



# General Mills Earnings

## Fourth Quarter Fiscal 2021

*June 30, 2021*

*Making Food The World Loves*



Cheerios





# A Reminder on Forward-looking Statements

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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, energy, and transportation; 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.



# General Mills Earnings

## Fourth Quarter Fiscal 2021

*June 30, 2021*



**Jeff Harmening**

*Chairman and  
Chief Executive Officer*

*Making Food The World Loves*

# Today's Key Messages

- Strong Performance in F21; Achieved All F21 Priorities
- Reshaping our Portfolio and Organization for Growth, Aligned with Our *Accelerate* Strategy
- F22 Priorities
  - Continue to Compete Effectively
  - Successfully Navigate the Dynamic Cost Environment
  - Execute Reshaping Actions Without Disruption



# Fiscal 2021 Financial Results vs. LY

## Annual

## Q4

### Organic Net Sales<sup>1</sup>

**+4%**

2-yr CGR +4%

**- 6%**

2-yr CGR +4%

### Adjusted Operating Profit<sup>2</sup>

**+2%**

2-yr CGR +4%

**- 18%**

2-yr CGR +1%

### Adjusted Diluted EPS<sup>2</sup>

**+4%**

2-yr CGR +8%

**- 19%**

2-yr CGR +4%

(1) Non-GAAP measures. See appendix for reconciliation

(2) Growth rates in constant currency. Non-GAAP measures. See appendix for reconciliation

2-yr CGR = F19 to F21 compound growth rates

# Delivered Our Fiscal 2021 Priorities

1

**Compete**

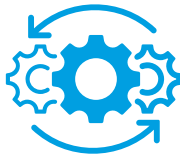


Compete Effectively,  
Everywhere We Play



2

**Fuel Investments**



Drive Efficiency  
to Fuel Investments in  
Brands and Capabilities



3

**Reduce**



Reduce Debt Leverage to  
Increase Financial Flexibility



# Growing Across Core Markets & Global Platforms

- Broad-based Net Sales Growth Across Core Markets
- Growing Market Share in All Global Platforms
- Penetration & Repeat Rates Higher than Pre-pandemic Levels in 7 of Top 10 U.S. Categories

