

Q1 2023 Results and Outlook

Steve Oakland – Chairman, CEO, and President
Patrick O'Donnell – EVP and Chief Financial Officer



May 8, 2023



Forward Looking Statements

From time to time, we and our representatives may provide information, whether orally or in writing, including certain statements in this Quarterly Report on Form 10-Q, 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 "believe," "estimate," "project," "expect," "anticipate," "plan," "intend," "foresee," "should," "would," "could," 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 Quarterly Report on Form 10-Q and other public statements we make. Such factors include, but are not limited to: risks related to the impact that the divestiture of a significant portion of our Meal Preparation Business or any such divestiture might have on the Company's operations; disruptions or inefficiencies in our supply chain and/or operations; loss of key suppliers; raw material and commodity costs due to inflation; labor strikes or work stoppages; multiemployer pension plans; labor shortages and increased competition for labor; success of our growth, reinvestment, and restructuring programs; our level of indebtedness and related obligations; disruptions in the financial markets; interest rates; changes in foreign currency exchange rates; collectibility of our note receivable, customer concentration and consolidation; competition; our ability to execute on our business strategy; our ability to continue to make acquisitions and execute on divestitures or effectively manage the growth from acquisitions; impairment of goodwill or long lived assets; 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; shareholder activism; disruptions in or failures of our information technology systems; changes in weather conditions, climate changes, and natural disasters; 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, 2022, and from time to time in our filings with the Securities and Exchange Commission ("SEC").

A decorative image on the left side of the slide showing several white coffee cups filled with coffee, some with latte art, on a dark surface.

KEY TAKEAWAYS

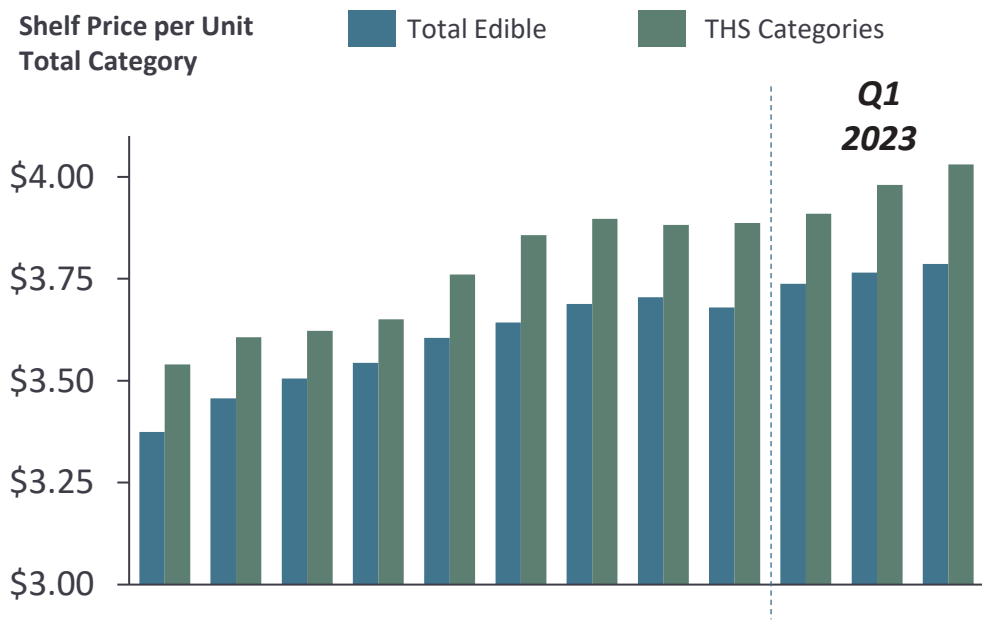
- 1 First Quarter Revenue, Profit and Margins Exceed High End of Guidance as TreeHouse Benefits from Better Execution and More Focused Portfolio
- 2 Supply Chain Improvement and Service Recovery Enables Fulfillment of Increased Customer Demand Ahead of Schedule
- 3 Profitability Improves Significantly Versus Prior Year as Pricing to Recover Inflation Continues to be Realized
- 4 Reaffirming 2023 Guidance
- 5 Selectively investing in opportunities to drive organic growth and build capabilities across our supply chain

