

THE J.M. SMUCKER Co

CAGNY

CONFERENCE

2024



# **MARK SMUCKER**

Chair of the Board, President  
and 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.



## **MARK SMUCKER**

Chair of the Board, President  
and Chief Executive Officer

**BUSINESS UPDATE**



## **TUCKER MARSHALL**

Chief Financial Officer

**FINANCIAL UPDATE**



# TODAY'S THEMES



**OUR STRONG RESULTS**

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**SUSTAINED MOMENTUM  
ACROSS THE PORTFOLIO**

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**PORTFOLIO RESHAPE HAS  
STRENGTHENED OUR COMPANY**

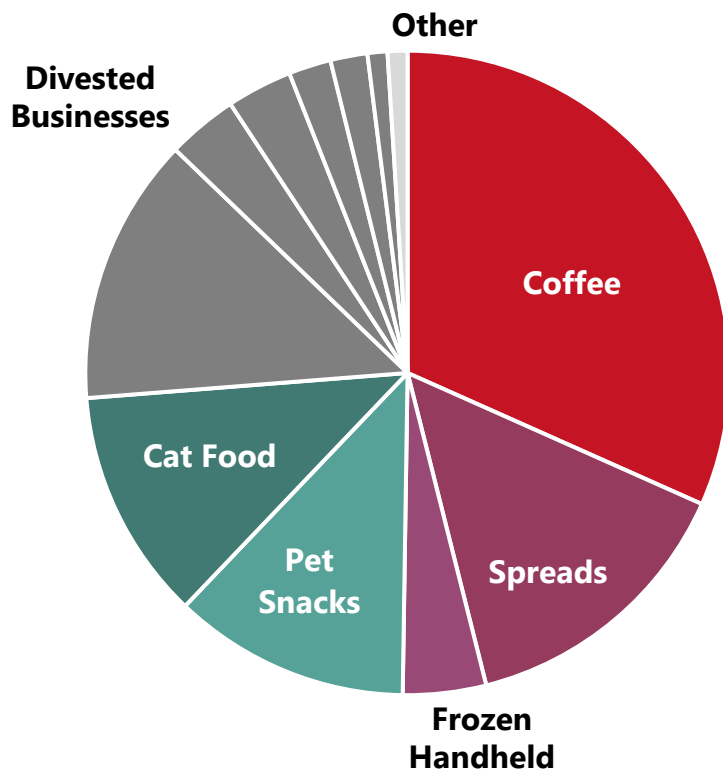
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**LEADING BRANDS IN  
ATTRACTIVE CATEGORIES**

