

*Campbell's*

**Q4 & Full-Year Fiscal 2020  
Earnings Presentation**



# Q4 2020 Earnings Presentation



**Rebecca Gardy**  
Vice President - Investor Relations



# Forward-Looking Statements

The factors that could cause actual results to vary materially from those anticipated or expressed in any forward-looking statement include: impacts of, and associated responses to, the COVID-19 pandemic, our ability to execute on and realize the expected benefits from our strategy, including growing sales in snacks and maintaining 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; our ability to realize projected cost savings and benefits from cost savings initiatives and the integration of recent acquisitions; disruptions to our supply chain and/or operations, as well as fluctuations in the supply of and inflation in energy and raw and packaging materials cost; our ability to manage changes to our organizational structure and/or business processes, including selling, distribution, manufacturing and information management systems or processes; changes in consumer demand for our products and favorable perception of our brands; changing inventory management practices by certain of our key customers; a changing customer landscape, with value and e-commerce retailers expanding their market presence, while certain of our key customers maintain significance to our business; product quality and safety issues, including recalls and product liabilities; the 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; the costs, disruption and diversion of management's attention associated with activist investors; a material failure in or a breach of our information technology systems; 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; 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 in one or more of our markets due to political instability, civil disobedience, terrorism, armed hostilities, extreme weather conditions, natural disasters, pandemics or other calamities; and other factors described in our most recent Form 10-K and subsequent Securities and Exchange Commission filings. We disclaim any obligation or intent to update these statements to reflect new information or future events.



# Agenda

CEO Perspective

Q4 & Full-Year Fiscal 2020 Financial Results

Q1 Fiscal 2021 Guidance



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# CEO Perspective



**Mark Clouse**  
President and  
Chief Executive Officer



# COVID-19 Response

- #1 priority is safety and well-being of our people
- \$6 million in financial support and food to Campbell hometowns across North America
- Strong collaboration with retailers



Real food comes  
from real heroes.



To our employees, partners and their families,

**Thank You.**

For answering the call.

For going above and beyond.

For making sure there's food on the shelves.

You have America's back.

And we have yours.

#CampbellProud

#TogetherWeCan

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*Real food that matters for life's moments*

*Campbell's*



*Real food. Real results.*

# Focused Strategy Has Served Us Well

1

**GEOGRAPHY**



2

**DIVISIONS**

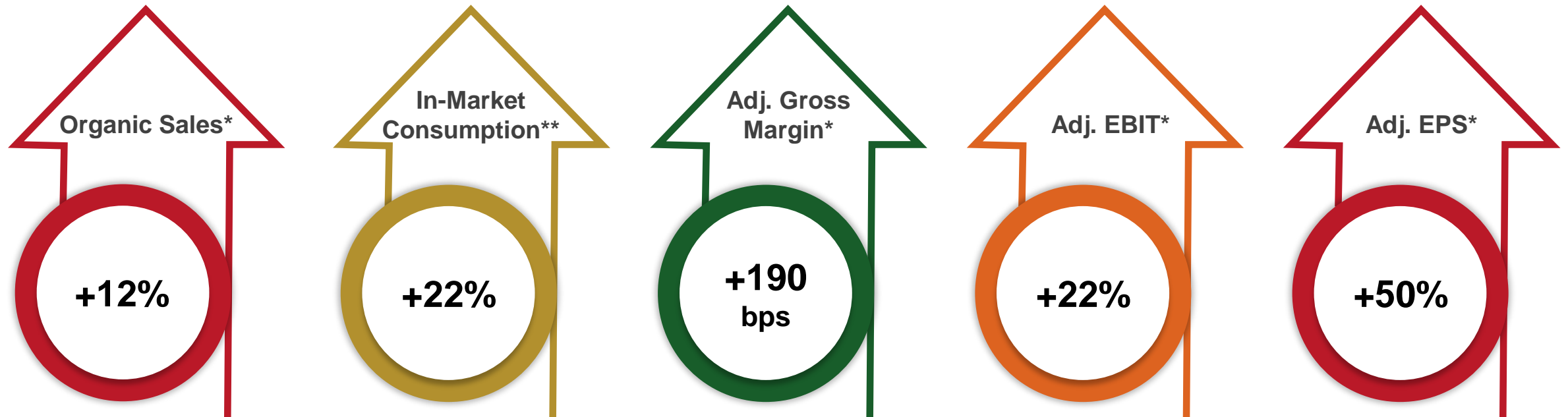


13

**CORE CATEGORIES | ~80% of BUSINESS**  
**with Leading Brands in Every Category**



# Q4 Results: Exceptional Growth Across All Key Metrics



\*See Non-GAAP reconciliation  
\*\*Total IRI U.S. MULO \$ consumption latest 14 weeks ended 8/2/20



Real food. Real results.

# Trends Shaping Landscape

1. Quick scratch cooking
2. Accelerated online buying including home delivery and click & collect
3. Evolution of retail shelf
4. Continued focus on value

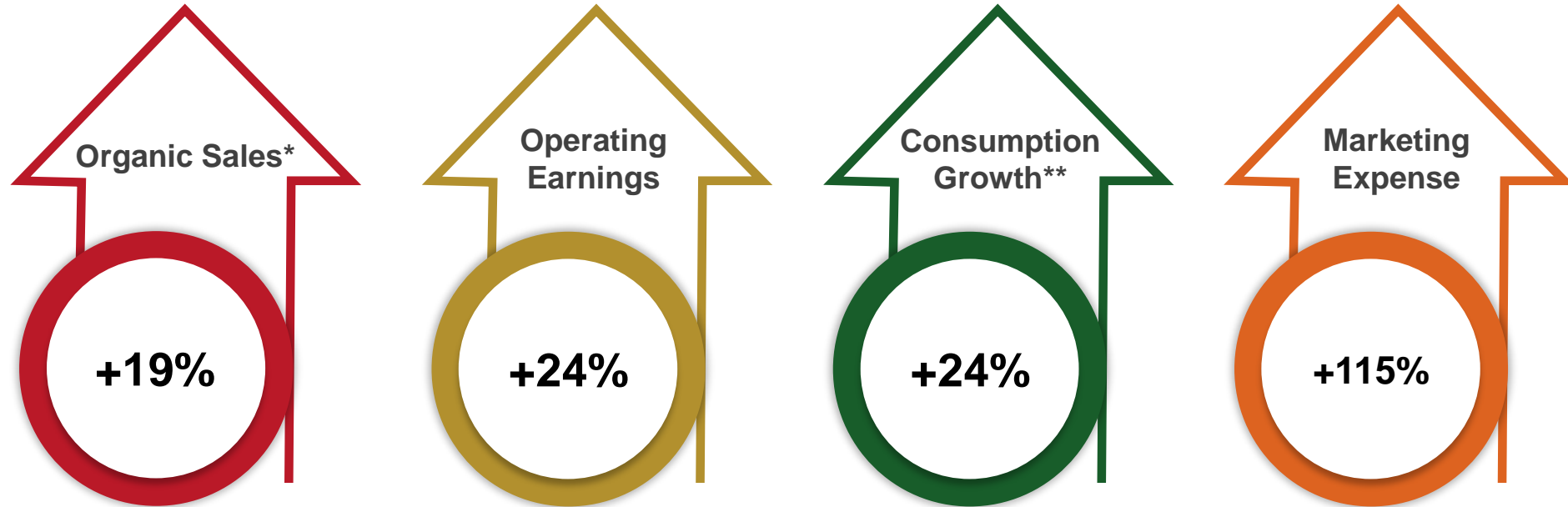
Focused on attracting and retaining households



# Fiscal 2021 Guidance

- Full-year outlook difficult to predict
- Providing first-quarter guidance
- Reassess guidance approach next quarter

# Meals & Beverages: Accelerating Our Growth Strategy in Q4



\*See Non-GAAP reconciliation  
 \*\* IRI U.S. MULO \$ consumption latest 14 weeks ended 8/2/20



Real food. Real results.

