



Making Food the World Loves

Fiscal 2022 Q1 Earnings

September 22, 2021



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Betty
Crocker



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, 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.



Jeff Harmening

*Chairman and
Chief Executive Officer*



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Today's Key Messages

- Q1 Performance Above Expectations in a Dynamic and Challenging Environment
- Delivering on Fiscal 2022 Priorities
- Advancing Our Accelerate Strategy, Including Progress on Portfolio Reshaping
- On Track to Achieve Higher End of Fiscal 2022 Financial Guidance Ranges



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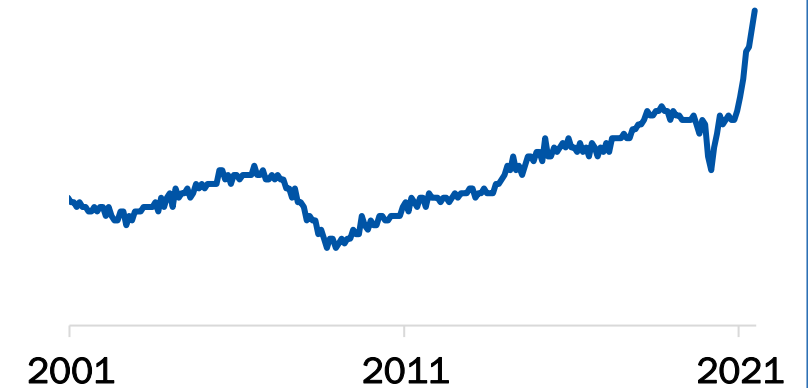
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Industry-Wide Labor Shortages

**Job Open Rate
U.S. National Non-Farm³**



(1) NielsenIQ xAOC; excludes Pet, Q1 F22 week ending 8/28/21
(2) Market Commodity Basket Index applies spot prices or price indices to GMI buying requirements excluding transportation and supplier conversion costs
(3) Seasonally Adjusted U.S. Bureau of Labor Statistics Dec 2000 to July 2021

vs. LY

+ 2%

+ 6%

- 2%

+ 9%

- 2%

+ 12%

6

Delivering on Our Fiscal 2022 Priorities

1

Compete



Continue to Compete Effectively

2

Navigate



Successfully Navigate the Dynamic Supply Chain Environment

3

Reshape



Execute Reshaping Actions Without Disruption

Priority 1: Continuing to Compete Effectively in Q1

Growing or Holding Share in 66% of our Priority Businesses

U.S. Cereal
+30bps



U.S. Refrigerated Dough
+80bps



U.S. Pet Food
+40bps



Global Mexican
+120bps



Priority 2: Successfully Navigating the Dynamic Supply Chain Environment in Q1

Actions to Maximize Service Levels

- Weekly/Daily Control Tower Meetings for Rapid Decision Making
- Adapting Network to Address Labor Bottlenecks
- Taking Actions to Encourage Presenteeism

Actions to Manage Costs & Margins

- Strong HMM Productivity Savings at 4% of COGS
- Broad SRM Actions Across the Portfolio



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Priority 3: Progress on Portfolio Reshaping in Q1

Dog Treats Acquisition

- Transaction Closed July 6
- Integration Work Underway
- Strong In-market Performance



Yoplait Europe Divestiture

- Definitive Agreement Signed with Sodial on Aug. 27
- On Track to Close by End of CY21



