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<<Rupesh Parikh, Analyst, Oppenheimer & Co.>>

I'm very happy to introduce our next presenting company, Hormel. We're excited to have joining us today, PJ Connor, GVP of Retail Sales; Leslie Lee, VP of Digital Experience; and David Dahlstrom, Director of IR. The format of today's session will be a fireside chat going through a number of questions that are prepared, and then we'll open up to audience Q&A. If you have a question, please enter them in a question panel below the video. So now I'm going to quickly turn over to David to go through the safe harbor statement.

<<David Dahlstrom, Director, Investor Relations>>

Well, good morning, everyone, or good afternoon, kind of where you are. Thanks for joining us today. Just quickly before we get started, I do want to reference safe harbor because some of the statements we may be making today may be forward-looking, and our results may differ materially from those expressed and are implied by some of those statements. Our Form 10-K is out on our investor website as is our most recent Form 10-Q.

So with that, Rupesh, I'll turn it back to you to start the questions.

<<Rupesh Parikh, Analyst, Oppenheimer & Co.>>

Thanks, David. So PJ, kicking off with you, we are starting to see slower grocery retail sales with the lowest level of growth in April since the middle of 2021 with inflation starting to decelerate. Overall, I'd love to get your thoughts on the U.S. consumer demand backdrop within the retail channel from your perspective?

<<PJ Connor, Group Vice President, Retail Sales>>

Well, certainly, Rupesh, thanks for having us and look forward to the conversation. I think the best way that I – or best word that I can describe the consumer right now is that they're just being more intentional and that sounds like a really one-word answer to say intentional. So that's complemented by a lot of noise going on. You have three years of spike demand. You have a lot of inflationary pressures that have happened. You've got the acceleration and then the deceleration of snap benefits on many of our consumers. And so you have that all going on with the consumer and then that obviously levels up to the retailer as they're dealing with circling or comping a lot of spike demand as well, along with a lot of these offsets that I just talked about. But from my perspective, what you're really seeing here in the retail space is separation of retailers that are focusing on delivery not only value but convenience at the same time. And those are the ones that we're seeing the consumers gravitate towards. But my one word answer is they're just being more intentional.

<<Rupesh Parikh, Analyst, Oppenheimer & Co.>>

Okay. Great. And then Leslie, we'd love to hear about what you're seeing in the U.S. consumer demand backdrop as well from your digital e-commerce perspective.

<<Leslie Lee, Vice President, Digital Experience>>

Yes. Thanks for the questions. Definitely, intentional is a great one word to sum it up. And I would say when we think about it from a digital and e-commerce standpoint, what's really happening is those tools are actually enabling consumers to kind of take more power in their hand and understand how they can budget, where they're spending their dollars, tracking with their dollars and also making smarter choices. So I see a lot more consumers using tools to be able to help them make those smart decisions ultimately to drive what they need to from their lives.

<<Rupesh Parikh, Analyst, Oppenheimer & Co.>>

Okay. Great. And then how do you feel you're positioned for a recessionary environment? Has anything changed in terms of how your portfolio is positioned today for a recession versus a prior financial crisis?

<<PJ Connor, Group Vice President, Retail Sales>>

Yes. I appreciate that question because it's in times like this that we truly validate the value of our diverse and our broad portfolio that's really balanced. And when I think about what has changed since the last time, there's a few things. One is it's become even more balanced and more diverse when we have acquisitions such as Planters and Sadler's. And when I think about Planters in particular, something else that's different is we have more outlets for us to sell to than we did previously when we went through recessionary period. The Planters brand has really opened up a couple of channels for us, particularly around convenience and c-stores that is allowing us to really use it as an anchor to build the rest of our portfolio around in that important channel.

