



*Campbell's*

**Q3 2021**  
Earnings Presentation

# *Campbell's*



**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 on our business, suppliers, customers, consumers and employees; 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 in or inefficiencies to our supply chain and/or operations including the impacts of the COVID-19 pandemic, 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 or our vendors' 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



Consolidated Results



Division Highlights



Q3 Financial Highlights



Full-Year Guidance



Q&A

# *Campbell's*



**Mark Clouse**  
President and  
Chief Executive Officer

Q3 Fiscal 2021 Earnings Presentation  
CEO Perspective



# Q3 Performance Overview

- Topline came in as expected, given challenging comparison
- Continued brand strength: market share gains, strong household retention, recovery on shelf
- Margin headwinds, mostly anticipated but some pressures intensified
- Plans are already underway; pricing in place as we enter FY22

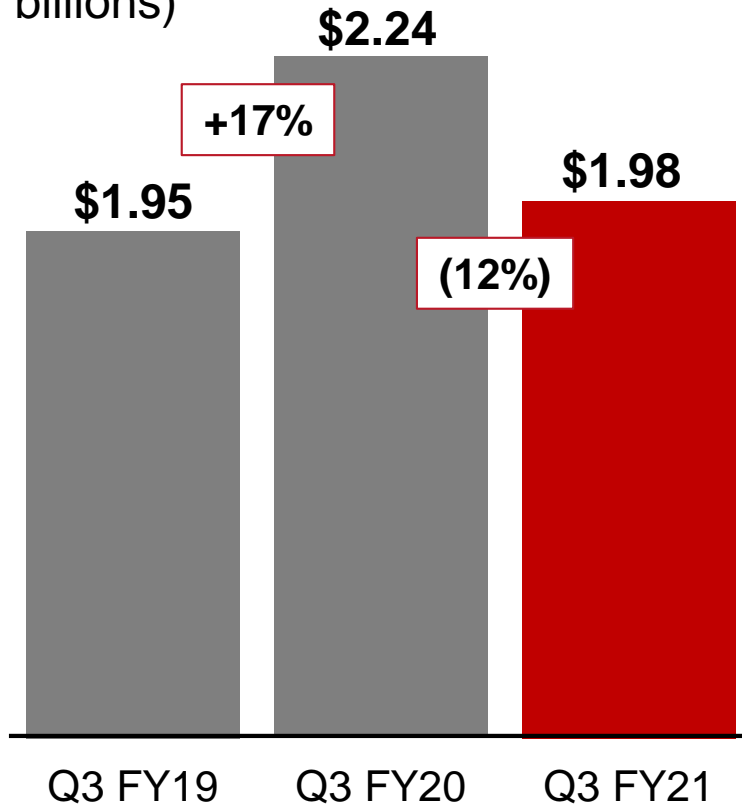




# Sales in-line with our expectations; Clear brand strength

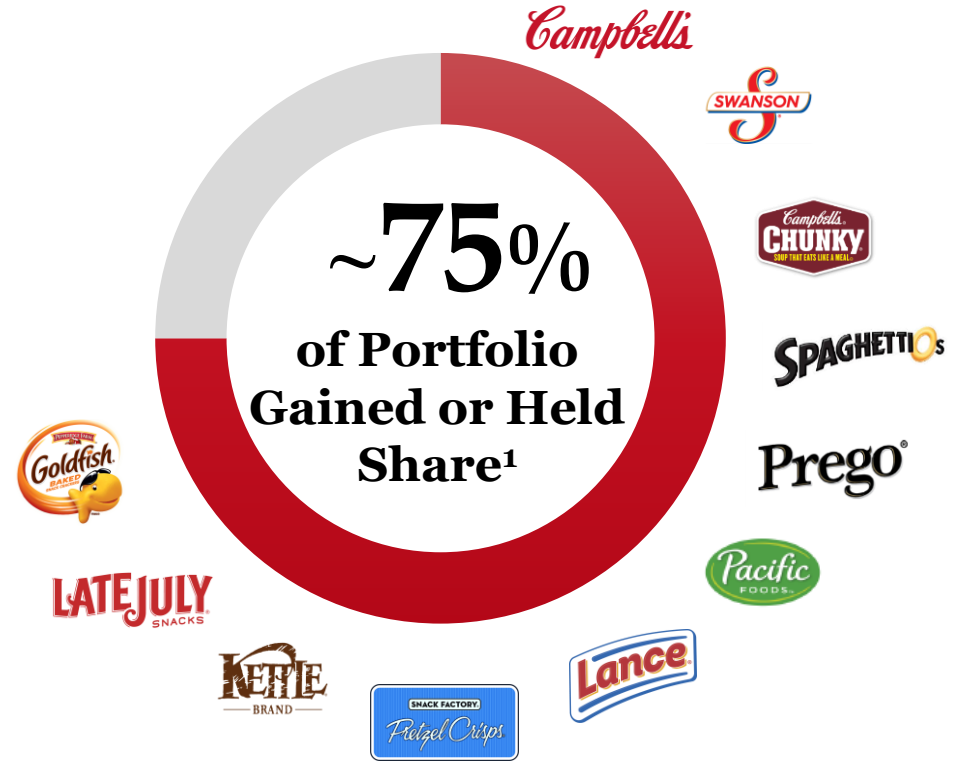
## Net Sales & Organic Growth Rate\*

Continuing Operations  
(\$ billions)



## Brand Strength

9% consumption vs. 2YA<sup>1</sup>



\* See Non-GAAP reconciliation

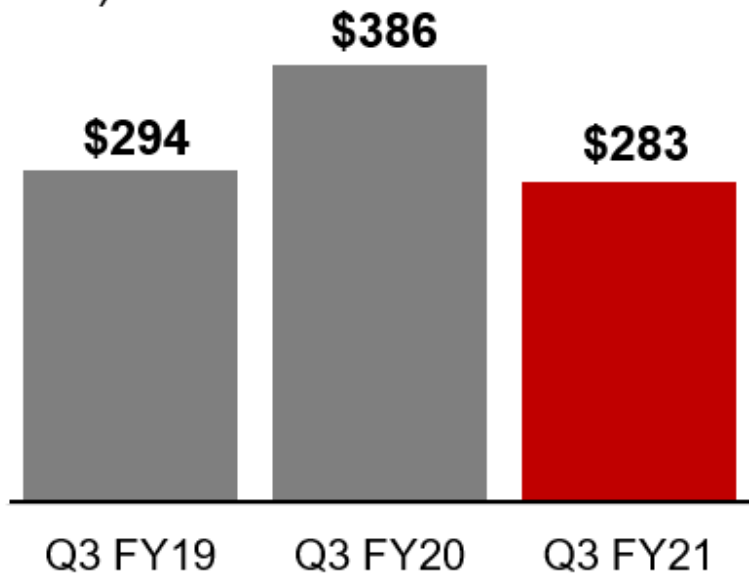
<sup>1</sup> Total IRI US MULO \$ Consumption latest 13 weeks ending 5/2/2021



