



Q3 2019 RESULTS & OUTLOOK

Steve Oakland, CEO & President

Bill Kelley, Interim CFO

NOVEMBER 7, 2019

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.

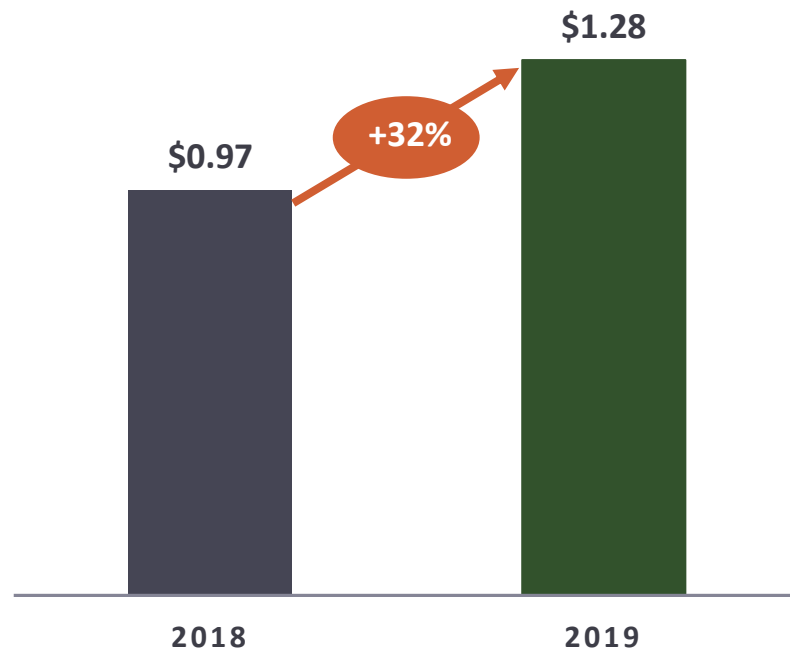
The words “anticipate,” “believe,” “estimate,” “project,” “expect,” “intend,” “plan,” “should,” and similar expressions, as they relate to us, are intended to identify forward-looking statements. Such statements reflect our current views with respect to future events and are subject to certain risks, 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 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.

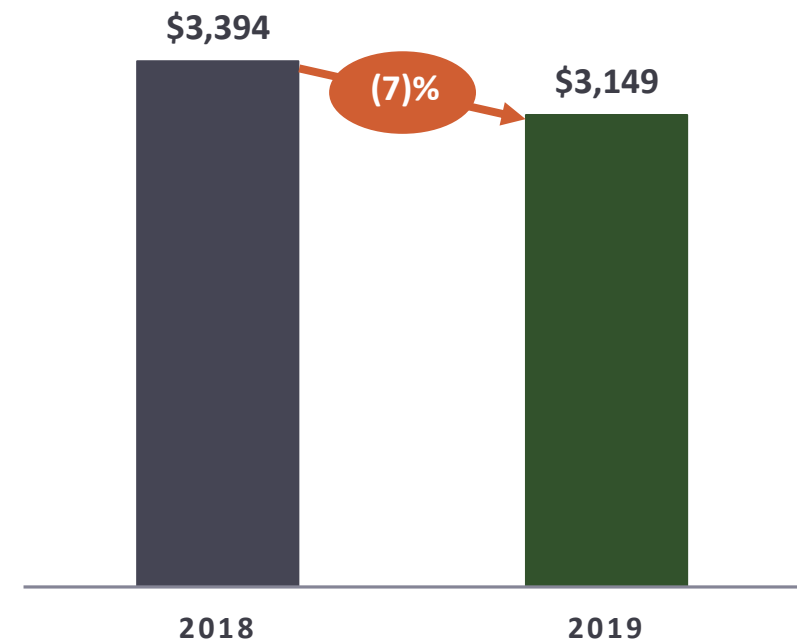


FIRST NINE MONTH EPS UP 32% DESPITE 7% LOWER REVENUE

Q1 – Q3 YTD EPS
from continuing operations

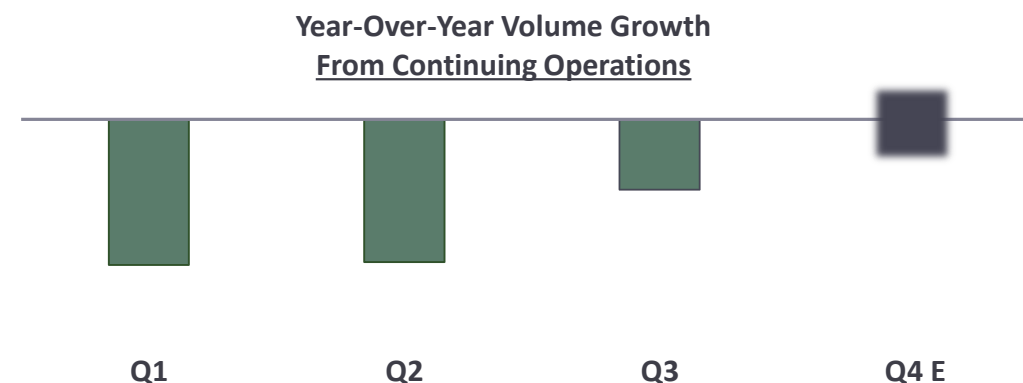
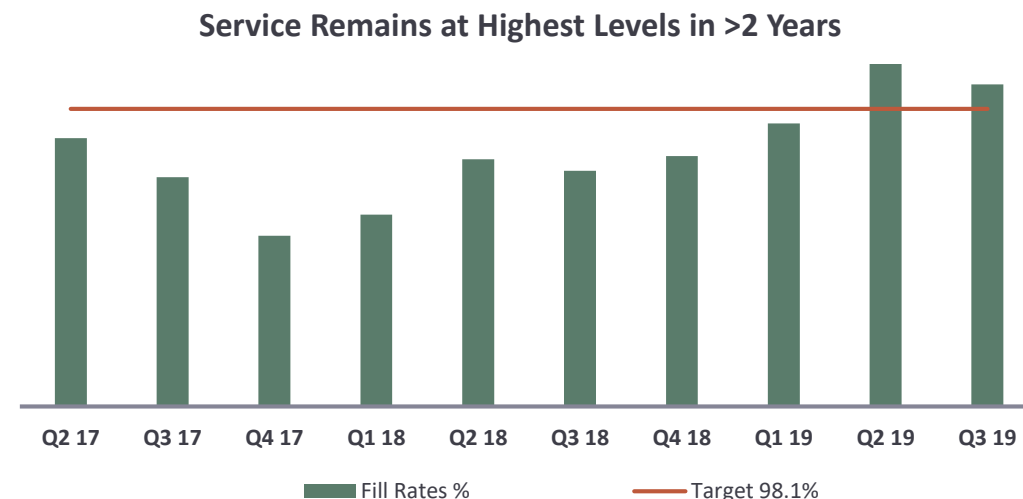


