



Campbell's

**Q1 Fiscal 2022 Earnings
Presentation**

Connecting people through food they love.





Campbell's

Rebecca Gardy

Vice President Investor Relations

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:

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 growing/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, the risks related to the availability of, and cost inflation in, supply chain inputs, including labor, raw materials, commodities, packaging and transportation; the risks related to the effectiveness of our hedging activities and our ability to respond to volatility in commodity prices; our ability to manage changes to our organizational structure and/or business processes, including selling, distribution, manufacturing and information management systems or processes; 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; 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 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

Key Q1 Highlights **6**

Division Highlights **9**

Q1 Fiscal 2022 Financial Results **17**

Fiscal 2022 Guidance **28**

Q&A **30**



Campbell's

Mark Clouse

President & Chief Executive Officer

CEO PERSPECTIVE

Key Q1 Highlights

Strong financial performance despite macro headwinds and ahead of Q1 Fiscal 2020

Q1 FY2022

NET SALES

\$2.2B

(4)% vs. PY

ORGANIC NET SALES*

(4)% **+5%**

vs. PY

vs. 2YA

ADJ. GROSS MARGIN*

32.5%

(200) bps vs. PY

ADJ. EBIT*

\$389M

(15)% vs. PY

\$ CONSUMPTION¹

+2% **+9%**

vs. PY

vs. 2YA

ADJ. EPS*

\$0.89

(12)% vs. PY

OPERATING
CASH FLOW

\$288M

*See Non-GAAP reconciliation

¹ Total IRI US MULO \$ Consumption latest 13 weeks ending 10/31/2021

Controlling the Controllables:

Productivity improvements
and cost savings

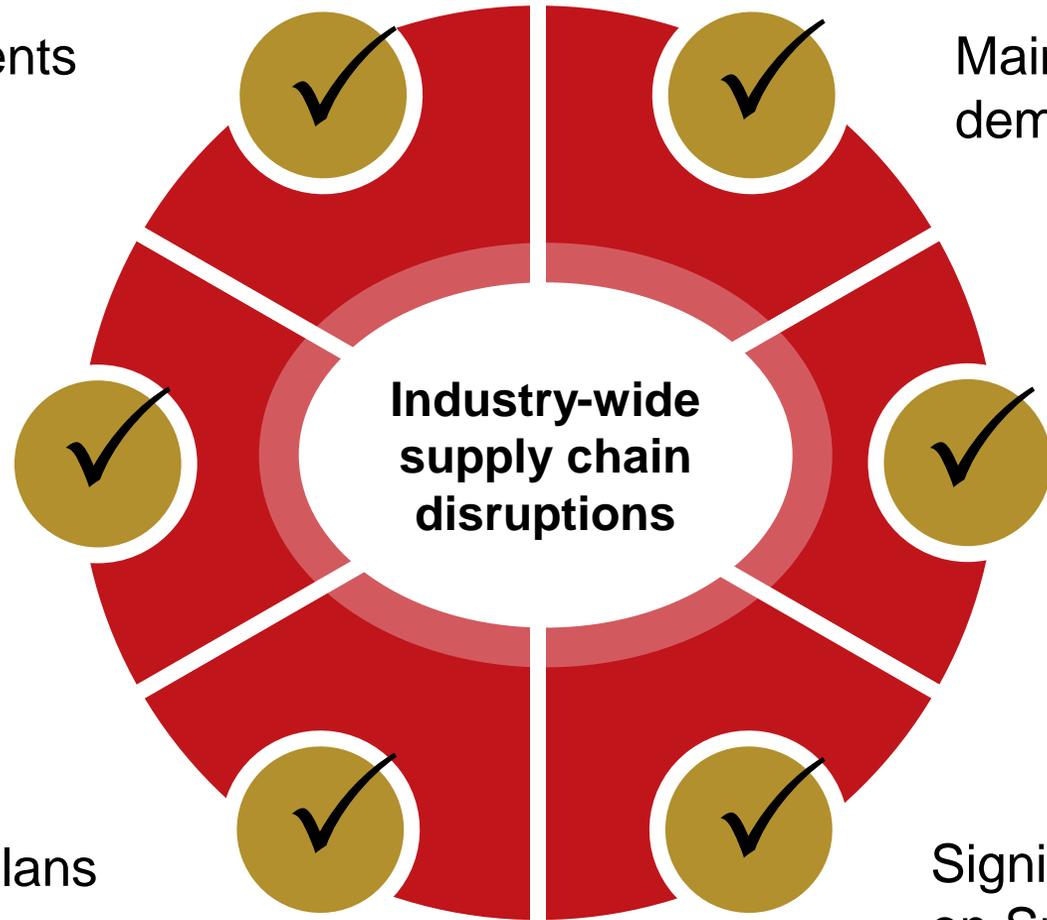
Maintaining strong
demand

Coverage on
ingredients and
packaging

Pricing

Labor action plans

Significant progress
on Snacks execution



Current Share Pressure is Short Term

Strong, underlying demand momentum built over last two years

FY21 vs FY19



- Select Q1 investment decisions based on supply, return fully to targets in 2H
- Supply (labor and material availability) expected to impact Q2 share for select brands
- Share positions expected to improve in 2H FY22 as supply recovers and brand support returns

Total IRI US MULO \$ Consumption latest 52 weeks ending 8/1/2021

Meals & Beverages: Key Highlights



Q1 FY2022



Growth vs. PY Growth vs. 2YA

Organic Net Sales*

(6)%

+5%

Consumption¹

Flat

+9%

Campbell's

Campbell's
CHUNKY

S
SWANSON

Pacific
FOODS

Prego

Pace

V8

SPAGHETTI^{OS}

* See Non-GAAP reconciliation

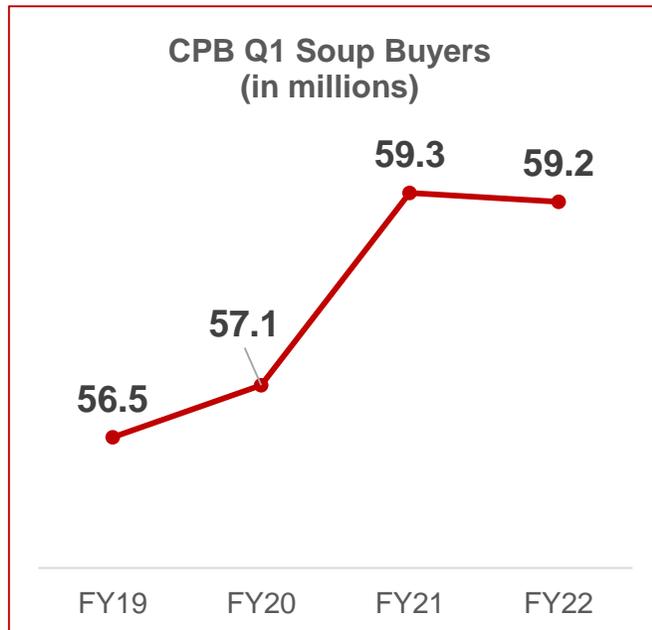
¹ Total IRI US MULO \$ Consumption latest 13 weeks ending 10/31/2021

Meals & Beverages



Win in Soup

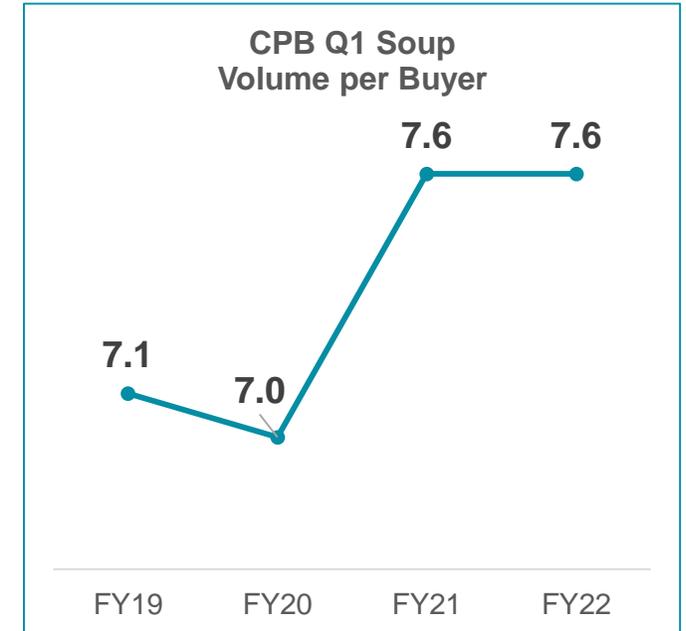
- More consumers than pre-pandemic, and they remain in category



