



Q4 2019 RESULTS AND 2020 OUTLOOK

Steve Oakland, CEO & President

Bill Kelley, EVP & CFO

FEBRUARY 13, 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: 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.



OVER THE LAST 12 MONTHS, WE MADE SIGNIFICANT PROGRESS AROUND OUR CUSTOMER CENTRIC ENTERPRISE STRATEGY

- Designed, built, launched and supported a new Commercial Excellence Organization
- First commercial annual operating plan
- Revenue wins supporting our pivot to growth are beginning to materialize

- Launched Purpose, Vision & Mission
- Grassroots effort to define Our Values
- Deployed “Living the TreeHouse Way” values training across the organization

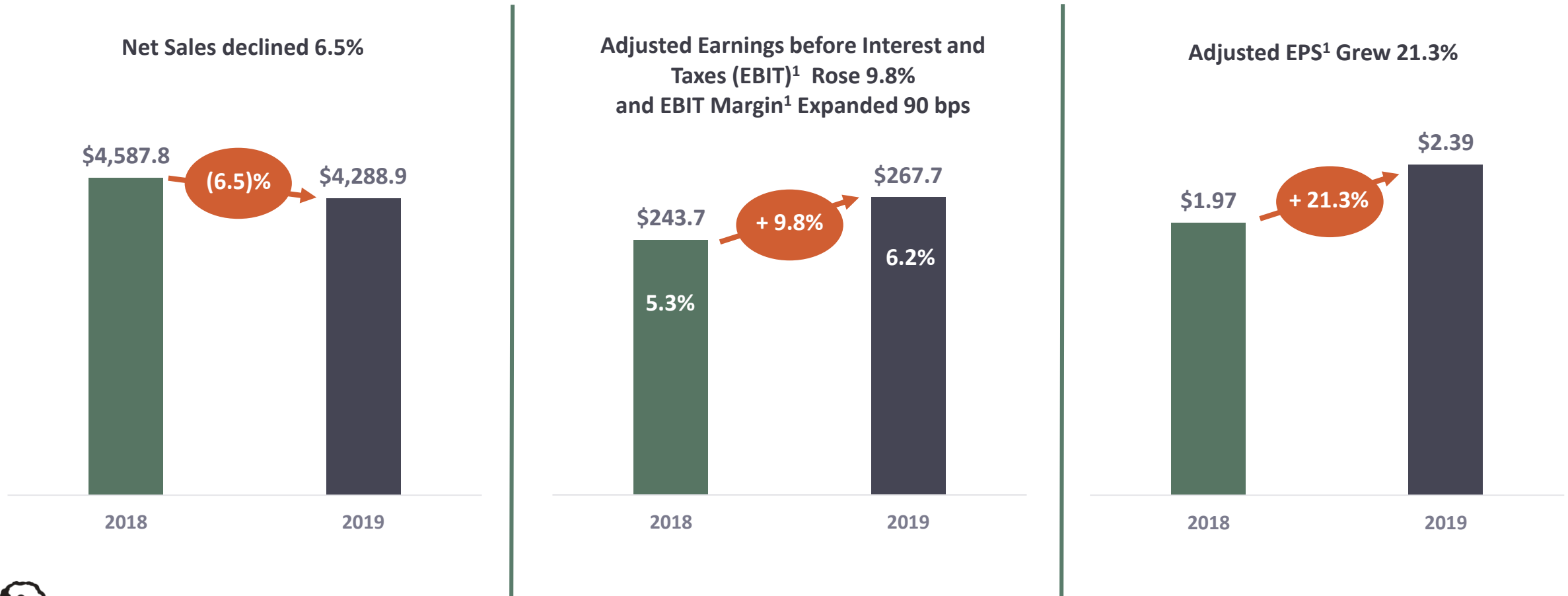


- 100% SAP Order-to-Cash
- Consolidated manufacturing and distribution systems
- Implementing TMOS and Lean
- Achieved highest service levels in >2 years

- Completed the sale of the Snacks division to Atlas Holdings
- Announced the sale of 2 in-store bakery plants to Rich Products
- Continue to work through the sale process of RTE cereal

