












General Mills

Making Food People Love

Pillsbury · Betty Crocker · Nature Valley · Yoplait · Cheerios · Blue Buffalo · Old El Paso · Häagen-Dazs

CAGNY 2020

February 18, 2020














Jeff Harmening

Chairman and Chief Executive Officer

CAGNY 2020

February 18, 2020

A Reminder on Forward-looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are based on management's current expectations and assumptions. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from the potential results discussed in the forward-looking statements. In particular, our predictions about future net sales and earnings could be affected by a variety of factors, including: competitive dynamics in the consumer foods industry and the markets for our products, including new product introductions, advertising activities, pricing actions, and promotional activities of our competitors; economic conditions, including changes in inflation rates, interest rates, tax rates, or the availability of capital; product development and innovation; consumer acceptance of new products and product improvements; consumer reaction to pricing actions and changes in promotion levels; acquisitions or dispositions of businesses or assets, including our acquisition of Blue Buffalo and issues in the integration of Blue Buffalo and retention of key management and employees; unfavorable reaction to our acquisition of Blue Buffalo by customers, competitors, suppliers, and employees; changes in capital structure; changes in the legal and regulatory environment, including tax legislation, labeling and advertising regulations, and litigation; impairments in the carrying value of goodwill, other intangible assets, or other long-lived assets, or changes in the useful lives of other intangible assets; changes in accounting standards and the impact of significant accounting estimates; product quality and safety issues, including recalls and product liability; changes in consumer demand for our products; effectiveness of advertising, marketing, and promotional programs; changes in consumer behavior, trends, and preferences, including weight loss trends; consumer perception of health-related issues, including obesity; consolidation in the retail environment; changes in purchasing and inventory levels of significant customers; fluctuations in the cost and availability of supply chain resources, including raw materials, packaging, and energy; disruptions or inefficiencies in the supply chain; effectiveness of restructuring and cost saving initiatives; volatility in the market value of derivatives used to manage price risk for certain commodities; benefit plan expenses due to changes in plan asset values and discount rates used to determine plan liabilities; failure or breach of our information technology systems; foreign economic conditions, including currency rate fluctuations; and political unrest in foreign markets and economic uncertainty due to terrorism or war. The company undertakes no obligation to publicly revise any forward-looking statements to reflect any future events or circumstances.

Key Messages

- **Improving Topline Growth Through Increased Brand Investment, Stronger Innovation, and Enhanced Capabilities**
- **Maintaining Strong Margin and Cash Discipline**
- **Remain On Track to Deliver Our Fiscal 2020 Targets**

Consumers Are At the Heart of Everything We Do

OUR GOAL

Create market-leading growth to deliver top tier shareholder returns

OUR STRATEGY

Consumer First: Deeply understand the needs and lives of our consumers and respond quickly to give them what they want

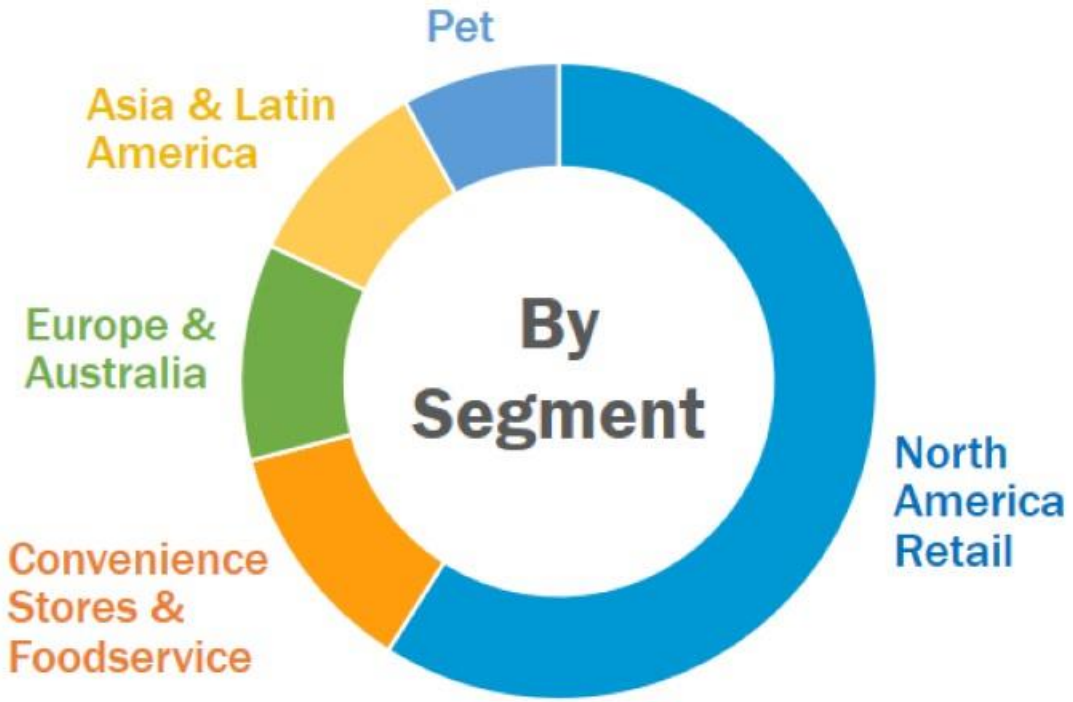
EIGHT $1B BRANDS COMPETING GLOBALLY

Cheerios · Yoplait · Nature Valley · Häagen-Dazs · Blue · Old El Paso · Betty Crocker · Pillsbury



