



FY24 Q1 Earnings Presentation

October 5, 2023

Today's Presenters



Melissa Napier

Investor Relations

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President and Chief Executive Officer

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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: risks associated with general economic and industry conditions, including inflation, rising interest rates, decreased availability of capital, volatility in financial markets, declining consumer spending rates, recessions, decreased energy availability, increased energy costs (including fuel surcharges), supply chain challenges, labor shortages, and geopolitical conflicts (including the ongoing conflict between Russia and Ukraine); negative impacts caused by public health crises; 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 the company's competitive environment, cost structure, and related market conditions; risks related to our ability to execute operating and value creation plans and achieve returns on our investments and targeted operating efficiencies from cost-saving initiatives, and to benefit from trade optimization programs; risks related to the availability and prices of commodities and other supply chain resources, including raw materials, packaging, energy, and transportation, including any negative effects caused by changes in levels of inflation and interest rates, weather conditions, health pandemics or outbreaks of disease, actual or threatened hostilities or war, or other geopolitical uncertainty; risks related to the effectiveness of our hedging activities and ability to respond to volatility in commodities; disruptions or inefficiencies in our supply chain and/or operations; risks related to the ultimate impact of, including reputational harm caused by, any product recalls and product liability or labeling litigation, including litigation related to lead-based paint and pigment and cooking spray; risks related to our ability to respond to changing consumer preferences and the success of our innovation and marketing investments; risks associated with actions by our customers, including changes in distribution and purchasing terms; risks related to the seasonality of our business; risks associated with our co-manufacturing arrangements and other third-party service provider dependencies; risks associated with actions of governments and regulatory bodies that affect our businesses, including the ultimate impact of new or revised regulations or interpretations including to address climate change or implement changes to taxes and tariffs; risks related to the company's ability to execute on its strategies or achieve expectations related to environmental, social, and governance matters, including as a result of evolving legal, regulatory, and other standards, processes, and assumptions, the pace of scientific and technological developments, increased costs, the availability of requisite financing, and changes in carbon pricing or carbon taxes; risks related to a material failure in or breach of our or our vendors' information technology systems and other cybersecurity incidents; risks related to our ability to identify, attract, hire, train, retain and develop qualified personnel; risk of increased pension, labor or people-related expenses; risks and uncertainties associated with intangible assets, including any future goodwill or intangible assets impairment charges; risk relating to our ability to protect our intellectual property rights; risks relating to acquisition, divestiture, joint venture or investment activities; 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.

Additional Notes

This presentation may contain references to industry market data. Although we believe industry information to be accurate, it is not independently verified by us and we do not make any representation as to the accuracy of that information.



Sean Connolly

President and Chief Executive Officer

Key Messages



- Macro dynamics affecting consumer behavior continue to impact industry
- CAG Q1 results:
 - Net sales impacted by elongated volume recovery timetable
 - Strong margin and EPS performance
 - Net leverage reduction on track
- Strong supply chain recovery
- Targeted and disciplined investments throughout remainder of year
- Reiterating FY24 guidance

Economic Pressures Changing Consumer Behavior



**Consumer Balance
Sheets Strained**



**Conscious Choices
to Stretch Budgets**

- — **Expecting behavior shifts to be temporary** — •

Near-Term Behavioral Trends





- ▶ Limited discretionary purchases
- ▶ Actively reducing household inventories
- ▶ More hands-on prep, less convenience
- ▶ More meals-for-many, fewer meals-for-one
- ▶ More use of leftovers, less waste

Volume Recovery Has Been Elongated; Peer Set Within a Tight Band



Near-in Peers Unit Sales Retail Performance

Unit Sales % Change vs. YA			
Peer	4W	13W	52W
Competitor A	2.9%	8.9%	(0.5)%
Competitor B	(5.5)%	(6.7)%	(7.0)%
	(7.4)%	(7.5)%	(8.5)%
Competitor C	(7.5)%	(8.1)%	(7.1)%
Competitor D	(8.7)%	(7.4)%	(6.9)%
Competitor E	(11.7)%	(12.0)%	(7.0)%

Unit Sales 2-Year CAGR			
Peer	4W	13W	52W
Competitor A	(3.2)%	(3.1)%	(3.1)%
Competitor C	(7.1)%	(7.5)%	(6.8)%
	(7.6)%	(7.4)%	(7.1)%
Competitor E	(7.8)%	(8.6)%	(5.8)%
Competitor D	(8.0)%	(7.6)%	(6.5)%
Competitor B	(8.6)%	(7.6)%	(7.0)%

