



FY23 Q4 Earnings Presentation

July 13, 2023

Today's Presenters



Melissa Napier

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: 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

Agenda



Business Update



Looking Ahead

Key Messages



- Delivered solid profit and margin growth in Q4 despite impact from Americold disruption
- Strong overall FY23 performance in a challenging operating environment
- Brands well positioned emerging from COVID and inflation super-cycle
- Fiscal 2024 outlook reflects a transition toward a normalized operating environment and long-term algorithm

FY23 Q4 and Full Year Results



	Q4	Q4 vs. YA	FY23	FY23 vs. YA
Organic Net Sales ¹	\$2,976	+2.2%	\$12,298	+6.6%
Adj. Gross Margin ¹	27.0%	+216 bps	27.1%	+226 bps
Adj. Operating Margin ¹	14.6%	(39) bps	15.6%	+125 bps
Adj. EPS ¹	\$0.62	(4.6)%	\$2.77	+17.4%

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

Delivered on Our FY23 Priorities

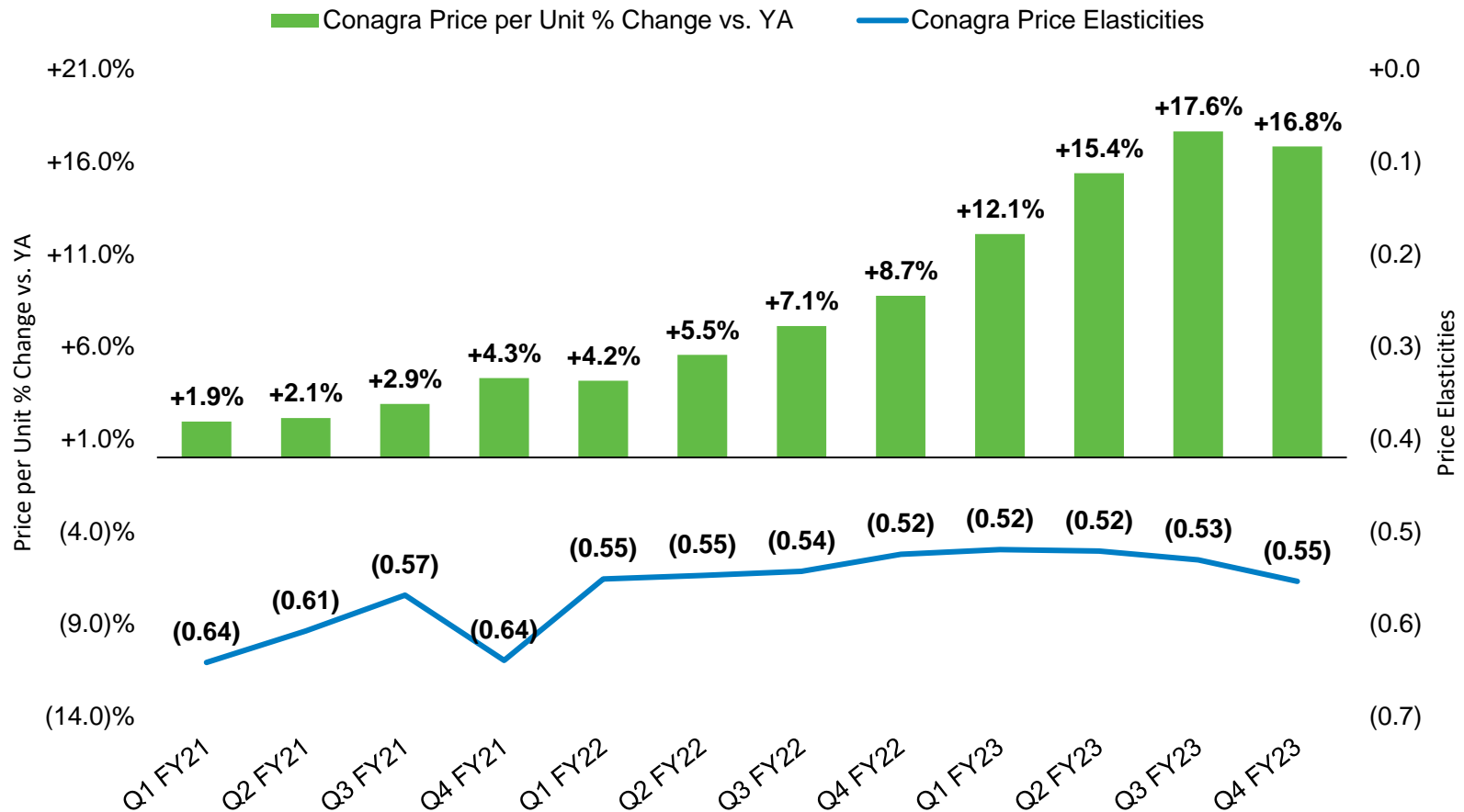


- ✓ Executed pricing actions
- ✓ Drove margin recovery
- ✓ Strengthened supply chain
- ✓ Reduced net leverage
- ✓ Invested to maintain brand strength

Pricing Peaked in Q3; Elasticities Softened in Q4 but Remained Muted vs. Historical Norms



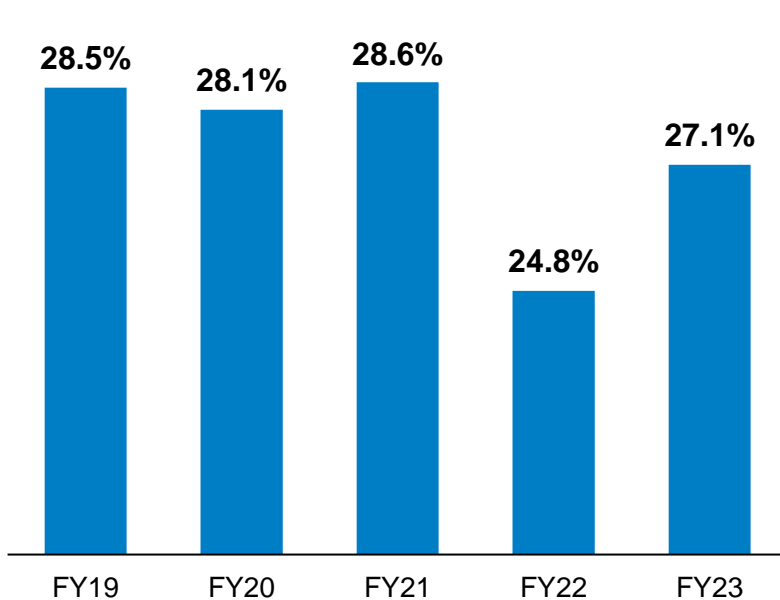
Conagra Elasticities vs. Price per Unit (Rolling 52 Week Periods)



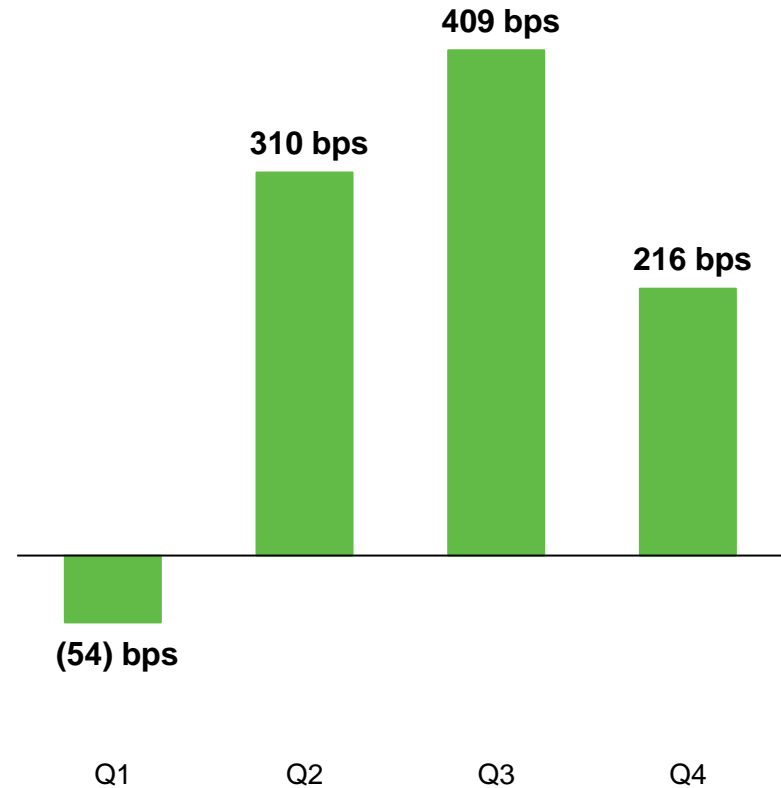
Q4 FY23 Delivered Third Consecutive Quarter of Strong Adj. Gross Margin¹ Improvement



Adj. Gross Margin¹ by Fiscal Year



FY23 Adj. Gross Margin¹ (Change vs. YA)



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

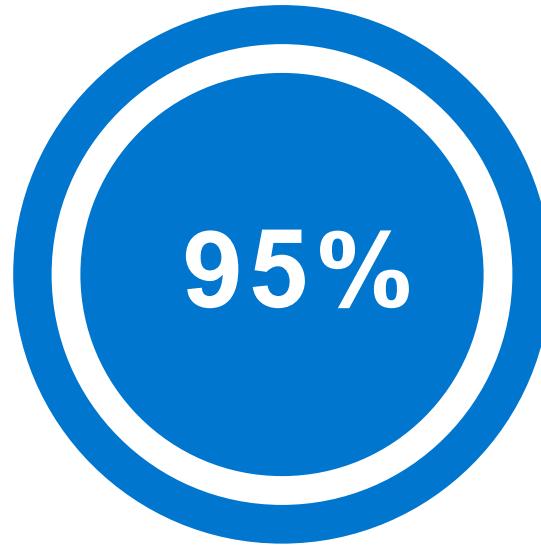
Supply Chain Progress Continued; Still Not Normalized



