

BUILDING MOMENTUM

Q1 Fiscal 2023 Earnings Presentation

Campbell's



2024
2023
2024¹



Campbell's

Rebecca Gardy

Senior Vice President Investor Relations

INTRODUCTION

Forward-Looking Statements

The factors that could cause actual results to vary materially from those anticipated or expressed in any forward-looking statement include:

the risks related to the availability of, and cost inflation in, supply chain inputs, including labor, raw materials, commodities, packaging and transportation; the impacts of, and associated responses to, the COVID-19 pandemic on our business, suppliers, customers, consumers and employees; 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; 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, armed hostilities (including the ongoing conflict between Russia and Ukraine), extreme weather conditions, natural disasters, other pandemics or other calamities; and other factors described in the company's most recent Form 10-K and subsequent Securities and Exchange Commission filings.

We disclaim any obligation or intent to update these statements to reflect new information or future events.

Agenda

Key Messages and Q1 FY23 Financial Highlights

Division Highlights

Q1 FY23 Financial Results

FY23 Outlook

Summary

Q&A



Campbell's

Mark Clouse

President & Chief Executive Officer

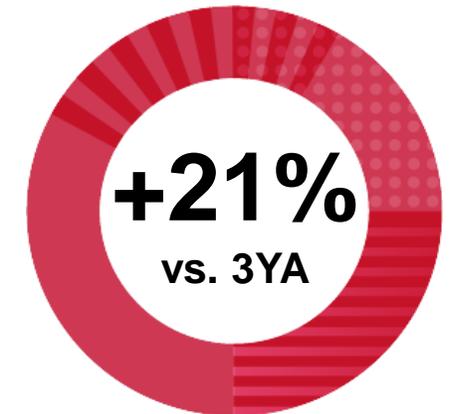
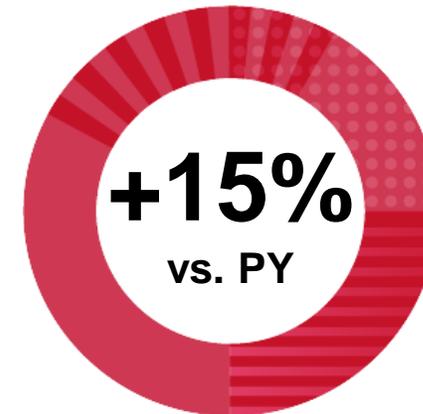
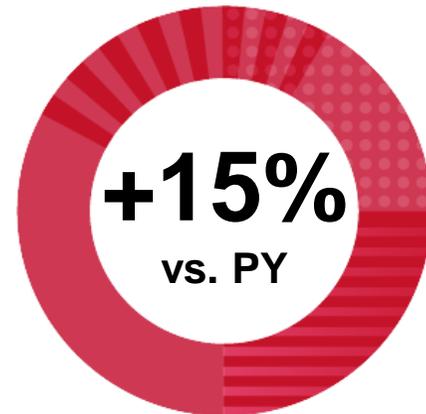
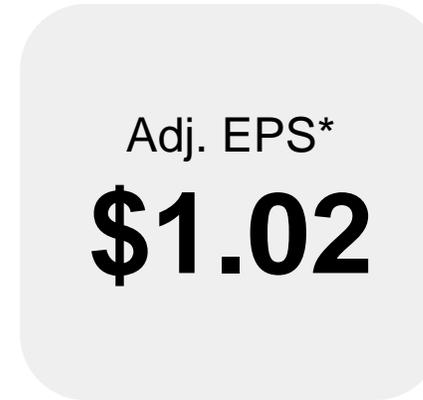
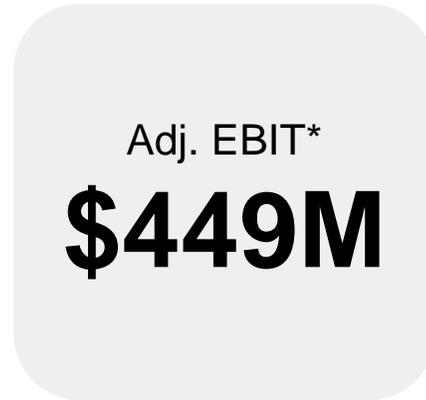
CEO PERSPECTIVE

Key Messages

- Strong start to FY23 with 15% growth in Organic Net Sales*, Adj EBIT* and Adj EPS*
- Highly relevant brands and improved supply chain execution fueled share progression
- Pricing and productivity improvements substantially mitigated inflation
- Full-year guidance raised to reflect strong first quarter results, continuing brand momentum and a strengthened supply chain

Key Financial Highlights

Q1 FY23



*See Non-GAAP reconciliation

¹ Total IRI US MULO \$ Consumption latest 13 weeks ending 10/30/2022

Most Key Brands Q1 \$ Share Remained at or Above FY20 Levels

Campbell's
CONDENSED
ICONS



+4.0 pts.
vs. 3YA

Campbell's
CHUNKY

+1.6 pts.
vs. 3YA



Pacific
FOODS

+0.4 pts.
vs. 3YA



SNACK FACTORY
Pretzel Crisps

+5.1 pts.
vs. 3YA



KETTLE
BRAND

+1.2 pts.
vs. 3YA



Lance

+0.6 pt.
vs. 3YA



CAPE COD

+1.6 pts.
vs. 3YA



LATE JULY
SNACKS

Flat
vs. 3YA



PEPPERIDGE FARM
COOKIES

Flat
vs. 3YA



Goldfish
BAKED
CRACKERS

+0.4 pts.
vs. 3YA

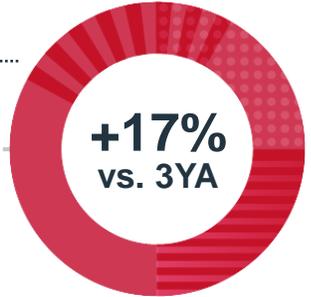




Meals & Beverages: Key Highlights



Q1 FY23	
	GROWTH VS. PY
Organic Net Sales*	+15%
Dollar Consumption ¹	+8%



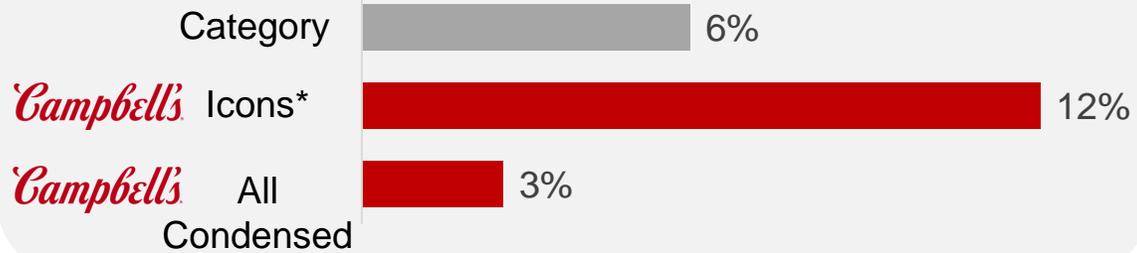
*See Non-GAAP reconciliation

¹ Total IRI US MULO \$ Consumption latest 13 weeks ending 10/30/2022



Strong \$ Consumption in Growing Categories

Condensed



Italian Sauces



Ready-to-Serve



Mexican Sauces (excl. Refrigerated)



Source: Total IRI US MULO \$ Consumption latest 13 weeks ending 10/30/2022

* Campbell's Condensed Icons are Tomato, Chicken Noodle, Cream of Mushroom and Cream of Chicken