# Margin Impact

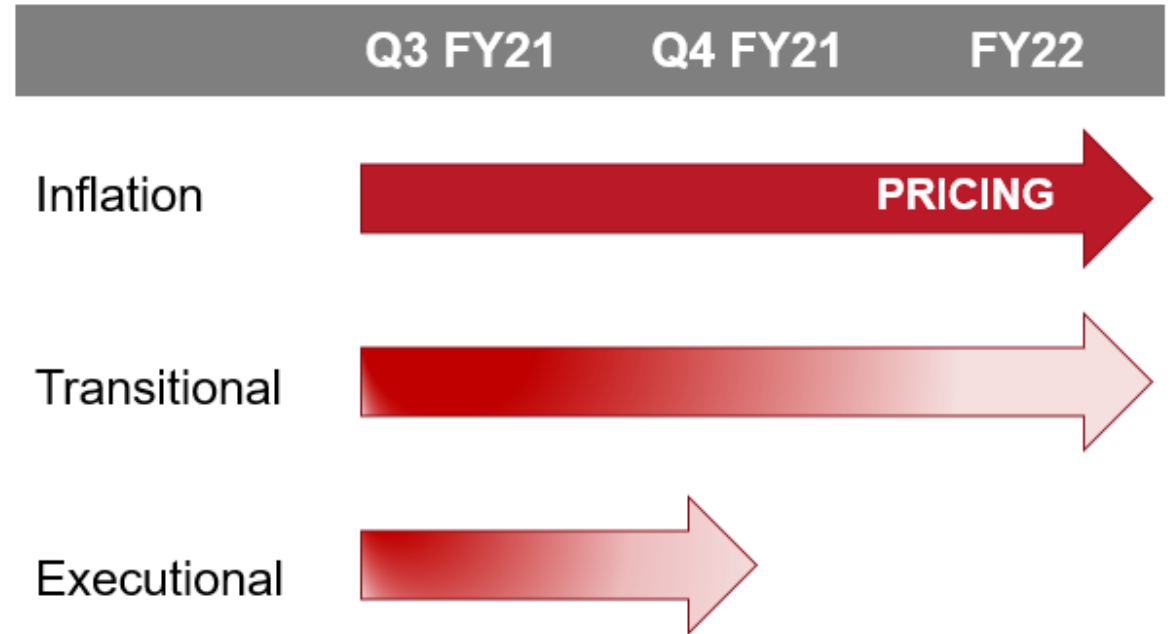
## Adjusted EBIT\*

Continuing Operations  
(\$ millions)



Adj EBIT Margin*	Q3 FY19	Q3 FY20	Q3 FY21
	15.1%	17.2%	14.3%

## Easing of Margin Pressures into Fiscal 2022



\* See Non-GAAP reconciliation



# Meals & Beverages Division Performance

## Win in Soup

# 9th

Consecutive Quarter  
of Condensed Share<sup>1</sup>  
Growth vs PY



# +9%

U.S. Soup  
Consumption<sup>1</sup>  
Growth vs 2YA

# +2pts

Record U.S. Soup  
Share<sup>1</sup> Gains vs PY

# +28%

Pacific Foods  
Consumption<sup>1</sup>  
Growth vs 2YA

## Key M&B Brands



**#1** Share<sup>1</sup> for 24  
Straight Months



Repeat rates<sup>2</sup>  
ahead of pre-  
COVID-19 levels  
**+0.6 pts**



Share Gains<sup>1</sup>  
**+3.0 pts**

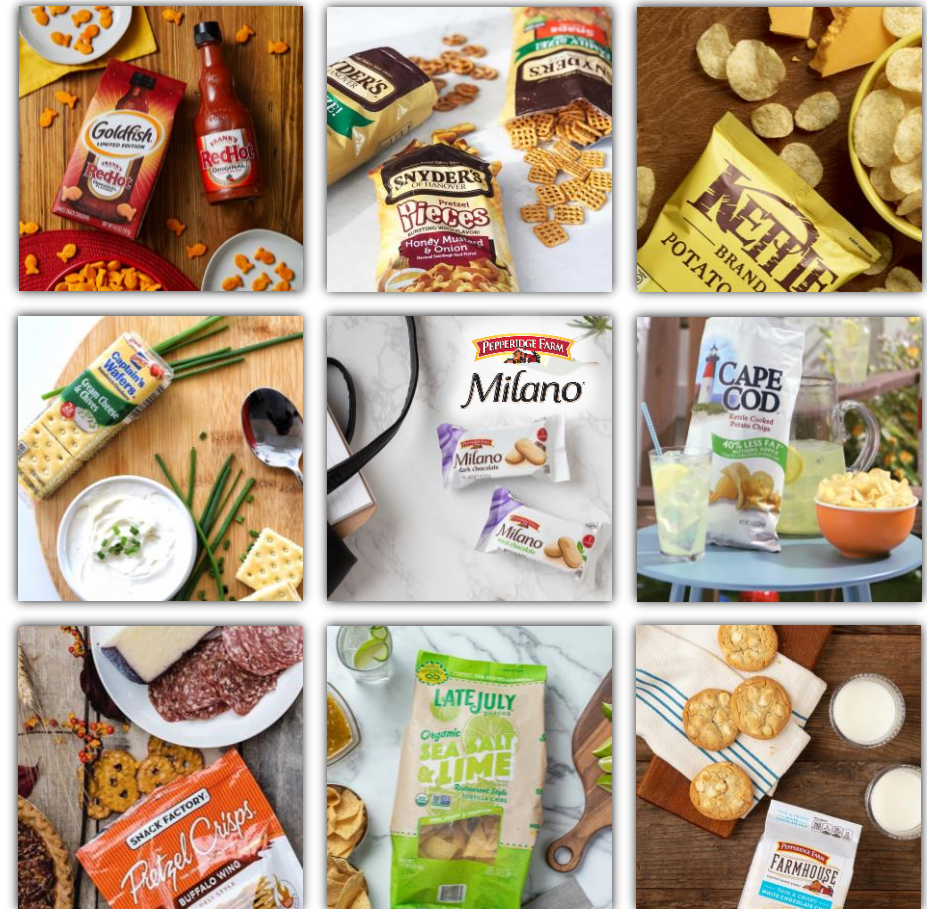
Double-  
Digit Net  
Sales  
Growth vs  
2YA

<sup>1</sup> Total IRI US MULO \$ Consumption latest 13 weeks ending 5/2/2021  
<sup>2</sup> IRI Total US All Outlets; NBD Dollars latest 13 weeks ending 5/2/2021



# Snacks Division Performance

- +14% Power Brands consumption<sup>1</sup> vs 2YA
- Repeat rates<sup>2</sup> on 7 of 9 power brands ahead of pre-COVID-19 levels
- Salty snacks consumption<sup>1</sup> growth nearly 20% vs 2YA
- *Goldfish* returned to share<sup>1</sup> growth vs PY
- Launch of limited-edition *Goldfish*<sup>®</sup> *Frank's RedHot* crackers



<sup>1</sup> Total IRI US MULO \$ Consumption latest 13 weeks ending 5/2/2021  
<sup>2</sup> IRI Total US All Outlets; NBD Dollars latest 13 weeks ending 5/2/2021

