



# Q4 2020 RESULTS AND OUTLOOK

**Steve Oakland, CEO & President**

**Bill Kelley, EVP & CFO**

FEBRUARY 11, 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 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; 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, 2019, and from time to time in our filings with the Securities and Exchange Commission.

THANK YOU TO  
OUR FRONTLINE  
EMPLOYEES



# KEY TAKEAWAYS

**Delivered on our Commitments and Executed our Strategy**

**Drove Top-line Growth in Q4 and FY 2020**

**Generated Strong Cash Flow, Reduced Leverage  
and Invested in Our Business**

**Riviana Acquisition On Track to Deliver Meaningful Value**

**Drive Growth Through Disciplined Investment and  
Balanced Capital Allocation Approach**

# ACHIEVED \$400M RUN-RATE COST SAVINGS, OFFSETTING INFLATION AND VOL / MIX HEADWINDS, DRIVING SIGNIFICANT VALUE



**RATIONALIZED SKUS  
AND DIVESTED  
BUSINESSES**



**OPTIMIZED SUPPLY  
CHAIN AND PLANT  
NETWORK**



**INCREASED  
AGILITY IN  
DELIVERY**



**BUILT  
CONTINUOUS  
IMPROVEMENT  
CULTURE**



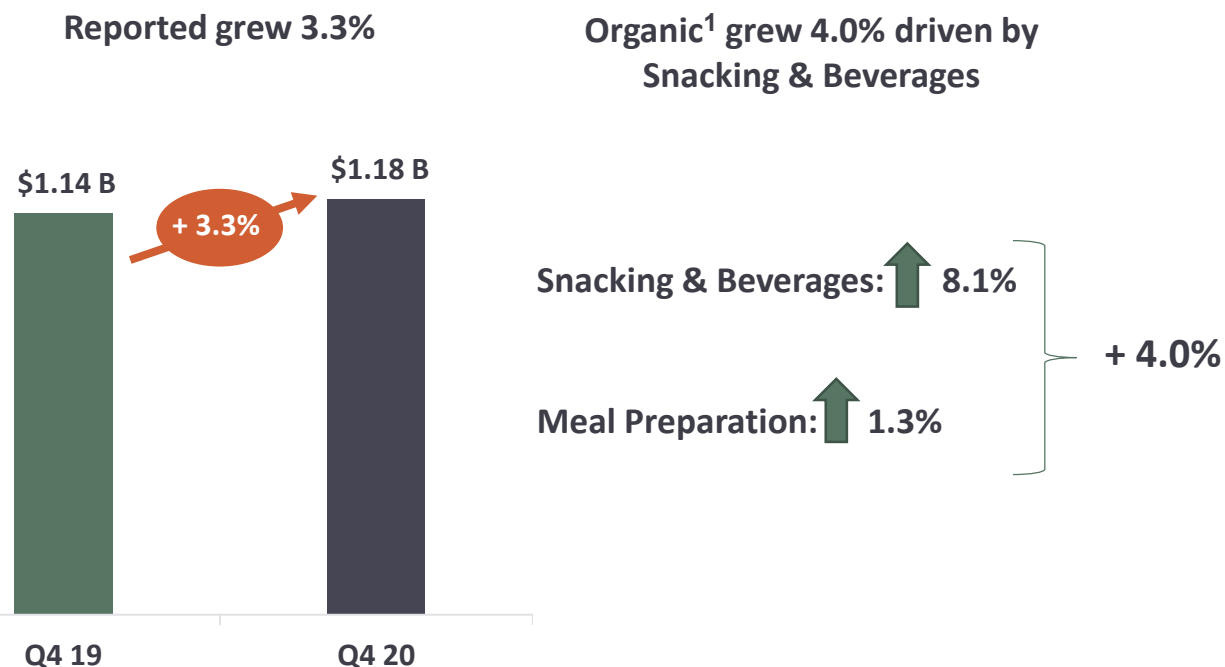
**CONSOLIDATED  
INFORMATION  
TECHNOLOGY  
SYSTEMS**



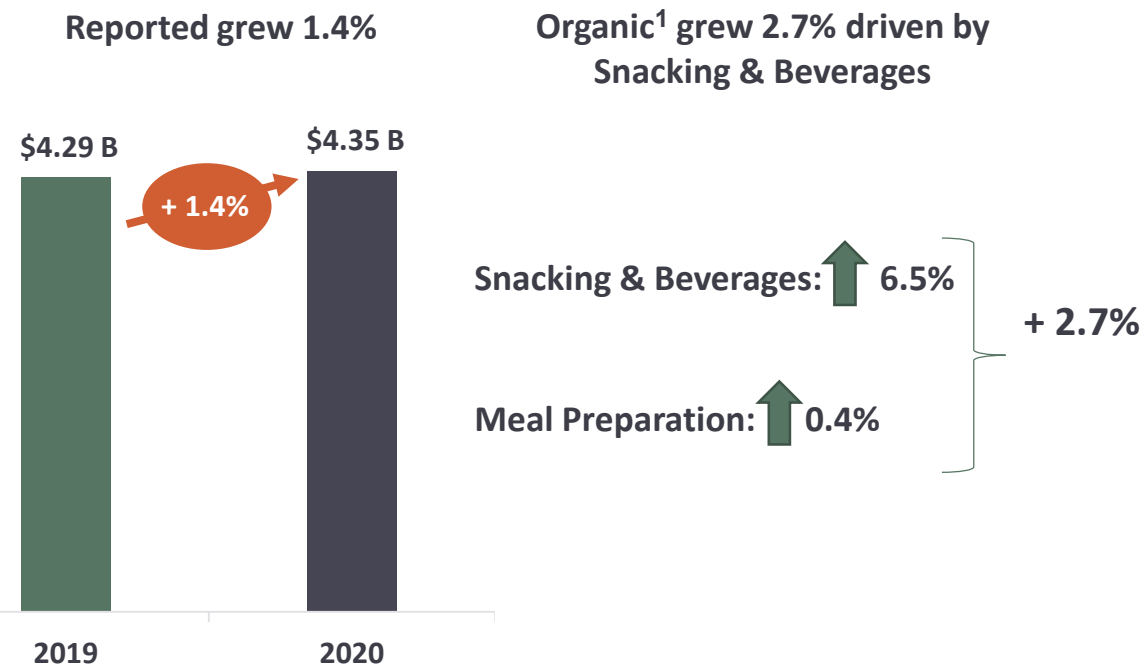
**TRANSFORMED  
FINANCE FUNCTION  
AND SG&A  
STRUCTURE**

