



*Campbell's*

## **Q2 Fiscal 2022 Earnings Presentation**

Connecting people through food they love.





# *Campbell's*

## **Rebecca Gardy**

Vice President Investor Relations

---

### **INTRODUCTION**

# Forward-Looking Statements

## **The factors that could cause actual results to vary materially from those anticipated or expressed in any forward-looking statement include:**

Impacts of, and associated responses to, the COVID-19 pandemic on our business, suppliers, customers, consumers and employees; our ability to execute on and realize the expected benefits from our strategy, including growing sales in snacks and growing/maintaining market share position in soup; the impact of strong competitive responses to our efforts to leverage brand power with product innovation, promotional programs and new advertising; the risks associated with trade and consumer acceptance of product improvements, shelving initiatives, new products and pricing and promotional strategies; our ability to realize projected cost savings and benefits from cost savings initiatives and the integration of recent acquisitions; disruptions in or inefficiencies to our supply chain and/or operations including the impacts of the COVID-19 pandemic, the risks related to the availability of, and cost inflation in, supply chain inputs, including labor, raw materials, commodities, packaging and transportation; the risks related to the effectiveness of our hedging activities and our ability to respond to volatility in commodity prices; our ability to manage changes to our organizational structure and/or business processes, including selling, distribution, manufacturing and information management systems or processes; changes in consumer demand for our products and favorable perception of our brands; changing inventory management practices by certain of our key customers; a changing customer landscape, with value and e-commerce retailers expanding their market presence, while certain of our key customers maintain significance to our business; product quality and safety issues, including recalls and product liabilities; 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; the uncertainties of litigation and regulatory actions against us; the costs, disruption and diversion of management's attention associated with activist investors; a disruption, failure or security breach of our or our vendors' information technology systems, including ransomware attacks; impairment to goodwill or other intangible assets; our ability to protect our intellectual property rights; increased liabilities and costs related to our defined benefit pension plans; our ability to attract and retain key talent; goals and initiatives related to, and the impacts of, climate change, including weather-related events; negative changes and volatility in financial and credit markets, deteriorating economic conditions and other external factors, including changes in laws and regulations; unforeseen business disruptions or other impacts due to political instability, civil disobedience, terrorism, armed hostilities (including the recent outbreak of hostilities between Russia and Ukraine), extreme weather conditions, natural disasters, other pandemics 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.**

# Agenda

Key Q2 Messages and Highlights **6**

---

Division Highlights **8**

---

Looking Ahead **15**

---

Q2 Financial Results & FY22 Outlook **18**

---

Summary **32**

---

Q&A **34**



# *Campbell's*

## **Mark Clouse**

President & Chief Executive Officer

---

### **INTRODUCTION**

# Key Q2 FY22 Messages

- Industry wide constraints were expected, made tougher by winter Omicron surge and on-going commodity and logistics inflation
- Strong underlying brand health reflected by HSD consumption vs. 2YA
- Conditions are improving with labor and service levels
- Reaffirming full-year guidance

# Key Q2 FY22 Highlights

Challenging Q2 as expected, made worse by COVID variant. Strong underlying brand health.

Q2 FY2022

NET SALES

**\$2.2B**

(3)% vs. PY

ORGANIC NET SALES\*

**(2)%** **+3%**

vs. PY

vs. 2YA

ADJ. GROSS MARGIN\*

**30.4%**

(340) bps vs. PY

ADJ. EBIT\*

**\$318M**

(17)% vs. PY

\$ CONSUMPTION<sup>1</sup>

**+1%** **+9%**

vs. PY

vs. 2YA

ADJ. EPS\*

**\$0.69**

(16)% vs. PY

OPERATING  
CASH FLOW

**\$766M**

\*See Non-GAAP reconciliation

<sup>1</sup> Total IRI US MULO \$ Consumption latest 13 weeks ending 1/30/2022

# Meals & Beverages: Key Highlights



Q2 FY2022



	<u>Growth vs. PY</u>	<u>Growth vs. 2YA</u>
Organic Net Sales*	<b>(2)%</b>	<b>+4%</b>
Consumption <sup>1</sup>	<b>+1%</b>	<b>+11%</b>

*Campbell's*

*Campbell's*  
**CHUNKY**

**S**  
SWANSON

Pacific  
FOODS

Prego®

**Pace**

V8

**SPAGHETTOS**

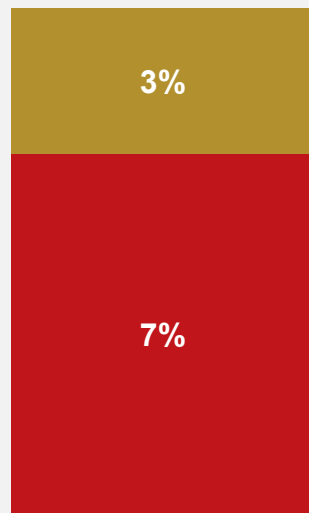
\*See Non-GAAP reconciliation

<sup>1</sup> Total IRI US MULO \$ Consumption latest 13 weeks ending 1/30/2022

# Meals & Beverages: Win in Soup 2.0



## U.S. Soup Consumption<sup>1</sup>



■ Q2 FY21 ■ Q2 FY22

**+10%**  
U.S. Soup  
Consumption  
Growth vs. 2YA

## U.S. Share<sup>1</sup> Under Pressure



+6% consumption and  
gained share driven  
by continued supply  
recovery



+4% RTS  
consumption;  
Held share in  
*Chunky & Well Yes!*



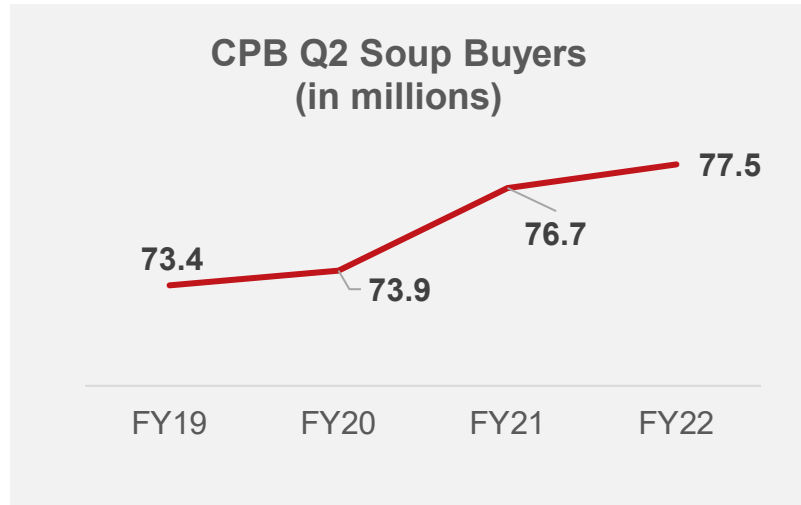
+1% consumption,  
share declined as  
expected due to  
private label recovery

<sup>1</sup> Total IRI US MULO \$ Consumption latest 13 weeks ending 1/30/2022

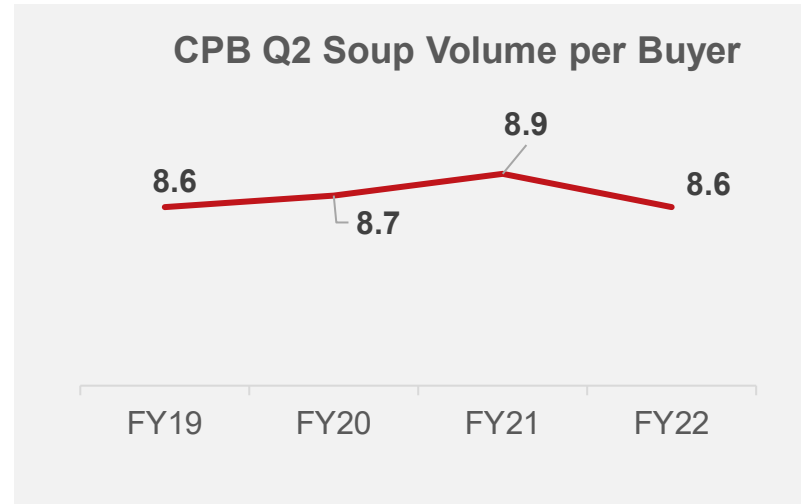
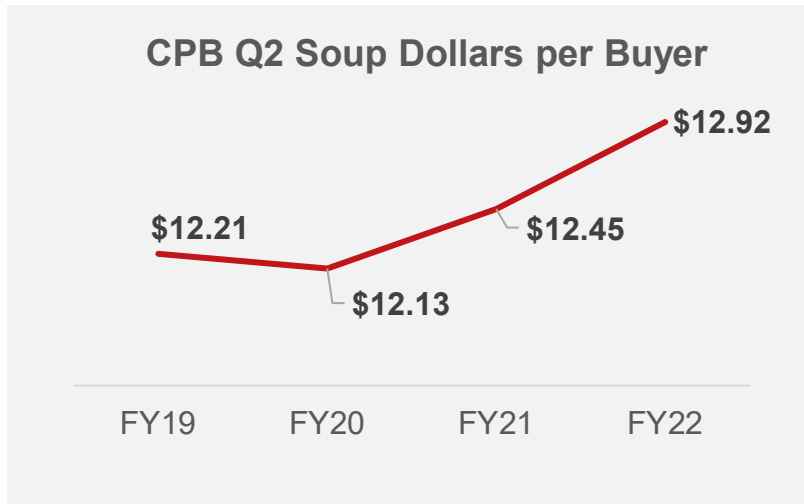
# Meals & Beverages: Win in Soup 2.0



Q2 FY2022



Including 500,000+ younger buyers on Condensed



IRI NCP Consumer Panel, Total US All Outlets, 13 weeks ending 1/30/2022, NBD Volume

