

## Important Reminders

**Ken Gosnell**

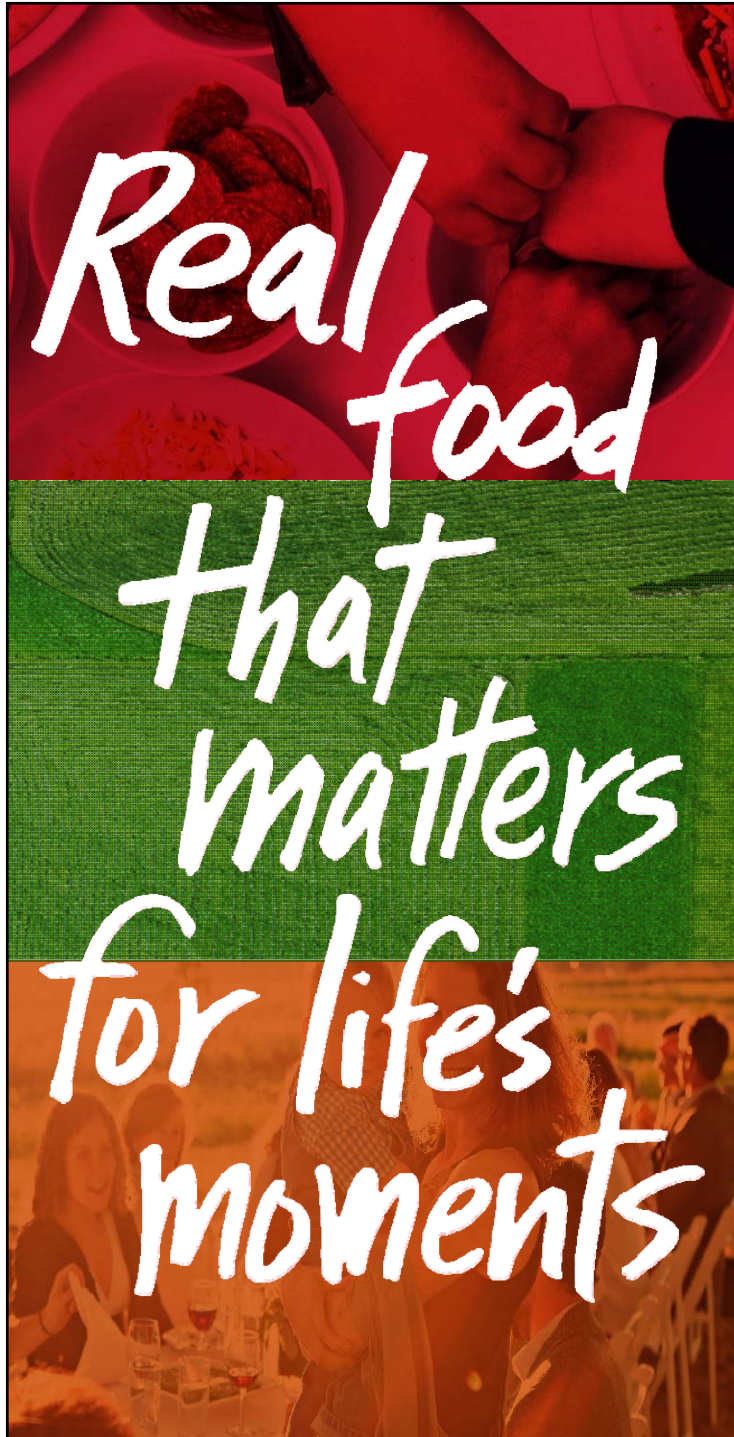
*Vice President - Finance Strategy  
and Investor Relations*

