

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

FORM 8-K
CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report
(Date of Earliest Event Reported):
March 12, 2024

Campbell's

CAMPBELL SOUP COMPANY

New Jersey
State of Incorporation

1-3822
Commission File Number

21-0419870
I.R.S. Employer
Identification No.

One Campbell Place
Camden, New Jersey 08103-1799
Principal Executive Offices
Telephone Number: (856) 342-4800

Check the appropriate box below if the form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2 (b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

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

Item 2.01. Completion of Acquisition or Disposition of Assets.

On March 12, 2024, Campbell Soup Company, a New Jersey corporation (“**Campbell**” or the “**Company**”), consummated the previously announced transaction with Sovos Brands, Inc., a Delaware corporation (“**Sovos**”), pursuant to the Agreement and Plan of Merger (the “**Merger Agreement**”), dated as of August 7, 2023, among the Company, Sovos and Premium Products Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of the Company (“**Merger Sub**”). Pursuant to the Merger Agreement, at the effective time of the Merger (the “**Effective Time**”), Merger Sub merged with and into Sovos, with Sovos surviving as a wholly owned subsidiary of the Company (the “**Merger**”).

Merger Consideration

Pursuant to the Merger Agreement, at the Effective Time, each share of common stock, par value \$0.001 per share of Sovos (“**Sovos Common Stock**”) (other than shares of Sovos Common Stock (i) held by Sovos as treasury stock or owned by the Company or Merger Sub immediately prior to the Effective Time, (ii) held by any subsidiary of either Sovos or the Company (other than Merger Sub) immediately prior to the Effective Time and (iii) any dissenting Sovos Common Stock) was canceled and automatically converted into the right to receive an amount in cash equal to \$23.00 per share of Sovos Common Stock, without interest (the “**Merger Consideration**”).

In addition, at the Effective Time:

- Each restricted share of Sovos Common Stock that was outstanding as of immediately prior to the Effective Time (each, “**Sovos Restricted Stock**”) was canceled in exchange for the Merger Consideration; provided that each share of Sovos Restricted Stock which vests solely based on the achievement of a performance condition and for which the applicable performance condition remained unsatisfied (after giving effect to the Merger) was, in accordance with its existing terms, forfeited to the Sovos Brands Limited Partnership as of immediately prior to the closing for no consideration to the applicable holder thereof and thereafter was converted into the Merger Consideration in accordance with, and subject to the terms of, the Merger Agreement; and
- Each outstanding award of restricted stock units in respect of shares of Sovos Common Stock, including awards of performance-based restricted stock units (each, a “**Sovos RSU Award**”), that was held by any non-employee director or former service provider of Sovos was canceled at the Effective Time in exchange for the Merger Consideration. All other Sovos RSU Awards were converted upon the Effective Time into time-vesting restricted stock unit awards in respect of common stock of Campbell, par value \$0.0375 per share, having equivalent value and terms (including time-based vesting schedule). In the case of Sovos RSU Awards subject to a performance-based vesting condition, such performance conditions were deemed achieved at the target level (i.e., 100%), or if applicable under the existing terms of such awards, the actual level of performance calculated as of the Effective Time (if greater).

The foregoing description of the Merger Agreement does not purport to be complete and is qualified in its entirety by reference to the actual Merger Agreement. A copy of the Merger Agreement is filed as Exhibit 2.1 to this Current Report on Form 8-K and incorporated herein by reference.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

As previously reported, on October 10, 2023, the Company entered into a Delayed Draw Term Loan Credit Agreement (the “**Credit Agreement**”) with the various lenders named therein and Bank of America, N.A., as administrative agent for the lenders. Subject to the terms and conditions set forth in the Credit Agreement, the lenders have provided the Company with an unsecured delayed draw term loan facility in an aggregate principal amount of up to \$2 billion, which has a maturity date of October 8, 2024. Loans under the Credit Agreement bear interest at the rates specified in the Credit Agreement, which vary based on the type of loan and certain other conditions. The Credit Agreement contains customary mandatory prepayments and commitment reductions, representations and warranties, affirmative and negative 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 events of default for credit facilities of this type. The Company will pay a ticking fee on unused term loan commitments at a rate of 0.10% that commenced with the effective date of the Credit Agreement. Additionally, the Company will pay a funding fee equal to 0.20% of the aggregate principal amount of term loans funded under the Credit Agreement to the extent remaining outstanding on the date that is ninety (90) days after the initial borrowing date.

