



THE J.M. SMUCKER Co

**Fiscal Year 2024 Second Quarter Earnings
Prepared Management Remarks**

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CORPORATE PARTICIPANTS

Aaron Broholm, Vice President, Investor Relations

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

Tucker Marshall, Chief Financial Officer

AARON BROHOLM, VICE PRESIDENT, INVESTOR RELATIONS

Good morning, this is Aaron Broholm, Vice President, Investor Relations for The J. M. Smucker Company. Thank you for listening to our prepared remarks on our fiscal 2024 second quarter earnings. After this brief introduction, Mark Smucker, Chair of the Board, President and Chief Executive Officer, will give an overview of the quarter's results and an update on strategic initiatives, including the Hostess Brands acquisition. Tucker Marshall, Chief Financial Officer, will provide a detailed analysis of the financial results and our updated fiscal 2024 outlook. Later this morning, we will hold a separate, live question-and-answer webcast.

During today's discussion, we will make forward-looking statements that reflect our current expectations about future plans and performance. These statements rely on assumptions and estimates, and actual results may differ materially due to risks and uncertainties. Additionally, please note we will refer to non-GAAP financial measures management uses to evaluate performance internally. I encourage you to read the full disclosure concerning forward-looking statements and details on our non-GAAP measures in this morning's press release.

Today's press release, a supplementary slide deck summarizing the quarterly results, management's prepared remarks, and the Q&A webcast can all be accessed on our Investor Relations website at jmsmucker.com.

We invite all interested parties to join us at 9:00 am Eastern Time today for a live question-and-answer session with management to further discuss our second quarter results and outlook for the full 2024 fiscal year.

Please contact me if you have additional questions after today's question-and-answer session. I will now turn the discussion over to Mark Smucker.

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

Thank you, Aaron, and good morning, everyone.

In the second quarter, momentum continued across our business, and we delivered strong results, enabled by the extraordinary capabilities and contributions of our people. Our strong comparable sales and earnings growth were driven by sustained consumer demand for our iconic brands, combined with our continued focus on superior execution and disciplined cost management. In the current environment, consumers are seeking value, being more selective in their spending. Our portfolio is well positioned, featuring offerings across the value spectrum, in attractive categories, as evidenced by the growth delivered across our portfolio.

Comparable net sales in the second quarter increased 7%, in-line with our expectations, driven by volume growth across the portfolio. Favorable net price realization also contributed to net sales growth.

Adjusted earnings per share was \$2.59, an increase of 8%, and benefitted from improved gross profit margins and favorable SD&A expenses. The results included an approximate \$0.29 headwind related to the termination of a supplier agreement for our coffee business.

Turning to our business segments, in Coffee, net sales declined 3%, primarily driven by a list price decline, as we passed through the benefit of lower coffee costs to consumers.

Our coffee portfolio, which features three of the top seven at-home coffee brands, grew volume share more than any other branded manufacturer this quarter. Our brands continued to outpace the category on a volume basis, which underscores the advantages of our broad product offerings across various formats and price points.

Café Bustelo[®] net sales grew 10%, driven almost entirely by volume growth. The brand continues to be one of the fastest growing brands in the mainstream, one cup, and instant categories, growing both dollar and volume share during the quarter.

Folgers[®] continues to maintain its strong volume position by outpacing the category in both mainstream and one cup. *Folgers*[®] has over double the volume share of the nearest branded competitor and had the largest share growth among all leading brands in the coffee category.

Dunkin[®] delivered volume/mix growth for the second consecutive quarter. We expect continued volume growth for the *Dunkin*[®] brand as price gaps to competitors have narrowed as our recent price decline is now reflected on shelf at retailers.

In the one cup category, our brands outperformed the category average on both a volume and dollar basis during the quarter, and our portfolio grew volume share faster than any other branded manufacturer.

With competitive price points now broadly reflected on-shelf and increased marketing investments planned for the second half of the year, we anticipate continued momentum for the coffee business in the back half of the fiscal year, including low-single digit volume growth.

Turning to our Consumer Foods business, net sales grew 7%, driven by accelerated growth for *Smucker's*[®] *Uncrustables*[®] frozen sandwiches.

Net sales for *Uncrustables*[®] frozen sandwiches grew 22%, driven by volume/mix growth. Total Company net sales of *Uncrustables*[®] sandwiches were over \$200 million in the quarter. We anticipate strong growth for the balance of the fiscal year, as the total brand is expected to grow net sales approximately 20% for the full year to over \$800 million.

