

Q4 Fiscal 2024 Results

Nasdaq: CPB



- **Sequential net sales growth and volume / mix** turning positive for the company in Q4
- **Double-digit growth in both adjusted Earnings Before Interest and Taxes* (EBIT) and adjusted Earnings Before Share* (EPS)**
- Sovos Brands, Inc. (Sovos Brands) performance **ahead of expectations** leading to neutral impact on adjusted EPS in the quarter
- In market performance and shares positive for Meals & Beverages; Snacks improved in Q4 but slower pace of recovery and increased competition in the salty segment
- FY25 Guidance introduced; continued progress but reflects pragmatic approach to consumer recovery
- **Investor Day on September 10 at Nasdaq MarketSite**

Q4 FY24

Three months ended 07/28/2024

Net Sales
\$2.3 Billion



Adj. EBIT*
\$329 Million



Adj. EPS*
\$0.63



\$ Consumption¹



FY24

Twelve months ended 07/28/2024



“We finished fiscal 2024 with a solid Q4 performance and delivered significant progress against our longer term strategic plan despite an evolving consumer landscape. As we look ahead, we are strengthening our conviction in our longer-term outlook driven by our advantaged market leading brands, capabilities and execution.”

Mark Clouse
President & CEO



Meals & Beverages Q4 FY24

- Organic Net Sales* +1% vs. PY; +4% on Pro Forma combined**
- \$ Consumption¹ +1% vs. PY; +4% on Pro Forma combined**
- Topline growth with sequential volume / mix improvement vs. Q3 FY24
- Soup Share improved in Q4, with category and Campbell's \$ consumption² accelerating into the fall
- Continued strength on Rao's and steady Prego performance, both with positive \$ consumption¹ vs. PY



Snacks Q4 FY24

- Organic Net Sales* (3)% vs. PY
- \$ Consumption¹ (1) vs. PY
- 8 Power Brands: \$ Consumption¹ Flat vs. PY; +9.5% vs. 2YA
- Improving volume / mix and in-market performance vs. Q3 FY24
- Consistent progress on Snacks margin journey over the last two years, with 170bps of operating margin growth vs. 2YA

*See Non-GAAP reconciliation. **Pro Forma Combined Footnote: Pro forma combined basis presented to reflect results as if the Sovos Brands acquisition had occurred at the beginning of Q4 FY23. ¹Total Circana US MULO \$ Consumption latest 13 weeks ending 07/28/2024. Total Company and Meals & Beverages exclude Sovos Brands. ²Total Circana US MULO \$ Consumption last 4 weeks ending 08/18/24.

Full-Year Fiscal 2025 Guidance

	FY24 Results	FY25 Guidance (Includes 53rd week)¹
(\$ millions, except per share amounts)		
Net Sales	\$9,636	+9% to +11%
Organic Net Sales²	\$9,525*	0% to +2%
Adjusted EBIT	\$1,454*	+9% to +11%
Adjusted EPS	\$3.08*	+1% to +4% \$3.12 to \$3.22

*See non-GAAP reconciliation

¹The benefit of the 53rd week is included in our Fiscal 2025 guidance and is estimated to be worth approximately 2 points of net sales and adjusted EBIT growth and \$0.06 of adjusted EPS.

² Growth rate adjusted for Sovos Brands which was acquired on March 12, 2024 and Pop Secret which was divested on August 26, 2024. Note: A non-GAAP reconciliation is not provided for fiscal 2025 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.

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Fourth Quarter

July 28, 2024	Net Sales, As Reported	Impact of Currency	Impact of Acquisition	Organic Net Sales	% Change	
					Net Sales, As Reported	Organic Net Sales
Meals & Beverages	\$1,200	\$2	\$(257)	\$945	28%	1%
Snacks	1,093	-	-	1,093	(3)%	(3)%
Total Net Sales	<u>\$2,293</u>	<u>\$2</u>	<u>\$(257)</u>	<u>\$2,038</u>	<u>11%</u>	<u>(1)%</u>

July 30, 2023	Net Sales, As Reported	Impact of Divestiture	Organic Net Sales	% Change	
				Net Sales, As Reported	Organic Net Sales
Meals & Beverages	\$936	\$-	\$936		
Snacks	1,132	(5)	1,127		
Total Net Sales	<u>\$2,068</u>	<u>\$(5)</u>	<u>\$2,063</u>		

(\$ millions)

