



# Q2 2020 RESULTS AND OUTLOOK

**Steve Oakland, CEO & President**

**Bill Kelley, EVP & CFO**

AUGUST 6, 2020

## 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: risks related to the impact of the recent COVID-19 outbreak on our business, suppliers, consumers, customers and employees; the success of our 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 recent COVID-19 outbreak; our ability to continue to make acquisitions in accordance with our business strategy; changes and developments affecting our industry, including customer 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 this Quarterly Report on Form 10-Q, our Annual Report on Form 10-K for the year ended December 31, 2019, and from time to time in our filings with the Securities and Exchange Commission.



## WE CONTINUE TO BE GUIDED BY OUR TREEHOUSE VALUES



THANK YOU TO OUR  
EMPLOYEES

OUR PRIORITY  
CONTINUES TO BE  
YOUR HEALTH,  
SAFETY AND  
WELFARE



TreeHouse



## BETTER TOGETHER

Our Response to the COVID-19 Crisis

### Supporting Our Office Employees



Work from home for all employees



IT Resources available to support work from home



Suspension of non-essential business travel



Established return to office task force to ensure employee safety

### Supporting Our Front Line Employees



Masks provided to all employees at all locations



Hand washing stations and hand sanitizer made readily available



Training protocols implemented to ensure employee safety



Enhanced and more frequent cleaning protocols in place



Incentives for employees, including supplemental pay and additional paid leave

### Supporting Our Customers and Consumers



Dedicated to providing essential food to our customers and consumers



Streamlined production schedules and enhanced distribution capacity



Strong customer partnership and collaboration to meet heightened customer need



Proactive, transparent and clear communication with our business partners

### Frequent and Transparent Communication



Dedicated COVID-19 response team



Dedicated COVID-19 internal intranet site established



Dedicated medical partnership to inform decisions



Resources developed for managing COVID response



Daily email blasts to employees



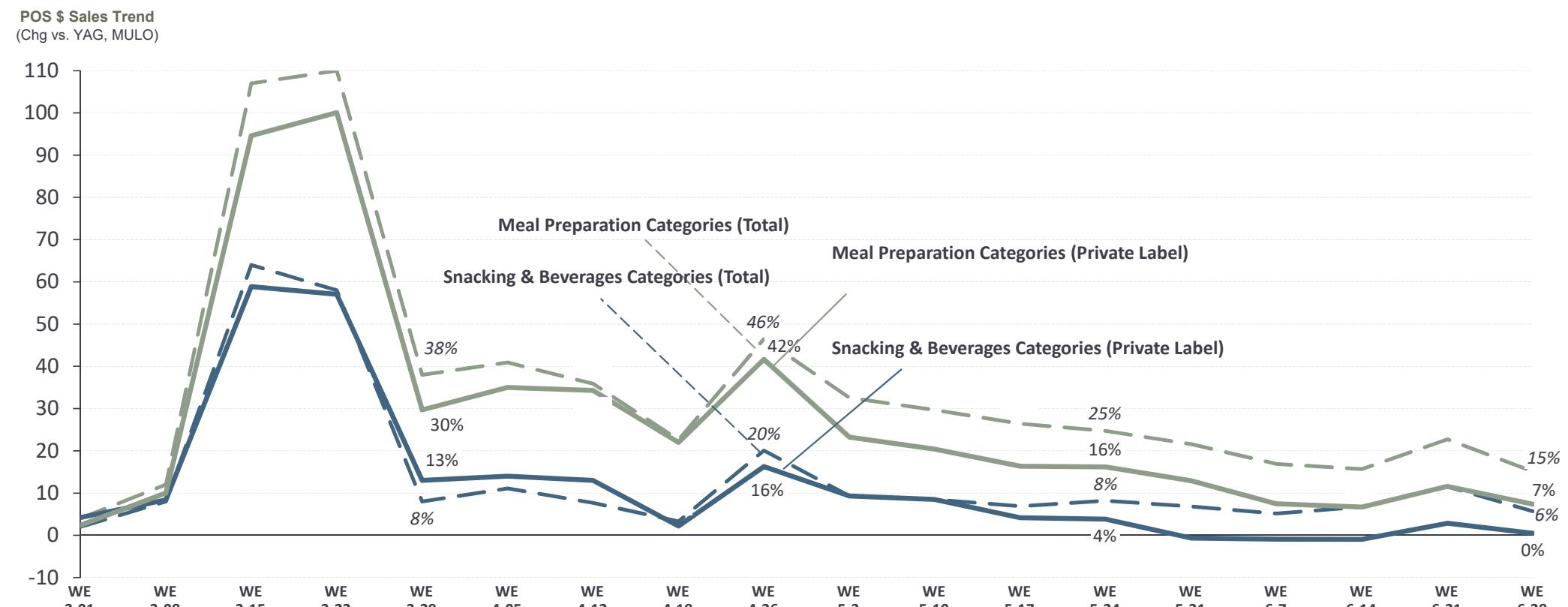
Thank you videos from Leadership to employees



Email and video messaging from CEO

Making high quality food and beverages affordable to all.

# FOLLOWING INITIAL MARCH PANTRY STOCKING, ELEVATED AT HOME CONSUMPTION HAS CONTINUED

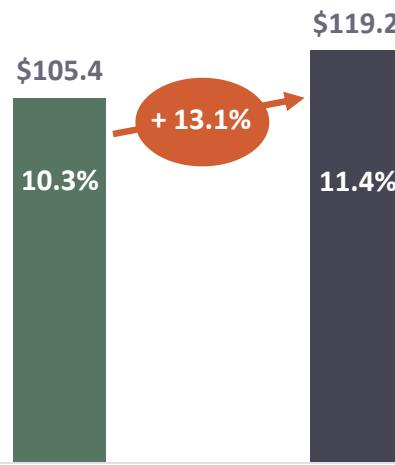


## Q2 2020 TOP LINE AND PROFITABILITY IMPROVED VERSUS PRIOR YEAR

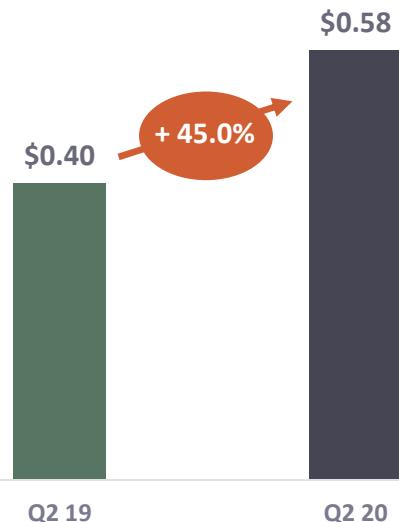
Net Sales grew 1.6%  
Organic Net Sales<sup>1</sup> grew 3.7%



Adjusted EBITDA<sup>1</sup> grew 13.1% and  
EBITDA margin<sup>1</sup> grew 110 bps



