



# FY20 Q4 Earnings Presentation

June 30, 2020



# Today's Presenters

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**Brian Kearney**

*Investor Relations*

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**Sean Connolly**

*President and Chief Executive Officer*

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**Dave Marberger**

*Executive Vice President and Chief Financial Officer*

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# 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 Foods Inc. (the "Pinnacle acquisition") may not be fully realized or may take longer to realize than expected; the risk that the Pinnacle acquisition may not be accretive within the expected timeframe or to the extent anticipated; the risks that the Pinnacle acquisition and related integration will create disruption to the Company and its management and impede the achievement of business plans; the risk that the Pinnacle 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 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 Pinnacle 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 Pinnacle acquisition and otherwise, and to benefit from trade optimization programs, related to the Pinnacle 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 impact of the recent coronavirus (COVID-19) outbreak on our business, suppliers, consumers, customers and employees; risks related to the availability and prices of raw materials, including any negative effects caused by inflation, weather conditions or health pandemics; disruptions or inefficiencies in our supply chain and/or operations, including from the recent COVID-19 outbreak; risks and uncertainties associated with intangible assets, including any future goodwill or intangible assets impairment charges, related to the Pinnacle acquisition or otherwise; the costs, disruption, and diversion of management's attention due to the integration of the Pinnacle acquisition; and other risks described in our reports filed from time to time with the Securities and Exchange Commission (the "SEC"). We caution readers not to place undue reliance on any forward-looking statements included in this report, which speak only as of the date of this report. 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 pension and post-retirement non-service income, adjusted net interest expense, net leverage ratio, 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, net leverage ratio, 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



# Key Messages

- We have made 5 years of consistent progress executing the Conagra Way
  - Became a pure play
  - Established repeatable and scalable processes
  - Improved food and packaging
  - Modernized brands
  - Strengthened culture
- In fiscal 2020 we further strengthened the business, including getting Legacy Pinnacle back on-track
- In Q4 our broad, modernized portfolio was well-positioned to capture unprecedented retail demand driven by COVID-19, partially offset by foodservice headwinds
- Elevated demand is likely to continue, but the timing and degree of changes to this demand is uncertain; we are investing to ensure physical availability of our products to capture opportunities
- Remain on-track to deliver fiscal 2022 algorithm and remain committed to achieving leverage target of 3.5x to 3.6x by the end of fiscal 2021



# Agenda



Business Update



We Are Well-Positioned For Behavioral Shifts



Looking Ahead



# Thank You to Our Operations Teams, Who Have Risen to an Unprecedented Challenge





# Significant Growth and Strong Execution Provided Fuel to De-Lever Rapidly

Dollars in Millions, except per share data Increase/(Decrease)	Q4	FY 20
Organic Net Sales <sup>1</sup> Growth	+21.5%	+5.6%
Adj. Op. Margin <sup>2</sup>	17.1%	16.5%
Adj. Diluted EPS from cont. ops. % Change vs YA	\$0.75 +108.3%	\$2.28 +13.4%
Net Leverage Ratio <sup>3</sup>	---	4.0x

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). Organic net sales growth excludes the impact of fiscal 2020's 53rd week, which was calculated as one-sixth of our last month's net sales (which included a total of six weeks).

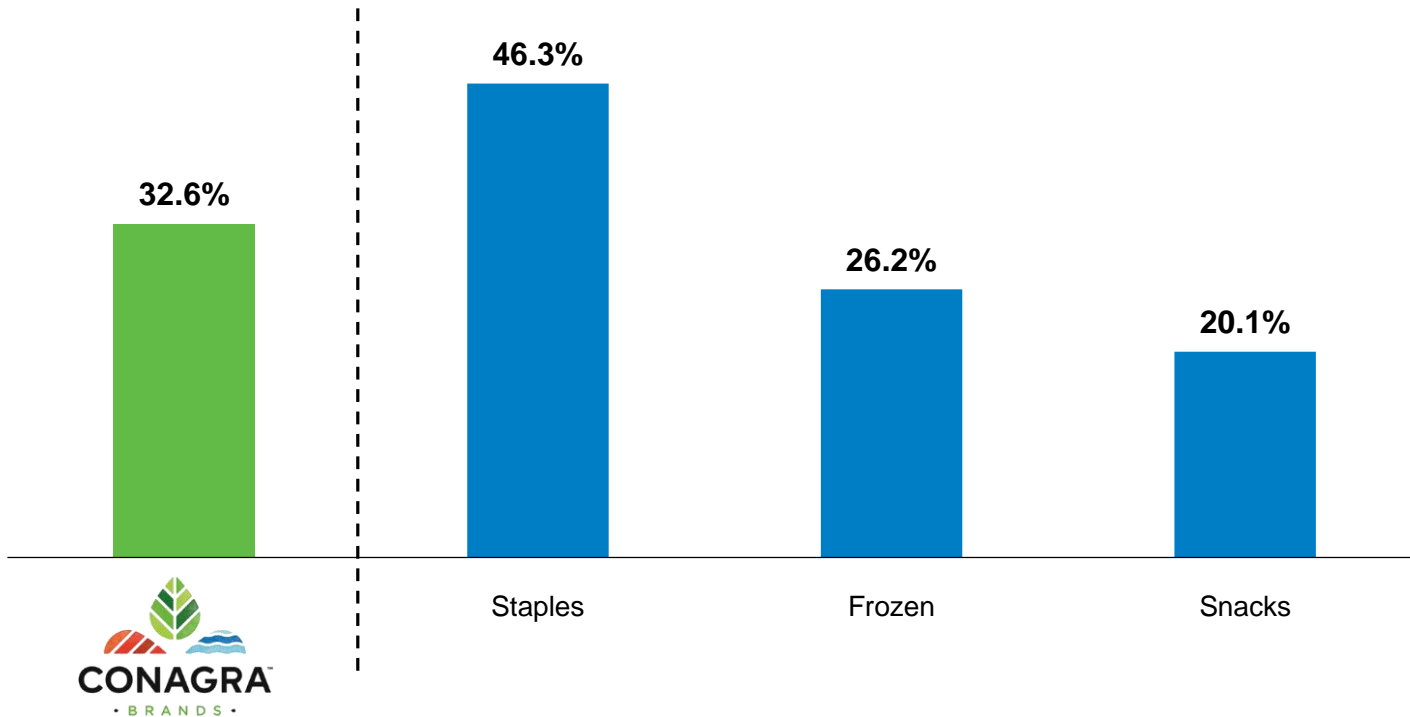
2. Adjusted operating margin excludes equity method investment earnings and pension and postretirement non-service expense (income).

3. Net leverage ratio is net debt divided by adjusted EBITDA for the trailing four quarters



# Strong Growth Across the Portfolio

## Q4 Retail Sales (% Change vs. YA)



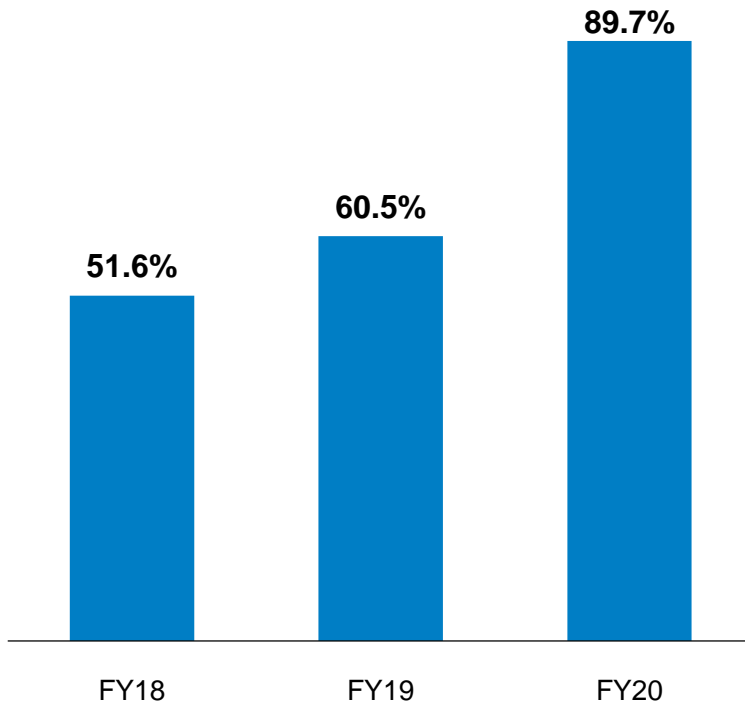
Source (Snacks): IRI Syndicated Market Advantage, Total US MULO+C, 14 weeks ended May 31, 2020

Source (All Others): IRI Custom Market Advantage, Total US MULO+C, 14 weeks ended May 31, 2020, Staples = Grocery + Refrigerated

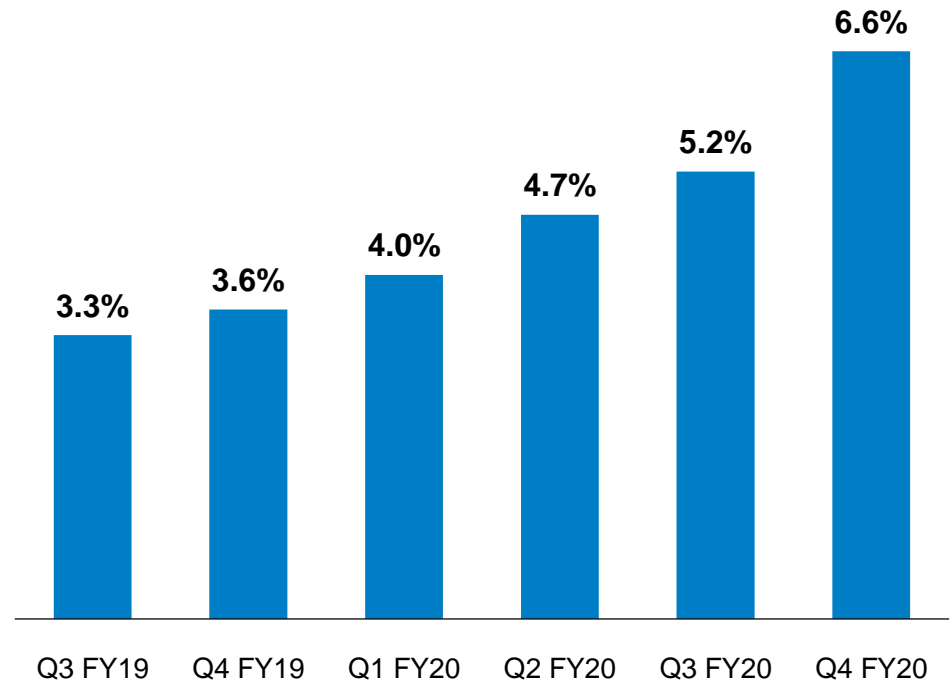


# eCommerce Business Continued to Accelerate

### Conagra eCommerce Dollar Sales (% Change vs. YA)



### Conagra eCommerce as a % of Total Retail Sales (Rolling 13 Weeks)



Note: Latest weeks subject to change due to data stability

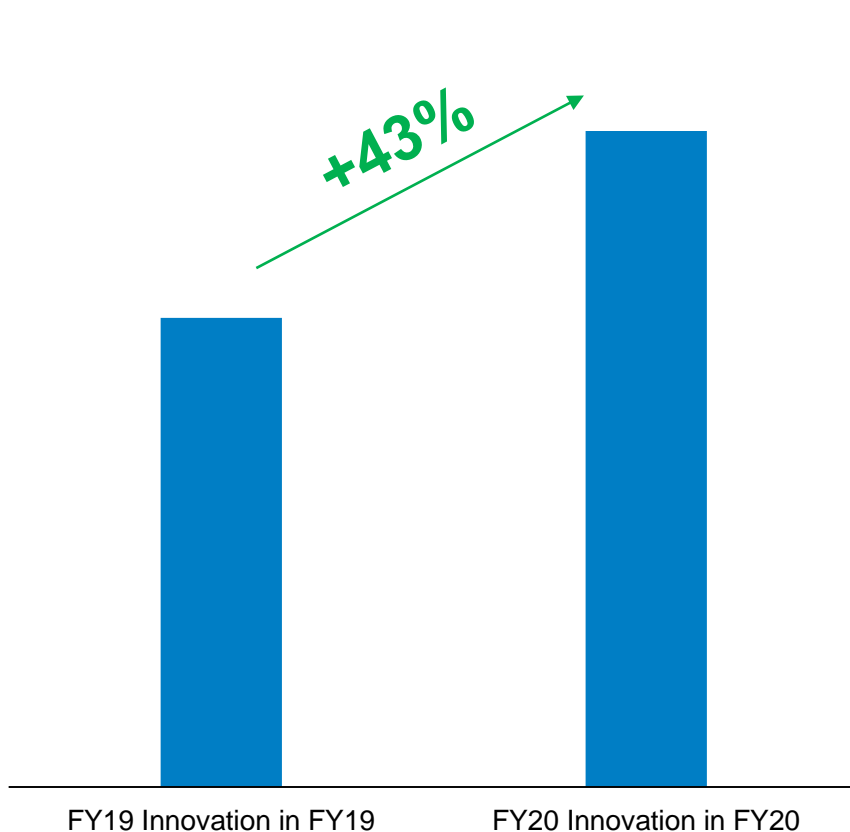
Source (Left Chart): IRI eMarket Insights data ended May 31, 2020. Instacart 1<sup>st</sup> party data added through May 31, 2020

Source (Right Chart): IRI eMarket Insights, data ended May 31, 2020. Instacart 1<sup>st</sup> party data added through May 31, 2020

