

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): October 22, 2019

**TREEHOUSE FOODS, INC.
(Exact Name of Registrant as Specified in Charter)**

Commission File Number: 001-32504

Delaware

**(State or Other Jurisdiction
of Incorporation)**

20-2311383

**(IRS Employer
Identification No.)**

**2021 Spring Road
Suite 600**

(Address of Principal Executive Offices)

Oak Brook IL

60523

(Zip Code)

Registrant's telephone number, including area code: (708) 483-1300

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Title of each class
Common Stock, \$0.01 par value

Trading Symbol(s)
THS

Name of each exchange on which registered
NYSE

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01. Regulation FD Disclosure.

On August 1, 2019, Bay Valley Foods, LLC and TreeHouse Private Brands, Inc., wholly owned subsidiaries of TreeHouse Foods, Inc. ("TreeHouse" or the "Company"), completed the previously announced sale of Flagstone Foods, Inc. and Nutcracker Brands, Inc., constituting the Company's Snacks Division, for a base sale price of \$90.0 million in cash, subject to customary post-closing adjustments pursuant to the terms of a Stock Purchase Agreement, dated as of July 8, 2019.

On May 1, 2019, TreeHouse Private Brands, Inc., a wholly owned subsidiary of TreeHouse Foods, Inc., entered into a definitive agreement to sell its Ready-to-eat ("RTE") Cereal business to Post Holdings, Inc. ("Post"). The transaction is presently being reviewed by the Federal Trade Commission (the "FTC"). The Company and Post remain optimistic of a timely conclusion of the FTC review.

Beginning in the third quarter of 2019, the Company will classify both the Snacks and RTE Cereal businesses as discontinued operations.

On October 22, 2019, the Company is providing additional recast historical unaudited financial information prepared in accordance with GAAP reflecting discontinued operations for both the Snacks and RTE Cereal businesses, as well as certain Non-GAAP financial measures (as defined by the Securities and Exchange Commission) reconciled to GAAP. The Company believes this additional GAAP and Non-GAAP information provides investors with useful supplemental financial information regarding the Company's underlying business trends and the performance of the Company's continuing operations after the separation of the Snacks and RTE Cereal businesses. The financial information included in this Form 8-K also reflects the Company's change in inventory valuation method from the last-in, first out (LIFO) method to the first-in, first out (FIFO) method for its Pickle inventory during the second quarter of 2019. For additional information regarding this change, please refer to the Company's Form 10-Q filed on August 1, 2019.

The unaudited GAAP supplemental financial information included in this Form 8-K is furnished as Exhibit 99.1 to this report and the unaudited Non-GAAP supplemental financial information is furnished as Exhibit 99.2 to this report and both Exhibits are incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits:

Exhibit Number	Exhibit Description
99.1	Recast historical unaudited GAAP financial information reflecting discontinued operations.
99.2	Recast historical unaudited Non-GAAP financial measures reflecting discontinued operations (as defined by the Securities and Exchange Commission) reconciled to GAAP presentation.
104	Cover Page Interactive Data File (formatted as Inline XBRL).

The information furnished in this Form 8-K under Item 7.01, Item 9.01, Exhibit 99.1, and Exhibit 99.2 attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific referencing in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TreeHouse Foods, Inc.

Date: October 22, 2019

By: /s/ Thomas E. O'Neill

Thomas E. O'Neill

General Counsel, Executive Vice President, Chief Administrative Officer and officer duly authorized to sign on behalf of the registrant

TREEHOUSE FOODS, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
Recast for Discontinued Operations
(In millions, except per share amounts)