# Meals & Beverages: Powerful Portfolio of Brands



Q2 FY2022



**+3pts**

Condensed Household Penetration<sup>2</sup> vs. 2YA

**+2pts**

Chunky share<sup>1</sup> vs. 2YA

**4th**

Consecutive quarter growing share<sup>1</sup> on Swanson Broth/Stock

**+21%**

Pacific Foods Condensed Soup Consumption<sup>1</sup> vs. PY



**#1 Share**  
for 33 Straight Months<sup>1</sup>



**+1.6pts**  
Repeat rate<sup>2</sup> vs. 2YA



**+2.7pts**  
Repeat rate<sup>2</sup> vs. 2YA



**+11%**  
Consumption<sup>1</sup> vs. 2YA

<sup>1</sup> Total IRI US MULO \$ Consumption latest 13 weeks ending 1/30/2022

<sup>2</sup> IRI NCP Consumer Panel, Total US All Outlets, 13 weeks ending 1/30/2022, NBD Volume

# Snacks: Key Highlights



Q2 FY2022



Growth vs. PY    Growth vs. 2YA

Organic Net Sales\*    **(3)%**    **+3%**

Consumption<sup>1</sup>    **+1%**    **+8%**



\*See Non-GAAP reconciliation

<sup>1</sup> Total IRI US MULO \$ Consumption latest 13 weeks ending 1/30/2022

# Snacks Power Brands: +9% 2-year Consumption



Q2 FY2022



Total IRI US MULO \$ Consumption latest 13 weeks ending 1/30/2022

# Goldfish: Driving Relevance

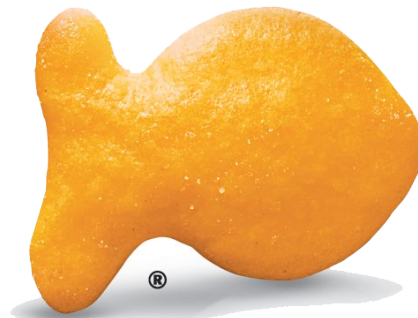


Family Size



Mega Bites

MEGA  
GOLDFISH®



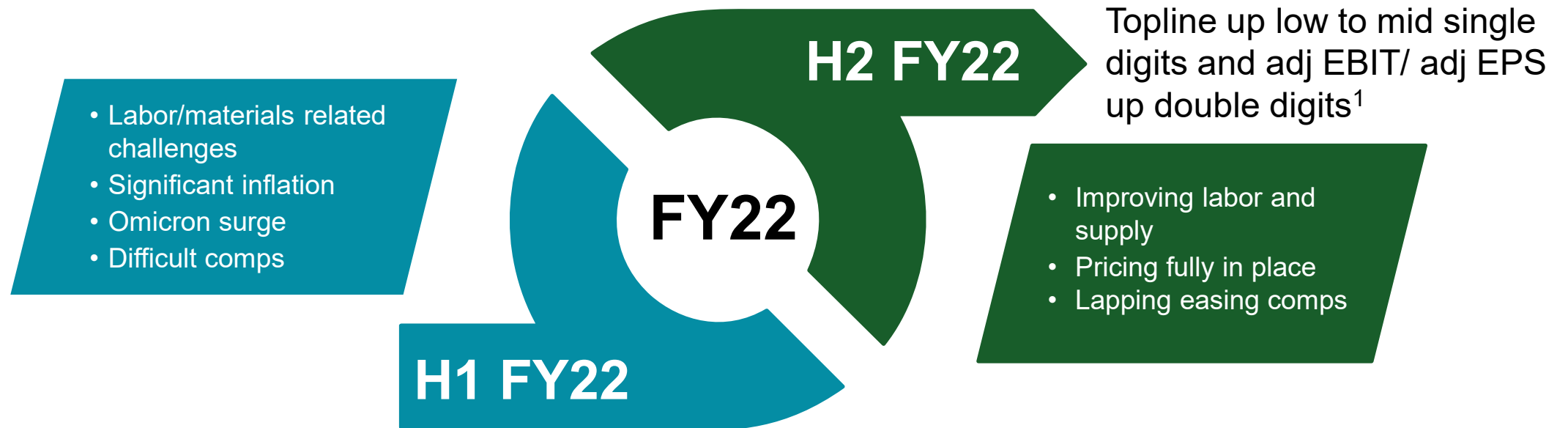
REGULAR  
GOLDFISH®



Star Wars™ The Mandalorian™

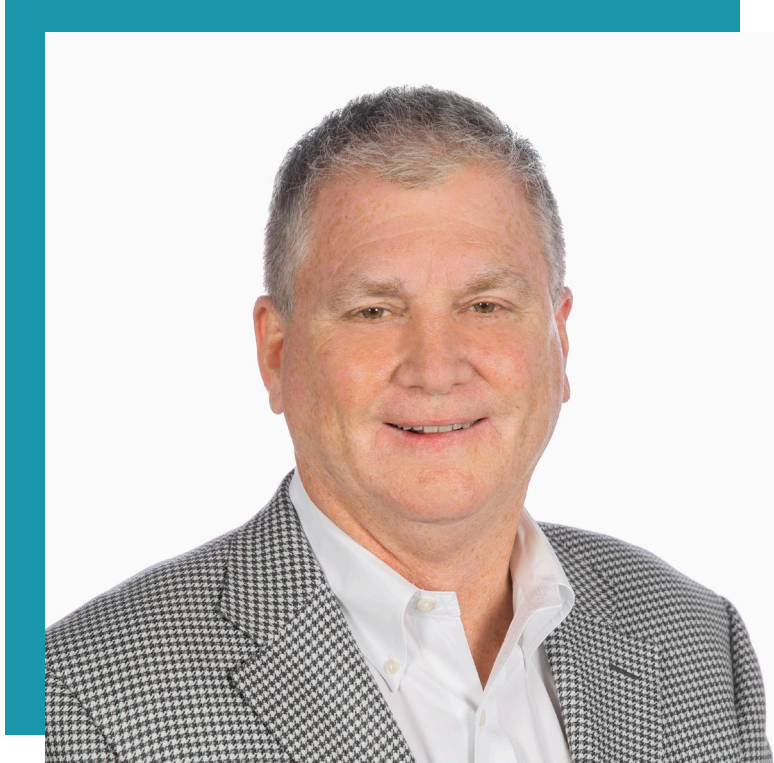


# H2 Fiscal 2022 Recovery Expected



<sup>1</sup> A non-GAAP reconciliation is not provided for fiscal 2022 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.

