

BUILDING MOMENTUM

# Q2 Fiscal 2023 Earnings Presentation

*Campbell's*



2024  
23  
24<sup>1</sup>



*Campbell's*

**Rebecca Gardy**

Senior Vice President Investor Relations

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**INTRODUCTION**

# Forward-Looking Statements

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

the risks related to the availability of, and cost inflation in, supply chain inputs, including labor, raw materials, commodities, packaging and transportation; the impacts of, and associated responses to, the COVID-19 pandemic on our business, suppliers, customers, consumers and employees; the company's ability to execute on and realize the expected benefits from its strategy, including growing sales in snacks and growing/maintaining its market share position in soup; the impact of strong competitive responses to the company's efforts to leverage its brand power with product innovation, promotional programs and new advertising; the risks associated with trade and consumer acceptance of product improvements, shelving initiatives, new products and pricing and promotional strategies; the ability to realize projected cost savings and benefits from cost savings initiatives and the integration of recent acquisitions; disruptions in or inefficiencies to the company's supply chain and/or operations; the risks related to the effectiveness of the company's hedging activities and the company's ability to respond to volatility in commodity prices; the company's ability to manage changes to its organizational structure and/or business processes, including selling, distribution, manufacturing and information management systems or processes; changes in consumer demand for the company's products and favorable perception of the company's brands; changing inventory management practices by certain of the company's key customers; a changing customer landscape, with value and e-commerce retailers expanding their market presence, while certain of the company's key customers maintain significance to the company's business; product quality and safety issues, including recalls and product liabilities; the possible disruption to the independent contractor distribution models used by certain of the company's businesses, including as a result of litigation or regulatory actions affecting their independent contractor classification; the uncertainties of litigation and regulatory actions against the company; the costs, disruption and diversion of management's attention associated with activist investors; a disruption, failure or security breach of the company's or the company's vendors' information technology systems, including ransomware attacks; impairment to goodwill or other intangible assets; the company's ability to protect its intellectual property rights; increased liabilities and costs related to the company's defined benefit pension plans; the company's ability to attract and retain key talent; goals and initiatives related to, and the impacts of, climate change, including weather-related events; negative changes and volatility in financial and credit markets, deteriorating economic conditions and other external factors, including changes in laws and regulations; unforeseen business disruptions or other impacts due to political instability, civil disobedience, terrorism, armed hostilities (including the ongoing conflict between Russia and Ukraine), extreme weather conditions, natural disasters, other pandemics or other calamities; and other factors described in the company's most recent Form 10-K and subsequent Securities and Exchange Commission filings.

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

# Agenda

Key Messages and Q2 FY23 Financial Highlights

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Division Highlights

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Q2 FY23 Financial Results

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FY23 Outlook

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Summary

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Q&A

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*Campbell's*

**Mark Clouse**

President & Chief Executive Officer

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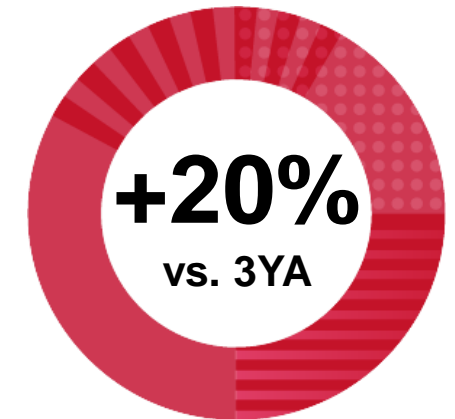
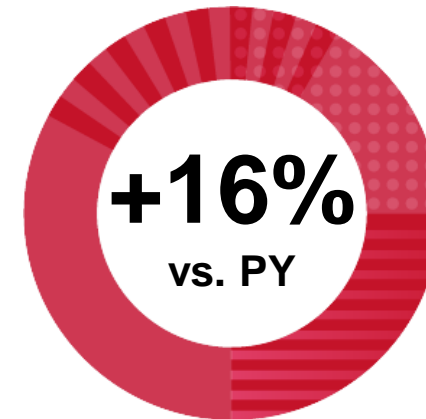
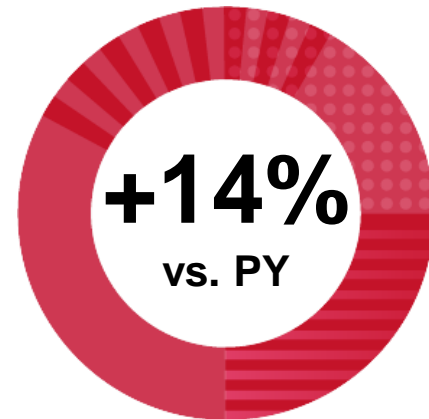
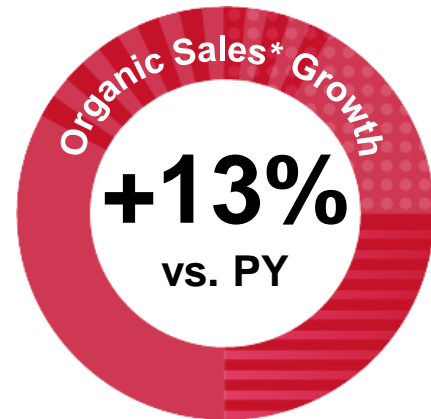
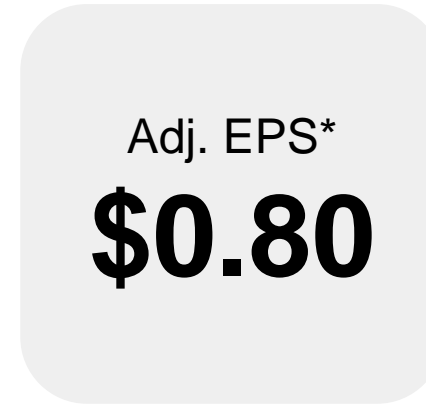
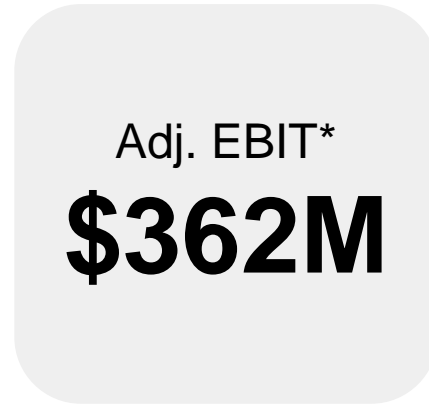
**CEO PERSPECTIVE**

# Key Messages

- We had another strong quarter with double-digit growth across all key metrics: Net Sales, Adjusted EBIT\* and Adjusted EPS\* compared to prior year
- We are balancing **growth, share, margins** and **volume** while navigating macro volatility using a variety of levers
- Elasticities remain well below historical norms
- Raised full year fiscal 2023 Net Sales guidance and raised midpoint of Adjusted EBIT and Adjusted EPS guidance

# Key Financial Highlights

Q2 FY23



\*See Non-GAAP reconciliation

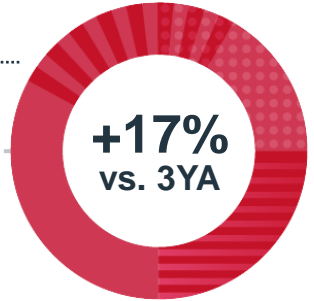
<sup>1</sup> Total IRI US MULO \$ Consumption latest 13 weeks ending 1/29/2023



# Meals & Beverages: Key Highlights



| Q2 FY23                         |               |
|---------------------------------|---------------|
|                                 | GROWTH VS. PY |
| Organic Net Sales*              | <b>+11%</b>   |
| Dollar Consumption <sup>1</sup> | <b>+6%</b>    |