This quarter, the *Uncrustables*[®] brand increased household penetration faster than any other competitor in the frozen handheld category. We anticipate continued household penetration growth as we turn on new demand drivers, including advertising and in-store activations.

We recently launched marketing with the brand's first national advertising campaign that debuted on Monday Night Football. The campaign introduced our new animated spokespeople, the Bread Brothers, and extends beyond TV to full social and streaming media.

Construction of our third and largest *Uncrustables*[®] manufacturing site is progressing ahead of our previous expectations and is on track to begin production in calendar year 2024. The expanded capacity enables significant runway for continued growth, and we remain confident in growing the brand to \$1 billion in annual net sales by the end of fiscal year 2026.

In peanut butter, the *Jif*[®] brand grew net sales 3%. *Jif*[®] continues to be the #1 brand in household penetration and #1 in volume, dollar, and unit share. We will continue to drive growth as we invest in marketing and innovation for the brand, launching next calendar year.

In Pet Foods, comparable net sales increased 20% versus the prior year, including a 10% benefit from contract manufacturing sales related to the divested pet food brands, and strong growth for *Meow Mix*[®] cat food and *Milk-Bone*[®] dog snacks.

In dog snacks, *Milk-Bone*[®] brand net sales grew 10%, driven by volume/mix. The brand also continued to outpace the category, as consumer take-away grew over 2x the category rate. The brand has also grown dollar share for nine consecutive quarters, with growth driven by core offerings and premium positioned innovation.

Meow Mix[®] brand net sales grew 14%, and demand continued to exceed our production capacity for dry cat food in the quarter. Recent production constraints have moderated, and we expect double-digit net sales growth for *Meow Mix*[®] in the second half of the fiscal year.

Our pet segment results this quarter highlight the benefits of our recent pet food divestiture, as profit margins improved over the prior year, driven by product mix. We anticipate margins will further improve over time after we fulfill contract manufacturing requirements and remove stranded overhead costs related to the divestiture.

In addition to the strong performance of our U.S. Retail businesses, momentum continued in our Away From Home business as comparable net sales increased 18%. Growth was driven by *Uncrustables*[®] sandwiches, as we continued to expand distribution in away from home channels.

Overall, our second quarter results demonstrate the strength of our brands and our continued business momentum and market share gains. Brands that are growing or maintaining dollar share accounted for 79% of our U.S. Retail sales in the second quarter, up from 75% during the same period a year ago. Our strong market share performance reflects the positive impact of ongoing and incremental marketing investments in our brands, and serves as a testament to the strength of our commercial model.

Based on the strong results through the first half of the year, and our confidence in continued momentum with upcoming marketing and merchandising activities, we have increased our full-year adjusted earnings per share expectations for our legacy business.

In addition to our strong second quarter results, we continued to advance our portfolio reshaping and Transformation activities. We closed and announced the divestitures of our *Sahale Snacks*[®] and Canadian condiments businesses, respectively. In conjunction with the portfolio optimization in Canada, we assessed our operating model and announced a restructuring to more efficiently support our Canadian operations. This will further focus resources in support of our highest-growth and margin expansion opportunities, including the recent launch of *Uncrustables*[®] sandwiches in Canada.

We also completed the acquisition of Hostess Brands, which I'd like to focus the remainder of my remarks on. The acquisition will contribute approximately \$1.5 billion in net sales, representing approximately 15% of our total Company portfolio going forward.

Hostess is a pure play snacking company focused on sweet baked snacks and cookies, including iconic and leading brands such as *Hostess*[®] *Donettes*[®], *Twinkies*[®], and *CupCakes*, as well as *Voortman*[®] cookies and wafers, which are the leading zero-sugar products in the cookie category.

This acquisition supports our focus on providing consumers with convenient snacking options and aligns with our strategy to lead in growing categories. Let me share how this acquisition is advancing our strategy.

First, with the addition of Hostess, we now have a significant presence and leadership position in the highly attractive snacking market, one of the largest and fastest growing center-of-the-store categories in the United States that meets consumer snacking occasions across all parts of the day. Within the snacking category, indulgent snacks have experienced faster growth compared to other snacking alternatives over the past three years.