# DELIVERED TOP-LINE GROWTH

## Fourth Quarter Net Sales



## Fiscal Year 2020 Net Sales

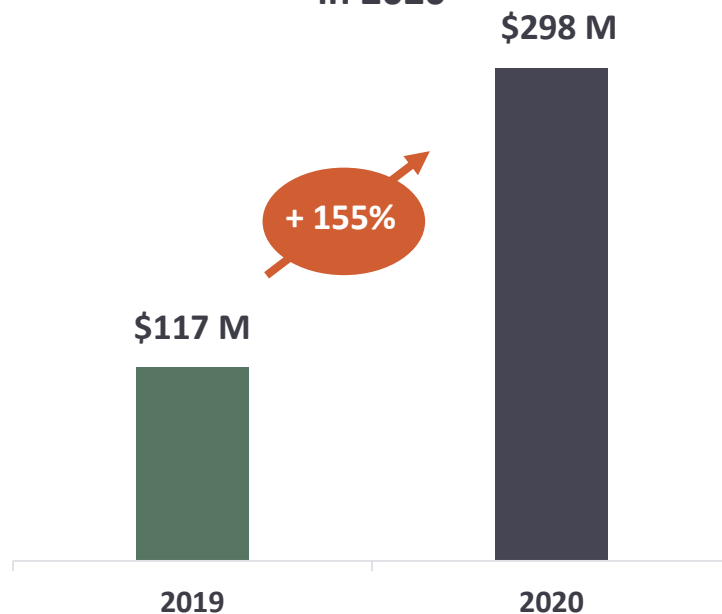


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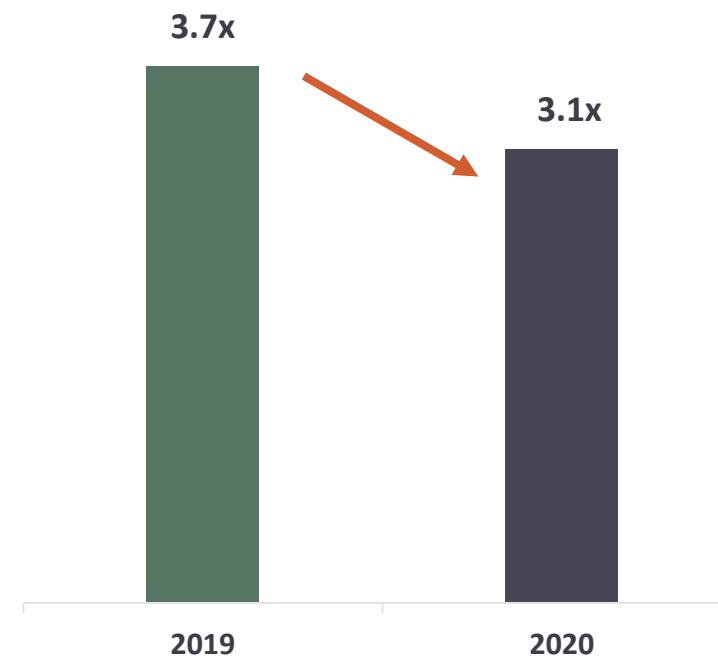
<sup>1</sup> Organic net sales is a non-GAAP financial measure. See “Comparison of Adjusted Information to GAAP Information” for the definition of the non-GAAP measure, information concerning certain items affecting comparability, and reconciliation of the non-GAAP measure to the most directly comparable GAAP measure.

# STRENGTHENED CASH FLOW AND BALANCE SHEET

Generated \$298 M Free Cash Flow  
from continuing operations<sup>1</sup>  
in 2020



Leverage<sup>2</sup> improved to 3.1x

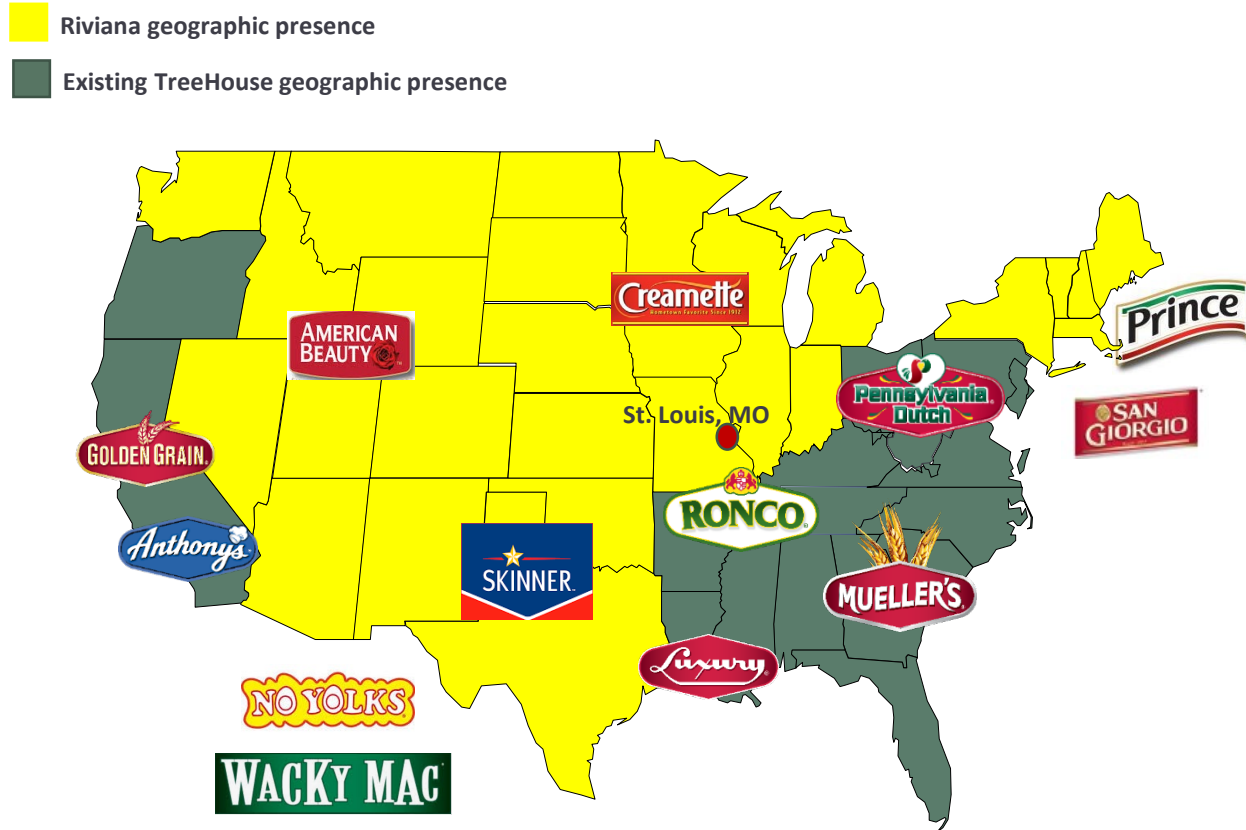


Charts not drawn to scale.

<sup>1</sup> Free cash flow from continuing operations is a non-GAAP financial measure. See “Comparison of Adjusted Information to GAAP Information” 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.

<sup>2</sup> Leverage, defined as Net Debt / EBITDA per bank covenants, includes the pro forma impact of the Riviana acquisition in 2020. Net debt and EBITDA as defined by our bank covenants are Non-GAAP financial measures. Reconciliation to the equivalent GAAP financial measures are not meaningful or available without unreasonable effort.

# SUBSTANTIAL PROGRESS INTEGRATING RIVIANA ACQUISITION



- Completed acquisition in December – integration remains on track
- Increased depth in Pasta category driving improved operating efficiency and enhancing ability to serve customers with private label and branded products
- Expected to generate \$25 to \$30 million in EBITDA and accretion of \$0.20 to \$0.30 per share in 2021



# PRIVATE LABEL OPPORTUNITY REMAINS STRONG



*"Our Own Brands penetration exceeded 25% in the last 4-week period of the third quarter. And we remain on track to reach 30% penetration in the next few years" – Vivek Sankaran, CEO, Q3 Earnings Call January 2021*



*"Our Brand grew at 8.6% in the third quarter, and we grew market share. Private Selection grew over 17% and Simple Truth grew nearly 15%" – Rodney McMullen, CEO, Q3 Earnings Call December 2020*



*"I think private brand continues to be really important. We want to sell brands because we want people to compare prices and that's easier with brands, but we want private brands that are really special and cause you to just want to come to us" – Doug McMillon, CEO, Morgan Stanley Virtual Global Consumer & Retail Conference December 2020*



*"Private brands remain a priority as we look to drive overall category awareness and even greater customer adoption" – Jeffery Owen, COO, Q3 Earnings Calls December 2020*

