

THE J.M. SMUCKER COMPANY

2020

CONSUMER ANALYST GROUP OF NEW YORK CONFERENCE



STRATEGY & BUSINESS UPDATE

Mark Smucker
President & Chief Executive Officer

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.

AGENDA



STRATEGY & BUSINESS UPDATE

Mark Smucker
PRESIDENT & CHIEF EXECUTIVE OFFICER



FINANCIAL STRATEGY

Mark Belgya
VICE CHAIR & CHIEF FINANCIAL OFFICER

SMUCKER'S

THE J.M. SMUCKER COMPANY



Thank You!

RETIRING AFTER 35 YEARS OF VALUABLE CONTRIBUTIONS

LEADERSHIP UPDATES



CHIEF OPERATING OFFICER



GENERAL MANAGER, U.S. RETAIL PET FOODS



SENIOR VICE PRESIDENT, SALES

Third Quarter Earnings Conference Call

Wednesday, February 26, 2020
8:30 a.m. EST








PRESENTATION THEMES

- OUR VISION & STRATEGY
- OUR PURPOSE
- BUSINESS OVERVIEW

7TH LARGEST

SHELF-STABLE FOOD AND BEVERAGE MANUFACTURER IN

$260 BILLION

U.S. CENTER OF THE STORE

SOURCE: SMUCKER INTERNAL MULTI-OUTLET SHARE REPORT 52 WEEKS ENDED JANUARY 26, 2020

STRATEGIC GROWTH IMPERATIVES



LEAD IN THE BEST CATEGORIES



BUILD BRANDS CONSUMERS LOVE



BE EVERYWHERE

Lead in the Best Categories



CATEGORIES WHERE WE HOLD **#1** OR **#2** BRANDED POSITIONS CONTRIBUTE **75%** OF **NET SALES**

SOURCE: SMUCKER INTERNAL MULTI-OUTLET SHARE REPORT 52 WEEKS ENDED JANUARY 26, 2020

Build Brands Consumers Love



90%

of ALL U.S. HOUSEHOLDS have at least ONE OF OUR PRODUCTS

OUR BRANDS ARE AN ESSENTIAL PART OF EVERYDAY LIFE

SOURCE: SMUCKER INTERNAL MULTI-OUTLET SHARE REPORT 52 WEEKS ENDED JANUARY 26, 2020

Marketing Investment





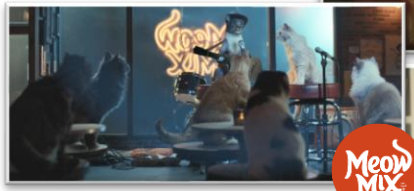
















FY20

10

NEW ADVERTISING CAMPAIGNS

6.5% -7%

OF NET SALES

Be Everywhere





MEETING CONSUMER NEEDS…**WHENEVER** AND **WHEREVER** THEY SHOP





E-commerce



5%

TOTAL U.S. RETAIL SALES IN FY20

GROWTH DRIVEN BY **PET** & **COFFEE** CATEGORIES

RUNWAY FOR FUTURE GROWTH

“FEEDING CONNECTIONS THAT HELP US THRIVE - LIFE TASTES BETTER TOGETHER.”









Thriving Together

THRIVING FAMILIES & KIDS

FOOD & SHELTER

Feeding America

Habitat for Humanity

EDUCATION & LITERACY

Boys & Girls Clubs of America

The I Promise School

Reach Out and Read

THE ARTS

Akron Art Museum

The Cleveland Orchestra

PETS & PEOPLE THRIVING TOGETHER

PETS WHO NEED PEOPLE

The Rachael Ray Foundation

Rescue Bank — Helping People Helping Animals

PEOPLE WHO NEED PETS



Canine Assistants

THRIVING COMMUNITIES & PLANET

DISASTER RELIEF

American Red Cross

United Way

COMMUNITY PROGRAMS

Wayne Economic Development Council

Cuyahoga Valley

Akron Pride Festival

ENVIRONMENTAL SUSTAINABILITY

Hanns R. Neumann Stiftung

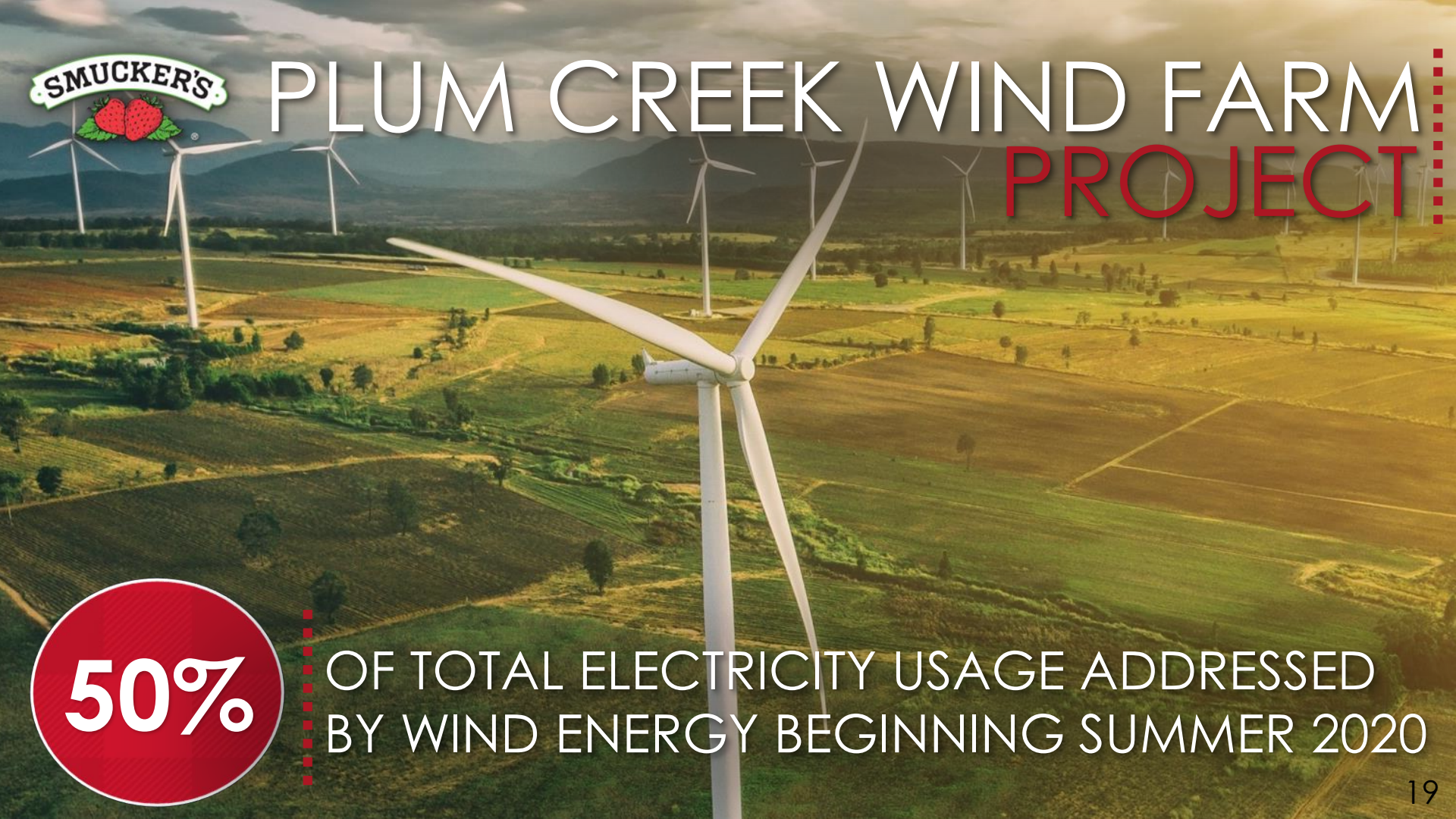
Fundación Valle del Lili — Excelencia en Salud al servicio de la comunidad



OUR PURPOSE IN ACTION

ON TRACK TO MEET OR EXCEED 2020 GOALS

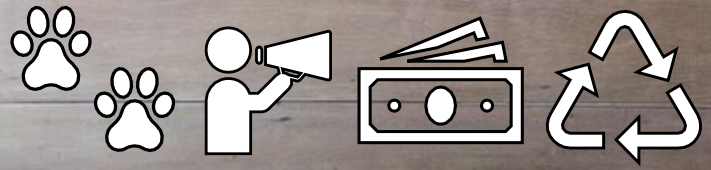
- **LANDFILL DIVERSION**
- **WATER USE**
- **GREENHOUSE GAS**


