



THE J.M. SMUCKER Co

FISCAL 2025 THIRD QUARTER RESULTS

SUPPLEMENTARY INFORMATION

February 27, 2025

EXECUTIVE SUMMARY

Net sales decreased 2%.
Comparable net sales ^(A) decreased 1%.

Net loss per diluted share was \$6.22.
Adjusted earnings per share was \$2.61, an increase of 5%.

Free cash flow was \$151.3 million, compared to \$249.6 million in the prior year.

Updated full-year fiscal 2025 financial outlook.

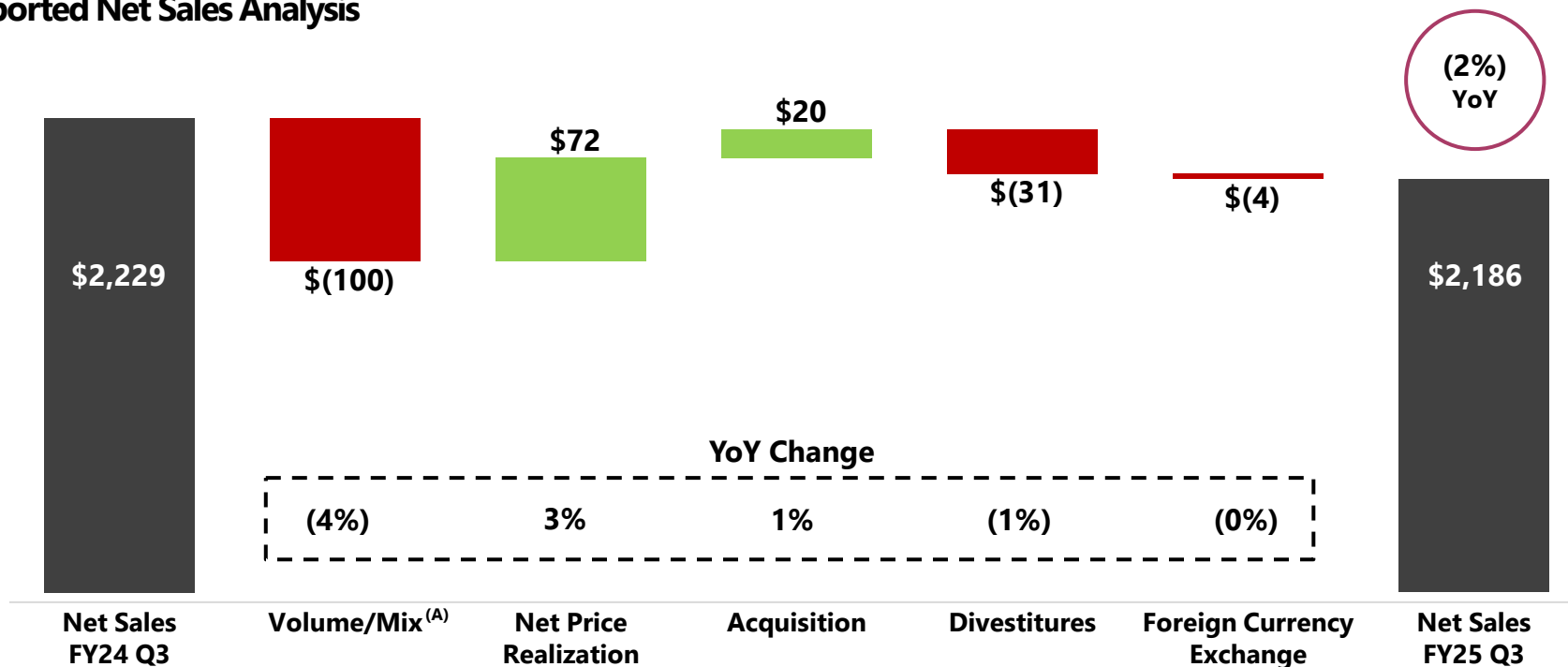
^(A) Excludes the noncomparable impact to net sales of the Hostess Brands acquisition, divestitures, and foreign currency exchange.