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

Advancing Our Accelerate Strategy with Connected Commerce Initiatives

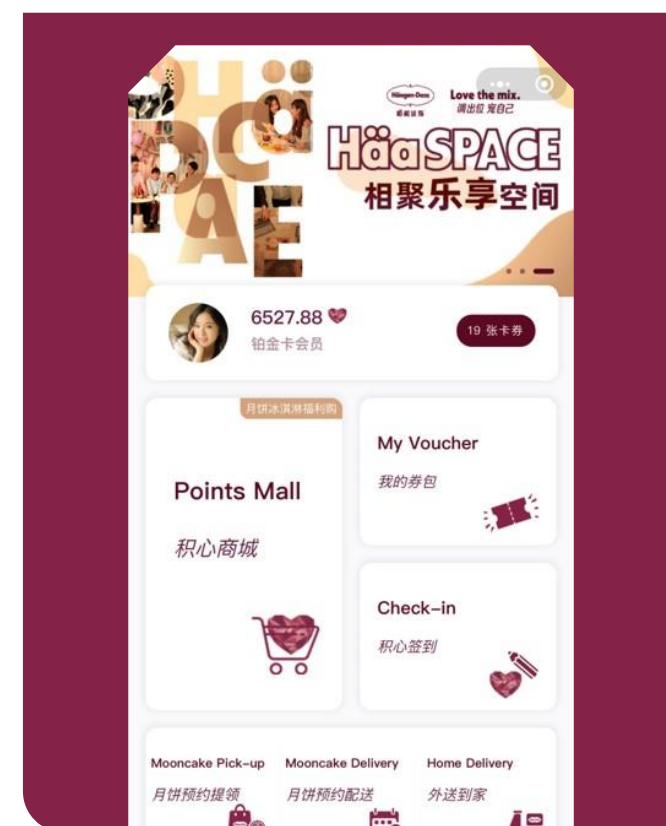
Box Tops for Education



Buddies by Blue Buffalo



Häagen-Dazs Smart Shop



Acting as a Force For Good



REGENERATING OUR PLANET

- Reducing greenhouse gas emissions
- Advancing regenerative agriculture
- Protecting watersheds
- Making packaging recyclable or reusable



IMPROVING FOOD SECURITY

- Nutrition-forward foods
- Variety, nutrient density, affordability & accessibility
- Natural and organic



PROTECTING OUR PEOPLE

- Human rights
- ***Diversity and inclusion commitments***



STRENGTHENING OUR COMMUNITIES

- Charitable giving
- Employee volunteerism

Advancing Diversity, Equity and Inclusion



**EQUITABLE
FOOD ACCESS**



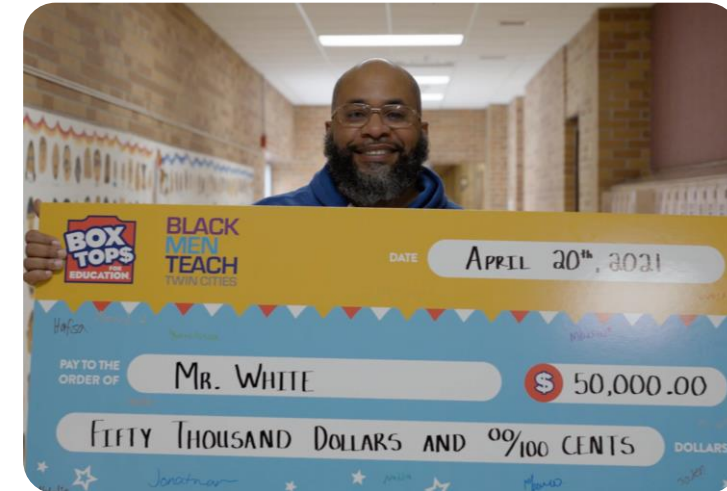
**EQUITY
IN EDUCATION**



**EQUITY IN
REPRESENTATION**



**BLACK
MEN
TEACH**
TWIN CITIES



We're Making Progress, and We Have More Work To Do



Kofi Bruce

Chief Financial Officer



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First Quarter Fiscal 2022 Financial Results