Q1 Results Exceed High End of Guidance

	Q1 2023 Guidance	Results	Outcome
Reported Net Sales Year-over-Year Growth	\$840 - \$865 million 9% - 12%	\$895 million 15.8%	✓
Adjusted EBITDA¹	\$65 - \$80 million	\$ 90.6 million	✓
Adjusted EBITDA Margin¹	7.8% - 9.3%	10.1% 530 bps improvement YoY	✓

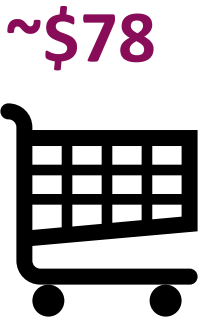
Shelf Price Inflation Has Continued; Private Label Absolute Dollar Savings Continues to be Significant

Retailers Increase Shelf Prices to Reflect Inflation



Significant Absolute Dollar Savings for a Basket of Private Label Goods

National Brands



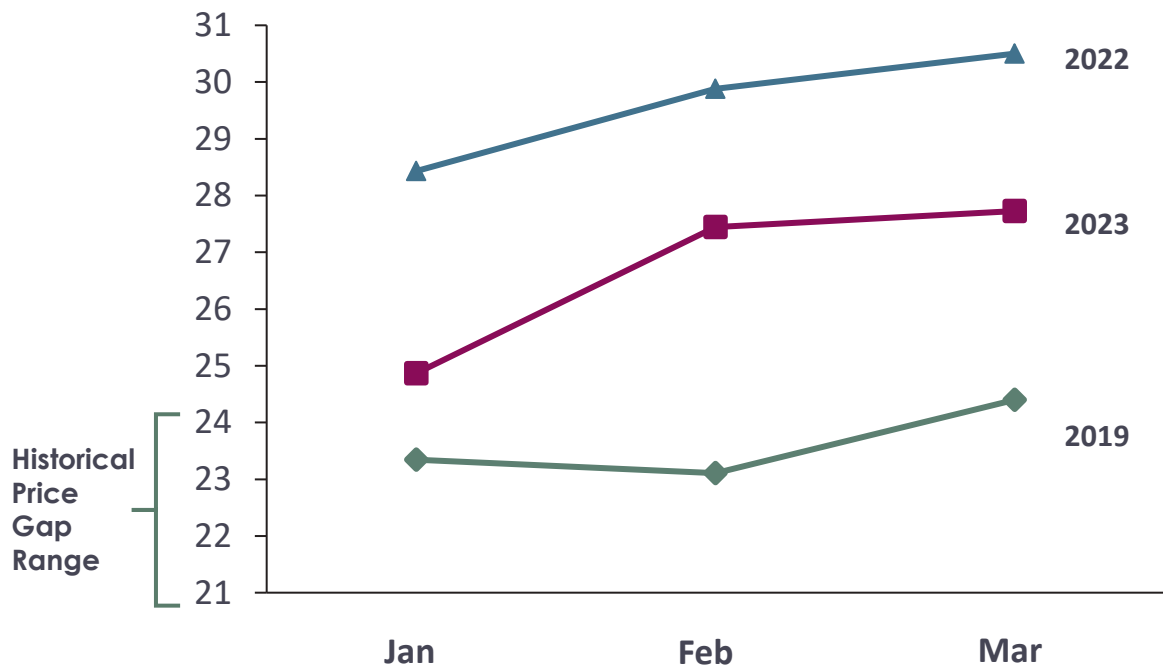
Private Brands



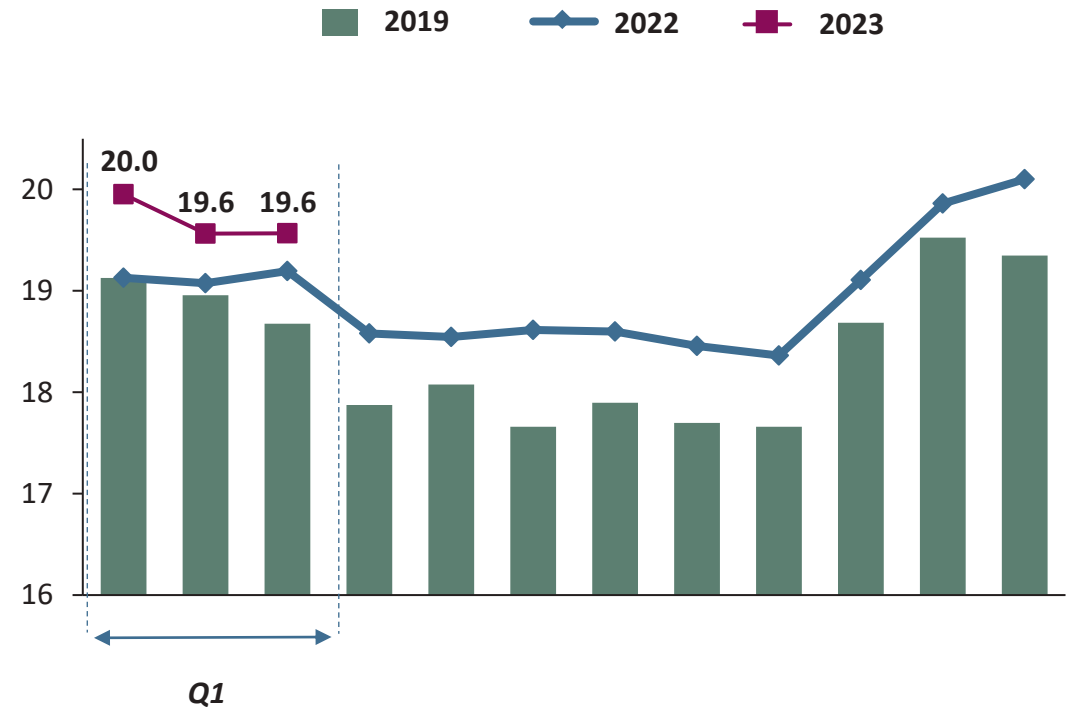
Sources: Circana Syndicated Point of Sales Data, THS Categories, Total US Multi-Outlet, 4 and 5 weeks ended data (left chart); Circana Custom Point of Sales Data for the 5-week period ending 3/19/2023. Basket includes one product from each TreeHouse category; price per unit uses comparable product and pack sizes for national brand and private brand