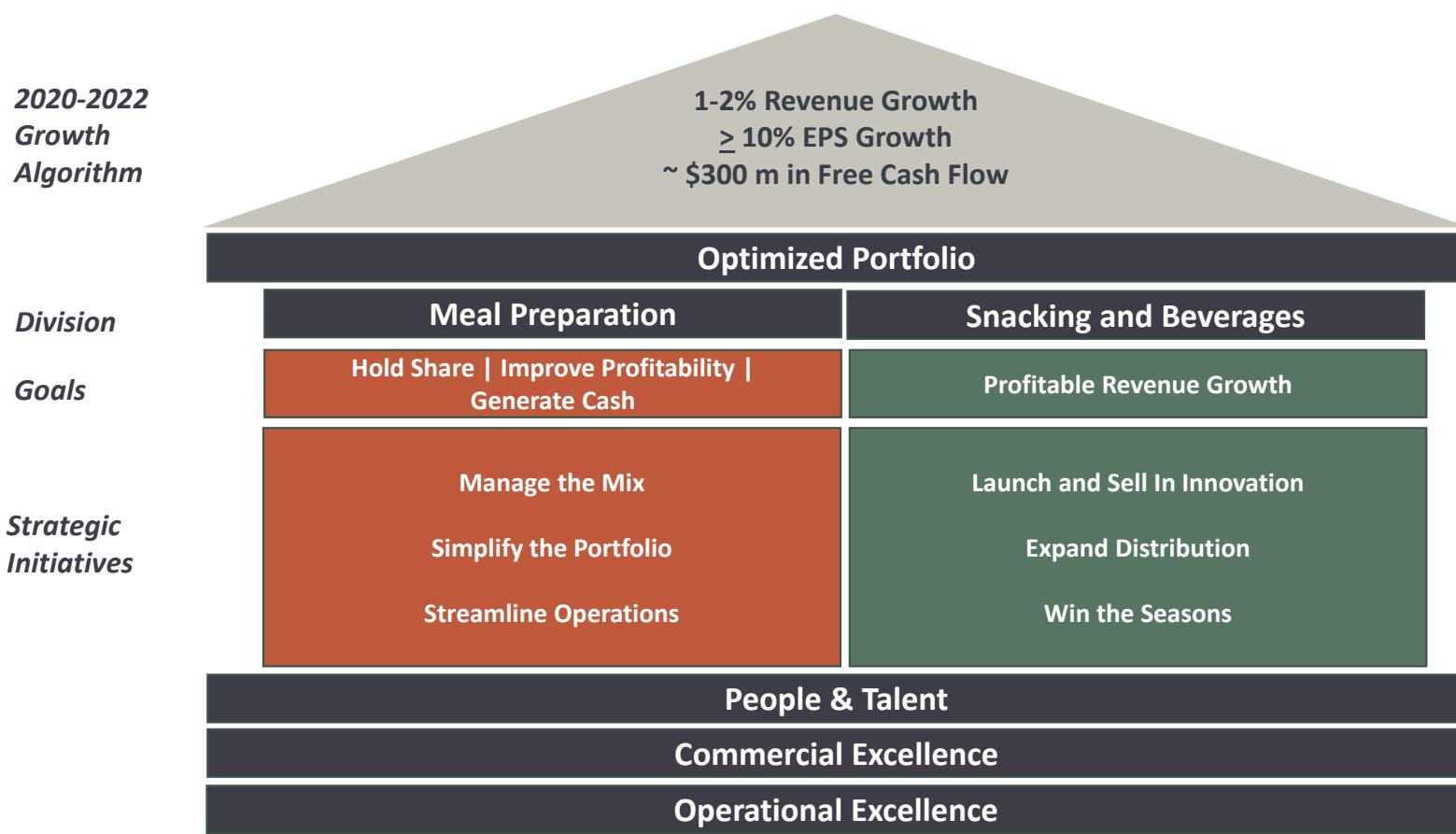
Adjusted EPS<sup>1</sup> grew 45.0%



All dollars in millions, except earnings per share. Charts not drawn to scale.

1 Organic net sales, adjusted EBITDA from continuing operations, adjusted EBITDA margin, and adjusted earnings per diluted share from continuing operation are non-GAAP financial measures. See "Comparison of Adjusted Information to GAAP Information" for the definition of non-GAAP measures, information concerning certain items affecting comparability, and reconciliation of the non-GAAP measures to the most directly comparable GAAP measure.

# ROBUST STRATEGIC PLANNING PROCESS ENABLES US TO CAPTURE PORTFOLIO POTENTIAL



## Q2 2020 RESULTS SCORECARD

	Q2 2020 Guidance	Adjusted Results	Outcome
<b>Net Sales</b>	\$ 1.05 - \$ 1.09 b	\$ 1.04 b	O
<b>Adjusted EBITDA</b>	\$ 105 - \$ 120 m	\$ 119.2 m	✓
<b>Interest Expense</b>	\$ 26 - \$ 27 m	\$ 26.2 m	✓
<b>Tax Rate</b>	27 % - 29 %	24 %	✓
<b>Diluted EPS</b>	\$ 0.40 - \$ 0.50	\$ 0.58	✓

