UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended January 26, 2025

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ______________ to _________________

Commission File Number: 1-3822

THE CAMPBELL'S COMPANY

(Exact name of registrant as specified in its charter)

New Jersey	**21-0419870**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1 Campbell Place
Camden, New Jersey 08103-1799
(Address of principal executive offices) (Zip Code)

(856) 342-4800
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Capital Stock, par value $.0375	CPB	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☑ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☑ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☑	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☑ No

There were 298,181,866 shares of capital stock outstanding as of February 27, 2025.

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PART I - FINANCIAL INFORMATION

Item 1. *Financial Statements*

THE CAMPBELL'S COMPANY
Consolidated Statements of Earnings
(unaudited)
(millions, except per share amounts)

	Three Months Ended		Six Months Ended	
	January 26, 2025	January 28, 2024	January 26, 2025	January 28, 2024
Net sales	**$ 2,685**	$ 2,456	**$ 5,457**	$ 4,974
Costs and expenses				
Cost of products sold	**1,866**	1,680	**3,771**	3,410
Marketing and selling expenses	**256**	217	**506**	439
Administrative expenses	**165**	189	**340**	347
Research and development expenses	**25**	25	**51**	49
Other expenses / (income)	**41**	26	**84**	50
Restructuring charges	**5**	2	**11**	4
Total costs and expenses	**2,358**	2,139	**4,763**	4,299
Earnings before interest and taxes	**327**	317	**694**	675
Interest expense	**88**	46	**175**	95
Interest income	**8**	—	**12**	1
Earnings before taxes	**247**	271	**531**	581
Taxes on earnings	**74**	68	**140**	144
Net earnings	**173**	203	**391**	437
Less: Net earnings (loss) attributable to noncontrolling interests	**—**	—	**—**	—
Net earnings attributable to The Campbell's Company	**$ 173**	$ 203	**$ 391**	$ 437
Per Share — Basic				
Net earnings attributable to The Campbell's Company	**$ .58**	$ .68	**$ 1.31**	$ 1.47
Weighted average shares outstanding — basic	**298**	298	**298**	298
Per Share — Assuming Dilution				
Net earnings attributable to The Campbell's Company	**$ .58**	$ .68	**$ 1.30**	$ 1.46
Weighted average shares outstanding — assuming dilution	**299**	299	**300**	299

See accompanying Notes to Consolidated Financial Statements.

THE CAMPBELL'S COMPANY
Consolidated Statements of Comprehensive Income
(unaudited)
(millions)

	Three Months Ended					
	January 26, 2025			January 28, 2024		
	Pre-tax amount	Tax benefit (expense)	After-tax amount	Pre-tax amount	Tax benefit (expense)	After-tax amount
Net earnings (loss)			**$ 173**			$ 203
Other comprehensive income (loss):						
Foreign currency translation:						
Foreign currency translation adjustments	**$ (5)**	**$ —**	**(5)**	$ 6	$ —	6
Cash-flow hedges:						
Unrealized gains (losses) arising during the period	**3**	**—**	**3**	(28)	6	(22)
Reclassification adjustment for losses (gains) included in net earnings	**(1)**	**—**	**(1)**	(1)	—	(1)
Pension and other postretirement benefits:						
Prior service credit arising during the period	**—**	**—**	**—**	—	—	—
Reclassification of prior service credit included in net earnings	**—**	**—**	**—**	—	—	—
Other comprehensive income (loss)	**$ (3)**	**$ —**	**(3)**	$ (23)	$ 6	(17)
Total comprehensive income (loss)			**$ 170**			$ 186
Total comprehensive income (loss) attributable to noncontrolling interests			**—**			—
Total comprehensive income (loss) attributable to The Campbell's Company			**$ 170**			$ 186

	Six Months Ended					
	January 26, 2025			January 28, 2024		
	Pre-tax amount	Tax benefit (expense)	After-tax amount	Pre-tax amount	Tax benefit (expense)	After-tax amount
Net earnings (loss)			**$ 391**			$ 437
Other comprehensive income (loss):						
Foreign currency translation:						
Foreign currency translation adjustments	**$ (7)**	**$ —**	**(7)**	$ (3)	$ —	(3)
Cash-flow hedges:						
Unrealized gains (losses) arising during the period	**3**	**—**	**3**	(20)	4	(16)
Reclassification adjustment for losses (gains) included in net earnings	**—**	**—**	**—**	(1)	—	(1)
Pension and other postretirement benefits:						
Prior service credit arising during the period	**7**	**(2)**	**5**	—	—	—
Reclassification of prior service credit included in net earnings	**—**	**—**	**—**	—	—	—
Other comprehensive income (loss)	**$ 3**	**$ (2)**	**1**	$ (24)	$ 4	(20)
Total comprehensive income (loss)			**$ 392**			$ 417
Total comprehensive income (loss) attributable to noncontrolling interests			**—**			—
Total comprehensive income (loss) attributable to The Campbell's Company			**$ 392**			$ 417

See accompanying Notes to Consolidated Financial Statements.

THE CAMPBELL'S COMPANY
Consolidated Balance Sheets
(unaudited)
(millions, except per share amounts)

	January 26, 2025	July 28, 2024
Current assets		
Cash and cash equivalents	**$ 829**	$ 108
Accounts receivable, net	**711**	630
Inventories	**1,288**	1,386
Other current assets	**118**	66
Assets of business held for sale	**235**	—
Total current assets	**3,181**	2,190
Plant assets, net of depreciation	**2,637**	2,698
Goodwill	**4,988**	5,077
Other intangible assets, net of amortization	**4,535**	4,716
Other assets	**569**	554
Total assets	**$ 15,910**	$ 15,235
Current liabilities		
Short-term borrowings	**$ 1,179**	$ 1,423
Accounts payable	**1,356**	1,311
Accrued liabilities	**705**	720
Dividends payable	**119**	115
Accrued income taxes	**—**	7
Liabilities of business held for sale	**54**	—
Total current liabilities	**3,413**	3,576
Long-term debt	**6,496**	5,761
Deferred taxes	**1,413**	1,426
Other liabilities	**676**	676
Total liabilities	**11,998**	11,439
Commitments and contingencies		
The Campbell's Company shareholders' equity		
Preferred stock; authorized 40 shares; none issued	**—**	—
Capital stock, $.0375 par value; authorized 560 shares; issued 323 shares	**12**	12
Additional paid-in capital	**406**	437
Earnings retained in the business	**4,716**	4,569
Capital stock in treasury, at cost	**(1,208)**	(1,207)
Accumulated other comprehensive income (loss)	**(16)**	(17)
Total The Campbell's Company shareholders' equity	**3,910**	3,794
Noncontrolling interests	**2**	2
Total equity	**3,912**	3,796
Total liabilities and equity	**$ 15,910**	$ 15,235

See accompanying Notes to Consolidated Financial Statements.

THE CAMPBELL'S COMPANY
Consolidated Statements of Cash Flows
(unaudited)
(millions)

	Six Months Ended	
	January 26, 2025	**January 28, 2024**
Cash flows from operating activities:		
Net earnings	**$ 391**	$ 437
Adjustments to reconcile net earnings to operating cash flow		
Impairment charges	**26**	—
Restructuring charges	**11**	4
Stock-based compensation	**36**	36
Pension and postretirement benefit expense	**2**	3
Depreciation and amortization	**219**	192
Deferred income taxes	**5**	6
Net loss on sale of business	**25**	—
Other	**67**	76
Changes in working capital, net of divestiture		
Accounts receivable	**(94)**	(116)
Inventories	**52**	102
Other current assets	**(24)**	(22)
Accounts payable and accrued liabilities	**40**	(17)
Other	**(19)**	(17)
Net cash provided by operating activities	**737**	684
Cash flows from investing activities:		
Purchases of plant assets	**(211)**	(263)
Purchases of route businesses	**(90)**	(6)
Sales of route businesses	**61**	13
Sale of business	**70**	—
Other	**(5)**	—
Net cash used in investing activities	**(175)**	(256)
Cash flows from financing activities:		
Short-term borrowings, including commercial paper	**663**	1,416
Short-term repayments, including commercial paper	**(925)**	(1,596)
Long-term borrowings	**1,144**	—
Long-term repayments	**(400)**	—
Dividends paid	**(227)**	(224)
Treasury stock purchases	**(56)**	(29)
Payments related to tax withholding for stock-based compensation	**(28)**	(14)
Payments of debt issuance costs	**(11)**	—
Other	**—**	(1)
Net cash provided by (used in) financing activities	**160**	(448)
Effect of exchange rate changes on cash	**(1)**	—
Net change in cash and cash equivalents	**721**	(20)
Cash and cash equivalents — beginning of period	**108**	189
Cash and cash equivalents — end of period	**$ 829**	$ 169

See accompanying Notes to Consolidated Financial Statements.

THE CAMPBELL'S COMPANY

Consolidated Statements of Equity

(unaudited)

(millions, except per share amounts)

	The Campbell's Company Shareholders' Equity								
	Capital Stock								
	Issued		In Treasury						
	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Earnings Retained in the Business	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total Equity
Balance at October 29, 2023	323	$ 12	(25)	$ (1,212)	$ 388	$ 4,573	$ (6)	$ 2	$ 3,757
Net earnings (loss)						203		—	203
Other comprehensive income (loss)							(17)	—	(17)
Dividends ($.37 per share)						(111)			(111)
Treasury stock purchased			—	(1)					(1)
Treasury stock issued under stock-based compensation plans			—	1	19	—			20
Balance at January 28, 2024	323	$ 12	(25)	$ (1,212)	$ 407	$ 4,665	$ (23)	$ 2	$ 3,851
Balance at July 30, 2023	323	$ 12	(25)	$ (1,219)	$ 420	$ 4,451	$ (3)	$ 2	$ 3,663
Net earnings (loss)						437		—	437
Other comprehensive income (loss)							(20)	—	(20)
Dividends ($.74 per share)						(223)			(223)
Treasury stock purchased			(1)	(29)					(29)
Treasury stock issued under stock-based compensation plans			1	36	(13)	—			23
Balance at January 28, 2024	323	$ 12	(25)	$ (1,212)	$ 407	$ 4,665	$ (23)	$ 2	$ 3,851
Balance at October 27, 2024	323	$ 12	(25)	$ (1,210)	$ 393	$ 4,660	$ (13)	$ 2	$ 3,844
Net earnings (loss)						**173**		**—**	**173**
Other comprehensive income (loss)							**(3)**	**—**	**(3)**
Dividends ($.39 per share)						**(117)**			**(117)**
Treasury stock purchased			**—**	**(2)**					**(2)**
Treasury stock issued under stock-based compensation plans			**—**	**4**	**13**	**—**			**17**
Balance at January 26, 2025	**323**	**$ 12**	**(25)**	**$ (1,208)**	**$ 406**	**$ 4,716**	**$ (16)**	**$ 2**	**$ 3,912**
Balance at July 28, 2024	323	$ 12	(25)	$ (1,207)	$ 437	$ 4,569	$ (17)	$ 2	$ 3,796
Net earnings (loss)						**391**		**—**	**391**
Other comprehensive income (loss)							**1**	**—**	**1**
Dividends ($.76 per share)						**(228)**			**(228)**
Treasury stock purchased			**(1)**	**(56)**					**(56)**
Treasury stock issued under stock-based compensation plans			**1**	**55**	**(31)**	**(16)**			**8**
Balance at January 26, 2025	**323**	**$ 12**	**(25)**	**$ (1,208)**	**$ 406**	**$ 4,716**	**$ (16)**	**$ 2**	**$ 3,912**

See accompanying Notes to Consolidated Financial Statements.

Notes to Consolidated Financial Statements
(unaudited)

1. Basis of Presentation and Significant Accounting Policies

In this Form 10-Q, unless otherwise stated, the terms "we," "us," "our" and the "company" refer to The Campbell's Company and its consolidated subsidiaries.

The financial statements reflect all adjustments which are, in our opinion, necessary for a fair statement of the results of operations, financial position and cash flows for the indicated periods. The accounting policies we used in preparing these financial statements are substantially consistent with those we applied in our Annual Report on Form 10-K for the year ended July 28, 2024.

The results for the period are not necessarily indicative of the results to be expected for other interim periods or the full year. Our fiscal year ends on the Sunday nearest July 31, which is August 3, 2025. There will be 53 weeks in 2025. There were 52 weeks in 2024.

2. Recent Accounting Pronouncements

In September 2022, the Financial Accounting Standards Board (FASB) issued guidance that enhances the transparency of supplier finance programs by requiring disclosure of the key terms of these programs and a related rollforward of these obligations to understand the effect on working capital, liquidity and cash flows. The guidance is effective for fiscal years beginning after December 15, 2022, including interim periods in those fiscal years, except for the rollforward requirement, which is effective for fiscal years beginning after December 15, 2023. We adopted the guidance in the fourth quarter of 2023, with the exception of the annual rollforward requirement, which we will adopt in our 2025 annual reporting. The adoption did not have a material impact on our consolidated financial statements. See Note 18 for additional information.

In November 2023, the FASB issued guidance to improve reportable segment disclosures, primarily through enhanced disclosures about significant segment expenses. In addition, the guidance enhances interim disclosure requirements, clarifies circumstances in which an entity can disclose multiple segment measures of profit or loss, provides new segment disclosure requirements for entities with a single reportable segment and contains other disclosure requirements. The purpose of the guidance is to enable investors to better understand an entity’s overall performance and assess potential future cash flows. The guidance is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. We are currently evaluating the impact that the new guidance will have on our consolidated financial statements.

In December 2023, the FASB issued guidance to improve income tax disclosures by requiring disaggregated information about a reporting entity’s effective tax rate reconciliation as well as information on income taxes paid. The guidance is effective for annual periods beginning after December 15, 2024. The guidance should be applied on a prospective basis with the option to apply the standard retrospectively. Early adoption is permitted. We are currently evaluating the impact that the new guidance will have on our consolidated financial statements.

In November 2024, the FASB issued guidance to improve disclosures by requiring additional details about specific types of expenses (purchases of inventory, employee compensation, depreciation and intangible asset amortization) included in certain expense captions. The guidance requires disclosure of the total amount of selling expenses and, on an annual basis, disclosure of the definition of selling expenses. The guidance is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The guidance should be applied on a prospective basis with the option to apply the standard retrospectively. We are currently evaluating the impact that the new guidance will have on our consolidated financial statements.

3. Acquisition

On August 7, 2023, we entered into a merger agreement to acquire Sovos Brands, Inc. (Sovos Brands) for $23.00 per share. On March 12, 2024, we completed the acquisition. Sovos Brands' portfolio includes a variety of pasta sauces, dry pasta, soups, frozen entrées, frozen pizza and yogurts, all of which are sold in North America under the brand names *Rao's, Michael Angelo's* and *noosa*. See Note 4 for additional information on the noosa yoghurt business. Total purchase consideration was $2.899 billion, which was determined as follows:

(Millions)		
Cash consideration paid to Sovos Brands shareholders[1]	$	2,307
Cash paid for share-based awards[2]		32
Cash consideration paid directly to shareholders	**$**	**2,339**
Cash paid for transaction costs of Sovos Brands		32
Repayment of Sovos Brands existing indebtedness and accrued interest		486
Total cash consideration	**$**	**2,857**
Fair value of replacement share-based awards[3]		42
Total consideration	**$**	**2,899**

[1] Consideration paid to Sovos Brands shareholders which reflects $23.00 per share.

