



Q1 2019 RESULTS & OUTLOOK

Steve Oakland, CEO & President

Matthew Foulston, EVP & CFO

MAY 2, 2019

FORWARD LOOKING STATEMENTS

From time to time, we and our representatives may provide information, whether orally or in writing, including certain statements in this Quarterly Report on Form 10-Q, 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 report.

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: our level of indebtedness and related obligations; disruptions in the financial markets; interest rates; changes in foreign currency exchange rates; customer consolidation; raw material and commodity costs; competition; our ability to continue to make acquisitions in accordance with our business strategy; 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; and 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 Quarterly Reports on Form 10-Q and our Annual Report on Form 10-K for the year ended December 31, 2018, and from time to time in our filings with the Securities and Exchange Commission.

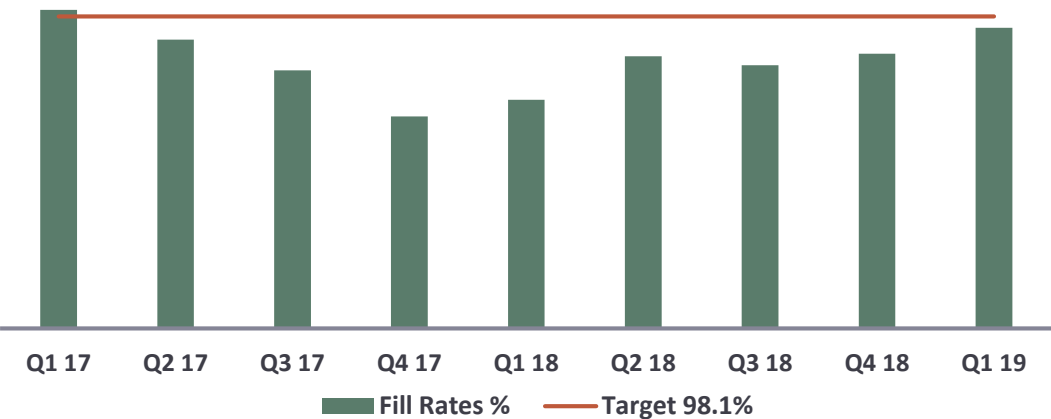


WE DELIVERED SOLID FIRST QUARTER RESULTS TOWARD THE UPPER END OF THE GUIDANCE RANGE

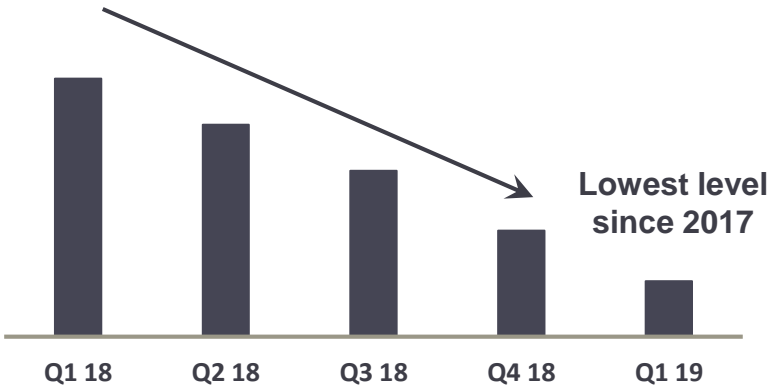
- ✓ Delivered revenue in line with guidance, and adjusted EPS of \$0.13, toward the upper end of guidance
- ✓ Made meaningful progress on key Operational Excellence initiatives – THS2020, TMOS, Lean and service levels
- ✓ Announced definitive agreement to sell our ready-to-eat cereal business to Post Holdings
- ✓ Update on snack nuts and trail mix business
 - Strategic review process is ongoing
 - Expect to share conclusive plan for Snacks in early August
- ✓ Provide updated FY 19 guidance on the August Q2 19 earnings call

