



FY20 Q2 Earnings Presentation

December 19, 2019



Today's Presenters

Brian Kearney

Investor Relations

Sean Connolly

President and Chief Executive Officer

Dave Marberger

Executive Vice President and 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; 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 Through H1

- All segments posted organic net sales growth in Q2
- All key initiatives on-track:
 - Frozen and snacks showed continued momentum
 - Hunt's Tomatoes and Chef Boyardee improved
 - Playbook on key Legacy Pinnacle brands working
 - Delivered on integration, synergies, and de-leveraging
- Reaffirming organic net sales and margin guidance; updating guidance primarily for recent portfolio adjustments



Agenda



Total Conagra Update



Segment Update



Agenda



Total Conagra Update

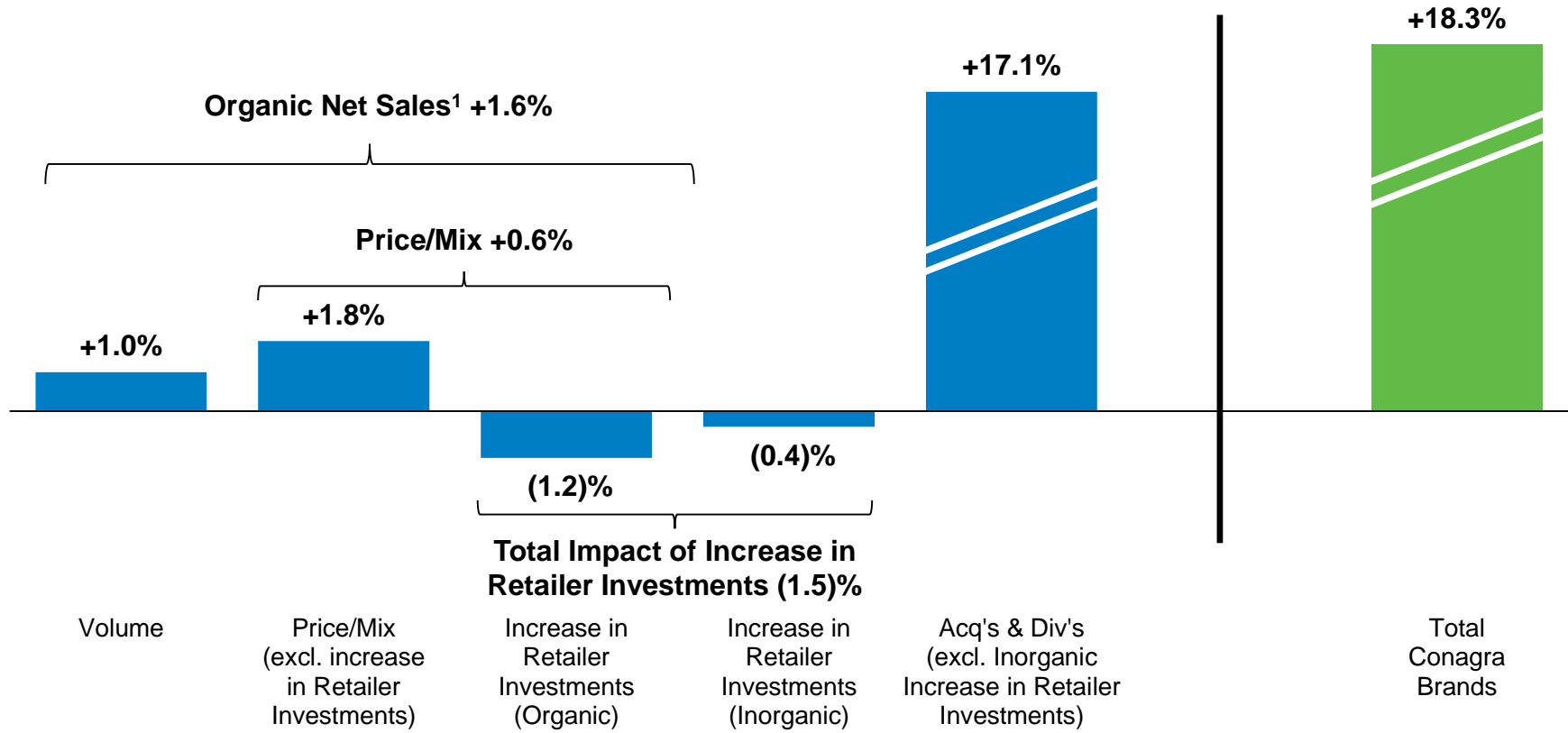


Segment Update



Solid Q2 Organic Net Sales Growth

Q2 Drivers of Net Sales Change (% Change vs. YA)



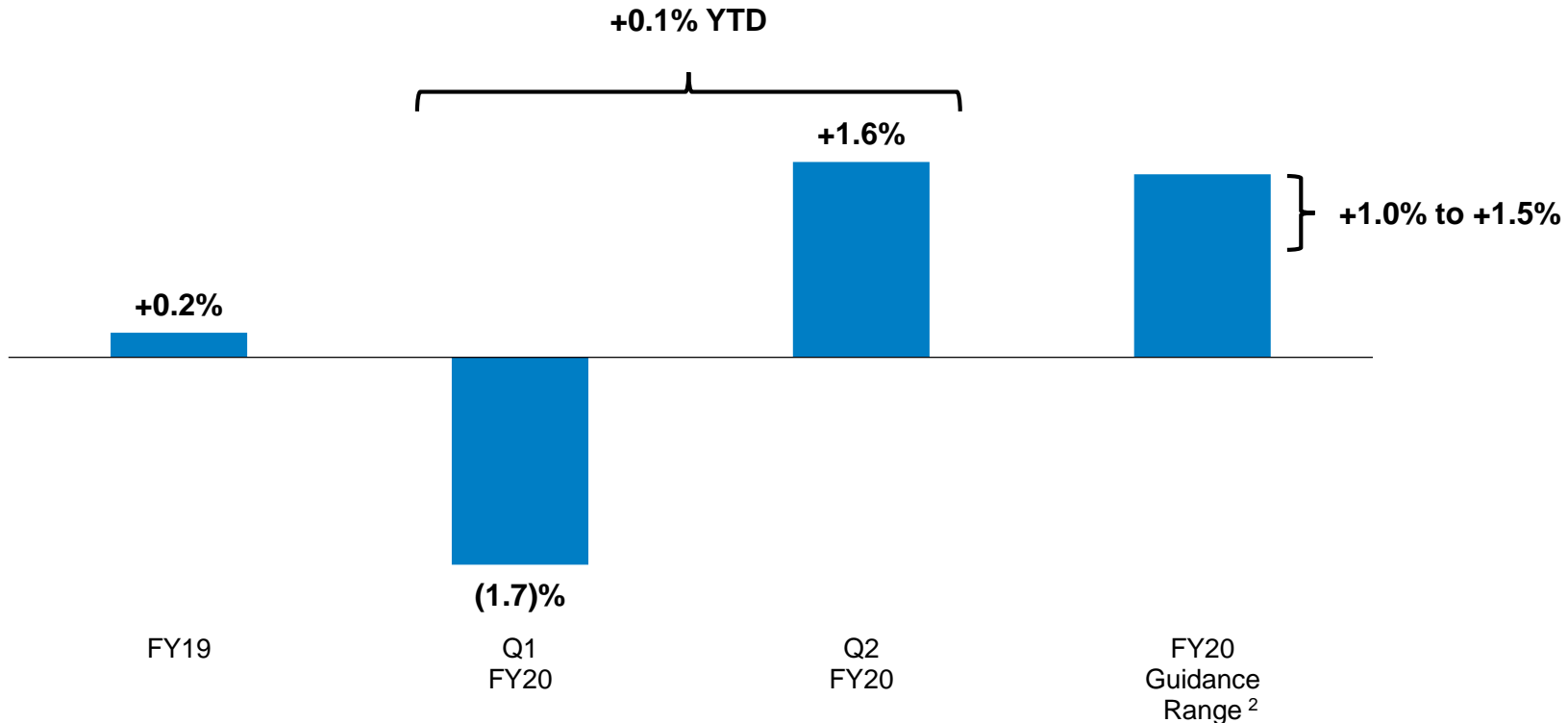
Note: Organic net sales growth is non-GAAP. See the end of this presentation for a reconciliation of this measure to the most directly comparable GAAP measure. Numbers may not add due to rounding.

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



Top-Line Strengthening

Organic Net Sales Growth¹ (% 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 and divested businesses, as well as acquisitions (until the anniversary date of the acquisitions).
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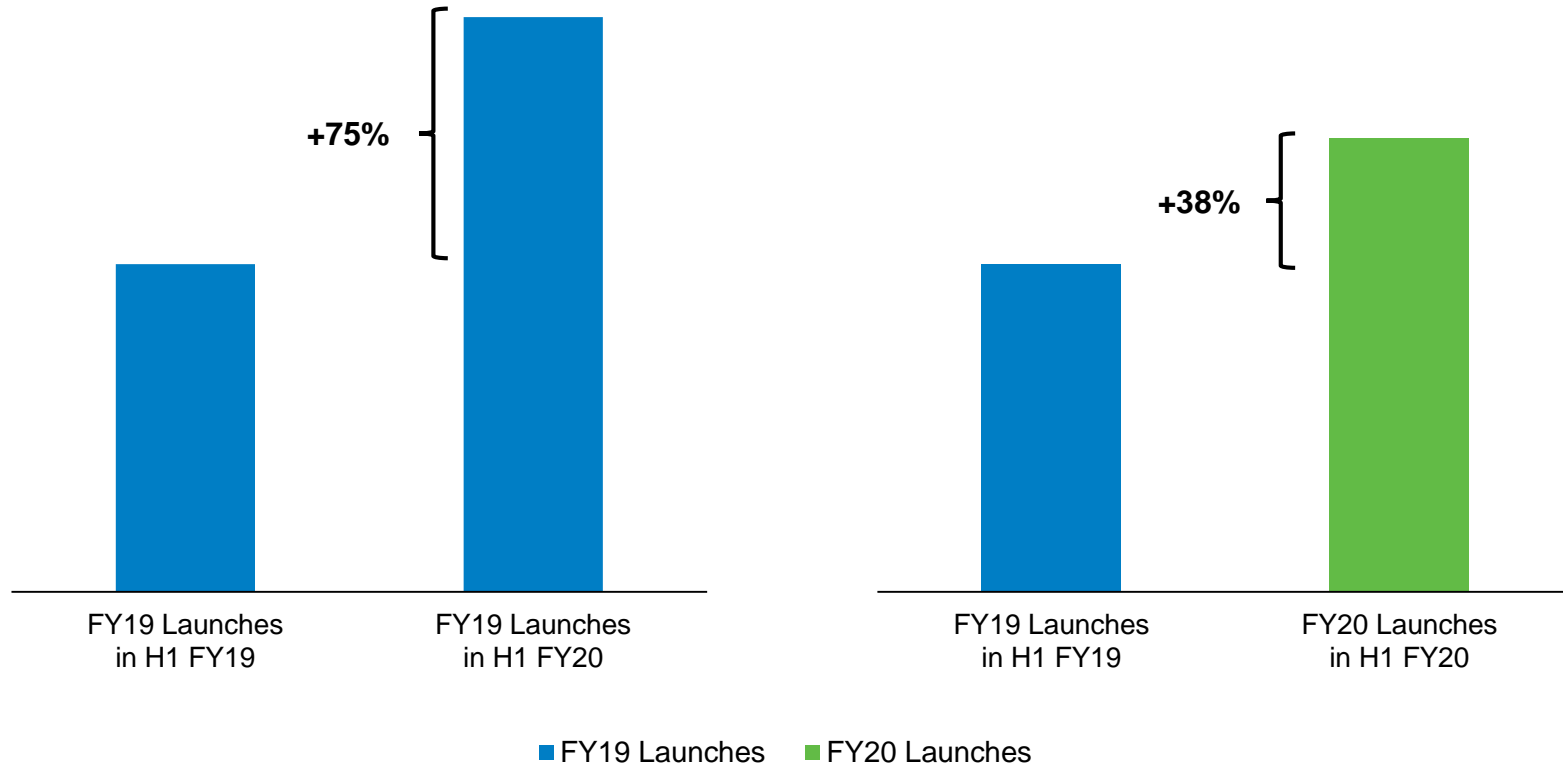


