



General Mills Earnings
First Quarter Fiscal 2020
September 18, 2019



A Reminder on Forward-looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are based on management's current expectations and assumptions. These forward-looking statements 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: 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, including our acquisition of Blue Buffalo and issues in the integration of Blue Buffalo and retention of key management and employees; unfavorable reaction to our acquisition of Blue Buffalo by customers, competitors, suppliers, and employees; 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; disruptions or inefficiencies in the supply chain; 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 statements to reflect any future events or circumstances.



Jeff Harmening

Chairman and Chief Executive Officer



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Today's Key Messages

- **Topline Improvement in North America Retail and Strong Growth in Pet**
- **Actions to Improve Sales in Remaining Three Segments Starting in Q2**
- **Adjusted Operating Profit and Adjusted Diluted EPS Ahead of Expectations**
- **Remain on Track to Deliver Fiscal 2020 Goals**

First Quarter Fiscal 2020 Financial Results



<i>Dollars in millions except per share data</i> TOTAL GENERAL MILLS	Q1	
	\$MM	VS LY
Net Sales	\$4,002	-2%
Organic Sales*		-1%
Adjusted Operating Profit*	\$682	+7%¹
Adjusted Diluted EPS*	\$0.79	+13%¹

*Non-GAAP measure. See appendix for reconciliation.

(1) Constant currency growth rate. Non-GAAP measure. See appendix for reconciliation



Our Fiscal 2020 Priorities



Accelerate Organic Sales

Improve NAR while continuing to drive Pet growth



Maintain Strong Margins

Fuel growth investments through HMM and SRM

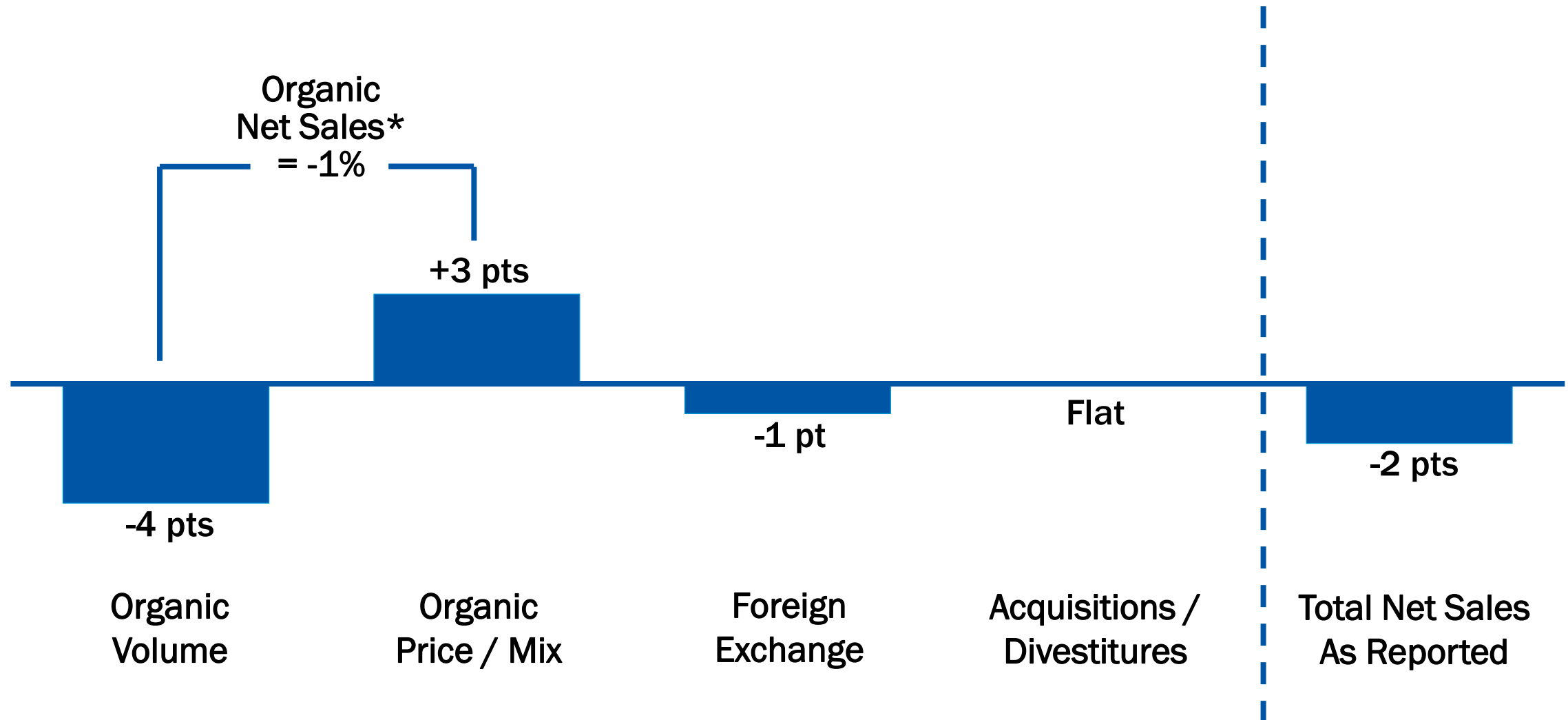


Reduce Leverage

Continue cash discipline and pay down debt

First Quarter Fiscal 2020

Components of Net Sales Growth



*Non-GAAP measure.

