



Q4 & Full-Year Fiscal 2019 Investor Update



Ken Gosnell

Vice President – Finance Strategy &
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: our ability to execute on and realize the expected benefits from our strategy, including growing sales in snacks and maintaining market share position in soup; the impact of strong competitive responses to our efforts to leverage brand power with product innovation, promotional programs and new advertising; the risks associated with trade and consumer acceptance of product improvements, shelving initiatives, new products and pricing and promotional strategies; our ability to complete and to realize the projected benefits of planned divestitures and other business portfolio changes; our indebtedness and ability to pay such indebtedness; our ability to realize projected cost savings and benefits from cost savings initiatives and the integration of recent acquisitions; 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; 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 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; a material failure in or a breach of our information technology systems; impairment to goodwill or other intangible assets; our ability to protect our intellectual property rights; increased liabilities and costs related to our defined benefit pension plans; our ability to attract and retain key talent; 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.



Agenda

CEO Perspective

Q4 and Full-Year Fiscal 2019 Results

Fiscal 2020 Guidance

Q&A

Campbell's

CEO Perspective



Mark Clouse

President and Chief Executive Officer



F'19: Material Progress Against Key Priorities

- ✓ Consistent, positive performance
 - Four consecutive quarters meeting or exceeding our financial goals
 - Q4: Delivered topline, gross margin and adjusted EPS growth*
- ✓ Divestitures nearly complete
 - Improved balance sheet and a more focused business
 - Net proceeds ~\$3 billion will significantly reduce debt
- ✓ Established new, straightforward strategy
 - Clear focus on one geography and two core businesses

Q4 F'19 Results Ahead of Expectations

- Combined Net sales increased 2%*
- Snacks strength – organic sales increased 4%*
- Meals & Beverages stabilization – organic sales increased 1%*
- Adj. gross margin increased 60 bps*

* See Non-GAAP reconciliation

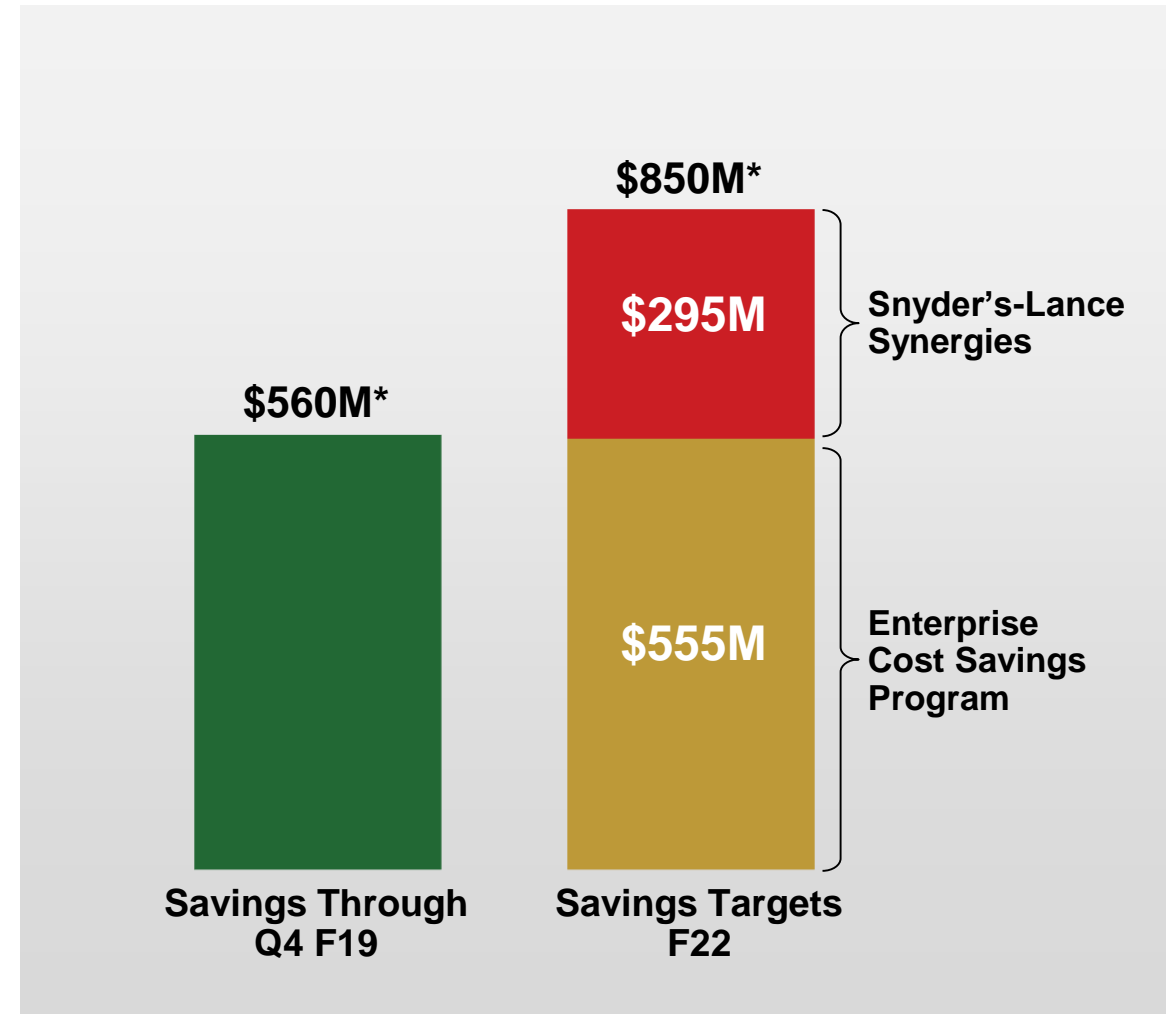


Cost Savings and Cash Flow

- Total savings of \$45 million realized in Q4*
- Total F'19 savings at \$165 million*
- Enterprise cost savings and Snyder's-Lance synergies programs on track with \$560 million achieved to date*
- Tracking to cumulative savings target of \$850 million by end of F'22*

Strong Cash Flow

- Full-year cash flow from operations of \$1.4 billion reflects major improvements in working capital



* Amounts have been adjusted for the impact of the C-Fresh and Campbell International divestitures and represent savings achieved and targeted for continuing operations only.

