THE J.M. SMUCKER Co

CAGNY

CONFERENCE

2023



MARK SMUCKER

Chair of the Board, President
and Chief Executive Officer





FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements, such as projected net sales, operating results, earnings, and cash flows, that are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from any future results, performance, or achievements expressed or implied by those forward-looking statements. Users should understand that the risks, uncertainties, factors, and assumptions listed and discussed in this presentation could affect the future results of the Company and could cause actual results to differ materially from those expressed in the forward-looking statements.

Users are cautioned not to unduly rely on such forward-looking statements, which speak only as of the date made, when evaluating the information presented in this presentation. The Company does not undertake any obligation to update or revise these forward-looking statements to reflect new events or circumstances.



MARK SMUCKER

Chair of the Board, President
and Chief Executive Officer

BUSINESS UPDATE



TUCKER MARSHALL

Chief Financial Officer

FINANCIAL UPDATE

CONTINUE DELIVERING RESULTS & GROWTH

KEY GROWTH PLATFORMS

- *Uncrustables*®
- Dog Snacks & Cat Food
- Coffee Portfolio

TRANSFORMATION OFFICE INITIATIVES

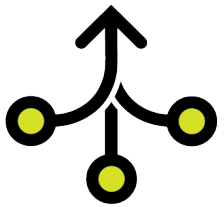
- Increase Margins
- Fund Investments For Growth

STRONG FIRST HALF RESULTS

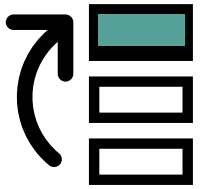
OUR PERFORMANCE REFLECTS:



Strength of our Iconic Brands

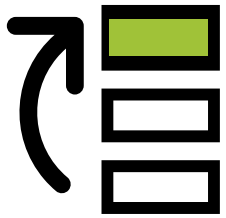


Focus on Execution

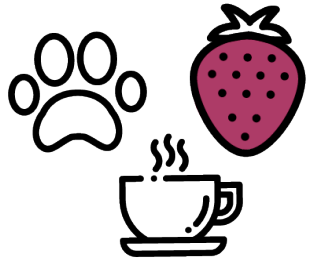


Advancement of Strategic Priorities

OUR STRATEGY











Drive Prioritization & Best-In-Class Execution	Improve Profitability & Cost Discipline	Transform Our Portfolio	Nurture & Invest In Our Culture	Improve Diversity & Foster Inclusion & Equity

BRAND GROWTH FLYWHEEL



IMPROVING PROFITABILITY & COST DISCIPLINE

OUR TRANSFORMATION OFFICE



CENTERED AROUND CONTINUOUS IMPROVEMENT



FOCUSED ON VALUE CREATION



DEDICATED TO OPERATIONAL EFFICIENCY

EFFORTS ARE EXPECTED TO



SUPPORT LONG-TERM PROFITABILITY TARGETS



IMPROVE PROFIT MARGINS



SUPPORT DIVESTITURES & ACQUISITIONS

TRANSFORM OUR PORTFOLIO

#1 IN DOG SNACKS



#2 IN CAT FOOD



MILK-BONE

Pup-Peroni

Canine Carry Outs

Milo's Kitchen
HOMESTYLE DOG TREATS

Meow Mix

SOURCE: SMUCKER INTERNAL IRI MULTI-OUTLET SHARE REPORT 52 WEEKS ENDED JANUARY 29, 2023.

