

Item 8. Financial Statements and Supplementary Data

CAMPBELL SOUP COMPANY
Consolidated Statements of Earnings
(millions, except per share amounts)

	2018	2017	2016
Net sales	\$ 8,685	\$ 7,890	\$ 7,961
Costs and expenses			
Cost of products sold	5,869	4,965	5,033
Marketing and selling expenses	902	855	852
Administrative expenses	654	550	575
Research and development expenses	110	111	105
Other expenses / (income)	619	(9)	405
Restructuring charges	62	18	31
Total costs and expenses	8,216	6,490	7,001
Earnings before interest and taxes	469	1,400	960
Interest expense	201	112	115
Interest income	4	5	4
Earnings before taxes	272	1,293	849
Taxes on earnings	11	406	286
Net earnings	261	887	563
Less: Net earnings (loss) attributable to noncontrolling interests	—	—	—
Net earnings attributable to Campbell Soup Company	\$ 261	\$ 887	\$ 563
Per Share — Basic			
Net earnings attributable to Campbell Soup Company	\$.87	\$ 2.91	\$ 1.82
Weighted average shares outstanding — basic	301	305	309
Per Share — Assuming Dilution			
Net earnings attributable to Campbell Soup Company	\$.86	\$ 2.89	\$ 1.81
Weighted average shares outstanding — assuming dilution	302	307	311

See accompanying Notes to Consolidated Financial Statements.

CAMPBELL SOUP COMPANY
Consolidated Balance Sheets
(millions, except per share amounts)

	July 29, 2018	July 30, 2017
Current assets		
Cash and cash equivalents	\$ 226	\$ 319
Accounts receivable, net	785	605
Inventories	1,199	902
Other current assets	86	74
Total current assets	2,296	1,900
Plant assets, net of depreciation	3,233	2,454
Goodwill	4,580	2,115
Other intangible assets, net of amortization	4,196	1,118
Other assets (\$77 as of 2018 and \$51 as of 2017 attributable to variable interest entity)	224	139
Total assets	\$ 14,529	\$ 7,726
Current liabilities		
Short-term borrowings	\$ 1,896	\$ 1,037
Payable to suppliers and others	893	666
Accrued liabilities	676	561
Dividends payable	107	111
Accrued income taxes	22	20
Total current liabilities	3,594	2,395
Long-term debt	7,998	2,499
Deferred taxes	995	490
Other liabilities	569	697
Total liabilities	13,156	6,081
Commitments and contingencies		
Campbell Soup 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	349	359
Earnings retained in the business	2,224	2,385
Capital stock in treasury, at cost	(1,103)	(1,066)
Accumulated other comprehensive loss	(118)	(53)
Total Campbell Soup Company shareholders' equity	1,364	1,637
Noncontrolling interests	9	8
Total equity	1,373	1,645
Total liabilities and equity	\$ 14,529	\$ 7,726

See accompanying Notes to Consolidated Financial Statements.

CAMPBELL SOUP COMPANY
Consolidated Statements of Cash Flows
(millions)

	2018	2017	2016
Cash flows from operating activities:			
Net earnings	\$ 261	\$ 887	\$ 563
Adjustments to reconcile net earnings to operating cash flow			
Impairment charges	748	212	141
Restructuring charges	62	18	31
Stock-based compensation	61	60	64
Amortization of inventory fair value adjustment from acquisition	42	—	—
Pension and postretirement benefit expense (income)	(187)	(258)	317
Depreciation and amortization	394	318	308
Deferred income taxes	(133)	93	(30)
Other, net	34	18	6
Changes in working capital, net of acquisitions			
Accounts receivable	56	28	24
Inventories	(84)	46	59
Prepaid assets	27	(27)	9
Accounts payable and accrued liabilities	78	(48)	15
Net receipts from hedging activities	6	2	44
Other	(60)	(58)	(60)
Net cash provided by operating activities	1,305	1,291	1,491
Cash flows from investing activities:			
Purchases of plant assets	(407)	(338)	(341)
Sales of plant assets	1	—	5
Purchases of route businesses	(9)	—	—
Sales of route businesses	10	—	—
Businesses acquired, net of cash acquired	(6,772)	—	—
Other, net	(20)	(30)	(18)
Net cash used in investing activities	(7,197)	(368)	(354)
Cash flows from financing activities:			
Short-term borrowings	10,222	8,247	8,161
Short-term repayments	(9,944)	(8,002)	(8,923)
Long-term borrowings	6,224	211	215
Long-term repayments	(63)	(90)	—
Repayments of notes payable	—	(400)	—
Dividends paid	(426)	(420)	(390)
Treasury stock purchases	(86)	(437)	(143)
Treasury stock issuances	—	2	2
Payments related to tax withholding for stock-based compensation	(23)	(22)	(21)
Repurchase of noncontrolling interest	(47)	—	—
Payments of debt issuance costs	(50)	—	—
Net cash provided by (used in) financing activities	5,807	(911)	(1,099)
Effect of exchange rate changes on cash	(8)	11	5
Net change in cash and cash equivalents	(93)	23	43
Cash and cash equivalents — beginning of period	319	296	253
Cash and cash equivalents — end of period	\$ 226	\$ 319	\$ 296

See accompanying Notes to Consolidated Financial Statements.