

From the Philadelphia Business Journal:

<https://www.bizjournals.com/philadelphia/news/2017/12/18/campbell-soup-snyder-lance-cpb-acquisition.html>

Campbell Soup buying Snyder's-Lance in \$4.87B deal

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Campbell Soup is buying Charlotte-based Snyder's-Lance in a \$50-a-share, all-cash deal as the consolidation of the food industry continues.

Camden, N.J.-based Campbell (NYSE: CPB) and Lance (NASDAQ: LNCE) has been rumored to be in talks since Friday, when the reports sent Lance stock soaring.

For the South Jersey company, the acquisition will further Campbell's transformation in the snack category, which has been an area of growth for food brands as Americans are more frequently eating on-the-go and also looking for more health conscious options.

Campbell CEO Denise Morrison explained, in a statement, that the \$4.87 billion buy "will provide our consumers with an even greater variety of better-for-you snacks. The combination of Snyder's-Lance brands with Pepperidge Farm, Arnott's and Kelsen will create a diversified snacking leader, drive sales growth and create value for shareholders."

Her comments mirror **statements she made in April** about the future of food, including remarks on the key role "better-dot-me" will play in years to come.

"This acquisition will dramatically transform Campbell, shifting our center of gravity and further diversifying our portfolio into the faster-growing snacking category," she continued.

Lance, a \$2.2 billion company in net sales, says in a new release this morning that the company decided the Campbell offer was the best for Lance after looking at its strategic options.

"The transaction also unlocks the value of our portfolio, reflecting the progress we have made planning and executing our transformation," said Brian Driscoll, who was recently



Campbell Soup Co. has agreed to acquire snack company Snyder's-Lance.

named Lance CEO.

Industry watchers say the food industry is evolving as the large companies like 148-year-old Campbell Soup respond to the nation's changing eating habits. Another trend has emerged as retailers and grocery stores work to respond to the Amazon effect of online purchasing.

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 a **disappointing first quarter** of the current fiscal year, Campbell's Global Biscuits and Snacks remains a "bright spot" in Campbell's portfolio, according to Brittany Weissman, consumer analyst at Edward Jones.

So, Campbell's acquisition of Snyder's-Lance may not come as a surprise as the company continues to incite growth across its divisions.

Campbell's sees snacking as **encouraged and regulated**; the company will focus on encourage snacking, Carlos Abrams-Rivera, president of U.S. Biscuits & Bakery at Pepperidge Farm, told the *Philadelphia Business Journal* in July.

The massive buy for Snyder's-Lance comes less than a week after the soup company paid \$700 million to purchase Pacific Foods, which produces organic broth and soup.