Quick Scratch Cooking: A Great Value and Convenient Meal



One-Pot Spaghetti Carbonara



Scan to learn more

Campbell's cost per serving¹
\$1.53

Avg. restaurant cost per serving²
\$21.89



3-Step Easy Skillet Chicken Parmesan



Scan to learn more

Campbell's cost per serving¹
\$2.31

Avg. restaurant cost per serving²
\$18.15

¹ Based on average cost of ingredients used in recipe, pricing sourced from a large retail store, pulled 12/1/2022

² Technomic, Upscale CDR (Casual Dining Restaurant) as of 12/1/2022



Meals & Beverages: Ready-to-Serve Soup Accelerating Growth

Q1 FY23

U.S. Ready-to-Serve Soup (incl. Pacific) \$ Consumption +9%; +18% vs. 3YA

CHUNKY SOUP



+1.6 pts.
Q1 dollar share
vs. PY¹

5th Consecutive quarter
holding or gaining volume share²

+13%
Q1 consumption
vs. PY¹

+26%
Q1 consumption
vs. 3YA¹

PACIFIC FOODS Ready-to-Serve Soup



+0.4 pts.
Q1 dollar share
vs. PY¹

+16% increase in
Millennial Buyers vs. PY³

+21%
Q1 consumption
vs. PY¹

+0.4 pts.
Q1 dollar share
vs. 3YA¹

¹ Total IRI US MULO latest 13 weeks ending 10/30/2022

² Total IRI US MULO 13 weeks ending 10/31/2021, 1/30/2022, 5/1/2022, 7/31/2022 and 10/30/2022

³ IRI National Consumer Panel, Total U.S. All Outlets; NBD volume adjusted latest 13 weeks ending 10/30/2022



Meals & Beverages: Building a \$1B Sauce Business

Q1 FY23

PREGO



+21%

Q1 consumption vs. PY¹

#1 in Italian Category

42nd Consecutive Month²

+1.1 pts.

Dollar Share vs. PY¹

+2.5 pts.

Vol Share vs. Q4 FY22¹

+4.7 pts.

Q1 repeat rate vs. 3YA³

PACE

+0.4 pts.

Q1 dollar share vs. PY¹

+16%

Q1 consumption vs. PY¹

3rd consecutive quarter of \$ share growth¹



¹ Total IRI US MULO latest 13 weeks ending 10/30/2022

² Total IRI US MULO latest 4 weeks ending 10/30/2022

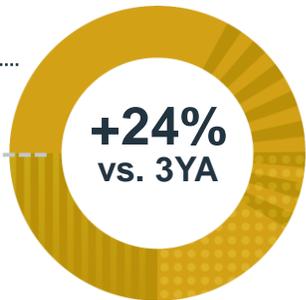
³ IIRI National Consumer Panel, Total U.S. All Outlets; NBD volume adjusted 13 weeks ending 10/30/2022



Snacks: Key Highlights



Q1 FY23	
GROWTH VS. PY	
Organic Net Sales*	+15%
Consumption ¹	+13%



*See Non-GAAP reconciliation

¹ Total IRI US MULO \$ Consumption latest 13 weeks ending 10/30/2022



Power Brands \$ Consumption¹: +15% vs. PY, +28% vs. 3YA

Q1 FY23



+21% **+30%**
VS. PY VS. 3YA



+9% **+28%**
VS. PY VS. 3YA



+16% **+37%**
VS. PY VS. 3YA



+11% **+13%**
VS. PY VS. 3YA



+21% **+35%**
VS. PY VS. 3YA



+17% **+36%**
VS. PY VS. 3YA



+10% **+25%**
VS. PY VS. 3YA



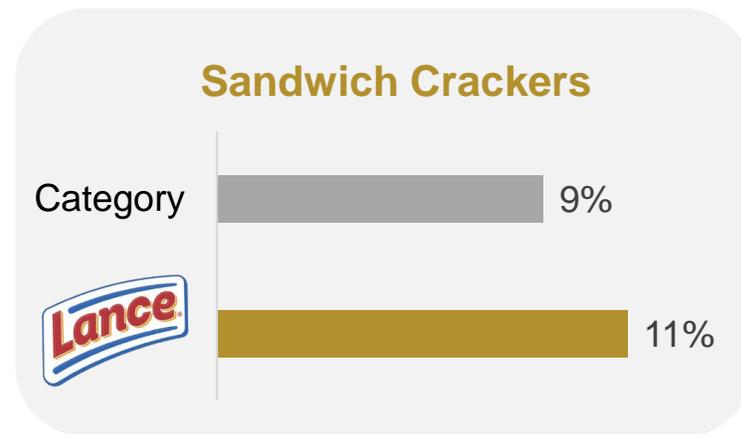
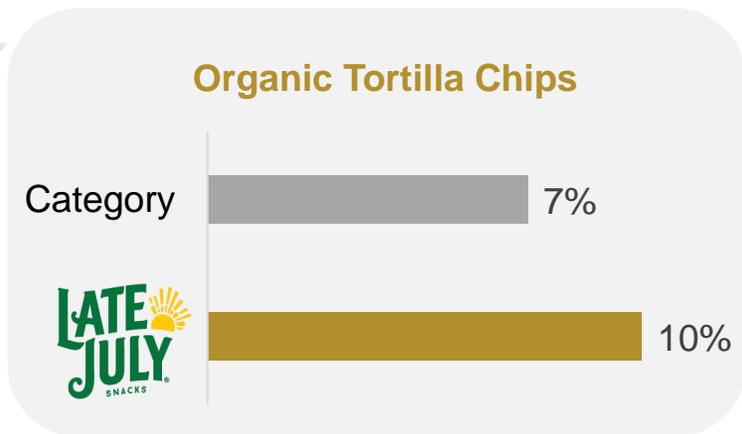
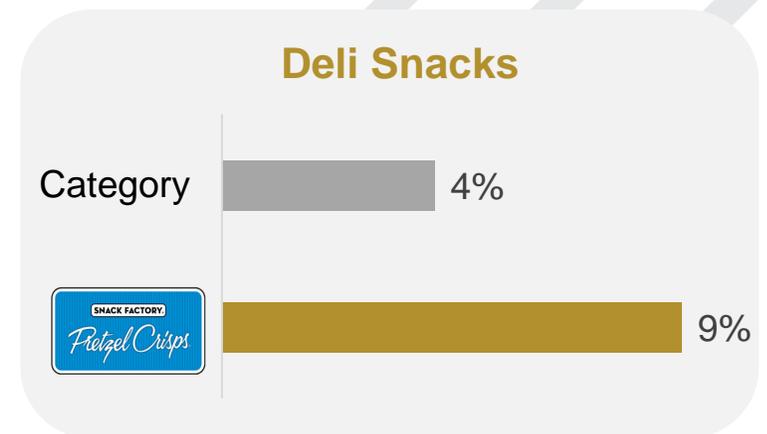
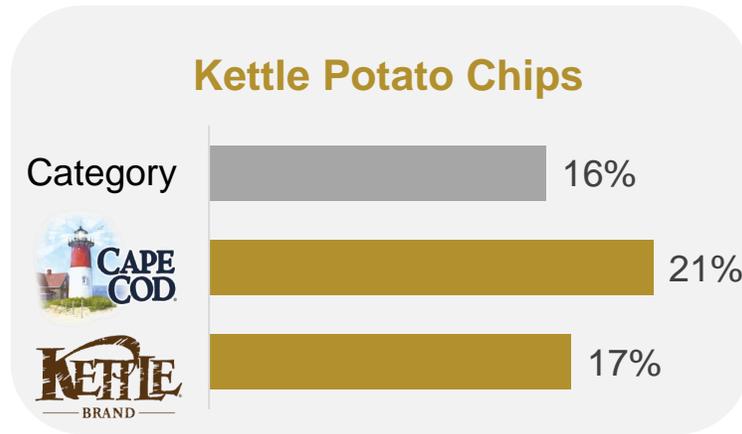
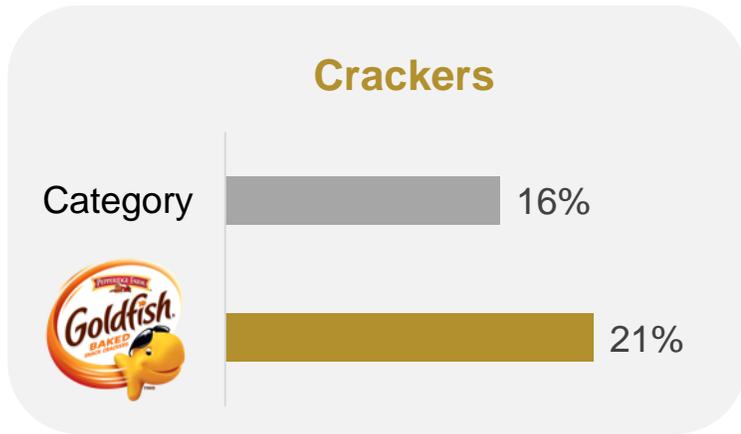
+9% **+36%**
VS. PY VS. 3YA