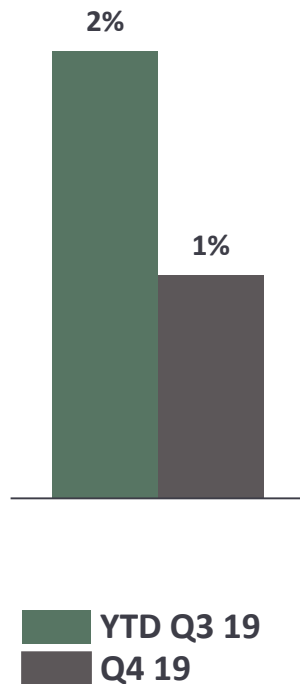


DELIVERED 10% YEAR OVER YEAR IMPROVEMENT IN EBIT FROM CONTINUING OPERATIONS DESPITE REVENUE DECLINE

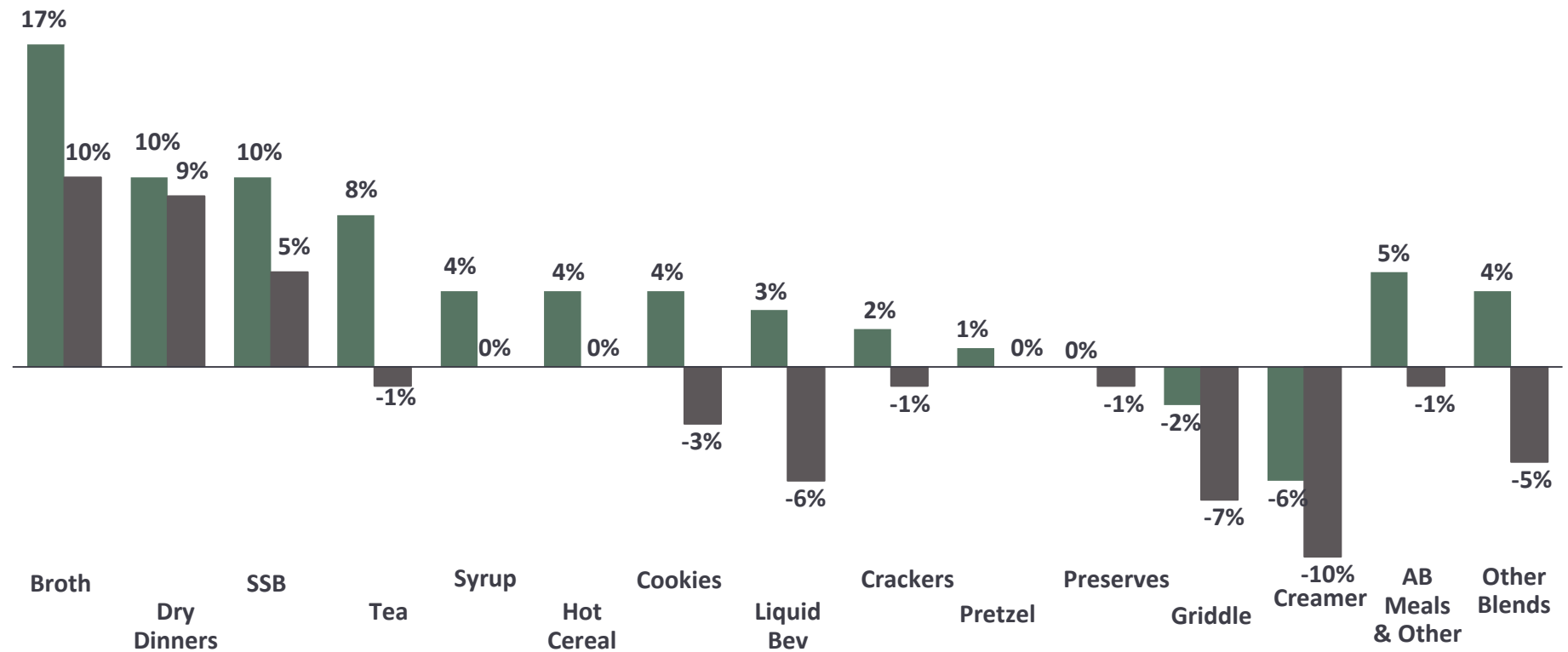


Q4 2019 PRIVATE BRAND GROWTH SLOWED IN 15 OF 25 IRI CATEGORIES

YoY Private Label \$ Growth,
THS Categories



THS Categories Where Growth Slowed in Q4 vs Q3 YTD

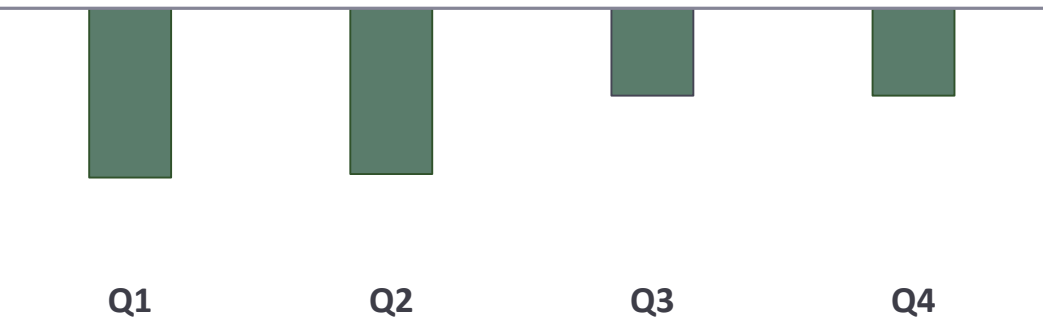


TreeHouse

Source: IRI Total US - Multi-Outlet data ending 12/22/19; 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, Loblaws, 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.

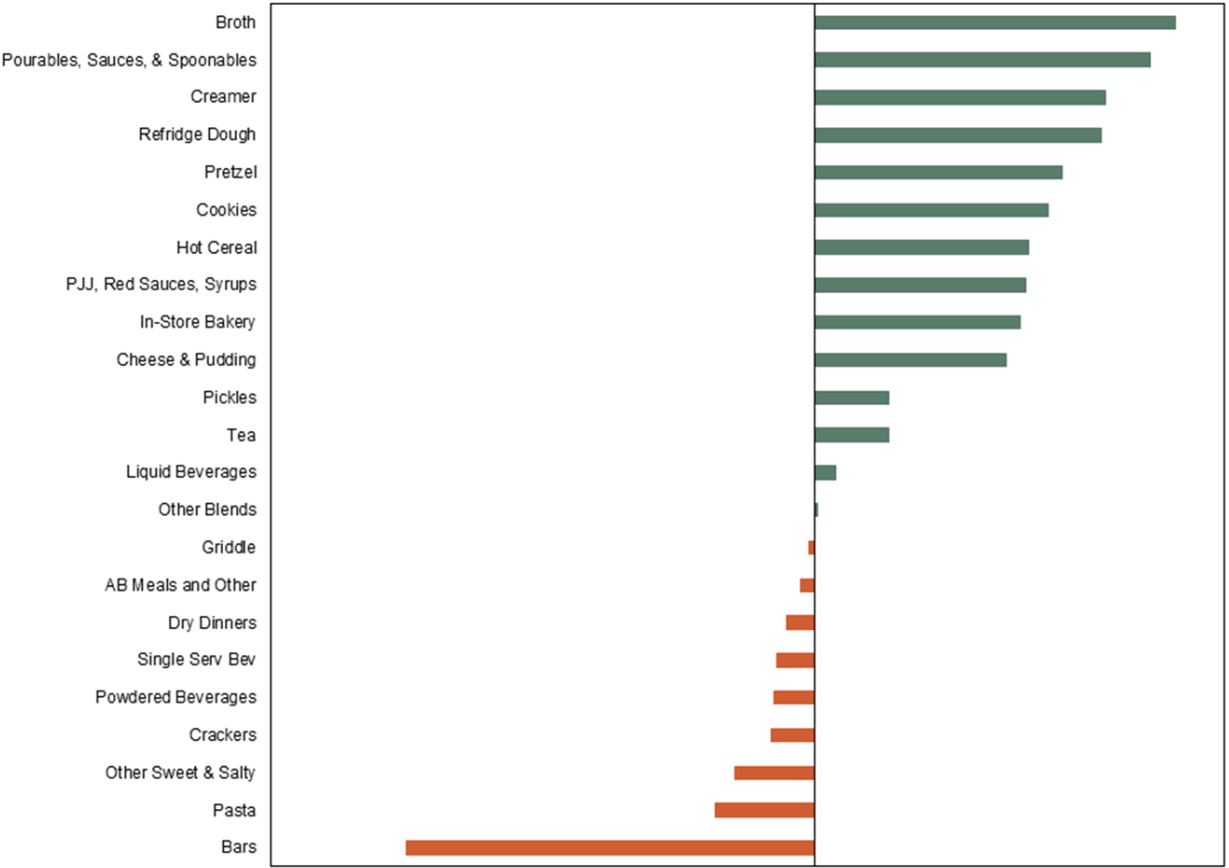
WE ARE SLIGHTLY BEHIND OUR ORIGINAL TIMELINE TO RETURN THE TOP LINE TO CONSISTENT GROWTH

2019 Volume Change by Quarter¹



¹ Excludes SKU rationalization

Dec 2019 YoY Change in Net Sales
(in \$ mil)



Q4 2019 FINANCIAL PERFORMANCE

FROM CONTINUING OPERATIONS

(\$ in millions)

