

Campbell's

Q2 Fiscal 2024 Earnings Presentation





Rebecca Gardy

SVP & Chief Investor Relations Officer

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:

the conditions to the completion of the Sovos Brands, Inc. (“Sovos Brands”) transaction may not be satisfied or that the closing of the proposed transaction might not otherwise occur; long-term financing for the Sovos Brands transaction may not be obtained on favorable terms, or at all; the risk that the cost savings and any other synergies from the Sovos Brands transaction may not be fully realized or may take longer or cost more to be realized than expected, including that the Sovos Brands transaction may not be accretive within the expected timeframe or the extent anticipated; completing the Sovos Brands transaction may distract our management from other important matters; the risks related to the availability of, and cost inflation in, supply chain inputs, including labor, raw materials, commodities, packaging and transportation; the company’s ability to execute on and realize the expected benefits from its strategy, including growing sales in snacks and growing/maintaining its market share position in soup; the impact of strong competitive responses to the company’s efforts to leverage its 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; the ability to realize projected cost savings and benefits from cost savings initiatives and the integration of recent acquisitions; disruptions in or inefficiencies to the company’s supply chain and/or operations, including reliance on key supplier relationships; the risks related to the effectiveness of the company’s hedging activities and the company’s ability to respond to volatility in commodity prices; the company’s ability to manage changes to its organizational structure and/or business processes, including selling, distribution, manufacturing and information management systems or processes; changes in consumer demand for the company’s products and favorable perception of the company’s brands; changing inventory management practices by certain of the company’s key customers; a changing customer landscape, with value and e-commerce retailers expanding their market presence, while certain of the company’s key customers maintain significance to the company’s business; product quality and safety issues, including recalls and product liabilities; the possible disruption to the independent contractor distribution models used by certain of the company’s businesses, including as a result of litigation or regulatory actions affecting their independent contractor classification; the uncertainties of litigation and regulatory actions against the company; the costs, disruption and diversion of management’s attention associated with activist investors; a disruption, failure or security breach of the company’s or the company’s vendors’ information technology systems, including ransomware attacks; impairment to goodwill or other intangible assets; the company’s ability to protect its intellectual property rights; increased liabilities and costs related to the company’s defined benefit pension plans; the company’s 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 or other impacts due to political instability, civil disobedience, terrorism, armed hostilities (including the ongoing conflict between Russia and Ukraine and in Israel and Gaza), extreme weather conditions, natural disasters, pandemics or other outbreaks of disease or other calamities; and other factors described in the company’s most recent Form 10-K and subsequent Securities and Exchange Commission filings. The company disclaims any obligation or intent to update the forward-looking statements in order to reflect events or circumstances after the date of this release. **We disclaim any obligation or intent to update these statements to reflect new information or future events.**

Agenda

1. Q2 FY24 Key Messages and Financial Highlights
2. Division Highlights
3. Q2 FY24 Financial Results
4. FY24 Outlook
5. Summary
6. Q&A



Mark Clouse

President & Chief Executive Officer

CEO Perspective

Q2 FY24 Key Messages



- Delivered on our commitments, with second quarter largely in line with our expectations
- Improved trajectory expected in H2 FY24 on topline, margins and earnings
- Consistent execution, particularly during the crucial holiday season
- Anticipate completion of the acquisition of Sovos Brands during the week of March 11, 2024
- Continued margin progress with advantaged Snacks DSD network
- Reaffirming full-year FY24 guidance
- Investor Day: late June 2024

Q2 FY24 Key Financial Highlights

Net Sales

\$2.5B

Adj. EBIT*

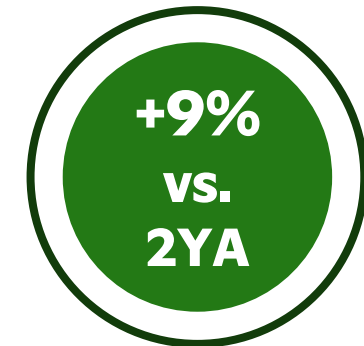
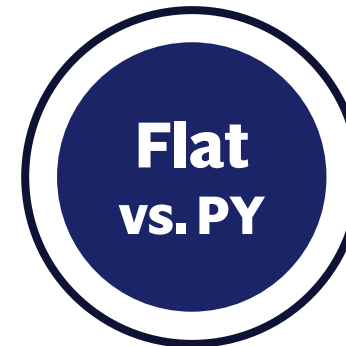
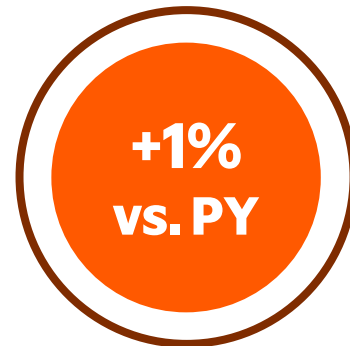
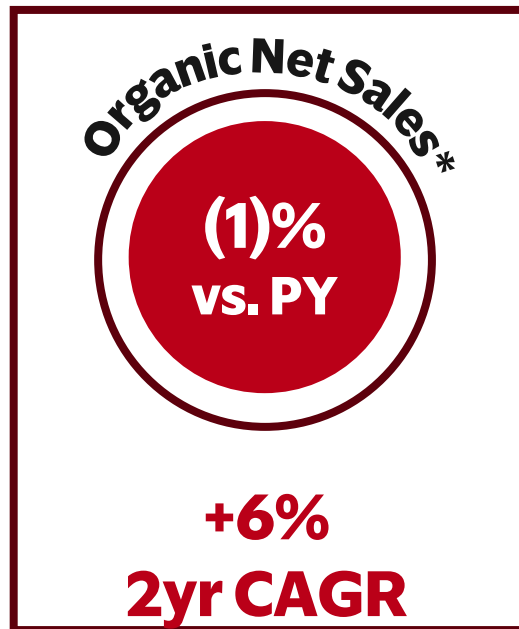
\$364M

Adj. EPS*

\$0.80

\$ Consumption¹

(1)%
vs. PY



*See Non-GAAP reconciliation

¹Total Circana US MULO \$ Consumption latest 13 weeks ending 01/28/2024

Winning the Holiday, While Expanding Operating Margins

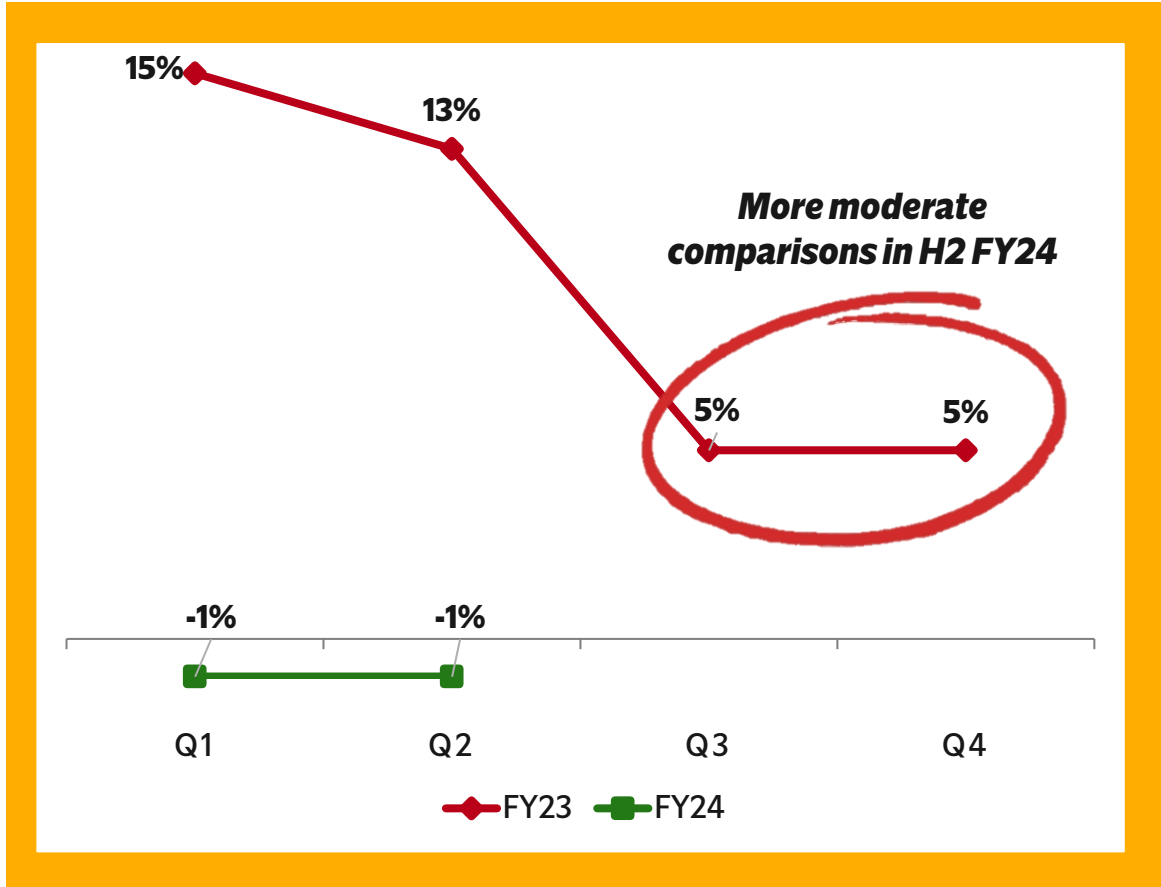
Campbell's Volume and \$ Share Growth Key Seasonal Categories During Holiday Period¹

