



# THE *Campbell's* COMPANY

## **Q1 Fiscal 2025 Earnings Presentation**



# Today's *Agenda*



**Rebecca Gardy**  
Chief Investor Relations Officer

**Welcome**



**Mark Clouse**  
Chief Executive Officer

**Strategy and  
Business Update**



**Carrie Anderson**  
Chief Financial Officer

**Financial Results  
and Outlook**



# Forward-looking Statements

## Safe Harbor Regarding Forward-Looking Statements

This presentation contains "forward-looking" statements within the meaning of the federal securities laws. These forward-looking statements reflect our current expectations regarding our future results of operations, economic performance, financial condition and achievements. These forward-looking statements can be identified by words such as "anticipate," "believe," "estimate," "expect," "intend," "plan," "pursue," "strategy," "target," "will" and similar expressions. One can also identify forward-looking statements by the fact that they do not relate strictly to historical or current facts and may reflect anticipated cost savings or implementation of our strategic plan. These statements reflect our current plans and expectations and are based on information currently available to us. They rely on several assumptions regarding future events and estimates which could be inaccurate and which are inherently subject to risks and uncertainties. We wish to caution the reader that the following important factors and those important factors described in our other Securities and Exchange Commission filings, or in our most recent Form 10-K, could affect our actual results and could cause such results to vary materially from those expressed in any forward-looking statements made by, or on behalf of, us: the risk that the cost savings and any other synergies from the Sovos Brands, Inc. ("Sovos Brands") transaction may not be fully realized or may take longer or cost more to be realized than expected, including that the Sovos Brands transaction may not be accretive within the expected timeframe or the extent anticipated; the risks related to the availability of, and cost inflation in, supply chain inputs, including labor, raw materials, commodities, packaging and transportation; our ability to execute on and realize the expected benefits from our strategy, including growing sales in snacks and growing/maintaining our 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 reliance on key contract manufacturer and supplier relationships; 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 from weather-related events; negative changes and volatility in financial and credit markets, deteriorating economic conditions and other external factors, including the impact of new or changes to existing governmental laws and regulations and their application; our indebtedness and ability to pay such indebtedness; and unforeseen business disruptions or other impacts due to political instability, civil disobedience, terrorism, geopolitical conflicts, extreme weather conditions, natural disasters, pandemics or other outbreaks of disease or other calamities. This discussion of uncertainties is by no means exhaustive but is designed to highlight important factors that may impact our outlook. We disclaim any obligation or intent to update forward-looking statements in order to reflect new information, events or circumstances after the date of this presentation.

## Non-GAAP Financial Measures

This presentation refers to certain non-GAAP financial measures that are not prepared in accordance with generally accepted accounting principles in the United States ("GAAP"). These non-GAAP measures should not be considered in isolation from, or as an alternative to, financial measures determined in accordance with GAAP. See the appendix to this presentation for reconciliation of each non-GAAP financial measure to its most directly comparable financial measure stated in accordance with GAAP.

## Industry and Market Data

This presentation includes industry and market data and forecasts derived from publicly available information, various industry publications, other published industry sources and the management's knowledge of the industry and the good faith estimates of management. This data involves a number of assumptions and limitations, and there can be no assurance these forecasts and estimates will prove accurate in whole or in part. While we believe that these sources are reliable, we have not independently verified this information. Projections, assumptions and estimates of our future performance and the future performance of the industry in which we operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors.





# ***Strategy and Business Updates***

**Mark Clouse**

Chief Executive Officer



# Q1 Performance In Line With Expectations, With Sovos Brands Driving Growth

» Q1 performance generally in line with our expectations

» Highly relevant Leadership brands with growth in consumption and \$ share; up +2% in-market

» Executing with excellence; progress on productivity, cost savings and Sovos integration

» FY25 guidance reaffirmed



**+10%**

Net Sales Growth vs PY



**(1)%**

Organic Net Sales\* vs PY



**+6%**

Adj EBIT\*



**\$0.89**

Adjusted EPS\*



**Flat**

\$ Consumption<sup>1</sup>

\*See Non-GAAP reconciliation

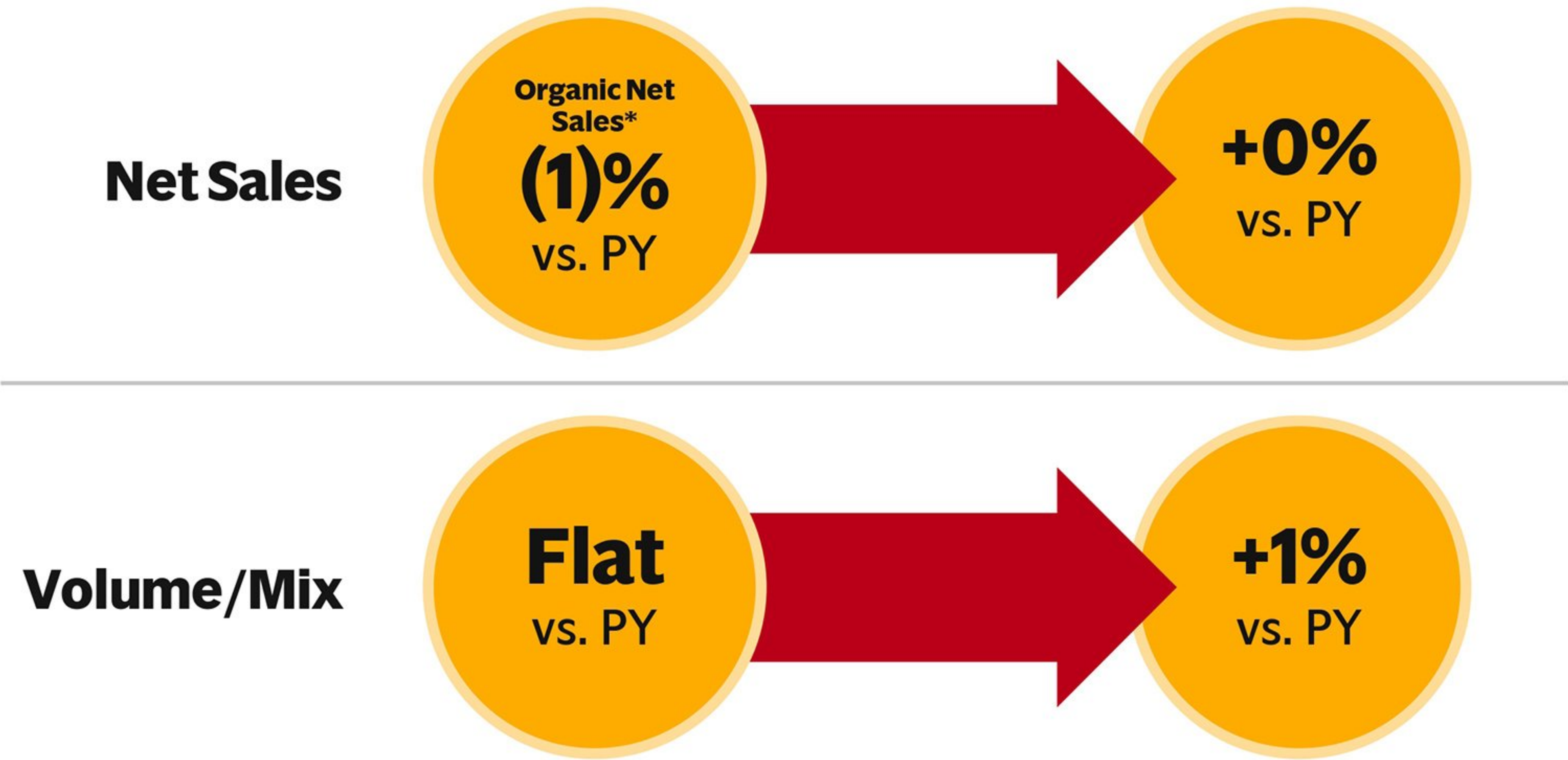
<sup>1</sup> Circana Total US MULO+, 13 weeks ending 10/27/24, excluding Sovos Brands..



# Campbell's momentum accelerated with the addition of Sovos Brands

Q1 FY25

Q1 FY25  
Pro Forma Combined<sup>1</sup>



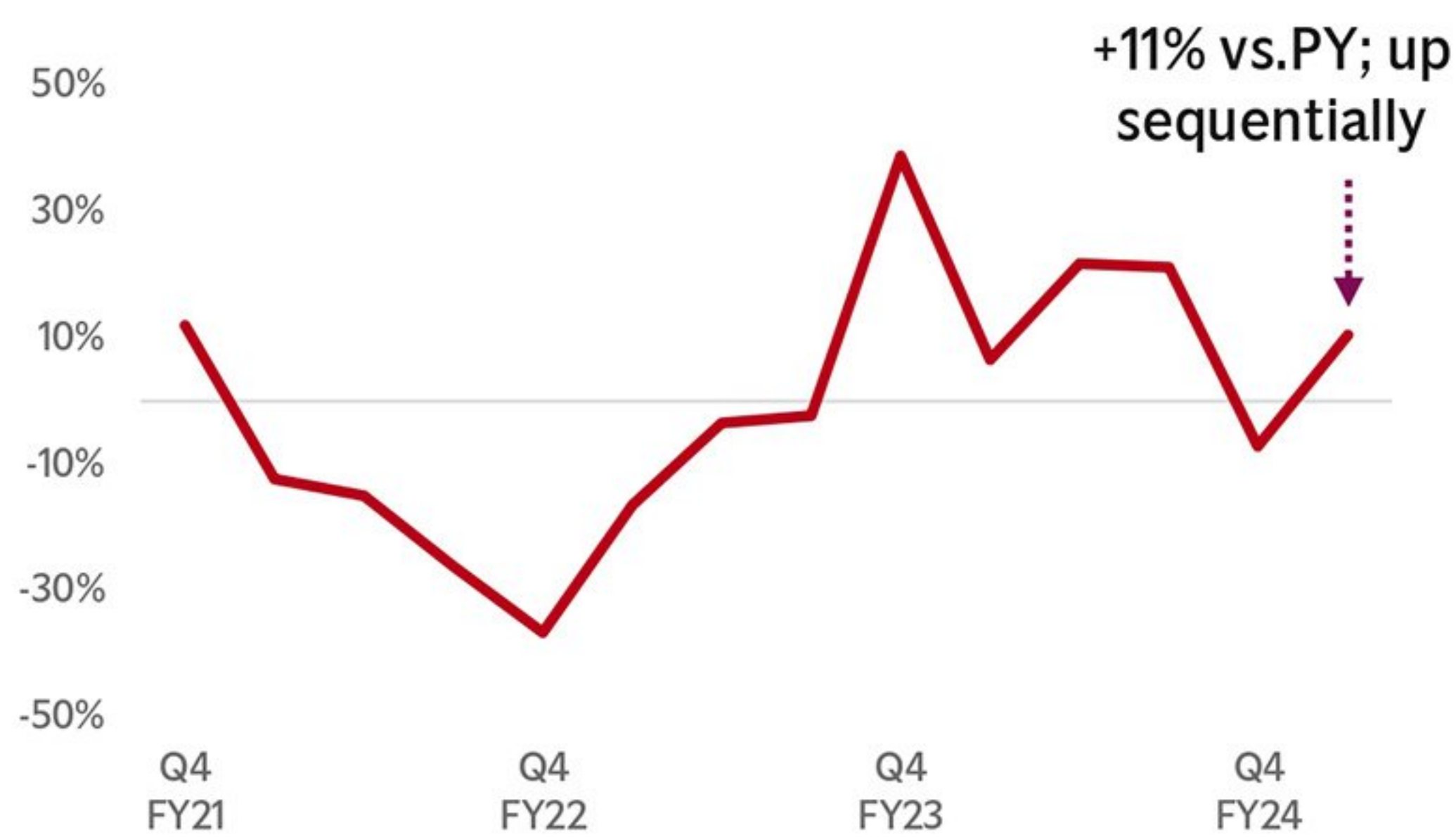
<sup>\*</sup>See Non-GAAP reconciliation  
<sup>1</sup> Pro forma combined basis presented to reflect results as if the Sovos Brands acquisition had occurred at the beginning of Fiscal 2024.