\*See Non-GAAP reconciliation

<sup>1</sup> Total IRI US MULO \$ Consumption latest 13 weeks ending 1/29/2023



# Win in Soup 2.0



**GREAT RECIPES**  
under \$4 per serving!<sup>2</sup>

## Condensed Icons

**+1.0 pt.**  
Q2 \$ share  
vs. PY<sup>1</sup>

**+3.5 pts.**  
Q2 \$ share  
vs. 3YA<sup>1</sup>

<sup>1</sup> Total IRI US MULO latest 13 weeks ending 1/29/2023

<sup>2</sup> Based on average cost of ingredients used in recipe, pricing sourced from a large retail store, pulled 3/4/2023



# Win in Soup 2.0

U.S. Ready-to-Serve Soup \$ Consumption +8%; +22% vs. 3YA<sup>1</sup>



**+0.2 pts.**

Q2 \$ share  
vs. PY<sup>1</sup>

**+8%**

Q2 \$ consumption  
vs. PY<sup>1</sup>

**6<sup>th</sup>** Consecutive quarter

holding or gaining volume share<sup>2</sup>

**+35%**

Q2 \$ consumption  
vs. 3YA<sup>1</sup>



Ready-to-Serve Soup



**+0.8 pts.**

Q2 \$ share  
vs. PY<sup>1</sup>

**+0.6 pts.**

Q2 \$ share  
vs. 3YA<sup>1</sup>

**+0.7 pts.**

Q2 unit share  
vs. PY<sup>1</sup>

**+36%**

Q2 \$ consumption  
vs. PY<sup>1</sup>

<sup>1</sup> Total IRI US MULO latest 13 weeks ending 1/29/2023

<sup>2</sup> Total IRI US MULO 13 weeks ending 10/31/2021, 1/30/2022, 5/1/2022, 7/31/2022, 10/30/2022 and 01/29/2023



# Building a \$1B Sauce Business

# Prego®



**+8%**  
Q2 \$ consumption  
vs. PY<sup>1</sup>

**(0.8) pts.**  
\$ share vs. PY<sup>1</sup>

**+0.3 pts.**  
Alfredo \$ share  
vs. PY<sup>1</sup>

**#1 in Italian  
Category<sup>1</sup>**

**+2.9 pts.**  
Q2 repeat rate vs.  
3YA<sup>2</sup>



**+12%**  
Q2 \$ consumption  
vs. PY<sup>1</sup>

**+0.3 pts.**  
Q2 \$ share vs.  
PY<sup>1</sup>

**4<sup>th</sup>** consecutive  
quarter of \$ share  
growth<sup>3</sup>



<sup>1</sup> Total IRI US MULO latest 13 weeks ending 01/29/2023

<sup>2</sup> IRI National Consumer Panel, Total U.S. All Outlets; NBD volume adjusted 13 weeks ending 01/29/2023

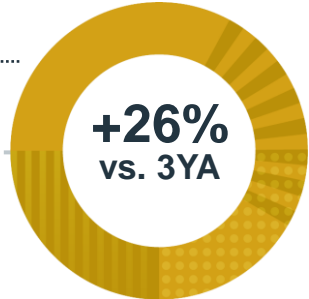
<sup>3</sup> Total IRI US MULO 13 weeks ending 5/1/2022, 7/31/2022, 10/30/2022 and 01/29/2023



# Snacks: Key Highlights



| Q2 FY23                         |               |
|---------------------------------|---------------|
|                                 | GROWTH VS. PY |
| Organic Net Sales*              | <b>+15%</b>   |
| Dollar Consumption <sup>1</sup> | <b>+17%</b>   |