	Meals & Beverages		Snacks	
	Condensed Cooking	Broth / Stock	PF Cookies	PF Stuffing
Volume Share	+3.1 pts	+4.2 pts	+0.2 pts	+0.6 pts
Dollar Share	+0.5 pts	+1.1 pts	+0.2 pts	+0.4 pts
Q2 FY24 Operating Margin Growth vs PY	+20 bps		+110 bps	

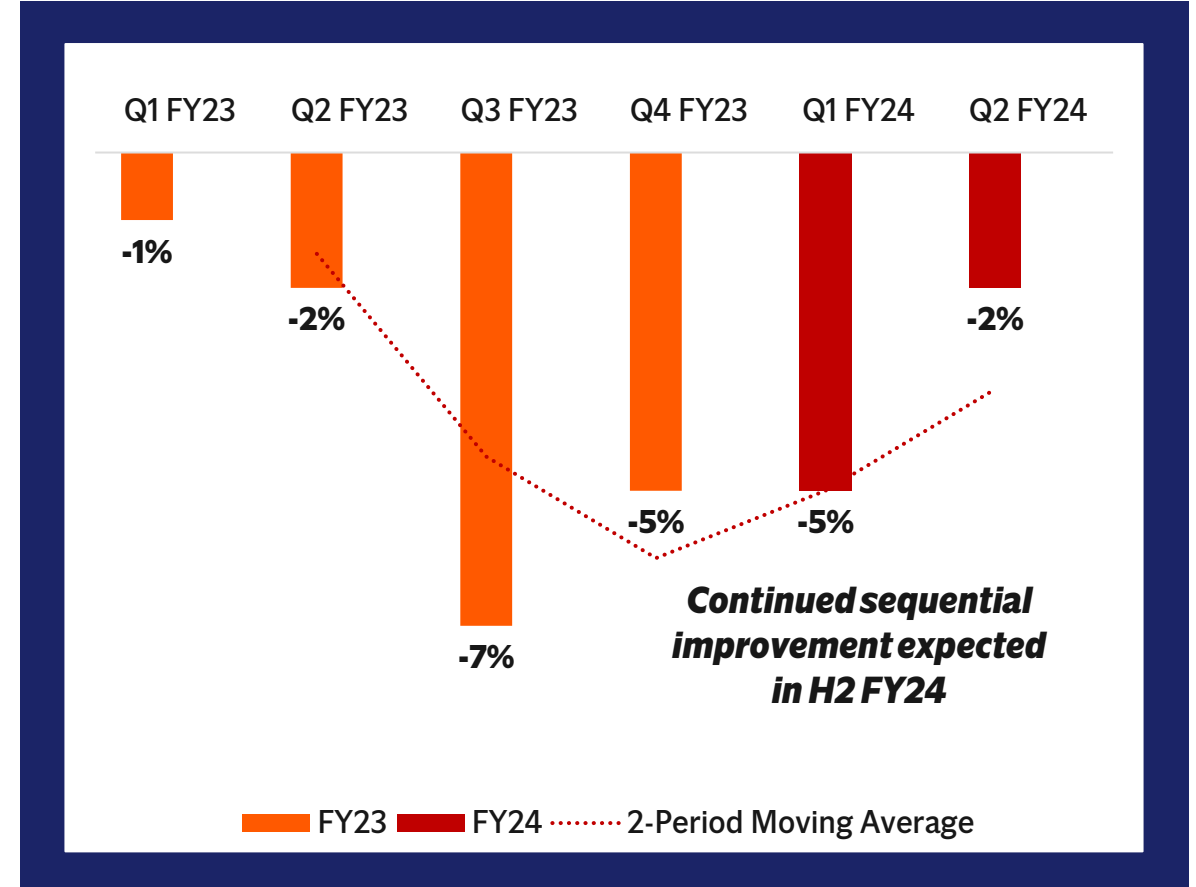
¹Total Circana US MULO Volume and \$ Share latest 9 weeks ending 12/31/2023
Abbreviation: PF - Pepperidge Farm

Expectations for H2 FY24 Topline

Organic Net Sales*



Volume / Mix



*See non-GAAP reconciliations



Meals & Beverages

Low-single digit year-over-year topline decline with sequential volume and mix improvement vs. Q1 FY24



Total Meals & Beverages

Q2 FY24
vs. PY

Q2 FY24
2yr CAGR

Organic Net Sales*

(2)%

+4%

Dollar Consumption¹

(2)%

+2%



*See Non-GAAP reconciliation

¹ Total Circana US MULO \$ Consumption latest 13 weeks ending 1/28/2024. Total US Meals & Beverages.



Win in Soup 2.0

Consumer cooking behaviors continue to reflect “value mindset”; leaning into stretchable foods such as condensed soup and broth, pockets of pressure in areas such as Ready-to-Serve (RTS)



Total Wet Soup

(0.3) pts

Q2 \$ share¹ vs. PY

Total Condensed

Flat

Q2 \$ share¹ vs. PY

Broth/Stock

+1.3 pts

Q2 \$ share¹ vs. PY

Total RTS

(1.1) pts

Q2 \$ share¹ vs. PY

¹ Total Circana US MULO \$ Share latest 13 weeks ending 1/28/2024



Meals & Beverages: A Focused Brand Powerhouse

Iconic Category Leading Brands

Campbell's



Prego



Distinctive and Growing Brands



RAO'S
HOMEMADE

Pacific
FOODS.

MICHAEL
Angelo's

nosa
finest yoghurt

*Closing of Sovos Brands acquisition expected week of March 11, 2024



Snacks

Strong performance on a 2-year basis, driven by double-digit growth in our Power Brands



	Total Snacks		Power Brands	
	Q2 FY24 vs. PY	Q2 FY24 2yr CAGR	Q2 FY24 vs. PY**	Q2 FY24 2yr CAGR**
Organic Net Sales*	+1%	+8%	+4%	+12%
Dollar Consumption¹	Flat	+8%	+3%	+11%



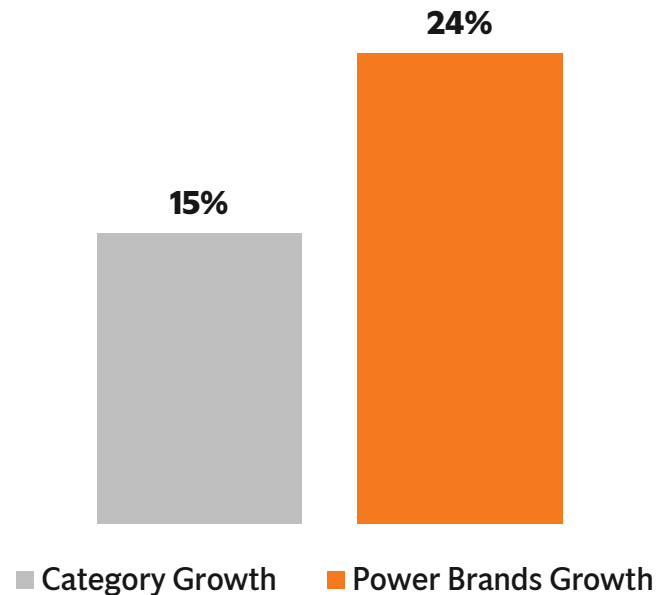
*See Non-GAAP reconciliation; ** Power Brands Net Sales represents reported growth rates
¹ Total Circana US MULO \$ Consumption latest 13 weeks ending 01/28/2024. Total Snacks and Power Brands.



Power Brands: Resilient and Ahead of Category

Q2 FY24 Power Brands \$ Consumption¹ +24% vs. 2YA

Q2 FY24 Power Brands & Category Growth vs. 2YA¹



Power Brands

represent

2/3rds

of total Snacks
Q2 FY24 Net Sales

7th

Consecutive quarter
holding / gaining
\$ share²



¹Total Circana US MULO \$ Consumption latest 13 weeks ending 01/28/2024; ²Total Circana US MULO \$ Share latest 13 weeks ending 07/31/2022, 10/30/2022, 01/29/23, 04/30/2023, 07/30/2023, 10/29/2023, and 01/28/2024



Goldfish Momentum Continues...



Sales	Consumption	\$ Share
<p>+6%</p> <p>Q2 FY24 Net Sales vs. PY</p>	<p>+4%</p> <p>Q2 \$ consumption¹ FY24 vs. PY</p>	<p>+0.2 pts</p> <p>Q2 \$ share² vs. PY</p>
<p>+5%</p> <p>YTD Q2 FY24 Net Sales vs. PY</p>	<p>+26%</p> <p>Q2 \$ consumption¹ vs. 2YA</p>	<p>+0.9 pts</p> <p>Q2 \$ share² vs. 2YA</p>

¹ Total Circana US MULO \$ Consumption latest 13 weeks ending 01/28/2024

² Total Circana US MULO \$ Share latest 13 weeks ending 01/28/2024

Now a \$1B* Brand



*Total Enterprise Goldfish Net Sales on a trailing 12-month basis for the period ending 01/28/2024