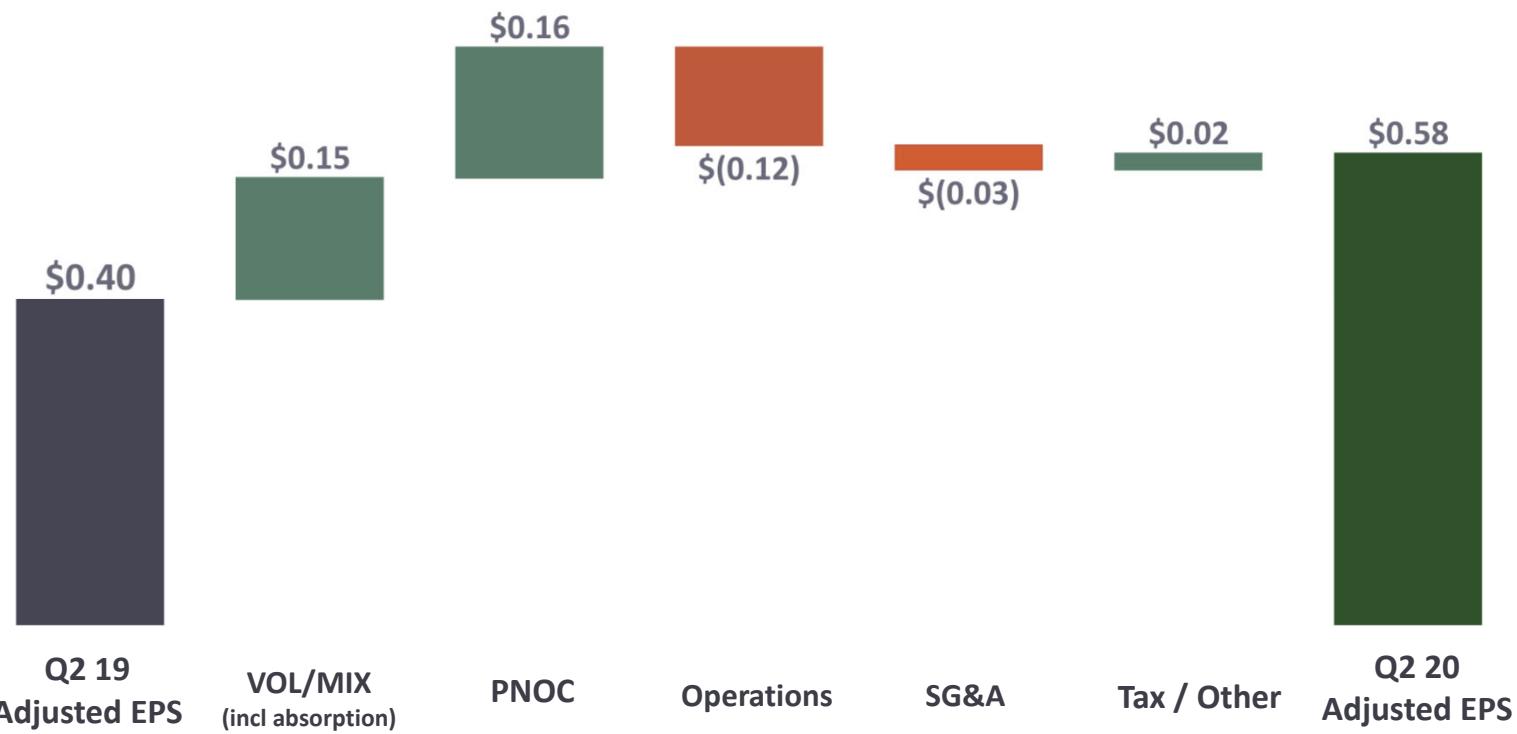


## Q2 2020 FINANCIAL PERFORMANCE FROM CONTINUING OPERATIONS

(\$ in millions)	Q2 2020	Q2 2019	Change B/ (W)	
	\$	\$	\$	%
Net Sales	\$ 1,041.9	\$ 1,025.3	\$ 16.6	1.6 %
Division Direct Operating Income (DOI)	154.8	136.3	18.5	13.6 %
Division DOI Margin	14.9 %	13.3 %	NA	1.6 pts
Items Affecting Comparability <sup>1</sup>	(42.1)	(62.8)	20.7	33.0 %
Corporate Unallocated	(87.4)	(81.4)	(6.0)	(7.4) %
Total Corporate Unallocated Expense	(129.5)	(144.2)	14.7	10.2 %
Interest Expense	26.2	26.1	(0.1)	(0.4) %
Net Loss from Continuing Operations	<u>\$ (2.6)</u>	<u>\$ (50.1)</u>	<u>\$ 47.5</u>	<u>94.8 %</u>
Adjusted EBITDA from Continuing Operations <sup>1</sup>	119.2	105.4	13.8	13.1 %
Adjusted EBITDA Margin from Continuing Operations	11.4 %	10.3 %	NA	1.1 pts
GAAP Diluted EPS from Continuing Operations	<u>\$ (0.05)</u>	<u>\$ (0.89)</u>	<u>\$ 0.84</u>	<u>94.4 %</u>
Adjusted Diluted EPS from Continuing Operations <sup>1</sup>	<u>\$ 0.58</u>	<u>\$ 0.40</u>	<u>\$ 0.18</u>	<u>45.0 %</u>

<sup>1</sup> Refer to the Appendix for a description of items affecting comparability and a reconciliation of adjusted EBITDA from continuing operations and adjusted diluted EPS from continuing operations to the most comparable GAAP measure.

## Q2 ADJUSTED EPS IMPROVED 45% TO \$0.58



## Q2 ORGANIC NET SALES GREW 3.7% DRIVEN BY GROWTH ACROSS BOTH DIVISIONS

### Net Sales by Division

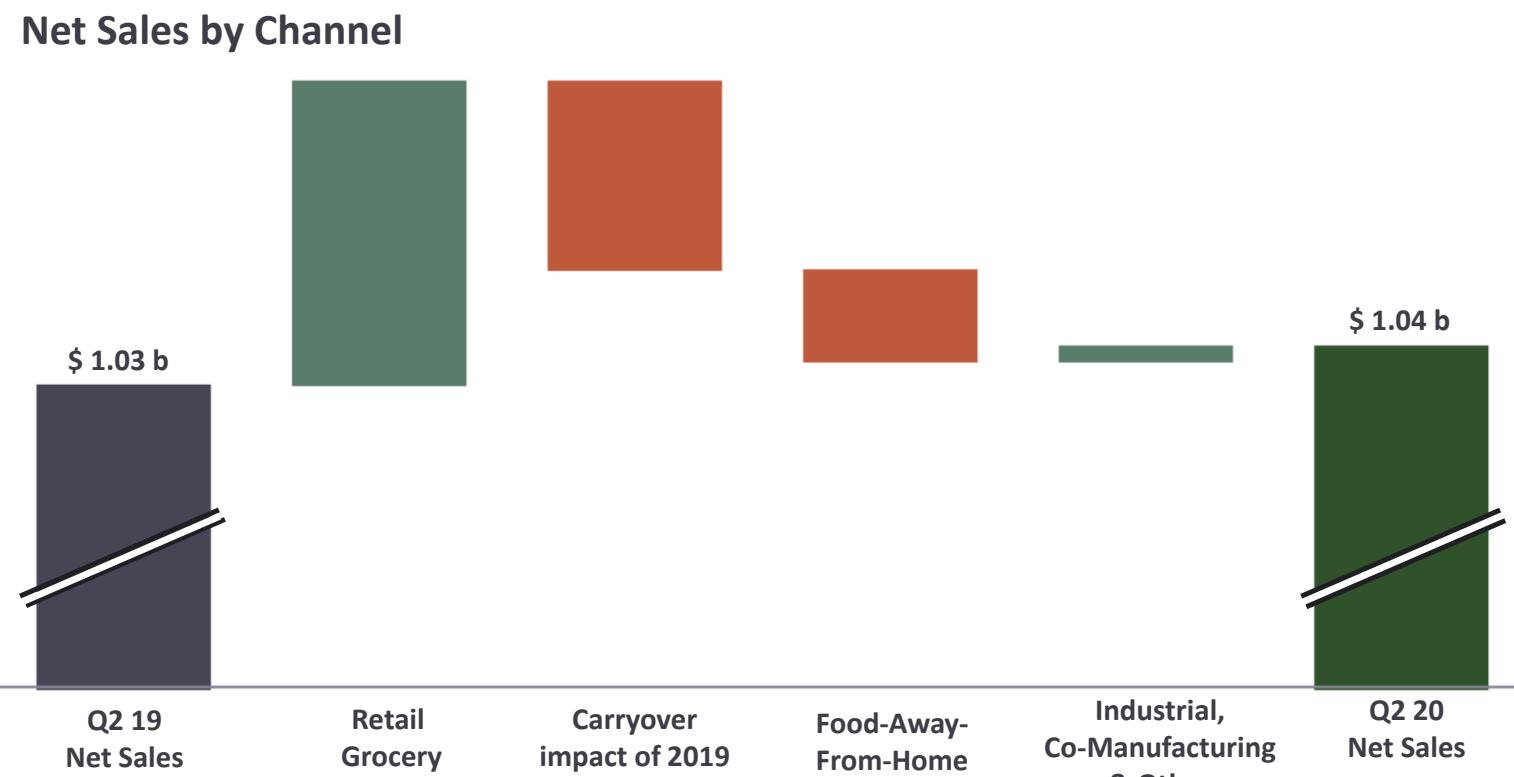
	Change in Q2 Net Sales vs Prior Year		
	Meal Preparation	Snacking & Beverages	THS
Volume / Mix <sup>1</sup>	1.8 %	7.5 %	3.9 %
Pricing	-	(0.5)	(0.2)
<b>Organic Net Sales Growth</b>	<b>1.8 %</b>	<b>7.0 %</b>	<b>3.7 %</b>
Volume / Mix (divestitures)	-	(5.0)	(1.8)
Foreign currency	(0.2)	(0.3)	(0.3)
<b>Net Sales Growth</b>	<b>1.6 %</b>	<b>1.7 %</b>	<b>1.6 %</b>