# Leadership Team Update



**Bob Furbee**

EVP, Global Supply Chain Officer



**Dan Poland**

EVP, Chief Supply Chain Officer



# *Campbell's*

## **Mick Beekhuizen**

EVP & Chief Financial Officer

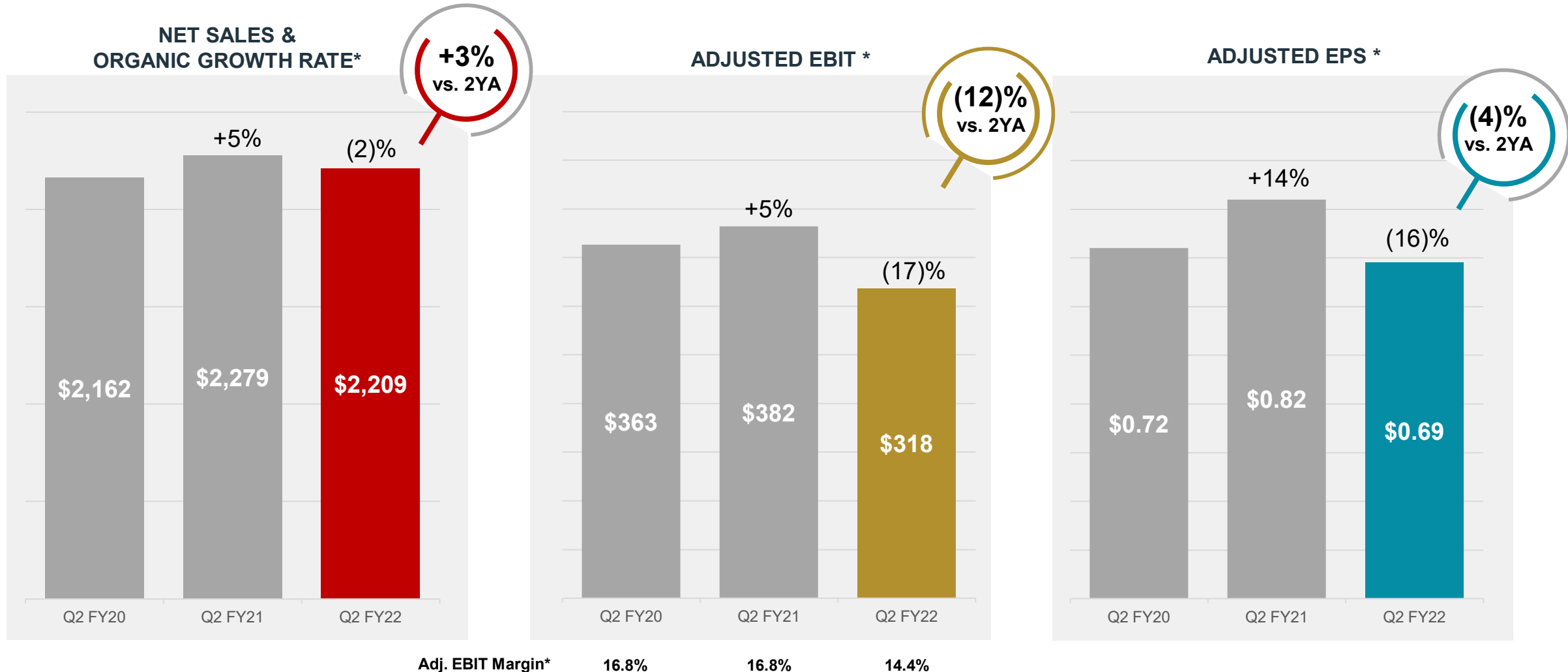
---

### **CFO PERSPECTIVE**

# Q2 FY22 Key Messages

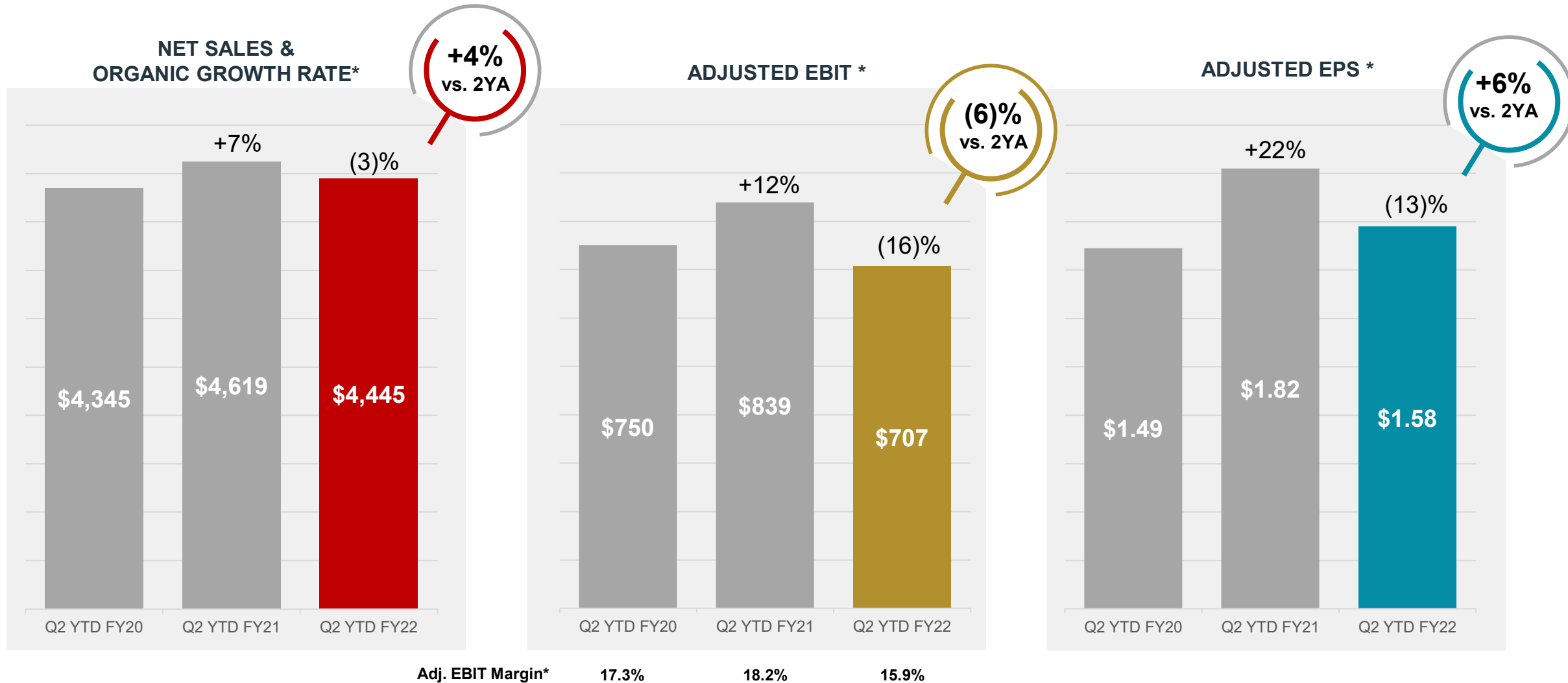
- Delivered results generally in line with our expectations despite labor and supply constraints
- Accelerating core inflation pressured margins despite benefits from net price realization, productivity improvements and cost savings. Wave 2 pricing will be fully reflected in Q3 FY22
- On track to deliver targeted cost savings of \$1B by the end of FY25
- Cash flow from operations increased over PY to \$766M
- YTD nearly \$300M returned to shareholders through dividends and repurchases
- Full-year guidance reaffirmed

# Q2 FY22 Financial Results



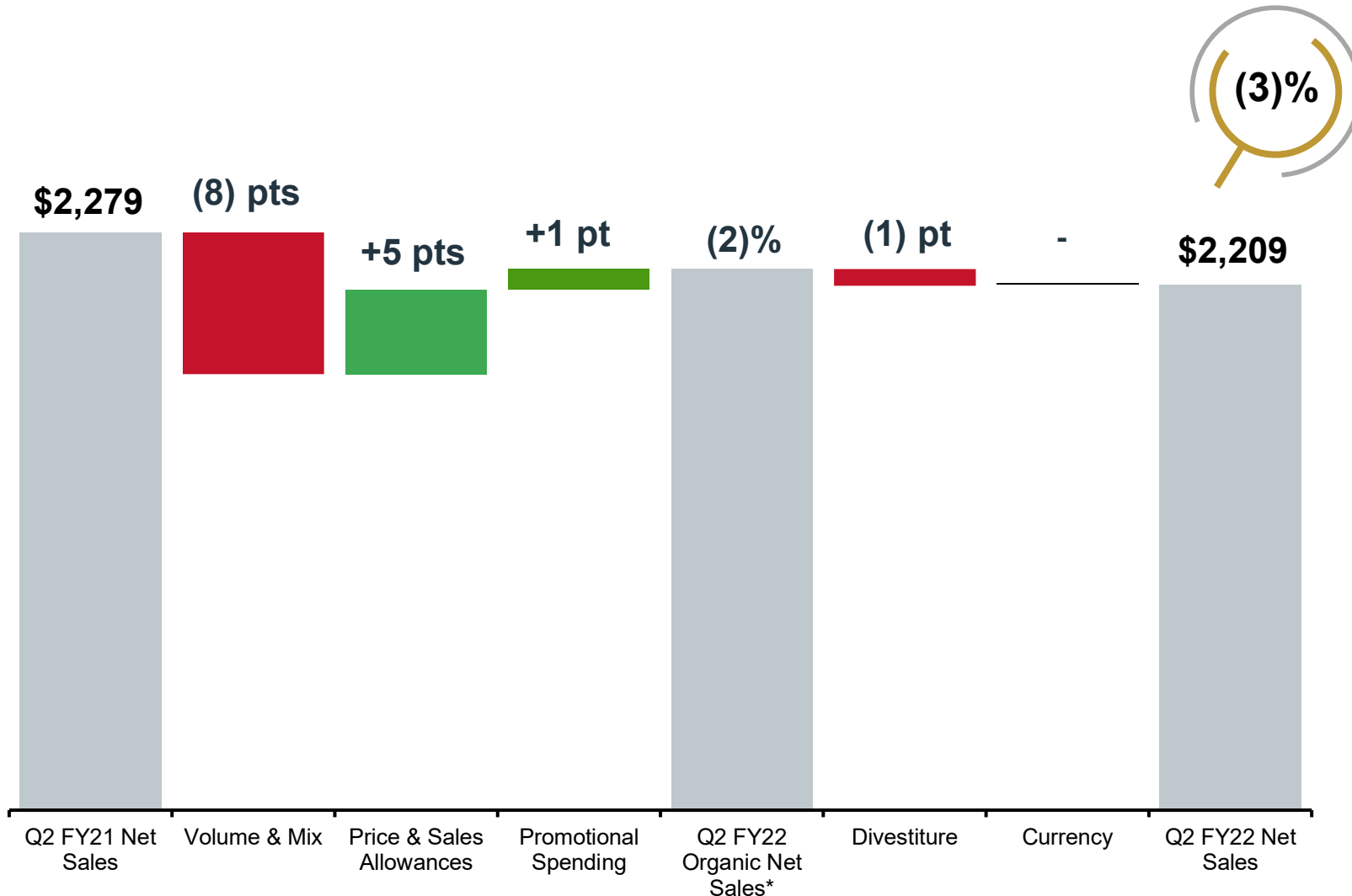
\*See Non-GAAP reconciliation

# Q2 YTD FY22 Financial Results



\*See Non-GAAP reconciliation

# Net Sales Bridge



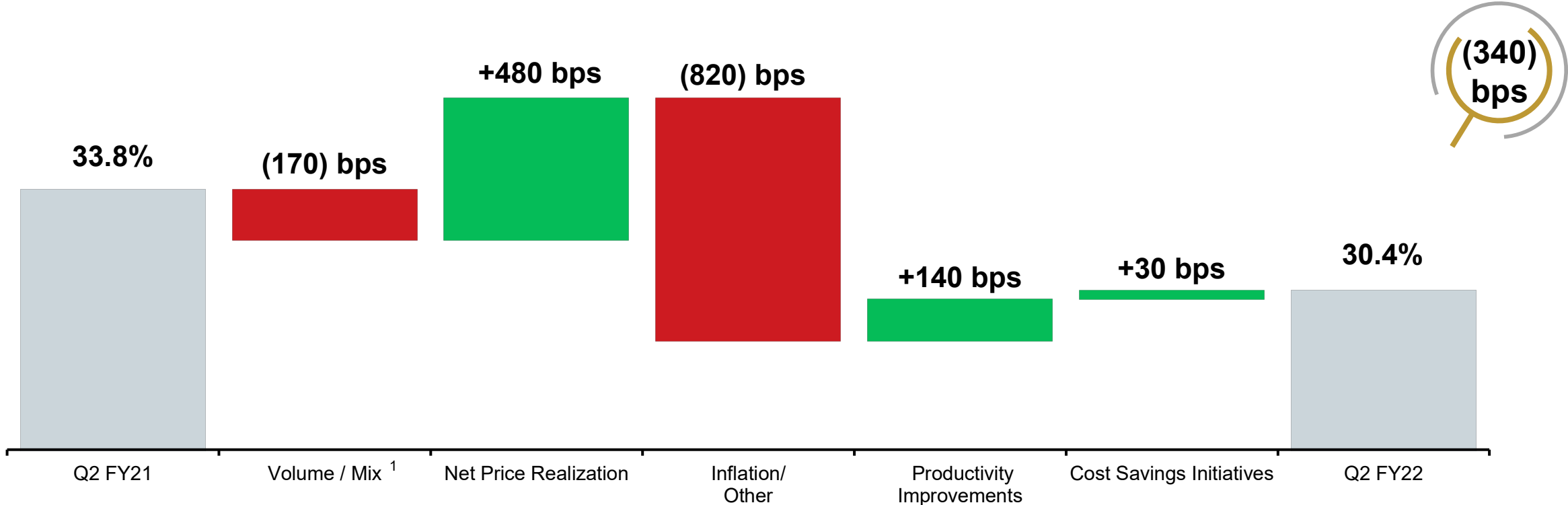
## Drivers

- Volume decline and lower promotional spending reflect supply constraints
- Price increases helped partially offset inflation, wave 2 pricing to be fully reflected in Q3