## F21 Market Share vs. LY



+60 bps



+10 bps



+40 bps



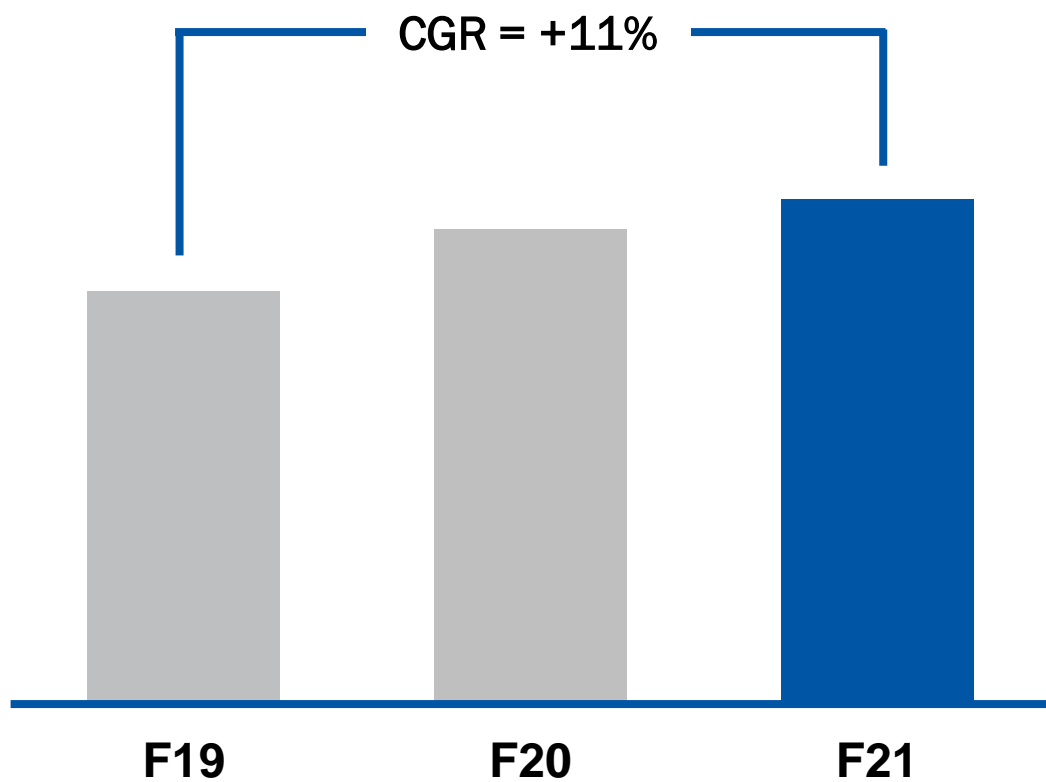
+30 bps



+110 bps

# Investing to Build Brands and Capabilities

## Annual Media Spending (\$MM)



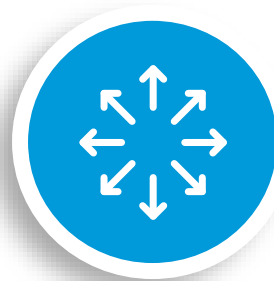
## Building Critical Capabilities



Digital, Data and Analytics



E-commerce



Holistic Margin Management



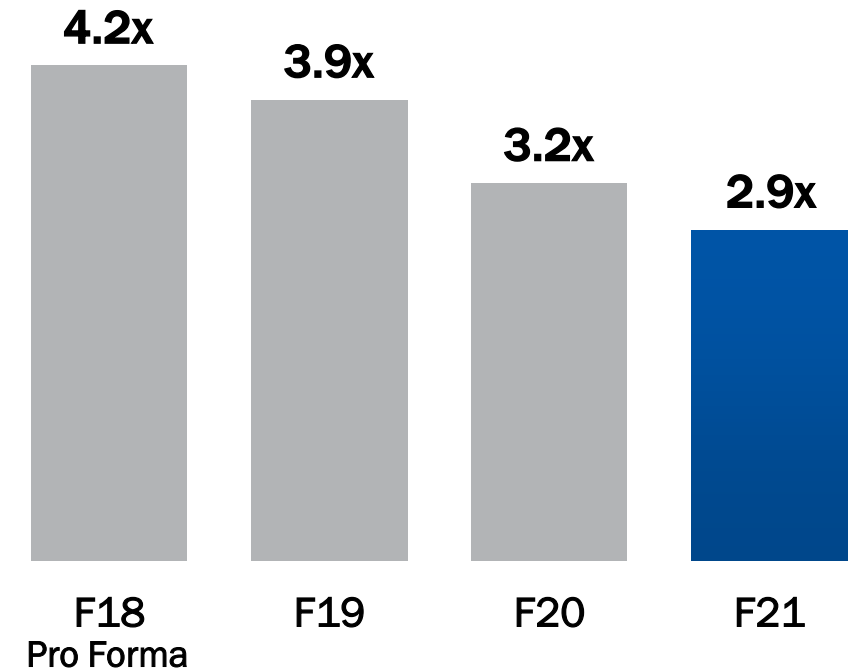
Strategic Revenue Management



# Utilizing All Capital Allocation Levers

- CapEx: Investments to Fuel Growth and HMM
- Dividends: +4% per Share in F21 Q2
- M&A: Announced Tyson Pet Treats Acquisition in F21 Q4
- Share Repurchases: \$301MM in F21 Q4

## Debt Leverage<sup>1</sup>



# Reshaping Our Portfolio for Growth

## Yoplait Europe Divestiture

- Proposed Sale of Our Yoplait Europe Interest to Sodial
- Anticipated Close: End of CY21



## Tyson Pet Treats Acquisition

- Purchase of Tyson Pet Treats Business
- Anticipated Close: F22 Q1



**We Remain Committed to Additional Portfolio Reshaping to Further Enhance Growth**

# Reshaping Our Organization for Growth

- Aligning Structure and Resources with *Accelerate* Strategy
- Streamlining and Simplifying the Organization, Bringing Functions and Capabilities Closer to the Business
- Creating New Strategy & Growth Team
- Redeploying Resources to Growth-facing Areas:
  - Digital, Data, and Analytics
  - E-commerce
  - Strategic Revenue Management
  - Strategy and M&A

# Our Fiscal 2022 Priorities

1

**Compete**



Continue to Compete Effectively

2

**Navigate**



Successfully Navigate the  
Dynamic Cost Environment

3

**Reshape**

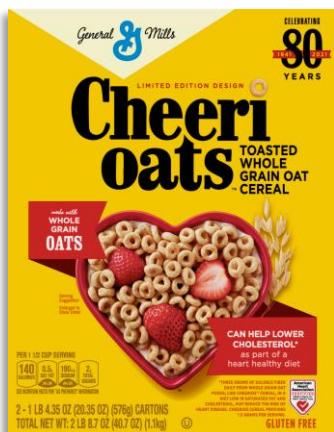


Execute Reshaping Actions  
Without Disruption



# F22 Brand Building, Innovation, and Force for Good

## Boldly Building Brands



## Relentlessly Innovating



# Leveraging Capabilities in F22

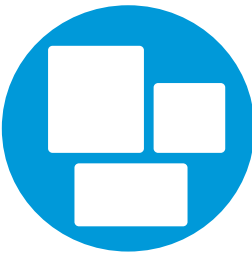
## Strategic Revenue Management



Optimal Price



Mix Management

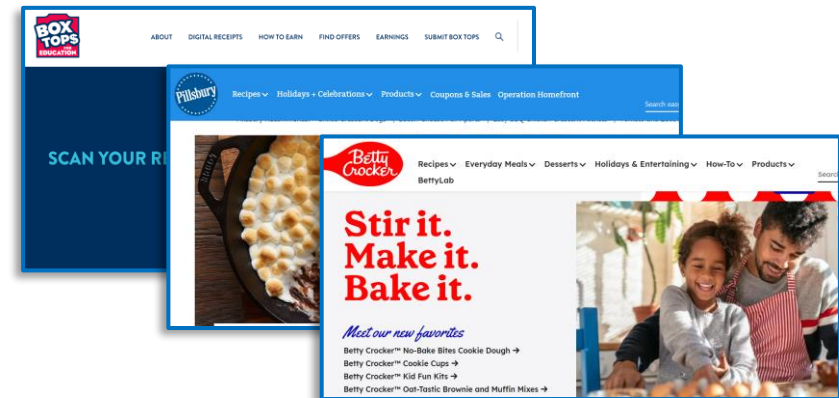


Price Pack Architecture



Promotion Optimization

## Connected Commerce





# Fiscal 2022 Financial Outlook

Expect F22 At-home Food Demand to Decline from Elevated F21 Levels, but Remain Higher than Pre-pandemic

KEY FINANCIAL METRICS <sup>1</sup>	F22 OUTLOOK	F19-F22 CGR <sup>2</sup>
Organic Net Sales Growth	-3 to -1%	~2%
Adjusted Operating Profit Growth <sup>3</sup>	-4 to -2%	~2%
Adjusted Diluted EPS Growth <sup>3</sup>	-2% to Flat	~5%
Free Cash Flow Conversion	~95%	

(1) Non-GAAP measures  
(2) F19-F22 CGRs assume midpoint of F22 guidance ranges  
(3) Growth rates in constant currency. Non-GAAP measures





