



Making Food the World Loves

Fiscal 2022 Q3 Earnings

March 23, 2022



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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

- Executing Well in a Volatile Operating Environment
- Addressing Short-term Supply Disruptions; Closed Q3 with Improved Momentum
- Expecting to Drive Strong Growth in Q4, Fueled by Accelerating Net Price Realization
- Raising Fiscal 2022 Financial Guidance



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Third-quarter and YTD Performance

Organic Net Sales¹

Q3

+ 4%

2-yr CGR +5%

YTD

+ 4%

2-yr CGR +6%

Adjusted Operating Profit²

- 6%

2-yr CGR -1%

- 5%

2-yr CGR +3%

Adjusted Diluted EPS²

+ 2%

2-yr CGR +4%

- 2%

2-yr CGR +6%



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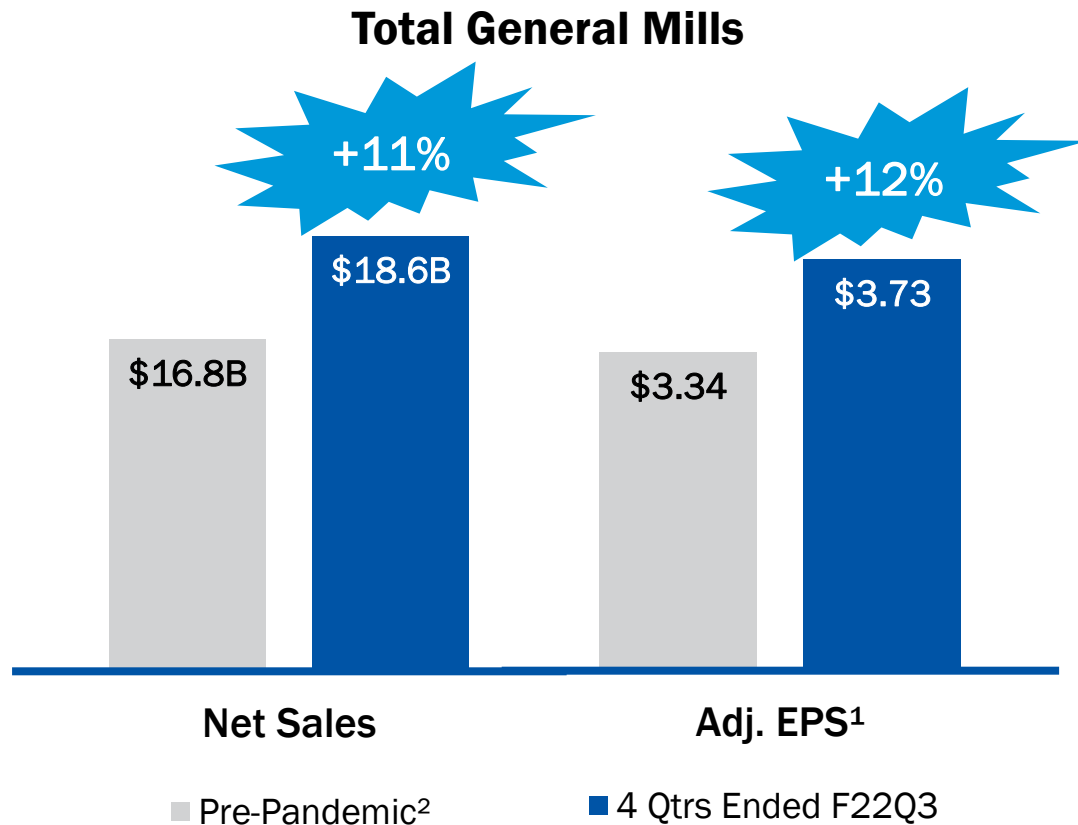
(1) Non-GAAP measure. See appendix for reconciliation

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

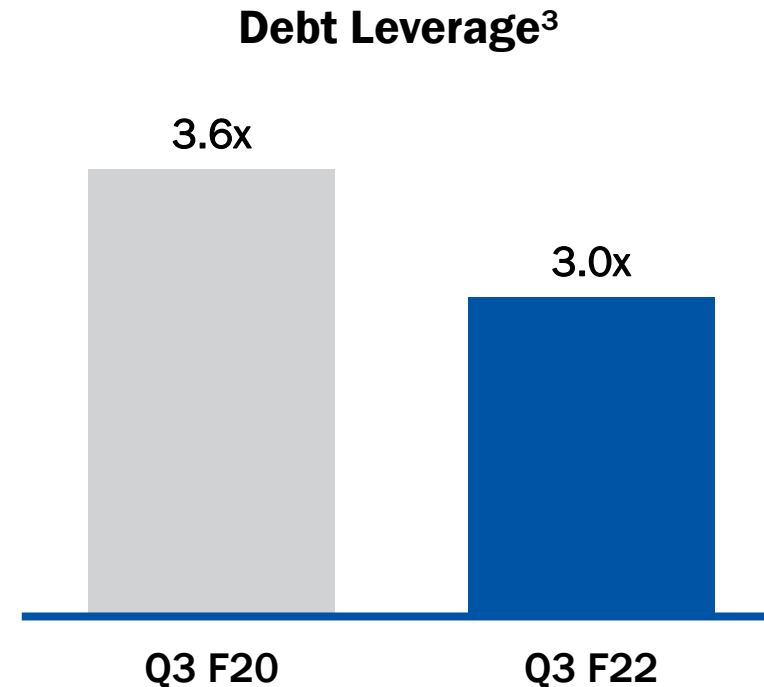
2-yr CGR = F20 to F22 compound growth rates

We've Strengthened the Business in the Past Two Years

Larger and More Profitable



Stronger Balance Sheet



¹Non-GAAP measure. See appendix for reconciliation.

²Pre-pandemic defined as 4 quarters ending F20 Q3

³Net Debt to Trailing 12-Month Adjusted-EBITDA Ratio. Non-GAAP measure. See appendix for reconciliation.