The proceeds of the loans under the Credit Agreement can only be used in connection with the acquisition by the Company of Sovos and to pay fees and expenses incurred in connection with the foregoing.

The loans under the Credit Agreement became available to the Company concurrently with the closing of the Merger, and, on the date hereof, the Company borrowed an aggregate principal amount of \$2 billion under the Credit Agreement to finance a portion of the aggregate merger consideration. The Company applied the proceeds of the loans, together with cash on hand, to fund the Sovos acquisition. As of March 11, 2024, the Company had approximately \$925 million of borrowings outstanding under its commercial paper program.

The foregoing description of the Credit Agreement does not purport to be complete and is qualified in its entirety by reference to the actual Credit Agreement. A copy of the Credit Agreement is filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.

On March 12, 2024, Campbell issued a press release announcing the consummation of the Merger. The press release is attached hereto as Exhibit 99.1 and is incorporated in this Item 7.01 by reference.

The information contained in this Item 7.01 and Exhibit 99.1 attached hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
2.1*	Agreement and Plan of Merger, dated as of August 7, 2023, by and among Campbell Soup Company, Premium Products Merger Sub, Inc. and Sovos Brands, Inc. (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K filed by Campbell Soup Company with the SEC on August 7, 2023)
10.1	Delayed Draw Term Loan Credit Agreement, dated October 10, 2023, by and among Campbell Soup Company, Bank of America, N.A., as administrative agent and the lenders party thereto. (incorporated by reference to Exhibit 10 to the Current Report on Form 8-K filed by Campbell Soup Company with the SEC on October 11, 2023)
99.1	Press Release, dated as of March 12, 2024
104	Cover Page Interactive Data File (embedded within the inline XBRL document)

* Schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. A copy of any omitted schedule or exhibit will be furnished supplementally to the SEC upon request.

SIGNATURES

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

CAMPBELL SOUP COMPANY

Date: March 12, 2024

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



Campbell Completes Acquisition of Sovos Brands, Inc.

- Strengthens and diversifies Campbell's Meals & Beverages portfolio with additional high-growth brands including premium market-leading *Rao's* sauce, along with *Michael Angelo's* and *noosa*
- Risa Cretella from Sovos Brands to lead new Distinctive Brands unit within Meals & Beverages division
- Significant long-term shareholder value creation expected through meaningful sales and earnings growth contribution

CAMDEN, N.J., March 12, 2024—Campbell Soup Company (NYSE: CPB) today announced it has completed the acquisition of Sovos Brands, Inc. ("Sovos Brands") for \$23 per share in an all-cash transaction, which represents a total enterprise value of approximately \$2.7 billion.

"This important milestone in Campbell's history adds several market-leading and scaled premium brands to our company," said Campbell's President and CEO Mark Clouse. "It accelerates Campbell's successful strategy and provides a substantial runway for sustained profitable growth. An enhanced Meals & Beverages division paired with our differentiated Snacks division creates an advantaged portfolio that makes Campbell one of the most dependable and growth-oriented large capitalization value names in food."

The Sovos Brands portfolio consists of a variety of premium products including pasta sauces, dry pasta, soups, frozen entrées, frozen pizza and yogurts under the brand names *Rao's*, *Michael Angelo's* and *noosa*. Sovos Brands recently reported \$1.0 billion in net sales for the year ended Dec. 30, 2023 with an organic net sales increase of 25%¹ year over year. *Rao's* organic net sales increased 37%², generating \$775 million in annual revenue as it continued its march toward becoming a \$1 billion brand.

New Distinctive Brands Business Unit within Meals & Beverages Combines Acquired Brands with *Pacific Foods* to Drive Accelerated Growth

To drive the continued growth trajectory of these premium brands, the company has formed a new business unit within the Meals & Beverages division called Distinctive Brands. *Pacific Foods*, a significant growth engine since it was acquired in December 2017, will be paired with *Rao's*, *Michael Angelo's* and *noosa* to form the unit. The other three business units in the Meals & Beverages division are U.S. Retail, Canada and Foodservice.

