
SMUCKER'S
THE J. M. SMUCKER COMPANY
SJM50
CELEBRATING 50 YEARS ON THE NYSE


SJM50
FINANCIAL REVIEW
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Chief Financial Officer

Fiscal 2016 Sales Guidance

	ORIGINAL	UPDATED
Projected Net Sales	$8.0B	$7.9B

Revised Guidance Represents YOY Growth of Approximately 38%

Reflects the Addition of Pet Foods Along with 3% Organic Growth

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Projected Pet Foods Sales by Quarter

First Quarter Actual	**$561M**
Second Quarter Estimate	**$565 - $580M**
Third Quarter Estimate	**$605 - $620M**
Fourth Quarter Estimate	**$565 - $580M**
FY16 Total Estimate	**Approx. $2.3B**

Includes Pet Foods sales in Canada reported in International and Foodservice

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Fiscal 2016 Earnings Guidance

Non-GAAP Operating Income	$1.2 - $1.25B
Non-GAAP Earnings Per Share	$5.65 - $5.80
Non-GAAP Adjusted Earnings Per Share	$6.80 - $6.95

SECOND QUARTER EXPECTATIONS

Anticipate Increased Marketing, Accelerated FY16 Synergies will Narrow Gap Versus Prior Year

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Fiscal 2016 Outlook by Segment

SEGMENT	NET SALES	SEGMENT PROFIT	DRIVERS
Coffee	↑	↑	• *Dunkin' Donuts* K-Cups • Lower Net Price Realization • Favorable Green Coffee Costs • Higher Marketing and Royalties
Consumer Foods	↔	↓	• New Product Launches • Growth of *Uncrustables* Sandwiches • Impact of Price Declines • Peanut Butter Facility Overhead
Pet Foods	↑	↑	• Growth in Pet Snacks and Premium • Price Deflation & Competitive Pricing • Lower Commodity Costs • Recognition of Synergies
International and Foodservice	↔	↔	• Contribution of Big Heart Pet Brands • Weak Canadian Dollar • Base Business Growth

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Fiscal 2016 Free Cash Flow Projection

Free Cash Flow	**$900M**
Capital Expenditures	**$220M**

Increase from Original Guidance Reflects:
- Pet R&D Center
- Expansion at *Uncrustables* Facility

Despite CapEx Increase,
Maintaining Free Cash Flow Target of $900M

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Cash Deployment FY11 – FY15

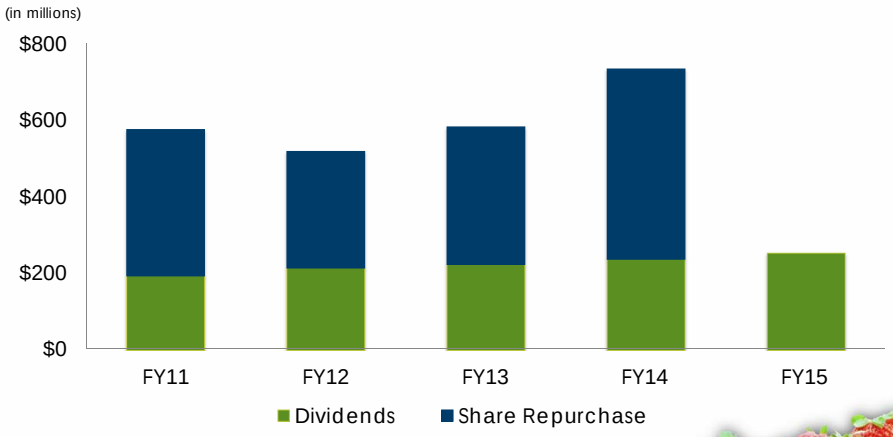
Growth		Return to Shareholders
STRATEGIC Acquisitions*	SHARE Repurchases	
44%	**56%**	
CAPITAL Expenditures	DIVIDENDS	

*Excludes the Big Heart Pet Brands Acquisition

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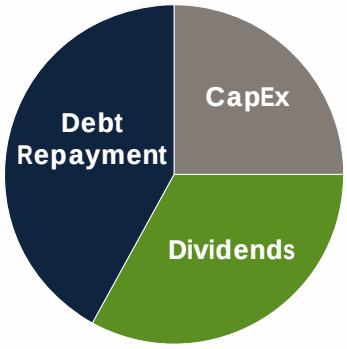
Cash Returned to Shareholders

$2.7 BILLION Over the Past 5 Years



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Current Cash Deployment Strategy



Cash from Operations Expected to Average $1.2B Annually Over Next 5 Years

- CapEx of 3-3.5% of net sales
- Maintain current dividend payout ratio
- Apply 40-45% towards debt repayment

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Projected Leverage

Repayments will average $500 Million annually.

	As of April 30,				
	2015	**2016**	**2017**	**2018**	**2019**
Leverage	4.1x	3.7x	3.1x	2.6x	2.2x

Achieving 3x leverage will provide opportunities to consider other strategic uses of cash

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Other Strategic Uses of Cash

Achieving 3x leverage will provide opportunities to consider other strategic uses of cash.

SHARE REPURCHASES	ACQUISITIONS
• Repurchased **18.7M** Shares From FY11-FY14	• Transformational Acquisitions Unlikely in the Near-Term
• Represents **16%** of the Shares Outstanding at the End of FY10	• Continuing to Explore Enabling and Bolt-On Acquisitions

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Three to Four Year Growth Targets

PET FOODS	4-5%
COFFEE	2-3%
CONSUMER FOODS	2-3%
INT'L & FOODSERVICE	2-3%

3% NET SALES

6% OPERATING PROFIT

DECREASE IN INTEREST EXPENSE AND SHARE REPURCHASES

8% EARNINGS PER SHARE

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Fiscal 2016 Non-GAAP EPS Guidance

	LOW	HIGH
Non-GAAP EPS	$5.65	$5.80
Amortization Per Share	1.15	1.15
Adjusted Non-GAAP EPS	**$6.80**	**$6.95**

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Cost of Goods Sold

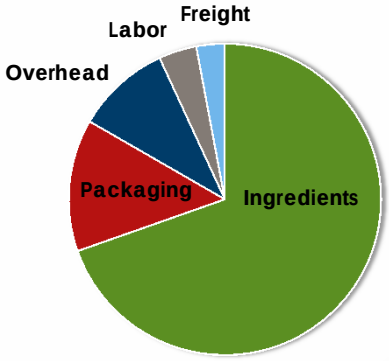
TOP 10 RAW MATERIALS

1. Coffee
2. Grains
3. Meats
4. Nuts
5. Plastic Packaging
6. Oil
7. Metal Packaging
8. Sweetener
9. Corrugate
10. Fruit

70%
OF TOTAL RAW MATERIALS

TOTAL COGS

Year Ended April 30, 2016



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