

The J. M. Smucker Company

Fourth Quarter Fiscal 2017 Earnings

SUPPLEMENTARY INFORMATION
June 8, 2017



Non-GAAP Measures & Segment Results

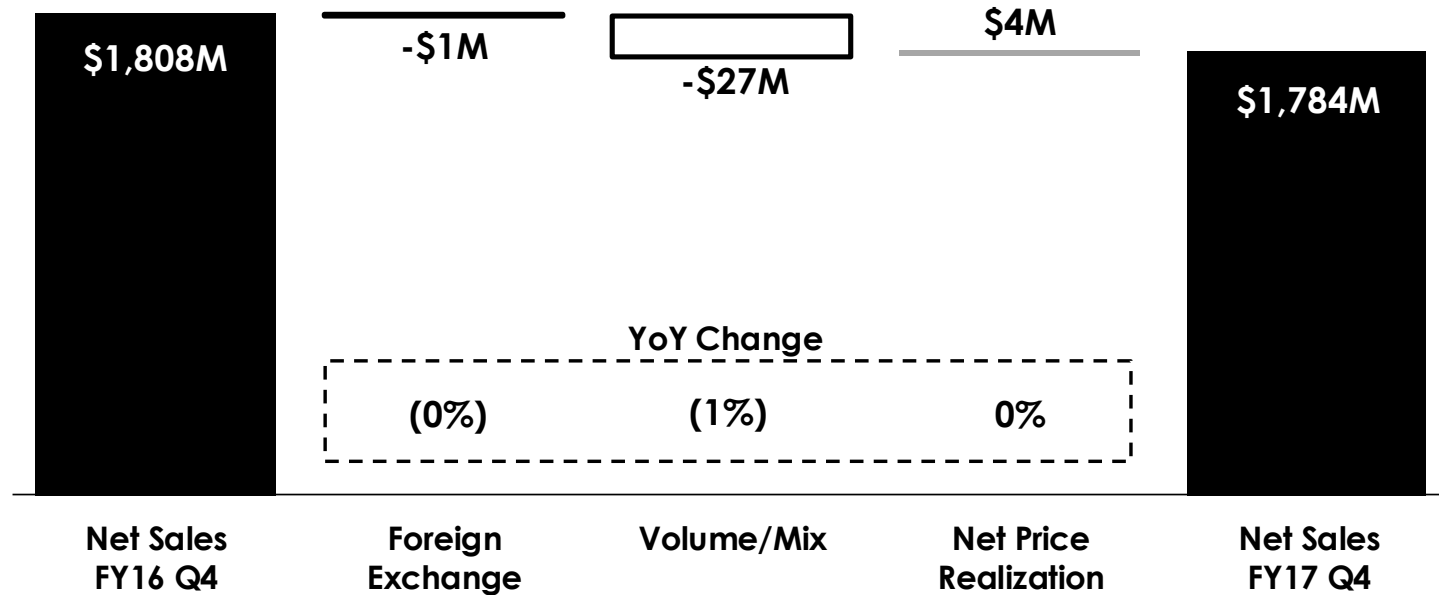
Beginning May 1, 2016, the Company redefined certain non-GAAP measures and modified its segment profit calculation to exclude amortization expense and impairment charges related to intangible assets. Prior year results have been modified to conform to the new presentation. Additional information is included in the Company's Form 8-K, dated July 25, 2016.

Consolidated Results

(\$ in millions, except per share data)	FY17 Q4	FY16 Q4	YoY Change
Net Sales	\$1,784	\$1,808	(1%)
Adjusted Gross Profit	\$669	\$682	(2%)
Adjusted Gross Profit Margin	37.5%	37.7%	-20bps
Adjusted Operating Income	\$339	\$331	2%
Adjusted Operating Income Margin	19.0%	18.3%	+70bps
Adjusted EPS (As Reported)	\$1.80	\$2.23	(19%)
Adjusted EPS, excluding \$0.42 per share noncash deferred tax benefit in FY16	\$1.80	\$1.81	(1%)

Consolidated Results

Net Sales Analysis



Note: Amounts may not add due to rounding

Consolidated Results

Balance Sheet/Cash Flow Highlights

(\$ in millions)	FY17 Q4	FY16 Q4
Cash from Operations	\$264	\$336
Capital Expenditures	(56)	(41)
Free Cash Flow	\$208	\$296
	April 30, 2017	April 30, 2016
Total Debt (Gross)	\$5,399	\$5,430
EBITDA (as adjusted, TTM)	\$1,594	\$1,579
Gross Debt/EBITDA (TTM)	3.4x	3.4x

