

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTIONS 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: January 31, 2025

or

[] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 1-5111

The J. M. Smucker Company

(Exact name of registrant as specified in its charter)

Ohio

(State or other jurisdiction of incorporation or organization)

One Strawberry Lane
Orrville, Ohio

(Address of principal executive offices)

34-0538550

(I.R.S. Employer Identification No.)

44667-0280

(Zip code)

Registrant's telephone number, including area code: (330) 682-3000

N/A

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Table with 3 columns: Title of each class, Trading symbol, Name of each exchange on which registered. Row 1: Common shares, no par value, SJM, New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No []

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes [X] No []

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Table with 2 columns: Filer type, Checkmark. Rows: Large accelerated filer [X], Non-accelerated filer [], Emerging growth company []

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. []

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [] No [X]

The Company had 106,416,621 common shares outstanding on February 20, 2025.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

THE J. M. SMUCKER COMPANY
CONDENSED STATEMENTS OF CONSOLIDATED INCOME
(Unaudited)

Dollars in millions, except per share data	Three Months Ended January 31,		Nine Months Ended January 31,	
	2025	2024	2025	2024
Net sales	\$ 2,186.0	\$ 2,229.2	\$ 6,582.3	\$ 5,973.0
Cost of products sold	1,307.9	1,406.1	4,020.9	3,770.9
Gross Profit	878.1	823.1	2,561.4	2,202.1
Selling, distribution, and administrative expenses	367.6	374.2	1,148.4	1,021.3
Amortization	53.9	55.7	165.7	135.1
Goodwill impairment charge	794.3	—	794.3	—
Other intangible assets impairment charge	208.2	—	208.2	—
Other special project costs	10.1	98.9	27.9	105.7
Loss (gain) on divestitures – net	50.2	0.3	311.0	12.9
Other operating expense (income) – net	(12.2)	(3.4)	(19.3)	27.3
Operating Income (Loss)	(594.0)	297.4	(74.8)	899.8
Interest expense – net	(95.4)	(99.8)	(294.5)	(167.0)
Other debt gains (charges) – net	30.3	—	30.3	(19.5)
Other income (expense) – net	(3.4)	(2.1)	(10.7)	(30.0)
Income (Loss) Before Income Taxes	(662.5)	195.5	(349.7)	683.3
Income tax expense (benefit)	(0.2)	75.1	152.1	184.4
Net Income (Loss)	\$ (662.3)	\$ 120.4	\$ (501.8)	\$ 498.9
Earnings per common share:				
Net Income (Loss)	\$ (6.22)	\$ 1.14	\$ (4.72)	\$ 4.82
Net Income (Loss) – Assuming Dilution	\$ (6.22)	\$ 1.13	\$ (4.72)	\$ 4.81

See notes to unaudited condensed consolidated financial statements.

THE J. M. SMUCKER COMPANY
CONDENSED STATEMENTS OF CONSOLIDATED COMPREHENSIVE INCOME
(Unaudited)

Dollars in millions	Three Months Ended January 31,		Nine Months Ended January 31,	
	2025	2024	2025	2024
Net income (loss)	\$ (662.3)	\$ 120.4	\$ (501.8)	\$ 498.9
Other comprehensive income (loss):				
Foreign currency translation adjustments	(3.6)	9.0	(14.3)	2.4
Cash flow hedging derivative activity, net of tax	45.8	3.0	51.0	8.2
Pension and other postretirement benefit plans activity, net of tax	0.3	0.5	1.0	1.0
Available-for-sale securities activity, net of tax	(0.8)	0.6	(0.4)	0.2
Total Other Comprehensive Income (Loss)	41.7	13.1	37.3	11.8
Comprehensive Income (Loss)	\$ (620.6)	\$ 133.5	\$ (464.5)	\$ 510.7

See notes to unaudited condensed consolidated financial statements.

THE J. M. SMUCKER COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

Dollars in millions	January 31, 2025	April 30, 2024
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 47.2	\$ 62.0
Trade receivables – net	654.3	736.5
Inventories:		
Finished products	575.6	639.4
Raw materials	510.7	399.5
Total Inventory	1,086.3	1,038.9
Other current assets	187.5	129.5
Total Current Assets	1,975.3	1,966.9
Property, Plant, and Equipment		
Land and land improvements	150.4	152.4
Buildings and fixtures	1,290.7	1,174.9
Machinery and equipment	3,182.1	2,933.7
Construction in progress	712.1	911.7
Gross Property, Plant, and Equipment	5,335.3	5,172.7
Accumulated depreciation	(2,283.6)	(2,100.0)
Total Property, Plant, and Equipment	3,051.7	3,072.7
Other Noncurrent Assets		
Operating lease right-of-use assets	121.4	174.6
Goodwill	6,569.7	7,649.9
Other intangible assets – net	6,511.1	7,255.4
Assets held for sale – net	37.1	—
Other noncurrent assets	159.3	154.2
Total Other Noncurrent Assets	13,398.6	15,234.1
Total Assets	\$ 18,425.6	\$ 20,273.7
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 1,133.3	\$ 1,336.2
Accrued trade marketing and merchandising	207.1	214.3
Current portion of long-term debt	999.9	999.3
Short-term borrowings	461.9	591.0
Other current liabilities	487.2	620.3
Total Current Liabilities	3,289.4	3,761.1
Noncurrent Liabilities		
Long-term debt, less current portion	6,385.5	6,773.7
Deferred income taxes	1,592.9	1,737.4
Noncurrent operating lease liabilities	89.8	143.5
Other noncurrent liabilities	160.7	164.1
Total Noncurrent Liabilities	8,228.9	8,818.7
Total Liabilities	11,518.3	12,579.8
Shareholders' Equity		
Common shares	26.6	26.5
Additional capital	5,732.9	5,713.9
Retained income	1,345.1	2,188.1
Accumulated other comprehensive income (loss)	(197.3)	(234.6)
Total Shareholders' Equity	6,907.3	7,693.9
Total Liabilities and Shareholders' Equity	\$ 18,425.6	\$ 20,273.7

See notes to unaudited condensed consolidated financial statements.

THE J. M. SMUCKER COMPANY
CONDENSED STATEMENTS OF CONSOLIDATED CASH FLOWS
(Unaudited)

Dollars in millions	Nine Months Ended January 31,	
	2025	2024
Operating Activities		
Net income (loss)	\$ (501.8)	\$ 498.9
Adjustments to reconcile net income (loss) to net cash provided by (used for) operations:		
Depreciation	213.4	170.7
Amortization	165.7	135.1
Goodwill impairment charge	794.3	—
Other intangible assets impairment charge	208.2	—
Realized loss on investment in equity securities – net	—	21.5
Share-based compensation expense	25.2	15.9
Loss (gain) on divestitures – net	311.0	12.9
Deferred income tax expense (benefit)	(63.2)	(22.1)
Other noncash adjustments – net	6.7	25.5
Settlement of interest rate contracts	—	42.5
Changes in assets and liabilities, net of effect from acquisition and divestitures:		
Trade receivables	80.5	(10.8)
Inventories	(59.2)	55.3
Other current assets	(27.7)	13.2
Accounts payable	(173.7)	(147.9)
Accrued liabilities	(117.0)	61.8
Income and other taxes	(33.5)	(43.5)
Other – net	(12.4)	(27.7)
Net Cash Provided by (Used for) Operating Activities	816.5	801.3
Investing Activities		
Business acquired, net of cash acquired	—	(3,920.6)
Proceeds from sale of equity securities	—	466.3
Additions to property, plant, and equipment	(298.8)	(455.9)
Proceeds from divestitures – net	290.5	50.5
Other – net	(10.2)	(1.5)
Net Cash Provided by (Used for) Investing Activities	(18.5)	(3,861.2)
Financing Activities		
Short-term borrowings (repayments) – net	(153.2)	413.2
Proceeds from long-term debt	—	4,285.0
Repayments of long-term debt	(300.0)	(1,441.0)
Capitalized debt issuance costs	—	(32.1)
Quarterly dividends paid	(340.9)	(325.5)
Purchase of treasury shares	(3.1)	(372.5)
Payment of assumed tax receivable agreement obligation	—	(86.4)
Other – net	(13.4)	(1.2)
Net Cash Provided by (Used for) Financing Activities	(810.6)	2,439.5
Effect of exchange rate changes on cash	(2.2)	0.5
Net increase (decrease) in cash and cash equivalents	(14.8)	(619.9)
Cash and cash equivalents at beginning of period	62.0	655.8
Cash and Cash Equivalents at End of Period	\$ 47.2	\$ 35.9

() Denotes use of cash

See notes to unaudited condensed consolidated financial statements.

THE J. M. SMUCKER COMPANY
CONDENSED STATEMENTS OF CONSOLIDATED SHAREHOLDERS' EQUITY
(Unaudited)

Dollars in millions	Nine Months Ended January 31, 2025					
	Common Shares Outstanding	Common Shares	Additional Capital	Retained Income	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balance at May 1, 2024	106,194,281	\$ 26.5	\$ 5,713.9	\$ 2,188.1	\$ (234.6)	\$ 7,693.9
Net income (loss)				185.0		185.0
Other comprehensive income (loss)					2.4	2.4
Comprehensive income (loss)						187.4
Purchase of treasury shares	(22,748)	—	(3.2)	0.6		(2.6)
Stock plans	236,997	0.1	4.5	0.8		5.4
Cash dividends declared, \$1.08 per common share				(114.6)		(114.6)
Balance at July 31, 2024	106,408,530	\$ 26.6	\$ 5,715.2	\$ 2,259.9	\$ (232.2)	\$ 7,769.5
Net income (loss)				(24.5)		(24.5)
Other comprehensive income (loss)					(6.8)	(6.8)
Comprehensive income (loss)						(31.3)
Purchase of treasury shares	(972)	—	0.3	—		0.3
Stock plans	8,972	—	8.2			8.2
Cash dividends declared, \$1.08 per common share				(113.6)		(113.6)
Balance at October 31, 2024	106,416,530	\$ 26.6	\$ 5,723.7	\$ 2,121.8	\$ (239.0)	\$ 7,633.1
Net income (loss)				(662.3)		(662.3)
Other comprehensive income (loss)					41.7	41.7
Comprehensive income (loss)						(620.6)
Purchase of treasury shares	(3,549)	—	(0.4)	—		(0.4)
Stock plans	5,015	—	9.6			9.6
Cash dividends declared, \$1.08 per common share				(114.4)		(114.4)
Balance at January 31, 2025	106,417,996	\$ 26.6	\$ 5,732.9	\$ 1,345.1	\$ (197.3)	\$ 6,907.3

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	Nine Months Ended January 31, 2024					
<u>Dollars in millions</u>	<u>Common Shares Outstanding</u>	<u>Common Shares</u>	<u>Additional Capital</u>	<u>Retained Income</u>	<u>Accumulated Other Comprehensive Income (Loss)</u>	<u>Total Shareholders' Equity</u>
Balance at May 1, 2023	104,398,618	\$ 26.1	\$ 5,371.8	\$ 2,132.1	\$ (239.2)	\$ 7,290.8
Net income (loss)				183.6		183.6
Other comprehensive income (loss)					10.2	10.2
Comprehensive income (loss)						193.8
Purchase of treasury shares	(2,410,863)	(0.6)	(132.1)	(242.9)		(375.6)
Stock plans	144,918	—	2.4	(1.1)		1.3
Cash dividends declared, \$1.06 per common share				(106.9)		(106.9)
Balance at July 31, 2023	102,132,673	\$ 25.5	\$ 5,242.1	\$ 1,964.8	\$ (229.0)	\$ 7,003.4
Net income (loss)				194.9		194.9
Other comprehensive income (loss)					(11.5)	(11.5)
Comprehensive income (loss)						183.4
Purchase of treasury shares	(3,139)	—	(0.4)	—		(0.4)
Stock plans	25,067	—	11.1			11.1
Cash dividends declared, \$1.06 per common share				(108.6)		(108.6)
Balance at October 31, 2023	102,154,601	\$ 25.5	\$ 5,252.8	\$ 2,051.1	\$ (240.5)	\$ 7,088.9
Net income (loss)				120.4		120.4
Other comprehensive income (loss)					13.1	13.1
Comprehensive income (loss)						133.5
Purchase of treasury shares	(1,101)	—	(0.1)	—		(0.1)
Issuance of shares for acquisition	3,989,915	1.0	449.2			450.2
Stock plans	33,904	—	4.1			4.1
Cash dividends declared, \$1.06 per common share				(116.5)		(116.5)
Balance at January 31, 2024	106,177,319	\$ 26.5	\$ 5,706.0	\$ 2,055.0	\$ (227.4)	\$ 7,560.1

See notes to unaudited condensed consolidated financial statements.

THE J. M. SMUCKER COMPANY
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Dollars and shares in millions, unless otherwise noted, except per share data)

Note 1: Basis of Presentation

The unaudited interim condensed consolidated financial statements of The J. M. Smucker Company (“Company,” “we,” “us,” or “our”) have been prepared in accordance with United States (“U.S.”) generally accepted accounting principles (“GAAP”) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all the information and notes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments of a normal recurring nature considered necessary for a fair presentation have been included.

Operating results for the nine months ended January 31, 2025, are not necessarily indicative of the results that may be expected for the year ending April 30, 2025. For further information, reference is made to the consolidated financial statements and notes included in our Annual Report on Form 10-K for the year ended April 30, 2024.

Note 2: Recently Issued Accounting Standards

In November 2024, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. ASU 2024-03 will provide investors with more decision-useful information about an entity’s expenses by improving disclosures on income statement expenses. The amendments in this ASU will require public business entities to disclose disaggregated information about specific categories underlying certain income statement expense line items. It will be effective for our annual period beginning May 1, 2027, and interim periods beginning May 1, 2028, with the option to early adopt at any time prior to the effective dates on either a prospective or retrospective basis. We do not anticipate any impact to our financial statements upon adoption and are currently evaluating the impacts of the standard on our disclosures.

In March 2024, the U.S. Securities and Exchange Commission (the “SEC”) adopted the final rule under SEC Release Nos. 33-11275 and 34-99678, *The Enhancement and Standardization of Climate-Related Disclosures for Investors*; however, in April 2024, the SEC stayed implementation of the final rule pending the outcome of a judicial review, and in February 2025, the SEC requested that litigation be paused so that it can determine the appropriate next steps. If the rules become effective, they would require registrants to provide certain climate-related information in their registration statements and annual reports. The rules would require the disclosure of significant effects of severe weather events and other natural conditions, as well as amounts related to carbon offsets and renewable energy credits or certificates, in the audited financial statements in certain circumstances. Disclosure of the actual and potential material impacts of any identified climate-related risks on the registrant’s strategy, business model, and outlook would also be required, along with the process used to identify, assess, and manage these risks. In addition, the rules would require disclosure of material climate-related targets or goals, material Scope 1 and Scope 2 greenhouse gas emissions, and the methodology used to calculate those emissions. We do not anticipate any impact to our financial statements if the rules are adopted and continue to evaluate the impacts on our disclosures.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740) Improvements to Income Tax Disclosures*. ASU 2023-09 will improve the transparency and decision usefulness of income tax disclosures to better assess how operations and related tax risks affect tax rates and future cash flows on an interim and annual basis. It will be effective for us on May 1, 2025, and can be adopted either on a prospective or retrospective basis. We do not anticipate any impact to our financial statements upon adoption and are currently evaluating the impacts of the standard on our disclosures.

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280) Improvements to Reportable Segment Disclosures*. ASU 2023-07 will improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses on an interim and annual basis. It will be effective for our annual period beginning May 1, 2024, and interim periods beginning May 1, 2025, with the option to early adopt at any time prior to the effective dates and will require adoption on a retrospective basis. We do not anticipate any impact to our financial statements upon adoption and are currently evaluating the impacts of the standard on our disclosures.

Note 3: Acquisition

On November 7, 2023, we completed a cash and stock transaction to acquire Hostess Brands, Inc. (“Hostess Brands”). The total purchase consideration in connection with the acquisition was \$5.4 billion, which reflects an exchange offer of all outstanding shares of Hostess Brands common stock at a price of \$34.25 per share, consisting of \$30.00 in cash and 0.03002 shares of our common shares, based on the closing stock price on September 8, 2023, that were exchanged for each share of Hostess Brands common stock as of the transaction date.

The purchase price included the issuance of approximately 4.0 million of our common shares to Hostess Brands’ shareholders, valued at \$450.2, as discussed in Note 17: Common Shares. In addition, we paid \$3.9 billion in cash, net of cash acquired, and assumed \$991.0 of debt from Hostess Brands and \$67.8 of an other debt-like item, reflecting consideration transferred for the cash payment of Hostess Brands’ employee equity awards. New debt of \$5.0 billion was borrowed, consisting of \$3.5 billion in Senior Notes, an \$800.0 senior unsecured delayed-draw Term Loan Credit Agreement (“Term Loan”), and \$700.0 of short-term borrowings under our commercial paper program to partially fund the transaction and pay off the debt assumed as part of the acquisition. For additional information on the financing associated with this transaction, refer to Note 9: Debt and Financing Arrangements.

Hostess Brands is a manufacturer and marketer of sweet baked goods brands and included *Hostess*[®] *Donettes*[®], *Twinkies*[®], *CupCakes*, *DingDongs*[®], *Zingers*[®], *CoffeeCakes*, *HoHos*[®], *Mini Muffins*, and *Fruit Pies*, and the *Voortman*[®] brand at the acquisition date. In addition to its headquarters in Lenexa, Kansas, the transaction included six manufacturing facilities located in Emporia, Kansas; Burlington, Ontario; Chicago, Illinois; Columbus, Georgia; Indianapolis, Indiana; and Arkadelphia, Arkansas, a distribution facility in Edgerton, Kansas, and a commercial center of excellence in Chicago, Illinois.

The transaction was accounted for under the acquisition method of accounting, and accordingly, the results of Hostess Brands operations, including net sales of \$278.6 and \$927.8 and operating losses of \$1,021.6 and \$1,180.8, are included within the Sweet Baked Snacks segment for the three and nine months ended January 31, 2025, respectively. The operating loss for the nine months ended January 31, 2025, includes a \$794.3 pre-tax impairment charge related to the goodwill of the Sweet Baked Snacks reporting unit, a \$208.2 pre-tax impairment charge related to the *Hostess* brand indefinite-lived trademark, a \$42.6 pre-tax loss on the Sweet Baked Snacks value brand disposal group classified as held for sale during the third quarter of 2025, a \$268.4 pre-tax loss on the disposal of the *Voortman* business, and excludes special project costs related to transaction and integration costs recognized within the segment. For additional information, refer to Note 4: Divestitures and Note 8: Goodwill and Other Intangible Assets.

The final purchase price was allocated to the underlying assets acquired and liabilities assumed based upon their estimated fair values at the date of acquisition. We determined the estimated fair values based on independent appraisals, discounted cash flow analyses, quoted market prices, and estimates made by management. The purchase price exceeded the estimated fair value of the net identifiable tangible and intangible assets acquired, and, as such, the excess was allocated to goodwill.

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The following table summarizes the fair values of the assets acquired and liabilities assumed at the acquisition date.