# Heating Up Our Soup Strategy

- Soup grew faster than total edibles\*
- Total U.S. retail soup sales up 52%\*\*
- Substantial sales gains on condensed, ready-to-serve and broth, including *Pacific*
- Addressing broth availability



\*IRI TSV MULO 53 weeks ending 8/2/20

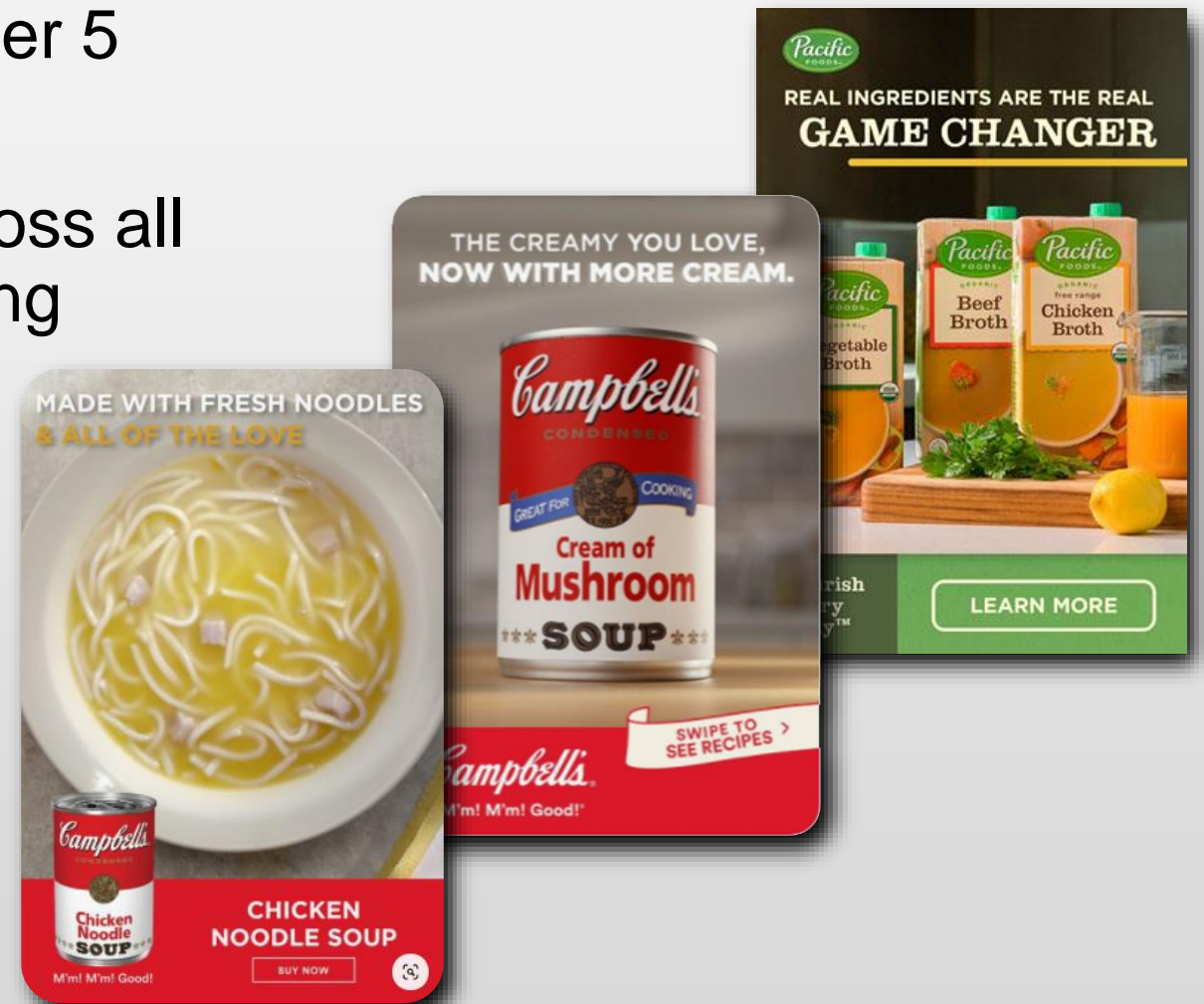
\*\*Note: Includes an 11-point benefit from the additional week in fiscal 2020.



Real food. Real results.

# Gaining New Soup Households

- Soup household penetration up over 5 percentage points vs. FY19 Q4\*
- Gained 6.4 million households across all generations, continued gains among Millennials\*\*
- Gains most pronounced across condensed icon soups – investing to drive relevance and usage



\*IRI National Consumer Panel: Total US All Outlets, 14 weeks ending 8/2/20 (CSC Wet soup)  
\*\*IRI National Consumer Panel, Total U.S. All Outlets, 14 weeks ending 8/2/20, NBD volume adjusted (CSC Wet soup)



Real food. Real results.

# Stepped Up Innovation Planned for Fiscal 21

## Strengthening Better-for-You Offerings



## Expanding Convenience Platforms



## Broadening Kid-Specific Options



# Accelerated Progress Against our “Win in Soup” Strategy in Fiscal 20

- ✓ Turnaround ahead of plan
  - Increased household penetration
  - Attracting younger households
  - Growth of *Pacific Foods* brand
- ✓ On-track with innovation, marketing, supply chain and investments
- ✓ FY21 focus also includes:
  - Addressing capacity to improve share
  - Shelf and packaging after prioritizing supply to keep shelves full in COVID-19 environment

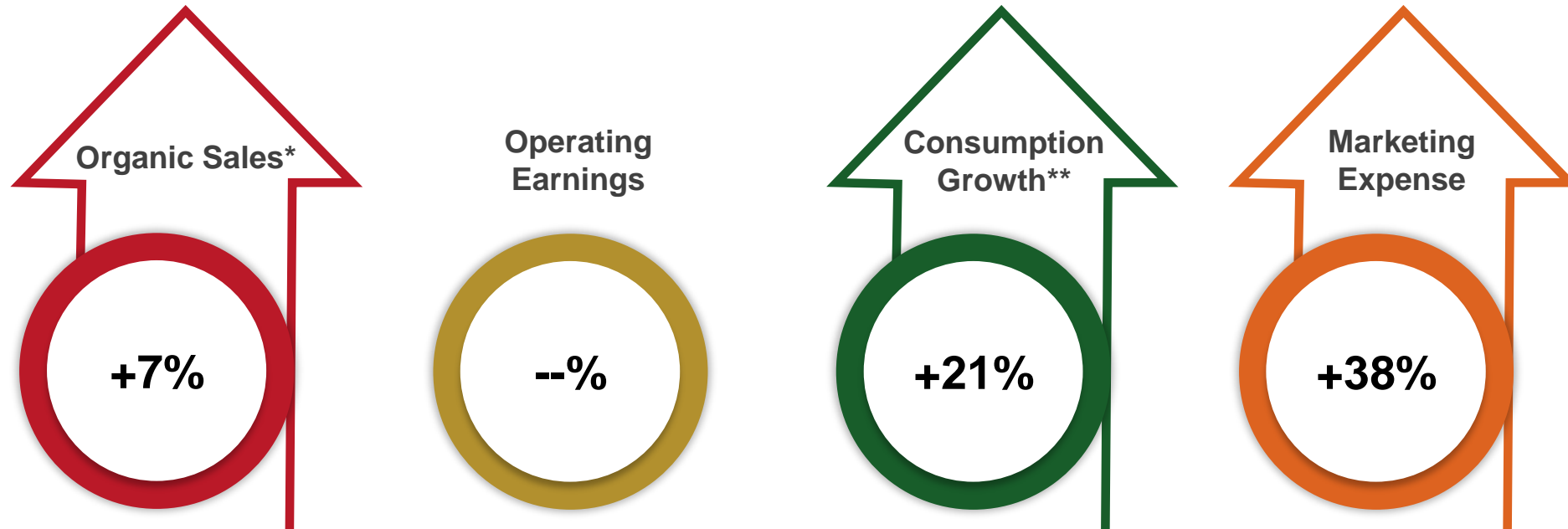


# M&B: *Prego*, *Pace*, *V8* and Canada

- *Prego* maintained #1 share position in Italian sauce category\*
- *Prego*, *Pace* and *V8* double-digit consumption gains\*
- Canada continued to perform well

