

# Q2 FISCAL 2021 EARNINGS

JANUARY 7, 2021



- Results reflect strong performance across the business and outstanding execution delivered by employees across the company.
- Exceeded expectations on net sales, profitability, and de-leveraging.
- Ongoing investments continue to strengthen the business and drive long-term brand health.
- Continued to reshape the portfolio through investments and divestitures, such as the expected sale of the Peter Pan peanut butter business.
- Well-positioned to capture the benefits of shifting consumer behavior, many of which we believe will continue well into the future.

## STRONG RESULTS ACROSS THE BUSINESS

 Significant Net Sales Growth in all 3 Retail Segments

**+8.1%**  
Organic Net Sales<sup>1</sup>  
Growth YoY

**19.6%**  
Adj. Operating  
Margin<sup>2</sup> +250 bps YoY

 Achieved Target Net Leverage Ratio<sup>3</sup> of 3.6x Ahead of Schedule

## STRONG EPS GROWTH

**\$0.81**  
Adj. Diluted EPS<sup>4</sup>  
+28.6% YoY

**\$0.77**  
Diluted EPS<sup>4</sup>  
+45.3% YoY

## INNOVATION CONTINUES TO DRIVE GROWTH

Recent Innovation Generated Strong Performance in H1



Even More Innovation to Come in H2<sup>5</sup>



## LOOKING AHEAD

Presenting at CAGNY  
Conference on February 16

**CAGNY**

Q3 FY 21 Adj. EPS<sup>4</sup> Expected in  
the Range of \$0.56 to \$0.60



Reaffirming Fiscal  
2022 Guidance



<sup>1</sup>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); <sup>2</sup>Adjusted operating margin excludes equity method investment earnings and pension and postretirement non-service expense (income); <sup>3</sup>Net leverage ratio is net debt divided by adjusted EBITDA for the trailing four quarters. 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; <sup>4</sup>From continuing operations; <sup>5</sup>SOUP PATCH KIDS, the SOUP PATCH KID design, REDBERRY, and SOUR.SWEET.GONE. are trademarks of Mondelez International group, used under license.

## 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; risks related to our ability to achieve the intended benefits of other recent and pending acquisitions and divestitures; including the pending divestiture of the Peter Pan peanut butter business; risks related to the timing to complete a potential divestiture of the Peter Pan peanut butter business; risks related to the ability and timing to obtain required regulatory approvals and satisfy other closing conditions for the divestiture of the Peter Pan peanut butter business; risks associated with general economic and industry conditions; risks associated with our ability to successfully execute our long-term value creation strategies; risks related to our ability to leverage 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, and to benefit from trade optimization programs; 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 our 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 coronavirus (COVID-19) pandemic 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 COVID-19 pandemic; risks associated with actions by our customers, including changes in distribution and purchasing terms; risks and uncertainties associated with intangible assets, including any future goodwill or intangible assets impairment charges; 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 report, which speak only as of the date of this report. We undertake no responsibility to update these statements, except as required by law.

## Organic Net Sales Reconciliation

	Grocery & Snacks	Refrigerated & Frozen	International	Foodservice	Total Conagra Brands
<b>Year-over-year change - Net Sales</b>	<b>12.5%</b>	<b>6.8%</b>	<b>6.6%</b>	<b>(23.1)%</b>	<b>6.2%</b>
Impact of foreign exchange (pp)	—	—	2.5	—	0.2
Net sales from divested businesses (pp)	2.8	1.0	—	1.7	1.7
<b>Organic Net Sales</b>	<b>15.3%</b>	<b>7.8%</b>	<b>9.1%</b>	<b>(21.4)%</b>	<b>8.1%</b>

## Adjusted EPS and Adjusted Operating Margin Reconciliation

	Q2 FY21		Q2 FY20		% Change	
	Operating Profit <sup>5</sup>	Diluted EPS	Operating Profit <sup>5</sup>	Diluted EPS	Operating Profit <sup>5</sup>	Diluted EPS
<b>Reported</b>	<b>\$531.2</b>	<b>\$0.77</b>	<b>\$428.1</b>	<b>\$0.53</b>	<b>24.1%</b>	<b>45.3%</b>
<b>% of Net Sales</b>	<b>17.7%</b>	<b>—</b>	<b>15.2%</b>	<b>—</b>	<b>256 bps</b>	
Restructuring plans	20.7	0.03	35.2	0.06		
Acquisitions and divestitures	0.5	—	1.1	—		
Corporate hedging derivative losses (gains)	(3.3)	(0.01)	(1.8)	—		
Impairment of a business held for sale	—	—	27.6	0.05		
Gain on divestiture of a business	(5.3)	(0.01)	—	—		
Loss on divestiture of businesses	—	—	(0.2)	—		
Contract settlement gain	—	—	(12.0)	(0.02)		
Legal matters	—	—	(1.5)	—		
Environmental matters	—	—	6.6	0.01		
Early extinguishment of debt	44.3	0.07	—	—		
Consulting fees on tax matters	(0.3)	—	—	—		
Capital loss valuation allowance adjustment	—	(0.05)	—	—		
Unusual tax items	—	—	—	(0.01)		
Rounding	—	0.01	—	0.01		
<b>Adjusted</b>	<b>\$587.8</b>	<b>\$0.81</b>	<b>\$483.1</b>	<b>\$0.63</b>	<b>21.7%</b>	<b>28.6%</b>
<b>% of Net Sales</b>	<b>19.6%</b>		<b>17.1%</b>		<b>250 bps</b>	

<sup>5</sup>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.