THE J.M. SMUCKER Co

INVESTOR DAY

2022

Financial Priorities & Growth

TUCKER MARSHALL

Chief Financial Officer



POSITIONED FOR LONG-TERM GROWTH



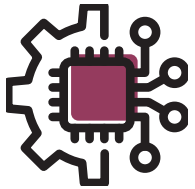
Advantaged & Resilient Categories



Brand Growth Opportunities



Proven Commercial Model



Transformation Office Opportunities



Supporting Employees & Planet

BRINGING THE NARRATIVE TOGETHER

NEAR-TERM OPERATING DYNAMICS

LONG-TERM FINANCIAL STRATEGY

INCREASING SHAREHOLDER VALUE

A STRONG START TO THE YEAR

Delivered another quarter of solid results, and expect this momentum to continue



MODEST PRICE ELASTICITY OF DEMAND



LEADING SHARE IN GREAT CATEGORIES



INVESTMENTS IN ICONIC BRANDS



PRODUCTS THAT SPAN THE VALUE SPECTRUM



LOW RISK FROM PRIVATE LABEL COMPETITION

FY23 FINANCIAL OUTLOOK

NET SALES GROWTH*
5.5% - 6.5%
Comparable Basis (Mid-Point): +8%

ADJUSTED EPS**
$8.35 - $8.75
+2% vs. Prior Guidance

FREE CASH FLOW
$550M
Reaffirmed Guidance

Positioned to deliver

LONG-TERM GROWTH

*INCLUDES AN ESTIMATED 2% UNFAVORABLE IMPACT FROM THE ///F® PEANUT BUTTER RECALL.
**INCLUDES AN ESTIMATED $0.80 UNFAVORABLE IMPACT FROM THE ///F® PEANUT BUTTER RECALL.

FINANCIAL PRIORITIES

CREATE LONG-TERM **SHAREHOLDER VALUE**



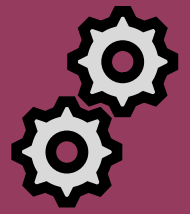
Active & Transparent Communication



Execution to Credible Targets



Prioritizing Highest-Return Opportunities



Maintaining Productivity Focus & Cost Control



Balanced Capital Deployment

TOTAL SHAREHOLDER RETURN

Goal: Consistent top quartile performer in food industry

	1-Year CAGR	3-Year CAGR	5-Year CAGR
SJM	**22%**	**17%**	**9%**
Peer Group Avg.	22%	11%	7%
S&P Packaged Foods	15%	7%	4%
S&P 500	-14%	10%	10%

POSITIONED TO DELIVER LONG-TERM GROWTH AND SHAREHOLDER VALUE



NOTE: DATA AS OF DECEMBER 09, 2022. ASSUMES DIVIDENDS ARE REINVESTED.
PEER GROUP INCLUDES CAG, CPB, GIS, HRL, HSY, K, KHC, MKC.

