



# FY22 Q2 Earnings Presentation

January 6, 2022

# Today's Presenters



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**Brian Kearney**  
*Investor Relations*

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**Sean Connolly**  
*President and Chief Executive Officer*

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**Dave Marberger**  
*Executive Vice President and Chief Financial Officer*

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# Legal Disclosure



## **Note on Forward-looking Statements**

This document contains forward-looking statements within the meaning of the federal securities laws. These forward-looking statements are based on management's current expectations and are subject to uncertainty and changes in circumstances. Readers of this document should understand that these statements are not guarantees of performance or results. Many factors could affect our actual financial results and cause them to vary materially from the expectations contained in the forward-looking statements, including those set forth in this document. These risks, uncertainties, and factors include, among other things: the risk that the cost savings and any other synergies from the acquisition of Pinnacle Foods Inc. (the Pinnacle acquisition) may not be fully realized or may take longer to realize than expected; the risk that the Pinnacle acquisition may not be accretive within the expected timeframe or to the extent anticipated; the risks that the Pinnacle acquisition and related integration will create disruption to the Company and its management and impede the achievement of business plans; 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.

## **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, two-year compounded annualized organic net sales, two-year compounded annualized adjusted EPS, free cash flow, net debt, 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.



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Sean Connolly

President and Chief Executive Officer

# Key Messages



- We continued to remain agile and perform well in a highly dynamic environment
- We 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
  - Cost of goods sold inflation was higher than expected
  - We experienced additional transitory supply chain costs
  - We elected to invest to service orders and maximize food supply for consumers
- We expect margins to improve in H2 as we continue to realize profitability from actions already in process
  - Communicated another round of pricing actions in December 2021
- Updating path to achieve fiscal 2022 EPS guidance of \$2.50
  - Raising expectations on the top line
  - Operating margin impacted by higher-than-expected costs and lag in pricing offset
  - Continue to expect to meet our EPS guidance

# Agenda



Q2 Overview



Looking Ahead

# Delivered Solid Q2 Results Amidst A Highly Dynamic Environment



	Q2	Q2 2-Year CAGR <sup>2</sup>
Organic Net Sales <sup>1</sup> Growth	+2.6%	+5.3%
Adj. EPS	\$0.64	+0.8%

Note: "Adjusted" financial measures, organic net sales, two-year compounded annualized organic net sales, and two-year compounded annualized adjusted EPS 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).
- Two-year compounded annualized numbers are calculated as  $((1 + \text{current year period's growth rate}) * (1 + \text{prior year period's growth rate})^{0.5}) - 1$ .

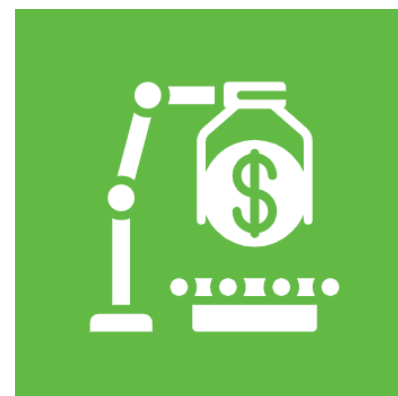
# Challenging Operating Environment Continued in Q2



**Higher Cost of  
Goods Sold  
Inflation**



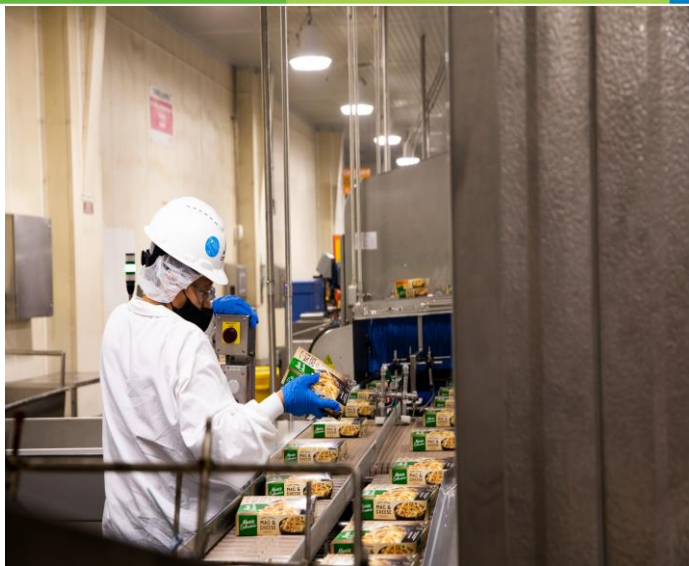
**Incremental  
Investments to  
Service Orders**



**Additional  
Transitory  
Costs**



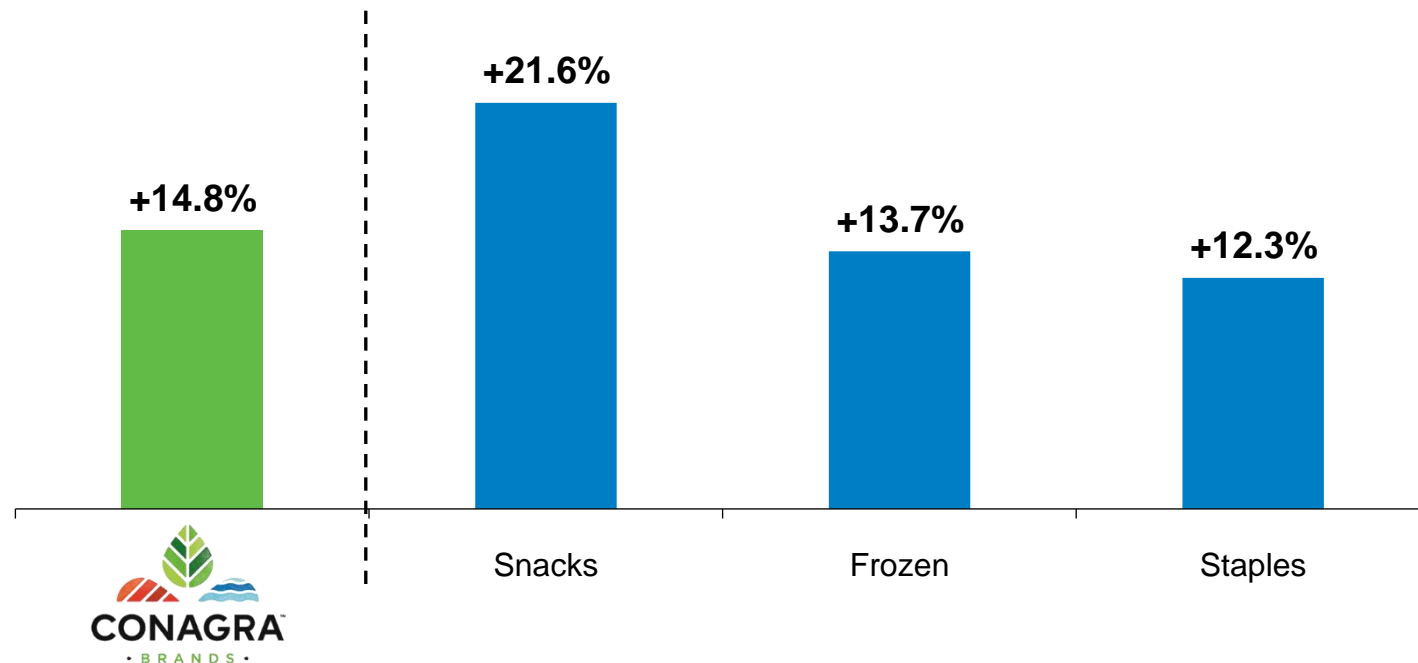
# Thank You to Our Operations Teams, Who Have Continued to Rise to the Challenge



# Another Quarter of Strong, Broad-Based Growth, Share Performance, and Household Penetration Gains



## Conagra Retail Sales (% Change vs. 2 YA)



**Total Conagra: +59 bps Household Penetration vs. 2 YA, +41 bps Category Share vs. 2 YA**

Source (Growth Rates): IRI POS, Total US MULO+C, Custom Conagra Hierarchy, 13-weeks ended Nov 28, 2021, Staples = Grocery + Refrigerated

Source (Household Penetration): IRI Consumer Panel, Total US All Outlets, Custom Conagra Hierarchy, 13-weeks ended Nov 28, 2021,

Total Conagra and Conagra Custom Pillars, Weighted Household Penetration

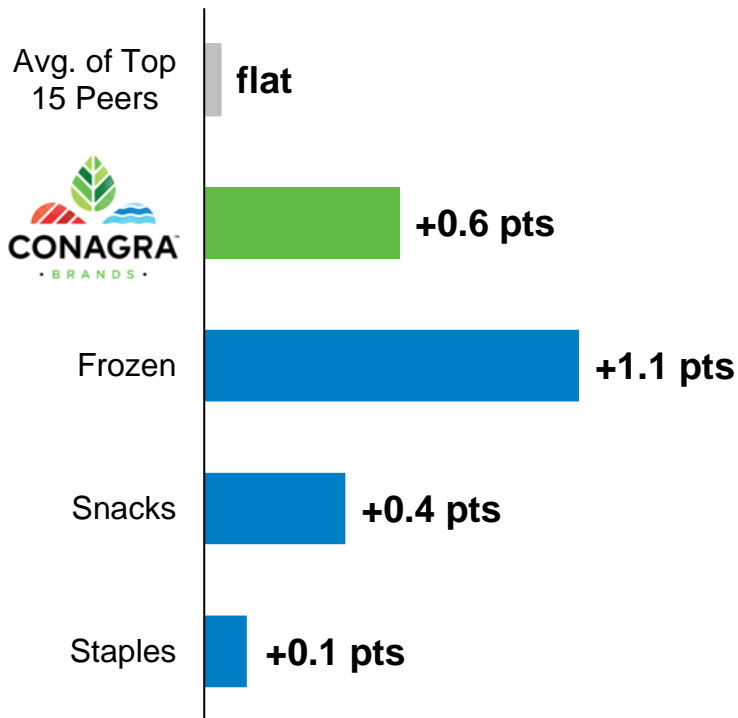
Source (Share): IRI POS, Total US MULO+C, Custom Conagra Hierarchy, 13-weeks ended Nov 28, 2021, Total Conagra and Conagra Custom Pillars, Weighted Dollar Share

