



**THE J.M. SMUCKER Co**

**2025 Consumer Analyst Group of New York (CAGNY)  
Prepared Remarks**

**February 19, 2025**

## CORPORATE PARTICIPANTS

Mark Smucker, Chair of the Board, President and Chief Executive Officer  
Tucker Marshall, Chief Financial Officer

## MARK SMUCKER, CHAIR OF THE BOARD, PRESIDENT AND CHIEF EXECUTIVE OFFICER

Good afternoon. We appreciate the opportunity to provide an update on The J.M. Smucker Company at this year's CAGNY conference.

As normal, please note that certain information provided today is forward-looking based on current views and assumptions. Also, we use non-GAAP results for the purpose of evaluating performance internally. Details for both items can be found in the slides for today's presentation, available on our investor relations website.

As Andrew mentioned today, joining me today is our Chief Financial Officer, Tucker Marshall, who will follow my remarks with an overview of our financial strategy and priorities.

As we shared at our Investor Day in December, The J.M. Smucker Company is incredibly well-positioned to continue delivering top- and bottom-line growth in this dynamic consumer and operating environment. My comments today will focus on reinforcing three themes:

- First, our legacy business, which accounts for approximately 85% of our net sales, is delivering strong results. And we are well-positioned for the long-term through our key growth platforms, including the *Uncrustables*<sup>®</sup>, *Café Bustelo*<sup>®</sup>, *Milk-Bone*<sup>®</sup>, and *Meow Mix*<sup>®</sup> brands;
- Second, we have confidence in the *Hostess*<sup>®</sup> brand, and we are taking decisive actions to return the brand to growth;
- And, third, we are focused on delivering our capital deployment model. Our transformation, cost discipline, and cash generation objectives will enable our ability to generate over \$1 billion in free cash flow annually. This demonstrates the emphasis we are placing on balanced capital deployment and our commitment to shareholder return.

Over the last several years, we have fundamentally transformed the Company. Today, we are a leader in the consumer goods space approaching \$9 billion in anticipated net sales this fiscal year, primarily focused on North America. We have a focus on leading brands in the attractive categories of snacking, coffee, and pet. Consumers rely on our products for themselves and their families every day, with over 90% of U.S. households purchasing our brands.

Our portfolio combines leading and iconic brands and faster growing brands, a combination that enables us to drive consistent and balanced growth across our portfolio. Over 95% of our U.S. Retail channel sales come from categories where we hold the #1 or #2 branded position. And to lead in attractive categories is more important than ever as leading brands are resilient to changing category dynamics.

Our strategy is working, and while we are living in a unique consumer environment where total industry volume growth has been inconsistent, our portfolio continues to deliver positive results. Now let me share some examples of how we are driving growth and positioning each of our businesses for the long-term.

Starting with the Coffee segment. Our portfolio is performing well as we navigate record-high green coffee prices and continue to demonstrate the ability to recover increased commodity costs through responsible pricing. At-home coffee is a strong and resilient category that provides value to consumers in

all economic environments, and our portfolio provides an affordable price per serving as an alternative to other beverage experiences such as the coffee shop, among others. At-home coffee represents approximately 70% of all coffee drinking occasions, and three out of four Americans drink coffee. This benefits us as the leader in at-home coffee, with a portfolio that features three of the top seven brands in the category: *Folgers*<sup>®</sup>, *Dunkin*<sup>®</sup>, and *Café Bustelo*<sup>®</sup>. Within our portfolio we are focusing resources on our largest growth opportunity, the *Café Bustelo*<sup>®</sup> brand.

*Café Bustelo*<sup>®</sup> continues to be one of the fastest-growing brands in the at-home coffee category, and is reaching critical growth audiences, as the only major roast and ground brand to over-index with Gen Z, Hispanic, and multi-cultural households. We have ambitions for the *Café Bustelo*<sup>®</sup> brand to be a top four brand in the roast and ground and the multi-serve ready-to-drink categories, as we have plans to double household penetration. This growth will be fueled through a strategy centered around driving broad, national appeal to a wider audience and launching innovation that meets the needs of the consumer.