\*See Non-GAAP reconciliation

<sup>1</sup> Total IRI US MULO \$ Consumption latest 13 weeks ending 1/29/2023



# Power Brands \$ Consumption<sup>1</sup>: +20% vs. PY, +30% vs. 3YA

Q2 FY23



**+21%** **+32%**  
VS. PY VS. 3YA



**+24%** **+24%**  
VS. PY VS. 3YA



**+22%** **+37%**  
VS. PY VS. 3YA



**+19%** **+26%**  
VS. PY VS. 3YA



**+16%** **+39%**  
VS. PY VS. 3YA



**+11%** **+41%**  
VS. PY VS. 3YA



**+27%** **+20%**  
VS. PY VS. 3YA



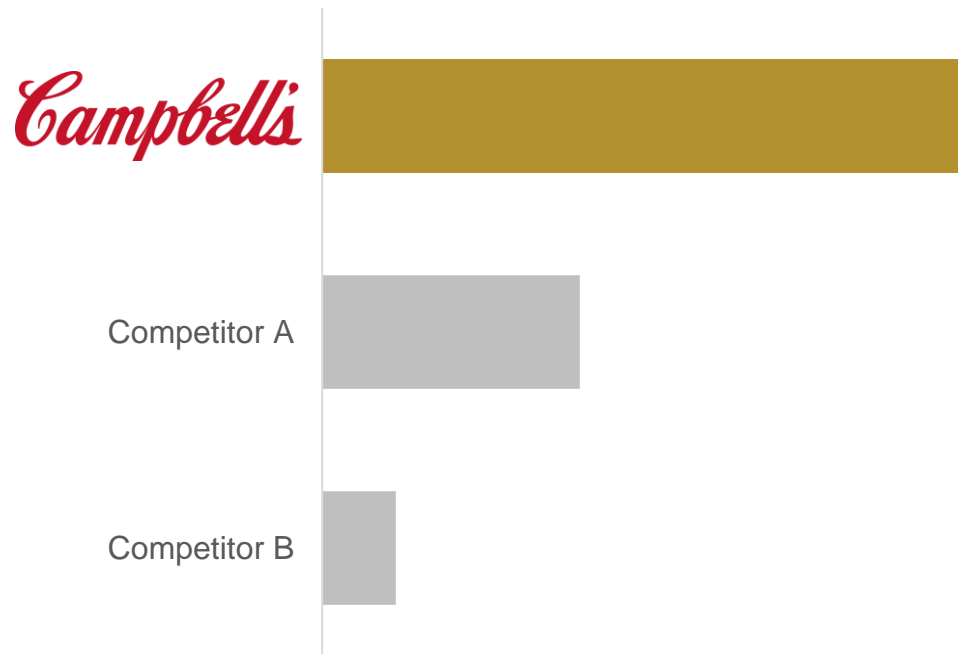
**+19%** **+33%**  
VS. PY VS. 3YA

<sup>1</sup> Total IRI US MULO \$ Consumption latest 13 weeks ending 1/29/2023

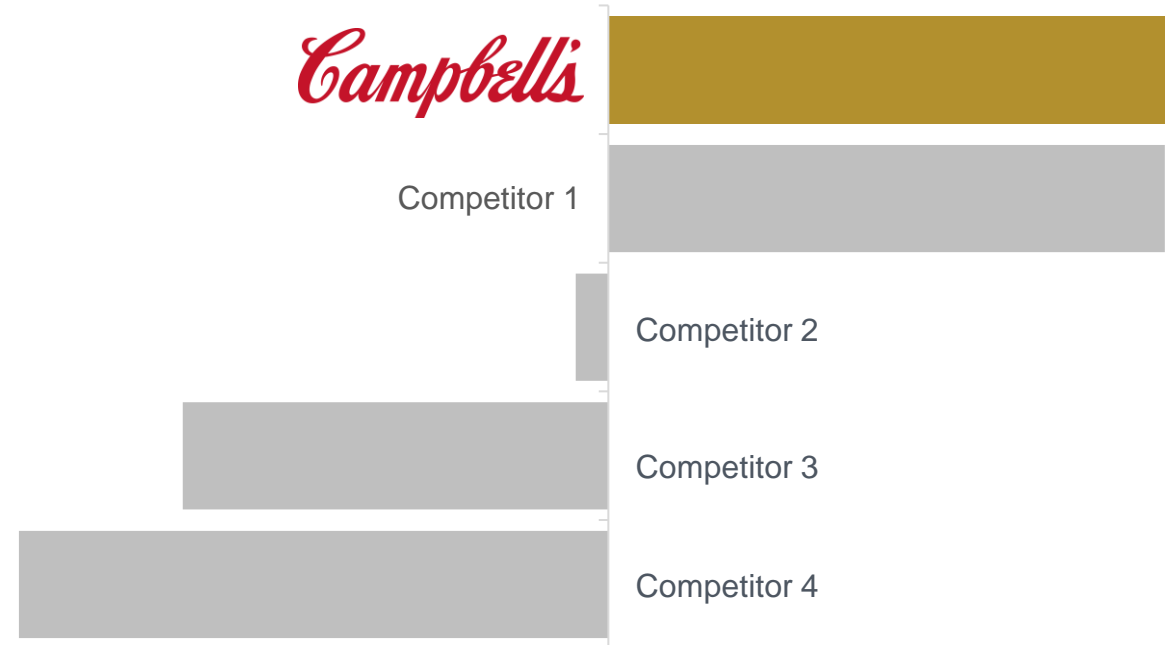


# #1 Share Growth among Branded Cookie/Cracker and Salty Players

## Cookies / Crackers<sup>1</sup> Q2 \$ share growth vs. PY



## Salty Snacks<sup>2</sup> Q2 \$ share growth vs. PY



Note: Campbell's includes total Campbell snacks in each respective category

<sup>1</sup> Source: IRI MULO, Q2 FY23 ending 1/29/23, branded manufacturers. Brands included: Ferrero, PepsiCo

<sup>2</sup> Source: IRI MULO, Q2 FY23 ending 1/29/23, branded manufacturers >= ~ \$250M \$ consumption. Brands included: Hershey, PepsiCo., Utz and Kellogg

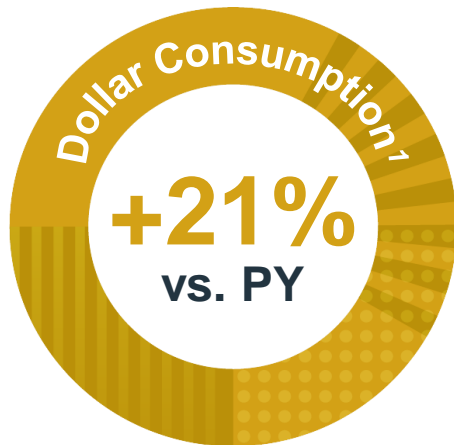


# The Star of the Snacks Portfolio



Expected Annual  
Net Sales

**\$900M+**



<sup>1</sup> Total IRI US MULO \$ Consumption latest 13 weeks ending 1/29/2023



# First to Market with Kettle-Cooked, Air Finished Snack



**1st**  
to market  
Air Fried chip

**PATENT  
PENDING**

**FAST  
START**

**30%**  
less fat than  
original varieties

# Looking Forward

- Continued strong performance reflecting brand momentum and strengthened supply chain execution
- Unifying headquarters will drive cost savings and benefit overall future performance
- Welcome Carrie Anderson, CFO





*Campbell's*

**Mick Beekhuizen**

EVP & President, Meals & Beverages

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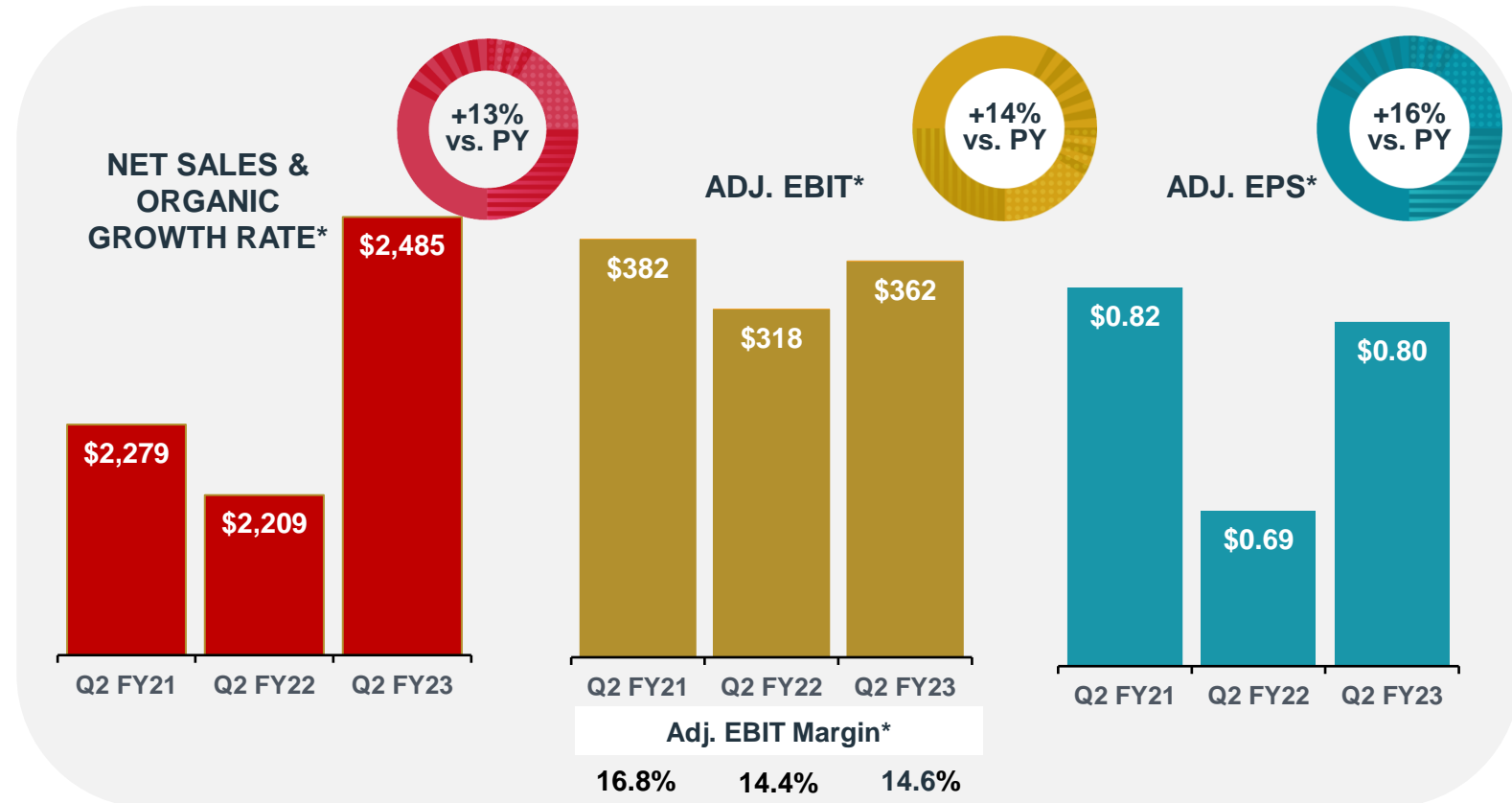
**Q2 FY23 RESULTS**

# Q2 FY23 Key Financial Results

- Strong double-digit growth across all three key metrics: Net Sales, Adjusted EBIT\* and Adjusted EPS\* in the second quarter
- Top-line lifted by favorable inflation-driven net pricing realization, partially offset by slight volume / mix declines
- Cost inflation managed through pricing and productivity improvements
- Stable Q2 Adjusted EBIT margin\* even with increased brand investment
- Strong YTD operating cash flow with over \$290 million returned to shareholders