# A FOCUSED PORTFOLIO

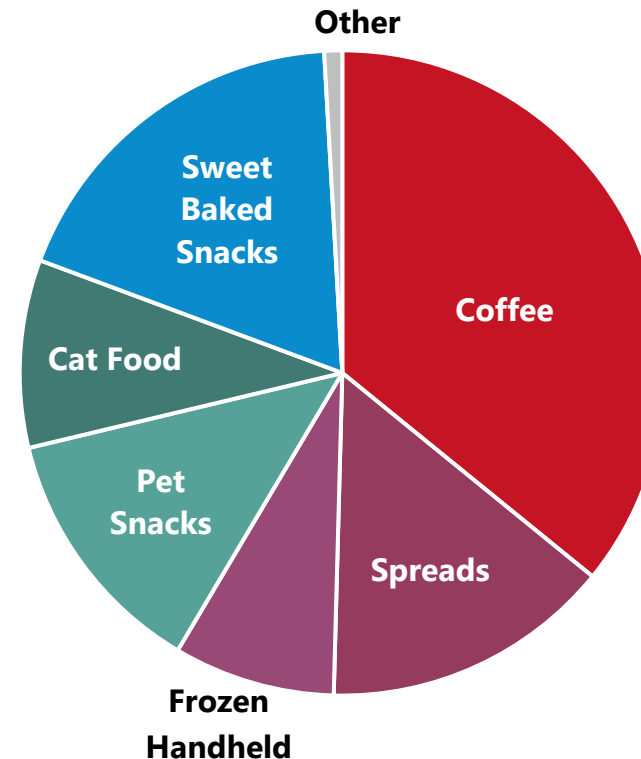
FY20

% U.S. Retail Net Sales



FY24 PRO FORMA\*

% U.S. Retail Net Sales



# OUR VISION

## Guides our Strategy



**Engage, delight and inspire consumers  
by building brands they love  
and leading in growing categories**





# Portfolio of Leading BRANDS

**95%** of U.S. Retail Sales  
from categories where  
we hold the **#1** or **#2**  
branded position

## STRONG BRAND HEALTH

Majority of Portfolio  
Growing or Maintaining Share

### COFFEE



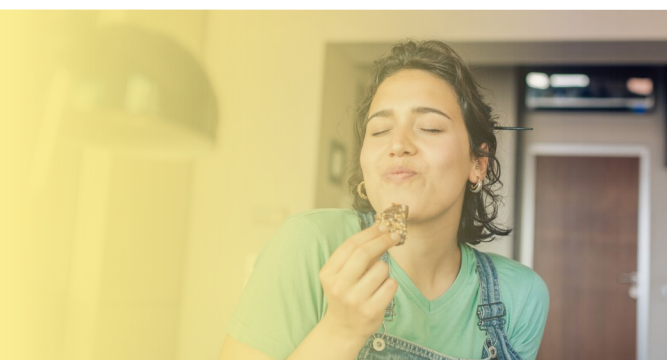
### FROZEN HANDHELD & SPREADS



### PET SNACKS & CAT FOOD



### SWEET BAKED SNACKS

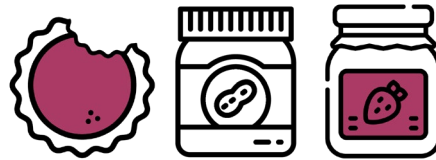


# OUR CATEGORIES

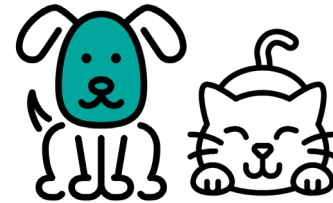
## COFFEE



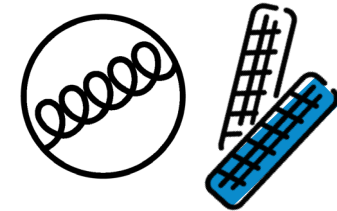
## FROZEN HANDHELD & SPREADS



## PET SNACKS & CAT FOOD



## SWEET BAKED SNACKS







# STRATEGIC PRIORITIES

## DELIVER OUR CORE BUSINESS

GROW VOLUME

OPERATE WITH EXCELLENCE

PRIORITIZE RESOURCES

## INTEGRATE & DELIVER HOSTESS

ALIGN SYSTEMS & PROCESSES

ACHIEVE COST SYNERGIES &  
GROWTH AMBITIONS

NURTURE A UNIFIED CULTURE

## ACHIEVE OUR FINANCIAL ASPIRATIONS

TRANSFORMATION

COST DISCIPLINE

CASH GENERATION

# KEY GROWTH PLATFORMS



**Coffee Portfolio & Expansion in Liquid Coffee**



***Uncrustables*® Frozen Sandwiches**



**Dog Snacks & Cat Food**



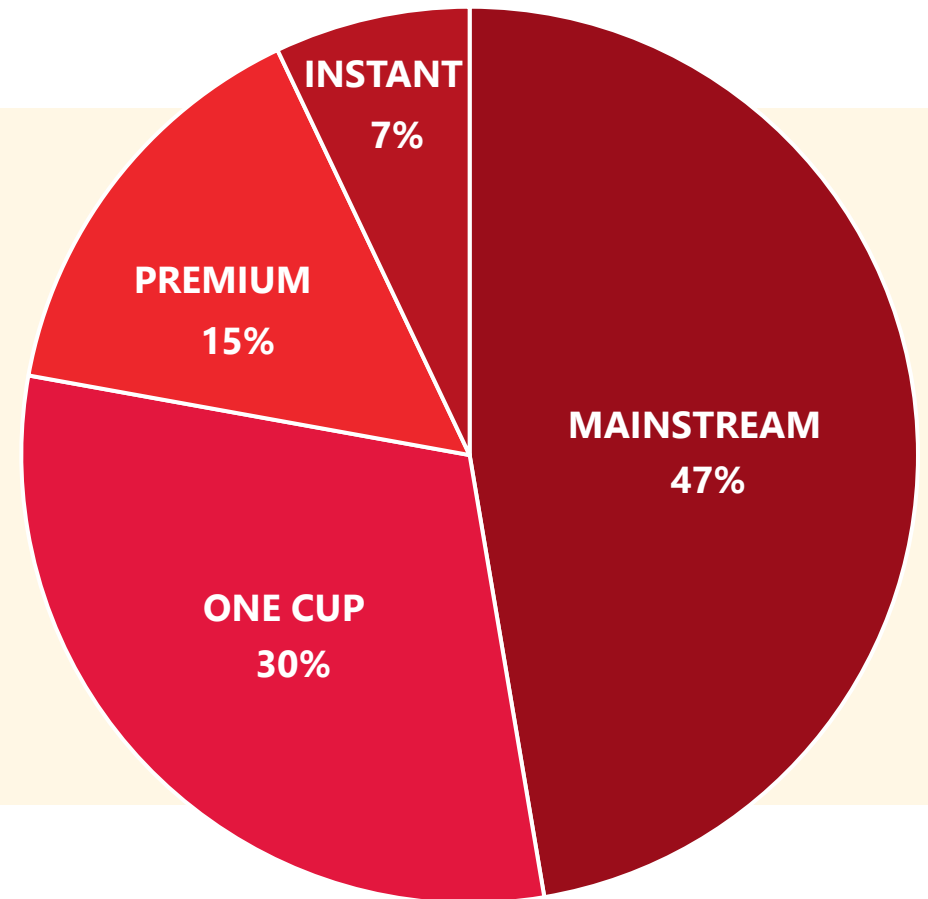
**Sweet Baked Snacks**



# U.S. RETAIL COFFEE

**\$2.7B**

FY23 NET SALES



# #1 AT-HOME COFFEE MANUFACTURER

**26%** Share  
of Market

**3 of top 7**  
coffee brands

**DUNKIN'**

**CAFE  
BUSTELO**

  
**Folgers**  
PROUDLY ROASTED IN NEW ORLEANS





# PORTFOLIO POSITIONED FOR GROWTH



## KEY GROWTH DRIVERS

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**DUNKIN'**

**CAFE  
BUSTELO**

**K-Cup® Pods**

Continuing our expansion into  
**the growing liquid segment**



# *DUNKIN'*® AT HOME

OPPORTUNITY TO  
INCREASE DUAL USERS\*



\*INDIVIDUALS WHO BUY AT *DUNKIN'*® RESTAURANTS AND FOR AT-HOME OCCASIONS.

# DUNKIN'® SEASONAL & COLD



**#2 IN  
SEASONALS CATEGORY**

**2023 CONSUMER TAKEAWAY +30%**

## DUNKIN'® COLD

**SINGLE-SERVE, ROAST & GROUND  
AND SHELF-STABLE CONCENTRATES**







Expect to reach  
**annual net sales**  
of

**\$1 BILLION**  
in the next 5 years

2-3% Annual Growth



# CAFÉ BUSTELO®



**7<sup>TH</sup> LARGEST BRAND  
IN AT-HOME COFFEE**

.....

**#1** Espresso  
Coffee

**#1** Latin  
Coffee



# MULTI-SERVE READY-TO-DRINK

Available in the refrigerated aisle this May







ON PACE TO EXCEED **\$300M**  
IN NET SALES THIS FISCAL YEAR

Expect to reach  
**annual net sales**  
of

**\$400M**  
in the next 3 years

High-Single-Digit Annual Growth







## #1 At-Home Coffee Brand in volume share

---

Embracing the Brand's Heritage through  
**OUR BOLD MARKETING CAMPAIGN**



*Video Commercial Playing in Room*

# NATIONWIDE TASTE TEST

**60%** Preferred *Folgers*® **Black Silk**

COMPARED TO

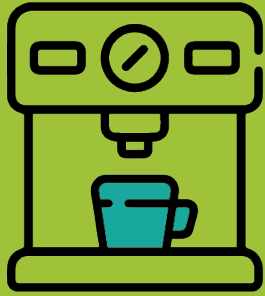
**35%** Chose the Competitor



**#1 SELLING  
DARK ROAST  
CANISTER**







# K-CUP® PODS

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Expect  
annual net sales  
of

**\$1 BILLION**  
in next 5 years

Mid-Single-Digit Annual Growth





# LEVERAGING OUR POWERFUL BRANDS



**DUNKIN'**

**CAFE  
BUSTELO**

**Folgers**  
PROUDLY ROASTED IN NEW ORLEANS

.....

**Deep expertise** in coffee sourcing,  
roasting and category advisership

.....

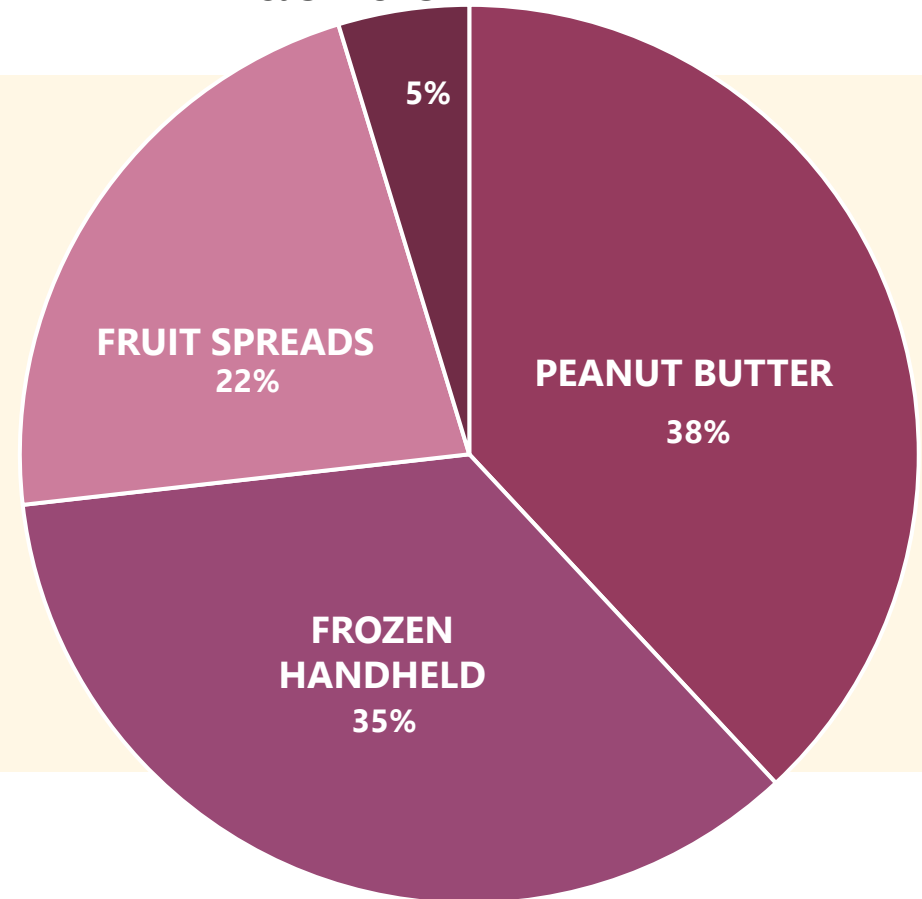
# U.S. RETAIL FROZEN HANDHELD & SPREADS

**\$1.6B**

FY23 PRO FORMA NET SALES\*



**TOPPINGS  
& SYRUPS**



\*EXCLUDES \$32 MILLION IN NET SALES RELATED TO THE DIVESTED SAHALE SNACKS® BUSINESS.

