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for life's  
moments



**Fiscal 2017**

**Q4 Investor  
Update**

**Ken Gosnell**

*Vice President – Finance Strategy  
and Investor Relations*

# Forward-Looking Statements

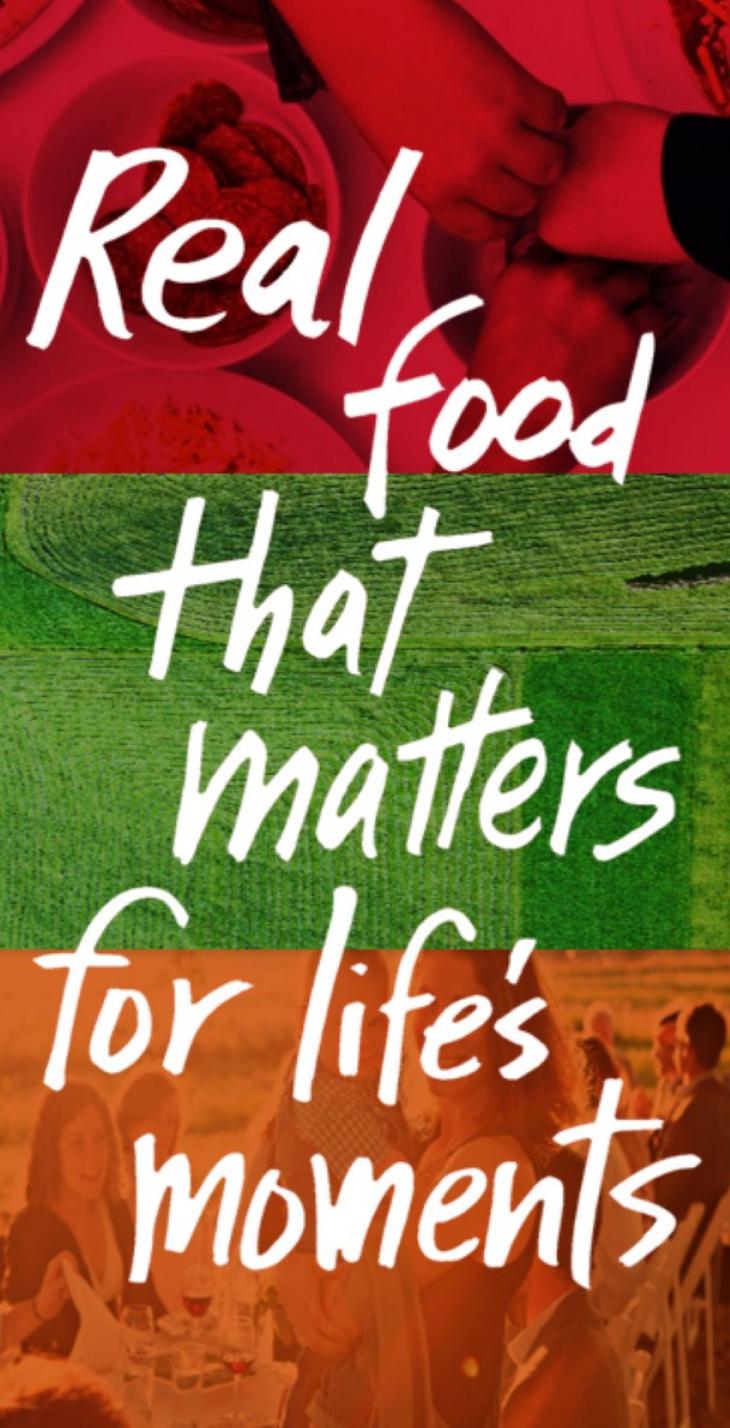
The factors that could cause actual results to vary materially from those anticipated or expressed in any forward-looking statement include: our ability to manage changes to our organizational structure and/or business processes; our ability to realize projected cost savings and benefits from efficiency and/or restructuring initiatives; the impact of strong competitive responses to our efforts to leverage brand power in the market; changes in consumer demand for our products and favorable perception of our brands; 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; 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; changing inventory management practices by certain of our key customers; disruptions to our supply chain, including fluctuations in the supply of and inflation in energy and raw and packaging materials cost; the impact of non-U.S. operations, including trade restrictions, public corruption and compliance with foreign laws and regulations; the ability to complete and to realize the projected benefits of acquisitions, divestitures and other 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; impairment to goodwill or other intangible assets; 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 personnel; 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, 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).