## Financial Summary

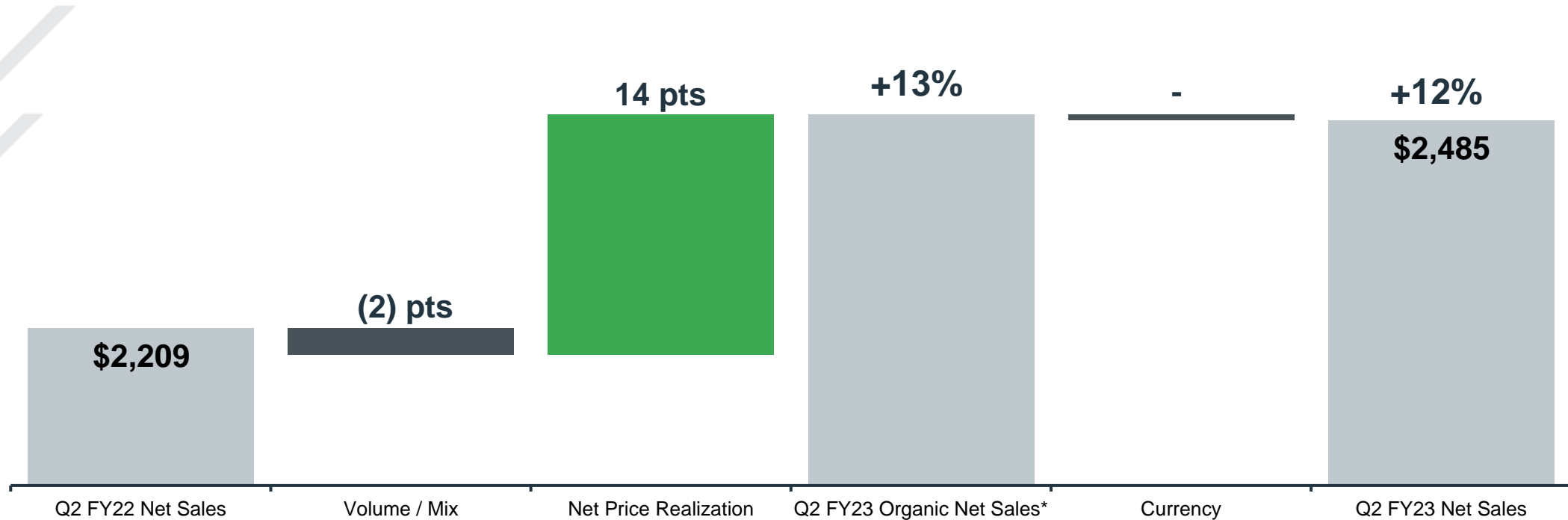
\$ Millions, Except Per Share



\*See Non-GAAP reconciliation

# Q2 FY23 Net Sales Bridge

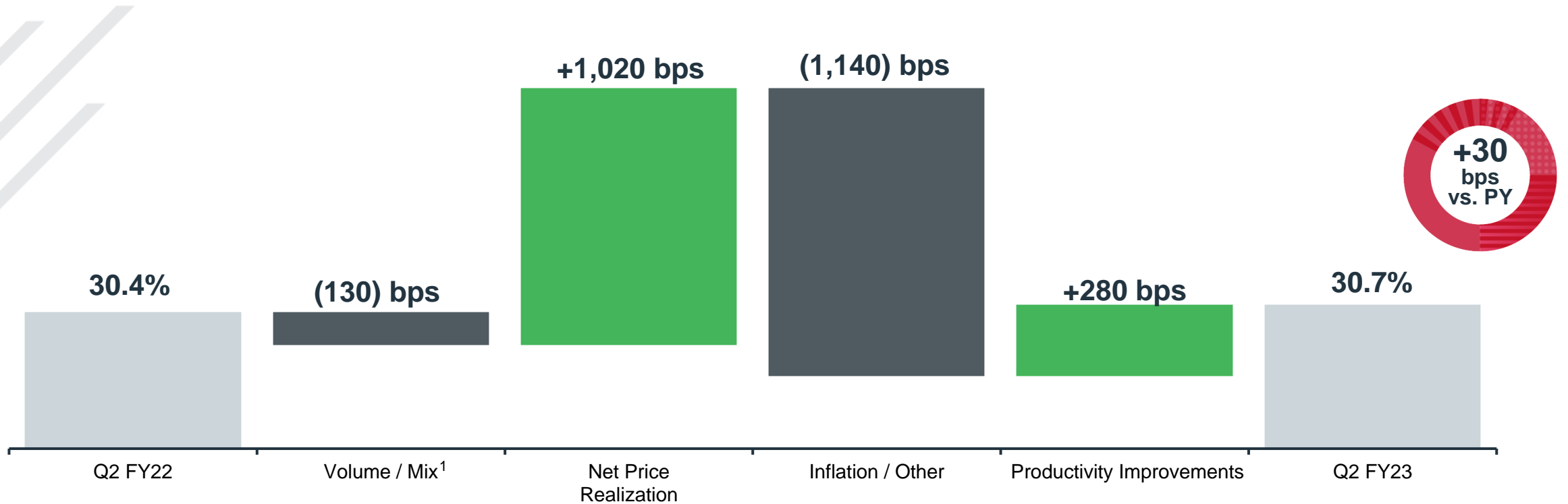
Net Sales growth reflects favorable inflation-driven net price realization partially offset by volume / mix declines



\*See Non-GAAP reconciliation  
Numbers may not add to rounding

# Q2 FY23 Adjusted Gross Profit Margin\* Bridge

Favorable net price realization and productivity improvements were partially offset by continued cost inflation and higher other supply chain costs as well as unfavorable volume / mix