Private Label Unit Share Continues to Expand

Private Label % Price Gap Remains Wider than Historical Range



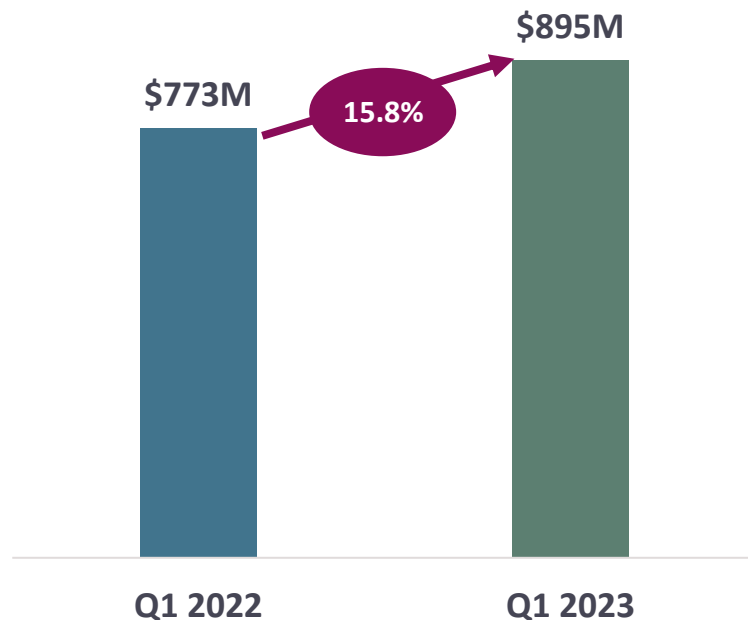
Private Label Share Above 2019 and 2022



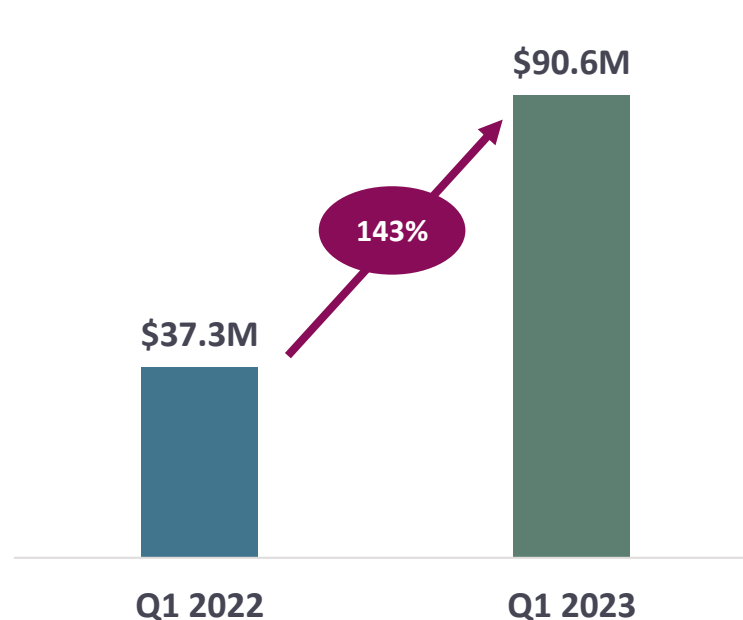
Source: Circana Syndicated POS Data ending 3/19/23 for TreeHouse categories (both charts)

Strong Q1 Net Sales Growth and Profit Improvement

**Net Sales Grew 16%
to \$895M**



**Adjusted EBITDA¹
Rebounded to \$90.6M**



**Adjusted EBITDA Margin¹
Expanded 530 bps to 10.1%**