Delivering on Our Fiscal 2022 Priorities

1

Compete



Continue to Compete Effectively

2

Navigate



Successfully Navigate the Dynamic Supply Chain Environment

3

Reshape

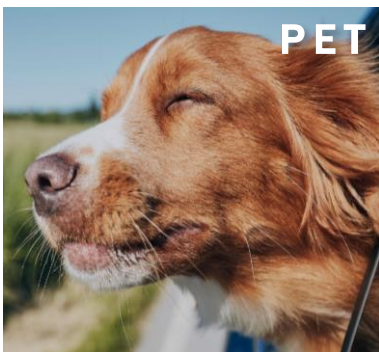
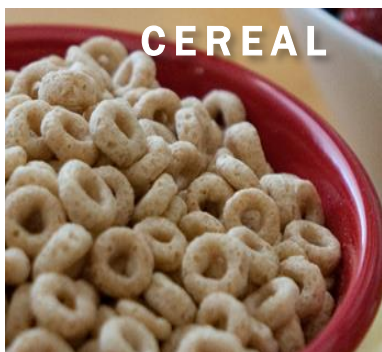


Execute Reshaping Actions Without Disruption

Priority 1: Continuing to Compete Effectively

Growing or Holding Share in 66% of Our Priority Businesses YTD

Global Platforms



Local Gems



Priority 2: Successfully Navigating the Dynamic Supply Chain Environment

Supply Chain Environment Remains Challenging



Upstream Operating Constraints



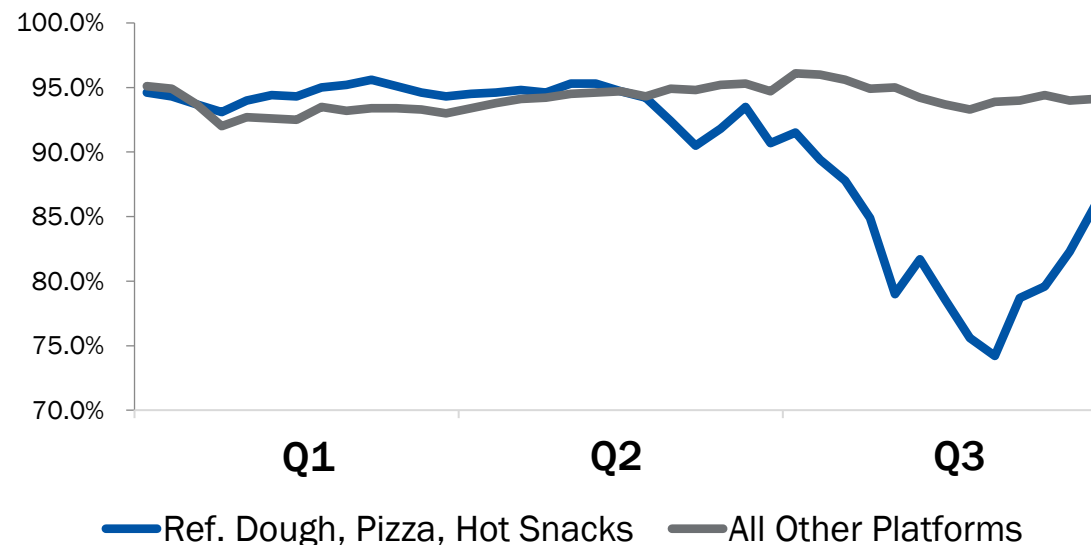
Transportation Challenges



Labor Shortages

Managing Short-term Disruptions on Key U.S. Platforms

**General Mills U.S. Retail
% On-Shelf Availability (Fiscal 2022)**



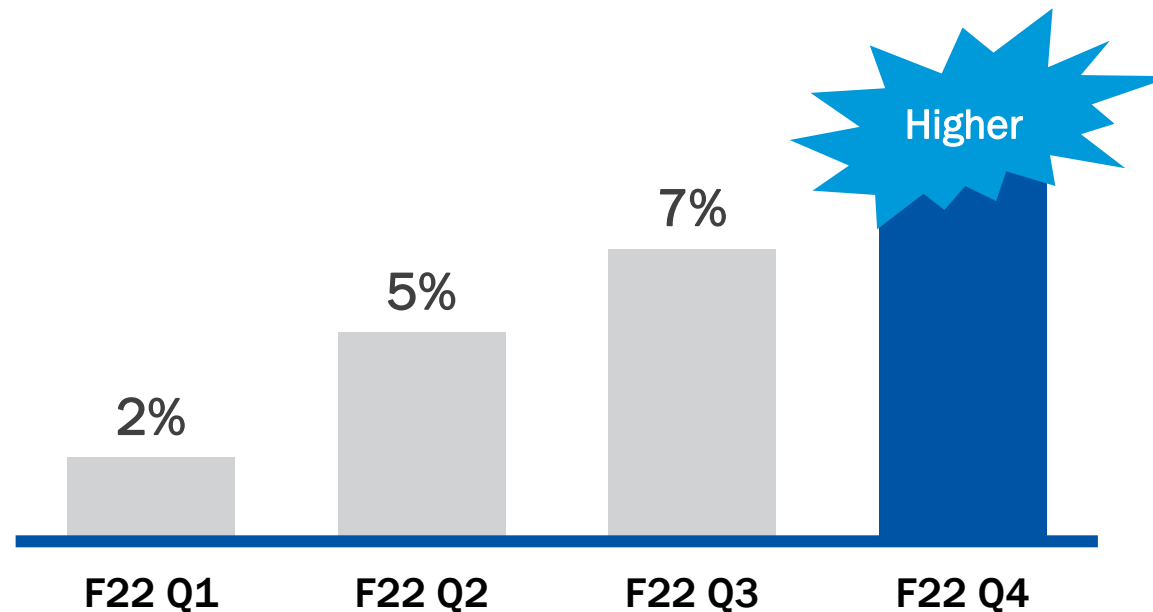
Priority 2: Successfully Navigating the Dynamic Supply Chain Environment

F22 Input Cost Inflation Outlook Remains at 8-9%

- Spot Inflation at Multi-decade High
- Hedging Strategy Reduces Input Cost Volatility and Increases Visibility
- Coverage on Key Commodities at Competitive Prices through CY22