Note: Amounts may not add due to rounding

Segment Results – FY17 Q4

(\$ in millions)	COFFEE	CONSUMER FOODS	PET FOODS	INT'L & FOODSERVICE
Net Sales <i>YoY Change</i>	\$506 (1%)	\$474 0%	\$535 (5%)	\$270 4%
YoY Change Summary: Volume/Mix Net Price Realization Foreign Currency Exchange	(5%) 4% -	(2%) 2% -	(1%) (4%) -	5% (1%) (0%)
Segment Profit <i>YoY Change</i>	\$150 (14%)	\$109 19%	\$118 (15%)	\$48 26%
Segment Profit Margin <i>YoY Change</i>	29.6% -430bps	22.9% +350bps	22.1% -240bps	18.0% +310bps

Note: Amounts may not add due to rounding

Full-Year Fiscal 2018 Outlook

Net Sales (YoY Change)	1%
Adjusted EPS	\$7.85 - \$8.05
Free Cash Flow	\$775M
Capital Expenditures	\$310M
Effective Tax Rate	32.5% - 33.0%

Note: Outlook excludes any benefit from the previously announced agreement to acquire the Wesson® brand

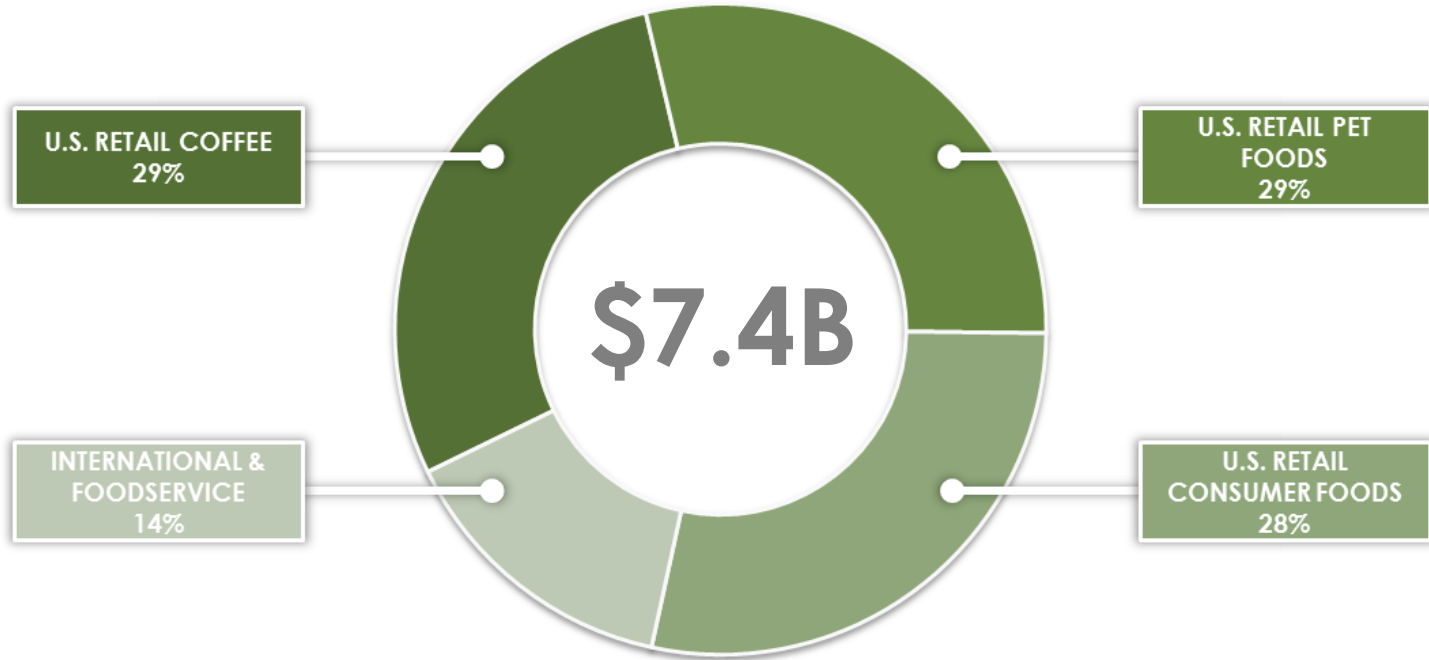
Synergy/Cost Management Summary

(\$ in millions)

