



# FY21 Q2 Earnings Presentation

January 7, 2021



# 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 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 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, 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.

## **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 attributable to Conagra Brands, free cash flow, net debt, adjusted equity method investment earnings, net leverage ratio, 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 EPS, adjusted net income, free cash flow, net debt, and net leverage ratio 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

- Business performing well in the absolute and relative to peers, reflecting 5+ years of investing behind and executing the Conagra Way
- Q2 exceeded expectations
  - Strong, broad-based sales growth
  - Margin expansion tracking ahead of schedule
  - Reached de-leveraging target ahead of schedule
- Continuing to strengthen and reshape the portfolio through investments and divestitures
- Reaffirming fiscal 2022 guidance



# Thank You to the Supply Chain Team... You Continued to Excel





# Exceeded Expectations in Q2

| Dollars in Millions, except per share data<br>Increase/(Decrease) | Q2     | Q2 Guidance      |
|---|--------|------------------|
| Organic Net Sales <sup>1</sup> Growth                             | +8.1%  | +6% to +8%       |
| Adj. Op. Margin <sup>2</sup>                                      | 19.6%  | 18.0% to 18.5%   |
| Adj. Diluted EPS from cont. ops.                                  | \$0.81 | \$0.70 to \$0.74 |
| Net Leverage Ratio <sup>3</sup>                                   | 3.6x   |                  |

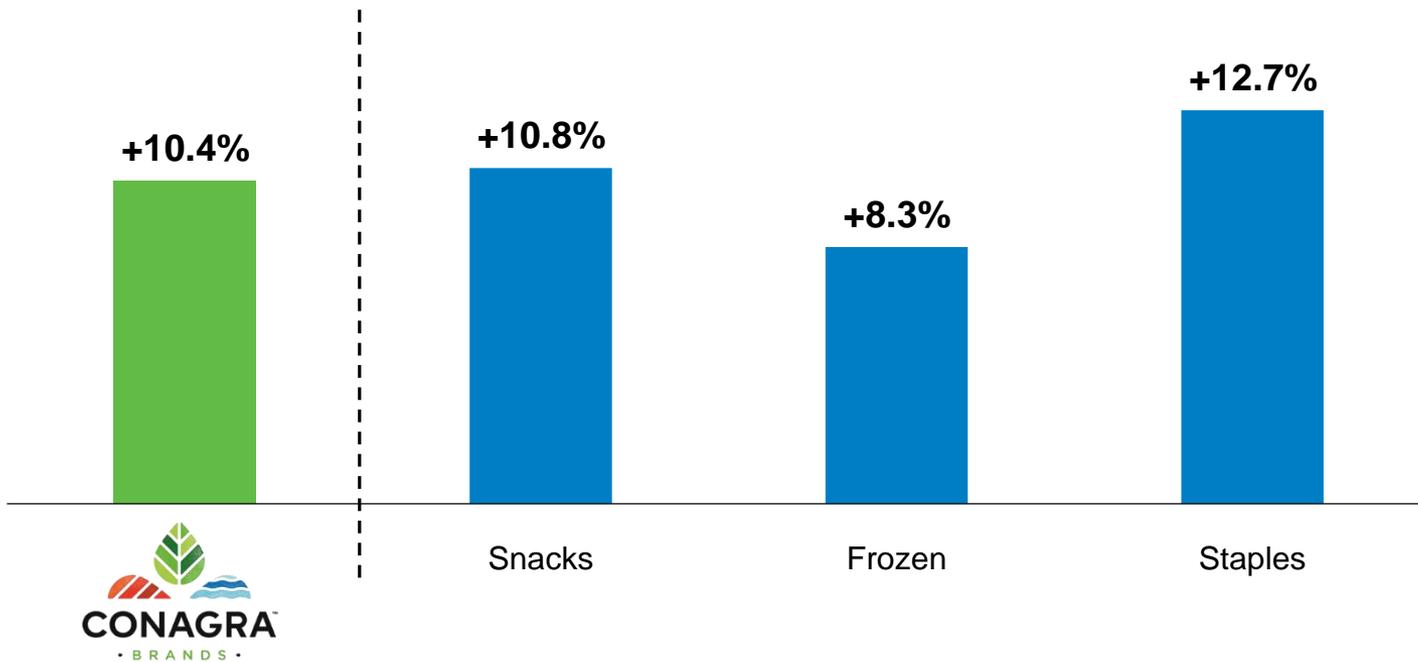
Note: "Adjusted" financial measures, net leverage ratio, and organic net sales are non-GAAP. See the end of this presentation for a reconciliation of these measures to the most directly comparable GAAP measures.

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



# Strong, Broad-Based Growth, Share Gains, and Household Penetration Improvement

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

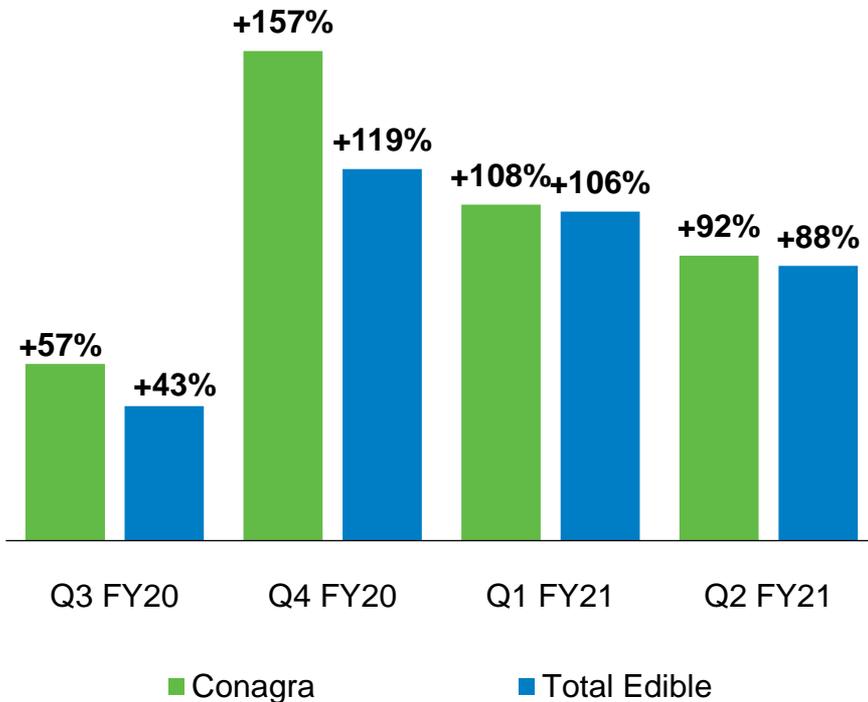


**Total Conagra +14 bps Household Penetration vs. YA, +26 bps Category Share vs. YA**

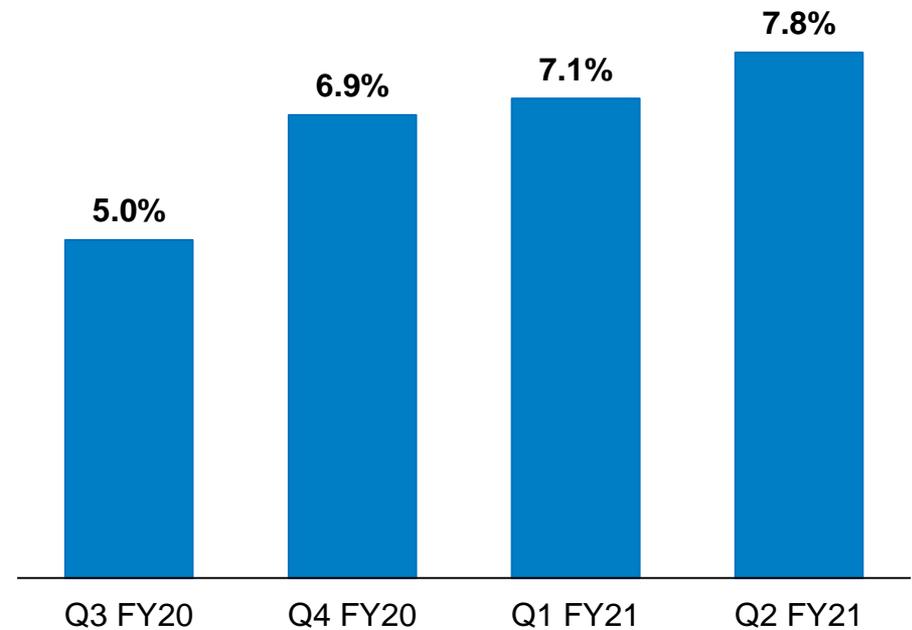


# eCommerce Investments Continued to Yield Results; Conagra Continued to Outperform the Industry

**Conagra vs. Total Edible eCommerce Retail Sales**  
(% Change vs. YA)



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



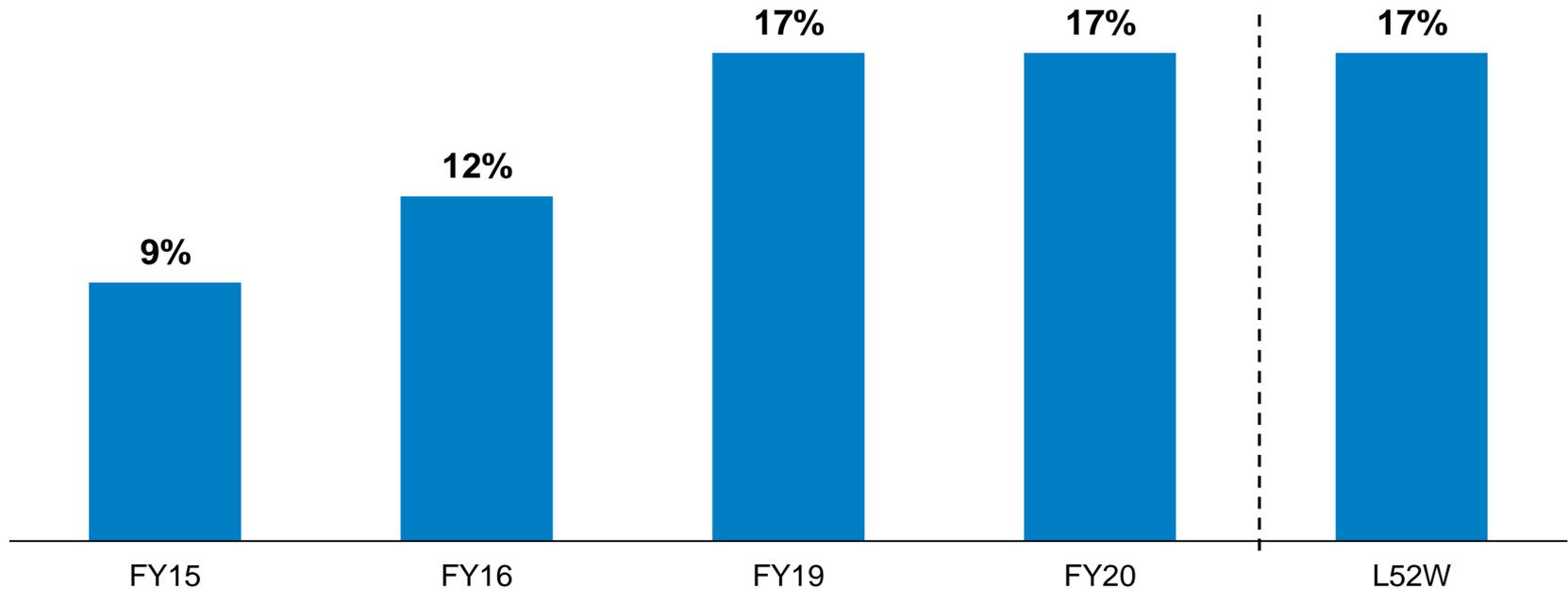
Note: Latest weeks subject to change due to data stability

Source: IRI eMarket Insights, Total Conagra vs. Total Edible xBeverage xProducts Where Parent Company Is Unknown, Total eCommerce RMA; Data ended November 29, 2020.



