The J.M. Smucker Company

CONSUMER ANALYST GROUP OF NEW YORK CONFERENCE



SMUCKER'S

February 22, 2017

Agenda

Strategy and Business Update
Mark Smucker
President and Chief Executive Officer

Financial Update
Mark Belgya
Vice Chair and Chief Financial Officer





Strategy and Business Update

Mark Smucker
President and Chief Executive Officer

THE J.M. SMUCKER COMPANY

Forward-Looking Statements



This presentation contains forward-looking statements, such as projected net sales, operating results, earnings, and cash flows, that are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from any future results, performance, or achievements expressed or implied by those forward-looking statements. Users should understand that the risks, uncertainties, factors, and assumptions listed and discussed in this presentation could affect the future results of the Company and could cause actual results to differ materially from those expressed in the forward-looking statements.

Users are cautioned not to unduly rely on such forward-looking statements, which speak only as of the date made, when evaluating the information presented in this presentation. The Company does not undertake any obligation to update or revise these forward-looking statements to reflect new events or circumstances.

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Food Industry Dynamics

U.S. Food

U.S. Food: Outlook for 2017 - An accident waiting to happen offset by deal making possibilities

Food: Nielsen Volume Declines Worsen

Feb. Scanner Data Shows 6th Straight Sales Decline, But Promo Better

Food

2017 Outlook: Against the Wind

Food and Tobacco

Q4 Earnings Preview: Cutting Fat, Losing Muscle

Food Deep Dive Dashboard: Industry limps into year-end with more headwinds ahead

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Food Industry Dynamics



Strong **balance sheets**

Significant **cash flow** with **stable returns**

Possible **tax reform** benefit

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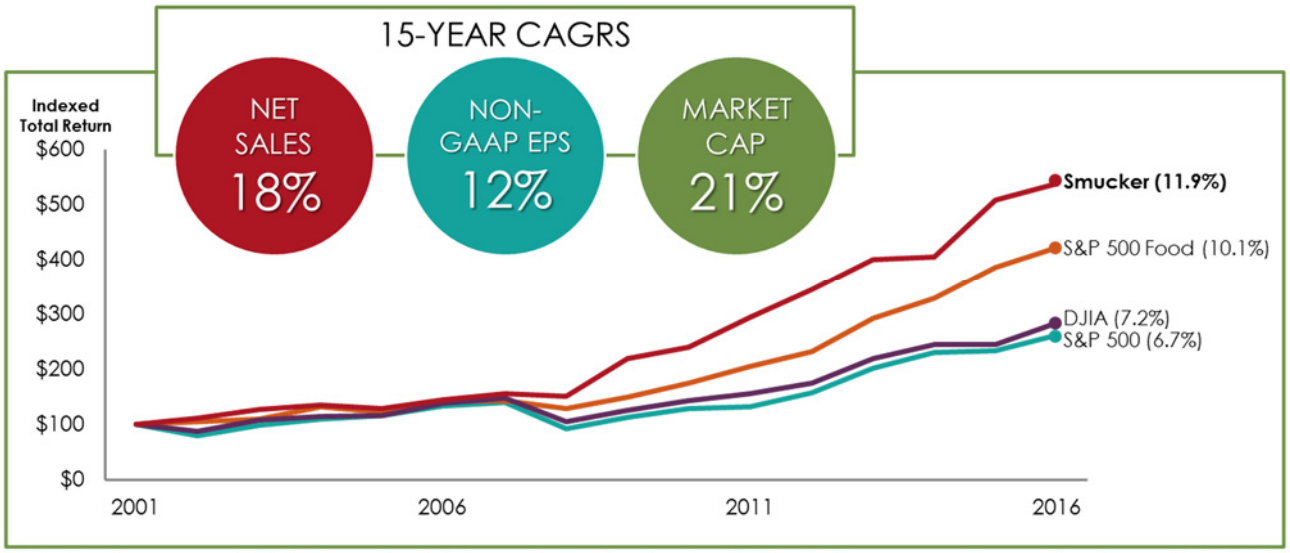
Food Industry Dynamics

What will separate opportunity within the sector are companies who can truly **innovate**, be a strong participant in **e-commerce**, have effective **digital engagement** with consumers, and diligently manage their **cost structure**.

Today's Key Themes

- BALANCE BETWEEN COST MANAGEMENT & INVESTMENTS
- ICONIC BRANDS REMAIN KEY TO OUR STRATEGY
- SIGNIFICANT OPPORTUNITIES WITH SMALLER BRANDS
- E-COMMERCE OPPORTUNITIES
- BALANCED DEPLOYMENT OF CASH

A Period of Transformational Growth

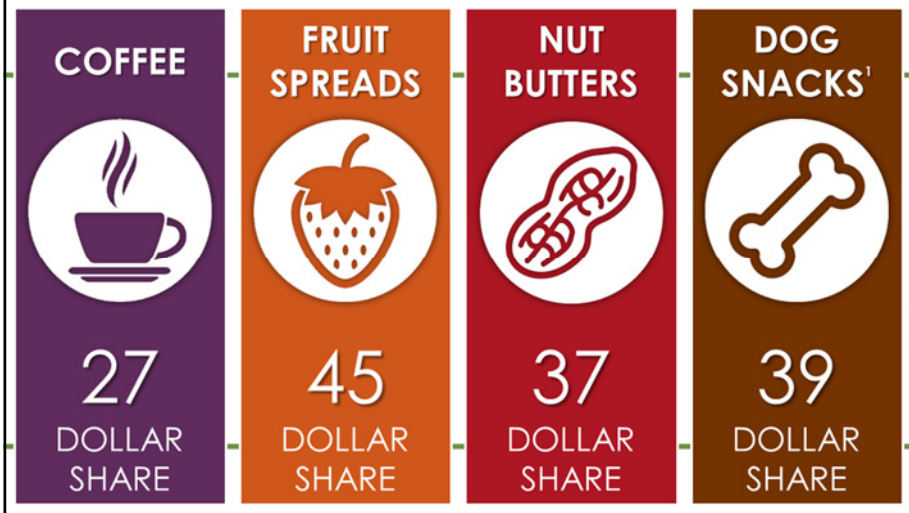


Note: These figures assume all dividends are reinvested when received and are based on $100 invested in our common shares and the referenced index funds on January 2, 2002.

Balanced Portfolio of Iconic & Emerging Brands



Category Leadership



At least one of our products can be found in **93%** of all U.S. households

Source: Smucker Internal Multi-Outlet Share Report 52 weeks ended January 22, 2017; (1) Smucker Internal Multi-Outlet Share Report 52 weeks ended January 28, 2017.

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Our Vision Guides Our Strategy

Engage, **delight**, and **inspire** consumers through trusted food and beverage brands that bring joy throughout their lives.