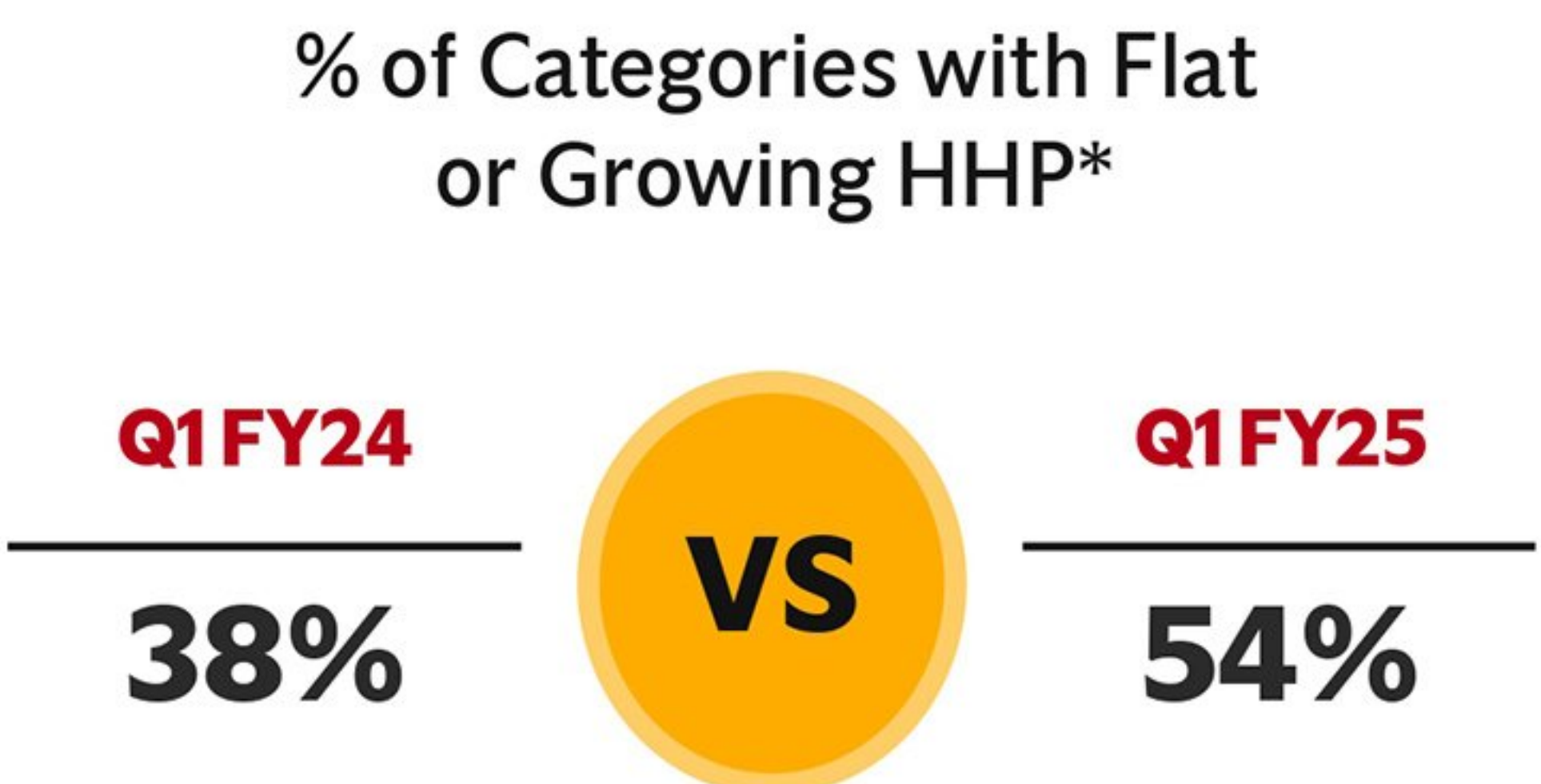
# Food overall showing improvement with favorable trends

Full recovery expected into remainder of FY25

## Improving Consumer Confidence<sup>1</sup>



## Top 50 Edible Categories<sup>2</sup>



## Stabilizing food volume as prices normalize<sup>3</sup>

	Q1 FY24	Q1 FY25
Volume (oz)	(0.3)%	+2.2%
Price	+2.3%	+1.2%

75% of our portfolio is in growing categories<sup>3</sup>

<sup>1</sup> Index of Consumer Sentiment by quarter, University of Michigan 2024, adjusted to align with CPB fiscal quarters. <sup>2</sup> Circana Scan Panel Top 50 Edible categories ranked by HHP, Total US All Outlet, 13 weeks ending 10/27/24. <sup>3</sup> Circana Total US MULO+, 13 weeks ending 10/27/24.

\*HHP = Household Penetration is a panel data measure that shows the percentage of total households in a market that have purchased a product or service, or shopped in a particular channel or retailer, within a given period.



# Leadership Brands outpacing respective categories

Q1 FY vs. PY

**Total  
Leadership Brands<sup>2</sup>**

**+2 %**  
\$ Consumption vs. PY<sup>1</sup>

**+0.2 pts**  
\$ Share vs. PY<sup>1</sup>

## Meals & Beverages<sup>2</sup>

**+4%**  
\$ consumption  
vs. PY<sup>1</sup>

**+0.7 pts**  
\$ share vs. PY<sup>1</sup>



## Snacks

**(1)%**  
\$ consumption  
vs. PY<sup>1</sup>

**Flat**  
\$ share vs. PY<sup>1</sup>



1 Circana Total US MULO+, 13 weeks ending 10/27/24. 2 Consumption data for Total Leadership Brands and Meals & Beverages Leadership Brands includes Rao's.





# Meals & Beverages: Key highlights

**Organic net sales impacted by movements in inventory influenced by later timing of Thanksgiving holiday**

	Meals & Beverages <sup>2</sup>	Pro forma combined <sup>3</sup>
	Q1 FY25 vs. PY	Q1 FY25 vs. PY
Organic net sales*	+0%	+2%
Volume/mix	+1%	+3%
Dollar consumption <sup>1</sup>	+2%	+5%

Campbell's



Pacific  
FOODS



Prego



\*See Non-GAAP reconciliation

1 Circana Total US MULO+, 13 weeks ending 10/27/24. 2 Total US Meals & Beverages **excluding** Sovos Brands.. 3. Pro forma combined basis presented to reflect results as if the Sovos Brands acquisition had occurred at the beginning of Fiscal 2024.







# Campbell's outpacing or in line with category growth in all soup categories



## Wet Soup



## Broth



## Condensed



## RTS

\$ Consumption  
Q1 FY25 vs. PY

Category

1%

Campbell's

**+1%**

3rd consecutive quarter  
of \$ share growth

+5%

**+8%**

Swanson benefiting from  
increased usage and private  
label service challenges

(2)%

**(2)%**

4th consecutive quarter of  
\$ share growth, driven by  
cooking & multi-packs

(0.2)%

**+0.2%**

Strong performance from  
*Chunky* and *Rao's*, driving  
share growth in category





# **\$1B Sauces Portfolio building momentum**

**Continued strength on Rao's and steady Prego performance**

## **Italian Sauce**

**Category  
Consumption<sup>1</sup>**

**+6%**

Dollars

**+5%**

Volume

## **Campbell's**

**Consumption vs. PY<sup>1</sup>**

**+11%**

Dollars

**+8%**

Volume

**Share change vs. PY<sup>1</sup>**

**+1.5pts**

Dollars

**+1.1pts**

Volume



**\$ Consumption  
vs Q1FY24<sup>1</sup>**

**+15%**

**\$ Share Brand in Italian  
Sauce Category<sup>1</sup>**

**#1**

**Prego**

**\$ Consumption  
vs Q1FY24<sup>1</sup>**

**+5%**

**\$ Share Brand in Italian  
Sauce Category<sup>1</sup>**

**#2**





# Rao's sauce growth continues: Strong runway still ahead

## Momentum Continues



## Runway Ahead

**+210 bps**

Q1 FY25 HHP vs. PY<sup>1</sup>

**~50%**

HHP vs. Prego<sup>1</sup>

Outpacing YoY dollar category growth by

**+9 bps**

Q1 FY25<sup>2</sup>

**+19 bps**

FY24<sup>2</sup>

**60%**

Avg. # items vs. Prego<sup>4</sup>

Growing with millennials

**+15%**

\$ consumption  
Q1 FY25<sup>3</sup>

**2.3X**

faster than category  
Q1 FY25<sup>2</sup>

**+30 pt gap**

Brand awareness vs. Prego<sup>1</sup>



# Sourcing volume from competition beyond the shelf

**Restaurant Take-out**

**~\$80**

**VS**



**\$31.50**

**\$8**



**\$3**



**\$12**



**\$5**



**\$3.50**



incl. salad, breadsticks, and meatballs



# Snacks: Key highlights

Organic Net sales impacted by 1pt headwind from Partner Brands and competitive pressure in select categories

	Snacks
	Q1 FY25 vs. PY
Organic net sales*	(2)%
Volume/mix	(1)%
Dollar consumption <sup>1</sup>	(1)%



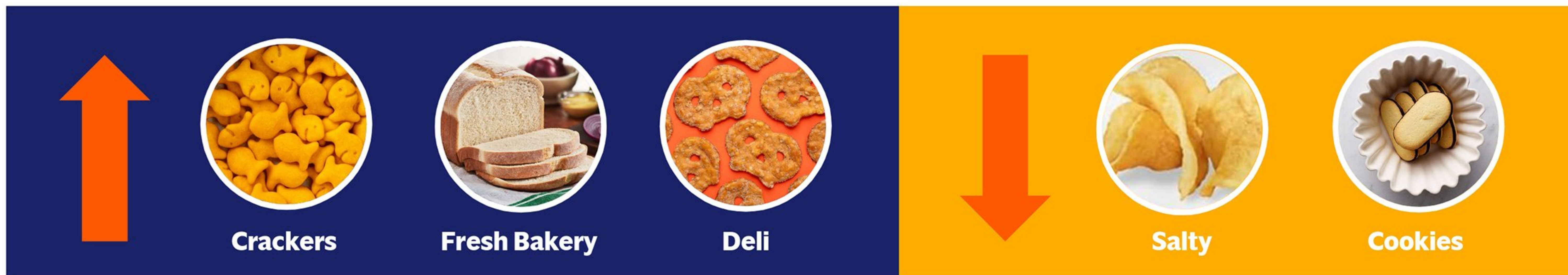
\*See Non-GAAP reconciliation.  
1 Circana Total US MULO+, 13 weeks ending 10/27/24.