\*See Non-GAAP reconciliation

# Adjusted Gross Margin\* Bridge

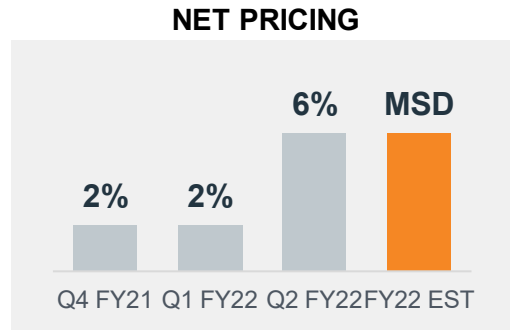
Benefit from net price realization combined with productivity improvements and cost savings partly offset inflation/other; unfavorable volume/mix largely due to reduced operating leverage.



\*See Non-GAAP reconciliation  
<sup>1</sup> Volume / Mix includes the impact of operating leverage.

# Mitigating Accelerating Core Inflation

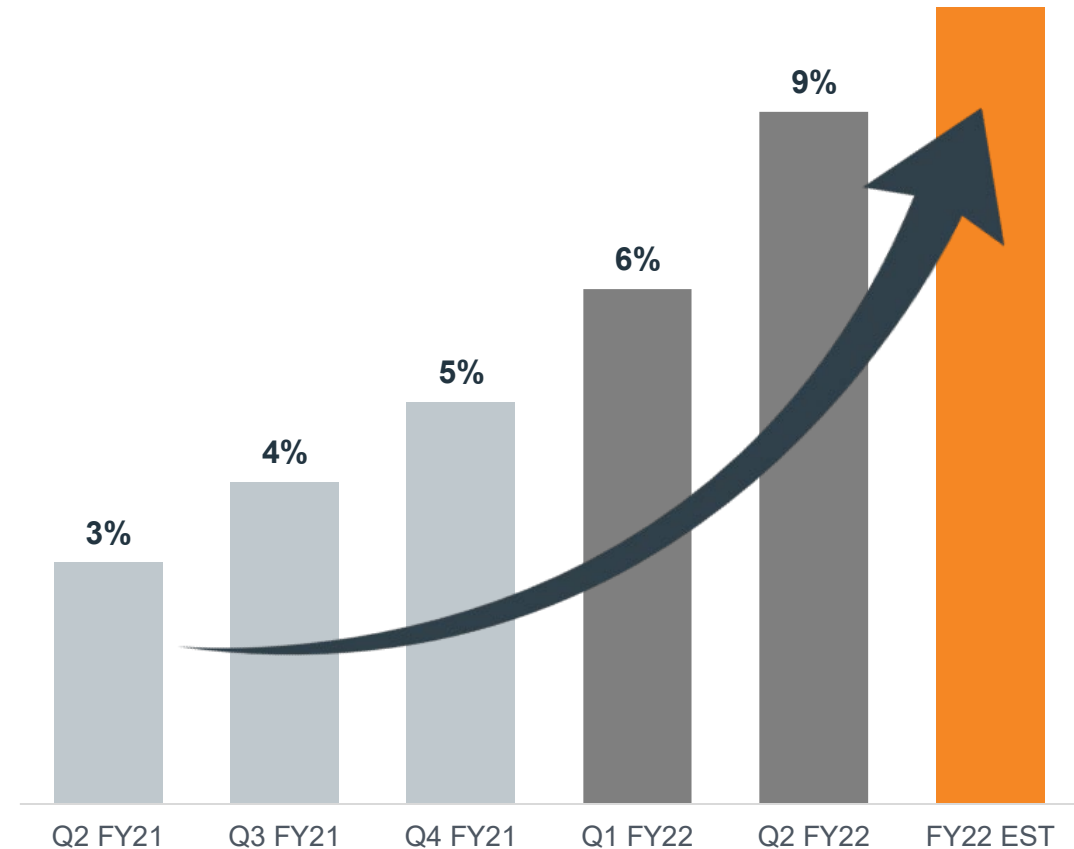
- Pricing and Trade Optimization



- Supply Chain Productivity
- Cost Savings Initiatives
- Manage Discretionary Spending
- Over 95% coverage on ingredient and packaging for fiscal 2022

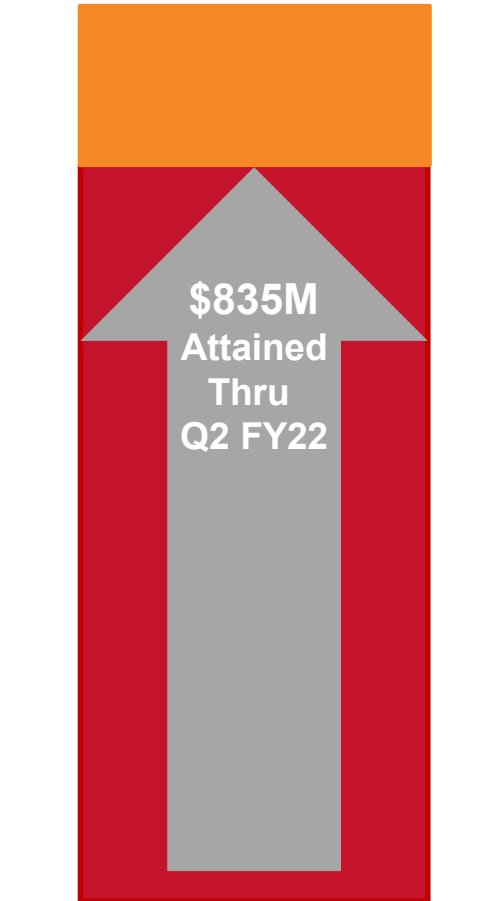
## CORE INFLATION RATE

Low DD



# Cost Savings & Value Capture

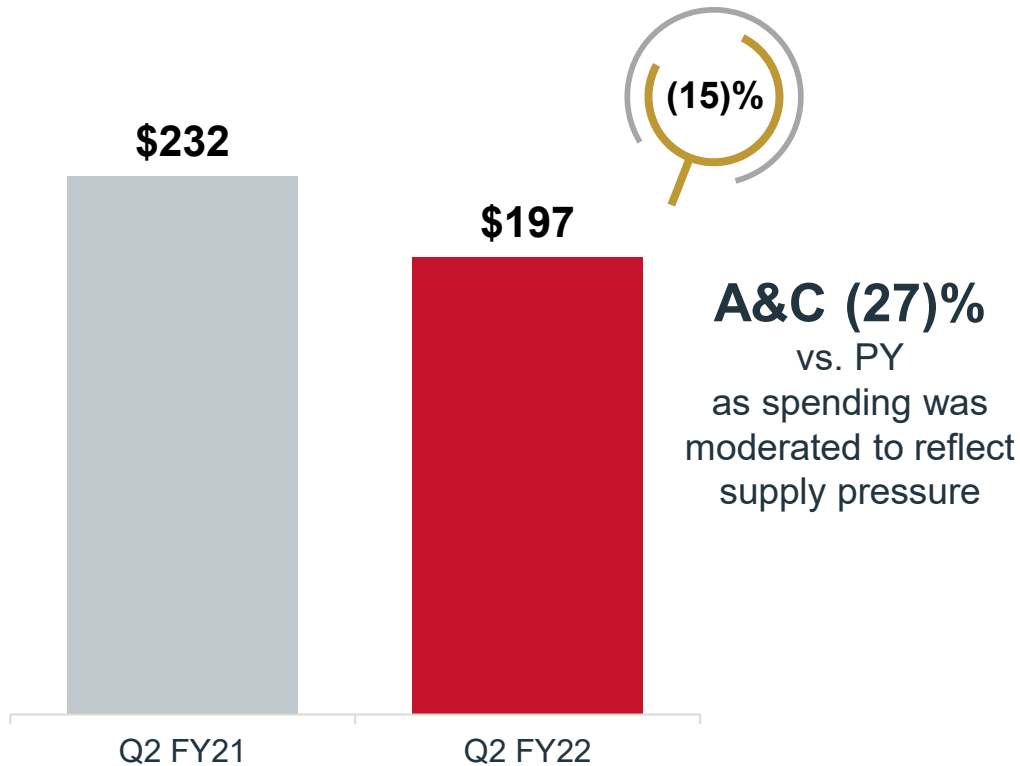
**\$1B by end of FY25**



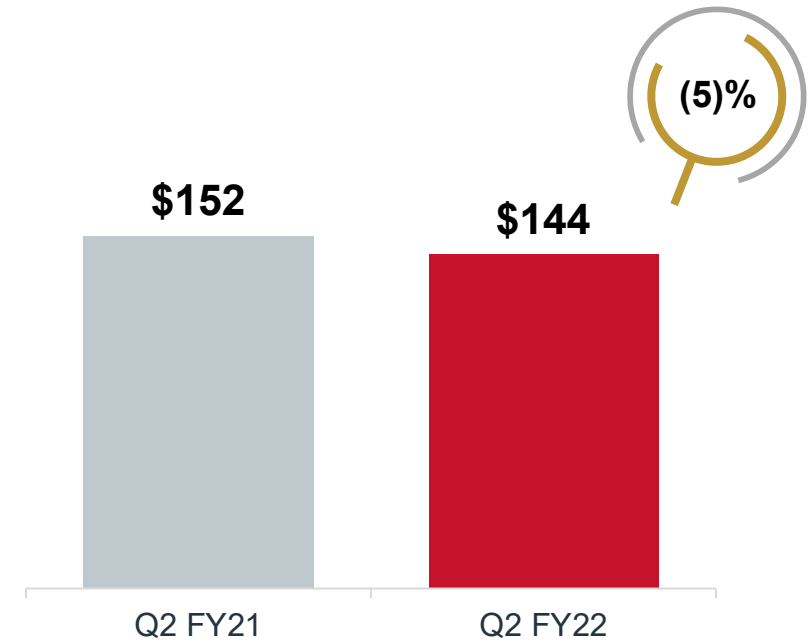
- Total savings of \$15 million realized in Q2 FY22
- FY22 cost savings will help mitigate increasing inflation headwinds
- Tracking to cumulative savings target of \$1 billion by the end of fiscal year 2025