First Quarter Fiscal 2020 North America Retail



SEGMENT RESULTS

\$MM VS. LY

Net Sales	\$2,376	Flat ¹
Segment Operating Profit	\$560	+2% ²

SEGMENT HIGHLIGHTS

(Net Sales % vs. LY)

- Continued Momentum in U.S. Cereal (+1%)
- Improvement in U.S. Yogurt (Flat) and U.S. Snacks (-1%)
- SRM Drove Positive Price/Mix
- Q1 Profit Growth Driven by HMM Savings and Positive Price/Mix, Partially Offset by Input Cost Inflation and Higher Brand-building Investments



(1) Organic net sales growth rate. Non-GAAP measure. See appendix for reconciliation.

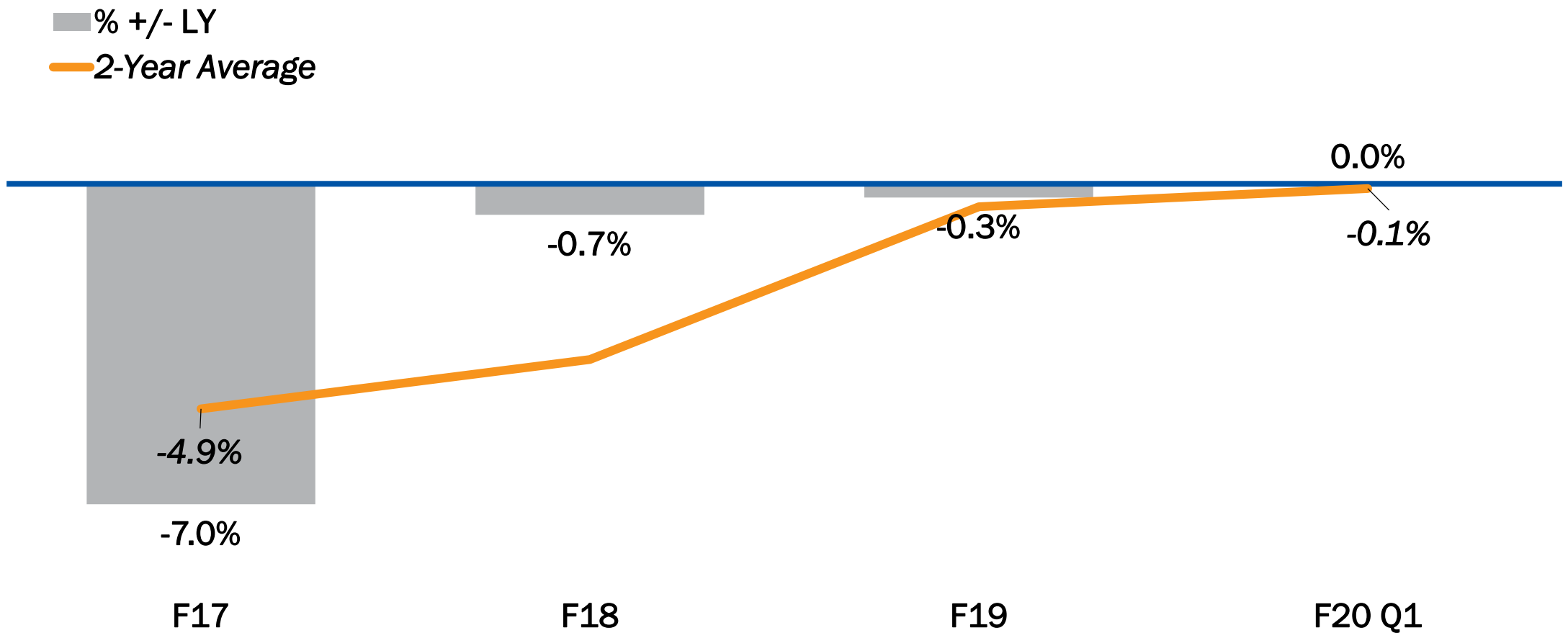
(2) Constant currency growth rate. Non-GAAP measure. See appendix for reconciliation.