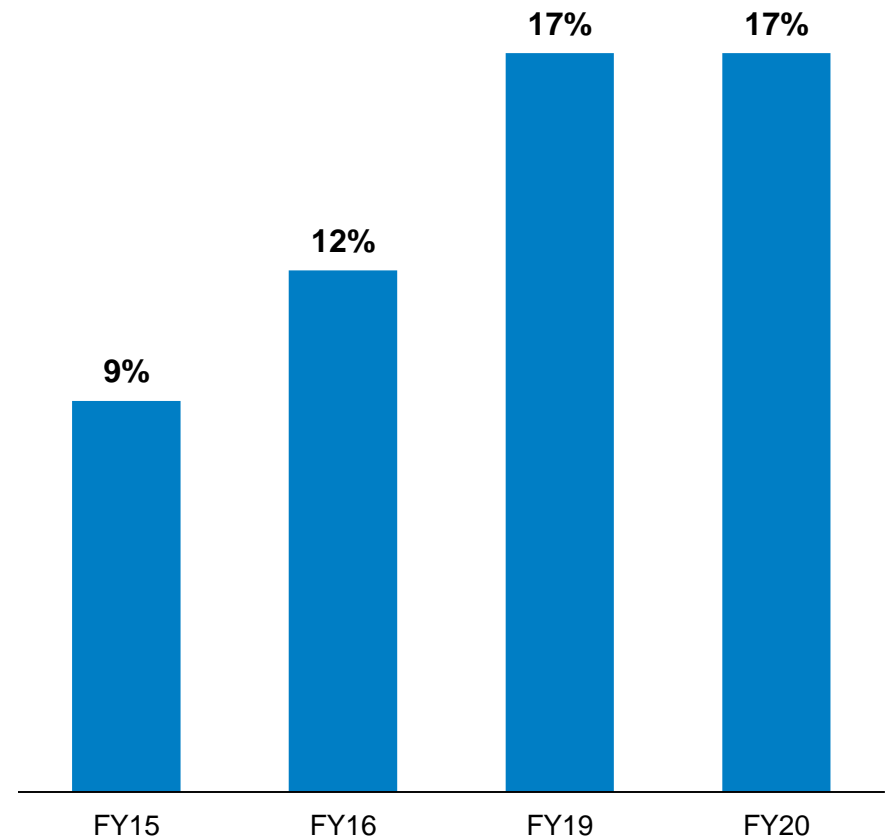


# Innovation Continued to Perform Well

## Conagra Innovation Comparison (FY19 vs. FY20 Dollar Sales)



## % of Annual Retail Sales from Innovation (Rolling 3 Years' Launches)

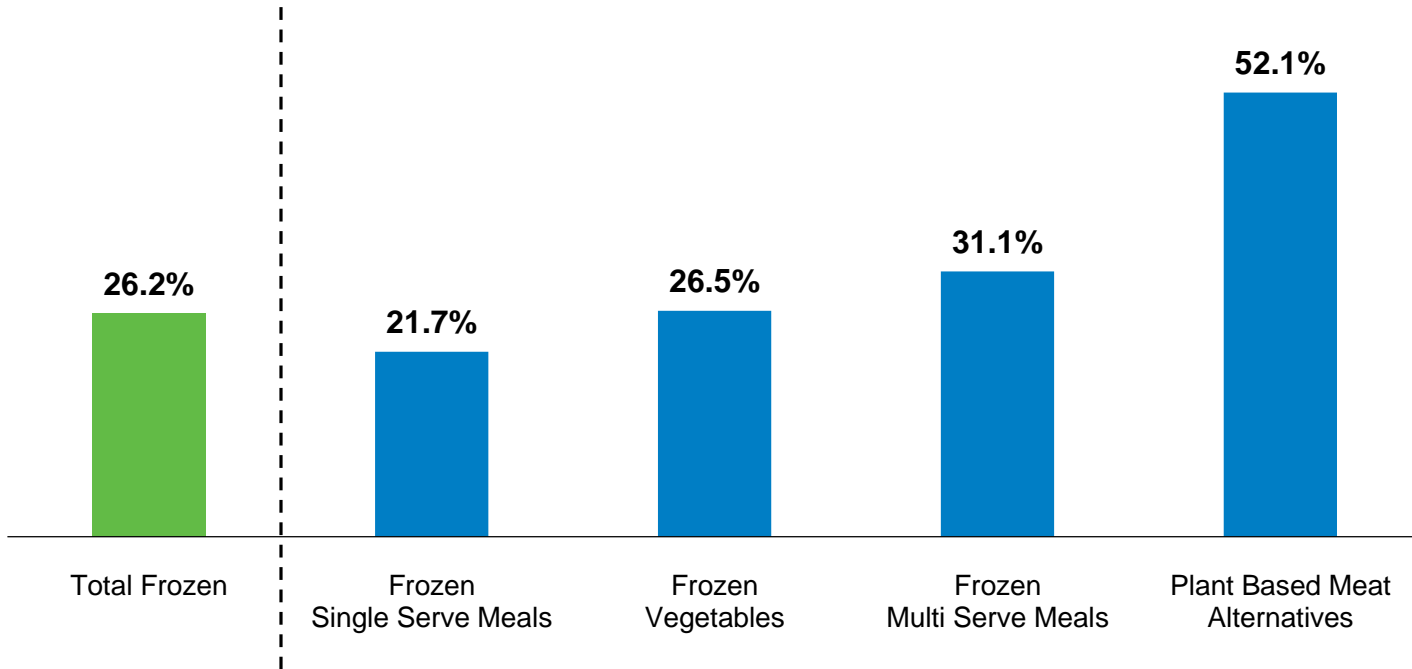


Source (Left Chart): IRI Custom Market Advantage, Total US MULO+C, Dollar Sales, 52 weeks ended May 31, 2020 vs. 52 weeks ended May 26, 2019  
Source (Right Chart): IRI Syndicated Market Advantage, MULO + C, Conagra Brands Fiscal Year 2015, 2016, 2019, 2020



# Strong Growth Across The Frozen Portfolio

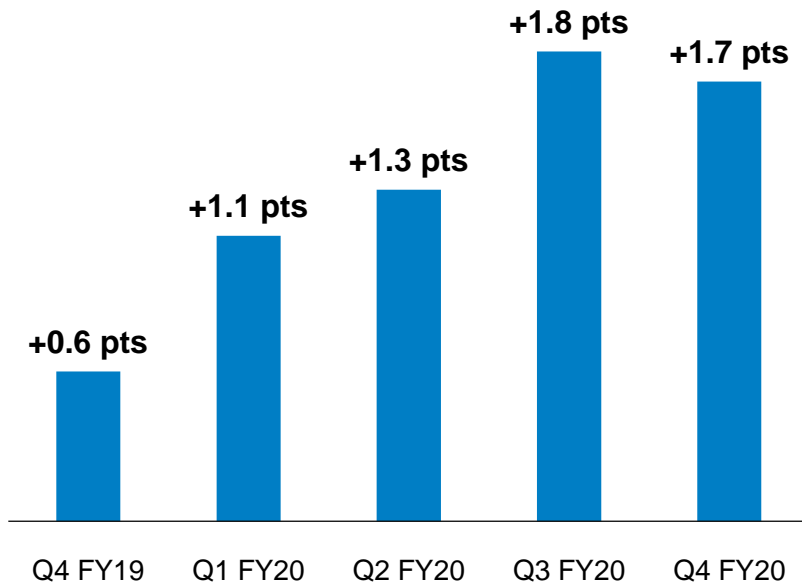
## Conagra Q4 Frozen Retail Sales (% Change vs. YA)



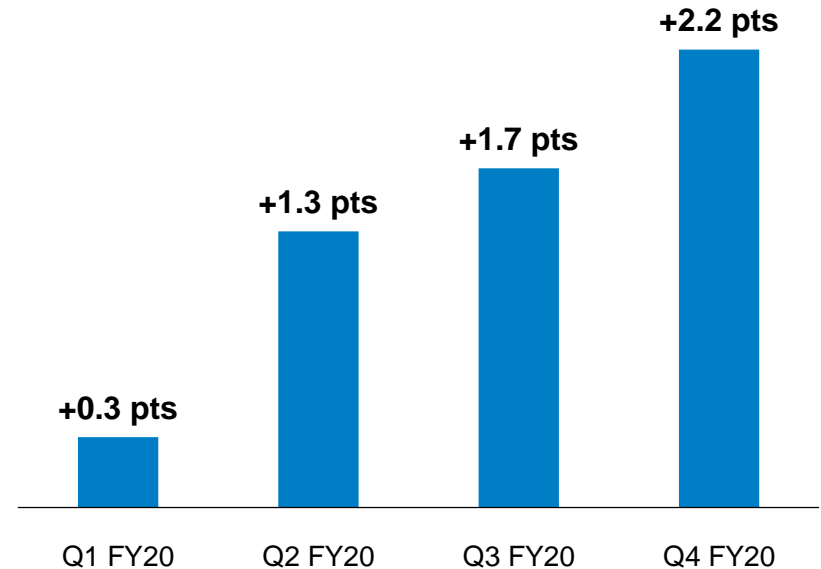


# Strong Share Growth Continued in Frozen Meals

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



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



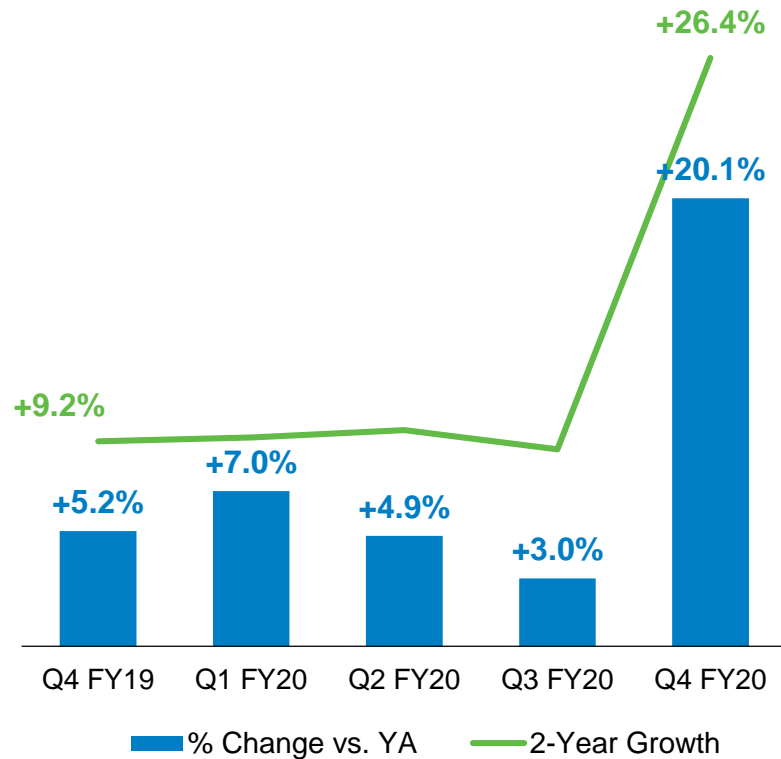


# Birds Eye Growth Limited by Capacity Constraints in Q4

- Consumer demand for frozen vegetables remains very robust
- Birds Eye has the #1 category share
- During the quarter, surge in demand exceeded available capacity
- One plant was temporarily closed in Q4 due to COVID-19; back up and running
- Bringing on more external partners in H1 to fulfill demand and re-build inventory

# Strong Snacks Growth

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



Popcorn  
+42.2%

Sweet Treats  
+39.7%

Meat Snacks  
+12.4%

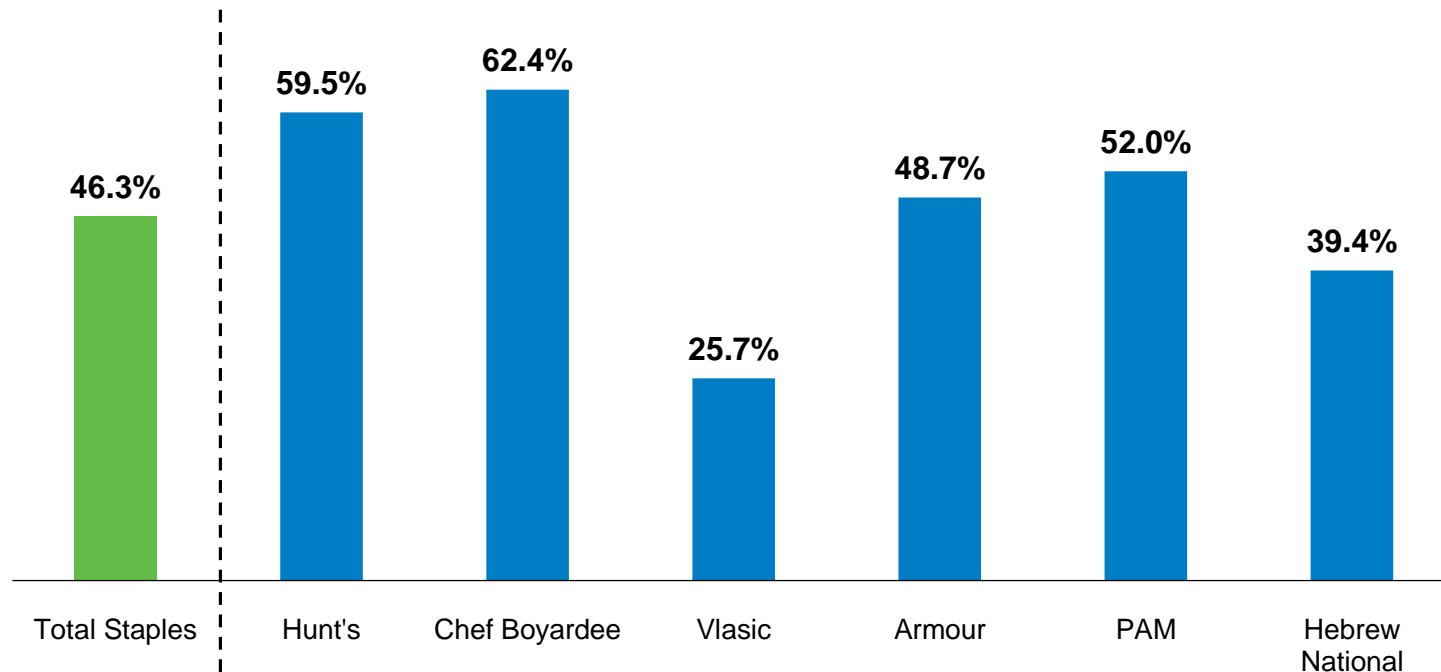
Seeds  
(13.7%)