CONSOLIDATED RESULTS

	FY25 Q3	FY24 Q3	YoY Change
Net Sales	\$2,186.0	\$2,229.2	(2%)
Adjusted Gross Profit	\$819.2	\$828.3	(1%)
Adjusted Gross Profit Margin	37.5%	37.2%	30bps
Adjusted Operating Income	\$463.8	\$457.5	1%
Adjusted Operating Income Margin	21.2%	20.5%	70bps
Adjusted Effective Income Tax Rate	23.7%	26.1%	-240bps
Adjusted EPS – Assuming Dilution	\$2.61	\$2.48	5%

CONSOLIDATED RESULTS

Reported Net Sales Analysis

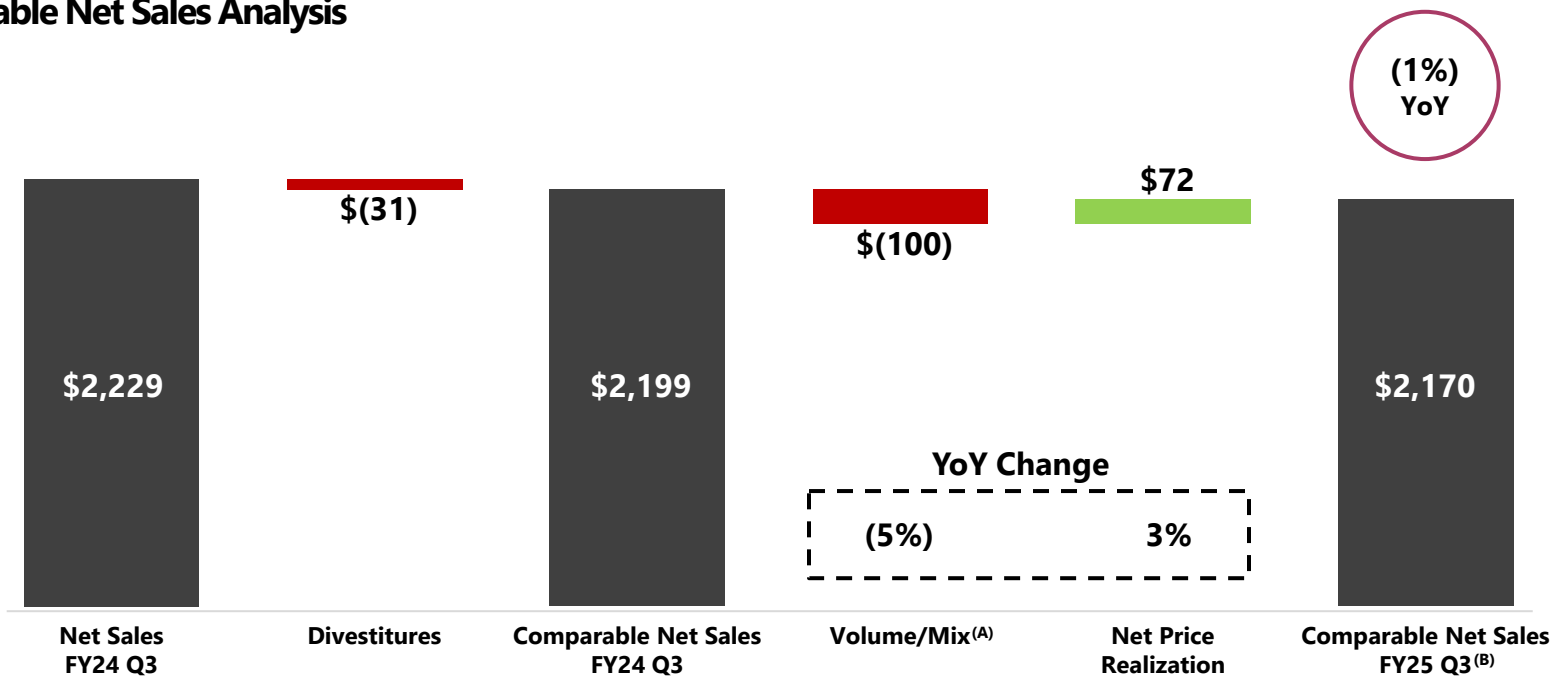


Note: Amounts may not add due to rounding

^(A) Includes an \$18.6 decrease in contract manufacturing sales related to the divested pet food brands, as compared to the prior year.