¹ Sovos Brands Organic Net Sales and Organic Net Sales growth are defined as Reported Net Sales or Reported Net Sales growth excluding, when they occur, the impact of a 53rd week of shipments, acquisitions, and divestitures. Refer to non-GAAP reconciliation

² Reflects Net Sales generated in the 53rd week of Fiscal Year 2022 by *Rao's* brand. Refer to non-GAAP reconciliation

Distinctive Brands will be led by Risa Cretella, Senior Vice President and General Manager, and will have dedicated teams supported by Campbell's scaled capabilities. Cretella most recently served as Chief Sales Officer at Sovos Brands. She will report to Mick Beekhuizen, Campbell's Executive Vice President and President, Meals & Beverages.

"We're excited to welcome the talented Sovos team to Campbell," said Beekhuizen. "Risa is an accomplished leader with a strong record of growth and impact at Sovos, which makes her the right person to lead the Distinctive Brands business unit and build upon the trajectory and incredible momentum of these premium brands. Our Distinctive Brands business unit will fuel the transformation of our Meals & Beverages categories to accelerate growth."

The *noosa* brand is a well-run business supported by a dedicated team. As stated when the acquisition was announced, Campbell plans to evaluate strategic alternatives for the brand.

Significant Long-term Shareholder Value Creation Through Sales and Earnings Growth Contribution

The company expects a fast and effective integration given Campbell's familiarity with the categories and its strong capabilities, processes and proven integration playbook.

The transaction is expected to be accretive to adjusted diluted earnings per share by the second year of ownership, excluding one-time integration expenses and costs to achieve synergies.

Campbell's supply chain excellence and scale are expected to drive operating synergies, while improving scale efficiency of Campbell's core operations. The company expects annualized cost synergies to reach approximately \$50 million over the next two years.

Campbell will discuss the impact of the acquisition to its fiscal 2024 guidance when the company reports third-quarter earnings in June.

About Campbell

For more than 150 years, Campbell (NYSE:CPB) has been connecting people through food they love. Generations of consumers have trusted us to provide delicious and affordable food and beverages. Headquartered in Camden, N.J. since 1869, the company generated fiscal 2023 net sales of \$9.4 billion. Our portfolio includes iconic brands such as *Campbell's*, *Cape Cod*, *Goldfish*, *Kettle Brand*, *Lance*, *Late July*, *Milano*, *Michael Angelo's*, *noosa*, *Pace*, *Pacific Foods*, *Pepperidge Farm*, *Prego*, *Rao's*, *Snyder's of Hanover*, *Swanson* and *V8*. Campbell has a heritage of giving back and acting as a good steward of the environment. The company is a member of the Standard & Poor's 500 as well as the FTSE4Good and Bloomberg Gender-Equality Indices. For more information, visit www.campbellsoupcompany.com.

Contacts

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Forward-Looking Statements

Certain statements in this press release regarding the transaction, including any statements regarding the expected benefits of the transaction, future opportunities, future financial performance and any other statements regarding future expectations, beliefs, plans, objectives, financial conditions, assumptions or future events or performance that are not historical facts are “forward-looking” statements made within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The words “aim,” “anticipate,” “believe,” “could,” “ensure,” “estimate,” “expect,” “forecasts,” “if,” “intend,” “likely” “may,” “might,” “outlook,” “plan,” “positioned,” “potential,” “predict,” “probable,” “project,” “should,” “strategy,” “target,” “will,” “would,” and similar expressions, and the negative thereof, are intended to identify forward-looking statements.

All forward-looking information is subject to numerous risks and uncertainties, many of which are beyond the control of Campbell, that could cause actual results to differ materially from the results expressed or implied by the statements. These risks and uncertainties include, but are not limited to:

- long-term financing for the transaction may not be obtained by Campbell on favorable terms, or at all;
- the risk that the cost savings and any other synergies from the transaction may not be fully realized by Campbell or may take longer or cost more to be realized than expected, including that the Sovos Brands transaction may not be accretive to Campbell within the expected timeframe or the extent anticipated;
- the risks related to the availability of, and cost inflation in, supply chain inputs, including labor, raw materials, commodities, packaging and transportation;
- Campbell’s ability to execute on and realize the expected benefits from its strategy, including growing sales in snacks and growing/maintaining its market share position in soup;
- the impact of strong competitive responses to Campbell’s efforts to leverage its brand power with product innovation, promotional programs and new advertising; the risks associated with trade and consumer acceptance of product improvements, shelving initiatives, new products and pricing and promotional strategies;
- the ability to realize projected cost savings and benefits from cost savings initiatives and the integration of recent acquisitions;
- disruptions in or inefficiencies to Campbell’s supply chain and/or operations, including reliance on key supplier relationships;
- the risks related to the effectiveness of Campbell’s hedging activities and Campbell’s ability to respond to volatility in commodity prices;
- Campbell’s ability to manage changes to its organizational structure and/or business processes, including selling, distribution, manufacturing and information management systems or processes; changes in consumer demand for Campbell’s products and favorable perception of such brands;
- changing inventory management practices by certain of Campbell’s key customers;
- a changing customer landscape, with value and e-commerce retailers expanding their market presence, while certain of the Campbell’s key customers maintain significance to Campbell’s business; product quality and safety issues, including recalls and product liabilities;

