

Third Quarter of Fiscal Year 2013 Earnings Call & Webcast

May 20, 2013



Important Reminders: Third Quarter of Fiscal Year 2013

Jennifer Driscoll

Vice President, Investor Relations



Forward-Looking Statements

This presentation contains “forward-looking statements.” Forward-looking statements can be identified by words such as “anticipates,” “intends,” “plans,” “believes,” “estimates,” “expects” and similar references to future periods. Examples of forward-looking statements include, but are not limited to, statements we make on guidance for fiscal 2013, on our ability to execute our business strategies successfully, on our expectations for acquired businesses, and on our expectations for innovation. Forward-looking statements are based on our current expectations and assumptions regarding our business, our industry and other future conditions. Forward-looking statements are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Our actual results may differ materially from those contemplated by the forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements include the impact of strong competitive response to our marketing strategies; risks associated with trade and consumer acceptance of our initiatives, including brand building and innovation; our ability to realize projected cost savings; and the other factors described in the company’s most recent Form 10-K and subsequent SEC filings. We undertake no obligation 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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Campbell Analyst Day



Date: July 24, 2013

Location: Campbell World Headquarters, Camden, NJ

Event: 8:00 a.m. to 2:00 p.m. (EDT)

Webcast: 9:00 a.m. to 12:30 p.m. (EDT) - Estimated



Investor Update

Third Quarter of Fiscal Year 2013

Denise Morrison
President & CEO



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FORWARD**



Third-Quarter Results

- Net sales +15%, +4%* excluding the acquisition of Bolthouse Farms
- Adjusted EBIT +9%*, +3% excluding the acquisition
- Adjusted EPS +11%*
- Outstanding sales and profit gains in U.S. Simple Meals, led by U.S. Soup
- Strong contributions from Bolthouse Farms
- Solid sales performance in Global Baking and Snacking



*See Non-GAAP reconciliation

Perspective on Our Results

➤ Key topics

- The performance of U.S. Soup
- U.S. Simple Meals innovation program
- Plans to improve the performance of U.S. Beverages and North America Foodservice
- Global Baking and Snacking
- Bolthouse Farms



Outstanding Performance of U.S. Soup

Q3 Sales +14%



Condensed +11%



RTS +18%



Broth +18%



Soup-Eating Weather



U.S. Simple Meals Innovation Program

- Contributed approximately 1 point of growth in quarter and YTD
- Sales are small; committed to these products
- Anticipate products will build over time and contribute meaningful growth



Plans for U.S. Beverages and North America Foodservice

- ▶ Third-quarter performance was disappointing
- ▶ Aggressively moving to improve performance
- ▶ Laying the foundation for long-term growth

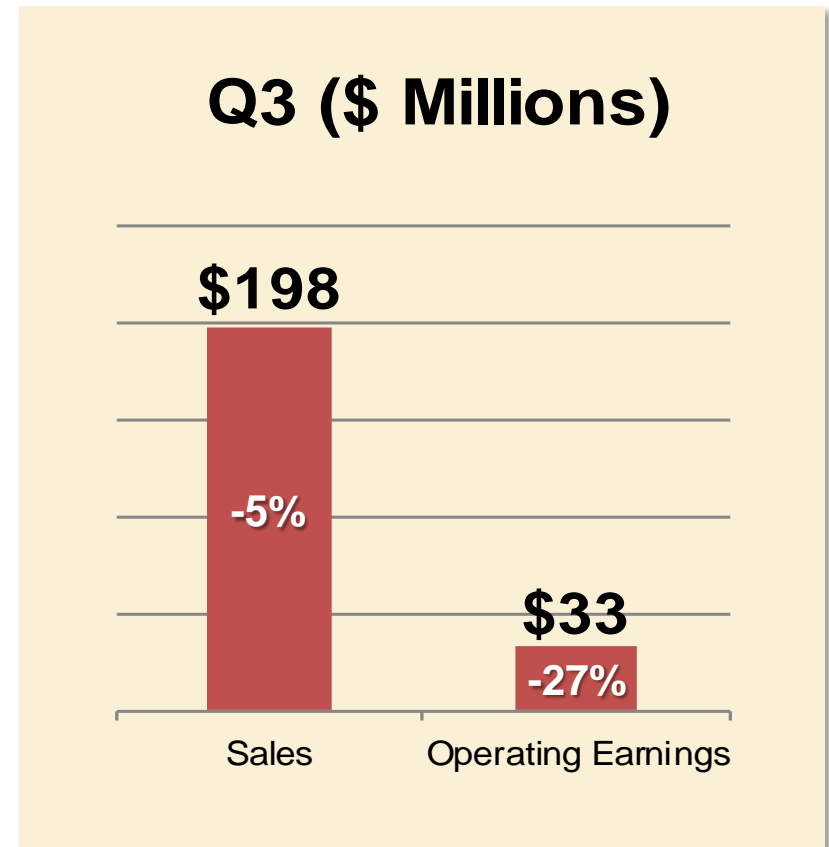


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U.S. Beverages

1. Category has been weaker than expected
2. New players have entered the fruit-vegetable blend category
3. Innovation has been mixed



U.S. Beverages



**Excellence in execution
against all the drivers of demand**

North America Foodservice

- Loss of major restaurant customer and structural changes in our core foodservice business