Stabilizing Meals & Beverages

- Organic sales increased 1%* behind U.S. soup, *Prego* and *Pace*
- U.S. soup sales increased 3%
- *Prego* became share leader in pasta sauce category
- Plans to stem declines in *V8* with plant-based positioning



* See Non-GAAP reconciliation

Campbell's



Real food. Real results.

Three-Year Soup Roadmap

F'19

Fix The Fundamentals

- Strengthened retailer engagement
- Improved pricing, promotions & marketing
- Limited innovation

F'20

Stabilization

Positives

- Invest in quality, marketing & merchandising
- Validate soup aisle of the future
- Continue strengthening retailer relationships

Headwinds

- Portfolio rationalization
- Price calibration

F'21

Improved Trajectory

- Apply learnings from F'20
- Robust innovation
- Improved marketing
- Stronger retailer relationships & engagement

Taking a Full Swing at Soup

Stabilizing Meals & Beverages

- Organic sales increased 1%* behind U.S. soup, *Prego* and *Pace*
- U.S. soup sales increased 3%
- *Prego* became share leader in pasta sauce category
- Plans to stem declines in *V8* with plant-based positioning



* See Non-GAAP reconciliation

Campbell's



Real food. Real results.

Snacks: Continued Strong Performance

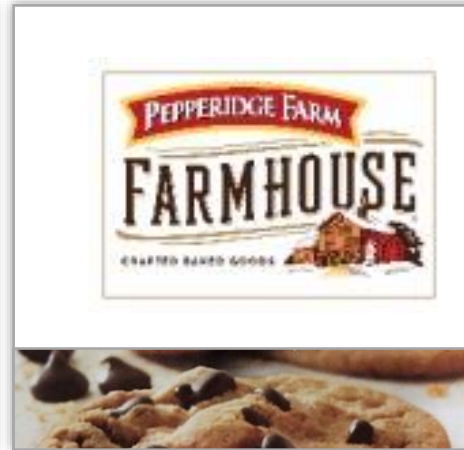
- Organic sales increased 4%*
- Steady progress on integration, building upon complementary strengths
- Overdelivered value capture while unlocking growth potential
- Maintaining momentum in Pepperidge Farm; applying proven growth model to Snyder's-Lance brands