# PORTFOLIO COMPOSITION

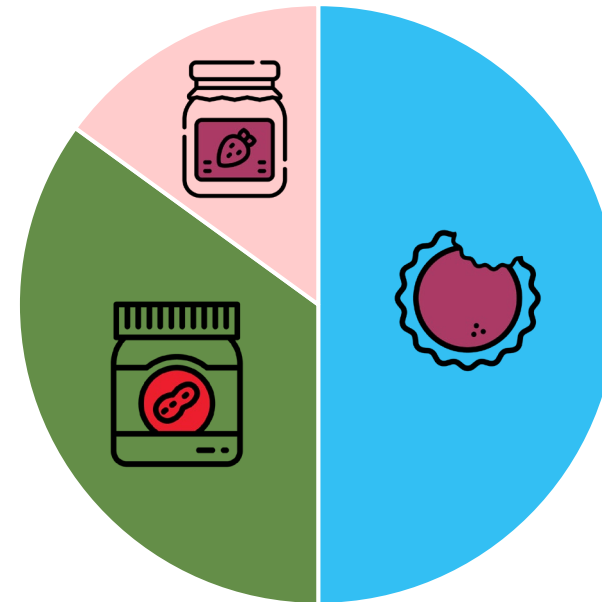
**TODAY**

% Net Sales

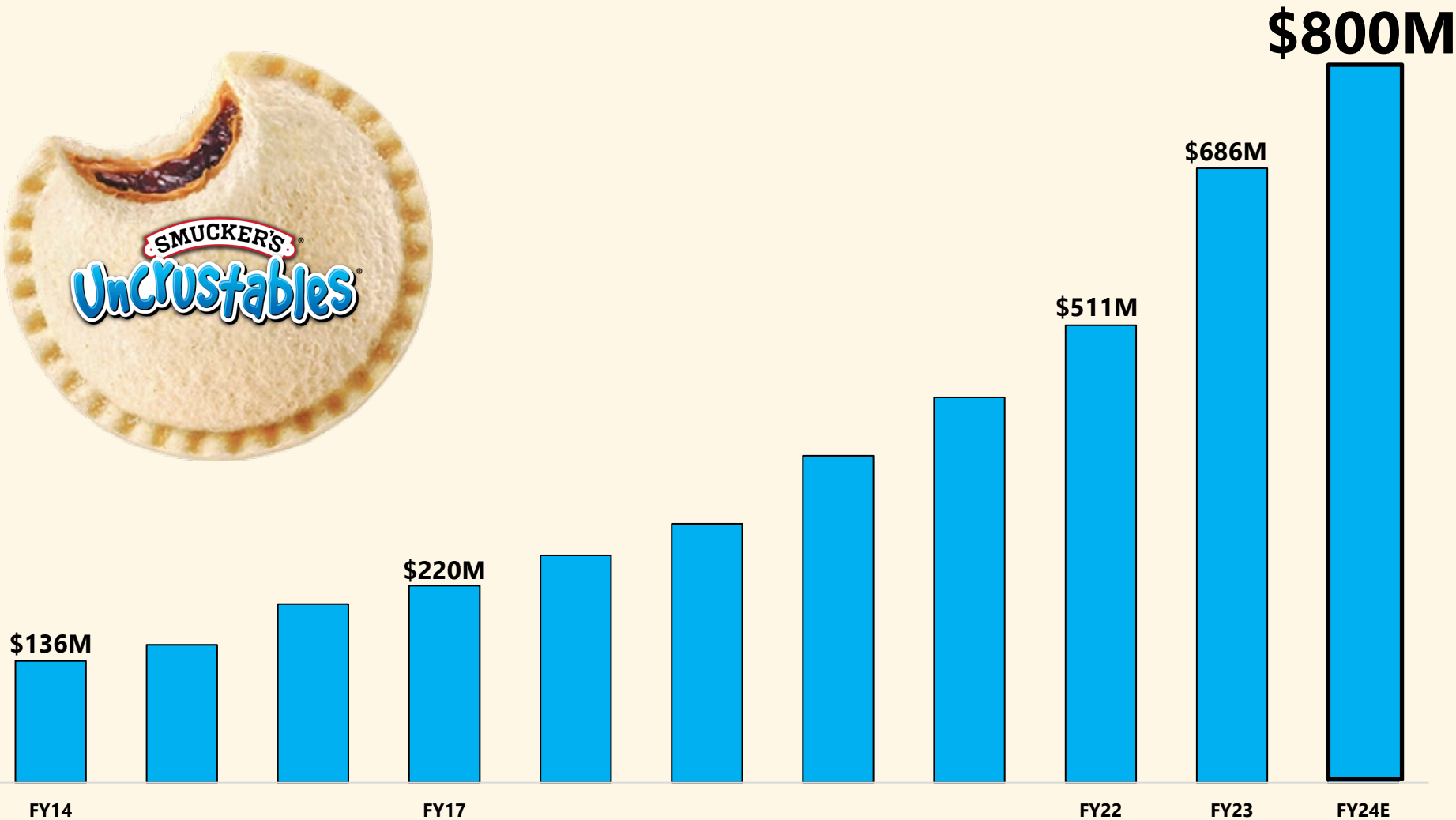


**FUTURE**

% Net Sales



# UNCRUSTABLES® GROWTH



**19%**  
10-YEAR CAGR

ON TRACK  
**\$800M**  
NET SALES IN FY24



# FUELING FUTURE GROWTH



## EXPECTED ANNUAL NET SALES

FY24  
\$800M

FY25  
+\$100M

FY26  
+\$100M

**Expect to grow to**  
**\$1 BILLION**  
**annual net sales**  
**in FY26**



# A CATEGORY LEADER



**9x Category Growth Rate**



**#1 SKU in Freezer Aisle**



**#1 Velocity Growth Rate**



**3x Frozen Category Average**





## GROWING HOUSEHOLD PENETRATION

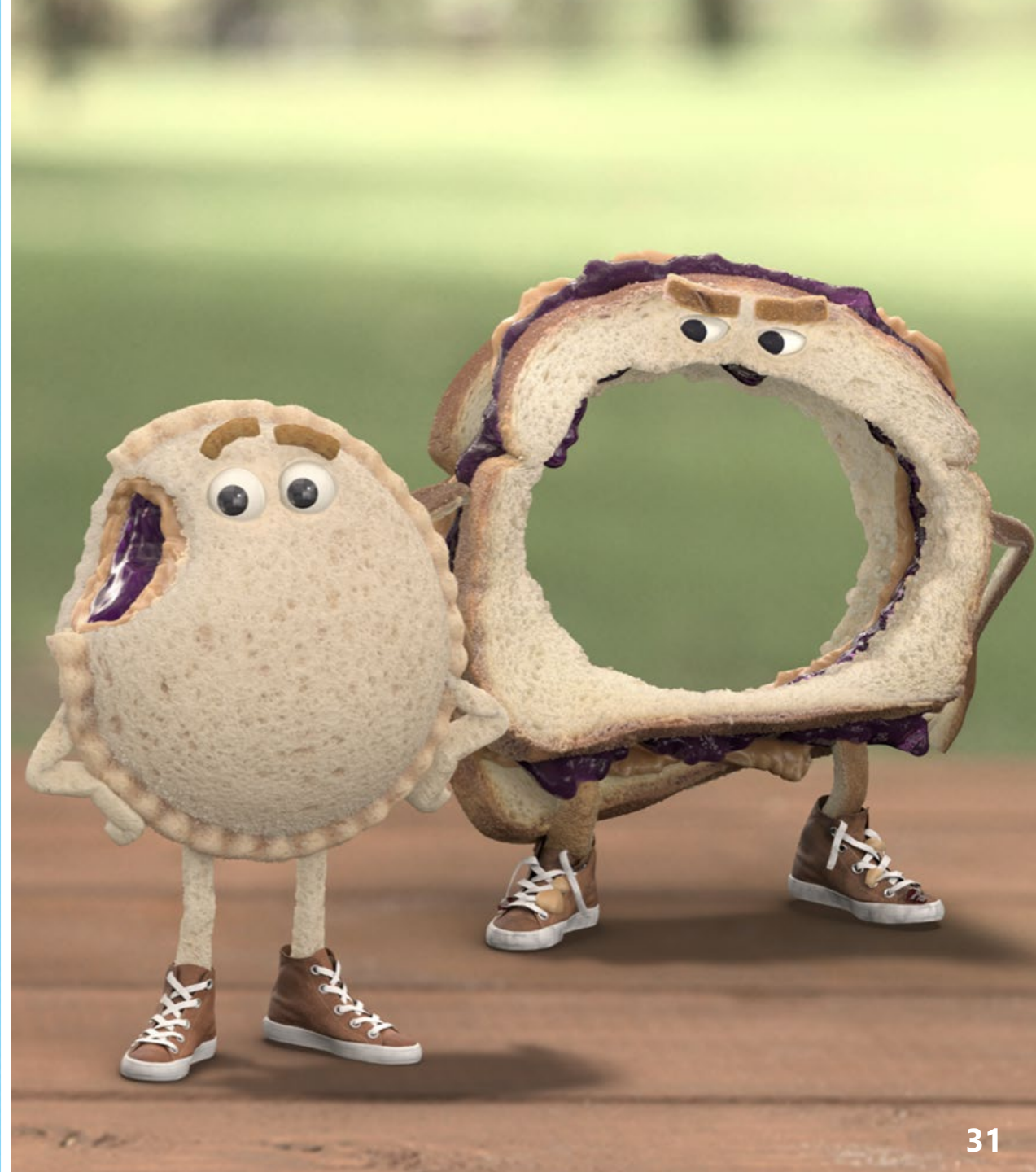
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### Expand Distribution

- New channels and geographies
- Future expansion to convenience stores

### Increase Awareness

- 1<sup>st</sup> national advertising campaign







*Video Commercials Playing in Room*



# UPCOMING INNOVATION



NEW  
VARIETY!



## Raspberry *Uncrustables*®

Begins  
shipping  
September  
2024

A FLAVOR FOR  
EVERY DAY  
OF THE WEEK!



MONDAY



TUESDAY



WEDNESDAY



THURSDAY

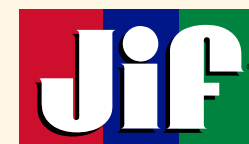


FRIDAY





The best  
**PB&J**  
since sliced bread.



## PEANUT BUTTER & FRUIT SPREADS

OVER  
**70%**

of Households with Millennial Parents  
**Eat Peanut Butter or Fruit Spreads Each Week**

# THE STRENGTH OF JIF®

## #1 IN THE CATEGORY

Leader in  
**HOUSEHOLD  
PENETRATION**

Leader in  
**VOLUME  
VELOCITY**



**Jif**  
**SAVE**  
**THE**  
**CELERY**



**CELERY NEGLECT  
STOPS WITH YOU AND  
JIF PEANUT BUTTER**



*Video Commercial Playing in Room*



# JIF<sup>®</sup> INNOVATION

## THE PERFECT MERGER OF PEANUT BUTTER & THE FLAVOR OF CHOCOLATE

Launching this  
**SUMMER**



**50% less sugar**  
than the leading  
hazelnut spread with cocoa



.....