- Spending is higher as pricing has taken hold



- Volume flat vs. prior year, despite pricing



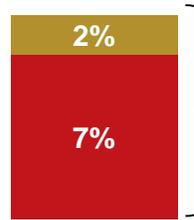
Meals & Beverages



Powerful Portfolio of Brands



CPB U.S. Soup Consumption



■ FY21 Q1 ■ FY22 Q1

+9%

U.S. Soup Consumption Growth vs. 2YA



#1 Share
for 30 Straight Months



+9%
Consumption vs. 2YA



+~200k
Households vs. PY



+18%
Consumption vs. 2YA

Held

U.S. Soup Share vs. PY

+3pts

Ready-to-Serve Millennial Share vs. PY

+1.6pts

Swanson Broth/Stock Share vs. PY

8th

Consecutive quarter holding/growing share on Pacific

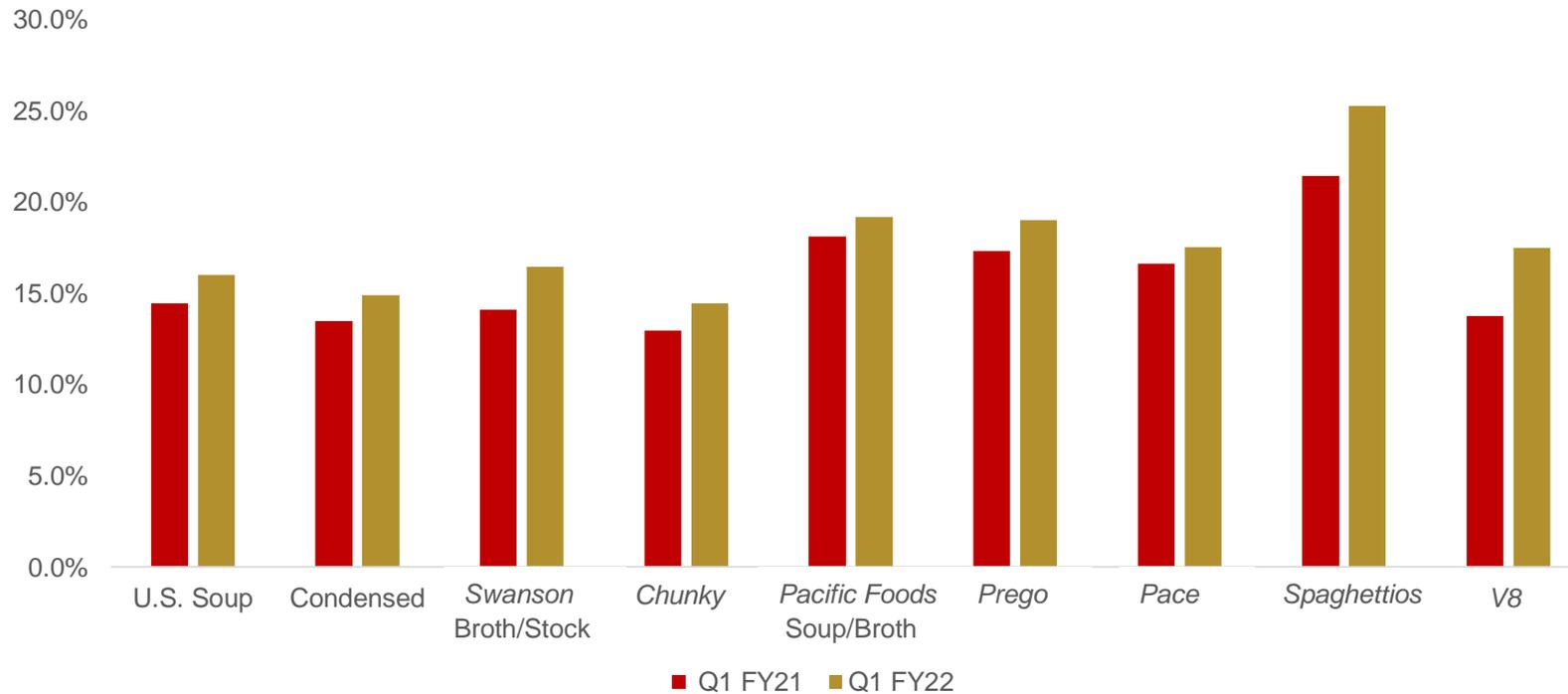
Total IRI US MULO \$ Consumption latest 13 weeks ending 10/31/2021

Meals & Beverages



% of Younger Buyers has increased in key M&B brands

Percentage of buyers under age 35



IRI NCP Consumer Panel, Total US All Outlets, 13 weeks ending 10/31/2021, NBD Volume

Snacks: Key Highlights



Q1 FY2022



Growth vs. PY Growth vs. 2YA

Organic Net Sales*

(1)%

+4%

Consumption¹

+5%

+9%



Snacks Power Brands: 13% 2-year Consumption



Q1 FY2022



Total IRI US MULO \$ Consumption latest 13 weeks ending 10/31/2021

Reaffirming Guidance*

- Given Q1 FY22 results, and line of sight to balance of year, we are reaffirming guidance*
- Supply chain pressures expected to persist into Q2
- Confident our strategic actions will deliver solid second half fiscal year performance
- More to come on our strategy to unlock our full growth potential on December 14th at our virtual Investor Day

*Adjusted for exclusion of unrealized gains and losses on outstanding undesignated commodity hedges.