# Other Operating Items

## MARKETING & SELLING EXPENSES



## ADJUSTED ADMINISTRATIVE EXPENSES\*

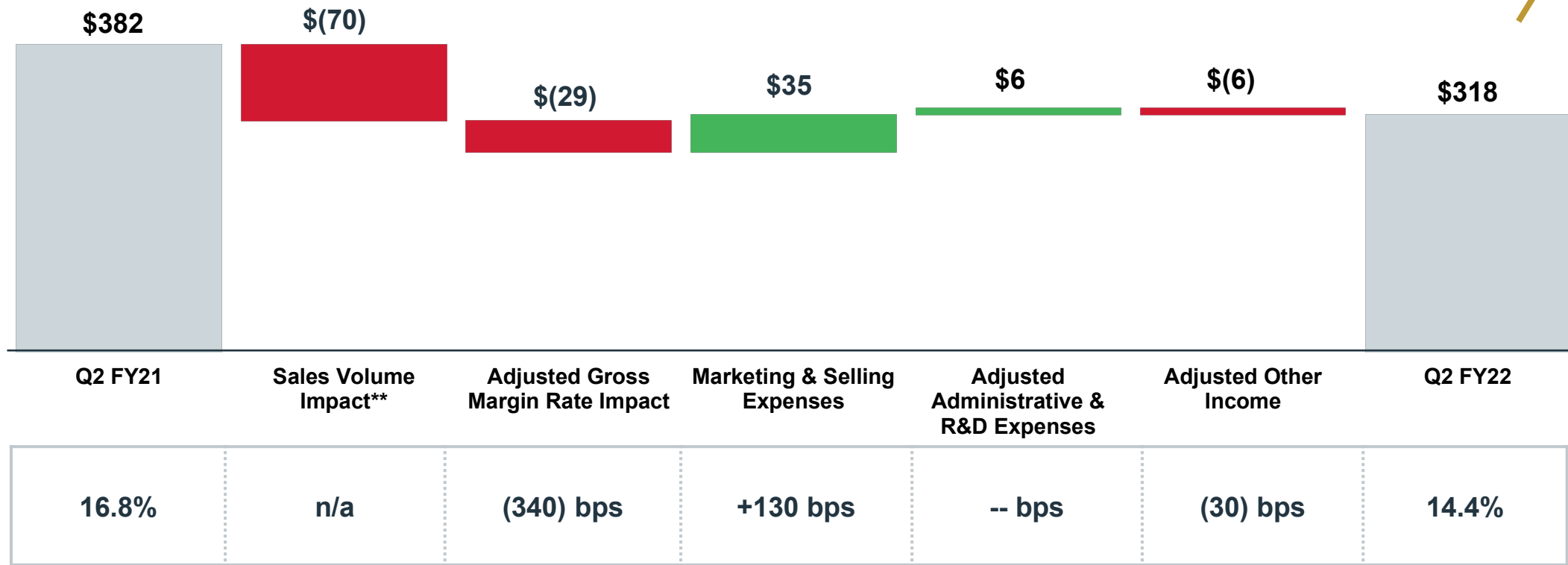


\*See Non-GAAP reconciliation

# Adjusted EBIT\* Bridge

Year-over-year sales volume decline drove adjusted EBIT change, as lower marketing and selling expenses offset adjusted gross margin impact

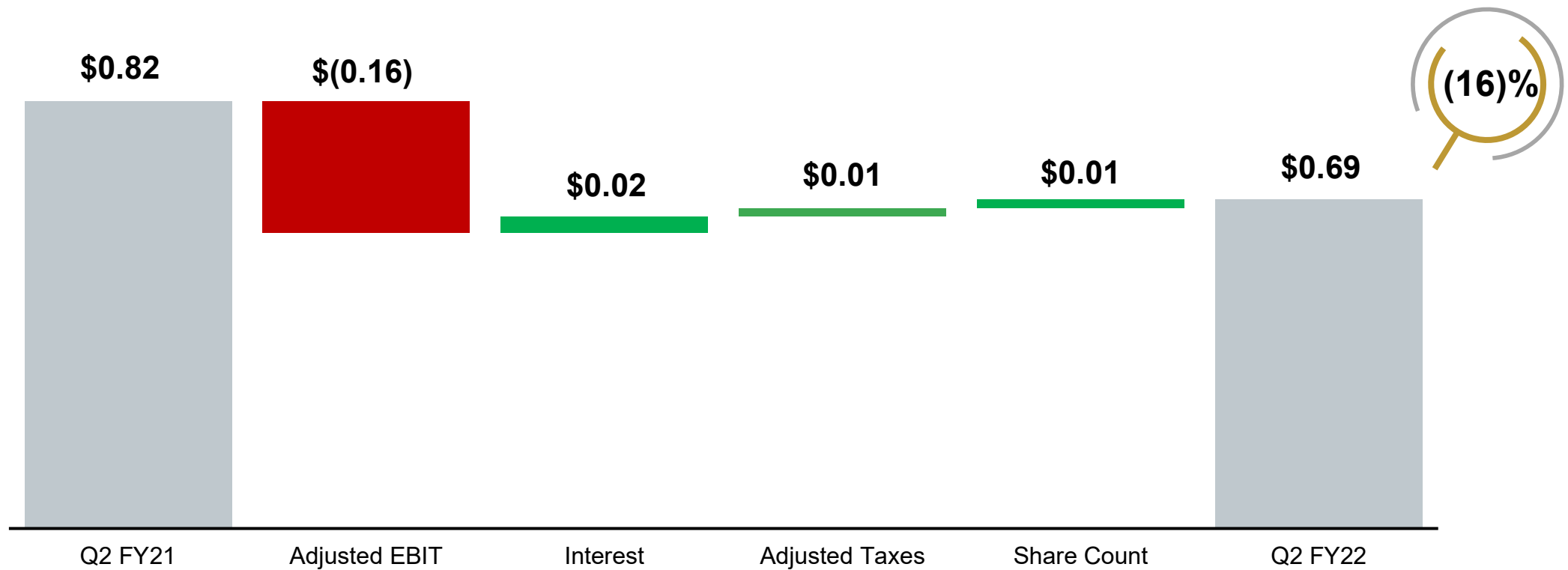
(17)%



\*See Non-GAAP reconciliations for all adjusted financial measures presented.

\*\*Impact of sales volume change, including divestiture, based on prior-year adjusted gross margin.

