



THE J.M. SMUCKER Co

NEWS RELEASE

# The J.M. Smucker Co. Announces Agreement to Divest Certain Value Brands in Continued Portfolio Optimization of Sweet Baked Snacks Segment

2025-01-31

ORRVILLE, Ohio, Jan. 31, 2025 /PRNewswire/ -- The J.M. Smucker Co. (NYSE: SJM) announced today it has reached a definitive agreement to divest its Cloverhill and Big Texas brands, as well as certain private label products, to JTM Foods, LLC (JTM). The all-cash transaction is valued at approximately \$40 million, subject to a working capital adjustment, and includes relevant trademarks and licenses and the Company's manufacturing facility in Chicago, Illinois. Approximately 400 employees will also transition with the business.

"This divestiture reflects our continued commitment to portfolio optimization to prioritize resources to support the execution of our Sweet Baked Snacks strategy, focused on growing the Hostess® brand, and advancing our leadership in the sweet baked goods category," said Dan O'Leary, Senior Vice President and General Manager, Sweet Baked Snacks and Pet. "This decision continues the ongoing work to ensure our manufacturing network is optimized to mitigate costs and reduce complexity."

The divested value brands and private label products generated net sales of approximately \$30 million for the Company's fiscal year ended April 30, 2024, which represents a partial year of net sales reported in its Sweet Baked Snacks segment results following its acquisition on November 7, 2023. For fiscal year 2025, the Company anticipates full-year net sales from the divested value brands and private label products to be approximately \$60 million.

The Company expects the divestiture to be immaterial to its adjusted earnings per share on a full-year basis. The

Company anticipates using the net proceeds from the transaction to pay down debt. The Company will provide additional information about the transaction's impact, which is expected to be immaterial to its fiscal year 2025 outlook, when it releases its third quarter results.

The transaction is anticipated to close in the fourth quarter of the Company's current fiscal year ending April 30, 2025. RBC Capital Markets, LLC, is serving as the Company's financial advisor, and Benesch, Friedlander, Coplan & Aronoff LLP is serving as the Company's legal advisor in connection with the transaction.

## The J.M. Smucker Co. Forward Looking Statements

This press release ("Release") includes certain forward-looking statements within the meaning of federal securities laws. The forward-looking statements may include statements concerning our current expectations, estimates, assumptions and beliefs concerning future events, conditions, plans and strategies that are not historical fact. Any statement that is not historical in nature is a forward-looking statement and may be identified by the use of words and phrases such as "expect," "anticipate," "believe," "intend," "will," "plan," "strive" and similar phrases. Federal securities laws provide a safe harbor for forward-looking statements to encourage companies to provide prospective information. We are providing this cautionary statement in connection with the safe harbor provisions. Readers are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date made, when evaluating the information presented in this Release, as such statements are by nature subject to risks, uncertainties and other factors, many of which are outside of our control and could cause actual results to differ materially from such statements and from our historical results and experience. These risks and uncertainties include, but are not limited to, the following: uncertainties relating to the timing of the consummation of the sale of the Cloverhill and Big Texas brands and certain private label products to JTM (the "Transaction"); the possibility that any or all of the conditions to the consummation of the Transaction may not be satisfied or waived; and those described under "Risk Factors" in reports and statements filed by the Company with the U.S. Securities and Exchange Commission. We do not undertake any obligation to update or revise these forward-looking statements to reflect new events or circumstances.

## About The J.M. Smucker Co.

At The J.M. Smucker Co., it is our privilege to make food people and pets love by offering a diverse family of brands available across North America. We are proud to lead in the coffee, peanut butter, fruit spreads, frozen handheld, sweet baked goods, dog snacks, and cat food categories by offering brands consumers trust for themselves and their families each day, including Folgers®, Dunkin'®, Café Bustelo®, Jif®, Smucker's® Uncrustables®, Smucker's®, Hostess®, Milk-Bone®, and Meow Mix®. Through our unwavering commitment to producing quality products, operating responsibly and ethically and delivering on our Purpose, we will continue to grow our business while making a positive impact on society. For more information, please visit [jmsmucker.com](https://jmsmucker.com).

The J.M. Smucker Co. is the owner of all trademarks referenced herein, except for Dunkin'®, which is a 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 in certain away from home channels. This information does not pertain to products for sale in Dunkin'® restaurants.

View original content to download multimedia: <https://www.prnewswire.com/news-releases/the-jm-smucker-co-announces-agreement-to-divest-certain-value-brands-in-continued-portfolio-optimization-of-sweet-baked-snacks-segment-302365575.html>

SOURCE The J.M. Smucker Co.