Q1 – Q3 YTD REVENUE
from continuing operations



WE DELIVERED THIRD QUARTER DILUTED EPS WITHIN OUR GUIDANCE RANGE AND YEAR OVER YEAR VOLUMES IMPROVED SEQUENTIALLY

- Delivered Q3 adjusted EPS of \$0.55 and revenue of \$1.06b, both within our guidance range.
- Service levels consistently above target. Commercial Excellence organization in early innings, but demonstrating solid promise.
- Volume declines meaningfully improved on a sequential basis. July and August volumes tracked close to expectations, however we saw a material reduction in orders in September.
- Adjusted EBIT margin improvement fell short of our internal expectations, offset by SG&A efficiencies and tax planning benefits.



Q3 2019 RESULTS SCORECARD

	Q3 Guidance communicated in August	Adjusted ¹ Results	Result
Net Sales	\$ 1.04 - \$1.14 b	\$1.06 b	✓
Net Interest Expense and Other	\$ 25 - \$27 m	\$28 m	✗
Tax Rate	23 - 24 %	11.1%	✓
Diluted EPS	\$ 0.52 - \$0.62	\$0.55	✓

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

Q3 2019 FINANCIAL PERFORMANCE FROM CONTINUING OPERATIONS

(\$ in millions)

	Q3 2019	Q3 2018	Change B/ (W)	
			\$	%
Net Sales	\$ 1,057.3	\$ 1,117.9	\$ (60.6)	(5.4) %
Division Direct Operating Income (DOI)	129.4	146.5	(17.1)	(11.7) %
Division DOI Margin	12.2 %	13.1 %	NA	(0.9) pts
Items Affecting Comparability ¹	(118.1)	(27.0)	(91.1)	(337.4)
Corporate Unallocated	(66.9)	(80.5)	13.6	16.9
Total Corporate Unallocated Expense	(185.0)	(107.5)	(77.5)	(72.1) %
Net (Loss) / Income from Continuing Operations	\$ (61.0)	\$ 12.2	\$ (73.2)	(600.0) %
Adjusted EBIT from Continuing Operations ¹	61.9	64.6	(2.7)	(4.2)
Adjusted EBIT Margin from Continuing Operations	5.9 %	5.8 %	NA	0.1 pts
Adjusted EBITDAS from Continuing Operations ¹	118.0	121.2	(3.2)	(2.6)
Adjusted EBITDAS Margin from Continuing Operations	11.2 %	10.8 %	NA	0.4 pts
GAAP Diluted EPS from Continuing Operations	\$ (1.08)	\$ 0.22	\$ (1.30)	(590.9) %
Adjusted Diluted EPS from Continuing Operations	\$ 0.55	\$ 0.57	\$ (0.02)	(3.5) %

