

Fiscal 2018

Q1 Investor
Update

Ken Gosnell

*Vice President - Finance Strategy
and Investor Relations*

Forward-Looking Statements

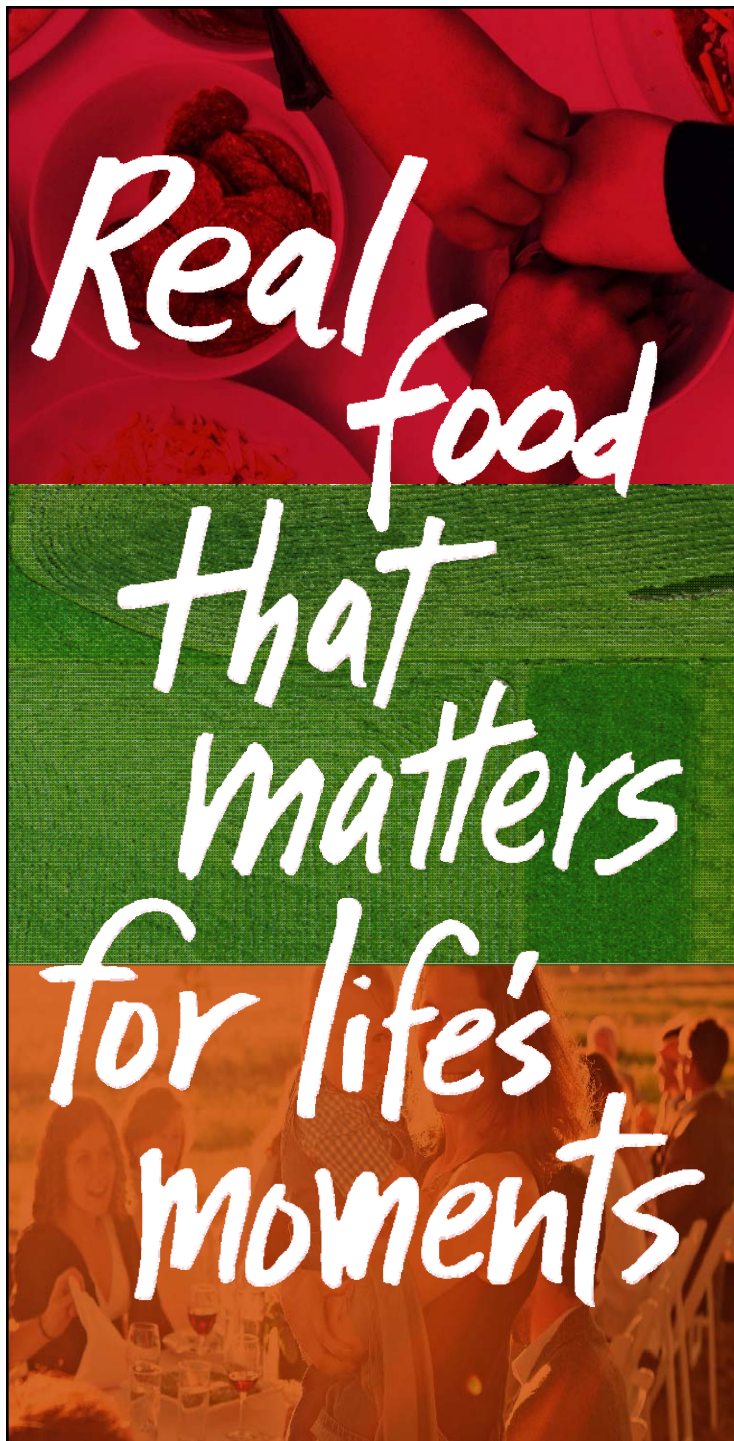
The factors that could cause actual results to vary materially from those anticipated or expressed in any forward-looking statement include: changes in consumer demand for our products and favorable perception of our brands; the risks associated with trade and consumer acceptance of product improvements, shelving initiatives, new products and pricing and promotional strategies; the impact of strong competitive responses to our efforts to leverage brand power with product innovation, promotional programs and new advertising; 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 continue to increase their significance to our business; our ability to realize projected cost savings and benefits from efficiency and/or restructuring initiatives; our ability to manage changes to our organizational structure and/or business processes; product quality and safety issues, including recalls and product liabilities; the ability to complete and to realize the projected benefits of acquisitions, divestitures and other business portfolio changes; disruptions to our supply chain, including fluctuations in the supply of and inflation in energy and raw and packaging materials cost; 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.