Innovation Continued to Perform Well; FY20 Launches Already Larger than FY19's

Retail Dollar Sales From Innovation

FY19 Launches Continue to Grow
(Retail Sales from FY19 Innovation)

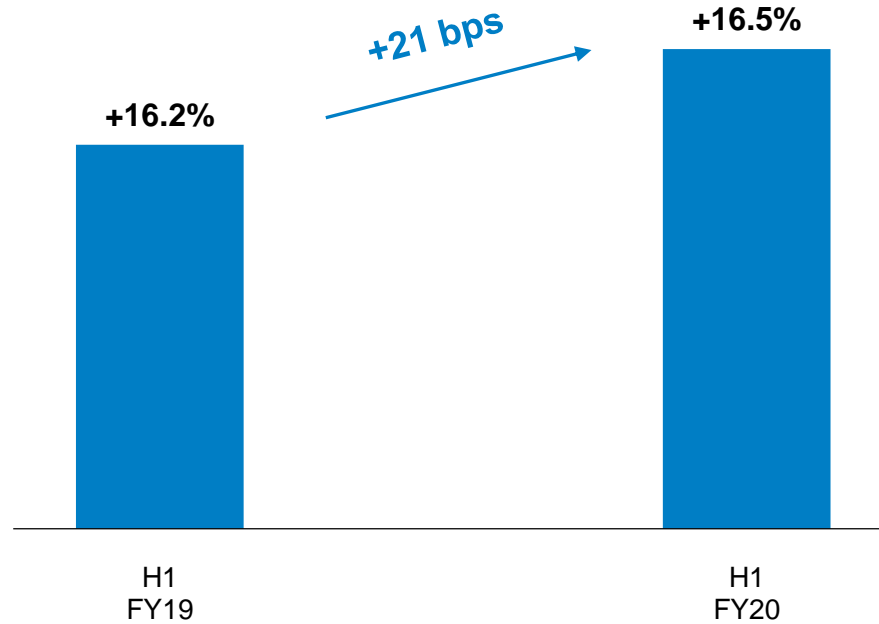
FY20 Launches Larger Than FY19 Launches in Comparable Periods





Margins Expanded

YTD Adjusted Operating Margin¹



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.

1. Adjusted operating margin excludes equity method investment earnings.



Continued Progress on Integration, Synergies, and De-Leveraging

Integration

- Exited legacy Pinnacle corporate facilities
- SAP plant conversion progressing as planned

Synergy capture

- \$42 million in Q2, \$112 million since closing through the end of Q2
- Now see additional upside: \$305 million vs. prior \$285 million

De-leveraging

- Continued to make progress reducing net debt



Agenda



Total Conagra Update



Segment Update



Q2 Organic Net Sales Growth in All Segments

Dollars in Millions Increase/(Decrease)	Net Sales		
	Q2	Reported vs. YA	Organic vs. YA ¹
Grocery & Snacks	\$1,143	+14.2%	+0.9%
Refrigerated & Frozen	1,168	+28.8%	+2.4%
International	234	+7.3%	+1.8%
Foodservice	276	+6.8%	+0.8%
Total Conagra Brands	\$2,821	+18.3%	+1.6%

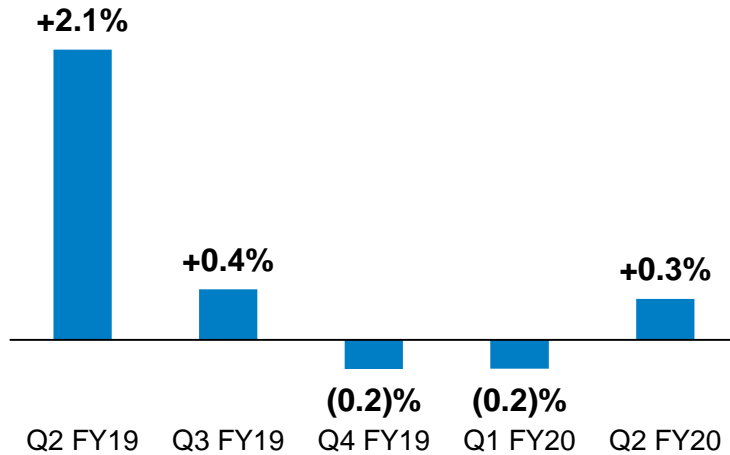
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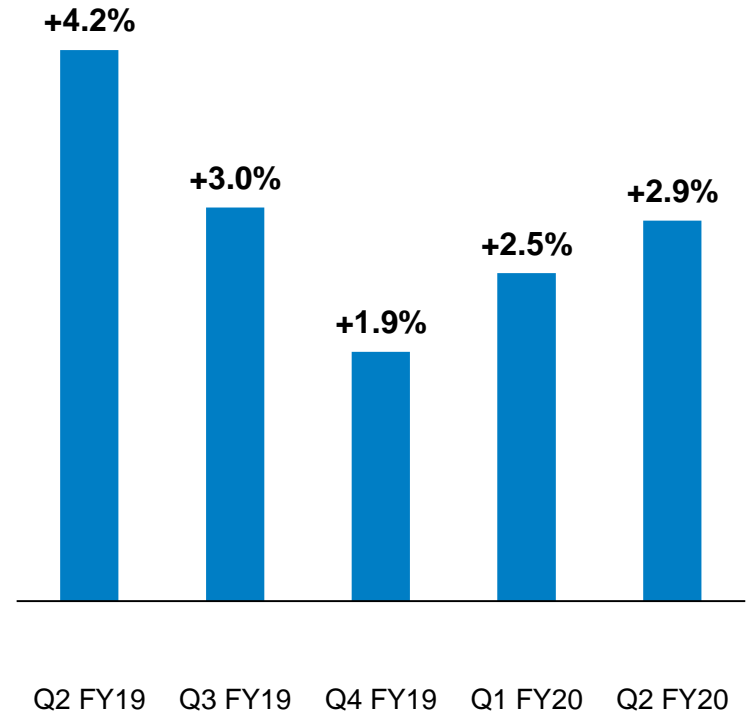


Total Conagra Frozen Portfolio Returned to Growth in Q2, Led by Legacy Conagra

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



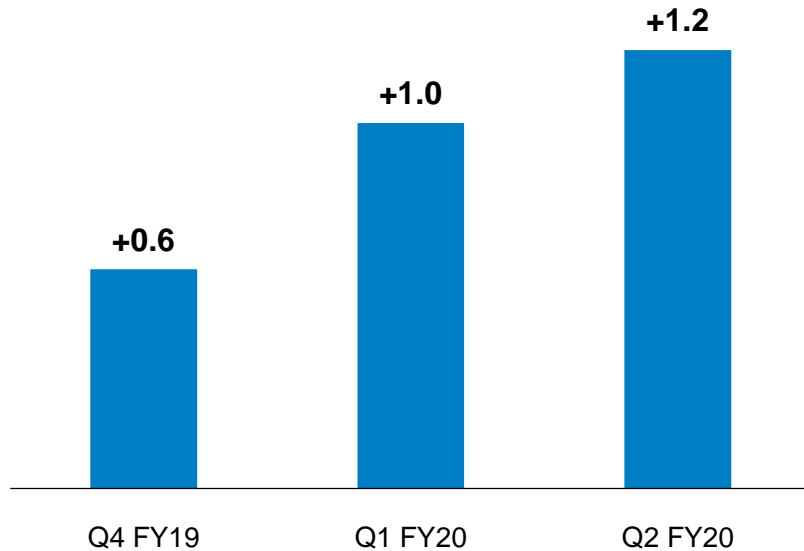
**Legacy Conagra Brands Frozen
Total Retail Sales
(% Change vs. YA)**