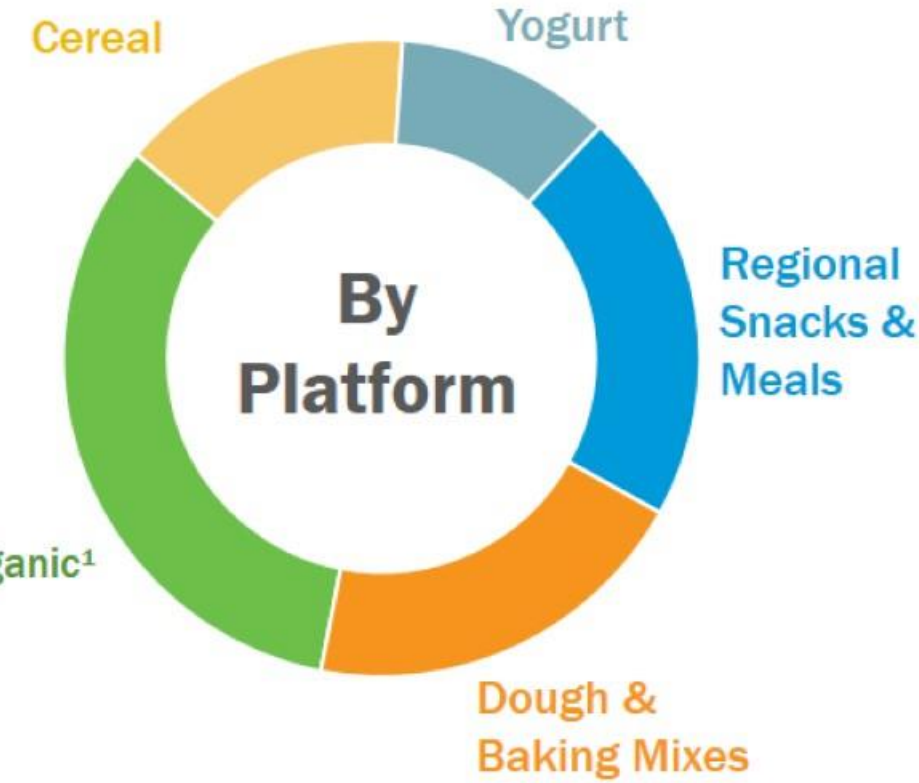
Our Portfolio Today

FISCAL 2019 NET SALES: $16.9 BILLION



Accelerate

- Pet
- Snack Bars
- Ice Cream
- Mexican
- Natural & Organic[1]



(1) Natural & Organic includes N&O cereal, yogurt, snacks, meals, and other categories.