# Staples Relevance at an All-Time High

## Conagra Q4 Staples Retail Sales (% Change vs. YA)





# Agenda



Business Update



We Are Well-Positioned For Behavioral Shifts



Looking Ahead

# Consumers Shifted Their Behavior Rapidly in Response to COVID-19

## Re-Discovery

### Baking as Activity



### Their Kitchens, Pantries & Freezers



### Cooking Together... and It Can Be Fun



### Eating Together, More Shared Meals



### At-Home Entertainment



### Value-Minded Meals



## Discovery

### Learning New Skills



### Home Delivery, Click & Collect Convenience



### Quality & Value of Frozen Food



### Recreating Restaurant Favorites



### Spicing Up The Meal Routine



### Virtual Celebrations





# Our Broad Portfolio Was Well-Positioned For These Shifts

## At-Home Entertainment, Movie Nights



**+52%**



**+65%**

## Baking as a Family Activity



**+50%**



**+52%**

## Eating Together, More Shared Meals



**+14%**



**+39%**

## Recreating Restaurant Favorites at Home



**+30%**



**+92%**

## Cooking Together, Learning New Skills



**+52%**



**+59%**



**+79%**

## Value-Minded Meals



**+62%**



**+63%**

## Virtual Celebrations



**+24%**



**+22%**

## Quality & Value of Frozen Food



**+19%**



**+24%**



**+27%**



**+27%**

## Home Delivery, Click & Collect Convenience



Home Delivery

**+389%**



Click & Collect

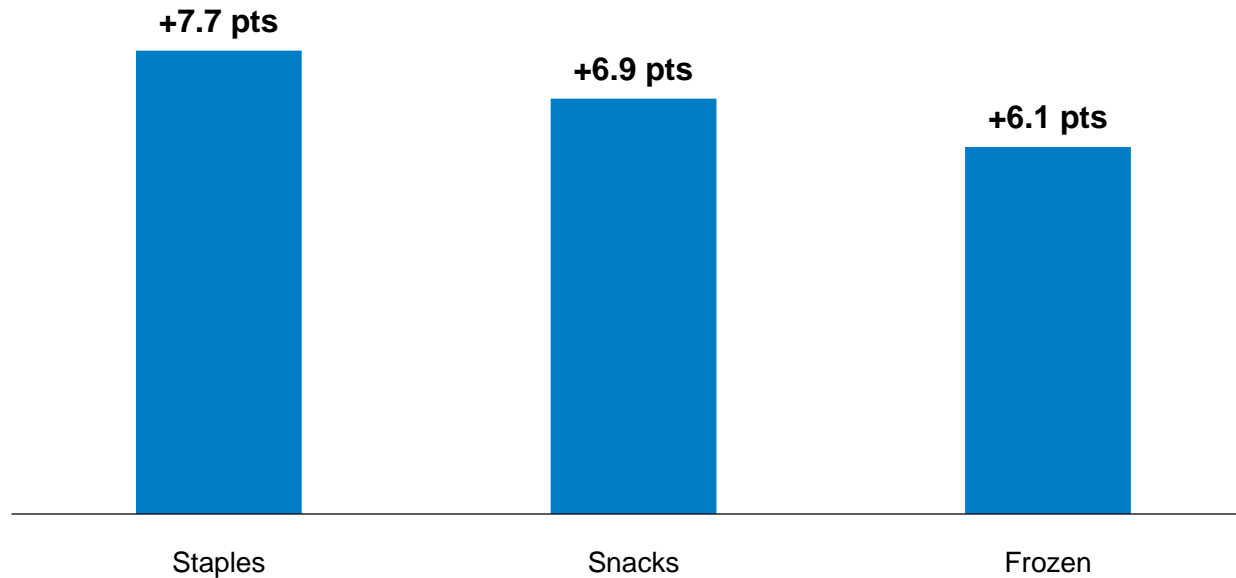
**+114%**

Source: IRI POS, Total US MULO+C, 14 weeks ended May 31, 2020. Figures reflect total brand franchise sales unless otherwise noted, Birds Eye Voila = Frozen Multi-Serve Meals, Hebrew National = Hot Dogs, PF Chang's = Frozen Multi-Serve Meals, Hunt's = Canned Tomatoes, Marie Callender's (Virtual Celebrations) = FZ Desserts, Reddi Wip = Refrigerated Whipped Topping, Birds Eye = Frozen Vegetables; Home Delivery / Click & Collect: IRI eMarket Insights, Total eCommerce RMA, + Instacart ePOS Data, 14 weeks ended May 31, 2020. Latest weeks subject to change due to data stability.



# Household Penetration Gains Have Been Broad-Based

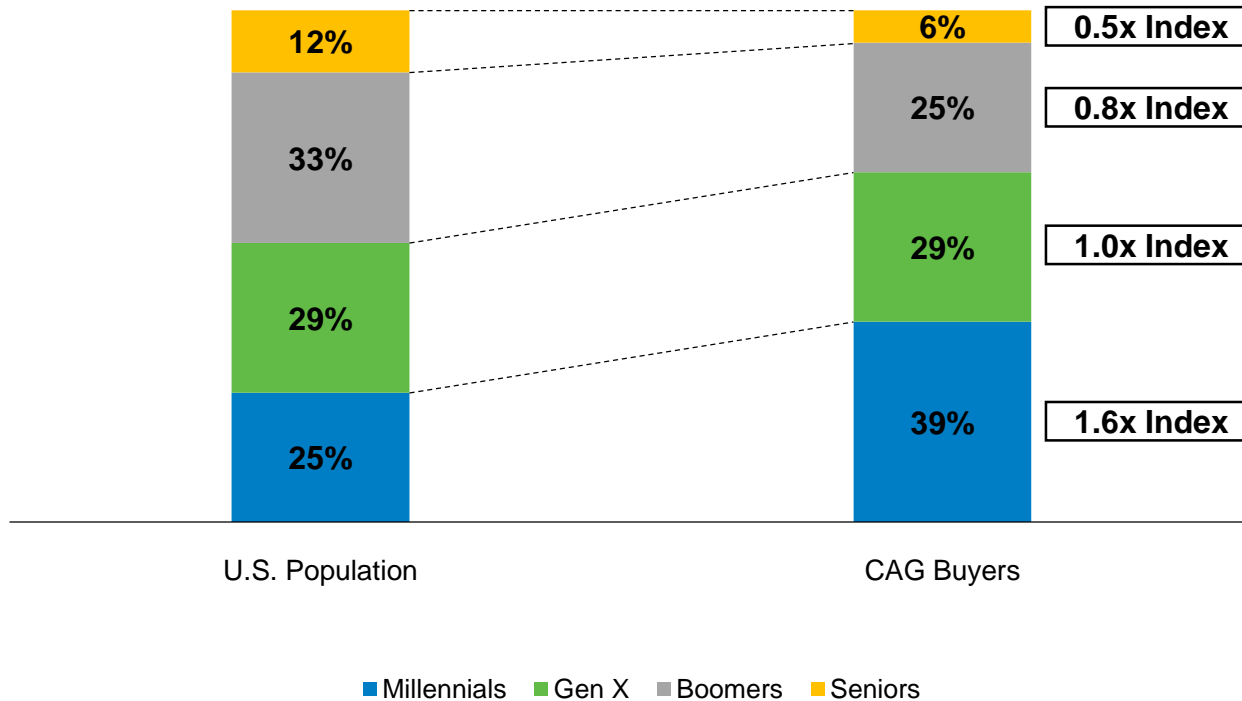
## Conagra Pillar Household Penetration (Point Change vs. YA)





# New Buyers Over-Index to Younger Millennial Consumers

## Total Conagra New Buyer Demographic (% of Buyers)

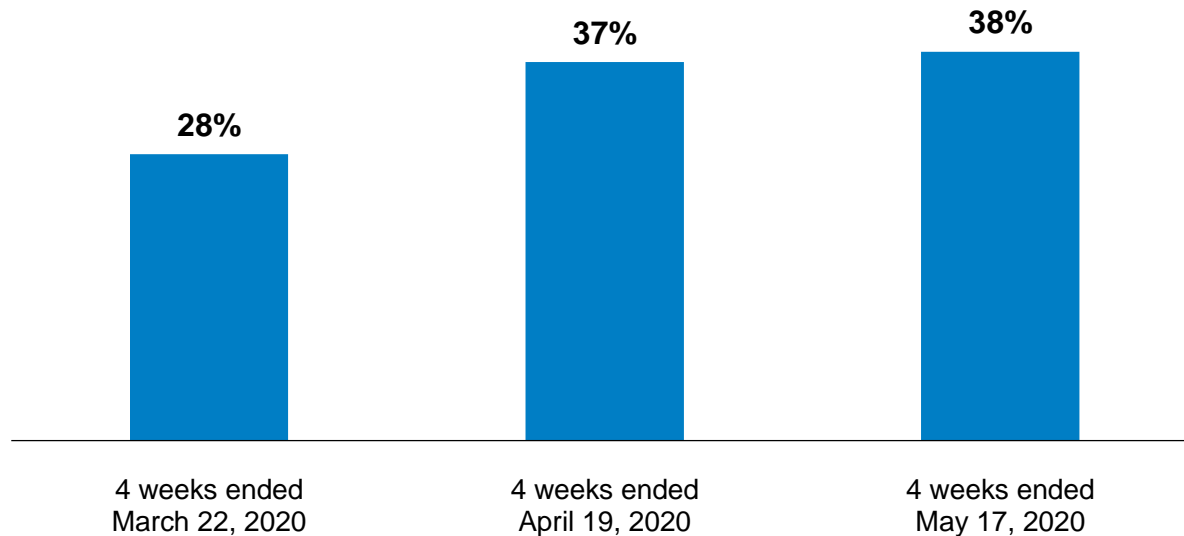


Source (CAG Buyers): IRI Custom Panel, Total US All Outlets, New Buyer = Purchased in 14 weeks ended May 31, 2020 and not 52 weeks ended February 23, 2020  
Source (U.S. Population): IRI CSIA, 14 weeks ended May 31, 2020, Total Store, Total Panel Distribution; U.S. Population is the breakdown of the IRI panel used.  
IRI attempts to recruit and match U.S. census, but some difference may occur. Gen Z and younger are too small to register greater than 1% of the population on the panel.



# Repeat Rates Are Increasing

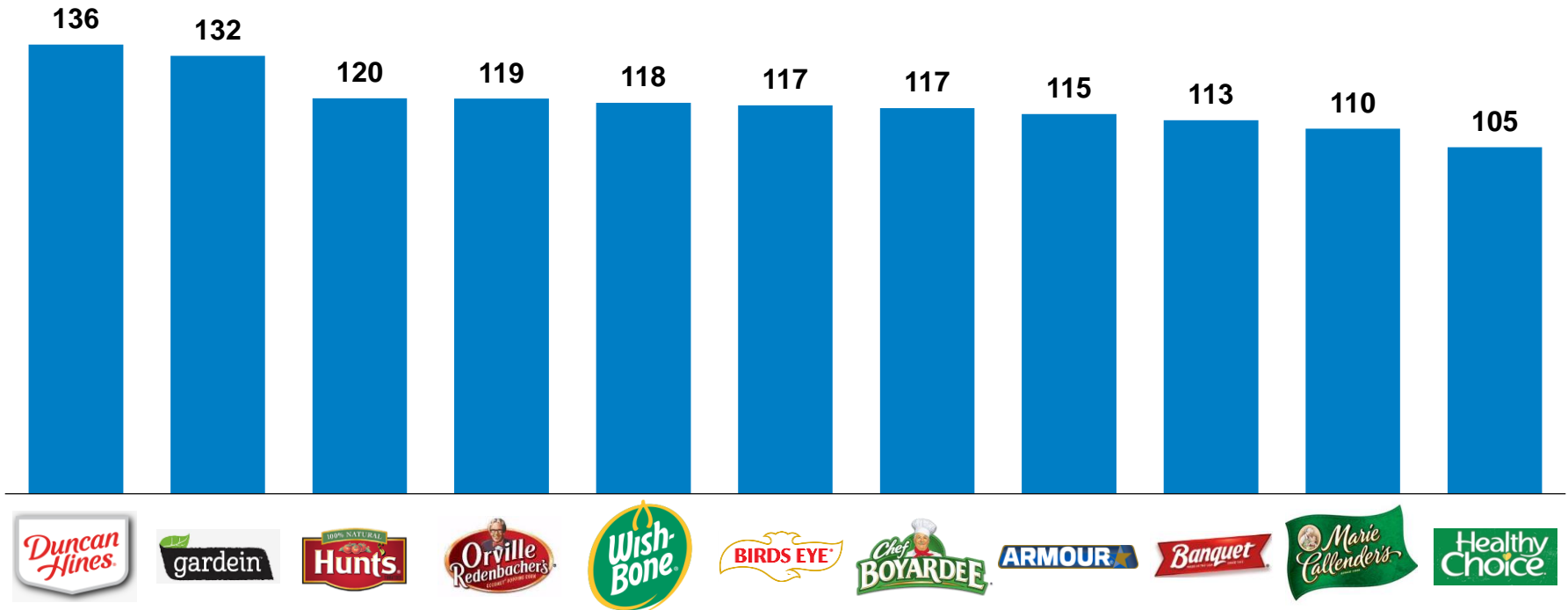
## Total Conagra New Trier Repeat Rates for Consumers Whose First Trial Was in March (% of New Buyers Who Repeat Purchased)





# Broadly Across the Portfolio, New Triers Are Repurchasing Our Brands Again More Than Last Year...

**Total Repeat Buyer Index**  
(% New Buyers Who Purchased Again Index vs YA)

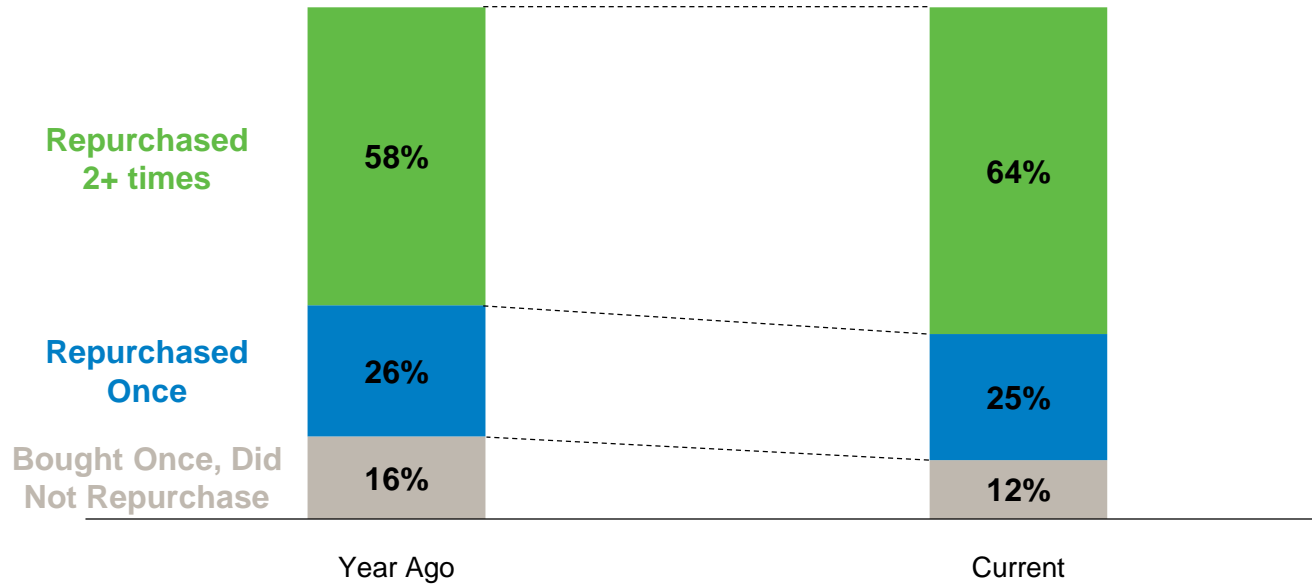


Source : IRI Custom Panel, Total US All Outlets, New Buyer Index = New Buyers Who Repeat Purchased 14 weeks ended May 31, 2020 vs. 14 weeks ended June 2, 2019.  
Note: Duncan Hines is Baking Mixes; Gardein is Meat Alternatives; Hunt's is Canned Tomatoes; Orville Redenbacher's is Microwave Popcorn; Birds Eye is Frozen Vegetables; Banquet, Marie Callender's, and Healthy Choice are Frozen Single Serve Meals