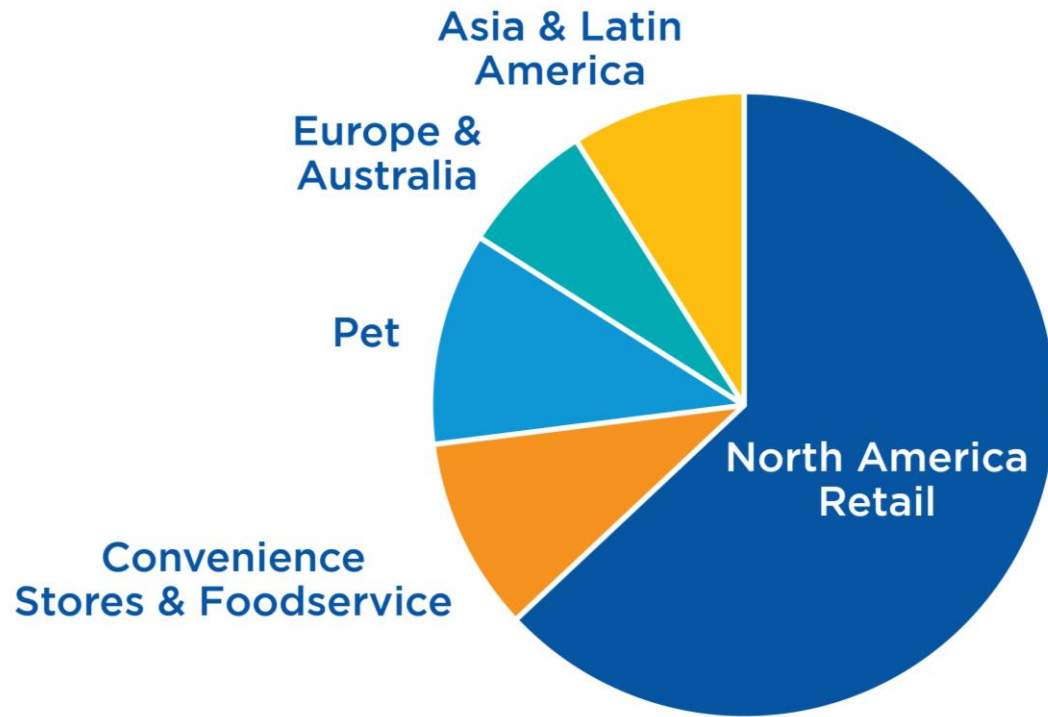
SRM Driving Increased Price/Mix

General Mills Organic Price/Mix

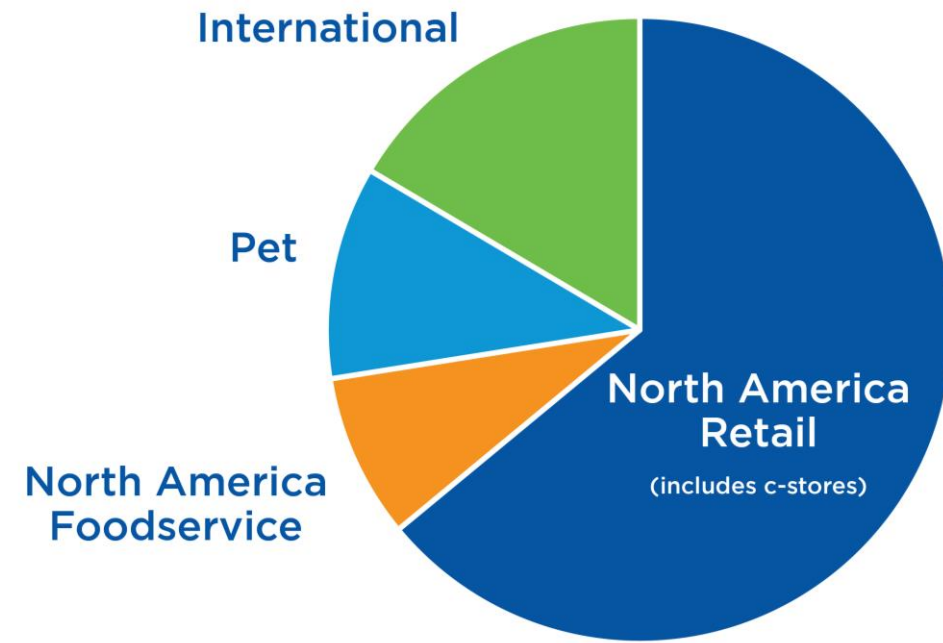


Priority 3: Reshaping our Organization for Growth

Old Segment Structure*



New Segment Structure*



Being a Force For Good

Priority Areas



**REGENERATING
OUR PLANET**



**IMPROVING
FOOD SECURITY**



**PROTECTING
OUR PEOPLE**



**STRENGTHENING OUR
COMMUNITIES**

Supporting Food Security for Ukraine



+CIFRC





Kofi Bruce

Chief Financial Officer



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Third Quarter Fiscal 2022 Financial Results