<sup>1</sup> excludes vol/mix related to divestitures

### Organic Net Sales Change by Quarter



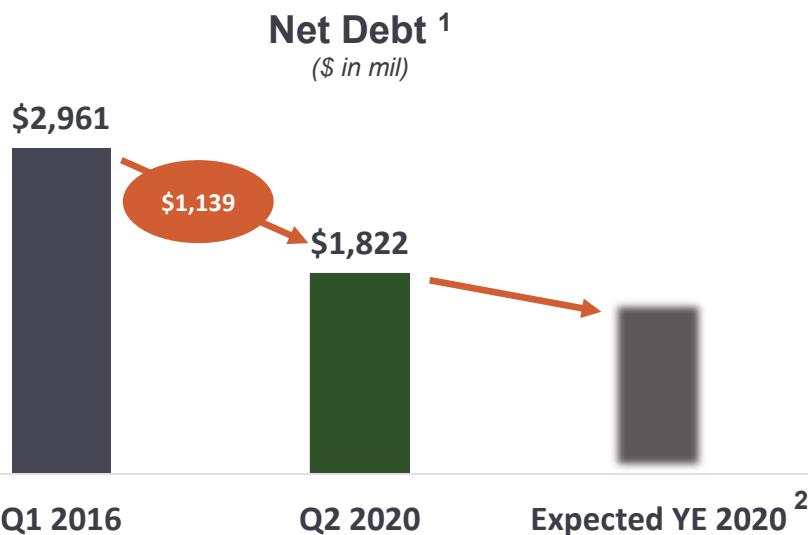
## THE MAGNITUDE OF COVID-DEMAND DRIVEN GROWTH IS CLEAR IN RETAIL GROCERY WHILE FAFH RECOVERY IS SLOW



<sup>1</sup>Carryover impact of 2019 losses and pricing adjustments are applicable to all channels.



## SOLID BALANCE SHEET AND SUFFICIENT LIQUIDITY



- Reduced net debt by over \$1.1b since the Private Brands acquisition
- As of 6/30, approximately \$724m available under revolver
  - Repaid \$100m precautionary drawdown from Q1
- Priority for cash continues to be debt repayment

<sup>1</sup> Net debt reflects total outstanding debt excluding deferred financing costs less cash and cash equivalents. A reconciliation of net debt is provided in the Appendix

<sup>2</sup> Excludes potential proceeds from RTE Cereal transaction



# RAISING 2020 ADJUSTED EPS GUIDANCE TO \$2.55 - \$2.75

Updated FY 2020 Guidance Aug 2020	
Net Sales	Upper end of range (\$ 4.10 - \$ 4.40 b)
Adjusted EBIT	\$ 290 - \$ 310 m
Depreciation and Amortization	\$ 195 - \$ 205 m
Adjusted EBITDA	\$ 485 - \$ 515 m
Interest Expense	\$ 104 - \$ 108 m
Tax Rate	24 % - 25 %
Adjusted Diluted EPS	\$ 2.55 - \$ 2.75
Capital Expenditures	~ \$135 m
Free Cash Flow	Upper end of range (\$ 250 - \$ 300 m)



## Q3 2020 GUIDANCE

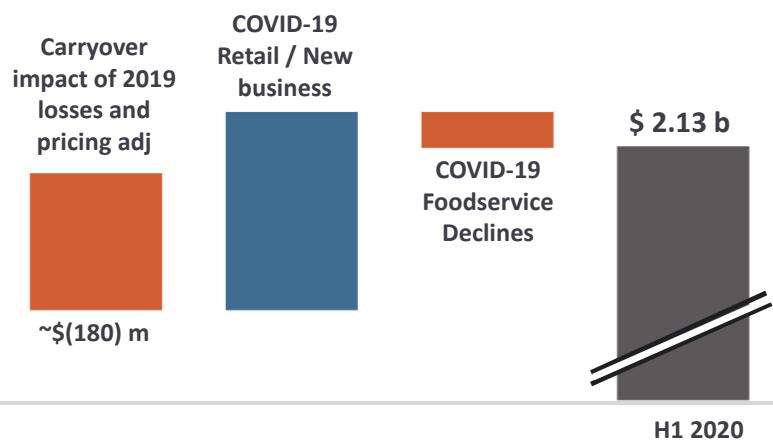
- Continue to approach Q3 with balanced outlook; varying scenarios of demand and expenses contemplated
- Opportunities
  - Continued, although moderated demand
  - Improved customer relationships as COVID-19 demand is serviced
- Costs and Risks
  - Costly safety measures
  - Increased expense to service higher demand
  - Potential for further operations interruption
  - Continued challenges in food-away-from-home
  - Delays in 2020 productivity and expense initiatives

	Q3 2020 E
Net Sales	\$ 1.04 - \$ 1.08 b
Adjusted EBITDA	\$ 112 - \$ 127 m
Interest Expense	\$ 27 - \$ 29 m
Tax Rate	24 % – 25 %
Diluted EPS	\$ 0.55 - \$ 0.65