Second, the acquisition amplifies our focus on convenient food and beverage occasions, such as our *Uncrustables*[®] sandwiches where we have a proven record of driving sustained growth. Approximately 70% of consumers eat at least two snacks per day, with consumers choosing sweet snacks as a daily reward, while opting for both portion control and the convenience of handheld products. The Hostess portfolio is well-positioned to support these consumer snacking preferences, as many of the products are individually wrapped, single-serve offerings, enjoyed across multiple day parts.

Snacking has also demonstrated resilience across economic cycles, and the *Hostess*[®] brand is well-positioned with accessible price points, single-serve and multi-pack offerings, and relatively low private label exposure.

Third, the combination of the *Hostess*[®] brands with Smucker capabilities is highly complementary and presents mutual growth opportunities. This includes leveraging our strong commercial capabilities and capitalizing on Hostess's leadership in innovation. The *Hostess*[®] brands will benefit from our Brand Growth Flywheel, which includes marketing investments, intelligent media, innovation, net revenue optimization, strategic customer partnerships, and sales execution. We will leverage this model to expand distribution in retail channels, specifically grocery, mass, and club. This includes our strength in regional grocery, which is a growth opportunity for the Hostess business. We also see growth opportunities in away from home channels beyond convenience stores, including colleges and universities, travel, lodging, and entertainment venues.

Additionally, our best-in-class marketing and advertising, as demonstrated by the successful campaigns to strengthen the *Milk-Bone*[®], *Jif*[®], and *Folgers*[®] brands, will support continued growth of the *Hostess*[®] brand. We plan to step-up investment in campaigns across multiple media platforms to reinforce top of mind awareness and increase consideration that will drive incremental sales.

Fourth, there are several strengths of the Hostess organization that we intend to leverage, including their highly iterative product innovation model and convenience channel expertise.

Historically, about 15% of Hostess Brands annual sales were from new products launched within the prior three years, and we will continue to invest in significant innovation for the category, consistent with evolving consumer preferences. We are optimistic about the *Hostess*[®] innovation pipeline and look forward to sharing more about future product launches later this fiscal year.

This acquisition creates new opportunities for our legacy business in the perimeter of retail stores and the convenience channel, as a significant portion of Hostess sales are in the c-store channel, with the highest ACV distribution among leading competitors. Hostess's unique and efficient c-store distribution model and "Hostess Partners Program," leverages data driven, in-store consumer insights to ensure continued connectivity with c-store shoppers and an optimized and customized assortment of offerings by individual store location.

We currently have a small presence in the c-store channel and can leverage Hostess's expertise and relationships to grow distribution of Smucker products. Over time, our focus is on distribution opportunities for a new formulation of *Uncrustables*[®] sandwiches that recently launched and have an extended shelf life in a refrigerated cooler.

Finally, the Hostess transaction is financially compelling and increases our confidence in delivering our long-term financial goals. The addition of Hostess strengthens our financial profile, as it will contribute strong top-line growth over time, be accretive to margins and earnings growth, and provide significant synergy opportunities. Tucker will share additional details about our outlook for the remainder of this fiscal year and beyond.

Following the announcement of the transaction, we have worked diligently to develop a new leadership structure and strategy for growth. We are excited that Dan O'Leary, formerly the Chief Growth Officer at Hostess Brands, will lead our Sweet Baked Snacks and Pet businesses. The Sweet Baked Snacks business will be supported by a talented team leveraging the expertise of both the Hostess and Smucker organizations. We are confident our recently announced leadership changes support continued growth for the combined businesses.

Our teams are off to a great start to ensure business delivery and a successful integration. We are benefiting from the similarities in culture between the organizations and a focus on strategic priorities and execution. I'm very encouraged by the excitement I've heard from our marketing teams about the opportunities to grow reach for the *Hostess*[®] brands, from the sales teams about incremental distribution opportunities, from the R&D teams about the significant *Hostess*[®] innovation pipeline and opportunities to share technology, and the positive reaction from our leading retail and away from home partners during recent top-to-top conversations.

In summary, I would like to highlight a few key points:

- We had a strong second quarter, including positive volume/mix across our business;
- The momentum for our brands remains strong and consumer loyalty remains high;
- Our portfolio reshape actions have strengthened our business and we are leading in attractive categories;
- And, we remain confident in our ability to deliver long-term sustainable growth and increase shareholder value.

I would like to welcome the employees joining us from the Hostess organization and to thank all of our employees for their passion and outstanding contributions. Our continued success is only possible because of our culture and talented employees.