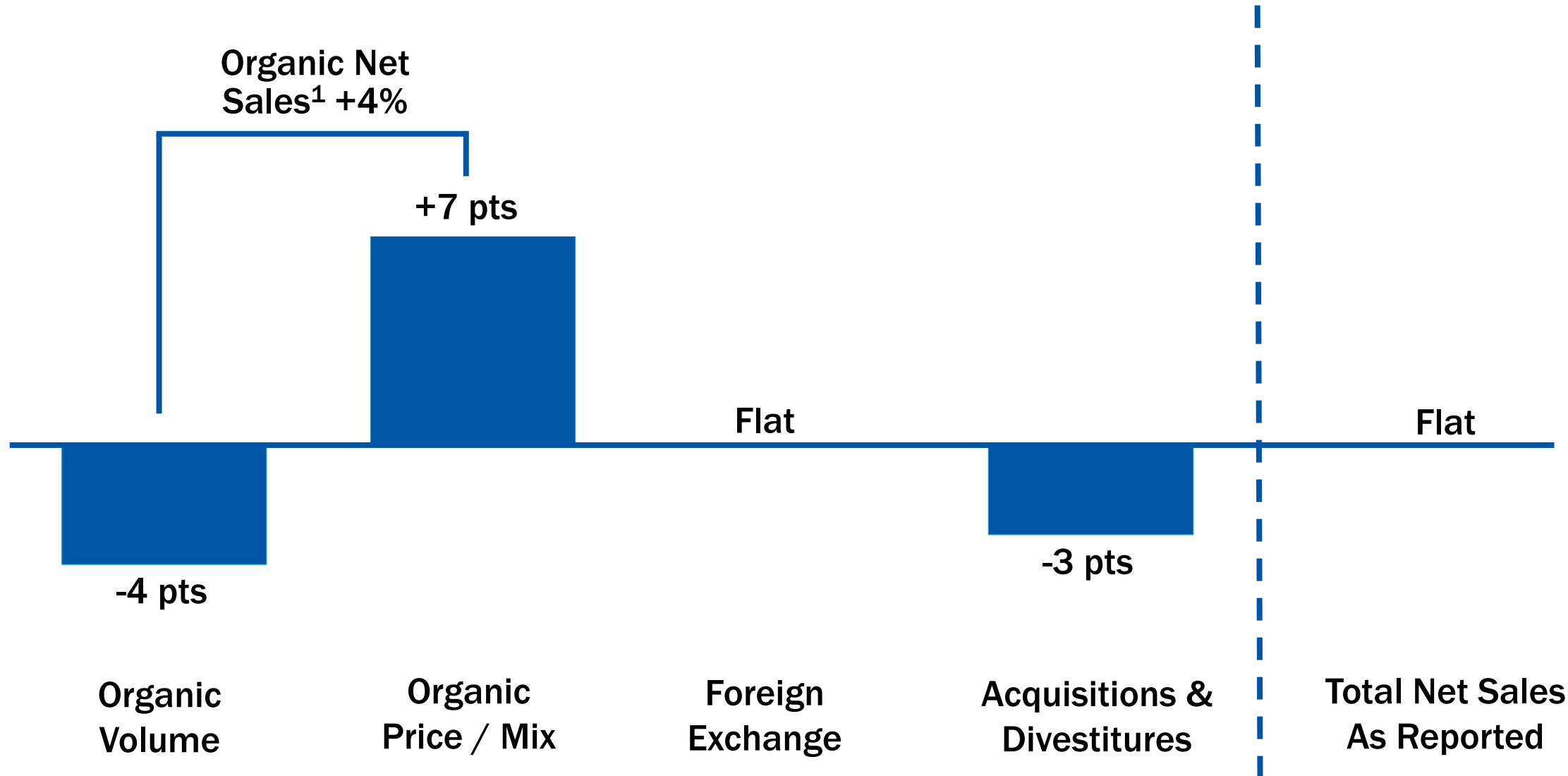
TOTAL GENERAL MILLS	Q3		
	\$MM	VS. LY	2-YEAR CGR
Net Sales	\$4,538	Flat	+4%
Organic Net Sales ¹		+4%	+5%
Adjusted Operating Profit ¹	\$676	-6% ²	-1% ²
Adjusted Diluted EPS ¹	\$0.84	+2% ²	+4% ²

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

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

2-year CGR = F20 Q3 to F22 Q3 compound growth rates.

Components of Third Quarter Net Sales Growth



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



Third Quarter Fiscal 2022

North America Retail

Segment Results

North America Retail	Q3
Organic Net Sales ¹	+1%
2-year CGR ¹	+6%
Segment Op Profit ²	-3%
2-year CGR ²	+5%



Segment Highlights

- Q3 organic net sales growth driven by positive price/mix, partially offset by lower volume
- Growth in U.S. Morning Foods and U.S. Snacks, partially offset by a decline in U.S. Meals & Baking Solutions
- Grew or held year-to-date market share in 56% of U.S. retail sales
- Q3 profit decline driven primarily by higher input costs and lower volume, partially offset by positive price/mix and lower SG&A

(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 Q3 to F22 Q3 compound growth rates.

Source: NielsenIQ xAOC, FYTD ending 2/26/22
See slide 29 for net sales results by Operating Unit

Third Quarter Fiscal 2022

Pet

Segment Results

Pet	Q3
Organic Net Sales ¹	+16%
2-year CGR ¹	+15%
Segment Op Profit ²	+8%
2-year CGR ²	+8%

Segment Highlights

- Q3 organic net sales growth includes DD growth in cat food/treats and HSD in dog food/treats
- Year-to-date strong retail sales growth and market share gains for Blue Buffalo
- Retail sales for Nudges, True Chews, and Top Chews collectively increased +21% FYTD
- Q3 profit growth driven by positive price/mix and higher volume, partially offset by higher input costs and higher SG&A



(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 Q3 to F22 Q3 compound growth rates

Third Quarter Fiscal 2022

North America Foodservice

Segment Results

North America Foodservice	Q3
Organic Net Sales ¹	+22%
2-year CGR ¹	-3%
Segment Op Profit ²	-13%
2-year CGR ²	-29%

Segment Highlights

- Q3 organic net sales growth driven by increased demand in away-from-home food channels, including Schools, Restaurants, and Lodging, and market index pricing on bakery flour
- Q3 profit decline driven by higher input costs, partially offset by positive price/mix



(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 Q3 to F22 Q3 compound growth rates

Third Quarter Fiscal 2022 International

Segment Results

International	Q3
Organic Net Sales ¹	-1%
2-year CGR ¹	+4%
Segment Op Profit ²	-16%
2-year CGR ²	+1%



Segment Highlights

- Q3 organic net sales decline reflects a difficult comparison to year-ago results that were up +DD
- Grew market share year-to-date in Mexican Food and Ice Cream
- Q3 profit decline driven by lower volume and higher input costs, partially offset by positive price/mix and lower SG&A

(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 Q3 to F22 Q3 compound growth rates

