

Campbell's

Q1 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 the regulatory approvals required for the transaction may not be obtained on the terms expected, on the anticipated schedule, or at all; long-term financing for the Sovos Brands transaction may not be obtained on favorable terms, or at all; closing of the Sovos Brands transaction may not occur or be delayed, either as a result of litigation related to the transaction or otherwise or result in significant costs of defense, indemnification and liability; 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. Q1 FY24 Key Messages and Financial Highlights
2. Division Highlights
3. Q1 FY24 Financial Results
4. FY24 Outlook
5. Summary
6. Q&A



Mark Clouse

President & Chief Executive Officer

CEO Perspective

Q1 FY24 Key Messages



- Q1 Net Sales consistent with expectations; Adjusted EBIT and Adjusted EPS slightly ahead as we lapped 15% growth across all three key metrics in prior year
- Material progress made in setting the stage for Campbell's next chapter of growth
- Expect momentum in H2 FY24 through execution, successful innovation and marketing
- Recently improving share trends while maintaining margin expectations
- Full-year fiscal 24 guidance reaffirmed
- Pending Sovos Brands acquisition only strengthens our position

Q1 FY24 Key Financial Highlights

Net Sales

\$2.5B

Adj. EBIT*

\$407M

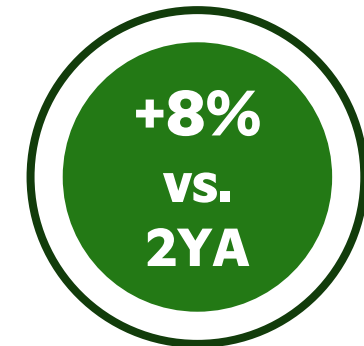
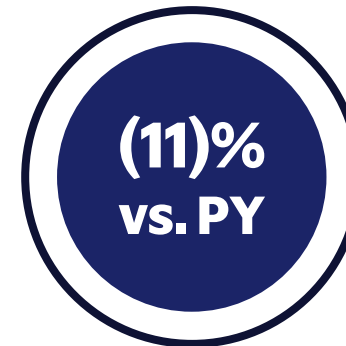
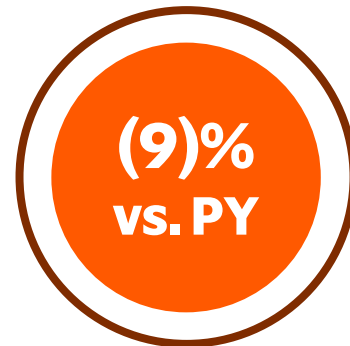
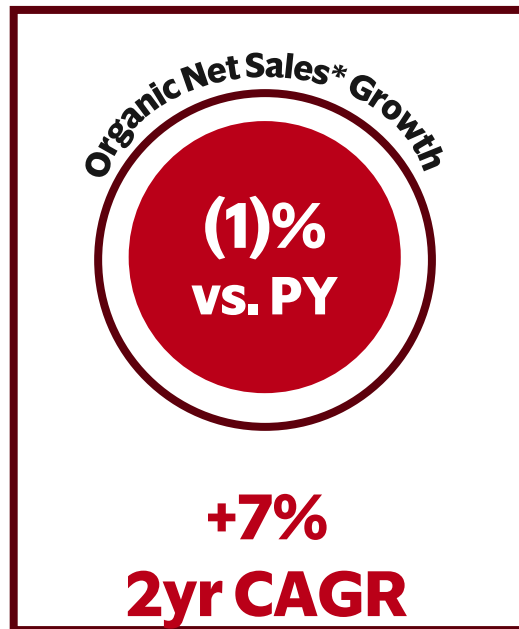
Adj. EPS*

\$0.91

\$ Consumption¹

(2)%

vs. PY



*See Non-GAAP reconciliation

¹Total Circana US MULO \$ Consumption latest 13 weeks ending 10/29/2023

Strategic Focus in a Dynamic Consumer Landscape

Being strategic and focused in three key areas as we navigate through a changing consumer landscape

1

Ensuring the **affordability** of our products and maintaining **competitive price gaps** within **targeted margins**

2

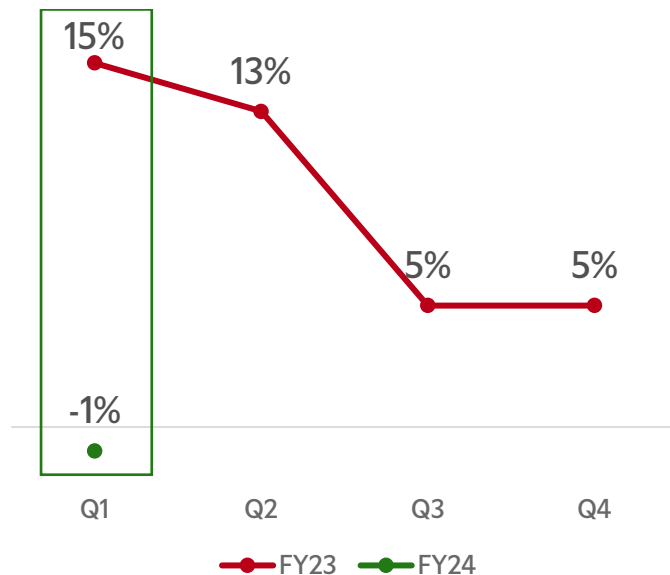
Commitment to sustaining **marketing** and **innovation** plans

3

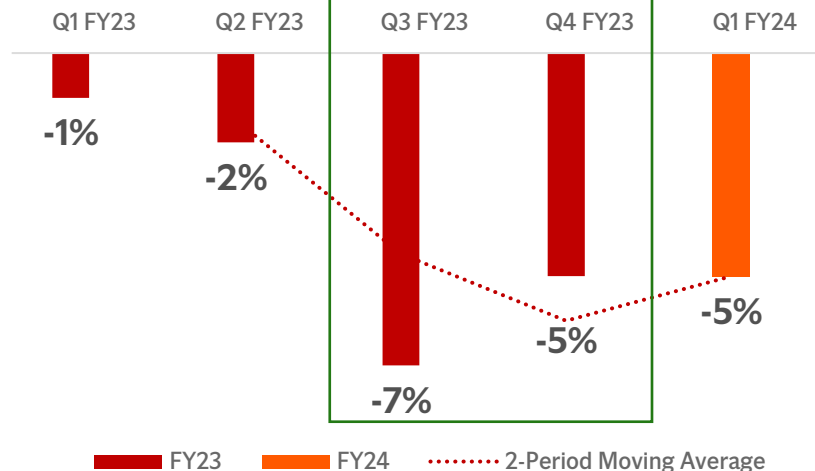
Disciplined and **balanced** spending, while **delivering margins and earnings**

Confidence in H2 FY24 Improvement Behind Easier Comparisons and Incremental Support

Lapping record H1 FY23 Organic Net Sales* Results



H2 FY24 will lap easier H2 FY23 YOY declines in Volume / Mix



Accelerating Innovation and Marketing Programs



* See Non-GAAP reconciliation



Meals & Beverages

Strong performance on a 2-year basis as we lap double digit growth in prior year



Total Meals & Beverages

Q1 FY24
vs. PY

Q1 FY24
2yr CAGR

Organic Net Sales*

(3)%

+6%

Dollar Consumption¹

(6)%

+1%



*See Non-GAAP reconciliation

¹ Total Circana US MULO \$ Consumption latest 13 weeks ending 10/29/2023. Total US Meals & Beverages.



Win in Soup 2.0: Cooking Behaviors Continue

Condensed Cooking & Broth/Stock benefiting from continuation of consumer seeking stretchable meals



Total Condensed Cooking

+1.5 pts.

Q1 \$ share vs. PY¹

5th

Consecutive quarter
gaining \$ share²

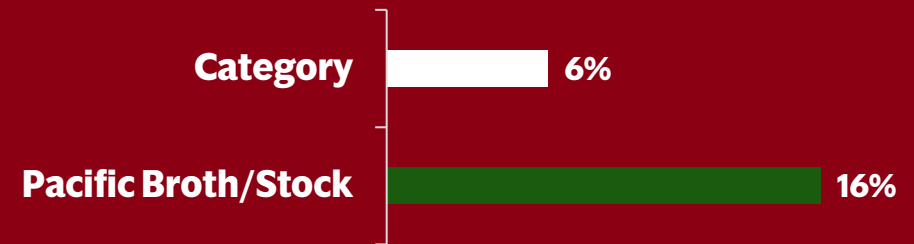
Total Condensed Cooking

+0.4 pts.