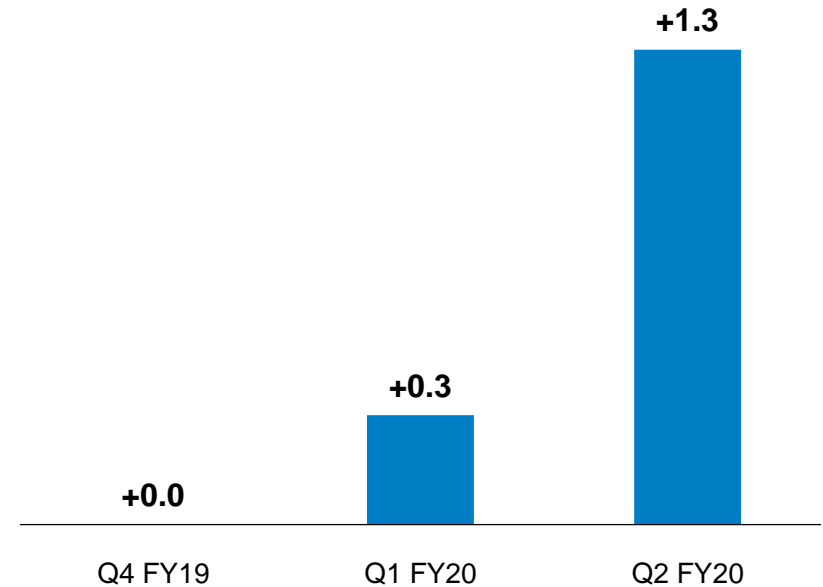


Greater Share of Shelf Has Led to Greater Share of Retail Sales in Frozen Meals

**Total Conagra Frozen Meals
Retail Distribution Share
(Share Point Change vs. YA)**



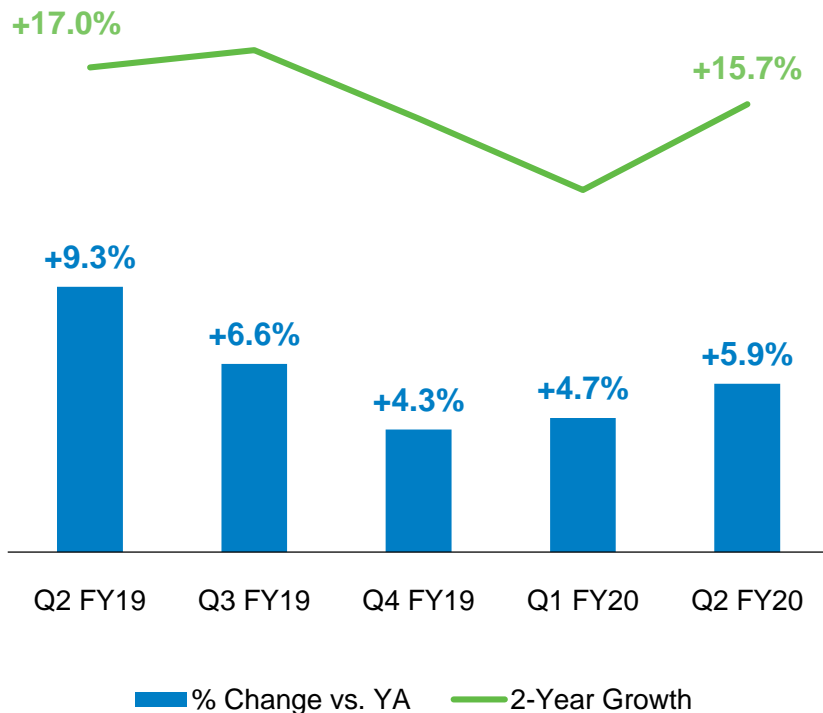
**Total Conagra Frozen Meals
Retail Sales Share
(Share Point Change vs. YA)**





Continued Category Leading Growth in Frozen Single Serve Meals

Total Conagra Frozen Single Serve Meals Retail Sales
(% Change vs. YA)



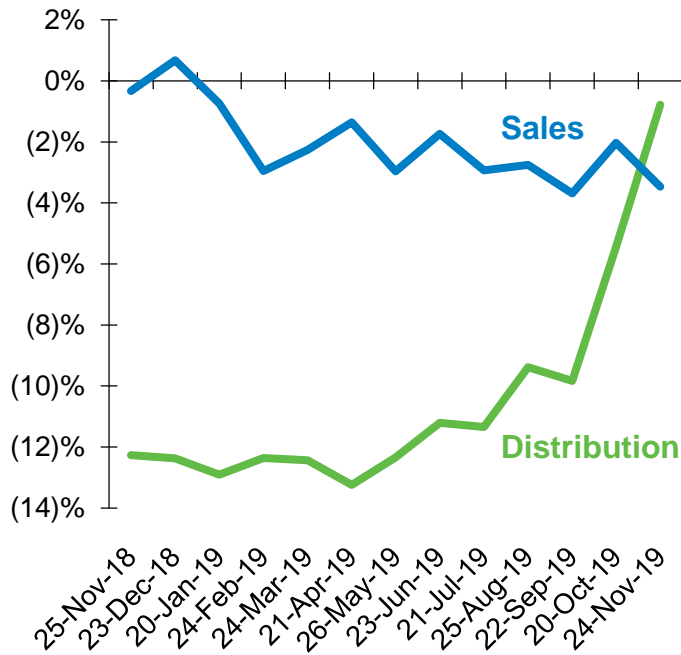
Frozen Single Serve Meals Retail Sales
(Q2 % Change vs. YA)

Conagra Playbook Working	
	+13%
	+7%
	+5%
Playbook Opportunities	
 	(3)%



Birds Eye Distribution Trends Improved Behind Innovation Launches

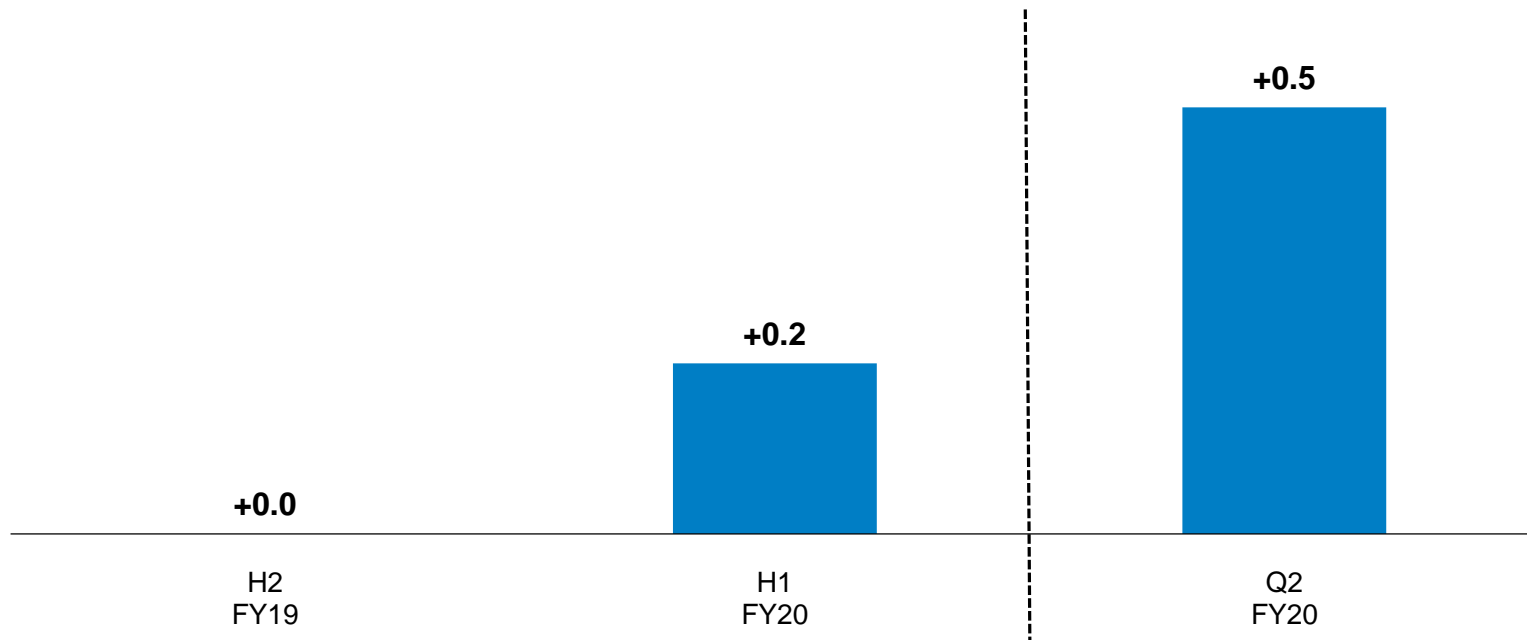
Total Birds Eye Retail Sales
(% Change vs. YA)





Birds Eye Has Gained Share among Branded Players

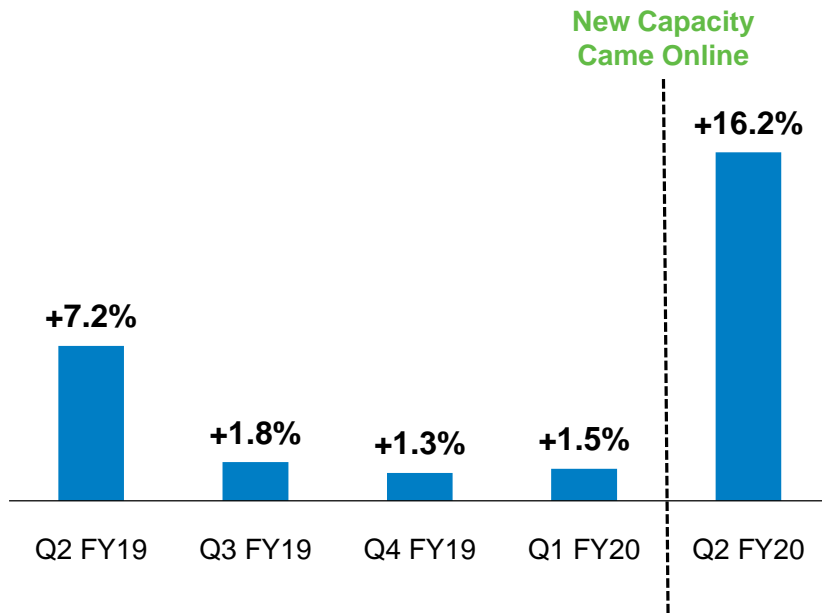
Bird's Eye Frozen Vegetable Branded Retail Sales Share (Share Point Change vs. YA)





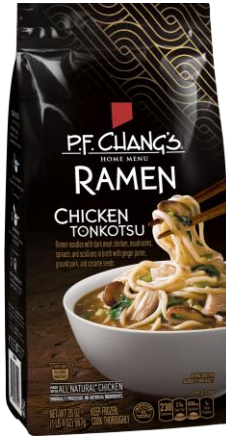
Gardein Q2 Sales Performance Accelerated after Capacity Expansion Has Come Online

Gardein Quarterly Retail Sales (% Change vs. YA)





Frozen Innovation Will Continue to Contribute to H2 Sales Growth



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



Impact of Birds Eye Innovation Expected to Accelerate in H2

FY20 H1 Launches Continue to Build Distribution, Trial, and Repeat



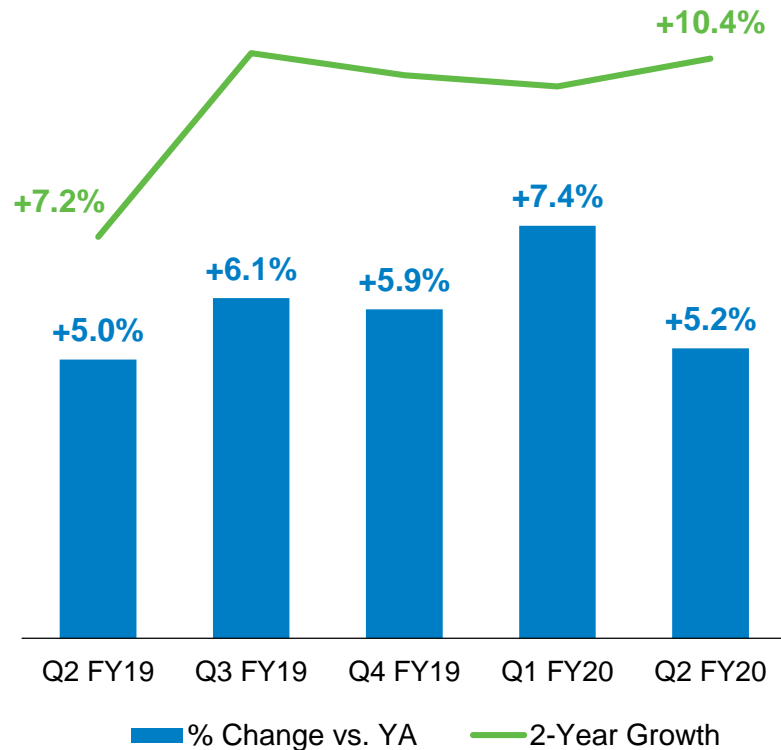
Spiralized Launches in H2





Snacks Continued to Grow Across All Segments and Accelerated on a 2-Year Basis

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



Meat Snacks
+7.8%

Sweet Treats
+7.3%

Seeds
+5.9%

Popcorn
+0.6%



Source (Left Chart): IRI Market Advantage, IRI Custom Database, Total US MULO+C, Conagra Fiscal Quarters

