

Reconciliation of GAAP to Non-GAAP Financial Measures
Third Quarter Ended April 29, 2018

Campbell Soup Company uses certain non-GAAP financial measures as defined by the Securities and Exchange Commission in certain communications. These non-GAAP financial measures are measures of performance not defined by accounting principles generally accepted in the United States and should be considered in addition to, not in lieu of, GAAP reported measures. Management believes that also presenting certain non-GAAP financial measures provides additional information to facilitate comparison of the company's historical operating results and trends in its underlying operating results, and provides transparency on how the company evaluates its business. Management uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating the company's performance.

Organic Net Sales

Organic net sales are net sales excluding the impact of currency and acquisitions. Management believes that excluding these items, which are not part of the ongoing business, improves the comparability of year-to-year results. A reconciliation of net sales as reported to organic net sales follows.

Three Months Ended								
(millions)	April 29, 2018				April 30, 2017	% Change		
	Net Sales, as Reported	Impact of Currency	Impact of Acquisitions	Organic Net Sales	Net Sales, as Reported	Net Sales, as Reported	Organic Net Sales	
Americas Simple Meals and Beverages	\$ 1,010	\$ (4)	\$ (55)	\$ 951	\$ 966	5%	(2)%	
Global Biscuits and Snacks	862	(9)	(207)	646	639	35%	1%	
Campbell Fresh	251	—	—	251	248	1%	1%	
Corporate	2	—	—	2	—	n/m	n/m	
Total Net Sales	\$ 2,125	\$ (13)	\$ (262)	\$ 1,850	\$ 1,853	15%	—%	

Nine Months Ended								
(millions)	April 29, 2018				April 30, 2017	% Change		
	Net Sales, as Reported	Impact of Currency	Impact of Acquisitions	Organic Net Sales	Net Sales, as Reported	Net Sales, as Reported	Organic Net Sales	
Americas Simple Meals and Beverages	\$ 3,424	\$ (16)	\$ (83)	\$ 3,325	\$ 3,459	(1)%	(4)%	
Global Biscuits and Snacks	2,297	(24)	(207)	2,066	2,025	13%	2%	
Campbell Fresh	742	—	—	742	742	—%	—%	
Corporate	3	—	—	3	—	n/m	n/m	
Total Net Sales	\$ 6,466	\$ (40)	\$ (290)	\$ 6,136	\$ 6,226	4%	(1)%	

n/m - not meaningful

Items Impacting Earnings

The company believes that financial information excluding certain items that are not considered to reflect the ongoing operating results, such as those listed below, improves the comparability of year-to-year results. Consequently, the company believes that investors may be able to better understand its results excluding these items.

The following items impacted earnings:

- (1) In the first quarter of fiscal 2018, the company incurred gains of \$14 million in Other expenses / (income) (\$10 million after tax, or \$.03 per share) associated with mark-to-market adjustments for defined benefit pension and postretirement plans. In the first quarter of fiscal 2017, the company incurred losses of \$20 million in Other expenses / (income) (\$13 million after tax, or \$.04 per share) associated with mark-to-market adjustments for defined benefit pension and postretirement plans. For the year ended July 30, 2017, the company incurred gains of \$178 million in Other

expenses / (income) (\$116 million after tax, or \$.38 per share) associated with mark-to-market adjustments for defined benefit pension and postretirement plans.

- (2) In fiscal 2015, the company implemented initiatives to reduce costs and to streamline its organizational structure. In fiscal 2017, the company expanded these cost savings initiatives by further optimizing its supply chain network, primarily in North America, continuing to evolve its operating model to drive efficiencies, and more fully integrating its recent acquisitions. In January 2018, as part of the expanded initiatives, the company authorized additional costs to improve the operational efficiency of its thermal supply chain network in North America by closing its manufacturing facility in Toronto, Ontario, and to optimize its information technology infrastructure by migrating certain applications to the latest cloud technology platform.

In the third quarter of fiscal 2018, the company recorded Restructuring charges of \$14 million and implementation costs and other related costs of \$30 million in Administrative expenses, \$14 million in Cost of products sold, and \$2 million in Marketing and selling expenses (aggregate impact of \$45 million after tax, or \$.15 per share) related to these initiatives. In the nine-month period of fiscal 2018, the company recorded Restructuring charges of \$49 million and implementation costs and other related costs of \$68 million in Administrative expenses and \$20 million in Cost of products sold, and \$2 million in Marketing and selling expenses (aggregate impact of \$103 million after tax, or \$.34 per share) related to these initiatives. In the third quarter of fiscal 2017, the company recorded implementation costs and other related costs of \$7 million in Administrative expenses (\$4 million after tax, or \$.01 per share) related to these initiatives. In the nine-month period of fiscal 2017, the company recorded implementation costs and other related costs of \$18 million in Administrative expenses (\$11 million after tax, or \$.04 per share) related to these initiatives. For the year ended July 30, 2017, the company recorded Restructuring charges of \$18 million and implementation costs and other related costs of \$36 million in Administrative expenses and \$4 million in Cost of products sold (aggregate impact of \$37 million after tax, or \$.12 per share) related to these initiatives.