Assets acquired:	
Cash and cash equivalents	\$ 135.0
Trade receivables – net	181.1
Inventories	66.0
Other current assets	6.0
Property, plant, and equipment – net	534.5
Operating lease right-of-use assets	17.2
Goodwill	2,446.8
Other intangible assets – net	3,038.6
Other noncurrent assets	43.2
Total assets acquired	<u>\$ 6,468.4</u>
Liabilities assumed:	
Accounts payable	\$ 67.3
Other current liabilities	249.0
Deferred income taxes	639.4
Noncurrent operating lease liabilities	14.5
Other noncurrent liabilities	1.4
Total liabilities assumed	<u>971.6</u>
Net assets acquired	<u>\$ 5,496.8</u>

As a result of the acquisition, we recognized a total of \$2.4 billion of goodwill within the Sweet Baked Snacks segment. Of the total goodwill, \$196.6 was deductible for tax purposes at the acquisition date, of which \$170.3 remains deductible as of January 31, 2025. The goodwill recognized at acquisition represented the value we expected to achieve through the implementation of operational synergies and growth opportunities as we integrate Hostess Brands into our Company. During the third quarter of 2025, we recognized total pre-tax impairment charges of \$1.0 billion, of which \$794.3 and \$208.2 related to the goodwill of the Sweet Baked Snacks reporting unit and the *Hostess* brand indefinite-lived trademark, respectively. The remaining goodwill and indefinite-lived trademarks resulting from the acquisition remain susceptible to future impairment charges, as the carrying values approximate estimated fair values due to the impairment charges recognized during the third quarter of 2025 and being recently acquired. Any significant adverse change in our near or long-term projections or macroeconomic conditions would result in future impairment charges. For additional information, refer to Note 8: Goodwill and Other Intangible Assets.

The following table summarizes the purchase price allocated to the identifiable intangible assets acquired.

Intangible assets with finite lives:	
Customer and contractual relationships (25-year useful life)	\$ 1,238.5
Non-competition agreements (varying useful lives)	38.0
Trademarks (5-year useful life)	9.9
Intangible assets with indefinite lives:	
Trademarks	<u>\$ 1,752.2</u>
Total intangible assets	<u>\$ 3,038.6</u>

The annual amortization expense for the finite-lived intangible assets based on the purchase price allocation is \$71.6.

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Hostess Brands' results of operations are included in our condensed consolidated financial statements from the date of the transaction within our Sweet Baked Snacks segment. If the transaction had occurred on May 1, 2022, unaudited pro forma consolidated results for the three and nine months ended January 31, 2024, would have been as follows:

	Three Months Ended January 31, 2024	Nine Months Ended January 31, 2024
Net sales	\$ 2,253.2	\$ 6,707.1
Net income (loss)	162.7	508.5
Net income (loss) per common share – assuming dilution	1.53	4.78

The unaudited pro forma consolidated results are based on our historical financial statements and those of Hostess Brands and do not necessarily indicate the results of operations that would have resulted had the acquisition been completed at the beginning of the applicable period presented. The most significant pro forma adjustments relate to interest expense associated with acquisition-related financing, the elimination of nonrecurring acquisition-related costs incurred prior to the close of the transaction, amortization of acquired intangible assets, and depreciation of acquired property, plant, and equipment. The unaudited pro forma consolidated results do not give effect to the synergies of the acquisition and are not indicative of the results of operations in future periods.

Note 4: Divestitures

On January 31, 2025, we entered into a definitive agreement to sell certain Sweet Baked Snacks value brands to JTM Foods, LLC (“JTM”). We expect the transaction to close during the fourth quarter of 2025. The transaction includes certain trademarks and licenses, a manufacturing facility in Chicago, Illinois, and approximately 400 employees who support the business. Under our ownership, these Sweet Baked Snacks value brands generated net sales of approximately \$30.0 in 2024, which represents a partial year of net sales reported in the Sweet Baked Snacks segment results following the acquisition of Hostess Brands on November 7, 2023. The transaction is valued at approximately \$40.0, subject to a working capital adjustment. As of January 31, 2025, the disposal group met the criteria to be classified as held for sale, and as a result, a valuation allowance was established to reflect the fair value of the disposal group less costs to sell, which was based on the expected proceeds and the estimated carrying value of the net assets to be disposed. The valuation allowance was included within assets held for sale – net in the Condensed Consolidated Balance Sheet, and the estimated pre-tax loss on the disposal group was included within loss (gain) on divestitures – net in the Condensed Statement of Consolidated Income and Condensed Statement of Consolidated Cash Flows.

The following table summarizes the net assets held for sale at January 31, 2025, inclusive of a valuation allowance, reflecting the fair value less costs to sell.

	January 31, 2025
	Sweet Baked Snacks value brands
Assets held for sale:	
Inventories	\$ 4.6
Property, plant, and equipment – net	42.9
Operating lease right-of-use assets	0.9
Goodwill	26.3
Other intangible assets – net	5.0
Valuation allowance	(42.6)
Total assets held for sale	\$ 37.1
Liabilities held for sale:	
Other current liabilities	\$ 0.9
Noncurrent operating lease liabilities	0.3
Total liabilities held for sale	1.2
Net assets held for sale	\$ 35.9

On December 2, 2024, we sold the *Voortman* business to Second Nature Brands (“Second Nature”). The transaction included products sold under the *Voortman* brand, inclusive of certain trademarks, a leased manufacturing facility in Burlington, Ontario, and approximately 300 employees who supported the business. Under our ownership, the *Voortman* business generated net sales of approximately \$65.0 in 2024, which represents a partial year of net sales reported in the Sweet Baked Snacks segment

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results following the acquisition of Hostess Brands on November 7, 2023. Net proceeds from the divestiture were \$290.5, net of a preliminary working capital adjustment and cash transaction costs. During the second quarter of 2025, the disposal group met the criteria to be classified as held for sale, and as a result, an estimated pre-tax loss of \$260.8 was recognized within loss (gain) on divestitures – net in the Condensed Statement of Consolidated Income and Condensed Statement of Consolidated Cash Flows. Upon close of the transaction during the third quarter of 2025, the pre-tax loss was adjusted to \$268.4, reflecting the fair value of the disposal group as of the transaction date.

The following table summarizes the net assets and liabilities included in the disposal group associated with the *Voortman* business divestiture.

	January 31, 2025	
	<i>Voortman</i>	
Assets disposed:		
Cash and cash equivalents	\$	1.4
Inventories		7.7
Other current assets		0.7
Property, plant, and equipment – net		33.9
Operating lease right-of-use assets		8.2
Goodwill		251.1
Other intangible assets – net		363.0
Total assets disposed	\$	666.0
Liabilities disposed:		
Accrued expenses	\$	1.9
Current operating lease obligations		1.3
Deferred income taxes		95.2
Noncurrent operating lease liabilities		7.4
Other noncurrent liabilities		0.9
Total liabilities disposed		106.7
Net assets disposed	\$	559.3

On January 2, 2024, we sold the Canada condiment business to TreeHouse Foods, Inc. (“TreeHouse Foods”). The transaction included *Bick’s*[®] pickles, *Habitant*[®] pickled beets, *Woodman’s*[®] horseradish, and *McLarens*[®] pickled onions brands, inclusive of certain trademarks. Under our ownership, these brands generated net sales of \$43.8 in 2024, which were included in the International operating segment. Final net proceeds from the divestiture were \$25.3, inclusive of a working capital adjustment and cash transaction costs, resulting in a final pre-tax loss of \$5.7, of which \$5.2 was recognized during the second quarter of 2024, as the disposal group met the criteria to be classified as held for sale, and a valuation allowance was established to reflect the fair value of the disposal group less costs to sell. The valuation allowance was included within loss (gain) on divestitures – net in the Condensed Statement of Consolidated Income and Condensed Statement of Consolidated Cash Flows. Upon close of the transaction during the third quarter of 2024, the pre-tax loss was adjusted to \$5.7, reflecting the fair value of the disposal group as of the transaction date.

On November 1, 2023, we sold the *Sahale Snacks*[®] business to Second Nature. The transaction included products sold under the *Sahale Snacks* brand, inclusive of certain trademarks and licensing agreements, a leased manufacturing facility in Seattle, Washington, and approximately 100 employees who supported the brand. Under our ownership, the *Sahale Snacks* brand generated net sales of \$24.1 in 2024, primarily included in the U.S. Retail Frozen Handheld and Spreads segment. Final net proceeds from the divestiture were \$31.6, inclusive of a working capital adjustment and cash transaction costs, resulting in a final pre-tax loss of \$6.7, of which \$6.8 was recognized during the second quarter of 2024, as the disposal group met the criteria to be classified as held for sale, and a valuation allowance was established to reflect the fair value of the disposal group less costs to sell. The valuation allowance was included within loss (gain) on divestitures – net in the Condensed Statement of Consolidated Income and Condensed Statement of Consolidated Cash Flows. Upon close of the transaction during the third quarter of 2024, the pre-tax loss was adjusted to \$6.7, reflecting the fair value of the disposal group as of the transaction date.

On April 28, 2023, we sold certain pet food brands to Post Holdings, Inc. (“Post”). The transaction included the *Rachael Ray*[®] *Nutrish*[®], *9Lives*[®], *Kibbles ‘n Bits*[®], *Nature’s Recipe*[®], and *Gravy Train*[®] brands, as well as the private label pet food business, inclusive of certain trademarks and licensing agreements, manufacturing and distribution facilities in Bloomsburg, Pennsylvania, manufacturing facilities in Meadville, Pennsylvania and Lawrence, Kansas, and approximately 1,100 employees

who supported these pet food brands. Final net proceeds from the divestiture were \$1.2 billion, consisting of \$683.9 in cash, net of a working capital adjustment and cash transaction costs, and approximately 5.4 million shares of Post common stock, valued at \$491.6 at the close of the transaction. We recognized a pre-tax loss of \$1.0 billion upon completion of this transaction during 2023. During the first half of 2024, we finalized the working capital adjustment and transaction costs, which resulted in an immaterial adjustment to the pre-tax loss. Furthermore, during the first quarter of 2024, we entered into equity forward derivative transactions under an agreement with an unrelated third-party to facilitate the forward sale of the Post common stock. All 5.4 million shares of Post common stock were settled for \$466.3 under the equity forward contract on November 15, 2023. For additional information, see Note 11: Derivative Financial Instruments.

Note 5: Special Project Costs

Special project costs consist primarily of employee-related costs and other transition and termination costs related to certain divestiture, acquisition, integration, and restructuring activities. Employee-related costs include severance, retention bonuses, and relocation costs. Severance costs are generally recognized when deemed probable and reasonably estimable, retention bonuses are recognized over the estimated future service period of the impacted employees, and relocation costs are expensed as incurred. Other transition and termination costs include fixed asset-related charges, contract and lease termination costs, professional fees, and other miscellaneous expenditures associated with divestiture, acquisition, integration, and restructuring activities. With the exception of accelerated depreciation, these costs are expensed as incurred. These special project costs are reported in cost of products sold, other special project costs, other debt gains (charges) – net, and other income (expense) – net in the Condensed Statements of Consolidated Income and are not allocated to segment profit. The obligation related to employee separation costs is included in other current liabilities in the Condensed Consolidated Balance Sheets.

Divestiture Costs: Total divestiture costs incurred to date related to the divested *Sahale Snacks* and Canada condiment businesses were \$7.2, which included \$4.3 and \$2.9 of employee-related and other transition and termination costs, respectively, all of which were cash charges. We incurred divestiture costs of \$1.3 and \$1.7 during the three and nine months ended January 31, 2025, respectively, primarily consisting of employee-related costs. As of January 31, 2025, we have incurred the majority of the anticipated costs related to these divestitures and expect minimal costs to be incurred during the remainder of 2025. The obligation related to severance and retention bonuses was \$2.5 at April 30, 2024 and was fully satisfied as of January 31, 2025.

Furthermore, we identified opportunities to address certain distribution inefficiencies, as a result of the recent divestitures. We anticipate incurring approximately \$12.0 of costs related to these efforts, consisting primarily of other transition and termination charges. The majority of these costs are expected to be cash charges and incurred by the end of 2026, with approximately half of the costs expected to be recognized in 2025. We have recognized total cumulative costs of \$3.1, of which \$2.1 and \$3.0 were recognized during the three and nine months ended January 31, 2025, respectively, primarily consisting of other transition and termination costs. For additional information, see Note 4: Divestitures.

Integration Costs: Total integration costs related to the acquisition of Hostess Brands are anticipated to be approximately \$210.0 and include transaction costs, employee-related costs, and other transition and termination charges, with the majority expected to be cash charges.

The following table summarizes our integration costs incurred related to the acquisition of Hostess Brands.

	Three Months Ended January 31, 2025	Nine Months Ended January 31, 2025	Total Costs Incurred to Date at January 31, 2025
Transaction costs	\$ —	\$ —	\$ 99.0
Employee-related costs	2.5	9.5	42.9
Other transition and termination costs	5.3	25.4	40.4
Total integration costs	<u>\$ 7.8</u>	<u>\$ 34.9</u>	<u>\$ 182.3</u>

Cumulative noncash charges incurred through January 31, 2025, were \$16.4 and include \$1.7 and \$13.2 during the three and nine months ended January 31, 2025, respectively, which primarily consist of accelerated depreciation. Transaction costs primarily reflect equity compensation payouts, legal fees, and fees related to a 364-day senior unsecured Bridge Term Loan Credit Facility (“Bridge Loan”) that provided committed financing for the acquisition of Hostess Brands. Other transition and termination costs primarily consist of contract termination charges, accelerated depreciation, and consulting fees. We anticipate the remaining integration costs will be incurred by the end of 2026 and are expected to be split between employee-related and other transition and termination costs. The obligation related to severance and retention bonuses was \$10.8 and \$28.0 at January 31, 2025, and April 30, 2024, respectively. For additional information, see Note 3: Acquisition.

Note 6: Reportable Segments

We operate in one industry: the manufacturing and marketing of food and beverage products. We have four reportable segments: U.S. Retail Coffee, U.S. Retail Frozen Handheld and Spreads, U.S. Retail Pet Foods, and Sweet Baked Snacks. The presentation of International and Away From Home represents a combination of all other operating segments that are not individually reportable.

The U.S. Retail Coffee segment primarily includes the domestic sales of *Folgers*[®], *Dunkin'*[®], and *Café Bustelo*[®] branded coffee; the U.S. Retail Frozen Handheld and Spreads segment primarily includes the domestic sales of *Uncrustables*[®], *Jif*[®], and *Smucker's*[®] branded products; the U.S. Retail Pet Foods segment primarily includes the domestic sales of *Meow Mix*[®], *Milk-Bone*[®], *Pup-Peroni*[®], and *Canine Carry Outs*[®] branded products; and the Sweet Baked Snacks segment primarily includes all domestic and foreign sales of *Hostess* branded products in all channels. With the exception of Sweet Baked Snacks products, International and Away From Home includes the sale of all products that are distributed in foreign countries through retail channels, as well as domestically and in foreign countries through foodservice distributors and operators (e.g., healthcare operators, restaurants, educational institutions, offices, lodging and gaming establishments, and convenience stores).

Segment profit represents net sales, less direct and allocable operating expenses, and is consistent with the way in which we manage our segments. However, we do not represent that the segments, if operated independently, would report operating profit equal to the segment profit set forth below, as segment profit excludes certain expenses such as amortization expense and impairment charges related to intangible assets, gains and losses on divestitures, the net change in cumulative unallocated gains and losses on commodity and foreign currency exchange derivative activities (“change in net cumulative unallocated derivative gains and losses”), special project costs, as well as corporate administrative expenses.

Commodity and foreign currency exchange derivative gains and losses are reported in unallocated derivative gains and losses outside of segment operating results until the related inventory is sold. At that time, we reclassify the hedge gains and losses from unallocated derivative gains and losses to segment profit, allowing our segments to realize the economic effect of the hedge without experiencing any mark-to-market volatility. We would expect that any gain or loss in the estimated fair value of the derivatives would generally be offset by a change in the estimated fair value of the underlying exposures.

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The following table reconciles segment profit to income before income taxes.

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2025	2024	2025	2024
Net sales:				
U.S. Retail Coffee	\$ 740.6	\$ 727.5	\$ 2,068.0	\$ 2,038.3
U.S. Retail Frozen Handheld and Spreads	445.2	436.8	1,427.2	1,365.1
U.S. Retail Pet Foods	423.0	465.2	1,268.1	1,370.2
Sweet Baked Snacks	278.6	300.3	927.8	300.3
International and Away From Home	298.6	299.4	891.2	899.1
Total net sales	\$ 2,186.0	\$ 2,229.2	\$ 6,582.3	\$ 5,973.0
Segment profit:				
U.S. Retail Coffee	\$ 208.6	\$ 207.8	\$ 583.9	\$ 548.9
U.S. Retail Frozen Handheld and Spreads	99.2	104.1	334.3	338.3
U.S. Retail Pet Foods	116.8	109.5	353.5	288.0
Sweet Baked Snacks	54.8	68.0	199.8	68.0
International and Away From Home	61.6	50.4	178.2	147.0
Total segment profit	\$ 541.0	\$ 539.8	\$ 1,649.7	\$ 1,390.2
Amortization	(53.9)	(55.7)	(165.7)	(135.1)
Goodwill impairment charge	(794.3)	—	(794.3)	—
Other intangible assets impairment charge	(208.2)	—	(208.2)	—
Gain (loss) on divestitures – net	(50.2)	(0.3)	(311.0)	(12.9)
Interest expense – net	(95.4)	(99.8)	(294.5)	(167.0)
Change in net cumulative unallocated derivative gains and losses	60.0	(5.2)	41.7	(21.1)
Cost of products sold – special project costs	(1.1)	—	(11.7)	—
Other special project costs	(10.1)	(98.9)	(27.9)	(105.7)
Other debt gains (charges) – net	30.3	—	30.3	(19.5)
Corporate administrative expenses	(77.2)	(82.3)	(247.4)	(215.6)
Other income (expense) – net	(3.4)	(2.1)	(10.7)	(30.0)
Income before income taxes	\$ (662.5)	\$ 195.5	\$ (349.7)	\$ 683.3

The following table presents certain geographical information.

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2025	2024	2025	2024
Net sales:				
United States	\$ 2,068.4	\$ 2,094.7	\$ 6,220.0	\$ 5,567.4
International:				
Canada	\$ 89.8	\$ 111.8	\$ 271.9	\$ 333.0
All other international	27.8	22.7	90.4	72.6
Total international	\$ 117.6	\$ 134.5	\$ 362.3	\$ 405.6
Total net sales	\$ 2,186.0	\$ 2,229.2	\$ 6,582.3	\$ 5,973.0

The following table presents product category information.

	Three Months Ended January 31,		Nine Months Ended January 31,		Primary Reportable Segment ^(A)
	2025	2024	2025	2024	
Coffee	\$ 830.8	\$ 817.6	\$ 2,339.7	\$ 2,305.1	U.S. Retail Coffee
Sweet baked goods	266.1	270.2	841.9	270.2	Sweet Baked Snacks
Pet snacks	237.4	261.0	719.4	760.3	U.S. Retail Pet Foods
Frozen handheld	210.5	182.6	679.6	573.8	U.S. Retail Frozen Handheld and Spreads
Peanut butter	200.9	204.5	633.3	617.1	U.S. Retail Frozen Handheld and Spreads
Cat food	197.8	203.4	581.7	599.1	U.S. Retail Pet Foods
Fruit spreads	99.4	108.2	307.6	321.7	U.S. Retail Frozen Handheld and Spreads
Portion control	53.1	51.5	164.0	153.1	Other ^(B)
Cookies	12.9	30.1	86.3	30.1	Sweet Baked Snacks
Toppings and syrups	20.7	21.0	69.3	67.7	U.S. Retail Frozen Handheld and Spreads
Baking mixes and ingredients	23.2	23.1	66.3	68.0	Other ^(B)
Dog food	5.2	17.4	19.0	64.5	U.S. Retail Pet Foods
Other	28.0	38.6	74.2	142.3	Other ^(B)
Total net sales	<u>\$ 2,186.0</u>	<u>\$ 2,229.2</u>	<u>\$ 6,582.3</u>	<u>\$ 5,973.0</u>	

(A) The primary reportable segment generally represents at least 75 percent of total net sales for each respective product category.