Campbell's

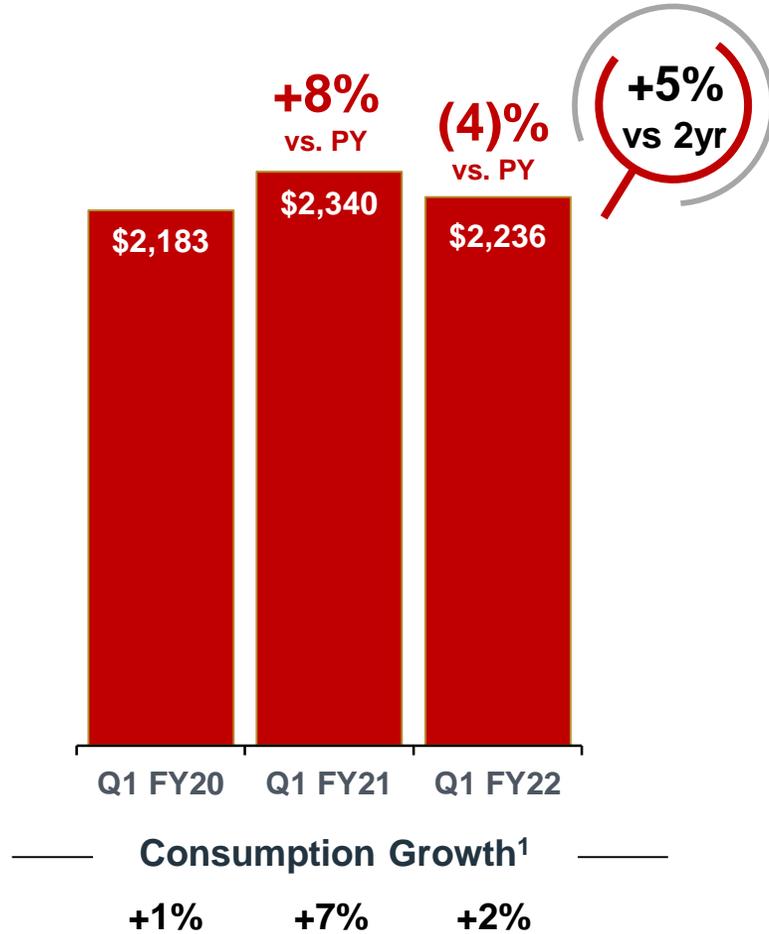
Mick Beekhuizen

EVP & Chief Financial Officer

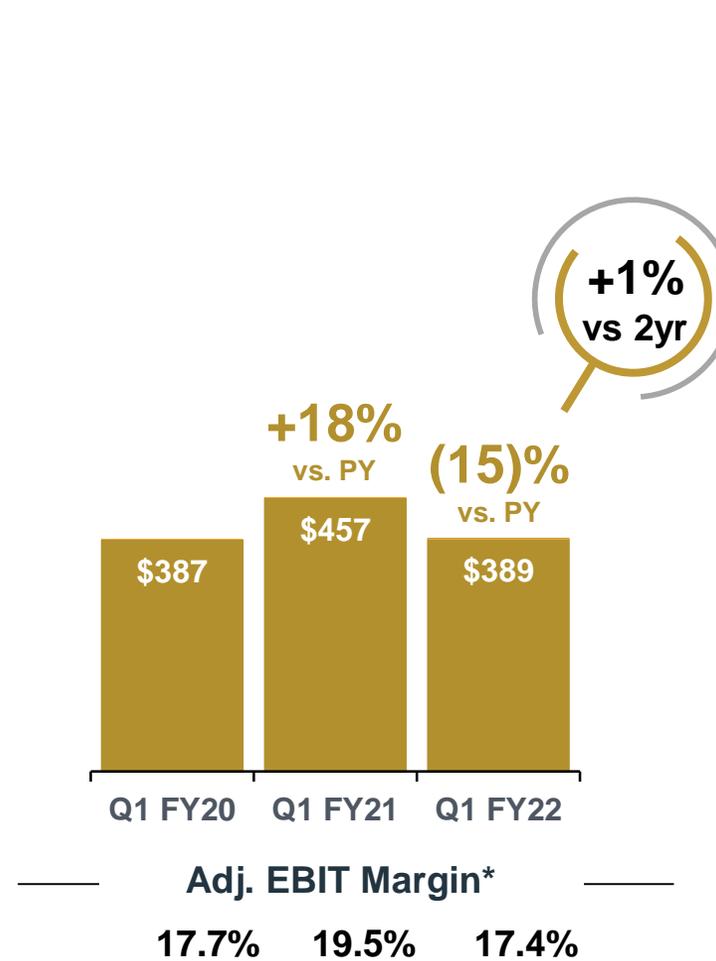
CFO PERSPECTIVE

Q1 FY22 Results: In-line or ahead of Q1 FY20

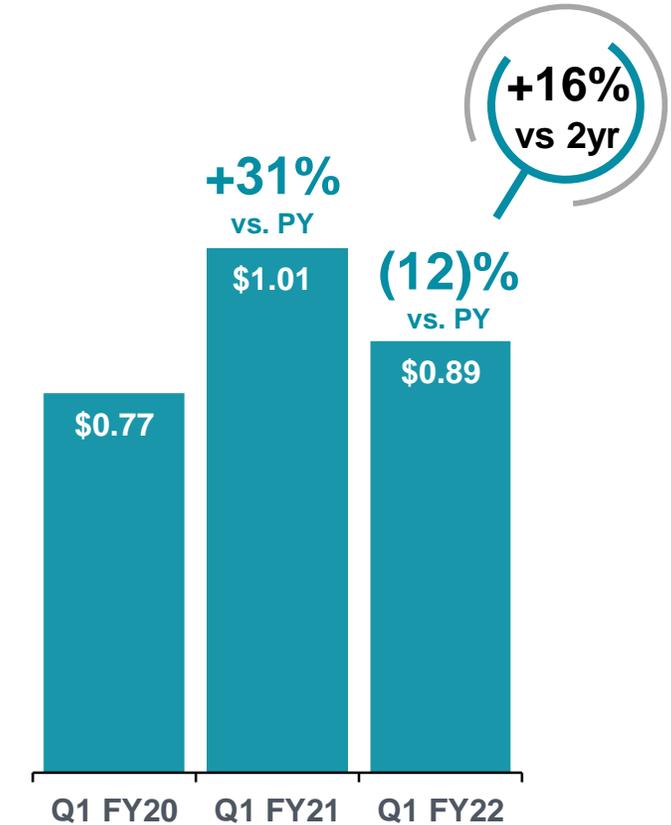
NET SALES & ORGANIC GROWTH RATE*



ADJ. EBIT*



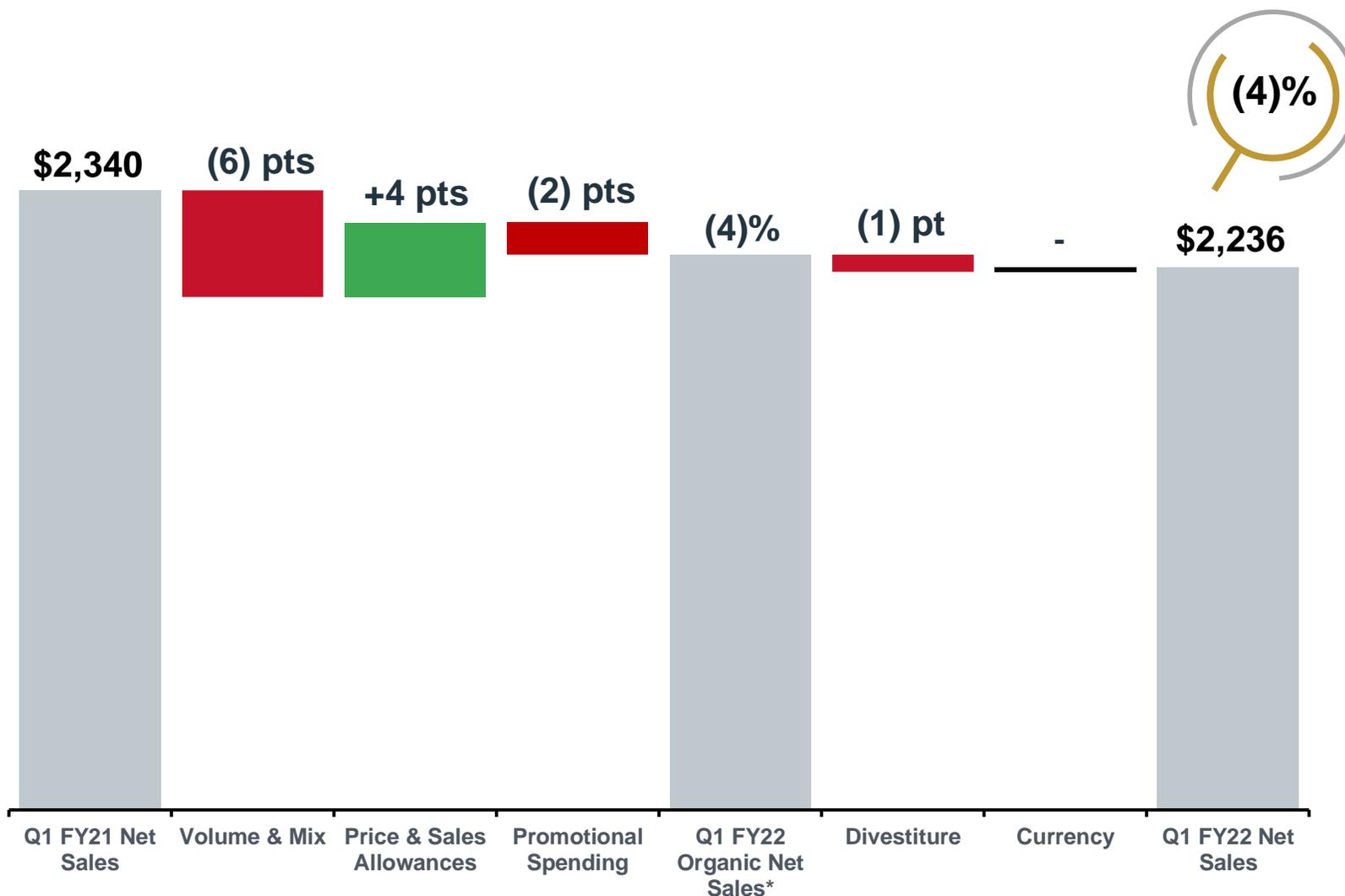
ADJ. EPS*



*See Non-GAAP reconciliation

¹Total IRI US MULO \$ Consumption latest 13 weeks ending 10/31/2021

Net Sales Bridge



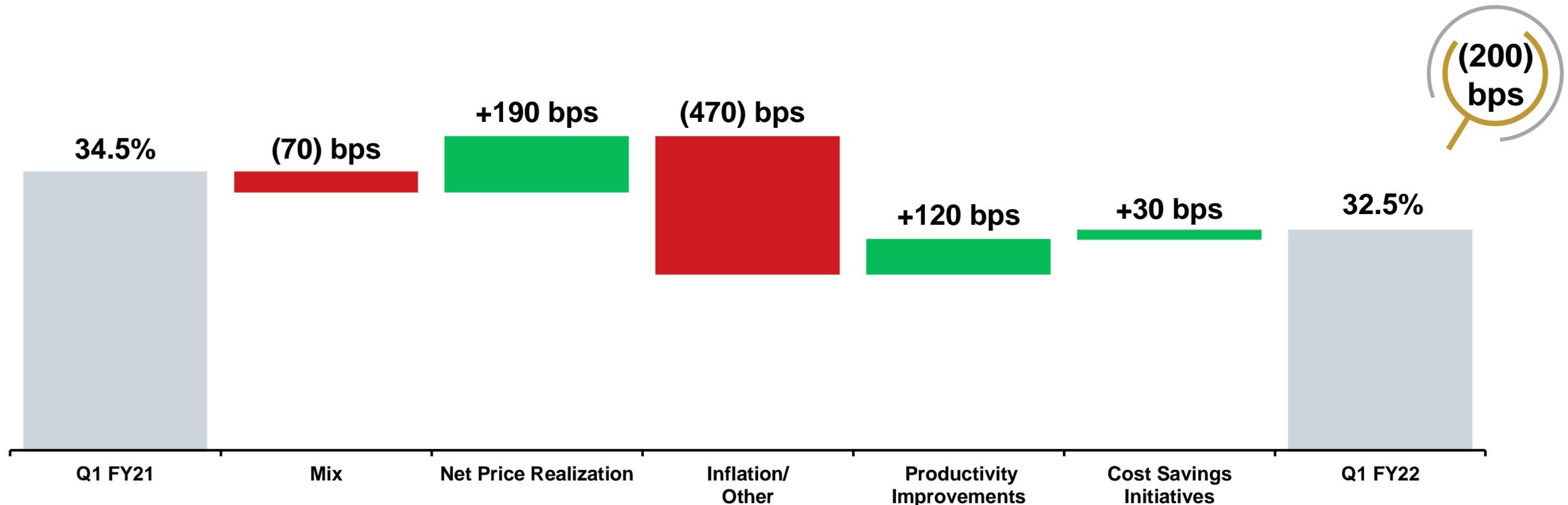
Drivers

- Volume decline reflects cycling retailer inventory recovery in prior year and supply constraints