[2] Represents cash paid to equity award holders of Sovos Brands restricted stock and restricted stock unit awards attributable to pre-combination service. This excludes $3 million of cash paid that was recognized as expense.

[3] We issued replacement equity awards in settlement of certain Sovos Brands equity awards that did not become vested in connection with the acquisition. The portion of fair value of the replacement awards attributable to pre-combination service was $42 million and is included in the purchase consideration. We recognized $26 million of expense related to accelerated vesting of certain replacement awards in the third quarter of 2024.

The cash portion of the acquisition was funded through a 2024 Delayed Draw Term Loan Credit Agreement of $2 billion and cash on hand.

The table below presents the fair value that was allocated to acquired assets and assumed liabilities:

(Millions)	Estimated Fair Value	
Cash	$	240
Accounts receivable		96
Inventories		130
Other current assets		5
Plant assets		100
Other intangible assets		1,776
Other assets		16
Total assets acquired	**$**	**2,363**
Accounts payable	$	96
Accrued liabilities		56
Accrued income taxes		1
Long-term debt		9
Deferred taxes		407
Other liabilities		11
Total liabilities assumed	**$**	**580**
Net assets acquired	$	1,783
Goodwill		1,116
Total consideration	**$**	**2,899**

The excess of the purchase price over the estimated fair values of identifiable net assets was recorded as $1.116 billion of goodwill. The goodwill is not deductible for tax purposes. The goodwill was primarily attributable to future growth opportunities, anticipated synergies, and intangible assets that did not qualify for separate recognition. The goodwill is included in the Meals & Beverages segment.

The identifiable intangible assets of Sovos Brands consist of:

(Millions)	Type	Life in Years			Value	
Trademarks	Non-amortizable		Indefinite		$	1,470
Trademarks[1]	Amortizable		20			76
Customer relationships[2]	Amortizable	20	to	30		230
Total identifiable intangible assets					$	1,776

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(1) Includes $74 million related to the noosa yoghurt business.
(2) Includes $18 million related to the noosa yoghurt business.

Excluding the assets of the noosa yoghurt business held for sale, as of January 26, 2025, the weighted-average remaining useful life of amortizable intangible assets was 29 years.

We incurred $10 million and $19 million of costs associated with the acquisition in the three- and six-month periods ended January 28, 2024.

For the three- and six-month periods ended January 26, 2025, the Sovos Brands acquisition contributed $313 million and $623 million to Net sales and a loss of $9 million and $12 million to Net earnings, respectively, including the effect of integration costs and interest expense on the debt to finance the acquisition.

The following unaudited summary information is presented on a consolidated pro forma basis as if the Sovos Brands acquisition had occurred on August 1, 2022:

(Millions)	Three Months Ended January 28, 2024		Six Months Ended January 28, 2024	
Net sales	$	2,760	$	5,551
Net earnings attributable to The Campbell's Company	$	196	$	411

The pro forma results are not necessarily indicative of the combined results had the Sovos Brands acquisition been completed on August 1, 2022, nor are they indicative of future combined results. The pro forma amounts include adjustments to interest expense for financing the acquisition, to amortization and depreciation expense based on the estimated fair value and useful lives of intangible assets and plant assets, and related tax effects. The pro forma results include adjustments to reflect amortization of the acquisition date fair value adjustment to inventories, expenses related to accelerated vesting of replacement awards and severance and retention bonuses as of August 1, 2022.

4. Divestitures

On August 26, 2024, we sold our Pop Secret popcorn business for $70 million. We recognized a pre-tax loss on the sale of $25 million, or $19 million after tax. In connection with the sale, we will provide certain transition services to support the business.

The business had net sales of $9 million for the six-month period ended January 26, 2025, and $32 million and $61 million for the three- and six-month periods ended January 28, 2024, respectively. Earnings were not material in the periods. The results of the business were reflected within the Snacks reportable segment.

Subsequent to the end of the second quarter, we completed the sale of our noosa yoghurt business on February 24, 2025, for $188 million, subject to certain customary purchase price adjustments. In connection with the sale, we will provide certain transition services to support the business.

The noosa yoghurt business was purchased as part of the Sovos Brands acquisition. In the second quarter of 2025, we recorded $15 million of deferred tax expense related to the sale of the business. Net sales of the business were $39 million and $83 million for the three- and six-month periods ended January 26, 2025, respectively, and $68 million from March 12, 2024 through July 28, 2024. Earnings were not material in the periods. The results of the business are reflected within the Meals & Beverages segment.

The assets and liabilities of the business have been reflected as current Assets of business held for sale and current Liabilities of business held for sale as of January 26, 2025. The assets and liabilities were as follows:

(Millions)	January 26, 2025
Accounts receivable, net	$ 1
Inventories	1
Plant assets, net of depreciation	5
Goodwill	6
Other intangible assets, net of amortization	8
Other assets	
Assets of business held for sale	**$ 23**
Accounts payable	$ 1
Accrued liabilities	1
Long-term debt	
Deferred taxes	1
Other liabilities	
Liabilities of business held for sale	**$ 5**

5. Accumulated Other Comprehensive Income (Loss)

The components of Accumulated other comprehensive income (loss) consisted of the following:

(Millions)	Foreign Currency Translation Adjustments[1]	Cash-Flow Hedges[2]	Pension and Postretirement Benefit Plan Adjustments[3]	Total Accumulated Comprehensive Income (Loss)
Balance at July 30, 2023	$ (1)	$ (4)	$ 2	$ (3)
Other comprehensive income (loss) before reclassifications	(3)	(16)	—	(19)
Losses (gains) reclassified from accumulated other comprehensive income (loss)	—	(1)	—	(1)
Net current-period other comprehensive income (loss)	(3)	(17)	—	(20)
Balance at January 28, 2024	$ (4)	$ (21)	$ 2	$ (23)
Balance at July 28, 2024	$ (10)	$ (9)	$ 2	$ (17)
Other comprehensive income (loss) before reclassifications	**(7)**	**3**	**5**	**1**
Losses (gains) reclassified from accumulated other comprehensive income (loss)	**—**	**—**	**—**	**—**
Net current-period other comprehensive income (loss)	**(7)**	**3**	**5**	**1**
Balance at January 26, 2025	**$ (17)**	**$ (6)**	**$ 7**	**$ (16)**

(1) Included no tax as of January 26, 2025, July 28, 2024, January 28, 2024 and July 30, 2023.
(2) Included a tax benefit of $2 million as of January 26, 2025, and July 28, 2024, $5 million as of January 28, 2024 and $1 million as of July 30, 2023.
(3) Included tax expense of $3 million as of January 26, 2025, and $1 million as of July 28, 2024, January 28, 2024 and July 30, 2023.

Amounts related to noncontrolling interests were not material.

The amounts reclassified from Accumulated other comprehensive income (loss) consisted of the following:

(Millions)	Three Months Ended January 26, 2025	Three Months Ended January 28, 2024	Six Months Ended January 26, 2025	Six Months Ended January 28, 2024	Location of Loss (Gain) Recognized in Earnings
Losses (gains) on cash-flow hedges:					
Foreign exchange contracts	**$ (1)**	$ (2)	**$ (1)**	$ (2)	Cost of products sold
Forward starting interest rate swaps	**—**	1	**1**	1	Interest expense
Total before tax	**$ (1)**	$ (1)	**$ —**	$ (1)	
Tax expense (benefit)	**—**	—	**—**	—	
Loss (gain), net of tax	**$ (1)**	$ (1)	**$ —**	$ (1)	

6. Goodwill and Intangible Assets

Goodwill

The following table shows the changes in the carrying amount of goodwill:

(Millions)	Meals & Beverages	Snacks	Total
Net balance at July 28, 2024	$ 2,102	$ 2,975	$ 5,077
Divestiture[1]	**—**	**(21)**	**(21)**
Amounts reclassified to Assets of business held for sale[2]	**(65)**	**—**	**(65)**
Foreign currency translation adjustment	**(3)**	**—**	**(3)**
Net balance at January 26, 2025	**$ 2,034**	**$ 2,954**	**$ 4,988**

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[1] On August 26, 2024, we sold our Pop Secret popcorn business. See Note 4 for additional information.

[2] See Note 4 for additional information on our noosa yoghurt business.

Intangible Assets

The following table summarizes balance sheet information for intangible assets, excluding goodwill:

(Millions)	January 26, 2025 Cost	January 26, 2025 Accumulated Amortization	January 26, 2025 Amounts reclassified to Assets of business held for sale[1]	January 26, 2025 Net	July 28, 2024 Cost	July 28, 2024 Accumulated Amortization	July 28, 2024 Net
Amortizable intangible assets							
Customer relationships	**$ 1,060**	**$ (338)**	**$ (17)**	**$ 705**	$ 1,060	$ (300)	$ 760
Definite-lived trademarks	**76**	**(2)**	**(72)**	**2**	76	(2)	74
Total amortizable intangible assets	**$ 1,136**	**$ (340)**	**$ (89)**	**$ 707**	$ 1,136	$ (302)	$ 834
Indefinite-lived trademarks							
Rao's				**$ 1,470**			$ 1,470
Snyder's of Hanover				**620**			620
Lance				**350**			350
Kettle Brand				**318**			318
Pace				**292**			292
Pacific Foods				**280**			280
Cape Cod				**187**			187
Various other Snacks[2] [3]				**311**			365
Total indefinite-lived trademarks				**$ 3,828**			$ 3,882
Total net intangible assets				**$ 4,535**			$ 4,716

[(1)] See Note 4 for additional information on our noosa yoghurt business.

[(2)] The carrying amount as of July 28, 2024 included the $28 million *Pop Secret* trademark, which was divested with the sale of the business in 2025. See Note 4 for additional information.

[(3)] Includes the *Late July* and Allied brands trademarks.

Amortization expense was $39 million for the six-month period ended January 26, 2025, and $34 million for the six-month period ended January 28, 2024. Amortization expense for both the six-month periods ended January 26, 2025 and January 28, 2024 included $14 million of accelerated amortization expense on customer relationships, which began in the fourth quarter of 2023 due to the loss of certain contract manufacturing customers. As of January 26, 2025, amortizable intangible assets had a weighted-average remaining useful life of 19 years. Amortization expense is estimated to be approximately $70 million in 2025 and $40 million per year for the following four years.

During the second quarter of 2025, we performed an interim impairment assessment on certain salty snacks and cookie trademarks within our Snacks segment, including *Tom's*, *Jays*, *Kruncher's*, *O-Ke-Doke*, *Stella D'oro* and *Archway*, collectively referred to as our "Allied brands." In 2025, sales performance was below expectations. In the second quarter of 2025, based on recent performance, we lowered our long-term outlook and recognized an impairment charge of $15 million on the Allied brands trademarks. As of January 26, 2025, the carrying value of the Allied brands trademarks was $28 million.

During the second quarter of 2025, we performed an interim impairment assessment on the *Late July* trademark within our Snacks segment. In 2025, sales performance was below expectations. In the second quarter of 2025, based on recent performance, we lowered our long-term outlook and recognized an impairment charge of $11 million on the trademark. As of January 26, 2025, the carrying value of the *Late July* trademark was $47 million.

The impairment charges were recorded in Other expenses / (income) in the Consolidated Statement of Earnings.

The $1.47 billion carrying value of the *Rao's* trademark associated with the Sovos Brands acquisition approximates fair value. Excluding the carrying value of the *Rao's* trademark, based on the 2024 annual impairment testing and interim assessments described above, indefinite-lived trademarks with approximately 10% or less of excess coverage of fair value over carrying value had an aggregate carrying value of $1.267 billion as of January 26, 2025, and included the *Snyder's of Hanover*, *Pace*, *Pacific Foods, Late July* and Allied brands trademarks.

The estimates of future cash flows used in determining the fair value of goodwill and intangible assets involve significant management judgment and are based upon assumptions about expected future operating performance, assumed royalty rates, economic conditions, market conditions and cost of capital. Inherent in estimating the future cash flows are uncertainties beyond our control, such as changes in capital markets. The actual cash flows could differ materially from management's estimates due to changes in business conditions, operating performance and economic conditions.

7. Segment Information

Our reportable segments are as follows:

- Meals & Beverages, which consists of our soup, simple meals and beverage products in retail and foodservice in the U.S. and Canada. The segment includes the following products: *Campbell's* condensed and ready-to-serve soups; *Swanson* broth and stocks; *Pacific Foods* broth, soups and non-dairy beverages; *Prego* pasta sauces; *Pace* Mexican sauces; *SpaghettiOs* pasta, *Campbell's* gravies, beans and dinner sauces; *Swanson* canned poultry; *V8* juices and beverages; *Campbell's* tomato juice; and as of March 12, 2024, *Rao's* pasta sauces, dry pasta, frozen entrées, frozen pizza and soups, *Michael Angelo's* frozen entrées and pasta sauces; and *noosa* yogurts. The noosa yoghurt business was sold on February 24, 2025. The segment also includes snacking products in foodservice and Canada; and
- Snacks, which consists of Pepperidge Farm cookies, crackers and fresh bakery and frozen products, including *Goldfish* crackers; *Snyder's of Hanover* pretzels; *Lance* sandwich crackers; *Cape Cod* potato chips; *Kettle Brand* potato chips; *Late July* snacks; and *Snack Factory* pretzel crisps, and other snacking products in retail in the U.S. The segment also includes the snacking and meals and beverages retail business in Latin America. The segment included the results of the Pop Secret popcorn business, which was sold on August 26, 2024.

We refer to the following products as our "leadership brands": *Campbell's* condensed and ready-to-serve soups; *Chunky* soups; *Swanson* broth, stocks and canned poultry; *Pacific Foods* broth, soups and non-dairy beverages; *Prego* pasta sauces; *Pace* Mexican sauces; *V8* juices and beverages; *Rao's* pasta sauces, dry pasta, frozen entrées, frozen pizza and soups; Pepperidge Farm cookies, crackers and fresh bakery; *Goldfish* crackers; *Snyder's of Hanover* pretzels; *Lance* sandwich crackers; *Cape Cod* potato chips; *Kettle Brand* potato chips; *Late July* snacks; and *Snack Factory* pretzel crisps.

We evaluate segment performance before interest, taxes and costs associated with restructuring activities, cost savings and optimization initiatives, impairment charges and corporate expenses. Unrealized gains and losses on outstanding undesignated commodity hedging activities are excluded from segment operating earnings and are recorded in Corporate as these open positions represent hedges of future purchases. Upon closing of the contracts, the realized gain or loss is transferred to segment operating earnings, which allows the segments to reflect the economic effects of the hedge without exposure to quarterly volatility of unrealized gains and losses. Only the service cost component of pension and postretirement expense is allocated to segments. All other components of expense, including interest cost, expected return on assets, amortization of prior service credits and recognized actuarial gains and losses are reflected in Corporate and not included in segment operating results. Asset information by segment is not discretely maintained for internal reporting or used in evaluating performance.