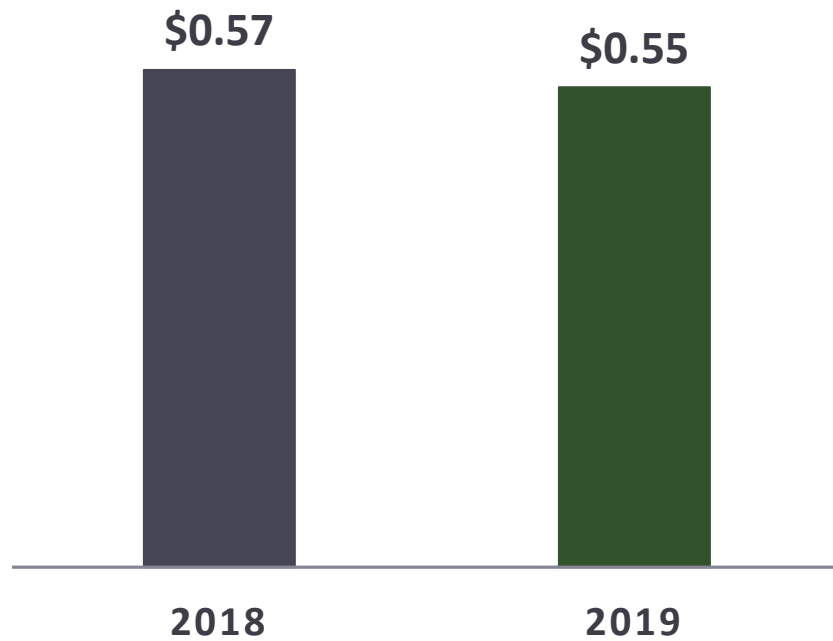


Q3 ORGANIC VOLUME GROWTH (4.7)% VS PRIOR YEAR, COMPARED TO (9.6)% IN THE FIRST HALF

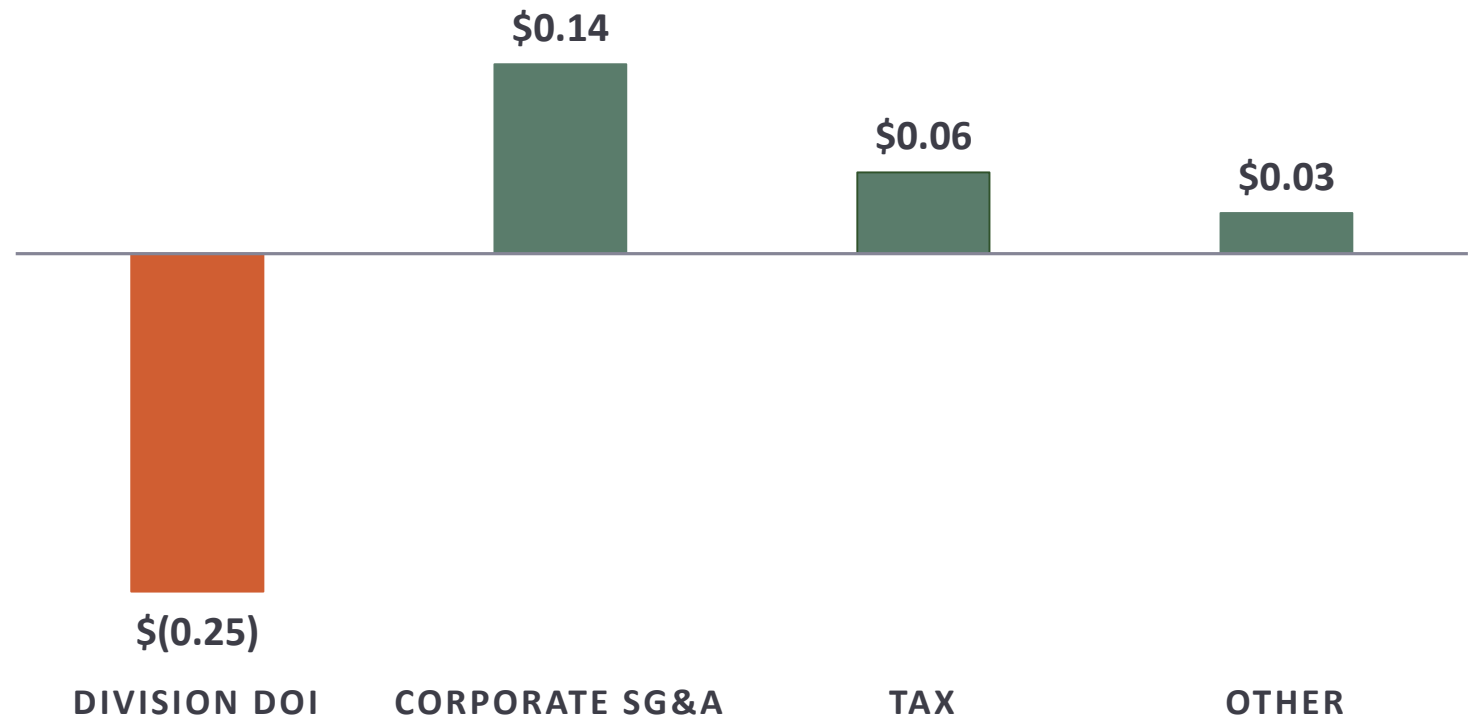
	Percentage Change in Q3 Net Sales vs Prior Year			
	Baked Goods	Beverages	Meal Solutions	THS
Vol / Mix (excl. SKU Rationalization)	(5.7) %	1.7 %	(6.9) %	(4.7) %
Pricing	1.5	(2.3)	0.5	0.3
Organic Net Sales Growth	(4.2)	(0.6)	(6.4)	(4.4)
<i>Organic Growth in Pounds</i>				(4.7)
Currency	(0.1)	-	(0.1)	(0.1)
SKU Rationalization	(2.4)	(0.2)	(0.1)	(0.9)
Total	(6.7) %	(0.8) %	(6.6) %	(5.4) %

Q3 DIVISION DOI DECLINE PARTLY OFFSET BY SG&A AND TAX

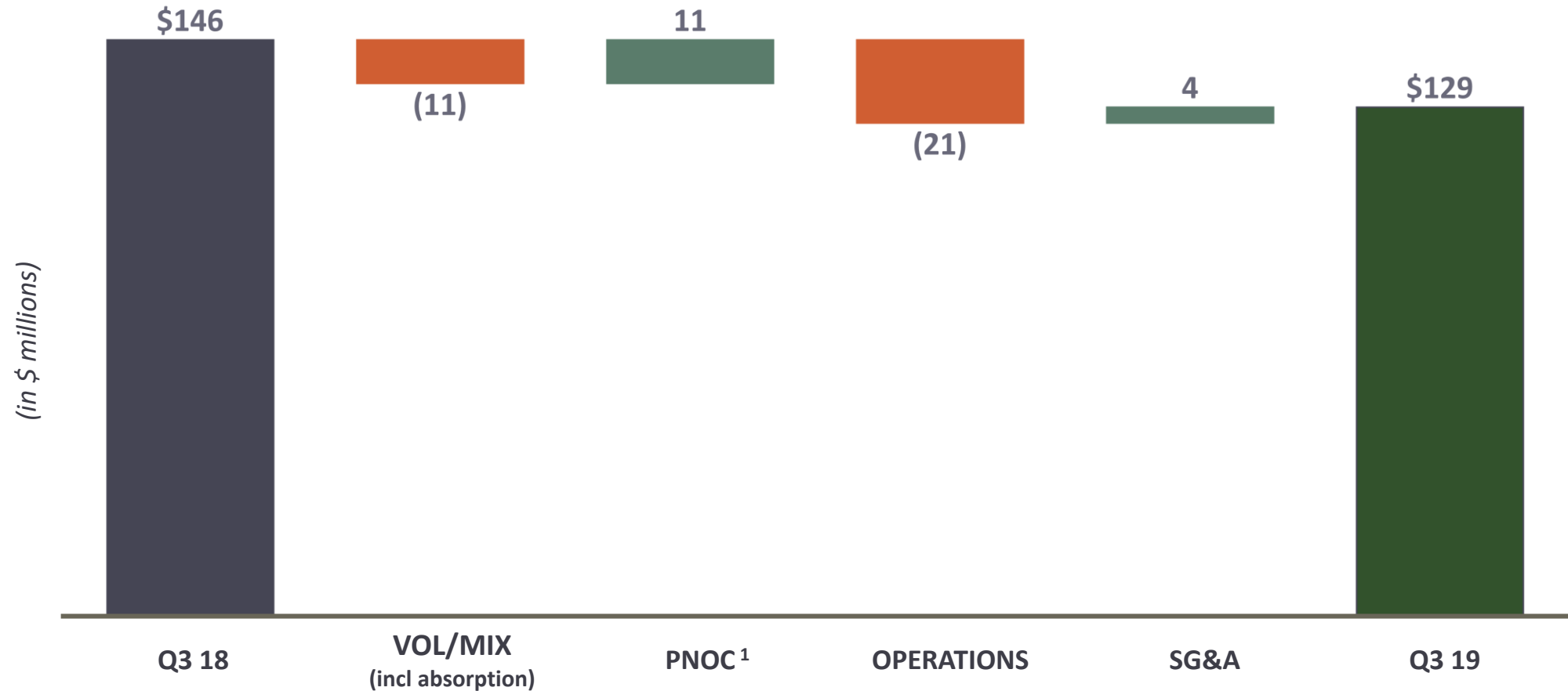
ADJUSTED EPS FROM CONTINUING OPERATIONS Q3 19 VS Q3 18