Restoring Topline Growth Will Drive Long-term Shareholder Returns

FOUR LEVERS TO DRIVE SHAREHOLDER RETURNS



Sales Growth



Margin Expansion



Cash Conversion



Cash Returns

Our Global Growth Framework

1 **COMPETE**
Effectively Across All Brands and All Geographies

2 **ACCELERATE**
Our Differential Growth Platforms

3 **RESHAPE**
the Portfolio for Growth



How We Will Step Up Growth

BOLDLY BUILD OUR BRANDS





Quibi

RELENTLESSLY INNOVATE



g works

BOLT INC
EMERGING BRAND ELEVATOR

LEVERAGE OUR SCALE

Data & Analytics

Strategic Revenue Management

E-commerce

Regeneration

UNLEASH THE POWER OF OUR PEOPLE AND CULTURE



Growing Our Cereal Business Globally

U.S. RETAIL

Cheerios

Cinnamon Toast Crunch

Lucky Charms

Chex

YTD F20 Retail Sales +2%

CONVENIENCE STORES & FOODSERVICE



F20 1H Net Sales +MSD

CEREAL PARTNERS WORLDWIDE



F20 1H Net Sales +2%*

Source: Nielsen xAOC, Month Ending December

*In Constant Currency

Keys to Continued Cereal Growth

CONTINUE STRONG INNOVATION













BOLDLY BUILD OUR BRANDS





More Work Ahead to Improve Yogurt

U.S. RETAIL



YTD F20 Retail Sales -3%

CONVENIENCE STORES & FOODSERVICE

Yoplait ParfaitPro





F20 1H Net Sales +LSD

EUROPE & AUSTRALIA

Panier de Yoplait

Petits Filous
HEALTHY BONES

YOP

Perle de Lait

YTD F20 Retail Sales -6%

Source: Nielsen xAOC, Month Ending December

Source: Nielsen and IRI Month Ending December

Improve Yogurt Through Brand Investment and Innovation

GROW THE CORE



Brand-building Investment



Taste News



Core Renovation

INNOVATE INTO NEW SPACES





Dairy Free



New Occasions

Focus on Innovation and Brand Building to Drive Snack Bars Growth

NORTH AMERICA RETAIL



YTD F20 Retail Sales -3% vs. LY

EUROPE & AUSTRALIA







YTD F20 Retail Sales +6% vs. LY

Source: Nielsen xAOC Month Ending December

Source: Nielsen and IRI Month Ending December

World's Largest Mexican Food Brand

COMPELLING CAMPAIGNS AND EVENTS





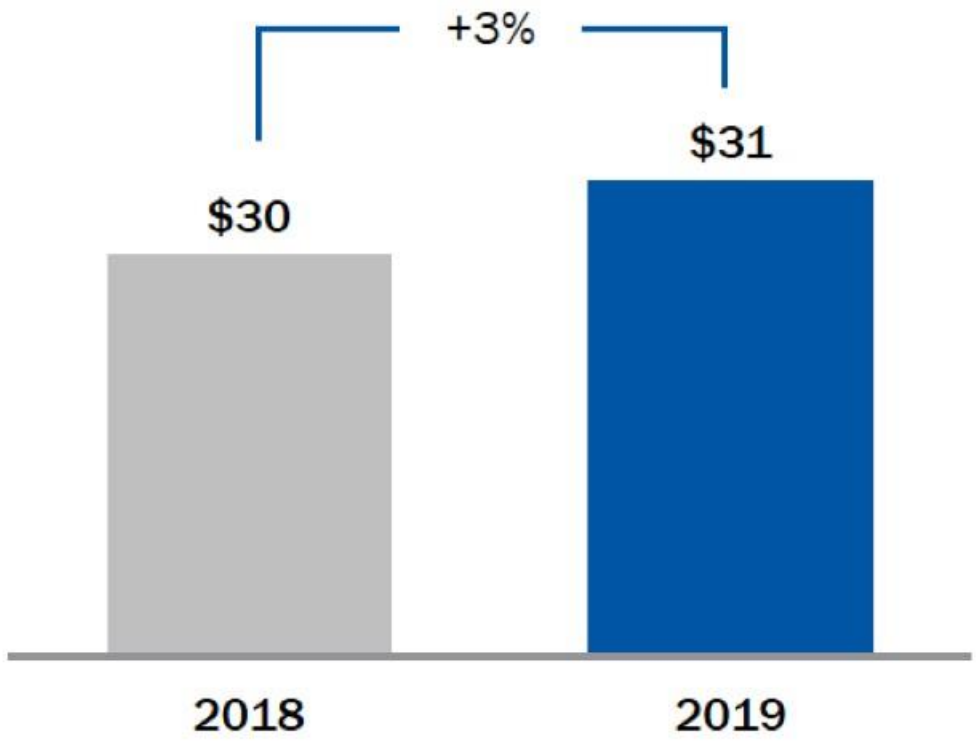
YTD F20 Retail Sales +5% vs. LY

Source: Nielsen and IRI Month Ending December

Wholesome Natural Pet Food is an Attractive Space

U.S. PET FOOD IS A LARGE AND GROWING CATEGORY

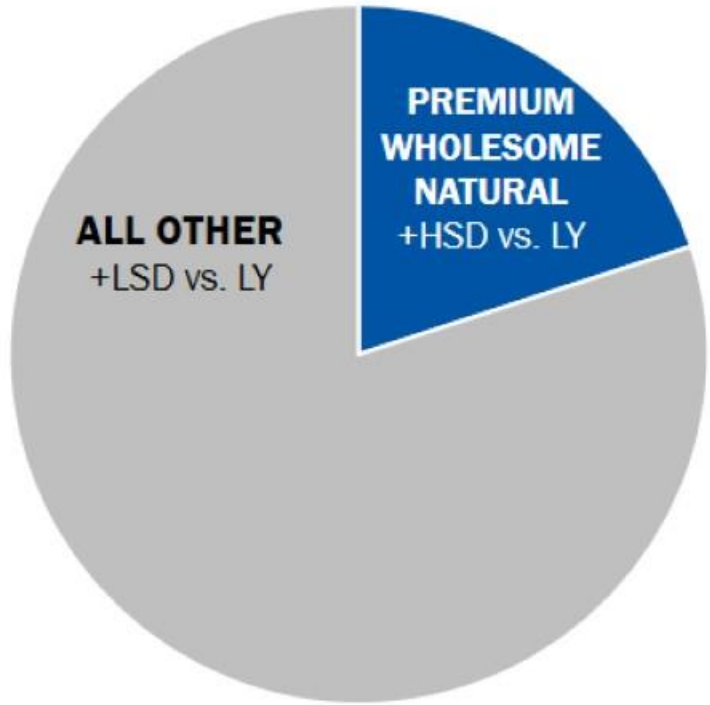
(Retail Sales, $ in billions, % vs. LY)



Source: Nielsen tracked Channels and Company Estimates

PREMIUM WHOLESOME NATURAL SEGMENT OUTPACING CATEGORY

(U.S. Retail Sales, $ in billions, % vs. LY)



Source: Nielsen tracked Channels and Company Estimates, CY2019

BLUE's Mission:
Love Them Like Family. Feed Them Like Family.



WHEN PET PARENTS THINK OF BLUE...

- Meat First
- Ingredients I Can Recognize
- All Natural

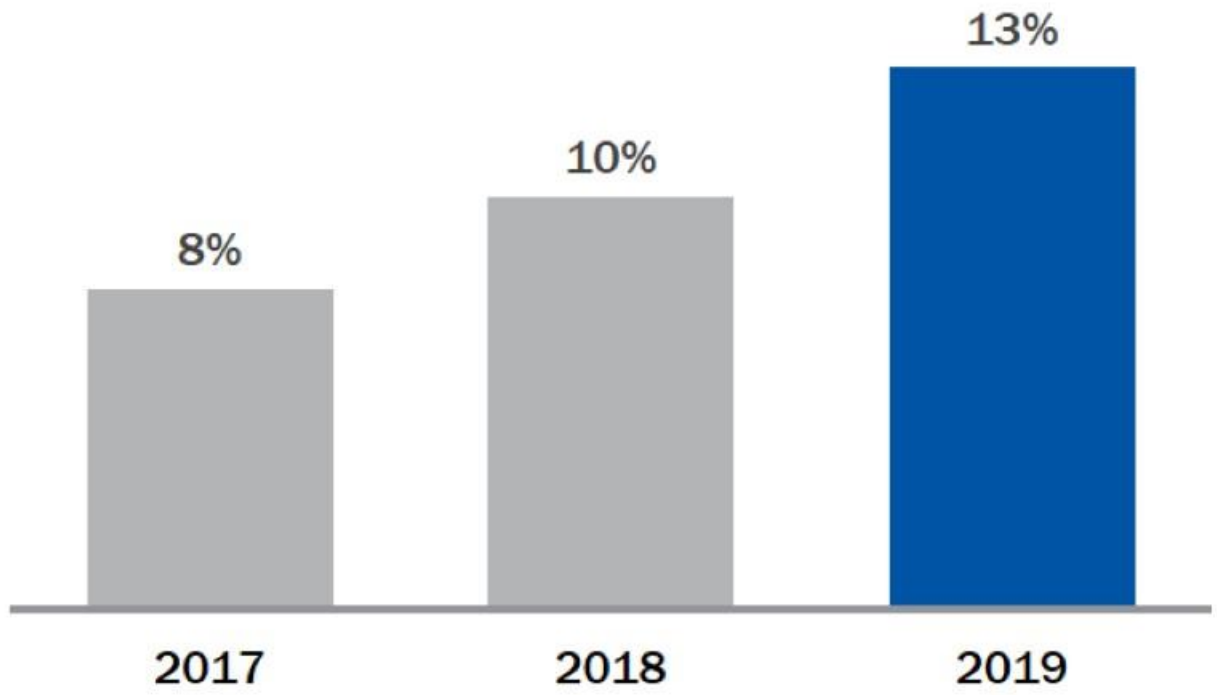
Source: 2019 Attitude & Usage Study

BLUE is a $1.5B Business with Significant Growth Ahead

FUTURE GROWTH DRIVERS

- Attracting New Pet Parents
- Innovating Across Feeding & Treating
- Leveraging General Mills Capabilities