# *Campbell's*



**Mick Beekhuizen**  
EVP & Chief Financial Officer

Q3 Fiscal 2021 Earnings Presentation  
CFO Perspective



# Financial Summary

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

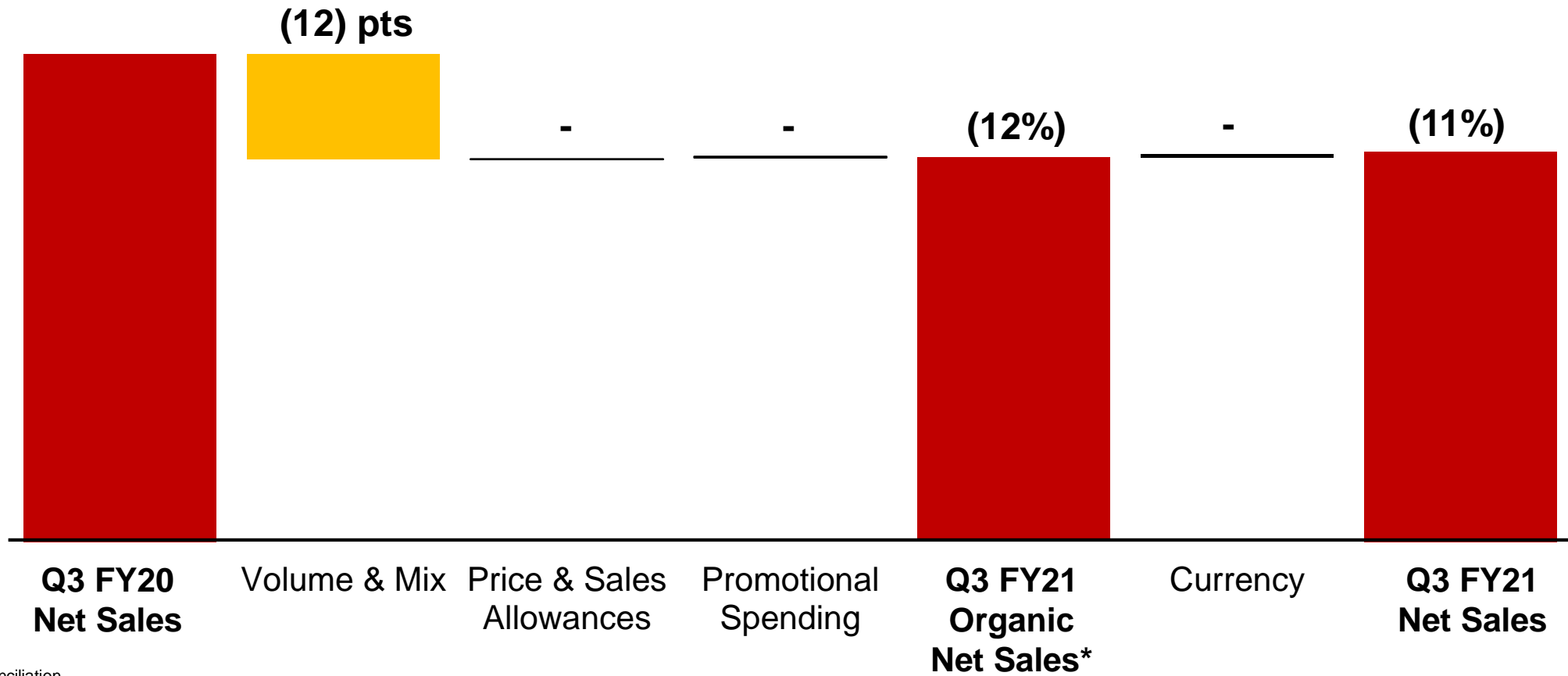
	Q3 FY21	Change vs. PY		YTD FY21	Change vs. PY	
		\$	%		\$	%
<b>Net Sales</b>	\$1,984	(\$254)	(11%)	\$6,603	\$20	0%
<i>Organic Net Sales*</i>		(\$264)	(12%)		\$34	1%
<b>Adjusted EBIT*</b>	\$283	(\$103)	(27%)	\$1,139	(\$3)	0%
<b>Adjusted EPS*</b>	\$0.57	(\$0.26)	(31%)	\$2.43	\$0.09	4%

\*See Non-GAAP reconciliation



# Components of Net Sales Change

Continuing Operations

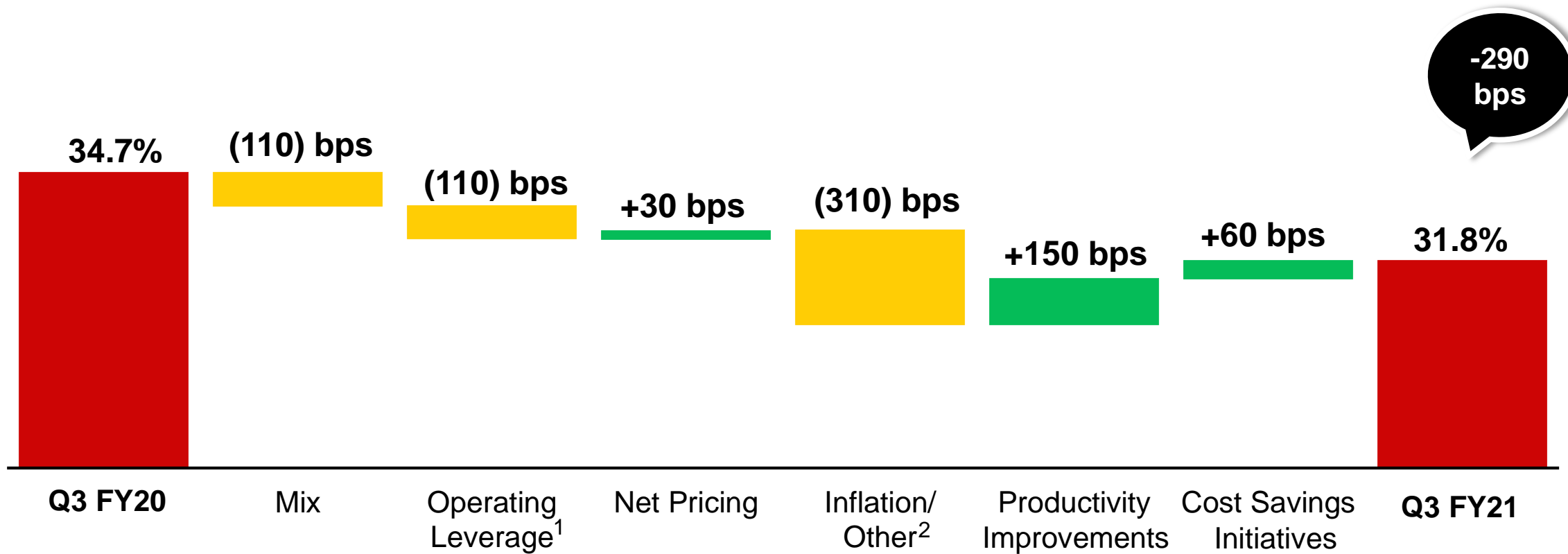


\* See Non-GAAP reconciliation  
Numbers may not add due to rounding.