# 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

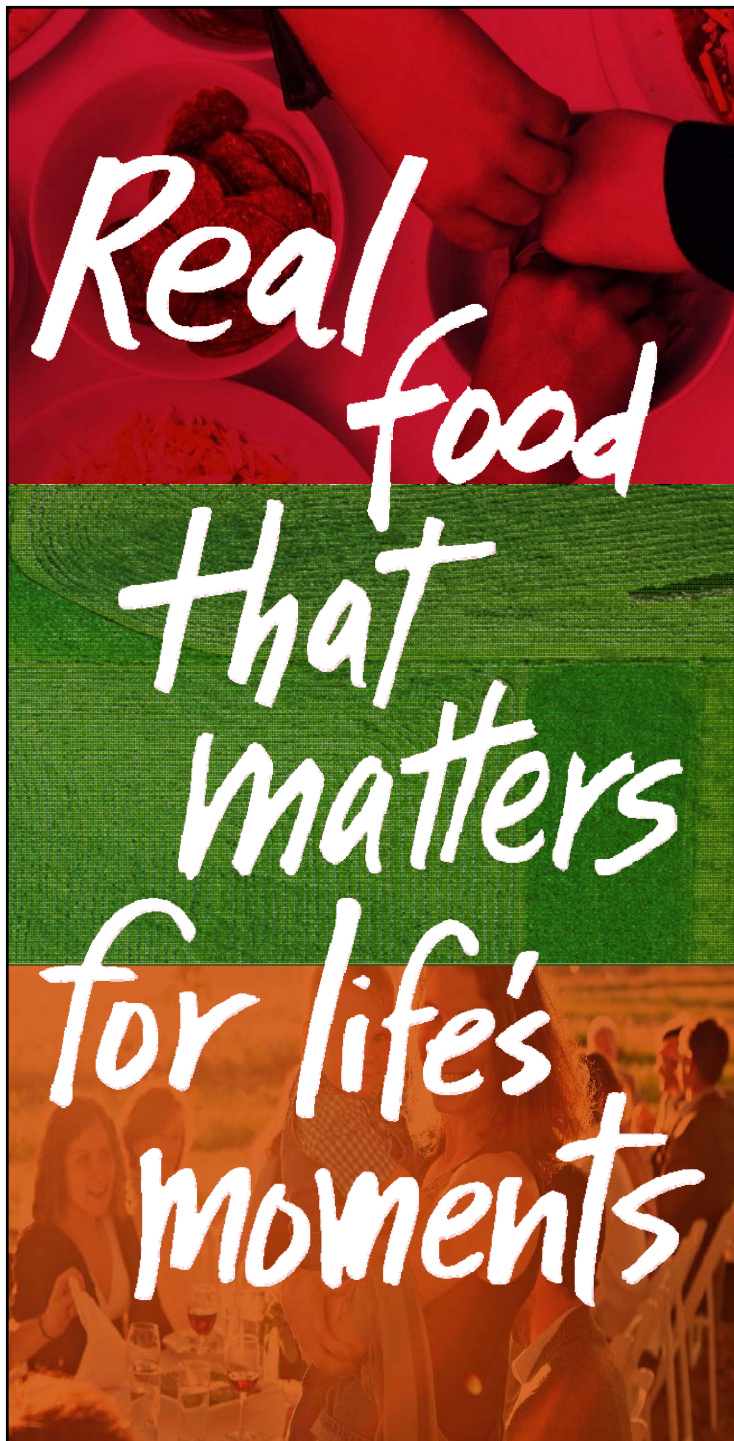
This presentation includes certain “non-GAAP” measures as defined by SEC rules. We have provided a reconciliation of those measures to the most directly comparable GAAP measures, which is shown as an appendix to this presentation and accessible online at [investor.campbellsoupcompany.com](http://investor.campbellsoupcompany.com).



**CAGNY**  
CONSUMER ANALYST GROUP OF NEW YORK

Campbell Presentation

Wednesday  
February 22, 2017  
at 10:30am Eastern



## Investor Update *Second Quarter of Fiscal Year 2017*



Denise Morrison  
*President & CEO*  
Campbell Soup Company

# FY17 Second-Quarter and First-Half Results

(\$ millions, except per share)

	Second Quarter	% Change	First Half	% Change
Net Sales	\$2,171	(1)%	\$4,373	(1)%
Organic Net Sales*		(2)%		(1)%
Adjusted EBIT*	\$417	(1)%	\$905	-%
Adjusted EPS*	\$0.91	5%	\$1.92	5%

\* See Non-GAAP reconciliation

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# Segment Update

## Campbell Fresh



Second Quarter	(\$ millions)	% Change
Net Sales & Organic Growth Rate*	\$260	(8)%*
Operating Earnings	(\$3)	n/m

- Strategically important business
- Addresses key consumer trends
- Perimeter growing faster than center store

\* See Non-GAAP reconciliation

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# Changes in Leadership Team to Improve Performance



