

CAMPBELL SOUP COMPANY
CONSOLIDATED STATEMENTS OF EARNINGS (unaudited)
(millions, except per share amounts)

| | Three Months Ended | |
|---|---------------------------|------------------|
| | October 28, 2018 | October 29, 2017 |
| Net sales | \$ 2,694 | \$ 2,161 |
| Costs and expenses | | |
| Cost of products sold | 1,870 | 1,378 |
| Marketing and selling expenses | 248 | 219 |
| Administrative expenses | 176 | 149 |
| Research and development expenses | 27 | 30 |
| Other expenses / (income) | 4 | (29) |
| Restructuring charges | 19 | 2 |
| Total costs and expenses | 2,344 | 1,749 |
| Earnings before interest and taxes | 350 | 412 |
| Interest, net | 93 | 30 |
| Earnings before taxes | 257 | 382 |
| Taxes on earnings | 63 | 107 |
| Net earnings | 194 | 275 |
| Net loss attributable to noncontrolling interests | — | — |
| Net earnings attributable to Campbell Soup Company | \$ 194 | \$ 275 |
| Per share - basic | | |
| Net earnings attributable to Campbell Soup Company | \$.64 | \$.91 |
| Dividends | \$.35 | \$.35 |
| Weighted average shares outstanding - basic | 301 | 301 |
| Per share - assuming dilution | | |
| Net earnings attributable to Campbell Soup Company | \$.64 | \$.91 |
| Weighted average shares outstanding - assuming dilution | 302 | 302 |

CAMPBELL SOUP COMPANY
CONSOLIDATED SUPPLEMENTAL SCHEDULE OF SALES AND EARNINGS (unaudited)
(millions, except per share amounts)

| | <u>Three Months Ended</u> | | Percent Change |
|--|---------------------------|-------------------------|-------------------|
| | <u>October 28, 2018</u> | <u>October 29, 2017</u> | |
| <u>Sales</u> | | | |
| Contributions: | | | |
| Meals and Beverages | \$ 1,244 | \$ 1,239 | —% |
| Global Biscuits and Snacks | 1,218 | 688 | 77% |
| Campbell Fresh | 232 | 234 | (1)% |
| Total sales | <u>\$ 2,694</u> | <u>\$ 2,161</u> | 25% |
| <u>Earnings</u> | | | |
| Contributions: | | | |
| Meals and Beverages | \$ 294 | \$ 331 | (11)% |
| Global Biscuits and Snacks | 154 | 117 | 32% |
| Campbell Fresh | (3) | (6) | n/m |
| Total operating earnings | <u>445</u> | <u>442</u> | 1% |
| Corporate | (76) | (28) | |
| Restructuring charges | (19) | (2) | |
| Earnings before interest and taxes | <u>350</u> | <u>412</u> | (15)% |
| Interest, net | 93 | 30 | |
| Taxes on earnings | 63 | 107 | |
| Net earnings | <u>194</u> | <u>275</u> | (29)% |
| Net loss attributable to noncontrolling interests | — | — | |
| Net earnings attributable to Campbell Soup Company | <u>\$ 194</u> | <u>\$ 275</u> | (29)% |
| <u>Per share - assuming dilution</u> | | | |
| Net earnings attributable to Campbell Soup Company | <u>\$.64</u> | <u>\$.91</u> | (30)% |

n/m - not meaningful

Beginning in fiscal 2019, the business in Latin America is managed as part of the Meals and Beverages segment. In fiscal 2018, the business in Latin America was managed as part of the Global Biscuits and Snacks segment. Segment results have been adjusted retrospectively to reflect this change.

CAMPBELL SOUP COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)
(millions)

| | October 28, 2018 | October 29, 2017 |
|------------------------------|-------------------------|------------------|
| Current assets | \$ 2,521 | \$ 1,996 |
| Plant assets, net | 3,162 | 2,417 |
| Intangible assets, net | 8,680 | 3,198 |
| Other assets | 224 | 135 |
| Total assets | <u>\$ 14,587</u> | <u>\$ 7,746</u> |
| Current liabilities | \$ 3,662 | \$ 2,583 |
| Long-term debt | 8,001 | 2,269 |
| Other liabilities | 1,509 | 1,205 |
| Total equity | <u>1,415</u> | <u>1,689</u> |
| Total liabilities and equity | <u>\$ 14,587</u> | <u>\$ 7,746</u> |
| Total debt | <u>\$ 9,846</u> | <u>\$ 3,461</u> |
| Cash and cash equivalents | <u>\$ 205</u> | <u>\$ 163</u> |