CONSOLIDATED RESULTS

Comparable Net Sales Analysis



Note: Amounts may not add due to rounding

^(A) Includes an \$18.6 decrease in contract manufacturing sales related to the divested pet food brands, as compared to the prior year.

^(B) Excludes the noncomparable impact to net sales of the Hostess Brands acquisition, divestitures, and foreign currency exchange.

BALANCE SHEET & CASH FLOW HIGHLIGHTS

	FY25 Q3	FY24 Q3
Cash Provided by (Used for) Operations	\$239.4	\$406.5
Capital Expenditures	(88.1)	(156.9)
Free Cash Flow	\$151.3	\$249.6
	January 31, 2025	April 30, 2024
Total Debt (Gross)	\$7,847.3	\$8,364.0
Cash and Cash Equivalents	(47.2)	(62.0)
Total Debt (Net)	\$7,800.1	\$8,302.0
EBITDA (as adjusted, TTM) ^(A)	\$2,172.8	\$1,704.4
Net Debt/EBITDA (TTM) ^(A)	3.6x	4.9x

^(A) Reflects amounts as reported, including acquired and divested businesses while under Company ownership.

SEGMENT RESULTS

	U.S. Retail Coffee	U.S. Retail FH&S	U.S. Retail Pet Foods ^(A)	Sweet Baked Snacks	Int'l & AFH
Net Sales					
Net Sales	\$740.6	\$445.2	\$423.0	\$278.6	\$298.6
YoY Change	2%	2%	(9%)	(7%)	-
YoY Net Sales Change Summary:					
Acquisition	-	-	-	7%	-
Divestitures	-	-	-	(-7%)	(3%)
Foreign Currency Exchange	-	-	-	-	(1%)
Net Sales Excluding Acquisition, Divestitures & Foreign Currency Exchange	2%	2%	(9%)	(8%)	5%
Volume/Mix	(7%)	2%	(9%)	(5%)	(1%)
Net Price Realization	9%	-	-	(2%)	6%
Segment Profit					
Segment Profit	\$208.6	\$99.2	\$116.8	\$54.8	\$61.6
YoY Change	-	(5%)	7%	(19%)	22%
Segment Profit Margin	28.2%	22.3%	27.6%	19.7%	20.6%
YoY Change	-40bps	-150bps	+410bps	-290bps	+380bps

Note: Amounts may not add due to rounding

^(A) Current quarter net sales includes \$5.9 of contract manufacturing sales related to the divested pet food brands, as compared to \$24.5 in the prior year.

