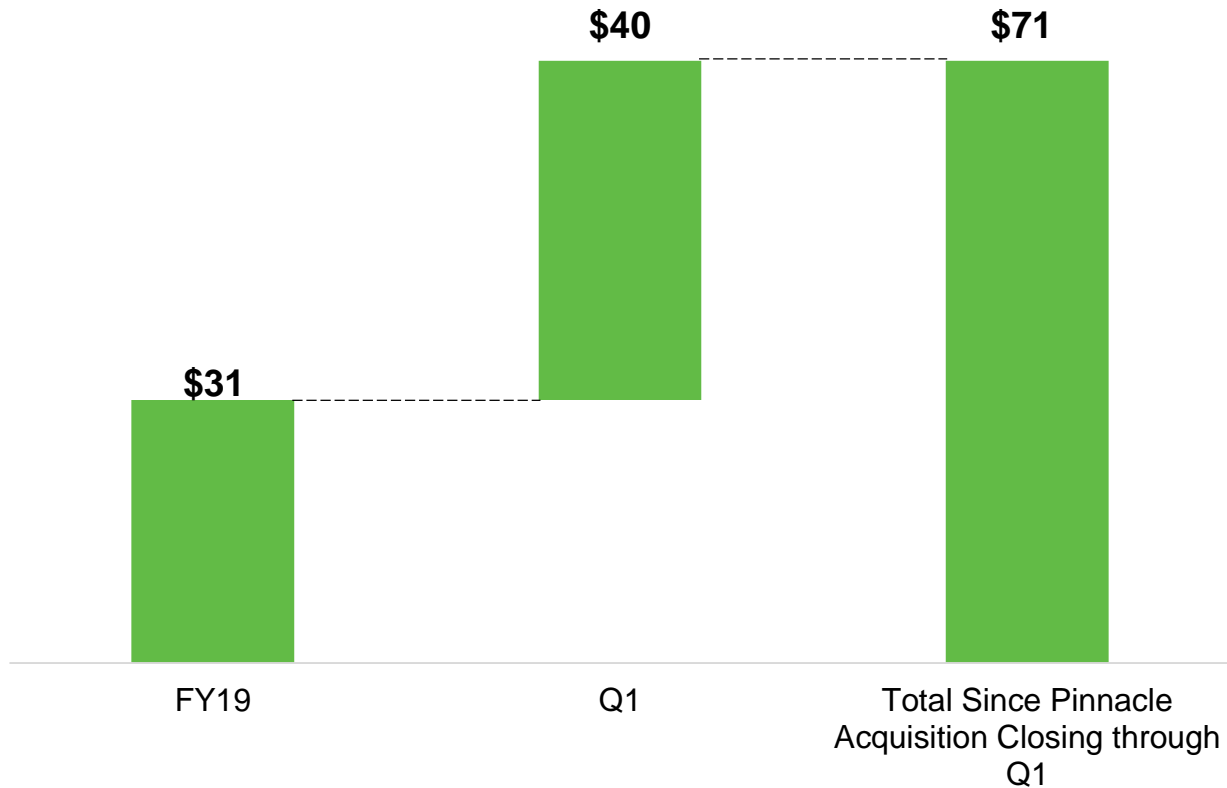
Note: "Adjusted" financial measures are non-GAAP. See the end of this presentation for a reconciliation of these measures to the most directly comparable GAAP measures; Numbers may not add due to rounding.

1. Adjusted operating profit and adjusted operating margin exclude equity method investment earnings.



Synergy Capture Progressing as Planned

Realized Synergies (\$ in millions)





Q1 Segment Adjusted Operating Profit & Margin Summary

Dollars in Millions Increase/(Decrease)	Adj. Op. Profit ¹		Adj. Op. Margin ¹	
	Q1	vs. YA	Q1	vs. YA
Grocery & Snacks	\$208	+16.0%	21.3%	(198) bps
Refrigerated & Frozen	172	+80.2%	17.9%	+291 bps
International	26	(4.0)%	12.7%	(125) bps
Foodservice	31	+12.8%	12.5%	+72 bps
Adjusted Corporate Expense	(63)	+1.4%	-	-
Total Conagra Brands	\$375	+40.0%	15.7%	+108 bps