SMUCKER'S
PLUM CREEK WIND FARM
PROJECT
50%
OF TOTAL ELECTRICITY USAGE ADDRESSED
BY WIND ENERGY BEGINNING SUMMER 2020

NEXT GENERATION OF GOALS

1. OPERATIONAL EXCELLENCE
2. RESPONSIBLE SOURCING
3. PACKAGING

CONTINUING COMMITMENT TO …



ANIMAL WELFARE, HUMAN RIGHTS, LIVING WAGES AND REDUCING EMISSIONS

2025 PACKAGING GOALS

- 100% RECYCLABLE, COMPOSTABLE, OR REUSABLE PACKING MATERIALS
- HOW2RECYCLE INFORMATION ON PACKAGING
- 100% FIBER-BASED PACKAGING



U.S. RETAIL BUSINESS



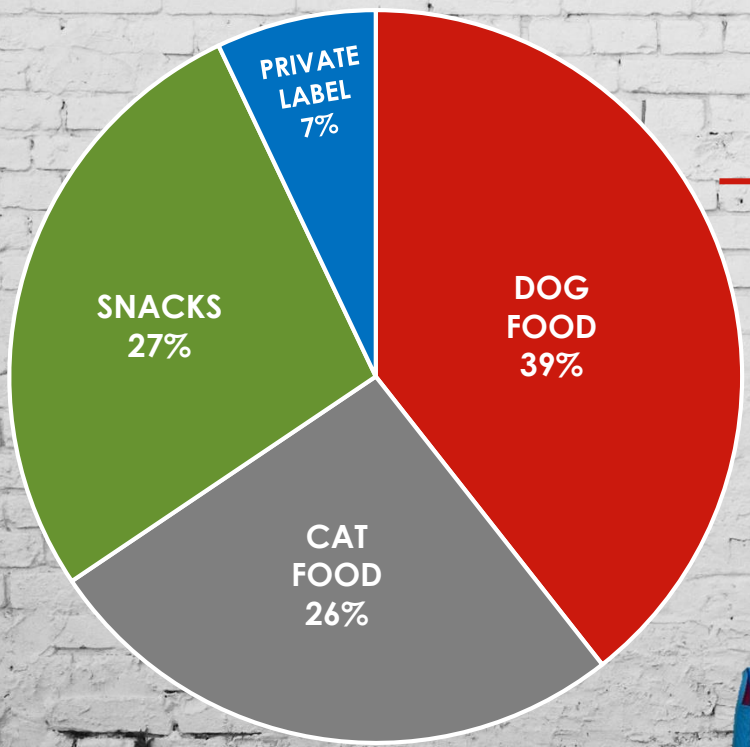
PET FOODS



COFFEE



CONSUMER FOODS

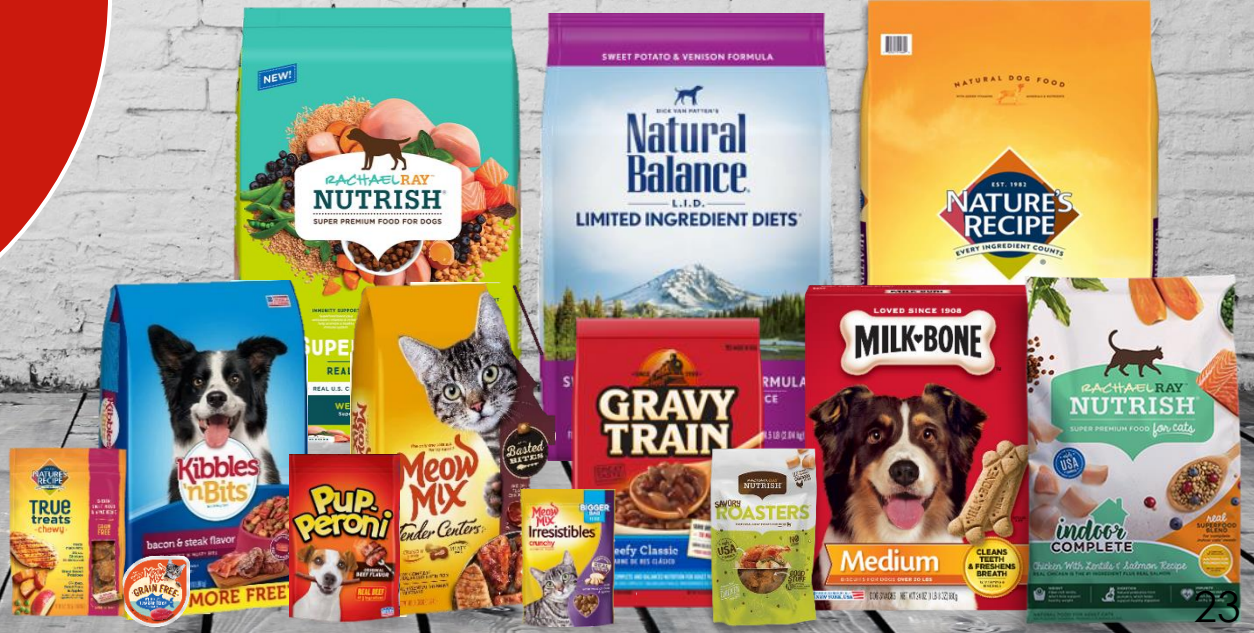


$2.9B

FY19 Net Sales

SMUCKER'S

U.S. RETAIL PET FOODS



PERCENTAGES DO NOT ADD DUE TO ROUNDING

Pet Share

#1 DOG SNACKS

#2 CAT FOOD

#3 DOG FOOD



25% DOLLAR SHARE

18% DOLLAR SHARE

13% DOLLAR SHARE

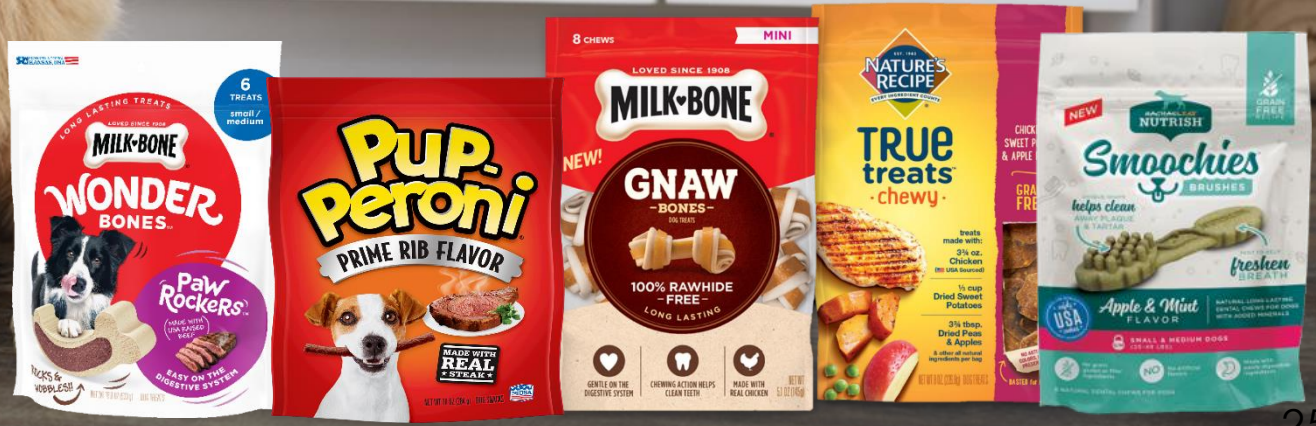
SOURCE: SMUCKER INTERNAL MULTI-OUTLET SHARE REPORT 52 WEEKS ENDED JANUARY 26, 2020

Dog Snacks

HIGHEST MARGINS IN COMPANY PORTFOLIO

#1 MARKET SHARE

CONTINUED GROWTH FOR FY20



Source: Smucker Internal Multi-Outlet Share Report 52 weeks ended January 26, 2020

