



General Mills Earnings

First Quarter Fiscal 2021

September 23, 2020

Making Food The World Loves



Cheerios



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: 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 statements to reflect any future events or circumstances.



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Jeff Harmening
*Chairman and
Chief Executive Officer*

Making Food The World Loves

Today's Key Messages

- **Exceptional Performance in Q1**
- **Enabled by Continued Focus on Employees and Consumers During COVID-19 Pandemic**
- **Delivering on Fiscal 2021 Priorities**
- **Resuming Dividend Growth, Ahead of Schedule**

Operating in a Dynamic Environment

- **At-home Food Demand Remains Elevated Globally**
 - Developed Markets Moderated from F20 Q4; Q1 Demand +LDD in NAR and +MSD in EUAU
 - Emerging Market Recovery Mixed
- **Away-from-home Demand Improved from F20 Q4, but Still Under Pressure**
- **Adapting to Capture Incremental Demand**
 - Adding Supply Chain Capacity – Internal and External
 - Higher Brand Investment and Shift to Digital Marketing & E-commerce

Exceptional Performance in Q1



+10%¹

Organic Net Sales



+22%²

Adjusted Operating Profit



+27%²

Adjusted Diluted EPS

¹ Non-GAAP measure. See appendix for reconciliation

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

Our Fiscal 2021 Priorities

1

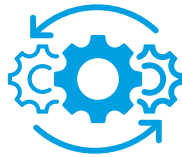
Compete



Compete Effectively,
Everywhere We Play

2

Fuel Investments



Drive Efficiency
to Fuel Investments in
Brands and Capabilities

3

Reduce



Reduce Debt Leverage to
Increase Financial Flexibility

1

Competing Effectively: Growing Share

Holding or Growing Share in Key Markets



U.S.



Canada



France



U.K.



China



Brazil

Holding or Growing Share in Key Categories

Cheerios

Cereal

NATURE VALLEY

Snack Bars



Mexican



Pet Food



Ice Cream



Yogurt
(U.S., France, Canada)



Ref. Dough



Dessert Mixes
(U.S., U.K.)

Competing Effectively: Winning New Consumers

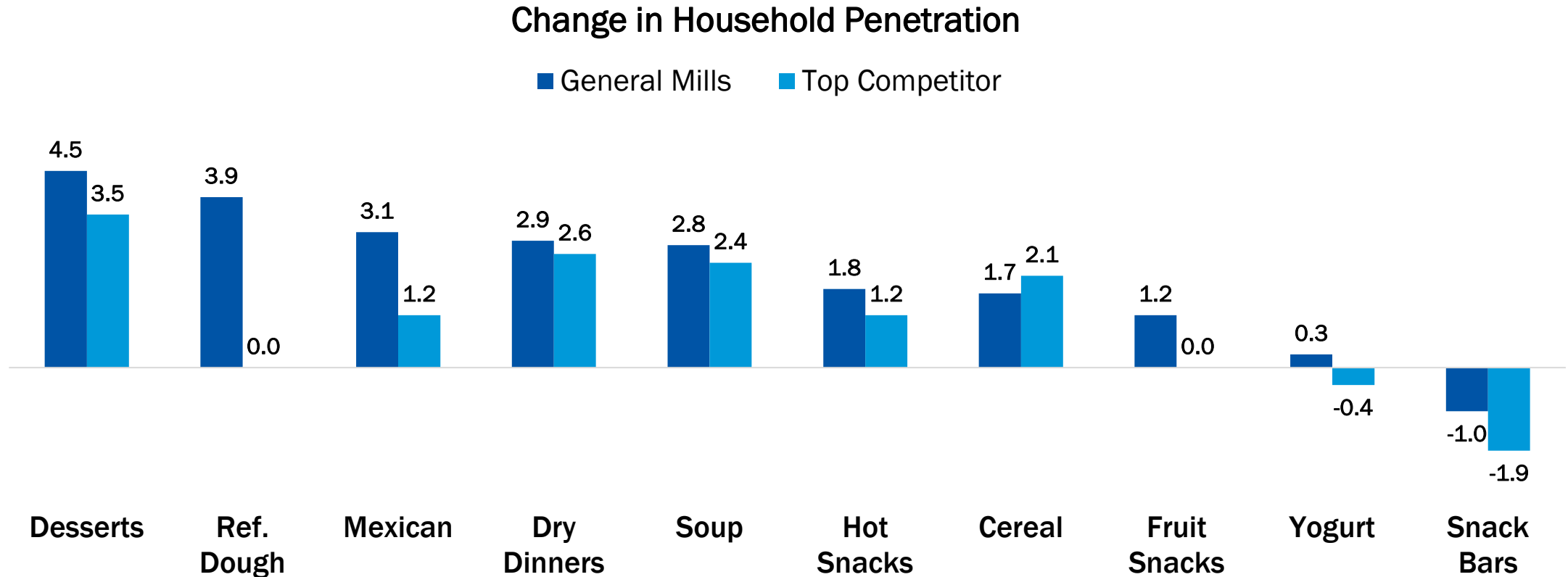
- Significant, Broad-based Global Household Penetration Gains