Millennial HH Pen
Chg vs. PY³



Broth/Stock \$ Consumption⁴



¹ Total Circana US MULO \$ Share latest 13 weeks ending 10/29/2023




² Total Circana US MULO \$ Share latest 13 weeks ending 10/30/2022, 1/29/2023, 4/30/2023, 7/30/2023 and 10/29/2023

³ Circana National Consumer Panel, Total U.S. All Outlets; NBD volume adjusted latest 13 weeks ending 10/29/2023

⁴ Total Circana US MULO \$ Consumption latest 13 weeks ending 10/29/2023



Improving Share Trends Heading into Key Soup Season

Share Trends in Key Soup Categories	\$ Share	
	Q1 vs. PY ¹	L4W vs. PY ²
Campbell's Wet Soup	(1.7) pts.	+0.2 pts.
 <i>Condensed</i>	(0.4) pts.	<i>Flat</i>
 <i>RTS</i>	(2.0) pts.	(0.2) pts.
 <i>Broth</i>	(1.0) pts.	+1.2 pts.

- Effectively **protecting share** in key categories while **managing margins**
- Strengthened **brand support** in anticipation of key holiday season
- Balancing critical interplay between growing **share, volume and margins** in line with our expectations
- **Unit share** also showing **strength** through the holiday season

¹ Total Circana US MULO \$ Share latest 13 weeks ending 10/29/2023

² Total Circana US MULO \$ Share latest 4 weeks ending 11/26/2023



Snacks

Strong performance on a 2-year basis for Snacking portfolio, 8 Power Brands remain resilient



	Total Snacks		Power Brands	
	Q1 FY24 vs. PY	Q1 FY24 2yr CAGR	Q1 FY24 vs. PY**	Q1 FY24 2yr CAGR**
Organic Net Sales*	+1%	+8%	+5%	+13%
Dollar Consumption¹	+1%	+7%	+3%	+9%



*See Non-GAAP reconciliation
 ** Power Brands Net Sales represents reported growth rates
¹ Total Circana US MULO \$ Consumption latest 13 weeks ending 10/29/2023. Total Snacks.



Power Brands: 5 of 8 Holding or Gaining Share¹ vs. PY

Q1 FY24 Power Brands \$ Consumption² +3% VS. PY, +19% vs. 2YA



\$ share vs. PY: **Flat**
\$ consumption vs. 2YA: **+23%**



\$ share vs. PY: **+0.4pts**
\$ consumption vs. 2YA: **+27%**



\$ share vs. PY: **+2.2pts**
\$ consumption vs. 2YA: **+21%**



\$ share vs. PY: **Flat**
\$ consumption vs. 2YA: **+7%**



\$ share vs. PY: **+2.4pts**
\$ consumption vs. 2YA: **+34%**



\$ share vs. PY: **(0.3)pts**
\$ consumption vs. 2YA: **+6%**



\$ share vs. PY: **(3.0)pts**
\$ consumption vs. 2YA: **+14%**



\$ share vs. PY: **(0.7)pts**
\$ consumption vs. 2YA: **+25%**

¹ Total Circana US MULO \$ Share latest 13 weeks ending 10/29/2023

² Total Circana US MULO \$ Consumption 13 weeks ending 10/29/2023



Goldfish Momentum Continues

#1 Favorite snack brand with teens 5 times in a row¹



5th Consecutive quarter of holding or gaining \$ share²



¹ Piper Sandler Consumer Research "Taking Stock with Teens" (Fall 2021, Spring 2022, Fall 2022, Spring 2023, Fall 2023)

² Total Circana US MULO 13 weeks ending 10/30/2022, 01/29/2023, 04/30/2023, 07/30/2023, and 10/29/2023



Goldfish Accelerating Innovation

Unlocking additional growth opportunities



Continued Progress on Snacks Margin Journey

Snacks Q1 FY24 performance underscores the profitable growth of the division

+8%

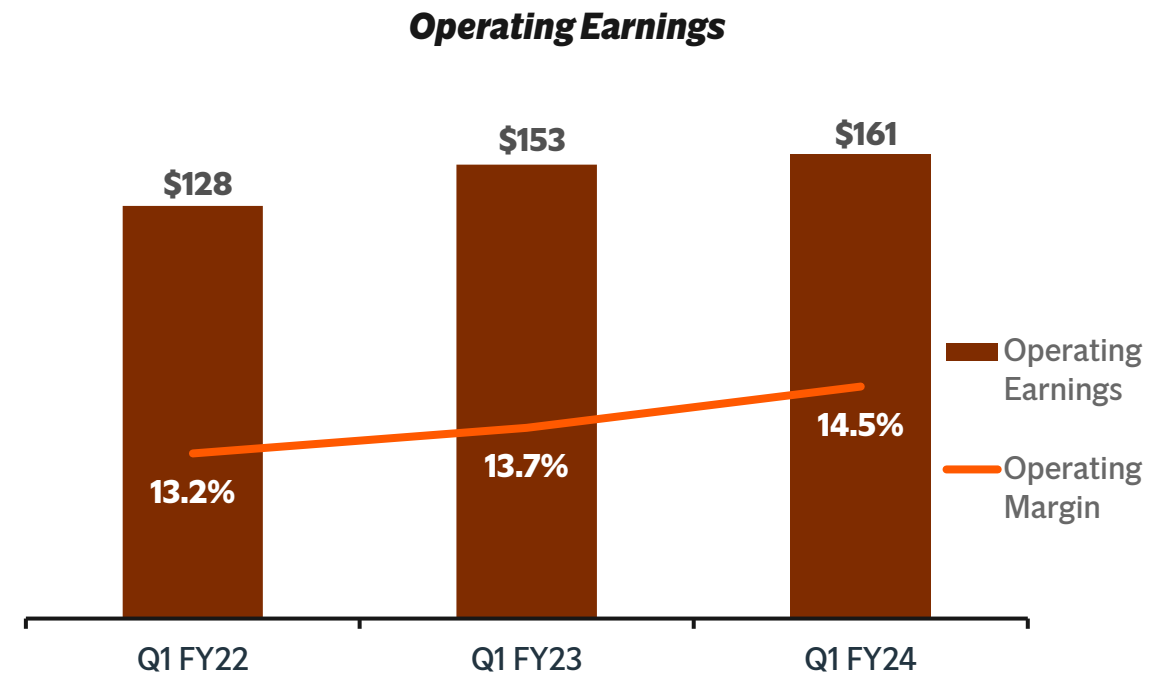
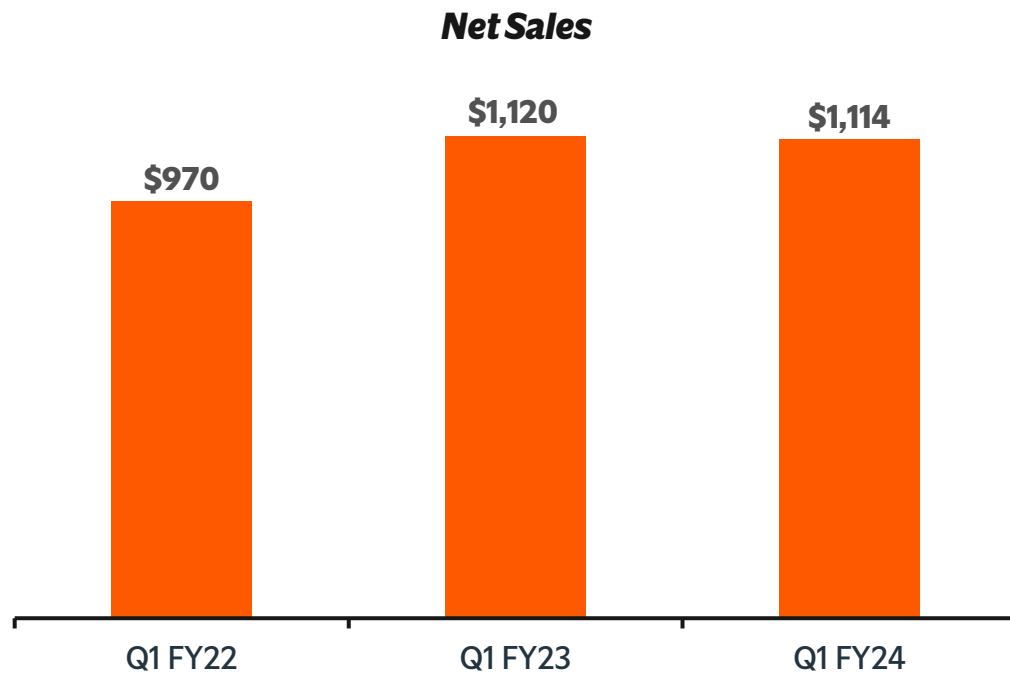
Organic Net Sales*
2-Year CAGR

+12%

Operating Earnings
2-Year CAGR

+130bps

Operating Margin Growth
(Q1 FY22 vs Q1 FY24)



*See Non-GAAP reconciliation

¹ Total Circana US MULO \$ Consumption latest 13 weeks ending 10/29/2023. Total Snacks.