Twelve Months

July 28, 2024	Net Sales, As Reported	Impact of Currency	Impact of Acquisition	Organic Net Sales	% Change	
					Net Sales, As Reported	Organic Net Sales
Meals & Beverages	\$5,258	\$5	\$(423)	\$4,840	7%	(1)%
Snacks	4,378	(2)	-	4,376	(2)%	(1)%
Total Net Sales	<u>\$9,636</u>	<u>\$3</u>	<u>\$(423)</u>	<u>\$9,216</u>	<u>3%</u>	<u>(1)%</u>

July 30, 2023	Net Sales, As Reported	Impact of Divestiture	Organic Net Sales	% Change	
				Net Sales, As Reported	Organic Net Sales
Meals & Beverages	\$4,907	\$-	\$4,907		
Snacks	4,450	(51)	4,399		
Total Net Sales	<u>\$9,357</u>	<u>\$(51)</u>	<u>\$9,306</u>		

(\$ millions, except per share amounts)

Fourth Quarter

	EBIT	Earnings	Diluted EPS**
2024 – As Reported	\$77	\$(3)	\$(0.01)
Costs associated with cost savings and optimization initiatives	40	31	0.10
Pension and postretirement actuarial losses	33	25	0.08
Commodity mark-to-market losses	27	20	0.07
Accelerated amortization	7	5	0.02
Costs associated with acquisition	14	11	0.04
Impairment charges	129	98	0.33
Certain litigation expenses	2	2	0.01
2024 – Adjusted	<u>\$329</u>	<u>\$189</u>	<u>\$0.63</u>
2023 – As Reported	\$272	\$169	\$0.57
Costs associated with cost savings and optimization initiatives	16	13	0.04
Pension and postretirement actuarial gains	(41)	(31)	(0.10)
Commodity mark-to-market gains	(30)	(23)	(0.08)
Charges associated with divestiture	13	13	0.04
Accelerated amortization	7	5	0.02
Costs associated with acquisition	5	4	0.01
2023 – Adjusted	<u>\$242</u>	<u>\$150</u>	<u>\$0.50</u>
% Change - Adjusted	36%	26%	26%

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

(\$ millions, except per share amounts)

Twelve Months

	EBIT	Earnings	Diluted EPS**
2024 – As Reported	\$1,000	\$567	\$1.89
Costs associated with cost savings and optimization initiatives	109	83	0.28
Pension and postretirement actuarial losses	33	25	0.08
Commodity mark-to-market losses	22	16	0.05
Accelerated amortization	27	20	0.07
Costs associated with acquisition	126	109	0.36
Cybersecurity incident costs	3	2	0.01
Impairment charges	129	98	0.33
Certain litigation expenses	5	5	0.02
2024 – Adjusted	\$1,454	\$925	\$3.08
2023 – As Reported	\$1,312	\$858	\$2.85
Costs associated with cost savings and optimization initiatives	66	50	0.17
Pension and postretirement actuarial gains	(15)	(11)	(0.04)
Commodity mark-to-market gains	(21)	(16)	(0.05)
Charges associated with divestiture	13	13	0.04
Accelerated amortization	7	5	0.02
Costs associated with acquisition	5	4	0.01
2023 – Adjusted	\$1,367	\$903	\$3.00
% Change - Adjusted	6%	2%	3%

(\$ millions)

Full Year

July 28, 2024	Net Sales, As Reported	Impact of Divestiture	Organic Net Sales Base for FY25 Guidance
Meals & Beverages	\$5,258	\$-	\$5,258
Snacks	4,378	(111)	4,267
Total Net Sales	\$9,636	\$(111)	\$9,525

(\$ millions)

Fourth Quarter

	Net Sales
Meals & Beverages Net Sales 2024	\$1,200
Add: Impact of Currency	2
Meals & Beverages	\$1,202
Meals & Beverages Net Sales 2023	\$936
Add: Sovos Brands, Inc. May 1, 2023 - July 30, 2023	225
Pro Forma Combined	\$1,161
% Change	4%

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

The document contains forward-looking statements within the meaning of federal securities laws. These forward-looking statements reflect the Company's current expectations of the Company's future business or financial results. These forward-looking statements, including any statements made regarding sales, EBIT and EPS guidance, rely on a number of assumptions and estimates that could be inaccurate and which are subject to risks and uncertainties. For important information on forward-looking statements, please see our press release on our investor website at <https://investor.campbellsoupcompany.com>.

