



Real food
that matters
for life's
moments



Fiscal 2018

**Q3 Investor
Update**

Ken Gosnell

*Vice President – Finance Strategy
and 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: changes in consumer demand for our products and favorable perception of our brands; the risks associated with trade and consumer acceptance of product improvements, shelving initiatives, new products and pricing and promotional strategies; the impact of strong competitive responses to our efforts to leverage brand power with product innovation, promotional programs and new advertising; 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; our ability to realize projected cost savings and benefits from efficiency and/or restructuring initiatives; our ability to manage changes to our organizational structure and/or business processes; product quality and safety issues, including recalls and product liabilities; the ability to complete and to realize the projected benefits of acquisitions, divestitures and other business portfolio changes, including the Snyder's-Lance acquisition; our indebtedness and ability to pay such indebtedness; disruptions to our supply chain, including fluctuations in the supply of and inflation in energy and raw and packaging materials cost; the uncertainties of litigation and regulatory actions against us; 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 impact of non-U.S. operations, including trade restrictions, public corruption and compliance with foreign laws and regulations; 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; a material failure in or a breach of our information technology systems; our ability to attract and retain key talent; changes in currency exchange rates, tax rates, interest rates, debt and equity markets, inflation rates, economic conditions, law, regulation and other external factors; unforeseen business disruptions in one or more of our markets due to political instability, civil disobedience, terrorism, armed hostilities, extreme weather conditions, natural disasters 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.

Non-GAAP Measures

This presentation includes certain “non-GAAP” measures as defined by SEC rules. We have provided a reconciliation of those measures to the most directly comparable GAAP measures, which is shown as an appendix to this presentation and accessible online at investor.campbellsoupcompany.com.



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CEO Perspective

*Third Quarter
Fiscal Year 2018*



Keith McLoughlin

Interim CEO
Campbell Soup Company



CFO Perspective

Anthony DiSilvestro

*Senior Vice President & Chief Financial Officer
Campbell Soup Company*

Third-Quarter Fiscal 2018 Summary

- Completed Acquisition of Snyder's-Lance
- Gross Margin Performance Below Expectations
- Revising 2018 Earnings Outlook

Financial Summary

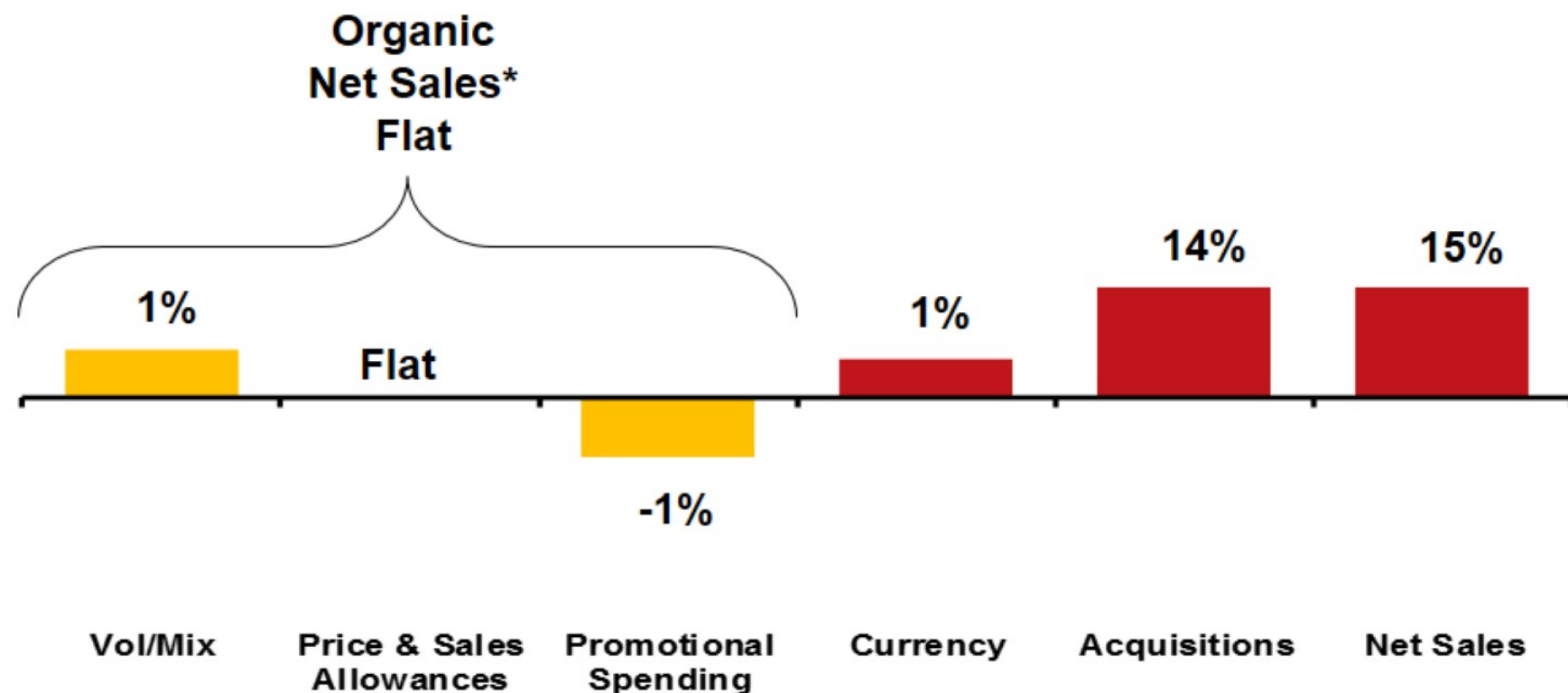
(\$ millions, except per share)