(B) Represents the combined International and Away From Home operating segments.

Note 7: Earnings per Share

We computed net income (loss) per common share (“basic earnings per share”) under the two-class method for the three and nine months ended January 31, 2025 and 2024, due to certain unvested common shares that contained non-forfeitable rights to dividends (i.e., participating securities) during these periods. Further, we computed net income (loss) per common share – assuming dilution (“diluted earnings per share”) under the two-class and treasury stock methods to determine the method that was most dilutive, in accordance with FASB ASC 260, *Earnings Per Share*. For the three and nine months ended January 31, 2024, the computation of diluted earnings per share was more dilutive under the treasury stock method, as compared to the two-class method. Therefore, the treasury stock method was used. For the three and nine months ended January 31, 2025, we recognized a net loss, and as a result, excluded the anti-dilutive effect of stock-based awards from the computation of diluted earnings per share.

The following table sets forth the computation of basic and diluted earnings per share under the two-class method.

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2025	2024	2025	2024
Net income (loss)	\$ (662.3)	\$ 120.4	\$ (501.8)	\$ 498.9
Less: Net income (loss) allocated to participating securities	—	—	—	0.2
Net income (loss) allocated to common stockholders	<u>\$ (662.3)</u>	<u>\$ 120.4</u>	<u>\$ (501.8)</u>	<u>\$ 498.7</u>
Weighted-average common shares outstanding	106.4	105.9	106.4	103.5
Add: Dilutive effect of stock options	—	—	—	—
Weighted-average common shares outstanding – assuming dilution	<u>106.4</u>	<u>105.9</u>	<u>106.4</u>	<u>103.5</u>
Net income (loss) per common share	<u>\$ (6.22)</u>	<u>\$ 1.14</u>	<u>\$ (4.72)</u>	<u>\$ 4.82</u>
Net income (loss) per common share – assuming dilution	<u>\$ (6.22)</u>	<u>\$ 1.14</u>	<u>\$ (4.72)</u>	<u>\$ 4.82</u>

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The following table sets forth the computation of diluted earnings per share under the treasury stock method.

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2025	2024	2025	2024
Net income (loss)	\$ (662.3)	\$ 120.4	\$ (501.8)	\$ 498.9
Weighted-average common shares outstanding – assuming dilution:				
Weighted-average common shares outstanding	106.4	105.9	106.4	103.5
Add: Dilutive effect of stock options	—	—	—	—
Add: Dilutive effect of restricted shares, restricted stock units, and performance units	—	0.2	—	0.3
Weighted-average common shares outstanding – assuming dilution	106.4	106.1	106.4	103.8
Net income (loss) per common share – assuming dilution	\$ (6.22)	\$ 1.13	\$ (4.72)	\$ 4.81

Note 8: Goodwill and Other Intangible Assets

The following table summarizes the changes in our goodwill.

	U.S. Retail Coffee	U.S. Retail Frozen Handheld and Spreads	U.S. Retail Pet Foods	Sweet Baked Snacks	International and Away From Home	Total
Balance at April 30, 2024	\$ 2,090.9	\$ 1,139.9	\$ 1,580.2	\$ 2,447.2	\$ 391.7	\$ 7,649.9
Impairment charges ^(A)	—	—	—	(794.3)	—	(794.3)
Divestiture	—	—	—	(277.4)	—	(277.4)
Other ^{(B)(C)}	—	—	—	(0.4)	(8.1)	(8.5)
Balance at January 31, 2025	\$ 2,090.9	\$ 1,139.9	\$ 1,580.2	\$ 1,375.1	\$ 383.6	\$ 6,569.7

(A) We have recognized accumulated goodwill impairment charges of \$1,037.2 as of January 31, 2025.

(B) The amount classified as other in the Sweet Baked Snacks segment represents purchase accounting adjustments for the acquisition of Hostess Brands.

(C) The amount classified as other in the International and Away From Home segment represents foreign currency translation adjustments.

The following table summarizes our other intangible assets and related accumulated amortization and impairment charges including foreign currency exchange adjustments.

	January 31, 2025			April 30, 2024		
	Acquisition Cost	Accumulated Amortization/Impairment Charges/Foreign Currency Exchange	Net	Acquisition Cost	Accumulated Amortization/Impairment Charges/Foreign Currency Exchange	Net
Finite-lived intangible assets subject to amortization:						
Customer and contractual relationships	\$ 4,596.5	\$ 2,048.3	\$ 2,548.2	\$ 4,766.7	\$ 1,894.9	\$ 2,871.8
Patents and technology	163.0	161.0	2.0	163.0	160.8	2.2
Trademarks	136.4	114.8	21.6	143.1	110.8	32.3
Total intangible assets subject to amortization	\$ 4,895.9	\$ 2,324.1	\$ 2,571.8	\$ 5,072.8	\$ 2,166.5	\$ 2,906.3
Indefinite-lived intangible assets not subject to amortization:						
Trademarks	\$ 4,372.0	\$ 432.7	\$ 3,939.3	\$ 4,572.7	\$ 223.6	\$ 4,349.1
Total other intangible assets	\$ 9,267.9	\$ 2,756.8	\$ 6,511.1	\$ 9,645.5	\$ 2,390.1	\$ 7,255.4

We review goodwill and other indefinite-lived intangible assets for impairment at least annually on February 1, and more often if indicators of impairment exist.

During the second quarter of 2025, the disposal group for the *Voortman* business was classified as held for sale, and as a result, a portion of the goodwill within the Sweet Baked Snacks reporting unit was allocated to the disposal group based on a preliminary relative fair value analysis. There were no indicators of impairment for the remaining goodwill of the Sweet Baked Snacks reporting unit as of October 31, 2024.

During the third quarter of 2025, we completed our long-range planning process, following the integration of the Hostess Brands business and operations, resulting in a decline in forecasted net sales and segment profit for the Sweet Baked Snacks segment. The declines in forecast are in line with the underperformance during the current fiscal year for both net sales and segment profit, primarily driven by increased inflationary pressures and diminished consumer discretionary income, which has led to slower than anticipated recovery in the sweet baked goods category. In addition, we have not met expectations from a distribution, merchandising, and competitive standpoint, which has resulted in lost market share.

As a result of the decline in both actual and forecasted net sales, as compared to the long-term projections utilized in the purchase price allocation, in conjunction with the narrow differences between estimated fair value and carrying value as of April 30, 2024, we performed an interim impairment analysis on the goodwill of the Sweet Baked Snacks reporting unit and the *Hostess* brand indefinite-lived trademark. Furthermore, on December 2, 2024, we divested the *Voortman* business, and as a result, we disposed \$251.1 of goodwill within the Sweet Baked Snacks reporting unit. The amount of goodwill allocated to the disposal group was determined based on a relative fair value analysis, utilizing the updated long-range plan. The interim impairment analysis was completed following the disposal of goodwill allocated to the *Voortman* business. We recognized total pre-tax impairment charges of \$1.0 billion during the third quarter of 2025, of which \$794.3 and \$208.2 related to the goodwill of the Sweet Baked Snacks reporting unit and the *Hostess* brand indefinite-lived trademark, respectively, to the extent the carrying values exceeded the estimated fair values. These charges were included as noncash charges in our Condensed Statement of Consolidated Income and Condensed Statement of Consolidated Cash Flows.

The goodwill and indefinite-lived trademark within the Sweet Baked Snacks segment remain susceptible to future impairment charges, as the carrying values approximate estimated fair values due to the impairment charges recognized during the third quarter of 2025 and the recent acquisition of Hostess Brands. Any significant adverse change in our near or long-term projections or macroeconomic conditions would result in future impairment charges for the Sweet Baked Snacks segment.

There were no other indicators of impairment, and as a result, we do not believe that any of our remaining reporting units or material indefinite-lived intangible assets are more likely than not impaired as of January 31, 2025.

Note 9: Debt and Financing Arrangements

The following table summarizes the components of our long-term debt.

	January 31, 2025		April 30, 2024	
	Principal Outstanding	Carrying Amount ^(A)	Principal Outstanding	Carrying Amount ^(A)
3.50% Senior Notes due March 15, 2025	\$ 1,000.0	\$ 999.9	\$ 1,000.0	\$ 999.3
3.38% Senior Notes due December 15, 2027	500.0	498.8	500.0	498.4
5.90% Senior Notes due November 15, 2028	750.0	745.4	750.0	744.5
2.38% Senior Notes due March 15, 2030	500.0	497.5	500.0	497.2
2.13% Senior Notes due March 15, 2032	364.5	361.2	500.0	495.2
6.20% Senior Notes due November 15, 2033	1,000.0	992.2	1,000.0	991.5
4.25% Senior Notes due March 15, 2035	650.0	645.8	650.0	645.5
2.75% Senior Notes due September 15, 2041	177.5	176.1	300.0	297.4
6.50% Senior Notes due November 15, 2043	750.0	737.0	750.0	736.5
4.38% Senior Notes due March 15, 2045	600.0	589.1	600.0	588.7
3.55% Senior Notes due March 15, 2050	161.2	159.3	300.0	296.2
6.50% Senior Notes due November 15, 2053	1,000.0	983.1	1,000.0	982.6
Total long-term debt	\$ 7,453.2	\$ 7,385.4	\$ 7,850.0	\$ 7,773.0
Current portion of long-term debt	1,000.0	999.9	1,000.0	999.3
Total long-term debt, less current portion	\$ 6,453.2	\$ 6,385.5	\$ 6,850.0	\$ 6,773.7

(A) Represents the carrying amount included in the Condensed Consolidated Balance Sheets, which includes the impact of capitalized debt issuance costs, offering discounts, and terminated interest rate contracts.

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In December 2024, we commenced cash tender offers to purchase up to \$300.0 aggregate purchase price, not including accrued and unpaid interest, of certain outstanding Senior Notes. As a result, an aggregate principle amount of \$122.5 of our 2.750% Senior Notes due 2041 and \$138.8 of our 3.550% Senior Notes due 2050 were tendered and accepted, and \$194.1 of our 2.125% Senior Notes due 2032 were tendered, of which \$135.5 was accepted. We recorded a net gain on the extinguishment of debt of \$30.3 during the three and nine months ended January 31, 2025, included within other debt gains (charges) – net on the Condensed Statement of Consolidated Income. Components of the net gain include debt carrying value write-off of \$335.9 (inclusive of terminated interest rate contract, debt issuance costs, and discounts), net of the reacquisition price of \$300.0, debt tender fees of \$1.1, and a loss on the associated reverse treasury locks of \$4.5. For additional information, see Note 11: Derivative Financial Instruments.

In October 2023, we completed an offering of \$3.5 billion in Senior Notes due November 15, 2028, November 15, 2033, November 15, 2043, and November 15, 2053. The Senior Notes included \$31.8 of capitalized debt issuance costs and \$15.0 of offering discounts to be amortized to interest expense – net in the Condensed Statements of Consolidated Income over the time period for which the debt is outstanding. The net proceeds from the offering were used to partially finance the acquisition of Hostess Brands and pay off the debt assumed as part of the acquisition.

In September 2023, we entered into a Term Loan with a group of banks for an unsecured \$800.0 term facility. In November 2023, the full amount was drawn on the Term Loan to partially finance the acquisition of Hostess Brands and to pay off the debt assumed as part of the acquisition, as discussed in Note 3: Acquisition. As of April 30, 2024, the \$800.0 Term Loan was prepaid in full.

In September 2023, we entered into a commitment letter for a \$5.2 billion Bridge Loan that provided committed financing for the acquisition of Hostess Brands, as disclosed in Note 3: Acquisition. No balances were drawn against this facility, as the commitment letter was terminated after completion of the Senior Notes offering and drawing on the Term Loan. Included in other debt gains (charges) – net on the Condensed Statement of Consolidated Income at January 31, 2024 was \$19.5 related to financing fees associated with the Bridge Loan.

We have available a \$2.0 billion unsecured revolving credit facility with a group of 11 banks that matures in August 2026. Borrowings under the revolving credit facility bear interest on the prevailing U.S. Prime Rate, Secured Overnight Financing Rate (“SOFR”), Euro Interbank Offered Rate, or Canadian Overnight Repo Rate Average, based on our election. Interest is payable either on a quarterly basis or at the end of the borrowing term. We did not have a balance outstanding under the revolving credit facility at January 31, 2025, or April 30, 2024.

We participate in a commercial paper program under which we can issue short-term, unsecured commercial paper not to exceed \$2.0 billion at any time. The commercial paper program is backed by our revolving credit facility and reduces what we can borrow under the revolving credit facility by the amount of commercial paper outstanding. Commercial paper is used as a continuing source of short-term financing for general corporate purposes. As of January 31, 2025, and April 30, 2024, we had \$462.0 and \$591.0 of short-term borrowings outstanding, respectively, which were issued under our commercial paper program at weighted-average interest rates of 4.55 and 5.48 percent, respectively.

Interest paid totaled \$126.9 and \$20.6 for the three months ended January 31, 2025 and 2024, respectively, and \$341.8 and \$94.2 for the nine months ended January 31, 2025 and 2024, respectively. This differs from interest expense due to the timing of interest payments, capitalized interest, the effect of interest rate contracts, amortization of debt issuance costs and discounts, and the payment of other debt fees.

Our debt instruments contain covenant restrictions, including an interest coverage ratio. As of January 31, 2025, we are in compliance with all covenants.

Note 10: Pensions and Other Postretirement Benefits

The following table summarizes our net periodic benefit cost for defined benefit pension and other postretirement benefit plans.

	Three Months Ended January 31,			
	Defined Benefit Pension Plans		Other Postretirement Benefits	
	2025	2024	2025	2024
Service cost	\$ 0.1	\$ 0.2	\$ 0.2	\$ 0.2
Interest cost	4.5	4.5	0.7	0.7
Expected return on plan assets	(3.1)	(4.0)	—	—
Amortization of net actuarial loss (gain)	1.1	1.0	(0.5)	(0.4)
Amortization of prior service cost (credit)	—	—	(0.2)	(0.1)
Net periodic benefit cost	\$ 2.6	\$ 1.7	\$ 0.2	\$ 0.4

	Nine Months Ended January 31,			
	Defined Benefit Pension Plans		Other Postretirement Benefits	
	2025	2024	2025	2024
Service cost	\$ 0.5	\$ 0.7	\$ 0.5	\$ 0.6
Interest cost	13.3	13.8	2.0	2.0
Expected return on plan assets	(9.3)	(12.2)	—	—
Amortization of net actuarial loss (gain)	3.3	2.7	(1.5)	(1.2)
Amortization of prior service cost (credit)	0.1	0.1	(0.5)	(0.4)
Settlement loss (gain)	—	3.2	—	—
Net periodic benefit cost	\$ 7.9	\$ 8.3	\$ 0.5	\$ 1.0

In 2021, we transferred obligations related to our Canadian defined benefit pension plan to an insurance company through the purchase of an irrevocable group annuity contract (the “Canadian Buy-Out Contract”). The group annuity contract was purchased using assets from the pension trust. During the first quarter of 2024, we received corporate approval to proceed with distribution of the surplus that remains within the Canadian defined benefit pension plan. As a result, we recognized a noncash pre-tax settlement charge of \$3.2 related to the acceleration of prior service cost for the portion of the plan surplus to be allocated to plan members, which is subject to regulatory approval before a payout can be made. The settlement charge was included within other income (expense) – net in the Condensed Statement of Consolidated Income. We did not recognize any charges related to the Canadian Buy-Out Contract during the three and nine months ended January 31, 2025.

During the first nine months of 2025, we made contributions of \$1.0 to our U.S. qualified defined benefit pension plans. Additionally, we made direct benefit payments of \$2.7 and \$2.8 for the nine months ended January 31, 2025 and 2024, respectively.

Note 11: Derivative Financial Instruments

We are exposed to market risks, such as changes in commodity prices, foreign currency exchange rates, and interest rates. To manage the volatility related to these exposures, we enter into various derivative transactions. We have policies in place that define acceptable instrument types we may enter into and establish controls to limit our market risk exposure. By policy, we do not enter into derivative transactions for speculative purposes.

Commodity Derivatives: We enter into commodity derivatives to manage the price volatility and reduce the variability of future cash flows related to anticipated inventory purchases of key raw materials, notably green coffee, wheat, soybean meal, corn, and edible oils. We also enter into commodity derivatives to manage price risk for energy input costs, including diesel fuel and natural gas. Our derivative instruments generally have maturities of less than one year.

We do not qualify commodity derivatives for hedge accounting treatment, and as a result, the derivative gains and losses are immediately recognized in earnings. Although we do not perform the assessments required to achieve hedge accounting for derivative positions, we believe all of our commodity derivatives are economic hedges of our risk exposure.

The commodities hedged have a high inverse correlation to price changes of the derivative instrument. Thus, we would expect that over time any gain or loss in the estimated fair value of its derivatives would generally be offset by an increase or decrease in the estimated fair value of the underlying exposures.

Foreign Currency Exchange Derivatives: We utilize foreign currency derivatives to manage the effect of foreign currency exchange fluctuations on future cash payments primarily related to purchases of certain raw materials and finished goods. The contracts generally have maturities of less than one year. We do not qualify instruments used to manage foreign currency exchange exposures for hedge accounting treatment.

Interest Rate Derivatives: From time to time, we utilize derivative instruments to manage interest rate risk associated with anticipated debt transactions, as well as to manage changes in the fair value of our long-term debt. At the inception of an interest rate contract, the instrument is evaluated and documented for qualifying hedge accounting treatment. If the contract is designated as a cash flow hedge, the mark-to-market gains or losses on the contract are deferred and included as a component of accumulated other comprehensive income (loss) and generally reclassified to interest expense in the period during which the hedged transaction affects earnings. If the contract is designated as a fair value hedge, the contract is recognized at fair value on the balance sheet and changes in the fair value are recognized in interest expense. Generally, changes in the fair value of the contract are equal to changes in the fair value of the underlying debt and have no net impact on earnings.

In November 2024, we entered into reverse treasury locks to manage our exposure to interest rate fluctuations related to the tender offers. In December 2024, concurrent with the pricing of the tender offers, we settled the reverse treasury locks and realized a net loss of \$4.5 during the three months ended January 31, 2025, recognized in earnings within other debt gains (charges) – net on the Condensed Statement of Consolidated Income, netting with the gain on extinguishment associated with the tender offers. For additional information, see Note 9: Debt and Financing Arrangements.

Equity Forward Derivative: During the first quarter of 2024, we began entering into equity forward derivative transactions under an agreement with an unrelated third-party to facilitate the forward sale of the Post common stock. We did not qualify the forward sale derivative contract for hedge accounting treatment, and as a result, derivative gains and losses associated with the economic hedge were immediately recognized in earnings within other income (expense) – net in the Condensed Statement of Consolidated Income, netting with the change in fair value of the underlying shares. All 5.4 million shares of Post common stock were hedged and later settled on November 15, 2023, for \$466.3, resulting in a pre-tax gain of \$5.4 during the year ended April 30, 2024, inclusive of a realized pre-tax loss of \$28.2 and gain of \$5.4 recognized during the three and nine months ended January 31, 2024, respectively. For additional information, see Note 4: Divestitures.

The following table presents the gross notional value of outstanding derivative contracts.

	January 31, 2025	April 30, 2024
Commodity contracts	\$ 1,534.4	\$ 787.7
Foreign currency exchange contracts	98.0	98.6

The following tables set forth the gross fair value amounts of derivative instruments recognized in the Condensed Consolidated Balance Sheets.