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FOODSERVICE

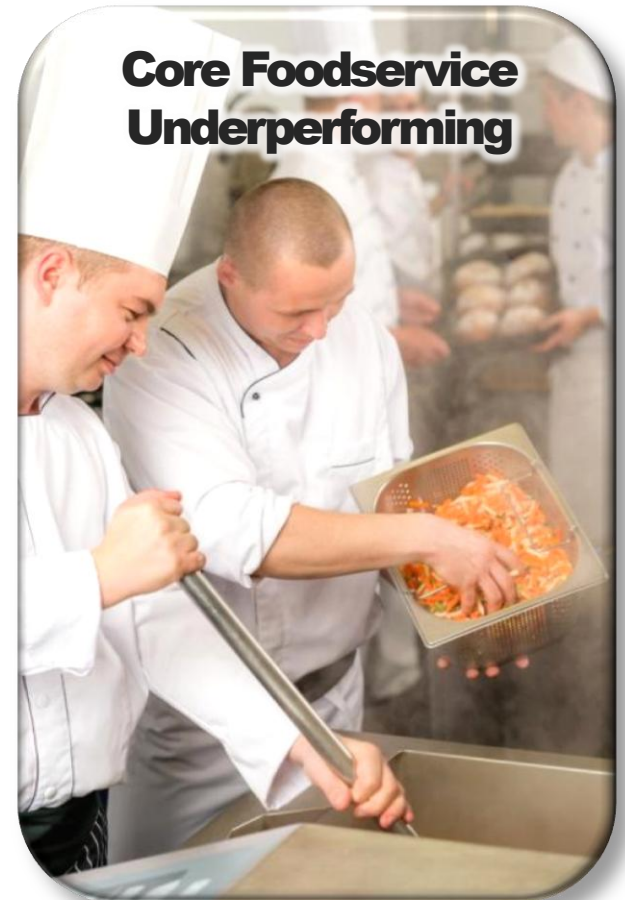


**Retail Fresh
Perimeter
Remains a
Bright Spot**

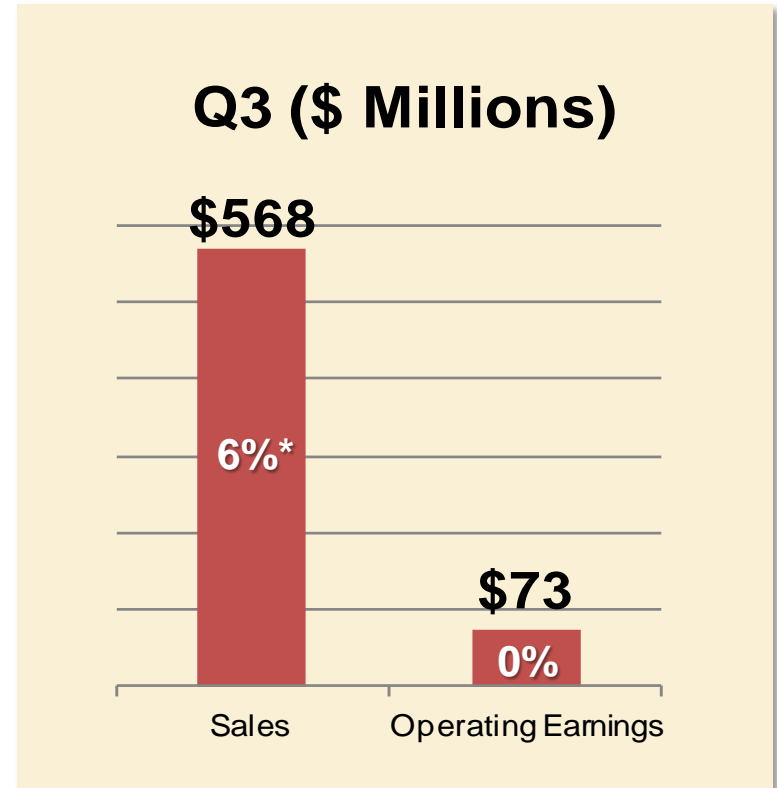
**New
Manufacturing
Line Increases
Capacity
for Fresh Soup**

**Increased
Potential for
Customer
Acquisition**

**Core Foodservice
Underperforming**



Global Baking and Snacking



* Percentage change represents organic growth
See Non-GAAP reconciliation



Bolthouse Farms

- Performing well on top and bottom line
- Provides exciting platform to expand in packaged fresh market



Dual Mandate



**MAINTAIN
STRENGTH OF
CORE BUSINESS**



**EXPAND
INTO HIGHER
GROWTH SPACES**



CFO Perspective

B. Craig Owens

*SVP- CFO and
Chief Administrative Officer*



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**FOCUS
FORWARD**



Agenda

- Third-quarter results and segment highlights
- Year-to-date results
- Full-year sales and earnings guidance

Third-Quarter Financial Summary

(\$ millions, except per share)