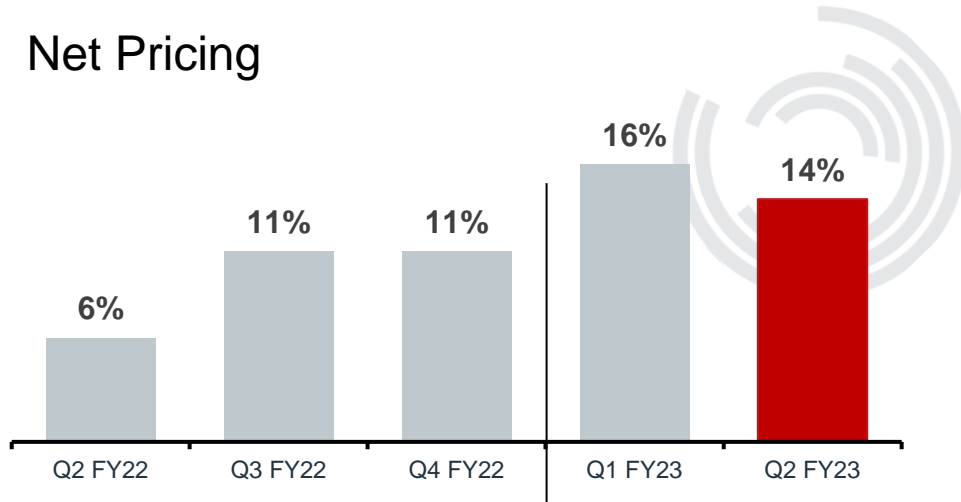
\*See Non-GAAP reconciliation

<sup>1</sup> Volume / Mix includes the impact of operating leverage

# Mitigating Continued Core Inflation

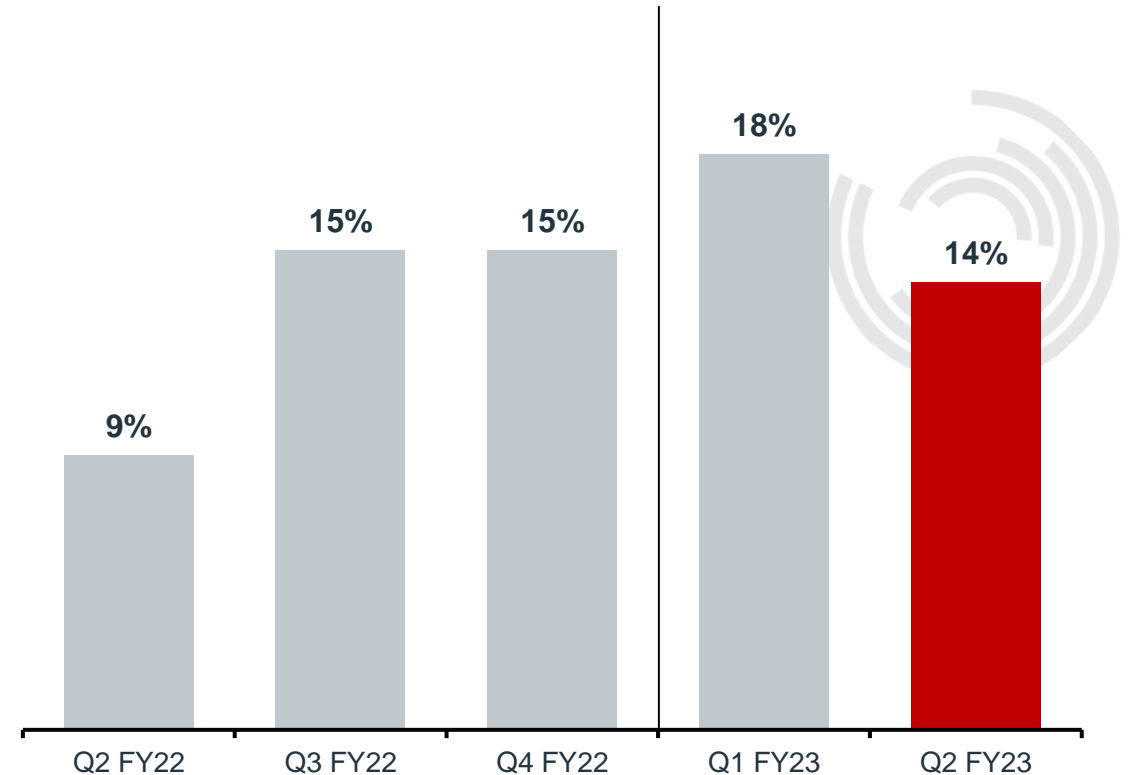
## Inflation Mitigating Actions:

- Net Pricing



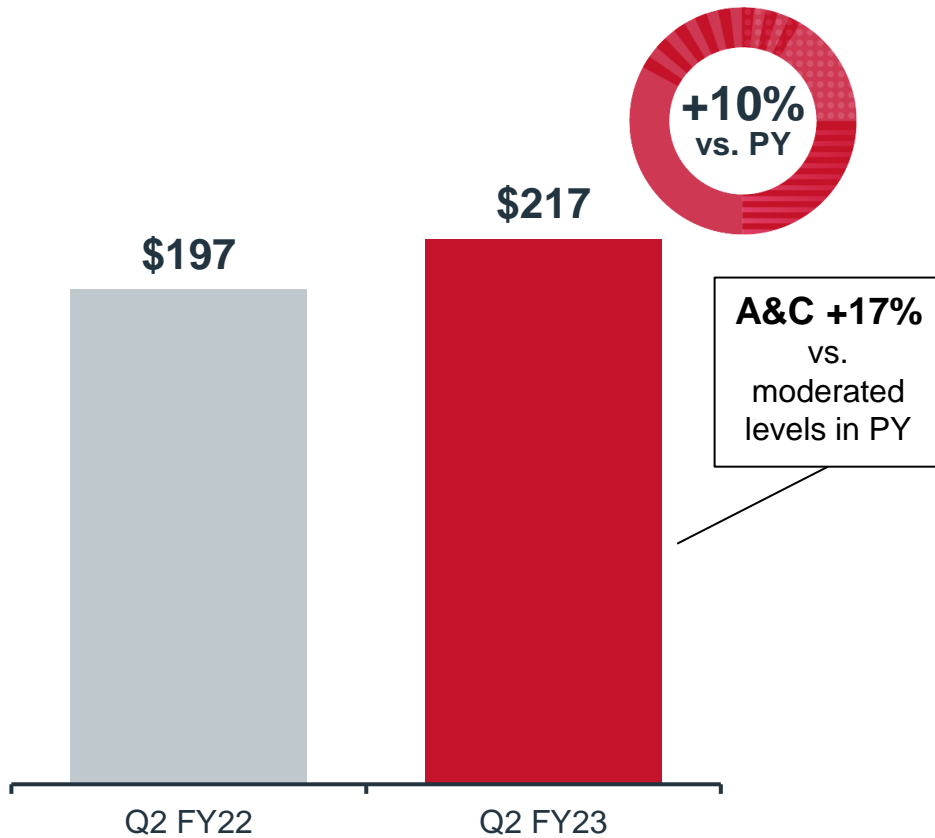
- Supply Chain Productivity
- Cost Savings Initiatives
- Manage Discretionary Spending