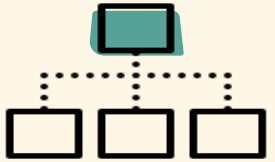
INVESTING IN CULTURE & DIVERSITY



Competitive Advantage



Maximizes Performance

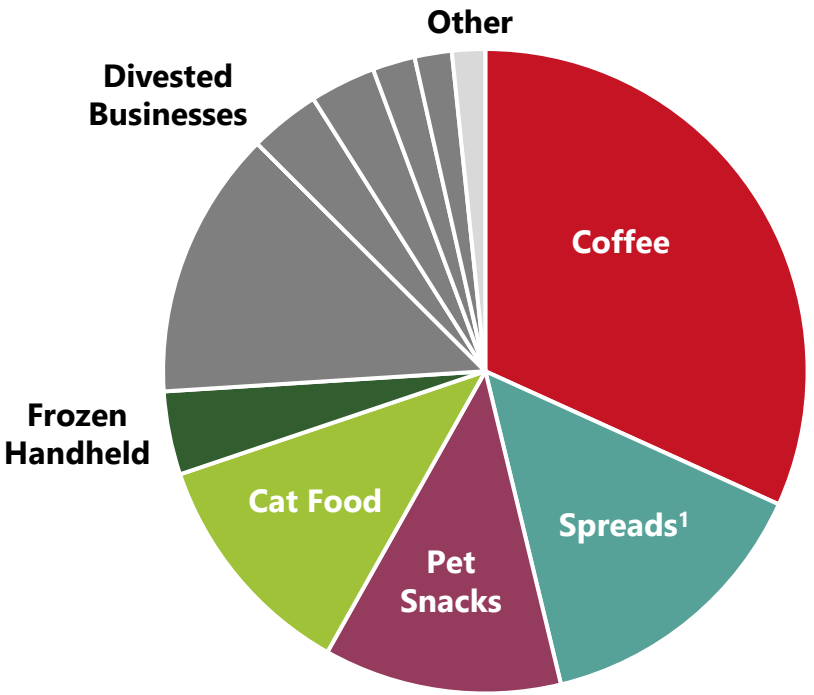


Progress at All Levels

A FOCUSED PORTFOLIO

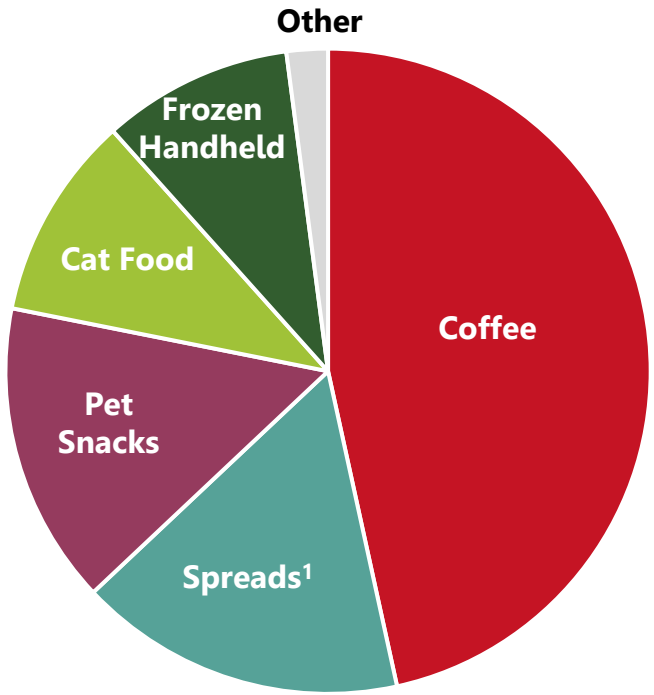
FY20

% Net Sales



FY23 PRO FORMA*

% Net Sales



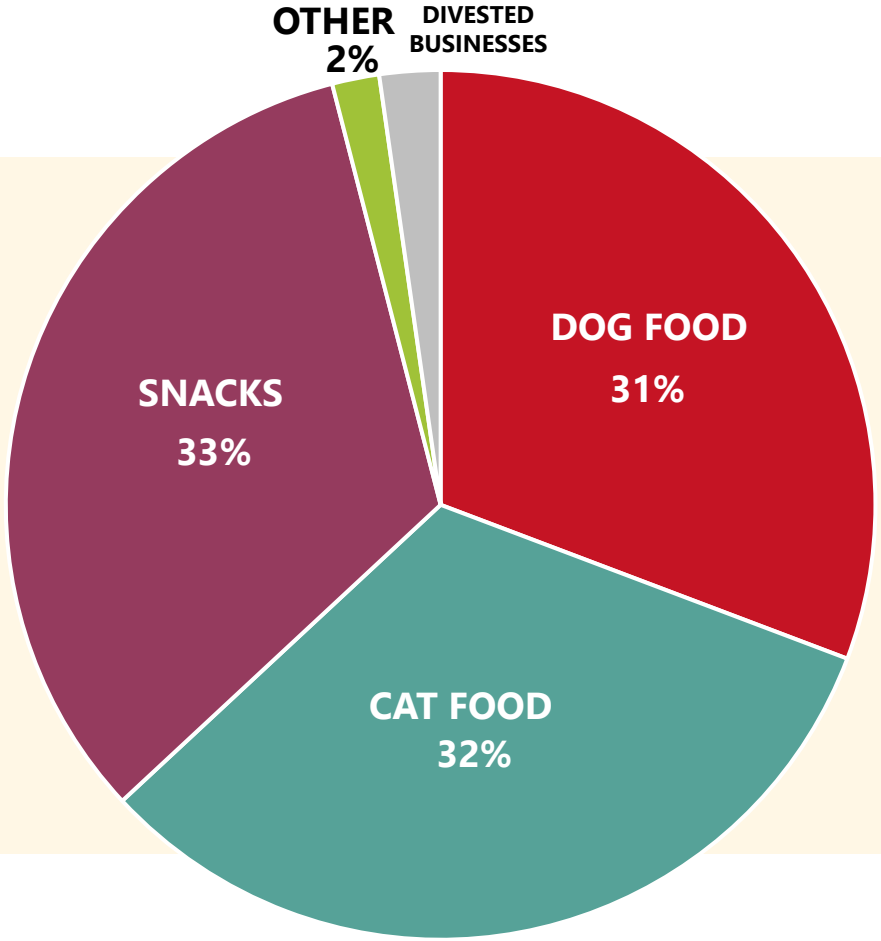
*ADJUSTED TO REMOVE NET SALES OF PRODUCTS INCLUDED IN THE RECENTLY ANNOUNCED DIVESTITURE OF SEVERAL PET BRANDS, SUBJECT TO CLOSING CONDITIONS INCLUDING THE RECEIPT OF REQUIRED REGULATORY APPROVALS.
[1]INCLUDES PEANUT BUTTER AND FRUIT SPREADS.

U.S. RETAIL PET FOODS

$2.8B

FY22 NET SALES

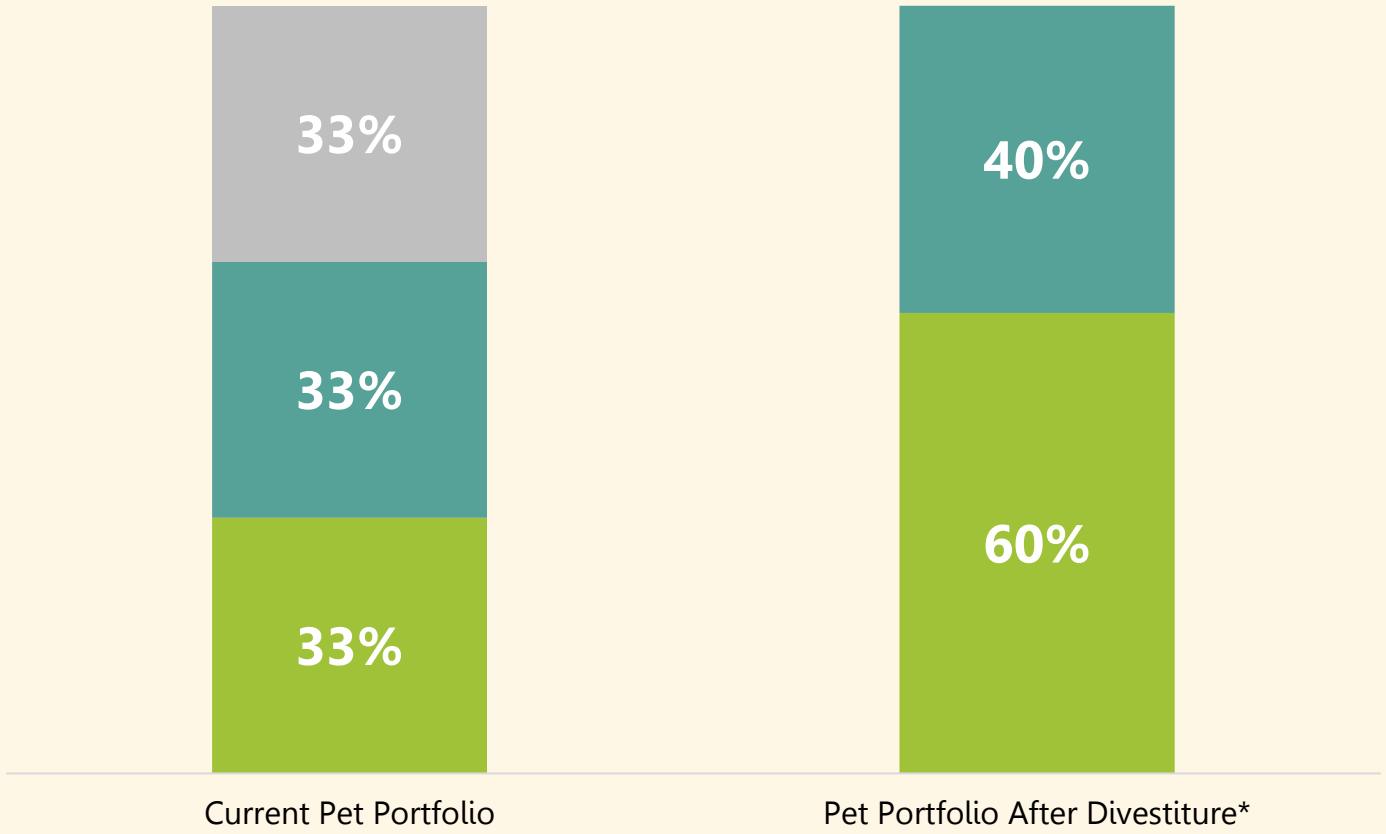




NOTE: AMOUNTS MAY NOT ADD DUE TO ROUNDING.

FUTURE PET PORTFOLIO

PET CATEGORIES
as a % of Net Sales



MARGIN PROFILE

- Pet Snacks
- Cat Food
- Dog Food

PET DIVESTITURE* WILL IMPROVE MARGIN & MIX

*RELATED TO THE RECENTLY ANNOUNCED DIVESTITURE OF SEVERAL PET BRANDS, SUBJECT TO CLOSING CONDITIONS INCLUDING THE RECEIPT OF REQUIRED REGULATORY APPROVALS.

THE STRATEGIC IMPORTANCE OF DOG SNACKS

MARKET LEADER WITH **23%** DOLLAR SHARE

DELIVERS **SIGNIFICANTLY HIGHER MARGINS** THAN PET FOOD

YOY NET SALES GROWTH IN **16** OF LAST **18** QUARTERS

EXPECT DOG SNACKS TO GROW TO **$1B IN NET SALES** IN THE NEXT SEVERAL YEARS



SOURCE: SMUCKER INTERNAL IRI MULTI-OUTLET SHARE REPORT 52 WEEKS ENDED JANUARY 29, 2023.

GROWTH IN DOG SNACKS

1

EXPAND LEADERSHIP IN BISCUITS AND SOFT & CHEWY SEGMENTS

2

CONTINUE BUILDING A **MEANINGFUL PRESENCE** IN LONG-LASTING CHEWS

Breakthrough Marketing & Engagement

Expanding Seasons & Occasions

Evolving & Optimizing Assortment

Igniting Premium Innovation

STRONG BRAND MOMENTUM



MILK-BONE® WILL LEAD OUR GROWTH IN DOG SNACKS

#1
DOLLAR SHARE

2X
CATEGORY GROWTH RATE

+18%
CONSUMER TAKEAWAY

SOURCE: SMUCKER INTERNAL MULTI-OUTLET SHARE REPORT 52 WEEKS ENDED JANUARY 29, 2023.

GROWTH IN SPECIAL OCCASIONS

Benefit from humanization of pets

Seasonal innovation plays a key role





CAT FOOD MOMENTUM



Net Sales growth last **19 of 20 quarters**

Meow Mix® **outpacing category growth**

Leverage momentum in dry cat food to drive growth in wet food

SOURCE: SMUCKER INTERNAL MULTI-OUTLET SHARE REPORT 52 WEEKS ENDED JANUARY 29, 2023.

FOCUS ON DRY CAT FOOD

LEVERAGING CURRENT MOMENTUM

We will maintain **strong distribution**, **satisfy existing consumers** and **attract new ones**



UNLOCKING GROWTH IN WET

20%

OF *MEOW MIX*® SALES ARE WET

GROWTH OPPORTUNITY



50%

OF CATEGORY DOLLAR SALES ARE WET



SOURCE: SMUCKER INTERNAL MULTI-OUTLET SHARE REPORT 52 WEEKS ENDED JANUARY 29, 2023.