- U.S. Repeat Rates Higher than Pre-pandemic Levels and Ahead of Competition
- New U.S. Consumers Over Index to Younger and Hispanic Households
- Penetration Gains Outpacing Competition in U.S. Retail

Competing Effectively: Winning New Consumers

Penetration Gains Outpacing Competition During the Pandemic in U.S. Retail



Competing Effectively: Increasing the “Stickiness” of Demand

Meaningful Renovation

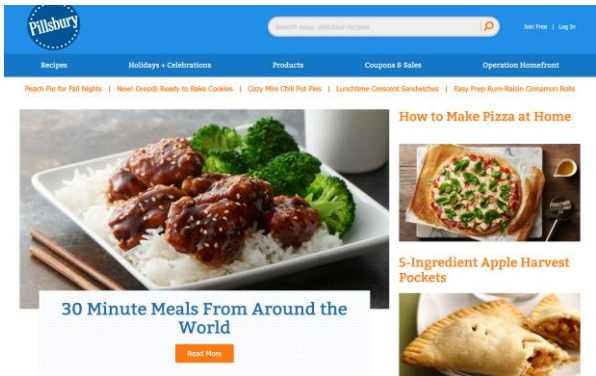


Relevant Innovation



Competing Effectively: Increasing the “Stickiness” of Demand

Breakthrough Brand Building



Fueling E-commerce Growth



Driving Efficiency to Fuel Investments

Margin Tailwinds

- 4% COGS HMM Savings
- Volume Leverage from Internal Capacity

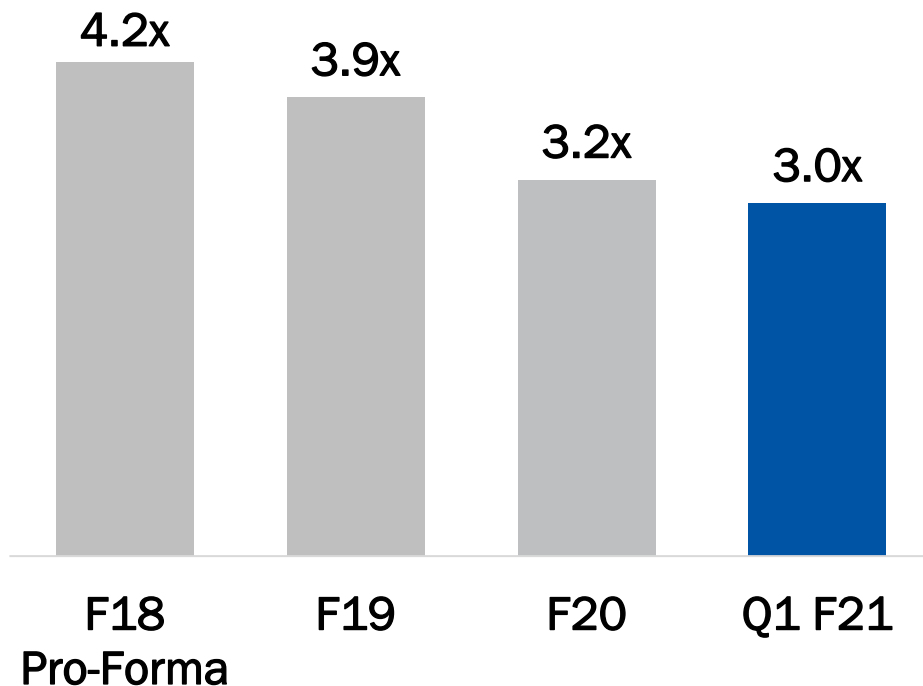
Margin Headwinds