**Ed Carolan**  
*President*



**Zak Karlen**  
*Senior Vice President,  
Agriculture & Carrot  
Operations*



**Todd Putman**  
*General Manager,  
Consumer Packaged Goods*



**Suzanne Ginestro**  
*Chief Marketing Officer &  
GM, Long Term Innovation*



**Pilar Peraset**  
*Director,  
Communications*



**Tom Weill**  
*Head of Supply Chain*



**Jim Caltabiano**  
*Chief Financial Officer*



**Tim Gates**  
*VP, Human Resources*



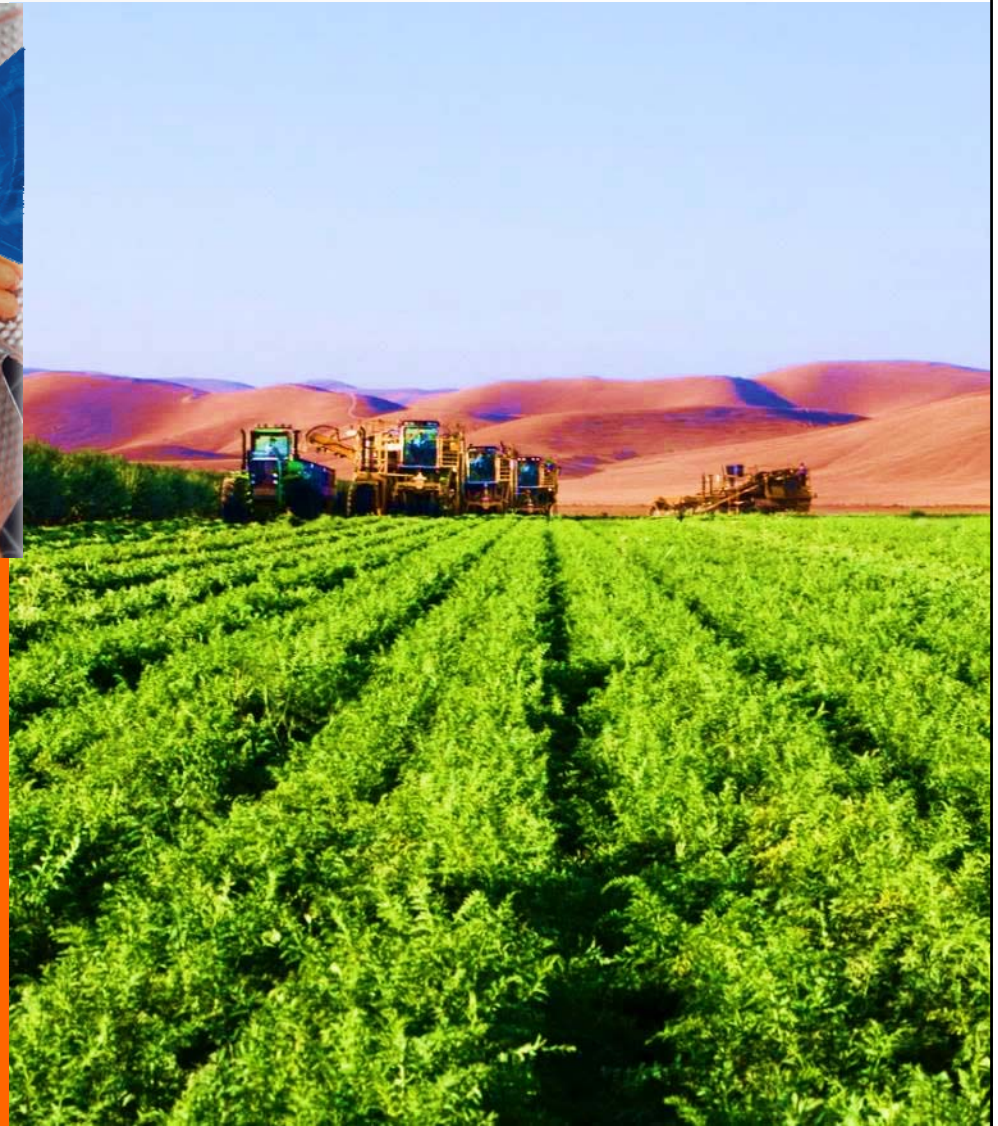
**Matt Ayres**  
*Chief Counsel*



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# Carrots



- Carrot quality improving
- Earning back lost business
- Regaining share more difficult than planned
- Additional weather impacts in Q2

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# Premium Beverages



- Capacity has not returned to pre-recall levels
- Expect new line fully operational in April
- Seeking additional ways to add capacity

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# Remain Focused on CPG Innovation



- Launched four new organic salad dressings
- Testing MAIO, a new line of yogurt-based spreads
- Plans to expand 1915
- Launch Plant Protein Milk



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# Garden Fresh Gourmet

- Integration proved challenging
- Distribution gains slower than expected
- Needed to develop differentiated taste profiles
- Expect growth, but slower than originally planned



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## Lessons Learned



- **A leadership team with diverse skills**
- **Fresh food is more fragile**
- **There's no roof over the carrot fields**
- **Fresh supply chain presents an opportunity for productivity improvement**
- **Need for stronger branding**

# Segment Update

## Global Biscuits and Snacks



Second Quarter	(\$ millions)	% Change
Net Sales & Organic Growth Rate*	\$680	(1)%*
Operating Earnings	\$135	(4)%

- Organic sales declined mainly due to Kelsen performance in U.S.
- Pepperidge Farm sales increased due to Goldfish and cookies

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\* See Non-GAAP reconciliation

# Global Biscuits and Snacks



**Kelsen**  
Group



- Solid execution in Chinese New Year
- Added new sub-distributors
- Strong merchandising activity



- Continued strong performance of Goldfish and cookies

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# Segment Update

## Americas Simple Meals and Beverages



Second Quarter	(\$ millions)	% Change
Net Sales & Organic Growth Rate*	\$1,231	(1)%*
Operating Earnings	\$313	8%

- Sales were mixed
- Delivered strong operating earnings
- Gross margin expansion, driven by supply chain

\* See Non-GAAP reconciliation

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# U.S. Soup Sales Increased Behind RTS



## RTS sales increased double digits

- Improved execution
- Fully leveraged NFL sponsorship
- ACV already at 75%
- Consumer response positive
- Increased private label activity
- Improved performance in back half