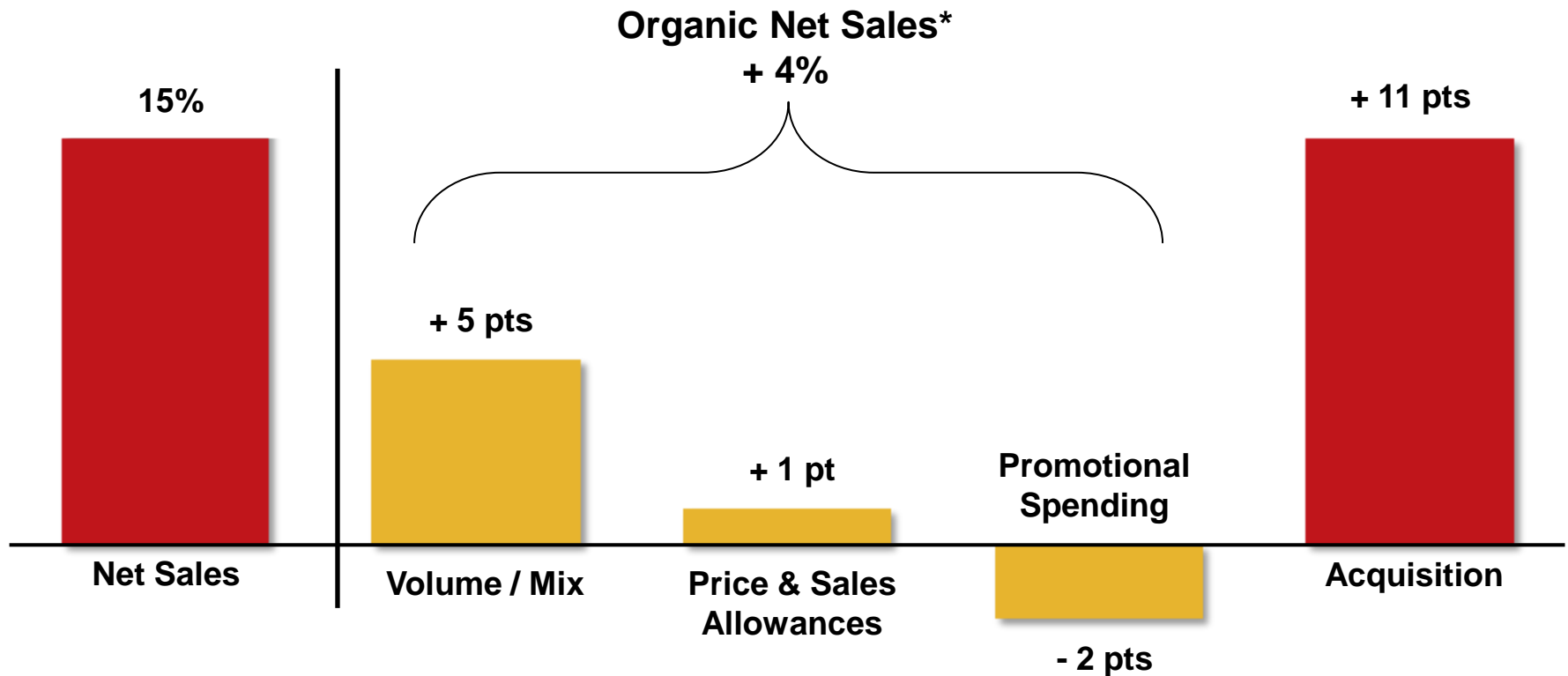
| | Third Quarter | % Change |
|----------------------------------|---------------|----------|
| Net Sales | \$2,094 | 15% |
| <i>Organic Net Sales*</i> | | 4% |
| EBIT* | \$293 | 9% |
| <i>EBIT excluding Bolthouse*</i> | \$276 | 3% |
| EPS – Diluted* | \$0.62 | 11% |



* See Non-GAAP reconciliation



Third Quarter – Components of Net Sales Change



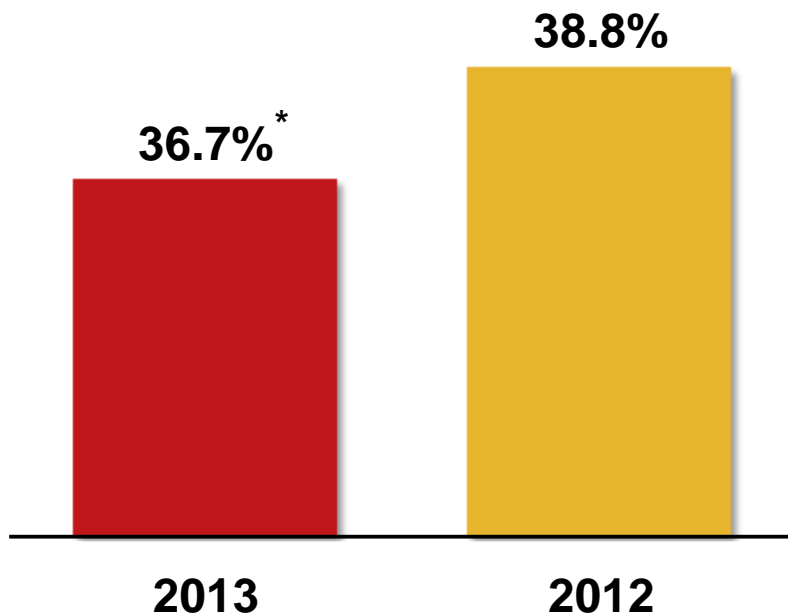
* See Non-GAAP reconciliation



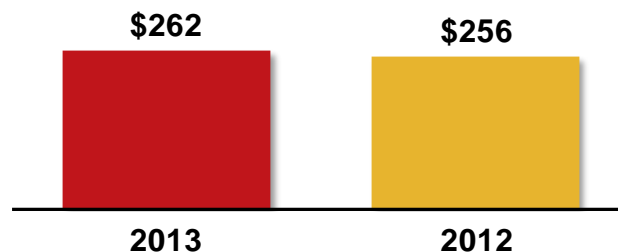
Third Quarter – Gross Margin and Other Operating Items

(\$ millions)

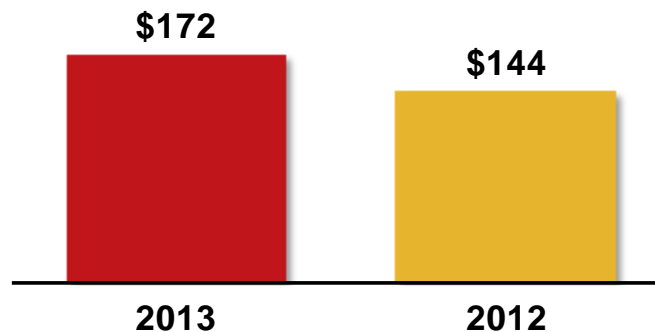
Gross Margin Percentage



Marketing & Selling Expenses



Administrative Expenses



* See Non-GAAP reconciliation



Third-Quarter Financial Summary

(\$ millions, except per share)

| | Third Quarter | % Change |
|-----------------------|---------------|----------|
| EBIT* | \$293 | 9% |
| Interest, Net | \$31 | 15% |
| Tax Rate* | 26.3% | +0.2pts |
| Net Earnings* | \$195 | 8% |
| EPS – Diluted* | \$0.62 | 11% |
| Diluted Shares | 317 | (1 mm) |