Source (Right Chart): IRI Market Advantage, IRI Custom Database, Total US MULO (Seeds + Meat Snacks MULO+C), 13-weeks ended November 24, 2019



Innovation Launched at NACS in October Expected to Support H2 Momentum

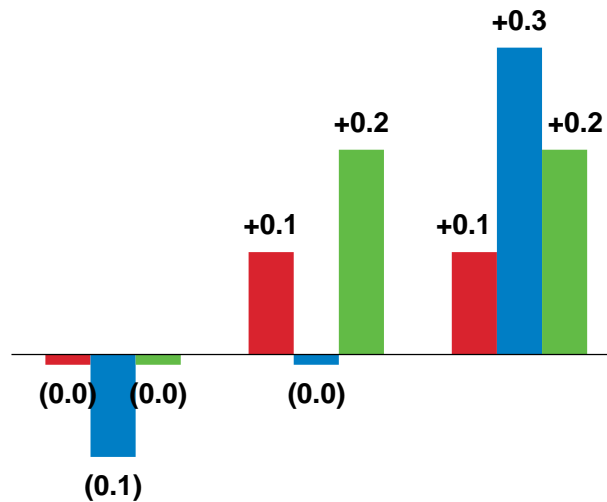


Making Progress on Duncan Hines

Modernized Packaging



Gained Share (Retail Sales Share Point Change vs. YA)



L52 Weeks L13 Weeks L5 Weeks

- Duncan Hines Brownie Mix
- Duncan Hines Classic Cake Mix
- Duncan Hines Signature Cake Mix

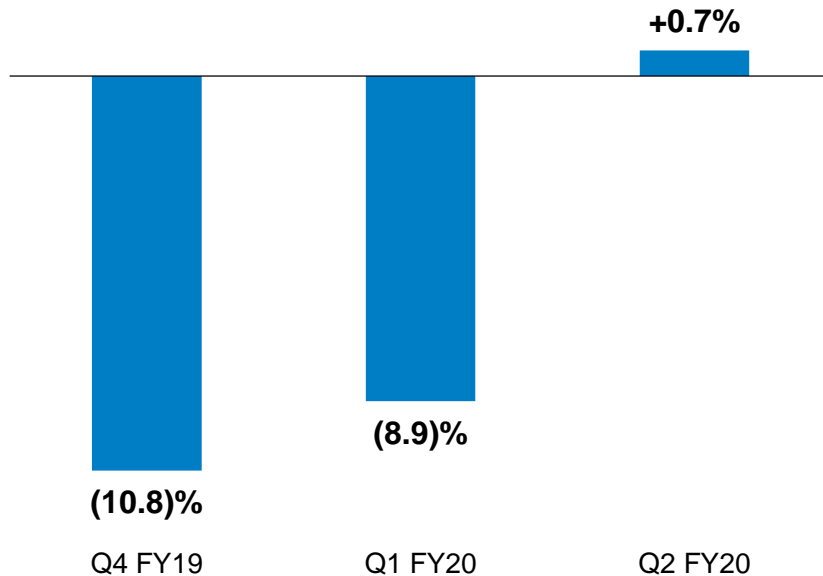
Innovation Continues in H2



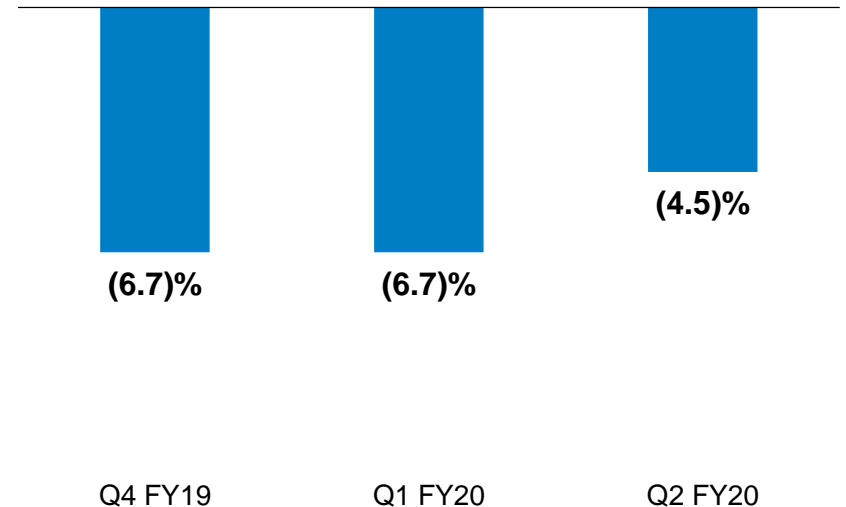


In Grocery, Hunt's Tomatoes and Chef Boyardee Both Improved Sequentially and Are On-Track

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



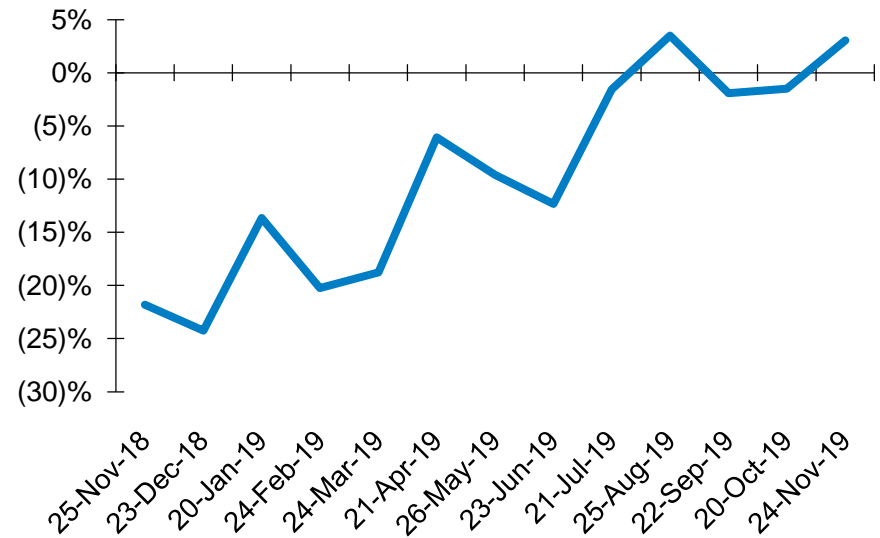
Chef Boyardee Shelf Stable Meals Retail Sales (% Change vs. YA)



In Grocery, Wish-Bone Is Stable



Wish-Bone Sales
(% Change vs. YA)





In Grocery, Introducing Healthy Choice Power Dressing in H2



- Vegetable based for creamy texture
- Good Fat: Sunflower oil
- Flavorful: unique spice combinations
- Non-dairy options, No soy ingredients
- Reduced calorie: 30-45 calories/serving



Solid Performance in International and Foodservice

International

- Continued strong frozen performance in Canada
- Snacks distribution gains in Mexico

Foodservice

- Strong sales performance in Gardein, Udi's, and snacks
- Operating margin continues to show good year-over-year improvement



Fiscal 2020 On-Track Through H1

- Good progress through H1
- On-track with our plan
- Continued confidence in fiscal 2020 guidance, updating primarily for recent portfolio adjustments



Dave Marberger

Executive Vice President and Chief Financial Officer



Performance Summary

Dollars in Millions, except per share data Increase/(Decrease)	Q2	vs. YA
Reported Net Sales	\$2,821	+18.3%
Organic Net Sales ¹		+1.6%
Adj. Gross Profit	804	+14.1%
Adj. Gross Margin	28.5%	(105) bps
A&P	61	(12.5)%
A&P as % of NS	2.2%	(76) bps
Adj. SG&A	260	+19.6%
Adj. SG&A as % of NS	9.2%	+10 bps
Adj. Op. Profit ²	483	+15.7%
Adj. Op. Margin ²	17.1%	(39) bps
Adj. Net Income	306	+8.3%
Adj. EBITDA ³	610	+17.2%
Adj. Diluted EPS from cont. ops.	\$0.63	(6.0)%

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 and divested businesses, as well as acquisitions (until the anniversary date of the acquisitions).