# Adjusted Gross Margin\* Bridge

Continuing Operations



\* See Non-GAAP reconciliation

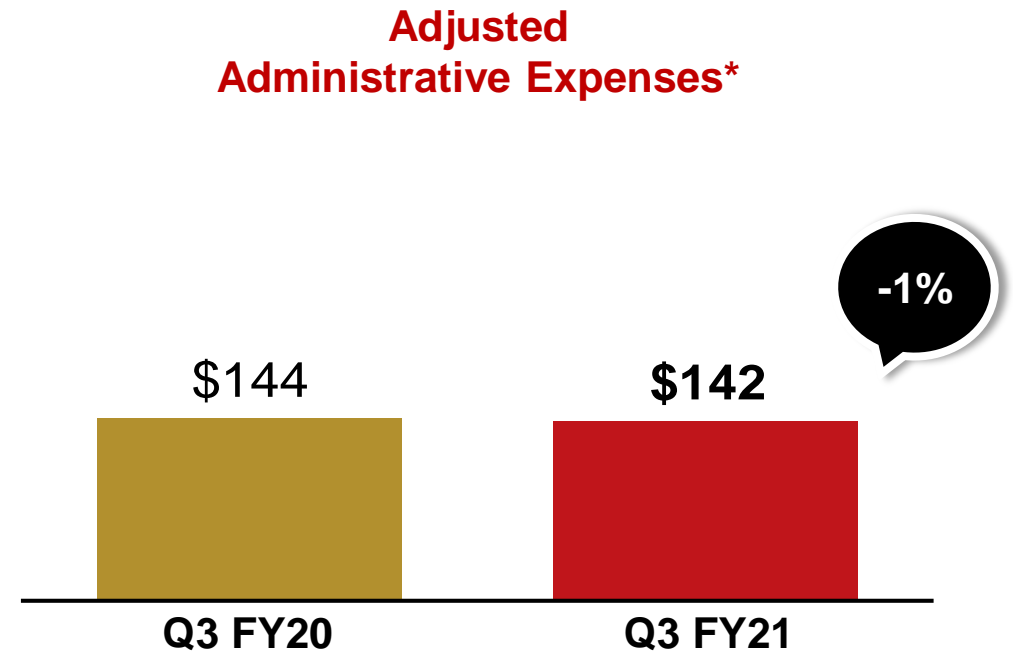
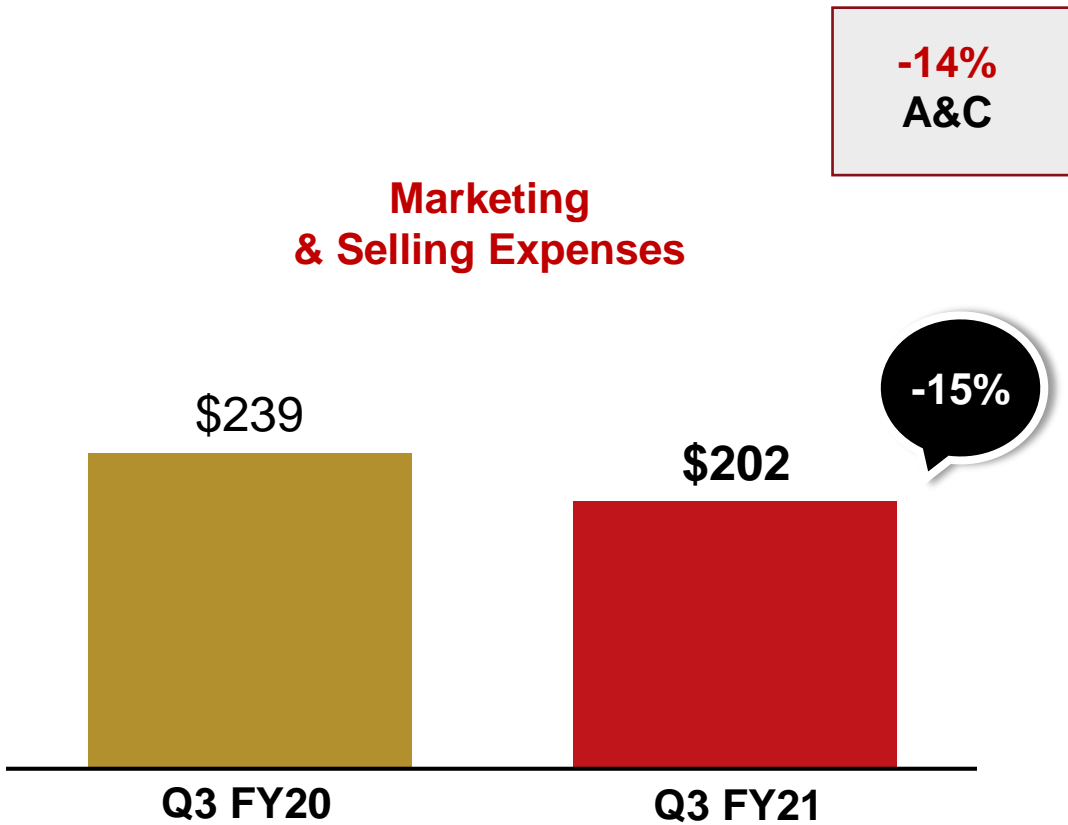
<sup>1</sup> Reflects best estimate of individual component

<sup>2</sup> Includes other supply chain costs, as well as a net benefit from the change in mark-to-market adjustments on outstanding commodity hedges.



# Other Operating Items

Continuing Operations (\$ millions)



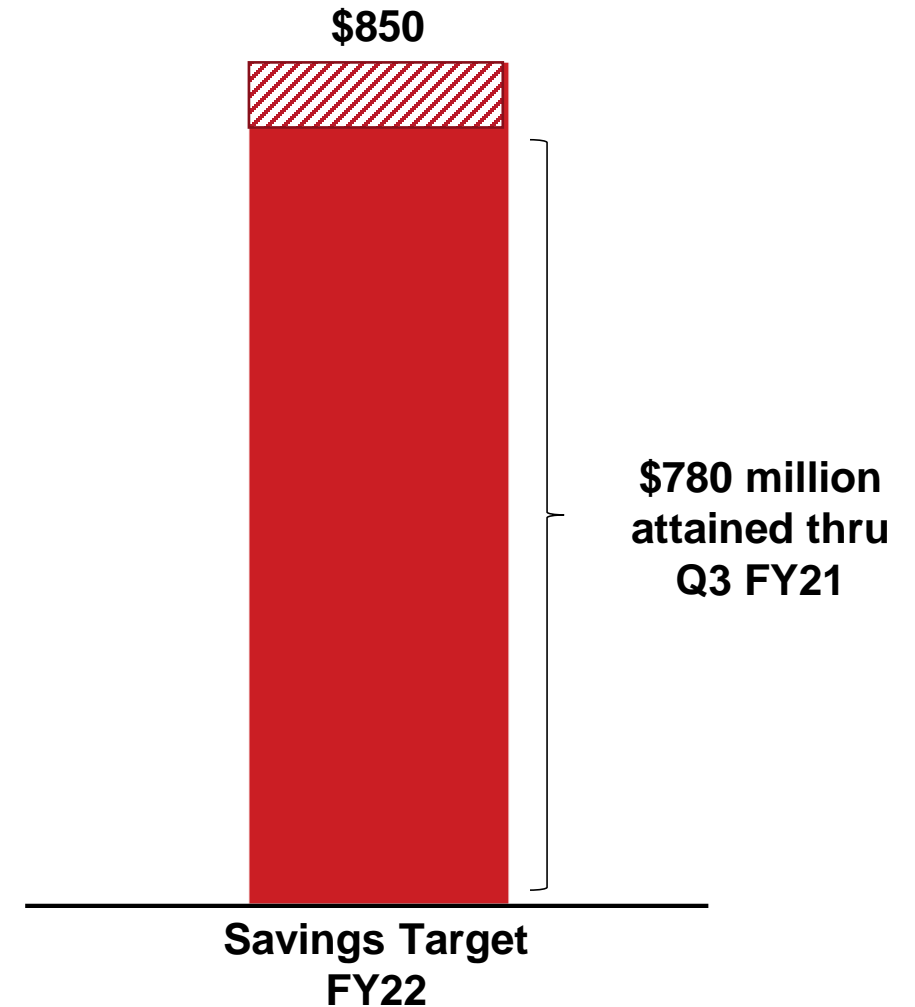
\* See Non-GAAP reconciliation



# Cost Savings & Value Capture

Continuing Operations (\$ millions)