# Innovation Momentum Continued in Q2

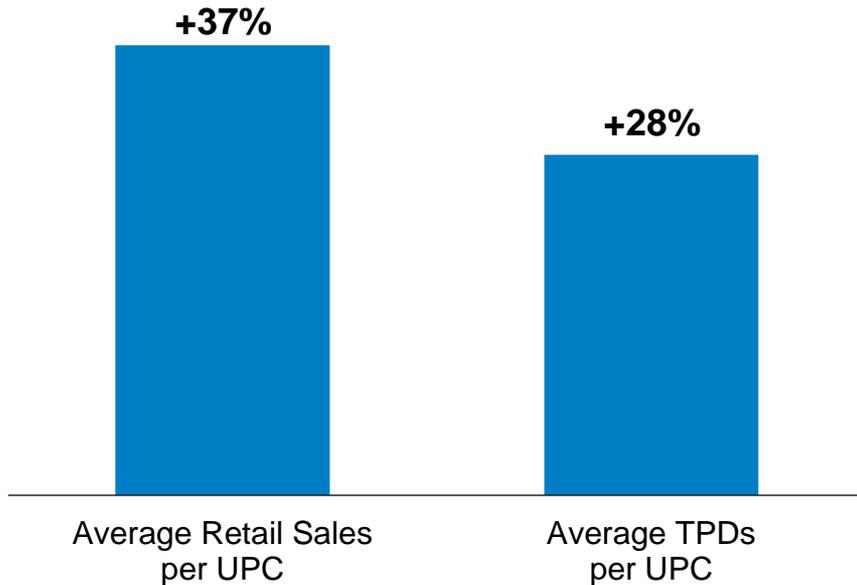
## % of Annual Domestic Retail Sales from Innovation (Rolling 3 Years)



Note: Innovation Renewal Rate is calculated as the contribution of domestic retail dollar sales from innovation (i.e. new items that had sales in reported period but not prior period) over a three-year basis. For example, in FY20, it's the new items from FY18 – FY20 and their % of domestic retail dollar sales in FY20. Figures rounded to nearest whole number.  
Source: IRI Syndicated Database, MULO + C, Conagra Brands Fiscal Year 2015, 2016, 2019, 2020, Latest 52 Weeks Ended November 29, 2020

# Innovation Continued to Be a Key Growth Driver

## Innovation Launched and Sold in H1 FY21 vs. Innovation Launched and Sold in H1 FY20<sup>1</sup>



#1 Branded New Item in Frozen Indulgent Single-Serve Meals<sup>2</sup>



#1, #2, and #3 highest velocity new items in Single-Serve Baking<sup>2</sup>



Hungry-Man Brand Outpacing Category Growth by 2.1x<sup>2</sup>

## After a strong H1, there is even more to come in H2:



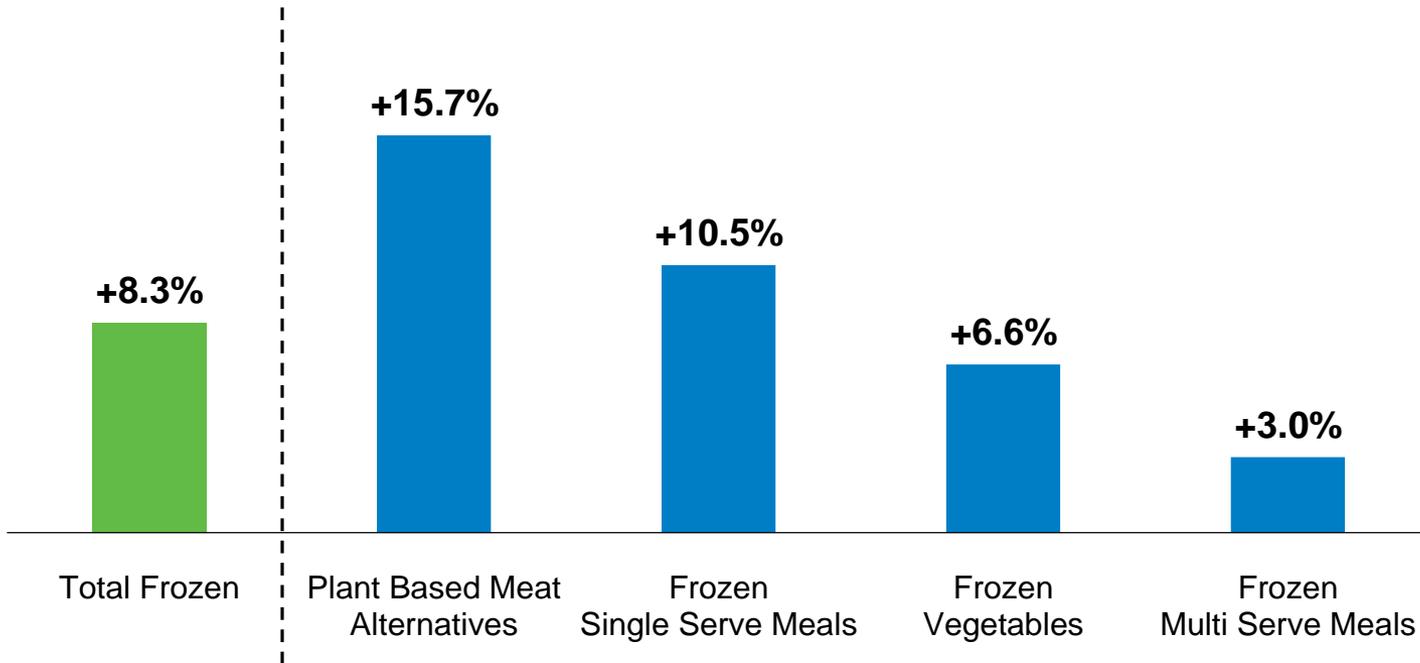
Note: Packaging under development, subject to change. SOUR PATCH KIDS, the SOUR PATCH KID design, REDBERRY, and SOUR.SWEET.GONE. are trademarks of Mondelez International group, used under license.

- Source: IRI Market Advantage Syndicated Data, MULO+C, Custom Innovation Aggregates
- Source: IRI Market Advantage Syndicated Data, MULO, Last 13 weeks ended November 29, 2020



# Strong Growth Across The Frozen Portfolio

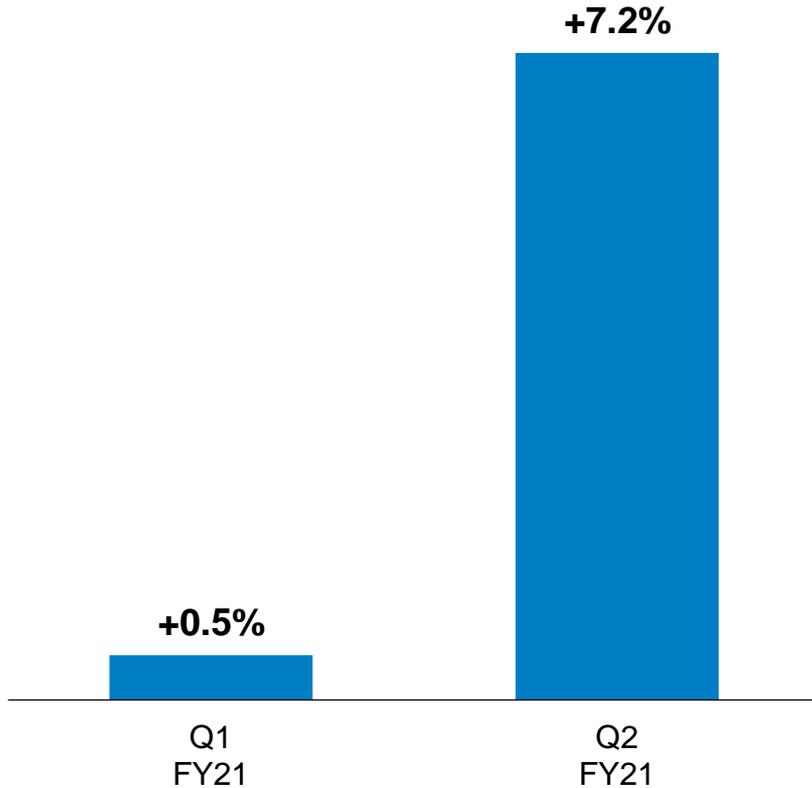
## Conagra Frozen Retail Sales (% Change vs. YA)



