A vertical collage of three images: the top shows hands holding a bowl of food, the middle shows a green field, and the bottom shows a group of people at a dining table.

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# **Fourth Quarter & Full-Year Fiscal 2018 Results**

## **Strategy & Portfolio Review**

# Forward-Looking Statements

The factors that could cause actual results to vary materially from those anticipated or expressed in any forward-looking statement include: our ability to execute on and realize the expected benefits from the actions we intend to take as a result of our recent strategy and portfolio review; our ability to differentiate our products and protect our category leading positions, especially in soup; our ability to complete and to realize the projected benefits of planned divestitures and other business portfolio changes; our ability to realize the projected benefits, including cost synergies, from the recent acquisitions of Snyder's-Lance and Pacific Foods; our ability to realize projected cost savings and benefits from efficiency and/or restructuring initiatives; 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; our ability to manage changes to our organizational structure and/or business processes, including selling, distribution, manufacturing and information management systems or processes; 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; 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 costs, disruption and diversion of management's attention associated with campaigns commenced by activist investors; 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.

## Use of 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](http://investor.campbellsoupcompany.com).

# Agenda



**Opening Remarks**



**Q4 & Year-End Results**



**Strategy & Portfolio Review**



**FY19 Guidance & Long-Term Targets**



**Closing Remarks**

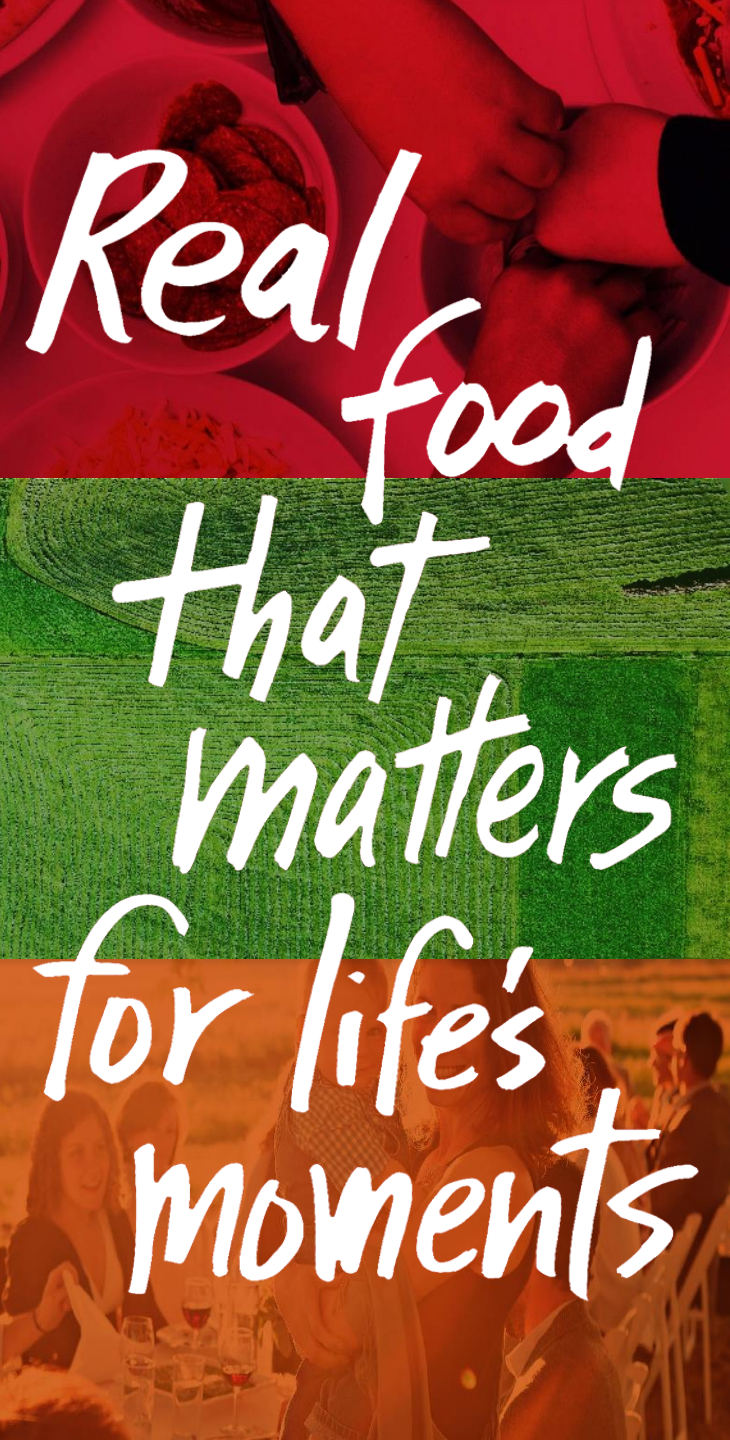


**Q&A**

# Opening Remarks

- **Challenged Q4 & FY 2018 Results**
- **FY 2018 Actions**
  - Snyder's-Lance & Pacific Foods Acquisitions
  - Strengthened Management Team
  - Executed Cost & Efficiency Measures
- **Strategy & Portfolio Review**
  - Focusing the Company's Portfolio
  - Pursuing Divestitures of Non-Core Businesses & Reducing Debt
  - Increasing Cost Savings Efforts & Asset Efficiency
  - Maintaining Investment Grade Rating & Rewarding Shareholders Through Dividends

**A Clear & Executable Strategy Aimed at  
Creating Shareholder Value**



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## Financial Results



## Fourth Quarter Fiscal 2018 Summary

- **2018 performance in line with most recent guidance**
- **Fourth quarter impacted by voluntary recall of flavor-blasted Goldfish**
- **Continued delivery of cost savings**
- **Fiscal 2019 sales and earnings guidance reflects transition year as we implement strategic actions**

# Financial Summary

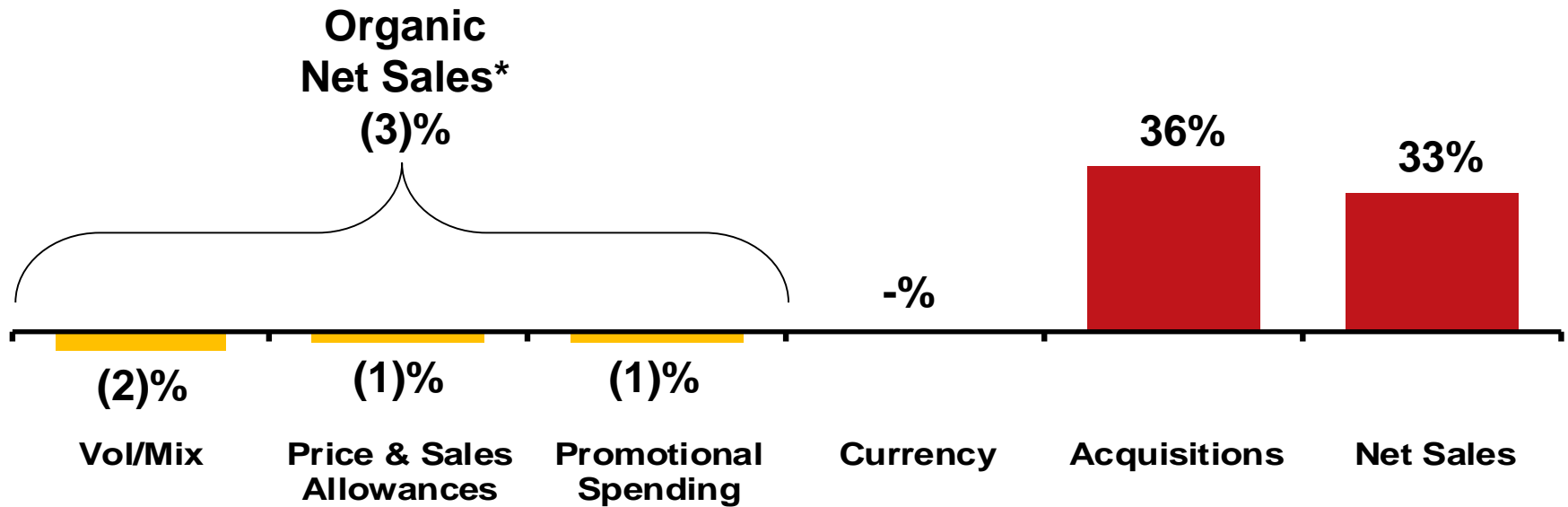
(\$ millions, except per share)

