Fiscal Q2 2025 Earnings and Updated Outlook

December 19, 2024

Forward-looking Statements

Important Notice

This presentation contains forward-looking statements within the meaning of the federal securities laws. Words such as “expect,” “will,” “adapt,” “remove,” “manage,” “decline,” “remain,” “return,” “increase,” “drive,” “improve,” “outlook,” “target,” and variations of such words and similar expressions are intended to identify forward-looking statements. Examples of forward-looking statements include, but are not limited to, statements regarding the Company’s business and financial outlook and prospects, plans and strategies and anticipated benefits therefrom, including with respect to the Restructuring Plan, capital expenditures and investments, dividends, share repurchases, cash flows, liquidity, leverage, and conditions in the Company’s operating environment, industry and the global economy. These forward-looking statements are based on management’s current expectations and are subject to uncertainties and changes in circumstances. Investors should understand that these statements are not guarantees of performance or results. Many factors could affect these forward-looking statements and the Company’s actual financial results and cause them to vary materially from the expectations contained in the forward-looking statements. Investors should refer to the Company’s Annual Report on Form 10-K for the year ended May 26, 2024, and the Company’s other filings with the SEC for a discussion of such factors and certain risks and uncertainties to which the Company is subject. The Company cautions readers not to place undue reliance on any forward-looking statements included in this presentation, which speak only as of the date of this presentation. The Company undertakes no responsibility for updating these statements, except as required by law.

In addition to U.S. GAAP financial information, this presentation includes certain non-GAAP financial measures that should be viewed in addition to, and not as an alternative for, financial measures prepared in accordance with GAAP. These non-GAAP measures are not substitutes for their comparable GAAP financial measures, such as net income or other measures prescribed by GAAP, and there are limitations to using non-GAAP financial measures. For example, the non-GAAP financial measures included in this presentation may differ from similarly titled non-GAAP financial measures presented by other companies, and other companies may not define these non-GAAP financial measures the same way as the Company does. Management uses these non-GAAP financial measures to assist in analyzing what management views as the Company's core operating performance for purposes of business decision-making. Management believes that presenting these non-GAAP financial measures provides investors with useful supplemental information because they (i) provide meaningful supplemental information regarding financial performance by excluding certain items affecting comparability between periods, (ii) permit investors to view performance using the same tools that management uses to budget, make operating and strategic decisions, and evaluate historical performance, and (iii) otherwise provide supplemental information that may be useful to investors in evaluating the Company's financial results. In addition, the Company believes that the presentation of these non-GAAP financial measures, when considered together with the most directly comparable GAAP financial measures and the reconciliations to those GAAP financial measures, provides investors with additional tools to understand the factors and trends affecting the Company's underlying business than could be obtained absent these disclosures. Please see the reconciliation of non-GAAP financial measures to the most directly comparable GAAP measure set forth in the Appendix to this presentation.

This presentation also contains statistical data that has been obtained from industry publications and reports generated by third parties. Although the Company believes that the publications and reports are reliable, the Company has not independently verified this statistical data and, accordingly, cannot guarantee its accuracy or completeness.

Today’s Presenters

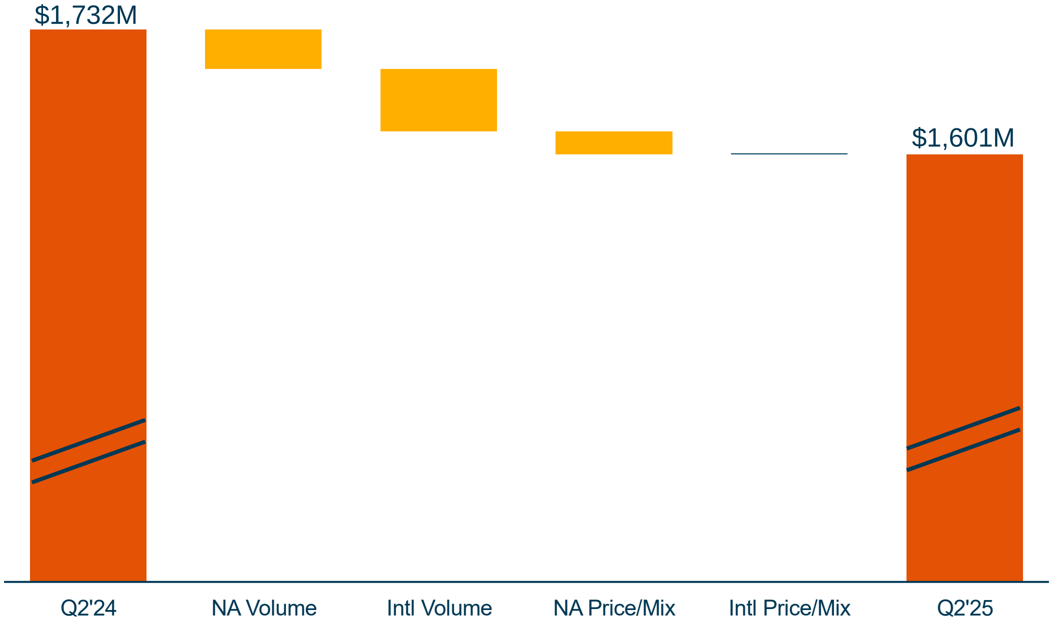
Tom Werner
President and Chief Executive Officer