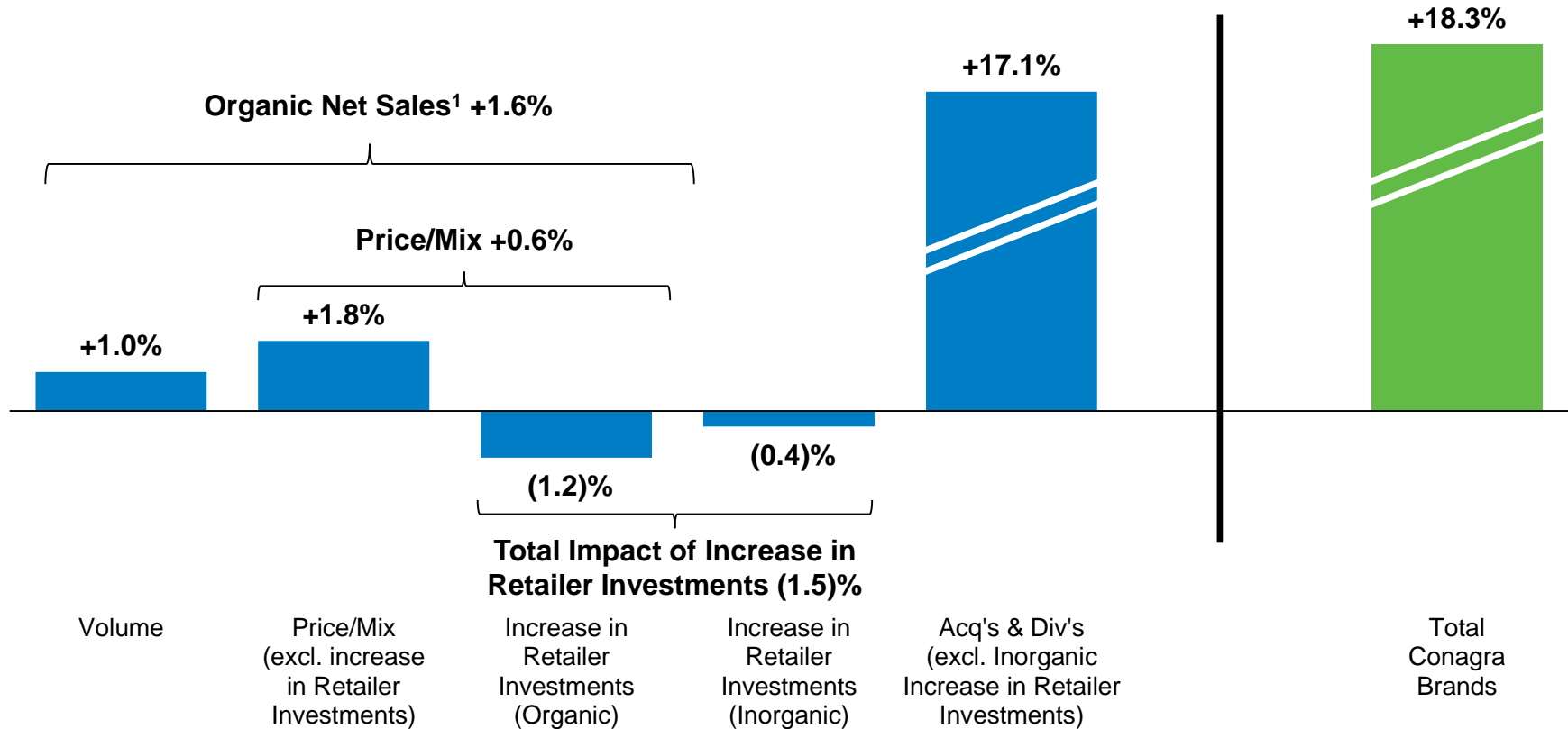
2. Adjusted operating profit and adjusted operating margin exclude equity method investment earnings.

3. Adjusted EBITDA includes equity method investment earnings and pension and postretirement non-service income.



Net Sales Bridge vs. Year Ago

Q2 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. Numbers may not add due to rounding.

1. Organic net sales growth excludes the impact of foreign exchange 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		
	Q2	Reported vs. YA	Organic vs. YA ¹
Grocery & Snacks	\$1,143	+14.2%	+0.9%
Refrigerated & Frozen	1,168	+28.8%	+2.4%
International	234	+7.3%	+1.8%
Foodservice	276	+6.8%	+0.8%
Total Conagra Brands	\$2,821	+18.3%	+1.6%

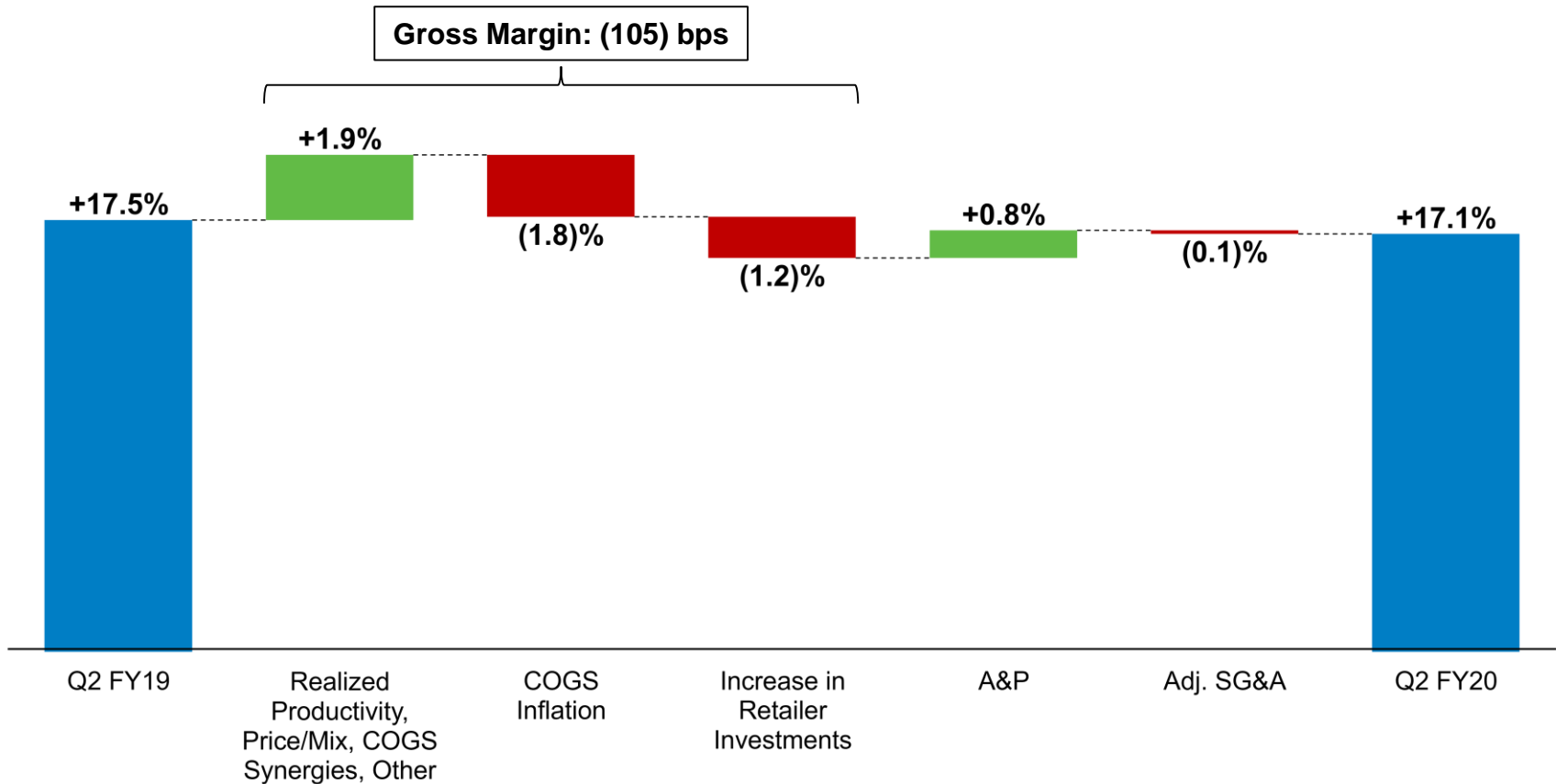
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Operating Margin Bridge

Q2 Adj. Operating Margin¹ (% Change vs. YA)



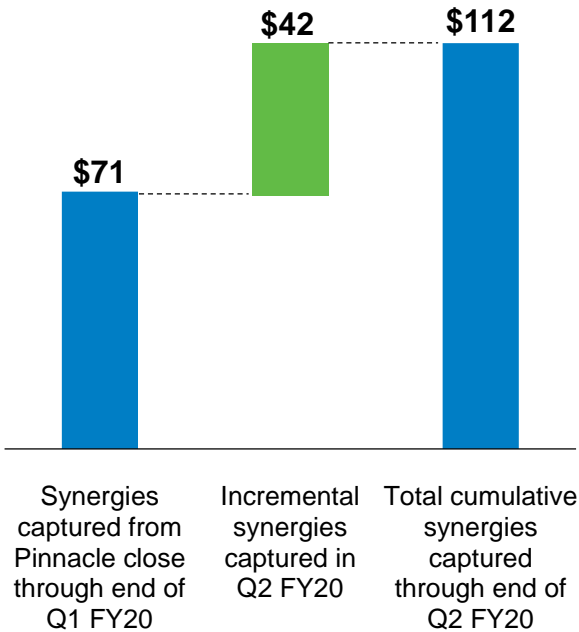
Note: "Adjusted" financial measures are non-GAAP. See the end of this presentation for a reconciliation of these measures to the most directly comparable GAAP measures; Numbers may not add due to rounding.

1. Adjusted operating margin excludes equity method investment earnings.

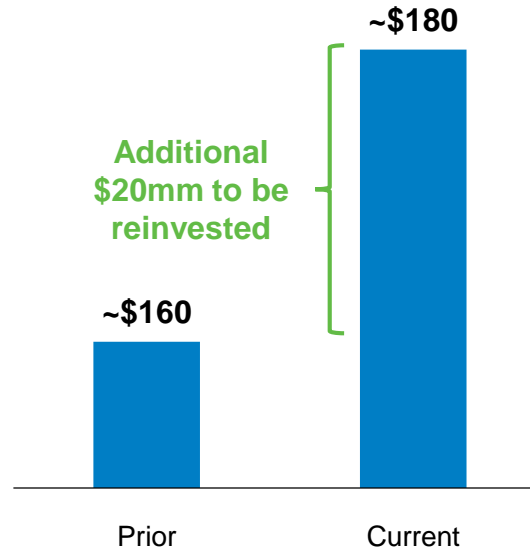


Synergy Capture Trending Favorably

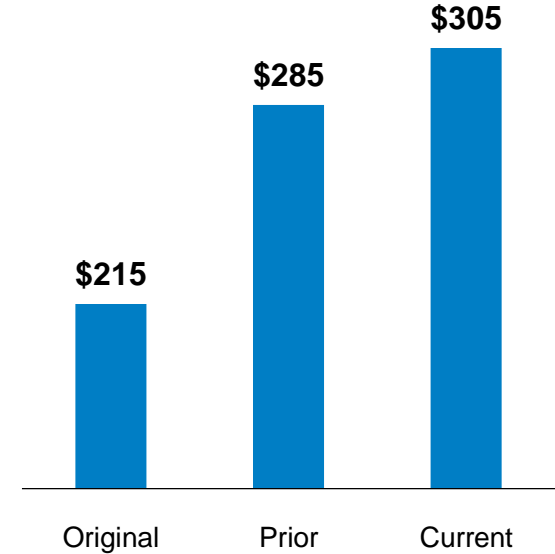
Cumulative Synergies Captured



FY20 Synergy Target (Cumulative Synergies Since Close Through End of FY20)



Total Synergy Target Through FY22





Q2 Segment Adjusted Operating Profit & Margin Summary

Dollars in Millions Increase/(Decrease)	Adj. Op. Profit ¹		Adj. Op. Margin ¹	
	Q2	vs. YA	Q2	vs. YA
Grocery & Snacks	\$273	+16.7%	23.9%	+52 bps
Refrigerated & Frozen	216	+29.6%	18.5%	+11 bps
International	27	(8.3)%	11.3%	(193) bps
Foodservice	38	+11.4%	13.9%	+57 bps
Adjusted Corporate Expense	(71)	+52.6%	-	-
Total Conagra Brands	\$483	+15.7%	17.1%	(39) bps

