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for life's moments



Fiscal 2017

**Q3 Investor
Update**

Ken Gosnell

*Vice President – Finance Strategy
and 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 manage changes to our organizational structure and/or business processes; our ability to realize projected cost savings and benefits from efficiency programs; the impact of strong competitive responses to our efforts to leverage brand power in the market; the impact of changes in consumer demand for our products and favorable perception of our brands; the impact of product quality and safety issues, including recalls and product liabilities; the risks associated with trade and consumer acceptance of our initiatives, including trade and promotional programs; the practices, including changes to inventory practices, and increased significance of certain of our key trade customers; the impact of disruptions to our supply chain, including fluctuations in the supply or costs of energy and raw and packaging materials; the impact of non-U.S. operations, including trade restrictions, public corruption and compliance with foreign laws and regulations; the impact of business portfolio changes; 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; our ability to protect our intellectual property rights; the impact of an impairment to goodwill or other intangible assets; the impact of increased liabilities and costs related to our defined benefit pension plans; the impact of a material failure in or a breach of our information technology systems; our ability to attract and retain key personnel; the impact of changes in currency exchange rates, tax rates, interest rates, debt and equity markets, inflation rates, economic conditions, law, regulation and other external factors; the impact of unforeseen business disruptions in one or more of our markets due to political instability, civil disobedience, terrorism, armed hostilities, 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.

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***.