# General Mills Earnings

## Fourth Quarter Fiscal 2021

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**Kofi Bruce**

*Chief Financial Officer*

*Making Food The World Loves*





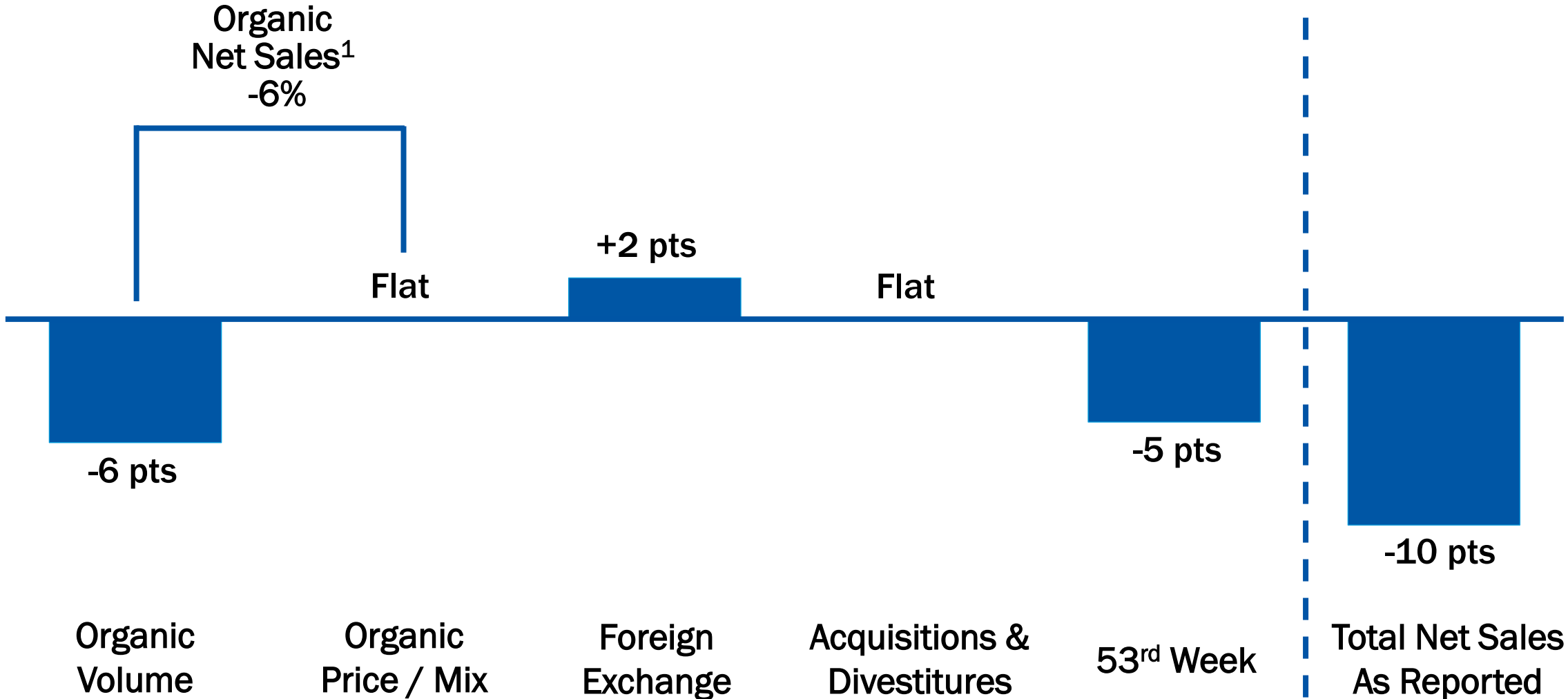
# Fourth Quarter Fiscal 2021 Financial Results

TOTAL GENERAL MILLS	\$MM	Q4	2-YEAR CGR
		VS. LY	
Net Sales	\$4,524	-10%	+4%
Organic Net Sales <sup>1</sup>		-6%	+4%
Adjusted Operating Profit <sup>1</sup>	\$740	-18% <sup>2</sup>	+1% <sup>2</sup>
Adjusted Diluted EPS <sup>1</sup>	\$0.91	-19% <sup>2</sup>	+4% <sup>2</sup>

(1) Non-GAAP measures. See appendix for reconciliation

(2) Constant currency growth rates. Non-GAAP measures. See appendix for reconciliation  
2-year CGR = F19 Q4 to F21 Q4 compound growth rates

# Components of Fourth Quarter Net Sales Growth



(1) Non-GAAP measure  
Table may not foot due to rounding

# Fiscal 2021

## North America Retail

### Segment Results

North America Retail	Q4	F21
Organic Net Sales <sup>1</sup>	-13%	+4%
2-year CGR <sup>1</sup>	+6%	+5%
Segment Op Profit <sup>2</sup>	-31%	Flat



### Full-year Segment Highlights

- Broad-based F21 net sales growth across U.S. Meals & Baking, Canada, U.S. Cereal, and U.S. Yogurt
- Grew or held market share in ~50% of U.S. retail sales; grew share in Canada
- F21 profit roughly in line with LY, driven by input cost inflation, costs to secure incremental capacity, and higher media and other SG&A expenses, offset by HMM cost savings and higher volume

(1) Non-GAAP measures. See appendix for reconciliation

(2) Growth rates in constant currency. Non-GAAP measures. See appendix for reconciliation  
2-year CGR = F19 to F21 compound growth rates

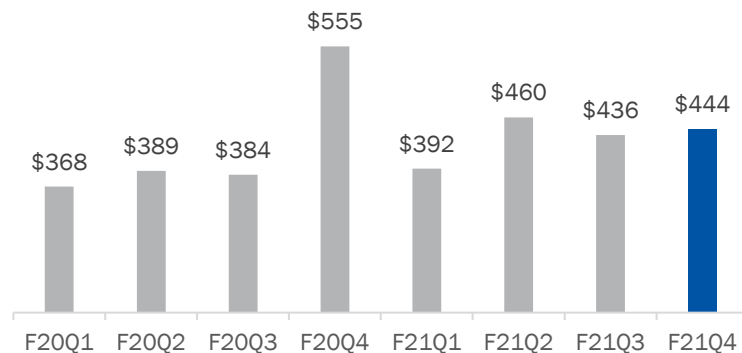
Source: NielsenIQ xAOC, 12 months ending 5/29/21  
See slide 34 for net sales results by Operating Unit

# Fiscal 2021 Pet

## Segment Results

Pet	Q4	F21
Organic Net Sales <sup>1</sup>	-20%	+2%
2-year CGR <sup>1</sup>	+5%	+10%
Segment Op Profit <sup>2</sup>	-24%	+6%

## Net Sales by Quarter (\$MM)



## Full-year Segment Highlights

- Lapping Fiscal '20 calendar alignment that resulted in extra month of results in F20 Q4
- F21 retail sales +DD; strong market share growth and household penetration gains
- F21 profit growth driven primarily by higher net sales and lower SG&A expenses, partially offset by higher input costs



(1) Non-GAAP measures. See appendix for reconciliation

(2) Growth rates in constant currency. Non-GAAP measures. See appendix for reconciliation  
2-year CGR = F19 to F21 compound growth rates

Source: GMI Custom Market including NielsenIQ xAOC plus select big box pet specialty retailers, 12 months ending 05/29/21



# Fiscal 2021

## Convenience Stores & Foodservice

### Segment Results

CS&F	Q4	F21
Organic Net Sales <sup>1</sup>	+33%	-3%
2-year CGR <sup>1</sup>	-3%	-6%
Segment Op Profit	+143%	-9%



### Full-year Segment Highlights

- F21 net sales decline due to lower away-from-home food demand amid the pandemic
  - Sequential improvement in consumer traffic in Schools, Restaurants, and Lodging
- F21 profit decline primarily driven by lower net sales and higher input costs, partially offset by lower SG&A expenses

