



THE J.M. SMUCKER Co

NEWS RELEASE

# The J.M. Smucker Co. Completes the Divestiture of Certain Value Brands to JTM Foods, LLC

2025-03-03

ORRVILLE, Ohio, March 3, 2025 /PRNewswire/ -- The J.M. Smucker Co. (NYSE: SJM) ("Company") announced today the closing of the transaction to divest its Cloverhill and Big Texas brands, as well as certain private label products, to JTM Foods, LLC ("JTM"). The Company previously announced the signing of a definitive agreement for the transaction on January 31, 2025. The all-cash transaction is valued at approximately \$40 million, subject to a working capital adjustment, and includes relevant trademarks and licenses as well as the Company's manufacturing facility in Chicago, Illinois along with approximately 400 employees who will also transition with the business.

The divestiture reflects the Company's continued commitment to portfolio optimization and prioritization of resources in support of the Hostess® brand to help advance its leadership in the sweet baked good category. The decision reflects action on the key pillars the Company has established to return the Hostess® brand to growth, including work to mitigate costs and reduce complexity within its manufacturing network.

The transaction is expected to impact fiscal year 2025 net sales by approximately \$10 million and to be immaterial to full-year adjusted earnings per share. The Company maintains its fiscal year 2025 guidance as communicated in its most recent quarterly earnings announcement on February 27, 2025.

## The J.M. Smucker Co. 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 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.

## 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<sup>®</sup>, Dunkin'<sup>®</sup>, Café Bustelo<sup>®</sup>, Jif<sup>®</sup>, Uncrustables<sup>®</sup>, Smucker's<sup>®</sup>, Hostess<sup>®</sup>, Milk-Bone<sup>®</sup>, and Meow Mix<sup>®</sup>. 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://www.jmsmucker.com).

The J.M. Smucker Co. is the owner of all trademarks referenced herein, except for Dunkin'<sup>®</sup>, which is a trademark of DD IP Holder LLC. The Dunkin'<sup>®</sup> 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'<sup>®</sup> restaurants.

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