REVITALIZING WET CAT FOOD

LAUNCHED ENHANCED WET OFFERINGS WITH NEW PACKAGING AND ADVERTISING CAMPAIGN

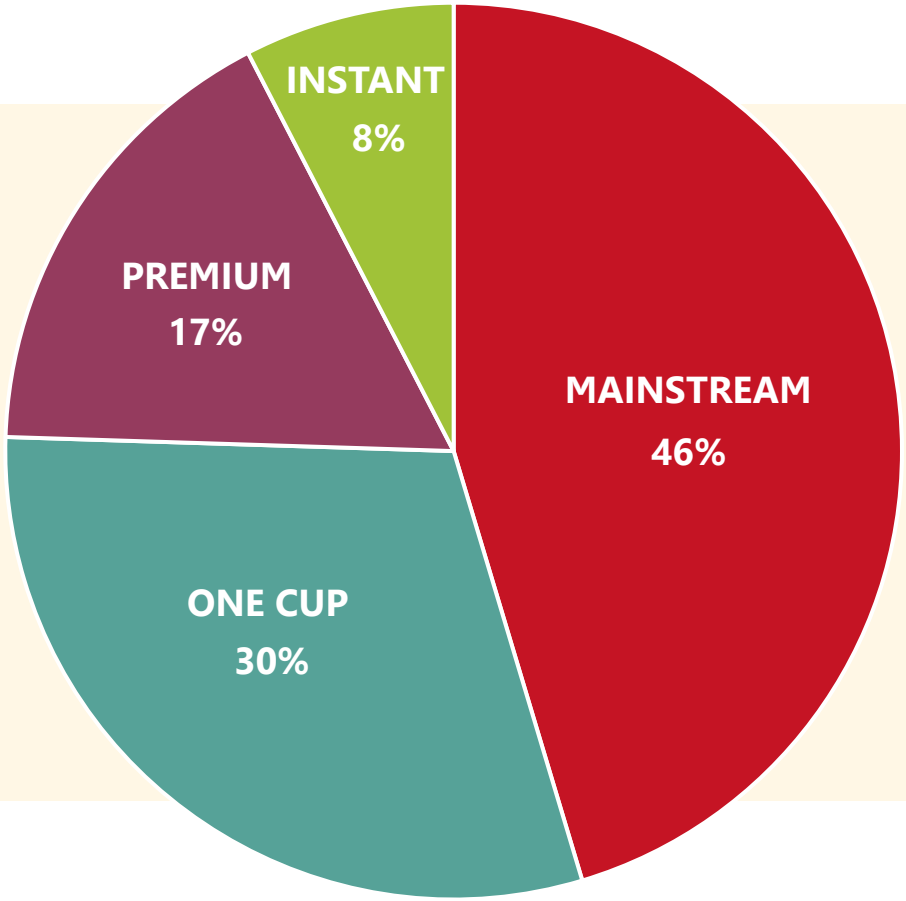


U.S. RETAIL COFFEE

$2.5B

FY22 NET SALES





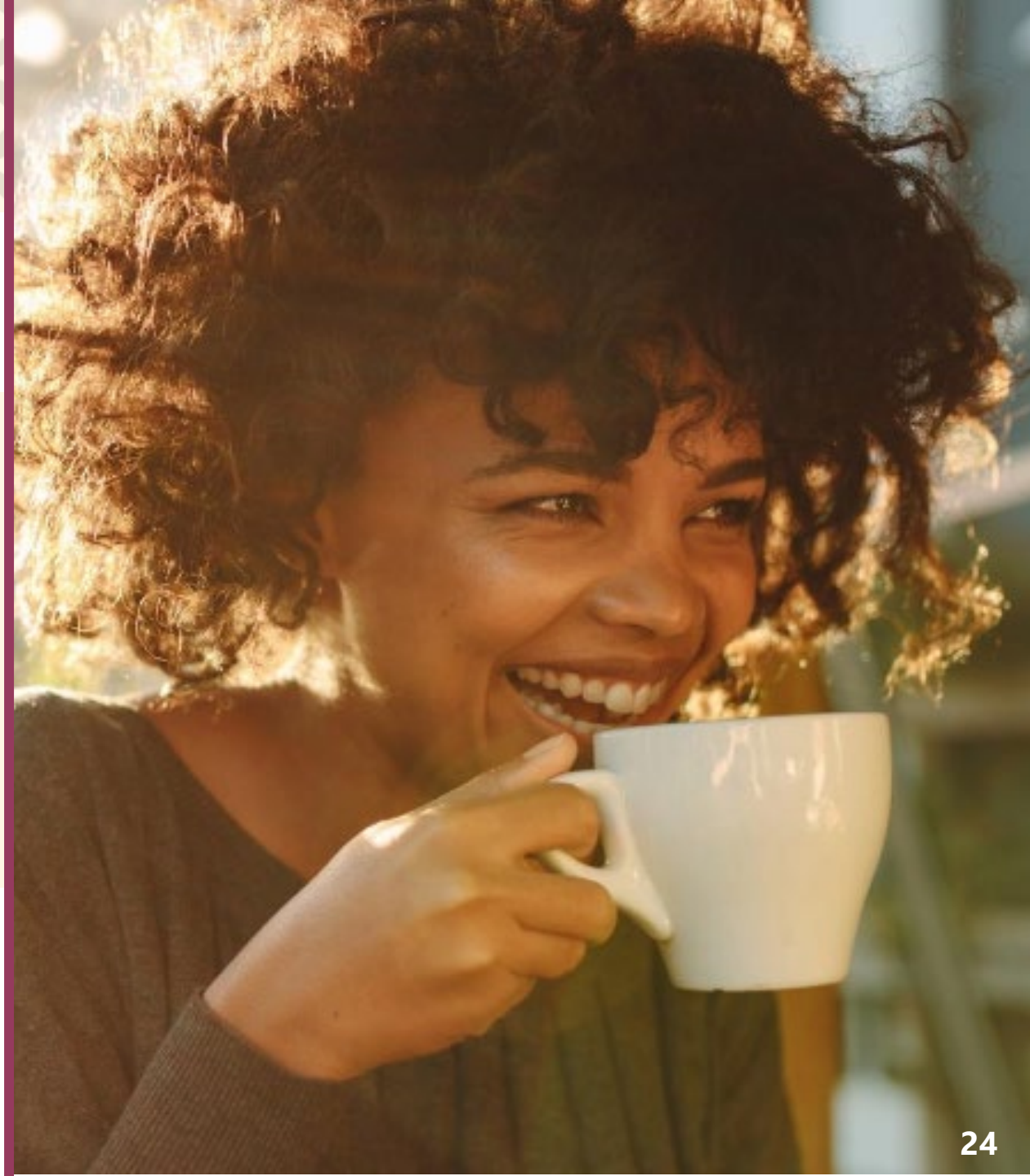
NOTE: AMOUNTS MAY NOT ADD DUE TO ROUNDING.

COFFEE STRENGTH

#1 U.S. BRANDED AT-HOME COFFEE MANUFACTURER

26% Share of Market

3 of TOP 8 coffee brands



SOURCE: SMUCKER INTERNAL MULTI-OUTLET SHARE REPORT 52 WEEKS ENDED JANUARY 29, 2023.

SUCCESSFUL PORTFOLIO SHIFT



KEY DRIVERS OF GROWTH

DUNKIN'®

CAFÉ BUSTELO®

K-CUP PODS®

Continue expansion into
faster-growing formats

DUNKIN'®

OPPORTUNITY TO INCREASE DUAL USERS*

GROWTH POTENTIAL IN COLD COFFEE



*INDIVIDUALS WHO BUY AT *DUNKIN'*® RESTAURANTS AND FOR AT-HOME OCCASIONS.

EXPANDING *DUNKIN'*®COLD



OFFERING NEW FORMATS

Single Serve & Concentrates

MORE INNOVATION TO COME



PLATFORM FOR GROWTH

Expect
annual net sales
of

$1 BILLION
in the next 4 years





CAFÉ BUSTELO®

ONE OF OUR FASTEST GROWING BRANDS

Expect **annual net sales** of

$300M in the next 2 years



CAFÉ BUSTELO® MOMENTUM



CONSUMER TAKEAWAY

+24% LAST YEAR

Fastest growing brand
in the at-home coffee category

8th

Largest Brand
in the Category

#1

Espresso
Coffee

#1

Latin
Coffee

SOURCE: SMUCKER INTERNAL MULTI-OUTLET SHARE REPORT 52 WEEKS ENDED JANUARY 29, 2023.