- 3% Input Cost Inflation
- Higher Cost to Service Demand, Including External Manufacturing
- Increased Brand and Capability Investments
- Ongoing Health & Safety Expenses

Objective: Deliver F21 Adjusted Operating Profit Margin* Roughly In Line with F20

Reducing Debt Leverage and Resuming Dividend Growth

Net Debt to Adjusted EBITDA*



- Significant Deleverage Since Blue Buffalo Acquisition (F18)
- Returning to Normal Capital Allocation Priorities:
 1. Dividend Growth
 2. Strategic M&A
 3. Share Repurchase
- Announced 4% Quarterly Dividend Increase, Payable Nov 2



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Kofi Bruce

Chief Financial Officer

Making Food The World Loves



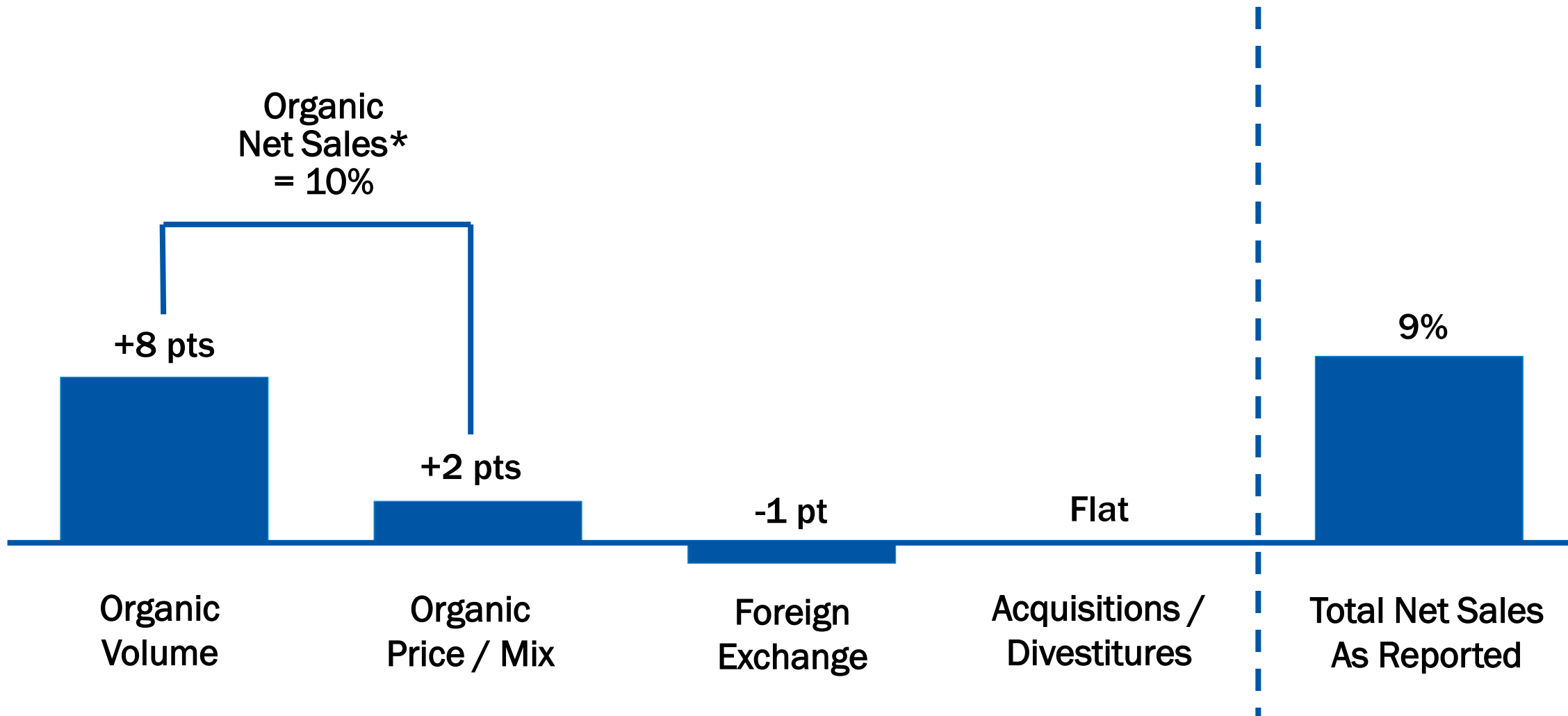
First Quarter Fiscal 2021 Financial Results