# Continued to Sustain Household Penetration Gains and Higher Repeat Rates



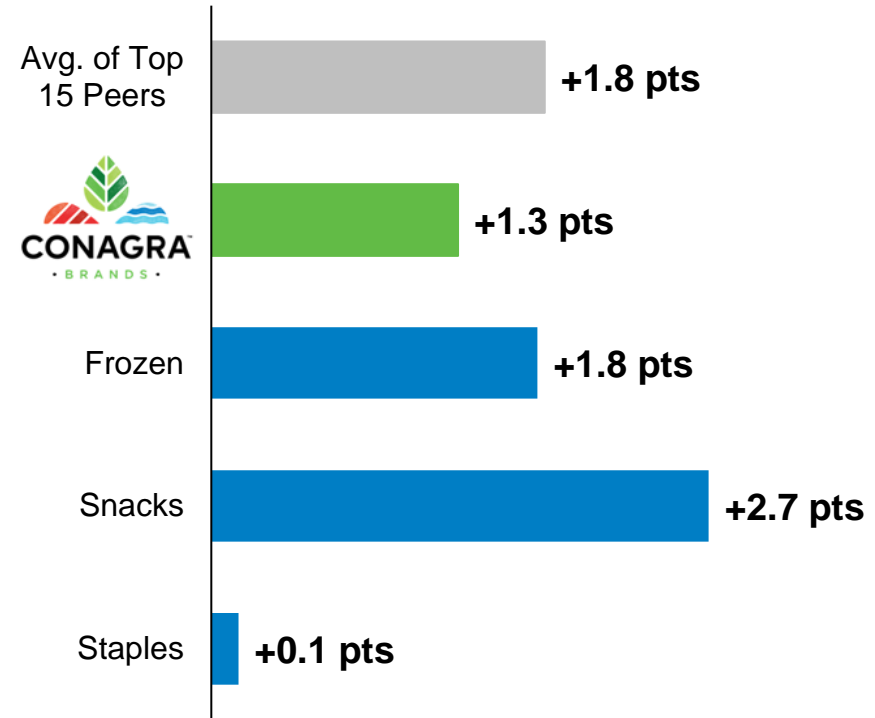
Q2 FY22

Wtd. Household Penetration  
(Point Change vs. 2 YA)



Q2 FY22

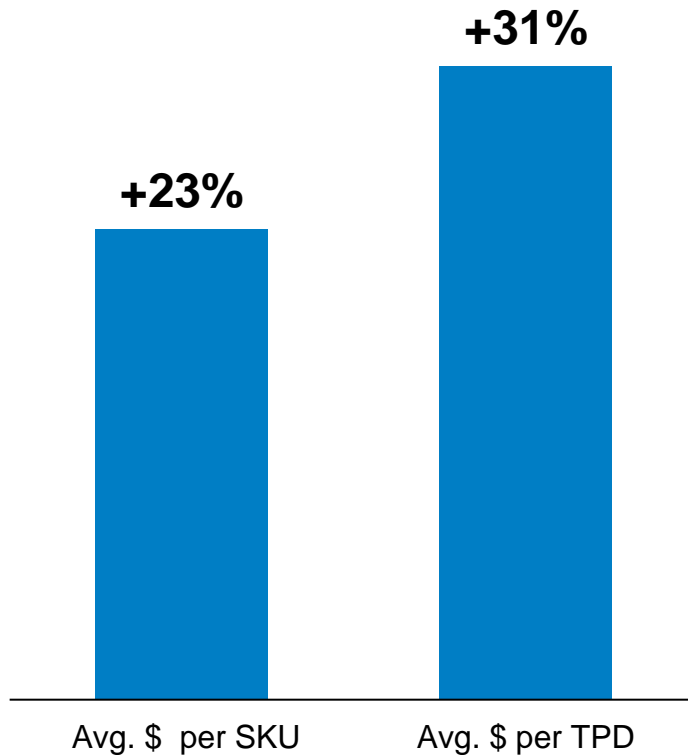
Wtd. Repeat Rate  
(Point Change vs. 2 YA)



# Innovation Strength Continued in Q2



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



## Q2 FY22 New Product Highlights

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



**Top Selling  
New Flavored SKU  
(Baking Mixes)**



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



**8 of Top 10 Selling New SKUs  
(Frozen Vegetables)**



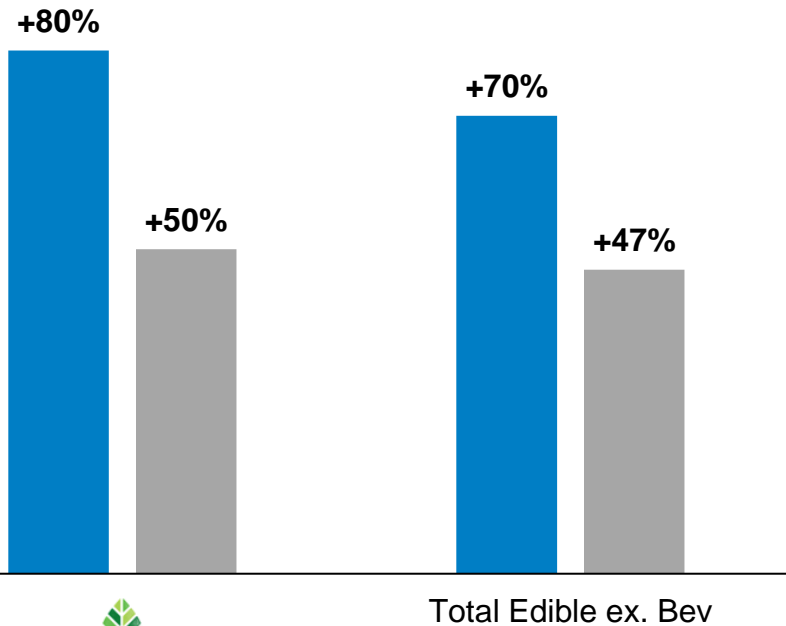
Source: IRI POS, Conagra Custom Hierarchy, Total US - MULO+C. 13 Weeks Ended November 28, 2021, Custom Innovation Aggregates, Top Selling = Highest Dollar Sales Among SKUs where Dollar Sales = 0 Year Ago

# E-Commerce Investments Have Driven Continued Outperformance vs. Industry

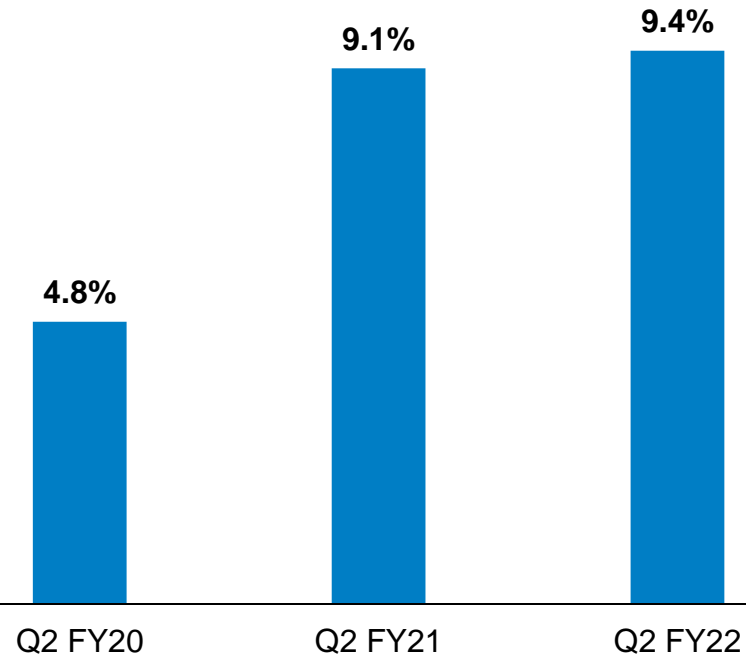


## Conagra vs. Industry eCommerce Retail Sales (2-Year CAGR)

■ FY21 ■ Q2 FY22



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



Note: IRI Restated Data in August 2021, latest weeks subject to change due to data stability.

Source (Left): Source: IRI eMarket Insights, Total Conagra vs. Total Edible x Beverage x Products Where Parent Company Is Unknown; Total eCommerce RMA; Data ended November 28, 2021

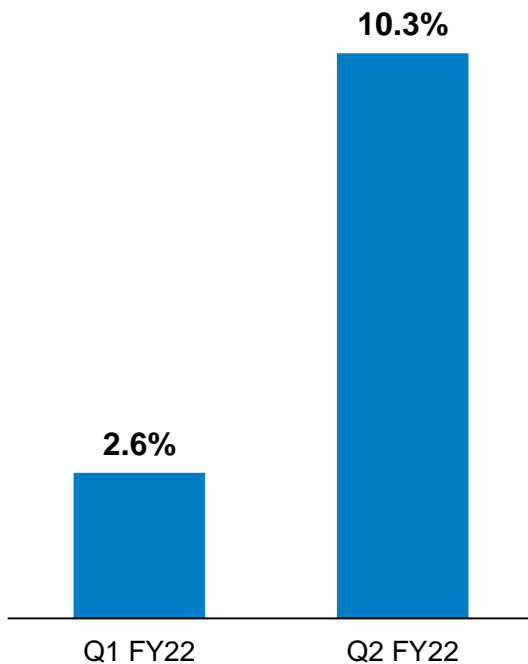
Source (Right Chart): IRI eMarket Insights, data ended November 28, 2021.