	Third Quarter	% Change	April YTD	% Change
Net Sales	\$2,125	15%	\$6,466	4%
Organic Net Sales*		-%		(1)%
Adjusted EBIT*	\$308	1%	\$1,127	(7)%
Adjusted EPS*	\$0.70	19%	\$2.62	4%

* See Non-GAAP reconciliation

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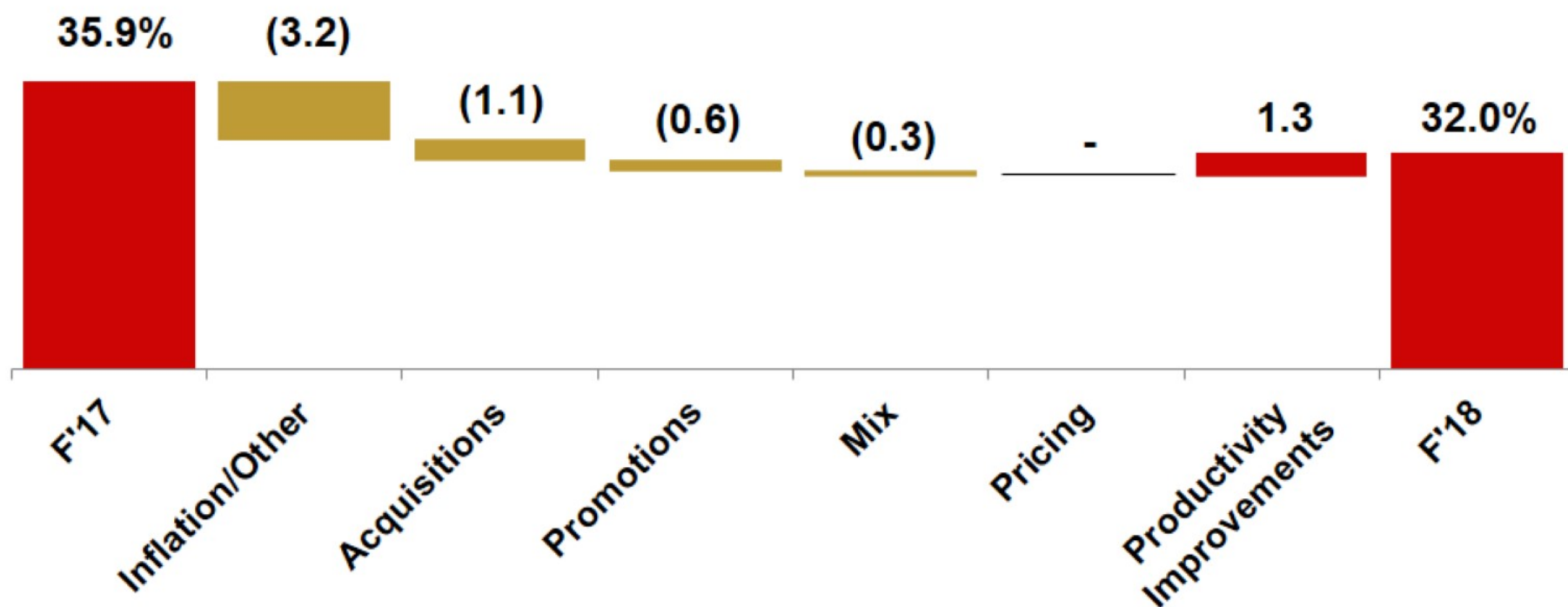
Third Quarter – Components of Net Sales Change