FY24 Q1 Results



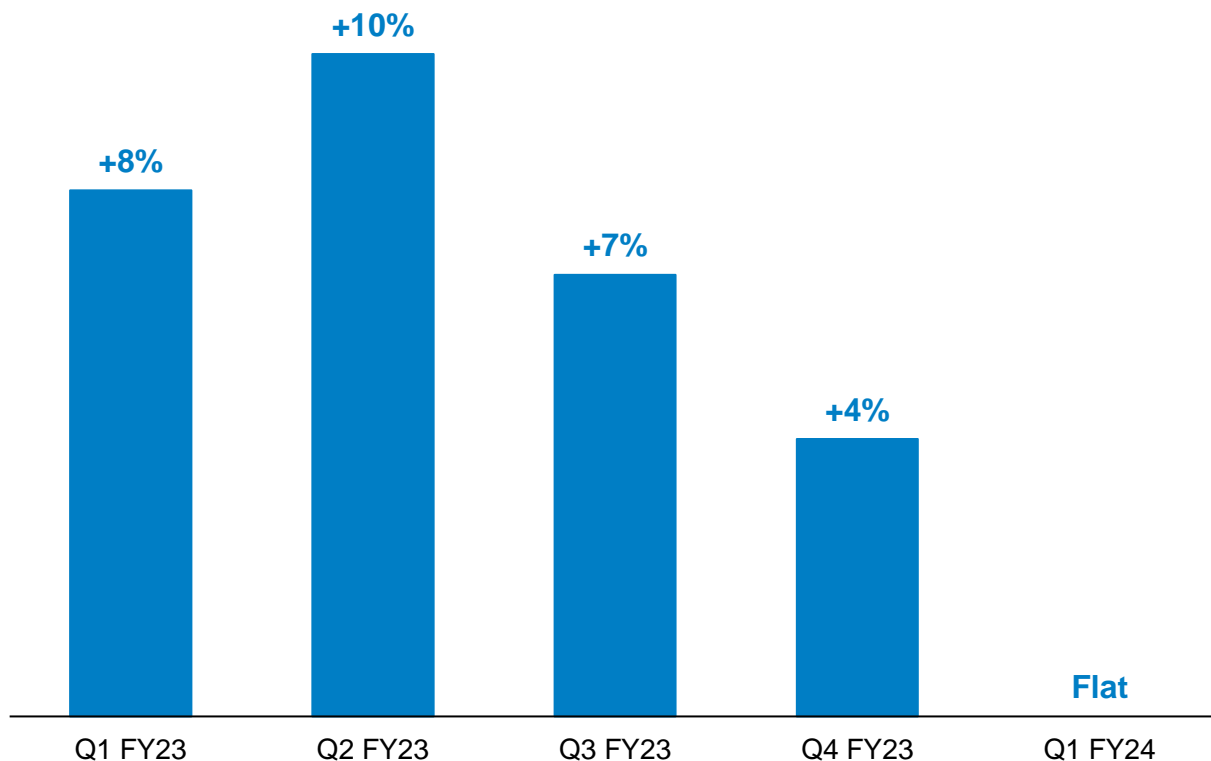
	Q1	Q1 vs. YA
Organic Net Sales ¹	\$2,897	(0.3)%
Adj. Gross Margin ¹	27.6%	+272 bps
Adj. Operating Margin ¹	16.7%	+297 bps
Adj. EPS ¹	\$0.66	15.8%

1. Non-GAAP financial measure. See the appendix for certain definitions and reconciliations to the most directly comparable GAAP measure.

Staples Flat To Prior Year



Conagra Staples Retail Sales (% Change vs. YA)



Conagra Staples Unit Share Gains (Q1, Pt. Change vs. YA)



Canned Chili
+4.6



Canned Tomatoes
+1.6

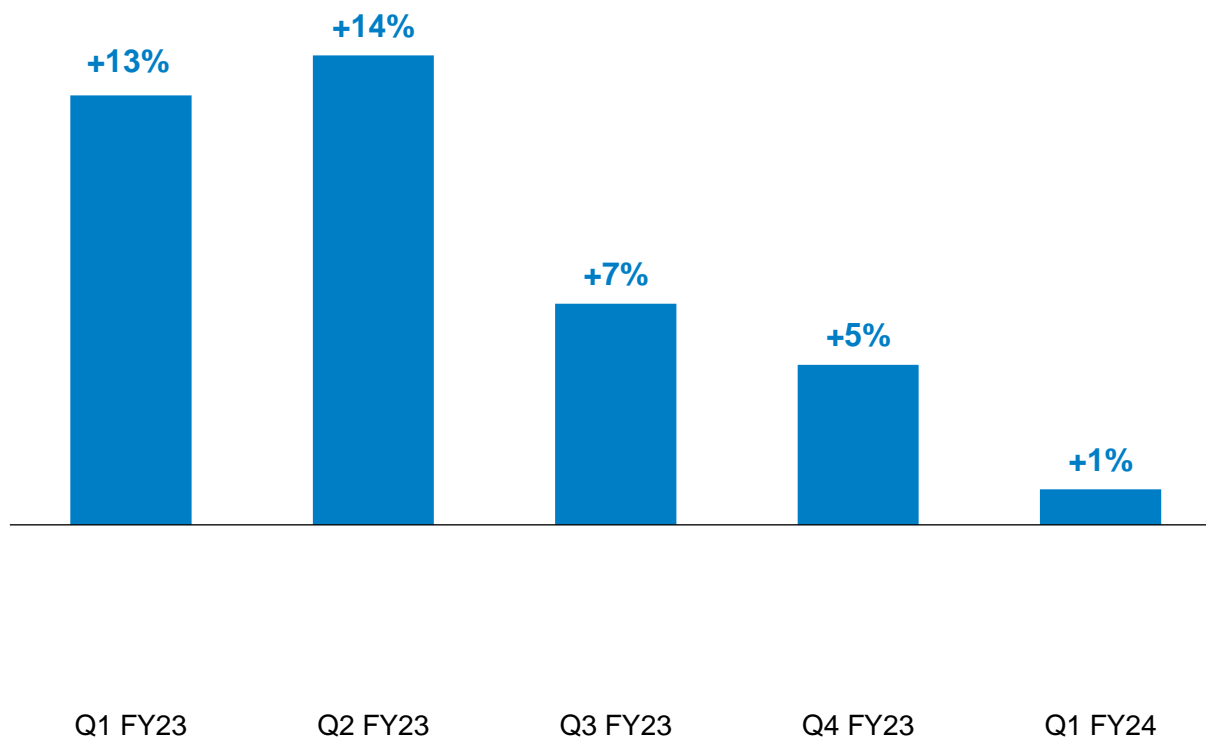


Value Convenient Meals
+0.4

Snacks Continued to Grow



Conagra Snacks Retail Sales
(% Change vs. YA)



Conagra Snacks Unit Share Gains
(Q1, Pt. Change vs. YA)



