

Campbell's



Fiscal 2019 Q3 Investor Update

Ken Gosnell

*Vice President – Finance Strategy & Investor Relations
Campbell Soup Company*



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 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.

Agenda

CEO Perspective

Q3 Fiscal 2019 Results

Fiscal 2019 Guidance

Closing Remarks

Q&A

Campbell Investor Day

Thursday, June 13, 2019 @ 12:30 p.m. ET

Campbell World Headquarters

Camden, N.J.



CEO Perspective



Mark Clouse

President & Chief Executive Officer

Q3: Steady Progress Against Priorities

- Stabilizing in-market performance
- Integrating Snyder's-Lance
- Accelerating growth in U.S. Snacks
- Delivering enterprise cost savings
- Focusing and optimizing portfolio through divestitures



Q3 Fiscal 2019 Results Ahead of Expectations

- **Updated F'19 guidance**
 - Reflects improved earnings outlook for F'19 and expected impact of C-Fresh divestiture
- **Organic sales from continuing ops comparable* to prior year; stable improvement on topline**
- **Total adj. combined gross margin declined 40 bps.* with sequential improvement**
- **Overdelivering F'19 cost savings targets**
 - Enterprise program and Snyder's-Lance value capture
- **Adj. net EPS declined* as planned**

* See Non-GAAP reconciliation

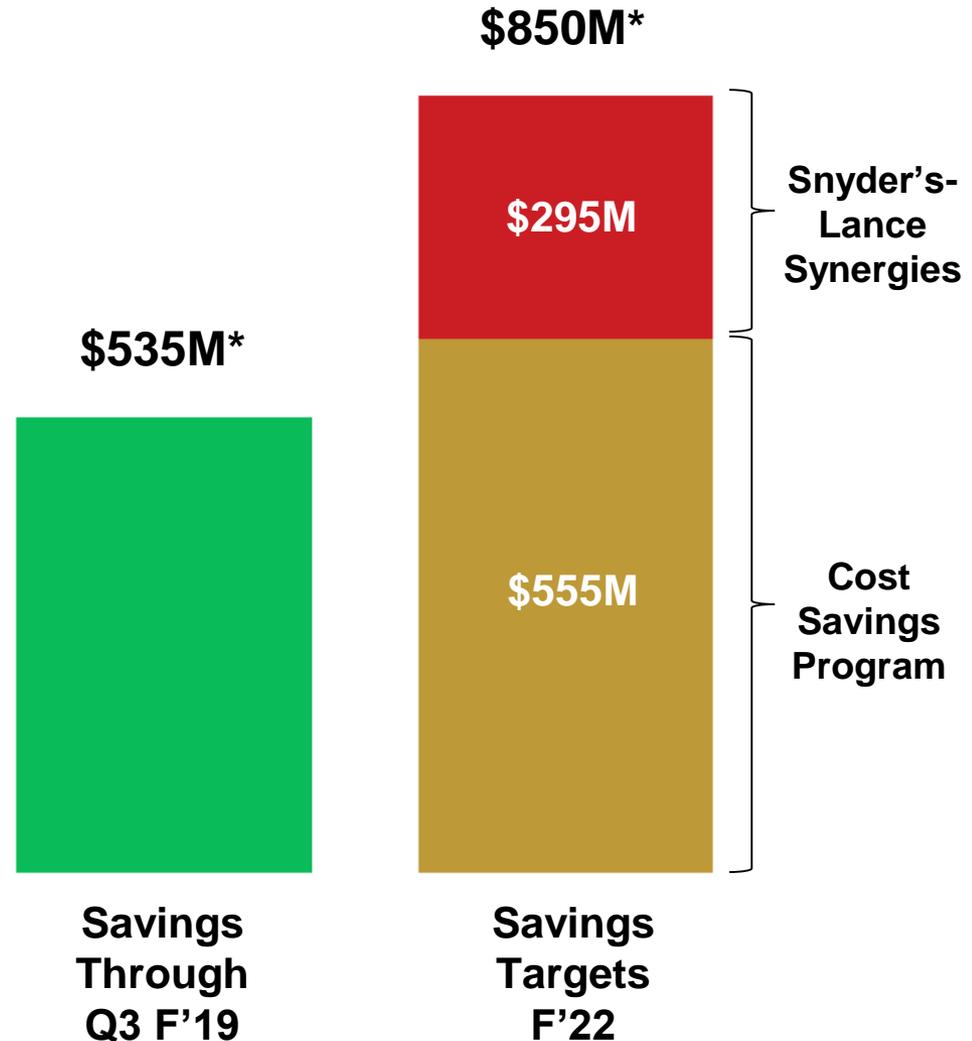


Cost Savings & Cash Flow

- Campbell cost savings and Snyder's-Lance synergies programs on track with \$535 million achieved to date*
- Savings target for continuing operations of \$850 million by end of F'22*
- Total combined savings of \$55 million realized in Q3
- Total combined YTD savings at \$150 million, pacing ahead of schedule