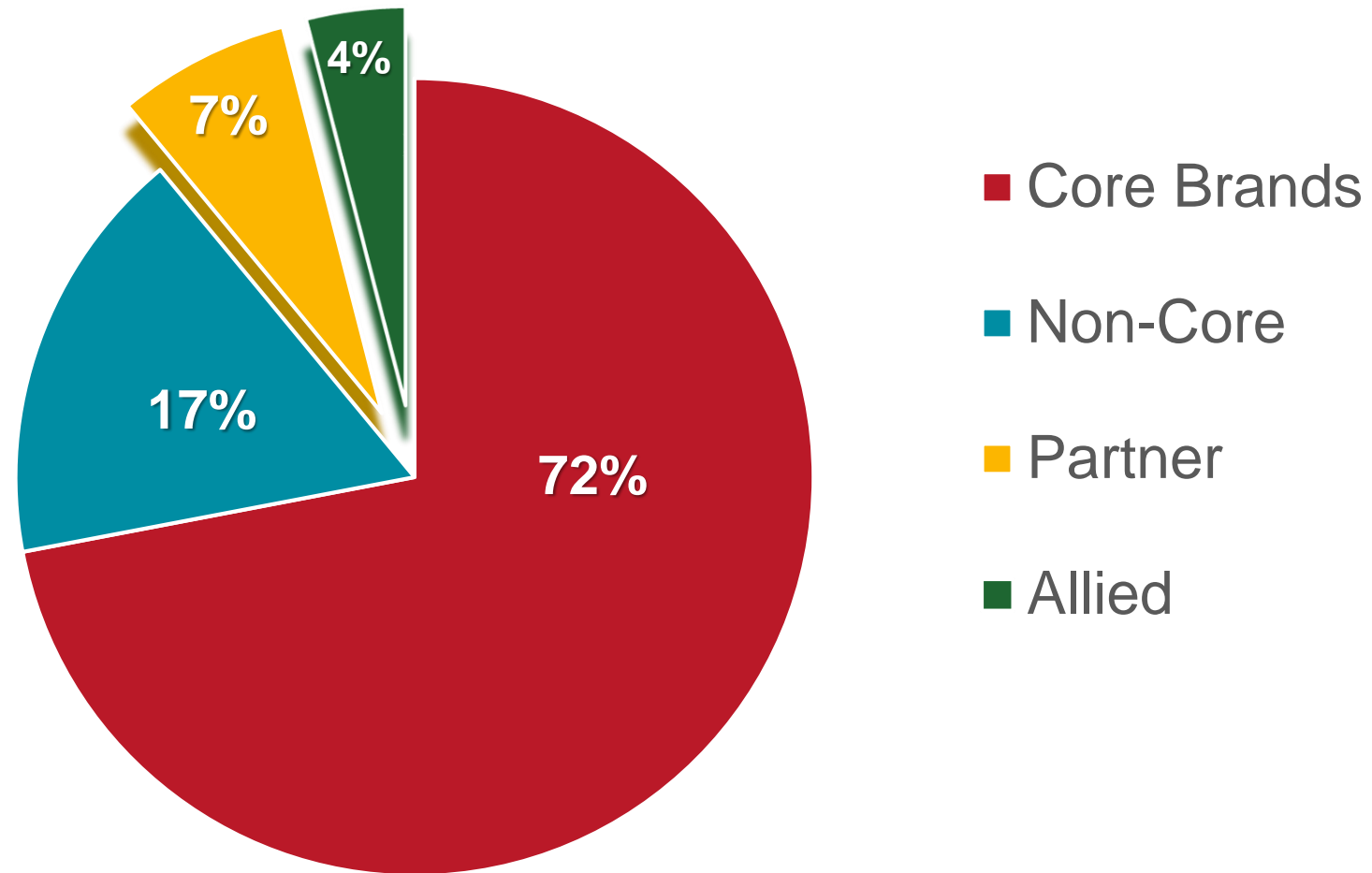
* See Non-GAAP reconciliation



8 of 9 Power Snacks Brands Grew or Maintained Share



Partner & Allied Brands Comprise 11% of \$3.8B Snacks Portfolio

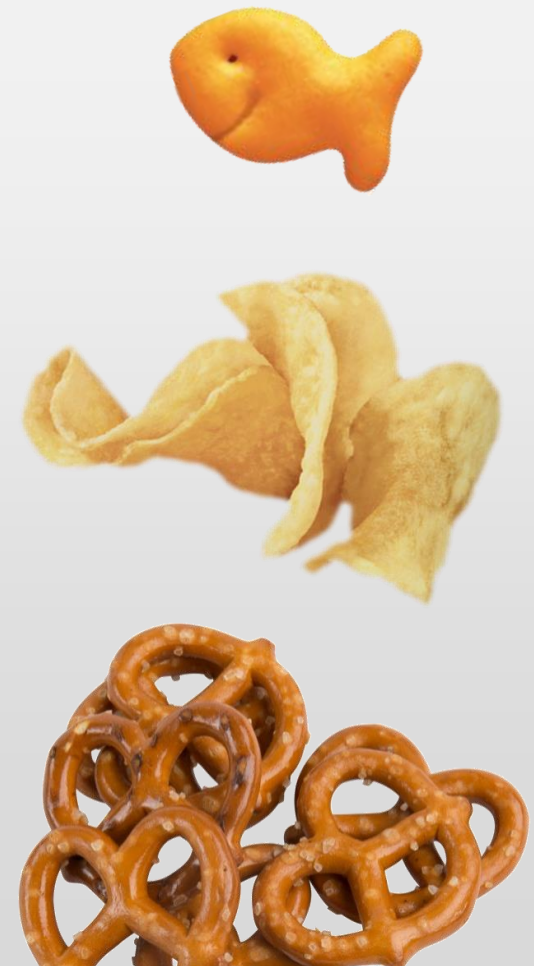


*Bakery included in Core Brands



Snacks: Integration on Track; Overdelivering Value Capture

- Strong performance in three areas:
 - Procurement, specifically packaging
 - Consolidation of sales headquarters and related operations
 - Operational efficiency in manufacturing
- Strong leadership team driving clear, cohesive culture and integration process



Divestitures Nearly Complete

- Completed divestiture of Campbell Fresh for \$555 million*
- Announced agreement to sell Kelsen to Ferrero-affiliated company for \$300 million*
- Announced agreement to sell Campbell International to KKR for \$2.2 billion*
 - Expect both to be completed in the first half of F'20
- Total expected net proceeds of ~\$3 billion to reduce debt



F'20 Guidance for Continuing Operations

(\$ millions, except per share)

| | 2019 Results | 2020 Guidance (Includes 53 rd week) |
|----------------------|-----------------|--|
| Net Sales | \$8,107 | 1% to 3% |
| Adjusted EBIT | \$1,266* | 2% to 4%** |
| Adjusted EPS | \$2.30* | 9% to 11%** \$2.50 to \$2.55 |

* See Non-GAAP reconciliation

** A non-GAAP reconciliation is not provided for 2020 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.



Campbell's

CFO Perspective



Anthony DiSilvestro

Senior Vice President & Chief Financial Officer



Fourth-Quarter Fiscal 2019 Summary

- 2019 performance ahead of most recent guidance
- Improved gross margin performance
- Over-delivery of cost savings
- Divestiture process nearing completion
- Fiscal 2020 sales and earnings guidance



Financial Summary

(\$ millions, except per share)

| Continuing Operations | Fourth Quarter | % Change | Full Year | % Change |
|-----------------------|----------------|----------|-----------|----------|
| Net Sales | \$1,780 | 2% | \$8,107 | 23% |
| Adjusted EBIT* | \$252 | 1% | \$1,266 | 1% |
| Adjusted EPS* | \$0.42 | 14% | \$2.30 | (8)% |

| Combined Results** | Fourth Quarter | % Change | Full Year | % Change |
|--------------------|----------------|----------|-----------|----------|
| Net Sales | \$2,024 | 2% | \$9,153 | 18% |
| Adjusted EBIT* | \$288 | 2% | \$1,422 | (1)% |
| Adjusted EPS* | \$0.50 | 14% | \$2.63 | (9)% |