Folgers
PROUDLY ROASTED IN NEW ORLEANS

AN ICONIC COFFEE BRAND

POSITIVE REACTION from brand reinvigoration

Grew the most **DOLLAR SHARE** last year



SOURCE: SMUCKER INTERNAL MULTI-OUTLET SHARE REPORT 52 WEEKS ENDED JANUARY 29, 2023.

GROWTH THROUGH VARIETIES



Folgers
PROUDLY ROASTED IN NEW ORLEANS
Black Silk
Bold and Intense with a Smooth Finish

A DARKER, SMOOTHER EXPERIENCE

#1

Dark Roast
Canister

DOLLAR SALES &
DOLLAR SHARE

#1

Fastest Growing
Dark Roast Canister

MILLENNIALS &
GENERATION X



SOURCE: SMUCKER INTERNAL MULTI-OUTLET SHARE REPORT 52 WEEKS ENDED JANUARY 29, 2023.

K-CUP® PODS

CONTINUES TO
HAVE MOMENTUM

Expect **annual net sales** of

$1 BILLION
in next 5 years



EXPANDING TO NEW FORMATS

Opportunities in
liquid concentrates, multi-serve, and ready-to-drink

Investments in manufacturing & partnerships

Establish a dedicated team

Explore portfolio additions



LEVERAGING OUR POWERFUL BRANDS



CAFÉ BUSTELO

Folgers
PROUDLY ROASTED IN NEW ORLEANS

DUNKIN'

CONTINUE TO BENEFIT FROM EMERGING TRENDS

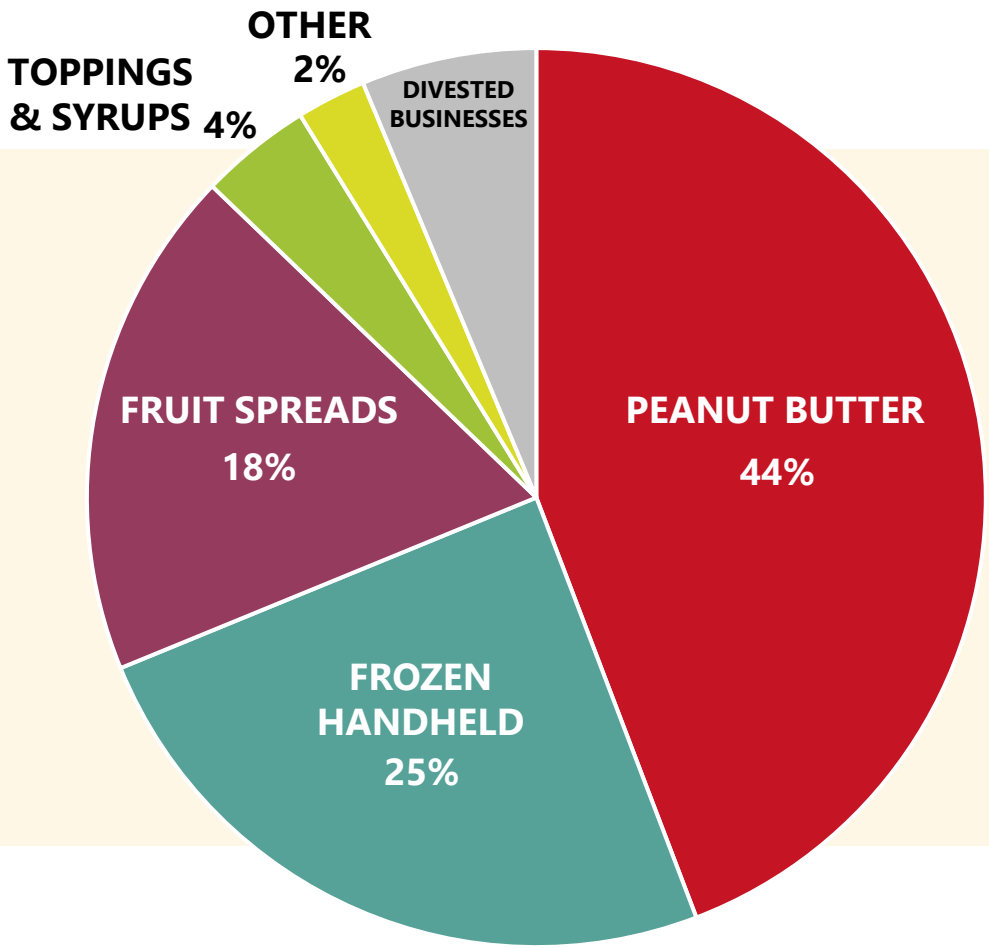
Deep expertise in coffee sourcing, roasting, and category advisership

U.S. RETAIL CONSUMER FOODS

$1.7B

FY22 NET SALES





NOTE: AMOUNTS MAY NOT ADD DUE TO ROUNDING.

UNCRUSTABLES® GROWTH



15%

10-YEAR CAGR

ON TRACK TO EXCEED

$650M

NET SALES IN FY23

A CATEGORY LEADER



2 of the top 9 SKUs in frozen category



10% share
of the category &
fastest growing



#1 in households with kids

#1 repeat rate

#1 velocity growth rate

SOURCE: SMUCKER INTERNAL MULTI-OUTLET SHARE REPORT 13 AND 52 WEEKS ENDED JANUARY 29, 2023.

FUELING FUTURE GROWTH







Expect to grow to

$1 BILLION

in annual net sales by FY26

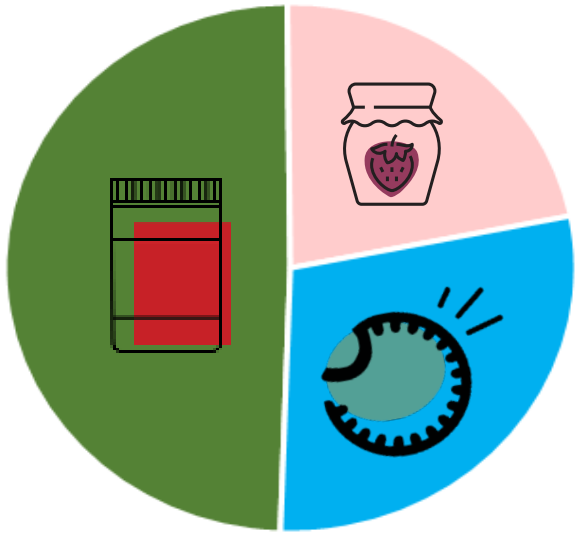
MANUFACTURING EXPANSION

Scottsville	Longmont	McCalla
2019	2022	2025

SHIFTING THE PORTFOLIO

TODAY

% Net Sales

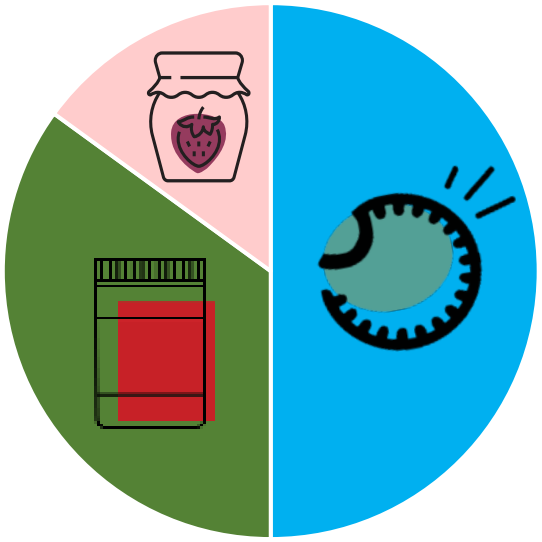


SUPPORTING

MARGIN EXPANSION

FUTURE

% Net Sales



ALL SKU'S ARE BACK ON SHELF

#1 position in the category

Leader in **HOUSEHOLD PENETRATION**



SOURCE: SMUCKER INTERNAL MULTI-OUTLET SHARE REPORT 13 WEEKS ENDED JANUARY 29, 2023.

THE STRENGTH OF *JIF*®



EXPECT CONTINUED GROWTH IN THE LONG-TERM

Plan to **drive dollars per ounce** through innovation & net revenue optimization

FRUIT SPREADS



REDUCED COMPLEXITY & OPTIMIZED SKU COUNT

- Dollar share leader
- Clean label & sugar-free options
- Brand equity investments

SOURCE: SMUCKER INTERNAL MULTI-OUTLET SHARE REPORT 52 WEEKS ENDED JANUARY 29, 2023.