Bernadette Madarieta
Chief Financial Officer

Today's Key Messages

- Changes in industry dynamics have impacted both sales and EBITDA in the near-term
    - Incremental industry capacity added since Investor Day
    - Ongoing pressure on demand
- We are acting proactively to address these changes, including removing capacity from the market and aggressively managing our cost base
- We expect capital expenditures will decline as we complete our strategic expansions at the end of this year and shift capital spending to maintenance, modernization, and environmental expenditures
- We remain committed to returning excess capital to our shareholders through steady dividend increase and share repurchase

Q2’25 vs. Q2’24 Net Sales



- Total LW (8)%
  - Volume (6)%
  - Price/Mix (2)%
- North America (8)%
  - Volume (5)%: Pressure on restaurant traffic and carryover impact of prior-year share losses, net of gains
  - Price/Mix (3)%: Planned investments in price and unfavorable mix
  - International (6)%
  - Volume (6)%: Pressure on restaurant traffic, incremental customer share losses in key international markets, and carryover impact of prior-year exits of low-margin business in EMEA
  - Price/Mix flat: Incremental pricing actions in more competitive environment in key international markets

Q2'25 vs. Q2'24 Adjusted EBITDA

- Decline driven by lower net sales and adjusted gross profit
- Adjusted gross profit decline reflects:
  - Lower price/mix
  - Higher manufacturing costs per pound
  - Incremental production costs related to inefficiencies from unplanned factory downtimes and new plant start-up costs
  - Higher depreciation expense
- SG&A favorability driven by aggressive expense reduction initiatives

(1) See GAAP to Non-GAAP reconciliations at the end of this presentation.

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Liquidity, Leverage and Cash Flow

Liquidity[1]

- ~$80M cash and equivalents
- $1.2B availability under revolving credit facility

Leverage[1]

- ~$4.0B net debt[2]
- 3.4x leverage ratio[2]

H1'25 Cash Flow

- ~$430M net cash provided by operating activities
- $486M capital expenditures[3]

(1) As of November 24, 2024.
(2) See GAAP to Non-GAAP reconciliations at the end of the presentation.
(3) Net of proceeds rom blue chip swap transactions.

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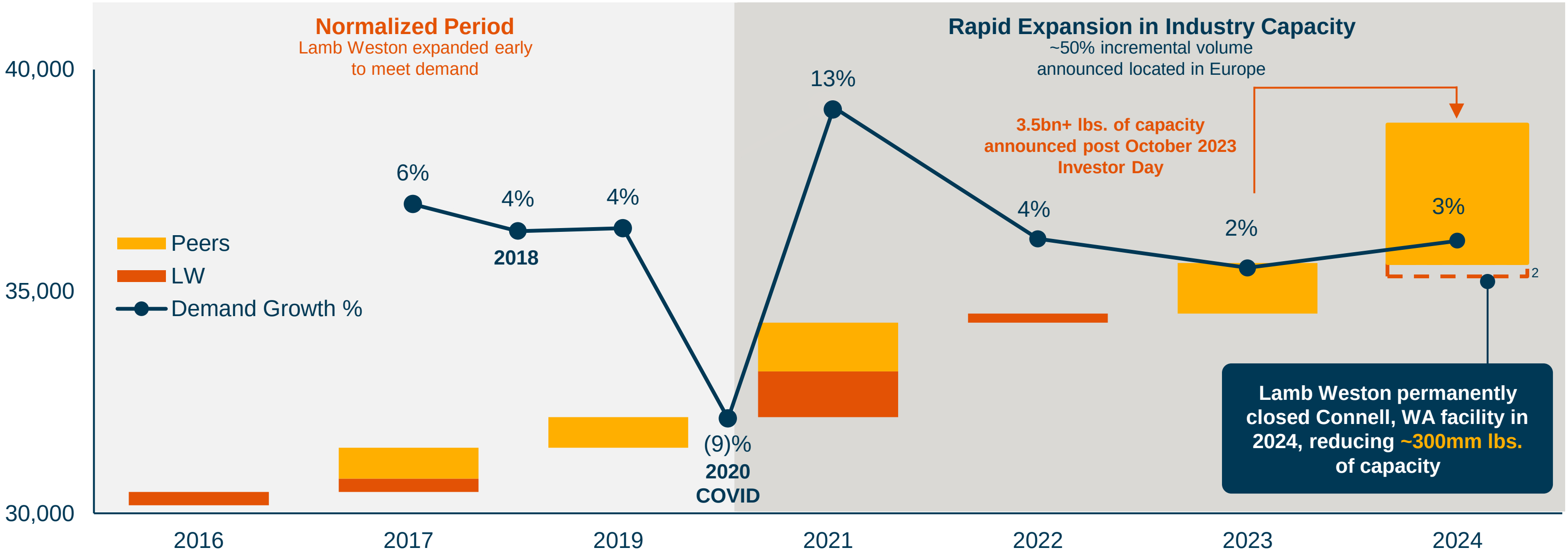
Capacity Reset: Capacity Announcements

