FOR IMMEDIATE RELEASE

June 26, 2024

General Mills Reports Fiscal 2024 Fourth-quarter and Full-year Results and Provides Fiscal 2025 Outlook

General Mills Board of Directors Declares Dividend Increase

Full Year Highlights

- **Net sales of $19.9 billion decreased 1 percent from the prior year; organic net sales[1] were 1 percent below year-ago results that grew double digits**
- **Operating profit of $3.4 billion essentially matched year-ago results; adjusted operating profit of $3.6 billion was up 4 percent in constant currency**
- **Diluted earnings per share (EPS) of $4.31 essentially matched year-ago results; adjusted diluted EPS of $4.52 was up 6 percent in constant currency**

Fourth Quarter Highlights

- **Net sales of $4.7 billion decreased 6 percent; organic net sales were also down 6 percent**
- **Operating profit of $779 million was down 5 percent; adjusted operating profit of $800 million was down 10 percent in constant currency**
- **Diluted EPS of $0.98 was down 5 percent; adjusted diluted EPS of $1.01 was down 10 percent in constant currency**

[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 (June 26, 2024) – General Mills, Inc. (NYSE: GIS) today reported results for the fourth quarter and fiscal year ended May 26, 2024.

"We delivered on our updated guidance in fiscal 2024 by pivoting our plans and enhancing our efficiency in response to a more challenging operating environment," said General Mills Chairman and Chief Executive Officer Jeff Harmening. "We drove improved volume performance in the second half of the year and generated industry-leading levels of Holistic Margin Management cost savings, allowing us to protect our brand investment while still delivering on our profit and cash commitments.

"As we move into fiscal 2025, our top priority is to accelerate our organic net sales growth, and specifically our volume growth, by delivering remarkable experiences across our portfolio of leading brands," Harmening continued. "We plan to drive another year of strong HMM cost savings, allowing us to reinvest in exciting growth ideas that meet evolving consumer needs. I want to thank our entire General Mills team for their resilience and engagement in fiscal 2024, and I'm confident we're ready to capitalize on new opportunities, advance our Accelerate strategy, and deliver for our consumers and our shareholders in the year ahead."

Guided by its purpose to make food the world loves, 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.

<u>Fourth Quarter Results Summary</u>

- **Net sales** were down 6 percent to $4.7 billion, reflecting unfavorable net price realization and mix and lower pound volume. Results included a 3-point headwind from a comparison against favorable trade expense timing in the prior year, which impacted net price realization and mix. Organic net sales were down 6 percent and slowed from the third-quarter trend, driven by the trade expense timing comparison, a reduction in retailer inventory, and a headwind in International segment results. Aggregate in-market retail sales trends were more consistent between the third and fourth quarters.
- **Gross margin** increased 140 basis points to 35.8 percent of net sales, driven by Holistic Margin Management (HMM) cost savings, favorable mark-to-market effects, and lower other supply chain costs, partially offset by input cost inflation, unfavorable net price realization and mix, and supply chain deleverage. Adjusted gross margin was down 10 basis points to 34.9 percent of net sales.
- **Operating profit** of $779 million was down 5 percent, driven primarily by intangible asset impairments and lower gross profit dollars, partially offset by lower selling, general, and administrative (SG&A) expenses and lower restructuring charges. **Operating profit margin** of 16.5 percent was up 20 basis points. Adjusted operating profit of $800 million was down 10 percent in constant currency, driven primarily by lower adjusted gross profit dollars, partially offset by lower SG&A expenses. Adjusted operating profit margin was down 70 basis points to 17.0 percent.
- **Net earnings attributable to General Mills** of $558 million were down 9 percent. **Diluted EPS** was down 5 percent to $0.98, driven primarily by lower operating profit, higher net interest expense, and a higher effective tax rate, partially offset by lower net shares outstanding. Adjusted diluted EPS of $1.01 was down 10 percent in constant currency, driven primarily by lower adjusted operating profit, higher net interest expense, and a higher adjusted effective tax rate, partially offset by lower net shares outstanding.