# ... And Depth of Repeat is Improving

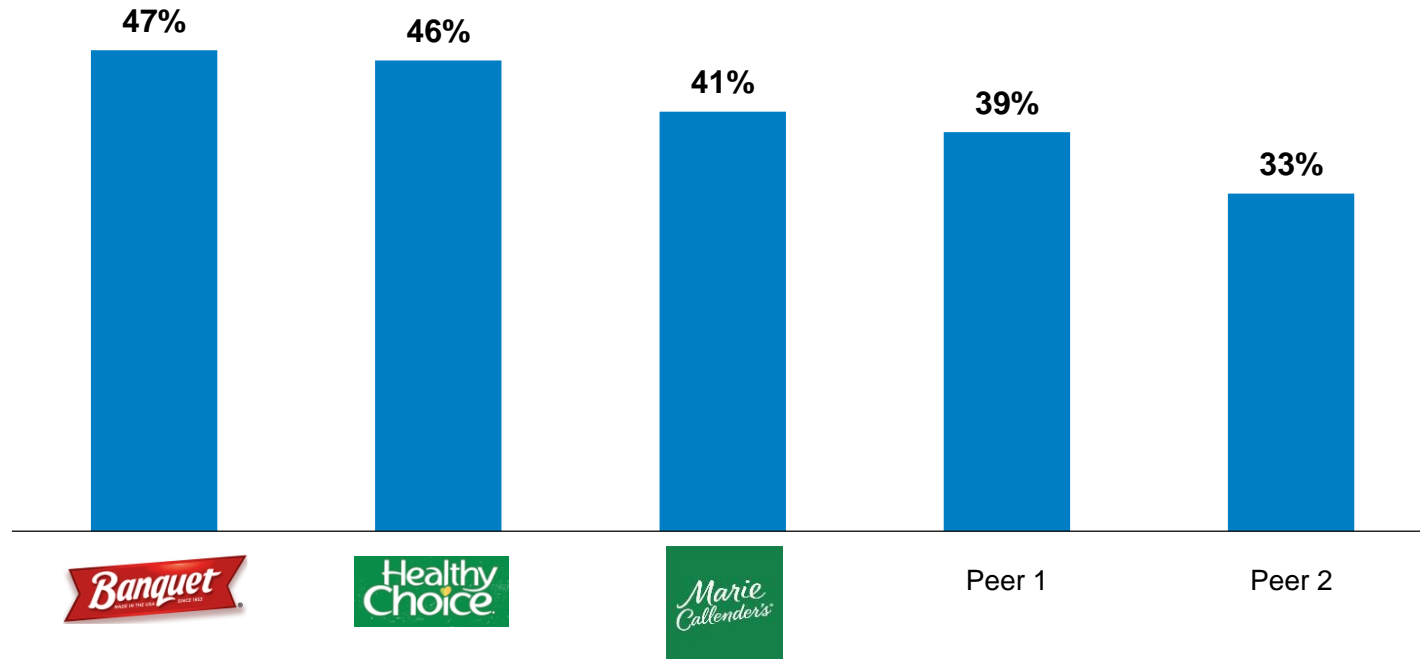
**Total Conagra % of Buyers Repeating Purchases**  
(Current and Year Ago)





# We Are Attracting More New Buyers to Our Brands in Frozen Single-Serve Meals vs. Competitors

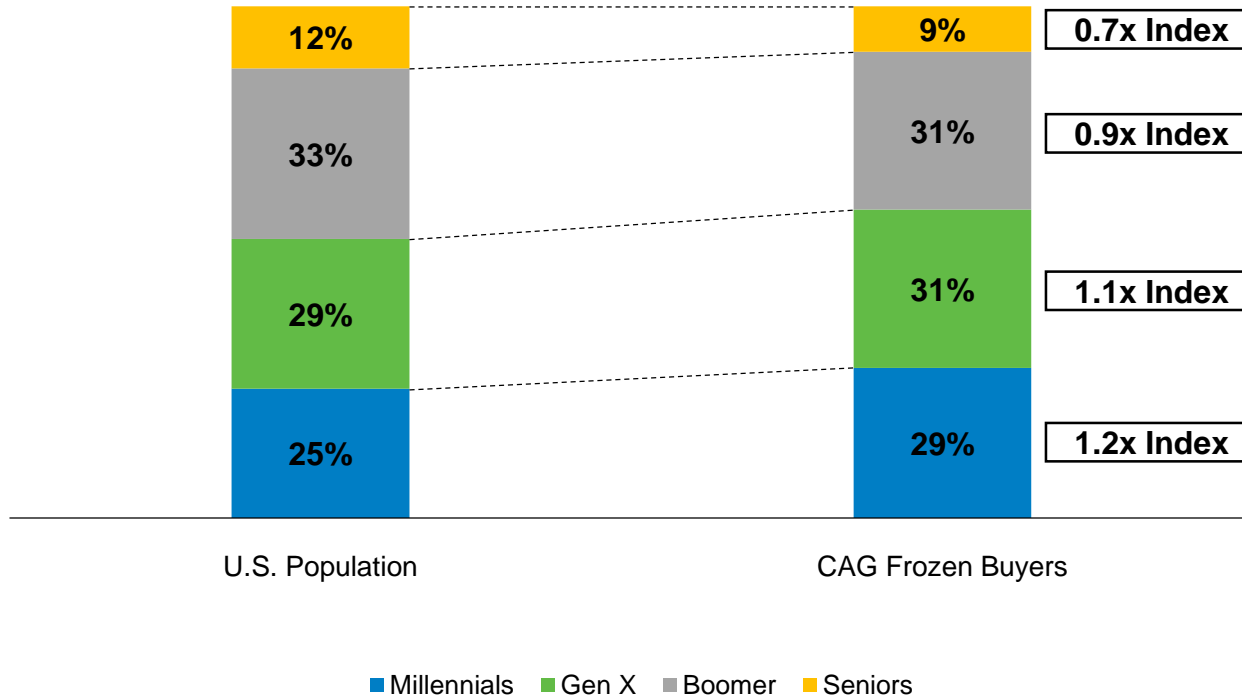
## Frozen Single-Serve Meals New Brand Buyers (Top 5 Brands; % of Total Buyers)





# New Frozen Buyers Over-Index to Millennial and Gen X Consumers

## Conagra Frozen New Buyer Demographic (% of Buyers)

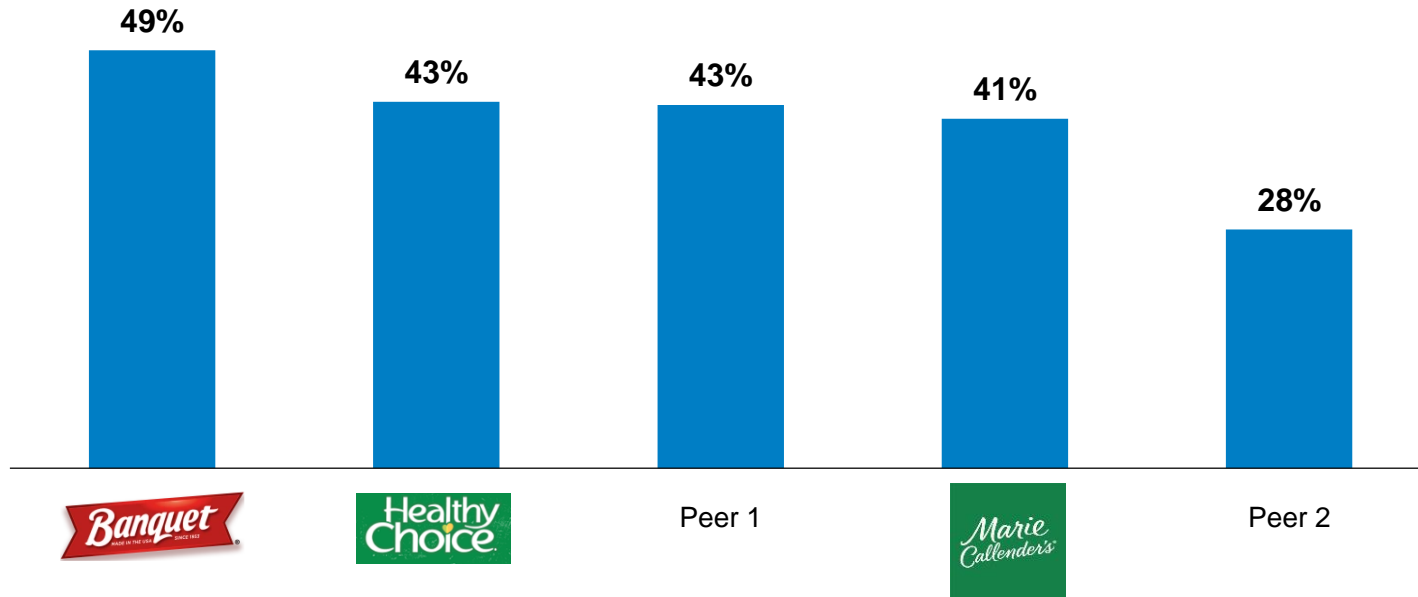


Source (CAG Frozen Buyers): IRI Custom Panel, Total US All Outlets, New Buyer = Purchased in 14 weeks ended May 31, 2020 and not 52 weeks ended February 23, 2020  
 Source (U.S. Population): IRI CSIA, 14 weeks ended May 31, 2020, Total Store, Total Panel Distribution; U.S. Population is the breakdown of the IRI panel used.  
 IRI attempts to recruit and match U.S. census, but some difference may occur. Gen Z and younger are too small to register greater than 1% of the population on the panel.



# Our New Frozen Buyers Are Also Repeating at a Higher Rate Than the Competition

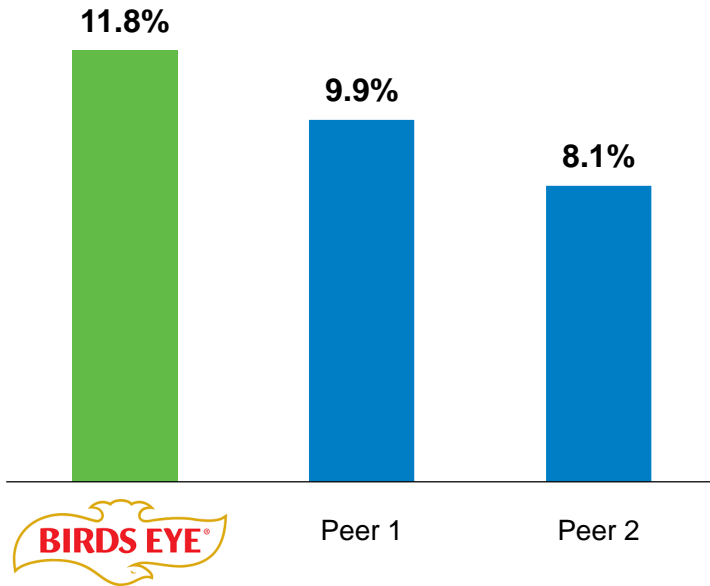
## Frozen Single-Serve Meals % of New Brand Buyers Who Repurchased (Top 5 Brands; % of New Buyers)



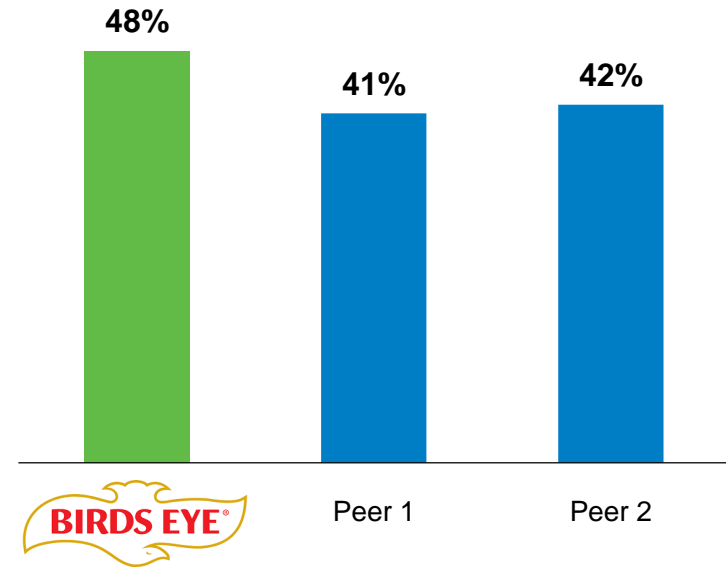


# Birds Eye Consumer Pull Outperforming Peers

### Frozen Vegetables % of US Households New to the Brand



### Frozen Vegetables % of New Brand Buyers Who Repeat Purchased





# Agenda



Business Update



We Are Well-Positioned For Behavioral Shifts



Looking Ahead



# FY21 Objective: Maintain Momentum With Consumers to Maximize Long-Term Value Creation

- Ensure physical availability to supply elevated demand
  - Capacity (internal and external)
  - Innovation
  - Inventory
  - eCommerce
  - PPE / Safety / Sanitation
- Continue to infuse new innovations across the portfolio
- Build brand health for long-term value creation

# FY21 Innovation Slate Started Launching in Q4



12 WRAPS Adobo Chicken

Note: Packaging under development, subject to change. Lucky Charms and associated words and designs are trademarks of General Mills, used under license. © General Mills.



# Outlook<sup>1,2</sup>

Metric	Fiscal 2021 Q1 Guidance <sup>1</sup>
Organic Net Sales Growth <sup>3</sup>	+10% to +13%
Adj. Operating Margin <sup>4</sup>	17.0% to 17.5%
Adj. Diluted EPS from cont. ops.	\$0.54 to \$0.59

**Remain confident in ability to achieve leverage ratio target of 3.5x to 3.6x by the end of fiscal 2021**

Metric	Fiscal 2022 Target <sup>1</sup>
Organic Net Sales Growth <sup>3</sup> (3 YR CAGR ending FY22)	+1% to +2% (no change)
Adj. Operating Margin <sup>4</sup>	18% to 19% (no change)
Adj. Diluted EPS from cont. ops.	\$2.66 to \$2.76 (no change)
Free Cash Flow Conversion (% of Adj. Net Income; 3 YR avg. ending FY22)	95%+ (no change)

1. 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.
2. "Adjusted" financial measures and organic net sales are non-GAAP financial measures.
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 53<sup>rd</sup> week.
4. Adjusted operating margin excludes equity method investment earnings and pension and postretirement non-service expense (income).