## Mark Your Calendar

<b>Fiscal 2018 Period</b>	<b>Earnings Date</b>
<b>First Quarter</b>	<b>Tuesday, Nov. 21, 2017</b>
<b>Second Quarter</b>	<b>Friday, Feb. 16, 2018</b>
<b>Third Quarter</b>	<b>Friday, May 18, 2018</b>
<b>Fourth Quarter</b>	<b>Thursday, Aug. 30, 2018</b>



## **Investor Update**

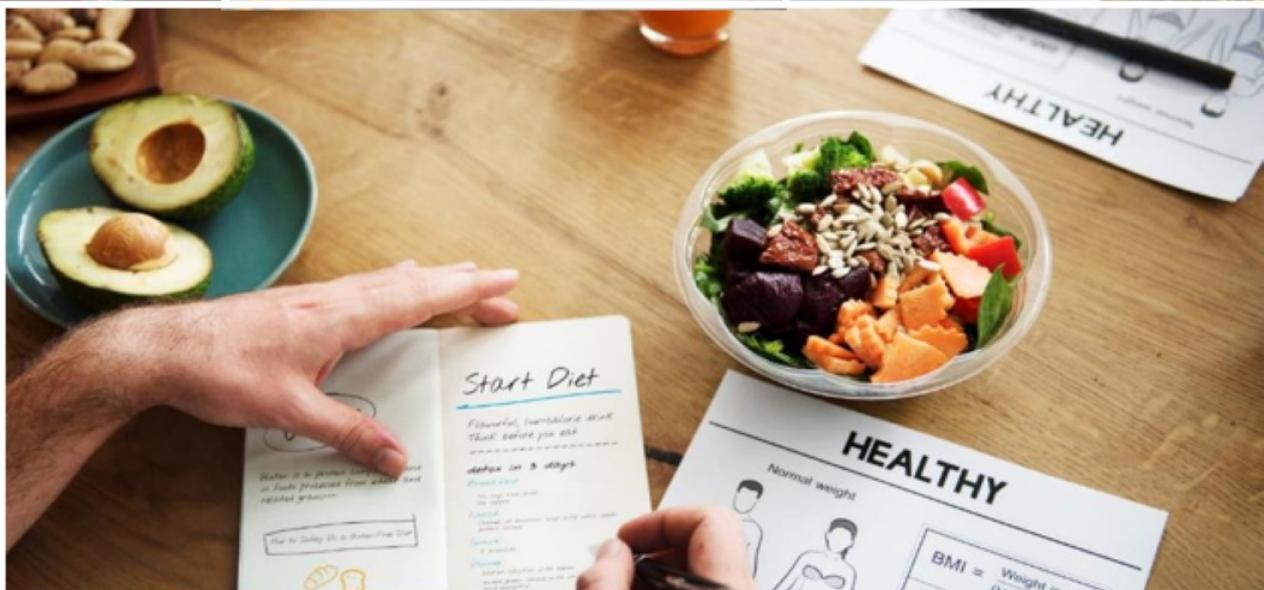
*Fourth Quarter of  
Fiscal Year 2017*



**Denise Morrison**

*President & CEO*  
**Campbell Soup Company**

# Operating Environment Remains Challenging



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# Dynamic Retail Environment



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# Financial Summary

(\$ millions, except per share)

	Fourth Quarter	% Change	Full Year	% Change
Net Sales	\$1,664	(1)%	\$7,890	(1)%
Organic Net Sales*		(1)%		(1)%
Adjusted EBIT*	\$282	11%	\$1,492	2%
Adjusted EPS*	\$0.52	13%	\$3.04	3%

\* See Non-GAAP reconciliation

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# F17 Q4 Performance

(\$ millions)

## Global Biscuits and Snacks



	Q4
<b>Net Sales Organic Growth Rate*</b>	<b>-%*</b>
<b>Operating Earnings</b>	<b>35%</b>

## Americas Simple Meals and Beverages



	Q4
<b>Net Sales Organic Growth Rate*</b>	<b>-3%*</b>
<b>Operating Earnings</b>	<b>4%</b>

## Campbell Fresh



	Q4
<b>Net Sales Organic Growth Rate*</b>	<b>1%*</b>
<b>Operating Earnings</b>	<b>(\$8)</b>

\* See Non-GAAP reconciliation

# Segment Update

## Global Biscuits and Snacks



	Q4
<b>Net Sales Organic Growth Rate*</b>	<b>-%*</b>
<b>Operating Earnings</b>	<b>35%</b>

- Strong performance of Pepperidge Farm snacks driven by *Goldfish*
- Delivered double-digit increase in operating earnings

\* See Non-GAAP reconciliation

# Outlook for F18

- Expand *Goldfish* brand to new demographic
- Invest behind successful *Milano Moments* campaign
- Build on Farmhouse cookie & *TimTam* launches



- Expand health & well-being offerings
- New varieties of *Shapes* crackers
- Drive on-the-go snacking
- Launch Arnott's masterbrand ad campaign



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# Segment Update

(\$ millions)

## Campbell Fresh



	Q4
<b>Net Sales Organic Growth Rate*</b>	<b>1%*</b>
<b>Operating Earnings</b>	<b>\$(8)</b>

- Sales increased, however beverage sales declined
- Continued beverage capacity constraints and limited promotional activity
- Increased administrative expenses, carrot costs, and enhanced quality processes impacted profit

\* See Non-GAAP reconciliation

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# Outlook for F18



- Confident in growth potential & strategy
- Return to normal capacity and promotional activity
- Robust innovation pipeline
- Expect profitable growth in F18