|                    | Fourth Quarter | % Change | Full Year | % Change |
|--------------------|----------------|----------|-----------|----------|
| Net Sales          | \$2,219        | 33%      | \$8,685   | 10%      |
| Organic Net Sales* |                | (3)%     |           | (2)%     |
| Adjusted EBIT*     | \$281          | - %      | \$1,408   | (6)%     |
| Adjusted EPS*      | \$0.25         | (52)%    | \$2.87    | (6)%     |

\* See Non-GAAP reconciliation

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# Fourth Quarter – Components of Net Sales Change

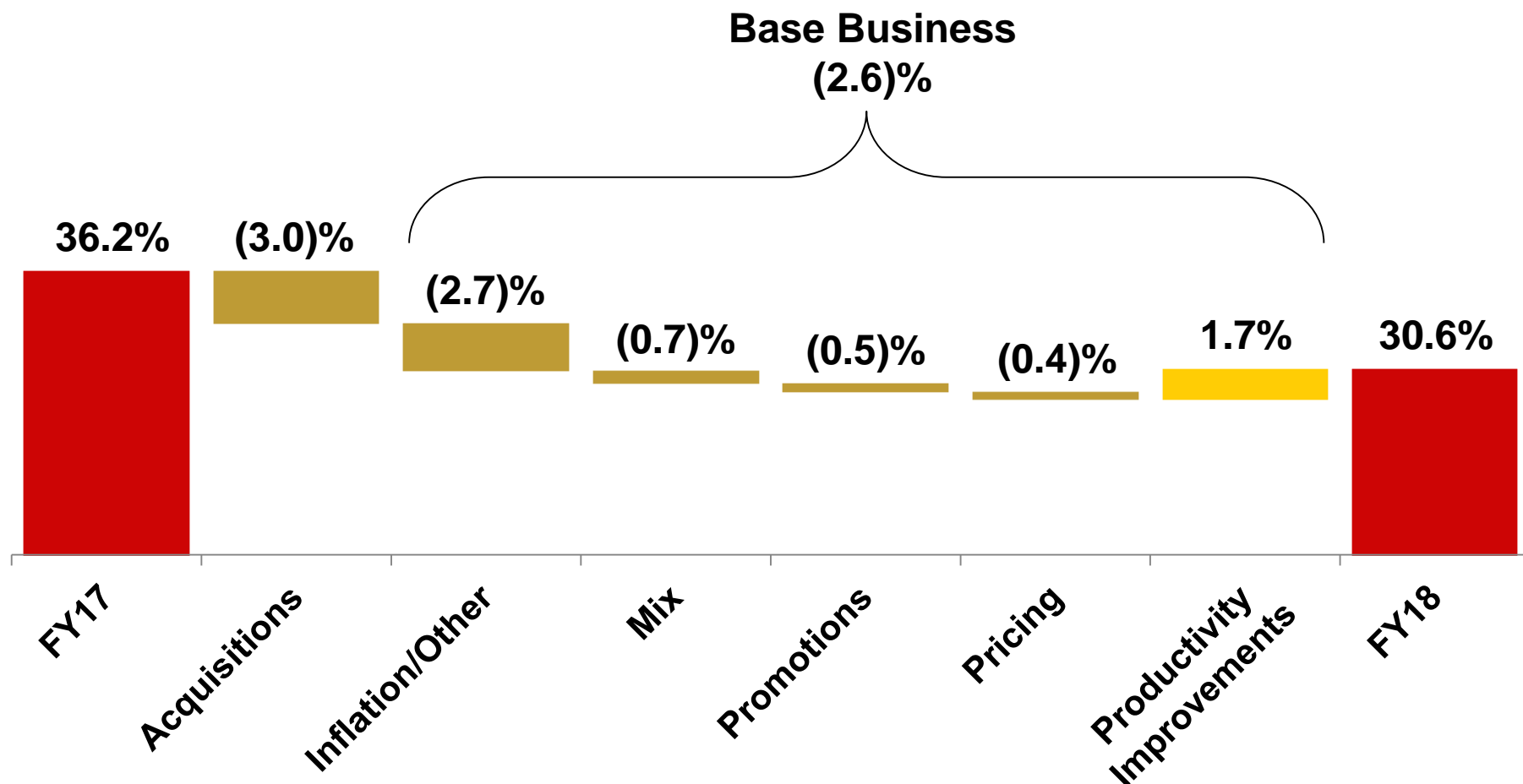


\* See Non-GAAP reconciliation; numbers do not add across due to rounding

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# Fourth Quarter – Adjusted Gross Margin Performance\*



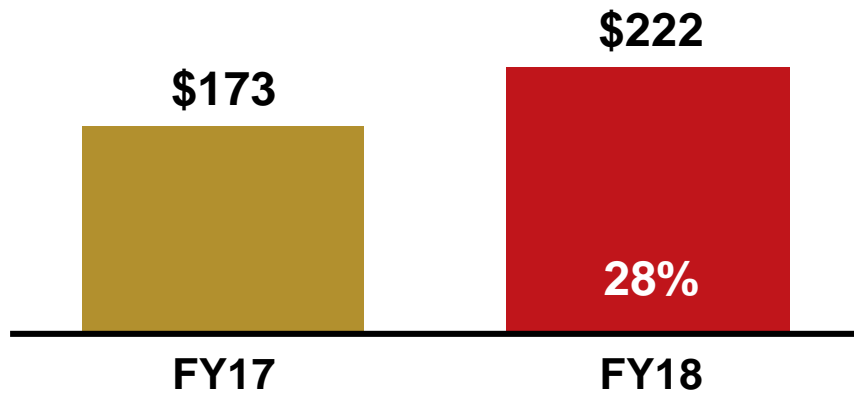
\* See Non-GAAP reconciliation

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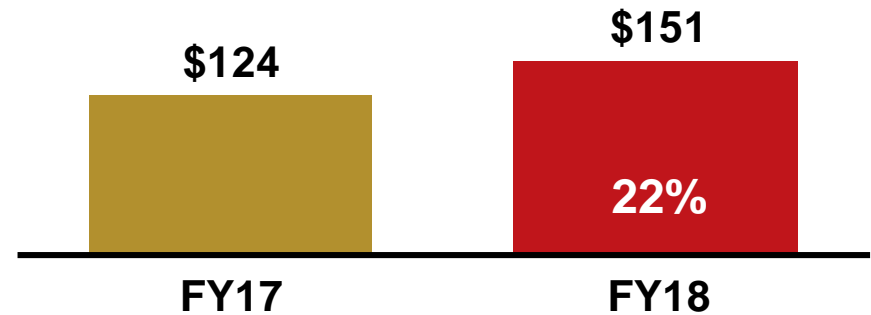
# Fourth Quarter – Other Operating Items