MEETING CONSUMER NEEDS

CONVENIENT AND ON-THE-GO SQUEEZABLE FORMATS

Continue to **expand usage occasions** and **consumer reach**







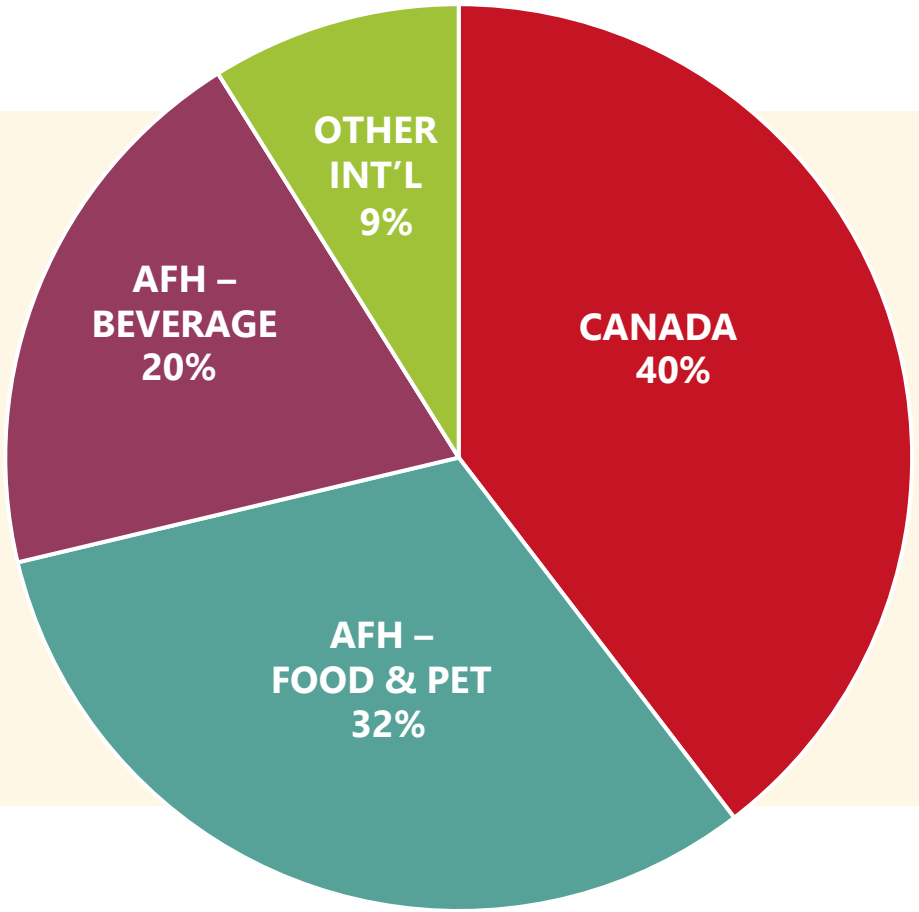


INTERNATIONAL & AWAY FROM HOME

$1.0B

FY22 NET SALES





NOTE: AMOUNTS MAY NOT ADD DUE TO ROUNDING.

SEGMENT GROWTH DRIVERS

AWAY FROM HOME

CONTINUED FOCUS
ON *UNCRUSTABLES*,® COFFEE,
& PORTION CONTROL



Additional Longmont Capacity



Expand Reach to Young Consumers

INTERNATIONAL

LEVERAGING GROWTH OPPORTUNITIES
CONSISTENT WITH U.S. RETAIL

Launching In Canada Early Next Fiscal Year

Our Vision
GUIDES OUR STRATEGY

Engage, delight and inspire consumers by building brands they love and leading in growing categories







OUR PEOPLE

OUR PURPOSE

Feeding connections that help
us thrive – life tastes better together.



ENSURING ACCESS TO QUALITY FOOD



SUPPORTING ACCESS TO EDUCATION



PROMOTING EQUITABLE AND ETHICAL TREATMENT FOR ALL



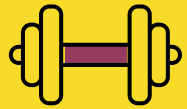
MAKING CONNECTIONS TO COMMUNITY RESOURCES



SUPPORTING A HEALTHIER PLANET

KEY TAKEAWAYS

DELIVERING ON RESULTS AND EXECUTIONAL PRIORITIES



Transformed into a Stronger Company



Increased Organizational Agility



Continued Leadership in Communities



Commitment to Long-Term Growth



Powered by Our Unique Culture



TUCKER MARSHALL

Chief Financial Officer



A STRONG START
TO THE FISCAL YEAR

FIRST HALF RESULTS EXCEEDED EXPECTATIONS

Driven by positive momentum in the business

FY23 FINANCIAL OUTLOOK

Provided with Q2 Earnings Release

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

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.

SJM
LISTED
NYSE

THE J.M. SMUCKER Co

FISCAL 2023 THIRD QUARTER EARNINGS Q&A SESSION

Tuesday, February 28, 2023 | 9:00 a.m. EST

PARTICIPANTS

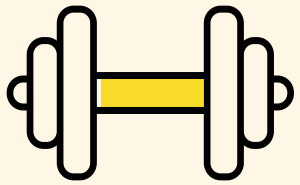
MARK SMUCKER
Chair of Board, President & Chief Executive Officer

TUCKER MARSHALL
Chief Financial Officer

MATERIALS

**PRESS RELEASE,
PRE-RECORDED REMARKS,
AND SUPPORTING MATERIALS
AVAILABLE AT 7:00 AM EST**

POSITIONED FOR LONG-TERM GROWTH



Strengthening our Financial Position



Reinvesting in the Business



Delivering **Shareholder Value**

FINANCIAL PRIORITIES

CREATE LONG-TERM **SHAREHOLDER VALUE**



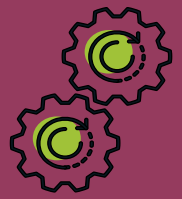
Active & Transparent Communication



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	**12%**	**14%**	**7%**
Peer Group Avg.	8%	9%	7%
S&P Packaged Foods	2%	5%	4%
S&P 500	-5%	8%	10%

DELIVERING LONG-TERM GROWTH AND SHAREHOLDER VALUE



NOTE: DATA AS OF FEBRUARY 17, 2023. ASSUMES DIVIDENDS ARE REINVESTED.
PEER GROUP INCLUDES CAG, CPB, GIS, HRL, HSY, K, KHC, MKC.