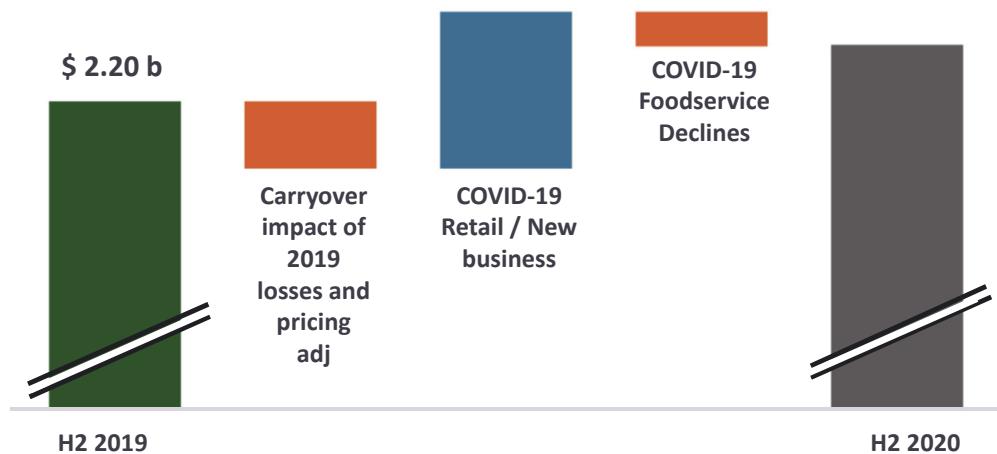


# RAISING EXPECTATIONS FOR H2 REVENUE GROWTH

**H1 Revenue Growth of 1.7%**  
**H1 Organic Growth of 3.1%**



**Expected H2 Revenue Growth of 0 – 2%**  
**Expected H2 Organic Growth of 2 – 4%**



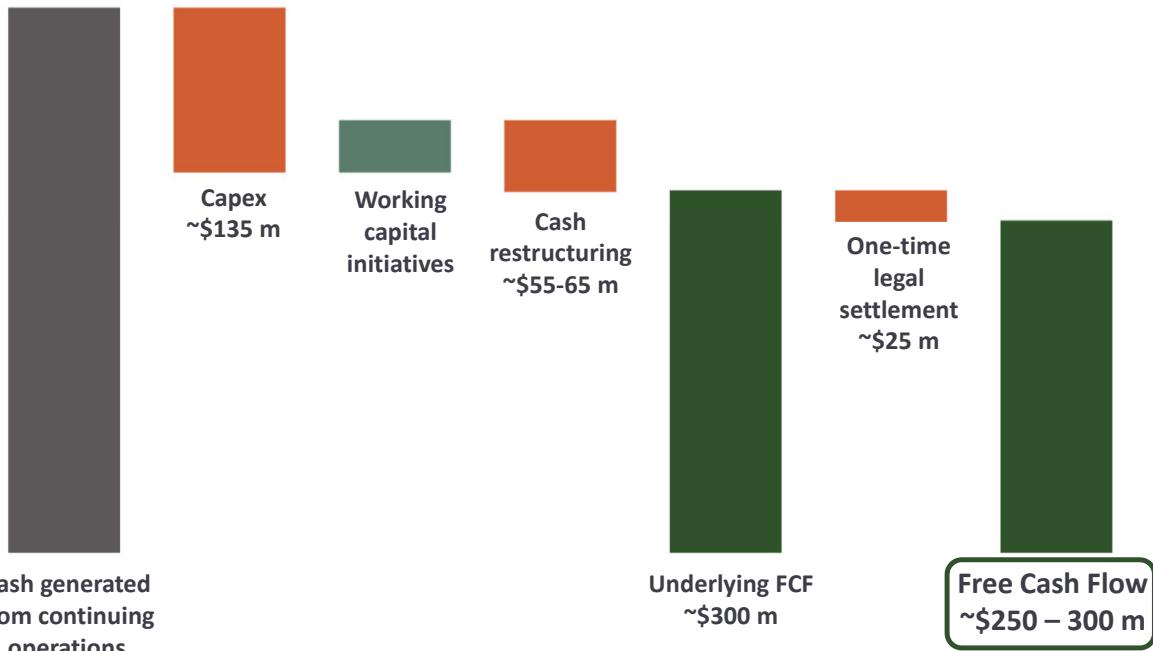
# DRIVING COMMERCIAL PROGRESS EVEN IN A VIRTUAL ENVIRONMENT



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# FY20 FREE CASH FLOW TO BE TOWARD UPPER END OF \$250 – \$300M GUIDANCE