LOOKING AHEAD

Key Areas of Focus

Maintain Business Momentum

Strategic Investments for Growth

Cost Savings & Margin Management

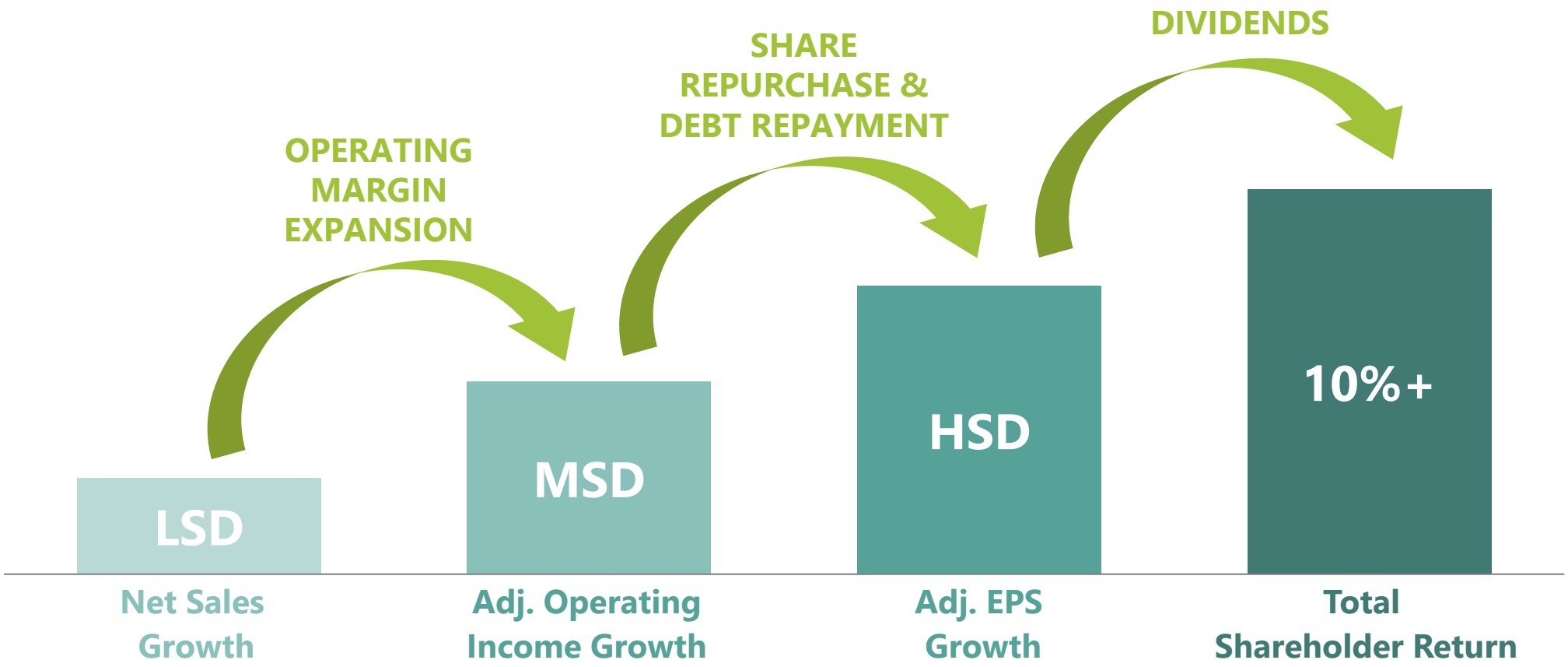
LONG-TERM GROWTH TARGETS

NET SALES	LSD
ADJUSTED OPERATING INCOME	MSD
ADJUSTED EPS	HSD
TOTAL SHAREHOLDER RETURN	10+%



OUR LONG-TERM OBJECTIVES

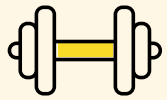
A steady, compelling, and compounding algorithm



NET SALES

LOW-SINGLE-DIGIT

Percentage Growth



Strengthened portfolio



Projected growth in our categories



Improved market share trends



Focused growth initiatives

DRIVERS OF TOP-LINE GROWTH

SMUCKER'S® ***UNCRUSTABLES®*** **GROWTH TO $1B IN ANNUAL SALES**



PET GROWTH DRIVEN BY *MILK-BONE®* AND *MEOW MIX®*



COFFEE GROWTH DRIVEN BY *DUNKIN'®* & *CAFÉ BUSTELO®*



CONTINUED GROWTH IN AWAY FROM HOME BUSINESS



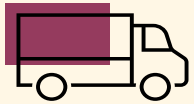
ADJUSTED OPERATING INCOME

MID-SINGLE-DIGIT

Percentage Growth



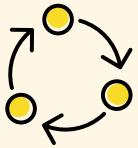
Improved volume / mix



Stabilized supply chain



Benefits from Transformation Office



Productivity savings for SD&A

CONTINUOUS PRODUCTIVITY MODEL

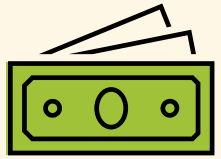
MINIMIZING DISCRETIONARY SPEND	REDUCING NON-WORKING MARKETING DOLLARS	MANAGING SALES & BROKERAGE EXPENSES	OPTIMIZING MANUFACTURING & SUPPLY CHAIN	RESTRUCTURING CORPORATE SUPPORT ORGANIZATION

PROFITABILITY & MARGIN GROWTH,
WHILE BALANCING **RETURN & REINVESTMENT**

ADJUSTED EARNINGS PER SHARE

HIGH-SINGLE-DIGIT

Percentage Growth



Expect our

capital deployment model

to DRIVE GROWTH

CASH DEPLOYMENT | FY21 & FY22

Balancing reinvestment in the business and returning cash to shareholders

Capital Expenditures

$0.7B

Above net sales target of 3.5% in the near-term to invest in growth expansion projects

Debt Repayment

$1.1B

Paid down and refinanced debt to maintain leverage profile and investment-grade debt rating