OPERATIONAL EXCELLENCE: SERVICE LEVELS, DISTRIBUTION & CONTINUOUS IMPROVEMENT DEMONSTRATE REAL PROGRESS

Quarterly Service Levels Up 2 pts
in the Last 12 Months



Avg Spot Market Usage



THS 2020: Network Optimization and Continuous Improvement



Network

Plant, warehouse, administrative closures

- Completed closure of Visalia, CA
- Announcing closure of Minneapolis, MN



TMOS

TreeHouse Management Operating Structure

- Fully implemented at 15 sites



Lean Manufacturing

Building a Continuous Improvement Mindset

- Launched at 12 sites

Q1 2019 RESULTS SCORECARD

	Q1 Guidance communicated in February	Adjusted ¹ Results	Result
Net Sales	\$1.27 - \$1.33 b	\$1.30 b	✓
Net Interest Expense and Other	\$27 - \$28 m	\$25 m	✓
Tax Rate	~ 24 %	21.2%	✓
Diluted EPS	\$0.05 - \$0.15	\$0.13	✓

¹ A reconciliation of Adjusted Net Interest Expense, Adjusted Tax Rate and Adjusted Diluted EPS to the most comparable GAAP measure is provided in the Appendix.

Q1 2019 FINANCIAL PERFORMANCE

(\$ in millions)

	Q1 2019	Q1 2018	Change B/ (W)	
			\$	%
Net Sales	\$ 1,301.1	\$ 1,481.2	\$ (180.1)	(12.2) %
Division Direct Operating Income (DOI)	121.7	131.2	(9.5)	(7.2)
Division DOI Margin	9.4 %	8.9 %	NA	0.5 pts
Items Affecting Comparability ¹	\$ (35.1)	\$ (51.5)	\$ 16.4	31.8
Corporate Unallocated	(87.5)	(88.4)	0.9	1.0
Total Corporate Unallocated Expense	(122.6)	(139.9)	17.3	12.4
Net Loss	\$ (27.3)	\$ (34.1)	\$ 6.8	19.9 %
Adjusted EBIT ²	33.8	41.6	(7.8)	(18.8)
Adjusted EBIT Margin	2.6 %	2.8 %	NA	(0.2) pts
Adjusted EBITDAS ²	\$ 98.9	\$ 106.8	\$ (7.9)	(7.4)
Adjusted EBITDAS Margin	7.6 %	7.2 %	NA	0.4 pts
GAAP Diluted EPS	\$ (0.49)	\$ (0.60)	\$ 0.11	18.3
Adjusted Diluted EPS ²	\$ 0.13	\$ 0.18	\$ (0.05)	(27.8) %

¹ As more fully described in the Appendix, items impacting comparability include cost of sales, general and administrative, and other operating expense lines of the Condensed Consolidated Statement of Operations related to restructuring programs; product recall; acquisition, integration, divestiture, and related costs; and CEO transition costs.

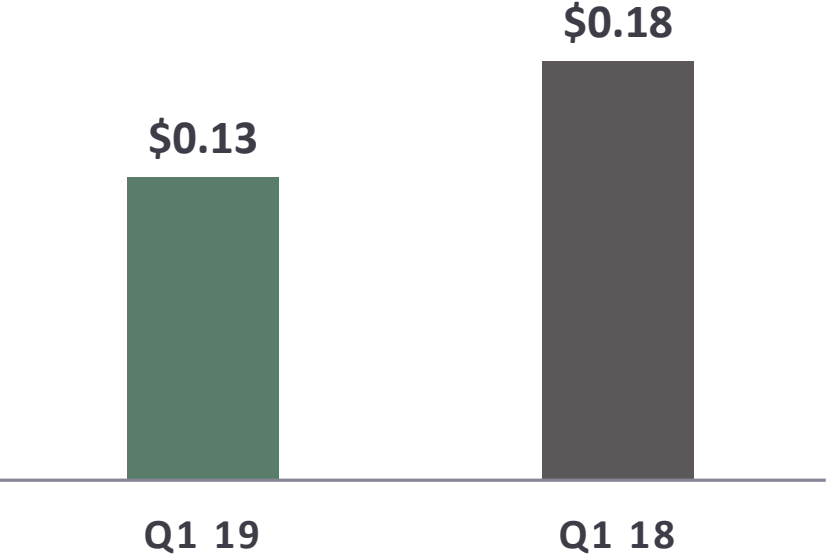
² A reconciliation of Adjusted EBIT, Adjusted EBITDAS and Adjusted Diluted EPS to the most comparable GAAP measure is provided in the Appendix.