# Recent Pricing Actions Are Reflected on Shelf

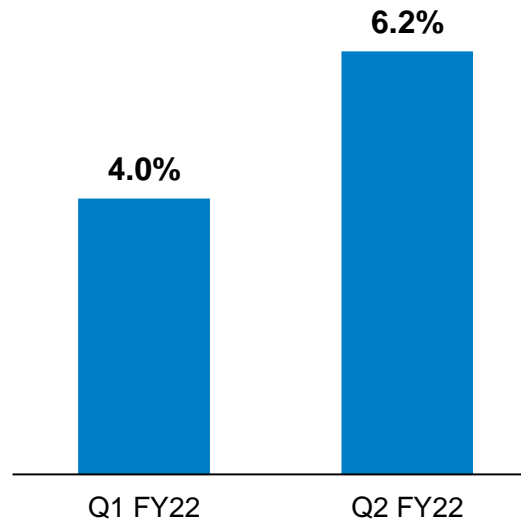


## Conagra Price per Unit (% Change vs. YA)

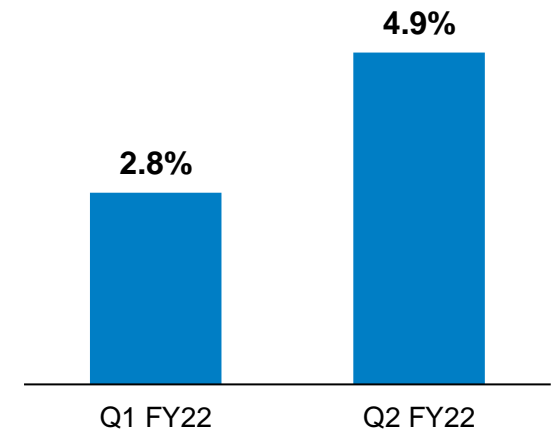
### Frozen



### Snacks



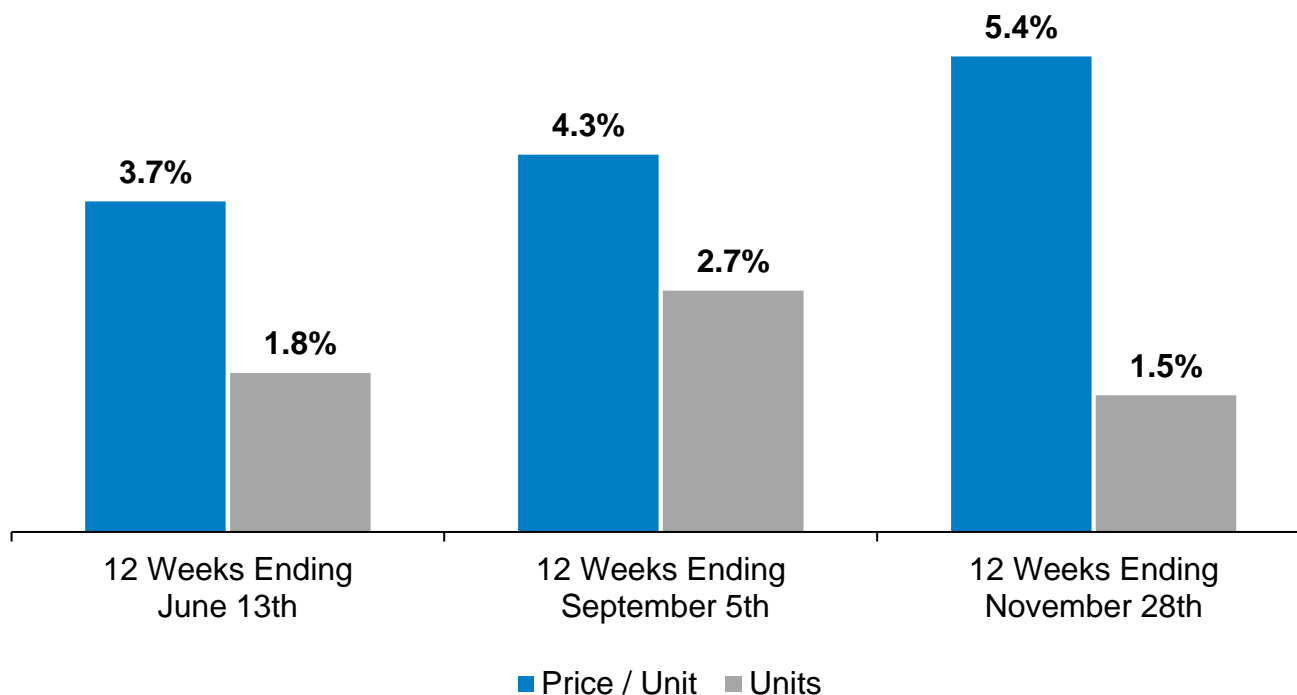
### Staples



# Price Elasticity Has Been Favorable to Expectations



## Total Conagra Price/Unit and Units (2-Year CAGR)



# Agenda



Q2 Overview



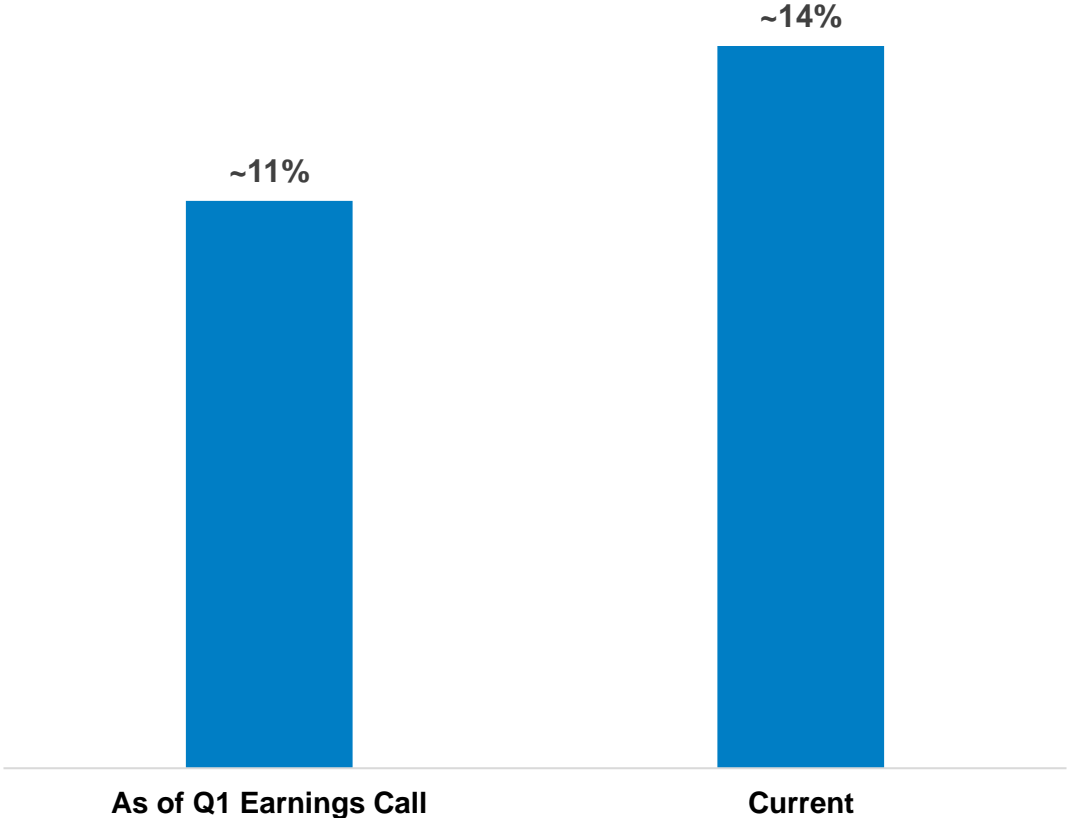
Looking Ahead



# Inflation Expectations Have Increased



## Expected FY22 COGS Inflation (excluding hedging and other sourcing benefits)



# Executing Incremental Inflation-Driven Pricing



- List price actions and modified merchandising plans
- Actions have already been announced to customers
- Effective in Q3 and Q4; primary benefit in Q4

# Changes in Consumer Behavior Are Proving To Be Structural

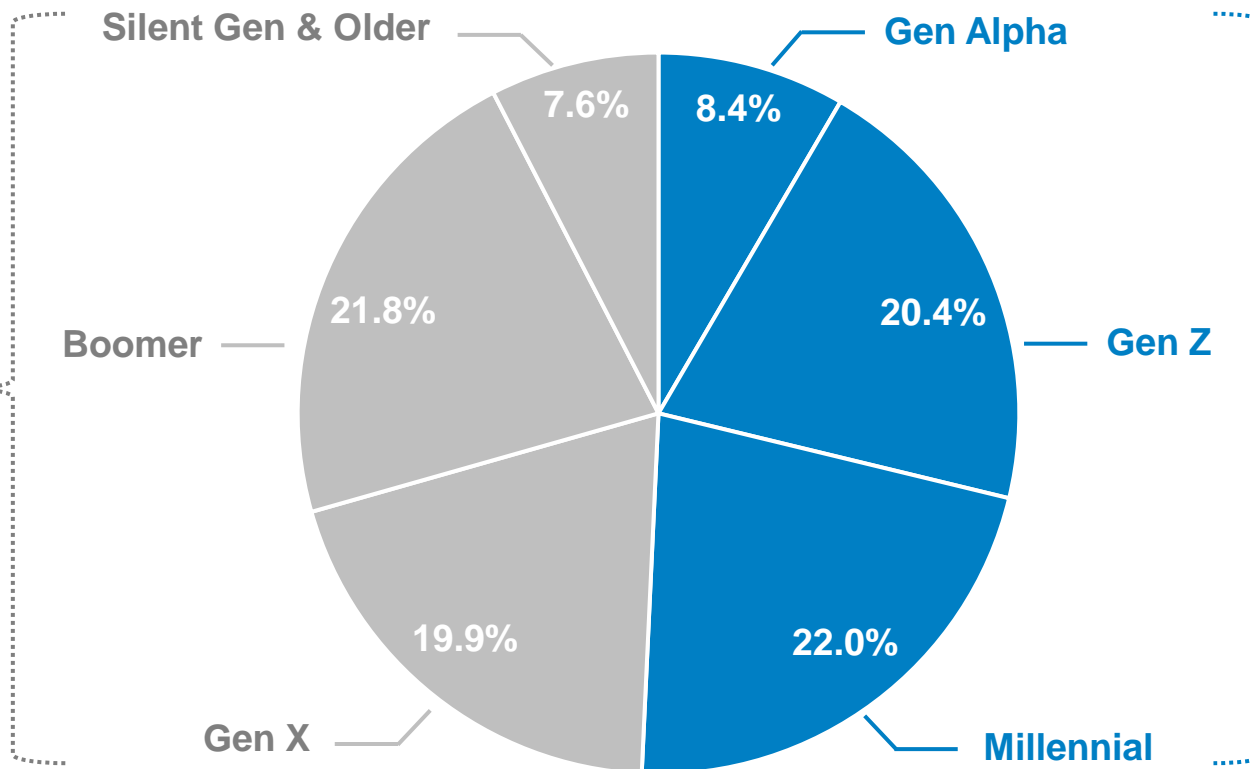


- Millennials and Gen Z now represent more than 42% of the U.S. population
- These younger consumers are seeking to optimize the value they get for their food spending
- As they trade out of Away-from-Home to At-Home, they are opting for more national brands and premium products
- Against this backdrop, Conagra is delivering Superior Relative Value versus both away from home and store brands