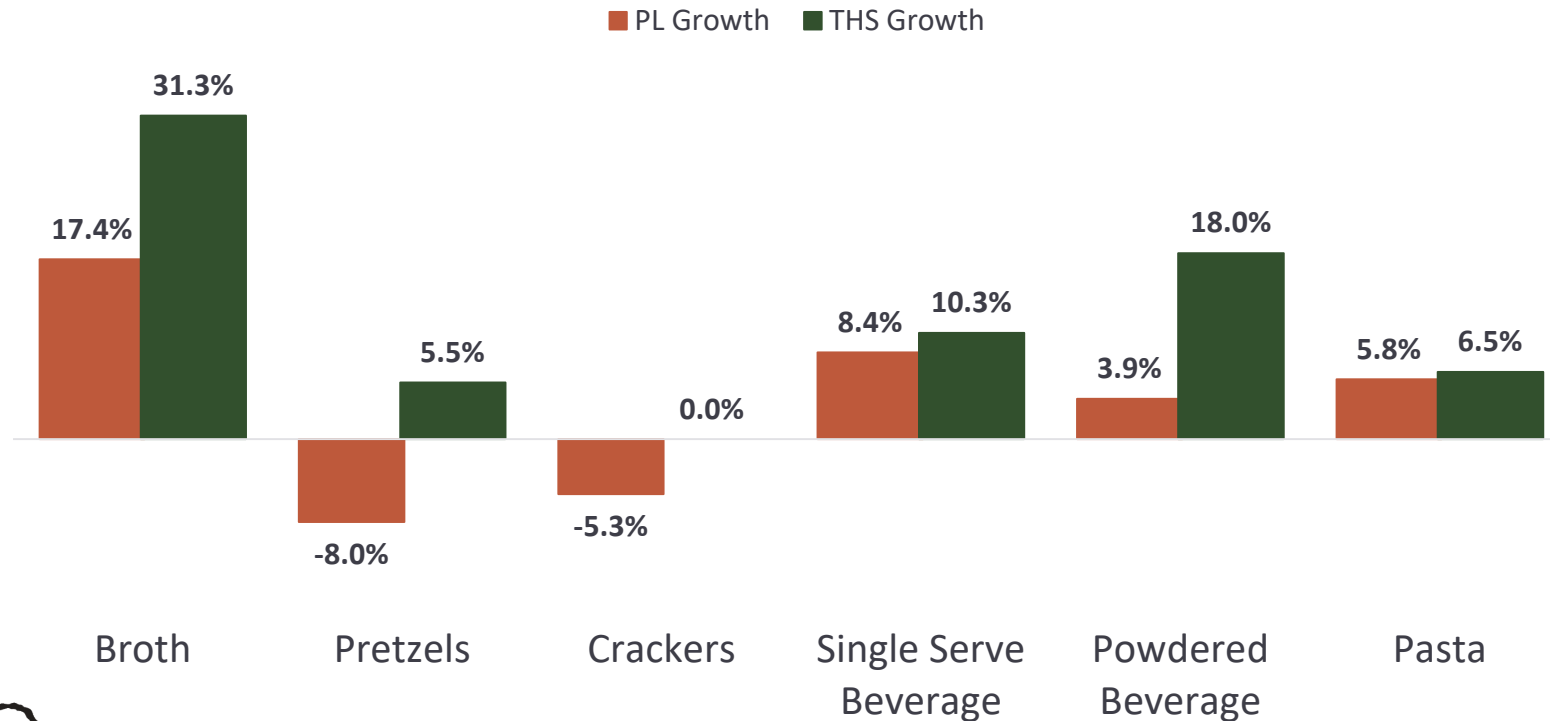


*"Our U.S. brands will launch 1,500 to 2,000 more own-brand items in 2021, growing the existing base" – Frans Muller, CEO, Q3 Earnings Call November 2020*



# DRIVING GROWTH IN CATEGORIES WHERE WE ARE DEEPEST AND MOST CAPABLE

Q4 2020 Retail Channel Sales Growth  
Private Label Measured Channels vs.  
TreeHouse Net Sales



- Generate approximately 35% of annual revenue from these categories where we are outperforming the market
- Our formula for winning:
  - Depth in the categories where we have the foundation to win
  - Efficient supply chain
  - Deep customer relationships

# Q4 2020 RESULTS SCORECARD

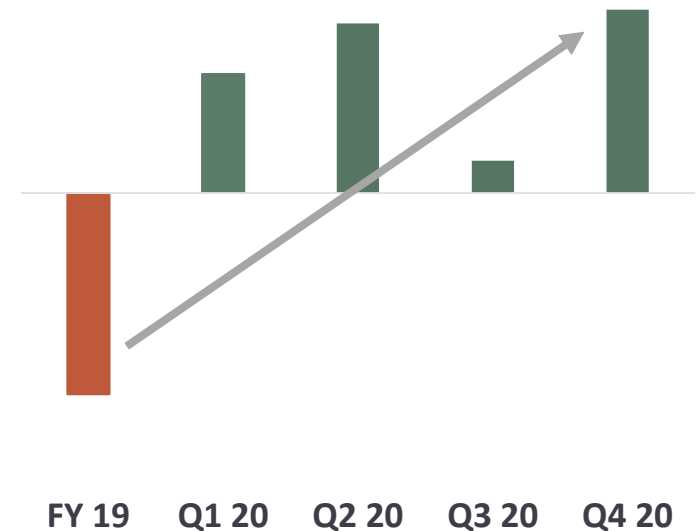
	Q4 2020 Guidance	Results	Outcome
Reported Net Sales	\$ 1.11 - \$ 1.17 b	\$ 1.18 b	✓
Adjusted EBITDA	\$ 140 - \$ 160 m	\$ 154.2 m	✓
Interest Expense	\$ 26 - \$ 28 m	\$ 26.9 m	✓
Adjusted Effective Tax Rate	19 % - 20 %	19.2 %	✓
Adjusted Diluted EPS	\$ 1.00 - \$ 1.10	\$ 1.07	✓

