



Campbell Soup Co. (CPB)

Updated December 10th, 2025 by Quinn Mohammed

Key Metrics

Current Price:	\$28	5 Year CAGR Estimate:	15.5%	Market Cap:	\$8.5 B
Fair Value Price:	\$37	5 Year Growth Estimate:	6.0%	Ex-Dividend Date:	01/08/2026
% Fair Value:	76%	5 Year Valuation Multiple Estimate:	5.8%	Payment Date:	02/02/2026
Dividend Yield:	5.6%	5 Year Price Target	\$50	Years of Dividend Growth:	1
Dividend Risk Score:	F	Sector:	Consumer Staples	Rating:	Hold

Overview & Current Events

Campbell Soup Company is a multinational food company headquartered in Camden, N.J. The company manufactures and markets branded convenience food products, such as soups, simple meals, beverages, snacks, and packaged fresh foods. The company's portfolio focuses on two specific businesses: Campbell Snacks, and Campbell Meals and Beverages. Campbell generated annual sales of \$10.3 billion in fiscal 2025 and has a market capitalization of \$8.5 billion.

On March 12, 2024, Campbell closed on its acquisition of Sovos Brands (SOVO) for \$23 per share in cash, which represented a total enterprise value of \$2.7 billion, and was funded by issuing new debt. Sovos is a leader in high-growth premium Italian sauces, and owns the market-leading Rao's brand. Campbell had the goal of building a \$1 billion sauce business, and it achieved that through this acquisition. Sovos was added to Campbell's Meals & Beverages division.

Effective February 1, 2025, Mick Beekhuizen, previously President of Meals & Beverages, became the CEO of Campbell.

On February 24th, 2025, Campbell divested noosa yoghurt (which was acquired as part of Sovos) to Lakeview Farms.

Campbell Soup reported first quarter FY 2025 results on December 9th, 2025. Net sales for the quarter declined by 3% year-over-year to \$2.7 billion. This decrease was mostly a result of lower volume/mix, partly offset by price increases. Adjusted EPS was 13% lower year-over-year at \$0.77 for the quarter, which beat expectations by four cents.

The company repurchased \$24 million worth of its shares in Q1. There remains \$301 million remaining under the current \$500 million share repurchase program, which is in addition to the existing \$174 million remaining on its anti-dilutive share repurchase program.

Campbell's also announced it agreed to acquire 49% of La Regina di San Marzano di Antonio Romano S.p.A. and La Regina Atlantica, LLC, for \$286 million. La Regina is a private company which makes Rao's tomato-based pasta sauces. The deal is expected to close in Q2 2026.

Leadership reiterated its full-year fiscal 2026 guidance, projecting adjusted EPS to decrease by 12% to 18%, with the company expecting adjusted EPS to be between \$2.40 and \$2.55.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	\$2.94	\$3.04	\$2.87	\$2.30	\$2.95	\$2.86	\$2.85	\$3.00	\$3.08	\$2.97	\$2.48	\$3.32
DPS	\$1.25	\$1.40	\$1.40	\$1.40	\$1.40	\$1.48	\$1.48	\$1.48	\$1.48	\$1.48	\$1.56	\$1.64
Shares¹	308	301	302	301	304	303	301	299	298	298	299	295

With high inflation impacting consumers, they are reaching for Campbell's lower priced products on the grocery shelves. Home cooking has also increased to the highest levels since early 2020 according to Campbell's. Furthermore, the company has recently raised prices with only a slight drop in volume, demonstrating strong pricing power. In fiscal 2025, total volume/mix fell by 1%. And in the most recent quarter, volume/mix declined 3%.

¹ In millions

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Campbell is building a brand powerhouse and focusing on growing its North American business. Unfortunately, Campbell Soup has grown its earnings-per-share at just a 0.1% average annual rate since 2016. Earnings for 2019 were lower due to increased adjusted net interest expense and it being primarily a transition year. Considering the company's leaner cost structure, and new businesses, it is reasonable to expect 6.0% annual earnings-per-share growth over the next five years, from \$2.48 this fiscal year to \$3.32 in 2031. Following several divestitures and the acquisition of Snyder's-Lance, the company lowered its debt and reduced leverage. Nevertheless, the Sovos acquisition has again increased the company's leverage ratio due to the issuance of additional debt. Its net debt to adjusted EBITDA ratio now stands at 3.7X, and the company only expects to return to its target ratio of 3.0X three years post-close.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	19.3	18.9	14.1	20.4	15.1	16.1	16.4	17.2	16.6	12.0	11.3	15.0
Avg. Yld.	2.2%	2.4%	3.4%	3.0%	2.9%	3.1%	3.1%	3.2%	3.4%	3.4%	5.6%	3.3%

Campbell Soup is now trading at a price-to-earnings ratio of 11.3, which is lower than its 5-year average of 15.7. The company is combating inflationary pressures on its business, and we see fair value for the business slightly lower than this average. If the company reaches this valuation level within the next five years, the stock will see a 5.8% annual tailwind due to the expansion of its valuation level.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	43%	46%	49%	61%	47%	52%	52%	49%	48%	50%	63%	49%