Microwave Popcorn
+2.5



RTE Pudding & Gel
+2.2

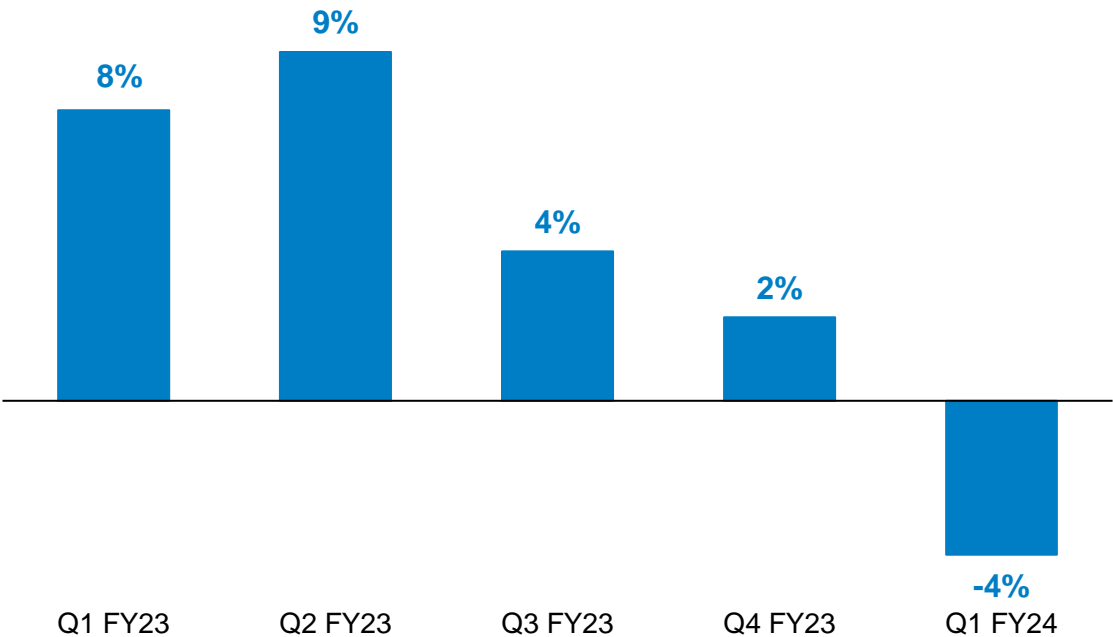


Seeds
+0.4

Frozen Most Impacted by Shifts in Consumer Behavior



Conagra Frozen Retail Sales
(% Change vs. YA)



Conagra Frozen
Unit Share Gains
(Q1, Pt. Change vs. YA)



Frozen Sides
+0.9



Multi-Serve Meals
+0.2



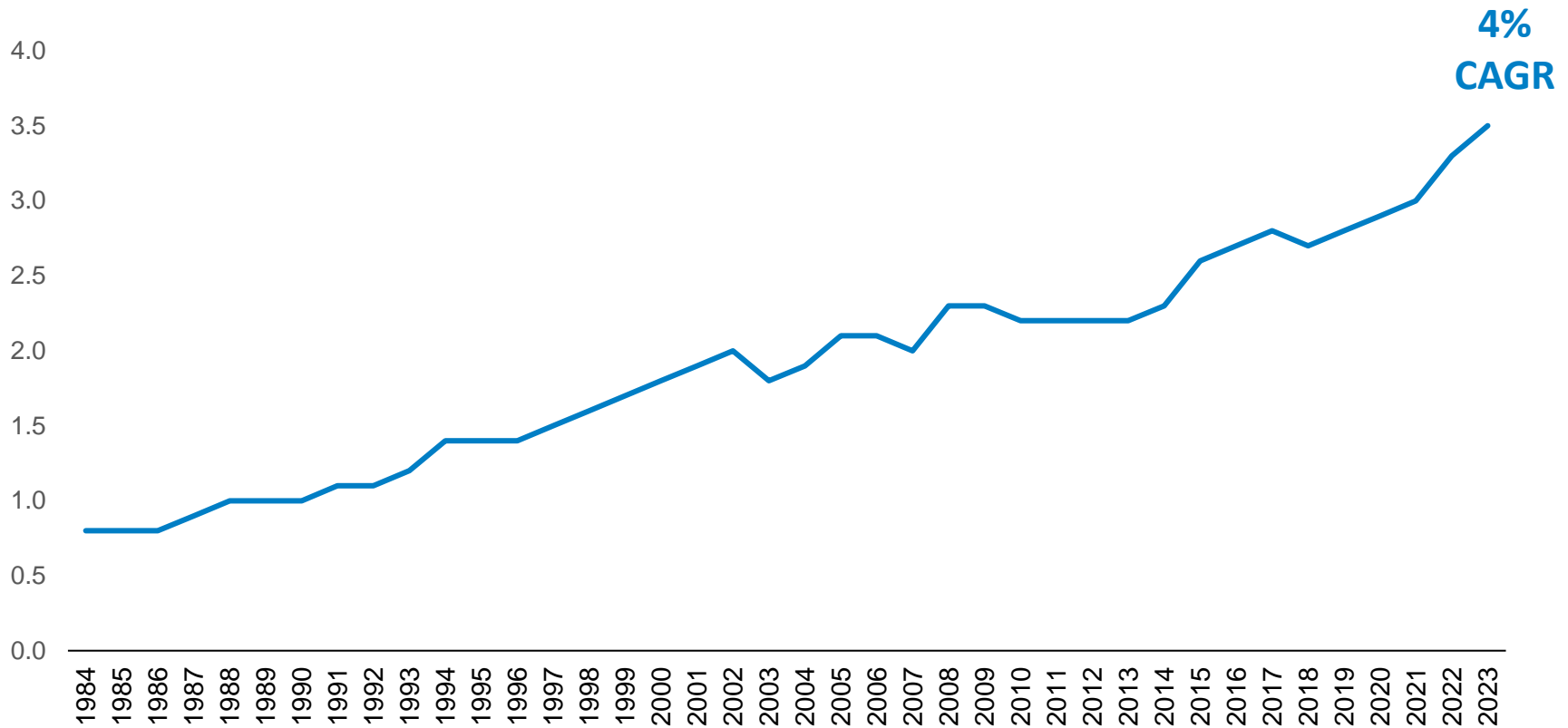
Single-Serve Meals
+0.1

Source (Left Chart): IRI POS, Total US MULO+C, Total Edible ex. Beverages, Conagra Fiscal Quarters
Source (Right): IRI POS, Total US MULO+C, Conagra Custom Hierarchy, 13 weeks ended August 27, 2023

Frozen Remains an Attractive Space Poised for Future Growth



Frozen Meals Share of In-Home Occasions



4%
CAGR

Positive Progress In Supply Chain

SERVICE LEVELS BACK TO PRE-PANDEMIC LEVELS



PRODUCTIVITY ON TRACK



Action Plan for Rest of Year



- Maintain and capitalize on strong supply chain recovery
 - Fill rates back to pre-pandemic levels
 - Remain focused on productivity initiatives
 - Strong slate of innovation in market
- Prudent incremental investments
 - Quality merchandising
 - Targeted A&P investment
- Prioritize reducing debt and net leverage ratio