## ***Shares mixed in Q1, pressure focused in Salty/Cookies***



**Strong Q2 action plans expected to improve share performance, building momentum into 2H**

- » Strong holiday activation plans on Pepperidge Farm Cookies and *Snyder's of Hanover*
- » Elevated innovation including *Snack Factory Pop' ums*, and *Goldfish Crisps*
- » Lapping easier year ago \$ share comps; in particular in salty





# Robust Salty Snacks Innovation







# Holidays are made for Campbell's Snacks





# Q1 *Wrap up*

- » Solid start to the fiscal 25; Consumer and category dynamics continue to show positive progress, key holiday window next important milestone
- » Stepped up support in Q2 to match competitive environment, remaining disciplined and agile. Q2 expected to show sequential improvement on topline and share
- » Sovos continues to exceed expectations; acquisition now expected to be accretive to adjusted EPS in Fiscal 25
- » Committed to a smooth and seamless transition following Campbell's Board of Directors election of Mick Beekhuizen as Chief Executive Officer to succeed Mark Clouse





# ***Financial Results and Outlook***

**Carrie Anderson**

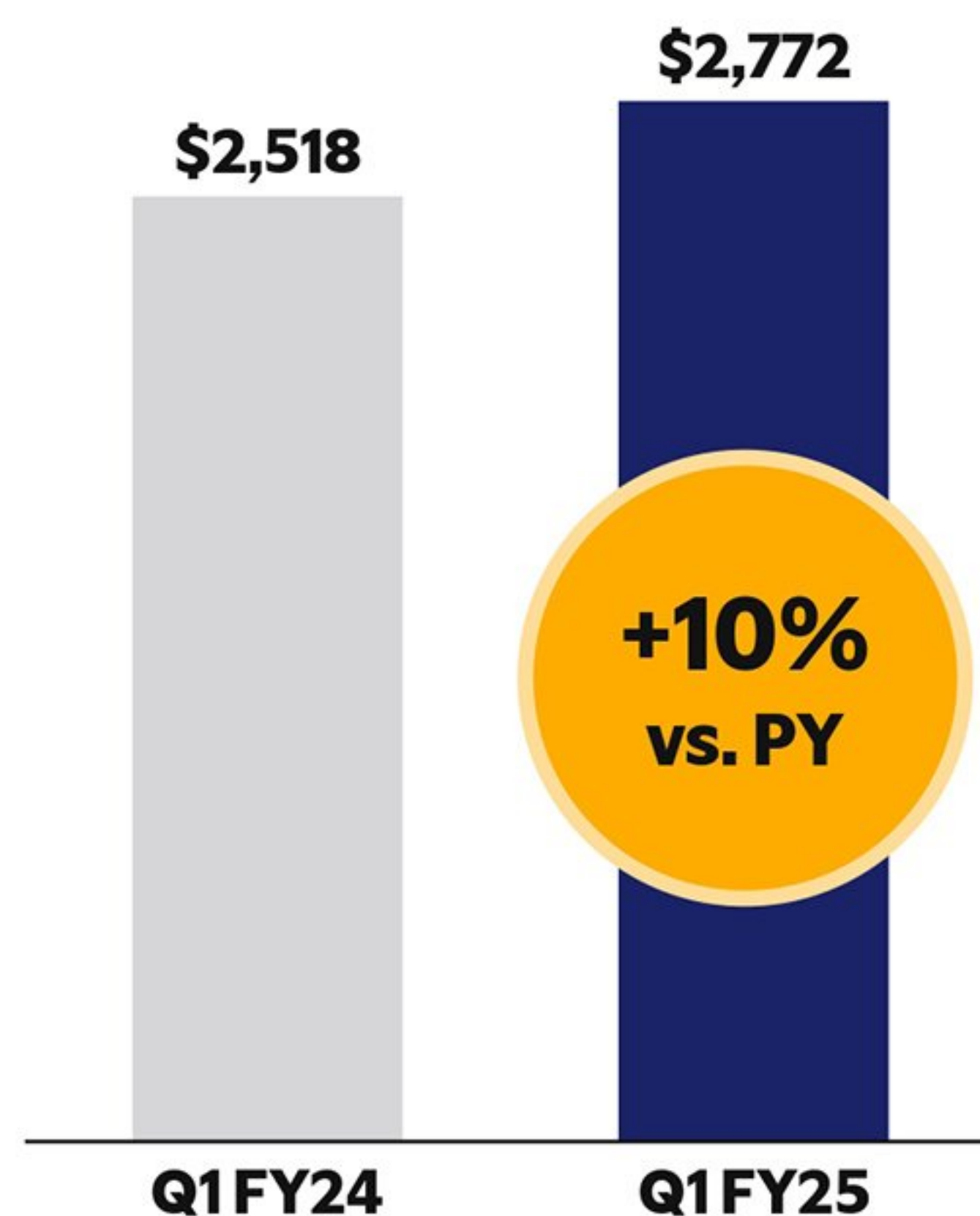
Chief Financial Officer



# Stable Q1; results generally aligned with our expectations

**Sovos Brands neutral to adj. EPS**

## Net Sales



Organic Net Sales\* vs. PY

(1)%

(1)%

## Adjusted EBIT\*

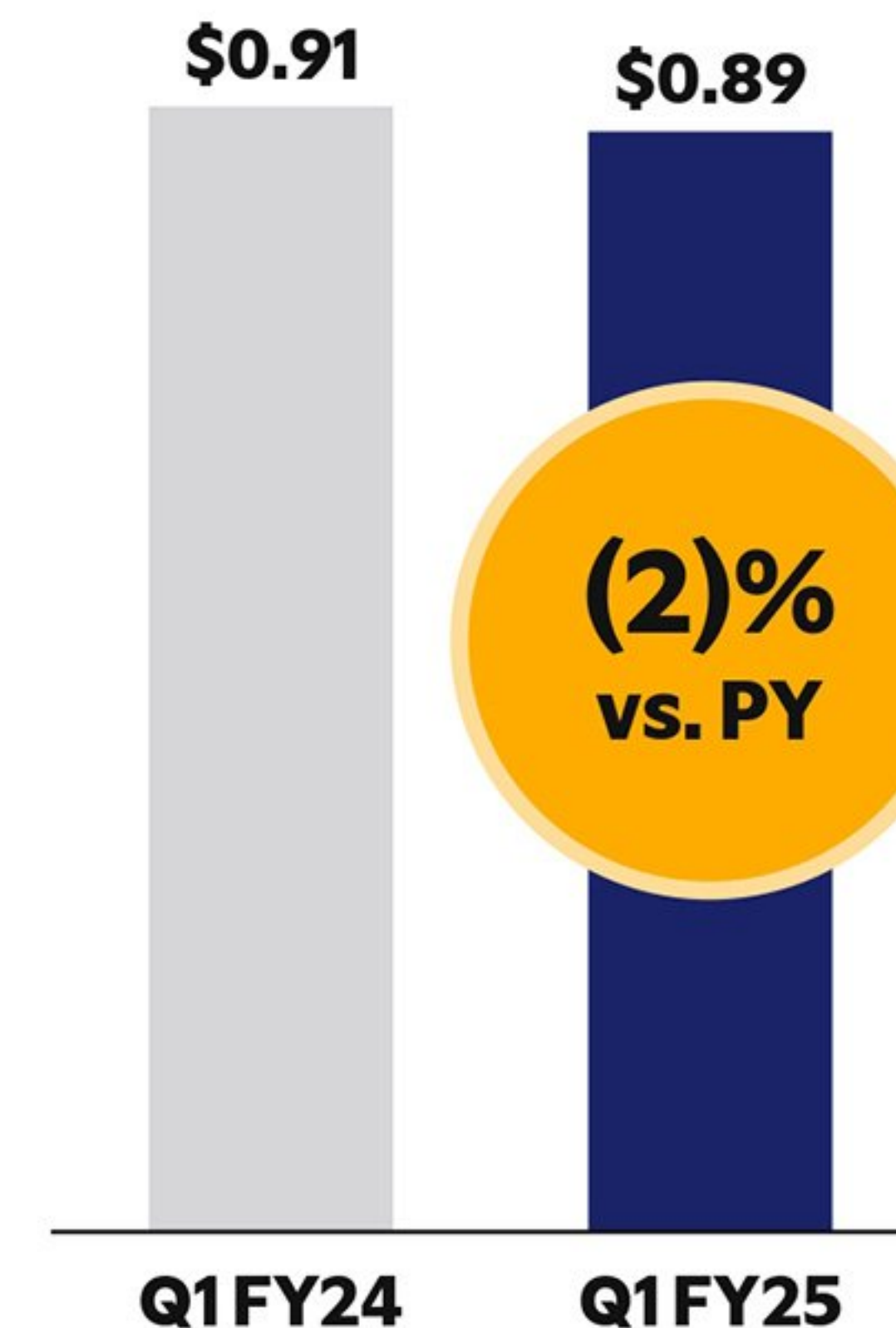


Adjusted EBIT Margin\*

16.2%

15.6%

## Adjusted EPS\*

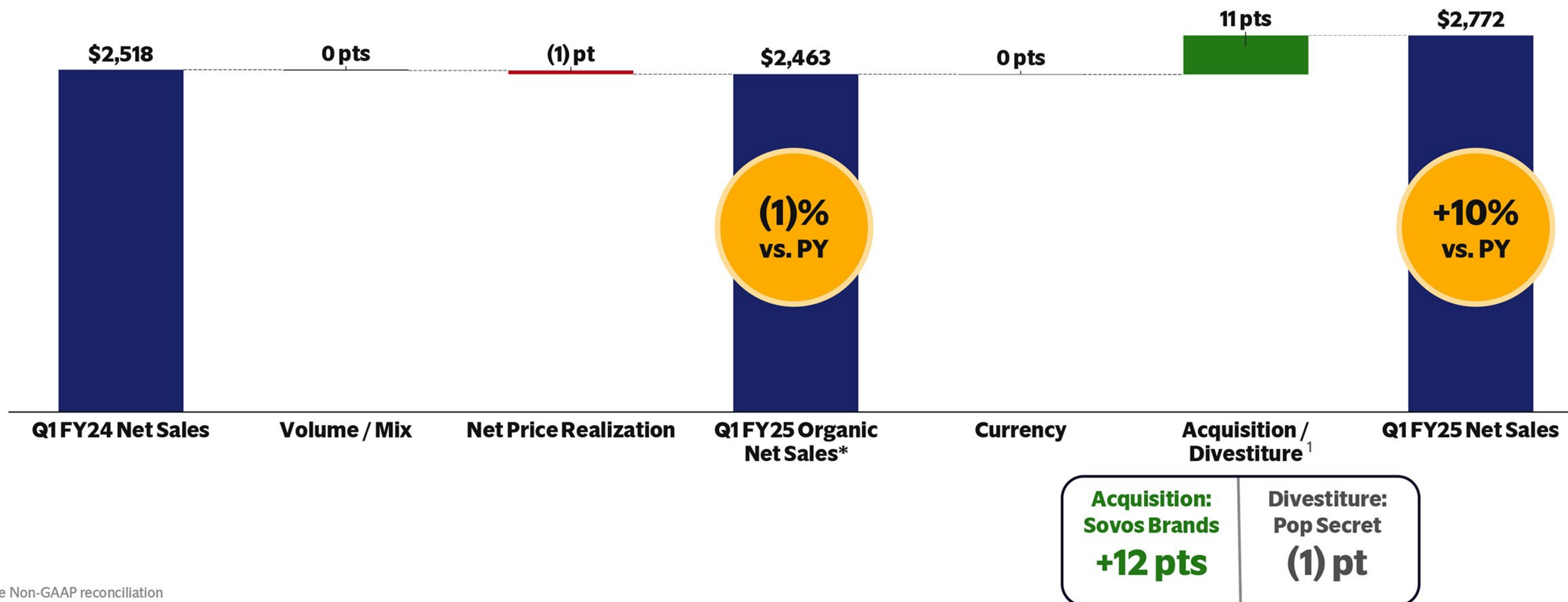


\*See Non-GAAP reconciliation



# Sovos Brands outperformed expectations; organic results reflect uneven category recovery

**Organic net sales decreased as lower net price realization offset flat volume/mix**



\*See Non-GAAP reconciliation

<sup>1</sup> Represents the incremental net sales associated with the acquisition of Sovos Brands, which was completed on March 12, 2024, and the loss of net sales associated with the divestiture of the Pop Secret popcorn business, which was completed on August 26, 2024.



