

From the Philadelphia Business Journal:

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Campbell Soup Co. completes \$6.1B Snyder's-Lance acquisition

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Campbell Soup Co. has completed its acquisition of Charlotte, N.C.-based snack company Snyder's-Lance for \$50 per share in an all-cash transaction, which represents a value of about \$6.1 billion.

Campbell created a new snacking organization in the United States, called Campbell Snacks, which will integrate Campbell's Pepperidge Farm and Snyder's-Lance portfolios.



Campbell Soup Co. acquires snack company Snyder's-Lance.

The unit will be led by Carlos Abrams-Rivera, formerly president of U.S. Biscuits and Snacks, who will report to Luca Mignini, president of Global Biscuits and Snacks. *(See below to see the Campbell Snacks leadership team.)*

"Snyder's-Lance represents a **strategic and transformative acquisition** for Campbell, creating a \$10-billion company with nearly half of our annual net sales in the faster-growing snacks category," Campbell President and CEO Denise Morrison said in a statement. "The combination of Campbell and Snyder's-Lance creates a unique, diversified snacking portfolio of differentiated brands and a large variety of better-for-you snacks for consumers.

The Camden, N.J., food and beverage company **announced in December 2017** plans to acquire the snack company, which reported \$2.2 billion in net sales for the year ended Dec. 30, 2017.

The acquisition will put well-known brands like Pop-Secret, Snyder's of Hanover and the Kettle Brand under Campbell's Global Biscuits and Snacks division.

The buy means these brands combine with Campbell brands Goldfish crackers and Milano cookies, among others. The division is led by President Luca Mignini, who called it a "transformational acquisition for Campbell."

Campbell, with Snyder's, would expand into the faster-growing snacking categories, while giving a boost to its better-for-you portfolio.

Snacks will now make up 47 percent of Campbell's annual net sales, up from 32 percent in the company's fiscal 2017. Soup sales would be 26 percent, down from 34 percent.

"We have the insights and know-how in snacks to execute and grow in this space," Mignini said in a statement on Monday. "I am very confident that Carlos and the expertise of the Campbell Snacks leadership team will continue to drive momentum in the businesses and achieve the cost synergies we have outlined. We are taking a disciplined approach to the integration of Snyder's-Lance to ensure its success."

Campbell expects about \$170 million in cost synergies by end of fiscal 2022, and the company expects to achieve about \$125 million of Snyder's-Lance's existing cost transformation program.

Mignini told the Philadelphia Business Journal in an earlier interview the snack segment is growing "significantly faster" than the average area of the center of the store, which has been struggling in the past few years as consumers gravitate toward the store perimeters where fresh foods are located.

More consumers are snacking; about 90 percent of them snack multiple times a day, and over 50 percent of U.S. eating occasions are snacks, according to 2016 and 2014 studies by Hartman Group.

Despite disappointing quarters recently, Campbell's Global Biscuits and Snacks remained a bright spot in Campbell's portfolio, so Campbell's acquisition of Snyder's-Lance may have not been a surprise as the company continues to incite growth across its divisions.