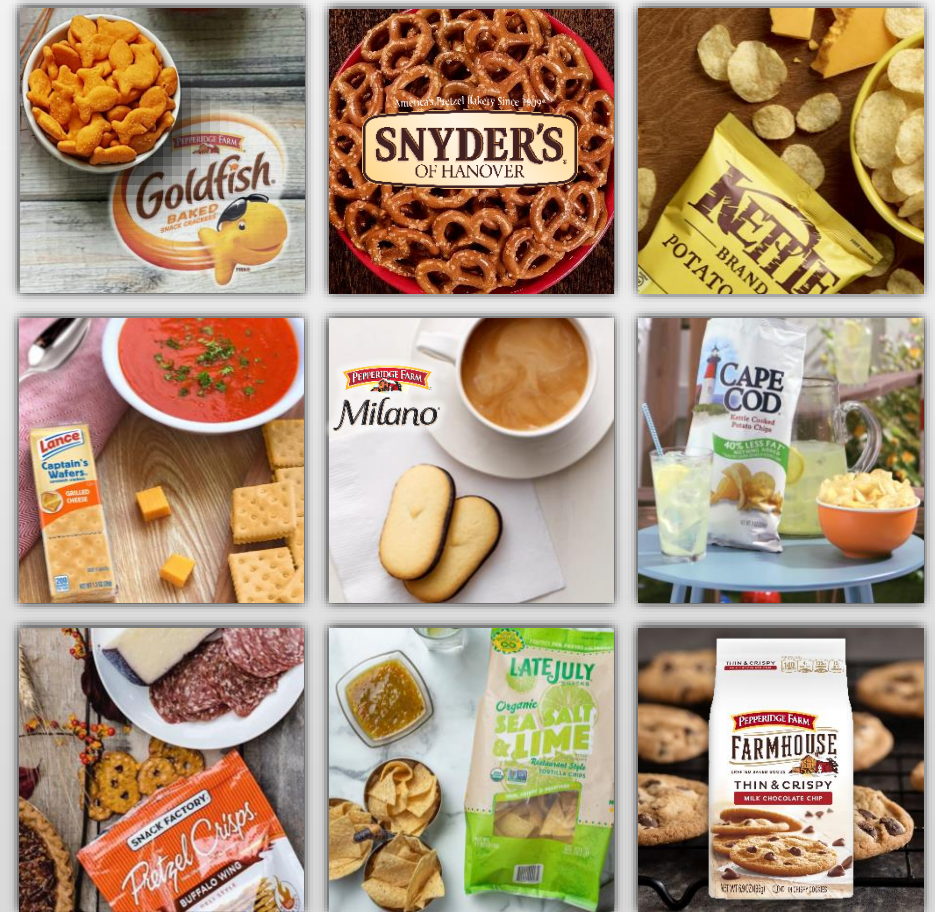


# Snacks: Continued Strong Performance in Q4



# New Household Gains Fueled by Power Brands

- 8 of 9 power brands increased household penetration\*
- Significantly increased marketing investments
- Snacks well-positioned to be a primary driver of growth for Campbell



# Snacks Innovation On-Track and Showing Momentum

## Progress on FY20 Product Launches



## Q4 Innovation: Farmhouse Breakfast Breads



Positive repeat and steady velocity growth

Scaled up via virtual tele-tasting capabilities

# Snacks: Well-Positioned for the Future

- Confident in ability to continue to unlock growth potential
- Consistent progress against portfolio role
- Integration remains on plan



# Highly Advantaged Position Going Forward



Adding and retaining millions of new households



Maximizing cash flows and investments



Well-positioned to benefit from continued consumer behaviors



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# CFO Perspective



**Mick Beekhuizen**  
EVP & Chief Financial Officer



# Fourth-Quarter and Fiscal 2020 Summary

- Q4 FY20 organic net sales year-over-year growth of 12% driven by strong demand across our portfolio of iconic brands
- Q4 adjusted EBIT growth of 22% and adjusted EPS growth of 50% driven by strong demand and gross margin improvement
- FY20 net sales growth of 7%, adjusted EBIT growth of 14% and adjusted EPS growth of 28%
- Providing FY21 perspective and Q1 guidance

Note: Organic Net Sales, adjusted EBIT and adjusted EPS are non-GAAP financial measures. See Non-GAAP reconciliation.



# Financial Summary

Continuing Operations

(\$ millions, except per share data)

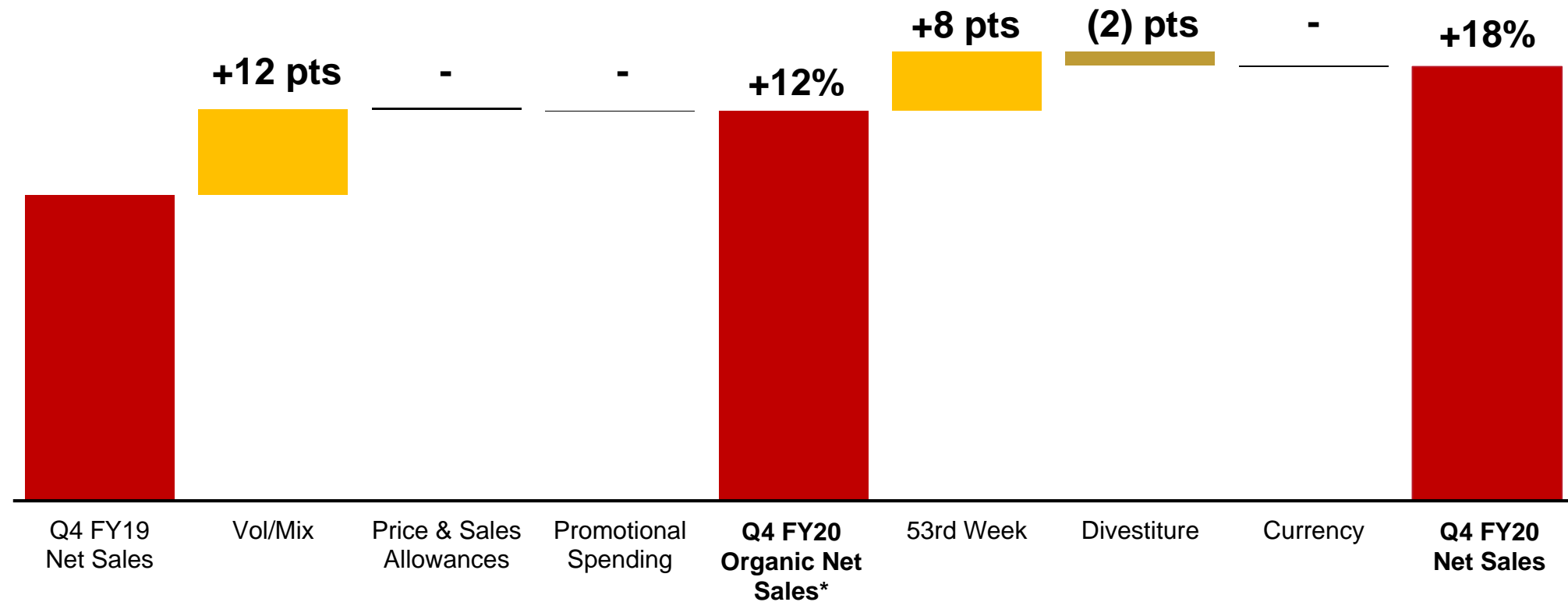
|                           | Q4<br>FY20 | Change vs. PY |     | Full<br>Year<br>2020 | Change vs. PY |     |
|---------------------------|------------|---------------|-----|----------------------|---------------|-----|
|                           |            | \$            | %   |                      | \$            | %   |
| <b>Net Sales</b>          | \$2,108    | \$328         | 18% | \$8,691              | \$584         | 7%  |
| <i>Organic Net Sales*</i> |            | \$216         | 12% |                      | \$541         | 7%  |
| <b>Adjusted EBIT*</b>     | \$307      | \$55          | 22% | \$1,449              | \$183         | 14% |
| <b>Adjusted EPS*</b>      | \$0.63     | \$0.21        | 50% | \$2.95               | \$0.65        | 28% |