## Core Inflation Rate:

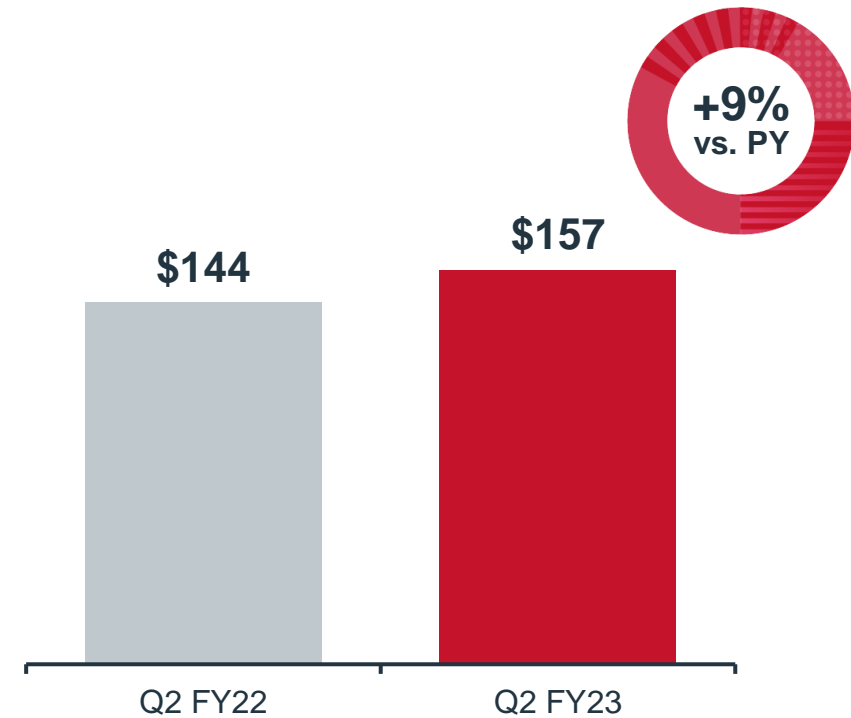


# Other Operating Items

## Marketing & Selling Expenses



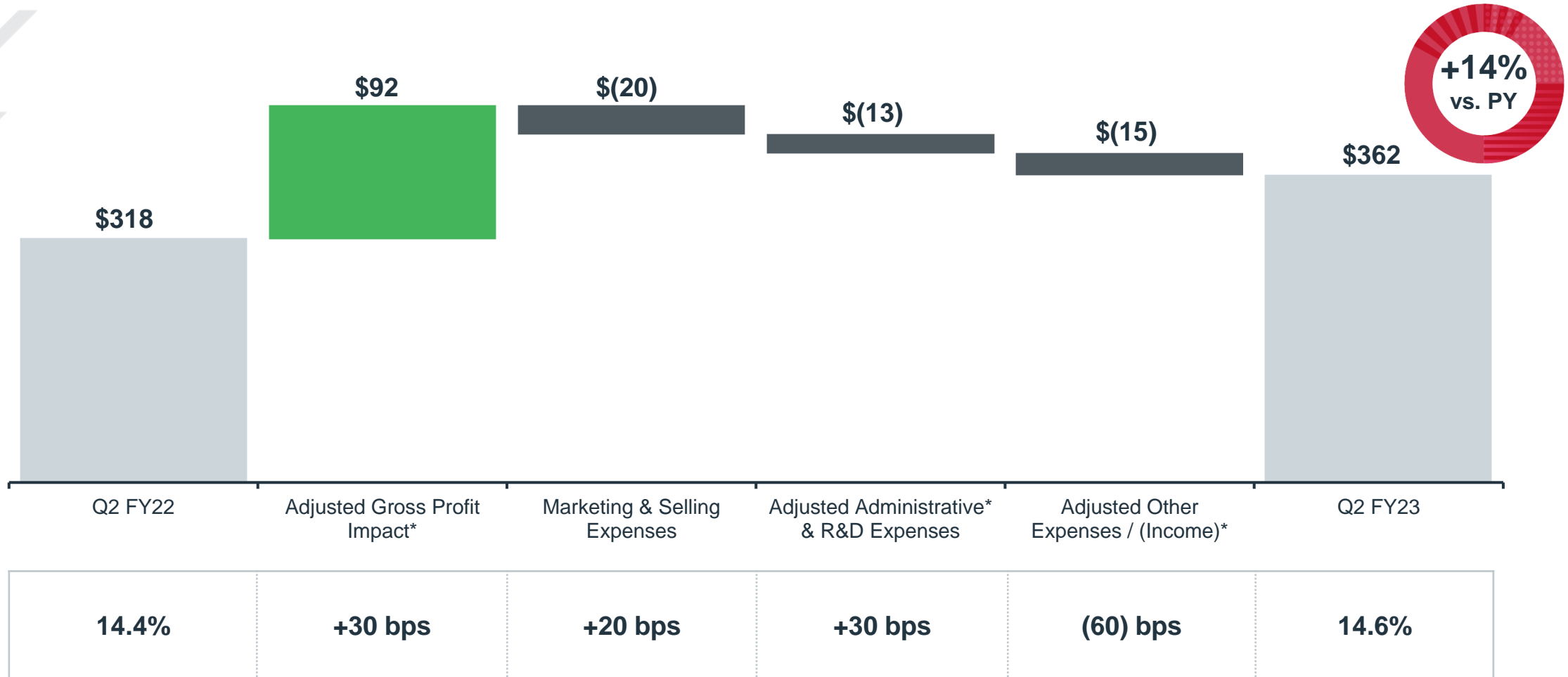
## Adjusted Administrative Expenses\*



\*See Non-GAAP reconciliation

# Q2 FY23 Adjusted EBIT\* Bridge

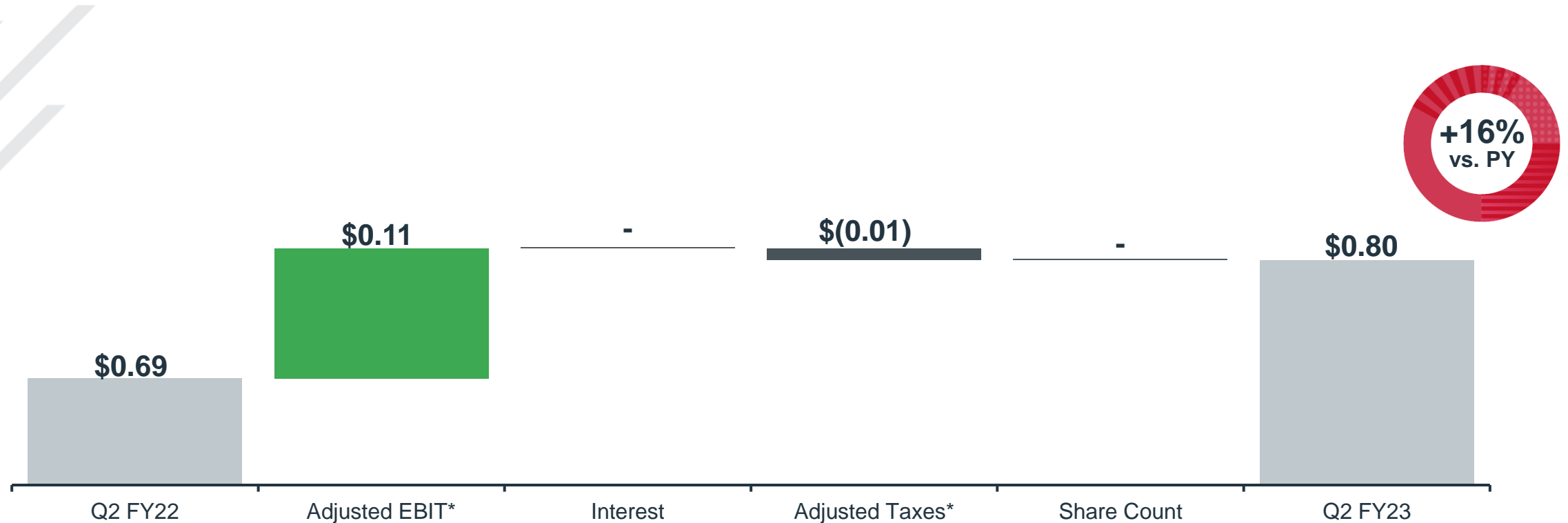
Growth driven by higher adjusted gross profit, partially offset by higher marketing and selling expenses, higher adjusted other expenses and higher adjusted administrative expenses



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

# Q2 FY23 Adjusted EPS\* Bridge

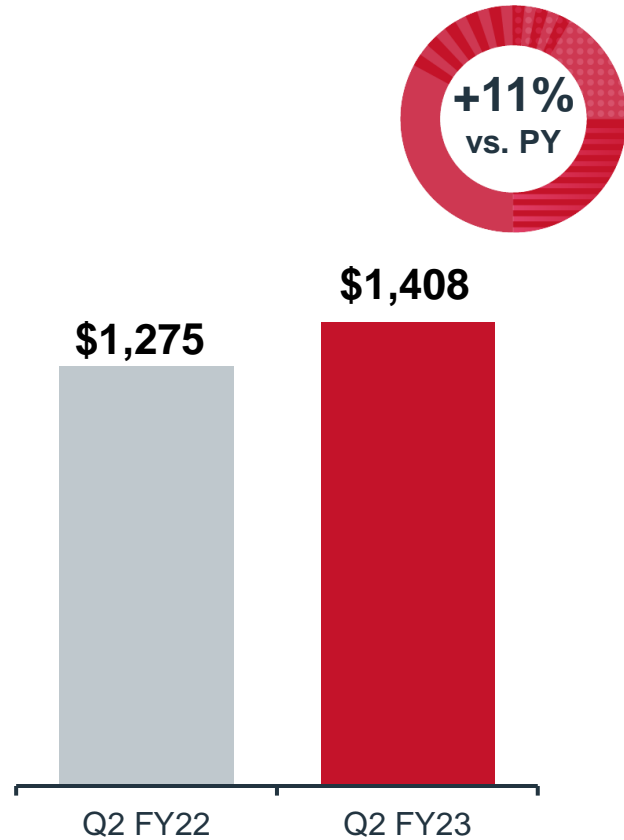
Double-digit growth driven by strong operational performance, partially offset by a higher adjusted effective tax rate



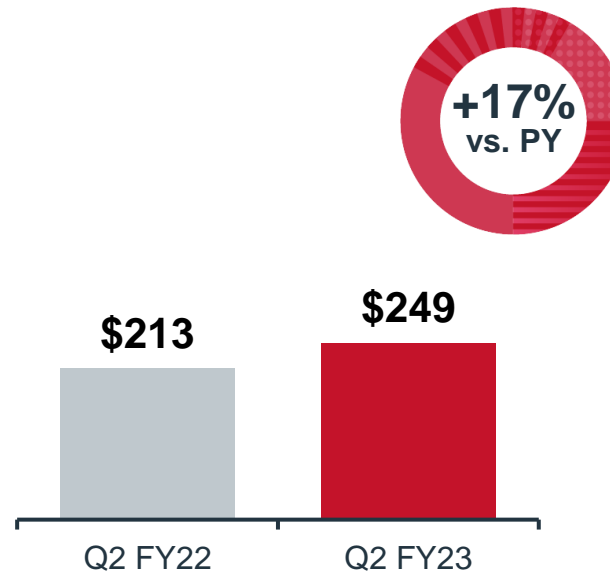
\*See Non-GAAP reconciliations for all adjusted financial measures presented  
Numbers may not add to rounding