Cat Food Portfolio



SOURCE: SMUCKER INTERNAL MULTI-OUTLET SHARE REPORT 52 WEEKS ENDED JANUARY 26, 2020

Premium & Super Premium



#3 MARKET SHARE

70% OF DOG FOOD NET SALES

SOURCE: SMUCKER INTERNAL MULTI-OUTLET SHARE REPORT 52 WEEKS ENDED JANUARY 26, 2020

Nutrish®

REAL RECIPES…REAL INGREDIENTS …REAL GOOD



Return to Growth in FY21

NEW ADVERTISING FEATURING **RACHAEL RAY**

NEW PACKAGING

INNOVATION

IMPROVED PRICING





ON AIR FEBRUARY 2020

RACHAEL RAY NUTRISH

A PORTION OF PROCEEDS RACHAEL RAY FOUNDATION HELPS ANIMALS IN NEED



Natural Balance®

OPTIMIZE FORMULAS

IMPROVE PRICING

REFRESH MARKETING

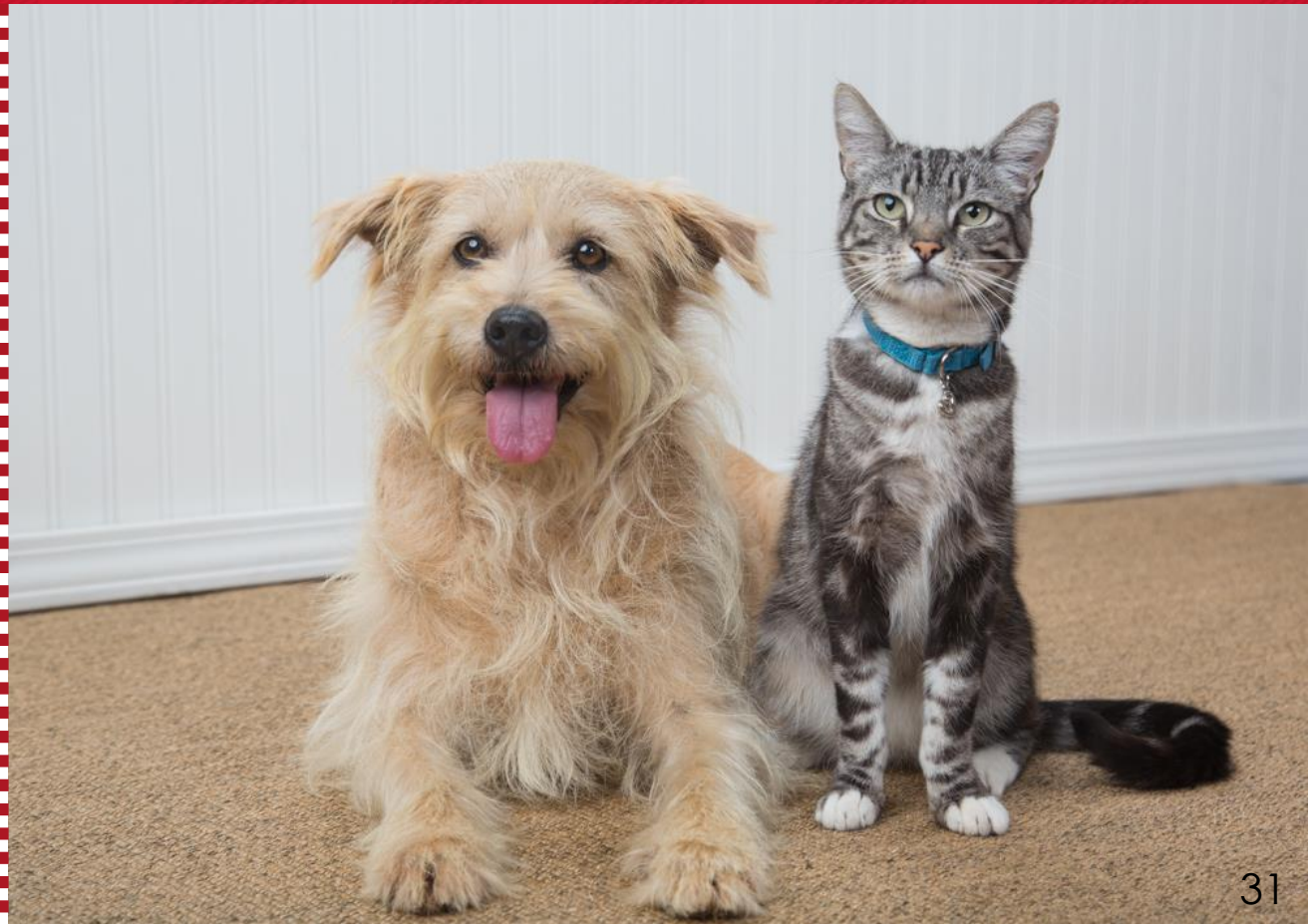


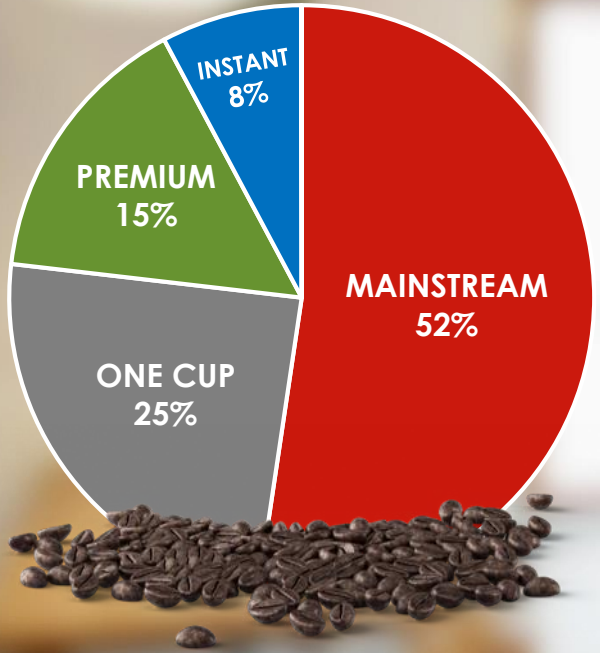
U.S. Retail Pet Foods

GROWTH OPPORTUNITIES

NEW LEADERSHIP

REFINEMENTS TO PET STRATEGY





$2.1B

FY19 Net Sales

SMUCKER'S

U.S. RETAIL COFFEE

#1 AT HOME COFFEE



SOURCE: SMUCKER INTERNAL MULTI-OUTLET SHARE REPORT 52 WEEKS ENDED JANUARY 26, 2020

U.S. Retail Coffee

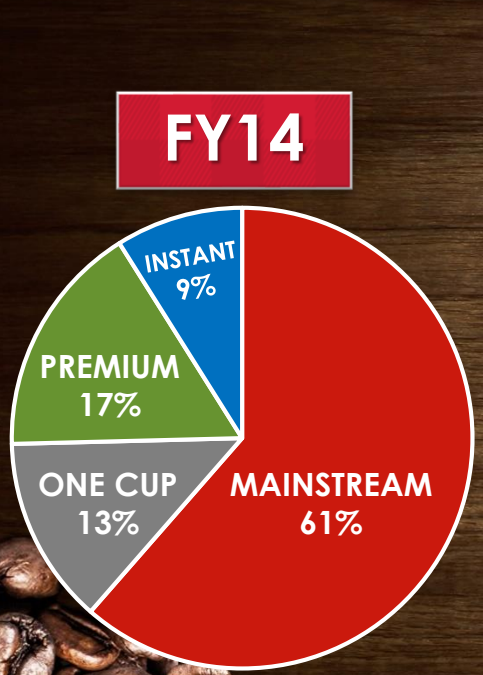


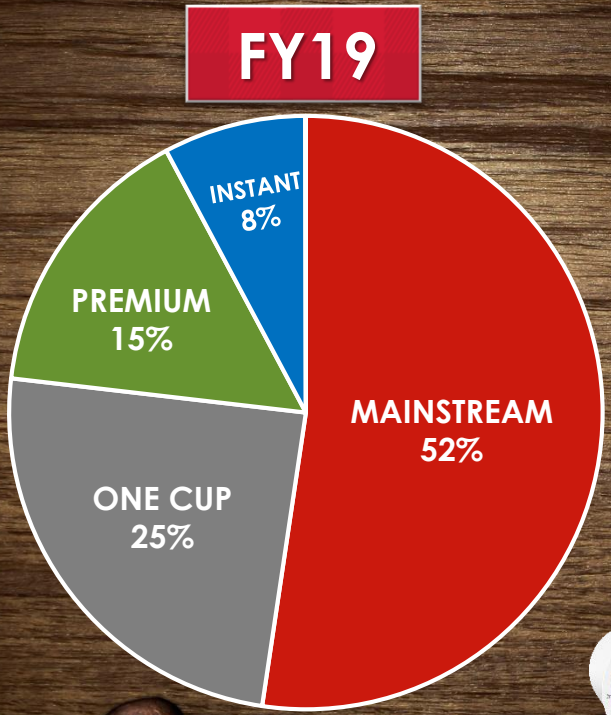
GREEN COFFEE AT MULTI-YEAR LOWS

5 CONSECUTIVE QUARTERS OF YOY VOLUME GROWTH

STRONG PROFIT MARGINS

Coffee Portfolio







Mainstream Coffee

1 IN 3

COFFEE HOUSEHOLDS HAVE A *FOLGERS®* CANISTER





THE BEST PART OF WAKING UP IS *FOLGERS®* IN YOUR CUP

SMUCKER'S

SOURCE: DIRECTIONS RESEARCH COFFEE HABITS & PRACTICES

Dunkin'® Growth

ATTRACTING NEW HOUSEHOLDS THROUGH INNOVATION AND ADVERTISING



5 YEAR

14%
NET SALES
CAGR

SMUCKER'S



