

Campbell's

CAGNY

CONSUMER ANALYST GROUP OF NEW YORK

February 22, 2017

Appendix

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RECONCILIATION OF GAAP AND NON-GAAP FINANCIAL MEASURES

(\$ millions)

Three Months Ended

	January 29, 2017			January 31, 2016	% Change	
	Net Sales, as Reported	Impact of Currency	Organic Net Sales	Net Sales, as Reported	Net Sales, as Reported	Organic Net Sales
Total	\$ 2,171	\$ (11)	\$ 2,160	\$ 2,201	-1%	-2%

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(\$ millions)

Six Months Ended

	January 29, 2017			January 31, 2016	% Change	
	Net Sales, as Reported	Impact of Currency	Organic Net Sales	Net Sales, as Reported	Net Sales, as Reported	Organic Net Sales
Total	\$ 4,373	\$ (24)	\$ 4,349	\$ 4,404	-1%	-1%

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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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(\$ millions, except per share amounts)

First Half

	EBIT	Net Earnings	Diluted EPS*
2017 – As Reported	\$ 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
2017 – Adjusted	<u>\$ 905</u>	<u>\$ 593</u>	<u>\$ 1.92</u>
2016 – As Reported	\$ 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
2016 – Adjusted	<u>\$ 902</u>	<u>\$ 568</u>	<u>\$ 1.82</u>
% Change	-%	4%	5%

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

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(\$ millions)

Full Year

	Gross Margin	GM %
2016 – As Reported	\$ 2,780	34.9%
Add: Pension and postretirement benefit mark-to-market adjustments	176	
2016 – Adjusted	\$ 2,956	37.1%
2015 – As Reported	\$ 2,782	34.4%
Add: Pension and postretirement benefit mark-to-market adjustments	80	
2015 – Adjusted	\$ 2,862	35.4%

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(\$ millions)

Operating Earnings

	Fiscal Year Ended July 31, 2016
Net earnings attributable to Campbell Soup Company	\$ 563
Taxes on earnings	286
Interest, net	111
EBIT	\$ 960
Add: Unallocated corporate expenses	560
Add: Restructuring charges	31
Segment operating earnings	\$ 1,551
Net sales	\$ 7,961
Operating margin	19%

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RECONCILIATION OF GAAP AND NON-GAAP FINANCIAL MEASURES

(\$ millions)

Adjusted Interest Coverage

	Fiscal Year Ended July 31, 2016
EBIT – As reported	\$ 960
Add: Pension and postretirement benefit mark-to-market adjustments	313
Add: Restructuring charges, implementation costs and other related costs	78
Add: Impairment charge	141
Deduct: Settlement of a claim related to Kelsen acquisition	(25)
EBIT – Adjusted	<u>\$ 1,467</u>
Depreciation and amortization – As reported	\$ 308
Deduct: Restructuring related costs	(1)
Depreciation and amortization – Adjusted	<u>\$ 307</u>
Adjusted EBITDA	<u>\$ 1,774</u>
Interest, net	\$ 111
Adjusted Interest coverage	16

RECONCILIATION OF GAAP AND NON-GAAP FINANCIAL MEASURES

(\$ millions)

Net Debt to Adjusted EBITDA

July 31, 2016

Short-term borrowings	\$	1,219
Long-term debt		2,314
Total debt	\$	3,533
Less: Cash and cash equivalents		(296)
Net debt	\$	3,237
Adjusted EBITDA	\$	1,774
Net Debt to Adjusted EBITDA		1.8

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RECONCILIATION OF GAAP AND NON-GAAP FINANCIAL MEASURES

(\$ millions, except per share amounts)

Full Year

	EBIT	Net Earnings	Diluted EPS*
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 charge	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>
2015 – As Reported	\$ 1,054	\$ 666	\$ 2.13
Add: Pension and postretirement benefit mark-to-market adjustments	138	87	0.28
Add: Restructuring charges and implementation costs	124	78	0.25
2015 – Adjusted	<u>\$ 1,316</u>	<u>\$ 831</u>	<u>\$ 2.65</u>
% Change	11%	10%	11%

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

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(\$ millions)

	Three Months Ended January 31, 2016	Three Months Ended May 1, 2016	Three Months Ended July 31, 2016	Three Months Ended October 30, 2016	Trailing Twelve Months Ended (TTM) October 30, 2016
EBIT – As reported	\$ 414	\$ 268	\$ (37)	\$ 457	\$ 1,102
Add/(Deduct): Pension and postretirement benefit mark-to-market adjustments	(7)	54	138	20	205
Add: Restructuring charges, implementation costs and other related costs	16	15	11	9	51
Add: Impairment charge	-	-	141	-	141
Deduct: Settlement of a claim related to Kelsen acquisition	-	(25)	-	-	(25)
EBIT – Adjusted	\$ 423	\$ 312	\$ 253	\$ 486	\$ 1,474
Net Sales	\$ 2,201	\$ 1,870	\$ 1,687	\$ 2,202	\$ 7,960
Adjusted EBIT Margin					18.5%

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