# STRONG GROWTH IN SNACKING & BEVERAGES

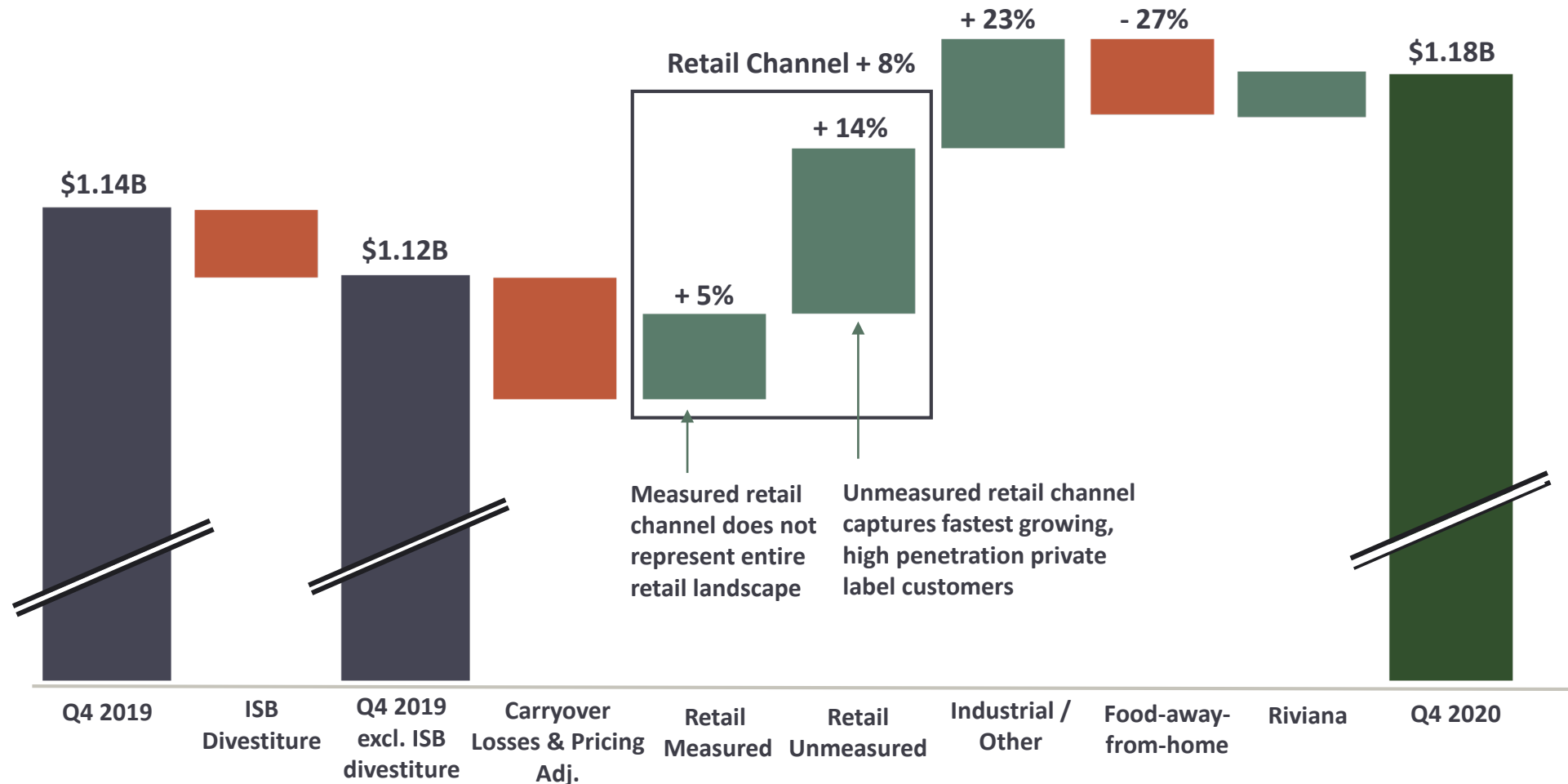
## Net Sales by Division

	Change in Q4 Net Sales vs Prior Year		
	Meal Preparation	Snacking & Beverages	THS
Volume / Mix <sup>1</sup>	0.8 %	7.9 %	3.6 %
Pricing	0.5	0.2	0.4
<b>Organic Net Sales Growth</b>	<b>1.3 %</b>	<b>8.1 %</b>	<b>4.0 %</b>
Volume / Mix (Divestitures)	-	(4.3)	(1.8)
Volume / Mix (Acquisition)	1.7	-	1.0
Foreign Currency	0.1	0.1	0.1
<b>Net Sales Growth</b>	<b>3.1 %</b>	<b>3.9 %</b>	<b>3.3 %</b>

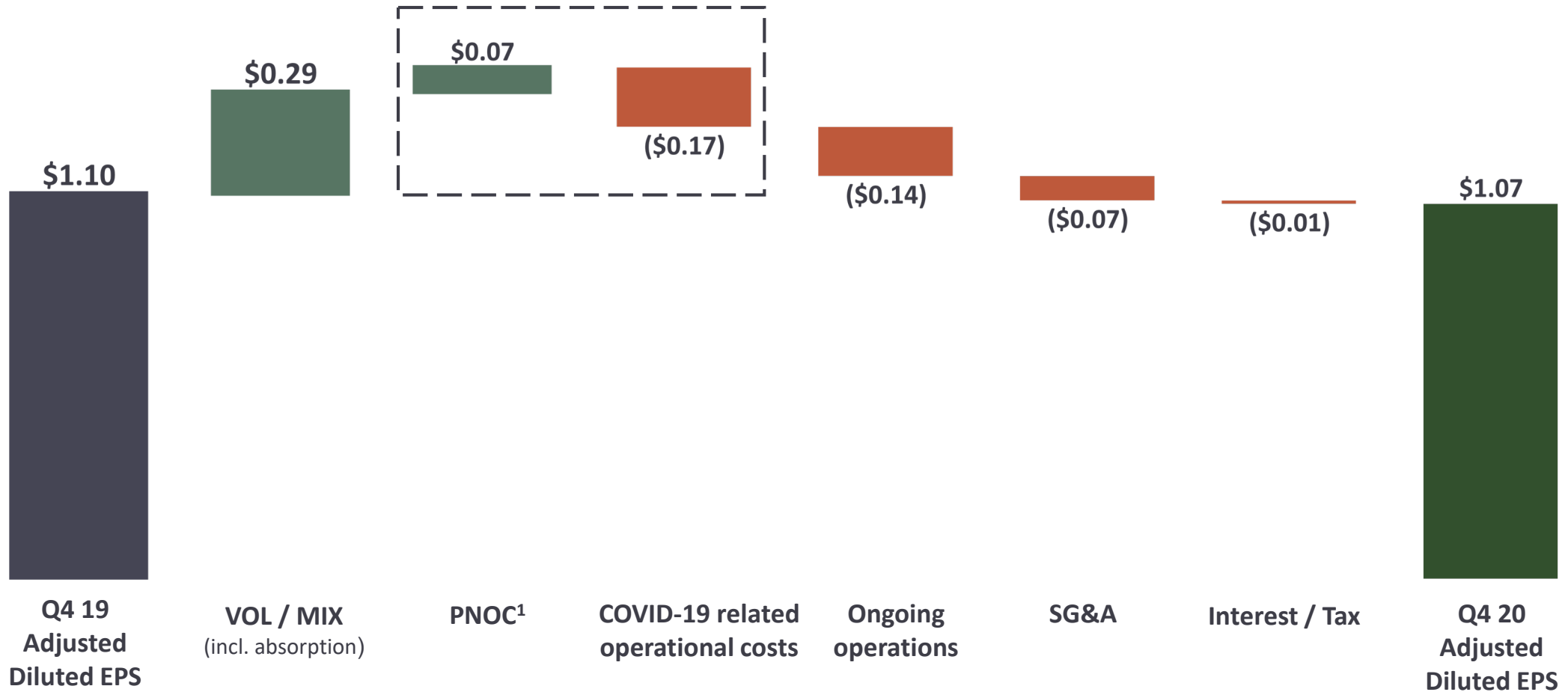
## Organic Net Sales Percent Change by Quarter