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# Segment Update

## Americas Simple Meals and Beverages



	Q4
<b>Net Sales Organic Growth Rate*</b>	<b>-3%*</b>
<b>Operating Earnings</b>	<b>4%</b>

- Delivered against portfolio role
- Beverages remain challenged
- U.S. soup sales declined due to lower retailer inventory

\* See Non-GAAP reconciliation

# Outlook for F18

## New V8 Strategy

Focus on  
V8 Original



Revitalize  
V8 Blends



Continued Growth  
of V8 Plus Energy



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# U.S. Soup

## Q4

- Sales declined 4%
- Consumer takeaway comparable to year ago
- Sales decline driven by retailer inventory

## Full Year

- Sales declined 1%
- Sales of condensed and broth declined
- RTS growth behind *Chunky*, *Slow Kettle* and *Well Yes!* launch

## Condensed



## Broth



## Ready-to-Serve



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# Outlook for F18

Headwinds in U.S. Soup Despite Strong Line Up & Plans



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# Pacific Foods Acquisition - Pending



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# Cost Savings & Reinvestment

**Multi-year Cost Savings:**  
\$325 MM+ through F17 (one year early)  
\$450 MM through F20

## Reinvest in Strategic Imperatives

*Digital &  
e-Commerce*



*Snacking*



*Real Food, Transparency  
& Sustainability*



*Health & Well-being*



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# Fiscal 2018 Guidance

(\$ millions, except per share)

	2017 Results	2018 Guidance
<b>Sales</b>	\$7,890	-2% to 0%
<b>Adjusted EBIT</b>	\$1,492*	-1% to 1%**
<b>Adjusted EPS</b>	\$3.04*	0% to 2%** \$3.04 to \$3.11

\* 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 be part of the company's ongoing business results.

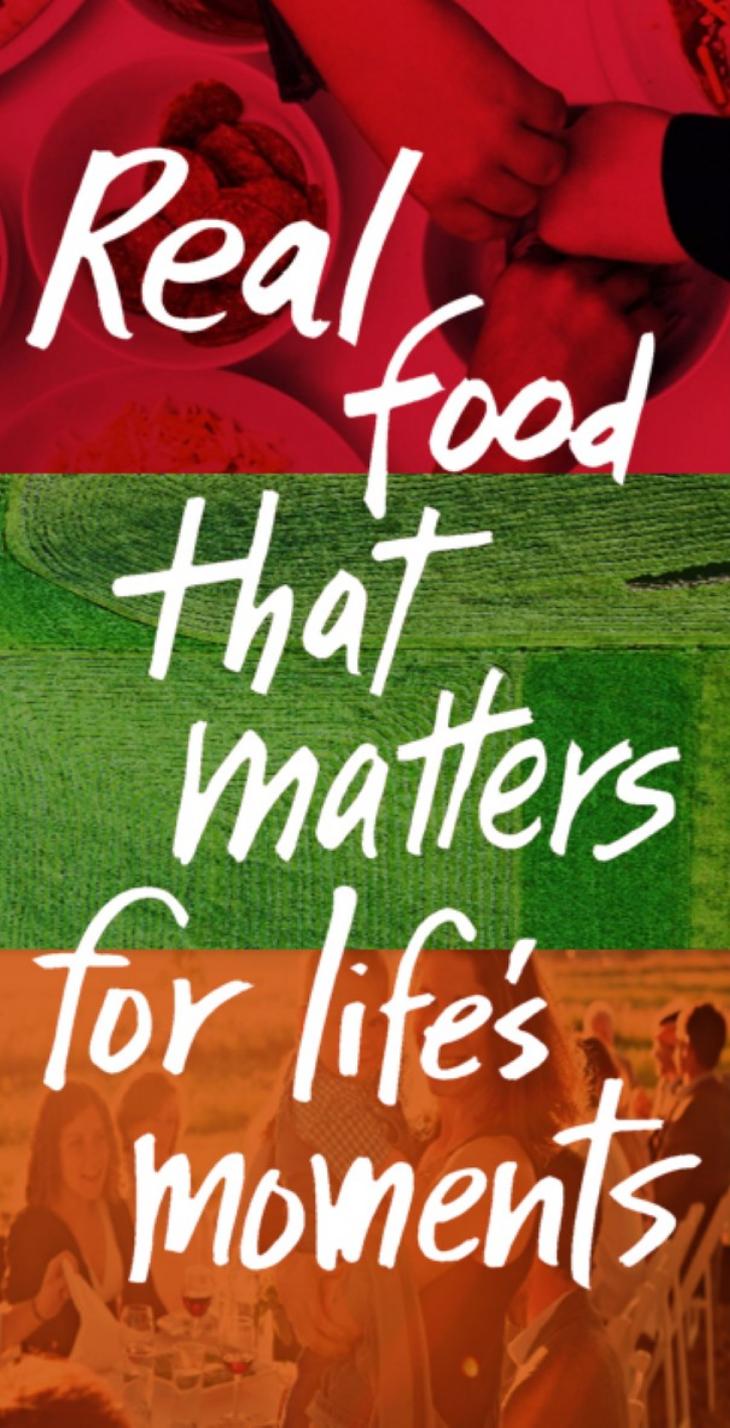
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# *Campbell's*