(\$ millions)

## *Adjusted Marketing & Selling Expenses\**

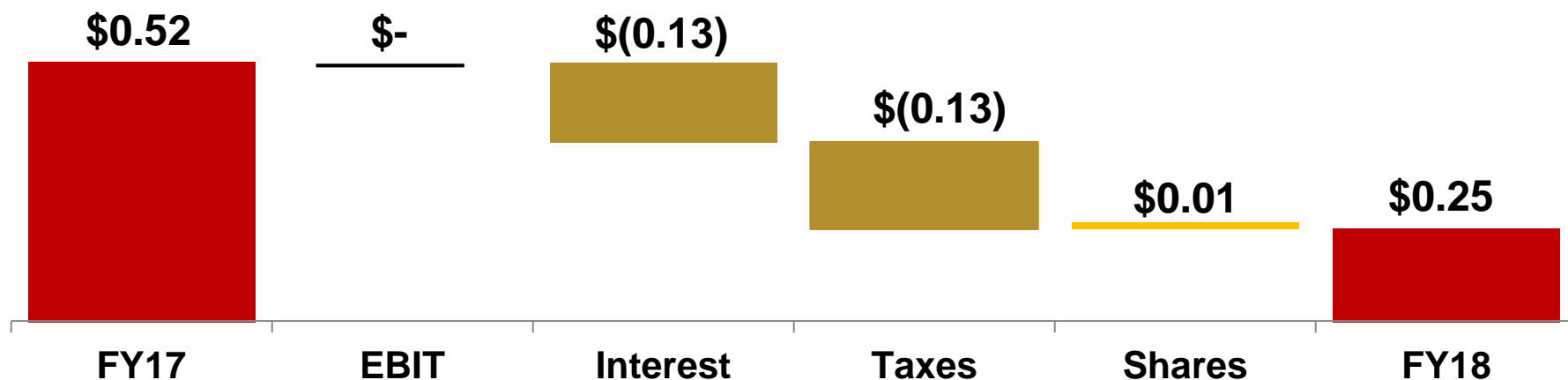


## *Adjusted Administrative Expenses\**



\* See Non-GAAP reconciliation

# Fourth Quarter – Adjusted EPS Performance\*



*Note: Numbers do not add across due to rounding*

\* See Non-GAAP reconciliation

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# Fourth Quarter Segment Results

(\$ millions)



## Americas Simple Meals and Beverages

**\$789**

**(6)%**

**Net Sales &  
Organic  
Growth Rate\***

**\$155**

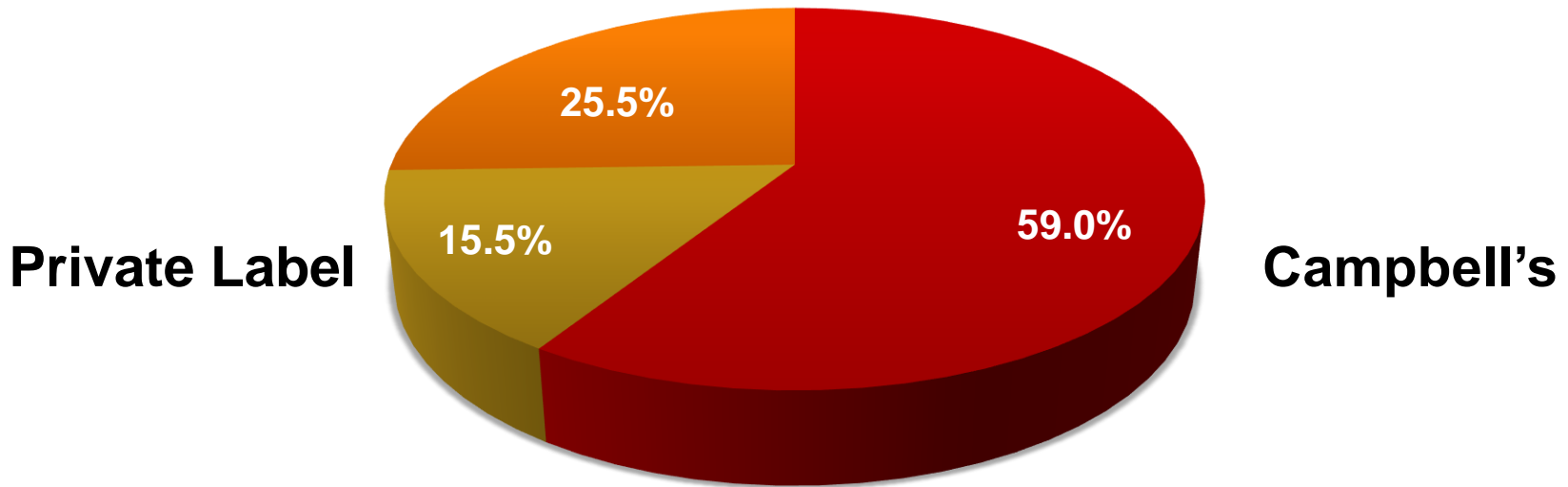
**(21)%**

**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             | (2.4) ppts      | +1.0 ppts         | +1.4 ppts            |
| Dollar Sales Change | +0.4%           | (3.5)%          | +4.4%             | +10.3%               |

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 July 29, 2018

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# Fourth Quarter Segment Results

(\$ millions)

## Global Biscuits and Snacks



**\$1,202**

**- %**

**Net Sales &  
Organic  
Growth Rate\***

**\$158**

**42%**

**Operating  
Earnings**

\* See Non-GAAP reconciliation



# Fourth Quarter Segment Results

(\$ millions)



