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


SJM50
INTEGRATION AND SYNERGY UPDATE
Vince Byrd
Vice Chairman

Summary of Key Points



INTEGRATION
On Track to Achieve Key Milestones



SYNERGIES
$200 Million Annually by FY18



COST SAVINGS
Opportunities in Excess of Original Estimate



WORKING CAPITAL
Significant Improvement Opportunities

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Track Record of Execution

History of successfully integrating transformational acquisitions.

2002	2004	2008	2015
Jif	Hungry Jack, Pillsbury	Folgers	Big Heart Pet Brands
Crisco	Martha White	Dunkin' Donuts	
	Bick's, Robin Hood	Millstone Coffee	
	Golden Temple		

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Key Integration Milestones

Key areas to be integrated by the end of FY16.

SUPPLY CHAIN CONSOLIDATION	COMBINED SALES ORGANIZATION	COMMON SYSTEM PLATFORM	SHARED SERVICES CONSOLIDATION
Procurement Demand & Supply Planning Distribution Network	Supports Go-to-Market Approach Consolidated Sales Offices	Administrative Customer Service Manufacturing	Centralized at Corporate Offices in Orrville, Ohio

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Pet Food Business Location Decisions

PITTSBURGH, PENNSYLVANIA OFFICE
Location to be Closed Near the End of FY16

SAN FRANCISCO, CALIFORNIA OFFICE
Pet Food Leadership Team Ultimately Located in Orrville, Ohio

SOUTHERN CALIFORNIA R&D FACILITY
Relocating to New, State-of-the-Art Facility in Orrville, Ohio

SELECT FUNCTIONS
Maintain West Coast Presence Over the Long-Term

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Areas of Synergies

Targeting $200 Million by the end of FY18.

DIRECT MATERIALS	• Consolidate Supplier Base • Negotiate Improved Terms	$60M
OPERATIONS & SUPPLY CHAIN	• Eliminate Redundant Distribution Centers • Optimize Logistics and Transportation • Leverage Manufacturing Best Practices	$40M
MARKETING & SELLING	• Leverage Scale for Advertising & Data Buys • Combine Sales Organizations	$30M
CORPORATE ADMINISTRATION	• Eliminate Redundancies • Centralize Shared Services • Adopt Common Systems and Processes • Improve Indirect Spend Efficiency	$70M

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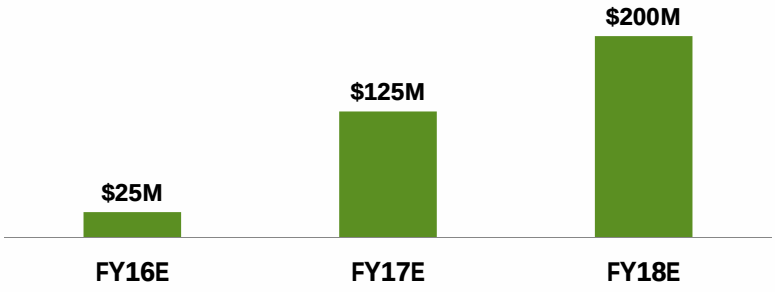
Synergy Realization

$200M Annual Synergies by FY18



Evaluating Cost Savings Opportunities Above $200M

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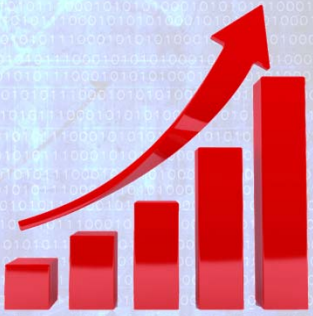
Reinvesting in the Business

Expect to invest incremental savings to enhance capabilities for growth.

ENHANCED CAPABILITIES

- Consumer Insights and Analytics
- Innovation
- Brand Marketing
- Digital Capabilities
- Shopper Marketing Insights
- Customer-Facing Capabilities



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Accelerating Our Big Ideas

Grow to **$1 Billion** Brands

Expand into New Categories Beyond Spreads

Launch Innovative New Products

Support Brands through Efficient Marketing and Promotion

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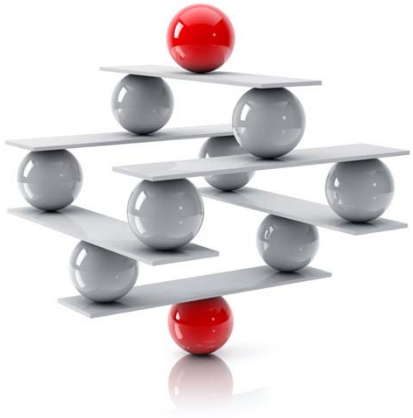
Reinvesting in Growth



Evaluation Criteria:

- Return on Investment
- Long-Term Strategic Benefits
- Increased Shareholder Value

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Working Capital Improvement Target

REDUCTION OF

$200M

BY END OF FY17

Reduce Inventory Days

Improve Payment Terms

Added Free Cash Flow Incentive Comp Target

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Summary of Key Points

On Track to Achieve Key Integration Milestones

Synergy and Working Capital Goals are **Achievable** by Targeted Dates

Opportunities to Invest to Support Long-Term Growth

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