

Q1 Fiscal 2024 Results

Campbell Soup Company | NYSE: CPB

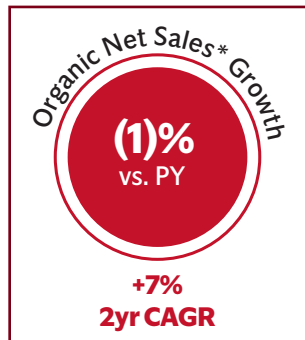


- **First-quarter results:** Net Sales came in as expected, Adjusted Earnings Before Interest and Taxes* (EBIT) and Adjusted Earnings Per Share* (EPS) slightly ahead as we lapped 15%* growth across all three key metrics in the prior year.
- Material progress has been made in setting the stage for Campbell's **next chapter of growth**.
- **Momentum expected in H2 FY24** driven by execution, innovation, marketing and recently improving share trends while maintaining margin expectations.
- Continuing to balance **growing shares, volumes and margins**.
- **Full-year FY24** guidance reaffirmed.
- Pending acquisition of **Sovos Brands, Inc.** (Nasdaq: SOVO) in regulatory review, expected to close in **calendar 2024**.

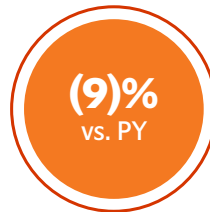
Key Metrics

Three months ended 10/29/2023

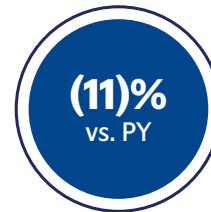
Net Sales
\$2.5 Billion



Adj. EBIT*
\$407 Million



Adj. EPS*
\$0.91



\$ Consumption¹
(2)%
vs. PY



“We’re off to an encouraging start in our important holiday season, and we expect to build momentum for the balance of the fiscal year behind disciplined execution, stepped up innovation, and the overall relevance of our brands in this current environment.”

Mark Clouse
President & CEO



Meals & Beverages

- Organic Net Sales* (3)% vs. PY; +6% on a two-year CAGR* basis
- \$ Consumption¹ (6)% vs. PY; +1% on a two-year CAGR basis
- Improving share trends heading into key soup season, with L4W vs. PY \$ share² +0.2pts. for Campbell's wet soup
- Building momentum into holiday season
- Condensed Cooking & Broth/Stock benefiting from continuation of consumers seeking stretchable meals



Snacks

- Organic Net Sales* +1% vs. PY; +8% on a two-year CAGR* basis
- \$ Consumption¹ +1% vs. PY; +7% on a two-year CAGR basis
- 8 Power Brands: Net Sales +5% vs. PY; +13% on a two-year CAGR basis
- Steady pipeline of exciting *Goldfish* innovation
- +130 bps operating margin growth (Q1FY22 vs Q1FY24)

*See Non-GAAP reconciliation.

¹Total Circana US MULO \$ Consumption latest 13 weeks ending 10/29/2023. ²Total Circana US MULO \$ Share and Unit Share latest 4 weeks ending 11/26/2023

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Full-Year Fiscal 2024 Guidance

Excluding pending acquisition of Sovos Brands, Inc. expected in calendar 2024

	FY2023 Results	FY2024 Guidance ¹
(\$ millions, except per share amounts)		
Net Sales	\$9,357	(0.5)% to +1.5%
Organic Net Sales²	\$9,306*	0% to +2%
Adjusted EBIT³	\$1,367*	+3% to +5%
Adjusted EPS³	\$3.00*	+3% to +5% \$3.09 to \$3.15

Campbell reaffirms its full-year fiscal 2024 guidance for Net Sales, Adjusted EBIT and Adjusted EPS.

*See non-GAAP reconciliation

¹A non-GAAP reconciliation is not provided for fiscal 2024 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.

²Growth rate adjusted for the Emerald nuts business, which was divested on May 30, 2023.

³Adjusted EBIT in fiscal 2023 included approximately \$14 million and adjusted EPS included approximately \$0.04 of litigation expenses related to the Plum baby food and snacks business, which was divested on May 3, 2021. We will exclude these expenses from our fiscal 2024 adjusted EBIT and adjusted EPS and thereafter as we do not believe that these expenses reflect our underlying operating performance.