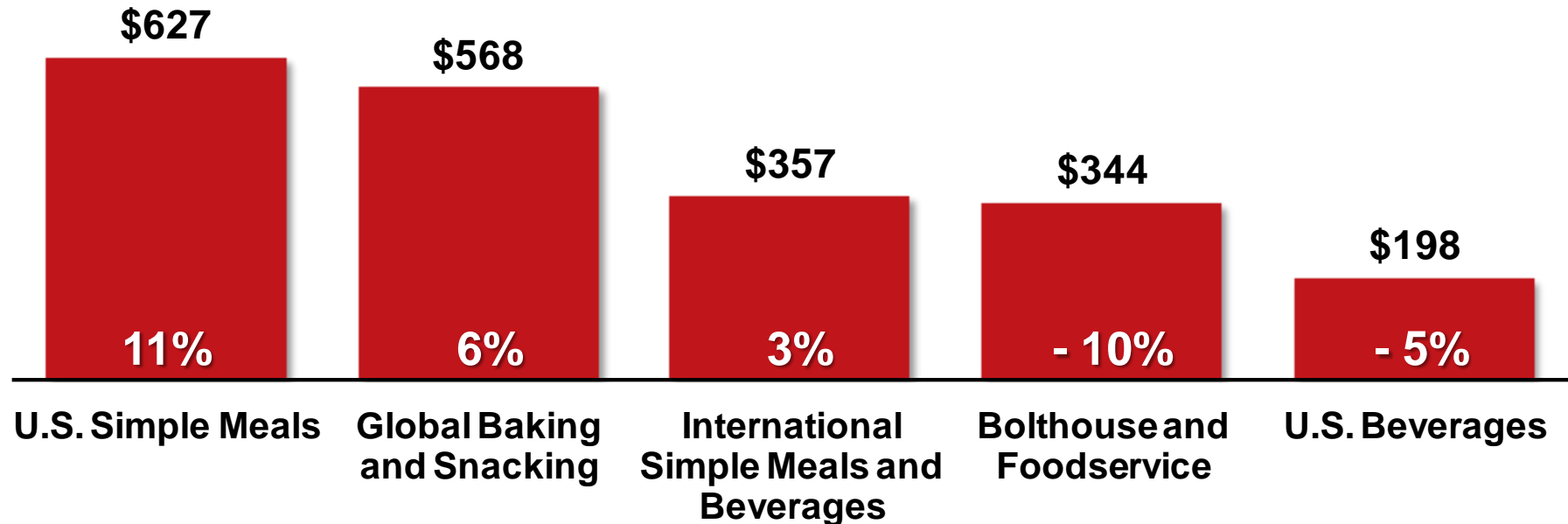


* See Non-GAAP reconciliation



Third Quarter – Net Sales by Segment

(\$ millions)

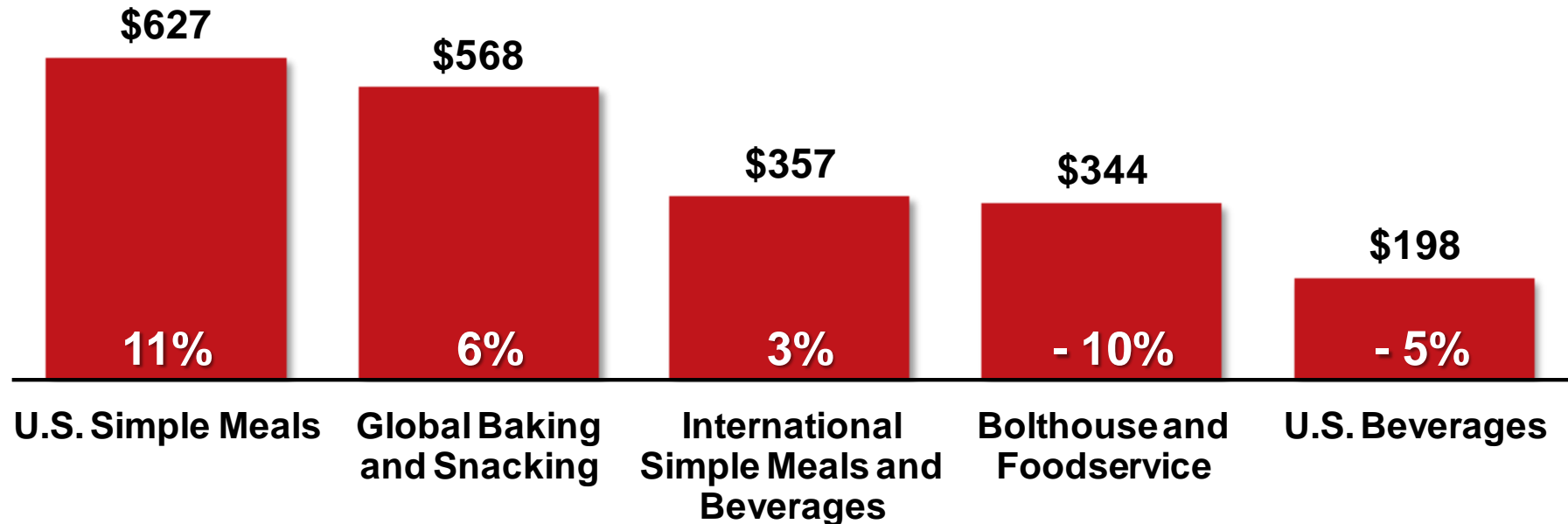


Note: Percent change represents organic growth.
See Non-GAAP reconciliation



Third Quarter – Net Sales by Segment

(\$ millions)