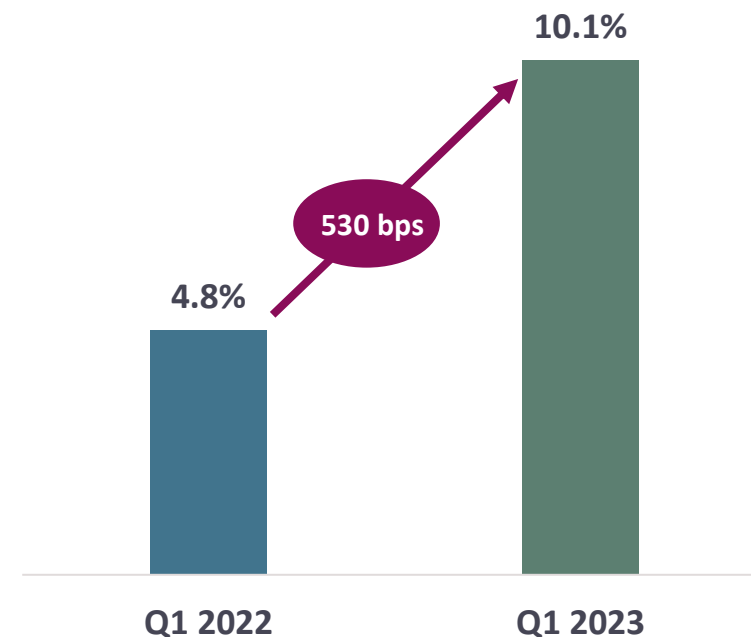


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TreeHouse

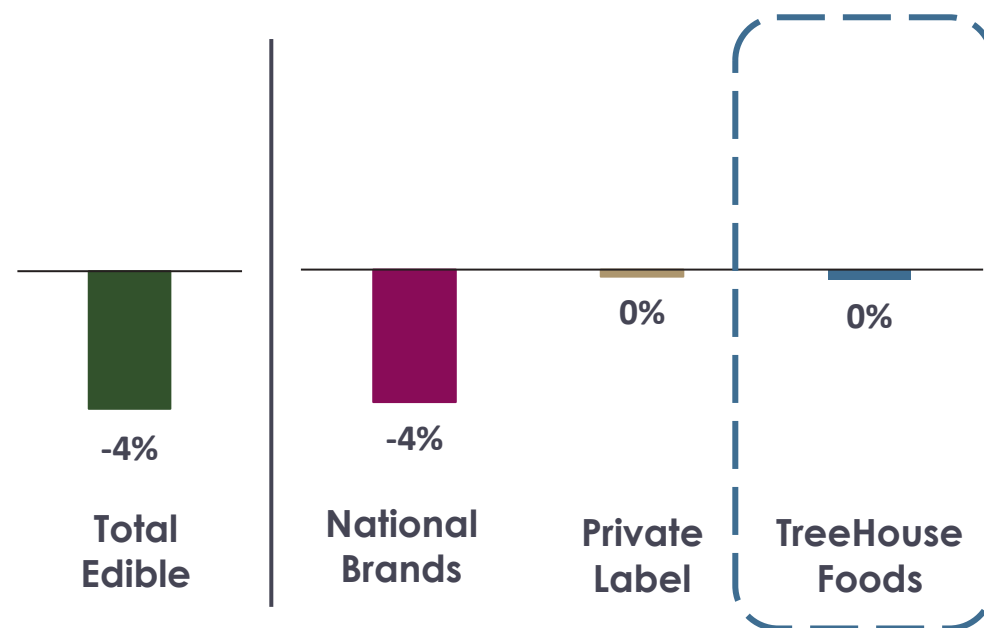
¹ Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP financial measures. See "Comparison of Adjusted Information to GAAP Information" in the Appendix for the definition of the non-GAAP measures, information concerning certain items affecting comparability, and reconciliation of the non-GAAP measures to the most directly comparable GAAP measures.