¹ Total IRI US MULO \$ Consumption latest 13 weeks ending 10/30/2022



Power Brands \$ Consumption¹ Growth Outpacing Categories

Q1 FY23



¹ Total IRI US MULO \$ Consumption latest 13 weeks ending 10/30/2022



Goldfish, Salty, Cookies...Holiday Classics and Innovation



#1 PIPER | SANDLER
snack brand with
teens 3 times in a row¹



¹ Piper Sandler "Taking Stock with Teens" (Fall 2021, Spring 2022, Fall 2022)

Looking Forward

- Strong start to FY23; ahead of our expectations
- Highly relevant brands in growing categories gaining share due to improved supply chain execution
- Full-year guidance raised to reflect strong first quarter results, continuing brand momentum and a strengthened supply chain
- Strong progress toward unlocking our full growth potential





Campbell's

Mick Beekhuizen

EVP & Chief Financial Officer and
President, Meals & Beverages

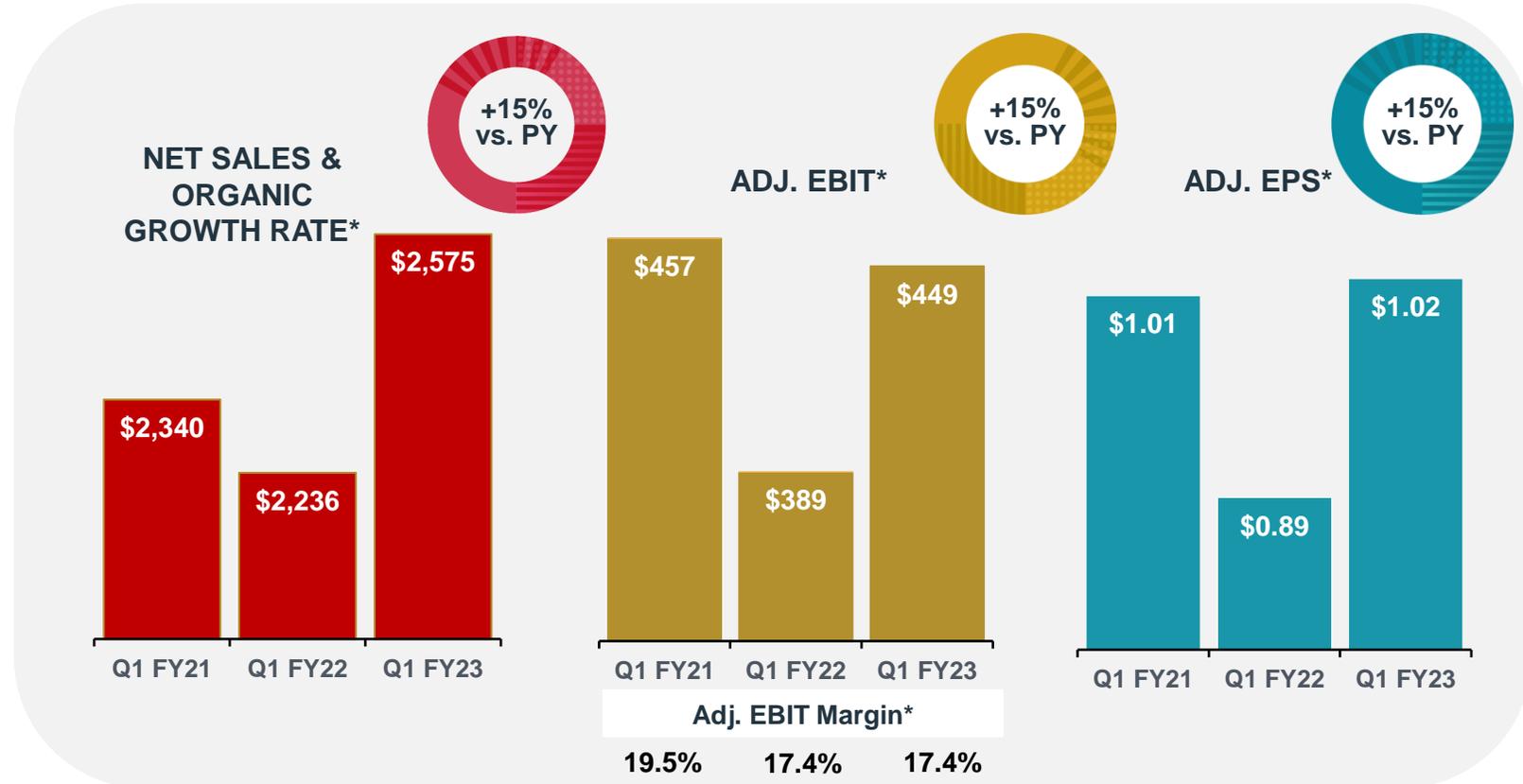
CFO PERSPECTIVE

Q1 FY23 Key Financial Messages

- Strong start to FY23 with 15% growth across all three key metrics: Net Sales, Adjusted EBIT* and Adjusted EPS* in the first quarter
- Top-line growth due to inflation-driven pricing, sustained brand health, and improved supply chain execution partially offset by modest volume declines
- Cost inflation offset by pricing and productivity improvements
- Strong operating cash flow of \$227 million supported continued investment and return of capital to shareholders
- Full-year guidance raised