We are launching new roast profiles of the *Café Bustelo*<sup>®</sup> brand in both pre-pack and K-Cup<sup>®</sup> formats in the summer. These new roast profiles include light and medium roasts, expanding the brand's traditional espresso brew to appeal to younger, more diverse buyers while being authentic to its Latin roots. The product is made with 100% arabica coffee beans and is margin accretive to the *Café Bustelo*<sup>®</sup> brand.

We are also providing consumers with convenient offerings in cold coffee to drive incremental occasions. We recently launched *Café Bustelo*<sup>®</sup> multi-serve, which is off to a strong start, and are expanding Vanilla Multi-Serve nationally this summer. Further, we are launching the *Café Bustelo*<sup>®</sup> brand into a single-serve ready-to-drink format next fiscal year in select retailers.

Now shifting to the *Dunkin*<sup>®</sup> brand, which continues to have a key role in our coffee portfolio as the #3 brand in the at-home coffee category. We are focused on supporting the core of the brand through national media and brand building, while also fueling opportunities focused on consumer-led innovation in seasonals and cold coffee. The *Dunkin*<sup>®</sup> brand is the #2 brand in both seasonal coffee and in coffee concentrates, and we will build on this momentum by continuing to innovate.

Finally, to round out our coffee portfolio, the iconic *Folgers*<sup>®</sup> brand, which is the largest at-home coffee brand in volume. We continue to focus on connecting the iconic brand with younger demographics through single-serve coffee and new instant products. Both of which are convenient and attractive options for younger consumers.

We see an opportunity for the *Folgers*<sup>®</sup> brand to win its fair share within the K-Cup<sup>®</sup> category, given its 43 dollar share in the canister segment. Additionally, we are launching a new *Folgers*<sup>®</sup> Classic Decaf in K-Cup<sup>®</sup> form in May 2025 to capitalize on the overall growth of decaf coffee consumption. Instant coffee is another area the *Folgers*<sup>®</sup> brand can connect with younger consumers that are on-the-go, the brand grew 21% in the instant category over the past year with Millennials and Gen Z combined. We will launch new creative this fall to support these initiatives as we continue to expand the brand to more households.

In addition to our focus on top-line growth, cost and formula management are a key part of our strategy. We continue to navigate a highly-inflationary environment with the green coffee commodity, and our approach to commodity coverage is to ensure we have a flexible structure that allows us to manage cost fluctuations. Our belief is that the commodity will normalize over time as it has historically. We have successfully navigated previous periods of elevated green coffee costs, and we will responsibly manage

this period of green coffee inflation with all available levers, while ensuring the portfolio is positioned for long-term sustainable growth.

Next, our Frozen Handheld and Spreads business, where we have transformed the portfolio to focus on our largest growth opportunity, the *Uncrustables*<sup>®</sup> brand, as well as our leading spreads portfolio with *Jif*<sup>®</sup> peanut butter and *Smucker's*<sup>®</sup> fruit spreads.

The *Uncrustables*<sup>®</sup> brand has grown at a 19% CAGR over the past ten fiscal years. This fiscal year, we anticipate growing annual net sales for the *Uncrustables*<sup>®</sup> brand to over \$900 million, demonstrating the 11th straight year of double-digit net sales growth for the brand.

The momentum of the *Uncrustables*<sup>®</sup> brand is tremendous. It grew 15% in the latest 13-week period and has the #1 repeat rate in the category. The #1 SKU in the total freezer aisle is now an *Uncrustables*<sup>®</sup> sandwich, with two SKUs in the top ten. And, the *Uncrustables*<sup>®</sup> brand is leading the entire freezer in new buyers for households with kids, Millennials, and Gen Z.

We have added more Gen Z buyers than any other brand in the freezer, and the brand continues to infuse itself throughout pop culture and social media. *Uncrustables*<sup>®</sup> sandwiches continue to show up organically in culture, from celebrities and famous athletes to everyday consumers who share their love for the brand in conversations and online posts. Consumers themselves are helping us propel the brand into a mainstream phenomenon. And we are amplifying this through the continuation of our successful national advertising campaign. Let's take a look.