CAMPBELL SOUP COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)
(millions)

| | Three Months Ended | |
|---|---------------------------|------------------|
| | October 28, 2018 | October 29, 2017 |
| Cash flows from operating activities: | | |
| Net earnings | \$ 194 | \$ 275 |
| Adjustments to reconcile net earnings to operating cash flow | | |
| Impairment charges | 14 | — |
| Restructuring charges | 19 | 2 |
| Stock-based compensation | 14 | 14 |
| Pension and postretirement benefit income | (15) | (16) |
| Depreciation and amortization | 122 | 82 |
| Deferred income taxes | 17 | 41 |
| Other, net | 12 | 6 |
| Changes in working capital | | |
| Accounts receivable | (223) | (167) |
| Inventories | (33) | (105) |
| Prepaid assets | (10) | 16 |
| Accounts payable and accrued liabilities | 130 | 84 |
| Net receipts from (payments of) hedging activities | 1 | (33) |
| Other | (11) | (11) |
| Net cash provided by operating activities | <u>231</u> | <u>188</u> |
| Cash flows from investing activities: | | |
| Purchases of plant assets | (111) | (58) |
| Purchases of route businesses | (20) | — |
| Sales of route businesses | 21 | — |
| Other, net | 10 | (5) |
| Net cash used in investing activities | <u>(100)</u> | <u>(63)</u> |
| Cash flows from financing activities: | | |
| Short-term borrowings | 1,710 | 2,056 |
| Short-term repayments | (1,745) | (2,116) |
| Dividends paid | (107) | (111) |
| Treasury stock purchases | — | (86) |
| Payments related to tax withholding for stock-based compensation | (5) | (22) |
| Payments of debt issuance costs | (1) | — |
| Net cash used in financing activities | <u>(148)</u> | <u>(279)</u> |
| Effect of exchange rate changes on cash | (4) | (2) |
| Net change in cash and cash equivalents | <u>(21)</u> | <u>(156)</u> |
| Cash and cash equivalents — beginning of period | 226 | 319 |
| Cash and cash equivalents — end of period | <u>\$ 205</u> | <u>\$ 163</u> |

Reconciliation of GAAP to Non-GAAP Financial Measures
First Quarter Ended October 28, 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.

| (millions) | October 28, 2018 | | | | October 29, 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 |
| | | | | | | | |
| Meals and Beverages | \$ 1,244 | \$ 5 | \$ (69) | \$ 1,180 | \$ 1,239 | —% | (5)% |
| Global Biscuits and Snacks | 1,218 | 17 | (554) | 681 | 688 | 77% | (1)% |
| Campbell Fresh | 232 | — | — | 232 | 234 | (1)% | (1)% |
| Total Net Sales | <u>\$ 2,694</u> | <u>\$ 22</u> | <u>\$ (623)</u> | <u>\$ 2,093</u> | <u>\$ 2,161</u> | <u>25%</u> | <u>(3)%</u> |

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 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 August 2018, the company announced that it will continue to streamline its organization, expand its zero-based budgeting efforts and optimize its manufacturing network. Beginning in fiscal 2019, the company included costs associated with the Snyder's-Lance cost transformation program and integration with these initiatives.

In the first quarter of fiscal 2019, the company recorded Restructuring charges of \$19 million and implementation costs and other related costs of \$13 million in Administrative expenses, \$12 million in Cost of products sold, and \$2 million in Marketing and selling expenses (aggregate impact of \$35 million after tax, or \$.12 per share) related to these initiatives. In the first quarter of fiscal 2018, the company recorded Restructuring charges of \$2 million and implementation costs and other related costs of \$12 million in Administrative expenses and \$5 million in Cost of products sold (aggregate impact of \$12 million after tax, or \$.04 per share) related to these initiatives. For the year ended July 29, 2018, the company recorded Restructuring charges of \$49 million and implementation costs and other related costs of \$88 million in Administrative expenses, \$45 million in Cost of products sold, and \$3 million in Marketing and selling expenses (aggregate impact of \$136 million after tax, or \$.45 per share) related to these initiatives.