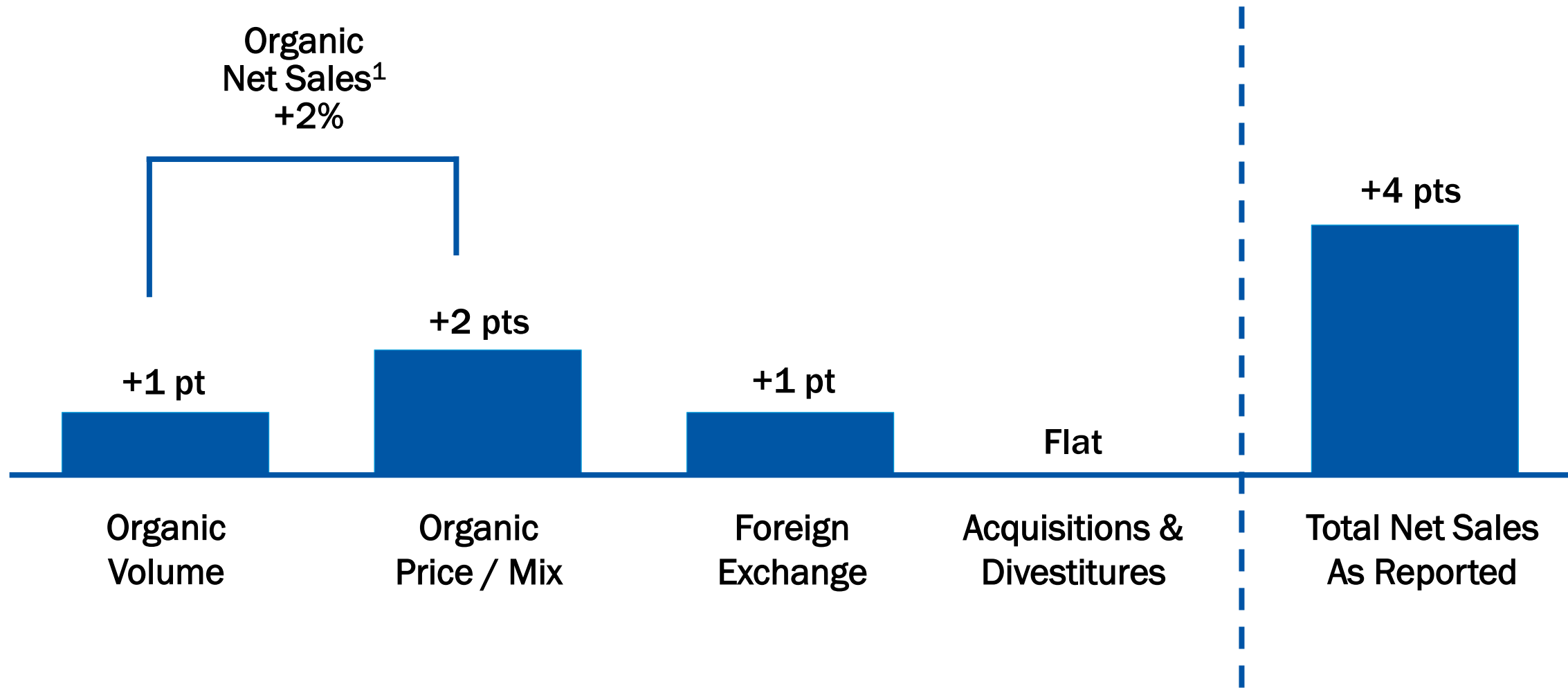
TOTAL GENERAL MILLS	\$MM	Q1	2-YEAR CGR
		VS. LY	
Net Sales	\$4,540	+4%	+6%
Organic Net Sales ¹		+2%	+6%
Adjusted Operating Profit ¹	\$819	-2% ²	+9% ²
Adjusted Diluted EPS ¹	\$0.99	-2% ²	+12% ²

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

(2) Constant currency growth rates. Non-GAAP measures. See appendix for reconciliation