See slide 28 for net sales results by Operating Unit



General Mills U.S. Retail Sales Trend

RETAIL SALES % VS. LY

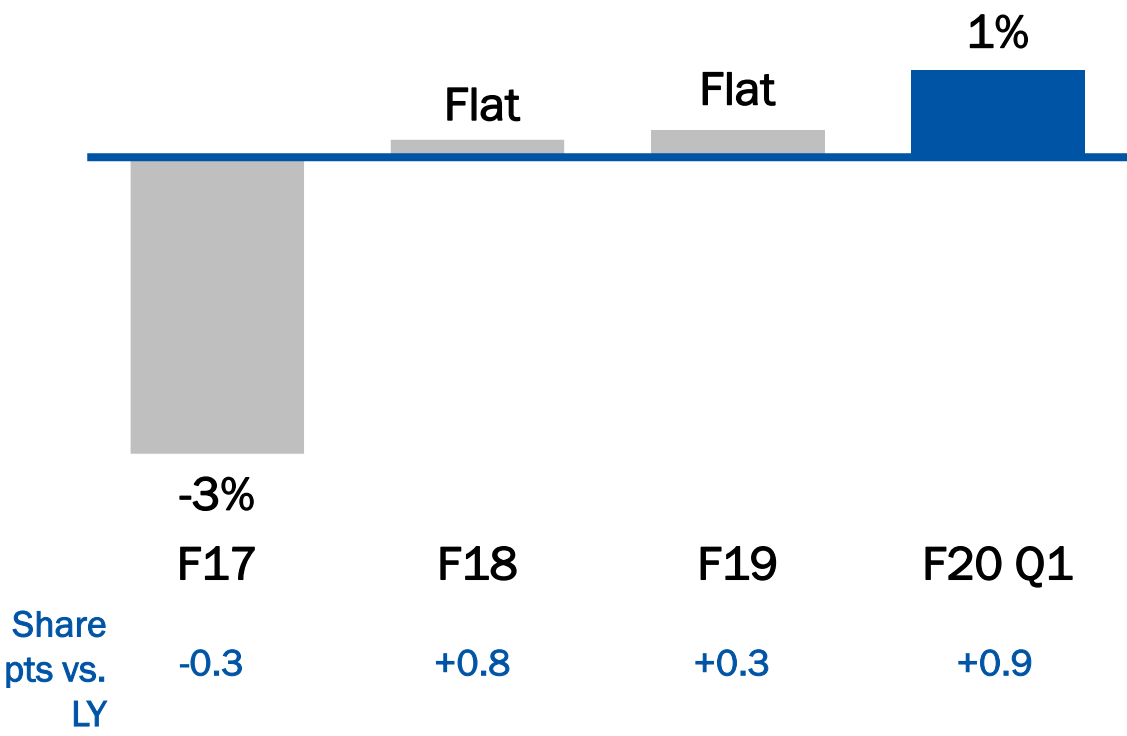


F20 Q1: Holding or Growing Share in 5 of Top 10 Categories

Maintain Momentum on U.S. Cereal



GENERAL MILLS U.S. CEREAL (Retail Sales, % vs. LY)



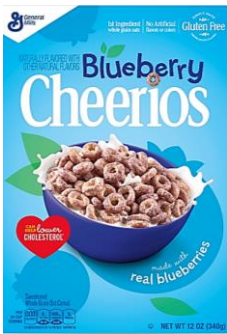
MODERN BRAND BUILDING AND STRONG INNOVATION



Cheerios



Cinnamon Toast Crunch



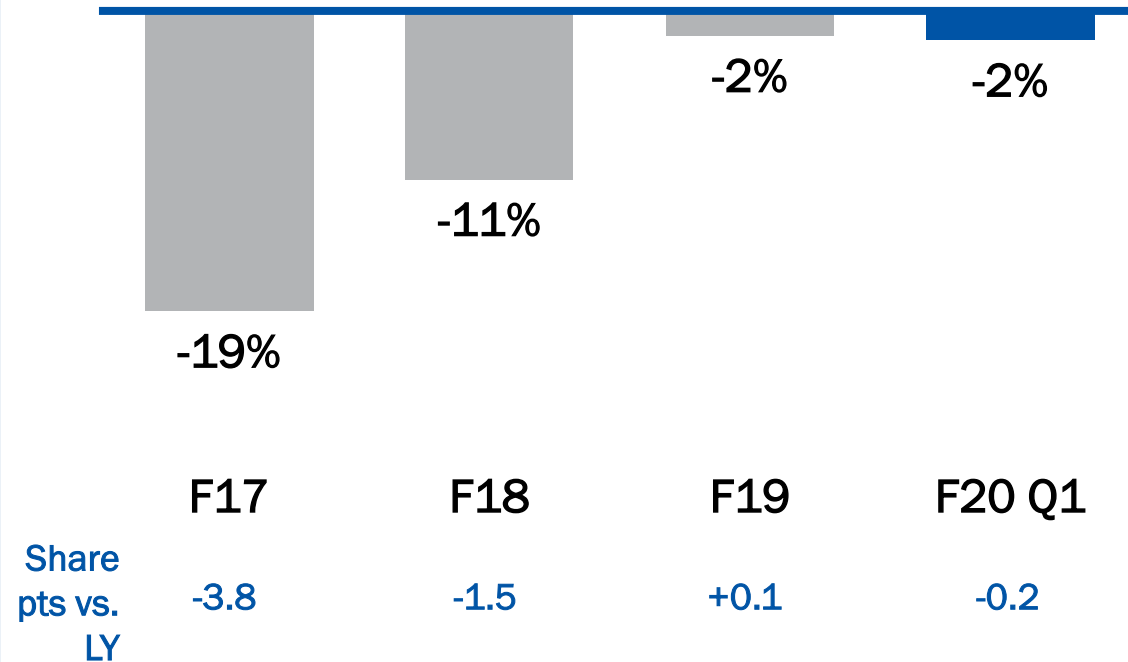
Strong Innovation



Improve U.S. Yogurt

GENERAL MILLS U.S. YOGURT

(Retail Sales % vs. LY)