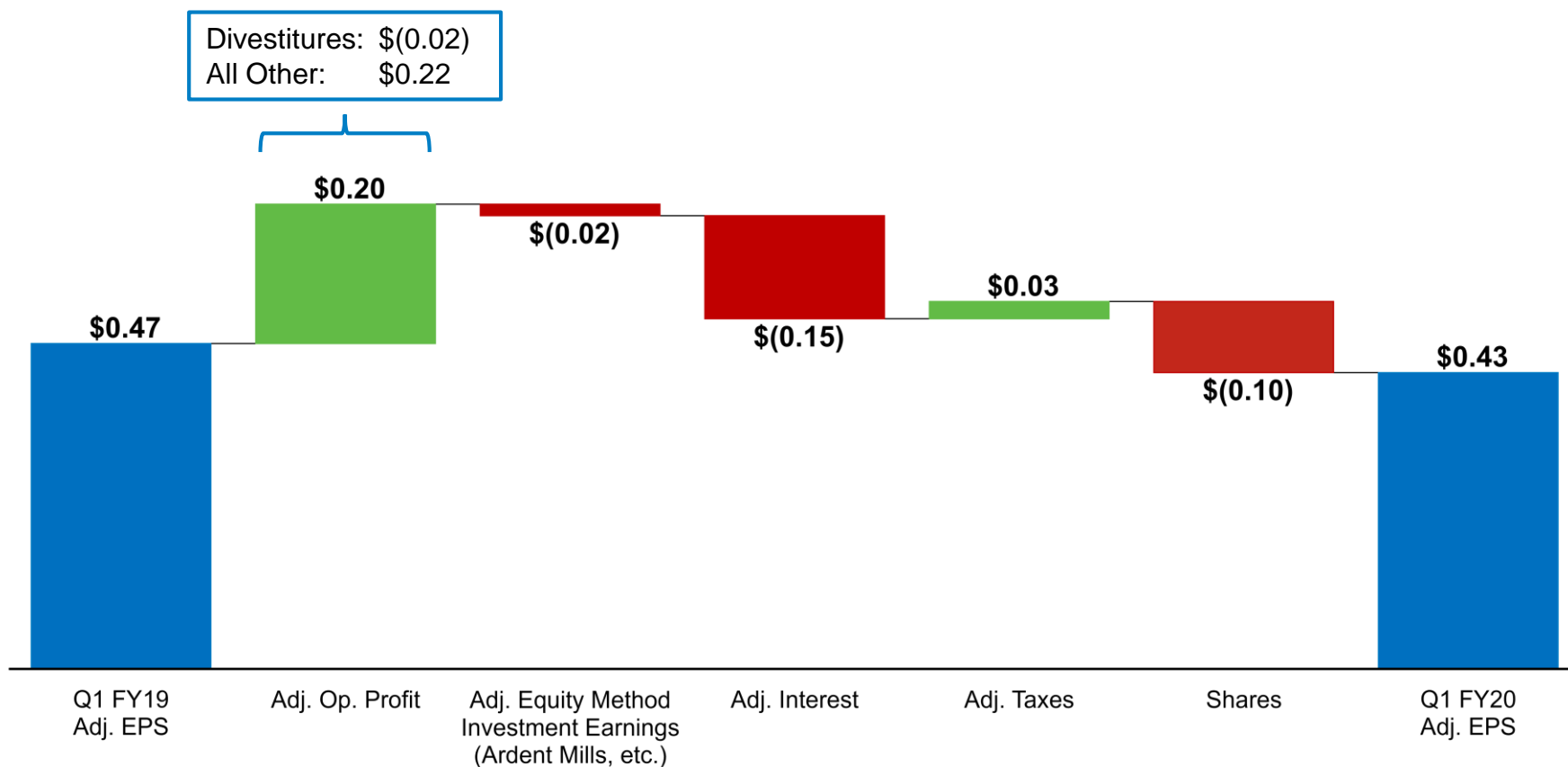
Note: "Adjusted" financial measures are non-GAAP. See the end of this presentation for a reconciliation of these measures to the most directly comparable GAAP measures; Numbers may not add due to rounding.