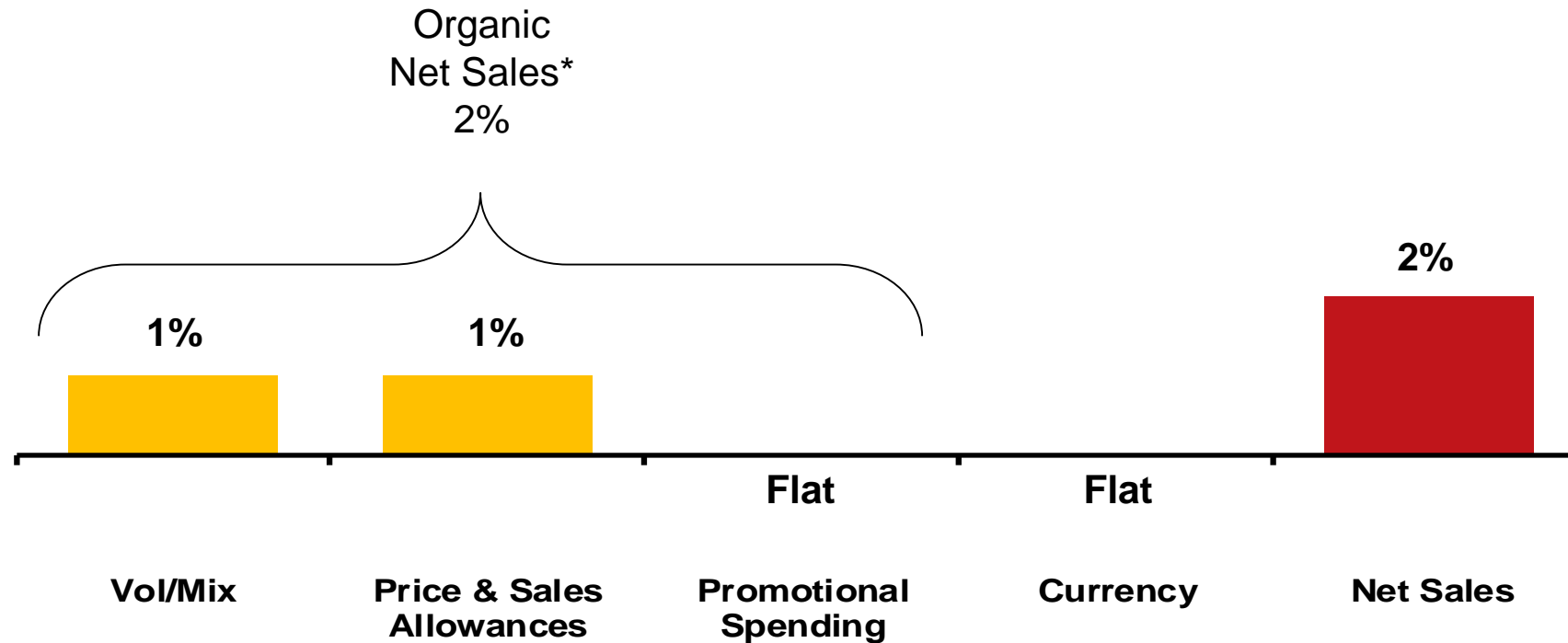
*See Non-GAAP reconciliation

**Includes Continuing Operations and International business now being classified as discontinued operations



Fourth Quarter – Components of Net Sales Change

Continuing Operations



* See Non-GAAP reconciliation



Fourth Quarter – Adjusted Gross Margin Performance*

Continuing Operations

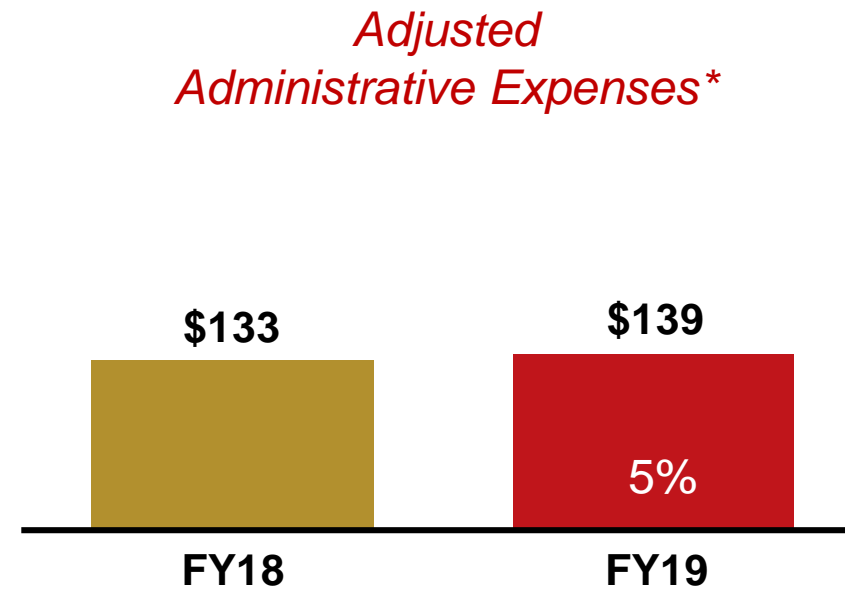
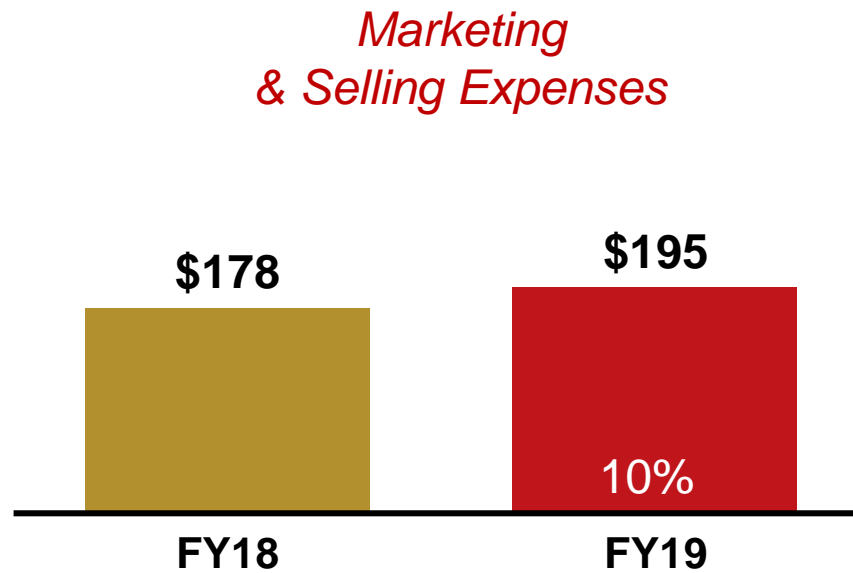


* See Non-GAAP reconciliation



Fourth Quarter – Other Operating Items

Continuing Operations
(\$ millions)