- (3) In the second quarter of fiscal 2018, the company announced its intent to acquire Snyder's-Lance, Inc and incurred transaction costs of \$24 million in Other expenses / (income) (\$19 million after tax, or \$.06 per share) associated with the acquisition. The acquisition closed on March 26, 2018, and in the third quarter of fiscal 2018, the company incurred \$82 million of transaction and integration costs, of which \$10 million was recorded in Restructuring charges, \$6 million in Administrative expenses, \$29 million in Other expenses / (income), and \$37 million in Cost of products sold associated with an acquisition date fair value adjustment for inventory. The company also recorded a gain in Interest expense of \$18 million on treasury rate lock contracts used to hedge the planned financing of the acquisition. The aggregate impact was \$64 million, \$46 million after tax, or \$.15 per share. In the nine-month period of fiscal 2018, the company incurred \$88 million of transaction and integration costs, of which \$10 million was recorded in Restructuring charges, \$6 million in Administrative expenses, \$53 million in Other expenses / (income), \$37 million in Cost of products sold, and a gain on the treasury rate lock contracts of \$18 million in Interest expense. The aggregate after-tax impact was \$65 million, or \$.22 per share.
- (4) In the nine-month period of fiscal 2018, the company reflected the impact on taxes of the enactment of the Tax Cuts and Jobs Act that was signed into law in December 2017. The company recorded a tax benefit of \$179 million due to the remeasurement of deferred tax assets and liabilities, and a tax charge of \$59 million related to the transition tax on unremitted foreign earnings. The net impact was a tax benefit of \$120 million (\$.40 per share).
- (5) In the third quarter of fiscal 2018, the company performed interim impairment assessments within Campbell Fresh on the deli reporting unit, which includes Garden Fresh Gourmet and the U.S. refrigerated soup business, and the Bolthouse Farms refrigerated beverages and salad dressings reporting unit. Within the deli unit, the company revised its long-term outlook due to potential loss of refrigerated soup business with certain customers, as well as the recent performance of the business. In addition, the operating performance of the Bolthouse Farms refrigerated beverages and salad dressing reporting unit was below expectations. The company revised its long-term outlook for future earnings and cash flows for each of these reporting units. The company recorded a non-cash impairment charge of \$11 million on the tangible assets and \$94 million on the intangible assets (\$80 million after tax, or \$.27 per share) of the deli reporting unit, and a non-cash impairment charge of \$514 million (\$417 million after tax, or \$1.39 per share) related to the intangible assets of the Bolthouse Farms refrigerated beverages and salad dressings reporting unit. The aggregate impact of the impairment charges was \$619 million, of which \$11 million was recorded in Cost of products sold and \$608 million in Other expenses / (income), (\$497 million after tax, or \$1.65 per share).

In the second quarter of fiscal 2018, the company performed an interim impairment assessment on the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit as operating performance was below expectations. The company revised its outlook for future earnings and cash flows and recorded a non-cash impairment

charge of \$75 million in Other expenses / (income) (\$74 million after tax, or \$.25 per share). In the nine-month period of fiscal 2018, the total non-cash impairment charges recorded were \$694 million, of which \$11 million was recorded in Cost of products sold and \$683 million in Other expenses / (income), (\$571 million after-tax, \$1.89 per share).

In the second quarter of fiscal 2017, the company performed an interim impairment assessment on the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit and the Garden Fresh Gourmet reporting unit as operating performance was well below expectations and a new leadership team of the Campbell Fresh division initiated a strategic review which led to a revised outlook for future sales, earnings, and cash flow. The company recorded a non-cash impairment charge of \$147 million (\$139 million after tax, or \$.45 per share) related to intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit and a non-cash impairment charge of \$65 million (\$41 million after tax, or \$.13 per share) related to the intangible assets of the Garden Fresh Gourmet reporting unit (aggregate pre-tax impact of \$212 million, \$180 million after tax, or \$.58 per share). The charges were included in Other expenses / (income).

- (6) In the third quarter of fiscal 2018, the company recorded a loss of \$22 million in Other expenses / (income) (\$15 million after tax, or \$.05 per share) from a settlement of a legal claim.
- (7) For the year ended July 30, 2017, the company recorded a tax benefit of \$52 million in Taxes on earnings primarily related to the sale of intercompany notes receivable to a financial institution, which resulted in the recognition of foreign exchange losses on the notes for tax purposes. In addition, the company recorded a \$6 million reduction to interest expense (\$4 million after tax) related to premiums and fees received on the sale of the notes. The aggregate impact was \$56 million after tax, or \$.18 per share.