**Taking steps to be  
the leading health and well-being  
food company**

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## **CFO Perspective**

**Anthony DiSilvestro**

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

## **Fourth-Quarter Fiscal 2017 Summary**

- **2017 Performance in Line with Guidance**
- **Significant Cost Savings**
- **Solid Gross Margin Performance**
- **Fiscal 2018 Sales and Earnings Guidance**

# Financial Summary

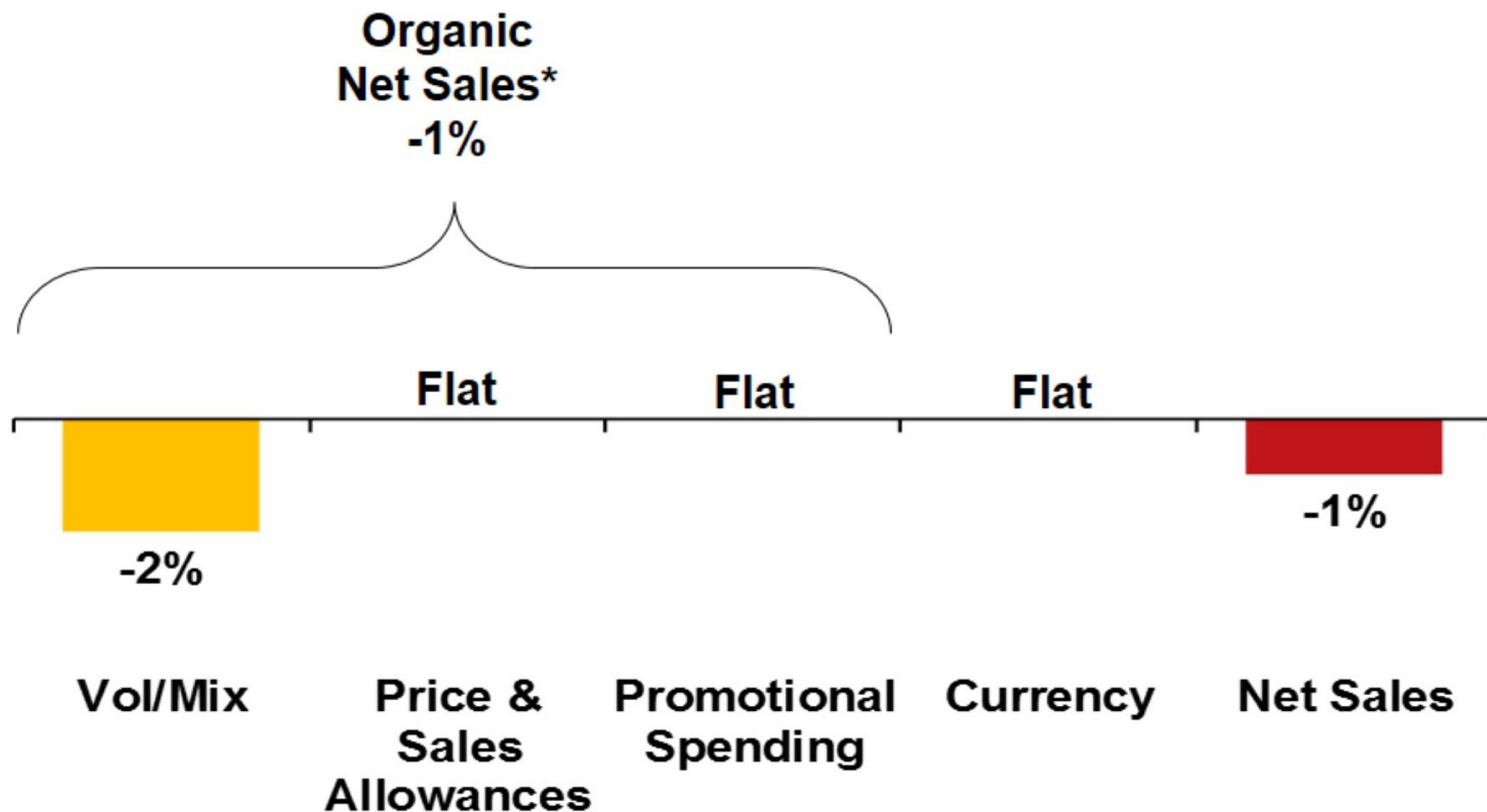
(\$ millions, except per share)

	Fourth Quarter	% Change	Full Year	% Change
Net Sales	\$1,664	(1)%	\$7,890	(1)%
Organic Net Sales*		(1)%		(1)%
Adjusted EBIT*	\$282	11%	\$1,492	2%
Adjusted EPS*	\$0.52	13%	\$3.04	3%