KEY DRIVERS



DIVISION DOI DOWN \$17M DRIVEN BY VOLUME/MIX AND OPERATIONAL HEADWINDS, PARTIALLY OFFSET BY PRICING AND SG&A



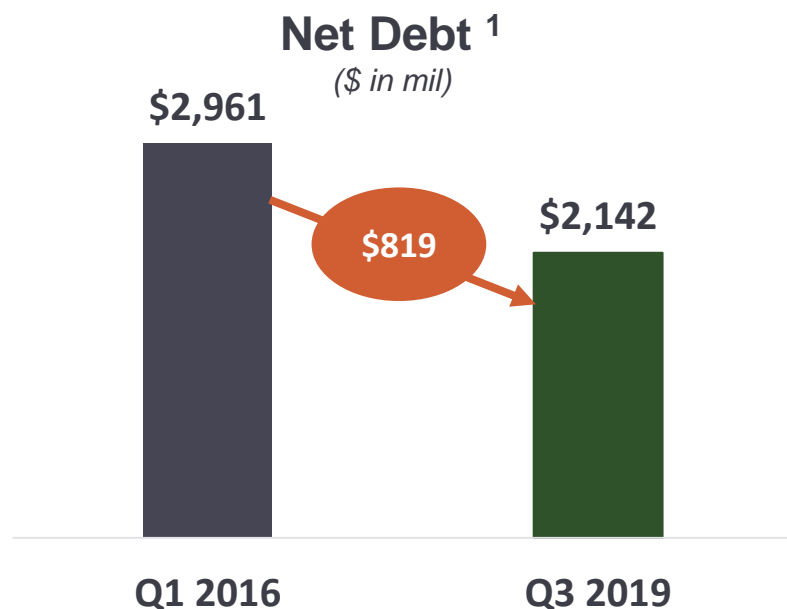
¹ Pricing to recover inflation, net of commodities, freight & warehousing

Q3 19 DIVISION DOI VS PRIOR YEAR

		<u>Vol / Mix</u> (incl absorption)	<u>PNOC</u> ¹	<u>Operations</u>	<u>SG&A</u>	<u>Total</u> (in \$ mil)
	Baked Goods	-	+	=	=	\$(1.4)
	Beverages	+	=	---	=	(5.8)
	Meal Solutions	---	+++	---	+	(9.9)

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

Q3 IS OUR SEASONAL PEAK FOR INVENTORY; FOCUS ON 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>Q4 18</u>	<u>Q3 19</u>	<u>B/(W) vs Q4 18</u>
Accounts Receivable	\$ (351)	\$ (305)	\$ 46
Inventory ²	(616)	(703)	(87)
Accounts Payable	<u>578</u>	<u>530</u>	<u>(48)</u>
Working Capital	\$ (389)	\$ (478)	\$ (89)

² Inventory balances reflect the change in LIFO treatment, and excludes discontinued operations for all periods presented.

UPDATING FY 2019 GUIDANCE FROM CONTINUING OPERATIONS

	Revised FY19 Guidance from Continuing Operations
Net Sales	\$4.26 - \$4.36 b
Net Interest Expense	\$ 103 - \$ 105 m
Tax Rate	~ 20%
Adjusted Diluted EPS	\$ 2.30 - \$2.50
Capital Expenditures	~ \$165 m
Free Cash Flow ¹	\$ 160 - \$190 m

¹ Free cash flow includes both continuing and discontinued operations

Q4 2019 GUIDANCE FROM CONTINUING OPERATIONS

Q4 19 DRIVERS

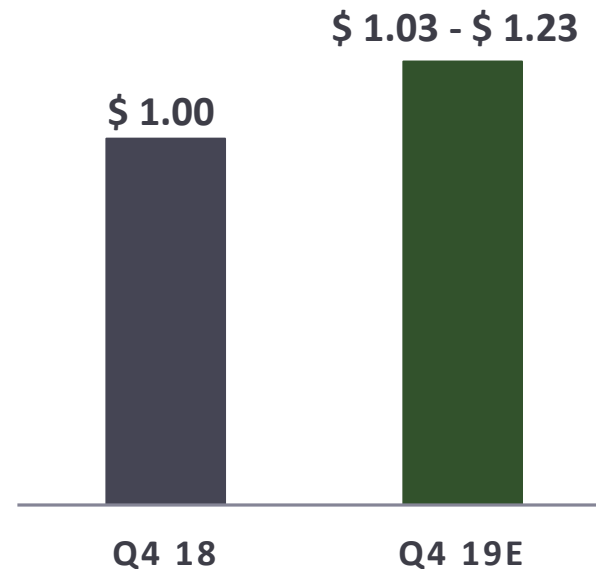


Pivot to slight volume growth
driven by Beverages
SG&A savings
Favorable tax rate



Manufacturing variances
Continued lap of volume loss
primarily in Baked Goods

ADJUSTED EPS Q4 18 VS Q4 19E

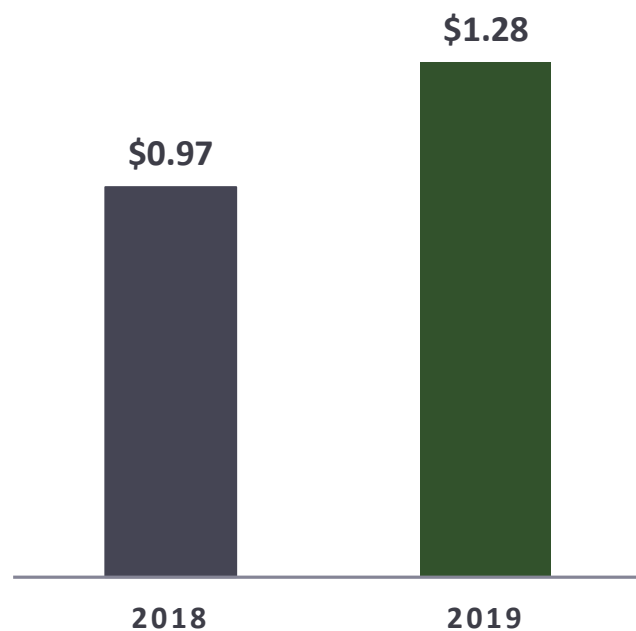


	Q4 19 E
Net Sales	\$ 1.11 - \$1.21 b
Net Interest Expense	\$ 24 - \$26 m
Tax Rate	20 – 22 %
Diluted EPS from continuing operations	\$ 1.03 - \$ 1.23