*(Uncrustables*<sup>®</sup> Commercial)

Driven by the success of our campaign, holistic marketing, distribution gains, and new merchandising investments to drive trial and awareness, we have made significant strides in household penetration. The *Uncrustables*<sup>®</sup> brand added 4 million new households in the last year alone. What is even more exciting is that the brand has significant runway ahead, and we are still very early in our marketing journey with only one year of brand building in market.

In order to fuel the continued growth of the brand, we recently opened our third and largest *Uncrustables*<sup>®</sup> sandwich manufacturing facility in McCalla, Alabama. This was a critical next step in unlocking distribution and innovation opportunities, after being in a supply-constrained environment for years. Phase one of the plant, which is now operational, has the capacity to drive growth for the *Uncrustables*<sup>®</sup> brand to over \$1 billion in annual net sales. As the brand continues to grow, phase two of the facility will double the plant's capacity, with previously committed capital expenditures already planned.

Our ambition is to have *Uncrustables*<sup>®</sup> sandwiches everywhere. This includes continued expansion of distribution points within existing channels and further expansion into convenience stores and other away from home outlets.

We are now leveraging our new capacity and go-to-market capabilities to meaningfully expand into C-store. This new channel will not only provide further availability for the *Uncrustables*<sup>®</sup> brand, but also unlocks the benefit of immediate consumption, which is key. Our focus in this space is to grow the single-serve business in the refrigerator, and we are making strong progress on store acceptances. To date, we

have secured distribution commitments for *Uncrustables*<sup>®</sup> sandwiches from approximately half of the top 100 convenience store chains with further growth expected.

K-12 schools also remain key to our strategy, and we are strengthening our presence by providing additional variety and menu options. We recently launched two new varieties in December into K-12, Peanut Butter and Honey Spread and Peanut Butter and Raspberry Spread. We have plans to launch additional varieties in the future for every day of the school lunch week.

We are also accelerating our innovation efforts. The new *Uncrustables*<sup>®</sup> Peanut Butter and Raspberry Spread sandwich has exceeded our expectations and is proving to be highly incremental to the brand. We also launched a peanut butter-only variety into limited distribution that has now expanded nationally, my personal favorite. Consumers want more flavor variety, so we are launching a regular cadence of limited-edition flavors starting this summer with a new Peanut Butter and Mixed Berry Spread variety.

Innovation isn't only in product form; we're also bringing excitement into the brand experience through our seasonal platform. We are driving relevance and usage occasions with seasonal packaging, such as our unique Valentine's Day offering already in market. Our seasonal platform continues to be successful and enables the brand to connect with our consumers' daily lives in new and exciting ways.

We are creating a truly iconic brand with widespread, multi-generational appeal, which will soon be a top three brand in the total freezer aisle.

Now turning to our category-leading peanut butter and fruit spreads business. Our spreads business is in over 70 million household pantries, leading to #1 share positions for both the peanut butter and fruit spreads categories.

We continue to see opportunities to expand beyond sandwiches and into new usage occasions, starting with the iconic *Jif*<sup>®</sup> brand. The brand's strong foundation of leadership, awareness, and loyalty enables us to create new snacking occasions through product and packaging innovation. One example is *Jif*<sup>®</sup> Peanut Butter and Chocolate Flavored Spread, which offers a new flavor to drive increased relevance and excitement and has been highly incremental to the brand and the category. Given the success of this innovation and consumer demand, we have accelerated the launch of a larger size to market, which is now shipping.

Spreads have the opportunity to deliver what consumers want: an elevation of daily meal and snack experiences. Through a reinvigoration of our portfolio, we will modernize our spreads business to meet consumers' needs, delivering solutions that bring both excitement and versatility.

For our Pet segment, we have leading brands in *Milk-Bone*<sup>®</sup> dog snacks and *Meow Mix*<sup>®</sup> cat food. Dog and cat ownership have both increased by double-digits since 2019 and are expected to continue to grow over the long-term. As the pet population has grown, the humanization of the category has continued to accelerate. Pets are viewed as equal members of the family with nearly all consumers agreeing their pets are central to their lives.

