

SJM50

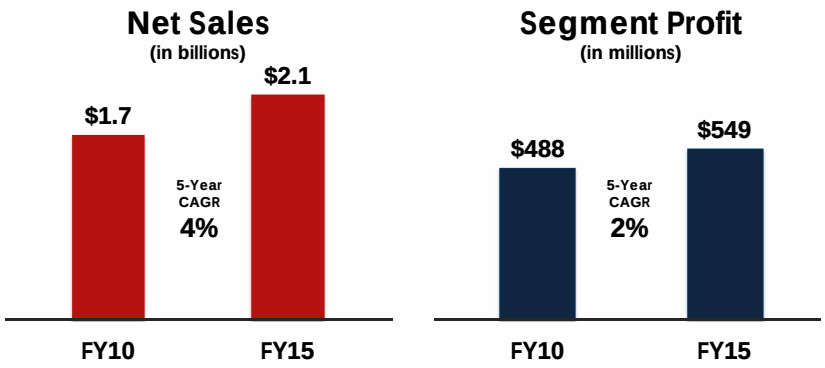
U.S. RETAIL COFFEE BUSINESS UPDATE

Steve Oakland
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U.S. Retail Coffee Segment Growth

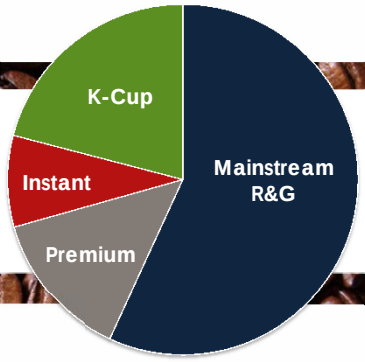


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U.S. Retail Coffee Segment

Focused on keeping our iconic brands the preferred choice of consumers.

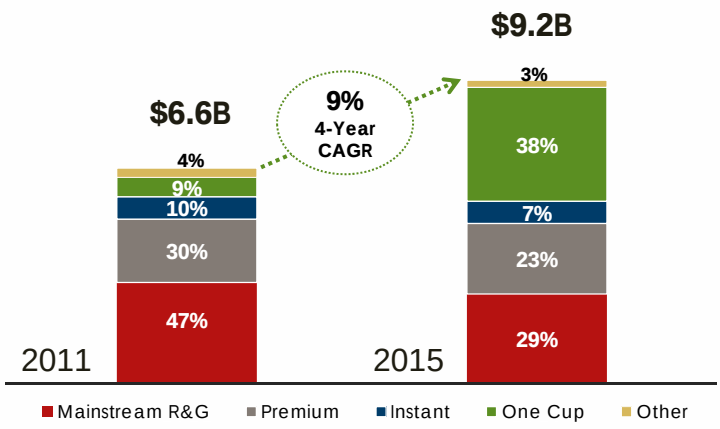
$2.2 Billion
PROJECTED FY16 NET SALES





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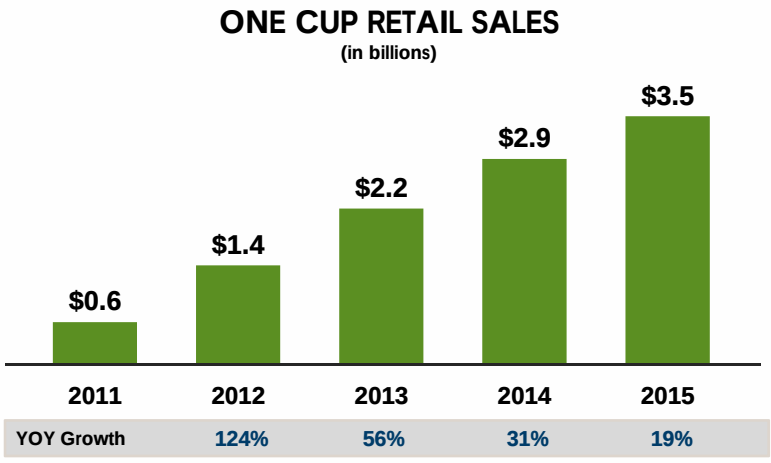
At-Home Coffee Category



