THE J.M. SMUCKER Co.

INVESTOR DAY

DECEMBER 10, 2020

Supporting Materials

THE J.M. SMUCKER Co.

Non-GAAP Financial Measures

The Company uses non-GAAP financial measures, including: net sales excluding foreign currency exchange; adjusted gross profit; adjusted operating income; adjusted income; adjusted earnings per share; earnings before interest, taxes, depreciation, amortization, and impairment charges related to intangible assets ("EBITDA (as adjusted)"); and free cash flow, as key measures for purposes of evaluating performance internally. The Company believes that investors' understanding of its performance is enhanced by disclosing these performance measures. Furthermore, these non-GAAP financial measures are used by management in preparation of the annual budget and for the monthly analyses of its operating results. The Board of Directors also utilizes certain non-GAAP financial measures as components for measuring performance for incentive compensation purposes.

Non-GAAP measures exclude certain items affecting comparability that can significantly affect the year-over-year assessment of operating results, which include amortization expense and impairment charges related to intangible assets; divestiture, acquisition, integration, and restructuring costs ("special project costs"); gains and losses related to the sale of a business; unallocated gains and losses on commodity and foreign currency exchange derivatives ("unallocated derivative gains and losses"); and other one-time items that do not directly reflect ongoing operating results. Income taxes, as adjusted is calculated using an adjusted effective income tax rate that is applied to adjusted income before income taxes and reflects the exclusion of the previously discussed items, as well as any adjustments for one-time tax-related activities, when they occur. While this adjusted effective income tax rate does not generally differ materially from the GAAP effective income tax rate, certain exclusions from non-GAAP results can significantly impact the adjusted effective income tax rate.

These non-GAAP financial measures are not intended to replace the presentation of financial results in accordance with U.S. 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 "Unaudited Non-GAAP Financial Measures" tables. The Company has also provided a reconciliation of non-GAAP financial measures for its fiscal 2021 outlook.

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 successfully complete the divestiture of the *Natural Balance®* brand pet food business in a timely and cost-effective manner; 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; the ability to achieve cost savings related to 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; 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 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 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; 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.

Non-GAAP Reconciliation

($ in millions)	Three Months Ended October 31,		Six Months Ended October 31,	
	2020	2019	2020	2019
Operating income reconciliation:				
Operating income	$380.8	$329.8	$741.9	$587.4
Amortization	59.5	58.8	119.1	117.6
Unallocated derivative losses (gains)	(31.5)	(0.9)	(47.7)	(29.9)
Other special project costs	-	3.3	-	6.6
Adjusted operating income	$408.8	$391.0	$813.3	$681.7

Non-GAAP Reconciliation

($ and shares in millions, except per share data)	Three Months Ended October 31,		Six Months Ended October 31,	
	2020	2019	2020	2019
Net income reconciliation:				
Net income	$230.8	$211.2	$467.8	$365.8
Income tax expense	72.7	67.9	149.3	120.0
Amortization	59.5	58.8	119.1	117.6
Unallocated derivative losses (gains)	(31.5)	(0.9)	(47.7)	(29.9)
Other special project costs	-	3.3	-	6.6
Other one-time items:				
Pension plan termination settlement charge[(A)]	27.9	-	27.9	-
Adjusted income before income taxes	$359.4	$340.3	$716.4	$580.1
Income taxes, as adjusted	86.2	82.8	173.2	142.9
Adjusted income	$273.2	$257.5	$543.2	$437.2
Weighted-average common shares outstanding	113.7	113.4	113.6	113.4
Weighted-average participating shares outstanding	0.5	0.7	0.5	0.7
Total weighted-average shares outstanding	114.2	114.1	114.1	114.0
Dilutive effect of stock options	-	-	-	-
Total weighted-average shares outstanding – assuming dilution	114.2	114.1	114.1	114.0
Adjusted earnings per share – assuming dilution	$2.39	$2.26	$4.76	$3.84

(A) Represents the nonrecurring pre-tax settlement charge related to the purchase of a group annuity contract to transfer the obligations of the Company's Canadian defined benefit pension plan to an insurance company.