Continued Progress on Snacks Margin Journey

Snacks Q2 FY24 performance underscores continued profitable growth

+8%

Organic Net Sales*
2-Year CAGR

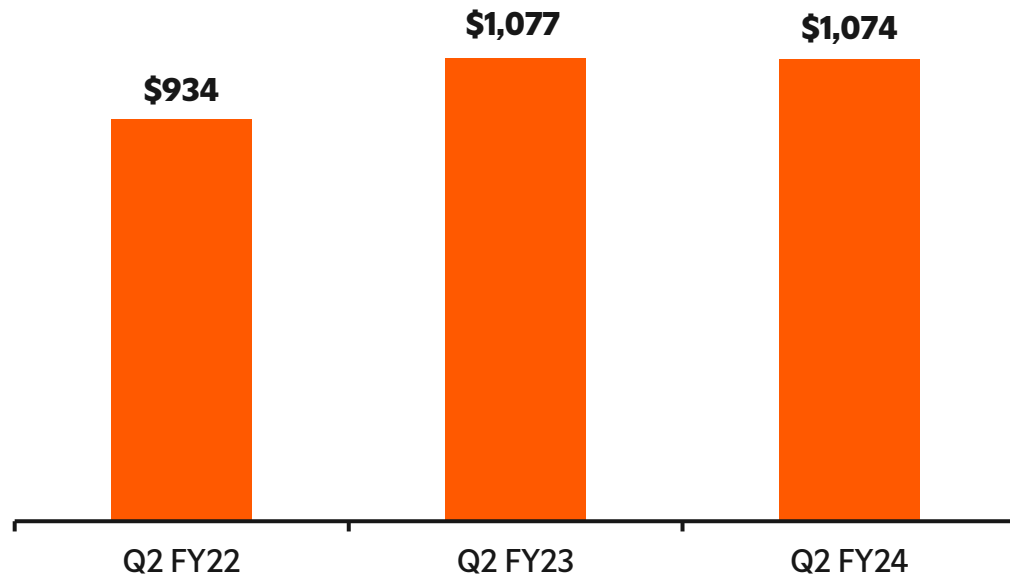
+15%

Operating Earnings
2-Year CAGR

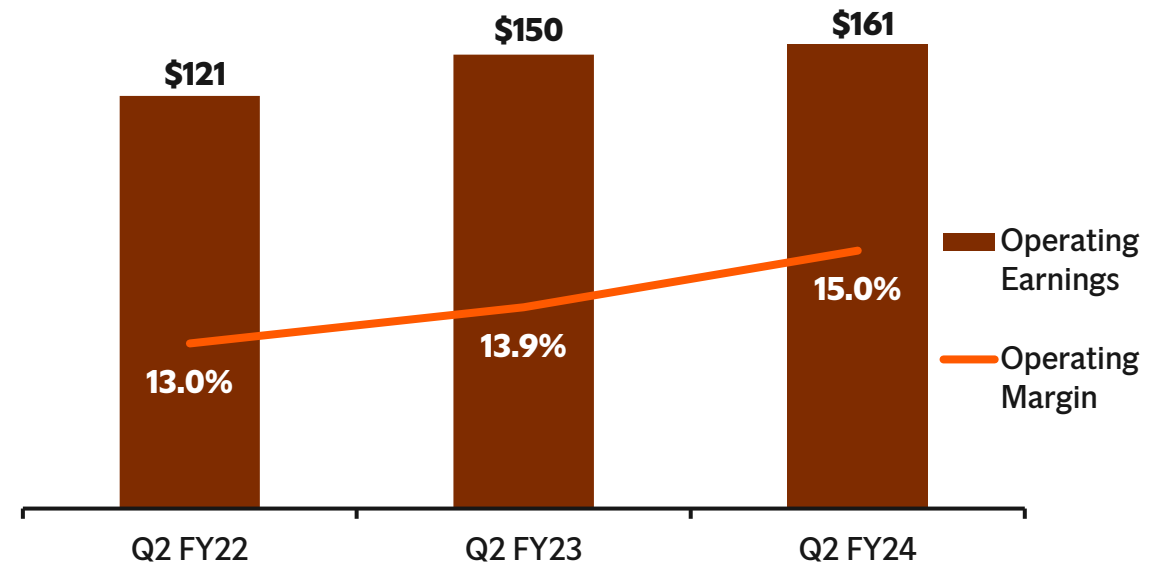
+200bps

Operating Margin Growth
(Q2 FY24 vs Q2 FY22)

Net Sales



Operating Earnings



*See Non-GAAP reconciliation



Advantaged Snacks DSD Network

Route strategy for select markets with opportunity to operate at full scale

Logistics

A Single, Integrated DSD Logistics & Warehouse Network*

Improved efficiency, less fixed costs and better capabilities



Technology

Modernize and Harmonize IDP Technology & Tools

More competitive, more consistent and better linkage with retailers



Route strategy*

Optimized Route Strategy

Create Combo routes in select markets that are not at full scale; majority of routes require no change



*Not applicable to Bakery DSD

- Goal: Drive scale, effectiveness and efficiency and help unlock growth
- Multi-year, staggered rollout with no significant financial outlay
- Validated in pilots that are currently running in select markets
- Majority of independent routes already at scale

Campbell's Next Chapter

Creating one of the most advantaged portfolios in food



Meals & Beverages

- Strengthened core portfolio of relevant, iconic brands
- Building a high growth portfolio of distinctive brands with the pending Sovos Brands acquisition
- Refreshing and optimizing soup portfolio; adding exciting innovation and LTO strategy

Snacks

- Strong premium brand portfolio
- Power Brands \$ consumption¹ growing at 7% on a 5-year CAGR
- Self-help margin story with clear line of sight to +200 bps expansion by fiscal year end 2026

Investor Day: late June 2024

*Closing of Sovos Brands acquisition expected week of March 11, 2024

¹ Total Circana US MULO \$ Consumption latest 13 weeks ending 01/28/2024. Total Power Brands.



Carrie Anderson

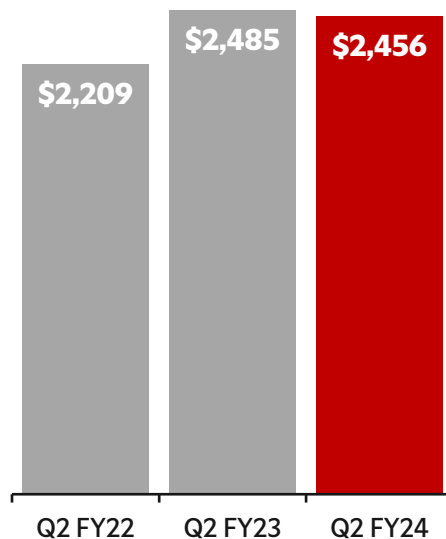
EVP & Chief Financial Officer

CFO Perspective

Q2 FY24 Key Financial Results

Net Sales

Organic Net Sales* Growth
+6%
2yr CAGR

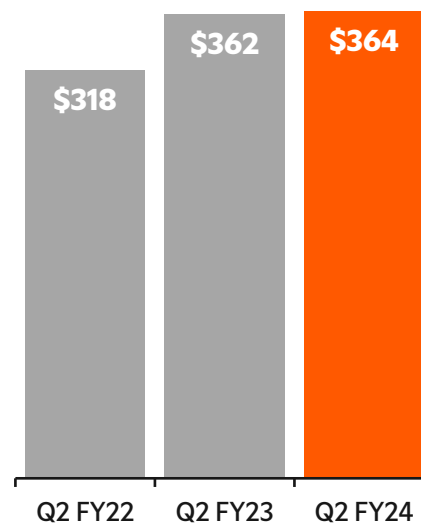


Organic Net Sales* Growth vs. PY

(2)%	+13%	(1)%
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Adj. EBIT*

+1%
vs. PY

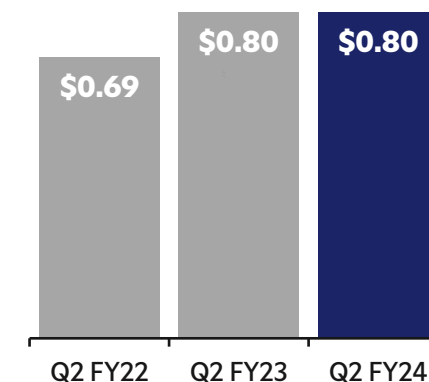


Adj. EBIT Margin*

14.4%	14.6%	14.8%
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Adj. EPS*

Flat
vs. PY



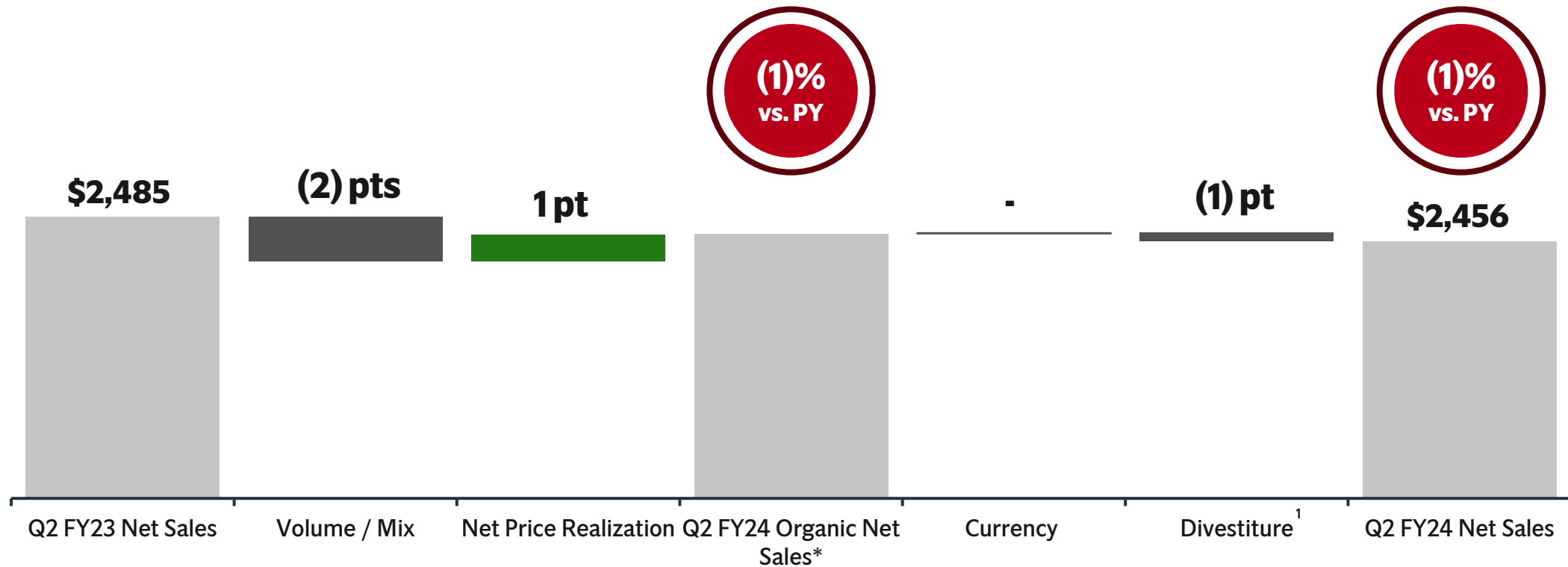
Adj. EPS Growth* vs. PY

(16)%	+16%	Flat
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*See Non-GAAP reconciliation

