

## Dechert, Benesch Steer B&G Foods' \$550M Crisco Brand Buy

By **Rose Krebs**

Law360 (October 27, 2020, 7:00 PM EDT) -- B&G Foods Inc. announced Monday it entered into an agreement to acquire the Crisco brand from The J.M. Smucker Co. for roughly \$550 million in a deal steered by Dechert LLP and Benesch Friedlander Coplan & Aronoff LLP.

The New Jersey-based B&G will also acquire a manufacturing facility and warehouse in Ohio, according to a statement. B&G said it intends to fund the acquisition and related fees with cash on hand and revolving loans under its existing credit facility.

"We are very excited to add the iconic Crisco brand to the B&G Foods portfolio," said B&G President and CEO Kenneth G. Romanzi. "Crisco is an excellent complement to our existing portfolio of brands, including our Clabber Girl and other baking powder brands. This acquisition is consistent with our long-standing acquisition strategy of targeting well-established brands with defensible market positions and strong cash flow at reasonable purchase price multiples."

B&G said it expects the acquisition to close during the fourth quarter of 2020, subject to customary closing conditions and regulatory approvals.

In a statement Monday, The J.M. Smucker Co., based in Ohio, said the divestiture of the Crisco brand "aligns with the company's previously stated intent to exit the U.S. baking category and focus more of its resources on its core growth platforms of pet food, coffee and snacking."

In addition to the facility in Ohio, the deal includes the sale of oils and shortening products sold under the brand, including in Canada, certain trademarks and licensing agreements and about 160 employees who support business operations for the Crisco brand, J.M. Smucker said.

The Crisco brand generated net sales of roughly \$270 million for the fiscal year ending April 30, according to the statement.

"Crisco is an iconic brand that is beloved by consumers, and the business has been a solid contributor to our financial performance," said Mark Smucker, president and CEO of The J.M. Smucker Co. "However, our strategic priorities include an increased focus and allocation of resources toward pet food and pet snacks, coffee, and snacking to maintain momentum in these categories. Today's announcement helps position the company to further grow our core businesses and unlock value for our shareholders."

J.M. Smucker said it "expects the divestiture to be dilutive to its adjusted earnings per share in the range of \$0.45 to \$0.55 on a full-year basis, reflecting the foregone profit related to the oils and shortening business, before factoring in any potential benefit from the use of proceeds from the sale."

J.M. Smucker said it will further discuss the transaction's impact on its financial outlook next month when it releases the company's second quarter results.

Goldman Sachs & Co. LLC served as financial adviser for The J.M. Smucker Co. and Benesch Friedlander Coplan & Aronoff LLP served as the company's legal adviser.

The Benesch team includes Michael Marhofer, Cheryl Donahue, Mitchell Gecht, Lee Korland and Kevin Margolis.

The Dechert team advising B&G Foods includes Stephen Leitzell, Sarah Gelb, Michael Gordon, Juan Zambon, Tiffany Pan, Kristen Thompson, Francois Quintard-Morenas, John M. IX, Ian Downes, David Jones, Lany Villalobos, Edward Lemanowicz and George Davis.

--Editing by Stephen Berg.