

## Fiscal 2019 compared to Fiscal 2018

### Net Sales

(\$ in millions) Reporting Segment	Fiscal 2019 Net Sales	Fiscal 2018 Net Sales	% Inc (Dec)
Grocery & Snacks .....	\$ 3,279.2	\$ 3,287.0	— %
Refrigerated & Frozen .....	2,804.0	2,753.0	2 %
International .....	793.4	843.5	(6)%
Foodservice .....	934.2	1,054.8	(11)%
Pinnacle Foods .....	1,727.6	—	100 %
Total .....	<u>\$ 9,538.4</u>	<u>\$ 7,938.3</u>	20 %

Overall, our net sales were \$9.54 billion in fiscal 2019, an increase of 20% compared to fiscal 2018.

Grocery & Snacks net sales for fiscal 2019 were \$3.28 billion, a decrease of \$7.8 million compared to fiscal 2018. Volume, excluding the impact of acquisitions and divestitures, was flat in fiscal 2019 compared to the prior-year period. This result reflected merchandising changes and price elasticity-related declines in certain brands, as well as isolated production challenges, partially offset by the continued benefit from momentum and innovation successes in the snacks businesses. Price/mix was flat compared to the prior year as unfavorable mix, coupled with increases in brand building investments with retailers were offset by the impact of higher pricing. The acquisition of Angie's Artisan Treats, LLC, which was completed in October 2017, contributed \$41.3 million to Grocery & Snacks net sales during fiscal 2019, through the one-year anniversary of the acquisition. Fiscal 2019 results included \$115.9 million of net sales related to our *Wesson*<sup>®</sup> oil business, which was sold in the fourth quarter of fiscal 2019. Fiscal 2018 results included \$156.4 million of net sales related to this divested business.

Refrigerated & Frozen net sales for fiscal 2019 were \$2.80 billion, an increase of \$51.0 million, or 2%, compared to fiscal 2018. Results for fiscal 2019 reflected a 1% increase in volume compared to fiscal 2018, excluding the impact of acquisitions. The increase in sales volumes was a result of innovation across multiple brands, which was partially offset by the effects of reduced merchandising spend and the impact of a recall during the fourth quarter. Price/mix was flat compared to fiscal 2018, as continued delivery of top-line accretive innovation in several brands was partially offset by brand building investments with retailers. The acquisition of the *Sandwich Bros. of Wisconsin*<sup>®</sup> business, which was completed in February 2018, contributed \$25.7 million to Refrigerated & Frozen's net sales during fiscal 2019, through the one-year anniversary of the acquisition.

International net sales for fiscal 2019 were \$793.4 million, a decrease of \$50.1 million, or 6%, compared to fiscal 2018. Results for fiscal 2019 reflected a 2% increase in volume, excluding the impact of acquisitions and divestitures, a 4% decrease due to foreign exchange rates, and a 2% increase in price/mix, in each case compared to fiscal 2018. The volume and price/mix increases for fiscal 2019 were driven by growth in the Canadian snacks and frozen businesses. The acquisition of Angie's Artisan Treats, LLC contributed \$3.7 million to International net sales for fiscal 2019, through the one-year anniversary of the acquisition. Fiscal 2019 included \$4.1 million of net sales related to our *Del Monte*<sup>®</sup> processed fruit and vegetable business in Canada, which was sold in the first quarter of fiscal 2019. Fiscal 2018 results included \$48.9 million of net sales related to this divested business. In addition, fiscal 2019 and 2018 results included \$17.1 million and \$24.5 million, respectively, related to our divested *Wesson*<sup>®</sup> oil business.

Foodservice net sales for fiscal 2019 were \$934.2 million, a decrease of \$120.6 million, or 11%, compared to fiscal 2018. Results for fiscal 2019 reflected a 14% decrease in volume, excluding divestitures. The decline in volume reflected the continued execution of the segment's value-over-volume strategy and the sale of our Trenton, Missouri production facility in the first quarter of fiscal 2019. Price/mix increased 5% in fiscal 2019 compared to fiscal 2018. The increase in price/mix for fiscal 2019 reflected favorable product and customer mix, the impact of inflation-driven increases in pricing, and the execution of the segment's value-over-volume strategy. Fiscal 2019 included \$34.2 million of net sales related to our *Wesson*<sup>®</sup> oil business, which was sold in the fourth quarter of fiscal 2019. Fiscal 2018 results included \$53.4 million of net sales related to this divested business. Net sales declined by approximately 7% in fiscal 2019 due to the sale of our Trenton, Missouri production facility.

Pinnacle Foods net sales for fiscal 2019 (reflecting 213 days of Conagra Brands ownership) were \$1.73 billion. Results reflected expected consumption declines as the Company executes its value-over-volume strategy within the Pinnacle portfolio.