Dividend Payments

$0.8B

Over 21 consecutive years of dividend increases and targeting a 40-45% payout

Share Repurchases

$0.9B

Repurchased 7% of shares, primarily with divestiture proceeds

BALANCED
CAPITAL DEPLOYMENT MODEL

Capital Expenditures

50%

Strategic Investments



Dividends & Share Repurchases

50%

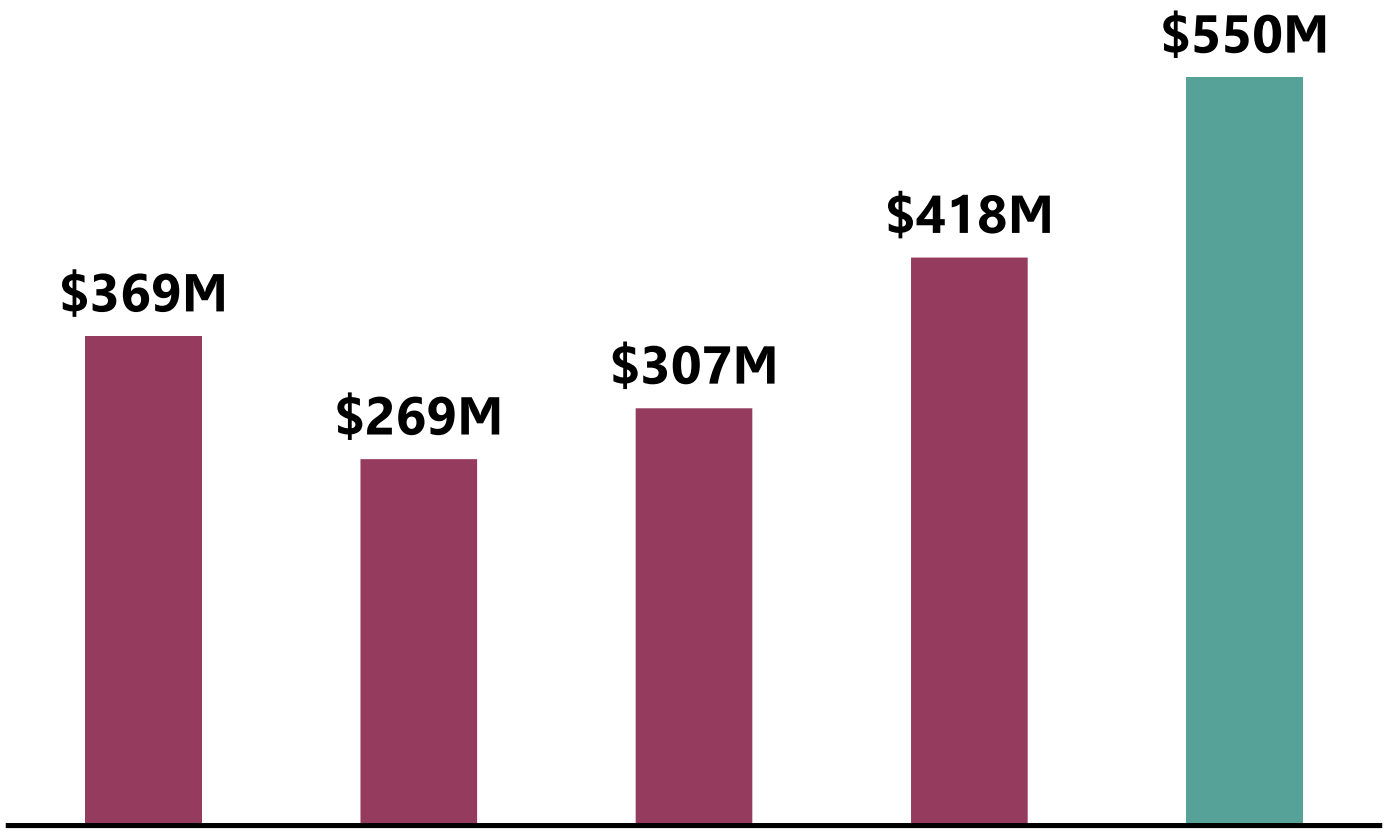
Debt Repayment

CAPITAL EXPENDITURES

LONG-TERM OBJECTIVE

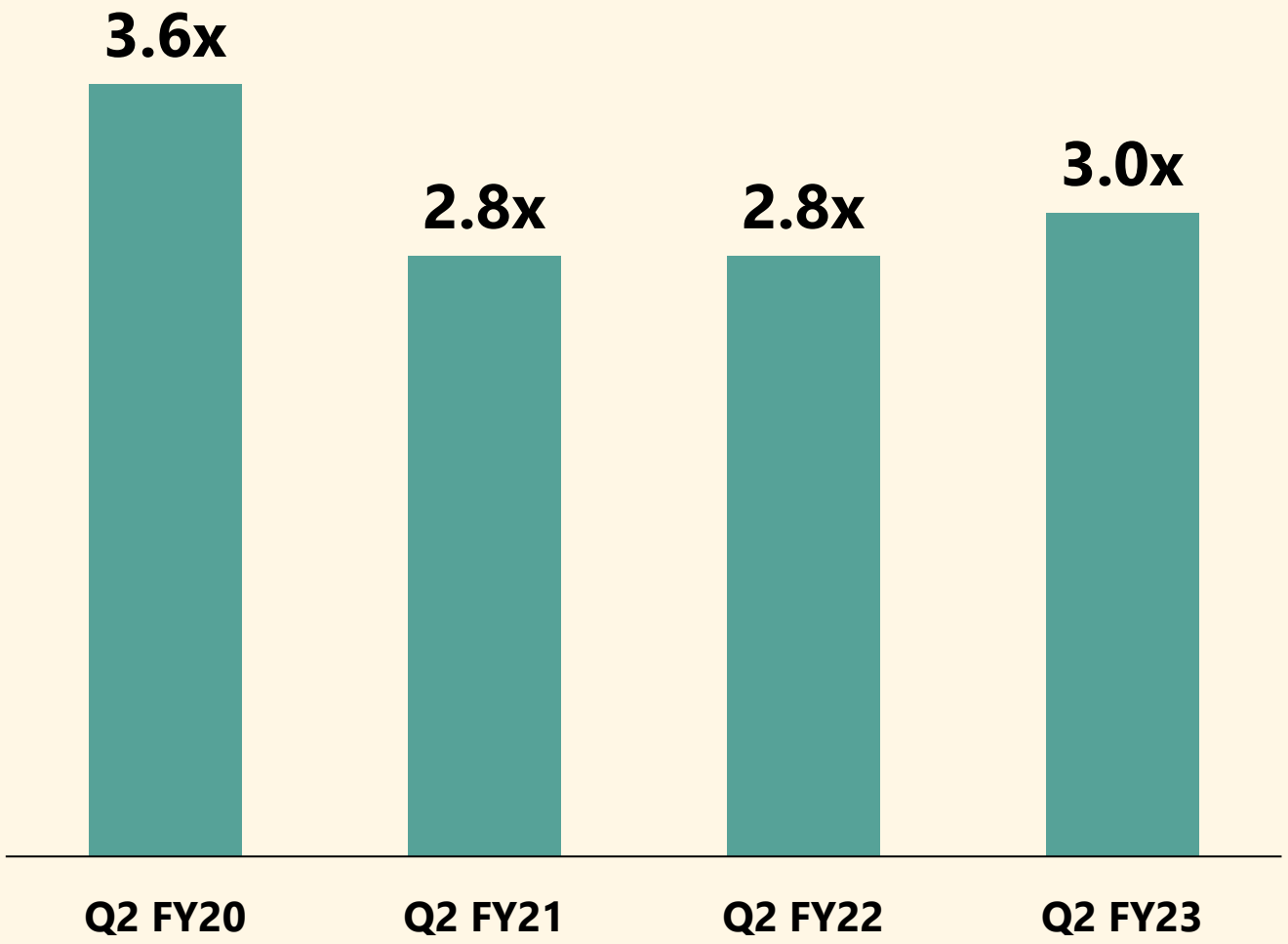
3.5% OF NET SALES

NEAR TERM ELEVATION DUE TO *UNCRUSTABLES*® CAPACITY EXPANSION



*NOTE: BASED ON MIDPOINT OF FY23 NET SALES GUIDANCE PROVIDED ON NOVEMBER 21, 2022.