**\$228**

**1%**

**Net Sales &  
Organic  
Growth Rate\***

**\$(7)**

**Operating  
Loss**

\* See Non-GAAP reconciliation

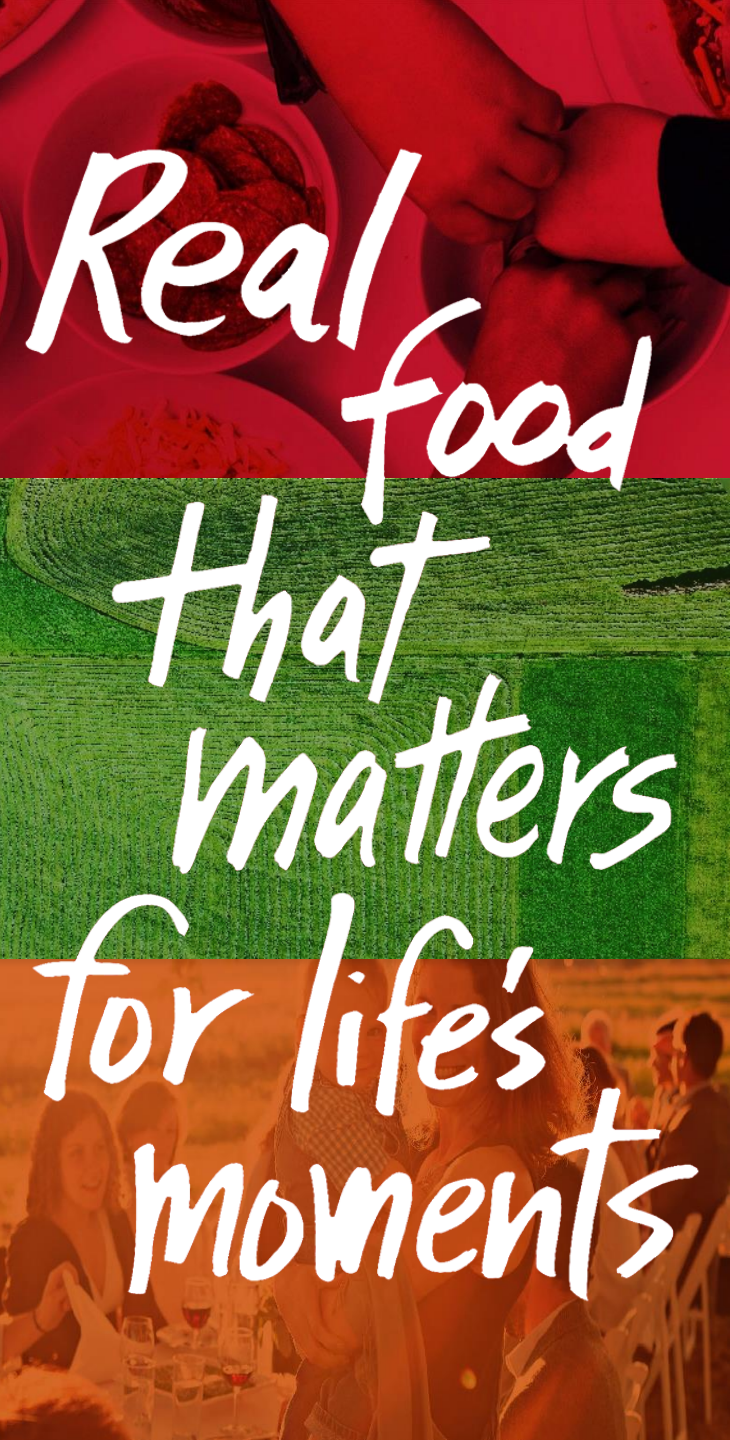
# Cash Flow and Balance Sheet Items

(\$ millions)

| Fiscal Year               | 2017    | 2018    |
|---------------------------|---------|---------|
| Cash Flow from Operations | \$1,291 | \$1,305 |
| Capital Expenditures      | \$338   | \$407   |
| Dividends Paid            | \$420   | \$426   |
| Share Repurchases         | \$437   | \$86    |
| Ending Net Debt*          | \$3,217 | \$9,668 |

\* See Non-GAAP reconciliation

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## **Strategy & Portfolio Review**

# Comprehensive Board-led Strategy & Portfolio Review

- **Campbell's Board of Directors examined a full range of strategic options to maximize shareholder value**
- **Addressing factors that led to performance challenges**
  - Portfolio complexity
  - Inadequate capital and resource allocation
  - Inconsistent execution
  - Industry headwinds
- **Building on key strengths**
  - Iconic brands with strong market positions
  - Scale and strong competencies within core CPG categories
  - Strong supply chain and manufacturing capabilities
  - Successful multi-year cost savings programs
  - Solid margins and cash flow generation

# Campbell's Strategic Path Forward

- **Simplify, Focus & Optimize Portfolio**
  - Two main businesses within core North American market: Campbell Snacks and Campbell Meals & Beverages
  - Leverage iconic brands and leading market positions
- **Divest Non-core Businesses, including Campbell International and Campbell Fresh; Proceeds to be used to pay down debt**
- **Improve Execution, Speed & Efficiency**
  - Additional \$150 million cost savings program – total target \$945 million by end of FY2022
  - Unlocking \$350 million in cash through asset efficiency
  - Focus on margin expansion & FCF

**Clear Path Forward to Maximize Value  
for All Shareholders**

# Pursuing Non-Core Business Divestitures

## Campbell International



- #1 biscuit brand in Australia



- A leading supplier of Danish butter cookies in China and Hong Kong

### Operations in:

- Indonesia
- Malaysia
- Hong Kong
- Japan

## Campbell Fresh



- Portfolio consists of organic beverages, dressings, and carrots



- Portfolio consists of refrigerated salsa, hummus, and dips

- Proposed divestitures represent ~\$2.1 billion in annual net sales (FY2018)
- Financial advisors engaged
- Proceeds to be used to pay down debt and strengthen balance sheet; target of 3.0x pro-forma EBITDA leverage ratio by FY2021
- Additional actions to further focus and refine portfolio against go-forward strategy



# Focusing Portfolio for Growth & Shareholder Value Creation

## Campbell Snacks



## Campbell Meals & Beverages



## Building on Competitive Advantages

High brand equity with consumers

More than **95%** of all U.S. households have a Campbell's product in their home<sup>1</sup>

Strong product attribute alignment

In the most important attribute for consumers (**Taste**), Campbell is ranked higher than competitors across 7 of 8 categories in which it competes <sup>2</sup>

Enviably market position

**#1 or #2 in 6 categories**

(Soup, Mexican sauce, Italian sauce, Pretzels, Crackers, Kettle Chips)

**Strong market share** across core categories<sup>3</sup>

1. IRI All-Outlet for 52 Weeks Ending 7/29/18 2. Campbell consumer perception survey conducted July 2018; 3. Brand and category growth from IRI.

