

# Ainsworth Transaction Summary



**Ainsworth Pet Nutrition, LLC** (“Ainsworth”) is a leading producer, distributor, and marketer of premium pet food and pet snacks, predominately within the United States. Approximately two-thirds of Ainsworth’s sales are generated by its Rachael Ray™ Nutrish® brand (“Nutrish”), which has driven much of the incremental growth in the premium pet food segment. Ainsworth also sells pet food and pet snacks under several additional branded and private label trademarks, including Dad’s™ and Better Than!™ brands.

ESTIMATED FINANCIAL BENEFITS	MANUFACTURING LOCATIONS + EMPLOYEES	KEY BRANDS ACQUIRED
<p><b>NET SALES</b>  <b>\$800 million</b></p> <p><b>ADJUSTED EBITDA</b>  <b>\$110 million</b></p> <p><i>Smucker's estimate for financial results in the first full year after closing the transaction</i></p>	<p><b>MANUFACTURING FACILITIES IN</b></p> <p><b>Meadville, Pennsylvania</b>  <b>Frontenac, Kansas</b></p> <p><b>Over 700 Ainsworth employees</b></p> <p>will join the Company in conjunction with the transaction</p>	<p><b>RACHAEL RAY™</b>  <b>NUTRISH®</b></p> <p><b>Better Than!</b>  <i>the smarter choice</i></p> <p><b>DAD'S™</b>  <i>From Local Family Farms</i></p>

## EXISTING SMUCKER PET PORTFOLIO



## MARKET POSITION

- #1** IN PET SNACKS
- #2** IN CAT FOOD
- #3** IN DOG FOOD

*Source: IRI Syndicated data for the 52 weeks ended February 25, 2018.*

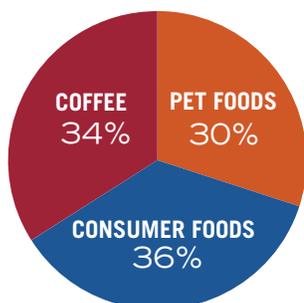
## STRATEGIC RATIONALE

Pet food and snacks has become the largest center-of-the-store category in the U.S. Food and Beverage market, generating over \$30 billion in annual retail sales across all channels, and remains one of the fastest-growing categories. This acquisition and the addition of the high-growth Nutrish brand will increase the scale and further accelerate the growth profile of the Company’s current pet food business. Adding Ainsworth’s complementary, strongly-performing pet brands will strengthen the Company’s presence in the higher growth premium segment of the pet food and pet snacks category.

## TRANSACTION DETAILS

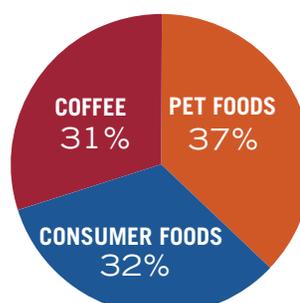
- All-cash transaction, which the Company will fund with debt, is valued at \$1.9 billion prior to an expected tax benefit related to the acquisition with a present value of approximately \$200 million
- After factoring in estimated tax benefit and anticipated annual cost synergies of \$55 million, the purchase price represents a multiple of approximately 12 times EBITDA
- The Company expects to incur approximately \$50 million in one-time costs related to the acquisition, the majority of which are expected to be cash charges
- The transaction is expected to close early in the Company’s fiscal year beginning May 1, 2018, subject to customary closing conditions including receipt of required regulatory approvals

### SMUCKER PROJECTED FY18 NET SALES: \$7.4B



*Excludes the Ainsworth acquisition. Reflects Company guidance as of Feb. 16, 2018.*

### SMUCKER PRO FORMA: \$8.2B



*With full year of projected Ainsworth sales.*

## About The J. M. Smucker Company

For 120 years, The J. M. Smucker Company has been committed to offering consumers quality products that bring families together to share memorable meals and moments. Today, Smucker is a leading marketer and manufacturer of consumer food and beverage products and pet food and pet snacks in North America. In consumer foods and beverages, its brands include *Smucker's*®, *Folgers*®, *Jif*®, *Dunkin' Donuts*®, *Crisco*®, *Pillsbury*®, *R.W. Knudsen Family*®, *Hungry Jack*®, *Café Bustelo*®, *Martha White*®, *truRoots*®, *Sahale Snacks*®, *Robin Hood*®, and *Bick's*®. In pet food and pet snacks, its brands include *Meow Mix*®, *Milk-Bone*®, *Kibbles 'n Bits*®, *Natural Balance*®, and *9Lives*®. The Company remains rooted in the Basic Beliefs of Quality, People, Ethics, Growth, and Independence established by its founder and namesake more than a century ago. For more information about the Company, visit [jmsmucker.com](http://jmsmucker.com).

The J. M. Smucker Company is the owner of all trademarks referenced herein, except for the following, which are used under license: *Pillsbury*® is a trademark of The Pillsbury Company, LLC, and *Dunkin' Donuts*® is a registered trademark of DD IP Holder LLC.

*Dunkin' Donuts*® brand is 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 *Dunkin' Donuts*® coffee or other products for sale in *Dunkin' Donuts*® restaurants.

## The J. M. Smucker Company Forward-Looking Statements

This summary document 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 summary document, which could cause actual results to differ materially from those expressed, include: the ability of the parties to satisfy closing conditions for the Ainsworth transaction, including receipt of required regulatory approvals, without unexpected delays or conditions; the ability to successfully integrate the acquired Ainsworth business in a timely and cost-effective manner; the ability to achieve cost efficiencies in the amounts and within the time frames currently anticipated and to effectively manage the related one-time costs; the ability to obtain required financing on a timely basis and on acceptable terms; the ability to maintain an investment grade credit rating; the ability to generate sufficient cash flow to meet deleveraging objectives; volatility of commodity, energy, and other input costs; risks associated with derivative and purchasing strategies employed to manage commodity pricing risks; the ability to implement and realize the full benefit of price changes that are intended to ultimately fully recover costs; general competitive activity in the market, including competitors' pricing practices and promotional spending levels; the loss of significant customers, a substantial reduction in orders from these customers, or the bankruptcy of any such customer; impairments in the carrying value of goodwill, other intangible assets, or other long-lived assets or changes in useful lives of other intangible assets; 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.

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