	Six Months Ended June 30, 2019	Year Ended December 31, 2018	Year Ended December 31, 2017
Net sales	\$ 2,092.1	\$ 4,587.8	\$ 4,852.6
Cost of sales	1,706.7	3,695.6	3,874.5
Gross profit	385.4	892.2	978.1
Operating expenses:			
Selling and distribution	130.0	328.5	345.5
General and administrative	148.4	264.4	283.7
Amortization expense	38.7	80.2	85.5
Asset impairment	—	—	59.0
Other operating expense, net	60.7	135.7	125.2
Total operating expenses	377.8	808.8	898.9
Operating income	7.6	83.4	79.2
Other expense:			
Interest expense	51.2	107.8	122.4
(Gain) loss on foreign currency exchange	(1.7)	8.6	(5.0)
Other expense (income), net	36.4	24.6	(9.7)
Total other expense	85.9	141.0	107.7
Loss before income taxes	(78.3)	(57.6)	(28.5)
Income tax benefit	(13.7)	(11.4)	(139.8)
Net (loss) income from continuing operations	(64.6)	(46.2)	111.3
Loss from discontinued operations, net of tax	(134.1)	(18.2)	(390.8)
Net loss	<u><u>\$ (198.7)</u></u>	<u><u>\$ (64.4)</u></u>	<u><u>\$ (279.5)</u></u>
Earnings (loss) per common share - basic:			
Continuing operations	\$ (1.15)	\$ (0.83)	\$ 1.95
Discontinued operations	(2.39)	(0.33)	(6.84)
Net loss per share - basic ⁽¹⁾	<u><u>\$ (3.54)</u></u>	<u><u>\$ (1.15)</u></u>	<u><u>\$ (4.89)</u></u>
Earnings (loss) per common share - diluted:			
Continuing operations	\$ (1.15)	\$ (0.83)	\$ 1.93
Discontinued operations	(2.39)	(0.33)	(6.78)
Net loss per share - diluted ⁽¹⁾	<u><u>\$ (3.54)</u></u>	<u><u>\$ (1.15)</u></u>	<u><u>\$ (4.85)</u></u>
Weighted average shares -- basic	56.2	56.0	57.1
Weighted average shares -- diluted	56.2	56.0	57.6

(1) The sum of the individual per share amounts may not add due to rounding. In addition, the sum of the quarters may not equal the total year amount due to the impact of changes in average quarterly shares outstanding and rounding.

TREEHOUSE FOODS, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
Recast for Discontinued Operations
(In millions, except per share amounts)

	Three Months Ended					
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018
Net sales	\$ 1,025.3	\$ 1,066.8	\$ 1,193.5	\$ 1,117.9	\$ 1,117.5	\$ 1,158.9
Cost of sales	836.1	870.6	942.0	903.9	902.4	947.3
Gross profit	189.2	196.2	251.5	214.0	215.1	211.6
Operating expenses:						
Selling and distribution	59.8	70.2	81.7	73.4	78.8	94.6
General and administrative	86.1	62.3	55.7	60.4	69.8	78.5
Amortization expense	18.6	20.1	20.0	19.8	19.6	20.8
Other operating expense, net	32.6	28.1	41.1	21.4	45.0	28.2
Total operating expenses	197.1	180.7	198.5	175.0	213.2	222.1
Operating (loss) income	(7.9)	15.5	53.0	39.0	1.9	(10.5)
Other expense:						
Interest expense	26.1	25.1	25.3	26.1	29.6	26.8
(Gain) loss on foreign currency exchange	(1.3)	(0.4)	3.6	0.6	1.9	2.5
Other expense (income), net	24.2	12.2	27.0	(2.9)	(3.8)	4.3
Total other expense	49.0	36.9	55.9	23.8	27.7	33.6
(Loss) income before income taxes	(56.9)	(21.4)	(2.9)	15.2	(25.8)	(44.1)
Income tax (benefit) expense	(6.8)	(6.9)	1.5	3.0	(6.3)	(9.6)
Net (loss) income from continuing operations	(50.1)	(14.5)	(4.4)	12.2	(19.5)	(34.5)
(Loss) income from discontinued operations, net of tax	(121.7)	(12.4)	(9.5)	(9.6)	—	0.9
Net (loss) income	<u><u>\$ (171.8)</u></u>	<u><u>\$ (26.9)</u></u>	<u><u>\$ (13.9)</u></u>	<u><u>\$ 2.6</u></u>	<u><u>\$ (19.5)</u></u>	<u><u>\$ (33.6)</u></u>
Earnings (loss) per common share - basic:						
Continuing operations	\$ (0.89)	\$ (0.26)	\$ (0.08)	\$ 0.22	\$ (0.35)	\$ (0.61)
Discontinued operations	(2.16)	(0.22)	(0.17)	(0.17)	—	0.02
Net (loss) earnings per share - basic ⁽¹⁾	<u><u>\$ (3.05)</u></u>	<u><u>\$ (0.48)</u></u>	<u><u>\$ (0.25)</u></u>	<u><u>\$ 0.05</u></u>	<u><u>\$ (0.35)</u></u>	<u><u>\$ (0.59)</u></u>
Earnings (loss) per common share - diluted:						
Continuing operations	\$ (0.89)	\$ (0.26)	\$ (0.08)	\$ 0.22	\$ (0.35)	\$ (0.61)
Discontinued operations	(2.16)	(0.22)	(0.17)	(0.17)	—	0.02
Net (loss) earnings per share - diluted ⁽¹⁾	<u><u>\$ (3.05)</u></u>	<u><u>\$ (0.48)</u></u>	<u><u>\$ (0.25)</u></u>	<u><u>\$ 0.05</u></u>	<u><u>\$ (0.35)</u></u>	<u><u>\$ (0.59)</u></u>
Weighted average shares -- basic	56.3	56.1	56.0	56.3	56.4	56.5
Weighted average shares -- diluted	56.3	56.1	56.0	56.7	56.4	56.5