Q1 NET SALES DRIVERS

	Percentage Change in Q1 Net Sales vs. Prior Year				
	Baked Goods	Beverages	Meal Solutions	Snacks	THS
SKU Rationalization	(2.5) %	(1.4) %	(2.0) %	- %	(1.7) %
Vol / Mix (excl. SKU Rationalization)	(7.0)	(2.4)	(9.3)	(25.6)	(10.2)
Pricing	2.5	(1.0)	1.0	(4.8)	0.2
Divestitures	-	-	(0.6)	-	(0.3)
Currency	(0.2)	-	(0.3)	-	(0.2)
Total	(7.2) %	(4.8) %	(11.2) %	(30.4) %	(12.2) %
Excl SKU Rat/Divestitures	(4.7) %	(3.4) %	(8.6) %		(10.2) %
	(6.1)%				

Q1 ADJUSTED EPS OF \$0.13, ABOVE THE MIDPOINT OF GUIDANCE

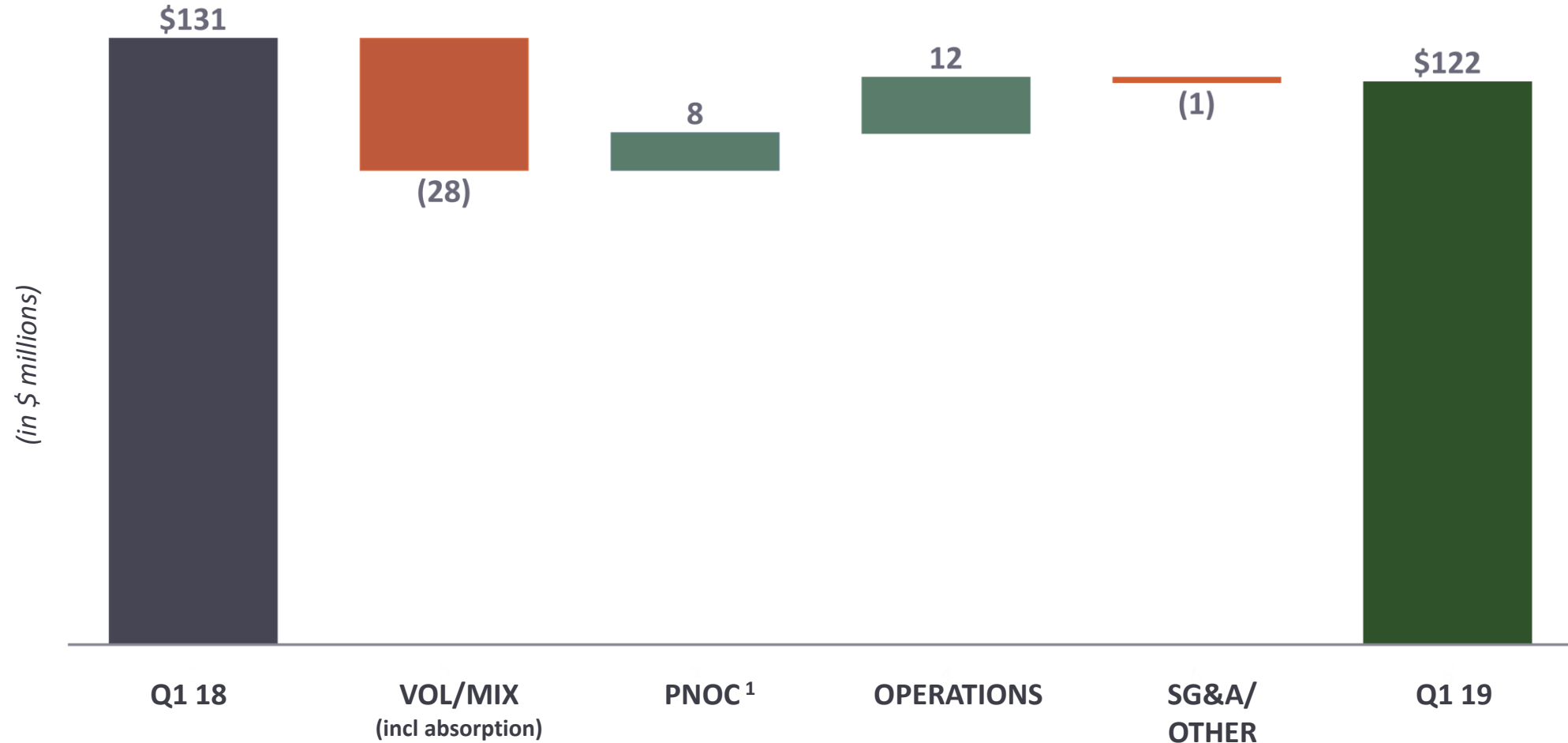
ADJUSTED EPS Q1 19 VS Q1 18