	DATE ANNOUNCED	PROJECTED COMPLETION DATE	ANNUAL AMOUNT
Big Heart Acquisition Synergies	Feb 2015	Fiscal 2018	\$200
Plant Consolidation and Org Optimization	June 2016	Fiscal 2018	50
Cost Management Program	Feb 2017	Fiscal 2020	100
Cost Management Program Increase	June 2017	Fiscal 2020	100
			\$250
Total			\$450

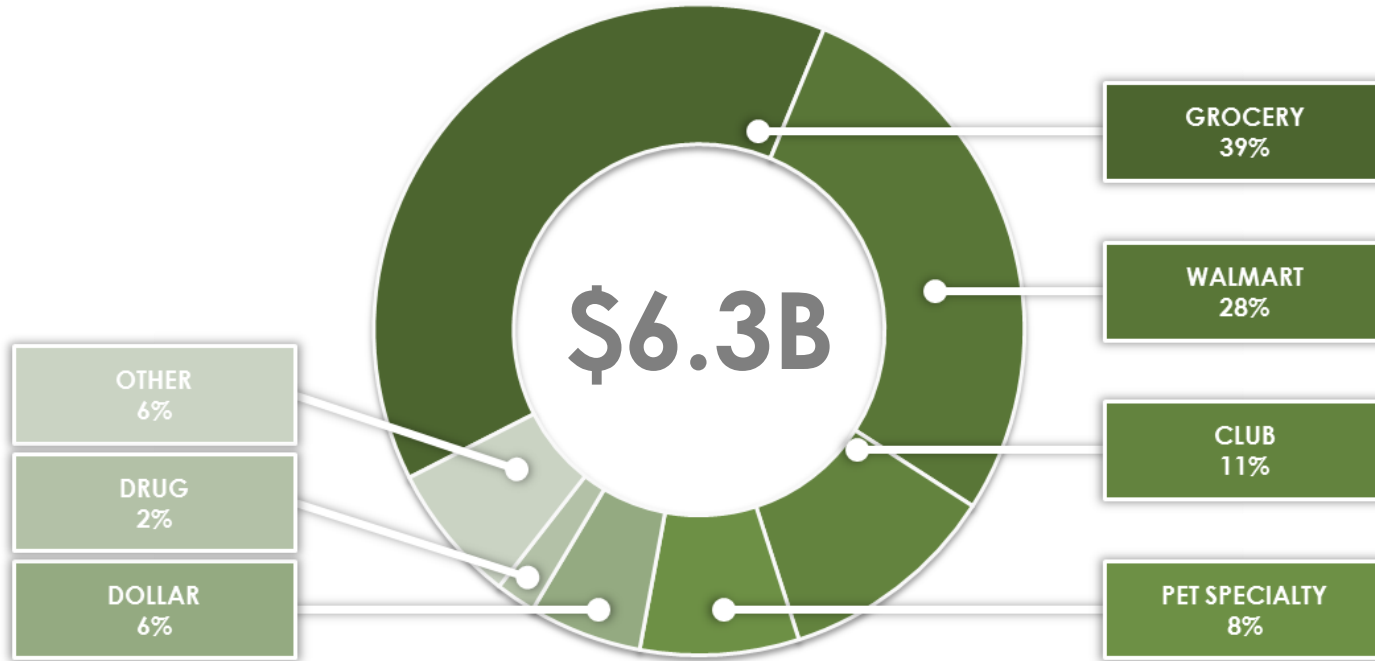
Total Company

Fiscal 2017 Net Sales by Reportable Segment



U.S. Retail Reportable Segments

Fiscal 2017 Net Sales by Channel



Note: Other includes Military, Mass Retail, Convenience, and E-commerce

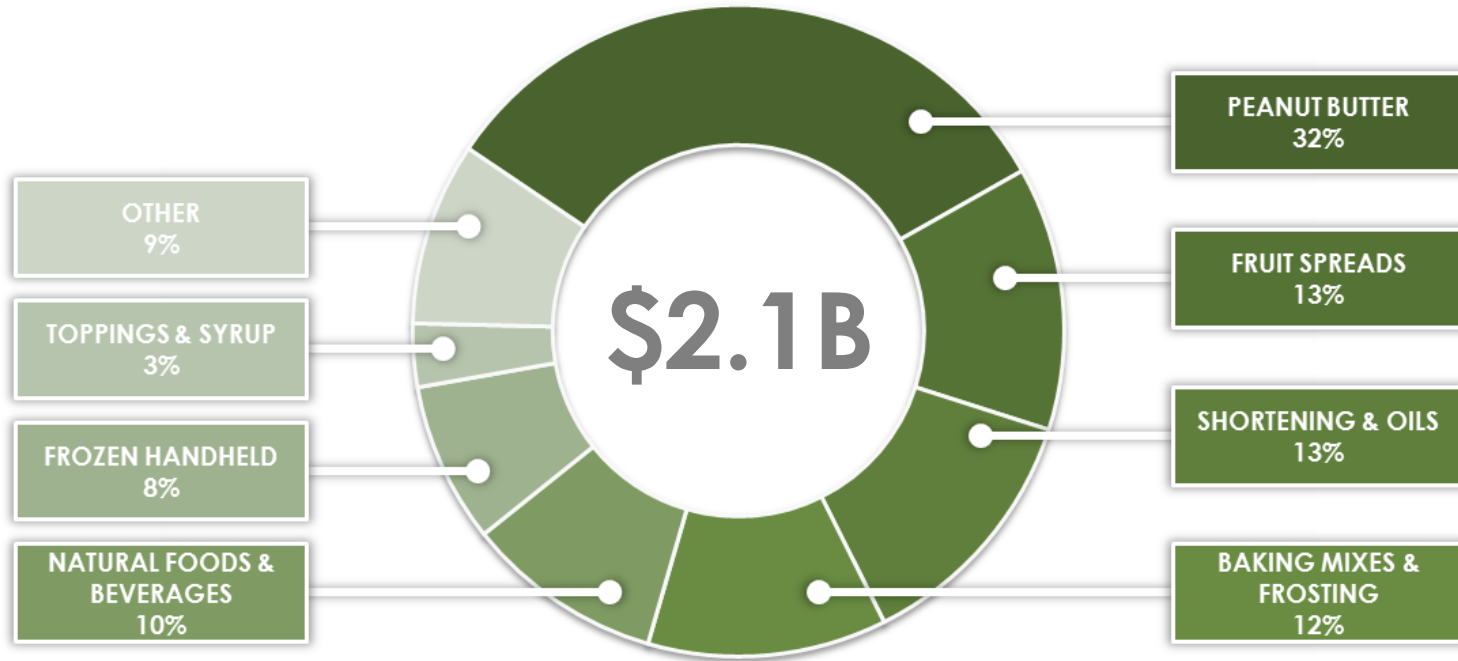
U.S. Retail Coffee Segment

Fiscal 2017 Net Sales



U.S. Retail Consumer Foods Segment

Fiscal 2017 Net Sales



U.S. Retail Pet Foods Segment

Fiscal 2017 Net Sales



International and Foodservice

Fiscal 2017 Net Sales



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 ability to achieve synergies and cost savings related to the Big Heart Pet Brands acquisition and other programs in the amounts and within the time frames currently anticipated and to effectively manage the related integration and restructuring costs; the ability to satisfy the closing conditions for the Wesson® transaction, including receipt of required regulatory approvals, without unexpected delays or conditions; the ability to generate sufficient cash flow to meet the Company's deleveraging objectives; volatility of commodity, energy, and other input costs; risks associated with derivative and purchasing strategies employed to manage commodity pricing risks; the availability of reliable transportation on acceptable terms; 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 businesses, including the introduction of new products; general competitive activity in the market, including competitors' pricing practices and promotional spending levels; the impact of food security concerns involving either the Company's or its competitors' products; the impact of accidents, extreme weather, and natural disasters; 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 ability to manage and maintain key relationships; the timing and amount of capital expenditures and share repurchases; impairments in the carrying value of goodwill, other intangible assets, or other long-lived assets or changes in useful lives of other intangible 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; foreign currency 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 Measures