In dog snacks, we are the leader in the category. Dog snacks has historically been the fastest-growing and highest-margin segment in the pet category. We have consistently outpaced the category over the last several years, guided by three pillars that are driving sustained growth:

- Maximize and win everyday treating;

- Amplify brand love with new pet parents;
- And, expand consumption through impulse opportunities across innovation and activation.

Let's look at each of these individually. First, maximize and win everyday treating. We will continue to drive growth through our position of strength in dog snacks as the category leader, utilizing our strong brand equity to clearly communicate the trust and joy the *Milk-Bone*<sup>®</sup> brand provides consumers and their dogs. Winning in everyday treating is essential to brand health, and the *Milk-Bone*<sup>®</sup> brand has brought in more new dog treat buyers than any other brand in the category over the past year.

Looking at our second pillar, we are continuing to focus on the next generation of pet parents that are still forming their treating preferences. The *Milk-Bone*<sup>®</sup> brand is in a strong position as a trusted brand in the category to build deeper connections with these young consumers through culturally relevant, engaging marketing that matches their evolving media consumption. One example is with our latest installment of the popular 'More Dog' campaign.

(*Milk-Bone*<sup>®</sup> Commercial)

Finally, our third pillar, expanding consumption through impulse opportunities across innovation and activation. We continue to drive the humanization trend in the category by launching the first dog treat featuring a human food brand, *Milk-Bone*<sup>®</sup> Peanut Butter Bites, made with real *Jif*<sup>®</sup> peanut butter. The launch continues to exceed our expectations, outpacing any competitive innovation launch last year, and for the first time is now available nationally.

2024 was our fourth straight year of innovation share leadership in dog snacks and we have driven more than 50% of innovation growth in the category over that time period. The strength of our innovation is amplified by our leading seasonal business, which continues to grow double-digits, and we have plans to double the seasonal business over the next few years.

In cat food, *Meow Mix*<sup>®</sup> is the leader in household penetration and volume share in the dry cat food category. There are also more cat parents than ever and a third of all cats are less than two years old. We are focusing on capturing these new consumers through two key elements to drive growth.

First, we are modernizing and energizing our core offerings to maximize mainstream growth by winning more households and offering cat parents elevated mainstream options. We are enhancing our offerings and refreshing the brand with new packaging that showcases consumer-desired benefits in a fresh, new way with elevated product benefits and a more modern design.

We also continue to refresh and invest behind our multi-year *Meow Mix*<sup>®</sup> brand ReMix campaign. Take a look at our new spot featuring our latest product innovation *Meow Mix*<sup>®</sup> Gravy Bursts.

(*Meow Mix*<sup>®</sup> Commercial)

Elevating the mealtime experience through innovation is our second growth driver, and *Meow Mix*<sup>®</sup> Gravy Bursts highlights our ability to bring innovation to the dry cat food category. Most real gravy items are in wet cat food products, *Meow Mix*<sup>®</sup> Gravy Bursts brings gravy indulgence to the dry aisle, providing excitement for cats and convenience for pet parents. This is the core of our innovation, creating experiences that help pet parents develop the deeper connections they are looking for.

Finally, our Sweet Baked Snacks segment where we have a leading position in the sweet baked goods category. We are taking decisive actions to return the *Hostess*<sup>®</sup> brand to growth focused on five key pillars: delivering the base portfolio, expanding distribution, driving innovation, continuing our portfolio evolution, and establishing revenue synergies. Each of these pillars represents a key tactic designed to fuel long-term growth for the brand.

We're launching a bold new marketing campaign leveraging our proven marketing model, that is culturally relevant and appeals to the entire universe of sweet snackers with a focus on driving growth in younger consumers. And, we are modernizing the *Hostess*<sup>®</sup> brand to engage with Millennials and Gen Z, a clear growth opportunity. The new Speakie Snackie advertising campaign will go live in our fourth quarter. Let's take an early look.

(*Hostess*<sup>®</sup> Commercial)

As part of the brand modernization, we have introduced an updated logo and refreshed the *Hostess*<sup>®</sup> brand's packaging to make it more appealing, accessible, and impactful in stores. This new packaging enhances the perceptions of modernity, taste, and quality. Our modernized packaging is just now beginning to enter the market, and we are excited to get our new look on shelf as we anticipate the new visual identity will drive trial and lead to more impulse buys.