DEBT REDUCTION

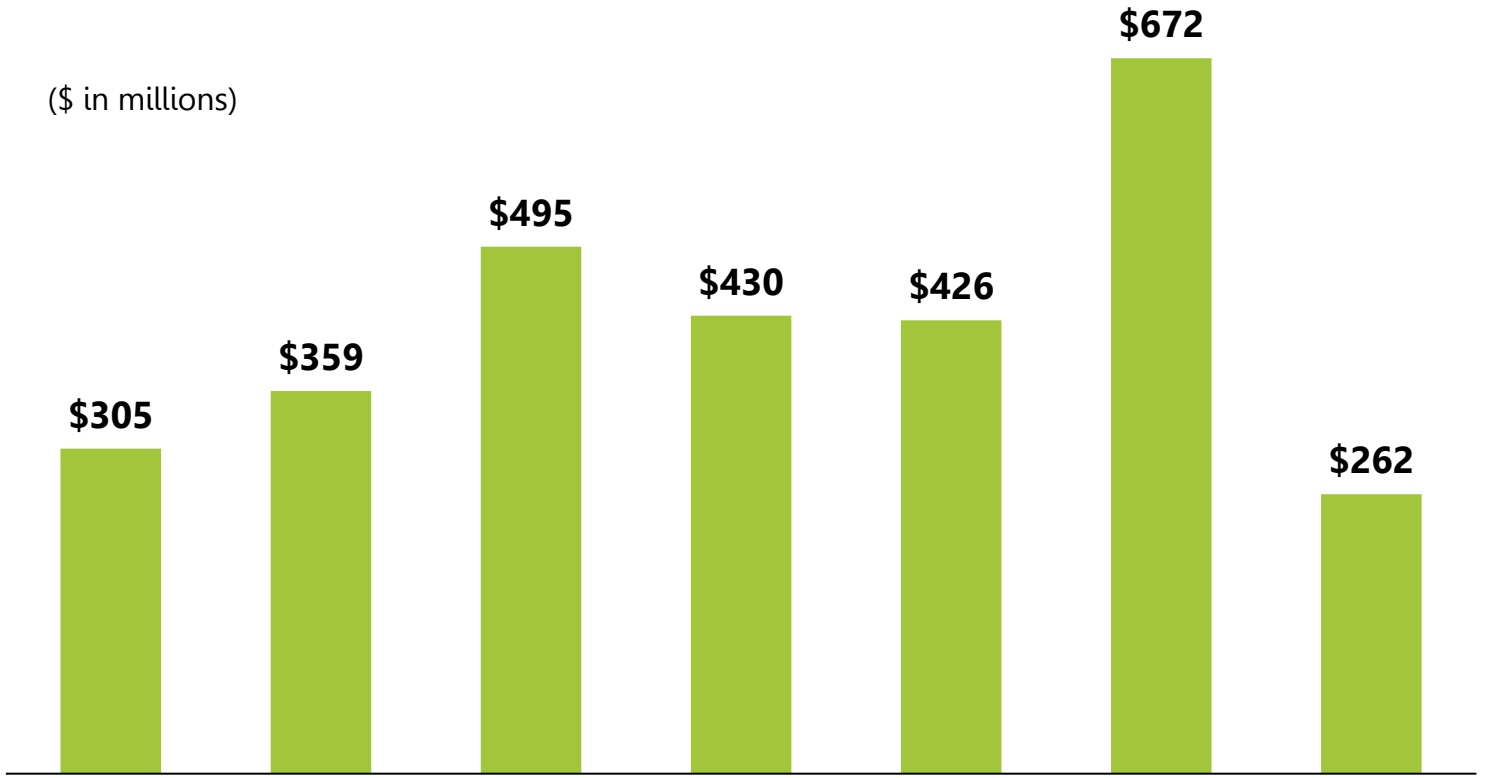


MAINTAIN INVESTMENT GRADE DEBT RATING

2.5x - 3.0x

Debt Leverage Ratio

SHARE REPURCHASES