	Three Months Ended		Six Months Ended	
(Millions)	**January 26, 2025**	**January 28, 2024**	**January 26, 2025**	**January 28, 2024**
Net sales				
Meals & Beverages	**$ 1,679**	$ 1,382	**$ 3,385**	$ 2,786
Snacks	**1,006**	1,074	**2,072**	2,188
Total	**$ 2,685**	$ 2,456	**$ 5,457**	$ 4,974

	Three Months Ended		Six Months Ended	
(Millions)	**January 26, 2025**	**January 28, 2024**	**January 26, 2025**	**January 28, 2024**
Earnings before interest and taxes				
Meals & Beverages	**$ 291**	$ 247	**$ 628**	$ 534
Snacks	**114**	161	**256**	322
Corporate income (expense)[1]	**(73)**	(89)	**(179)**	(177)
Restructuring charges[2]	**(5)**	(2)	**(11)**	(4)
Total	**$ 327**	$ 317	**$ 694**	$ 675

(1) Represents unallocated items. Costs related to cost savings and optimization initiatives were $20 million and $49 million in the three- and six-month periods ended January 26, 2025, and $34 million and $45 million in the three- and six-month periods ended January 28, 2024, respectively. Unrealized mark-to-market adjustments on outstanding undesignated commodity hedges were gains of $14 million and $18 million in the three- and six-month periods ended January 26, 2025, and gains of $7 million and losses of $8 million in the three- and six-month periods ended January 28, 2024, respectively. Accelerated amortization expense related to customer relationship intangible assets was $7 million and $14 million in the three- and six-month periods ended January 26, 2025 and January 28, 2024. Intangible asset impairment charges were $26 million in the three- and six-month periods ended in January 26, 2025. A loss on the sale of our Pop Secret popcorn business of $25 million was included in the six-month period ended January 26, 2025. Litigation expenses related to the Plum baby food and snacks business, which was divested on May 3, 2021, and certain other litigation matters were $1 million and $2 million in the three- and six-month periods ended January 26, 2025 and $1 million and $3 million in the three- and six-month periods ended January 28, 2024, respectively. Insurance recoveries of $1 million and costs of $3 million related to a cybersecurity incident were included in the six-month periods ended January 26, 2025 and January 28, 2024, respectively. A postretirement actuarial loss of $2 million was included in the six-month period ended January 26, 2025. Costs of $10 million and $19 million associated with the acquisition of Sovos Brands were included in the three- and six-month periods ended January 28, 2024, respectively.

(2) See Note 8 for additional information.

Our net sales based on product categories are as follows:

	Three Months Ended		Six Months Ended	
(Millions)	**January 26, 2025**	**January 28, 2024**	**January 26, 2025**	**January 28, 2024**
Net sales				
Soup	**$ 849**	$ 841	**$ 1,701**	$ 1,701
Snacks	**1,058**	1,127	**2,186**	2,300
Other simple meals	**605**	317	**1,218**	619
Beverages	**173**	171	**352**	354
Total	**$ 2,685**	$ 2,456	**$ 5,457**	$ 4,974

Soup includes various soup, broths and stock products. Snacks include cookies, pretzels, crackers, popcorn, potato chips, tortilla chips and other salty snacks and baked products. Other simple meals include sauces, yogurts, pasta, frozen entrées, canned poultry, frozen pizza, gravies and beans. Beverages include *V8* juices and beverages, *Campbell's* tomato juice and *Pacific Foods* non-dairy beverages.

8. Restructuring Charges, Cost Savings Initiatives and Other Optimization Initiatives

Multi-year Cost Savings Initiatives and Snyder's-Lance, Inc. (Snyder's-Lance) Cost Transformation Program and Integration

Continuing Operations

Beginning in 2015, we implemented initiatives to reduce costs and to streamline our organizational structure.

Over the years, we expanded these initiatives by continuing to optimize our supply chain and manufacturing networks, as well as our information technology infrastructure.

On March 26, 2018, we completed the acquisition of Snyder's-Lance. Prior to the acquisition, Snyder's-Lance launched a cost transformation program following a comprehensive review of its operations with the goal of significantly improving its financial performance. We continued to implement this program and identified opportunities for additional cost synergies as we integrated Snyder's-Lance.

In 2022, we expanded these initiatives as we continued to pursue cost savings by further optimizing our supply chain and manufacturing network and through effective cost management. In the second quarter of 2023, we announced plans to consolidate our Snacks offices in Charlotte, North Carolina, and Norwalk, Connecticut, into our headquarters in Camden, New Jersey.

A summary of the pre-tax charges recognized in the Consolidated Statements of Earnings related to these initiatives is as follows:

	January 28, 2024		
(Millions)	**Three Months Ended**	**Six Months Ended**	**Total Program**
Restructuring charges	$ 2	$ 4	$ 297
Administrative expenses	29	34	437
Cost of products sold	3	6	128
Marketing and selling expenses	1	3	23
Research and development expenses	1	2	10
Total pre-tax charges	$ 36	$ 49	$ 895

A summary of the pre-tax costs associated with the initiatives is as follows:

(Millions)	**Total Program**
Severance pay and benefits	$ 253
Asset impairment/accelerated depreciation	134
Implementation costs and other related costs	508
Total	$ 895

Of the aggregate $895 million pre-tax costs incurred, approximately $720 million were cash expenditures.

Segment operating results do not include restructuring charges, implementation costs and other related costs because we evaluate segment performance excluding such charges. A summary of the pre-tax costs associated with segments is as follows:

(Millions)	**Total Program**
Meals & Beverages	$ 288
Snacks	383
Corporate	224
Total	$ 895

As of July 28, 2024, we substantially completed the multi-year cost savings initiatives and Snyder's-Lance cost transformation program and integration. Certain phases that had not been fully implemented were incorporated into the 2025 cost savings initiatives described below.

Sovos Brands Integration Initiatives

On March 12, 2024, we completed the acquisition of Sovos Brands. See Note 3 for additional information. We identified opportunities for cost synergies as we integrate Sovos Brands.

In 2024, we recorded Restructuring charges of $21 million for severance pay and benefits related to initiatives to achieve the synergies. The charges incurred in 2024 were associated with the Meals & Beverages segment.

In 2025, the initiatives to achieve synergies were incorporated into the cost savings initiatives described below.

2025 Cost Savings Initiatives

On September 10, 2024, we announced plans to implement cost savings initiatives beginning in 2025, including initiatives to further optimize our supply chain and manufacturing network, optimization of our information technology infrastructure and targeted cost management. We also identified additional opportunities for cost synergies as we integrate Sovos Brands. As mentioned above, we substantially completed our previous multi-year cost savings initiatives and Snyder's-Lance cost transformation program and integration. Certain initiatives from that program have been incorporated into our 2025 cost savings initiatives. Cost estimates for the 2025 initiatives, as well as timing for certain activities, are continuing to be developed.

A summary of the pre-tax charges recorded in the Consolidated Statement of Earnings related to these initiatives is as follows:

	January 26, 2025	
(Millions)	**Three Months Ended**	**Six Months Ended**
Restructuring charges	$ 5	$ 11
Administrative expenses	8	19
Cost of products sold	10	18
Marketing and selling expenses	1	2
Research and development expenses	1	2
Total pre-tax charges	$ 25	$ 52

A summary of the pre-tax costs associated with the initiatives is as follows:

(Millions)	**Recognized as of January 26, 2025**
Severance pay and benefits	$ 11
Asset impairment/accelerated depreciation	17
Implementation costs and other related costs	24
Total	$ 52

The total estimated pre-tax costs for actions that have been identified to date are approximately $190 million and we expect to incur substantially all of the costs through 2028. These estimates will be updated as the detailed plans are developed.

We expect the costs for the actions that have been identified to date to consist of the following: approximately $20 million in severance pay and benefits; approximately $50 million in asset impairment and accelerated depreciation; and approximately $120 million in implementation costs and other related costs. We expect these pre-tax costs to be associated with our segments as follows: Meals & Beverages - approximately 72%; Snacks - approximately 9% and Corporate - approximately 19%.

Of the aggregate $190 million of pre-tax costs identified to date, we expect approximately $135 million will be cash expenditures. In addition, we expect to invest approximately $215 million in capital expenditures, of which we invested $57 million as of January 26, 2025. The capital expenditures primarily relate to optimization of production within our manufacturing network, implementation of our existing SAP enterprise-resource planning system for Sovos Brands and optimization of information technology infrastructure and applications.

A summary of the restructuring activity and related reserves is as follows:

(Millions)	Severance Pay and Benefits	Implementation Costs and Other Related Costs[3]	Asset Impairment/Accelerated Depreciation	Other Non-Cash Exit Costs[4]	Total Charges
Accrued balance at July 28, 2024[1]	$ 36				
2025 charges	**11**	**23**	**17**	**1**	**$ 52**
2025 cash payments	**(15)**				
Accrued balance at January 26, 2025[2]	**$ 32**				

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(1) Associated with the multi-year cost savings initiatives and Snyder's-Lance cost transformation program and integration, and the Sovos Brands integration initiatives described above. Includes $12 million of severance pay and benefits recorded in Other liabilities in the Consolidated Balance Sheet.

(2) Includes $14 million of severance pay and benefits recorded in Other liabilities in the Consolidated Balance Sheet.

(3) Includes other costs recognized as incurred that are not reflected in the restructuring reserve in the Consolidated Balance Sheet. The costs are included in Administrative expenses, Cost of products sold, Marketing and selling expenses and Research and development expenses in the Consolidated Statements of Earnings.

(4) Includes non-cash costs that are not reflected in the restructuring reserve in the Consolidated Balance Sheet.

Segment operating results do not include restructuring charges, implementation costs and other related costs because we evaluate segment performance excluding such charges. A summary of the pre-tax costs associated with segments is as follows:

	January 26, 2025	
(Millions)	Three Months Ended	Six Months Ended
Meals & Beverages	$ 16	$ 37
Snacks	2	5
Corporate	7	10
Total	$ 25	$ 52

Other Optimization Initiatives

In the second quarter of 2024, we began implementation of an initiative to improve the effectiveness of our Snacks direct-store-delivery route-to-market network. Pursuant to this initiative we will purchase certain Pepperidge Farm and Snyder's-Lance routes where there are opportunities to unlock greater scale in select markets, combine them and sell the combined routes to independent contractor distributors. We expect to execute this program in a staggered rollout and to incur expenses of up to approximately $115 million through 2029. In the six-month period ended January 26, 2025, we incurred $8 million in Marketing and selling expenses related to this initiative. As of January 26, 2025, we have incurred $13 million in Marketing and selling expenses related to this initiative.

9. Earnings per Share (EPS)

For the periods presented in the Consolidated Statements of Earnings, the calculations of basic EPS and EPS assuming dilution vary in that the weighted average shares outstanding assuming dilution include the incremental effect of stock options and other share-based payment awards, except when such effect would be antidilutive. The earnings per share calculation for the three- and six-month periods ended January 26, 2025 and January 28, 2024, excludes less than 1 million stock options that would have been antidilutive.

10. Pension and Postretirement Benefits

Components of net periodic benefit expense (income) were as follows:

	Three Months Ended				Six Months Ended			
	Pension		Postretirement		Pension		Postretirement	
(Millions)	**January 26, 2025**	**January 28, 2024**	**January 26, 2025**	**January 28, 2024**	**January 26, 2025**	**January 28, 2024**	**January 26, 2025**	**January 28, 2024**
Service cost	**$ 3**	$ 3	**$ —**	$ —	**$ 6**	$ 6	**$ —**	$ —
Interest cost	**16**	17	**1**	2	**31**	33	**3**	4
Expected return on plan assets	**(20)**	(20)	**—**	—	**(40)**	(40)	**—**	—
Actuarial losses (gains)	**—**	—	**—**	—	**—**	—	**2**	—
Net periodic benefit expense (income)	**$ (1)**	$ —	**$ 1**	$ 2	**$ (3)**	$ (1)	**$ 5**	$ 4

The actuarial loss for the six-month period ended January 26, 2025 related to the remeasurement of our postretirement plan due to a plan amendment. The actuarial loss was primarily due to a decrease in the discount rate used to determine the benefit obligation.

11. Leases

The components of lease costs were as follows:

	Three Months Ended		Six Months Ended	
(Millions)	**January 26, 2025**	**January 28, 2024**	**January 26, 2025**	**January 28, 2024**
Operating lease cost[1]	**$ 27**	$ 24	**$ 56**	$ 48
Finance lease - amortization of right-of-use (ROU) assets	**8**	4	**14**	8
Finance lease - interest on lease liabilities	**1**	—	**2**	—
Short-term lease cost	**15**	16	**30**	35
Variable lease cost	**59**	49	**124**	102
Total	**$ 110**	$ 93	**$ 226**	$ 193

(1) Excludes costs associated with the cost savings initiatives described in Note 8.

The following tables summarize the lease amounts recorded in the Consolidated Balance Sheets:

	Operating Leases				
(Millions)	Balance Sheet Classification		January 26, 2025		July 28, 2024
ROU assets, net	Other assets	$	335	$	333
Lease liabilities (current)	Accrued liabilities	$	93	$	90
Lease liabilities (noncurrent)	Other liabilities	$	271	$	268
ROU assets, net	Assets of business held for sale	$	2	$	—
Lease liabilities (noncurrent)	Liabilities of business held for sale	$	2	$	—

	Finance Leases				
(Millions)	Balance Sheet Classification		January 26, 2025		July 28, 2024
ROU assets, net	Plant assets, net of depreciation	$	71	$	72
Lease liabilities (current)	Short-term borrowings	$	30	$	25
Lease liabilities (noncurrent)	Long-term debt	$	44	$	46
ROU assets, net	Assets of business held for sale	$	12	$	—
Lease liabilities (noncurrent)	Liabilities of business held for sale	$	9	$	—

The following table summarizes cash flow and other information related to leases:

	Six Months Ended			
(Millions)		January 26, 2025		January 28, 2024
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows from operating leases	$	52	$	46
Operating cash flows from finance leases	$	1	$	—
Financing cash flows from finance leases	$	14	$	8
ROU assets obtained in exchange for lease obligations:				
Operating leases	$	54	$	63
Finance leases	$	25	$	15

12. Short-term Borrowings and Long-term Debt

In August 2023, we filed a registration statement with the Securities and Exchange Commission that registered an indeterminate amount of debt securities. Under the registration statement we may issue debt securities from time to time, depending on market conditions. On October 2, 2024, pursuant to the registration statement, we completed the issuance of senior unsecured notes of $1.15 billion, consisting of:

- $800 million aggregate principal amount of notes bearing interest at a fixed rate of 4.75% per annum, due March 23, 2035, with interest payable semi-annually on each of March 23 and September 23 commencing March 23, 2025; and
- $350 million aggregate principal amount of notes bearing interest at a fixed rate of 5.25% per annum, due October 13, 2054, with interest payable semi-annually on each of April 13 and October 13 commencing April 13, 2025.

The notes contain customary covenants and events of default. If a change of control triggering event occurs, we will be required to offer to purchase the notes at a purchase price equal to 101% of the principal amount plus accrued and unpaid interest, if any, to the purchase date. In October 2024, we used a portion of the net proceeds from the issuance of the notes to repay $200 million of the $400 million outstanding under our 2022 Delayed Draw Term Loan Credit Agreement (the 2022 DDTL Credit Agreement) due November 15, 2025 and a portion of our outstanding commercial paper. In November 2024, we repaid the remaining $200 million outstanding under the 2022 DDTL Credit Agreement. We have $1.15 billion aggregate principal amount of senior notes maturing in March 2025, which we intend to repay by using a portion of the proceeds from the issuance of the notes along with cash on hand and issuing commercial paper.

13. Financial Instruments

The principal market risks to which we are exposed are changes in foreign currency exchange rates, interest rates and commodity prices. In addition, we are exposed to price changes related to certain deferred compensation obligations. In order to manage these exposures, we follow established risk management policies and procedures, including the use of derivative contracts such as swaps, rate locks, options, forwards and commodity futures. We enter into these derivative contracts for periods consistent with the related underlying exposures, and the contracts do not constitute positions independent of those exposures. We do not enter into derivative contracts for speculative purposes and do not use leveraged instruments. Our derivative programs include instruments that qualify for hedge accounting treatment and instruments that are not designated as accounting hedges.