Financial Summary

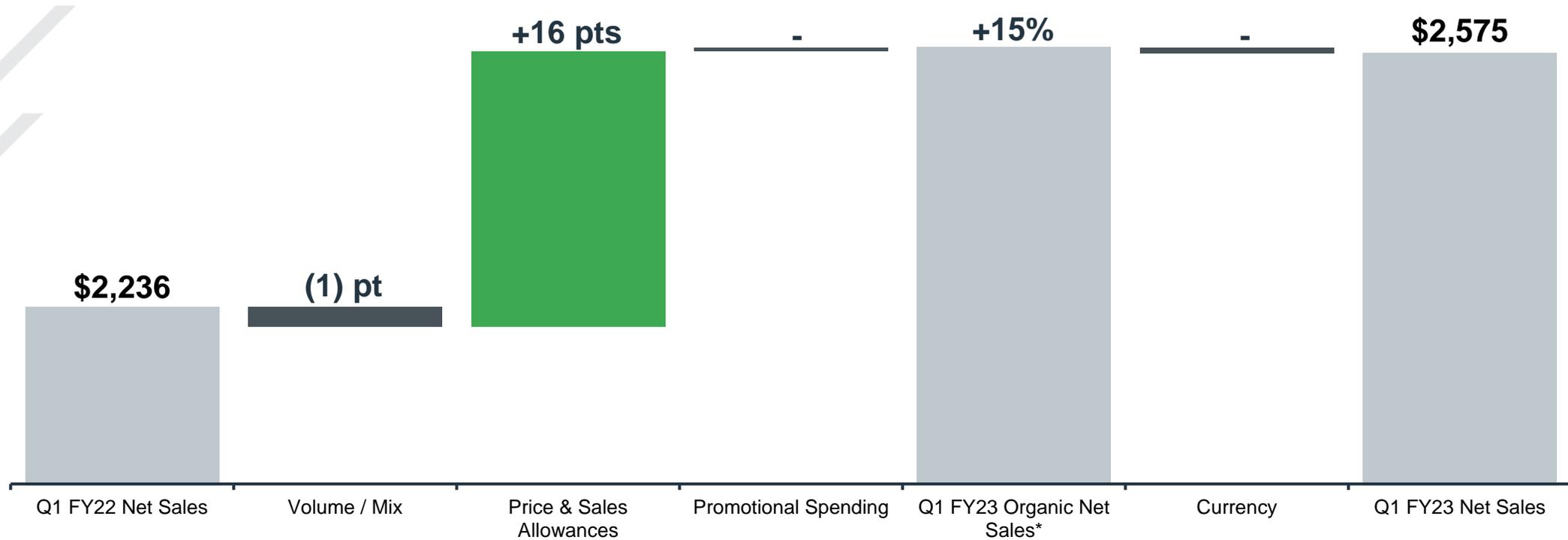
\$ Millions, Except Per Share



*See Non-GAAP reconciliation

Q1 FY23 Net Sales Bridge

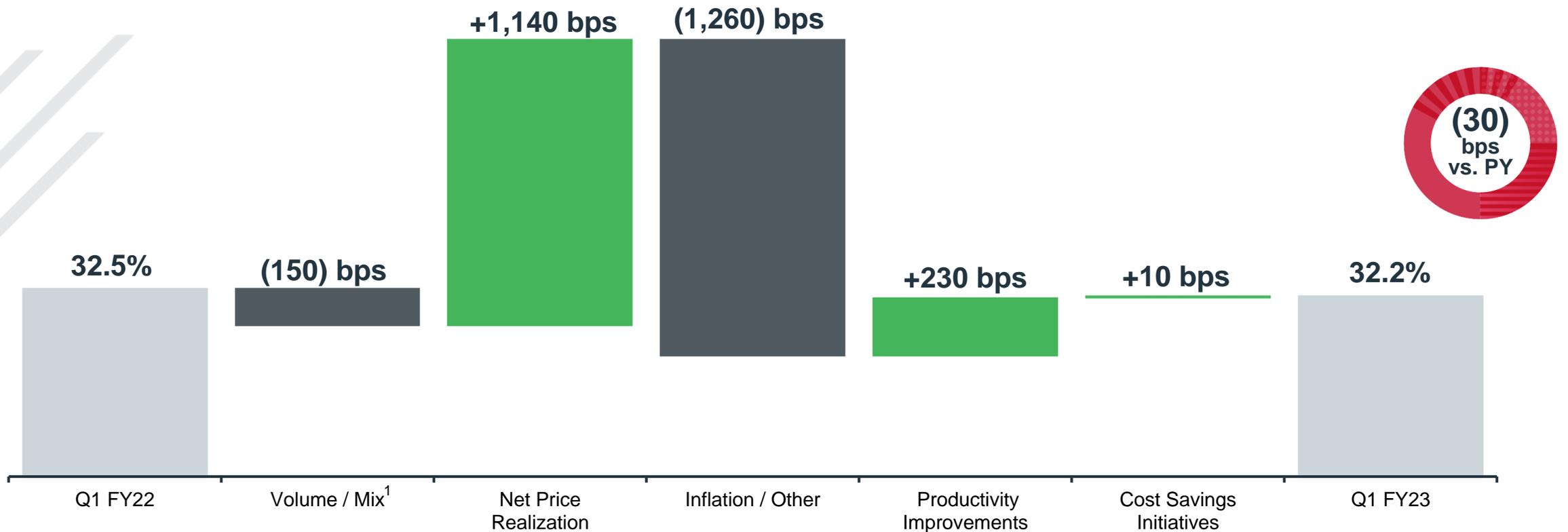
Net Sales growth reflects inflation-driven pricing partially offset by volume declines



*See Non-GAAP reconciliation

Q1 FY23 Adjusted Gross Profit Margin* Bridge

Continued cost inflation and higher other supply chain costs as well as unfavorable volume and mix were mostly mitigated by inflation-driven pricing actions and productivity improvements