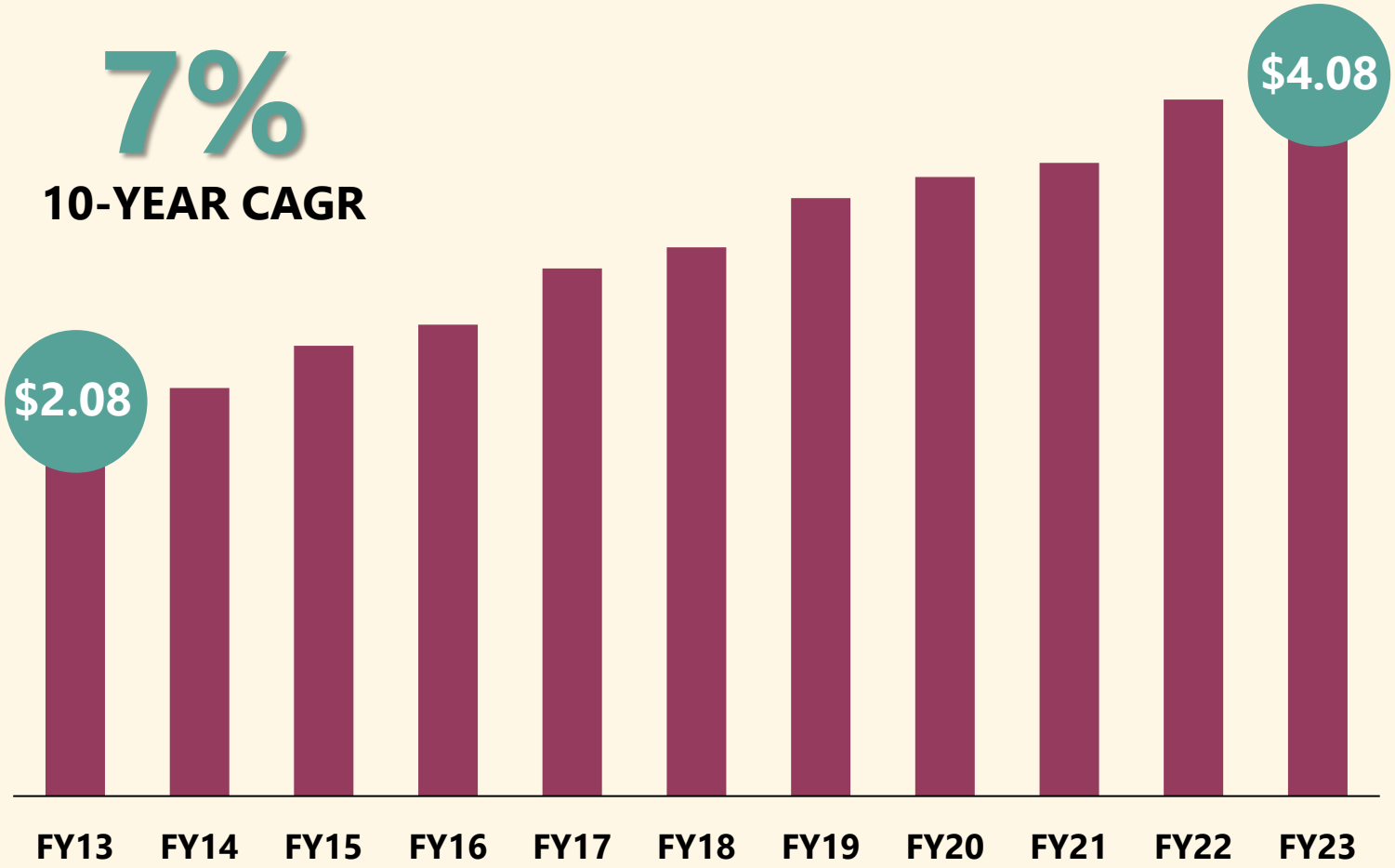
	FY12	FY13	FY14	FY16	FY17	FY21	FY22
Weighted Avg. Cost per Share	*$74.51*	*$89.83*	*$100.19*	*$128.10*	*$139.14*	*$116.34*	*$131.23*