A portfolio that combines **#1 and leading brands** with **emerging**, **on-trend brands** to drive balanced growth.

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Consumer Preferences





We are responding to changing consumer preferences to ensure our brands remain **the preferred choice across multiple generations.**

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Innovation



COFFEE



CONSUMER



PET

Focused on **new platforms** that **extend the strength** of our iconic brands

Products introduced in past 3 years expected to contribute **9% of FY17 net sales**

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Our Plan



EXECUTE TODAY → BUILD FOR TOMORROW

NURTURE OUR CULTURE	DELIVER THE BUSINESS	BUILD NEW & ENHANCE EXISTING CAPABILITIES	PRIORITIZE RESOURCES FOR KEY GROWTH DRIVERS

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Our Plan



EXECUTE TODAY → BUILD FOR TOMORROW

NURTURE OUR CULTURE	DELIVER THE BUSINESS	BUILD NEW & ENHANCE EXISTING CAPABILITIES	PRIORITIZE RESOURCES FOR KEY GROWTH DRIVERS

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Our Plan



EXECUTE TODAY → BUILD FOR TOMORROW

- NURTURE OUR CULTURE
- DELIVER THE BUSINESS
- BUILD NEW & ENHANCE EXISTING CAPABILITIES
- PRIORITIZE RESOURCES FOR KEY GROWTH DRIVERS

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Current Cost Reduction Programs



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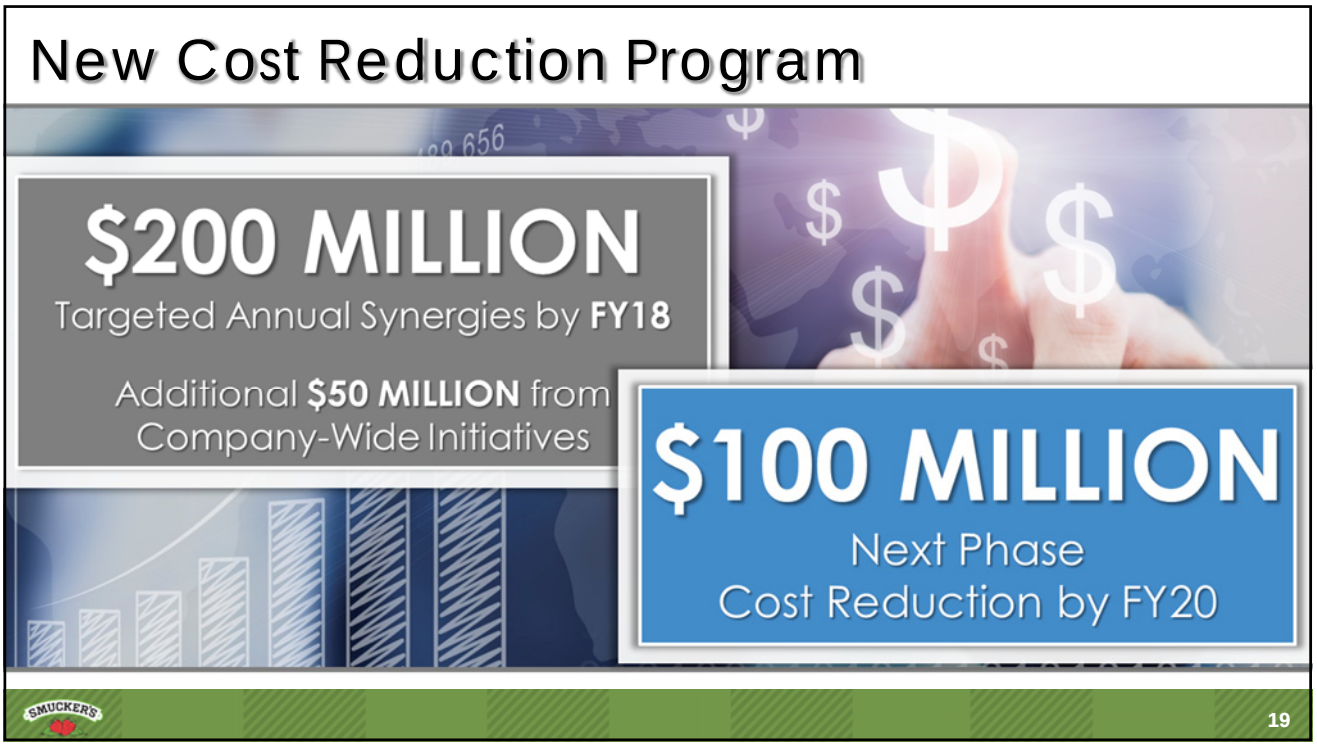

New Cost Reduction Program
$200 MILLION
Targeted Annual Synergies by FY18
Additional $50 MILLION from Company-Wide Initiatives
$100 MILLION
Next Phase
Cost Reduction by FY20
19


Combined Cost Reduction Programs
$350 MILLION
Total Annual Cost Reduction
by FY20
20

Our Plan



EXECUTE TODAY → BUILD FOR TOMORROW

NURTURE OUR CULTURE	DELIVER THE BUSINESS	BUILD NEW & ENHANCE EXISTING CAPABILITIES	PRIORITIZE RESOURCES FOR KEY GROWTH DRIVERS

Enhancing Capabilities











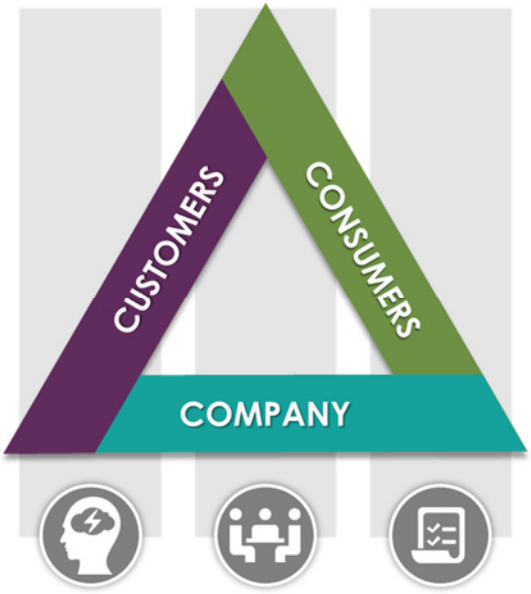


Connected Commerce

Emphasis on accelerating our **strong e-commerce sales growth** in pet food and coffee



Revenue Growth Management



- Data-driven consumer insights
- Focused on meeting consumer needs
- Right product, right time, right price, right execution

Folgers Roast & Ground Canister



Data-driven consumer insights led to the successful introduction of larger *Folgers* canister at key retailer

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Our Plan



EXECUTE **TODAY** → BUILD FOR **TOMORROW**

NURTURE OUR CULTURE	DELIVER THE BUSINESS	BUILD NEW & ENHANCE EXISTING CAPABILITIES	PRIORITIZE RESOURCES FOR KEY GROWTH DRIVERS