# REVENUE GROWTH SUPPORTED BY STRONG RETAIL CHANNEL PERFORMANCE, ESPECIALLY IN UNMEASURED OUTLETS

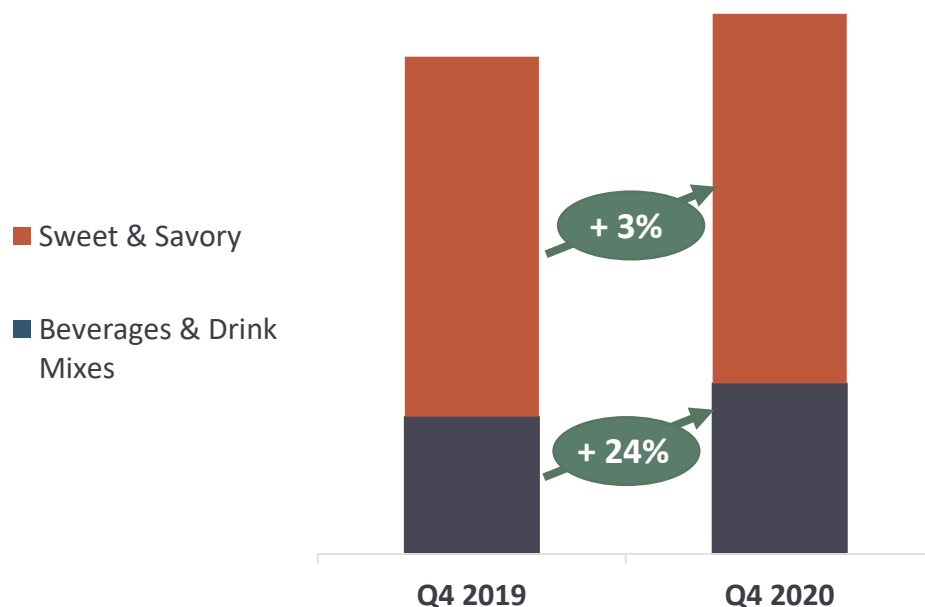


# Q4 ADJUSTED EPS DECLINED (3%) TO \$1.07 DRIVEN BY COVID-19 RELATED COSTS, OPERATIONS AND INCREASED SG&A



# SNACKING & BEVERAGES ORGANIC GROWTH DRIVEN BY INNOVATION AND DISTRIBUTION GAINS

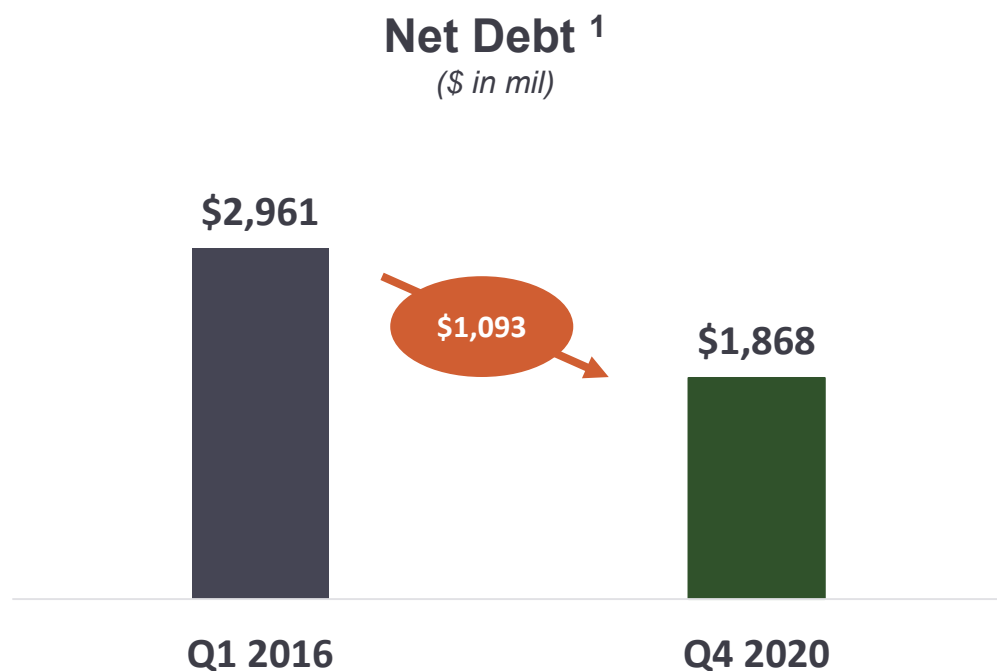
Organic Net Sales<sup>1</sup> grew 8.1%



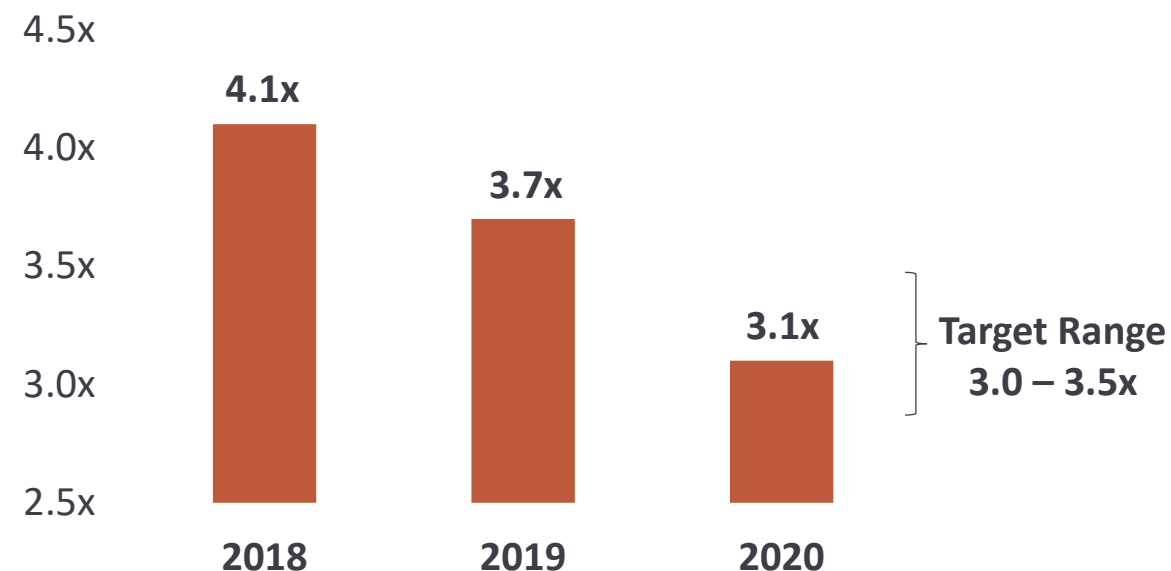
**Strong Snacking & Beverages top line growth in line with strategic objectives**

- **Beverages & Drink Mixes growth was led by innovation and distribution gains, particularly in Broth**
- **Sweet & Savory growth driven by Candy and Cookies**

# STRONG BALANCE SHEET PERFORMANCE AND ACHIEVEMENT OF TARGET LEVERAGE GOAL



## Leverage<sup>2</sup> continues to improve versus prior years



<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> Leverage, defined as Net Debt / EBITDA per bank covenants, includes the pro forma impact of the Riviana acquisition in 2020. Net debt and EBITDA as defined by our bank covenants are Non-GAAP financial measures. Reconciliation to the equivalent GAAP financial measures are not meaningful or available without unreasonable effort.



# ACTION PLAN TO ADDRESS MACROECONOMIC HEADWINDS

## HEADWINDS

- \$100 - \$110 million from rising ingredient and commodity costs (particularly related to oils, wheat, and oats) expected to build throughout the year
- Tight labor markets driving wage increases
- Supply / demand imbalance driving freight costs to highest levels in recent history