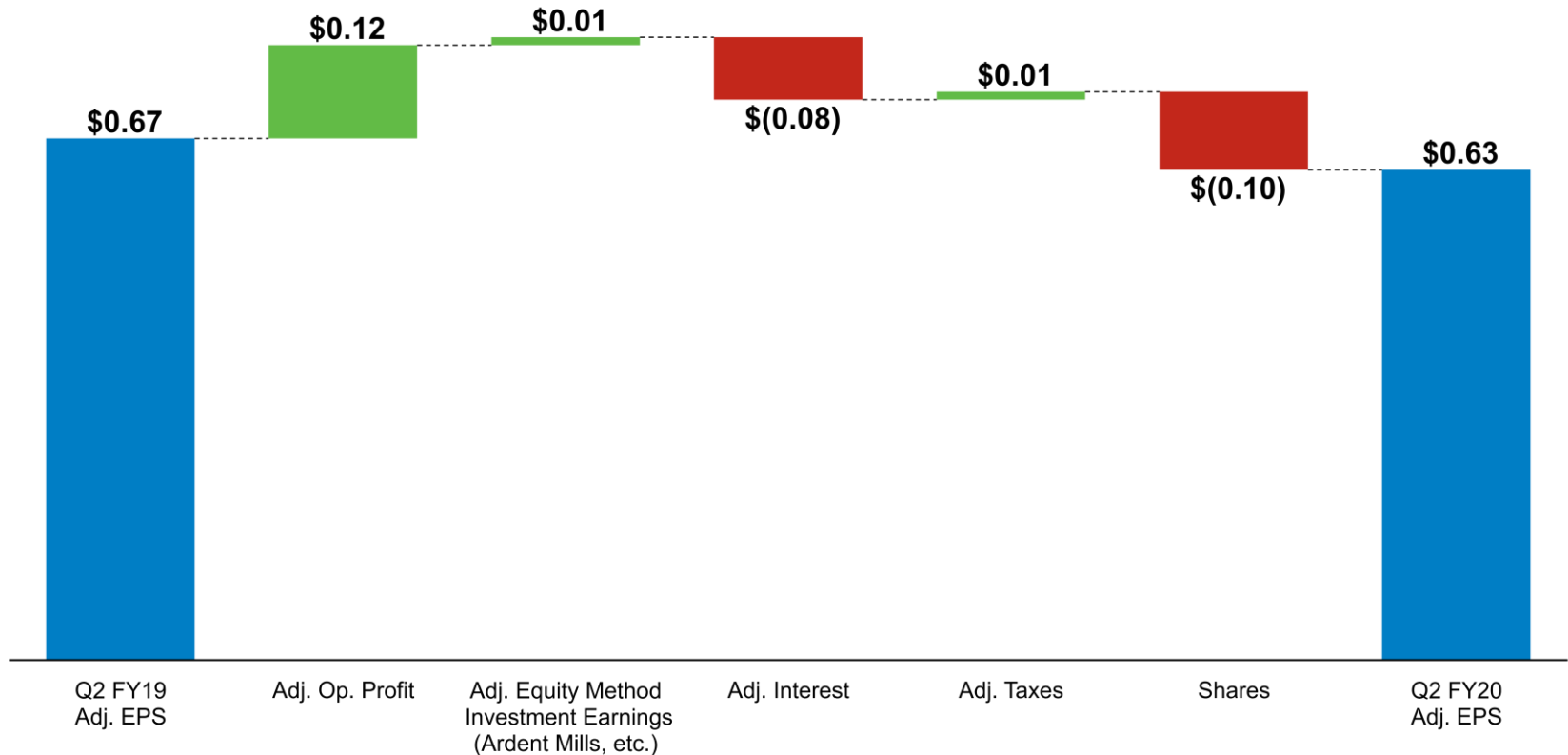
Note: "Adjusted" financial measures are non-GAAP. See the end of this presentation for a reconciliation of these measures to the most directly comparable GAAP measures; Numbers may not add due to rounding.

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



Q2 Adjusted EPS Bridge

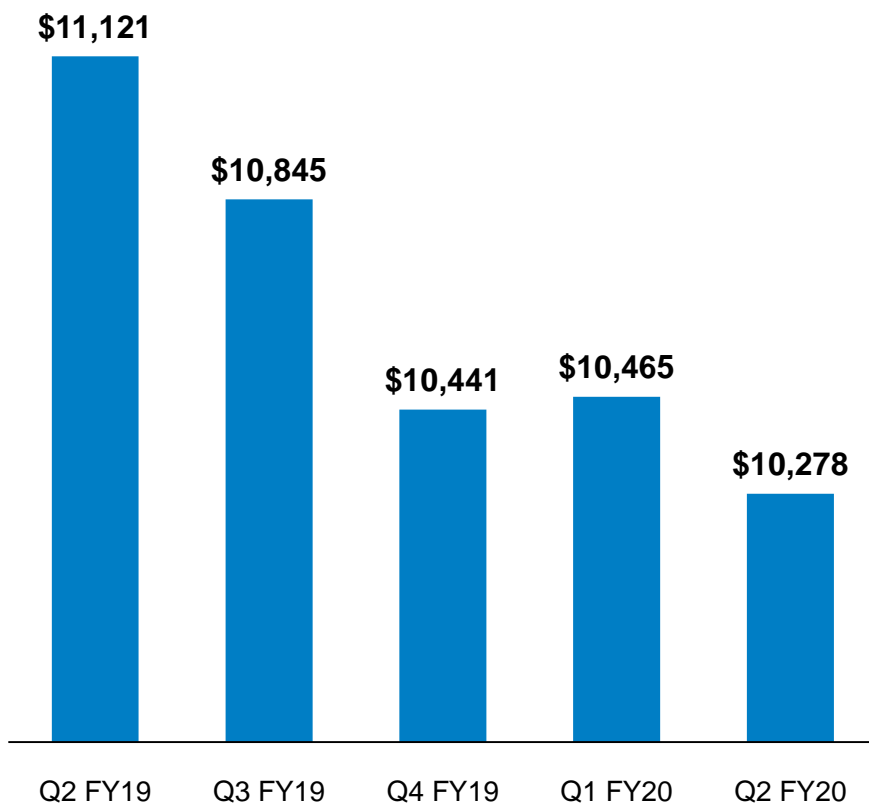
Drivers of Q2 Adjusted Diluted EPS from Continuing Operations vs. YA



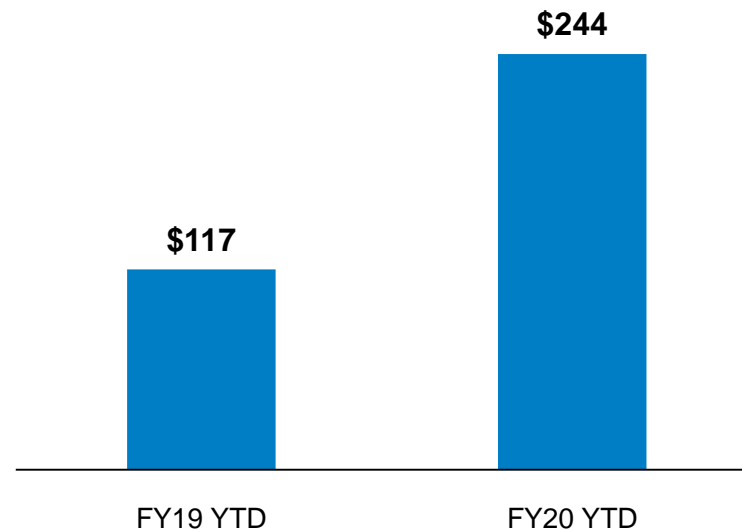


Key Balance Sheet & Cash Flow Metrics

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.



Updating FY20 Guidance Primarily for Portfolio Adjustments

Metric (All Metrics Include a 53 rd Week Except Organic Net Sales Growth) ¹	Prior Fiscal 2020 Guidance ²	Updated Fiscal 2020 Guidance ²
Organic Net Sales Growth ³	+1.0% to +1.5%	+1.0% to +1.5%
Reported Net Sales Growth	+13.5% to +14.0%	+12.4% to +12.9%
Adj. Op. Margin ⁴	16.2% to 16.8%	16.2% to 16.8%
Adj. Net Interest Expense	~\$505 million	Slightly below \$505 million
Adj. Effective Tax Rate	24% to 25%	~24%
Avg. Diluted Shares	~488 million	~488 million
Adj. Diluted EPS from cont. ops.	\$2.08 to \$2.18	\$2.07 to \$2.17
Free Cash Flow	~\$1 billion	Slightly below \$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 the impacts 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 and divested businesses, acquisitions (until the anniversary date of the acquisitions), as well as the impact of any 53rd week.

4. Adjusted operating margin excludes equity method investment earnings.

Come Hungry to CAGNY



Q&A



Appendix



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

	Grocery & Snacks	Refrigerated & Frozen	International	Foodservice	Total Conagra Brands
Q2 FY20					
Net Sales	\$ 1,142.5	\$ 1,168.3	\$ 234.3	\$ 275.7	\$ 2,820.8
Impact of foreign exchange	—	—	1.2	—	1.2
Net sales from acquired businesses	(169.2)	(255.6)	(19.2)	(27.0)	(471.0)
Net sales from divested businesses	(16.9)	—	—	—	(16.9)
Organic Net Sales	\$ 956.4	\$ 912.7	\$ 216.3	\$ 248.7	\$ 2,334.1
Year-over-year change - Net Sales	14.2%	28.8%	7.3%	6.8%	18.3%
Impact of foreign exchange (pp)	—	—	0.5	—	—
Net sales from acquired businesses (pp)	(16.9)	(28.1)	(8.6)	(10.4)	(19.6)
Net sales from divested businesses (pp)	3.6	1.7	2.6	4.4	2.9
Organic Net Sales	0.9%	2.4%	1.8%	0.8%	1.6%
Volume (Organic)	2.1%	0.5%	1.8%	(2.8)%	1.0%
Price/Mix	(1.2)%	1.9%	(0.0)%	3.6%	0.6%
Q2 FY19					
Net Sales	\$ 1,000.5	\$ 906.7	\$ 218.3	\$ 258.2	\$ 2,383.7
Net sales from divested businesses	(52.7)	(15.5)	(5.7)	(11.4)	(85.3)
Organic Net Sales	\$ 947.8	\$ 891.2	\$ 212.6	\$ 246.8	\$ 2,298.4