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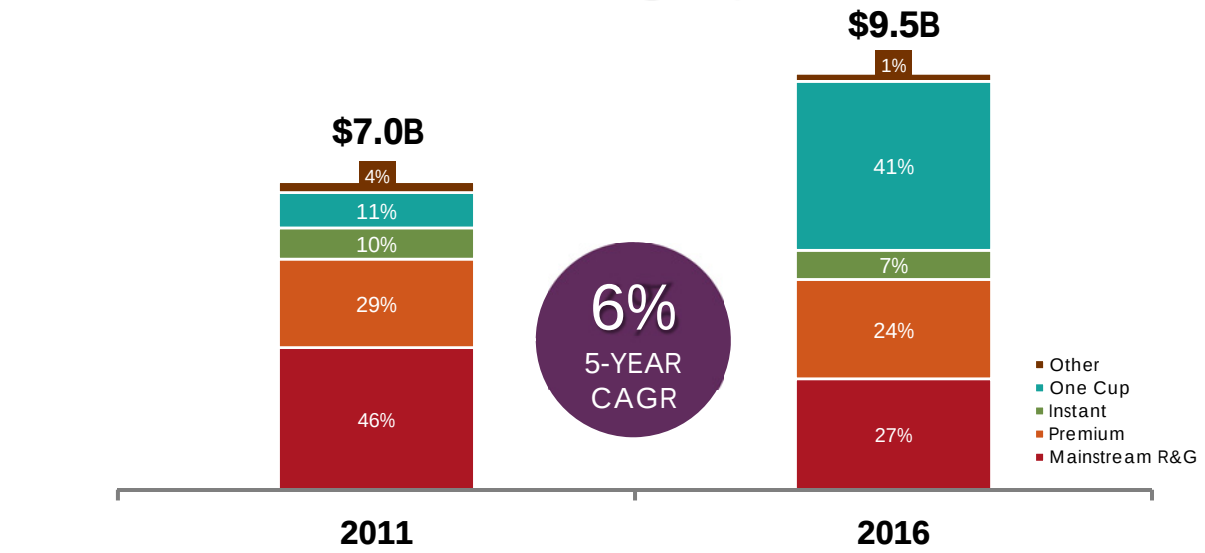
U.S. Retail Segments

COFFEE	CONSUMER	PET
$2.1B	$2.1B	$2.2B
FY17E NET SALES	FY17E NET SALES	FY17E NET SALES



At-Home Coffee Category



Source: Smucker Internal Multi-Outlet Share Report 52 weeks ended January 1, 2012 and December 25, 2016.

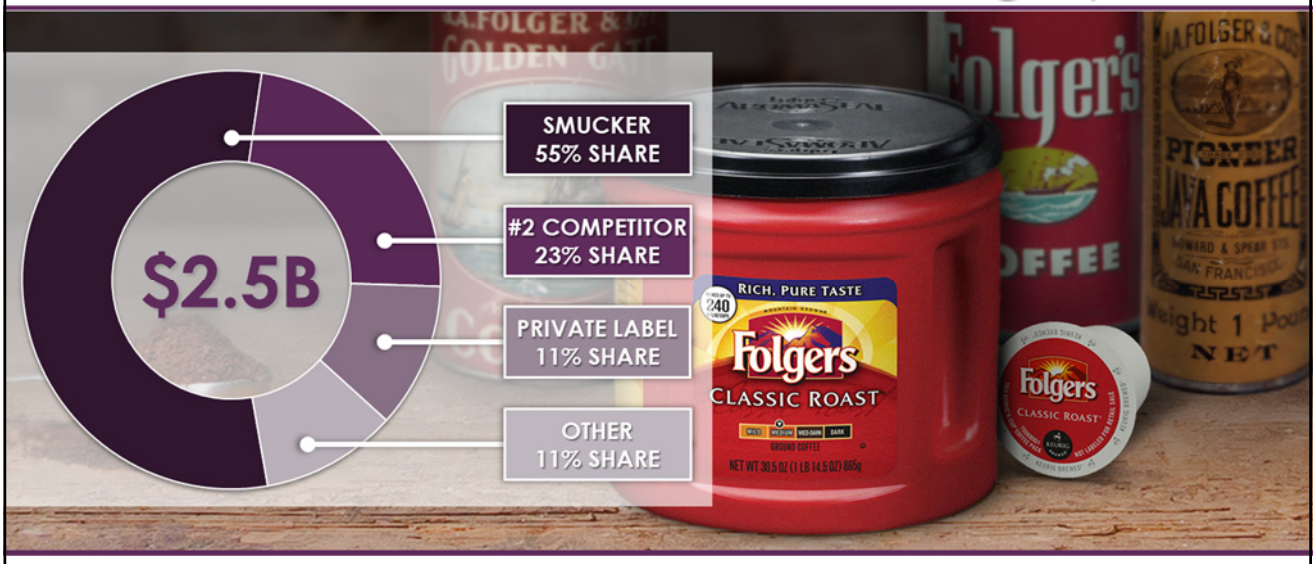
Coffee Roadmap

WIN IN CORE COFFEE
GROW IN PREMIUM ACROSS ALL FORMS
EXPAND USAGE OCCASIONS
LEAD IN ONE CUP

1-2 YEARS	3-4 YEARS	5 YEARS
Folgers Simply Gourmet	Future Launches in Development	
Dunkin' Donuts Cold Brew		
Folgers Perfect Measures Expanded Distribution		
Folgers Heritage Platform		
Double *Café Bustelo* Sales		
Improve One Cup Profitability		
Super Premium M&A Opportunities		

Folgers
DUNKIN' DONUTS
CAFÉ BUSTELO

Mainstream Roast & Ground Category



Source: Smucker Internal Multi-Outlet Share Report 52 weeks ended January 22, 2017.

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Folgers Coffeehouse Blend

On-trend innovation that provides consumers with a **bolder brew**



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Folgers Simply Gourmet



New premium products with **all natural** flavors

Folgers Perfect Measures



Expanding nationally in FY19

Dunkin' Donuts Coffee

$500M
FY17E NET SALES



Dunkin' Donuts K-Cups



#1 SELLING
K-CUP SKU



Strong performance benefitting from **new packaging**, **new flavors**, and **marketing support**

Source: Smucker Internal Multi-Outlet Share Report 52 weeks ended January 22, 2017.

Dunkin' Donuts Bagged Coffee

#2
PREMIUM BRAND

15
DOLLAR SHARE





#1 SELLING
PREMIUM BAG SKU



Source: Smucker Internal Multi-Outlet Share Report 52 weeks ended January 22, 2017.