\* See Non-GAAP reconciliation

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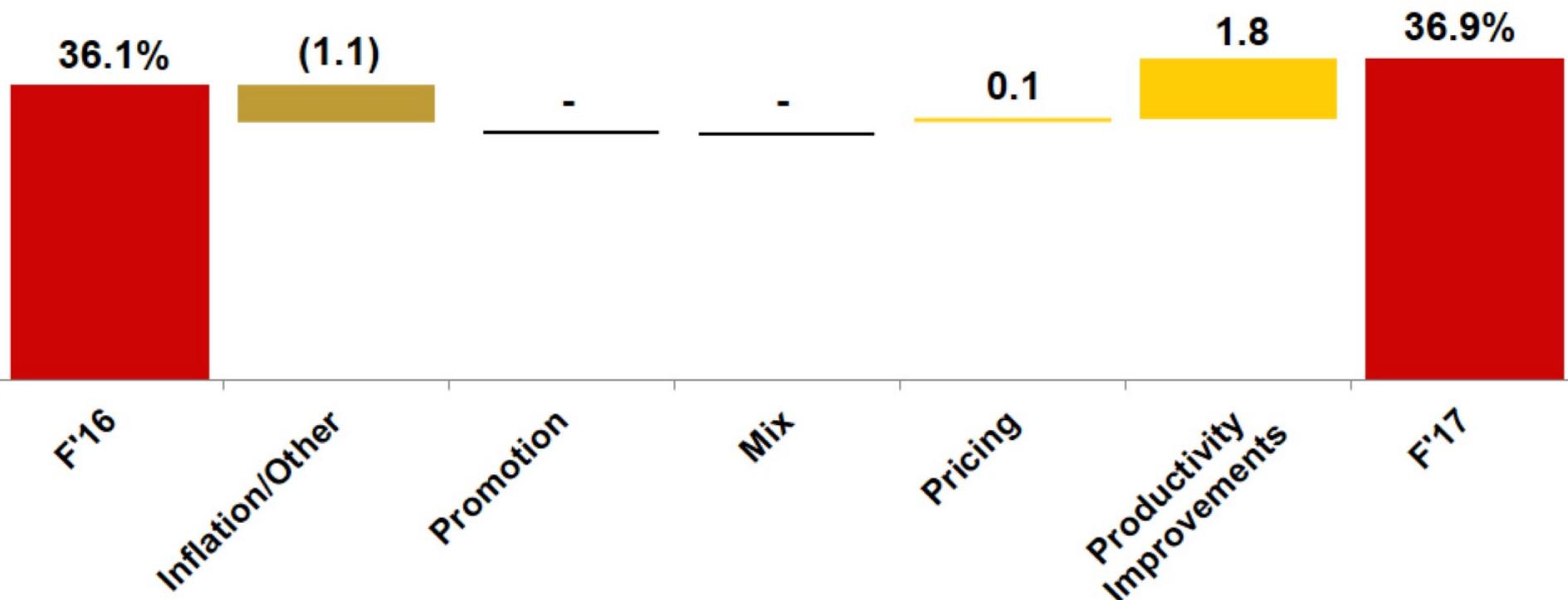
## Fourth Quarter – Components of Net Sales Change



Numbers do not add across due to rounding

\* See Non-GAAP reconciliation

# Fourth Quarter – Adjusted Gross Margin Performance\*



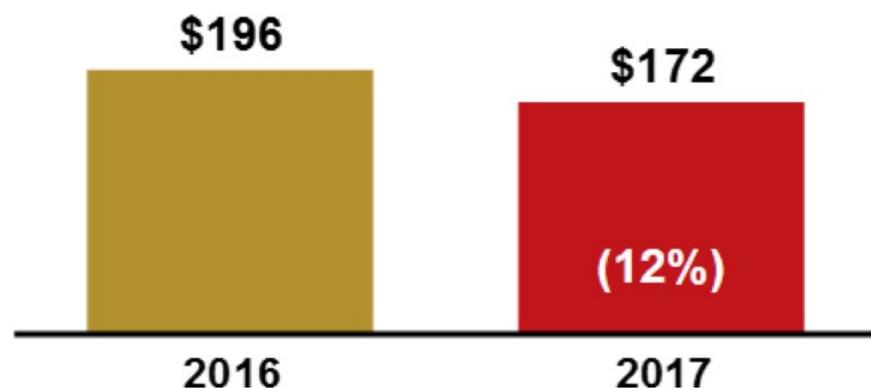
\* See Non-GAAP reconciliation

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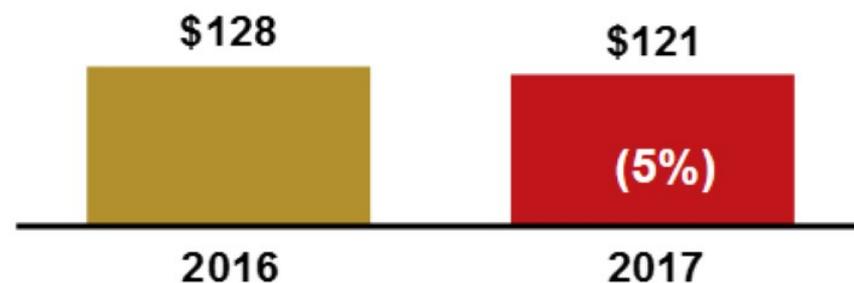
## Fourth Quarter – Other Operating Items

