# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**Washington, D.C. 20549**
# Form 10-Q

(Mark One)
☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
**For the Quarterly Period Ended February 1, 2026**
or
☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
**For the transition period from _____ to _____**

**Commission File Number: 1-3822**

# THE CAMPBELL'S COMPANY
(Exact name of registrant as specified in its charter)

| **New Jersey** | **21-0419870** |
|---|---|
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |

**1 Campbell Place**
**Camden, New Jersey 08103-1799**
(Address of principal executive offices) (Zip Code)

**(856) 342-4800**
(Registrant's telephone number, including area code)

**Securities registered pursuant to Section 12(b) of the Act:**

| **Title of each class** | **Trading Symbol(s)** | **Name of each exchange on which registered** |
|---|---|---|
| Capital Stock, par value $.0375 | CPB | The Nasdaq Stock Market LLC |

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☑ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☑ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | |
|---|---|---|---|
| Large accelerated filer | ☑ | Accelerated filer | ☐ |
| Non-accelerated filer | ☐ | Smaller reporting company | ☐ |
| Emerging growth company | ☐ | | |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☑ No

There were 298,146,488 shares of capital stock outstanding as of March 5, 2026.

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**PART I - FINANCIAL INFORMATION**

**Item 1.** ***Financial Statements***

**THE CAMPBELL'S COMPANY**
**Consolidated Statements of Earnings**
**(unaudited)**
**(millions, except per share amounts)**

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | **February 1, 2026** | **January 26, 2025** | **February 1, 2026** | **January 26, 2025** |
| **Net sales** | **$ 2,564** | $ 2,685 | **$ 5,241** | $ 5,457 |
| Costs and expenses | | | | |
| Cost of products sold | **1,847** | 1,866 | **3,732** | 3,771 |
| Marketing and selling expenses | **252** | 256 | **505** | 506 |
| Administrative expenses | **160** | 165 | **327** | 340 |
| Research and development expenses | **22** | 25 | **46** | 51 |
| Other expenses / (income) | **7** | 41 | **16** | 84 |
| Restructuring charges | **3** | 5 | **6** | 11 |
| Total costs and expenses | **2,291** | 2,358 | **4,632** | 4,763 |
| **Earnings before interest and taxes** | **273** | 327 | **609** | 694 |
| Interest expense | **82** | 88 | **163** | 175 |
| Interest income | **2** | 8 | **3** | 12 |
| Earnings before taxes | **193** | 247 | **449** | 531 |
| Taxes on earnings | **48** | 74 | **110** | 140 |
| **Net earnings** | **145** | 173 | **339** | 391 |
| Less: Net earnings (loss) attributable to noncontrolling interests | **—** | — | **—** | — |
| **Net earnings attributable to The Campbell's Company** | **$ 145** | $ 173 | **$ 339** | $ 391 |
| **Per Share — Basic** | | | | |
| **Net earnings attributable to The Campbell's Company** | **$ .49** | $ .58 | **$ 1.14** | $ 1.31 |
| Weighted average shares outstanding — basic | **298** | 298 | **298** | 298 |
| **Per Share — Assuming Dilution** | | | | |
| **Net earnings attributable to The Campbell's Company** | **$ .48** | $ .58 | **$ 1.13** | $ 1.30 |
| Weighted average shares outstanding — assuming dilution | **299** | 299 | **299** | 300 |

See accompanying Notes to Consolidated Financial Statements.

**THE CAMPBELL'S COMPANY**
**Consolidated Statements of Comprehensive Income**
**(unaudited)**
**(millions)**

| | Three Months Ended | | | | | |
|---|---|---|---|---|---|---|
| | February 1, 2026 | | | January 26, 2025 | | |
| | Pre-tax amount | Tax benefit (expense) | After-tax amount | Pre-tax amount | Tax benefit (expense) | After-tax amount |
| **Net earnings (loss)** | | | **$ 145** | | | $ 173 |
| **Other comprehensive income (loss):** | | | | | | |
| **Foreign currency translation:** | | | | | | |
| Foreign currency translation adjustments | **$ 5** | **$ —** | **5** | $ (5) | $ — | (5) |
| **Cash-flow hedges:** | | | | | | |
| Unrealized gains (losses) arising during the period | **(4)** | **1** | **(3)** | 3 | — | 3 |
| Reclassification adjustment for losses (gains) included in net earnings | **2** | **(1)** | **1** | (1) | — | (1) |
| **Pension and other postretirement benefits:** | | | | | | |
| Prior service credit arising during the period | **—** | **—** | **—** | — | — | — |
| Reclassification of prior service credit included in net earnings | — | — | — | — | — | — |
| **Other comprehensive income (loss)** | **$ 3** | **$ —** | **3** | $ (3) | $ — | (3) |
| **Total comprehensive income (loss)** | | | **$ 148** | | | $ 170 |
| Total comprehensive income (loss) attributable to noncontrolling interests | | | **—** | | | — |
| **Total comprehensive income (loss) attributable to The Campbell's Company** | | | **$ 148** | | | $ 170 |

| | Six Months Ended | | | | | |
|---|---|---|---|---|---|---|
| | February 1, 2026 | | | January 26, 2025 | | |
| | Pre-tax amount | Tax benefit (expense) | After-tax amount | Pre-tax amount | Tax benefit (expense) | After-tax amount |
| **Net earnings (loss)** | | | **$ 339** | | | $ 391 |
| **Other comprehensive income (loss):** | | | | | | |
| **Foreign currency translation:** | | | | | | |
| Foreign currency translation adjustments | **$ 3** | **$ —** | **3** | $ (7) | $ — | (7) |
| **Cash-flow hedges:** | | | | | | |
| Unrealized gains (losses) arising during the period | **(1)** | **—** | **(1)** | 3 | — | 3 |
| Reclassification adjustment for losses (gains) included in net earnings | **3** | **(1)** | **2** | — | — | — |
| **Pension and other postretirement benefits:** | | | | | | |
| Prior service credit arising during the period | **—** | **—** | **—** | 7 | (2) | 5 |
| Reclassification of prior service credit included in net earnings | — | — | — | — | — | — |
| **Other comprehensive income (loss)** | **$ 5** | **$ (1)** | **4** | $ 3 | $ (2) | 1 |
| **Total comprehensive income (loss)** | | | **$ 343** | | | $ 392 |
| Total comprehensive income (loss) attributable to noncontrolling interests | | | **—** | | | — |
| **Total comprehensive income (loss) attributable to The Campbell's Company** | | | **$ 343** | | | $ 392 |

See accompanying Notes to Consolidated Financial Statements.

**THE CAMPBELL'S COMPANY**
**Consolidated Balance Sheets**
**(unaudited)**
**(millions, except per share amounts)**

| | February 1, 2026 | August 3, 2025 |
|---|---|---|
| **Current assets** | | |
| Cash and cash equivalents | **$ 561** | $ 132 |
| Accounts receivable, net | **671** | 583 |
| Inventories | **1,360** | 1,424 |
| Other current assets | **138** | 93 |
| **Total current assets** | **2,730** | 2,232 |
| Plant assets, net of depreciation | **2,751** | 2,767 |
| Goodwill | **4,992** | 4,991 |
| Other intangible assets, net of amortization | **4,335** | 4,356 |
| Other assets | **540** | 550 |
| **Total assets** | **$ 15,348** | $ 14,896 |
| **Current liabilities** | | |
| Short-term borrowings | **$ 428** | $ 762 |
| Accounts payable | **1,429** | 1,332 |
| Accrued liabilities | **712** | 688 |
| Dividends payable | **118** | 120 |
| Accrued income taxes | **3** | 4 |
| **Total current liabilities** | **2,690** | 2,906 |
| Long-term debt | **6,647** | 6,095 |
| Deferred taxes | **1,393** | 1,353 |
| Other liabilities | **611** | 638 |
| **Total liabilities** | **11,341** | 10,992 |
| **Commitments and contingencies** (Note 17) | | |
| **The Campbell's Company shareholders' equity** | | |
| Preferred stock; authorized 40 shares; none issued | **—** | — |
| Capital stock, $.0375 par value; authorized 560 shares; issued 323 shares | **12** | 12 |
| Additional paid-in capital | **396** | 418 |
| Earnings retained in the business | **4,796** | 4,694 |
| Capital stock in treasury, at cost | **(1,188)** | (1,207) |
| Accumulated other comprehensive income (loss) | **(11)** | (15) |
| **Total The Campbell's Company shareholders' equity** | **4,005** | 3,902 |
| Noncontrolling interests | **2** | 2 |
| **Total equity** | **4,007** | 3,904 |
| **Total liabilities and equity** | **$ 15,348** | $ 14,896 |

See accompanying Notes to Consolidated Financial Statements.

**THE CAMPBELL'S COMPANY**
**Consolidated Statements of Cash Flows**
**(unaudited)**
**(millions)**

| | Six Months Ended | |
|---|---|---|
| | **February 1, 2026** | **January 26, 2025** |
| **Cash flows from operating activities:** | | |
| Net earnings | **$ 339** | $ 391 |
| Adjustments to reconcile net earnings to operating cash flow | | |
| Impairment charges | **—** | 26 |
| Restructuring charges | **6** | 11 |
| Stock-based compensation | **33** | 36 |
| Pension and postretirement benefit expense (income) | **(2)** | 2 |
| Depreciation and amortization | **201** | 219 |
| Deferred income taxes | **40** | 5 |
| Loss on sale of business | **—** | 25 |
| Other | **63** | 67 |
| Changes in working capital, net of divestitures | | |
| Accounts receivable | **(94)** | (94) |
| Inventories | **64** | 52 |
| Other current assets | **(30)** | (24) |
| Accounts payable and accrued liabilities | **137** | 40 |
| Other | **(17)** | (19) |
| **Net cash provided by operating activities** | **740** | 737 |
| **Cash flows from investing activities:** | | |
| Purchases of plant assets | **(227)** | (211) |
| Purchases of routes | **(56)** | (90) |
| Sales of routes | **45** | 61 |
| Sales of businesses | **5** | 70 |
| Other | **(1)** | (5) |
| **Net cash used in investing activities** | **(234)** | (175) |
| **Cash flows from financing activities:** | | |
| Short-term borrowings, including commercial paper | **1,039** | 663 |
| Short-term repayments, including commercial paper | **(1,387)** | (925) |
| Long-term borrowings | **549** | 1,144 |
| Long-term repayments | **—** | (400) |
| Dividends paid | **(237)** | (227) |
| Treasury stock purchases | **(26)** | (56) |
| Payments related to tax withholding for stock-based compensation | **(11)** | (28) |
| Payments of debt issuance costs | **(5)** | (11) |
| **Net cash provided by (used in) financing activities** | **(78)** | 160 |
| **Effect of exchange rate changes on cash** | **1** | (1) |
| **Net change in cash and cash equivalents** | **429** | 721 |
| **Cash and cash equivalents — beginning of period** | **132** | 108 |
| **Cash and cash equivalents — end of period** | **$ 561** | $ 829 |

See accompanying Notes to Consolidated Financial Statements.

**THE CAMPBELL'S COMPANY**
**Consolidated Statements of Equity**
**(unaudited)**
**(millions, except per share amounts)**

| | The Campbell's Company Shareholders' Equity | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Capital Stock | | | | | | | |
| | Issued | | In Treasury | | Additional Paid-in Capital | Earnings Retained in the Business | Accumulated Other Comprehensive Income (Loss) | Noncontrolling Interests | Total Equity |
| | Shares | Amount | Shares | Amount | | | | | |
| Balance at October 27, 2024 | 323 | $ 12 | (25) | $ (1,210) | $ 393 | $ 4,660 | $ (13) | $ 2 | $ 3,844 |
| Net earnings (loss) | | | | | | 173 | | — | 173 |
| Other comprehensive income (loss) | | | | | | | (3) | — | (3) |
| Dividends ($.39 per share) | | | | | | (117) | | | (117) |
| Treasury stock purchased | | | — | (2) | | | | | (2) |
| Treasury stock issued under stock-based compensation plans | | | — | 4 | 13 | — | | | 17 |
| Balance at January 26, 2025 | 323 | $ 12 | (25) | $ (1,208) | $ 406 | $ 4,716 | $ (16) | $ 2 | $ 3,912 |
| Balance at July 28, 2024 | 323 | $ 12 | (25) | $ (1,207) | $ 437 | $ 4,569 | $ (17) | $ 2 | $ 3,796 |
| Net earnings (loss) | | | | | | 391 | | — | 391 |
| Other comprehensive income (loss) | | | | | | | 1 | — | 1 |
| Dividends ($.76 per share) | | | | | | (228) | | | (228) |
| Treasury stock purchased | | | (1) | (56) | | | | | (56) |
| Treasury stock issued under stock-based compensation plans | | | 1 | 55 | (31) | (16) | | | 8 |
| Balance at January 26, 2025 | 323 | $ 12 | (25) | $ (1,208) | $ 406 | $ 4,716 | $ (16) | $ 2 | $ 3,912 |
| Balance at November 2, 2025 | 323 | $ 12 | (25) | $ (1,189) | $ 379 | $ 4,769 | $ (14) | $ 2 | $ 3,959 |
| **Net earnings (loss)** | | | | | | **145** | | — | **145** |
| **Other comprehensive income (loss)** | | | | | | | **3** | — | **3** |
| **Dividends ($.39 per share)** | | | | | | **(117)** | | | **(117)** |
| **Treasury stock purchased** | | | — | **(2)** | | | | | **(2)** |
| **Treasury stock issued under stock-based compensation plans** | | | — | **3** | **17** | **(1)** | | | **19** |
| **Balance at February 1, 2026** | **323** | **$ 12** | **(25)** | **$ (1,188)** | **$ 396** | **$ 4,796** | **$ (11)** | **$ 2** | **$ 4,007** |
| Balance at August 3, 2025 | 323 | $ 12 | (25) | $ (1,207) | $ 418 | $ 4,694 | $ (15) | $ 2 | $ 3,904 |
| **Net earnings (loss)** | | | | | | **339** | | — | **339** |
| **Other comprehensive income (loss)** | | | | | | | **4** | — | **4** |
| **Dividends ($.78 per share)** | | | | | | **(235)** | | | **(235)** |
| **Treasury stock purchased** | | | **(1)** | **(26)** | | | | | **(26)** |
| **Treasury stock issued under stock-based compensation plans** | | | **1** | **45** | **(22)** | **(2)** | | | **21** |
| **Balance at February 1, 2026** | **323** | **$ 12** | **(25)** | **$ (1,188)** | **$ 396** | **$ 4,796** | **$ (11)** | **$ 2** | **$ 4,007** |

See accompanying Notes to Consolidated Financial Statements.

**1. Basis of Presentation and Significant Accounting Policies**

In this Form 10-Q, unless otherwise stated, the terms "we," "us," "our" and the "company" refer to The Campbell's Company and its consolidated subsidiaries.

The financial statements reflect all adjustments which are, in our opinion, necessary for a fair statement of the results of operations, financial position and cash flows for the indicated periods. The accounting policies we used in preparing these financial statements are substantially consistent with those we applied in our Annual Report on Form 10-K for the year ended August 3, 2025. Certain reclassifications to our previously reported financial information were made to conform to the current-period presentation.

The results for the period are not necessarily indicative of the results to be expected for other interim periods or the full year. Our fiscal year ends on the Sunday nearest July 31, which is August 2, 2026. There will be 52 weeks in 2026. There were 53 weeks in 2025.

**2. Recent Accounting Pronouncements**

In December 2023, the Financial Accounting Standards Board (FASB) issued guidance to improve income tax disclosures by requiring disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. The guidance is effective for annual periods beginning after December 15, 2024. The guidance should be applied on a prospective basis with the option to apply the standard retrospectively. Early adoption is permitted. We are currently evaluating the impact that the new guidance will have on our consolidated financial statements.