(lbs. in millions; calendar years)



Utilization Rate (%)

2016: 98%	**2017: 100%**	**2019: 100%**	**2021: 97%**	**2022: 99%**	**2023: 97%**	**2024: 91%**

(1) Source: Press release, company filings.
(2) Net of the Lamb Weston reduction of ~300 million lbs. from the permanent closure of manufacturing facility in Connell, WA, effective October 1, 2024.

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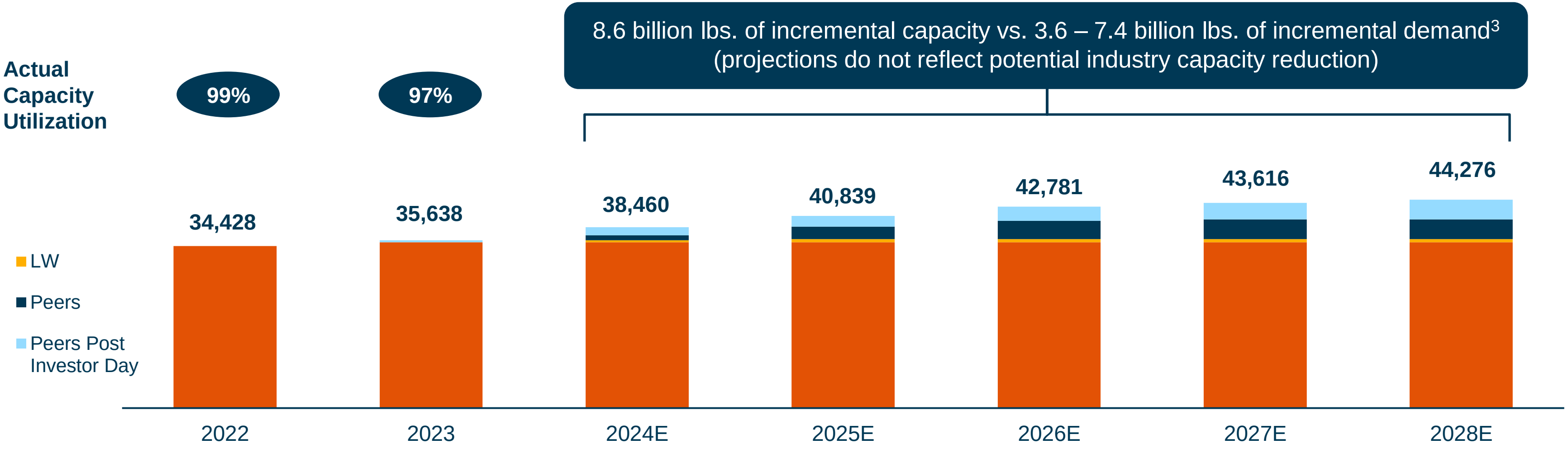
Supply[1] / Demand[2] Reset

(lbs. in millions; calendar years)



		Implied Capacity Utilization				
Annual Demand Growth	2%	90%	87%	85%	85%	85%
	3%	91%	89%	88%	88%	90%
	4%	92%	90%	90%	92%	94%

(1) Sources of supply data: A-Insights, company press releases and filings, press reports, and Lamb Weston estimates.
(2) Sources of demand data: GlobalData, A-Insights, Global Trade Atlas, NielsenIQ, Circana Group/PotatoTrack, and Lamb Weston estimates.
(3) 3.6 billion lbs. reflects incremental demand by 2028E assuming 2% annual demand growth and. 7.4 billion lbs. assuming 4% annual demand growth.

Cost Cutting Initiatives

	Previously Announced	Incremental Initiatives
Cost Reduction	- Reduction in operating expenses, including headcount reductions approximating **4%** of the Company's global workforce and the elimination of certain unfilled job positions - FY'25: approximately **$55 million** in pre-tax cost savings and reduction in working capital - About **1/3** benefiting cost of sales and **2/3** benefiting SG&A expenses - FY'26: estimated annualized savings of about **$85 million**	- Continue to review every area of business to add efficiency and further cost reduction - Sylvia Wilks joined recently as new Chief Supply Chain Officer - Multiple opportunities identified to drive cost savings and improve performance
Manufacturing	- Permanent closure of the manufacturing facility in Connell, WA - Reducing **~300 million** pounds of capacity and representing more than a **5%** reduction of total capacity in North America - Temporary curtailment of certain production lines and schedules across manufacturing network in North America	- Implemented first stage of lean manufacturing program across all North America production - Will roll full program out to all new international production lines as they open

FY 2025 Outlook

	Prior Outlook	Updated Outlook
Net Sales % Growth	$6.6B – $6.8B 2% – 5%	$6.35B – $6.45B (2%) – 0%
Adj. EBITDA	~$1.38B	$1.17B – $1.21B
Adj. Diluted EPS	$4.15 – $4.35	$3.05 – $3.20
Capital Expenditures	~$750M	~$750M

- Incorporates shortfall to Q2'25 expectations
- Sales change primarily due to reduction in forecasted volume
- Adjusted EBITDA change primarily due to lower volumes, more competitive environment affecting ability to counter inflation with price, and higher production costs, partially offset by cost reduction initiatives
- Capital expenditures target unchanged, continuing to target ~$550M in FY'26[1]

(1) Excluding expenditures related to ERP restart.