RETAIL SALES GROWTH IN CORE AND “SIMPLY BETTER”

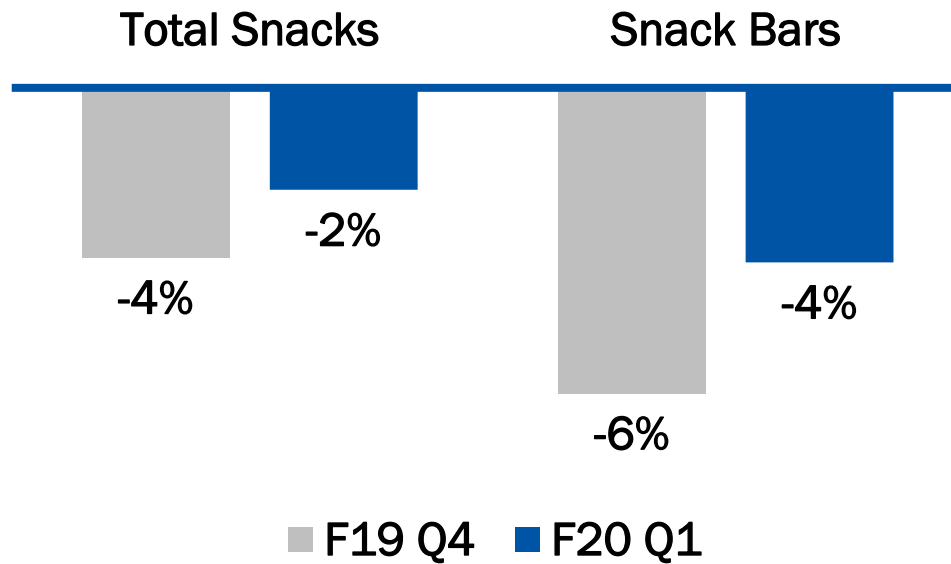




Improve U.S. Snacks

U.S. SNACKS OPERATING UNIT SHOWING EARLY SIGNS OF IMPROVEMENT

(General Mills U.S. Snacks Retail Sales % vs. LY)



- Positive Early Traction on Nature Valley Wafer Bar and Improved Retail Sales Trends on Fiber One
- Focus on Back to School Merchandising, Increased Media and Sampling
- Expect Snack Bars Improvement to Continue in YTG



Competing Effectively in U.S. Meals & Baking



OLD EL PASO



F20 Q1 Retail Sales +5%

SOUP



F20 Q1 Retail Sales +2%

REFRIGERATED DOUGH



F20 Q1 Retail Sales +2%

First Quarter Fiscal 2020 Pet Segment



SEGMENT RESULTS

\$MM

VS. LY

Net Sales	\$368	+7% ¹
Segment Operating Profit	\$81	+458%

SEGMENT HIGHLIGHTS

- Q1 Net Sales Increase Led by Strong Growth in FDM and Significant Positive Price/Mix
- Mid-teens Net Sales Growth Excluding the Extra Week in F19 Q1
- All-channel Retail Sales +DD; Continued Market Share Gains
- Q1 Profit Growth Driven by Last Year's Purchase Accounting Adjustment and Higher Net Sales



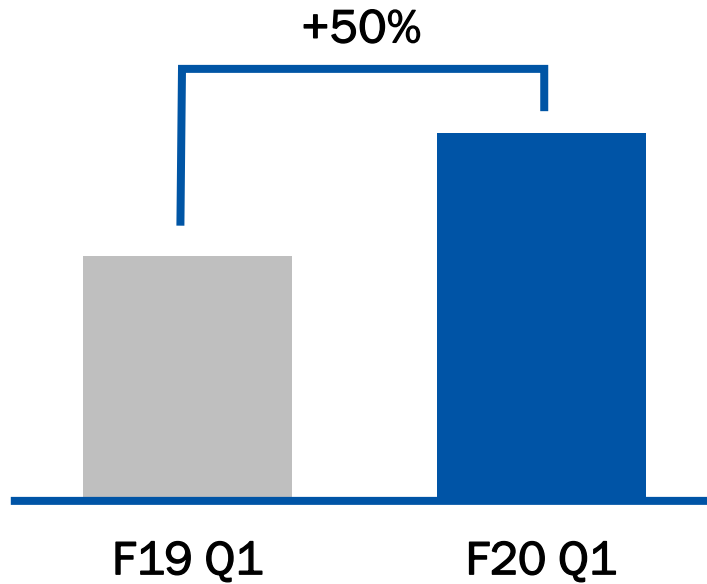
(1) Organic net sales growth rate. Non-GAAP measure. See appendix for reconciliation