MORE THAN

50%

OF ESPRESSO OCCASIONS ARE IN HOME



SOURCE: JMS PROPRIETARY ESPRESSO LANDSCAPE RESEARCH 2019

FPO/NOT FINAL IMAGE

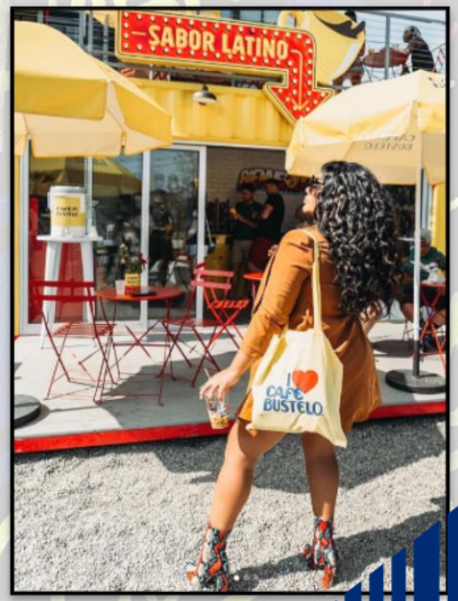
Café Bustelo® Growth

5 YEAR

14%
NET SALES
CAGR

DOUBLED HOUSEHOLD
PENETRATION IN 5 YEARS







SMUCKER'S

SOURCE: IRI PANEL DATA



ORIGINS

CAFÉ BUSTELO

SWEET & CREAMY

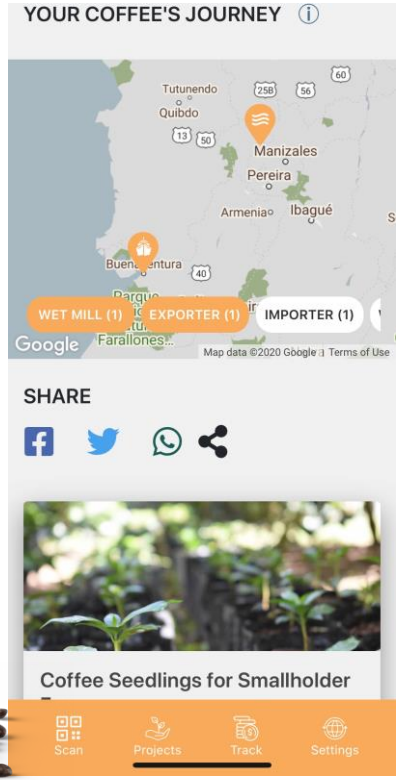
1850™ Coffee


CONTINUED INVESTMENT TO DRIVE TRIAL
QUALITY THAT'S CRIMINAL
REPEAT PURCHASE CONTINUES TO BE STRONG
CRAFTED BY
1850
THE FOLGER COFFEE CO.
BLACK GOLD
Bold + Dark Chocolatey
DARK ROAST
GROUND COFFEE

1850™ Everywhere

FARMER CONNECT



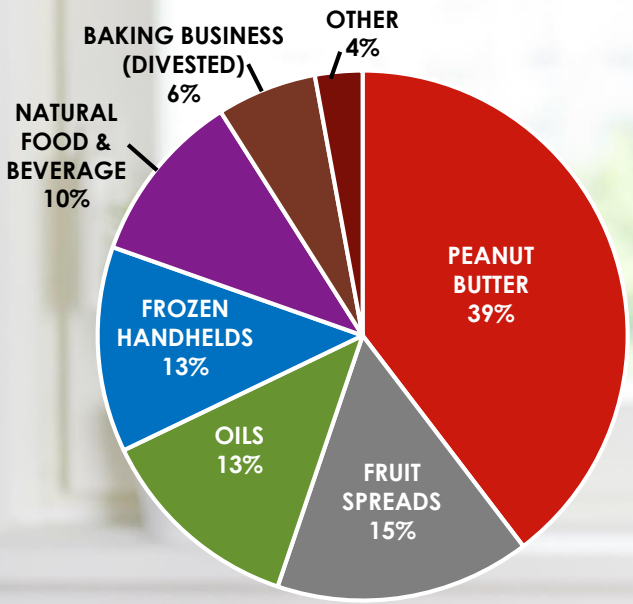




EXPANDING REACH IN **NEW** CHANNELS

CANADA & AWAY FROM HOME

SMUCKER'S



$1.8B

FY19 Net Sales

SMUCKER'S

U.S. RETAIL CONSUMER FOODS



Peanut Butter & Jelly

#1

LUNCH SANDWICH



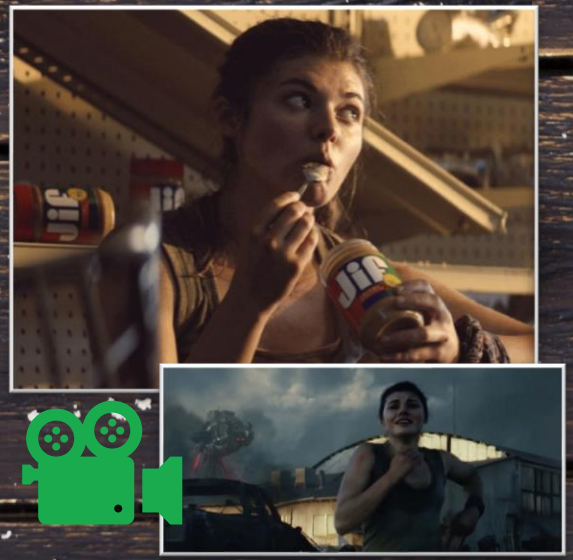
SIMPLE ● DELICIOUS ● NUTRITIOUS

SOURCE: (1)NPD EATING PATTERNS IN AMERICA DATA TABLES, FEBRUARY 2018

Jif® Initiatives

THAT JIF'ING GOOD™

40%
MARKETSHARE





LEAD IN THE BEST CATEGORIES

BUILD BRANDS CONSUMERS LOVE

BE EVERYWHERE

SOURCE: SMUCKER INTERNAL MULTI-OUTLET SHARE REPORT 52 WEEKS ENDED JANUARY 26, 2020


JIF
THAT JIFING GOOD™
FY21 LAUNCHES
SMUCKER'S
JIF
NO ADDED SUGAR
CREAMY
PEANUT BUTTER SPREAD
NET WT 15.5 OZ (440g)
• SIMPLY SQUEEZE •
JIF
CREAMY PEANUT BUTTER
SAME Great PEANUT BUTTER
PER SERVING
190 CALORIES
3.5g SAT FAT
140mg SODIUM
3g TOTAL SUGARS
NET WT 13 OZ (369g)