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.

Changes in Presentation – Effective in Fiscal 2018

- **Pension and postretirement costs**
- **Latin America business – segment change**



CEO Perspective
First Quarter
Fiscal Year 2018



Denise Morrison
President & CEO
Campbell Soup Company

First Quarter Results

(\$ millions, except per share)

	First Quarter	% Change
Net Sales	\$2,161	(2)%
Organic Net Sales*		(2)%
Adjusted EBIT*	\$417	(14)%
Adjusted EPS*	\$0.92	(8)%

* See Non-GAAP reconciliation

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Factors Impacting Results

- Lower seasonal inventory build in U.S. soup compared to year ago
- Unfavorable weather resulted in higher carrot costs
- Hurricane recovery led to higher supply chain costs in transportation and logistics

Revised Fiscal 2018 Guidance

(\$ millions, except per share)

	2017 Results	Previous 2018 Guidance	Revised 2018 Guidance
Sales	\$7,890	-2% to 0%	-2% to 0%
Adjusted EBIT	\$1,492*	-1% to 1%**	-4% to -2%**
Adjusted EPS	\$3.04*	0% to 2%** \$3.04 to \$3.11	-3% to -1%** \$2.95 to \$3.02

* See Non-GAAP reconciliation

** A non-GAAP reconciliation is not provided for 2018 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.

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Investing Back in the Business

INNOVATION SUPPORT



Real food

NON-BPA
LINING

CHICKEN
MEAT WITH
NO
ANTIBIOTICS

E-COMMERCE

CHEF'D

DHL

HEALTH & WELL-BEING

habit

FOOD, PERSONALIZED

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Pacific Foods Acquisition - Pending



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Segment Update

Americas Simple Meals and Beverages



First Quarter	\$ Millions	% Change
Net Sales & Organic Growth Rate*	\$1,218	(5)%*
Operating Earnings	\$328	(14)%

- Soup sales declined 9%; consumer takeaway declined 2%
- Shelf stable beverages remained challenged
- Sales increased in Simple Meals, Foodservice and Canada

* See Non-GAAP reconciliation

Looking Ahead

- Operating environment to remain challenging
- Shift soup marketing to focus on product attributes
- Increase in-store presence
- Accelerate e-commerce across the division



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Segment Update

Global Biscuits and Snacks



First Quarter	\$ Millions	% Change
Net Sales & Organic Growth Rate*	\$709	2%*
Operating Earnings	\$120	4%

- Gains on the top and bottom lines
- Sales growth fueled by Pepperidge Farm

* See Non-GAAP reconciliation

Global Biscuits and Snacks

- *Goldfish* continued to outperform the category
- *Goldfish* became the number one snack cracker *
- Growth driven by single-serve multipacks



- Growth driven by successful launch of *Farmhouse* brand, *Milano* and rejuvenated chunk cookies with improved recipes



* IRI, MULO, L13 Weeks.

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Segment Update

Campbell Fresh



First Quarter	\$ Millions	% Change
Net Sales & Organic Growth Rate*	\$234	-%*
Operating Earnings	\$(6)	n/m

- Sales comparable to a year ago
- CPG products grew for second consecutive quarter
- *Bolthouse Farms* beverage sales comparable to a year ago
- Carrot sales declined

* See Non-GAAP reconciliation

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Beverage Progress



- Beverage capacity returned to typical levels
- New co-packer fully operational
- Service levels steadily improved
- Returning to normal promotional levels

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Farms

- Carrot sales declined / crops negatively impacted by weather
- Maintained carrot quality
- Expect to be off customer allocation by December