Concentration of Credit Risk

We are exposed to the risk that counterparties to derivative contracts will fail to meet their contractual obligations. To mitigate counterparty credit risk, we enter into contracts only with carefully selected, leading, credit-worthy financial institutions, and distribute contracts among several financial institutions to reduce the concentration of credit risk. We did not have credit risk-related contingent features in our derivative instruments as of January 26, 2025, or July 28, 2024.

We are also exposed to credit risk from our customers. During 2024, our largest customer accounted for approximately 22% of our consolidated net sales. Our five largest customers accounted for approximately 47% of our consolidated net sales in 2024.

We closely monitor credit risk associated with counterparties and customers.

Foreign Currency Exchange Risk

We are exposed to foreign currency exchange risk, primarily the Canadian dollar and Euro, related to intercompany transactions and third-party transactions. We utilize foreign exchange forward purchase and sale contracts and option contracts to hedge these exposures. The contracts are either designated as cash-flow hedging instruments or are undesignated. We hedge portions of our forecasted foreign currency transaction exposure with foreign exchange forward contracts for periods typically up to 18 months. The notional amount of foreign exchange forward contracts accounted for as cash-flow hedges was $113 million as of January 26, 2025, and $108 million as of July 28, 2024. Changes in the fair value on the portion of the derivative included in the assessment of hedge effectiveness of cash-flow hedges are recorded in other comprehensive income (loss), until earnings are affected by the variability of cash flows. For derivatives that are designated and qualify as hedging instruments, the initial fair value of hedge components excluded from the assessment of effectiveness is recognized in earnings under a systematic and rational method over the life of the hedging instrument and is presented in the same statement of earnings line item as the earnings effect of the hedged item. Any difference between the change in the fair value of the hedge components excluded from the assessment of effectiveness and the amounts recognized in earnings is recorded as a component of other comprehensive income (loss). The notional amount of foreign exchange forward and option contracts that are not designated as accounting hedges was $404 million as of January 26, 2025, and $189 million as of July 28, 2024.

Interest Rate Risk

We manage our exposure to changes in interest rates by optimizing the use of variable-rate and fixed-rate debt. From time to time, we may use interest rate swaps in order to maintain our variable-to-total debt ratio within targeted guidelines. We manage our exposure to interest volatility on future debt issuances by entering into forward starting interest rate swaps or treasury lock contracts to hedge the rate on the interest payments related to the anticipated debt issuance. The forward starting interest rate swaps or treasury lock contracts are either designated as cash-flow hedging instruments or are undesignated. Changes in the fair value on the portion of the derivative included in the assessment of hedge effectiveness of cash-flow hedges are recorded in other comprehensive income (loss), and reclassified into Interest expense over the life of the debt issued. The change in fair value on undesignated instruments is recorded in Interest expense. In conjunction with the issuance of senior unsecured notes on October 2, 2024, due on March 23, 2035, we settled forward starting interest rate swaps with a notional value of $700 million at a gain of less than $1 million. The gain on these instruments was recorded in other comprehensive income (loss) and will be recognized in Interest expense over the life of the debt. There were no forward starting interest rate swaps or treasury lock contracts outstanding as of January 26, 2025 and July 28, 2024.

Commodity Price Risk

We principally use a combination of purchase orders and various short- and long-term supply arrangements in connection with the purchase of raw materials, including certain commodities and agricultural products. We also enter into commodity futures, options and swap contracts to reduce the volatility of price fluctuations of wheat, diesel fuel, soybean oil, natural gas, cocoa, aluminum, corn and soybean meal. Commodity futures, options and swap contracts are either designated as cash-flow hedging instruments or are undesignated. We hedge a portion of commodity requirements for periods typically up to 18 months. There were no commodity contracts designated as cash-flow hedges as of January 26, 2025, or July 28, 2024. The notional amount of commodity contracts not designated as accounting hedges was $133 million as of January 26, 2025, and $200 million as of July 28, 2024. The change in fair value on undesignated instruments is recorded in Cost of products sold.

We have a supply contract under which prices for certain raw materials are established based on anticipated volume requirements over a twelve-month period. Certain prices under the contract are based in part on certain component parts of the raw materials that are in excess of our needs or not required for our operations, thereby creating an embedded derivative requiring bifurcation. We net settle amounts due under the contract with our counterparty. The notional amount was $90 million as of January 26, 2025, and $48 million as of July 28, 2024. The change in fair value on the embedded derivative is recorded in Cost of products sold.

Deferred Compensation Obligation Price Risk

We enter into swap contracts which hedge a portion of exposures relating to the total return of certain deferred compensation obligations. These contracts are not designated as hedges for accounting purposes. Unrealized gains (losses) and settlements are included in Administrative expenses in the Consolidated Statements of Earnings. We enter into these contracts for periods typically not exceeding 12 months. The notional amounts of the contracts were $80 million as of January 26, 2025, and $71 million as of July 28, 2024.

The following table summarizes the fair value of derivative instruments on a gross basis as recorded in the Consolidated Balance Sheets as of January 26, 2025, and July 28, 2024:

(Millions)	Balance Sheet Classification	January 26, 2025	July 28, 2024
Asset Derivatives			
Derivatives designated as hedges:			
Foreign exchange contracts	Other current assets	**$ 3**	$ 2
Total derivatives designated as hedges		**$ 3**	$ 2
Derivatives not designated as hedges:			
Commodity contracts	Other current assets	**$ 12**	$ 6
Deferred compensation contracts	Other current assets	**4**	3
Total derivatives not designated as hedges		**$ 16**	$ 9
Total asset derivatives		**$ 19**	$ 11

(Millions)	Balance Sheet Classification	January 26, 2025	July 28, 2024
Liability Derivatives			
Derivatives not designated as hedges:			
Commodity contracts	Accrued liabilities	**$ 5**	$ 16
Foreign exchange contracts	Accrued liabilities	**1**	—
Total derivatives not designated as hedges		**$ 6**	$ 16
Total liability derivatives		**$ 6**	$ 16

We do not offset the fair values of derivative assets and liabilities executed with the same counterparty that are generally subject to enforceable netting agreements. However, if we were to offset and record the asset and liability balances of derivatives on a net basis, the amounts presented in the Consolidated Balance Sheets as of January 26, 2025, and July 28, 2024, would be adjusted as detailed in the following table:

	January 26, 2025			July 28, 2024		
(Millions)	**Gross Amounts Presented in the Consolidated Balance Sheet**	**Gross Amounts Not Offset in the Consolidated Balance Sheet Subject to Netting Agreements**	**Net Amount**	**Gross Amounts Presented in the Consolidated Balance Sheet**	**Gross Amounts Not Offset in the Consolidated Balance Sheet Subject to Netting Agreements**	**Net Amount**
Total asset derivatives	**$ 19**	**$ (3)**	**$ 16**	$ 11	$ (1)	$ 10
Total liability derivatives	**$ 6**	**$ (3)**	**$ 3**	$ 16	$ (1)	$ 15

We are required to maintain cash margin accounts in connection with funding the settlement of open positions for exchange-traded commodity derivative instruments. Cash margin asset balances of less than $1 million at January 26, 2025 and $2 million at July 28, 2024 were included in Other current assets in the Consolidated Balance Sheets.

The following tables show the effect of our derivative instruments designated as cash-flow hedges in other comprehensive income (loss) (OCI) and the Consolidated Statements of Earnings:

		Total Cash-Flow Hedge OCI Activity	
(Millions)		**January 26, 2025**	**January 28, 2024**
Three Months Ended			
OCI derivative gain (loss) at beginning of quarter		**$ (10)**	$ 3
Effective portion of changes in fair value recognized in OCI:			
Foreign exchange contracts		**3**	(2)
Forward starting interest rate swaps		**—**	(26)
Amount of loss (gain) reclassified from OCI to earnings:	**Location in Earnings**		
Foreign exchange contracts	Cost of products sold	**(1)**	(2)
Forward starting interest rate swaps	Interest expense	**—**	1
OCI derivative gain (loss) at end of quarter		**$ (8)**	$ (26)
Six Months Ended			
OCI derivative gain (loss) at beginning of year		**$ (11)**	$ (5)
Effective portion of changes in fair value recognized in OCI:			
Foreign exchange contracts		**3**	3
Forward starting interest rate swaps		**—**	(23)
Amount of loss (gain) reclassified from OCI to earnings:	**Location in Earnings**		
Foreign exchange contracts	Cost of products sold	**(1)**	(2)
Forward starting interest rate swaps	Interest expense	**1**	1
OCI derivative gain (loss) at end of quarter		**$ (8)**	$ (26)

Based on current valuations, the amount expected to be reclassified from OCI into earnings within the next 12 months is a gain of $1 million.

The following tables show the total amounts of line items presented in the Consolidated Statements of Earnings in which the effects of derivative instruments designated as cash-flow hedges are recorded and the total effect of hedge activity on these line items:

	Three Months Ended			
	January 26, 2025		January 28, 2024	
(Millions)	Cost of products sold	Interest expense	Cost of products sold	Interest expense
Consolidated Statements of Earnings:	**$ 1,866**	**$ 88**	$ 1,680	$ 46
Loss (gain) on cash-flow hedges:				
Amount of loss (gain) reclassified from OCI to earnings	**$ (1)**	**$ —**	$ (2)	$ 1

	Six Months Ended			
	January 26, 2025		January 28, 2024	
(Millions)	Cost of products sold	Interest expense	Cost of products sold	Interest expense
Consolidated Statements of Earnings:	**$ 3,771**	**$ 175**	$ 3,410	$ 95
Loss (gain) on cash-flow hedges:				
Amount of loss (gain) reclassified from OCI to earnings	**$ (1)**	**$ 1**	$ (2)	$ 1

The amount excluded from effectiveness testing recognized in each line item of earnings using an amortization approach was not material in all periods presented.

The following table shows the effects of our derivative instruments not designated as hedges in the Consolidated Statements of Earnings:

		Three Months Ended		Six Months Ended	
(Millions)	Location of Loss (Gain) Recognized in Earnings	January 26, 2025	January 28, 2024	January 26, 2025	January 28, 2024
Foreign exchange contracts	Cost of products sold	**$ (1)**	$ 1	**$ (1)**	$ —
Commodity contracts	Cost of products sold	**(14)**	(8)	**(18)**	4
Deferred compensation contracts	Administrative expenses	**(3)**	(7)	**(6)**	(3)
Total		**$ (18)**	$ (14)	**$ (25)**	$ 1

14. Fair Value Measurements

We categorize financial assets and liabilities based on the following fair value hierarchy:

- Level 1: Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability through corroboration with observable market data.
- Level 3: Unobservable inputs, which are valued based on our estimates of assumptions that market participants would use in pricing the asset or liability.

Fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. When available, we use unadjusted quoted market prices to measure the fair value and classify such items as Level 1. If quoted market prices are not available, we base fair value upon internally developed models that use current market-based or independently sourced market parameters such as interest rates and currency rates. Included in the fair value of derivative instruments is an adjustment for credit and nonperformance risk.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following tables present our financial assets and liabilities that are measured at fair value on a recurring basis as of January 26, 2025, and July 28, 2024, consistent with the fair value hierarchy:

(Millions)	Fair Value as of January 26, 2025	Fair Value Measurements at January 26, 2025 Using Fair Value Hierarchy			Fair Value as of July 28, 2024	Fair Value Measurements at July 28, 2024 Using Fair Value Hierarchy		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Assets								
Foreign exchange contracts[1]	**$ 3**	**$ —**	**$ 3**	**$ —**	$ 2	$ —	$ 2	$ —
Commodity derivative contracts[2]	**12**	**1**	**8**	**3**	6	—	1	5
Deferred compensation derivative contracts[3]	**4**	**—**	**4**	**—**	3	—	3	—
Deferred compensation investments[4]	**1**	**1**	**—**	**—**	1	1	—	—
Total assets at fair value	**$ 20**	**$ 2**	**$ 15**	**$ 3**	$ 12	$ 1	$ 6	$ 5

(Millions)	Fair Value as of January 26, 2025	Fair Value Measurements at January 26, 2025 Using Fair Value Hierarchy			Fair Value as of July 28, 2024	Fair Value Measurements at July 28, 2024 Using Fair Value Hierarchy		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Liabilities								
Foreign exchange contracts[1]	**$ 1**	**$ —**	**$ 1**	**$ —**	$ —	$ —	$ —	$ —
Commodity derivative contracts[2]	**5**	**—**	**4**	**1**	16	1	15	—
Deferred compensation obligation[4]	**110**	**110**	**—**	**—**	101	101	—	—
Total liabilities at fair value	**$ 116**	**$ 110**	**$ 5**	**$ 1**	$ 117	$ 102	$ 15	$ —

(1) Based on observable market transactions of spot currency rates and forward rates.

(2) Level 1 and 2 are based on quoted futures exchanges and on observable prices of futures and options transactions in the marketplace. Level 3 is based on unobservable inputs in which there is little or no market data, which requires management's own assumptions within an internally developed model.

(3) Based on equity index swap rates.

(4) Based on the fair value of the participants' investments.

The following table summarizes the changes in fair value of Level 3 assets and liabilities:

(Millions)	Six Months Ended January 26, 2025	Six Months Ended January 28, 2024
Fair value at beginning of year	**$ 5**	$ 2
Gains (losses)	**2**	12
Settlements	**(5)**	(5)
Fair value at end of quarter	**$ 2**	$ 9

Items Measured at Fair Value on a Nonrecurring Basis

In addition to assets and liabilities that are measured at fair value on a recurring basis, we are also required to measure certain items at fair value on a nonrecurring basis.

In the second quarter of 2025, we performed interim impairment assessments on certain trademarks in our Snacks segment. See also Note 6 for additional information on the impairment charges.

Fair value was determined based on unobservable Level 3 inputs. The fair value of trademarks was determined based on discounted cash flow analysis that involves significant management assumptions such as expected revenue growth rates, assumed royalty rates and weighted-average costs of capital.

The following table presents fair value measurements of the trademarks:

(Millions)	December 2025 Impairment Charges	December 2025 Fair Value
Allied brands	**$ 15**	**$ 28**
Late July	**$ 11**	**$ 47**

Fair Value of Financial Instruments

The carrying values of cash and cash equivalents, accounts receivable and accounts payable approximate fair value.

There were cash equivalents of $170 million at January 26, 2025 and $25 million at July 28, 2024. Cash equivalents represent fair value as these highly liquid investments have an original maturity of three months or less. Fair value of cash equivalents is based on Level 2 inputs.

The fair value of short- and long-term debt was $7.291 billion at January 26, 2025, and $6.866 billion at July 28, 2024. The carrying value was $7.675 billion at January 26, 2025, and $7.184 billion at July 28, 2024. The fair value of long-term debt is principally estimated using Level 2 inputs based on quoted market prices or pricing models using current market rates.

15. Share Repurchases

In September 2021, the Board approved a strategic share repurchase program of up to $500 million (September 2021 program). The September 2021 program has no expiration date, but it may be suspended or discontinued at any time. Repurchases under the September 2021 program may be made in open-market or privately negotiated transactions.