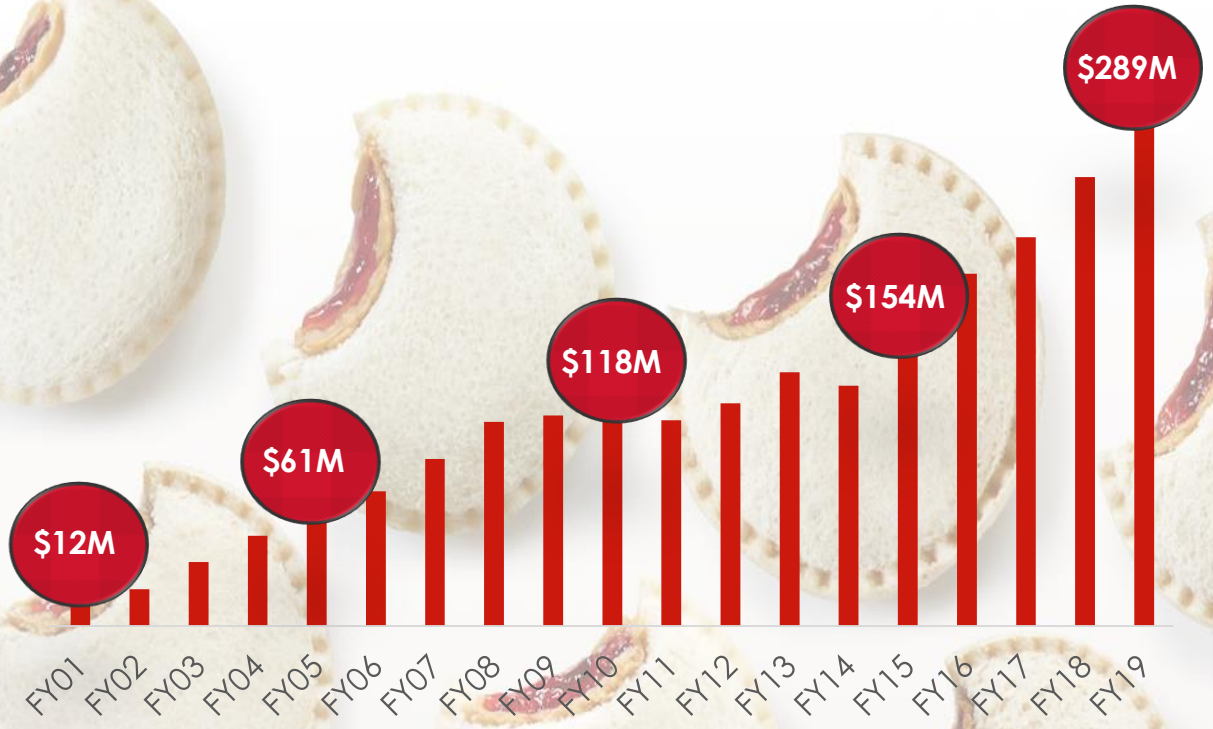
Jif® Power Ups®



DISCONTINUING PLATFORM

REALLOCATING RESOURCES

Uncrustables® Growth



SMUCKER'S Uncrustables

NET SALES

19%

18 YEAR CAGR

A NO-TRADE-OFF SOLUTION FOR BUSY PARENTS

FASTEST-GROWING BRAND IN FROZEN SNACKING

New Uncrustables® Plant

2020 FOOD ENGINEERING MAGAZINE PLANT OF THE YEAR



SIZE | **TECHNOLOGY** | **EFFICIENCY**

$500M
NET SALES
FY23

LONGMONT, CO

2 MILLION
SANDWICH CAPACITY/DAY
AT COMPLETION

LARGEST SINGLE LINE BAKERY

Uncrustables® Innovation

UNLOCKING GROWTH POTENTIAL

- EASY
- CONVENIENT
- VERSATILE

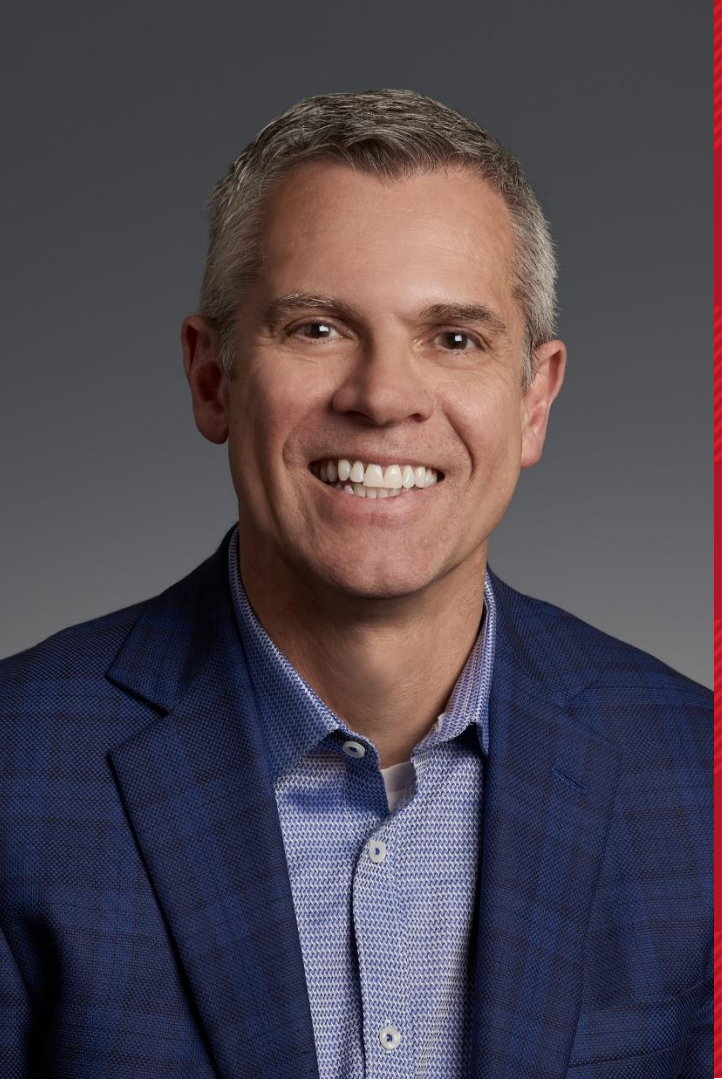






KEY SUMMARY

- EVOLVE LEADERSHIP STRUCTURE
- STRENGTHEN COMMERCIAL CAPABILITIES
- PRIORITIZE RESOURCES FOR GROWTH PLATFORMS
- REINVIGORATE OUR LARGEST BRANDS
- MAINTAIN FINANCIAL DISCIPLINE