Campbell Investor Day

Wednesday, July 19, 2017

Campbell World Headquarters, Camden, NJ

11:00 a.m. to 3:30 p.m. EDT

Americas Simple Meals and Beverages



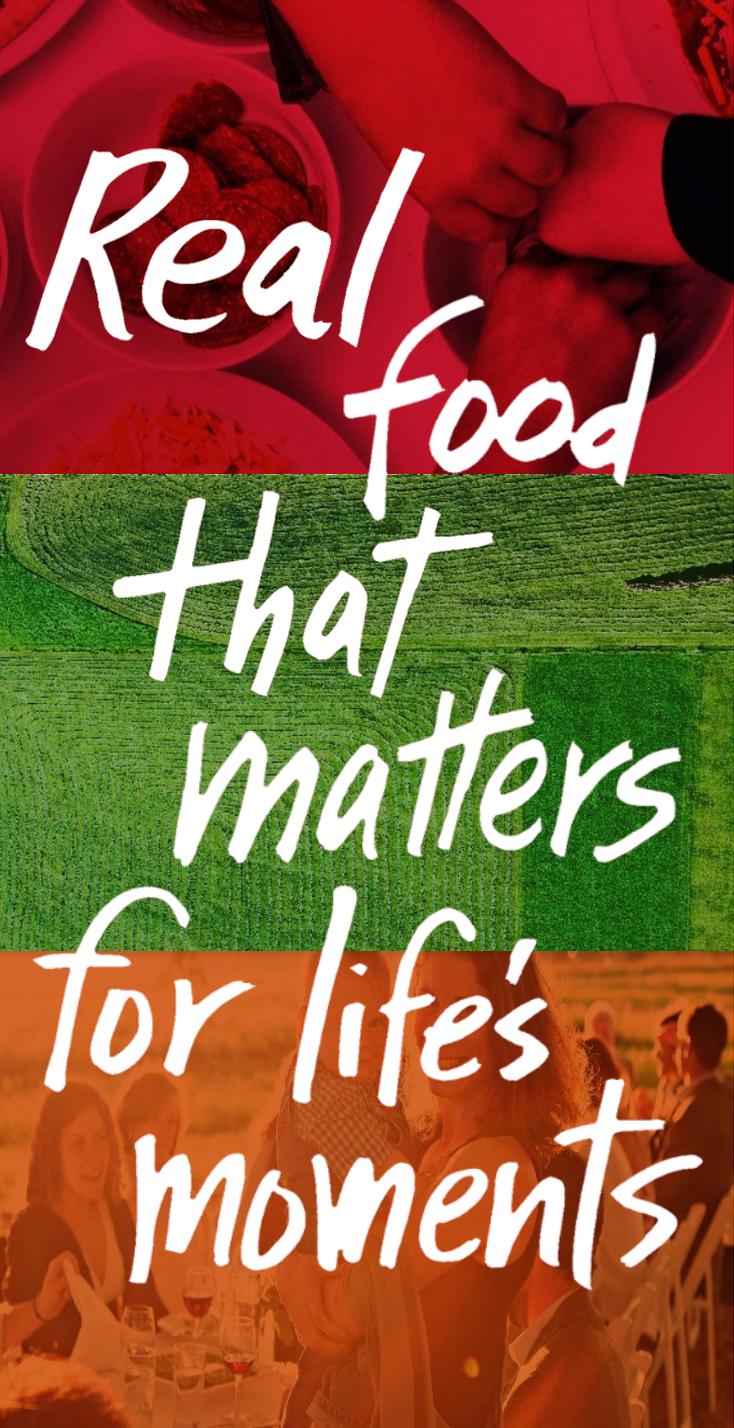
Global Biscuits and Snacks



Campbell Fresh



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Investor Update

*Third Quarter of
Fiscal Year 2017*



Denise Morrison

President & CEO
Campbell Soup Company

Challenging Operating Environment

THE WALL STREET JOURNAL. HEARD ON THE STREET

Email: heard@wsj.com

FINANCIAL ANALYSIS & COMMENTARY

Economy Needs Consumers to Shop Again

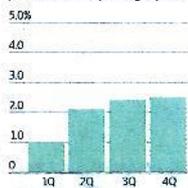
First-quarter slowdowns have become such a regular feature of the U.S. economy that investors will be tempted to brush off this last one. They shouldn't.

Friday's gross-domestic-product report didn't look good. The Commerce Department reported that the economy grew at a 0.7% annual rate in the first quarter, marking its weakest showing in three years. It probably isn't the kind of report President Donald Trump wanted to see as he rounds out his first 100 days in office.

Over the past eight years, the economy has grown at an average rate of 1% in the first quarter, while growing at a 2.3% rate over the remaining three quarters. Much of the blame for this quirk has been placed on difficulties the Commerce Department has faced adjusting the GDP figures for seasonal swings in an evolving economy. So it is natural to think growth will pick up, and that is what forecasters are banking on. Economists at J.P.

Spent Up

Average change in gross domestic product over the past eight years



Note: All figures are seasonally adjusted at an annual rate. Source: Commerce Department

Morgan, for example, estimate that GDP will expand at a 3% rate in the current quarter.

But the worrisome part about the GDP report is where the weakness was. Consumer spending grew at just a 0.3% annual rate—its slowest showing since the fourth quarter of 2009. The number is more worrisome because consumer spending accounts for about two-

Consumer spending, change from the previous quarter



Consumer spending grew at just a 0.3% annual rate – its slowest showing since the fourth quarter of 2009.

the drop-off in car sales, the first-quarter spending slowdown was real.

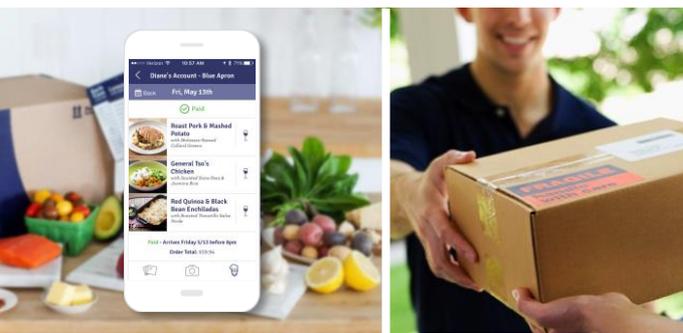
With incomes rising, consumers will probably spend more, though rising inflation is eroding their gains. Unusual weather and a delay in

worry the rebound will be unimpressive. Jobs growth has been slowing as the U.S. has crept closer to full employment, so there are fewer new paychecks getting added to the income pile. Lenders have become a little more

leery of extending credit for auto purchases and other consumer items, while the number of consumers falling behind on payments has started to rise. And the many Americans who are pessimistic about Mr. Trump's policies may rein in spending more than the optimists increase their pur-

business. The first sign of an expansion is on the horizon. The question is how long it will take to get there. While the economy is in a recession, a tax-cut package to stimulate growth will probably wait until they see it.

The coming week's jobs report will be the first significant piece of hard data for the second quarter. Investors need to watch closely. —Justin Lahart



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FY17 Third-Quarter and YTD Summary

(\$ millions, except per share)

	Third Quarter	% Change	April YTD	% Change
Net Sales	\$1,853	(1)%	\$6,226	(1)%
Organic Net Sales*		(1)%		(1)%
Adjusted EBIT*	\$305	(2)%	\$1,210	- %
Adjusted EPS*	\$0.59	(9)%	\$2.51	1%

* See Non-GAAP reconciliation

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Fiscal 2017 Revised Guidance

(\$ millions, except per share)

	2016 Results	Previous 2017 Guidance	Revised 2017 Guidance
Sales	\$7,961	0% to 1%	-1% to 0%
Adjusted EBIT	\$1,467*	1% to 4%**	2% to 4%**
Adjusted EPS	\$2.94*	2% to 5%** \$3.00 to \$3.09	3% to 5%** \$3.04 to \$3.09

* See Non-GAAP reconciliation

** A non-GAAP reconciliation is not provided for 2017 guidance since certain items are not estimable, such as pension and postretirement mark-to-market adjustments, and these items are not considered to be part of the company's ongoing business results.

