



TreeHouse

TREEHOUSE FOODS

BARCLAYS GLOBAL CONSUMER STAPLES CONFERENCE

SEPTEMBER 8, 2021

FORWARD LOOKING STATEMENTS

From time to time, we and our representatives may provide information, whether orally or in writing, which are deemed to be “forward-looking” within the meaning of the Private Securities Litigation Reform Act of 1995 (the “Litigation Reform Act”). These forward-looking statements and other information are based on our beliefs as well as assumptions made by us using information currently available.

The words “anticipate,” “believe,” “estimate,” “project,” “expect,” “intend,” “plan,” “should,” and similar expressions, as they relate to us, are intended to identify forward-looking statements. Such statements reflect our current views with respect to future events and are subject to certain risks, uncertainties, and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, expected, or intended. We do not intend to update these forward-looking statements following the date of this presentation.

In accordance with the provisions of the Litigation Reform Act, we are making investors aware that such forward-looking statements, because they relate to future events, are by their very nature subject to many important factors that could cause actual results to differ materially from those contemplated by the forward-looking statements contained in this presentation and other public statements we make. Such factors include, but are not limited to: risks related to the impact of the ongoing COVID-19 outbreak on our business, suppliers, consumers, customers and employees; the success of our growth, reinvestment, and restructuring programs, our level of indebtedness and related obligations; disruptions in the financial markets; interest rates; changes in foreign currency exchange rates; customer concentration and consolidation; raw material and commodity costs; competition; disruptions or inefficiencies in our supply chain and / or operations, including from the ongoing COVID-19 outbreak; our ability to continue to make acquisitions in accordance with our business strategy or effectively manage the growth from acquisitions; changes and developments affecting our industry, including consumer preferences; the outcome of litigation and regulatory proceedings to which we may be a party; product recalls; changes in laws and regulations applicable to us; disruptions in or failures of our information technology systems; costs associated with shareholder activism; labor strikes or work stoppages; and other risks that are set forth in the Risk Factors section, the Legal Proceedings section, the Management’s Discussion and Analysis of Financial Condition and Results of Operations section, and other sections of our Annual Report on Form 10-K for the year ended December 31, 2020, and from time to time in our filings with the Securities and Exchange Commission.



TODAY'S SPEAKERS

STEVE OAKLAND

CEO & President

BILL KELLEY

EVP & Chief Financial Officer

KEY TAKEAWAYS

- 1 Committed to Strategic Objectives to Drive Long-Term Sustainable Growth
- 2 Building Depth and Capabilities in Categories Where We See the Greatest Opportunity to Drive Growth and Value
- 3 Two Division Segmentation Drives Distinct Approaches and Operating Models
- 4 Macro Factors are Shaping Private Label in the Near-Term; Long-Term Growth Opportunity Remains Attractive
- 5 Continue to Take a Balanced Capital Allocation Approach
- 6 Strategic Roadmap Expected to Deliver Significant Long-Term Value

TREEHOUSE TODAY

\$4.35 b
2020 Revenue

\$298 m
2020 Free Cash Flow
from continuing operations¹

10,000+ Team
Members

40 Plants across
the U.S., Canada
& Italy

Making High
Quality Food &
Beverages
Affordable to All

13 Snacking &
Beverage Categories;
16 Meal Preparation
Categories



OWN IT



**COMMIT TO
EXCELLENCE**



BE AGILE



SPEAK UP



**BETTER
TOGETHER**

¹ Free cash flow from continuing operations is a non-GAAP financial measure. See "Comparison of Adjusted Information to GAAP Information" in the Appendix for the definition of the non-GAAP measure, information concerning certain items affecting comparability, and reconciliation of the non-GAAP measure to the most directly comparable GAAP measure.

WE ARE PROGRESSING ALONG OUR STRATEGIC JOURNEY



TWO-DIVISION SEGMENTATION EXECUTING TWO DISTINCT APPROACHES

**2020-2022
Growth
Algorithm**

1-2% Revenue Growth
≥ 10% EPS Growth
~ \$300 m in Free Cash Flow

Division

Goals

**Strategic
Initiatives**

Operational Excellence

Portfolio Focus

Snacking and Beverages

Meal Preparation

Focused on Improving Revenue
and Profit Growth

Stable, Predictable Cash Flow
and Improved Profitability

Build Depth and Category Leadership
Capabilities to Drive Organic Growth

Master the Fundamentals
(Cost, Quality, Service)

Master the Fundamentals
(Cost, Quality, Service)

Manage Mix to Drive Margin

Accretive, Synergistic M&A

Drive Value from
Product Optimization

**Customer/
Consumer
Centric**

People & Talent

Commercial Excellence



QUESTION #1

“With regard to TreeHouse's broader strategy of driving growth in categories where it is deepest and has the strongest capabilities -- such as broth, pretzels, and single serve beverages, to name a few -- could you talk more about why you believe this is the right strategy and perhaps provide some examples of proof points where you've had some early success on this front?”