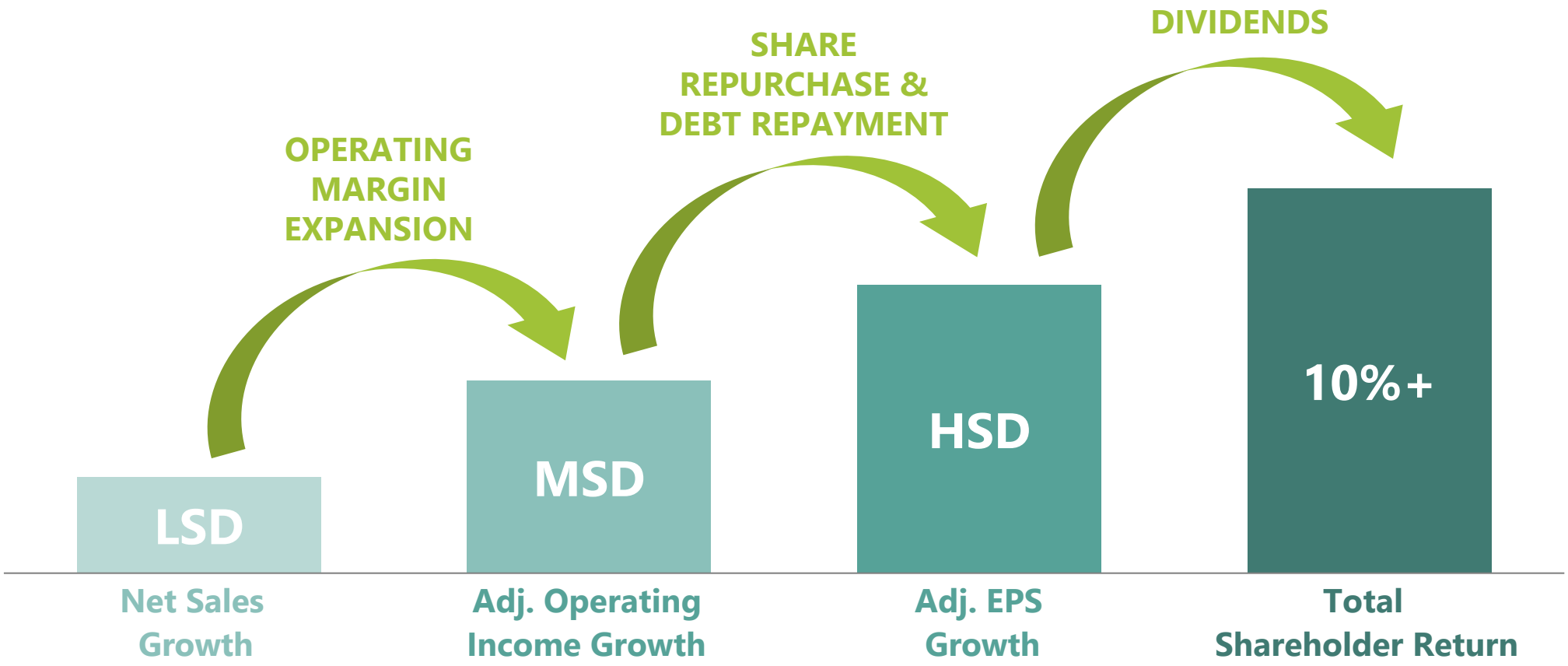
LONG-TERM GROWTH TARGETS

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



OUR LONG-TERM OBJECTIVES

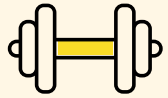
A steady, compelling, and compounding algorithm



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®* & *MEOW MIX®*



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



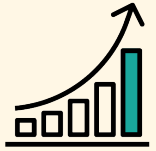
CONTINUED GROWTH IN AWAY FROM HOME BUSINESS



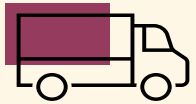
ADJUSTED OPERATING INCOME

MID-SINGLE-DIGIT

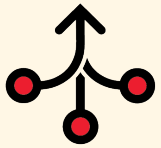
Percentage Growth



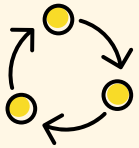
Improved volume / mix



Stabilized supply chain

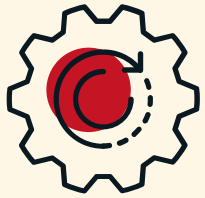


Benefits from Transformation Office



Productivity savings for SD&A

TRANSFORMATION OFFICE



OPERATIONS



SUPPLY CHAIN



PROCUREMENT



DESIGN TO VALUE



SG&A



NET REVENUE OPTIMIZATION



SALES



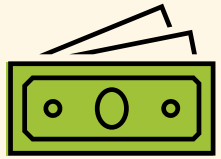
MARKETING

Supports long-term growth targets, addressing stranded overhead costs, and realization of synergies