Source: Smucker Internal Multi-Outlet Share Report 52 weeks ended September 11, 2011 and September 6, 2015

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One Cup Sales Growth is Decelerating



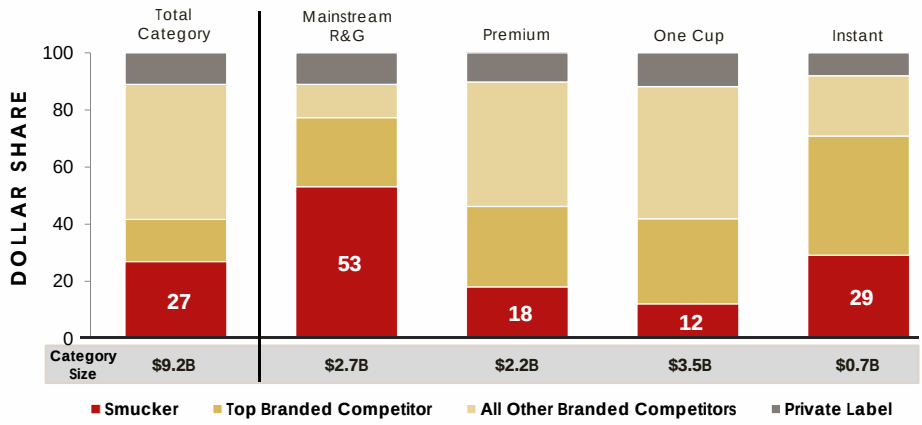
Growth percentages may not calculate due to rounding
Source: Smucker Internal Multi-Outlet Share Report years ended September 2011, 2012, 2013, 2014, and 2015

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Share of At-Home Coffee Segments

Smucker is a key player in all segments of the at-home coffee category.

(U.S. Retail Markets)

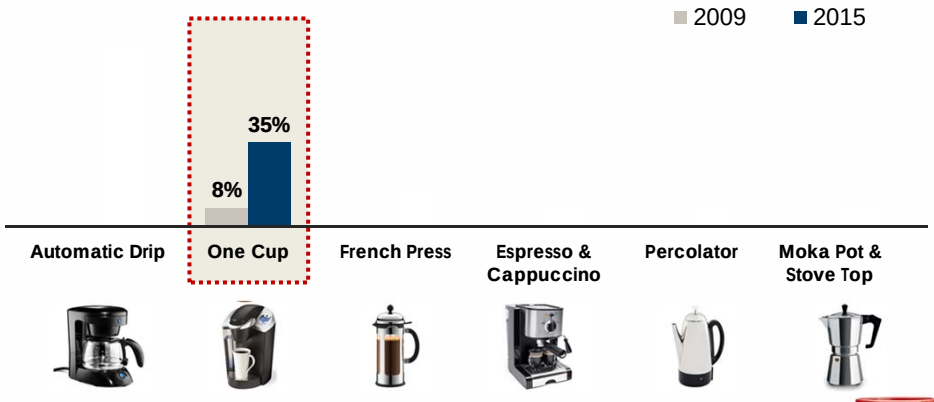


Source: Smucker Internal Multi-Outlet Share Report 52 weeks ended September 6, 2015

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Breadth of Coffee Makers in Households

Significant Growth in One-Cup

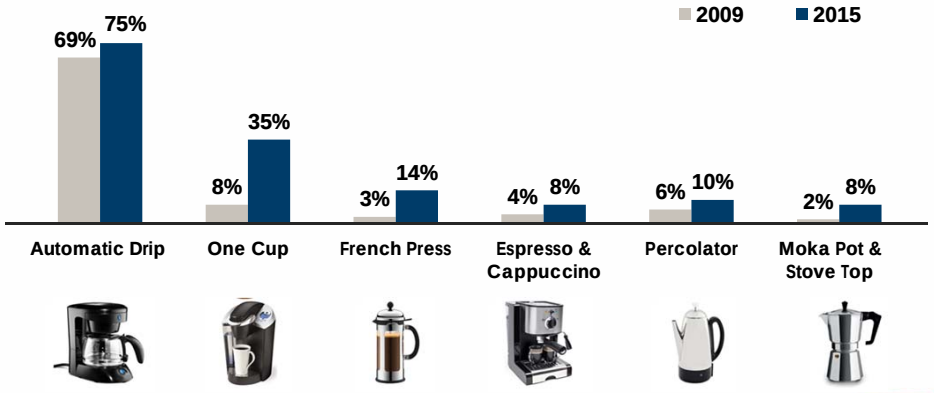


Source: Smucker Custom Quantitative Research, 2009 and 2015

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Breadth of Coffee Makers in Households