	Q4 2019	Q4 2018	Change B/ (W)	
			\$	%
Net Sales	\$ 1,139.5	\$ 1,193.5	\$ (54.0)	(4.5) %
Division Direct Operating Income (DOI)	162.0	171.6	(9.6)	(5.6) %
Division DOI Margin	14.2 %	14.4 %	NA	(0.2) pts
Items Affecting Comparability ¹	(69.3)	(47.2)	(22.1)	(46.8) %
Corporate Unallocated	(60.8)	(71.4)	10.6	14.8 %
Total Corporate Unallocated Expense	(130.1)	(118.6)	(11.5)	(9.7) %
Net Income / (Loss) from Continuing Operations	\$ 15.3	\$ (4.4)	\$ 19.7	447.7 %
Adjusted EBIT from Continuing Operations ¹	103.7	97.3	6.4	6.6 %
Adjusted EBIT Margin from Continuing Operations	9.1 %	8.2 %	NA	0.9 Pts
Adjusted EBITDA from Continuing Operations ¹	156.5	149.9	6.6	4.4 %
Adjusted EBITDA Margin from Continuing Operations	13.7 %	12.6 %	NA	1.1 Pts
GAAP Diluted EPS from Continuing Operations	\$ 0.27	\$ (0.08)	\$ 0.35	437.5 %
Adjusted Diluted EPS from Continuing Operations	\$ 1.10	\$ 1.00	\$ 0.10	10.0 %

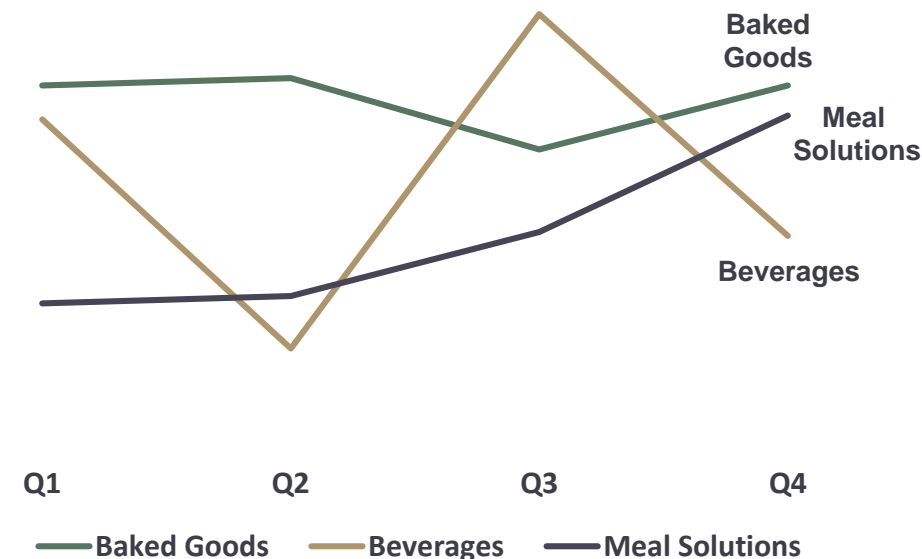
Q4 ORGANIC NET SALES DECLINED 4%

BEVERAGES FELL SHORT OF EXPECTATIONS

BAKED GOODS AND MEAL SOLUTIONS TRENDS IMPROVING

	Percentage Change in Q4 Net Sales vs Prior Year			
	Baked Goods	Beverages	Meal Solutions	THS
Vol / Mix (excl. SKU Rationalization)	(3.0) %	(2.7) %	(5.6) %	(4.0) %
Pricing	0.4	(3.8)	2.3	0.2
Change in Organic Net Sales	(2.6)	(6.5)	(3.3)	(3.8)
Change in Organic Pounds				(5.1)
SKU Rationalization	(1.8)	-	(0.1)	(0.7)
Currency	-	-	(0.1)	-
Total	(4.4) %	(6.5) %	(3.5) %	(4.5) %