TOTAL GENERAL MILLS	Q1	
	\$MM	VS LY
Net Sales	\$4,364	+9%
Organic Net Sales*		+10%
Adjusted Operating Profit*	\$832	+22% ¹
Adjusted Diluted EPS*	\$1.00	+27% ¹

*Non-GAAP measure. See appendix for reconciliation

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

Components of First Quarter Net Sales Growth



*Non-GAAP measure
Table may not foot due to rounding

First Quarter Fiscal 2021 North America Retail

Segment Results

North America Retail	Q1
Organic Net Sales	+14% ¹
Segment Op Profit	+24% ²



Segment Highlights

- Q1 net sales growth primarily driven by U.S. Meals & Baking and U.S. Cereal, reflecting pandemic-driven elevated at-home food demand
- Held or grew share in 8 of top 10 U.S. categories in Q1
- Q1 profit growth primarily driven by higher volume, partially offset by higher SG&A expenses, including increased media investment

(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 13 weeks ending 8/29/2020
 See slide 29 for net sales results by Operating Unit

First Quarter Fiscal 2021 Pet

Segment Results

Pet	Q1
Organic Net Sales	+6% ¹
Segment Op Profit	+12% ²



Segment Highlights

- Q1 net sales growth driven by FDM and E-commerce sales
- Reduction in at-home inventory during Q1 was a headwind to net sales
- Continued household penetration and market share gains in Q1
- Q1 profit growth primarily driven by higher volume and COGS HMM savings, partially offset by negative price/mix and higher SG&A, including increased media investment

(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 + Pet Retail 13 weeks ending 8/29/2020

First Quarter Fiscal 2021 Convenience Stores & Foodservice

Segment Results

CS&F	Q1
Organic Net Sales	-12% ¹
Segment Op Profit	-24%



Segment Highlights

- Q1 net sales decline due to pandemic-driven reduction in away-from-home food demand
 - Reduced consumer traffic impacted Restaurants, Lodging, and Convenience Stores; the impact moderated versus F20 Q4
- Strong execution in Q1, with share growth in measured channels
- Q1 profit decline driven by lower net sales

(1) Organic net sales growth rate. Non-GAAP measure. See appendix for reconciliation
Source: NPD ending July 2020; Nielsen ending August 2020

First Quarter Fiscal 2021 Europe & Australia

Segment Results

EUAU	Q1
Organic Net Sales	+7% ¹
Segment Op Profit	+89% ²



Segment Highlights

- Q1 net sales growth primarily driven by Mexican Food, Retail Ice Cream, and Baking products
- Q1 aggregate market share growth
- Q1 profit growth driven by higher net sales, including 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/IRI FYTD through August 2020