REBUILT CAG
INVENTORY

SERVICE LEVELS

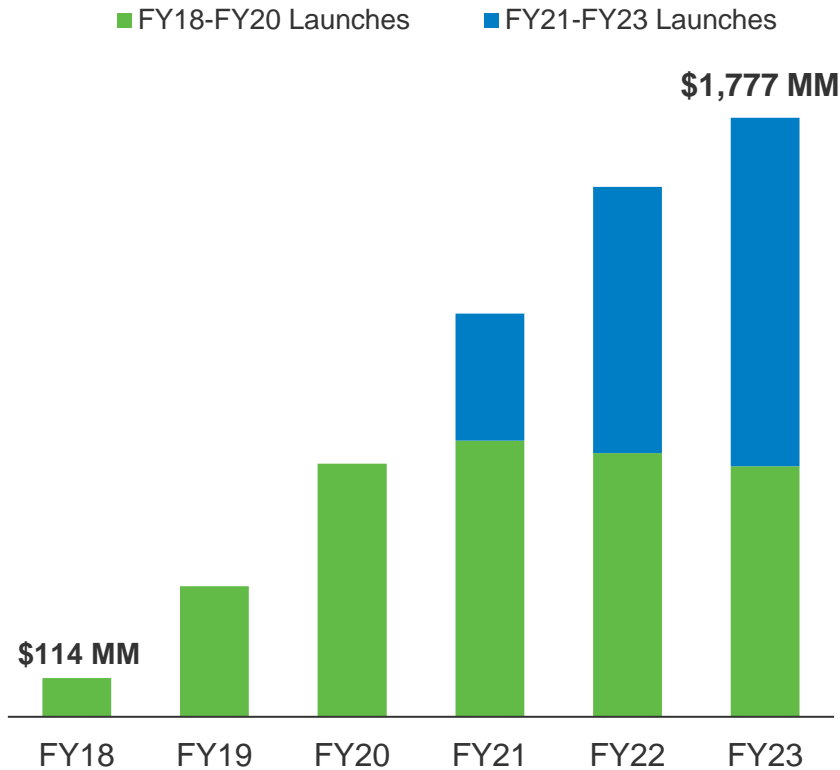
SUPPLY
DISRUPTIONS



Consumers Continued To Embrace Conagra Innovation



Conagra Innovation Retail Sales (Dollars in Millions)



Winning Platforms (FY23 Dollars in Millions)



Bowls
~\$740 MM



Slim Jim Savage & PPA
~\$260 MM



Value-Added Vegetables
~\$250 MM



Modern Baking
~\$50 MM

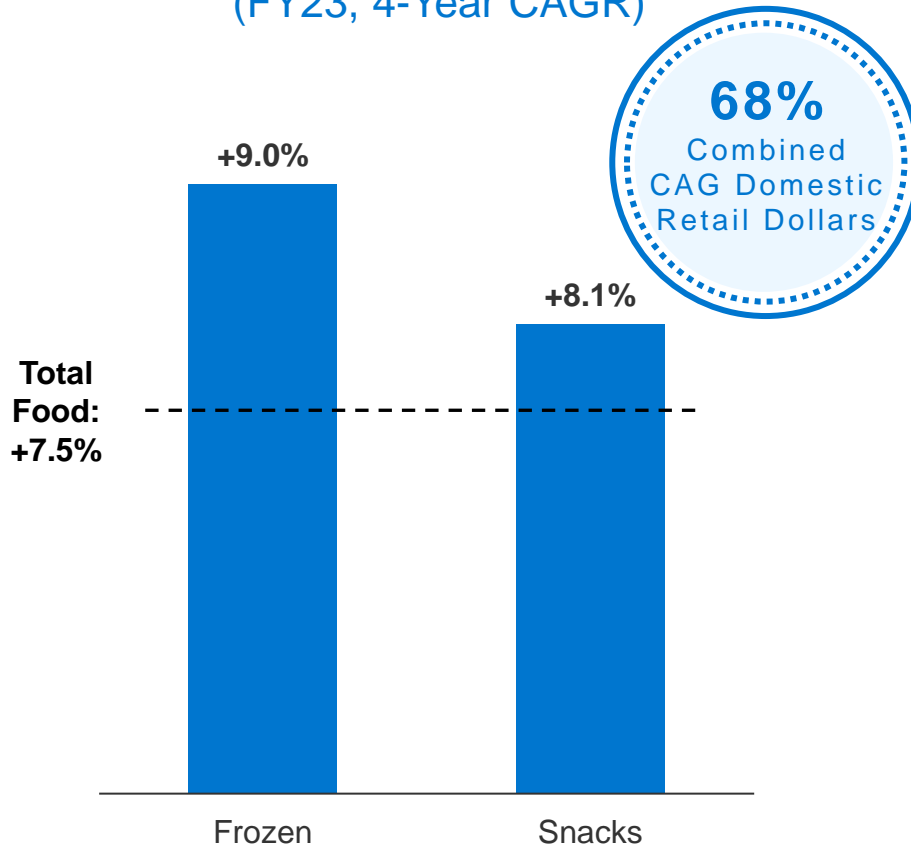
Source: Circana POS, Total US-MULO+C, Custom Conagra Hierarchy, Conagra Fiscal Years

Custom innovation aggregates, Innovation does not include restages, size changes, or channel-exclusive products; Slim Jim PPA includes Savage and >=24ct packs

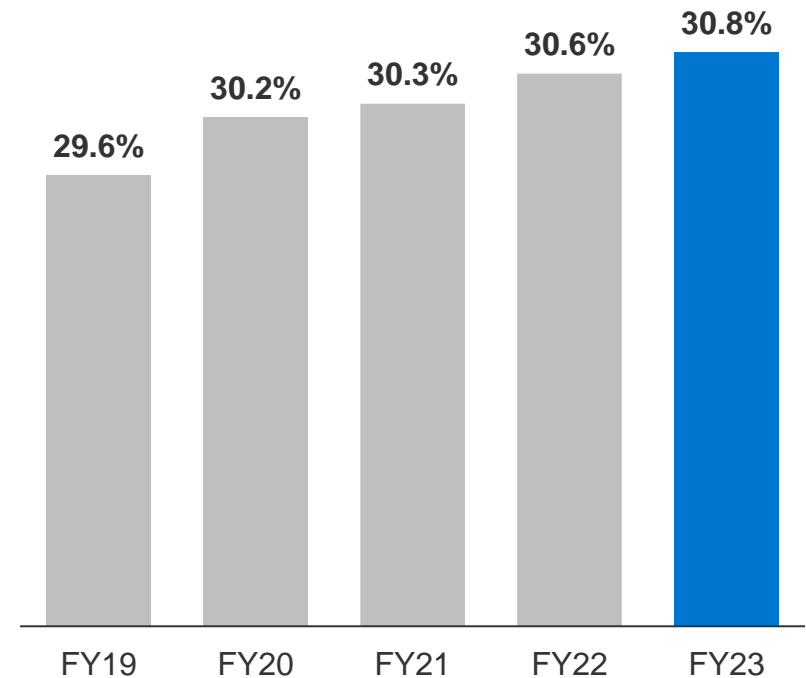
FY23 Delivered Continued Progress in Our Strategic Frozen and Snacks Domains



Conagra Frozen and Snacks Categories Retail Dollar Sales (FY23, 4-Year CAGR)



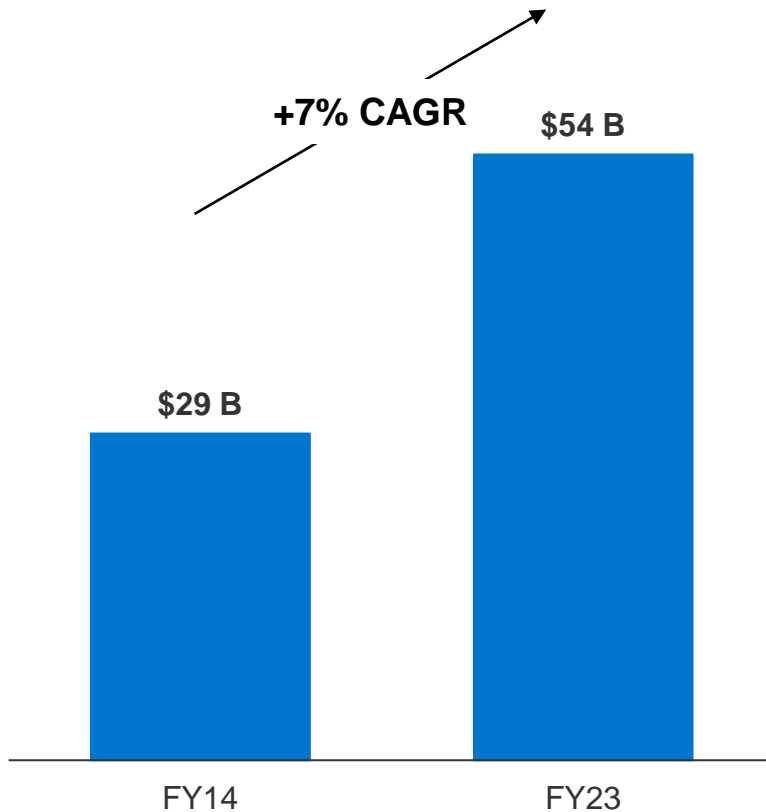
Conagra Weighted Dollar Share Frozen and Snacks