\*See Non-GAAP reconciliation



# Components of Net Sales Change

Continuing Operations

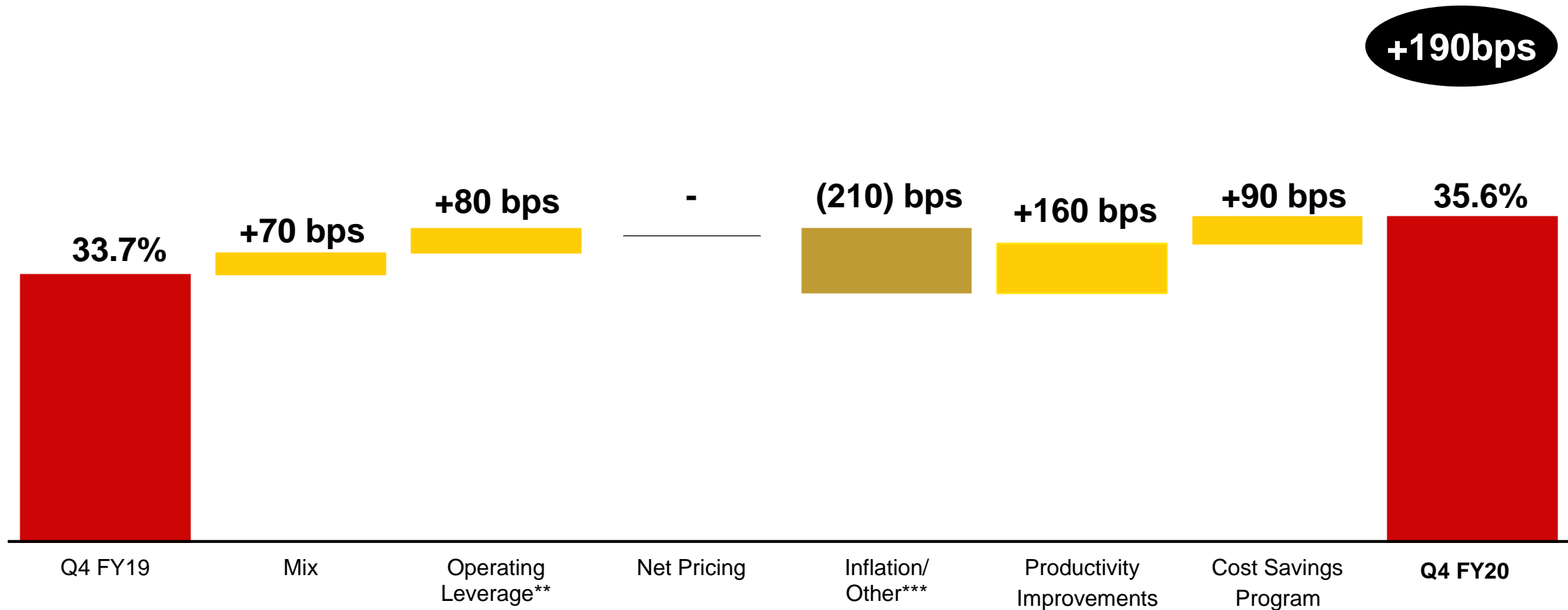


\* See Non-GAAP reconciliation



# Adjusted Gross Margin Performance\*

Continuing Operations



\* See Non-GAAP reconciliation

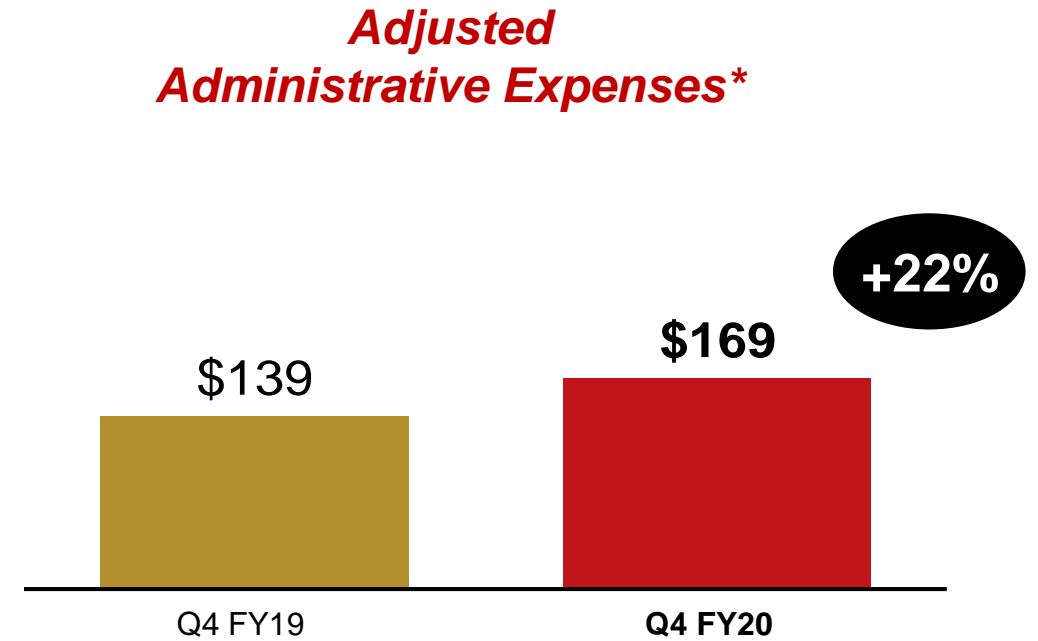
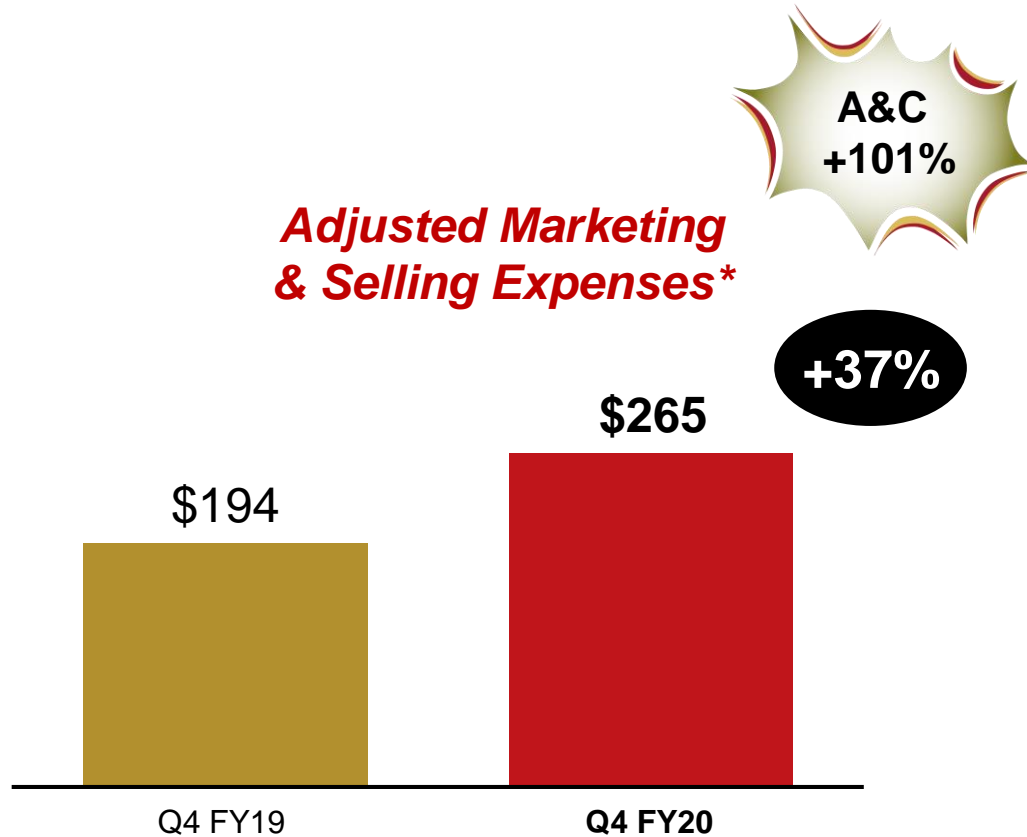
\*\* Reflects best estimate of individual component

\*\*\* Includes cost impact of COVID-19



# Other Operating Items\*\*

Continuing Operations (\$ millions)



\* See Non-GAAP reconciliation

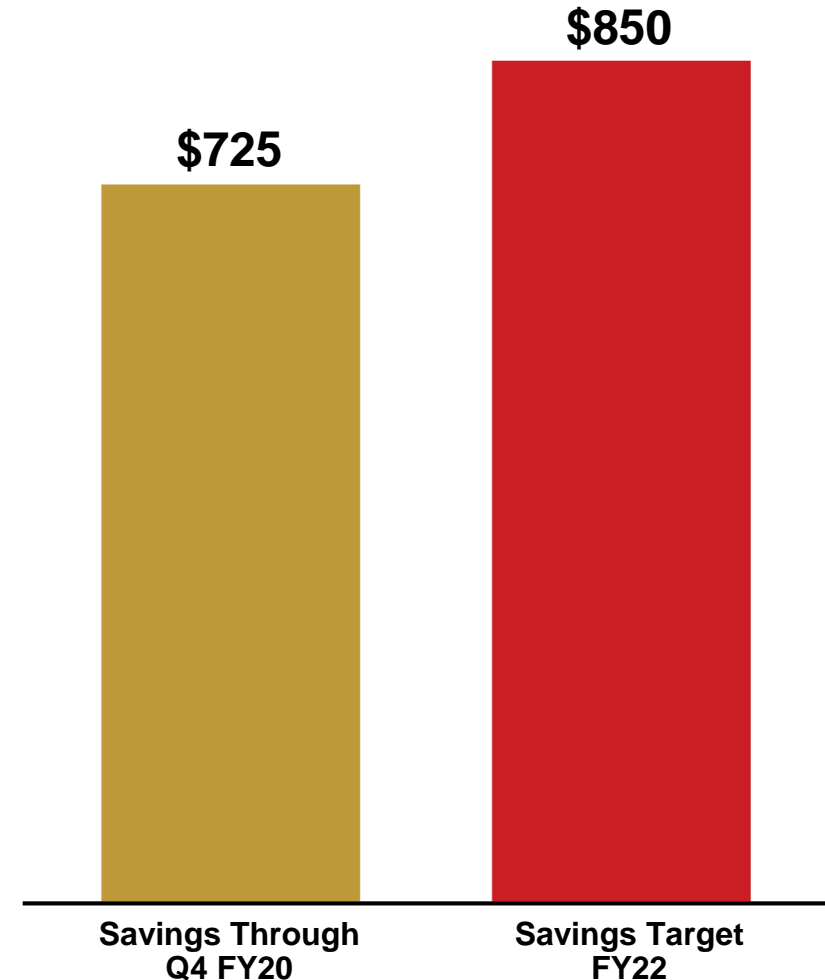
\*\*Includes the impact of the 53<sup>rd</sup> week