In November 2024, the FASB issued guidance to improve disclosures by requiring additional details about specific types of expenses (purchases of inventory, employee compensation, depreciation and intangible asset amortization) included in certain expense captions. The guidance requires disclosure of the total amount of selling expenses and, on an annual basis, disclosure of the definition of selling expenses. The guidance is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The guidance may be applied on a prospective basis or retrospectively. We are currently evaluating the impact that the new guidance will have on our consolidated financial statements.

In September 2025, the FASB issued guidance to clarify and modernize the accounting for costs related to internal-use software. The guidance eliminates references to various stages of a software development project and clarifies the threshold to apply to begin capitalizing costs. The guidance is effective for fiscal years beginning after December 15, 2027, and interim periods within those fiscal years. The guidance may be applied on a prospective, retrospective or modified transition approach. Early adoption is permitted. We are currently evaluating the impact that the new guidance will have on our consolidated financial statements.

In November 2025, the FASB issued guidance to clarify and improve hedge accounting guidance. The guidance, which is intended to more closely align hedge accounting with the economics of an entity's risk management activities, is effective for fiscal years beginning after December 15, 2026, and interim periods within those fiscal years. Early adoption is permitted. The guidance is to be applied on a prospective basis. We are currently evaluating the impact that the new guidance will have on our consolidated financial statements.

In December 2025, the FASB issued authoritative guidance on the accounting for government grants received by business entities. The guidance defines government grants and establishes recognition, presentation and disclosure requirements. The guidance is effective for fiscal years beginning after December 15, 2028, and interim periods within those fiscal years. The guidance may be applied on a modified transition approach or retrospectively. Early adoption is permitted. We are currently evaluating the impact that the new guidance will have on our consolidated financial statements.

**3. Pending Acquisition**

On December 8, 2025, we entered into purchase agreements to acquire 49% of the issued and outstanding equity interests of La Regina di San Marzano di Antonio Romano S.p.A. (La Regina SPA) and La Regina Atlantica, LLC (La Regina Atlantica, and together with La Regina SPA, La Regina). La Regina currently produces all of our *Rao's* tomato-based pasta sauces. The aggregate consideration for the transaction is $286 million to be paid in two tranches: (i) $146 million, payable in cash at the closing, and (ii) $140 million payable at our sole discretion in either cash or unregistered shares of our capital stock (not to exceed 19.9% of our outstanding capital stock and voting power prior to issuance) on the first anniversary of the closing. The remaining 51% of the outstanding equity interests of La Regina are subject to a call option granted to us and a put option granted to La Regina. The call option may be exercised from the first anniversary of the closing until the later of the tenth anniversary of the closing and the date of cessation of the material commercial agreements between the parties. Under the call

option, we may, during specified exercise periods, acquire additional equity interests in increments of not less than 2% from La Regina equity holders at a price based on an implied total equity value of approximately $584 million, subject to the payment of a control premium of up to 20% and to a 20% reduction for specified material adverse changes. The put option may be exercised from three years after the first anniversary of the closing until the tenth anniversary of the closing. Under the put option, La Regina equity holders may require us to purchase all or a portion of their remaining equity interests during a defined exercise period, subject to certain conditions and similar pricing mechanics as the call option. The transaction is subject to certain customary conditions, including, among other things (a) the accuracy of the representations and warranties of La Regina as of the closing of the transaction, (b) compliance in all material respects with pre-closing obligations and covenants under each of the purchase agreements, and (c) the absence of a material adverse change. Each purchase agreement provides for an outside closing date of June 8, 2026, which we may extend once by up to thirty (30) business days upon prior notice. If the closing conditions have not been satisfied or waived by the outside closing date, each purchase agreement will automatically terminate, subject to certain specified provisions that survive termination. We expect to consolidate the results of La Regina and reflect the remaining 51% of the outstanding equity interests as non-controlling interests in our consolidated financial statements.

**4. Divestitures**

On August 26, 2024, we completed the sale of our Pop Secret popcorn business for $70 million. We recognized a pre-tax loss on the sale of $25 million, or $19 million after tax. In connection with the sale, we provided certain transition services to support the business. The business had net sales of $9 million through August 26, 2024. Earnings were not material. The results of the business were reflected within the Snacks reportable segment.

We entered into an agreement to sell our noosa yoghurt business in November 2024. The noosa yoghurt business was purchased as part of the Sovos Brands, Inc. (Sovos Brands) acquisition. In the second quarter of 2025, we recorded $15 million of tax expense related to the sale of the business. We completed the sale on February 24, 2025, for $188 million, subject to certain customary purchase price adjustments, which resulted in $5 million of additional proceeds in the first quarter of 2026. The after-tax loss recorded on the sale in 2025 was $15 million. In connection with the sale, we provided certain transition services to support the business. Net sales of the business were $39 million and $83 million for the three- and six-month periods ended January 26, 2025, respectively, and $99 million through February 24, 2025. Earnings were not material in the periods. The results of the business were reflected within the Meals & Beverages reportable segment.

**5. Accumulated Other Comprehensive Income (Loss)**

The components of Accumulated other comprehensive income (loss) consisted of the following:

| (Millions) | Foreign Currency Translation Adjustments[1] | Cash-flow Hedges[2] | Pension and Postretirement Benefit Plan Adjustments[3] | Total Accumulated Comprehensive Income (Loss) |
|---|---|---|---|---|
| Balance at July 28, 2024 | $ (10) | $ (9) | $ 2 | $ (17) |
| Other comprehensive income (loss) before reclassifications | (7) | 3 | 5 | 1 |
| Losses (gains) reclassified from accumulated other comprehensive income (loss) | — | — | — | — |
| Net current-period other comprehensive income (loss) | (7) | 3 | 5 | 1 |
| Balance at January 26, 2025 | $ (17) | $ (6) | $ 7 | $ (16) |
| | | | | |
| Balance at August 3, 2025 | $ (11) | $ (11) | $ 7 | $ (15) |
| **Other comprehensive income (loss) before reclassifications** | **3** | **(1)** | **—** | **2** |
| **Losses (gains) reclassified from accumulated other comprehensive income (loss)** | **—** | **2** | **—** | **2** |
| **Net current-period other comprehensive income (loss)** | **3** | **1** | **—** | **4** |
| **Balance at February 1, 2026** | **$ (8)** | **$ (10)** | **$ 7** | **$ (11)** |

(1) Included no tax as of February 1, 2026, August 3, 2025, January 26, 2025 and July 28, 2024.
(2) Included a tax benefit of $2 million as of February 1, 2026, January 26, 2025 and July 28, 2024, and $3 million as of August 3, 2025.
(3) Included tax expense of $2 million as of February 1, 2026 and August 3, 2025, $3 million as of January 26, 2025 and $1 million as of July 28, 2024.

Amounts related to noncontrolling interests were not material.

The amounts reclassified from Accumulated other comprehensive income (loss) consisted of the following:

| | Three Months Ended | | Six Months Ended | | |
|---|---|---|---|---|---|
| **(Millions)** | **February 1, 2026** | **January 26, 2025** | **February 1, 2026** | **January 26, 2025** | **Location of Loss (Gain) Recognized in Earnings** |
| Losses (gains) on cash-flow hedges: | | | | | |
| Foreign exchange contracts | **$ 1** | $ (1) | **$ 2** | $ (1) | Cost of products sold |
| Forward starting interest rate swaps | **1** | — | **1** | 1 | Interest expense |
| Total before tax | **$ 2** | $ (1) | **$ 3** | $ — | |
| Tax expense (benefit) | **(1)** | — | **(1)** | — | |
| Loss (gain), net of tax | **$ 1** | $ (1) | **$ 2** | $ — | |

## 6. Goodwill and Intangible Assets

### *Goodwill*

The following table shows the changes in the carrying amount of goodwill:

| **(Millions)** | **Meals & Beverages** | **Snacks** | **Total** |
|---|---|---|---|
| Net balance at August 3, 2025 | $ 2,037 | $ 2,954 | $ 4,991 |
| **Foreign currency translation adjustment** | **1** | **—** | **1** |
| **Net balance at February 1, 2026** | **$ 2,038** | **$ 2,954** | **$ 4,992** |

### *Intangible Assets*

The following table summarizes balance sheet information for intangible assets, excluding goodwill:

| | February 1, 2026 | | | August 3, 2025 | | |
|---|---|---|---|---|---|---|
| **(Millions)** | **Cost** | **Accumulated Amortization** | **Net** | **Cost** | **Accumulated Amortization** | **Net** |
| Amortizable intangible assets | | | | | | |
| Customer relationships | **$ 1,042** | **$ (387)** | **$ 655** | $ 1,042 | $ (366) | $ 676 |
| Definite-lived trademarks | **2** | **—** | **2** | 2 | — | 2 |
| Total amortizable intangible assets | **$ 1,044** | **$ (387)** | **$ 657** | $ 1,044 | $ (366) | $ 678 |
| Indefinite-lived trademarks | | | | | | |
| *Rao's* | | | **$ 1,470** | | | $ 1,470 |
| *Snyder's of Hanover* | | | **470** | | | 470 |
| *Lance* | | | **350** | | | 350 |
| *Kettle Brand* | | | **318** | | | 318 |
| *Pace* | | | **292** | | | 292 |
| *Pacific Foods* | | | **280** | | | 280 |
| *Cape Cod* | | | **187** | | | 187 |
| Various other Snacks(1) | | | **311** | | | 311 |
| Total indefinite-lived trademarks | | | **$ 3,678** | | | $ 3,678 |
| Total net intangible assets | | | **$ 4,335** | | | $ 4,356 |

(1) Includes the *Late July* trademark and certain salty snacks and cookie trademarks within our Snacks segment, including *Tom's*, *Jays*, *Kruncher's*, *O-Ke-Doke*, *Stella D'oro* and *Archway*, collectively referred to as our "Allied brands."

Amortization expense was $10 million and $21 million for the three- and six-month periods ended February 1, 2026, and $19 million and $39 million for the three- and six-month periods ended January 26, 2025, respectively. Amortization expense for the three- and six-month periods ended January 26, 2025 included accelerated amortization expense of $7 million and $14 million, respectively, on customer relationships, which began in the fourth quarter of 2023 due to the loss of certain contract manufacturing customers. As of February 1, 2026, amortizable intangible assets had a weighted-average remaining useful life of 18 years. Amortization expense is estimated to be approximately $40 million per year for each of the next five fiscal years.

As of the 2025 annual impairment testing, indefinite-lived trademarks with approximately 10% or less of excess coverage of fair value over carrying value had an aggregate carrying value of $2.587 billion and included the *Rao's*, *Snyder's of Hanover*, *Pace*, *Pacific Foods*, *Late July* and Allied brands trademarks.

The estimates of future cash flows used in determining the fair value of goodwill and intangible assets involve significant management judgment and are based upon assumptions about expected future operating performance, assumed royalty rates, economic conditions, market conditions and cost of capital. Inherent in estimating the future cash flows are uncertainties beyond our control, such as changes in capital markets. The actual cash flows could differ materially from management's estimates due to changes in business conditions, operating performance and economic conditions, including the potential impact of tariffs.

**7. Segment Information**

Our two operating segments, which are also our reportable segments, are as follows:

- Meals & Beverages, which consists of soup, simple meals and beverages products in retail and foodservice in the U.S. and Canada. The segment includes the following products: *Campbell's* condensed and ready-to-serve soups; *Swanson* broth and stocks; *Pacific Foods* broth, soups and non-dairy beverages; *Prego* pasta sauces; *Pace* Mexican sauces; *SpaghettiOs* pasta; *Campbell's* gravies, beans and dinner sauces; *Swanson* canned poultry; *V8* juices and beverages; *Campbell's* tomato juice; and as of March 12, 2024, *Rao's* pasta sauces, dry pasta, frozen entrées, frozen pizza and soups; *Michael Angelo's* frozen entrées and pasta sauces; and *noosa* yogurts. The noosa yoghurt business was sold on February 24, 2025. The segment also includes snacking products in foodservice and Canada, and beginning in 2026, the snacking and meals and beverages retail business in Latin America; and
- Snacks, which consists of Pepperidge Farm cookies, crackers, fresh bakery and frozen products, including *Goldfish* crackers, *Snyder's of Hanover* pretzels, *Lance* sandwich crackers, *Cape Cod* potato chips, *Kettle Brand* potato chips, *Late July* snacks, *Snack Factory* pretzel crisps, and other snacking products in retail in the U.S. The segment also included the results of our Pop Secret popcorn business, which was sold on August 26, 2024.

Through the fourth quarter of 2025, the snacking and meals and beverages retail business in Latin America was managed under our Snacks segment. Beginning in 2026, the business is managed under our Meals & Beverages segment. Segment results have been adjusted retrospectively to reflect this change.

We refer to the following products as our "leadership brands": *Campbell's* condensed and ready-to-serve soups; *Chunky* soups; *Swanson* broth, stocks and canned poultry; *Pacific Foods* broth, soups and non-dairy beverages; *Prego* pasta sauces; *Pace* Mexican sauces; *V8* juices and beverages; *Rao's* pasta sauces, dry pasta, frozen entrées, frozen pizza and soups; Pepperidge Farm cookies, crackers and fresh bakery; *Goldfish* crackers; *Snyder's of Hanover* pretzels; *Lance* sandwich crackers; *Cape Cod* potato chips; *Kettle Brand* potato chips; *Late July* snacks; and *Snack Factory* pretzel crisps.

Our chief operating decision maker (CODM) is our President and Chief Executive Officer. Our CODM uses segment operating earnings as the profit measure in evaluating segment performance during the annual plan and forecasting process and in monitoring actual performance versus plan. Segment operating earnings are comprised of earnings before interest, taxes and costs associated with restructuring activities, cost savings and optimization initiatives, impairment charges, accelerated amortization and corporate expenses. Unrealized gains and losses on outstanding undesignated commodity hedging activities are excluded from segment operating earnings and are recorded in Corporate as these open positions represent hedges of future purchases. Upon closing of the contracts, the realized gain or loss is transferred to segment operating earnings, which allows the segments to reflect the economic effects of the hedge without exposure to quarterly volatility of unrealized gains and losses. Only the service cost component of pension and postretirement expense is allocated to segments. All other components of expense, including interest cost, expected return on assets, amortization of prior service credits and recognized actuarial gains and losses are reflected in Corporate and not included in segment operating results. Asset information by segment is not discretely maintained for internal reporting or used in evaluating performance by the CODM.

| (Millions) | Three Months Ended February 1, 2026 Meals & Beverages | Snacks | Total | Three Months Ended January 26, 2025 Meals & Beverages | Snacks | Total |
|---|---|---|---|---|---|---|
| Net sales | **$ 1,650** | **$ 914** | **$ 2,564** | $ 1,711 | $ 974 | $ 2,685 |
| Cost of products sold | **1,168** | **686** | | 1,168 | 704 | |
| Other segment items[1] | **230** | **161** | | 247 | 161 | |
| Segment operating earnings | **$ 252** | **$ 67** | **$ 319** | $ 296 | $ 109 | $ 405 |
| Corporate expense (income)[2] | | | **43** | | | 73 |
| Restructuring charges[3] | | | **3** | | | 5 |
| Earnings before interest and taxes | | | **$ 273** | | | $ 327 |
| Interest expense | | | **82** | | | 88 |
| Interest income | | | **2** | | | 8 |
| Earnings before taxes | | | **$ 193** | | | $ 247 |

| (Millions) | Six Months Ended February 1, 2026 Meals & Beverages | Snacks | Total | Six Months Ended January 26, 2025 Meals & Beverages | Snacks | Total |
|---|---|---|---|---|---|---|
| Net sales | **$ 3,315** | **$ 1,926** | **$ 5,241** | $ 3,450 | $ 2,007 | $ 5,457 |
| Cost of products sold | **2,321** | **1,407** | | 2,343 | 1,429 | |
| Other segment items[1] | **445** | **329** | | 468 | 333 | |
| Segment operating earnings | **$ 549** | **$ 190** | **$ 739** | $ 639 | $ 245 | $ 884 |
| Corporate expense (income)[2] | | | **124** | | | 179 |
| Restructuring charges[3] | | | **6** | | | 11 |
| Earnings before interest and taxes | | | **$ 609** | | | $ 694 |
| Interest expense | | | **163** | | | 175 |
| Interest income | | | **3** | | | 12 |
| Earnings before taxes | | | **$ 449** | | | $ 531 |

| (Millions) | Three Months Ended February 1, 2026 | Three Months Ended January 26, 2025 | Six Months Ended February 1, 2026 | Six Months Ended January 26, 2025 |
|---|---|---|---|---|
| Depreciation and amortization | | | | |
| Meals & Beverages | **$ 42** | $ 44 | **$ 82** | $ 90 |
| Snacks | **54** | 60 | **107** | 118 |
| Corporate[4] | **6** | 6 | **12** | 11 |
| Total | **$ 102** | $ 110 | **$ 201** | $ 219 |

| (Millions) | Three Months Ended February 1, 2026 | Three Months Ended January 26, 2025 | Six Months Ended February 1, 2026 | Six Months Ended January 26, 2025 |
|---|---|---|---|---|
| Capital expenditures | | | | |
| Meals & Beverages | **$ 64** | $ 41 | **$ 135** | $ 75 |
| Snacks | **29** | 44 | **72** | 90 |
| Corporate[4] | **7** | 16 | **20** | 46 |
| Total | **$ 100** | $ 101 | **$ 227** | $ 211 |

(1) Other segment items for each of the reportable segments include marketing and selling expenses, administrative expenses, research and development expenses and expense for amortization of intangible assets.