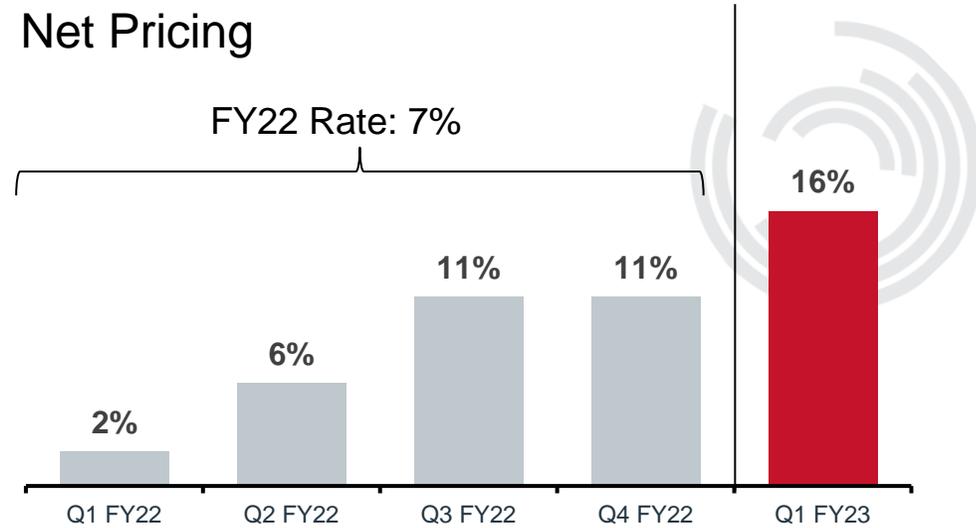
*See Non-GAAP reconciliation

¹ Volume / Mix includes the impact of operating leverage

Mitigating Accelerating Core Inflation

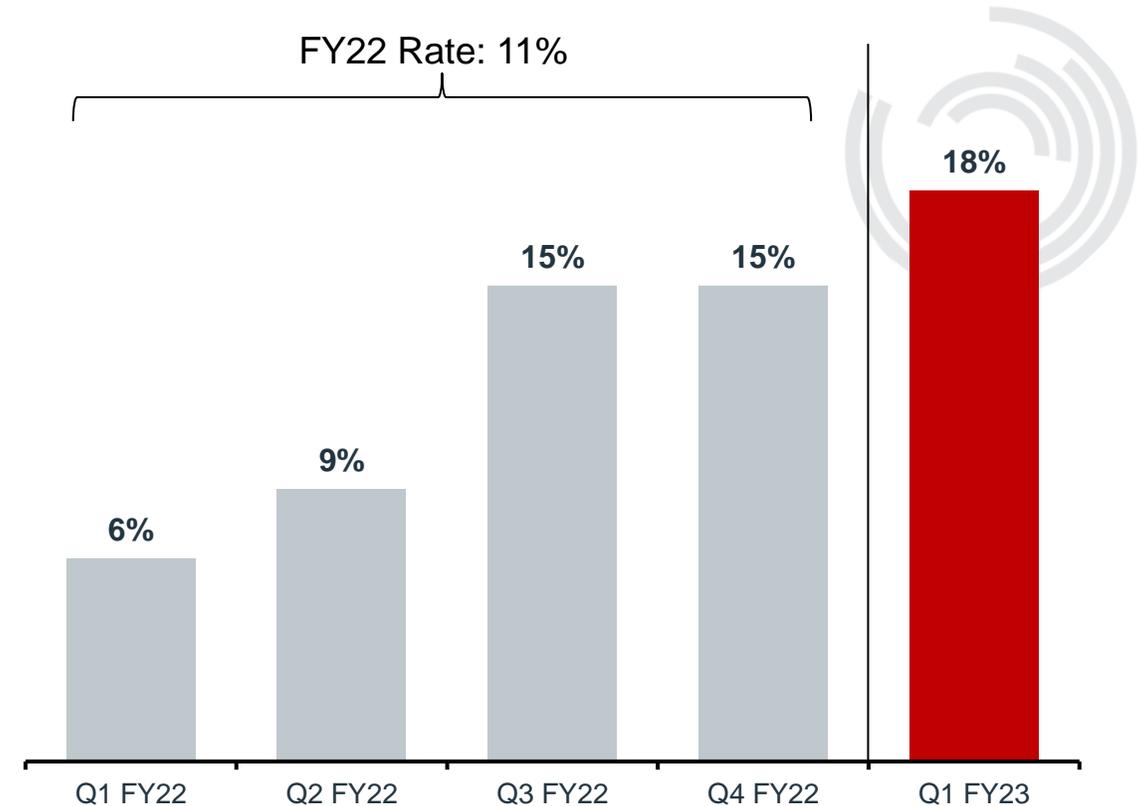
Inflation Mitigating Actions:

- Net Pricing



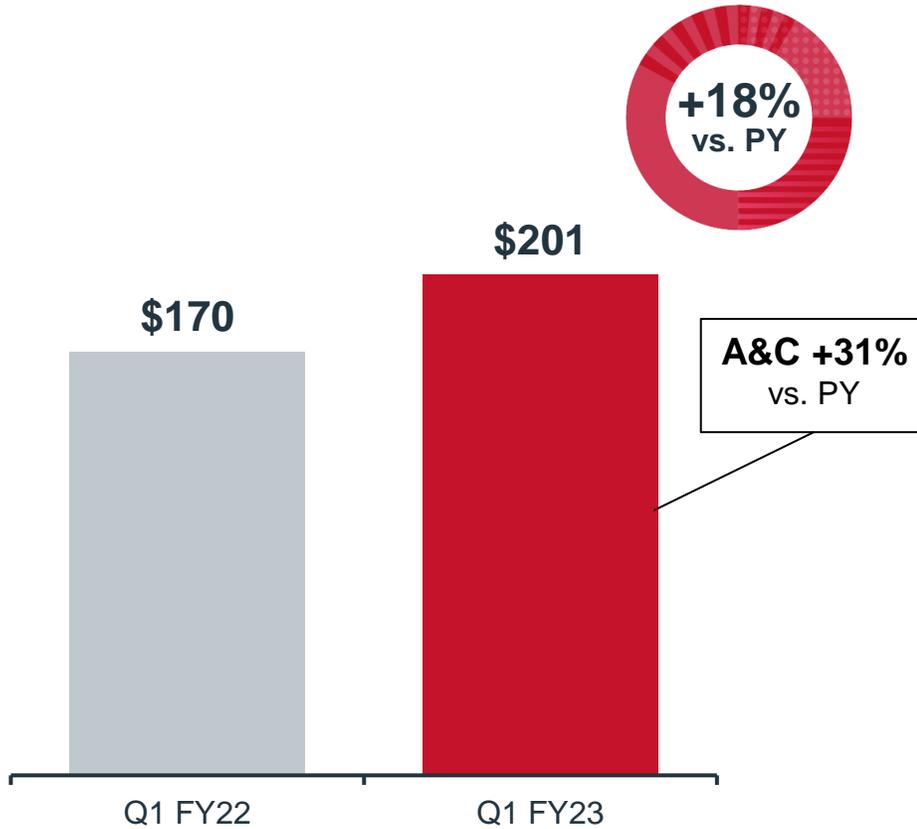
- Supply Chain Productivity
- Cost Savings Initiatives
- Manage Discretionary Spending

Core Inflation Rate:

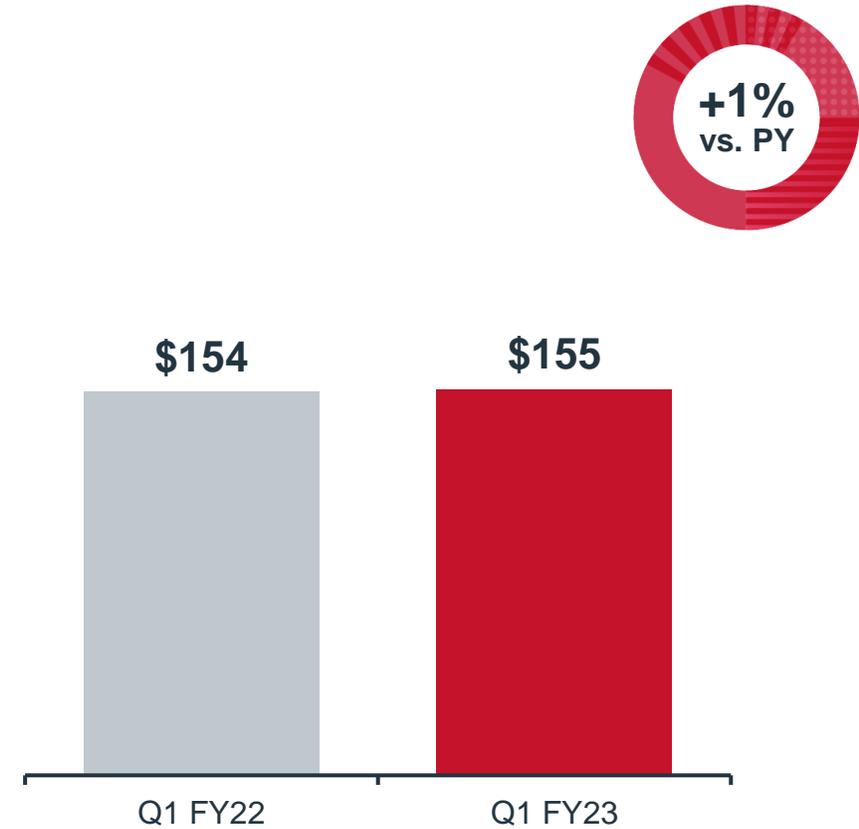


Other Operating Items

Marketing & Selling Expenses



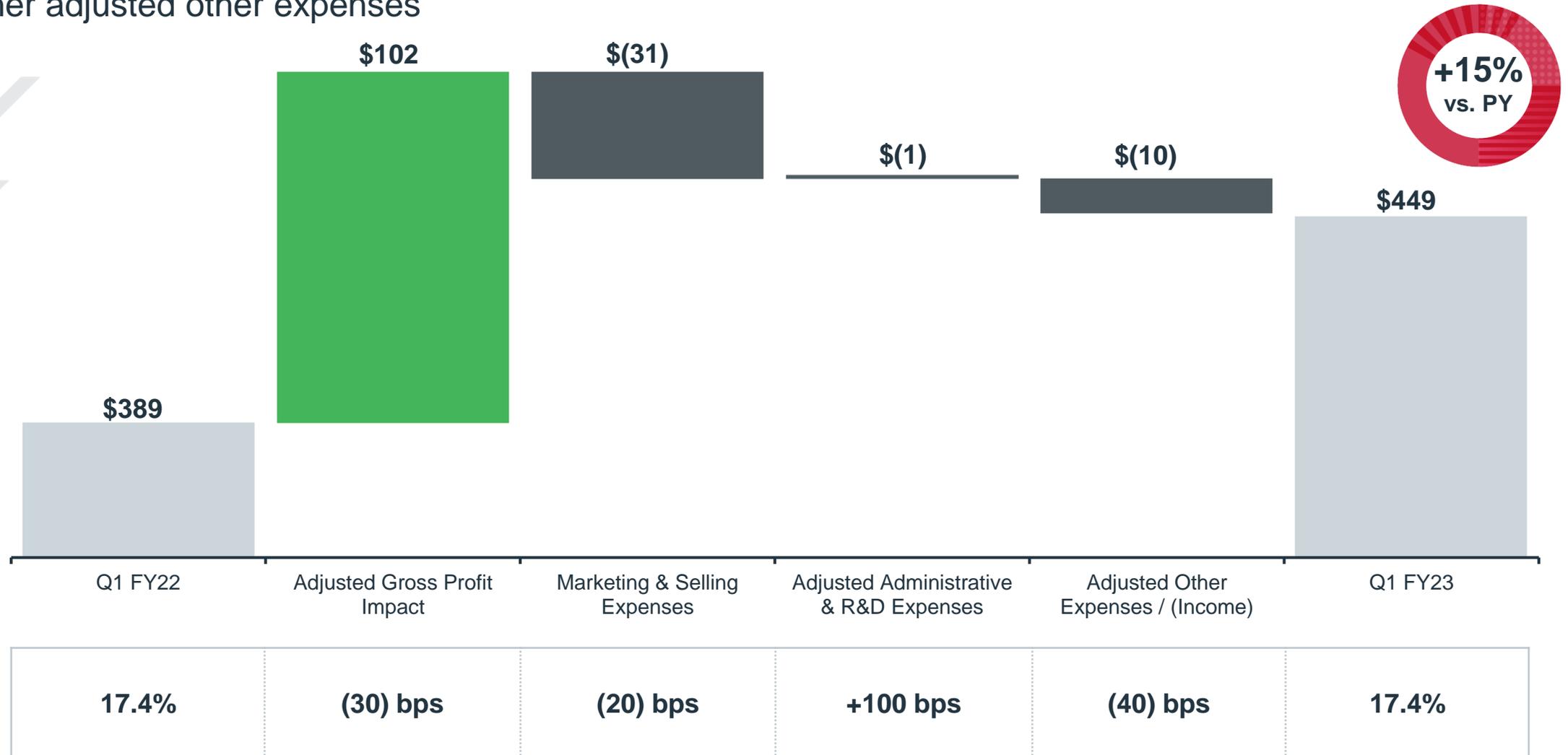
Adjusted Administrative Expenses*



*See Non-GAAP reconciliation

Q1 FY23 Adjusted EBIT* Bridge

Growth driven by higher adjusted gross profit, partially offset by higher marketing and selling expenses and higher adjusted other expenses



+15%
vs. PY

*See Non-GAAP reconciliations for all adjusted financial measures presented
Numbers may not add due to rounding

Q1 FY23 Adjusted EPS* Bridge

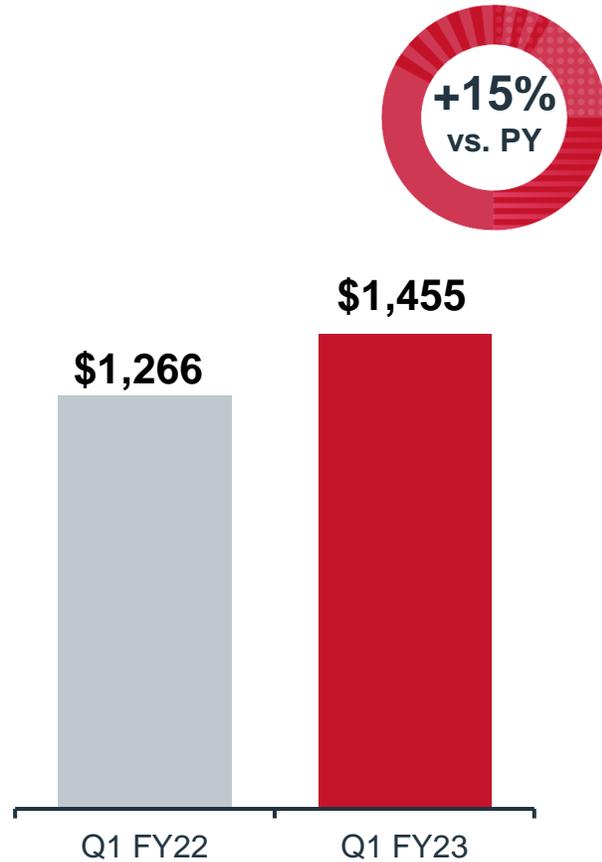
Double-digit growth driven by strong operational performance