FINANCIAL STRATEGY

Mark Belgya

Vice Chair & Chief Financial Officer

Full-Year Fiscal 2020 Outlook

3% Decrease
Net Sales

$8.10 - $8.30
ADJUSTED EPS

$850M
FREE CASH FLOW

Third Quarter Earnings Conference Call

Wednesday, February 26, 2020
8:30 a.m. EST



Financial Priorities

CONSISTENT EARNINGS GROWTH

INCREASE FREE CASH FLOW

BALANCED CAPITAL ALLOCATION

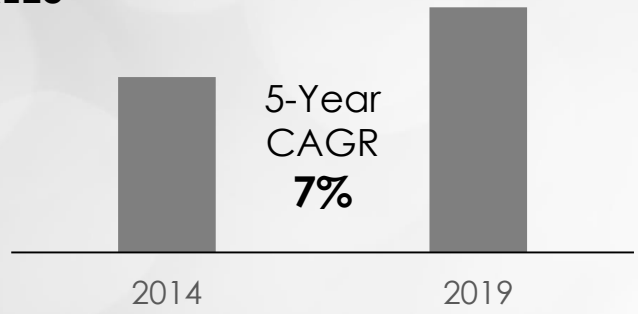
IMPROVE RETURN ON INVESTED CAPITAL

SUSTAINABLE LONG-TERM GROWTH

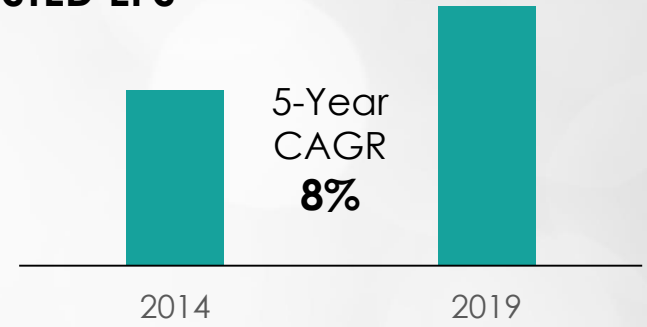
INCREASE SHAREHOLDER VALUE

Consistent Growth

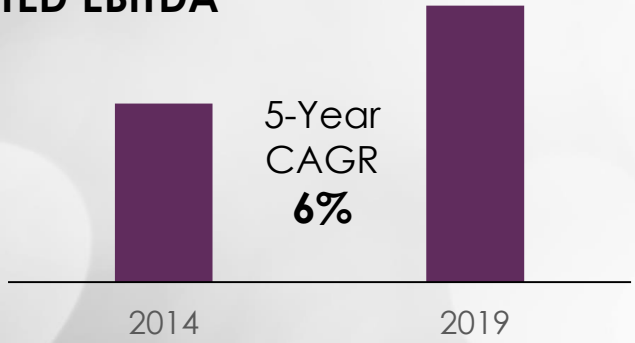
NET SALES



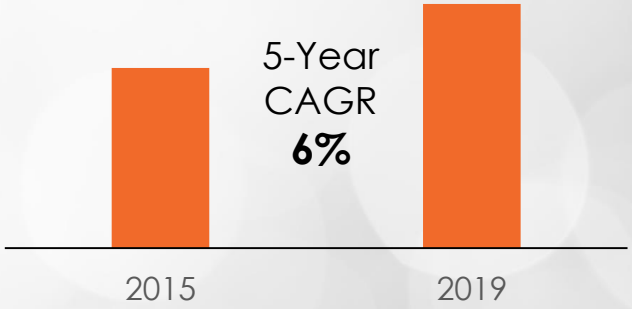
ADJUSTED EPS



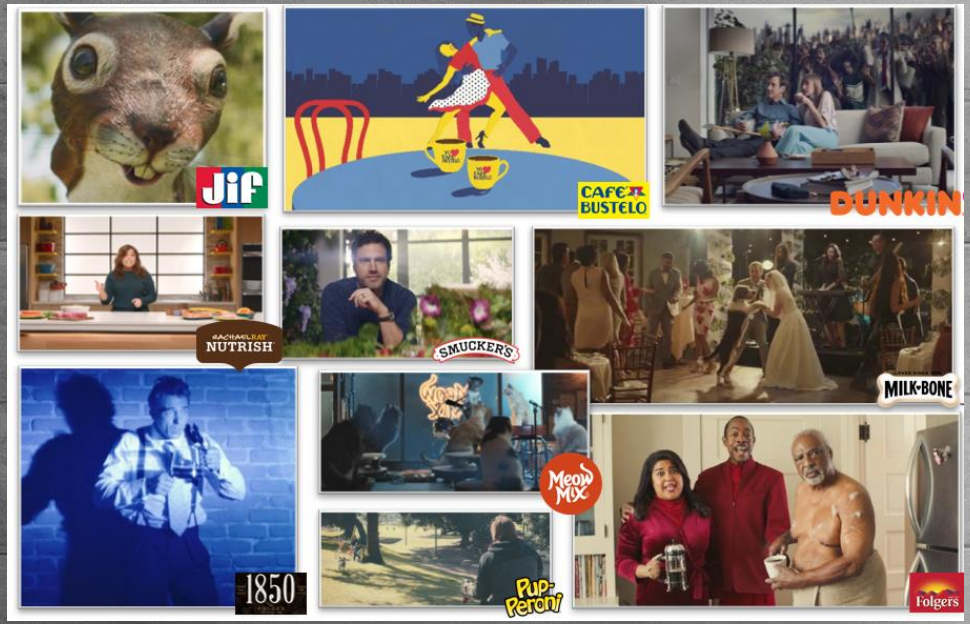
ADJUSTED EBITDA



FREE CASH FLOW



Marketing & Innovation



MARKETING SUPPORT RESULTING IN **SUSTAINABLE TOP-LINE GROWTH**

BUILDING BRANDS CONSUMERS LOVE

VOLUME TRENDS AND BRAND HEALTH INDICATORS ARE POSITIVE



Fiscal 2021 Outlook

- BENEFITS OF MARKETING INVESTMENT
- DISCONTINUATION JIF® POWER UPS®
- STABLE PRIVATE LABEL DOG FOOD
- LAPPING DEFLATIONARY PRICING
- NATURAL BALANCE® HEADWINDS
- SUPPORT KEY GROWTH BRANDS



NET SALES FLAT TO SLIGHTLY UP IN FY21

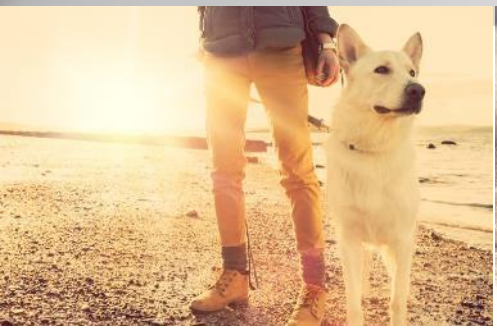
Guidelines for Profitable Growth

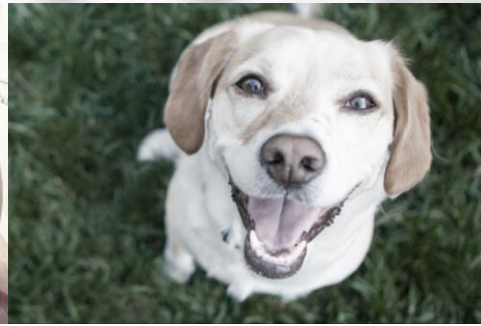
DELIVERING OUR COMMITMENTS BY…

1. MAINTAIN MARKETING SUPPORT
2. MARGIN MANAGEMENT PROGRAMS
3. LEVERAGE ASSET PRODUCTIVITY

TRANSLATING SALES TO EPS GROWTH

Operational Savings Program



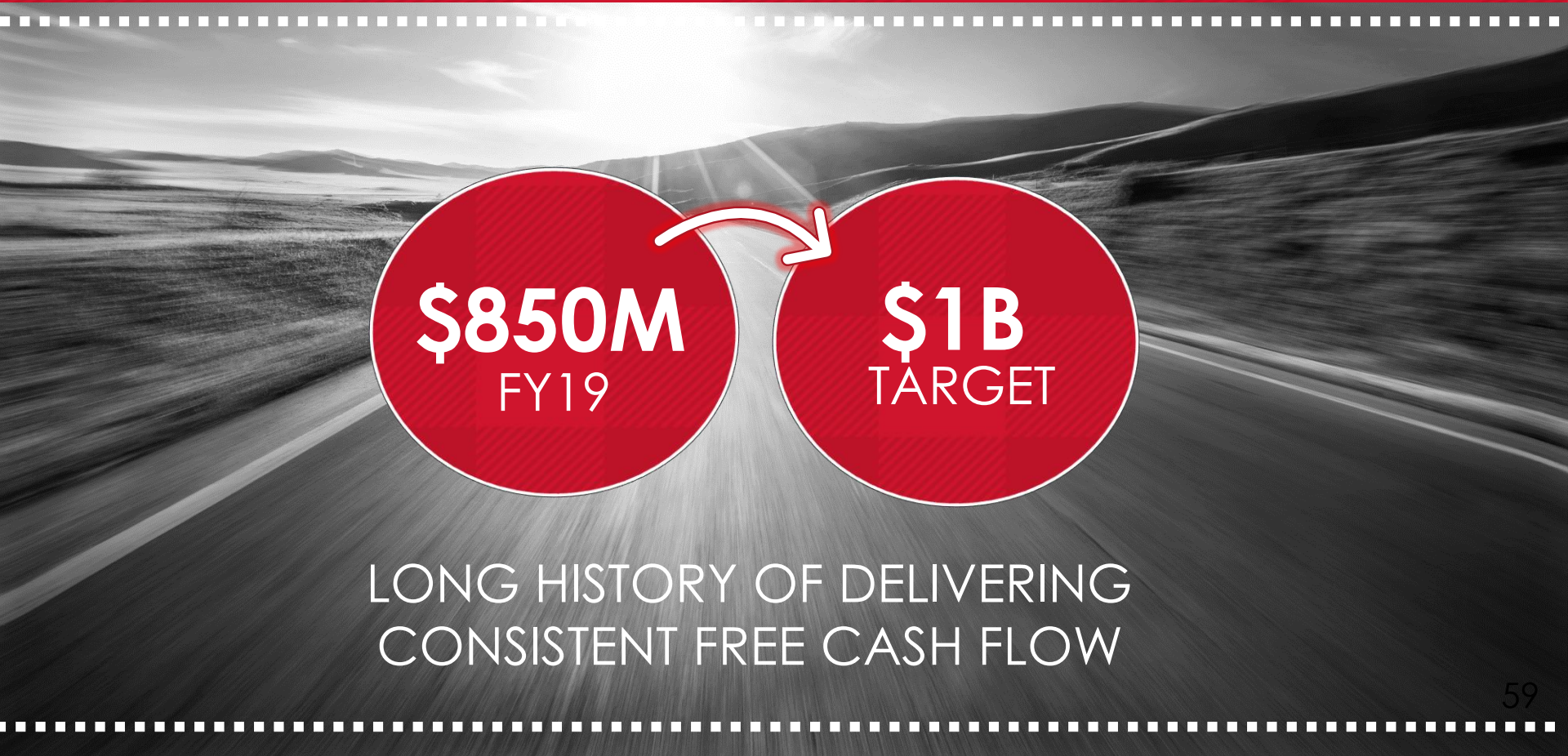
OPTIMIZATION OF OUR PET FOOD LOGISTICS NETWORK