**OVER 70% OF PEANUT BUTTER BUYERS  
ARE NOT PURCHASING  
A CHOCOLATE-FLAVORED  
SPREAD TODAY**



# MEETING CONSUMER NEEDS

## SIGNIFICANT WHITE SPACE WITHIN OUR FROZEN HANDHELD & SPREADS BUSINESS

.....

Continue to expand usage occasions &  
capitalize on growth in consumer snacking

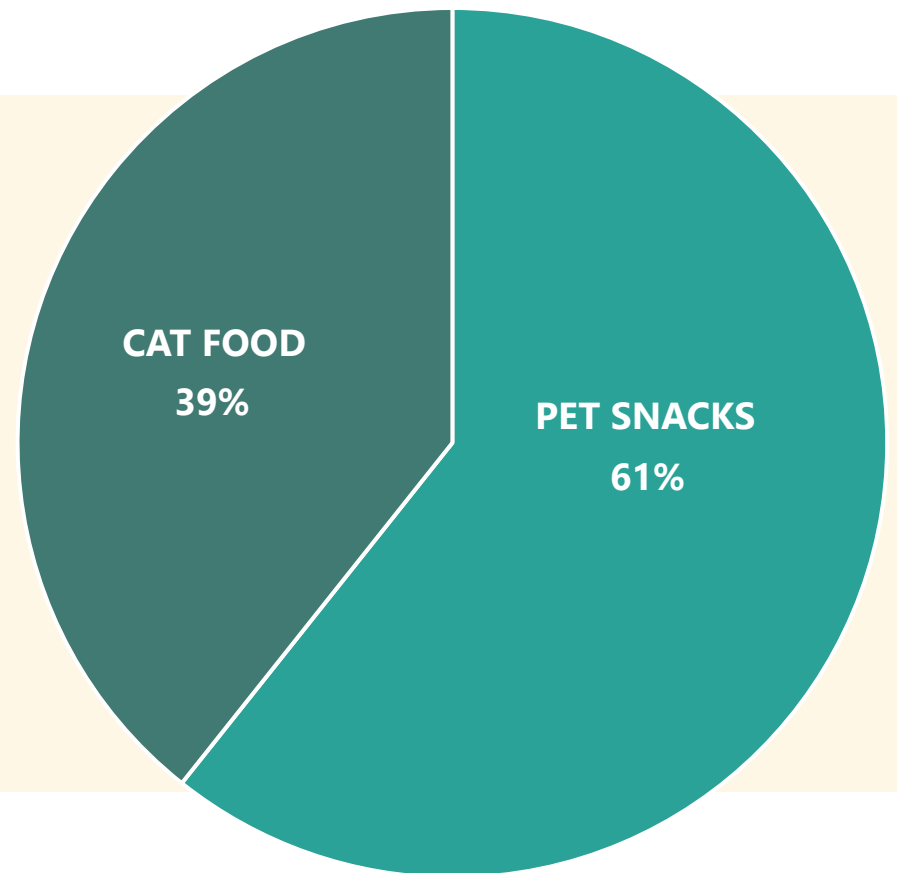




# U.S. RETAIL PET FOODS

**\$1.5B**

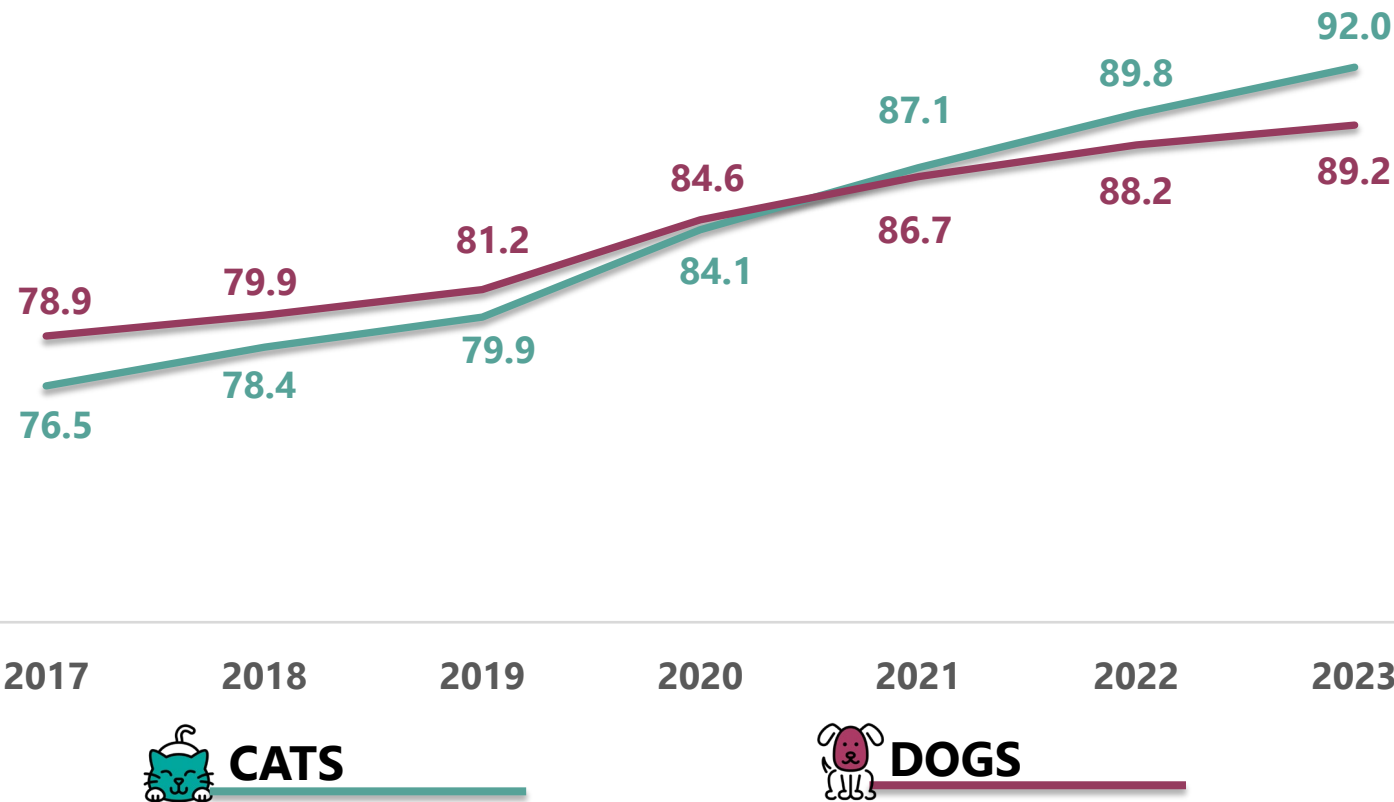
FY23 PRO FORMA NET SALES\*



\*EXCLUDES \$1.5 BILLION IN NET SALES RELATED TO THE DIVESTED PET FOOD BRANDS.

# THE PET POPULATION CONTINUES TO GROW

U.S. Dog & Cat Population (in Millions)



**#1**  
CENTER STORE  
CATEGORY

**DOG HH +16%**  
**CAT HH +18%**  
2018-2023

DOLLARS  
**+MSD %**  
2023-2027

# #1 IN DOG SNACKS

21% Share of Market



**Milö's Kitchen**  
HOMESTYLE DOG TREATS

**Canine  
Carry  
outs**  
DOG  
SNACKS

**PUP.  
peroni**





# STRONG *MILK-BONE*<sup>®</sup> MOMENTUM



**CONSISTENTLY OUTPACING  
THE CATEGORY**

Dollar Share Growth for  
**10 CONSECUTIVE  
QUARTERS**

**INNOVATION  
SHARE LEADER**  
Each of the Last 3 Years



*Video Commercial Playing in Room*

# GROWTH IN SPECIAL OCCASIONS

Inspiring shoppers to celebrate  
their pets with  
seasonal & special occasion offerings





# MILK-BONE®

Biscuit Sales Grew  
**OVER 40% THE PAST 4 YEARS**

75% of biscuit  
segment growth!

## REFRESHED PACKAGING

Reinvigorates  
**100+ year old** brand



## INCREASED MARKETING

Driving cultural relevancy with  
**breakthrough creative**



## ELEVATED INNOVATION

Expanding treating occasions  
with **premium innovation**



# EXPANDING INNOVATION

## Leveraging Biscuit Success in Long-Lasting Chews and Soft & Chewy Segments

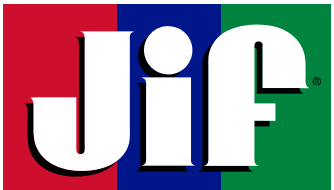
.....