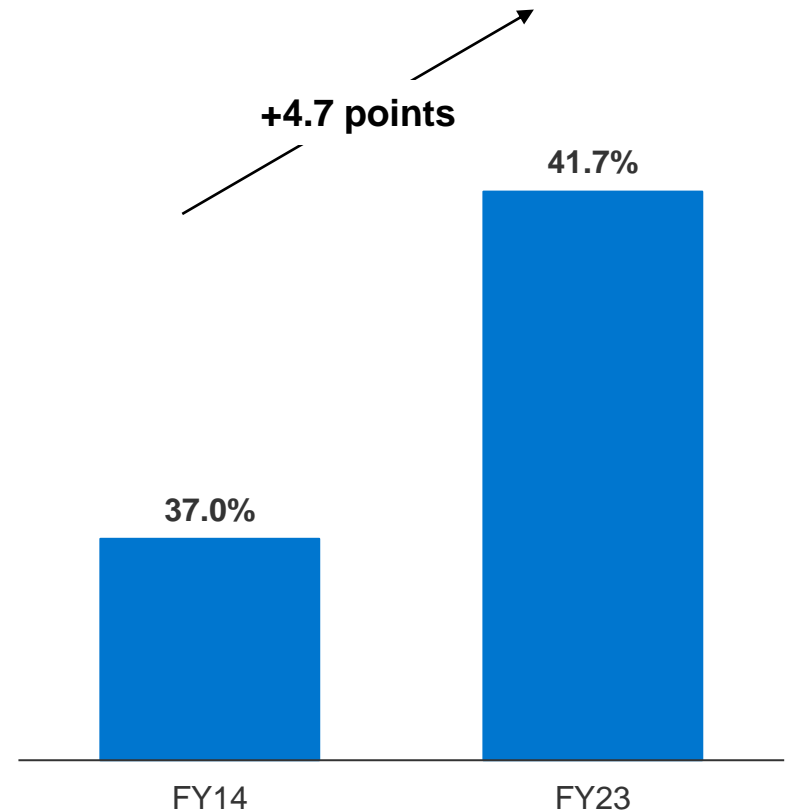
Multi-Year Journey To Become Leader in Large and Attractive Frozen Domain



Conagra Frozen Categories Retail Sales



Conagra Frozen Weighted Dollar Share



Even in a Year of Significant Pricing, We Grew Unit Share in the Majority of Frozen Portfolio



7 of 10
CAG Largest Frozen
Product Segments
Held or Grew
Unit Share



Our Two Largest Snacking Platforms Gained Share



Meat Snacks

\$1,068 MM

+0.5 pts

Unit Share vs. YA



Microwave Popcorn

\$564 MM

+1.9 pts

Unit Share vs. YA



Agenda

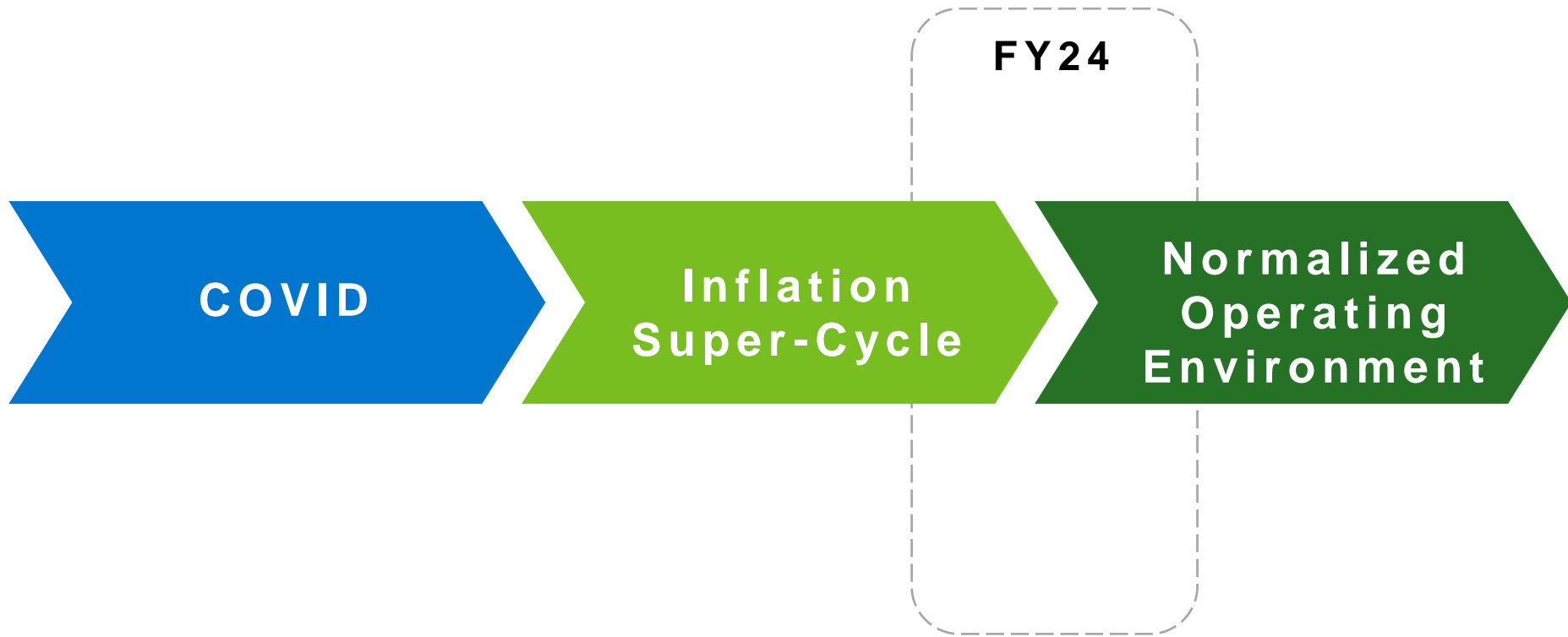


Business Update



Looking Ahead

Expect FY24 To Be a Dynamic Transition Toward a More Typical Operating Environment



FY24 Will Navigate a Combination of Tailwinds and Headwinds vs. FY23



FY24 Business Drivers

Tailwinds

- Wrapping supply chain disruptions
- Re-energized productivity program
- Strong innovation slate

Headwinds

- Shifting consumer behavior
- Select deflationary categories
- Ardent Mills wrap & pension

FY24 Brand Support Includes Biggest Innovation Slate Yet; Mix of Premium and Value Offerings



Convenient, Value-Added Meals



Restaurant Experiences



Exciting Licenses



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

Strong FY23 Performance vs. Expectations



	FY23 Actual	FY23 Original Guidance
Organic Net Sales ¹ Growth (vs. FY22)	+6.6%	+4% to +5%
Adj. Operating Margin ¹	15.6%	~15%
Adj. EPS ¹	\$2.77	\$2.38 to \$2.48
Net Leverage Ratio ¹	3.63x	3.7x

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

Performance Summary



Dollars in Millions, except per share data Increase/(Decrease)	Q4	vs. YA	FY23	vs. YA
Reported Net Sales	\$2,973	+2.2%	\$12,277	+6.4%
Organic Net Sales ¹ Growth		+2.2%		+6.6%
Adj. Gross Profit ¹	803	+11.0%	3,327	+16.1%
Adj. Gross Margin ¹	27.0%	216 bps	27.1%	226 bps
A&P	69	49.7%	290	18.6%
A&P as % of NS	2.3%	74 bps	2.4%	24 bps
Adj. SG&A ¹	301	24.3%	1,121	16.3%
Adj. SG&A ¹ as % of NS	10.1%	180 bps	9.1%	77 bps
Adj. Op. Profit ¹	433	(0.5)%	1,917	15.7%
Adj. Op. Margin ¹	14.6%	(39) bps	15.6%	125 bps
Equity Earnings	63	+32.8%	212	+45.9%
Adj. Net Income ¹	299	(5.1)%	1,331	16.8%
Adj. EBITDA ¹	594	+0.6%	2,520	13.1%
Adj. EPS ¹	\$0.62	(4.6)%	\$2.77	17.4%

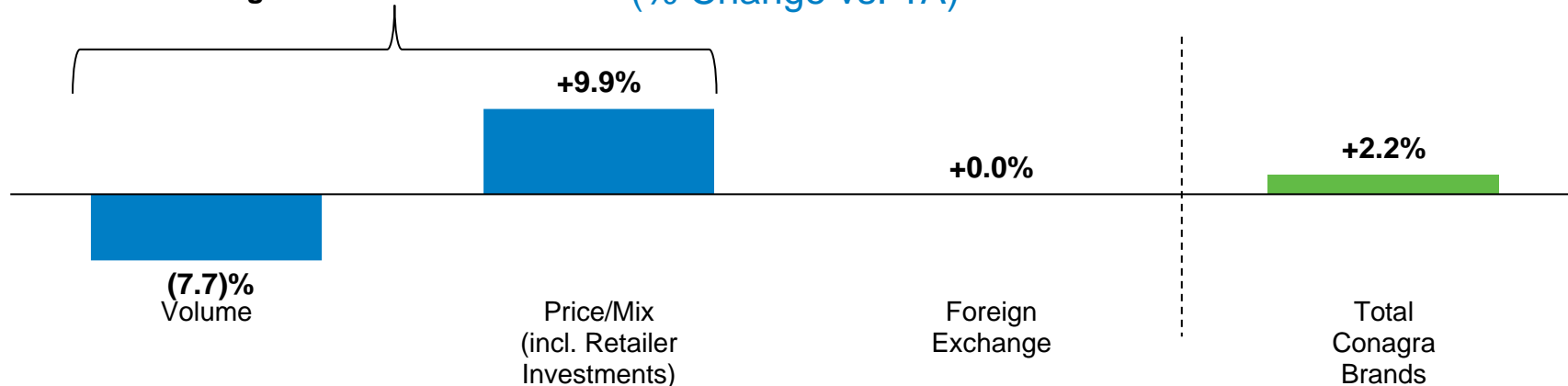
1. Non-GAAP financial measure. See the appendix for certain definitions and reconciliations to the most directly comparable GAAP measure.