BUILDING CAPABILITIES WHERE WE HAVE DEPTH TO DRIVE GROWTH AND CATEGORY LEADERSHIP

Consumer Based Category Segments & Needs



- Category and Own Brands needs through a **consumer lens**
- **Role of Own Brands** within the category

Optimal Shelf Set / Assortment



- **Analytically powered** insights
- Evaluate **sales incrementality by item** in addition to rate of sale

Strategic Shelf Price & Promotional Guidelines



- **Granular store driven analytical engine** capabilities
- **Everyday pricing** guidelines and optimal **promotional** strategy

Identify Opportunities to Maximize Category and Private Brands Growth

CRACKERS: DATA INSIGHTS HIGHLIGHT OPPORTUNITIES IN KID-FRIENDLY SUB-SEGMENT WHERE PRIVATE BRANDS ARE UNDER-PENETRATED

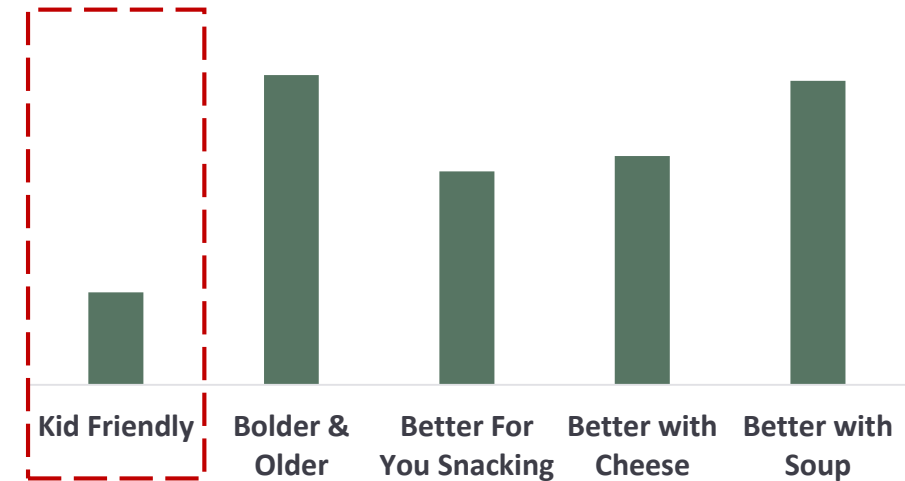
Identified Gap in Retail Customer Performance

- Overall Cracker category growth was underperforming top 30% of retailers

TreeHouse Insights & Recommended Actions

- Opportunity to optimize assortment with additional “Kid Friendly” offerings
- Leverage assortment optimization tools
- Identify underperforming SKUs and replace with high-velocity private label offerings to drive incremental sales and retailer profitability

Dollar Sales Growth by Cracker Sub-Segment at Retail Customer



BRANDED PASTA: CREATING VALUE BY LEVERAGING CONSUMER INSIGHTS AND DRIVING VELOCITY

Identified Opportunity in Retail Customer Performance

- Opportunity for retailer to improve velocity of pasta offerings and drive incremental sales