# Adj. gross profit margin decrease primarily reflects the impact of the acquisition

*Productivity improvements and cost savings largely offset price, inflation and other supply chain costs in base business*



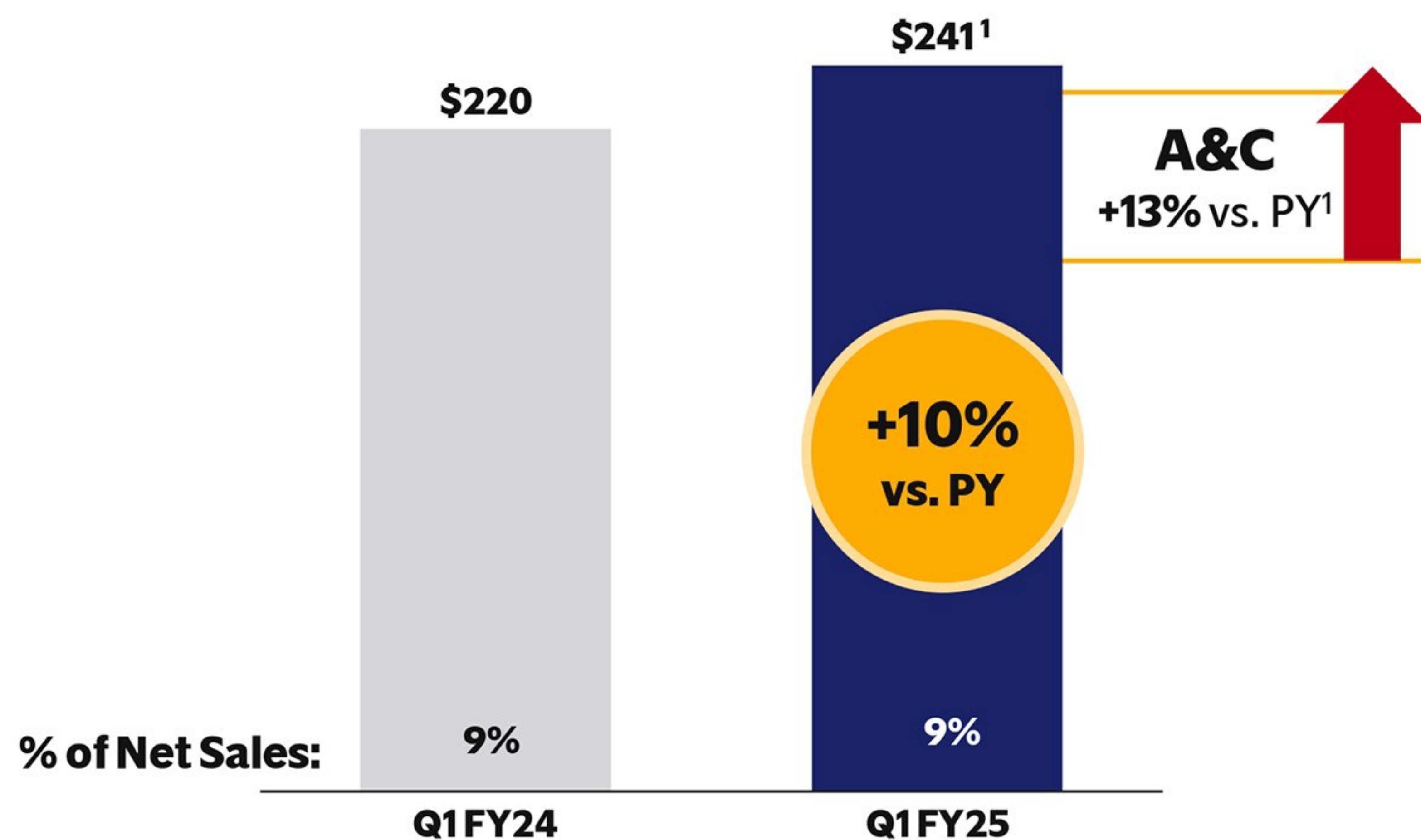
\*See Non-GAAP reconciliation

<sup>1</sup> Volume / Mix includes the impact of operating leverage <sup>2</sup> Impact from the acquisition of Sovos Brands which was completed on March 12, 2024.

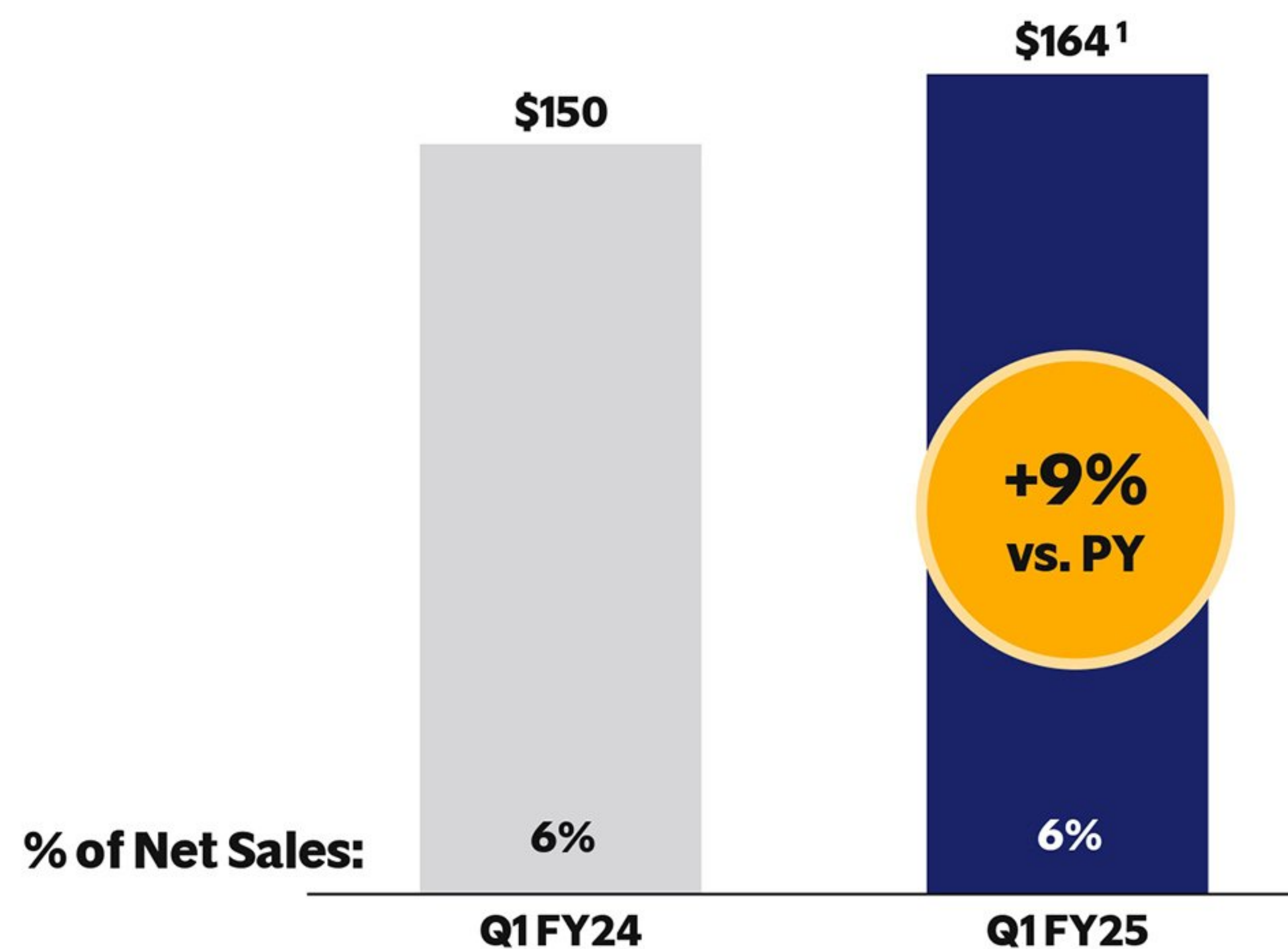


# Other operating items as % of Net Sales remained flat

## Adjusted Marketing & Selling Expenses\*



## Adjusted Administrative Expenses\*



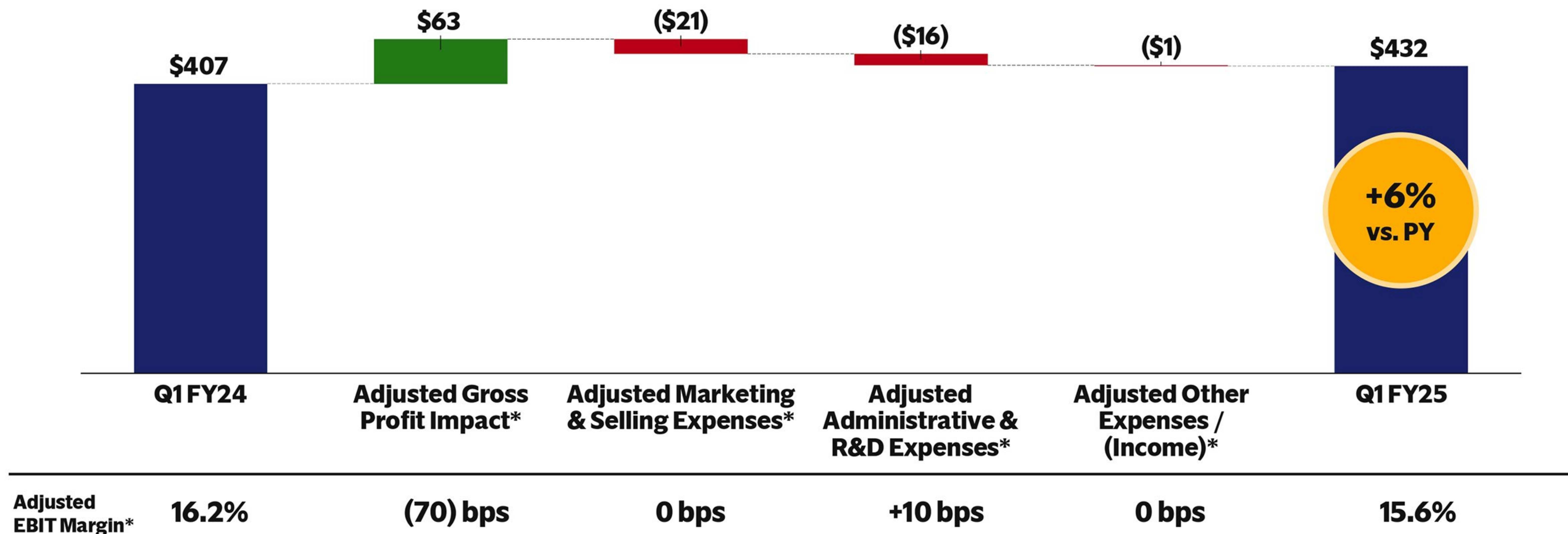
\*See Non-GAAP reconciliation

<sup>1</sup> Q1 FY25 figures include Sovos Brands adjusted marketing & selling expenses and adjusted administrative expenses after the completion of the acquisition on March 12, 2024



