

J.M. Smucker's Company (SJM)



- Drilona Aliu
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Historical Background

- ◉ Founded in 1897 by Jerome Monroe Smucker.
- ◉ Headquarters : [Orrville, Ohio](#)
- ◉ Sold his first product [apple butter](#) from the back of a horse-drawn wagon.
- ◉ U.S., Europe, and Canada
- ◉ 4,700 full time employees

Products

- Fruit spreads
- Ice cream toppings
- Health and natural foods
- Beverages
- Shortening
- Natural peanut butter



First Smucker's product

Product Lines

- Smucker's
- Jif
- Crisco
- Pillsbury
- Eagle Brand
- R.W. Knudsen Family
- Hungry Jack
- White Lily and Martha White



Current News

- Rise in second-quarter profit, helped by 52% revenue growth and higher margins, both led by Folgers Coffee Co. acquisition.
- Excluding merger and integration costs related to Folgers, profit was \$1.22 per share
- Lower raw ingredient prices.
- Recession: Eating at home more.

Current News

◎ 2008 Acquisitions

- Knott's Berry Farm (jams, jellies, and preserves)
- Europe's Best (frozen fruit and vegetables)
(Canada)
- Carnation - Canadian brand (milk products)
(Canada)
- Folgers Coffee Company (coffee products)

Historical Data

- ◉ Net Income Increased 10yr
- ◉ Cash is consistent (2009 is the exception)
- ◉ Depreciation is gradually increasing
- ◉ Free Cash flow increased

J.M. Smucker's Company

- ◉ Bulldog Investment Spreadsheet (J.M. Smucker's)
- ◉ Guru Focus (J.M. Smuckers)

Default

Scenario or 'What If' Analysis

SJM J.M. Smucker Company Symbol Details Print Save Image Save Load Default Safety

Industry: Processed_Packaged Goods Market: USA

Earnings Per Share (EPS)											EPSttm	Years	HGROWTH	STAEGR™		
4/01	4/02	4/03	4/04	4/05	4/06	4/07	4/08	4/09			3.270	6	Calc	8.07%	98.04%	
1.230	1.240	2.020	2.210	2.240	2.450	2.760	3.000	3.120								

Sales Per Share											Chart	Years	HGROWTH	STAEGR™	
4/01	4/02	4/03	4/04	4/05	4/06	4/07	4/08	4/09			6	Calc	4.17%	87.99%	
26.735	27.630	26.358	28.242	34.914	37.836	37.831	46.222	31.598							

Net Profit Margin (NPM)											Current NPM	
4/01	4/02	4/03	4/04	4/05	4/06	4/07	4/08	4/09			7.08	Chart
4.86	4.49	7.34	7.86	6.32	6.65	7.32	6.75	7.08				

Return on Equity (ROE)											Current ROE	
4/01	4/02	4/03	4/04	4/05	4/06	4/07	4/08	4/09			5.40	Chart
12.80	11.00	8.60	9.20	7.60	8.30	8.80	9.50	5.40				

Price Earnings Ratio (PE Ratio)											Current	Current PE			
4/01	4/02	4/03	4/04	4/05	4/06	4/07	4/08	4/09			16.93	High	16.41	Chart	
24.90	32.20	20.90	24.20	23.70	20.80	20.80	21.40	18.20							
13.60	20.40	14.20	16.10	18.20	15.20	14.20	14.30	10.90			10.43	Low			

Price											Current	Current Price			
4/01	4/02	4/03	4/04	4/05	4/06	4/07	4/08	4/09			55.36	High	53.67	Chart	
30.69	39.93	42.25	53.50	53.12	51.04	57.43	64.32	55.36							
16.67	25.29	28.71	35.64	40.80	37.15	39.11	42.75	34.09			34.09	Low			

Payout Ratio (PR)											Current PR	
4/01	4/02	4/03	4/04	4/05	4/06	4/07	4/08	4/09			40	Chart
52	52	38	42	45	44	41	40	40				

STRETD®

current year 18 Nov 2009 Price 53.67

Dividend Reinvestment Strategy

Buy additional shares

Invest at the rate below

Note: PE Ratio is ave of last 4 yrs

EPSttm	3.270
PE Ratio	16.35
HGrowth	8.07 %
Payout	40 %

Investment Period years Tax - dividends %

Tax - capital gains %

Calculate per year Sync with TARG

TARGD®

current year Req Return 10.1 %

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Calculate Sync with STRET

Kill it

Scenario or 'What If' Analysis

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STRETD®

current year 18 Nov 2009 Price

Dividend Reinvestment Strategy

Buy additional shares

Invest at the rate below

Note: PE Ratio is ave of last 4 yrs

EPSttm	<input type="text" value="3.270"/>
PE Ratio	<input type="text" value="10"/>
HGrowth	<input type="text" value="4"/> %
Payout	<input type="text" value="40"/> %

Investment Period years Tax - dividends %

Tax - capital gains %

Calculate per year Sync with TARG

TARGD®

current year Req Return %

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PE Ratio	<input type="text" value="13.95"/>
HGrowth	<input type="text" value="3.89"/> %
Payout	<input type="text" value="201"/> %

Investment Period years Tax - dividends %

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Calculate Sync with STRET

Kill it again

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STRETD®

current year 18 Nov 2009 Price 53.67

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EPSttm 3.270

PE Ratio 8

HGrowth 3 %

Payout 40 %

Investment Period 10 years Tax - dividends 0 %

Tax - capital gains 0 %

Calculate 0.65% per year Sync with TARG

TARGD®

current year Req Return 10.1 %

Dividend Reinvestment Strategy

Buy additional shares

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Note: PE Ratio is ave of last 4 yrs

EPSttm 3.270

PE Ratio 13.95

HGrowth 3.89 %

Payout 201 %

Investment Period 10 years Tax - dividends 0 %

Tax - capital gains 0 %

Calculate \$98.08 Sync with STRET

Safety

Scenario or 'What If' Analysis

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Payout	40 %

Investment Period 10 years Tax - dividends 0 % Tax - capital gains 0 %

Calculate 5.15% per year Sync with TARG

TARGD®

current year Req Return 10.1 %

Dividend Reinvestment Strategy

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Payout	201 %

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Calculate \$98.08 Sync with STRET

“Buffetism”

- Gross Profit Margin = 33% (on Average)
- High cost of interest
- SGA costs well managed
- Pre-tax income drastically increased
- Net Earnings/total revenue
- Recent increase in Cash
- Current Ratio = 1.44
- Recently gained control of debt

Yummy!!!!

