

*Campbell's*

# 2019 INVESTOR DAY



## RETHINKING INNOVATION

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# AGENDA

- The opportunity
- Campbell's innovation strategy



# CONSUMER PREFERENCES ARE CHANGING → OPPORTUNITIES



**Functional Wellness Foods**



**Plant Forward**



**Food Tribe Solutions**



**Food Exploration**



**Snacking & On The Go**



**Carefully Crafted**

# REQUIREMENTS FOR BIG CPG TO WIN

## Requirements to Win



Deeper and more intimate consumer insights



Rapid translation of insight into design, test and learn



Competitive fitness tools to build winning value propositions



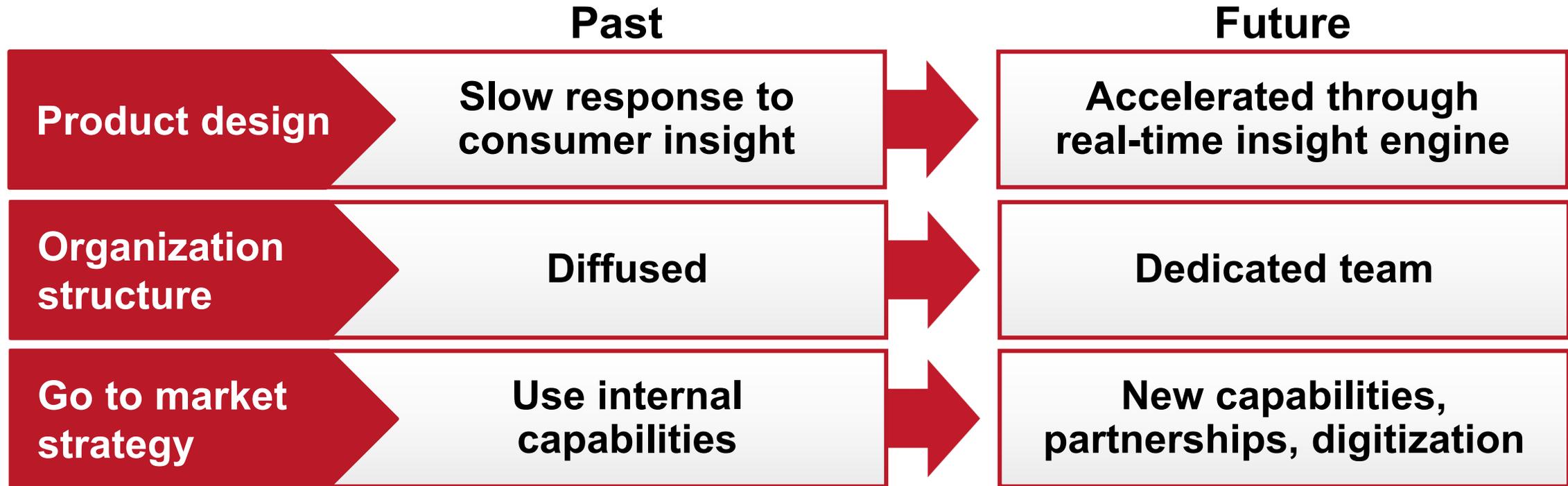
# AGENDA

- The opportunity

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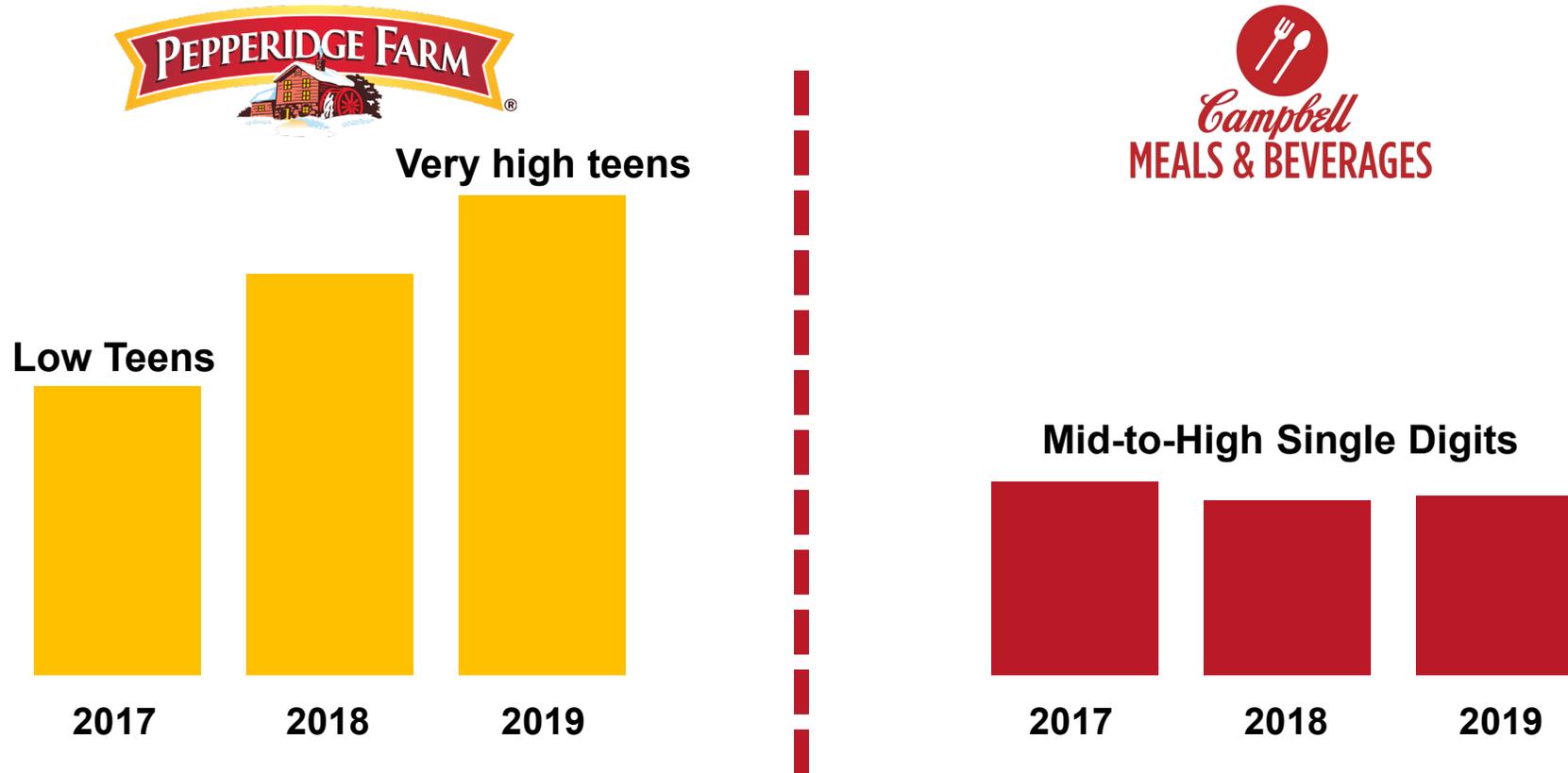
# A NEW RECIPE FOR MARKET-LEADING INNOVATION



# OPPORTUNITY TO LEVERAGE OUR PROVEN INNOVATION MODEL IN SNACKS ACROSS THE ORGANIZATION

## Vitality Index

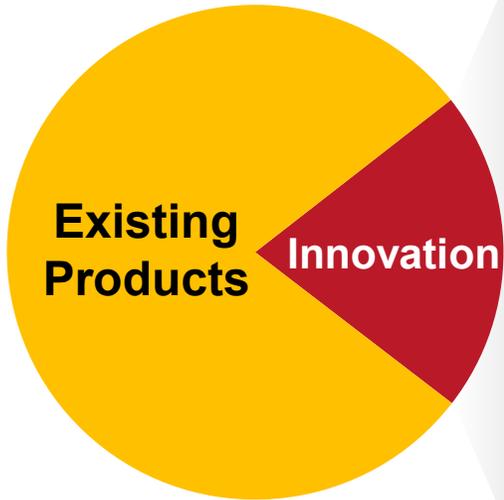
Net Sales % from Innovation, 3 yr. avg.  
As of Q2 F19



# INNOVATION MODEL AT WORK IN SNACKS

## Examples of New Products Last 3 Years

2019 Net Sales



# OUR NEW, THREE INGREDIENT INNOVATION RECIPE

## Product Design



### Design to “Demand Moments”

- A demand moment driven insight engine
- Advanced sensory design techniques

## Organizational Structure



### Innovate within the Divisions

- Dedicated front of funnel innovation teams
- Portfolio framework to focus innovation efforts

## Go To Market Strategy



### Wired for Speed

- New capabilities through M&A and external partnerships
- Agile methodologies and digitization





# FARMHOUSE BRAND LAUNCHED USING ADVANCED SENSORY DRIVEN DESIGN

## Design Process

- Competitive fitness tools to uncover key design changes to strengthen the core
- “Baker’s Touch” inspiration to evoke carefully crafted
- Expanded insights to instruct buns and rolls design

## Results

- Shifted from declining by 5% to 10.7% growth
- Competitively preferred
- Margin accretive