In September 2024, the Board authorized an anti-dilutive share repurchase program of up to $250 million (September 2024 program) to offset the impact of dilution from shares issued under our stock compensation programs. The September 2024 program has no expiration date, but it may be suspended or discontinued at any time. Repurchases under the September 2024 program may be made in open-market or privately negotiated transactions. The September 2024 program replaced an anti-dilutive share repurchase program of up to $250 million that was approved by the Board in June 2021 and has been terminated.

During the six-month periods ended January 26, 2025 and January 28, 2024, we repurchased 1.134 million shares at a cost of $56 million and 707 thousand shares at a cost of $29 million, respectively, pursuant to our anti-dilutive share repurchase programs. As of January 26, 2025, approximately $205 million remained available under the September 2024 program and approximately $301 million remained available under the September 2021 program.

16. Stock-based Compensation

We provide compensation benefits by issuing stock options, unrestricted stock and restricted stock units (including time-lapse restricted stock units, EPS performance restricted stock units, total shareholder return (TSR) performance restricted stock units and free cash flow (FCF) performance restricted stock units). In 2025, we issued time-lapse restricted stock units, unrestricted stock, TSR performance restricted stock units and EPS performance restricted stock units. We last issued stock options and FCF performance restricted stock units in 2019.

In connection with the Sovos Brands acquisition, in the third quarter of 2024, we issued 1.721 million time-lapse restricted stock units (Replacement units) in exchange for certain Sovos Brands restricted stock units and performance restricted stock units. The Replacement units are subject to the same terms and conditions of the original Sovos Brands restricted stock units and performance restricted stock units. Certain Replacement units were subject to accelerated vesting. The Replacement units had a total fair value of $74 million based on the quoted price of our stock on the acquisition date. The portion of Replacement units attributed to pre-combination service was $42 million, which was accounted for as part of consideration transferred and was recorded in Additional Paid-in Capital in our Consolidated Statements of Equity in the third quarter of 2024. See Note 3 for additional information. The portion of the Replacement units attributable to post-combination service will be recognized as stock-based compensation expense over the remaining vesting period.

In determining stock-based compensation expense, we estimate forfeitures expected to occur. Total pre-tax stock-based compensation expense and tax-related benefits recognized in the Consolidated Statements of Earnings were as follows:

	Three Months Ended		Six Months Ended	
(Millions)	**January 26, 2025**	**January 28, 2024**	**January 26, 2025**	**January 28, 2024**
Total pre-tax stock-based compensation expense	**$ 17**	$ 19	**$ 36**	$ 36
Tax-related benefits	**$ 4**	$ 4	**$ 10**	$ 6

The following table summarizes stock option activity:

	Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life	Aggregate Intrinsic Value
	(In thousands)		(In years)	(Millions)
Outstanding at July 28, 2024	779	$ 45.33		
Granted	—	$ —		
Exercised	—	$ —		
Terminated	—	$ —		
Outstanding at January 26, 2025	779	$ 45.33	2.7	$ 1
Exercisable at January 26, 2025	779	$ 45.33	2.7	$ 1

No options were exercised during the six-month period ended January 28, 2024. We measured the fair value of stock options using the Black-Scholes option pricing model.

We expensed stock options on a straight-line basis over the vesting period, except for awards issued to retirement eligible participants, which we expensed on an accelerated basis. As of January 2022, compensation related to stock options was fully expensed.

The following table summarizes time-lapse restricted stock units and EPS performance restricted stock units activity:

	Units	Weighted-Average Grant-Date Fair Value
	(In thousands)	
Nonvested at July 28, 2024	3,300	$ 43.24
Granted	1,372	$ 48.34
Vested	(1,284)	$ 42.89
Forfeited	(88)	$ 44.12
Nonvested at January 26, 2025	3,300	$ 45.47

We determine the fair value of time-lapse restricted stock units based on the quoted price of our stock at the date of grant. We expense time-lapse restricted stock units on a straight-line basis over the vesting period, except for awards issued to retirement-eligible participants and certain Replacement units, which we expense on an accelerated basis.

Since 2022, we have granted EPS performance restricted stock units that will be earned upon the achievement of our adjusted EPS compound annual growth rate goal, measured over a three-year period. The actual number of EPS performance restricted stock units issued at the vesting date could range from 0% to 200% of the initial grant depending on actual performance achieved. The fair value of EPS performance restricted stock units is based upon the quoted price of our stock at the date of grant. We expense EPS performance restricted stock units on a straight-line basis over the service period, except for awards issued to retirement-eligible participants, which we expense on an accelerated basis. We estimate expense based on the number of awards expected to vest. In the first quarter of 2025, recipients of EPS performance restricted stock units earned 100% of the initial grants based upon actual performance achieved during a three-year period ended July 28, 2024. There were 934 thousand EPS performance target grants outstanding at January 26, 2025, with a weighted-average grant-date fair value of $45.51. In connection with the divestiture of our Pop Secret popcorn business, in the first quarter of 2025, our adjusted EPS compound annual growth rate goals for the EPS performance restricted stock units granted in 2024 and 2023 were revised to equitably adjust for the impact of the completed divestiture that was not contemplated at the time of approval of the original targets.

As of January 26, 2025, total remaining unearned compensation related to nonvested time-lapse restricted stock units and EPS performance restricted stock units was $74 million, which will be amortized over the weighted-average remaining service period of 1.9 years. The fair value of restricted stock units vested during the six-month periods ended January 26, 2025, and January 28, 2024, was $63 million and $31 million, respectively. The weighted-average grant-date fair value of the restricted stock units granted during the six-month period ended January 28, 2024 was $41.08.

The following table summarizes TSR performance restricted stock units activity:

	Units (In thousands)	Weighted-Average Grant-Date Fair Value
Nonvested at July 28, 2024	873	$ 47.40
Granted	549	$ 47.33
Vested	(464)	$ 45.52
Forfeited	(24)	$ 47.55
Nonvested at January 26, 2025	934	$ 48.29

We estimated the fair value of TSR performance restricted stock units at the grant date using a Monte Carlo simulation.

Assumptions used in the Monte Carlo simulation were as follows:

	2025	2024
Risk-free interest rate	**3.52%**	4.84%
Expected dividend yield	**3.01%**	3.54%
Expected volatility	**22.46%**	22.16%
Expected term	**3 years**	3 years

We recognize compensation expense on a straight-line basis over the service period, except for awards issued to retirement eligible participants, which we expense on an accelerated basis. As of January 26, 2025, total remaining unearned compensation related to TSR performance restricted stock units was $16 million, which will be amortized over the weighted-average remaining service period of 1.9 years. In the first quarter of 2025, recipients of TSR performance restricted stock units earned 175% of the initial grants based upon our TSR ranking in a performance peer group during a three-year period ended July 26, 2024. As a result, approximately 199 thousand additional shares were awarded. In the first quarter of 2024, recipients of TSR performance restricted stock units earned 75% of the initial grants based upon our TSR ranking in a performance peer group during a three-year period ended July 28, 2023. The fair value of TSR performance restricted stock units vested during the six-month periods ended January 26, 2025, and January 28, 2024, was $23 million and $12 million, respectively. The grant-date fair value of the TSR performance restricted stock units granted during the six-month period ended January 28, 2024, was $44.18.

17. Commitments and Contingencies

Regulatory and Litigation Matters

We are involved in various pending or threatened legal or regulatory proceedings, including purported class actions, arising from the conduct of business both in the ordinary course and otherwise. Modern pleading practice in the U.S. permits considerable variation in the assertion of monetary damages or other relief. Jurisdictions may permit claimants not to specify the monetary damages sought or may permit claimants to state only that the amount sought is sufficient to invoke the jurisdiction of the trial court. In addition, jurisdictions may permit plaintiffs to allege monetary damages in amounts well exceeding reasonably possible verdicts in the jurisdiction for similar matters. This variability in pleadings, together with our actual experiences in litigating or resolving through settlement numerous claims over an extended period of time, demonstrates to us that the monetary relief which may be specified in a lawsuit or claim bears little relevance to its merits or disposition value.

Due to the unpredictable nature of litigation, the outcome of a litigation matter and the amount or range of potential loss at particular points in time is normally difficult to ascertain. Uncertainties can include how fact finders will evaluate documentary evidence and the credibility and effectiveness of witness testimony, and how trial and appellate courts will apply the law in the context of the pleadings or evidence presented, whether by motion practice, or at trial or on appeal. Disposition valuations are also subject to the uncertainty of how opposing parties and their counsel will themselves view the relevant evidence and applicable law.

On March 20, 2024, the United States Department of Justice (DOJ), on behalf of the U.S. Environmental Protection Agency, and National Education Law Center, on behalf of Environment America and Lake Erie Waterkeeper, filed lawsuits in the United States District Court for the Northern District of Ohio – Western Division concerning alleged violations of the Clean Water Act relating to alleged contaminant discharges from our Napoleon, Ohio wastewater treatment facility in excess of the facility's Clean Water Act permit limits. We have and are continuing to take actions to remediate the exceedances and are in settlement discussions with the DOJ and the private environmental groups. While we cannot predict with certainty the amount of any civil penalty or the timing of the resolution of this matter, we do not expect that the ultimate costs to resolve this matter will have a material adverse effect on our financial condition, results of operations, or cash flows.

We establish liabilities for litigation and regulatory loss contingencies when information related to the loss contingencies shows both that it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. It is possible that some matters could require us to pay damages or make other expenditures or establish accruals in amounts that could not be reasonably estimated as of January 26, 2025. While the potential future charges could be material in a particular quarter or annual period, based on information currently known by us, we do not believe any such charges are likely to have a material adverse effect on our consolidated results of operations or financial condition.

Other Contingencies

We have provided certain indemnifications in connection with divestitures, contracts and other transactions. Certain indemnifications have finite expiration dates. Liabilities recognized based on known exposures related to such matters were not material at January 26, 2025.

18. Supplier Finance Program Obligations

To manage our cash flow and related liquidity, we work with our suppliers to optimize our terms and conditions, including the extension of payment terms. Our current payment terms with our suppliers, which we deem to be commercially reasonable, generally range from 0 to 120 days. We also maintain agreements with third-party administrators that allow participating suppliers to track payment obligations from us, and, at the sole discretion of the supplier, sell those payment obligations to participating financial institutions. Our obligations to our suppliers, including amounts due and scheduled payment terms, are not impacted. Supplier participation in these agreements is voluntary. We have no economic interest in a supplier's decision to enter into these agreements and no direct financial relationship with the financial institutions. We have not pledged assets as security or provided any guarantees in connection with these arrangements. The payment of these obligations is included in cash provided by operating activities in the Consolidated Statements of Cash Flows. Amounts outstanding under these programs, which are included in Accounts payable on the Consolidated Balance Sheets, were $269 million at January 26, 2025 and $243 million July 28, 2024.

19. Supplemental Financial Statement Data

(Millions)	January 26, 2025	July 28, 2024
Balance Sheets		
Inventories		
Raw materials, containers and supplies	**$ 438**	$ 376
Finished products	**850**	1,010
	$ 1,288	$ 1,386

(Millions)	Three Months Ended		Six Months Ended	
	January 26, 2025	January 28, 2024	January 26, 2025	January 28, 2024
Statements of Earnings				
Other expenses / (income)				
Impairment of intangible assets[1]	**$ 26**	$ —	**$ 26**	$ —
Amortization of intangible assets[2]	**19**	17	**39**	34
Net periodic benefit expense (income) other than the service cost	**(3)**	(1)	**(4)**	(3)
Costs associated with acquisition[3]	**—**	10	**—**	19
Loss on sale of business[4]	**—**	—	**25**	—
Transition services fees	**(1)**	—	**(2)**	(2)
Other	**—**	—	**—**	2
	$ 41	$ 26	**$ 84**	$ 50

(1) See Note 6 for additional information.

(2) Includes accelerated amortization expense related to customer relationship intangible assets of $7 million and $14 million in the three- and six-month periods ended January 26, 2025 and January 28, 2024.

(3) Related to the acquisition of Sovos Brands. See Note 3 for additional information.

(4) Related to the sale of our Pop Secret popcorn business. See Note 4 for additional information.

Item 2. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

OVERVIEW

This Management's Discussion and Analysis of Financial Condition and Results of Operations is provided as a supplement to, and should be read in conjunction with, the Consolidated Financial Statements and the Notes to the Consolidated Financial Statements in "Part I - Item 1. Financial Statements," and our Form 10-K for the year ended July 28, 2024, including but not limited to "Part I - Item 1A. Risk Factors" and "Part II - Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations."

Executive Summary

Unless otherwise stated, the terms "we," "us," "our" and the "company" refer to The Campbell's Company and its consolidated subsidiaries.

We are a manufacturer and marketer of high-quality, branded food and beverage products. We operate in a highly competitive industry and experience competition in all of our categories.

On March 12, 2024, we completed the acquisition of Sovos Brands, Inc. (Sovos Brands) for total purchase consideration of $2.899 billion. For additional information on the Sovos Brands acquisition, see Note 3 to the Consolidated Financial Statements. All references to the acquisition below refer to the Sovos Brands acquisition.

On August 26, 2024, we completed the sale of our Pop Secret popcorn business. For additional information on the divestiture, see Note 4 to the Consolidated Financial Statements.

On February 24, 2025, we completed the sale of our noosa yoghurt business for $188 million, subject to certain customary purchase price adjustments. For additional information on the divestiture, see Note 4 to the Consolidated Financial Statements.

Business Trends

Our industry continues to navigate an ongoing recovery in light of global macroeconomic challenges, including changes in consumer purchasing and spending patterns; supply chain pressures; commodity cost volatility; labor market issues; and economic uncertainties amplified by increased regulatory activity, potential or actual imposition of tariffs and shifting global trade policies. Twenty-five percent tariffs on product imports from Mexico and Canada, and additional 10% tariffs on product imports from China (for an aggregate of 20%) went into effect on March 4, 2025. These actions are expected to result in retaliatory measures on U.S. goods. We are continuing to monitor the rapidly evolving tariff and global trade policies and are working with our suppliers to mitigate potential impacts on our business. The extent and duration of the tariffs and the resulting impact on general economic conditions and on our business are uncertain and depend on various factors, such as negotiations between the U.S. and affected countries, the responses of other countries or regions, exemptions that may be granted, availability and cost of alternative sources of supply and demand for our products in affected markets.

Through the second quarter, we continued to experience some moderation in input cost inflation, as we continue to see cost improvement across certain ingredients and packaging materials. We anticipate continued supply chain productivity and benefits from cost savings initiatives to mitigate inflationary pressures and expect such benefits to offset incremental costs in 2025, excluding potential impacts of tariffs. We expect consumer trends to continue to evolve and our volumes to improve over time; however, economic pressures, including the challenges of persistent inflation and impacts of tariffs, may continue to negatively impact our volumes throughout 2025. We will continue to evaluate the evolving macroeconomic environment to take action to mitigate the impact on our business, consolidated results of operations and financial condition.

Company Name Change

On November 19, 2024, at the 2024 Annual Meeting of Shareholders of the company, our shareholders approved an amendment to the company’s Restated Certificate of Incorporation to change the company’s name from “Campbell Soup Company” to “The Campbell’s Company.” The company’s name change became effective on November 19, 2024.

Summary of Results

This Summary of Results provides significant highlights from the discussion and analysis that follows.

- Net sales increased 9% in the quarter to $2.685 billion primarily due to a 13-point benefit from the acquisition of Sovos Brands.
- Gross profit, as a percent of sales, was 30.5% in 2025 compared to 31.6% in the prior-year quarter. The decrease was primarily due to unfavorable net price realization, the impact of cost inflation and other supply chain costs and the impact of the acquisition, partially offset by benefits from supply chain productivity improvements.
- Earnings per share were $.58 in 2025, compared to $.68 in the prior-year quarter. The current quarter included expenses of $.16 per share and the prior-year quarter included expenses of $.12 per share from items impacting comparability as discussed below.