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Segment Update

Americas Simple Meals and Beverages



	Q3 (\$ millions)	Q3 % Change	YTD (\$ millions)	YTD % Change
Net Sales & Organic Growth Rate*	\$982	(2)%	\$3,510	(1)%
Operating Earnings	\$226	- %	\$922	5%

- Q3 operating earnings comparable to year ago
- Continued gross margin expansion
- Ongoing investments in real food

* See Non-GAAP reconciliation

U.S. Soup

- Sales of condensed soup and broth declined
- Sales of RTS soup increased
- Gained market share

Condensed



Broth



Ready-to-Serve



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Simple Meals and V8 Beverages



- *Prego sales increased due to distribution gains and the contributions of Prego Farmers' Market*

- Shelf-stable beverage category remains challenged
- Sales of V8 100% vegetable juice and V8 +Energy grew



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Segment Update

Campbell Fresh



	Q3 (\$ millions)	Q3 % Change	YTD (\$ millions)	YTD % Change
Net Sales & Organic Growth Rate*	\$248	(6)%	\$742	(7)%
Operating Earnings	\$1	n/m	(\$1)	n/m

- Strategically important business
- Confident in growth potential
- Strong consumer preferences for fresher, healthier foods

* See Non-GAAP reconciliation

C-Fresh



- Carrots stabilizing
- Improved quality and customer service



- Capacity constraints
- Improved quality
- New line started up
- New co-packer – late Q4



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New Leadership: Building a Strong Foundation for Growth



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Segment Update

Global Biscuits and Snacks



	Q3 (\$ millions)	Q3 % Change	YTD (\$ millions)	YTD % Change
Net Sales & Organic Growth Rate*	\$623	2%	\$1,974	- %
Operating Earnings	\$98	14%	\$345	1%

- Delivered strong results in the quarter driven by Pepperidge Farm and *Arnott's* biscuits

* See Non-GAAP reconciliation

Pepperidge Farm

Continued to deliver strong results,
fueled by *Goldfish* crackers and *Pepperidge Farm* cookies



April launch



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Arnott's

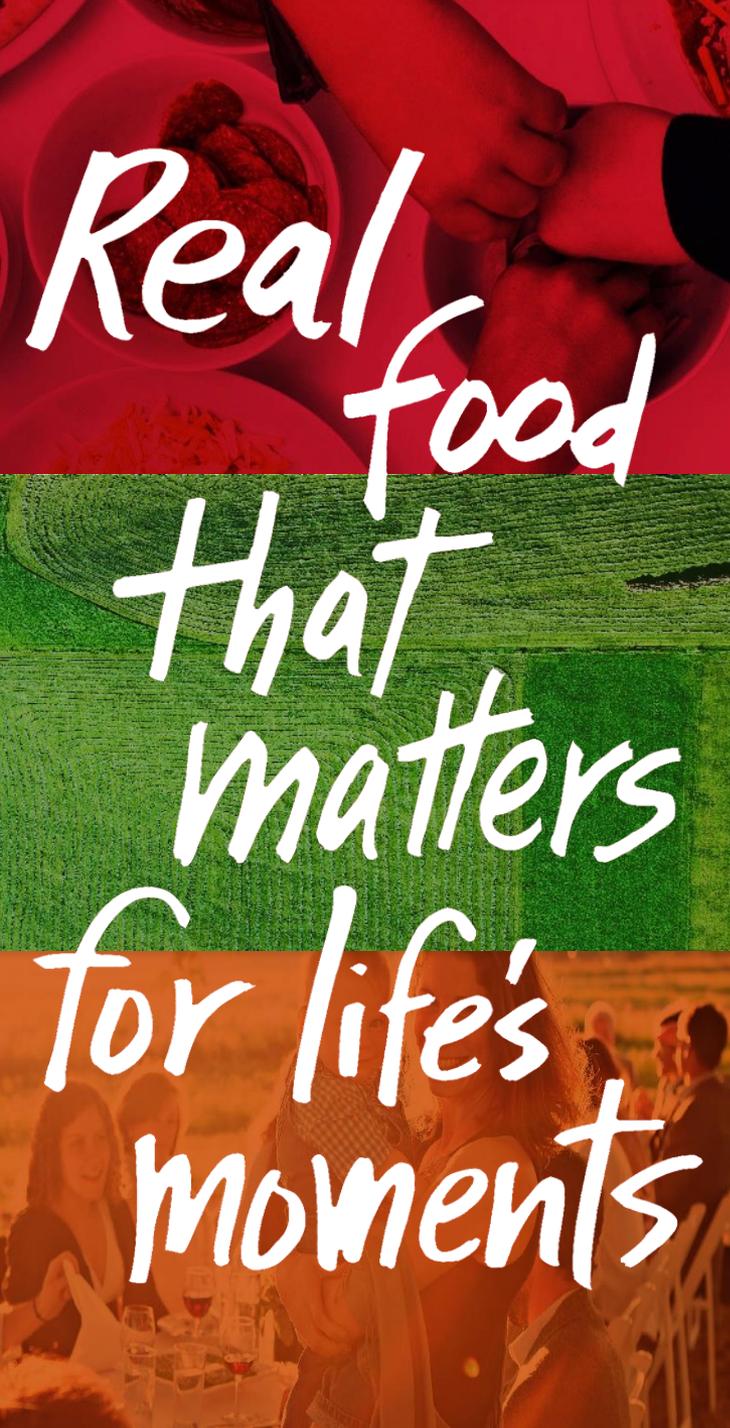
- New *Tim Tam* varieties performing well
- *Shapes* continued to regain share
- Preparing to ship new multipack offerings