Dave Marberger

Executive Vice President and Chief Financial Officer



# Performance Summary

Dollars in Millions, except per share data Increase/(Decrease)	Q4	vs. YA	FY	vs. YA
Reported Net Sales	\$3,288	25.8%	\$11,054	15.9%
Organic Net Sales <sup>1</sup>	3,095	21.5%	9,680	5.6%
Adj. Gross Profit	929	31.1%	3,108	14.3%
Adj. Gross Margin	28.3%	113 bps	28.1%	(39) bps
A&P	59	(20.0)%	231	(9.0)%
A&P as % of NS	1.8%	(103) bps	2.1%	(57) bps
Adj. SG&A	308	5.7%	1,056	6.1%
Adj. SG&A as % of NS	9.4%	(178) bps	9.6%	(88) bps
Adj. Op. Profit <sup>2</sup>	562	63.5%	1,821	23.9%
Adj. Op. Margin <sup>2</sup>	17.1%	394 bps	16.5%	107 bps
Adj. Net Income	368	110.6%	1,115	24.7%
Adj. EBITDA <sup>3</sup>	690	50.5%	2,297	21.6%
Adj. Diluted EPS from cont. ops.	\$0.75	108.3%	\$2.28	13.4%

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.

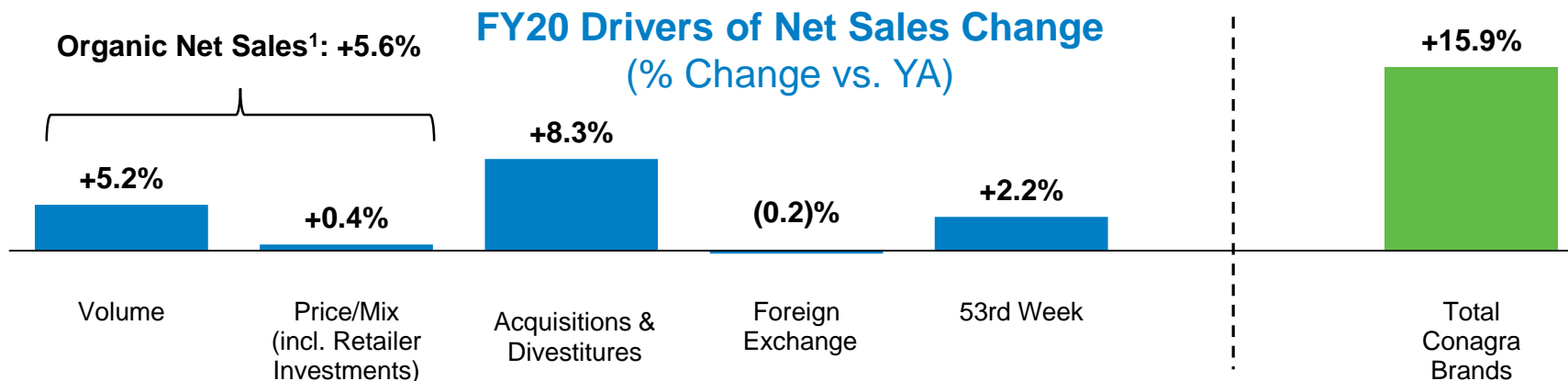
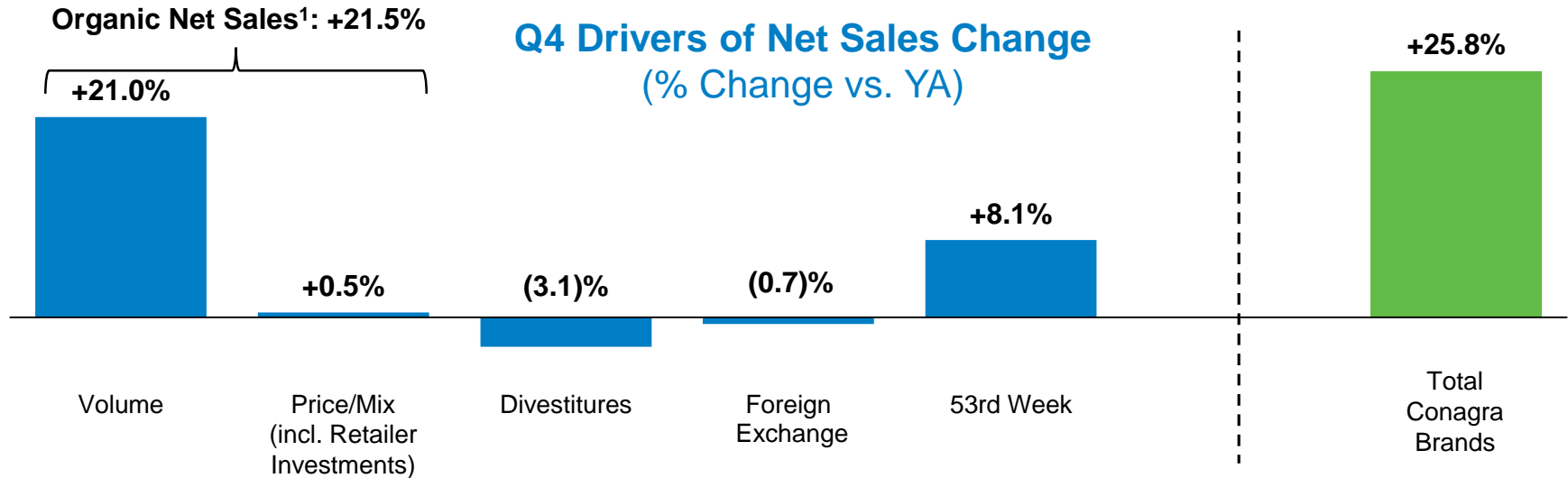
1. Organic net sales excludes the impact of foreign exchange and divested businesses, as well as acquisitions (until the anniversary date of the acquisitions). Organic net sales growth excludes the impact of fiscal 2020's 53rd week, which was calculated as one-sixth of our last month's net sales (which included a total of six weeks).

2. Adjusted operating profit and adjusted operating margin exclude equity method investment earnings and pension and postretirement non-service expense (income).

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



# Net Sales Bridge vs. Year Ago



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. Percentage points may include rounding to bridge the change in reported net sales to the change in organic net sales.

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). Organic net sales growth excludes the impact of fiscal 2020's 53rd week, which was calculated as one-sixth of our last month's net sales (which included a total of six weeks).



# Net Sales Summary by Segment

Dollars in Millions Increase/(Decrease)	Net Sales					
	Q4	Reported vs. YA	Organic vs. YA <sup>1</sup>	FY	Reported vs. YA	Organic vs. YA <sup>1</sup>
Grocery & Snacks	\$1,474	+44.1%	+40.4%	\$4,617	+17.7%	+9.2%
Refrigerated & Frozen	1,355	+23.3%	+17.6%	4,560	+22.1%	+6.1%
International	266	+18.6%	+19.8%	925	+7.0%	+4.5%
Foodservice	193	(27.9)%	(31.5)%	952	(6.2)%	(9.7)%
<b>Total Conagra Brands</b>	<b>\$3,288</b>	<b>+25.8%</b>	<b>+21.5%</b>	<b>\$11,054</b>	<b>+15.9%</b>	<b>+5.6%</b>

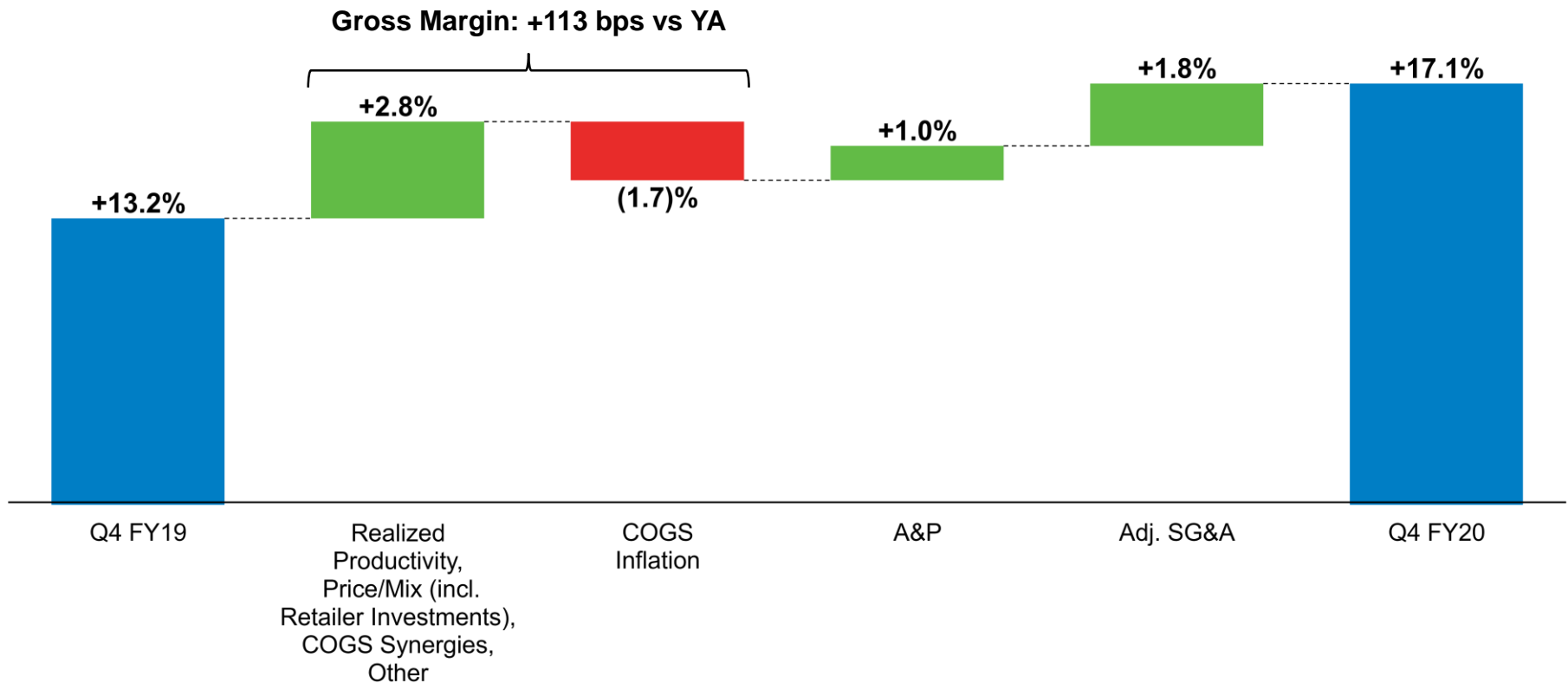
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# Operating Margin Bridge

## Q4 Adj. Operating Margin<sup>1</sup> (% 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 and pension and postretirement non-service expense (income).



# Segment Adjusted Operating Profit & Margin Summary

Dollars in Millions Increase/(Decrease)	Adj. Op. Profit <sup>1</sup>		Adj. Op. Margin <sup>1</sup>	
	Q4	vs. YA	Q4	vs. YA
Grocery & Snacks	\$353	+91.2%	23.9%	+589 bps
Refrigerated & Frozen	267	+45.7%	19.7%	+302 bps
International	36	+47.2%	13.4%	+260 bps
Foodservice	1	(97.1)%	0.5%	(1,277) bps
Adjusted Corporate Expense	(94)	+12.6%	-	-
<b>Total Conagra Brands</b>	<b>\$562</b>	<b>+63.5%</b>	<b>17.1%</b>	<b>+394 bps</b>

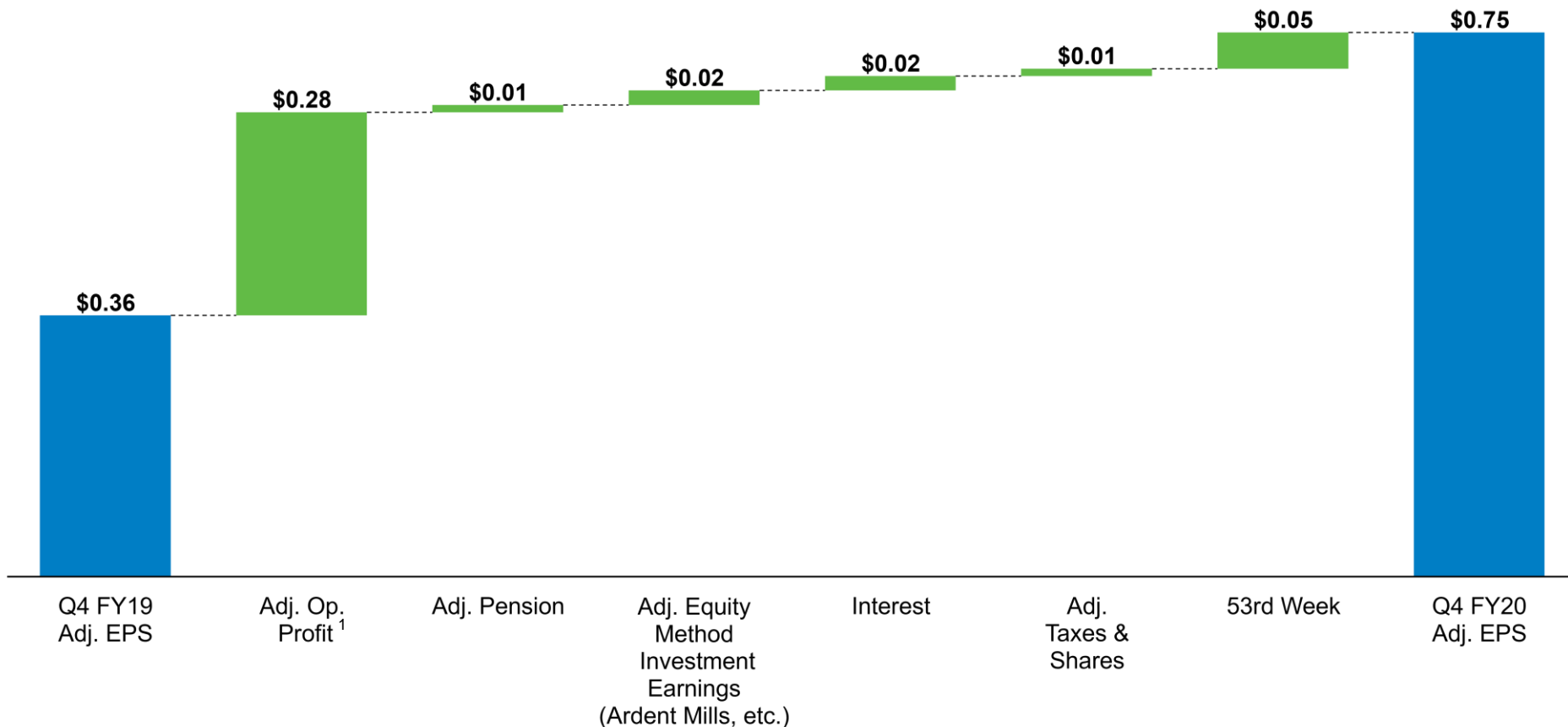
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1. Adjusted operating profit and adjusted operating margin exclude equity method investment earnings and pension and postretirement non-service expense (income).