Reaffirming Fiscal 2024 Guidance



Guidance	FY24
Organic Net Sales ¹ Growth (vs. FY23)	~+1%
Adj. Operating Margin ¹	16.0% to 16.5%
Adj. EPS ¹	\$2.70 to \$2.75

1. Forward-looking non-GAAP financial measure. See the appendix for more information.



Dave Marberger

Executive Vice President and Chief Financial Officer

Performance Summary



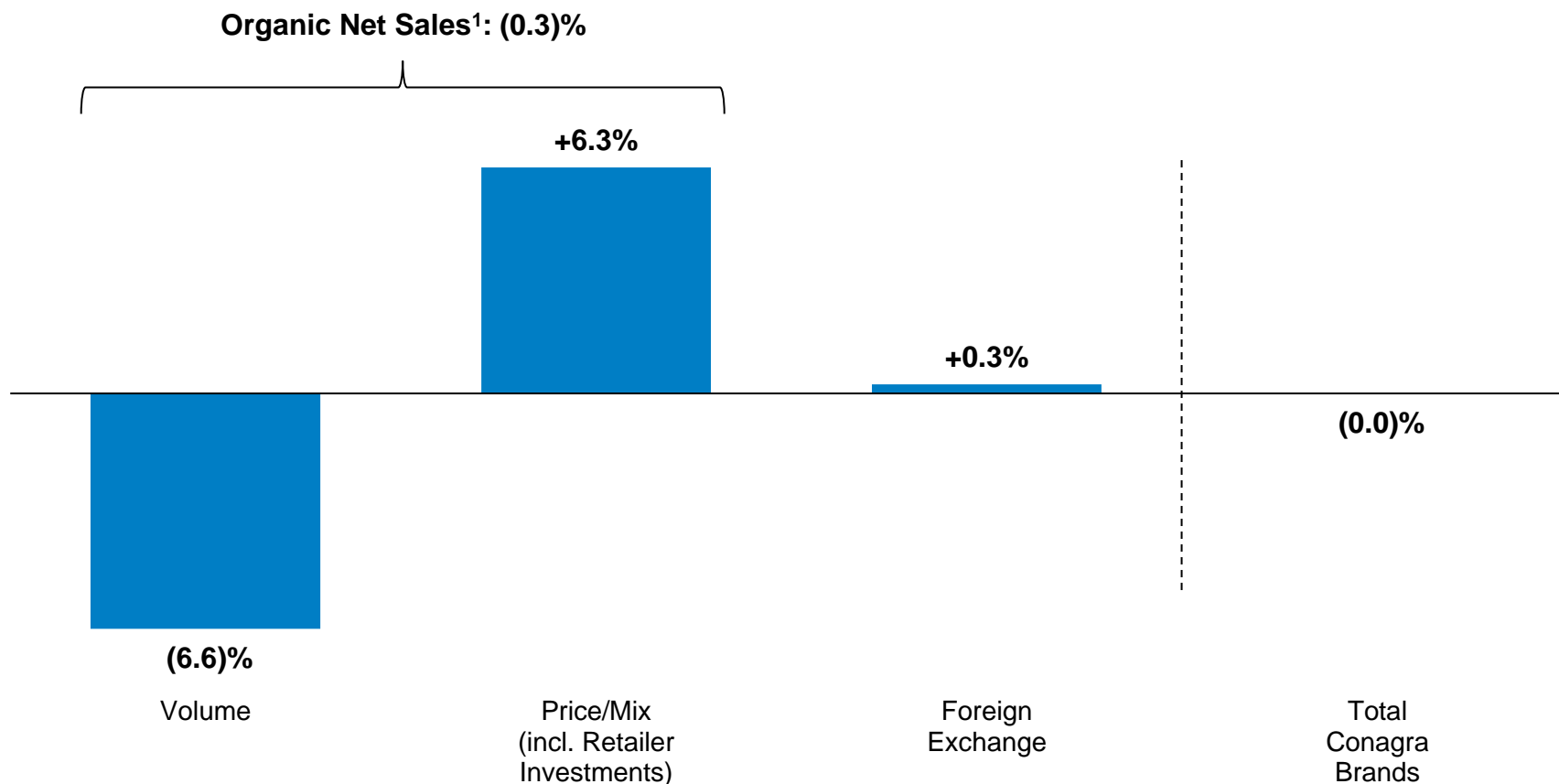
Dollars in Millions, except per share data Increase/(Decrease)	Q1	vs. YA
Reported Net Sales	\$2,904	Flat
Organic Net Sales ¹ Growth		(0.3)%
Adj. Gross Profit ¹	801	+10.9%
Adj. Gross Margin ¹	27.6%	+272 bps
A&P	59	(5.3)%
A&P as % of NS	2.0%	(11) bps
Adj. SG&A ¹	258	(1.5)%
Adj. SG&A ¹ as % of NS	8.9%	(14) bps
Adj. Op. Profit ¹	484	+21.6%
Adj. Op. Margin ¹	16.7%	+297 bps
Equity Earnings	36	(27.9)%
Adj. Net Income ¹	316	+15.0%
Adj. EBITDA ¹	613	+12.1%
Adj. EPS ¹	\$0.66	+15.8%

1. Non-GAAP financial measure. See the appendix for certain definitions and reconciliations to the most directly comparable GAAP measure.