- (2) In the first quarter of fiscal 2019, the company recorded a non-cash impairment charge of \$14 million in Cost of products sold (\$11 million after tax, or \$.04 per share) on its U.S. refrigerated soup plant assets.
- (3) In the first quarter of fiscal 2018, the company incurred gains of \$14 million in Other expenses / (income) (\$9 million after tax, or \$.03 per share) associated with mark-to-market adjustments for defined benefit pension and postretirement plans. For the year ended July 29, 2018, the company incurred gains of \$136 million in Other expenses / (income) (\$103 million after tax, or \$.34 per share) associated with mark-to-market and curtailment adjustments for defined benefit pension and postretirement plans.
- (4) In the second quarter of fiscal 2018, the company announced its intent to acquire Snyder's-Lance, Inc. and on March 26, 2018, the acquisition closed. For the year ended July 29, 2018, the company incurred transaction costs of \$53 million recorded in Other expenses / (income), \$42 million in Cost of products sold associated with an acquisition fair value adjustment for inventory, and recorded a gain in Interest expense of \$18 million on treasury rate lock contracts used to hedge the planned financing of the acquisition. The company also incurred integration costs in association with its cost savings initiatives, of which \$13 million was recorded in Restructuring charges and \$12 million in Administrative expenses. The aggregate impact was \$102 million, \$73 million after tax, or \$.24 per share.
- (5) In 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. For the year ended July 29, 2018, the company recorded a tax benefit of \$179 million due to the remeasurement of deferred tax assets and liabilities, and a tax charge of \$53 million related to the transition tax on unremitted foreign earnings. The net impact was a tax benefit of \$126 million (\$.42 per share).
- (6) In the fourth quarter of fiscal 2018, the company performed an impairment assessment on the *Plum* trademark. In fiscal 2018, sales and operating performance were well below expectations due in part to competitive pressure and reduced margins. In the fourth quarter of fiscal 2018, as part of a strategic review initiated by a new leadership team and based on recent performance, the company lowered its long-term outlook for future sales. The company recorded a non-cash impairment charge of \$54 million (\$41 million after tax, or \$.14 per share) in Other expenses / (income).

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 the anticipated loss of refrigerated soup business with certain private label 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).

For the year ended July 29, 2018, the total non-cash impairment charges recorded were \$748 million, of which \$11 million was recorded in Cost of products sold and \$737 million in Other expenses / (income), (\$612 million after tax, or \$2.03 per share).

- (7) For the year ended July 29, 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.

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 |
|--|--------------------|----------------------------|----------|------------------|----------------------------|----------|-------------------------|
| | October 28, 2018 | | | October 29, 2017 | | | |
| | As reported | Adjustments ^(a) | Adjusted | As reported | Adjustments ^(a) | Adjusted | |
| Gross margin | \$ 824 | \$ 26 | \$ 850 | \$ 783 | \$ 5 | \$ 788 | 8% |
| Gross margin percentage | 30.6% | | 31.6% | 36.2% | | 36.5% | |
| Marketing and selling expenses | \$ 248 | \$ (2) | \$ 246 | \$ 219 | \$ — | \$ 219 | |
| Administrative expenses | \$ 176 | \$ (13) | \$ 163 | \$ 149 | \$ (12) | \$ 137 | |
| Other expenses / (income) | \$ 4 | \$ — | \$ 4 | \$ (29) | \$ 14 | \$ (15) | |
| Restructuring charges | \$ 19 | \$ (19) | \$ — | \$ 2 | \$ (2) | \$ — | |
| Earnings before interest and taxes | \$ 350 | \$ 60 | \$ 410 | \$ 412 | \$ 5 | \$ 417 | (2)% |
| Interest, net | 93 | — | 93 | 30 | — | 30 | |
| Earnings before taxes | \$ 257 | \$ 60 | \$ 317 | \$ 382 | \$ 5 | \$ 387 | |
| Taxes | 63 | 14 | 77 | 107 | 2 | 109 | |
| Effective income tax rate | 24.5% | | 24.3% | 28.0% | | 28.2% | |
| Net earnings attributable to Campbell Soup Company | \$ 194 | \$ 46 | \$ 240 | \$ 275 | \$ 3 | \$ 278 | (14)% |
| Diluted net earnings per share attributable to Campbell Soup Company | \$.64 | \$.15 | \$.79 | \$.91 | \$.01 | \$.92 | (14)% |

^(a)See following table for additional information.