Net Earnings attributable to The Campbell's Company

The following items impacted the comparability of net earnings and net earnings per share:

- We implemented several cost savings initiatives in recent years. In the second quarter of 2025, we recorded Restructuring charges of $5 million and implementation costs and other related costs of $10 million in Cost of products sold, $8 million in Administrative expenses, $1 million in Marketing and selling expenses and $1 million in Research and development expenses related to these initiatives. In the second quarter of 2024, we recorded Restructuring charges of $2 million and implementation costs and other related costs of $29 million in Administrative expenses, $3 million in Cost of products sold, $1 million in Marketing and selling expenses and $1 million in Research and development expenses (aggregate impact of $27 million after tax, or $.09 per share) related to these initiatives. Year-to-date in 2025, we recorded Restructuring charges of $11 million and implementation costs and other related costs of $19 million in Administrative expenses, $18 million in Cost of products sold, $2 million in Marketing and selling expenses and $2 million in Research and development expenses related to these initiatives. Year-to-date in 2024, we recorded Restructuring charges of $4 million and implementation costs and other related costs of $34 million in Administrative expenses, $6 million in Cost of products sold, $3 million in Marketing and selling expenses and $2 million in Research and development expenses (aggregate impact of $37 million after tax, or $.12 per share) related to these initiatives.

  In the second quarter of 2024, we began implementation of an optimization initiative to improve the effectiveness of our Snacks direct-store-delivery route-to-market network. Year-to-date in 2025, we recognized $8 million in Marketing and selling expenses related to this initiative.

  In the second quarter of 2025, the total aggregate impact related to the cost savings and optimization initiatives was $25 million ($19 million after tax, or $.06 per share). Year-to-date in 2025, the total aggregate impact related to the cost savings and optimization initiatives was $60 million ($46 million after tax, or $.15 per share). See Note 8 to the Consolidated Financial Statements and "Restructuring Charges, Cost Savings Initiatives and Other Optimization Initiatives" for additional information;

- In the second quarter of 2025, we recognized gains in Cost of products sold of $14 million ($10 million after tax, or $.03 per share) associated with unrealized mark-to-market adjustments on outstanding undesignated commodity hedges. In the second quarter of 2024, we recognized gains in Cost of products sold of $7 million ($5 million after tax, or $.02 per share) associated with unrealized mark-to-market adjustments on outstanding undesignated commodity hedges. Year-to-date in 2025, we recognized gains in Cost of products sold of $18 million ($13 million after tax, or $.04 per share) associated with unrealized mark-to-market adjustments on outstanding undesignated commodity hedges. Year-to-date in 2024, we recognized losses in Cost of products sold of $8 million ($6 million after tax, or $.02 per share) associated with unrealized mark-to-market adjustments on outstanding undesignated commodity hedges;

- In the second quarter of 2025 and 2024, we recorded accelerated amortization expense in Other expenses / (income) of $7 million ($5 million after tax, or $.02 per share) related to customer relationship intangible assets due to the loss of certain contract manufacturing customers, which began in the fourth quarter of 2023. Year-to-date in 2025 and 2024, we recorded accelerated amortization expense in Other expenses / (income) of $14 million ($10 million after tax, or $.03 per share);

- In the second quarter of 2025, we performed an interim impairment assessment on certain salty snacks and cookie trademarks within our Snacks segment, including *Tom's*, *Jays*, *Kruncher's*, *O-Ke-Doke*, *Stella D'oro* and *Archway*, collectively referred to as our "Allied brands," and recognized an impairment charge of $15 million on the trademarks.

  In the second quarter of 2025, we performed an interim impairment assessment on the *Late July* trademark within our Snacks segment and recognized an impairment charge of $11 million on the trademark.

  In the second quarter of 2025, the total aggregate impact of the impairment charges was $26 million ($19 million after tax, or $.06 per share).

  The charges were included in Other expenses / (income);

- In the second quarter of 2025, we recorded $15 million ($.05 per share) of deferred tax expense related to the sale of the noosa yoghurt business, which was completed on February 24, 2025. In the first quarter of 2025, we recorded a loss in Other expenses / (income) of $25 million ($19 million after tax, or $.06 per share) on the sale of our Pop Secret popcorn business. Year-to-date in 2025, the total aggregate impact of charges associated with divestitures was $25 million ($34 million after tax, or $.11 per share);

- In the second quarter of 2025, we recorded litigation expenses in Administrative expenses of $1 million ($1 million after tax) related to the Plum baby food and snacks business (Plum), which was divested on May 3, 2021, and certain other litigation matters. In the second quarter of 2024, we recorded litigation expenses in Administrative expenses of $1 million ($1 million after tax) related to Plum. Year-to-date in 2025, we recorded litigation expenses in Administrative expenses of $2 million ($2 million after tax, or $.01 per share) related to Plum and certain other litigation matters. Year-to-date in 2024, we recorded litigation expenses in Administrative expenses of $3 million ($3 million after tax, or $.01 per share) related to Plum;
- Year-to-date in 2025, we recognized insurance recoveries in Administrative expenses of $1 million ($1 million after tax) related to a cybersecurity incident that was identified in the fourth quarter of 2023. Year-to-date in 2024, we recorded costs of $2 million in Cost of products sold and $1 million in Administrative expenses (aggregate impact of $2 million after tax, or $.01 per share) related to the cybersecurity incident;
- Year-to-date in 2025, we recognized an actuarial loss in Other expenses / (income) of $2 million ($1 million after tax) related to an interim remeasurement of our postretirement plan due to a plan amendment; and
- In the first quarter of 2024, we announced our intent to acquire Sovos Brands and on March 12, 2024, the acquisition closed. In the second quarter of 2024, we incurred costs associated with the acquisition in Other expenses / (income) of $10 million ($9 million after tax, or $.03 per share). Year-to-date in 2024, we incurred costs associated with the acquisition in Other expenses / (income) of $19 million ($17 million after tax, or $.06 per share).

The items impacting comparability are summarized below:

	Three Months Ended			
	January 26, 2025		January 28, 2024	
(Millions, except per share amounts)	**Earnings Impact**	**EPS Impact**	**Earnings Impact**	**EPS Impact**
Net earnings attributable to The Campbell's Company	**$ 173**	**$ .58**	$ 203	$ .68
Costs associated with cost savings and optimization initiatives	**$ (19)**	**$ (.06)**	$ (27)	$ (.09)
Commodity mark-to-market gains	**10**	**.03**	5	.02
Accelerated amortization	**(5)**	**(.02)**	(5)	(.02)
Impairment charges	**(19)**	**(.06)**	—	—
Charges associated with divestitures	**(15)**	**(.05)**	—	—
Certain litigation expenses	**(1)**	**—**	(1)	—
Costs associated with acquisition	**—**	**—**	(9)	(.03)
Impact of items on Net earnings	**$ (49)**	**$ (.16)**	$ (37)	$ (.12)

	Six Months Ended			
	January 26, 2025		January 28, 2024	
(Millions, except per share amounts)	**Earnings Impact**	**EPS Impact**	**Earnings Impact**	**EPS Impact**
Net earnings attributable to The Campbell's Company	**$ 391**	**$ 1.30**	$ 437	$ 1.46
Costs associated with cost savings and optimization initiatives	**$ (46)**	**$ (.15)**	$ (37)	$ (.12)
Commodity mark-to-market gains (losses)	**13**	**.04**	(6)	(.02)
Accelerated amortization	**(10)**	**(.03)**	(10)	(.03)
Impairment charges	**(19)**	**(.06)**	—	—
Charges associated with divestitures	**(34)**	**(.11)**	—	—
Certain litigation expenses	**(2)**	**(.01)**	(3)	(.01)
Cybersecurity incident recoveries (costs)	**1**	**—**	(2)	(.01)
Postretirement actuarial losses	**(1)**	**—**	—	—
Costs associated with acquisition	**—**	**—**	(17)	(.06)
Impact of items on Net earnings[(1)]	**$ (98)**	**$ (.33)**	$ (75)	$ (.25)

(1) Sum of the individual amounts may not add due to rounding.

Net earnings attributable to The Campbell's Company were $173 million ($.58 per share) in the current quarter, compared to $203 million ($.68 per share) in the year-ago quarter. After adjusting for items impacting comparability, earnings decreased primarily due to higher marketing and selling expenses and higher interest expense, partially offset by an increase in gross profit.

Net earnings attributable to The Campbell's Company were $391 million ($1.30 per share) in the six-month period this year, compared to $437 million ($1.46 per share) in the year-ago period. After adjusting for items impacting comparability, earnings decreased primarily due to higher interest expense, higher marketing and selling expenses and higher administrative expenses, partially offset by an increase in gross profit.

SECOND-QUARTER DISCUSSION AND ANALYSIS

Sales

An analysis of net sales by reportable segment follows:

(Millions)	Three Months Ended January 26, 2025	Three Months Ended January 28, 2024	% Change
Meals & Beverages	**$ 1,679**	$ 1,382	21
Snacks	**1,006**	1,074	(6)
	$ 2,685	$ 2,456	9

An analysis of percent change of net sales by reportable segment follows:

	Meals & Beverages[2]	Snacks	Total[2]
Volume/mix	1%	(2)%	—%
Net price realization[1]	(2)	(1)	(2)
Divestiture	—	(3)	(1)
Acquisition	23	—	13
	21%	(6)%	9%

(1) Includes revenue reductions from trade promotion and consumer coupon redemption programs.

(2) Sum of the individual amounts does not add due to rounding.

In Meals & Beverages, sales increased 21%, primarily due to a 23-point benefit from the acquisition of Sovos Brands. Excluding the benefit from the acquisition of Sovos Brands, sales decreased primarily due to declines in *SpaghettiOs* and U.S. soup, partially offset by gains in foodservice. Lower net price realization was partially offset by favorable volume/mix. Sales of U.S. soup decreased 1% primarily due to declines in ready-to-serve soups and condensed soups, partially offset by increases in broth.

In Snacks, sales decreased 6%. Excluding the impact from the divestiture of the Pop Secret popcorn business, sales decreased due to declines in third-party partner brands and contract manufacturing, *Goldfish* crackers and *Snyder's of Hanover* pretzels. Sales were impacted by volume/mix declines and lower net price realization.

Gross Profit

Gross profit, defined as Net sales less Cost of products sold, increased by $43 million in 2025 from 2024. As a percent of sales, gross profit was 30.5% in 2025 and 31.6% in 2024.

The 110 basis-point decrease in gross profit margin was due to the following factors:

	Margin Impact
Net price realization	**(110)**
Cost inflation, supply chain costs and other factors[(1)]	**(50)**
Impact of acquisition	**(40)**
Higher costs associated with cost savings initiatives	**(30)**
Productivity improvements	**110**
Volume/mix[(2)]	**10**
	(110)

(1) Includes an estimated positive margin impact of 50 basis points from the benefit of cost savings initiatives and a 30 basis-point positive impact from the change in unrealized mark-to-market adjustments on outstanding undesignated commodity hedges, which were more than offset by the impact of cost inflation and other factors.

(2) Includes the impact of operating leverage.

Marketing and Selling Expenses

Marketing and selling expenses as a percent of sales were 9.5% in 2025 compared to 8.8% in 2024. Marketing and selling expenses increased 18% in 2025 from 2024. The increase was primarily due to the impact of the acquisition (approximately 11 points) and higher advertising and consumer promotion expense (approximately 7 points) driven by Meals & Beverages and Snacks.

Administrative Expenses

Administrative expenses as a percent of sales were 6.1% in 2025 compared to 7.7% in 2024. Administrative expenses decreased 13% in 2025 from 2024. The decrease was primarily due to lower costs associated with cost savings initiatives (approximately 11 points) and increased benefits from cost savings initiatives (approximately 6 points), partially offset by the impact of the acquisition (approximately 5 points).

Other Expenses / (Income)

Other expenses were $41 million in 2025 compared to $26 million in 2024. Other expenses in 2025 included impairment charges related to the Allied brands and *Late July* trademarks of $26 million and accelerated amortization expense of $7 million. Other expenses in 2024 included costs associated with the acquisition of $10 million and accelerated amortization expense of $7 million.

Operating Earnings

Segment operating earnings decreased 1% in 2025 from 2024.

An analysis of operating earnings by segment follows:

	Three Months Ended		
(Millions)	**January 26, 2025**	**January 28, 2024**	**% Change**
Meals & Beverages	**$ 291**	$ 247	18
Snacks	**114**	161	(29)
	405	408	(1)
Corporate income (expense)	**(73)**	(89)	
Restructuring charges[(1)]	**(5)**	(2)	
Earnings before interest and taxes	**$ 327**	$ 317	

(1) See Note 8 to the Consolidated Financial Statements for additional information on restructuring charges.

Operating earnings from Meals & Beverages increased 18%. The increase was primarily due to the benefit of the acquisition of Sovos Brands, partially offset by higher marketing and selling expenses.

Operating earnings from Snacks decreased 29%. The decrease was primarily due to lower gross profit and higher marketing and selling expenses. Gross profit decreased primarily due to the impact of cost inflation and other supply chain costs, unfavorable volume/mix and unfavorable net price realization, partially offset by supply chain productivity improvements and the benefits from cost savings initiatives.

Corporate expense in 2025 included the following:

- $26 million of impairment charges related to the Allied brands and *Late July* trademarks;
- costs of $20 million related to costs savings and optimization initiatives;
- $7 million of accelerated amortization expense;
- $1 million of certain litigation expenses, including expenses related to Plum; and
- $14 million of unrealized mark-to-market gains on outstanding undesignated commodity hedges.

Corporate expense in 2024 included the following:

- costs of $34 million related to cost savings initiatives;
- $10 million of costs associated with the acquisition of Sovos Brands;
- $7 million of accelerated amortization expense;
- $1 million of Plum litigation expenses; and
- $7 million of unrealized mark-to-market gains on outstanding undesignated commodity hedges.

Excluding these amounts, the remaining decrease was primarily due to lower administrative costs.

Interest Expense

Interest expense of $88 million in 2025 increased from $46 million in 2024 primarily due to higher levels of debt.

Taxes on Earnings

The effective tax rate was 30.0% in 2025 and 25.1% in 2024. The increase in the effective tax rate was primarily due to $15 million of deferred tax expense recognized related to the sale of the noosa yoghurt business in the current quarter, partially offset by nondeductible costs associated with the acquisition of Sovos Brands in the year-ago quarter.

SIX-MONTH DISCUSSION AND ANALYSIS

Sales

An analysis of net sales by reportable segment follows:

	Six Months Ended		
(Millions)	**January 26, 2025**	**January 28, 2024**	**% Change**
Meals & Beverages	**$ 3,385**	$ 2,786	22
Snacks	**2,072**	2,188	(5)
	$ 5,457	$ 4,974	10

An analysis of percent change of net sales by reportable segment follows:

	Meals & Beverages[(2)]	Snacks	Total[(2)]
Volume/mix	1%	(2)%	—%
Net price realization[(1)]	(2)	(1)	(1)
Divestiture	—	(2)	(1)
Acquisition	22	—	13
	22%	(5)%	10%

(1) Includes revenue reductions from trade promotion and consumer coupon redemption programs.

(2) Sum of the individual amounts does not add due to rounding.