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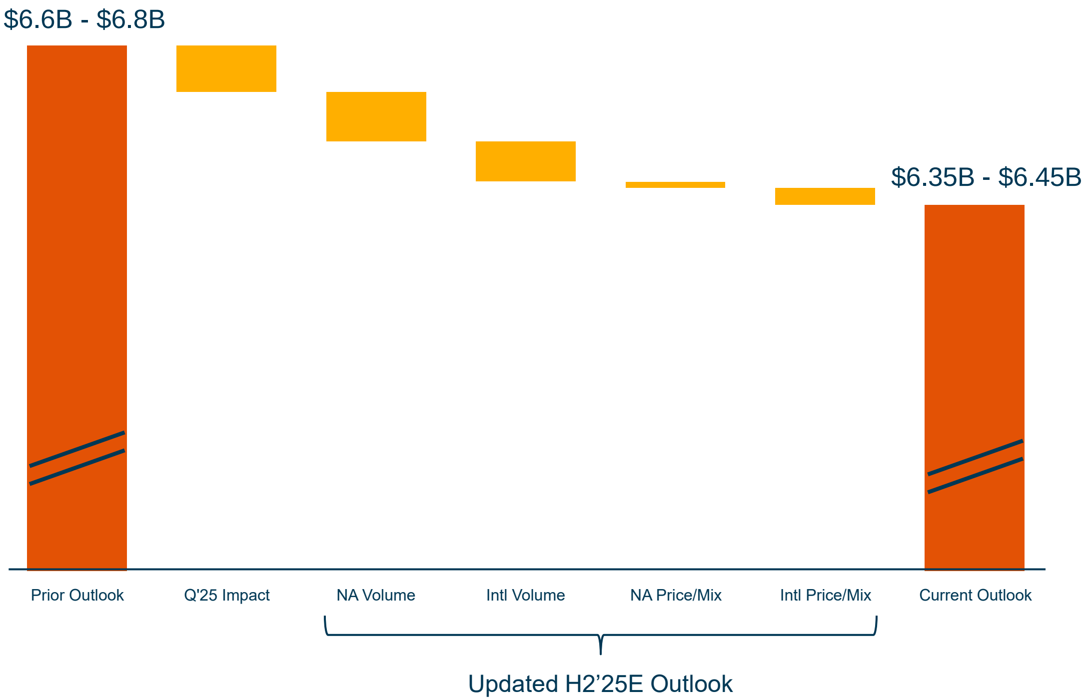
FY’25 Net Sales Outlook Update



Drivers of Change in Sales Outlook

- Q2’25 sales shortfall drives one fourth of change
- North America Segment in H2’25:
  - Volume reduction primarily reflects unexpected loss of chain customer, net of customer wins, and downsizing of serving sizes
  - Modest reduction in Price/Mix due to less favorable outlook for mix
- International Segment in H2’25:
  - Volume reduction reflects incremental share losses and softer restaurant traffic
  - Price/Mix reduction reflects incremental price investments in key international markets in response to more competitive environment

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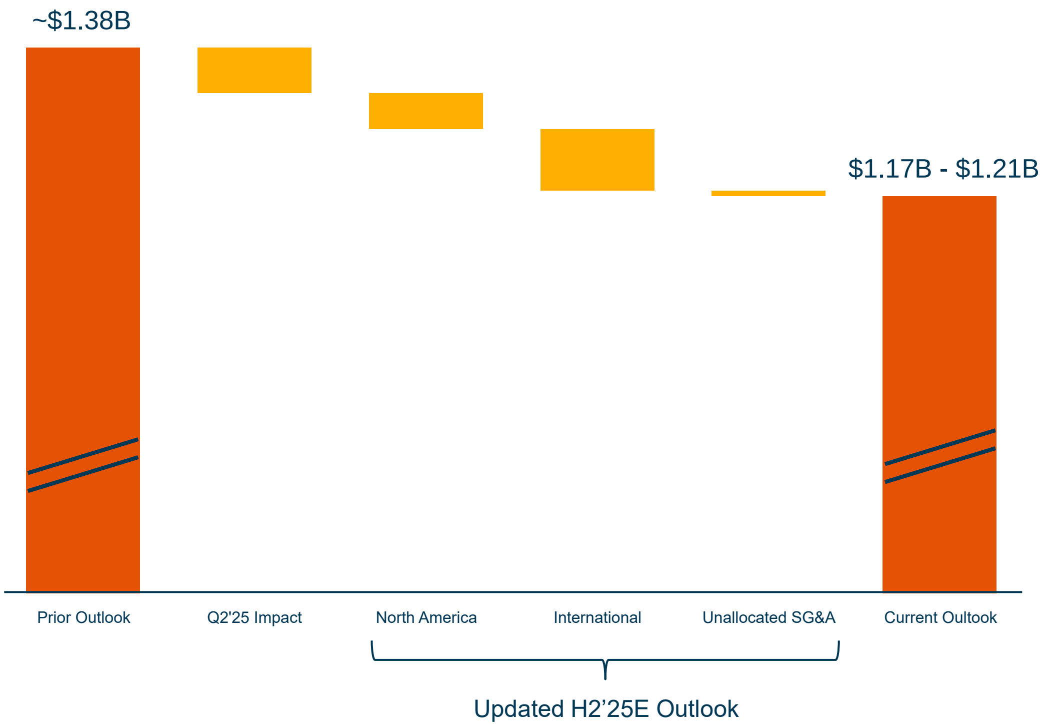
FY'25 Adj. EBITDA Outlook Update