# UPCOMING INNOVATION



Combining the  
#1 Dog Treat and  
#1 Peanut Butter  
Brands



LAUNCHING LATER THIS YEAR

The Delicious Taste of  
**REAL** Peanut Butter  
in a Convenient Bite!





# DOG SNACKS PRIORITIES

**Maximize Everyday Treating  
with Core Offerings**



**Launch Incremental  
Innovation**



**Increase Household Penetration  
with New Treating Occasions**





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Expect to reach  
**annual net sales**  
of

**\$1B**  
in the next 2 years

3% Annual Growth



# #1 IN DRY CAT FOOD

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**Leader in Household Penetration  
& Volume Share**





# MEOW MIX® GROWTH DRIVERS



## BREAKTHROUGH MARKETING

Driving demand, relevance  
& awareness



## ELEVATE CORE OFFERINGS

Optimizing assortment to meet  
customer & consumer needs



## EXPAND INNOVATION

Increase dollars &  
margin per occasion



# DOG SNACKS & CAT FOOD

## ..... SEGMENT PROFIT MARGIN EXPANSION OVER NEXT THE 2 YEARS .....

Growth in High Margin  
Dog Snacks



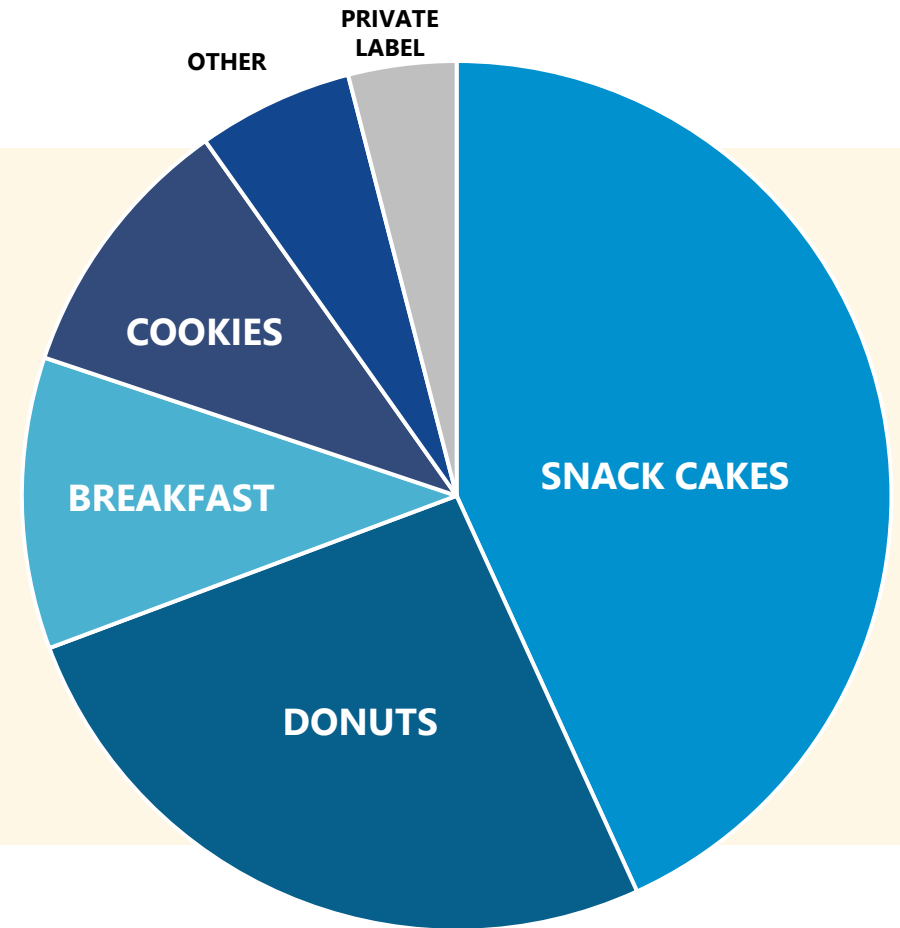
Improved Operating  
Environment for  
Cat Food



Exit Co-Manufacturing  
of Divested Brands



# SWEET BAKED SNACKS



CY23 Net Sales\*





*Video Commercial Playing in Room*

# ACQUISITION STRENGTHENS OUR FINANCIAL PROFILE

Will contribute  
**strong top-line growth**

Significant  
**synergies**

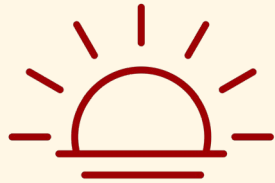
Accretive to  
**margins & earnings growth**

Fiscal year 2025  
**net sales growth**

**Snacking is one of the  
largest & fastest growing categories**



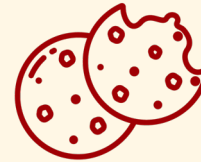
# 5 KEY CONSUMER EATING OCCASIONS



## MORNING SWEET START



## LUNCHBOX SNACK



## AFTERNOON REWARD



## IMMEDIATE CONSUMPTION



## EVENING REWARD

\$ Market

**\$7.1B**

**\$7.9B**

**\$16.3B**

**\$10.8B**

**\$27.2B**

3-year  
CAGR  
20-23

**7.3%**

**8.3%**

**8.1%**

**9.8%**

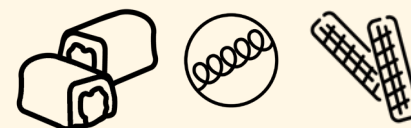
**7.5%**

## \$69 Billion Addressable Market





# CONSUMER SNACKING



**50% eat  
3 or more** snacks a day

**Sweet and indulgent snacks  
are growing faster than  
better for you snacks**

# KEY GROWTH DRIVERS

..... Expect long-term annual net sales  
**growth of approximately 4%** .....



**DRIVING BASE  
VELOCITY**



**BREAKTHROUGH  
INNOVATION**



**EXPAND  
DISTRIBUTION**



**REVENUE  
GROWTH  
MANAGEMENT**



**E-COMMERCE  
ACTIVATION**



# BASE VELOCITY GROWTH

**Increasing advertising by 50%**  
to drive greater household penetration

**Gen Z & Millennial**  
Consumers On-the-Go



**Millennial Parents**  
Juggling it All



**Older Adults**  
In their Prime





# FAMILY SNACKING BEHAVIORS



## Improving Brand Awareness & Attracting New Families

**Over 50%**  
of Americans inherited  
snacking habits  
from their parents

**82% of  
Millennial Parents**  
are interested in finding  
new snacks

# INNOVATION DRIVING GROWTH

## #1 in Innovation

### 9 of the Top 20 New Items in SBG Category



# UPCOMING INNOVATION

## New Products, Flavors & Seasonal Offerings Aligned to Consumer Trends

LAUNCHING  
THIS  
YEAR





# CHANNEL & TDP EXPANSION OPPORTUNITIES

## RETAIL

Expand points of distribution in Grocery, Mass & Club:

- On-Shelf
- In-Aisle Displays
- At Checkout



## AWAY FROM HOME

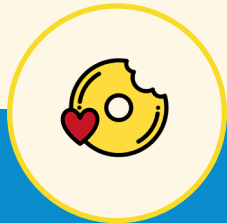
Expand distribution at:

- Universities
- Travel
- Lodging
- Entertainment Venues

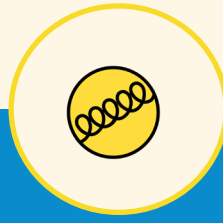
Leveraging our **strategic partnerships**  
& **commercial capabilities**

# REVENUE GROWTH MANAGEMENT & PRICE PACK ARCHITECTURE

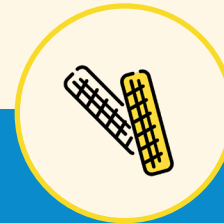
Optimize Sales and Mix



**CHANNELS**



**PACK SIZES**



**OCCASIONS**



.....



# SWEET BAKED SNACKS

..... MULTIPLE GROWTH INITIATIVES  
ACROSS SNACKING OCCASIONS .....



Morning Sweet Start | Lunchbox Snack | Afternoon Reward | Immediate Consumption | Evening Reward

# COMPANY RECOGNITIONS

Supporting our Thriving Together Agenda



**HUMAN RIGHTS CAMPAIGN  
CORPORATE EQUALITY 100 AWARD**



**U.S. ENVIRONMENTAL PROTECTION  
AGENCY GREEN POWER  
PARTNERSHIP TOP 100**



**#2 COMPANY  
IN THE U.S.**



**2024 CAMPUS FORWARD  
AWARD WINNER**



# STRATEGIC PRIORITIES

**DELIVER OUR  
CORE BUSINESS**

**INTEGRATE &  
DELIVER HOSTESS**

**ACHIEVE OUR  
FINANCIAL  
ASPIRATIONS**

.....

Positioned to **deliver long-term growth**  
and **increase shareholder value**



**TUCKER MARSHALL**

Chief Financial Officer



# A STRONG START TO THE FISCAL YEAR

## SALES AND EARNINGS GROWTH

.....