## ACTION PLAN

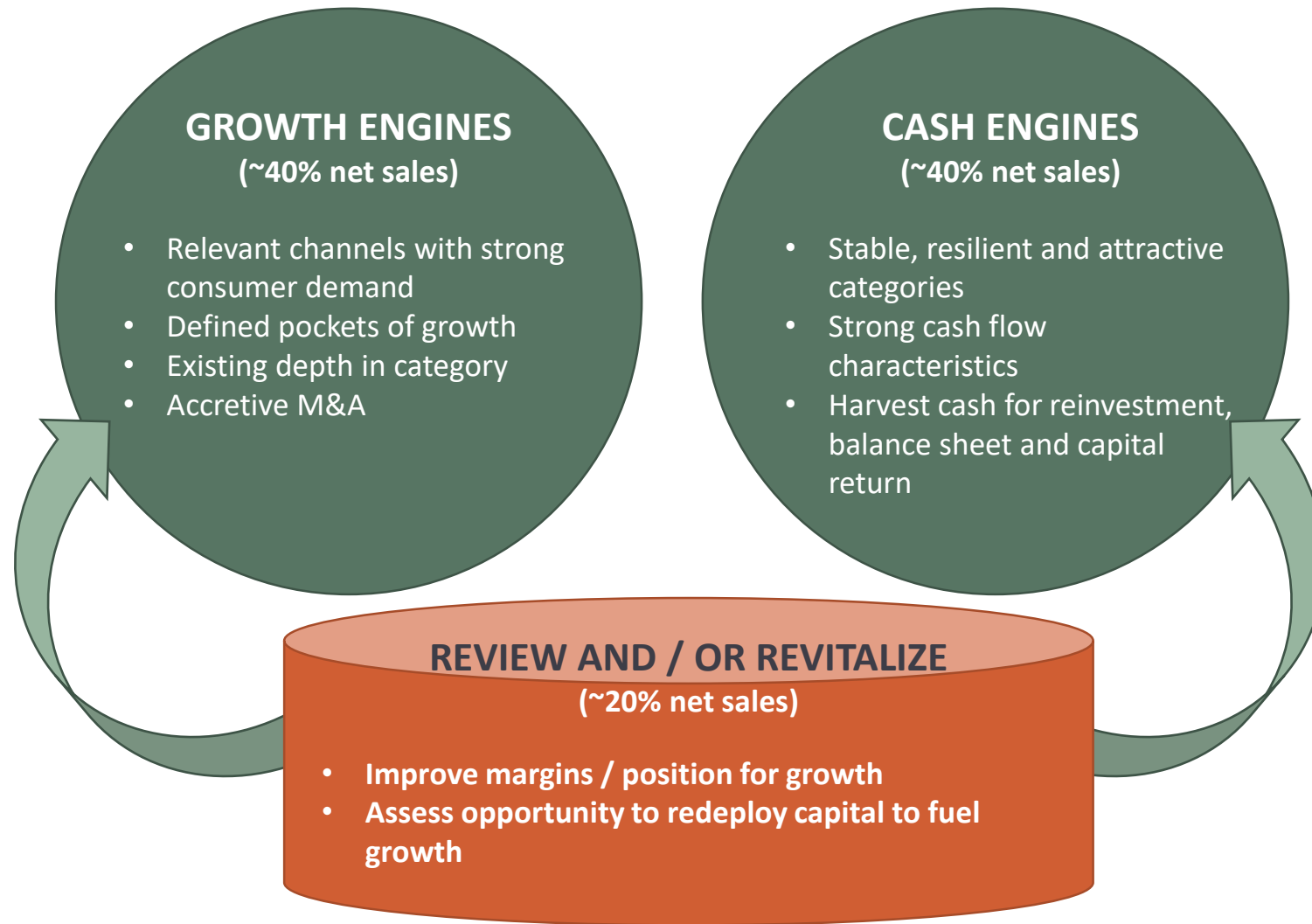
- Pricing actions in order to offset input cost inflation
- Pricing impact expected to be realized in H2
- Ongoing lean manufacturing expected to offset labor inflation
- Increased utilization efficiencies enabled by Riviana acquisition

# 2021 GUIDANCE

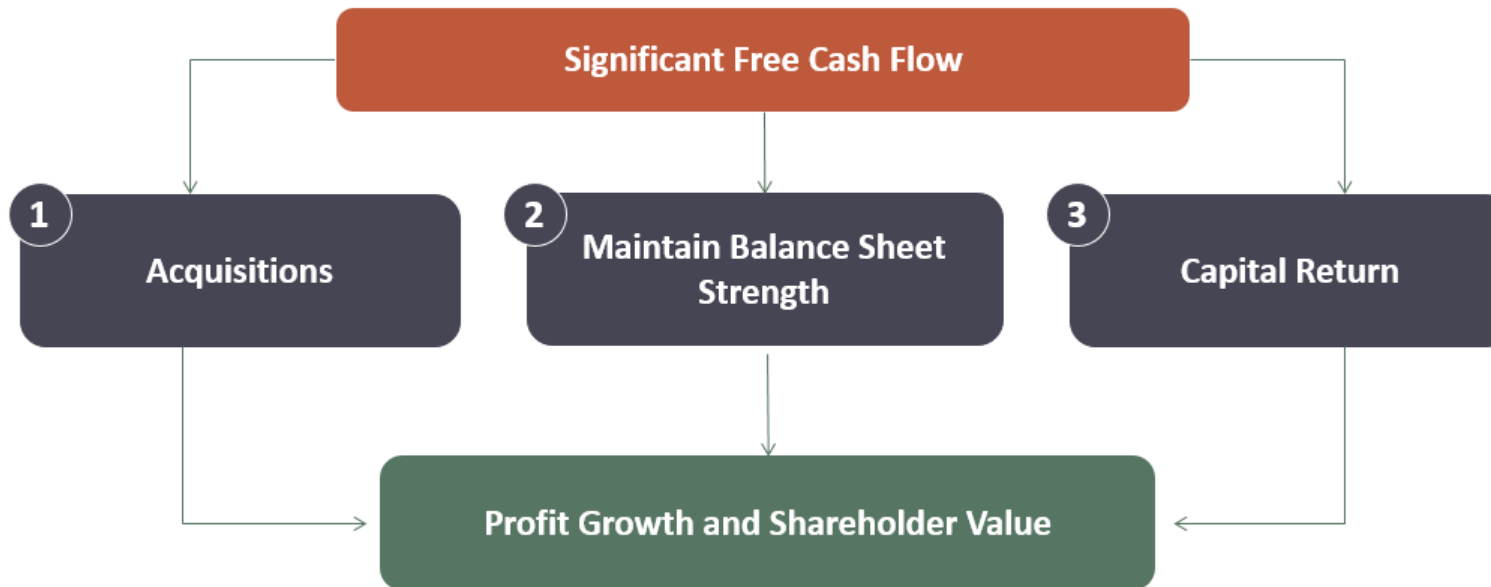
	FY 2021 Guidance
<b>Reported Net Sales</b>	<b>\$ 4.40 - \$ 4.60 b</b>
<b>Adjusted EBIT</b>	<b>\$ 290 - \$ 320 m</b>
<b>Adjusted EBITDA<sup>1</sup></b>	<b>\$ 525 - \$ 570 m</b>
<b>Interest Expense</b>	<b>\$ 84 - \$ 90 m</b>
<b>Adjusted Effective Tax Rate</b>	<b>24 % - 25 %</b>
<b>Adjusted Diluted EPS</b>	<b>\$ 2.80 - \$ 3.20</b>
<b>Capital Expenditures</b>	<b>~ \$140 m</b>
<b>Free Cash Flow</b>	<b>~\$300 m</b>



# CONTINUE TO EVALUATE PORTFOLIO TO FOCUS ON GROWTH



# STRONG CASH FLOW HAS ENABLED EFFICIENT CAPITAL ALLOCATION



- 3.0 – 3.5x target leverage
- Annual free cash flow of ~\$300 million<sup>1</sup>
- Free cash flow (after capex) expected to be deployed:
  - Accretive acquisitions
  - Maintain balance sheet strength
  - Capital return / share repurchases

# ENHANCING OUR STRATEGIC GROWTH ALGORITHM

STRATEGIC OBJECTIVES		COMMENTARY
Organic Revenue Growth	1-2%	Acquisitions will enable us to accelerate and achieve additional growth in focus categories
Free Cash Flow	~\$300M	Combination of operating leverage, operational / opex improvements from ongoing initiatives and synergies from acquisitions
Adj. Diluted EPS	≥10% growth	Driven by acquisition growth model and enhanced by productivity initiatives, acquisition synergies and share repurchases