Drivers of Change in EBITDA Outlook

- Q2'25 sales shortfall drives one third of change
- International Segment in H2'25:
  - Increased competitive dynamics on volume and price
- North America Segment in H2'25:
  - Reduced sales volume
  - Less favorable mix
- Significant cost reduction initiatives in place

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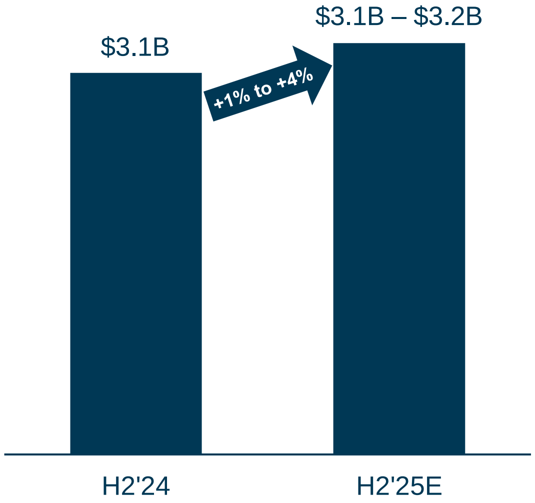
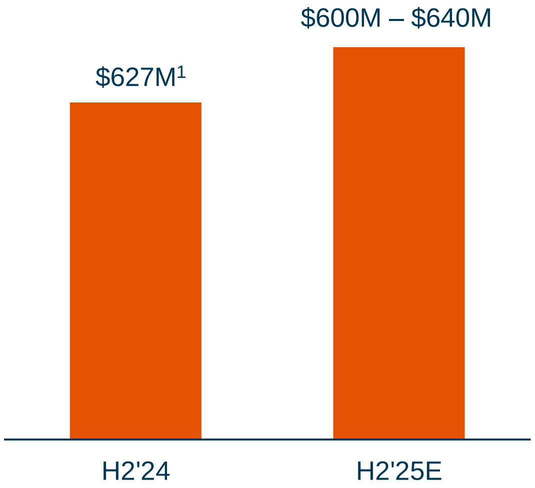
H2’25E Outlook