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- **Delivered competitive performance in a difficult operating environment**
- **Expect improved performance to finish the year**





CFO Perspective

Anthony DiSilvestro

*Senior Vice President & Chief Financial Officer
Campbell Soup Company*

Third-Quarter Fiscal 2017 Summary

- **Sales Results**
- **Gross Margin**
- **Revising Fiscal 2017 Guidance**

Financial Summary

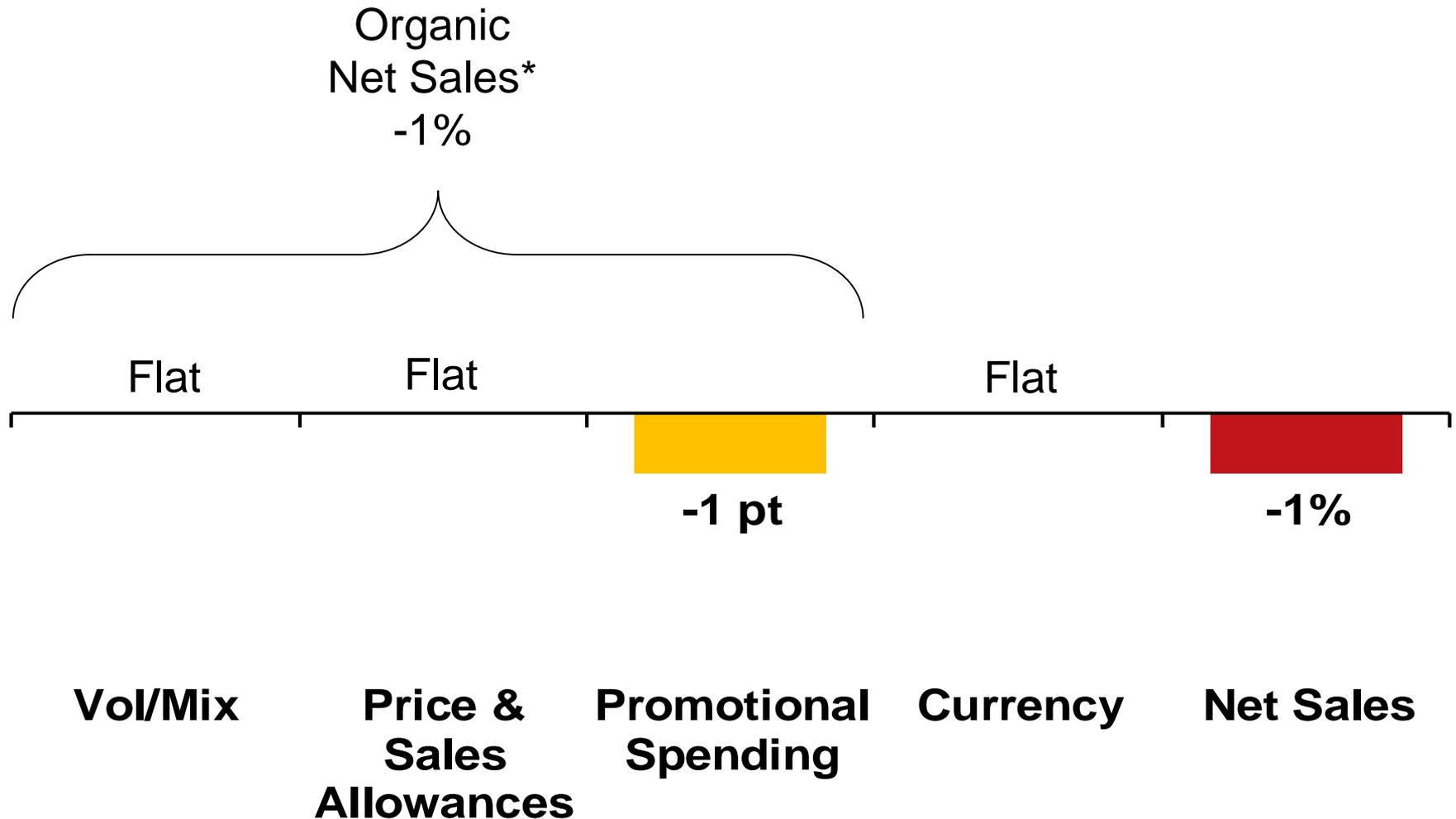
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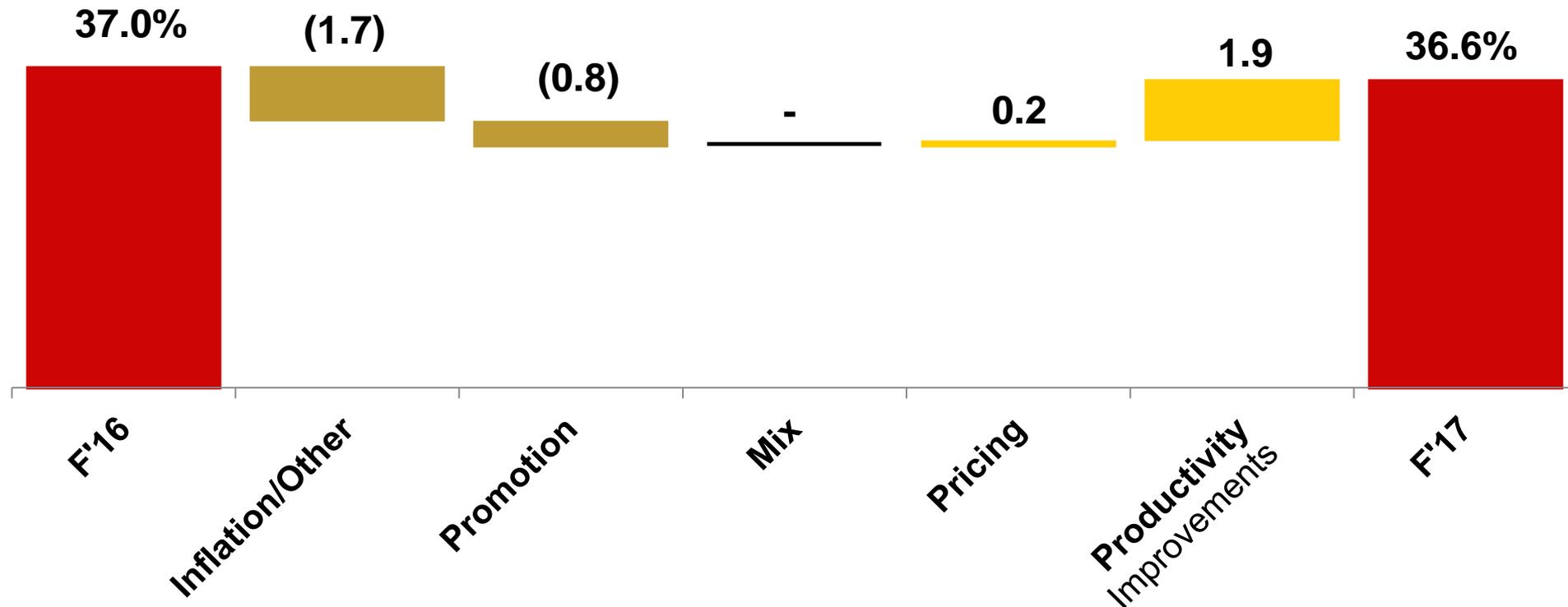
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Third Quarter – Components of Net Sales Change