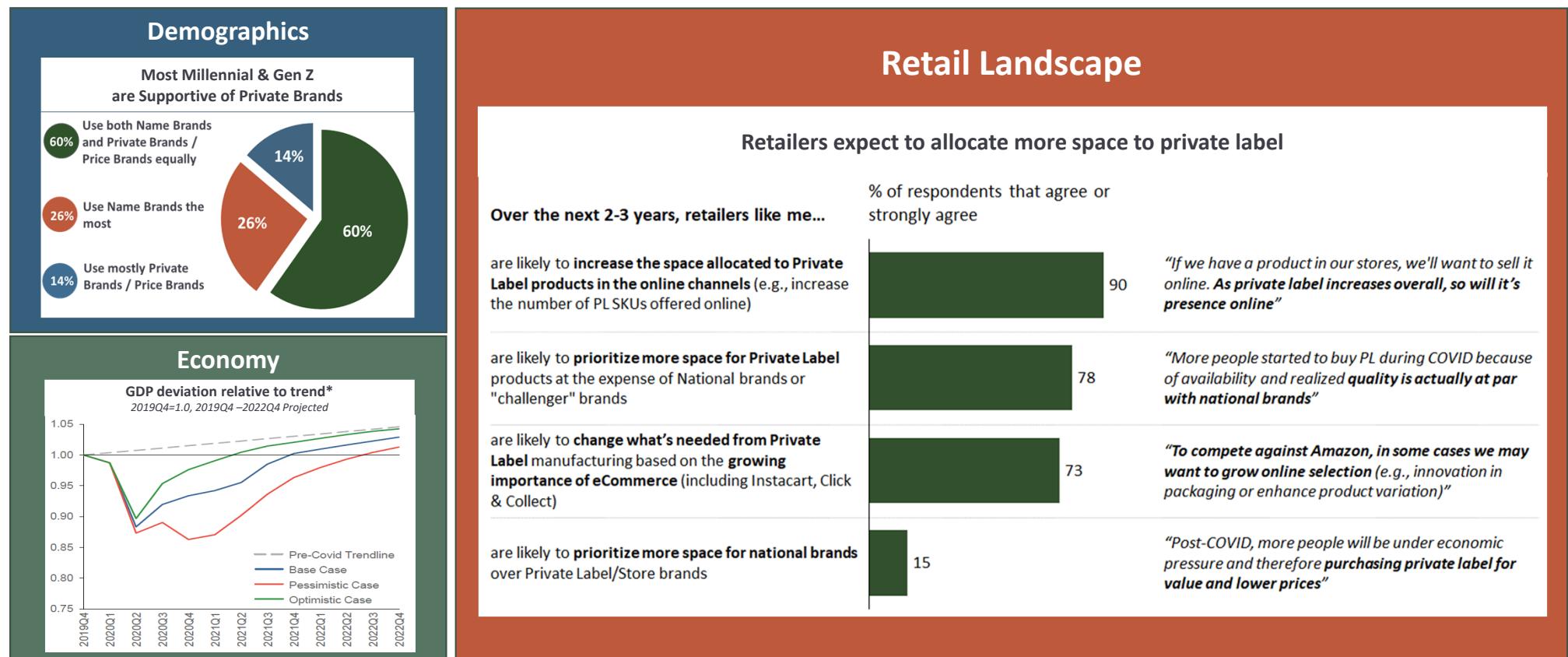
## 2020 Cash Flow Outlook



	2019 Cadence	2020 Cadence
H1	-	+
Q3E	-	-
Q4E	+	+

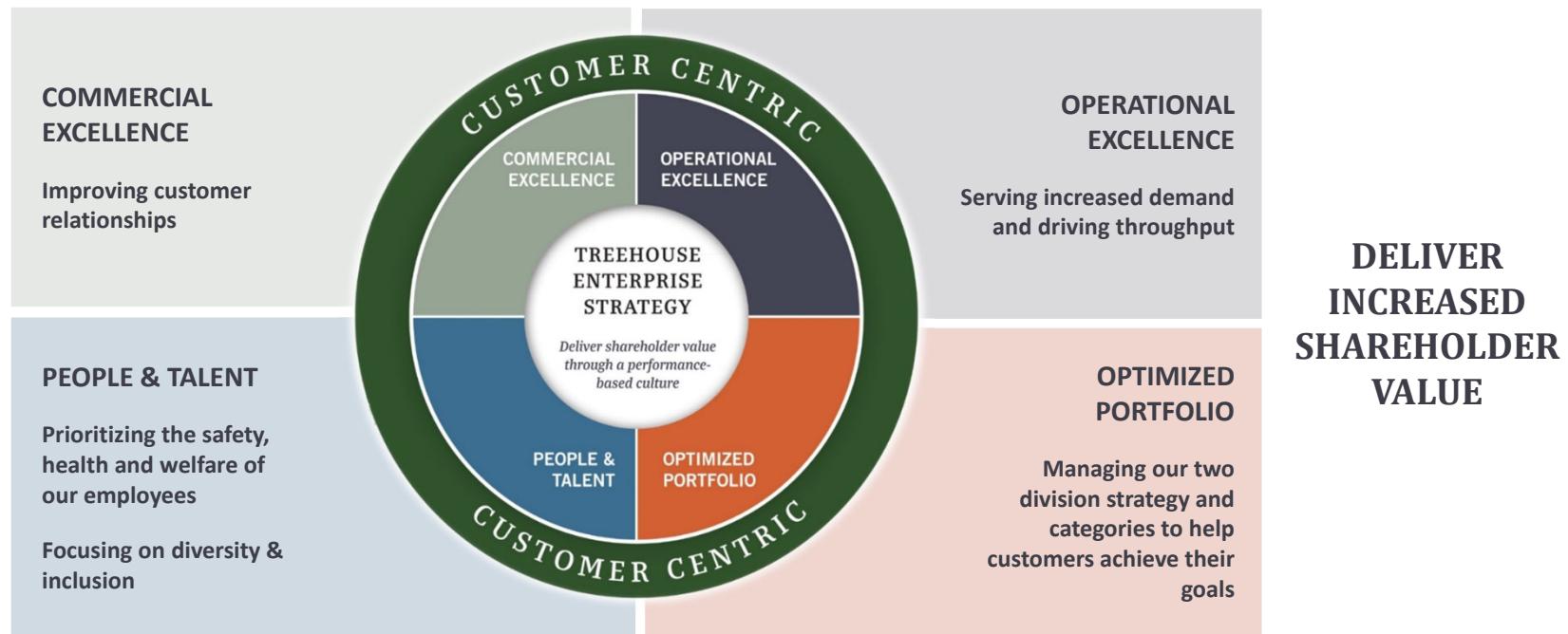
Inventory build to service Q4 peak shipments