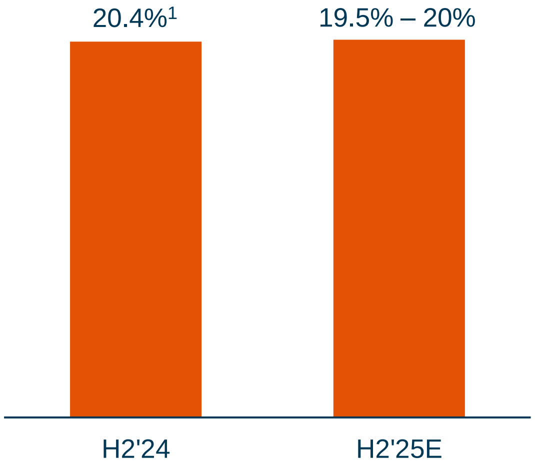
Net Sales



Adjusted EBITDA



Adjusted EBITDA as % Net Sales



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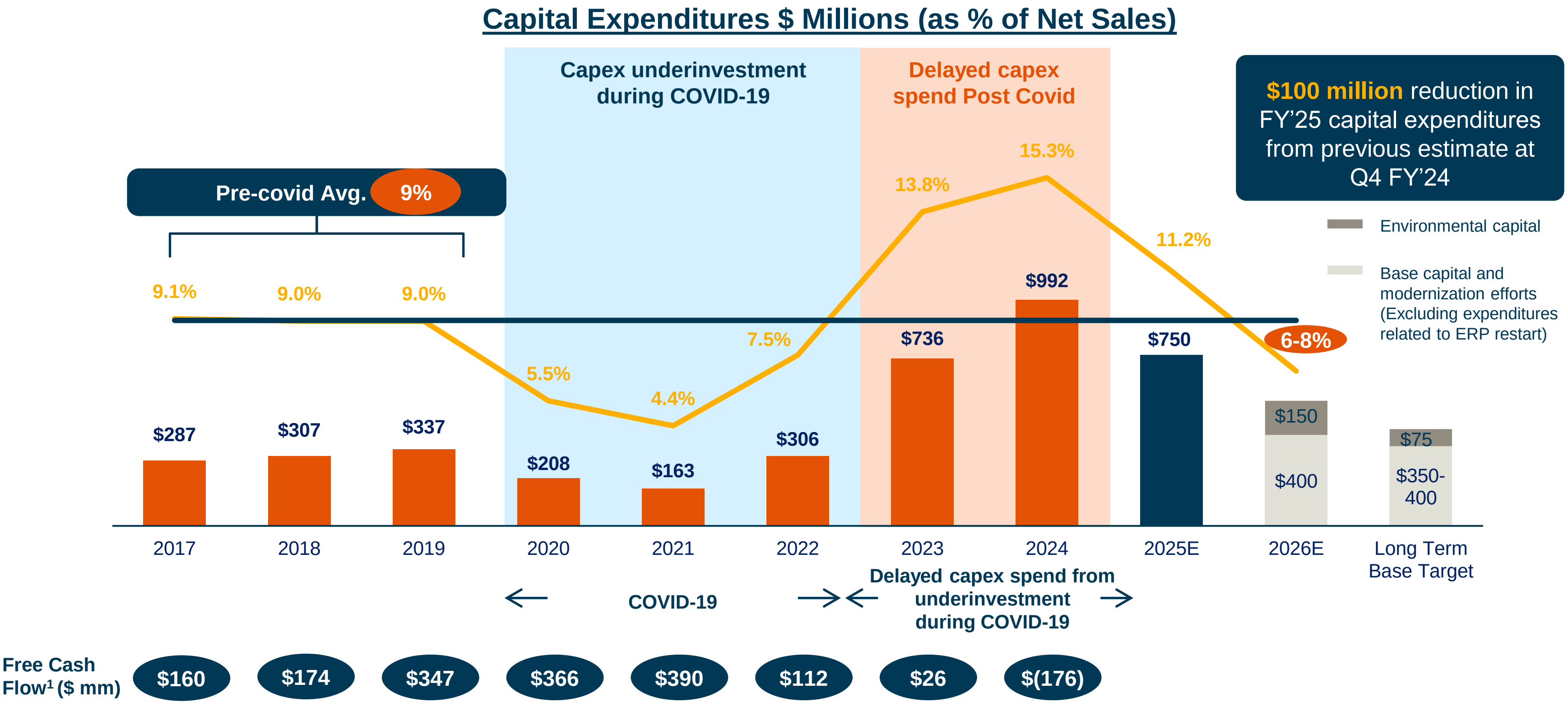
Capital Expenditures Outlook



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Capital Return Outlook

Share Repurchases

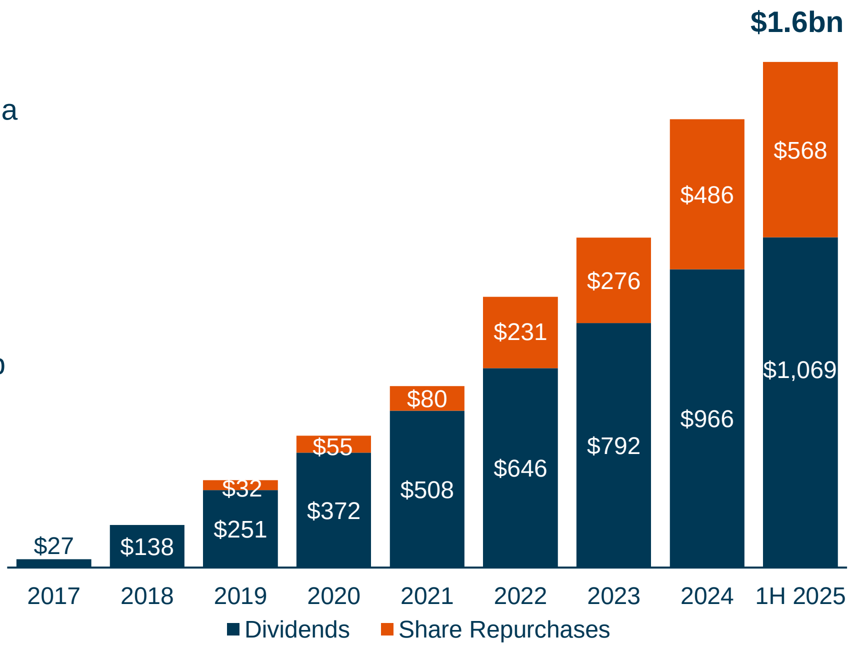
- Increase share repurchase authorization to **$750 million from $500 million**, of which ~$190 million has been utilized
- Opportunistic repurchase based on available cash using a disciplined approach
- **$82 million** shares repurchased in 1H 2025[1]

Dividend Policy

- Declared a quarterly dividend of **$0.37** per share of Lamb Weston common stock (**$0.01 increase** per quarter)
- **8 consecutive years** of increase in dividend per share since spin-off
- Target payout ratio of **25% to 35%**

Cumulative Cash Returned to Shareholders

($ in millions)



(1) Excluding shares repurchased as a result of stock compensation.