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# V8 Beverages

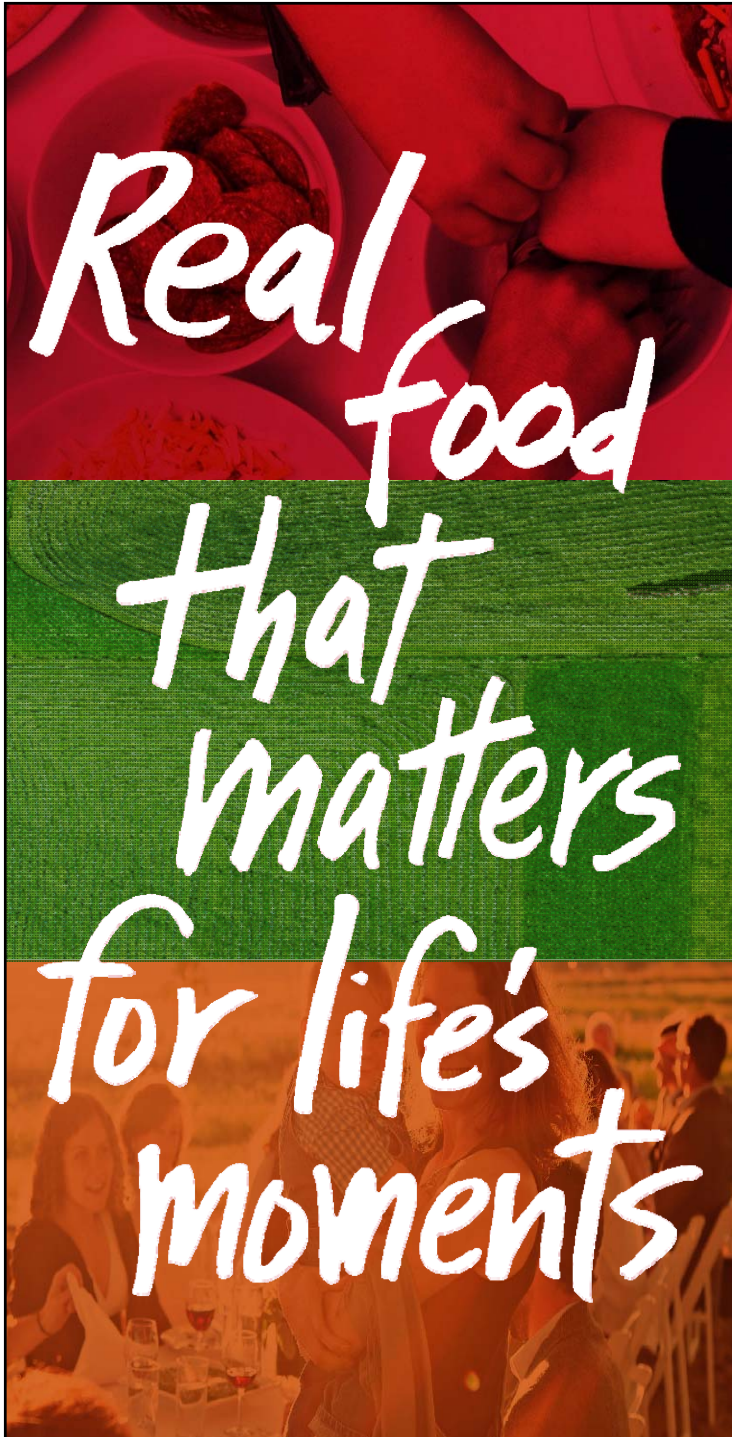
- Category remains sluggish
- Two-thirds of business on trend and growing consumption
- Improving profitability and contributing to margin expansion



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- Plans to improve in back half
- Expect to deliver full-year guidance
- Continue to make progress in transforming Campbell





CFO Perspective

**Anthony DiSilvestro**

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

## Second-Quarter Fiscal 2017 Summary

- **Sales Results Below Expectations**
- **Solid Gross Margin Performance**
- **Increasing Cost Savings Target to \$450 Million by 2020**
- **Reaffirming Fiscal 2017 Guidance**

# Financial Summary

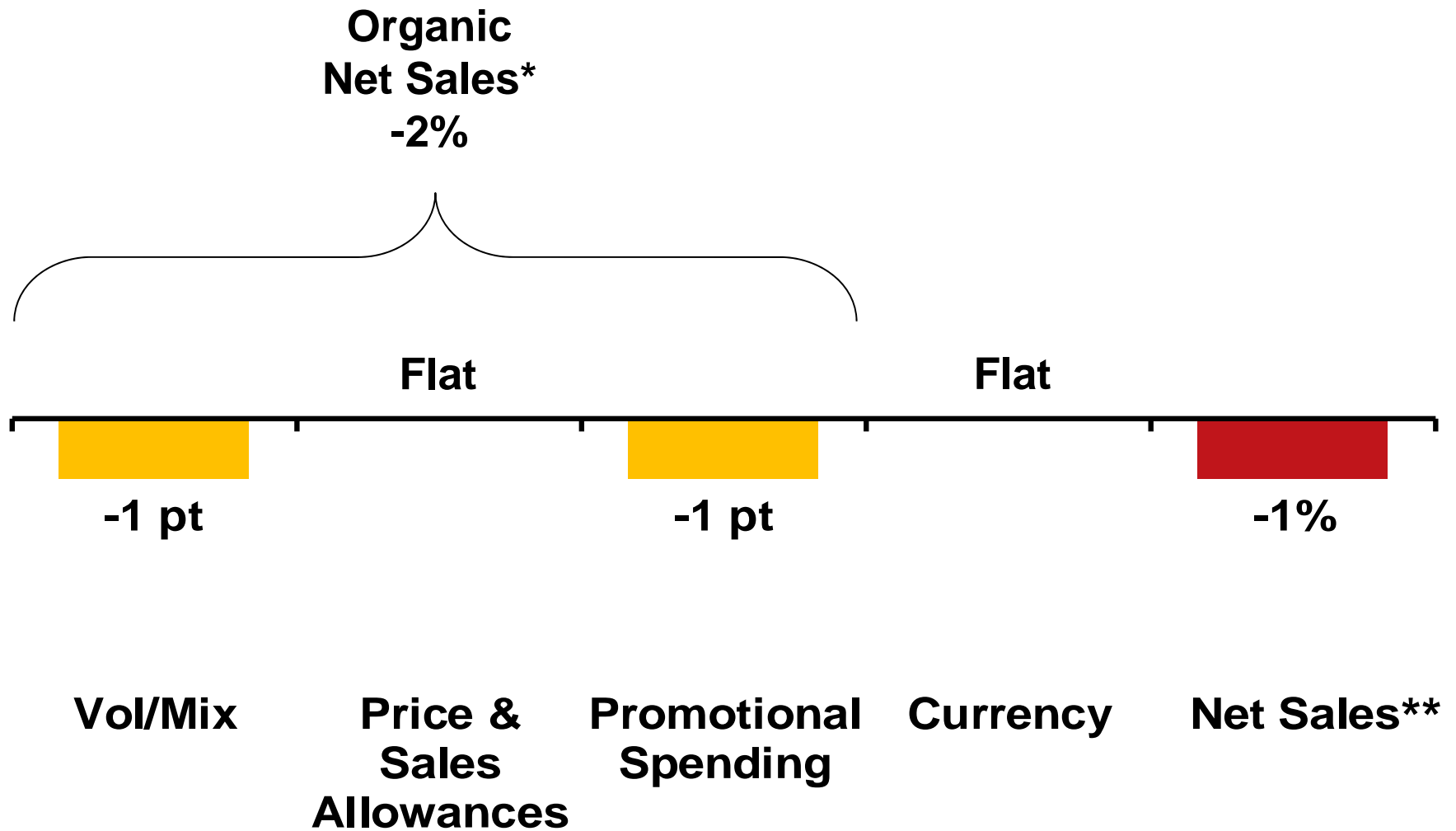
(\$ millions, except per share)