Our focus on distribution includes both closing gaps in our core items in our existing channels and entering new channels. We are working to drive existing channel improvements, with most of these activities taking full effect in the spring, given the timing of shelf resets. In away from home channels, we are excited about the whitespace opportunities. We have made meaningful progress within the travel and university channels and have started shipping to several new customers in the last month. Our strategy and route to market plans for growth will continue to accelerate as we gain distribution to service these markets and channels.

Turning to innovation, we will continue to deliver innovative products that resonate with consumers, introducing flavors, formats, and limited-time offerings that keep the *Hostess*<sup>®</sup> brand exciting and top of mind. In calendar year 2024, the *Hostess*<sup>®</sup> brand was #1 in the category for innovation for the fourth year in a row, delivering 40% of all innovation dollars.

We recently launched new *Donettes*<sup>®</sup> Fritter Rings, which is a modern twist on classic apple fritters, inspired by the mochi/bubble donut trend popular in today's specialty donut shops. We are also taking our iconic cupcakes, which are the #1 brand in the cupcake sub-category, and making them mini with *Hostess*<sup>®</sup> Cupcake Minis, which will begin shipping in our fourth quarter. Consumers desire mini form offerings, and this innovation offers smaller portions for consumers still looking for a sweet treat. Finally, we are excited to announce *Hostess*<sup>®</sup> Suzy Q's will return to the market this September, with the same great taste. This product was previously a top five item for the *Hostess*<sup>®</sup> brand in our All-Day Snacking portfolio or non-breakfast items. Consumers have continued to ask for Suzy Q's, and we listened.

We are committed to evolving our portfolio for sustained growth. The divestiture of the *Voortman*<sup>®</sup> business underscores our strategy of focusing resources on our largest growth opportunities. Further, we recently announced an agreement to divest certain value brands, including the sale of a manufacturing facility in Chicago, to ensure our manufacturing network is optimized to mitigate costs and reduce complexity.

Finally, we are beginning to establish revenue synergies, a key strategic benefit of the acquisition by expanding *Uncrustables*<sup>®</sup> sandwiches into C-store, using our new capabilities in the channel and executing cross-promotional events between the *Hostess*<sup>®</sup> brand and legacy Smucker brands. We have begun executing multiple revenue-driving promotions in partnerships across our portfolio of brands. Results continue to be positive with higher lifts during the promotion and increased household penetration, repeat purchases, and greater velocities in the months following the event.

Over the long-term, we anticipate top- and bottom-line growth in each of our businesses. We believe we have the right strategy in place, and we are excited about our future growth opportunities through our key growth platforms.

In closing, our foundation has never been stronger, our legacy business is delivering strong results in a dynamic environment, and we continue to make progress on our actions to grow the *Hostess*<sup>®</sup> brand. We are confident the Company is positioned to deliver on our long-term algorithm, including our goal of over \$1 billion in free cash flow annually. All of which, enables the Company to deliver consistent growth and increase shareholder value.

With that, I'll turn it over to Tucker.

#### **TUCKER MARSHALL, CHIEF FINANCIAL OFFICER**

Thank you, Mark, and good afternoon everyone. It's great to join you for this year's conference.

As Mark highlighted, The J.M. Smucker Company is well-positioned to deliver results and create shareholder value as we move into our next chapter of growth. We have excellent opportunities across our business through our key platforms. We have world-class marketing, commercial and manufacturing capabilities, we have consumer-led innovation, and we have talented people with a strong culture.

We are pleased with the momentum across our portfolio over the first half of our fiscal year. Our strong comparable sales and earnings growth has been driven by sustained consumer demand for our iconic brands, combined with our continued focus on superior execution and disciplined cost management. Next Thursday, we look forward to providing an update on our third quarter financial results, along with our outlook for the remainder of the fiscal year.

We continue to build on our business momentum by executing on our financial priorities. As Chief Financial Officer, I am committed to supporting the Company's strategic growth plan and maintaining financial discipline in support of value-creation for all of our constituents. This has led to my financial priorities, which are the following:

- Consistent execution toward credible financial targets;
- A focus on productivity and cost initiatives;
- Prioritization of the highest (and best) return on investment opportunities;
- A balanced capital deployment model;
- And, active and transparent communication.