Non-GAAP Reconciliation

($ in millions)	Three Months Ended October 31,		Six Months Ended October 31,	
	2020	2019	2020	2019
Free cash flow reconciliation:				
Net cash provided by operating activities	$378.7	$224.0	$787.7	$445.5
Additions to property, plant, and equipment	(52.4)	(63.4)	(129.0)	(136.4)
Free cash flow	$326.3	$160.6	$658.7	$309.1

Non-GAAP Reconciliation

Company Guidance

($ and shares in millions, except per share data)	Year Ending April 30, 2021 Low	High
Net income per common share – assuming dilution reconciliation:		
Net income per common share – assuming dilution	$ 7.16	$ 7.46
Unallocated derivative losses (gains)(A)	(0.25)	(0.25)
Amortization	1.56	1.56
Gain on divestiture (B)	(0.31)	(0.31)
Pension plan termination settlement charge	0.19	0.19
Adjusted earnings per share	$ 8.35	$ 8.65
Free cash flow reconciliation:		
Net cash provided by operating activities	$ 1,290	$ 1,340
Additions to property, plant, and equipment	(315)	(315)
Free cash flow	$ 975	$ 1,025

(A) As unallocated derivative losses (gains) vary each quarter based on market conditions and derivative positions taken, the Company does not project derivative gains or losses on a forward-looking basis. Therefore, the forward-looking unallocated derivative losses (gains) in the table above reflect the net cumulative amount already recognized in GAAP results as of October 31, 2020, that is expected to be allocated to non-GAAP results in future periods.

(B) As disclosed in the Company's most recent quarterly filing on Form 10-Q, the pre-tax gain on divestiture is estimated to be approximately $115 million based on expected proceeds, including the assumed working capital adjustment and carrying value of the net assets, less estimated costs to sell, at the closing date.

Non-GAAP Reconciliation

($ in millions)	Three Months Ended				TTM Ended
	January 31, 2020	April 30, 2020	July 31, 2020	October 31, 2020	October 31, 2020
EBITDA (as adjusted) reconciliation:					
Net income	$187.4	$226.3	$237.0	$230.8	$881.5
Income tax expense	55.1	72.1	76.6	72.7	276.5
Interest expense - net	45.1	45.6	46.1	45.1	181.9
Depreciation	53.3	53.5	54.1	54.1	215.0
Amortization	58.8	59.9	59.6	59.5	237.8
Other intangible assets impairment charges	52.4	-	-	-	52.4
EBITDA (as adjusted)	$452.1	$457.4	$473.4	$462.2	$1,845.1

Non-GAAP Reconciliation

($ in millions)	January 31, 2019	April 30, 2019	July 31, 2019	October 31, 2019	TTM Ended October 31, 2019
EBITDA (as adjusted) reconciliation:					
Net income	$121.4	$71.5	$154.6	$211.2	$558.7
Income tax expense	35.8	30.4	52.1	67.9	186.2
Interest expense - net	51.6	49.1	49.4	49.1	199.2
Depreciation	51.2	51.9	50.8	52.6	206.5
Amortization	59.7	60.4	58.8	58.8	237.7
Goodwill impairment charge	-	97.9	-	-	97.9
Other intangible assets impairment charges	107.2	-	-	-	107.2
EBITDA (as adjusted)	$426.9	$361.2	$365.7	$439.6	$1,593.4

Non-GAAP Reconciliation

($ in millions)	Three Months Ended				TTM Ended
	January 31, 2018	April 30, 2018	July 31, 2018	October 31, 2018	October 31, 2018
EBITDA (as adjusted) reconciliation:					
Net income	$831.3	$185.9	$133.0	$188.5	$1,338.7
Income tax expense (benefit)	(715.3)	78.3	40.1	80.9	(516.0)
Interest expense - net	43.1	47.4	53.6	53.6	197.7
Depreciation	52.1	49.1	51.4	51.5	204.1
Amortization	51.6	52.1	60.5	59.7	223.9
Goodwill impairment charge	145.0	-	-	-	145.0
Other intangible asset impairment charges	31.9	-	-	-	31.9
EBITDA (as adjusted)	$439.7	$412.8	$338.6	$434.2	$1,625.3

Additional Information

The Company is the owner of all trademarks and logos referenced herein, except for the following, which are used under license: *Dunkin'*® and *Dunkin' Donuts*® are registered trademarks of DD IP Holder LLC; Carnation® is a trademark of Societe des Produits Nestle S.A.; and *Rachael Ray*® is a registered trademark of Ray Marks II LLC.

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