	Second Quarter	% Change	First Half	% Change
Net Sales	\$2,171	(1)%	\$4,373	(1)%
Organic Net Sales*		(2)%		(1)%
Adjusted EBIT*	\$417	(1)%	\$905	-%
Adjusted EPS*	\$0.91	5%	\$1.92	5%

\* See Non-GAAP reconciliation

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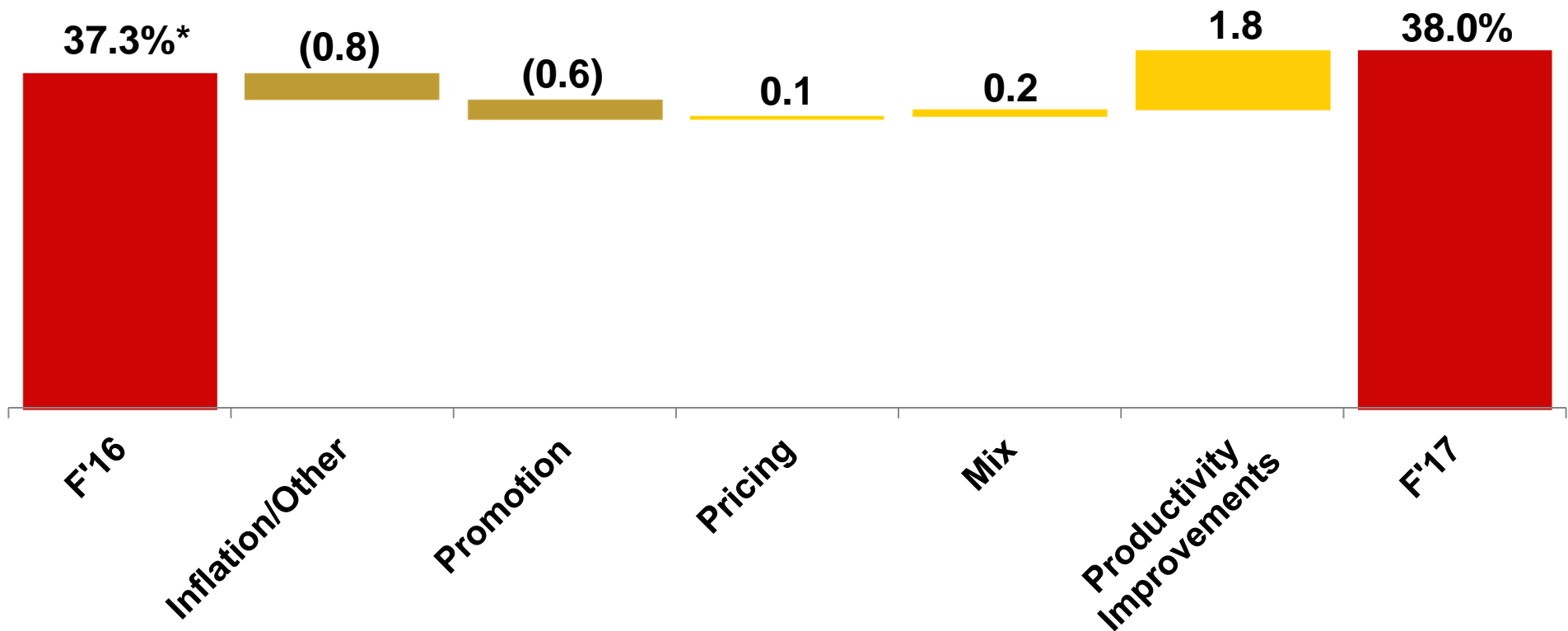
# Second Quarter – Components of Net Sales Change