(\$ millions)

### *Adjusted Marketing & Selling Expenses\**



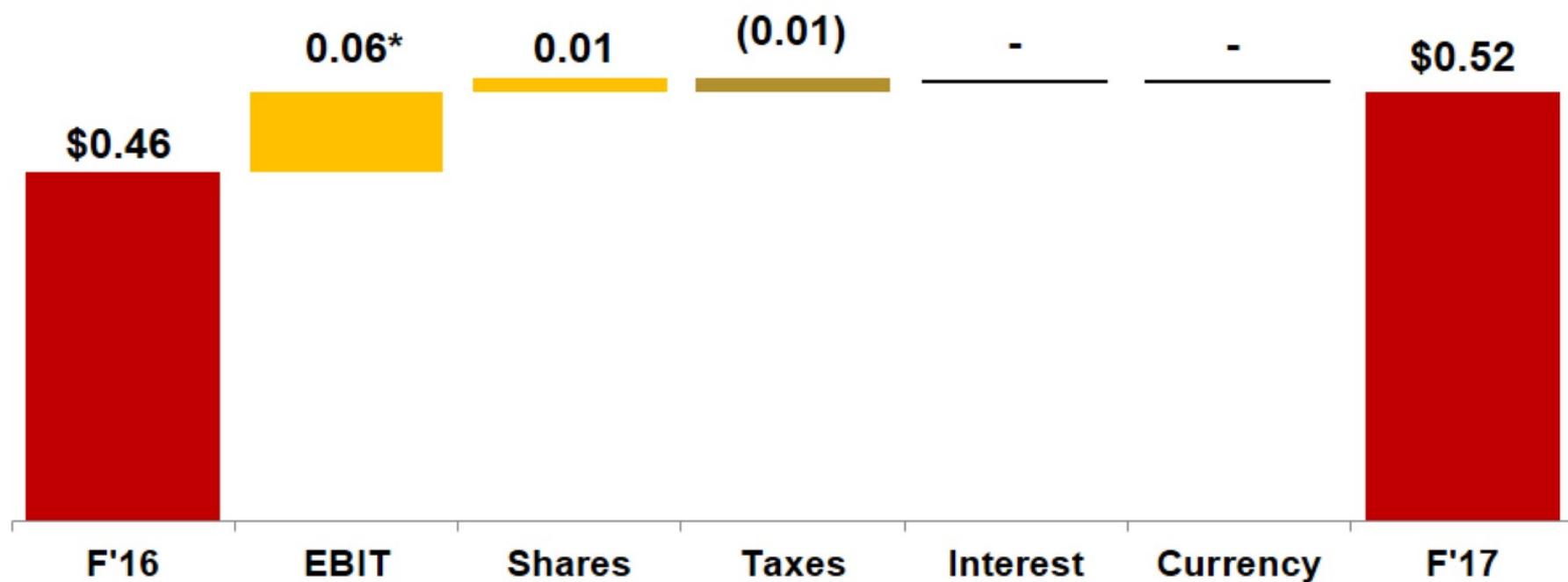
### *Adjusted Administrative Expenses\**



\* See Non-GAAP reconciliation

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## Fourth Quarter – Adjusted EPS Performance\*



\* See Non-GAAP reconciliation

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# Fourth-Quarter Segment Results

(\$ millions)

## Americas Simple Meals and Beverages



\$815

(3%)