# Younger Generations Are the Largest and Fastest Growing Population Segments



## U.S. Population Share by Generation (2019)



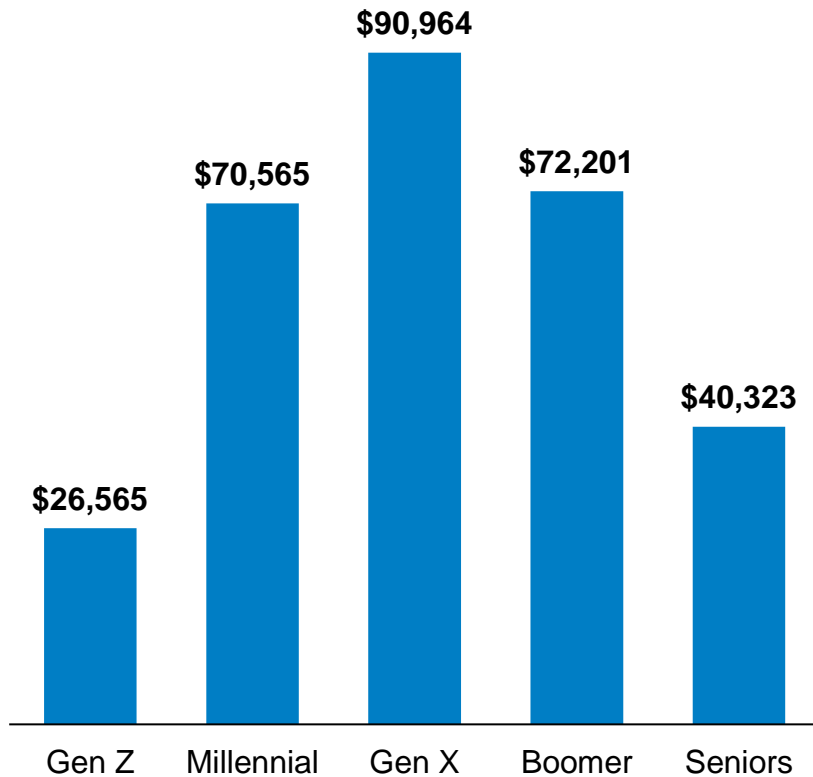
**(3)%**  
Projected  
Decline  
2030 vs. 2020

**+16%**  
Projected  
Growth  
2030 vs. 2020

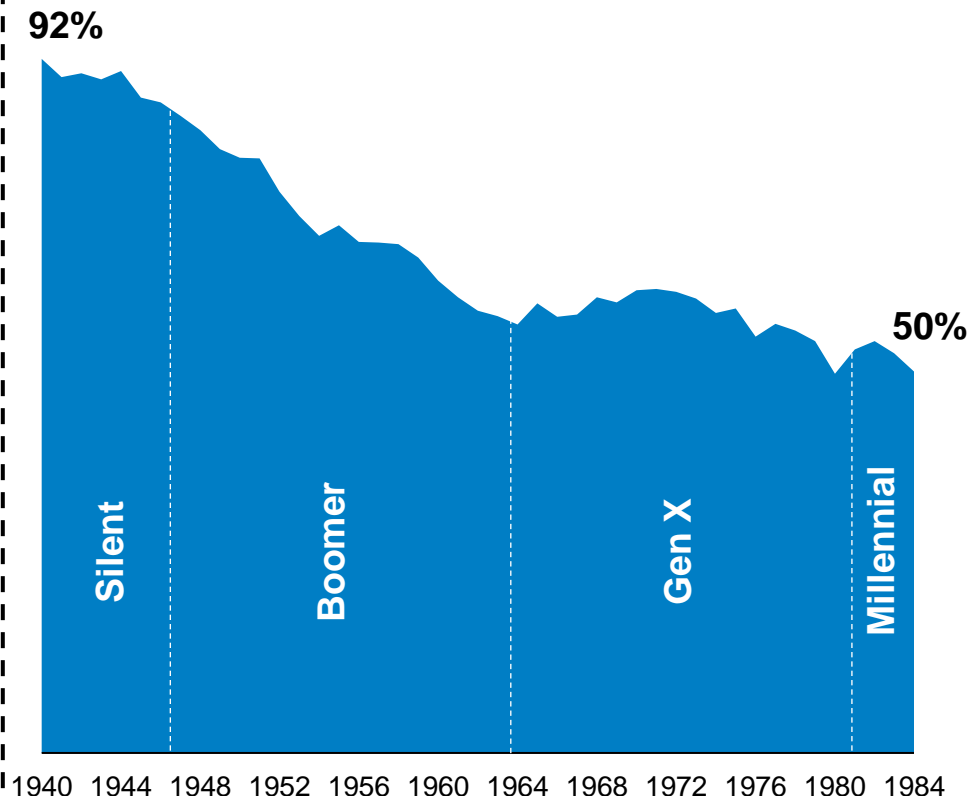
# As These Consumers Enter Their Peak Earnings Years, They Will Be More Value-Conscious



**Average Disposable Income by Generation (2019)**



**Percent of Children Earning More Than Their Parents (By Birth Year)**

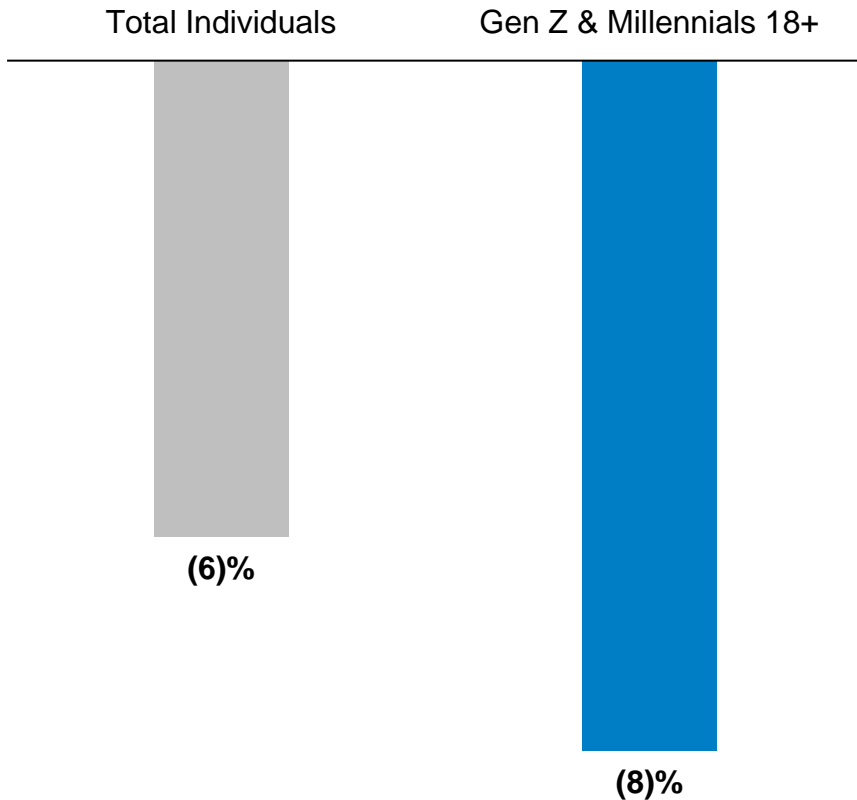


Source: (Left) U.S. Bureau of Labor Statistics, Consumer Expenditure Survey, 2019  
 Source (Right): National Bureau of Economic Research

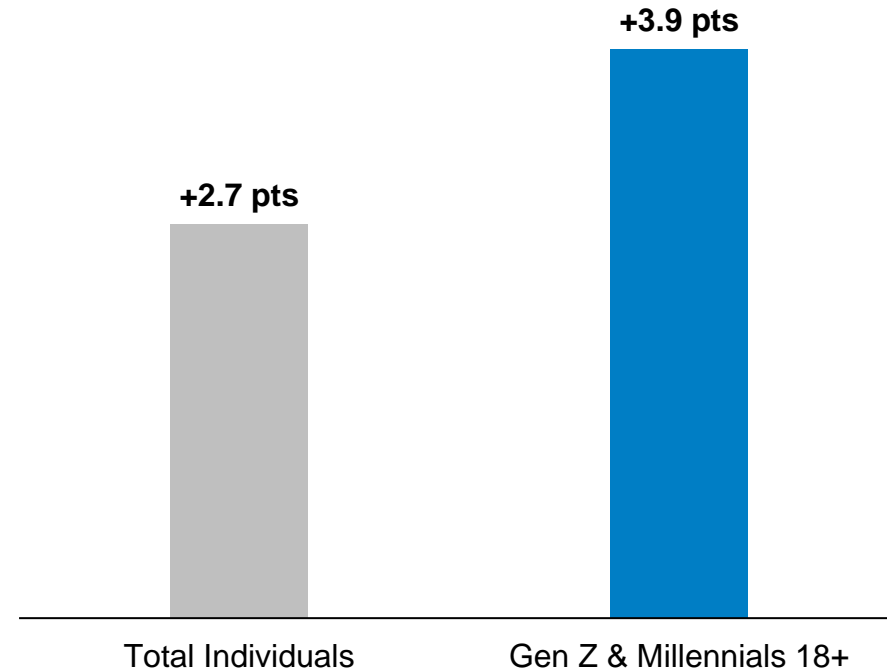
# Younger Consumers Have Driven the Greatest Shift to At-Home Eating Since the Pandemic Started