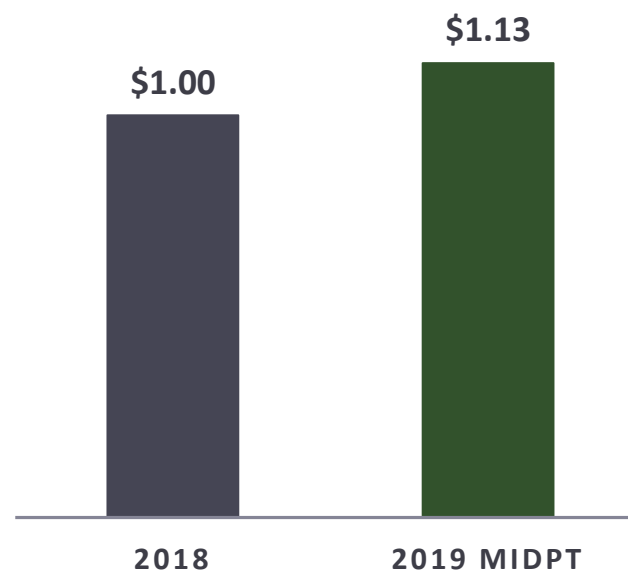


Q3 YTD UP 32%; ANTICIPATED GROWTH OF 13% IN Q4 FULL YEAR EXPECTED TO BE UP 22% AT THE MIDPOINT

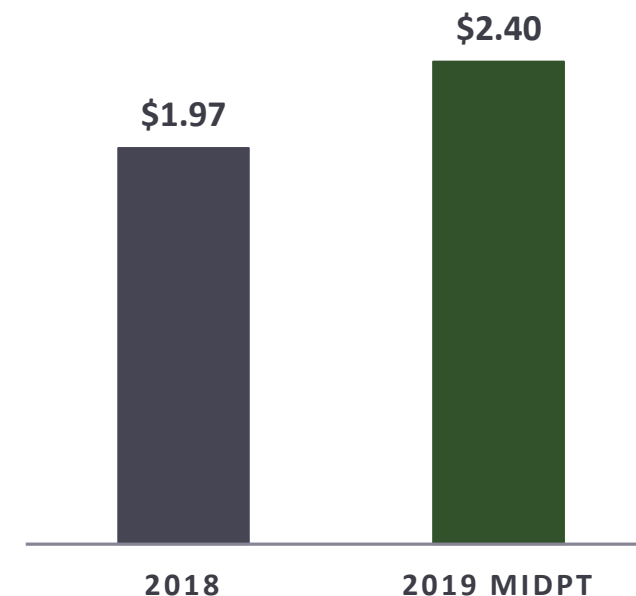
**Q1 – Q3 YTD Adjusted EPS
Up 32%**



**Q4 Adjusted EPS
Expected YoY growth = 13%**

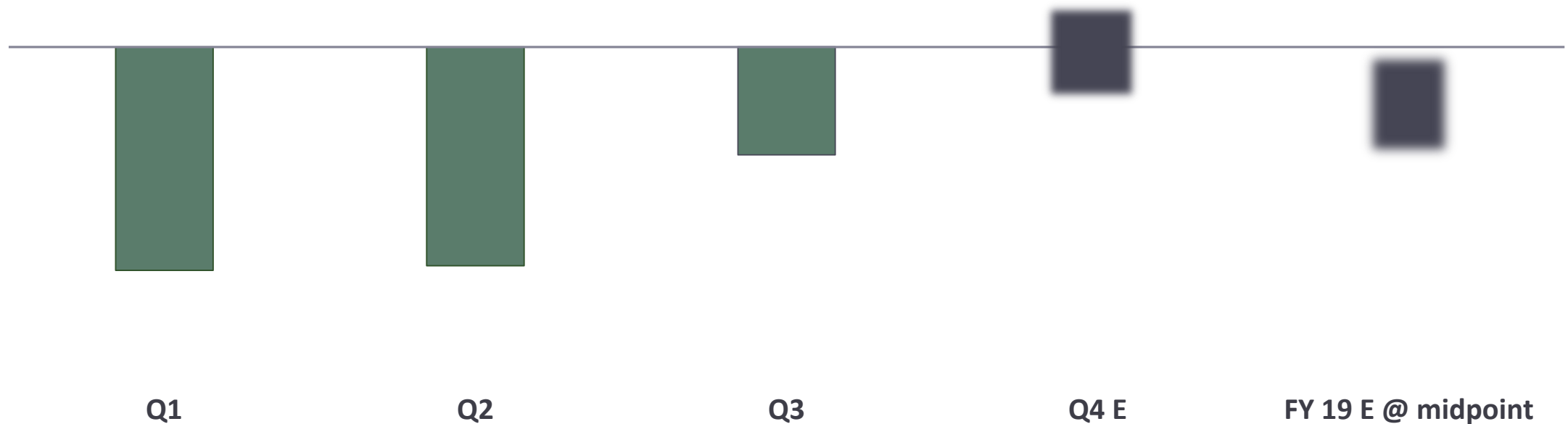


**Full Year Adjusted EPS
Expected YoY growth = 22%**



WE CONTINUE TO DRIVE THE ORGANIZATION TOWARD SEQUENTIAL VOLUME GROWTH IMPROVEMENT IN Q419

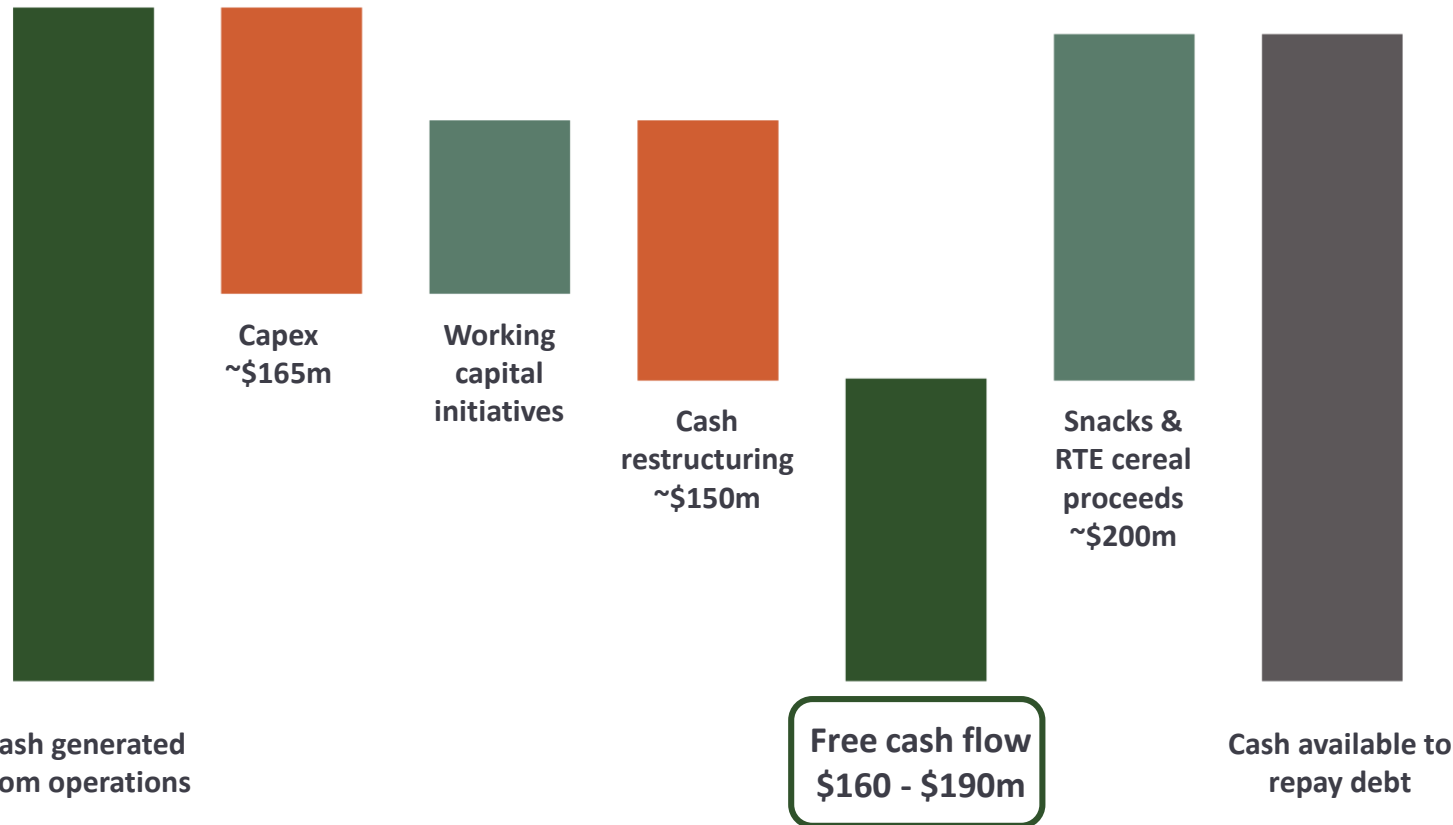
YEAR-OVER-YEAR VOLUME GROWTH FROM CONTINUING OPERATIONS¹



¹ Percentage change in pounds shipped for continuing operations, excluding SKU rationalization and divestitures

2019 FREE CASH FLOW OUTLOOK IS LARGELY UNCHANGED

2019 Cash Flow Outlook ¹



- Our priority for cash is debt repayment
- We continue to expect to finish the year with our bank covenant-defined leverage ratio between ~3.6 – 3.8x
- Net debt expected to be down by ~\$400m

¹ Free cash flow includes both continuing and discontinued operations

REAFFIRMING STRATEGIC GROWTH GOALS BEYOND 2019

REVENUE GROWTH



1-2%
organic

ADJUSTED EPS GROWTH



$\geq 10\%$

CASH GENERATING CAPABILITY



~\$300 million



KEY TAKEAWAYS



**Delivered Q3 19 EPS of \$0.55 and
revenue of \$1.06b,
within the range of guidance**

**Service levels consistently
above target**

**Volumes improved sequentially;
Anticipate further improvement in Q4**



**Revised FY19 EPS guidance from
continuing operations to \$2.30 - \$2.50
and revenue guidance of \$4.26 - \$4.36b**

**FY19 Adjusted EPS
from continuing operations
expected to be up 22%; includes Q4
growth of 13% at the midpoint**



**Significant progress around our
strategic pillars:**

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





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 most directly comparable GAAP measure and the Non-GAAP measure and, 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 SKU rationalization, divestitures, and foreign currency. 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 SG&A Expense