Net Sales Bridge vs. Year Ago



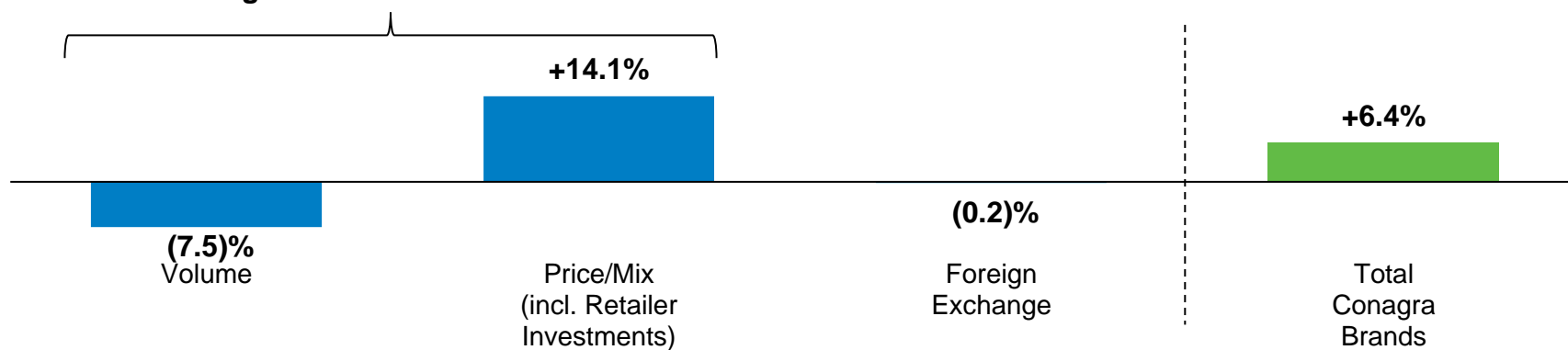
Q4 Drivers of Net Sales Change

Organic Net Sales¹: +2.2% (% Change vs. YA)



FY23 Drivers of Net Sales Change

Organic Net Sales¹: +6.6% (% Change vs. YA)



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

Net Sales by Segment



Dollars in Millions Increase/(Decrease)	Net Sales					
	Q4	Reported vs. YA	Organic ¹ vs. YA	FY	Reported vs. YA	Organic ¹ vs. YA
Grocery & Snacks	\$1,200	+3.6%	+3.6%	\$4,982	+6.1%	+6.1%
Refrigerated & Frozen	1,219	(1.1)%	(1.1)%	5,156	+6.1%	+6.1%
Foodservice	303	+5.5%	+5.5%	1,136	+12.7%	+12.7%
International	251	+8.6%	+9.5%	1,003	+3.3%	+5.4%
Total Conagra Brands	\$2,973	+2.2%	+2.2%	\$12,277	+6.4%	+6.6%

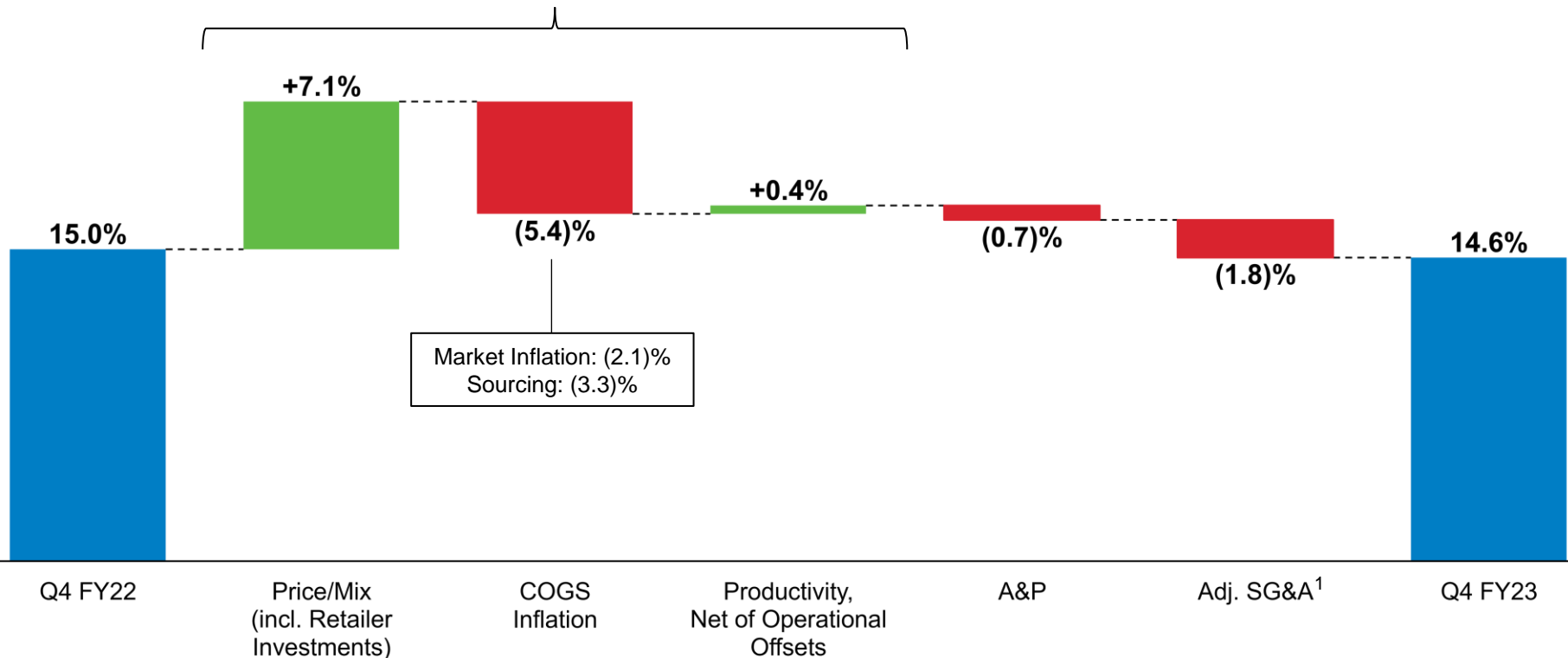
1. Non-GAAP financial measure. See the appendix for certain definitions and reconciliations to the most directly comparable GAAP measure.

Operating Margin Bridge



Q4 Adj. Operating Margin¹ (% Change vs. YA)

Adj. Gross Margin¹: +216 bps vs. YA



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

Segment Adjusted Operating Profit & Margin¹ Summary



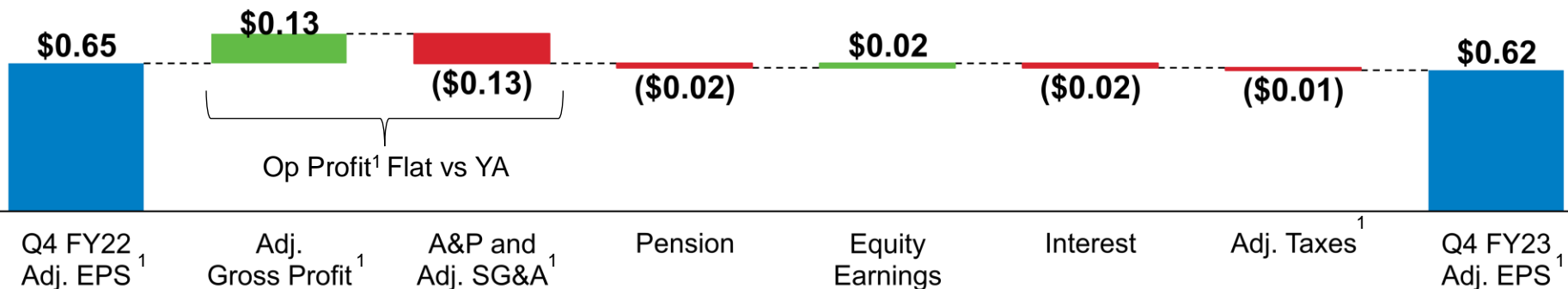
Dollars in Millions Increase/(Decrease)	Adj. Op. Profit ¹		Adj. Op. Margin ¹	
	Q4	vs. YA	Q4	vs. YA
Grocery & Snacks	\$235	(8.1)%	19.6%	(248) bps
Refrigerated & Frozen	218	+17.7%	17.9%	+286 bps
Foodservice	28	(2.3)%	9.4%	(75) bps
International	34	+70.7%	13.6%	+497 bps
Adjusted Corporate Expense ¹	(82)	50.7%	-	-
Total Conagra Brands	\$433	(0.5)%	14.6%	(39) bps

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

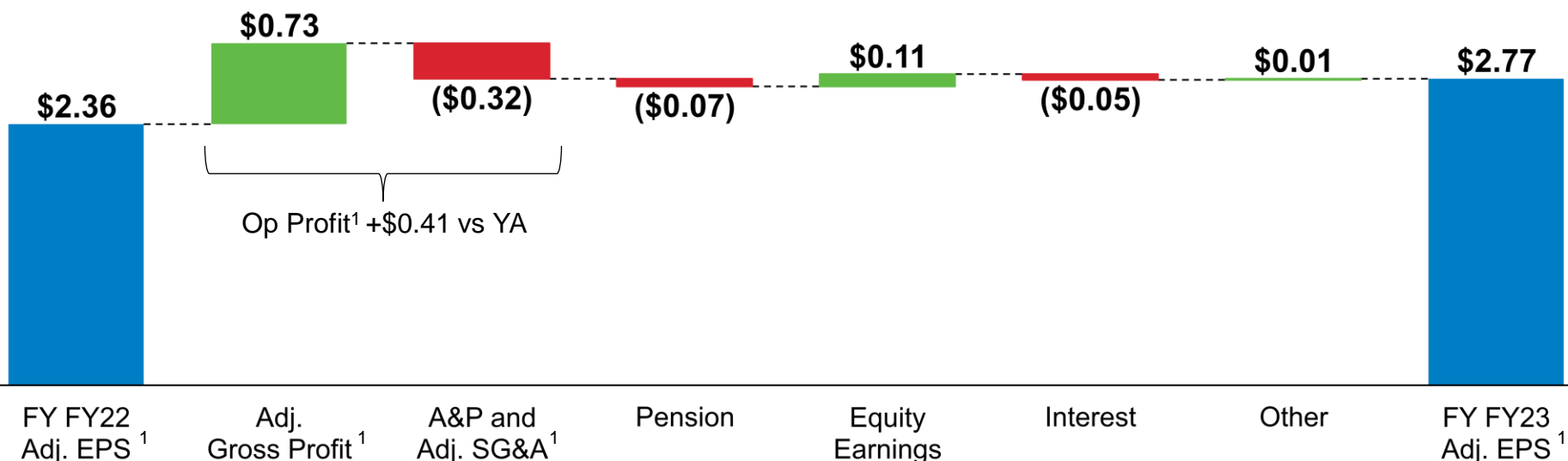
Q4 and FY Adjusted EPS¹ Bridge



Drivers of Q4 Adjusted EPS¹ vs. YA



Drivers of FY23 Adjusted EPS¹ vs. YA



1. Non-GAAP financial measure. See the appendix for certain definitions and reconciliations to the most directly comparable GAAP measure. Numbers may not add due to rounding.