* See Non-GAAP reconciliation

Third Quarter – Adjusted Gross Margin Performance*



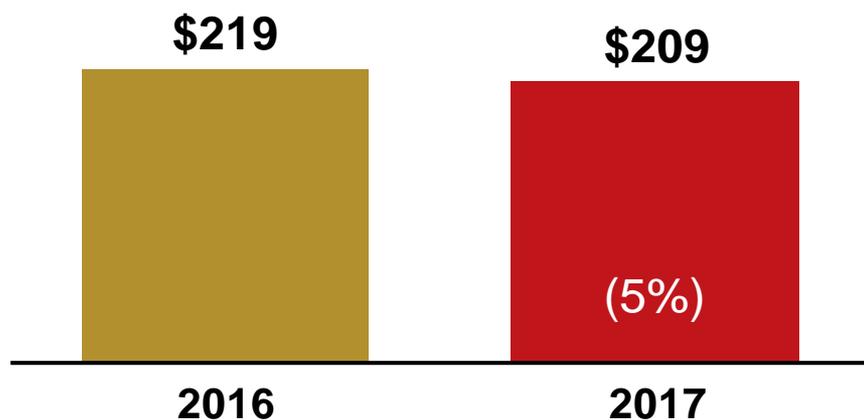
* See Non-GAAP reconciliation

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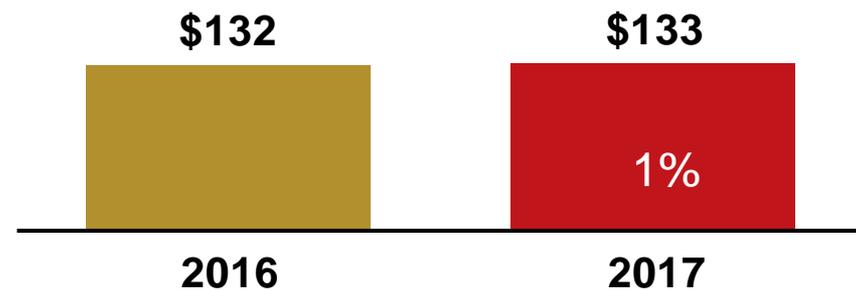
Third Quarter – Other Operating Items