Full Year Results Summary

- **Net sales** were down 1 percent to $19.9 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 4 percent on a 2-year compound growth basis.
- **Gross margin** was up 230 basis points to 34.9 percent of net sales, driven by HMM cost savings, favorable mark-to-market effects, and favorable net price realization and mix, partially offset by input cost inflation, higher other supply chain costs, and supply chain deleverage. Adjusted gross margin was up 60 basis points to 34.8 percent of net sales, driven by HMM cost savings and favorable net price realization and mix, partially offset by input cost inflation, higher other supply chain costs, and supply chain deleverage.
- **Operating profit** of $3.4 billion essentially matched year-ago results, with net gains on divestitures in the prior year and intangible asset impairment charges offset by higher gross profit dollars and lower compensation and benefits expenses. **Operating profit margin** of 17.3 percent was up 20 basis points. Adjusted operating profit of $3.6 billion increased 4 percent in constant currency, driven by lower compensation and benefits expenses and higher adjusted gross profit dollars, partially offset by higher media expenses. Adjusted operating profit margin was up 90 basis points to 18.1 percent.
- **Net earnings attributable to General Mills** were down 4 percent to $2.5 billion. **Diluted EPS** of $4.31 essentially matched year-ago results, with lower net shares outstanding offset by higher net interest expense and lower benefit plan non-service income. Adjusted diluted EPS of $4.52 was up 6 percent in constant currency, driven primarily by higher adjusted operating profit and lower net shares outstanding, partially offset by higher net interest expense and lower benefit plan non-service income.

Operating Segment Results

Note: Tables may not foot due to rounding.

Components of Fiscal 2024 Reported Net Sales Growth

Fourth Quarter	Volume	Price/Mix	Foreign Exchange	Reported Net Sales
North America Retail	(6) pts	(1) pt	--	(7)%
Pet	(7) pts	(1) pt	--	(8)%
North America Foodservice	3 pts	1 pt	--	4%
International	1 pt	(10) pts	(1) pt	(10)%
Total	(2) pts	(4) pts	--	(6)%
Full Year				
North America Retail	(5) pts	3 pts	--	(1)%
Pet	(7) pts	3 pts	--	(4)%
North America Foodservice	2 pts	1 pt	--	3%
International	(3) pts	1 pt	1 pt	(1)%
Total	(3) pts	2 pts	--	(1)%

Components of Fiscal 2024 Organic Net Sales Growth

Fourth Quarter	Organic Volume	Organic Price/Mix	Organic Net Sales	Foreign Exchange	Acquisitions & Divestitures	Reported Net Sales
North America Retail	(6) pts	(1) pt	(7)%	--	--	(7)%
Pet	(7) pts	(1) pt	(8)%	--	--	(8)%
North America Foodservice	3 pts	1 pt	4%	--	--	4%
International	1 pt	(10) pts	(10)%	(1) pt	--	(10)%
Total	(2) pts	(4) pts	(6)%	--	--	(6)%
Full Year						
North America Retail	(4) pts	3 pts	(1)%	--	--	(1)%
Pet	(7) pts	3 pts	(4)%	--	--	(4)%
North America Foodservice	2 pts	1 pt	2%	--	1 pt	3%
International	(3) pts	1 pt	(2)%	1 pt	--	(1)%
Total	(3) pts	2 pts	(1)%	--	--	(1)%

Fiscal 2024 Segment Operating Profit Growth

Fourth Quarter	% Change as Reported	% Change in Constant Currency
North America Retail	(14)%	(14)%
Pet	8%	8%
North America Foodservice	9%	9%
International	(66)%	(68)%
Total	(13)%	(13)%
Full Year		
North America Retail	(3)%	(3)%
Pet	9%	9%
North America Foodservice	9%	9%
International	(23)%	(20)%
Total	(2)%	(2)%

Notes on Comparability

The following transactions impacted the comparability of full-year operating segment 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.