Increase in Households for All Types of Coffee Makers



Source: Smucker Custom Quantitative Research, 2009 and 2015

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Vice President of Marketing, Coffee



Why We ♥ Coffee



80% OF AMERICANS
Drink Coffee

4 OUT OF 5
Cups are Consumed At-Home vs. Away

COFFEE HAS THE 3RD
Highest Share of all Food and Drinks Consumed

$9.2 BILLION
Spent Annually in the Retail Coffee Category

10TH LARGEST
Edible Category in Retail

2 OUT OF 3
Warm Beverage Aisle Dollars are Coffee

Source: National Coffee Association, 2015; The NPD Group, 2014; Smucker Internal Multi-Outlet Share Report 52 weeks ended September 6, 2015; IRI Reviews, 52 weeks ended February 23, 2014

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Coffee Segment Roles

50.6M HOUSEHOLDS

MAINSTREAM ROAST AND GROUND
- ✓ Highest Buyer Count
- ✓ Strongest Loyalty
- ✓ Brewed in Most Popular Machine (ADC)

38.3M HOUSEHOLDS

PREMIUM
- ✓ Offers Gourmet Brands in a Roast and Ground Form
- ✓ Brewed in Most Popular Machine (ADC)

34.3M HOUSEHOLDS

ONE CUP
- ✓ Highest Dollar Share
- ✓ Bringing in New Households
- ✓ Delivers Convenience and Personalization

28.7M HOUSEHOLDS

INSTANT
- ✓ Highest Consumption among Hispanic and Older Households
- ✓ Least Price Sensitive of all Segments

Source: IRI Panel Data, 2015; Smucker Internal Multi-Outlet Share Report 52 weeks ended September 6, 2015

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Top Consumer & Retail Coffee Trends


Coffee Ritual



Coffee as an Experience


Rise of Variety Seekers



Personalization


Indulgence



Convenience

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Coffee Ritual: Folgers

An increasingly integral part of the morning routine.



80% of Coffee Consumption Occurs in the Morning

Morning Consumption is Growing

Coffee is More than a Routine;
It's a Ritual that Enhances the Day

The best part of wakin' up.

Source: National Eating Trends, 2 years ending May, 2015, point change vs. 2 years ending May, 2014

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Coffee as an Experience: Café Bustelo

Creating a unique coffee experience and driving brand awareness.

BROADENING THE APPEAL TO CULTURALLY OPEN MILLENNIALS

POP-UP CAFÉ'S
NEW YORK CITY
CHICAGO
LOS ANGELES
AUSTIN

FESTIVALS
CHICAGO
SAN FRANCISCO
LAS VEGAS
AUSTIN



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Rise of Variety Seekers: Dunkin' Donuts

Providing flavor and roast options for variety seeking consumers.







DUNKIN' DONUTS

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Personalization: Folgers Perfect Measures

The cup you want, just the way you like it.



100% Ground Coffee, No Additives

Offers Consistency and Control for Personalization

A Convenient, No Mess Option

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Indulgence: Folgers Flavors

Indulge in "me" time or a special treat.

Remix Your Favorite Roasts Any Way You Want and Savor the Flavor





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Convenience: K-Cups and Ready to Drink

Easy access to your coffee anytime, anywhere.

K-Cups

Positioned for Growth with Multiple K-Cup Offerings Including Our Latest Launch



Ready to Drink

On-trend Convenient Coffee Option



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Uniquely Positioned to Drive Growth



DUNKIN' DONUTS | Folgers | CAFÉ BUSTELO

Drive *Folgers* Growth and Market Share through Innovation and Brand Building Initiatives

Grow *Dunkin' Donuts* Presence Through Cross-Promotion with Bagged and K-Cup Offerings

Position *Café Bustelo* to Win with Emerging Consumer Groups

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