Strong Cash Flow

- YTD cash flow from operations of \$1.1 billion, reflecting significant improvements in working capital



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

Meals and Beverages

- Mixed performance but results improved vs. first half
- Sales down 1% to \$1.024 billion; Organic sales comparable*
- Showing signs of stabilization; operating earnings declines moderated
- U.S. soup sales comparable to year ago
 - In-market consumption down 2.6%; an improvement over first half
 - Advancing F'19 plan to improve foundation
 - Will share comprehensive soup plan at Investor Day



* See Non-GAAP reconciliation

Global Biscuits and Snacks

- **Sales up 37% to \$1.154 billion; Organic sales up 1%***
 - Growth in Pepperidge Farm fresh bakery and Goldfish, partly offset by declines in International business
 - 7 of 10 core brands grew or held share
- **Pepperidge Farm's 18th consecutive quarter of organic sales growth****
 - Fresh bakery drove significant growth
 - Goldfish continues to expand share behind new Epic Crunch line
- **Snyder's-Lance integration on track**
 - Increased marketing in 3 core brands: Snyder's of Hanover, Kettle and Cape Cod
 - Applying best of both playbooks
 - Expect to overdeliver Snyder's-Lance value capture in F'19



* See Non-GAAP reconciliation; ** Excludes impact of lapping 53rd week in the 4th quarter of fiscal 2015.

Divestiture Update

- Planned divestitures represent ~\$2.1 billion in annual net sales (F'18)

Campbell Fresh

- Announced sale of Bolthouse Farms; expected to complete in June 2019
- Completed divestitures of Garden Fresh Gourmet and Everett, Wash., refrigerated soup plant
- Total anticipated proceeds of approx. \$565 million



Portfolio includes organic beverages, dressings, and carrots



Portfolio includes refrigerated salsa, hummus, and dips

Campbell International

- Fully committed to process; will remain disciplined



#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's



CFO Perspective

Anthony DiSilvestro

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

Third-Quarter Fiscal 2019 Summary

- Third-quarter results ahead of expectations
- Improving gross margin trends
- Continued delivery of cost savings
- Divestiture process continuing, Campbell Fresh now reported as a discontinued operation
- Updating 2019 guidance, raising EPS outlook

Financial Summary

(\$ millions, except per share)

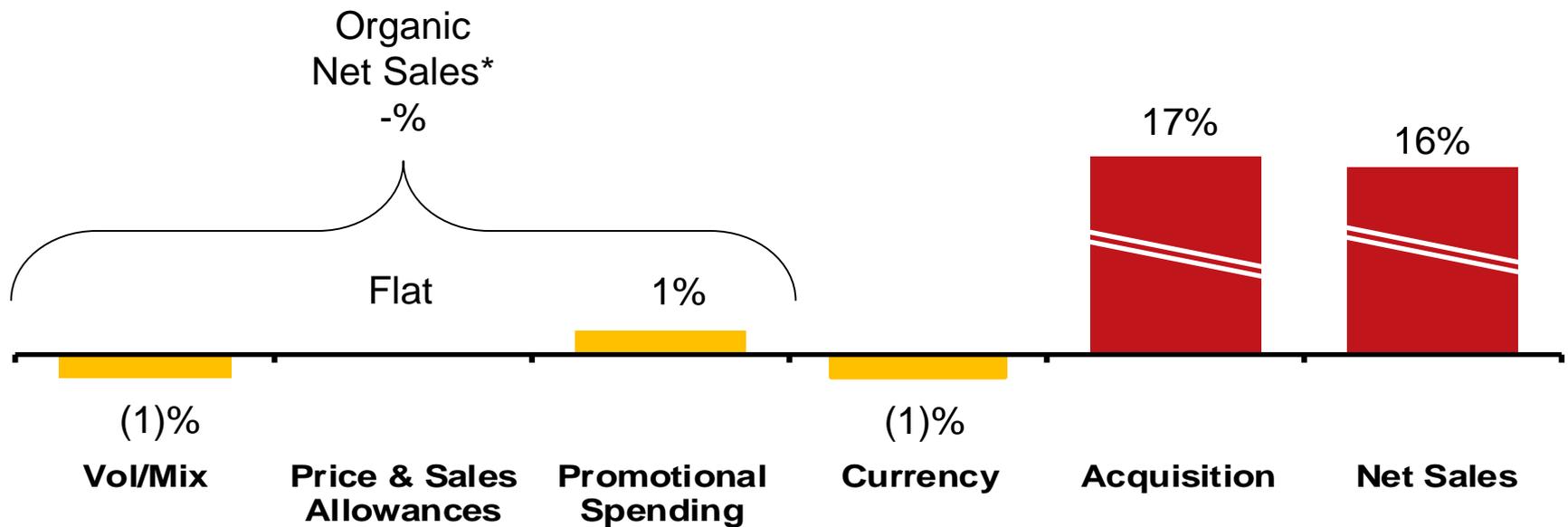
Continuing Operations	Third Quarter	% Change	April YTD	% Change
Net Sales	\$2,178	16%	\$7,129	24%
Organic Net Sales*		-%		(1)%
Adjusted EBIT*	\$316	(2)%	\$1,134	(1)%
Adjusted EPS*	\$0.56	(5)%	\$2.14	(13)%