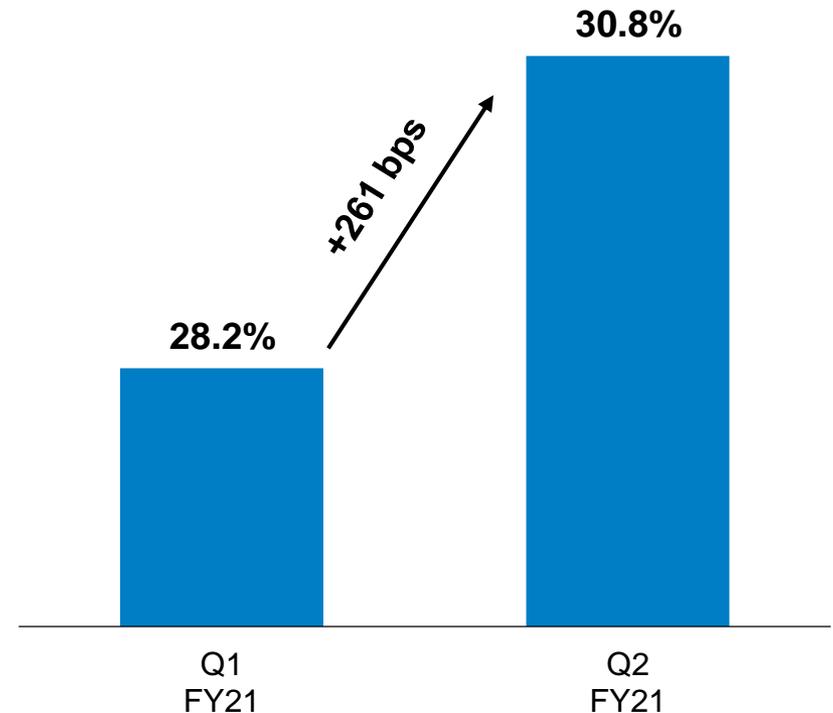


# Birds Eye Accelerated Growth and Gained Share

**Birds Eye Frozen Vegetable  
Retail Sales**  
(% Change vs. YA)



**Birds Eye Frozen Vegetable  
Dollar Share**  
(Absolute Category Share)

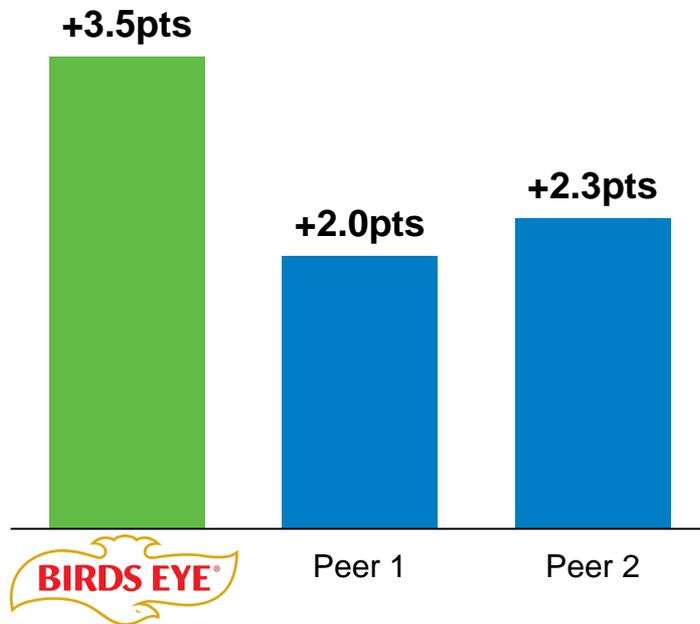




# Despite Early Constraints, Birds Eye Has Attracted and Retained More New Buyers Than Competition

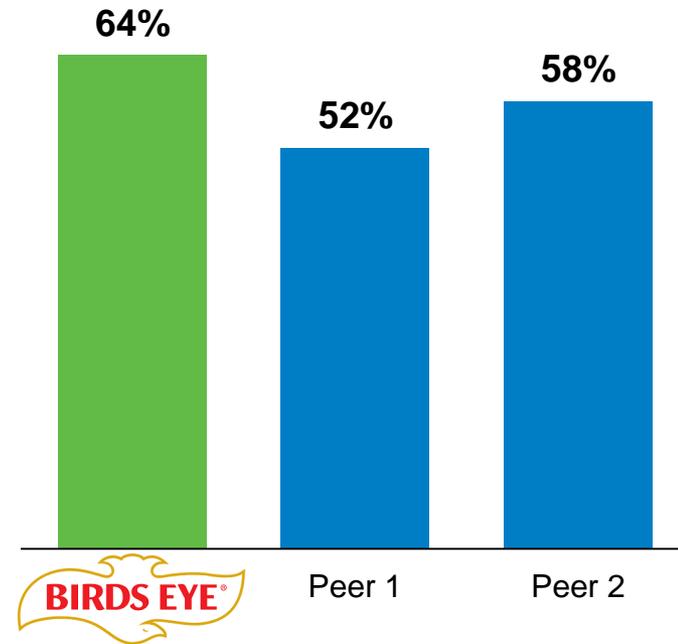
## Frozen Vegetables

### New Buyer Household Penetration (40 weeks ended November 29, 2020)



## Frozen Vegetables

### % of New Brand Buyers Who Repeated (40 weeks ended November 29, 2020)

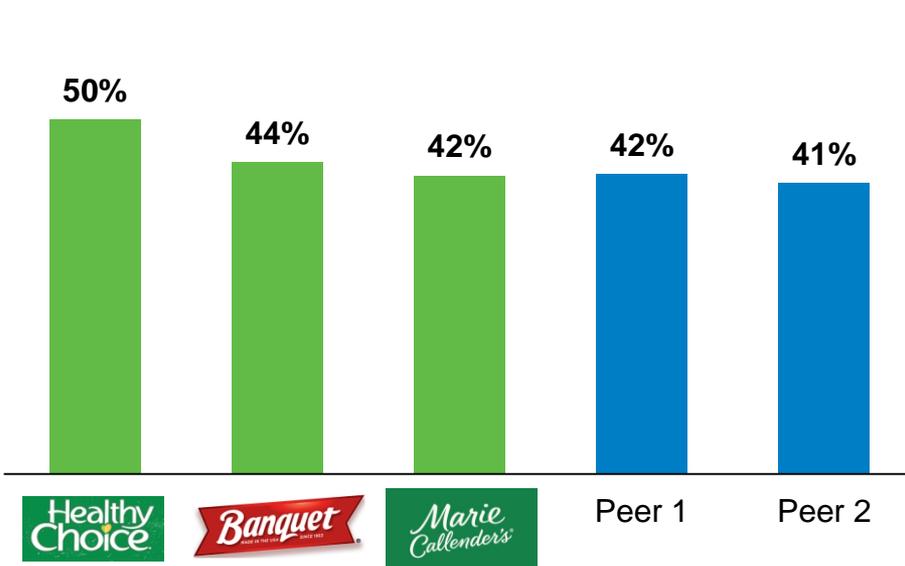




# Frozen Single-Serve Meals Business Has Outperformed Peers

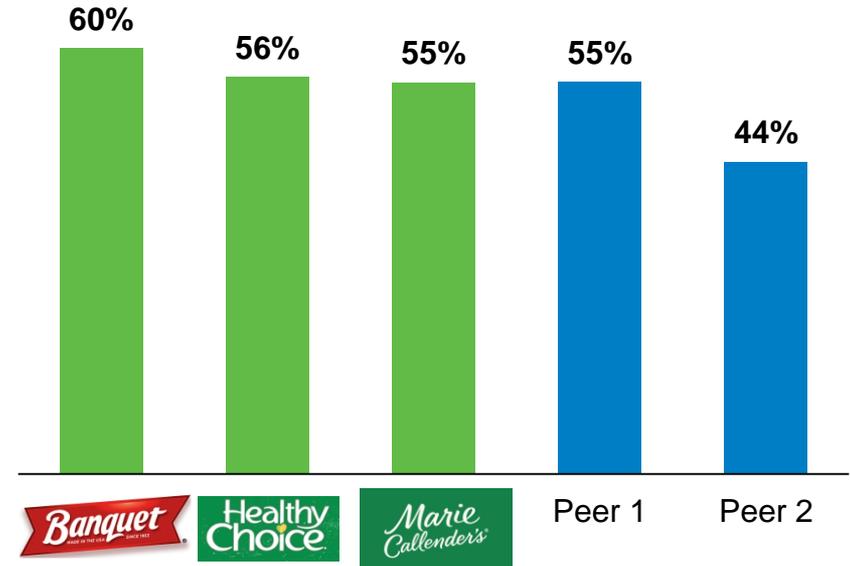
## Frozen Single-Serve Meals

**% of Buyers Who Are New to the Brand**  
(Top 5 Brands; 40 weeks ended November 29, 2020)



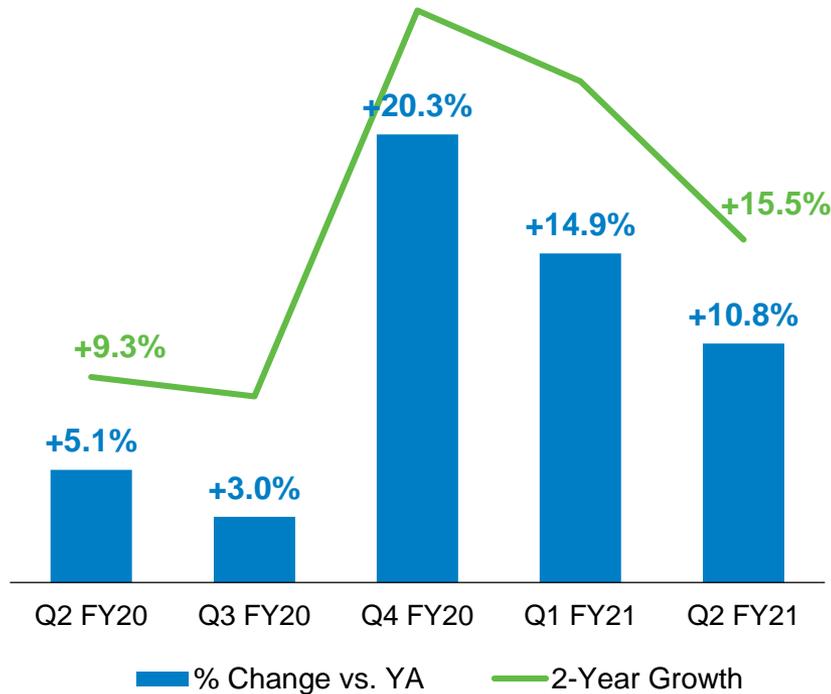
## Frozen Single-Serve Meals

**% of New Brand Buyers Who Repeated**  
(Top 5 Brands; 40 weeks ended November 29, 2020)



# Strong Snacks Growth Continued in Q2

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



Popcorn  
**+21.3%**

Sweet Treats  
**+10.2%**

Meat Snacks  
**+9.1%**

Seeds  
**(6.3)%**





# Gained Share Across Many Snack Categories

## Conagra Dollar Share of Category (% Change vs. YA)

Popcorn  
**+170 bps**

Meat Snacks  
**+70 bps**

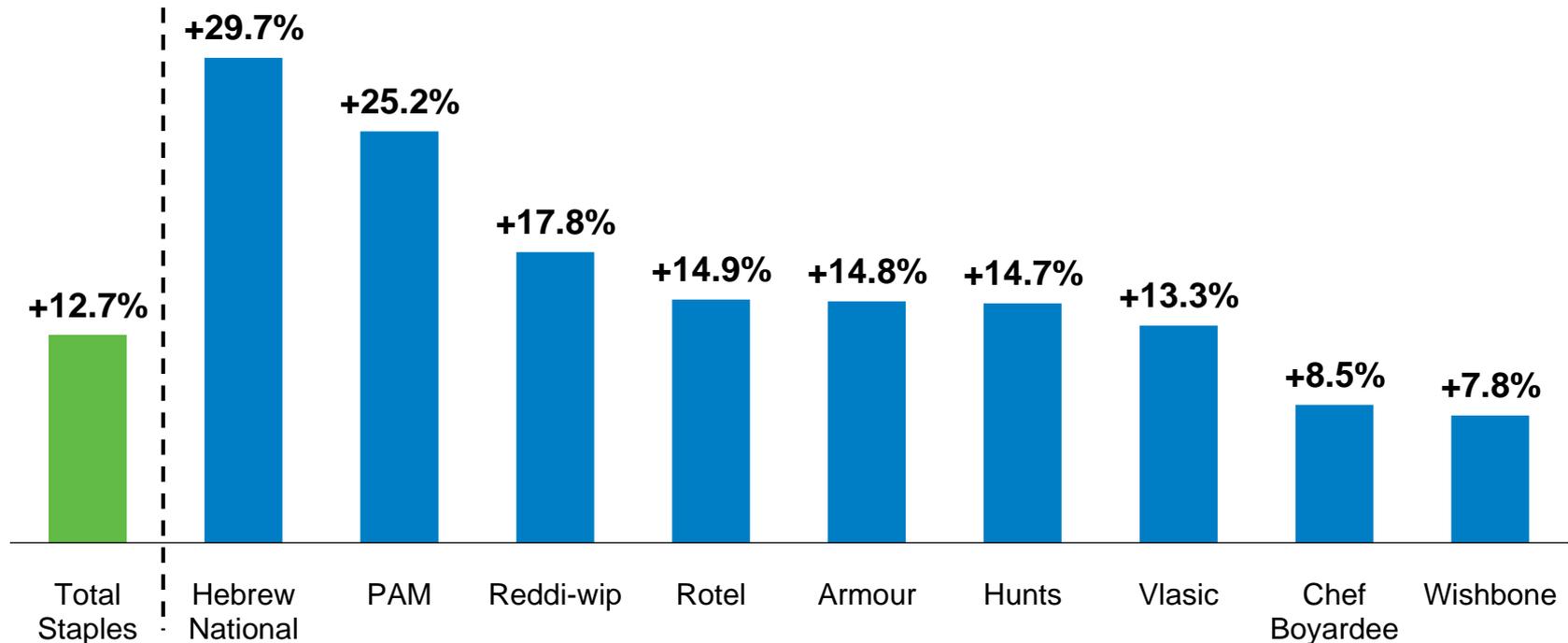
Hot Cocoa  
**+80 bps**

Ready-to-Eat  
Pudding & Gelatin  
**+50 bps**



# Consumers Continued to Re-discover the Utility and Relevance of our Staples Portfolio

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





# Executing The Conagra Way

- Executing the Conagra Way enabled strong performance pre-COVID
- The COVID-driven increase in at-home eating has:
  - Accelerated the consumer adoption of our products
  - Driven incremental cash flow
  - Enhanced the ROI of the investments we have made
- During the COVID period, we have continued to make smart investments to further strengthen the business
  - Product and packaging modernization
  - Production capacity
  - On-shelf availability
  - eCommerce share
  - Consumer awareness
- Post-COVID, we expect Conagra will be a stronger business



# Summary

- Solid execution drove a strong Q2
- Business remains strong in the absolute and relative to competition
- We expect Conagra to be stronger post-COVID



---

Dave Marberger

Executive Vice President and Chief Financial Officer