(2) Represents unallocated items. Costs related to cost savings and optimization initiatives were $21 million and $52 million in the three- and six-month periods ended February 1, 2026, and $20 million and $49 million in the three- and six-month periods ended January 26, 2025, respectively. Unrealized mark-to-market adjustments on outstanding undesignated commodity hedges were gains of $16 million and $14 million in the three- and six-month periods ended February 1, 2026, and gains of $14 million and $18 million in the three- and six-month periods ended January 26, 2025, respectively. Litigation expenses related to the Plum baby food and snacks business, which was divested on May 3, 2021, and certain other litigation matters were $1 million and $11 million in the three- and six-month periods ended February 1, 2026, and $1 million and $2 million in the three- and six-month periods ended January 26, 2025, respectively. Costs associated with a pending acquisition were $2 million in the six-month period ended February 1, 2026. Insurance recoveries of $1 million related to a cybersecurity incident were included in the six-month periods ended February 1, 2026 and January 26, 2025, respectively. Accelerated amortization expense related to customer relationship intangible assets was $7 million and $14 million in the three- and six-month periods ended January 26, 2025, respectively. Intangible asset impairment charges were $26 million in the three- and six-month periods ended January 26, 2025. A loss on the sale of our Pop Secret popcorn business of $25 million was included in the six-month period ended January 26, 2025. A postretirement actuarial loss of $2 million was included in the six-month period ended January 26, 2025.

(3) See Note 8 for additional information.

(4) Represents primarily corporate offices and enterprise-wide information technology systems.

Our net sales based on product categories are as follows:

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| **(Millions)** | **February 1, 2026** | **January 26, 2025** | **February 1, 2026** | **January 26, 2025** |
| Net sales | | | | |
| Soup | **$ 821** | $ 849 | **$ 1,656** | $ 1,701 |
| Snacks | **995** | 1,058 | **2,101** | 2,186 |
| Other simple meals | **580** | 605 | **1,142** | 1,218 |
| Beverages | **168** | 173 | **342** | 352 |
| Total | **$ 2,564** | $ 2,685 | **$ 5,241** | $ 5,457 |

Soup includes various soup, broths and stock products. Snacks include cookies, pretzels, crackers, popcorn, potato chips, tortilla chips and other salty snacks and baked products. Other simple meals include sauces, yogurts, pasta, frozen entrées, canned poultry, frozen pizza, gravies and beans. Beverages include *V8* juices and beverages, *Campbell's* tomato juice and *Pacific Foods* non-dairy beverages.

**8. Restructuring Charges, Cost Savings Initiatives and Other Optimization Initiatives**

***2025 Cost Savings Initiatives***

On September 10, 2024, we announced plans to implement cost savings initiatives beginning in 2025, including initiatives to further optimize our supply chain and manufacturing network, optimization of our information technology infrastructure and targeted cost management. We also identified additional opportunities for cost synergies as we integrated Sovos Brands. As of July 28, 2024, we substantially completed our previous multi-year cost savings initiatives and Snyder's-Lance, Inc. cost transformation program and integration and had identified initial opportunities for cost synergies as we integrated Sovos Brands. Certain initiatives from those programs have been incorporated into our 2025 cost savings initiatives. Cost estimates for the 2025 initiatives, as well as timing for certain activities, are continuing to be developed.

A summary of the pre-tax charges recorded in the Consolidated Statements of Earnings related to these initiatives is as follows:

| | Three Months Ended | | Six Months Ended | | |
|---|---|---|---|---|---|
| **(Millions)** | **February 1, 2026** | **January 26, 2025** | **February 1, 2026** | **January 26, 2025** | **Recognized as of February 1, 2026** |
| Restructuring charges | **$ 3** | $ 5 | **$ 6** | $ 11 | $ 30 |
| Administrative expenses | **7** | 8 | **15** | 19 | 56 |
| Cost of products sold | **9** | 10 | **16** | 18 | 48 |
| Marketing and selling expenses | **2** | 1 | **2** | 2 | 6 |
| Research and development expenses | **1** | 1 | **1** | 2 | 4 |
| Total pre-tax charges | **$ 22** | $ 25 | **$ 40** | $ 52 | $ 144 |

A summary of the cumulative pre-tax costs associated with the initiatives is as follows:

| (Millions) | Recognized as of February 1, 2026 |
|---|---|
| Severance pay and benefits | $ 29 |
| Asset impairment/accelerated depreciation | 42 |
| Implementation costs and other related costs | 73 |
| Total | $ 144 |

The total estimated pre-tax costs for actions that have been identified to date are approximately $245 million, and we expect to incur substantially all of the costs through 2028. These estimates will be updated as the detailed plans are developed.

We expect the costs for the actions that have been identified to date to consist of the following: approximately $35 million in severance pay and benefits; approximately $55 million in asset impairment and accelerated depreciation; and approximately $155 million in implementation costs and other related costs. We expect these pre-tax costs to be associated with our segments as follows: Meals & Beverages - approximately 56%; Snacks - approximately 23% and Corporate - approximately 21%.

Of the aggregate $245 million of pre-tax costs identified to date, we expect approximately $185 million will be cash expenditures. In addition, we expect to invest approximately $215 million in capital expenditures, of which we invested $187 million as of February 1, 2026. The capital expenditures primarily relate to optimization of production within our manufacturing network, optimization of information technology infrastructure and applications and implementation of our existing SAP enterprise-resource planning system for Sovos Brands.

A summary of the restructuring activity and related reserves is as follows:

| (Millions) | Severance Pay and Benefits | Implementation Costs and Other Related Costs[3] | Asset Impairment/Accelerated Depreciation | Other Non-Cash Exit Costs[4] | Total Charges |
|---|---|---|---|---|---|
| Accrued balance at August 3, 2025[1] | $ 33 | | | | |
| **2026 charges** | **5** | **23** | **11** | **1** | **$ 40** |
| **2026 cash payments** | **(12)** | | | | |
| **Accrued balance at February 1, 2026[2]** | **$ 26** | | | | |

(1) Includes $14 million of severance pay and benefits recorded in Other liabilities in the Consolidated Balance Sheet.
(2) Includes $2 million of severance pay and benefits recorded in Other liabilities in the Consolidated Balance Sheet.
(3) Includes other costs recognized as incurred that are not reflected in the restructuring reserve in the Consolidated Balance Sheet. The costs are included in Administrative expenses, Cost of products sold, Marketing and selling expenses and Research and development expenses in the Consolidated Statements of Earnings.
(4) Includes non-cash costs that are not reflected in the restructuring reserve in the Consolidated Balance Sheet.

Segment operating results do not include restructuring charges, implementation costs and other related costs because we evaluate segment performance excluding such charges. A summary of the pre-tax costs associated with segments is as follows:

| | February 1, 2026 | | |
|---|---|---|---|
| (Millions) | Three Months Ended | Six Months Ended | Costs Incurred to Date |
| Meals & Beverages | $ 10 | $ 20 | $ 94 |
| Snacks | 7 | 13 | 27 |
| Corporate | 5 | 7 | 23 |
| Total | $ 22 | $ 40 | $ 144 |

In the third quarter of 2026, we commenced a voluntary early retirement program as part of our cost savings initiatives. The program is available to certain salaried employees who meet age and length-of-service criteria. We currently do not know which employees will elect to participate and therefore are unable to estimate the costs of the program, although we expect these costs to consist primarily of severance pay and benefits, including enhanced pension benefits. We will provide an estimate of the costs expected to be incurred as the program is executed.

***Other Optimization Initiatives***

In the second quarter of 2024, we began implementation of an initiative to improve the effectiveness of our Snacks direct-store-delivery route-to-market network. Pursuant to this initiative we will purchase certain Pepperidge Farm and Snyder's-Lance routes where there are opportunities to unlock greater scale in select markets, combine them and sell the combined routes to independent contractor distributors. We expect to execute this program in a staggered rollout and to incur expenses of up to approximately $115 million through 2029. In the three-month period ended February 1, 2026, we incurred $2 million in Marketing and selling expenses related to this initiative. In the six-month periods ended February 1, 2026 and January 26, 2025, we incurred $18 million and $8 million in Marketing and selling expenses related to this initiative, respectively. As of February 1, 2026, we have incurred $43 million in Marketing and selling expenses and $1 million in Administrative expenses related to this initiative.

**9. Earnings per Share (EPS)**

For the periods presented in the Consolidated Statements of Earnings, the calculations of basic EPS and EPS assuming dilution vary in that the weighted average shares outstanding assuming dilution include the incremental effect of stock options and other share-based payment awards, except when such effect would be antidilutive. The earnings per share calculation for the three- and six-month periods ended February 1, 2026 excludes approximately 1 million stock options that would have been antidilutive. The earnings per share calculation for the three- and six-month periods ended January 26, 2025 excludes less than 1 million stock options that would have been antidilutive.

**10. Pension and Postretirement Benefits**

Components of net periodic benefit expense (income) were as follows:

| | Three Months Ended | | | | Six Months Ended | | | |
|---|---|---|---|---|---|---|---|---|
| | Pension | | Postretirement | | Pension | | Postretirement | |
| (Millions) | February 1, 2026 | January 26, 2025 | February 1, 2026 | January 26, 2025 | February 1, 2026 | January 26, 2025 | February 1, 2026 | January 26, 2025 |
| Service cost | **$ 3** | $ 3 | **$ —** | $ — | **$ 6** | $ 6 | **$ —** | $ — |
| Interest cost | **14** | 16 | **2** | 1 | **28** | 31 | **3** | 3 |
| Expected return on plan assets | **(20)** | (20) | **—** | — | **(39)** | (40) | **—** | — |
| Actuarial losses (gains) | — | — | **—** | — | **—** | — | **—** | 2 |
| Net periodic benefit expense (income) | **$ (3)** | $ (1) | **$ 2** | $ 1 | **$ (5)** | $ (3) | **$ 3** | $ 5 |

The actuarial loss for the six-month period ended January 26, 2025 was due to the remeasurement of our postretirement plan in the first quarter due to a plan amendment. The actuarial loss was primarily due to a decrease in the discount rate used to determine the benefit obligation.

**11. Leases**

The components of lease costs were as follows:

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| (Millions) | February 1, 2026 | January 26, 2025 | February 1, 2026 | January 26, 2025 |
| Operating lease cost | **$ 28** | $ 27 | **$ 57** | $ 56 |
| Finance lease - amortization of right-of-use (ROU) assets | **8** | 8 | **16** | 14 |
| Finance lease - interest on lease liabilities | **1** | 1 | **2** | 2 |
| Short-term lease cost | **16** | 15 | **33** | 30 |
| Variable lease cost | **67** | 59 | **140** | 124 |
| Sublease income | **(1)** | — | **(1)** | — |
| Total | **$ 119** | $ 110 | **$ 247** | $ 226 |

The following tables summarize the lease amounts recorded in the Consolidated Balance Sheets:

| | | Operating Leases | |
|---|---|---|---|
| (Millions) | Balance Sheet Classification | February 1, 2026 | August 3, 2025 |
| ROU assets, net | Other assets | **$ 304** | $ 326 |
| Lease liabilities (current) | Accrued liabilities | **$ 91** | $ 96 |
| Lease liabilities (noncurrent) | Other liabilities | **$ 241** | $ 259 |

| | | Finance Leases | |
|---|---|---|---|
| (Millions) | Balance Sheet Classification | February 1, 2026 | August 3, 2025 |
| ROU assets, net | Plant assets, net of depreciation | **$ 73** | $ 66 |
| Lease liabilities (current) | Short-term borrowings | **$ 28** | $ 32 |
| Lease liabilities (noncurrent) | Long-term debt | **$ 49** | $ 38 |

The following table summarizes cash flow and other information related to leases:

| | Six Months Ended | |
|---|---|---|
| (Millions) | February 1, 2026 | January 26, 2025 |
| Cash paid for amounts included in the measurement of lease liabilities: | | |
| Operating cash flows from operating leases | **$ 57** | $ 52 |
| Operating cash flows from finance leases | **$ 2** | $ 1 |
| Financing cash flows from finance leases | **$ 16** | $ 14 |
| | | |
| ROU assets obtained in exchange for lease obligations: | | |
| Operating leases | **$ 27** | $ 54 |
| Finance leases | **$ 23** | $ 25 |

**12. Short-term Borrowings and Long-term Debt**

In August 2023, we filed a registration statement with the Securities and Exchange Commission that registered an indeterminate amount of debt securities. Under the registration statement we may issue debt securities from time to time, depending on market conditions. On December 15, 2025, pursuant to the registration statement, we completed the issuance of senior unsecured notes, consisting of $550 million aggregate principal amount of notes bearing interest at a fixed rate of 4.55% per annum, due March 21, 2031, with interest payable semi-annually on each of March 21 and September 21 commencing March 21, 2026. The notes contain customary covenants and events of default. If a change of control triggering event occurs, we will be required to offer to purchase the notes at a purchase price equal to 101% of the principal amount plus accrued and unpaid interest, if any, to the purchase date. We used a portion of the proceeds from the issuance of the notes to repay a portion of our outstanding commercial paper and plan to use the remaining proceeds to repay existing indebtedness and for general corporate purposes. We have $400 million aggregate principal amount of senior notes maturing in March 2026 that we expect to repay using available resources, which may include cash on hand, commercial paper and/or our revolving credit facility.

In the second quarter of 2026, we entered into fixed-to-floating interest rate swaps with a notional amount of $600 million as of February 1, 2026. The instruments effectively convert a portion of our $800 million 4.75% Notes due March 23, 2035 from fixed-rate to variable-rate debt with interest based on the Secured Overnight Financing Rate (SOFR) plus a margin. See Note 13 for additional information.