Total Combined Results	Third Quarter	% Change	April YTD	% Change
Net Sales	\$2,388	12%	\$7,795	21%
Adjusted EBIT*	\$323	5%	\$1,134	1%
Adjusted Net EPS*	\$0.56	(20)%	\$2.13	(19)%

* See Non-GAAP reconciliation

Third Quarter – Components of Net Sales Change

Continuing Operations

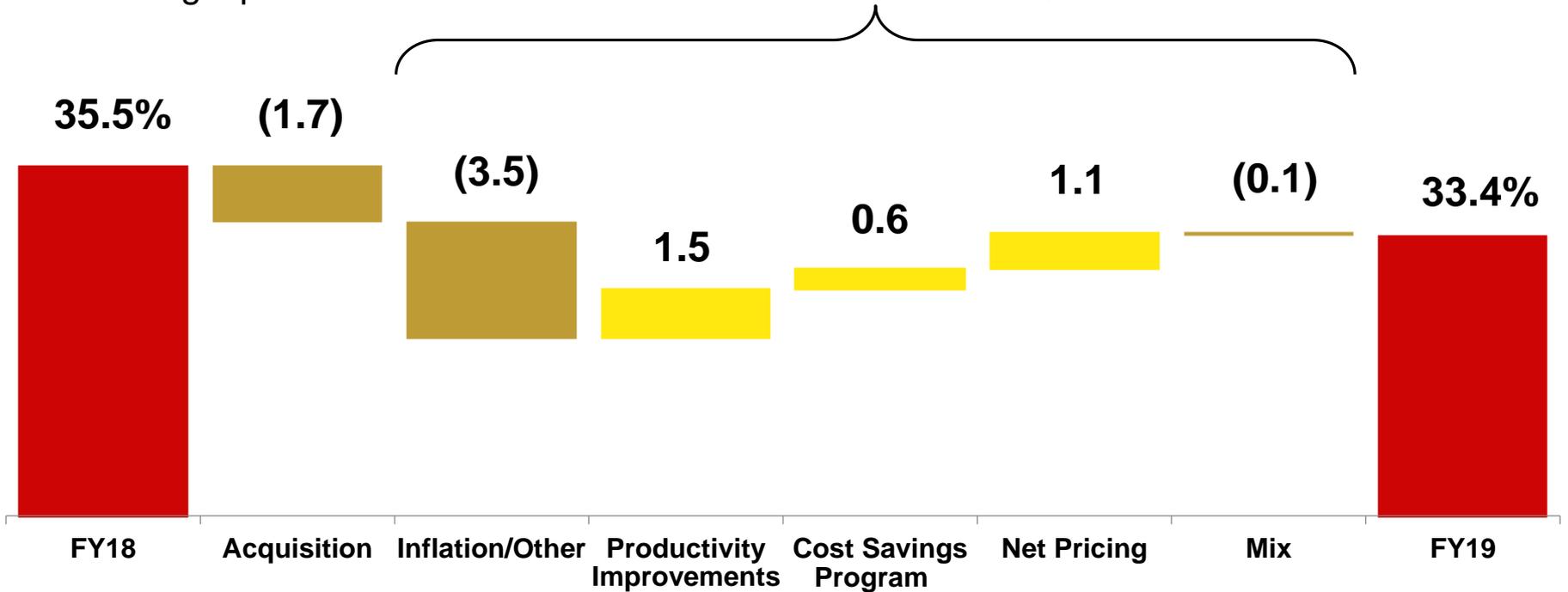


* See Non-GAAP reconciliation

Third Quarter – Adjusted Gross Margin Performance*

Continuing Operations

Base Business -0.4 pts



Total Combined

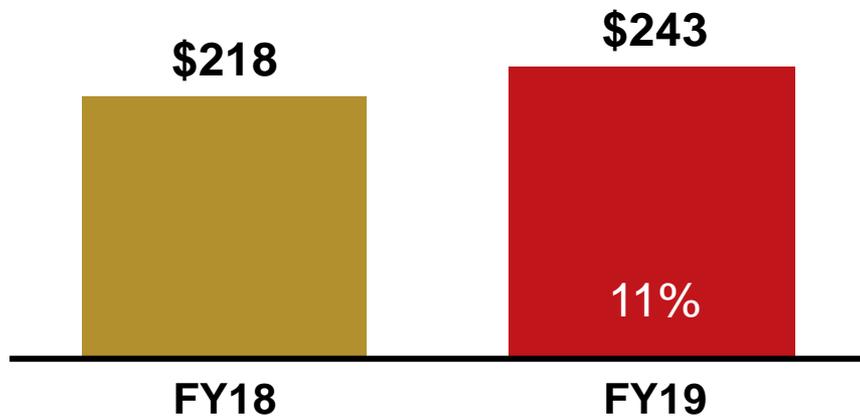


* See Non-GAAP reconciliation