Third Quarter Fiscal 2022 Joint Ventures

Q3 AFTER-TAX JV EARNINGS: \$30MM VS. \$12MM LY

JV Results

NET SALES ¹	Q3
CPW	+1%
HDJ	+9%

JV Highlights

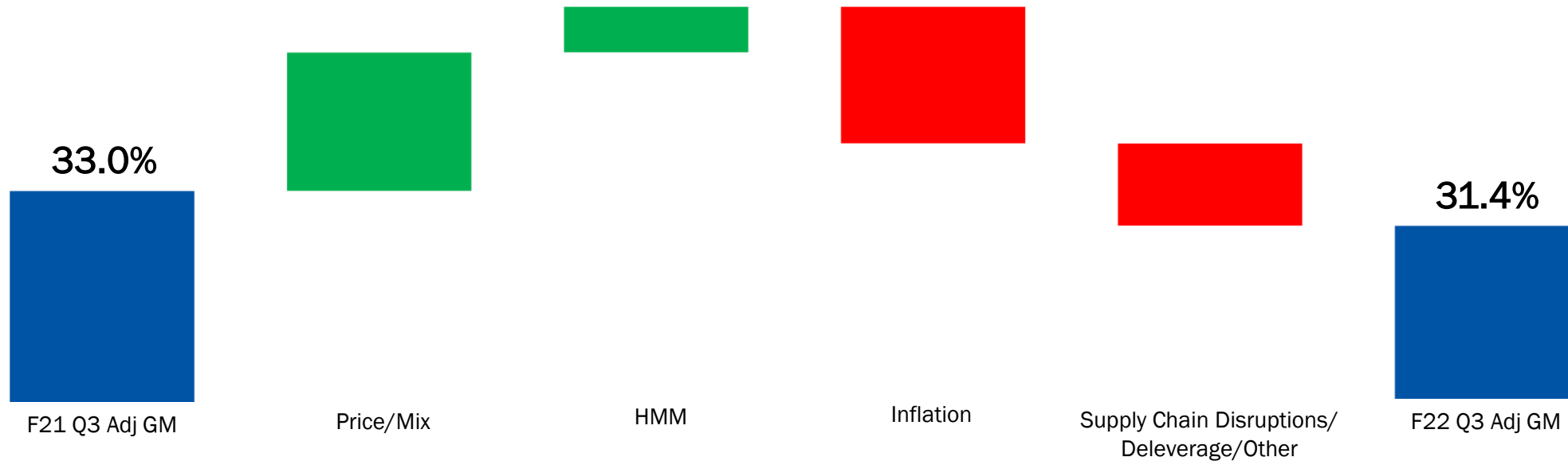
- CPW net sales growth driven by positive price/mix, partially offset by lower volume
- HDJ net sales growth due to strong core performance and improved distribution
- After-tax earnings growth driven by higher profit at CPW



Third Quarter Fiscal 2022 Margin Results

Adjusted Gross Margin¹

(% OF NET SALES)



- Positive price/mix and HMM offsetting input cost inflation; elevated costs related to supply chain disruptions and deleverage drove down Q3 adjusted gross margin
- Q3 Adj. Operating Profit Margin¹ down 90 bps vs LY due to adj. gross margin decline, partially offset by lower SG&A expenses



Third Quarter Fiscal 2022

Other Income Statement Items

- Adjusted Unallocated Corporate Expenses Increased \$19MM
- Net Interest Expense Decreased \$20MM
- Adjusted Effective Tax Rate 21.0% vs. 21.6% LY¹
- Average Diluted Shares Outstanding -1% vs. LY



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Nine-month Fiscal 2022 Financial Results

TOTAL GENERAL MILLS	9 MONTHS		
	\$MM	VS. LY	2-YEAR CGR
Net Sales	\$14,102	+4%	+6%
Organic Net Sales ¹		+4%	+6%
Adjusted Operating Profit ¹	\$2,317	-5% ²	+3% ²
Adjusted Diluted EPS ¹	\$2.82	-2% ²	+6% ²

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

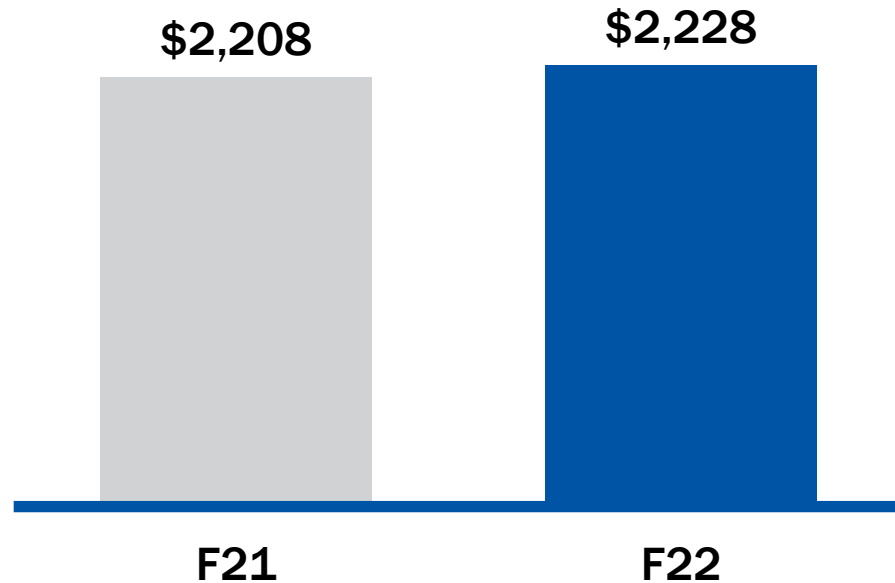
(2) Constant currency growth rates. Non-GAAP measures. See appendix for reconciliation.

2-year CGR = F20 Nine-months to F22 Nine-months compound growth rates.

Nine-month Fiscal 2022 Cash Flow Performance

Operating Cash Flow

(\$ IN MILLIONS)



- Core Working Capital **-\$159MM** vs LY
- Capital Investments = **\$351MM**
- Dividends Paid = **\$934MM**
- Net Shares Repurchased = **\$454MM**

Fourth Quarter Fiscal 2022 Financial Assumptions

- Organic Price/Mix to Step Up from Q3 to Q4, Reflecting Full Benefit of Recent SRM Actions
- Q4 Input Cost Inflation +DD (Full Year +8 to 9%)
- Operating Environment to Remain Challenging; Expect Improvement in Customer Service Levels from Q3 to Q4



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Updated Fiscal 2022 Financial Outlook

KEY FINANCIAL METRICS ¹	PREVIOUS F22 OUTLOOK	UPDATED F22 OUTLOOK
Organic Net Sales Growth	+4 to +5%	~+5%
Adjusted Operating Profit Growth ²	-4 to -1%	-2% to Flat
Adjusted Diluted EPS Growth ²	-2 to +1%	Flat to +2%
Free Cash Flow Conversion	~95%	~95%



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

Today's Key Messages

- Executing Well in a Volatile Operating Environment
- Addressing Short-term Supply Disruptions; Closed Q3 with Improved Momentum
- Expecting to Drive Strong Growth in Q4, Fueled by Accelerating Net Price Realization
- Raising Fiscal 2022 Financial Guidance



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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.