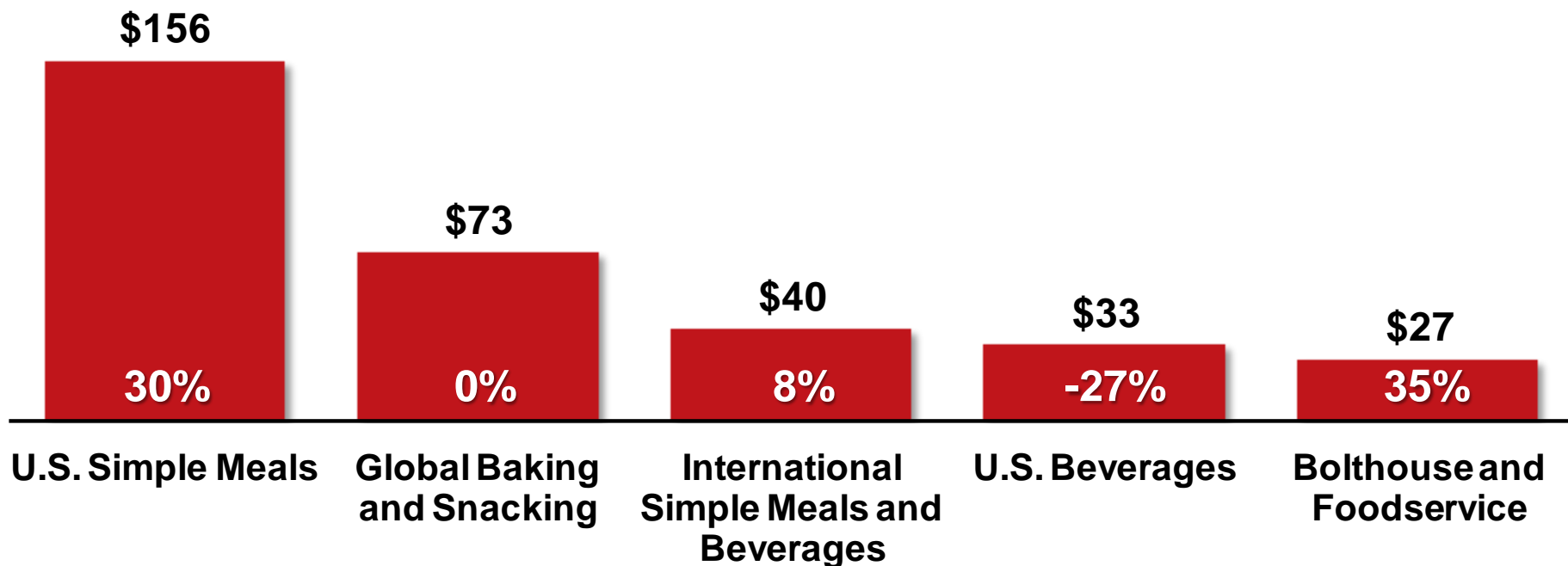


Note: Percent change represents organic growth.
See Non-GAAP reconciliation



Third Quarter – Operating Earnings by Segment

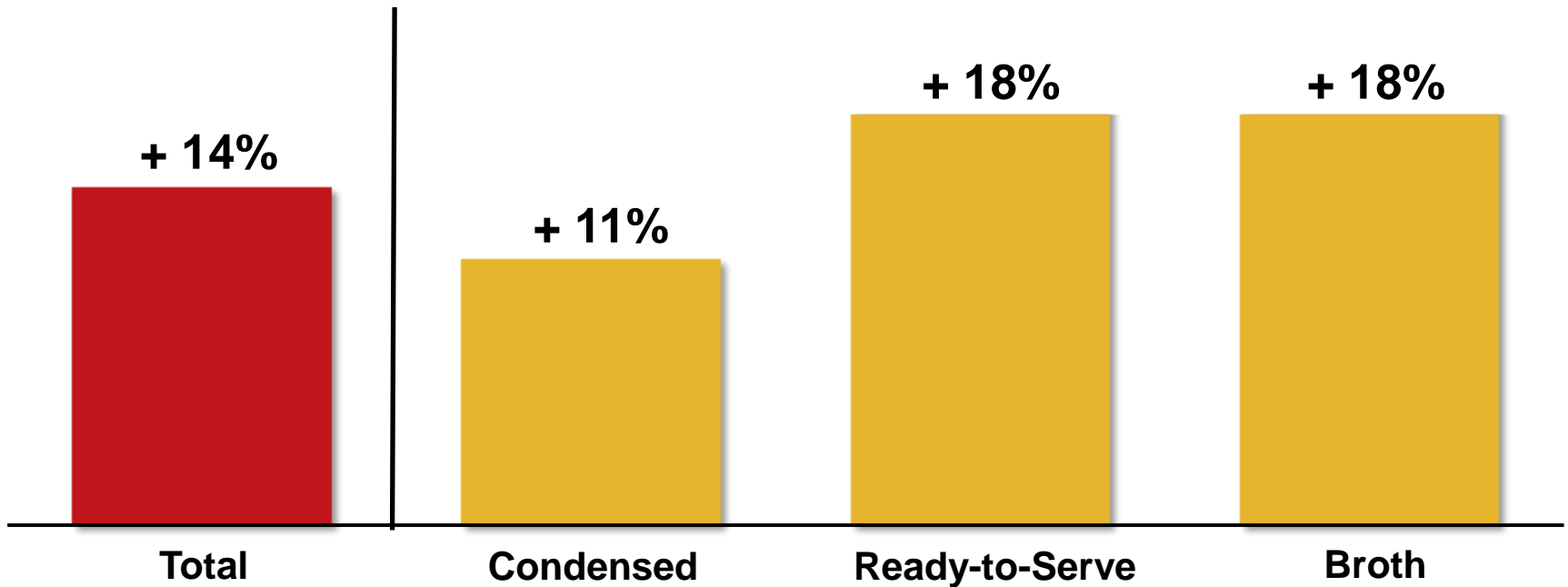
(\$ millions)