I'll now turn it over to Tucker to go over our quarterly financial results and fiscal year 2024 outlook in more detail.

TUCKER MARSHALL, CHIEF FINANCIAL OFFICER

Thank you, Mark. Good morning, everyone.

I'll begin with an overview of second quarter results, then I'll provide additional details on our updated financial outlook for fiscal year 2024.

Net sales decreased 12%, primarily due to lost sales from the divested pet food business in the prior year. Comparable net sales increased 7%, excluding the prior year sales for the divested business and foreign exchange.

The increase in comparable net sales was driven by favorable volume/mix of 4%, reflecting double-digit growth in *Uncrustables*[®] sandwiches and the contract manufacturing sales in the current year related to the divested pet food brands. This growth was partially offset by a decline for *Jif*[®] peanut butter.

Comparable net sales growth was also supported by a 3 percentage point increase from net price realization, primarily due to the carryover of pricing actions implemented in the prior year to recover increased costs. This growth was partially offset by a net price decline for Coffee.

Adjusted gross profit increased \$20 million, or 3% compared to the prior year. The increase reflects higher net price realization, lower green coffee costs, and favorable volume/mix. Gross profit also reflects the unfavorable impact from the divested pet food brands.

Adjusted operating income increased \$6 million, or 2%, reflecting the increased gross profit and favorable SD&A expenses, mostly offset by a \$39 million unfavorable impact related to the termination of a supplier agreement. Excluding this item, adjusted operating income grew a low double-digit percentage.

Below operating income, net interest expense decreased \$5 million, primarily due to an increase in interest income, reflecting an increase in our cash investments and higher interest rates as compared to the prior year, and a decrease in interest expense related to the Company's commercial paper program, as there was no outstanding balance at the end of the quarter. The decrease in net interest expense also includes interest expense related to the new Senior Notes issued during the quarter. The adjusted effective income tax rate was 24.3%, compared to 24.4% in the prior year.

Factoring in all these considerations, along with weighted average shares outstanding of 102.4 million, second quarter adjusted earnings per share was \$2.59, an increase of 8% from the prior year.

Turning to our segment results, in the U.S. Retail Coffee segment, net sales decreased 3% versus the prior year, driven by lower net price realization. Volume/mix was neutral in the quarter, as increases for the *Café Bustelo*[®] and *Dunkin*[®] brands were mostly offset by the *Folgers*[®] brand.

U.S. Retail Coffee segment profit decreased 9%, reflecting the \$39 million unfavorable impact related to the termination of a supplier agreement. Excluding this item, segment profit grew at a low double-digit percentage, driven by a favorable net impact of decreased commodity costs and lower net price realization.

In U.S. Retail Consumer Foods, net sales increased 7 percentage points versus the prior year. Higher net price realization increased net sales by 7 percentage points, primarily reflecting a favorable impact of lapping customer returns and fees related to the *Jif*[®] peanut butter product recall and a list price increase for *Jif*[®] peanut butter. Volume/mix was neutral this quarter as an increase for *Uncrustables*[®] sandwiches was mostly offset by a decrease for *Jif*[®] peanut butter.

U.S. Retail Consumer Foods segment profit increased 28%, primarily reflecting higher net price realization and lower costs, inclusive of a favorable impact of lapping the recall, partially offset by increased marketing investments for *Jif*[®] peanut butter and *Uncrustables*[®] sandwiches.

In U.S. Retail Pet Foods, net sales decreased 39% versus the prior year. Excluding noncomparable sales in the prior year related to the divested pet food brands, net sales increased 20%. Volume/mix increased net sales by 12 percentage points, primarily driven by \$38 million of contract manufacturing sales and growth for dog snacks, primarily driven by the *Milk-Bone*[®] brand. Higher net price realization increased net sales by 8 percentage points, driven by list price increases in the prior year across the portfolio to recover higher costs.

U.S. Retail Pet Foods segment profit decreased 19%, primarily reflecting the noncomparable segment profit in the prior year related to the divested pet food brands. Excluding the impact of the divestiture, segment profit increased a low double-digit percentage, primarily driven by a favorable net impact of higher net price realization and increased costs and favorable volume/mix, partially offset by increased distribution costs.