# Go-Forward Portfolio Framework

## Brands Managed Within Two Differentiated Operating Strategies

**Drive Profitable Growth**  
44% of FY18 Net Sales

- Large and exciting brands
- Outpace category growth
- Investments in innovation and consumer engagement



**Maximize Margin & Cash Flow**  
56% of FY18 Net Sales

- Scale brands
- Generate consistent profit and cash flow
- Investments to maintain market leading positions



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# Leadership in Fast-Growing Snacks

| Category                       | Brand  | Market Size | Market Position |
|--------------------------------|--|-------------|-----------------|
| Pretzels                       |  American Pretzel Bakery Since 1909<br><b>SNYDER'S OF HANOVER</b> | \$1.1bn     | #1              |
| Sandwich Crackers              |  <b>Lance</b><br>Goodness baked in™                               | \$0.7bn     | #1              |
| Kettle Chips                   |  <b>CAPE COD KETTIE CHIPS</b>                                     | \$1.0bn     | #1              |
| Deli                           |  <b>SHACK FACTORY</b><br>Pretzel Crisps                           | \$0.7bn     | #1              |
| Organic/Natural Tortilla Chips |  <b>LATE JULY</b><br>SNACKS                                       | \$0.3bn     | #1              |
| Crackers                       |  <b>Goldfish</b>   | \$7.0bn     | #3              |
| Cookies                        |  <b>Milano</b>  | \$7.7bn     | #6              |

Source: IRI MULO L52W through July 29, 2018  
Based on IRI's Snyder's-Lance custom definitions

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# Growing Our Campbell Snacks Franchise

## Expansion Driven by Six Power Brands



- Increasing capacity and investments in innovation, marketing and e-commerce
- Positioning as healthier alternative to other snacks



Milano &  
Farmhouse

- Leveraging consumer preference for taste & quality
- Increasing capacity to respond to higher demand



- Most recommended pretzel brand and highest customer satisfaction
- Investing in innovations and marketing



- Investing to capture incremental revenue & margin
- Strong real food credentials, healthier ingredients



- Investing in innovation, marketing and e-commerce
- Leveraging organic credentials to grow share

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# Campbell Meals & Beverages

| Category           | Brand   | Market Size | Market Position |
|--------------------|---|-------------|-----------------|
| Wet Soup           |    | \$3.2bn     | #1              |
| Broth/Stock        |   | \$1.1bn     | #1              |
| Italian Sauce      |    | \$2.4bn     | #2              |
| Salsa/Picante      |    | \$1.4bn     | #2              |
| Shelf Stable Juice |   | \$7.5bn     | #2              |

Notes: Rankings of brands exclude Private Label/Store brands. Campbell's Wet Soup ranking includes CSC Condensed & RTS businesses. V8 Portfolio includes brands V8 Vegetable, V8 Splash, Campbell's TJ, V8 +Energy, V8 Blends.

Source: IRI InfoScan, Total U.S. MULO 52 Weeks Ending July 29, 2018.

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# Stabilizing U.S. Soup



- Targeting higher-income, older millennials
- Increasing scale distribution into mass & grocery & reducing manufacturing cost
- Leveraging brand position in natural channel to introduce new innovations



- Targeting Gen-X consumers and cooking segment
- Focusing marketing messaging on easy, affordable, delicious meal solutions



- Marketing portfolio strategy to increase share of shelf
- Building differentiation through cooking expertise
- Optimizing marketing and trade efficiencies

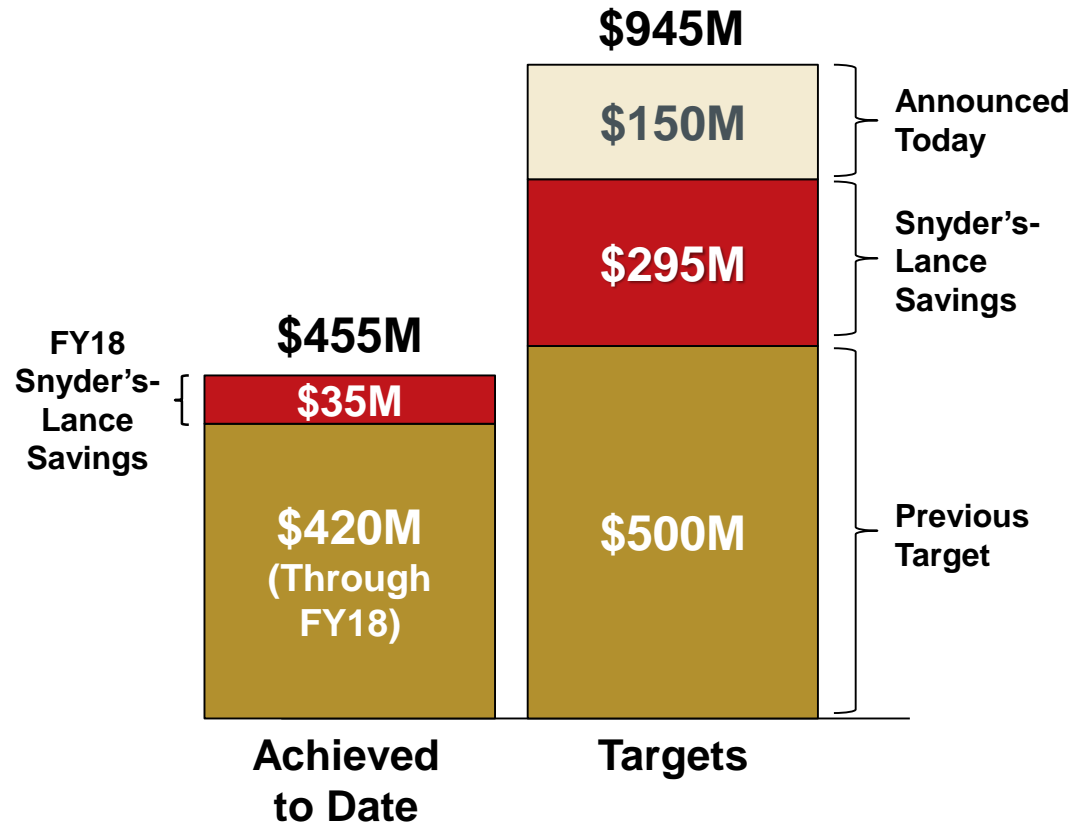


- Sustaining Chunky franchise and clarifying roles of sub-brands
- Focusing on convenience



# Cost Savings Target Increased by \$150 Million

- Expanding cost savings efforts by \$150 million by FY2022
  - Streamline organization, expand ZBB and optimize manufacturing network
- Incremental to existing \$500 million program and previously announced \$295 million in target savings from Snyder's-Lance integration
- Total savings target of \$945 million by end of FY2022
- Additional \$350 million in FCF through efficiencies in working capital and CapEx



# Fiscal 2019 Guidance

(\$ million, except per share)

|   | 2018 Results | 2019 Guidance Pre-Divestitures | 2019 Pro-Forma Assuming Divestitures |
|---|--------------|--------------------------------|--------------------------------------|
| <b>Net Sales</b>  | \$8,685      | \$9,975 to \$10,100            | \$7,925 to \$8,050                   |
| Incremental Net Sales from Snyder's-Lance and Pacific Foods |              | \$1,500 to \$1,550             | \$1,500 to \$1,550                   |
| <b>Adjusted EBIT</b>  | \$1,408*     | \$1,370 to \$1,410**           | \$1,230 to \$1,270**                 |
| <b>Adjusted EPS</b>   | \$2.87*      | \$2.45 to \$2.53**             | \$2.40 to \$2.50**                   |

\* See Non-GAAP reconciliation

\*\* A non-GAAP reconciliation is not provided for 2019 guidance or 2019 pro forma 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. The pro forma scenario is provided for illustrative purposes to provide approximate impact of potential divestitures as if they occurred at the beginning of Fiscal 2019 and is based on the use of estimated proceeds.