Adjusted SG&A Expense is defined as selling and distribution, and general and administrative expense adjusted for items that, in management's judgment, significantly affect the assessment of selling, general and administrative expense 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) income 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. 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 the GAAP measure of diluted (loss) income per share from continuing operations as presented in the Condensed Consolidated Statements of Operations, excluding certain items affecting comparability, to adjusted diluted EPS from continuing operations is presented below.

COMPARISON OF ADJUSTED INFORMATION TO GAAP INFORMATION

Adjusted Net Income from Continuing Operations, Adjusted EBIT from Continuing Operations, and Adjusted EBITDAS from Continuing Operations, Adjusted net income margin from Continuing Operations, Adjusted EBIT margin from Continuing Operations and Adjusted EBITDAS margin from Continuing Operations, Adjusting for Certain Items Affecting Comparability

Adjusted net income from continuing operations represents GAAP net (loss) income 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 EBITDAS from continuing operations represents adjusted EBIT from continuing operations before depreciation expense, amortization expense, and non-cash stock-based compensation expense. Adjusted EBIT from continuing operations and adjusted EBITDAS 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 EBITDAS 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. A full reconciliation between the relevant GAAP measure of reported net (loss) income from continuing operations for the three and nine month periods ended September 30, 2019 and 2018 calculated according to GAAP, adjusted net income from continuing operations, adjusted EBIT from continuing operations, and adjusted EBITDAS from continuing operations 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 from continuing operations which represents net cash 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 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. The calculation of Net Debt is presented in the tables below.