ADJUSTED EARNINGS PER SHARE

HIGH-SINGLE-DIGIT

Percentage Growth



Expect our

capital deployment model

to DRIVE GROWTH

CASH DEPLOYMENT | FY21 & FY22

Balanced capital deployment, while maintaining investment grade debt rating

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%

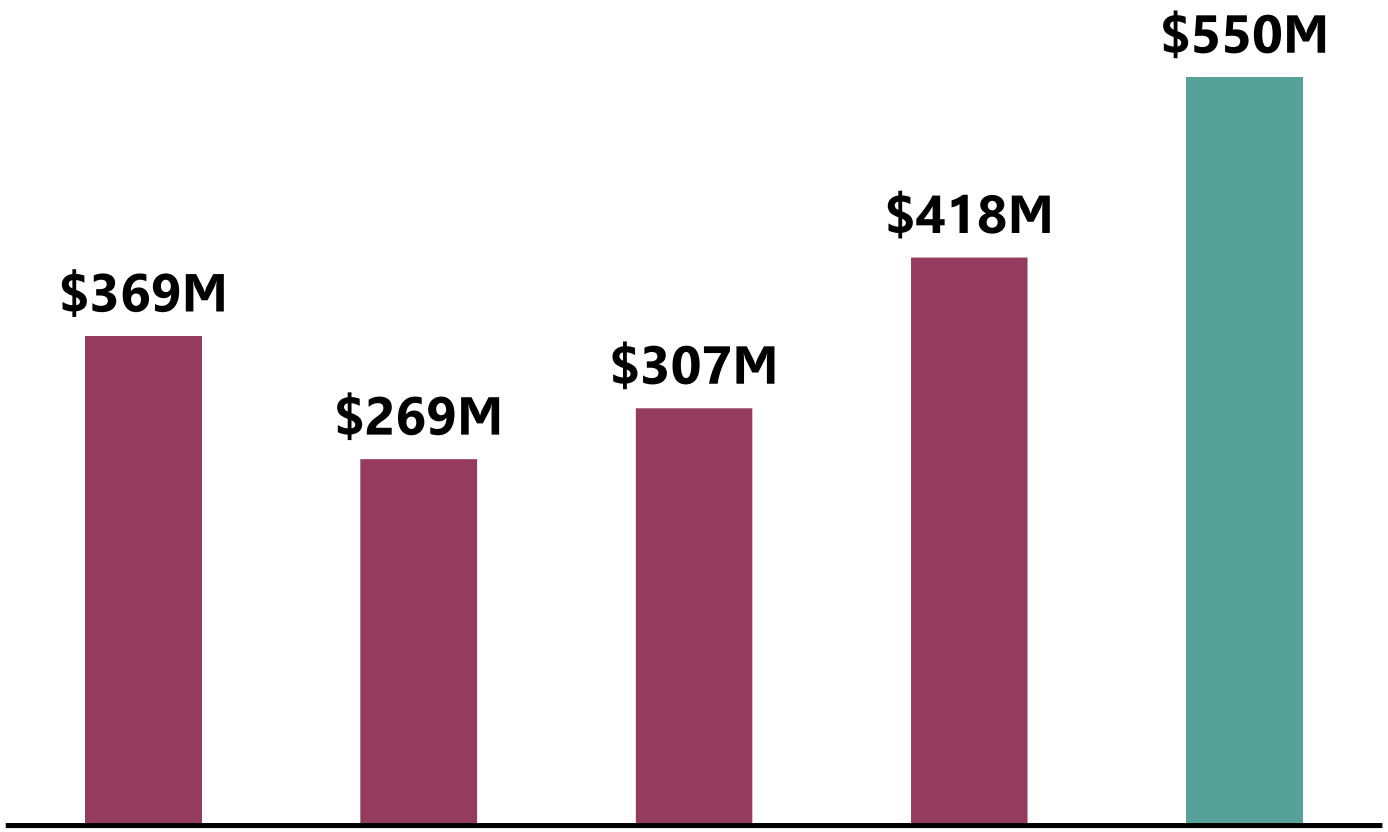
Debt Repayment

CAPITAL EXPENDITURES

LONG-TERM OBJECTIVE

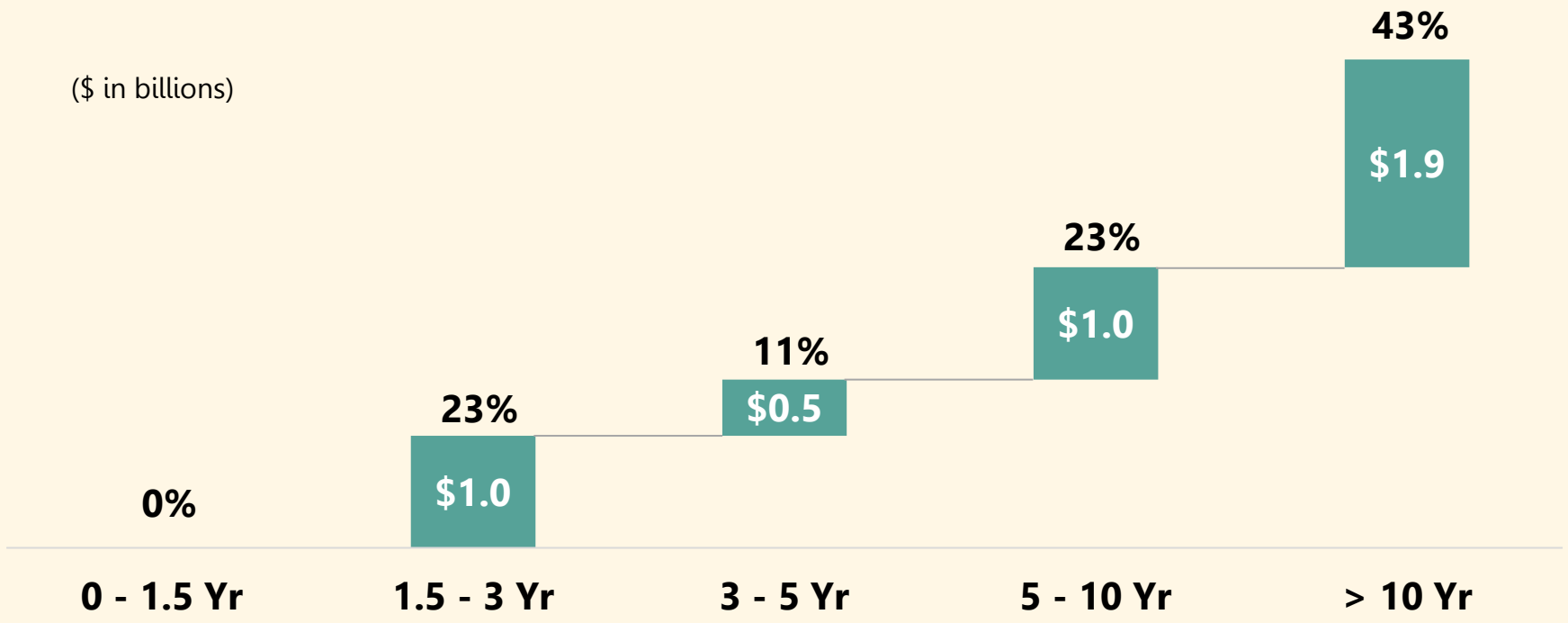
3.5% OF NET SALES

NEAR TERM ELEVATION DUE TO *UNCRUSTABLES®* CAPACITY EXPANSION



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

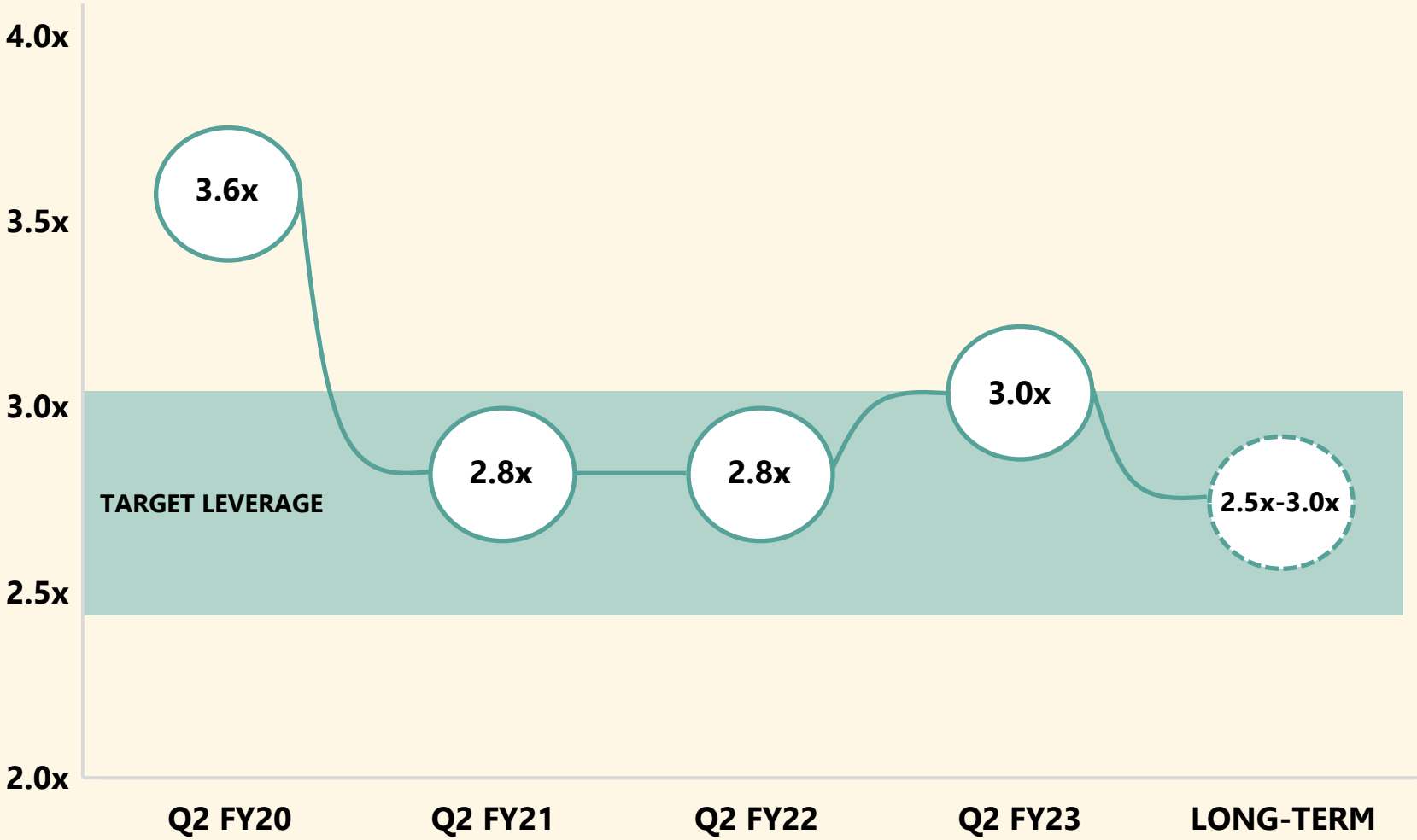
LONG-TERM DEBT MATURITY



AVERAGE COST OF DEBT

3.4%

DEBT REDUCTION

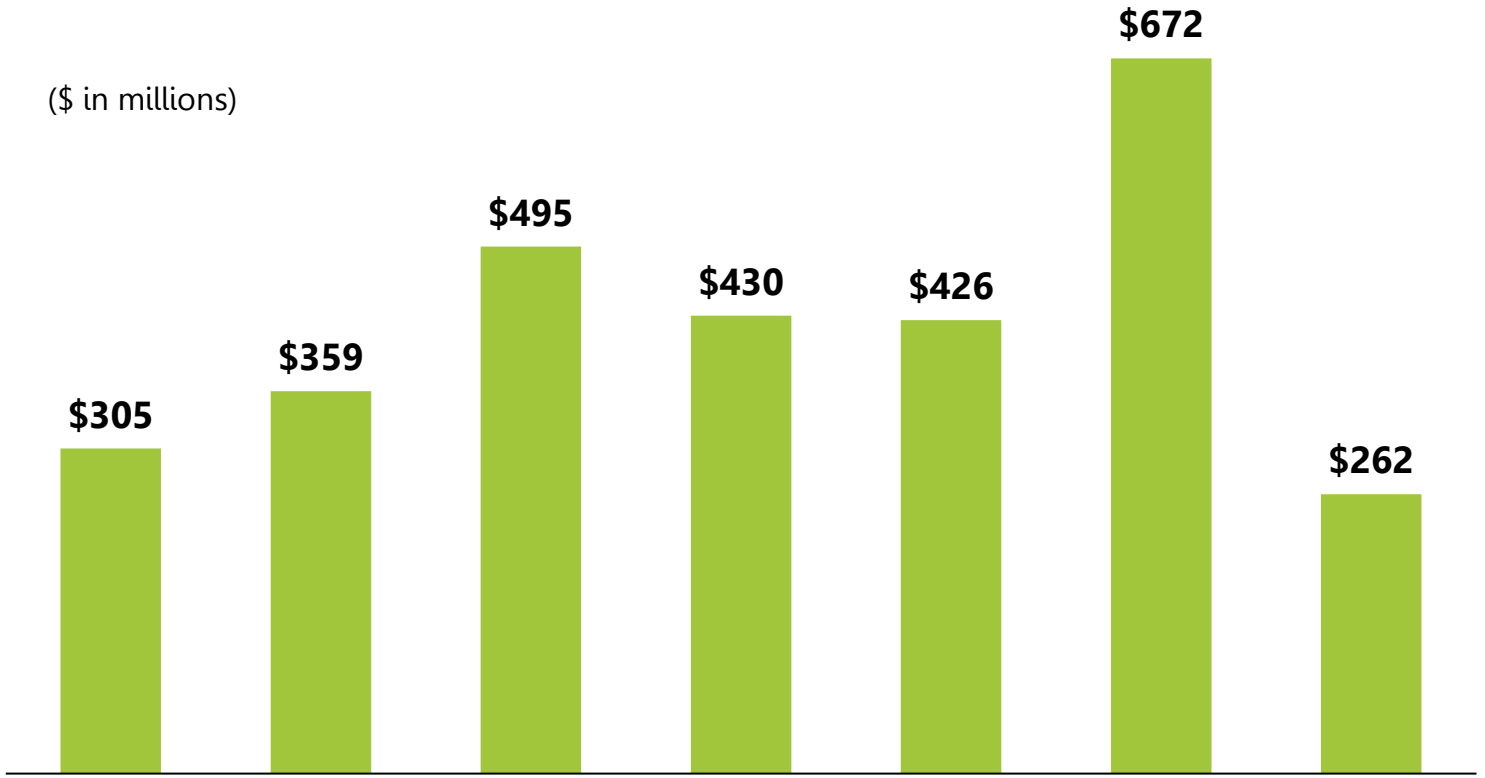


MAINTAIN INVESTMENT GRADE DEBT RATING

2.5x - 3.0x

Target 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*

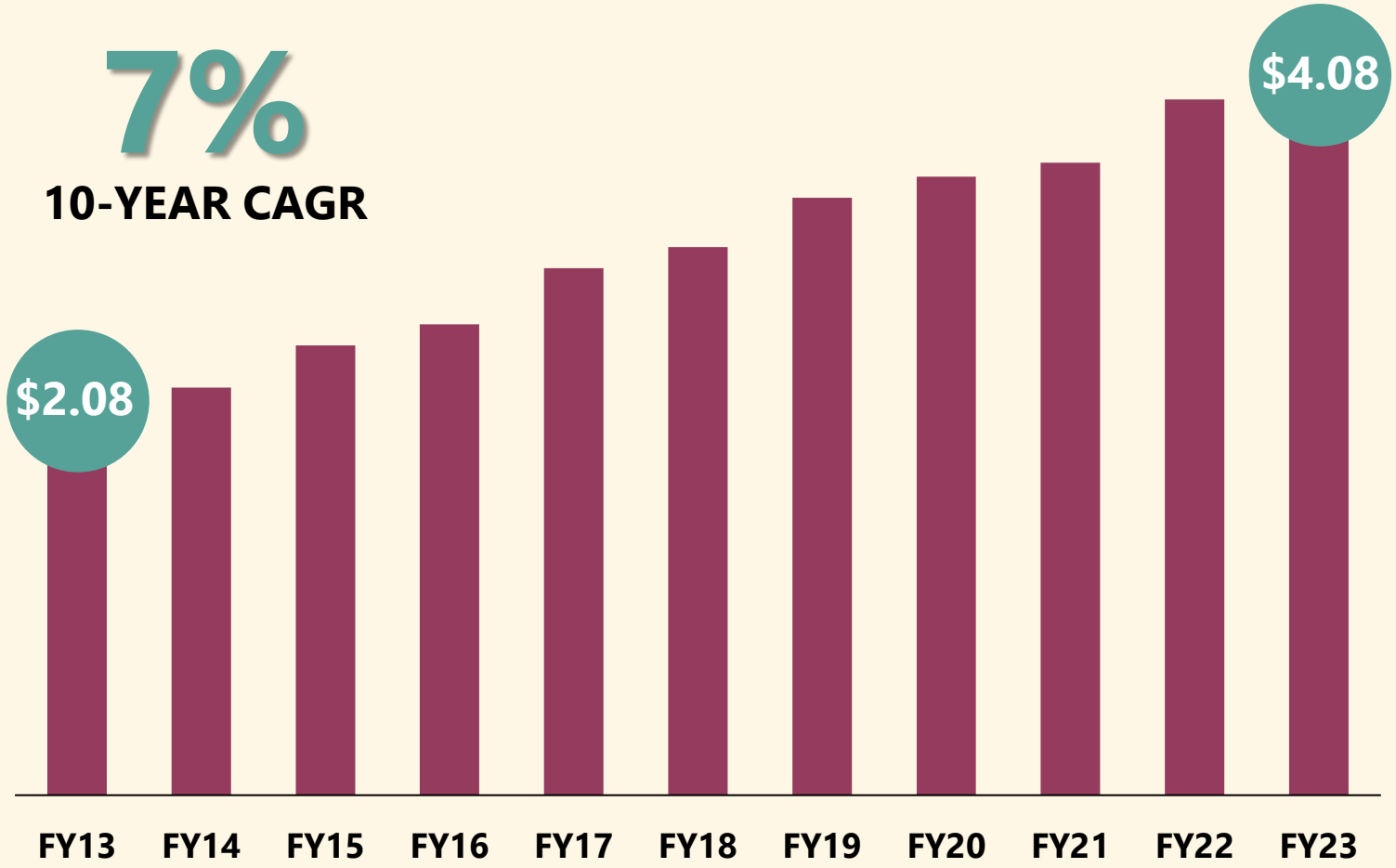
$2.9B

OF SHARE REPURCHASES IN LAST 10-YEARS

Weighted Avg. Cost per Share | $108.33

DIVIDEND GROWTH

7%
10-YEAR CAGR



21
CONSECUTIVE FISCAL YEARS OF GROWTH

40-45%
ADJUSTED EPS PAYOUT TARGET

ACQUISITIONS



CONTINUED ROLE IN OUR STRATEGY



ASSESS RESULTING IMPACT TO ROIC



REASONABLENESS OF MULTIPLES PAID

FY24 CONSIDERATIONS
TOP-LINE

TAILWINDS

Lapping the sales impact of the *Jif*® recall

Uncrustables® **growth** from additional capacity

Continued **brand momentum**

Supply chain improvements

HEADWINDS

Lapping net sales from anticipated **pet divestiture***

Inflationary pressures impacting consumers

*RELATED TO THE RECENTLY ANNOUNCED DIVESTITURE OF SEVERAL PET BRANDS, SUBJECT TO CLOSING CONDITIONS INCLUDING THE RECEIPT OF REQUIRED REGULATORY APPROVALS.

FY24 CONSIDERATIONS
BOTTOM-LINE

BASE BUSINESS

- \+ Recovery of *Jif*® recall impact
- \+ Volume and mix benefits
- ? Input, labor, manufacturing & supply chain costs
- − Investments to support top-line growth
- \+ Benefits from our Transformation Office
- \+ Reduced interest expense

AFTER PET DIVESTITURE*

- − Lapping of lost earnings from divestiture