**13. Financial Instruments**

The principal market risks to which we are exposed are changes in foreign currency exchange rates, interest rates and commodity prices. In addition, we are exposed to price changes related to certain deferred compensation obligations. In order to manage these exposures, we follow established risk management policies and procedures, including the use of derivative contracts such as swaps, rate locks, options, forwards and commodity futures. We enter into these derivative contracts for periods consistent with the related underlying exposures, and the contracts do not constitute positions independent of those exposures. We do not enter into derivative contracts for speculative purposes and do not use leveraged instruments. Our derivative programs include instruments that qualify for hedge accounting treatment and instruments that are not designated as accounting hedges.

***Concentration of Credit Risk***

We are exposed to the risk that counterparties to derivative contracts will fail to meet their contractual obligations. To mitigate counterparty credit risk, we enter into contracts only with carefully selected, leading, credit-worthy financial institutions, and distribute contracts among several financial institutions to reduce the concentration of credit risk. We did not have credit risk-related contingent features in our derivative instruments as of February 1, 2026, or August 3, 2025.

We are also exposed to credit risk from our customers. During 2025, our largest customer accounted for approximately 21% of our consolidated net sales. Our five largest customers accounted for approximately 47% of our consolidated net sales in 2025.

We closely monitor credit risk associated with counterparties and customers.

***Foreign Currency Exchange Risk***

We are exposed to foreign currency exchange risk, primarily the Canadian dollar and Euro, related to intercompany transactions and third-party transactions. We utilize foreign exchange forward and option contracts to hedge these exposures. The contracts are either designated as cash-flow hedging instruments or are undesignated. We hedge portions of our forecasted foreign currency transaction exposure with foreign exchange forward contracts for periods typically up to 18 months. The notional amount of foreign exchange forward contracts accounted for as cash-flow hedges was $192 million as of February 1, 2026, and $183 million as of August 3, 2025. Changes in the fair value on the portion of the derivative included in the assessment of hedge effectiveness of cash-flow hedges are recorded in other comprehensive income (loss), until earnings are affected by the variability of cash flows. For derivatives that are designated and qualify as hedging instruments, the initial fair value of hedge components excluded from the assessment of effectiveness is recognized in earnings under a systematic and rational method over the life of the hedging instrument and is presented in the same statement of earnings line item as the earnings effect of the hedged item. Any difference between the change in the fair value of the hedge components excluded from the assessment of effectiveness and the amounts recognized in earnings is recorded as a component of other comprehensive income (loss). The notional amount of foreign exchange forward and option contracts that are not designated as accounting hedges was $167 million as of February 1, 2026, and $413 million as of August 3, 2025.

***Interest Rate Risk***

We manage our exposure to changes in interest rates by optimizing the use of variable-rate and fixed-rate debt. From time to time, we may use interest rate swaps in order to maintain our variable-to-total debt ratio within targeted guidelines.

We manage our exposure to interest volatility on future debt issuances by entering into forward starting interest rate swaps or treasury lock contracts to hedge the rate on the interest payments related to the anticipated debt issuance. The forward starting interest rate swaps or treasury lock contracts are either designated as cash-flow hedging instruments or are undesignated. Changes in the fair value on the portion of the derivative included in the assessment of hedge effectiveness of cash-flow hedges are recorded in other comprehensive income (loss), and reclassified into Interest expense over the life of the debt issued. The change in fair value on undesignated instruments is recorded in Interest expense. In conjunction with the issuance of senior unsecured notes on October 2, 2024, due on March 23, 2035, we settled forward starting interest rate swaps with a notional amount of $700 million at a gain of less than $1 million. The gain on these instruments was recorded in other comprehensive income (loss) and will be recognized in Interest expense over the life of the debt. There were no forward starting interest rate swaps or treasury lock contracts outstanding as of February 1, 2026 and August 3, 2025.

In the second quarter of 2026, we entered into fixed-to-floating interest rate swaps to hedge changes in the fair value of a portion of our previously issued senior unsecured notes attributable to the change in the benchmark interest rate. The notional amount of fixed-to-floating interest rate swaps was $600 million as of February 1, 2026. The instruments effectively convert a portion of our $800 million 4.75% Notes due March 23, 2035 from fixed-rate to variable-rate debt with interest based on SOFR plus a margin. The fixed-to-floating interest rate swaps are designated as fair-value hedges. Changes in the fair value of these instruments are recorded in Interest expense along with the offsetting changes in the fair value of the related hedged portion of long-term debt. There were no fixed-to-floating interest rate swaps outstanding as of August 3, 2025.

***Commodity Price Risk***

We principally use a combination of purchase orders and various short- and long-term supply arrangements in connection with the purchase of raw materials, including certain commodities and agricultural products. We also enter into commodity futures, options and swap contracts to reduce the volatility of price fluctuations of wheat, diesel fuel, natural gas, soybean oil, cocoa, aluminum, soybean meal and corn. Commodity futures, options and swap contracts are either designated as cash-flow hedging instruments or are undesignated. We hedge a portion of commodity requirements for periods typically up to 18 months. There were no commodity contracts designated as cash-flow hedges as of February 1, 2026, or August 3, 2025. The notional amount of commodity contracts not designated as accounting hedges was $156 million as of February 1, 2026, and $184 million as of August 3, 2025. The change in fair value on undesignated instruments is recorded in Cost of products sold.

We have a supply contract under which prices for certain raw materials are established based on anticipated volume requirements over a twelve-month period. Certain prices under the contract are based in part on certain component parts of the raw materials that are in excess of our needs or not required for our operations, thereby creating an embedded derivative requiring bifurcation. We net settle amounts due under the contract with our counterparty. The notional amount was $79 million as of February 1, 2026, and $49 million as of August 3, 2025. The change in fair value on the embedded derivative is recorded in Cost of products sold.

***Deferred Compensation Obligation Price Risk***

We enter into swap contracts which hedge a portion of exposures relating to the total return of certain deferred compensation obligations. These contracts are not designated as hedges for accounting purposes. Unrealized gains (losses) and settlements are included in Administrative expenses in the Consolidated Statements of Earnings. We enter into these contracts for periods typically not exceeding 12 months. The notional amounts of the contracts were $76 million as of February 1, 2026, and August 3, 2025.

The following tables summarize the fair value of derivative instruments on a gross basis as recorded in the Consolidated Balance Sheets:

| (Millions) | Balance Sheet Classification | February 1, 2026 | August 3, 2025 |
|---|---|---|---|
| **Asset Derivatives** | | | |
| Derivatives not designated as hedges: | | | |
| Commodity contracts | Other current assets | **$ 23** | $ 12 |
| Deferred compensation contracts | Other current assets | **3** | 1 |
| Foreign exchange contracts | Other current assets | **2** | 2 |
| Total derivatives not designated as hedges | | **$ 28** | $ 15 |
| Total asset derivatives | | **$ 28** | $ 15 |

| (Millions) | Balance Sheet Classification | February 1, 2026 | August 3, 2025 |
|---|---|---|---|
| **Liability Derivatives** | | | |
| Derivatives designated as hedges: | | | |
| Foreign exchange contracts | Accrued liabilities | **$ 2** | $ 3 |
| Fixed-to-floating interest rate swaps | Other liabilities | **6** | — |
| Total derivatives designated as hedges | | **$ 8** | $ 3 |
| Derivatives not designated as hedges: | | | |
| Commodity contracts | Accrued liabilities | **$ 8** | $ 11 |
| Foreign exchange contracts | Accrued liabilities | **1** | — |
| Total derivatives not designated as hedges | | **$ 9** | $ 11 |
| Total liability derivatives | | **$ 17** | $ 14 |

We do not offset the fair values of derivative assets and liabilities executed with the same counterparty that are generally subject to enforceable netting agreements. However, if we were to offset and record the asset and liability balances of derivatives on a net basis, the amounts presented in the Consolidated Balance Sheets as of February 1, 2026, and August 3, 2025, would be adjusted as detailed in the following table:

| | February 1, 2026 | | | August 3, 2025 | | |
|---|---|---|---|---|---|---|
| (Millions) | Gross Amounts Presented in the Consolidated Balance Sheet | Gross Amounts Not Offset in the Consolidated Balance Sheet Subject to Netting Agreements | Net Amount | Gross Amounts Presented in the Consolidated Balance Sheet | Gross Amounts Not Offset in the Consolidated Balance Sheet Subject to Netting Agreements | Net Amount |
| Total asset derivatives | **$ 28** | **$ (9)** | **$ 19** | $ 15 | $ (5) | $ 10 |
| Total liability derivatives | **$ 17** | **$ (9)** | **$ 8** | $ 14 | $ (5) | $ 9 |

We are required to maintain cash margin accounts in connection with funding the settlement of open positions for exchange-traded commodity derivative instruments. A cash margin asset balance of $3 million at February 1, 2026, and a

liability balance of less than $1 million at August 3, 2025, were included in Other current assets and Accrued liabilities, respectively, in the Consolidated Balance Sheets.

The following tables show the effect of our derivative instruments designated as cash-flow hedges in other comprehensive income (loss) (OCI) and the Consolidated Statements of Earnings:

| | | Total Cash-flow Hedge OCI Activity | |
|---|---|---|---|
| **(Millions)** | | **February 1, 2026** | **January 26, 2025** |
| **Three Months Ended** | | | |
| OCI derivative gain (loss) at beginning of quarter | | **$ (10)** | $ (10) |
| Effective portion of changes in fair value recognized in OCI: | | | |
| Foreign exchange contracts | | **(4)** | 3 |
| Amount of loss (gain) reclassified from OCI to earnings: | **Location in Earnings** | | |
| Foreign exchange contracts | Cost of products sold | **1** | (1) |
| Forward starting interest rate swaps | Interest expense | **1** | — |
| OCI derivative gain (loss) at end of quarter | | **$ (12)** | $ (8) |
| | | | |
| **Six Months Ended** | | | |
| OCI derivative gain (loss) at beginning of year | | **$ (14)** | $ (11) |
| Effective portion of changes in fair value recognized in OCI: | | | |
| Foreign exchange contracts | | **(1)** | 3 |
| Amount of loss (gain) reclassified from OCI to earnings: | **Location in Earnings** | | |
| Foreign exchange contracts | Cost of products sold | **2** | (1) |
| Forward starting interest rate swaps | Interest expense | **1** | 1 |
| OCI derivative gain (loss) at end of quarter | | **$ (12)** | $ (8) |

Based on current valuations, the amount expected to be reclassified from OCI into earnings within the next 12 months is a loss of $6 million.

The following tables show the total amounts of line items presented in the Consolidated Statements of Earnings in which the effects of derivative instruments designated as cash-flow and fair-value hedges are recorded and the total effect of hedge activity on these line items:

| | Three Months Ended | | | |
|---|---|---|---|---|
| | February 1, 2026 | | January 26, 2025 | |
| (Millions) | Cost of products sold | Interest expense | Cost of products sold | Interest expense |
| Consolidated Statements of Earnings | **$ 1,847** | **$ 82** | $ 1,866 | $ 88 |
| Loss (gain) on cash-flow hedges: | | | | |
| Amount of loss (gain) reclassified from OCI to earnings | **$ 1** | **$ 1** | $ (1) | $ — |
| Loss (gain) on fair-value hedges: | | | | |
| Amount of loss (gain) recognized on hedged item in earnings | **$ —** | **$ (6)** | $ — | $ — |
| Amount of loss (gain) on derivative recognized in earnings | **$ —** | **$ 6** | $ — | $ — |

| | Six Months Ended | | | |
|---|---|---|---|---|
| | February 1, 2026 | | January 26, 2025 | |
| (Millions) | Cost of products sold | Interest expense | Cost of products sold | Interest expense |
| Consolidated Statements of Earnings | **$ 3,732** | **$ 163** | $ 3,771 | $ 175 |
| Loss (gain) on cash-flow hedges: | | | | |
| Amount of loss (gain) reclassified from OCI to earnings | **$ 2** | **$ 1** | $ (1) | $ 1 |
| Loss (gain) on fair-value hedges: | | | | |
| Amount of loss (gain) recognized on hedged item in earnings | **$ —** | **$ (6)** | $ — | $ — |
| Amount of loss (gain) on derivative recognized in earnings | **$ —** | **$ 6** | $ — | $ — |

The amount excluded from effectiveness testing recognized in each line item of earnings using an amortization approach was not material in all periods presented.

The following table shows the location of the amounts recorded in the Consolidated Balance Sheets related to the cumulative fair value basis adjustments for fair-value hedges:

| | Carrying Amount of Hedged Liabilities | | Cumulative Amount of Fair-value Hedging Loss (Gain) Included in the Carrying Amount | |
|---|---|---|---|---|
| (Millions) | February 1, 2026 | August 3, 2025 | February 1, 2026 | August 3, 2025 |
| **Balance Sheet Classification:** | | | | |
| Long-term debt | **$ 587** | $ — | **$ (6)** | $ — |

The following table shows the effects of our derivative instruments not designated as hedges in the Consolidated Statements of Earnings:

| | | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|---|
| (Millions) | Location of Loss (Gain) Recognized in Earnings | February 1, 2026 | January 26, 2025 | February 1, 2026 | January 26, 2025 |
| Foreign exchange contracts | Cost of products sold | **$ 2** | $ (1) | **$ 2** | $ (1) |
| Commodity contracts | Cost of products sold | **(16)** | (14) | **(12)** | (18) |
| Deferred compensation contracts | Administrative expenses | **(2)** | (3) | **(8)** | (6) |
| Total | | **$ (16)** | $ (18) | **$ (18)** | $ (25) |

**14. Fair Value Measurements**

We categorize financial assets and liabilities based on the following fair value hierarchy:

- Level 1: Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability through corroboration with observable market data.
- Level 3: Unobservable inputs, which are valued based on our estimates of assumptions that market participants would use in pricing the asset or liability.

Fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. When available, we use unadjusted quoted market prices to measure the fair value and classify such items as Level 1. If quoted market prices are not available, we base fair value upon internally developed models that use current market-based or independently sourced market parameters such as interest rates and currency rates. Included in the fair value of derivative instruments is an adjustment for credit and nonperformance risk.

***Assets and Liabilities Measured at Fair Value on a Recurring Basis***

The following tables present our financial assets and liabilities that are measured at fair value on a recurring basis consistent with the fair value hierarchy:

| (Millions) | Fair Value as of February 1, 2026 | Fair Value Measurements at February 1, 2026 Using Fair Value Hierarchy | | | Fair Value as of August 3, 2025 | Fair Value Measurements at August 3, 2025 Using Fair Value Hierarchy | | |
|---|---|---|---|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 | | Level 1 | Level 2 | Level 3 |
| Assets | | | | | | | | |
| Foreign exchange contracts[1] | **$ 2** | **$ —** | **$ 2** | **$ —** | $ 2 | $ — | $ 2 | $ — |
| Commodity derivative contracts[2] | **23** | **—** | **13** | **10** | 12 | 1 | 8 | 3 |
| Deferred compensation derivative contracts[3] | **3** | **—** | **3** | **—** | 1 | — | 1 | — |
| Deferred compensation investments[4] | **1** | **1** | **—** | **—** | 1 | 1 | — | — |
| Total assets at fair value | **$ 29** | **$ 1** | **$ 18** | **$ 10** | $ 16 | $ 2 | $ 11 | $ 3 |

| (Millions) | Fair Value as of February 1, 2026 | Fair Value Measurements at February 1, 2026 Using Fair Value Hierarchy | | | Fair Value as of August 3, 2025 | Fair Value Measurements at August 3, 2025 Using Fair Value Hierarchy | | |
|---|---|---|---|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 | | Level 1 | Level 2 | Level 3 |
| Liabilities | | | | | | | | |
| Foreign exchange contracts[1] | **$ 3** | **$ —** | **$ 3** | **$ —** | $ 3 | $ — | $ 3 | $ — |
| Commodity derivative contracts[2] | **8** | **2** | **4** | **2** | 11 | — | 7 | 4 |
| Deferred compensation obligation[4] | **113** | **113** | **—** | **—** | 102 | 102 | — | — |
| Fixed-to-floating interest rate swaps[5] | **6** | **—** | **6** | **—** | — | — | — | — |
| Total liabilities at fair value | **$ 130** | **$ 115** | **$ 13** | **$ 2** | $ 116 | $ 102 | $ 10 | $ 4 |

(1) Based on observable market transactions of spot currency rates and forward rates.
(2) Level 1 and 2 are based on quoted futures exchanges and on observable prices of futures and options transactions in the marketplace. Level 3 is based on unobservable inputs in which there is little or no market data, which requires management's own assumptions within an internally developed model.
(3) Based on observable equity and fixed income index swap rates.