BLUE HOUSEHOLD PENETRATION

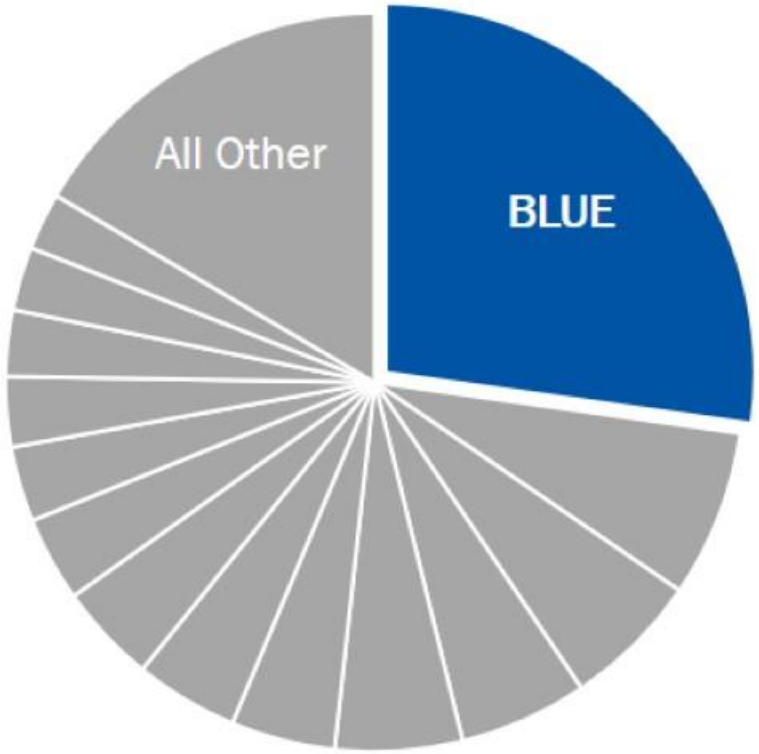


Source: Nielsen Household Panel, All Outlets, Total Blue Buffalo

Attracting New Pet Parents: Communication and Education

BLUE IS THE LEADING PET FOOD ADVERTISER

(2019 Ad Spend by Brand, % of Total)



BEST-IN-CLASS BRAND BUILDING AND EDUCATION







Source: Numerator, Pet Needs, 2019 ad spend at market value

Innovating Across the Portfolio: Strong F20 2H Innovation Plans Across Occasions

FEEDING



Baby BLUE



True Solutions

TREATING





Scooby Snacks & Cat Bursts

More Innovation Coming in Fiscal '21

Broad Portfolio of Products for All Diet Types



Leverage Our Scale: Data & Analytics







Data Into Actionable Insights

Enhanced Consumer Connection

Efficiency in Value Chain

Leverage Our Scale: SRM and E-commerce

STRATEGIC REVENUE MANAGEMENT

Optimal Price

Mix Management

Price Pack Architecture

Promotion Optimization

YTD F20 Organic Price/Mix = +1pt

E-COMMERCE



Walmart

Alibaba.com

ocado

amazon

JD.京东.COM

chewy.com

F20 1H E-commerce Net Sales +29% vs LY

Leverage Our Scale as a Force for Good

FROM SUSTAINABILITY TO REGENERATION

BY COMMITTING TO ADVANCE REGENERATIVE AGRICULTURE PRACTICES ON 1 MILLION ACRES OF FARMLAND BY 2030, WE ARE USING THE SCALE OF OUR BUSINESS AND THE POWER OF OUR BRANDS TO LEAD IN THE FIGHT AGAINST CLIMATE CHANGE. IT'S GOOD FOR BUSINESS AND CRITICAL FOR OUR NEXT 150 YEARS.

MEMBER OF Dow Jones Sustainability Indices
In collaboration with SAM

CDP DISCLOSURE INSIGHT ACTION A LIST 2019 WATER

CDP DISCLOSURE INSIGHT ACTION A LIST 2019 CLIMATE

AMERICA'S MOST JUST COMPANIES Forbes 2018

FTSE4Good

3BL MEDIA Corporate Responsibility Magazine's 100 CORPORATE CITIZENS 2018 BEST

Unleash the Power of Our People and Culture

CREATING A CULTURE OF BELONGING DRIVES STRONGER BUSINESS RESULTS



2020 World's Most Admired Companies
— Fortune

America's Most Responsible Companies
— Newsweek

100 Best Companies
— Working Mother

2020 Best Places to Work for LGBTQ Equality
— Human Rights Campaign

2020 Best Employers for Diversity
— Forbes

General Mills Leadership Team



Jeff Harmening
Chairman and CEO



Richard Allendorf
Legal



Jodi Benson
Innovation, Technology & Quality



Kofi Bruce
Finance



John Church
Supply Chain & Global Business Solutions



Dana McNabb
Europe & Australia



Jaime Montemayor
Digital & Technology



Jon Nudi
North America Retail



Shawn O'Grady
Convenience & Foodservice/ Strategic Revenue Management & E-Commerce