First Quarter Fiscal 2021 Asia & Latin America

Segment Results

ASLA	Q1
Organic Net Sales	+17% ¹
Segment Op Profit	+68% ²



Segment Highlights

- Q1 LATAM net sales growth +DD driven by Yoki and Kitano in Brazil
- Q1 Asia net sales growth +DD driven primarily by Wanchai Ferry and Häagen-Dazs Retail in China, partially offset by away-from-home declines
- Q1 profit growth driven by higher 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

First Quarter Fiscal 2021 Joint Ventures

Q1 AFTER-TAX EARNINGS: \$41MM VS. \$22MM LY

JV Results

NET SALES	Q1
CPW	+9% ¹
HDJ	-1% ¹

JV Highlights

- Q1 broad-based CPW net sales growth driven by Latin America, Turkey, UK, and Europe Region
- HDJ volume decline partially offset by positive price/mix
- Q1 JV after-tax earnings growth primarily driven by higher net sales and volume leverage at CPW

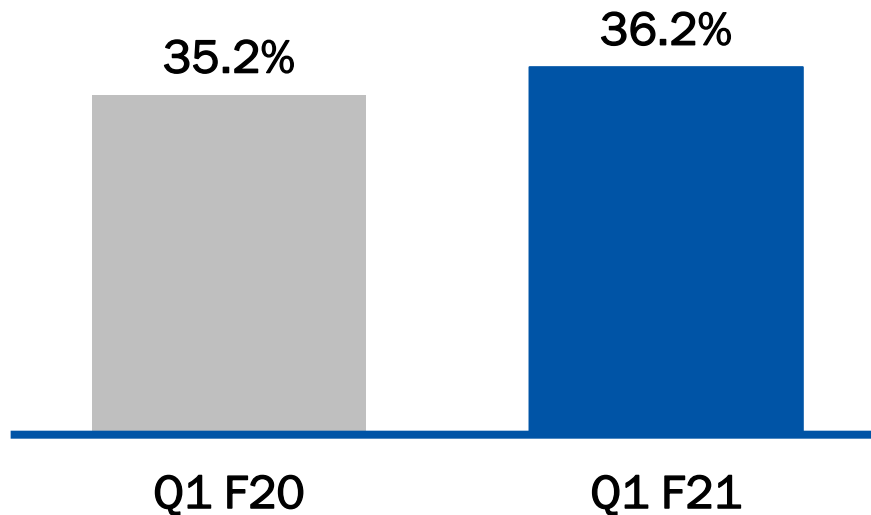


(1) Net sales growth in constant currency

First Quarter Fiscal 2021 Margin Results

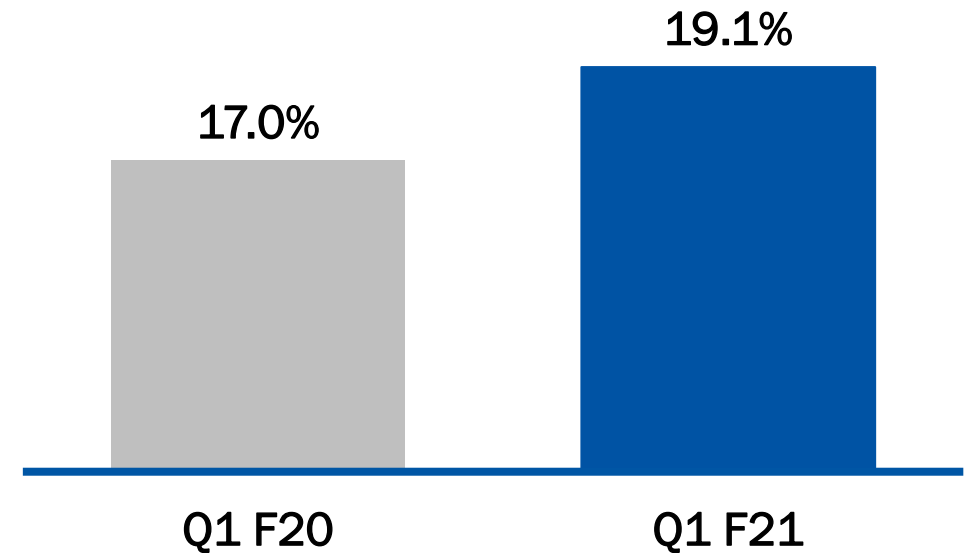
Adjusted Gross Margin*

(% OF NET SALES)