(4) Based on the fair value of the participants' investments.
(5) Based on observable SOFR swap rates.

The following table summarizes the changes in fair value of Level 3 assets and liabilities:

| | Six Months Ended | |
|---|---|---|
| **(Millions)** | **February 1, 2026** | **January 26, 2025** |
| Fair value at beginning of year | **$ (1)** | $ 5 |
| Gains (losses) | **5** | 2 |
| Settlements | **4** | (5) |
| Fair value at end of quarter | **$ 8** | $ 2 |

***Fair Value of Financial Instruments***

The carrying values of cash and cash equivalents, accounts receivable and accounts payable approximate fair value. Cash equivalents represent fair value as these highly liquid investments have an original maturity of three months or less. There were $83 million of cash equivalents with fair value based on Level 2 inputs at February 1, 2026. There were no cash equivalents with fair value based on Level 2 inputs at August 3, 2025.

The fair value of short- and long-term debt was $6.751 billion at February 1, 2026, and $6.545 billion at August 3, 2025. The carrying value was $7.075 billion at February 1, 2026, and $6.857 billion at August 3, 2025. The fair value of long-term debt is principally estimated using Level 2 inputs based on quoted market prices or pricing models using current market rates.

**15. Share Repurchases**

In September 2021, the Board approved a strategic share repurchase program of up to $500 million (September 2021 program). The September 2021 program has no expiration date, but it may be suspended or discontinued at any time. Repurchases under the September 2021 program may be made in open-market or privately negotiated transactions.

In September 2024, the Board authorized an anti-dilutive share repurchase program of up to $250 million (September 2024 program) to offset the impact of dilution from shares issued under our stock compensation programs. The September 2024 program has no expiration date, but it may be suspended or discontinued at any time. Repurchases under the September 2024 program may be made in open-market or privately negotiated transactions. The September 2024 program replaced an anti-dilutive share repurchase program of up to $250 million that was approved by the Board in June 2021 and has been terminated.

During the six-month periods ended February 1, 2026 and January 26, 2025, we repurchased 805 thousand shares at a cost of $26 million and 1.134 million shares at a cost of $56 million, respectively, pursuant to our anti-dilutive share repurchase programs. As of February 1, 2026, approximately $172 million remained available under the September 2024 program and approximately $301 million remained available under the September 2021 program.

**16. Stock-based Compensation**

We provide compensation benefits by issuing stock options, unrestricted stock, and restricted stock units (including time-lapse restricted stock units, performance restricted stock units subject to a relative total shareholder return (TSR) modifier, performance restricted stock units and TSR performance restricted stock units. In 2026, we issued time-lapse restricted stock units, unrestricted stock, and performance restricted stock units subject to a TSR modifier. We last issued TSR performance restricted stock units and performance restricted stock units in 2025 and stock options in 2019.

In connection with the Sovos Brands acquisition, in the third quarter of 2024, we issued time-lapse restricted stock units (Replacement units) in exchange for certain Sovos Brands restricted stock units and performance restricted stock units. The Replacement units were subject to the same terms and conditions of the original Sovos Brands restricted stock units and performance restricted stock units. Certain Replacement units were subject to accelerated vesting.

In determining stock-based compensation expense, we estimate forfeitures expected to occur. Total pre-tax stock-based compensation expense and tax-related benefits recognized in the Consolidated Statements of Earnings were as follows:

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| **(Millions)** | **February 1, 2026** | **January 26, 2025** | **February 1, 2026** | **January 26, 2025** |
| Total pre-tax stock-based compensation expense | **$ 20** | $ 17 | **$ 33** | $ 36 |
| Tax-related benefits | **$ 4** | $ 4 | **$ 3** | $ 10 |

The following table summarizes stock option activity:

| | Options | Weighted-Average Exercise Price | Weighted-Average Remaining Contractual Life | Aggregate Intrinsic Value |
|---|---|---|---|---|
| | (In thousands) | | (In years) | (Millions) |
| Outstanding at August 3, 2025 | 779 | $ 45.33 | | |
| Granted | — | $ — | | |
| Exercised | — | $ — | | |
| Terminated | (71) | $ 50.21 | | |
| Outstanding at February 1, 2026 | 708 | $ 44.84 | 1.8 | $ — |
| Exercisable at February 1, 2026 | 708 | $ 44.84 | 1.8 | $ — |

No options were exercised during the six-month period ended January 26, 2025. We measured the fair value of stock options using the Black-Scholes option pricing model.

We expensed stock options on a straight-line basis over the vesting period, except for awards issued to retirement eligible participants, which we expensed on an accelerated basis. As of January 2022, compensation related to stock options was fully expensed.

The following table summarizes time-lapse restricted stock units and performance restricted stock units activity:

| | Units | Weighted-Average Grant-Date Fair Value |
|---|---|---|
| | (In thousands) | |
| Nonvested at August 3, 2025 | 2,935 | $ 44.98 |
| Granted | 1,860 | $ 31.81 |
| Vested | (1,077) | $ 45.12 |
| Forfeited | (327) | $ 43.48 |
| Nonvested at February 1, 2026 | 3,391 | $ 37.85 |

We determine the fair value of time-lapse restricted stock units based on the quoted price of our stock at the date of grant. We expense time-lapse restricted stock units on a straight-line basis over the vesting period, except for awards issued to retirement-eligible participants and certain Replacement units, which we expense on an accelerated basis.

In 2022 through 2025, we granted performance restricted stock units that will be earned upon the achievement of our EPS compound annual growth rate goal, measured over a three-year period. The actual number of the performance restricted stock units issued at the vesting date could range from 0% to 200% of the initial grant depending on performance achieved. The fair value of the performance restricted stock units was based upon the quoted price of our stock at the date of grant. We expense performance restricted stock units on a straight-line basis over the service period, except for awards issued to retirement-eligible participants, which we expense on an accelerated basis. We estimate expense based on the number of awards expected to vest. In the first quarter of 2026, recipients of the performance restricted stock units earned 48% of the initial grants based upon performance achieved during a three-year period ended August 3, 2025. In the first quarter of 2025, recipients of the performance restricted stock units earned 100% of the initial grants based upon performance achieved during a three-year period ended July 28, 2024. There were 528 thousand of the performance target grants outstanding at February 1, 2026, with a weighted-average grant-date fair value of $44.30.

As of February 1, 2026, total remaining unearned compensation related to nonvested time-lapse restricted stock units and performance restricted stock units was $62 million, which will be amortized over the weighted-average remaining service period of 2.0 years. The fair value of time-lapse and performance restricted stock units vested during the six-month periods ended February 1, 2026, and January 26, 2025, was $33 million and $63 million, respectively. The weighted-average grant-date fair value of the time-lapse and performance restricted stock units granted during the six-month period ended January 26, 2025 was $48.34.

The following table summarizes performance restricted stock units subject to a TSR modifier and TSR performance restricted stock units activity:

| | Units | Weighted-Average Grant-Date Fair Value |
|---|---|---|
| | (In thousands) | |
| Nonvested at August 3, 2025 | 809 | $ 47.20 |
| Granted | 1,096 | $ 34.12 |
| Vested | (117) | $ 53.74 |
| Forfeited | (219) | $ 47.07 |
| Nonvested at February 1, 2026 | 1,569 | $ 37.59 |

We estimated the fair value of performance restricted stock units subject to a TSR modifier and TSR performance restricted stock units at the grant date using a Monte Carlo simulation.

Weighted-average assumptions used in the Monte Carlo simulation for grants were as follows:

| | Six Months Ended | |
|---|---|---|
| | February 1, 2026 | January 26, 2025 |
| Risk-free interest rate | **3.68%** | 3.52% |
| Expected dividend yield | **4.77%** | 3.01% |
| Expected volatility | **23.70%** | 22.46% |
| Expected term | **3 years** | 3 years |

In 2026, we granted performance restricted stock units that will be earned upon the achievement of our annual EPS and organic net sales growth rate goals during a three-year period subject to a relative TSR modifier. The number of units earned based upon the achievement of each growth rate goal may be further increased or reduced based upon our TSR ranking during a three-year period compared to the respective TSR of companies in a performance peer group. The actual number of performance restricted stock units subject to a TSR modifier ultimately issued at the vesting date could range from 0% to 250% of the initial grant depending on performance achieved.

We expense performance restricted stock units subject to a TSR modifier and TSR performance restricted stock units on a straight-line basis over the service period, except for awards issued to retirement eligible participants, which we expense on an accelerated basis. As of February 1, 2026, total remaining unearned compensation related to performance restricted stock units subject to a TSR modifier and TSR performance restricted stock units was $27 million, which will be amortized over the weighted-average remaining service period of 2.1 years. In the first quarter of 2026, recipients of TSR performance restricted stock units earned 50% of the initial grants based upon our TSR ranking in a performance peer group during a three-year period ended August 1, 2025. In the first quarter of 2025, recipients of TSR performance restricted stock units earned 175% of the initial grants based upon our TSR ranking in a performance peer group during a three-year period ended July 26, 2024. As a result, approximately 199 thousand additional shares were awarded. The fair value of TSR performance restricted stock units vested during the six-month periods ended February 1, 2026, and January 26, 2025, was $4 million and $23 million, respectively. The grant-date fair value of the TSR performance restricted stock units granted during the six-month period ended January 26, 2025, was $47.33.

**17. Commitments and Contingencies**

*Regulatory and Litigation Matters*

We are involved in various pending or threatened legal or regulatory proceedings, including purported class actions, arising from the conduct of business both in the ordinary course and otherwise. Modern pleading practice in the U.S. permits considerable variation in the assertion of monetary damages or other relief. Jurisdictions may permit claimants not to specify the monetary damages sought or may permit claimants to state only that the amount sought is sufficient to invoke the jurisdiction of the trial court. In addition, jurisdictions may permit plaintiffs to allege monetary damages in amounts well exceeding reasonably possible verdicts in the jurisdiction for similar matters. This variability in pleadings, together with our actual experiences in litigating or resolving through settlement numerous claims over an extended period of time, demonstrates to us that the monetary relief which may be specified in a lawsuit or claim bears little relevance to its merits or disposition value.

Due to the unpredictable nature of litigation, the outcome of a litigation matter and the amount or range of potential loss at particular points in time is normally difficult to ascertain. Uncertainties can include how fact finders will evaluate documentary

evidence and the credibility and effectiveness of witness testimony, and how trial and appellate courts will apply the law in the context of the pleadings or evidence presented, whether by motion practice, or at trial or on appeal. Disposition valuations are also subject to the uncertainty of how opposing parties and their counsel will themselves view the relevant evidence and applicable law.

On March 20, 2024, the United States Department of Justice (DOJ), on behalf of the U.S. Environmental Protection Agency, and National Education Law Center, on behalf of Environment America and Lake Erie Waterkeeper, filed lawsuits in the United States District Court for the Northern District of Ohio – Western Division concerning alleged violations of the Clean Water Act relating to alleged contaminant discharges from our Napoleon, Ohio wastewater treatment facility in excess of the facility's Clean Water Act permit limits. We have and are continuing to take actions to remediate the exceedances and are in settlement discussions with the DOJ and the private environmental groups while litigation proceedings are ongoing. While we cannot predict with certainty the amount of any civil penalty or the timing of the resolution of this matter, we do not expect that the ultimate costs to resolve this matter will have a material adverse effect on our financial condition, results of operations, or cash flows.

We establish liabilities for litigation and regulatory loss contingencies when information related to the loss contingencies shows both that it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. It is possible that some matters could require us to pay damages or make other expenditures or establish accruals in amounts that could not be reasonably estimated as of February 1, 2026. While the potential future charges could be material in a particular quarter or annual period, based on information currently known by us, we do not believe any such charges are likely to have a material adverse effect on our consolidated results of operations or financial condition.

*Other Contingencies*

We have provided certain indemnifications in connection with divestitures, contracts and other transactions. Certain indemnifications have finite expiration dates. Liabilities recognized based on known exposures related to such matters were not material at February 1, 2026.

**18. Supplier Finance Program Obligations**

To manage our cash flow and related liquidity, we work with our suppliers to optimize our terms and conditions, including the extension of payment terms. Our current payment terms with our suppliers, which we deem to be commercially reasonable, generally range from 0 to 120 days. We also maintain agreements with third-party administrators that allow participating suppliers to track payment obligations from us, and, at the sole discretion of the supplier, sell those payment obligations to participating financial institutions. Our obligations to our suppliers, including amounts due and scheduled payment terms, are not impacted. Supplier participation in these agreements is voluntary. We have no economic interest in a supplier's decision to enter into these agreements and no direct financial relationship with the financial institutions regarding these transactions. We have not pledged assets as security or provided any guarantees in connection with these arrangements. The payment of these obligations is included in cash provided by operating activities in the Consolidated Statements of Cash Flows. Our outstanding obligations confirmed as valid under these programs, which are included in Accounts payable on the Consolidated Balance Sheets, were $254 million at February 1, 2026 and $240 million at August 3, 2025.

**19. Supplemental Financial Statement Data**

| (Millions) | February 1, 2026 | August 3, 2025 |
|---|---|---|
| ***Balance Sheets*** | | |
| Inventories | | |
| Raw materials, containers and supplies | **$ 464** | $ 407 |
| Finished products | **896** | 1,017 |
| | **$ 1,360** | $ 1,424 |

| (Millions) | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | February 1, 2026 | January 26, 2025 | February 1, 2026 | January 26, 2025 |
| ***Statements of Earnings*** | | | | |
| Other expenses / (income) | | | | |
| Impairment of intangible assets[1] | **$ —** | $ 26 | **$ —** | $ 26 |
| Amortization of intangible assets[2] | **10** | 19 | **21** | 39 |
| Net periodic benefit expense (income) other than the service cost | **(4)** | (3) | **(8)** | (4) |
| Costs associated with acquisition[3] | **—** | — | **2** | — |
| Loss on sale of business[4] | **—** | — | **—** | 25 |
| Transition services fees | — | (1) | — | (2) |
| Other | **1** | — | **1** | — |
| | **$ 7** | $ 41 | **$ 16** | $ 84 |

(1) In the second quarter of 2025, we recognized an impairment charge of $15 million on our Allied brands trademarks and an impairment charge of $11 million on our *Late July* trademark.

(2) Includes accelerated amortization expense related to customer relationship intangible assets of $7 million and $14 million in the three- and six-month periods ended January 26, 2025.

(3) See Note 3 for additional information.

(4) See Note 4 for additional information.

**Item 2.** ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

**OVERVIEW**

This Management's Discussion and Analysis of Financial Condition and Results of Operations is provided as a supplement to, and should be read in conjunction with, the Consolidated Financial Statements and the Notes to the Consolidated Financial Statements in "Part I - Item 1. Financial Statements," and our Form 10-K for the year ended August 3, 2025, including but not limited to "Part I - Item 1A. Risk Factors" and "Part II - Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations."

***Executive Summary***

Unless otherwise stated, the terms "we," "us," "our" and the "company" refer to The Campbell's Company and its consolidated subsidiaries.