CONSOLIDATION OF DISTRIBUTION CENTERS

EXIT OF THIRD-PARTY STORAGE LOCATIONS

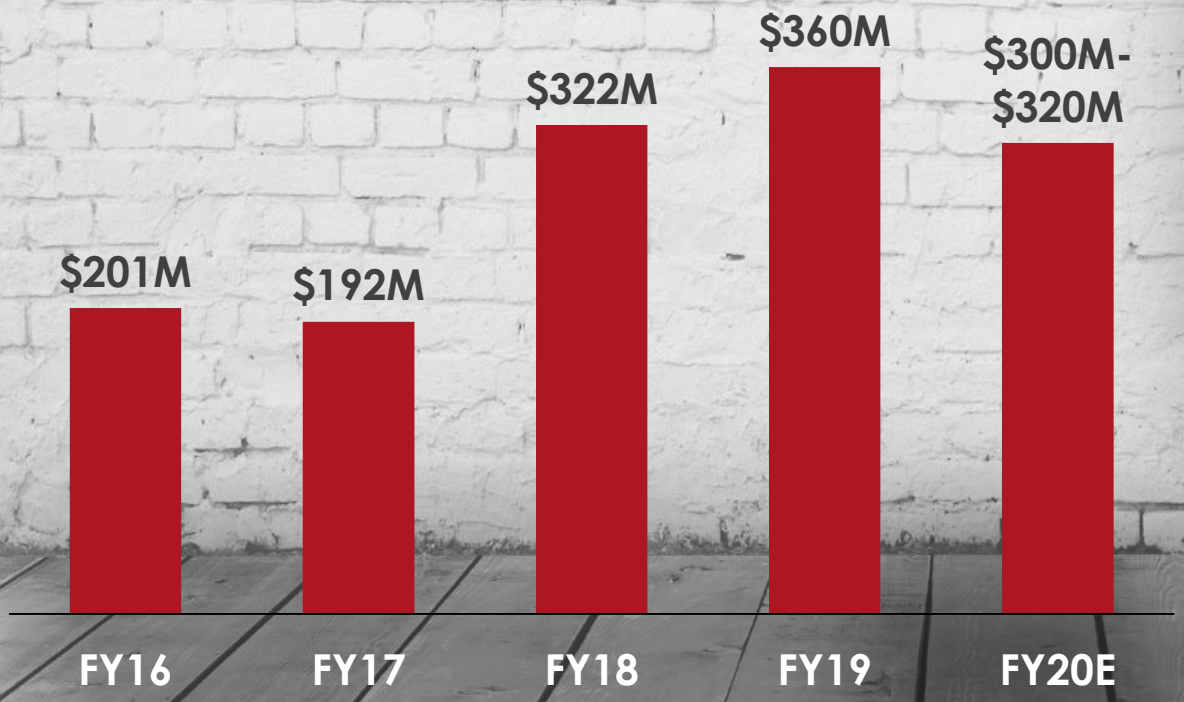
2 LARGER AND MORE EFFICIENT DISTRIBUTION CENTERS