In Meals & Beverages, sales increased 22%, primarily due to a 22-point benefit from the acquisition of Sovos Brands. Excluding the benefit from the Sovos Brands acquisition, sales decreased primarily due to declines in U.S. soup and *SpaghettiOs*, partially offset by gains in foodservice and *Prego* pasta sauces. Lower net price realization was partially offset by favorable volume/mix. Sales of U.S. soup decreased 3% primarily due to decreases in ready-to-serve soups and condensed soups, partially offset by an increase in broth.

In Snacks, sales decreased 5%. Excluding the impact from the divestiture of the Pop Secret popcorn business, sales decreased due to declines in third-party partner brands and contract manufacturing, *Goldfish* crackers, Pepperidge Farm cookies and *Snyder's of Hanover* pretzels. Sales were impacted by volume/mix declines and lower net price realization.

Gross Profit

Gross profit, defined as Net sales less Cost of products sold, increased by $122 million in 2025 from 2024. As a percent of sales, gross profit was 30.9% in 2025 and 31.4% in 2024.

The 50 basis-point decrease in gross profit margin was due to the following factors:

	Margin Impact
Net price realization	**(100)**
Impact of acquisition	**(50)**
Cost inflation, supply chain costs and other factors[1]	**(30)**
Higher costs associated with cost savings initiatives	**(20)**
Productivity improvements	**140**
Volume/mix[2]	**10**
	(50)

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(1) Includes a 50 basis-point positive impact from the change in unrealized mark-to-market adjustments on outstanding undesignated commodity hedges and an estimated positive margin impact of 50 basis points from the benefit of cost savings initiatives, which were more than offset by cost inflation and other factors.

(2) Includes the impact of operating leverage.

Marketing and Selling Expenses

Marketing and selling expenses as a percent of sales were 9.3% in 2025 and 8.8% in 2024. Marketing and selling expenses increased 15% in 2025 from 2024. The increase was primarily due to the impact of the acquisition (approximately 11 points), higher advertising and consumer promotion expense (approximately 3 points) and higher costs related to cost savings and optimization initiatives (approximately 2 points), partially offset by lower other marketing expenses (approximately 1 point). The increase in advertising and consumer promotion expense was driven by Snacks and Meals & Beverages.

Administrative Expenses

Administrative expenses as a percent of sales were 6.2% in 2025 compared to 7.0% in 2024. Administrative expenses decreased 2% in 2025 from 2024. The decrease was primarily due to increased benefits from cost savings initiatives (approximately 5 points); lower costs related to cost savings initiatives (approximately 4 points); lower incentive compensation (approximately 1 point) and lower benefit-related costs (approximately 1 point), partially offset by the impact of the acquisition (approximately 5 points) and higher general administrative costs (approximately 4 points).

Other Expenses / (Income)

Other expenses were $84 million in 2025 compared to $50 million in 2024. Other expenses in 2025 included impairment charges related to the Allied brands and *Late July* trademarks of $26 million, a loss of $25 million on the sale of the Pop Secret popcorn business, accelerated amortization expense of $14 million and a postretirement actuarial loss of $2 million. Other expenses in 2024 included costs associated with the acquisition of $19 million and accelerated amortization expense of $14 million.

Operating Earnings

Segment operating earnings increased 3% in 2025 from 2024.

An analysis of operating earnings by segment follows:

	Six Months Ended		
(Millions)	January 26, 2025	January 28, 2024	% Change
Meals & Beverages	**$ 628**	$ 534	18
Snacks	**256**	322	(20)
	884	856	3
Corporate income (expense)	**(179)**	(177)	
Restructuring charges[1]	**(11)**	(4)	
Earnings before interest and taxes	**$ 694**	$ 675	

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(1) See Note 8 to the Consolidated Financial Statements for additional information on restructuring charges.

Operating earnings from Meals & Beverages increased 18%. The increase was primarily due to the benefit of the acquisition of Sovos Brands.

Operating earnings from Snacks decreased 20%. The decrease was primarily due to lower gross profit and higher marketing and selling expenses. Gross profit decreased primarily due to the impact of cost inflation and other supply chain costs, unfavorable volume/mix and unfavorable net price realization, partially offset by supply chain productivity improvements and benefits from cost savings initiatives.

Corporate expense in 2025 included the following:

- costs of $49 million related to costs savings initiatives;
- $26 million of impairment charges related to the Allied brands and *Late July* trademarks;
- $25 million loss on the sale of the Pop Secret popcorn business;
- $14 million of accelerated amortization expense;
- $2 million postretirement actuarial loss;
- $2 million of certain litigation expenses, including expenses related to Plum;
- $18 million of unrealized mark-to-market gains on outstanding undesignated commodity hedges; and
- $1 million of insurance recoveries related to a cybersecurity incident.

Corporate expense in 2024 included the following:

- costs of $45 million related to cost savings initiatives;
- $19 million of costs associated with the acquisition of Sovos Brands;
- $14 million of accelerated amortization expense;
- $8 million of unrealized mark-to-market losses on outstanding undesignated commodity hedges;
- $3 million of Plum litigation expenses; and
- $3 million of costs associated with a cybersecurity incident.

Interest Expense

Interest expense of $175 million in 2025 increased from $95 million in 2024 primarily due to higher levels of debt.

Taxes on Earnings

The effective tax rate was 26.4% in 2025 and 24.8% in 2024. The increase in the effective tax rate was primarily due to $15 million of deferred tax expense recognized related to the sale of the noosa yoghurt business in the current year, partially offset by excess tax benefits associated with the vesting of stock-based compensation awards in the current year and nondeductible costs associated with the acquisition of Sovos Brands in the prior year.

Restructuring Charges, Cost Savings Initiatives and Other Optimization Initiatives

Multi-year Cost Savings Initiatives and Snyder's-Lance, Inc. (Snyder's-Lance) Cost Transformation Program and Integration

Continuing Operations

Beginning in fiscal 2015, we implemented initiatives to reduce costs and to streamline our organizational structure.

Over the years, we expanded these initiatives by continuing to optimize our supply chain and manufacturing networks, as well as our information technology infrastructure.

On March 26, 2018, we completed the acquisition of Snyder's-Lance. Prior to the acquisition, Snyder's-Lance launched a cost transformation program following a comprehensive review of its operations with the goal of significantly improving its financial performance. We continued to implement this program and identified opportunities for additional cost synergies as we integrated Snyder's-Lance.

In 2022, we expanded these initiatives as we continued to pursue cost savings by further optimizing our supply chain and manufacturing network and through effective cost management. In the second quarter of 2023, we announced plans to consolidate our Snacks offices in Charlotte, North Carolina, and Norwalk, Connecticut, into our headquarters in Camden, New Jersey.

A summary of the pre-tax charges recognized in the Consolidated Statements of Earnings related to these initiatives is as follows:

	January 28, 2024		
(Millions, except per share amounts)	**Three Months Ended**	**Six Months Ended**	**Total Program**
Restructuring charges	$ 2	$ 4	$ 297
Administrative expenses	29	34	437
Cost of products sold	3	6	128
Marketing and selling expenses	1	3	23
Research and development expenses	1	2	10
Total pre-tax charges	$ 36	$ 49	$ 895
Aggregate after-tax impact	$ 27	$ 37	
Per share impact	$ .09	$ .12	

A summary of the pre-tax costs associated with these initiatives is as follows:

(Millions)	**Total Program**
Severance pay and benefits	$ 253
Asset impairment/accelerated depreciation	134
Implementation costs and other related costs	508
Total	$ 895

Of the aggregate $895 million pre-tax costs incurred, approximately $720 million were cash expenditures.

Segment operating results do not include restructuring charges, implementation costs and other related costs because we evaluate segment performance excluding such charges. A summary of the pre-tax costs associated with segments is as follows:

(Millions)	**Total Program**
Meals & Beverages	$ 288
Snacks	383
Corporate	224
Total	$ 895

As of July 28, 2024, we substantially completed the multi-year cost savings initiatives and Snyder's-Lance cost transformation program and integration, and we generated total pre-tax savings of approximately $950 million. Certain phases that had not been fully implemented were incorporated into the 2025 cost savings initiatives described below.

Sovos Brands Integration Initiatives

On March 12, 2024, we completed the acquisition of Sovos Brands. See Note 3 to the Consolidated Financial Statements for additional information. We identified opportunities for cost synergies as we integrate Sovos Brands.

In 2024, we recorded Restructuring charges of $21 million for severance pay and benefits related to initiatives to achieve the synergies and generated pre-tax savings of $10 million. The charges incurred in 2024 were associated with the Meals & Beverages segment.

In 2025, the initiatives to achieve synergies were incorporated into the cost savings initiatives described below.

2025 Cost Savings Initiatives

On September 10, 2024, we announced plans to implement cost savings initiatives beginning in 2025, including initiatives to further optimize our supply chain and manufacturing network, optimization of our information technology infrastructure and targeted cost management. We also identified additional opportunities for cost synergies as we integrate Sovos Brands. As mentioned above, we substantially completed our previous multi-year cost savings initiatives and Snyder's-Lance cost transformation program and integration. Certain initiatives from that program have been incorporated into our 2025 cost savings initiatives. Cost estimates for the 2025 initiatives, as well as timing for certain activities, are continuing to be developed.

A summary of the pre-tax charges recorded in the Consolidated Statement of Earnings related to these initiatives is as follows:

	January 26, 2025	
(Millions, except per share amounts)	**Three Months Ended**	**Six Months Ended**
Restructuring charges	$ 5	$ 11
Administrative expenses	8	19
Cost of products sold	10	18
Marketing and selling expenses	1	2
Research and development expenses	1	2
Total pre-tax charges	$ 25	$ 52
Aggregate after-tax impact	$ 19	$ 40
Per share impact	$ .06	$ .13

A summary of the pre-tax costs associated with the initiatives is as follows:

(Millions)	**Recognized as of January 26, 2025**
Severance pay and benefits	$ 11
Asset impairment/accelerated depreciation	17
Implementation costs and other related costs	24
Total	$ 52

The total estimated pre-tax costs for actions that have been identified to date are approximately $190 million, and we expect to incur substantially all of the costs through 2028. These estimates will be updated as the detailed plans are developed.

We expect the costs for the actions that have been identified to date to consist of the following: approximately $20 million in severance pay and benefits; approximately $50 million in asset impairment and accelerated depreciation; and approximately $120 million in implementation costs and other related costs. We expect these pre-tax costs to be associated with our segments as follows: Meals & Beverages - approximately 72%; Snacks - approximately 9% and Corporate - approximately 19%.

Of the aggregate $190 million of pre-tax costs identified to date, we expect approximately $135 million will be cash expenditures. In addition, we expect to invest approximately $215 million in capital expenditures, of which we invested $57 million as of January 26, 2025. The capital expenditures primarily relate to optimization of production within our manufacturing network, implementation of our existing SAP enterprise-resource planning system for Sovos Brands and optimization of information technology infrastructure and applications.

We expect the initiatives, once all phases are implemented, to generate annual ongoing savings of approximately $250 million by the end of 2028. As of January 26, 2025, we have generated total program-to-date pre-tax savings of $65 million.

Segment operating results do not include restructuring charges, implementation costs and other related costs because we evaluate segment performance excluding such charges. A summary of the pre-tax costs associated with segments is as follows:

	January 26, 2025	
(Millions)	**Three Months Ended**	**Six Months Ended**
Meals & Beverages	$ 16	$ 37
Snacks	2	5
Corporate	7	10
Total	$ 25	$ 52

Other Optimization Initiatives

In the second quarter of 2024, we began implementation of an initiative to improve the effectiveness of our Snacks direct-store-delivery route-to-market network. Pursuant to this initiative we will purchase certain Pepperidge Farm and Snyder's-Lance routes where there are opportunities to unlock greater scale in select markets, combine them and sell the combined routes to independent contractor distributors. We expect to execute this program in a staggered rollout and to incur expenses of up to approximately $115 million through 2029. In the six-month period ended January 26, 2025, we incurred $8 million in Marketing and selling expenses related to this initiative. As of January 26, 2025, we have incurred $13 million in Marketing and selling expenses related to this initiative.

LIQUIDITY AND CAPITAL RESOURCES

We expect foreseeable liquidity and capital resource requirements to be met through anticipated cash flows from operations; long-term borrowings; short-term borrowings, which may include commercial paper; credit facilities; and cash and cash equivalents. We believe that our sources of financing will be adequate to meet our future requirements.

Operating Activities

We generated cash flows from operations of $737 million in 2025, compared to $684 million in 2024. The increase in 2025 was primarily due to higher cash earnings and changes in working capital.

We had negative working capital of $232 million as of January 26, 2025, and $1.386 billion as of July 28, 2024. Current assets were less than current liabilities, which included debt maturing in one year, due to a focus on lowering core working capital requirements. Total debt maturing within one year was $1.179 billion as of January 26, 2025, and $1.423 billion as of July 28, 2024.

As part of our focus to lower core working capital requirements, we have worked with our suppliers to optimize our terms and conditions, including the extension of payment terms. Our current payment terms with our suppliers, which we deem to be commercially reasonable, generally range from 0 to 120 days. We also maintain agreements with third-party administrators that allow participating suppliers to track payment obligations from us, and, at the sole discretion of the supplier, sell those payment obligations to participating financial institutions. Our obligations to our suppliers, including amounts due and scheduled payment terms, are not impacted. Supplier participation in these agreements is voluntary. We have no economic interest in a supplier’s decision to enter into these agreements and no direct financial relationship with the financial institutions. We have not pledged assets as security or provided any guarantees in connection with these arrangements. The payment of these obligations is included in cash provided by operating activities in the Consolidated Statements of Cash Flows. Amounts outstanding under these programs, which are included in Accounts payable on the Consolidated Balance Sheets, were approximately $269 million at January 26, 2025 and $243 million at July 28, 2024.

Investing Activities

Capital expenditures were $211 million in 2025 and $263 million in 2024. Capital expenditures in 2025 included chip and cracker capacity expansion for our Snacks business, enhancements to our headquarters in Camden, New Jersey and network optimization for our Meals & Beverages business. Capital expenditures are expected to total approximately $485 million in 2025.

In Snacks, we have a direct-store-delivery distribution model that uses independent contractor distributors. From time to time, we purchase and sell routes, including certain routes under our optimization initiatives. The purchase and sale proceeds of the routes are reflected in investing activities.

On August 26, 2024, we sold our Pop Secret popcorn business for $70 million.

Financing Activities

Dividend payments were $227 million in 2025 and $224 million in 2024. The regular quarterly dividend paid on our capital stock was $.39 and $.37 per share in the second quarter of 2025 and 2024, respectively. On December 3, 2024, the Board of Directors approved an increase in the regular quarterly dividend from $.37 per share to $.39 per share, or 5%. They then declared a regular quarterly dividend of $.39 per share payable on January 27, 2025 to shareholders of record at the close of business on January 2, 2025. On February 26, 2025, the Board of Directors declared a regular quarterly dividend of $.39 per share payable on April 28, 2025 to shareholders of record at the close of business on April 3, 2025.