* See Non-GAAP reconciliation

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Third Quarter – Adjusted Gross Margin Performance*



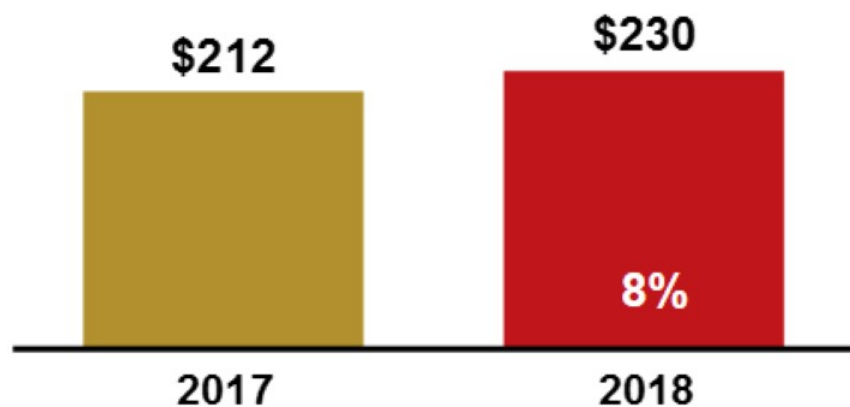
* See Non-GAAP reconciliation

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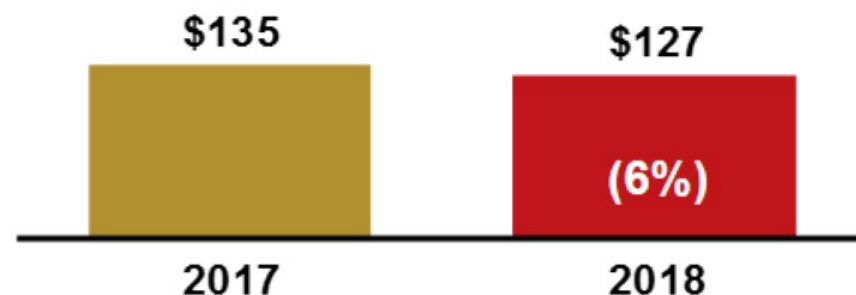
Third Quarter – Other Operating Items

(\$ millions)

*Adjusted Marketing & Selling Expenses**



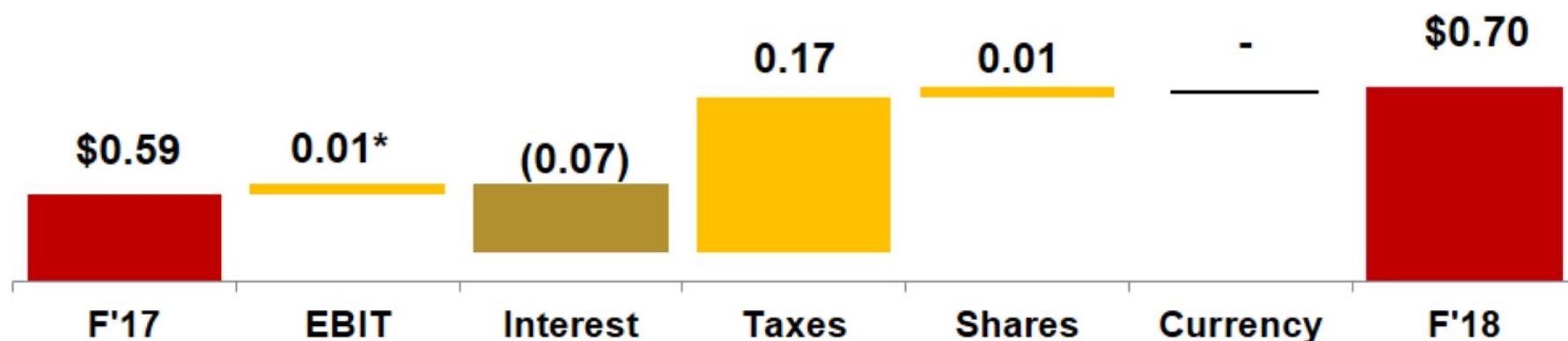
*Adjusted Administrative Expenses**



* See Non-GAAP reconciliation

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Third Quarter – Adjusted EPS Performance*