Driven by demand for our iconic brands,  
focus on superior execution and  
disciplined cost management



**SJM**  

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LISTED  

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**NYSE**



THE J.M. SMUCKER Co

# FISCAL 2024 THIRD QUARTER EARNINGS Q&A SESSION

**Tuesday, February 27, 2024 | 9:00 a.m. EST**





# FINANCIAL PRIORITIES

CREATE LONG-TERM **SHAREHOLDER VALUE**

**Active &  
Transparent  
Communication**

**Consistent  
Financial  
Execution**

**Continuous Focus  
on Productivity  
& Cost Control**

**Successful  
Integration of  
Hostess**

**Prioritization of  
Highest-Return  
Opportunities**

**Balanced Capital  
Deployment  
Model**

# TOTAL SHAREHOLDER RETURN

	3-Year CAGR	5-Year CAGR	10-Year CAGR
<b>SJM</b>	<b>6%</b>	<b>7%</b>	<b>6%</b>
Peer Group Avg.	0%	5%	5%
S&P Packaged Foods	2%	4%	4%
S&P 500	10%	14%	13%

**DELIVERING  
LONG-TERM  
GROWTH AND  
SHAREHOLDER  
VALUE**



# LONG-TERM GROWTH TARGETS

**NET SALES**

**LSD**

**ADJUSTED OPERATING  
INCOME**

**MSD**

**ADJUSTED EPS**

**HSD**

**TOTAL SHAREHOLDER  
RETURN**

**10+%**

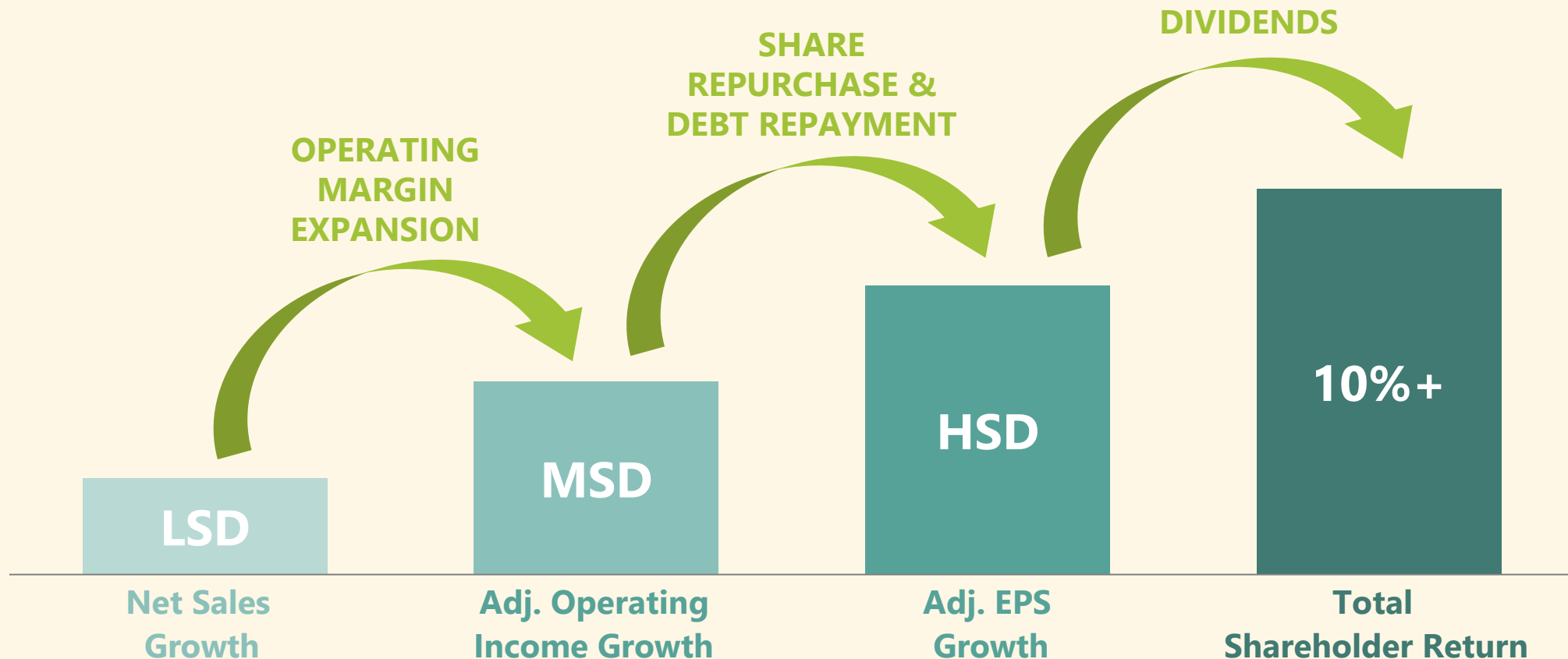






# OUR LONG-TERM OBJECTIVES

..... A steady, compelling and compounding algorithm .....



# NET SALES

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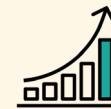
LOW-SINGLE-DIGIT  
Percentage Growth



Strategic investments



Portfolio reshaping activities



Projected category growth

# KEY GROWTH PLATFORMS

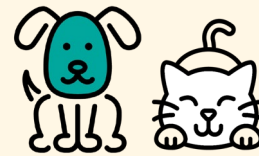
**Coffee Growth  
Brands, K-Cup®  
& Liquid Coffee**



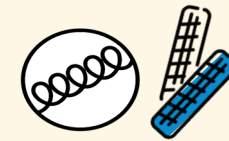
***Smucker's®  
Uncrustables®***



***Milk-Bone®  
& Meow Mix®***



**Sweet Baked  
Snacks  
Segment**

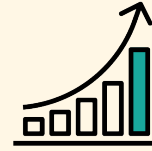




# ADJUSTED OPERATING INCOME

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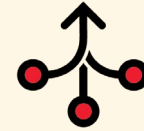
MID-SINGLE-DIGIT  
Percentage Growth



Improved volume/mix



Benefits from transformation efforts



Realization of synergies



Mitigation of stranded overhead



Supply chain improvements

# VOLUME/MIX GROWTH

**DIVESTED  
LOW-MARGIN  
BUSINESSES**



**MARGIN  
ACCRETIVE  
ACQUISITION**



**PRIORITIZE  
FAST GROWTH  
PLATFORMS**



Coffee | Uncrustables® | Pet Snacks



# TRANSFORMATION WORKSTREAMS



**OPERATIONS**



**SUPPLY  
CHAIN**



**PROCUREMENT**



**DESIGN  
TO VALUE**



**SALES**



**SG&A**



**NET REVENUE  
OPTIMIZATION**



**MARKETING**



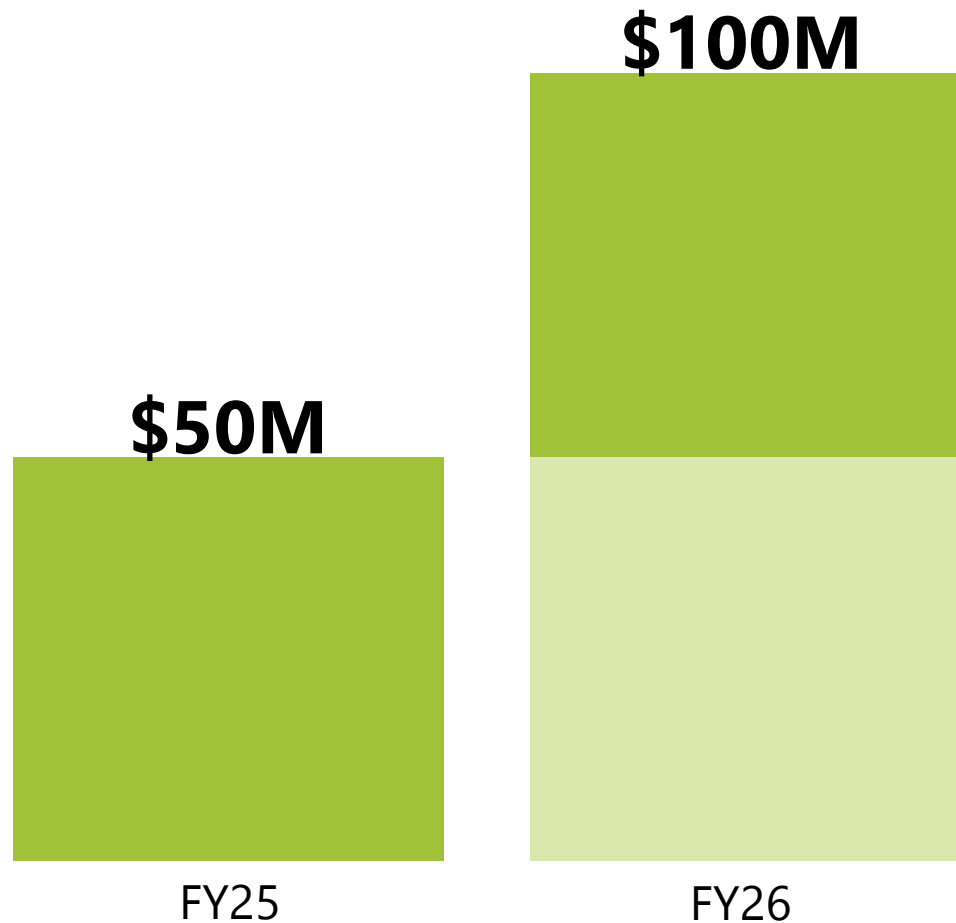
**ACQUISITION  
SYNERGIES**



**STRANDED  
OVERHEAD**



# ACQUISITION SYNERGIES



**\$100M**  
Annual Cost Synergies  
by end of FY26

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**25% Gross Margin**  
**75% SG&A**