# Adj. EBIT +6% driven by acquisition contribution

**Lower adj. EBIT margin reflects lower adj. gross margin driven by impact of acquisition**

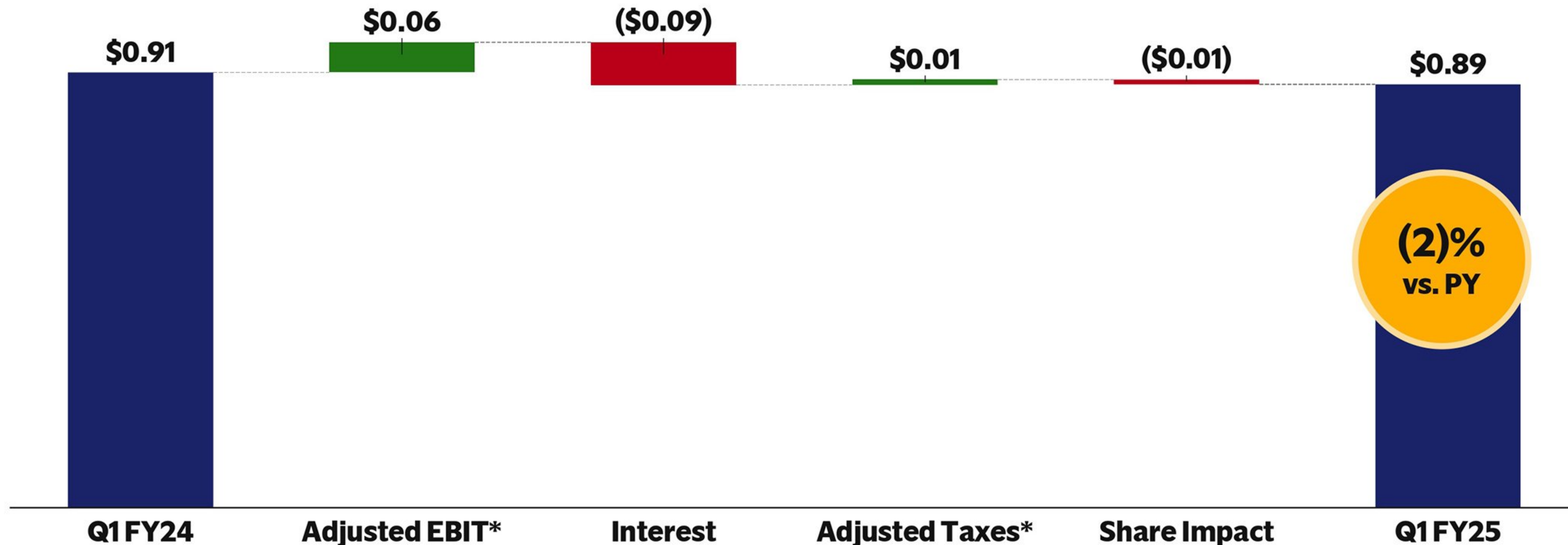


\*See Non-GAAP reconciliation



# Adj. EPS moved modestly lower with EBIT growth more than offset by higher interest expense

*The impact of the Sovos Brands acquisition was approximately neutral to adj. EPS*



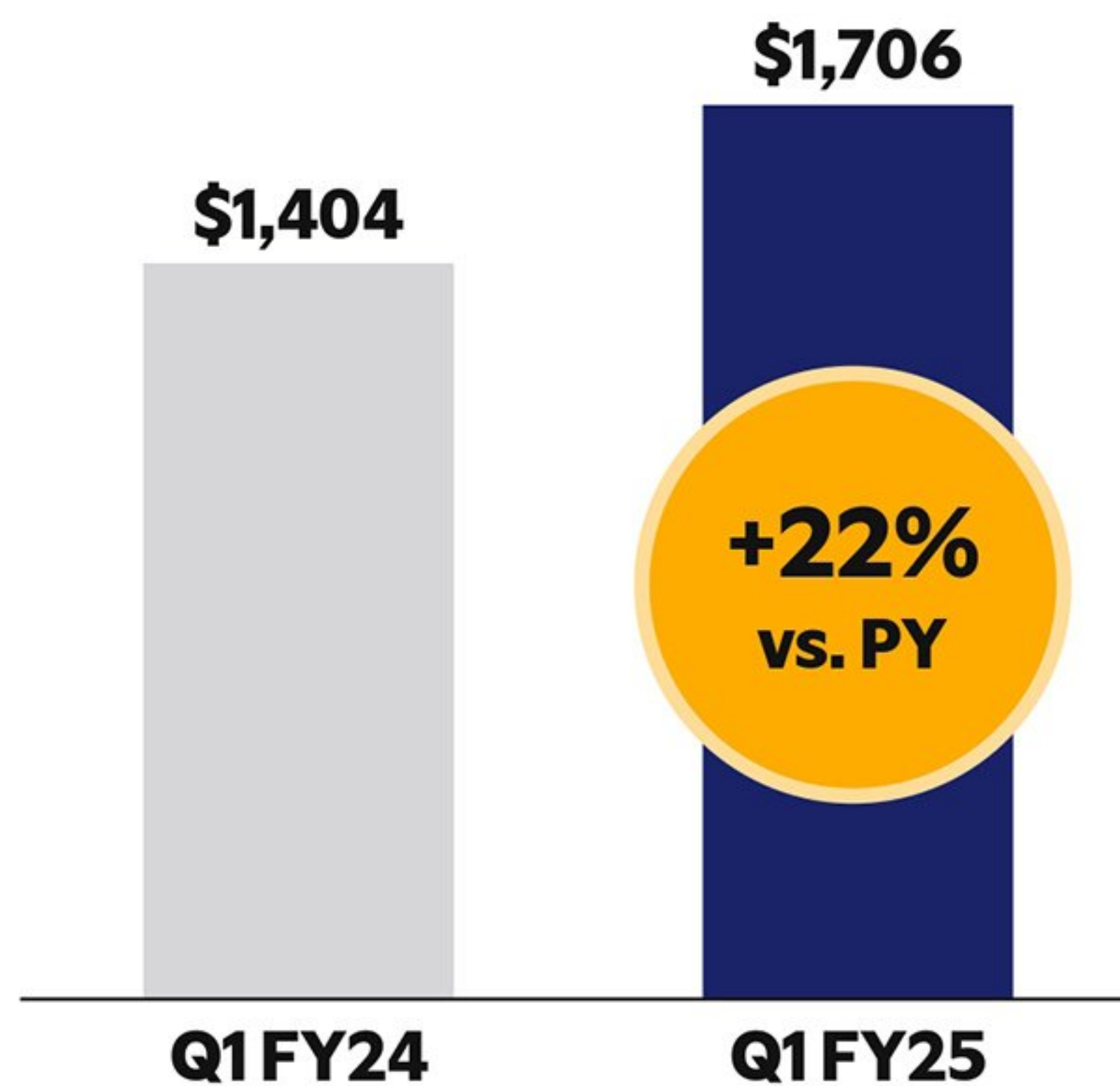
\*See Non-GAAP reconciliation; Numbers may not add due to rounding.



# Q1 FY25 Meals & Beverages Results

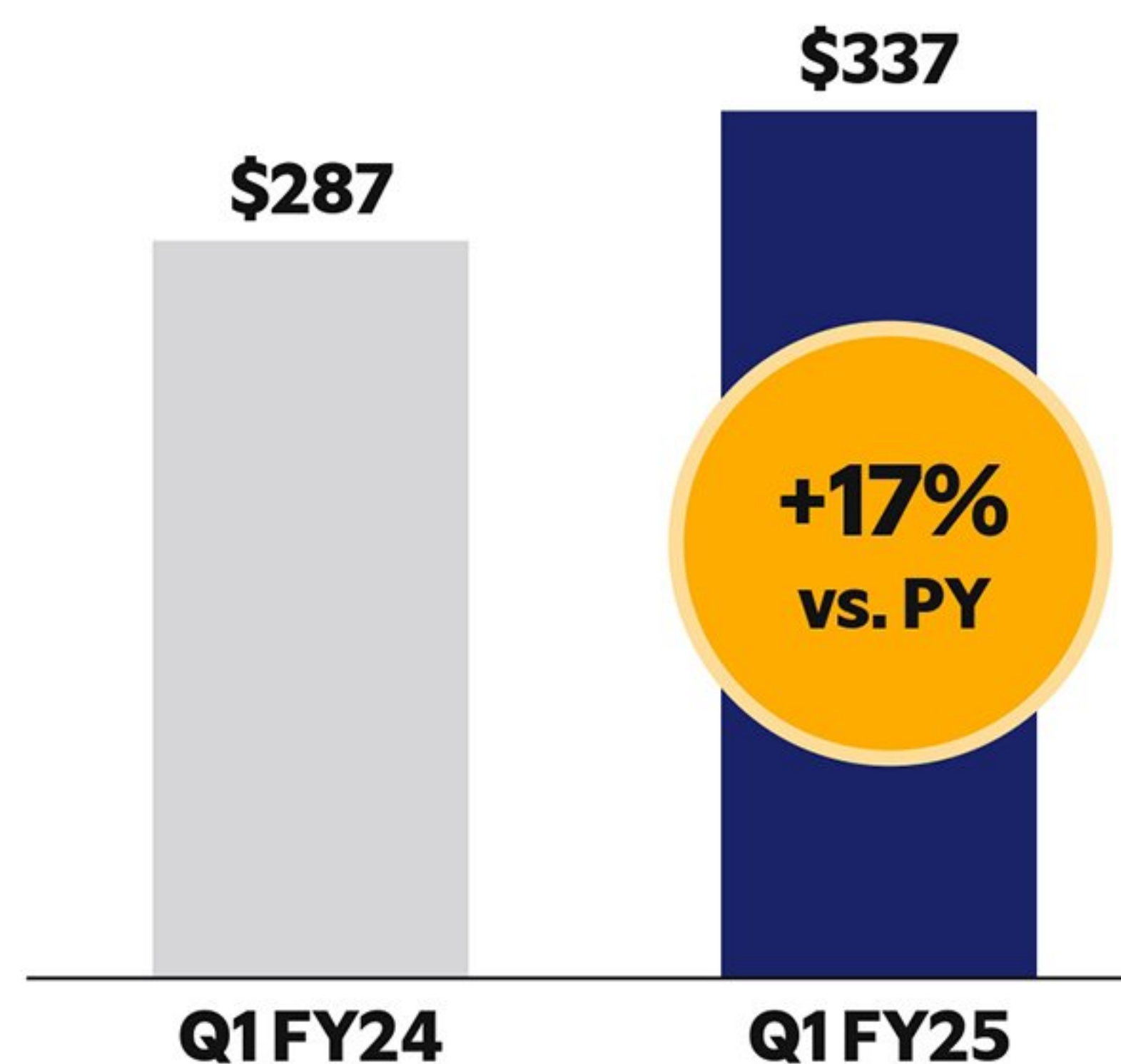


## Net Sales



	Q1 FY24	Q1 FY25
Vol / Mix	(6)%	1%
Net Price Realization	2%	(1)%
Organic Net Sales* vs. PY	(3)%	0%

## Operating Earnings



	Q1 FY24	Q1 FY25
Operating Margin	20.4%	19.8%

\*See Non-GAAP reconciliation; Numbers may not add due to rounding.