- Price increases to help offset some inflation, partly offset by increased promotional spending (moderated levels in prior year)

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

Adjusted Gross Margin* Bridge

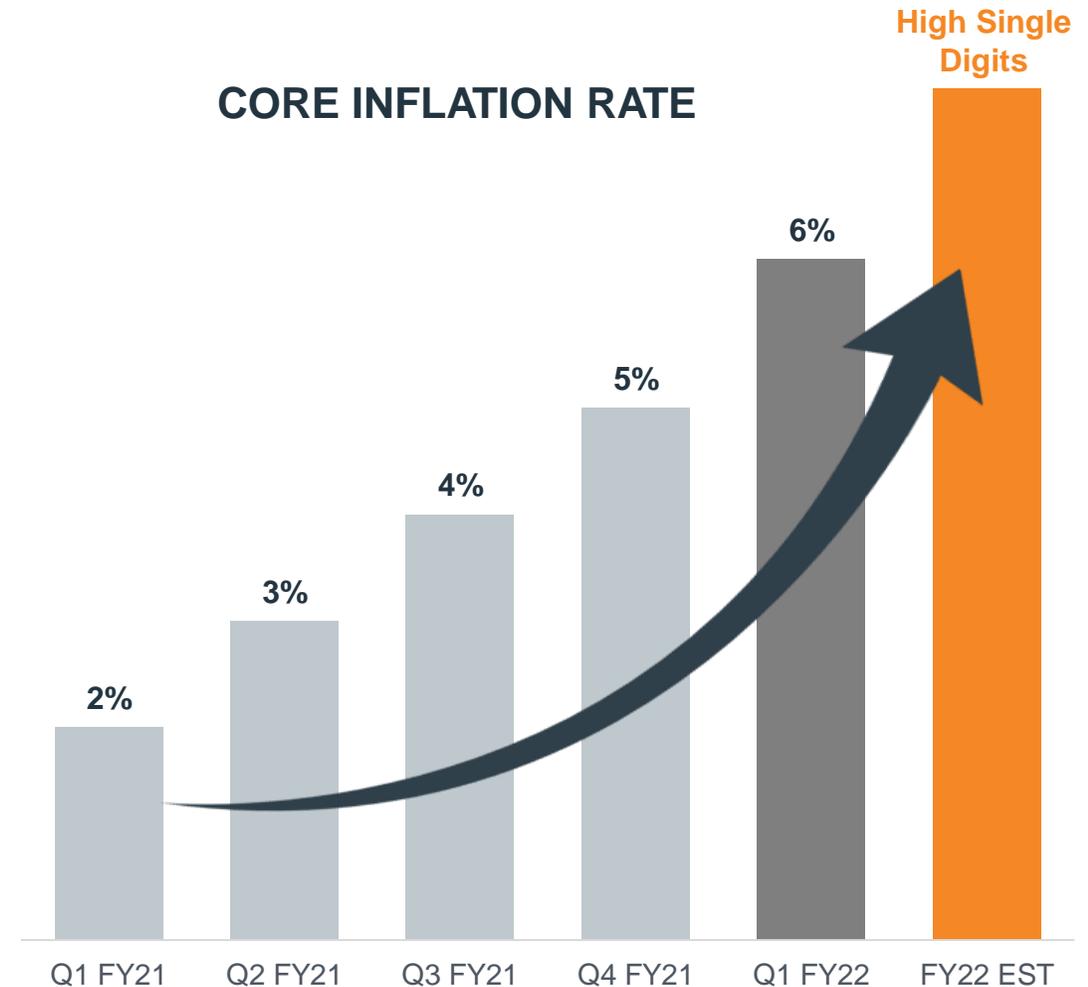
Benefit from net price realization combined with productivity improvements and cost savings offset large proportion of accelerating core inflation



*See Non-GAAP reconciliation

Mitigating Accelerating Core Inflation

- Pricing and Trade Optimization
- Supply Chain Productivity
- Cost Savings Initiatives
- Manage Discretionary Spending
- Over 85% coverage on ingredient and packaging for fiscal 2022