# PROFIT IMPROVEMENT



**Mitigate  
Stranded  
Overhead**



**Moderation  
of  
Cost Inflation**



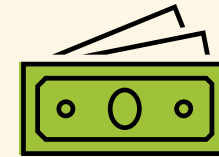
**Improved  
Supply Chain  
& Manufacturing**

# ADJUSTED EARNINGS PER SHARE

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HIGH-SINGLE-DIGIT  
Percentage Growth

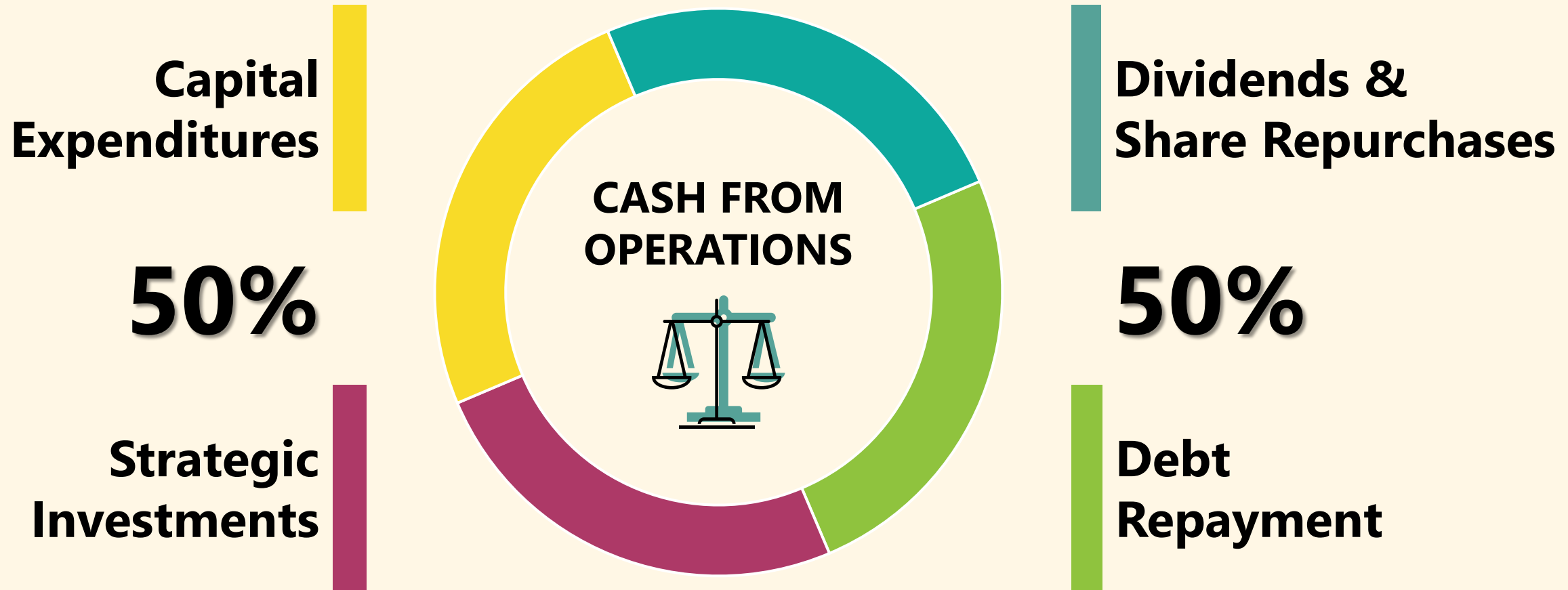
## Capital Deployment Model Drives Growth