Net Sales Growth Driven by Pricing to Recover Inflation; Retail Channel Volume Continues to Outperform National Brands

TreeHouse Net Sales Growth Drivers

	Q1 vs Prior Year
	TreeHouse Continuing Operations
Pricing	16.7%
Volume / Mix	-0.6%
Organic Net Sales Growth	16.1%
Foreign Currency	-0.3%
Net Sales Growth	15.8%

Q1 Unit Growth / (Decline) vs Prior Year in Retail Measured Channels



Organic Net Sales is a non-GAAP financial measure. See "Comparison of Adjusted Information to GAAP Information" in the Appendix 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.

Chart not drawn to scale.

Source: Circana Syndicated POS Data ending 3/19/23. National brands and private label data is representative of the categories in which THS operates.

Adjusted EBITDA Improvement Driven by PNOC and Volume/Mix Improvement, Partly Offset by Operational Investments

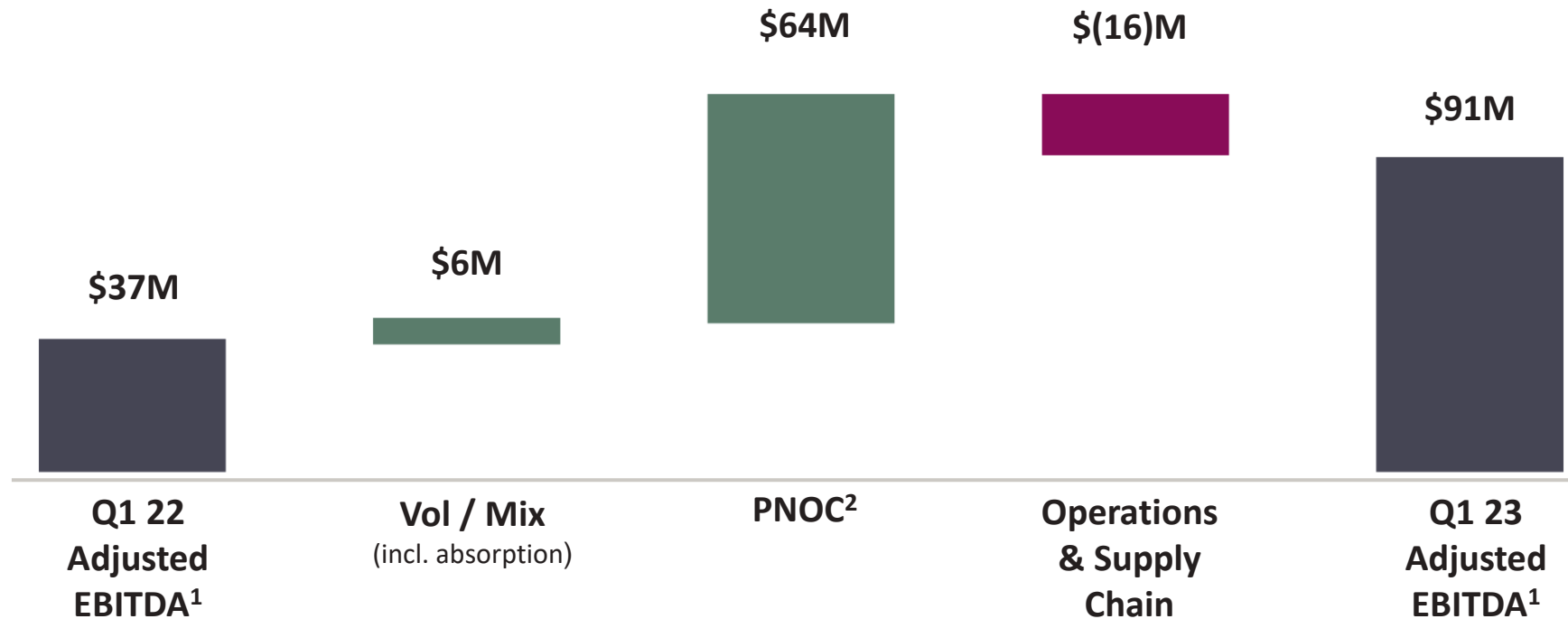


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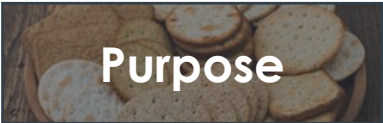
¹ Adjusted EBITDA is a non-GAAP financial measure. See "Comparison of Adjusted Information to GAAP Information" in the Appendix for the definition of the non-GAAP measure, information concerning certain items affecting comparability, and reconciliation of the non-GAAP measure to the most directly comparable GAAP measure.

² Pricing to recover inflation, net of commodities, freight & warehousing.

Q2 Guidance Reflects Seasonality and Fulfillment Timing; Reaffirming FY 2023 Guidance

	Q2 2023 Guidance	FY 2023 Guidance
Reported Net Sales	\$810 - \$840 million	6% - 8% growth vs PY
Adjusted EBITDA^{1,2}	\$65 - \$80 million	\$345 - \$365 million
Net Interest Expense		\$20 - \$25 million
Capex		~ \$130 million

Renewed Purpose and Strategy Drives Growth Targets



Engage and Delight - One Customer at a Time



World Class
Supply Chain

Category
Leadership

Strategic
Customer
Partnerships

Talent Leader



3% - 5%
Net Sales

8% - 10%
Adjusted EBITDA

≥\$200M
Free Cash Flow

Growth target expectations are over 3+ years beginning in 2024.
The Company is not able to reconcile prospective adjusted EBITDA or free cash flow, which are Non-GAAP financial measures, to the most comparable GAAP financial measures without unreasonable effort due to the inherent uncertainty and difficulty of predicting the occurrence, financial impact, and timing of certain items impacting GAAP results.



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Thank you