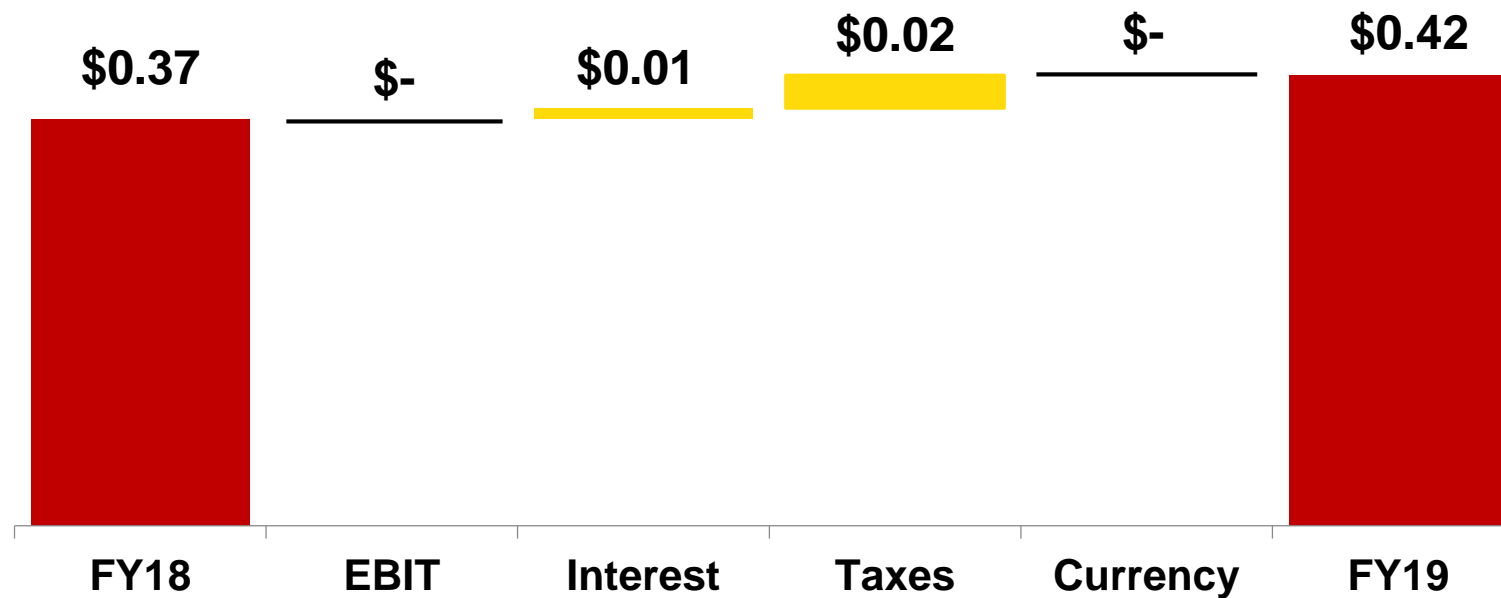


* See Non-GAAP reconciliation



Fourth Quarter – Adjusted EPS Performance*

Continuing Operations



* See Non-GAAP reconciliation

Note: Numbers do not add across due to rounding



Fourth-Quarter Segment Results

(\$ millions)

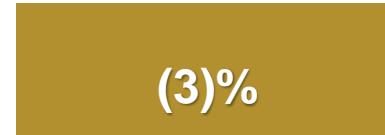


\$813



Net Sales &
Organic
Growth Rate*

\$151



Operating
Earnings

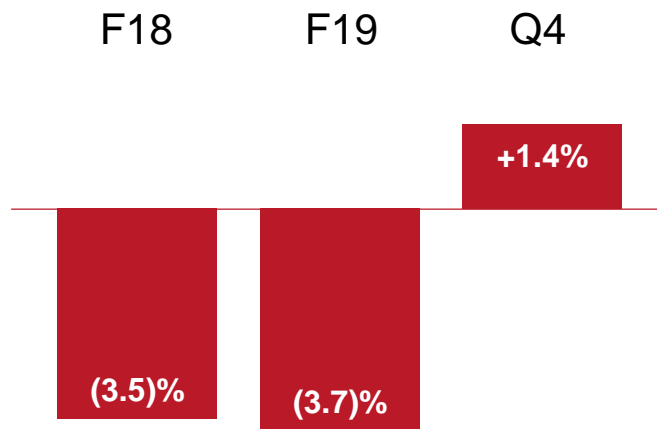
1%

(3)%

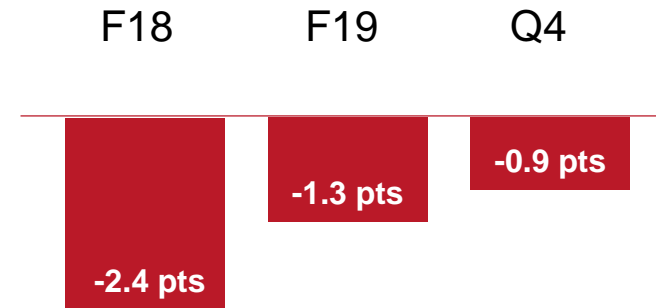
* See Non-GAAP reconciliation

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

Campbell Consumption Trends



Campbell Share Trends



| | <u>Category</u> | <u>Campbell</u> | <u>AO Branded</u> | <u>Private Label</u> |
|---------------------|-----------------|-----------------|-------------------|----------------------|
| Dollar Sales Change | (1.5)% | (3.7)% | (0.8)% | +5.9% |
| Dollar Share Change | N/A | (1.3) pts | +0.2 pts | +1.2 pts |

Campbell/PL figures include condensed and ready-to-serve soup and broth. Campbell figures include *Pacific* soups and broth.

Source: All amounts sourced from IRI Total U.S. Multi-Outlet for 52-week period ending July 28, 2019 with exception of F18 and Q4 consumption and share performance: F18 represents 52-week period ending July 29, 2018 and Q4 represents 13-week period ending July 28, 2019.

