



The J. M. Smucker Company

Fourth Quarter Fiscal 2016 Earnings Conference Call
Supplementary Information

June 9, 2016



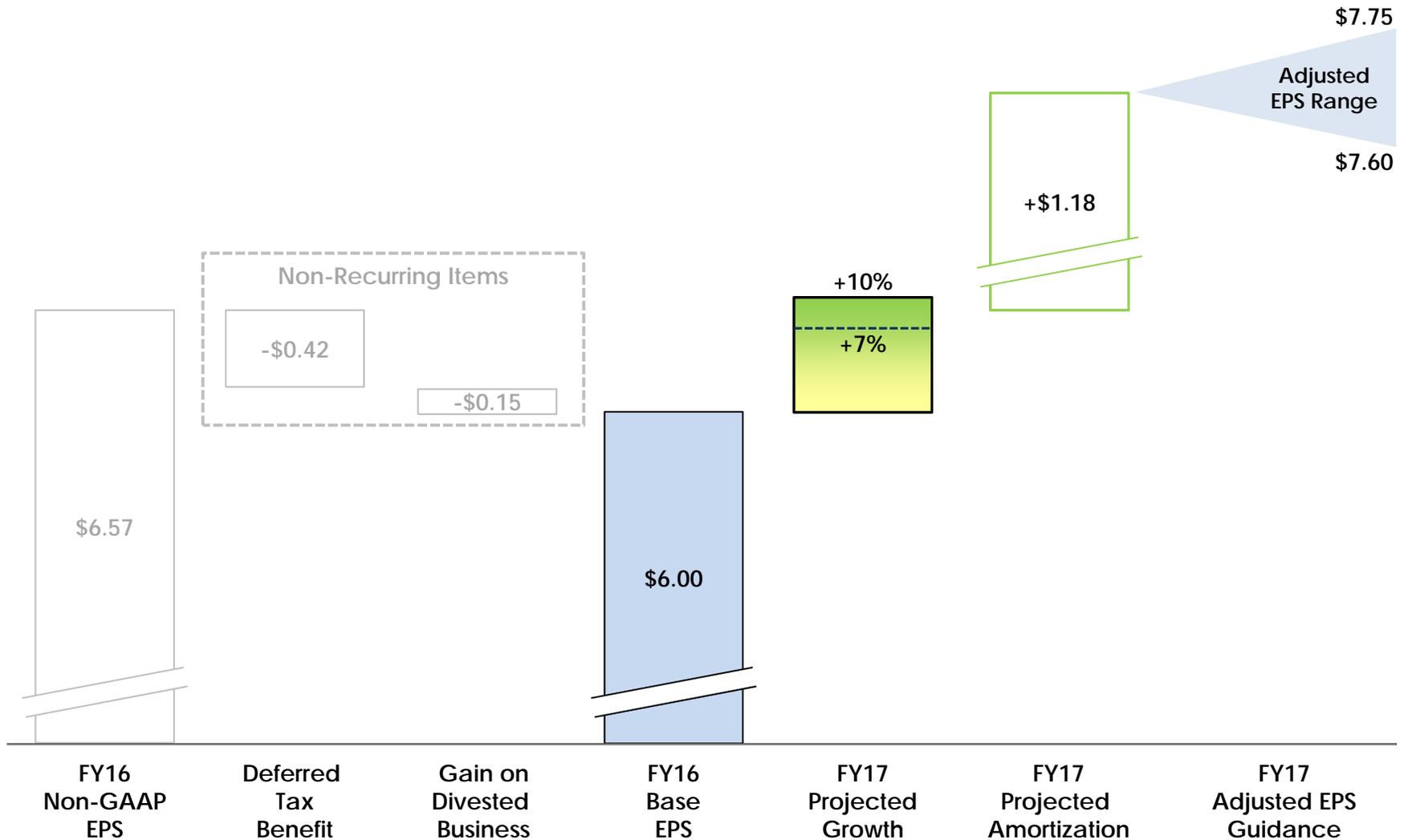
Fiscal 2017 Outlook



Net sales* (YoY change)	-1%
Net sales excluding impact of divested business (YoY change)	+1%
Adjusted non-GAAP income per diluted share	\$7.60 - \$7.75
Free cash flow	\$1.0B
Capital expenditures	\$240M
Effective tax rate	34.0%

*Net sales decline reflects the divestiture of the U.S. canned milk business on December 31, 2015

Fiscal 2017 Adjusted EPS Bridge



Amortization Expense by Segment



Beginning in fiscal 2017, we are transitioning to a non-GAAP earnings per share metric which excludes noncash intangible amortization. Amortization expense will also be removed from our definition of segment profit, non-GAAP operating income, and non-GAAP income.

A Form 8-K will be filed later this quarter to recast prior year segment results to reflect the change. The following is a breakdown of fiscal 2016 full year amortization expense by segment:

U.S. Retail Pet Foods	49%
U.S. Retail Coffee	37%
International and Foodservice	11%
U.S. Retail Consumer Foods	3%

Forward-Looking Statement



This presentation contains forward-looking statements, such as projected net sales, operating results, earnings, and cash flows, which 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 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 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 acquisitions, divestiture, and foreign currency exchange; non-GAAP income per diluted share; adjusted non-GAAP income per diluted share; 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 that are each nonrecurring in nature and can significantly affect the year-over-year assessment of operating results. Unallocated derivative gains and losses reflect the changes in fair value of the Company's commodity and foreign currency exchange contracts and also affect comparability on a year-over-year basis. Adjusted non-GAAP income per diluted share further excludes the noncash impact of intangible amortization. The Company believes this provides investors an additional metric to evaluate performance and the ability to generate cash necessary to achieve its deleveraging objectives. 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 is included in the following slides. 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 our website at jmsmucker.com/investor-relations.

Non-GAAP Reconciliation



(\$ in millions, except per share data)	<u>Year Ended April 30, 2016</u>
Net income reconciliation:	
Net income	\$ 688.7
Income tax expense	289.2
Unallocated derivative gains	(12.0)
Cost of products sold – special project costs	12.2
Other special project costs	135.9
Non-GAAP income before income taxes	<u>\$ 1,114.0</u>
Income tax expense, as adjusted	329.4
Non-GAAP income	<u>\$ 784.6</u>
Weighted-average shares outstanding – assuming dilution	119,477,312
Non-GAAP income per common share – assuming dilution	<u>\$ 6.57</u>

Non-GAAP Reconciliation



Company Guidance

	Year Ending April 30, 2017	
	Low	High
Net income per common share – assuming dilution reconciliation:		
Net income per common share – assuming dilution	\$ 5.85	\$ 6.00
Special project costs	0.57	0.57
Amortization	1.18	1.18
Adjusted non-GAAP income per common share – assuming dilution	\$ 7.60	\$ 7.75

	Year Ending April 30, 2017 (\$ in millions)
Free cash flow reconciliation:	
Net cash provided by operating activities	\$ 1,240
Additions to property, plant, and equipment	(240)
Free cash flow	\$ 1,000