# APPENDIX

# Q4 2020 FINANCIAL PERFORMANCE

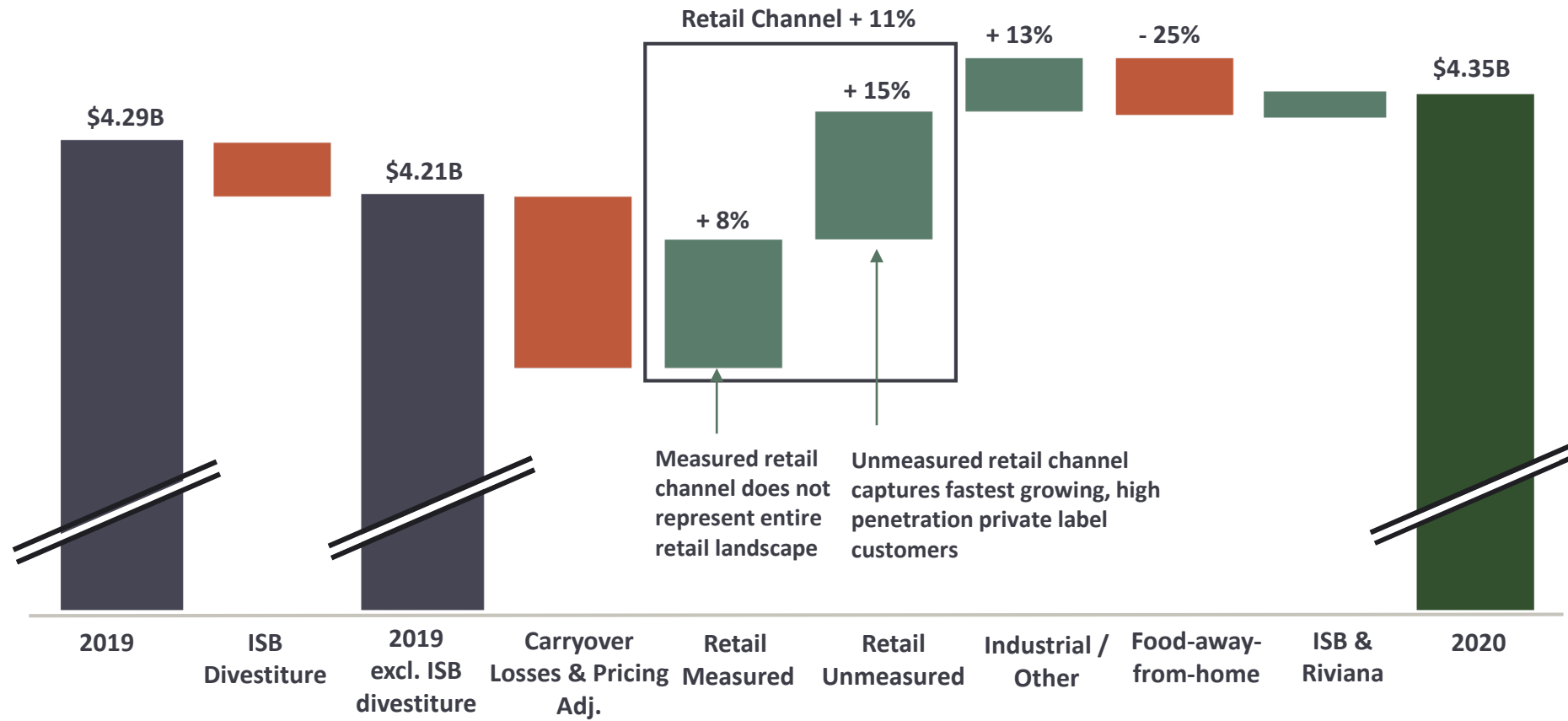
## FROM CONTINUING OPERATIONS

(\$ in millions)

	Q4 2020	Q4 2019	Change B/ (W)	
			\$	%
Net Sales	\$ 1,177.2	\$ 1,139.5	\$ 37.7	3.3 %
Division Direct Operating Income (DOI)	170.2	166.4	3.8	2.3 %
Division DOI Margin	14.5 %	14.6 %	NA	(0.1) pts
Items Affecting Comparability <sup>1</sup>	(45.4)	(69.3)	23.9	34.5 %
Corporate Unallocated	(71.0)	(65.2)	(5.8)	(8.9) %
Total Corporate Unallocated Expense	(116.4)	(134.5)	18.1	13.5 %
Interest Expense	26.9	23.9	(3.0)	(12.6) %
Net Income (Loss) from Continuing Operations	\$ 73.2	\$ 15.3	\$ 57.9	378.4 %
Adjusted EBITDA from Continuing Operations <sup>1</sup>	154.2	156.5	(2.3)	(1.5) %
Adjusted EBITDA Margin from Continuing Operations	13.1 %	13.7 %	NA	(0.6) pts
GAAP Diluted EPS from Continuing Operations	\$ 1.29	\$ 0.27	\$ 1.02	377.8 %
Adjusted Diluted EPS from Continuing Operations <sup>1</sup>	\$ 1.07	\$ 1.10	\$ (0.03)	(2.7) %

<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.

# FY20 REVENUE GROWTH SUPPORTED BY STRONG RETAIL CHANNEL PERFORMANCE, PARTICULARLY IN UNMEASURED OUTLETS, PARTLY OFFSET BY ONGOING WEAKNESS IN FAFH





## 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 Consolidated Balance Sheets, Consolidated Statements of Operations, Consolidated Statements of Comprehensive Income (Loss), and the 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 SKU rationalization, net sales associated with the pasta acquisition of 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 earnings (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, 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 earnings (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 income (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 income (loss) from continuing operations for the three and twelve month periods ended December 31, 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*

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.



## TREEHOUSE FOODS, INC. ORGANIC NET SALES RECONCILIATION

	Three Months Ended December 31, 2020		Twelve Months Ended December 31, 2020	
	Dollars	Percent	Dollars	Percent
	(In millions)		(In millions)	
2019 Net sales	\$ 1,139.5		\$ 4,288.9	
Volume/mix excluding SKU rationalization, divestitures, and acquisitions	40.3	3.6 %	115.5	2.7 %
Pricing	3.7	0.4	(0.8)	—
Volume/mix related to divestitures	(19.1)	(1.8)	(59.4)	(1.4)
Acquisition	11.6	1.0	11.6	0.3
SKU rationalization	—	—	(3.4)	(0.1)
Foreign currency	1.2	0.1	(2.7)	(0.1)
2020 Net sales	\$ 1,177.2	3.3 %	\$ 4,349.7	1.4 %
Volume/mix related to divestitures		1.8		1.4
Acquisition		(1.0)		(0.3)
SKU rationalization		—		0.1
Foreign currency		(0.1)		0.1
Percent change in organic net sales		4.0 %		2.7 %

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
	(unaudited)		(unaudited)	
Diluted earnings (loss) per share from continuing operations (GAAP)	\$ 1.29	\$ 0.27	\$ 0.87	\$ (1.96)
Restructuring programs & other	0.38	0.27	1.28	1.88
Mark-to-market adjustments	(0.37)	(0.12)	0.53	0.83
COVID-19	0.19	—	0.41	—
Acquisition, integration, divestiture, and related costs	0.15	0.01	0.18	0.01
Litigation matter	—	—	0.16	0.44
Tax indemnification	—	—	0.09	0.02
Debt amendment and repurchase activity	—	—	0.02	—
Change in regulatory requirements	(0.01)	0.16	0.02	0.26
Executive management transition	—	0.05	0.01	0.05
Impairment	—	0.72	—	2.28
Multiemployer pension plan withdrawal	—	0.01	—	0.08
Foreign currency gain on re-measurement of intercompany notes	(0.10)	(0.04)	(0.01)	(0.09)
Taxes on adjusting items	(0.46)	(0.23)	(0.83)	(1.42)
Dilutive impact of shares	—	—	—	0.01
Adjusted diluted EPS from continuing operations (Non-GAAP)	\$ 1.07	\$ 1.10	\$ 2.73	\$ 2.39

# TREEHOUSE FOODS, INC.

## RECONCILIATION OF NET INCOME (LOSS) FROM CONTINUING OPERATIONS TO ADJUSTED NET INCOME, ADJUSTED EBIT AND ADJUSTED EBITDA FROM CONTINUING OPERATIONS