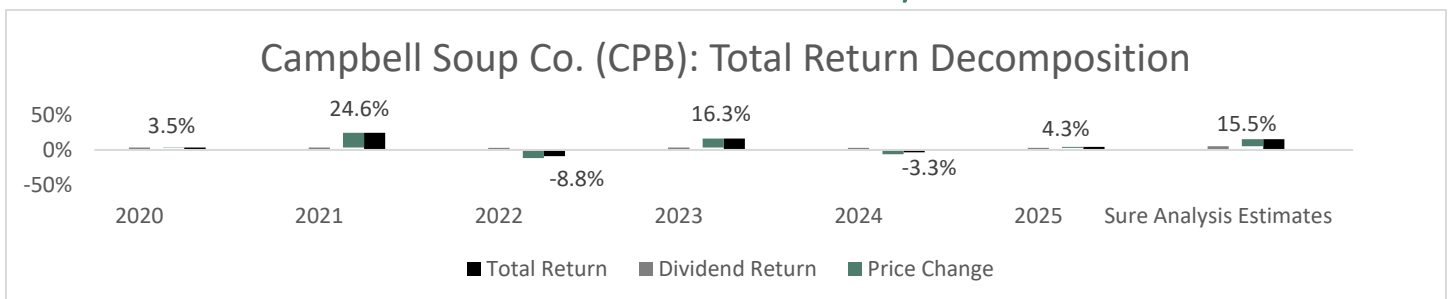
Due to its acquisition of Sovos Brands, Campbell Soup has greatly leveraged its balance sheet. At the end of Q1 2026, Campbell had total debt of \$7.0 billion, down \$945 million from \$7.9 billion in the prior year. As a result, its net interest expense declined to \$80 million in the most recent quarter from \$83 million.

Campbell has a very slight competitive advantage in that it is a widely recognizable name and has a defensive moat, however, competition is extremely fierce in food products; some other reputable names are Kraft-Heinz and General Mills. Campbell's earnings during the 2008 recession were quite stable, and only dropped by 3% from 2008 to 2009. Earnings then proceeded to bounce up in 2010. The coronavirus pandemic actually increased the demand of Campbell's products, and we expect this company to perform well in the current environment.

Final Thoughts & Recommendation

Campbell Soup's new products are resonating with customers, and price increases have not been met with a significant decline in volume. The stock is likely to offer a 15.5% average annual return over the next five years, consisting of 6.0% EPS growth, the 5.6% dividend yield, and 5.8% P/E multiple expansion. We rate Campbell stock as a hold and believe it has recession-resistant qualities.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	7961	5837	6615	8107	8691	8476	8562	9357	9636	10250
Gross Profit	2928	2442	2374	2693	2999	2811	2627	2917	2971	3073
Gross Margin	36.8%	41.8%	35.9%	33.2%	34.5%	33.2%	30.7%	31.2%	30.8%	30.0%
SG&A Exp.	1427	1123	1291	1480	1612	1415	1351	1465	1570	0
D&A Exp.	308	318	394	446	328	317	337	387	411	434
Operating Profit	1376	1225	972	1074	1251	1312	1189	1360	1299	1414
Operating Margin	17.3%	21.0%	14.7%	13.2%	14.4%	15.5%	13.9%	14.5%	13.5%	13.8%
Net Profit	563	887	261	211	1628	1002	757	858	567	602
Net Margin	7.1%	15.2%	3.9%	2.6%	18.7%	11.8%	8.8%	9.2%	5.9%	5.9%
Free Cash Flow	1150	950	898	1014	1097	760	939	773	668	705
Income Tax	286	392	106	151	174	328	218	270	190	194

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	7837	7726	14529	13148	12372	11734	11892	12060	15240	14900
Cash & Equivalents	296	319	49	31	859	69		189	108	132
Accounts Receivable	554	550	510	525	530	544				541
Inventories	940	902	887	863	871	933				1424
Goodwill & Int. Ass.	3415	3233	7528	7432	7336	7220	7177	7107	9793	9347
Total Liabilities	6304	6081	13156	12036	9803	8580	8559	8395	11440	10990
Accounts Payable	610	666	705	814	1049	1070				1332
Long-Term Debt	3531	3528	9516	8450	6186	5028	3996	4498	0	7212
Shareholder's Equity	1525	1637	1364	1103	2563	3152	3333	3663	3796	3902
LTD/E Ratio	2.32	2.16	6.98	7.66	2.41	1.60	1.20	1.22	0.00	1.85

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	7.1%	11.4%	2.3%	1.5%	12.8%	8.3%	6.4%	7.2%	4.2%	4.0%
Return on Equity	38.7%	56.1%	17.4%	17.1%	88.8%	35.1%	23.3%	24.5%	15.2%	15.6%
ROIC	10.7%	17.3%	3.2%	2.1%	17.8%	11.8%	9.8%	10.5%	9.4%	5.4%
Shares Out.	308.0	301.0	302.0	301.0	304.0	304.0	301.0	301.0	300.0	300.0
Revenue/Share	25.60	19.01	21.90	26.84	28.59	27.79	28.35	31.09	32.12	34.18
FCF/Share	3.70	3.09	2.97	3.36	3.61	2.49	3.11	2.57	2.23	2.35

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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