Pet All-channel Retail Sales +DD in F20 Q1



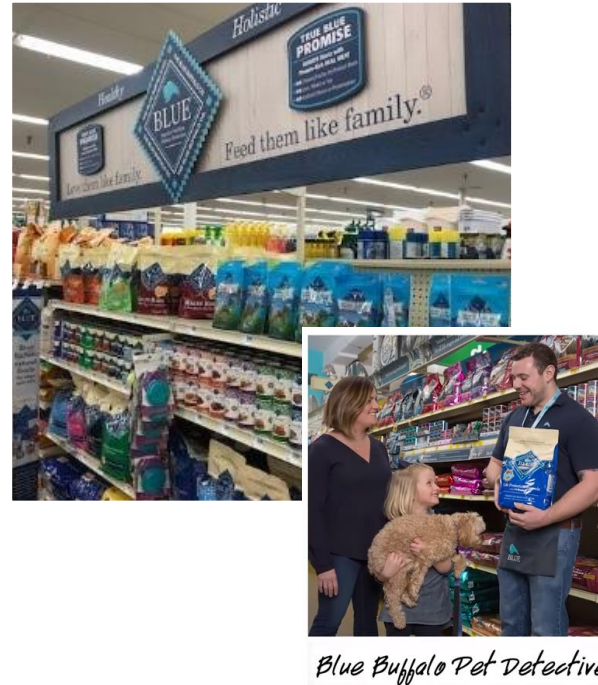
FDM

RETAIL SALES AT CUSTOMERS
WITH BLUE MORE THAN 12 MONTHS



- Retail Sales +++
- Market Share Gains

PET SPECIALTY



- Retail Sales -DD
- Market Share Declines

E-COMMERCE



- Retail Sales +20%
- Market Share Gains

First Quarter Fiscal 2020 Convenience Stores & Foodservice



SEGMENT RESULTS

\$MM VS. LY

Net Sales	\$445	-4% ¹
Segment Operating Profit	\$91	-6%

SEGMENT HIGHLIGHTS

- Net Sales Down Due to Lower Bakery Flour Volume and Unfavorable Index Pricing
- Focus 6 Net Sales +2%, Led by Cereal, Frozen Baked Goods, and Yogurt
- Q1 Profit Reflects Difficult Comparison to 14% Growth Last Year



(1) Organic net sales growth rate. Non-GAAP measure. See appendix for reconciliation

First Quarter Fiscal 2020 Europe & Australia



SEGMENT RESULTS

\$MM VS. LY

Net Sales	\$454	-5% ¹
Segment Operating Profit	\$28	-15% ²

SEGMENT HIGHLIGHTS

- Q1 Net Sales Declines Reflect Challenging French Retail Environment and Changes in Merchandising Timing
- Retail Sales +HSD on Snack Bars and +MSD on Mexican
- Q1 Profit Decline Driven by Brand-building Phasing and Lower Volume, Partially Offset by Positive Price/Mix



(1) Organic net sales growth rate. Non-GAAP measure. See appendix for reconciliation

(2) Constant currency growth rate. Non-GAAP measure. See appendix for reconciliation

Source: Nielsen xAOC and IRI FYTD through July 2019

First Quarter Fiscal 2020 Asia & Latin America



SEGMENT RESULTS

\$MM VS. LY

Net Sales	\$360	-3% ¹
Segment Operating Profit	\$10	-11% ²

SEGMENT HIGHLIGHTS

- Q1 Net Sales Declines Driven by Retailer Inventory Reductions in Brazil, Distribution Network Changes in India, and Lower Volumes in China
- Lapping +HSD Organic Net Sales Growth in F19 Q1
- Q1 Profit Driven by Lower Net Sales



(1) Organic net sales growth rate. Non-GAAP measure. See appendix for reconciliation

(2) Constant currency growth rate. Non-GAAP measure. See appendix for reconciliation

Year-To-Go Expectations



- Continue to Drive Results on NAR and Pet
- Improve Topline Trends in Remaining Segments Beginning in Q2
 - CS&F: Stronger Focus 6 Growth, Improved Flour Volume
 - EUAU: Increased Merchandising and Lapping Lost Distribution in 2H
 - ASLA: New SRM Actions and Increased Innovation



Don Mulligan
Chief Financial Officer



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First Quarter Fiscal 2020 Joint Ventures



Q1 AFTER-TAX EARNINGS: \$22MM VS. \$18MM LY

JV GROWTH

CPW

HDJ

Net Sales*

+2%

+6%

Highlights:

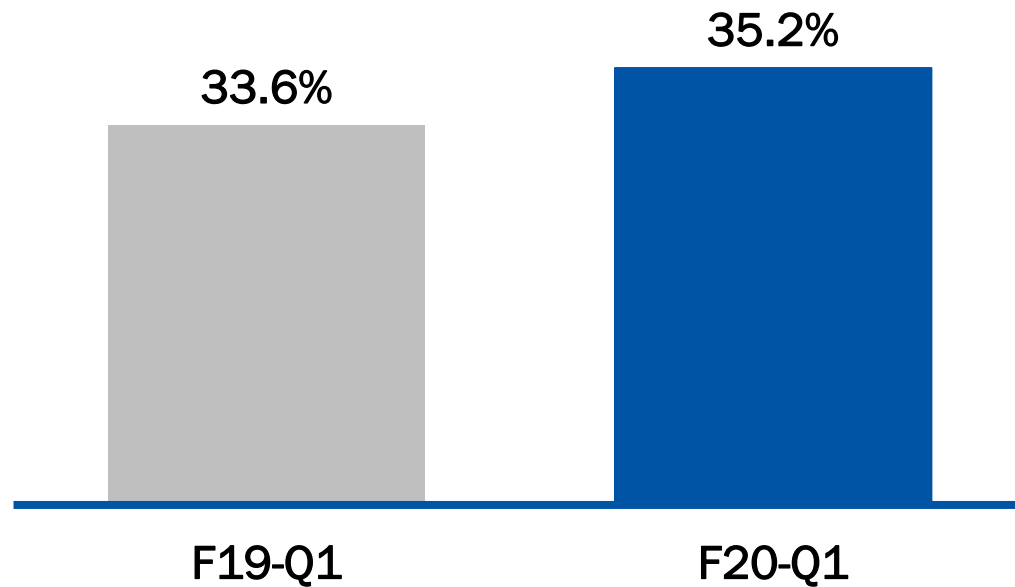
- Fourth consecutive quarter of net sales growth for CPW
- CPW net sales increase driven by UK, Latin America, and Asia, Middle East, and Africa regions
- HDJ net sales increase driven by core mini-cup growth
- After-tax earnings growth reflects lower restructuring charges at CPW and higher net sales, partially offset by higher brand-building expense



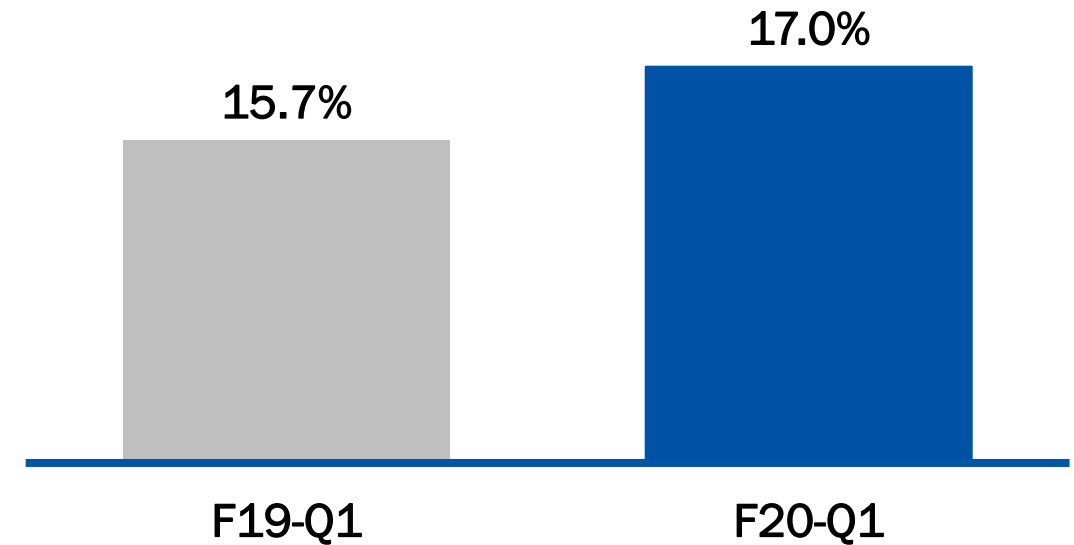
First Quarter Fiscal 2020 Margin Results



ADJUSTED GROSS MARGIN* (% OF NET SALES)



ADJUSTED OP PROFIT MARGIN* (% OF NET SALES)



Q1 margin expansion driven by favorable price/mix in all segments and last year's purchase accounting inventory adjustment in Pet