The following tables reconcile financial information, presented in accordance with GAAP, to financial information excluding certain items:

(millions, except per share amounts)	Three Months Ended						Adjusted Percent Change
	April 29, 2018			April 30, 2017			
	As reported	Adjustments ^(a)	Adjusted	As reported	Adjustments ^(a)	Adjusted	
Gross margin	\$ 618	\$ 62	\$ 680	\$ 665	\$ —	\$ 665	2%
Gross margin percentage	29.1%		32.0%	35.9%		35.9%	
Marketing and selling expenses	\$ 232	\$ (2)	\$ 230	\$ 212	\$ —	\$ 212	
Administrative expenses	\$ 163	\$ (36)	\$ 127	\$ 142	\$ (7)	\$ 135	
Other expenses / (income)	\$ 647	\$ (659)	\$ (12)	\$ (15)	\$ —	\$ (15)	
Restructuring charges	\$ 24	\$ (24)	\$ —	\$ —	\$ —	\$ —	
Earnings (loss) before interest and taxes	\$ (475)	\$ 783	\$ 308	\$ 298	\$ 7	\$ 305	1%
Interest, net	42	18	60	28	—	28	
Earnings (loss) before taxes	\$ (517)	\$ 765	\$ 248	\$ 270	\$ 7	\$ 277	
Taxes	(124)	162	38	94	3	97	
Effective income tax rate	24.0%		15.3%	34.8%		35.0%	
Net earnings (loss) attributable to Campbell Soup Company	\$ (393)	\$ 603	\$ 210	\$ 176	\$ 4	\$ 180	17%
Diluted net earnings per share attributable to Campbell Soup Company*	\$ (1.31)	\$ 2.00	\$.70	\$.58	\$.01	\$.59	19%

^(a)See following table for additional information.

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

(millions, except per share amounts)	Three Months Ended						Restructuring charges, implementation costs and other related costs (2)
	April 29, 2018					April 30, 2017	
	Restructuring charges, implementation costs and other related costs (2)	Transaction and integration costs (3)	Impairment charges (5)	Claim settlement (6)	Adjustments		
Gross margin	\$ 14	\$ 37	\$ 11	\$ —	\$ 62	\$ —	
Marketing and selling expenses	(2)	—	—	—	(2)	—	
Administrative expenses	(30)	(6)	—	—	(36)	(7)	
Other expenses / (income)	—	(29)	(608)	(22)	(659)	—	
Restructuring charges	(14)	(10)	—	—	(24)	—	
Earnings before interest and taxes	\$ 60	\$ 82	\$ 619	\$ 22	\$ 783	\$ 7	
Interest, net	—	18	—	—	18	—	
Earnings before taxes	\$ 60	\$ 64	\$ 619	\$ 22	\$ 765	\$ 7	
Taxes	15	18	122	7	162	3	
Net earnings attributable to Campbell Soup Company	\$ 45	\$ 46	\$ 497	\$ 15	\$ 603	\$ 4	
Diluted net earnings per share attributable to Campbell Soup Company	\$.15	\$.15	\$ 1.65	\$.05	\$ 2.00	\$.01	

(millions, except per share amounts)	Nine Months Ended						Adjusted Percent Change
	April 29, 2018			April 30, 2017			
	As reported	Adjustments ^(a)	Adjusted	As reported	Adjustments ^(a)	Adjusted	
Gross margin	\$ 2,167	\$ 68	\$ 2,235	\$ 2,327	\$ —	\$ 2,327	(4)%
Gross margin percentage	33.5 %		34.6%	37.4%		37.4%	
Marketing and selling expenses	\$ 679	\$ (2)	\$ 677	\$ 682	\$ —	\$ 682	
Administrative expenses	\$ 477	\$ (74)	\$ 403	\$ 408	\$ (18)	\$ 390	
Other expenses / (income)	\$ 688	\$ (744)	\$ (56)	\$ 197	\$ (232)	\$ (35)	
Restructuring charges	\$ 59	\$ (59)	\$ —	\$ —	\$ —	\$ —	
Earnings before interest and taxes	\$ 180	\$ 947	\$ 1,127	\$ 960	\$ 250	\$ 1,210	(7)%
Interest, net	104	18	122	84	—	84	
Earnings before taxes	\$ 76	\$ 929	\$ 1,005	\$ 876	\$ 250	\$ 1,126	
Taxes	(91)	305	214	307	46	353	
Effective income tax rate	(119.7)%		21.3%	35.0%		31.3%	
Net earnings attributable to Campbell Soup Company	\$ 167	\$ 624	\$ 791	\$ 569	\$ 204	\$ 773	2%
Diluted net earnings per share attributable to Campbell Soup Company	\$.55	\$ 2.07	\$ 2.62	\$ 1.85	\$.66	\$ 2.51	4%

^(a)See following tables for additional information.

