The J. M. Smucker Company

Third Quarter Fiscal 2018 Earnings

SUPPLEMENTARY INFORMATION

February 16, 2018

Consolidated Results

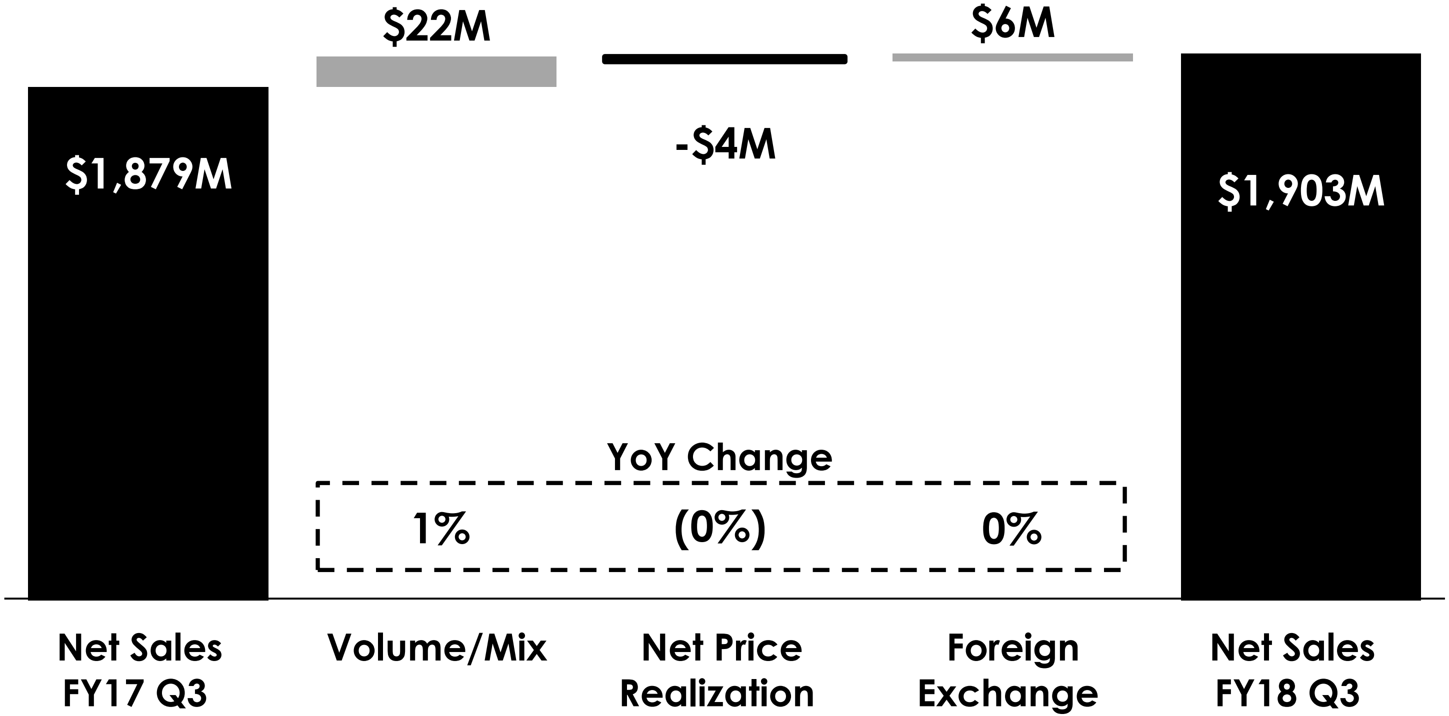
($ in millions, except per share data)	FY18 Q3	FY17 Q3	YoY Change
Net Sales	$1,903	$1,879	1%
Adjusted Gross Profit	$732	$723	1%
Adjusted Gross Profit Margin	38.4%	38.5%	-10bps
Adjusted Operating Income	$400	$383	4%
Adjusted Operating Income Margin	21.0%	20.4%	+60bps
Adjusted EPS (As Reported)*	$2.50	$2.00	25%
Adjusted EPS (Excluding Current Year Benefit of Lower Tax Rate)**	$2.15	$2.00	8%

*Excludes the nonrecurring net tax benefit due to U.S. income tax reform

**Further excludes the benefit of a lower current year tax rate due to U.S. income tax reform

Consolidated Results

Net Sales Analysis



Note: Amounts may not add due to rounding

Consolidated Results

Balance Sheet/Cash Flow Highlights

($ in millions)	**FY18 Q3**	**FY17 Q3**
Cash from Operations	$469	$420
Capital Expenditures	(80)	(53)
Free Cash Flow	$389	$367
	January 31, 2018	**April 30, 2017**
Total Debt (Gross)	$4,943	$5,399
EBITDA (as adjusted, TTM)	$1,576	$1,594
Gross Debt/EBITDA (TTM)	3.1x	3.4x

Note: Amounts may not add due to rounding

Segment Results – FY18 Q3

($ in millions)	COFFEE	CONSUMER FOODS	PET FOODS	INT'L & AWAY FROM HOME
Net Sales	$551	$512	$562	$279
YoY Change	2%	(1%)	2%	2%
YoY Change Summary:				
Volume/Mix	3%	(3%)	3%	2%
Net Price Realization	(0%)	2%	(1%)	(1%)
Foreign Currency Exchange	-	-	-	2%
Segment Profit	$182	$121	$118	$53
YoY Change	6%	2%	(7%)	16%
Segment Profit Margin	33.1%	23.7%	21.0%	18.8%
YoY Change	+110bps	+70bps	-190bps	+210bps

Note: Amounts may not add due to rounding

Full-Year Fiscal 2018 Outlook

	Current	Previous
Adjusted EPS	\$8.20 - \$8.30	\$7.75 - \$7.90
Free Cash Flow	\$825M	\$775M
Capital Expenditures	\$310M	\$310M
Adjusted Effective Tax Rate	28.0%	32.5% - 33.0%

Net sales are expected to be flat to down slightly compared to the prior year.