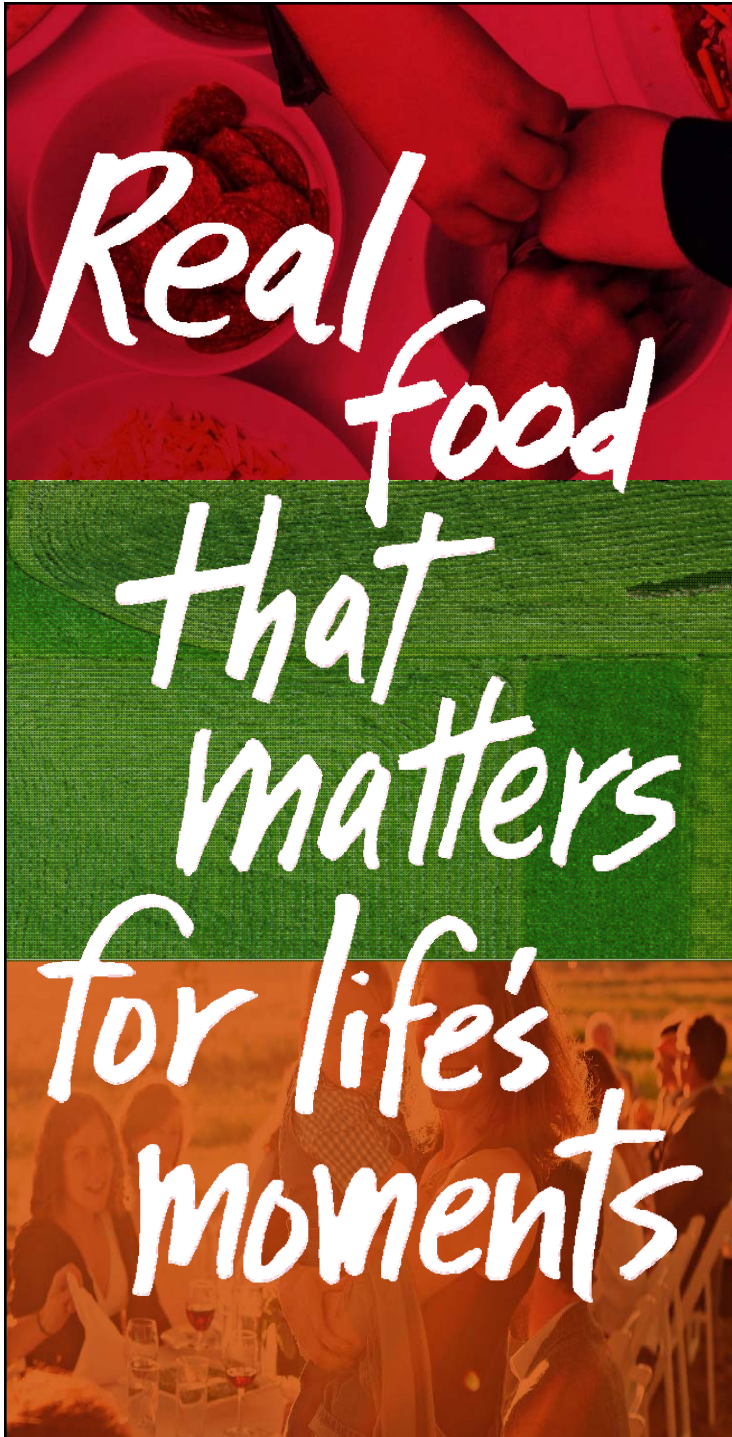


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- Not satisfied with results but not deterred
 - Taking steps to address immediate issues
 - Investing to position Campbell for growth



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CFO Perspective

Anthony DiSilvestro

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

First-Quarter Fiscal 2018 Summary

- **Q1 Performance Below Expectations**
- **Progress Against \$450 Million Cost Savings Target**
- **Revising 2018 Earnings Outlook**