| (millions, except per share amounts) | Three Months Ended | | | | | |
|---|---|-----------------------|-------------|---|--------------------|-------------|
| | October 28, 2018 | | | October 29, 2017 | | |
| | Restructuring charges, implementation costs and other related costs (1) | Impairment charge (2) | Adjustments | Restructuring charges, implementation costs and other related costs (1) | Mark-to-market (3) | Adjustments |
| Gross margin | \$ 12 | \$ 14 | \$ 26 | \$ 5 | \$ — | \$ 5 |
| Marketing and selling expenses | (2) | — | (2) | — | — | — |
| Administrative expenses | (13) | — | (13) | (12) | — | (12) |
| Other expenses / (income) | — | — | — | — | 14 | 14 |
| Restructuring charges | (19) | — | (19) | (2) | — | (2) |
| Earnings before interest and taxes | \$ 46 | \$ 14 | \$ 60 | \$ 19 | \$ (14) | \$ 5 |
| Interest, net | — | — | — | — | — | — |
| Earnings before taxes | \$ 46 | \$ 14 | \$ 60 | \$ 19 | \$ (14) | \$ 5 |
| Taxes | 11 | 3 | 14 | 7 | (5) | 2 |
| Net earnings attributable to Campbell Soup Company | \$ 35 | \$ 11 | \$ 46 | \$ 12 | \$ (9) | \$ 3 |
| Diluted net earnings per share attributable to Campbell Soup Company* | \$.12 | \$.04 | \$.15 | \$.04 | \$ (.03) | \$.01 |

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

| | Year Ended |
|---|-----------------|
| (millions, except per share amounts) | July 29, 2018 |
| Gross margin | \$ 2,816 |
| Add: Restructuring charges, implementation costs and other related costs (1) | 45 |
| Add: Transaction and integration costs (4) | 42 |
| Add: Impairment charges (6) | 11 |
| Adjusted Gross margin | \$ 2,914 |
| Adjusted Gross margin percentage | 33.6% |
| Earnings before interest and taxes, as reported | \$ 469 |
| Add: Restructuring charges, implementation costs and other related costs (1) | 185 |
| Deduct: Total pension and postretirement benefit mark-to-market and curtailment adjustments (3) | (136) |
| Add: Transaction and integration costs (4) | 120 |
| Add: Impairment charges (6) | 748 |
| Add: Claim settlement (7) | 22 |
| Adjusted Earnings before interest and taxes | \$ 1,408 |
| Interest, net, as reported | \$ 197 |
| Add: Transaction and integration costs (4) | 18 |
| Adjusted Interest, net | \$ 215 |
| Adjusted Earnings before taxes | \$ 1,193 |
| Taxes on earnings, as reported | \$ 11 |
| Add: Tax benefit from restructuring charges, implementation costs and other related costs (1) | 49 |
| Deduct: Tax expense from total pension and postretirement benefit mark-to-market and curtailment adjustments (3) | (33) |
| Add: Tax benefit from transaction and integration costs (4) | 29 |
| Add: Tax benefit from tax reform (5) | 126 |
| Add: Tax benefit from impairment charges (6) | 136 |
| Add: Tax benefit from claim settlement (7) | 7 |
| Adjusted Taxes on earnings | \$ 325 |
| Adjusted effective income tax rate | 27.2% |
| Net earnings attributable to Campbell Soup Company, as reported | \$ 261 |
| Add: Net adjustment from restructuring charges, implementation costs and other related costs (1) | 136 |
| Deduct: Net adjustment from total pension and postretirement benefit mark-to-market and curtailment adjustments (3) | (103) |
| Add: Net adjustment from transaction and integration costs (4) | 73 |
| Deduct: Net adjustment from tax reform (5) | (126) |
| Add: Net adjustment from impairment charges (6) | 612 |
| Add: Net adjustment from claim settlement (7) | 15 |
| Adjusted Net earnings attributable to Campbell Soup Company | \$ 868 |
| Diluted net earnings per share attributable to Campbell Soup Company, as reported | \$.86 |
| Add: Net adjustment from restructuring charges, implementation costs and other related costs (1) | .45 |
| Deduct: Net adjustment from total pension and postretirement benefit mark-to-market and curtailment adjustments (3) | (.34) |
| Add: Net adjustment from transaction and integration costs (4) | .24 |
| Deduct: Net adjustment from tax reform (5) | (.42) |
| Add: Net adjustment from impairment charges (6) | 2.03 |
| Add: Net adjustment from claim settlement (7) | .05 |
| Adjusted Diluted net earnings per share attributable to Campbell Soup Company | \$ 2.87 |