

# Q2 FISCAL 2022 EARNINGS

January 6, 2022



- Delivered another quarter of above-plan net sales growth driven by strong consumer demand that continued to outpace supply as well as inflation-driven pricing that came with lower-than-expected elasticity.
- Margins compressed more than expected in Q2, primarily due to higher-than-expected inflation.
- Expect margins to improve in H2 as we continue to realize profitability from actions already in process.

## SOLID Q2 RESULTS AMIDST HIGHLY DYNAMIC ENVIRONMENT

**+2.6%**

Organic Net Sales<sup>1</sup>  
Growth YoY



Price Elasticity Has Been Favorable to Expectations



Sustained Household Penetration Gains and Higher Repeat Rates



E-Commerce Investments Have Driven Continued Outperformance vs. Industry

### UPDATING FY22 OUTLOOK<sup>2,3</sup>

Increasing Organic Net Sales Growth (vs. FY21)<sup>1</sup> to

**~+3%**

Updating Adj. Operating Margin<sup>4</sup> to

**~15.5%**

Reaffirming Adj. EPS of

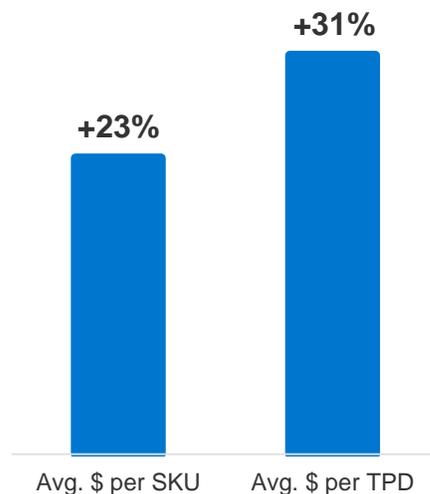
**~\$2.50**

Increasing Gross Inflation to

**~14%**

## INNOVATION STRENGTH CONTINUED IN Q2

### Innovation Performance (Q2 FY22 vs. YA)



### Q2 FY22 New Product Highlights<sup>5</sup>

Top Selling New SKU in C-Store (Meat Snacks)



Top 3 of 4 Selling New SKUs (Asian Sauces & Marinades)



Top Selling New Flavored SKU (Baking Mixes)



8 of Top 10 Selling New SKUs (Frozen Vegetables)



## WELL-POSITIONED TO CAPTURE STRUCTURAL CHANGES IN CONSUMER BEHAVIOR

**42%**

of U.S. population represented by Millennials and Gen Z



Younger consumers seeking to **optimize value** of food spending



Younger consumers opting for more **national brands** at home



Conagra delivers **Superior Relative Value** vs. away-from-home and store-brand options

1. Organic net sales excludes the impact of foreign exchange and divested businesses.  
 2. The inability to predict the amount and timing of the impacts of future items makes a detailed reconciliation of these forward-looking financial measures impracticable.  
 3. "Adjusted" financial measures and organic net sales are non-GAAP financial measures.  
 4. Adjusted operating margin excludes equity method investment earnings and pension and postretirement non-service expense (income).  
 5. Top Selling = Highest Dollar Sales Among SKUs where Dollar Sales = 0 Year Ago.



## 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 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; 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 COVID-19 pandemic on our business, suppliers, consumers, customers and employees; risks related to our forecasts of consumer eat-at-home habits as the impacts of the COVID-19 pandemic abate; risks related to the availability and prices of supply chain resources, including raw materials, packaging, and transportation including any negative effects caused by changes in inflation rates, 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; risks related to a material failure in or breach of our or our vendors' information technology systems; the amount and timing of future dividends, which remain subject to Board approval and depend on market and other conditions; and other risks described in our reports filed from time to time with the Securities and Exchange Commission. We caution readers not to place undue reliance on any forward-looking statements included in this document, which speak only as of the date of this document. We undertake no responsibility to update these statements, except as required by law.

## Organic Net Sales Reconciliation

Q2 FY22	Grocery & Snacks	Refrigerated & Frozen	International	Foodservice	Total Conagra Brands
Year-over-year change – Net Sales	(1.4)%	3.0%	5.0%	14.9%	2.1%
Impact of foreign exchange (pp)	--	--	(3.0)	--	(0.2)
Net sales from divested businesses (pp)	0.8	0.9	0.1	0.3	0.7
<b>Organic Net Sales</b>	<b>(0.6)%</b>	<b>3.9%</b>	<b>2.1%</b>	<b>15.2%</b>	<b>2.6%</b>