First Quarter Fiscal 2020

Other Income Statement Items

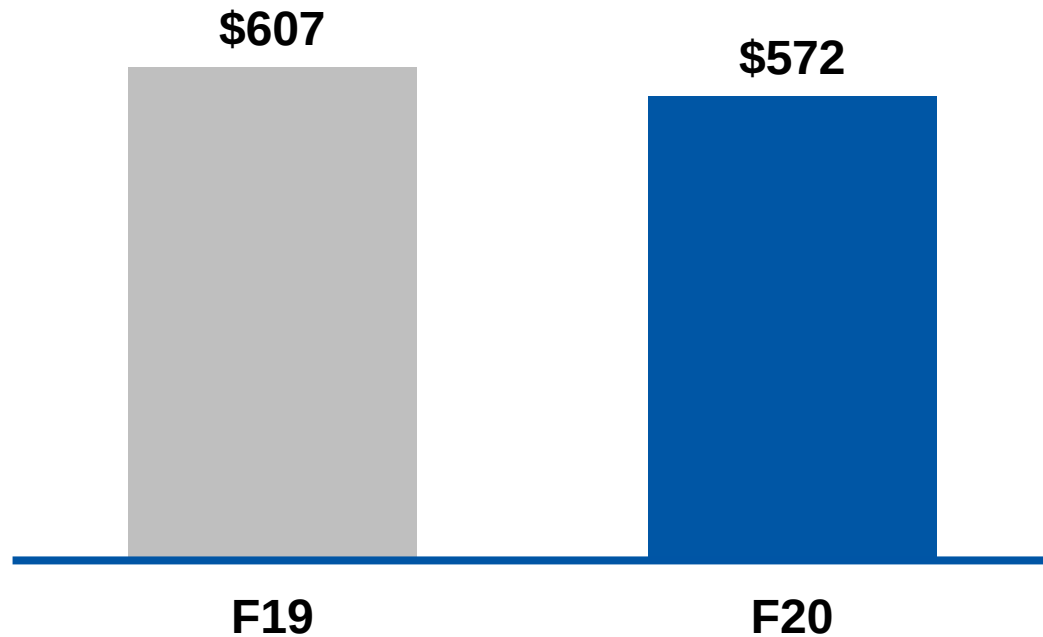


- Unallocated Corporate Expense Increased \$22MM ex. Certain Items
- Net Interest Expense Decreased \$15MM
- Adjusted Effective Tax Rate 20.9% vs. 22.7% LY*
- Average Diluted Shares Outstanding Up 1%

First Quarter Fiscal 2020 Balance Sheet and Cash Flow



OPERATING CASH FLOW (\$ IN MILLIONS)



- Core Working Capital -7% vs. LY
- Capital Investments = \$70MM
- Dividends Paid = \$298MM



Reaffirming Fiscal 2020 Targets

KEY FINANCIAL METRICS*	FISCAL 2020 OUTLOOK
Organic Net Sales Growth	+1 to +2%
Adjusted Operating Profit Growth	+2 to +4% ¹
Adjusted Diluted EPS Growth	+3 to +5% ¹
Free Cash Flow Conversion	>95%



Today's Key Messages

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- **Actions to Improve Sales in Remaining Three Segments Starting in Q2**
- **Adjusted Operating Profit and Adjusted Diluted EPS Ahead of Expectations**
- **Remain on Track to Deliver Fiscal 2020 Goals**



A Reminder on Non-GAAP Guidance

Our fiscal 2020 outlook for organic net sales growth, adjusted operating profit, and adjusted diluted EPS 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, restructuring charges and project-related costs, acquisition integration costs, and mark-to-market effects. Our fiscal 2020 outlook for organic net sales growth also excludes the effect of a 53rd week, acquisitions, and divestitures. We are not able to reconcile these forward-looking non-GAAP financial measures to their most directly comparable forward-looking GAAP financial measures without unreasonable efforts because we are unable to predict with a reasonable degree of certainty the actual impact of changes in foreign currency exchange rates and commodity prices or the timing of acquisitions, divestitures and restructuring actions throughout fiscal 2020. The unavailable information could have a significant impact on our fiscal 2020 GAAP financial results.

For fiscal 2020, we currently expect: foreign currency exchange rates (based on a blend of forward and forecasted rates and hedge positions), acquisitions, divestitures, and a 53rd week to increase net sales growth by approximately 1 percentage point; foreign currency exchange rates to have an immaterial impact on adjusted operating profit and adjusted diluted EPS growth; and restructuring charges and project-related costs related to actions previously announced to total approximately \$49 million.



Appendix: North America Retail

F20 Q1 OPERATING UNIT RESULTS

Operating Unit	Net Sales % vs. LY
U.S. Cereal	+1%
U.S. Yogurt	Flat
U.S. Meals & Baking	-1%
U.S. Snacks	-1%
Canada	-2%
<i>Canada Constant-currency¹</i>	<i>-1%</i>

(1) Constant currency growth rate. Non-GAAP measure. See appendix for reconciliation

Reconciliation of First Quarter Fiscal 2020 Canada Operating Unit Constant-currency Net Sales Growth



(FISCAL YEAR)

Q1 2020		
Percentage Change in Canada Net Sales as Reported	Impact of Foreign Currency Exchange	Percentage Change in Canada Net Sales on a Constant-currency Basis
(2) %	(1) pt	(1) %

Reconciliation of First Quarter Fiscal 2020 Organic Net Sales Growth



(FISCAL YEAR)

	Q1 2020				
	Organic Volume	Organic Price/Mix	Organic Net Sales	Foreign Exchange	Acquisitions & Divestitures
					Reported Net Sales Growth
North America Retail	(1) pt	1 pt	Flat	-	-
Convenience Stores & Foodservice	(6) pts	2 pts	(4) %	-	-
Europe & Australia	(7) pts	2 pts	(5) %	(4) pts	-
Asia & Latin America	(5) pts	1 pt	(3) %	(2) pts	(5) pts
Pet	1 pt	7 pts	7 %	-	-
Total	(4) pts	3 pts	(1) %	(1) pt	-

*Table may not foot due to rounding.

Reconciliation of First Quarter Fiscal 2020 Adjusted Operating Profit Constant-currency Growth Rate



(FISCAL YEARS, \$ IN MILLIONS)

	Q1		
	2020	2019	Change
Operating profit as reported	\$ 662.4	\$ 601.5	10 %
Mark-to-market effects	15.0	31.1	
Restructuring charges	14.3	(1.2)	
Project-related costs	-	1.2	
Investment activity, net	(9.5)	-	
Acquisition integration costs	-	8.7	
Adjusted operating profit	\$ 682.1	\$ 641.3	6 %
Foreign currency exchange impact			Flat
Adjusted operating profit growth, on a constant-currency basis			7 %

*Table may not foot due to rounding.