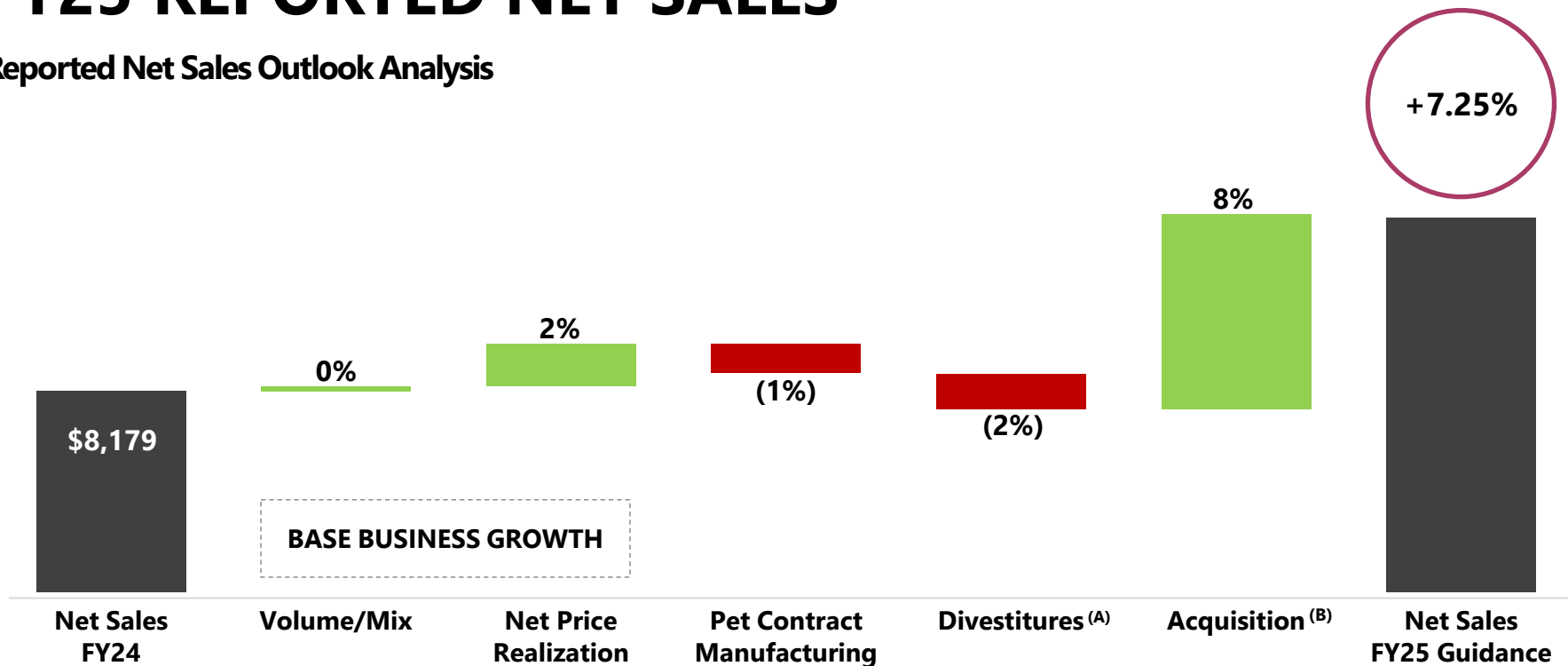
FULL-YEAR FISCAL 2025 OUTLOOK

	Current	Previous
Net Sales Increase vs. Prior Year	7.25%	7.50% to 8.50%
Adjusted EPS	\$9.85 - \$10.15	\$9.70 - \$10.10
Free Cash Flow	\$925	\$875
Capital Expenditures	\$400	\$450
Adjusted Effective Income Tax Rate	24.1%	24.3%

Note: The full-year fiscal 2025 guidance does not reflect any impact related to the Company's previously announced agreement to divest certain Sweet Baked Snacks value brands. The transaction is expected to close during the fourth quarter of the current fiscal year and the fiscal 2025 net sales impact is expected to be approximately \$10 and immaterial to adjusted earnings per share. The Company anticipates using the proceeds from the transaction to pay down debt.