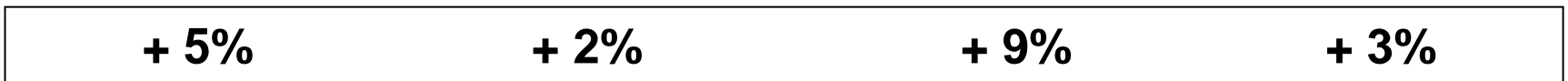
U.S. Soup Net Sales

Third Quarter

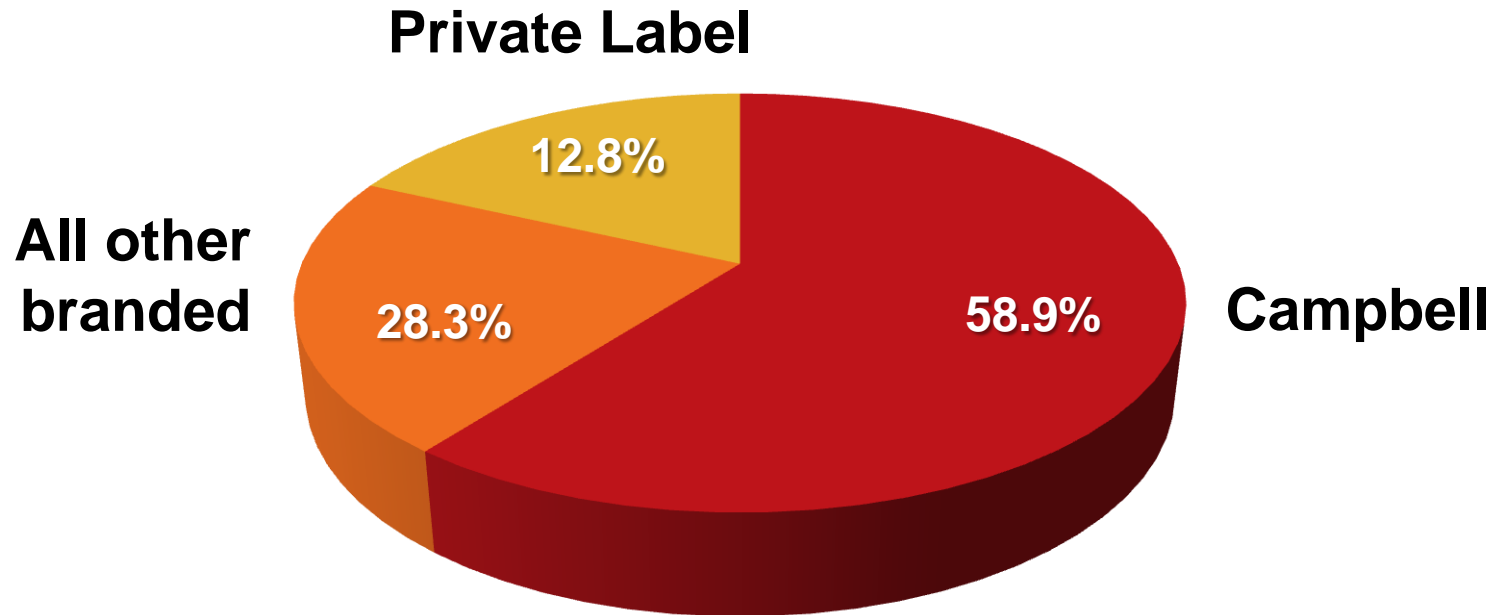
% Change vs. prior year



Year-to-Date



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



| | <u><i>Campbell</i></u> | <u><i>All Other Branded</i></u> | <u><i>Private Label</i></u> |
|----------------------|------------------------|---------------------------------|-----------------------------|
| Dollar Share Change: | -0.3 ppts | +0.6 ppts | -0.3 ppts |
| Dollar Sales Change: | +3.4% | +6.4% | +1.9% |

Campbell figures include condensed and ready-to-serve soup and broth.

Source: Symphony IRI Total U.S. multi-outlet data.

For 52-week period ending April 28, 2013



Fiscal YTD Financial Summary

(\$ millions, except per share)

| | April YTD | % Change |
|----------------------------------|--------------|-------------|
| Net Sales | \$6,763 | 11% |
| <i>Organic Net Sales*</i> | | 2% |
| EBIT* | \$1,080 | 6% |
| <i>EBIT excluding Bolthouse*</i> | \$1,034 | 2% |
| EPS – Diluted* | \$2.19 | 8% |



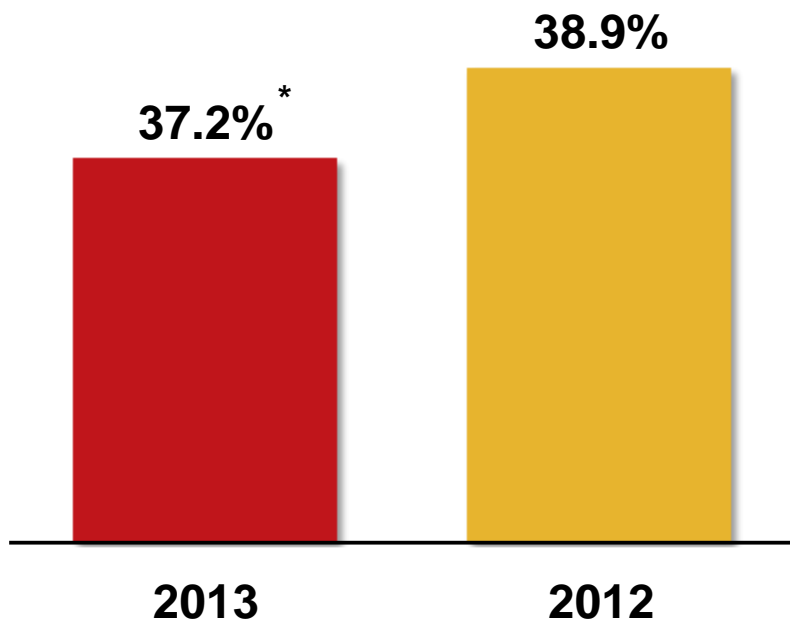
* See Non-GAAP reconciliation



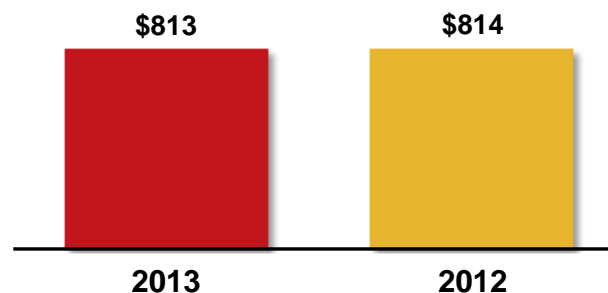
Fiscal YTD – Gross Margin and Other Operating Items