TREEHOUSE FOODS, INC.
RECONCILIATION OF DILUTED (LOSS) INCOME PER SHARE FROM CONTINUING OPERATIONS TO
ADJUSTED DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
	(unaudited)		(unaudited)	
Diluted (loss) income per share from continuing operations (GAAP)	\$ (1.08)	\$ 0.22	\$ (2.23)	\$ (0.74)
Impairment	1.56	—	1.56	—
Restructuring programs	0.43	0.72	1.59	2.13
Mark-to-market adjustments	0.22	(0.07)	0.95	(0.10)
Litigation matter	—	—	0.44	—
Change in regulatory requirements	0.10	—	0.10	—
Multiemployer pension plan withdrawal	—	—	0.07	—
Tax indemnification	0.02	0.03	0.02	0.05
Product recall	0.01	—	0.01	—
Acquisition, integration, divestiture, and related costs	—	(0.24)	—	(0.25)
Foreign currency loss (gain) on re-measurement of intercompany notes	0.01	(0.02)	(0.05)	0.04
CEO transition costs	—	—	—	0.23
Debt amendment and repurchase activity	—	0.03	—	0.12
Taxes on adjusting items	(0.72)	(0.10)	(1.18)	(0.51)
Adjusted diluted EPS from continuing operations (Non-GAAP)	\$ 0.55	\$ 0.57	\$ 1.28	\$ 0.97

TREEHOUSE FOODS, INC.
RECONCILIATION OF NET (LOSS) INCOME FROM CONTINUING OPERATIONS TO ADJUSTED NET INCOME, ADJUSTED EBIT
AND ADJUSTED EBITDAS FROM CONTINUING OPERATIONS

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2019	2018	2019	2018
		(unaudited, in millions)			
Net (loss) income from continuing operations (GAAP)		\$ (61.0)	\$ 12.2	\$ (125.6)	\$ (41.8)
Impairment	(1)	88.0	—	88.0	—
Restructuring programs	(2)	24.3	40.7	89.9	120.1
Mark-to-market adjustments	(3)	12.4	(3.8)	53.6	(5.8)
Litigation matter	(4)	—	—	25.0	—
Change in regulatory requirements	(5)	5.5	—	5.5	—
Multiemployer pension plan withdrawal	(6)	—	—	4.1	—
Tax indemnification	(7)	1.4	1.7	1.8	2.9
Product recall	(8)	0.3	—	0.3	—
Acquisition, integration, divestiture, and related costs	(9)	—	(13.7)	0.2	(14.1)
Foreign currency loss (gain) on re-measurement of intercompany notes	(10)	0.4	(1.4)	(2.6)	1.9
CEO transition costs	(11)	—	—	—	13.0
Debt amendment and repurchase activity	(12)	—	1.8	—	6.8
Less: Taxes on adjusting items		(40.3)	(5.3)	(67.6)	(27.9)
Adjusted net income from continuing operations (Non-GAAP)		31.0	32.2	72.6	55.1
Interest expense		27.3	25.4	78.5	80.1
Interest income		(0.3)	(1.3)	(4.6)	(3.8)
Income tax (benefit) expense		(36.4)	3.0	(50.1)	(12.9)
Add: Taxes on adjusting items		40.3	5.3	67.6	27.9
Adjusted EBIT from continuing operations (Non-GAAP)		61.9	64.6	164.0	146.4
Depreciation and amortization	(13)	50.7	52.1	154.0	156.5
Stock-based compensation expense	(14)	5.4	4.5	17.0	16.8
Adjusted EBITDAS from continuing operations (Non-GAAP)		\$ 118.0	\$ 121.2	\$ 335.0	\$ 319.7
Adjusted net income margin from continuing operations		2.9%	2.9%	2.3%	1.6%
Adjusted EBIT margin from continuing operations		5.9%	5.8%	5.2%	4.3%
Adjusted EBITDAS margin from continuing operations		11.2%	10.8%	10.6%	9.4%

TREEHOUSE FOODS, INC.
FOOTNOTES FOR RECONCILIATION OF NET (LOSS) INCOME FROM CONTINUING OPERATIONS TO ADJUSTED NET INCOME, ADJUSTED EBIT AND ADJUSTED EBITDAS FROM CONTINUING OPERATIONS

		Location in Condensed Consolidated Statements of Operations	Three Months Ended September 30,		Nine Months Ended September 30,	
			2019	2018	2019	2018
(unaudited, in millions)						
(1)	Impairment	Asset impairment	\$ 88.0	\$ —	\$ 88.0	\$ —
(2)	Restructuring programs	Other operating expense, net	23.7	35.3	84.4	108.2
		Cost of sales	0.6	4.4	3.8	8.6
		General and administrative	—	1.0	1.7	3.3
(3)	Mark-to-market adjustments	Other expense (income), net	12.4	(3.8)	53.6	(5.8)
(4)	Litigation matter	General and administrative	—	—	25.0	—
(5)	Change in regulatory requirements	Cost of sales	4.0	—	4.0	—
		Selling and distribution	1.2	—	1.2	—
		General and administrative	0.3	—	0.3	—
(6)	Multiemployer pension plan withdrawal	Cost of sales	—	—	4.1	—
(7)	Tax indemnification	Other expense (income), net	1.4	1.7	1.8	2.9
(8)	Product recall	General and administrative	0.3	—	0.3	—
(9)	Acquisition, integration, divestiture, and related costs	General and administrative	—	0.2	0.2	(0.5)
		Other operating expense, net	—	(13.9)	—	(13.6)
(10)	Foreign currency loss (gain) on re-measurement of intercompany notes	Loss (gain) on foreign currency exchange	0.4	(1.4)	(2.6)	1.9
(11)	CEO transition costs	General and administrative	—	—	—	13.0
(12)	Debt amendment and repurchase activity	General and administrative	—	—	—	0.2
		Other expense (income), net	—	1.1	—	4.2
		Interest expense	—	0.7	—	2.4
(13)	Depreciation included as an adjusting item	Cost of sales	0.1	4.6	1.7	8.1
		General and administrative	—	1.0	1.6	3.3
(14)	Stock-based compensation expense included as an adjusting item	General and administrative	0.1	0.1	0.5	10.2