KEY DRIVERS





Q1 2019 DOI DRIVERS VS PRIOR YEAR

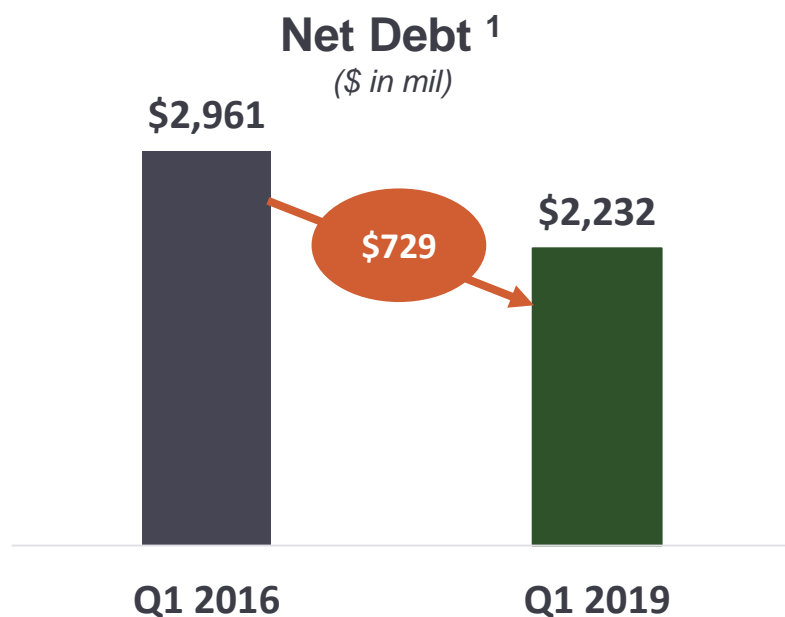


¹ Pricing to recover inflation, net of commodities, freight & warehousing

Q1 19 DIVISION DOI VS PRIOR YEAR

	<u>Vol / Mix</u>	<u>PNOC</u>	<u>Operations</u>	<u>SG&A / Other</u>
 Baked Goods	--	++	++	++
 Beverages	+	=	+	+
 Meal Solutions	--	++	++	-
 Snacks	--	=	=	--

FOCUS ON NET DEBT REDUCTION CONTINUES

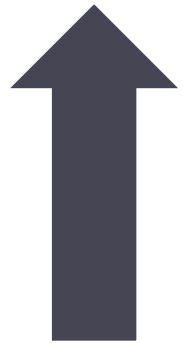


¹ Net debt reflects total outstanding debt excluding deferred financing costs less cash and cash equivalents. See calculation of net debt in the Appendix.