Reconciliation of First Quarter Fiscal 2020 Adjusted Diluted EPS and Related Constant-currency Growth Rate



(FISCAL YEARS)

Per Share Data	Q1		
	2020	2019	Change
Diluted earnings per share, as reported	\$ 0.85	\$ 0.65	31 %
Tax item	(0.09)	-	
Mark-to-market effects*	0.02	0.04	
Restructuring charges*	0.02	-	
Investment activity, net*	(0.01)	-	
CPW restructuring costs	-	0.01	
Acquisition integration costs*	-	0.01	
Adjusted diluted earnings per share	\$ 0.79	\$ 0.71	11 %
Foreign currency exchange impact			(1) pt
Adjusted diluted earnings per share growth, on a constant-currency basis			13 %

*Table may not foot due to rounding.

*See reconciliation of tax rate excluding items for tax impact of individual items.

Reconciliation of First Quarter Fiscal 2020 Constant-currency Segment Operating Profit Growth



(FISCAL YEAR)

	Q1 2020		
	Percentage Change in Segment Operating Profit as Reported	Impact of Foreign Currency Exchange	Percentage Change in Segment Operating Profit on a Constant-currency Basis
North America Retail	2 %	Flat	2 %
Europe & Australia	(20) %	(5) pts	(15) %
Asia & Latin America	(17) %	(6) pts	(11) %

Reconciliation of First Quarter Fiscal 2020 Adjusted Gross Margin



(FISCAL YEARS)

	Q1	
	2020	2019
	% of Net Sales	% of Net Sales
Gross margin as reported	34.7 %	32.8 %
Mark-to-market effects	0.4	0.8
Restructuring charges	0.2	-
Adjusted gross margin	35.2 %	33.6 %

Reconciliation of First Quarter Fiscal 2020 Adjusted Operating Profit Margin



(FISCAL YEARS)

	Q1	
	2020	2019
	% of Net Sales	% of Net Sales
Operating profit margin as reported	16.5 %	14.7 %
Mark-to-market effects	0.4	0.8
Restructuring charges	0.4	-
Investment activity, net	(0.2)	-
Acquisition integration costs	-	0.2
Adjusted operating profit margin	17.0 %	15.7 %

*Table may not foot due to rounding.

Reconciliation of First Quarter Fiscal 2020 Tax Rate Excluding Items



(FISCAL YEARS, \$ IN MILLIONS)

	Q1			
	2020		2019	
	Pretax Earnings*	Income Taxes	Pretax Earnings*	Income Taxes
As reported	\$573.9	\$67.2	\$488.9	\$110.7
Tax item	-	53.1	-	-
Mark-to-market effects	15.0	3.5	31.1	7.2
Restructuring charges	14.3	2.6	(1.2)	(0.3)
Project-related costs	-	-	1.2	0.3
Investment activity, net	(9.5)	(2.2)	-	-
Acquisition integration costs	-	-	8.7	2.0
As adjusted	\$593.7	\$124.2	\$528.7	\$119.9
Effective tax rate:				
As reported		11.7%		22.6%
As adjusted		20.9%		22.7%
Sum of adjustments to income taxes		\$57.0		\$9.2
Average number of common shares - diluted EPS		611.5		603.3
Impact of income tax adjustments on adjusted diluted EPS		\$0.09		\$0.02

*Earnings before income taxes and after-tax earnings from joint ventures.

*Table may not foot due to rounding.

Reconciliation of Fiscal 2019 Adjusted Diluted EPS



	(FISCAL YEAR)	Full Year
Per Share Data		2019
Diluted earnings per share, as reported		\$ 2.90
Net tax benefit		(0.01)
Tax items		(0.12)
Mark-to-market effects*		0.05
Divestiture loss, net		0.03
Acquisition transaction and integration costs*		0.03
Restructuring charges*		0.10
Asset impairments		0.26
Investment valuation adjustments*		(0.03)
CPW restructuring charges		0.02
Legal recovery		(0.01)
Diluted earnings per share, excluding certain items affecting comparability		\$ 3.22

*See reconciliation of Income Taxes on Adjusting Items for tax impact of individual items.

Reconciliation of Fiscal 2019 Income Taxes on Adjusting Items



(FISCAL YEAR, \$ IN MILLIONS)

	2019 Full Year	
	Pretax Earnings*	Income Taxes
As reported	\$2,082.0	\$367.8
Net tax benefit	-	7.2
Tax items	-	72.9
Mark-to-market effects	36.0	8.3
Divestitures loss	30.0	13.6
Acquisition transaction and integration costs	25.6	5.9
Restructuring costs	77.6	14.6
Project-related costs	1.3	0.2
Asset impairments	207.4	47.7
Hyperinflationary accounting	3.2	-
Investment valuation adjustments	(22.8)	(5.2)
Legal recovery	(16.2)	(5.4)
As adjusted	\$2,424.1	\$527.6

*Earnings before income taxes and after-tax earnings from joint ventures