# Adjusted EPS Bridge

## Drivers of Q4 Adjusted Diluted EPS from Continuing Operations vs. YA



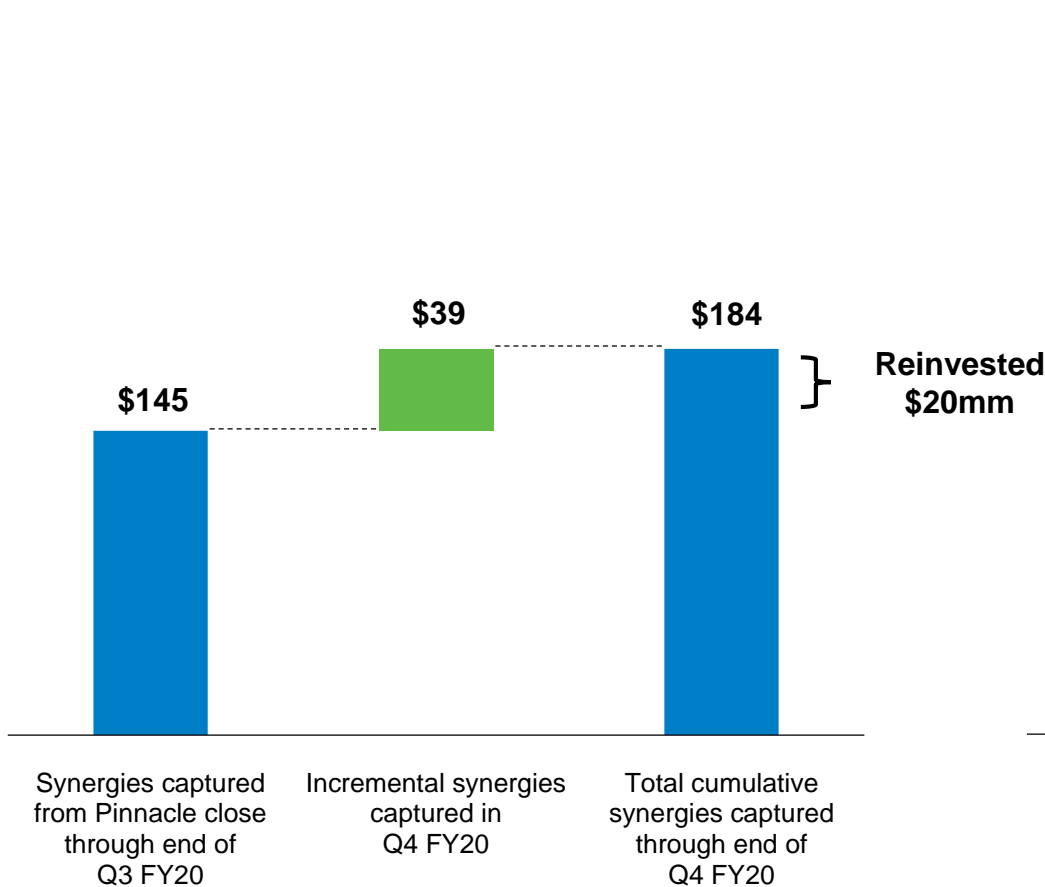
Note: "Adjusted" financial measures are non-GAAP. See the end of this presentation for a reconciliation of these measures to the most directly comparable GAAP measures; Numbers may not add due to rounding.

1. Adjusted operating profit excludes equity method investment earnings and pension and postretirement non-service expense (income).

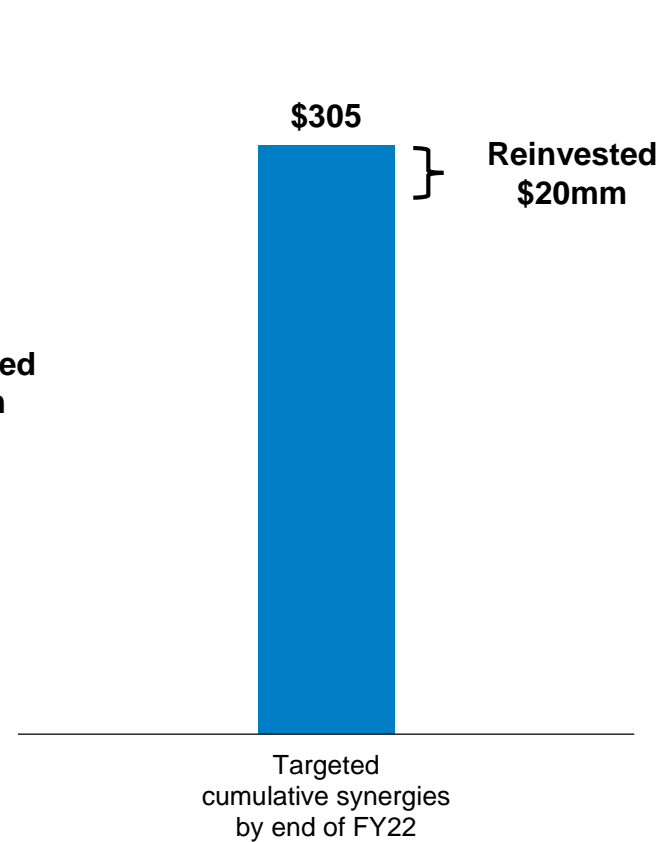


# Synergy Capture Remains On Track

## Synergies Captured



## Total Synergy Targets

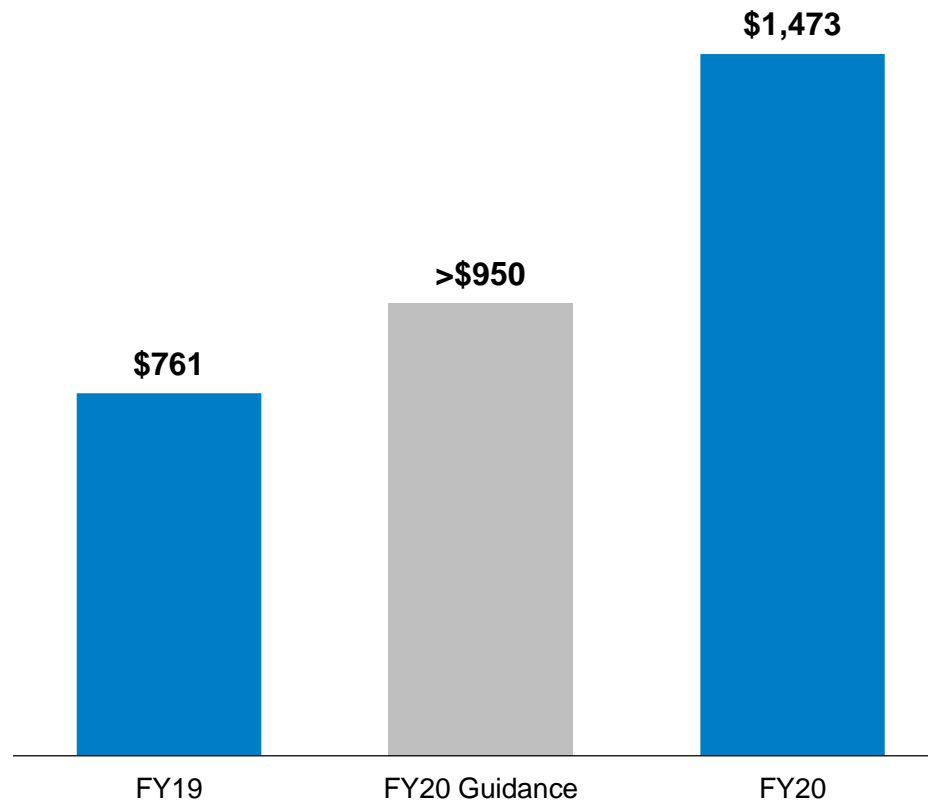


Note: Numbers may not add due to rounding. The inability to predict the amount and timing of the impacts of future items makes a detailed reconciliation of these forward-looking financial measures impracticable.



# Exceeded Free Cash Flow Guidance

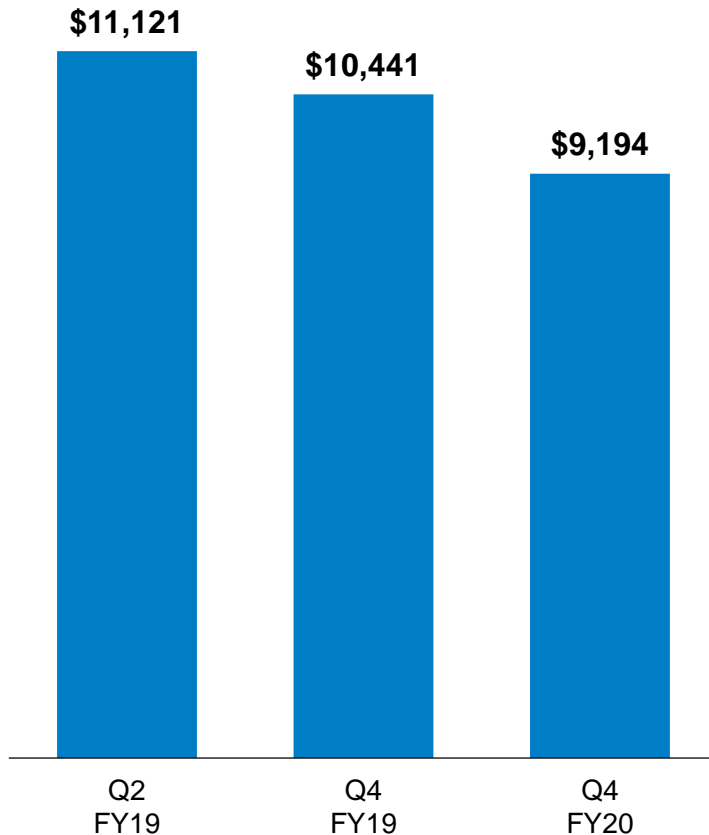
## Free Cash Flow (\$ in millions)



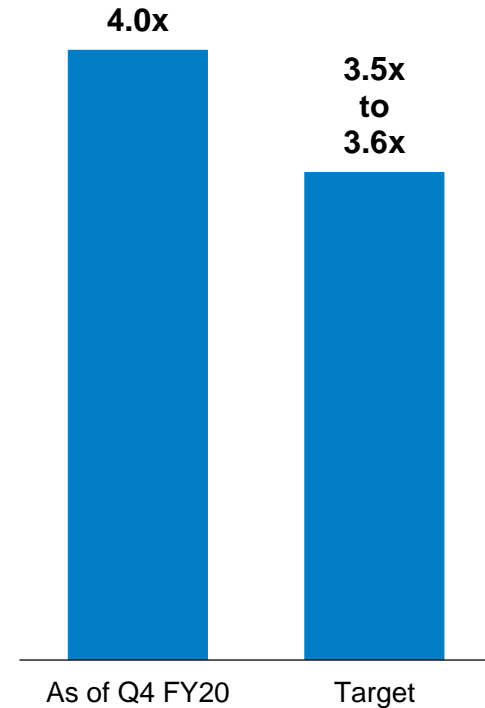


# Key Balance Sheet Metrics

## Net Debt<sup>1</sup> Balances (\$ in millions)



## Remain Committed to Leverage Target (Net Leverage Ratio<sup>2</sup>)



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

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.
2. Net leverage ratio is net debt divided by adjusted EBITDA for the trailing four quarters



## Continued Deleveraging Actions

- Pre-paid remaining \$275 million outstanding under senior floating rate notes due in October 2020
- Obtained a currently undrawn \$600 million senior 3-year unsecured term loan, drawable in-full or in-part through October 2020
  - Allows for flexibility in repaying debt maturities in fiscal 2021
  - Positions Conagra to refinance fiscal 2021 debt maturities at attractive rates with pre-payable debt
- Remain confident in ability to achieve leverage ratio target of 3.5x to 3.6x by the end of fiscal 2021
- Committed to maintaining solid investment grade credit ratings



# Outlook<sup>1,2</sup>

Metric	Fiscal 2021 Q1 Guidance <sup>1</sup>
Organic Net Sales Growth <sup>3</sup>	+10% to +13%
Adj. Operating Margin <sup>4</sup>	17.0% to 17.5%
Adj. Diluted EPS from cont. ops.	\$0.54 to \$0.59

**Remain confident in ability to achieve leverage ratio target of 3.5x to 3.6x by the end of fiscal 2021**

Metric	Fiscal 2022 Target <sup>1</sup>
Organic Net Sales Growth <sup>3</sup> (3 YR CAGR ending FY22)	+1% to +2% (no change)
Adj. Operating Margin <sup>4</sup>	18% to 19% (no change)
Adj. Diluted EPS from cont. ops.	\$2.66 to \$2.76 (no change)
Free Cash Flow Conversion (% of Adj. Net Income; 3 YR avg. ending FY22)	95%+ (no change)

1. 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.
2. "Adjusted" financial measures and organic net sales are non-GAAP financial measures.
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 53<sup>rd</sup> week.
4. Adjusted operating margin excludes equity method investment earnings and pension and postretirement non-service expense (income).



Q&A



# Appendix



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

	Grocery & Snacks	Refrigerated & Frozen	International	Foodservice	Total Conagra Brands
<b>Q4 FY20</b>					
<b>Net Sales</b>	\$ 1,474.1	\$ 1,355.4	\$ 265.7	\$ 192.7	\$ 3,287.9
Impact of foreign exchange	—	—	18.8	—	18.8
Impact of 53rd week <sup>2</sup>	(91.6)	(91.0)	(16.1)	(13.1)	(211.8)
Net sales from divested businesses <sup>1</sup>	(0.3)	—	—	—	(0.3)
<b>Organic Net Sales</b>	<b>\$ 1,382.2</b>	<b>\$ 1,264.4</b>	<b>\$ 268.4</b>	<b>\$ 179.6</b>	<b>\$ 3,094.6</b>
<b>Year-over-year change - Net Sales</b>	<b>44.1%</b>	<b>23.3%</b>	<b>18.6%</b>	<b>(27.9)%</b>	<b>25.8%</b>
Impact of foreign exchange (pp)	—	—	8.4	—	0.7
Impact of 53rd week (pp)	(9.0)	(8.3)	(7.2)	(4.9)	(8.1)
Net sales from divested businesses (pp) <sup>3</sup>	5.3	2.6	—	1.3	3.1
<b>Organic Net Sales</b>	<b>40.4%</b>	<b>17.6%</b>	<b>19.8%</b>	<b>(31.5)%</b>	<b>21.5%</b>
Volume (Organic)	38.0%	17.8%	18.0%	(34.2)%	21.0%
Price/Mix	2.4%	(0.2)%	1.8%	2.7%	0.5%
<b>Q4 FY19</b>					
<b>Net Sales</b>	\$ 1,022.6	\$ 1,099.2	\$ 224.0	\$ 267.4	\$ 2,613.2
Net sales from divested businesses <sup>1</sup>	(37.9)	(23.4)	—	(5.1)	(66.4)
<b>Organic Net Sales</b>	<b>\$ 984.7</b>	<b>\$ 1,075.8</b>	<b>\$ 224.0</b>	<b>\$ 262.3</b>	<b>\$ 2,546.8</b>

1. A portion of our Net Sales from divested businesses relates to our private label peanut butter business, which we exited in Q3 FY20. This exit occurred in waves, and therefore produced net sales through the end of fiscal 2020.