Ivan Pollard
Marketing



Bethany Quam
Pet



Sean Walker
Asia & Latin America



Jacqueline Williams-Roll
Human Resources














Kofi Bruce

Chief Financial Officer

CAGNY 2020

February 18, 2020

Four Levers to Drive Shareholder Returns



Sales Growth

Long-term Target: **+LSD**

Organic Sales*



Margin Expansion

+MSD

Adj. Operating Profit*



Cash Conversion

≥ 95%

Adj. EAT to FCF*



Cash Returns

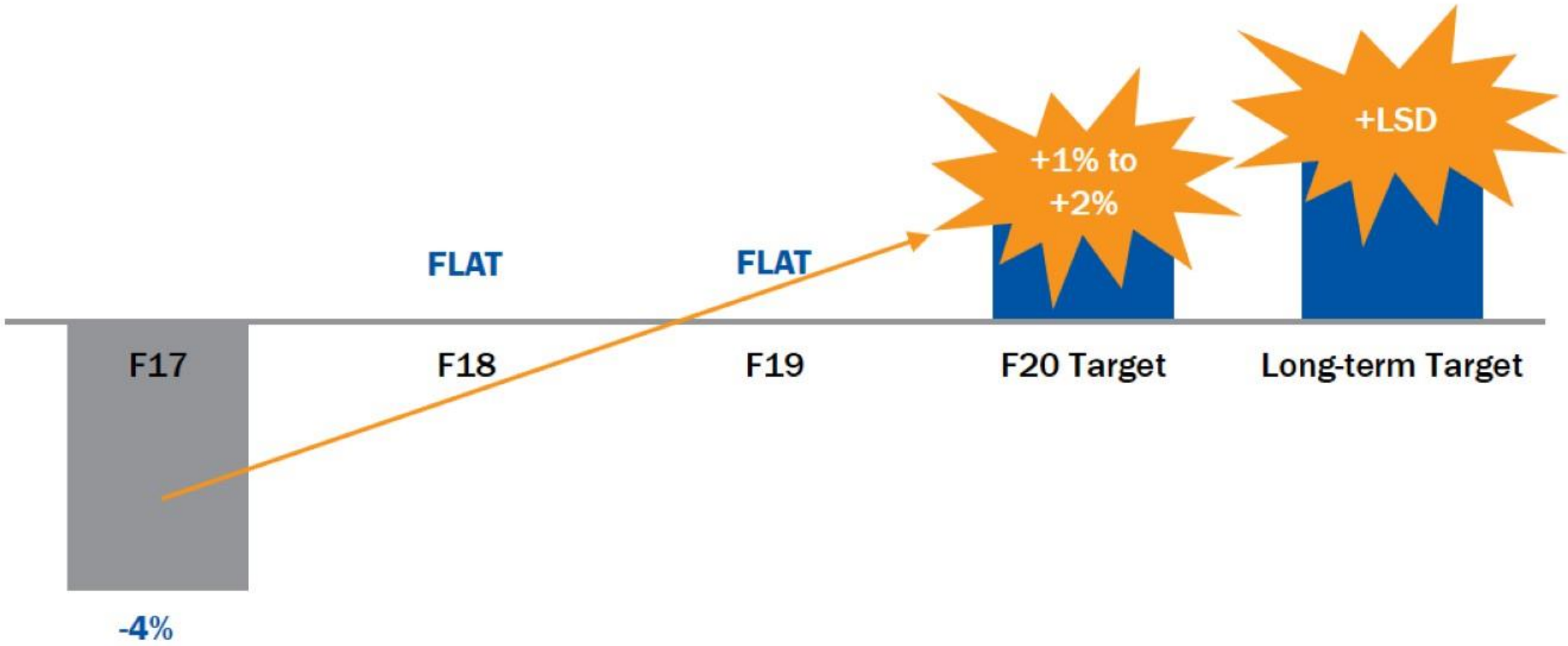
≥ 90%

of FCF*

*Non-GAAP measures

Progress Toward Restoring Consistent Topline Growth

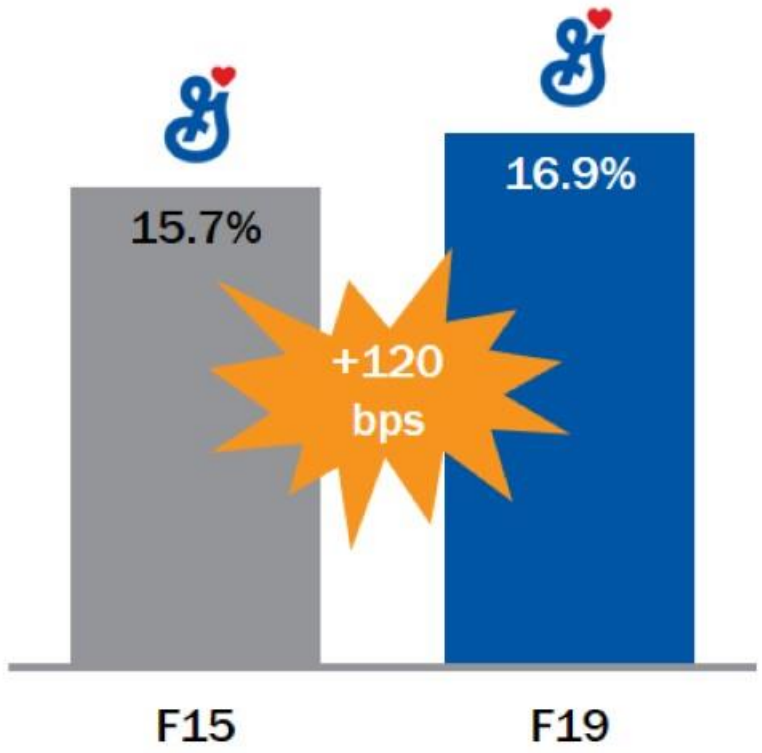
ORGANIC SALES GROWTH*

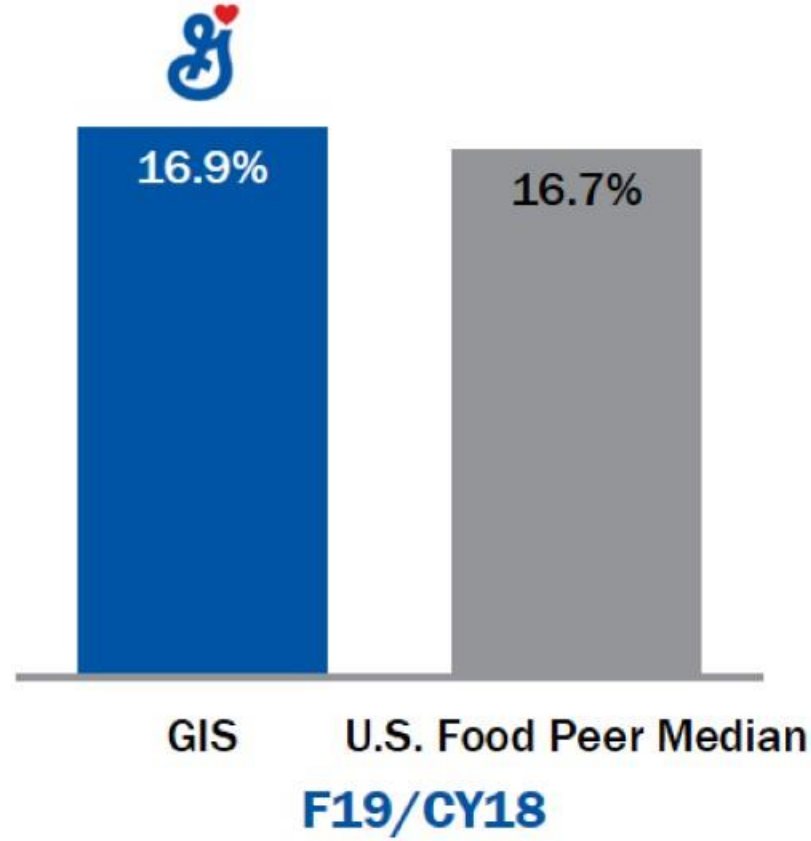


*Non-GAAP measure. See appendix for reconciliation.