Adjusted Operating Profit Margin*

(% OF NET SALES)



- Q1 Adj. Gross Margin expansion driven primarily by volume leverage, partially offset by health and safety expenses and costs to secure incremental capacity
- Q1 Adj. Op Profit Margin expansion driven by higher Adj. Gross Margin and SG&A leverage

First Quarter Fiscal 2021

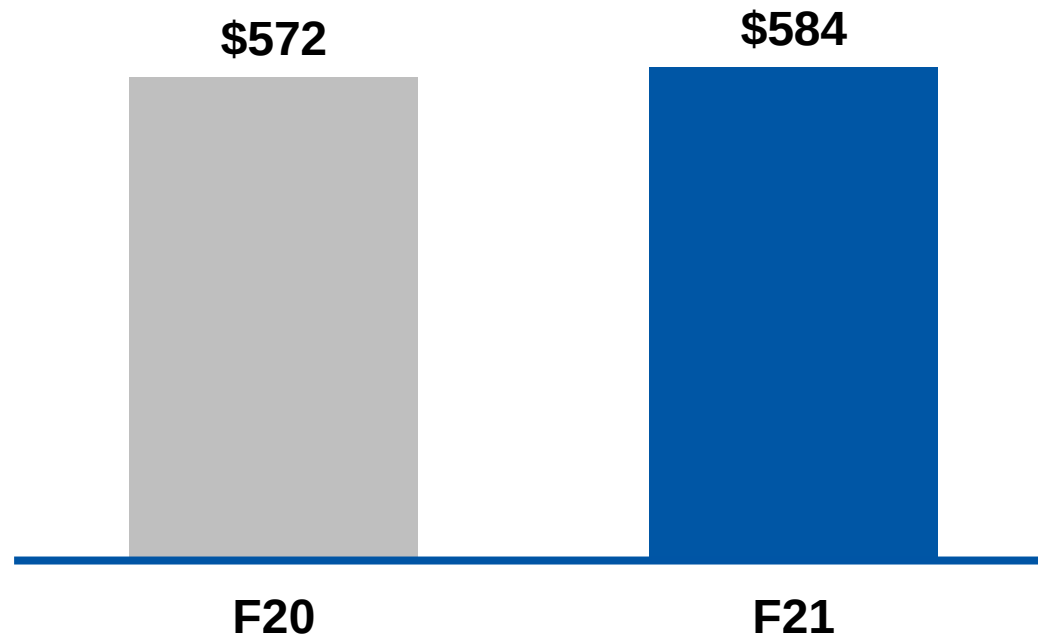
Other Income Statement Items

- Unallocated Corporate Expenses Increased \$8MM ex. Certain Items
- Net Interest Expense Decreased \$8MM
- Adjusted Effective Tax Rate 21.9% vs. 20.9% LY*
- Average Diluted Shares Outstanding Up 1%

First Quarter Fiscal 2021 Balance Sheet and Cash Flow

Operating Cash Flow

(\$ IN MILLIONS)



- Core Working Capital -\$570MM vs. LY
- Capital Investments = \$117MM
- Dividends Paid = \$303MM
- Leverage Ratio* = 3.0x

Year-to-go Fiscal 2021 Assumptions

- Balance of Full-year At-home and Away-from-home Food Demand Remains Uncertain
- Anticipate Elevated At-home Demand in Q2, with North America Retail Categories Growing ~HSD
- Expect Q4 Net Sales to Decline Due to Difficult Comparison, Including Calendar Differences (F20 Q4 Net Sales +21%)
- Expect Q2 Adj. Op Profit Margin* Down vs LY; Targeting Full-year Adj. Op Profit Margin* Roughly in Line with F20