These are the building blocks that have supported the creation of a portfolio of leading brands in attractive categories that is positioned to deliver consistent net sales and earnings growth, while

enhancing our profit margins. Through a balanced top-line and bottom-line approach, we anticipate generating strong cash flow, enabling us to reinvest in the business, and to return cash to shareholders. Our strategy and our priorities give us confidence in the ability to achieve our long-term financial algorithm, which is comprised of the following:

- Low-single-digit net sales growth;
- Mid-single-digit operating income growth;
- High-single-digit adjusted earnings per share growth;
- And, total shareholder return of approximately 10% or greater when considering our dividend policy.

We see these objectives as steady, compelling, and compounding, including a commitment to a disciplined capital deployment model.

Let us review each of the components that define our long-term financial algorithm in greater detail.

Beginning with low-single-digit net sales growth. Over the last several years, our portfolio has undergone a significant transformation to allow us to consistently deliver against our algorithm. Industry volume growth remains uncertain in this dynamic environment, and we are delivering a combination of both volume/mix and price growth. This success is driven by our key brand growth platforms, where we are continuing to prioritize resources and investments, which are the following:

- The *Café Bustelo*<sup>®</sup> brand, where anticipated double-digit growth will support 1% to 2% net sales growth for our coffee segment;
- The *Uncrustables*<sup>®</sup> brand as it continues on its path to reaching \$1 billion in annual net sales and beyond, supporting 3% to 4% net sales growth for the Frozen Handheld and Spreads segment;
- The *Milk-Bone*<sup>®</sup> and *Meow Mix*<sup>®</sup> brands, through accelerated growth as we continue to drive humanization trends in the category that will position our Pet segment for 3% to 4% net sales growth;
- And finally, the *Hostess*<sup>®</sup> brand, where our leadership position in the sweet baked goods category and the Company's capabilities through marketing and distribution will drive 4% net sales growth for the segment, over the long-term.

Moving down the income statement, we anticipate adjusted operating income growth will outpace sales growth and increase at a mid-single-digit percentage over our strategic horizon supported by the following:

- Consistently driving top-line growth through positive volume and mix;
- Moderation of commodity and input inflation, over time;
- Benefits from our cost and productivity initiatives;
- And, managing SD&A expenses in line with business growth.

Below operating income, we expect our capital deployment model to drive a high-single-digit percentage growth for adjusted earnings per share as we grow net income, pay down debt, and repurchase our shares, over time.

Our Company has consistently demonstrated the ability to generate strong cash flow that allows us to take a balanced approach to capital deployment in support of shareholder value creation; including investing in the growth of our business, paying down debt, returning capital through quarterly dividends and opportunistic share repurchases, and maintaining our current investment-grade debt rating.

Our objective remains to generate at least \$1 billion in free cash flow annually. Business growth, working capital management, and reduction of capital expenditures are the key components to achieving this objective.

Our long-term strategic target for capital expenditures continues to be approximately 3.5% of net sales. Capital expenditures have been elevated for the last five years primarily driven by our efforts to support the rapid growth and required capacity expansion for *Uncrustables*<sup>®</sup> sandwiches. This fiscal year, we expect to finish at approximately 5% of net sales, and we forecast sequential improvement as a percent of net sales moving forward.

Let us review each of our capital deployment priorities.

First, supporting the organic growth of our business. The building of iconic brands such as *Uncrustables*<sup>®</sup> to deliver organic growth remains one of the highest (and best) return opportunities that we can invest in as a Company. Historically, we have assessed inorganic growth opportunities as well, but we do not view this as our near-term focus.

Next, we plan to prioritize debt reduction by paying down over \$800 million this fiscal year, when considering the use of divestiture proceeds, and \$500 million of debt annually in each of the next two years. With this anticipated debt reduction, along with the achievement of cost synergies, and overall business growth, we anticipate a leverage ratio at, or below, 3.0x net debt to EBITDA by the end of our fiscal year 2027. This level of debt provides the financial flexibility for a balanced approach to capital deployment.