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), Condensed Consolidated Statements of Stockholders' Equity, 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, 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.

Organic Net Sales

Organic net sales is defined as net sales excluding the impacts of acquisitions, 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 (loss) 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 divestiture, acquisition, integration, and related costs, mark-to-market adjustments on derivative contracts, foreign currency exchange impact on the re-measurement of intercompany notes, growth, reinvestment, and 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 adjusted diluted EPS from continuing operations, excluding certain items affecting comparability, to the relevant GAAP measure of diluted EPS from continuing operations as presented in the Condensed Consolidated Statements of Operations, is as follows:

Adjusted Net Income (Loss) from Continuing Operations, Adjusted EBIT from Continuing Operations, Adjusted EBITDA from Continuing Operations, Adjusted EBITDAS from Continuing Operations, Adjusted Net Income (Loss) 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 (loss) from continuing operations represents GAAP net 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 from continuing operations section 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 Directors' 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 (loss) from continuing operations before interest expense, interest income, and income tax expense. Adjusted EBITDA from continuing operations represents adjusted net income (loss) 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 incentive compensation, 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 and as a component of our debt covenant calculations. Adjusted net income (loss) 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 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 month periods ended March 31, 2023 and 2022 calculated according to GAAP, adjusted net income (loss) from continuing operations, adjusted EBIT from continuing operations, adjusted EBITDA from continuing operations, and adjusted EBITDAS from continuing operations is presented in the attached tables. 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.

Free Cash Flow from Continuing Operations

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 used in 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 public debt, and repurchasing common stock.