	January 31, 2025			
	Other Current Assets	Other Current Liabilities	Other Noncurrent Assets	Other Noncurrent Liabilities
Derivatives not designated as hedging instruments:				
Commodity contracts	\$ 57.0	\$ 36.6	\$ —	\$ —
Foreign currency exchange contracts	4.4	—	0.2	—
Total derivative instruments	<u>\$ 61.4</u>	<u>\$ 36.6</u>	<u>\$ 0.2</u>	<u>\$ —</u>
	April 30, 2024			
	Other Current Assets	Other Current Liabilities	Other Noncurrent Assets	Other Noncurrent Liabilities
Derivatives not designated as hedging instruments:				
Commodity contracts	\$ 35.8	\$ 9.3	\$ —	\$ 0.1
Foreign currency exchange contracts	1.9	0.1	—	—
Total derivative instruments	<u>\$ 37.7</u>	<u>\$ 9.4</u>	<u>\$ —</u>	<u>\$ 0.1</u>

We have elected to not offset fair value amounts recognized for our exchange-traded derivative instruments and our cash margin accounts executed with the same counterparty that are generally subject to enforceable netting agreements. We are required to maintain cash margin accounts in connection with funding the settlement of our open positions. Our cash margin accounts represented collateral pledged of \$8.5 and collateral received of \$1.9 at January 31, 2025, and April 30, 2024, respectively, and are included in other current assets in the Condensed Consolidated Balance Sheets. The change in the cash margin accounts is included in other – net, investing activities in the Condensed Statements of Consolidated Cash Flows. In the event of default and immediate net settlement of all of our open positions with individual counterparties, all of our derivative liabilities would be fully offset by either our derivative asset positions or margin accounts based on the net asset or liability position with our individual counterparties. Cash flows associated with the settlement of derivative instruments are classified in the same line item as the cash flows of the related hedged item, which is within operating activities in the Condensed Statements of Consolidated Cash Flows.

Economic Hedges

The following table presents the net gains and losses recognized in cost of products sold in the Condensed Statements of Consolidated Income on derivatives not designated as hedging instruments.

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2025	2024	2025	2024
Derivative gains (losses) on commodity contracts	\$ 60.1	\$ (6.1)	\$ 50.7	\$ (3.3)
Derivative gains (losses) on foreign currency exchange contracts	3.8	(3.3)	5.5	(0.7)
Total derivative gains (losses) recognized in cost of products sold	\$ 63.9	\$ (9.4)	\$ 56.2	\$ (4.0)

Commodity and foreign currency exchange derivative gains and losses are reported in unallocated derivative gains and losses outside of segment operating results until the related inventory is sold. At that time, we reclassify the hedge gains and losses from unallocated derivative gains and losses to segment profit, allowing our segments to realize the economic effect of the hedge without experiencing any mark-to-market volatility. The following table presents the net change in cumulative unallocated derivative gains and losses.

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2025	2024	2025	2024
Net derivative gains (losses) recognized and classified as unallocated	\$ 63.9	\$ (9.4)	\$ 56.2	\$ (4.0)
Less: Net derivative gains (losses) reclassified to segment operating profit	3.9	(4.2)	14.5	17.1
Change in net cumulative unallocated derivative gains and losses	\$ 60.0	\$ (5.2)	\$ 41.7	\$ (21.1)

The net cumulative unallocated derivative gains were \$64.3 and \$22.6 at January 31, 2025, and April 30, 2024, respectively.

Cash Flow Hedges

In November 2023, we terminated interest rate contracts for \$42.5 concurrent with the payment of the debt assumed with the acquisition of Hostess Brands. The interest rate contracts were designated as cash flow hedges and were used to manage exposure to changes in cash flows associated with variable rate debt.

In 2020, we terminated all outstanding interest rate contracts concurrent with the pricing of the Senior Notes due March 15, 2030 and March 15, 2050. The contracts were designated as cash flow hedges and were used to manage our exposure to interest rate volatility associated with the anticipated debt financing. The termination resulted in a pre-tax loss of \$239.8, which was deferred and included as a component of accumulated other comprehensive income (loss) and is being amortized as interest expense over the life of the debt.

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The following table presents information on the pre-tax gains and losses recognized on all contracts previously designated as cash flow hedges.

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2025	2024	2025	2024
Gains (losses) recognized in other comprehensive income (loss)	\$ —	\$ —	\$ —	\$ —
Less: Gains (losses) reclassified from accumulated other comprehensive income (loss) to interest expense – net ^(A)	(3.0)	(3.3)	(9.8)	(10.1)
Less: Gains (losses) reclassified from accumulated other comprehensive income (loss) to other debt gains (charges) – net ^(B)	(56.9)	—	(56.9)	—
Change in accumulated other comprehensive income (loss)	\$ 59.9	\$ 3.3	\$ 66.7	\$ 10.1

(A) Interest expense – net, as presented in the Condensed Statements of Consolidated Income was \$95.4 and \$99.8 for the three months ended January 31, 2025 and 2024, respectively, and \$294.5 and \$167.0 for the nine months ended January 31, 2025 and 2024, respectively. The reclassification includes terminated contracts which were designated as cash flow hedges.

(B) Other debt gains (charges) – net, as presented in the Condensed Statement of Consolidated Income was \$30.3 for the three and nine months ended January 31, 2025. The reclassification is related to the debt extinguishment due to the tender offers, as discussed in Note 9: Debt and Financing Arrangements.

Included as a component of accumulated other comprehensive income (loss) at January 31, 2025, and April 30, 2024, were deferred net pre-tax losses of \$120.4 and \$187.1, respectively, related to the terminated interest rate contracts. The related net tax benefit recognized in accumulated other comprehensive income (loss) at January 31, 2025, and April 30, 2024, was \$28.3 and \$44.0, respectively. Approximately \$12.5 of the net pre-tax loss will be recognized over the next 12 months related to the terminated interest rate contracts.

Note 12: Other Financial Instruments and Fair Value Measurements

Financial instruments, other than derivatives, that potentially subject us to significant concentrations of credit risk consist principally of cash investments, short-term borrowings, and trade receivables. The carrying value of these financial instruments approximates fair value. Our remaining financial instruments, with the exception of long-term debt, are recognized at estimated fair value in the Condensed Consolidated Balance Sheets.

The following table provides information on the carrying amounts and fair values of our financial instruments.

	January 31, 2025		April 30, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Marketable securities and other investments	\$ 21.2	\$ 21.2	\$ 22.1	\$ 22.1
Derivative financial instruments – net	25.0	25.0	28.2	28.2
Total long-term debt	(7,385.4)	(7,514.1)	(7,773.0)	(7,652.9)

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Valuation techniques are based on observable and unobservable inputs. Observable inputs reflect readily obtainable data from independent sources, while unobservable inputs reflect our market assumptions.

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The following tables summarize the fair values and the levels within the fair value hierarchy in which the fair value measurements fall for our financial instruments.

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value at January 31, 2025
Marketable securities and other investments: ^(A)				
Equity mutual funds	\$ 4.2	\$ —	\$ —	\$ 4.2
Municipal obligations	—	15.9	—	15.9
Money market funds	1.1	—	—	1.1
Derivative financial instruments: ^(B)				
Commodity contracts – net	20.4	—	—	20.4
Foreign currency exchange contracts – net	0.1	4.5	—	4.6
Total long-term debt ^(C)	(7,514.1)	—	—	(7,514.1)
Total financial instruments measured at fair value	\$ (7,488.3)	\$ 20.4	\$ —	\$ (7,467.9)

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value at April 30, 2024
Marketable securities and other investments: ^(A)				
Equity mutual funds	\$ 4.5	\$ —	\$ —	\$ 4.5
Municipal obligations	—	17.2	—	17.2
Money market funds	0.4	—	—	0.4
Derivative financial instruments: ^(B)				
Commodity contracts – net	26.7	(0.3)	—	26.4
Foreign currency exchange contracts – net	0.5	1.3	—	1.8
Total long-term debt ^(C)	(7,652.9)	—	—	(7,652.9)
Total financial instruments measured at fair value	\$ (7,620.8)	\$ 18.2	\$ —	\$ (7,602.6)

(A) Marketable securities and other investments consist of funds maintained for the payment of benefits associated with nonqualified retirement plans. The funds include equity securities listed in active markets, municipal obligations valued by a third-party using valuation techniques that utilize inputs that are derived principally from or corroborated by observable market data, and money market funds with maturities of three months or less. Based on the short-term nature of these money market funds, carrying value approximates fair value. As of January 31, 2025, our municipal obligations are scheduled to mature as follows: \$0.2 in 2025, \$0.8 in 2026, \$3.9 in 2027, \$0.4 in 2028, \$3.3 in 2029, and the remaining \$7.3 in 2030 and beyond.

(B) Level 1 commodity and foreign currency exchange derivatives are valued using quoted market prices for identical instruments in active markets. Level 2 commodity and foreign currency exchange derivatives are valued using quoted prices for similar assets or liabilities in active markets. For additional information, see Note 11: Derivative Financial Instruments.

(C) Long-term debt is composed of public Senior Notes, which are traded in an active secondary market and valued using quoted prices. For additional information, see Note 9: Debt and Financing Arrangements.

During the third quarter of 2025, we recognized nonrecurring fair value adjustments of \$1.0 billion, of which \$794.3 and \$208.2 related to the goodwill of the Sweet Baked Snacks reporting unit and the *Hostess* brand indefinite-lived trademark, respectively. These adjustments were included as noncash charges in our Condensed Statement of Consolidated Income. We utilized Level 3 inputs based on management's best estimates and assumptions to estimate the fair value of the reporting unit and the indefinite-lived trademark. For additional information, see Note 8: Goodwill and Other Intangible Assets.

As of January 31, 2025, the disposal group of certain Sweet Baked Snacks value brands met the criteria to be classified as held for sale, and as a result, a valuation allowance of \$42.6 was established to reflect the fair value of the disposal group less costs to sell, which was based on the expected proceeds and the estimated carrying value of the net assets to be disposed. The estimated pre-tax loss on the disposal group was included within loss (gain) on divestitures – net in the Condensed Statement of Consolidated Income. We utilized Level 3 inputs based on management's best estimates and assumptions to estimate the fair value of the disposal group. Furthermore, the valuation allowance for the disposal group included the impact of an allocation of \$26.3 of goodwill from the Sweet Baked Snacks segment, which was determined based on a relative fair value analysis. For additional information, see Note 4: Divestitures.

During the second quarter of 2025, the disposal group for the *Voortman* business was classified as held for sale, and as a result, an estimated pre-tax loss of \$260.8 was recognized within loss (gain) on divestitures – net in the Condensed Statement of Consolidated Income. Upon close of the transaction during the third quarter of 2025, the pre-tax loss was adjusted to \$268.4, reflecting the fair value of the disposal group as of the transaction date. We utilized Level 3 inputs based on management’s best estimates and assumptions to estimate the fair value of the disposal group. Furthermore, the pre-tax loss for the divested *Voortman* business included the impact of an allocation of \$251.1 of goodwill from the Sweet Baked Snacks segment, which was determined based on a relative fair value analysis. For additional information, see Note 4: Divestitures and Note 8: Goodwill and Other Intangible Assets.

Note 13: Leases

We lease certain warehouses, manufacturing facilities, office space, equipment, and vehicles, primarily through operating lease agreements. We have elected to not recognize leases with a term of 12 months or less in the Condensed Consolidated Balance Sheets. Instead, we recognize the related lease expense on a straight-line basis over the lease term.

Although the majority of our right-of-use asset and lease liability balances consist of leases with renewal options, these optional periods do not typically impact the lease term as we are not reasonably certain to exercise them. Certain leases also include termination provisions or options to purchase the leased property. Since we are not reasonably certain to exercise these types of options, minimum lease payments do not include any amounts related to these termination or purchase options. Our lease agreements generally do not contain residual value guarantees or restrictive covenants that are material.

We determine if an agreement is or contains a lease at inception by evaluating whether an identified asset exists that we control over the term of the arrangement. A lease commences when the lessor makes the identified asset available for our use. We generally account for lease and non-lease components as a single lease component. Minimum lease payments do not include variable lease payments other than those that depend on an index or rate.

Because the interest rate implicit in the lease cannot be readily determined for the majority of our leases, we utilize our incremental borrowing rate to present value lease payments using information available at the lease commencement date. We consider our credit rating and the current economic environment in determining this collateralized rate.

The following table sets forth the right-of-use assets and lease liabilities recognized in the Condensed Consolidated Balance Sheets.

	January 31, 2025	April 30, 2024
Operating lease right-of-use assets	\$ 121.4	\$ 174.6
Operating lease liabilities:		
Current operating lease liabilities	\$ 38.0	\$ 40.5
Noncurrent operating lease liabilities	89.8	143.5
Total operating lease liabilities	<u>\$ 127.8</u>	<u>\$ 184.0</u>
Finance lease right-of-use assets:		
Machinery and equipment	\$ 22.8	\$ 18.7
Accumulated depreciation	(12.1)	(8.0)
Total property, plant, and equipment	<u>\$ 10.7</u>	<u>\$ 10.7</u>
Finance lease liabilities:		
Other current liabilities	\$ 3.1	\$ 2.8
Other noncurrent liabilities	8.1	8.3
Total finance lease liabilities	<u>\$ 11.2</u>	<u>\$ 11.1</u>

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The following table summarizes the components of lease expense.

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2025	2024	2025	2024
Operating lease cost	\$ 11.0	\$ 13.1	\$ 35.5	\$ 37.0
Finance lease cost:				
Amortization of right-of-use assets	0.9	0.7	2.5	2.7
Interest on lease liabilities	0.2	0.1	0.5	0.4
Variable lease cost	3.9	6.4	16.2	17.6
Short-term lease cost	9.4	11.8	33.3	32.4
Total lease cost ^(A)	\$ 25.4	\$ 32.1	\$ 88.0	\$ 90.1

(A) Total lease cost does not include sublease income which is immaterial for all years presented.

The following table sets forth cash flow and noncash information related to leases.

	Nine Months Ended January 31,	
	2025	2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 36.5	\$ 36.9
Operating cash flows from finance leases	0.4	0.4
Financing cash flows from finance leases	2.6	2.6
Right-of-use assets obtained in exchange for new lease liabilities:		
Operating leases	8.7	91.9
Finance leases	2.6	8.0

The following table summarizes the maturity of our lease liabilities by fiscal year.

	January 31, 2025	
	Operating Leases	Finance Leases
2025 (remainder of the year)	\$ 10.6	\$ 0.9
2026	41.2	3.4
2027	21.4	3.1
2028	12.3	2.9
2029	10.9	1.5
2030 and beyond	52.9	0.5
Total undiscounted minimum lease payments	\$ 149.3	\$ 12.3
Less: Imputed interest	21.5	1.1
Lease liabilities	\$ 127.8	\$ 11.2

The following table sets forth the weighted average remaining lease term and discount rate.

	January 31, 2025	April 30, 2024
Weighted average remaining lease term (in years):		
Operating leases	6.1	6.2
Finance leases	3.8	4.3
Weighted average discount rate:		
Operating leases	4.6 %	4.3 %
Finance leases	5.0 %	4.8 %

Note 14: Income Taxes

Income taxes decreased \$75.3, or 100 percent, during the three months ended January 31, 2025, as compared to the prior year. The effective income tax rate for the third quarter of 2025 varied from the U.S. statutory income tax rate of 21.0 percent primarily due to state income taxes and an unfavorable permanent impact associated with the goodwill impairment charge for the Sweet Baked Snacks reporting unit, partially offset by the reversal of a deferred tax liability upon completion of the sale of the Voortman Cookies Limited entity, and a favorable noncash deferred tax benefit associated with the integration of Hostess Brands into our Company. The effective income tax rate for the third quarter of 2024 varied from the U.S. statutory income tax rate of 21.0 percent primarily due to state income taxes and unfavorable tax impacts associated with the acquisition of Hostess Brands.

Income taxes decreased \$32.3, or 18 percent, during the nine months ended January 31, 2025, as compared to the prior year. The effective income tax rate for the first nine months of 2025 varied from the U.S. statutory income tax rate of 21.0 percent primarily due to state income taxes and unfavorable permanent impacts associated with the goodwill impairment charge for the Sweet Baked Snacks reporting unit and the sale of the *Voortman* business, partially offset by the favorable noncash deferred tax benefit associated with the integration of Hostess Brands into our Company. The effective income tax rate for the first nine months of 2024 varied from the U.S. statutory income tax rate of 21.0 percent primarily due to state income taxes and unfavorable tax impacts associated with the acquisition of Hostess Brands, partially offset by a favorable tax impact of the sale of the *Sahale Snacks* business.

Within the next 12 months, it is reasonably possible that we could decrease our unrecognized tax benefits by an estimated \$0.8, primarily as a result of the expiration of statute of limitation periods.

Note 15: Accumulated Other Comprehensive Income (Loss)

The components of accumulated other comprehensive income (loss), including the reclassification adjustments for items that are reclassified from accumulated other comprehensive income (loss) to net income (loss), are shown below.

	Foreign Currency Translation Adjustment	Net Gains (Losses) on Cash Flow Hedging Derivatives (A)	Pension and Other Postretirement Liabilities (B)	Unrealized Gain (Loss) on Available- for-Sale Securities	Accumulated Other Comprehensive Income (Loss)
Balance at May 1, 2024	\$ (39.2)	\$ (143.1)	\$ (53.4)	\$ 1.1	\$ (234.6)
Reclassification adjustments	—	66.7	1.4	—	68.1
Current period credit (charge)	(14.3)	—	—	(0.5)	(14.8)
Income tax benefit (expense)	—	(15.7)	(0.4)	0.1	(16.0)
Balance at January 31, 2025	\$ (53.5)	\$ (92.1)	\$ (52.4)	\$ 0.7	\$ (197.3)

	Foreign Currency Translation Adjustment	Net Gains (Losses) on Cash Flow Hedging Derivatives (A)	Pension and Other Postretirement Liabilities (B)	Unrealized Gain (Loss) on Available- for-Sale Securities	Accumulated Other Comprehensive Income (Loss)
Balance at May 1, 2023	\$ (34.3)	\$ (153.6)	\$ (52.7)	\$ 1.4	\$ (239.2)
Reclassification adjustments	—	10.1	4.4	—	14.5
Current period credit (charge)	2.4	—	(3.2)	0.3	(0.5)
Income tax benefit (expense)	—	(1.9)	(0.2)	(0.1)	(2.2)
Balance at January 31, 2024	\$ (31.9)	\$ (145.4)	\$ (51.7)	\$ 1.6	\$ (227.4)

- (A) The reclassification from accumulated other comprehensive income (loss) is primarily composed of deferred gains (losses) related to terminated interest rate contracts which were reclassified to interest expense – net. In addition, a portion of the reclassification in 2025 was reclassified to other debt gains (charges) – net resulting from the extinguishment of debt from the tender offers. For additional information, see Note 11: Derivative Financial Instruments and Note 9: Debt and Financing Arrangements.
- (B) The reclassification from accumulated other comprehensive income (loss) to other income (expense) – net is composed of settlement charges and amortization of net losses and prior service costs. For additional information, see Note 10: Pensions and Other Postretirement Benefits.

Note 16: Contingencies

We, like other food manufacturers, are from time to time subject to various administrative, regulatory, and other legal proceedings arising in the ordinary course of business. We are currently a defendant in a variety of such legal proceedings, and while we cannot predict with certainty the ultimate results of these proceedings or potential settlements associated with these or other matters, we have accrued losses for certain contingent liabilities that we have determined are probable and reasonably estimable at January 31, 2025. Based on the information known to date, with the exception of the matters discussed below, we do not believe the final outcome of these proceedings will have a material adverse effect on our financial position, results of operations, or cash flows.