(1) Non-GAAP measures. See appendix for reconciliation  
2-year CGR = F19 to F21 compound growth rates

# Fiscal 2021 Europe & Australia

## Segment Results

EUAU	Q4	F21
Organic Net Sales <sup>1</sup>	-2%	+3%
2-year CGR <sup>1</sup>	+1%	+1%
Segment Op Profit <sup>2</sup>	-16%	+24%



## Full-year Segment Highlights

- F21 net sales growth primarily driven by Mexican Food and Ice Cream
- Grew full-year market share on Ice Cream and Snack Bars
- F21 profit growth driven primarily by higher net sales and lower SG&A expenses, partially offset by higher input costs

(1) Non-GAAP measures. See appendix for reconciliation

(2) Growth rates in constant currency. Non-GAAP measures. See appendix for reconciliation  
2-year CGR = F19 to F21 compound growth rates

# Fiscal 2021

## Asia & Latin America

### Segment Results

ASLA	Q4	F21
Organic Net Sales <sup>1</sup>	+22%	+15%
2-year CGR <sup>1</sup>	+7%	+6%
Segment Op Profit	++	++



### Full-year Segment Highlights

- F21 Latin America net sales growth +DD driven by strong Yoki and Kitano performance in Brazil
- F21 Asia net sales +DD led by China and India, including growth on Häagen-Dazs and Betty Crocker
- F21 profit up \$67MM to \$86MM, driven primarily by higher net sales and favorable foreign currency exchange, partially offset by higher input costs

(1) Non-GAAP measures. See appendix for reconciliation  
2-year CGR = F19 to F21 compound growth rates



# Fiscal 2021 Joint Ventures

**F21 AFTER-TAX JV EARNINGS: \$118MM, +29% VS. LY**

## JV Results

NET SALES <sup>1</sup>	Q4	F21
CPW	-2%	+5%
HDJ	+12%	+6%

## Full-year JV Highlights

- F21 CPW net sales driven by broad-based volume growth, led by Brazil, Turkey, Russia, and Mexico
- F21 HDJ net sales driven by positive price/mix
- F21 after-tax earnings driven by net sales growth for both joint ventures



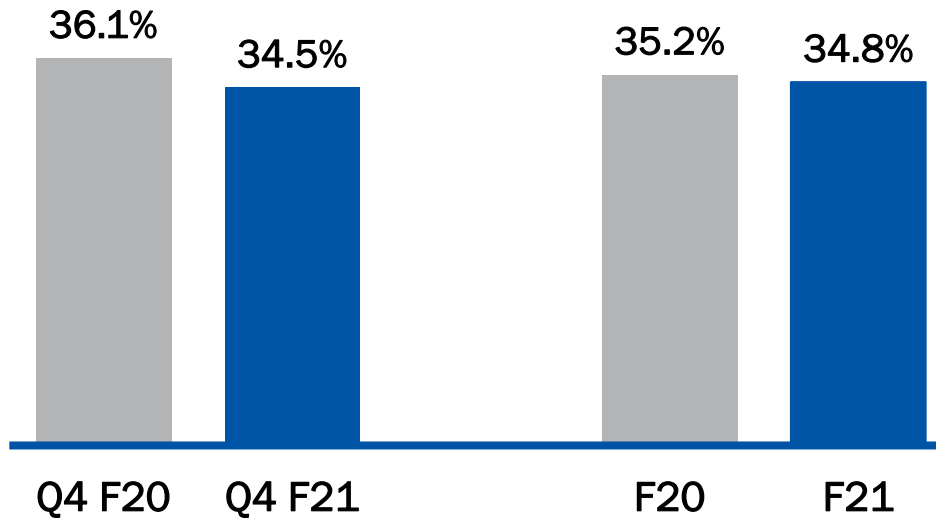
(1) Net sales growth rates in constant currency



# Fiscal 2021 Margin Results

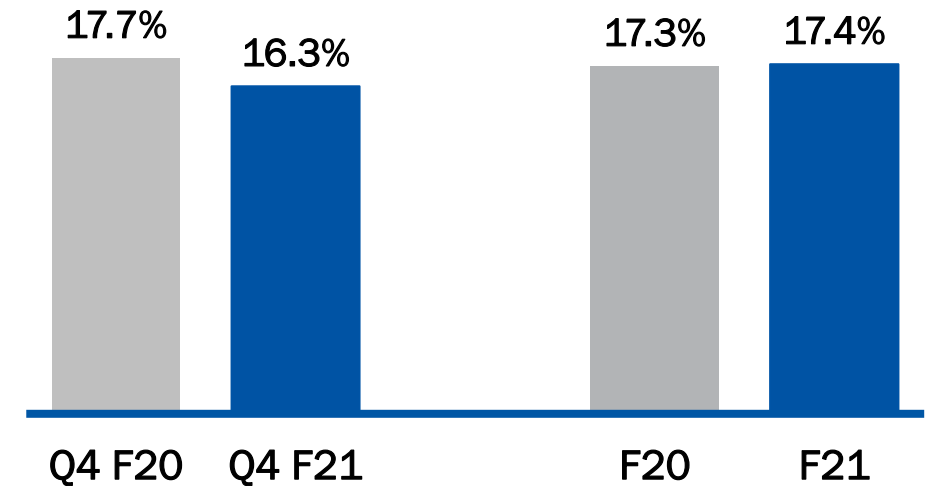
## Adjusted Gross Margin<sup>1</sup>

(% OF NET SALES)



## Adjusted Operating Profit Margin<sup>1</sup>

(% OF NET SALES)



Q4 margin contraction as expected, driven by volume deleverage

F21 Adj. Op Profit Margin +10bps, primarily driven by favorable price/mix and lower admin expenses, partially offset by higher input costs

# Fourth Quarter Fiscal 2021

## Other Income Statement Items

- Unallocated Corporate Expenses Decreased \$53MM ex. Certain Items
- Net Interest Expense Decreased \$16MM
- Adjusted Effective Tax Rate 18.5% vs. 19.1% LY<sup>1</sup>
- Average Diluted Shares Outstanding Flat



# Fiscal 2021 Financial Results

TOTAL GENERAL MILLS	FULL-YEAR		
	\$MM	VS. LY	2-YEAR CGR
Net Sales	\$18,127	+3%	+4%
Organic Net Sales <sup>1</sup>		+4%	+4%
Adjusted Operating Profit <sup>1</sup>	\$3,153	+2% <sup>2</sup>	+4% <sup>2</sup>
Adjusted Diluted EPS <sup>1</sup>	\$3.79	+4% <sup>2</sup>	+8% <sup>2</sup>