Today's Key Messages

- The operating environment in the near term will remain challenging as additional capacity expansions are announced during a period of ongoing pressure on demand
- We're proactively adapting to this dynamic environment by strategically adjusting our capacity footprint, reducing capital expenditures, managing our cost structure and improving cash flow
- We remain committed to returning capital to our shareholders through opportunistic share repurchases and steady increases in our dividend, while continuing to maintain and modernize our production assets

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Q&A

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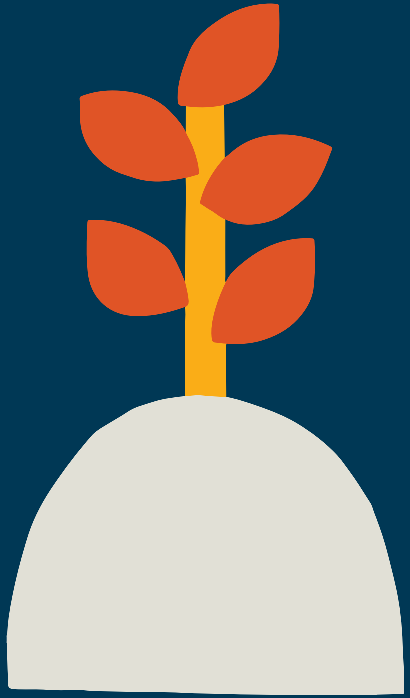
Appendix



(1) Numbers may vary due to rounding.

GAAP to Non-GAAP Reconciliations

Q2'25 vs. Q2'24 Adjusted EBITDA (in millions)	**Thirteen Weeks Ended** **November 24, 2024**	 **November 26, 2023**
Net income (loss)	$ (36)	$ 215
Interest expense, net	43	29
Income tax expense	13	66
Income from operations including equity method investment earnings	21	310
Depreciation and amortization (a)	93	71
Unrealized derivative losses (gains)	3	2
Foreign currency exchange losses (gains)	10	(2)
Blue chip swap transaction gains (b)	(3)	(7)
Items impacting comparability:		
Restructuring Plan expenses (c)	159	—
Shareholder activism expense (d)	0	—
Inventory step-up from acquisition	—	(2)
Integration and acquisition-related items, net	—	5
Adjusted EBITDA	$ 282	$ 377

(a) Depreciation and amortization include interest expense, income tax expense, and depreciation and amortization from equity method investments of $2 million and $2 million for the thirteen weeks ended November 24, 2024 and November 26, 2023, respectively. Depreciation expense does not include the accelerated depreciation related to our Connell facility closure referred to in (c) below.

(b) We enter into blue chip swap transactions to transfer U.S. dollars into and out of Argentina primarily related to funding our announced capacity expansion in Argentina. The blue chip swap rate can diverge significantly from Argentina's official exchange rate.

(c) On October 1, 2024 we announced the Restructuring Plan. For more information about the Restructuring Plan, see Note 4, Restructuring Plan, of these Condensed Notes to Consolidated Financial Statements in "Part I, Item 1. Financial Statements" of this report. Restructuring Plan expenses include $29 million of accelerated depreciation related to the closure of our manufacturing facility in Connell, Washington.

(d) Represents advisory fees related to shareholder activism matters.

GAAP to Non-GAAP Reconciliations

Last twelve months Adjusted EBITDA (in millions)	**Thirteen Weeks Ended** **November 24, 2024**	**August 25, 2024**	**May 26, 2024**	**February 25, 2024**	**Last Twelve Months**
Net income (loss) (a)	$ (36)	$ 127	$ 130	$ 146	$ 367
Interest expense, net	43	45	40	36	165
Income tax expense	13	51	51	43	158
Income from operations including equity method investment earnings	21	223	221	225	690
Depreciation and amortization (b)	93	91	84	80	348
Unrealized derivative losses (gains)	3	(9)	(27)	27	(5)
Foreign currency exchange losses (gains)	10	1	11	13	34
Blue chip swap transaction gains (c)	(3)	(17)	(7)	(4)	(31)
Items impacting comparability:					—
Restructuring Plan expenses (d)	159	—	—	—	159
Shareholder activism expense (e)	0	—	—	—	0
Integration and acquisition-related items, net	—	—	2	2	4
Adjusted EBITDA	$ 282	$ 290	$ 283	$ 344	$ 1,199

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GAAP to Non-GAAP Reconciliations

(a) Net income (loss) included the following:

The thirteen weeks ended August 25, 2024 include an approximately $39 million loss related to the voluntary product withdrawal that ocurred in the first quarter of fiscal 2025.