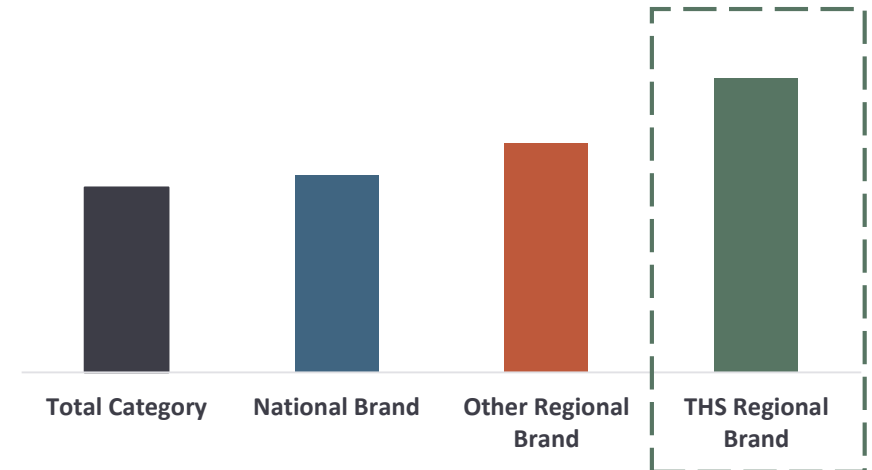
TreeHouse Insights & Recommended Actions

- Recommended optimizing the shelf with additional high-velocity THS regional branded pasta offerings
- Utilized consumer insights to develop promotional and shopper marketing plans tailored to consumers
- Unique insights develop more strategic partnerships with customers and add value to consumers



Source: Retailer Portal (October 2020 POG_Store 1005); IRI Unify L26 Wks PE 5.6.21.

Pasta Velocities on Shelf at Regional Grocer (Avg Units / SKU)



PARTNERING WITH RETAILERS TO STRENGTHEN PRIVATE LABEL POSITIONING IN ECOMMERCE

TreeHouse Categories Most Prevalent at Large Online Retailer



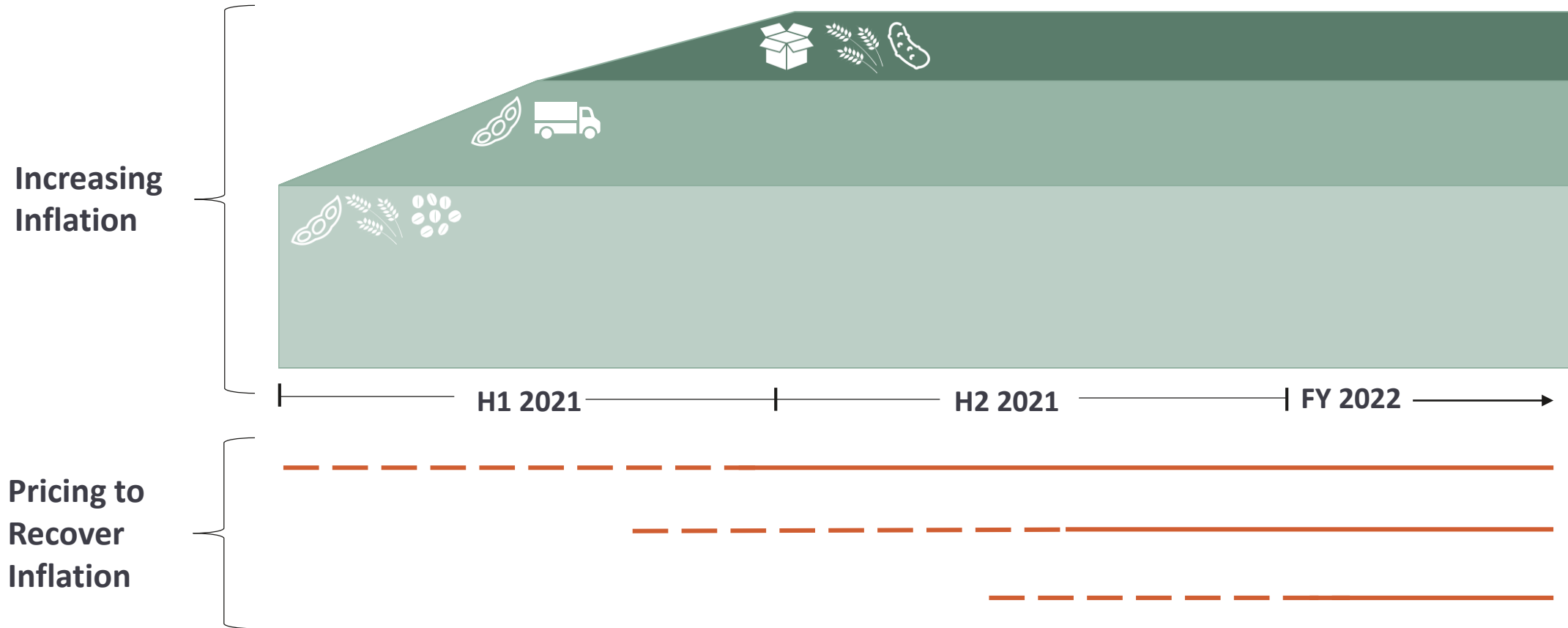
**Launched over 40 new SKUs in 2020 across 7 additional categories:
Cookies, Crackers, Hot Cereal, Refrigerated Dough
Non-Dairy Creamer, Salad Dressing, Mayo**