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# Fiscal 2019 Guidance

|                                  | Supporting Assumptions<br>for 2019 Guidance<br>Pre-Divestitures |
|----------------------------------|---|
| COPS Inflation                   | ~4-5%   |
| COPS Productivity                | ~3%   |
| Cost & Synergy Savings           | ~\$120 million  |
| Adjusted Gross Margin Percentage | Declining ~2 pts  |
| Interest Expense                 | \$375-390 million   |
| Adjusted Tax Rate                | ~25%  |
| Capital Expenditures             | ~\$400 million  |

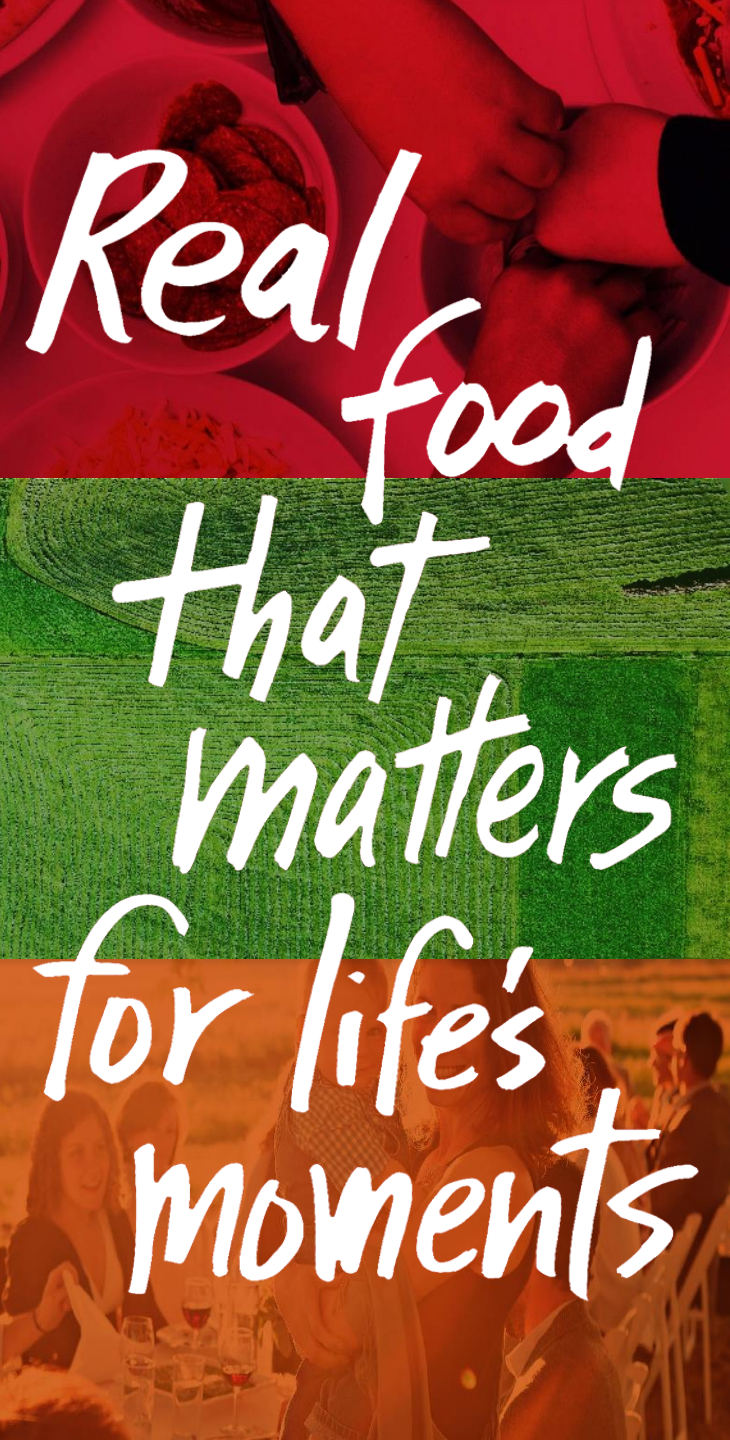
A non-GAAP reconciliation is not provided for 2019 guidance since certain items are not estimable, such as pension and postretirement mark-to-market adjustments, and these items are not considered to reflect the company's ongoing business results.

# Long-Term Financial Targets

|               | Annual growth rates |
|---------------|---------------------|
| Organic Sales | 1-2%                |
| Adjusted EBIT | 4-6%                |
| Adjusted EPS  | 7-9%                |

|                    | FY21 Goal |
|--------------------|-----------|
| Net Debt-to-EBITDA | 3.0x      |

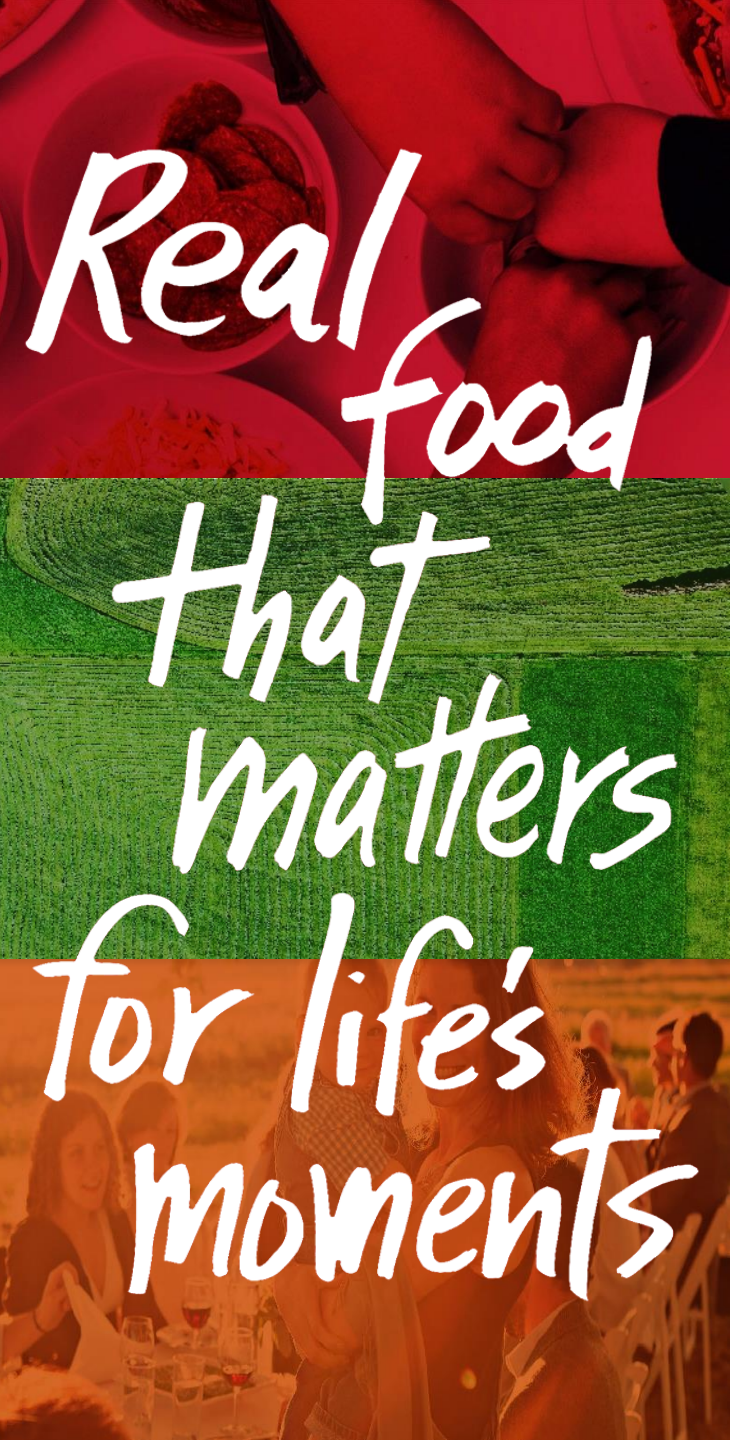
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# Leadership Team Update