$2.9B

OF SHARE REPURCHASES IN LAST 10-YEARS

DIVIDEND GROWTH

7%
10-YEAR CAGR



21
CONSECUTIVE YEARS OF DIVIDEND INCREASES

40-45%
ADJUSTED EPS PAYOUT TARGET

ACQUISITIONS

IMPORTANT ROLE IN OUR STRATEGY

ASSESS RESULTING IMPACT TO ROIC

REASONABLENESS OF MULTIPLES

KEY TAKEAWAYS

LONG-TERM SUSTAINABLE GROWTH & SHAREHOLDER VALUE

Continue to Deliver Strong Results

Transformed into a Stronger Company

Continue Delivering Growth

Commitment to Financial Discipline

Balanced Capital Deployment

THE J.M. SMUCKER Co

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2022

FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements, such as projected net sales, operating results, earnings, and cash flows that are subject to risks and uncertainties that could cause actual results to differ materially from future results expressed or implied by those forward-looking statements. The risks, uncertainties, important factors, and assumptions listed and discussed in this presentation, which could cause actual results to differ materially from those expressed, include: the impact of the COVID-19 pandemic on the Company's business, industry, suppliers, customers, consumers, employees, and communities; disruptions or inefficiencies in the Company's operations or supply chain, including any impact caused by product recalls (including the recent *Jif®* peanut butter product recall), political instability, terrorism, armed hostilities (including the ongoing conflict between Russia and Ukraine), extreme weather conditions, natural disasters, pandemics (including the COVID-19 pandemic), work stoppages or labor shortages (including the potential national rail strike), or other calamities; risks related to the availability, and cost inflation in, supply chain inputs, including labor, raw materials, commodities, packaging, and transportation; the impact of food security concerns involving either the Company's products or its competitors' products, including product recalls; risks associated with derivative and purchasing strategies the Company employs to manage commodity pricing and interest rate risks; the availability of reliable transportation on acceptable terms, including any impact of the COVID-19 pandemic; the ability to achieve cost savings related to restructuring and cost management programs in the amounts and within the time frames currently anticipated; the ability to generate sufficient cash flow to continue operating under the Company's capital deployment model, including capital expenditures, debt repayment, dividend payments, and share repurchases; the ability to implement and realize the full benefit of price changes, and the impact of the timing of the price changes to profits and cash flow in a particular period; the success and cost of marketing and sales programs and strategies intended to promote growth in the Company's businesses, including product innovation; general competitive activity in the market, including competitors' pricing practices and promotional spending levels; the Company's ability to attract and retain key talent; the concentration of certain of the Company's businesses with key customers and suppliers, including single-source suppliers of certain key raw materials and finished goods, and the Company's ability to manage and maintain key relationships; impairments in the carrying value of goodwill, other intangible assets, or other long-lived assets or changes in the useful lives of other intangible assets or other long-lived assets; the impact of new or changes to existing governmental laws and regulations and their application; the outcome of tax examinations, changes in tax laws, and other tax matters; a disruption, failure, or security breach of the Company or their suppliers' information technology systems, including ransomware attacks; foreign currency exchange rate and interest rate fluctuations; and risks related to other factors described under "Risk Factors" in other reports and statements filed with the Securities and Exchange Commission, including the Company's most recent Annual Report on Form 10-K. The Company undertakes no obligation to update or revise these forward-looking statements, which speak only as of the date made, to reflect new events or circumstances.

NON-GAAP FINANCIAL MEASURES

The Company uses non-GAAP financial measures, including: net sales excluding divestitures and foreign currency exchange; adjusted gross profit; adjusted operating income; adjusted income; adjusted earnings per share; earnings before interest, taxes, depreciation, amortization, and impairment charges related to intangible assets ("EBITDA (as adjusted)"); and free cash flow, as key measures for purposes of evaluating performance internally. The Company believes that investors' understanding of its performance is enhanced by disclosing these performance measures. Furthermore, these non-GAAP financial measures are used by management in preparation of the annual budget and for the monthly analyses of its operating results. The Board of Directors also utilizes certain non-GAAP financial measures as components for measuring performance for incentive compensation purposes.

Non-GAAP financial measures exclude certain items affecting comparability that can significantly affect the year-over-year assessment of operating results, which include amortization expense and impairment charges related to intangible assets; certain divestiture, acquisition, integration, and restructuring costs ("special project costs"); gains and losses on divestitures; the net change in cumulative unallocated gains and losses on commodity and foreign currency exchange derivative activities ("change in net cumulative unallocated derivative gains and losses"); and other one-time items that do not directly reflect ongoing operating results. Income taxes, as adjusted is calculated using an adjusted effective income tax rate that is applied to adjusted income before income taxes and reflects the exclusion of the previously discussed items, as well as any adjustments for one-time tax related activities, when they occur. While this adjusted effective income tax rate does not generally differ materially from the GAAP effective income tax rate, certain exclusions from non-GAAP results can significantly impact the adjusted effective income tax rate.

These non-GAAP financial measures are not intended to replace the presentation of financial results in accordance with U.S. GAAP. Rather, the presentation of these non-GAAP financial measures supplements other metrics used by management to internally evaluate its businesses and facilitate the comparison of past and present operations and liquidity. These non-GAAP financial measures may not be comparable to similar measures used by other companies and may exclude certain nondiscretionary expenses and cash payments. A reconciliation of certain non-GAAP financial measures to the comparable GAAP financial measure for the current and prior year periods is included in the "Unaudited Non-GAAP Financial Measures" tables. The Company has also provided a reconciliation of non-GAAP financial measures for its fiscal 2023 outlook.