QUESTION #2

“Perhaps the most talked about theme in packaged food right now is the inflationary environment, with commodities, freight, labor, and packaging costs continuing to escalate. For its part, TreeHouse is planning on implementing a third round of pricing later this year. Could you provide us with an update on how inflation for your business has trended since your 2Q21 earnings call at the beginning of August, and also, perhaps talk more about the work that TreeHouse has done over the last several years to put it in a position in which it has the ability to take three rounds of pricing?”



PRICING ACTIONS TO RECOVER INITIAL INFLATION ARE ON TRACK; INCREMENTAL INFLATION WILL BE OFFSET WITH PRICING IN FY22



QUESTION #3

“Typically, private label has gained share of packaged food during recessions. That said, since shortly after the outbreak of COVID-19, private label has been losing share. To be sure, some would attribute this perhaps surprising result to dynamics such as a relative supply chain gap vs. branded competitors and consumers being able to trade up to branded offerings given stimulus benefits and fewer discretionary spending options. Regardless, moving forward, what gives you confidence that private label food still has legs and that there are no structural impediments and what proof points would support this belief?”



PREMISE FOR PRIVATE LABEL REMAINS SUPPORTED BY CORE PILLARS IN THE LONG-TERM

ECONOMY



RETAIL LANDSCAPE

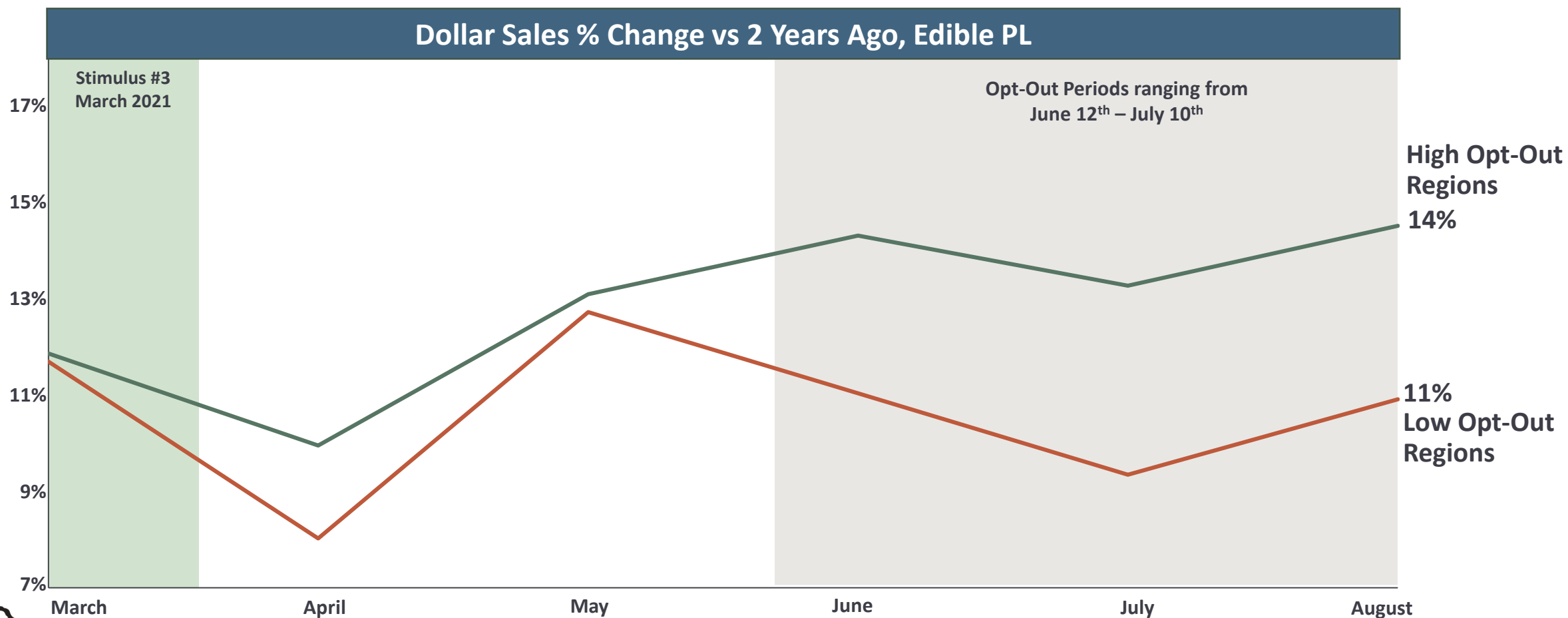


DEMOGRAPHICS



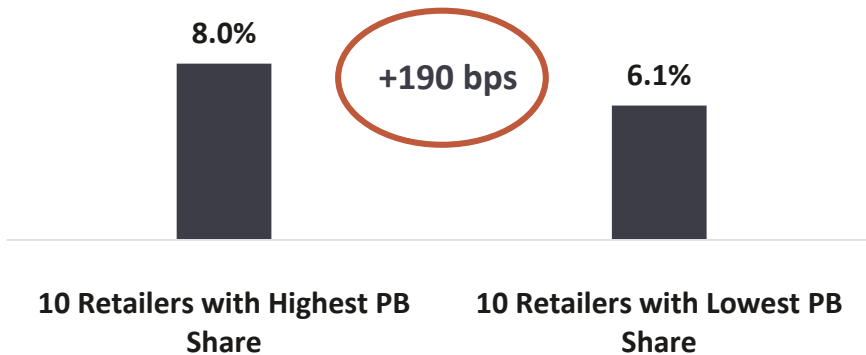
**PRIVATE LABEL REMAINS IMPORTANT TO RETAILERS'
SUCCESS OVER THE LONG-TERM**

PRIVATE LABEL DEMONSTRATING ~300 BPS GREATER GROWTH IN REGIONS THAT HAVE OPTED OUT OF FEDERAL STIMULUS BENEFITS



PRIVATE BRANDS CONTINUES TO BE IMPORTANT TO RETAILERS' SUCCESS AND DRIVES GROWTH

Top Private Brands Retailers Demonstrate 190 Basis Points Greater Growth



Top Private Brands Retailers Have 5 Points Higher Overall Market Share in Their Operating Areas



Consumers Reinforce Importance of Store Brands to Retailer Quality and Performance

How much do you agree with the following statements about store brand food/drinks