(\$ millions)

*Adjusted Marketing & Selling Expenses**

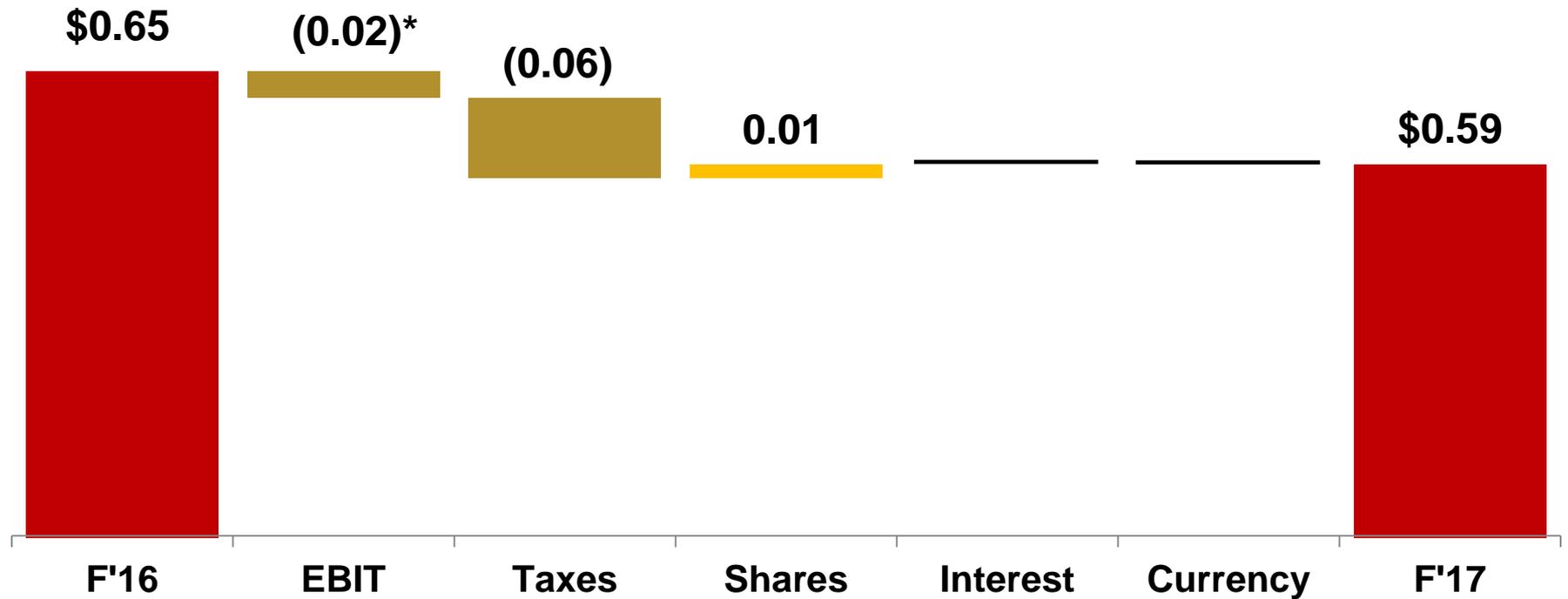


*Adjusted Administrative Expenses**



* See Non-GAAP reconciliation

Third Quarter – Adjusted EPS Performance*



Numbers do not add across due to rounding

* See Non-GAAP reconciliation

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Third-Quarter Segment Results

(\$ millions)

Americas Simple Meals and Beverages



\$982

(2%)