# Cost Savings

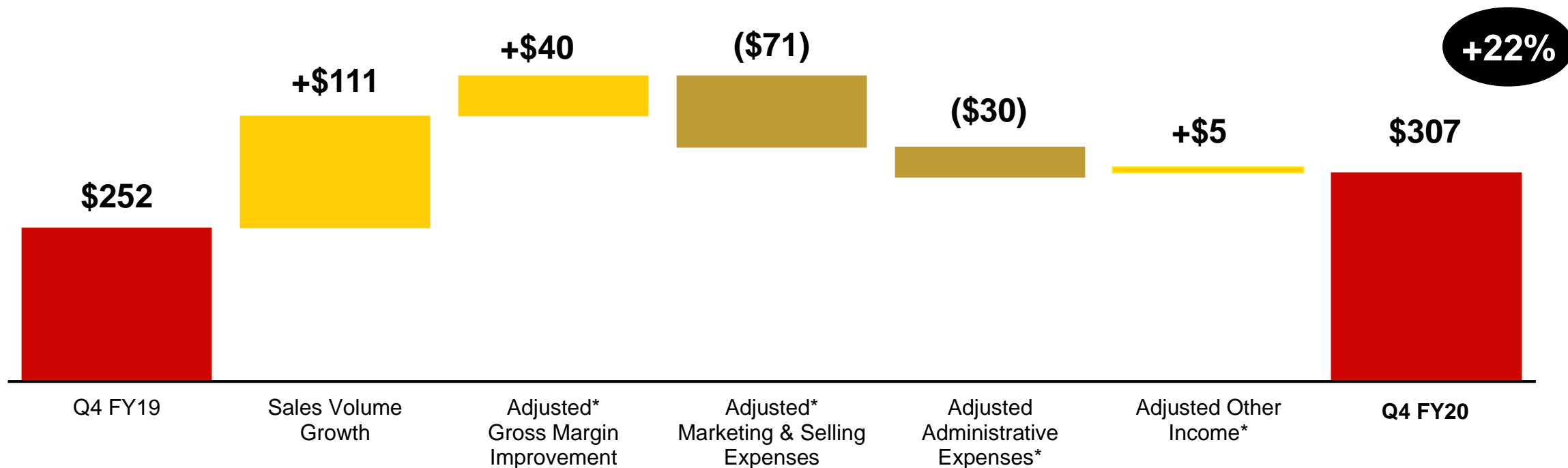
Continuing Operations (\$ millions)

- Total savings of \$45 million realized in Q4; \$165 million for FY20
- Enterprise cost savings and Snyder's-Lance synergies program on track with \$725 million achieved to date
- Outlook of approximately \$75 - 85 million for FY21
- Tracking to cumulative savings target of \$850 million by end of FY22



# Adjusted EBIT Performance\*

Continuing Operations (\$ millions)

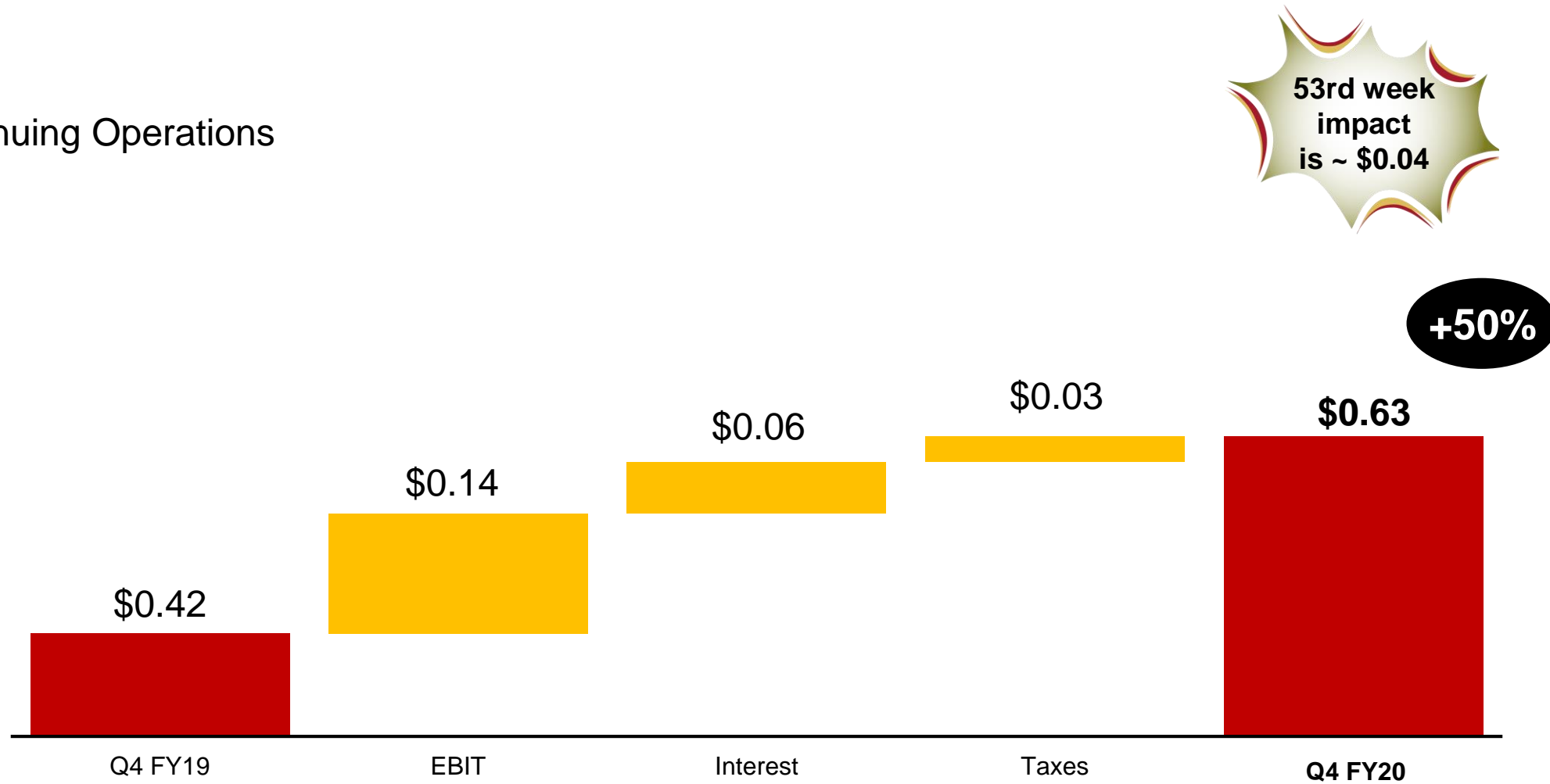


\*See Non-GAAP reconciliations.  
The impact of the 53<sup>rd</sup> week is included in their respective line items above.