1. Adjusted operating profit and adjusted operating margin exclude equity method investment earnings.



Q1 Adjusted EPS Bridge

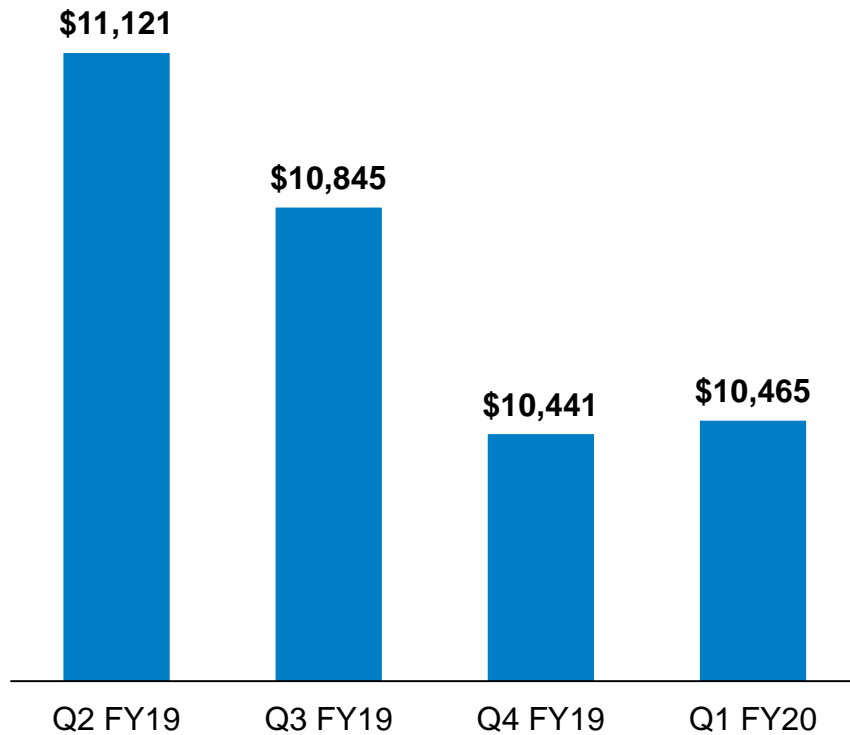
Drivers of Q1 Adjusted Diluted EPS from Continuing Operations vs. YA



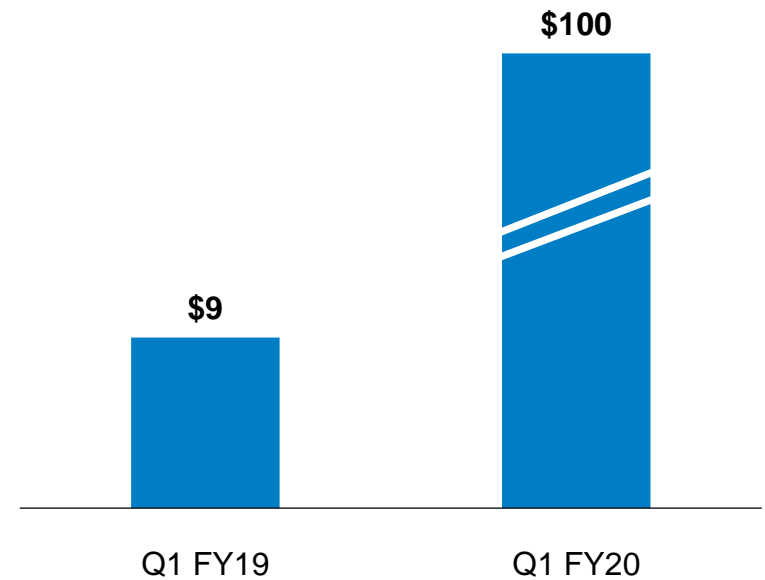


Key Balance Sheet & Cash Flow Metrics

Quarterly Net Debt¹ Balances
(\$ in millions)



Free Cash Flow
(\$ in millions)



Note: Net debt and free cash flow are non-GAAP. See the end of this presentation for a reconciliation of these measures to the most directly comparable GAAP measures.

1. Net Debt is Debt less Cash. Debt is the sum of notes payable, current installments of long-term debt, senior long-term debt, and subordinated debt.