(1) The sum of the individual per share amounts may not add due to rounding. In addition, the sum of the quarters may not equal the total year amount due to the impact of changes in average quarterly shares outstanding and rounding.

TREEHOUSE FOODS, INC.
SEGMENT NET SALES
RECAST FOR DISCONTINUED OPERATIONS
(Uaudited, in millions)

	<u>Six Months Ended June 30, 2019</u>	<u>Year Ended December 31, 2018</u>	<u>Year Ended December 31, 2017</u>
Net sales to external customers - as previously reported			
Baked Goods	\$ 819.8	\$ 1,815.7	\$ 1,876.3
Beverages	450.0	1,008.4	1,073.4
Meal Solutions	935.2	2,028.0	2,194.0
Snacks	346.8	960.0	1,157.9
Unallocated	—	—	5.5
Total net sales	<u>\$ 2,551.8</u>	<u>\$ 5,812.1</u>	<u>\$ 6,307.1</u>

Net sales to external customers - as recast for discontinued operations

	<u>Six Months Ended June 30, 2019</u>	<u>Year Ended December 31, 2018</u>	<u>Year Ended December 31, 2017</u>
Net sales to external customers - as recast for discontinued operations			
Baked Goods	\$ 706.9	\$ 1,551.4	\$ 1,580.4
Beverages	450.0	1,008.4	1,073.4
Meal Solutions	935.2	2,028.0	2,194.0
Unallocated	—	—	4.8
Total net sales	<u>\$ 2,092.1</u>	<u>\$ 4,587.8</u>	<u>\$ 4,852.6</u>

	Three Months Ended					
	<u>June 30, 2019</u>	<u>March 30, 2019</u>	<u>December 31, 2018</u>	<u>September 30, 2018</u>	<u>June 30, 2018</u>	<u>March 31, 2018</u>
Net sales to external customers - as previously reported						
Baked Goods	\$ 397.1	\$ 422.7	\$ 490.2	\$ 443.5	\$ 426.6	\$ 455.4
Beverages	212.8	237.2	286.6	236.3	236.4	249.1
Meal Solutions	470.3	464.9	481.7	504.5	518.5	523.3
Snacks	170.5	176.3	222.6	209.7	274.3	253.4
Total net sales	<u>\$ 1,250.7</u>	<u>\$ 1,301.1</u>	<u>\$ 1,481.1</u>	<u>\$ 1,394.0</u>	<u>\$ 1,455.8</u>	<u>\$ 1,481.2</u>

Net sales to external customers - as recast for discontinued operations

	<u>June 30, 2019</u>	<u>March 30, 2019</u>	<u>December 31, 2018</u>	<u>September 30, 2018</u>	<u>June 30, 2018</u>	<u>March 31, 2018</u>
Net sales to external customers - as recast for discontinued operations						
Baked Goods	\$ 342.2	\$ 364.7	\$ 425.2	\$ 377.1	\$ 362.6	\$ 386.5
Beverages	212.8	237.2	286.6	236.3	236.4	249.1
Meal Solutions	470.3	464.9	481.7	504.5	518.5	523.3
Total net sales	<u>\$ 1,025.3</u>	<u>\$ 1,066.8</u>	<u>\$ 1,193.5</u>	<u>\$ 1,117.9</u>	<u>\$ 1,117.5</u>	<u>\$ 1,158.9</u>

TREEHOUSE FOODS, INC.
SEGMENT OPERATING INCOME (LOSS)
RECAST FOR DISCONTINUED OPERATIONS
(Uaudited, in millions)

	Six Months Ended June 30, 2019	Year Ended December 31, 2018	Year Ended December 31, 2017
Operating income (loss) - as previously reported			
Baked Goods	\$ 86.3	\$ 159.8	\$ 201.8
Beverages	84.5	180.3	226.9
Meal Solutions	102.8	253.5	254.8
Snacks	(19.0)	9.2	23.0
Total segment direct operating income	254.6	602.8	706.5
Unallocated operating expenses	404.6	538.9	1,114.5
Operating (loss) income	<u><u>\$ (150.0)</u></u>	<u><u>\$ 63.9</u></u>	<u><u>\$ (408.0)</u></u>