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 decrease net sales by approximately 1 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 and transaction costs and acquisition integration costs to total approximately \$110 million to \$150 million.

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

NET SALES % VS. LY

Operating Unit	Q3
U.S. Morning Foods	+4%
U.S. Snacks	+3%
Canada	-2%
<i>Canada Constant-currency¹</i>	-2%
U.S. Meals & Baking Solutions	-2%



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



Reconciliation of Third 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
Q3	(2) %	Flat	(2) %



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Reconciliation of Third Quarter Fiscal 2022 Organic Net Sales Growth

	Q3					
	Organic Volume	Organic Price/Mix	Organic Net Sales	Foreign Exchange	Acquisitions & Divestitures	Reported Net Sales Growth
North America Retail	(8) pts	9 pts	1%	-	-	1%
International	(3) pts	2 pts	(1)%	(2) pts	(20) pts	(23)%
Pet	3 pts	13 pts	16%	-	14 pts	30%
North America Foodservice	4 pts	18 pts	22%	-	-	22%
Total	(4) pts	7 pts	4%	-	(3) pts	Flat



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

	Q3			
	Reported Net Sales Growth	Foreign Exchange	Acquisitions & Divestitures	Organic Net Sales Growth
North America Retail				
Feb. 28, 2021 vs. Feb. 23, 2020	9%	-	(3) pts	11%
Feb. 27, 2022 vs. Feb. 28, 2021	1%	-	-	1%
2-year compound growth	5%			6%
Pet				
Feb. 28, 2021 vs. Feb. 23, 2020	14%	-	-	14%
Feb. 27, 2022 vs. Feb. 28, 2021	30%	-	14 pts	16%
2-year compound growth	22%			15%
North America Foodservice				
Feb. 28, 2021 vs. Feb. 23, 2020	(12)%	-	11 pts	(23)%
Feb. 27, 2022 vs. Feb. 28, 2021	22%	-	-	22%
2-year compound growth	4%			(3)%
International				
Feb. 28, 2021 vs. Feb. 23, 2020	13%	3 pts	-	10%
Feb. 27, 2022 vs. Feb. 28, 2021	(23)%	(2) pts	(20) pts	(1)%
2-year compound growth	(7)%			4%
Total				
Feb. 28, 2021 vs. Feb. 23, 2020	8%	1 pt	-	7%
Feb. 27, 2022 vs. Feb. 28, 2021	-	-	(3) pts	4%
2-year compound growth	4%			5%





Reconciliation of Third Quarter Fiscal 2022 Adjusted Operating Profit Constant-currency Growth Rate (FISCAL YEARS, \$ IN MILLIONS)

	Q3						
	2022	2021	Change	2021	2020	Change	2-year compound growth
Operating profit as reported	\$ 815.3	\$ 826.6	(1) %	\$ 826.6	\$ 650.8	27 %	12%
Divestitures gain	(170.1)	-		-	-		
Mark-to-market effects	20.0	(55.7)		(55.7)	8.6		
Investment activity, net	(11.1)	(59.3)		(59.3)	3.0		
Restructuring charges	9.3	11.7		11.7	12.4		
Transaction costs	8.6	-		-	-		
Acquisition integration costs	4.3	-		-	-		
Non-income tax recovery	0.2	-		-	-		
Product recall	-	(7.8)		(7.8)	-		
Project related costs	-	-		-	0.4		
Adjusted operating profit	\$ 676.5	\$ 715.6	(5) %	\$ 715.6	675.1	6 %	Flat
Foreign currency exchange impact			Flat			1 pt	
Adjusted operating profit growth, on a constant-currency basis			(6) %			5 %	(1)%

*Table may not foot due to rounding





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

(FISCAL YEARS)

Per Share Data	Q3						2-year compound growth
	2022	2021	Change	2021	2020	Change	
Diluted earnings per share, as reported	\$ 1.08	\$ 0.96	13 %	\$ 0.96	\$ 0.74	30 %	21%
Divestitures gain**	(0.28)	-		-	-		
Mark-to-market effects**	0.03	(0.07)		(0.07)	0.01		
Restructuring charges**	0.02	0.02		0.02	0.02		
Transaction costs**	0.01	-		-	-		
Acquisition integration costs**	0.01	-		-	-		
Investment activity, net**	(0.01)	(0.08)		(0.08)	-		
Product recall**	-	(0.01)		(0.01)	-		
CPW restructuring charges	-	-		-	0.01		
Adjusted diluted earnings per share	\$ 0.84	\$ 0.82	2 %	\$ 0.82	\$ 0.77	6 %	4%
Foreign currency exchange impact			Flat			Flat	
Adjusted diluted earnings per share growth, on a constant-currency basis			2 %			6 %	4%

*Table may not foot due to rounding

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



Reconciliation of Nine-month Fiscal 2022 Organic Net Sales Growth

	Nine-Months					Reported Net Sales Growth
	Organic Volume	Organic Price/Mix	Organic Net Sales	Foreign Exchange	Acquisitions & Divestitures	
North America Retail	(7) pts	7 pts	Flat	-	-	Flat
International	Flat	1 pt	1%	1 pt	(8) pts	(5)%
Pet	8 pts	9 pts	16%	-	12 pts	28%
North America Foodservice	8 pts	16 pts	24%	-	-	24%
Total	(1) pt	5 pts	4%	1 pt	(1) pt	4%



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Reconciliation of Nine-month Fiscal 2022 Organic Net Sales Compound Growth Rates

	Nine-months		
	Reported Net Sales Growth	Foreign Exchange	Acquisitions & Divestitures
			Organic Net Sales Growth
Total			
Feb. 28, 2021 vs. Feb. 23, 2020	8%	-	8%
Feb. 27, 2022 vs. Feb. 28, 2021	4%	1 pt	4%
2-year compound growth	6%		6%



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Reconciliation of Nine-month Fiscal 2022 Adjusted Operating Profit Constant-currency Growth Rate (FISCAL YEARS, \$ IN MILLIONS)

