

Campbell Launches Next Chapter of Growth at Fiscal 2025 Investor Day

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Outlines Framework for Growth with New Long-term Algorithm

CAMDEN, N.J.--(BUSINESS WIRE)--Sep. 10, 2024-- **Campbell Soup Company (NASDAQ:CPB)** today held an Investor Day at the Nasdaq MarketSite in New York City where Campbell's management team reviewed progress against the company's transformation and outlined plans for the next era of accelerated growth.

Since 2019, the company has made significant progress in three key areas:

- **Transformed portfolio.** Shifted focus to advantaged core categories and geographies critical to fueling net sales and earnings growth, including the acquisition of Sovos Brands.
- **Rebuilt the foundation.** Taken significant steps in improving its execution and capabilities, touching nearly every aspect of the company, including assembling an exceptional leadership team, enhancing the culture and turning its supply chain into a competitive advantage.
- **Delivered on commitments.** Built trust by consistently delivering strong financial results, while also outperforming consumer packaged goods peers on many key performance indicators.

"For the last five years, we have been on a transformative journey to redefine our company," said Mark Clouse, Campbell's President and Chief Executive Officer. "Our focused strategy has positioned us well and helped to solidify a foundation that has delivered consistent and dependable results. We are ready to turn the page and enter a new chapter where we build on Campbell's transformed portfolio, strong team, and aligned and engaged culture with the goal to set the standard for performance in the food industry."

Mark Clouse, Chief Executive Officer; Carrie Anderson, Chief Financial Officer; Chris Foley, President, Snacks and Mick Beekhuizen, President, Meals & Beverages laid out the next phase of Campbell's growth plans, including a new long-term growth algorithm to grow shareholder value.

New Long-term Growth Algorithm¹ Increased on Topline

Organic Net Sales	+2 to +3%
Adjusted EBIT	+4 to +6%
Adjusted EPS	+7 to +9%

Setting the Standard for Performance

The company aims to set the standard for performance in the industry with a new strategy, new mission and new name. As part of its evolution and transformed portfolio, the company intends to change its name to The Campbell's Company, subject to shareholder approval at its annual meeting of shareholders in November.

"This subtle yet important change retains the company's iconic name recognition, reputation and equity built over 155 years while better reflecting the full breadth of the company's portfolio," said Clouse.

The company's Set the Standard mission is clear and measurable, with five key pillars:

1. **Top Team.** Foster an engaged and inclusive culture, while building capabilities and developing leaders at all levels of the organization.
2. **Best Portfolio.** Drive growth through 16 leadership brands which span across both Snacks and Meals & Beverages and represent 84% enterprise sales and approximately 95% of the company's segment operating earnings in fiscal 2024.
3. **Winning Execution.** Outperform the competition with an advantaged supply chain, stepped-up innovation capabilities, strong retailer relationships and effective deployment of new and evolving technology.
4. **Top-Tier Performance.** Leverage the company's top team, portfolio of best-in-class brands and operational capabilities to deliver strong revenue, earnings growth, and operating cash flow.
5. **Lasting Impact.** Build on Campbell's legacy of impact by delivering measurable results against sustainability and community goals.

"With the top team, the best portfolio of brands, a track record of strong execution and performance, and a commitment to building on our legacy of trust and impact, we have never been more prepared to deliver top-tier performance and to be the most dependable and most capable company in food," said Clouse.

Full Potential Snacks

Chris Foley outlined the potential for continued long-term growth and margin expansion in its Snacks division supported by its elevated portfolio of leadership brands, a strong innovation pipeline, and an advantaged direct store delivery model that offers further scale opportunities.

“We have built the best snacks portfolio in faster growing and advantaged categories,” said Foley, President, Snacks. “We expect to continue to grow these advantaged core businesses by pursuing best-in-class innovation and unlocking the full potential from our advantaged distribution network. Our strategy is designed to deliver margin expansion while making the necessary investments to fuel growth for the future in a sustainable manner. We could not be better positioned for leading the on-going growth and momentum in snacking.”

Transforming Meals & Beverages

In its Meals & Beverages division, Mick Beekhuizen shared how its portfolio of leadership brands is better positioned than ever to meet consumers’ needs with continued focus on quality, convenience and value. With the game-changing acquisition of Sovos Brands, which elevates and strengthens its highly advantaged portfolio, the division has a new growth trajectory for dependable and profitable growth.

Beekhuizen noted that soup remains an important part of the Meals & Beverages division but is now a smaller portion of the transformed portfolio.

“Our Meals & Beverages transformation story is far from complete, as we challenge ourselves to unlock the potential of our portfolio of iconic and distinctive brands,” said Beekhuizen, President, Meals & Beverages. “We intend to set the standard for performance in the center store through our compelling consumer engagement and exciting flavor-forward innovation, with Rao’s strengthening and solidifying our potential and elevating our overall portfolio.”

