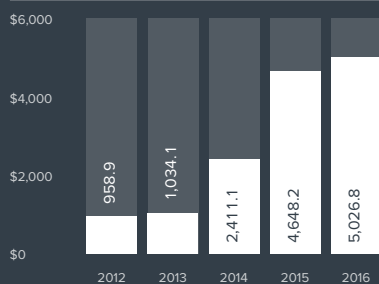


Post Holdings, Inc.  
2016 Annual Report

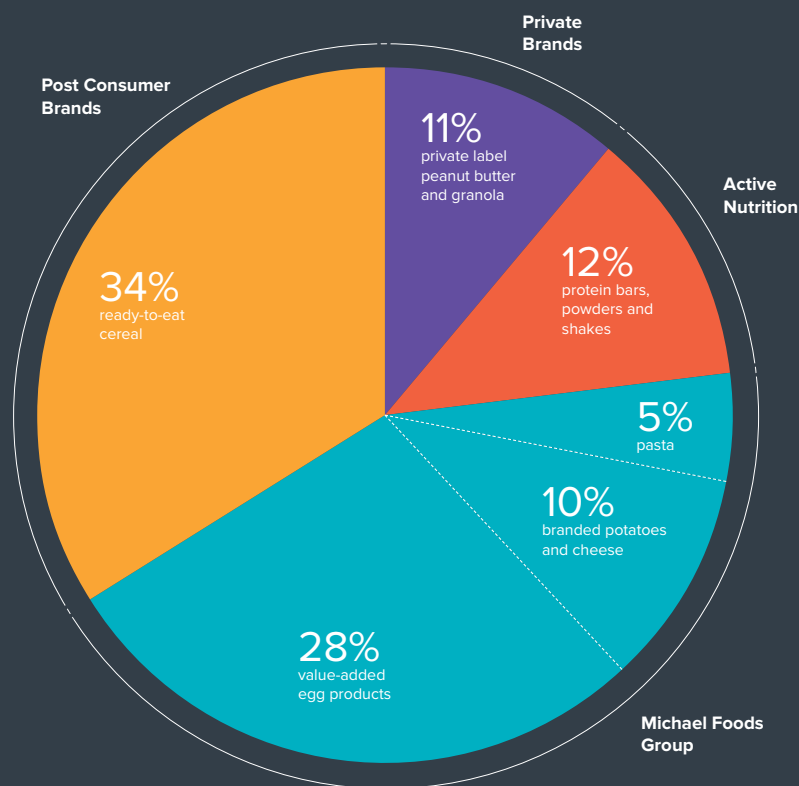


Delivering  
Results

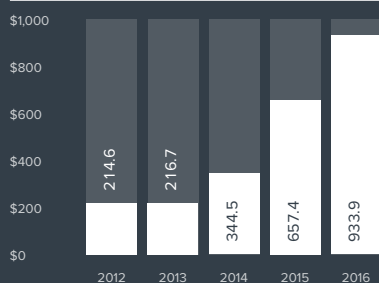
### Net Sales (in millions)



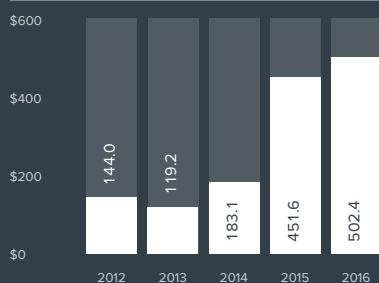
### Net Sales by Category



### Adjusted EBITDA<sup>(1)</sup> (in millions)



### Operating Cash Flow (in millions)



### Financial Highlights (in millions except per share data)

	2012	2013	2014	2015	2016
Net Sales	\$ 958.9	\$ 1,034.1	\$ 2,411.1	\$ 4,648.2	\$ 5,026.8
Gross Profit	428.9	424.9	621.2	1,174.4	1,547.4
Operating Profit (Loss)	139.1	107.8	(207.7)	212.7	545.7
Net Earnings (Loss) Available to Common Stockholders	49.9	9.8	(358.6)	(132.3)	(28.4)
Diluted Net Earnings (Loss) per Common Share	\$ 1.45	\$ 0.30	\$ (9.03)	\$ (2.33)	\$ (0.41)
Operating Cash Flow	144.0	119.2	183.1	451.6	502.4
Adjusted EBITDA <sup>(1)</sup>	214.6	216.7	344.5	657.4	933.9
Adjusted Net Earnings (Loss) Available to Common Stockholders <sup>(1)</sup>	52.7	31.1	(16.6)	35.7	205.8
Adjusted Diluted Net Earnings (Loss) per Common Share <sup>(1)</sup>	\$ 1.53	\$ 0.94	\$ (0.42)	\$ 0.62	\$ 2.59

## To Our Shareholders

Post Holdings had a terrific year in 2016. We reached record levels of revenue, Adjusted EBITDA<sup>(1)</sup> and cash generation. Our business model continues to enable our operating units to drive performance, while we remain active in seeking attractive acquisition opportunities.