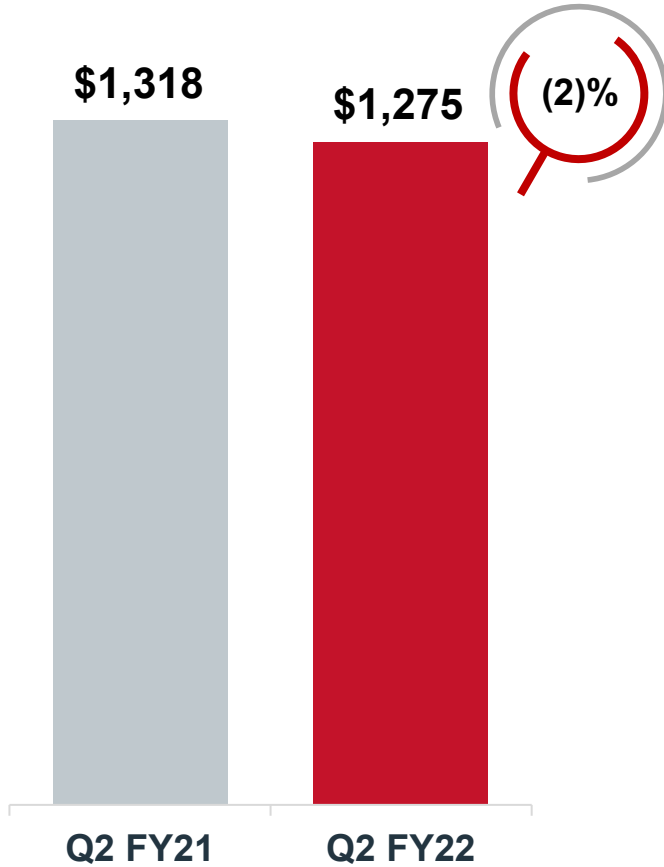
# Adjusted EPS\* Bridge



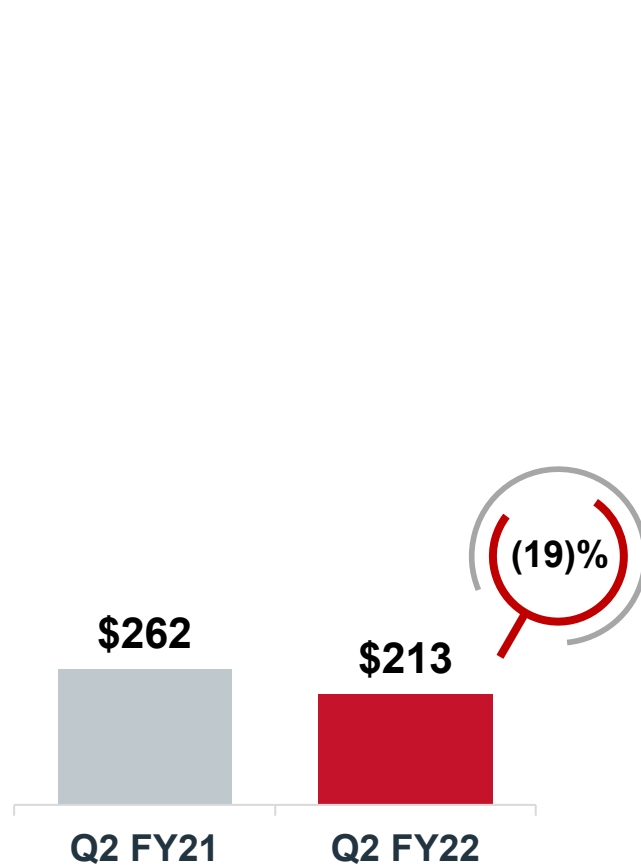
\*See Non-GAAP reconciliations for all adjusted financial measures presented.  
Numbers may not add due to rounding.

# Segment Results

NET SALES & ORGANIC GROWTH RATE\*



OPERATING EARNINGS



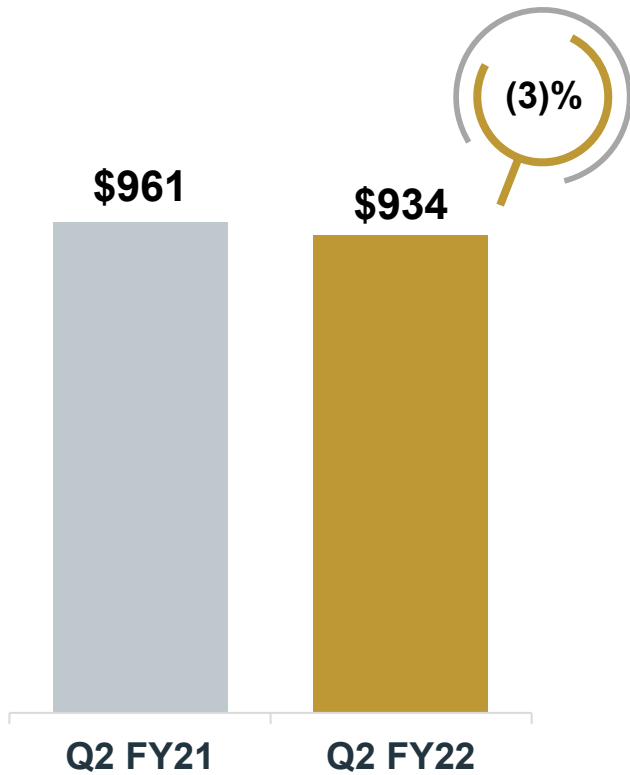
## Campbell's MEALS & BEVERAGES



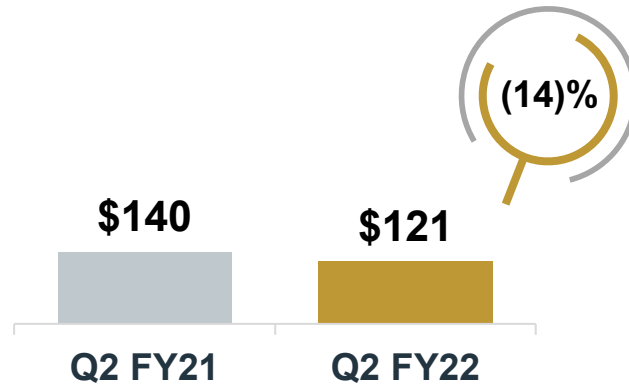
\*See Non-GAAP reconciliation

# Segment Results

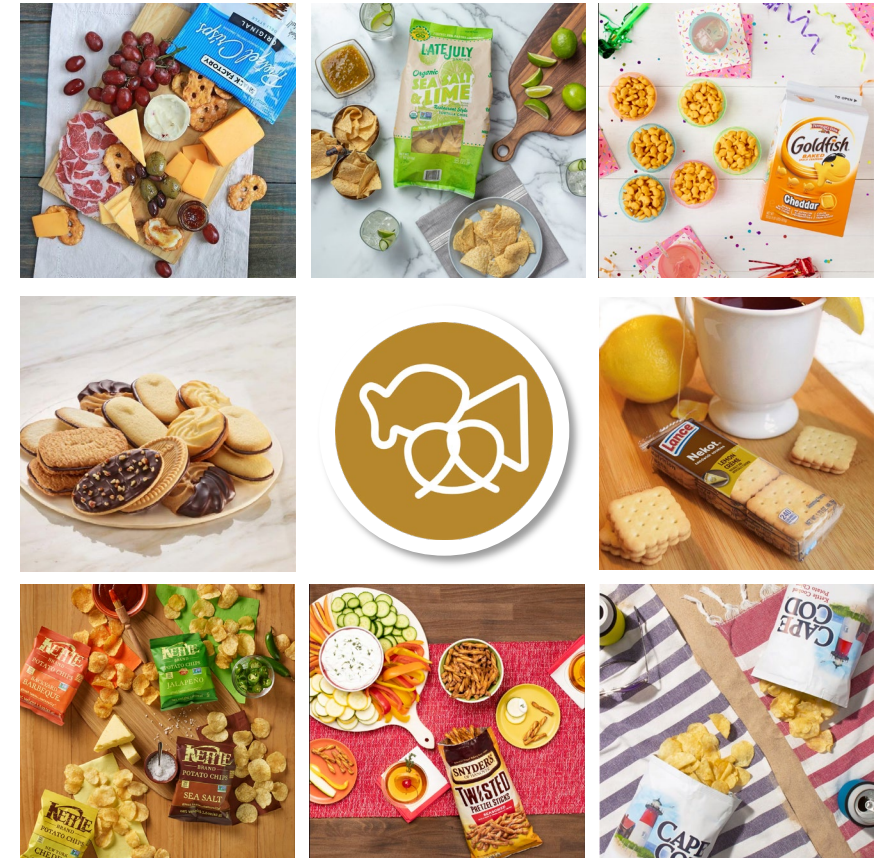
## NET SALES & ORGANIC GROWTH RATE\*



## OPERATING EARNINGS



## Campbell's | SNACKS



\*See Non-GAAP reconciliation

# Cash Flow

Strong YTD FY22 Cash Flow generation with \$293 million returned to shareholders

	YTD FY21	YTD FY22
<b>Net Cash Flows from Operations</b>	<b>\$611</b>	<b>\$766</b>
<i>of which changes in working capital</i>	<i>\$(178)</i>	<i>\$78</i>
<b>Net Cash Flows from Investing Activities</b>	<b>\$(120)</b>	<b>\$(125)</b>
<i>of which capital expenditures</i>	<i>\$(132)</i>	<i>\$(129)</i>
<b>Net Cash Flows from Financing Activities</b>	<b>\$(405)</b>	<b>\$(352)</b>
<i>of which net debt repayments</i>	<i>\$(176)</i>	<i>\$(42)</i>
<i>of which dividends paid</i>	<i>\$(215)</i>	<i>\$(228)</i>
<i>of which stock repurchases</i>	<i>-</i>	<i>\$(65)</i>
<b>Net Change in Cash &amp; Cash Equivalents<sup>1</sup></b>	<b>\$87</b>	<b>\$288</b>
<b>Cash &amp; Cash Equivalents – end of period</b>	<b>\$946</b>	<b>\$357</b>

<sup>1</sup>Numbers do not add as this item includes the effect of exchange rate changes on cash

# Maintaining FY22 Guidance

	Fiscal 2021 Results	Fiscal 2022 Guidance <sup>1</sup>
<b>Net Sales</b>	\$8,476	(2)% to 0%
<i>Organic Net Sales</i>		(1)% to +1%
<b>Adjusted EBIT</b>	\$1,356*	(4.5)% to (1.5)%
<b>Adjusted EPS</b>	\$2.86*	(4)% to 0% \$2.75 to \$2.85

## Guidance assumptions

- H2 earnings recovery driven by:
  - Continued strong demand for Campbell products
  - Steady supply recovery and improved service levels, particularly in Q4
  - Increased price realization as wave 2 pricing materializes
  - Managing escalating inflation through pricing, supply chain productivity improvements and cost savings initiatives
  - Easing PY comparisons in H2
- FY capital expenditures of approximately \$275 million
- The sale of the Plum baby food and snacks business, which was divested on May 3, 2021, is estimated to have an impact of 1 percentage point on net sales in fiscal 2022.

\* See Non-GAAP reconciliation

<sup>1</sup> A non-GAAP reconciliation is not provided for fiscal 2022 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.