Operating income (loss) - as recast for discontinued operations

	\$ 76.8	\$ 142.9	\$ 180.9
Baked Goods	\$ 76.8	\$ 142.9	\$ 180.9
Beverages	84.5	180.3	226.9
Meal Solutions	102.8	253.5	254.8
Total segment direct operating income	264.1	576.7	662.6
Unallocated operating expenses	256.5	493.3	583.4
Operating income	<u><u>\$ 7.6</u></u>	<u><u>\$ 83.4</u></u>	<u><u>\$ 79.2</u></u>

	Three Months Ended					
	June 30, 2019	March 30, 2019	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018
Operating income (loss) - as previously reported						
Baked Goods	\$ 41.6	\$ 44.7	\$ 57.2	\$ 37.3	\$ 37.3	\$ 28.0
Beverages	40.6	43.9	51.0	44.1	45.8	39.4
Meal Solutions	55.4	47.4	67.6	70.3	58.7	56.9
Snacks	(5.2)	(13.8)	(2.1)	(0.7)	4.4	7.6
Total segment direct operating income	132.4	122.2	173.7	151.0	146.2	131.9
Unallocated operating expenses	282.0	122.6	133.0	123.8	142.2	139.9
Operating (loss) income	<u><u>\$ (149.6)</u></u>	<u><u>\$ (0.4)</u></u>	<u><u>\$ 40.7</u></u>	<u><u>\$ 27.2</u></u>	<u><u>\$ 4.0</u></u>	<u><u>\$ (8.0)</u></u>

Operating income (loss) - as recast for discontinued operations

	\$ 35.5	\$ 41.3	\$ 53.0	\$ 32.1	\$ 30.7	\$ 27.1
Baked Goods	\$ 35.5	\$ 41.3	\$ 53.0	\$ 32.1	\$ 30.7	\$ 27.1
Beverages	40.6	43.9	51.0	44.1	45.8	39.4
Meal Solutions	55.4	47.4	67.6	70.3	58.7	56.9
Total segment direct operating income	131.5	132.6	171.6	146.5	135.2	123.4
Unallocated operating expenses	139.4	117.1	118.6	107.5	133.3	133.9
Operating (loss) income	<u><u>\$ (7.9)</u></u>	<u><u>\$ 15.5</u></u>	<u><u>\$ 53.0</u></u>	<u><u>\$ 39.0</u></u>	<u><u>\$ 1.9</u></u>	<u><u>\$ (10.5)</u></u>

Non-GAAP Measures

We have included in this Exhibit 99.2 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 Unaudited Condensed Consolidated Financial Statements recast for discontinued operations. We believe 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 further described below, we provide a reconciliation between the Non-GAAP measure and the most directly comparable 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.

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 (loss) income 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 acquisition, integration, divestiture, and related costs, mark-to-market adjustments on derivative contracts, foreign currency exchange impact on the re-measurement of intercompany notes, 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.

Adjusted Net Income From Continuing Operations, Adjusted EBIT From Continuing Operations, and Adjusted EBITDAS From Continuing Operations, Adjusting for Certain Items Affecting Comparability

Adjusted net income from continuing operations represents GAAP net (loss) income from continuing operations as reported in the Unaudited Condensed Consolidated Statements of Operations recast for discontinued 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 metric outlined above.

Adjusted EBIT from continuing operations represents adjusted net income from continuing operations before interest expense, interest income, and income tax expense. Adjusted EBITDAS from continuing operations represents adjusted net income from continuing operations before interest expense, interest income, income tax expense, depreciation and amortization expense, and non-cash stock-based compensation expense. Adjusted EBIT and adjusted EBITDAS 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 and as a component of our debt covenant calculations.