I'd say, also Rupesh, what's different this time versus last time is we have tremendous more data around the consumer than we did the last time we've gone through this. There is a lot of whether it's account-specific data, whether it's insights that we have that we didn't have last time whether it's our heavy leaning in on revenue growth management to better understand not only our base pricing, but promotional pricing in times like this. And then the last thing that I would say that is really different than the last time is we have a whole new operating structure. We have a new go-to-market that we call go forward where we're more vertically focused rather than we are temperature-based. And that's certainly going to provide benefits from scale, relevancy and leverage that we have both with our retailers and also with our vendor partners as well. So quite a bit of things that are different. But like I said, it's – the recessionary periods have historically really allowed us to lean into that balanced model.

<<Rupesh Parikh, Analyst, Oppenheimer & Co.>>

Okay. Great. And then shifting to a question for David. Just on guidance, you are expecting a sales and earnings acceleration in the back half of the year. Can you walk us through the key puts and takes behind this expectation? And then what gives you the most confidence in driving this acceleration?

<<David Dahlstrom, Director, Investor Relations>>

Yes. Thanks, Rupesh, for the question. So we did report earnings about two weeks ago, so all those materials again out on our investor website, so I encourage you to go check that out for some of the specific commentary, but I'll kind of break it into two pieces. The first being the top line because we have called for an acceleration here in the back half of the year. One of the biggest drivers on the top line is really around our turkey business, and we may spend a little bit of time during the rest of the conversation talking about turkey, but given the animal event that we had last year with high path avian influenza and the impact that that had in the second half of last year, we do expect a nice volume uptick in our turkey business as we haven't had an event from December and now we do have that need to go out and sell and sell with confidence, not only in retail but in foodservice.

We've also, over the last couple of years, made some significant investments in capacity, so think about key categories like SPAM and bacon and pepperoni and dry sausage. So for the first time really since the beginning of the pandemic, we're in an excellent spot in terms of our ability to supply our key businesses. And then the third piece, because we've gotten a lot of questions on this recently, is just some of our expectations around pork markets in the back half of the year. Certainly during the first half of the year, things have been lower year-over-year and in some cases, a lot lower. I think Valley has been an example and how that's impacted our bacon business. But we do expect things to return to more seasonal trends here as we look into the back half of the year. So turkey investments in capacity and markets kind of help explain our top line.

From a bottom line perspective, I think we've seen it here for a number of quarters, but even this year, our foodservice business continues to be highly differentiated, meeting the needs of operators and consumers across the industry we expect that to continue. While our international business has seen some challenges here recently we do expect that business to inflect and see some sequential improvement in the back half of the year and we expect a strong contribution from retail.

So Rupesh, those are a few of the comments, but again, I'd encourage people go ahead and find our earnings materials, which are on our website and feel free to reach out if there's additional questions.

<<Rupesh Parikh, Analyst, Oppenheimer & Co.>>

Great. That's a great overview. So shifting gears to a few more questions for PJ that are topical to Hormel stories. So first, your team announced some price increases at the end of your third quarter ending July. It now appears harder to land price at least compared to 2022. So can you remind us how you're thinking about the pricing lever going forward and what gives you

confidence that you couldn't continue to get incremental pricing from here? And then just curious if you're also seeing any unexpected surprises on the elasticity from to date.

<<PJ Connor, Group Vice President, Retail Sales>>

Sure. I would say that I don't know that taking pricing has ever been easy, but over the last few years, what we have learned is that, we have more confidence in our brand's relevancy and with our retailers and then also it's resiliency with the consumer. And so that being said, our ultimate goal remains the same, regardless of what period that of time that we're in, which is from a consumer perspective, we want to continue to provide high quality, affordable, value oriented products for our retailers.

We want to continue to bring in shoppers and we want to continue to grow category. And then for our shareholders, we want to continue to provide positive returns. And when you think about when you have to accomplish all three of those outcomes, sometimes it is going to require us to continue to pull the lever of price.