2. Organic net sales growth excludes the impact of fiscal 2020's 53rd week, which was calculated as one-sixth of our last month's net sales (which included a total of six weeks).

3. Percentage points may include rounding to bridge the change in reported net sales to the change in organic net sales.



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

	Grocery & Snacks	Refrigerated & Frozen	International	Foodservice	Total Conagra Brands
<b>FY20</b>					
<b>Net Sales</b>	\$ 4,617.1	\$ 4,559.6	\$ 925.3	\$ 952.4	\$ 11,054.4
Impact of foreign exchange	—	—	18.2	—	18.2
Impact of 53rd week <sup>2</sup>	(91.6)	(91.0)	(16.1)	(13.1)	(211.8)
Net sales from acquired businesses	(406.3)	(567.6)	(46.0)	(57.7)	(1,077.6)
Net sales from divested businesses <sup>1</sup>	(69.2)	(23.2)	—	(11.2)	(103.6)
<b>Organic Net Sales</b>	<b>\$ 4,050.0</b>	<b>\$ 3,877.8</b>	<b>\$ 881.4</b>	<b>\$ 870.4</b>	<b>\$ 9,679.6</b>
<b>Year-over-year change - Net Sales</b>	<b>17.7%</b>	<b>22.1%</b>	<b>7.0%</b>	<b>(6.2)%</b>	<b>15.9%</b>
Impact of foreign exchange (pp)	—	—	2.1	—	0.2
Impact of 53rd week (pp)	(2.3)	(2.4)	(1.9)	(1.3)	(2.2)
Net sales from acquired businesses (pp) <sup>3</sup>	(9.9)	(15.1)	(5.1)	(6.1)	(11.1)
Net sales from divested businesses (pp)	3.7	1.5	2.4	3.7	2.8
Net sales from sold Trenton plant (pp)	—	—	—	0.2	—
<b>Organic Net Sales</b>	<b>9.2%</b>	<b>6.1%</b>	<b>4.5%</b>	<b>(9.7)%</b>	<b>5.6%</b>
Volume (Organic)	9.8%	5.0%	3.9%	(12.6)%	5.2%
Price/Mix	(0.6)%	1.1%	0.6%	2.9%	0.4%
<b>FY19</b>					
<b>Net Sales</b>	\$ 3,923.6	\$ 3,735.4	\$ 864.4	\$ 1,015.0	\$ 9,538.4
Net sales from divested businesses <sup>1</sup>	(215.0)	(80.7)	(21.2)	(49.2)	(366.1)
Net sales from sold Trenton plant	—	—	—	(2.0)	(2.0)
<b>Organic Net Sales</b>	<b>\$ 3,708.6</b>	<b>\$ 3,654.7</b>	<b>\$ 843.2</b>	<b>\$ 963.8</b>	<b>\$ 9,170.3</b>

1. A portion of our Net Sales from divested businesses relates to our private label peanut butter business, which we exited in Q3 FY20. This exit occurred in waves, and therefore produced net sales through the end of fiscal 2020.

2. Organic net sales growth excludes the impact of fiscal 2020's 53rd week, which was calculated as one-sixth of our last month's net sales (which included a total of six weeks).

3. Percentage points may include rounding to bridge the change in reported net sales to the change in organic net sales.



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

	Grocery & Snacks	Refrigerated & Frozen	International	Foodservice	Corporate Expense	Total Conagra Brands
<b>Q4 FY20</b>						
<b>Operating Profit</b>	<b>\$ 300.4</b>	<b>\$ 168.5</b>	<b>\$ 27.1</b>	<b>\$ 1.0</b>	<b>\$ (106.2)</b>	<b>\$ 390.8</b>
Restructuring plans	9.2	3.5	0.2	—	9.5	22.4
Acquisitions and divestitures	—	—	—	—	1.7	1.7
Intangible impairment charges	42.9	95.0	8.3	—	—	146.2
Legal matters	—	—	—	—	5.0	5.0
Corporate hedging derivative losses (gains)	—	—	—	—	(3.7)	(3.7)
<b>Adjusted Operating Profit</b>	<b>\$ 352.5</b>	<b>\$ 267.0</b>	<b>\$ 35.6</b>	<b>\$ 1.0</b>	<b>\$ (93.7)</b>	<b>\$ 562.4</b>
Operating Profit Margin	20.4%	12.4%	10.2%	0.5%		11.9%
Adjusted Operating Profit Margin	23.9%	19.7%	13.4%	0.5%		17.1%
Year-over-year % change - Operating Profit	115.4%	(17.2)%	168.5%	(97.1)%	40.8%	24.8%
Year-over-year % change - Adjusted Operating Profit	91.2%	45.7%	47.2%	(97.1)%	12.6%	63.5%
Year-over-year bps change - Adjusted Operating Profit	589bps	302bps	260bps	(1,277) bps		394bps
<b>Q4 FY19</b>						
<b>Operating Profit</b>	<b>\$ 139.4</b>	<b>\$ 203.7</b>	<b>\$ 10.1</b>	<b>\$ 35.5</b>	<b>\$ (75.4)</b>	<b>\$ 313.3</b>
Restructuring plans	0.9	0.7	1.0	—	28.3	30.9
Intangible impairment charges	76.5	—	13.1	—	—	89.6
Acquisitions and divestitures	—	0.7	—	—	1.6	2.3
Inventory fair value mark-up rollout	0.5	1.2	—	—	—	1.7
Legal matters	—	—	—	—	(39.1)	(39.1)
Gain on divestiture of businesses	(33.1)	(23.1)	—	—	—	(56.2)
Fair value adjustment of cash settleable equity awards issued in connection with Pinnacle acquisition	—	—	—	—	3.5	3.5
Corporate hedging derivative losses (gains)	—	—	—	—	(2.0)	(2.0)
<b>Adjusted Operating Profit</b>	<b>\$ 184.2</b>	<b>\$ 183.2</b>	<b>\$ 24.2</b>	<b>\$ 35.5</b>	<b>\$ (83.1)</b>	<b>\$ 344.0</b>
Operating Profit Margin	13.6%	18.5%	4.5%	13.3%		12.0%
Adjusted Operating Profit Margin	18.0%	16.7%	10.8%	13.3%		13.2%



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

	Grocery & Snacks	Refrigerated & Frozen	International	Foodservice	Corporate Expense	Total Conagra Brands
<b>FY20</b>						
<b>Operating Profit</b>	<b>\$ 915.2</b>	<b>\$ 702.2</b>	<b>\$ 100.6</b>	<b>\$ 97.6</b>	<b>\$ (368.5)</b>	<b>\$ 1,447.1</b>
Restructuring plans	58.4	15.8	1.6	—	63.1	138.9
Acquisitions and divestitures	3.0	—	—	—	2.3	5.3
Impairment of businesses held for sale	31.4	27.6	—	—	—	59.0
Intangible impairment charges	46.4	110.8	8.3	—	—	165.5
Loss on divestiture of businesses	1.5	0.2	—	—	—	1.7
Contract settlement gain	(11.9)	—	—	—	—	(11.9)
Legal matters	—	—	—	—	3.5	3.5
Environmental matters	—	—	—	—	6.6	6.6
Corporate hedging derivative losses (gains)	—	—	—	—	5.5	5.5
<b>Adjusted Operating Profit</b>	<b>\$ 1,044.0</b>	<b>\$ 856.6</b>	<b>\$ 110.5</b>	<b>\$ 97.6</b>	<b>\$ (287.5)</b>	<b>\$ 1,821.2</b>
Operating Profit Margin	19.8%	15.4%	10.9%	10.3%		13.1%
Adjusted Operating Profit Margin	22.6%	18.8%	11.9%	10.3%		16.5%
Year-over-year % change - Operating Profit	20.0%	8.9%	0.8%	(27.3)%	(20.3)%	22.7%
Year-over-year % change - Adjusted Operating Profit	23.8%	32.3%	2.0%	(27.3)%	8.8%	23.9%
Year-over-year bps change - Adjusted Operating Profit	111 bps	145 bps	(59) bps	(298) bps		107 bps
<b>FY19</b>						
<b>Operating Profit</b>	<b>\$ 762.6</b>	<b>\$ 645.1</b>	<b>\$ 99.8</b>	<b>\$ 134.3</b>	<b>\$ (462.2)</b>	<b>\$ 1,179.6</b>
Restructuring plans	6.1	2.9	4.9	—	167.5	181.4
Intangible impairment charges	76.5	—	13.1	—	—	89.6
Gain on divestiture of businesses	(33.1)	(23.1)	(13.2)	—	—	(69.4)
Acquisitions and divestitures	1.0	0.7	2.9	—	101.6	106.2
Integration costs	—	—	—	—	8.9	8.9
Inventory fair value mark-up rollout	30.2	21.9	0.9	—	—	53.0
Novation of a legacy guarantee	—	—	—	—	(27.3)	(27.3)
Legal matters	—	—	—	—	(39.1)	(39.1)
Fair value adjustment of cash settleable equity awards issued in connection with Pinnacle acquisition	—	—	—	—	(15.1)	(15.1)
Corporate hedging derivative losses (gains)	—	—	—	—	1.8	1.8
<b>Adjusted Operating Profit</b>	<b>\$ 843.3</b>	<b>\$ 647.5</b>	<b>\$ 108.4</b>	<b>\$ 134.3</b>	<b>\$ (263.9)</b>	<b>\$ 1,469.6</b>
Operating Profit Margin	19.4%	17.3%	11.5%	13.2%		12.4%
Adjusted Operating Profit Margin	21.5%	17.3%	12.5%	13.2%		15.4%



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

Q4 FY20	Gross profit	Selling, general and administrative expenses	Operating profit <sup>1</sup>	Income 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 attributable to Conagra Brands, Inc common stockholders
<b>Reported</b>	\$ 922.8	\$ 532.0	\$ 390.8	\$ 238.2	\$ 59.8	22.9 %	\$ 201.4	\$ 0.41
<i>% of Net Sales</i>	<i>28.1 %</i>	<i>16.2 %</i>	<i>11.9 %</i>					
Restructuring plans	10.2	12.2	22.4	22.4	5.6		16.8	0.03
Acquisitions and divestitures	—	1.7	1.7	1.7	0.4		1.3	—
Corporate hedging derivative losses (gains)	(3.7)	—	(3.7)	(3.7)	(0.9)		(2.8)	(0.01)
Advertising and promotion expenses <sup>2</sup>	—	59.2	—	—	—		—	—
Pension valuation adjustment	—	—	—	44.8	11.2		33.6	0.07
Adjustment to gain on Ardent JV asset sale	—	—	—	—	—		0.1	—
Intangible impairment charges	—	146.2	146.2	146.2	34.0		112.2	0.23
Legal matters	—	5.0	5.0	5.0	1.3		3.7	0.01
Unusual tax items	—	—	—	—	(1.3)		1.3	—
Rounding	—	—	—	—	—		—	0.01
<b>Adjusted</b>	\$ 929.3	\$ 307.7	\$ 562.4	\$ 454.6	\$ 110.1	23.0 %	\$ 367.6	\$ 0.75
<i>% of Net Sales</i>	<i>28.3 %</i>	<i>9.4 %</i>	<i>17.1 %</i>					
<i>Year-over-year % of net sales change - reported</i>	<i>97 bps</i>	<i>107 bps</i>	<i>(10) bps</i>					
<i>Year-over-year % of net sales change - adjusted</i>	<i>113 bps</i>	<i>(178) bps</i>	<i>394 bps</i>					
<i>Year-over-year change - reported</i>	<i>30.3 %</i>	<i>34.8 %</i>	<i>24.8 %</i>	<i>26.8 %</i>	<i>(16.7)%</i>		<i>59.2 %</i>	<i>57.7 %</i>
<i>Year-over-year change - adjusted</i>	<i>31.1 %</i>	<i>5.7 %</i>	<i>63.5 %</i>	<i>103.9 %</i>	<i>93.6 %</i>		<i>110.6 %</i>	<i>108.3 %</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 expense (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.
3. Includes charges related to consolidated joint ventures. These charges are recorded at 100% for all line items before Net income attributable to Conagra Brands, Inc. Net income attributable to Conagra Brands, Inc. excludes Net income (loss) attributable to noncontrolling interests.



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

Q4 FY19	Gross profit	Selling, general and administrative expenses	Operating profit <sup>1</sup>	Income 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 attributable to Conagra Brands, Inc common stockholders
<b>Reported</b>	\$ 708.0	\$ 394.7	\$ 313.3	\$ 187.8	\$ 71.8	36.5%	\$ 126.5	\$ 0.26
<i>% of Net Sales</i>	27.1%	15.1%	12.0%					
Restructuring plans	1.3	29.6	30.9	30.9	7.7		23.2	0.05
Acquisitions and divestitures	—	2.3	2.3	2.3	0.4		1.9	—
Intangible impairment charges <sup>3</sup>	—	89.6	89.6	89.6	20.8		66.9	0.14
Corporate hedging derivative losses (gains)	(2.0)	—	(2.0)	(2.0)	(0.5)		(1.5)	—
Advertising and promotion expenses <sup>2</sup>	—	73.9	—	—	—		—	—
Inventory fair value mark-up rollout	1.7	—	1.7	1.7	0.4		1.3	—
Legal matters	—	(39.1)	(39.1)	(39.1)	(10.0)		(29.1)	(0.06)
Fair value adjustment of cash settleable equity awards issued in connection with Pinnacle acquisition	—	3.5	3.5	3.5	(1.8)		5.3	0.01
Gain on divestiture of businesses	—	(56.2)	(56.2)	(56.2)	(30.7)		(25.5)	(0.05)
Pension valuation adjustment	—	—	—	4.3	1.1		3.2	0.01
Capital loss valuation allowance adjustment	—	—	—	—	8.1		(8.1)	(0.02)
Unusual tax items	—	—	—	—	(10.5)		10.5	0.02
<b>Adjusted</b>	\$ 709.0	\$ 291.1	\$ 344.0	\$ 222.8	\$ 56.8	24.5%	\$ 174.6	\$ 0.36
<i>% of Net Sales</i>	27.1%	11.1%	13.2%					

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 expense (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.
3. Includes charges related to consolidated joint ventures. These charges are recorded at 100% for all line items before Net income attributable to Conagra Brands, Inc. Net income attributable to Conagra Brands, Inc. excludes Net income (loss) attributable to noncontrolling interests.