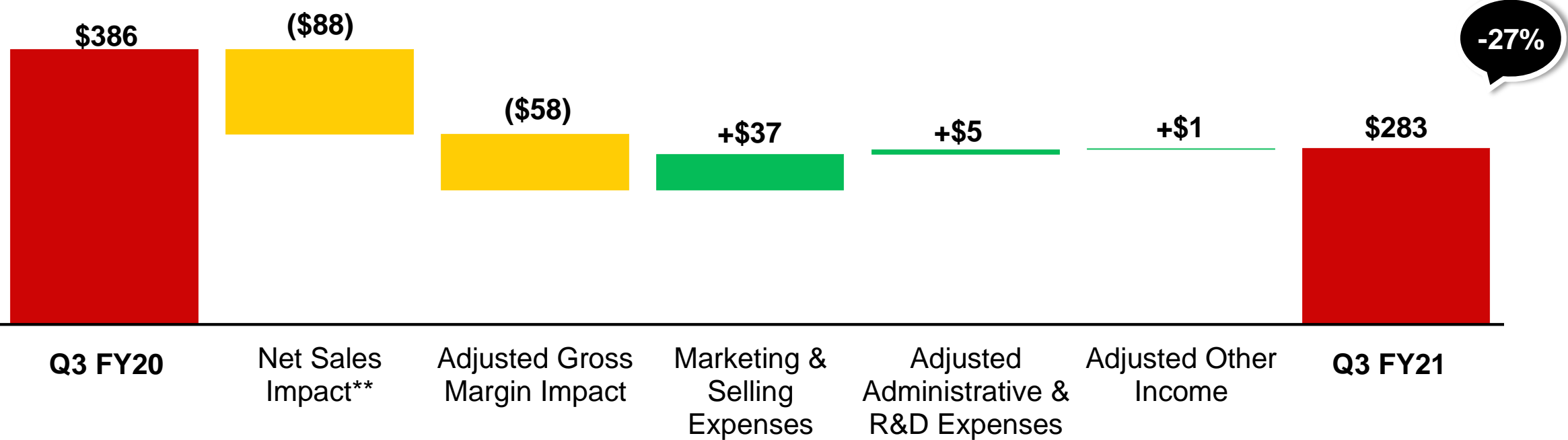
- Total savings of \$20 million realized in Q3
- Additional \$20 million expected in Q4 to deliver aggregate \$75 million in FY21 with the majority from Snyder's-Lance integration
- Tracking to cumulative savings target of \$850 million by end of FY22





# Adjusted EBIT\* Bridge

Continuing Operations (\$ millions)



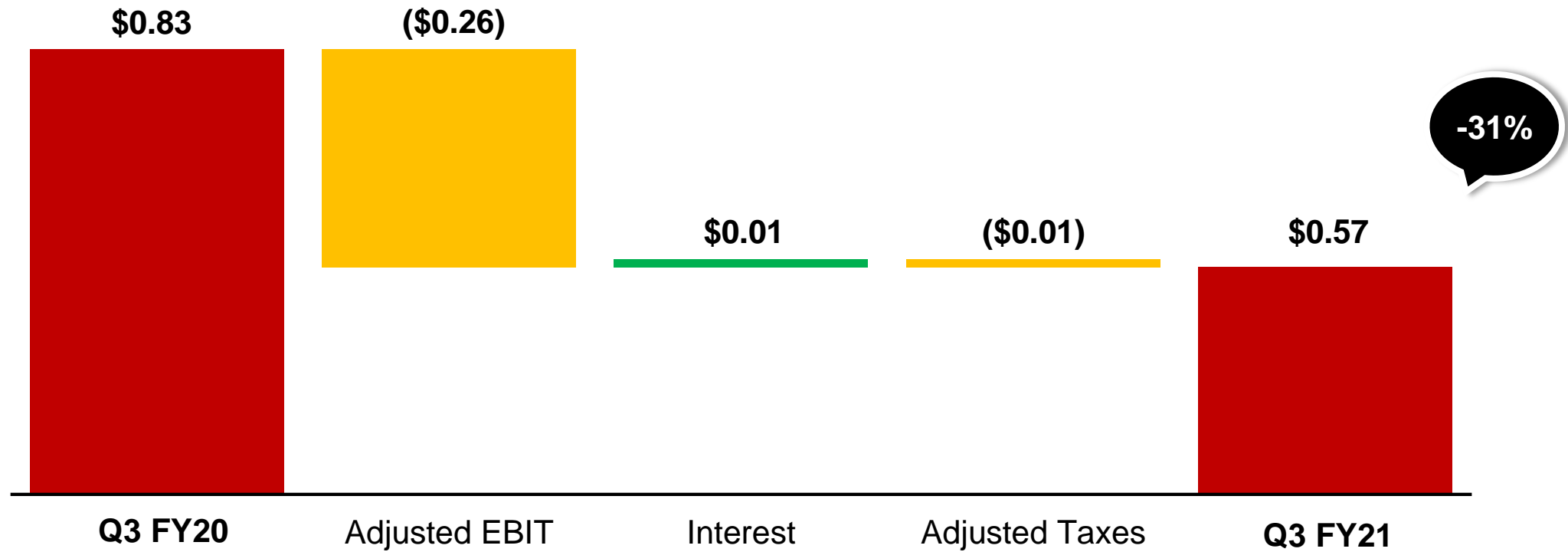
-27%

\* See Non-GAAP reconciliations for all adjusted financial measures presented.  
\*\* Impact of net sales growth based on prior year adjusted gross margin.



# Adjusted EPS\* Bridge

Continuing Operations



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



# Segment Results



## Campbell's MEALS & BEVERAGES

(\$ millions)