FY25 REPORTED NET SALES

Reported Net Sales Outlook Analysis



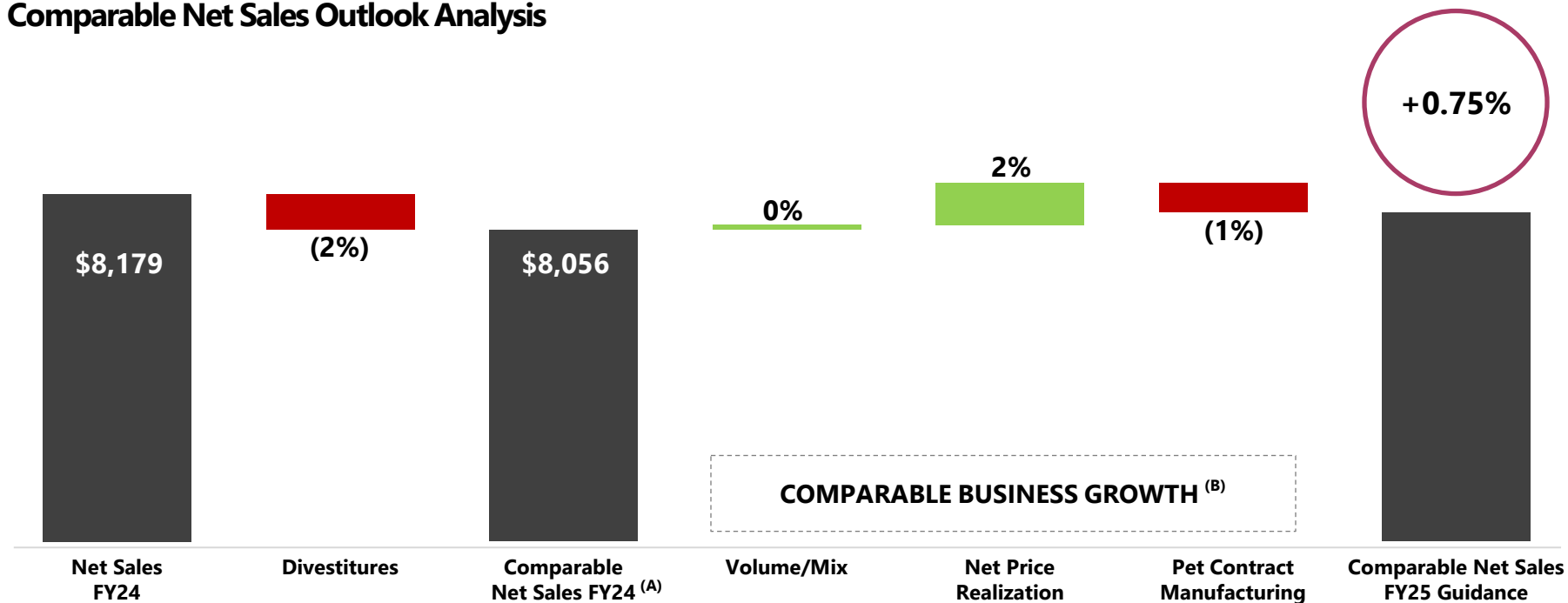
Note: Amounts may not add due to rounding

^(A) Divestitures represent \$122.8 of divested net sales related to the divested *Voortman*[®], Canada condiment, and *Sahale Snacks*[®] businesses.

^(B) Acquisition represents the anticipated noncomparable net sales of Hostess Brands for fiscal year 2025.

FY25 COMPARABLE NET SALES

Comparable Net Sales Outlook Analysis



Note: Amounts may not add due to rounding

^(A) Adjusted for \$122.8 of divested net sales related to the divested *Voortman*[®], Canada condiment, and *Sahale Snacks*[®] businesses.

^(B) Represents organic net sales growth, as well as a decline of approximately \$100 in contract manufacturing sales related to the divested pet food brands.