2-year CGR = F20 Q1 to F22 Q1 compound growth rates

Components of First Quarter Net Sales Growth



First Quarter Fiscal 2022 North America Retail

Segment Results

North America Retail	Q1
Organic Net Sales ¹	-3%
2-year CGR ¹	+5%
Segment Op Profit ²	-12%
2-year CGR ²	+4%

Segment Highlights

- Q1 organic net sales decline driven by lower at-home demand and comparison to retailer inventory build LY
- Declines in U.S. Meals & Baking and U.S. Cereal, partially offset by increases in U.S. Snacks and Canada
- Grew or held market share in more than 50% of U.S. retail sales; grew share in Canada
- Q1 profit decline driven by higher input costs and lower volume, partially offset by favorable price/mix and lower administrative expenses



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

(2) Growth rates in constant currency. Non-GAAP measures. See appendix for reconciliation
2-year CGR = F20 Q1 to F22 Q1 compound growth rates

First Quarter Fiscal 2022 Pet

Segment Results

Pet	Q1
Organic Net Sales ¹	+20%
2-year CGR ¹	+13%
Segment Op Profit ²	+28%
2-year CGR ²	+20%

Segment Highlights

- Q1 organic net sales growth includes +DD growth for both cat food and dog food
- Strong retail sales growth and market share gains for Blue Buffalo
- Retail sales for Nudges, True Chews, and Top Chews collectively increased +20% in Q1
- Q1 profit growth primarily driven by favorable price/mix and higher volume, partially offset by higher input costs and SG&A expenses



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

(2) Growth rates in constant currency. Non-GAAP measures. See appendix for reconciliation
2-year CGR = F20 Q1 to F22 Q1 compound growth rates

First Quarter Fiscal 2022 Convenience Stores & Foodservice

Segment Results

CS&F	Q1
Organic Net Sales ¹	+23%
2-year CGR ¹	+4%
Segment Op Profit ²	+47%
2-year CGR ²	+6%

Segment Highlights

- Q1 organic net sales growth driven by strong execution and partial recovery in away-from-home food channels, including Schools, Restaurants, Lodging and C-stores
- Q1 profit growth driven by favorable price/mix and higher volume, 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 = F20 Q1 to F22 Q1 compound growth rates

First Quarter Fiscal 2022 Europe & Australia

Segment Results

EUAU	Q1
Organic Net Sales ¹	Flat
2-year CGR ¹	+3%
Segment Op Profit ²	-22%
2-year CGR ²	+21%

Segment Highlights

- Q1 organic net sales flat, with growth in Snack Bars and Yogurt offset by a decline in Ice Cream
- Q1 profit decline primarily driven by input cost inflation and unfavorable product mix, partially offset by HMM cost savings



(1) Non-GAAP measures. See appendix for reconciliation
 (2) Growth rates in constant currency. Non-GAAP measures. See appendix for reconciliation
 2-year CGR = F20 Q1 to F22 Q1 compound growth rates

First Quarter Fiscal 2022 Asia & Latin America

Segment Results

ASLA	Q1
Organic Net Sales ¹	+6%
2-year CGR ¹	+11%
Segment Op Profit ²	-26%
2-year CGR ²	+11%

Segment Highlights

- Q1 Latin America net sales +HSD driven by strong Yoki performance in Brazil
- Q1 Asia net sales +MSD led by Häagen-Dazs Ice Cream in China
- Q1 profit decline primarily driven by higher input costs and higher SG&A expenses, partially offset by favorable price/mix



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

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2-year CGR = F20 Q1 to F22 Q1 compound growth rates

