FOR IMMEDIATE RELEASE

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General Mills Reports Fiscal 2024 Third-quarter Results

- **Net sales of $5.1 billion were down 1 percent in the third quarter and organic net sales[1] were also down 1 percent; on a 2-year compound growth basis, net sales were up 6 percent and organic net sales were up 7 percent**
- **Operating profit of $911 million was up 25 percent; adjusted operating profit of $914 million increased 14 percent in constant currency**
- **Diluted earnings per share (EPS) of $1.17 were up 27 percent; adjusted diluted EPS of $1.17 increased 22 percent in constant currency**
- **Company reaffirms full-year fiscal 2024 outlook**

[1] Please see Note 7 to the Consolidated Financial Statements below for reconciliation of this and other non-GAAP measures used in this release.

MINNEAPOLIS (Mar. 20, 2024) – General Mills, Inc. (NYSE: GIS) today reported results for its fiscal 2024 third quarter.

"General Mills' strategic focus on brand building, innovation, and in-store execution contributed to improved volume and market share trends in the third quarter," said General Mills Chairman and Chief Executive Officer Jeff Harmening. "We continue to navigate today's evolving operating environment while generating industry-leading levels of cost savings. And we remain committed to investing further in our brands and capabilities to drive profitable growth over the long term."

General Mills is executing its Accelerate strategy to drive sustainable, profitable growth and top-tier shareholder returns over the long term. The strategy focuses on four pillars to create competitive advantages and win: boldly building brands, relentlessly innovating, unleashing scale, and standing for good. The company is prioritizing its core markets, global platforms, and local gem brands that have the best prospects for profitable growth and is committed to reshaping its portfolio with strategic acquisitions and divestitures to further enhance its growth profile.

Third Quarter Results Summary

- **Net sales** were down 1 percent to $5.1 billion, with lower pound volume partially offset by favorable net price realization and mix. Organic net sales were 1 percent below year-ago results that grew double digits; organic net sales were up 7 percent on a 2-year compound growth basis.
- **Gross margin** was up 100 basis points to 33.5 percent of net sales, driven by Holistic Margin Management (HMM) cost savings, favorable net price realization and mix, and favorable mark-to-market effects, partially offset by higher other supply chain costs, input cost inflation, and supply chain deleverage. Adjusted gross margin was up 20 basis points to 34.0 percent of net sales, driven primarily by HMM cost savings and favorable net price realization and mix, partially offset by higher other supply chain costs, input cost inflation, and supply chain deleverage.
- **Operating profit** of $911 million was up 25 percent, driven primarily by lower compensation and benefits expenses, higher gross profit dollars, and product recall recoveries. **Operating profit margin** of 17.9 percent was up 370 basis points. Adjusted operating profit of $914 million increased 14 percent in constant currency, driven primarily by lower compensation and benefits expenses. Adjusted operating profit margin was up 220 basis points to 17.9 percent.
- **Net earnings attributable to General Mills** of $670 million were up 21 percent. **Diluted EPS** was up 27 percent to $1.17, driven primarily by higher operating profit and lower net shares outstanding, partially offset by higher net interest expense and a higher effective tax rate. Adjusted diluted EPS of $1.17 was up 22 percent in constant currency, driven primarily by higher adjusted operating profit, lower net shares outstanding, and a lower adjusted effective tax rate, partially offset by higher net interest expense.

Nine Month Results Summary

- **Net sales** increased 1 percent to $15.1 billion, with favorable net price realization and mix partially offset by lower pound volume. Organic net sales were 1 percent above year-ago results that grew double digits; organic net sales were up 6 percent on a 2-year compound growth basis.
- **Gross margin** was up 260 basis points to 34.6 percent of net sales, driven primarily by favorable net price realization and mix, HMM cost savings, and favorable mark-to-market effects, partially offset by input cost inflation, higher other supply chain costs, and supply chain deleverage. Adjusted gross margin was up 90 basis points to 34.8 percent of net sales, driven by favorable net price realization and mix and HMM cost savings, partially offset by input cost inflation, higher other supply chain costs, and supply chain deleverage.
- **Operating profit** of $2.65 billion was up 1 percent, driven primarily by higher gross profit dollars, lower compensation and benefits expenses, and favorable net corporate investment activity, partially offset by net gains on divestitures in the prior year and a goodwill impairment charge. **Operating profit margin** of 17.5 percent was up 10 basis points. Adjusted operating profit of $2.8 billion increased 9 percent in constant currency, driven by higher adjusted gross profit dollars and lower compensation and benefits expenses, partially offset by higher media and other consumer expenses. Adjusted operating profit margin was up 150 basis points to 18.5 percent.
- **Net earnings attributable to General Mills** were down 2 percent to $1.9 billion. **Diluted EPS** was up 2 percent to $3.33, driven primarily by lower net shares outstanding and higher operating profit, partially offset by higher net interest expense. Adjusted diluted EPS of $3.51 was up 11 percent in constant currency, driven primarily by higher adjusted operating profit, lower net shares outstanding, and a lower adjusted effective tax rate, partially offset by higher net interest expense.