We are a manufacturer and marketer of high-quality, branded food and beverage products. We operate in a highly competitive industry and experience competition in all of our categories.

On August 26, 2024, we completed the sale of our Pop Secret popcorn business. On February 24, 2025, we completed the sale of our noosa yoghurt business. For additional information on the divestitures, see Note 4 to the Consolidated Financial Statements.

Through the fourth quarter of 2025, the snacking and meals and beverages retail business in Latin America was managed under our Snacks segment. Beginning in 2026, the business is managed under our Meals & Beverages segment. Segment results have been adjusted retrospectively to reflect this change.

*Recent Developments*

On December 8, 2025, we entered into purchase agreements to acquire 49% of the issued and outstanding equity interests of La Regina di San Marzano di Antonio Romano S.p.A. (La Regina SPA) and La Regina Atlantica, LLC (La Regina Atlantica, and together with La Regina SPA, La Regina). La Regina currently produces all of our *Rao's* tomato-based pasta sauces. The aggregate consideration for the transaction is $286 million to be paid in two tranches. The remaining 51% of the outstanding equity interests of La Regina are subject to a call option granted to us and a put option granted to La Regina. The transaction is subject to certain customary closing conditions. For additional information on this pending transaction, see our Form 8-K filed with the U.S. Securities and Exchange Commission on December 9, 2025, and Note 3 to the Consolidated Financial Statements.

*Business Trends*

Our industry continues to navigate a dynamic operating and regulatory environment driven by commodity cost volatility, supply chain pressures, tariffs and shifting global trade policies, evolving consumer purchasing and spending patterns and other economic uncertainties. Through the second quarter, we experienced elevated input cost inflation, impacts from tariffs and other supply chain costs. We anticipate continued supply chain productivity, benefits from cost savings initiatives and tariff mitigation efforts to offset some of these costs, and we expect inflationary pressures to moderate throughout 2026. We expect consumer trends to continue to evolve and our volumes to improve over time; however, shifting consumer behaviors may continue to negatively impact our volumes throughout 2026. On February 28, 2026, a military conflict commenced in the Middle East involving the United States, Israel and Iran. Although we have no operations in the Middle East, the ongoing geopolitical conflicts in the region could lead to significant disruption of energy supplies and increases in global energy prices, which could heighten inflationary pressures, disrupt global supply chains and adversely impact consumer spending patterns. We will continue to evaluate the evolving macroeconomic environment and take actions to mitigate the impact on our business, consolidated results of operations and financial condition.

***Summary of Results***

This Summary of Results provides significant highlights from the discussion and analysis that follows.

- Net sales decreased 5% in the quarter to $2.564 billion primarily due to unfavorable volume/mix and the impact of divestiture with neutral net price realization. Net sales were impacted by an approximate 1% headwind as a result of storm-related shipment delays in January.
- Gross profit, as a percent of sales, was 28.0% in 2026 compared to 30.5% in the prior-year quarter. The decrease was primarily due to the impact of cost inflation and other supply chain costs, the gross impact of tariffs and unfavorable volume/mix, partially offset by benefits from supply chain productivity improvements and favorable net price realization.
- Earnings per share were $.48 in 2026, compared to $.58 in the prior-year quarter. The current quarter included expenses of $.02 per share and the prior-year quarter included expenses of $.16 per share from items impacting comparability as discussed below.

***Net Earnings attributable to The Campbell's Company***

The following items impacted the comparability of net earnings and net earnings per share:

- We implemented several cost savings initiatives in recent years. In the second quarter of 2026, we recorded Restructuring charges of $3 million and implementation costs and other related costs of $9 million in Cost of products sold, $7 million in Administrative expenses, $2 million in Marketing and selling expenses and $1 million in Research and development expenses related to these initiatives. In the second quarter of 2025, we recorded Restructuring charges of $5 million and implementation costs and other related costs of $10 million in Cost of products sold, $8 million in Administrative expenses, $1 million in Marketing and selling expenses and $1 million in Research and development expenses related to these initiatives. Year-to-date in 2026, we recorded Restructuring charges of $6 million and implementation costs and other related costs of $16 million in Cost of products sold, $15 million in Administrative expenses, $2 million in Marketing and selling expenses and $1 million in Research and development expenses related to these initiatives. Year-to-date in 2025, we recorded Restructuring charges of $11 million and implementation costs and other related costs of $19 million in Administrative expenses, $18 million in Cost of products sold, $2 million in Marketing and selling expenses and $2 million in Research and development expenses related to these initiatives.

  In the second quarter of 2024, we began implementation of an optimization initiative to improve the effectiveness of our Snacks direct-store-delivery route-to-market network. In the second quarter of 2026, we recognized $2 million in Marketing and selling expenses related to this initiative. Year-to-date in 2026, we recognized $18 million in Marketing and selling expenses related to this initiative. Year-to-date in 2025, we recognized $8 million in Marketing and selling expenses related to this initiative.

  In the second quarter of 2026, the total aggregate impact related to the cost savings and optimization initiatives was $24 million ($18 million after tax, or $.06 per share). In the second quarter of 2025, the total aggregate impact related to the cost savings and optimization initiatives was $25 million ($19 million after tax, or $.06 per share). Year-to-date in 2026, the total aggregate impact related to the cost savings and optimization initiatives was $58 million ($44 million after tax, or $.15 per share). Year-to-date in 2025, the total aggregate impact related to the cost savings and optimization initiatives was $60 million ($46 million after tax, or $.15 per share). See Note 8 to the Consolidated Financial Statements and "Restructuring Charges, Cost Savings Initiatives and Other Optimization Initiatives" for additional information;
- In the second quarter of 2026, we recognized gains in Cost of products sold of $16 million ($12 million after tax, or $.04 per share) associated with unrealized mark-to-market adjustments on outstanding undesignated commodity hedges. In the second quarter of 2025, we recognized gains in Cost of products sold of $14 million ($10 million after tax, or $.03 per share) associated with unrealized mark-to-market adjustments on outstanding undesignated commodity hedges. Year-to-date in 2026, we recognized gains in Cost of products sold of $14 million ($10 million after tax, or $.03 per share) associated with unrealized mark-to-market adjustments on outstanding undesignated commodity hedges. Year-to-date in 2025, we recognized gains in Cost of products sold of $18 million ($13 million after tax, or $.04 per share) associated with unrealized mark-to-market adjustments on outstanding undesignated commodity hedges;
- In the second quarter of 2026, we recorded litigation expenses in Administrative expenses of $1 million ($1 million after tax) related to the Plum baby food and snacks business (Plum), which was divested on May 3, 2021, and certain other litigation matters. In the second quarter of 2025, we recorded litigation expenses in Administrative expenses of $1 million ($1 million after tax) related to Plum and certain other litigation matters. Year-to-date in 2026, we recorded litigation expenses in Administrative expenses of $11 million ($8 million after tax, or $.03 per share) related to Plum and certain other litigation matters. Year-to-date in 2025, we recorded litigation expenses in Administrative expenses of $2 million ($2 million after tax, or $.01 per share) related to Plum and certain other litigation matters;
- In the second quarter of 2026, we entered into purchase agreements to acquire 49% of the issued and outstanding equity interests of La Regina. The acquisition is subject to certain customary conditions. Year-to-date in 2026, we recognized costs associated with the pending acquisition in Other expenses / (income) of $2 million ($2 million after tax, or $.01 per share);
- Year-to-date in 2026 and 2025, we recognized insurance recoveries in Administrative expenses of $1 million ($1 million after tax) related to a cybersecurity incident that was identified in the fourth quarter of 2023;
- In the second quarter of 2025, we performed an interim impairment assessment on certain salty snacks and cookie trademarks within our Snacks segment, including *Tom's*, *Jays*, *Kruncher's*, *O-Ke-Doke*, *Stella D'oro* and *Archway*, collectively referred to as our "Allied brands," and recognized an impairment charge of $15 million on the trademarks.

In the second quarter of 2025, we performed an interim impairment assessment on the *Late July* trademark within our Snacks segment and recognized an impairment charge of $11 million on the trademark.

In the second quarter of 2025, the total aggregate impact of the impairment charges was $26 million ($19 million after tax, or $.06 per share).

The charges were included in Other expenses / (income);

- In the second quarter of 2025, we recorded $15 million ($.05 per share) of deferred tax expense related to the sale of the noosa yoghurt business, which was completed on February 24, 2025. In the first quarter of 2025, we recorded a loss in Other expenses / (income) of $25 million ($19 million after tax, or $.06 per share) on the sale of our Pop Secret popcorn business. Year-to-date in 2025, the total aggregate impact of charges associated with divestitures was $25 million ($34 million after tax, or $.11 per share);
- In the second quarter of 2025, we recorded accelerated amortization expense in Other expenses / (income) of $7 million ($5 million after tax, or $.02 per share) related to customer relationship intangible assets due to the loss of certain contract manufacturing customers, which began in the fourth quarter of 2023. Year-to-date in 2025, we recorded accelerated amortization expense in Other expenses / (income) of $14 million ($10 million after tax, or $.03 per share); and
- Year-to-date in 2025, we recognized an actuarial loss in Other expenses / (income) of $2 million ($1 million after tax) related to an interim remeasurement of our postretirement plan due to a plan amendment.

The items impacting comparability are summarized below:

| | Three Months Ended | | | |
|---|---|---|---|---|
| | February 1, 2026 | | January 26, 2025 | |
| **(Millions, except per share amounts)** | **Earnings Impact** | **EPS Impact** | **Earnings Impact** | **EPS Impact** |
| Net earnings attributable to The Campbell's Company | **$ 145** | **$ .48** | $ 173 | $ .58 |
| Costs associated with cost savings and optimization initiatives | **$ (18)** | **$ (.06)** | $ (19) | $ (.06) |
| Commodity mark-to-market gains | **12** | **.04** | 10 | .03 |
| Certain litigation expenses | **(1)** | **—** | (1) | — |
| Impairment charges | — | — | (19) | (.06) |
| Charges associated with divestitures | — | — | (15) | (.05) |
| Accelerated amortization | — | — | (5) | (.02) |
| Impact of items on Net earnings | **$ (7)** | **$ (.02)** | $ (49) | $ (.16) |

| | Six Months Ended | | | |
|---|---|---|---|---|
| | February 1, 2026 | | January 26, 2025 | |
| **(Millions, except per share amounts)** | **Earnings Impact** | **EPS Impact** | **Earnings Impact** | **EPS Impact** |
| Net earnings attributable to The Campbell's Company | **$ 339** | **$ 1.13** | $ 391 | $ 1.30 |
| Costs associated with cost savings and optimization initiatives | **$ (44)** | **$ (.15)** | $ (46) | $ (.15) |
| Commodity mark-to-market gains | **10** | **.03** | 13 | .04 |
| Certain litigation expenses | **(8)** | **(.03)** | (2) | (.01) |
| Costs associated with acquisition | **(2)** | **(.01)** | — | — |
| Cybersecurity incident recoveries | **1** | **—** | 1 | — |
| Impairment charges | — | — | (19) | (.06) |
| Charges associated with divestitures | — | — | (34) | (.11) |
| Accelerated amortization | — | — | (10) | (.03) |
| Postretirement actuarial losses | — | — | (1) | — |
| Impact of items on Net earnings[(1)] | **$ (43)** | **$ (.14)** | $ (98) | $ (.33) |

(1) Sum of the individual amounts may not add due to rounding.

Net earnings attributable to The Campbell's Company were $145 million ($.48 per share) in the current quarter, compared to $173 million ($.58 per share) in the year-ago quarter. After adjusting for items impacting comparability, earnings decreased primarily due to lower gross profit, partially offset by lower marketing and selling expenses and lower administrative expenses. The estimated net impact of tariffs was approximately $.06 per share in the current quarter. The estimated net impact of January storm-related shipment delays and incremental supply chain costs was approximately $.04 per share in the current quarter. The negative impact from the divestiture was approximately $.01 per share in the current quarter.

Net earnings attributable to The Campbell's Company were $339 million ($1.13 per share) in the six-month period this year, compared to $391 million ($1.30 per share) in the year-ago period. After adjusting for items impacting comparability, earnings decreased primarily due to lower gross profit, partially offset by lower administrative expenses and lower marketing and selling expenses. The estimated net impact of tariffs was approximately $.10 per share in the current period. The estimated net impact of January storm-related shipment delays and incremental supply chain costs was approximately $.04 per share in the current period. The negative impact from divestitures was approximately $.02 per share in the current period.

**SECOND-QUARTER DISCUSSION AND ANALYSIS**

***Sales***

An analysis of net sales by reportable segment follows:

| | Three Months Ended | | |
|---|---|---|---|
| **(Millions)** | **February 1, 2026** | **January 26, 2025** | **% Change** |
| Meals & Beverages | **$ 1,650** | $ 1,711 | (4) |
| Snacks | **914** | 974 | (6) |
| | **$ 2,564** | $ 2,685 | (5) |

An analysis of percent change of net sales by reportable segment follows:

| | **Meals & Beverages[2]** | **Snacks** | **Total** |
|---|---|---|---|
| Volume/mix | (2)% | (6)% | (4)% |
| Net price realization[1] | 1 | — | — |
| Divestitures | (2) | — | (1) |
| | (4)% | (6)% | (5)% |

(1) Includes revenue reductions from trade promotion and consumer coupon redemption programs.

(2) Sum of the individual amounts does not add due to rounding.

In Meals & Beverages, sales decreased 4%. Excluding the impact from the divestiture of the noosa yoghurt business, sales decreased primarily due to declines in U.S. soup, *Prego* pasta sauces, foodservice and *V8* beverages, partially offset by gains in *Rao's*. Unfavorable volume/mix was partially offset by favorable net price realization. Sales were impacted by an approximate 1% headwind as a result of storm-related shipment delays in January. Sales of U.S. soup decreased 4% with decreases in condensed soups, ready-to-serve soups and broth.

In Snacks, sales decreased 6% primarily due to declines in chips and pretzels, fresh bakery related to supply constraints, and third-party partner brands and contract manufacturing. Sales were impacted by volume/mix declines, with neutral net price realization.

***Gross Profit***

Gross profit, defined as Net sales less Cost of products sold, decreased by $102 million in 2026 from 2025. As a percent of sales, gross profit declined to 28.0% in 2026 from 30.5% in 2025, due in part to the negative impact of tariffs.

The 250 basis-point decrease in gross profit margin was due to the following factors:

| | Margin Impact |
|---|---|
| Cost inflation, supply chain costs and other factors[1] | **(500)** |
| Volume/mix[2] | **(80)** |
| Productivity improvements | **270** |
| Net price realization | **50** |
| Lower costs associated with cost savings initiatives | **10** |
| | **(250)** |

(1) Includes an estimated negative margin impact of 230 basis points from the gross impact of tariffs, partially offset by an estimated positive margin impact of 30 basis points from the benefit of cost savings initiatives and a positive margin impact of 10 basis points from the change in unrealized mark-to-market adjustments on outstanding undesignated commodity hedges.

(2) Includes the impact of operating leverage.

***Marketing and Selling Expenses***

Marketing and selling expenses as a percent of sales were 9.8% in 2026 compared to 9.5% in 2025. Marketing and selling expenses decreased 2% in 2026 from 2025. The decrease was primarily due to lower selling expenses (approximately 2 points) and increased benefits from cost savings initiatives (approximately 1 point), partially offset by higher costs associated with costs savings and optimization initiatives (approximately 1 point).

***Administrative Expenses***

Administrative expenses as a percent of sales were 6.2% in 2026 compared to 6.1% in 2025. Administrative expenses decreased 3% in 2026 from 2025. The decrease was primarily due to increased benefits from cost savings initiatives (approximately 5 points) and lower costs associated with cost savings initiatives (approximately 1 point), partially offset by higher benefit-related costs (approximately 2 points) and inflation (approximately 1 point).