Organic Net Sales Percent Change
2019 vs 2018

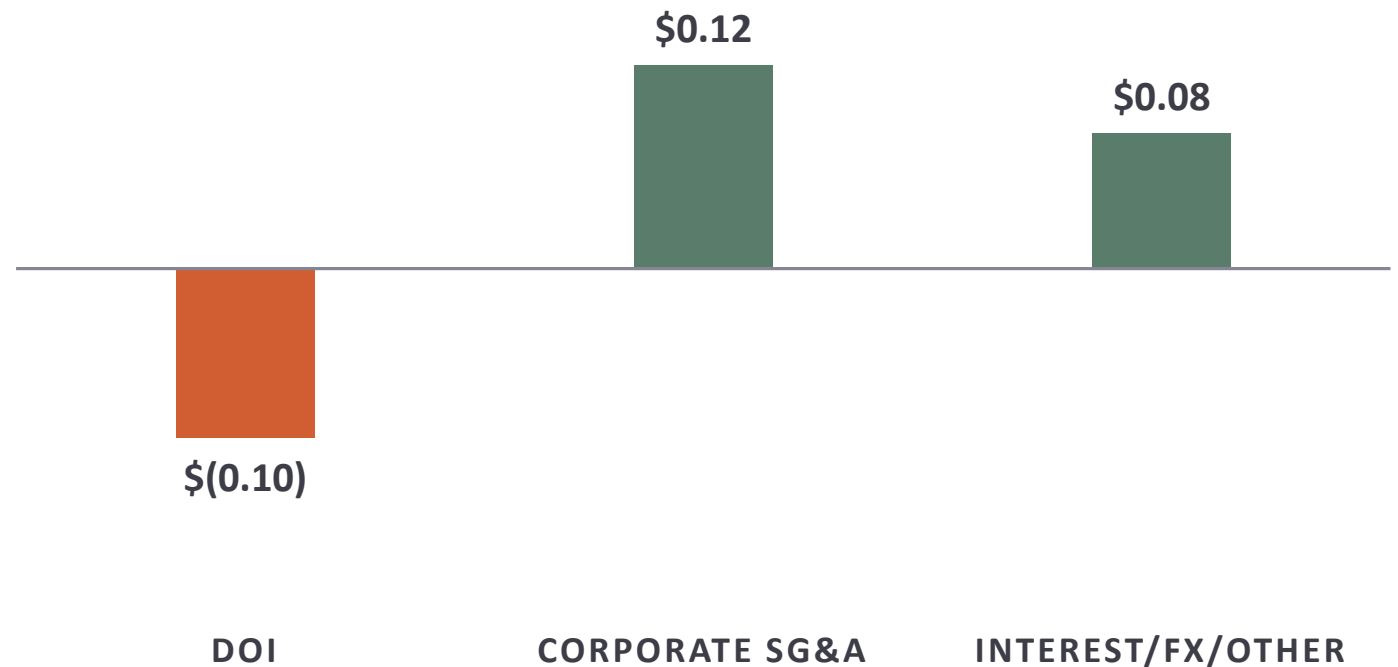


Q4 ADJUSTED EPS IMPROVED 10% TO \$1.10; DOI DECLINE MORE THAN OFFSET BY SG&A AND OTHER

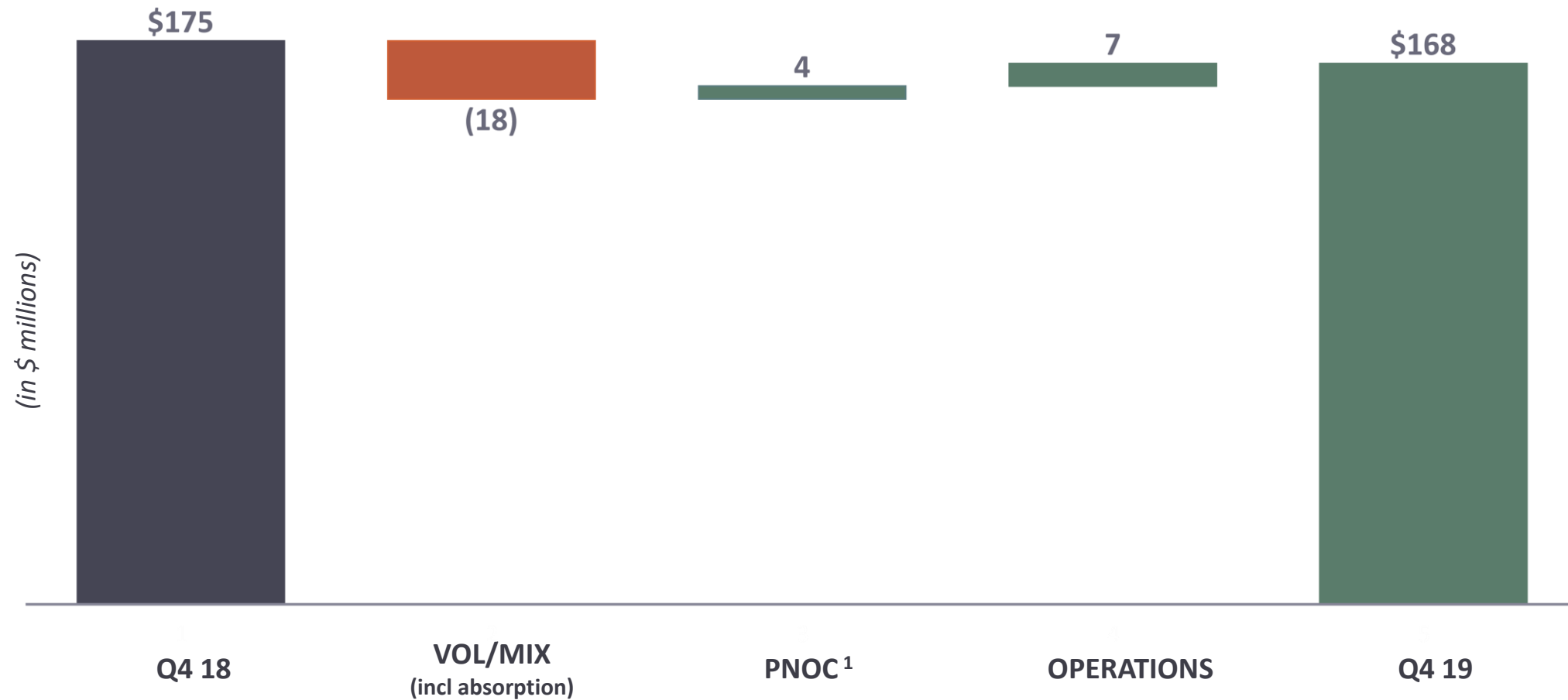
ADJUSTED EPS Q4 19 VS Q4 18



KEY DRIVERS



Q4 2019 TOTAL DOI DRIVERS VS PRIOR YEAR

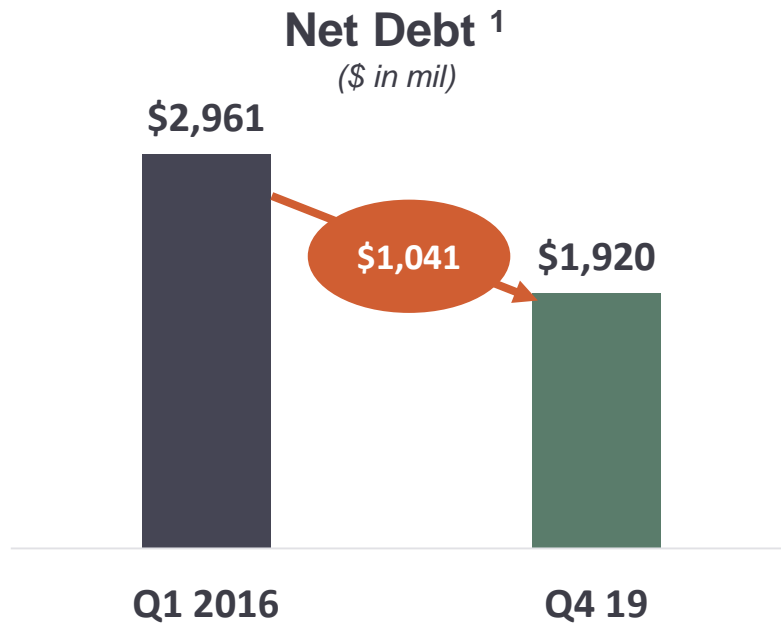


Q4 19 DIVISION DOI VS PRIOR YEAR

		<u>Vol / Mix</u> (incl absorption)	<u>PNOC</u> ¹	<u>Operations</u>	<u>Division</u> <u>SG&A</u>	<u>Total DOI</u> (in \$ mil)
	Baked Goods	=	+	-	=	\$ 0.9
	Beverages	--	---	+++	=	(6.8)
	Meal Solutions	----	+++	=	=	(3.7)

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

REDUCED NET DEBT BY MORE THAN \$1 BILLION SINCE THE PRIVATE BRANDS ACQUISITION



	Working Capital (\$ in mil)		
	Q4 18	Q4 19	B/(W) vs Q4 18
Accounts Receivable	\$ (351)	\$ (271)	\$ 80
Inventory ²	(616)	(544)	72
Accounts Payable	<u>578</u>	<u>508</u>	<u>(70)</u>
Working Capital	\$ (389)	\$ (307)	\$ 82

¹ Net debt reflects total outstanding debt excluding deferred financing costs less cash and cash equivalents.

² Inventory balances reflect the change in LIFO treatment, and excludes Snacks and RTE cereal for all periods presented.

2019 RESULTS SCORECARD

	2019 Guidance communicated on Q3 19 earnings call	Adjusted ¹ Results	Result
Net Sales	\$4.26 - \$4.36 b	\$4.29 b	✓
Net Interest Expense ²	\$103 - \$105 m	\$102 m	✓
Tax Rate	~ 20%	20.6%	✓
Diluted EPS	\$2.30 - \$2.50	\$2.39	✓
Capital Expenditures ³	~ \$165 m	\$159 m	✓
Free Cash Flow ³	\$160 – 190 m	\$149 m	✗



¹ Adjusted for items impacting comparability included in corporate unallocated expense. A reconciliation of Adjusted Diluted EPS to the most comparable GAAP measure is provided in the Appendix.

² Net interest expense is interest expense plus a \$4.3m loss on sale related to accounts receivable monetization program, net of interest income.

³ Capital expenditures and free cash flow are on a total TreeHouse basis. Refer to the appendix for a reconciliation of the continuing operations and discontinued operations components.