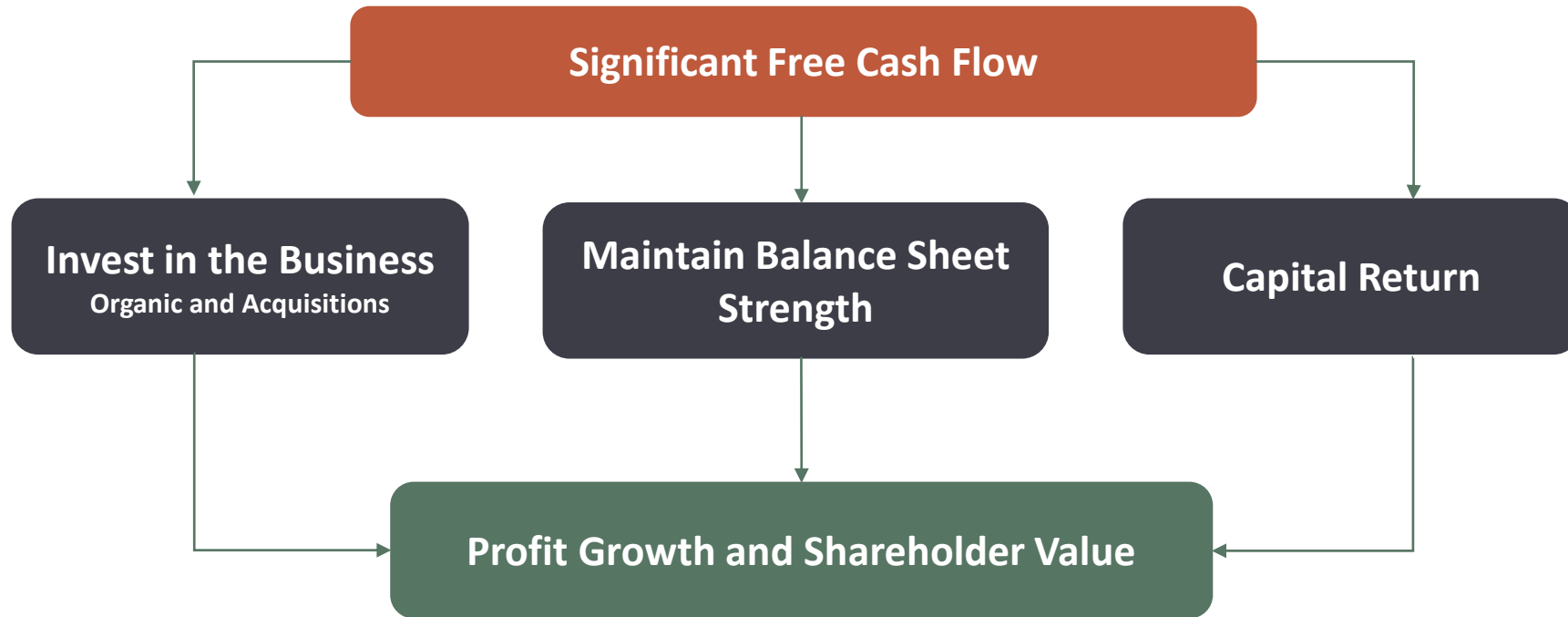




QUESTION #4

“With the expectation that TreeHouse will finish the year within its targeted financial leverage range of 3-3.5x net debt to EBITDA, could you talk about your capital allocation priorities? Specifically, with regard to M&A, on the 2Q21 earnings call it sounded to us like TreeHouse has shifted its strategy from a private label "aggregator" to being focused on building depth in growth categories -- could you provide some more color behind this strategic shift?”

WE REMAIN COMMITTED TO A BALANCED CAPITAL ALLOCATION FRAMEWORK



CONTINUE TO IMPROVE BALANCE SHEET; \$250 - \$300 MILLION FREE CASH FLOW EXPECTED

Over the last year, we've made significant progress to strengthen our Balance Sheet:

- Reduced total debt outstanding by \$165M compared to Q2 2020
- Extended maturities of current debt tranches
- Reduced weighted average cost of debt by ~255 basis points
- Continue to maintain liquidity of over \$700M (Revolver)