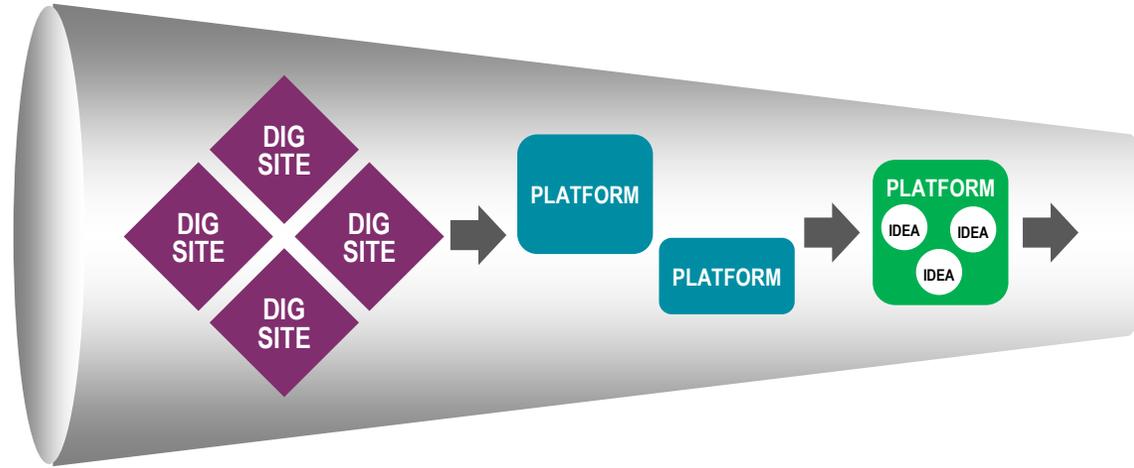


# HARMONIZING OUR INNOVATION MODEL FOR SPEED; ADOPTING TECH SECTOR METHODOLOGY



**Agile Technical  
Solutions HUB**

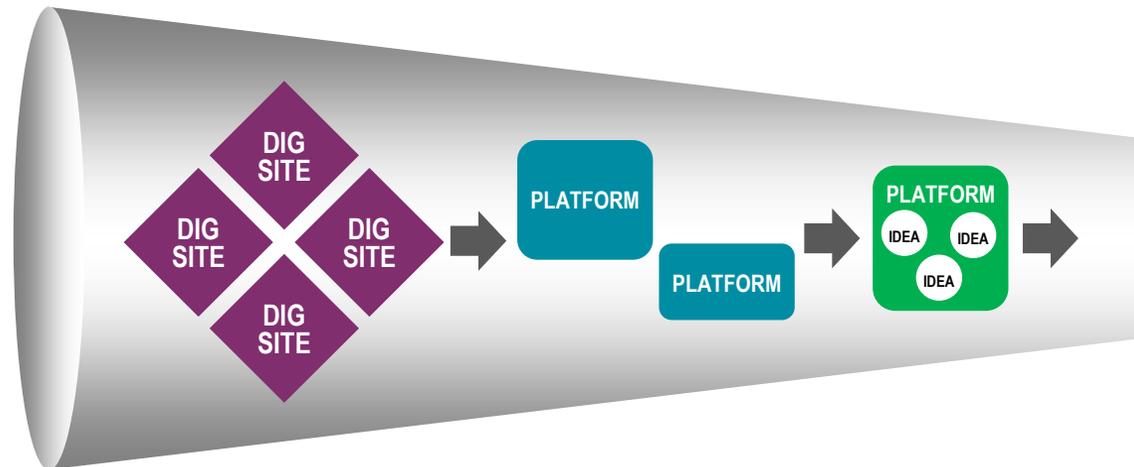
**Snacks  
Front of Funnel**



**New Innovation**



**Meals and  
Beverages  
Front of Funnel**





# LEVERAGED ACQUIRED TECHNOLOGY TO COMMERCIALIZE NEW TO THE WORLD SNACK



- First to market new snack product enabled by acquired capabilities
- 18-grams whole grain and 50% less fat than best selling tortilla snack

# APPLYING MODEL TO TAKE A FULL SWING AT SOUP



## Product Design

- 50% increase in soup R&D resources to focus on category-expanding solutions
- Non-traditional consumer input and co-creation with retailers



## Organization Structure

- Dedicated front of funnel innovation teams
- Agile design methodology delivering accelerated solutions