Notes on Comparability

The following transactions impacted the comparability of year-to-date financial results between fiscal 2023 and fiscal 2024: the acquisition of the TNT Crust foodservice business in the first quarter of fiscal 2023 and the divestiture of the Helper main meals and Suddenly Salad side dishes business in the first quarter of fiscal 2023. In addition, results in fiscal 2023 included the impact of a voluntary recall on certain international *Häagen-Dazs* ice cream products, which was a headwind to net sales and operating profit results in the International segment.

Operating Segment Results

Note: Tables may not foot due to rounding.

Components of Fiscal 2024 Reported Net Sales Growth

Third Quarter	Volume	Price/Mix	Foreign Exchange	Reported Net Sales
North America Retail	(2) pts	3 pts	--	Flat
Pet	(5) pts	2 pts	--	(3)%
North America Foodservice	--	--	--	1%
International	(4) pts	--	--	(3)%
Total	(2) pts	2 pts	--	(1)%
Nine Months				
North America Retail	(4) pts	5 pts	--	Flat
Pet	(7) pts	5 pts	--	(2)%
North America Foodservice	2 pts	1 pt	--	3%
International	(4) pts	5 pts	1 pt	3%
Total	(3) pts	3 pts	--	1%

Components of Fiscal 2024 Organic Net Sales Growth

Third Quarter	Organic Volume	Organic Price/Mix	Organic Net Sales	Foreign Exchange	Acquisitions & Divestitures	Reported Net Sales
North America Retail	(2) pts	3 pts	Flat	--	--	Flat
Pet	(5) pts	2 pts	(3)%	--	--	(3)%
North America Foodservice	--	--	1%	--	--	1%
International	(4) pts	--	(3)%	--	--	(3)%
Total	(2) pts	2 pts	(1)%	--	--	(1)%
Nine Months						
North America Retail	(4) pts	5 pts	1%	--	--	Flat
Pet	(7) pts	5 pts	(2)%	--	--	(2)%
North America Foodservice	1 pt	--	1%	--	1 pt	3%
International	(4) pts	5 pts	2%	1 pt	--	3%
Total	(3) pts	4 pts	1%	--	--	1%

Fiscal 2024 Segment Operating Profit Growth

Third Quarter	% Change as Reported	% Change in Constant Currency
North America Retail	(4)%	(4)%
Pet	25%	25%
North America Foodservice	(1)%	(1)%
International	(57)%	(53)%
Total	(3)%	(3)%
Nine Months		
North America Retail	Flat	Flat
Pet	10%	10%
North America Foodservice	9%	9%
International	8%	14%
Total	2%	2%

North America Retail Segment

Third-quarter net sales for General Mills' North America Retail segment of $3.2 billion essentially matched year-ago results, with favorable net price realization and mix offset by lower pound volume. Organic net sales were essentially in line with year-ago results that grew double digits; organic net sales were up 9 percent on a 2-year compound growth basis. Net sales performance outpaced Nielsen-measured retail sales growth in the quarter due primarily to an increase in retailer inventory. Net sales were up low-single digits for the U.S. Morning Foods operating unit and were up high-single digits for Canada. Net sales were down low-single digits for U.S. Meals & Baking Solutions and U.S. Snacks. Segment operating profit of $752 million was down 4 percent as reported and in constant currency, driven primarily by higher other supply chain costs, input cost inflation, lower volume, and supply chain deleverage, partially offset by HMM cost savings and favorable net price realization and mix.