Although 2016 was relatively quiet from an acquisition standpoint, it was not from lack of effort. There are times when the best adage is “Don’t just do something, stand there.” 2016 was such a year. Nonetheless, we remain committed to creative and value-enhancing M&A, while tempered by a disciplined approach to value.

### Post Consumer Brands

Our Post Consumer Brands segment with an 18.4%<sup>(2)</sup> dollar market share is the number three participant in the ready-to-eat (RTE) cereal category. The RTE cereal category improved in 2016 – while again negative in total, its health improved both quantitatively and qualitatively. Category volume declines slowed from 2.3% in our fiscal 2015 to 1.3% in our fiscal 2016<sup>(2)</sup>. However, the declines were largely attributable to a reduction in promoted volumes, as manufacturers and our customers worked to reduce ineffective promotional activities while focusing on strengthening base volumes.



Our ready-to-eat cereal business, the third-largest in the United States, forms Post Consumer Brands. We have a broad portfolio that spans all segments of the cereal category from iconic household name brands and value cereals to natural/organic and hot cereal varieties.

## Post Consumer Brands



Exited fiscal 2016 achieving a **synergy run-rate** in excess of

**\$50**  
million

# 66

Million pounds of **cage-free egg products** sold in fiscal 2016



## Michael Foods Group

Our Michael Foods Group comprises of our egg, potato, cheese and pasta products. We are the leader in value-added foodservice egg products and are the largest provider of cage-free egg products in the United States.



As a reminder, Post Consumer Brands is the result of last year's combination of Post Foods and MOM Brands. We made the decision to operate the business under the legacy MOM Brands management team, and they have risen to the challenge. The combination has gone exceptionally well as we continue to meet each milestone in our plan. Some key metrics for 2016:

- Volume and revenue both grew 0.3%, on a comparable basis. As mentioned, this growth was in a slightly down category;
- Our previously announced two year target synergy run-rate of \$50 million was accelerated to one year; and
- We increased our total synergy run-rate target to \$75 million.

We have great confidence in our ability to deliver incremental cost reductions and to continue to maintain or slightly grow volumes. Further, we will maintain a heightened focus on overall continuous improvement cost savings going forward. We view Post Consumer Brands as the consistent cash flow generation engine that supports our overall corporate strategy.

### Michael Foods Group

In 2016, Michael Foods continued to effectively navigate the ongoing impact of 2015's avian influenza outbreak. Repopulation of our egg supply is nearly complete. The avian influenza outbreak was (we hope) a generational event. In fact, no outbreak of its magnitude was previously recorded. When we underwrote our acquisition of Michael Foods, we based our conclusions on assumptions that the demand for value-added egg products would grow at a low to mid single digit rate and that our grain-based pricing model would insulate earnings from commodity volatility. We continue to believe this thesis, but avian influenza temporarily disrupted its execution. We expect to be "normalized" by the end of fiscal 2017. We are proud of our team's handling of the matter and we believe our relationships with our customers were actually strengthened by this experience.

As the largest provider of egg products in the United States, we procure or produce annually over 900 million dozen eggs. We have an economic and ethical commitment to the well-being of the egg-laying flock. We are the largest provider of cage-free egg products and we expect to continue to expand our investment in cage-free production. One such example is our announcement that we will be converting our Bloomfield, Nebraska egg farm to a cage-free operation over the next four years.



**Active Nutrition**

Our Active Nutrition segment contains three core brands – Premier Protein, PowerBar and Dymatize. As with last year, each brand carries a different story.

The Premier Protein brand continues to deliver solid results with revenues and volumes growing consistently since acquisition. We continued to gain distribution in 2016 and velocities remain strong. The brand continues to have great future growth opportunities and we hope to add additional brands via acquisition.

PowerBar continues to maintain its high brand awareness across the active nutrition space. 2016 was an investment year for the brand as we renovated its ingredients, products and packaging. We increased our marketing support for the brand in 2016 and will continue this investment in 2017. The brand is stabilizing and we continue to be optimistic that it can return to growth.

We intentionally shrunk the Dymatize business to its core products in 2016. This resulted in an overall sales decline for the year. Additionally, results were further pressured by a slow ramp-up of production with our contract manufacturers after we closed our internal manufacturing facility in late fiscal 2015. Our U.S.-based Dymatize business has largely normalized exiting fiscal 2016, however, our international business continues to be pressured by competitive pricing arising from the strong U.S. dollar.