Today's Key Messages

- **Exceptional Performance in Q1**
- **Enabled by Continued Focus on Employees and Consumers During COVID-19 Pandemic**
- **Delivering on Fiscal 2021 Priorities**
- **Resuming Dividend Growth, Ahead of Schedule**



Appendix: First Quarter Fiscal 2021 North America Retail Operating Unit Results

NET SALES % VS. LY

Operating Unit	Q1
U.S. Meals & Baking	+31%
U.S. Cereal	+10%
U.S. Yogurt	+5%
Canada	+3%
<i>Canada Constant-currency</i>	+5% ¹
U.S. Snacks	-2%

(1) Net sales growth in constant currency. Non-GAAP measure. See appendix for reconciliation



Reconciliation of First Quarter Fiscal 2021 Organic Net Sales Growth

(FISCAL YEAR)

	Q1					Reported Net Sales Growth
	Organic Volume	Organic Price/Mix	Organic Net Sales	Foreign Exchange	Acquisitions & Divestitures	
North America Retail	17 pts	(2) pts	14%	-	-	14%
Convenience Stores & Foodservice	(9) pts	(3) pts	(12)%	-	-	(12)%
Europe & Australia	Flat	7 pts	7%	3 pts	(1) pt	8%
Asia & Latin America	20 pts	(4) pts	17%	(10) pts	-	6%
Pet	11 pts	(4) pts	6%	-	-	6%
Total	8 pts	2 pts	10%	(1) pt	-	9%

*Table may not foot due to rounding

Reconciliation of First Quarter Fiscal 2021 Adjusted Operating Profit Constant-currency Growth Rate

(FISCAL YEARS, \$ IN MILLIONS)

	Q1		
	2021	2020	Change
Operating profit as reported	\$ 853.7	\$ 662.4	29 %
Product recall costs	7.1	-	
Restructuring charges	1.0	14.3	
Investment activity, net	(13.0)	(9.5)	
Mark-to-market effects	(16.4)	15.0	
Adjusted operating profit	\$ 832.5	\$ 682.1	22 %
Foreign currency exchange impact			Flat
Adjusted operating profit growth, on a constant-currency basis			22 %

*Table may not foot due to rounding

Reconciliation of First Quarter Fiscal 2021 Adjusted Diluted EPS and Related Constant-currency Growth Rates

(FISCAL YEARS)

Per Share Data	Q1		
	2021	2020	Change
Diluted earnings per share, as reported	\$ 1.03	\$ 0.85	21 %
Product recall costs**	0.01	-	
Restructuring charges**	-	0.02	
Tax item	-	(0.09)	
Mark-to-market effects**	(0.02)	0.02	
Investment activity, net**	(0.02)	(0.01)	
Adjusted diluted earnings per share	\$ 1.00	\$ 0.79	27 %
Foreign currency exchange impact			Flat
Adjusted diluted earnings per share growth, on a constant-currency basis			27 %

*Table may not foot due to rounding

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

Reconciliation of Net Debt-to-Adjusted EBITDA Ratio

(FISCAL YEARS, \$ IN MILLIONS)