Another key component of our capital deployment model is our dividend. Our dividend has increased at a 6% compounded annual growth rate over the past ten fiscal years. In fiscal year 2025, we increased the dividend for the 23rd consecutive year. We expect our Board to maintain the Company's current dividend policy, which is to return approximately 40% to 45% of our annual adjusted earnings per share to shareholders, reflecting dividend growth with future earnings growth.

Finally, we have historically used share repurchases to return cash to our shareholders and to replace divested earnings. Over the past ten fiscal years, we have returned \$2.5 billion of cash to shareholders through share repurchase programs. We will continue to evaluate share repurchases as a lever to increase shareholder value, when appropriate.

This capital deployment model enables us to reinvest in the business and fund our largest growth opportunities, while delivering sustainable returns for our shareholders. We believe a total shareholder return of approximately 10% or greater is achievable over the long-term when considering our next chapter of growth and margin outlook.

Turning to fiscal year 2026, let me provide insight into the elements that we are considering on the top-line, as we begin our planning process:

- For our Coffee segment, we continue to navigate a highly-inflationary environment with the green coffee commodity market setting record highs. We anticipate higher net pricing, as we lap two price increases in the current fiscal year, and we will need to take additional pricing actions in response to the continued run-up in the green coffee commodity market. We are planning for historical price elasticity of demand factors to be a likely headwind to volume next fiscal year;
- In our Frozen Handheld and Spreads segment, we anticipate growth for the *Uncrustables*<sup>®</sup> brand as it reaches \$1 billion or greater in annual net sales for the Company;

- In Pet Foods, we expect continued momentum for the *Milk-Bone*® and *Meow Mix*® brands as we continue to navigate a dynamic operating and consumer environment. We anticipate immaterial contract manufacturing sales next fiscal year related to the divested pet food brands representing a headwind year-over-year;
- For our Sweet Baked Snacks segment, we anticipate a stabilization for the *Hostess*® brand through our actions focused on the five key pillars we have outlined. We will also be lapping sales from both the *Voortman*® and value brands divestitures;
- And, in International and Away From Home, we expect continued momentum primarily driven by the Away From Home business as we leverage our portfolio of leading brands into away from home channels.

Now, let me provide insights into the elements that we are considering on the bottom-line for next fiscal year:

- Base business momentum or growth, inclusive of investments in marketing and key growth platforms;
- Any dynamics around key commodity and ingredient costs;
- Cost and productivity benefits from our Transformation Office;
- Synergies from the Hostess acquisition, which we are recognizing earlier than anticipated this fiscal year. We continue to anticipate \$100 million in total run-rate synergies by the end of fiscal year 2026;
- Benefits from mitigating the majority of stranded overhead;
- Continued debt paydown of approximately \$500 million;
- A \$0.20 earnings dilution from the *Voortman*® and value brands divestitures;
- And, in Coffee, we anticipate historical price elasticity of demand factors to be a headwind to volume next fiscal year as we price to recover increasing green coffee commodity costs.

In summary, we see a path to an above-algorithm year for adjusted earnings per share growth before the impact of elevated green coffee commodity costs, where an anticipated elasticity-related volume impact will be a meaningful headwind next fiscal year when contemplating current green coffee costs. That said, commodities tend to normalize (or cycle) through supply and demand fundamentals, and our procurement and hedging approach will allow us to respond to any deflation of the underlying commodity, supporting profit and margin recovery over time.

In closing, we remain confident in our strategy and ability to deliver continued growth across our portfolio. We are well-positioned to deliver consistent and long-term growth for our shareholders.

Thank you for your time today.

## ADDITIONAL INFORMATION

The J.M. Smucker Co. is the owner of all trademarks referenced herein, except for Dunkin'®.

The *Dunkin*® brand is trademark of DD IP Holder LLC and licensed to The J.M. Smucker Co. for packaged coffee products sold in retail channels such as grocery stores, mass merchandisers, club stores, e-commerce and drug stores, as well as in certain away from home channels. This information does not pertain to products for sale in *Dunkin*® restaurants.

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