**Private Brands**

Our Private Brands segment includes North America’s leading manufacturer of private label peanut and tree nut butters and non-GMO granola. Each of these businesses is attractively positioned in on-trend categories. Absent significant M&A, our approach to private brands remains to be deeply committed to certain categories rather than attempt to build out a broad line private brands company.

Our peanut and nut butter business saw good volume growth in 2016. At our granola business, volume growth was constrained as we were operating beyond our capacity and were using contract manufacturers for a majority of the year. Both businesses have capacity coming online for 2017.

Active Nutrition

Our active nutrition portfolio includes the PowerBar, Premier Protein and Dymatize brands. We market protein shakes, bars and powders and nutritional supplements that appeal to a wide range of people pursuing healthy lifestyles.



42%

Premier Protein net sales growth in fiscal 2016



## Private Brands



Our private brands portfolio offers peanut butter and other nut butters, including organic and tree nut, and dried fruit and nuts, as well as organic and non-GMO granola and cereal. We also provide peanut blanching, granulation and roasting services.

# 4%

### Peanut and nut butter products

comparable basis volume growth in fiscal 2016



### Strategic Activities

Post remains committed to effective capital allocation. Our balance sheet is currently overly liquid. At year end we held \$1.1 billion in cash and the balance continues to grow. This is a drag against current earnings, but we look to our longer-term objectives in preserving this degree of liquidity.

Regarding our capital structure, we lowered our annual interest expense and extended our debt maturity profile through a combination of transactions in August 2016. We issued \$1.75 billion in 5% fixed rate high yield debt and subsequently used the proceeds to fund a tender offer for \$1.3 billion (including principal and premium) of our 7.375% senior notes and to pay off the remaining \$374.4 million balance on our term loan.

For several years now, we have had the expectation that interest rates would begin to rise. Until quite recently, we have been wrong. In 2014, in order to hedge the risk of rising rates, we entered into forward starting interest rate swaps that hedge against the issuance costs of refinancing much of our bond ladder. The cumulative mark-to-market on the swaps has been a loss of \$315.2 million, but the borrowing costs for refinancing have dropped considerably as well.

Post operates in an industry that is characterized by high growth in organic, but low organic growth. The domestic food industry is generally marked by low growth, shifting consumer preferences and significant consolidation at retail. This forces management teams to be adept at driving costs out of their business through continuous improvement or through consolidation. Moreover, it puts a premium on teams who can respond rapidly as opportunities or threats present themselves. We believe the ability to navigate the shoals between strategy and opportunism is a hallmark of what makes Post unique.

As always, we appreciate your ongoing support.

**William P. Stirtz**  
Chairman of the Board

**Robert V. Vitale**  
President and CEO

# Corporate and Shareholder Information

## Executive Officers

**James E. Dwyer, Jr.**  
Executive VP, President and CEO,  
Michael Foods Group

**Diedre J. Gray**  
Senior VP, General Counsel and  
Chief Administrative Officer

**Richard R. Koulouris**  
Executive VP, President and CEO,  
Private Brands

**Christopher J. Neugent**  
President and CEO, Post Consumer Brands

**Robert V. Vitale**  
President and Chief Executive Officer

**Jeff A. Zadoks**  
Senior VP and Chief Financial Officer

## Board of Directors

<b>Jay W. Brown</b>	<b>David W. Kemper</b>
<b>Edwin H. Callison</b>	<b>David P. Skarie</b>
<b>Gregory L. Curl</b>	<b>William P. Stirtz</b>
<b>Robert E. Grote</b>	<b>Robert V. Vitale</b>

## Corporate Headquarters

Post Holdings, Inc.  
2503 South Hanley Road  
Saint Louis, MO 63144  
314-644-7600  
www.postholdings.com

## Notice of Annual Meeting

The 2017 Annual Meeting of Shareholders will be held at The Ritz-Carlton, 100 Carondelet Plaza, St. Louis, Missouri 63105 at 9:00 a.m. Central Time, Thursday, January 26, 2017.