Key Balance Sheet & Cash Flow Metrics



(dollars in millions)	May 28, 2023	May 29, 2022
Debt	\$9,239	\$8,980
Cash	\$94	\$83
Ending Net Debt ¹	\$9,145	\$8,897
Net Leverage Ratio ¹	3.63x	3.99x

(dollars in millions)	FY23	FY22
Net Cash Flow ¹ from Operating Activities	\$995	\$1,177
Capital Expenditures	\$362	\$464
Free Cash Flow ¹	\$633	\$713
Dividends Paid	\$624	\$582
Share Repurchases	\$150	\$50

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

Fiscal 2024 Guidance



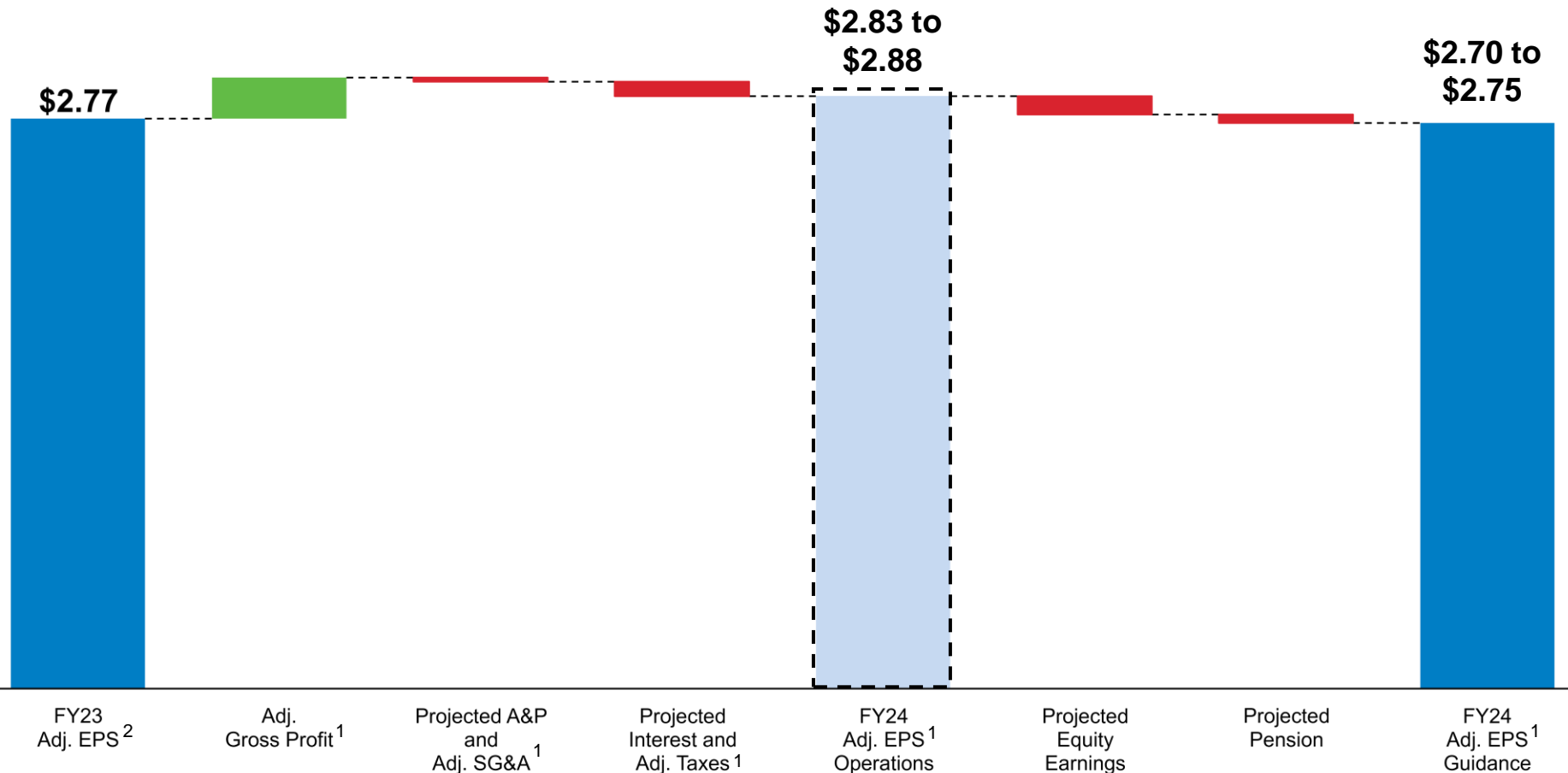
Guidance	FY24
Organic Net Sales ¹ Growth (vs. FY23)	~+1%
Adj. Operating Margin ¹	16.0% to 16.5%
Adj. EPS ¹	\$2.70 to \$2.75

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

FY24 Adj. EPS¹ Reflects 2% to 4% Growth From Underlying Business Operations



Drivers of Adjusted EPS¹ Guidance vs. FY23



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

2. Non-GAAP financial measure. See the appendix for certain definitions and reconciliations to the most directly comparable GAAP measure. Numbers may not add due to rounding.

FY24 P&L Considerations and Assumptions



Pricing / Inflation

- ~3% for FY24 net inflation*
- Surgical pricing effective early Q2

Supply Chain

- Gross Productivity Savings of ~\$300M
- Capex of ~\$500M

Below Line Items

- Interest Expense of ~\$450M; no Pension income
- Adj. Tax Rate¹ ~24%
- Ardent Mills contribution ~\$150M

Leverage

- Net Leverage Ratio¹ of ~3.4X by FYE
- Expect to reach 3.0x net leverage ratio¹ target by end of FY26

**net inflation equals net of market inflation and market-based sourcing*

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

Reiterating Long-Term Financial Algorithm



Metric	Target
Organic Net Sales ¹ Growth	Low Single Digits
Adj. Operating Margin ¹	Mid to High Teens
Adj. EPS ¹	Mid to High Single Digits
Free Cash Flow ¹ from Operations	> \$1.2 billion annually
CapEx % of Net Sales	~4% to 5%
Dividend Payout Ratio	~50% to 55% of Adj. EPS ¹
Net Leverage Ratio ¹	3.0x

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

Dividend Update



- Increasing dividend 6% reflecting confidence in outlook
- New dividend to be \$0.35 per quarter of \$1.40 annualized
- Represents a 51% payout ratio based on FY24 guidance



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 Q4 FY23 Organic Net Sales by Segment YOY Change (in millions)

	Grocery & Snacks	Refrigerated & Frozen	International	Foodservice	Total Conagra Brands
Q4 FY23					
Net Sales	\$ 1,200.0	\$ 1,219.4	\$ 250.6	\$ 303.3	\$ 2,973.3
Impact of foreign exchange	—	—	2.2	—	2.2
Organic Net Sales	\$ 1,200.0	\$ 1,219.4	\$ 252.8	\$ 303.3	\$ 2,975.5
Year-over-year change - Net Sales	3.6%	(1.1)%	8.6%	5.5%	2.2%
Impact of foreign exchange (pp)	—	—	0.9	—	—
Organic Net Sales	3.6%	(1.1)%	9.5%	5.5%	2.2%
Volume (Organic)	(5.5)%	(11.5)%	(4.3)%	(3.8)%	(7.7)%
Price/Mix	9.1%	10.4%	13.8%	9.3%	9.9%
Q4 FY22					
Net Sales	\$ 1,158.8	\$ 1,233.0	\$ 230.8	\$ 287.4	\$ 2,910.0
Net sales from divested businesses	—	—	—	—	—
Organic Net Sales	\$ 1,158.8	\$ 1,233.0	\$ 230.8	\$ 287.4	\$ 2,910.0

Reconciliation of FY23 Organic Net Sales by Segment YOY Change (in millions)



	Grocery & Snacks	Refrigerated & Frozen	International	Foodservice	Total Conagra Brands
FY23					
Net Sales	\$ 4,981.9	\$ 5,156.2	\$ 1,002.5	\$ 1,136.4	\$ 12,277.0
Impact of foreign exchange	—	—	20.9	—	20.9
Organic Net Sales	\$ 4,981.9	\$ 5,156.2	\$ 1,023.4	\$ 1,136.4	\$ 12,297.9
Year-over-year change - Net Sales	6.1%	6.1%	3.3%	12.7%	6.4%
Impact of foreign exchange (pp)	—	—	2.1	—	0.2
Organic Net Sales	6.1%	6.1%	5.4%	12.7%	6.6%
Volume (Organic)	(8.5)%	(7.3)%	(7.5)%	(3.2)%	(7.5)%
Price/Mix	14.6%	13.4%	12.9%	15.9%	14.1%
FY22					
Net Sales	\$ 4,697.4	\$ 4,859.3	\$ 970.8	\$ 1,008.4	\$ 11,535.9
Net sales from divested businesses	—	—	—	—	—
Organic Net Sales	\$ 4,697.4	\$ 4,859.3	\$ 970.8	\$ 1,008.4	\$ 11,535.9

Reconciliation of Q4 FY23 Adj. Operating Profit by Segment – YOY Change (in millions)



Q4 FY23	Grocery & Snacks	Refrigerated & Frozen	International	Foodservice	Corporate Expense	Total Conagra Brands
Operating Profit (Loss)	\$ 155.6	\$ (42.6)	\$ 20.5	\$ 31.5	\$ (108.0)	\$ 57.0
Restructuring plans	0.1	1.8	—	—	2.0	3.9
Brand impairment charges	78.9	252.6	13.7	—	—	345.2
Acquisitions and divestitures	—	—	—	—	7.6	7.6
Legal matters	—	—	—	—	3.8	3.8
Fire related costs	—	2.2	—	(3.3)	—	(1.1)
Third-party vendor cybersecurity incident	—	4.2	—	0.2	—	4.4
Corporate hedging derivative losses (gains)	—	—	—	—	12.5	12.5
Adjusted Operating Profit	\$ 234.6	\$ 218.2	\$ 34.2	\$ 28.4	\$ (82.1)	\$ 433.3
Operating Profit Margin	13.0%	(3.5)%	8.2%	10.4%		1.9%
Adjusted Operating Profit Margin	19.6%	17.9%	13.6%	9.4%		14.6%
Year-over-year % change - Operating Profit	(4.5)%	N/A	265.0%	46.7%	103.5%	(73.4)%
Year-over year % change - Adjusted Operating Profit	(8.1)%	17.7%	70.7%	(2.3)%	50.7%	(0.5)%
Year-over-year bps change - Operating Profit	(110) bps	(975) bps	575 bps	292 bps		(544) bps
Year-over-year bps change - Adjusted Operating Profit	(248) bps	286 bps	497 bps	(75) bps		(39) bps