Financial Summary

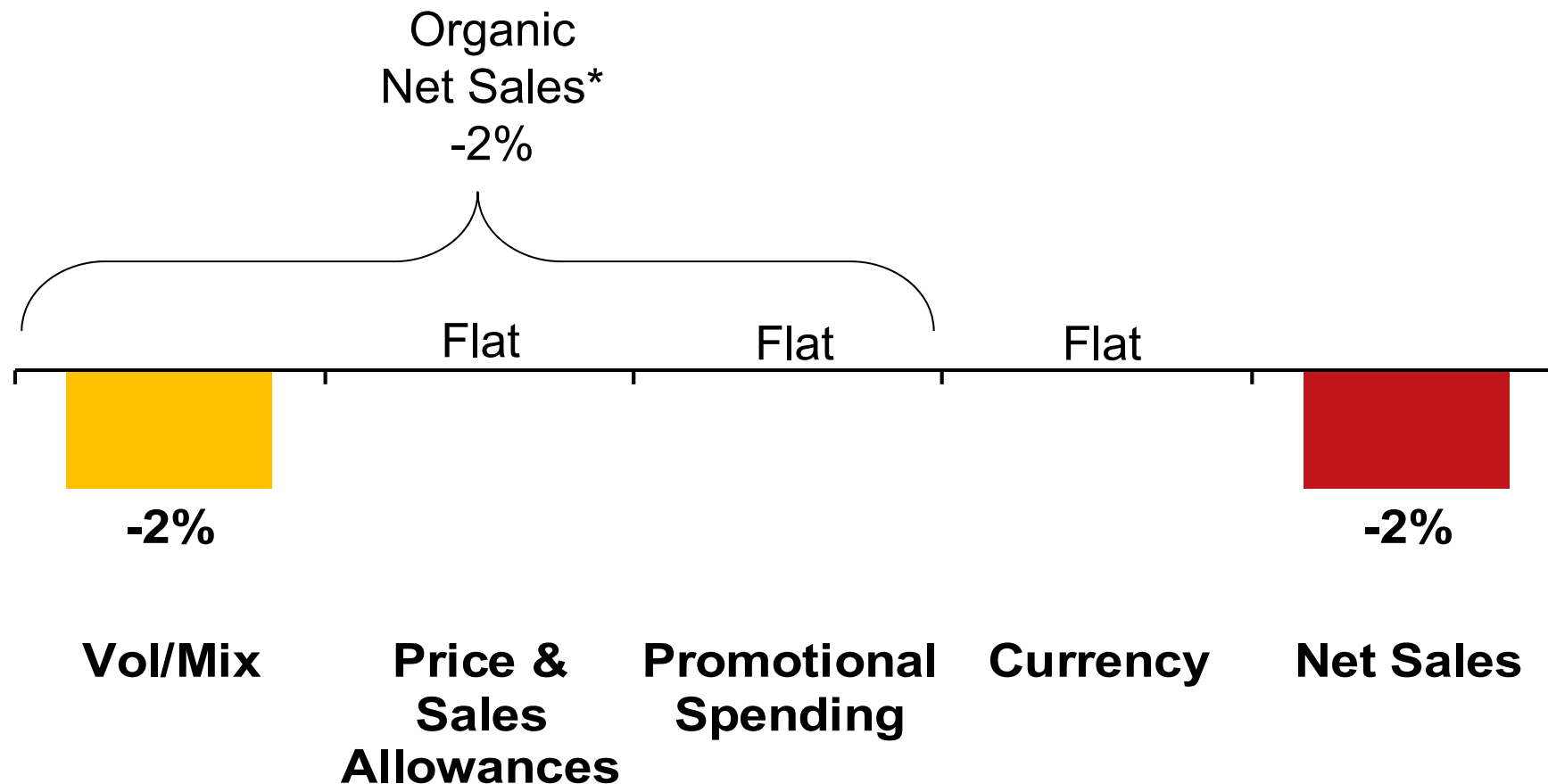
(\$ millions, except per share)

	First Quarter	% Change
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Organic Net Sales*		(2)%
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Adjusted EPS*	\$0.92	(8)%