North America Retail Segment

Fourth-quarter net sales for General Mills' North America Retail segment were down 7 percent to $2.85 billion, driven by lower pound volume and unfavorable net price realization and mix. Organic net sales were also down 7 percent. Net sales results in the quarter lagged comparable Nielsen-measured retail sales by approximately 4 points, reflecting the headwind from the comparison against favorable trade expense timing in the prior year.

Segment operating profit of $670 million was down 14 percent as reported and in constant currency, driven primarily by lower volume and unfavorable net price realization and mix.

For the full year, North America Retail segment net sales were down 1 percent to $12.5 billion. Organic net sales were 1 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 were down low-single digits for the U.S. Meals & Baking Solutions, U.S. Snacks, and U.S. Morning Foods operating units, and were up mid-single digits for Canada. Segment operating profit of $3.1 billion was down 3 percent as reported and in constant currency, driven primarily by higher input costs, lower volume, and higher SG&A expenses, partially offset by favorable net price realization and mix.

Pet Segment

Fourth-quarter net sales for the Pet segment were down 8 percent to $602 million, driven by lower pound volume and unfavorable net price realization and mix. Organic net sales were also down 8 percent. Net sales results in the quarter lagged all-channel retail sales by approximately 4 points, reflecting the headwind from the comparison against favorable trade expense timing in the prior year as well as a decline in retailer inventory. Segment operating profit was up 8 percent to $144 million, driven primarily by HMM cost savings, partially offset by higher other supply chain costs.

For the full year, Pet segment net sales were down 4 percent to $2.4 billion. Organic net sales were 4 percent below year-ago results that grew high-single digits; organic net sales were up 2 percent on a 2-year compound growth basis. Full-year net sales results included a low-single digit decline on dry pet food, a high-single digit decline on wet pet food, and a mid-single digit decline on treats. Segment operating profit increased 9 percent to $486 million, driven primarily by HMM cost savings and favorable net price realization and mix, partially offset by lower volume, higher other supply chain costs, and higher SG&A expenses.

North America Foodservice Segment

Fourth-quarter net sales for the North America Foodservice segment increased 4 percent to $589 million. Organic net sales were also up 4 percent despite a 3-point headwind from market index pricing on bakery flour. Net sales performance was led by strong growth on breads, cereal, and frozen biscuits, partially offset by a decline on bakery flour. Segment operating profit was up 9 percent to $79 million, driven primarily by favorable net price realization and mix and higher volume, partially offset by higher input costs.

For the full year, North America Foodservice net sales increased 3 percent to $2.26 billion, including a 1-point benefit from the TNT Crust acquisition. Organic net sales were up 2 percent. Segment operating profit was up 9 percent to $316 million, driven primarily by favorable net price realization and mix, partially offset by higher input costs.

International Segment

Fourth-quarter net sales for the International segment were down 10 percent to $668 million, driven by unfavorable net price realization and mix and a 1-point headwind from foreign currency exchange, partially offset by higher pound volume. Organic net sales were also down 10 percent, with double-digit declines in Brazil and China partially offset by growth in Distributor markets and Europe & Australia. Segment operating profit totaled $22 million compared to $67 million a year ago, driven primarily by unfavorable net price realization and mix and input cost inflation, partially offset by HMM cost savings and lower other supply chain costs.

For the full year, International net sales were down 1 percent to $2.7 billion, including a 1-point benefit from foreign currency exchange. Organic net sales were down 2 percent. Segment operating profit of $125 million was down 23 percent as reported and down 20 percent in constant currency from year-ago results that included the impact of the ice cream recall, driven primarily by higher input costs and lower volume, partially offset by favorable net price realization and mix.

Joint Venture Summary

Fourth-quarter constant-currency net sales increased 2 percent for Cereal Partners Worldwide (CPW) and were down 3 percent for Häagen-Dazs Japan (HDJ). For the full year, constant-currency net sales increased 8 percent for CPW and were up 1 percent for HDJ. Combined after-tax earnings from joint ventures were down 18 percent to $19 million in the fourth quarter. For the full year, after-tax earnings from joint ventures increased 4 percent to $85 million.