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

FY20	Gross profit	Selling, general and administrative expenses	Operating profit <sup>1</sup>	Income 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 attributable to Conagra Brands, Inc common stockholders
<b>Reported</b>	\$ 3,069.6	\$ 1,622.5	\$ 1,447.1	\$ 969.9	\$ 201.3	19.3 %	\$ 840.1	\$ 1.72
<i>% of Net Sales</i>	27.8 %	14.7 %	13.1 %					
Restructuring plans	33.2	105.7	138.9	139.5	32.7		106.8	0.22
Acquisitions and divestitures	—	5.3	5.3	5.3	1.4		3.9	0.01
Corporate hedging derivative losses (gains)	5.5	—	5.5	5.5	1.4		4.1	0.01
Advertising and promotion expenses <sup>2</sup>	—	230.7	—	—	—		—	—
Pension settlement and valuation adjustment	—	—	—	42.9	10.8		32.1	0.07
Gain on Ardent JV asset sale	—	—	—	—	(1.0)		(3.1)	(0.01)
Impairment of businesses held for sale	—	59.0	59.0	59.0	4.0		55.0	0.11
Contract settlement gain	—	(11.9)	(11.9)	(11.9)	(3.0)		(8.9)	(0.02)
Intangible impairment charges	—	165.5	165.5	165.5	38.5		127.0	0.26
Legal matters	—	3.5	3.5	3.5	0.9		2.6	0.01
Environmental matters	—	6.6	6.6	6.6	1.6		5.0	0.01
Loss on divestiture of businesses	—	1.7	1.7	1.7	(0.2)		1.9	—
Unusual tax items	—	—	—	—	51.2		(51.2)	(0.10)
Rounding	—	—	—	—	—		—	(0.01)
<b>Adjusted</b>	\$ 3,108.3	\$ 1,056.4	\$ 1,821.2	\$ 1,387.5	\$ 339.6	23.2 %	\$ 1,115.3	\$ 2.28
<i>% of Net Sales</i>	28.1 %	9.6 %	16.5 %					
<i>Year-over-year % of net sales change - reported</i>	(5) bps	(77) bps	73 bps					
<i>Year-over-year % of net sales change - adjusted</i>	(39) bps	(88) bps	107 bps					
<i>Year-over-year change - reported</i>	15.7 %	10.1 %	22.7 %	17.8 %	(8.0) %		23.8 %	12.4 %
<i>Year-over-year change - adjusted</i>	14.3 %	6.1 %	23.9 %	22.9 %	15.7 %		24.7 %	13.4 %

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 expense (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.
3. Includes charges related to consolidated joint ventures. These charges are recorded at 100% for all line items before Net income attributable to Conagra Brands, Inc. Net income attributable to Conagra Brands, Inc. excludes Net income (loss) attributable to noncontrolling interests.



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

	Gross profit	Selling, general and administrative expenses	Operating profit <sup>1</sup>	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
<b>FY19</b>								
<b>Reported</b>	\$ 2,653.0	\$ 1,473.4	\$ 1,179.6	\$ 823.3	\$ 218.8	24.3%	\$ 678.3	\$ 1.53
<i>% of Net Sales</i>	27.8%	15.4%	12.4%					
Restructuring plans	11.1	170.3	181.4	180.8	41.9		138.9	0.31
Acquisitions and divestitures	—	106.2	106.2	118.1	23.3		94.8	0.21
Integration costs	—	8.9	8.9	8.9	2.3		6.6	0.01
Corporate hedging derivative losses (gains)	1.8	—	1.8	1.8	0.4		1.4	—
Advertising and promotion expenses <sup>2</sup>	—	253.4	—	—	—		—	—
Legal matters	—	(39.1)	(39.1)	(39.1)	(10.0)		(29.1)	(0.07)
Inventory fair value mark-up rollout	53.0	—	53.0	53.0	13.5		39.5	0.09
Novation of a legacy guarantee	—	(27.3)	(27.3)	(27.3)	—		(27.3)	(0.06)
Fair value adjustment of cash settleable equity awards issued in connection with Pinnacle acquisition	—	(15.1)	(15.1)	(15.1)	(2.9)		(12.2)	(0.03)
Gain on divestiture of businesses	—	(69.4)	(69.4)	(69.4)	(34.3)		(35.1)	(0.08)
Intangible impairment charges <sup>3</sup>	—	89.6	89.6	89.6	20.8		66.9	0.15
Pension valuation adjustment	—	—	—	4.3	1.1		3.2	0.01
Gain on Ardent JV asset sale	—	—	—	—	(3.5)		(11.6)	(0.03)
Capital loss valuation allowance adjustment	—	—	—	—	32.4		(32.4)	(0.07)
Unusual tax items	—	—	—	—	(10.4)		10.4	0.02
Loss from discontinued operations, net of noncontrolling interests	—	—	—	—	—		1.9	—
Rounding	—	—	—	—	—		—	0.02
<b>Adjusted</b>	\$ 2,718.9	\$ 995.9	\$ 1,469.6	\$ 1,128.9	\$ 293.4	24.7%	\$ 894.2	\$ 2.01
<i>% of Net Sales</i>	28.5%	10.4%	15.4%					

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 expense (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.
3. Includes charges related to consolidated joint ventures. These charges are recorded at 100% for all line items before Net income attributable to Conagra Brands, Inc. Net income attributable to Conagra Brands, Inc. excludes Net income (loss) attributable to noncontrolling interests.



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

	Q4 FY20	Q4 FY19	% Change
<b>Net income attributable to Conagra Brands, Inc.</b>	<b>\$ 201.4</b>	<b>\$ 126.5</b>	<b>59.2%</b>
Add Back:			
Income tax expense	59.8	71.8	
Income tax expense attributable to noncontrolling interests	(0.6)	0.8	
Interest expense, net	125.3	130.9	
Depreciation	81.5	85.3	
Amortization	14.9	15.1	
<b>Earnings before interest, taxes, depreciation, and amortization</b>	<b>\$ 482.3</b>	<b>\$ 430.4</b>	<b>12.1%</b>
Restructuring plans <sup>1</sup>	13.6	27.0	
Acquisitions and divestitures	1.7	2.3	
Corporate hedging derivative losses (gains)	(3.7)	(2.0)	
Pension valuation adjustment	44.8	4.3	
Intangible impairment charges <sup>2</sup>	146.2	86.5	
Inventory fair value mark-up rollout	—	1.7	
Gain on divestiture of businesses	—	(56.2)	
Legal matters	5.0	(39.1)	
Fair value adjustment of cash settleable equity awards issued in connection with Pinnacle acquisition	—	3.5	
Adjustment to gain on Ardent JV asset sale	0.1	—	
<b>Adjusted Earnings before interest, taxes, depreciation, and amortization</b>	<b>\$ 690.0</b>	<b>\$ 458.4</b>	<b>50.5%</b>

1. Excludes comparability items related to depreciation.
2. Excludes comparability items attributable to noncontrolling interests.



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

	FY20	FY19	% Change
<b>Net income attributable to Conagra Brands, Inc.</b>	<b>\$ 840.1</b>	<b>\$ 678.3</b>	<b>23.8%</b>
Less: Loss from discontinued operations, net of tax	—	(1.9)	
Add Back: Income tax expense	201.3	218.8	
Income tax expense attributable to noncontrolling interests	(0.9)	(0.1)	
Interest expense, net	487.1	391.4	
Depreciation	329.1	283.9	
Amortization	59.8	49.1	
<b>Earnings before interest, taxes, depreciation, and amortization</b>	<b>\$ 1,916.5</b>	<b>\$ 1,623.3</b>	<b>18.1%</b>
Restructuring plans <sup>1</sup>	106.5	171.2	
Acquisitions and divestitures <sup>2</sup>	5.3	106.2	
Integration costs	—	8.9	
Corporate hedging derivative losses (gains)	5.5	1.8	
Pension settlement and valuation adjustment	42.9	4.3	
Impairment of businesses held for sale	59.0	—	
Inventory fair value mark-up rollout	—	53.0	
Loss (gain) on divestiture of businesses	1.7	(69.4)	
Novation of a legacy guarantee	—	(27.3)	
Fair value adjustment of cash settleable equity awards issued in connection with Pinnacle acquisition	—	(15.1)	
Legal matters	3.5	(39.1)	
Environmental matters	6.6	—	
Contract settlement gain	(11.9)	—	
Intangible impairment charges <sup>3</sup>	165.5	86.5	
Gain on Ardent JV asset sale	(4.1)	(15.1)	
<b>Adjusted Earnings before interest, taxes, depreciation, and amortization</b>	<b>\$ 2,297.0</b>	<b>\$ 1,889.2</b>	<b>21.6%</b>

1. Excludes comparability items related to depreciation.
2. Excludes comparability items related to interest expense.
3. Excludes comparability items attributable to noncontrolling interests.



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

	FY20	FY19	% Change
<b>Interest expense, net</b>	\$ 487.1	\$ 391.4	24.5%
Acquisitions and divestitures	—	(11.9)	
<b>Adjusted interest expense, net</b>	\$ 487.1	\$ 379.5	28.4%

	Q4 FY20	Q4 FY19	% Change
<b>Equity method investment earnings</b>	\$ 22.9	\$ 9.2	148.8%
Adjustment to gain on Ardent JV asset sale	0.1	—	
<b>Adjusted equity method investment earnings</b>	\$ 23.0	\$ 9.2	150.6%

	FY20	FY19	% Change
<b>Equity method investment earnings</b>	\$ 73.2	\$ 75.8	(3.4)%
Gain on Ardent JV asset sale	(4.1)	(15.1)	
<b>Adjusted equity method investment earnings</b>	\$ 69.1	\$ 60.7	14.0%

	Q4 FY20	Q4 FY19	% Change
<b>Pension and postretirement non-service expense (income)</b>	\$ 27.3	\$ (5.4)	N/A
Pension valuation adjustment	(44.8)	(4.3)	
<b>Adjusted pension and postretirement non-service income</b>	\$ (17.5)	\$ (9.7)	79.3%

	FY20	FY19	% Change
<b>Pension and postretirement non-service income</b>	\$ (9.9)	\$ (35.1)	(71.9)%
Restructuring plans	(0.6)	0.6	
Pension settlement and valuation adjustment	(42.9)	(4.3)	
<b>Adjusted pension and postretirement non-service income</b>	\$ (53.4)	\$ (38.8)	37.3%

	May 31, 2020		May 26, 2019	
Net cash flows from operating activities - continuing operations	\$	1,842.6	\$	1,114.3
Additions to property, plant and equipment		(369.5)		(353.1)
<b>Free cash flow</b>	\$	1,473.1	\$	761.2



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

	Q2 FY19	Q3 FY19	Q4 FY19	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20
Notes payable	\$ 0.9	\$ —	\$ 1.0	\$ 56.0	\$ 0.5	\$ 0.8	\$ 1.1
Current installments of long-term debt	17.2	19.9	20.6	150.1	1,173.8	923.8	845.5
Senior long-term debt, excluding current installments	11,349.5	10,911.8	10,459.8	10,127.5	9,100.0	8,897.8	8,900.8
Subordinated debt	195.9	195.9	195.9	195.9	195.9	195.9	—
<b>Total Debt</b>	<b>\$ 11,563.5</b>	<b>\$ 11,127.6</b>	<b>\$ 10,677.3</b>	<b>\$ 10,529.5</b>	<b>\$ 10,470.2</b>	<b>\$ 10,018.3</b>	<b>\$ 9,747.4</b>
Less: Cash	442.3	282.2	236.6	64.7	192.0	99.0	553.3
<b>Net Debt</b>	<b>\$ 11,121.2</b>	<b>\$ 10,845.4</b>	<b>\$ 10,440.7</b>	<b>\$ 10,464.8</b>	<b>\$ 10,278.2</b>	<b>\$ 9,919.3</b>	<b>\$ 9,194.1</b>



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

	FY20
<b>Net Debt</b>	<b>\$ 9,194.1</b>
<b>Net income attributable to Conagra Brands, Inc.</b>	<b>\$ 840.1</b>
Add Back: Income tax expense	201.3
Income tax expense attributable to noncontrolling interests	(0.9)
Interest expense, net	487.1
Depreciation	329.1
Amortization	59.8
<b>Earnings before interest, taxes, depreciation, and amortization (EBITDA)</b>	<b>\$ 1,916.5</b>
Restructuring plans <sup>1</sup>	106.5
Acquisitions and divestitures	5.3
Corporate hedging derivative losses	5.5
Pension settlement and valuation adjustment	42.9
Impairment of businesses held for sale	59.0
Loss on divestiture of businesses	1.7
Legal matters	3.5
Environmental matters	6.6
Contract settlement gain	(11.9)
Intangible impairment charges	165.5
Gain on Ardent JV asset sale	(4.1)
<b>Adjusted EBITDA</b>	<b>\$ 2,297.0</b>
<b>Net Debt to Adjusted EBITDA</b>	<b>4.0</b>

1. Excludes comparability items related to depreciation.



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

	Q3 FY20 LTM <sup>3</sup>
<b>Net Debt</b>	<b>\$ 9,919.3</b>
<b>Net income attributable to Conagra Brands, Inc.</b>	<b>\$ 765.2</b>
Add Back: Income tax expense	213.3
Income tax expense attributable to noncontrolling interests	0.5
Interest expense, net	492.7
Depreciation	332.9
Amortization	60.0
<b>Earnings before interest, taxes, depreciation, and amortization (EBITDA)</b>	<b>\$ 1,864.6</b>
Restructuring plans <sup>1</sup>	119.9
Acquisitions and divestitures	5.9
Corporate hedging losses	7.2
Pension settlement and valuation adjustment	2.4
Impairment of businesses held for sale	59.0
Inventory fair value mark-up rollout	1.7
Gain on divestiture of businesses	(54.5)
Fair value adjustment of cash settleable equity awards issued in connection with Pinnacle acquisition	3.5
Legal matters	(40.6)
Environmental matters	6.6
Contract settlement gain	(11.9)
Intangible impairment charges <sup>2</sup>	105.8
Gain on Ardent JV asset sale	(4.2)
<b>Adjusted EBITDA</b>	<b>\$ 2,065.4</b>
<b>Net Debt to Adjusted LTM EBITDA</b>	<b>4.8</b>

1. Excludes comparability items related to depreciation.
2. Excludes comparability items attributable to noncontrolling interests.
3. Last twelve months



**CONAGRA<sup>TM</sup>**

• B R A N D S •