Net Sales &
Organic
Growth Rate*

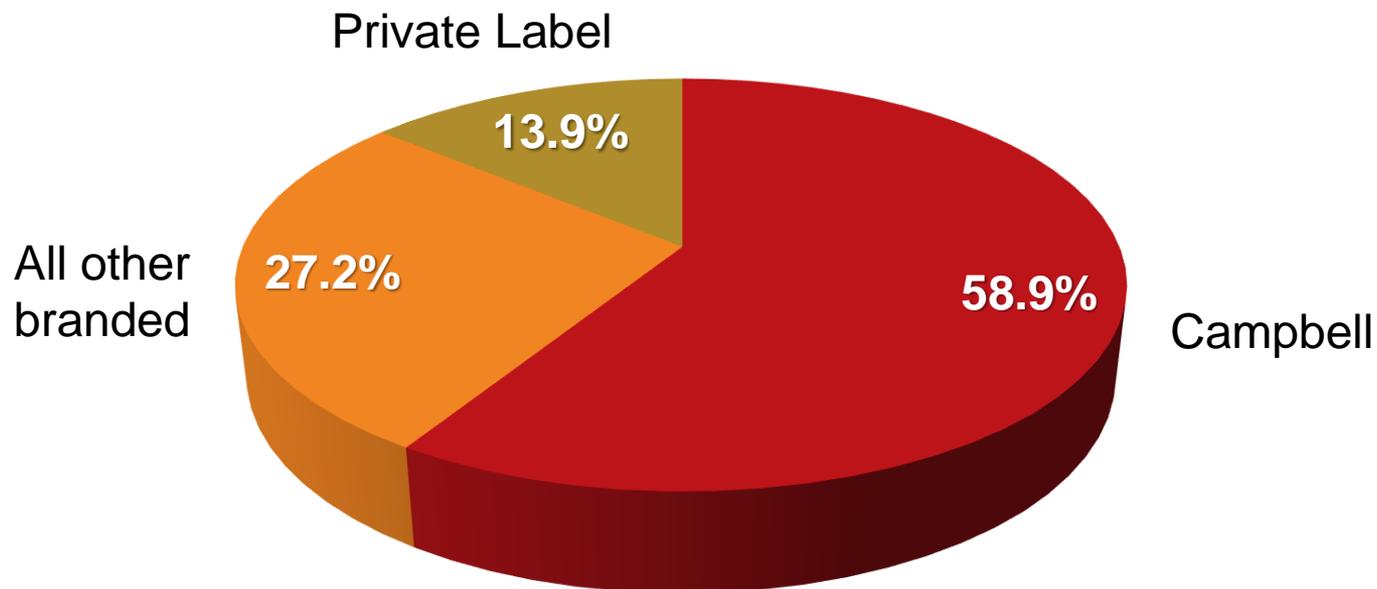
\$226

- %

Operating
Earnings

* See Non-GAAP reconciliation

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



	<u>Category</u>	<u>Campbell</u>	<u>AO Branded</u>	<u>Private Label</u>
Dollar Share Change	N/A	+0.3 ppts	-1.3 ppts	+1.0 ppts
Dollar Sales Change	-0.7%	-0.2%	-5.3%	+7.4%

Campbell/PL figures include condensed and ready-to-serve soup and broth.
 Source: IRI Total U.S. Multi-Outlet
 For 52-week period ending April 30, 2017

Third-Quarter Segment Results

(\$ millions)



\$623



Net Sales &
Organic
Growth Rate*

\$98



Operating
Earnings

* See Non-GAAP reconciliation

Third-Quarter Segment Results

(\$ millions)



\$248



(6)%

Net Sales &
Organic
Growth Rate*

\$1

Operating
Earnings

* See Non-GAAP reconciliation

Cash Flow and Balance Sheet Items

(\$ millions)

Year-To-Date	2016	2017
Cash Flow from Operations	\$1,211	\$1,011
Capital Expenditures	\$225	\$195
Dividends Paid	\$294	\$314
Share Repurchases	\$118	\$305
Ending Net Debt as of Q3*	\$3,291	\$3,079

Certain amounts in the prior year were reclassified to conform to the current-year presentation

* See Non-GAAP reconciliation

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Fiscal 2017 Revised Guidance

(\$ millions, except per share)

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Q & A



Denise Morrison
President and CEO



Anthony DiSilvestro
SVP and CFO



Ken Gosnell
*VP-Finance
Strategy and IR*

Appendix

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Third Quarter

2017

Americas Simple Meals and Beverages

Net Sales, As Reported	Impact of Currency	Organic Net Sales
\$ 982	\$ 1	\$ 983

% Change

Net Sales, As Reported	Organic Net Sales
-2%	-2%

Global Biscuits and Snacks

623	(2)	621
-----	-----	-----

2%	2%
----	----

Campbell Fresh

248	-	248
-----	---	-----

-6%	-6%
-----	-----

Total Net Sales

\$ 1,853	\$ (1)	\$ 1,852
----------	--------	----------

-1%	-1%
-----	-----

2016

Americas Simple Meals and Beverages

\$ 999

Global Biscuits and Snacks

608

Campbell Fresh

263

Total Net Sales

\$ 1,870

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Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Nine Months

	Net Sales, As Reported	Impact of Currency	Organic Net Sales	% Change	
				Net Sales, As Reported	Organic Net Sales
<u>2017</u>					
Americas Simple Meals and Beverages	\$ 3,510	\$ (2)	\$ 3,508	-1%	-1%
Global Biscuits and Snacks	1,974	(23)	1,951	2%	- %
Campbell Fresh	742	-	742	-7%	-7%
Total Net Sales	\$ 6,226	\$ (25)	\$ 6,201	-1%	-1%
<u>2016</u>					
Americas Simple Meals and Beverages	\$ 3,538				
Global Biscuits and Snacks	1,942				
Campbell Fresh	794				
Total Net Sales	\$ 6,274				