# Performance Summary

| Dollars in Millions, except per share data<br>Increase/(Decrease) | Q2      | vs. YA    |
|---|---------|-----------|
| Reported Net Sales  | \$2,995 | +6.2%     |
| Organic Net Sales <sup>1</sup>                                    | 2,999   | +8.1%     |
| Adj. Gross Profit   | 895     | +11.4%    |
| Adj. Gross Margin   | 29.9%   | +139 bps  |
| A&P   | 64      | +4.7%     |
| A&P as % of NS  | 2.1%    | (3) bps   |
| Adj. SG&A   | 244     | (6.2)%    |
| Adj. SG&A as % of NS  | 8.1%    | (107) bps |
| Adj. Op. Profit <sup>2</sup>                                      | 588     | +21.7%    |
| Adj. Op. Margin <sup>2</sup>                                      | 19.6%   | +250 bps  |
| Adj. Net Income   | 396     | +29.5%    |
| Adj. EBITDA <sup>3</sup>  | 712     | +16.7%    |
| Adj. Diluted EPS from cont. ops.                                  | \$0.81  | +28.6%    |

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).

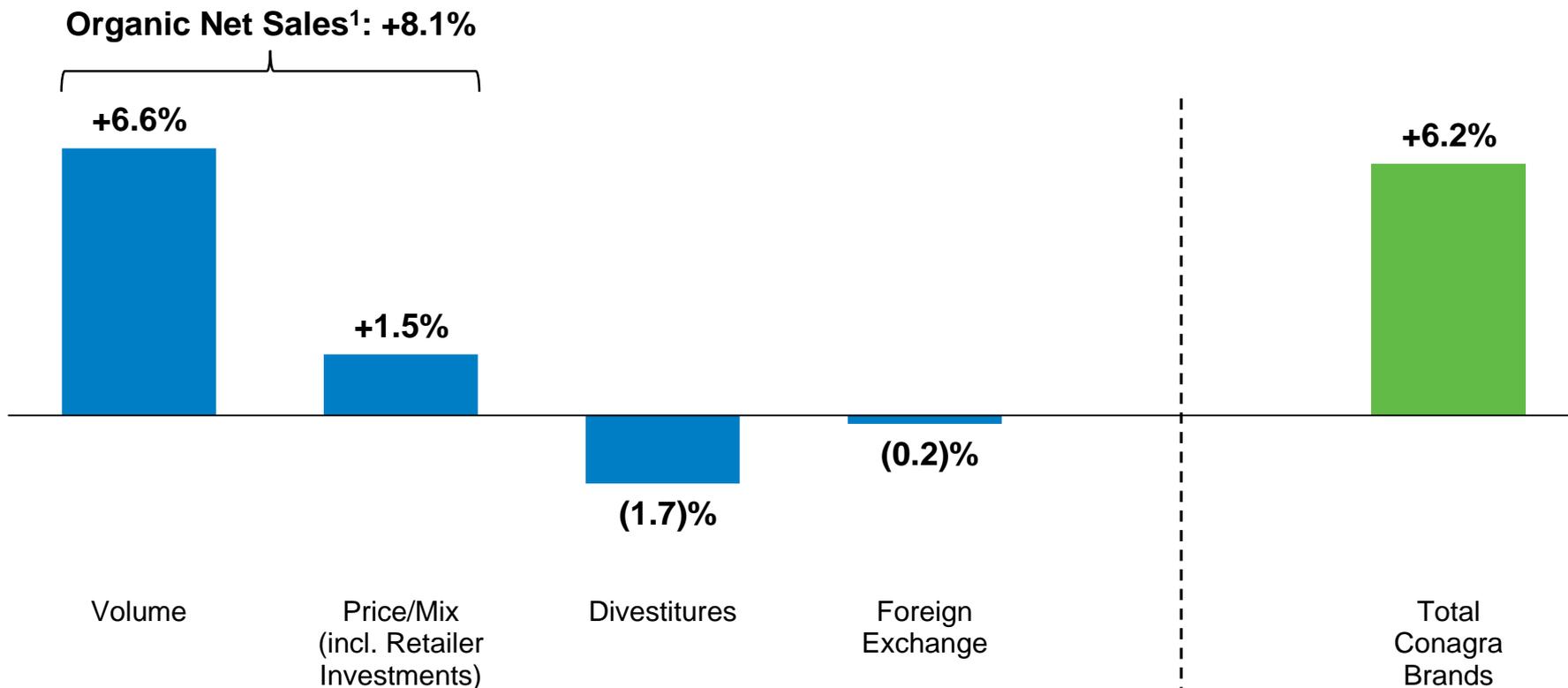
2. Adjusted operating profit and adjusted operating margin exclude equity method investment earnings and pension and postretirement non-service expense (income).

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



# Net Sales Bridge vs. Year Ago

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



Note: Organic net sales 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 excludes the impact of foreign exchange and divested businesses, as well as acquisitions (until the anniversary date of the acquisitions). Organic net sales 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<br>Increase/(Decrease) | Net Sales      |                    |                                |
|--|----------------|--------------------|--------------------------------|
|  | Q2             | Reported<br>vs. YA | Organic<br>vs. YA <sup>1</sup> |
| Grocery & Snacks                           | \$1,285        | +12.5%             | +15.3%                         |
| Refrigerated & Frozen                      | 1,248          | +6.8%              | +7.8%                          |
| International                              | 250            | +6.6%              | +9.1%                          |
| Foodservice                                | 212            | (23.1)%            | (21.4)%                        |
| <b>Total Conagra Brands</b>                | <b>\$2,995</b> | <b>+6.2%</b>       | <b>+8.1%</b>                   |

Note: Organic net sales 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.