Maintaining Strong Margins

ADJ. OP PROFIT MARGIN* (% OF NET SALES)



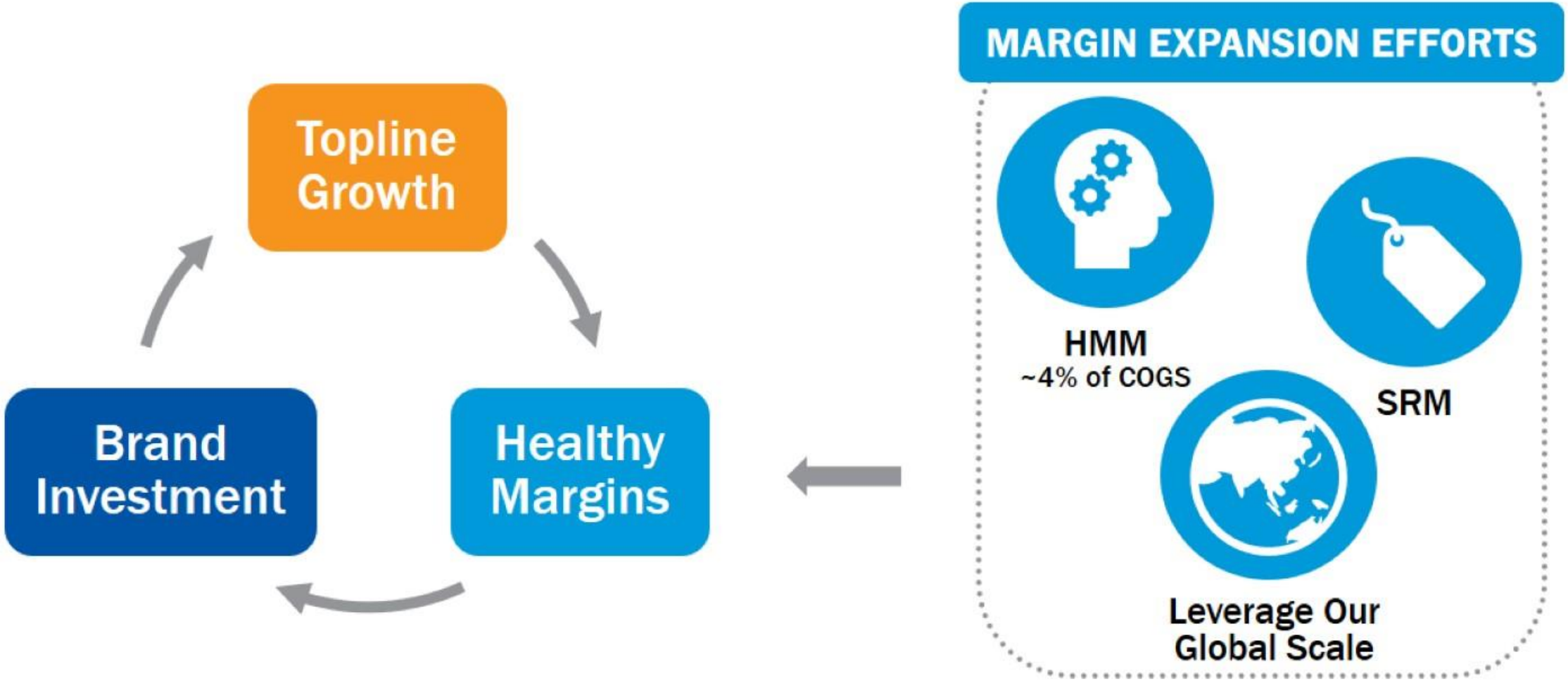


*Non-GAAP measure. See appendix for reconciliation

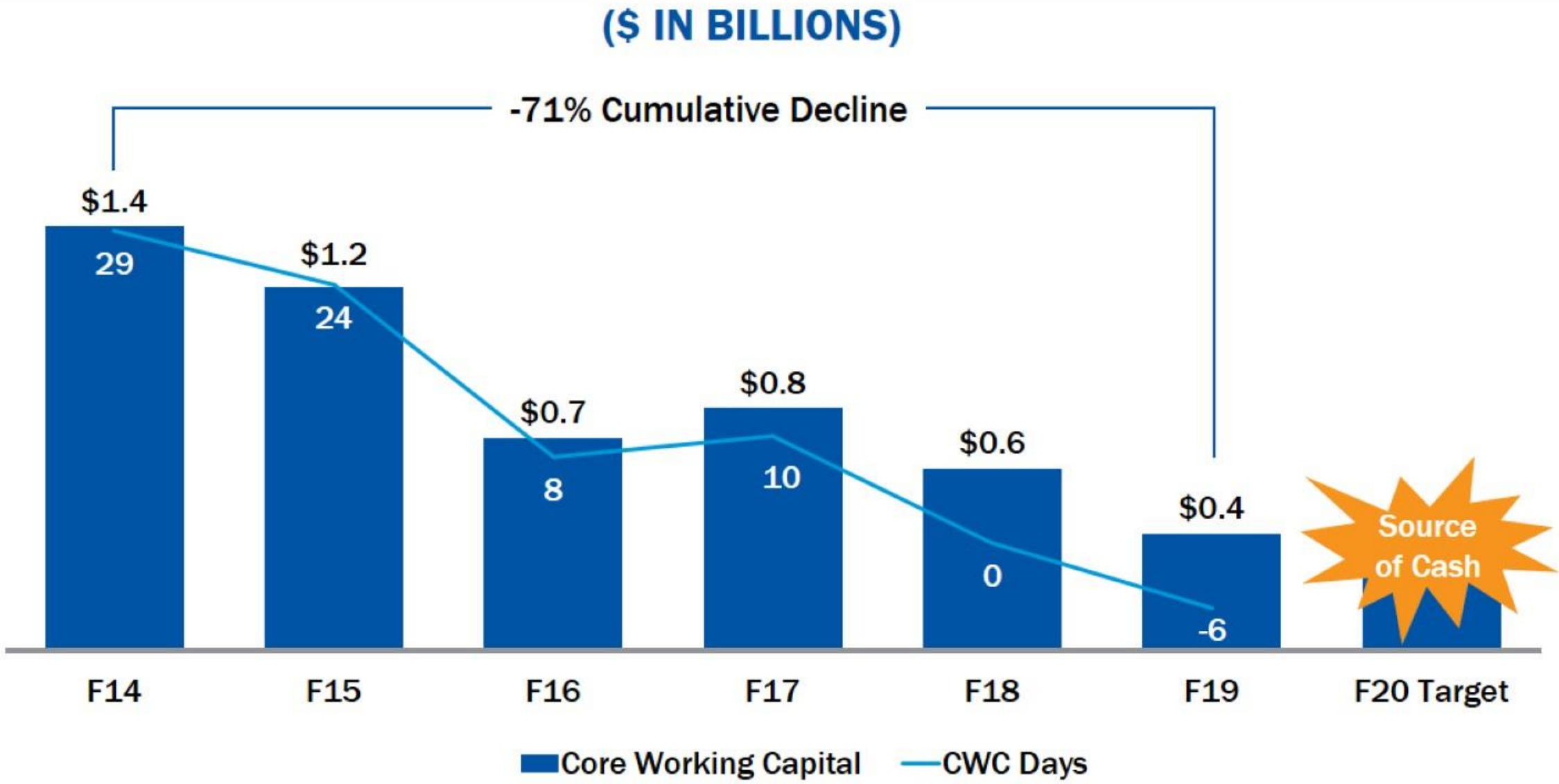
Source: FactSet, Fiscal Year
Food Peers: CAG, CPB, HSY, K, KHC, MDLZ, SJM