MIDPOINT OF 2020 GUIDANCE SLIGHTLY BELOW STRATEGIC GROWTH ALGORITHM FOR 2020 – 2022

	FY 2020 Guidance
Net Sales	\$ 4.10 - \$ 4.40 b
Adjusted EBIT	\$ 270 - \$ 290 m
Adjusted EBIT Margin	6.5 % - 6.7 %
Depreciation and Amortization	\$ 210 - \$ 220 m
Adjusted EBITDA	\$ 480 - \$ 510 m
Net Interest Expense	\$ 93 - \$ 97 m
Tax Rate	22 % - 24 %
Adjusted Diluted EPS	\$ 2.40 - \$ 2.65
Capital Expenditures	~ \$135 m
Free Cash Flow	\$ 250 - \$ 300 m

REVENUE GROWTH



1-2%
organic

ADJUSTED EPS GROWTH



≥10%

CASH GENERATING CAPABILITY

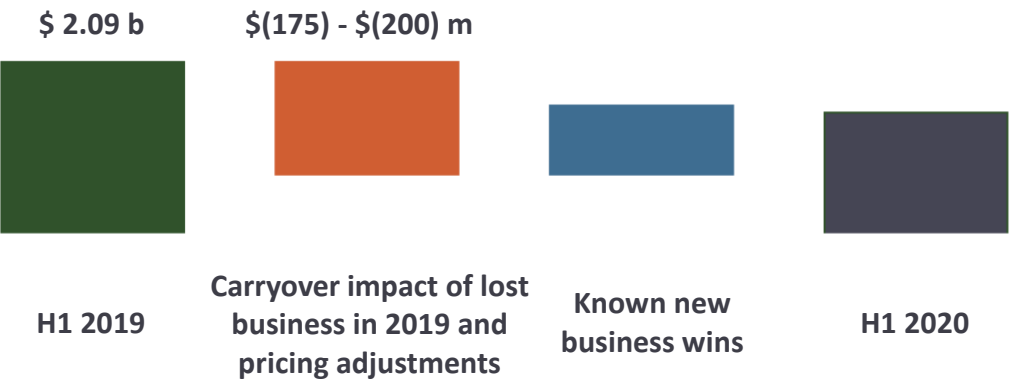


~\$300 million



THE WRAP OF REVENUE LOSS WILL IMPACT H1; COMMERCIALIZATION OF NEW BUSINESS WILL BE APPARENT IN H2

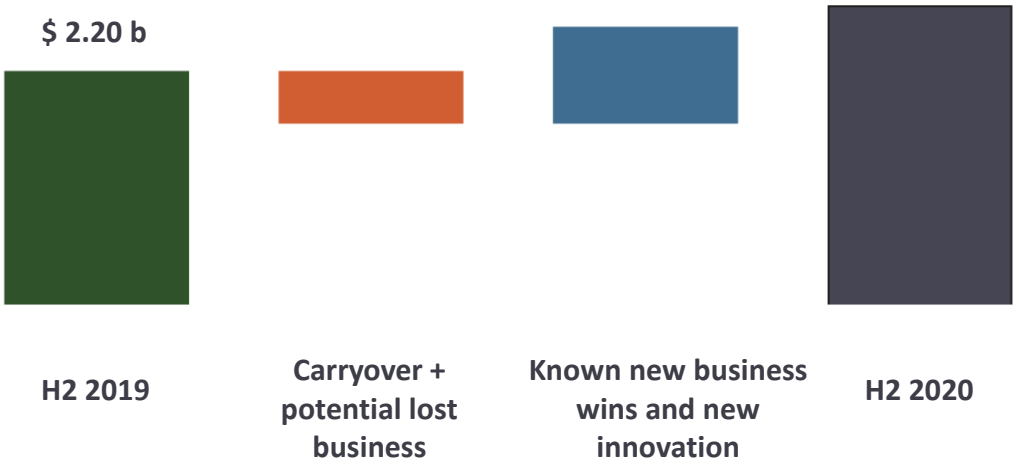
Expected H1 Revenue Decline of (3)-(5)%



Approximately \$175-\$200 m in lost business and pricing adjustments from 2019 will carry over into H1 2020

- Meal Solutions (pickles, dressing)
- Beverages (SSB)
- Baked Goods (crackers, bars, ISB)

Anticipated H2 Revenue Growth of 2-3%



New business wins

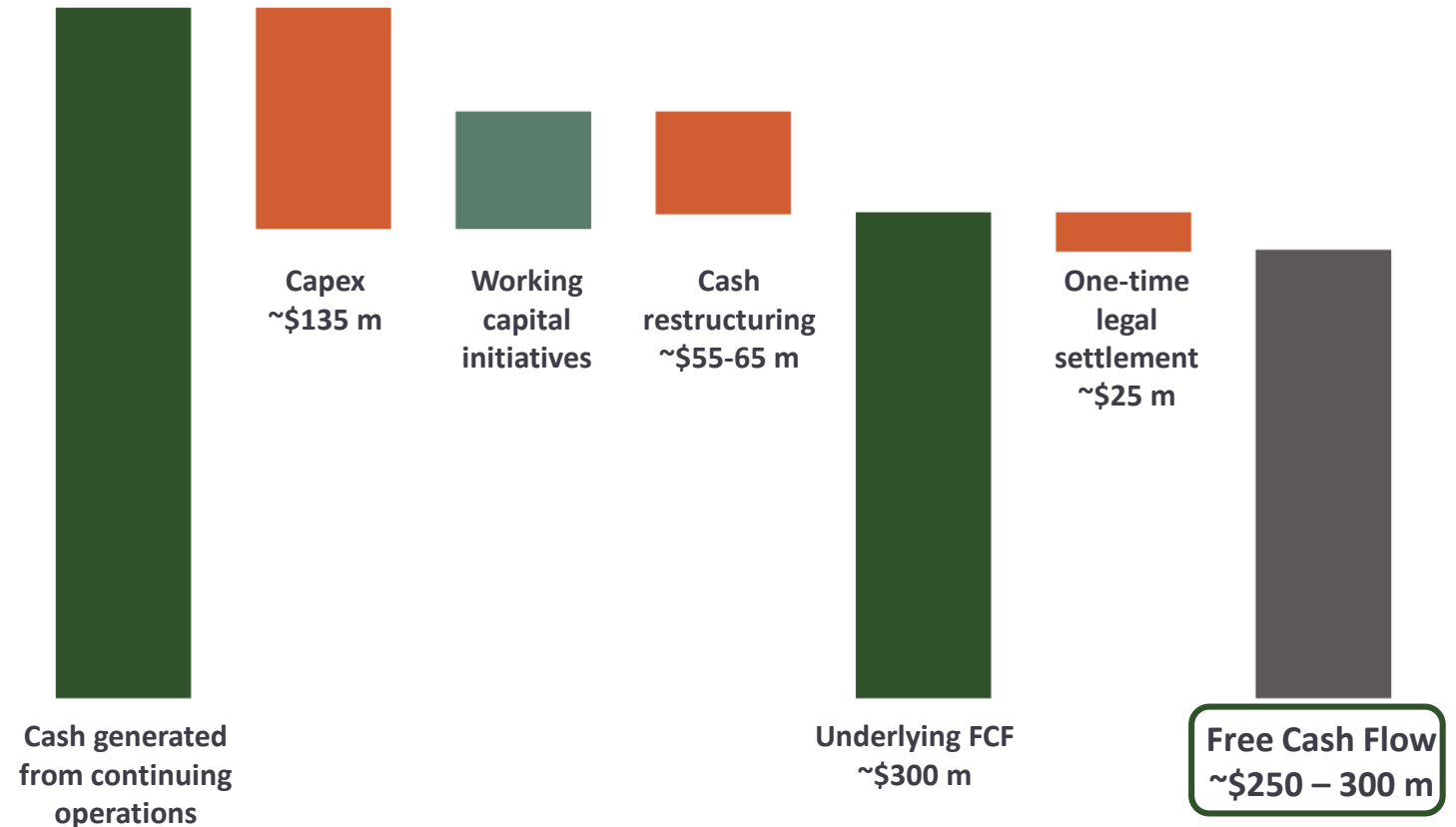
- Meal Solutions (sauces, hot cereal, pasta)
- Baked Goods (cookies, crackers, bars)