Class Action Lawsuits: We are defendants in a series of putative class action lawsuits that were transferred to the U.S. District Court for the Western District of Missouri for coordinated pre-trial proceedings. The plaintiffs assert claims arising under various state laws for false advertising, consumer protection, deceptive and unfair trade practices, and similar statutes. Their claims are premised on allegations that we have misrepresented the number of servings that can be made from various canisters of *Folgers* coffee on the packaging for those products. The outcome and the financial impact of these cases, if any, cannot be predicted at this time. Accordingly, no loss contingency has been recorded for these matters as of January 31, 2025, as the likelihood of loss is not considered probable or reasonably estimable. However, if we are required to pay significant damages, our business and financial results could be adversely impacted, and sales of those products could suffer not only in these locations but elsewhere.

Product Recall: We are defendants in ongoing consumer litigation associated with a voluntary recall of select *Jif* peanut butter products initiated in May 2022. The outcome and financial impact of this litigation cannot be predicted at this time. Accordingly, no loss contingency has been recorded for these matters as of January 31, 2025, as the likelihood of loss is not considered probable or reasonably estimable.

Voortman Contingency: In December 2020, Hostess Brands asserted claims for indemnification against the sellers (the “Sellers”) under the terms of a Share Purchase Agreement (the “Purchase Agreement”) pursuant to which Hostess Brands acquired Voortman Cookies Limited (“Voortman”). The claims were for damages arising out of alleged breaches by the Sellers of certain representations, warranties, and covenants contained in the Purchase Agreement relating to periods prior to the closing of the acquisition. Hostess Brands also submitted claims relating to these alleged breaches under the representation and warranty insurance policy (“RWI”) that was purchased in connection with the acquisition. In the third quarter of calendar 2022, the RWI insurers paid Hostess Brands \$42.5 CAD (the RWI coverage limit) (the “Proceeds”) related to these breaches. Per agreement with the RWI insurers, we will not be required to return the Proceeds under any circumstances.

On November 3, 2022, pursuant to the agreement with the RWI insurers, Voortman brought claims in the Ontario (Canada) Superior Court of Justice (the “Claim”), related to the breaches against certain of the Sellers. The Claim alleges the seller defendants made certain non-disclosures and misrepresentations to induce Hostess Brands to overpay for Voortman. We are seeking damages of \$109.0 CAD representing the amount of the aggregate liability of the Sellers for indemnification under the Purchase Agreement, \$5.0 CAD in punitive or aggravated damages, interest, proceedings fees, and any other relief the presiding court deems appropriate. A portion of any recovery will be shared with the RWI insurers. Although we believe that the Claim is meritorious, no assurance can be given as to whether we will recover all, or any part, of the amounts being pursued. We retained rights to the Claim upon the divestiture of the *Voortman* business in the third quarter of 2025.

Note 17: Common Shares

The following table sets forth common share information.

	January 31, 2025	April 30, 2024
Common shares authorized	300.0	300.0
Common shares outstanding	106.4	106.2
Treasury shares	44.1	44.3

Repurchase Program: During the nine months ended January 31, 2025, we did not repurchase any common shares under a repurchase plan authorized by the Board of Directors (the “Board”). As of January 31, 2025, approximately 1.1 million common shares remain available for repurchase pursuant to the Board’s authorizations.

On March 2, 2023, we entered into a share repurchase plan (the “10b5-1 Plan”) established in accordance with Rule 10b5-1 of the Exchange Act in connection with the remaining common shares authorized for repurchase by the Board, which was approximately 3.5 million common shares as of April 30, 2023. In accordance with the 10b5-1 Plan, our designated broker had

the authority to repurchase approximately 2.4 million common shares, which commenced upon the sale of certain pet food brands on April 28, 2023, and expired 45 calendar days after the closure of the transaction. During the first quarter of 2024, we repurchased approximately 2.4 million common shares for \$362.8 under the 10b5-1 Plan. In accordance with *The Inflation Reduction Act of 2022, H.R. 5376* (the “Inflation Reduction Act”), a one percent excise tax was applied to share repurchases after December 31, 2022. As a result, an excise tax of \$3.6 was accrued on the repurchased shares during the first quarter of 2024 and included within additional capital in our Condensed Consolidated Balance Sheet. An accrued excise tax of \$6.7 was paid during the nine months ended January 31, 2025, which was related to the shares repurchased under the 10b5-1 Plan during 2023 and 2024.

All other share repurchases during the nine months ended January 31, 2025 and 2024, consisted of shares repurchased from stock plan recipients in lieu of cash payments.

Shares Issued: On November 7, 2023, we acquired Hostess Brands, and as a result, we issued approximately 4.0 million common shares valued at \$450.2 in exchange for the outstanding shares of Hostess Brands common stock to partially fund the acquisition. The shares issued were based on each outstanding share of Hostess Brands common stock receiving \$30.00 per share in cash and 0.03002 shares of our common shares, which represented a value of \$4.25 based on the closing stock price of our common shares on September 8, 2023, the last trading day preceding September 11, 2023, the date on which the execution of the Hostess Brands merger agreement was publicly announced. For additional information on the acquisition of Hostess Brands, see Note 3: Acquisition.

Note 18: Supplier Financing Program

As part of ongoing efforts to maximize working capital, we work with our suppliers to optimize our terms and conditions, which includes the extension of payment terms. Payment terms with our suppliers, which we deem to be commercially reasonable, range from 0 to 180 days. We have an agreement with a third-party administrator to provide an accounts payable tracking system and facilitate a supplier financing program which allows participating suppliers the ability to monitor and voluntarily elect to sell our payment obligations to a designated third-party financial institution. Participating suppliers can sell one or more of our payment obligations at their sole discretion, and our rights and obligations to our suppliers are not impacted. We have no economic interest in a supplier’s decision to enter into these agreements. Our rights and obligations to our suppliers, including amounts due and scheduled payment terms, are not impacted by our suppliers’ decisions to sell amounts under these arrangements. However, our right to offset balances due from suppliers against our payment obligations is restricted by the agreement for those payment obligations that have been sold by our suppliers. The payment of these obligations is included in cash provided by operating activities in the Condensed Statements of Consolidated Cash Flows. Included in accounts payable in the Condensed Consolidated Balance Sheets as of January 31, 2025, and April 30, 2024, were \$315.1 and \$384.9 of our outstanding payment obligations, respectively, that were elected and sold to a financial institution by participating suppliers. During the first nine months of 2025 and 2024, we paid \$1,211.9 and \$1,280.6, respectively, to a financial institution for payment obligations that were settled through the supplier financing program.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

(Dollars and shares in millions, unless otherwise noted, except per share data)

This discussion and analysis deals with comparisons of material changes in the unaudited condensed consolidated financial statements for the three and nine months ended January 31, 2025 and 2024. All comparisons presented are to the corresponding period of the prior year, unless otherwise noted.

On January 31, 2025, we entered into a definitive agreement to sell certain Sweet Baked Snacks value brands to JTM. We expect the transaction to close during the fourth quarter of 2025. The transaction includes certain trademarks and licenses, the manufacturing facility in Chicago, Illinois, and approximately 400 employees who support the business. Under our ownership, these Sweet Baked Snacks value brands generated net sales of approximately \$30.0 in 2024, which represents a partial year of net sales reported in the Sweet Baked Snacks segment results following the acquisition of Hostess Brands on November 7, 2023. The transaction is valued at approximately \$40.0, subject to a working capital adjustment. As of January 31, 2025, the disposal group met the criteria to be classified as held for sale, and as a result, a valuation allowance was established to reflect the fair value of the disposal group less costs to sell, which was based on the expected proceeds and the estimated carrying value of the net assets to be disposed. The valuation allowance was included within assets held for sale – net in the Condensed Consolidated Balance Sheet, and the estimated pre-tax loss on the disposal group of \$42.6 was included within loss (gain) on divestitures – net in the Condensed Statement of Consolidated Income and Condensed Statement of Consolidated Cash Flows.

On December 2, 2024, we sold the *Voortman* business to Second Nature. The transaction included products sold under the *Voortman* brand, inclusive of certain trademarks, a leased manufacturing facility in Burlington, Ontario, and approximately 300 employees who supported the business. Under our ownership, the *Voortman* business generated net sales of approximately \$65.0 in 2024, which represents a partial year of net sales reported in the Sweet Baked Snacks segment results following the acquisition of Hostess Brands on November 7, 2023. Net proceeds from the divestiture were \$290.5, net of a preliminary working capital adjustment and cash transaction costs. During the second quarter of 2025, the disposal group met the criteria to be classified as held for sale, and as a result, an estimated pre-tax loss of \$260.8 was recognized within loss (gain) on divestitures – net in the Condensed Statement of Consolidated Income and Condensed Statement of Consolidated Cash Flows. Upon close of the transaction during the third quarter of 2025, the pre-tax loss was adjusted to \$268.4, reflecting the fair value of the disposal group as of the transaction date.

On January 2, 2024, we sold the Canada condiment business to TreeHouse Foods. The transaction included *Bick's* pickles, *Habitant* pickled beets, *Woodman's* horseradish, and *McLarens* pickled onions brands, inclusive of certain trademarks. Under our ownership, these brands generated net sales of \$43.8 in 2024, included in the International operating segment. Final net proceeds from the divestiture were \$25.3, inclusive of a working capital adjustment and cash transaction costs, resulting in a final pre-tax loss of \$5.7, of which \$5.2 was recognized during the second quarter of 2024, as the disposal group met the criteria to be classified as held for sale, and a valuation allowance was established to reflect the fair value of the disposal group less costs to sell. The valuation allowance was included within loss (gain) on divestitures – net in the Condensed Statement of Consolidated Income and Condensed Statement of Consolidated Cash Flows. Upon close of the transaction during the third quarter of 2024, the pre-tax loss was adjusted to \$5.7, reflecting the fair value of the disposal group as of the transaction date.

On November 7, 2023, we completed a cash and stock transaction to acquire Hostess Brands. The total purchase consideration in connection with the acquisition was \$5.4 billion, which reflects an exchange offer of all outstanding shares of Hostess Brands common stock at a price of \$34.25 per share, consisting of \$30.00 in cash and 0.03002 shares of our common shares, based on the closing stock price on September 8, 2023, that were exchanged for each share of Hostess Brands common stock as of the transaction date. The purchase price included the issuance of approximately 4.0 million of our common shares to Hostess Brands' shareholders, valued at \$450.2. In addition, we paid \$3.9 billion in cash, net of cash acquired, and assumed \$991.0 of debt from Hostess Brands and \$67.8 of an other debt-like item, reflecting consideration transferred for the cash payment of Hostess Brands' employee equity awards. New debt of \$5.0 billion was borrowed, consisting of \$3.5 billion in Senior Notes, an \$800.0 Term Loan, and \$700.0 of short-term borrowings under our commercial paper program to partially fund the transaction and pay off the debt assumed as part of the acquisition. Hostess Brands is a manufacturer and marketer of sweet baked goods brands and included *Hostess Donettes*, *Twinkies*, *CupCakes*, *DingDongs*, *Zingers*, *CoffeeCakes*, *HoHos*, *Mini Muffins*, and *Fruit Pies*, and the *Voortman* brand at the acquisition date. In addition to its headquarters in Lenexa, Kansas, the transaction included six manufacturing facilities located in Emporia, Kansas; Burlington, Ontario; Chicago, Illinois; Columbus, Georgia; Indianapolis, Indiana; and Arkadelphia, Arkansas, a distribution facility in Edgerton, Kansas, and a commercial center of excellence in Chicago, Illinois. During the first nine months of 2025, the acquired business contributed net sales of \$927.8. We anticipate cost synergies of approximately \$100.0, which are expected to be achieved by the end of 2026. To date, we have achieved cost synergies of approximately \$64.0, of which approximately \$53.0 was achieved during the first nine months of 2025.

On November 1, 2023, we sold the *Sahale Snacks* business to Second Nature. The transaction included products sold under the *Sahale Snacks* brand, inclusive of certain trademarks and licensing agreements, a leased manufacturing facility in Seattle, Washington, and approximately 100 employees who supported the brand. Under our ownership, the *Sahale Snacks* brand generated net sales of \$24.1 in 2024, primarily included in the U.S. Retail Frozen Handheld and Spreads segment. Final net proceeds from the divestiture were \$31.6, inclusive of a working capital adjustment and cash transaction costs, resulting in a final pre-tax loss of \$6.7, of which \$6.8 was recognized during the second quarter of 2024, as the disposal group met the criteria to be classified as held for sale, and a valuation allowance was established to reflect the fair value of the disposal group less costs to sell. The valuation allowance was included within loss (gain) on divestitures – net in the Condensed Statement of Consolidated Income and Condensed Statement of Consolidated Cash Flows. Upon close of the transaction during the third quarter of 2024, the pre-tax loss was adjusted to \$6.7, reflecting the fair value of the disposal group as of the transaction date.

On April 28, 2023, we sold certain pet food brands to Post. The transaction included the *Rachael Ray Nutrish*, *9Lives*, *Kibbles 'n Bits*, *Nature's Recipe*, and *Gravy Train* brands, as well as the private label pet food business, inclusive of certain trademarks and licensing agreements, manufacturing and distribution facilities in Bloomsburg, Pennsylvania, manufacturing facilities in Meadville, Pennsylvania and Lawrence, Kansas, and approximately 1,100 employees who supported these pet food brands. Final net proceeds from the divestiture were \$1.2 billion, consisting of \$683.9 in cash, net of a working capital adjustment and cash transaction costs, and approximately 5.4 million shares of Post common stock, valued at \$491.6 at the close of the transaction. We recognized a pre-tax loss of \$1.0 billion upon completion of this transaction in 2023. During the first half of 2024, we finalized the working capital adjustment and transaction costs, which resulted in an immaterial adjustment to the pre-

tax loss. Furthermore, during the first quarter of 2024, we entered into equity forward derivative transactions under an agreement with an unrelated third-party to facilitate the forward sale of the Post common stock. All 5.4 million shares of Post common stock were settled for \$466.3 under the equity forward contract on November 15, 2023.

For additional information, see Note 3: Acquisition and Note 4: Divestitures.

We are the owner of all trademarks referenced herein, except for the following, which are used under license: *Dunkin'* is a trademark of DD IP Holder LLC used under three licenses (the "Dunkin' Licenses") for packaged coffee products, including K-Cup® pods, sold in retail channels, such as grocery stores, mass merchandisers, club stores, e-commerce, and drug stores, as well as in certain away from home channels. The Dunkin' Licenses do not pertain to coffee or other products for sale in *Dunkin'* restaurants. K-Cup® is a trademark of Keurig Green Mountain, Inc., used with permission.

Trends Affecting our Business

During the first nine months of 2025, we continued to experience input cost inflation and a dynamic macroeconomic environment, which we anticipate will persist through the remainder of 2025. Further, the higher costs have required price increases across our business, and we anticipate the price elasticity of demand will remain elevated during 2025 as consumers continue to experience broader inflationary pressures. In response to the inflationary pressures, we continue to focus on the delivery of our company-wide transformation initiative to deliberately translate our continuous improvement mindset into sustainable productivity initiatives in order to grow our profit margins and reinvest in the Company to enable future growth and cost savings.

In addition, it is possible significant disruptions in our supply chain could occur if certain geopolitical events continue to impact markets around the world, including the impact of potential shipping delays due to supply and demand imbalances, as well as labor shortages and tariffs. We also continue to work closely with our customers and external business partners, taking additional actions to ensure safety, business continuity, and maximize product availability. We have maintained production at all our facilities and availability of appointments at distribution centers. Furthermore, we have implemented measures to manage order volumes to ensure a consistent supply across our retail partners during periods of high demand. However, to the extent that high demand levels or supply chain disruptions delay order fulfillment, we may experience volume loss and elevated penalties. Although we do not have any operations in Russia, Ukraine, Israel, or Palestine, we continue to monitor the environment for any significant escalation or expansion of economic or supply chain disruptions, including broader inflationary costs, as well as regional or global economic recessions.

Overall, broad-based supply chain disruptions and the impact of inflation remain uncertain. We will continue to evaluate the nature and extent to which supply chain disruptions and inflation will impact our business, supply chain, including labor availability and attrition, results of operations, financial condition, and liquidity.

Results of Operations

	Three Months Ended January 31,			Nine Months Ended January 31,		
	2025	2024	% Increase (Decrease)	2025	2024	% Increase (Decrease)
Net sales	\$ 2,186.0	\$ 2,229.2	(2)%	\$ 6,582.3	\$ 5,973.0	10 %
Gross profit	\$ 878.1	\$ 823.1	7	\$ 2,561.4	\$ 2,202.1	16
<i>% of net sales</i>	40.2 %	36.9 %		38.9 %	36.9 %	
Operating income (loss)	\$ (594.0)	\$ 297.4	n/m	\$ (74.8)	\$ 899.8	(108)
<i>% of net sales</i>	(27.2)%	13.3 %		(1.1)%	15.1 %	
Net income (loss):						
Net income (loss)	\$ (662.3)	\$ 120.4	n/m	\$ (501.8)	\$ 498.9	n/m
Net income (loss) per common share – assuming dilution	\$ (6.22)	\$ 1.13	n/m	\$ (4.72)	\$ 4.81	n/m
Adjusted gross profit ^(A)	\$ 819.2	\$ 828.3	(1)	\$ 2,531.4	\$ 2,223.2	14
<i>% of net sales</i>	37.5 %	37.2 %		38.5 %	37.2 %	
Adjusted operating income ^(A)	\$ 463.8	\$ 457.5	1	\$ 1,402.3	\$ 1,174.6	19
<i>% of net sales</i>	21.2 %	20.5 %		21.3 %	19.7 %	
Adjusted income: ^(A)						
Income	\$ 278.3	\$ 262.6	6	\$ 832.0	\$ 754.6	10
Earnings per share – assuming dilution	\$ 2.61	\$ 2.48	5	\$ 7.80	\$ 7.27	7

(A) We use non-GAAP financial measures to evaluate our performance. Refer to "Non-GAAP Financial Measures" in this discussion and analysis for a reconciliation to the comparable GAAP financial measure.

Net Sales

	Three Months Ended January 31,				Nine Months Ended January 31,			
	2025	2024	Increase (Decrease)	%	2025	2024	Increase (Decrease)	%
Net sales	\$ 2,186.0	\$ 2,229.2	\$ (43.2)	(2)%	\$ 6,582.3	\$ 5,973.0	\$ 609.3	10 %
Hostess Brands acquisition	(20.1)	—	(20.1)	(1)	(669.3)	—	(669.3)	(11)
Voortman divestiture	—	(20.2)	20.2	1	—	(20.2)	20.2	—
Canada condiment divestiture	—	(10.4)	10.4	—	—	(43.8)	43.8	1
Sahale Snacks divestiture	—	—	—	—	—	(24.1)	24.1	—
Foreign currency exchange	4.2	—	4.2	—	6.8	—	6.8	—
Net sales excluding acquisition, divestitures, and foreign currency exchange ^(A)	\$ 2,170.1	\$ 2,198.6	\$ (28.5)	(1)%	\$ 5,919.8	\$ 5,884.9	\$ 34.9	1 %

Amounts may not add due to rounding.

(A) Net sales excluding acquisition, divestitures, and foreign currency exchange is a non-GAAP financial measure used to evaluate performance internally. This measure provides useful information to investors because it enables comparison of results on a year-over-year basis.