Cost Savings & Value Capture

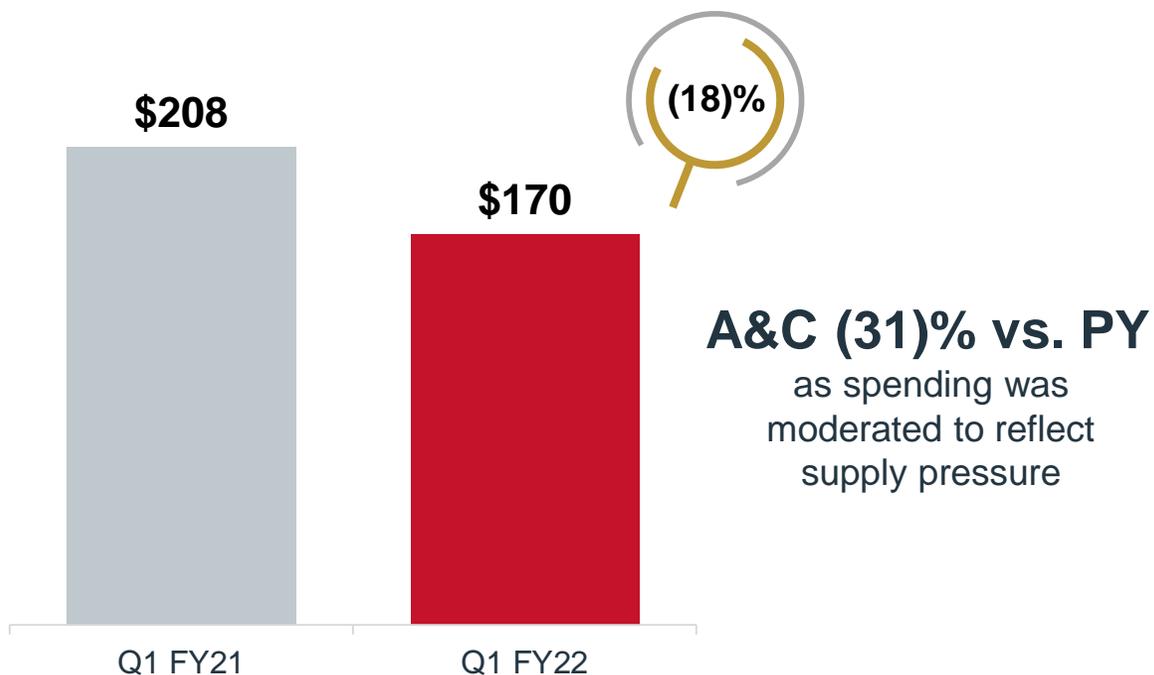
\$850 Million by end of FY22



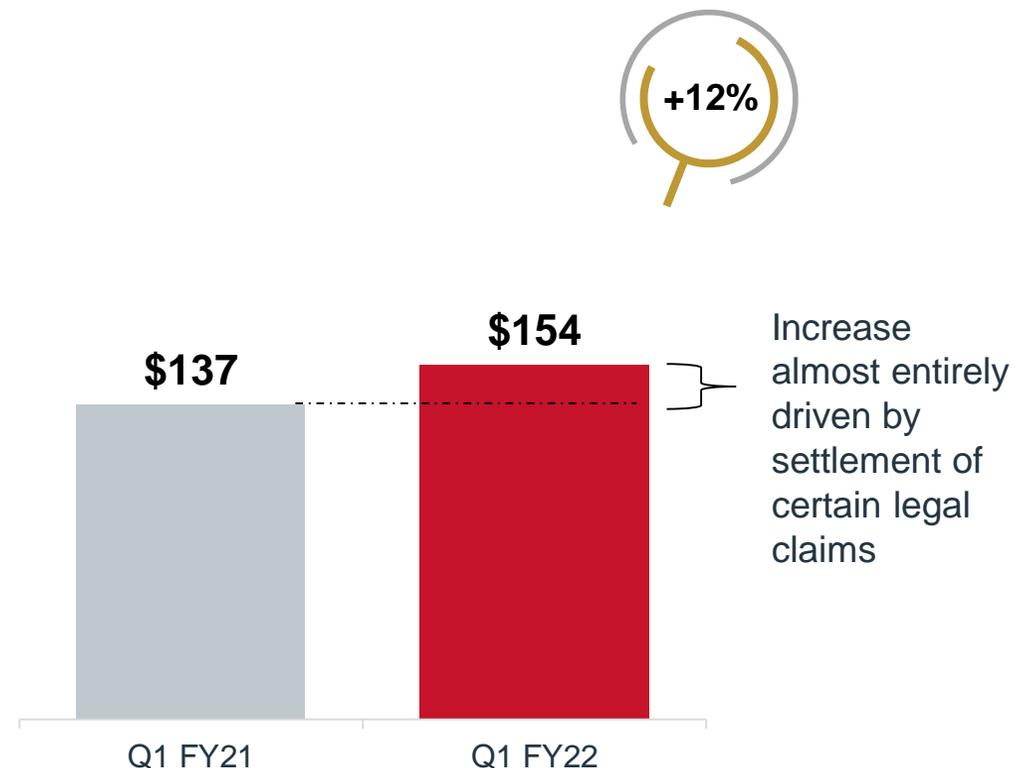
- Total savings of \$15 million realized in Q1 FY22
- Tracking to cumulative savings target of \$850 million by end of FY22
- FY22 cost savings will help mitigate increasing inflation headwinds