2021 Free Cash Flow Expectation			
Q1	Q2	Q3	Q4
-	-	+	+

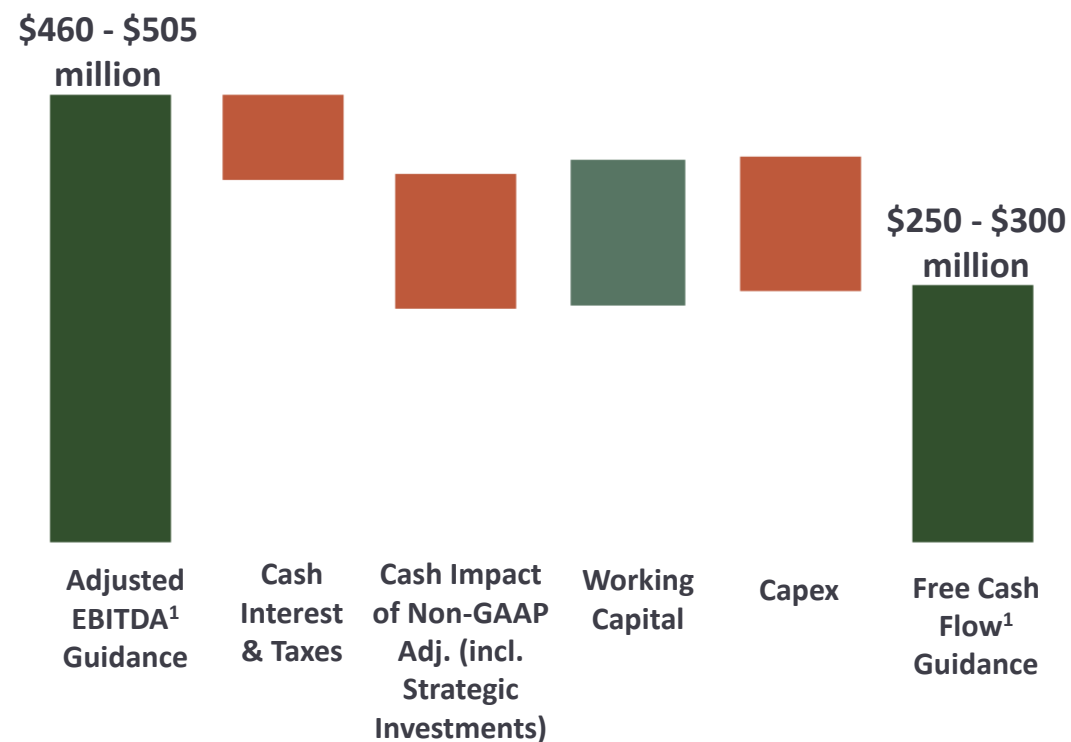


Chart not drawn to scale.

¹ Adjusted EBITDA and free cash flow from continuing operations are non-GAAP financial measures. See "Comparison of Adjusted Information to GAAP Information" in the Appendix for the definition of the non-GAAP measure and information concerning certain items affecting comparability.

WE WILL BE DISCIPLINED AROUND OUR PORTFOLIO

TREEHOUSE TODAY

- Two divisions with distinct approaches and operating models
- Investment in category leadership capabilities to drive organic growth



- Strong operational platform
- Improved and stabilized service levels
- Consolidated back office and IT system



- Centralized commercial organization with healthy customer relationships
- New management team with focus on investment/capabilities for growth



PORTFOLIO CONSIDERATIONS

- Accretive and synergistic M&A within Growth/Snacking & Beverage categories
- Continue to optimize the portfolio
- Efficient platform for integration
- Capability, modernization and/or capacity enhancing
- Strategic customer relationships
- Leverage consumer insights
- Opportunities to strengthen capabilities



QUESTION #5

“Related to TreeHouse’s focus on building out depth in its growth categories, both through organic and inorganic means, we were struck by commentary on the 2Q21 earnings call with regard to the “math being against” TreeHouse given only 40% of its portfolio lies in growing categories and, as such, the company needs to “speed up the process” to raise this mix through both acquisitions and divestitures. On the divestiture front, could you talk about the environment for such asset sales and the framework you use to determine whether it is worth trying to improve a business or sell a business?”

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APPENDIX

Comparison of Adjusted Information to GAAP Information

The Company has included in this release measures of financial performance that are not defined by GAAP ("Non-GAAP"). A Non-GAAP financial measure is a numerical measure of financial performance that excludes or includes amounts so as to be different than the most directly comparable measure calculated and presented in accordance with GAAP in the Company's Condensed Consolidated Balance Sheets, Condensed Consolidated Statements of Operations, Condensed Consolidated Statements of Comprehensive Income (Loss), and the Condensed Consolidated Statements of Cash Flows. The Company believes these measures provide useful information to the users of the financial statements as we also have included these measures in other communications and publications.