Net Sales &  
Organic  
Growth Rate\*

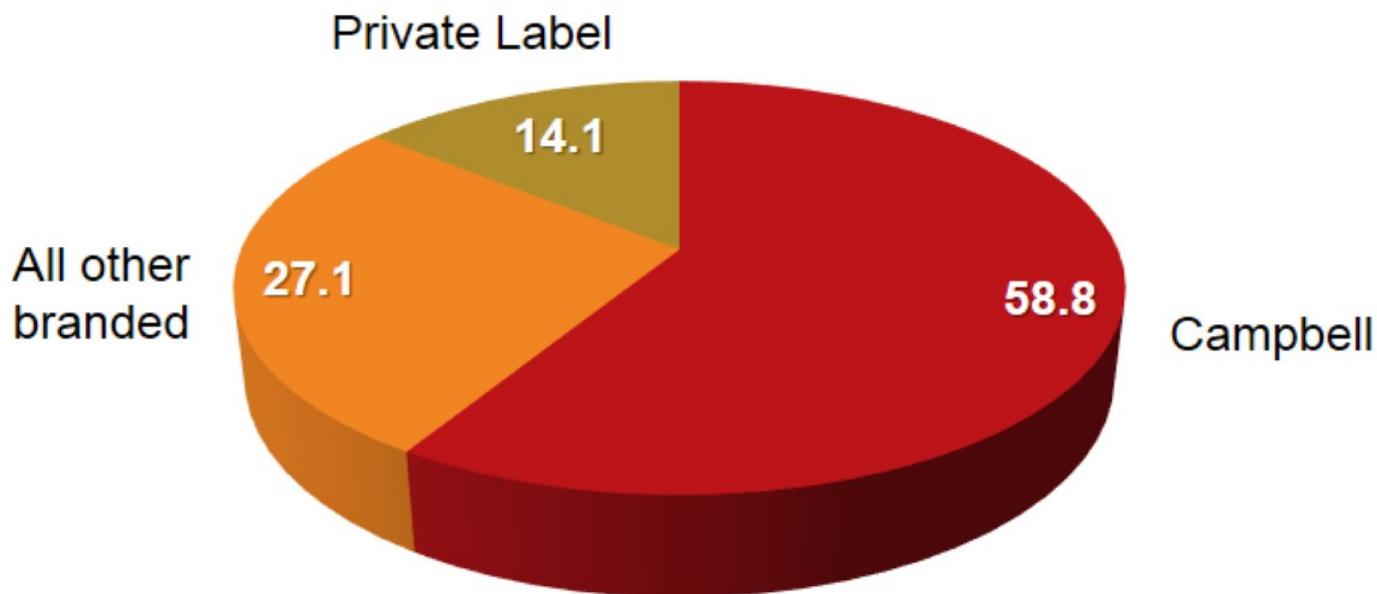
\$198

4%

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>
<b>Dollar Share Change</b>	N/A	+0.2 ppts	-1.5 ppts	+1.3 ppts
<b>Dollar Sales Change</b>	-0.4%	-0.1%	-5.6%	+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 July 30, 2017

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# Fourth-Quarter Segment Results

(\$ millions)



**\$624**

**- %**

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

**\$109**

**35%**

**Operating  
Earnings**

\* See Non-GAAP reconciliation

# Fourth-Quarter Segment Results

(\$ millions)



\$225

1%

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

(\$8)

**Operating  
Earnings**

\* See Non-GAAP reconciliation

# Cash Flow and Balance Sheet Items

(\$ millions)

<b>Fiscal Year</b>	<b>2016</b>	<b>2017</b>
Cash Flow from Operations	\$1,491	\$1,291
Capital Expenditures	\$341	\$338
Dividends Paid	\$390	\$420
Share Repurchases	\$143	\$437
Ending Net Debt*	\$3,237	\$3,217

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

\* See Non-GAAP reconciliation

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# Fiscal 2018 Guidance

(\$ millions, except per share)

	2017 Results	2018 Guidance
<b>Sales</b>	\$7,890	-2% to 0%
<b>Adjusted EBIT</b>	\$1,492*	-1% to 1%**
<b>Adjusted EPS</b>	\$3.04*	0% to 2%** \$3.04 to \$3.11

\* 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 be part of the company's ongoing business results.

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## Key Assumptions for Fiscal 2018

	Supporting Assumptions for 2018 Guidance
COPS Inflation	~2-3%
COPS Productivity	~3%
Cost Savings Program	\$60-70 million
Gross Margin Percentage	Modest Improvement
Interest Expense	\$120-130 million
Tax Rate	~32%
Share Repurchases	Decreased
Capital Expenditures	\$400 million

# 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)

## Fourth Quarter

### 2017

Americas Simple Meals and Beverages

Net Sales, As Reported	Impact of Currency	Organic Net Sales
\$ 815	\$ 1	\$ 816

## % Change

Net Sales, As Reported	Organic Net Sales
-3%	-3%

Global Biscuits and Snacks

624	(3)	621
-----	-----	-----

- %	- %
-----	-----

Campbell Fresh

225	-	225
-----	---	-----

1%	1%
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Total Net Sales

<u>\$ 1,664</u>	<u>\$ (2)</u>	<u>\$ 1,662</u>
-----------------	---------------	-----------------

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

### 2016

Americas Simple Meals and Beverages

\$ 842
--------

Global Biscuits and Snacks

622
-----

Campbell Fresh

223
-----

Total Net Sales

<u>\$ 1,687</u>
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# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Full Year

2017

Americas Simple Meals and Beverages  
Global Biscuits and Snacks  
Campbell Fresh  
Total Net Sales

Net Sales, As Reported	Impact of Currency	Organic Net Sales
\$ 4,325	\$ (1)	\$ 4,324
2,598	(26)	2,572
967	-	967
<u>\$ 7,890</u>	<u>\$ (27)</u>	<u>\$ 7,863</u>

% Change

Net Sales, As Reported	Organic Net Sales
-1%	-1%
1%	- %
-5%	-5%
-1%	-1%

2016

Americas Simple Meals and Beverages  
Global Biscuits and Snacks  
Campbell Fresh  
Total Net Sales