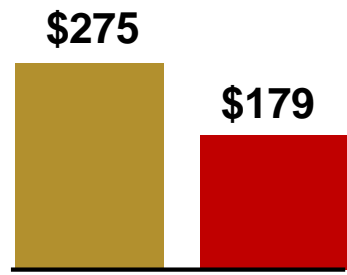
### Net Sales & Organic Growth Rate\*



-15%

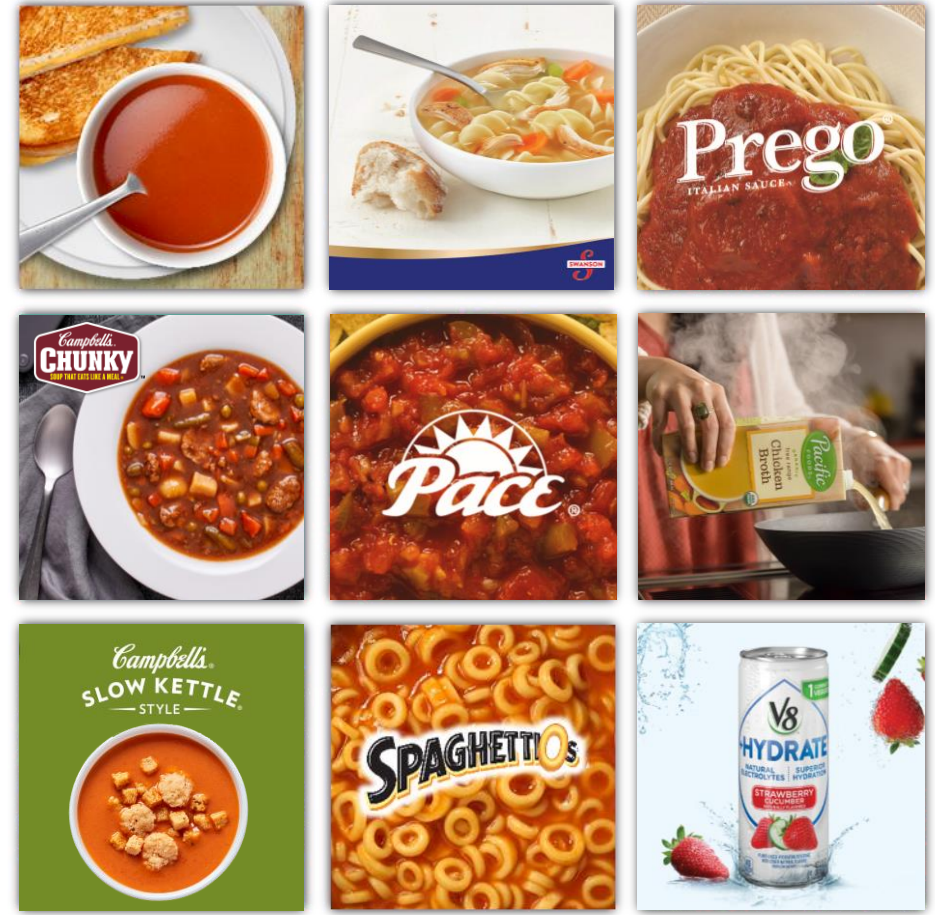
Q3 FY20 Q3 FY21

### Operating Earnings



-35%

Q3 FY20 Q3 FY21



\* See Non-GAAP reconciliation



# Segment Results

# Campbell's | SNACKS

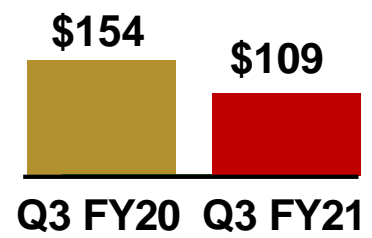
(\$ millions)

## Net Sales & Organic Growth Rate\*

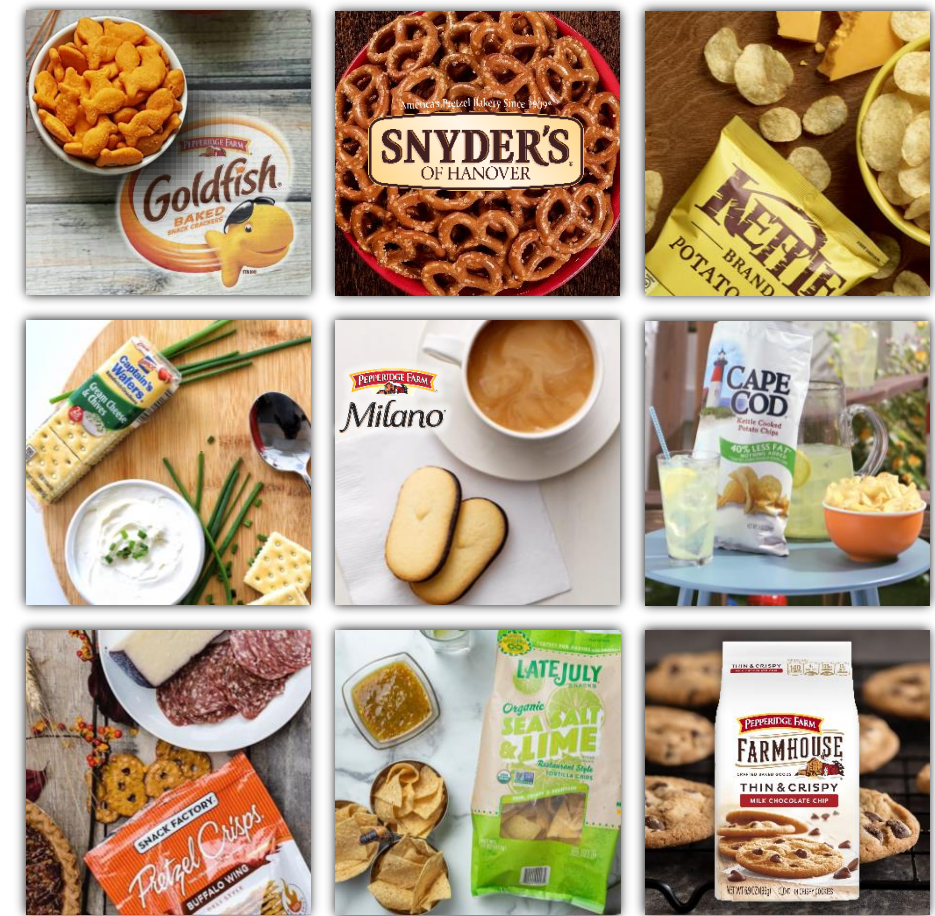


-8%

## Operating Earnings



-29%



\* See Non-GAAP reconciliation




# Cash Flow

Total Company (\$ millions)

	YTD FY20	YTD FY21
<b>Net Cash Flows from Operations</b>	<b>\$1,125</b>	<b>\$881</b>
<i>Of which changes in working capital (net of divestitures)</i>	\$85	(\$178)
<b>Net Cash Flows from Investing Activities</b>	<b>\$2,318</b>	<b>(\$177)</b>
<i>Of which capital expenditures</i>	(\$220)	(\$190)
<i>Of which sales of businesses (net of cash divested)</i>	\$2,537	-
<b>Net Cash Flows from Financing Activities</b>	<b>(\$2,378)</b>	<b>(\$1,356)</b>
<i>Of which net debt repayments</i>	(\$294)	(\$1,016)
<i>Of which payments related to debt extinguishment</i>	(\$1,768)	-
<i>Of which dividends paid</i>	(\$320)	(\$327)
<b>Net Change in Cash &amp; Cash Equivalents<sup>1</sup></b>	<b>\$1,063</b>	<b>(\$650)</b>

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



# Fiscal 2021 Guidance for Continuing Operations

(\$ in millions, except per share)