# Q2 FY23 Meals & Beverages Segment Results

## NET SALES & ORGANIC GROWTH RATE\*



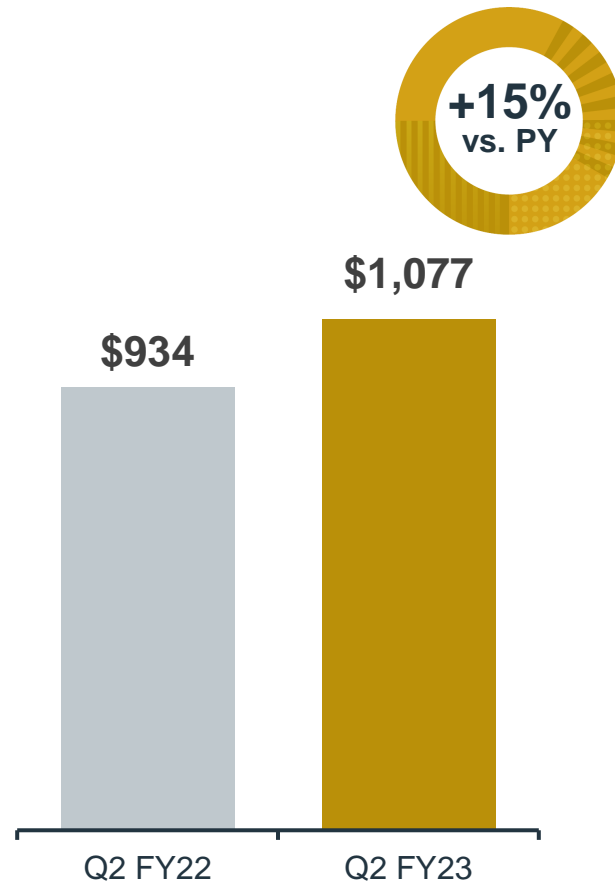
## OPERATING EARNINGS



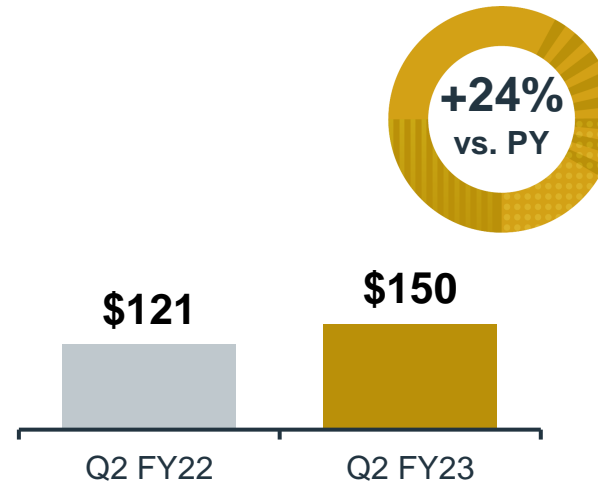
\*See Non-GAAP reconciliation

# Q2 FY23 Snacks Segment Results

## NET SALES & ORGANIC GROWTH RATE\*



## OPERATING EARNINGS



## Campbell's | SNACKS



\*See Non-GAAP reconciliation

# Cash Flow

Strong YTD Cash Flow generation with increased investment and over \$290 million returned to shareholders

| Total Company \$ Millions                                    | YTD FY22       | YTD FY23       |
|--|----------------|----------------|
| <b>Net Cash Flows from Operations</b>                        | <b>\$766</b>   | <b>\$732</b>   |
| <i>of which changes in working capital</i>                   | \$78           | \$(43)         |
| <b>Net Cash Flows from Investing Activities</b>              | <b>\$(125)</b> | <b>\$(158)</b> |
| <i>of which capital expenditures</i>                         | \$(129)        | \$(155)        |
| <b>Net Cash Flows from Financing Activities</b>              | <b>\$(352)</b> | <b>\$(525)</b> |
| <i>of which dividends paid</i>                               | \$(228)        | \$(226)        |
| <i>of which stock repurchases</i>                            | \$(65)         | \$(66)         |
| <i>of which net debt repayments</i>                          | \$(42)         | \$(237)        |
| <b>Net Change in Cash &amp; Cash Equivalents<sup>1</sup></b> | <b>\$288</b>   | <b>\$49</b>    |
| <b>Cash &amp; Cash Equivalents – end of period</b>           | <b>\$357</b>   | <b>\$158</b>   |

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



*Campbell's*

**Carrie Anderson**

EVP & Chief Financial Officer

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**Fiscal 2023 Outlook**

# Raising FY23 Guidance

| \$ Millions,<br>Except Per<br>Share | FY22<br>Results | Previous FY23<br>Guidance <sup>1</sup> | Updated FY23<br>Guidance <sup>1</sup> |
|-------------------------------------|-----------------|--|---------------------------------------|
| <b>Net Sales</b>                    | \$8,562         | +7% to +9%                             | +8.5% to +10%                         |
| Organic<br>Net Sales                |                 | +7% to +9%                             | +8.5% to +10%                         |
| <b>Adjusted<br/>EBIT</b>            | \$1,297*        | +2.5% to +6.5%                         | +4.5% to +6.5%                        |
| <b>Adjusted<br/>EPS</b>             | \$2.85*         | +2% to +5%<br>\$2.90 to \$3.00         | +3.5% to +5%<br>\$2.95 to \$3.00      |

## FY23 Assumptions

- Core inflation in the low-teens range
- Productivity improvements of ~3% to 3.5%
- ~\$40-\$45 million of cost savings
- Interest expense of ~\$190 million
- Adjusted tax rate of ~24%
- Estimated pre-tax headwind of ~\$45 million, or \$0.12 per share, in FY23 related to lower pension and postretirement benefit income, representing ~3.5% of adjusted EBIT growth and ~4% of adjusted EPS growth
- Capital expenditures of ~\$325 million

\*See Non-GAAP reconciliation

<sup>1</sup> A non-GAAP reconciliation is not provided for FY23 guidance as the company is unable to reasonably estimate the full-year financial impact of items such as actuarial gains or losses on pension and postretirement plans because these impacts are dependent on future changes in market conditions. The inability to predict the amount and timing of these future items makes a detailed reconciliation of these forward-looking financial measures impracticable

# Summary

- Strong Q2 results with double-digit sales and adjusted EPS\* growth
- Favorable net price realization and continued strength demonstrates our powerful connection to consumers, especially in current economic environment
- Potent combination of a leading brand portfolio, focused execution and strengthened supply chain capabilities
- Raising net sales and raising midpoint of both adjusted EBIT and adjusted EPS FY23 guidance



\*See Non-GAAP reconciliation

# Q&A Forum



**Mark Clouse**

President & Chief Executive Officer



**Carrie Anderson**

EVP & Chief Financial Officer

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# Appendix



*Campbell's*



2023  
24

# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

**Second Quarter**

**January 29, 2023**

Meals & Beverages

| <u>Net Sales,<br/>As Reported</u> | <u>Impact of<br/>Currency</u> | <u>Organic<br/>Net Sales</u> |
|-----------------------------------|-------------------------------|------------------------------|
| \$ 1,408                          | \$ 8                          | \$ 1,416                     |

**% Change**

| <u>Net Sales,<br/>As Reported</u> | <u>Organic<br/>Net Sales</u> |
|-----------------------------------|------------------------------|
| 10%                               | 11%                          |

Snacks

|       |   |       |
|-------|---|-------|
| 1,077 | - | 1,077 |
|-------|---|-------|

|     |     |
|-----|-----|
| 15% | 15% |
|-----|-----|

**Total Net Sales**

|                 |             |                 |
|-----------------|-------------|-----------------|
| <u>\$ 2,485</u> | <u>\$ 8</u> | <u>\$ 2,493</u> |
|-----------------|-------------|-----------------|

|            |            |
|------------|------------|
| <u>12%</u> | <u>13%</u> |
|------------|------------|