Free Cash Flow Growth



LONG HISTORY OF DELIVERING
CONSISTENT FREE CASH FLOW

Capital Expenditures



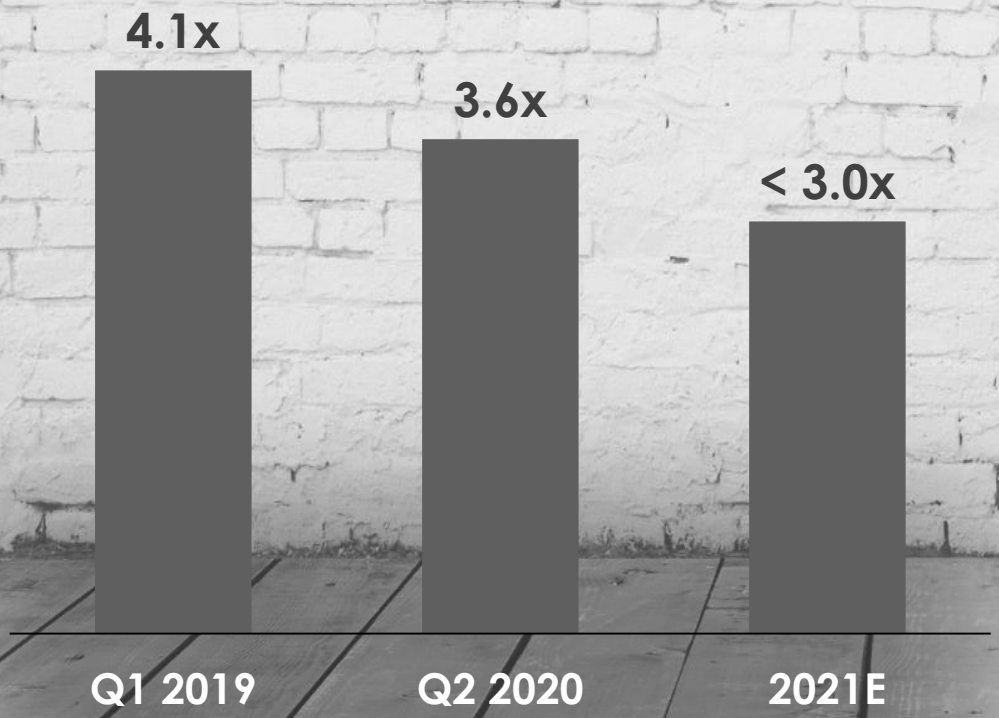
STRATEGIC TARGET

3.5%

OF NET SALES

CAPEX REMAINS ELEVATED IN FY21 DUE TO UNCRUSTABLES® PLANT EXPANSION

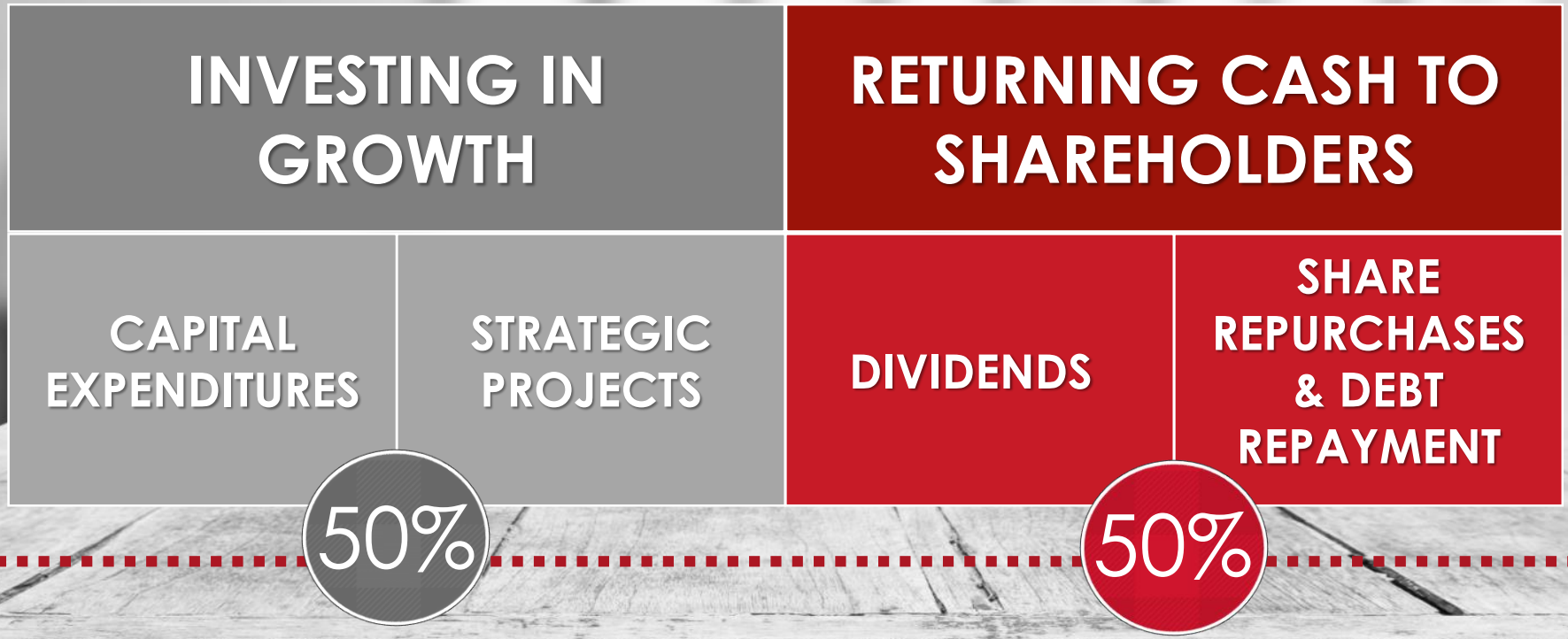
Leverage



$1B
DEBT REPAYMENTS SINCE AINSWORTH ACQUISITION

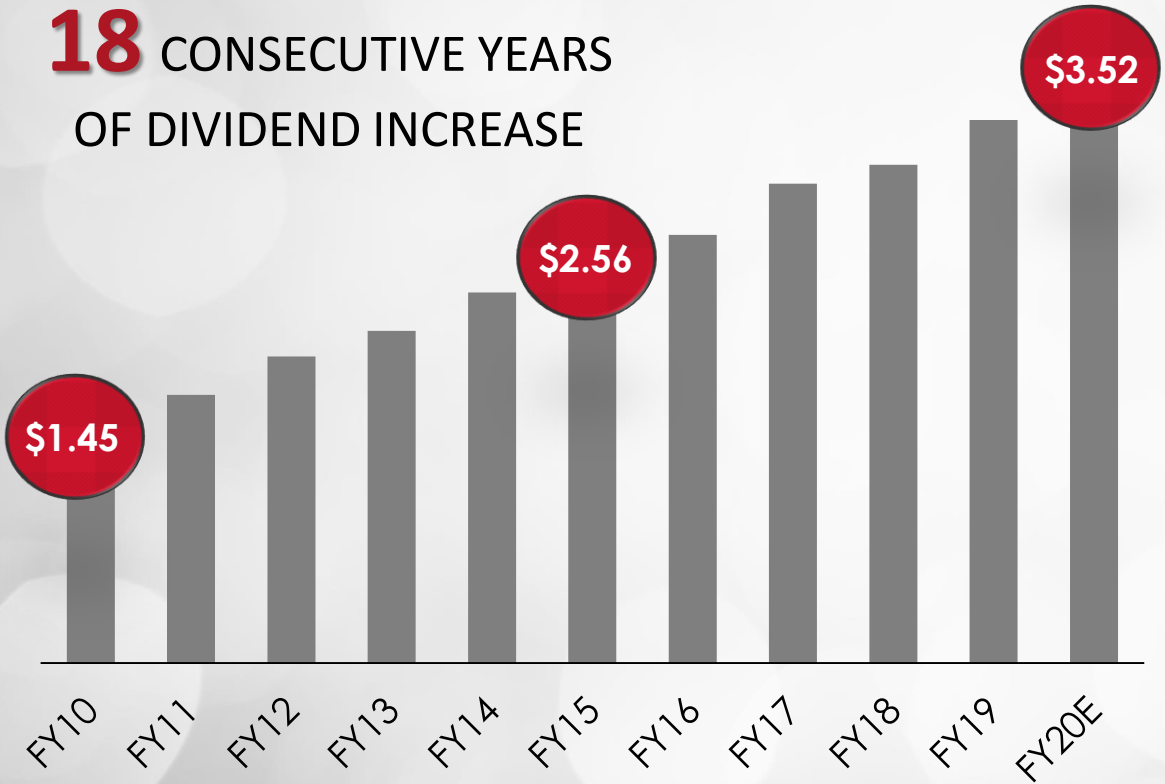
3.0X LEVERAGE TARGET FY21

Capital Deployment Model



Dividend Growth

18 CONSECUTIVE YEARS OF DIVIDEND INCREASE



10%
10-YEAR CAGR

40%
PAYOUT RATIO TARGET

Return on Invested Capital

DATA DRIVEN INSIGHTS

COMPREHENSIVE RISK ANALYSIS

ENHANCED MODELING

PRIORITIZING THIS METRIC IN **ALL** OF OUR DECISION MAKING



KEY SUMMARY

- PURPOSE DRIVEN COMPANY
- STRONG STRATEGIC FRAMEWORK
- FINANCIAL DISCIPLINE

Thank You!










SMUCKER'S

THE J.M. SMUCKER COMPANY

2020

CONSUMER ANALYST GROUP OF NEW YORK CONFERENCE

Supporting Materials

Non-GAAP Financial Measures

The Company uses non-GAAP financial measures, including: net sales excluding acquisition, divestiture, and 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, integration and restructuring costs ("special project costs"), and unallocated gains and losses on commodity and foreign currency exchange derivatives ("unallocated derivative gains and losses"), as well as the related tax impact of these exclusions. The special project costs in the following table relate to specific integration and restructuring projects, and the unallocated derivative gains and losses reflect the changes in fair value of our commodity and foreign currency exchange contracts. Additionally, income taxes, as adjusted is calculated using an adjusted effective income tax rate that is applied to adjusted income before income taxes. While this adjusted effective income tax rate does not generally differ materially from our GAAP effective income tax rate, certain items can significantly impact our 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. generally accepted accounting principles. 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 2020 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 achieve synergies and cost savings related to the Ainsworth acquisition in the amounts and within the time frames currently anticipated; 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 meet the Company's cash deleveraging objectives; volatility of commodity, energy, and other input costs; risks associated with derivative and purchasing strategies employed to manage commodity pricing and interest rate 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 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 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, including tariffs; 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 Reconciliation

($ in millions)	Year Ended April 30, 2019	2014
Operating income reconciliation:		
Operating income	$928.6	$772.0
Amortization	240.3	110.9
Goodwill impairment charge	97.9	-
Other intangible asset impairment charges	107.2	-
Unallocated derivative losses (gains)	54.2	24.5
Cost of products sold – special project costs	-	6.2
Other special project costs	64.1	56.6
Adjusted operating income	$1,492.3	$970.2

Non-GAAP Reconciliation

($ in millions)	Year Ended April 30,	
	2019	2014
EBITDA (as adjusted) reconciliation:		
Net income	$514.4	$565.2
Income tax expense (benefit)	187.2	284.5
Interest expense - net	207.9	79.4
Depreciation	206.0	157.5
Amortization	240.3	98.9
Goodwill impairment charge	97.9	-
Other intangible asset impairment charges	107.2	-
EBITDA (as adjusted)	$1,560.9	$1,185.5

Non-GAAP Reconciliation

($ in millions)	Year Ended April 30, 2019	2014
Free Cash Flow reconciliation:		
Cash provided by (used for) operating activities	$1,141.2	$856.0
Additions to property, plant, and equipment	(359.8)	(279.5)
Free Cash Flow	$781.4	$485.5

Non-GAAP Reconciliation

($ and shares in millions, except per share data)

	Year Ended April 30,	
	2019	2014
Net income reconciliation:		
Net income	$514.4	$565.2
Income tax expense (benefit)	187.2	284.5
Amortization	240.3	98.9
Goodwill impairment charge	97.9	-
Other intangible asset impairment charges	107.2	-
Unallocated derivative losses (gains)	54.2	(5.3)
Cost of products sold – special project costs	-	9.4
Other special project costs	64.1	25.6
Adjusted income before income taxes	$1,265.3	$978.3
Income taxes, as adjusted	322.6	327.5
Adjusted income	$942.7	$650.8
Weighted-average common shares outstanding	113.1	103.5
Weighted-average participating shares outstanding	0.6	0.8
Total weighted-average shares outstanding	113.7	104.3
Dilutive effect of stock options	-	0.0
Total weighted-average shares outstanding – assuming dilution	113.6	104.3
Adjusted earnings per share – assuming dilution	$8.29	$6.24

Non-GAAP Reconciliation

($ in millions)	Three Months Ended				TTM Ended
	January 31, 2019	April 30, 2019	July 31, 2019	October 31, 2019	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
	October 31, 2017	January 31, 2018	April 30, 2018	July 31, 2018	July 31, 2018
EBITDA (as adjusted) reconciliation:					
Net income	$194.6	$831.3	$185.9	$133.0	$1,344.8
Income tax expense (benefit)	97.2	(715.3)	78.3	40.1	(499.7)
Interest expense - net	41.6	43.1	47.4	53.6	185.7
Depreciation	50.6	52.1	49.1	51.4	203.2
Amortization	51.6	51.6	52.1	60.5	215.8
Goodwill impairment charge	-	145.0	-	-	145.0
Other intangible asset impairment charges	-	31.9	-	-	31.9
EBITDA (as adjusted)	$435.6	$439.7	$412.8	$338.6	$1,626.7

Non-GAAP Reconciliation

Company Guidance

($ in millions, except per share data)	Year Ending April 30, 2020	
	Low	High
Net income per common share – assuming dilution reconciliation:		
Net income per common share – assuming dilution	$6.77	$6.97
Net cumulative unallocated (losses) gains	(0.36)	(0.36)
Special project costs	0.13	0.13
Amortization	1.56	1.56
Adjusted earnings per share – assuming dilution	$8.10	$8.30
Free cash flow reconciliation:		
Net cash provided by operating activities	$1,170	$1,150
Additions to property, plant, and equipment	(320)	(300)
Free cash flow	$850	$850

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*® is a registered trademark of DD IP Holder LLC and *Rachael Ray* ™ is a registered trademark of Ray Marks II LLC. The *Numi* trademark and logo are owned by Numi, Inc., of which the Company owns a minority interest.

The following trademarks and corresponding logos are the trademarks of their respective owners: *K-Cup* and *K-Cups, Amazon.com, Amazon Prime, Feeding America, Habitat for Humanity, Boys & Girls Clubs of America, I Promise school, Reach Out and Read, Akron Art Museum, The Cleveland Orchestra, The Rachael Ray Foundation, Rescue Bank, Doggie Brigade, Canine Assistants, American Red Cross, United Way, Wayne Economic Development Council, Cuyahoga National Park, Akron Pride Festival, Hanns R. Neumann Stiftung, and Fundación Valle del Lili*.

The *Dunkin'*™ and *Dunkin' Donuts* ® brands are licensed to The J. M. Smucker Company for packaged coffee products sold in retail channels such as grocery stores, mass merchandisers, club stores, and drug stores. This information does not pertain to products for sale in *Dunkin'*™ restaurants.