Reconciliation of Q4 FY23 Adj. Operating Profit by Segment – YOY Change Cont. (in millions)



Q4 FY22	Grocery & Snacks	Refrigerated & Frozen	International	Foodservice	Corporate Expense	Total Conagra Brands
Operating Profit	\$ 162.9	\$ 77.2	\$ 5.6	\$ 21.5	\$ (53.1)	\$ 214.1
Restructuring plans	0.7	1.5	—	—	7.9	10.1
Brand impairment charges	90.7	103.9	14.4	—	—	209.0
Acquisitions and divestitures	—	—	—	—	0.2	0.2
Legal matters	—	—	—	—	(5.0)	(5.0)
Consulting fees on tax matters	—	—	—	—	1.1	1.1
Fire related costs	0.9	2.8	—	7.6	—	11.3
Environmental matters	—	—	—	—	(6.5)	(6.5)
Corporate hedging derivative losses (gains)	—	—	—	—	0.9	0.9
Adjusted Operating Profit	\$ 255.2	\$ 185.4	\$ 20.0	\$ 29.1	\$ (54.5)	\$ 435.2
Operating Profit Margin	14.1%	6.3%	2.4%	7.5%		7.4%
Adjusted Operating Profit Margin	22.0%	15.0%	8.7%	10.1%		15.0%

Reconciliation of Q4 FY23 Adj. Gross Margin, Adj. Gross Profit, Adj. SG&A, Adj. Net Income, and Adj. EPS – YOY Change (in millions)



Q4 FY23	Gross profit	Selling, general and administrative expenses	Operating profit ¹	Income (loss) before income taxes and equity method investment earnings	Income tax expense (benefit)	Income tax rate	Net income attributable to Conagra Brands, Inc.	Diluted EPS from income attributable to Conagra Brands, Inc common stockholders
Reported	\$ 783.4	\$ 726.4	\$ 57.0	\$ (45.0)	\$ (18.3)	(102.0) %	\$ 37.5	\$ 0.08
<i>% of Net Sales</i>	26.3%	24.4%	1.9%					
Restructuring plans	0.6	3.3	3.9	3.9	0.9		3.0	0.01
Brand impairment charges ³	—	345.2	345.2	345.2	78.6		265.4	0.55
Acquisitions and divestitures	—	7.6	7.6	7.6	1.5		6.1	0.01
Corporate hedging derivative losses (gains)	12.5	—	12.5	12.5	3.1		9.4	0.02
Advertising and promotion expenses ²	—	68.9	—	—	—		—	—
Legal matters	—	3.8	3.8	3.8	1.0		2.8	0.01
Fire related costs	2.2	(3.3)	(1.1)	(1.1)	(0.3)		(0.8)	—
Third-party vendor cybersecurity incident	4.4	—	4.4	4.4	1.1		3.3	0.01
Valuation allowance adjustment	—	—	—	—	28.1		(28.1)	(0.06)
Rounding	—	—	—	—	—		—	(0.01)
Adjusted	\$ 803.1	\$ 300.9	\$ 433.3	\$ 331.3	\$ 95.7	24.3%	\$ 298.6	\$ 0.62
<i>% of Net Sales</i>	27.0%	10.1%	14.6%					
<i>Year-over-year % of net sales change - reported</i>	183 bps	727 bps	(544) bps					
<i>Year-over-year % of net sales change - adjusted</i>	216 bps	180 bps	(39) bps					
<i>Year-over-year change - reported</i>	9.8%	45.5%	(73.4)%	N/A	N/A		(76.4)%	(75.8)%
<i>Year-over-year change - adjusted</i>	11.0%	24.3%	(0.5)%	(7.5)%	5.6%		(5.1)%	(4.6)%

- 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.
- Includes charges related to consolidated joint ventures. These charges are recorded at 10% for all line items before Net income attributable to Conagra Brands, Inc. Net income attributable to Conagra Brands, Inc. excludes Net income (loss) attributable to noncontrolling interest.

Reconciliation of Q4 FY23 Adj. Gross Margin, Adj. Gross Profit, Adj. SG&A, Adj. Net Income, and Adj. EPS – YOY Change Cont. (in millions)



Q4 FY22	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	\$ 713.4	\$ 499.3	\$ 214.1	\$ 136.9	\$ 26.7	14.4%	\$ 158.9	\$ 0.33
<i>% of Net Sales</i>	<i>24.5%</i>	<i>17.2%</i>	<i>7.4%</i>					
Restructuring plans	(0.1)	10.2	10.1	10.1	2.6		7.5	0.02
Acquisitions and divestitures	—	0.2	0.2	0.2	—		0.2	—
Corporate hedging losses (gains)	0.9	—	0.9	0.9	0.2		0.7	—
Advertising and promotion expenses ²	—	46.1	—	—	—		—	—
Consulting fees on tax matters	—	1.1	1.1	1.1	0.2		0.9	—
Fire related costs	9.1	2.2	11.3	11.3	2.8		8.5	0.02
Brand impairment charges ³	—	209.0	209.0	209.0	48.4		159.0	0.33
Legal matters	—	(5.0)	(5.0)	(5.0)	(1.2)		(3.8)	(0.01)
Environmental matters	—	(6.5)	(6.5)	(6.5)	(1.5)		(5.0)	(0.01)
Unusual tax items	—	—	—	—	12.5		(12.5)	(0.03)
Adjusted	\$ 723.3	\$ 242.0	\$ 435.2	\$ 358.0	\$ 90.7	22.3%	\$ 314.4	\$ 0.65
<i>% of Net Sales</i>	<i>24.9%</i>	<i>8.3%</i>	<i>15.0%</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.
3. Includes charges related to consolidated joint ventures. These charges are recorded at 10)% for all line items before Net income attributable to Conagra Brands, Inc. Net income attributable to Conagra Brands, Inc. excludes Net income (loss) attributable to noncontrolling interest.

Reconciliation of FY23 Adj. Gross Margin, Adj. Gross Profit, Adj. SG&A, Adj. Net Income, and Adj. EPS – YOY Change (in millions)



FY23	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	\$ 3,264.8	\$ 2,189.5	\$ 1,075.3	\$ 689.9	\$ 218.7	24.2%	\$ 683.6	\$ 1.42
<i>% of Net Sales</i>	26.6%	17.8%	8.8%					
Restructuring plans	1.4	11.7	13.1	13.1	3.2		9.9	0.02
Acquisitions and divestitures	—	8.4	8.4	8.4	1.7		6.7	0.01
Corporate hedging derivative losses (gains)	37.1	—	37.1	37.1	9.2		27.9	0.06
Advertising and promotion expenses ²	—	290.1	—	—	—		—	—
Fire related costs	16.0	(2.6)	13.4	13.4	3.3		10.1	0.02
Third-party vendor cybersecurity incident	4.4	—	4.4	4.4	1.1		3.3	0.01
Municipal water break costs	3.5	—	3.5	3.5	0.8		2.7	0.01
Impairment of businesses held for sale	—	26.7	26.7	26.7	6.6		20.1	0.04
Goodwill and brand impairment charges ³	—	730.9	730.9	730.9	137.5		592.2	1.23
Legal matters	—	3.8	3.8	3.8	1.0		2.8	0.01
Valuation allowance adjustment	—	—	—	—	28.1		(28.1)	(0.06)
Adjusted	\$ 3,327.2	\$ 1,120.5	\$ 1,916.6	\$ 1,531.2	\$ 411.2	23.6%	\$ 1,331.2	\$ 2.77
<i>% of Net Sales</i>	27.1%	9.1%	15.6%					
<i>Year-over-year % of net sales change - reported</i>	198 bps	489 bps	(291) bps					
<i>Year-over-year % of net sales change - adjusted</i>	226 bps	77 bps	125 bps					
<i>Year-over-year change - reported</i>	15.0%	46.7%	(20.1)%	(33.2)%	(24.7)%		(23.0)%	(22.8)%
<i>Year-over-year change - adjusted</i>	16.1%	16.3%	15.7%	13.9%	18.2%		16.8%	17.4%

- 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.
- Includes charges related to consolidated joint ventures. These charges are recorded at 10% for all line items before Net income attributable to Conagra Brands, Inc. Net income attributable to Conagra Brands, Inc. excludes Net income (loss) attributable to noncontrolling interest.

Reconciliation of FY23 Adj. Gross Margin, Adj. Gross Profit, Adj. SG&A, Adj. Net Income, and Adj. EPS – YOY Change Cont. (in millions)



FY22	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	\$ 2,838.8	\$ 1,492.8	\$ 1,346.0	\$ 1,033.4	\$ 290.5	24.6%	\$ 888.2	\$ 1.84
<i>% of Net Sales</i>	24.6%	12.9%	11.7%					
Restructuring plans	21.8	27.2	49.0	49.0	12.1		36.9	0.08
Acquisitions and divestitures	—	2.4	2.4	2.4	0.6		1.8	—
Corporate hedging losses (gains)	(4.4)	—	(4.4)	(4.4)	(1.1)		(3.3)	(0.01)
Advertising and promotion expenses ²	—	244.6	—	—	—		—	—
Consulting fees on tax matters	—	2.8	2.8	2.8	0.7		2.1	—
Fire related costs	9.1	2.2	11.3	11.3	2.8		8.5	0.02
Impairment of businesses held for sale	—	70.1	70.1	70.1	9.7		60.4	0.13
Proceeds received from the sale of a legacy investment	—	(3.3)	(3.3)	(3.3)	(0.5)		(2.8)	(0.01)
Brand impairment charges ³	—	209.0	209.0	209.0	48.4		159.0	0.33
Legal matters	—	(19.6)	(19.6)	(19.6)	(4.8)		(14.8)	(0.03)
Environmental matters	—	(6.5)	(6.5)	(6.5)	(1.5)		(5.0)	(0.01)
Unusual tax items	—	—	—	—	(8.9)		8.9	0.02
Adjusted	\$ 2,865.3	\$ 963.9	\$ 1,656.8	\$ 1,344.2	\$ 348.0	23.4%	\$ 1,139.9	\$ 2.36
<i>% of Net Sales</i>	24.8%	8.4%	14.4%					

- 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.
- Includes charges related to consolidated joint ventures. These charges are recorded at 10% for all line items before Net income attributable to Conagra Brands, Inc. Net income attributable to Conagra Brands, Inc. excludes Net income (loss) attributable to noncontrolling interest.