## Annual per Capita Restaurant Visits (% Change vs. 2 YA)



## % of Occasions Sourced In-Home (Point Change Total Pandemic vs. Year Ended February 2020)



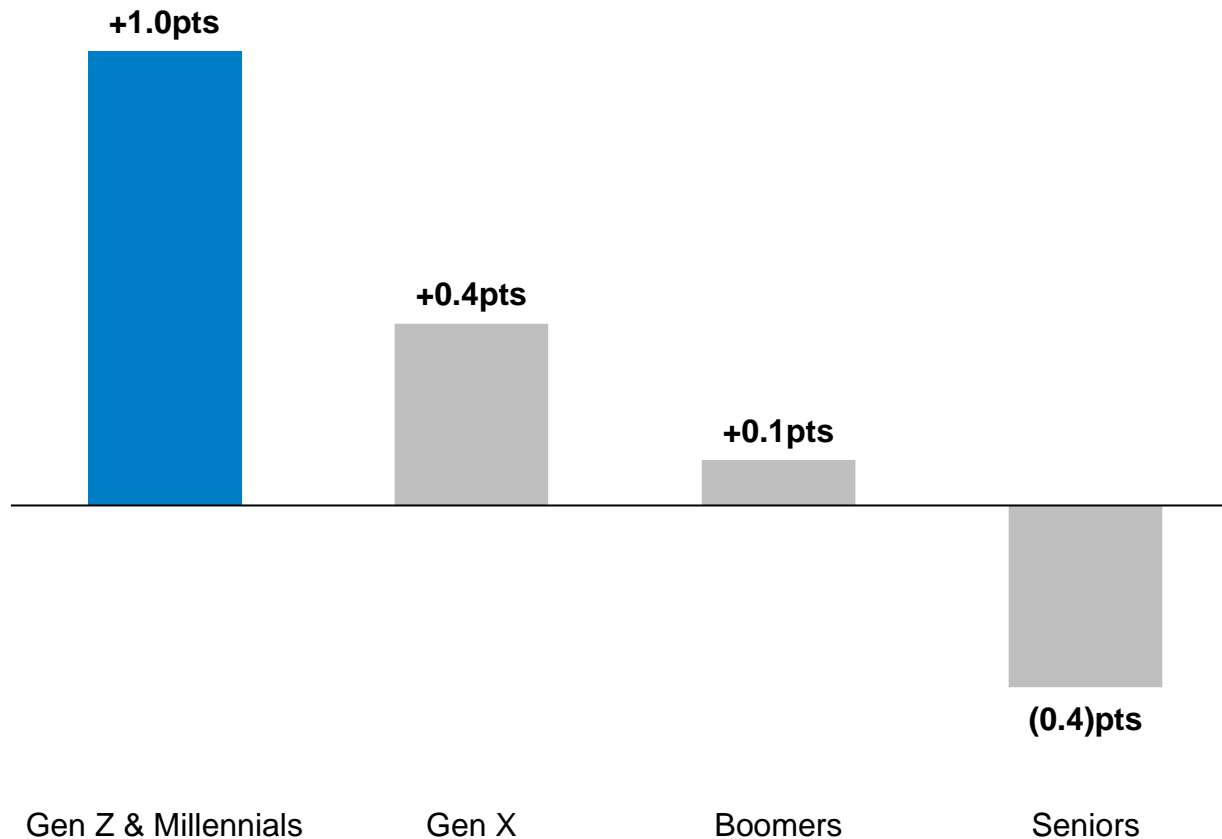
Source: (Left): The NPD Group / CREST, 12 Months Ended October 2021 vs. 2 YA

Source (Right): The NPD Group / National Eating Trends; Sourced IH/Retail, Total Pandemic = March 2020-October 2021 vs. YE February 2020

# Younger Consumers Are Opting for National Brands



**National Brand Dollar Share**  
(Point Change vs. YA)

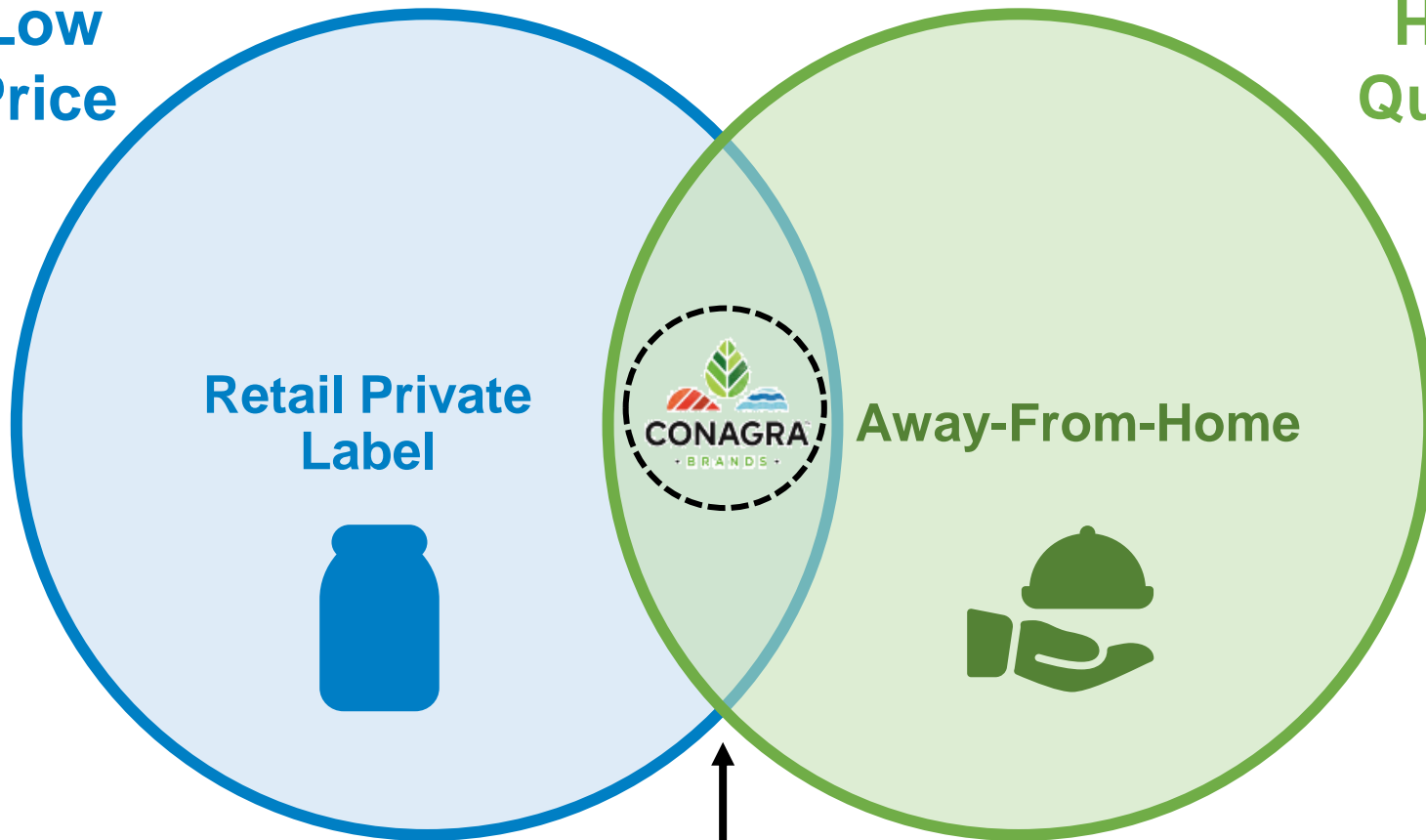


# Conagra's Brands Are Delivering Superior Relative Value vs. Away-from-Home and Store-Brand Options



Low Price

High Quality



Retail Private Label



Away-From-Home



Superior Relative Value  
sweet spot

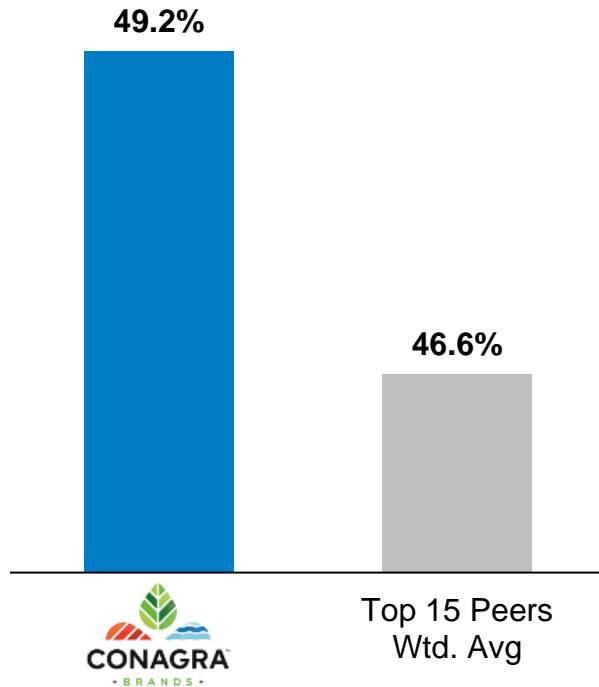


# Conagra Is Well-Positioned To Capture This Sustained, Structurally Higher Level of At-Home Eating



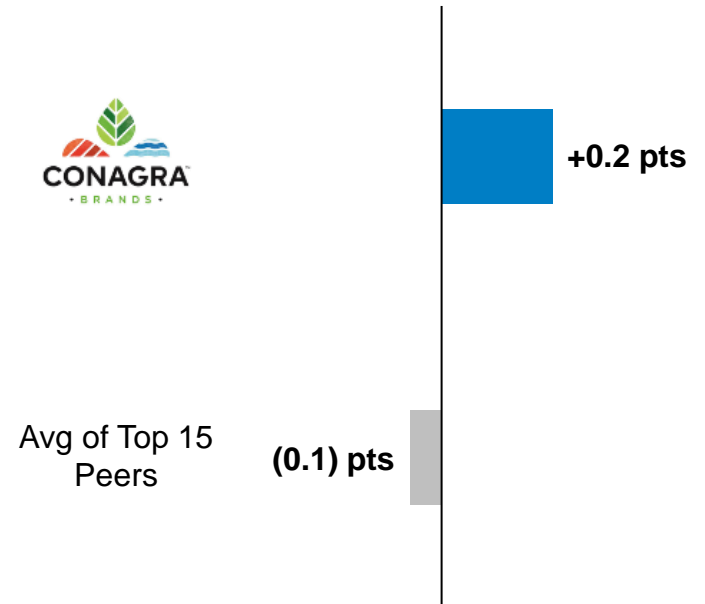
## We Are Attracting More Young New Users than Peers

### Gen Z & Millennial Share of New Buyers (Latest 52 Weeks)



## Who Are Repeat Purchasing Our Products at Higher Rates

### Gen Z & Millennial Weighted Repeat (Point Change vs. YA)



# Updating Fiscal 2022 Guidance<sup>1,2</sup>



FY22		
	Prior	Updated
Organic Net Sales Growth (vs. FY21) <sup>3</sup>	~+1%	~+3%
Adj. Operating Margin <sup>4</sup>	~16%	~15.5%
Adj. EPS	~\$2.50	~\$2.50
Gross Inflation	~11%	~14%

1. The inability to predict the amount and timing of the impacts of future items makes a detailed reconciliation of these forward-looking financial measures impracticable.
2. "Adjusted" financial measures and organic net sales are non-GAAP financial measures.
3. Organic net sales excludes the impact of foreign exchange and divested businesses and acquisitions (until the anniversary date of the acquisitions).
4. Adjusted operating margin excludes equity method investment earnings and pension and postretirement non-service expense (income).