\* See Non-GAAP reconciliation

\*\* Numbers do not add across due to rounding

## Second Quarter – Adjusted Gross Margin Performance



\* See Non-GAAP reconciliation

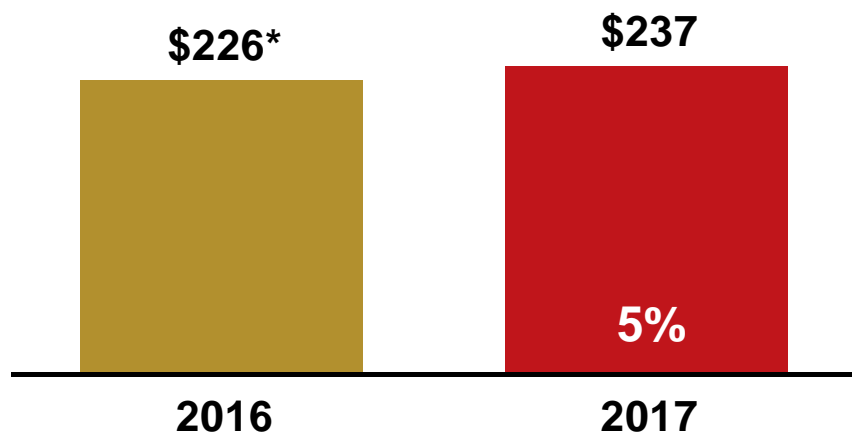
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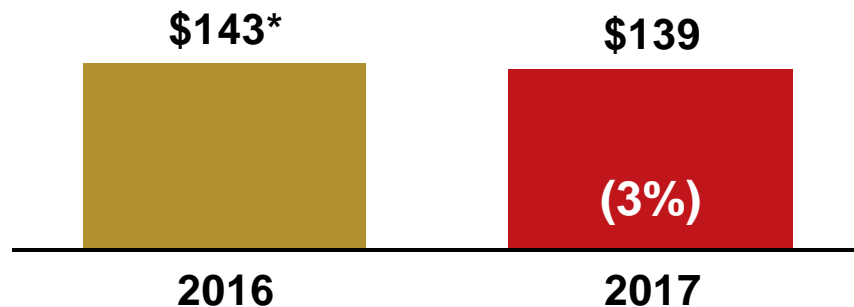
## Second Quarter – Other Operating Items

(\$ millions)

### *Adjusted Marketing & Selling Expenses*



### *Adjusted Administrative Expenses*



\* See Non-GAAP reconciliation

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## Second Quarter – Adjusted EPS Performance



\* See Non-GAAP reconciliation

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# Second-Quarter Segment Results

(\$ millions)



Americas  
Simple Meals  
and Beverages

**\$1,231**



**(1)%**

**Net Sales &  
Organic  
Growth Rate\***

**\$313**



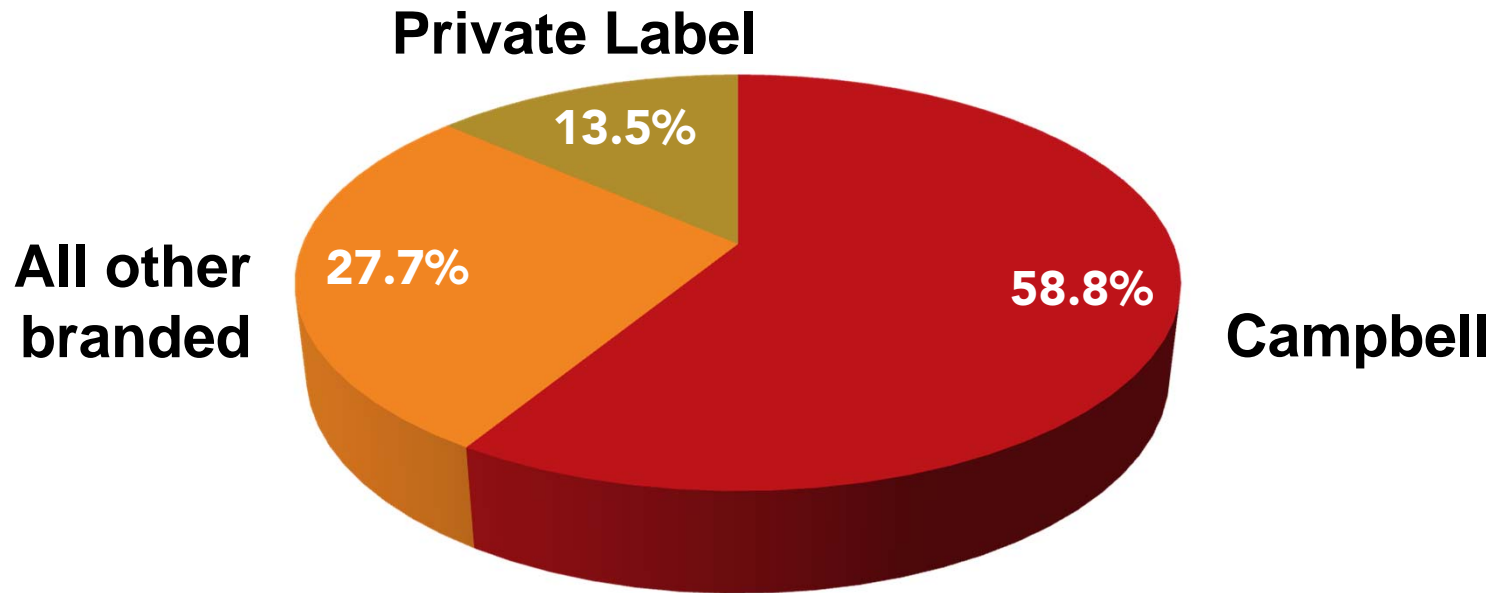
**8%**

**Operating  
Earnings**

\* See Non-GAAP reconciliation

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# 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	+0.1 pts	-0.8 pts	+0.7 pts
Dollar Sales Change	-1.2%	-1.0%	-4.1%	+4.5%