	Working Capital (\$ in mil)		
	<u>Q1 18</u>	<u>Q1 19</u>	<u>B/(W) vs Q1 18</u>
Accounts Receivable	\$ (345)	\$ (367)	\$ (22)
Inventory	(941)	(854)	87
Accounts Payable	<u>468</u>	<u>591</u>	<u>123</u>
Working Capital	\$ (818)	\$ (630)	\$ 188



Q2 2019 GUIDANCE



Pricing implementation to cover inflation ~90% complete
Pecatonica creamer plant running at normal rate
TreeHouse 2020 savings
SG&A savings



Continued lap of volume loss following 2017-18
pricing actions
Snacks deterioration

Potential impact from Midwest flooding on
transportation is not factored into guidance

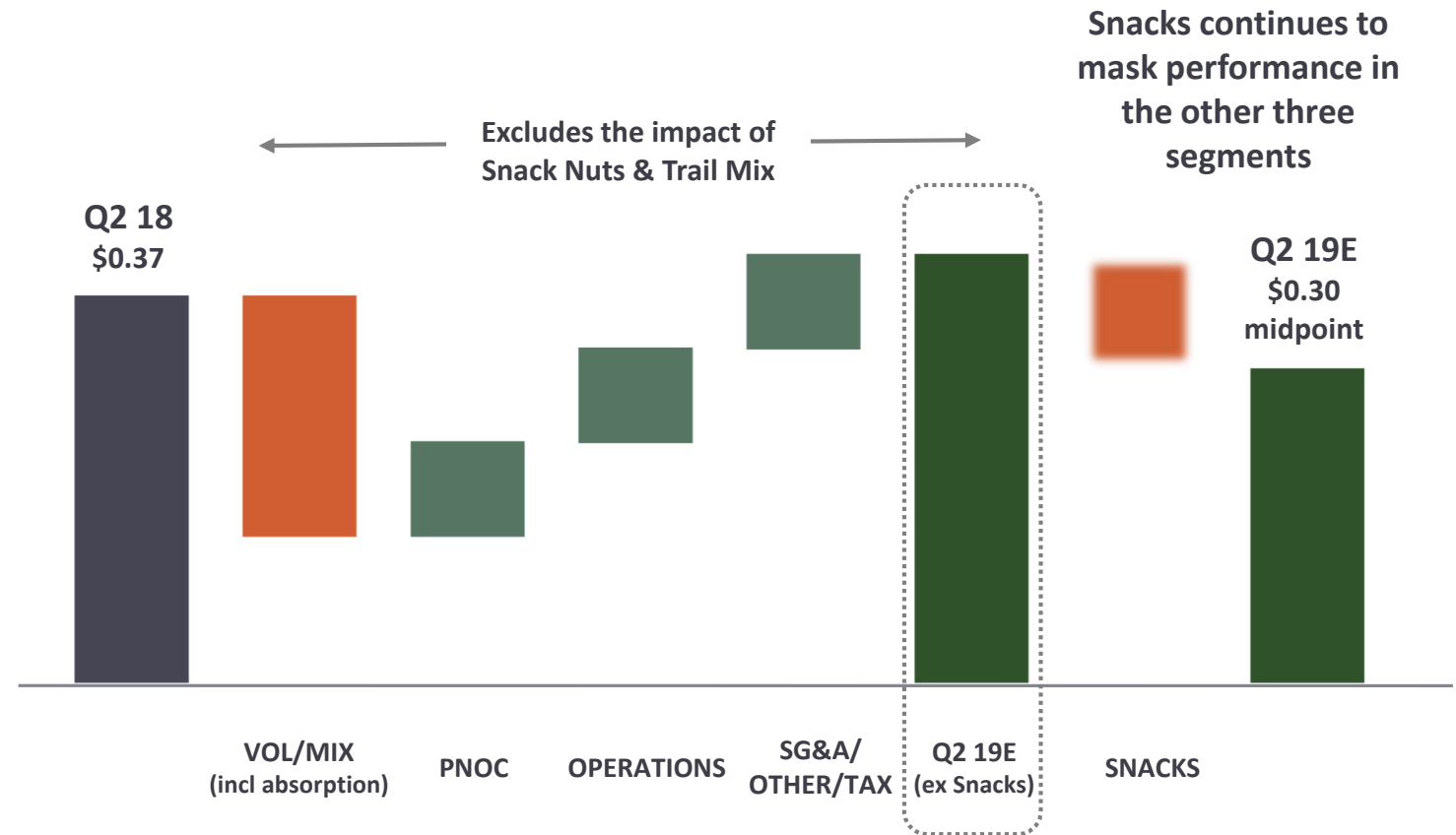
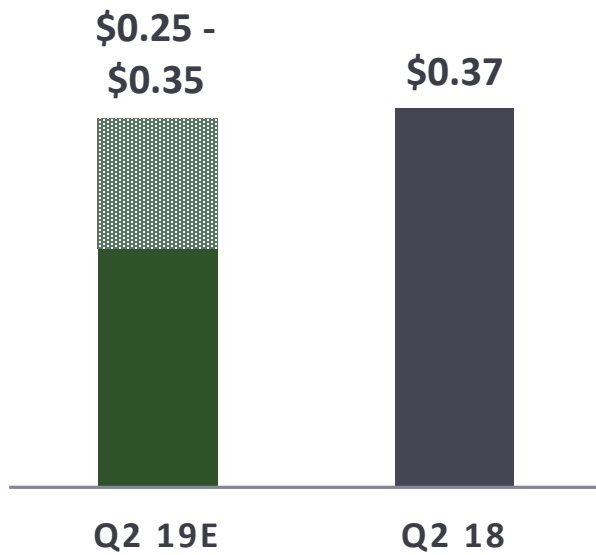