Net Sales Bridge vs. Year Ago



Q1 Drivers of Net Sales Change (% Change vs. YA)



Net Sales by Segment



Dollars in Millions Increase/(Decrease)	Net Sales		
	Q1	Reported vs. YA	Organic ¹ vs. YA
Grocery & Snacks	\$1,203	+1.2%	+1.2%
Refrigerated & Frozen	1,152	(4.6)%	(4.6)%
International	260	+11.4%	+8.2%
Foodservice	289	+5.2%	+5.2%
Total Conagra Brands	\$2,904	Flat	(0.3)%

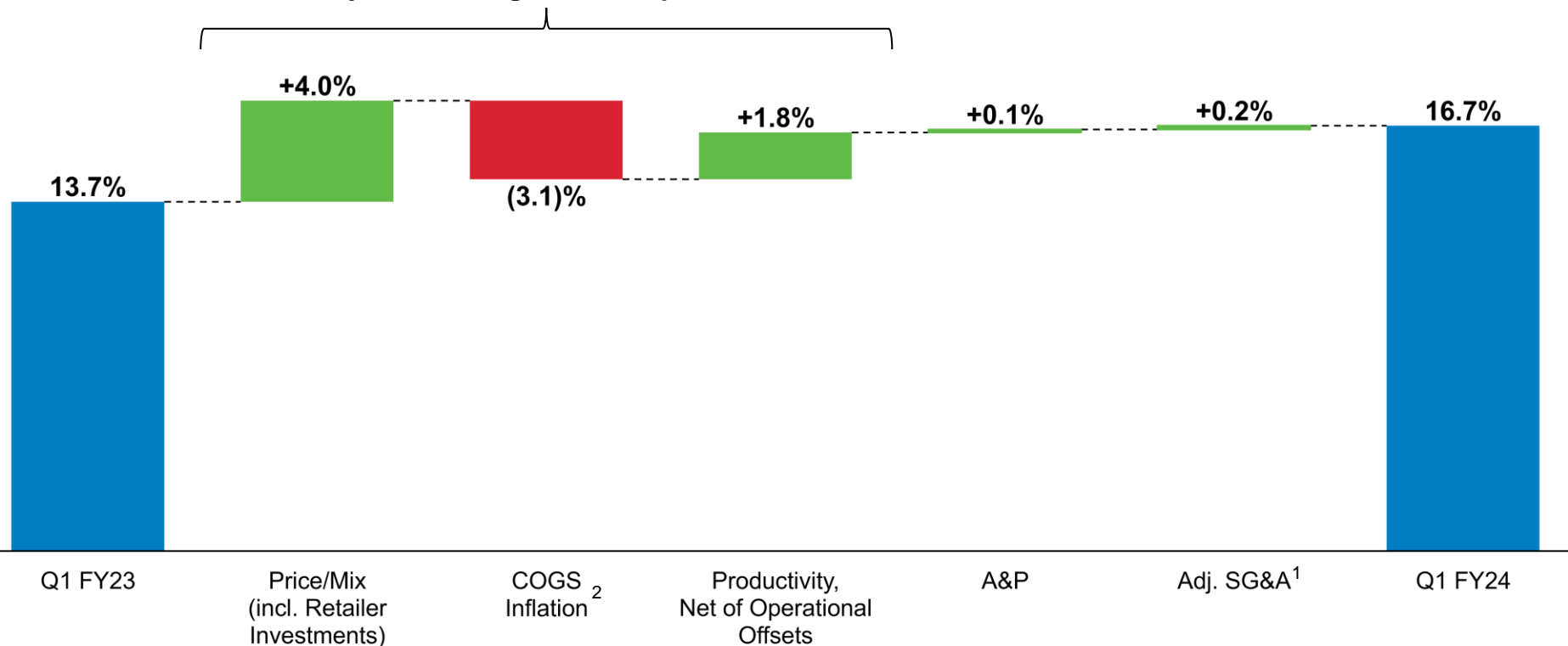
1. Non-GAAP financial measure. See the appendix for certain definitions and reconciliations to the most directly comparable GAAP measure.

Operating Margin Bridge



Q1 Adj. Operating Margin¹ (% Change vs. YA)

Adj. Gross Margin¹: +272 bps vs. YA



1. Non-GAAP financial measure. See the appendix for certain definitions and reconciliations to the most directly comparable GAAP measure.

2. COGS Inflation reflects market inflation net of market-based sourcing

Segment Adjusted Operating Profit¹ & Margin¹ Summary



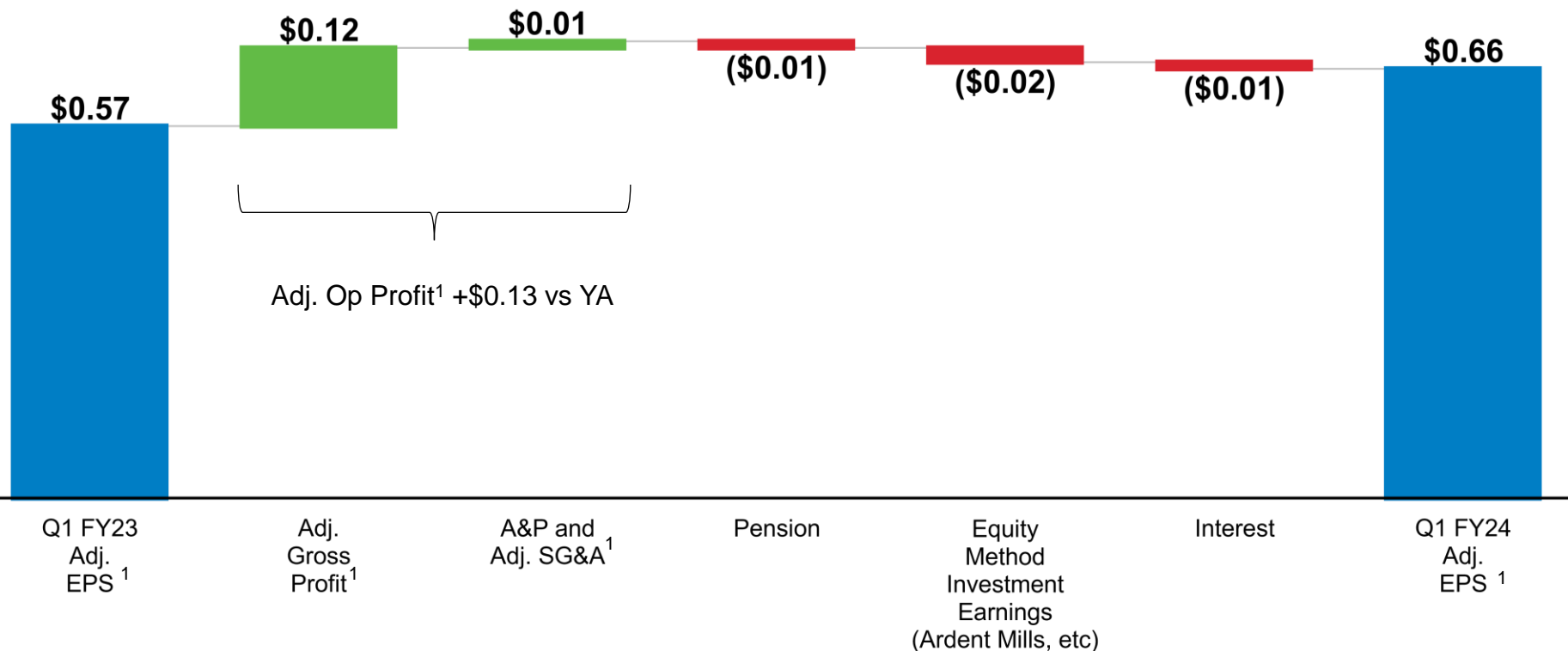
Dollars in Millions Increase/(Decrease)	Adj. Op. Profit ¹		Adj. Op. Margin ¹	
	Q1	vs. YA	Q1	vs. YA
Grocery & Snacks	\$264	+3.8%	21.9%	+55 bps
Refrigerated & Frozen	201	+14.7%	17.5%	+294 bps
International	42	+57.8%	16.3%	+478 bps
Foodservice	41	+87.5%	14.1%	+619 bps
Adjusted Corporate Expense ¹	(64)	(20.1%)	-	-
Total Conagra Brands	\$484	+21.6%	16.7%	+297 bps