Other Operating Items

MARKETING & SELLING EXPENSES



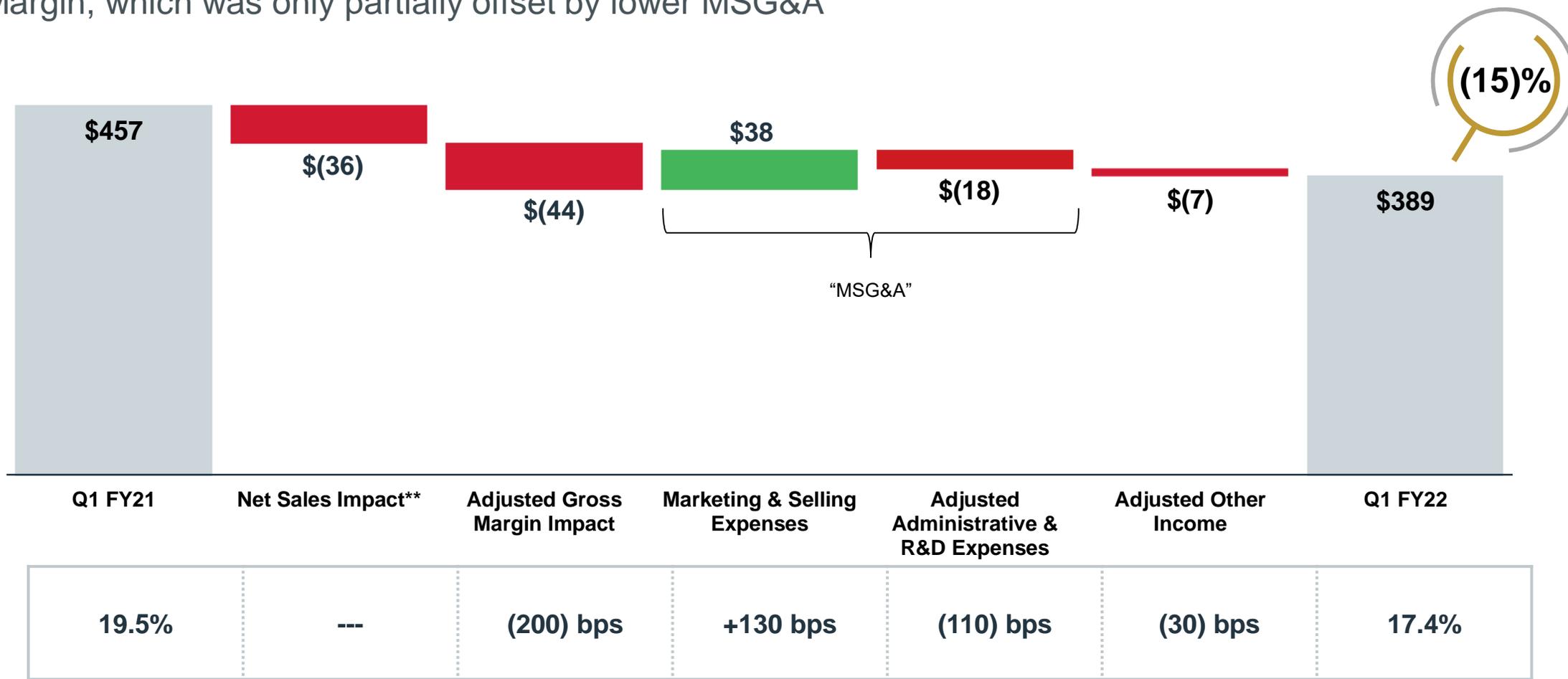
ADJUSTED ADMINISTRATIVE EXPENSES*



*See Non-GAAP reconciliation

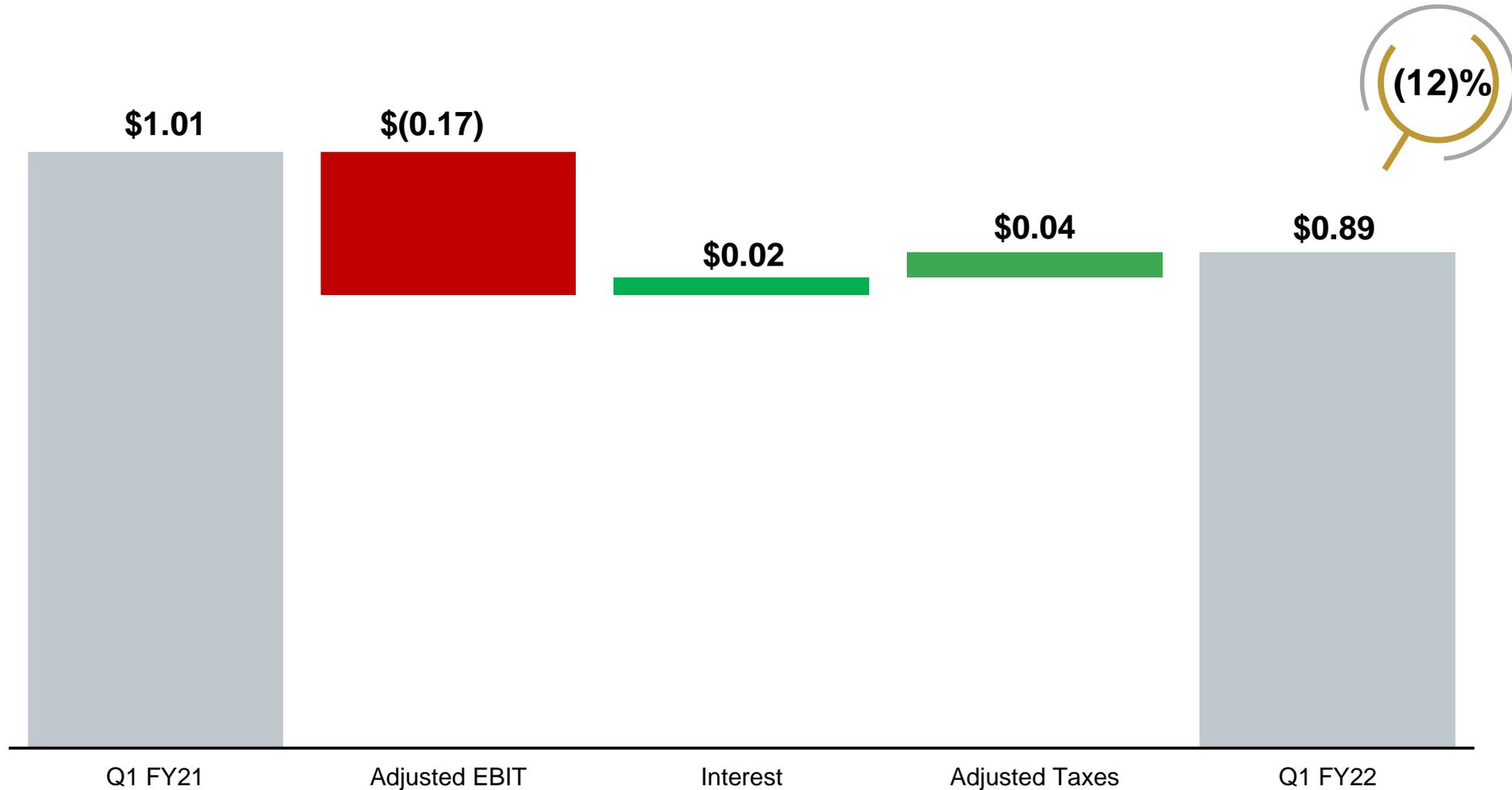
Adjusted EBIT* Bridge

Year-over-year net sales decline contributed to half of adjusted EBIT decline, remainder due to lower adjusted Gross Margin, which was only partially offset by lower MSG&A



*See Non-GAAP reconciliations for all adjusted financial measures presented.
** Impact of net sales change based on prior-year adjusted gross margin.
Numbers may not add due to rounding.

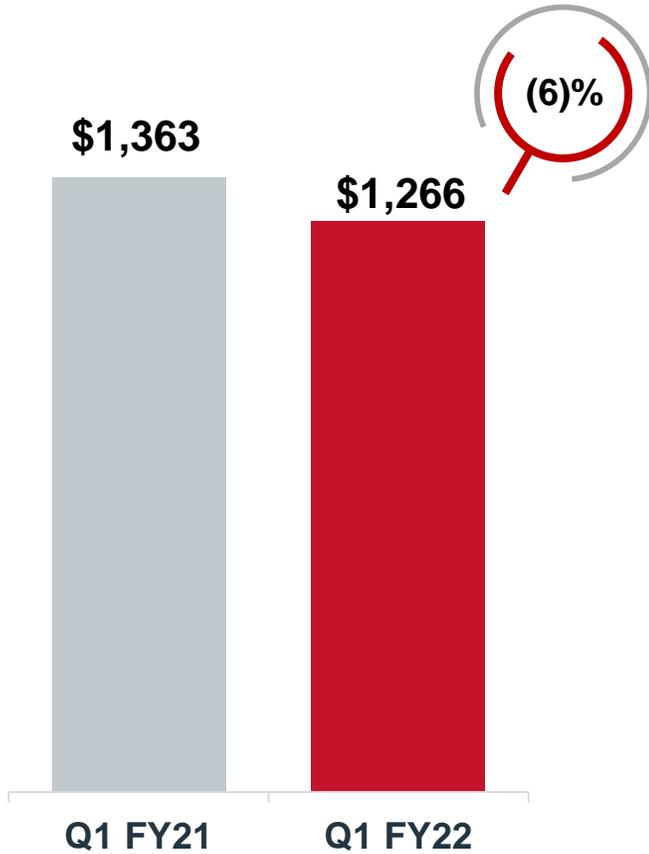
Adjusted EPS* Bridge



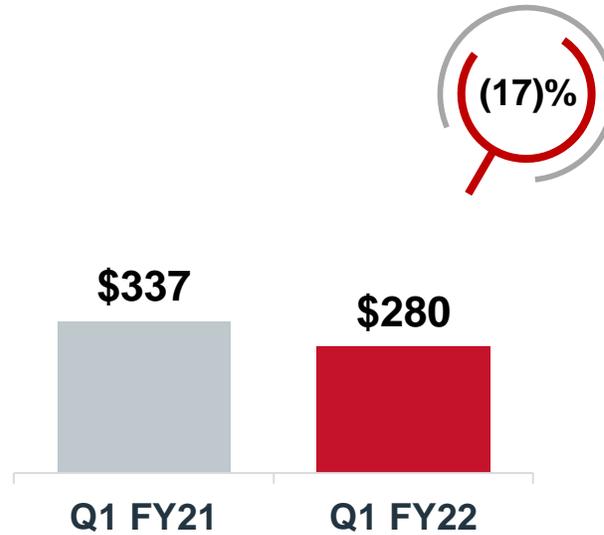
*See Non-GAAP reconciliations for all adjusted financial measures presented.
Numbers may not add to rounding.

Segment Results

NET SALES & ORGANIC GROWTH RATE*



OPERATING EARNINGS



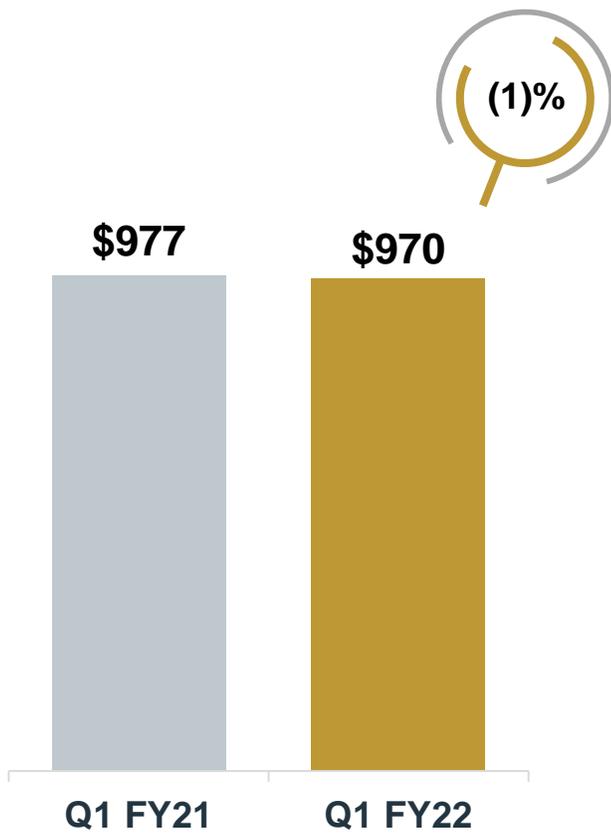
Campbell's MEALS & BEVERAGES



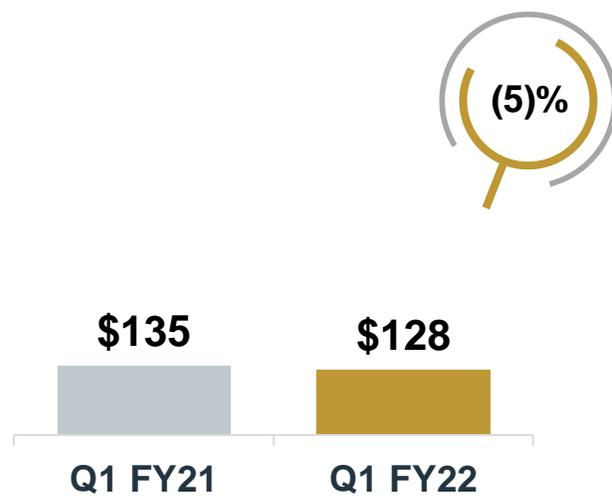
*See Non-GAAP reconciliation

Segment Results

NET SALES & ORGANIC GROWTH RATE*



OPERATING EARNINGS



Campbell's | SNACKS



*See Non-GAAP reconciliation

Cash Flow

Strong Q1 FY22 Cash Flow generation with \$179 million returned to shareholders

First Quarter	2021	2022
Net Cash Flows from Operations	\$180	\$288
<i>of which changes in working capital</i>	<i>\$(247)</i>	<i>\$(95)</i>
Net Cash Flows from Investing Activities	\$(72)	\$(68)
<i>of which capital expenditures</i>	<i>\$(74)</i>	<i>\$(69)</i>
Net Cash Flows from Financing Activities	\$(245)	\$(220)
<i>of which net debt repayments</i>	<i>\$(123)</i>	<i>\$(24)</i>
<i>of which dividends paid</i>	<i>\$(108)</i>	<i>\$(116)</i>
<i>of which stock repurchases</i>	<i>-</i>	<i>\$(63)</i>
Net Change in Cash & Cash Equivalents	\$(137)	-
Cash & Cash Equivalents – end of period	\$722	\$69