Lastly, in International and Away From Home, net sales increased 9%. Excluding noncomparable net sales in the prior year related to the divested pet food brands and unfavorable foreign currency exchange, net sales increased 13%. Volume/mix increased net sales by 7 percentage points for the combined businesses, primarily driven by *Uncrustables*[®] sandwiches and coffee products. Net price realization contributed a 5 percentage point increase to net sales, primarily driven by list price increases across the majority of the portfolio, partially offset by increased trade spend.

Net sales for the Away From Home business increased 18% on a comparable basis, led by over 30% growth for *Uncrustables*[®] sandwiches, and increases for portion control and coffee products. Net sales for the International business increased 6% on a comparable basis, primarily driven by the launch of *Uncrustables*[®] sandwiches in Canada and *Jif*[®] peanut butter, partially offset by pet food and snacks.

International and Away From Home segment profit increased 45%, primarily reflecting higher net price realization and favorable volume/mix.

Second quarter free cash flow was \$28 million, compared to \$103 million in the prior year, driven by a \$47 million increase in capital expenditures and a decrease in cash provided by operating activities. The increase in capital expenditures was driven by the capacity expansion for *Uncrustables*[®] sandwiches at our McCalla, Alabama facility. The decrease in cash provided by operating activities was primarily due to timing differences of income tax payments and financing fees associated with the acquisition, partially offset by less cash required to fund working capital.

We finished the quarter with cash and cash equivalent balances of \$3.6 billion and a total debt balance of \$7.8 billion, reflecting cash and debt sourced to fund the Hostess acquisition.

Before turning to our fiscal 2024 outlook, I would like to provide an update on the Hostess acquisition.

We closed the acquisition of Hostess Brands, subsequent to the second quarter, and funded the transaction with cash, new debt borrowings and an issuance of common stock representing a total

purchase price of approximately \$5.6 billion after transaction costs and fees of approximately \$110 million. This represents an adjusted EBITDA multiple of approximately 17.2x and a post-synergy multiple of approximately 13.2x, including anticipated run-rate synergies of \$100 million. The total debt balance for the combined businesses is estimated to be approximately \$8.7 billion at the end of our third quarter. This total debt balance includes our legacy long-term debt of \$4.4 billion, and the addition of \$3.5 billion in long-term bonds and an \$800 million term loan to fund the acquisition. Total debt also reflects the application of \$466 million of cash proceeds from the sale of Post common stock received in November, and excess cash on the balance sheet. The proforma leverage ratio will stand at approximately 4.5x at the end of our third quarter.

We remain committed to our balanced capital deployment model and intent to maintain an investment grade debt rating. In the near term, we plan to prioritize debt reduction by paying down approximately \$500 million of debt annually over the next three years. In order to prioritize debt paydown, we do not anticipate share repurchases in the near-term, but remain committed to our current dividend policy, which is to return approximately 40% to 45% of our annual adjusted earnings per share to shareholders.

Let me now provide details on our updated outlook for fiscal year 2024.

We have increased our net sales guidance for the expected impacts from the Hostess acquisition and *Sahale Snacks*[®] divestiture. Our updated guidance reflects total sales of \$8.25 billion at the mid-point of the range. Net sales are anticipated to decline approximately 3.0% to 3.5% compared to the prior year, and includes a \$1.5 billion reduction in sales from the pet food and *Sahale Snacks*[®] divestitures, and a \$650 million increase in sales from the Hostess acquisition.

Excluding the divestitures and acquisition, comparable net sales are anticipated to grow approximately 8.5% to 9.0%. Our comparable net sales expectations have not changed for the base business. This demonstrates the continued momentum of our business and brands, and reflects volume/mix benefits across all three of our U.S. Retail segments and our International and Away From Home business. Net sales growth also reflects higher net price realization, primarily due to pricing actions to recover increased costs across our portfolio, mostly in the prior year, partially offset by a decrease in net price realization for the U.S. Retail Coffee segment.

We now expect the contract manufacturing sales related to the divested pet food brands to contribute approximately \$145 million in net sales, which is \$15 million less than our previous estimate, and \$40 million dollars less than our original estimate at the beginning of the fiscal year.

We are increasing our full-year adjusted gross profit margin expectations to approximately 37.5%. This reflects our outlook for continued cost favorability versus our prior expectations and the Hostess acquisition.

