



THE J.M. SMUCKER Co

NEWS RELEASE

The J.M. Smucker Co. Completes the Divestiture of its Natural Beverage and Grains Businesses to Nexus Capital

1/31/2022

ORRVILLE, Ohio, Jan. 31, 2022 /PRNewswire/ -- The J.M. Smucker Co. (NYSE: SJM) announced today the closing of the transaction to divest its natural and organic beverage and grains businesses to Nexus Capital Management LP in a cash transaction valued at \$110 million, subject to a working capital adjustment. The Company previously announced the signing of a definitive agreement on December 15, 2021.

The transaction encompasses R.W. Knudsen® and TruRoots® assets and trademarks, and a licensing agreement for Santa Cruz Organic® beverages. The transaction also includes the Company's manufacturing and distribution facilities in Chico, California, and Havre de Grace, Maryland. It does not include Santa Cruz Organic® nut butters, fruit spreads, syrups or applesauce.

The divestiture supports the Company's strategy to focus resources on core brands positioned for growth. Through this approach, the Company is positioned to build on its market leadership while continuing to support the growth of the overall category.

"With the close of this transaction, we are now able to increase our focus and resources on supporting our core brands to deliver continued growth," said Tina Floyd, Senior Vice President and General Manager, Consumer Foods. "We are confident in the continued momentum of our consumer foods strategy and excited about the opportunities to build on our leadership position."

Collectively, the natural beverage and grains businesses generated net sales of approximately \$140 million for the Company's fiscal year ended April 30, 2021, which were primarily reported in its U.S. Retail Consumer Foods segment.

"We are extremely excited by the opportunity to acquire the Smucker's Natural Beverage and Grains businesses," said Damian Giangiacomo, Partner at Nexus. "We believe in each of the brand's strong legacy and the ability to grow the business as an independent company in partnership with a strong management team, led Bobby Chacko as Chairman and CEO."

Chacko previously held leadership roles at Ocean Spray, Mars Inc., and The Coca-Cola Company.

"Bobby is a dynamic CPG executive with a successful track record of generating strong innovation and growth," said Daniel Flesh, Partner at Nexus. "His leadership and expertise will be critical as we develop this new plant-based consumer platform."

The J.M. Smucker Co. expects the divestiture to be dilutive to its adjusted earnings per share by approximately \$0.15 on a full-year basis, reflecting the foregone profit related to the natural and organic beverages and grains businesses, before factoring in any potential benefit from the use of net proceeds from the sale. The Company will provide additional information about the transaction's impact on its fiscal year 2022 outlook when it reports its third quarter results.

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 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 and labor shortages resulting from, among other things, the implementation of vaccination requirements; 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, including any impact of the COVID-19 pandemic; 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,

dividend payments, and share repurchases; 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); the concentration of certain of the Company's businesses with key customers and suppliers, including 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 and COVID-19 vaccination requirements; the outcome of tax examinations, changes in tax laws, and other tax matters; 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.

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.

About Nexus Capital Management LP

Nexus is an alternative asset investment management company based in Los Angeles, California that was founded in 2013. Nexus employs a flexible investment mandate that focuses on long-term value creation by partnering with leading management teams and businesses. For more information on Nexus, please visit www.nexuslp.com.