# MACRO ENVIRONMENT + COVID-19 IMPACT SUPPORTS NEAR AND LONG TERM PRIVATE LABEL OPPORTUNITY



# A STRONGER, HEALTHIER TREEHOUSE IS EMERGING

**MAKE HIGH  
QUALITY FOOD &  
BEVERAGES  
AFFORDABLE  
FOR ALL**



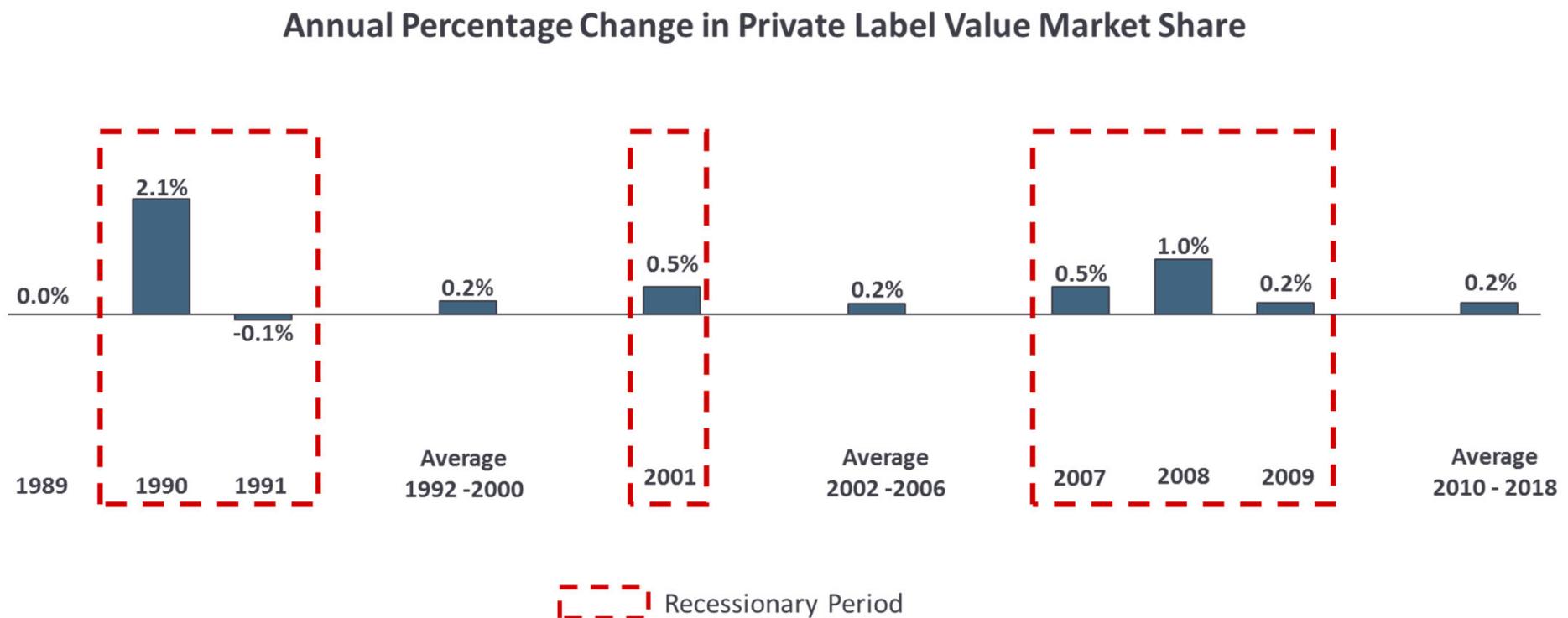
**TreeHouse**





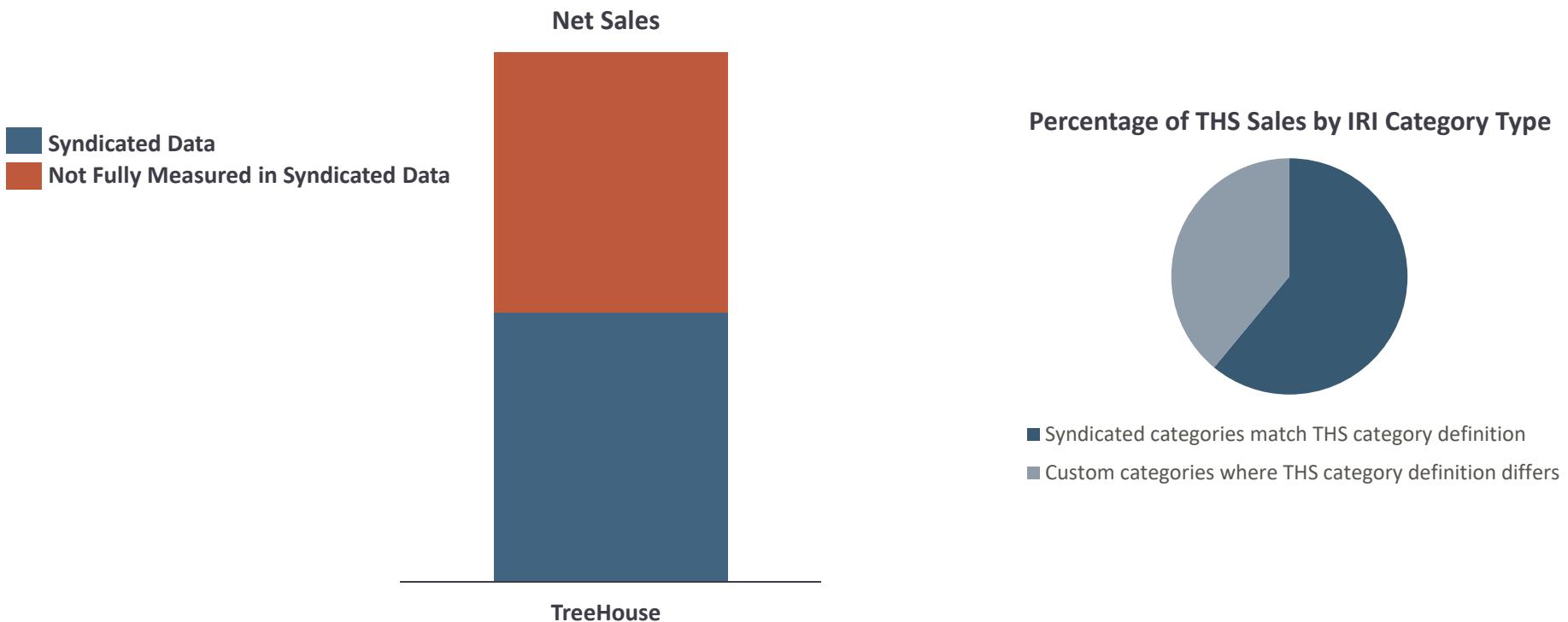
## APPENDIX

# PRIVATE LABEL PERFORMANCE THROUGH HISTORICAL RECESSIONARY PERIODS



Sources: Packaged Facts – The Future of Food Retailing in the U.S., 3<sup>rd</sup> Edition; PLMA 2011-2019 Playbooks, all outlets included (data from Nielsen); management estimates

## SYNDICATED DATA INCLUDES TOTAL PRIVATE LABEL AND PROVIDES LIMITED INSIGHT TO TREEHOUSE PROFITABILITY



IRI Syndicated includes Point of Sale data from the food, drug, mass merchandiser, convenience, dollar, club, and military channels and does not include data from Aldi, Amazon, Costco, HEB, Loblaw, Sysco, select Topco banners, Trader Joe's and other retailers. Excludes the food away from home channel and co-manufacturing. Certain TreeHouse categories defined as custom where applicable. We estimate that approximately 50% of our sales are fully covered by IRI data.

## 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 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, foreign currency, and the net sales associated with the divestiture of the In-Store Bakery facilities, which closed on April 17, 2020, for the three and six months ended June 30, 2020 and 2019. 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, and foreign currency exchange impact on the re-measurement of intercompany notes, restructuring programs, 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 EPS 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 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 expense. 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. A full reconciliation between the relevant GAAP measure of reported net loss from continuing operations for the three and six month periods ended June 30, 2020 and 2019 calculated according to GAAP, adjusted net income from continuing operations, adjusted EBIT from continuing operations, and adjusted EBITDA 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 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. The calculation of Net Debt is presented in the tables below.



**TREEHOUSE FOODS, INC.**  
**ORGANIC NET SALES RECONCILIATION**

	Three Months Ended June 30, 2020		Six Months Ended June 30, 2020	
	Dollars (in millions)	Percent	Dollars (in millions)	Percent
2019 Net sales	\$ 1,025.3		\$ 2,092.1	
Volume/mix excluding SKU rationalization and divestitures	38.7	3.9%	71.0	3.4%
Pricing	(1.7)	(0.2)	(7.2)	(0.3)
Volume/mix related to divestitures	(17.7)	(1.8)	(22.4)	(1.1)
SKU rationalization	—	—	(3.4)	(0.2)
Foreign currency	(2.7)	(0.3)	(3.3)	(0.1)
2020 Net sales	\$ 1,041.9	1.6%	\$ 2,126.8	1.7%
Volume/mix related to divestitures		1.8		1.1
SKU rationalization		—		0.2
Foreign currency		0.3		0.1
Percent change in organic net sales		3.7%		3.1%



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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Diluted loss per share from continuing operations (GAAP)	\$ (0.05)	\$ (0.89)	\$ (0.63)	\$ (1.15)
Mark-to-market adjustments	(0.07)	0.45	1.06	0.73
Restructuring programs & other	0.23	0.59	0.58	1.16
COVID-19	0.25	—	0.16	—
Litigation matters	0.16	0.44	0.16	0.44
Foreign currency (gain) loss on re-measurement of intercompany notes	(0.11)	(0.03)	0.15	(0.05)
Tax indemnification	0.02	0.01	0.03	0.01
Change in regulatory requirements	0.01	—	0.02	—
Multiemployer pension plan withdrawal	—	0.07	—	0.07
Taxes on adjusting items	0.14	(0.24)	(0.58)	(0.47)
Adjusted diluted EPS from continuing operations (Non-GAAP)	\$ 0.58	\$ 0.40	\$ 0.95	\$ 0.74