# Adjusted EPS Performance\*

Continuing Operations



\* See Non-GAAP reconciliation

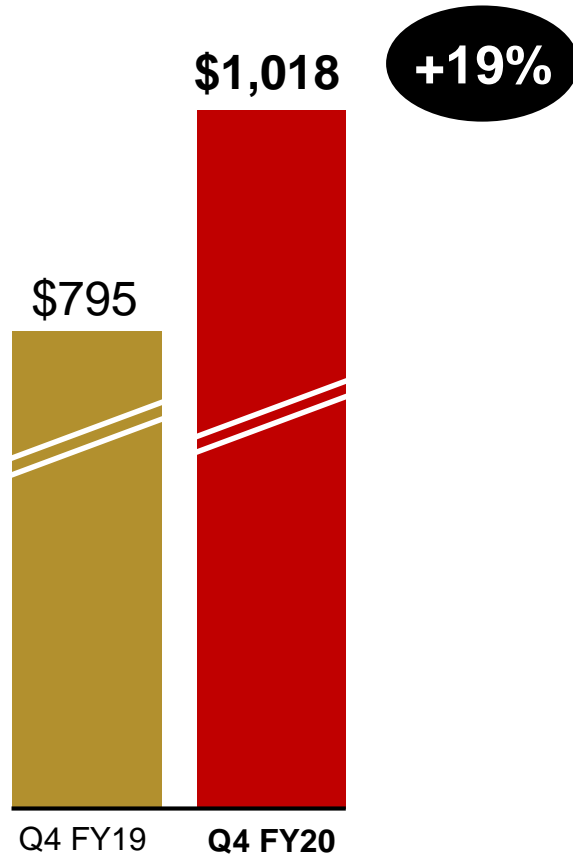
Note: Numbers do not add across due to rounding



# Segment Results

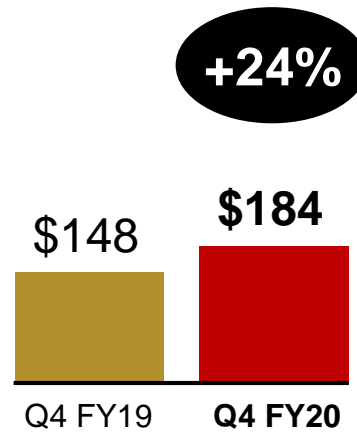
(\$ millions)

## Net Sales & Organic Growth Rate\*

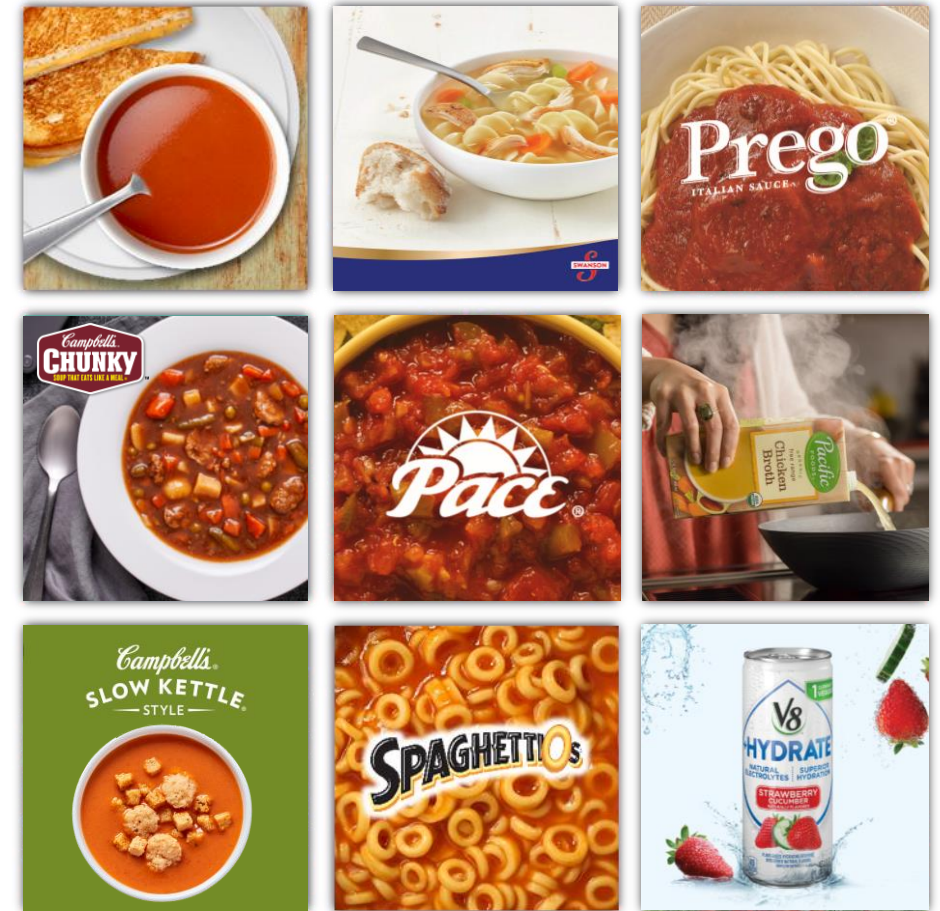


\* See Non-GAAP reconciliation

## Operating Earnings



# Campbell's MEALS & BEVERAGES



# Segment Results

(\$ millions)

## Net Sales & Organic Growth Rate\*

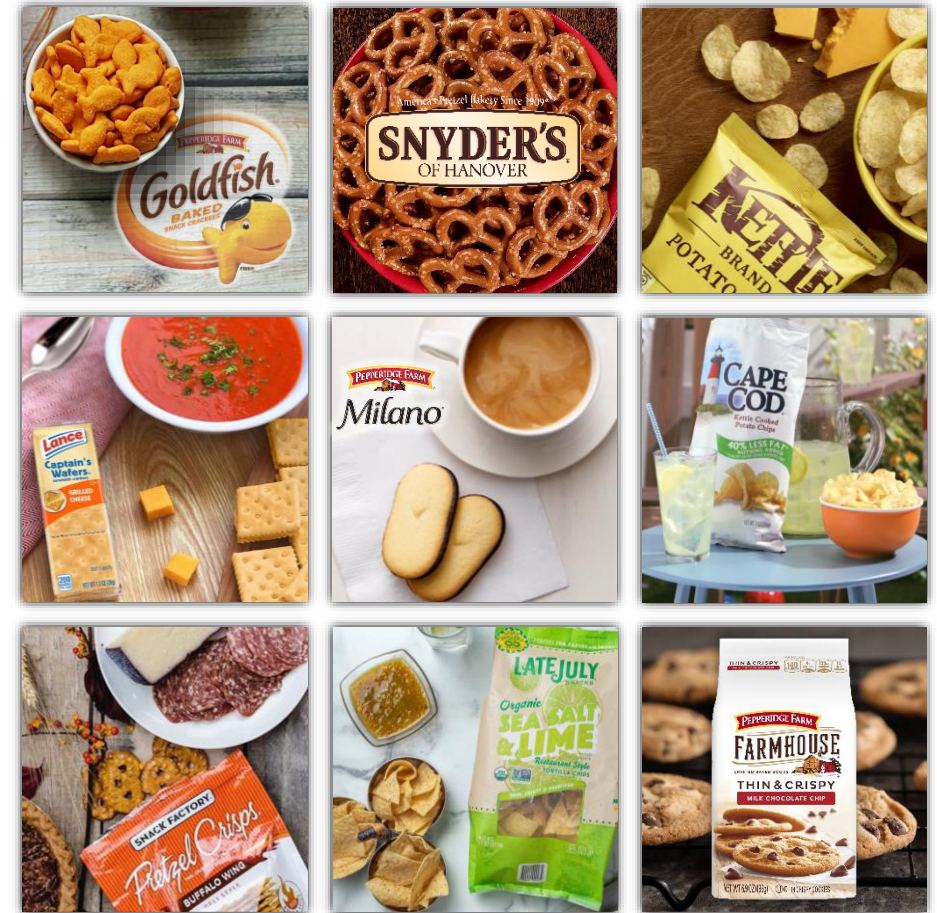


\* See Non-GAAP reconciliation

## Operating Earnings



# Campbell's | SNACKS



# Cash Flow

Total Company (\$ millions)