Reconciliation of FY23 Adj. Gross Margin, Adj. Gross Profit, Adj. SG&A, Adj. Net Income, and Adj. EPS – YOY Change Cont. (in millions)



FY21	Gross profit	Selling, general and administrative expenses	Operating profit ¹	Income before income taxes and equity method investment earnings	Income tax expense	Effective tax rate	Net income attributable to Conagra Brands, Inc.	Income attributable to Conagra Brands, Inc common stockholders
Reported	\$ 3,179.2	\$ 1,403.0	\$ 1,776.2	\$ 1,410.3	\$ 193.8	13.0%	\$ 1,298.8	\$ 2.66
% of Net Sales	28.4%	12.5%	15.9%					
Restructuring plans	37.1	40.8	77.9	77.9	19.6		58.3	0.12
Acquisitions and divestitures	—	5.7	5.7	5.7	1.4		4.3	0.01
Corporate hedging derivative losses (gains)	(15.6)	—	(15.6)	(15.6)	(3.9)		(11.7)	(0.02)
Advertising and promotion expenses ²	—	258.0	—	—	—		—	—
Net gain on divestiture of businesses	—	(58.4)	(58.4)	(58.4)	(29.2)		(29.2)	(0.06)
Brand impairment charges	—	90.9	90.9	90.9	21.0		69.9	0.14
Early extinguishment of debt	—	68.7	68.7	68.7	17.2		51.5	0.11
Consulting fees on tax matters	—	7.2	7.2	7.2	1.8		5.4	0.01
Legal matters	—	2.6	2.6	2.6	0.6		2.0	—
Tax restructuring of Ardent Mills ownership interest	—	—	—	—	115.6		(115.6)	(0.24)
Capital loss valuation allowance adjustment	—	—	—	—	37.0		(37.0)	(0.08)
Unusual tax items	—	—	—	—	7.6		(7.6)	(0.02)
Rounding	—	—	—	—	—		—	0.01
Adjusted	\$ 3,200.7	\$ 987.5	\$ 1,955.2	\$ 1,589.3	\$ 382.5	22.9%	\$ 1,289.1	\$ 2.64
% of Net Sales	28.6%	8.8%	17.5%					
<i>Year-over-year % of net sales change - reported</i>	66 bps	(213) bps	279 bps					
<i>Year-over-year % of net sales change - adjusted</i>	50 bps	(73) bps	101 bps					
<i>Year-over-year change - reported</i>	3.6%	(13.5) %	22.7%	45.4%	(3.7) %		54.6%	54.7%
<i>Year-over-year change - adjusted</i>	3.0%	(6.5) %	7.4%	14.6%	12.7%		15.6%	15.8%

FY20	Gross profit	Selling, general and administrative expenses	Operating profit ¹	Income before income taxes and equity method investment earnings	Income tax expense	Effective tax rate	Net income attributable to Conagra Brands, Inc.	Diluted EPS from income attributable to Conagra Brands, Inc common stockholders
Reported	\$ 3,069.6	\$ 1,622.5	\$ 1,447.1	\$ 969.9	\$ 201.3	19.3%	\$ 840.1	\$ 1.72
% of Net Sales	27.8%	14.7%	13.1%					
Restructuring plans	33.2	105.7	138.9	139.5	32.7		106.8	0.22
Acquisitions and divestitures	—	5.3	5.3	5.3	1.4		3.9	0.01
Gain on Ardent JV asset sale	—	—	—	—	(1.0)		(3.1)	(0.01)
Corporate hedging losses (gains)	5.5	—	5.5	5.5	1.4		4.1	0.01
Advertising and promotion expenses ²	—	230.7	—	—	—		—	—
Environmental matters	—	6.6	6.6	6.6	1.6		5.0	0.01
Pension settlement and valuation adjustment	—	—	—	42.9	10.8		32.1	0.07
Impairment of business held for sale	—	59.0	59.0	59.0	4.0		55.0	0.11
Contract settlement gain	—	(11.9)	(11.9)	(11.9)	(3.0)		(8.9)	(0.02)
Loss on divestiture of businesses	—	1.7	1.7	1.7	(0.2)		1.9	—
Intangible impairment charges	—	165.5	165.5	165.5	38.5		127.0	0.26
Legal matters	—	3.5	3.5	3.5	0.9		2.6	0.01
Unusual tax items	—	—	—	—	51.2		(51.2)	(0.10)
Rounding	—	—	—	—	—		—	(0.01)
Adjusted	\$ 3,108.3	\$ 1,056.4	\$ 1,821.2	\$ 1,387.5	\$ 339.6	23.2%	\$ 1,115.3	\$ 2.28
% of Net Sales	28.1%	9.6%	16.5%					
<i>2-year compound growth - reported</i>								3.5%
<i>2-year compound growth - adjusted</i>								1.7%

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 FY23 Adj. Gross Margin, Adj. Gross Profit, Adj. SG&A, Adj. Net Income, and Adj. EPS – YOY Change Cont. (in millions)



	Gross profit	Selling, general and administrative expenses	Operating profit ¹	Income from continuing operations 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 from continuing operations attributable to Conagra Brands, Inc common stockholders
FY19								
Reported	\$ 2,653.0	\$ 1,473.4	\$ 1,179.6	\$ 823.3	\$ 218.8	24.3%	\$ 678.3	\$ 1.53
<i>% of Net Sales</i>	<i>27.8%</i>	<i>15.4%</i>	<i>12.4%</i>					
Restructuring plans	11.1	170.3	181.4	180.8	41.9		138.9	0.31
Acquisitions and divestitures	—	106.2	106.2	118.1	23.3		94.8	0.21
Integration costs	—	8.9	8.9	8.9	2.3		6.6	0.01
Corporate hedging derivative losses (gains)	1.8	—	1.8	1.8	0.4		1.4	—
Advertising and promotion expenses ²	—	253.4	—	—	—		—	—
Legal matters	—	(39.1)	(39.1)	(39.1)	(10.0)		(29.1)	(0.07)
Inventory fair value mark-up rollout	53.0	—	53.0	53.0	13.5		39.5	0.09
Novation of a legacy guarantee	—	(27.3)	(27.3)	(27.3)	—		(27.3)	(0.06)
Fair value adjustment of cash settleable equity awards issued in connection with Pinnacle acquisition	—	(15.1)	(15.1)	(15.1)	(2.9)		(12.2)	(0.03)
Gain on divestiture of businesses	—	(69.4)	(69.4)	(69.4)	(34.3)		(35.1)	(0.08)
Intangible impairment charges ³	—	89.6	89.6	89.6	20.8		66.9	0.15
Pension valuation adjustment	—	—	—	4.3	1.1		3.2	0.01
Gain on Ardent JV asset sale	—	—	—	—	(3.5)		(11.6)	(0.03)
Capital loss valuation allowance adjustment	—	—	—	—	32.4		(32.4)	(0.07)
Unusual tax items	—	—	—	—	(10.4)		10.4	0.02
Loss from discontinued operations, net of noncontrolling interests	—	—	—	—	—		1.9	—
Rounding	—	—	—	—	—		—	0.02
Adjusted	\$ 2,718.9	\$ 995.9	\$ 1,469.6	\$ 1,128.9	\$ 293.4	24.7%	\$ 894.2	\$ 2.01
<i>% of Net Sales</i>	<i>28.5%</i>	<i>10.4%</i>	<i>15.4%</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 expense (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.
- Includes charges related to consolidated joint ventures. These charges are recorded at 100% for all line items before Net income attributable to Conagra Brands, Inc. Net income attributable to Conagra Brands, Inc. excludes Net income (loss) attributable to noncontrolling interests.

Reconciliation of Q3 FY23 Adj. Gross Margin and Adj. Gross Profit – YOY Change (in millions)



Q3 FY23	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	\$ 838.8	\$ 348.8	\$ 490.0	\$ 391.9	\$ 100.1	22.6 %	\$ 341.7	\$ 0.71
<i>% of Net Sales</i>	27.2%	11.3 %	15.9%					
Restructuring plans	0.5	2.0	2.5	2.5	0.6		1.9	—
Acquisitions and divestitures	—	0.2	0.2	0.2	0.1		0.1	—
Corporate hedging derivative losses (gains)	22.7	—	22.7	22.7	5.6		17.1	0.04
Advertising and promotion expenses ²	—	80.5	—	—	—		—	—
Fire related costs	6.4	0.2	6.6	6.6	1.7		4.9	0.01
Municipal water break costs	0.3	—	0.3	0.3	—		0.3	—
Adjusted	\$ 868.7	\$ 265.9	\$ 522.3	\$ 424.2	\$ 108.1	22.8 %	\$ 366.0	\$ 0.76
<i>% of Net Sales</i>	28.1%	8.6 %	16.9%					
<i>Year-over-year % of net sales change - reported</i>	325 bps	(30) bps	355 bps					
<i>Year-over-year % of net sales change - adjusted</i>	409 bps	50 bps	321 bps					
<i>Year-over-year change - reported</i>	20.3%	3.2 %	36.4%	39.6%	(8.9)%		56.4%	57.8 %
<i>Year-over-year change - adjusted</i>	23.9%	12.4 %	30.8%	32.1%	20.1%		31.3%	31.0 %

- 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 Q3 FY23 Adj. Gross Margin and Adj. Gross Profit – YOY Change Cont. (in millions)