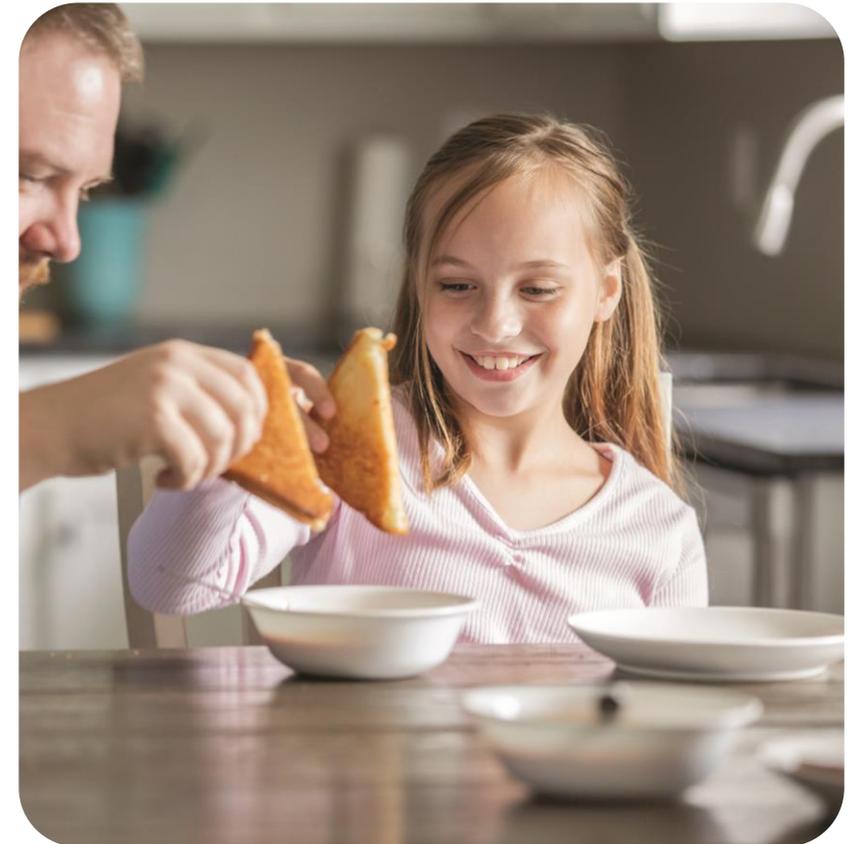
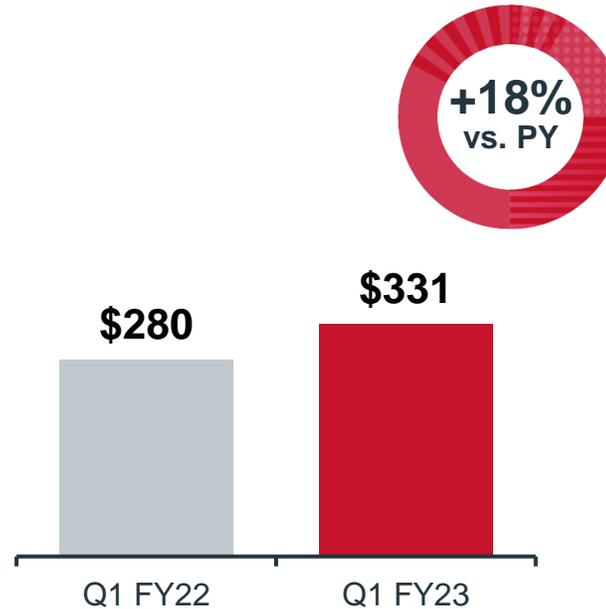
*See Non-GAAP reconciliations for all adjusted financial measures presented

Q1 FY23 Meals & Beverages Segment Results

NET SALES & ORGANIC GROWTH RATE*



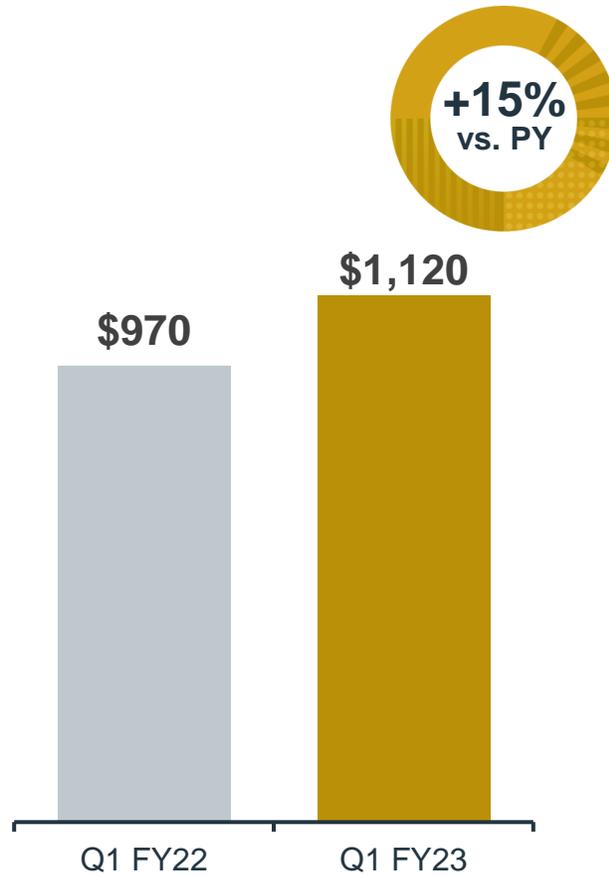
OPERATING EARNINGS



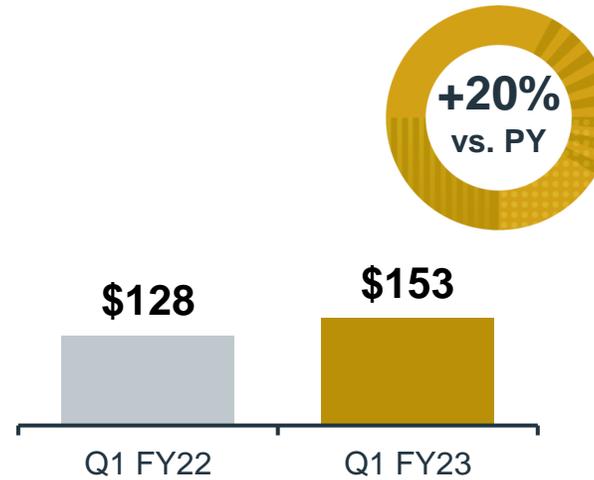
*See Non-GAAP reconciliation

Q1 FY23 Snacks Segment Results

NET SALES & ORGANIC GROWTH RATE*



OPERATING EARNINGS



*See Non-GAAP reconciliation

Cash Flow

Strong Q1 FY23 Cash Flow generation with increased investment and over \$150 million returned to shareholders

TOTAL COMPANY \$ Millions	Q1 FY22	Q1 FY23
Net Cash Flows from Operations	\$288	\$227
<i>of which changes in working capital</i>	<i>\$(95)</i>	<i>(\$203)</i>
Net Cash Flows from Investing Activities	\$(68)	\$(78)
<i>of which capital expenditures</i>	<i>\$(69)</i>	<i>\$(77)</i>
Net Cash Flows from Financing Activities	\$(220)	\$(127)
<i>of which dividends paid</i>	<i>\$(116)</i>	<i>\$(115)</i>
<i>of which stock repurchases</i>	<i>\$(63)</i>	<i>\$(41)</i>
<i>of which net debt borrowings (repayments)</i>	<i>\$(24)</i>	<i>\$45</i>
Net Change in Cash & Cash Equivalents¹	-	\$21
Cash & Cash Equivalents – end of period	\$69	\$130

¹ Numbers do not add as this item includes the effect of exchange rate changes on cash

Full-Year Guidance Raised Reflecting Strong Q1, Brand Momentum and Strengthened Supply Chain

\$ Millions, Except Per Share	FY22 Results	Previous FY23 Guidance ¹	Updated FY23 Guidance ¹
Net Sales	\$8,562	+4% to +6%	+7% to +9%
Organic Net Sales		+4% to +6%	+7% to +9%
Adjusted EBIT	\$1,297*	+1% to +5%	+2.5% to +6.5%
Adjusted EPS	\$2.85*	0% to +4% \$2.85 to \$2.95	+2% to +5% \$2.90 to \$3.00

FY23 Assumptions

- Core inflation in the low-teens range
- Productivity improvements of ~3%
- ~\$60 million of cost savings
- Interest expense of ~\$190 million
- Adjusted tax rate of ~24%
- Headwind of ~3% on both Adjusted EBIT and Adjusted EPS growth related to decline in pension and postretirement income
- Capital expenditures of ~\$325 million

*See Non-GAAP reconciliation

¹ A non-GAAP reconciliation is not provided for FY23 guidance 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