Reaffirming FY20 Outlook

Metric (All Metrics Include a 53 rd Week Except Organic Net Sales Growth) ¹	Fiscal 2020 Guidance ²
Organic Net Sales Growth ³	+1.0% to +1.5%
Reported Net Sales Growth	+13.5% to +14.0%
Adj. Op Margin ⁴	16.2% to 16.8%
Adj. Net Interest Expense	~\$505 million
Adj. Effective Tax Rate	24% to 25%
Avg. Diluted Shares	~488 million
Adj. Diluted EPS from cont. ops.	\$2.08 to \$2.18
Free Cash Flow	~\$1 billion

1. "Adjusted" financial measures, free cash flow, and organic net sales are non-GAAP financial measures.

2. The inability to predict the amount and timing of future items makes a detailed reconciliation of these forward-looking financial measures impracticable.

3. Organic net sales growth excludes the impact of foreign exchange, the Trenton facility sale, and divested businesses, acquisitions (until the anniversary date of the acquisitions), as well as the impact of any 53rd week. 40

4. Adjusted operating margin excludes equity method investment earnings.



Q&A



Appendix



Reconciliation of Non-GAAP Financial Measures to Reported Financial Measures (in millions)

	Grocery & Snacks	Refrigerated & Frozen	International	Foodservice	Total Conagra Brands
Q1 FY20					
Net Sales	\$ 977.6	\$ 959.1	\$ 204.4	\$ 249.6	\$ 2,390.7
Impact of foreign exchange	—	—	1.4	—	1.4
Net sales from acquired businesses	(266.3)	(327.8)	(26.8)	(35.4)	(656.3)
Organic Net Sales	\$ 711.3	\$ 631.3	\$ 179.0	\$ 214.2	\$ 1,735.8
Year-over-year change - Net Sales	26.9%	51.0%	5.5%	6.3%	30.3%
Impact of foreign exchange (pp)	—	—	0.7	—	0.1
Net sales from acquired businesses (pp)	(34.7)	(51.6)	(14.0)	(15.3)	(35.8)
Net sales from divested businesses (pp)	4.1	2.1	4.8	4.9	3.6
Net sales from sold Trenton plant (pp)	—	—	—	0.9	0.1
Organic Net Sales	(3.7)%	1.5%	(3.0)%	(3.2)%	(1.7)%
Volume (Organic)	(3.0)%	0.2%	(4.7)%	(6.4)%	(2.5)%
Price/Mix	(0.7)%	1.3%	1.7%	3.2%	0.8%
Q1 FY19					
Net Sales	\$ 770.7	\$ 635.2	\$ 193.8	\$ 234.7	\$ 1,834.4
Net sales from divested businesses	(31.9)	(13.2)	(9.2)	(11.6)	(65.9)
Net sales from sold Trenton plant	—	—	—	(2.0)	(2.0)
Organic Net Sales	\$ 738.8	\$ 622.0	\$ 184.6	\$ 221.1	\$ 1,766.5



Reconciliation of Non-GAAP Financial Measures to Reported Financial Measures (in millions)

	Grocery & Snacks	Refrigerated & Frozen	International	Foodservice	Corporate Expense	Total Conagra Brands
Q1 FY20						
Operating Profit	\$ 151.7	\$ 155.6	\$ 24.8	\$ 31.1	\$ (99.5)	\$ 263.7
Restructuring plans	19.1	0.6	1.2	—	28.6	49.5
Acquisitions and divestitures	0.7	—	—	—	1.2	1.9
Impairment of a business held for sale	31.4	—	—	—	—	31.4
Brand impairment charges	3.5	15.8	—	—	—	19.3
Loss on divestiture of businesses	1.7	—	—	—	—	1.7
Corporate hedging derivative losses (gains)	—	—	—	—	7.2	7.2
Adjusted Operating Profit	\$ 208.1	\$ 172.0	\$ 26.0	\$ 31.1	\$ (62.5)	\$ 374.7
Operating Profit Margin	15.5%	16.2%	12.1%	12.5%		11.0%
Adjusted Operating Profit Margin	21.3%	17.9%	12.7%	12.5%		15.7%
Year-over-year % change - Operating Profit	(15.1)%	63.0%	(33.5)%	12.8%	23.2%	2.1%
Year-over-year % change - Adjusted Operating Profit	16.0%	80.2%	(4.0)%	12.8%	1.4%	40.0%
Year-over-year bps change - Adjusted Operating Margin	(198)bps	291bps	(125) bps	72bps		108bps
Q1 FY19						
Operating Profit	\$ 178.6	\$ 95.5	\$ 37.3	\$ 27.6	\$ (80.8)	\$ 258.2
Restructuring plans	0.1	—	0.2	—	0.9	1.2
Gain on sale of Del Monte business	—	—	(13.3)	—	—	(13.3)
Acquisitions and divestitures	0.6	—	2.9	—	7.5	11.0
Integration costs	—	—	—	—	4.3	4.3
Corporate hedging derivative losses (gains)	—	—	—	—	6.4	6.4
Adjusted Operating Profit	\$ 179.3	\$ 95.5	\$ 27.1	\$ 27.6	\$ (61.7)	\$ 267.8
Operating Profit Margin	23.2%	15.0%	19.2%	11.8%		14.1%
Adjusted Operating Profit Margin	23.3%	15.0%	14.0%	11.8%		14.6%