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Dave Marberger

Executive Vice President and Chief Financial Officer

# Performance Summary



Dollars in Millions, except per share data Increase/(Decrease)	Q2	vs. YA
Reported Net Sales	\$3,059	+2.1%
Organic Net Sales Growth <sup>1</sup>		+2.6%
Adj. Gross Profit	767	(14.4)%
Adj. Gross Margin	25.1%	(483) bps
A&P	71	+12.5%
A&P as % of NS	2.3%	+21 bps
Adj. SG&A	248	+1.7%
Adj. SG&A as % of NS	8.1%	(4) bps
Adj. Op. Profit <sup>2</sup>	447	(23.9)%
Adj. Op. Margin <sup>2</sup>	14.6%	(500) bps
Adj. Net Income	306	(22.8)%
Adj. EBITDA <sup>3</sup>	585	(17.9)%
Adj. EPS	\$0.64	(21.0)%

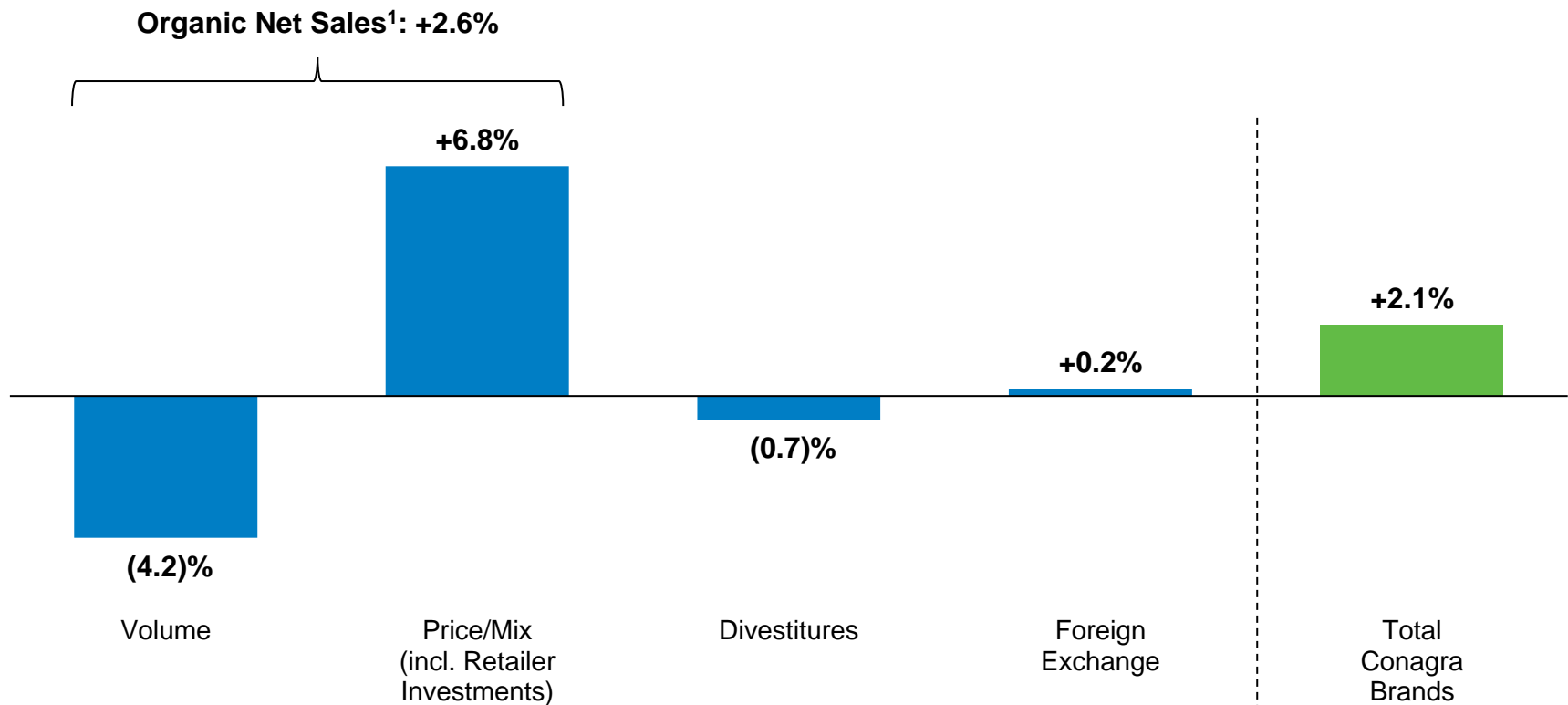
Note: "Adjusted" financial measures are non-GAAP. See the end of this presentation for a reconciliation of these measures to the most directly comparable GAAP measures.

1. Organic net sales excludes the impact of foreign exchange and divested businesses, as well as acquisitions (until the anniversary date of the acquisitions).
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).

# Net Sales Summary by Segment



Dollars in Millions Increase/(Decrease)	Net Sales			
	Q2	Reported vs. YA	Organic vs. YA <sup>1</sup>	Organic 2-Year CAGR <sup>2</sup>
Grocery & Snacks	\$1,265	(1.4)%	(0.6)%	+7.1%
Refrigerated & Frozen	1,286	+3.0%	+3.9%	+5.8%
International	262	+5.0%	+2.1%	+5.5%
Foodservice	246	+14.9%	+15.2%	(4.9)%
<b>Total Conagra Brands</b>	<b>\$3,059</b>	<b>+2.1%</b>	<b>+2.6%</b>	<b>+5.3%</b>

Note: Organic net sales, two-year compounded annualized organic net sales, and two-year compounded annualized adjusted EPS are non-GAAP. See the end of this presentation for a reconciliation of these measure to the most directly comparable GAAP measures. Numbers may not add due to rounding.

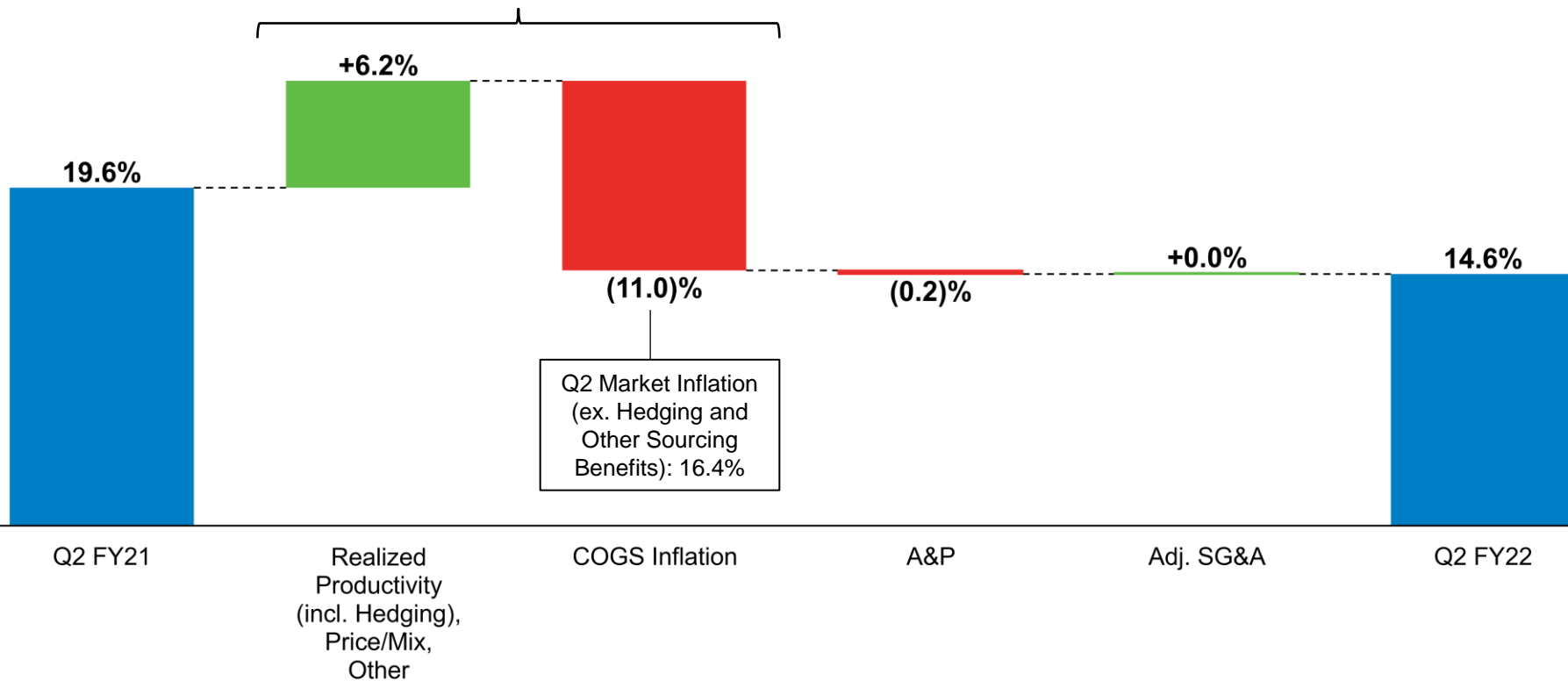
1. Organic net sales excludes the impact of foreign exchange and divested businesses, as well as acquisitions (until the anniversary date of the acquisitions).
2. Two-year compounded annualized numbers are calculated as  $((1 + \text{current year period's growth rate}) * (1 + \text{prior year period's growth rate}) ^ 0.5) - 1$ .