* See Non-GAAP reconciliation

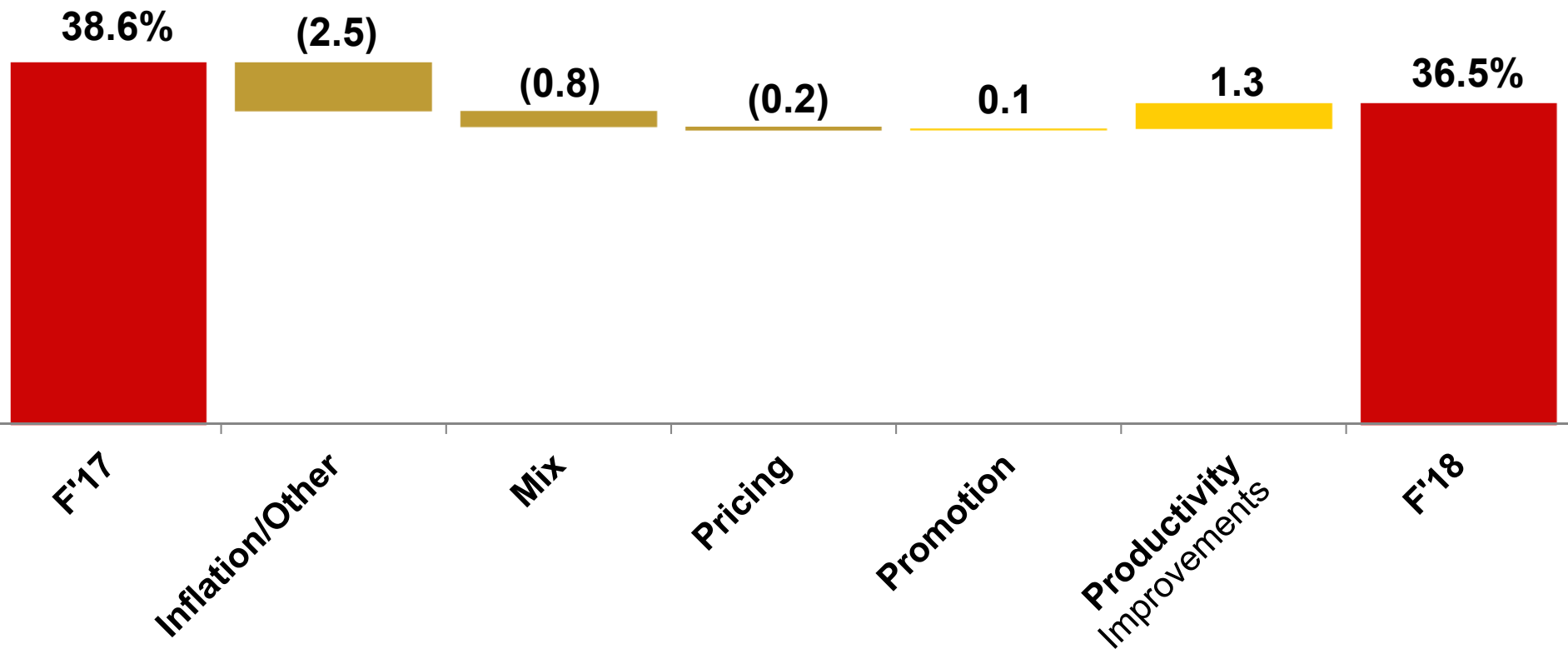
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First Quarter – Components of Net Sales Change



* See Non-GAAP reconciliation

First Quarter – Adjusted Gross Margin Performance*



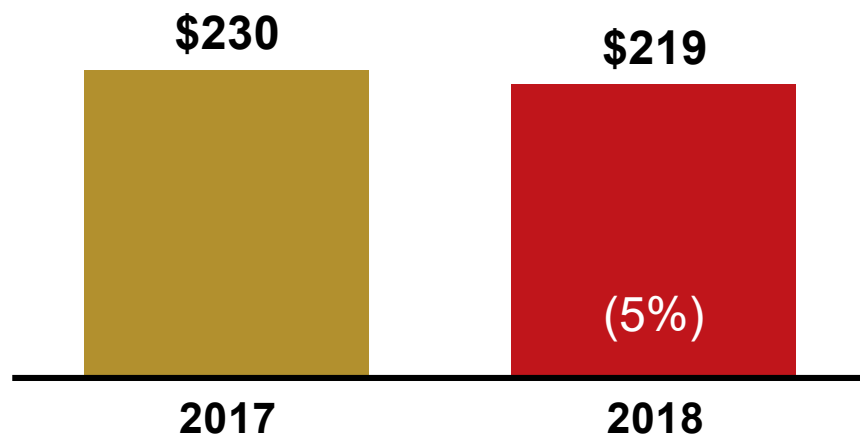
* See Non-GAAP reconciliation

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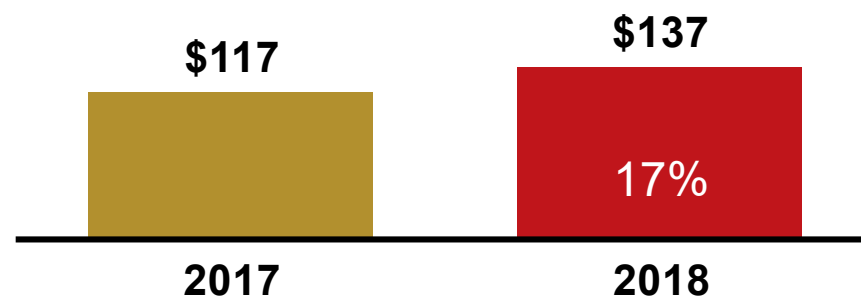
First Quarter – Other Operating Items