The following table reconciles the Company's diluted (loss) income per share from continuing operations as presented in the Unaudited Condensed Consolidated Statements of Operations recast for discontinued operations in Exhibit 99.1, the relevant GAAP measure, to adjusted diluted income per share from continuing operations for each of the periods presented:

RECONCILIATION OF DILUTED (LOSS) INCOME PER SHARE FROM CONTINUING OPERATIONS TO ADJUSTED DILUTED EPS FROM CONTINUING OPERATIONS

	<u>Six Months Ended June 30, 2019</u>	<u>Year Ended December 31, 2018</u>	<u>Year Ended December 31, 2017</u>
Diluted (loss) earnings per share from continuing operations (GAAP) (1)	\$ (1.15)	\$ (0.83)	\$ 1.93
Impairments	(1)	—	1.02
Restructuring programs	(2)	1.16	2.95
CEO transition costs	(3)	—	0.23
Mark-to-market adjustments	(4)	0.73	0.40
Litigation matter	(5)	0.44	—
Foreign currency (gain) loss on re-measurement of intercompany notes	(6)	(0.05)	0.11
Product recall	(7)	—	(0.06)
Acquisition, integration, divestiture, and related costs	(8)	—	(0.24)
Multiemployer pension plan withdrawal	(9)	0.07	—
Debt amendment and repurchase activity	(10)	—	0.12
Tax indemnification	(11)	0.01	(0.04)
Tax reform	(12)	—	(1.92)
Taxes on adjusting items		(0.47)	(0.75)
Dilutive impact of shares (2)		—	0.02
Adjusted diluted EPS from continuing operations (Non-GAAP) (3)	<u>\$ 0.74</u>	<u>\$ 1.97</u>	<u>\$ 2.75</u>
Memorandum: As previously filed adjusted diluted EPS from continuing operations (Non-GAAP) (4)	\$ 0.67	\$ 1.92	\$ 2.72

(1) As presented in Exhibit 99.1 to this Form 8-K.

(2) The number of shares outstanding used in the calculation of the GAAP diluted loss per share from continuing operations excludes all contingently issuable shares under our equity award programs since inclusion of such shares would be anti-dilutive (i.e. the loss per share would be smaller). Conversely, the number of shares outstanding used in the calculation of the Adjusted diluted earnings per share from continuing operations (a Non-GAAP measure) includes all contingently issuable shares under our equity award programs with a dilutive impact. The total number of shares used in the calculation of the adjusted diluted earnings per share was 56.5 million for the six months ended June 30, 2019, and 56.5 million and 57.6 million for the years ended December 31, 2018 and December 31, 2017, respectively.

(3) The sum of the quarters may not equal the total year amount due to the impact of changes in average quarterly shares outstanding and rounding.

(4) As previously filed by the Company on a Form 8-K/A on August 9, 2019.

RECONCILIATION OF DILUTED (LOSS) INCOME PER SHARE FROM CONTINUING OPERATIONS TO ADJUSTED DILUTED EPS FROM CONTINUING OPERATIONS

	Three Months Ended						June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018						
Diluted (loss) earnings per share from continuing operations (GAAP) (1)	\$ (0.89)	\$ (0.26)	\$ (0.08)	\$ 0.22	\$ (0.35)	\$ (0.61)						
Impairments	(1)	—	—	—	—	—						
Restructuring programs	(2)	0.59	0.57	0.82	0.72	0.83						
CEO transition costs	(3)	—	—	—	—	—						0.23
Mark-to-market adjustments	(4)	0.45	0.28	0.50	(0.07)	(0.13)						0.10
Litigation matter	(5)	0.44	—	—	—	—						—
Foreign currency loss (gain) on re-measurement of intercompany notes	(6)	(0.03)	(0.03)	0.08	(0.02)	0.03						0.03
Product recall	(7)	—	—	—	—	—						—
Acquisition, integration, divestiture, and related costs	(8)	—	—	0.01	(0.24)	—						(0.01)
Multiemployer pension plan withdrawal	(9)	0.07	—	—	—	—						—
Debt amendment and repurchase activity	(10)	—	—	—	0.03	0.09						—
Tax indemnification	(11)	0.01	(0.01)	(0.09)	0.03	0.02						—
Tax reform	(12)	—	—	—	—	—						—
Taxes on adjusting items		(0.24)	(0.22)	(0.25)	(0.10)	(0.19)						(0.22)
Dilutive impact of shares (2)		—	—	0.01	—	—						—
Adjusted diluted EPS from continuing operations (Non-GAAP) (3)	\$ 0.40	\$ 0.33	\$ 1.00	\$ 0.57	\$ 0.30	\$ 0.10						

(1) As presented in Exhibit 99.1 to this Form 8-K.