Unlocking the Full Potential of Our Advantaged Snacks DSD Network

IDP Model A Distinct Advantage

EXECUTING

LOGISTICS

A Single, Integrated DSD Logistics & Warehouse Network*

Improved efficiency, less fixed costs and better capabilities

TECHNOLOGY

Modernize and Harmonize IDP Technology and Tools

More competitive, more consistent and better linkage with retailers

PILOTING

ROUTE STRATEGY*

Goal: Drive scale, effectiveness and efficiency

Additional information will be shared on Q2 FY24 earnings call

**Not applicable to Bakery DSD*

Abbreviations as follow: DSD - Direct Store Delivery; IDP - Independent Distribution Partner

Fueling Our Next Chapter of Meals & Beverages Growth with Sovos Brands

Acquisition pending regulatory review

- Received request from FTC for additional information on Oct 23, 2023
- Closing expected in calendar year 2024; objective is mid-2024
- Integration planning continuing

Continued strong financial results by Sovos Brands

- **Double-digit growth** in Net Sales, Volume and operating income¹ fueled by continued strength in *Rao's*
-





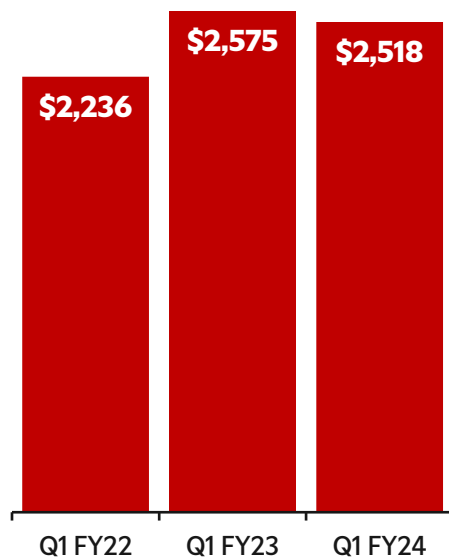
Carrie Anderson

EVP & Chief Financial Officer

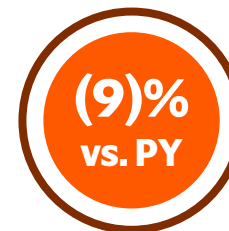
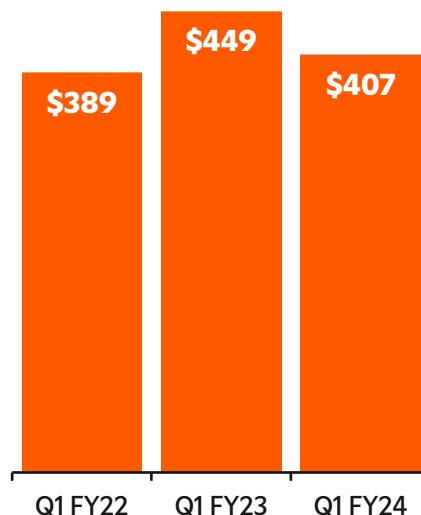
CFO Perspective

Q1 FY24 Key Financial Results

Net Sales



Adj. EBIT*



Adj. EPS*



Organic Net Sales Growth*
(4)% 15% (1)%

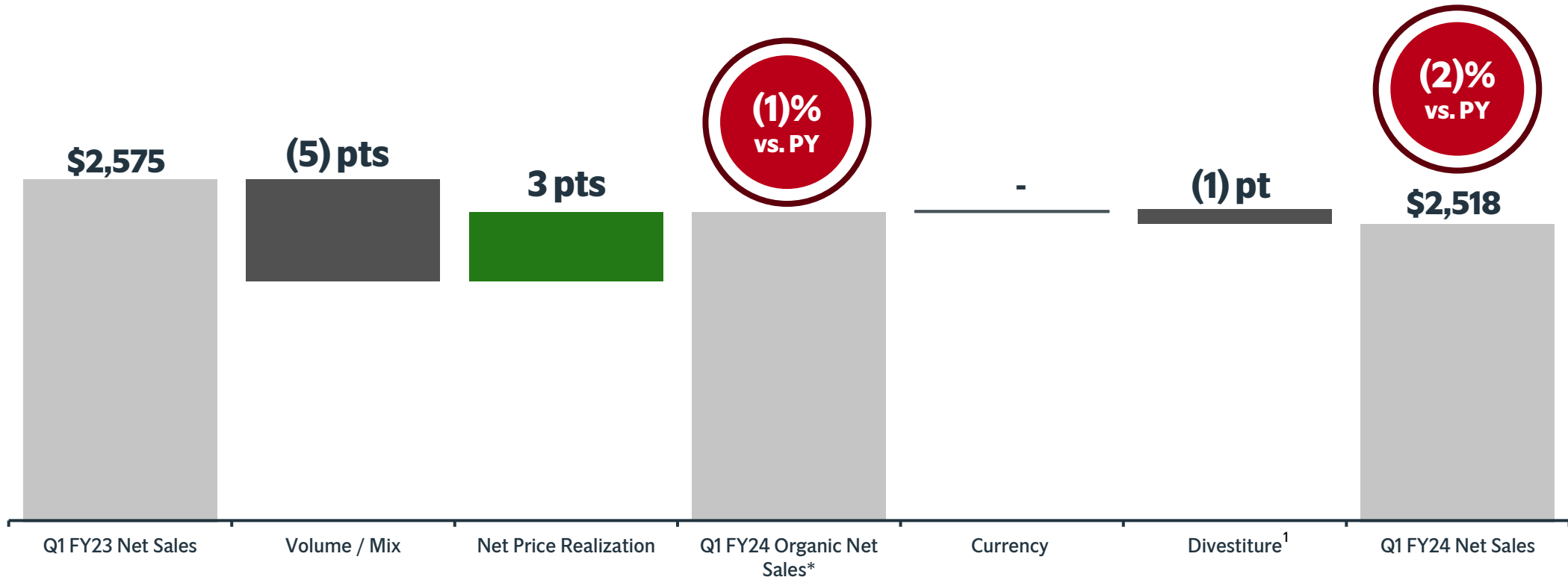
Adj. EBIT Margin*
17.4% 17.4% 16.2%

Adj. EPS Growth*
(12)% 15% (11)%

*See Non-GAAP reconciliation

Q1 FY24 Net Sales Bridge

Modest organic net sales decline in line with expectations, as we lapped a 15% increase* in the prior year that was driven by double-digit pricing and supply recovery

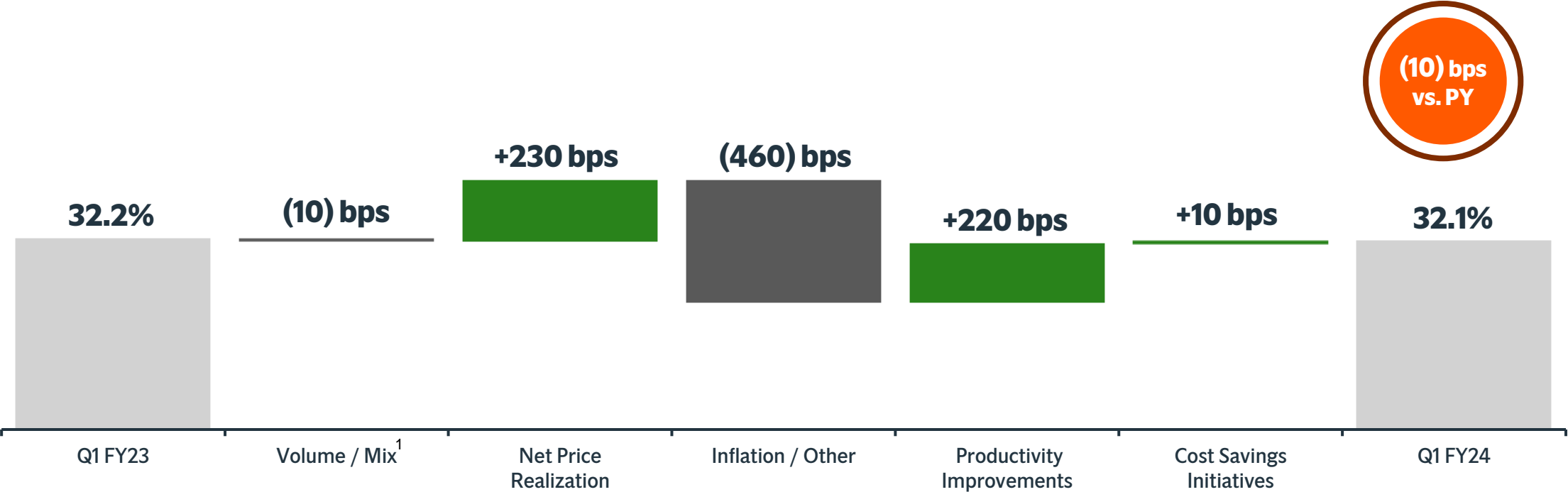


*See Non-GAAP reconciliation

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

Q1 FY24 Adjusted Gross Profit Margin* Bridge

Modest adjusted gross profit margin decline driven by unfavorable volume / mix, with the combination of net price realization, productivity improvements and cost savings initiatives offsetting higher cost inflation and other supply chain costs