For each of these Non-GAAP financial measures, the Company provides a reconciliation between the most directly comparable GAAP measure and the Non-GAAP measure, an explanation of why management believes the Non-GAAP measure provides useful information to financial statement users, and any additional purposes for which management uses the Non-GAAP measure. This Non-GAAP financial information is provided as additional information for the financial statement users and is not in accordance with, or an alternative to, GAAP. These Non-GAAP measures may be different from similar measures used by other companies. Given the inherent uncertainty regarding adjusted items in any future period, a reconciliation of forward-looking financial measures to the most directly comparable GAAP measure is not feasible.

Organic Net Sales

Organic net sales is defined as net sales excluding the impacts of the net sales associated with the pasta acquisition from Riviana Foods, foreign currency, and the net sales associated with the divestiture of the In-Store Bakery facilities, which closed on April 17, 2020. This information is provided in order to allow investors to make meaningful comparisons of the Company's sales between periods and to view the Company's business from the same perspective as Company management.

Adjusted Earnings Per Diluted Share from Continuing Operations, Adjusting for Certain Items Affecting Comparability

Adjusted earnings per diluted share from continuing operations ("adjusted diluted EPS") reflects adjustments to GAAP loss per diluted share from continuing operations to identify items that, in management's judgment, significantly affect the assessment of earnings results between periods. This information is provided in order to allow investors to make meaningful comparisons of the Company's earnings performance between periods and to view the Company's business from the same perspective as Company management. As the Company cannot predict the timing and amount of charges that include, but are not limited to, items such as acquisition, integration, divestiture, and related costs, mark-to-market adjustments on derivative contracts, foreign currency exchange impact on the re-measurement of intercompany notes, growth, reinvestment, and restructuring programs, the impact of the COVID-19 pandemic, and other items that may arise from time to time that would impact comparability, management does not consider these costs when evaluating the Company's performance, when making decisions regarding the allocation of resources, in determining incentive compensation, or in determining earnings estimates. The reconciliation of the GAAP measure of diluted loss per share from continuing operations as presented in the Condensed Consolidated Statements of Operations, excluding certain items affecting comparability, to adjusted diluted earnings per share from continuing operations is presented below.