TreeHouse

	Q2 19 E
Net Sales	\$ 1.27 - \$1.31 b (10)% - (13)%
Net Interest Expense	\$ 29 - \$31 m
Tax Rate	23 - 24 %
Diluted EPS	\$ 0.25 - \$0.35

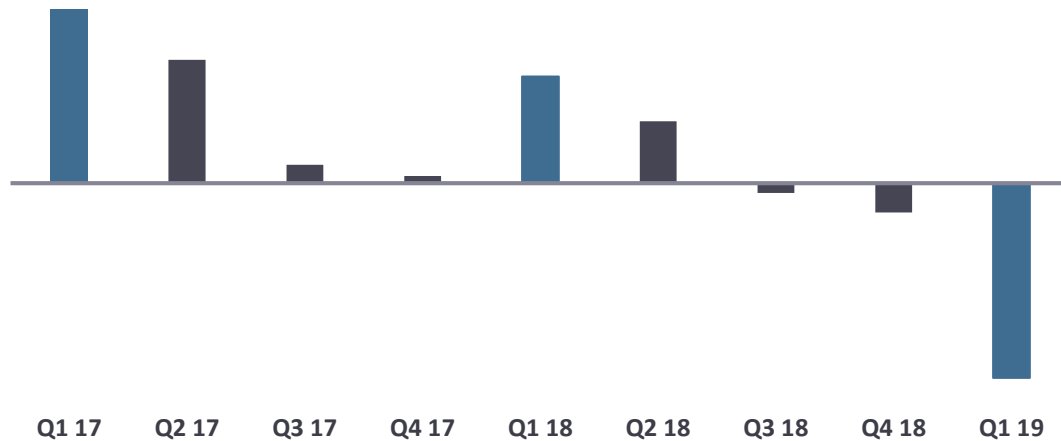
Q2 2019 YEAR-OVER-YEAR GUIDANCE DRIVERS

ADJUSTED EPS Q2 19E VS Q2 18



SNACKS UPDATE: NUTS & TRAIL MIXES

Snacks Division DOI



- Continuing deterioration in Snacks profitability
- Announcing closure of Minneapolis facility

Snacks Service Levels



- Leading indicator very positive
- Service levels up 16 pts from bottom
- Above target since January

Strategic alternatives still under review. Update planned for August.
Snacks represents risk of ~\$100m in revenue and \$(0.15) to \$(0.25) in adjusted EPS to our FY19 guidance absent further actions

KEY TAKEAWAYS



**Delivered Q1 19 EPS of \$0.13,
toward the upper end of guidance**

**Excellent progress around service
levels and operational excellence**

**Issued Q2 19 guidance of
\$0.25 - \$0.35**



**Announced definitive agreement to
sell RTE cereal business**

**Plans to more fully update Snacks
process in early August**

**Updated FY 19 guidance will be
shared on Q2 earnings call**



**Continued customer-centric
focus around:**

**Commercial Excellence
Operational Excellence
People & Talent
Optimized Portfolio**



A NEW TREEHOUSE



PURPOSE

Make high quality food and beverages affordable to all



VISION

Be the undisputed solutions leader for custom brands



MISSION

Create value as our customers' preferred manufacturing and distribution partner providing thought leadership, superior innovation and a relentless focus on execution





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, 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 Non-GAAP measure and the most directly comparable 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.

