

SMUCKER (J.M.) CO. NYSE-SJM										RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO		DIV'D YLD	VALUE LINE								
										97.98	16.3 (Trailing: 17.1 Median: 16.0)		0.96		2.6%									
TIMELINESS 3 Raised 6/13/14										High: 46.8	53.5	51.7	50.0	64.3	56.7	62.7	66.3	80.3	89.4	114.7	107.7	Target Price Range		
SAFETY 1 Raised 5/1/09										Low: 33.0	40.8	43.6	37.2	46.6	37.2	34.1	53.3	61.2	70.5	86.5	87.1	2017 2018 2019		
TECHNICAL 2 Raised 9/12/14										LEGENDS — 12.0 x "Cash Flow" p sh Relative Price Strength Options: Yes Shaded area indicates recession										200				
BETA .70 (1.00 = Market)																				160				
2017-19 PROJECTIONS																				100				
																				80				
																				60				
																				40				
																				20				
																				0				
																				% TOT. RETURN 9/14				
																				THIS STOCK INDEX				
																				1 yr. -3.5 9.5				
																				3 yr. 45.8 84.2				
																				5 yr. 111.1 104.4				
																				VL ARITH. INDEX				
																				17-19				
																				© VALUE LINE PUB. LLC				
																				73.40				
																				11.70				
																				8.25				
																				3.00				
																				2.40				
																				68.35				
																				94.00				
																				16.5				
																				1.05				
																				2.2%				
																				6900				
																				22.5%				
																				315				
																				785				
																				33.0%				
																				11.4%				
																				1075				
																				2225				
																				6425				
																				9.5%				
																				12.0%				
																				8.0%				
																				36%				
CAPITAL STRUCTURE as of 7/31/14																								
Total Debt \$1881.1 mill. Due in 5 Yrs 415.2 mill.																								
LT Debt \$1881.1 mill. LT Interest \$89.0 mill.																								
(Long-term interest coverage: 11.3x)																								
(27% of Cap'l)																								
Leases, Uncapitalized Annual rentals \$24.0 mill.																								
Pension Assets-4/14 \$402.1 mill.																								
Oblig. \$542.3 mill.																								
Pfd Stock None																								
Common Stock 101,817,341 shs.																								
as of 8/22/14																								
MARKET CAP: \$10.0 billion (Large Cap)																								
CURRENT POSITION (\$MILL.)																								
Cash Assets																								
Receivables																								
Inventory (FIFO)																								
Other																								
Current Assets																								
Accts Payable																								
Debt Due																								
Other																								
Current Liab.																								
ANNUAL RATES																								
of change (per sh)																								
10 Yrs.																								
5 Yrs.																								
Est'd '11-'13																								
to '17-'19																								
Sales																								
"Cash Flow"																								
Earnings																								
Dividends																								
Book Value																								
Fiscal Year Begins																								
QUARTERLY SALES (\$ mill.) A																								
Jul.31																								
Oct.31																								
Jan.31																								
Apr.30																								
Full Fiscal Year																								
2011																								
2012																								
2013																								
2014																								
2015																								
EARNINGS PER SHARE A B																								
Jul.31																								
Oct.31																								
Jan.31																								
Apr.30																								
Full Fiscal Year																								
2011																								
2012																								
2013																								
2014																								
2015																								
Cal-endar																								
QUARTERLY DIVIDENDS PAID C																								
Mar.31																								
Jun.30																								
Sep.30																								
Dec.31																								
Full Year																								
2010																								
2011																								
2012																								
2013																								
2014																								

(A) FY ends April 30th of the following calendar year. (B) Dil. Egs. Excl. nonrecur./disc. loss: '99, 34c; '00, 9c; '01, 13c; '02, 17c; '03, 19c; '04, 36c; '05, 20c; '06, 13c; '07, 15c; '08, 65c; '09, 22c; '10, 74c; '11, 67c; '12, 37c; '13, 22c; '14 Q1, 20c. Egs. may not sum due to share change. Next rpt. due mid-Nov. (C) Div'd paid in Mar., June, Sept., Dec. = Div'd reinvest. plan

avail. Paid \$5-a-shr. spl. div'd., 10/08. (D) Incl. intang. In FY '13: \$60.20/sh. (E) In Mil. (F) Acq. Int'l Multifoods. (G) Merged with Folgers.

cost-conscious consumers, which has been effected by slow wage growth, has forced Smucker's (and its competitors) to aggressively promote their products and invest heavily in product innovation. Such actions have limited margin expansion and capped earnings growth the last few quarters. One arena where competition is stout is the coffee category, as Folgers competes against Kraft's *Maxwell House* and Italy-based Massimo Zanetti Beverage Group's *Chock Full of Nuts*. Too, Kraft recently inked an agreement to be the retailer of McDonald's *McCafe* coffee line, which will compete with Smucker's *Dunkin Donuts* coffee line. That said, **These high-quality shares remain of interest to conservative, income-oriented investors, especially given the recent elevated market volatility.** Smucker stock carries excellent marks for Safety and Price Stability, as well as a low Beta. Too, the yield is slightly above average and the payout is well secured, given Smucker's strong balance sheet (debt-to-total capital remains below 30%) and significant cash flow generation.

William G. Ferguson October 24, 2014

Company's Financial Strength	+++
Stock's Price Stability	95
Price Growth Persistence	85
Earnings Predictability	100