Summary

- Strong Q1 results with 15% growth in Net Sales, adjusted EBIT and adjusted EPS
- Continued supply chain execution improvements and improved service levels
- In market consumption was strong, with meaningful market share improvement on many brands as supply and investment return
- FY23 guidance raised on strong Q1 results, sustained brand momentum and strengthened supply chain



Q&A Forum



Mark Clouse

President & Chief Executive Officer



Mick Beekhuizen

EVP & Chief Financial Officer and
President, Meals & Beverages

BUILDING MOMENTUM

Appendix



Campbell's



2023
24

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

First Quarter

October 30, 2022

Meals & Beverages

<u>Net Sales, As Reported</u>	<u>Impact of Currency</u>	<u>Organic Net Sales</u>
\$ 1,455	\$ 7	\$ 1,462

% Change

<u>Net Sales, As Reported</u>	<u>Organic Net Sales</u>
15%	15%

Snacks

1,120	-	1,120
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15%	15%
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Total Net Sales

<u>\$ 2,575</u>	<u>\$ 7</u>	<u>\$ 2,582</u>
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<u>15%</u>	<u>15%</u>
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October 31, 2021

Meals & Beverages

<u>Net Sales, As Reported</u>
\$ 1,266

Snacks

970

Total Net Sales

\$ 2,236

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

First Quarter

	EBIT	EBIT Margin %	Earnings	Diluted EPS*
2023 – As Reported	\$ 436	16.9%	\$ 297	\$ 0.99
Add: Restructuring charges, implementation costs and other related costs	3		3	0.01
Add: Pension and postretirement adjustments	15		11	0.04
Deduct: Commodity mark-to-market adjustments	(5)		(4)	(0.01)
2023 – Adjusted	<u>\$ 449</u>	<u>17.4%</u>	<u>\$ 307</u>	<u>\$ 1.02</u>
2022 – As Reported	\$ 376	16.8%	\$ 261	\$ 0.86
Add: Restructuring charges, implementation costs and other related costs	4		3	0.01
Add: Pension and postretirement adjustments	6		5	0.02
Add: Commodity mark-to-market adjustments	3		2	0.01
2022 – Adjusted	<u>\$ 389</u>	<u>17.4%</u>	<u>\$ 271</u>	<u>\$ 0.89</u>
\$ Change - Adjusted	\$ 60		\$ 36	\$ 0.13
% Change - Adjusted	15%	- bps	13%	15%

*The sum of the individual per share amounts may not add due to rounding

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

First Quarter

	<u>Gross Profit</u>	<u>GP %</u>	<u>EBT</u>	<u>Tax</u>	<u>Tax Rate</u>
2023 – As Reported	\$ 834	32.4%	\$ 390	\$ 93	23.8%
Add: Restructuring charges, implementation costs and other related costs	-		3	-	
Add: Pension and postretirement adjustments	-		15	4	
Deduct: Commodity mark-to-market adjustments	(5)		(5)	(1)	
2023 – Adjusted	<u>\$ 829</u>	<u>32.2%</u>	<u>\$ 403</u>	<u>\$ 96</u>	<u>23.8%</u>
2022 – As Reported	\$ 722	32.3%	\$ 329	\$ 68	20.7%
Add: Restructuring charges, implementation costs and other related costs	2		4	1	
Add: Pension and postretirement adjustments	-		6	1	
Add: Commodity mark-to-market adjustments	3		3	1	
2022 – Adjusted	<u>\$ 727</u>	<u>32.5%</u>	<u>\$ 342</u>	<u>\$ 71</u>	<u>20.8%</u>
\$ Change – Adjusted	\$ 102		\$ 61	\$ 25	
% Change – Adjusted	14%	(30) bps	18%	35%	+300 bps

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

First Quarter

	<u>Administrative Expenses</u>	<u>R&D Expenses</u>	<u>Total</u>
2023 – As Reported	\$ 158	\$ 21	\$ 179
Deduct: Restructuring charges, implementation costs and other related costs	(3)	-	(3)
2023 – Adjusted	<u>\$ 155</u>	<u>\$ 21</u>	<u>\$ 176</u>
% of Net Sales – Adjusted	6.0%	0.8%	6.8%
2022 – As Reported	\$ 156	21	\$ 177
Deduct: Restructuring charges, implementation costs and other related costs	(2)	-	(2)
2022 – Adjusted	<u>\$ 154</u>	<u>\$ 21</u>	<u>\$ 175</u>
% of Net Sales – Adjusted	6.9%	0.9%	7.8%
% of Net Sales Change - Adjusted	(90) bps	(10) bps	(100) bps
\$ Change – Adjusted	\$ 1	\$ 0	\$ 1
% Change - Adjusted	1%	0%	1%

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)	<u>Other Expenses /</u> <u>(Income)</u>
<u>First Quarter</u>	
2023 – As Reported	\$ 18
Deduct: Pension and postretirement adjustments	(15)
2023 – Adjusted	<u>\$ 3</u>
% of Net Sales – Adjusted	0.1%
2022 – As Reported	\$ (1)
Deduct: Pension and postretirement adjustments	(6)
2022 – Adjusted	<u>\$ (7)</u>
% of Net Sales – Adjusted	(0.3)%
% of Net Sales Change – Adjusted	+40 bps
\$ Change – Adjusted	\$ 10

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

First Quarter – Adjusted Diluted EPS Impact from Adjusted EBIT

	<u>EBIT</u>
2023 – Adjusted	\$ 449
2022 – Adjusted	389
\$ Change	<u>\$ 60</u>
Deduct: 2022 Adjusted tax rate impact on EBIT	<u>(12)</u>
Impact to Net Earnings	<u>\$ 48</u>
First Quarter 2022 Diluted Shares	303
Adjusted Diluted EPS Impact	\$ 0.16

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

Adjusted Diluted EPS Impact from Change in Adjusted Tax Rate

	<u>First Quarter</u>
2023 – Adjusted EBT	\$ 403
Decrease (Increase) in Adjusted Tax Rate	(3.0)%
Adjusted EBT multiplied by the Change in Adjusted Tax Rate	<u>\$ (12)</u>
First Quarter 2022 Diluted Shares	303
Adjusted Diluted EPS Impact	\$ (0.04)

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

Full Year

	<u>EBIT</u>	<u>Earnings</u>	<u>Diluted EPS*</u>
2022 – As Reported	\$ 1,163	\$ 757	\$ 2.51
Add: Restructuring charges, implementation costs and other related costs	31	24	0.08
Add: Pension and postretirement adjustments	44	33	0.11
Add: Commodity mark-to-market adjustments	59	44	0.15
Add: Loss on extinguishment of debt	-	3	0.01
2022 – Adjusted	<u>\$ 1,297</u>	<u>\$ 861</u>	<u>\$ 2.85</u>

*The sum of the individual per share amounts may not add due to rounding

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

First Quarter

	<u>EBIT</u>	<u>EBIT Margin %</u>	<u>Earnings</u>	<u>Diluted EPS</u>
2021 – As Reported	\$ 461	19.7%	\$ 309	\$ 1.02
Add: Restructuring charges, implementation costs and other related costs	6		5	0.02
Deduct: Pension and postretirement adjustments	(4)		(3)	(0.01)
Deduct: Commodity mark-to-market adjustments	(6)		(5)	(0.02)
2021 – Adjusted	<u>\$ 457</u>	<u>19.5%</u>	<u>\$ 306</u>	<u>\$ 1.01</u>