**Transfer Agent and Registrar:**  
Computershare Trust Company, N.A.  
www.computershare.com

## Shareholder Telephone Calls:

Operators are available Monday-Friday, 8:30 a.m. to 5:00 p.m. Central Time. An interactive automated system is available around the clock daily. Inside the U.S.: 877-498-8861 Outside the U.S.: 312-360-5193

## Mailing Address:

For questions regarding stock transfer, change of address or lost certificates by regular mail: Computershare Trust Company, N.A. P.O. Box 43036 Providence, RI 02940-3036

## To deliver stock certificates in person or by courier:

Computershare Trust Company, N.A.  
250 Royall Street  
Canton, MA 02021

## Independent registered public accounting firm:

PricewaterhouseCoopers LLP

## Additional Information

You can access financial and other information about Post Holdings, Inc. at www.postholdings.com, including press releases and proxy materials; Forms 10-K, 10-Q and 8-K as filed with the Securities and Exchange Commission; and information on Corporate Governance such as the Director Code of Ethics, Global Standards of Business Conduct for Officers and Employees, and charters of Board committees. You can also request that any of these materials be mailed to you at no charge by calling or writing:

Post Holdings, Inc.  
Attn: Shareholder Services  
2503 South Hanley Road  
Saint Louis, Missouri 63144  
Telephone: 314-644-7600

**POST**  
**LISTED**  
**NYSE**

- (1) Certain financial measures presented herein are non-GAAP measures, including Adjusted EBITDA, Adjusted net earnings (loss) available to common shareholders and Adjusted diluted net earnings (loss) per common share. Non-GAAP measures are not prepared in accordance with GAAP, as they exclude certain items, and may not be comparable to similarly titled measures of other companies. Management uses certain non-GAAP measures, including Adjusted EBITDA, as key metrics in the evaluation of underlying Company and segment performance, in making financial, operating and planning decisions, and, in part, in the determination of cash bonuses for its executive officers and employees. Management believes the use of non-GAAP measures provides increased transparency and assists investors in understanding the underlying operating performance of the Company and its segments and in the analysis of ongoing operating trends. The Company believes Adjusted net earnings (loss) available to common shareholders and Adjusted diluted net earnings (loss) per common share are useful to investors in evaluating the Company's operating performance because they exclude items that affect the comparability of the Company's financial results and could potentially distort an understanding of the trends in business performance. Adjusted net earnings (loss) available to common shareholders and Adjusted diluted net earnings (loss) per common share are adjusted for the following items: non-cash mark-to-market adjustments on interest rate swaps; tender premium on debt extinguishment; impairment of goodwill and other intangible assets; transaction costs; integration costs; provision for legal settlement; restructuring and plant closure costs, including accelerated depreciation; loss on assets held for sale; inventory valuation adjustments on acquired businesses; mark-to-market adjustments on commodity hedges; gain on sale of business and/or plant; foreign currency gains and losses on intercompany loans; gain from insurance and indemnification proceeds; purchase price adjustment on acquisition; gain on change in fair value of acquisition earn-out; spin-Off costs/post Spin-Off costs; losses on hedge of purchase price of foreign currency denominated acquisitions; tax and preferred stock. Fiscal year 2012 also adjusts for the following items: nonrecurring cash compensation/retention; other nonoperating income, net; accounts receivable servicing fees; estimated incremental interest expense and public company costs; and incremental tax expense for non-deductible transaction costs. The Company believes that Adjusted EBITDA is useful to investors in evaluating the Company's operating performance and liquidity because (i) we believe it is widely used to measure a company's operating performance without regard to items such as depreciation and amortization, which can vary depending upon accounting methods and the book value of assets, (ii) it presents a measure of corporate performance exclusive of the Company's capital structure and the method by which the assets were acquired, and (iii) it is a financial indicator of a company's ability to service its debt, as the Company is required to comply with certain covenants and limitations that are based on variations of EBITDA in the Company's financing documents. Variations of EBITDA may include, but are not limited to, further adjustments to the Company's reported Adjusted EBITDA to give effect to the Company's completed acquisitions as if all completed acquisitions were owned for the entire calculation period. Adjusted EBITDA reflects adjustments for interest expense, net, income tax provision (benefit), depreciation and amortization, and for the following items: non-cash mark-to-market adjustments on interest rate swaps; impairment of goodwill and other intangible assets; transaction costs; integration costs; provision for legal settlement; restructuring and plant closure costs, including accelerated depreciation; loss on assets held for sale; inventory valuation adjustments on acquired businesses; mark-to-market adjustments on commodity hedges; gain on sale of business and/or plant; foreign currency gains and losses on intercompany loans; gain from insurance and indemnification proceeds; purchase price adjustment on acquisition; gain on change in fair value of acquisition earn-out; spin-Off costs/post Spin-Off costs; losses on hedge of purchase price of foreign currency denominated acquisitions; loss on extinguishment of debt; and non-cash stock-based compensation. Fiscal year 2012 also adjusts for the following items: nonrecurring cash compensation/retention; other nonoperating income, net; accounts receivable servicing fees; and estimated public company costs. For a reconciliation of non-GAAP measure to the most directly comparable GAAP measure, see our press releases posted on our website.
- (2) Nielsen xAOC for the 52 weeks ended September 26, 2015 and October 1, 2016.



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St. Louis, Mo 63144

[www.postholdings.com](http://www.postholdings.com)