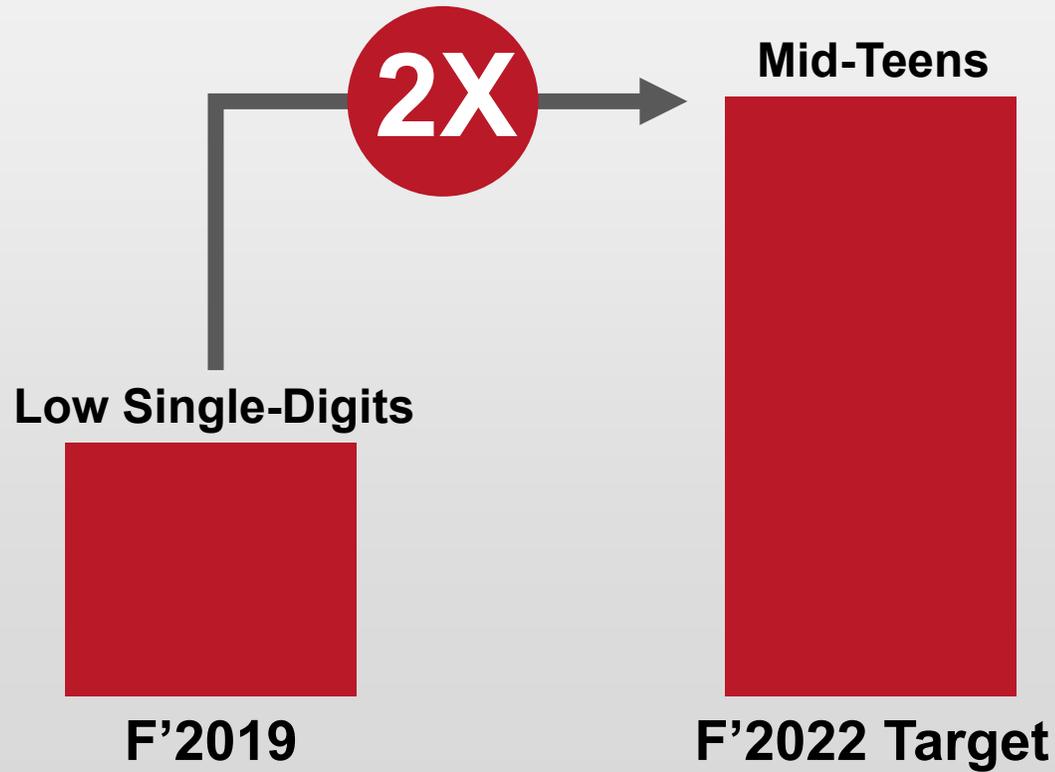
## Go to Market Strategy

- In-market testing / learn and fail-fast approach
- Leverage external partners
- Innovation in-market in half the time



# NEW PRODUCT TARGETS BY F'2022

## Projected Shift in Vitality Index



## Key Brands

*Campbell's*

SWANSON

*Campbell's*  
**CHUNKY**  
SOUP THAT EATS LIKE A MEAL

*Campbell's*  
well  
**Yes!**

*Campbell's*  
**SLOW KETTLE**  
— STYLE —

Pacific  
FOODS



# CAMPBELL'S NEW INNOVATION APPROACH

- We are building a strong, focused and relevant innovation pipeline informed by demand moments
- We are positioning Campbell's to drive profitable growth and use speed and powerful insights as our competitive advantage
- We have the right go to market processes, people and assets in place to achieve our innovation goals



# FORWARD-LOOKING STATEMENTS

The factors that could cause actual results to vary materially from those anticipated or expressed in any forward-looking statement include: our ability to execute on and realize the expected benefits from the actions we intend to take as a result of our recent strategy and portfolio review; our ability to differentiate our products and protect our category leading positions, especially in soup; our ability to complete and to realize the projected benefits of planned divestitures and other business portfolio changes; our ability to realize the projected benefits, including cost synergies, from the recent acquisitions of Snyder's-Lance and Pacific Foods; our ability to realize projected cost savings and benefits from efficiency and/or restructuring initiatives; our indebtedness and ability to pay such indebtedness; disruptions to our supply chain, including fluctuations in the supply of and inflation in energy and raw and packaging materials cost; our ability to manage changes to our organizational structure and/or business processes, including selling, distribution, manufacturing and information management systems or processes; the impact of strong competitive responses to our efforts to leverage 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; changes in consumer demand for our products and favorable perception of our brands; changing inventory management practices by certain of our key customers; a changing customer landscape, with value and e-commerce retailers expanding their market presence, while certain of our key customers maintain significance to our business; product quality and safety issues, including recalls and product liabilities; the costs, disruption and diversion of management's attention associated with activist investors; the uncertainties of litigation and regulatory actions against us; the possible disruption to the independent contractor distribution models used by certain of our businesses, including as a result of litigation or regulatory actions affecting their independent contractor classification; the impact of non-U.S. operations, including trade restrictions, public corruption and compliance with foreign laws and regulations; impairment to goodwill or other intangible assets; our ability to protect our intellectual property rights; increased liabilities and costs related to our defined benefit pension plans; a material failure in or a breach of our information technology systems; our ability to attract and retain key talent; changes in currency exchange rates, tax rates, interest rates, debt and equity markets, inflation rates, economic conditions, law, regulation and other external factors; unforeseen business disruptions in one or more of our markets due to political instability, civil disobedience, terrorism, armed hostilities, extreme weather conditions, natural disasters or other calamities; and other factors described in our 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.