Q2 FY24 Net Sales Bridge

Modest organic net sales decline, with volume / mix improving versus the first quarter, in line with expectations



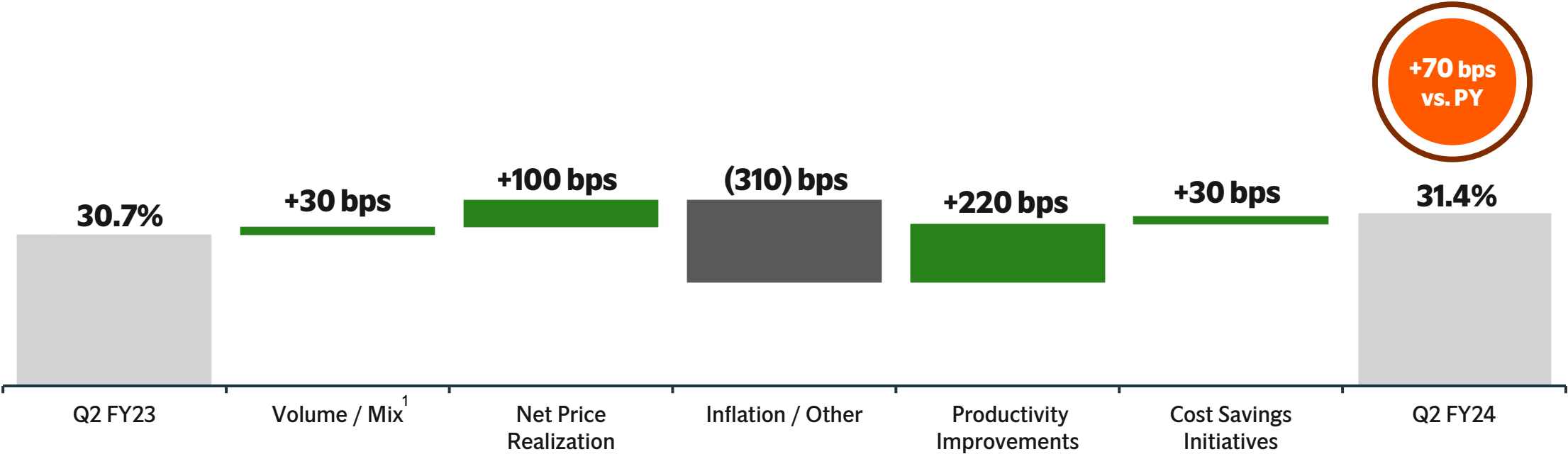
*See Non-GAAP reconciliation

¹ Represents lost net sales due to divestiture of the Emerald nuts business, which was completed on May 30, 2023

Numbers may not add due to rounding

Q2 FY24 Adjusted Gross Profit Margin* Bridge

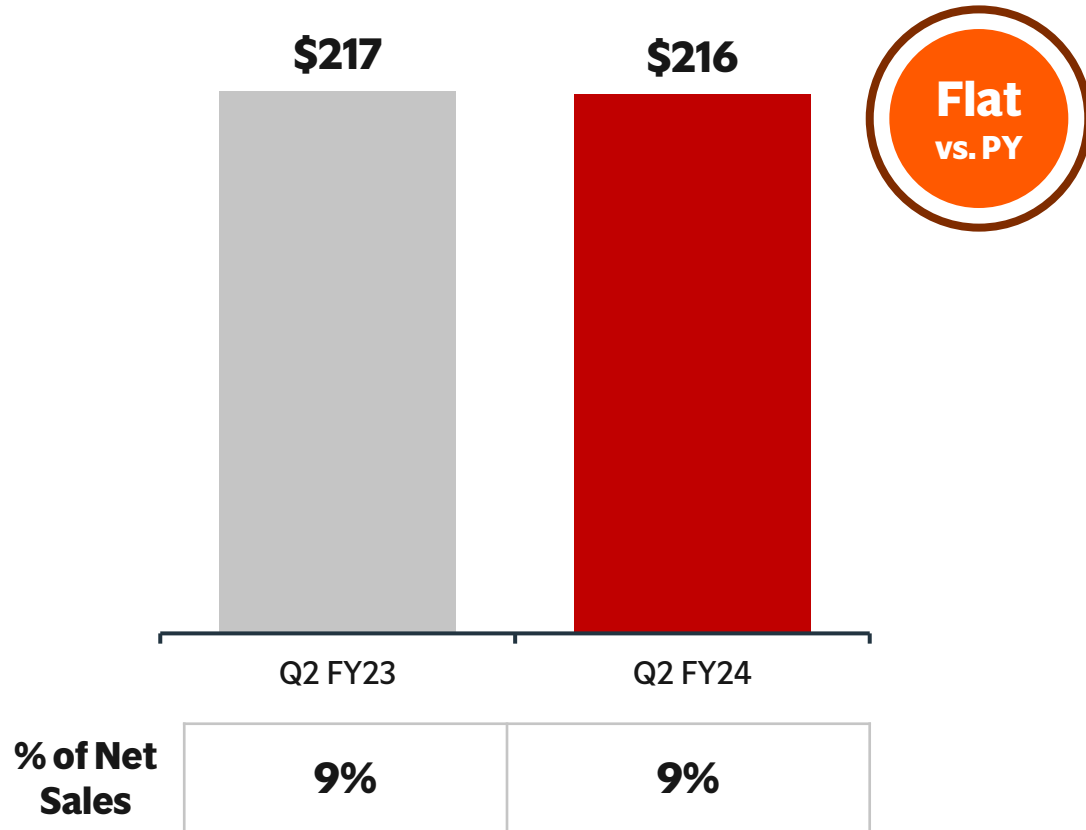
Adjusted gross profit margin increase driven by the benefits of productivity improvements, net price realization, cost savings initiatives and favorable volume / mix more than offsetting low-single digit cost inflation and other supply chain costs



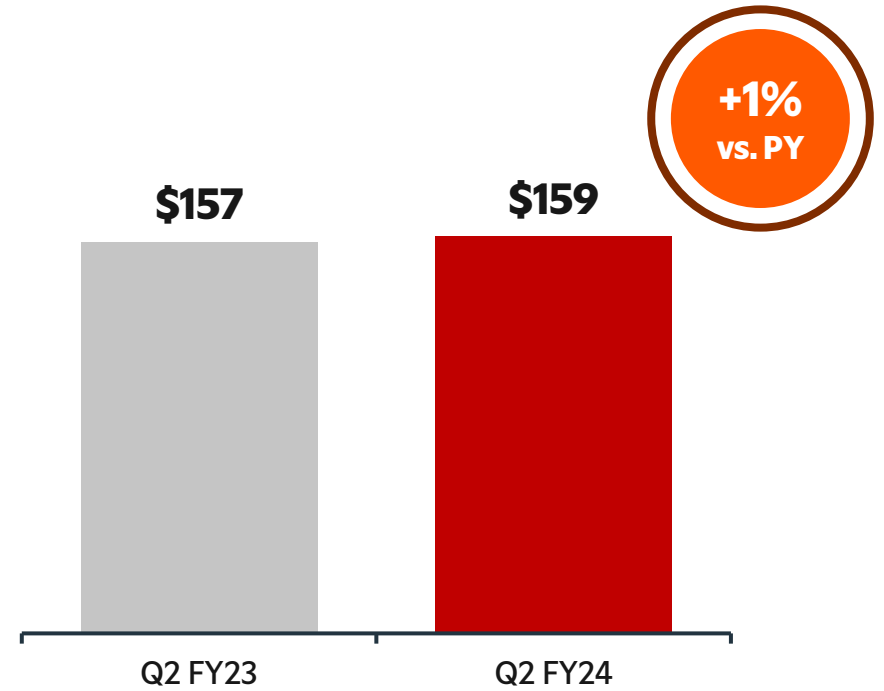
*See Non-GAAP reconciliation
¹Volume / Mix includes the impact of operating leverage