The Company uses non-GAAP financial measures, including: net sales excluding divestiture and foreign currency exchange; adjusted gross profit, operating income, income, and 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 these measures provide useful information to investors because they are the measures used to evaluate performance on a comparable year-over-year basis. Non-GAAP profit measures exclude certain items affecting comparability which include merger and integration and restructuring costs ("special project costs") and unallocated gains and losses on commodity and foreign currency exchange derivatives ("unallocated derivative gains and losses"). The special project costs relate to specific merger and integration and restructuring projects, and the unallocated derivative gains and losses reflect the changes in fair value of the Company's commodity and foreign currency exchange contracts. Beginning May 1, 2016, the Company redefined the non-GAAP measures to also exclude amortization expense and impairment charges related to intangible assets, and has modified prior year results to conform to the new definition. The Company believes that excluding amortization expense and impairment charges related to intangible assets in its non-GAAP measures is more reflective of the Company's operating performance and the way in which the Company manages its business, as amortization and impairment charges are noncash expenses and can be significantly affected by the timing and size of acquisitions. These non-GAAP financial measures are not intended to replace the presentation of financial results in accordance with U.S. generally accepted accounting principles ("GAAP"). Rather, the presentation of these non-GAAP financial measures supplements other metrics used by management to internally evaluate its businesses and facilitates 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 "Non-GAAP Reconciliation" tables. The Company has also provided a reconciliation of non-GAAP financial measures for its fiscal 2018 outlook. As the amount of unallocated derivative gains and losses varies depending on market conditions and levels of derivative transactions with respect to a particular fiscal year, it is not determinable on a forward-looking basis and no guidance has been provided. This presentation is available on the Company's website at jmsmucker.com/investor-relations.

Non-GAAP Reconciliation

(\$ in millions)

Gross profit reconciliation:

Gross profit
 Unallocated derivative losses (gains)
 Cost of products sold – special project costs
 Adjusted gross profit

Three Months Ended April 30,			
2017		2016	
\$	646.8	\$	688.0
	21.5		(9.3)
	0.9		3.0
\$	669.2	\$	681.7

Operating income reconciliation:

Operating income
 Amortization
 Impairment charges
 Unallocated derivative losses (gains)
 Cost of products sold – special project costs
 Other special project costs
 Adjusted operating income

\$	196.7	\$	246.1
	52.1		50.2
	57.5		-
	21.5		(9.3)
	0.9		3.0
	10.1		41.0
\$	338.8	\$	331.0

Non-GAAP Reconciliation

(\$ in millions, except per share data)

Net income reconciliation:

	Three Months Ended April 30,	
	2017	2016
Net income	\$ 110.4	\$ 191.0
Income taxes	51.5	19.2
Amortization	52.1	50.2
Impairment charges	57.5	-
Unallocated derivative losses (gains)	21.5	(9.3)
Cost of products sold – special project costs	0.9	3.0
Other special project costs	10.1	41.0
Adjusted income before income taxes	\$ 304.0	\$ 295.1
Income taxes, as adjusted	97.3	29.8
Adjusted income	\$ 206.7	\$ 265.3
Weighted-average common shares outstanding	114,267,453	118,243,385
Weighted-average participating shares outstanding	549,149	512,199
Total weighted-average shares outstanding	114,816,602	118,755,584
Dilutive effect of stock options	89,526	89,573
Total weighted-average shares outstanding – assuming dilution	114,906,128	118,845,157
Adjusted earnings per share	\$ 1.80	\$ 2.23

Non-GAAP Reconciliation

(\$ in millions)

	Year Ended April 30,	
	2017	2016
EBITDA (as adjusted) reconciliation:		
Net income	\$ 592.3	\$ 688.7
Income taxes	286.1	289.2
Interest expense - net	163.1	171.1
Depreciation	211.7	221.7
Amortization	207.3	208.4
Impairment charges	133.2	-
EBITDA (as adjusted)	\$ 1,593.7	\$ 1,579.1

Non-GAAP Reconciliation

Company Guidance

(\$ in millions, except per share data)

Net income per common share – assuming dilution reconciliation:

Net income per common share – assuming dilution

Special project costs

Amortization

Adjusted earnings per share

Year Ending April 30, 2018

Low

High

\$ 6.29 \$ 6.49

0.38 0.38

1.18 1.18

\$ 7.85 \$ 8.05

Free cash flow reconciliation:

Net cash provided by operating activities

Additions to property, plant, and equipment

Free cash flow

\$ 1,085

(310)

\$ 775

The J. M. Smucker Company

Additional Information:

jmsmucker.com/investor-relations

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