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

First Quarter

				% Change	
October 29, 2023	Net Sales, As Reported	Impact of Currency	Organic Net Sales	Net Sales, As Reported	Organic Net Sales
Meals & Beverages	\$1,404	\$3	\$1,407	(4)%	(3)%
Snacks	1,114	(1)	1,113	(1)%	1%
Total Net Sales	\$2,518	\$2	\$2,520	(2)%	(1)%

October 30, 2022	Net Sales, As Reported	Impact of Divestiture	Organic Net Sales		
Meals & Beverages	\$1,455	\$-	\$1,455		
Snacks	1,120	(17)	1,103		
Total Net Sales	\$2,575	\$(17)	\$2,558		

(\$ millions)

First Quarter

				% Change	
October 30, 2022	Net Sales, As Reported	Impact of Currency	Organic Net Sales	Net Sales, As Reported	Organic Net Sales
Meals & Beverages	\$1,455	\$7	\$1,462	15%	15%
Snacks	1,120	-	1,120	15%	15%
Total Net Sales	\$2,575	\$7	\$2,582	15%	15%

October 31, 2021	Net Sales, As Reported				
Meals & Beverages	\$1,266				
Snacks	970				
Total Net Sales	\$2,236				

(\$ millions)

First Quarter

				Two-Year CAGR	
October 29, 2023	Net Sales, As Reported	Impact of Currency	Organic Net Sales	Net Sales, As Reported	Organic Net Sales
Meals & Beverages	\$1,404	\$10	\$1,414	5%	6%
Snacks	1,114	(1)	1,113	7%	8%
Total Net Sales	\$2,518	\$9	\$2,527	6%	7%

October 31, 2021	Net Sales, As Reported	Impact of Divestiture	Organic Net Sales		
Meals & Beverages	\$1,266	\$-	\$1,266		
Snacks	970	(19)	951		
Total Net Sales	\$2,236	\$(19)	\$2,217		

(\$ millions, except per share amounts)

First Quarter

	EBIT	Earnings	Diluted EPS**
2024 – Adjusted	\$358	\$234	\$0.78
Add: Restructuring charges, implementation costs and other related costs	13	10	0.03
Add: Commodity mark-to-market adjustments	15	11	0.04
Add: Accelerated amortization	7	5	0.02
Add: Costs associated with pending acquisition	9	8	0.03
Add: Cybersecurity incident costs	3	2	0.01
Add: Plum litigation expenses	2	2	0.01
2024 – Adjusted	<u>\$407</u>	<u>\$272</u>	<u>\$0.91</u>
2023 – As Reported	\$436	\$297	\$0.99
Add: Restructuring charges, implementation costs and other related costs	3	3	0.01
Add: Pension actuarial losses	15	11	0.04
Deduct: Commodity mark-to-market adjustments	(5)	(4)	(0.01)
2023 – Adjusted	<u>\$449</u>	<u>\$307</u>	<u>\$1.02</u>
% Change - Adjusted	(9)%	(11)%	(11)%

(\$ millions, except per share amounts)

First Quarter

	EBIT	Earnings	Diluted EPS**
2023 – Adjusted	\$449	\$307	\$1.02
2022 – As Reported	\$376	\$261	\$0.86
Add: Restructuring charges, implementation costs and other related costs	4	3	0.01
Add: Pension actuarial losses	6	5	0.02
Add: Commodity mark-to-market adjustments	3	2	0.01
2022 – Adjusted	<u>\$389</u>	<u>\$271</u>	<u>\$0.89</u>
% Change - Adjusted	15%	13%	15%

(\$ millions)

Full Year

July 30, 2023	Net Sales, As Reported	Impact of Divestiture	Organic Net Sales Base for FY2024 Guidance
Meals & Beverages	\$4,907	\$-	\$4,907
Snacks	4,450	(51)	4,399
Total Net Sales	<u>\$9,357</u>	<u>\$(51)</u>	<u>\$9,306</u>

(\$ millions, except per share amounts)

Full Year

	EBIT	Earnings	Diluted EPS
2023 – As Reported	\$1,312	\$858	\$2.85
Add: Restructuring charges, implementation costs and other related costs	66	50	0.17
Deduct: Pension and postretirement actuarial gains	(15)	(11)	(0.04)
Deduct: Commodity mark-to-market adjustments	(21)	(16)	(0.05)
Add: Charges associated with divestiture	13	13	0.04
Add: Accelerated amortization	7	5	0.02
Add: Costs associated with pending acquisition	5	4	0.01
2023 – Adjusted	<u>\$1,367</u>	<u>\$903</u>	<u>\$3.00</u>

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

The document contains forward-looking statements within the meaning of federal securities laws. These forward-looking statements reflect the Company's current expectations of the Company's future 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. For important information on forward-looking statements, please see our press release on our investor website at <https://investor.campbellsoupcompany.com>.