Other Operating Items

Adjusted Marketing & Selling Expenses*



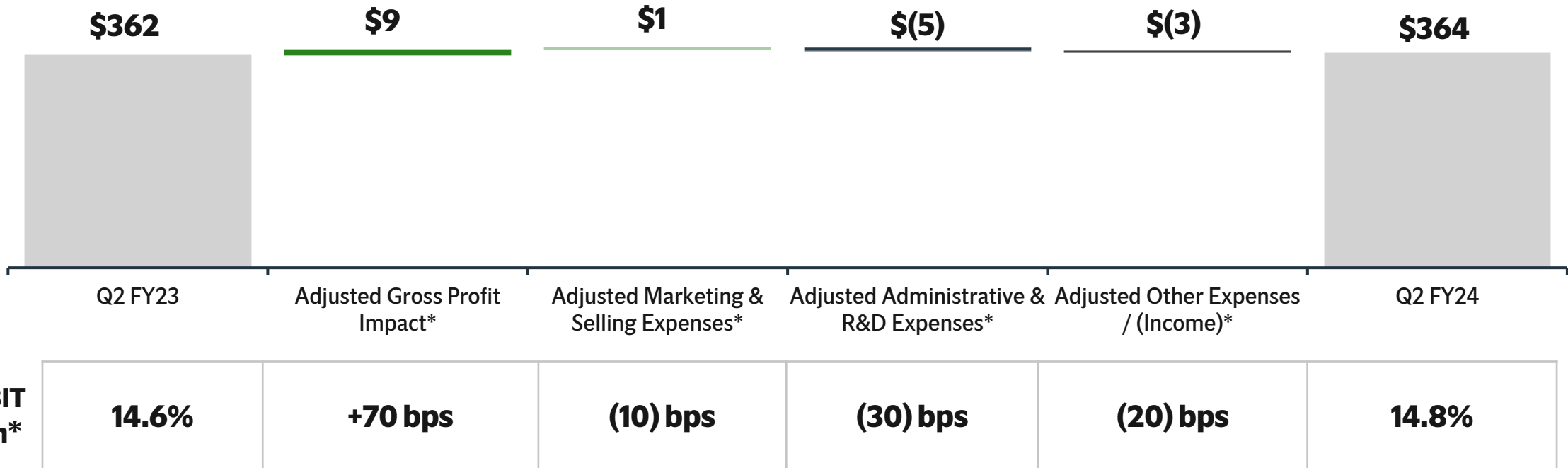
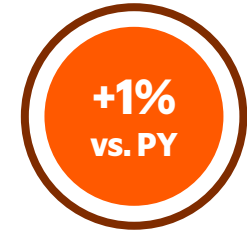
Adjusted Administrative Expenses*



*See Non-GAAP reconciliation

Q2 FY24 Adjusted EBIT* Bridge

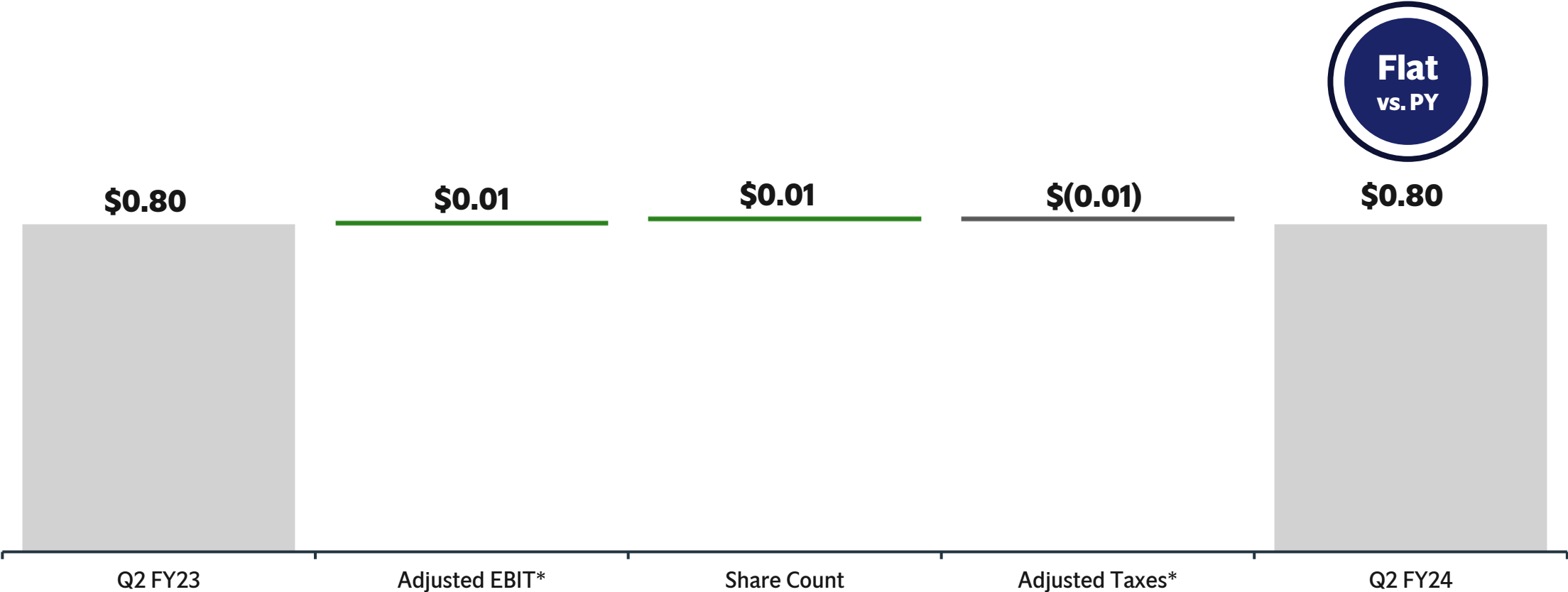
Adjusted EBIT growth driven by higher adjusted gross profit partially offset by adjusted other expense, adjusted R&D expense and adjusted administrative expense



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

Q2 FY24 Adjusted EPS* Bridge

Comparable adjusted EPS vs prior year, lapping double-digit growth in the prior year



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

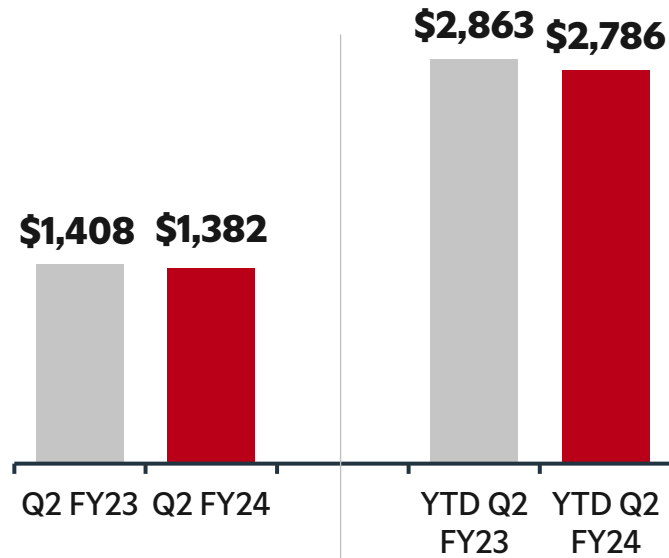


Q2 FY24 Meals & Beverages Results

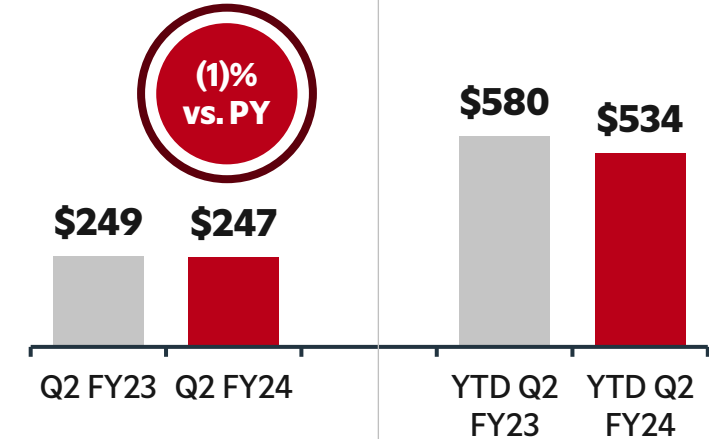


Organic Net Sales*
2-year CAGR +4%

Net Sales



Operating Earnings



	Q2 FY23	Q2 FY24	YTD Q2 FY23	YTD Q2 FY24	Operating Margin	Q2 FY23	Q2 FY24	YTD Q2 FY23	YTD Q2 FY24
Vol / Mix	(4)%	(2)%	(2)%	(4)%	17.7%	17.9%	20.3%	19.2%	
Net Price Realization	15%	-	16%	1%					
Organic Net Sales* vs. PY	11%	(2)%	13%	(3)%					

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

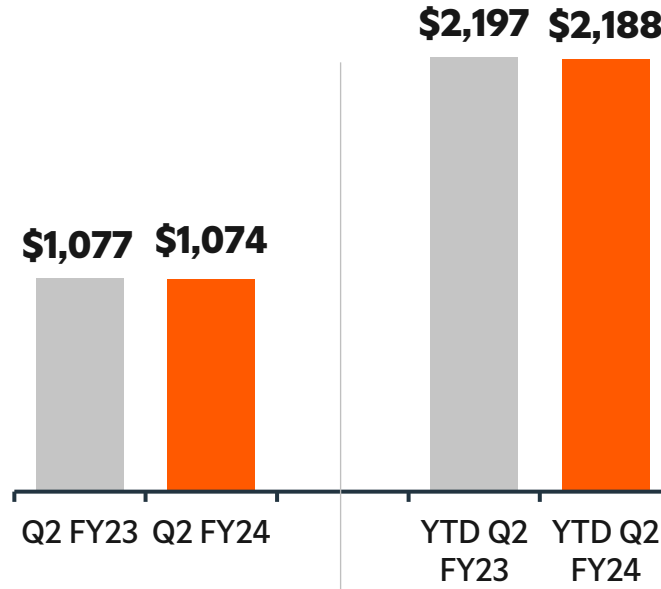


Q2 FY24 Snacks Results

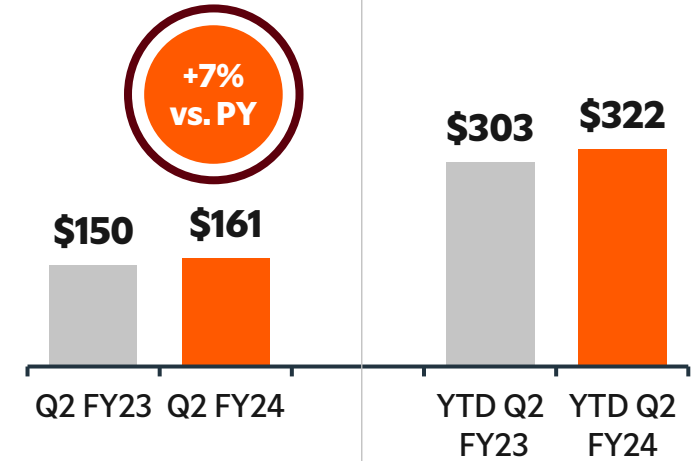


Organic Net Sales*
2-year CAGR +8%

Net Sales



Operating Earnings



	Q2 FY23	Q2 FY24	YTD Q2 FY23	YTD Q2 FY24
Vol / Mix	2%	(2)%	-	(3)%
Net Price Realization	13%	3%	15%	4%
Organic Net Sales* vs. PY	15%	1%	15%	1%