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

		Three Months Ended March 31,	
		2023	2022
		(unaudited, in millions)	
Net income (loss) from continuing operations (GAAP)		\$ 19.2	\$ (13.8)
Growth, reinvestment, and restructuring programs	(1)	15.3	30.1
Mark-to-market adjustments	(2)	5.9	(50.8)
Divestiture, acquisition, integration, and related costs	(3)	3.8	3.0
Shareholder activism	(4)	0.3	0.6
Tax indemnification	(5)	0.2	—
Foreign currency gain on re-measurement of intercompany notes	(6)	(0.2)	(0.8)
Central services and conveyed employee costs	(7)	—	21.8
Litigation matter	(8)	—	0.4
Less: Taxes on adjusting items		(6.1)	0.3
Adjusted net income (loss) from continuing operations (Non-GAAP)		38.4	(9.2)
Interest expense		17.8	16.7
Interest income		(14.6)	(4.1)
Income taxes		6.9	(2.3)
Add: Taxes on adjusting items		6.1	(0.3)
Adjusted EBIT from continuing operations (Non-GAAP)		54.6	0.8
Depreciation and amortization		36.0	36.5
Adjusted EBITDA from continuing operations (Non-GAAP)		90.6	37.3
Stock-based compensation expense	(9)	5.0	3.3
Adjusted EBITDAS from continuing operations (Non-GAAP)		\$ 95.6	\$ 40.6
Net income (loss) margin from continuing operations		2.1 %	(1.8) %
Adjusted net income (loss) margin from continuing operations		4.3 %	(1.2) %
Adjusted EBIT margin from continuing operations		6.1 %	0.1 %
Adjusted EBITDA margin from continuing operations		10.1 %	4.8 %
Adjusted EBITDAS margin from continuing operations		10.7 %	5.3 %

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

	Location in Condensed Consolidated Statements of Operations	Three Months Ended March 31,	
		2023	2022
(unaudited, in millions)			
(1) Growth, reinvestment, and restructuring programs	Other operating expense, net	\$ 15.3	\$ 30.1
(2) Mark-to-market adjustments	Other expense (income), net	5.9	(50.8)
(3) Divestiture, acquisition, integration, and related costs	General and administrative	3.1	1.9
	Other operating expense, net	0.7	—
	Cost of sales	—	1.1
(4) Shareholder activism	General and administrative	0.3	0.6
(5) Tax indemnification	Other expense (income), net	0.2	—
(6) Foreign currency gain on re-measurement of intercompany notes	Loss (gain) on foreign currency exchange	(0.2)	(0.8)
(7) Central services and conveyed employee costs	Cost of sales	—	5.0
	General and administrative	—	16.8
(8) Litigation matter	General and administrative	—	0.4
(9) Stock-based compensation expense included as an adjusting item	Other operating expense, net	2.2	0.5

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 March 31,	
		2023	2022
		(unaudited)	
Diluted EPS from continuing operations (GAAP)		\$ 0.34	\$ (0.25)
Growth, reinvestment, and restructuring programs	(1)	0.27	0.54
Mark-to-market adjustments	(2)	0.10	(0.91)
Divestiture, acquisition, integration, and related costs	(3)	0.07	0.05
Shareholder activism	(4)	0.01	0.01
Tax indemnification	(5)	—	—
Foreign currency gain on re-measurement of intercompany notes	(6)	—	(0.01)
Central services and conveyed employee costs	(7)	—	0.39
Litigation matter	(8)	—	0.01
Taxes on adjusting items		(0.11)	0.01
Adjusted diluted EPS from continuing operations (Non-GAAP)		\$ 0.68	\$ (0.16)

TREEHOUSE FOODS, INC.
ORGANIC NET SALES RECONCILIATION

	Three Months Ended March 31, 2023	
	Dollars	Percent
	(unaudited, dollars in millions)	
2022 Net sales	\$ 772.6	
Pricing	128.8	16.7 %
Volume/mix	(4.2)	(0.6)
Foreign currency	(2.4)	(0.3)
2023 Net sales	<u>\$ 894.8</u>	<u>15.8 %</u>
Foreign currency		0.3
Percent change in organic net sales		<u>16.1 %</u>

TREEHOUSE FOODS, INC.
RECONCILIATION OF NET CASH USED IN OPERATING ACTIVITIES FROM CONTINUING OPERATIONS TO FREE CASH
FLOW FROM CONTINUING OPERATIONS

	Three Months Ended March 31,	
	2023	2022
	(unaudited, in millions)	
Cash flow used in operating activities from continuing operations	\$ (30.9)	\$ (96.1)
Less: Capital expenditures	(32.0)	(19.4)
Free cash flow from continuing operations	<u>\$ (62.9)</u>	<u>\$ (115.5)</u>