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Dunkin' Donuts Cold Brew





New **do-it-yourself kit** launching in Summer 2017

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Café Bustelo

$130M
FY17E NET SALES

11%
5-YEAR CAGR

Expect to **double sales** over the next 3 years



Note: Represents brand sales Company-wide.

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Café Bustelo Experience







Resonates with consumers who appreciate the brand's **authentic heritage**



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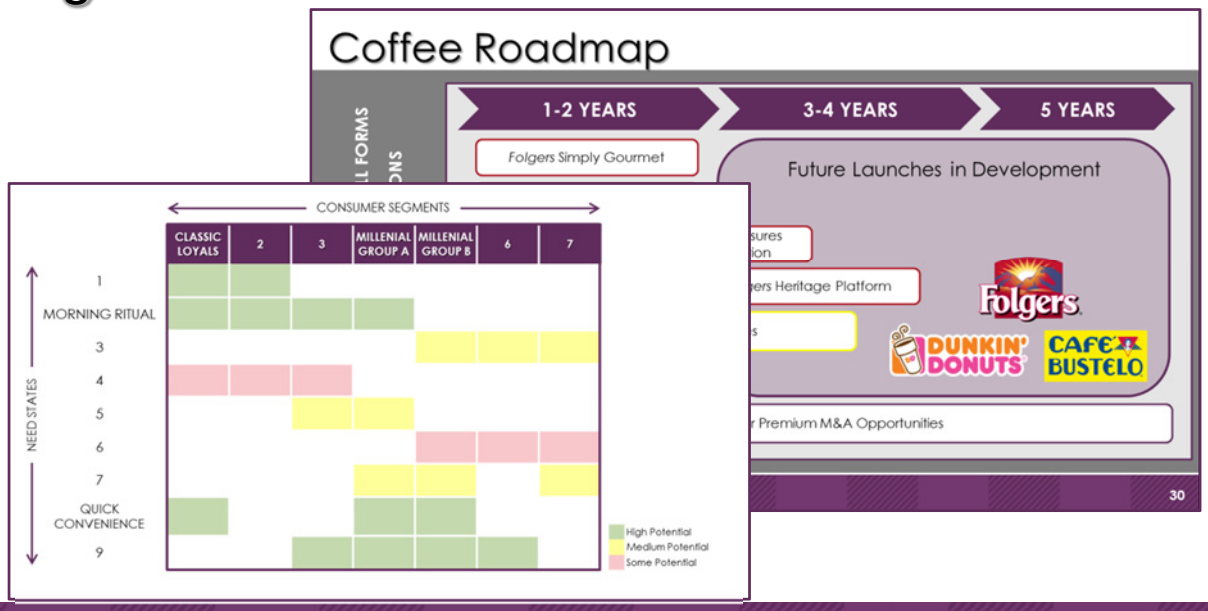
Insight-Driven Coffee Innovation

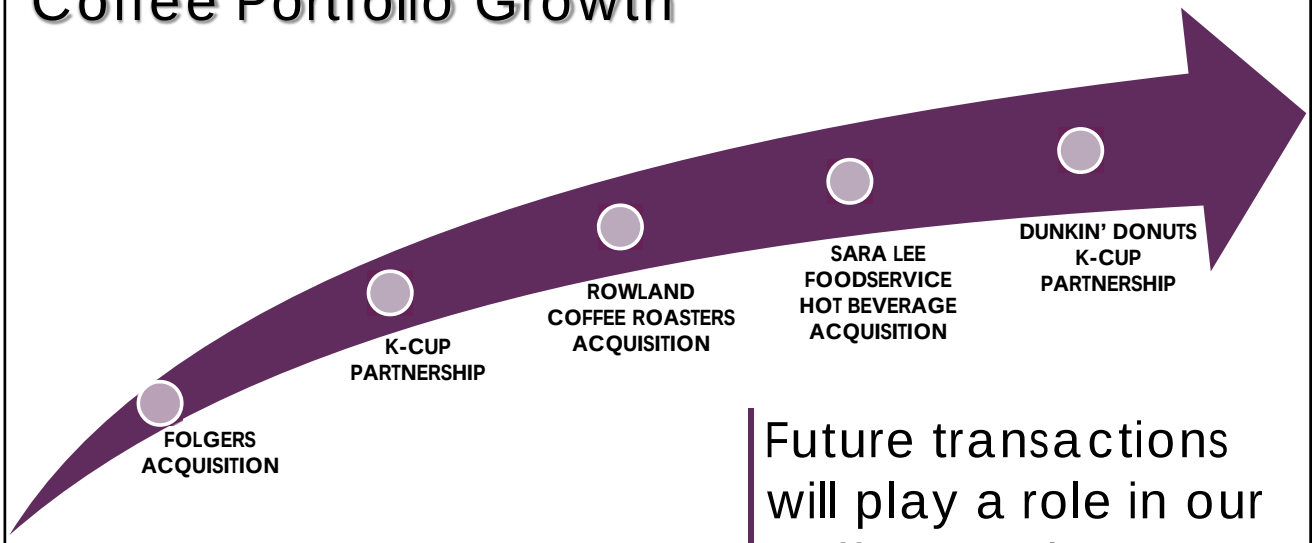


Extending Folgers' Legacy

Core consumers and millenials are inspired by the *Folgers* heritage and view the brand as **highly authentic**



Coffee Portfolio Growth



Future transactions will play a role in our coffee roadmap

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Snacking



CONVENIENT ON-THE-GO LOW PREP

$310M
FY17E NET SALES

15%
5-YEAR CAGR

Note: Represents snacking sales Company-wide.

Smucker's Uncrustables Frozen Sandwiches

$220M
FY17E NET SALES

17%
15-YEAR CAGR



Note: Represents brand sales Company-wide.

Smucker's Uncrustables Frozen Sandwiches

$220M
FY17E NET SALES

17%
15-YEAR CAGR



Note: Represents brand sales Company-wide.

