

Q3 Fiscal 2024 Results

NYSE: CPB



- **Sequential volume / mix improvement with stable organic net sales***. Double-digit growth in Adjusted Earnings Before Interest and Taxes* (EBIT) and Adjusted Earnings Per Share* (EPS).
- **Sovos Brands, Inc. (Sovos Brands) performance ahead of expectations** leading to neutral impact on Adjusted EPS in the quarter.
- In-market performance stable for Meals & Beverages with some pressure in Snacks reflecting the pace of consumer recovery.
- Remain on track for Snacks FY24 operating margin target.
- **Full-year FY24 guidance updated** to reflect the expected performance of the base business and the impact of the recent acquisition.

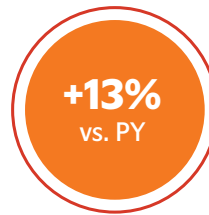
Key Metrics

Three months ended 04/28/2024

Net Sales
\$2.4 Billion



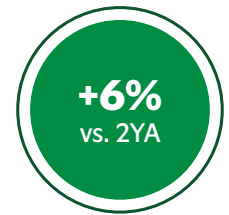
Adj. EBIT*
\$354 Million



Adj. EPS*
\$0.75



\$ Consumption¹
(2)%
vs. PY



“We are excited about the integration of the Sovos Brands business, which already is bringing significant incremental growth to our company as we continue to navigate the pace of consumer recovery.”

Mark Clouse
President & CEO



Meals & Beverages

- Organic Net Sales* Flat vs. PY; (1)% on a two-year CAGR* basis
- \$ Consumption¹ (2)% vs. PY; Flat on a two-year CAGR basis
- Topline stabilization with sequential volume / mix improvement
- Condensed Cooking and Broth continue to benefit from consumers seeking stretchable foods
- Well-positioned Italian sauce portfolio with share strength in the quarter



Snacks

- Organic Net Sales* (1)% vs. PY; +6% on a two-year CAGR* basis
- \$ Consumption¹ (2) vs. PY; +6% on a two-year CAGR basis
- 8 Power Brands: Net Sales +2% vs. PY; +9% on a two-year CAGR basis
- *Late July* innovation fuels quarterly performance with net sales +26% vs. PY
- +190 bps operating margin growth (Q3 FY24 YTD vs. Q3 FY22 YTD)

*See Non-GAAP reconciliation. ¹Total Circana US MULO \$ Consumption latest 13 weeks ending 04/28/2024. Total Company and Meals & Beverages exclude Sovos Brands.

Full-Year Fiscal 2024 Guidance

Updates include Sovos Brands

	FY2023 Results	Previous FY2024 Guidance ¹	Updated FY2024 Guidance Including Sovos Brands ¹
(\$ millions, except per share amounts)			
Net Sales	\$9,357	(0.5)% to +1.5%	+3% to +4%
Organic Net Sales²	\$9,306*	0% to +2%	(1)% to 0%
Adjusted EBIT³	\$1,367*	+3% to +5%	+6.5% to +7%
Adjusted EPS³	\$3.00*	+3% to +5% \$3.09 to \$3.15	+2% to +3% \$3.07 to \$3.10

Campbell updates its full-year fiscal 2024 guidance for Net Sales, Adjusted EBIT and Adjusted EPS.

*See non-GAAP reconciliation

¹A non-GAAP reconciliation is not provided for fiscal 2024 guidance as the company is unable to reasonably estimate the full-year financial impact of items such as actuarial gains or losses on pension and postretirement plans because these impacts are dependent on future changes in market conditions. The inability to predict the amount and timing of these future items makes a detailed reconciliation of these forward-looking financial measures impracticable.

² Growth rate adjusted for the Emerald nuts business, which was divested on May 30, 2023 and Sovos Brands, which was acquired on March 12, 2024.

³ Adjusted EBIT in fiscal 2023 included approximately \$14 million and adjusted EPS included approximately \$0.04 of litigation expenses related to the Plum baby food and snacks business, which was divested on May 3, 2021. We are excluding these expenses from our fiscal 2024 adjusted EBIT and adjusted EPS and thereafter as we do not believe that these expenses reflect our underlying operating performance.

Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Third Quarter

April 28, 2024	Net Sales, As Reported	Impact of Currency	Impact of Acquisition	Organic Net Sales	% Change	
					Net Sales, As Reported	Organic Net Sales
Meals & Beverages	\$1,272	\$-	\$(166)	\$1,106	15%	0%
Snacks	1,097	(1)	-	1,096	(2)%	(1)%
Total Net Sales	\$2,369	\$(1)	\$(166)	\$2,202	6%	0%

April 30, 2023	Net Sales, As Reported	Impact of Divestiture	Organic Net Sales	% Change	
				Net Sales, As Reported	Organic Net Sales
Meals & Beverages	\$1,108	\$-	\$1,108		
Snacks	1,121	(16)	1,105		
Total Net Sales	\$2,229	\$(16)	\$2,213		

(\$ millions)

Third Quarter

April 28, 2024	Net Sales, As Reported	Impact of Currency	Impact of Acquisition	Organic Net Sales	Two-Year CAGR	
					Net Sales, As Reported	Organic Net Sales
Meals & Beverages	\$1,272	\$8	\$(166)	\$1,114	6%	(1)%
Snacks	1,097	(1)	-	1,096	5%	6%
Total Net Sales	\$2,369	\$7	\$(166)	\$2,210	5%	2%

May 1, 2022	Net Sales, As Reported	Impact of Divestiture	Organic Net Sales	Two-Year CAGR	
				Net Sales, As Reported	Organic Net Sales
Meals & Beverages	\$1,131	\$-	\$1,131		
Snacks	999	(17)	982		
Total Net Sales	\$2,130	\$(17)	\$2,113		

(\$ millions, except per share amounts)

Third Quarter

	EBIT	Earnings	Diluted EPS**
2024 – As Reported	\$248	\$133	\$0.44
Add: Costs associated with cost savings and optimization initiatives	20	15	0.05
Deduct: Commodity mark-to-market adjustments	(13)	(10)	(0.03)
Add: Accelerated amortization	6	5	0.02
Add: Costs associated with acquisition	93	81	0.27
2024 – Adjusted	\$354	\$224	\$0.75
2023 – As Reported	\$254	\$160	\$0.53
Add: Costs associated with cost savings and optimization initiatives	33	24	0.08
Add: Pension actuarial losses	17	13	0.04
Add: Commodity mark-to-market adjustments	9	7	0.02
2023 – Adjusted	\$313	\$204	\$0.68
% Change - Adjusted	13%	10%	10%

(\$ millions)

Full Year

July 30, 2023	Net Sales, As Reported	Impact of Divestiture	Organic Net Sales Base for FY2024 Guidance
Meals & Beverages	\$4,907	\$-	\$4,907
Snacks	4,450	(51)	4,399
Total Net Sales	<u>\$9,357</u>	<u>\$(51)</u>	<u>\$9,306</u>

(\$ millions, except per share amounts)

Full Year

	EBIT	Earnings	Diluted EPS
2023 – As Reported	\$1,312	\$858	\$2.85
Add: Costs associated with cost savings and optimization initiatives	66	50	0.17
Deduct: Pension and postretirement actuarial gains	(15)	(11)	(0.04)
Deduct: Commodity mark-to-market adjustments	(21)	(16)	(0.05)
Add: Charges associated with divestiture	13	13	0.04
Add: Accelerated amortization	7	5	0.02
Add: Costs associated with acquisition	5	4	0.01
2023 – Adjusted	<u>\$1,367</u>	<u>\$903</u>	<u>\$3.00</u>

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

The document contains forward-looking statements within the meaning of federal securities laws. These forward-looking statements reflect the Company's current expectations of the Company's future business or financial results. These forward-looking statements, including any statements made regarding sales, EBIT and EPS guidance, rely on a number of assumptions and estimates that could be inaccurate and which are subject to risks and uncertainties. For important information on forward-looking statements, please see our press release on our investor website at <https://investor.campbellsoupcompany.com>.