***Other Expenses / (Income)***

Other expenses were $7 million in 2026 compared to $41 million in 2025. Other expenses in 2025 included impairment charges related to the Allied brands and *Late July* trademarks of $26 million and accelerated amortization expense of $7 million.

***Operating Earnings***

Segment operating earnings decreased 21% in 2026 from 2025.

An analysis of operating earnings by segment follows:

| | Three Months Ended | | |
|---|---|---|---|
| **(Millions)** | **February 1, 2026** | **January 26, 2025** | **% Change** |
| Meals & Beverages | **$ 252** | $ 296 | (15) |
| Snacks | **67** | 109 | (39) |
| | **319** | 405 | (21) |
| Corporate income (expense) | **(43)** | (73) | |
| Restructuring charges[1] | **(3)** | (5) | |
| Earnings before interest and taxes | **$ 273** | $ 327 | |

(1) See Note 8 to the Consolidated Financial Statements for additional information on restructuring charges.

Operating earnings from Meals & Beverages decreased 15%. The decrease was primarily due to lower gross profit and the impact of the divestiture, partially offset by lower marketing and selling expenses. Gross profit margin decreased primarily due to the gross impact of tariffs, cost inflation and other supply chain costs and unfavorable volume/mix, partially offset by supply chain productivity improvements, favorable net price realization and benefits from cost savings initiatives.

Operating earnings from Snacks decreased 39%. The decrease was primarily due to lower gross profit. Gross profit margin decreased primarily due to cost inflation and other supply chain costs, the gross impact of tariffs and unfavorable volume/mix, partially offset by supply chain productivity improvements and benefits from cost savings initiatives.

Corporate expense in 2026 included the following:

- costs of $21 million related to costs savings and optimization initiatives;
- $1 million of certain litigation expenses, including expenses related to Plum; and
- $16 million of unrealized mark-to-market gains on outstanding undesignated commodity hedges.

Corporate expense in 2025 included the following:

- $26 million of impairment charges related to the Allied brands and *Late July* trademarks;
- costs of $20 million related to cost savings and optimization initiatives;
- $7 million of accelerated amortization expense;
- $1 million of certain litigation expenses, including expenses related to Plum; and
- $14 million of unrealized mark-to-market gains on outstanding undesignated commodity hedges.

***Interest Expense***

Interest expense of $82 million in 2026 decreased from $88 million in 2025 primarily due to lower levels of debt.

***Taxes on Earnings***

The effective tax rate was 24.9% in 2026 and 30.0% in 2025. The decrease in the effective tax rate was primarily due to $15 million of deferred tax expense recognized related to the sale of the noosa yoghurt business in the prior year, partially offset by lower tax expense associated with stock-based compensation awards in the prior year.

**SIX-MONTH DISCUSSION AND ANALYSIS**

***Sales***

An analysis of net sales by reportable segment follows:

| | Six Months Ended | | |
|---|---|---|---|
| **(Millions)** | **February 1, 2026** | **January 26, 2025** | **% Change** |
| Meals & Beverages | **$ 3,315** | $ 3,450 | (4) |
| Snacks | **1,926** | 2,007 | (4) |
| | **$ 5,241** | $ 5,457 | (4) |

An analysis of percent change of net sales by reportable segment follows:

| | **Meals & Beverages[2]** | **Snacks** | **Total** |
|---|---|---|---|
| Volume/mix | (2)% | (5)% | (3)% |
| Net price realization[1] | 1 | 1 | 1 |
| Divestitures | (2) | — | (2) |
| | (4)% | (4)% | (4)% |

(1) Includes revenue reductions from trade promotion and consumer coupon redemption programs.

(2) Sum of the individual amounts does not add due to rounding.

In Meals & Beverages, sales decreased 4%. Excluding the impact from the divestiture of the noosa yoghurt business, sales decreased primarily due to declines in U.S. soup, *Prego* pasta sauces, Canada, *V8* beverages and *Pace* Mexican sauces, partially offset by gains in *Rao's*. Unfavorable volume/mix was partially offset by favorable net price realization. Sales were impacted by an approximate 1% headwind as a result of storm-related shipment delays in January. Sales of U.S. soup decreased 3% primarily due to decreases in ready-to-serve soups and condensed soups, partially offset by increases in broth.

In Snacks, sales decreased 4%. Excluding the impact from the divestiture of the Pop Secret popcorn business, sales decreased primarily due to declines in chips, third-party partner brands and contract manufacturing, fresh bakery related to supply constraints, and declines in crackers and pretzels, partially offset by gains in Pepperidge Farm cookies. Sales were impacted by volume/mix declines, partially offset by favorable net price realization.

***Gross Profit***

Gross profit, defined as Net sales less Cost of products sold, decreased by $177 million in 2026 from 2025. As a percent of sales, gross profit declined to 28.8% in 2026 from 30.9% in 2025, due in part to the negative impact of tariffs.

The 210 basis-point decrease in gross profit margin was due to the following factors:

| | Margin Impact |
|---|---|
| Cost inflation, supply chain costs and other factors[1] | **(520)** |
| Volume/mix[2] | **(30)** |
| Productivity improvements | **260** |
| Net price realization | **70** |
| Lower costs associated with cost savings initiatives | **10** |
| | **(210)** |

(1) Includes an estimated negative margin impact of 220 basis points from the gross impact of tariffs and a negative margin impact of 10 basis points from the change in unrealized mark-to-market adjustments on outstanding undesignated commodity hedges, partially offset by an estimated positive margin impact of 20 basis points from the benefit of cost savings initiatives.

(2) Includes the impact of operating leverage.

***Marketing and Selling Expenses***

Marketing and selling expenses as a percent of sales were 9.6% in 2026 compared to 9.3% in 2025. Marketing and selling expenses were comparable in 2026 and 2025. Lower selling expenses (approximately 2 points) and increased benefits from cost savings initiatives (approximately 1 point) were offset by higher costs associated with costs savings and optimization initiatives (approximately 2 points) and higher benefit-related costs (approximately 1 point).

***Administrative Expenses***

Administrative expenses as a percent of sales were 6.2% in 2026 and 2025. Administrative expenses decreased 4% in 2026 from 2025. The decrease was primarily due to increased benefits from cost savings initiatives (approximately 4 points); lower incentive compensation (approximately 2 points); and lower costs associated with cost savings initiatives (approximately 1 point), partially offset by higher certain litigation expenses (approximately 3 points).

***Other Expenses / (Income)***

Other expenses were $16 million in 2026 compared to $84 million in 2025. Other expenses in 2026 included costs associated with a pending acquisition of $2 million. Other expenses in 2025 included impairment charges related to the Allied brands and *Late July* trademarks of $26 million, a loss of $25 million on the sale of the Pop Secret popcorn business, accelerated amortization expense of $14 million and a postretirement actuarial loss of $2 million.

***Operating Earnings***

Segment operating earnings decreased 16% in 2026 from 2025.

An analysis of operating earnings by segment follows:

| | Six Months Ended | | |
|---|---|---|---|
| **(Millions)** | **February 1, 2026** | **January 26, 2025** | **% Change** |
| Meals & Beverages | **$ 549** | $ 639 | (14) |
| Snacks | **190** | 245 | (22) |
| | **739** | 884 | (16) |
| Corporate income (expense) | **(124)** | (179) | |
| Restructuring charges[1] | **(6)** | (11) | |
| Earnings before interest and taxes | **$ 609** | $ 694 | |

(1) See Note 8 to the Consolidated Financial Statements for additional information on restructuring charges.

Operating earnings from Meals & Beverages decreased 14%. The decrease was primarily due to lower gross profit and the impact of the divestiture. Gross profit margin decreased primarily due to the gross impact of tariffs, cost inflation and other supply chain costs and unfavorable volume/mix, partially offset by supply chain productivity improvements, favorable net price realization and benefits from cost savings initiatives.

Operating earnings from Snacks decreased 22%. The decrease was primarily due to lower gross profit. Gross profit margin decreased primarily due to cost inflation and other supply chain costs, the gross impact of tariffs and unfavorable volume/mix,

partially offset by supply chain productivity improvements, favorable net price realization and benefits from cost savings initiatives.

Corporate expense in 2026 included the following:

- costs of $52 million related to costs savings and optimization initiatives;
- $11 million of certain litigation expenses, including expenses related to Plum;
- $2 million of costs associated with a pending acquisition;
- $14 million of unrealized mark-to-market gains on outstanding undesignated commodity hedges; and
- $1 million of insurance recoveries related to a cybersecurity incident.

Corporate expense in 2025 included the following:

- costs of $49 million related to cost savings and optimization initiatives;
- $26 million of impairment charges related to the Allied brands and *Late July* trademarks;
- $25 million loss on the sale of the Pop Secret popcorn business;
- $14 million of accelerated amortization expense;
- $2 million postretirement actuarial loss;
- $2 million of certain litigation expenses, including expenses related to Plum;
- $18 million of unrealized mark-to-market gains on outstanding undesignated commodity hedges; and
- $1 million of insurance recoveries related to a cybersecurity incident.

***Interest Expense***

Interest expense of $163 million in 2026 decreased from $175 million in 2025 primarily due to lower levels of debt.

***Taxes on Earnings***

The effective tax rate was 24.5% in 2026 and 26.4% in 2025. The decrease in the effective tax rate was primarily due to $15 million of deferred tax expense related to the sale of the noosa yoghurt business in the prior year and the favorable resolution of certain state tax matters in the current year, partially offset by excess tax benefits in the prior year and shortfalls in the current year associated with the vesting of stock-based compensation awards.

***Restructuring Charges, Cost Savings Initiatives and Other Optimization Initiatives***

*2025 Cost Savings Initiatives*

On September 10, 2024, we announced plans to implement cost savings initiatives beginning in 2025, including initiatives to further optimize our supply chain and manufacturing network, optimization of our information technology infrastructure and targeted cost management. We also identified additional opportunities for cost synergies as we integrated Sovos Brands, Inc. (Sovos Brands). As of July 28, 2024, we substantially completed our previous multi-year cost savings initiatives and Snyder's-Lance, Inc. cost transformation program and integration and had identified initial opportunities for cost synergies as we integrated Sovos Brands. Certain initiatives from those programs have been incorporated into our 2025 cost savings initiatives. Cost estimates for the 2025 initiatives, as well as timing for certain activities, are continuing to be developed.

A summary of the pre-tax charges recorded in the Consolidated Statements of Earnings related to these initiatives is as follows:

| (Millions, except per share amounts) | Three Months Ended | | Six Months Ended | | Recognized as of February 1, 2026 |
|---|---|---|---|---|---|
| | February 1, 2026 | January 26, 2025 | February 1, 2026 | January 26, 2025 | |
| Restructuring charges | **$ 3** | $ 5 | **$ 6** | $ 11 | $ 30 |
| Administrative expenses | **7** | 8 | **15** | 19 | 56 |
| Cost of products sold | **9** | 10 | **16** | 18 | 48 |
| Marketing and selling expenses | **2** | 1 | **2** | 2 | 6 |
| Research and development expenses | **1** | 1 | **1** | 2 | 4 |
| Total pre-tax charges | **$ 22** | $ 25 | **$ 40** | $ 52 | $ 144 |
| | | | | | |
| Aggregate after-tax impact | **$ 16** | $ 19 | **$ 30** | $ 40 | |
| Per share impact | **$ .05** | $ .06 | **$ .10** | $ .13 | |

A summary of the cumulative pre-tax costs associated with the initiatives is as follows:

| (Millions) | Recognized as of February 1, 2026 |
|---|---|
| Severance pay and benefits | $ 29 |
| Asset impairment/accelerated depreciation | 42 |
| Implementation costs and other related costs | 73 |
| Total | $ 144 |

The total estimated pre-tax costs for actions that have been identified to date are approximately $245 million, and we expect to incur substantially all of the costs through 2028. These estimates will be updated as the detailed plans are developed.

We expect the costs for the actions that have been identified to date to consist of the following: approximately $35 million in severance pay and benefits; approximately $55 million in asset impairment and accelerated depreciation; and approximately $155 million in implementation costs and other related costs. We expect these pre-tax costs to be associated with our segments as follows: Meals & Beverages - approximately 56%; Snacks - approximately 23% and Corporate - approximately 21%.

Of the aggregate $245 million of pre-tax costs identified to date, we expect approximately $185 million will be cash expenditures. In addition, we expect to invest approximately $215 million in capital expenditures, of which we invested $187 million as of February 1, 2026. The capital expenditures primarily relate to optimization of production within our manufacturing network, optimization of information technology infrastructure and applications and implementation of our existing SAP enterprise-resource planning system for Sovos Brands.

We expect the initiatives, once all phases are implemented, to generate annual ongoing savings of approximately $375 million by the end of 2028. As of February 1, 2026, we have generated total program-to-date pre-tax savings of $180 million.

Segment operating results do not include restructuring charges, implementation costs and other related costs because we evaluate segment performance excluding such charges. A summary of the pre-tax costs associated with segments is as follows:

| | February 1, 2026 | | |
|---|---|---|---|
| (Millions) | Three Months Ended | Six Months Ended | Costs Incurred to Date |
| Meals & Beverages | $ 10 | $ 20 | $ 94 |
| Snacks | 7 | 13 | 27 |
| Corporate | 5 | 7 | 23 |
| Total | $ 22 | $ 40 | $ 144 |

In the third quarter of 2026, we commenced a voluntary early retirement program as part of our cost savings initiatives. The program is available to certain salaried employees who meet age and length-of-service criteria. We currently do not know which employees will elect to participate and therefore are unable to estimate the costs of the program, although we expect these costs to consist primarily of severance pay and benefits, including enhanced pension benefits. We will provide an estimate of the costs expected to be incurred as the program is executed.

*Other Optimization Initiatives*

In the second quarter of 2024, we began implementation of an initiative to improve the effectiveness of our Snacks direct-store-delivery route-to-market network. Pursuant to this initiative we will purchase certain Pepperidge Farm and Snyder's-Lance routes where there are opportunities to unlock greater scale in select markets, combine them and sell the combined routes to independent contractor distributors. We expect to execute this program in a staggered rollout and to incur expenses of up to approximately $115 million through 2029. In the three-month period ended February 1, 2026, we incurred $2 million in Marketing and selling expenses related to this initiative. In the six-month periods ended February 1, 2026 and January 26, 2025, we incurred $18 million and $8 million in Marketing and selling expenses related to this initiative, respectively. As of February 1, 2026, we have incurred $43 million in Marketing and selling expenses and $1 million in Administrative expenses related to this initiative.

*Potential Future Initiatives*

We continue to explore additional opportunities for cost savings designed to enhance operating efficiency, which may result in additional restructuring actions in the future.

**LIQUIDITY AND CAPITAL RESOURCES**

We expect foreseeable liquidity and capital resource requirements to be met through anticipated cash flows from operations; long-term borrowings; short-term borrowings, which may include commercial paper; credit facilities; and cash and cash equivalents. We believe that our sources of financing will be adequate to meet our future requirements.

***Operating Activities***

We generated cash flows from operations of $740 million in 2026, compared to $737 million in 2025. The increase in 2026 was primarily due to changes in working capital mostly offset by lower cash earnings.

We had positive working capital of $40 million as of February 1, 2026, and negative working capital of $674 million as of August 3, 2025. As of August 3, 2025, current assets were less than current liabilities, which included debt maturing in one year, due to a focus on lowering core working capital requirements. Total debt maturing within one year was $428 million as of February 1, 2026, and $762 million as of August 3, 2025. We have $400 million aggregate principal amount of senior notes maturing in March 2026 that we expect to repay using available resources, which may include cash on hand, commercial paper and/or our revolving credit facility.