In September 2021, the Board approved a strategic share repurchase program of up to $500 million (September 2021 program). The September 2021 program has no expiration date, but it may be suspended or discontinued at any time. Repurchases under the September 2021 program may be made in open-market or privately negotiated transactions. In September 2024, the Board authorized an anti-dilutive share repurchase program of up to $250 million (September 2024 program) to offset the impact of dilution from shares issued under our stock compensation programs. The September 2024 program has no expiration date, but it may be suspended or discontinued at any time. Repurchases under the September 2024 program may be made in open-market or privately negotiated transactions. The September 2024 program replaced an anti-dilutive share repurchase program of up to $250 million that was approved by the Board in June 2021 and has been terminated. During the six-month periods ended January 26, 2025 and January 28, 2024, we repurchased 1.134 million shares at a cost of $56 million and 707 thousand shares at a cost of $29 million, respectively, pursuant to our anti-dilutive share repurchase programs. As of January 26, 2025, approximately $205 million remained available under the September 2024 program and approximately $301 million remained available under the September 2021 program. See Note 15 to the Consolidated Financial Statements and "Unregistered Sales of Equity Securities and Use of Proceeds" for additional information.

In August 2023, we filed a registration statement with the Securities and Exchange Commission that registered an indeterminate amount of debt securities. Under the registration statement we may issue debt securities from time to time, depending on market conditions. On October 2, 2024, pursuant to the registration statement, we completed the issuance of senior unsecured notes of $1.15 billion, consisting of:

- $800 million aggregate principal amount of notes bearing interest at a fixed rate of 4.75% per annum, due March 23, 2035, with interest payable semi-annually on each of March 23 and September 23 commencing March 23, 2025; and
- $350 million aggregate principal amount of notes bearing interest at a fixed rate of 5.25% per annum, due October 13, 2054, with interest payable semi-annually on each of April 13 and October 13 commencing April 13, 2025.

The notes contain customary covenants and events of default. If a change of control triggering event occurs, we will be required to offer to purchase the notes at a purchase price equal to 101% of the principal amount plus accrued and unpaid interest, if any, to the purchase date. In October 2024, we used a portion of the net proceeds from the issuance of the notes to repay $200 million of the $400 million outstanding under our 2022 Delayed Draw Term Loan Credit Agreement (the 2022 DDTL Credit Agreement) due November 15, 2025 and a portion of our outstanding commercial paper. In November 2024, we repaid the remaining $200 million outstanding under the 2022 DDTL Credit Agreement. We have $1.15 billion aggregate principal amount of senior notes maturing in March 2025, which we intend to repay by using a portion of the proceeds from the issuance of the notes along with cash on hand and issuing commercial paper.

As of January 26, 2025, we had $1.179 billion of short-term borrowings due within one year, of which none was comprised of commercial paper borrowings. As of January 26, 2025, we issued $27 million of standby letters of credit.

On April 16, 2024, we entered into a Five-Year Credit Agreement for an unsecured, senior revolving credit facility (the 2024 Revolving Credit Facility Agreement) in an aggregate principal amount equal to $1.85 billion with a maturity date of April 16, 2029 or such later date as extended pursuant to the terms set forth in the 2024 Revolving Credit Facility Agreement. The 2024 Revolving Credit Facility Agreement remained unused at January 26, 2025, except for $1 million of standby letters of credit that we issued under it. We may increase the 2024 Revolving Credit Facility Agreement commitments up to an additional $500 million, subject to the satisfaction of certain conditions. Loans under the 2024 Revolving Credit Facility Agreement will bear interest at the rates specified in the 2024 Revolving Credit Facility Agreement, which vary based on the type of loan and certain other conditions. The 2024 Revolving Credit Facility Agreement contains customary covenants, including a financial covenant with respect to a minimum consolidated interest coverage ratio of consolidated adjusted EBITDA to consolidated interest expense of not less than 3.25:1.00, and customary events of default for credit facilities of this type. The facility supports our commercial paper program and other general corporate purposes. We expect to continue to access the commercial paper markets, bank credit lines and utilize cash flows from operations to support our short-term liquidity requirements.

We are in compliance with the covenants contained in our credit facilities and debt securities.

CRITICAL ACCOUNTING ESTIMATES

We prepare our consolidated financial statements in conformity with accounting principles generally accepted in the United States. The preparation of these financial statements requires the use of estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the periods presented. Actual results could differ from those estimates and assumptions. Our significant accounting policies are described in Note 1 to the Consolidated Financial Statements in the Annual Report on Form 10-K for the year ended July 28, 2024 (2024 Annual Report on Form 10-K). The accounting policies we used in preparing these financial statements are substantially consistent with those we applied in our 2024 Annual Report on Form 10-K. The following areas all require the use of subjective or complex judgments, estimates or assumptions: trade and consumer promotion programs; the valuation of long-lived assets; pension and postretirement benefits and income taxes. Our critical accounting estimates are described in Management's Discussion and Analysis included in the 2024 Annual Report on Form 10-K.

Valuation of long-lived assets — The valuation of long-lived assets is an area that requires the use of subjective or complex judgments, estimates and assumptions. Goodwill and intangible assets deemed to have indefinite lives are not amortized but rather are tested at least annually in the fourth quarter for impairment, or more often if events or changes in circumstances indicate that the carrying amount of the asset may be impaired.

During the second quarter of 2025, we performed an interim impairment assessment on certain salty snacks and cookie trademarks within our Snacks segment, including *Tom's*, *Jays*, *Kruncher's*, *O-Ke-Doke*, *Stella D'oro* and *Archway*, collectively referred to as our "Allied brands." In 2025, sales performance was below expectations. In the second quarter of 2025, based on recent performance, we lowered our long-term outlook and recognized an impairment charge of $15 million on the Allied brands trademarks. As of January 26, 2025, the carrying value of the Allied brands trademarks was $28 million.

During the second quarter of 2025, we performed an interim impairment assessment on the *Late July* trademark within our Snacks segment. In 2025, sales performance was below expectations. In the second quarter of 2025, based on recent performance, we lowered our long-term outlook and recognized an impairment charge of $11 million on the trademark. As of January 26, 2025, the carrying value of the *Late July* trademark was $47 million.

The impairment charges were recorded in Other expenses / (income) in the Consolidated Statement of Earnings.

As of January 26, 2025, the carrying value of indefinite-lived trademarks was $3.828 billion as detailed below:

(Millions)		
Rao's	$	1,470
Snyder's of Hanover		620
Lance		350
Kettle Brand		318
Pace		292
Pacific Foods		280
Cape Cod		187
Various other Snacks[1]		311
Total	$	3,828

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[1] Includes the *Late July* and Allied brands trademarks.

The $1.47 billion carrying value of the *Rao's* trademark associated with the Sovos Brands acquisition approximates fair value. Excluding the carrying value of the *Rao's* trademark, based on the 2024 annual impairment testing and interim assessments described above, indefinite-lived trademarks with approximately 10% or less of excess coverage of fair value over carrying value had an aggregate carrying value of $1.267 billion as of January 26, 2025, and included the *Snyder's of Hanover*, *Pace*, *Pacific Foods, Late July* and Allied brands trademarks.

Although assumptions are generally interdependent and do not change in isolation, sensitivities to changes are provided below. Holding all other assumptions in our interim impairment assessment constant, changes in the assumptions below would reduce fair value of trademarks and result in impairment charges of approximately:

(Millions)	Allied brands		*Late July*	
1% increase in the weighted-average cost of capital	$	5	$	10
1% reduction in revenue growth	$	5	$	5
1% decrease in royalty rate	$	10	$	25

The estimates of future cash flows used in impairment testing are made at a point in time, involve considerable management judgment, and are based upon assumptions about expected future operating performance, assumed royalty rates, economic conditions, market conditions and cost of capital. Inherent in estimating the future cash flows are uncertainties beyond our control, such as changes in capital markets. The actual cash flows could differ materially from management’s estimates due to changes in business conditions, operating performance and economic conditions. If our assumptions change or market conditions decline, potential impairment charges could result.

RECENT ACCOUNTING PRONOUNCEMENTS

See Note 2 to the Consolidated Financial Statements for information on recent accounting pronouncements.

FORWARD-LOOKING STATEMENTS

This Report contains "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect our current expectations regarding our future results of operations, economic performance, financial condition and achievements. These forward-looking statements can be identified by words such as "anticipate," "believe," "estimate," "expect," "intend," "plan," "pursue," "strategy," "target," "will" and similar expressions. One can also identify forward-looking statements by the fact that they do not relate strictly to historical or current facts, and may reflect anticipated cost savings or implementation of our strategic plan. These statements reflect our current plans and expectations and are based on information currently available to us. They rely on several assumptions regarding future events and estimates which could be inaccurate and which are inherently subject to risks and uncertainties.

We wish to caution the reader that the following important factors and those important factors described in our other Securities and Exchange Commission filings, or in our 2024 Annual Report on Form 10-K, could affect our actual results and could cause such results to vary materially from those expressed in any forward-looking statements made by, or on behalf of, us:

- the risks associated with imposed and threatened tariffs by the U.S. and reciprocal tariffs by its trading partners;
- the risks related to the availability of, and cost inflation in, supply chain inputs, including labor, raw materials, commodities, packaging and transportation, including those related to tariffs;
- disruptions in or inefficiencies to our supply chain and/or operations, including reliance on key contract manufacturer and supplier relationships;
- declines or volatility in financial markets, deteriorating economic conditions and other external factors, including the impact and application of new or changes to existing governmental laws, regulations, and policies;
- our ability to execute on and realize the expected benefits from our strategy, including growing sales in snacks and growing/maintaining our market share position in soup;
- 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;
- the risk that the cost savings and any other synergies from the 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;
- our ability to realize projected cost savings and benefits from cost savings initiatives and the integration of recent acquisitions;
- risks related to the effectiveness of our hedging activities and our ability to respond to volatility in commodity prices;
- our ability to manage changes to our organizational structure and/or business processes, including selling, distribution, manufacturing and information management systems or processes;
- 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 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 uncertainties of litigation and regulatory actions against us;

- a disruption, failure or security breach of our or our vendors' information technology systems, including ransomware attacks;
- 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;
- our ability to attract and retain key talent;
- goals and initiatives related to, and the impacts of, climate change, including from weather-related events;
- the costs, disruption and diversion of management's attention associated with activist investors;
- our indebtedness and ability to pay such indebtedness; and
- 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.

This discussion of uncertainties is by no means exhaustive but is designed to highlight important factors that may impact our outlook. We disclaim any obligation or intent to update forward-looking statements made by us in order to reflect new information, events or circumstances after the date they are made.

Item 3. *Quantitative and Qualitative Disclosure About Market Risk*

For information regarding our exposure to certain market risk, see Item 7A, Quantitative and Qualitative Disclosure About Market Risk, in the 2024 Annual Report on Form 10-K.

Item 4. *Controls and Procedures*

a. Evaluation of Disclosure Controls and Procedure

We, under the supervision and with the participation of our management, including the President and Chief Executive Officer and the Executive Vice President and Chief Financial Officer, have evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of January 26, 2025 (Evaluation Date). Based on such evaluation, the President and Chief Executive Officer and the Executive Vice President and Chief Financial Officer have concluded that, as of the Evaluation Date, our disclosure controls and procedures are effective.

b. Changes in Internal Control

There were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended) that materially affected, or are likely to materially affect, such internal control over financial reporting during the quarter ended January 26, 2025.

PART II - OTHER INFORMATION

Item 1. *Legal Proceedings*

Information regarding reportable legal proceedings is contained in Note 17 to the Consolidated Financial Statements and incorporated herein by reference.

Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds*

Our share repurchase activity in the three months ended January 26, 2025 was:

Period	Total Number of Shares Purchased (1)	Average Price Paid Per Share (2)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (3)	Approximate Dollar Value of Shares that may yet be Purchased Under the Plans or Programs ($ in Millions) (3)
10/28/24 - 11/29/24	—	$ —	—	$ 5[illegible]
12/2/24 - 12/31/24	26,324	$ 43.03	26,324	$ 5[illegible]
1/2/25 - 1/24/25	9,907	$ 41.93	9,907	$ 5[illegible]
Total	36,231	$ 42.73	36,231	$ 5[illegible]

(1) Shares purchased are as of the trade date.

(2) Average price paid per share is calculated on a settlement basis and excludes commission and excise tax. As of January 1, 2023, our share repurchases in excess of issuances are subject to a 1% excise tax enacted by the Inflation Reduction Act. Any excise tax incurred is recognized as part of the cost basis of the shares acquired in the Consolidated Statements of Equity.

(3) In September 2021, the Board approved a strategic share repurchase program of up to $500 million (September 2021 program). The September 2021 program has no expiration date, but it may be suspended or discontinued at any time. Repurchases under the September 2021 program may be made in open-market or privately negotiated transactions. In September 2024, the Board authorized an anti-dilutive share repurchase program of up to $250 million (September 2024 program) to offset the impact of dilution from shares issued under our stock compensation programs. The September 2024 program has no expiration date, but it may be suspended or discontinued at any time. Repurchases under the September 2024 program may be made in open-market or privately negotiated transactions. The September 2024 program replaced an anti-dilutive share repurchase program of up to $250 million that was approved by the Board in June 2021 and has been terminated.

Item 5. *Other Information*

During the quarter ended January 26, 2025, none of our directors or officers (as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended) adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement" in accordance with Item 408 of Regulation S-K of the Securities Act.

Item 6. *Exhibits*

The Index to Exhibits, which immediately precedes the signature page, is incorporated by reference into this Report.

INDEX TO EXHIBITS

31.1	Certification of Mick J. Beekhuizen pursuant to Rule 13a-14(a).
31.2	Certification of Carrie L. Anderson pursuant to Rule 13a-14(a).
32.1	Certification of Mick J. Beekhuizen pursuant to 18 U.S.C. Section 1350.
32.2	Certification of Carrie L. Anderson pursuant to 18 U.S.C. Section 1350.
101.INS	Inline XBRL Instance Document - the instance document does not appear on the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Extension Schema Document.
101.CAL	Inline XBRL Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Extension Definition Linkbase Document.
101.LAB	Inline XBRL Extension Label Linkbase Document.
101.PRE	Inline XBRL Extension Presentation Linkbase Document.
104	The cover page from this Quarterly Report on Form 10-Q, formatted in Inline XBRL (included in Exhibit 101).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

March 5, 2025

THE CAMPBELL'S COMPANY

By: /s/ Carrie L. Anderson
Carrie L. Anderson
Executive Vice President and Chief Financial Officer

By: /s/ Stanley Polomski
Stanley Polomski
Senior Vice President and Controller

EXHIBIT 31.1

CERTIFICATION PURSUANT
TO RULE 13a-14(a)

I, Mick J. Beekhuizen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of The Campbell's Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 5, 2025

By: /s/ Mick J. Beekhuizen

Name: Mick J. Beekhuizen
Title: President and Chief Executive Officer

EXHIBIT 31.2

**CERTIFICATION PURSUANT
TO RULE 13a-14(a)**

I, Carrie L. Anderson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of The Campbell's Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: March 5, 2025

By: /s/ Carrie L. Anderson
Name: Carrie L. Anderson
Title: Executive Vice President and Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350

In connection with the Quarterly Report of The Campbell's Company (the “Company”) on Form 10-Q for the fiscal quarter ended January 26, 2025 (the “Report”), I, Mick J. Beekhuizen, President and Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 5, 2025

By: /s/ Mick J. Beekhuizen

Name: Mick J. Beekhuizen
Title: President and Chief Executive Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

A signed original of this written statement required under Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350

In connection with the Quarterly Report of The Campbell's Company (the "Company") on Form 10-Q for the fiscal quarter ended January 26, 2025 (the "Report"), I, Carrie L. Anderson, Executive Vice President and Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 5, 2025

By: /s/ Carrie L. Anderson

Name: Carrie L. Anderson
Title: Executive Vice President and Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

A signed original of this written statement required under Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.