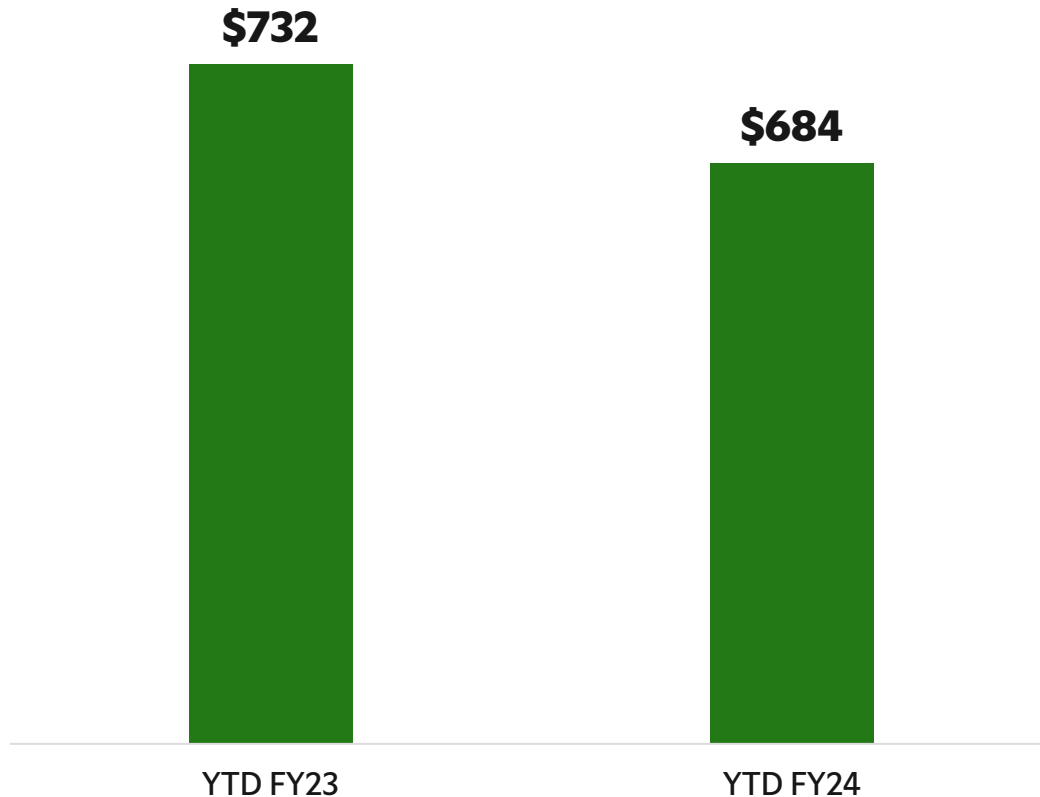
	Q2 FY23	Q2 FY24	YTD Q2 FY23	YTD Q2 FY24
Operating Margin	13.9%	15.0%	13.8%	14.7%

*See Non-GAAP reconciliation

Disciplined Capital Allocation

Strong operating cash flow with a focus on accelerated investment in growth CapEx

Net Cash Flows from Operations



	YTD FY23	YTD FY24
Invest for Growth		
Capital Expenditures	\$155	\$263
Return Cash to Shareholders		
Dividends	\$226	\$224
Share Repurchases	<u>\$66</u>	<u>\$29</u>
	\$292	\$253
Stable Balance Sheet		
Leverage Ratio*	2.5x	2.6x

*Calculated as Net Debt to TTM Adjusted EBITDA. See Non-GAAP reconciliation.

FY24 Guidance

Excluding pending acquisition of Sovos Brands, Inc. which is expected to close the week of March 11, 2024

FY24 Assumptions

\$ Millions, Except Per Share	FY23 Results	FY24 Guidance ¹
Net Sales	\$9,357	(0.5)% to +1.5%
Organic Net Sales²	\$9,306*	0% to +2%
Adjusted EBIT³	\$1,367*	+3% to +5%
Adjusted EPS³	\$3.00*	+3% to +5% \$3.09 to \$3.15

- Net Sales range predicated on pace of category stabilization/recovery; currently pacing to the lower end of net sales guidance range
- Core inflation of low-single digits
- ~3% productivity improvements; ~\$35 to 40 million of cost savings
- Net interest expense of \$185 to \$190 million
- Adjusted effective tax rate of ~24%
- Estimated pre-tax headwind of ~\$13 million, or ~\$0.03 per share, in FY24 related to lower pension and postretirement benefit income
- Emerald nuts business divestiture expected to have a ~0.5% impact on Net Sales and \$0.01 per share dilutive impact for full year fiscal 24
- Marketing & Selling % of Net Sales at the low end of ~9% to 10% range
- Capital expenditures expected to be ~5% of Net Sales

*See non-GAAP reconciliation

¹A non-GAAP reconciliation is not provided for fiscal 2024 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; ²Growth rate adjusted for the Emerald nuts business, which was divested on May 30, 2023; ³Adjusted EBIT in fiscal 2023 included approximately \$14 million and adjusted EPS included approximately \$0.04 of litigation expenses related to the Plum baby food and snacks business, which was divested on May 3, 2021. We are excluding these expenses from our fiscal 2024 adjusted EBIT and adjusted EPS and thereafter as we do not believe that these expenses reflect our underlying operating performance.

Delivered on Our Commitments with Q2 Results; Full-Year Guidance Reaffirmed



Q&A Forum



Mark Clouse

President & Chief Executive Officer



Carrie Anderson

EVP & Chief Financial Officer

Appendix

Campbell's

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Second Quarter

	<u>Net Sales, As Reported</u>	<u>Impact of Currency</u>	<u>Organic Net Sales</u>	<u>% Change</u>	
	<u>Net Sales, As Reported</u>		<u>Organic Net Sales</u>	<u>Net Sales, As Reported</u>	<u>Organic Net Sales</u>
January 28, 2024					
Meals & Beverages	\$ 1,382	\$ -	\$ 1,382	(2)%	(2)%
Snacks	1,074	-	1,074	0%	1%
Total Net Sales	\$ 2,456	\$ -	\$ 2,456	(1)%	(1)%
January 29, 2023					
Meals & Beverages	\$ 1,408	\$ -	\$ 1,408		
Snacks	1,077	(13)	1,064		
Total Net Sales	\$ 2,485	\$ (13)	\$ 2,472		

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Second Quarter

				% Change		Two Year CAGR	
	Net Sales, As Reported	Impact of Currency	Organic Net Sales	Net Sales, As Reported	Organic Net Sales	Net Sales, As Reported	Organic Net Sales
<u>January 28, 2024</u>							
Meals & Beverages	\$ 1,382	\$ 10	\$ 1,392	8%	9%	4%	4%
Snacks	1,074	(1)	1,073	15%	17%	7%	8%
Total Net Sales	\$ 2,456	\$ 9	\$ 2,465	11%	12%	5%	6%
<u>January 30, 2022</u>							
Meals & Beverages	\$ 1,275	\$ -	\$ 1,275				
Snacks	934	(13)	921				
Total Net Sales	\$ 2,209	\$ (13)	\$ 2,196				

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

Second Quarter

	EBIT	EBIT Margin %	Earnings	Diluted EPS
2024 – As Reported	\$ 317	12.9%	\$ 203	\$ 0.68
Add: Restructuring charges, implementation costs and other related costs	36		27	0.09
Deduct: Commodity mark-to-market adjustments	(7)		(5)	(0.02)
Add: Accelerated amortization	7		5	0.02
Add: Costs associated with pending acquisition	10		9	0.03
Add: Plum litigation expenses	1		1	0.00
2024 – Adjusted	\$ 364	14.8%	\$ 240	\$ 0.80
2023 – As Reported	\$ 350	14.1%	\$ 232	\$ 0.77
Add: Restructuring charges, implementation costs and other related costs	14		10	0.03
Add: Commodity mark-to-market adjustments	4		3	0.01
Deduct: Pension actuarial gains	(6)		(4)	(0.01)
2023 – Adjusted	\$ 362	14.6%	\$ 241	\$ 0.80
\$ Change - Adjusted	\$ 2		\$ (1)	\$ 0.00
% Change - Adjusted	1%	+20 bps	0%	0%

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

First Quarter

	<u>Net Sales, As Reported</u>	<u>Impact of Currency</u>	<u>Organic Net Sales</u>	<u>% Change</u>	
<u>October 29, 2023</u>	<u>Net Sales, As Reported</u>	<u>Impact of Currency</u>	<u>Organic Net Sales</u>	<u>Net Sales, As Reported</u>	<u>Organic Net Sales</u>
Meals & Beverages	\$ 1,404	\$ 3	\$ 1,407	(4)%	(3)%
Snacks	1,114	(1)	1,113	(1)%	1%
Total Net Sales	\$ 2,518	\$ 2	\$ 2,520	(2)%	(1)%
<u>October 30, 2022</u>	<u>Net Sales, As Reported</u>	<u>Impact of Divestiture</u>	<u>Organic Net Sales</u>		
Meals & Beverages	\$ 1,455	\$ -	\$ 1,455		
Snacks	1,120	(17)	1,103		
Total Net Sales	\$ 2,575	\$ (17)	\$ 2,558		