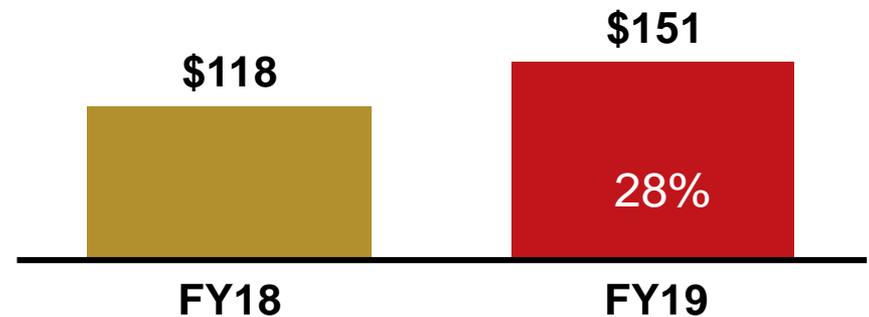
Third Quarter – Other Operating Items

Continuing Operations
(\$ millions)

*Adjusted Marketing
& Selling Expenses**



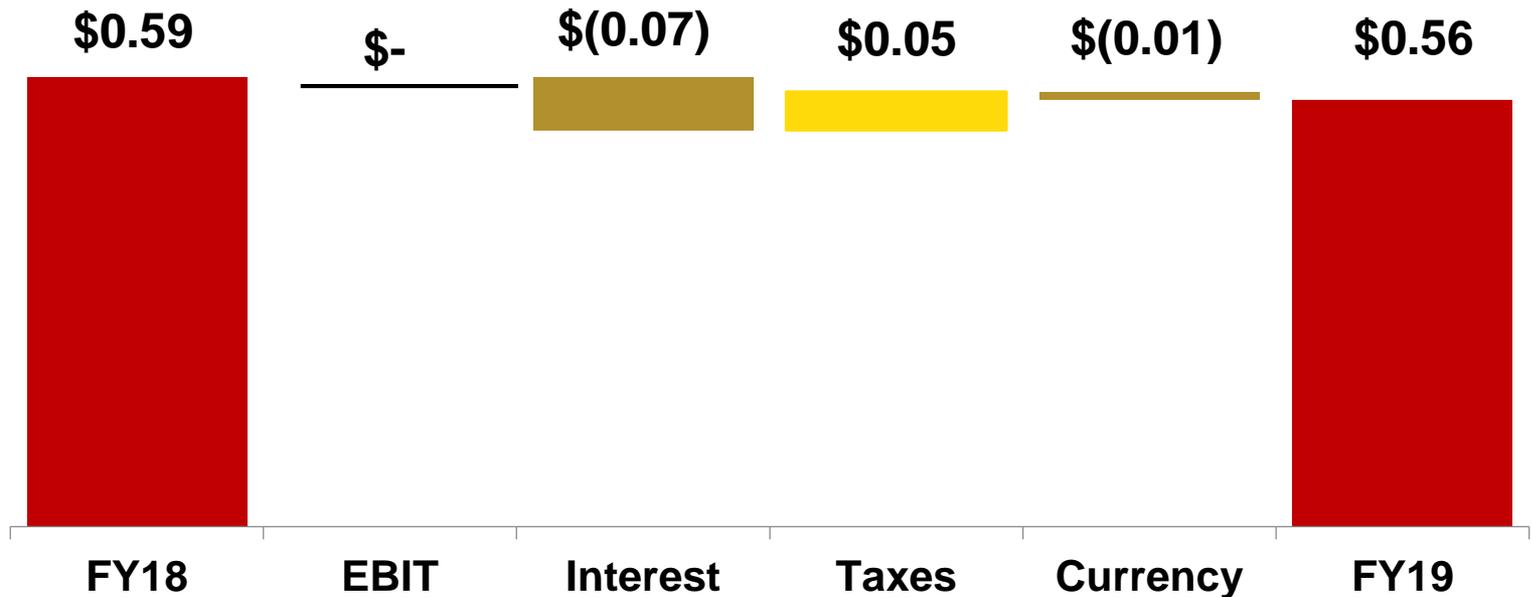
*Adjusted
Administrative Expenses**



* See Non-GAAP reconciliation

Third Quarter – Adjusted EPS Performance*

Continuing Operations



Total Combined	\$0.70	\$0.05	\$(0.07)	\$(0.10)	\$(0.01)	\$0.56
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* See Non-GAAP reconciliation

Note: Numbers may not add across due to rounding

Third-Quarter Segment Results

(\$ millions)