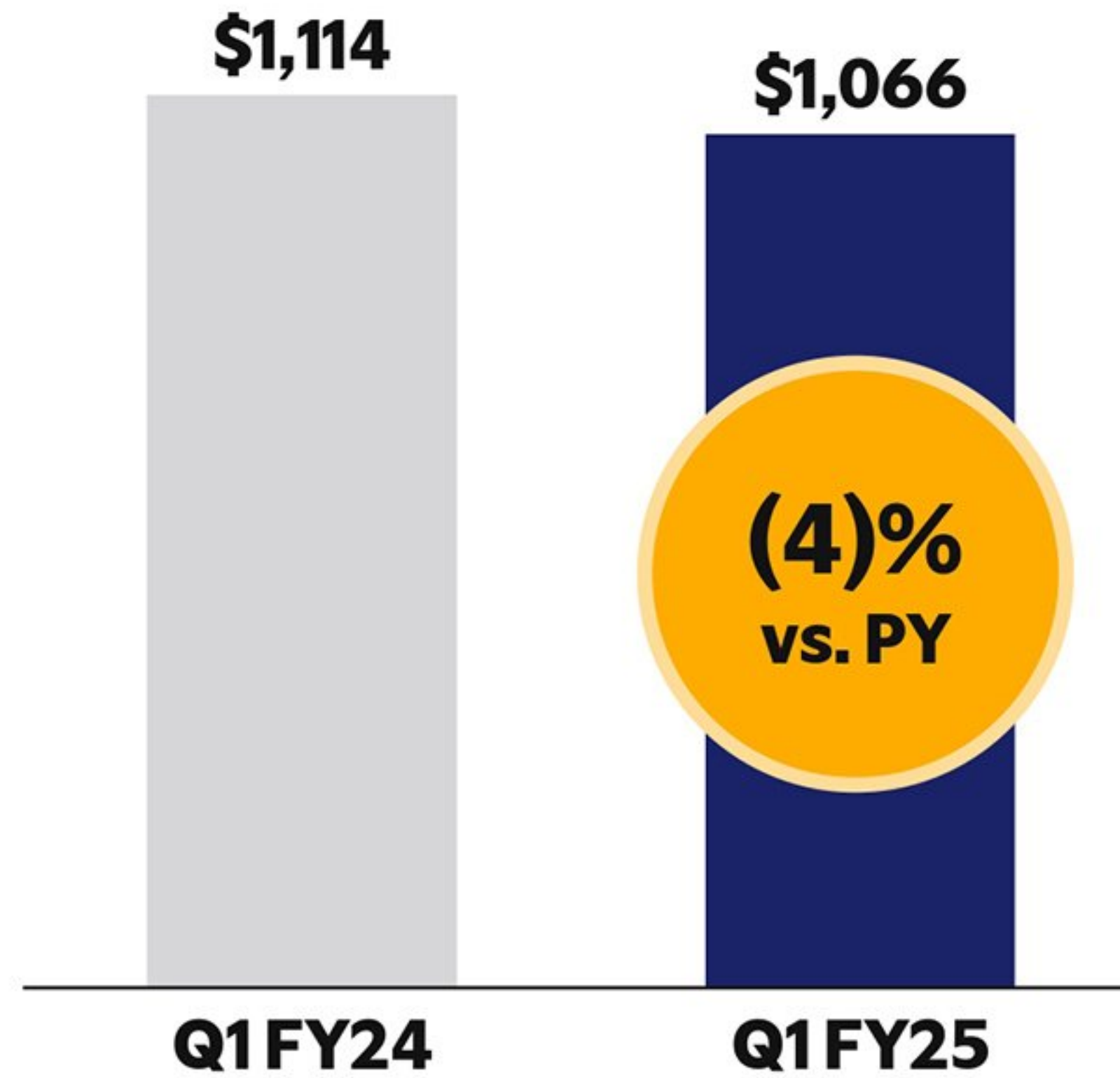


# Q1 FY25 Snacks Results

\$ Millions

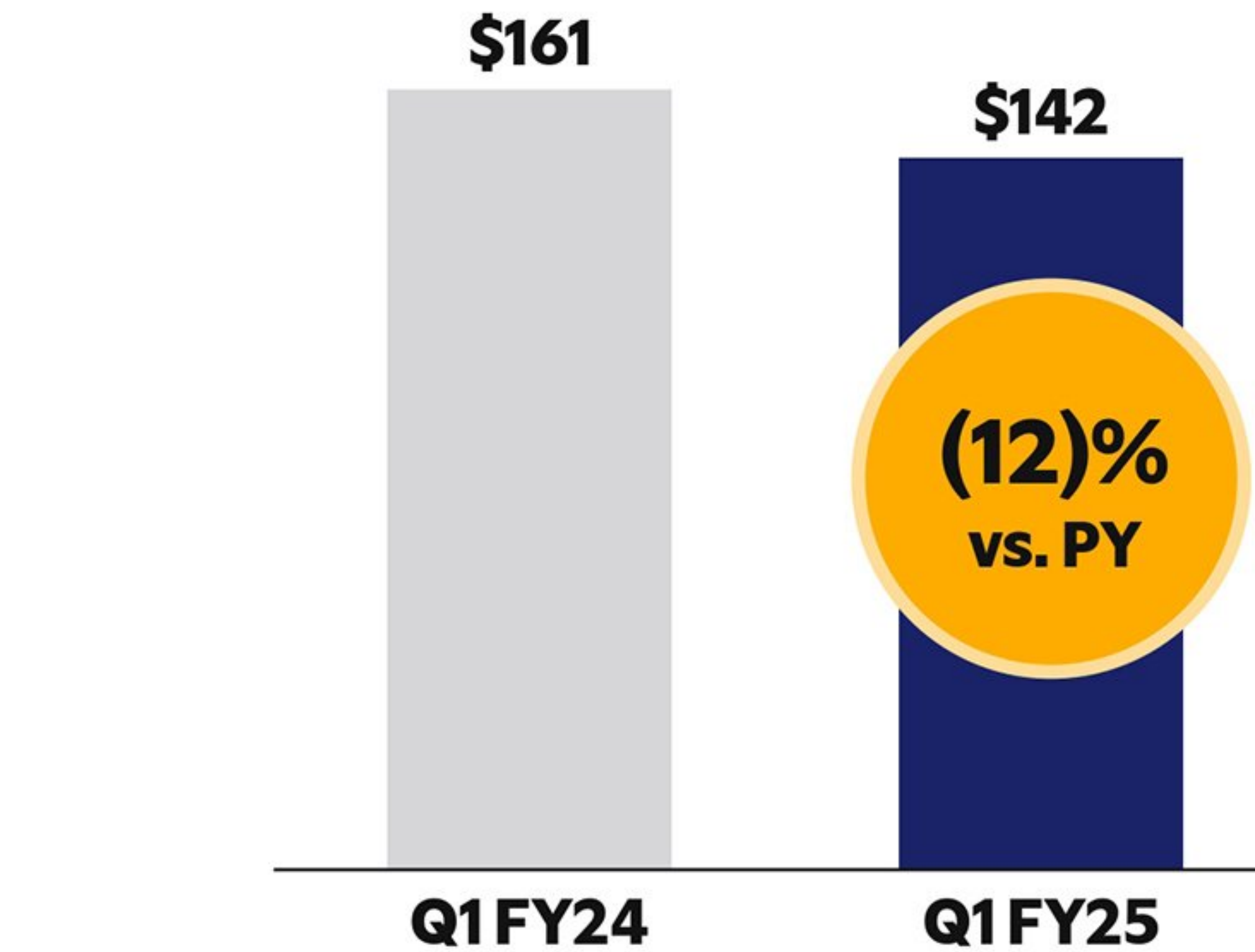


## Net Sales



	Q1 FY24	Q1 FY25
Vol / Mix	(4)%	(1)%
Net Price Realization	5%	(1)%
Organic Net Sales* vs. PY	1%	(2)%

## Operating Earnings



	Q1 FY24	Q1 FY25
Operating Margin	14.5%	13.3%

\*See Non-GAAP reconciliation.

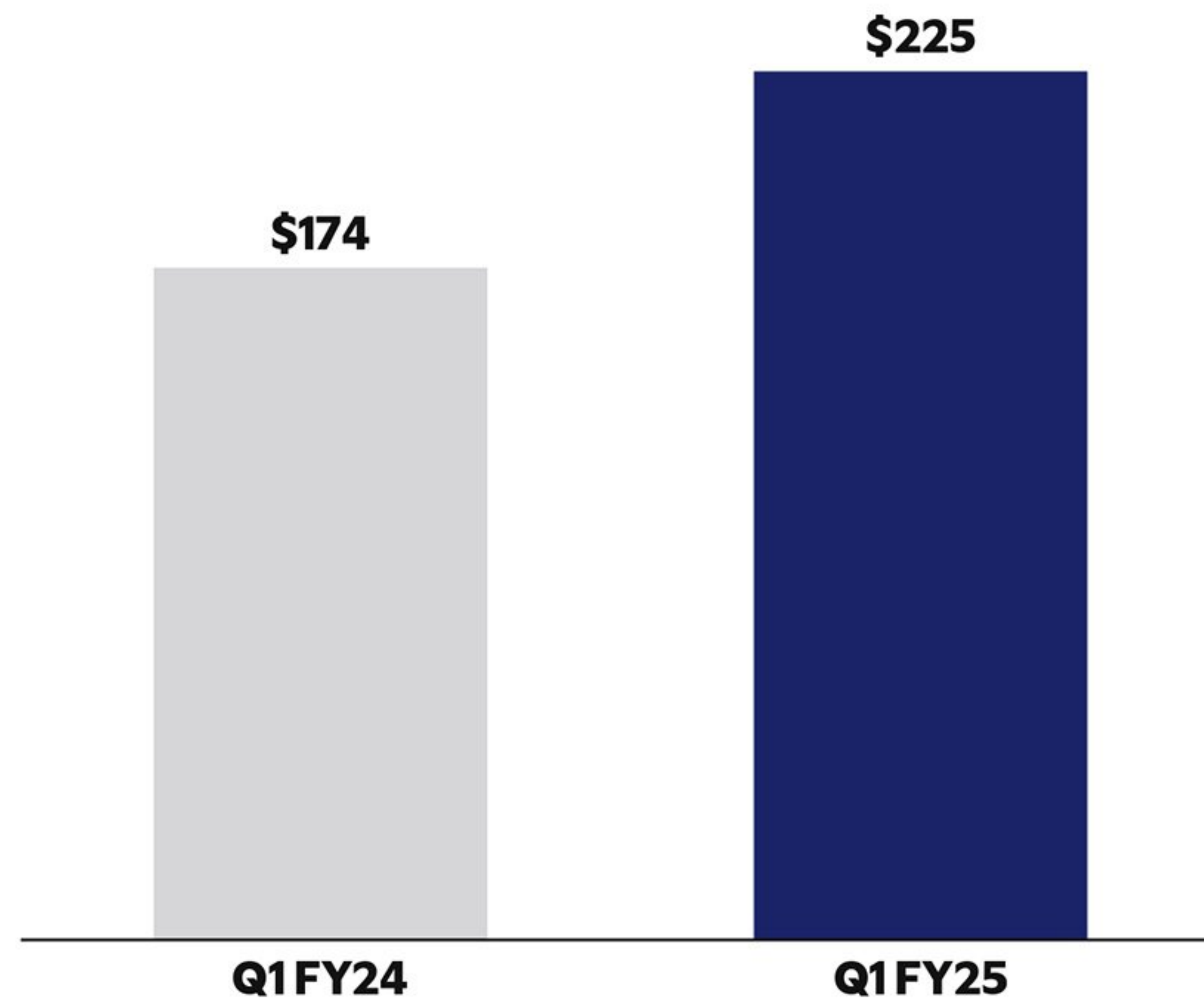


# Strong operating cash flow and a disciplined focus on shareholder value creation

**Returned \$170M to shareholders in Q1 FY25.**

**Dividend increased by 5% to \$0.39 per share beginning with Q3 FY25 payout**

## Net Cash Flows from Operations



## Capital Allocation

	Q1 FY24	Q1 FY25
<b>Invest for Growth</b>		
Capital Expenditures	\$143	\$110
<b>Return Cash to Shareholders</b>		
Dividends	\$114	\$116
Share Repurchases	\$28	\$54
	<b>\$142</b>	<b>\$170</b>
<b>Balance Sheet</b>		
Leverage Ratio*	2.8X	3.7x

\*Calculated as Net Debt to TTM Adjusted EBITDA. See Non-GAAP reconciliation.