Fourth-Quarter Segment Results

(\$ millions)



\$967



4%

Net Sales &
Organic
Growth Rate*

\$133



2%

Operating
Earnings

* See Non-GAAP reconciliation



Cash Flow and Balance Sheet Items

(\$ millions)

| Fiscal Year | 2018 | 2019 |
|---|---------|---------|
| Cash Flow from Operations | \$1,305 | \$1,398 |
| Capital Expenditures | \$407 | \$384 |
| Dividends Paid | \$426 | \$423 |
| Share Repurchases | \$86 | - |
| Ending Net Debt – Total Company Combined* | \$9,668 | \$8,533 |

* See Non-GAAP reconciliation



Divestiture Update

Campbell International



Kelsen
PART OF *Campbell's*

\$2,500MM
pending sale

Campbell Fresh



Transaction closed in
June 2019



Transaction closed in
April 2019

\$555MM

Total expected proceeds of approximately \$3 Billion



Fiscal 2020 Guidance for Continuing Operations

(\$ millions, except per share)

| | 2019 Results | 2020 Guidance (Includes 53 rd week) |
|----------------------|--------------|---|
| Net Sales | \$8,107 | 1% to 3% |
| Adjusted EBIT | \$1,266* | 2% to 4%** |
| Adjusted EPS | \$2.30* | 9% to 11%** \$2.50 to \$2.55 |

* See Non-GAAP reconciliation

** A non-GAAP reconciliation is not provided for 2020 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.



Fiscal 2020 Guidance – Adjusted EPS Roll-Forward

| Adjusted EPS | \$ per Share |
|--|------------------------|
| 2019 Total Company* | \$2.62 |
| Less: Discontinued Operations* | <u>(\$0.31)</u> |
| 2019 Continuing Operations* | \$2.30 |
| Add: Interest from Proceeds (partial year) | \$0.16 |
| Add: 53 rd Week | \$0.04 |
| Add: Base Business Growth | <u>\$0.00 - \$0.05</u> |
| 2020 Continuing Operations** | \$2.50 - \$2.55 |
| % Change vs. 2019 | 9% to 11% |

* See Non-GAAP reconciliation

** A non-GAAP reconciliation is not provided for 2020 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.

Note: The sum of the individual per share amounts do not add due to rounding.



Fiscal 2020 Guidance

(\$ millions)

| | Supporting Assumptions for 2020 Guidance |
|------------------------|---|
| COPS Inflation | ~3% |
| COPS Productivity | ~2-3% |
| Cost & Synergy Savings | ~\$140 million |
| Interest Expense | \$290-300 million |
| Adjusted Tax Rate | ~24% |
| Capital Expenditures | ~\$350 million |

A non-GAAP reconciliation is not provided for 2020 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.



Q&A

Cambbell's



Appendix



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Fourth Quarter

July 28, 2019

Meals & Beverages

| Net Sales, As Reported | Impact of Currency | Organic Net Sales |
|---------------------------|-----------------------|----------------------|
| \$ 813 | \$ 1 | \$ 814 |

| % Change | |
|---------------------------|----------------------|
| Net Sales, As Reported | Organic Net Sales |
| 0% | 1% |

Snacks

| | | |
|-----|---|-----|
| 967 | 2 | 969 |
|-----|---|-----|

| | |
|----|----|
| 3% | 4% |
|----|----|

Total Net Sales

| | | |
|-----------------|-------------|-----------------|
| <u>\$ 1,780</u> | <u>\$ 3</u> | <u>\$ 1,783</u> |
|-----------------|-------------|-----------------|

| | |
|-----------|-----------|
| <u>2%</u> | <u>2%</u> |
|-----------|-----------|

Discontinued Operations - Campbell International

| |
|--------|
| \$ 244 |
|--------|

Combined (Continuing Operations & Campbell International)

| |
|-----------------|
| <u>\$ 2,024</u> |
|-----------------|

| |
|-----------|
| <u>2%</u> |
|-----------|

July 29, 2018

Meals & Beverages

| |
|--------|
| \$ 809 |
|--------|

Snacks

| |
|-----|
| 936 |
|-----|

Total Net Sales

| |
|-----------------|
| <u>\$ 1,745</u> |
|-----------------|

Discontinued Operations - Campbell International

| |
|--------|
| \$ 247 |
|--------|

Combined (Continuing Operations & Campbell International)

| |
|-----------------|
| <u>\$ 1,992</u> |
|-----------------|



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Full Year

July 28, 2019

Meals & Beverages

| Net Sales, As Reported | Impact of Currency | Impact of Acquisitions | Organic Net Sales |
|---------------------------|-----------------------|---------------------------|----------------------|
| \$ 4,322 | \$ 18 | \$ (100) | \$ 4,240 |

Snacks

| | | | |
|-------|---|---------|-------|
| 3,784 | 3 | (1,401) | 2,386 |
|-------|---|---------|-------|

Corporate

| | | | |
|---|---|---|---|
| 1 | - | - | 1 |
|---|---|---|---|

Total Net Sales

| | | | |
|-----------------|--------------|-------------------|-----------------|
| <u>\$ 8,107</u> | <u>\$ 21</u> | <u>\$ (1,501)</u> | <u>\$ 6,627</u> |
|-----------------|--------------|-------------------|-----------------|

Discontinued Operations - Campbell International

| |
|----------|
| \$ 1,046 |
|----------|

Combined (Continuing Operations & Campbell International)

| |
|-----------------|
| <u>\$ 9,153</u> |
|-----------------|

July 29, 2018

Meals & Beverages

| |
|----------|
| \$ 4,305 |
|----------|

Snacks

| |
|-------|
| 2,307 |
|-------|

Corporate

| |
|---|
| 3 |
|---|

Total Net Sales

| |
|-----------------|
| <u>\$ 6,615</u> |
|-----------------|

Discontinued Operations - Campbell International

| |
|----------|
| \$ 1,120 |
|----------|

Combined (Continuing Operations & Campbell International)

| |
|-----------------|
| <u>\$ 7,735</u> |
|-----------------|

% Change

| Net Sales, As Reported | Organic Net Sales |
|---------------------------|----------------------|
| 0% | (2)% |
| 64% | 3% |
| n/m | n/m |
| <u>23%</u> | <u>0%</u> |
| | <u>18%</u> |

n/m – not meaningful

Campbell's



Real food. Real results.