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Fourth Quarter

	<u>Net Sales, As Reported</u>	<u>Impact of Currency</u>	<u>Organic Net Sales</u>	<u>% Change</u>	
<u>July 30, 2023</u>	<u>Net Sales, As Reported</u>	<u>Impact of Currency</u>	<u>Organic Net Sales</u>	<u>Net Sales, As Reported</u>	<u>Organic Net Sales</u>
Meals & Beverages	\$ 936	\$ 4	\$ 940	0%	1%
Snacks	1,132	(1)	1,131	8%	9%
Total Net Sales	\$ 2,068	\$ 3	\$ 2,071	4%	5%
	<u>Net Sales, As Reported</u>	<u>Impact of Divestiture</u>	<u>Organic Net Sales</u>		
<u>July 31, 2022</u>					
Meals & Beverages	\$ 935	\$ -	\$ 935		
Snacks	1,052	(13)	1,039		
Total Net Sales	\$ 1,987	\$ (13)	\$ 1,974		

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Third Quarter

	<u>Net Sales, As Reported</u>	<u>Impact of Currency</u>	<u>Organic Net Sales</u>	<u>% Change</u>	
<u>April 30, 2023</u>	<u>Net Sales, As Reported</u>		<u>Organic Net Sales</u>	<u>Net Sales, As Reported</u>	<u>Organic Net Sales</u>
Meals & Beverages	\$ 1,108	\$ 8	\$ 1,116	(2)%	(1)%
Snacks	1,121	(1)	1,120	12%	12%
Total Net Sales	\$ 2,229	\$ 7	\$ 2,236	5%	5%
	<u>Net Sales, As Reported</u>				
<u>May 1, 2022</u>					
Meals & Beverages	\$ 1,131				
Snacks	999				
Total Net Sales	\$ 2,130				

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Second Quarter

January 29, 2023

Meals & Beverages

<u>Net Sales, As Reported</u>	<u>Impact of Currency</u>	<u>Organic Net Sales</u>
\$ 1,408	\$ 8	\$ 1,416

% Change

<u>Net Sales, As Reported</u>	<u>Organic Net Sales</u>
10%	11%

Snacks

1,077	-	1,077
-------	---	-------

15%	15%
-----	-----

Total Net Sales

<u>\$ 2,485</u>	<u>\$ 8</u>	<u>\$ 2,493</u>
-----------------	-------------	-----------------

<u>12%</u>	<u>13%</u>
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January 30, 2022

Meals & Beverages

<u>Net Sales, As Reported</u>
\$ 1,275

Snacks

934

Total Net Sales

<u>\$ 2,209</u>

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

First Quarter

October 30, 2022

Meals & Beverages

<u>Net Sales, As Reported</u>	<u>Impact of Currency</u>	<u>Organic Net Sales</u>
\$ 1,455	\$ 7	\$ 1,462

% Change

<u>Net Sales, As Reported</u>	<u>Organic Net Sales</u>
15%	15%

Snacks

1,120	-	1,120
-------	---	-------

15%	15%
-----	-----

Total Net Sales

<u>\$ 2,575</u>	<u>\$ 7</u>	<u>\$ 2,582</u>
-----------------	-------------	-----------------

<u>15%</u>	<u>15%</u>
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October 31, 2021

Meals & Beverages

<u>Net Sales, As Reported</u>
\$ 1,266

Snacks

970

Total Net Sales

<u>\$ 2,236</u>

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

First Half

	<u>Net Sales, As Reported</u>	<u>Impact of Currency</u>	<u>Organic Net Sales</u>	<u>% Change</u>	
	<u>Net Sales, As Reported</u>		<u>Organic Net Sales</u>	<u>Net Sales, As Reported</u>	<u>Organic Net Sales</u>
January 28, 2024					
Meals & Beverages	\$ 2,786	\$ 3	\$ 2,789	(3)%	(3)%
Snacks	2,188	(1)	2,187	0%	1%
Total Net Sales	\$ 4,974	\$ 2	\$ 4,976	(2)%	(1)%
January 29, 2023					
Meals & Beverages	\$ 2,863	\$ -	\$ 2,863		
Snacks	2,197	(30)	2,167		
Total Net Sales	\$ 5,060	\$ (30)	\$ 5,030		

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Second Quarter

January 30, 2022

Meals & Beverages

Snacks

Total Net Sales

January 31, 2021

Meals & Beverages

Snacks

Total Net Sales

	<u>Net Sales, As Reported</u>	<u>Impact of Currency</u>	<u>Organic Net Sales</u>
Meals & Beverages	\$ 1,275	\$ (2)	\$ 1,273
Snacks	934	-	934
Total Net Sales	<u>\$ 2,209</u>	<u>\$ (2)</u>	<u>\$ 2,207</u>

	<u>Net Sales, As Reported</u>	<u>Impact of Divestiture</u>	<u>Organic Net Sales</u>
Meals & Beverages	\$ 1,318	\$ (23)	\$ 1,295
Snacks	961	-	961
Total Net Sales	<u>\$ 2,279</u>	<u>\$ (23)</u>	<u>\$ 2,256</u>

% Change

	<u>Net Sales, As Reported</u>	<u>Organic Net Sales</u>
Meals & Beverages	(3)%	(2)%
Snacks	(3)%	(3)%
Total Net Sales	<u>(3)%</u>	<u>(2)%</u>

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

First Half

	<u>Net Sales, As Reported</u>	<u>Impact of Currency</u>	<u>Organic Net Sales</u>	<u>% Change</u>	
	<u>Net Sales, As Reported</u>		<u>Organic Net Sales</u>	<u>Net Sales, As Reported</u>	<u>Organic Net Sales</u>
<u>January 29, 2023</u>					
Meals & Beverages	\$ 2,863	\$ 15	\$ 2,878	13%	13%
Snacks	2,197	-	2,197	15%	15%
Total Net Sales	\$ 5,060	\$ 15	\$ 5,075	14%	14%
<u>January 30, 2022</u>					
Meals & Beverages	\$ 2,541				
Snacks	1,904				
Total Net Sales	\$ 4,445				

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Fourth Quarter – Sovos Brands, Inc.

<u>December 30, 2023</u>	<u>Net Sales, As Reported</u>	<u>Impact of Divestiture</u>	<u>Impact of 53rd Week</u>	<u>Organic Net Sales ⁽³⁾</u>	<u>% Change</u>	
					<u>Net Sales, As Reported</u>	<u>Organic Net Sales ⁽³⁾</u>
Total Sovos Net Sales	\$ 292	\$ -	\$ -	\$ 292	11%	25%
<u>December 31, 2022</u>	<u>Net Sales, As Reported</u>	<u>Impact of Divestiture⁽¹⁾</u>	<u>Impact of 53rd Week⁽²⁾</u>	<u>Organic Net Sales ⁽³⁾</u>		
Total Sovos Net Sales	\$ 262	\$ (11)	\$ (18)	\$ 233		

(1) Reflects Net Sales for the *Birch Benders* brand generated in the 53 weeks ended December 31, 2022

(2) Reflects Net Sales generated in the 53rd week by the *Rao's*, *Michael Angelo's* and *noosa* brands

(3) Sovos Brands, Inc. Organic Net Sales and Organic Net Sales growth are defined as Reported Net Sales or Reported Net Sales growth excluding, when they occur, the impact of a 53rd week of shipments, acquisitions and divestitures

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

	<u>Organic Net Sales</u>	<u>% Change</u>	
Meals & Beverages quarter ended January 28, 2024	\$ 1,382	(2)% (a)	<u>(b) - (a)</u> +4 pts
Sovos Brands, Inc. quarter ended December 30, 2023	292	25%	
Combined	<u>\$ 1,674</u>	<u>2% (b)</u>	
Meals & Beverages quarter ended January 29, 2023	\$ 1,408		
Sovos Brands, Inc. quarter ended December 31, 2022	233		
Combined	<u>\$ 1,641</u>		

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

Second Quarter

	EBIT	EBIT Margin %	Earnings	Diluted EPS*
2023 – Adjusted	\$ 362	14.6%	\$ 241	\$ 0.80
2022 – As Reported	\$ 323	14.6%	\$ 212	\$ 0.70
Add: Restructuring charges, implementation costs and other related costs	5		4	0.01
Deduct: Pension actuarial gains	(10)		(8)	(0.03)
2022 – Adjusted	\$ 318	14.4%	\$ 208	\$ 0.69
\$ Change - Adjusted	\$ 44		\$ 33	\$ 0.11
% Change - Adjusted	14%	+20 bps	16%	16%

*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)

Second Quarter

	EBIT	EBIT Margin %	Earnings	Diluted EPS
2022 – Adjusted	\$ 318	14.4%	\$ 208	\$ 0.69
2021 – As Reported	\$ 401	17.6%	\$ 245	\$ 0.80
Add: Restructuring charges, implementation costs and other related costs	22		16	0.05
Deduct: Pension actuarial gains	(30)		(23)	(0.08)
Deduct: Commodity mark-to-market adjustments	(11)		(8)	(0.03)
Add: Deferred tax charge	-		19	0.06
2021 – Adjusted	\$ 382	16.8%	\$ 249	\$ 0.82
\$ Change - Adjusted	\$ (64)		\$ (41)	\$ (0.13)
% Change - Adjusted	(17)%	(240) bps	(16)%	(16)%