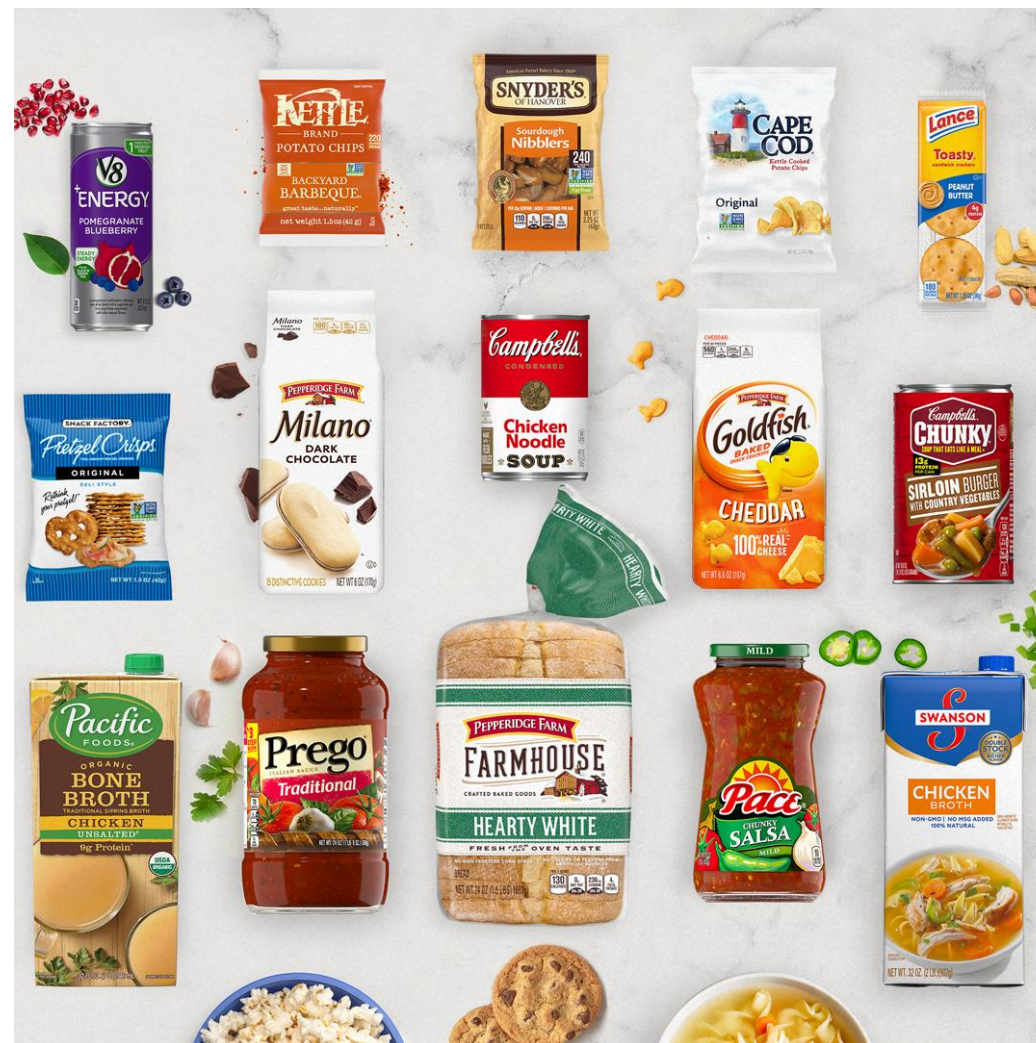
	<b>Fiscal 2020 Results</b>	<b>Previous Fiscal 2021 Guidance</b>	<b>Updated Fiscal 2021 Guidance</b>
<b>Net Sales</b>	\$8,691	-3.5% to -2.5%	-3.5% to -3.0%
<i>Organic Net Sales</i>	\$8,492*	-1.5% to -0.5%	-1.2% to -0.7%
<b>Adjusted EBIT</b>	\$1,449*	-1% to +1% <sup>1</sup>	-5% to -4% <sup>1</sup>
<b>Adjusted EPS</b>	\$2.95*	+3% to +5% <sup>1</sup> \$3.03 to \$3.11	-2% to -1% <sup>1</sup> \$2.90 to \$2.93

\* See Non-GAAP reconciliation

<sup>1</sup> A non-GAAP reconciliation is not provided for 2021 adjusted EBIT and adjusted EPS 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.

# C Summary

- Confident in our response and transformation
- Positive indicators of long-term business health and improving trajectory
- Committed to unlocking Campbell's full potential
- More to come at Investor Day





**Mark Clouse**  
President and  
Chief Executive Officer



**Mick Beekhuizen**  
EVP and Chief Financial Officer



# Appendix



# Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations (\$ millions)

Third Quarter

May 2, 2021

Meals & Beverages

Net Sales, As Reported	Impact of Currency	Organic Net Sales
\$ 1,039	\$ (9)	\$ 1,030

% Change

Net Sales, As Reported	Organic Net Sales
-14%	-15%

Snacks

945	(1)	944
-----	-----	-----

-8%	-8%
-----	-----

**Total Net Sales**

<u>\$ 1,984</u>	<u>\$ (10)</u>	<u>\$ 1,974</u>
-----------------	----------------	-----------------

<u>-11%</u>	<u>-12%</u>
-------------	-------------

April 26, 2020

Meals & Beverages

Net Sales, As Reported
\$ 1,210

Snacks

1,028
-------

**Total Net Sales**

<u>\$ 2,238</u>
-----------------



# Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations (\$ millions)

Nine Months

May 2, 2021

Meals & Beverages

Net Sales, As Reported	Impact of Currency	Organic Net Sales
\$ 3,681	\$ (11)	\$ 3,670

% Change

Net Sales, As Reported	Organic Net Sales
1%	1%

Snacks

2,922	-	2,922
-------	---	-------

-1%	0%
-----	----

**Total Net Sales**

<u>\$ 6,603</u>	<u>\$ (11)</u>	<u>\$ 6,592</u>
-----------------	----------------	-----------------

<u>0%</u>	<u>1%</u>
-----------	-----------

April 26, 2020

Meals & Beverages

Net Sales, As Reported	Impact of Divestiture	Organic Net Sales
\$ 3,628	\$ -	\$ 3,628

Snacks

2,955	(25)	2,930
-------	------	-------

**Total Net Sales**

<u>\$ 6,583</u>	<u>\$ (25)</u>	<u>\$ 6,558</u>
-----------------	----------------	-----------------



# Reconciliation of GAAP and Non-GAAP Financial Measures

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

Third Quarter

	EBIT	EBIT Margin %	Earnings	Diluted EPS*
2021 – As Reported	\$ 272	13.7%	\$ 166	\$ 0.54
Add: Restructuring charges, implementation costs and other related costs	15		11	0.04
Deduct: Pension settlement	(4)		(3)	(0.01)
2021 – Adjusted	<u>\$ 283</u>	<u>14.3%</u>	<u>\$ 174</u>	<u>\$ 0.57</u>
2020 – As Reported	\$ 273	12.2%	\$ 166	\$ 0.55
Add: Restructuring charges, implementation costs and other related costs	14		11	0.04
Add: Investment losses	45		35	0.12
Add: Pension settlement	54		41	0.13
2020 – Adjusted	<u>\$ 386</u>	<u>17.2%</u>	<u>\$ 253</u>	<u>\$ 0.83</u>
% Change	(27)%	-290 bps	(31)%	(31)%

\*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)

Nine Months

	EBIT	EBIT Margin %	Earnings	Diluted EPS*
<b>2021 – As Reported</b>	\$ 1,134	17.2%	\$ 720	\$ 2.36
Add: Restructuring charges, implementation costs and other related costs	43		32	0.10
Add: Deferred tax charge	-		19	0.06
Deduct: Pension settlement	(38)		(29)	(0.10)
<b>2021 – Adjusted</b>	<u>\$ 1,139</u>	<u>17.2%</u>	<u>\$ 742</u>	<u>\$ 2.43</u>
<b>2020 – As Reported</b>	\$ 940	14.3%	\$ 506	\$ 1.66
Add: Restructuring charges, implementation costs and other related costs	50		38	0.13
Add: Pension settlement	43		33	0.11
Add: Loss on extinguishment of debt	-		57	0.19
Add: Charges associated with divestiture	64		41	0.13
Add: Investment losses	45		35	0.12
<b>2020 – Adjusted</b>	<u>\$ 1,142</u>	<u>17.3%</u>	<u>\$ 710</u>	<u>\$ 2.34</u>
<b>% Change</b>	-	-10 bps	5%	4%