(\$ millions)

Marketing & Selling Expenses



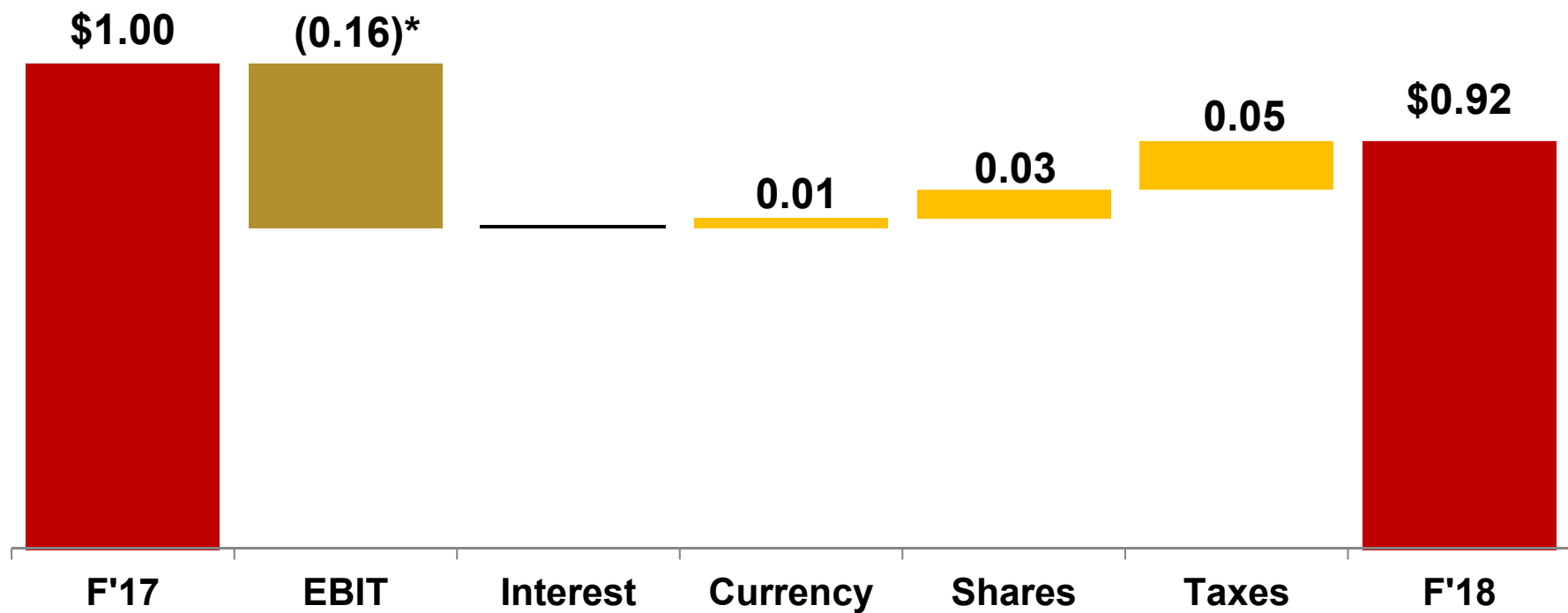
*Adjusted Administrative Expenses**



* See Non-GAAP reconciliation

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First Quarter – Adjusted EPS Performance*



Numbers do not add across due to rounding

* See Non-GAAP reconciliation

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First-Quarter Segment Results

(\$ millions)



\$1,218



(5%)