First Quarter Fiscal 2022 Joint Ventures

Q1 AFTER-TAX JV EARNINGS: \$29MM, -30% VS. LY

JV Results

NET SALES ¹	Q1
CPW	-5%
HDJ	+14%

JV Highlights

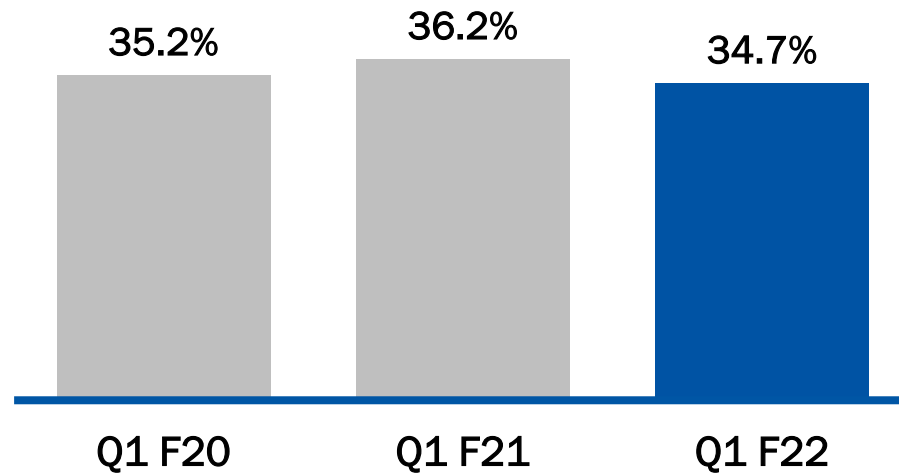
- Q1 CPW net sales decline due to lapping elevated at-home demand in early stages of the pandemic LY
- Q1 HDJ net sales growth due to strong innovation performance
- Q1 after-tax earnings decline driven by lower net sales and higher media investment at CPW



First Quarter Fiscal 2022 Margin Results

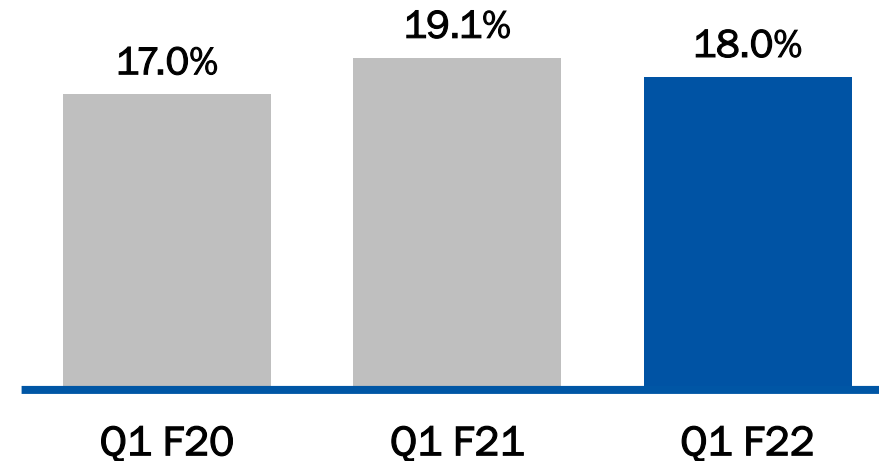
Adjusted Gross Margin¹

(% OF NET SALES)



Adjusted Operating Profit Margin¹

(% OF NET SALES)



- Q1 margin performance better than expected, driven by favorable admin and net pricing
- Q1 Adj. Gross Margin decline primarily due to inflation, other supply chain costs and deleverage, partially offset by HMM cost savings and favorable price/mix



First Quarter Fiscal 2022

Other Income Statement Items

- Adjusted Unallocated Corporate Expenses Decreased \$19MM ex. Certain Items
- Net Interest Expense decreased \$15MM
- Adjusted Effective Tax Rate 21.7% vs. 21.9% LY¹
- Average Diluted Shares Outstanding Down -1%