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

Fourth Quarter

| | Continuing Operations | | | Campbell International Discontinued Operations | | | Combined | | |
|---|-----------------------|-----------------|----------------|--|-----------------|----------------|---------------|-----------------|----------------|
| | EBIT | Earnings (Loss) | Diluted EPS* | EBIT | Earnings (Loss) | Diluted EPS* | EBIT | Earnings (Loss) | Diluted EPS* |
| 2019 - As Reported | \$ 83 | \$ (5) | \$ (0.02) | \$ 2 | \$ (2) | \$ (0.01) | \$ 85 | \$ (7) | \$ (0.02) |
| Add: Restructuring charges, implementation costs and other related costs | 31 | 24 | 0.08 | - | - | - | 31 | 24 | 0.08 |
| Add: Impairment charges | 16 | 13 | 0.04 | 17 | 12 | 0.04 | 33 | 25 | 0.08 |
| Add: Pension and postretirement benefit mark-to-market adjustments | 122 | 93 | 0.31 | 12 | 9 | 0.03 | 134 | 102 | 0.34 |
| Add: Costs associated with divestitures | - | - | - | 5 | 5 | 0.02 | 5 | 5 | 0.02 |
| 2019 - Adjusted | <u>\$ 252</u> | <u>\$ 125</u> | <u>\$ 0.42</u> | <u>\$ 36</u> | <u>\$ 24</u> | <u>\$ 0.08</u> | <u>\$ 288</u> | <u>\$ 149</u> | <u>\$ 0.50</u> |
| 2018 - As Reported | \$ 252 | \$ 126 | \$ 0.42 | \$ 38 | \$ 24 | \$ 0.08 | \$ 290 | \$ 150 | \$ 0.50 |
| Add/(Deduct): Restructuring charges, implementation costs and other related costs | 47 | 34 | 0.11 | (1) | (1) | - | 46 | 33 | 0.11 |
| Add: Transaction and integration costs | 14 | 8 | 0.03 | - | - | - | 14 | 8 | 0.03 |
| Add: Impairment charges | 54 | 41 | 0.14 | - | - | - | 54 | 41 | 0.14 |
| Deduct: Tax reform | - | (6) | (0.02) | - | - | - | - | (6) | (0.02) |
| Deduct: Pension and postretirement benefit mark-to-market adjustments | (117) | (90) | (0.30) | (5) | (3) | (0.01) | (122) | (93) | (0.31) |
| 2018 - Adjusted | <u>\$ 250</u> | <u>\$ 113</u> | <u>\$ 0.37</u> | <u>\$ 32</u> | <u>\$ 20</u> | <u>\$ 0.07</u> | <u>\$ 282</u> | <u>\$ 133</u> | <u>\$ 0.44</u> |
| % Change | 1% | 11% | 14% | 13% | 20% | 14% | 2% | 12% | 14% |

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

Campbell's



Real food. Real results.

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

Full Year

| | Continuing Operations | | | Campbell International Discontinued Operations | | | Combined | | |
|---|-----------------------|---------------|----------------|--|---------------|----------------|-----------------|---------------|----------------|
| | EBIT | Earnings | Diluted EPS* | EBIT | Earnings | Diluted EPS* | EBIT | Earnings | Diluted EPS* |
| 2019 - As Reported | \$ 979 | \$ 474 | \$ 1.57 | \$ 116 | \$ 69 | \$ 0.23 | \$ 1,095 | \$ 543 | \$ 1.80 |
| Add/(Deduct): Restructuring charges, implementation costs and other related costs | 121 | 92 | 0.30 | (1) | (1) | - | 120 | 91 | 0.30 |
| Add: Tax reform | - | 2 | 0.01 | - | - | - | - | 2 | 0.01 |
| Add: Pension settlement | 28 | 22 | 0.07 | - | - | - | 28 | 22 | 0.07 |
| Add: Pension and postretirement benefit mark-to-market adjustments | 122 | 93 | 0.31 | 12 | 9 | 0.03 | 134 | 102 | 0.34 |
| Add: Impairment charges | 16 | 13 | 0.04 | 17 | 12 | 0.04 | 33 | 25 | 0.08 |
| Add: Costs associated with divestitures | - | - | - | 12 | 10 | 0.03 | 12 | 10 | 0.03 |
| 2019 - Adjusted | <u>\$ 1,266</u> | <u>\$ 696</u> | <u>\$ 2.30</u> | <u>\$ 156</u> | <u>\$ 99</u> | <u>\$ 0.33</u> | <u>\$ 1,422</u> | <u>\$ 795</u> | <u>\$ 2.63</u> |
| 2018 - As Reported | \$ 1,010 | \$ 724 | \$ 2.40 | \$ 180 | \$ 116 | \$ 0.38 | \$ 1,190 | \$ 840 | \$ 2.78 |
| Add: Restructuring charges, implementation costs and other related costs | 177 | 132 | 0.44 | 6 | 3 | 0.01 | 183 | 135 | 0.45 |
| Add: Transaction and integration costs | 120 | 73 | 0.24 | - | - | - | 120 | 73 | 0.24 |
| Add: Impairment charges | 54 | 41 | 0.14 | - | - | - | 54 | 41 | 0.14 |
| Add: Claim settlement | 22 | 15 | 0.05 | - | - | - | 22 | 15 | 0.05 |
| Deduct: Pension and postretirement benefit mark-to-market adjustments | (131) | (100) | (0.33) | (5) | (3) | (0.01) | (136) | (103) | (0.34) |
| Deduct: Tax reform | - | (126) | (0.42) | - | - | - | - | (126) | (0.42) |
| 2018 - Adjusted | <u>\$ 1,252</u> | <u>\$ 759</u> | <u>\$ 2.51</u> | <u>\$ 181</u> | <u>\$ 116</u> | <u>\$ 0.38</u> | <u>\$ 1,433</u> | <u>\$ 875</u> | <u>\$ 2.90</u> |
| % Change | 1% | (8)% | (8)% | (14)% | (15)% | (13)% | (1)% | (9)% | (9)% |

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

Campbell's



Real food. Real results.