Net Sales &
Organic
Growth Rate*

\$328



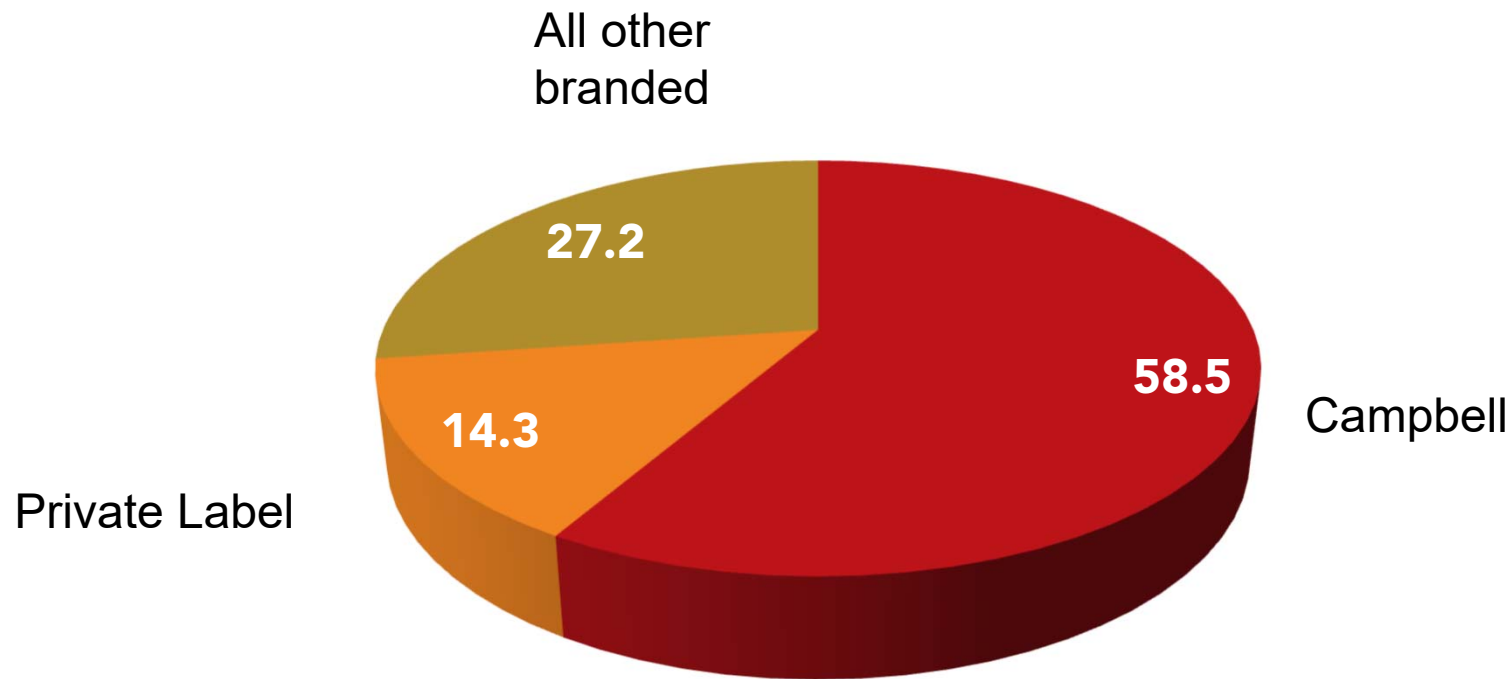
(14)%

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	-0.3 ppts	-1.0 ppts	+1.3 ppts
Dollar Sales Change	+0.1%	-0.4%	-3.5%	+9.8%

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

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First-Quarter Segment Results

(\$ millions)

Global Biscuits
and Snacks



\$709



2%

Net Sales &
Organic
Growth Rate*

\$120



4%

Operating
Earnings

* See Non-GAAP reconciliation

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First-Quarter Segment Results

(\$ millions)



\$234



-%

Net Sales &
Organic
Growth Rate*

(\$6)



Operating
Earnings

* See Non-GAAP reconciliation

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Cash Flow and Balance Sheet Items

(\$ millions)

Year-To-Date	2017	2018
Cash Flow from Operations	\$221	\$188
Capital Expenditures	\$48	\$58
Dividends Paid	\$100	\$111
Share Repurchases	\$112	\$86
Ending Net Debt as of Q1*	\$3,298	\$3,298

* See Non-GAAP reconciliation

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Fiscal 2018 Guidance

(\$ millions, except per share)

	2017 Results	Previous 2018 Guidance	Revised 2018 Guidance
Sales	\$7,890	-2% to 0%	-2% to 0%
Adjusted EBIT	\$1,492*	-1% to 1%**	-4% to -2%**
Adjusted EPS	\$3.04*	0% to 2%** \$3.04 to \$3.11	-3% to -1%** \$2.95 to \$3.02

* See Non-GAAP reconciliation

** A non-GAAP reconciliation is not provided for 2018 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.

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Q & A



Denise Morrison
President and CEO



Anthony DiSilvestro
SVP and CFO



Ken Gosnell
*VP-Finance
Strategy and IR*

Happy Thanksgiving from Campbell Soup Company

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Appendix

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

First Quarter

2018

Americas Simple Meals and Beverages

Net Sales, As Reported	Impact of Currency	Organic Net Sales
\$ 1,218	\$ (6)	\$ 1,212