2020 FREE CASH FLOW GUIDANCE OF \$250 – \$300 M

2020 Assumptions

- Midpoint of adjusted EPS guidance suggests 6% growth
- Capex guidance of ~\$135m
- Working capital contribution, although lower than 2019
- Cash restructuring charges of \$55 - \$65 m
- One time legal settlement \$25m

2020 Cash Flow Outlook

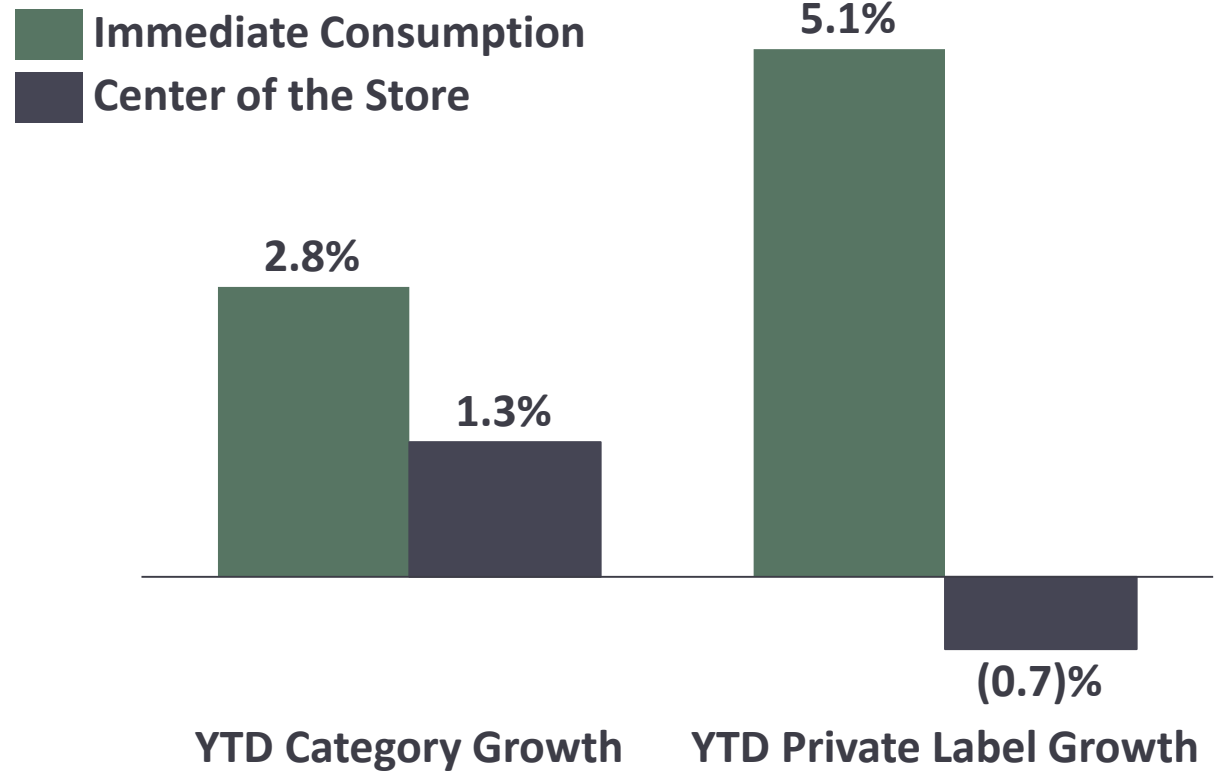


Q1 2020 GUIDANCE

- Q1 2020 revenue guidance includes \$100 - \$115 m in carryover lost business and pricing adjustments
- Q1 2019 adjusted EPS from continuing operations included carryover pricing in Baked Goods and Meal Solutions from 2018

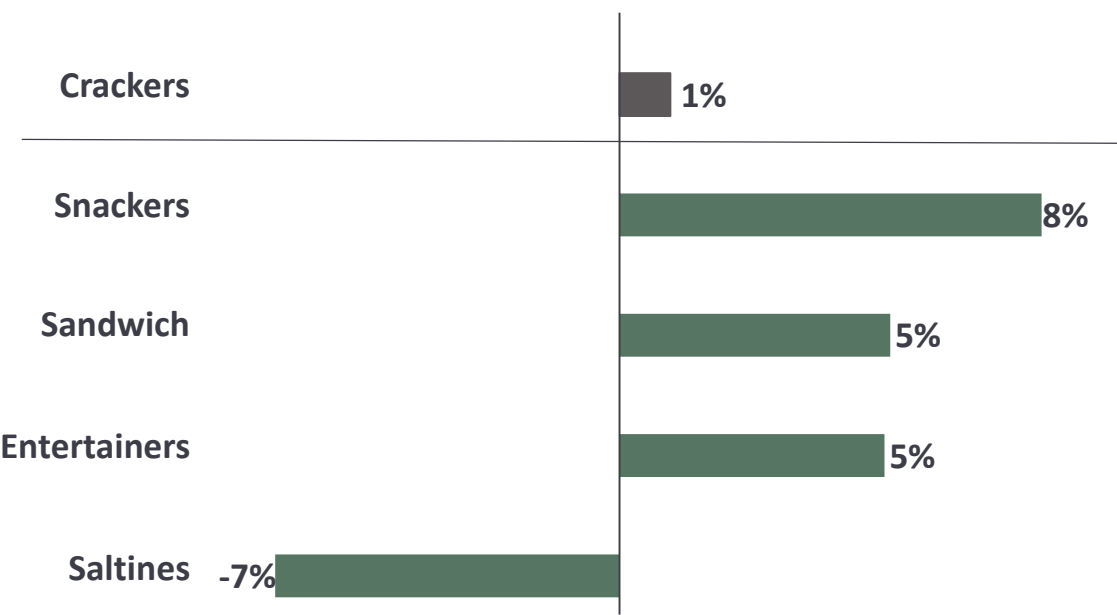
	Q1 2020 E
Net Sales	\$ 0.98 - \$ 1.02 b
Adjusted EBITDA	\$ 90 - \$ 105 m
Net Interest Expense	\$ 25 - \$ 26 m
Diluted EPS	\$ 0.20 - \$ 0.30