# Summary

- Net Sales reflect net pricing benefits and strong in-market demand, tempered by supply constraints
- Q2 margin pressured by accelerating core inflation, wave 2 pricing to be fully reflected in Q3
- Margin progress and earnings recovery expected in H2
- FY22 transition year to Long-Term Growth Algorithm
- Reaffirming FY22 Guidance

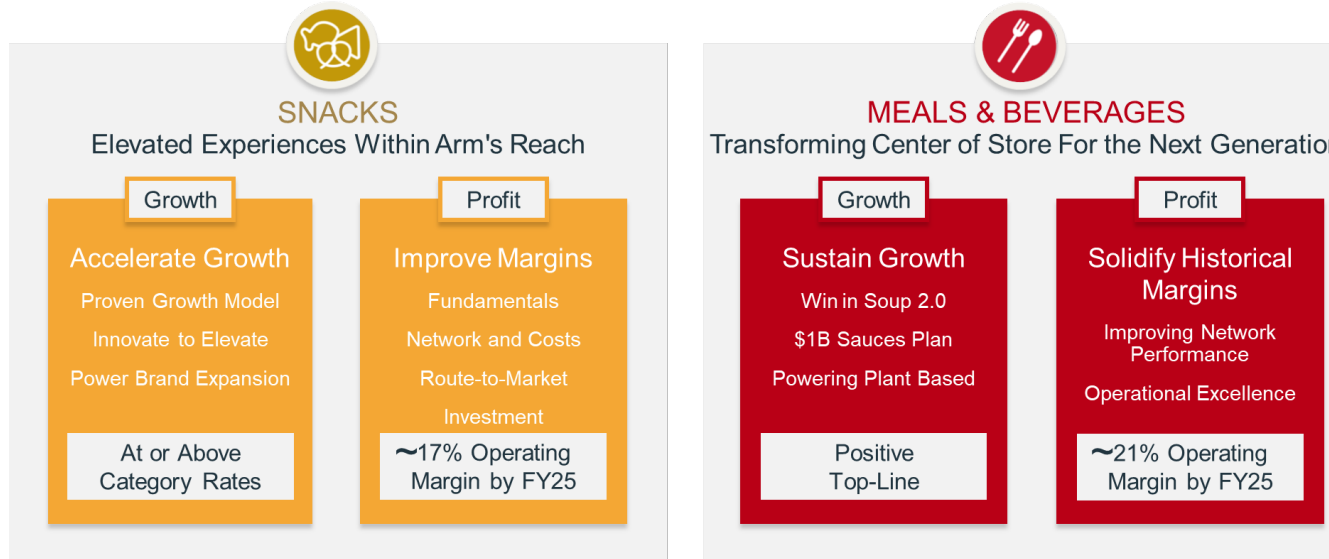


# Investor Day Key Messages

## 3 Key Advantages

- ✓ A focused and unique portfolio
- ✓ Strengthened capabilities & talent
- ✓ Differentiated path to value creation

## Clear Roadmaps for Both Segments



## Long-term Growth Algorithm<sup>1</sup>

- ✓ ~2% Org. Net Sales
- ✓ 4-6% Adj. EBIT
- ✓ 6-8% Adj. EPS

**\$1B** Cost Savings by end of FY2025

<sup>1</sup> A non-GAAP reconciliation is not provided for fiscal 2022 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.

# Q&A Forum



**Mark Clouse**

President & Chief Executive Officer



**Mick Beekhuizen**

EVP & Chief Financial Officer

# Appendix

# Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations (\$ millions)

Second Quarter

January 30, 2022

Meals & Beverages

	<u>Net Sales, As Reported</u>	<u>Impact of Currency</u>	<u>Organic Net Sales</u>
	\$ 1,275	\$ (2)	\$ 1,273

% Change

	<u>Net Sales, As Reported</u>	<u>Organic Net Sales</u>
	(3)%	(2)%

Snacks

	934	-	934
--	-----	---	-----

	(3)%	(3)%
--	------	------

**Total Net Sales**

	<u>\$ 2,209</u>	<u>\$ (2)</u>	<u>\$ 2,207</u>
--	-----------------	---------------	-----------------

	<u>(3)%</u>	<u>(2)%</u>
--	-------------	-------------

January 31, 2021

Meals & Beverages

	<u>Net Sales, As Reported</u>	<u>Impact of Divestitures</u>	<u>Organic Net Sales</u>
	\$ 1,318	\$ (23)	\$ 1,295

Snacks

	961	-	961
--	-----	---	-----

**Total Net Sales**

	<u>\$ 2,279</u>	<u>\$ (23)</u>	<u>\$ 2,256</u>
--	-----------------	----------------	-----------------

# Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations (\$ millions)

First Half

January 30, 2022

Meals & Beverages

	<u>Net Sales, As Reported</u>	<u>Impact of Currency</u>	<u>Organic Net Sales</u>
	\$ 2,541	\$ (8)	\$ 2,533

% Change

	<u>Net Sales, As Reported</u>	<u>Organic Net Sales</u>
	(5)%	(4)%

Snacks

	1,904	-	1,904
--	-------	---	-------

	(2)%	(2)%
--	------	------

**Total Net Sales**

	<u>\$ 4,445</u>	<u>\$ (8)</u>	<u>\$ 4,437</u>
--	-----------------	---------------	-----------------

	<u>(4)%</u>	<u>(3)%</u>
--	-------------	-------------

January 31, 2021

Meals & Beverages

	<u>Net Sales, As Reported</u>	<u>Impact of Divestitures</u>	<u>Organic Net Sales</u>
	\$ 2,681	\$ (46)	\$ 2,635

Snacks

	1,938	-	1,938
--	-------	---	-------

**Total Net Sales**

	<u>\$ 4,619</u>	<u>\$ (46)</u>	<u>\$ 4,573</u>
--	-----------------	----------------	-----------------

# Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations  
(\$ millions, except per share amounts)

## Second Quarter

	<u>EBIT</u>	<u>EBIT Margin %</u>	<u>Earnings</u>	<u>Diluted EPS*</u>
<b>2022 – As Reported</b>	\$ 323	14.6%	\$ 212	\$ 0.70
Add: Restructuring charges, implementation costs and other related costs	5		4	0.01
Deduct: Pension and postretirement adjustments	(10)		(8)	(0.03)
<b>2022 – Adjusted</b>	<u>\$ 318</u>	<u>14.4%</u>	<u>\$ 208</u>	<u>\$ 0.69</u>
<b>2021 – As Reported</b>	\$ 401	17.6%	\$ 245	\$ 0.80
Add: Restructuring charges, implementation costs and other related costs	22		16	0.05
Deduct: Pension and postretirement adjustments	(30)		(23)	(0.08)
Deduct: Commodity mark-to-market adjustments	(11)		(8)	(0.03)
Add: Deferred tax charge	-		19	0.06
<b>2021 – Adjusted</b>	<u>\$ 382</u>	<u>16.8%</u>	<u>\$ 249</u>	<u>\$ 0.82</u>
<b>\$ Change - Adjusted</b>	\$ (64)		\$ (41)	\$ (0.13)
<b>% Change - Adjusted</b>	(17)%	(240) bps	(16)%	(16)%

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

# Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations  
(\$ millions, except per share amounts)

## First Half

	EBIT	EBIT Margin %	Earnings	Diluted EPS
<b>2022 – As Reported</b>	\$ 699	15.7%	\$ 473	\$ 1.56
Add: Restructuring charges, implementation costs and other related costs	9		7	0.02
Deduct: Pension and postretirement adjustments	(4)		(3)	(0.01)
Add: Commodity mark-to-market adjustments	3		2	0.01
<b>2022 – Adjusted</b>	<u>\$ 707</u>	<u>15.9%</u>	<u>\$ 479</u>	<u>\$ 1.58</u>
<b>2021 – As Reported</b>	\$ 862	18.7%	\$ 554	\$ 1.82
Add: Restructuring charges, implementation costs and other related costs	28		21	0.07
Deduct: Pension and postretirement adjustments	(34)		(26)	(0.09)
Deduct: Commodity mark-to-market adjustments	(17)		(13)	(0.04)
Add: Deferred tax charge	-		19	0.06
<b>2021 – Adjusted</b>	<u>\$ 839</u>	<u>18.2%</u>	<u>\$ 555</u>	<u>\$ 1.82</u>
<b>\$ Change - Adjusted</b>	\$ (132)		\$ (76)	\$ (0.24)
<b>% Change - Adjusted</b>	(16)%	(230) bps	(14)%	(13)%

# Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations (\$ millions)

Second Quarter

	<u>Gross Margin</u>	<u>GM %</u>	<u>EBT</u>	<u>Tax</u>	<u>Tax Rate</u>
2022 – As Reported	\$ 669	30.3%	\$ 277	\$ 65	23.5%
Add: Restructuring charges, implementation costs and other related costs	2		5	1	
Deduct: Pension and postretirement adjustments	-		(10)	(2)	
2022 – Adjusted	<u>\$ 671</u>	<u>30.4%</u>	<u>\$ 272</u>	<u>\$ 64</u>	<u>23.5%</u>
2021 – As Reported	\$ 783	34.4%	\$ 347	\$ 102	29.4%
Add (Deduct): Restructuring charges, implementation costs and other related costs	(2)		22	6	
Deduct: Pension and postretirement adjustments	-		(30)	(7)	
Deduct: Commodity mark-to-market adjustments	(11)		(11)	(3)	
Deduct: Deferred tax charge	-		-	(19)	
2021 – Adjusted	<u>\$ 770</u>	<u>33.8%</u>	<u>\$ 328</u>	<u>\$ 79</u>	<u>24.1%</u>
Change - Adjusted		(340) bps			(60) bps

# Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations (\$ millions)

Adjusted EBIT Impacts from Sales Volume and Adjusted Gross Margin Rate

	<u>Second Quarter</u>
2022 – Change in Net Sales Attributable to Volume*	\$ (207)
Multiplied by: 2021 – Adjusted Gross Margin %	33.8%
	<hr/>
Adjusted EBIT Impact from Sales Volume	\$ (70)
	<hr/> <hr/>
2022 – Adjusted Gross Margin \$	\$ 671
2021 – Adjusted Gross Margin \$	770
	<hr/>
Change in Adjusted Gross Margin \$	\$ (99)
	<hr/>
Deduct: Adjusted EBIT Impact from Sales Volume	(70)
	<hr/>
Adjusted EBIT Impact from Adjusted Gross Margin Rate	\$ (29)
	<hr/> <hr/>