% Change

Net Sales, As Reported	Organic Net Sales
(5) %	(5) %

Global Biscuits and Snacks

709	(5)	704
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3 %	2 %
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Campbell Fresh

234	-	234
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- %	- %
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Total Net Sales

\$ 2,161	\$ (11)	\$ 2,150
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(2) %	(2) %
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2017

Americas Simple Meals and Beverages

\$ 1,278

Global Biscuits and Snacks

690

Campbell Fresh

234

Total Net Sales

\$ 2,202

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Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

First Quarter

	EBIT	Net Earnings	Diluted EPS
2018 – As Reported	\$ 412	\$ 275	\$ 0.91
Deduct: Pension and postretirement benefit mark-to-market adjustments	(14)	(9)	(0.03)
Add: Restructuring charges, implementation costs and other related costs	19	12	0.04
2018 – Adjusted	<u>\$ 417</u>	<u>\$ 278</u>	<u>\$ 0.92</u>
2017 – As Reported	\$ 457	\$ 292	\$ 0.94
Add: Pension and postretirement benefit mark-to-market adjustments	20	13	0.04
Add: Restructuring charges, implementation costs and other related costs	9	6	0.02
2017 – Adjusted	<u>\$ 486</u>	<u>\$ 311</u>	<u>\$ 1.00</u>
% Change	(14%)	(11%)	(8%)

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Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

First Quarter

	<u>Gross Margin</u>	<u>GM %</u>	<u>Tax</u>	<u>Tax Rate</u>
2018 – As Reported	\$ 783	36.2%	\$ 107	28.0%
Deduct: Pension and postretirement benefit mark-to-market adjustments	-		(5)	
Add: Restructuring charges, implementation costs and other related costs	5		7	
2018 – Adjusted	<u>\$ 788</u>	<u>36.5%</u>	<u>\$ 109</u>	<u>28.2 %</u>
2017 – As Reported	\$ 851	38.6%	\$ 137	31.9 %
Add: Pension and postretirement benefit mark-to-market adjustments	-		7	
Add: Restructuring charges, implementation costs and other related costs	-		3	
2017 – Adjusted	<u>\$ 851</u>	<u>38.6%</u>	<u>\$ 147</u>	<u>32.1%</u>

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Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

First Quarter

	<u>Administrative Expenses</u>
2018 – As Reported	\$ 149
Deduct: Restructuring charges, implementation costs and other related costs	(12)
2018 – Adjusted	\$ 137
2017 – As Reported	\$ 125
Deduct: Restructuring charges, implementation costs and other related costs	(8)
2017 – Adjusted	\$ 117
% Change	17%

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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>First Quarter</u>
2018 – Adjusted EBIT	\$ 417
Deduct: Impact of currency translation	(3)
2018 – Adjusted EBIT, Constant Currency	<u>\$ 414</u>
 2017 – Adjusted EBIT	 \$ 486
 \$ Change in Adjusted EBIT, Constant Currency	 \$ (72)
Add: Tax impact	23
Change in Net Earnings	<u>\$ (49)</u>
 Diluted EPS Impact	 \$ (0.16)

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Net Debt

	<u>October 30, 2016</u>	<u>October 29, 2017</u>
Short-Term Borrowings	\$ 1,290	\$ 1,192
Long-Term Debt	2,298	2,269
Total Debt	\$ 3,588	\$ 3,461
Less: Cash and Cash Equivalents	(290)	(163)
Net Debt	<u>\$ 3,298</u>	<u>\$ 3,298</u>

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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
2017 – As Reported	\$ 2,925*	37.1%	\$ 1,400	\$ 887	\$ 2.89
Deduct: Pension and postretirement benefit mark-to-market adjustments	-		(178)	(116)	(0.38)
Add: Restructuring charges, implementation costs and other related costs	4		58	37	0.12
Add: Impairment charges	-		212	180	0.59
Deduct: Sale of notes	-		-	(56)	(0.18)
2017 – Adjusted	\$ 2,929	37.1%	\$ 1,492	\$ 932	\$ 3.04

* Reflects the impact of the adoption of new accounting guidance on the presentation of net periodic pension cost and net periodic postretirement benefit cost in the first quarter of fiscal 2018.

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