- the possible disruption to the independent contractor distribution models used by certain of Campbell's businesses, including as a result of litigation or regulatory actions affecting their independent contractor classification;
- the uncertainties of litigation and regulatory actions against Campbell's;
- the costs, disruption and diversion of management's attention associated with activist investors;
- a disruption, failure or security breach of Campbell's or Campbell's vendors' information technology systems, including ransomware attacks;
- impairment to goodwill or other intangible assets;
- Campbell's ability to protect its intellectual property rights;
- increased liabilities and costs related to Campbell's defined benefit pension plans;
- Campbell's ability to attract and retain key talent and other employees, which might require Campbell to use more expensive or less effective resources to support its businesses;
- goals and initiatives related to, and the impacts of, climate change, including weather-related events;
- negative changes and volatility in financial and credit markets,
- deteriorating economic conditions and other external factors, including changes in laws and regulations; and
- unforeseen business disruptions or other impacts due to political instability, civil disobedience, terrorism, geopolitical conflicts (including the ongoing conflicts between Russia and Ukraine and in Israel and Gaza), extreme weather conditions, natural disasters, other pandemics or other calamities

Additional information concerning these and other risk factors can be found in Campbell's filings with the SEC and available through the SEC's Electronic Data Gathering and Analysis Retrieval system at <http://www.sec.gov>, including Campbell's most recent Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

The discussion of uncertainties is by no means exhaustive but is designed to highlight important factors that may impact the outlook of Campbell. Campbell disclaims any obligation or intent to update the forward-looking statements in order to reflect events or circumstances after the date of this release except as required by law.

Non-GAAP Financial Measures

This press release includes measures that are not prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). Campbell uses Sovos Brands organic net sales, which are non-GAAP measures, in this press release. For these non-GAAP financial measures, we have included below a reconciliation of the differences between the non-GAAP measure and the most comparable GAAP measure. These non-GAAP measures should be viewed in addition to, and not in lieu of, the comparable GAAP measure.

Reconciliation of GAAP to Non-GAAP Financial Measures

Reconciliation of Sovos Brands Reported Net Sales to Organic Net Sales:

(\$ millions)	Fiscal Year Ended	
	December 30, 2023	December 31, 2022
Reported Net Sales	\$ 1,020.4	\$ 878.4
Divestiture ⁽¹⁾	-	(41.2)
53 rd Week ⁽²⁾	-	(18.3)
Organic Net Sales⁽³⁾	\$ 1,020.4	\$ 818.9
Organic Net Sales Growth Rate⁽³⁾	25%	

(1) Reflects Net Sales for the *Birch Benders* brand generated in the 53 weeks ended December 31, 2022.

(2) Reflects Net Sales generated in the 53rd week of Fiscal Year 2022 by the *Rao's*, *Michael Angelo's* and *noosa* brands.

(3) Sovos Brands Organic Net Sales and Organic Net Sales growth are defined as Reported Net Sales or Reported Net Sales growth excluding, when they occur, the impact of a 53rd week of shipments, acquisitions, and divestitures.

Reconciliation of *Rao's* Reported Net Sales to Organic Net Sales:

(\$ thousands)	Fiscal Year Ended	
	December 30, 2023	December 31, 2022
Reported Net Sales	\$ 774,706	\$ 580,088
53 rd Week ⁽¹⁾	-	(13,743)
Organic Net Sales	\$ 774,706	\$ 566,345
Organic Net Sales Growth	37%	

(1) Reflects Net Sales generated in the 53rd week of Fiscal Year 2022 by *Rao's* brand