As part of our focus to lower core working capital requirements, we have worked with our suppliers to optimize our terms and conditions, including the extension of payment terms. Our current payment terms with our suppliers, which we deem to be commercially reasonable, generally range from 0 to 120 days. We also maintain agreements with third-party administrators that allow participating suppliers to track payment obligations from us, and, at the sole discretion of the supplier, sell those payment obligations to participating financial institutions. Our obligations to our suppliers, including amounts due and scheduled payment terms, are not impacted. Supplier participation in these agreements is voluntary. We have no economic interest in a supplier's decision to enter into these agreements and no direct financial relationship with the financial institutions regarding these transactions. We have not pledged assets as security or provided any guarantees in connection with these arrangements. The payment of these obligations is included in cash provided by operating activities in the Consolidated Statements of Cash Flows. Our outstanding obligations confirmed as valid under these programs, which are included in Accounts payable on the Consolidated Balance Sheets, were approximately $254 million at February 1, 2026 and $240 million at August 3, 2025.

***Investing Activities***

Capital expenditures were $227 million in 2026 and $211 million in 2025. Capital expenditures in 2026 included network optimization for our Meals & Beverages business, information technology projects and wastewater initiatives. Capital expenditures are expected to total approximately $370 million in 2026.

In Snacks, we have a direct-store-delivery distribution model that uses independent contractor distributors. From time to time, we purchase and sell routes, including certain routes under our optimization initiatives. The purchase and sale proceeds of the routes are reflected in investing activities.

On August 26, 2024, we sold our Pop Secret popcorn business for $70 million. On February 24, 2025, we sold the noosa yoghurt business for $188 million, subject to certain customary purchase price adjustments, which resulted in $5 million of additional proceeds in the first quarter of 2026.

***Financing Activities***

Dividend payments were $237 million in 2026 and $227 million in 2025. The regular quarterly dividend paid on our capital stock was $.39 per share in both the second quarter of 2026 and 2025. On November 18, 2025, the Board of Directors declared a regular quarterly dividend of $.39 per share payable on February 2, 2026 to shareholders of record at the close of business on January 8, 2026. On February 25, 2026, the Board of Directors declared a regular quarterly dividend of $.39 per share payable on May 4, 2026 to shareholders of record at the close of business on April 2, 2026.

In September 2021, the Board approved a strategic share repurchase program of up to $500 million (September 2021 program). The September 2021 program has no expiration date, but it may be suspended or discontinued at any time. Repurchases under the September 2021 program may be made in open-market or privately negotiated transactions. In September 2024, the Board authorized an anti-dilutive share repurchase program of up to $250 million (September 2024 program) to offset the impact of dilution from shares issued under our stock compensation programs. The September 2024 program has no expiration date, but it may be suspended or discontinued at any time. Repurchases under the September 2024 program may be made in open-market or privately negotiated transactions. The September 2024 program replaced an anti-dilutive share repurchase program of up to $250 million that was approved by the Board in June 2021 and has been terminated. During the six-month periods ended February 1, 2026 and January 26, 2025, we repurchased 805 thousand shares at a cost of $26 million and 1.134 million shares at a cost of $56 million, respectively, pursuant to our anti-dilutive share repurchase programs. As of February 1, 2026, approximately $172 million remained available under the September 2024 program and approximately $301 million remained available under the September 2021 program. See Note 15 to the Consolidated Financial Statements and "Unregistered Sales of Equity Securities and Use of Proceeds" for additional information.

In August 2023, we filed a registration statement with the Securities and Exchange Commission that registered an indeterminate amount of debt securities. Under the registration statement we may issue debt securities from time to time, depending on market conditions.

On October 2, 2024, pursuant to the registration statement, we completed the issuance of senior unsecured notes of $1.15 billion, consisting of:

- $800 million aggregate principal amount of notes bearing interest at a fixed rate of 4.75% per annum, due March 23, 2035, with interest payable semi-annually on each of March 23 and September 23 commencing March 23, 2025; and
- $350 million aggregate principal amount of notes bearing interest at a fixed rate of 5.25% per annum, due October 13, 2054, with interest payable semi-annually on each of April 13 and October 13 commencing April 13, 2025.

The notes contain customary covenants and events of default. If a change of control triggering event occurs, we will be required to offer to purchase the notes at a purchase price equal to 101% of the principal amount plus accrued and unpaid interest, if any, to the purchase date. In October 2024, we used a portion of the net proceeds from the issuance of the notes to repay $200 million of the $400 million outstanding under our 2022 Delayed Draw Term Loan Credit Agreement (the 2022 DDTL Credit Agreement) due November 15, 2025 and a portion of our outstanding commercial paper. In November 2024, we repaid the remaining $200 million outstanding under the 2022 DDTL Credit Agreement. In March 2025, we used a portion of the net proceeds from the issuance of the notes along with cash on hand and the issuance of commercial paper to repay a $1.15 billion aggregate principal amount of senior notes that matured in March 2025.

On December 15, 2025, pursuant to the registration statement, we completed the issuance of senior unsecured notes, consisting of $550 million aggregate principal amount of notes bearing interest at a fixed rate of 4.55% per annum, due March 21, 2031, with interest payable semi-annually on each of March 21 and September 21 commencing March 21, 2026. The notes contain customary covenants and events of default. If a change of control triggering event occurs, we will be required to offer to purchase the notes at a purchase price equal to 101% of the principal amount plus accrued and unpaid interest, if any, to the purchase date. We used a portion of the proceeds from the issuance of the notes to repay a portion of our outstanding commercial paper and plan to use the remaining proceeds to repay existing indebtedness and for general corporate purposes. We have $400 million aggregate principal amount of senior notes maturing in March 2026 that we expect to repay using available resources, which may include cash on hand, commercial paper and/or our revolving credit facility.

As of February 1, 2026, we had $428 million of short-term borrowings due within one year, of which none was comprised of commercial paper borrowings. As of February 1, 2026, we issued $45 million of standby letters of credit.

On April 16, 2024, we entered into a Five-Year Credit Agreement for an unsecured, senior revolving credit facility (the 2024 Revolving Credit Facility Agreement) in an aggregate principal amount equal to $1.85 billion with a maturity date of April 16, 2029 or such later date as extended pursuant to the terms set forth in the 2024 Revolving Credit Facility Agreement. On August 5, 2025, we entered into an Extension Agreement to extend the maturity date of the 2024 Revolving Credit Facility Agreement by one year from April 16, 2029 to April 16, 2030. The 2024 Revolving Credit Facility Agreement remained unused at February 1, 2026, except for $1 million of standby letters of credit that we issued under it. We may increase the 2024 Revolving Credit Facility Agreement commitments up to an additional $500 million, subject to the satisfaction of certain conditions. Loans under the 2024 Revolving Credit Facility Agreement will bear interest at the rates specified in the 2024 Revolving Credit Facility Agreement, which vary based on the type of loan and certain other conditions. The 2024 Revolving Credit Facility Agreement contains customary covenants, including a financial covenant with respect to a minimum consolidated interest coverage ratio of consolidated adjusted EBITDA to consolidated interest expense of not less than 3.25:1.00, and customary events of default for credit facilities of this type. The facility supports our commercial paper program and other general corporate purposes. We expect to continue to access the commercial paper markets, bank credit lines and utilize cash flows from operations to support our short-term liquidity requirements.

We are in compliance with the covenants contained in our credit facilities and debt securities.

**CRITICAL ACCOUNTING ESTIMATES**

We prepare our consolidated financial statements in conformity with accounting principles generally accepted in the United States. The preparation of these financial statements requires the use of estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the periods presented. Actual results could differ from those estimates and assumptions. Our significant accounting policies are described in Note 1 to the Consolidated Financial Statements in the Annual Report on Form 10-K for the year ended August 3, 2025 (2025 Annual Report on Form 10-K). The accounting policies we used in preparing these financial statements are substantially consistent with those we applied in our 2025 Annual Report on Form 10-K. Our critical accounting estimates are described in Management's Discussion and Analysis included in the 2025 Annual Report on Form 10-K.

**RECENT ACCOUNTING PRONOUNCEMENTS**

See Note 2 to the Consolidated Financial Statements for information on recent accounting pronouncements.

**FORWARD-LOOKING STATEMENTS**

This Report contains "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. 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 2025 Annual Report on 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:

- declines or volatility in financial markets, deteriorating economic conditions and other external factors, including the impact and application of new or changes to existing governmental laws, regulations, and policies;
- the risks associated with imposed and threatened tariffs by the U.S. and reciprocal tariffs by its trading partners;
- the risks related to the availability of, and cost inflation in, supply chain inputs, including labor, raw materials, commodities, packaging and transportation, including those related to tariffs;
- disruptions in or inefficiencies to our supply chain and/or operations, including reliance on key contract manufacturer and supplier relationships;
- our ability to execute on and realize the expected benefits from our strategy, including sales growth in and/or maintenance of our market share position in snacks, soups, sauces and beverages;
- 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;

- changes in consumer demand for our products and favorable perception of our brands;
- the risk that the cost savings and any other synergies from the 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 to the extent anticipated;
- the risks related to the La Regina transaction, including that the conditions to the completion of the transaction may not be satisfied, the closing of the transaction may not occur or be delayed, and benefits from the transaction may not be fully realized or may take longer or cost more to be realized than expected;
- our ability to realize projected cost savings and benefits from cost savings initiatives and the integration of recent acquisitions;
- 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;
- 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;
- 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;
- the costs, disruption and diversion of management's attention associated with activist investors;
- 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 made by us in order to reflect new information, events or circumstances after the date they are made.

**Item 3.** ***Quantitative and Qualitative Disclosure About Market Risk***

For information regarding our exposure to certain market risk, see Item 7A, Quantitative and Qualitative Disclosure About Market Risk, in our 2025 Annual Report on Form 10-K. During the second quarter ended February 1, 2026, we entered into fixed-to-floating interest rate swaps accounted for as fair-value hedges. These instruments have a notional amount of $600 million and effectively convert a portion of our $800 million 4.75% Notes due March 23, 2035 from fixed-rate to variable-rate debt. The fair value of the instruments was a loss of $6 million as of February 1, 2026. There were no fixed-to-floating interest rate swaps outstanding as of August 3, 2025.

**Item 4.** ***Controls and Procedures***

a. Evaluation of Disclosure Controls and Procedure

We, under the supervision and with the participation of our management, including the President and Chief Executive Officer and the Executive Vice President and Chief Financial Officer, have evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of February 1, 2026 (Evaluation Date). Based on such evaluation, the President and Chief Executive Officer and the Executive Vice President and Chief Financial Officer have concluded that, as of the Evaluation Date, our disclosure controls and procedures are effective.

b. Changes in Internal Control

There were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended) that materially affected, or are likely to materially affect, such internal control over financial reporting during the quarter ended February 1, 2026.

## PART II - OTHER INFORMATION

**Item 1.** ***Legal Proceedings***

Information regarding reportable legal proceedings is contained in Note 17 to the Consolidated Financial Statements and incorporated herein by reference.

**Item 2.** ***Unregistered Sales of Equity Securities and Use of Proceeds***

Our share repurchase activity in the three months ended February 1, 2026 was:

| Period | Total Number of Shares Purchased [1] | Average Price Paid Per Share [2] | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs [3] | Approximate Dollar Value of Shares that may yet be Purchased Under the Plans or Programs ($ in Millions) [3] |
|---|---|---|---|---|
| **11/3/25 - 11/28/25** | — | $ — | — | $ 47 |
| **12/1/25 - 12/31/25** | 35,250 | $ 28.51 | 35,250 | $ 47 |
| **1/1/26 - 1/30/26** | 21,417 | $ 27.30 | 21,417 | $ 47 |
| **Total** | 56,667 | $ 28.05 | 56,667 | $ 47 |

(1) Shares purchased are as of the trade date.

(2) Average price paid per share is calculated on a settlement basis and excludes commission and excise tax. As of January 1, 2023, our share repurchases in excess of issuances are subject to a 1% excise tax enacted by the Inflation Reduction Act. Any excise tax incurred is recognized as part of the cost basis of the shares acquired in the Consolidated Statements of Equity.

(3) In September 2021, the Board approved a strategic share repurchase program of up to $500 million (September 2021 program). The September 2021 program has no expiration date, but it may be suspended or discontinued at any time. Repurchases under the September 2021 program may be made in open-market or privately negotiated transactions. In September 2024, the Board authorized an anti-dilutive share repurchase program of up to $250 million (September 2024 program) to offset the impact of dilution from shares issued under our stock compensation programs. The September 2024 program has no expiration date, but it may be suspended or discontinued at any time. Repurchases under the September 2024 program may be made in open-market or privately negotiated transactions. The September 2024 program replaced an anti-dilutive share repurchase program of up to $250 million that was approved by the Board in June 2021 and has been terminated.

**Item 5.** ***Other Information***

During the quarter ended February 1, 2026, none of our directors or officers (as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended) adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement" in accordance with Item 408 of Regulation S-K of the Securities Act.

**Item 6.** ***Exhibits***

The Index to Exhibits, which immediately precedes the signature page, is incorporated by reference into this Report.

INDEX TO EXHIBITS

| | |
|---|---|
| 2.1* | Sale and Purchase Agreement, dated as of December 8, 2025, by and among Campbell Investment Company, Antonio Romano, Felice Romano, Luigi Romano, Natalina Romano, Evolve S.r.l. and F.A.L. Holdings LLC, incorporated by reference to Exhibit 2.1 to Campbell's Current Report on Form 8-K (SEC file number 1-3822) filed on December 9, 2025. |
| 2.2* | Equity Purchase Agreement, dated as of December 8, 2025, by and between Campbell Soup Supply Company LLC and Felix Global Holdings, Corporation, incorporated by reference to Exhibit 2.2 to Campbell's Current Report on Form 8-K (SEC file number 1-3822) filed on December 9, 2025. |
| 4.1 | Form of 2031 Note, incorporated by reference to Exhibit 4.3 to Campbell's Current Report on Form 8-K (SEC file number 1-3822) filed on December 15, 2025. |
| 31.1 | Certification of Mick J. Beekhuizen pursuant to Rule 13a-14(a). |
| 31.2 | Certification of Todd E. Cunfer pursuant to Rule 13a-14(a). |
| 32.1 | Certification of Mick J. Beekhuizen pursuant to 18 U.S.C. Section 1350. |
| 32.2 | Certification of Todd E. Cunfer pursuant to 18 U.S.C. Section 1350. |
| 101.INS | Inline XBRL Instance Document - the instance document does not appear on the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document. |
| 101.SCH | Inline XBRL Extension Schema Document. |
| 101.CAL | Inline XBRL Extension Calculation Linkbase Document. |
| 101.DEF | Inline XBRL Extension Definition Linkbase Document. |
| 101.LAB | Inline XBRL Extension Label Linkbase Document. |
| 101.PRE | Inline XBRL Extension Presentation Linkbase Document. |
| 104 | The cover page from this Quarterly Report on Form 10-Q, formatted in Inline XBRL (included in Exhibit 101). |

* Certain information in this document marked with "[*Redacted*]" has been excluded pursuant to Item 601(b)(2) of Regulation S-K. Such excluded information is not material and is treated by the registrant as private and confidential. An unredacted copy of the document will be furnished supplementally to the SEC upon request. Schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. A copy of any omitted schedule or exhibit will be furnished supplementally to the SEC upon request.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

March 11, 2026

**THE CAMPBELL'S COMPANY**

By: /s/ Todd E. Cunfer
Todd E. Cunfer
Executive Vice President and Chief Financial Officer

By: /s/ Kelly L. Palumbo
Kelly L. Palumbo
Senior Vice President, Controller and Chief Accounting Officer