1. Non-GAAP financial measure. See the appendix for certain definitions and reconciliations to the most directly comparable GAAP measure.

Q1 Adjusted EPS¹ Bridge



Drivers of Q1 Adjusted EPS¹ vs. YA



Q1 Key Balance Sheet & Cash Flow Metrics



(dollars in millions)	August 27, 2023	May 28, 2023
Debt	\$9,274	\$9,239
Cash	\$93	\$94
Ending Net Debt ¹	\$9,180	\$9,145
Net Leverage Ratio ¹	3.55x	3.63x

(dollars in millions)	Q1 FY24	Q1 FY23
Net Cash Flow from Operating Activities	\$444	\$264
Capital Expenditures	\$144	\$125
Free Cash Flow ¹	\$300	\$138
Dividends Paid	\$157	\$150
Share Repurchases	\$0	\$50

1. Non-GAAP financial measure. See the appendix for certain definitions and reconciliations to the most directly comparable GAAP measure.

Reaffirming Fiscal 2024 Guidance



Guidance	FY24
Organic Net Sales ¹ Growth (vs. FY23)	~+1%
Adj. Operating Margin ¹	16.0% to 16.5%
Adj. EPS ¹	\$2.70 to \$2.75

1. Forward-looking non-GAAP financial measure. See the appendix for more information.

Q2 and H2 Dynamics



	Q2	H2
Organic Net Sales¹	Low-single-digit decline	Low-single-digit growth
Volume	Improves as pricing is wrapped	Return to YOY growth
Trade and A&P	Investments ramp up	Higher investment than H1
Margins	Below Q1	~ Flat to Q2
Adj. EPS¹	~ Flat to Q1	~ Flat to prior year H2

1. Forward-looking non-GAAP financial measure. See the appendix for more information.



Q&A



Appendix

Notes on Non-GAAP Financial Measures



This document includes certain non-GAAP financial measures. 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 financial 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.

Organic net sales excludes, from reported net sales, the impacts of foreign exchange, divested businesses and acquisitions, as well as the impact of any 53rd week. All references to changes in volume and price/mix throughout this release are on an organic net sales basis.

References to adjusted items throughout this document refer to measures computed in accordance with GAAP less the impact of items impacting comparability. Items impacting comparability are income or expenses (and related tax impacts) that management believes have had, or are likely to have, a significant impact on the earnings of the applicable business segment or on the total corporation for the period in which the item is recognized and are not indicative of the company's core operating results. These items thus affect the comparability of underlying results from period to period.

References to earnings before interest, taxes, depreciation, and amortization (EBITDA) refer to net income attributable to Conagra Brands before the impacts of discontinued operations, income tax expense (benefit), interest expense, depreciation, and amortization. References to adjusted EBITDA refer to EBITDA before the impacts of items impacting comparability.

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 net change in the derivative gains (losses) included in unallocated corporate expense during the period is reflected as a comparability item, Corporate hedging derivative gains (losses).

Forward-Looking Non-GAAP Financial Measures

Our fiscal 2024 guidance includes certain non-GAAP financial measures (organic net sales growth, adjusted operating margin, adjusted EPS, net leverage ratio, free cash flow, and adjusted effective tax rate) that are presented on a forward-looking basis. Historically, the company has calculated these non-GAAP financial measures excluding the impact of certain items such as, but not limited to, foreign exchange, acquisitions, divestitures, restructuring expenses, the extinguishment of debt, hedging gains and losses, impairment charges, legacy legal contingencies, and unusual tax items. 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 timing and the financial impact of such items. For the same reasons, the company is unable to address the probable significance of the unavailable information, which could be material to future results.