\*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)

	<u>Gross Margin</u>	<u>GM %</u>	<u>EBT</u>	<u>Tax</u>	<u>Tax Rate</u>
<b>2021 – As Reported</b>	\$ 628	31.7%	\$ 219	\$ 53	24.2%
Add: Restructuring charges, implementation costs and other related costs	2		15	4	
Deduct: Pension settlement	-		(4)	(1)	
<b>2021 – Adjusted</b>	<u>\$ 630</u>	<u>31.8%</u>	<u>\$ 230</u>	<u>\$ 56</u>	<u>24.3%</u>
<b>2020 – As Reported</b>	\$ 772	34.5%	\$ 218	\$ 52	23.9%
Add: Restructuring charges, implementation costs and other related costs	4		14	3	
Add: Investment losses	-		45	10	
Add: Pension settlement	-		54	13	
<b>2020 – Adjusted</b>	<u>\$ 776</u>	<u>34.7%</u>	<u>\$ 331</u>	<u>\$ 78</u>	<u>23.6%</u>
<b>% Change</b>		<b>(2.9)%</b>			<b>0.7%</b>



# Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations (\$ millions)

Adjusted EBIT Impact from Adjusted Gross Margin

	<u>Third Quarter</u>
2021 – Adjusted Gross Margin \$	\$ 630
2021 – Reported Net Sales	\$ 1,984
2020 – Adjusted Gross Margin %	<u>34.7%</u>
2021 – Adjusted Gross Margin \$ at 2020 Adjusted Gross Margin %	<u>\$ 688</u>
Adjusted EBIT Impact from Adjusted Gross Margin	<u><u>\$ (58)</u></u>



# Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations (\$ millions)

Third Quarter

	Administrative Expenses	Other Expenses / (Income)
2021 – As Reported	\$ 153	\$ (23)
Deduct: Restructuring charges, implementation costs and other related costs	(11)	-
Add: Pension settlement	-	4
2021 – Adjusted	<u>\$ 142</u>	<u>\$ (19)</u>
% of Net Sales	7.2%	n/m
2020 – As Reported	\$ 154	\$ 81
Deduct: Restructuring charges, implementation costs and other related costs	(10)	-
Deduct: Investment losses	-	(45)
Deduct: Pension settlement	-	(54)
2020 – Adjusted	<u>\$ 144</u>	<u>\$ (18)</u>
% of Net Sales	6.4%	n/m
% of Net Sales Change	+80bps	n/m
\$ Change	\$ (2)	\$ (1)
% Change	(1)%	6%

n/m = not meaningful



# Reconciliation of GAAP and Non-GAAP Financial Measures

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

Third Quarter – Adjusted Diluted EPS Impact from Adjusted EBIT

	<u>EBIT</u>
2021 – Adjusted	\$ 283
2020 – Adjusted	386
\$ Change	<u>\$ (103)</u>
Add: Adjusted tax rate impact on EBIT	<u>24</u>
Impact to Net Earnings	<u>\$ (79)</u>
Third Quarter 2020 Diluted Shares	304
Adjusted Diluted EPS Impact	\$ (0.26)



# Reconciliation of GAAP and Non-GAAP Financial Measures

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

Adjusted Diluted EPS Impact from Change in Adjusted Tax Rate

	<u>Third Quarter</u>
2021 – Adjusted EBT	\$ 230
Change in Adjusted Tax Rate	0.7%
Adjusted EBT multiplied by the Change in Adjusted Tax Rate	<u>\$ (2)</u>
Third Quarter 2020 Diluted Shares	304
Adjusted Diluted EPS Impact	\$ (0.01)



# 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 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>

\* 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)

Full Year

<u>Fiscal 2020</u>	<u>Net Sales, As Reported</u>	<u>Impact of 53<sup>rd</sup> Week</u>	<u>Impact of Divestitures</u>	<u>Organic Net Sales</u>
Total Net Sales	\$ 8,691	(151)	(48)	\$ 8,492

Fiscal 2021 Guidance  
Organic Net Sales % Change

<u>Low End</u>	<u>High End</u>
-1.2%	-0.7%



# Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations (\$ millions)

Third Quarter

April 26, 2020

Meals & Beverages

Net Sales, As Reported	Impact of Currency	Organic Net Sales
\$ 1,210	\$ 3	\$ 1,213

% Change

Net Sales, As Reported	Organic Net Sales
20%	21%

Snacks

1,028	(1)	1,027
-------	-----	-------

9%	12%
----	-----

**Total Net Sales**

<u>\$ 2,238</u>	<u>\$ 2</u>	<u>\$ 2,240</u>
-----------------	-------------	-----------------

<u>15%</u>	<u>17%</u>
------------	------------

April 28, 2019

Meals & Beverages

Net Sales, As Reported	Impact of Divestiture	Organic Net Sales
\$ 1,006	\$ -	\$ 1,006

Snacks

947	(33)	914
-----	------	-----

**Total Net Sales**

<u>\$ 1,953</u>	<u>\$ (33)</u>	<u>\$ 1,920</u>
-----------------	----------------	-----------------



# Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations  
(\$ millions)

Third Quarter

	<u>EBIT</u>	<u>EBIT Margin %</u>
2019 – As Reported	\$ 245	12.5%
Add: Restructuring charges, implementation costs and other related costs	21	
Add: Pension settlement	28	
2019 – Adjusted	<u>\$ 294</u>	<u>15.1%</u>



# 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 EPS</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>



# Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations (\$ millions)

Third Quarter

May 2, 2021

Meals & Beverages

Net Sales, As Reported	Impact of Currency	Organic Net Sales
\$ 1,039	\$ (6)	\$ 1,033

% Change	
Net Sales, As Reported	Organic Net Sales
3%	3%

Snacks

945	-	945
-----	---	-----

0%	3%
----	----

**Total Net Sales**

<u>\$ 1,984</u>	<u>\$ (6)</u>	<u>\$ 1,978</u>
-----------------	---------------	-----------------

<u>2%</u>	<u>3%</u>
-----------	-----------

April 28, 2019

Meals & Beverages

Net Sales, As Reported	Impact of Divestiture	Organic Net Sales
\$ 1,006	\$ -	\$ 1,006

Snacks

947	(33)	914
-----	------	-----

**Total Net Sales**

<u>\$ 1,953</u>	<u>\$ (33)</u>	<u>\$ 1,920</u>
-----------------	----------------	-----------------



# Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations (\$ millions)

Fourth Quarter

<u>July 28, 2019</u>	<u>Net Sales, As Reported</u>	<u>Impact of Divestitures</u>	<u>Organic Net Sales</u>
Total Net Sales	\$ 1,780	(61)	\$ 1,719



# Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations (\$ millions)

Full Year

<u>Fiscal 2019</u>	<u>Net Sales, As Reported</u>	<u>Impact of Divestitures</u>	<u>Organic Net Sales</u>
Total Net Sales	\$ 8,107	(155)	\$ 7,952

*Campbell's*