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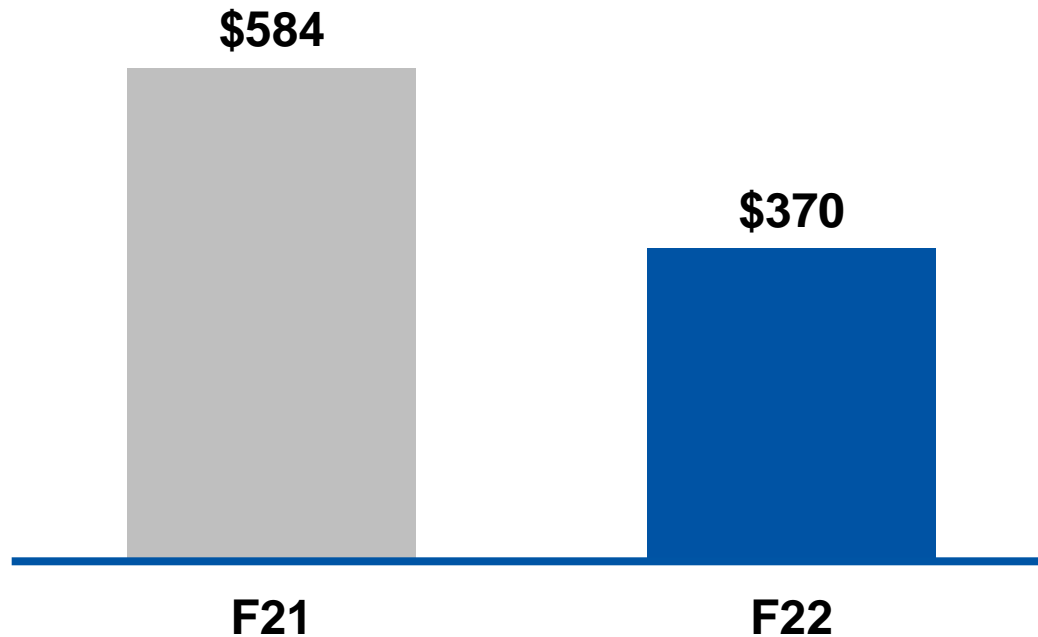
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First Quarter Fiscal 2022 Balance Sheet and Cash Flow

Operating Cash Flow

(\$ IN MILLIONS)



- Capital Investments = \$104MM
- Dividends Paid = \$312MM
- Net Shares Repurchased = \$150MM

Updating Fiscal 2022 Financial Assumptions

Higher Cost Outlook than on F21 Q4 Earnings Call

- Input Cost Inflation Now ~7% to 8% (was ~7%)
- Higher Costs Related to Labor Shortages Across Supply Chain

Actions to Address Dynamic Cost Environment

- HMM Cost Savings = 4% of COGS
- Increased SRM Actions; Expect Price/Mix to Step Up in Q2

Pet Treats Acquisition Adds \$0.02 to Adjusted Diluted EPS

Our Fiscal 2022 Financial Outlook

KEY FINANCIAL METRICS ¹	F22 OUTLOOK
Organic Net Sales Growth	Higher end of -3 to -1% range
Adjusted Operating Profit Growth ²	Higher end of -4 to -2% range
Adjusted Diluted EPS Growth ²	Higher end of -2% to Flat range
Free Cash Flow Conversion	~95%



(1) Non-GAAP measures
 (2) Growth rates in constant currency. Non-GAAP measures

Today's Key Messages

- Q1 Performance Above Expectations in a Dynamic and Challenging Environment
- Delivering on Fiscal 2022 Priorities
- Advancing Our Accelerate Strategy, Including Progress on Portfolio Reshaping
- On Track to Achieve Higher End of Fiscal 2022 Financial Guidance Ranges



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A Reminder on Non-GAAP Guidance

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.

Our fiscal 2022 guidance does not incorporate the potential impact of the European Yoplait divestiture that has not yet been completed. For fiscal 2022, we currently expect: foreign currency exchange rates (based on a blend of forward and forecasted rates and hedge positions) and acquisitions and divestitures to increase net sales by approximately 2 points; 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 and transaction costs and acquisition integration costs to total approximately \$50 million to \$100 million.