Meals and Beverages



\$1,024

\$207

-%

(5)%

Net Sales &
Organic
Growth Rate*

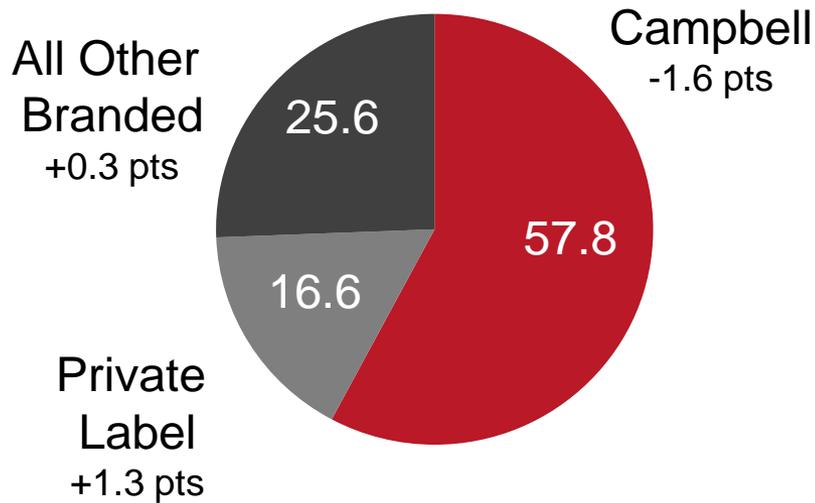
Operating
Earnings

- See Non-GAAP reconciliation

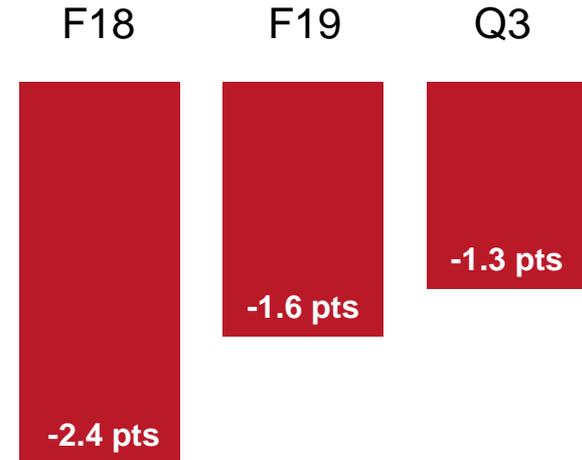
Note: Beginning in fiscal 2019, the segment also includes the simple meals and shelf-stable beverages business in Latin America. Prior to fiscal 2019, the business in Latin America was managed as part of the Global Biscuits and Snacks segment. Effective in the third quarter of fiscal 2019, the segment also includes the retained fresh soup business which was previously managed as part of the Campbell Fresh segment. Prior-period segment results have been adjusted retrospectively to reflect this change.

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

Market Share



Campbell Share Trends



	<u>Category</u>	<u>Campbell</u>	<u>AO Branded</u>	<u>Private Label</u>
Dollar Sales Change	(2.7)%	(5.4)%	(1.6)%	+5.5%

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 April 28, 2019 with exception of F18 and Q3 share performance: F18 represents 52-week period ending July 29, 2018 and Q3 represents 13-week period ending April 28, 2019.

Third-Quarter Segment Results

(\$ millions)

Global Biscuits & Snacks



\$1,154

1%

Net Sales &
Organic
Growth Rate*

\$139

15%

Operating
Earnings

- See Non-GAAP reconciliation

Note: Beginning in fiscal 2019, the simple meals and shelf-stable beverages business in Latin America is included in the Meals and Beverage segment. Prior-period segment results have been adjusted retrospectively to reflect this change.

Cash Flow and Balance Sheet Items

(\$ millions)

Year-To-Date	2018	2019
Cash Flow from Operations	\$1,024	\$1,148
Capital Expenditures	\$223	\$274
Dividends Paid	\$321	\$318
Share Repurchases	\$86	-
Ending Net Debt as of Q3*	\$9,648	\$9,078

* See Non-GAAP reconciliation

Cost Savings Program Update

\$ millions	Total Program	Campbell Fresh	Continuing Operations
Program-to-Date	\$605	\$70	\$535
Program-to-Go	<u>\$340</u>	<u>\$25</u>	<u>\$315</u>
Target by 2022	\$945	\$95	\$850

Updated Fiscal 2019 Guidance

(\$ millions, except per share)

	<u>As Previously Disclosed</u>		<u>Updated Results & Guidance</u>	
	2018 Results	2019 Guidance	2018 Results	2019 Guidance
Net Sales	\$8,685	\$9,975 to \$10,100	\$7,735	\$9,075 to \$9,125
Adjusted EBIT	\$1,408*	\$1,370 to \$1,410**	\$1,433*	\$1,390 to \$1,410**
Adjusted EPS – Continuing Operations	N/A	N/A	\$2.90*	\$2.50 to \$2.55**
Adjusted Net EPS	\$2.87*	\$2.45 to \$2.53**	\$2.87*	\$2.50 to \$2.55**

* See Non-GAAP reconciliation

** 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.

Q&A

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Real food that matters for life's moments