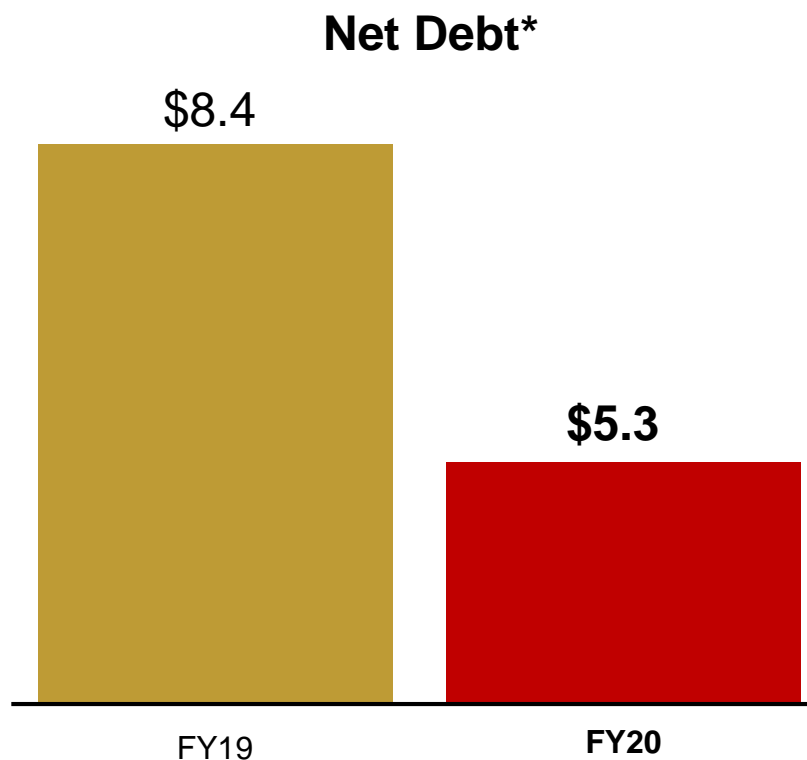
| Fiscal Year  | 2019             | 2020             |
|--|------------------|------------------|
| <b>Net Cash Flows from Operations</b>  | <b>\$1,398</b>   | <b>\$1,396</b>   |
| <i>Of which changes in working capital (net of acquisition and divestitures)</i> | \$149            | \$92             |
| <b>Net Cash Flows from Investing Activities</b>                                  | <b>\$153</b>     | <b>\$2,272</b>   |
| <i>Of which capital expenditures</i>   | (\$384)          | (\$299)          |
| <i>Of which sale of businesses (net of cash divested)</i>                        | \$539            | \$2,537          |
| <b>Net Cash Flows from Financing Activities</b>                                  | <b>(\$1,591)</b> | <b>(\$2,987)</b> |
| <i>Of which net debt repayments</i>  | (\$1,159)        | (\$791)          |
| <i>Of which payments related to debt extinguishment</i>                          | -                | (\$1,769)        |
| <i>Of which dividends paid</i>   | (\$423)          | (\$426)          |
| <b>Net Change in Cash &amp; Cash Equivalents*</b>                                | <b>(\$47)</b>    | <b>\$680</b>     |

\* Does not add as this item includes the effect of exchange rate changes on cash



# Continued Deleveraging

Continuing Operations (\$ billions)



**Net Debt / Adjusted EBITDA\***  
(on trailing twelve-month basis)

**5.2x**

**3.0x**

**Achieved  
12 months  
ahead of plan**

## Key Highlights

- Strong deleveraging throughout FY20
- Achieved 3.0x leverage target 1 year earlier than anticipated
- Continue to operate in a volatile environment
- Capital priorities remain intact; may opportunistically evaluate strategic tuck-in acquisitions



# Fiscal 2021 Perspective

- **Maintain focus on strong execution in uncertain operating environment**
  - Continue to invest in our brands and focus on supply chain execution to meet demand
  - Continued focus on cost savings, including enterprise / value capture cost savings, while targeting supply chain productivity savings to offset inflation
  - Continued COVID-19 related costs, though moderated compared to Q4 FY20 levels

# Fiscal 2021 Perspective

- **Likely elevated demand in H1 FY21 though moderating throughout the period as environment improves**
  - Year ago base for many COVID-19 impacted products, like soup, are seasonally higher in H1 reducing absolute percent changes but still at elevated levels
- **In contrast, H2 FY21 demand currently expected to decline, but full reversal of H2 FY20 upside not expected given plans to retain new households, sustained consumer trends and innovation plans**
  - Initial pantry load and community shut-downs drove significant one-time COVID-19 driven growth in H2 FY20
  - If COVID-19 environment continues into H2 of FY21, this outlook would evolve

# Fiscal 2021 – Select Assumptions

(\$ millions)

|  | FY21 Select Assumptions |
|--|-------------------------|
| <b>Cost Savings (Enterprise/Value Capture)</b> | \$75 – 85 million       |
| <b>Net Interest Expense</b>                    | \$215 – 220 million     |
| <b>Adjusted Tax Rate*</b>                      | ~24%                    |
| <b>Capital Expenditures</b>                    | ~\$350 million          |

\*A non-GAAP reconciliation is not provided for 2021 guidance since certain items are not estimable, such as pension and postretirement mark-to-market adjustments, and these items are not considered to reflect the company's ongoing business results.

# Q1 Fiscal 2021 Guidance for Continuing Operations

(\$ in millions, except per share)

|                      | Q1 FY20 Results | Q1 FY21 Guidance                   |
|----------------------|-----------------|------------------------------------|
| <b>Net Sales</b>     | \$2,183         | +5% to +7%                         |
| <b>Adjusted EBIT</b> | \$392*          | +6% to +9%**                       |
| <b>Adjusted EPS</b>  | \$0.78*         | +13% to +18%**<br>\$0.88 to \$0.92 |

\*See Non-GAAP reconciliation

\*\* A non-GAAP reconciliation is not provided for 2021 guidance since certain items are not estimable, such as pension and postretirement mark-to-market adjustments, and these items are not considered to reflect the company's ongoing business results.



# Key Proof Points Fiscal 2021



## PROFITABLE GROWTH

- Retain new households
- Improve soup share
- Continue Snacks growth
- Increase innovation contribution



## INVESTMENT AND PROFIT

- Deliver cost savings and value capture
- Closely manage COVID-19 costs
- Improve Snacks margin
- Execute capital initiatives



## WINNING TEAM

- Continue to prioritize safety and well-being of our people
- Maintain executional and accountability focus
- Add consumer and retail capabilities



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**Analyst Q&A @ 8:30 a.m. ET**  
**[Investor.campbellsoupcompany.com](http://Investor.campbellsoupcompany.com)**

# Appendix



# Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations (\$ millions)

Fourth Quarter

August 2, 2020

Meals & Beverages

| <u>Net Sales,<br/>As Reported</u> | <u>Impact of<br/>Currency</u> | <u>Impact of<br/>53<sup>rd</sup> Week</u> | <u>Organic<br/>Net Sales</u> |
|-----------------------------------|-------------------------------|---|------------------------------|
| \$ 1,018                          | \$ 3                          | \$ (73)                                   | \$ 948                       |

Snacks

|       |   |      |       |
|-------|---|------|-------|
| 1,090 | 1 | (78) | 1,013 |
|-------|---|------|-------|

**Total Net Sales**

|                 |             |                 |                 |
|-----------------|-------------|-----------------|-----------------|
| <u>\$ 2,108</u> | <u>\$ 4</u> | <u>\$ (151)</u> | <u>\$ 1,961</u> |
|-----------------|-------------|-----------------|-----------------|

July 28, 2019

Meals & Beverages

| <u>Net Sales,<br/>As Reported</u> | <u>Impact of<br/>Divestitures</u> | <u>Organic<br/>Net Sales</u> |
|-----------------------------------|-----------------------------------|------------------------------|
| \$ 795                            | \$ -                              | \$ 795                       |

Snacks

|     |      |     |
|-----|------|-----|
| 985 | (35) | 950 |
|-----|------|-----|

**Total Net Sales**

|                 |                |                 |
|-----------------|----------------|-----------------|
| <u>\$ 1,780</u> | <u>\$ (35)</u> | <u>\$ 1,745</u> |
|-----------------|----------------|-----------------|

% Change

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

|     |     |
|-----|-----|
| 28% | 19% |
|-----|-----|

|     |    |
|-----|----|
| 11% | 7% |
|-----|----|

|            |            |
|------------|------------|
| <u>18%</u> | <u>12%</u> |
|------------|------------|



# Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations (\$ millions)

Full Year

August 2, 2020

Meals & Beverages

| <u>Net Sales,<br/>As Reported</u> | <u>Impact of<br/>Currency</u> | <u>Impact of<br/>53<sup>rd</sup> Week</u> | <u>Organic<br/>Net Sales</u> |
|-----------------------------------|-------------------------------|---|------------------------------|
| \$ 4,646                          | \$ 7                          | \$ (73)                                   | \$ 4,580                     |

Snacks

|       |   |      |       |
|-------|---|------|-------|
| 4,045 | 1 | (78) | 3,968 |
|-------|---|------|-------|

**Total Net Sales**

|                 |             |                 |                 |
|-----------------|-------------|-----------------|-----------------|
| <u>\$ 8,691</u> | <u>\$ 8</u> | <u>\$ (151)</u> | <u>\$ 8,548</u> |
|-----------------|-------------|-----------------|-----------------|

July 28, 2019

Meals & Beverages

| <u>Net Sales,<br/>As Reported</u> | <u>Impact of<br/>Divestitures</u> | <u>Organic<br/>Net Sales</u> |
|-----------------------------------|-----------------------------------|------------------------------|
| \$ 4,252                          | \$ -                              | \$ 4,252                     |

Snacks

|       |       |       |
|-------|-------|-------|
| 3,854 | (100) | 3,754 |
|-------|-------|-------|

Corporate

|   |   |   |
|---|---|---|
| 1 | - | 1 |
|---|---|---|

**Total Net Sales**

|                 |                 |                 |
|-----------------|-----------------|-----------------|
| <u>\$ 8,107</u> | <u>\$ (100)</u> | <u>\$ 8,007</u> |
|-----------------|-----------------|-----------------|

