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Investor Relations

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General Mills Outlines "Accelerate" Growth Strategy at 2021 CAGNY Conference

Reaffirms Third-Quarter and Full-Year Fiscal 2021 Guidance

MINNEAPOLIS, Minn. – February 16, 2021 – At the Consumer Analyst Group of New York (CAGNY) 2021 Conference, General Mills (NYSE: GIS) outlined its Accelerate strategy to deliver top-tier shareholder returns. The company also reaffirmed its fiscal 2021 third-quarter and full-year financial guidance, which was originally provided on December 17, 2020.

Accelerate Strategy

The Accelerate strategy defines the path for the next chapter of General Mills growth, leveraging the company's historical strengths and deploying them in ways that are relevant for today's consumer and marketplace. The strategy guides the company's choices on how to win and where to play to drive profitable growth and top-tier shareholder returns over the long term.

How to Win

The Accelerate strategy focuses on four pillars to create competitive advantages and win:

- **Boldly Building Brands** by meeting consumers where they are with purpose-driven brands, supported with increasing and evolving media investment and a reinvented marketing playbook.
- **Relentlessly Innovating** by creating new solutions to real consumer problems, leveraging greater speed to market on core platform innovation and finding new areas of growth through experimentation and in-market learning.
- **Unleashing Scale** to create competitive advantage by investing in data and analytics to drive differential growth and efficiency across the enterprise, and by enhancing core capabilities including Holistic Margin Management, Strategic Revenue Management, and E-commerce**.**
- **Being a Force for Good** by regenerating the planet, improving food security, strengthening communities, and advancing inclusion among the company's people and through its brands.

Where to Play

The Accelerate strategy enhances the company's ability to generate profitable growth through geographic and product prioritization and portfolio shaping:

- Prioritizing investment in **eight Core Markets**, including the United States, Canada, France, the U.K., Australia, China, Brazil, and India, where the company has scale and infrastructure to drive profitable growth.
- Allocating outsized resources and investments in **five Global Platforms** – Cereal, Pet Food, Ice Cream, Snack Bars, and Mexican Food – representing approximately 45 percent of fiscal 2020 net sales. These global platforms are expected to lead the company's growth and drive favorable profit mix for the portfolio in the future.
- Fueling growth in **Local Gem brands**, representing approximately 35 percent of fiscal 2020 net sales, that have attractive local growth potential, including *Pillsbury*, *Annie's*, *Yoplait*, *Totino's*, *Wanchai Ferry*, *Yoki*, and *Kitano*, among others.
- **Reshaping the portfolio** with strategic acquisitions and divestitures.

Driving Value

The Accelerate strategy is expected to enable General Mills to deliver mid- to high-single-digit constant-currency growth in adjusted diluted earnings per share and top-tier shareholder returns over the long term by:

- Generating organic net sales growth of 2 to 3 percent;
- Expanding margins to deliver mid-single-digit adjusted operating profit growth in constant currency;

- Converting at least 95 percent of adjusted net earnings into free cash flow; and
- Returning approximately 80 to 90 percent of free cash flow to shareholders through dividends and share repurchases.

Reaffirming Second-Half Fiscal 2021 Guidance

General Mills reiterated its expectation that the COVID-19 pandemic will continue to drive elevated consumer demand for food at home, relative to pre-pandemic levels, through the remainder of fiscal 2021. In addition, the company reaffirmed its third-quarter and full-year guidance:

- **Third-Quarter Fiscal 2021:** Organic net sales growth is expected to be roughly similar to the second quarter's growth rate and adjusted operating profit margin is expected to be in line with the prior-year third quarter.
- **Full-Year Fiscal 2021:** Adjusted operating profit margin is expected to be in line or better than the previous year.

A webcast of the company's pre-recorded CAGNY 2021 presentation featuring Chairman and Chief Executive Officer Jeff Harmening, Chief Marketing Officer Ivan Pollard, and Chief Financial Officer Kofi Bruce will begin at 7:00 a.m. CT this morning. A replay of the presentation and related materials will be made available on General Mills' Investor Relations website at www.generalmills.com/investors.

About General Mills

General Mills is a leading global food company whose purpose is to make food the world loves. Its brands include Cheerios, Annie's, Yoplait, Nature Valley, Häagen-Dazs, Betty Crocker, Pillsbury, Old El Paso, Wanchai Ferry, Yoki, BLUE and more. Headquartered in Minneapolis, Minnesota, USA, General Mills generated fiscal 2020 net sales of U.S. $17.6 billion. In addition, General Mills' share of non-consolidated joint venture net sales totaled U.S. $1.0 billion.

Note on Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are based on our current expectations and assumptions. These forward-looking statements, including the statements under the caption "Reaffirming Second-Half Fiscal 2021 Guidance," are subject to certain risks and uncertainties that could cause actual results to differ materially from the potential results discussed in the forward-looking statements. In particular, our predictions about future net sales and earnings could be affected by a variety of factors, including: the impact of the COVID-19 pandemic on our business, suppliers, consumers, customers, and employees; disruptions or inefficiencies in the supply chain, including any impact of the COVID-19 pandemic; competitive dynamics in the consumer foods industry and the markets for our products, including new product introductions, advertising activities, pricing actions, and promotional activities of our competitors; economic conditions, including changes in inflation rates, interest rates, tax rates, or the availability of capital; product development and innovation; consumer acceptance of new products and product improvements; consumer reaction to pricing actions and changes in promotion levels; acquisitions or dispositions of businesses or assets; changes in capital structure; changes in the legal and regulatory environment, including tax legislation, labeling and advertising regulations, and litigation; impairments in the carrying value of goodwill, other intangible assets, or other long-lived assets, or changes in the useful lives of other intangible assets; changes in accounting standards and the impact of significant accounting estimates; product quality and safety issues, including recalls and product liability; changes in consumer demand for our products; effectiveness of advertising, marketing, and promotional programs; changes in consumer behavior, trends, and preferences, including weight loss trends; consumer perception of health-related issues, including obesity; consolidation in the retail environment; changes in purchasing and inventory levels of significant customers; fluctuations in the cost and availability of supply chain resources, including raw materials, packaging, and energy; effectiveness of restructuring and cost saving initiatives; volatility in the market value of derivatives used to manage price risk for certain commodities; benefit plan expenses due to changes in plan asset values and discount rates used to determine plan liabilities; failure or breach of our information technology systems; foreign economic conditions, including currency rate fluctuations; and political unrest in foreign markets and economic uncertainty due to terrorism or war. The company undertakes no obligation to publicly revise any forward-looking statement to reflect any future events or circumstances.

Reminder on Non-GAAP Guidance

The Company's outlook for organic net sales growth and adjusted operating profit margin are non-GAAP financial measures that exclude, or have otherwise been adjusted for, items impacting comparability, including the effect of foreign currency exchange rate fluctuations, acquisitions, divestitures, and a 53rd week, when applicable. General Mills is not able to reconcile these forward-looking non-GAAP financial measures to their most directly comparable forward-looking GAAP financial measure without unreasonable efforts because it is unable to predict with a reasonable degree of certainty the actual impact of changes in foreign currency exchange rates or the timing of acquisitions and divestitures throughout fiscal 2021. The unavailable information could have a significant impact on the Company's fiscal 2021 GAAP financial results.