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

	Grocery & Snacks	Refrigerated & Frozen	International	Foodservice	Total Conagra Brands
Q2 FY20 YTD					
Net Sales	\$ 2,120.1	\$ 2,127.4	\$ 438.7	\$ 525.3	\$ 5,211.5
Impact of foreign exchange	—	—	2.6	—	2.6
Net sales from acquired businesses	(406.3)	(583.4)	(46.0)	(62.4)	(1,098.1)
Net sales from divested businesses	(46.1)	—	—	—	(46.1)
Organic Net Sales	\$ 1,667.7	\$ 1,544.0	\$ 395.3	\$ 462.9	\$ 4,069.9
Year-over-year change - Net Sales	19.7%	38.0%	6.5%	6.6%	23.6%
Impact of foreign exchange (pp)	—	—	0.6	—	0.1
Net sales from acquired businesses (pp)	(23.0)	(37.9)	(11.2)	(12.7)	(26.1)
Net sales from divested businesses (pp)	2.2	1.9	3.6	4.7	2.5
Net sales from sold Trenton plant (pp)	—	—	—	0.4	—
Organic Net Sales	(1.1)%	2.0%	(0.5)%	(1.0)%	0.1%
Volume (Organic)	(0.2)%	0.4%	(1.3)%	(4.5)%	(0.5)%
Price/Mix	(0.9)%	1.6%	0.8%	3.5%	0.6%
Q2 FY19 YTD					
Net Sales	\$ 1,771.2	\$ 1,541.9	\$ 412.1	\$ 492.9	\$ 4,218.1
Net sales from divested businesses	(84.6)	(28.7)	(14.9)	(23.0)	(151.2)
Net sales from sold Trenton plant	—	—	—	(2.0)	(2.0)
Organic Net Sales	\$ 1,686.6	\$ 1,513.2	\$ 397.2	\$ 467.9	\$ 4,064.9



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

	Grocery & Snacks	Refrigerated & Frozen	International	Foodservice	Corporate Expense	Total Conagra Brands
Q2 FY20						
Operating Profit	\$ 263.7	\$ 187.4	\$ 26.4	\$ 38.3	\$ (87.7)	\$ 428.1
Restructuring plans	19.2	1.2	0.2	—	14.6	35.2
Acquisitions and divestitures	2.3	—	—	—	(1.2)	1.1
Impairment of a business held for sale	—	27.6	—	—	—	27.6
Gain on divestiture of businesses	(0.2)	—	—	—	—	(0.2)
Contract settlement gain	(12.0)	—	—	—	—	(12.0)
Legal matters	—	—	—	—	(1.5)	(1.5)
Environmental matters	—	—	—	—	6.6	6.6
Corporate hedging derivative losses (gains)	—	—	—	—	(1.8)	(1.8)
Adjusted Operating Profit	\$ 273.0	\$ 216.2	\$ 26.6	\$ 38.3	\$ (71.0)	\$ 483.1
Operating Profit Margin	23.1%	16.0%	11.3%	13.9%		15.2%
Adjusted Operating Profit Margin	23.9%	18.5%	11.3%	13.9%		17.1%
Year-over-year % change - Operating Profit	20.1%	19.5%	17.1%	11.4%	(64.0)%	125.5%
Year-over-year % change - Adjusted Operating Profit	16.7%	29.6%	(8.3)%	11.4%	52.6%	15.7%
Year-over-year bps change - Adjusted Operating Profit	52bps	11bps	(193) bps	57bps		(39) bps
Q2 FY19						
Operating Profit	\$ 219.6	\$ 156.8	\$ 22.5	\$ 34.4	\$ (243.4)	\$ 189.9
Restructuring plans	2.1	0.1	3.8	—	104.9	110.9
Adjustment to gain on sale of Del Monte business	—	—	0.1	—	—	0.1
Acquisitions and divestitures	0.3	—	—	—	90.2	90.5
Integration costs	—	—	—	—	4.6	4.6
Inventory fair value mark-up rollout	11.9	9.9	2.6	—	—	24.4
Corporate hedging derivative losses (gains)	—	—	—	—	(2.8)	(2.8)
Adjusted Operating Profit	\$ 233.9	\$ 166.8	\$ 29.0	\$ 34.4	\$ (46.5)	\$ 417.6
Operating Profit Margin	21.9%	17.3%	10.3%	13.3%		8.0%
Adjusted Operating Profit Margin	23.4%	18.4%	13.3%	13.3%		17.5%



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

	Grocery & Snacks	Refrigerated & Frozen	International	Foodservice	Corporate Expense	Total Conagra Brands
Q2 FY20 YTD						
Operating Profit	\$ 415.4	\$ 343.0	\$ 51.2	\$ 69.4	\$ (187.2)	\$ 691.8
Restructuring plans	38.3	1.8	1.4	—	43.2	84.7
Acquisitions and divestitures	3.0	—	—	—	—	3.0
Impairment of businesses held for sale	31.4	27.6	—	—	—	59.0
Intangible impairment charges	3.5	15.8	—	—	—	19.3
Loss on divestiture of businesses	1.5	—	—	—	—	1.5
Contract settlement gain	(12.0)	—	—	—	—	(12.0)
Legal matters	—	—	—	—	(1.5)	(1.5)
Environmental matters	—	—	—	—	6.6	6.6
Corporate hedging derivative losses (gains)	—	—	—	—	5.4	5.4
Adjusted Operating Profit	\$ 481.1	\$ 388.2	\$ 52.6	\$ 69.4	\$ (133.5)	\$ 857.8
Operating Profit Margin	19.6%	16.1%	11.7%	13.2%		13.3%
Adjusted Operating Profit Margin	22.7%	18.3%	12.0%	13.2%		16.5%
Year-over-year % change - Operating Profit	4.3%	35.9%	(14.4)%	12.0%	(42.3)%	54.4%
Year-over-year % change - Adjusted Operating Profit	16.4%	48.0%	(6.2)%	12.0%	23.4%	25.2%
Year-over-year bps change - Adjusted Operating Profit	(64) bps	124bps	(162) bps	64bps		21 bps
Q2 FY19 YTD						
Operating Profit	\$ 398.2	\$ 252.3	\$ 59.8	\$ 62.0	\$ (324.2)	\$ 448.1
Restructuring plans	2.2	0.1	4.0	—	105.8	112.1
Gain on sale of Del Monte business	—	—	(13.2)	—	—	(13.2)
Acquisitions and divestitures	0.9	—	2.9	—	97.7	101.5
Integration costs	—	—	—	—	8.9	8.9
Inventory fair value mark-up rollout	11.9	9.9	2.6	—	—	24.4
Corporate hedging derivative losses (gains)	—	—	—	—	3.6	3.6
Adjusted Operating Profit	\$ 413.2	\$ 262.3	\$ 56.1	\$ 62.0	\$ (108.2)	\$ 685.4
Operating Profit Margin	22.5%	16.4%	14.5%	12.6%		10.6%
Adjusted Operating Profit Margin	23.3%	17.0%	13.6%	12.6%		16.2%



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

Q2 FY20	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
Reported	\$ 797.9	\$ 369.8	\$ 428.1	\$ 318.0	\$ 84.1	24.3%	\$ 260.5	\$ 0.53
<i>% of Net Sales</i>	<i>28.3%</i>	<i>13.1%</i>	<i>15.2%</i>					
Restructuring plans	7.6	27.6	35.2	35.2	7.7		27.5	0.06
Acquisitions and divestitures	—	1.1	1.1	1.1	0.3		0.8	—
Corporate hedging derivative losses (gains)	(1.8)	—	(1.8)	(1.8)	(0.5)		(1.3)	—
Advertising and promotion expenses ²	—	60.7	—	—	—		—	—
Adjustment to gain on Ardent JV asset sale	—	—	—	—	0.2		0.4	—
Impairment of a business held for sale	—	27.6	27.6	27.6	2.2		25.4	0.05
Contract settlement gain	—	(12.0)	(12.0)	(12.0)	(3.0)		(9.0)	(0.02)
Legal matters	—	(1.5)	(1.5)	(1.5)	(0.4)		(1.1)	—
Environmental matters	—	6.6	6.6	6.6	1.6		5.0	0.01
Loss on divestiture of businesses	—	(0.2)	(0.2)	(0.2)	(0.7)		0.5	—
Unusual tax items	—	—	—	—	2.6		(2.6)	(0.01)
Rounding	—	—	—	—	—		—	0.01
Adjusted	\$ 803.7	\$ 259.9	\$ 483.1	\$ 373.0	\$ 94.1	23.4%	\$ 306.1	\$ 0.63
<i>% of Net Sales</i>	<i>28.5%</i>	<i>9.2%</i>	<i>17.1%</i>					
<i>Year-over-year % of net sales change - reported</i>	<i>(12) bps</i>	<i>(733) bps</i>	<i>721 bps</i>					
<i>Year-over-year % of net sales change - adjusted</i>	<i>(105) bps</i>	<i>10 bps</i>	<i>(39) bps</i>					
<i>Year-over-year change - reported</i>	<i>17.8%</i>	<i>(24.1)%</i>	<i>125.5%</i>	<i>167.4%</i>	<i>275.5%</i>		<i>98.0%</i>	<i>65.6%</i>
<i>Year-over-year change - adjusted</i>	<i>14.1%</i>	<i>19.6%</i>	<i>15.7%</i>	<i>5.7%</i>	<i>2.1%</i>		<i>8.3%</i>	<i>(6.0)%</i>

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)

Q2 FY19	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
Reported	\$ 677.2	\$ 487.3	\$ 189.9	\$ 119.0	\$ 22.4	14.3%	\$ 131.6	\$ 0.32
<i>% of Net Sales</i>	28.4%	20.4%	8.0%					
Restructuring plans	5.6	105.3	110.9	110.9	24.3		86.6	0.21
Acquisitions and divestitures	—	90.5	90.5	96.8	20.1		76.7	0.18
Integration costs	—	4.6	4.6	4.6	1.2		3.4	0.01
Corporate hedging derivative losses (gains)	(2.8)	—	(2.8)	(2.8)	(0.7)		(2.1)	—
Advertising and promotion expenses ²	—	69.4	—	—	—		—	—
Inventory fair value mark-up rollout	24.4	—	24.4	24.4	6.2		18.2	0.04
Adjustment to gain on sale of Del Monte business	—	0.1	0.1	0.1	—		0.1	—
Gain on Ardent JV asset sale	—	—	—	—	(3.5)		(11.6)	(0.03)
Wesson valuation allowance adjustment	—	—	—	—	24.3		(24.3)	(0.06)
Unusual tax items	—	—	—	—	(2.2)		2.2	0.01
Loss from discontinued operations, net of noncontrolling interests	—	—	—	—	—		1.9	—
Rounding	—	—	—	—	—		—	(0.01)
Adjusted	\$ 704.4	\$ 217.4	\$ 417.6	\$ 353.0	\$ 92.1	24.5%	\$ 282.7	\$ 0.67
<i>% of Net Sales</i>	29.5%	9.1%	17.5%					

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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)