Note: Numbers do not add across due to rounding

* See Non-GAAP reconciliation

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Third-Quarter Segment Results

(\$ millions)

Americas Simple Meals and Beverages



\$1,010

(2%)

**Net Sales &
Organic
Growth Rate***

\$217

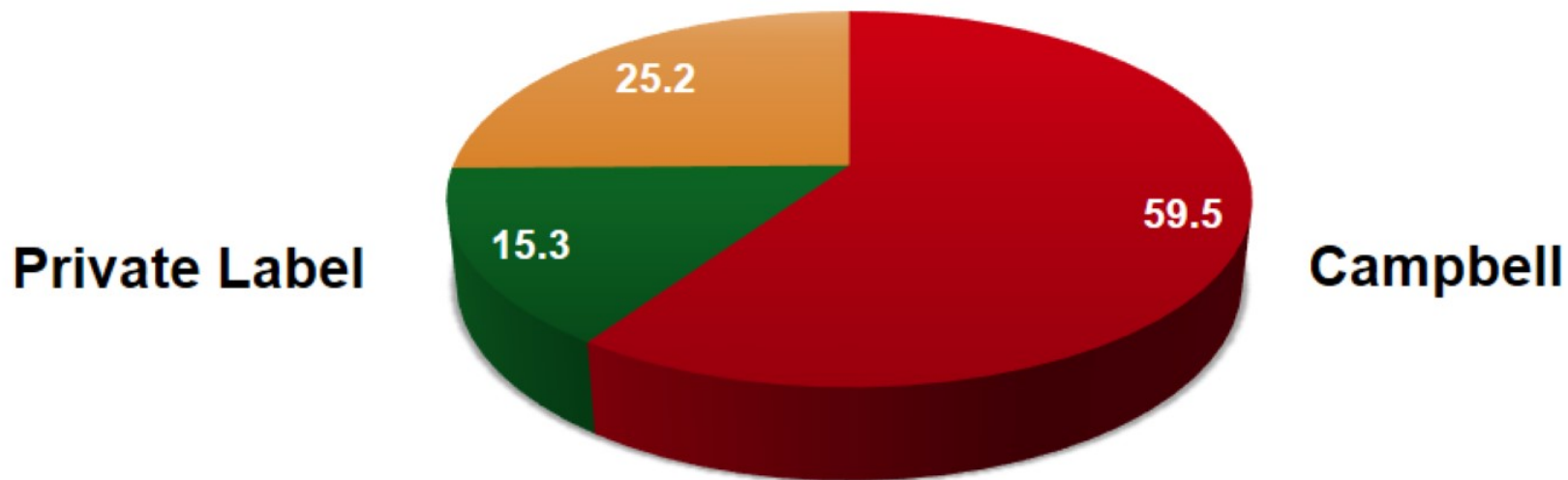
(3)%

**Operating
Earnings**

* See Non-GAAP reconciliation

Retail Sales – U.S. Wet Soup Latest 52 Week Market Share and Category Performance

All other branded



	<u>Category</u>	<u>Campbell</u>	<u>AO Branded</u>	<u>Private Label</u>
Dollar Share Change	N/A	-2.0 ppts	+0.6 ppts	+1.4 ppts
Dollar Sales Change	+1.3%	-1.9%	+3.8%	+11.2%

Campbell/PL figures include condensed and ready-to-serve soup and broth.
 Campbell figures include *Pacific* soups and broth.
 Source: IRI Total U.S. Multi-Outlet
 For 52-week period ending April 29, 2018

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Third-Quarter Segment Results

(\$ millions)

Global Biscuits and Snacks



\$862

1%

**Net Sales &
Organic
Growth Rate***

\$123

23%

**Operating
Earnings**

* See Non-GAAP reconciliation

Third-Quarter Segment Results

(\$ millions)



\$251

1%

**Net Sales &
Organic
Growth Rate***

(\$19)

**Operating
Loss**

* See Non-GAAP reconciliation

Cash Flow and Balance Sheet Items

(\$ millions)

Year-To-Date	2017	2018
Cash Flow from Operations	\$1,011	\$1,024
Capital Expenditures	\$195	\$223
Dividends Paid	\$314	\$321
Share Repurchases	\$305	\$86
Ending Net Debt as of Q3*	\$3,079	\$9,644

* See Non-GAAP reconciliation

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Fiscal 2018 Guidance

(\$ millions, except per share)