And so we have done that again in Q3 with select brands. And we've been successful in implementing those. And the reason why I believe we have is because we have overall a very fact-based prescriptive versus a speculative approach when we implement these along with a commitment to continually to support our brands and bring consumers into the stores and then – and most notably to our categories. And so that's allowed us to pass along pricing when we feel that it's necessary to again deliver on the three goals that we have.

<<Rupesh Parikh, Analyst, Oppenheimer & Co.>>

Okay. Great. And then another area we get a lot of questions as Planters. So remind us where you are in the efforts to improve the Planters business. What actions have taken hold so far? How are the – how has the new innovation been received today? And at this point, is Planters back to where your team expected?

<<PJ Connor, Group Vice President, Retail Sales>>

Yeah. Rupesh, I really appreciate you asking that question because Planters is by far the biggest acquisition that we've made in our history. And I would tell you that overall, the team has done a fantastic job in terms of integrating that business, thinking about when we did it at a time of real uncertainty in the world.

That being said, I feel like we've been really transparent on a couple things that, that we needed to solve for, the first of them being that, I do believe we and I even say I underestimated the complexity of the portfolio. And the second thing is that we also knew that and have communicated that we believe that the business had been underinvested in.

And so in regards to the complexity of the portfolio, what I can tell you is that we've activated and we've accelerated activities to address how we got off to a slower start and that's evidenced

by the fact that over the last 13 four-week periods, we've had double-digit growth in terms of our merchandising, our incremental activities.

So we certainly have a better understanding of the complexity of the portfolio that we didn't have before. And then in regards to the underinvestment, we've been working feverishly as well in that area, whether it's around advertising or whether it's around innovation. We just launched significant new innovation with CORN NUTS with Mexican Style Street Corn variety. We've also launched new flavored cashew items.

We're also investing in optimizing our capacity to match the demands of the consumer and the packaging that they desire. And so bottom line is, we're really good at managing brands that have a number one or number two share. We have 40 categories that we compete in where that statement holds true and Planters fits right into that.

I can tell you Rupesh, what we're focused on here in the near-term is, we've got to execute against the innovation that we're coming out with. We're working with retailers on optimizing sets and also filling in voids that were a result of the underinvestment prior to us taking ownership.

And then just continuing to leverage both media and trade to help us drive trial and also repeat particularly on these new items that we have coming to marketplace. And what I would tell you is, what we're most excited about over the last four weeks, there's been a lot of pressure from retailers about how do we drive more units, obviously inflation has helped drive dollars. Over the last four weeks, we've actually gained volume share in the Snack Nuts category, and we believe we'll be able to continue to build on that as we go forward.

<<Rupesh Parikh, Analyst, Oppenheimer & Co.>>

Okay. Great. That's a great overview. And then you mentioned this earlier too, Hormel announced that you Go Forward structure earlier this year. How does that structure benefit the selling organization? And how does it improve Hormel's selling capabilities or offerings in your view? And finally, do you – what do you expect a structure to drive share gains over time?

<<PJ Connor, Group Vice President, Retail Sales>>

Yeah. Well, I would tell you that Rupesh, we're seven months in. So we're past the let's call it the infant stage, getting into the toddler stage. And what I mean by that is, the structures now in place where we have team members that are adapting to the new roles and also the ways of working.

And I always say that you get through whether it's a new role or whether you go through a new change in terms of operating structure, it takes six months for you to really just start hitting your stride and that's what we're doing now. And so your question about what are the benefits, we're starting to now capture those a few of them that I'd highlight for you is one of the benefits is the talent pool.

So when you pull together seven selling organizations and sales strategy organizations into one, you're really able to optimize the talent that you have calling on your respective customer base. And we're also at the same time, able to take each one of those seven selling organizations had a strength of theirs that we're now able to pick and choose, which ones we want the new organization to be known for and then cascade them across.

And so we've been able to do that, whether it's having more of a Food Forward approach, which allows our products to really show their versatility and any other complementary aspects of the brands that maybe some of the divisions had not done as well of a job with. We also have some of our selling organizations that were incredible of using shopper insights and revenue growth management disciplines and we're able to cascade that.