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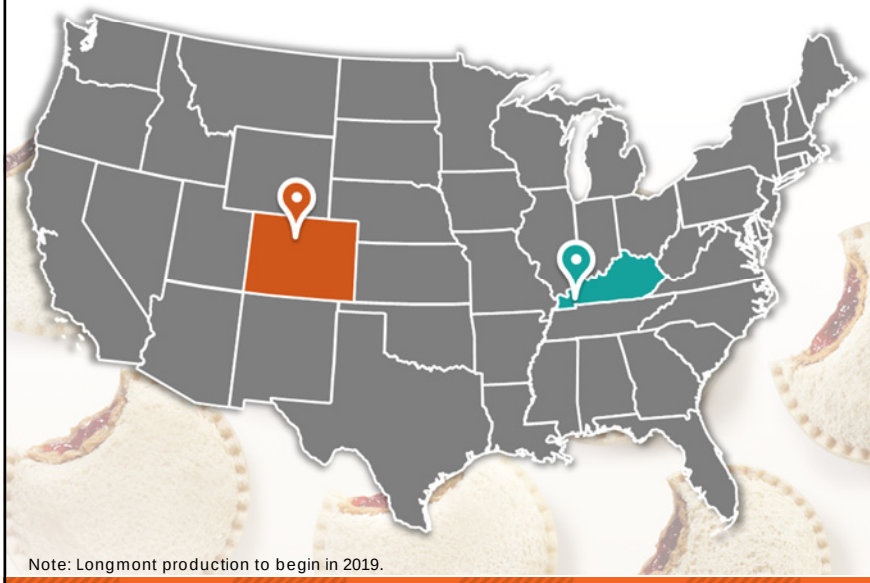
New Uncrustables Manufacturing Facility



EXISTING FACILITY
SCOTTSVILLE, KY
2 MILLION
SANDWICH CAPACITY/DAY

NEW FACILITY
LONGMONT, CO
2 MILLION
SANDWICH CAPACITY/DAY

Note: Longmont production to begin in 2019.

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Jif To Go



RETAIL SALES
+5%
LATEST 52-WEEK PERIOD

Portable peanut butter **snacking option**

Source: Smucker Internal Multi-Outlet Share Report 52 weeks ended January 22, 2017.

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Jif Snack Bars

RETAIL SALES
+32%
LATEST 12-WEEK PERIOD

Benefitting from **marketing investments** and **new flavors**



Source: Smucker Internal Multi-Outlet Share Report 12 weeks ended January 22, 2017.

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Jif Spreads

46%
PEANUT BUTTER SHARE ACROSS ALL COMPANY BRANDS



Source: Smucker Internal Multi-Outlet Share Report 52 weeks ended January 22, 2017.

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Jif Launch in Canada



Canadians are **one of the highest per capita** consumers of peanut butter in the world

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Sahale Snacks

Increasing investments in **marketing** and **innovation** and expanding **distribution**



U.S. Olympic Team Sponsor



Natural & Organic



CLEAN, SIMPLE INGREDIENTS

$360M
FY17E NET SALES

9%
5-YEAR CAGR

Note: Represents natural and organic sales Company-wide.

Leader in Natural & Organic

#1 POSITION
NATURAL
PEANUT BUTTER



#1 POSITION
ORGANIC
PEANUT BUTTER[1]



#1 POSITION
NATURAL
FRUIT SPREADS



#1 POSITION
NATURAL
SHELF-STABLE JUICE[1]



Source: Smucker Internal Multi-Outlet Share Report 52 weeks ended January 22, 2017; (1) SPINS SRL Universe 52 weeks ended January 22, 2017.

Santa Cruz Organic Agua Fresca



Lightly sweetened, refreshing beverage with **organic fruit juice**

Expanding distribution in traditional grocery channels

Numi Ready-to-Drink Tea

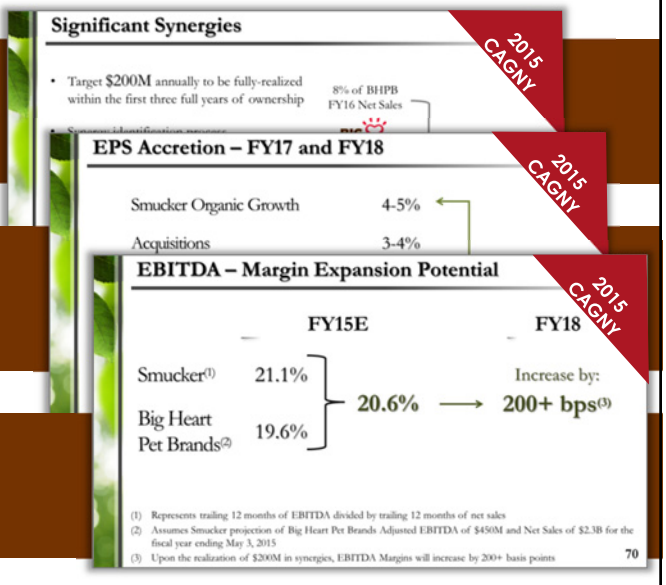
New **fair trade**, **organic tea** launching in Spring 2017





Progress on Pet Acquisition Financial Goals

- **$200 million** annual synergies by FY18
- Non-GAAP EPS growth of **10%** in FY17 and FY18
- Expand EBITDA margin by over **200 bps** by FY18



Pet Business Growth



We have assessed and reset our strategy for this business – consistent with Smucker's strategy of **long-term brand building** and **delivering against longer-term objectives**.

Pet Business Growth



BALANCE MARKETING INVESTMENTS	PRIORITIZE BRAND OBJECTIVES	BUILD ROBUST PRODUCT PIPELINE	OPTIMIZE PET SPECIALTY ORGANIZATION	APPLY "BEST IN CLASS" SUPPLY CHAIN PRINCIPLES

Pet Business Growth



We anticipate **4-5% sales growth** over the long-term recognizing that, along with **innovation**, enabling and bolt-on **acquisitions** will now be key to delivering on this objective.

Pet is a Large and Growing Category



Source: Euromonitor January 2017.

Key Pet Initiatives



- LAUNCH INNOVATION FOR DOG SNACKS PORTFOLIO
- GROW *NATURE'S RECIPE* IN GROCERY & MASS
- ACCELERATE GROWTH OF *NATURAL BALANCE*
- INCREASE SHARE IN CAT FOOD & SNACKS

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Leader in Dog Snacks

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DOLLAR SHARE



Source: Smucker Internal Multi-Outlet Share Report 52 weeks ended January 28, 2017.

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Milk Bone Farmer's Medley



Made with **USA-sourced meat** and contains **no fillers**, **corn**, or **artificial flavors** or **preservatives**

Dog Snack Portfolio Highlights

New innovation focused on **clean labels** and **functional benefits**

LOVED SINCE 1908 MILK-BONE™	Pup-Peroni dog snacks	NATURE'S RECIPE EVERY INGREDIENT COUNTS
5% RETAIL SALES INCREASE	#1 MARKET POSITION SOFT & CHEWY	OPPORTUNITY TO EXPAND DISTRIBUTION

Source: Smucker Internal Multi-Outlet Share Report 12 and 52 weeks ended January 28, 2017.

Nature's Recipe Mass Channel Launch



Uniquely positioned to meet **desire for wellness options** in grocery and mass channels

Strong Presence in Dog Food

GROCERY & MASS CHANNELS	SPECIALTY CHANNEL

GRAVY TRAIN · Kibbles 'n Bits brand dog food · NATURE'S RECIPE EVERY INGREDIENT COUNTS · DICK VAN PATTEN'S Natural Balance

VALUE → SUPER PREMIUM

Kibbles 'n Bits



12%
Q3 YoY VOLUME INCREASE

Returned to **sales** and **profit growth** in Q3

Strong Growth Potential for Natural Balance



Super premium brand exclusive to **pet specialty** and **e-commerce** channels

Mainstream Cat Food & Snacks

#2
POSITION IN CATEGORY

$670M
FY17E NET SALES



Source: Smucker Internal Multi-Outlet Share Report 52 weeks ended January 28, 2017.