	Nine-month						2-year compound growth
	2022	2021	Change	2021	2020	Change	
Operating profit as reported	\$ 2,459.7	\$ 2,596.9	(5) %	\$ 2,596.9	\$ 2,124.4	22 %	8%
Divestitures gain	(170.1)	-		-	-		
Transaction costs	56.8	-		-	-		
Investment activity, net	(20.9)	(78.3)		(78.3)	6.7		
Non-income tax recovery	(20.4)	-		-	-		
Acquisition integration costs	20.2	-		-	-		
Mark-to-market effects	(16.2)	(118.0)		(118.0)	1.0		
Restructuring charges	7.9	13.6		13.6	37.2		
Product recall	-	(0.7)		(0.7)	-		
Project related costs	-	-		-	1.1		
Adjusted operating profit	\$ 2,317.0	\$ 2,413.6	(4) %	\$ 2,413.6	\$ 2,170.3	11 %	3%
Foreign currency exchange impact			Flat			1 pt	
Adjusted operating profit growth, on a constant-currency basis			(5) %			11 %	3%

*Table may not foot due to rounding





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

(FISCAL YEARS)

Per Share Data	Nine-month						2-year compound growth
	2022	2021	Change	2021	2020	Change	
Diluted earnings per share, as reported	\$ 3.07	\$ 3.10	(1) %	\$ 3.10	\$ 2.54	22 %	10%
Divestitures gain**	(0.28)	-		-	-		
Transaction costs**	0.07	-		-	-		
Acquisition integration costs**	0.03	-		-	-		
Investment activity, net**	(0.03)	(0.10)		(0.10)	-		
Mark-to-market effects**	(0.02)	(0.15)		(0.15)	-		
Non-income tax recovery**	(0.02)	-		-	-		
Restructuring charges**	0.01	0.02		0.02	0.05		
Tax item	-	-		-	(0.09)		
CPW restructuring charges	-	-		-	0.01		
Adjusted diluted earnings per share	\$ 2.82	\$ 2.88	(2) %	\$ 2.88	\$ 2.51	15 %	6%
Foreign currency exchange impact			Flat			1 pt	
Adjusted diluted earnings per share growth, on a constant-currency basis			(2) %			14 %	6%



*Table may not foot due to rounding

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

Reconciliation of Trailing 4 Quarters Adjusted Diluted EPS Growth Rates

Per Share Data	Nine-Month 2022	FY21 Q4	Trailing 4 Quarters	Nine-Month 2020	FY19 Q4	Trailing 4 Quarters	2-year growth
Diluted earnings per share, as reported	\$ 3.07	\$ 0.68	\$ 3.75	\$ 2.54	\$ 0.94	\$ 3.48	
Divestitures (gain) loss	(0.28)	0.04		-	-		
Transaction costs	0.07	0.01		-	-		
Acquisition integration costs	0.03	-		-	-		
Investment activity, net	(0.03)	-		-	(0.01)		
Mark-to-market effects	(0.02)	(0.02)		-	-		
Non-income tax recovery	(0.02)	(0.01)		-	-		
Restructuring charges	0.01	0.20		0.05	0.02		
CPW restructuring charges	-	-		0.01	-		
Tax items	-	0.02		(0.09)	(0.12)		
Adjusted diluted earnings per share	\$ 2.82	\$ 0.91	\$ 3.73	\$ 2.51	\$ 0.83	\$ 3.34	12%

Reconciliation of Net Debt-to-Adjusted EBITDA Ratio

(FISCAL YEARS, \$ IN MILLIONS)

	Trailing 12-months	
	F20 Q3	F22 Q3
Net earnings, including earnings attributable to redeemable and noncontrolling interests, as reported	\$ 2,165.0	\$ 2,309.1
Income taxes	395.6	558.8
Interest, net	472.7	377.6
Depreciation and amortization	611.9	557.4
EBITDA	\$ 3,645.2	\$ 3,822.9
After-tax earnings from joint ventures	(77.5)	(120.2)
Restructuring charges	53.8	166.9
Mark-to-market effects	0.6	(37.0)
Investment activity, net	(3.1)	(19.0)
Divestiture (gain) loss	(5.4)	(116.6)
Transaction / Integration costs	4.3	66.3
Acquisition integration costs	-	20.2
Non-income tax gain	-	(29.2)
Project-related costs	1.1	-
Product recall adjustment	-	(2.8)
Adjusted EBITDA	\$ 3,619.4	\$ 3,751.5
Total debt	\$ 13,627.9	\$ 12,269.7
Cash	606.9	844.4
Net debt	\$ 13,021.0	\$ 11,425.3
Net debt-to-adjusted-EBITDA ratio	3.6	3.0



Reconciliation of Third Quarter Fiscal 2022 Constant-currency Segment Operating Profit Growth

	Q3		
	Percentage Change in Operating Profit as Reported	Impact of Foreign Currency Exchange	Percentage Change in Operating Profit on Constant- Currency Basis
North America Retail			
Feb. 28, 2021 vs. Feb. 23, 2020	13%	-	13%
Feb. 27, 2022 vs. Feb. 28, 2021	(3)%	-	(3)%
2-year compound growth	5%		5%
Pet			
Feb. 28, 2021 vs. Feb. 23, 2020	9%	-	9%
Feb. 27, 2022 vs. Feb. 28, 2021	8%	-	8%
2-year compound growth	8%		8%
North America Foodservice			
Feb. 28, 2021 vs. Feb. 23, 2020	(42)%	-	(42)%
Feb. 27, 2022 vs. Feb. 28, 2021	(13)%	-	(13)%
2-year compound growth	(29)%		(29)%
International			
Feb. 28, 2021 vs. Feb. 23, 2020	37%	15 pts	22%
Feb. 27, 2022 vs. Feb. 28, 2021	(13)%	2 pts	(16)%
2-year compound growth	(9)%		1%
Total			
Feb. 28, 2021 vs. Feb. 23, 2020	9%	1 pt	8%
Feb. 27, 2022 vs. Feb. 28, 2021	(2)%	Flat	(3)%
2-year compound growth	3%		2%



Reconciliation of Third Quarter Fiscal 2022 Adjusted Gross Margin

(FISCAL YEARS)

	% of Net Sales	
	Q3	
	2022	2021
Gross margin as reported	30.9 %	34.4 %
Mark-to-market effects	0.4 %	(1.2) %
Product recall	- %	(0.2) %
Adjusted gross margin	31.4 %	33.0 %