Campbell/PL figures include condensed and ready-to-serve soup and broth.  
 Source: IRI Total U.S. Multi-Outlet  
 For 52-week period ending Jan 29 2017

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# Second-Quarter Segment Results

(\$ millions)



**\$680**

**(1)%**

**Net Sales &  
Organic  
Growth Rate\***

**\$135**

**(4)%**

**Operating  
Earnings**

\* See Non-GAAP reconciliation

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# Second-Quarter Segment Results

(\$ millions)



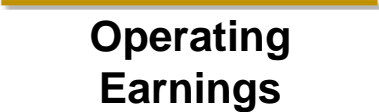
\$260



(8)%

**Net Sales &  
Organic  
Growth Rate\***

(\$3)



**Operating  
Earnings**

\* See Non-GAAP reconciliation

# Cash Flow and Balance Sheet Items

(\$ millions)

<b>Year-To-Date</b>	<b>2016</b>	<b>2017</b>
Cash Flow from Operations	\$754	\$667
Capital Expenditures	\$153	\$119
Dividends Paid	\$197	\$207
Share Repurchases	\$86	\$234
Ending Net Debt as of Q2*	\$3,526	\$3,169

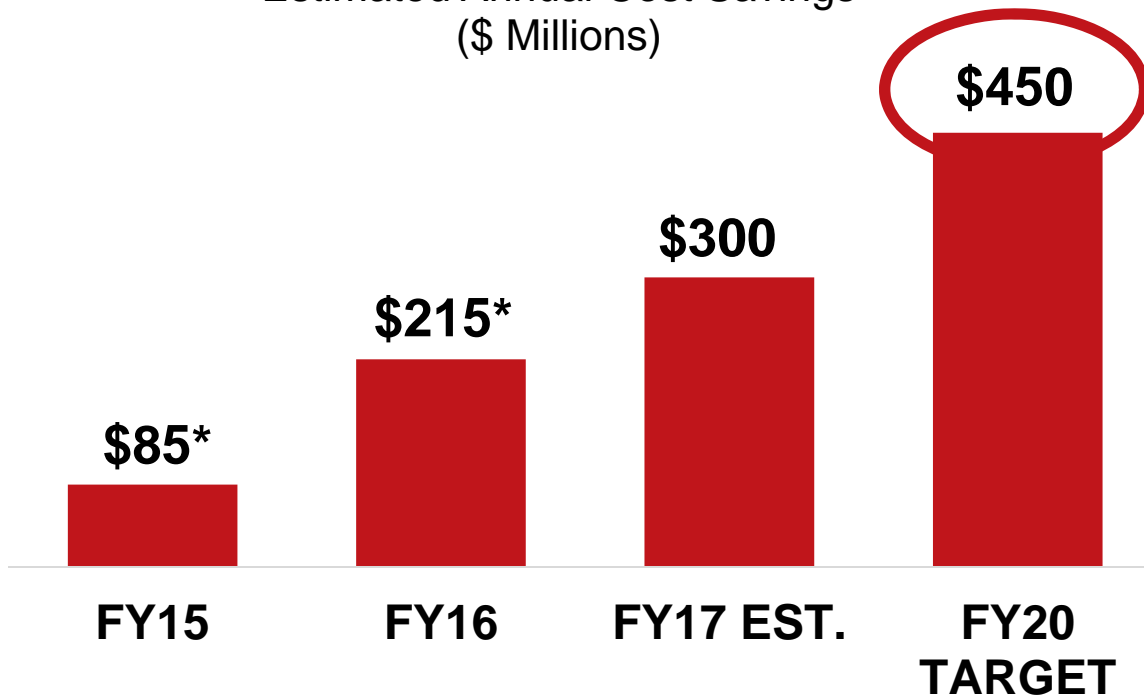
Certain amounts in the prior year were reclassified to conform to the current-year presentation

\* See Non-GAAP reconciliation

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# Raising cost savings target to \$450 by FY20

Estimated Annual Cost Savings  
(\$ Millions)



## Additional areas of opportunity

- Network Optimization
- Operating Model
- Acquisition Synergies

\*Actual Results

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# Fiscal 2017 Guidance

(\$ millions, except per share)

	2016 Results	2017 Guidance
<b>Sales</b>	\$7,961	0% to 1%
<b>Adjusted EBIT</b>	\$1,467*	1% to 4%**
<b>Adjusted EPS</b>	\$2.94*	2% to 5%** \$3.00 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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# Q & A



Denise Morrison  
*President and CEO*



Anthony DiSilvestro  
*SVP and CFO*



Ken Gosnell  
*VP-Finance  
Strategy and IR*

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# Appendix

# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

## Second Quarter

	<u>EBIT</u>	<u>Net Earnings</u>	<u>Diluted EPS</u>
2016 – As Reported	\$ 414	\$ 265	\$ 0.85
Deduct: Pension and postretirement benefit mark-to-market adjustments	(7)	(4)	(0.01)
Add: Restructuring charges, implementation costs and other related costs	16	10	0.03
2016 – Adjusted	<u>\$ 423</u>	<u>\$ 271</u>	<u>\$ 0.87</u>
2015 – As Reported	\$ 337	\$ 222	\$ 0.71
% Change	26%	22%	23%