(1) Non-GAAP measures. See appendix for reconciliation

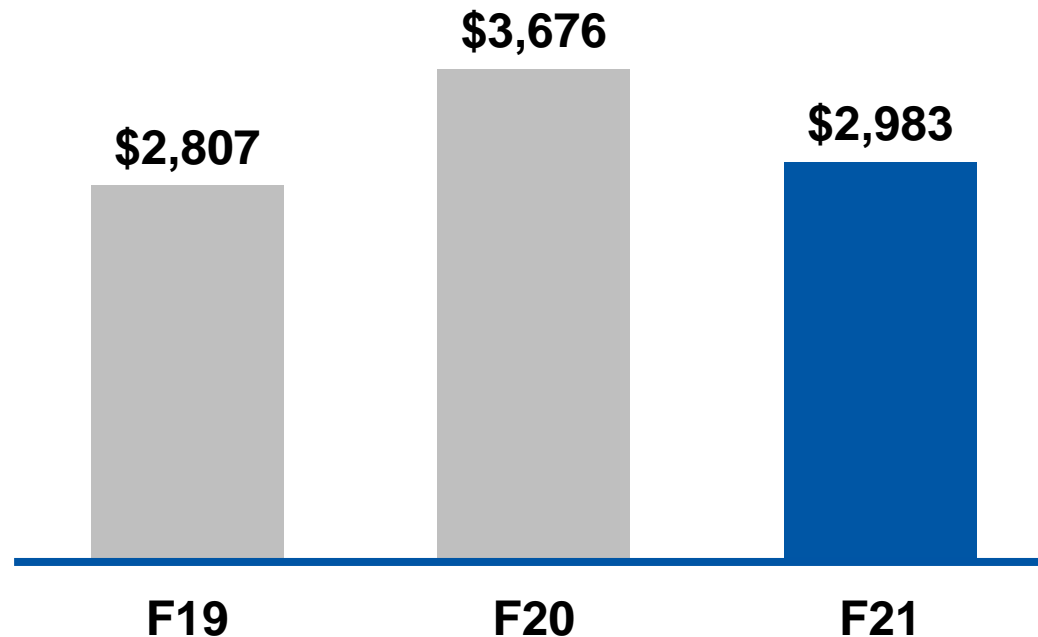
(2) Constant currency growth rate. Non-GAAP measures. See appendix for reconciliation  
2-year CGR = F19 to F21 compound growth rates

# Fiscal 2021

## Balance Sheet and Cash Flow

### Operating Cash Flow

(\$ IN MILLIONS)



- Core Working Capital +6% vs. LY
- Capital Investments = \$531MM, +\$70MM vs. LY
- FCF Conversion = 103%<sup>1</sup>
- Dividends Paid = \$1.2B
- Shares Repurchased = \$301MM
- Debt Leverage = 2.9x<sup>2</sup>

(1) Non-GAAP measure. See appendix for reconciliation

(2) Net Debt-to-Adjusted-EBITDA Ratio. Non-GAAP measure. See appendix for reconciliation





# Fiscal 2022 Topline Assumptions

We Will Continue to Compete Effectively in F22

Segments	Key Consumer Demand Assumptions	% of Net Sales
North America Retail, Europe & Australia	Expect at-home food demand to decline vs. F21, though remain above pre-pandemic levels	~70%
Convenience Stores & Foodservice	Expect away-from-home food demand to increase vs. F21, though not fully to pre-pandemic levels	~10%
Pet, Asia & Latin America	Expect demand to grow on top of F21 growth	~20%

# Fiscal 2022 Financial Assumptions

## Adjusted Operating Profit<sup>1</sup> Assumptions:

Headwinds	Tailwinds
Input Cost Inflation ~7% of COGS Volume Decline Supply Chain Deleverage Growth Investments	HMM Savings ~4% of COGS Positive Price/Mix from SRM Actions Streamlined Organization Structure Reduction in COVID Costs

## Other Assumptions:

- Adj. Operating Profit Phasing: Down in 1H, Up in 2H, Driven by Comparisons in F21 and Timing of Price Realization
- Net Interest Expense ~\$370MM
- Adjusted Effective Tax Rate<sup>1</sup> 21 to 22%
- Average Diluted Shares Outstanding -1%
- Capital Investments ~3.5% of Net Sales



# Fiscal 2022 Financial Outlook

KEY FINANCIAL METRICS <sup>1</sup>	F22 OUTLOOK	<i>F19-F22 CGR<sup>2</sup></i>
Organic Net Sales Growth	-3 to -1%	~2%
Adjusted Operating Profit Growth <sup>3</sup>	-4 to -2%	~2%
Adjusted Diluted EPS Growth <sup>3</sup>	-2% to Flat	~5%
Free Cash Flow Conversion	~95%	

(1) Non-GAAP measures  
(2) F19-F22 CGRs assume midpoint of F22 guidance ranges  
(3) Growth rates in constant currency. Non-GAAP measures

# Today's Key Messages

- Strong Performance in F21; Achieved all F21 Priorities
- Reshaping our Portfolio and Organization for Growth, Aligned with our *Accelerate* Strategy
- F22 Priorities
  - Continue to Compete Effectively
  - Successfully Navigate the Dynamic Cost Environment
  - Execute Reshaping Actions Without Disruption



# A Reminder on Non-GAAP Guidance

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Our fiscal 2022 outlook for organic net sales growth, adjusted operating profit growth, adjusted diluted EPS growth, and free cash flow conversion 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. We are 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 we are 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 2022. The unavailable information could have a significant impact on our fiscal 2022 GAAP financial results.

For fiscal 2022, we currently expect: foreign currency exchange rates (based on a blend of forward and forecasted rates and hedge positions) and divestitures completed prior to fiscal 2022 to have an immaterial impact on net sales growth; foreign currency exchange rates to have an immaterial impact on adjusted operating profit and adjusted diluted EPS growth; and total restructuring charges and project-related costs related to actions previously announced to total approximately \$10 million to \$60 million. Our fiscal 2022 guidance does not incorporate the potential impacts of any acquisitions or divestitures that have not yet been completed.