So not only the talent, but the strengths that we're able to do, a new structure also allows us to have more or improved leverage, not only with our retailers, but also with our vendor partners, whether that's around purchasing of data, whether that's around media wise, whether that's around how do we better utilize our trade funds in our old structure, you weren't – you didn't have the ability to layer it up to look at bigger more impactful events, because everything was segmented into seven silos.

That's unlocked a lot of opportunity and value for us, particularly with our most strategic customers. Another benefit that we've had is that we now have a center of excellence called Brand Fuel that is providing a unified approach to driving not only innovation, but also shared resources in terms of getting insights for our categories in the stores that is more vertically oriented rather than temperature based, which we had been in and before.

And then the last thing that I'd say, Rupesh, that has been a benefit, it's really around the team themselves, because this has created an opportunity for much more robust career pathing, talent management, and helping us prepare for the pool for the future that we're going to need and one that's going to be more diverse, not only from a sales perspective, but from being more digitally savvy, having a better understanding of revenue growth management, having a better understanding of insights driven selling. And so having these all come together as one is provided that that career path that we didn't have before. So if it doesn't come across them very bullish on what this structure is going to be able to do for us.

<<Rupesh Parikh, Analyst, Oppenheimer & Co.>>

Okay. That's great. And then on retail, so as a demand backdrop normalizes, what retail channels are you seeing the most rent right now. And then from a Hormel perspective looking forward, what are the – what retail channels do you see the bigger opportunities in?

<<PJ Connor, Group Vice President, Retail Sales>>

Through the first year of – first half of the year, I'd say that, it's really mixed and it's not necessarily channel oriented as much as it's customer oriented. Like I said, I think that from my perspective, the customers that are winning and that we're winning with are the ones that have found the sweet spot of providing value, but also convenience at the same time. If I – if you

pinned me down and said, okay, PJ, which channels have grown the most? I mean e-commerce, which obviously Leslie can talk more about the dollar and emerging discount. And then also, certainly – certain customers within mass and club.

The second part of your question I think was around where do we see the biggest opportunities. Rupesh, this is like asking me to choose, which is my favorite child. So I either have to answer it and say, I expect to grow with all or I have to say, well, it depends on the day. So we'll just – we'll go somewhere in there in the middle of that and just say that each one of those channels, we have a different approach with that I'm optimistic that we're grow with, if I highlighted a few e-commerce, purely because of the trends and the solid performance that Leslie and her team has been able to deliver, I feel bullish on our opportunity there, club and dollar, because of some of the innovation and the price pack architecture work that we're working on with those channels. And then c-store as I mentioned, around Planters conversation, with Planters being an anchor and just a door opener for us, I'm bullish on what can happen in our c-store business as we pull the rest of our portfolio along with Planters.

<<Rupesh Parikh, Analyst, Oppenheimer & Co.>>

Okay. That's great. And then the big debate right now is say both, in our coverage of food retail and CPG is just driving volume growth as the – as inflation starts to moderate. So what are key efforts from Hormel and your retail partners in driving this volume growth? And then, as sales growth slows industry wide and supply improves, do you expect promotional intensity to pick up as well?

<<PJ Connor, Group Vice President, Retail Sales>>

Yeah. We have a number of levers that are going to help us to drive volume. A few that I'll share with you. I don't know if it's in this particular order, but it might be increased supply of Turkey that we have not had here for some time, which is going to allow us to not only no longer be on allocation, but also allow us to get back to promoting and building brand equity.

And when I say promoting, not just from a pricing perspective, but probably more importantly from an advertising and a marketing perspective that we've not been able to do, not able to spike demand, like we're now going to be able to going forward. The second area that I would say is going to help us to drive more volume growth is the significant capacity expansion that we've invested in and particular pieces of our business like bacon, dry sausage, and also SPAM where we're on pace to have another record year on that brand as well.