	2017 Results	Revised 2018 Guidance Before Snyder's-Lance	Snyder's-Lance Acquisition	Revised 2018 Guidance
Sales	\$7,890	0% to +1% (prev. -1% to +1%)	+9 to +10 pts	+10% to +11%
Adjusted EBIT	\$1,492*	-11% to -9%** (prev. -7% to -5%)	+3 pts	-8% to -6%**
Adjusted EPS	\$3.04*	-3% to -1%** (prev. +2% to +4%)	-3 pts -\$0.10	-6% to -5%** \$2.85 to \$2.90

* See Non-GAAP reconciliation

** A non-GAAP reconciliation is not provided for 2018 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.

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Fiscal 2018 Guidance

	Supporting Assumptions for Revised 2018 Guidance
COPS Inflation	~4%
COPS Productivity	~3%
Cost Savings Program	\$75-85 million
Gross Margin Percentage*	-3 pt
Interest Expense*	\$220-225 million
Tax Rate*	~26-27%
Capital Expenditures	\$440 million

* A non-GAAP reconciliation is not provided for 2018 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.

Upcoming Events

August 30th – F'18 Q4 Earnings Call

October 3rd – Investor Day

Q & A



Anthony DiSilvestro
SVP and CFO



Ken Gosnell
VP-Finance Strategy and IR

Appendix

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Third Quarter

2018

	Net Sales, As Reported	Impact of Currency	Impact of Acquisitions	Organic Net Sales	% Change	
					Net Sales, As Reported	Organic Net Sales
Americas Simple Meals and Beverages	\$ 1,010	\$ (4)	\$ (55)	\$ 951	5 %	(2) %
Global Biscuits and Snacks	862	(9)	(207)	646	35 %	1 %
Campbell Fresh	251	-	-	251	1 %	1 %
Corporate	2	-	-	2	n/m	n/m
Total Net Sales	\$ 2,125	\$ (13)	\$ (262)	\$ 1,850	15 %	- %

2017

Americas Simple Meals and Beverages	\$ 966
Global Biscuits and Snacks	639
Campbell Fresh	248
Corporate	-
Total Net Sales	\$ 1,853

n/m – not meaningful

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Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Nine Months

2018

	Net Sales, As Reported	Impact of Currency	Impact of Acquisitions	Organic Net Sales	% Change	
					Net Sales, As Reported	Organic Net Sales
Americas Simple Meals and Beverages	\$ 3,424	\$ (16)	\$ (83)	\$ 3,325	(1) %	(4) %
Global Biscuits and Snacks	2,297	(24)	(207)	2,066	13 %	2 %
Campbell Fresh	742	-	-	742	- %	- %
Corporate	3	-	-	3	n/m	n/m
Total Net Sales	\$ 6,466	\$ (40)	\$ (290)	\$ 6,136	4 %	(1) %

2017

Americas Simple Meals and Beverages	\$ 3,459
Global Biscuits and Snacks	2,025
Campbell Fresh	742
Corporate	-
Total Net Sales	\$ 6,226

n/m – not meaningful

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Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

Third Quarter

	EBIT	Net Earnings	Diluted EPS*
2018 – As Reported	\$ (475)	\$ (393)	\$ (1.31)
Add: Restructuring charges, implementation costs and other related costs	60	45	0.15
Add: Transaction and integration costs	82	46	0.15
Add: Impairment charges	619	497	1.65
Add: Claim settlement	22	15	0.05
2018 – Adjusted	<u>\$ 308</u>	<u>\$ 210</u>	<u>\$ 0.70</u>
2017 – As Reported	\$ 298	\$ 176	\$ 0.58
Add: Restructuring charges, implementation costs and other related costs	7	4	0.01
2017 – Adjusted	<u>\$ 305</u>	<u>\$ 180</u>	<u>\$ 0.59</u>
% Change	1 %	17 %	19 %

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

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Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

Nine Months

	EBIT	Net Earnings	Diluted EPS
2018 – As Reported	\$ 180	\$ 167	\$ 0.55
Deduct: Pension and postretirement benefit mark-to-market adjustments	(14)	(10)	(0.03)
Add: Restructuring charges, implementation costs and other related costs	139	103	0.34
Add: Transaction and integration costs	106	65	0.22
Add: Impairment charges	694	571	1.89
Add: Claim settlement	22	15	0.05
Deduct: Tax reform	-	(120)	(0.40)
2018 – Adjusted	<u>\$ 1,127</u>	<u>\$ 791</u>	<u>\$ 2.62</u>
2017 – As Reported	\$ 960	\$ 569	\$ 1.85
Add: Pension and postretirement benefit mark-to-market adjustments	20	13	0.04
Add: Restructuring charges, implementation costs and other related costs	18	11	0.04
Add: Impairment charges	212	180	0.58
2017 – Adjusted	<u>\$ 1,210</u>	<u>\$ 773</u>	<u>\$ 2.51</u>
% Change	(7 %)	2 %	4 %