# FY25 Guidance Reaffirmed

<i>\$ Millions, Except Per Share</i>	<b>FY24 Results</b>	<b>FY25 Guidance (includes 53rd week)<sup>1</sup></b>
<b>Net Sales</b>	\$9,636	+9% to +11%
<b>Organic Net Sales<sup>2</sup></b>	\$9,525*	0% to +2%
<b>Adjusted EBIT</b>	\$1,454*	+9% to +11%
<b>Adjusted EPS</b>	\$3.08*	+1% to +4% \$3.12 to \$3.22

\*See non-GAAP reconciliation

1 The benefit of the 53rd week is included in our Fiscal 2025 guidance and is estimated to be worth approximately 2 points of reported net sales and adjusted EBIT growth and \$0.07 of adjusted EPS.

2 Growth rate adjusted for Sovos Brands which was acquired on March 12, 2024, the impact of the 53rd week in fiscal 2025 and Pop Secret popcorn business which was divested on August 26, 2024. Guidance includes the full year expected financial performance of the noosa yoghurt business and excludes any impact from the pending sale.

3 Pro forma as if company had owned Sovos Brands for all of FY24.

Note: A non-GAAP reconciliation is not provided for fiscal 2025 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.

## FY25 Assumptions

- Net sales growth reflects a full twelve-month contribution from Sovos Brands, expect sales growth on a pro forma basis<sup>3</sup> of slightly above 10% and accretive adjusted EPS impact for full year
- Pop Secret divestiture expected to have a ~1% impact on Net sales and ~\$0.04 per share dilutive impact for fiscal 25
- Low-single digit core inflation mitigated by ~3% productivity improvements and ~\$90 million of enterprise cost savings
- Marketing & Selling of approximately ~9% to 10% of net sales
- Adjusted net interest expense of \$340 to \$345 million, reflecting full year acquisition-related debt and the recent refinancing of \$1.15B of existing debt
- Adjusted effective tax rate of ~24%
- Diluted share count of ~300 million shares
- Capital expenditures for the full year at ~5% of Net sales
- Expect Q2 FY25 organic net sales growth relatively flat versus prior year, with adjusted EPS in the low 70 cent range



## Q1 FY25 & Looking Ahead

- » Q1 performance generally as expected
- » Strong performance by Sovos Brands expected to continue
- » Self-help fueling investments for share growth
- » FY25 Guidance reaffirmed with sequential organic growth improvement in Q2
- » Mick Beekhuizen to succeed Mark Clouse effective February 1, 2025





# Q&A



**Mark Clouse**

President & Chief Executive Officer



**Carrie Anderson**

EVP & Chief Financial Officer





# ***Appendix***



# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

## First Quarter

	Net Sales, As Reported	Impact of Currency	Impact of Acquisition	Organic Net Sales	% Change			
<u>October 27, 2024</u>					Net Sales, As Reported	Organic Net Sales	Impact of Divestiture	Impact of Acquisition
Meals & Beverages	\$ 1,706	\$ 1	\$ (310)	\$ 1,397	22%	0%	0%	22%
Snacks	1,066	-	-	1,066	(4)%	(2)%	(2)%	0%
<b>Total Net Sales</b>	<b>\$ 2,772</b>	<b>\$ 1</b>	<b>\$ (310)</b>	<b>\$ 2,463</b>	<b>10%</b>	<b>(1)%</b>	<b>(1)%</b>	<b>12%</b>
<u>October 29, 2023</u>	Net Sales, As Reported		Impact of Divestiture	Organic Net Sales				
Meals & Beverages	\$ 1,404		\$ -	\$ 1,404				
Snacks	1,114		(21)	1,093				
<b>Total Net Sales</b>	<b>\$ 2,518</b>		<b>\$ (21)</b>	<b>\$ 2,497</b>				



# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

## First Quarter

### October 29, 2023

Meals & Beverages

Net Sales, As Reported	Impact of Currency	Organic Net Sales
\$ 1,404	\$ 3	\$ 1,407

Snacks

1,114	(1)	1,113
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### **Total Net Sales**

<u>\$ 2,518</u>	<u>\$ 2</u>	<u>\$ 2,520</u>
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### October 30, 2022

Meals & Beverages

Net Sales, As Reported	Impact of Divestiture	Organic Net Sales
\$ 1,455	\$ -	\$ 1,455

Snacks

1,120	(17)	1,103
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### **Total Net Sales**

<u>\$ 2,575</u>	<u>\$ (17)</u>	<u>\$ 2,558</u>
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## % Change

Net Sales, As Reported	Organic Net Sales
(4)%	(3)%
(1)%	1%
<u>(2)%</u>	<u>(1)%</u>



# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

## First Quarter

### October 30, 2022

Meals & Beverages

Net Sales, As Reported	Impact of Currency	Organic Net Sales
\$ 1,455	\$ 7	\$ 1,462

## % Change

Net Sales, As Reported	Organic Net Sales
15%	15%

Snacks

1,120	-	1,120
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15%	15%
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**Total Net Sales**

<u>\$ 2,575</u>	<u>\$ 7</u>	<u>\$ 2,582</u>
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<u>15%</u>	<u>15%</u>
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### October 31, 2021

Meals & Beverages

Net Sales, As Reported
\$ 1,266

Snacks

970
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**Total Net Sales**

<u>\$ 2,236</u>
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# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

## First Quarter

	EBIT	EBIT Margin %	Earnings	Diluted EPS*
<b>2025 – As Reported</b>	<b>\$ 367</b>	<b>13.2%</b>	<b>\$ 218</b>	<b>\$ 0.72</b>
Costs associated with cost savings and optimization initiatives	35		27	0.09
Postretirement actuarial losses	2		1	0.00
Commodity mark-to-market gains	(4)		(3)	(0.01)
Accelerated amortization	7		5	0.02
Charges associated with divestiture	25		19	0.06
Cybersecurity incident recoveries	(1)		(1)	0.00
Certain litigation expenses	1		1	0.00
<b>2025 – Adjusted</b>	<b>\$ 432</b>	<b>15.6%</b>	<b>\$ 267</b>	<b>\$ 0.89</b>
<b>2024 – As Reported</b>	<b>\$ 358</b>	<b>14.2%</b>	<b>\$ 234</b>	<b>\$ 0.78</b>
Costs associated with cost savings and optimization initiatives	13		10	0.03
Commodity mark-to-market losses	15		11	0.04
Accelerated amortization	7		5	0.02
Costs associated with acquisition	9		8	0.03
Cybersecurity incident costs	3		2	0.01
Certain litigation expenses	2		2	0.01
<b>2024 – Adjusted</b>	<b>\$ 407</b>	<b>16.2%</b>	<b>\$ 272</b>	<b>\$ 0.91</b>
<b>\$ Change - Adjusted</b>	<b>\$ 25</b>		<b>\$ (5)</b>	<b>\$ (0.02)</b>
<b>% Change - Adjusted</b>	<b>6%</b>	<b>(60) bps</b>	<b>(2)%</b>	<b>(2)%</b>

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



# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

## First Quarter

	EBIT	EBIT Margin %	Earnings	Diluted EPS*
2024 – Adjusted	\$ 407	16.2%	\$ 272	\$ 0.91
2023 – As Reported	\$ 436	16.9%	\$ 297	\$ 0.99
Costs associated with cost savings and optimization initiatives	3		3	0.01
Pension actuarial losses	15		11	0.04
Commodity mark-to-market gains	(5)		(4)	(0.01)
2023 – Adjusted	\$ 449	17.4%	\$ 307	\$ 1.02
\$ Change - Adjusted	\$ (42)		\$ (35)	\$ (0.11)
% Change - Adjusted	(9)%	(120) bps	(11)%	(11)%

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



# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

## First Quarter

	EBIT	EBIT Margin %	Earnings	Diluted EPS*
2023 – Adjusted	\$ 449	17.4%	\$ 307	\$ 1.02
2022 – As Reported	\$ 376	16.8%	\$ 261	\$ 0.86
Costs associated with cost savings and optimization initiatives	4		3	0.01
Pension actuarial losses	6		5	0.02
Commodity mark-to-market losses	3		2	0.01
2022 – Adjusted	\$ 389	17.4%	\$ 271	\$ 0.89
\$ Change - Adjusted	\$ 60		\$ 36	\$ 0.13
% Change - Adjusted	15%	- bps	13%	15%

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



# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

## First Quarter

	<u>Gross Profit</u>	<u>GP %</u>	<u>EBT</u>	<u>Tax</u>	<u>Tax Rate</u>
<b>2025 – As Reported</b>	<b>\$ 867</b>	<b>31.3%</b>	<b>\$ 284</b>	<b>\$ 66</b>	<b>23.2%</b>
Costs associated with cost savings and optimization initiatives	8		35	8	
Postretirement actuarial losses	-		2	1	
Commodity mark-to-market gains	(4)		(4)	(1)	
Accelerated amortization	-		7	2	
Charges associated with divestiture	-		25	6	
Cybersecurity incident recoveries	-		(1)	-	
Certain litigation expenses	-		1	-	
<b>2025 – Adjusted</b>	<b>\$ 871</b>	<b>31.4%</b>	<b>\$ 349</b>	<b>\$ 82</b>	<b>23.5%</b>
<b>2024 – As Reported</b>	<b>\$ 788</b>	<b>31.3%</b>	<b>\$ 310</b>	<b>\$ 76</b>	<b>24.5%</b>
Costs associated with cost savings and optimization initiatives	3		13	3	
Commodity mark-to-market losses	15		15	4	
Accelerated amortization	-		7	2	
Costs associated with acquisition	-		9	1	
Cybersecurity incident costs	2		3	1	
Certain litigation expenses	-		2	-	
<b>2024 – Adjusted</b>	<b>\$ 808</b>	<b>32.1%</b>	<b>\$ 359</b>	<b>\$ 87</b>	<b>24.2%</b>
<b>\$ Change – Adjusted</b>	<b>\$ 63</b>		<b>\$ (10)</b>	<b>\$ (5)</b>	
<b>% Change – Adjusted</b>	<b>8%</b>	<b>(70) bps</b>	<b>(3)%</b>	<b>(6)%</b>	<b>(70) bps</b>



# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

## First Quarter

	Marketing & Selling Expenses	Other Expenses / (Income)
<b>2025 – As Reported</b>	<b>\$ 250</b>	<b>\$ 43</b>
Costs associated with cost savings and optimization initiatives	(9)	-
Postretirement actuarial losses	-	(2)
Charges associated with divestiture	-	(25)
Accelerated amortization	-	(7)
<b>2025 – Adjusted</b>	<b>\$ 241</b>	<b>\$ 9</b>
<b>% of Net Sales – Adjusted</b>	<b>8.7%</b>	<b>0.3%</b>
<b>2024 – As Reported</b>	<b>\$ 222</b>	<b>\$ 24</b>
Costs associated with cost savings and optimization initiatives	(2)	-
Accelerated amortization	-	(7)
Costs associated with acquisition	-	(9)
<b>2024 – Adjusted</b>	<b>\$ 220</b>	<b>\$ 8</b>
<b>% of Net Sales – Adjusted</b>	<b>8.7%</b>	<b>0.3%</b>
<b>% of Net Sales Change – Adjusted</b>	<b>- bps</b>	<b>- bps</b>
<b>\$ Change – Adjusted</b>	<b>\$ 21</b>	<b>\$ 1</b>
<b>% Change - Adjusted</b>	<b>10%</b>	<b>n/m</b>



# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

## First Quarter

	Administrative Expenses	R&D Expenses	Total
<b>2025 – As Reported</b>	<b>\$ 175</b>	<b>\$ 26</b>	<b>\$ 201</b>
Costs associated with cost savings and optimization initiatives	(11)	(1)	(12)
Cybersecurity incident recoveries	1	-	1
Certain litigation expenses	(1)	-	(1)
<b>2025 – Adjusted</b>	<b>\$ 164</b>	<b>\$ 25</b>	<b>\$ 189</b>
<b>% of Net Sales – Adjusted</b>	<b>5.9%</b>	<b>0.9%</b>	<b>6.8%</b>
<b>2024 – As Reported</b>	<b>\$ 158</b>	<b>\$ 24</b>	<b>\$ 182</b>
Costs associated with cost savings and optimization initiatives	(5)	(1)	(6)
Cybersecurity incident costs	(1)	-	(1)
Certain litigation expenses	(2)	-	(2)
<b>2024 – Adjusted</b>	<b>\$ 150</b>	<b>\$ 23</b>	<b>\$ 173</b>
<b>% of Net Sales – Adjusted</b>	<b>6.0%</b>	<b>0.9%</b>	<b>6.9%</b>
<b>% of Net Sales Change - Adjusted</b>	<b>(10) bps</b>	<b>- bps</b>	<b>(10) bps</b>
<b>\$ Change – Adjusted</b>	<b>\$ 14</b>	<b>\$ 2</b>	<b>\$ 16</b>
<b>% Change - Adjusted</b>	<b>9%</b>	<b>9%</b>	<b>9%</b>



# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

First Quarter – Adjusted Diluted EPS Impact from Adjusted EBIT

	EBIT
2025 – Adjusted	\$ 432
2024 – Adjusted	407
\$ Change	\$ 25
Deduct: 2024 Adjusted tax rate impact on EBIT	(6)
Impact to Net Earnings	\$ 19
First Quarter 2024 Diluted Shares	299
Adjusted Diluted EPS Impact	\$ 0.06



# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

Adjusted Diluted EPS Impact from Change in Adjusted Tax Rate

	First Quarter
2025 – Adjusted EBT	\$ 349
Decrease (Increase) in Adjusted Tax Rate	0.7%
Adjusted EBT multiplied by the Change in Adjusted Tax Rate	<u>\$ 2</u>
First Quarter 2024 Diluted Shares	299
Adjusted Diluted EPS Impact	\$ 0.01



# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

**Fiscal 2024 Organic Sales Base for Fiscal 2025 Guidance**

**Full Year**

<b><u>July 28, 2024</u></b>	<b><u>Net Sales, As Reported</u></b>	<b><u>Impact of Divestiture*</u></b>	<b><u>Organic Net Sales Base for FY2025 Guidance</u></b>
Meals & Beverages	\$ 5,258	\$ -	\$ 5,258
Snacks	4,378	(111)	4,267
<b>Total Net Sales</b>	<b><u>\$ 9,636</u></b>	<b><u>\$ (111)</u></b>	<b><u>\$ 9,525</u></b>

\*The Pop Secret popcorn business was divested on August 26, 2024



# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Q2 Fiscal 2024 Organic Sales Base for Fiscal 2025 Guidance

Second Quarter

<u>January 28, 2024</u>	<u>Net Sales, As Reported</u>	<u>Impact of Divestiture</u>	<u>Organic Net Sales Base for Fiscal 2025 Guidance</u>
Meals & Beverages	\$ 1,382	\$ -	\$ 1,382
Snacks	1,074	(32)	1,042
<b>Total Net Sales</b>	<u><u>\$ 2,456</u></u>	<u><u>\$ (32)</u></u>	<u><u>\$ 2,424</u></u>

\*The Pop Secret popcorn business was divested on August 26, 2024



# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share amounts)

## Full Year

	<u>EBIT</u>	<u>Earnings</u>	<u>Diluted EPS*</u>
<b>2024 – As Reported</b>	<b>\$ 1,000</b>	<b>\$ 567</b>	<b>\$ 1.89</b>
Costs associated with cost savings and optimization initiatives	109	83	0.28
Pension and postretirement actuarial losses	33	25	0.08
Commodity mark-to-market losses	22	16	0.05
Accelerated amortization	27	20	0.07
Costs associated with acquisition	126	109	0.36
Cybersecurity incident costs	3	2	0.01
Impairment charges	129	98	0.33
Certain litigation expenses	5	5	0.02
<b>2024 – Adjusted</b>	<b><u>\$ 1,454</u></b>	<b><u>\$ 925</u></b>	<b><u>\$ 3.08</u></b>

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



# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

## Net Debt

	<u>October 29, 2023</u>	<u>October 27, 2024</u>
Short-Term Borrowings	\$ 206	\$ 1,212
Long-Term Debt	4,500	6,705
Total Debt	<u>\$ 4,706</u>	<u>\$ 7,917</u>
Less: Cash and Cash Equivalents	(91)	(808)
Net Debt	<u>\$ 4,615</u>	<u>\$ 7,109</u>



# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

	(a) Twelve Months Ended July 28, 2024	(b) Three Months Ended October 29, 2023	(c) Three Months Ended October 27, 2024	(d) Sovos November 2023 – March 11, 2024	= (a)-(b)+(c)+(d) Trailing Twelve Months Ended (TTM) October 27, 2024
Net Earnings, as reported	\$ 567	\$ 234	\$ 218	\$ 18	\$ 569
Taxes	190	76	66	8	188
Interest, net	243	48	83	12	290
Earnings before interest and taxes, as reported	\$ 1,000	\$ 358	\$ 367	\$ 38	\$ 1,047
Costs associated with cost savings and optimization initiatives	109	13	35	-	131
Pension and postretirement actuarial losses	33	-	2	-	35
Commodity mark-to-market losses (gains)	22	15	(4)	-	3
Accelerated amortization	27	7	7	-	27
Costs associated with acquisition	126	9	-	7	117
Charges associated with divestiture	-	-	25	-	32
Cybersecurity incidents costs (recoveries)	3	3	(1)	-	(1)
Impairment charges	129	-	-	-	129
Certain litigation expenses	5	2	1	-	4
Adjusted Earnings before interest and taxes	\$ 1,454	\$ 407	\$ 432	\$ 45	\$ 1,524
Depreciation and amortization, as reported	\$ 411	\$ 96	\$ 109	\$ 13	\$ 437
Costs associated with cost savings and optimization initiatives	(28)	(5)	(9)	-	(32)
Accelerated amortization	(27)	(7)	(7)	-	(27)
Adjusted Depreciation and amortization	\$ 356	\$ 84	\$ 93	\$ 13	\$ 378
Adjusted Earnings before interest, taxes, depreciation and amortization	\$ 1,810	\$ 491	\$ 525	\$ 58	\$ 1,902
Net Debt					\$ 7,109
Net Debt to Adjusted EBITDA					3.7



# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

	(a) Twelve Months Ended July 30, 2023	(b) Three Months Ended October 30, 2022	(c) Three Months Ended October 29, 2023	= (a)-(b)+(c) Trailing Twelve Months Ended (TTM) October 29, 2023
Net Earnings, as reported	\$ 858	\$ 297	\$ 234	\$ 795
Taxes	270	93	76	253
Interest, net	184	46	48	186
Earnings before interest and taxes, as reported	\$ 1,312	\$ 436	\$ 358	\$ 1,234
Costs associated with cost savings and optimization initiatives	66	3	13	76
Pension and postretirement actuarial losses (gains)	(15)	15	-	(30)
Commodity mark-to-market losses (gains)	(21)	(5)	15	(1)
Charges associated with divestiture	13	-	-	13
Accelerated amortization	7	-	7	14
Costs associated with acquisition	5	-	9	14
Cybersecurity incidents costs	-	-	3	3
Certain litigation expenses	-	-	2	2
Adjusted Earnings before interest and taxes	\$ 1,367	\$ 449	\$ 407	\$ 1,325
Depreciation and amortization, as reported	\$ 387	\$ 91	\$ 96	\$ 392
Costs associated with cost savings and optimization initiatives	(24)	-	(5)	(29)
Accelerated amortization	(7)	-	(7)	(14)
Adjusted Depreciation and amortization	\$ 356	\$ 91	\$ 84	\$ 349
Adjusted Earnings before interest, taxes, depreciation and amortization	\$ 1,723	\$ 540	\$ 491	\$ 1,674
Net Debt				\$ 4,615
Net Debt to Adjusted EBITDA				2.8



# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Net Debt

	July 28, 2024	
Short-Term Borrowings	\$	1,423
Long-Term Debt		5,761
Total Debt	\$	7,184
Less: Cash and Cash Equivalents		(108)
Net Debt	\$	7,076



# Reconciliation of GAAP and Non-GAAP Financial Measures

	(a)	(b)	=(a)+(b)
(\$ millions)	Twelve Months Ended July 28, 2024	Sovos August 2023 – March 11, 2024	Combined Twelve Months Ended July 28, 2024
Net Earnings, as reported	\$ 567	\$ 24	\$ 591
Taxes	190	13	203
Interest, net	243	21	264
Earnings before interest and taxes, as reported	<u>\$ 1,000</u>	<u>\$ 58</u>	<u>\$ 1,058</u>
Costs associated with cost savings and optimization initiatives	109	-	109
Pension and postretirement actuarial losses	33	-	33
Commodity mark-to-market losses	22	-	22
Accelerated amortization	27	-	27
Costs associated with acquisition	126	17	143
Cybersecurity incident costs	3	-	3
impairment charges	129	-	129
Certain litigation expenses	5	-	5
Adjusted Earnings before interest and taxes	<u>\$ 1,454</u>	<u>\$ 75</u>	<u>\$ 1,529</u>
Depreciation and amortization, as reported	\$ 411	\$ 21	\$ 432
Costs associated with cost savings and optimization initiatives	(28)	-	(28)
Accelerated amortization	(27)	-	(27)
Adjusted Depreciation and amortization	<u>\$ 356</u>	<u>\$ 21</u>	<u>\$ 377</u>
Adjusted Earnings before interest, taxes, depreciation and amortization	<u><u>\$ 1,810</u></u>	<u><u>\$ 96</u></u>	<u><u>\$ 1,906</u></u>
Net Debt			<u>\$ 7,076</u>
Net Debt to Adjusted EBITDA			<u><u>3.7</u></u>



# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

## First Quarter

	Net Sales
Total Net Sales 2025	\$ 2,772
Add: Impact of Currency	1
<b>Total</b>	<b>\$ 2,773</b>
Total Net Sales 2024	\$ 2,518
Deduct: Impact of Divestiture	(21)
Add: Sovos Brands, Inc. July 31, 2023 – October 29, 2023	273
<b>Pro Forma Combined</b>	<b>\$ 2,770</b>
% Change	0%

## First Quarter

	Net Sales
Meals & Beverages Net Sales 2025	\$ 1,706
Add: Impact of Currency	1
<b>Meals &amp; Beverages</b>	<b>\$ 1,707</b>
Meals & Beverages Net Sales 2024	\$ 1,404
Add: Sovos Brands, Inc. July 31, 2023 – October 29, 2023	273
<b>Pro Forma Combined</b>	<b>\$ 1,677</b>
% Change	2%



# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

First Quarter

Sovos Net Sales 2025

Net Sales

\$ 310

Sovos Brands, Inc. July 31, 2023 – October 29, 2023

\$ 273

% Change

14%