Working to Restore the Virtuous Cycle

TARGET INCREASING BRAND INVESTMENT AT OR AHEAD OF SALES GROWTH



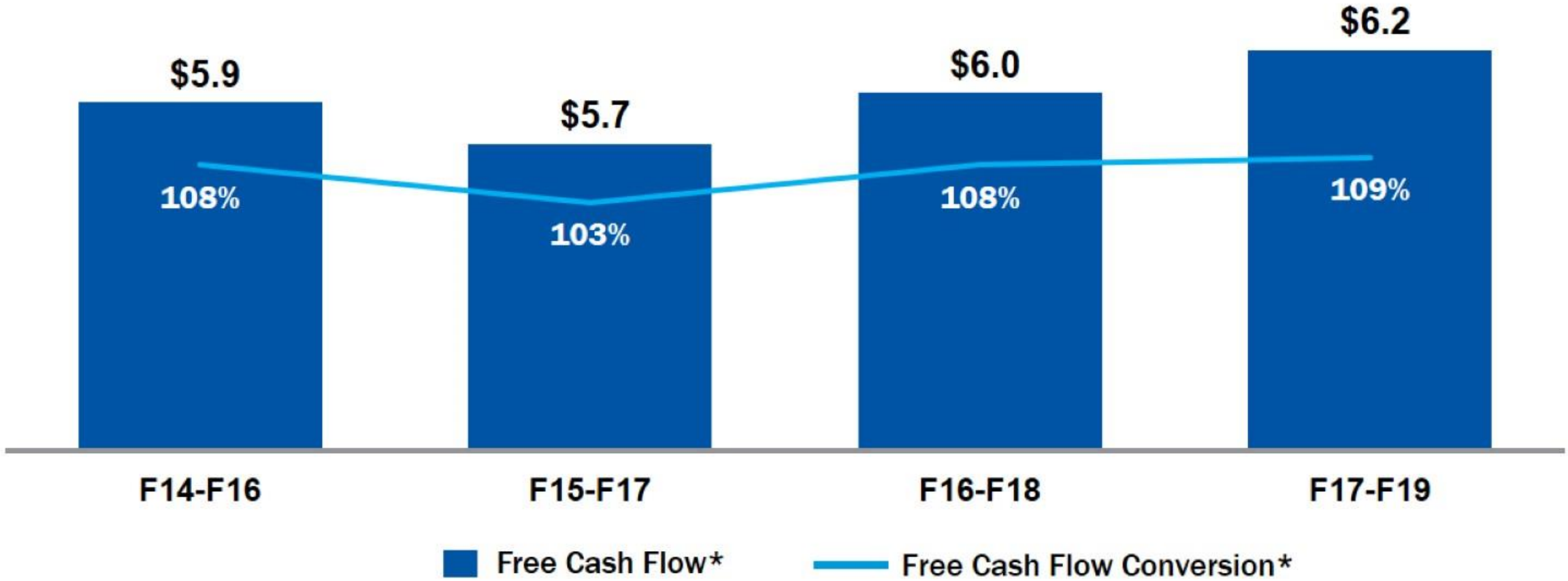
Delivering Working Capital Improvement



Strong Free Cash Flow Conversion

LONG-TERM TARGET ≥ 95%

(3-Year Rolling, $ in Billions)



*Non-GAAP measures. See appendix for reconciliation.

Return to Long-term Capital Allocation Priorities

NEAR-TERM (POST-BLUE ACQUISITION)

1. **Healthy CAPEX Investment**
2. **Maintain Current Dividend Rate**
3. **Strategic M&A and Share Repurchases on Hold**
4. **Debt Pay-down**
   - F19 Leverage*: 3.9x
   - F20 Target: 3.5x

LONG-TERM

1. **CAPEX ~4% of Net Sales**
2. **Grow Dividends with Earnings**
3. **Strategic M&A**
4. **Share Repurchases**

Move Toward LT Priorities at ~3.0x Leverage

*Net-Debt-to-Adjusted-EBITDA. See appendix for reconciliation

Our Fiscal 2020 Priorities



Accelerate Organic Sales

Improve NAR while continuing to drive Pet growth



Maintain Strong Margins

Fuel growth investments through HMM and SRM



Reduce Leverage

Continue cash discipline and pay down debt

On Track to Deliver Fiscal 2020 Targets

KEY FINANCIAL METRICS*	FISCAL 2020 TARGETS
Organic Net Sales Growth	+1 to +2%
Adjusted Operating Profit Growth	+2 to +4%[1]
Adjusted Diluted EPS Growth	+3 to +5%[1]
Free Cash Flow Conversion	>105%
Leverage Ratio	3.5x