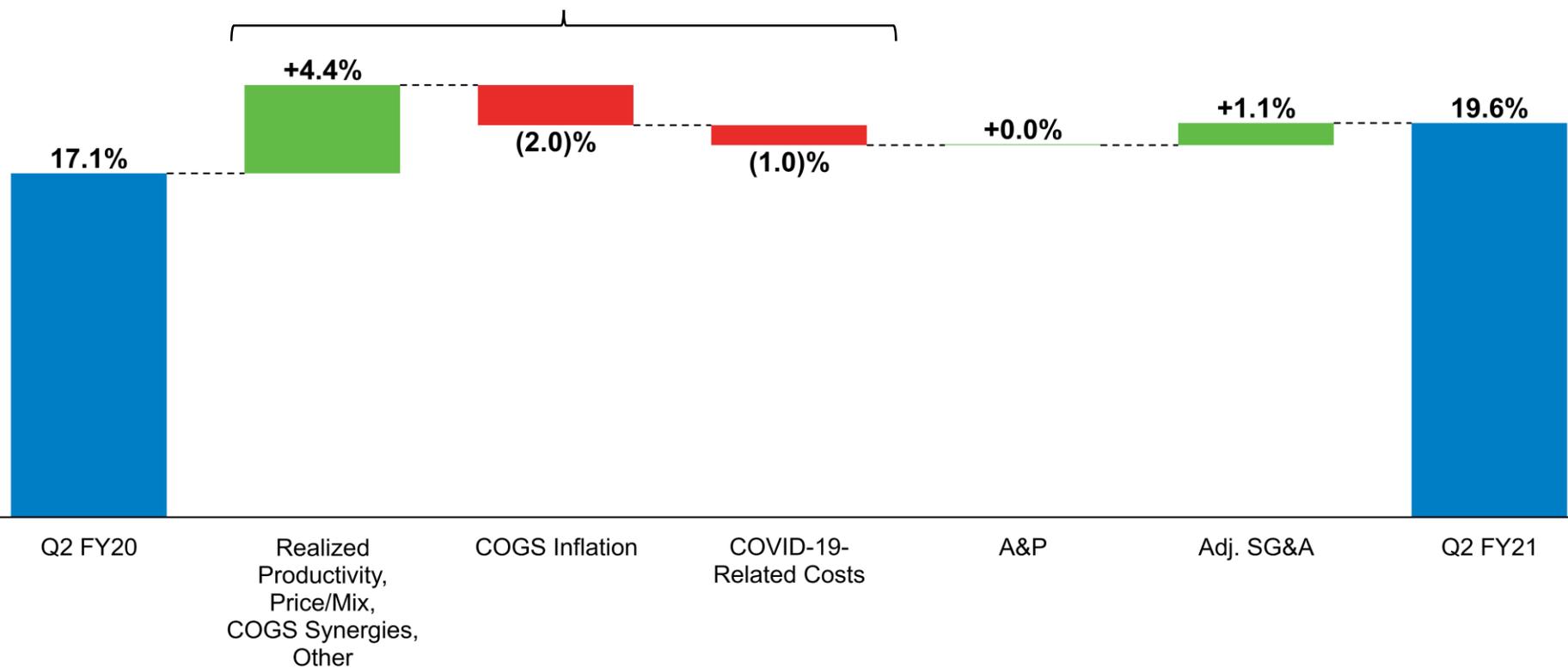
1. Organic net sales excludes the impact of foreign exchange and divested businesses, as well as acquisitions (until the anniversary date of the acquisitions). Organic net sales excludes the impact of fiscal 2020's 53rd week, which was calculated as one-sixth of our last month's net sales (which included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



# Operating Margin Bridge

## Q2 Adj. Operating Margin<sup>1</sup> (% Change vs. YA)

Adj. Gross Margin: +139 bps 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<br>Increase/(Decrease) | Adj. Op. Profit <sup>1</sup> |               | Adj. Op. Margin <sup>1</sup> |                 |
|--|------------------------------|---------------|------------------------------|-----------------|
|  | Q2                           | vs. YA        | Q2                           | vs. YA          |
| Grocery & Snacks                           | \$319                        | +16.8%        | 24.8%                        | +92 bps         |
| Refrigerated & Frozen                      | 272                          | +25.6%        | 21.8%                        | +325 bps        |
| International                              | 39                           | +48.4%        | 15.8%                        | +445 bps        |
| Foodservice                                | 22                           | (41.6)%       | 10.5%                        | (335) bps       |
| Adjusted Corporate Expense                 | (64)                         | (9.2)%        | -                            | -               |
| <b>Total Conagra Brands</b>                | <b>\$588</b>                 | <b>+21.7%</b> | <b>19.6%</b>                 | <b>+250 bps</b> |

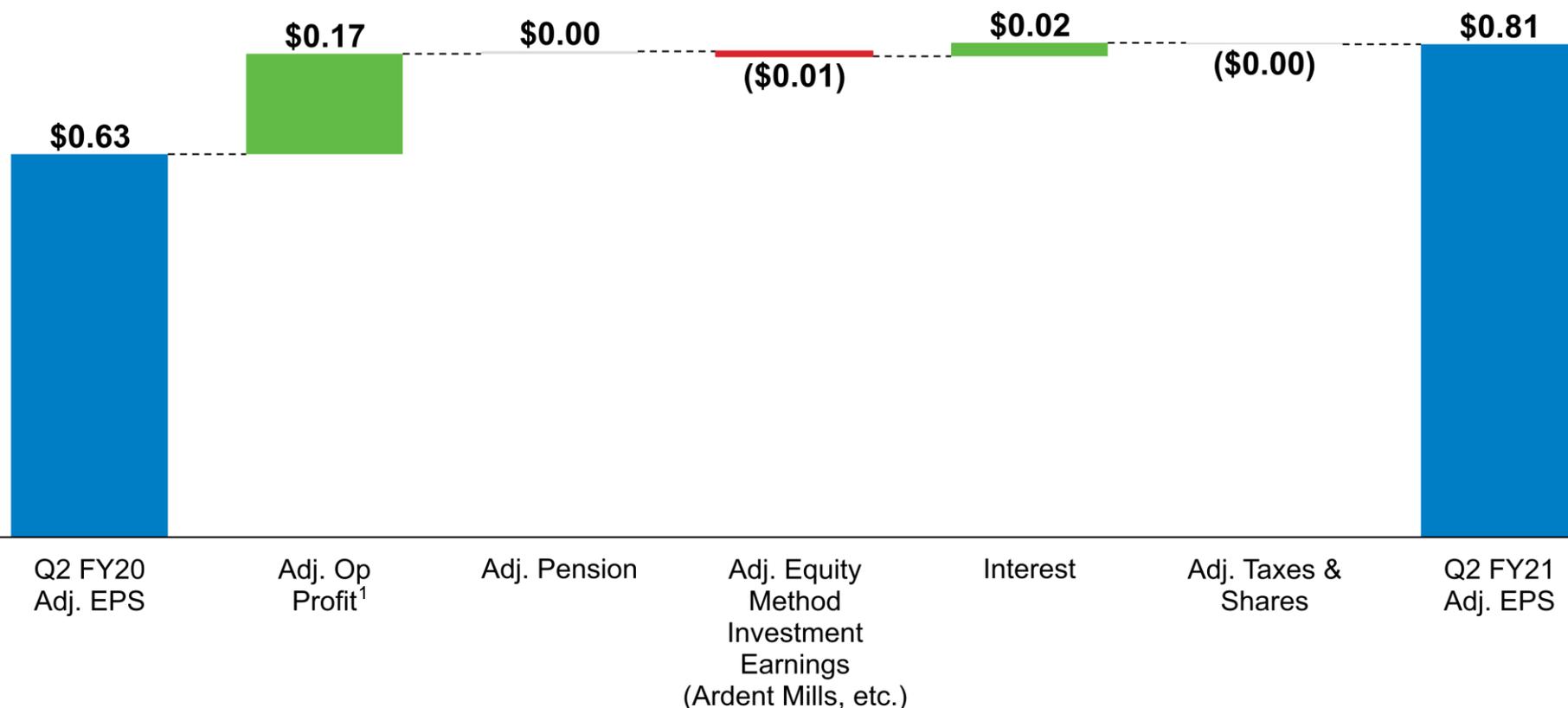
Note: "Adjusted" financial measures are non-GAAP. See the end of this presentation for a reconciliation of these measures to the most directly comparable GAAP measures. Numbers may not add due to rounding.

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



# Adjusted EPS Bridge

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



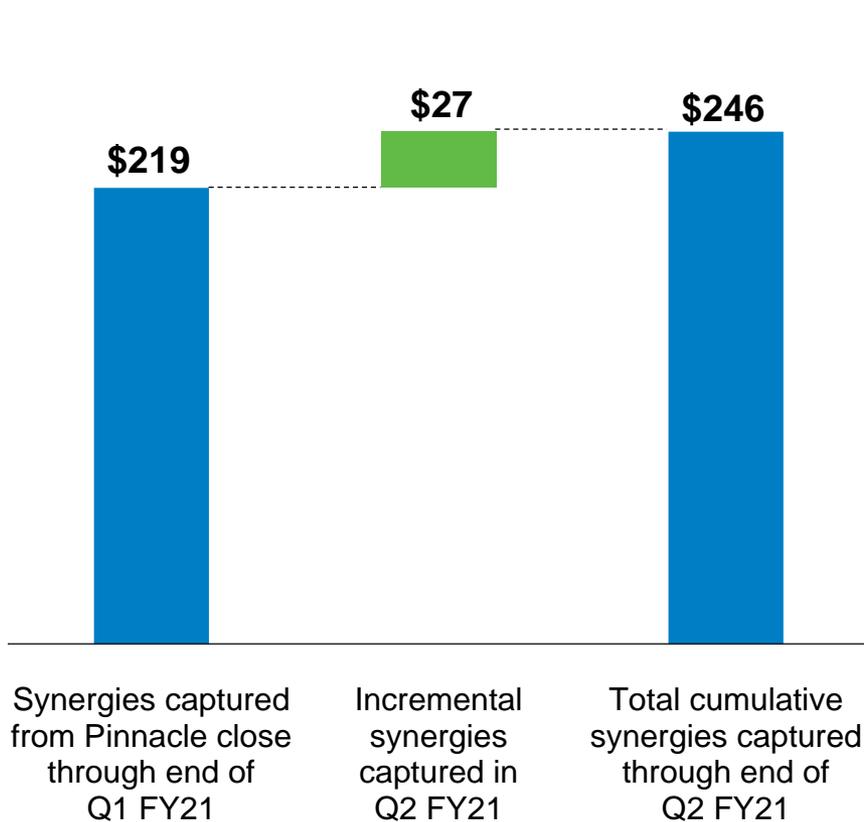
Note: "Adjusted" financial measures are non-GAAP. See the end of this presentation for a reconciliation of these measures to the most directly comparable GAAP measures; Numbers may not add due to rounding.