Maintaining FY22 Guidance

Adjusting for treatment of unrealized mark-to-market gains and losses on undesignated commodity hedges

	Fiscal 2021 Results (Prior to MTM Change)	MTM Adjustment	Fiscal 2021 Results (Reflecting MTM Change)	Prior Fiscal 2022 Guidance	Fiscal 2021 MTM Adjustment	Fiscal 2022 Guidance
Net Sales	\$8,476		\$8,476	(2)% to 0%		(2)% to 0%
<i>Organic Net Sales</i>				(1)% to +1%		(1)% to +1%
Adjusted EBIT	\$1,406*	\$(50)	\$1,356*	(8)% to (5)% ¹	3.5%	(4.5)% to (1.5)% ¹
Adjusted EPS	\$2.98*	\$(0.12)	\$2.86*	(8)% to (4)% ¹	4%	(4)% to 0% ¹
				\$2.75 to \$2.85		\$2.75 to \$2.85

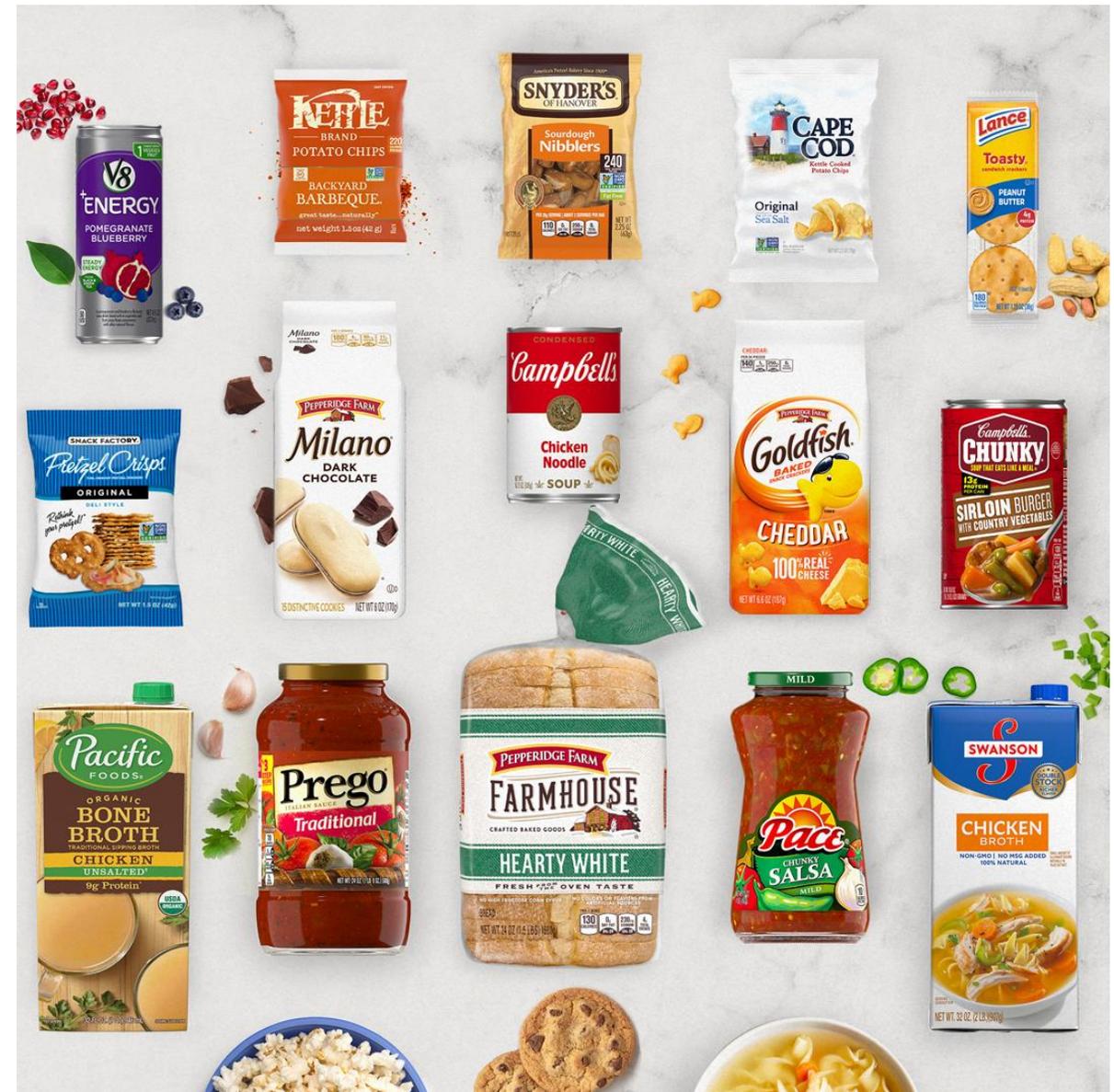
- The sale of the Plum baby food and snacks business, which was divested on May 3, 2021, is estimated to have an impact of 1 percentage point on net sales in fiscal 2022.

* See Non-GAAP reconciliation

¹ A non-GAAP reconciliation is not provided for fiscal 2022 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

- Net Sales reflect strong in-market demand, anticipated cycling of prior-year inventory recovery, as well as net pricing benefits and supply constraints
- Q1 inflationary pressures partly mitigated by net price increases and productivity initiatives, however, expect increasing margin pressure in Q2
- Reaffirming FY22 Guidance*
- Investor Day (virtual) to be held December 14, 2021



*Adjusted for exclusion of unrealized gains and losses on outstanding undesignated commodity hedges.

Q&A Forum



Mark Clouse

President & Chief Executive Officer



Mick Beekhuizen

EVP & Chief Financial Officer

Appendix

Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations (\$ millions)

First Quarter

October 31, 2021

Meals & Beverages

<u>Net Sales, As Reported</u>	<u>Impact of Currency</u>	<u>Organic Net Sales</u>
\$ 1,266	\$ (6)	\$ 1,260

% Change

<u>Net Sales, As Reported</u>	<u>Organic Net Sales</u>
(7)%	(6)%

Snacks

970	-	970
-----	---	-----

(1)%	(1)%
------	------

Total Net Sales

<u>\$ 2,236</u>	<u>\$ (6)</u>	<u>\$ 2,230</u>
-----------------	---------------	-----------------

<u>(4)%</u>	<u>(4)%</u>
-------------	-------------

November 1, 2020

Meals & Beverages

<u>Net Sales, As Reported</u>	<u>Impact of Divestitures</u>	<u>Organic Net Sales</u>
\$ 1,363	\$ (23)	\$ 1,340

Snacks

977	-	977
-----	---	-----

Total Net Sales

<u>\$ 2,340</u>	<u>\$ (23)</u>	<u>\$ 2,317</u>
-----------------	----------------	-----------------