Through nine months, North America Retail segment net sales of $9.6 billion essentially matched year-ago levels, including a modest headwind from divestitures. Organic net sales were up 1 percent. Segment operating profit of $2.4 billion essentially matched year-ago results as reported and in constant currency.

Pet Segment

Third-quarter net sales for the Pet segment were down 3 percent to $624 million, driven by lower pound volume, partially offset by favorable net price realization and mix. Organic net sales were 3 percent below year-ago results that grew double digits; organic net sales were up 5 percent on a 2-year compound growth basis. Net sales results in the quarter included declines on pet treats and dry pet food, partially offset by growth on wet pet food. Segment operating profit of $128 million was up 25 percent, driven primarily by HMM cost savings and favorable net price realization and mix, partially offset by lower volume, higher selling, general, and administrative (SG&A) expenses, and input cost inflation.

Through nine months, Pet segment net sales were down 2 percent to $1.8 billion. Organic net sales were also down 2 percent. Segment operating profit was up 10 percent to $342 million, driven primarily by favorable net price realization and mix and HMM cost savings, partially offset by lower volume, higher other supply chain costs, higher SG&A expenses, input cost inflation, and supply chain deleverage.

North America Foodservice Segment

Third-quarter net sales for the North America Foodservice segment increased 1 percent to $552 million. Organic net sales were also up 1 percent despite a 4-point headwind from market index pricing on bakery flour. Segment operating profit was down 1 percent to $82 million, driven primarily by higher other supply chain costs and higher SG&A expenses, partially offset by favorable net price realization and mix and HMM cost savings.

Through nine months, North America Foodservice net sales increased 3 percent to $1.7 billion, including a 1-point benefit from the TNT Crust acquisition. Organic net sales were up 1 percent. Segment operating profit was up 9 percent to $236 million, driven by favorable net price realization and mix and HMM cost savings, partially offset by higher other supply chain costs and higher SG&A expenses.

International Segment

Third-quarter net sales for the International segment were down 3 percent to $680 million, driven by lower pound volume. Organic net sales were also down 3 percent, with declines in China and Brazil partially offset by growth in Europe & Australia. Segment operating profit totaled $18 million compared to $42 million a year ago, driven primarily by higher input costs and lower volume.

Through nine months, International net sales increased 3 percent to $2.1 billion, including a 1-point benefit from foreign currency exchange. Organic net sales were up 2 percent. Segment operating profit of $103 million was up 8 percent as reported and up 14 percent in constant currency from year-ago results that included the impact of the ice cream recall, driven by favorable net price realization and mix and lower SG&A expenses, partially offset by higher input costs and lower volume.

Joint Venture Summary

Third-quarter constant-currency net sales increased 11 percent for Cereal Partners Worldwide (CPW), driven by favorable net price realization and mix, partially offset by lower pound volume. Constant-currency net sales for Häagen-Dazs Japan (HDJ) were down 2 percent, driven by the timing of new product launches. Combined after-tax earnings from joint ventures of $18 million were up 42 percent, driven by constant-currency after-tax earnings growth for CPW and HDJ, partially offset by unfavorable foreign currency exchange. Through nine months, after-tax earnings from joint ventures totaled $66 million compared to $58 million a year ago.

Other Income Statement Items

Beginning this quarter, results from certain businesses managed by the company's Gold Medal Ventures entity are included in corporate and other net sales and unallocated corporate items within operating profit. Unallocated corporate items also include corporate overhead expenses, variances to planned North American employee benefits and incentives, certain charitable contributions, restructuring initiative project-related costs, gains and losses on corporate investments, and other items that are not part of the measurement of segment operating performance.

Third-quarter unallocated corporate items totaled $64 million net expense in fiscal 2024 compared to $296 million net expense a year ago. Excluding mark-to-market valuation effects and other items affecting comparability, unallocated corporate items totaled $66 million net expense this year compared to $206 million net expense last year, driven primarily by lower compensation and benefits expenses.

Restructuring, impairment, and other exit costs totaled $6 million in the third quarter of fiscal 2024 compared to $1 million a year ago *(please see Note 3 below for more information on these charges)*. Benefit plan non-service income totaled $19 million in the third quarter compared to $22 million a year ago, driven primarily by an increase in interest costs, partially offset by lower amortization of losses.