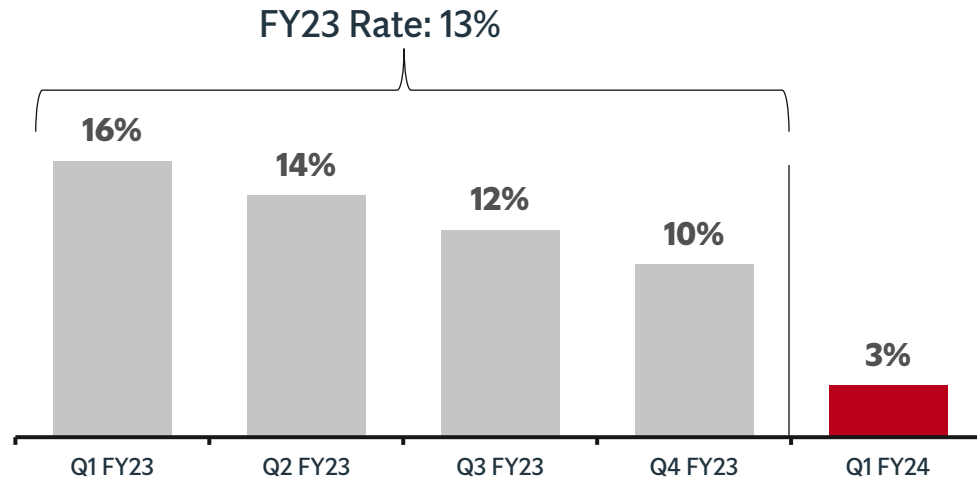


*See Non-GAAP reconciliation
¹ Volume / Mix includes the impact of operating leverage

Mitigation Efforts Outpacing Continued Inflation

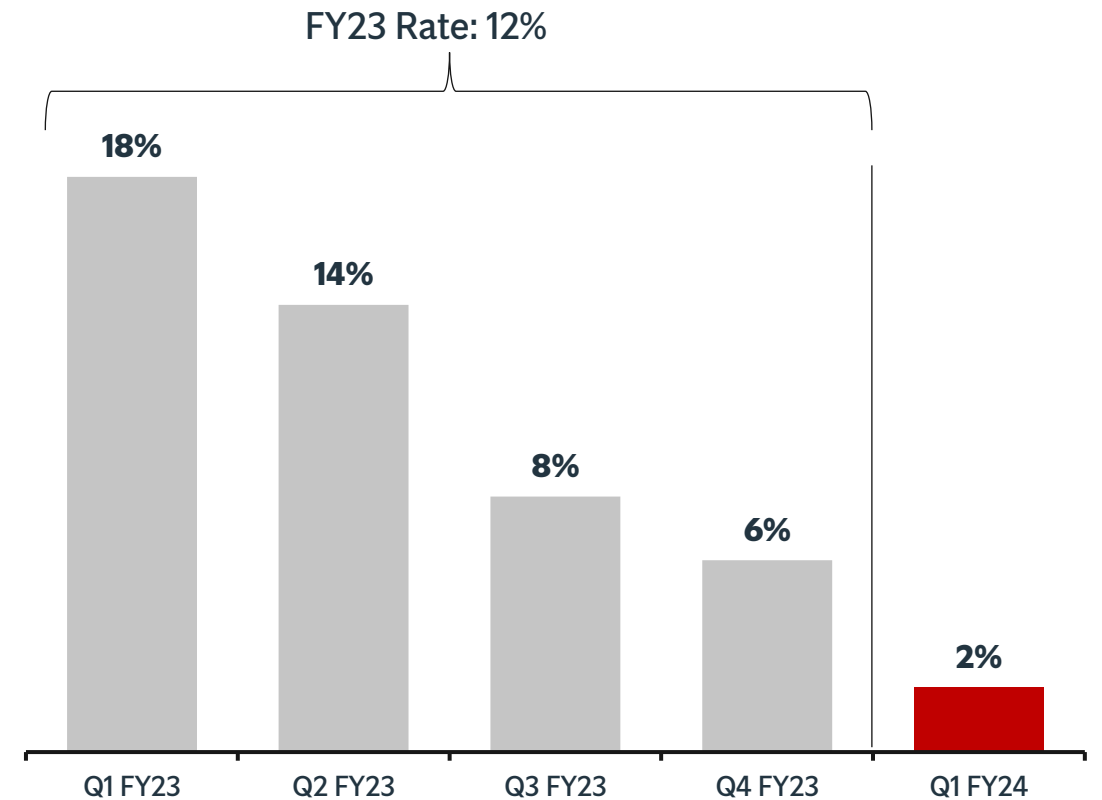
Inflation Mitigating Actions:

- Net Price Realization



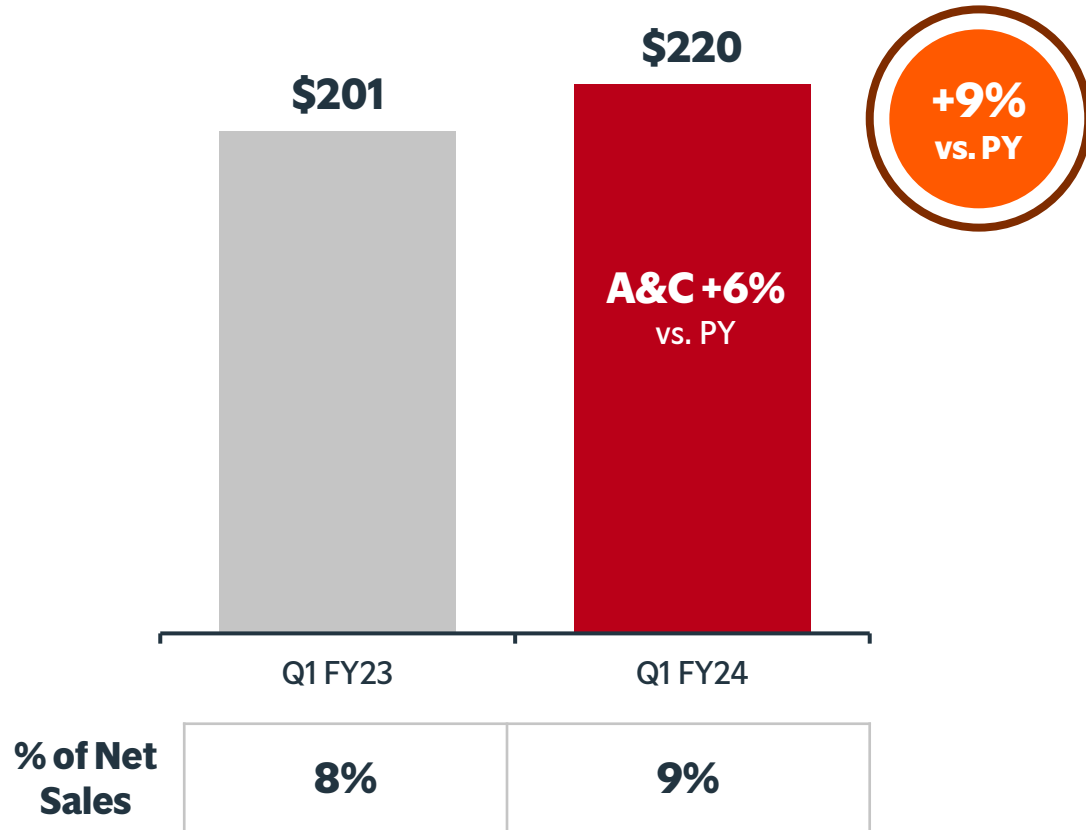
- Supply Chain Productivity
- Cost Savings Initiatives
- Manage Discretionary Spending

Core Inflation Rate:

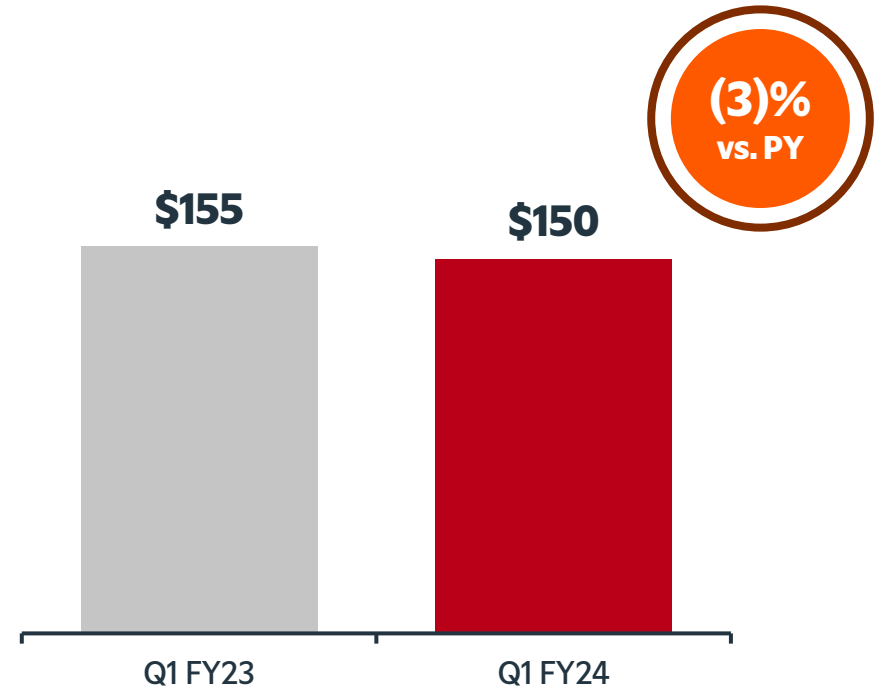


Other Operating Items

Adjusted Marketing & Selling Expenses*



Adjusted Administrative Expenses*

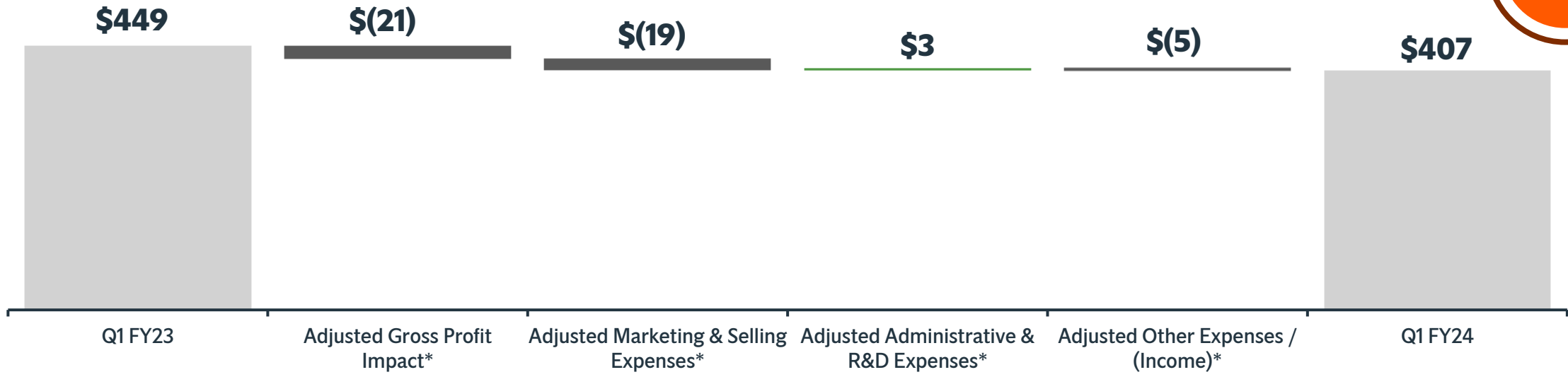


*See Non-GAAP reconciliation

Q1 FY24 Adjusted EBIT* Bridge

Adjusted EBIT margin decline largely driven by an expected step-up in adjusted marketing and selling expenses, and the expected 20 bps impact due to changes in pension and postretirement benefit income

**(9)%
vs. PY**

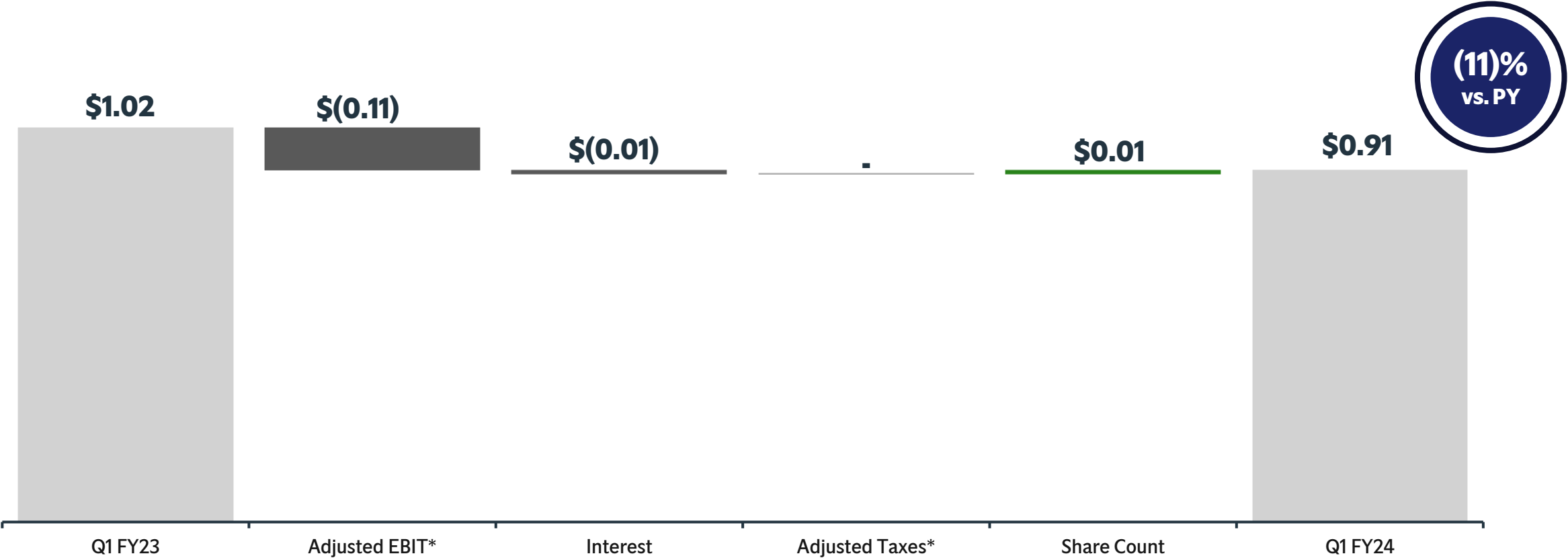


Adj. EBIT Margin*	17.4%	(10) bps	(90) bps	(10) bps	(20) bps	16.2%
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*See Non-GAAP reconciliation
Numbers may not add due to rounding

Q1 FY24 Adjusted EPS* Bridge

Decline driven by the decrease in adjusted EBIT and slightly higher interest expense, partially offset by a reduction in the weighted average diluted shares outstanding