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 Sweet Baked Snacks value brands to JTM Foods, LLC, including the possibility that any or all of the conditions to the sale may not be satisfied or waived; the Company's ability to successfully integrate Hostess Brands' operations and employees and to implement plans and achieve financial forecasts with respect to the Hostess Brands' business; the Company's ability to realize the anticipated benefits, including synergies and cost savings, related to the Hostess Brands acquisition, including the possibility that the expected benefits will not be realized or will not be realized within the expected time period; disruption from the acquisition of Hostess Brands by diverting the attention of the Company's management and making it more difficult to maintain business and operational relationships; the negative effects of the acquisition of Hostess Brands on the market price of the Company's common shares; the amount of the costs, fees, expenses, and charges and the risk of litigation related to the acquisition of Hostess Brands; the effect of the acquisition of Hostess Brands on the Company's business relationships, operating results, ability to hire and retain key talent, and business generally; disruptions or inefficiencies in the Company's operations or supply chain, including any impact caused by product recalls, political instability, terrorism, geopolitical conflicts (including the ongoing conflicts between Russia and Ukraine and Israel and Hamas), extreme weather conditions, natural disasters, pandemics, work stoppages or labor shortages, or other calamities; risks related to the availability of, 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 changes in consumer preference, consumer litigation, actions by the U.S. Food and Drug Administration or other agencies, and 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; 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 to meet the Company's deleveraging objectives, dividend payments, and share repurchases; a change in outlook or downgrade in the Company's public credit ratings by a rating agency below investment grade; 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 primary or 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, including tariffs; the outcome of tax examinations, changes in tax laws, and other tax matters; a disruption, failure, or security breach of the Company or its suppliers' information technology systems, including, but not limited to, 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 acquisition, divestitures, and foreign currency exchange; adjusted gross profit; adjusted operating income; adjusted income; adjusted earnings per share; earnings before interest, taxes, depreciation, amortization expense, impairment charges related to intangible assets, and gains and losses on divestitures ("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 infrequently occurring items that do not directly reflect ongoing operating results. Income taxes, as adjusted is calculated using an adjusted effective income tax rate that is applied to adjusted income before income taxes and reflects the exclusion of the previously discussed items, as well as any adjustments for one-time tax-related activities, when they occur. While this adjusted effective income tax rate does not generally differ materially from the GAAP effective income tax rate, certain exclusions from non-GAAP results, such as the unfavorable permanent tax impacts associated with the goodwill impairment charge for the Sweet Baked Snacks reporting unit and the sale of the Voortman Cookies Limited entity and the favorable noncash deferred tax benefit associated with the integration of Hostess Brands into the Company, 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 year 2025 outlook.

UNAUDITED NON-GAAP FINANCIAL MEASURES

(Dollars in millions)

	Three Months Ended January 31,			
	2025	2024	Increase (Decrease)	%
Net sales reconciliation:				
Net sales	\$2,186.0	\$2,229.2	(\$43.2)	(2%)
Hostess Brands acquisition	(20.1)	-	(20.1)	(1)
<i>Voortman</i> ® divestiture	-	(20.2)	20.2	1
Canada condiment divestiture	-	(10.4)	10.4	-
<i>Sahale Snacks</i> ® divestiture	-	-	-	-
Foreign currency exchange	4.2	-	4.2	-
Net sales excluding acquisition, divestitures, and foreign currency exchange	\$2,170.1	\$2,198.6	(\$28.5)	(1%)

Note: Amounts may not add due to rounding

UNAUDITED NON-GAAP FINANCIAL MEASURES

(Dollars in millions)

	<u>Three Months Ended January 31,</u>	
	<u>2025</u>	<u>2024</u>
Gross profit reconciliation:		
Gross profit	\$878.1	\$823.1
Change in net cumulative unallocated derivative gains and losses	(60.0)	5.2
Cost of products sold – special project costs	1.1	-
Adjusted gross profit	<u>\$819.2</u>	<u>\$828.3</u>
Operating income (loss) reconciliation:		
Operating income (loss)	(\$594.0)	\$297.4
Amortization	53.9	55.7
Goodwill impairment charge	794.3	-
Other intangible assets impairment charge	208.2	-
Loss (gain) on divestitures – net	50.2	0.3
Change in net cumulative unallocated derivative gains and losses	(60.0)	5.2
Cost of products sold – special project costs	1.1	-
Other special project costs	10.1	98.9
Adjusted operating income	<u>\$463.8</u>	<u>\$457.5</u>

UNAUDITED NON-GAAP FINANCIAL MEASURES

(Dollars and shares in millions, except per share data)

Net income (loss) reconciliation:

	Three Months Ended January 31,	
	2025	2024
Net income (loss)	(\$662.3)	\$120.4
Income tax expense (benefit)	(0.2)	75.1
Amortization	53.9	55.7
Goodwill impairment charge	794.3	-
Other intangible assets impairment charge	208.2	-
Loss (gain) on divestitures – net	50.2	0.3
Change in net cumulative unallocated derivative gains and losses	(60.0)	5.2
Cost of products sold – special project costs	1.1	-
Other special project costs	10.1	98.9
Other expense – special project costs	-	(0.1)
Other infrequently occurring items:		
Other debt charges (gains) – net ^(A)	(30.3)	-
Adjusted income before income taxes	\$365.0	\$355.5
Income taxes, as adjusted	86.7	92.9
Adjusted income	\$278.3	\$262.6
Weighted-average shares outstanding – assuming dilution ^(B)	106.7	106.1
Adjusted earnings per share – assuming dilution ^(B)	\$2.61	\$2.48

^(A) Net other debt charges (gains) includes a net gain on extinguishment of debt as a result of the tender offers completed during the third quarter of 2025 and financing fees associated with the Bridge Loan entered into during the second quarter of 2024 to provide committed financing for the acquisition of Hostess Brands.

^(B) Adjusted earnings per common share – assuming dilution for the three months ended January 31, 2025 and 2024, was computed using the treasury stock method. Further, for the three months ended January 31, 2025, the weighted-average shares – assuming dilution differed from our GAAP weighted-average common shares outstanding – assuming dilution as a result of the anti-dilutive effect of our stock-based awards, which were excluded from the computation of net loss per share – assuming dilution.

UNAUDITED NON-GAAP FINANCIAL MEASURES

(Dollars in millions)

	Three Months Ended				TTM Ended	Year Ended
	April 30, 2024	July 31, 2024	October 31, 2024	January 31, 2025	January 31, 2025	April 30, 2024
EBITDA (as adjusted) reconciliation:						
Net income (loss)	\$245.1	\$185.0	(\$24.5)	(\$662.3)	(\$256.7)	\$744.0
Income tax expense (benefit)	68.0	61.0	91.3	(0.2)	220.1	252.4
Interest expense – net	97.3	100.4	98.7	95.4	391.8	264.3
Depreciation	69.0	73.0	72.2	68.2	282.4	239.7
Amortization	56.0	56.0	55.8	53.9	221.7	191.1
Goodwill impairment charge	-	-	-	794.3	794.3	-
Other intangible assets impairment charge	-	-	-	208.2	208.2	-
Loss (gain) on divestitures – net	-	-	260.8	50.2	311.0	12.9
EBITDA (as adjusted) ^(A)	<u>\$535.4</u>	<u>\$475.4</u>	<u>\$554.3</u>	<u>\$607.7</u>	<u>\$2,172.8</u>	<u>\$1,704.4</u>

Note: Amounts may not add due to rounding

^(A) Reflects amounts as reported, including acquired and divested businesses while under Company ownership.

NON-GAAP RECONCILIATION

Company Guidance

	<u>Year Ending April 30, 2025</u>	
	<u>Low</u>	<u>High</u>
Net income per common share – assuming dilution reconciliation:		
Net income per common share – assuming dilution	(\$3.41)	(\$3.11)
Change in net cumulative unallocated derivative gains and losses ^(A)	(0.26)	(0.26)
Amortization	4.62	4.62
Goodwill impairment charge	16.73	16.73
Other intangible assets impairment charge	4.38	4.38
Loss (gain) on divestitures – net	6.55	6.55
Other debt charges (gains) – net	(0.64)	(0.64)
Special project costs	1.35	1.35
Adjusted effective income tax rate impact	(19.47)	(19.47)
Adjusted earnings per share	<u>\$9.85</u>	<u>\$10.15</u>

^(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 January 31, 2025, that are expected to be allocated to non-GAAP results in future periods.

NON-GAAP RECONCILIATION

Company Guidance

(Dollars in millions)

Free cash flow reconciliation:

Net cash provided by operating activities

\$1,325

Additions to property, plant, and equipment

(400)

Free cash flow

\$925

ADDITIONAL INFORMATION

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