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**TREEHOUSE FOODS, INC.**  
**RECONCILIATION OF NET LOSS FROM CONTINUING OPERATIONS TO ADJUSTED NET INCOME, ADJUSTED EBIT AND  
ADJUSTED EBITDA FROM CONTINUING OPERATIONS**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020		2020	
	2019		2019	
(unaudited, in millions)				
Net loss from continuing operations (GAAP)	\$ (2.6)	\$ (50.1)	\$ (35.4)	\$ (64.6)
Mark-to-market adjustments	(1)	(4.3)	25.3	59.8
Restructuring programs & other	(2)	13.0	33.7	32.7
COVID-19	(3)	14.4	—	9.3
Litigation matters	(4)	9.0	25.0	9.0
Foreign currency (gain) loss on re-measurement of intercompany notes	(5)	(6.5)	(1.4)	8.4
Tax indemnification	(6)	0.9	0.7	1.7
Change in regulatory requirements	(7)	0.7	—	1.4
Multiemployer pension plan withdrawal	(8)	—	4.1	—
Less: Taxes on adjusting items	8.4	(14.6)	(33.2)	(27.3)
Adjusted net income from continuing operations (Non-GAAP)	33.0	22.7	53.7	41.6
Interest expense	26.2	26.1	51.0	51.2
Interest income	—	(1.7)	(4.0)	(4.3)
Income tax benefit (excluding COVID-19 tax benefit)	18.8	(6.8)	(15.4)	(13.7)
Add: Taxes on adjusting items	(8.4)	14.6	33.2	27.3
Adjusted EBIT from continuing operations (Non-GAAP)	69.6	54.9	118.5	102.1
Depreciation and amortization	(9)	49.6	50.5	99.4
Adjusted EBITDA from continuing operations (Non-GAAP)	\$ 119.2	\$ 105.4	\$ 217.9	\$ 205.4
Adjusted net income margin from continuing operations	3.2%	2.2%	2.5%	2.0%
Adjusted EBIT margin from continuing operations	6.7%	5.4%	5.6%	4.9%
Adjusted EBITDA margin from continuing operations	11.4%	10.3%	10.2%	9.8%



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**TREEHOUSE FOODS, INC.**  
**FOOTNOTES FOR RECONCILIATION OF NET LOSS FROM CONTINUING OPERATIONS TO ADJUSTED NET INCOME,  
ADJUSTED EBIT AND ADJUSTED EBITDA FROM CONTINUING OPERATIONS**

	Location in Condensed Consolidated Statements of Operations	Three Months Ended June 30,		Six Months Ended June 30,	
		2020	2019	2020	2019
		(unaudited, in millions)			
(1)	Mark-to-market adjustments	Other (income) expense, net	\$ (4.3)	\$ 25.3	\$ 59.8
(2)	Restructuring programs & other	Other operating expense, net	11.8	32.6	30.3
		Cost of sales	—	0.2	0.7
		General and administrative	1.2	0.9	1.7
(3)	COVID-19	Cost of sales	17.8	—	18.7
		General and administrative	1.6	—	1.6
		Income tax expense (benefit)	(5.0)	—	(11.0)
(4)	Litigation matters	General and administrative	9.0	25.0	9.0
(5)	Foreign currency (gain) loss on re-measurement of intercompany notes	(Gain) loss on foreign currency exchange	(6.5)	(1.4)	8.4
(6)	Tax indemnification	Other (income) expense, net	0.9	0.7	1.7
(7)	Change in regulatory requirements	Cost of sales	0.4	—	0.3
		Selling and distribution	0.3	—	1.0
		General and administrative	—	—	0.1
(8)	Multiemployer pension plan withdrawal	Cost of sales	—	4.1	—
(9)	Depreciation included as an adjusting item	Cost of sales	—	0.2	—
		General and administrative	—	0.8	—
					1.6



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

	Location in Condensed Consolidated Statements of Operations	Three Months Ended June 30,		Six Months Ended June 30,	
		2020	2019	2020	2019
		(unaudited, in millions)			
Restructuring programs & other	Other operating expense, net	\$ 11.8	\$ 32.6	\$ 30.3	\$ 60.8
	Cost of sales	—	0.2	0.7	3.2
	General and administrative	1.2	0.9	1.7	1.8
COVID-19	Cost of sales	17.8	—	18.7	—
	General and administrative	1.6	—	1.6	—
Litigation matters	General and administrative	9.0	25.0	9.0	25.0
Change in regulatory requirements	Cost of sales	0.4	—	0.3	—
	Selling and distribution	0.3	—	1.0	—
	General and administrative	—	—	0.1	—
Multiemployer pension plan withdrawal	Cost of sales	—	4.1	—	4.1
<b>Total</b>		<b>\$ 42.1</b>	<b>\$ 62.8</b>	<b>\$ 63.4</b>	<b>\$ 94.9</b>



**TreeHouse**

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
	(unaudited, in millions)		(unaudited, in millions)	
<b>Net sales to external customers:</b>				
Meal Preparation	\$ 667.7	\$ 657.5	\$ 1,341.3	\$ 1,328.2
Snacking & Beverages	374.2	367.8	785.5	763.9
Total	\$ 1,041.9	\$ 1,025.3	\$ 2,126.8	\$ 2,092.1
<b>Direct operating income:</b>				
Meal Preparation	\$ 102.3	\$ 90.3	\$ 188.6	\$ 181.1
Snacking & Beverages	52.5	46.0	100.6	92.9
Total	154.8	136.3	289.2	274.0
<b>Unallocated expenses:</b>				
Unallocated selling, general, and administrative expenses	(82.5)	(89.8)	(153.9)	(156.4)
Unallocated cost of sales	(17.7)	(3.2)	(14.5)	(10.6)
Unallocated corporate expense and other	(29.3)	(51.2)	(65.3)	(99.4)
Total	(129.5)	(144.2)	(233.7)	(266.4)
Operating income (loss)	\$ 25.3	\$ (7.9)	\$ 55.5	\$ 7.6



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**NET DEBT RECONCILIATION**

Condensed Consolidated Balance Sheet	June 30, 2020	March 31, 2016
	(unaudited, in millions)	
Current portion of long-term debt	\$ 15.4	\$ 41.6
Long-term debt	2,086.6	2,942.3
Add back deferred financing costs	13.6	38.4
(Less) Cash and cash equivalents	(293.9)	(61.1)
<b>Net debt</b>	<b>\$ 1,821.7</b>	<b>\$ 2,961.2</b>



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