RE-FOCUS ON OPTIMIZING THE PORTFOLIO IN 2020



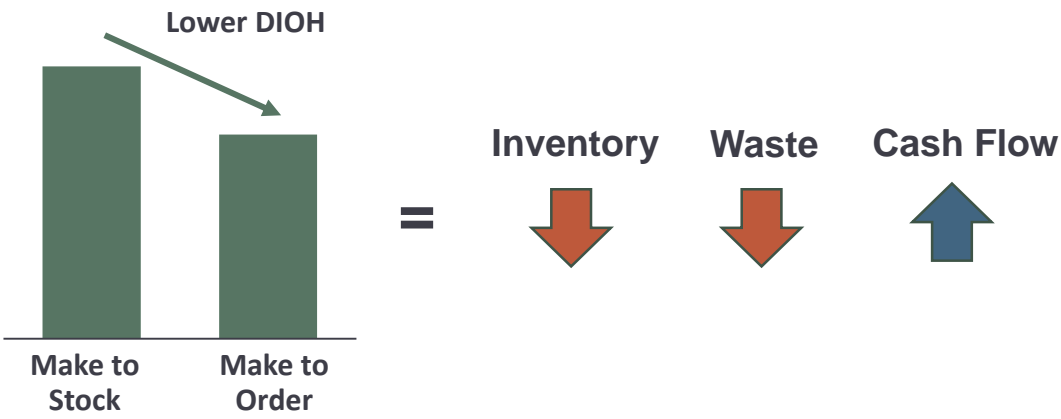
EXAMPLES OF NEW AVENUES OF GROWTH AND OPPORTUNITIES TO CREATE VALUE EXIST ACROSS THE PORTFOLIO

Private Label Growth of Select Cracker Sub-Segments



Considerations for Made to Order

Make to Order Requirements	Category
Bulk Ingredients	✓
Low Production Cycle Days	✓
Customer Alignment Around Order Patterns	✓



KEY TAKEAWAYS



Delivered FY 19 EBIT growth of 9.8% and EPS growth of 21.3%, despite 6.5% revenue decline

Service levels consistently above target

Although volume progress fell short in Q4, December net sales improvement was encouraging



2020 EPS guidance from continuing operations of \$2.40 - \$2.65, up 6% at the midpoint

2020 revenue guidance of \$4.1 - \$4.4 b, with expected 3-5% decline in H1 and 2-3% growth in H2 as innovation and business wins become more apparent

Underlying free cash flow of approximately \$300 m (excludes legal settlement)



**Great progress around our four strategic pillars:
Operational Excellence
Commercial Excellence
Portfolio Optimization
People & Talent**

Refocus on optimizing the portfolio in 2020





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 Consolidated Balance Sheets, Consolidated Statements of Operations, Consolidated Statements of Comprehensive Income, 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 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 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 net income (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. 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 income (loss) per share from continuing operations as presented in the 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, Adjusted EBITDA from Continuing Operations, and Adjusted EBITDAS from Continuing Operations, Adjusted Net Income margin from Continuing Operations, Adjusted EBIT margin from Continuing Operations, Adjusted EBITDA 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 income (loss) from continuing operations as reported in the 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, income tax expense, and depreciation and amortization expense. Adjusted EBITDAS from continuing operations represents adjusted EBITDA from continuing operations before non-cash stock-based compensation expense. Adjusted EBIT from continuing operations, adjusted EBITDA 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, adjusted EBITDA 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 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 months ended December 31, 2019 and 2018 calculated according to GAAP, adjusted net income from continuing operations, adjusted EBIT from continuing operations, adjusted EBITDA 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 Consolidated Statements of Cash Flows, we also measure free cash flow which represents net cash provided by operating activities less capital expenditures. The Company believes free cash flow is an important measure of operating performance because it provides management and investors a measure of cash generated from operations that is available for mandatory payment obligations and investment opportunities such as funding acquisitions, repaying debt, 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.
RECONCILIATION OF DILUTED INCOME (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,	
	2019	2018	2019	2018
	(unaudited)		(unaudited)	
Diluted income (loss) per share from continuing operations (GAAP)	\$ 0.27	\$ (0.08)	\$ (1.96)	\$ (0.83)
Impairment	0.72	—	2.28	—
Restructuring programs	0.27	0.82	1.87	2.95
Mark-to-market adjustments	(0.12)	0.50	0.83	0.40
Litigation matter	—	—	0.44	—
Change in regulatory requirements	0.16	—	0.26	—
Multiemployer pension plan withdrawal	0.01	—	0.08	—
Executive management transition	0.05	—	0.05	0.23
Tax indemnification	—	(0.09)	0.02	(0.04)
Acquisition, integration, divestiture, and related costs	0.01	0.01	0.01	(0.24)
Product recall	—	—	0.01	—
Foreign currency (gain) loss on re-measurement of intercompany notes	(0.04)	0.08	(0.09)	0.11
Debt amendment and repurchase activity	—	—	—	0.12
Taxes on adjusting items	(0.23)	(0.25)	(1.42)	(0.75)
Dilutive impact of shares	—	0.01	0.01	0.02
Adjusted diluted EPS from continuing operations (Non-GAAP)	\$ 1.10	\$ 1.00	\$ 2.39	\$ 1.97

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

		Three Months Ended December 31,		Twelve Months Ended December 31,	
		2019	2018	2019	2018
		(unaudited, in millions)			
Net income (loss) from continuing operations (GAAP)		\$ 15.3	\$ (4.4)	\$ (110.3)	\$ (46.2)
Impairment	(1)	41.1	—	129.1	—
Restructuring programs	(2)	15.5	46.6	105.4	166.7
Mark-to-market adjustments	(3)	(6.6)	28.3	47.0	22.5
Litigation matter	(4)	—	—	25.0	—
Change in regulatory requirements	(5)	9.2	—	14.7	—
Multiemployer pension plan withdrawal	(6)	0.2	—	4.3	—
Executive management transition	(7)	2.9	—	2.9	13.0
Tax indemnification	(8)	(0.2)	(4.9)	1.6	(2.0)
Acquisition, integration, divestiture, and related costs	(9)	0.4	0.6	0.6	(13.5)
Product recall	(10)	—	—	0.3	—
Foreign currency (gain) loss on re-measurement of intercompany notes	(11)	(2.4)	4.3	(5.0)	6.2
Debt amendment and repurchase activity	(12)	—	—	—	6.8
Less: Taxes on adjusting items		(12.9)	(14.1)	(80.5)	(42.0)
Adjusted net income from continuing operations (Non-GAAP)		62.5	56.4	135.1	111.5
Interest expense		23.9	25.3	102.4	105.4
Interest income		(0.2)	—	(4.8)	(3.8)
Income tax expense (benefit)		4.6	1.5	(45.5)	(11.4)
Add: Taxes on adjusting items		12.9	14.1	80.5	42.0
Adjusted EBIT from continuing operations (Non-GAAP)		103.7	97.3	267.7	243.7
Depreciation and amortization	(13)	52.8	52.6	206.8	209.1
Adjusted EBITDA from continuing operations (Non-GAAP)		156.5	149.9	474.5	452.8
Stock-based compensation expense	(14)	4.6	3.7	21.6	20.5
Adjusted EBITDAS from continuing operations (Non-GAAP)		\$ 161.1	\$ 153.6	\$ 496.1	\$ 473.3
Adjusted net income margin from continuing operations		5.5%	4.7%	3.1%	2.4%
Adjusted EBIT margin from continuing operations		9.1%	8.2%	6.2%	5.3%
Adjusted EBITDA margin from continuing operations		13.7%	12.6%	11.1%	9.9%
Adjusted EBITDAS margin from continuing operations		14.1%	12.9%	11.6%	10.3%