Adjusted Earnings Per Fully Diluted Share, Adjusting for Certain Items Affecting Comparability

Adjusted earnings per fully diluted share (“Adjusted Diluted EPS”) reflects adjustments to GAAP loss per fully diluted share 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. This measure is also used as a component of the Board of Director’s measurement of the Company’s performance for incentive compensation purposes. 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, and foreign currency exchange impact on the re-measurement of intercompany notes, 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 adjusted diluted EPS, excluding certain items affecting comparability, to the relevant GAAP measure of diluted EPS as presented in the Condensed Consolidated Statements of Operations, is presented below.

Adjusted Net Income, Adjusted EBIT, and Adjusted EBITDAS, Adjusting for Certain Items Affecting Comparability

Adjusted net income represents GAAP net loss 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 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 metric outlined above. Adjusted EBIT represents adjusted net income before interest expense, interest income, and income tax expense. Adjusted EBITDAS represents adjusted EBIT before depreciation expense, amortization expense, and non-cash stock-based compensation expense. Adjusted EBIT and adjusted EBITDAS 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. A full reconciliation between the relevant GAAP measure of reported net (loss) income for the three month periods ended March 31, 2019 and 2018 calculated according to GAAP, adjusted net income, adjusted EBIT, and adjusted EBITDAS is presented in the below tables.

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 which represents net cash provided by operating activities 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, and repurchasing our common stock. A reconciliation between the relevant GAAP measure of cash provided by operating activities for the three months ended March 31, 2019 and 2018 calculated according to GAAP and free cash flow is presented in the tables below.



TREEHOUSE FOODS, INC.
RECONCILIATION OF DILUTED LOSS PER SHARE TO ADJUSTED DILUTED EARNINGS PER SHARE

	Three Months Ended March 31,	
	2019	2018
	(unaudited)	
Diluted loss per share (GAAP)	\$ (0.49)	\$ (0.60)
Restructuring programs	0.60	0.68
Mark-to-market adjustments	0.28	0.10
Acquisition, integration, divestiture, and related costs	0.02	—
Product recall	0.01	—
Tax indemnification	(0.01)	—
Foreign currency (gain) loss on re-measurement of intercompany notes	(0.03)	0.03
CEO transition costs	—	0.23
Taxes on adjusting items	(0.25)	(0.26)
Adjusted diluted EPS (Non-GAAP)	\$ 0.13	\$ 0.18



TREEHOUSE FOODS, INC.
RECONCILIATION OF NET LOSS TO ADJUSTED NET INCOME, ADJUSTED EBIT AND ADJUSTED EBITDAS

		Three Months Ended March 31,	
		2019	2018
		(unaudited, in millions)	
Net loss per GAAP		\$ (27.3)	\$ (34.1)
Restructuring programs	(1)	33.7	38.6
Mark-to-market adjustments	(2)	15.9	5.6
Acquisition, integration, divestiture, and related costs	(3)	1.0	(0.1)
Product recall	(4)	0.4	—
Tax indemnification	(5)	(0.3)	—
Foreign currency (gain) loss on re-measurement of intercompany notes	(6)	(1.6)	1.9
CEO transition costs	(7)	—	13.0
Less: Taxes on adjusting items		(14.3)	(14.8)
Adjusted net income		7.5	10.1
Interest expense		26.9	28.5
Interest income		(2.6)	(2.0)
Income tax benefit		(12.3)	(9.8)
Add: Taxes on adjusting items		14.3	14.8
Adjusted EBIT		33.8	41.6
Depreciation and amortization	(8)	59.2	58.8
Stock-based compensation expense	(9)	5.9	6.4
Adjusted EBITDAS		\$ 98.9	\$ 106.8



TREEHOUSE FOODS, INC.
FOOTNOTES FOR RECONCILIATION OF NET LOSS TO ADJUSTED NET INCOME, ADJUSTED EBIT AND ADJUSTED EBITDAS