Other Income Statement Items

Full-year unallocated corporate items totaled $334 million net expense in fiscal 2024 compared to $1,033 million net expense a year ago. Excluding mark-to-market valuation effects and other items affecting comparability, unallocated corporate items totaled $404 million net expense this year compared to $621 million net expense last year, driven primarily by lower compensation and benefits expenses and lower corporate charitable contributions.

The company did not undertake any divestitures in fiscal 2024 compared to a net $445 million gain on divestitures a year ago *(please see Note 2 below for more information on these items)*. Restructuring, impairment, and other exit costs totaled $241 million in fiscal 2024 compared to $56 million a year ago *(please see Note 3 below for more information on these charges)*. Benefit plan non-service income totaled $76 million in fiscal 2024 compared to $89 million a year ago, driven by an increase in interest costs, partially offset by lower amortization of losses.

Net interest expense in fiscal 2024 totaled $479 million compared to $382 million a year ago, driven primarily by higher interest rates and higher average long-term debt balances. The effective tax rate for fiscal 2024 was 19.6 percent compared to 19.5 percent last year *(please see Note 6 below for more information on our effective tax rate)*. The adjusted effective tax rate was 20.1 percent compared to 20.4 percent a year ago.

Cash Flow Generation and Cash Returns

Cash provided by operating activities totaled $3.3 billion in fiscal 2024 compared to $2.8 billion a year ago, driven primarily by higher net earnings excluding the net divestitures gain in fiscal 2023 and the change in restructuring, impairment, and other exit costs. Capital investments totaled $774 million compared to $690 million a year ago. Full-year operating cash flow conversion was 131 percent of after-tax earnings and free cash flow conversion was 96 percent of adjusted after-tax earnings. Dividends paid increased 6 percent to $1.4 billion. General Mills repurchased approximately 29 million shares of common stock in fiscal 2024 for a total of $2.0 billion compared to $1.4 billion in share repurchases a year ago. Average diluted shares outstanding decreased 4 percent to 580 million.

Dividend Increase

The General Mills board of directors declared a quarterly dividend of $0.60 per share, payable August 1, 2024, to shareholders of record July 10, 2024. This represents a 2 percent increase from the previous quarterly rate of $0.59 per share. General Mills and its predecessor company have paid dividends without interruption for 125 years.

Fiscal 2025 Outlook

Amid a continued uncertain macroeconomic backdrop for consumers across its core markets, General Mills expects volume trends in its categories will gradually improve in fiscal 2025, though full-year category dollar growth is expected to be below the company's long-term growth projections. The company expects to accelerate its organic net sales growth by delivering remarkable experiences across its leading food brands, resulting in improved household penetration and stronger market share trends versus the prior year. Its fiscal 2025 plans call for product news and innovation focused on taste, health, convenience, and value, supported with strong brand campaigns and omnichannel visibility. The company expects to generate HMM cost savings of roughly 4 to 5 percent of cost of goods sold, which is expected to exceed its anticipated input cost inflation of 3 to 4 percent of cost of goods sold. Additionally, it expects to reinvest potential margin flexibility back into the business, including plans for a significant increase in brand-building investment in fiscal 2025 to drive improved volume performance.

With these assumptions in mind, General Mills outlined its full-year financial targets for fiscal 2025[2]:

- **Organic net sales** are expected to range between flat and up 1 percent.

- **Adjusted operating profit** is expected to range between down 2 percent and flat in constant currency from the base of $3.6 billion reported in fiscal 2024, including a 2-point headwind from resetting incentive compensation after a below-average payout in the prior year.
- **Adjusted diluted EPS** is expected to range between down 1 percent and up 1 percent in constant currency from the base of $4.52 earned in fiscal 2024.
- **Free cash flow conversion** is expected to be at least 95 percent of adjusted after-tax earnings.

[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, June 26, 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 2025 Outlook,” and statements made by Mr. Harmening, are subject to certain risks