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# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Second Quarter

	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	\$ 1,231	\$ (3)	\$ 1,228	- %	-1%
Global Biscuits and Snacks	680	(8)	672	- %	-1%
Campbell Fresh	260	-	260	-8%	-8%
<b>Total Net Sales</b>	<b>\$ 2,171</b>	<b>\$ (11)</b>	<b>\$ 2,160</b>	<b>-1%</b>	<b>-2%</b>
<u>2016</u>					
Americas Simple Meals and Beverages	\$ 1,237				
Global Biscuits and Snacks	682				
Campbell Fresh	282				
<b>Total Net Sales</b>	<b>\$ 2,201</b>				

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# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

First Half

	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	\$ 2,528	\$ (3)	\$ 2,525	- %	-1%
Global Biscuits and Snacks	1,351	(21)	1,330	1%	- %
Campbell Fresh	494	-	494	-7%	-7%
<b>Total Net Sales</b>	<b>\$ 4,373</b>	<b>\$ (24)</b>	<b>\$ 4,349</b>	<b>-1%</b>	<b>-1%</b>
<u>2016</u>					
Americas Simple Meals and Beverages	\$ 2,539				
Global Biscuits and Snacks	1,334				
Campbell Fresh	531				
<b>Total Net Sales</b>	<b>\$ 4,404</b>				

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# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

## Second Quarter

	EBIT	Net Earnings	Diluted EPS
2017 – As Reported	\$ 205	\$ 101	\$ 0.33
Add: Impairment charges	212	180	0.58
2017 – Adjusted	<u>\$ 417</u>	<u>\$ 281</u>	<u>\$ 0.91</u>
2016 – As Reported	\$ 414	\$ 265	\$ 0.85
Deduct: Pension and postretirement benefit mark-to-market adjustments	(7)	(4)	(0.01)
Add: Restructuring charges, implementation costs and other related costs	16	10	0.03
2016 – Adjusted	<u>\$ 423</u>	<u>\$ 271</u>	<u>\$ 0.87</u>
% Change	-1%	4%	5%

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# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

## First Half

	EBIT	Net Earnings	Diluted EPS*
<b>2017 – As Reported</b>	\$ 662	\$ 393	\$ 1.27
Add: Pension and postretirement benefit mark-to-market adjustments	20	13	0.04
Add: Restructuring charges, implementation costs and other related costs	11	7	0.02
Add: Impairment charges	212	180	0.58
<b>2017 – Adjusted</b>	<u>\$ 905</u>	<u>\$ 593</u>	<u>\$ 1.92</u>
<b>2016 – As Reported</b>	\$ 729	\$ 459	\$ 1.47
Add: Pension and postretirement benefit mark-to-market adjustments	121	76	0.24
Add: Restructuring charges, implementation costs and other related costs	52	33	0.11
<b>2016 – Adjusted</b>	<u>\$ 902</u>	<u>\$ 568</u>	<u>\$ 1.82</u>
<b>% Change</b>	-%	4%	5%

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

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# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Second Quarter

		Gross Margin	GM %	Tax	Tax Rate
2017 – As Reported		\$ 825	38.0%	\$ 76	42.9%
Add:	Impairment charges	-		32	
2017 – Adjusted		\$ 825	38.0%	\$ 108	27.8%
2016 – As Reported		\$ 819	37.2%	\$ 122	31.5%
Add/(Deduct):	Pension and postretirement benefit mark-to-market adjustments	2		(3)	
Add:	Restructuring charges, implementation costs and other related costs	-		6	
2016 – Adjusted		\$ 821	37.3%	\$ 125	31.6%

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# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Second Quarter

	Marketing and Selling Expenses	Administrative Expenses
2017 – As Reported	\$ 237	\$ 139
2016 – As Reported	\$ 223	\$ 146
Add: Pension and postretirement benefit mark-to-market adjustments	3	4
Deduct: Restructuring charges, implementation costs and other related costs	-	(7)
2016 – Adjusted	<u>\$ 226</u>	<u>\$ 143</u>
% Change	5%	-3%

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# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

## EPS Impact from Adjusted EBIT Excluding Currency

	<u>Second Quarter</u>
2017 – Adjusted EBIT	\$ 417
Deduct: Impact of currency translation	<u>(2)</u>
2017 – Adjusted EBIT, Constant Currency	<u>\$ 415</u>
 2016 – Adjusted EBIT	 \$ 423
 \$ Change in Adjusted EBIT, Constant Currency	 \$ (8)
Add: Tax impact	<u>3</u>
Change in Net Earnings	<u>\$ (5)</u>
 Diluted EPS Impact	 \$ (0.02)

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# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

**Net Debt\***

	<u>January 31, 2016</u>	<u>January 29, 2017</u>
<b>Short-Term Borrowings</b>	<b>\$ 1,293</b>	<b>\$ 1,185</b>
<b>Long-Term Debt</b>	<b>2,539</b>	<b>2,293</b>
<b>Total Debt</b>	<b>\$ 3,832</b>	<b>\$ 3,478</b>
<b>Less: Cash and Cash Equivalents</b>	<b>(306)</b>	<b>(309)</b>
<b>Net Debt</b>	<b>\$ 3,526</b>	<b>\$ 3,169</b>

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

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# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

## Full Year

	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	\$ 2,956	37.1%	\$ 1,467	\$ 914	\$ 2.94

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