		Three Months Ended December 31,		Twelve Months Ended December 31,	
		2020	2019	2020	2019
		(unaudited, in millions)			
Net income (loss) from continuing operations (GAAP)		\$ 73.2	\$ 15.3	\$ 49.2	\$ (110.3)
Restructuring programs & other	(1)	21.3	15.5	72.8	105.7
Mark-to-market adjustments	(2)	(20.7)	(6.6)	29.9	47.0
COVID-19	(3)	10.5	—	23.2	—
Acquisition, integration, divestiture, and related costs	(4)	8.5	0.4	10.4	0.6
Litigation matter	(5)	—	—	9.0	25.0
Tax indemnification	(6)	(0.1)	(0.2)	5.1	1.6
Debt amendment and repurchase activity	(7)	—	—	1.2	—
Change in regulatory requirements	(8)	(0.4)	9.2	1.0	14.7
Executive management transition	(9)	—	2.9	0.3	2.9
Impairment	(10)	—	41.1	—	129.1
Multiemployer pension plan withdrawal	(11)	—	0.2	—	4.3
Foreign currency gain on re-measurement of intercompany notes	(12)	(5.7)	(2.4)	(0.4)	(5.0)
Less: Taxes on adjusting items		(26.2)	(12.9)	(47.1)	(80.5)
Adjusted net income from continuing operations (Non-GAAP)		60.4	62.5	154.6	135.1
Interest expense		26.9	23.9	104.8	102.4
Interest income (excluding COVID-19 interest income)		(0.1)	(0.2)	(4.1)	(4.8)
Income taxes (excluding COVID-19 tax benefit)		(11.9)	4.6	(2.3)	(45.5)
Add: Taxes on adjusting items		26.2	12.9	47.1	80.5
Adjusted EBIT from continuing operations (Non-GAAP)		101.5	103.7	300.1	267.7
Depreciation and amortization	(13)	52.7	52.8	203.0	206.8
Adjusted EBITDA from continuing operations (Non-GAAP)		\$ 154.2	\$ 156.5	\$ 503.1	\$ 474.5
Adjusted net income margin from continuing operations		5.1 %	5.5 %	3.6 %	3.1 %
Adjusted EBIT margin from continuing operations		8.6 %	9.1 %	6.9 %	6.2 %
Adjusted EBITDA margin from continuing operations		13.1 %	13.7 %	11.6 %	11.1 %

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

		Location in Consolidated Statements of Operations	Three Months Ended December 31,		Twelve Months Ended December 31,	
			2020	2019	2020	2019
(unaudited, in millions)						
(1)	Restructuring programs & other	Other operating expense, net	\$ 21.2	\$ 14.9	\$ 71.1	\$ 99.3
		Cost of sales	0.1	0.6	0.9	4.4
		General and administrative	—	—	0.8	2.0
(2)	Mark-to-market adjustments	Other expense, net	(20.7)	(6.6)	29.9	47.0
(3)	COVID-19	Net sales	1.1	—	1.1	—
		Cost of sales	13.2	—	49.2	—
		Selling and distribution	1.6	—	1.6	—
		General and administrative	0.1	—	1.8	—
		Other expense, net	(0.7)	—	(0.7)	—
		Income tax benefit	(4.8)	—	(29.8)	—
(4)	Acquisition, integration, divestiture, and related costs	General and administrative	6.4	0.1	7.8	0.3
		Other operating expense, net	—	0.3	0.4	0.3
		Cost of sales	2.1	—	2.2	—
(5)	Litigation matter	General and administrative	—	—	9.0	25.0
(6)	Tax indemnification	Other expense, net	(0.1)	(0.2)	5.1	1.6
(7)	Debt amendment and repurchase activity	Loss on extinguishment of debt	—	—	1.2	—
(8)	Change in regulatory requirements	Cost of sales	(0.4)	7.4	(0.1)	11.4
		Selling and distribution	—	1.6	1.0	2.8
		General and administrative	—	0.2	0.1	0.5
(9)	Executive management transition	General and administrative	—	2.9	0.3	2.9
(10)	Impairment	Asset impairment	—	41.1	—	129.1
(11)	Multiemployer pension plan withdrawal	Cost of sales	—	0.2	—	4.3
(12)	Foreign currency gain on re-measurement of intercompany notes	(Gain) loss on foreign currency exchange	(5.7)	(2.4)	(0.4)	(5.0)
(13)	Depreciation included as an adjusting item	Cost of sales	—	0.5	0.2	2.2
		General and administrative	—	—	—	1.6

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

		Three Months Ended December 31,		Twelve Months Ended December 31,	
		2020	2019	2020	2019
Location in Consolidated Statements of Operations		(unaudited, in millions)			
Restructuring programs & other	Other operating expense, net	\$ 21.2	\$ 14.9	\$ 71.1	\$ 99.3
	Cost of sales	0.1	0.6	0.9	4.4
	General and administrative	—	—	0.8	2.0
COVID-19	Net sales	1.1	—	1.1	—
	Cost of sales	13.2	—	49.2	—
	Selling and distribution	1.6	—	1.6	—
	General and administrative	0.1	—	1.8	—
Acquisition, integration, divestiture, and related costs	General and administrative	6.4	0.1	7.8	0.3
	Other operating expense, net	—	0.3	0.4	0.3
	Cost of sales	2.1	—	2.2	—
Litigation matter	General and administrative	—	—	9.0	25.0
Change in regulatory requirements	Cost of sales	(0.4)	7.4	(0.1)	11.4
	Selling and distribution	—	1.6	1.0	2.8
	General and administrative	—	0.2	0.1	0.5
Executive management transition	General and administrative	—	2.9	0.3	2.9
Impairment	Asset impairment	—	41.1	—	129.1
Multiemployer pension plan withdrawal	Cost of sales	—	0.2	—	4.3
Total		\$ 45.4	\$ 69.3	\$ 147.2	\$ 282.3

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
	(unaudited, in millions)		(unaudited, in millions)	
Net sales to external customers:				
Meal Preparation	\$ 717.4	\$ 696.0	\$ 2,701.4	\$ 2,680.7
Snacking & Beverages	460.9	443.5	1,649.4	1,608.2
Unallocated	(1.1)	—	(1.1)	—
Total	\$ 1,177.2	\$ 1,139.5	\$ 4,349.7	\$ 4,288.9
Direct operating income:				
Meal Preparation	\$ 101.9	\$ 107.8	\$ 370.6	\$ 381.3
Snacking & Beverages	68.3	58.6	234.6	192.8
Total	170.2	166.4	605.2	574.1
Unallocated expenses:				
Unallocated selling, general, and administrative expenses	(66.8)	(57.6)	(277.2)	(270.9)
Unallocated cost of sales	(9.5)	(2.7)	(36.0)	(16.5)
Unallocated corporate expense and other	(40.1)	(74.2)	(142.9)	(302.8)
Total	(116.4)	(134.5)	(456.1)	(590.2)
Operating income (loss)	\$ 53.8	\$ 31.9	\$ 149.1	\$ (16.1)

# TREEHOUSE FOODS, INC. NET DEBT RECONCILIATION

Consolidated Balance Sheet	December 31, 2020	March 31, 2016
	(unaudited, in millions)	
Current portion of long-term debt	\$ 15.7	\$ 41.6
Long-term debt	2,199.0	2,942.3
Add back deferred financing costs	18.3	38.4
(Less) Cash and cash equivalents	(364.6)	(61.1)
Net debt	\$ 1,868.4	\$ 2,961.2



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

	<b>Twelve Months Ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
	<b>(unaudited, in millions)</b>	
Cash flow provided by operating activities from continuing operations	\$ 403.6	\$ 263.9
Less: Capital expenditures	(105.7)	(146.8)
Free cash flow from continuing operations	\$ 297.9	\$ 117.1