Top-Tier Performance

The company aims to deliver highly predictable and sustainable top-tier results with a long-term algorithm that includes:

- **Growing organic net sales at approximately 2% to 3%.** This target reflects a historically consistent expectation of 3-4% on the Snacks business and a modest move up to 1-2% for the Meals & Beverages business, supported by the Sovos Brands acquisition.
- **Long-term adjusted EBIT growth of approximately 4% to 6%** fueled by sustainable growth on topline and a variety of areas for division specific and enterprise initiatives to drive faster bottom line and margin expansion, including a new \$250 million enterprise cost savings program through fiscal 2028. This plan will also build appropriate space for reinvestment back into the business.
- **Delivering adjusted EPS growth of approximately 7% to 9% through fiscal 2027** as the company grows adjusted earnings and reduces interest expense as it deleverages its balance sheet.

“Our execution and capabilities to enable top-tier performance have never been stronger,” said Carrie Anderson, Chief Financial Officer. “With a refreshed long-term algorithm, we have a clear roadmap for multi-year top- and bottom-line expansion. Our investor proposition is compelling, with strong and growing internal cash flow generation, providing multiple paths to create shareholder value.”

¹ Note: A non-GAAP reconciliation is not provided for long-term targets as the company is unable to reasonably estimate the full-year financial impact of items such as actuarial gains or losses on pension and postretirement plans because these impacts are dependent on future changes in market conditions. The inability to predict the amount and timing of these future items makes a detailed reconciliation of these forward-looking financial measures impracticable.

About Campbell

For more than 150 years, Campbell (Nasdaq:CPB) has been connecting people through food they love. Generations of consumers have trusted us to provide delicious and affordable food and beverages. Headquartered in Camden, N.J. since 1869, the company generated fiscal 2024 net sales of \$9.6 billion. Our portfolio includes iconic brands such as *Campbell's*, *Cape Cod*, *Goldfish*, *Kettle Brand*, *Lance*, *Late July*, *Milano*, *Michael Angelo's*, *noosa*, *Pace*, *Pacific Foods*, *Pepperidge Farm*, *Prego*, *Rao's*, *Snyder's of Hanover*, *Swanson* and *V8*. Campbell has a heritage of giving back and acting as a good steward of the environment. The company is a member of the Standard & Poor's 500 as well as the FTSE4Good and Bloomberg Gender-Equality Indices. For more information, visit www.campbellsoupcompany.com.

Forward-Looking Statements

This release contains “forward-looking statements” that reflect the company’s current expectations about the impact of its future plans and performance on the company’s business or financial results. These forward-looking statements, including any statements made regarding sales, EBIT and EPS guidance, rely on a number of assumptions and estimates that could be inaccurate, and which are subject to risks and uncertainties. The factors that could cause the company’s actual results to vary materially from those anticipated or expressed in any forward-looking statement include: the risk that the cost savings and any other synergies from the Sovos Brands, Inc. (“Sovos Brands”) transaction may not be fully realized or may take longer or cost

more to be realized than expected, including that the Sovos Brands transaction may not be accretive within the expected timeframe or the extent anticipated; the risks related to the availability of, and cost inflation in, supply chain inputs, including labor, raw materials, commodities, packaging and transportation; the company's ability to execute on and realize the expected benefits from its strategy, including growing sales in snacks and growing/maintaining its market share position in soup; the impact of strong competitive responses to the company's efforts to leverage its brand power with product innovation, promotional programs and new advertising; the risks associated with trade and consumer acceptance of product improvements, shelving initiatives, new products and pricing and promotional strategies; the ability to realize projected cost savings and benefits from cost savings initiatives and the integration of recent acquisitions; disruptions in or inefficiencies to the company's supply chain and/or operations, including reliance on key co-manufacturer and supplier relationships; the risks related to the effectiveness of the company's hedging activities and the company's ability to respond to volatility in commodity prices; the company's ability to manage changes to its organizational structure and/or business processes, including selling, distribution, manufacturing and information management systems or processes; changes in consumer demand for the company's products and favorable perception of the company's brands; changing inventory management practices by certain of the company's key customers; a changing customer landscape, with value and e-commerce retailers expanding their market presence, while certain of the company's key customers maintain significance to the company's business; product quality and safety issues, including recalls and product liabilities; the possible disruption to the independent contractor distribution models used by certain of the company's businesses, including as a result of litigation or regulatory actions affecting their independent contractor classification; the uncertainties of litigation and regulatory actions against the company; the costs, disruption and diversion of management's attention associated with activist investors; a disruption, failure or security breach of the company's or the company's vendors' information technology systems, including ransomware attacks; impairment to goodwill or other intangible assets; the company's ability to protect its intellectual property rights; increased liabilities and costs related to the company's defined benefit pension plans; the company's ability to attract and retain key talent; goals and initiatives related to, and the impacts of, climate change, including weather-related events; negative changes and volatility in financial and credit markets, deteriorating economic conditions and other external factors, including changes in laws and regulations; unforeseen business disruptions or other impacts due to political instability, civil disobedience, terrorism, geopolitical conflicts, extreme weather conditions, natural disasters, pandemics or other outbreaks of disease or other calamities; and other factors described in the company's most recent Form 10-K and subsequent Securities and Exchange Commission filings. This discussion of uncertainties is by no means exhaustive but is designed to highlight important factors that may impact the company's outlook. The company disclaims any obligation or intent to update forward-looking statements in order to reflect new information, events or circumstances after the date of this release.

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