



THE J.M. SMUCKER Co

NEWS RELEASE

The J.M. Smucker Co. Completes the Divestiture of its Natural Balance® Business

1/29/2021

ORRVILLE, Ohio, Jan. 29, 2021 /PRNewswire/ -- The J.M. Smucker Co. (NYSE: SJM) announced today the closing of the transaction to sell its Natural Balance® premium pet food business to Nexus Capital Management LP for \$50 million, subject to a working capital adjustment and before a one-time cash tax benefit. The Company previously announced the signing of a definitive agreement to divest its Natural Balance® business on December 3, 2020. The transaction encompasses pet food products sold under the Natural Balance® brand, certain trademarks and licensing agreements and a group of employees who support the Natural Balance® business.

The divestiture of the Natural Balance® brand reflects the Company's strategy to prioritize investments and resources toward areas of the business that will generate the greatest growth and profitability. The business generated net sales of approximately \$220 million for the Company's fiscal year ended April 30, 2020, which were reported in its U.S. Retail Pet Foods segment.

"The closing of this transaction supports our priority to focus on the core brands within our pet food and pet snacks portfolio, including Rachael Ray® Nutrish®, Milk-Bone® and Meow Mix® among others, which create a unique portfolio with significant long-term growth potential that meets consumer needs across value, mainstream and premium offerings," said Mark Smucker, President and Chief Executive Officer, The J.M. Smucker Co.

The Company expects the divestiture to be dilutive to its adjusted earnings per share in the range of \$0.05 to \$0.10

on a full-year basis, reflecting the foregone profit related to the Natural Balance® business, before factoring in any potential benefit from the use of proceeds from the sale. The Company will discuss the transaction's impact on its fiscal year 2021 outlook when it releases its third quarter results and anticipates the impact on fiscal year 2021 earnings will be immaterial.

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

This press release contains forward-looking statements 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 impact of the COVID-19 pandemic on the Company's business, industry, suppliers, customers, consumers, employees, and communities, particularly with respect to the Company's Away From Home business; disruptions or inefficiencies in the Company's operations or supply chain, including any impact of the COVID-19 pandemic; the ability to achieve cost savings related to 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, dividend payments, and share repurchases; volatility of commodity, energy, and other input costs; 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 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 impact of food security concerns involving either the Company's products or its competitors' products; the impact of accidents, extreme weather, natural disasters, and pandemics (such as COVID-19); impairments in the carrying value of goodwill, other intangible assets, or other long-lived assets or changes in useful lives of other intangible assets or other long-lived 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.

About The J.M. Smucker Co.

Each generation of consumers leaves their mark on culture by establishing new expectations for food and the companies that make it. At The J.M. Smucker Co., it is our privilege to be at the heart of this dynamic with a diverse portfolio that appeals to each generation of people and pets and is found in nearly 90 percent of U.S. homes and countless restaurants. This includes a mix of iconic brands consumers have always loved such as Folgers®, Jif® and Milk-Bone® and new favorites like Café Bustelo®, Smucker's® Uncrustables® and Rachael Ray® Nutrish®. By

continuing to immerse ourselves in consumer preferences and acting responsibly, we will continue growing our business and the positive impact we have 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 Rachael Ray[®], a registered trademark of Ray Marks II LLC, which is used under license.

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