Note: Outlook excludes any potential impact following completion of the previously announced agreement to acquire the *Wesson®* brand

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 cost savings related to the organization optimization and cost management programs in the amounts and within the time frames currently anticipated; the ability to satisfy the closing conditions for the *Wesson*® transaction, including receipt of required regulatory approvals; the ability to generate sufficient cash flow to meet the Company's cash deployment 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 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; 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 foreign currency exchange; adjusted gross profit, operating income, income, and 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 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 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"). The special project costs relate to specific 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. During the third quarter of 2018, the Company expanded its non-GAAP measures to also exclude certain one-time discrete tax adjustments. These adjustments include the provisional effect of the one-time items associated with U.S. income tax reform, which includes certain discrete adjustments related to the U.S. deferred tax assets and liabilities remeasurement and transition tax. Also included in the one-time discrete tax adjustments is the permanent tax difference related to the goodwill impairment charge that was recorded during the third quarter of 2018. The Company believes that excluding these one-time discrete tax adjustments in its non-GAAP measures provides comparability across the periods presented and better reflects the benefit of a lower blended U.S. statutory tax rate on its current year earnings as a result of the U.S. income tax reform. 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 2018 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.

Non-GAAP Reconciliation

($ in millions)	Three Months Ended January 31,	
	2018	2017
Gross profit reconciliation:		
Gross profit	$ 728.5	$ 722.9
Unallocated derivative losses (gains)	0.7	(0.8)
Cost of products sold – special project costs	2.3	0.5
Adjusted gross profit	$ 731.5	$ 722.6
Operating income reconciliation:		
Operating income	$ 162.7	$ 237.7
Amortization	51.6	51.7
Impairment charges	176.9	75.7
Unallocated derivative losses (gains)	0.7	(0.8)
Cost of products sold – special project costs	2.3	0.5
Other special project costs	5.6	18.0
Adjusted operating income	$ 399.8	$ 382.8

Non-GAAP Reconciliation

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

	Three Months Ended January 31, 2018	Three Months Ended January 31, 2017
Net income reconciliation:		
Net income	$ 831.3	$ 134.6
Income tax expense (benefit)	(715.3)	63.0
Amortization	51.6	51.7
Impairment charges	176.9	75.7
Unallocated derivative losses (gains)	0.7	(0.8)
Cost of products sold – special project costs	2.3	0.5
Other special project costs	5.6	18.0
Adjusted income before income taxes	$ 353.1	$ 342.7
Income taxes, as adjusted	69.4	109.9
Adjusted income	$ 283.7	$ 232.8
Weighted-average common shares outstanding	113.0	115.9
Weighted-average participating shares outstanding	0.6	0.5
Total weighted-average shares outstanding	113.6	116.4
Dilutive effect of stock options	-	0.1
Total weighted-average shares outstanding – assuming dilution	113.6	116.5
Adjusted earnings per share – assuming dilution	$ 2.50	$ 2.00

Non-GAAP Reconciliation

($ in millions)	Three Months Ended					Year Ended
	April 30, 2017	July 31, 2017	October 31, 2017	January 31, 2018	TTM	April 30, 2017
EBITDA (as adjusted) reconciliation:						
Net income	$ 110.4	$ 126.8	$ 194.6	$ 831.3	$ 1,263.1	$ 592.3
Income tax expense (benefit)	51.5	62.2	97.2	(715.3)	(504.4)	286.1
Interest expense - net	40.3	42.0	41.6	43.1	167.0	163.1
Depreciation	52.1	54.5	50.6	52.1	209.3	211.7
Amortization	52.1	51.5	51.6	51.6	206.8	207.3
Impairment charges	57.5	-	-	176.9	234.4	133.2
EBITDA (as adjusted)	$ 363.9	$ 337.0	$ 435.6	$ 439.7	$ 1,576.2	$ 1,593.7

Non-GAAP Reconciliation

Company Guidance

($ in millions, except per share data)	Year Ending April 30, 2018			
	Low		High	
Net income per common share – assuming dilution reconciliation:				
Net income per common share – assuming dilution	$	11.78	$	11.88
Special project costs		0.41		0.41
Amortization		1.27		1.27
Impairment charges		1.48		1.48
U.S. income tax reform		(6.74)		(6.74)
Adjusted earnings per share – assuming dilution	$	8.20	$	8.30
Free cash flow reconciliation:				
Net cash provided by operating activities	$	1,135		
Additions to property, plant, and equipment		(310)		
Free cash flow	$	825		

The J. M. Smucker Company

Additional Information:

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