(\$ millions)

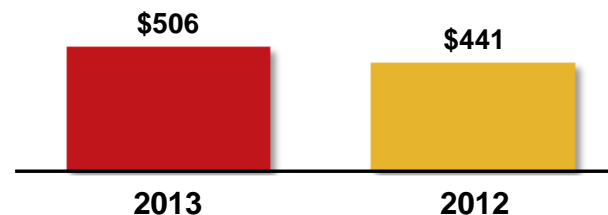
Gross Margin Percentage



Marketing & Selling Expenses



Administrative Expenses



* See Non-GAAP reconciliation



Fiscal YTD Financial Summary

(\$ millions, except per share)

| | April YTD | % Change |
|-----------------------|--------------|-------------|
| EBIT* | \$1,080 | 6% |
| Interest, Net | \$95 | 17% |
| Tax Rate* | 30.3% | -0.9pts |
| Net Earnings* | \$694 | 6% |
| EPS – Diluted* | \$2.19 | 8% |
| Diluted Shares | 317 | (3 mm) |



* See Non-GAAP reconciliation



Cash Flow and Balance Sheet

(\$ millions)

YTD Cash Flow from Operations

2013

2012

\$864

\$838



| | 2013 | 2012 |
|-----------------------------------|-------------|-------------|
| Year-to-Date Capital Expenditures | \$205 | \$173 |
| Year-to-Date Share Repurchases | \$139 | \$272 |
| Net Debt* | \$3,800 | \$2,374 |



* See Non-GAAP reconciliation



Campbell Fiscal Year 2013 Guidance

(\$ millions, except per share)

| | 2012 Base | Prior Guidance | Revised Guidance |
|----------------------------------|-----------|---------------------------|----------------------------|
| Net Sales | \$7,707 | Up 10-12% | Upper end of range |
| Adjusted EBIT* | \$1,227 | Up 4-6% | Upper end of range |
| Adjusted Net Earnings per Share* | \$2.44 | Up 3-5% \$2.51- \$2.57 | Up 6-7% \$2.58 - \$2.62 |



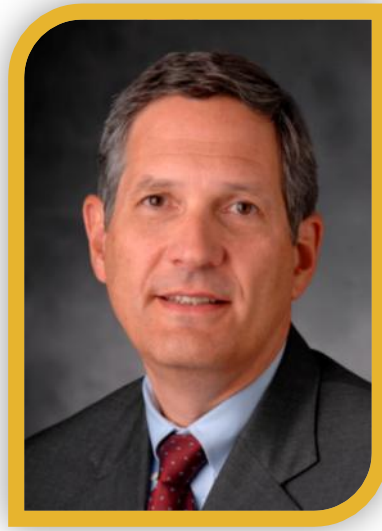
* See Non-GAAP reconciliation



Q & A



Denise Morrison
President and CEO



B. Craig Owens
SVP- CFO and CAO



Anthony DiSilvestro
SVP-Finance



Jennifer Driscoll
VP-IR

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Appendix

Reconciliation of GAAP and Non-GAAP Financial Measures

Net Sales For the Three Months Ended (\$ millions)

| Third Quarter <u>April 28, 2013</u> | Net Sales, As Reported | Impact of Acquisitions | Impact of Currency | Organic Net Sales | % Change | |
|--|---------------------------|---------------------------|-----------------------|----------------------|---------------------------|----------------------|
| | | | | | Net Sales, As Reported | Organic Net Sales |
| U.S. Simple Meals | \$ 627 | \$ - | \$ - | \$ 627 | 11% | 11% |
| Global Baking and Snacking | 568 | - | 5 | 573 | 5% | 6% |
| International Simple Meals and Beverages | 357 | - | 4 | 361 | 2% | 3% |
| U.S. Beverages | 198 | - | - | 198 | -5% | -5% |
| Bolthouse and Foodservice | 344 | (205) | - | 139 | 123% | -10% |
| Total Net Sales | \$ 2,094 | \$ (205) | \$ 9 | \$ 1,898 | 15% | 4% |
| | | | | | | |
| <u>April 29, 2012</u> | | | | | | |
| U.S. Simple Meals | \$ 567 | \$ - | \$ - | \$ 567 | | |
| Global Baking and Snacking | 543 | - | - | 543 | | |
| International Simple Meals and Beverages | 349 | - | - | 349 | | |
| U.S. Beverages | 208 | - | - | 208 | | |
| Bolthouse and Foodservice | 154 | - | - | 154 | | |
| Total Net Sales | \$ 1,821 | \$ - | \$ - | \$ 1,821 | | |