Appendix: First Quarter Fiscal 2022 North America Retail Operating Unit Results

NET SALES % VS. LY

Operating Unit	Q1
U.S. Meals & Baking	-7%
U.S. Cereal	-6%
U.S. Yogurt	Flat
Canada	+12%
<i>Canada Constant-currency¹</i>	+3%
U.S. Snacks	+3%



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

Reconciliation of First Quarter Fiscal 2022 Canada Operating Unit Constant-Currency Net Sales Growth

Canada			
	Percentage Change in Net Sales as Reported	Foreign Currency Exchange	Percentage Change in Net Sales on Constant- Currency Basis
Q1	12 %	8 pts	3 %



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Reconciliation of First Quarter Fiscal 2022 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	(7) pts	4 pts	(3)%	1 pt	-	(3)%
Pet	12 pts	8 pts	20%	-	5 pts	25%
Convenience Stores & Foodservice	12 pts	11 pts	23%	-	-	23%
Europe & Australia	2 pts	(1) pt	-	5 pts	-	5%
Asia & Latin America	1 pt	4 pts	6%	5 pts	(2) pts	8%
Total	1 pt	2 pts	2%	1 pt	-	4%

Reconciliation of First Quarter Fiscal 2022 Organic Net Sales Compound Growth Rates

	Q1			
	Organic Net Sales	Foreign Exchange	Acquisitions & Divestitures	Reported Net Sales Growth
North America Retail				
Aug. 30, 2020 vs. Aug. 25, 2019	14%	-	-	14%
Aug. 29, 2021 vs. Aug. 30, 2020	(3)%	1 pt	-	(3)%
2-year compound growth	5%			5%
Pet				
Aug. 30, 2020 vs. Aug. 25, 2019	6%	-	-	6%
Aug. 29, 2021 vs. Aug. 30, 2020	20%	-	5 pts	25%
2-year compound growth	13%			15%
Convenience Stores & Foodservice				
Aug. 30, 2020 vs. Aug. 25, 2019	(12)%	-	-	(12)%
Aug. 29, 2021 vs. Aug. 30, 2020	23%	-	-	23%
2-year compound growth	4%			4%
Europe & Australia				
Aug. 30, 2020 vs. Aug. 25, 2019	7%	3 pts	(1) pt	8%
Aug. 29, 2021 vs. Aug. 30, 2020	Flat	5 pts	-	5%
2-year compound growth	3%			6%
Asia & Latin America				
Aug. 30, 2020 vs. Aug. 25, 2019	17%	(10) pts	-	6%
Aug. 29, 2021 vs. Aug. 30, 2020	6%	5 pts	(2) pts	8%
2-year compound growth	11%			7%
Total				
Aug. 30, 2020 vs. Aug. 25, 2019	10%	(1) pt	-	9%
Aug. 29, 2021 vs. Aug. 30, 2020	2%	1 pt	-	4%
2-year compound growth	6%			6%

*Table may not foot due to rounding







Reconciliation of First Quarter Fiscal 2022 Adjusted Operating Profit Constant-currency Growth Rate

(FISCAL YEARS, \$ IN MILLIONS)

Q1

**2-year compound
growth**

	2022	2021	Change	2021	2020	Change	
Operating profit as reported	\$ 844.3	\$ 853.7	(1) %	\$ 853.7	\$ 662.4	29 %	13%
Mark-to-market effects	(24.1)	(16.4)		(16.4)	15.0		
Non-income tax recovery	(20.6)	-		-	-		
Acquisition integration costs	12.4	-		-	-		
Transaction costs	10.6	-		-	-		
Restructuring charges	(4.1)	1.0		1.0	14.3		
Investment activity, net	0.7	(13.0)		(13.0)	(9.5)		
Product recall	-	7.1		7.1	-		
Adjusted operating profit	\$ 819.2	\$ 832.5	(2) %	\$ 832.5	\$ 682.1	22 %	
Foreign currency exchange impact			1 pt			Flat	
Adjusted operating profit growth, on a constant-currency basis			(2) %			22 %	9%