Reconciliation of Q1 FY24 Organic Net Sales by Segment YOY Change (in millions)

	Grocery & Snacks	Refrigerated & Frozen	International	Foodservice	Total Conagra Brands
Q1 FY24					
Net Sales	\$ 1,202.9	\$ 1,151.6	\$ 260.2	\$ 289.3	\$ 2,904.0
Impact of foreign exchange	—	—	(7.4)	—	(7.4)
Organic Net Sales	\$ 1,202.9	\$ 1,151.6	\$ 252.8	\$ 289.3	\$ 2,896.6
Year-over-year change - Net Sales	1.2%	(4.6)%	11.4%	5.2%	(0.0)%
Impact of foreign exchange (pp)	—	—	(3.2)	—	(0.3)
Organic Net Sales	1.2%	(4.6)%	8.2%	5.2%	(0.3)%
Volume (Organic)	(4.4)%	(10.5)%	0.3%	(5.1)%	(6.6)%
Price/Mix	5.6%	5.9%	7.9%	10.3%	6.3%
Q1 FY23					
Net Sales	\$ 1,188.3	\$ 1,207.6	\$ 233.5	\$ 274.9	\$ 2,904.3
Net sales from divested businesses	—	—	—	—	—
Organic Net Sales	\$ 1,188.3	\$ 1,207.6	\$ 233.5	\$ 274.9	\$ 2,904.3

Reconciliation of Q1 FY24 Adj. Operating Profit by Segment – YOY Change (in millions)



Q1 FY24	Grocery & Snacks	Refrigerated & Frozen	International	Foodservice	Corporate Expense	Total Conagra Brands
Operating Profit	\$ 258.7	\$ 199.2	\$ 23.7	\$ 44.1	\$ (36.7)	\$ 489.0
Restructuring plans	4.8	0.6	18.6	—	0.4	24.4
Acquisitions and divestitures	—	—	—	—	0.2	0.2
Fire related cost (benefit)	—	1.6	—	(3.3)	—	(1.7)
Corporate hedging derivative losses (gains)	—	—	—	—	(27.6)	(27.6)
Adjusted Operating Profit	\$ 263.5	\$ 201.4	\$ 42.3	\$ 40.8	\$ (63.7)	\$ 484.3
Operating Profit Margin	21.5%	17.3%	9.1%	15.3%		16.8%
Adjusted Operating Profit Margin	21.9%	17.5%	16.3%	14.1%		16.7%
Year-over-year % change - Operating Profit	3.3%	N/A	(12.1)%	3,588.2%	(56.0)%	N/A
Year-over year % change - Adjusted Operating Profit	3.8%	14.7%	57.8%	87.5%	(20.1)%	21.6%
Year-over-year bps change - Operating Profit	44 bps	3,521 bps	(243) bps	1,482 bps		1,757 bps
Year-over-year bps change - Adjusted Operating Profit	55 bps	294 bps	478 bps	619 bps		297 bps

Reconciliation of Q1 FY24 Adj. Operating Profit by Segment – YOY Change Cont. (in millions)



Q1 FY23	Grocery & Snacks	Refrigerated & Frozen	International	Foodservice	Corporate Expense	Total Conagra Brands
Operating Profit (loss)	\$ 250.4	\$ (216.3)	\$ 26.9	\$ 1.2	\$ (83.5)	\$ (21.3)
Restructuring plans	0.3	0.6	(0.1)	—	4.1	4.9
Impairment of businesses held for sale	0.5	5.7	—	20.5	—	26.7
Acquisitions and divestitures	—	—	—	—	0.1	0.1
Goodwill and brand impairment charges	—	385.7	—	—	—	385.7
Municipal water break costs	2.6	—	—	—	—	2.6
Corporate hedging derivative losses (gains)	—	—	—	—	(0.5)	(0.5)
Adjusted Operating Profit	\$ 253.8	\$ 175.7	\$ 26.8	\$ 21.7	\$ (79.8)	\$ 398.2
Operating Profit Margin	21.1%	(17.9)%	11.5%	0.4%		(0.7)%
Adjusted Operating Profit Margin	21.4%	14.5%	11.5%	7.9%		13.7%

Reconciliation of Q1 FY24 Adj. Gross Margin, Adj. Gross Profit, Adj. SG&A, Adj. Net Income, and Adj. EPS – YOY Change (in millions)



Q1 FY24	Gross profit	Selling, general and administrative expenses	Operating profit ¹	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
Reported	\$ 823.1	\$ 334.1	\$ 489.0	\$ 382.7	\$ 98.3	23.5%	\$ 319.7	\$ 0.67
<i>% of Net Sales</i>	28.3%	11.5%	16.8%					
Restructuring plans	4.3	20.1	24.4	24.4	6.3		18.1	0.04
Acquisitions and divestitures	—	0.2	0.2	0.2	—		0.2	—
Corporate hedging derivative losses (gains)	(27.6)	—	(27.6)	(27.6)	(6.8)		(20.8)	(0.04)
Advertising and promotion expenses ²	—	58.7	—	—	—		—	—
Fire related cost (benefit)	1.6	(3.3)	(1.7)	(1.7)	(0.4)		(1.3)	—
Rounding	—	—	—	—	—		—	(0.01)
Adjusted	\$ 801.4	\$ 258.4	\$ 484.3	\$ 378.0	\$ 97.4	23.6%	\$ 315.9	\$ 0.66
<i>% of Net Sales</i>	27.6%	8.9%	16.7%					
<i>Year-over-year % of net sales change - reported</i>	354 bps	(1403) bps	1,757 bps					
<i>Year-over-year % of net sales change - adjusted</i>	272 bps	(14) bps	297 bps					
<i>Year-over-year change - reported</i>	14.3%	(54.9)%	N/A	N/A	581.7%		N/A	N/A
<i>Year-over-year change - adjusted</i>	10.9%	(1.5)%	21.6%	23.0%	19.3%		15.0%	15.8%

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 Q1 FY24 Adj. Gross Margin, Adj. Gross Profit, Adj. SG&A, Adj. Net Income, and Adj. EPS – YOY Change Cont. (in millions)



Q1 FY23	Gross profit	Selling, general and administrative expenses	Operating profit (loss) ¹	Income (loss) before income taxes and equity method investment earnings	Income tax expense	Income tax rate	Net income (loss) attributable to Conagra Brands, Inc.	Diluted EPS from income (loss) attributable to Conagra Brands, Inc common stockholders ²
Reported	\$ 720.3	\$ 741.6	\$ (21.3)	\$ (112.3)	\$ 14.4	(22.8)%	\$ (77.5)	\$ (0.16)
% of Net Sales	24.8%	25.5%	(0.7)%					
Restructuring plans	0.2	4.7	4.9	4.9	1.2		3.7	0.01
Acquisitions and divestitures	—	0.1	0.1	0.1	—		0.1	—
Corporate hedging derivative losses (gains)	(0.5)	—	(0.5)	(0.5)	(0.1)		(0.4)	—
Advertising and promotion expenses ³	—	61.9	—	—	—		—	—
Municipal water break costs	2.6	—	2.6	2.6	0.6		2.0	—
Impairment of businesses held for sale	—	26.7	26.7	26.7	6.6		20.1	0.04
Goodwill and brand impairment charges	—	385.7	385.7	385.7	58.9		326.8	0.68
Adjusted	\$ 722.6	\$ 262.5	\$ 398.2	\$ 307.2	\$ 81.6	22.9%	\$ 274.8	\$ 0.57
% of Net Sales	24.9%	9.0%	13.7%					