(millions, except per share amounts)	Nine Months Ended							Adjustments
	April 29, 2018							
	Mark-to-market (1)	Restructuring charges, implementation costs and other related costs (2)	Transaction and integration costs (3)	Tax reform (4)	Impairment charges (5)	Claim settlement (6)		
Gross margin	\$ —	\$ 20	\$ 37	\$ —	\$ 11	\$ —	\$ 68	
Marketing and selling expenses	—	(2)	—	—	—	—	(2)	
Administrative expenses	—	(68)	(6)	—	—	—	(74)	
Other expenses / (income)	14	—	(53)	—	(683)	(22)	(744)	
Restructuring charges	—	(49)	(10)	—	—	—	(59)	
Earnings before interest and taxes	\$ (14)	\$ 139	\$ 106	\$ —	\$ 694	\$ 22	\$ 947	
Interest, net	—	—	18	—	—	—	18	
Earnings before taxes	\$ (14)	\$ 139	\$ 88	\$ —	\$ 694	\$ 22	\$ 929	
Taxes	(4)	36	23	120	123	7	305	
Net earnings attributable to Campbell Soup Company	\$ (10)	\$ 103	\$ 65	\$ (120)	\$ 571	\$ 15	\$ 624	
Diluted net earnings per share attributable to Campbell Soup Company	\$ (.03)	\$.34	\$.22	\$ (.40)	\$ 1.89	\$.05	\$ 2.07	

Nine Months Ended

April 30, 2017

(millions, except per share amounts)	Mark-to-market (1)	Restructuring charges, implementation costs and other related costs (2)	Impairment charges (5)	Adjustments
Gross margin	\$ —	\$ —	\$ —	\$ —
Administrative expenses	—	(18)	—	(18)
Other expenses / (income)	(20)	—	(212)	(232)
Earnings before interest and taxes	\$ 20	\$ 18	\$ 212	\$ 250
Interest, net	—	—	—	—
Earnings before taxes	\$ 20	\$ 18	\$ 212	\$ 250
Taxes	7	7	32	46
Net earnings attributable to Campbell Soup Company	\$ 13	\$ 11	\$ 180	\$ 204
Diluted net earnings per share attributable to Campbell Soup Company	\$.04	\$.04	\$.58	\$.66

(millions, except per share amounts)	Year Ended July 30, 2017
Gross margin, as recast*	\$ 2,925
Add: Restructuring charges, implementation costs and other related costs (2)	4
Adjusted Gross margin	<u>\$ 2,929</u>
Adjusted Gross margin percentage	37.1%
Earnings before interest and taxes, as reported	\$ 1,400
Deduct: Total pension and postretirement benefit mark-to-market adjustments (1)	(178)
Add: Restructuring charges, implementation costs and other related costs (2)	58
Add: Impairment charges (5)	212
Adjusted Earnings before interest and taxes	<u>\$ 1,492</u>
Interest, net, as reported	\$ 107
Add: Sale of notes (7)	6
Adjusted Interest, net	<u>\$ 113</u>
Adjusted Earnings before taxes	<u>\$ 1,379</u>
Taxes on earnings, as reported	\$ 406
Deduct: Tax expense from total pension and postretirement benefit mark-to-market adjustments (1)	(62)
Add: Tax benefit from restructuring charges, implementation costs and other related costs (2)	21
Add: Tax benefit from impairment charges (5)	32
Add: Tax benefit from sale of notes (7)	50
Adjusted Taxes on earnings	<u>\$ 447</u>
Adjusted effective income tax rate	32.4%
Net earnings attributable to Campbell Soup Company, as reported	\$ 887
Deduct: Net adjustment from total pension and postretirement benefit mark-to-market adjustments (1)	(116)
Add: Net adjustment from restructuring charges, implementation costs and other related costs (2)	37
Add: Net adjustment from impairment charges (5)	180
Deduct: Net adjustment from sale of notes (7)	(56)
Adjusted Net earnings attributable to Campbell Soup Company	<u>\$ 932</u>
Diluted net earnings per share attributable to Campbell Soup Company, as reported	\$ 2.89
Deduct: Net adjustment from total pension and postretirement benefit mark-to-market adjustments (1)	(.38)
Add: Net adjustment from restructuring charges, implementation costs and other related costs (2)	.12
Add: Net adjustment from impairment charges (5)	.59
Deduct: Net adjustment from sale of notes (7)	(.18)
Adjusted Diluted net earnings per share attributable to Campbell Soup Company	<u>\$ 3.04</u>
*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.	