Today's Key Themes

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- SIGNIFICANT OPPORTUNITIES WITH SMALLER BRANDS
- E-COMMERCE OPPORTUNITIES
- BALANCED DEPLOYMENT OF CASH

Agenda

Strategy and Business Update
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President and Chief Executive Officer

Financial Update
Mark Belgya
Vice Chair and Chief Financial Officer



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Financial Update
Mark Belgya
Vice Chair and Chief Financial Officer

THE J.M. SMUCKER COMPANY



Third Quarter Recap

($ in millions, except per share data)	FY17 Q3	YoY CHANGE
Net Sales[1]	$1,879	(2.5%)
Adjusted Operating Income[2]	$383	3%
Adjusted Operating Income Margin[2]	20.4%	+110bps
Adjusted EPS[3]	$2.00	5%

Note: YoY change excludes impact of FY16 divestiture: (1) $46.3M of sales; (2) $10.7M of profit and $25.3M gain; (3) $0.14 per share gain.

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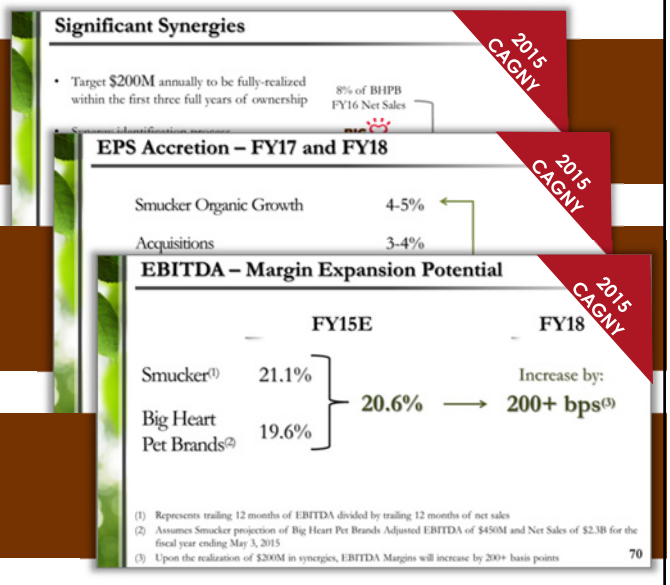
Full-Year Fiscal 2017 Outlook

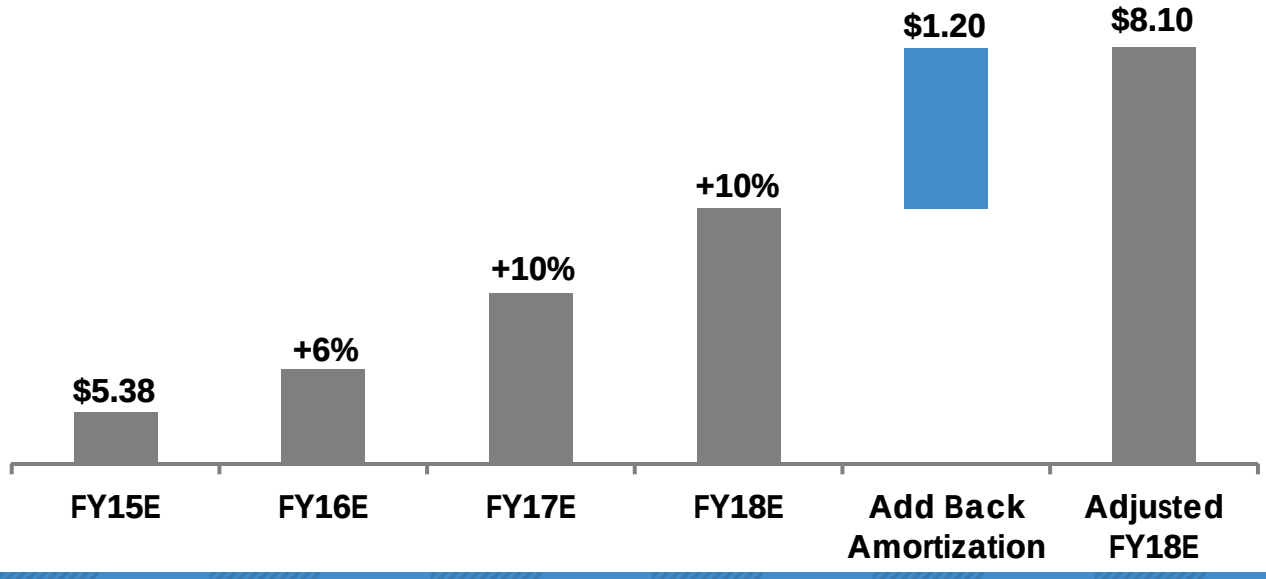
Net Sales vs Prior Year	(5%)
Net Sales Excluding Divested Business vs Prior Year	(3%)
Adjusted EPS	$7.60 - $7.70
Free Cash Flow	$950M - $1.0B
Capital Expenditures	$240M
Effective Tax Rate	32.5%

Progress on Pet Acquisition Financial Goals

- **$200 million** annual synergies by FY18
- Non-GAAP EPS growth of **10%** in FY17 and FY18
- Expand EBITDA margin by over **200 bps** by FY18



Non-GAAP EPS Guidance - 2015 CAGNY



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Synergies and Cost Savings



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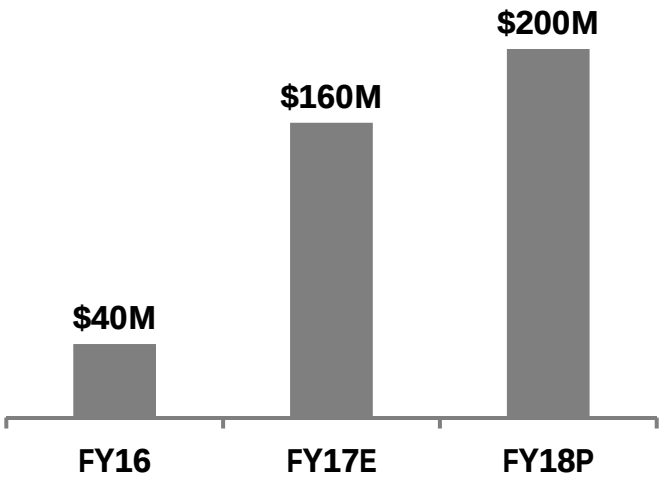
Timing of Synergy Realization