Reconciliation of Non-GAAP Financial Measures to Reported Financial Measures (in millions)

	Gross profit	Selling, general and administrative expenses	Operating profit ¹	Income from continuing operations before income taxes and equity method investment earnings	Income tax expense	Income tax rate	Net income attributable to Conagra Brands, Inc.	Diluted EPS from income from continuing operations attributable to Conagra Brands, Inc common stockholders
Q1 FY20								
Reported	\$ 664.5	\$ 400.8	\$ 263.7	\$ 150.5	\$ (11.5)	(7.0)%	\$ 173.8	\$ 0.36
<i>% of Net Sales</i>	27.8%	16.8%	11.0%					
Restructuring plans	4.5	45.0	49.5	50.1	11.5		38.6	0.08
Acquisitions and divestitures	—	1.9	1.9	1.9	0.5		1.4	—
Corporate hedging derivative losses (gains)	7.2	—	7.2	7.2	1.8		5.4	0.01
Advertising and promotion expenses ²	—	45.3	—	—	—		—	—
Gain on Ardent JV asset sale	—	—	—	—	(1.3)		(4.1)	(0.01)
Impairment of a business held for sale	—	31.4	31.4	31.4	1.8		29.6	0.06
Brand impairment charges	—	19.3	19.3	19.3	4.5		14.8	0.03
Loss on divestiture of businesses	—	1.7	1.7	1.7	0.4		1.3	—
Unusual tax items	—	—	—	—	51.0		(51.0)	(0.10)
Adjusted	\$ 676.2	\$ 256.2	\$ 374.7	\$ 262.1	\$ 58.7	21.8%	\$ 209.8	\$ 0.43
<i>% of Net Sales</i>	28.3%	10.7%	15.7%					
<i>Year-over-year % of net sales change - reported</i>	(31) bps	274 bps	(304) bps					
<i>Year-over-year % of net sales change - adjusted</i>	(29) bps	(93) bps	108 bps					
<i>Year-over-year change - reported</i>	28.9%	55.8%	2.1%	(31.4)%	N/A		(2.5)%	(20.0)%
<i>Year-over-year change - adjusted</i>	29.0%	19.9%	40.0%	12.0%	(7.8)%		12.5%	(8.5)%
	Gross profit	Selling, general and administrative expenses	Operating profit ¹	Income from continuing operations before income taxes and equity method investment earnings	Income tax expense	Income tax rate	Net income attributable to Conagra Brands, Inc.	Diluted EPS from income from continuing operations attributable to Conagra Brands, Inc common stockholders
Q1 FY19								
Reported	\$ 515.5	\$ 257.3	\$ 258.2	\$ 219.4	\$ 57.4	24.4%	\$ 178.2	\$ 0.45
<i>% of Net Sales</i>	28.1%	14.0%	14.1%					
Restructuring plans	2.3	(1.1)	1.2	0.6	0.2		0.4	—
Acquisitions and divestitures	—	11.0	11.0	16.6	2.3		14.3	0.04
Corporate hedging derivative losses (gains)	6.4	—	6.4	6.4	1.6		4.8	0.01
Integration costs	—	4.3	4.3	4.3	1.1		3.2	0.01
Advertising and promotion expenses ²	—	42.7	—	—	—		—	—
Gain on sale of Del Monte business	—	(13.3)	(13.3)	(13.3)	(3.6)		(9.7)	(0.02)
Unusual tax items	—	—	—	—	4.8		(4.8)	(0.01)
Rounding	—	—	—	—	—		—	(0.01)
Adjusted	\$ 524.2	\$ 213.7	\$ 267.8	\$ 234.0	\$ 63.8	25.5%	\$ 186.4	\$ 0.47
<i>% of Net Sales</i>	28.6%	11.7%	14.6%					