We now project SD&A expenses to increase by approximately 1% at the mid-point of the guidance range, due to \$115 million of additional expenses related to the Hostess acquisition. Excluding the effect of the acquisition, SD&A expenses are projected to decrease approximately 7% at the mid-point of the guidance range, primarily reflecting reduced expenses associated with the divested businesses, partially offset by \$40 million of pre-production expenses related to the *Uncrustables*[®] capacity expansion, increased marketing spend across the remaining business, and investments in liquid coffee. Total marketing expense is estimated to be approximately 5.3% of net sales, including the Hostess acquisition.

We now anticipate net interest expense of approximately \$275 million, including incremental expense of \$145 million related to new debt to fund the acquisition. The full-year adjusted effective income tax rate is now anticipated to be 24.3%, along with a full-year weighted average share count of 104.4 million, which includes the weighted impact of approximately 4.0 million shares issued in connection with the Hostess acquisition.

Taking all these factors into consideration, we anticipate full-year adjusted earnings per share to be in the range of \$9.25 to \$9.65, including a net unfavorable impact of \$0.60 of stranded overhead related to the pet food divestiture and a net unfavorable impact of \$0.40 related to the Hostess acquisition.

Excluding the dilution related to the acquisition, adjusted earnings per share is anticipated to be \$9.85 at the mid-point of the guidance range, an increase of approximately 10% compared to the prior year. This also includes an approximate 7% headwind related to the net impact of stranded overhead from the divestiture.

This guidance range reflects anticipated net sales of approximately \$650 million and segment profit of \$150 million for the Sweet Baked Snacks reportable segment, resulting in approximately \$1.11 of incremental adjusted earnings per share. The incremental segment profit will be offset by:

- Approximately \$30 million, or \$0.22 per share, of incremental administrative expense;
- Approximately \$145 million, or \$1.08 per share, related to incremental interest expense on the new debt;
- Approximately \$4 million, or \$0.04 per share, related to an increase in the effective income tax rate;
- And, approximately \$0.17 per share from additional common shares issued in connection with the transaction.

The net impact related to the acquisition for this fiscal year is \$0.40 of dilution on a per share basis, and this guidance does not anticipate any benefits from acquisition synergies this fiscal year.

We anticipate third quarter comparable net sales to increase a mid-single digit percentage. The Hostess acquisition is anticipated to also contribute approximately \$300 million of additional net sales. Adjusted earnings per share is expected to increase a low-single digit percentage compared to the prior year, including a \$0.20 per share unfavorable impact related to the Hostess acquisition.

We now project free cash flow of approximately \$530 million, with capital expenditures of \$610 million for the year. The change in free cash flow and capital expenditure guidance, compared to previous expectations, is primarily due to \$135 million of transaction and integration costs and \$60 million of capital expenditures associated with the Hostess acquisition.

Other key assumptions affecting cash flow include: depreciation expense of approximately \$240 million, including a preliminary estimate of \$23 million related to the Hostess acquisition, amortization expense of approximately \$225 million, including a preliminary estimate of \$70 million related to Hostess acquisition, share-based compensation expense of \$30 million, other non-cash charges of \$35 million, and cash tax payments of approximately \$50 million that are incremental to tax expense.

We expect long-term annual net sales growth for the Sweet Baked Snacks business of approximately 4%. We anticipate expanded distribution for both Hostess and Smucker products through the complementary capabilities of the combined businesses supporting our long-term growth expectations. We also anticipate annual cost synergies of approximately \$100 million, half of which are expected to be realized in fiscal year 2025, with the full annualized amount to be achieved by the end of fiscal year 2026.

We anticipate the Sweet Baked Snacks business to be accretive to adjusted earnings per share next fiscal year, as a result of a full-year of ownership, business growth, synergy realization, and interest expense reduction through debt paydown.

As the integration progresses, we will provide updates about the acquisition's impact to future results at the CAGNY conference and when we report our third quarter results.

In closing, our second quarter results demonstrate the continued momentum of our business and brands. We remain confident in our strategy and ability to deliver continued growth across our portfolio, including the *Hostess*[®] brands. We are well positioned to deliver consistent and long-term growth for our shareholders.

And, I would like to welcome employees joining us from the Hostess organization and express my appreciation for all our employees. They have demonstrated their commitment to executing with excellence, and their passion for our Company positions us for continued success.

Thank you.

Additional Information

The J.M. Smucker Co. is the owner of all trademarks referenced herein, except for *Dunkin*[®] which is used under license and is trademark of DD IP Holder LLC.

The *Dunkin*[®] brand is 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, and certain away from home channels. This information does not pertain to products for sale in *Dunkin*[®] restaurants.

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