Appendix

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Third Quarter

	Net Sales, As Reported	Impact of Currency	Impact of Acquisitions	Organic Net Sales	% Change	
					Net Sales, As Reported	Organic Net Sales
2019						
Meals and Beverages	\$ 1,024	\$ 5	\$ -	\$ 1,029	(1)%	- %
Global Biscuits and Snacks	1,154	18	(318)	854	37%	1%
Corporate	-	-	-	-	n/m	n/m
Total Net Sales	\$ 2,178	\$ 23	\$ (318)	\$ 1,883	16%	- %
Discontinued Operations	\$ 210					
Combined Net Sales	\$ 2,388				12%	
2018						
Meals and Beverages	\$ 1,033					
Global Biscuits and Snacks	843					
Corporate	2					
Total Net Sales	\$ 1,878					
Discontinued Operations	\$ 247					
Combined Net Sales	\$ 2,125					

n/m – not meaningful

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Nine Months

	Net Sales, As Reported	Impact of Currency	Impact of Acquisitions	Organic Net Sales	% Change	
					Net Sales, As Reported	Organic Net Sales
<u>2019</u>						
Meals and Beverages	\$ 3,513	\$ 17	\$ (100)	\$ 3,430	- %	(2)%
Global Biscuits and Snacks	3,615	50	(1,401)	2,264	61%	1%
Corporate	1	-	-	1	n/m	n/m
Total Net Sales	<u>\$ 7,129</u>	<u>\$ 67</u>	<u>\$ (1,501)</u>	<u>\$ 5,695</u>	<u>24%</u>	<u>(1)%</u>
Discontinued Operations	\$ 666					
Combined Net Sales	<u>\$ 7,795</u>				<u>21%</u>	
<u>2018</u>						
Meals and Beverages	\$ 3,501					
Global Biscuits and Snacks	2,239					
Corporate	3					
Total Net Sales	<u>\$ 5,743</u>					
Discontinued Operations	\$ 723					
Combined Net Sales	<u>\$ 6,466</u>					

n/m – not meaningful

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

<u>First Half</u>	Net Sales, As Reported	Impact of Currency	Impact of Acquisitions	Organic Net Sales	% Change	
					Net Sales, As Reported	Organic Net Sales
<u>2019</u>						
Meals and Beverages	\$ 2,489	\$ 12	\$ (100)	\$ 2,401	1%	(3)%
Global Biscuits and Snacks	2,461	32	(1,083)	1,410	76%	1%
Corporate	1	-	-	1	- %	- %
Total Net Sales	<u>\$ 4,951</u>	<u>\$ 44</u>	<u>\$ (1,183)</u>	<u>\$ 3,812</u>	<u>28%</u>	<u>(1)%</u>
Discontinued Operations	\$ 456					
Combined Net Sales	<u>\$ 5,407</u>				<u>25%</u>	
<u>2018</u>						
Meals and Beverages	\$ 2,468					
Global Biscuits and Snacks	1,396					
Corporate	1					
Total Net Sales	<u>\$ 3,865</u>					
Discontinued Operations	\$ 476					
Combined Net Sales	<u>\$ 4,341</u>					

n/m – not meaningful

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

Third Quarter

	Continuing Operations			Discontinued Operations			Combined		
	EBIT	Earnings	Diluted EPS*	EBIT	Earnings	Diluted EPS	EBIT	Net Earnings	Diluted EPS*
2019 - As Reported	\$ 266	\$ 131	\$ 0.43	\$ (17)	\$ (47)	\$ (0.16)	\$ 249	\$ 84	\$ 0.28
Add: Restructuring charges, implementation costs and other related costs	20	15	0.05	-	-	-	20	15	0.05
Add: Costs associated with planned divestitures	2	1	-	24	47	0.16	26	48	0.16
Add: Pension settlement	28	22	0.07	-	-	-	28	22	0.07
2019 - Adjusted	<u>\$ 316</u>	<u>\$ 169</u>	<u>\$ 0.56</u>	<u>\$ 7</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 323</u>	<u>\$ 169</u>	<u>\$ 0.56</u>
2018 - As Reported	\$ 158	\$ 73	\$ 0.24	\$ (633)	\$ (466)	\$ (1.55)	\$ (475)	\$ (393)	\$ (1.31)
Add: Restructuring charges, implementation costs and other related costs	59	45	0.15	1	-	-	60	45	0.15
Add: Transaction and integration costs	82	46	0.15	-	-	-	82	46	0.15
Add: Claim settlement	22	15	0.05	-	-	-	22	15	0.05
Add: Impairment charges	-	-	-	619	497	1.65	619	497	1.65
2018 - Adjusted	<u>\$ 321</u>	<u>\$ 179</u>	<u>\$ 0.59</u>	<u>\$ (13)</u>	<u>\$ 31</u>	<u>\$ 0.10</u>	<u>\$ 308</u>	<u>\$ 210</u>	<u>\$ 0.70</u>
% Change	(2)%	(6)%	(5)%	n/m	n/m	n/m	5%	(20)%	(20)%

n/m – not meaningful

*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)