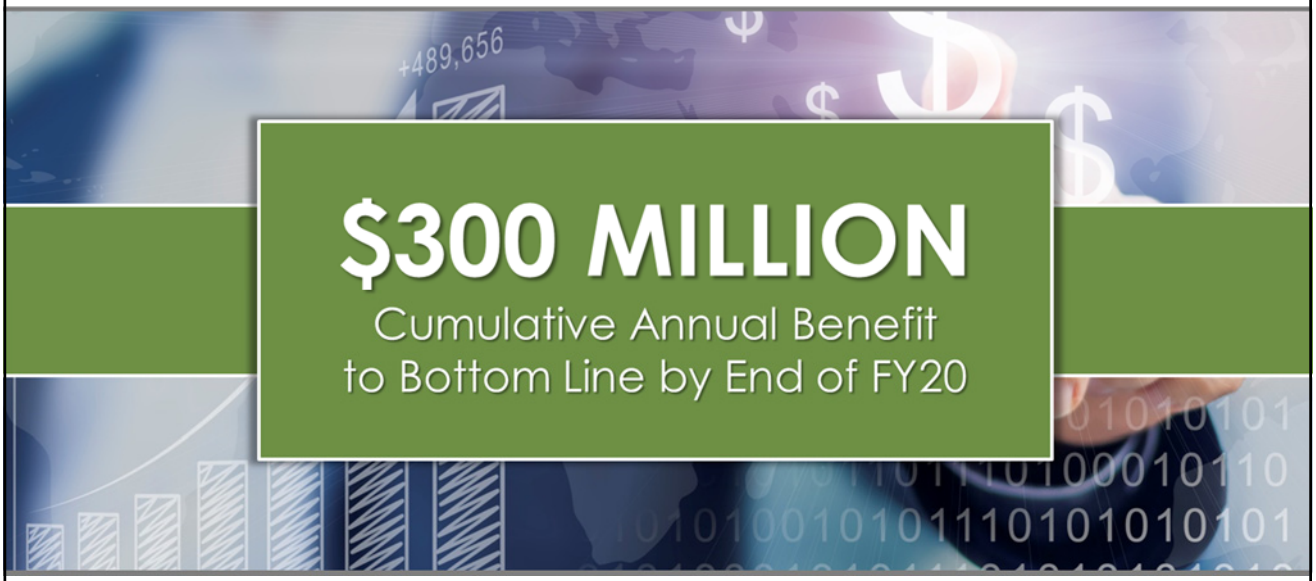
$200 MILLION
Annual Synergies by FY18

As of Q3 FY17, achieved a run rate of **100%** of the FY18 target

Company-Wide Initiatives



Total Cost Reduction Programs



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New Cost Reduction Program

$100 MILLION
by end of FY20

ACCELERATE OPERATIONAL EFFICIENCIES	REVENUE GROWTH MANAGEMENT	SKU RATIONALIZATION	IMPROVED PROCUREMENT & BUDGETING

EXPECT TO REALIZE $25M-$30M IN FY18

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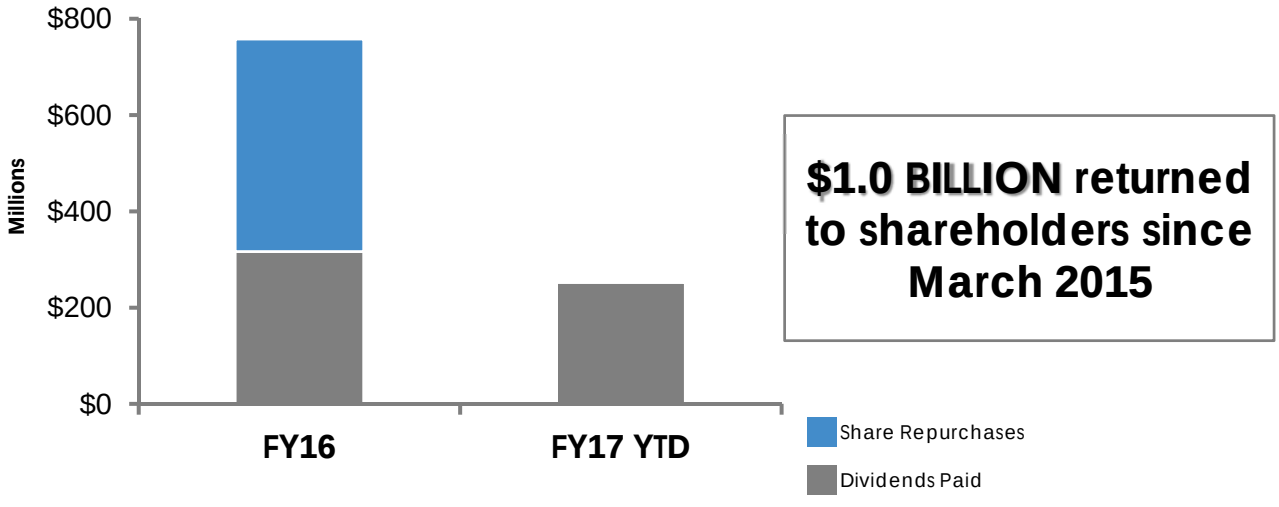
Leverage Ratio Progression

	FYE15	FYE16	CURRENT
Gross Debt / EBITDA	4.1x	3.4x	3.2x

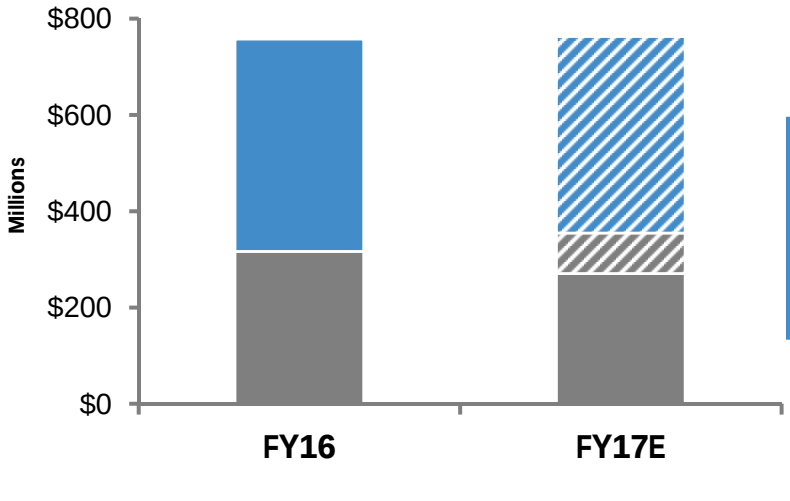
Repaid **$1.2 BILLION** of Term Loan since March 2015

Cash Returned to Shareholders



$1.0 BILLION returned to shareholders since March 2015

Cash Returned to Shareholders



New 3 MILLION share repurchase program effective today

Note: Assumes 3 million share repurchase in FY17 using closing price as of February 17, 2017.