- ? Timing and use of transaction proceeds
- ? Net impact of stranded costs, TSA & co-pack agreements, and Transformation Office

*RELATED TO THE RECENTLY ANNOUNCED DIVESTITURE OF SEVERAL PET BRANDS, SUBJECT TO CLOSING CONDITIONS INCLUDING THE RECEIPT OF REQUIRED REGULATORY APPROVALS.

ANTICIPATED
PET FOOD DIVESTITURE

SUBJECT TO CLOSING CONDITIONS, INCLUDING THE RECEIPT OF REQUIRED REGULATORY APPROVALS

$0.45

FULL-YEAR EPS DILUTION

(Before Any Benefits From Use of Proceeds and the Impact Of Stranded Overhead)

REPLACE EARNINGS

THROUGH SHARE REPURCHASE

2.5x-3.0x

MAINTAIN LEVERAGE TARGET THROUGH DEBT PAYDOWN

Mitigate the impact
of stranded overhead costs, over time

KEY TAKEAWAYS

LONG-TERM SUSTAINABLE GROWTH & SHAREHOLDER VALUE

- Continue to Deliver Strong Results
- Transformed into a Stronger Company
- Delivering Growth Through Key Platforms
- Improve the Product Mix of Pet Business
- Commitment to Financial Discipline
- Increasing Shareholder Value

THE J.M. SMUCKER Co

CAGNY

CONFERENCE

2023



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: uncertainties related to the timing of the consummation of the sale of certain pet food brands to Post Holdings, Inc., including the possibility that any or all of the conditions to the sale may not be satisfied or waived (including failure to receive required regulatory approvals); the effect of the announcement or pendency of the sale of certain pet food brands on our ability to retain key personnel and to maintain relationships with customers, suppliers, and other business partners, including risks relating to potential diversion of management attention from our ongoing business operations; 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 *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, 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 financial measures 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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ADDITIONAL INFORMATION

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