Nine Months

	Continuing Operations			Discontinued Operations			Combined		
	EBIT	Earnings	Diluted EPS	EBIT	Earnings	Diluted EPS*	EBIT	Net Earnings	Diluted EPS*
2019 - As Reported	\$ 1,010	\$ 550	\$ 1.82	\$ (392)	\$ (331)	\$ (1.10)	\$ 618	\$ 219	\$ 0.73
Add: Restructuring charges, implementation costs and other related costs	89	67	0.22	1	1	-	90	68	0.23
Add: Costs associated with planned divestitures	7	5	0.02	31	52	0.17	38	57	0.19
Add: Pension settlement	28	22	0.07	-	-	-	28	22	0.07
Add: Impairment charges	-	-	-	360	275	0.91	360	275	0.91
Add: Tax reform	-	2	0.01	-	-	-	-	2	0.01
2019 - Adjusted	<u>\$ 1,134</u>	<u>\$ 646</u>	<u>\$ 2.14</u>	<u>\$ -</u>	<u>\$ (3)</u>	<u>\$ (0.01)</u>	<u>\$ 1,134</u>	<u>\$ 643</u>	<u>\$ 2.13</u>
2018 - As Reported	\$ 900	\$ 690	\$ 2.28	\$ (720)	\$ (523)	\$ (1.73)	\$ 180	\$ 167	\$ 0.55
Add: Restructuring charges, implementation costs and other related costs	137	102	0.34	2	1	-	139	103	0.34
Add: Transaction and integration costs	106	65	0.22	-	-	-	106	65	0.22
Deduct: Tax reform	-	(120)	(0.40)	-	-	-	-	(120)	(0.40)
Deduct: Pension and postretirement benefit mark-to-market adjustments	(14)	(10)	(0.03)	-	-	-	(14)	(10)	(0.03)
Add: Claim settlement	22	15	0.05	-	-	-	22	15	0.05
Add: Impairment charges	-	-	-	694	571	1.89	694	571	1.89
2018 - Adjusted	<u>\$ 1,151</u>	<u>\$ 742</u>	<u>\$ 2.46</u>	<u>\$ (24)</u>	<u>\$ 49</u>	<u>\$ 0.16</u>	<u>\$ 1,127</u>	<u>\$ 791</u>	<u>\$ 2.62</u>
% Change	(1)%	(13)%	(13)%	n/m	n/m	n/m	1%	(19)%	(19)%

n/m – not meaningful

* 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)

Adjusted EBIT from Base Business Excluding Impact from Acquisitions and Currency

	<u>Third Quarter</u>
2019 – Adjusted EBIT	\$ 316
Deduct: Impact of Snyder’s-Lance acquisition*	(25)
Add: Impact of currency translation	3
2019 – Adjusted EBIT, Excluding Acquisition and Currency	<u>\$ 294</u>
2018 – Adjusted EBIT	\$ 321
% Change – Adjusted EBIT, Excluding Acquisition and Currency	(8)%

*Amount includes impact through the anniversary of the Snyder’s-Lance acquisition (March 26th).

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

<u>Third Quarter</u>	<u>Continuing Operations</u>		<u>Discontinued Operations</u>		<u>Combined</u>	
	<u>Gross Margin</u>	<u>GM %</u>	<u>Gross Margin</u>	<u>GM %</u>	<u>Gross Margin</u>	<u>GM %</u>
2019 - As Reported	\$ 723	33.2%	\$ 28	13.3%	\$ 751	31.4%
Add: Restructuring charges, implementation costs and other related costs	4		-		4	
2019 - Adjusted	<u>\$ 727</u>	<u>33.4%</u>	<u>\$ 28</u>	<u>13.3%</u>	<u>\$ 755</u>	<u>31.6%</u>
2018 - As Reported	\$ 615	32.7%	\$ 3	1.2%	\$ 618	29.1%
Add: Restructuring charges, implementation costs and other related costs	14		-		14	
Add: Transaction and integration costs	37		-		37	
Add: Impairment charges	-		11		11	
2018 - Adjusted	<u>\$ 666</u>	<u>35.5%</u>	<u>\$ 14</u>	<u>5.7%</u>	<u>\$ 680</u>	<u>32.0%</u>

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

<u>First Half</u>	Continuing Operations		Discontinued Operations		Total Combined	
	Gross Margin	GM %	Gross Margin	GM %	Gross Margin	GM %
2019 - As Reported	\$ 1,625	32.8%	\$ (87)	n/m	\$ 1,538	28.4%
Add: Restructuring charges, implementation costs and other related costs	21		-		21	
Add: Impairment charges	-		129		129	
2019 - Adjusted	<u>\$ 1,646</u>	<u>33.2%</u>	<u>\$ 42</u>	<u>9.2%</u>	<u>\$ 1,688</u>	<u>31.2%</u>
2018 - As Reported	\$ 1,504	38.9%	\$ 45	9.5%	\$ 1,549	35.7%
Add: Restructuring charges, implementation costs and other related costs	6		-		6	
2018 - Adjusted	<u>\$ 1,510</u>	<u>39.1%</u>	<u>\$ 45</u>	<u>9.5%</u>	<u>\$ 1,555</u>	<u>35.8%</u>

n/m – not meaningful

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Adjusted Gross Margin % from Base Business