(2) The number of shares outstanding used in the calculation of the GAAP diluted loss per share from continuing operations excludes all contingently issuable shares under our equity award programs since inclusion of such shares would be anti-dilutive (i.e. the loss per share would be smaller). Conversely, the number of shares outstanding used in the calculation of the Adjusted diluted earnings per share from continuing operations (a Non-GAAP measure) includes all contingently issuable shares under our equity award programs with a dilutive impact. The total number of shares used in the calculation of the adjusted diluted earnings per share was 56.5 million, 56.5 million, 56.5 million, 56.7 million, 56.8 million, and 56.8 million for the three months ended June 30, 2019, March 31, 2019, December 31, 2018, September 30, 2018, June 30, 2018, and March 31, 2018, respectively.

(3) The sum of the quarters may not equal the total year amount due to the impact of changes in average quarterly shares outstanding and rounding.

The following table reconciles the Company's net (loss) income from continuing operations as presented in the Unaudited Condensed Consolidated Statements of Operations recast for discontinued operations in Exhibit 99.1, the relevant GAAP measure, to adjusted net income from continuing operations, adjusted EBIT from continuing operations, and adjusted EBITDAS from continuing operations for each of the periods presented:

RECONCILIATION OF NET (LOSS) INCOME FROM CONTINUING OPERATIONS TO ADJUSTED NET INCOME, ADJUSTED EBIT, AND ADJUSTED EBITDAS FROM CONTINUING OPERATIONS

	Six Months Ended June 30, 2019	Year Ended December 31, 2018	Year Ended December 31, 2017
	(in millions)		
Net (loss) income from continuing operations (GAAP)	\$ (64.6)	\$ (46.2)	\$ 111.3
Impairments	(1)	—	59.0
Restructuring programs	(2)	65.6	166.7
CEO transition costs	(3)	—	13.0
Mark-to-market adjustments	(4)	41.2	22.5
Litigation matter	(5)	25.0	—
Foreign currency (gain) loss on re-measurement of intercompany notes	(6)	(3.0)	6.2
Product recall reimbursement	(7)	—	(3.3)
Acquisition, integration, divestiture, and related costs	(8)	0.2	(13.5)
Multiemployer pension plan withdrawal	(9)	4.1	—
Debt amendment and repurchase activity	(10)	—	6.8
Tax indemnification	(11)	0.4	(2.0)
Tax reform	(12)	—	(110.6)
Less: Taxes on adjusting items	(27.3)	(42.0)	(69.3)
Adjusted net income from continuing operations (Non-GAAP)	41.6	111.5	158.4
Interest expense (excluding debt amendment and repurchase activity)	51.2	105.4	119.1
Interest income	(4.3)	(3.8)	(4.3)
Income tax benefit (excluding tax reform)	(13.7)	(11.4)	(31.6)
Add: Taxes on adjusting items	27.3	42.0	69.3
Adjusted EBIT from continuing operations (Non-GAAP)	102.1	243.7	310.9
Depreciation and amortization	(13)	103.3	209.1
Stock-based compensation expense	(14)	11.5	20.5
Adjusted EBITDAS from continuing operations (Non-GAAP)	\$ 216.9	\$ 473.3	\$ 555.2

RECONCILIATION OF NET (LOSS) INCOME FROM CONTINUING OPERATIONS TO ADJUSTED NET INCOME, ADJUSTED EBIT, AND ADJUSTED EBITDAS FROM CONTINUING OPERATIONS