\*Includes the impact of the divestiture of the Plum baby food and snacks business

# Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations (\$ millions)

Second Quarter

	<u>Administrative Expenses</u>	<u>R&amp;D Expenses</u>	<u>Total</u>
2022 – As Reported	\$ 147	\$ 21	\$ 168
Deduct: Restructuring charges, implementation costs and other related costs	(3)	-	(3)
2022 – Adjusted	<u>\$ 144</u>	<u>\$ 21</u>	<u>\$ 165</u>
% of Net Sales - Adjusted	6.5%	1.0%	7.5%
2021 – As Reported	\$ 158	19	\$ 177
Deduct: Restructuring charges, implementation costs and other related costs	(6)	-	(6)
2021 – Adjusted	<u>\$ 152</u>	<u>\$ 19</u>	<u>\$ 171</u>
% of Net Sales – Adjusted	6.7%	0.8%	7.5%
% of Net Sales Change - Adjusted	(20) bps	+20 bps	0 bps
\$ Change – Adjusted	\$ (8)	\$ 2	\$ (6)
% Change - Adjusted	(5)%	11%	(4)%

# Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations (\$ millions)

<u>Second Quarter</u>	<u>Other Expenses / (Income)</u>
2022 – As Reported	\$ (19)
Add: Pension and postretirement adjustments	10
2022 – Adjusted	<u>\$ (9)</u>
% of Net Sales - Adjusted	(0.4)%
2021 – As Reported	\$ (45)
Add: Pension and postretirement adjustments	30
2021 – Adjusted	<u>\$ (15)</u>
% of Net Sales – Adjusted	(0.7)%
% of Net Sales Change – Adjusted	+30 bps
\$ Change – Adjusted	\$ 6
% Change - Adjusted	(40)%

# Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations  
(\$ millions, except per share amounts)

## Second Quarter – Adjusted Diluted EPS Impact from Adjusted EBIT

	<u>EBIT</u>
2022 – Adjusted	\$ 318
2021 – Adjusted	382
\$ Change	<u>\$ (64)</u>
Add: 2021 Adjusted tax rate impact on EBIT	<u>15</u>
Impact to Net Earnings	<u><u>\$ (49)</u></u>
Second Quarter 2021 Diluted Shares	305
Adjusted Diluted EPS Impact	\$ (0.16)

# Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations  
(\$ millions, except per share amounts)

Adjusted Diluted EPS Impact from Change in Adjusted Tax Rate

	<u>Second Quarter</u>
2022 – Adjusted EBT	\$ 272
Change in Adjusted Tax Rate	(0.6)%
Adjusted EBT multiplied by the Change in Adjusted Tax Rate	<u>\$ 2</u>
Second Quarter 2021 Diluted Shares	305
Adjusted Diluted EPS Impact	\$ 0.01

# Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations (\$ millions, except per share amounts)

<u>Full Year</u>	<u>EBIT</u>	<u>Earnings</u>	<u>Diluted EPS*</u>
2021 – As Reported	\$ 1,545	\$ 1,008	\$ 3.30
Add: Restructuring charges, implementation costs and other related costs	53	40	0.13
Deduct: Pension and postretirement adjustments	(203)	(155)	(0.51)
Add (Deduct): Charges (gains) associated with divestiture	11	(3)	(0.01)
Add: Deferred tax charge	-	19	0.06
Deduct: Commodity mark-to-market adjustments	(50)	(38)	(0.12)
2021 – Adjusted	<u>\$ 1,356</u>	<u>\$ 871</u>	<u>\$ 2.86</u>

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

# Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations  
(\$ millions, except per share amounts)

## Second Quarter

	EBIT	EBIT Margin %	Earnings	Diluted EPS
2022 – Adjusted	\$ 318	14.4%	\$ 208	\$ 0.69
2021 – Adjusted	\$ 382	16.8%	\$ 249	\$ 0.82
2020 – As Reported	\$ 350	16.2%	\$ 171	\$ 0.56
Add: Restructuring charges, implementation costs and other related costs	25		19	0.06
Deduct: Pension and postretirement adjustments	(11)		(8)	(0.03)
Deduct: Tax benefit associated with divestiture	-		(19)	(0.06)
Add: Loss on extinguishment of debt	-		57	0.19
Deduct: Commodity mark-to-market adjustments	(1)		(1)	-
2020 – Adjusted	\$ 363	16.8%	\$ 219	\$ 0.72
% Change 2022 vs 2020 – Adjusted	(12)%		(5)%	(4)%
% Change 2021 vs 2020 - Adjusted	5%		14%	14%

# Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations (\$ millions)

Second Quarter

	<u>Net Sales, As Reported</u>	<u>Impact of Currency</u>	<u>Organic Net Sales</u>	<u>% Change</u>	
	<u>Net Sales, As Reported</u>		<u>Organic Net Sales</u>	<u>Net Sales, As Reported</u>	<u>Organic Net Sales</u>
<u>January 30, 2022</u>					
Meals & Beverages	\$ 1,275	\$ (4)	\$ 1,271	2%	4%
Snacks	934	1	935	3%	3%
<b>Total Net Sales</b>	<b>\$ 2,209</b>	<b>\$ (3)</b>	<b>\$ 2,206</b>	<b>2%</b>	<b>3%</b>
<u>January 26, 2020</u>					
Meals & Beverages	\$ 1,252	\$ (26)	\$ 1,226		
Snacks	910	-	910		
<b>Total Net Sales</b>	<b>\$ 2,162</b>	<b>\$ (26)</b>	<b>\$ 2,136</b>		

# Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations (\$ millions)

Second Quarter

	<u>Net Sales, As Reported</u>	<u>Impact of Currency</u>	<u>Organic Net Sales</u>	<u>% Change</u>	
<u>January 31, 2021</u>	<u>Net Sales, As Reported</u>	<u>Impact of Currency</u>	<u>Organic Net Sales</u>	<u>Net Sales, As Reported</u>	<u>Organic Net Sales</u>
Meals & Beverages	\$ 1,318	\$ (2)	\$ 1,316	5%	5%
Snacks	961	1	962	6%	6%
<b>Total Net Sales</b>	<b>\$ 2,279</b>	<b>\$ (1)</b>	<b>\$ 2,278</b>	<b>5%</b>	<b>5%</b>
<u>January 26, 2020</u>	<u>Net Sales, As Reported</u>	<u>Impact of Divestitures</u>	<u>Organic Net Sales</u>		
Meals & Beverages	\$ 1,252	\$ -	\$ 1,252		
Snacks	910	-	910		
<b>Total Net Sales</b>	<b>\$ 2,162</b>	<b>\$ -</b>	<b>\$ 2,162</b>		

# Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations  
(\$ millions, except per share amounts)

## First Half

	EBIT	EBIT Margin %	Earnings	Diluted EPS
2022 – Adjusted	\$ 707	15.9%	\$ 479	\$ 1.58
2021 – Adjusted	\$ 839	18.2%	\$ 555	\$ 1.82
2020 – As Reported	\$ 667	15.4%	\$ 340	\$ 1.12
Add: Restructuring charges, implementation costs and other related costs	36		27	0.09
Deduct: Pension and postretirement adjustments	(11)		(8)	(0.03)
Add: Charges associated with divestiture	64		41	0.14
Add: Loss on extinguishment of debt	-		57	0.19
Deduct: Commodity mark-to-market adjustments	(6)		(5)	(0.02)
2020 – Adjusted	<u>\$ 750</u>	<u>17.3%</u>	<u>\$ 452</u>	<u>\$ 1.49</u>
% Change 2022 vs 2020 – Adjusted		(6)%	6%	6%
% Change 2021 vs 2020 - Adjusted		12%	23%	22%

# Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations (\$ millions)

**First Half**

	<u>Net Sales, As Reported</u>	<u>Impact of Currency</u>	<u>Organic Net Sales</u>	<u>% Change</u>	
	<u>Net Sales, As Reported</u>		<u>Organic Net Sales</u>	<u>Net Sales, As Reported</u>	<u>Organic Net Sales</u>
<b><u>January 30, 2022</u></b>					
Meals & Beverages	\$ 2,541	\$ (10)	\$ 2,531	3%	4%
Snacks	1,904	1	1,905	2%	3%
<b>Total Net Sales</b>	<b>\$ 4,445</b>	<b>\$ (9)</b>	<b>\$ 4,436</b>	<b>2%</b>	<b>4%</b>
<b><u>January 26, 2020</u></b>					
Meals & Beverages	\$ 2,475	\$ (52)	\$ 2,423		
Snacks	1,870	(25)	1,845		
<b>Total Net Sales</b>	<b>\$ 4,345</b>	<b>\$ (77)</b>	<b>\$ 4,268</b>		

# Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations (\$ millions)

**First Half**

	<u>Net Sales, As Reported</u>	<u>Impact of Currency</u>	<u>Organic Net Sales</u>	<u>% Change</u>	
	<u>Net Sales, As Reported</u>		<u>Organic Net Sales</u>	<u>Net Sales, As Reported</u>	<u>Organic Net Sales</u>
<b><u>January 31, 2021</u></b>					
Meals & Beverages	\$ 2,681	\$ (2)	\$ 2,679	8%	8%
Snacks	1,938	1	1,939	4%	5%
<b>Total Net Sales</b>	<b>\$ 4,619</b>	<b>\$ (1)</b>	<b>\$ 4,618</b>	<b>6%</b>	<b>7%</b>
<b><u>January 26, 2020</u></b>					
Meals & Beverages	\$ 2,475	\$ -	\$ 2,475		
Snacks	1,870	(25)	1,845		
<b>Total Net Sales</b>	<b>\$ 4,345</b>	<b>\$ (25)</b>	<b>\$ 4,320</b>		