UNAUDITED NON-GAAP FINANCIAL MEASURES

($ in millions)	Three Months Ended				TTM Ended
	January 31, 2022	April 30, 2022	July 31, 2022	October 31, 2022	October 31, 2022
EBITDA (as adjusted) reconciliation:					
Net income	$69.7	$202.1	$109.8	$191.1	$572.7
Income tax expense	39.9	58.1	31.3	61.8	191.1
Interest expense – net	39.5	38.0	39.1	39.7	156.3
Depreciation	59.9	56.6	55.1	57.1	228.7
Amortization	55.3	57.5	55.6	55.6	224.0
Other intangible assets impairment charge	150.4	-	-	-	150.4
EBITDA (as adjusted)	$414.7	$412.3	$290.9	$405.3	$1,523.2

Note: Amounts may not add due to rounding

UNAUDITED NON-GAAP FINANCIAL MEASURES

($ in millions)	Three Months Ended				TTM Ended
	January 31, 2021	April 30, 2021	July 31, 2021	October 31, 2021	October 31, 2021
EBITDA (as adjusted) reconciliation:					
Net income	$261.5	$147.0	$153.9	$206.0	$768.4
Income tax expense	100.0	46.3	51.3	62.8	260.4
Interest expense – net	43.5	42.4	43.1	40.3	169.3
Depreciation	53.5	57.8	58.5	60.5	230.3
Amortization	57.0	56.9	55.4	55.4	224.7
Other intangible assets impairment charge	-	3.8	-	-	3.8
EBITDA (as adjusted)	$515.5	$354.2	$362.2	$425.0	$1,656.9

Note: Amounts may not add due to rounding

UNAUDITED NON-GAAP FINANCIAL MEASURES

($ in millions)	Three Months Ended				TTM Ended
	January 31, 2020	April 30, 2020	July 31, 2020	October 31, 2020	October 31, 2020
EBITDA (as adjusted) reconciliation:					
Net income	$187.4	$226.3	$237.0	$230.8	$881.5
Income tax expense	55.1	72.1	76.6	72.7	276.5
Interest expense - net	45.1	45.6	46.1	45.1	181.9
Depreciation	53.3	53.5	54.1	54.1	215.0
Amortization	58.8	59.9	59.6	59.5	237.8
Other intangible assets impairment charges	52.4	-	-	-	52.4
EBITDA (as adjusted)	$452.1	$457.4	$ 473.4	$ 462.2	$1,845.1

Note: Amounts may not add due to rounding

UNAUDITED NON-GAAP FINANCIAL MEASURES

($ in millions)	Three Months Ended				TTM Ended
	January 31, 2019	April 30, 2019	July 31, 2019	October 31, 2019	October 31, 2019
EBITDA (as adjusted) reconciliation:					
Net income	$121.4	$71.5	$154.6	$211.2	$558.7
Income tax expense	35.8	30.4	52.1	67.9	186.2
Interest expense - net	51.6	49.1	49.4	49.1	199.2
Depreciation	51.2	51.9	50.8	52.6	206.5
Amortization	59.7	60.4	58.8	58.8	237.7
Goodwill impairment charge	—	97.9	—	—	97.9
Other intangible assets impairment charges	107.2	—	—	—	107.2
EBITDA (as adjusted)	$426.9	$361.2	$365.7	$439.6	$1,593.4

Note: Amounts may not add due to rounding

NON-GAAP RECONCILIATION

Company Guidance

	Year Ending April 30, 2023	
	Low	High
Net income per common share – assuming dilution reconciliation:		
Net income per common share – assuming dilution	$ 6.28	$ 6.68
Change in net cumulative unallocated derivative gains and losses (A)	0.41	0.41
Amortization	1.58	1.58
Special project costs	0.09	0.09
Gain on divestiture	(0.01)	(0.01)
Adjusted earnings per share	$ 8.35	$ 8.75

(A) We are unable to project derivative gains and losses on a forward-looking basis as these will vary each quarter based on market conditions and derivative positions taken. The change in unallocated derivative gains and losses in the table above reflects the net impact of the gains and losses that have been recognized in our GAAP results and excluded from non-GAAP results as of October 31, 2022, adjusted for the gains and losses expected to be allocated to non-GAAP results for the year ended April 30, 2023.

NON-GAAP RECONCILIATION

Company Guidance

($ in millions)	Year Ending April 30, 2023
Free cash flow reconciliation:	
Net cash provided by operating activities	$ 1,100
Additions to property, plant, and equipment	(550)
Free cash flow	$ 550

ADDITIONAL INFORMATION

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