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Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Third Quarter

	<u>Gross Margin</u>	<u>GM %</u>	<u>Net Interest Expense</u>	<u>Tax</u>	<u>Tax Rate</u>
2018 – As Reported	\$ 618	29.1%	\$ 42	\$ (124)	24.0%
Add: Restructuring charges, implementation costs and other related costs	14		-	15	
Add: Transaction and integration costs	37		18	18	
Add: Impairment charges	11		-	122	
Add: Claim settlement	-		-	7	
2018 – Adjusted	<u>\$ 680</u>	<u>32.0%</u>	<u>\$ 60</u>	<u>\$ 38</u>	<u>15.3%</u>
2017 – As Reported	\$ 665	35.9%	\$ 28	\$ 94	34.8%
Add: Restructuring charges, implementation costs and other related costs	-		-	3	
2017 – Adjusted	<u>\$ 665</u>	<u>35.9%</u>	<u>\$ 28</u>	<u>\$ 97</u>	<u>35.0%</u>

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Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Third Quarter

		<u>Marketing and Selling Expenses</u>	<u>Administrative Expenses</u>
2018 – As Reported		\$ 232	\$ 163
Deduct:	Restructuring charges, implementation costs and other related costs	(2)	(30)
Deduct:	Transaction and integration costs	-	(6)
2018 – Adjusted		<u>\$ 230</u>	<u>\$ 127</u>
2017 – As Reported		\$ 212	\$ 142
Deduct:	Restructuring charges, implementation costs and other related costs	-	(7)
2017 – Adjusted		<u>\$ 212</u>	<u>\$ 135</u>
% Change		8%	(6%)

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Adjusted EBIT Excluding Impact of Recent Acquisitions

	Third Quarter	Nine Months
2018 – Adjusted EBIT	\$ 308	\$ 1,127
Deduct: Impact of Snyder's-Lance and Pacific Foods Acquisitions	(21)	(17)
2018 – Adjusted EBIT, Excluding Acquisitions	<u>\$ 287</u>	<u>\$ 1,110</u>
2017 – Adjusted EBIT	\$ 305	\$ 1,210
% Change	(6%)	(8%)

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

EPS Impact from Adjusted EBIT Excluding Currency

	<u>Third Quarter</u>
2018 – Adjusted EBIT	\$ 308
Deduct: Impact of currency translation	-
2018 – Adjusted EBIT, Constant Currency	<u>\$ 308</u>
2017 – Adjusted EBIT	\$ 305
\$ Change in Adjusted EBIT, Constant Currency	\$ 3
Deduct: Tax impact	<u>(1)</u>
Change in Net Earnings	<u>\$ 2</u>
Diluted EPS Impact	\$ 0.01

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Net Debt

	<u>April 30, 2017</u>	<u>April 29, 2018</u>
Short-Term Borrowings	\$ 1,122	\$ 1,763
Long-Term Debt	2,270	8,080
Total Debt	\$ 3,392	\$ 9,843
Less: Cash and Cash Equivalents	(313)	(199)
Net Debt	<u>\$ 3,079</u>	<u>\$ 9,644</u>

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

<u>Full Year</u>	Gross Margin*	GM %*	EBIT	Net Earnings	Diluted EPS
2017 – As Reported	\$ 2,925	37.1%	\$ 1,400	\$ 887	\$ 2.89
Deduct: Pension and postretirement benefit mark-to-market adjustments	-		(178)	(116)	(0.38)
Add: Restructuring charges, implementation costs and other related costs	4		58	37	0.12
Add: Impairment charges	-		212	180	0.59
Deduct: Sale of notes	-		-	(56)	(0.18)
2017 – Adjusted	<u>\$ 2,929</u>	<u>37.1%</u>	<u>\$ 1,492</u>	<u>\$ 932</u>	<u>\$ 3.04</u>

* Reflects the impact of the adoption of new accounting guidance on the presentation of net periodic pension cost and net periodic postretirement benefit cost in the first quarter of fiscal 2018.

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