- Operating profit is derived from taking Income from continuing operations before income taxes and equity method investment earnings, adding back Interest expense, net and removing Pension and postretirement non-service income.
- Advertising and promotion expense (A&P) has been removed from adjusted selling, general and administrative expense because this metric is used in reporting to management, and management believes this adjusted measure provides useful supplemental information to assess the Company's operating performance. Please note that A&P is not removed from adjusted profit measures.
- In Q1 FY23, we reported a GAAP net loss. In periods when we recognize a net loss, we exclude the impact of outstanding stock awards from the diluted loss per share calculation, as their inclusion would have an anti-dilutive effect. The adjusted diluted earnings per share calculation includes the impact of outstanding stock awards.

Reconciliation of Q1 FY24 Free Cash Flow and Net Debt – YOY Change (in millions)



	August 27, 2023	August 28, 2022	% Change
Net cash flows from operating activities	\$ 443.5	\$ 263.7	68.2%
Additions to property, plant and equipment	(143.6)	(125.4)	14.5%
Free cash flow	\$ 299.9	\$ 138.3	116.8%

	Q1 FY24	Q1 FY23
Notes payable	\$ 513.1	\$ 253.4
Current installments of long-term debt	1,015.4	1,204.7
Senior long-term debt, excluding current installments	7,745.1	7,584.1
Total Debt	\$ 9,273.6	\$ 9,042.2
Less: Cash	93.3	67.4
Net Debt	\$ 9,180.3	\$ 8,974.8

Reconciliation of FY23 Free Cash Flow and Net Debt – YOY Change (in millions)



	FY23	FY22	% Change
Net cash flows from operating activities	\$ 995.4	\$ 1,177.3	(15.5)%
Additions to property, plant and equipment	(362.2)	(464.4)	(22.0)%
Free cash flow	\$ 633.2	\$ 712.9	(11.2)%

	May 28, 2023	May 29, 2022
Notes payable	\$ 641.4	\$ 184.3
Current installments of long-term debt	1,516.0	707.3
Senior long-term debt, excluding current installments	7,081.3	8,088.2
Total Debt	\$ 9,238.7	\$ 8,979.8
Less: Cash	93.9	83.3
Net Debt	\$ 9,144.8	\$ 8,896.5

Reconciliation of Q1 FY24 Net Leverage Ratio (in millions)



	Q1 FY24
Net Debt¹	\$ 9,180.3
Net income attributable to Conagra Brands, Inc.	\$ 1,080.8
Add Back: Income tax expense	302.6
Income tax expense attributable to noncontrolling interests	(0.5)
Interest expense, net	418.5
Depreciation	318.0
Amortization	55.5
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	\$ 2,174.9
Restructuring plans ²	28.4
Acquisitions and divestitures	8.5
Corporate hedging derivative gains	10.0
Goodwill and brand impairment charges ³	343.6
Legal matters	3.8
Fire related costs	11.7
Municipal water break costs	0.9
Third-party vendor cybersecurity incident	4.4
Adjusted EBITDA	\$ 2,586.2
Net Debt to Adjusted EBITDA⁴	3.55

1. As of August 27, 2023

2. Excludes comparability items related to depreciation.

3. Excludes comparability items attributable to noncontrolling interests.

4. The company defines its net debt leverage ratio as net debt divided by adjusted EBITDA for the trailing twelve-month period

Reconciliation of FY23 Net Leverage Ratio (in millions)



	FY23
Net Debt¹	\$ 9,144.8
Net income attributable to Conagra Brands, Inc.	\$ 683.6
Add Back: Income tax expense	218.7
Income tax expense attributable to noncontrolling interests	(0.5)
Interest expense, net	409.6
Depreciation	313.1
Amortization	56.8
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	\$ 1,681.3
Restructuring plans ²	12.3
Acquisitions and divestitures	8.4
Corporate hedging derivative losses (gains)	37.1
Fire related costs	13.4
Municipal water break costs	3.5
Third-party vendor cybersecurity incident	4.4
Impairment of businesses held for sale	26.7
Legal matters	3.8
Goodwill and brand impairment charges ³	729.3
Adjusted EBITDA	\$ 2,520.2
Net Debt to Adjusted EBITDA⁴	3.63

1. As of May 28, 2023

2. Excludes comparability items related to depreciation.

3. Excludes comparability items attributable to noncontrolling interests.

4. The Company defines its net debt leverage ratio as net debt divided by adjusted EBITDA for the trailing twelve-month period

Reconciliation of Q1 FY24 EBITDA (in millions)



	Q1 FY24	Q1 FY23	% Change
Net income (loss) attributable to Conagra Brands, Inc.	\$ 319.7	\$ (77.5)	N/A
Add Back: Income tax expense	98.3	14.4	
Income tax expense attributable to noncontrolling interests	—	—	
Interest expense, net	106.0	97.1	
Depreciation	83.1	78.2	
Amortization	13.5	14.8	
Earnings before interest, taxes, depreciation, and amortization	\$ 620.6	\$ 127.0	388.7%
Restructuring plans ¹	21.0	4.9	
Acquisitions and divestitures	0.2	0.1	
Corporate hedging derivative losses (gains)	(27.6)	(0.5)	
Fire related cost (benefit)	(1.7)	—	
Municipal water break costs	—	2.6	
Impairment of businesses held for sale	—	26.7	
Goodwill and brand impairment charges	—	385.7	
Adjusted Earnings before interest, taxes, depreciation, and amortization	\$ 612.5	\$ 546.5	12.1%

1. Excludes comparability items related to depreciation.