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Second Quarter

	<u>Gross Profit</u>	<u>GP %</u>	<u>EBT</u>	<u>Tax</u>	<u>Tax Rate</u>
2024 – As Reported	\$ 776	31.6%	\$ 271	\$ 68	25.1%
Add: Restructuring charges, implementation costs and other related costs	3		36	9	
Deduct: Commodity mark-to-market adjustments	(7)		(7)	(2)	
Add: Accelerated amortization	-		7	2	
Add: Costs associated with pending acquisition	-		10	1	
Add: Plum litigation expenses	-		1	-	
2024 – Adjusted	<u>\$ 772</u>	<u>31.4%</u>	<u>\$ 318</u>	<u>\$ 78</u>	<u>24.5%</u>
2023 – As Reported	\$ 759	30.5%	\$ 305	\$ 73	23.9%
Add: Restructuring charges, implementation costs and other related costs	-		14	4	
Deduct: Pension actuarial gains	-		(6)	(2)	
Add: Commodity mark-to-market adjustments	4		4	1	
2023 – Adjusted	<u>\$ 763</u>	<u>30.7%</u>	<u>\$ 317</u>	<u>\$ 76</u>	<u>24.0%</u>
\$ Change – Adjusted	\$ 9		\$ 1	\$ 2	
% Change – Adjusted	1%	+70 bps	0%	3%	+50 bps

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Second Quarter

	<u>Administrative Expenses</u>	<u>R&D Expenses</u>	<u>Total</u>
2024 – As Reported	\$ 189	\$ 25	\$ 214
Deduct: Restructuring charges, implementation costs and other related costs	(29)	(1)	(30)
Deduct: Plum litigation expenses	(1)	-	(1)
2024 – Adjusted	<u>\$ 159</u>	<u>\$ 24</u>	<u>\$ 183</u>
% of Net Sales – Adjusted	6.5%	1.0%	7.5%
2023 – As Reported	\$ 162	\$ 21	\$ 183
Deduct: Restructuring charges, implementation costs and other related costs	(5)	-	(5)
2023 – Adjusted	<u>\$ 157</u>	<u>\$ 21</u>	<u>\$ 178</u>
% of Net Sales – Adjusted	6.3%	0.8%	7.2%
% of Net Sales Change - Adjusted	+20 bps	+20 bps	+30 bps
\$ Change – Adjusted	\$ 2	\$ 3	\$ 5
% Change - Adjusted	1%	14%	3%

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Second Quarter

	<u>Marketing & Selling Expenses</u>	<u>Other Expenses / (Income)</u>
2024 – As Reported	\$ 217	\$ 26
Deduct: Restructuring charges, implementation costs and other related costs	(1)	-
Deduct: Accelerated amortization	-	(7)
Deduct: Costs associated with pending acquisition	-	(10)
2024 – Adjusted	\$ 216	\$ 9
% of Net Sales – Adjusted	8.8%	0.4%
2023 – As Reported	\$ 217	\$ 0
Add: Pension actuarial gains	-	6
2023 – Adjusted	\$ 217	\$ 6
% of Net Sales – Adjusted	8.7%	0.2%
% of Net Sales Change – Adjusted	+10 bps	+20 bps
\$ Change – Adjusted	\$ (1)	\$ 3
% Change - Adjusted	0%	n/m

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

Second Quarter – Adjusted Diluted EPS Impact from Adjusted EBIT

	<u>EBIT</u>
2024 – Adjusted	\$ 364
2023 – Adjusted	362
\$ Change	<u>\$ 2</u>
Deduct: 2023 Adjusted tax rate impact on EBIT	<u>-</u>
Impact to Net Earnings	<u>\$ 2</u>
Second Quarter 2023 Diluted Shares	301
Adjusted Diluted EPS Impact	\$ 0.01

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

Adjusted Diluted EPS Impact from Change in Adjusted Tax Rate

	<u>Second Quarter</u>
2024 – Adjusted EBT	\$ 318
Decrease (Increase) in Adjusted Tax Rate	(0.5)%
Adjusted EBT multiplied by the Change in Adjusted Tax Rate	\$ (2)
Second Quarter 2023 Diluted Shares	301
Adjusted Diluted EPS Impact	\$ (0.01)

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Net Debt

	<u>January 29, 2023</u>	<u>January 28, 2024</u>
Short-Term Borrowings	\$ 578	\$ 14
Long-Term Debt	3,992	4,506
Total Debt	\$ 4,570	\$ 4,520
Less: Cash and Cash Equivalents	(158)	(169)
Net Debt	\$ 4,412	\$ 4,351

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)	(a) Twelve Months Ended July 30, 2023	(b) Six Months Ended January 29, 2023	(c) Six Months Ended January 28, 2024	= (a)-(b)+(c) Trailing Twelve Months Ended (TTM) January 28, 2024
Earnings before interest and taxes, as reported	\$ 1,312	\$ 786	\$ 675	\$ 1,201
Add: Restructuring charges, implementation costs and other related costs	66	17	49	98
Add (Deduct): Pension and postretirement actuarial losses (gains)	(15)	9	-	(24)
Add (Deduct): Commodity mark-to-market adjustments	(21)	-	8	(13)
Add: Charges associated with divestiture	13	-	-	13
Add: Accelerated amortization	7	-	14	21
Add: Costs associated with pending acquisition	5	-	19	24
Add: Cybersecurity incident costs	-	-	3	3
Add: Plum litigation expenses	-	-	3	3
Adjusted Earnings before interest and taxes	<u>\$ 1,367</u>	<u>\$ 812</u>	<u>\$ 771</u>	<u>\$ 1,326</u>
Depreciation and amortization, as reported	\$ 387	\$ 176	\$ 192	\$ 403
Deduct: Restructuring charges, implementation costs and other related costs	(24)	-	(10)	(34)
Deduct: Accelerated amortization	(7)	-	(14)	(21)
Adjusted Depreciation and amortization	<u>\$ 356</u>	<u>\$ 176</u>	<u>\$ 168</u>	<u>\$ 348</u>
Adjusted Earnings before interest, taxes, depreciation and amortization	<u>\$ 1,723</u>	<u>\$ 988</u>	<u>\$ 939</u>	<u>\$ 1,674</u>
Net Debt				<u>\$ 4,351</u>
Net Debt to Adjusted EBITDA				<u>2.6</u>

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)	(a) Twelve Months Ended July 31, 2022	(b) Six Months Ended January 30, 2022	(c) Six Months Ended January 29, 2023	= (a)-(b)+(c) Trailing Twelve Months Ended (TTM) January 29, 2023
Earnings before interest and taxes, as reported	\$ 1,163	\$ 699	\$ 786	\$ 1,250
Add: Restructuring charges, implementation costs and other related costs	31	9	17	39
Add (Deduct): Pension and postretirement actuarial losses (gains)	44	(4)	9	57
Add: Commodity mark-to-market adjustments	59	3	-	56
Adjusted Earnings before interest and taxes	<u>\$ 1,297</u>	<u>\$ 707</u>	<u>\$ 812</u>	<u>\$ 1,402</u>
Depreciation and amortization	<u>\$ 337</u>	<u>\$ 166</u>	<u>\$ 176</u>	<u>\$ 347</u>
Adjusted Earnings before interest, taxes, depreciation and amortization	<u><u>\$ 1,634</u></u>	<u><u>\$ 873</u></u>	<u><u>\$ 988</u></u>	<u><u>\$ 1,749</u></u>
Net Debt				<u>\$ 4,412</u>
Net Debt to Adjusted EBITDA				<u><u>2.5</u></u>

Reconciliation of GAAP and Non-GAAP Financial Measures

Fiscal 2023 Organic Sales Base for Fiscal 2024 Guidance

(\$ millions)

<u>Third Quarter</u> <u>April 30, 2023</u>	<u>Net Sales,</u> <u>As Reported</u>	<u>Impact of</u> <u>Divestiture</u>	<u>Organic Net Sales Base</u> <u>for FY2024 Guidance</u>
Meals & Beverages	\$ 1,108	\$ -	\$ 1,108
Snacks	1,121	(16)	1,105
Total Net Sales	\$ 2,229	\$ (16)	\$ 2,213
<u>Fourth Quarter</u> <u>July 30, 2023</u>	<u>Net Sales,</u> <u>As Reported</u>	<u>Impact of</u> <u>Divestiture</u>	<u>Organic Net Sales Base</u> <u>for FY2024 Guidance</u>
Meals & Beverages	\$ 936	\$ -	\$ 936
Snacks	1,132	(5)	1,127
Total Net Sales	\$ 2,068	\$ (5)	\$ 2,063
<u>Full Year</u> <u>July 30, 2023</u>	<u>Net Sales,</u> <u>As Reported</u>	<u>Impact of</u> <u>Divestiture</u>	<u>Organic Net Sales Base</u> <u>for FY2024 Guidance</u>
Meals & Beverages	\$ 4,907	\$ -	\$ 4,907
Snacks	4,450	(51)	4,399
Total Net Sales	\$ 9,357	\$ (51)	\$ 9,306

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

Full Year

	<u>EBIT</u>	<u>Earnings</u>	<u>Diluted EPS*</u>
2023 – As Reported	\$ 1,312	\$ 858	\$ 2.85
Add: Restructuring charges, implementation costs and other related costs	66	50	0.17
Deduct: Pension and postretirement actuarial gains	(15)	(11)	(0.04)
Deduct: Commodity mark-to-market adjustments	(21)	(16)	(0.05)
Add: Charges associated with divestiture	13	13	0.04
Add: Accelerated amortization	7	5	0.02
Add: Costs associated with pending acquisition	5	4	0.01
2023 – Adjusted	<u>\$ 1,367</u>	<u>\$ 903</u>	<u>\$ 3.00</u>

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