# Appendix: Fiscal 2021 North America Retail Operating Unit Results

## NET SALES % VS. LY

Operating Unit	Q4 F21	Full-year F21
U.S. Meals & Baking	-30%	+5%
Canada	+3%	+6%
<i>Canada Constant-currency<sup>1</sup></i>	-9%	+3%
U.S. Cereal	-16%	+1%
U.S. Yogurt	-6%	+1%
U.S. Snacks	-2%	-2%

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

# Reconciliation of Fiscal 2021 Organic Net Sales Growth

**(FISCAL YEAR)**

	Full-year 2021						Reported Net Sales Growth
	Organic Volume	Organic Price/Mix	Organic Net Sales	Foreign Exchange	Acquisitions & Divestitures	53rd Week	
North America Retail	3 pts	1 pt	4%	-	-	(2) pts	2%
Europe & Australia	-	4 pts	3%	7 pts	(1) pt	(2) pts	8%
Pet	2 pts	-	2%	-	-	-	2%
Asia & Latin America	12 pts	3 pts	15%	(4) pts	-	(2) pts	10%
Convenience Stores & Foodservice	(2) pts	(1) pt	(3)%	-	-	(1) pt	(4)%
<b>Total</b>	<b>2 pts</b>	<b>2 pts</b>	<b>4%</b>	<b>1 pt</b>	<b>-</b>	<b>(2) pts</b>	<b>3%</b>

\*Table may not foot due to rounding

# Reconciliation of Fiscal 2021 Organic Net Sales Compound Growth Rates

## (FISCAL YEARS)

	Full-year				
	Organic Net Sales	Foreign Exchange	Acquisitions & Divestitures	53rd Week	Reported Net Sales Growth
North America Retail					
2020 vs. 2019	6%	-	-	2 pts	8%
2021 vs. 2020	4%	-	-	(2) pts	2%
<b>2-year Ended F21 CGR</b>	<b>5%</b>				<b>5%</b>
Convenience Stores and Foodservice					
2020 vs. 2019	(9)%	-	-	1 pt	(8)%
2021 vs. 2020	(3)%	-	-	(1) pt	(4)%
<b>2-year Ended F21 CGR</b>	<b>(6)%</b>				<b>(6)%</b>
Asia & Latin America					
2020 vs. 2019	(2)%	(4) pts	(3) pts	2 pts	(8)%
2021 vs. 2020	15%	(4) pts	-	(2) pts	10%
<b>2-year Ended F21 CGR</b>	<b>6%</b>				<b>1%</b>
Pet					
2020 vs. 2019	18%	-	-	-	18%
2021 vs. 2020	2%	-	-	-	2%
<b>2-year Ended F21 CGR</b>	<b>10%</b>				<b>10%</b>
Europe & Australia					
2020 vs. 2019	(1)%	(3) pts	-	2 pts	(3)%
2021 vs. 2020	3%	7 pts	(1) pt	(2) pts	8%
<b>2-year Ended F21 CGR</b>	<b>1%</b>				<b>2%</b>
Total					
2020 vs. 2019	4%	(1) pt	-	2 pts	5%
2021 vs. 2020	4%	1 pt	-	(2) pts	3%
<b>2-year Ended F21 CGR</b>	<b>4%</b>				<b>4%</b>

\* Table may not foot due to rounding



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

## (FISCAL YEARS, \$ IN MILLIONS)

	Full-year						2-year
	2021	2020	Change	2020	2019	Change	Ended F21 CGR
Operating profit as reported	\$ 3,144.8	\$ 2,953.9	6 %	\$ 2,953.9	\$ 2,515.9	17 %	11 %
Restructuring charges	172.7	50.2		50.2	77.6		
Divestiture loss	53.5	-		-	30.0		
Transaction costs	9.5	-		-	-		
Project-related costs	-	1.5		1.5	1.3		
Asset impairments	-	-		-	207.4		
Acquisition integration costs	-	-		-	25.6		
Hyperinflationary accounting	-	-		-	3.2		
Legal recovery	-	-		-	(16.2)		
Product recall adjustment, net	(3.5)	19.3		19.3	-		
Non-income tax gain	(8.8)	-		-	-		
Investment activity, net	(76.4)	8.4		8.4	(22.8)		
Mark-to-market effects	(138.8)	24.7		24.7	36.0		
Adjusted operating profit	\$ 3,153.2	\$ 3,058.0	3 %	\$ 3,058.0	\$ 2,858.0	7 %	
Foreign currency exchange impact			1 pt			Flat	
Adjusted operating profit growth, on a constant-currency basis			2 %			7 %	4 %

\* Table may not foot due to rounding

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

(FISCAL YEARS)	Full-year							
							2-year	
Per Share Data	2021	2020	Change	2020	2019	Change	Ended F21 CGR	
Diluted earnings per share, as reported	\$ 3.78	\$ 3.56	6 %	\$ 3.56	\$ 2.90	23 %	14 %	
Restructuring charges**	0.22	0.06		0.06	0.10			
Divestiture loss**	0.04	-		-	0.03			
Tax items	0.02	(0.09)		(0.09)	(0.12)			
Transaction costs**	0.01	-		-	-			
Asset impairments**	-	-		-	0.26			
Acquistion integration costs**	-	-		-	0.03			
Net tax benefit	-	-		-	(0.01)			
Legal recovery**	-	-		-	(0.01)			
Product recall adjustment, net**	-	0.03		0.03	-			
CPW restructuring charges	-	0.01		0.01	0.02			
Non-income tax gain**	(0.01)	-		-	-			
Investment activity, net**	(0.10)	-		-	(0.03)			
Mark-to-market effects**	(0.17)	0.03		0.03	0.05			
Adjusted diluted earnings per share	\$ 3.79	\$ 3.61	5 %	\$ 3.61	\$ 3.22	12 %		
Foreign currency exchange impact			1 pt			Flat		
Adjusted diluted earnings per share growth, on a constant-currency basis			4 %			12 %	8 %	

\*Table may not foot due to rounding

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

# Reconciliation of Fourth Quarter Fiscal 2021 Organic Net Sales Growth

**(FISCAL YEAR)**

**Q4 2021**

	<b>Organic Volume</b>	<b>Organic Price/Mix</b>	<b>Organic Net Sales</b>	<b>Foreign Exchange</b>	<b>Acquisitions &amp; Divestitures</b>	<b>53rd Week</b>	<b>Reported Net Sales Growth</b>
North America Retail	(19) pts	7 pts	(13)%	1 pt	-	(6) pts	(17)%
Pet	(23) pts	3 pts	(20)%	-	-	-	(20)%
Europe & Australia	(3) pts	1 pt	(2)%	10 pts	(1) pt	(6) pts	2%
Asia & Latin America	12 pts	10 pts	22%	3 pts	-	(8) pts	17%
Convenience Stores & Foodservice	24 pts	10 pts	33%	-	-	(8) pts	25%
<b>Total</b>	<b>(6) pts</b>	<b>Flat</b>	<b>(6)%</b>	<b>2 pts</b>	<b>-</b>	<b>(5) pts</b>	<b>(10)%</b>