	Location in Condensed Consolidated Statements of Operations	Three Months Ended March 31,	
		2019	2018
		(unaudited, in millions)	
(1) Restructuring programs	Other operating expense, net	\$ 28.8	\$ 28.9
	Cost of sales	4.1	9.7
	General and administrative	0.8	—
(2) Mark-to-market adjustments	Other expense, net	15.9	5.6
(3) Acquisition, integration, divestiture, and related costs	General and administrative	1.0	(0.1)
(4) Product recall	General and administrative	0.4	—
(5) Tax indemnification	Other expense, net	(0.3)	—
(6) Foreign currency (gain) loss on re-measurement of intercompany notes	(Gain) loss on foreign currency exchange	(1.6)	1.9
(7) CEO transition costs	General and administrative	—	13.0
(8) Depreciation included as an adjusting item	Cost of sales	2.7	8.2
(9) Stock-based compensation expense included as an adjusting item	General and administrative	0.2	9.9



TREEHOUSE FOODS, INC.
ITEMS IMPACTING COMPARABILITY INCLUDED IN CORPORATE UNALLOCATED EXPENSE

	Location in Condensed Consolidated Statements of Operations	Three Months Ended March 31,	
		2019	2018
		(unaudited, in millions)	
Restructuring programs	Other operating expense, net	\$ 28.8	\$ 28.9
	Cost of sales	4.1	9.7
	General and administrative	0.8	—
Acquisition, integration, divestiture, and related costs	General and administrative	1.0	(0.1)
Product recall	General and administrative	0.4	—
CEO transition costs	General and administrative	—	13.0
Total		\$ 35.1	\$ 51.5



TREEHOUSE FOODS, INC.
RECONCILIATION OF SEGMENT AND UNALLOCATED CORPORATE COSTS TO OPERATING LOSS

	Three Months Ended March 31,	
	2019	2018
	(unaudited, in millions)	
Net sales to external customers:		
Baked Goods	\$ 422.7	\$ 455.4
Beverages	237.2	249.1
Meal Solutions	464.9	523.3
Snacks	176.3	253.4
Total	<u>\$ 1,301.1</u>	<u>\$ 1,481.2</u>
Direct operating income:		
Baked Goods	\$ 44.7	\$ 28.0
Beverages	43.9	39.4
Meal Solutions	46.9	56.2
Snacks	(13.8)	7.6
Total	<u>121.7</u>	<u>131.2</u>
Unallocated expenses:		
Unallocated selling, general, and administrative expenses	(58.5)	(81.3)
Unallocated cost of sales	(8.1)	(7.5)
Unallocated corporate expense and other	(56.0)	(51.1)
Total	<u>(122.6)</u>	<u>(139.9)</u>
Operating loss	<u>\$ (0.9)</u>	<u>\$ (8.7)</u>



TREEHOUSE FOODS, INC.
ADJUSTED NET INTEREST EXPENSE AND OTHER RECONCILIATION

Location in Condensed Consolidated Statements of Operations		Three Months Ended March 31, 2019
		(unaudited, in millions)
Interest expense		\$ 26.9
(Gain) loss on foreign currency exchange		(0.4)
Other expense, net		12.2
Total other expense		38.7
Adjusting items:		
Foreign currency (gain) loss on re-measurement of intercompany notes	(Gain) loss on foreign currency exchange	(1.6)
Mark-to-market adjustments	Other expense, net	15.9
Tax indemnification	Other expense, net	(0.3)
Adjusted net interest expense and other		\$ 24.7



TREEHOUSE FOODS, INC.
NET DEBT RECONCILIATION

Condensed Consolidated Balance Sheet	March 31, 2019	March 31, 2016
	(unaudited, in millions)	
Current portion of long-term debt	\$ 4.6	\$ 41.6
Long-term debt	2,285.2	2,942.3
Add back deferred financing costs	21.5	38.4
(Less) Cash and cash equivalents	(79.0)	(61.1)
Net debt	<u>\$ 2,232.3</u>	<u>\$ 2,961.2</u>

