

Campbell Soup Company

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Kraft Heinz might be enticed to buy Campbell Soup, say analysts

Some analysts think Kraft Heinz Co. (NASDAQ:KHC) could try to acquire Campbell Soup Company (NYSE:CPB), the Wall Street Journal reported over the weekend.

Kraft Heinz, which was created in a \$49bn merger in 2015 orchestrated by investor Warren Buffett and private equity firm 3G Capital, is viewed on Wall Street as more resilient to the headwinds pummeling its peers like Campbell. Buffett's company Berkshire Hathaway (NYSE:BRK) holds 27% of Kraft Heinz. The business mogul, who has served on the board for five years, recently stepped down from the Kraft Heinz board.

The Wall Street Journal reported that for Buffett to succeed, "the suitors would have to win over Campbell's insider shareholders, including the Campbell Trust and Mary Alice Dorrance Malon, a board member and heiress to the company's founders."

Campbell Trust and Mary Alice Dorrance Malon own about 42% of Campbell's shares all together, according to Factset.

Campbell Soup shares drifted 1.6% lower to US\$33.81 on Monday after falling hard on Friday on the back of CEO Denise Morrison's abrupt exit.

READ: Warren Buffett steps down from Kraft Heinz board

The company said Friday that Morrison, who also served as president and a director on Campbell Soup's board, is retiring from the company. She will be replaced by Keith McLoughlin, who has been a board member since 2016, as CEO on an interim basis.

Food makers broadly have struggled in responding to changes in consumer tastes, as Americans swap boxed and canned foods for fresher options, while also eating more snacks and fewer full meals.

"Campbell's U.S. soup sales — its core business—fell in all but one year of Morrison's seven-year tenure. Efforts to enter the faster-growing fresh-food business, through the acquisition of Bolthouse Farms juice for instance, hit their own hurdles," reported the Journal.

The Journal said the food maker may sell some of its brands since its bet on fresher products has failed to revive sales.

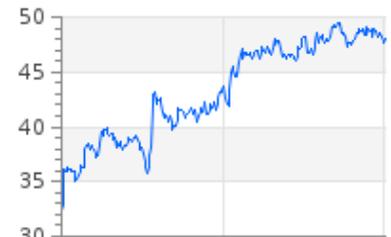
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Price: 47.96

Market Cap: \$14.47 billion

1 Year Share Price Graph



February 2019 August 2019 February 2020

Share Information

Code: CPB

Listing: NYSE

52 week	High	Low
	49.54	32.17

Sector: Food & drink

Website:
www.campbellsoupcompany.com

Company Synopsis:

Campbell Soup Company is a global manufacturer and marketer of foods and simple meals, including soups and sauces, baked snacks, and healthy beverages.

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