Net sales in the third quarter of 2025 decreased \$43.2, or 2 percent, which includes incremental net sales in the current year of \$20.1 related to the Hostess Brands acquisition, partially offset by \$30.6 of noncomparable net sales in the prior year related to divestitures. Net sales excluding acquisition, divestitures, and foreign currency exchange decreased \$28.5, or 1 percent. Volume/mix decreased net sales by 5 percentage points, primarily driven by decreases for coffee, dog snacks, and lower contract manufacturing sales related to the divested pet food brands, partially offset by an increase for *Uncrustables* sandwiches. Net price realization contributed 3 percentage points to net sales, primarily reflecting higher net pricing for coffee.

Net sales in the first nine months of 2025 increased \$609.3, or 10 percent, which includes incremental net sales in the current year of \$669.3 related to the Hostess Brands acquisition, partially offset by \$88.1 of noncomparable net sales in the prior year related to divestitures. Net sales excluding acquisition, divestitures, and foreign currency exchange increased \$34.9, or 1 percent. Net price realization contributed 1 percentage point to net sales, reflecting higher net pricing for coffee, partially offset by lower net pricing for cat food and dog snacks. Volume/mix decreased net sales by 1 percentage point, primarily driven by lower contract manufacturing sales related to the divested pet food brands and decreases for coffee and dog snacks, partially offset by an increase for *Uncrustables* sandwiches.

Operating Income (Loss)

The following table presents the components of operating income (loss) as a percentage of net sales.

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2025	2024	2025	2024
Gross profit	40.2 %	36.9 %	38.9 %	36.9 %
Selling, distribution, and administrative expenses:				
Marketing	5.2 %	4.8 %	5.2 %	5.1 %
Selling	2.9	2.9	3.0	3.0
Distribution	3.4	3.1	3.3	3.2
General and administrative	5.4	5.9	5.9	5.7
Total selling, distribution, and administrative expenses	16.8 %	16.8 %	17.4 %	17.1 %
Amortization	2.5	2.5	2.5	2.3
Goodwill impairment charge	36.3	—	12.1	—
Other intangible assets impairment charge	9.5	—	3.2	—
Other special project costs	0.5	4.4	0.4	1.8
Loss (gain) on divestitures – net	2.3	—	4.7	0.2
Other operating expense (income) – net	(0.6)	(0.1)	(0.3)	0.5
Operating income (loss)	(27.2)%	13.3 %	(1.1)%	15.1 %

Amounts may not add due to rounding.

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Gross profit increased \$55.0, or 7 percent, in the third quarter of 2025, primarily reflecting higher net price realization, lower costs, and the noncomparable benefit of Hostess Brands, partially offset by unfavorable volume/mix and the noncomparable impact of divestitures.

Operating income (loss) decreased \$891.4, primarily reflecting noncash impairment charges of \$794.3 and \$208.2 related to the goodwill of the Sweet Baked Snacks reporting unit and *Hostess* brand indefinite-lived trademark, respectively, and the \$50.2 net pre-tax loss on divestitures, reflecting the \$42.6 pre-tax loss on the disposal group of certain Sweet Baked Snacks value brands classified as held for sale and a \$7.6 adjustment to the *Voortman* brand disposal group. These impacts were partially offset by an \$88.8 decrease in other special project costs, primarily related to integration costs associated with the acquisition of Hostess Brands, and the increase in gross profit.

Our non-GAAP financial measures are adjusted to exclude amortization expense and impairment charges related to intangible assets, special project costs, gains and losses on divestitures, the change in net cumulative unallocated derivative gains and losses, and other infrequently occurring items that do not directly reflect ongoing operating results. Refer to “Non-GAAP Financial Measures” in this discussion and analysis for additional information. Gross profit excluding non-GAAP adjustments (“adjusted gross profit”) decreased \$9.1, or 1 percent, as compared to the prior year, primarily reflecting the exclusion of the change in net cumulative unallocated derivative gains and losses as compared to GAAP gross profit. Operating income (loss) excluding non-GAAP adjustments (“adjusted operating income”) increased \$6.3, or 1 percent, as compared to the prior year, further reflecting the exclusion of the noncash impairment charges of \$1.0 billion associated with the goodwill of the Sweet Baked Snacks reporting unit and *Hostess* brand indefinite-lived trademark, the \$50.2 net pre-tax loss on divestitures, and other special project costs.

Gross profit increased \$359.3, or 16 percent, in the first nine months of 2025, primarily reflecting the noncomparable benefit of Hostess Brands, higher net price realization, lower costs, and favorable volume/mix, partially offset by the noncomparable impact of divestitures.

Operating income (loss) decreased \$974.6, or 108 percent, primarily reflecting noncash impairment charges of \$794.3 and \$208.2 related to the goodwill of the Sweet Baked Snacks reporting unit and *Hostess* brand indefinite-lived trademark, respectively, the \$311.0 net pre-tax loss on divestitures, reflecting the \$42.6 pre-tax loss on the disposal group of certain Sweet Baked Snacks value brands classified as held for sale and the \$268.4 pre-tax loss on the divested *Voortman* business, and a \$127.1 increase in selling, distribution, and administrative (“SD&A”) expenses. These impacts were partially offset by the increase in gross profit, a \$77.8 decrease in other special project costs primarily related to integration costs associated with the acquisition of Hostess Brands, and lapping a \$39.1 charge in the prior year related to the termination of a supplier agreement.

Adjusted gross profit increased \$308.2, or 14 percent, as compared to the prior year, primarily reflecting the exclusion of the change in net cumulative unallocated derivative gains and losses and the exclusion of special project costs as compared to GAAP gross profit. Adjusted operating income increased \$227.7, or 19 percent, as compared to the prior year, further reflecting the exclusion of the noncash impairment charges of \$1.0 billion associated with the goodwill of the Sweet Baked Snacks reporting unit and *Hostess* brand indefinite-lived trademark, the \$311.0 net pre-tax loss on divestitures, and other special project costs.

Interest Expense

Net interest expense decreased \$4.4 during the third quarter of 2025, primarily reflecting a decrease in interest expense related to the Term Loan that was prepaid in full during the fourth quarter of 2024. Net interest expense increased \$127.5 during the first nine months of 2025, primarily due to increased interest expense related to the new Senior Notes issued during 2024 to partially finance the acquisition of Hostess Brands. For additional information, refer to Note 9: Debt and Financing Arrangements.

Income Taxes

Income taxes decreased \$75.3, or 100 percent, during the three months ended January 31, 2025, as compared to the prior year. The effective income tax rate for the third quarter of 2025 varied from the U.S. statutory income tax rate of 21.0 percent primarily due to state income taxes and an unfavorable permanent impact associated with the goodwill impairment charge for the Sweet Baked Snacks reporting unit, partially offset by the reversal of the deferred tax liability upon completion of the sale of the Voortman Cookies Limited entity, and a favorable noncash deferred tax benefit associated with the integration of Hostess Brands into our Company. The effective income tax rate for the third quarter of 2024 varied from the U.S. statutory income tax rate of 21.0 percent primarily due to state income taxes and unfavorable tax impacts associated with the acquisition of Hostess Brands.

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Income taxes decreased \$32.3, or 18 percent, during the nine months ended January 31, 2025, as compared to the prior year. The effective income tax rate for the first nine months of 2025 varied from the U.S. statutory income tax rate of 21.0 percent primarily due to state income taxes and the unfavorable permanent impacts associated with the goodwill impairment charge for the Sweet Baked Snacks reporting unit and the sale of the *Voortman* business, partially offset by the favorable noncash deferred tax benefit associated with the integration of Hostess Brands into our Company. The effective income tax rate for the first nine months of 2024 varied from the U.S. statutory income tax rate of 21.0 percent primarily due to state income taxes and unfavorable tax impacts associated with the acquisition of Hostess Brands, partially offset by a favorable tax impact of the sale of the *Sahale Snacks* business.

For additional information, refer to Note 4: Divestitures and Note 14: Income Taxes.

Special Project Costs

Divestiture Costs: Total divestiture costs incurred to date related to the divested *Sahale Snacks* and Canada condiment businesses were \$7.2, which included \$4.3 and \$2.9 of employee-related and other transition and termination costs, respectively, all of which were cash charges. We incurred divestiture costs of \$1.3 and \$1.7 during the three and nine months ended January 31, 2025, respectively, primarily consisting of employee-related costs. As of January 31, 2025, we have incurred the majority of the anticipated costs related to these divestitures and expect minimal costs to be incurred during the remainder of 2025.

Furthermore, we identified opportunities to address certain distribution inefficiencies, as a result of the recent divestitures. We anticipate incurring approximately \$12.0 of costs related to these efforts, consisting primarily of other transition and termination charges. The majority of these costs are expected to be cash charges and incurred by the end of 2026, with approximately half of the costs expected to be recognized in 2025. We have recognized total cumulative costs of \$3.1, of which \$2.1 and \$3.0 were recognized during the three and nine months ended January 31, 2025, respectively, primarily consisting of other transition and termination costs.

Integration Costs: Total integration costs related to the acquisition of Hostess Brands are anticipated to be approximately \$210.0 and include transaction costs, employee-related costs, and other transition and termination charges, with the majority expected to be cash charges. We have recognized total cumulative integration costs of \$182.3, of which \$7.8 and \$34.9 were recognized during the three and nine months ended January 31, 2025, respectively. We anticipate the remaining integration costs will be incurred by the end of 2026 and are expected to be split between employee-related and other transition and termination costs.

For further information on these costs, refer to Note 5: Special Project Costs.

Segment Results

We have four reportable segments: U.S. Retail Coffee, U.S. Retail Frozen Handheld and Spreads, U.S. Retail Pet Foods, and Sweet Baked Snacks. The presentation of International and Away From Home represents a combination of all other operating segments that are not individually reportable.

The U.S. Retail Coffee segment primarily includes the domestic sales of *Folgers*, *Dunkin'*, and *Café Bustelo* branded coffee; the U.S. Retail Frozen Handheld and Spreads segment primarily includes the domestic sales of *Uncrustables*, *Jif*, and *Smucker's* branded products; the U.S. Retail Pet Foods segment primarily includes the domestic sales of *Meow Mix*, *Milk-Bone*, *Pup-Peroni*, and *Canine Carry Outs* branded products; and the Sweet Baked Snacks segment primarily includes all domestic and foreign sales of *Hostess* branded products in all channels. With the exception of Sweet Baked Snacks products, International and Away From Home includes the sale of all products that are distributed in foreign countries through retail channels, as well as domestically and in foreign countries through foodservice distributors and operators (e.g., healthcare operators, restaurants, educational institutions, offices, lodging and gaming establishments, and convenience stores).

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	Three Months Ended January 31,			Nine Months Ended January 31,		
	2025	2024	% Increase (Decrease)	2025	2024	% Increase (Decrease)
Net sales:						
U.S. Retail Coffee	\$ 740.6	\$ 727.5	2 %	\$ 2,068.0	\$ 2,038.3	1 %
U.S. Retail Frozen Handheld and Spreads	445.2	436.8	2	1,427.2	1,365.1	5
U.S. Retail Pet Foods	423.0	465.2	(9)	1,268.1	1,370.2	(7)
Sweet Baked Snacks	278.6	300.3	(7)	927.8	300.3	n/m
International and Away From Home	298.6	299.4	—	891.2	899.1	(1)
Segment profit:						
U.S. Retail Coffee	\$ 208.6	\$ 207.8	— %	\$ 583.9	\$ 548.9	6 %
U.S. Retail Frozen Handheld and Spreads	99.2	104.1	(5)	334.3	338.3	(1)
U.S. Retail Pet Foods	116.8	109.5	7	353.5	288.0	23
Sweet Baked Snacks	54.8	68.0	(19)	199.8	68.0	n/m
International and Away From Home	61.6	50.4	22	178.2	147.0	21
Segment profit margin:						
U.S. Retail Coffee	28.2 %	28.6 %		28.2 %	26.9 %	
U.S. Retail Frozen Handheld and Spreads	22.3	23.8		23.4	24.8	
U.S. Retail Pet Foods	27.6	23.5		27.9	21.0	
Sweet Baked Snacks	19.7	22.6		21.5	22.6	
International and Away From Home	20.6	16.8		20.0	16.3	

U.S. Retail Coffee

The U.S. Retail Coffee segment net sales increased \$13.1 in the third quarter of 2025. Net price realization increased net sales by 9 percentage points, primarily driven by higher net pricing for the *Folgers* and *Café Bustelo* brands. Volume/mix decreased net sales by 7 percentage points, reflecting decreases for the *Folgers* and *Dunkin'* brands, partially offset by an increase for the *Café Bustelo* brand. Segment profit increased \$0.8, primarily reflecting higher net price realization and favorable property taxes, mostly offset by higher commodity costs and unfavorable volume/mix.

The U.S. Retail Coffee segment net sales increased \$29.7 in the first nine months of 2025. Net price realization increased net sales by 4 percentage points, primarily driven by higher net pricing for the *Folgers* and *Café Bustelo* brands, partially offset by lower net pricing for the *Dunkin'* brand. Volume/mix decreased net sales by 2 percentage points, primarily reflecting decreases for the *Dunkin'* and *Folgers* brands, partially offset by an increase for the *Café Bustelo* brand. Segment profit increased \$35.0, primarily reflecting higher net price realization, lapping the \$39.1 charge in the prior year related to the termination of a supplier agreement, lower marketing spend, favorable property taxes, and lower selling expense, partially offset by higher commodity costs and unfavorable volume/mix.

U.S. Retail Frozen Handheld and Spreads

The U.S. Retail Frozen Handheld and Spreads segment net sales increased \$8.4 in the third quarter of 2025. Volume/mix contributed 2 percentage points to net sales, primarily reflecting an increase for *Uncrustables* sandwiches, partially offset by decreases for fruit spreads and peanut butter. Net price realization was neutral to net sales, as higher trade spend for peanut butter was mostly offset by higher net pricing for toppings and syrups. Segment profit decreased \$4.9, primarily reflecting higher costs, partially offset by lower pre-production expenses primarily related to the new *Uncrustables* sandwiches manufacturing facility.

The U.S. Retail Frozen Handheld and Spreads segment net sales increased \$62.1 in the first nine months of 2025, inclusive of the impact of \$15.1 of noncomparable net sales in the prior year related to the divested *Sahale Snacks* business. Excluding the noncomparable impact of the divestiture, net sales increased \$77.2, or 6 percent. Volume/mix contributed 6 percentage points to net sales, primarily reflecting increases for *Uncrustables* sandwiches and peanut butter, partially offset by a decrease for fruit spreads. Net price realization was neutral to net sales as lower net pricing for *Uncrustables* sandwiches was mostly offset by higher net pricing for *Jif* peanut butter, reflecting a list price increase for peanut butter implemented in the prior year, and *Smucker's* toppings and syrups. Segment profit decreased \$4.0, primarily reflecting higher marketing spend, pre-production

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expenses related to the new *Uncrustables* sandwiches manufacturing facility, higher costs, and lower net price realization, partially offset by favorable volume/mix.

U.S. Retail Pet Foods

The U.S. Retail Pet Foods segment net sales decreased \$42.2 in the third quarter of 2025. Volume/mix decreased net sales by 9 percentage points, primarily reflecting a decrease for dog snacks and lower contract manufacturing sales related to the divested pet food brands, partially offset by an increase for cat food. Net price realization was neutral to net sales, as higher trade spend for cat food was mostly offset by lower trade spend for dog snacks. Segment profit increased \$7.3, primarily reflecting lower costs, partially offset by unfavorable volume/mix.

The U.S. Retail Pet Foods segment net sales decreased \$102.1 in the first nine months of 2025. Volume/mix decreased net sales by 6 percentage points, primarily reflecting lower contract manufacturing sales related to the divested pet food brands and a decrease for dog snacks, partially offset by an increase for cat food. Net price realization decreased net sales by 2 percentage points, primarily reflecting higher trade spend for cat food and dog snacks. Segment profit increased \$65.5, reflecting lower costs, favorable volume/mix, and lower distribution expenses, partially offset by lower net price realization.

Sweet Baked Snacks

We acquired Hostess Brands on November 7, 2023, as discussed in Note 3: Acquisition. During the third quarter of 2025, the Sweet Baked Snacks segment contributed net sales of \$278.6 and segment profit of \$54.8. During the first nine months of 2025, the Sweet Baked Snacks segment contributed net sales of \$927.8 and segment profit of \$199.8. Excluding noncomparable net sales in the current year related to the Hostess Brands acquisition and in the prior year related to the divested *Voortman* business, net sales decreased \$21.6, or 8 percent for both the three and nine months ended January 31, 2025. Volume/mix decreased net sales by 5 percentage points, primarily reflecting decreases for snack cakes and private label products, partially offset by an increase for donuts. Net price realization decreased net sales by 2 percentage points, primarily reflecting lower net pricing across the portfolio. Segment profit decreased \$13.2 and increased \$131.8 during the three and nine months ended January 31, 2025, respectively, primarily reflecting lower net price realization, the impact of noncomparable segment profit in the prior year related to the divested *Voortman* business, higher marketing spend, and unfavorable volume/mix, partially offset by the impact of noncomparable segment profit in the current year related to the Hostess Brands acquisition and lower costs.

International and Away From Home

International and Away From Home net sales decreased \$0.8 in the third quarter of 2025, including the noncomparable impact of \$10.4 of net sales in the prior year related to the divested Canada condiment business and \$4.2 of unfavorable foreign currency exchange. Excluding the noncomparable impact of the divested business and foreign currency exchange, net sales increased \$13.8, or 5 percent. Net price realization contributed 6 percentage points to net sales, primarily driven by higher net pricing for coffee and *Uncrustables* sandwiches. Volume/mix decreased net sales by 1 percentage point, primarily reflecting a decrease for coffee, partially offset by increases for peanut butter, cat food, and flour and baking. Segment profit increased \$11.2, primarily driven by higher net price realization, partially offset by higher costs and unfavorable foreign currency exchange.

International and Away From Home net sales decreased \$7.9 in the first nine months of 2025, including the noncomparable impact of \$52.8 of net sales in the prior year related to the divestitures and \$6.8 of unfavorable foreign currency exchange. Excluding the noncomparable impact of the divested businesses and foreign currency exchange, net sales increased \$51.7, or 6 percent. Net price realization contributed 5 percentage points to net sales, primarily driven by higher net pricing across the majority of the portfolio. Volume/mix contributed 1 percentage point to net sales, primarily reflecting increases for *Uncrustables* sandwiches, peanut butter, and portion control, partially offset by decreases for coffee and dog snacks. Segment profit increased \$31.2, primarily driven by higher net price realization and favorable volume/mix, partially offset by higher costs, the impact of noncomparable segment profit in the prior year related to the divested businesses, and pre-production expenses primarily related to the new *Uncrustables* sandwiches manufacturing facility.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

Our principal source of funds is cash generated from operations, supplemented by borrowings against our commercial paper program and revolving credit facility. Total cash and cash equivalents decreased to \$47.2 at January 31, 2025, compared to \$62.0 at April 30, 2024.

The following table presents selected cash flow information.

	Nine Months Ended January 31,	
	2025	2024
Net cash provided by (used for) operating activities	\$ 816.5	\$ 801.3
Net cash provided by (used for) investing activities	(18.5)	(3,861.2)
Net cash provided by (used for) financing activities	(810.6)	2,439.5
Net cash provided by (used for) operating activities	\$ 816.5	\$ 801.3
Additions to property, plant, and equipment	(298.8)	(455.9)
Free cash flow ^(A)	\$ 517.7	\$ 345.4

(A) Free cash flow is a non-GAAP financial measure used by management to evaluate the amount of cash available for debt repayment, dividend distribution, acquisition opportunities, share repurchases, and other corporate purposes.