Q3 FY22	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	\$ 697.2	\$ 338.0	\$ 359.2	\$ 280.7	\$ 109.9	33.4%	\$ 218.4	\$ 0.45
<i>% of Net Sales</i>	23.9%	11.6%	12.3%					
Restructuring plans	5.6	5.1	10.7	10.7	2.5		8.2	0.02
Acquisitions and divestitures	—	0.6	0.6	0.6	0.2		0.4	—
Corporate hedging derivative losses (gains)	(1.9)	—	(1.9)	(1.9)	(0.4)		(1.5)	—
Advertising and promotion expenses ²	—	64.9	—	—	—		—	—
Impairment of businesses held for sale	—	30.9	30.9	30.9	2.7		28.2	0.06
Unusual tax items	—	—	—	—	(25.0)		25.0	0.05
Adjusted	\$ 700.9	\$ 236.5	\$ 399.5	\$ 321.0	\$ 89.9	24.4%	\$ 278.7	\$ 0.58
<i>% of Net Sales</i>	24.1%	8.1%	13.7%					

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 Q2 FY23 Adj. Gross Margin and Adj. Gross Profit – YOY Change (in millions)



Q2 FY23	Gross profit	Selling, general and administrative expenses	Operating profit ¹	Income before income taxes and equity method investment earnings	Income tax expense	Effective tax rate	Net income attributable to Conagra Brands, Inc.	Diluted EPS from income attributable to Conagra Brands, Inc common stockholders
Reported	\$ 922.3	\$ 372.7	\$ 549.6	\$ 455.4	\$ 122.5	24.3%	\$ 381.9	\$ 0.79
% of Net Sales	27.8%	11.3%	16.6%					
Restructuring plans	0.1	1.7	1.8	1.8	0.5		1.3	—
Acquisitions and divestitures	—	0.5	0.5	0.5	0.1		0.4	—
Corporate hedging derivative losses (gains)	2.4	—	2.4	2.4	0.6		1.8	—
Advertising and promotion expenses ²	—	78.8	—	—	—		—	—
Fire related costs	7.4	0.5	7.9	7.9	1.9		6.0	0.01
Municipal water break costs	0.6	—	0.6	0.6	0.2		0.4	—
Rounding	—	—	—	—	—		—	0.01
Adjusted	\$ 932.8	\$ 291.2	\$ 562.8	\$ 468.6	\$ 125.8	24.3%	\$ 391.8	\$ 0.81
% of Net Sales	28.2%	8.8%	17.0%					
<i>Year-over-year % of net sales change - reported</i>	<i>316 bps</i>	<i>(4) bps</i>	<i>320 bps</i>					
<i>Year-over-year % of net sales change - adjusted</i>	<i>310 bps</i>	<i>69 bps</i>	<i>237 bps</i>					
<i>Year-over-year change - reported</i>	<i>22.2%</i>	<i>7.9%</i>	<i>34.2%</i>	<i>37.7%</i>	<i>45.4%</i>		<i>38.6%</i>	<i>38.6%</i>
<i>Year-over-year change - adjusted</i>	<i>21.7%</i>	<i>17.5%</i>	<i>25.9%</i>	<i>27.2%</i>	<i>37.9%</i>		<i>27.9%</i>	<i>26.6%</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 Q2 FY23 Adj. Gross Margin and Adj. Gross Profit – YOY Change Cont. (in millions)



Q2 FY22	Gross profit	Selling, general and administrative expenses	Operating profit ¹	Income before income taxes and equity method investment earnings	Income tax expense	Effective tax rate	Net income attributable to Conagra Brands, Inc.	Diluted EPS from income attributable to Conagra Brands, Inc common stockholders
Reported	\$ 754.8	\$ 345.4	\$ 409.4	\$ 330.6	\$ 84.2	23.4%	\$ 275.5	\$ 0.57
<i>% of Net Sales</i>	24.7%	11.3%	13.4%					
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 ²	—	71.4	—	—	—		—	—
Consulting fees on tax matters	—	1.7	1.7	1.7	0.5		1.2	—
Impairment of businesses held for sale	—	39.2	39.2	39.2	7.0		32.2	0.07
Proceeds received from the sale of a legacy investment	—	(3.3)	(3.3)	(3.3)	(0.5)		(2.8)	(0.01)
Legal matters	—	(14.6)	(14.6)	(14.6)	(3.6)		(11.0)	(0.02)
Rounding	—	—	—	—	—		—	0.01
Adjusted	\$ 766.5	\$ 247.9	\$ 447.2	\$ 368.4	\$ 91.2	22.9%	\$ 306.3	\$ 0.64
<i>% of Net Sales</i>	25.1%	8.1%	14.6%					

- 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 Q1 FY23 Adj. Gross Margin and Adj. Gross Profit – YOY Change (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	Effective tax rate	Net income (loss) attributable to Conagra Brands, Inc.	Diluted EPS from income 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)
<i>% of Net Sales</i>	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 ²	—	61.9	—	—	—		—	—
Municipal water break costs	2.6	—	2.6	2.6	0.6		2.0	—
Impairment of business 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
<i>% of Net Sales</i>	24.9%	9.0%	13.7%					
<i>Year-over-year % of net sales change - reported</i>	(58) bps	1385 bps	N/A					
<i>Year-over-year % of net sales change - adjusted</i>	(54) bps	8 bps	(42) bps					
<i>Year-over-year change - reported</i>	7.0%	139.1%	N/A	N/A	(79.3)%		N/A	N/A
<i>Year-over-year change - adjusted</i>	7.1%	10.5%	6.2%	3.5%	7.1%		14.2%	14.0%

- 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 FY23 Adj. Gross Margin and Adj. Gross Profit – YOY Change Cont. (in millions)



Q1 FY22	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	\$ 673.4	\$ 310.1	\$ 363.3	\$ 285.2	\$ 69.7	22.8 %	\$ 235.4	\$ 0.49
<i>% of Net Sales</i>	25.4%	11.7%	13.7%					
Restructuring plans	6.4	9.4	15.8	15.8	3.9		11.9	0.02
Acquisitions and divestitures	—	1.0	1.0	1.0	0.3		0.7	—
Corporate hedging derivative losses (gains)	(5.2)	—	(5.2)	(5.2)	(1.3)		(3.9)	(0.01)
Advertising and promotion expenses ²	—	62.2	—	—	—		—	—
Unusual tax items	—	—	—	—	3.6		(3.6)	(0.01)
Rounding	—	—	—	—	—		—	0.01
Adjusted	\$ 674.6	\$ 237.5	\$ 374.9	\$ 296.8	\$ 76.2	24.0 %	\$ 240.5	\$ 0.50
<i>% of Net Sales</i>	25.4%	9.0%	14.1%					

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 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 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 FY22 Net Leverage Ratio (in millions)



	FY22
Net Debt¹	\$ 8,896.5
Net income attributable to Conagra Brands, Inc.	\$ 888.2
Add Back: Income tax expense	290.5
Income tax expense attributable to noncontrolling interests	—
Interest expense, net	379.9
Depreciation	316.1
Amortization	59.3
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	\$ 1,934.0
Restructuring plans ²	34.8
Acquisitions and divestitures	2.9
Corporate hedging derivative gains	(4.4)
Consulting fees on tax matters	2.3
Impairment of businesses held for sale	70.1
Proceeds received from the sale of a legacy investment	(3.3)
Legal matters	(19.6)
Environmental matters	(6.5)
Disaster related costs	11.3
Brand impairment charges ³	207.0
Adjusted EBITDA	\$ 2,228.6
Net Debt to Adjusted EBITDA⁴	3.99

1. As of May 29, 2022

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 Q4 FY23 EBITDA (in millions)



	Q4 FY23	Q4 FY22	% Change
Net income attributable to Conagra Brands, Inc.	\$ 37.5	\$ 158.9	(76.4)%
Add Back: Income tax expense	(18.3)	26.7	
Income tax expense attributable to noncontrolling interests	(0.2)	0.4	
Interest expense, net	108.0	96.2	
Depreciation	79.4	75.0	
Amortization	13.5	14.8	
Earnings before interest, taxes, depreciation, and amortization	\$ 219.9	\$ 372.0	(40.9)%
Restructuring plans ¹	3.5	9.5	
Acquisitions and divestitures	7.6	0.2	
Corporate hedging derivative losses (gains)	12.5	0.9	
Fire related costs	(1.1)	11.3	
Consulting fees on tax matters	—	1.1	
Third-party vendor cybersecurity incident	4.4	—	
Legal matters	3.8	(5.0)	
Environmental matters	—	(6.5)	
Brand impairment charges ²	343.6	207.0	
Adjusted Earnings before interest, taxes, depreciation, and amortization	\$ 594.2	\$ 590.5	0.6%

1. Excludes comparability items related to depreciation.

2. Excludes comparability items attributable to noncontrolling interests.

Reconciliation of FY23 EBITDA (in millions)



	FY23	FY22	% Change
Net income attributable to Conagra Brands, Inc.	\$ 683.6	\$ 888.2	(23.0)%
Add Back: Income tax expense	218.7	290.5	
Income tax expense attributable to noncontrolling interests	(0.5)	—	
Interest expense, net	409.6	379.9	
Depreciation	313.1	316.1	
Amortization	56.8	59.3	
Earnings before interest, taxes, depreciation, and amortization	\$ 1,681.3	\$ 1,934.0	(13.1)%
Restructuring plans 1	12.3	34.8	
Acquisitions and divestitures	8.4	2.4	
Corporate hedging derivative losses (gains)	37.1	(4.4)	
Fire related costs	13.4	11.3	
Municipal water break costs	3.5	—	
Consulting fees on tax matters	—	2.8	
Third-party vendor cybersecurity incident	4.4	—	
Impairment of businesses held for sale	26.7	70.1	
Proceeds from the sale of a legacy investment	—	(3.3)	
Legal matters	3.8	(19.6)	
Environmental matters	—	(6.5)	
Goodwill and brand impairment charges ²	729.3	207.0	
Adjusted Earnings before interest, taxes, depreciation, and amortization	\$ 2,520.2	\$ 2,228.6	13.1%

1. Excludes comparability items related to depreciation.

2. Excludes comparability items attributable to noncontrolling interests.



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