¹ Operating profit is derived from taking Income from continuing operations before income taxes and equity method investment earnings, adding back Interest expense, net and removing Pension and postretirement non-service income.

² Advertising and promotion expense (A&P) has been removed from adjusted selling, general and administrative expense because this metric is used in reporting to management, and management believes this adjusted measure provides useful supplemental information to assess the Company's operating performance. Please note that A&P is not removed from adjusted profit measures.



Reconciliation of Non-GAAP Financial Measures to Reported Financial Measures (in millions)

	Q1 FY20	Q1 FY19	% Change
Interest expense, net	\$ 122.7	\$ 49.0	150.5%
Acquisitions and divestitures	—	(5.6)	
Adjusted interest expense, net	\$ 122.7	\$ 43.4	183.0%

	Q1 FY20	Q1 FY19	% Change
Equity method investment earnings	\$ 12.3	\$ 16.2	(24.2)%
Gain on Ardent JV asset sale	(5.4)	—	
Adjusted equity method investment earnings	\$ 6.9	\$ 16.2	(57.8)%

	Q1 FY20	Q1 FY19	% Change
Pension and postretirement non-service income	\$ (9.5)	\$ (10.2)	(7.0)%
Restructuring plans	(0.6)	0.6	
Adjusted pension and postretirement non-service income	\$ (10.1)	\$ (9.6)	5.1%



Reconciliation of Non-GAAP Financial Measures to Reported Financial Measures (in millions)

	Q1 FY20	Q1 FY19	% Change
Net income attributable to Conagra Brands, Inc.	\$ 173.8	\$ 178.2	(2.5)%
Add Back: Income tax expense (benefit)	(11.5)	57.4	
Income tax expense attributable to noncontrolling interests	(0.2)	(0.2)	
Interest expense, net	122.7	49.0	
Depreciation	81.7	55.4	
Amortization	15.0	8.3	
Earnings before interest, taxes, depreciation, and amortization	\$ 381.5	\$ 348.1	9.6%
Restructuring plans ¹	43.8	(0.9)	
Acquisitions and divestitures ²	1.9	11.0	
Integration costs	—	4.3	
Corporate hedging losses (gains)	7.2	6.4	
Impairment of a business held for sale	31.4	—	
Loss (gain) on sale of businesses	1.7	(13.3)	
Intangible impairment charges	19.3	—	
Gain on Ardent JV asset sale	(5.4)	—	
Adjusted Earnings before interest, taxes, depreciation, and amortization	\$ 481.4	\$ 355.6	35.4%

¹ Excludes comparability items related to depreciation.

² Excludes comparability items related to interest expense.

	August 25, 2019	August 26, 2018
Net cash flows from operating activities	\$ 207.0	\$ 94.7
Additions to property, plant and equipment	(106.6)	(86.1)
Free cash flow	\$ 100.4	\$ 8.6



Reconciliation of Non-GAAP Financial Measures to Reported Financial Measures (in millions)

	Q2 FY19	Q3 FY19	Q4 FY19	Q1 FY20
Notes payable	\$ 0.9	\$ —	\$ 1.0	\$ 56.0
Current installments of long-term debt	17.2	19.9	20.6	150.1
Senior long-term debt, excluding current installments	11,349.5	10,911.8	10,459.8	10,127.5
Subordinated debt	195.9	195.9	195.9	195.9
Total Debt	\$ 11,563.5	\$ 11,127.6	\$ 10,677.3	\$ 10,529.5
Less: Cash	442.3	282.2	236.6	64.7
Net Debt	\$ 11,121.2	\$ 10,845.4	\$ 10,440.7	\$ 10,464.8



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