The \$15.2 increase in cash provided by operating activities in the first nine months of 2025 was primarily driven by higher net income (loss) adjusted for noncash items in the current year, partially offset by higher working capital requirements in 2025 and lapping the \$42.5 proceeds received from settlement of the interest rate contracts assumed as part of the acquisition of Hostess Brands in the prior year. The cash required to fund working capital increased compared to the prior year primarily driven by an increase in cash used for accrued liabilities reflecting timing of interest payments and a decrease in the payable for transition services agreements entered into in connection with the divestitures and an increase in cash used for inventories, reflecting higher inventory levels in the current year. These uses of cash were partially offset by an increase in cash from trade receivables due to timing of sales and payments.

Cash used for investing activities in the first nine months of 2025 consisted primarily of \$298.8 in capital expenditures, reflecting our investments in the new *Uncrustables* sandwiches manufacturing and distribution facilities in McCalla, Alabama, as well as plant maintenance across our facilities, and also included an increase of \$10.4 in our derivative cash margin account balances. These uses of cash for 2025 were partially offset by net proceeds received of \$290.5 from the divested *Voortman* business. Cash used for investing activities in the first nine months of 2024 consisted primarily of \$3.9 billion related to the acquisition of Hostess Brands, including \$67.8 of consideration transferred for the cash payment of Hostess Brands' employee equity awards, and \$455.9 in capital expenditures, primarily driven by investments in *Uncrustables* sandwiches to support the new manufacturing and distribution facilities in McCalla, Alabama, as well as plant maintenance across our facilities. These uses of cash for 2024 were partially offset by proceeds of \$466.3 received from the settlement of our equity investment in Post common stock and net proceeds received of \$50.5 from the divested *Sahale Snacks* and Canada condiment businesses.

Cash used for financing activities in the first nine months of 2025 consisted primarily of dividend payments of \$340.9, long-term debt repayments of \$300.0, and a net decrease in short-term borrowings of \$153.2. Cash provided by financing activities in the first nine months of 2024 consisted primarily of proceeds from long-term debt of \$4.3 billion to partially finance the acquisition of Hostess Brands and a net increase in short-term borrowings of \$413.2. These proceeds were partially offset by the \$991.0 repayment of Hostess Brands debt assumed, the \$450.0 Term Loan prepayment, purchase of treasury shares of \$372.5, dividend payments of \$325.5, and the \$86.4 payment to terminate the tax receivable agreement assumed with the acquisition of Hostess Brands.

Supplier Financing Program

As part of ongoing efforts to maximize working capital, we work with our suppliers to optimize our terms and conditions, which includes the extension of payment terms. Payment terms with our suppliers, which we deem to be commercially reasonable, range from 0 to 180 days. We have an agreement with a third-party administrator to provide an accounts payable tracking system and facilitate a supplier financing program, which allows participating suppliers the ability to monitor and voluntarily elect to sell our payment obligations to a designated third-party financial institution. Participating suppliers can sell one or more of our payment obligations at their sole discretion, and our rights and obligations to our suppliers are not impacted. We have no economic interest in a supplier's decision to enter into these agreements. Our rights and obligations to our suppliers, including amounts due and scheduled payment terms, are not impacted by our suppliers' decisions to sell amounts under these arrangements. As of January 31, 2025, and April 30, 2024, \$315.1 and \$384.9 of our outstanding payment obligations, respectively, were elected and sold to a financial institution by participating suppliers. During the first nine months of 2025 and 2024, we paid \$1,211.9 and \$1,280.6, respectively, to a financial institution for payment obligations that were settled through the supplier financing program.

Contingencies

We, like other food manufacturers, are from time to time subject to various administrative, regulatory, and other legal proceedings arising in the ordinary course of business. We are currently a defendant in a variety of such legal proceedings, and while we cannot predict with certainty the ultimate results of these proceedings or potential settlements associated with these or other matters, we have accrued losses for certain contingent liabilities that we have determined are probable and reasonably estimable at January 31, 2025. Based on the information known to date, with the exception of the matters discussed below, we do not believe the final outcome of these proceedings will have a material adverse effect on our financial position, results of operations, or cash flows.

Class Action Lawsuits: We are defendants in a series of putative class action lawsuits that were transferred to the U.S. District Court for the Western District of Missouri for coordinated pre-trial proceedings. The plaintiffs assert claims arising under various state laws for false advertising, consumer protection, deceptive and unfair trade practices, and similar statutes. Their claims are premised on allegations that we have misrepresented the number of servings that can be made from various canisters of *Folgers* coffee on the packaging for those products. The outcome and the financial impact of these cases, if any, cannot be predicted at this time. Accordingly, no loss contingency has been recorded for these matters as of January 31, 2025, as the likelihood of loss is not considered probable or reasonably estimable. However, if we are required to pay significant damages, our business and financial results could be adversely impacted, and sales of those products could suffer not only in these locations but elsewhere.

Product Recall: We are defendants in ongoing consumer litigation associated with the voluntary recall of select *Jif* peanut butter products initiated in May 2022. The outcome and financial impact of this litigation cannot be predicted at this time. Accordingly, no loss contingency has been recorded for these matters as of January 31, 2025, as the likelihood of loss is not considered probable or reasonably estimable.

Voortman Contingency: In December 2020, Hostess Brands asserted claims for indemnification against the Sellers under the terms of the Purchase Agreement pursuant to which Hostess Brands acquired Voortman. The claims were for damages arising out of alleged breaches by the Sellers of certain representations, warranties, and covenants contained in the Purchase Agreement relating to periods prior to the closing of the acquisition. Hostess Brands also submitted claims relating to these alleged breaches under RWI that was purchased in connection with the acquisition. In the third quarter of calendar 2022, the RWI insurers paid Hostess Brands the Proceeds related to these breaches. Per agreement with the RWI insurers, we will not be required to return the Proceeds under any circumstances.

On November 3, 2022, pursuant to the agreement with the RWI insurers, Voortman brought the Claim related to the breaches against certain of the Sellers. The Claim alleges the seller defendants made certain non-disclosures and misrepresentations to induce Hostess Brands to overpay for Voortman. We are seeking damages of \$109.0 CAD representing the amount of the aggregate liability of the Sellers for indemnification under the Purchase Agreement, \$5.0 CAD in punitive or aggravated damages, interest, proceedings fees, and any other relief the presiding court deems appropriate. A portion of any recovery will be shared with the RWI insurers. Although we believe that the Claim is meritorious, no assurance can be given as to whether we will recover all, or any part, of the amounts being pursued. We retained rights to the Claim upon the divestiture of the *Voortman* business in the third quarter of 2025.

Capital Resources

The following table presents our capital structure.

	January 31, 2025	April 30, 2024
Current portion of long-term debt	\$ 999.9	\$ 999.3
Short-term borrowings	461.9	591.0
Long-term debt, less current portion	6,385.5	6,773.7
Total debt	\$ 7,847.3	\$ 8,364.0
Shareholders' equity	6,907.3	7,693.9
Total capital	\$ 14,754.6	\$ 16,057.9

In December 2024, we commenced the tender offers to purchase up to \$300.0 in aggregate purchase price, not including accrued and unpaid interest, of certain outstanding Senior Notes. As a result, an aggregate principle amount of \$122.5 of our 2.750% Senior Notes due 2041 and \$138.8 of our 3.550% Senior Notes due 2050 were tendered and accepted, and \$194.1 of our 2.125% Senior Notes due 2032 were tendered, of which \$135.5 was accepted.

In October 2023, we completed an offering of \$3.5 billion in Senior Notes due November 15, 2028, November 15, 2033, November 15, 2043, and November 15, 2053. The net proceeds from the offering were used to partially finance the acquisition of Hostess Brands and pay off the debt assumed as part of the acquisition.

We have available a \$2.0 billion unsecured revolving credit facility with a group of 11 banks that matures in August 2026. Additionally, we participate in a commercial paper program under which we can issue short-term, unsecured commercial paper not to exceed \$2.0 billion at any time. The commercial paper program is backed by our revolving credit facility and reduces what we can borrow under the revolving credit facility by the amount of commercial paper outstanding. Commercial paper is used as a continuing source of short-term financing for general corporate purposes. As of January 31, 2025, we had \$462.0 of short-term borrowings outstanding, which were issued under our commercial paper program at a weighted-average interest rate of 4.55 percent.

We are in compliance with all our debt covenants as of January 31, 2025, and expect to be for the next 12 months. For additional information on our long-term debt, sources of liquidity, and debt covenants, see Note 9: Debt and Financing Arrangements.

Dividend payments were \$340.9 and \$325.5 in the first nine months of 2025 and 2024, respectively, and dividends declared per share were \$3.24 and \$3.18 in the first nine months of 2025 and 2024, respectively. The declaration of dividends is subject to the discretion of our Board and depends on various factors, such as our net income (loss), financial condition, cash requirements, future events, and other factors deemed relevant by the Board.

During the nine months ended January 31, 2025, we did not repurchase any common shares under a repurchase plan authorized by the Board. As of January 31, 2025, approximately 1.1 million common shares remain available for repurchase pursuant to the Board's authorizations. There is no guarantee as to the exact number of shares that may be repurchased or when such purchases may occur.

On March 2, 2023, we entered into the 10b5-1 Plan established in accordance with Rule 10b5-1 of the Exchange Act in connection with the remaining common shares authorized for repurchase by the Board, which was approximately 3.5 million common shares as of April 30, 2023. In accordance with the 10b5-1 Plan, our designated broker had the authority to repurchase approximately 2.4 million common shares, which commenced upon the sale of certain pet food brands on April 28, 2023, and expired 45 calendar days after the closure of the transaction. During the first quarter of 2024, we repurchased approximately 2.4 million common shares for \$362.8 under the 10b5-1 Plan. In accordance with the Inflation Reduction Act, a one percent excise tax was applied to share repurchases after December 31, 2022. As a result, an excise tax of \$3.6 was accrued on the repurchased shares during the first quarter of 2024 and included within additional capital in our Condensed Consolidated Balance Sheet. An accrued excise tax of \$6.7 was paid during the three and nine months ended January 31, 2025, which was related to the shares repurchased under the 10b5-1 Plan during 2023 and 2024.

All other share repurchases during the nine months ended January 31, 2025 and 2024, consisted of shares repurchased from stock plan recipients in lieu of cash payments.

On November 7, 2023, we acquired Hostess Brands, and as a result, we issued approximately 4.0 million common shares valued at \$450.2 in exchange for the outstanding shares of Hostess Brands common stock to partially fund the acquisition. The

shares issued were based on each outstanding share of Hostess Brands common stock receiving \$30.00 per share in cash and 0.03002 shares of our common shares, which represents a value of \$4.25 based on the closing stock price of our common shares on September 8, 2023, the last trading day preceding September 11, 2023, the date on which the execution of the Hostess Brands merger agreement was publicly announced. For additional information on the acquisition of Hostess Brands, see Note 3: Acquisition.

In November 2021, we announced plans to invest \$1.1 billion to build a new manufacturing facility and distribution center in McCalla, Alabama dedicated to the production of *Uncrustables* sandwiches. Construction of this facility began in 2022 and production began during the second quarter of 2025. The project demonstrates our commitment to meet increasing demand for this highly successful product and deliver on our strategy to focus on brands with the most significant growth opportunities. Construction of the facility and production will occur in three phases over multiple years, with financial investments and job creation aligning across each of the three phases.

Absent any material acquisitions, apart from the recent acquisition of Hostess Brands, or other significant investments, we believe that cash on hand, combined with cash provided by operations, borrowings available under our revolving credit facility and commercial paper program, and access to capital markets, will be sufficient to meet our cash requirements for the next 12 months, including the payment of quarterly dividends, principal and interest payments on debt outstanding, and capital expenditures. We intend to use a combination of the aforementioned sources of liquidity to fund our obligations with respect to the Senior Notes due March 15, 2025. However, as a result of the current macroeconomic environment and the recent acquisition, we may experience an increase in the cost or the difficulty to obtain debt or equity financing, or to refinance our debt in the future. We continue to evaluate these risks, which could affect our financial condition or our ability to fund operations or future investment opportunities.

As of January 31, 2025, total cash and cash equivalents of \$40.9 was held by our foreign subsidiaries, primarily in Canada. During the first nine months of 2025, we returned \$35.0 of foreign cash to the U.S. from Canada, reflecting intercompany debt repayments, and as a result, there were no tax impacts. There was no other foreign cash repatriated to the U.S. during the first nine months of 2025.

Material Cash Requirements

We do not have material off-balance sheet arrangements, financings, or other relationships with unconsolidated entities or other persons, also known as variable interest entities. Transactions with related parties are in the ordinary course of business and are not material to our results of operations, financial condition, or cash flows.

As of January 31, 2025, there were no other material changes to our material cash requirements as previously reported in our Annual Report on Form 10-K for the year ended April 30, 2024.

NON-GAAP FINANCIAL MEASURES

We use non-GAAP financial measures including: net sales excluding acquisition, divestitures, and foreign currency exchange, adjusted gross profit, adjusted operating income, adjusted income, adjusted earnings per share, and free cash flow, as key measures for purposes of evaluating performance internally. We believe that investors' understanding of our performance is enhanced by disclosing these performance measures. Furthermore, these non-GAAP financial measures are used by management in preparation of the annual budget and for the monthly analyses of our operating results. The Board also utilizes certain non-GAAP financial measures as components for measuring performance for incentive compensation purposes.

Non-GAAP financial measures exclude certain items affecting comparability that can significantly affect the year-over-year assessment of operating results, which include amortization expense and impairment charges related to intangible assets, special project costs, gains and losses on divestitures, the change in net cumulative unallocated derivative gains and losses, and other infrequently occurring items that do not directly reflect ongoing operating results. Income taxes, as adjusted is calculated using an adjusted effective income tax rate that is applied to adjusted income before income taxes and reflects the exclusion of the previously discussed items, as well as any adjustments for one-time tax related activities, when they occur. While this adjusted effective income tax rate does not generally differ materially from our GAAP effective income tax rate, certain exclusions from non-GAAP results, such as the unfavorable permanent tax impacts associated with the goodwill impairment charge for the Sweet Baked Snacks reporting unit and the sale of the Voortman Cookies Limited entity and the favorable noncash deferred tax benefit associated with the integration of Hostess Brands into our Company, can significantly impact our adjusted effective income tax rate.

These non-GAAP financial measures are not intended to replace the presentation of financial results in accordance with U.S. GAAP. Rather, the presentation of these non-GAAP financial measures supplements other metrics we use to internally evaluate

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our business and facilitate 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.

The following table reconciles certain non-GAAP measures to the comparable GAAP financial measure. See page 31 for a reconciliation of net sales adjusted for certain noncomparable items to the comparable GAAP financial measure.

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2025	2024	2025	2024
Gross profit reconciliation:				
Gross profit	\$ 878.1	\$ 823.1	\$ 2,561.4	\$ 2,202.1
Change in net cumulative unallocated derivative gains and losses	(60.0)	5.2	(41.7)	21.1
Cost of products sold – special project costs	1.1	—	11.7	—
Adjusted gross profit	\$ 819.2	\$ 828.3	\$ 2,531.4	\$ 2,223.2
Operating income (loss) reconciliation:				
Operating income (loss)	\$ (594.0)	\$ 297.4	\$ (74.8)	\$ 899.8
Amortization	53.9	55.7	165.7	135.1
Goodwill impairment charge	794.3	—	794.3	—
Other intangible assets impairment charge	208.2	—	208.2	—
Loss (gain) on divestitures – net	50.2	0.3	311.0	12.9
Change in net cumulative unallocated derivative gains and losses	(60.0)	5.2	(41.7)	21.1
Cost of products sold – special project costs	1.1	—	11.7	—
Other special project costs	10.1	98.9	27.9	105.7
Adjusted operating income	\$ 463.8	\$ 457.5	\$ 1,402.3	\$ 1,174.6
Net income (loss) reconciliation:				
Net income (loss)	\$ (662.3)	\$ 120.4	\$ (501.8)	\$ 498.9
Income tax expense (benefit)	(0.2)	75.1	152.1	184.4
Amortization	53.9	55.7	165.7	135.1
Goodwill impairment charge	794.3	—	794.3	—
Other intangible assets impairment charge	208.2	—	208.2	—
Loss (gain) on divestitures – net	50.2	0.3	311.0	12.9
Change in net cumulative unallocated derivative gains and losses	(60.0)	5.2	(41.7)	21.1
Cost of products sold – special project costs	1.1	—	11.7	—
Other special project costs	10.1	98.9	27.9	105.7
Other expense – special project costs	—	(0.1)	—	0.3
Other infrequently occurring items:				
Other debt charges (gains) – net ^(A)	(30.3)	—	(30.3)	19.5
Realized loss (gain) on investment in equity securities – net ^(B)	—	—	—	21.5
Pension plan termination settlement charge ^(C)	—	—	—	3.2
Adjusted income before income taxes	\$ 365.0	\$ 355.5	\$ 1,097.1	\$ 1,002.6
Income taxes, as adjusted	86.7	92.9	265.1	248.0
Adjusted income	\$ 278.3	\$ 262.6	\$ 832.0	\$ 754.6
Weighted-average shares – assuming dilution ^(D)	106.7	106.1	106.6	103.8
Adjusted earnings per share – assuming dilution ^(D)	\$ 2.61	\$ 2.48	\$ 7.80	\$ 7.27

(A) Net other debt charges (gains) includes a net gain on extinguishment of debt as a result of the tender offers completed during the third quarter of 2025 and financing fees associated with the Bridge Loan entered into during the second quarter of 2024 to provide committed financing for the acquisition of Hostess Brands. For more information, see Note 3: Acquisition and Note 9: Debt and Financing Arrangements.

(B) Realized loss (gain) on investment in equity securities – net includes losses and gains resulting from the change in fair value on our investment in Post common stock and the related equity forward contract, which was settled on November 15, 2023. For more information, see Note 4: Divestitures and Note 11: Derivative Financial Instruments.

(C) Represents the nonrecurring pre-tax settlement charge recognized during the first quarter of 2024 related to the acceleration of prior service cost for the portion of the plan surplus to be allocated to plan members within our Canadian defined benefit plans, which is

subject to regulatory approval before a payout can be made. For additional information, see Note 10: Pensions and Other Postretirement Benefits.

- (D) Adjusted earnings per common share – assuming dilution for the three and nine months ended January 31, 2025 and 2024, was computed using the treasury stock method. Further, for the three and nine months ended January 31, 2025, the weighted-average shares – assuming dilution differed from our GAAP weighted-average common shares outstanding – assuming dilution as a result of the anti-dilutive effect of our stock-based awards, which were excluded from the computation of net loss per share – assuming dilution. For more information see Note 7: Earnings Per Share.

CRITICAL ACCOUNTING ESTIMATES AND POLICIES

A discussion of our critical accounting estimates and policies can be found in the “Management’s Discussion and Analysis” section of our Annual Report on Form 10-K for the year ended April 30, 2024. There were no material changes to the information previously disclosed, with the exception of the item discussed below.

During the second quarter of 2025, the disposal group for the *Voortman* business was classified as held for sale, and as a result, a portion of the goodwill within the Sweet Baked Snacks reporting unit was allocated to the disposal group based on a preliminary relative fair value analysis. There were no indicators of impairment for the remaining goodwill of the Sweet Baked Snacks reporting unit as of October 31, 2024.

During the third quarter of 2025, we completed our long-range planning process, following the integration of the Hostess Brands business and operations, resulting in a decline in forecasted net sales and segment profit for the Sweet Baked Snacks segment. The declines in forecast are in line with the underperformance during the current fiscal year for both net sales and segment profit, primarily driven by increased inflationary pressures and diminished consumer discretionary income, which has led to slower than anticipated recovery in the sweet baked goods category. In addition, we have not met expectations from a distribution, merchandising, and competitive standpoint, which has resulted in lost market share.