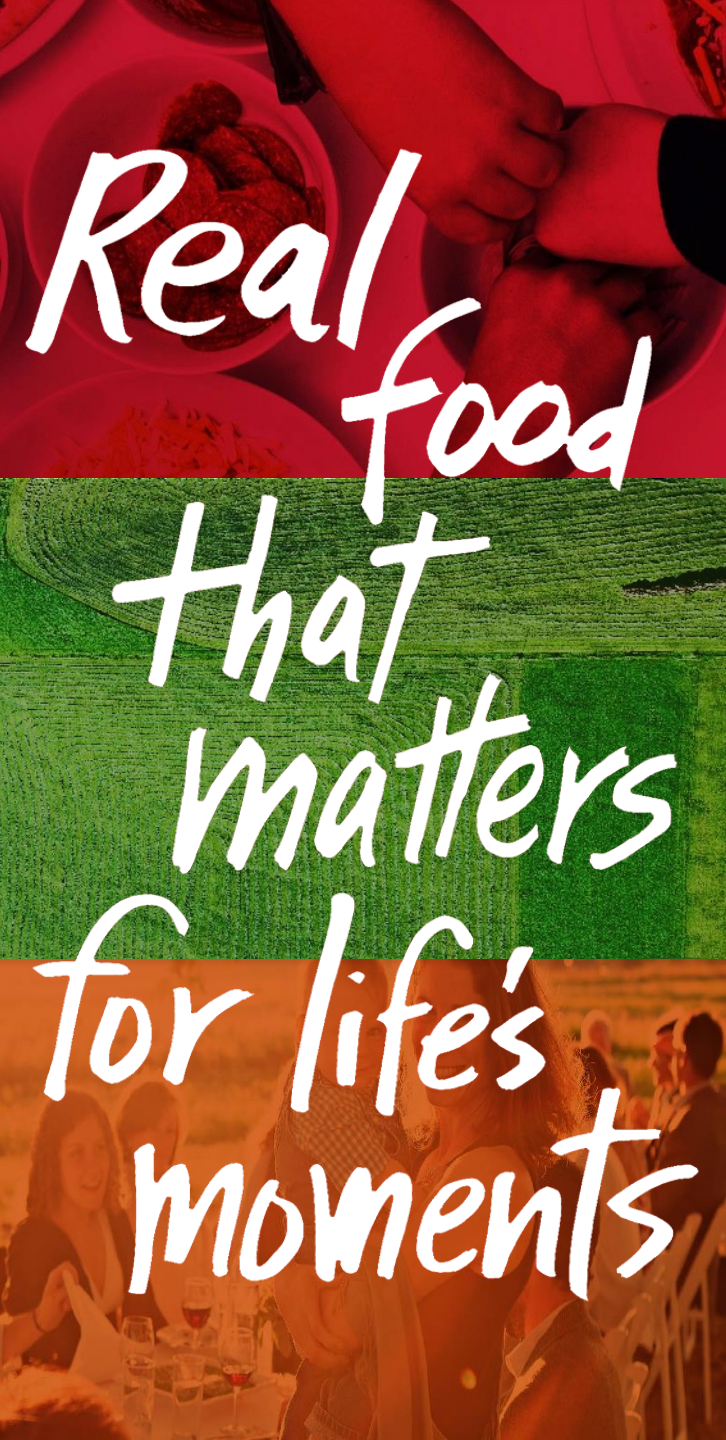




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# Questions & Answers





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# Appendix

# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

## Fourth Quarter

### 2018

|                                     | Net Sales,<br>As Reported | Impact of<br>Currency | Impact of<br>Acquisitions | Organic<br>Net Sales | % Change                  |                      |
|-------------------------------------|---------------------------|-----------------------|---------------------------|----------------------|---------------------------|----------------------|
|                                     |                           |                       |                           |                      | Net Sales,<br>As Reported | Organic Net<br>Sales |
| Americas Simple Meals and Beverages | \$ 789                    | \$ (2)                | \$ (40)                   | \$ 747               | (1) %                     | (6) %                |
| Global Biscuits and Snacks          | 1,202                     | 3                     | (565)                     | 640                  | 87 %                      | - %                  |
| Campbell Fresh                      | 228                       | -                     | -                         | 228                  | 1 %                       | 1 %                  |
| <b>Total Net Sales</b>              | <b>\$ 2,219</b>           | <b>\$ 1</b>           | <b>\$ (605)</b>           | <b>\$ 1,615</b>      | <b>33 %</b>               | <b>(3) %</b>         |

### 2017

|                                     |                 |
|-------------------------------------|-----------------|
| Americas Simple Meals and Beverages | \$ 797          |
| Global Biscuits and Snacks          | 642             |
| Campbell Fresh                      | 225             |
| Corporate                           | -               |
| <b>Total Net Sales</b>              | <b>\$ 1,664</b> |

n/m – not meaningful

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# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Full Year

2018

|                                     | Net Sales,<br>As Reported | Impact of<br>Currency | Impact of<br>Acquisitions | Organic<br>Net Sales | % Change                  |                      |
|-------------------------------------|---------------------------|-----------------------|---------------------------|----------------------|---------------------------|----------------------|
|                                     |                           |                       |                           |                      | Net Sales,<br>As Reported | Organic Net<br>Sales |
| Americas Simple Meals and Beverages | \$ 4,213                  | \$ (18)               | \$ (123)                  | \$ 4,072             | (1) %                     | (4) %                |
| Global Biscuits and Snacks          | 3,499                     | (21)                  | (772)                     | 2,706                | 31 %                      | 1 %                  |
| Campbell Fresh                      | 970                       | -                     | -                         | 970                  | - %                       | - %                  |
| Corporate                           | 3                         | -                     | -                         | 3                    | n/m                       | n/m                  |
| <b>Total Net Sales</b>              | <b>\$ 8,685</b>           | <b>\$ (39)</b>        | <b>\$ (895)</b>           | <b>\$ 7,751</b>      | <b>10 %</b>               | <b>(2) %</b>         |

2017

|                                     |                 |
|-------------------------------------|-----------------|
| Americas Simple Meals and Beverages | \$ 4,256        |
| Global Biscuits and Snacks          | 2,667           |
| Campbell Fresh                      | 967             |
| Corporate                           | -               |
| <b>Total Net Sales</b>              | <b>\$ 7,890</b> |

n/m – not meaningful

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# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