# Reconciliation of Fourth Quarter Fiscal 2021 Organic Net Sales Compound Growth Rates

(FISCAL YEARS)	Q4				
	Organic Net Sales	Foreign Exchange	Acquisitions & Divestitures	53rd Week	Reported Net Sales Growth
North America Retail					
2020 vs. 2019	28%	-	-	9 pts	36%
2021 vs. 2020	(13)%	1 pt	-	(6) pts	(17)%
<b>2-year Ended F21 CGR</b>	<b>6%</b>				<b>6%</b>
Convenience Stores and Foodservice					
2020 vs. 2019	(29)%	-	-	4 pts	(24)%
2021 vs. 2020	33%	-	-	(8) pts	25%
<b>2-year Ended F21 CGR</b>	<b>(3)%</b>				<b>(3)%</b>
Asia & Latin America					
2020 vs. 2019	(7)%	(11) pts	-	7 pts	(12)%
2021 vs. 2020	22%	3 pts	-	(8) pts	17%
<b>2-year Ended F21 CGR</b>	<b>7%</b>				<b>1%</b>
Pet					
2020 vs. 2019	37%	-	-	-	37%
2021 vs. 2020	(20)%	-	-	-	(20)%
<b>2-year Ended F21 CGR</b>	<b>5%</b>				<b>5%</b>
Europe & Australia					
2020 vs. 2019	4%	(4) pts	-	7 pts	6%
2021 vs. 2020	(2)%	10 pts	(1) pt	(6) pts	2%
<b>2-year Ended F21 CGR</b>	<b>1%</b>				<b>4%</b>
Total					
2020 vs. 2019	16%	(2) pts	-	7 pts	21%
2021 vs. 2020	(6)%	2 pts	-	(5) pts	(10)%
<b>2-year Ended F21 CGR</b>	<b>4%</b>				<b>4%</b>

\* Table may not foot due to rounding



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

**(FISCAL YEARS, \$ IN MILLIONS)**

	Q4							2-year
	2021	2020	Change	2020	2019	Change	Ended F21	CGR
Operating profit as reported	\$ 547.9	\$ 829.5	(34) %	\$ 829.5	\$ 716.1	16 %		(13) %
Restructuring charges	159.1	13.0		13.0	16.6			
Divestiture loss	53.5	-		-	-			
Transaction costs	9.5	-		-	-			
Investment activity, net	1.9	1.7		1.7	(9.8)			
Project-related costs	-	0.4		0.4	-			
Acquisition integration costs	-	-		-	4.3			
Asset impairments	-	-		-	0.4			
Divestiture gain	-	-		-	(5.4)			
Product recall adjustment	(2.8)	19.3		19.3	-			
Non-income tax gain	(8.8)	-		-	-			
Mark-to-market effects	(20.8)	23.7		23.7	(0.4)			
Adjusted operating profit	\$ 739.6	\$ 887.7	(17) %	\$ 887.7	\$ 721.8	23 %		
Foreign currency exchange impact			2 pts			(1) pt		
Adjusted operating profit growth, on a constant-currency basis			(18) %			24 %		1 %

\* Table may not foot due to rounding

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

**(FISCAL YEARS)**

	Q4							
								2-year
Per Share Data	2021	2020	Change	2020	2019	Change	Ended F21	CGR
Diluted earnings per share, as reported	\$ 0.68	\$ 1.02	(33) %	\$ 1.02	\$ 0.94	9 %		(15) %
Restructuring charges**	0.20	0.01		0.01	0.02			
Divestiture loss**	0.04	-		-	-			
Tax items	0.02	-		-	(0.12)			
Transaction costs**	0.01	-		-	-			
Investment activity, net**	-	-		-	(0.01)			
Product recall adjustment**	-	0.03		0.03	-			
Non-income tax gain**	(0.01)	-		-	-			
Mark-to-market effects**	(0.02)	0.03		0.03	-			
Adjusted diluted earnings per share	\$ 0.91	\$ 1.10	(17) %	\$ 1.10	\$ 0.83	33 %		
Foreign currency exchange impact			2 pts			Flat		
Adjusted diluted earnings per share growth, on a constant-currency basis			(19) %			33 %		4 %

\*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)**

	Full-year			
	2021	2020	2019	2018*
Net earnings, including earnings attributable to redeemable and noncontrolling interests, as reported	\$ 2,346.0	\$ 2,210.8	\$ 1,786.2	\$ 2,284.4
Income taxes	629.1	480.5	367.8	104.3
Interest, net	420.3	466.5	521.8	527.8
Depreciation and amortization	601.3	594.7	620.1	642.6
EBITDA	\$ 3,996.8	\$ 3,752.5	\$ 3,295.9	\$ 3,559.1
Restructuring charges	172.7	50.2	77.6	82.7
Divestitures loss	53.5	-	30.0	-
Transaction costs	9.5	-	-	-
Project-related costs	-	1.5	1.3	11.3
Asset impairments	-	-	207.4	96.9
Acquisition integration costs	-	-	25.6	-
Hyperinflationary accounting	-	-	3.2	-
Legal recovery	-	-	(16.2)	-
Product recall adjustment, net	(3.5)	19.3	-	-
Non-Income tax gain	(8.8)	-	-	-
Investment activity, net	(76.4)	8.4	(22.8)	-
Mark-to-market effects	(138.8)	24.7	36.0	(32.1)
After-tax earnings from joint ventures	(117.7)	(91.1)	(72.0)	(84.7)
Adjusted EBITDA	\$ 3,887.4	\$ 3,765.6	\$ 3,566.0	\$ 3,633.2
Total debt	\$ 12,612.0	\$ 13,539.5	\$ 14,490.0	\$ 15,818.6
Cash	1,505.2	1,677.8	450.0	399.0
Net debt	\$ 11,106.8	\$ 11,861.7	\$ 14,040.0	\$ 15,419.6
Net debt-to-adjusted-EBITDA ratio	2.9	3.2	3.9	4.2

\*On a Pro-forma basis

\*\*Table may not foot due to rounding



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

## (FISCAL YEAR)

	Q4		
	Percentage Change in Operating Profit as Reported	Impact of Foreign Currency Exchange	Percentage Change in Operating Profit on Constant-Currency Basis
North America Retail	(30) %	Flat	(31) %
Europe & Australia	Flat	16 pts	(16) %
Pet	(24) %	Flat	(24) %