Reconciliation of Third Quarter Fiscal 2022 Adjusted Operating Profit Margin

(FISCAL YEARS)	% of Net Sales Q3	
	2022	2021
Operating profit as reported	18.0 %	18.3 %
Divestitures gain	(3.7) %	- %
Mark-to-market effects	0.4 %	(1.2) %
Investment activity, net	(0.2) %	(1.3) %
Transaction costs	0.2 %	- %
Restructuring charges	0.2 %	0.3 %
Acquisition integration costs	0.1 %	- %
Product recall	- %	(0.2) %
Adjusted operating profit	14.9 %	15.8 %



Cheerios

Betty Crocker



OLD FASHION



NATURE VALLEY

Hilltop Dairy

Reconciliation of Third Quarter Fiscal 2022 Adjusted Tax Rates

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

	Q3					
	2022		2021		2020	
	Pretax Earnings**	Income Taxes	Pretax Earnings**	Income Taxes	Pretax Earnings**	Income Taxes
As reported	\$ 755.9	\$ 123.2	\$ 754.0	\$ 162.0	\$ 571.3	\$ 118.2
Divestitures gain	(170.1)	0.4	-	-	-	-
Mark-to-market effects	20.0	4.6	(55.7)	(12.8)	8.6	1.9
Investment activity, net	(11.1)	(0.2)	(59.3)	(11.7)	3.0	0.7
Restructuring charges	9.3	1.7	11.7	2.0	12.4	3.7
Transaction costs	8.6	(1.2)	-	-	-	-
Acquisition integration costs	4.3	1.0	-	-	-	-
Non-income tax recovery	0.2	0.1	-	-	-	-
Project-related costs	-	-	-	-	0.4	0.1
Product recall	-	-	(7.8)	(0.9)	-	-
As adjusted	\$ 617.1	\$ 129.5	\$ 643.1	\$ 138.6	\$ 595.6	\$ 124.8
Effective tax rate:						
As reported		16.3%		21.5%		20.7%
As adjusted		21.0%		21.6%		21.0%
Sum of adjustment to income taxes	\$	6.4	\$	(23.4)	\$	6.4
Average number of common shares - diluted EPS		612.4		619.4		612.8
Impact of income tax adjustments on adjusted diluted EPS	\$	(0.01)	\$	0.03	\$	(0.01)

*Table may not foot due to rounding

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

Reconciliation of Nine-month Fiscal 2022 Adjusted Tax Rates

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

	Nine-months					
	2022		2021		2020	
	Pretax Earnings**	Income Taxes	Pretax Earnings**	Income Taxes	Pretax Earnings**	Income Taxes
As reported	\$ 2,269.0	\$ 451.8	\$ 2,378.8	\$ 522.2	\$ 1,867.2	\$ 340.9
Divestitures gain	(170.1)	0.4	-	-	-	-
Transaction costs	56.8	11.2	-	-	-	-
Investment activity, net	(20.9)	0.3	(78.3)	(16.1)	6.7	5.1
Non-income tax recovery	(20.4)	(6.9)	-	-	-	-
Acquisition integration costs	20.2	4.6	-	-	-	-
Mark-to-market effects	(16.2)	(3.7)	(118.0)	(27.1)	1.0	0.2
Restructuring charges	7.9	3.6	13.6	2.5	37.2	8.0
Project-related costs	-	-	-	-	1.1	0.2
Product recall	-	-	(0.7)	(0.1)	-	-
Tax item	-	-	-	-	-	53.1
As adjusted	\$ 2,126.3	\$ 461.3	\$ 2,195.5	\$ 481.4	\$ 1,913.1	\$ 407.6
Effective tax rate:						
As reported		19.9%		22.2%		18.3%
As adjusted		21.7%		21.9%		21.3%
Sum of adjustment to income taxes		\$ 9.5		\$ (40.8)		\$ 66.6
Average number of common shares - diluted EPS		613.5		619.6		612.1
Impact of income tax adjustments on adjusted diluted EPS		\$ (0.02)		\$ 0.06		\$ (0.11)

*Table may not foot due to rounding

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

Reconciliation of Trailing 4 Quarters Adjusted Tax Rates

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

	Nine-Months 2022		Q4 FY21		Nine-Months 2020		Q4 FY19	
	Pretax Earnings**	Income Taxes	Pretax Earnings**	Income Taxes	Pretax Earnings**	Income Taxes	Pretax Earnings**	Income Taxes
As reported	\$ 2,269.0	\$ 451.8	\$ 478.6	\$ 106.9	\$ 1,867.2	\$ 340.9	\$ 615.9	\$ 54.7
Divestitures (gain)/ loss	(170.1)	0.4	53.5	0.4	-	-	(5.4)	-
Transaction costs	56.8	11.2	9.5	2.3	-	-	-	-
Investment activity, net	(20.9)	0.3	1.9	0.5	6.7	5.1	(9.8)	(2.2)
Non-income tax recovery	(20.4)	(6.9)	(8.8)	(3.0)	-	-	-	-
Acquisition integration costs	20.2	4.6	-	-	-	-	4.3	1.0
Mark-to-market effects	(16.2)	(3.7)	(20.8)	(4.8)	1.0	0.2	(0.4)	(0.1)
Restructuring charges	7.9	3.6	159.1	33.0	37.2	8.0	16.6	2.1
Product recall	-	-	(2.8)	(0.3)	-	-	-	-
Tax Item	-	-	-	-	-	53.1	-	72.9
Project-related costs	-	-	-	-	1.1	0.2	-	(0.1)
Asset Impairments	-	-	-	-	-	-	0.4	-
As adjusted	\$ 2,126.3	\$ 461.3	\$ 670.2	\$ 123.8	\$ 1,913.1	\$ 407.6	\$ 621.6	\$ 128.3
Effective tax rate:								
As reported		19.9%		22.3%		18.3%		8.9%
As adjusted		21.7%		18.5%		21.3%		20.6%
Sum of adjustment to income taxes		\$ 9.5		\$ 16.8		\$ 66.6		\$ 73.6
Average number of common shares - diluted EPS		613.5		617.5		612.1		609.3
Impact of income tax adjustments on adjusted diluted EPS		\$ (0.02)		\$ (0.02)		\$ (0.11)		\$ (0.12)

*Table may not foot due to rounding

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