Reconciliation of GAAP and Non-GAAP Financial Measures

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

First Quarter

	EBIT	EBIT Margin %	Earnings	Diluted EPS*
2022 – As Reported	\$ 376	16.8%	\$ 261	\$ 0.86
Add: Restructuring charges, implementation costs and other related costs	4		3	0.01
Add: Pension and postretirement adjustments	6		5	0.02
Add: Commodity mark-to-market adjustments	3		2	0.01
2022 – Adjusted	<u>\$ 389</u>	<u>17.4%</u>	<u>\$ 271</u>	<u>\$ 0.89</u>
2021 – As Reported	\$ 461	19.7%	\$ 309	\$ 1.02
Add: Restructuring charges, implementation costs and other related costs	6		5	0.02
Deduct: Pension and postretirement adjustments	(4)		(3)	(0.01)
Deduct: Commodity mark-to-market adjustments	(6)		(5)	(0.02)
2021 – Adjusted	<u>\$ 457</u>	<u>19.5%</u>	<u>\$ 306</u>	<u>\$ 1.01</u>
\$ Change - Adjusted	\$ (68)		\$ (35)	\$ (0.12)
% Change - Adjusted	(15)%	(210) bps	(11)%	(12)%

*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)

First Quarter

	<u>Gross Margin</u>	<u>GM %</u>	<u>EBT</u>	<u>Tax</u>	<u>Tax Rate</u>
2022 – As Reported	\$ 722	32.3%	\$ 329	\$ 68	20.7%
Add: Restructuring charges, implementation costs and other related costs	2		4	1	
Add: Pension and postretirement adjustments	-		6	1	
Add: Commodity mark-to-market adjustments	3		3	1	
2022 – Adjusted	<u>\$ 727</u>	<u>32.5%</u>	<u>\$ 342</u>	<u>\$ 71</u>	<u>20.8%</u>
2021 – As Reported	\$ 813	34.7%	\$ 406	\$ 97	23.9%
Add: Restructuring charges, implementation costs and other related costs	1		6	1	
Deduct: Pension and postretirement adjustments	-		(4)	(1)	
Deduct: Commodity mark-to-market adjustments	(6)		(6)	(1)	
2021 – Adjusted	<u>\$ 808</u>	<u>34.5%</u>	<u>\$ 402</u>	<u>\$ 96</u>	<u>23.9%</u>
Change - Adjusted		(200) bps			(310) bps

Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations (\$ millions)

Adjusted EBIT Impact from Adjusted Gross Margin

	<u>First Quarter</u>
2022 – Adjusted Gross Margin \$	\$ 727
2022 – Reported Net Sales	\$ 2,236
2021 – Adjusted Gross Margin %	<u>34.5%</u>
2022 – Adjusted Gross Margin \$ at 2021 Adjusted Gross Margin %	<u>\$ 771</u>
Adjusted EBIT Impact from Adjusted Gross Margin	<u><u>\$ (44)</u></u>

Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations (\$ millions)

First Quarter

	<u>Administrative Expenses</u>	<u>R&D Expenses</u>	<u>Total</u>
2022 – As Reported	\$ 156	\$ 21	\$ 177
Deduct: Restructuring charges, implementation costs and other related costs	(2)	-	(2)
2022 – Adjusted	<u>\$ 154</u>	<u>\$ 21</u>	<u>\$ 175</u>
% of Net Sales - Adjusted	6.9%	0.9%	7.8%
2021 – As Reported	\$ 141	20	\$ 161
Deduct: Restructuring charges, implementation costs and other related costs	(4)	-	(4)
2021 – Adjusted	<u>\$ 137</u>	<u>\$ 20</u>	<u>\$ 157</u>
% of Net Sales – Adjusted	5.9%	0.9%	6.7%
% of Net Sales Change - Adjusted*	+100 bps	0 bps	+110 bps
\$ Change – Adjusted	\$ 17	\$ 1	\$ 18
% Change - Adjusted	12%	5%	11%

*The sum of the amounts may not add due to rounding.

Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations (\$ millions)

<u>First Quarter</u>	<u>Other Expenses / (Income)</u>
2022 – As Reported	\$ (1)
Deduct: Pension and postretirement adjustments	(6)
2022 – Adjusted	<u>\$ (7)</u>
% of Net Sales - Adjusted	(0.3)%
2021 – As Reported	\$ (18)
Add: Pension and postretirement adjustments	4
2021 – Adjusted	<u>\$ (14)</u>
% of Net Sales – Adjusted	(0.6)%
% of Net Sales Change - Adjusted	+30 bps
\$ Change – Adjusted	\$ 7
% Change - Adjusted	(50)%

Reconciliation of GAAP and Non-GAAP Financial Measures

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

First Quarter – Adjusted Diluted EPS Impact from Adjusted EBIT

	<u>EBIT</u>
2022 – Adjusted	\$ 389
2021 – Adjusted	457
\$ Change	<u>\$ (68)</u>
Add: 2021 Adjusted tax rate impact on EBIT	<u>16</u>
Impact to Net Earnings	<u><u>\$ (52)</u></u>
First Quarter 2021 Diluted Shares	304
Adjusted Diluted EPS Impact	\$ (0.17)

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>First Quarter</u>
2022 – Adjusted EBT	\$ 342
Change in Adjusted Tax Rate	(3.1)%
Adjusted EBT multiplied by the Change in Adjusted Tax Rate	<u>\$ 11</u>
First Quarter 2021 Diluted Shares	304
Adjusted Diluted EPS Impact	\$ 0.04

Reconciliation of GAAP and Non-GAAP Financial Measures

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

<u>Full Year</u>	<u>EBIT</u>	<u>Earnings</u>	<u>Diluted EPS*</u>
2021 – As Reported	\$ 1,545	\$ 1,008	\$ 3.30
Add: Restructuring charges, implementation costs and other related costs	53	40	0.13
Deduct: Pension and postretirement adjustments	(203)	(155)	(0.51)
Add (Deduct): Charges (gains) associated with divestiture	11	(3)	(0.01)
Add: Deferred tax charge	-	19	0.06
2021 – Adjusted (Before MTM Change)	<u>\$ 1,406</u>	<u>\$ 909</u>	<u>\$ 2.98</u>
Deduct: Commodity mark-to-market adjustments	(50)	(38)	(0.12)
2021 – Adjusted (After MTM Change)	<u>\$ 1,356</u>	<u>\$ 871</u>	<u>\$ 2.86</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, except per share amounts)

First Quarter

	EBIT	EBIT Margin %	Earnings	Diluted EPS*
2022 – Adjusted	\$ 389	17.4%	\$ 271	\$ 0.89
2021 – Adjusted	\$ 457	19.5%	\$ 306	\$ 1.01
2020 – As Reported	\$ 317	14.5%	\$ 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
Deduct: Commodity mark-to-market adjustments	(5)		(4)	(0.01)
2020 – Adjusted	\$ 387	17.7%	\$ 233	\$ 0.77
% Change 2022 vs 2020 – Adjusted	1%		16%	16%
% Change 2021 vs 2020 - Adjusted	18%		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)

First Quarter

October 31, 2021

Meals & Beverages

Net Sales, As Reported	Impact of Currency	Organic Net Sales
\$ 1,266	\$ (6)	\$ 1,260

% Change

Net Sales, As Reported	Organic Net Sales
4%	5%

Snacks

970	-	970
-----	---	-----

1%	4%
----	----

Total Net Sales

<u>\$ 2,236</u>	<u>\$ (6)</u>	<u>\$ 2,230</u>
-----------------	---------------	-----------------

<u>2%</u>	<u>5%</u>
-----------	-----------

October 27, 2019

Meals & Beverages

Net Sales, As Reported	Impact of Divestitures	Organic Net Sales
\$ 1,223	\$ (26)	\$ 1,197

Snacks

960	(25)	935
-----	------	-----

Total Net Sales

<u>\$ 2,183</u>	<u>\$ (51)</u>	<u>\$ 2,132</u>
-----------------	----------------	-----------------

Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations (\$ millions)

First Quarter

November 1, 2020

Meals & Beverages

Net Sales, As Reported	Impact of Currency	Organic Net Sales
\$ 1,363	\$ -	\$ 1,363

% Change

Net Sales, As Reported	Organic Net Sales
11%	11%

Snacks

977	-	977
-----	---	-----

2%	4%
----	----

Total Net Sales

<u>\$ 2,340</u>	<u>\$ -</u>	<u>\$ 2,340</u>
-----------------	-------------	-----------------

<u>7%</u>	<u>8%</u>
-----------	-----------

October 27, 2019

Meals & Beverages

Net Sales, As Reported	Impact of Divestitures	Organic Net Sales
\$ 1,223	\$ -	\$ 1,223

Snacks

960	(25)	935
-----	------	-----

Total Net Sales

<u>\$ 2,183</u>	<u>\$ (25)</u>	<u>\$ 2,158</u>
-----------------	----------------	-----------------