*See Non-GAAP reconciliation

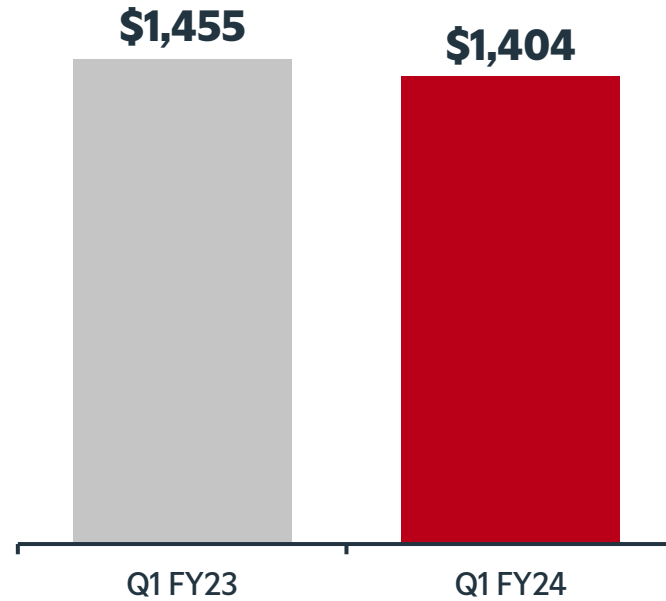


Q1 FY24 Meals & Beverages Results

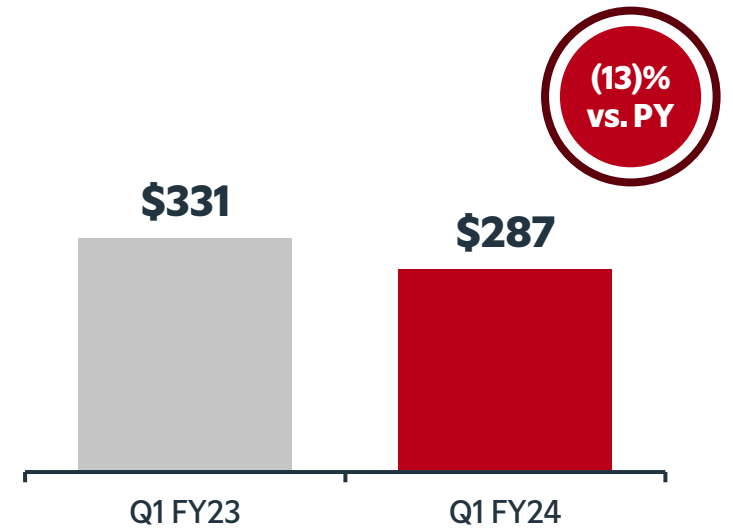


**Organic Net Sales
2-year CAGR +6%***

Net Sales



Operating Earnings



Vol / Mix	(1)%	(6)%
Net Price Realization	16%	2%
Organic Net Sales* vs. PY	15%	(3)%

Operating Margin	22.7%	20.4%
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* See Non-GAAP reconciliation; Numbers do not add due to rounding.

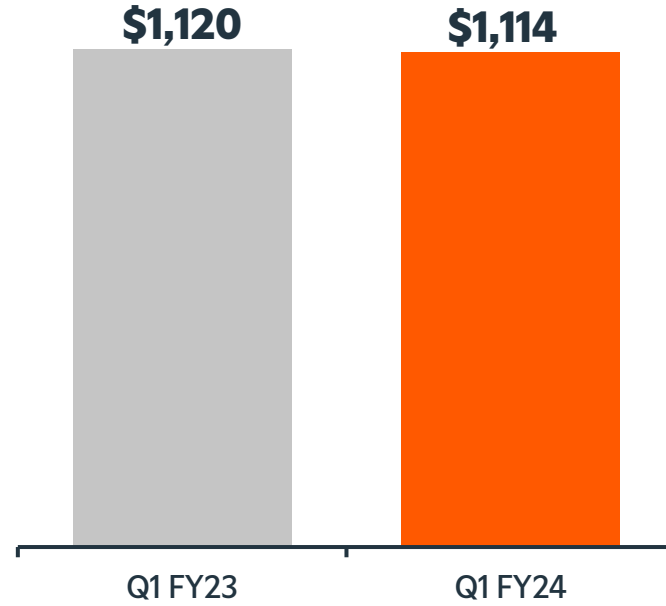


Q1 FY24 Snacks Results

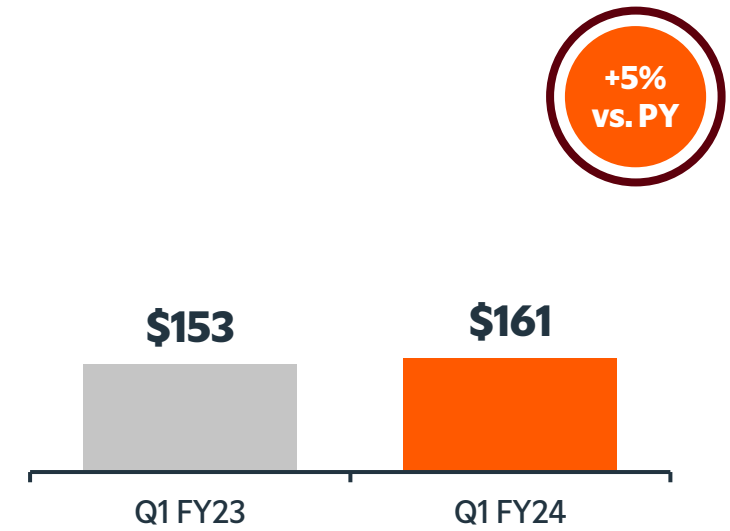


**Organic Net Sales
2-year CAGR +8%***

Net Sales



Operating Earnings



Vol / Mix	(2)%	(4)%
Net Price Realization	17%	5%
Organic Net Sales* vs. PY	15%	1%

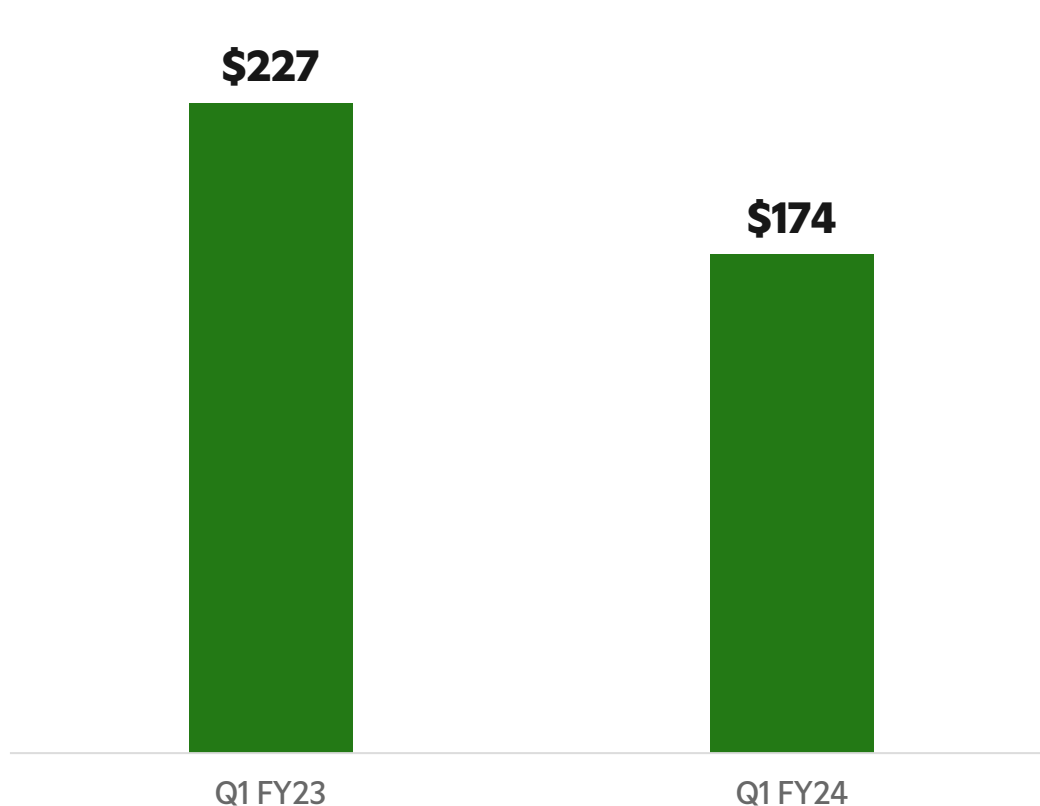
Operating Margin	13.7%	14.5%
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* See Non-GAAP reconciliation

Disciplined Capital Allocation

Strong operating and free cash flow with a focus on investment in growth CapEx; Balance sheet in a position of strength while continuing to return cash to shareholders

Net Cash Flows from Operations



	Q1 FY23	Q1 FY24
Invest for Growth		
Capital Expenditures	\$77	\$143
Return Cash to Shareholders		
Dividends	\$115	\$114
Share Repurchases	\$41	\$28
	\$156	\$142
Strengthen our Balance Sheet		
Leverage Ratio*	2.8X	2.8X

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

FY24 Guidance

Excluding pending acquisition of Sovos Brands, Inc. expected in calendar 2024

\$ Millions, Except Per Share	FY23 Results	FY24 Guidance¹
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

FY24 Assumptions

- 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 for the fiscal year, with a step-up in the second quarter vs PY
- Capital expenditures now expected to be ~5% of Net Sales