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Fiscal 2018 EPS Considerations

3M Share Repurchase Program	113.5M Shares Outstanding
$200M Synergy Program	Incremental $40M
$100M Cost Reduction Program	Initial $25M - $30M
Combined Potential EPS Contribution	**$0.50 - $0.55**

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Potential Impact of Tax Law Changes

FAVORABLE	UNFAVORABLE
TAX RATE REDUCTION	BORDER ADJUSTMENT TAX
REPATRIATION OF CASH	INTEREST EXPENSE ELIMINATION
IMMEDIATE EXPENSING OF CAPEX	DOMESTIC MFG DEDUCTION ELIMINATION

Prior to potential changes, projected FY18 tax rate of 33% - 34%

Fiscal 2017 Free Cash Flow

CASH FROM OPERATIONS $1.2B — CAPEX $240M

FREE CASH FLOW $950M-$1B

CURRENT FREE CASH FLOW YIELD 6%

Uses of Cash in Fiscal 2018

$300M - $325M
Capital Expenditures

$500M
Senior Note Maturity

UPDATE ON CAPITAL STRUCTURE & CASH DEPLOYMENT LATER IN FY18

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The J.M. Smucker Company

CONSUMER ANALYST GROUP OF NEW YORK CONFERENCE









February 22, 2017

Forward-Looking Statements

This presentation 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 presentation, which could cause actual results to differ materially from those expressed, include: the ability to achieve synergies and cost savings related to the Big Heart Pet Brands acquisition in the amounts and within the time frames currently anticipated and to effectively manage the related integration costs; the ability to generate sufficient cash flow to meet the Company's deleveraging objectives; volatility of commodity, energy, and other input costs; risks associated with derivative and purchasing strategies employed to manage commodity pricing 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 businesses, including the introduction of new products; 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 or its competitors' products; the impact of accidents, extreme weather, and natural disasters; 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 ability to manage and maintain key relationships; the timing and amount of capital expenditures and share repurchases; impairments in the carrying value of goodwill, other intangible assets, or other long-lived assets or changes in useful lives of other intangible assets; the impact of new or changes to existing governmental laws and regulations and their application; the outcome of tax examinations, changes in tax laws, and other tax matters; foreign currency 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.

Non-GAAP Measures

The Company uses non-GAAP financial measures, including: net sales excluding the noncomparable impact of the divestiture and foreign currency exchange; adjusted gross profit, operating income, income, and earnings per share; earnings before interest, taxes, depreciation, and amortization ("EBITDA"); and free cash flow, as key measures for purposes of evaluating performance internally. The Company believes that these measures provide useful information to investors because they are the measures used to evaluate performance on a comparable year-over-year basis. Non-GAAP profit measures exclude certain items affecting comparability which include merger and integration and restructuring costs ("special project costs") and unallocated gains and losses on commodity and foreign currency exchange derivatives ("unallocated derivative gains and losses"). The special project costs relate to specific merger and integration and restructuring projects, and the unallocated derivative gains and losses reflect the changes in fair value of the Company's commodity and foreign currency exchange contracts. Beginning May 1, 2016, the Company redefined the non-GAAP measures to also exclude amortization expense and impairment charges related to intangible assets, and has modified prior year results to conform to the new definition. The Company believes that excluding amortization expense and impairment charges related to intangible assets in its non-GAAP measures is more reflective of the Company's operating performance and the way in which the Company manages its business, as amortization and impairment charges are noncash expenses and can be significantly affected by the timing and size of acquisitions. These non-GAAP financial measures are not intended to replace the presentation of financial results in accordance with U.S. generally accepted accounting principles ("GAAP"). Rather, the presentation of these non-GAAP financial measures supplements other metrics used by management to internally evaluate its businesses and facilitates the comparison of past and present operations and liquidity. These non-GAAP financial measures may not be comparable to similar measures used by other companies and may exclude certain nondiscretionary expenses and cash payments. A reconciliation of certain non-GAAP financial measures to the comparable GAAP financial measure for the current and prior year periods is included in the "Non-GAAP Reconciliation" tables. The Company has also provided a reconciliation of non-GAAP financial measures for its fiscal 2017 outlook. As the amount of unallocated derivative gains and losses varies depending on market conditions and levels of derivative transactions with respect to a particular fiscal year, it is not determinable on a forward-looking basis and no guidance has been provided.

This presentation is available on the Company's website at jmsmucker.com/investor-relations.

Non-GAAP Reconciliation

($ in millions)	Three Months Ended January 31, 2017	2016
Net sales reconciliation:		
Net Sales	$ 1,878.8	$ 1,973.9
Milk divestiture	-	(46.3)
Net sales excluding divestiture	$ 1,878.8	$ 1,927.6
Operating income reconciliation:		
Operating income	$ 237.7	$ 318.3
Amortization	51.7	52.2
Impairment charges	75.7	-
Unallocated derivative gains	(0.8)	(6.7)
Cost of products sold – special project costs	0.5	3.1
Other special project costs	18.0	41.4
Adjusted operating income	$ 382.8	$ 408.3

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Non-GAAP Reconciliation

($ in millions, except per share data)	Three Months Ended January 31, 2017	2016
Net income reconciliation:		
Net income	$ 134.6	$ 185.3
Income taxes	63.0	90.0
Amortization	51.7	52.2
Impairment charges	75.7	-
Unallocated derivative gains	(0.8)	(6.7)
Cost of products sold – special project costs	0.5	3.1
Other special project costs	18.0	41.4
Adjusted income before income taxes	$ 342.7	$ 365.3
Income taxes, as adjusted	109.9	119.3
Adjusted income	$ 232.8	$ 246.0
Weighted-average common shares outstanding	115,888,341	119,167,720
Weighted-average participating shares outstanding	546,947	514,642
Total weighted-average shares outstanding	116,435,288	119,682,362
Dilutive effect of stock options	73,356	52,585
Total weighted-average shares outstanding – assuming dilution	116,508,644	119,734,947
Adjusted earnings per share	$ 2.00	$ 2.05

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Non-GAAP Reconciliation

Company Guidance

($ in millions, except per share data)	Year Ending April 30, 2017 Low	High
Net income per common share – assuming dilution reconciliation:		
Net income per common share – assuming dilution	$ 5.38	$ 5.48
Special project costs	0.58	0.58
Amortization	1.20	1.20
Impairment charges	0.44	0.44
Adjusted earnings per share	$ 7.60	$ 7.70
Free cash flow reconciliation:		
Net cash provided by operating activities	$ 1,190	$ 1,240
Additions to property, plant, and equipment	(240)	(240)
Free cash flow	$ 950	$ 1,000

Additional Information

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