## Fourth Quarter

|  | EBIT          | Net<br>Earnings | Diluted<br>EPS* |
|--|---------------|-----------------|-----------------|
| 2018 – As Reported   | \$ 289        | \$ 94           | \$ 0.31         |
| Deduct: Pension and postretirement benefit<br>mark-to-market and curtailment adjustments | (122)         | (93)            | (0.31)          |
| Add: Restructuring charges, implementation costs<br>and other related costs              | 46            | 33              | 0.11            |
| Add: Transaction and integration costs   | 14            | 8               | 0.03            |
| Add: Impairment charges  | 54            | 41              | 0.14            |
| Deduct: Tax reform   | -             | (6)             | (0.02)          |
| 2018 – Adjusted  | <u>\$ 281</u> | <u>\$ 77</u>    | <u>\$ 0.25</u>  |
| 2017 – As Reported   | \$ 440        | \$ 318          | \$ 1.04         |
| Add: Restructuring charges, implementation costs<br>and other related costs              | 40            | 26              | 0.09            |
| Deduct: Pension and postretirement benefit<br>mark-to-market adjustments                 | (198)         | (129)           | (0.42)          |
| Deduct: Sale of notes  | -             | (56)            | (0.18)          |
| 2017 – Adjusted  | <u>\$ 282</u> | <u>\$ 159</u>   | <u>\$ 0.52</u>  |
| % Change   | - %           | -52%            | -52%            |

\* 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)

## Full Year

|  | EBIT            | Net<br>Earnings | Diluted<br>EPS |
|--|-----------------|-----------------|----------------|
| <b>2018 – As Reported</b>  | \$ 469          | \$ 261          | \$ 0.86        |
| Deduct: Pension and postretirement benefit<br>mark-to-market and curtailment adjustments | (136)           | (103)           | (0.34)         |
| Add: Restructuring charges, implementation costs<br>and other related costs              | 185             | 136             | 0.45           |
| Add: Transaction and integration costs   | 120             | 73              | 0.24           |
| Add: Impairment charges  | 748             | 612             | 2.03           |
| Add: Claim settlement  | 22              | 15              | 0.05           |
| Deduct: Tax reform   | -               | (126)           | (0.42)         |
| <b>2018 – Adjusted</b>   | <u>\$ 1,408</u> | <u>\$ 868</u>   | <u>\$ 2.87</u> |
| <b>2017 – As Reported</b>  | \$ 1,400        | \$ 887          | \$ 2.89        |
| Deduct: Pension and postretirement benefit<br>mark-to-market adjustments                 | (178)           | (116)           | (0.38)         |
| Add: Restructuring charges, implementation costs<br>and other related costs              | 58              | 37              | 0.12           |
| Add: Impairment charges  | 212             | 180             | 0.59           |
| Deduct: Sale of notes  | -               | (56)            | (0.18)         |
| <b>2017 – Adjusted</b>   | <u>\$ 1,492</u> | <u>\$ 932</u>   | <u>\$ 3.04</u> |
| <b>% Change</b>  | -6%             | -7%             | 6%             |

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# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

## Fourth Quarter

|  | <u>Gross</u><br><u>Margin</u> | <u>GM %</u>  | <u>Net Interest</u><br><u>Expense</u> | <u>Tax</u>    | <u>Tax Rate</u> |
|--|-------------------------------|--------------|---------------------------------------|---------------|-----------------|
| <b>2018 – As Reported</b>  | <b>\$ 649</b>                 | <b>29.2%</b> | <b>\$ 93</b>                          | <b>\$ 102</b> | <b>52.0%</b>    |
| Deduct: Pension and postretirement benefit<br>mark-to-market and curtailment adjustments | -                             |              | -                                     | (29)          |                 |
| Add: Restructuring charges, implementation<br>costs and other related costs              | 25                            |              | -                                     | 13            |                 |
| Add: Transaction and integration costs   | 5                             |              | -                                     | 6             |                 |
| Add: Impairment charges  | -                             |              | -                                     | 13            |                 |
| Add: Tax Reform  | -                             |              | -                                     | 6             |                 |
| <b>2018 – Adjusted</b>   | <b>\$ 679</b>                 | <b>30.6%</b> | <b>\$ 93</b>                          | <b>\$ 111</b> | <b>59.0%</b>    |
| <b>2017 – As Reported</b>  | <b>\$ 598</b>                 | <b>35.9%</b> | <b>\$ 23</b>                          | <b>\$ 99</b>  | <b>23.7%</b>    |
| Deduct: Pension and postretirement benefit<br>mark-to-market adjustments                 | -                             |              | -                                     | (69)          |                 |
| Add: Restructuring charges, implementation<br>costs and other related costs              | 4                             |              | -                                     | 14            |                 |
| Add: Sale of notes   | -                             |              | 6                                     | 50            |                 |
| <b>2017 – Adjusted</b>   | <b>\$ 602</b>                 | <b>36.2%</b> | <b>\$ 29</b>                          | <b>\$ 94</b>  | <b>37.2%</b>    |



# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

## Fourth Quarter

|                    |   | <u>Marketing and<br/>Selling Expenses</u> | <u>Administrative<br/>Expenses</u> |
|--------------------|---|---|------------------------------------|
| 2018 – As Reported |   | \$ 223                                    | \$ 177                             |
| Deduct:            | Restructuring charges, implementation costs and other related costs | (1)                                       | (20)                               |
| Deduct:            | Transaction and integration costs                                   | -   | (6)                                |
| 2018 – Adjusted    |   | <u>\$ 222</u>                             | <u>\$ 151</u>                      |
| 2017 – As Reported |   | \$ 173                                    | \$ 142                             |
| Deduct:            | Restructuring charges, implementation costs and other related costs | -   | (18)                               |
| 2017 – Adjusted    |   | <u>\$ 173</u>                             | <u>\$ 124</u>                      |
| % Change           |   | 28%                                       | 22%                                |

# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

## Adjusted EBIT Excluding Impact of Recent Acquisitions

|   | <u>Fourth<br/>Quarter</u> | <u>Full<br/>Year</u> |
|---|---------------------------|----------------------|
| 2018 – Adjusted EBIT  | \$ 281                    | \$ 1,408             |
| Deduct: Impact of Snyder’s-Lance and Pacific Foods Acquisitions | (44)                      | (61)                 |
| 2018 – Adjusted EBIT, Excluding Acquisitions                    | <u>\$ 237</u>             | <u>\$ 1,347</u>      |
| 2017 – Adjusted EBIT  | \$ 282                    | \$ 1,492             |
| % Change  | -16%                      | -10%                 |

# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

## Net Debt

|                                 | July 30, 2017 | July 29, 2018 |
|---------------------------------|---------------|---------------|
| Short-Term Borrowings           | \$ 1,037      | \$ 1,896      |
| Long-Term Debt                  | 2,499         | 7,998         |
| Total Debt                      | \$ 3,536      | \$ 9,894      |
| Less: Cash and Cash Equivalents | (319)         | (226)         |
| Net Debt                        | \$ 3,217      | \$ 9,668      |