Debt Paydown | Share Repurchases



# BALANCED CAPITAL DEPLOYMENT MODEL

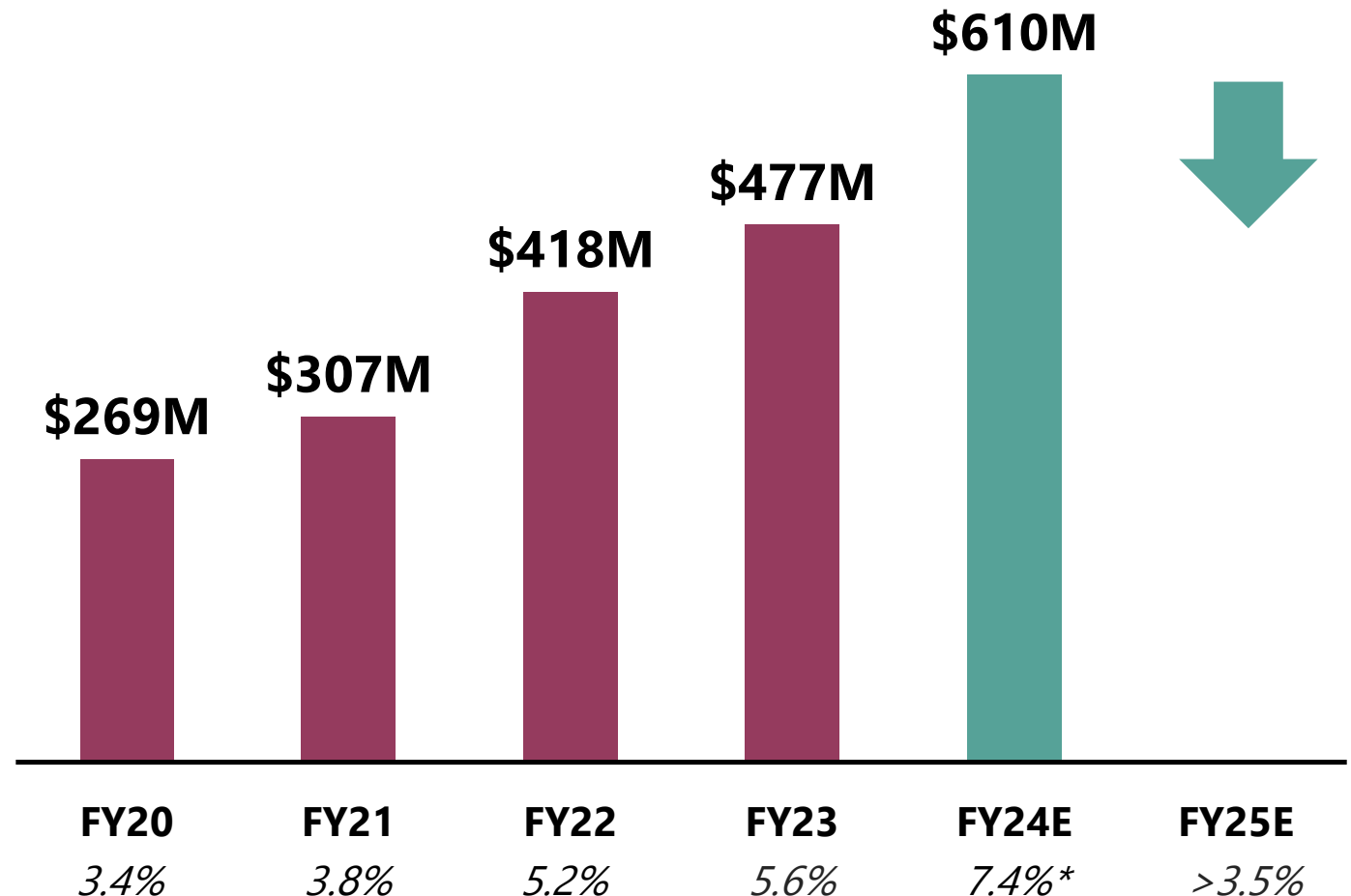


# CAPITAL EXPENDITURES

**LONG-TERM  
OBJECTIVE**  
**3.5% OF NET SALES**

**NEAR TERM ELEVATION  
DUE TO *UNCRUSTABLES*<sup>®</sup>  
CAPACITY EXPANSION**

*% of NS*



# DEBT PROFILE

**Maintain Investment  
Grade Debt Rating**

**2.5x - 3.0x**

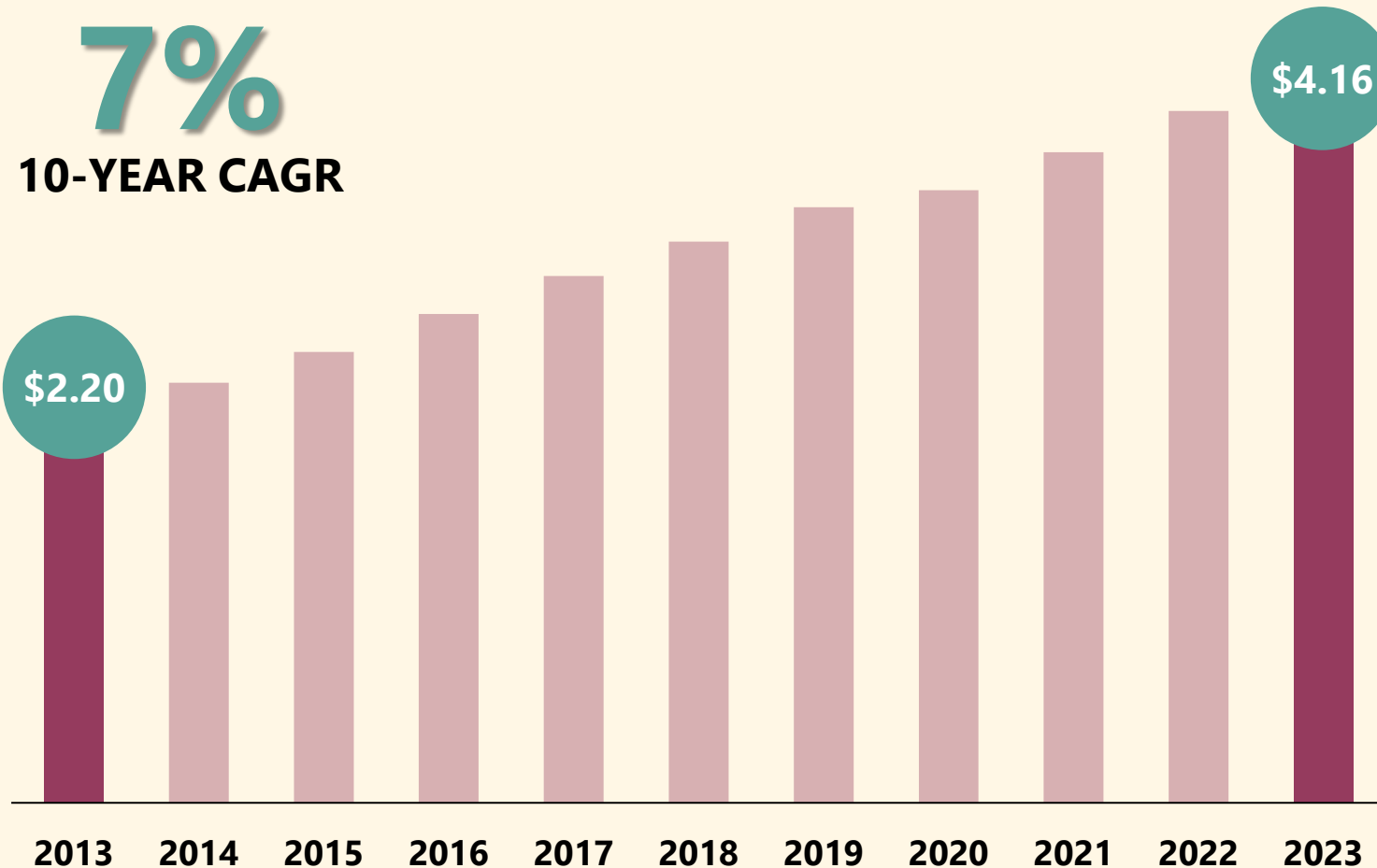
Target Debt Leverage Ratio

**3.0x**

**Net Debt to EBITDA  
by end of FY27**

**\$500M of debt repayments  
each of the next three fiscal years**

# DIVIDEND GROWTH



**26**  
CONSECUTIVE YEARS  
OF GROWTH

**40-45%**  
ADJUSTED EPS  
PAYOUT TARGET

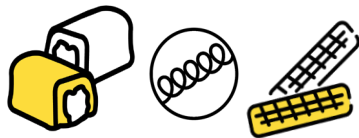


# FY25 TOP-LINE CONSIDERATIONS

## TAILWINDS

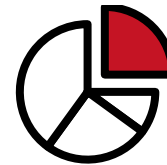


Continued  
**Brand Momentum**



**Full Year of Net Sales**  
from Hostess

## HEADWINDS



Lapping Net Sales  
from **Divestitures**



Reduced **Contract**  
**Manufacturing** Sales



**Inflationary pressures**  
impacting consumers

# FY25 BOTTOM-LINE CONSIDERATIONS

## BASE BUSINESS

- + Volume and mix benefits
- + Stabilization in supply chain and manufacturing environments
- + Cost and productivity benefits
- ? Key commodity and ingredient costs
- Marketing investments to support growth
- Stranded overhead impact

## HOSTESS ACQUISITION

- + Full year of ownership and business growth
- + Approximately \$50 million in synergies
- Additional interest expense and total shares outstanding



**STRONG  
BUSINESS  
MOMENTUM**

**CONFIDENT  
IN OUR  
STRATEGY**

**CONTINUE  
GROWTH ACROSS  
THE PORTFOLIO**



Positioned to **deliver long-term growth**  
and **increase shareholder value**



THE J.M. SMUCKER Co

CAGNY

CONFERENCE

2024





# FORWARD-LOOKING STATEMENTS

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This press release 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 press release, which could cause actual results to differ materially from those expressed, include: the Company's ability to successfully integrate Hostess Brands' operations and employees and to implement plans and achieve financial forecasts with respect to the Hostess Brands' business; the Company's ability to realize the anticipated benefits, including synergies and cost savings, related to the Hostess Brands acquisition, including the possibility that the expected benefits will not be realized or will not be realized within the expected time period; disruption from the acquisition of Hostess Brands by diverting the attention of the Company's management and making it more difficult to maintain business and operational relationships; the negative effects of the acquisition of Hostess Brands on the market price of the Company's common shares; the amount of the costs, fees, expenses, and charges and the risk of litigation related to the acquisition of Hostess Brands; the effect of the acquisition of Hostess Brands on the Company's business relationships, operating results, ability to hire and retain key talent, and business generally; the effect of the sale of certain pet food brands on the Company's ability to retain key personnel and to maintain relationships with customers, suppliers, and other business partners; disruptions or inefficiencies in the Company's operations or supply chain, including any impact caused by product recalls, political instability, terrorism, armed hostilities (including the ongoing conflict between Russia and Ukraine), extreme weather conditions, natural disasters, pandemics (including the novel coronavirus), work stoppages or labor shortages, or other calamities; risks related to the availability, and cost inflation in, supply chain inputs, including labor, raw materials, commodities, packaging, and transportation; the impact of food security concerns involving either the Company's products or its competitors' products, including changes in consumer preference, consumer litigation, actions by the U.S. Food and Drug Administration or other agencies, and product recalls; 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; the ability to achieve cost savings related to restructuring and 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 to meet our deleveraging objectives, dividend payments, and share repurchases; a change in outlook or downgrade in the Company's public credit ratings by a rating agency below investment grade; 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 Company's ability to attract and retain key talent; 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 the 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; the outcome of tax examinations, changes in tax laws, and other tax matters; a disruption, failure, or security breach of the Company or their suppliers' information technology systems, including, but not limited to, ransomware attacks; 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 FINANCIAL MEASURES

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The Company uses non-GAAP financial measures, including: net sales excluding divestitures and foreign currency exchange; adjusted gross profit; adjusted operating income; adjusted income; adjusted earnings per share; earnings before interest, taxes, depreciation, amortization, impairment charges related to intangible assets, and gains and losses on divestitures ("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 financial 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; certain divestiture, acquisition, integration, and restructuring costs ("special project costs"); gains and losses on divestitures; the net change in cumulative unallocated gains and losses on commodity and foreign currency exchange derivative activities ("change in net cumulative unallocated derivative gains and losses"); and other infrequently occurring 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, such as unfavorable permanent tax impacts associated with the acquisition of Hostess Brands, 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 facilitate 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 year 2024 outlook.

# ADDITIONAL INFORMATION

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The J. M. Smucker Co. is the owner of all trademarks referenced herein, except for *Dunkin'*<sup>®</sup>, which is a trademark of DD IP Holder LLC. The *Dunkin'*<sup>®</sup> brand is licensed to The J.M. Smucker Co. for packaged coffee products sold in retail channels, such as grocery stores, mass merchandisers, club stores, e-commerce and drug stores, as well as in certain away from home channels. This information does not pertain to products for sale in *Dunkin'*<sup>®</sup> restaurants.

K-Cup<sup>®</sup> is a trademark of Keurig Green Mountain, Inc., used with permission.

# ADDITIONAL INFORMATION

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## **Aaron Broholm**

Vice President, Investor Relations

[ir.team@jmsmucker.com](mailto:ir.team@jmsmucker.com)

Phone: (330) 682-3000

## **Investor Relations Website:**

<https://investors.jmsmucker.com/>