*See non-GAAP reconciliation

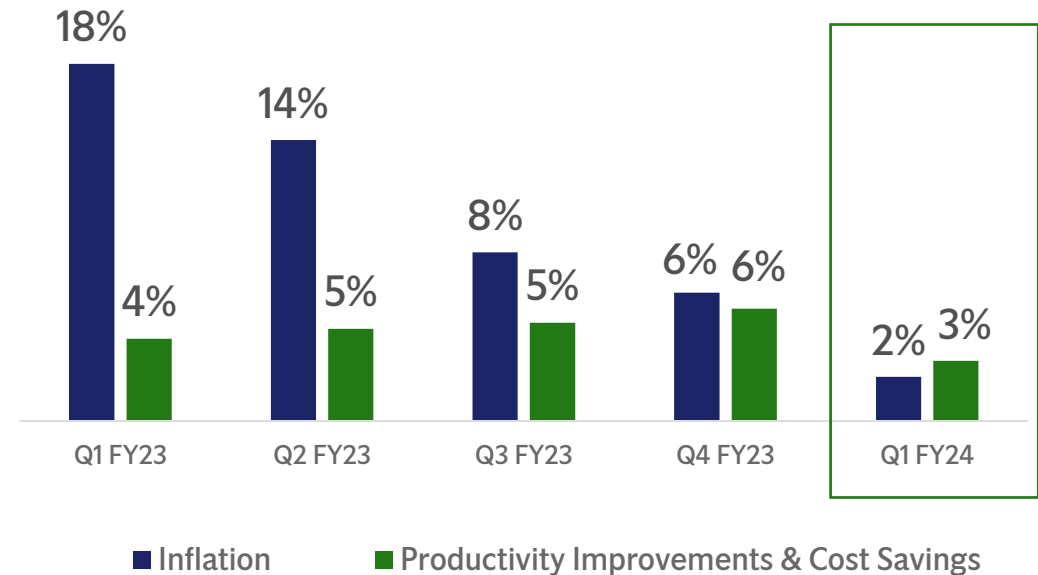
¹A non-GAAP reconciliation is not provided for fiscal 2024 guidance as the company is unable to reasonably estimate the full-year financial impact of items such as actuarial gains or losses on pension and postretirement plans because these impacts are dependent on future changes in market conditions. 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; ³ Adjusted 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 will exclude 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.

Insights into Expected H2 FY24 Margin Trajectory

H2 FY24 Margin Drivers

- Core inflation outlook of low-single digits materially improved from low double-digit average in prior year
- Expect greater net contribution from productivity and cost savings
- Improved mix as volumes stabilize, especially on profitable businesses like soup
- Normalizing 2H marketing & selling expense as compared to prior year
- Lower pension and postretirement headwind

Productivity & Cost Savings beginning to exceed Core Inflation



First-Quarter Results in Line with Expectations; Full-Year Guidance Reaffirmed



Happy Holidays!



Q&A Forum



Mark Clouse

President & Chief Executive Officer



Carrie Anderson

EVP & Chief Financial Officer

Appendix

Campbell's

Cash Flow

Strong Q1 FY24 Cash Flow generation with increased investment and over \$140 million returned to shareholders

Total Company	Q1 FY23	Q1 FY24
Net Cash Flows from Operations	\$227	\$174
<i>of which changes in working capital</i>	<i>\$(203)</i>	<i>\$(206)</i>
Net Cash Flows from Investing Activities	\$(78)	\$(137)
<i>of which capital expenditures</i>	<i>\$(77)</i>	<i>\$(143)</i>
Net Cash Flows from Financing Activities	\$(127)	\$(135)
<i>of which dividends paid</i>	<i>\$(115)</i>	<i>\$(114)</i>
<i>of which stock repurchases</i>	<i>\$(41)</i>	<i>\$(28)</i>
<i>of which net debt borrowings</i>	<i>\$45</i>	<i>\$22</i>
Net Change in Cash & Cash Equivalents¹	\$21	\$(98)
Cash & Cash Equivalents – end of period	\$130	\$91

¹ Numbers do not add as this item includes the effect of exchange rate changes on cash

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

First Quarter

October 29, 2023

Meals & Beverages

	<u>Net Sales, As Reported</u>	<u>Impact of Currency</u>	<u>Organic Net Sales</u>
	\$ 1,404	\$ 3	\$ 1,407

% Change

	<u>Net Sales, As Reported</u>	<u>Organic Net Sales</u>
	(4)%	(3)%

Snacks

	1,114	(1)	1,113
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	(1)%	1%
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Total Net Sales

	<u>\$ 2,518</u>	<u>\$ 2</u>	<u>\$ 2,520</u>
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	<u>(2)%</u>	<u>(1)%</u>
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October 30, 2022

Meals & Beverages

	<u>Net Sales, As Reported</u>	<u>Impact of Divestiture</u>	<u>Organic Net Sales</u>
	\$ 1,455	\$ -	\$ 1,455

Snacks

	1,120	(17)	1,103
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Total Net Sales

	<u>\$ 2,575</u>	<u>\$ (17)</u>	<u>\$ 2,558</u>
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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
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15%	15%
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Total Net Sales

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

Continuing Operations (\$ millions)

First Quarter

October 31, 2021

Meals & Beverages

<u>Net Sales, As Reported</u>	<u>Impact of Currency</u>	<u>Organic Net Sales</u>
\$ 1,266	\$ (6)	\$ 1,260

% Change

<u>Net Sales, As Reported</u>	<u>Organic Net Sales</u>
(7)%	(6)%

Snacks

970	-	970
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(1)%	(1)%
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Total Net Sales

<u>\$ 2,236</u>	<u>\$ (6)</u>	<u>\$ 2,230</u>
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<u>(4)%</u>	<u>(4)%</u>
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November 1, 2020

Meals & Beverages

<u>Net Sales, As Reported</u>	<u>Impact of Divestiture</u>	<u>Organic Net Sales</u>
\$ 1,363	\$ (23)	\$ 1,340

Snacks

977	-	977
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Total Net Sales

<u>\$ 2,340</u>	<u>\$ (23)</u>	<u>\$ 2,317</u>
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Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

First 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
October 29, 2023							
Meals & Beverages	\$ 1,404	\$ 10	\$ 1,414	11%	12%	5%	6%
Snacks	1,114	(1)	1,113	15%	17%	7%	8%
Total Net Sales	\$ 2,518	\$ 9	\$ 2,527	13%	14%	6%	7%
October 31, 2021							
Meals & Beverages	\$ 1,266	\$ -	\$ 1,266				
Snacks	970	(19)	951				
Total Net Sales	\$ 2,236	\$ (19)	\$ 2,217				

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

First Quarter

	EBIT	EBIT Margin %	Earnings	Diluted EPS*
2024 – As Reported	\$ 358	14.2%	\$ 234	\$ 0.78
Add: Restructuring charges, implementation costs and other related costs	13		10	0.03
Add: Commodity mark-to-market adjustments	15		11	0.04
Add: Accelerated amortization	7		5	0.02
Add: Costs associated with pending acquisition	9		8	0.03
Add: Cybersecurity incident costs	3		2	0.01
Add: Plum litigation expenses	2		2	0.01
2024 – Adjusted	\$ 407	16.2%	\$ 272	\$ 0.91
2023 – As Reported	\$ 436	16.9%	\$ 297	\$ 0.99
Add: Restructuring charges, implementation costs and other related costs	3		3	0.01
Add: Pension actuarial losses	15		11	0.04
Deduct: Commodity mark-to-market adjustments	(5)		(4)	(0.01)
2023 – Adjusted	\$ 449	17.4%	\$ 307	\$ 1.02
\$ Change - Adjusted	\$ (42)		\$ (35)	\$ (0.11)
% Change - Adjusted	(9)%	(120) bps	(11)%	(11)%

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

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

First Quarter

	EBIT	EBIT Margin %	Earnings	Diluted EPS*
2023 – Adjusted	\$ 449	17.4%	\$ 307	\$ 1.02
2022 – As Reported	\$ 376	16.8%	\$ 261	\$ 0.86
Add: Restructuring charges, implementation costs and other related costs	4		3	0.01
Add: Pension actuarial losses	6		5	0.02
Add: Commodity mark-to-market adjustments	3		2	0.01
2022 – Adjusted	\$ 389	17.4%	\$ 271	\$ 0.89
\$ Change - Adjusted	\$ 60		\$ 36	\$ 0.13
% Change - Adjusted	15%	- bps	13%	15%

*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)

First Quarter

	EBIT	EBIT Margin %	Earnings	Diluted EPS
2022 – Adjusted	\$ 389	17.4%	\$ 271	\$ 0.89
2021 – As Reported	\$ 461	19.7%	\$ 309	\$ 1.02
Add: Restructuring charges, implementation costs and other related costs	6		5	0.02
Deduct: Pension actuarial gains	(4)		(3)	(0.01)
Deduct: Commodity mark-to-market adjustments	(6)		(5)	(0.02)
2021 – Adjusted	\$ 457	19.5%	\$ 306	\$ 1.01
\$ Change - Adjusted	\$ (68)		\$ (35)	\$ (0.12)
% Change - Adjusted	(15)%	(210) bps	(11)%	(12)%