**January 30, 2022**

Meals & Beverages

| <u>Net Sales,<br/>As Reported</u> |
|-----------------------------------|
| \$ 1,275                          |

Snacks

|     |
|-----|
| 934 |
|-----|

**Total Net Sales**

|                 |
|-----------------|
| <u>\$ 2,209</u> |
|-----------------|

# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

## Second Quarter

|  | EBIT          | EBIT<br>Margin % | Earnings      | Diluted EPS*   |
|--|---------------|------------------|---------------|----------------|
| <b>2023 – As Reported</b>  | \$ 350        | 14.1%            | \$ 232        | \$ 0.77        |
| Add: Restructuring charges, implementation costs and other related costs | 14            |                  | 10            | 0.03           |
| Deduct: Pension actuarial gains  | (6)           |                  | (4)           | (0.01)         |
| Add: Commodity mark-to-market adjustments                                | 4             |                  | 3             | 0.01           |
| <b>2023 – Adjusted</b>   | <u>\$ 362</u> | <u>14.6%</u>     | <u>\$ 241</u> | <u>\$ 0.80</u> |
| <b>2022 – As Reported</b>  | \$ 323        | 14.6%            | \$ 212        | \$ 0.70        |
| Add: Restructuring charges, implementation costs and other related costs | 5             |                  | 4             | 0.01           |
| Deduct: Pension actuarial gains  | (10)          |                  | (8)           | (0.03)         |
| <b>2022 – Adjusted</b>   | <u>\$ 318</u> | <u>14.4%</u>     | <u>\$ 208</u> | <u>\$ 0.69</u> |
| <b>\$ Change - Adjusted</b>  | \$ 44         |                  | \$ 33         | \$ 0.11        |
| <b>% Change - Adjusted</b>   | 14%           | +20 bps          | 16%           | 16%            |

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

# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

## Second Quarter

|  | <u>Gross Profit</u> | <u>GP %</u>  | <u>EBT</u>    | <u>Tax</u>   | <u>Tax Rate</u> |
|--|---------------------|--------------|---------------|--------------|-----------------|
| 2023 – As Reported   | \$ 759              | 30.5%        | \$ 305        | \$ 73        | 23.9%           |
| Add: Restructuring charges, implementation costs and other related costs | -                   |              | 14            | 4            |                 |
| Deduct: Pension actuarial gains  | -                   |              | (6)           | (2)          |                 |
| Add: Commodity mark-to-market adjustments                                | 4                   |              | 4             | 1            |                 |
| 2023 – Adjusted  | <u>\$ 763</u>       | <u>30.7%</u> | <u>\$ 317</u> | <u>\$ 76</u> | <u>24.0%</u>    |
| 2022 – As Reported   | \$ 669              | 30.3%        | \$ 277        | \$ 65        | 23.5%           |
| Add: Restructuring charges, implementation costs and other related costs | 2                   |              | 5             | 1            |                 |
| Deduct: Pension actuarial gains  | -                   |              | (10)          | (2)          |                 |
| 2022 – Adjusted  | <u>\$ 671</u>       | <u>30.4%</u> | <u>\$ 272</u> | <u>\$ 64</u> | <u>23.5%</u>    |
| \$ Change – Adjusted   | \$ 92               |              | \$ 45         | \$ 12        |                 |
| % Change – Adjusted  | 14%                 | +30 bps      | 17%           | 19%          | +50 bps         |

# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Second Quarter

|   | <u>Administrative<br/>Expenses</u> | <u>R&amp;D<br/>Expenses</u> | <u>Total</u>  |
|---|------------------------------------|-----------------------------|---------------|
| 2023 – As Reported  | \$ 162                             | \$ 21                       | \$ 183        |
| Deduct: Restructuring charges, implementation costs and other related costs | (5)                                | -                           | (5)           |
| 2023 – Adjusted   | <u>\$ 157</u>                      | <u>\$ 21</u>                | <u>\$ 178</u> |
| % of Net Sales – Adjusted   | 6.3%                               | 0.8%                        | 7.2%          |
| 2022 – As Reported  | \$ 147                             | 21                          | \$ 168        |
| Deduct: Restructuring charges, implementation costs and other related costs | (3)                                | -                           | (3)           |
| 2022 – Adjusted   | <u>\$ 144</u>                      | <u>\$ 21</u>                | <u>\$ 165</u> |
| % of Net Sales – Adjusted   | 6.5%                               | 1.0%                        | 7.5%          |
| % of Net Sales Change - Adjusted  | (20) bps                           | (20) bps                    | (30) bps      |
| \$ Change – Adjusted  | \$ 13                              | \$ 0                        | \$ 13         |
| % Change - Adjusted   | 9%                                 | 0%                          | 8%            |

Numbers may not add due to rounding

# Reconciliation of GAAP and Non-GAAP Financial Measures

| (\$ millions)                    |                                      |
|----------------------------------|--------------------------------------|
| <u>Second Quarter</u>            | <u>Other Expenses /<br/>(Income)</u> |
| 2023 – As Reported               | \$ 0                                 |
| Add: Pension actuarial gains     | 6                                    |
| 2023 – Adjusted                  | <u>\$ 6</u>                          |
| <br>                             |                                      |
| % of Net Sales – Adjusted        | 0.2%                                 |
| <br>                             |                                      |
| 2022 – As Reported               | \$ (19)                              |
| Add: Pension actuarial gains     | 10                                   |
| 2022 – Adjusted                  | <u>\$ (9)</u>                        |
| <br>                             |                                      |
| % of Net Sales – Adjusted        | (0.4)%                               |
| % of Net Sales Change – Adjusted | +60 bps                              |
| <br>                             |                                      |
| \$ Change – Adjusted             | \$ 15                                |

# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

## Second Quarter – Adjusted Diluted EPS Impact from Adjusted EBIT

|   | <u>EBIT</u>  |
|---|--------------|
| 2023 – Adjusted                               | \$ 362       |
| 2022 – Adjusted                               | 318          |
| \$ Change                                     | \$ 44        |
| Deduct: 2022 Adjusted tax rate impact on EBIT | (10)         |
| Impact to Net Earnings                        | <u>\$ 34</u> |
| Second Quarter 2022 Diluted Shares            | 303          |
| Adjusted Diluted EPS Impact                   | \$ 0.11      |

# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

## Adjusted Diluted EPS Impact from Change in Adjusted Tax Rate

|  | <u>Second<br/>Quarter</u> |
|--|---------------------------|
| 2023 – Adjusted EBT  | \$ 317                    |
| Decrease (Increase) in Adjusted Tax Rate                   | (0.5)%                    |
| Adjusted EBT multiplied by the Change in Adjusted Tax Rate | <u>\$ (2)</u>             |
| Second Quarter 2022 Diluted Shares                         | 303                       |
| Adjusted Diluted EPS Impact                                | \$ (0.01)                 |

# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

## Full Year

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

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

# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

## Second Quarter

|  | <u>EBIT</u>   | <u>EBIT<br/>Margin %</u> | <u>Earnings</u> | <u>Diluted EPS*</u> |
|--|---------------|--------------------------|-----------------|---------------------|
| 2021 – As Reported   | \$ 401        | 17.6%                    | \$ 245          | \$ 0.80             |
| Add: Restructuring charges, implementation costs and other related costs | 22            |                          | 16              | 0.05                |
| Deduct: Pension actuarial gains  | (30)          |                          | (23)            | (0.08)              |
| Deduct: Commodity mark-to-market adjustments                             | (11)          |                          | (8)             | (0.03)              |
| Add: Deferred tax charge   | -             |                          | 19              | 0.06                |
| 2021 – Adjusted  | <u>\$ 382</u> | <u>16.8%</u>             | <u>\$ 249</u>   | <u>\$ 0.82</u>      |

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