\$ 4,380
2,564
1,017
<u>\$ 7,961</u>

# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

## Fourth Quarter

	EBIT	Net Earnings	Diluted EPS*
2017 – As Reported	\$ 440	\$ 318	\$ 1.04
Deduct: Pension and postretirement benefit mark-to-market adjustments	(198)	(129)	(0.42)
Add: Restructuring charges, implementation costs and other related costs	40	26	0.09
Deduct: Sale of notes	-	(56)	(0.18)
2017 – Adjusted	<u>\$ 282</u>	<u>\$ 159</u>	<u>\$ 0.52</u>
2016 – As Reported	\$ (37)	\$ (81)	\$ (0.26)
Add: Pension and postretirement benefit mark-to-market adjustments	138	90	0.29
Add: Restructuring charges, implementation costs and other related costs	11	7	0.02
Add: Impairment charges	141	127	0.41
2016 – Adjusted	<u>\$ 253</u>	<u>\$ 143</u>	<u>\$ 0.46</u>
% Change	11%	11%	13%

\*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, except per share amounts)

## Full Year

	EBIT	Net Earnings	Diluted EPS
2017 – As Reported	\$ 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	58	37	0.12
Add: Impairment charges	212	180	0.59
Deduct: Sale of notes	-	(56)	(0.18)
2017 – Adjusted	<u>\$ 1,492</u>	<u>\$ 932</u>	<u>\$ 3.04</u>
2016 – As Reported	\$ 960	\$ 563	\$ 1.81
Add: Pension and postretirement benefit mark-to-market adjustments	313	200	0.64
Add: Restructuring charges, implementation costs and other related costs	78	49	0.16
Add: Impairment charges	141	127	0.41
Deduct: Settlement of a claim related to Kelsen acquisition	(25)	(25)	(0.08)
2016 – Adjusted	<u>\$ 1,467</u>	<u>\$ 914</u>	<u>\$ 2.94</u>
% Change	2%	2%	3%

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# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

## Fourth Quarter

	Gross Margin	GM %	Net Interest Expense	Tax	Tax Rate
2017 – As Reported	\$ 715	43.0%	\$ 23	\$ 99	23.7%
Deduct: Pension and postretirement benefit mark-to-market adjustments	(105)		-	(69)	
Add: Restructuring charges, implementation costs and other related costs	4		-	14	
Add: Sale of notes	-		6	50	
2017 – Adjusted	\$ 614	36.9%	\$ 29	\$ 94	37.2%
2016 – As Reported	\$ 546	32.4%	\$ 28	\$ 16	24.6%
Add: Pension and postretirement benefit mark-to-market adjustments	63		-	48	
Add: Restructuring charges, implementation costs and other related costs	-		-	4	
Add: Impairment charges	-		-	14	
2016 – Adjusted	\$ 609	36.1%	\$ 28	\$ 82	36.4%

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# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Full Year

	Gross Margin	GM %	Net Interest Expense	Tax	Tax Rate
2017 – As Reported	\$ 3,059	38.8%	\$ 107	\$ 406	31.4%
Deduct: Pension and postretirement benefit mark-to-market adjustments	(85)		-	(62)	
Add: Restructuring charges, implementation costs and other related costs	4		-	21	
Add: Impairment charges	-		-	32	
Add: Sale of notes	-		6	50	
2017 – Adjusted	<u>\$ 2,978</u>	<u>37.7%</u>	<u>\$ 113</u>	<u>\$ 447</u>	<u>32.4%</u>
2016 – As Reported	\$ 2,780	34.9%	\$ 111	\$ 286	33.7%
Add: Pension and postretirement benefit mark-to-market adjustments	176		-	113	
Add: Restructuring charges, implementation costs and other related costs	-		-	29	
Add: Impairment charges	-		-	14	
2016 – Adjusted	<u>\$ 2,956</u>	<u>37.1%</u>	<u>\$ 111</u>	<u>\$ 442</u>	<u>32.6%</u>

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# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

## Fourth Quarter

	Marketing and Selling Expenses	Administrative Expenses
2017 – As Reported	\$ 143	\$ 86
Add: Pension and postretirement benefit mark-to-market adjustments	29	53
Deduct: Restructuring charges, implementation costs and other related costs	-	(18)
2017 – Adjusted	<u>\$ 172</u>	<u>\$ 121</u>
2016 – As Reported	\$ 216	\$ 185
Deduct: Pension and postretirement benefit mark-to-market adjustments	(20)	(45)
Deduct: Restructuring charges, implementation costs and other related costs	-	(12)
2016 – Adjusted	<u>\$ 196</u>	<u>\$ 128</u>
% Change	-12%	-5%

# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

## EPS Impact from Adjusted EBIT Excluding Currency

	<u>Fourth Quarter</u>
2017 – Adjusted EBIT	\$ 282
Deduct: Impact of currency translation	(1)
2017 – Adjusted EBIT, Constant Currency	<u>\$ 281</u>
2016 – Adjusted EBIT	\$ 253
\$ Change in Adjusted EBIT, Constant Currency	\$ 28
Deduct: Tax impact	(10)
Change in Net Earnings	<u>\$ 18</u>
Diluted EPS Impact	\$ 0.06

# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

## Net Debt

	July 31, 2016	July 30, 2017
Short-Term Borrowings	\$ 1,219	\$ 1,037
Long-Term Debt	2,314	2,499
Total Debt	\$ 3,533	\$ 3,536
Less: Cash and Cash Equivalents	(296)	(319)
Net Debt	\$ 3,237	\$ 3,217