# Operating Margin Bridge



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

Adj. Gross Margin: (483) 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 Increase/(Decrease)	Adj. Op. Profit <sup>1</sup>			Adj. Op. Margin <sup>1</sup>		
	Q2	vs. YA	vs. 2-Year CAGR <sup>2</sup>	Q2	vs. YA	vs. 2 YA
Grocery & Snacks	\$274	(14.1)%	+0.1%	21.6%	(320) bps	(232) bps
Refrigerated & Frozen	189	(30.4)%	(6.5)%	14.7%	(707) bps	(382) bps
International	37	(5.9)%	+18.2%	14.1%	(164) bps	+281 bps
Foodservice	19	(18.1)%	(30.4)%	7.5%	(304) bps	(623) bps
Adjusted Corporate Expense	(71)	+10.1%	Flat	-	-	-
<b>Total Conagra Brands</b>	<b>\$447</b>	<b>(23.9)%</b>	<b>(3.8)%</b>	<b>14.6%</b>	<b>(500) bps</b>	<b>(250) bps</b>

Note: "Adjusted" financial measures, two-year compounded annualized organic net sales, and two-year compounded annualized adjusted EPS 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.

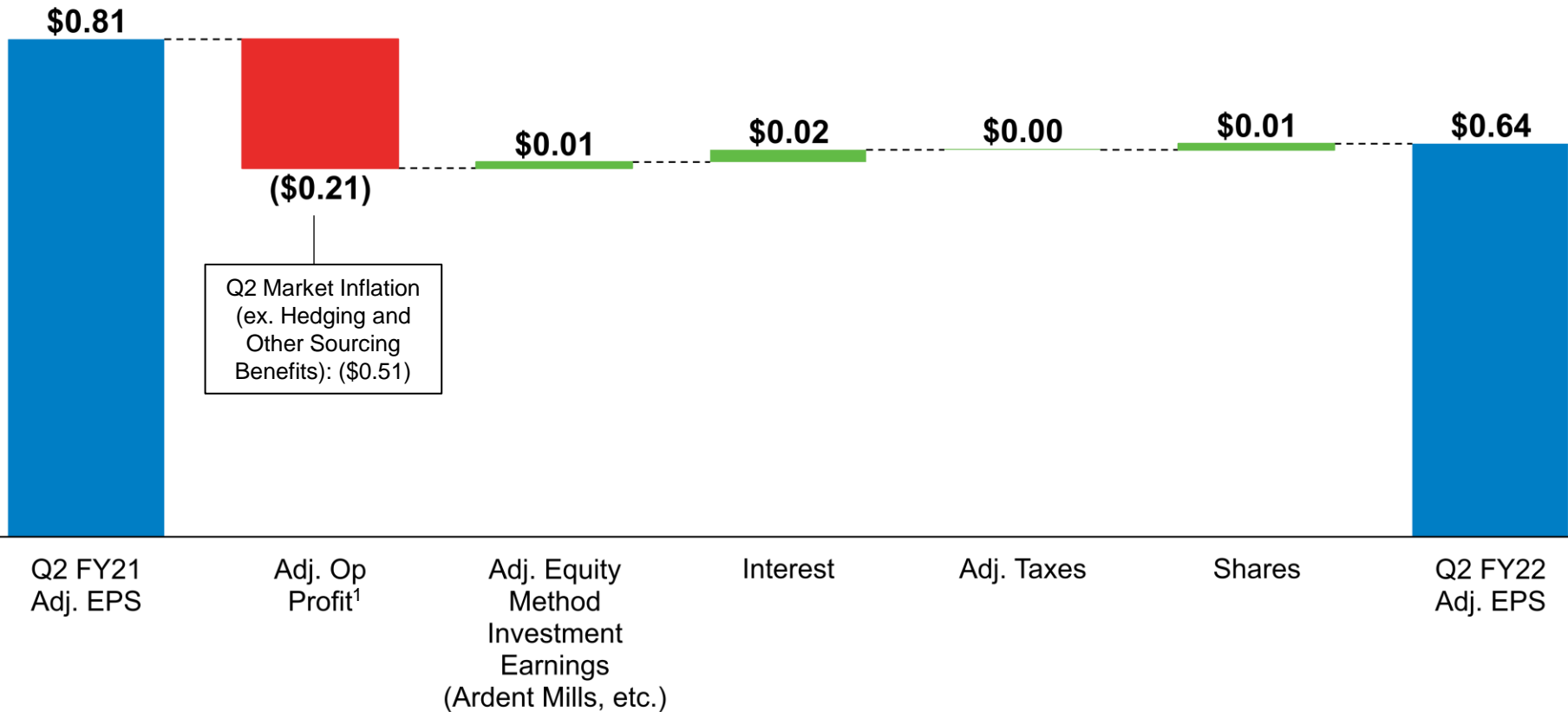
- Adjusted operating profit and adjusted operating margin exclude equity method investment earnings and pension and postretirement non-service expense (income).
- Two-year compounded annualized numbers are calculated as  $((1 + \text{current year period's growth rate}) * (1 + \text{prior year period's growth rate}))^{0.5} - 1$ .



# Adjusted EPS Bridge



## Drivers of Q2 Adjusted EPS 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).

# Q2 Adjusted EPS vs. Expectations



	<b>Favorable / (Unfavorable)</b>
Higher Than Expected Net Inflation Not Yet Offset By Additional Pricing	\$(0.02) to \$(0.03)
Additional Investments to Service Orders / Transitory Supply Chain Costs	\$(0.02) to \$(0.03)

# Balance Sheet and Cash Flow



- Q2 Net Leverage ratio<sup>1</sup> of 4.3x
  - Net debt<sup>2</sup> at seasonally high level
  - Adj. EBITDA impacted by lag between inflation and pricing
- Expect Net Leverage Ratio of ~3.7x to 3.8x at Q4 FY22
- Remain committed to investment grade credit rating and longer-term net leverage target of ~3.5x

Note: Net Debt Net Leverage Ratio, and adjusted EBITDA are non-GAAP. See the end of this presentation for a reconciliation of these measures to the most directly comparable GAAP measures.

1. Net Leverage Ratio is net debt divided by Adjusted EBITDA for the trailing four quarter.

2. Debt is the sum of notes payable, current installments of long-term debt, senior long-term debt, and subordinated debt. Net Debt is Debt less Cash.

# Updating Fiscal 2022 Guidance<sup>1,2</sup>



FY22		
	Prior	Updated
Organic Net Sales Growth (vs. FY21) <sup>3</sup>	~+1%	~+3%
Adj. Operating Margin <sup>4</sup>	~16%	~15.5%
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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 FY22</b>					
Net Sales	\$ 1,264.5	\$ 1,285.9	\$ 262.2	\$ 246.3	\$ 3,058.9
Impact of foreign exchange	—	—	(7.5)	—	(7.5)
<b>Organic Net Sales</b>	<b>\$ 1,264.5</b>	<b>\$ 1,285.9</b>	<b>\$ 254.7</b>	<b>\$ 246.3</b>	<b>\$ 3,051.4</b>
<b>Year-over-year change - Net Sales</b>	<b>(1.4)%</b>	<b>3.0%</b>	<b>5.0%</b>	<b>14.9%</b>	<b>2.1%</b>
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>
Volume (Organic)	(5.3)%	(4.7)%	(5.8)%	9.1%	(4.2)%
Price/Mix	4.7%	8.6%	7.9%	6.1%	6.8%
<b>Q2 FY21</b>					
Net Sales	\$ 1,283.1	\$ 1,248.0	\$ 249.8	\$ 214.3	\$ 2,995.2
Net sales from divested businesses	(10.8)	(10.1)	(0.4)	(0.5)	(21.8)
<b>Organic Net Sales</b>	<b>\$ 1,272.3</b>	<b>\$ 1,237.9</b>	<b>\$ 249.4</b>	<b>\$ 213.8</b>	<b>\$ 2,973.4</b>

# 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>					
Net Sales	\$ 1,283.1	\$ 1,248.0	\$ 249.8	\$ 214.3	\$ 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>	<b>\$ 1,281.5</b>	<b>\$ 1,248.0</b>	<b>\$ 255.8</b>	<b>\$ 214.0</b>	<b>\$ 2,999.3</b>
<b>Year-over-year change - Net Sales</b>	<b>12.6%</b>	<b>6.8%</b>	<b>6.6%</b>	<b>(23.1)%</b>	<b>6.2%</b>
Impact of foreign exchange (pp)	—	—	2.5	—	0.2
Net sales from divested businesses (pp)	2.8	1.0	—	1.6	1.7
<b>Organic Net Sales</b>	<b>15.4%</b>	<b>7.8%</b>	<b>9.1%</b>	<b>(21.5)%</b>	<b>8.1%</b>
Volume (Organic)	13.7%	6.4%	6.4%	(25.4)%	6.6%
Price/Mix	1.7%	1.4%	2.7%	3.9%	1.5%
<b>Q2 FY20</b>					
Net Sales	\$ 1,139.4	\$ 1,168.3	\$ 234.3	\$ 278.8	\$ 2,820.8
Net sales from divested businesses	(29.0)	(10.3)	—	(6.3)	(45.6)
<b>Organic Net Sales</b>	<b>\$ 1,110.4</b>	<b>\$ 1,158.0</b>	<b>\$ 234.3</b>	<b>\$ 272.5</b>	<b>\$ 2,775.2</b>
2-year compound growth	5.4%	4.9%	5.8%	(6.0)%	4.1%
Organic 2-year compound growth	7.1%	5.8%	5.5%	(4.9)%	5.3%