	Trailing 12 Months Ending 2021 Q1	2020 Full-year	2019 Full-year	2018* Full-year
Net earnings, including earnings attributable to redeemable and noncontrolling interests, as reported	\$ 2,328.7	\$ 2,210.8	\$ 1,786.2	\$ 2,284.4
Income taxes	584.1	480.5	367.8	104.3
Interest, net	458.9	466.5	521.8	527.8
Depreciation and amortization	586.7	594.7	620.1	642.6
EBITDA	\$ 3,958.4	\$ 3,752.5	\$ 3,295.9	\$ 3,559.1
After-tax earnings from joint ventures	(110.6)	(91.1)	(72.0)	(84.7)
Restructuring charges	36.9	50.2	77.6	82.7
Product recall costs	26.4	19.3	-	-
Investment activity, net	4.9	8.4	(22.8)	-
Project-related costs	1.5	1.5	1.3	11.3
Mark-to-market effects	(6.7)	24.7	36.0	(32.1)
Asset impairments	-	-	207.4	96.9
Divestitures loss	-	-	30.0	-
Acquisition integration costs	-	-	25.6	-
Hyperinflationary accounting	-	-	3.2	-
Legal recovery	-	-	(16.2)	-
Adjusted EBITDA	\$ 3,910.8	\$ 3,765.6	\$ 3,566.0	\$ 3,633.2
Total debt	\$ 13,621.3	\$ 13,539.5	\$ 14,490.0	\$ 15,818.6
Cash	1,796.7	1,677.8	450.0	399.0
Net debt	\$ 11,824.6	\$ 11,861.7	\$ 14,040.0	\$ 15,419.6
Net debt-to-adjusted EBITDA ratio	3.0	3.2	3.9	4.2

*On a Pro-forma basis

**Table may not foot due to rounding

Reconciliation of First Quarter Fiscal 2021 Constant-currency Segment Operating Profit Growth

(FISCAL YEAR)

	Q1		
	Percentage Change in Operating Profit as Reported	Impact of Foreign Currency Exchange	Percentage Change in Operating Profit on Constant-Currency
North America Retail	24 %	Flat	24 %
Europe & Australia	93 %	4 pts	89 %
Pet	12 %	Flat	12 %
Asia & Latin America	99 %	31 pts	68 %



Reconciliation of First Quarter Fiscal 2021 Adjusted Gross Margin

(FISCAL YEARS)

	Q1	
	2021	2020
	% of	% of
	Net Sales	Net Sales
Gross margin as reported	36.4 %	34.7 %
Product recall costs	0.2 %	- %
Restructuring charges	- %	0.2 %
Mark-to-market effects	(0.4) %	0.4 %
Adjusted gross margin	36.2 %	35.2 %

*Table may not foot due to rounding



Reconciliation of First Quarter Fiscal 2021 Adjusted Operating Profit Margin

(FISCAL YEARS)

	Q1	
	2021	2020
	Percent Net Sales	Percent of Net Sales
Operating profit as reported	19.6 %	16.5 %
Mark-to-market effects	(0.4) %	0.4 %
Investment activity, net	(0.3) %	(0.2) %
Product recall costs	0.2 %	- %
Restructuring charges	- %	0.4 %
Adjusted operating profit	19.1 %	17.0 %

*Table may not foot due to rounding

Reconciliation of First Quarter Fiscal 2021 Tax Rate Excluding Items

(FISCAL YEARS, \$ IN MILLIONS EXCEPT PER SHARE DATA)

	Q1			
	2021		2020	
	Pretax Earnings**	Income Taxes	Pretax Earnings**	Income Taxes
As reported	\$ 775.9	\$ 170.8	\$ 573.9	\$ 67.2
Product recall costs	7.1	0.8	-	-
Restructuring charges	1.0	0.2	14.3	2.6
Tax item	-	-	-	53.1
Investment activity, net	(13.0)	(3.0)	(9.5)	(2.2)
Mark-to-market effects	(16.4)	(3.8)	15.0	3.5
As adjusted	\$ 754.6	\$ 165.1	\$ 593.7	\$ 124.2
Effective tax rate:				
As reported		22.0%		11.7%
As adjusted		21.9%		20.9%
Sum of adjustment to income taxes		\$ -5.7		\$ 57.0
Average number of common shares - diluted EPS		619.8		611.5
Impact of income tax adjustments on adjusted diluted EPS		\$ -0.01		\$ 0.09

*Table may not foot due to rounding

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

Reconciliation of First Quarter Fiscal 2021 Canada Operating Unit Constant-Currency Net Sales Growth

(FISCAL YEAR)

2021			
	Percentage in Net Sales as Reported	Impact of Currency Exchange	Percentage Change in Net Sales on Constant- Currency Basis
Q1	3 %	-2 pts	5 %

*Table may not foot due to rounding