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

Third Quarter

	EBIT	Net Earnings	Diluted EPS
2017 – As Reported	\$ 298	\$ 176	\$ 0.58
Add: Restructuring charges, implementation costs and other related costs	7	4	0.01
2017 – Adjusted	<u>\$ 305</u>	<u>\$ 180</u>	<u>\$ 0.59</u>
2016 – As Reported	\$ 268	\$ 185	\$ 0.59
Add: Pension benefit mark-to-market adjustments	54	34	0.11
Add: Restructuring charges, implementation costs and other related costs	15	9	0.03
Deduct: Settlement of a claim related to Kelsen acquisition	(25)	(25)	(0.08)
2016 – Adjusted	<u>\$ 312</u>	<u>\$ 203</u>	<u>\$ 0.65</u>
% Change	-2%	-11%	-9%

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

Nine Months

	EBIT	Net Earnings	Diluted EPS
2017 – As Reported	\$ 960	\$ 569	\$ 1.85
Add: Pension and postretirement benefit mark-to-market adjustments	20	13	0.04
Add: Restructuring charges, implementation costs and other related costs	18	11	0.04
Add: Impairment charges	212	180	0.58
2017 – Adjusted	<u>\$ 1,210</u>	<u>\$ 773</u>	<u>\$ 2.51</u>
2016 – As Reported	\$ 997	\$ 644	\$ 2.07
Add: Pension and postretirement benefit mark-to-market adjustments	175	110	0.35
Add: Restructuring charges, implementation costs and other related costs	67	42	0.14
Deduct: Settlement of a claim related to Kelsen acquisition	(25)	(25)	(0.08)
2016 – Adjusted	<u>\$ 1,214</u>	<u>\$ 771</u>	<u>\$ 2.48</u>
% Change	-	-	1%

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Third Quarter

	Gross Margin	GM %	Tax	Tax Rate
2017 – As Reported	\$ 678	36.6%	\$ 94	34.8%
Add: Restructuring charges, implementation costs and other related costs	-		3	
2017 – Adjusted	\$ 678	36.6%	\$ 97	35.0%
2016 – As Reported	\$ 660	35.3%	\$ 55	22.9%
Add: Pension benefit mark-to-market adjustments	32		20	
Add: Restructuring charges, implementation costs and other related costs	-		6	
2016 – Adjusted	\$ 692	37.0%	\$ 81	28.5%

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Third Quarter

	Marketing and Selling Expenses	Administrative Expenses
2017 – As Reported	\$ 209	\$ 140
Deduct: Restructuring charges, implementation costs and other related costs	-	(7)
2017 – Adjusted	<u>\$ 209</u>	<u>\$ 133</u>
2016 – As Reported	\$ 228	\$ 154
Deduct: Pension benefit mark-to-market adjustments	(9)	(9)
Deduct: Restructuring charges, implementation costs and other related costs	-	(13)
2016 – Adjusted	<u>\$ 219</u>	<u>\$ 132</u>
% Change	-5%	1%

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

EPS Impact from Adjusted EBIT Excluding Currency

	<u>Third Quarter</u>
2017 – Adjusted EBIT	\$ 305
Deduct: Impact of currency translation	-
2017 – Adjusted EBIT, Constant Currency	<u>\$ 305</u>
2016 – Adjusted EBIT	\$ 312
\$ Change in Adjusted EBIT, Constant Currency	\$ (7)
Add: Tax impact	2
Change in Net Earnings	<u>\$ (5)</u>
Diluted EPS Impact	\$ (0.02)

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Net Debt*

	May 1, 2016	April 30, 2017
Short-Term Borrowings	\$ 1,134	\$ 1,122
Long-Term Debt	2,540	2,270
Total Debt	\$ 3,674	\$ 3,392
Less: Cash and Cash Equivalents	(383)	(313)
Net Debt	\$ 3,291	\$ 3,079

*Certain amounts in the prior year were reclassified to conform to the current-year presentation

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

<u>Full Year</u>	Gross Margin	GM %	EBIT	Net Earnings	Diluted EPS
2016 – As Reported	\$ 2,780	34.9%	\$ 960	\$ 563	\$ 1.81
Add: Pension and postretirement benefit mark-to-market adjustments		176	313	200	0.64
Add: Restructuring charges, implementation costs and other related costs		-	78	49	0.16
Add: Impairment charge		-	141	127	0.41
Deduct: Settlement of a claim related to Kelsen acquisition		-	(25)	(25)	(0.08)
2016 – Adjusted	<u>\$ 2,956</u>	<u>37.1%</u>	<u>\$ 1,467</u>	<u>\$ 914</u>	<u>\$ 2.94</u>