	Three Months Ended						
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018	
(in millions)							
Net (loss) income from continuing operations (GAAP)	\$ (50.1)	\$ (14.5)	\$ (4.4)	\$ 12.2	\$ (19.5)	\$ (34.5)	
Impairments	(1)	—	—	—	—	—	—
Restructuring programs	(2)	33.6	32.0	46.6	40.7	46.7	32.7
CEO transition costs	(3)	—	—	—	—	—	13.0
Mark-to-market adjustments	(4)	25.3	15.9	28.3	(3.8)	(7.6)	5.6
Litigation matter	(5)	25.0	—	—	—	—	—
Foreign currency (gain) loss on re-measurement of intercompany notes	(6)	(1.4)	(1.6)	4.3	(1.4)	1.4	1.9
Product recall reimbursement	(7)	—	—	—	—	—	—
Acquisition, integration, divestiture, and related costs	(8)	0.1	0.1	0.6	(13.7)	(0.1)	(0.3)
Multiemployer pension plan withdrawal	(9)	4.1	—	—	—	—	—
Debt amendment and repurchase activity	(10)	—	—	—	1.8	5.0	—
Tax indemnification	(11)	0.7	(0.3)	(4.9)	1.7	1.2	—
Tax reform	(12)	—	—	—	—	—	—
Less: Taxes on adjusting items	(14.6)	(12.7)	(14.1)	(5.3)	(10.0)	(12.6)	
Adjusted net income from continuing operations (Non-GAAP)	22.7	18.9	56.4	32.2	17.1	5.8	
Interest expense (excluding debt amendment and repurchase activity)	26.1	25.1	25.3	25.4	27.9	26.8	
Interest income	(1.7)	(2.6)	—	(1.3)	(0.5)	(2.0)	
Income tax (benefit) expense (excluding tax reform)	(6.8)	(6.9)	1.5	3.0	(6.3)	(9.6)	
Add: Taxes on adjusting items	14.6	12.7	14.1	5.3	10.0	12.6	
Adjusted EBIT from continuing operations (Non-GAAP)	54.9	47.2	97.3	64.6	48.2	33.6	
Depreciation and amortization	(13)	50.5	52.8	52.6	52.1	51.5	52.9
Stock-based compensation expense	(14)	6.1	5.4	3.7	4.5	6.3	6.0
Adjusted EBITDAS from continuing operations (Non-GAAP)	<u>\$ 111.5</u>	<u>\$ 105.4</u>	<u>\$ 153.6</u>	<u>\$ 121.2</u>	<u>\$ 106.0</u>	<u>\$ 92.5</u>	

**FOOTNOTES FOR RECONCILIATION OF NET (LOSS) INCOME FROM CONTINUING OPERATIONS TO ADJUSTED NET INCOME,
ADJUSTED EBIT, AND ADJUSTED EBITDAS FROM CONTINUING OPERATIONS**

	Location in Unaudited Condensed Consolidated Statements of Operations	Six Months Ended June 30, 2019	Year Ended December 31, 2018	Year Ended December 31, 2017
(in millions)				
(1) Impairments	Asset impairment	\$ —	\$ —	\$ 59.0
(2) Restructuring programs	Other operating expense, net	60.8	149.1	38.1
	Cost of sales	3.2	13.3	35.5
(3) CEO transition costs	General and administrative	1.6	4.3	—
(4) Mark-to-market adjustments	General and administrative	—	13.0	—
(5) Litigation matter	General and administrative	25.0	—	—
(6) Foreign currency (gain) loss on re-measurement of intercompany notes	(Gain) loss on foreign currency exchange	(3.0)	6.2	(5.9)
(7) Product recall reimbursement	Net sales	—	—	(2.3)
	Cost of sales	—	—	(1.0)
(8) Acquisition, integration, divestiture, and related costs	General and administrative	0.2	(0.1)	13.6
	Other operating expense, net	—	(13.4)	87.3
(9) Multiemployer pension plan withdrawal	Cost of sales	4.1	—	—
(10) Debt amendment and repurchase activity	General and administrative	—	0.2	1.7
	Other expense (income), net	—	4.2	—
	Interest expense	—	2.4	3.3
(11) Tax indemnification	Other expense (income), net	0.4	(2.0)	—
(12) Tax reform	Income tax (benefit) expense	—	—	(108.2)
	Other expense (income), net	—	—	(2.4)
(13) Depreciation included as an adjusting item	Cost of sales	1.6	12.1	16.4
	General and administrative	1.6	4.1	0.3
(14) Stock-based compensation expense	General and administrative	0.4	10.3	0.1

**FOOTNOTES FOR RECONCILIATION OF NET (LOSS) INCOME FROM CONTINUING OPERATIONS TO ADJUSTED NET INCOME,
ADJUSTED EBIT, AND ADJUSTED EBITDAS FROM CONTINUING OPERATIONS**