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

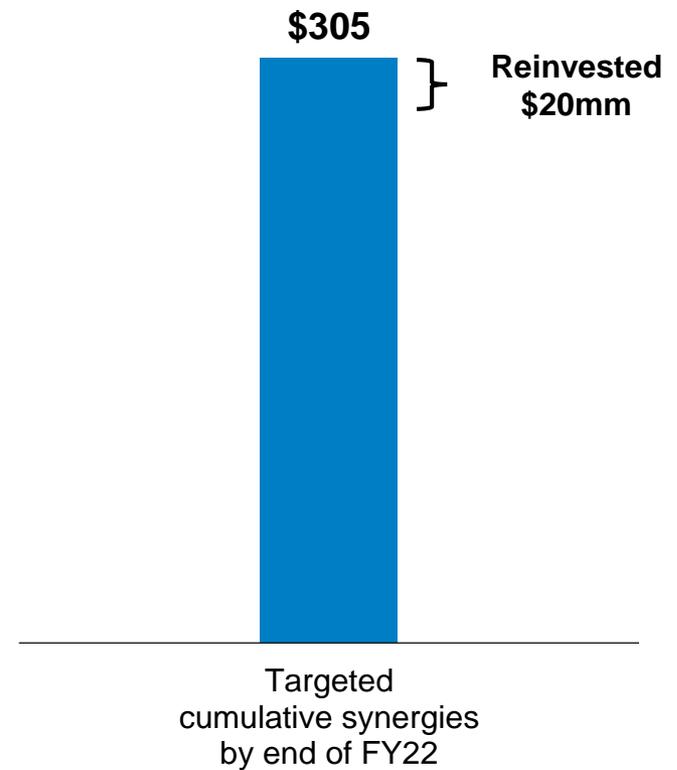


# Synergy Capture Remains On Track

## Synergies Captured (\$ in Millions)



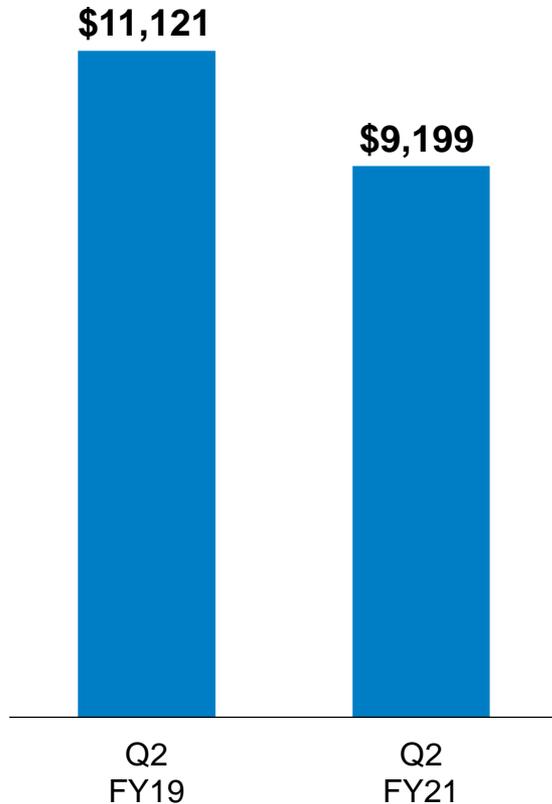
## Total Synergy Target (\$ in Millions)



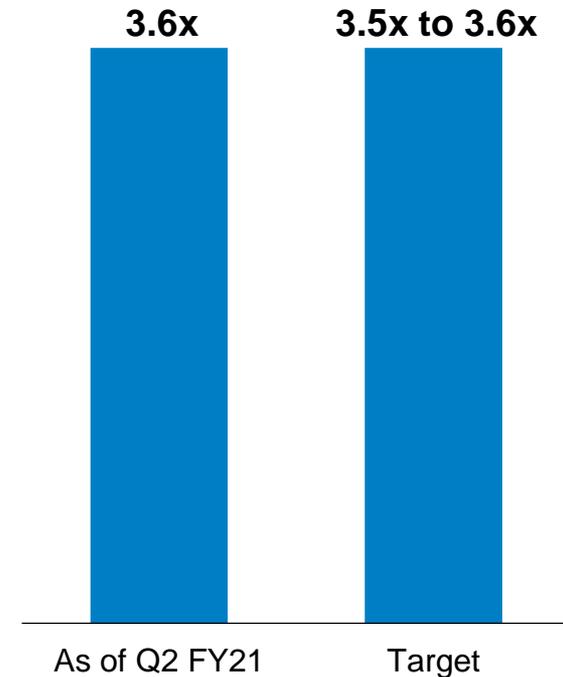


# Key Debt Metrics

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



## Reached Leverage Target Ahead of Schedule (Net Leverage Ratio<sup>2</sup>)



Note: Net debt and net leverage ratio 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 forward-looking non-GAAP 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



# Outlook<sup>1, 5</sup>

## All Metrics Exclude the Impact of the Pending Sale of the Peter Pan Peanut Butter Business

| Metric <sup>2</sup>                   | Fiscal 2021 Q3 Guidance <sup>1, 5</sup> |
|---------------------------------------|---|
| Organic Net Sales <sup>3</sup> Growth | +6% to +8%                              |
| Adj. Operating Margin <sup>4</sup>    | 16.0% to 16.5%                          |
| Adj. Diluted EPS from cont. ops.      | \$0.56 to \$0.60                        |

| Metric <sup>2</sup>  | Fiscal 2022 Guidance <sup>1, 5</sup> |
|--|--------------------------------------|
| Organic Net Sales <sup>3</sup> Growth<br>(3 YR CAGR ending FY22)           | +1% to +2%<br>(no change)            |
| Adj. Operating Margin <sup>4</sup>   | 18% to 19%<br>(no change)            |
| Adj. Diluted EPS from cont. ops.   | \$2.66 to \$2.76<br>(no change)      |
| Free Cash Flow Conversion<br>(% of Adj. Net Income; 3 YR avg. ending FY22) | 95%+<br>(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, free cash flow, and organic net sales are non-GAAP financial measures.
3. Organic net sales 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).
5. The fiscal 2021 Q3 guidance and fiscal 2022 guidance exclude the impact of the pending sale of the Peter Pan peanut butter business.



---

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>Q2 FY21</b>                           |                  |                       |               |             |                      |
| <b>Net Sales</b>                         | \$ 1,285.3       | \$ 1,248.0            | \$ 249.8      | \$ 212.1    | \$ 2,995.2           |
| Impact of foreign exchange               | —                | —                     | 6.0           | —           | 6.0                  |
| Net sales from divested businesses       | (1.6)            | —                     | —             | (0.3)       | (1.9)                |
| <b>Organic Net Sales</b>                 | \$ 1,283.7       | \$ 1,248.0            | \$ 255.8      | \$ 211.8    | \$ 2,999.3           |
| <b>Year-over-year change - Net Sales</b> | 12.5%            | 6.8%                  | 6.6%          | (23.1)%     | 6.2%                 |
| 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>                 | 15.3%            | 7.8%                  | 9.1%          | (21.4)%     | 8.1%                 |
| Volume (Organic)                         | 13.6%            | 6.4%                  | 6.4%          | (25.3)%     | 6.6%                 |
| Price/Mix                                | 1.7%             | 1.4%                  | 2.7%          | 3.9%        | 1.5%                 |
| <b>Q2 FY20</b>                           |                  |                       |               |             |                      |
| <b>Net Sales</b>                         | \$ 1,142.5       | \$ 1,168.3            | \$ 234.3      | \$ 275.7    | \$ 2,820.8           |
| Net sales from divested businesses       | (29.0)           | (10.3)                | —             | (6.3)       | (45.6)               |
| <b>Organic Net Sales</b>                 | \$ 1,113.5       | \$ 1,158.0            | \$ 234.3      | \$ 269.4    | \$ 2,775.2           |



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

|  | Grocery & Snacks  | Refrigerated & Frozen | International   | Foodservice     | Total Conagra Brands |
|--|-------------------|-----------------------|-----------------|-----------------|----------------------|
| <b>Q2 FY21 YTD</b>                       |                   |                       |                 |                 |                      |
| Net Sales                                | \$ 2,419.5        | \$ 2,378.6            | \$ 468.8        | \$ 407.2        | \$ 5,674.1           |
| Impact of foreign exchange               | —                 | —                     | 18.1            | —               | 18.1                 |
| Net sales from divested businesses       | (3.6)             | —                     | —               | (0.6)           | (4.2)                |
| <b>Organic Net Sales</b>                 | <b>\$ 2,415.9</b> | <b>\$ 2,378.6</b>     | <b>\$ 486.9</b> | <b>\$ 406.6</b> | <b>\$ 5,688.0</b>    |
| <b>Year-over-year change - Net Sales</b> | <b>14.1%</b>      | <b>11.8%</b>          | <b>6.9%</b>     | <b>(22.5)%</b>  | <b>8.9%</b>          |
| Impact of foreign exchange (pp)          | —                 | —                     | 4.1             | —               | 0.3                  |
| Net sales from divested businesses (pp)  | 3.7               | 1.0                   | —               | 1.7             | 2.1                  |
| <b>Organic Net Sales</b>                 | <b>17.8%</b>      | <b>12.8%</b>          | <b>11.0%</b>    | <b>(20.8)%</b>  | <b>11.3%</b>         |
| Volume (Organic)                         | 15.3%             | 9.2%                  | 8.3%            | (24.8)%         | 8.5%                 |
| Price/Mix                                | 2.5%              | 3.6%                  | 2.7%            | 4.0%            | 2.8%                 |
| <b>Q2 FY20 YTD</b>                       |                   |                       |                 |                 |                      |
| Net Sales                                | \$ 2,120.1        | \$ 2,127.4            | \$ 438.7        | \$ 525.3        | \$ 5,211.5           |
| Net sales from divested businesses       | (68.8)            | (19.4)                | —               | (11.7)          | (99.9)               |
| <b>Organic Net Sales</b>                 | <b>\$ 2,051.3</b> | <b>\$ 2,108.0</b>     | <b>\$ 438.7</b> | <b>\$ 513.6</b> | <b>\$ 5,111.6</b>    |