An estimated $40 million loss was related to the voluntary product withdrawal, for the thirteen weeks ended May 26, 2024. The total charge to the reporting segments was $19 million to the North America segment and $21 million to the International segment.

A $25 million charge for the write-off of excess raw potatoes in North America for the thirteen weeks ended February 25, 2024. For the thirteen weeks ended February 25, 2024, we recorded a $21 million charge in cost of sales, and a $5 million charge in equity method investment earnings. The total charge to the reporting segments was as follows: $23 million to the North America segment; and $3 million to the International segment.

For the thirteen weeks ended February 25, 2024, our results were negatively impacted by the ERP transition, which we estimate impacted net sales by approximately $135 million, with $123 million and $12 million in our North America and International segments, respectively. We estimate net income was impacted by approximately $95 million ($72 million after taxes), including approximately $55 million ($42 million after taxes) related to lower order fulfillment rates and approximately $40 million ($30 million after taxes) of incremental costs and expenses, of which approximately $7 million ($5 million after taxes) was a reduction in gross sales, and included accrued fees and charges for delayed or unfilled customer orders; approximately $26 million ($20 million after taxes) was recorded in cost of sales, and included reduced fixed cost coverage and inefficiencies resulting from planned downtime at our processing facilities, as well as additional freight charges; and approximately $7 million ($5 million after taxes) was recorded in SG&A, and largely included consulting expenses to restore order fulfillment rates. We estimate that approximately $83 million impacted the North America segment, approximately $5 million impacted the International segment, and approximately $7 million impacted unallocated corporate costs.

(b) Depreciation and amortization include interest expense, income tax expense, and depreciation and amortization from equity method investments of $2 million each of the thirteen weeks ended November 24, 2024, August 25, 2024, May 26, 2024, and February 25, 2024, respectively.

Depreciation expense for the thirteen weeks ended November 24, 2024 does not include the accelerated depreciation related to our Connell facility closure referred to in (d) below.

(c) We enter into blue chip swap transactions to transfer U.S. dollars into and out of Argentina primarily related to funding our announced capacity expansion in Argentina. The blue chip swap rate can diverge significantly from Argentina's official exchange rate.

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(e) Represents advisory fees related to shareholder activism matters.

GAAP to Non-GAAP Reconciliations

H2’24 Adjusted EBITDA (in millions)	Thirteen Weeks Ended May 26, 2024	Thirteen Weeks Ended February 25, 2024	H2 2024
Net income (loss) (a)	$ 130	$ 146	$ 276
Interest expense, net	40	36	76
Income tax expense	51	43	94
Income from operations including equity method investment earnings	221	225	446
Depreciation and amortization (b)	84	80	164
Unrealized derivative losses (gains)	(27)	27	—
Foreign currency exchange losses (gains)	11	13	23
Blue chip swap transaction gains (c)	(7)	(4)	(11)
Items impacting comparability:			
Integration and acquisition-related items, net	2	2	5
Adjusted EBITDA	$ 283	$ 344	$ 627
Net Sales	$ 1,612	$ 1,458	$ 3,070
Adjusted EBITDA as a % of sales	17.6%	23.6%	20.4%

GAAP to Non-GAAP Reconciliations

(a) Net income (loss) included the following:

An estimated $40 million loss was related to the voluntary product withdrawal, for the thirteen weeks ended May 26, 2024. The total charge to the reporting segments was $19 million to the North America segment and $21 million to the International segment.

A $25 million charge for the write-off of excess raw potatoes in North America for the thirteen weeks ended February 25, 2024. For the thirteen weeks ended February 25, 2024, we recorded a $21 million charge in cost of sales, and a $5 million charge in equity method investment earnings. The total charge to the reporting segments was as follows: $23 million to the North America segment; and $3 million to the International segment.

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GAAP to Non-GAAP Reconciliations

Leverage Ratio ($ in billions)	**November 24, 2024**
Total Debt	$ 4.1
Cash	$ 0.1
Net Debt	$ 4.0
TTM Adjusted EBITDA	$ 1.2
Net Debt/Adj. EBITDA	3.4 x

GAAP to Non-GAAP Reconciliations

Free Cash Flow

(in millions)	2017	2018	2019	2020	2021	2022	2023	2024	1Q 2025	2Q 2025
Operating Cash Flow	$ 447	481	$ 681	$ 574	$ 553	$ 418	$ 762	$ 798	$ 330	$ 99
Capital Expenditures	287	307	334	208	163	306	736	974	336	151
Additions to PPE	287	307	334	168	147	290	654	930	326	149
Additions to LTA	-	-	-	41	16	16	82	62	26	5
Gains from Blue Chip Swaps	-	-	-	-	-	-	-	(18)	(17)	(3)
Total Free Cash Flow	$ 160	$ 174	$ 347	$ 366	$ 390	$ 112	$ 26	$ (176)	$ (5)	$ (52)

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