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

		Location in Consolidated Statements of Operations	Three Months Ended December 31,		Twelve Months Ended December 31,	
			2019	2018	2019	2018
			(unaudited, in millions)			
(1)	Impairment	Asset impairment	\$ 41.1	\$ —	\$ 129.1	\$ —
(2)	Restructuring programs	Other operating expense, net	14.9	40.9	99.3	149.1
		Cost of sales	0.6	4.7	4.4	13.3
		General and administrative	—	1.0	1.7	4.3
(3)	Mark-to-market adjustments	Other expense (income), net	(6.6)	28.3	47.0	22.5
(4)	Litigation matter	General and administrative	—	—	25.0	—
(5)	Change in regulatory requirements	Cost of sales	7.4	—	11.4	—
		Selling and distribution	1.6	—	2.8	—
		General and administrative	0.2	—	0.5	—
(6)	Multiemployer pension plan withdrawal	Cost of sales	0.2	—	4.3	—
(7)	Executive management transition	General and administrative	2.9	—	2.9	13.0
(8)	Tax indemnification	Other expense (income), net	(0.2)	(4.9)	1.6	(2.0)
(9)	Acquisition, integration, divestiture, and related costs	General and administrative	0.1	0.4	0.3	(0.1)
		Other operating expense, net	0.3	0.2	0.3	(13.4)
(10)	Product recall	General and administrative	—	—	0.3	—
(11)	Foreign currency (gain) loss on re-measurement of intercompany notes	(Gain) loss on foreign currency exchange	(2.4)	4.3	(5.0)	6.2
(12)	Debt amendment and repurchase activity	General and administrative	—	—	—	0.2
		Other expense (income), net	—	—	—	4.2
		Interest expense	—	—	—	2.4
(13)	Depreciation included as an adjusting item	Cost of sales	0.5	4.0	2.2	12.1
		General and administrative	—	0.8	1.6	4.1
(14)	Stock-based compensation expense included as an adjusting item	General and administrative	0.5	0.1	1.0	10.3

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

	Location in Consolidated Statements of Operations	Three Months Ended December 31,		Twelve Months Ended December 31,	
		2019	2018	2019	2018
		(unaudited, in millions)			
Impairment	Asset impairment	\$ 41.1	\$ —	\$ 129.1	\$ —
Restructuring programs	Other operating expense, net	14.9	40.9	99.3	149.1
	Cost of sales	0.6	4.7	4.4	13.3
	General and administrative	—	1.0	1.7	4.3
Litigation matter	General and administrative	—	—	25.0	—
Change in regulatory requirements	Cost of sales	7.4	—	11.4	—
	Selling and distribution	1.6	—	2.8	—
	General and administrative	0.2	—	0.5	—
Multiemployer pension plan withdrawal	Cost of sales	0.2	—	4.3	—
Executive management transition	General and administrative	2.9	—	2.9	13.0
Acquisition, integration, divestiture, and related costs	General and administrative	0.1	0.4	0.3	(0.1)
	Other operating expense, net	0.3	0.2	0.3	(13.4)
Product recall	General and administrative	—	—	0.3	—
Debt amendment and repurchase activity	General and administrative	—	—	—	0.2
Total		\$ 69.3	\$ 47.2	\$ 282.3	\$ 166.4

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2019	2018	2019	2018
	(unaudited, in millions)		(unaudited, in millions)	
Net sales to external customers:				
Baked Goods	\$ 406.5	\$ 425.2	\$ 1,465.2	\$ 1,551.4
Beverages	268.0	286.6	952.4	1,008.4
Meal Solutions	465.0	481.7	1,871.3	2,028.0
Total	\$ 1,139.5	\$ 1,193.5	\$ 4,288.9	\$ 4,587.8
Direct operating income:				
Baked Goods	\$ 53.9	\$ 53.0	\$ 161.4	\$ 142.9
Beverages	44.2	51.0	167.0	180.3
Meal Solutions	63.9	67.6	227.1	253.5
Total	162.0	171.6	555.5	576.7
Unallocated expenses:				
Unallocated selling, general, and administrative expenses	(53.2)	(56.2)	(252.3)	(266.3)
Unallocated cost of sales	(2.7)	(1.3)	(16.5)	(11.1)
Unallocated corporate expense and other	(74.2)	(61.1)	(302.8)	(215.9)
Total	(130.1)	(118.6)	(571.6)	(493.3)
Operating income (loss)	\$ 31.9	\$ 53.0	\$ (16.1)	\$ 83.4



TREEHOUSE FOODS, INC. ORGANIC NET SALES RECONCILIATION

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	Dollars	Percent	Percentage Change in Pounds	Dollars	Percent	Percentage Change in Pounds
	(In millions)			(In millions)		
2018 Net Sales	\$ 1,193.5			\$ 4,587.8		
Volume/mix excluding SKU rationalization	(47.5)	(4.0)%	(5.1)%	(256.5)	(5.6)%	(7.2)%
Pricing	1.9	0.2	—	27.5	0.6	—
2019 Organic Net Sales	\$ 1,147.9	(3.8)%	(5.1)%	\$ 4,358.8	(5.0)%	(7.2)%
SKU rationalization	(8.0)	(0.7)	(0.6)	(60.2)	(1.3)	(1.3)
Divestiture	—	—	—	(4.5)	(0.1)	(0.1)
Foreign currency	(0.4)	—	—	(5.2)	(0.1)	—
2019 Net Sales	\$ 1,139.5	(4.5)%	(5.7)%	\$ 4,288.9	(6.5)%	(8.6)%

TREEHOUSE FOODS, INC. NET DEBT RECONCILIATION

Consolidated Balance Sheet	December 31, 2019	March 31, 2016
	(unaudited, in millions)	
Current portion of long-term debt	\$ 15.3	\$ 41.6
Long-term debt	2,091.7	2,942.3
Add back deferred financing costs	15.7	38.4
(Less) Cash and cash equivalents	(202.3)	(61.1)
Net debt	\$ 1,920.4	\$ 2,961.2

TREEHOUSE FOODS, INC. FREE CASH FLOW RECONCILIATION

	<div> <div>Twelve Months Ended December 31,</div> <div>2019</div> <div>(In millions)</div> </div>
Cash flow provided by operating activities - continuing operations	\$ 263.9
Cash flow provided by operating activities - discontinued operations	43.8
Less: Capital expenditures - continuing operations	(146.8)
Less: Capital expenditures - discontinued operations	(11.9)
Free cash flow	\$ 149.0