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

Location in Condensed Consolidated Statements of Operations		Three Months Ended September 30,		Nine Months Ended September 30,	
		2019	2018	2019	2018
(unaudited, in millions)					
Impairment	Asset impairment	\$ 88.0	\$ —	\$ 88.0	\$ —
Restructuring programs	Other operating expense, net	23.7	35.3	84.4	108.2
	Cost of sales	0.6	4.4	3.8	8.6
	General and administrative	—	1.0	1.7	3.3
Litigation matter	General and administrative	—	—	25.0	—
Change in regulatory requirements	Cost of sales	4.0	—	4.0	—
	Selling and distribution	1.2	—	1.2	—
	General and administrative	0.3	—	0.3	—
Multiemployer pension plan withdrawal	Cost of sales	—	—	4.1	—
Product recall	General and administrative	0.3	—	0.3	—
Acquisition, integration, divestiture, and related costs	General and administrative	—	0.2	0.2	(0.5)
	Other operating expense, net	—	(13.9)	—	(13.6)
CEO transition costs	General and administrative	—	—	—	13.0
Debt amendment and repurchase activity	General and administrative	—	—	—	0.2
Total		\$ 118.1	\$ 27.0	\$ 213.0	\$ 119.2

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
	(unaudited, in millions)		(unaudited, in millions)	
Net sales to external customers:				
Baked Goods	\$ 351.8	\$ 377.1	\$ 1,058.7	\$ 1,126.2
Beverages	234.4	236.3	684.4	721.8
Meal Solutions	471.1	504.5	1,406.3	1,546.3
Total	\$ 1,057.3	\$ 1,117.9	\$ 3,149.4	\$ 3,394.3
Direct operating income:				
Baked Goods	\$ 30.7	\$ 32.1	\$ 107.5	\$ 89.9
Beverages	38.3	44.1	122.8	129.3
Meal Solutions	60.4	70.3	163.2	185.9
Total	129.4	146.5	393.5	405.1
Unallocated expenses:				
Unallocated selling, general, and administrative expenses	(52.5)	(58.8)	(199.1)	(210.1)
Unallocated cost of sales	(3.3)	(7.5)	(13.8)	(9.8)
Unallocated corporate expense and other	(129.2)	(41.2)	(228.6)	(154.8)
Total	(185.0)	(107.5)	(441.5)	(374.7)
Operating (loss) income	\$ (55.6)	\$ 39.0	\$ (48.0)	\$ 30.4

TREEHOUSE FOODS, INC. ORGANIC NET SALES RECONCILIATION

	Three Months Ended September 30,			Nine Months Ended September 30,		
	Dollars	Percent	Percentage Change in Pounds	Dollars	Percent	Percentage Change in Pounds
	(In millions)			(In millions)		
2018 Net sales	\$ 1,117.9			\$ 3,394.3		
Volume/mix excluding SKU rationalization	(52.2)	(4.7)%	(4.7)%	(209.0)	(6.2)%	(8.0)%
Pricing	2.8	0.3	—	25.6	0.8	—
2019 Organic Net Sales	\$ 1,068.5	(4.4)%	(4.7)%	\$ 3,210.9	(5.4)%	(8.0)%
SKU rationalization	(10.3)	(0.9)	(1.0)	(52.2)	(1.6)	(1.6)
Divestiture	—	—	—	(4.5)	(0.1)	(0.1)
Foreign currency	(0.9)	(0.1)	—	(4.8)	(0.1)	—
2019 Net sales	\$ 1,057.3	(5.4)%	(5.7)%	\$ 3,149.4	(7.2)%	(9.7)%

TREEHOUSE FOODS, INC.
RECONCILIATION OF SG&A EXPENSE TO ADJUSTED SG&A EXPENSE

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
	(Unaudited, in millions)		(Unaudited, in millions)	
Selling and distribution	\$ 61.2	\$ 73.4	\$ 191.2	\$ 246.8
General and administrative	51.5	60.4	199.9	208.7
Total Selling, general and administrative expense	112.7	133.8	391.1	455.5
Restructuring programs	(2) —	1.0	1.7	3.3
Litigation matter	(4) —	—	25.0	—
Change in regulatory requirements	(5) 1.5	—	1.5	—
Product recall	(8) 0.3	—	0.3	—
Acquisition, integration, divestiture, and related costs	(9) —	0.2	0.2	(0.5)
CEO transition costs	(11) —	—	—	13.0
Debt amendment and repurchase activity	(12) —	—	—	0.2
Adjusted Selling, general and administrative expense	\$ 110.9	\$ 132.6	\$ 362.4	\$ 439.5
Percentage of Net Sales	10.5%	11.9%	11.5%	12.9%

TREEHOUSE FOODS, INC.

ADJUSTED NET INTEREST EXPENSE AND OTHER RECONCILIATION

Location in Condensed Consolidated Statements of Operations		Three Months Ended September 30,		Nine Months Ended September 30,	
		2019	2018	2019	2018
(unaudited, in millions)					
Interest expense		\$ 27.3	\$ 26.1	\$ 78.5	\$ 82.5
Loss (gain) on foreign currency exchange		0.4	0.6	(1.3)	5.0
Other expense (income), net		14.1	(2.9)	50.5	(2.4)
Total other expense		41.8	23.8	127.7	85.1
Adjusting items:					
Mark-to-market adjustments	Other expense (income), net	12.4	(3.8)	53.6	(5.8)
Tax indemnification	Other expense (income), net	1.4	1.7	1.8	2.9
Foreign currency loss (gain) on re-measurement of intercompany notes	Loss (gain) on foreign currency exchange	0.4	(1.4)	(2.6)	1.9
Debt amendment and repurchase activity	Other expense (income), net	—	1.1	—	4.2
	Interest expense	—	0.7	—	2.4
Adjusted net interest expense and other		\$ 27.6	\$ 25.5	\$ 74.9	\$ 79.5

TREEHOUSE FOODS, INC. NET DEBT RECONCILIATION

Condensed Consolidated Balance Sheet	September 30, 2019	March 31, 2016
	(unaudited, in millions)	
Current portion of long-term debt	\$ 11.7	\$ 41.6
Long-term debt	2,158.0	2,942.3
Add back deferred financing costs	17.3	38.4
(Less) Cash and cash equivalents	(45.1)	(61.1)
Net debt	\$ 2,141.9	\$ 2,961.2