\*Table may not foot due to rounding





# Reconciliation of Fiscal 2021 Constant-currency Segment Operating Profit Growth

## (FISCAL YEAR)

	Full-year		
	Percentage Change in Operating Profit as Reported	Impact of Foreign Currency Exchange	Percentage Change in Operating Profit on Constant-Currency Basis
North America Retail	Flat	Flat	Flat
Europe & Australia	33 %	9 pts	24 %
Pet	6 %	Flat	6 %

\*Table may not foot due to rounding



# Reconciliation of Fourth Quarter and Fiscal 2021 Canada Operating Unit Constant-Currency Net Sales Growth

**(FISCAL YEAR)**

	Canada		
	Percentage Change in Net Sales as Reported	Foreign Currency Exchange	Percentage Change in Net Sales on Constant- Currency Basis
Q4	3 %	(11) pts	(9) %
Full-year	6 %	4 pts	3 %

\*Table may not foot due to rounding

# Reconciliation of Fourth Quarter and Fiscal 2021 Adjusted Gross Margin

## (FISCAL YEAR)

	% of Net Sales			
	Q4		Full-year	
	2021	2020	2021	2020
Gross margin as reported	35.0 %	35.2 %	35.6 %	34.8 %
Mark-to-market effects	(0.5) %	0.5 %	(0.8) %	0.1 %
Product recall adjustment, net	(0.1) %	0.4 %	- %	0.1 %
Restructuring charges	- %	- %	- %	0.1 %
Adjusted gross margin	34.5 %	36.1 %	34.8 %	35.2 %

\*Table may not foot due to rounding

# Reconciliation of Fourth Quarter and Fiscal 2021 Adjusted Operating Profit Margin

## (FISCAL YEAR)

	% of Net Sales			
	Q4		Full-year	
	2021	2020	2021	2020
Operating profit as reported	12.1 %	16.5 %	17.3 %	16.8 %
Restructuring charges	3.5 %	0.3 %	1.0 %	0.3 %
Divestiture loss	1.2 %	- %	0.3 %	- %
Transaction costs	0.2 %	- %	0.1 %	- %
Investment activity, net	- %	- %	(0.4) %	- %
Product recall adjustment, net	(0.1) %	0.4 %	- %	0.1 %
Non-income tax gain	(0.2) %	- %	- %	- %
Mark-to-market effects	(0.5) %	0.5 %	(0.8) %	0.1 %
Adjusted operating profit	16.3 %	17.7 %	17.4 %	17.3 %

\*Table may not foot due to rounding





# Reconciliation of First Quarter Fiscal 2021 Adjusted Operating Profit Margin

	Q1	
	2021	2020
	Percent	Percent of
	Net Sales	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 Fourth Quarter Fiscal 2021 Adjusted Tax Rates

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

	Q4			
	2021		2020	
	Pretax Earnings**	Income Taxes	Pretax Earnings**	Income Taxes
As reported	\$ 478.6	\$ 106.9	\$ 733.0	\$ 139.6
Restructuring charges	159.1	33.0	13.0	3.2
Divestiture loss	53.5	0.4	-	-
Transaction costs	9.5	2.3	-	-
Investment activity, net	1.9	0.5	1.7	0.3
Tax items	-	(11.2)	-	-
Project-related costs	-	-	0.4	0.1
Product recall adjustment	(2.8)	(0.3)	19.3	2.2
Non-income tax gain	(8.8)	(3.0)	-	-
Mark-to-market effects	(20.8)	(4.8)	23.7	5.5
As adjusted	\$ 670.2	\$ 123.8	\$ 791.2	\$ 150.9
Effective tax rate:				
As reported		22.3%		19.0%
As adjusted		18.5%		19.1%
Sum of adjustment to income taxes		\$ 16.8		\$ 11.4
Average number of common shares - diluted EPS		617.5		616.1
Impact of income tax adjustments on adjusted diluted EPS		\$ (0.02)		\$ (0.02)

\*Table may not foot due to rounding

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

# Reconciliation of Fiscal 2021 Adjusted Tax Rates

**(FISCAL YEAR, \$ IN MILLIONS EXCEPT SHARE DATA)**

	Full-year			
	2021		2020	
	Pretax Earnings**	Income Taxes	Pretax Earnings**	Income Taxes
As reported	\$ 2,857.4	\$ 629.1	\$ 2,600.2	\$ 480.5
Restructuring charges	172.7	35.5	50.2	11.2
Divestiture loss	53.5	0.4	-	-
Transaction costs	9.5	2.3	-	-
Tax items	-	(11.2)	-	53.1
Project-related costs	-	-	1.5	0.3
Product recall adjustment, net	(3.5)	(0.4)	19.3	2.2
Non-income tax gain	(8.8)	(3.0)	-	-
Investment activity, net	(76.4)	(15.6)	8.4	5.4
Mark-to-market effects	(138.8)	(31.9)	24.7	5.7
As adjusted	\$ 2,865.7	\$ 605.2	\$ 2,704.3	\$ 558.5
Effective tax rate:				
As reported		22.0%		18.5%
As adjusted		21.1%		20.7%
Sum of adjustment to income taxes		\$ (24.0)		\$ 78.0
Average number of common shares - diluted EPS		619.1		613.3
Impact of income tax adjustments on adjusted diluted EPS		\$ 0.04		\$ (0.13)

\*Table may not foot due to rounding

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

# Reconciliation of Free Cash Flow and Free Cash Flow Conversion

**(FISCAL YEARS, \$ IN MILLIONS)**

	Full-year 2021
Net earnings, including earnings attributable to redeemable and noncontrolling interests, as reported	\$ 2,346.0
Restructuring charges**	137.2
Divestiture loss**	53.1
Tax item	11.2
Transaction costs**	7.2
CPW restructuring charges	1.9
Product recall adjustment, net**	(3.1)
Non-income tax gain**	(5.8)
Investment activity, net**	(60.8)
Mark-to-market effects**	(106.9)
Net earnings, including earnings attributable to redeemable and noncontrolling interests	\$ 2,380.1
Net cash provided by operating activities	\$ 2,983.2
Purchases of land, buildings, and equipment	(530.8)
Free cash flow	\$ 2,452.4
Free cash flow conversion	103%

\*Table may not foot due to rounding

\*\*See reconciliation of Adjusted Tax Rates for tax impact of individual items