*Non-GAAP measures
(1) Constant currency growth rate

Today's Key Messages

- **Improving Topline Growth**
  - Boldly Building our Brands
  - Relentlessly Innovating
  - Leveraging our Scale to Drive Competitive Advantage
  - Unleashing the Power of our People
- **Maintaining Strong Margin and Cash Discipline**
- **Remain On Track to Deliver Our Fiscal 2020 Targets**














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A Reminder on Non-GAAP Guidance

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

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

Reconciliation of Organic Net Sales Growth

(FISCAL YEARS)

	Full Year					
	Organic Volume	Organic Price/Mix	Organic Net Sales	Foreign Exchange	Acquisitions & Divestitures	Reported Net Sales Growth
2017	(7) pts	3 pts	(4) %	(1) pt	(1) pt	(6) %
2018	(1) pt	1 pt	Flat	1 pt	Flat	1 %
2019	(2) pts	2 pts	Flat	(2) pts	9 pts	7 %

Reconciliation of Adjusted Operating Profit Margin

(FISCAL YEARS)

	% of Net Sales	
	2019	2015
Operating profit margin as reported	14.9 %	11.8 %
Mark-to-market effects	0.2	0.5
Divestitures loss	0.2	-
Acquisition transaction and integration costs	0.1	0.1
Restructuring charges	0.5	1.7
Project-related costs	-	0.1
Asset impairments	1.2	1.5
Investment valuation adjustments	(0.1)	-
Legal recovery	(0.1)	-
Adjusted operating profit margin	16.9 %	15.7 %

Reconciliation of Free Cash Flow and Free Cash Flow Conversion

(FISCAL YEARS, $ IN MILLIONS)

	2019	2018	2017	2016	2015	2014
Net earnings, including earnings attributable to redeemable and noncontrolling interests	$1,786	$2,163	$1,701	$1,737	$1,259	$1,861
Mark-to-market effects*	28	(22)	(9)	(40)	56	(30)
Divestitures loss (gain)*	16	-	9	(66)	-	(36)
Tax items	(73)	41	-	-	79	-
Net tax benefit	(7)	(523)	-	-	-	-
Acquisition transaction and integration costs*	20	58	-	-	10	-
Venezuela currency devaluation*	-	-	-	-	8	58
Restructuring charges*	63	61	154	161	218	4
Project-related costs*	1	8	28	37	8	-
Legal recovery*	(11)	-	-	-	-	-
Hyperinflationary accounting*	3	-	-	-	-	-
Investment valuation adjustments*	(18)	-	-	-	-	-
CPW restructuring costs	11	2	-	-	-	-
Asset impairments*	160	65	-	-	177	-
Adjusted net earnings, including earnings attributable to redeemable and noncontrolling interests	$1,980	$1,853	$1,884	$1,829	$1,815	$1,856
Net cash provided by operating activities, as reported	$2,807	$2,841	$2,415	$2,764	$2,648	$2,622
Purchases of land, buildings, and equipment	(538)	(623)	(684)	(729)	(712)	(664)
Free cash flow	$2,269	$2,218	$1,731	$2,035	$1,936	$1,959
Free cash flow conversion	115%					
Free cash flow, rolling 3-year	$6,219	$5,984	$5,702	$5,930		
Free cash flow conversion, rolling 3-years	109%	108%	103%	108%		

*See reconciliation of Income Taxes on Adjusting Items. Table does not foot due to rounding.

Reconciliation of Fiscal 2019 Net Debt-to-Adjusted EBITDA Ratio

(FISCAL YEAR, $ IN MILLIONS)

	Full Year 2019
Total Debt	$14,490.0
Cash	450.0
Net Debt	$14,040.0
Net earnings attributable to General Mills, as reported	$1,752.7
Net earnings, attributable to redeemable and noncontrolling interests	33.5
After tax earnings from joint ventures	(72.0)
Income taxes	367.8
Earnings before income taxes and after tax earnings from joint ventures	$2,082.0
Interest, net	521.8
Depreciation and amortization	620.1
EBITDA	$3,223.9
Asset impairments	207.4
Restructuring charges	77.6
Project-related costs	1.3
Mark-to-market effects	36.0
Divestitures loss	30.0
Acquisition integration costs	25.6
Investment valuation adjustments	(22.8)
Legal recovery	(16.2)
Hyperinflationary accounting	3.2
Adjusted EBITDA	$3,566.0
Net debt-to-adjusted EBITDA ratio	3.9

Reconciliation of Fiscal 2019 Adjusted Diluted EPS

(FISCAL YEAR)

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

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

Reconciliation of Income Taxes on Adjusting Items

(FISCAL YEARS, $ IN MILLIONS)

	2019		2018		2017		2016		2015		2014	
	Pretax Earnings*	Income Taxes	Pretax Earnings*	Income Taxes	Pretax Earnings*	Income Taxes	Pretax Earnings*	Income Taxes	Pretax Earnings*	Income Taxes	Pretax Earnings*	Income Taxes
As reported	$2,082	$368	$2,136	$57	$2,271	$655	$2,404	$755	$1,762	$587	$2,655	$883
Net tax benefit	-	7	-	523	-	-	-	-	-	-	-	-
Tax items	-	73	-	(41)	-	-	-	-	-	(79)	-	-
Mark-to-market effects	36	8	(32)	(10)	(14)	(5)	(63)	(23)	90	33	(49)	(18)
Divestitures loss (gain)	30	14	-	-	14	4	(148)	(82)	-	-	(66)	(30)
Acquisition transaction and integration costs	26	6	84	25	-	-	-	-	16	6	-	-
Restructuring charges	78	15	83	21	224	70	230	69	344	126	4	-
Project-related costs	1	-	11	3	44	16	58	21	13	5	-	-
Venezuela currency devaluation	-	-	-	-	-	-	-	-	8	-	62	4
Hyperinflationary accounting	3	-	-	-	-	-	-	-	-	-	-	-
Investment valuation adjustments	(23)	(5)	-	-	-	-	-	-	-	-	-	-
Legal recovery	(16)	(5)	-	-	-	-	-	-	-	-	-	-
Asset impairments	207	48	97	32	-	-	-	-	260	83	-	-
As adjusted	$2,424	$528	$2,378	$612	$2,539	$740	$2,480	$740	$2,492	$761	$2,607	$840

*Earnings before income taxes and after-tax earnings from joint ventures. Table does not foot due to rounding.