	Location in Unaudited Condensed Consolidated Statements of Operations	Three Months Ended					
		June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018
		(in millions)					
(1) Impairments	Asset impairment	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
(2) Restructuring programs	Other operating expense, net	32.6	28.2	40.9	35.3	44.7	28.2
	Cost of sales	0.2	3.0	4.7	4.4	(0.3)	4.5
	General and administrative	0.8	0.8	1.0	1.0	2.3	—
(3) CEO transition costs	General and administrative	—	—	—	—	—	13.0
(4) Mark-to-market adjustments	Other expense (income), net	25.3	15.9	28.3	(3.8)	(7.6)	5.6
(5) Litigation matter	General and administrative	25.0	—	—	—	—	—
(6) Foreign currency (gain) loss on re-measurement of intercompany notes	(Gain) loss on foreign currency exchange	(1.4)	(1.6)	4.3	(1.4)	1.4	1.9
(7) Product recall reimbursement	Net sales	—	—	—	—	—	—
(8) Acquisition, integration, divestiture, and related costs	General and administrative	0.1	0.1	0.4	0.2	(0.4)	(0.3)
	Other operating expense, net	—	—	0.2	(13.9)	0.3	—
	Cost of sales	4.1	—	—	—	—	—
(10) Debt amendment and repurchase activity	General and administrative	—	—	—	—	0.2	—
	Other expense (income), net	—	—	—	1.1	3.1	—
	Interest expense	—	—	—	0.7	1.7	—
(11) Tax indemnification	Other expense (income), net	0.7	(0.3)	(4.9)	1.7	1.2	—
(12) Tax reform	Income tax (benefit) expense	—	—	—	—	—	—
(13) Depreciation included as an adjusting item	Cost of sales	0.2	1.4	4.0	4.6	(0.4)	3.9
	General and administrative	0.8	0.8	0.8	1.0	2.3	—
(14) Stock-based compensation expense	General and administrative	0.2	0.2	0.1	0.1	0.2	9.9

During the periods presented, the Company entered into transactions that affected the year-over-year comparison of its financial results that included the following:

- (1) During 2017, the Company incurred \$59.0 million of goodwill and other intangible asset impairment related to its Bars category.
- (2) The Company's restructuring and margin improvement activities are part of an enterprise-wide transformation to improve the long-term profitability of the Company.

- (3) The CEO transition cost primarily relates to accelerated stock-based compensation and modification accounting related to the transition of the Chief Executive Officer in 2018.
- (4) The Company's derivative contracts are marked-to-market each period with the unrealized changes in fair value being recognized in the Condensed Consolidated Statements of Operations. These are non-cash charges. As the contracts are settled, realized gains and losses are recognized. The mark-to-market impacts only are treated as Non-GAAP adjustments.
- (5) During the second quarter of 2019, the Company recognized a \$25 million accrual related to a litigation matter. The suit's primary allegation relates to certain purported label misrepresentations as to the nature of its Grove Square coffee products.
- (6) The Company has Canadian dollar denominated intercompany loans and incurred foreign currency gains and losses to re-measure the loans at the respective period ends. These charges are non-cash and the loans are eliminated in consolidation.
- (7) The product recall costs (reimbursement) primarily represents recoveries received by the Company for costs incurred related to an announced voluntary recall of products that occurred in 2016 regarding products that may be impacted by sunflower seeds potentially contaminated with Listeria monocytogenes (L.mono) that were provided by a supplier.
- (8) The acquisition, integration, divestiture, and related costs line represents costs associated with completed and potential divestitures, completed and potential acquisitions, the related integration of the acquisitions, and gains or losses on the divestiture of a business.
- (9) During the second quarter of 2019, the Company executed a complete withdrawal from the Retail, Wholesale, and Department Store International Union and Industry Pension Fund. Absent agreement with the Fund on a withdrawal payment, the Company estimated a withdrawal liability of \$4.1 million. The Company anticipates receiving an assessment by December 31, 2019, and the ultimate withdrawal liability may change from the currently estimated amount.
- (10) During the second quarter of 2018, the Company amended its Credit Agreement, resulting in third party costs to complete the transaction. Also during the second quarter of 2018, the Company completed the repurchase of certain of its outstanding debt. This activity resulted in the write-off of a portion of deferred financing costs as well as a loss on debt extinguishment. During 2017, the Company refinanced our credit facility including our revolver and related term loans. This activity resulted in the write-off of a portion of deferred financing costs as well as third party costs to complete the transaction.
- (11) The tax indemnification line represents the non-cash write off of indemnification assets that were recorded in connection with acquisitions from prior years. These write-offs arose as a result of the related uncertain tax position being released due to the statute of limitation lapse or settlement with taxing authorities.
- (12) The tax reform line represents the impact of the Tax Act which was signed into law on December 22, 2017 and made significant changes to the Internal Revenue Code. For the period ending December 31, 2017, the Company recorded a provisional net benefit of \$110.6 million, primarily attributable to adjustments to our net deferred tax liability, partially offset with a one-time transition tax on the mandatory deemed repatriation of cumulative foreign earnings. The tax impact recorded for the year ended December 31, 2018 was insignificant and the Company considers all provisional amounts to be final.

The tax impact on adjusting items is calculated based upon the tax laws and statutory tax rates applicable in the tax jurisdiction of the underlying Non-GAAP adjustments.