Q2 FY20 YTD	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
Reported	\$ 1,462.4	\$ 770.6	\$ 691.8	\$ 468.5	\$ 72.6	14.3%	\$ 434.3	\$ 0.89
<i>% of Net Sales</i>	28.1%	14.9%	13.3%					
Restructuring plans	12.1	72.6	84.7	85.3	19.2		66.1	0.14
Acquisitions and divestitures	—	3.0	3.0	3.0	0.8		2.2	—
Corporate hedging derivative losses (gains)	5.4	—	5.4	5.4	1.3		4.1	0.01
Advertising and promotion expenses ²	—	106.0	—	—	—		—	—
Gain on Ardent JV asset sale	—	—	—	—	(1.1)		(3.7)	(0.01)
Impairment of businesses held for sale	—	59.0	59.0	59.0	4.0		55.0	0.11
Contract settlement gain	—	(12.0)	(12.0)	(12.0)	(3.0)		(9.0)	(0.02)
Intangible impairment charges	—	19.3	19.3	19.3	4.5		14.8	0.03
Legal matters	—	(1.5)	(1.5)	(1.5)	(0.4)		(1.1)	—
Environmental matters	—	6.6	6.6	6.6	1.6		5.0	0.01
Loss on divestiture of businesses	—	1.5	1.5	1.5	(0.3)		1.8	—
Unusual tax items	—	—	—	—	53.6		(53.6)	(0.11)
Rounding	—	—	—	—	—		—	0.01
Adjusted	\$ 1,479.9	\$ 516.1	\$ 857.8	\$ 635.1	\$ 152.8	22.8%	\$ 515.9	\$ 1.06
<i>% of Net Sales</i>	28.4%	9.9%	16.5%					
<i>Year-over-year % of net sales change - reported</i>	(21) bps	(287) bps	265 bps					
<i>Year-over-year % of net sales change - adjusted</i>	(73) bps	(32) bps	21 bps					
<i>Year-over-year change - reported</i>	22.6%	3.5%	54.4%	38.5%	(9.0)%		40.2%	17.1%
<i>Year-over-year change - adjusted</i>	20.5%	19.7%	25.2%	8.2%	(2.0)%		10.0%	(7.0)%

- 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.
- 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)

Q2 FY19 YTD	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
Reported	\$ 1,192.7	\$ 744.6	\$ 448.1	\$ 338.4	\$ 79.8	20.3%	\$ 309.8	\$ 0.76
<i>% of Net Sales</i>	28.3%	17.7%	10.6%					
Restructuring plans	7.9	104.2	112.1	111.5	24.5		87.0	0.21
Acquisitions and divestitures	—	101.5	101.5	113.4	22.4		91.0	0.22
Integration costs	—	8.9	8.9	8.9	2.3		6.6	0.02
Corporate hedging derivative losses (gains)	3.6	—	3.6	3.6	0.9		2.7	0.01
Advertising and promotion expenses ²	—	112.1	—	—	—		—	—
Inventory fair value mark-up rollout	24.4	—	24.4	24.4	6.2		18.2	0.04
Gain on sale of Del Monte business	—	(13.2)	(13.2)	(13.2)	(3.6)		(9.6)	(0.02)
Gain on Ardent JV asset sale	—	—	—	—	(3.5)		(11.6)	(0.03)
Wesson valuation allowance adjustment	—	—	—	—	24.3		(24.3)	(0.06)
Unusual tax items	—	—	—	—	2.6		(2.6)	(0.01)
Loss from discontinued operations, net of noncontrolling interests	—	—	—	—	—		1.9	—
Adjusted	\$ 1,228.6	\$ 431.1	\$ 685.4	\$ 587.0	\$ 155.9	24.9%	\$ 469.1	\$ 1.14
<i>% of Net Sales</i>	29.1%	10.2%	16.2%					

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)

	Q2 FY20	Q2 FY19	% Change
Interest expense, net	\$ 121.4	\$ 80.6	50.5%
Acquisitions and divestitures	—	(6.3)	
Adjusted interest expense, net	<u>\$ 121.4</u>	<u>\$ 74.3</u>	<u>63.3%</u>

	Q2 FY20 YTD	Q2 FY19 YTD	% Change
Interest expense, net	\$ 244.1	\$ 129.6	88.3%
Acquisitions and divestitures	—	(11.9)	
Adjusted interest expense, net	<u>\$ 244.1</u>	<u>\$ 117.7</u>	<u>107.4%</u>

	Q2 FY20	Q2 FY19	% Change
Equity method investment earnings	\$ 27.6	\$ 37.7	(26.9)%
Gain on Ardent JV asset sale	0.6	(15.1)	
Adjusted equity method investment earnings	<u>\$ 28.2</u>	<u>\$ 22.6</u>	<u>24.7%</u>

	Q2 FY20 YTD	Q2 FY19 YTD	% Change
Equity method investment earnings	\$ 39.9	\$ 53.9	(26.1)%
Gain on Ardent JV asset sale	(4.8)	(15.1)	
Adjusted equity method investment earnings	<u>\$ 35.1</u>	<u>\$ 38.8</u>	<u>(9.8)%</u>

	Q2 FY20	Q2 FY19	% Change
Pension and postretirement non-service income	\$ (11.3)	\$ (9.7)	16.2%
Restructuring plans	—	—	
Adjusted pension and postretirement non-service income	<u>\$ (11.3)</u>	<u>\$ (9.7)</u>	<u>16.2%</u>

	Q2 FY20 YTD	Q2 FY19 YTD	% Change
Pension and postretirement non-service income	\$ (20.8)	\$ (19.9)	4.3%
Restructuring plans	(0.6)	0.6	
Adjusted pension and postretirement non-service income	<u>\$ (21.4)</u>	<u>\$ (19.3)</u>	<u>10.7%</u>



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

	Q2 FY20	Q2 FY19	% Change
Net income attributable to Conagra Brands, Inc.	\$ 260.5	\$ 131.6	98.0%
Less: Loss from discontinued operations, net of tax	—	(1.9)	
Add Back: Income tax expense	84.1	22.4	
Income tax expense attributable to noncontrolling interests	0.1	(0.5)	
Interest expense, net	121.4	80.6	
Depreciation	81.7	65.8	
Amortization	15.0	10.8	
Earnings before interest, taxes, depreciation, and amortization	\$ 562.8	\$ 312.6	80.0%
Restructuring plans ¹	27.2	106.5	
Acquisitions and divestitures ²	1.1	90.5	
Integration costs	—	4.6	
Corporate hedging losses (gains)	(1.8)	(2.8)	
Impairment of a business held for sale	27.6	—	
Inventory fair value mark-up rollout	—	24.4	
Loss (gain) on sale of businesses	(0.2)	0.1	
Legal matters	(1.5)	—	
Environmental matters	6.6	—	
Contract settlement gain	(12.0)	—	
Gain on Ardent JV asset sale	0.6	(15.1)	
Adjusted Earnings before interest, taxes, depreciation, and amortization	\$ 610.4	\$ 520.8	17.2%

1. Excludes comparability items related to depreciation
2. Excludes comparability items related to interest expense



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

	Q2 FY20 YTD	Q2 FY19 YTD	% Change
Net income attributable to Conagra Brands, Inc.	\$ 434.3	\$ 309.8	40.2%
Less: Loss from discontinued operations, net of tax	—	(1.9)	
Add Back: Income tax expense	72.6	79.8	
Income tax expense attributable to noncontrolling interests	(0.1)	(0.7)	
Interest expense, net	244.1	129.6	
Depreciation	163.4	121.2	
Amortization	30.0	19.1	
Earnings before interest, taxes, depreciation, and amortization	\$ 944.3	\$ 660.7	42.9%
Restructuring plans ¹	71.0	105.6	
Acquisitions and divestitures ²	3.0	101.5	
Integration costs	—	8.9	
Corporate hedging losses (gains)	5.4	3.6	
Impairment of businesses held for sale	59.0	—	
Inventory fair value mark-up rollout	—	24.4	
Loss (gain) on sale of businesses	1.5	(13.2)	
Legal matters	(1.5)	—	
Environmental matters	6.6	—	
Contract settlement gain	(12.0)	—	
Intangible impairment charges	19.3	—	
Gain on Ardent JV asset sale	(4.8)	(15.1)	
Adjusted Earnings before interest, taxes, depreciation, and amortization	\$ 1,091.8	\$ 876.4	24.6%

1. Excludes comparability items related to depreciation
2. Excludes comparability items related to interest expense



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

	November 24, 2019	November 25, 2018
Net cash flows from operating activities - continuing operations	\$ 427.5	\$ 250.7
Additions to property, plant and equipment	(183.7)	(133.3)
Free cash flow	\$ 243.8	\$ 117.4

	Q2 FY19	Q3 FY19	Q4 FY19	Q1 FY20	Q2 FY20
Notes payable	\$ 0.9	\$ —	\$ 1.0	\$ 56.0	\$ 0.5
Current installments of long-term debt	17.2	19.9	20.6	150.1	1,173.8
Senior long-term debt, excluding current installments	11,349.5	10,911.8	10,459.8	10,127.5	9,100.0
Subordinated debt	195.9	195.9	195.9	195.9	195.9
Total Debt	\$ 11,563.5	\$ 11,127.6	\$ 10,677.3	\$ 10,529.5	\$ 10,470.2
Less: Cash	442.3	282.2	236.6	64.7	192.0
Net Debt	\$ 11,121.2	\$ 10,845.4	\$ 10,440.7	\$ 10,464.8	\$ 10,278.2



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	Total Conagra Brands
FY19					
Net Sales	\$ 3,923.6	\$ 3,735.4	\$ 864.4	\$ 1,015.0	\$ 9,538.4
Impact of foreign exchange	—	—	30.2	—	30.2
Net sales from acquired businesses	(628.4)	(957.1)	(74.6)	(78.6)	(1,738.7)
Net sales from divested businesses	(175.5)	(56.7)	(21.2)	(34.2)	(287.6)
Net sales from sold Trenton plant	—	—	—	(2.0)	(2.0)
Organic Net Sales ex Trenton	\$ 3,119.7	\$ 2,721.6	\$ 798.8	\$ 900.2	\$ 7,540.3
Year-over-year change - Net Sales	19.6%	35.7%	2.5%	(4.3)%	20.2%
Impact of foreign exchange (pp)	—	—	3.7	—	0.4
Net sales from acquired businesses (pp)	(19.2)	(34.8)	(8.8)	(7.4)	(21.9)
Net sales from divested businesses (pp)	(0.6)	(0.1)	6.3	1.7	0.5
Net sales from sold Trenton plant (pp)	—	—	—	7.0	1.0
Organic Net Sales ex Trenton Growth	(0.2)%	0.8%	3.7%	(3.0)%	0.2%
Volume (Organic)	(0.3)%	0.5%	2.0%	(7.4)%	(0.6)%
Price/Mix	0.1%	0.3%	1.7%	4.4%	0.8%
FY18					
Net Sales	\$ 3,281.0	\$ 2,753.0	\$ 843.5	\$ 1,060.8	\$ 7,938.3
Net sales from divested businesses	(156.4)	(52.7)	(73.4)	(53.4)	(335.9)
Net sales from sold Trenton plant	—	—	—	(79.1)	(79.1)
Organic Net Sales ex Trenton	\$ 3,124.6	\$ 2,700.3	\$ 770.1	\$ 928.3	\$ 7,523.3



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