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

|   | Grocery & Snacks | Refrigerated & Frozen | International  | Foodservice    | Corporate Expense | Total Conagra Brands |
|---|------------------|-----------------------|----------------|----------------|-------------------|----------------------|
| <b>Q2 FY21</b>  |                  |                       |                |                |                   |                      |
| <b>Operating Profit</b>                               | <b>\$ 316.4</b>  | <b>\$ 264.3</b>       | <b>\$ 39.5</b> | <b>\$ 22.3</b> | <b>\$ (111.3)</b> | <b>\$ 531.2</b>      |
| Restructuring plans                                   | 7.8              | 7.2                   | —              | —              | 5.7               | 20.7                 |
| Acquisitions and divestitures                         | —                | —                     | —              | —              | 0.5               | 0.5                  |
| Gain on divestiture of a business                     | (5.3)            | —                     | —              | —              | —                 | (5.3)                |
| Early extinguishment of debt                          | —                | —                     | —              | —              | 44.3              | 44.3                 |
| Consulting fees on tax matters                        | —                | —                     | —              | —              | (0.3)             | (0.3)                |
| Corporate hedging derivative losses (gains)           | —                | —                     | —              | —              | (3.3)             | (3.3)                |
| <b>Adjusted Operating Profit</b>                      | <b>\$ 318.9</b>  | <b>\$ 271.5</b>       | <b>\$ 39.5</b> | <b>\$ 22.3</b> | <b>\$ (64.4)</b>  | <b>\$ 587.8</b>      |
| Operating Profit Margin                               | 24.6%            | 21.2%                 | 15.8%          | 10.5%          |                   | 17.7%                |
| Adjusted Operating Profit Margin                      | 24.8%            | 21.8%                 | 15.8%          | 10.5%          |                   | 19.6%                |
| Year-over-year % change - Operating Profit            | 19.9%            | 41.1%                 | 49.3%          | (41.6)%        | 27.0%             | 24.1%                |
| Year-over-year % change - Adjusted Operating Profit   | 16.8%            | 25.6%                 | 48.4%          | (41.6)%        | (9.2)%            | 21.7%                |
| Year-over-year bps change - Adjusted Operating Profit | 92bps            | 325bps                | 445bps         | (335) bps      |                   | 250bps               |
| <b>Q2 FY20</b>  |                  |                       |                |                |                   |                      |
| <b>Operating Profit</b>                               | <b>\$ 263.7</b>  | <b>\$ 187.4</b>       | <b>\$ 26.4</b> | <b>\$ 38.3</b> | <b>\$ (87.7)</b>  | <b>\$ 428.1</b>      |
| 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)                |
| <b>Adjusted Operating Profit</b>                      | <b>\$ 273.0</b>  | <b>\$ 216.2</b>       | <b>\$ 26.6</b> | <b>\$ 38.3</b> | <b>\$ (71.0)</b>  | <b>\$ 483.1</b>      |
| 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%                |



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

|   | Grocery & Snacks | Refrigerated & Frozen | International  | Foodservice    | Corporate Expense | Total Conagra Brands |
|---|------------------|-----------------------|----------------|----------------|-------------------|----------------------|
| <b>Q2 FY21 YTD</b>                          |                  |                       |                |                |                   |                      |
| <b>Operating Profit</b>                     | <b>\$ 600.0</b>  | <b>\$ 504.4</b>       | <b>\$ 78.0</b> | <b>\$ 47.2</b> | <b>\$ (188.5)</b> | <b>\$ 1,041.1</b>    |
| Restructuring plans                         | 21.7             | 12.9                  | (0.1)          | —              | 12.1              | 46.6                 |
| Acquisitions and divestitures               | —                | —                     | —              | —              | 3.2               | 3.2                  |
| Gain on divestiture of a business           | (5.3)            | —                     | —              | —              | —                 | (5.3)                |
| Early extinguishment of debt                | —                | —                     | —              | —              | 44.3              | 44.3                 |
| Consulting fees on tax matters              | —                | —                     | —              | —              | 1.2               | 1.2                  |
| Legal matters                               | —                | —                     | —              | —              | (2.0)             | (2.0)                |
| Corporate hedging derivative losses (gains) | —                | —                     | —              | —              | (0.8)             | (0.8)                |
| <b>Adjusted Operating Profit</b>            | <b>\$ 616.4</b>  | <b>\$ 517.3</b>       | <b>\$ 77.9</b> | <b>\$ 47.2</b> | <b>\$ (130.5)</b> | <b>\$ 1,128.3</b>    |

|   |        |        |        |           |        |        |
|---|--------|--------|--------|-----------|--------|--------|
| Operating Profit Margin                               | 24.8%  | 21.2%  | 16.6%  | 11.6%     |        | 18.3%  |
| Adjusted Operating Profit Margin                      | 25.5%  | 21.7%  | 16.6%  | 11.6%     |        | 19.9%  |
| Year-over-year % change - Operating Profit            | 44.4%  | 47.1%  | 52.3%  | (31.9)%   | 0.7%   | 50.5%  |
| Year-over-year % change - Adjusted Operating Profit   | 28.2%  | 33.2%  | 48.0%  | (31.9)%   | (2.2)% | 31.5%  |
| Year-over-year bps change - Adjusted Operating Profit | 279bps | 349bps | 462bps | (161) bps |        | 342bps |

|   | Grocery & Snacks | Refrigerated & Frozen | International  | Foodservice    | Corporate Expense | Total Conagra Brands |
|---|------------------|-----------------------|----------------|----------------|-------------------|----------------------|
| <b>Q2 FY20 YTD</b>                          |                  |                       |                |                |                   |                      |
| <b>Operating Profit</b>                     | <b>\$ 415.4</b>  | <b>\$ 343.0</b>       | <b>\$ 51.2</b> | <b>\$ 69.4</b> | <b>\$ (187.2)</b> | <b>\$ 691.8</b>      |
| 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                 |
| Brand 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                  |
| <b>Adjusted Operating Profit</b>            | <b>\$ 481.1</b>  | <b>\$ 388.2</b>       | <b>\$ 52.6</b> | <b>\$ 69.4</b> | <b>\$ (133.5)</b> | <b>\$ 857.8</b>      |

|                                  |       |       |       |       |  |       |
|----------------------------------|-------|-------|-------|-------|--|-------|
| 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% |



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

| Q2 FY21  | 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>  | \$ 888.9       | \$ 357.7                                     | \$ 531.2                      | \$ 437.2   | \$ 80.7            | 17.6%           | \$ 378.9  | \$ 0.77   |
| <i>% of Net Sales</i>                                  | <i>29.7%</i>   | <i>11.9%</i>                                 | <i>17.7%</i>                  |  |                    |                 |   |   |
| Restructuring plans                                    | 9.5            | 11.2   | 20.7                          | 20.7   | 5.3                |                 | 15.4  | 0.03  |
| Acquisitions and divestitures                          | —              | 0.5  | 0.5                           | 0.5  | 0.1                |                 | 0.4   | —   |
| Corporate hedging derivative losses (gains)            | (3.3)          | —  | (3.3)                         | (3.3)  | (0.8)              |                 | (2.5)   | (0.01)  |
| Advertising and promotion expenses <sup>2</sup>        | —              | 63.6   | —                             | —  | —                  |                 | —   | —   |
| Gain on divestiture of a business                      | —              | (5.3)  | (5.3)                         | (5.3)  | (1.8)              |                 | (3.5)   | (0.01)  |
| Early extinguishment of debt                           | —              | 44.3   | 44.3                          | 44.3   | 11.1               |                 | 33.2  | 0.07  |
| Consulting fees on tax matters                         | —              | (0.3)  | (0.3)                         | (0.3)  | (0.1)              |                 | (0.2)   | —   |
| Capital loss valuation allowance adjustment            | —              | —  | —                             | —  | 25.3               |                 | (25.3)  | (0.05)  |
| Rounding   | —              | —  | —                             | —  | —                  |                 | —   | 0.01  |
| <b>Adjusted</b>  | \$ 895.1       | \$ 243.7                                     | \$ 587.8                      | \$ 493.8   | \$ 119.8           | 23.2%           | \$ 396.4  | \$ 0.81   |
| <i>% of Net Sales</i>                                  | <i>29.9%</i>   | <i>8.1%</i>                                  | <i>19.6%</i>                  |  |                    |                 |   |   |
| <i>Year-over-year % of net sales change - reported</i> | <i>139 bps</i> | <i>(116) bps</i>                             | <i>256 bps</i>                |  |                    |                 |   |   |
| <i>Year-over-year % of net sales change - adjusted</i> | <i>139 bps</i> | <i>(107) bps</i>                             | <i>250 bps</i>                |  |                    |                 |   |   |
| <i>Year-over-year change - reported</i>                | <i>11.4%</i>   | <i>(3.3)%</i>                                | <i>24.1%</i>                  | <i>37.5%</i>   | <i>(3.9)%</i>      |                 | <i>45.4%</i>                                    | <i>45.3%</i>  |
| <i>Year-over-year change - adjusted</i>                | <i>11.4%</i>   | <i>(6.2)%</i>                                | <i>21.7%</i>                  | <i>32.4%</i>   | <i>27.4%</i>       |                 | <i>29.5%</i>                                    | <i>28.6%</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 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>                                 | \$ 797.9     | \$ 369.8                                     | \$ 428.1                      | \$ 318.0   | \$ 84.1            | 24.3%           | \$ 260.5  | \$ 0.53   |
| <i>% of Net Sales</i>                           | 28.3%        | 13.1%  | 15.2%                         |  |                    |                 |   |   |
| 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 <sup>2</sup> | —            | 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  |
| <b>Adjusted</b>                                 | \$ 803.7     | \$ 259.9                                     | \$ 483.1                      | \$ 373.0   | \$ 94.1            | 23.4%           | \$ 306.1  | \$ 0.63   |
| <i>% of Net Sales</i>                           | 28.5%        | 9.2%   | 17.1%                         |  |                    |                 |   |   |

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 FY21 YTD  | 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>  | \$ 1,699.1   | \$ 658.0                                     | \$ 1,041.1                    | \$ 847.2   | \$ 167.4           | 19.1 %          | \$ 707.9  | \$ 1.44   |
| <i>% of Net Sales</i>                                  | 29.9 %       | 11.6 %                                       | 18.3 %                        |  |                    |                 |   |   |
| Restructuring plans                                    | 19.9         | 26.7   | 46.6                          | 46.6   | 11.7               |                 | 34.9  | 0.07  |
| Acquisitions and divestitures                          | —            | 3.2  | 3.2                           | 3.2  | 0.8                |                 | 2.4   | —   |
| Corporate hedging derivative losses (gains)            | (0.8)        | —  | (0.8)                         | (0.8)  | (0.2)              |                 | (0.6)   | —   |
| Advertising and promotion expenses <sup>2</sup>        | —            | 109.5  | —                             | —  | —                  |                 | —   | —   |
| Gain on divestiture of a business                      | —            | (5.3)  | (5.3)                         | (5.3)  | (1.8)              |                 | (3.5)   | (0.01)  |
| Early extinguishment of debt                           | —            | 44.3   | 44.3                          | 44.3   | 11.1               |                 | 33.2  | 0.07  |
| Consulting fees on tax matters                         | —            | 1.2  | 1.2                           | 1.2  | 0.3                |                 | 0.9   | —   |
| Legal matters  | —            | (2.0)  | (2.0)                         | (2.0)  | (0.5)              |                 | (1.5)   | —   |
| Capital loss valuation allowance adjustment            | —            | —  | —                             | —  | 25.3               |                 | (25.3)  | (0.05)  |
| Unusual tax items                                      | —            | —  | —                             | —  | 7.6                |                 | (7.6)   | (0.02)  |
| Rounding   | —            | —  | —                             | —  | —                  |                 | —   | 0.01  |
| <b>Adjusted</b>  | \$ 1,718.2   | \$ 480.4                                     | \$ 1,228.3                    | \$ 934.4   | \$ 221.7           | 23.0 %          | \$ 740.8  | \$ 1.51   |
| <i>% of Net Sales</i>                                  | 30.3 %       | 8.5 %  | 19.9 %                        |  |                    |                 |   |   |
| <i>Year-over-year % of net sales change - reported</i> | 188 bps      | (319) bps                                    | 507 bps                       |  |                    |                 |   |   |
| <i>Year-over-year % of net sales change - adjusted</i> | 188 bps      | (144) bps                                    | 342 bps                       |  |                    |                 |   |   |
| <i>Year-over-year change - reported</i>                | 16.2 %       | (14.6)%                                      | 50.5 %                        | 80.8 %   | 130.7 %            |                 | 63.0 %  | 61.8 %  |
| <i>Year-over-year change - adjusted</i>                | 16.1 %       | (6.9)%                                       | 31.5 %                        | 47.1 %   | 45.1 %             |                 | 43.6 %  | 42.5 %  |