Third Quarter

	<u>Continuing Operations</u>			<u>Combined</u>		
	<u>Net Sales</u>	<u>Gross Margin</u>	<u>GM%</u>	<u>Net Sales</u>	<u>Gross Margin</u>	<u>GM%</u>
2019 – As Reported	\$ 2,178	\$ 723	33.2%	\$ 2,388	\$ 751	31.4%
Add: Restructuring charges, implementation costs and other related costs	-	4		-	4	
Deduct: Impact of Snyder's-Lance acquisition*	(318)	(75)		(318)	(75)	
2019 – Adjusted, Excluding Acquisition	<u>\$ 1,860</u>	<u>\$ 652</u>	<u>35.1%</u>	<u>\$ 2,070</u>	<u>\$ 680</u>	<u>32.9%</u>
2018 – Adjusted		\$ 666	35.5%		\$ 680	32.0%

*Amount includes impact through the anniversary of the Snyder's-Lance acquisition (March 26th).

Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations (\$ millions)

Third Quarter

	<u>Marketing and Selling Expenses</u>	<u>Administrative Expenses</u>
2019 - As Reported	\$ 245	\$ 165
Deduct: Restructuring charges, implementation costs and other related costs	(2)	(12)
Deduct: Costs associated with planned divestiture	-	(2)
2019 - Adjusted	<u>\$ 243</u>	<u>\$ 151</u>
2018 - As Reported	\$ 220	\$ 153
Deduct: Restructuring charges, implementation costs and other related costs	(2)	(29)
Deduct: Transaction and integration costs	-	(6)
2018 - Adjusted	<u>\$ 218</u>	<u>\$ 118</u>
% Change	11%	28%

Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations (\$ millions)

Third Quarter

	Net Interest Expense	Tax	Tax Rate
2019 - As Reported	\$ 91	\$ 44	25.1%
Add: Restructuring charges, implementation costs and other related costs	-	5	
Add: Costs associated with planned divestiture	-	1	
Add: Pension settlement	-	6	
2019 - Adjusted	\$ 91	\$ 56	24.9%
2018 - As Reported	\$ 42	\$ 43	37.1%
Add: Restructuring charges, implementation costs and other related costs	-	14	
Add: Transaction and integration costs	18	18	
Add: Claim settlement	-	7	
2018 - Adjusted	\$ 60	\$ 82	31.4%

Reconciliation of GAAP and Non-GAAP Financial Measures

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

EPS Impact from Adjusted EBIT Excluding Currency

	Third Quarter
2019 – Adjusted EBIT	\$ 316
Add: Impact of currency translation	3
2019 – Adjusted EBIT, Constant Currency	<u>\$ 319</u>
2018 – Adjusted EBIT	\$ 321
\$ Change in Adjusted EBIT, Constant Currency	\$ (2)
Add: Tax impact	1
Change in Net Earnings	<u>\$ (1)</u>
Diluted EPS Impact	\$ -

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Net Debt

	<u>April 29, 2018</u>	<u>April 28, 2019</u>
Short-Term Borrowings	\$ 1,763	\$ 1,773
Long-Term Debt	8,080	7,507
Total Debt	<u>\$ 9,843</u>	<u>\$ 9,280</u>
Less: Cash and Cash Equivalents	(195)	(202)
Net Debt	<u>\$ 9,648</u>	<u>\$ 9,078</u>

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

Full Year

	Continuing Operations				Discontinued Operations				Combined			
	Net Sales	EBIT	Earnings	Diluted EPS	Net Sales	EBIT	Earnings	Diluted EPS*	Net Sales	EBIT	Net Earnings	Diluted EPS
2018 - As Reported	\$ 7,735	\$ 1,190	\$ 840	\$ 2.78	\$ 950	\$ (721)	\$ (579)	\$ (1.92)	\$ 8,685	\$ 469	\$ 261	\$ 0.86
Add: Restructuring charges, implementation costs and other related costs		183	135	0.45		2	1	-		185	136	0.45
Add: Transaction and integration costs		120	73	0.24		-	-	-		120	73	0.24
Add: Impairment charges		54	41	0.14		694	571	1.89		748	612	2.03
Add: Claim settlement		22	15	0.05		-	-	-		22	15	0.05
Deduct: Pension and postretirement benefit mark-to-market and curtailment adjustments		(136)	(103)	(0.34)		-	-	-		(136)	(103)	(0.34)
Deduct: Tax reform		-	(126)	(0.42)		-	-	-		-	(126)	(0.42)
2018 - Adjusted		<u>\$ 1,433</u>	<u>\$ 875</u>	<u>\$ 2.90</u>		<u>\$ (25)</u>	<u>\$ (7)</u>	<u>\$ (0.02)</u>		<u>\$ 1,408</u>	<u>\$ 868</u>	<u>\$ 2.87</u>

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