Net interest expense totaled $122 million in the third quarter of fiscal 2024 compared to $98 million a year ago, driven primarily by higher interest rates and higher average long-term debt levels. The effective tax rate in the quarter was 18.5 percent compared to 16.6 percent last year *(please see Note 6 below for more information on our effective tax rate)*. The third-quarter adjusted effective tax rate was 18.4 percent compared to 21.6 percent a year ago, driven primarily by certain nonrecurring discrete tax benefits in the third quarter of fiscal 2024.

Cash Flow Generation and Cash Returns

Cash provided by operating activities totaled $2.4 billion through nine months of fiscal 2024 compared to $2.0 billion a year ago, driven primarily by higher net earnings excluding the net divestitures gain in fiscal 2023. Capital investments totaled $486 million compared to $351 million a year ago. Dividends paid increased 6 percent to $1.0 billion. General Mills repurchased approximately 23.5 million shares of common stock through nine months of fiscal 2024 for a total of $1.6 billion compared to $1.2 billion in share repurchases a year ago. Average diluted shares outstanding through nine months decreased 3 percent to 582 million.

Fiscal 2024 Outlook

General Mills continues to expect the largest factors impacting its performance in fiscal 2024 will be the economic health of consumers, the moderating rate of input cost inflation, and the increasing stability of the supply chain environment. Based on its current outlook on these and other key factors, the company reaffirmed its full-year fiscal 2024 financial targets[2]:

- **Organic net sales** are expected to range between down 1 percent and flat.
- **Adjusted operating profit** and **adjusted diluted EPS** are each expected to increase 4 to 5 percent in constant currency.
- **Free cash flow conversion** is expected to be at least 95 percent of adjusted after-tax earnings.
- The net impact of divestitures and foreign currency exchange is expected to have an immaterial impact on full-year reported net sales growth, and foreign currency exchange is expected to have an immaterial impact on adjusted operating profit and adjusted diluted EPS growth.

[2] Financial targets are provided on a non-GAAP basis because certain information necessary to calculate comparable GAAP measures is not available. Please see Note 7 to the Consolidated Financial Statements below for discussion of the unavailable information.

General Mills will issue pre-recorded management remarks today, March 20, 2024, at approximately 6:30 a.m. Central time (7:30 a.m. Eastern time) and will hold a live, webcasted question and answer session beginning at 8:00 a.m. Central time (9:00 a.m. Eastern time). The pre-recorded remarks and the webcast will be made available at www.generalmills.com/investors.

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are based on our current expectations and assumptions. These forward-looking statements, including the statements under the caption "Fiscal 2024 Outlook," and statements made by Mr. Harmening, are subject to certain risks and uncertainties that could cause actual results to differ materially from the potential results discussed in the forward-looking statements. In particular, our predictions about future net sales and earnings could be affected by a variety of factors, including: disruptions or inefficiencies in the supply chain; competitive dynamics in the consumer foods industry and the markets for our products, including new product introductions, advertising activities, pricing actions, and promotional activities of our competitors; economic conditions, including changes in inflation rates, interest rates, tax rates, or the availability of capital; product development and innovation; consumer acceptance of new products and product improvements; consumer reaction to pricing actions and changes in promotion levels; acquisitions or dispositions of businesses or assets; changes in capital structure; changes in the legal and regulatory environment, including tax legislation, labeling and advertising regulations, and litigation; impairments in the carrying value of goodwill, other intangible assets, or other long-lived assets, or changes in the useful lives of other intangible assets; changes in accounting standards and the impact of critical accounting estimates; product quality and safety issues, including recalls and product liability; changes in consumer demand for our products; effectiveness of advertising, marketing, and promotional programs; changes in consumer behavior, trends, and preferences, including weight loss trends; consumer perception of health-related issues, including obesity; consolidation in the retail environment; changes in purchasing and inventory levels of significant customers; fluctuations in the cost and availability of supply chain resources, including raw materials, packaging, energy, and transportation; effectiveness of restructuring and cost saving initiatives; volatility in the market value of derivatives used to manage price risk for certain commodities; benefit plan expenses due to changes in plan asset values and discount rates used to determine plan liabilities; failure or breach of our information technology systems; foreign economic conditions, including currency rate fluctuations; and political unrest in foreign markets and economic uncertainty due to terrorism or war. The company undertakes no obligation to publicly revise any forward-looking statement to reflect any future events or circumstances.

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