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 YTD                                     | 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>                                 | \$ 1,462.4   | \$ 770.6                                     | \$ 691.8                      | \$ 468.5   | \$ 72.6            | 14.3%           | \$ 434.3  | \$ 0.89  |
| <i>% of Net Sales</i>                           | <i>28.1%</i> | <i>14.9%</i>                                 | <i>13.3%</i>                  |  |                    |                 |   |  |
| 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 <sup>2</sup> | —            | 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)   |
| Brand 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   |
| <b>Adjusted</b>                                 | \$ 1,479.9   | \$ 516.1                                     | \$ 857.8                      | \$ 635.1   | \$ 152.8           | 22.8%           | \$ 515.9  | \$ 1.06  |
| <i>% of Net Sales</i>                           | <i>28.4%</i> | <i>9.9%</i>                                  | <i>16.5%</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 FY21        | Q2 FY20        | % Change       |
|---|----------------|----------------|----------------|
| Equity method investment earnings                 | \$ 23.0        | \$ 27.6        | (16.7)%        |
| Adjustment to gain on Ardent JV asset sale        | —              | 0.6            |                |
| <b>Adjusted equity method investment earnings</b> | <b>\$ 23.0</b> | <b>\$ 28.2</b> | <b>(18.5)%</b> |

|   | Q2 FY21 YTD    | Q2 FY20 YTD    | % Change       |
|---|----------------|----------------|----------------|
| Equity method investment earnings                 | \$ 29.5        | \$ 39.9        | (25.9)%        |
| Gain on Ardent JV asset sale                      | —              | (4.8)          |                |
| <b>Adjusted equity method investment earnings</b> | <b>\$ 29.5</b> | <b>\$ 35.1</b> | <b>(15.7)%</b> |

|   | Q2 FY21 YTD      | Q2 FY20 YTD      | % Change     |
|---|------------------|------------------|--------------|
| Pension and postretirement non-service income                 | \$ (27.5)        | \$ (20.8)        | 32.5%        |
| Restructuring plans   | —                | (0.6)            |              |
| <b>Adjusted pension and postretirement non-service income</b> | <b>\$ (27.5)</b> | <b>\$ (21.4)</b> | <b>28.7%</b> |

|  | November 29, 2020 | November 24, 2019 | % Change    |
|--|-------------------|-------------------|-------------|
| Net cash flows from operating activities   | \$ 541.4          | \$ 427.5          | 26.6%       |
| Additions to property, plant and equipment | (282.0)           | (183.7)           | 53.5%       |
| <b>Free cash flow</b>                      | <b>\$ 259.4</b>   | <b>\$ 243.8</b>   | <b>6.4%</b> |

|   | Q2 FY19            | Q4 FY19            | Q4 FY20           | Q2 FY21           |
|---|--------------------|--------------------|-------------------|-------------------|
| Notes payable   | \$ 0.9             | \$ 1.0             | \$ 1.1            | \$ 368.6          |
| Current installments of long-term debt                | 17.2               | 20.6               | 845.5             | 618.4             |
| Senior long-term debt, excluding current installments | 11,349.5           | 10,459.8           | 8,900.8           | 8,279.7           |
| Subordinated debt                                     | 195.9              | 195.9              | —                 | —                 |
| <b>Total Debt</b>                                     | <b>\$ 11,563.5</b> | <b>\$ 10,677.3</b> | <b>\$ 9,747.4</b> | <b>\$ 9,266.7</b> |
| Less: Cash  | 442.3              | 236.6              | 553.3             | 68.0              |
| <b>Net Debt</b>                                       | <b>\$ 11,121.2</b> | <b>\$ 10,440.7</b> | <b>\$ 9,194.1</b> | <b>\$ 9,198.7</b> |



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

|   | Q2 FY21   | LTM <sup>2</sup> |
|---|-----------|------------------|
| <b>Net Debt</b>   | <b>\$</b> | <b>9,198.7</b>   |
| <b>Net income attributable to Conagra Brands, Inc.</b>                          | <b>\$</b> | <b>1,113.7</b>   |
| Add Back: Income tax expense  |           | 296.1            |
| Income tax expense attributable to noncontrolling interests                     |           | (1.2)            |
| Interest expense, net   |           | 464.4            |
| Depreciation  |           | 328.8            |
| Amortization  |           | 59.7             |
| <b>Earnings before interest, taxes, depreciation, and amortization (EBITDA)</b> | <b>\$</b> | <b>2,261.5</b>   |
| Restructuring plans <sup>1</sup>  |           | 65.2             |
| Acquisitions and divestitures   |           | 5.5              |
| Corporate hedging derivative gains  |           | (0.7)            |
| Consulting fees on tax matters  |           | 1.2              |
| Pension settlement and valuation adjustment                                     |           | 42.9             |
| Gain on divestiture of businesses   |           | (5.1)            |
| Legal matters   |           | 3.0              |
| Early extinguishment of debt  |           | 44.3             |
| Adjustment to contract settlement gain  |           | 0.1              |
| Brand impairment charges  |           | 146.2            |
| Adjustment to gain on Ardent JV asset sale                                      |           | 0.7              |
| <b>Adjusted EBITDA</b>  | <b>\$</b> | <b>2,564.8</b>   |
| <b>Net Debt to Adjusted LTM EBITDA</b>  |           | <b>3.6</b>       |

1. Excludes comparability items related to depreciation.

2. Last twelve months



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

|   | Q2 FY21         | Q2 FY20         | % Change     |
|---|-----------------|-----------------|--------------|
| <b>Net income attributable to Conagra Brands, Inc.</b>                          | <b>\$ 378.9</b> | <b>\$ 260.5</b> | <b>45.4%</b> |
| Add Back:   |                 |                 |              |
| Income tax expense  | 80.7            | 84.1            |              |
| Income tax expense attributable to noncontrolling interests                     | (0.1)           | 0.1             |              |
| Interest expense, net   | 107.7           | 121.4           |              |
| Depreciation  | 82.8            | 81.7            |              |
| Amortization  | 15.0            | 15.0            |              |
| <b>Earnings before interest, taxes, depreciation, and amortization</b>          | <b>\$ 665.0</b> | <b>\$ 562.8</b> | <b>18.1%</b> |
| Restructuring plans <sup>1</sup>  | 11.4            | 27.2            |              |
| Acquisitions and divestitures   | 0.5             | 1.1             |              |
| Corporate hedging derivative gains  | (3.3)           | (1.8)           |              |
| Early extinguishment of debt  | 44.3            | —               |              |
| Consulting fees on tax matters  | (0.3)           | —               |              |
| Contract settlement gain  | —               | (12.0)          |              |
| Gain on divestiture of businesses   | (5.3)           | (0.2)           |              |
| Impairment of a business held for sale  | —               | 27.6            |              |
| Legal matters   | —               | (1.5)           |              |
| Environmental matters   | —               | 6.6             |              |
| Adjustment to gain on Ardent JV asset sale                                      | —               | 0.6             |              |
| <b>Adjusted Earnings before interest, taxes, depreciation, and amortization</b> | <b>\$ 712.3</b> | <b>\$ 610.4</b> | <b>16.7%</b> |

1. Excludes comparability items related to depreciation.



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

|   | Q2 FY21<br>YTD    | Q2 FY20<br>YTD    | % Change     |
|---|-------------------|-------------------|--------------|
| <b>Net income attributable to Conagra Brands, Inc.</b>                          | <b>\$ 707.9</b>   | <b>\$ 434.3</b>   | <b>63.0%</b> |
| Add Back:   |                   |                   |              |
| Income tax expense  | 167.4             | 72.6              |              |
| Income tax expense attributable to noncontrolling interests                     | (0.4)             | (0.1)             |              |
| Interest expense, net   | 221.4             | 244.1             |              |
| Depreciation  | 163.1             | 163.4             |              |
| Amortization  | 29.9              | 30.0              |              |
| <b>Earnings before interest, taxes, depreciation, and amortization</b>          | <b>\$ 1,289.3</b> | <b>\$ 944.3</b>   | <b>36.5%</b> |
| Restructuring plans <sup>1</sup>  | 29.7              | 71.0              |              |
| Acquisitions and divestitures   | 3.2               | 3.0               |              |
| Corporate hedging derivative losses (gains)                                     | (0.8)             | 5.4               |              |
| Early extinguishment of debt  | 44.3              | —                 |              |
| Consulting fees on tax matters  | 1.2               | —                 |              |
| Impairment of businesses held for sale  | —                 | 59.0              |              |
| Loss (gain) on divestiture of businesses  | (5.3)             | 1.5               |              |
| Legal matters   | (2.0)             | (1.5)             |              |
| Environmental matters   | —                 | 6.6               |              |
| Contract settlement gain  | —                 | (12.0)            |              |
| Brand impairment charges  | —                 | 19.3              |              |
| Gain on Ardent JV asset sale  | —                 | (4.8)             |              |
| <b>Adjusted Earnings before interest, taxes, depreciation, and amortization</b> | <b>\$ 1,359.6</b> | <b>\$ 1,091.8</b> | <b>24.5%</b> |

1. Excludes comparability items related to depreciation.



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

• B R A N D S •