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

Full Year

| | Continuing Operations | | | Discontinued Operations | | | Total Company | | |
|--|-----------------------|-----------------|----------------|-------------------------|-----------------|----------------|-----------------|---------------------|----------------|
| | EBIT | Earnings (Loss) | Diluted EPS* | EBIT | Earnings (Loss) | Diluted EPS* | EBIT | Net Earnings (Loss) | Diluted EPS* |
| 2019 - As Reported | \$ 979 | \$ 474 | \$ 1.57 | \$ (275) | \$ (263) | \$ (0.87) | \$ 704 | \$ 211 | \$ 0.70 |
| Add: Restructuring charges, implementation costs and other related costs | 121 | 92 | 0.30 | - | - | - | 121 | 92 | 0.30 |
| Add: Tax reform | - | 2 | 0.01 | - | - | - | - | 2 | 0.01 |
| Add: Pension settlement | 28 | 22 | 0.07 | - | - | - | 28 | 22 | 0.07 |
| Add: Pension and postretirement benefit mark-to-market adjustments | 122 | 93 | 0.31 | 12 | 9 | 0.03 | 134 | 102 | 0.34 |
| Add: Impairment charges | 16 | 13 | 0.04 | 377 | 287 | 0.95 | 393 | 300 | 0.99 |
| Add: Costs associated with divestitures | - | - | - | 44 | 61 | 0.20 | 44 | 61 | 0.20 |
| 2019 – Adjusted | <u>\$ 1,266</u> | <u>\$ 696</u> | <u>\$ 2.30</u> | <u>\$ 158</u> | <u>\$ 94</u> | <u>\$ 0.31</u> | <u>\$ 1,424</u> | <u>\$ 790</u> | <u>\$ 2.62</u> |

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

Campbell's



Real food. Real results.

Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations (\$ millions)

Fourth Quarter

| | | Gross Margin | GM % | Tax | Tax Rate |
|--------------------|---|--------------|-------|-------|----------|
| 2019 – As Reported | | \$ 606 | 34.0% | \$ 4 | (400.0%) |
| Add: | Pension and postretirement benefit mark-to-market adjustments | - | | 29 | |
| Add/(Deduct): | Restructuring charges, implementation costs and other related costs | (7) | | 7 | |
| Add: | Impairment charges | - | | 3 | |
| 2019 – Adjusted | | \$ 599 | 33.7% | \$ 43 | 25.6% |
| 2018 – As Reported | | \$ 548 | 31.4% | \$ 37 | 22.7% |
| Deduct: | Pension and postretirement benefit mark-to-market adjustments | - | | (27) | |
| Add: | Restructuring charges, implementation costs and other related costs | 25 | | 13 | |
| Add: | Transaction and integration costs | 5 | | 6 | |
| Add: | Impairment charges | - | | 13 | |
| Add: | Tax reform | - | | 6 | |
| 2018 – Adjusted | | \$ 578 | 33.1% | \$ 48 | 29.8% |



Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations (\$ millions)

Fourth Quarter

| | <u>Administrative Expenses</u> |
|---|------------------------------------|
| 2019 - As Reported | \$ 166 |
| Deduct: Restructuring charges, implementation costs and other related costs | (27) |
| 2019 - Adjusted | <u>\$ 139</u> |
| 2018 - As Reported | \$ 159 |
| Deduct: Restructuring charges, implementation costs and other related costs | (20) |
| Deduct: Transaction and integration costs | (6) |
| 2018 - Adjusted | <u>\$ 133</u> |
| % Change | 5% |



Reconciliation of GAAP and Non-GAAP Financial Measures

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

EPS Impact from Adjusted EBIT Excluding Currency

| | <u>Fourth Quarter</u> |
|---|---------------------------|
| 2019 – Adjusted EBIT | \$ 252 |
| Deduct: Impact of currency translation | (1) |
| 2019 – Adjusted EBIT, Constant Currency | <u>\$ 251</u> |
| 2018 – Adjusted EBIT | \$ 250 |
| \$ Change in Adjusted EBIT, Constant Currency | \$ 1 |
| Add: Tax impact | - |
| Change in Net Earnings | <u>\$ 1</u> |
| Diluted EPS Impact | \$ - |



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Net Debt

| | Continuing Operations | | Discontinued Operations | | Total Company Combined | |
|---------------------------------|-----------------------|---------------|-------------------------|---------------|------------------------|---------------|
| | July 29, 2018 | July 28, 2019 | July 29, 2018 | July 28, 2019 | July 29, 2018 | July 28, 2019 |
| Short-Term Borrowings | \$ 1,525 | \$ 1,371 | \$ 371 | \$ 232 | \$ 1,896 | \$ 1,603 |
| Long-Term Debt | 7,991 | 7,103 | 7 | 6 | 7,998 | 7,109 |
| Total Debt | \$ 9,516 | \$ 8,474 | \$ 378 | \$ 238 | \$ 9,894 | \$ 8,712 |
| Less: Cash and Cash Equivalents | (49) | (31) | (177) | (148) | (226) | (179) |
| Net Debt | \$ 9,467 | \$ 8,443 | \$ 201 | \$ 90 | \$ 9,668 | \$ 8,533 |