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



Q2 FY22	Grocery & Snacks	Refrigerated & Frozen	International	Foodservice	Corporate Expense	Total Conagra Brands
<b>Operating Profit</b>	\$ 249.2	\$ 168.3	\$ 37.1	\$ 13.8	\$ (59.0)	\$ 409.4
Restructuring plans	2.0	6.8	—	—	3.6	12.4
Impairment of businesses held for sale	22.4	12.0	—	4.8	—	39.2
Acquisitions and divestitures	—	—	—	—	0.6	0.6
Consulting fees on tax matters	—	1.7	—	—	—	1.7
Proceeds received from the sale of a legacy investment	—	—	—	—	(3.3)	(3.3)
Legal matters	—	—	—	—	(14.6)	(14.6)
Corporate hedging derivative losses (gains)	—	—	—	—	1.8	1.8
<b>Adjusted Operating Profit</b>	<b>\$ 273.6</b>	<b>\$ 188.8</b>	<b>\$ 37.1</b>	<b>\$ 18.6</b>	<b>\$ (70.9)</b>	<b>\$ 447.2</b>
Operating Profit Margin	19.7%	13.1%	14.2%	5.6%		13.4%
Adjusted Operating Profit Margin	21.6%	14.7%	14.1%	7.5%		14.6%
Year-over-year % change - Operating Profit	(21.2)%	(36.3)%	(5.8)%	(39.1)%	(47.0)%	(22.9)%
Year-over-year % change - Adjusted Operating Profit	(14.1)%	(30.4)%	(5.9)%	(18.1)%	10.1%	(23.9)%
Year-over-year bps change - Operating Profit	(492) bps	(809) bps	(163) bps	(497) bps		(435) bps
Year-over-year bps change - Adjusted Operating Profit	(320) bps	(707) bps	(164) bps	(304) bps		(500) bps

# 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>	\$ 316.1	\$ 264.3	\$ 39.5	\$ 22.6	\$ (111.3)	\$ 531.2
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>\$ 318.6</b>	<b>\$ 271.5</b>	<b>\$ 39.5</b>	<b>\$ 22.6</b>	<b>\$ (64.4)</b>	<b>\$ 587.8</b>
Operating Profit Margin	24.6%	21.2%	15.8%	10.6%		17.7%
Adjusted Operating Profit Margin	24.8%	21.8%	15.8%	10.6%		19.6%
Year-over-year % change - Operating Profit	19.9%	41.1%	49.3%	(40.9)%	27.0%	24.1%
Year-over-year % change - Adjusted Operating Profit	16.7%	25.6%	48.4%	(40.9)%	(9.2)%	21.7%
Year-over-year bps change - Operating Profit	149 bps	514 bps	451 bps	(319) bps		256 bps
Year-over-year bps change - Adjusted Operating Profit	88 bps	325 bps	445 bps	(319) bps		250 bps
<b>Q2 FY20</b>						
<b>Operating Profit</b>	\$ 263.6	\$ 187.4	\$ 26.4	\$ 38.4	\$ (87.7)	\$ 428.1
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>\$ 272.9</b>	<b>\$ 216.2</b>	<b>\$ 26.6</b>	<b>\$ 38.4</b>	<b>\$ (71.0)</b>	<b>\$ 483.1</b>
Operating Profit Margin	23.1%	16.0%	11.3%	13.8%		15.2%
Adjusted Operating Profit Margin	23.9%	18.5%	11.3%	13.8%		17.1%
2-year compound growth - reported	(2.8)%	(5.2)%	18.6%	(40.0)%	(18.0)%	(2.2)%
2-year compound growth - adjusted	0.1%	(6.5)%	18.2%	(30.4)%	—	(3.8)%

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



Q2 FY22	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>	\$ 754.8	\$ 345.4	\$ 409.4	\$ 330.6	\$ 84.2	23.4 %	\$ 275.5	\$ 0.57
<b>% of Net Sales</b>	<b>24.7 %</b>	<b>11.3 %</b>	<b>13.4 %</b>					
Restructuring plans	9.9	2.5	12.4	12.4	3.1		9.3	0.02
Acquisitions and divestitures	—	0.6	0.6	0.6	0.1		0.5	—
Corporate hedging derivative losses (gains)	1.8	—	1.8	1.8	0.4		1.4	—
Advertising and promotion expenses <sup>2</sup>	—	71.4	—	—	—		—	—
Consulting fees on tax matters	—	1.7	1.7	1.7	0.5		1.2	—
Legal matters	—	(14.6)	(14.6)	(14.6)	(3.6)		(11.0)	(0.02)
Proceeds received from the sale of a legacy investment	—	(3.3)	(3.3)	(3.3)	(0.5)		(2.8)	(0.01)
Impairment of businesses held for sale	—	39.2	39.2	39.2	7.0		32.2	0.07
Rounding	—	—	—	—	—		—	0.01
<b>Adjusted</b>	<b>\$ 766.5</b>	<b>\$ 247.9</b>	<b>\$ 447.2</b>	<b>\$ 368.4</b>	<b>\$ 91.2</b>	<b>22.9 %</b>	<b>\$ 306.3</b>	<b>\$ 0.64</b>
<b>% of Net Sales</b>	<b>25.1 %</b>	<b>8.1 %</b>	<b>14.6 %</b>					
<i>Year-over-year % of net sales change - reported</i>	<i>(500) bps</i>	<i>(65) bps</i>	<i>(435) bps</i>					
<i>Year-over-year % of net sales change - adjusted</i>	<i>(483) bps</i>	<i>(4) bps</i>	<i>(500) bps</i>					
<i>Year-over-year change - reported</i>	<i>(15.1)%</i>	<i>(3.5)%</i>	<i>(22.9)%</i>	<i>(24.4)%</i>	<i>4.3%</i>		<i>(27.3)%</i>	<i>(26.0)%</i>
<i>Year-over-year change - adjusted</i>	<i>(14.4)%</i>	<i>1.7%</i>	<i>(22.9)%</i>	<i>(25.4)%</i>	<i>(23.9)%</i>		<i>(22.0)%</i>	<i>(21.0)%</i>

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
<b>% of Net Sales</b>	<b>29.7 %</b>	<b>11.9 %</b>	<b>17.7 %</b>					
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>	<b>\$ 895.1</b>	<b>\$ 243.7</b>	<b>\$ 587.8</b>	<b>\$ 493.8</b>	<b>\$ 119.8</b>	<b>23.2 %</b>	<b>\$ 396.4</b>	<b>\$ 0.81</b>
<b>% of Net Sales</b>	<b>29.9 %</b>	<b>8.1 %</b>	<b>19.6 %</b>					
<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>(6.1)%</i>	<i>21.7%</i>	<i>32.4%</i>	<i>27.4%</i>		<i>29.5%</i>	<i>28.6%</i>

- 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.

# 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
<b>% of Net Sales</b>	<b>28.3 %</b>	<b>13.1 %</b>	<b>15.2 %</b>					
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
<b>% of Net Sales</b>	<b>28.5 %</b>	<b>9.2 %</b>	<b>17.1 %</b>					

<i>2-year compound growth - reported</i>	<i>3.7%</i>
<i>2-year compound growth - adjusted</i>	<i>0.8%</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)



	November 28, 2021	November 29, 2020	% Change
Net cash flows from operating activities	\$ 262.1	\$ 541.4	(51.6)%
Additions to property, plant and equipment	(257.5)	(282.0)	(8.7)%
<b>Free cash flow</b>	<b>\$ 4.6</b>	<b>\$ 259.4</b>	<b>(98.2)%</b>

	Q2FY22	Q2 FY21
Notes payable	\$ 585.8	\$ 368.6
Current installments of long-term debt	270.6	618.4
Senior long-term debt, excluding current installments	8,527.8	8,279.7
<b>Total Debt</b>	<b>\$ 9,384.2</b>	<b>\$ 9,266.7</b>
Less: Cash	68.7	68.0
<b>Net Debt</b>	<b>\$ 9,315.5</b>	<b>\$ 9,198.7</b>

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



	Q2 FY22 LTM <sup>2</sup>
<b>Net Debt</b>	<b>\$ 9,315.5</b>
<b>Net income attributable to Conagra Brands, Inc.</b>	<b>\$ 1,101.8</b>
Add Back: Income tax expense	180.3
Income tax expense attributable to noncontrolling interests	(0.6)
Interest expense, net	388.1
Depreciation	328.7
Amortization	59.5
<b>Earnings before interest, taxes, depreciation, and amortization (EBITDA)</b>	<b>\$ 2,057.8</b>
Restructuring plans <sup>1</sup>	32.5
Acquisitions and divestitures	4.1
Corporate hedging derivative gains	(18.2)
Consulting fees on tax matters	7.7
Gain on divestiture of businesses	(53.1)
Proceeds received from the sale of a legacy investment	(3.3)
Impairment of businesses held for sale	39.2
Legal matters	(10.0)
Early extinguishment of debt	24.4
Brand impairment charges	90.9
<b>Adjusted EBITDA</b>	<b>\$ 2,172.0</b>
<b>Net Debt to Adjusted LTM EBITDA</b>	<b>4.3</b>

<sup>1</sup> Excludes comparability items related to depreciation.

<sup>2</sup> Last twelve months

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



	Q2 FY22	Q2 FY21	% Change
<b>Net income attributable to Conagra Brands, Inc.</b>	<b>\$ 275.5</b>	<b>\$ 378.9</b>	<b>(27.3)%</b>
Add Back:			
Income tax expense	84.2	80.7	
Income tax expense attributable to noncontrolling interests	(0.1)	(0.1)	
Interest expense, net	94.9	107.7	
Depreciation	82.2	82.8	
Amortization	14.8	15.0	
<b>Earnings before interest, taxes, depreciation, and amortization</b>	<b>\$ 551.5</b>	<b>\$ 665.0</b>	<b>(17.0)%</b>
Restructuring plans <sup>1</sup>	7.7	11.4	
Acquisitions and divestitures	0.6	0.5	
Corporate hedging derivative losses (gains)	1.8	(3.3)	
Early extinguishment of debt	—	44.3	
Consulting fees on tax matters	1.7	(0.3)	
Proceeds received from the sale of a legacy investment	(3.3)	—	
Impairment of businesses held for sale	39.2	—	
Gain on divestiture of a business	—	(5.3)	
Legal matters	(14.6)	—	
<b>Adjusted Earnings before interest, taxes, depreciation, and amortization</b>	<b>\$ 584.6</b>	<b>\$ 712.3</b>	<b>(17.9)%</b>

<sup>1</sup> Excludes comparability items related to depreciation.



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