Adjusted Net Income from Continuing Operations, Adjusted EBIT from Continuing Operations, and Adjusted EBITDA from Continuing Operations, Adjusted net income margin from Continuing Operations, Adjusted EBIT margin from Continuing Operations and Adjusted EBITDA margin from Continuing Operations, Adjusting for Certain Items Affecting Comparability Adjusted net income from continuing operations represents GAAP net loss from continuing operations as reported in the Condensed Consolidated Statements of Operations adjusted for items that, in management's judgment, significantly affect the assessment of earnings results between periods as outlined in the adjusted diluted EPS section from continuing operations above. This information is provided in order to allow investors to make meaningful comparisons of the Company's earnings performance between periods and to view the Company's business from the same perspective as Company management. This measure is also used as a component of the Board of Director's measurement of the Company's performance for incentive compensation purposes and is the basis of calculating the adjusted diluted EPS from continuing operations metric outlined above. Adjusted EBIT from continuing operations represents adjusted net income from continuing operations before interest expense, interest income, and income tax expense. Adjusted EBITDA from continuing operations represents adjusted EBIT from continuing operations before depreciation and amortization and non-cash stock-based compensation expense. Effective January 1, 2021, non-cash stock-based compensation expense was added as an adjustment to our calculation of Adjusted EBITDA in order to better reflect our core operating performance. Prior period amounts have been recast to conform to this presentation. Adjusted EBIT from continuing operations and adjusted EBITDA from continuing operations are performance measures commonly used by management to assess operating performance, and the Company believes they are commonly reported and widely used by investors and other interested parties as a measure of a company's operating performance between periods. Adjusted net income margin from continuing operations, adjusted EBIT margin from continuing operations and adjusted EBITDA margin from continuing operations are calculated as the respective metric defined above as a percentage of net sales as reported in the Condensed Consolidated Statements of Operations adjusted for items that, in management's judgment, significantly affect the assessment of earnings results between periods as outlined in the adjusted diluted EPS from continuing operations section above.

Adjusted Effective Tax Rate, Adjusting for Certain Items Affecting Comparability

Adjusted effective tax rate represents the GAAP effective tax rate adjusted to exclude the effect of items excluded from adjusted net income, such as growth, reinvestment, and restructuring programs and mark-to-market impacts, and other tax impacts, including those related to CARES Act. This information is provided in order to allow investors to make meaningful, consistent comparisons of the Company's effective tax rate and to view the Company's effective tax rate from the same perspective as Company management.

Free Cash Flow and Net Debt

In addition to measuring the Company's cash flow generation and usage based upon the operating, investing, and financing classifications included in the Condensed Consolidated Statements of Cash Flows, we also measure free cash flow from continuing operations which represents net cash (used in) provided by operating activities from continuing operations less capital expenditures. The Company believes free cash flow is an important measure of operating performance because it provides management and investors a measure of cash generated from operations that is available for mandatory payment obligations and investment opportunities such as funding acquisitions, repaying debt, repurchasing outstanding senior debt, and repurchasing our common stock. The Company uses a metric of Net Debt to measure our levered position at any specific point in time. Net Debt is defined as total outstanding debt excluding deferred financing fees, less cash and cash equivalents.

Leverage Ratio

Leverage ratio is defined as net debt divided by adjusted EBITDA for the last twelve months. This Non-GAAP measure allows investors to view leverage from the same perspective as Company management.

TREEHOUSE FOODS, INC.
RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES FROM CONTINUING
OPERATIONS TO FREE CASH FLOW FROM CONTINUING OPERATIONS

	Twelve Months Ended December 31,
	2020
	(unaudited, in millions)
Cash flow provided by operating activities from continuing operations	\$ 403.6
Less: Capital expenditures	(105.7)
Free cash flow from continuing operations	<u>\$ 297.9</u>