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>

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

First Quarter

	<u>Gross Profit</u>	<u>GP %</u>	<u>EBT</u>	<u>Tax</u>	<u>Tax Rate</u>
2024 – As Reported	\$ 788	31.3%	\$ 310	\$ 76	24.5%
Add: Restructuring charges, implementation costs and other related costs	3		13	3	
Add: Commodity mark-to-market adjustments	15		15	4	
Add: Accelerated amortization	-		7	2	
Add: Costs associated with pending acquisition	-		9	1	
Add: Cybersecurity incident costs	2		3	1	
Add: Plum litigation expenses	-		2	-	
2024 – Adjusted	\$ 808	32.1%	\$ 359	\$ 87	24.2%
2023 – As Reported	\$ 834	32.4%	\$ 390	\$ 93	23.8%
Add: Restructuring charges, implementation costs and other related costs	-		3	-	
Add: Pension actuarial losses	-		15	4	
Deduct: Commodity mark-to-market adjustments	(5)		(5)	(1)	
2023 – Adjusted	\$ 829	32.2%	\$ 403	\$ 96	23.8%
\$ Change – Adjusted	(21)		(44)	(9)	
% Change – Adjusted	(3)%	(10) bps	(11)%	(9)%	+40 bps

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

First Quarter

	<u>Administrative Expenses</u>	<u>R&D Expenses</u>	<u>Total</u>
2024 – As Reported	\$ 158	\$ 24	\$ 182
Deduct: Restructuring charges, implementation costs and other related costs	(5)	(1)	(6)
Deduct: Cybersecurity incident costs	(1)	-	(1)
Deduct: Plum litigation expenses	(2)	-	(2)
2024 – Adjusted	\$ 150	\$ 23	\$ 173
% of Net Sales – Adjusted	6.0%	0.9%	6.9%
2023 – As Reported	\$ 158	\$ 21	\$ 179
Deduct: Restructuring charges, implementation costs and other related costs	(3)	-	(3)
2023 – Adjusted	\$ 155	\$ 21	\$ 176
% of Net Sales – Adjusted	6.0%	0.8%	6.8%
% of Net Sales Change - Adjusted	- bps	+10 bps	+10 bps
\$ Change – Adjusted	\$ (5)	\$ 2	\$ (3)
% Change - Adjusted	(3)%	10%	(2)%

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions) <u>First Quarter</u>	<u>Marketing & Selling Expenses</u>	<u>Other Expenses / (Income)</u>
2024 – As Reported	\$ 222	\$ 24
Deduct: Restructuring charges, implementation costs and other related costs	(2)	-
Deduct: Accelerated amortization	-	(7)
Deduct: Costs associated with pending acquisition	-	(9)
2024 – Adjusted	<u>\$ 220</u>	<u>\$ 8</u>
% of Net Sales – Adjusted	8.7%	0.3%
2023 – As Reported	\$ 201	\$ 18
Deduct: Pension actuarial losses	-	(15)
2023 – Adjusted	<u>\$ 201</u>	<u>\$ 3</u>
% of Net Sales – Adjusted	7.8%	0.1%
% of Net Sales Change – Adjusted	+90 bps	+20 bps
\$ Change – Adjusted	\$ 19	\$ 5
% Change - Adjusted	9%	n/m

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

First Quarter – Adjusted Diluted EPS Impact from Adjusted EBIT

	<u>EBIT</u>
2024 – Adjusted	\$ 407
2023 – Adjusted	449
\$ Change	<u>\$ (42)</u>
Deduct: 2023 Adjusted tax rate impact on EBIT	<u>10</u>
Impact to Net Earnings	<u><u>\$ (32)</u></u>
First Quarter 2023 Diluted Shares	301
Adjusted Diluted EPS Impact	\$ (0.11)

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

Adjusted Diluted EPS Impact from Change in Adjusted Tax Rate

	<u>First Quarter</u>
2024 – Adjusted EBT	\$ 359
Decrease (Increase) in Adjusted Tax Rate	(0.4)%
Adjusted EBT multiplied by the Change in Adjusted Tax Rate	\$ (1)
First Quarter 2023 Diluted Shares	301
Adjusted Diluted EPS Impact	\$ 0.00

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Net Debt

	<u>October 30, 2022</u>	<u>October 29, 2023</u>
Short-Term Borrowings	\$ 858	\$ 206
Long-Term Debt	3,994	4,500
Total Debt	\$ 4,852	\$ 4,706
Less: Cash and Cash Equivalents	(130)	(91)
Net Debt	\$ 4,722	\$ 4,615

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)	(a) Twelve Months Ended July 30, 2023	(b) Three Months Ended October 30, 2022	(c) Three Months Ended October 29, 2023	= (a)-(b)+(c) Trailing Twelve Months Ended (TTM) October 29, 2023
Adjusted Earnings before interest and taxes	\$ 1,367	\$ 449	\$ 407	\$ 1,325
Depreciation and amortization, as reported	\$ 387	\$ 91	\$ 96	\$ 392
Deduct: Restructuring charges, implementation costs and other related costs	(24)	-	(5)	(29)
Deduct: Accelerated amortization	(7)	-	(7)	(14)
Adjusted Depreciation and amortization	\$ 356	\$ 91	\$ 84	\$ 349
Adjusted Earnings before interest, taxes, depreciation and amortization	<u>\$ 1,723</u>	<u>\$ 540</u>	<u>\$ 491</u>	<u>\$ 1,674</u>
Net Debt				<u>\$ 4,615</u>
Net Debt to Adjusted EBITDA				<u>2.8</u>

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

	(a) Twelve Months Ended July 31, 2022	(b) Three Months Ended October 31, 2021	(c) Three Months Ended October 30, 2022	= (a)-(b)+(c) Trailing Twelve Months Ended (TTM) October 30, 2022
Earnings before interest and taxes, as reported	\$ 1,163	\$ 376	\$ 436	\$ 1,223
Add: Restructuring charges, implementation costs and other related costs	31	4	3	30
Add: Pension and postretirement actuarial losses	44	6	15	53
Add (Deduct): Commodity mark-to-market adjustments	59	3	(5)	51
Adjusted Earnings before interest and taxes	\$ 1,297	\$ 389	\$ 449	\$ 1,357
Depreciation and amortization	\$ 337	\$ 83	\$ 91	\$ 345
Adjusted Earnings before interest, taxes, depreciation and amortization	\$ 1,634	\$ 472	\$ 540	\$ 1,702
Net Debt				\$ 4,722
Net Debt to Adjusted EBITDA				2.8

Reconciliation of GAAP and Non-GAAP Financial Measures

Fiscal 2023 Organic Sales Base for Fiscal 2024 Guidance

(\$ millions)

Full Year

<u>July 30, 2023</u>	<u>Net Sales, As Reported</u>	<u>Impact of Divestiture</u>	<u>Organic Net Sales Base 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)

Fourth Quarter

July 30, 2023

Meals & Beverages

	<u>Net Sales, As Reported</u>	<u>Impact of Currency</u>	<u>Organic Net Sales</u>
	\$ 936	\$ 4	\$ 940

% Change

	<u>Net Sales, As Reported</u>	<u>Organic Net Sales</u>
	0%	1%

Snacks

	1,132	(1)	1,131
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	8%	9%
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Total Net Sales

	<u>\$ 2,068</u>	<u>\$ 3</u>	<u>\$ 2,071</u>
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	<u>4%</u>	<u>5%</u>
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July 31, 2022

Meals & Beverages

	<u>Net Sales, As Reported</u>	<u>Impact of Divestiture</u>	<u>Organic Net Sales</u>
	\$ 935	\$ -	\$ 935

Snacks

	1,052	(13)	1,039
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Total Net Sales

	<u>\$ 1,987</u>	<u>\$ (13)</u>	<u>\$ 1,974</u>
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Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Third Quarter

April 30, 2023

Meals & Beverages

<u>Net Sales, As Reported</u>	<u>Impact of Currency</u>	<u>Organic Net Sales</u>
\$ 1,108	\$ 8	\$ 1,116

% Change

<u>Net Sales, As Reported</u>	<u>Organic Net Sales</u>
(2)%	(1)%

Snacks

1,121	(1)	1,120
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12%	12%
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Total Net Sales

<u>\$ 2,229</u>	<u>\$ 7</u>	<u>\$ 2,236</u>
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<u>5%</u>	<u>5%</u>
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May 1, 2022

Meals & Beverages

<u>Net Sales, As Reported</u>
\$ 1,131

Snacks

999

Total Net Sales

<u>\$ 2,130</u>

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>
<u>January 29, 2023</u>					
Meals & Beverages	\$ 1,408	\$ 8	\$ 1,416	10%	11%
Snacks	1,077	-	1,077	15%	15%
Total Net Sales	\$ 2,485	\$ 8	\$ 2,493	12%	13%
<u>January 30, 2022</u>					
Meals & Beverages	\$ 1,275				
Snacks	934				
Total Net Sales	\$ 2,209				