Reconciliation of GAAP and Non-GAAP Financial Measures

Net Sales For the Nine Months Ended (\$ millions)

| | Net Sales, As Reported | Impact of Acquisitions | Impact of Currency | Organic Net Sales | % Change | |
|--|---------------------------|---------------------------|-----------------------|----------------------|---------------------------|----------------------|
| | | | | | Net Sales, As Reported | Organic Net Sales |
| April 28, 2013 | | | | | | |
| U.S. Simple Meals | \$ 2,356 | \$ - | \$ - | \$ 2,356 | 4% | 4% |
| Global Baking and Snacking | 1,703 | | 1 | 1,704 | 4% | 4% |
| International Simple Meals and Beverages | 1,116 | - | 11 | 1,127 | 1% | 2% |
| U.S. Beverages | 569 | - | - | 569 | -4% | -4% |
| Bolthouse and Foodservice | 1,019 | (571) | (1) | 447 | 108% | -9% |
| Total Net Sales | \$ 6,763 | \$ (571) | \$ 11 | \$ 6,203 | 11% | 2% |
| April 29, 2012 | | | | | | |
| U.S. Simple Meals | \$ 2,265 | \$ - | \$ - | \$ 2,265 | | |
| Global Baking and Snacking | 1,637 | - | - | 1,637 | | |
| International Simple Meals and Beverages | 1,110 | - | - | 1,110 | | |
| U.S. Beverages | 593 | - | - | 593 | | |
| Bolthouse and Foodservice | 489 | - | - | 489 | | |
| Total Net Sales | \$ 6,094 | \$ - | \$ - | \$ 6,094 | | |



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Third Quarter

| | Gross Margin | GM % | Tax | Tax Rate |
|--|-----------------|-------|-------|-------------|
| 2013 - As Reported | \$ 748 | 35.7% | \$ 62 | 25.7% |
| Add: Restructuring charges and related costs | 20 | | 7 | |
| 2013 - Adjusted | \$ 768 | 36.7% | \$ 69 | 26.3% |
| 2012 - As Reported | \$ 706 | 38.8% | \$ 62 | 26.2% |
| Add: Restructuring charges | - | | 1 | |
| 2012 - Adjusted | \$ 706 | 38.8% | \$ 63 | 26.1% |



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Nine Months

| | <u>Gross Margin</u> | <u>GM %</u> | <u>Tax</u> | <u>Tax Rate</u> |
|--|-------------------------|--------------|---------------|---------------------|
| 2013 - As Reported | \$ 2,432 | 36.0% | \$ 254 | 29.4% |
| Add: Restructuring charges and related costs | 81 | | 41 | |
| Add: Acquisition transaction costs | - | | 3 | |
| 2013 - Adjusted | <u>\$ 2,513</u> | <u>37.2%</u> | <u>\$ 298</u> | <u>30.3%</u> |
| 2012 - As Reported | \$ 2,371 | 38.9% | \$ 289 | 31.1% |
| Add: Restructuring charges | - | | 3 | |
| 2012 - Adjusted | <u>\$ 2,371</u> | <u>38.9%</u> | <u>\$ 292</u> | <u>31.2%</u> |



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share)

Third Quarter

| | <u>EBIT</u> | <u>Net Earnings</u> | <u>Diluted EPS*</u> |
|--|---------------|-------------------------|-------------------------|
| 2013 - As Reported | \$ 272 | \$ 181 | \$ 0.57 |
| Add: Restructuring charges and related costs | 21 | 14 | 0.04 |
| 2013 - Adjusted | <u>\$ 293</u> | <u>\$ 195</u> | <u>\$ 0.62</u> |
| 2012 - As Reported | \$ 264 | \$ 177 | \$ 0.55 |
| Add: Restructuring charges | 4 | 3 | 0.01 |
| 2012 - Adjusted | <u>\$ 268</u> | <u>\$ 180</u> | <u>\$ 0.56</u> |
| % Change | 9% | 8% | 11% |



*Does not add due to rounding



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Third Quarter

| | <u>EBIT</u> |
|-----------------------------------|---------------|
| 2013 - Adjusted | \$ 293 |
| Deduct: Bolthouse earnings | (17) |
| 2013 - Adjusted, less acquisition | <u>\$ 276</u> |
| | |
| 2012 - Adjusted | \$ 268 |
| | |
| % Change | 3% |



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share)

Nine Months

| | EBIT | Net Earnings | Diluted EPS* |
|--|----------|--------------|--------------|
| 2013 - As Reported | \$ 958 | \$ 616 | \$ 1.94 |
| Add: Restructuring charges and related costs | 112 | 71 | 0.22 |
| Add: Acquisition transaction costs | 10 | 7 | 0.02 |
| 2013 - Adjusted | \$ 1,080 | \$ 694 | \$ 2.19 |
| 2012 - As Reported | \$ 1,009 | \$ 647 | \$ 2.01 |
| Add: Restructuring charges | 9 | 6 | 0.02 |
| 2012 - Adjusted | \$ 1,018 | \$ 653 | \$ 2.03 |
| % Change | 6% | 6% | 8% |



*Does not add due to rounding



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Nine Months

| | <u>EBIT</u> |
|-----------------------------------|------------------------|
| 2013 - Adjusted | \$ 1,080 |
| Deduct: Bolthouse earnings | (46) |
| 2013 - Adjusted, less acquisition | <u><u>\$ 1,034</u></u> |
| 2012 - Adjusted | \$ 1,018 |
| % Change | 2% |



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Net Debt

| | <u>April 28, 2013</u> | <u>April 29, 2012</u> |
|---------------------------------|-----------------------|-----------------------|
| Short-Term Borrowings | \$ 1,309 | \$ 751 |
| Long-Term Debt | 2,944 | 2,006 |
| Total Debt | <u>\$ 4,253</u> | <u>\$ 2,757</u> |
| Less: Cash and Cash Equivalents | (453) | (383) |
| Net Debt | <u>\$ 3,800</u> | <u>\$ 2,374</u> |



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share)

Fiscal Year

| | <u>EBIT</u> | <u>Net Earnings</u> | <u>Diluted EPS</u> |
|------------------------------------|-----------------|-------------------------|------------------------|
| 2012 - As Reported | \$ 1,212 | \$ 774 | \$ 2.41 |
| Add: Restructuring charges | 10 | 6 | 0.02 |
| Add: Acquisition transaction costs | 5 | 3 | 0.01 |
| 2012 - Adjusted | <u>\$ 1,227</u> | <u>\$ 783</u> | <u>\$ 2.44</u> |