% Change

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

|    |    |
|----|----|
| 9% | 8% |
|----|----|

|    |    |
|----|----|
| 5% | 6% |
|----|----|

|           |           |
|-----------|-----------|
| <u>7%</u> | <u>7%</u> |
|-----------|-----------|



# Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations  
(\$ millions, except per share amounts)

## Fourth Quarter

|  | EBIT          | EBIT<br>Margin % | Earnings<br>(Loss) | Diluted EPS*   |
|--|---------------|------------------|--------------------|----------------|
| 2020 – As Reported   | \$ 167        | 7.9%             | \$ 86              | \$ 0.28        |
| Add: Restructuring charges, implementation costs and other related costs | 19            |                  | 14                 | 0.05           |
| Add: Pension and postretirement benefit mark-to-market adjustments       | 121           |                  | 92                 | 0.30           |
| 2020 – Adjusted  | <u>\$ 307</u> | <u>14.6%</u>     | <u>\$ 192</u>      | <u>\$ 0.63</u> |
| 2019 – As Reported   | \$ 83         | 4.7%             | \$ (5)             | \$ (0.02)      |
| Add: Restructuring charges, implementation costs and other related costs | 31            |                  | 24                 | 0.08           |
| Add: Pension and postretirement benefit mark-to-market adjustments       | 122           |                  | 93                 | 0.31           |
| Add: Impairment charges  | 16            |                  | 13                 | 0.04           |
| 2019 – Adjusted  | <u>\$ 252</u> | <u>14.2%</u>     | <u>\$ 125</u>      | <u>\$ 0.42</u> |
| % Change   | 22%           | +40 bps          | 54%                | 50%            |

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



# Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations  
(\$ millions, except per share amounts)

Full Year

|  | <u>EBIT</u>     | <u>Earnings</u> | <u>Diluted<br/>EPS*</u> |
|--|-----------------|-----------------|-------------------------|
| 2020 – As Reported   | \$ 1,107        | \$ 592          | \$ 1.95                 |
| Add: Restructuring charges, implementation costs and other related costs | 69              | 52              | 0.17                    |
| Add: Pension settlement  | 43              | 33              | 0.11                    |
| Add: Loss on extinguishment of debt                                      | -               | 57              | 0.19                    |
| Add: Pension and postretirement benefit mark-to-market adjustments       | 121             | 92              | 0.30                    |
| Add: Charges associated with divestiture                                 | 64              | 37              | 0.12                    |
| Add: Investment losses   | 45              | 35              | 0.12                    |
| 2020 – Adjusted  | <u>\$ 1,449</u> | <u>\$ 898</u>   | <u>\$ 2.95</u>          |
| 2019 – As Reported   | \$ 979          | \$ 474          | \$ 1.57                 |
| Add: Restructuring charges, implementation costs and other related costs | 121             | 92              | 0.30                    |
| Add: Pension settlement  | 28              | 22              | 0.07                    |
| Add: Impairment charges  | 16              | 13              | 0.04                    |
| Add: Pension and postretirement benefit mark-to-market adjustments       | 122             | 93              | 0.31                    |
| Add: Tax reform  | -               | 2               | 0.01                    |
| 2019 – Adjusted  | <u>\$ 1,266</u> | <u>\$ 696</u>   | <u>\$ 2.30</u>          |
| % Change   | 14%             | 29%             | 28%                     |

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

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*Real food. Real results.*

# Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations (\$ millions)

## Fourth Quarter

|   | Gross Margin | GM %  | Tax   | Tax Rate |
|---|--------------|-------|-------|----------|
| 2020 – As Reported  | \$ 747       | 35.4% | \$ 21 | 19.6%    |
| Add: Restructuring charges, implementation costs and other related costs          | 3            |       | 5     |          |
| Add: Pension and postretirement benefit mark-to-market adjustments                | -            |       | 29    |          |
| 2020 – Adjusted   | \$ 750       | 35.6% | \$ 55 | 22.3%    |
| 2019 – As Reported  | \$ 606       | 34.0% | \$ 4  | n/m      |
| Add/(Deduct): Restructuring charges, implementation costs and other related costs | (7)          |       | 7     |          |
| Add: Pension and postretirement benefit mark-to-market adjustments                | -            |       | 29    |          |
| Add: Impairment charges   | -            |       | 3     |          |
| 2019 – Adjusted   | \$ 599       | 33.7% | \$ 43 | 25.6%    |

n/m – not meaningful



# Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations (\$ millions)

Adjusted EBIT Impact from Adjusted Gross Margin Expansion

|  | <u>Fourth<br/>Quarter</u> |
|--|---------------------------|
| 2020 – Reported Net Sales  | \$ 2,108                  |
| 2020 – Adjusted Gross Margin %                                     | 35.6%                     |
| 2019 – Adjusted Gross Margin %                                     | 33.7%                     |
| Change in Adjusted Gross Margin %                                  | <u>1.9%</u>               |
| Reported Net Sales multiplied by change in Adjusted Gross Margin % | <u>\$ 40</u>              |



# Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations (\$ millions)

Fourth Quarter

|   | Administrative<br>Expenses | Marketing &<br>Selling Expenses | Other Expenses /<br>(Income) |
|---|----------------------------|---------------------------------|------------------------------|
| 2020 – As Reported  | \$ 186                     | \$ 265                          | \$ 106                       |
| Deduct: Pension and postretirement benefit mark-to-market adjustments       | -                          | -                               | (121)                        |
| Deduct: Restructuring charges, implementation costs and other related costs | (17)                       | -                               | -                            |
| 2020 – Adjusted   | <u>\$ 169</u>              | <u>\$ 265</u>                   | <u>\$ (15)</u>               |
| 2019 – As Reported  | \$ 166                     | \$ 195                          | \$ 128                       |
| Deduct: Pension and postretirement benefit mark-to-market adjustments       | -                          | -                               | (122)                        |
| Deduct: Impairment charges  | -                          | -                               | (16)                         |
| Deduct: Restructuring charges, implementation costs and other related costs | (27)                       | (1)                             | -                            |
| 2019 – Adjusted   | <u>\$ 139</u>              | <u>\$ 194</u>                   | <u>\$ (10)</u>               |
| % Change  | 22%                        | 37%                             | 50%                          |



# Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations (\$ millions)

Net Debt

|                                 | <u>July 28, 2019</u> | <u>August 2, 2020</u> |
|---------------------------------|----------------------|-----------------------|
| Short-Term Borrowings           | \$ 1,371             | \$ 1,202              |
| Long-Term Debt                  | 7,103                | 4,994                 |
| Total Debt                      | <u>\$ 8,474</u>      | <u>\$ 6,196</u>       |
| Less: Cash and Cash Equivalents | (31)                 | (859)                 |
| Net Debt                        | <u>\$ 8,443</u>      | <u>\$ 5,337</u>       |



# Reconciliation of GAAP and Non-GAAP Financial Measures

| (\$ millions)   | <u>Twelve Months<br/>Ended<br/>July 28, 2019</u> | <u>Twelve Months<br/>Ended<br/>August 2, 2020</u> |
|---|--|---|
| Adjusted Earnings before interest and taxes                                       | \$ 1,266   | \$ 1,449  |
| Depreciation and amortization, as reported  | \$ 446   | \$ 328  |
| Add (Deduct): Restructuring charges, implementation costs and other related costs | (18)   | (4)   |
| Deduct: Depreciation and amortization, discontinued operations                    | (83)   | -   |
| Adjusted Depreciation and amortization from continuing operations                 | \$ 345   | \$ 324  |
| Adjusted Earnings before interest, taxes, depreciation and amortization           | <u>\$ 1,611</u>                                  | <u>\$ 1,773</u>                                   |
| Net Debt  | <u>\$ 8,443</u>                                  | <u>\$ 5,337</u>                                   |
| Net Debt to Adjusted EBITDA   | <u>5.2</u>                                       | <u>3.0</u>  |



# Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations  
(\$ millions, except per share amounts)

## First Quarter

|  | <u>EBIT</u>   | <u>Earnings</u> | <u>Diluted<br/>EPS*</u> |
|--|---------------|-----------------|-------------------------|
| 2020 – As Reported   | \$ 317        | \$ 169          | \$ 0.56                 |
| Add: Restructuring charges, implementation costs and other related costs | 11            | 8               | 0.03                    |
| Add: Charges associated with divestiture                                 | 64            | 60              | 0.20                    |
| 2020 – Adjusted  | <u>\$ 392</u> | <u>\$ 237</u>   | <u>\$ 0.78</u>          |

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



*Campbell's*