As a result of the decline in both actual and forecasted net sales, as compared to the long-term projections utilized in the purchase price allocation, in conjunction with the narrow differences between estimated fair value and carrying value as of April 30, 2024, we performed an interim impairment analysis on the goodwill of the Sweet Baked Snacks reporting unit and the *Hostess* brand indefinite-lived trademark. Furthermore, on December 2, 2024, we divested the *Voortman* business, and as a result, we disposed \$251.1 of goodwill within the Sweet Baked Snacks reporting unit. The amount of goodwill allocated to the disposal group was determined based on a relative fair value analysis, utilizing the updated long-range plan. The interim impairment analysis was completed following the disposal of goodwill allocated to the *Voortman* business. We recognized total pre-tax impairment charges of \$1.0 billion during the third quarter of 2025, of which \$794.3 and \$208.2 related to the goodwill of the Sweet Baked Snacks reporting unit and the *Hostess* brand indefinite-lived trademark, respectively, to the extent the carrying values exceeded the estimated fair values. These charges were included as noncash charges in our Condensed Statement of Consolidated Income and Condensed Statement of Consolidated Cash Flows.

The goodwill and indefinite-lived trademark within the Sweet Baked Snacks segment remain susceptible to future impairment charges, as the carrying values approximate estimated fair values due to the impairment charges recognized during the third quarter of 2025 and the recent acquisition of Hostess Brands. Any significant adverse change in our near or long-term projections or macroeconomic conditions would result in future impairment charges for the Sweet Baked Snacks segment.

There were no other indicators of impairment, and as a result, we do not believe that any of our remaining reporting units or material indefinite-lived intangible assets are more likely than not impaired as of January 31, 2025.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

(Dollars in millions, unless otherwise noted)

The following discussions about our market risk disclosures involve forward-looking statements. Actual results could differ from those projected in the forward-looking statements. We are exposed to market risk related to changes in interest rates, commodity prices, and foreign currency exchange rates.

Interest Rate Risk: The fair value of our cash and cash equivalents at January 31, 2025, approximates carrying value. We are exposed to interest rate risk with regard to existing debt consisting of fixed- and variable-rate maturities. Our interest rate exposure primarily includes U.S. Treasury rates, SOFR, and commercial paper rates in the U.S.

From time to time, we utilize derivative instruments to manage interest rate risk associated with anticipated debt transactions, as well as to manage changes in the fair value of our long-term debt. At the inception of an interest rate contract, the instrument is

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evaluated and documented for qualifying hedge accounting treatment. If the contract is designated as a cash flow hedge, the mark-to-market gains or losses on the contract are deferred and included as a component of accumulated other comprehensive income (loss) and generally reclassified to interest expense in the period during which the hedged transaction affects earnings. If the contract is designated as a fair value hedge, the contract is recognized at fair value on the balance sheet and changes in the fair value are recognized in interest expense. Generally, changes in the fair value of the contract are equal to changes in the fair value of the underlying debt and have no net impact on earnings.

In November 2024, we entered into reverse treasury locks to manage our exposure to interest rate fluctuations related to the tender offers. In December 2024, concurrent with the pricing of the tender offers, we settled the reverse treasury locks and realized a net loss of \$4.5 during the three months ended January 31, 2025, recognized in earnings within other debt gains (charges) – net on the Condensed Statement of Consolidated Income, netting with the gain on extinguishment associated with the tender offers.

In November 2023, we terminated interest rate contracts for \$42.5 concurrent with the payment of the debt assumed with the acquisition of Hostess Brands. The interest rate contracts were designated as cash flow hedges and were used to manage exposure to changes in cash flows associated with variable rate debt.

In 2020, we terminated all outstanding interest rate contracts concurrent with the pricing of the Senior Notes due March 15, 2030 and March 15, 2050. The contracts were designated as cash flow hedges and were used to manage our exposure to interest rate volatility associated with the anticipated debt financing. The termination resulted in a pre-tax loss of \$239.8, which was deferred and included as a component of accumulated other comprehensive income (loss) and is being amortized as interest expense over the life of the debt.

In measuring interest rate risk by the amount of net change in the fair value of our financial liabilities, a hypothetical 100 basis-point decrease in interest rates at January 31, 2025, would increase the fair value of our long-term debt by \$589.9.

Commodity Price Risk: We use certain raw materials and other commodities that are subject to price volatility caused by supply and demand conditions, political and economic variables, weather, investor speculation, and other unpredictable factors. To manage the volatility related to anticipated commodity purchases, we use derivatives with maturities of generally less than one year. We do not qualify commodity derivatives for hedge accounting treatment. As a result, the gains and losses on all commodity derivatives are immediately recognized in cost of products sold.

The following sensitivity analysis presents our potential loss (gain) of fair value resulting from a hypothetical 10 percent change in market prices related to commodities.

	January 31, 2025	April 30, 2024
High	\$ 37.9	\$ 26.0
Low	14.3	(4.0)
Average	26.9	12.8

The estimated fair value was determined using quoted market prices and was based on our net derivative position by commodity for the previous four quarters. The calculations are not intended to represent actual gains or losses in fair value that we expect to incur. In practice, as markets move, we actively manage our risk and adjust hedging strategies as appropriate. The commodities hedged have a high inverse correlation to price changes of the derivative instrument. Thus, we would expect that over time any gain or loss in the estimated fair value of its derivatives would generally be offset by an increase or decrease in the estimated fair value of the underlying exposures.

Foreign Currency Exchange Risk: We have operations outside the U.S. with foreign currency denominated assets and liabilities, primarily denominated in Canadian currency. Because we have foreign currency denominated assets and liabilities, financial exposure may result, primarily from the timing of transactions and the movement of exchange rates. The foreign currency balance sheet exposures as of January 31, 2025, are not expected to result in a significant impact on future earnings or cash flows.

We utilize foreign currency derivatives to manage the effect of foreign currency exchange fluctuations on future cash payments primarily related to purchases of certain raw materials and finished goods. The contracts generally have maturities of less than one year. We do not qualify instruments used to manage foreign currency exchange exposures for hedge accounting treatment. Therefore, the change in value of these instruments is immediately recognized in cost of products sold. Based on our hedged foreign currency positions as of January 31, 2025, a hypothetical 10 percent change in exchange rates would not materially impact the fair value.

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Revenues from customers outside the U.S., subject to foreign currency exchange, represented 4 percent of net sales during the nine months ended January 31, 2025. Thus, certain revenues and expenses have been, and are expected to be, subject to the effect of foreign currency fluctuations, and these fluctuations may have an impact on operating results.

Certain Forward-Looking Statements

Certain statements included in this Quarterly Report on Form 10-Q contain forward-looking statements within the meaning of federal securities laws. The forward-looking statements may include statements concerning our current expectations, estimates, assumptions, and beliefs concerning future events, conditions, plans, and strategies that are not historical fact. Any statement that is not historical in nature is a forward-looking statement and may be identified by the use of words and phrases such as “expect,” “anticipate,” “believe,” “intend,” “will,” “plan,” and similar phrases.

Federal securities laws provide a safe harbor for forward-looking statements to encourage companies to provide prospective information. We are providing this cautionary statement in connection with the safe harbor provisions. Readers are cautioned not to place undue reliance on any forward-looking statements, as such statements are by nature subject to risks, uncertainties, and other factors, many of which are outside of our control and could cause actual results to differ materially from such statements and from our historical results and experience. These risks and uncertainties include, but are not limited to, the following:

- uncertainties related to the timing of the consummation of the sale of certain Sweet Baked Snacks value brands to JTM, including the possibility that any or all of the conditions to the sale may not be satisfied or waived;
- our ability to successfully integrate Hostess Brands’ operations and employees and to implement plans and achieve financial forecasts with respect to the Hostess Brands’ business;
- our ability to realize the anticipated benefits, including synergies and cost savings, related to the Hostess Brands acquisition, including the possibility that the expected benefits will not be realized or will not be realized within the expected time period;
- disruption from the acquisition of Hostess Brands by diverting the attention of our management and making it more difficult to maintain business and operational relationships;
- the negative effects of the acquisition of Hostess Brands on the market price of our common shares;
- the amount of the costs, fees, expenses, and charges and the risk of litigation related to the acquisition of Hostess Brands;
- the effect of the acquisition of Hostess Brands on our business relationships, operating results, ability to hire and retain key talent, and business generally;
- disruptions or inefficiencies in our operations or supply chain, including any impact caused by product recalls, political instability, terrorism, geopolitical conflicts (including the ongoing conflicts between Russia and Ukraine and Israel and Hamas), extreme weather conditions, natural disasters, pandemics, work stoppages or labor shortages, or other calamities;
- risks related to the availability of, and cost inflation in, supply chain inputs, including labor, raw materials, commodities, packaging, and transportation;
- the impact of food security concerns involving either our products or our competitors’ products, including changes in consumer preference, consumer litigation, actions by the U.S. Food and Drug Administration or other agencies, and product recalls;
- risks associated with derivative and purchasing strategies we employ to manage commodity pricing and interest rate risks;
- the availability of reliable transportation on acceptable terms;
- our ability to achieve cost savings related to our restructuring and cost management programs in the amounts and within the time frames currently anticipated;
- our ability to generate sufficient cash flow to continue operating under our capital deployment model, including capital expenditures, debt repayment to meet our deleveraging objectives, dividend payments, and share repurchases;
- a change in outlook or downgrade in our public credit ratings by a rating agency below investment grade;
- our 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 our business, including product innovation;
- general competitive activity in the market, including competitors’ pricing practices and promotional spending levels;

- our ability to attract and retain key talent;
- the concentration of certain of our businesses with key customers and suppliers, including primary or single-source suppliers of certain key raw materials and finished goods, and our ability to manage and maintain key relationships;
- impairments in the carrying value of goodwill, other intangible assets, or other long-lived assets or changes in the useful lives of other intangible assets or other long-lived assets;
- the impact of new or changes to existing governmental laws and regulations and their application, including tariffs;
- the outcome of tax examinations, changes in tax laws, and other tax matters;
- a disruption, failure, or security breach of our or our suppliers' information technology systems, including, but not limited to, ransomware attacks;
- foreign currency exchange rate and interest rate fluctuations; and
- risks related to other factors described under "Risk Factors" in other reports and statements we have filed with the SEC.

Readers are cautioned not to unduly rely on such forward-looking statements, which speak only as of the date made, when evaluating the information presented in this Quarterly Report on Form 10-Q. We do not undertake any obligation to update or revise these forward-looking statements to reflect new events or circumstances subsequent to the filing of this Quarterly Report on Form 10-Q.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures: Management, including the principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) or 15d-15(e) under the Exchange Act), as of January 31, 2025 (the "Evaluation Date"). Based on that evaluation, the principal executive officer and principal financial officer have concluded that, as of the Evaluation Date, our disclosure controls and procedures were effective in ensuring that information required to be disclosed in reports that we file or submit under the Exchange Act is (1) recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and (2) accumulated and communicated to management, including the chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Controls: There have been no changes in our internal control over financial reporting during the nine months ended January 31, 2025, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

Information required for Part II, Item 1 is incorporated by reference to the discussion in Note 16: Contingencies in Part I, Item 1 in this Quarterly Report on Form 10-Q.

Item 1A. Risk Factors.

Our business, operations, and financial condition are subject to various risks and uncertainties. The risk factors described in “Part I, Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended April 30, 2024, as revised below, should be carefully considered, together with the other information contained or incorporated by reference in this Quarterly Report on Form 10-Q and in our other filings with the SEC, in connection with evaluating the Company, our business, and the forward-looking statements contained in this Quarterly Report on Form 10-Q. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may affect us. The occurrence of any of these known or unknown risks could have a material adverse impact on our business, financial condition, and results of operations.

The risk factor described below updates the risk factors disclosed in “Part I, Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended April 30, 2024, to include information on an interim impairment analysis, which was performed during the third quarter of 2025.

A material impairment in the carrying value of acquired goodwill or other intangible assets could negatively affect our consolidated operating results and net worth.

A significant portion of our assets is composed of goodwill and other intangible assets, the majority of which are not amortized but are reviewed for impairment at least annually on February 1, and more often if indicators of impairment exist. At January 31, 2025, the carrying value of goodwill and other intangible assets totaled \$13.1 billion, compared to total assets of \$18.4 billion and total shareholders’ equity of \$6.9 billion. If the carrying value of these assets exceeds the current estimated fair value, the asset would be considered impaired, and this would result in a noncash charge to earnings, which could be material. Events and conditions that could result in impairment include a sustained drop in the market price of our common shares, increased competition or loss of market share, obsolescence, product claims that result in a significant loss of sales or profitability over the product life, deterioration in macroeconomic conditions, declining financial performance in comparison to projected results, increased input costs beyond projections, or divestitures of significant brands.

As of January 31, 2025, goodwill and indefinite-lived intangible assets totaled \$6.6 billion and \$6.5 billion, respectively. The carrying values of the goodwill and indefinite-lived intangible assets were \$1.4 billion and \$1.3 billion, respectively, within the Sweet Baked Snacks segment, \$2.1 billion and \$1.2 billion, respectively, within the U.S. Retail Coffee segment, and \$1.6 billion and \$1.1 billion, respectively, within the U.S. Retail Pet Foods segment, which represent approximately 70 percent of the total goodwill and indefinite-lived intangible assets as of January 31, 2025.

During the second quarter of 2025, the disposal group for the *Voortman* business was classified as held for sale, and as a result, a portion of the goodwill within the Sweet Baked Snacks reporting unit was allocated to the disposal group based on a preliminary relative fair value analysis. There were no indicators of impairment for the remaining goodwill of the Sweet Baked Snacks reporting unit as of October 31, 2024.

During the third quarter of 2025, we completed our long-range planning process, following the integration of the Hostess Brands business and operations, resulting in a decline in forecasted net sales and segment profit for the Sweet Baked Snacks segment. The declines in forecast are in line with the underperformance during the current fiscal year for both net sales and segment profit, primarily driven by increased inflationary pressures and diminished consumer discretionary income, which has led to slower than anticipated recovery in the sweet baked goods category. In addition, we have not met expectations from a distribution, merchandising, and competitive standpoint, which has resulted in lost market share.

As a result of the decline in both actual and forecasted net sales, as compared to the long-term projections utilized in the purchase price allocation, in conjunction with the narrow differences between estimated fair value and carrying value as of April 30, 2024, we performed an interim impairment analysis on the goodwill of the Sweet Baked Snacks reporting unit and the *Hostess* brand indefinite-lived trademark. Furthermore, on December 2, 2024, we divested the *Voortman* business, and as a result, we disposed \$251.1 of goodwill within the Sweet Baked Snacks reporting unit. The amount of goodwill allocated to the disposal group was determined based on a relative fair value analysis, utilizing the updated long-range plan. The interim impairment analysis was completed following the disposal of goodwill allocated to the *Voortman* business. We recognized total

pre-tax impairment charges of \$1.0 billion during the third quarter of 2025, of which \$794.3 and \$208.2 related to the goodwill of the Sweet Baked Snacks reporting unit and the *Hostess* brand indefinite-lived trademark, respectively, to the extent the carrying values exceeded the estimated fair values. These charges were included as noncash charges in our Condensed Statement of Consolidated Income and Condensed Statement of Consolidated Cash Flows.

The goodwill and indefinite-lived trademark within the Sweet Baked Snacks segment remain susceptible to future impairment charges, as the carrying values approximate estimated fair values due to the impairment charges recognized during the third quarter of 2025 and the recent acquisition of Hostess Brands. Any significant adverse change in our near or long-term projections or macroeconomic conditions would result in future impairment charges for the Sweet Baked Snacks segment.

As of April 30, 2024, with the exception of the Sweet Baked Snacks reporting unit and indefinite-lived intangible assets, the estimated fair value was substantially in excess of the carrying value for all reporting units and material indefinite-lived intangible assets, and in all such instances, the estimated fair value exceeded the carrying value by greater than 10 percent. While we concluded there were no additional indicators of impairment as of January 31, 2025, any significant sustained adverse change in consumer purchasing behaviors, financial results, or macroeconomic conditions could result in future impairment. For additional information, refer to Note 8: Goodwill and Other Intangible Assets.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers: The following table presents the total number of shares of common stock purchased during the third quarter of 2025, the average price paid per share, the number of shares that were purchased as part of a publicly announced repurchase program, if any, and the maximum number of shares that may yet be purchased under the plans or programs:

Period	(a)	(b)	(c)	(d)
	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares That May Yet Be Purchased Under the Plans or Programs
November 1, 2024 - November 30, 2024	380	\$ 107.82	—	1,111,472
December 1, 2024 - December 31, 2024	3,118	110.27	—	1,111,472
January 1, 2025 - January 31, 2025	51	107.29	—	1,111,472
Total	3,549	\$ 109.97	—	1,111,472

(a) Shares in this column include shares repurchased from stock plan recipients in lieu of cash payments.

(d) As of January 31, 2025, there were approximately 1.1 million common shares remaining available for repurchase pursuant to the Board's authorizations.

Item 5. Other Information.

(c) Trading Plans

During the first nine months of 2025, no director or Section 16 officer adopted or terminated any Rule 10b5-1 trading arrangements or non-Rule 10b5-1 trading arrangements.

Item 6. Exhibits.

See the Index of Exhibits that appears on Page No. 48 of this report.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

February 27, 2025

THE J. M. SMUCKER COMPANY

/s/ Mark T. Smucker

By: MARK T. SMUCKER

Chair of the Board, President and Chief Executive Officer

/s/ Tucker H. Marshall

By: TUCKER H. MARSHALL

Chief Financial Officer

INDEX OF EXHIBITS

The following exhibits are either attached or incorporated herein by reference to another filing with the SEC.

<u>Exhibit Number</u>	<u>Exhibit Description</u>
<u>31.1</u>	<u>Certifications of Mark T. Smucker pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended</u>
<u>31.2</u>	<u>Certifications of Tucker H. Marshall pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended</u>
<u>32</u>	<u>Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of The Sarbanes-Oxley Act of 2002</u>
101.INS	XBRL Instance Document – The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	XBRL Taxonomy Extension Schema Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
104	The cover page of this Quarterly Report on Form 10-Q for the quarter ended January 31, 2025, formatted in Inline XBRL

* Identifies exhibits that consist of a management contract or compensatory plan or arrangement.

RULE 13a-14(a)/15d-14(a) CERTIFICATIONS

I, Mark T. Smucker, Chair of the Board, President, and Chief Executive Officer of The J. M. Smucker Company, certify that:

- (1) I have reviewed this quarterly report on Form 10-Q of The J. M. Smucker Company;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report;
- (4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- (5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2025

/s/ Mark T. Smucker

Name: Mark T. Smucker
Title: Chair of the Board, President and Chief Executive Officer

RULE 13a-14(a)/15d-14(a) CERTIFICATIONS

I, Tucker H. Marshall, Chief Financial Officer of The J. M. Smucker Company, certify that:

- (1) I have reviewed this quarterly report on Form 10-Q of The J. M. Smucker Company;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report;
- (4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- (5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2025

/s/ Tucker H. Marshall

Name: Tucker H. Marshall
Title: Chief Financial Officer

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of The J. M. Smucker Company (the "Company") for the quarter ended January 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to such officer's knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

/s/ Mark T. Smucker

Name: Mark T. Smucker
Title: Chair of the Board, President and Chief Executive Officer

/s/ Tucker H. Marshall

Name: Tucker H. Marshall
Title: Chief Financial Officer

Date: February 27, 2025

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.