*Table may not foot due to rounding





Reconciliation of Fiscal 2022 Adjusted Diluted EPS and Related Constant-currency Growth Rates

(FISCAL YEARS)

Per Share Data	Q1							2-year compound growth
	2022	2021	Change	2021	2020	Change		
Diluted earnings per share, as reported	\$ 1.02	\$ 1.03	(1) %	\$ 1.03	\$ 0.85	21 %		9%
Mark-to-market effects**	(0.03)	(0.02)		(0.02)	0.02			
Acquisition integration costs**	0.02	-		-	-			
Non-income tax recovery**	(0.02)	-		-	-			
Restructuring charges**	(0.01)	-		-	0.02			
Transaction costs**	0.01	-		-	-			
Investment activity, net**	-	(0.02)		(0.02)	(0.01)			
Product recall**	-	0.01		0.01	-			
Tax item	-	-		-	(0.09)			
Adjusted diluted earnings per share	\$ 0.99	\$ 1.00	(1) %	\$ 1.00	\$ 0.79	27 %		12%
Foreign currency exchange impact			1 pt			Flat		
Adjusted diluted earnings per share growth, on a constant-currency basis			(2) %			27 %		12%

*Table may not foot due to rounding

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



Reconciliation of First Quarter Fiscal 2022 Adjusted Gross Margin

(FISCAL YEARS)	% of Net Sales Q1		
	2022	2021	2020
Gross margin as reported	35.2 %	36.4 %	34.7 %
Mark-to-market effects	(0.5) %	(0.4) %	0.4 %
Product recall adjustment, net	- %	0.2 %	-
Restructuring charges	- %	- %	0.2 %
Adjusted gross margin	34.7 %	36.2 %	35.2 %

Reconciliation of First Quarter Fiscal 2022 Adjusted Operating Profit Margin

(FISCAL YEARS)	% of Net Sales Q1		
	2022	2021	2020
Operating profit as reported	18.6 %	19.6 %	16.5 %
Mark-to-market effects	(0.5) %	(0.4) %	0.4 %
Non-income tax recovery	(0.5) %	-	-
Acquisition integration costs	0.3 %	-	-
Transaction costs	0.2 %	-	-
Restructuring charges	(0.1) %	-	0.4 %
Investment activity, net	-	(0.3) %	(0.2) %
Product recall	-	0.2 %	-
Adjusted operating profit	18.0 %	19.1 %	17.0 %

Reconciliation of First Quarter Fiscal 2022 Adjusted Tax Rates

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

	Q1			
	2022		2021	
	Pretax Earnings**	Income Taxes	Pretax Earnings**	Income Taxes
As reported	\$ 778.0	\$ 168.9	\$ 775.9	\$ 170.8
Mark-to-market effects	(24.1)	(5.5)	(16.4)	(3.8)
Non-income tax recovery	(20.6)	(7.0)	-	-
Acquisition integration costs	12.4	2.8	-	-
Transaction costs	10.6	4.6	-	-
Restructuring charges	(4.1)	(0.9)	1.0	0.2
Investment activity, net	0.7	0.2	(13.0)	(3.0)
Product recall	-	-	7.1	0.8
As adjusted	\$ 752.8	\$ 163.0	\$ 754.6	\$ 165.1
Effective tax rate:				
As reported		21.7%		22.0%
As adjusted		21.7%		21.9%
Sum of adjustment to income taxes		\$ (5.9)		\$ (5.7)
Average number of common shares - diluted EPS		614.8		619.8
Impact of income tax adjustments on adjusted diluted EPS		\$ (0.01)		\$ (0.01)

*Table may not foot due to rounding

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