



THE J.M. SMUCKER Co

NEWS RELEASE

The J.M. Smucker Company to Acquire the Wesson® Oil Brand from Conagra Brands, Inc.

5/30/2017

ORRVILLE, Ohio, May 30, 2017 /PRNewswire/ -- The J. M. Smucker Company (NYSE: SJM) ("Company") announced today the signing of a definitive agreement ("Agreement") to acquire the Wesson® oil brand from Conagra Brands, Inc. ("Conagra"). The Wesson® brand of edible oils has been trusted by consumers for over 100 years. The all-cash transaction, which the Company will fund primarily with debt, is valued at approximately \$285 million, prior to an expected tax benefit related to the acquisition with a present value of approximately \$45 million.

Under the terms of the Agreement, Conagra will continue to manufacture products sold under the Wesson® brand and provide certain other transition services for up to one year following the close of the transaction. After the transition period, the Company expects to consolidate Wesson® production into its existing oils manufacturing facility in Cincinnati, Ohio.

The Company anticipates the acquisition to add annual net sales of approximately \$230 million. The transaction is expected to generate earnings before interest, taxes, depreciation, and amortization ("EBITDA") of approximately \$30 million and contribute approximately \$0.10 to the Company's adjusted earnings per share in the first full year after closing, excluding one-time costs and before giving effect to synergies. Annual cost synergies of approximately \$20 million are expected to be fully realized within two years after closing. The \$285 million purchase price represents a multiple of approximately 9.5 times EBITDA. Factoring in the estimated \$45 million tax benefit and \$20 million of annual synergies, the multiple is expected to be approximately 5 times EBITDA.

"The addition of Wesson[®] creates a strong complement to our Crisco[®] brand," said Mark Smucker, Chief Executive Officer. "By allowing us to more efficiently use existing supply chain and go-to-market resources, this acquisition will lead to significant cost savings that can further fuel growth and innovation opportunities across the Company."

The transaction is subject to customary closing conditions, including receipt of required regulatory approvals.

About The J. M. Smucker Company

For 120 years, The J. M. Smucker Company has been committed to offering consumers quality products that bring families together to share memorable meals and moments. Today, Smucker is a leading marketer and manufacturer of consumer food and beverage products and pet food and pet snacks in North America. In consumer foods and beverages, its brands include Smucker's[®], Folgers[®], Jif[®], Dunkin' Donuts[®], Crisco[®], Pillsbury[®], R.W. Knudsen Family[®], Hungry Jack[®], Café Bustelo[®], Martha White[®], truRoots[®], Sahale Snacks[®], Robin Hood[®], and Bick's[®]. In pet food and pet snacks, its brands include Meow Mix[®], Milk-Bone[®], Kibbles 'n Bits[®], Natural Balance[®], and 9Lives[®]. The Company remains rooted in the Basic Beliefs of Quality, People, Ethics, Growth, and Independence established by its founder and namesake more than a century ago. For more information about the Company, visit jmsmucker.com.

The J. M. Smucker Company is the owner of all trademarks referenced herein, except for the following, which are used under license: Pillsbury[®] is a trademark of The Pillsbury Company, LLC, and Dunkin' Donuts[®] is a registered trademark of DD IP Holder LLC.

Dunkin' Donuts[®] brand is licensed to The J. M. Smucker Company for packaged coffee products sold in retail channels such as grocery stores, mass merchandisers, club stores, and drug stores. This information does not pertain to Dunkin' Donuts[®] coffee or other products for sale in Dunkin' Donuts[®] restaurants.

The J. M. Smucker Company Forward-Looking Statements

This press release 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 press release, which could cause actual results to differ materially from those expressed, include: the ability of the parties to satisfy closing conditions, including receipt of required regulatory approvals, for the transaction, without unexpected delays or conditions; the ability of Conagra to meet its manufacturing and transition services requirements during the transition period; the ability to successfully integrate the acquired business in a timely and cost-effective manner; the ability to achieve cost efficiencies in the amounts and within the time frames currently anticipated and to effectively manage the related one-time costs; the ability to maintain an investment grade credit rating; the ability to generate sufficient cash flow to meet deleveraging objectives; volatility of commodity, energy, and other input costs; risks associated with

derivative and purchasing strategies employed to manage commodity pricing risks; the ability to implement and realize the full benefit of price changes that are intended to ultimately fully recover costs; general competitive activity in the market, including competitors' pricing practices and promotional spending levels; the loss of significant customers, a substantial reduction in orders from these customers, or the bankruptcy of any such customer; impairments in the carrying value of goodwill, other intangible assets, or other long-lived assets or changes in useful lives of other intangible assets; 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.

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