A couple other things that I'd mentioned, finished bringing back in paused items that we had during the last – during the pandemic also allowing us to reprioritize what I would call gold standard schematic work. As you know, Rupesh, over the last few years, retailers just needed whatever they could actually get on the shelf. It didn't necessarily have to be in the right place and the right facings. It was all about how do I get product on the shelf for the consumer.

It's going back and having discipline around what are the right number of facings, what is the right spacing on the shelf. All the things that are really important to drive really healthy baseline

volume growth, which still today in the industry is the biggest piece of the business, although what gets a lot of focus is, I think the second part of your question, which is around promotion.

So let's just be clear that the majority of our business and the majority of the business in the industry is still what you do every single day from a pricing and a promotion – from a pricing and a placement perspective. I think the word that you used was intensity. I don't know if necessarily I'm feeling the intensity of more promotions, but I would say that different promotional support. What we've learned during the pandemic, it was an opportunity to hit the reset button and to truly understand what drives the best performance for our brands and for the categories that we compete in. And that's different by brand. And so we have really leaned into our revenue growth management team to better understand that, to understand which brands right now are better for us to do fewer promotions, but deeper discounts, which of our brands should be more frequent at lesser discounts and equally important, what brands should have a really good hybrid of not only trade, but also things that Leslie's team really helps us with, whether that's around shopper marketing, whether that's around digital marketing or whether that's around traditional marketing.

And so I don't know that I'm feel – everybody – I get asked that question a lot, are you getting pushed or is there a lot more intensity around promotions? I think it's just different. I don't know that it's more intense, it's just different.

<<Rupesh Parikh, Analyst, Oppenheimer & Co.>>

Okay. Great. So now we're going to shift to Leslie, a few questions for you. So on e-commerce, can you remind us what percent of Hormel sales are e-commerce today? And where do you see this going over time? And I'm curious as well if you break out between food service and retail.

<<Leslie Lee, Vice President, Digital Experience>>

Yeah. So our percent of sales for e-commerce are solely in the retail business. And it's about 10% of our retail business. We don't break out food service from an e-commerce standpoint simply because that model is very different how we go-to-market. Digital influences a lot of food service, but not traditional e-commerce as we define it. And where we see that going is upwards in the retail arena upwards to 20% of our business ultimately we could see being in this e-commerce space, and that's really driven by how our retailers perform and how they think about e-commerce overall within their mix.

<<Rupesh Parikh, Analyst, Oppenheimer & Co.>>

Okay, that makes a lot of sense. And then clearly the pandemic accelerated a lot on the e-commerce front and CPG players remain focused on developing capabilities to support click and collect and delivery efforts. Where is Hormel today with its e-commerce efforts? Is Hormel doing anything differently than other players ensure success online?

<<Leslie Lee, Vice President, Digital Experience>>

Yeah. So yeah, definitely the pandemic accelerated e-commerce and we definitely saw a big spike in our business and it started to mature and stabilize as consumers start to go more into store, which is also great for us because we have a big in-store business. What we were – are doing and continue to do is to make sure that we have the availability online and in-store at our retailers. So as our retailers think about that omni-shopper, that person who buys online and in-store, which tends to be very valuable for them, it also tends to be very valuable for us.

So we want to make sure that we're supplying the right inspiration and product focused online as well as in-store. So that's one of the things we're doing. We're also looking and leveraging the power of our portfolio. One thing we can do online that is not as easy to do in-stores, to bring our brands together into multi-brand activities and solutions, and so we can provide solutions to consumers and shoppers and then ultimately give them that push to buy it in-store. And so that's one of the things that we're doing to really kind of stick ahead and really grow our business overall in that e-commerce space.

<<Rupesh Parikh, Analyst, Oppenheimer & Co.>>

Okay, great. And then shifting gears to retail media and digital marketing. So within your marketing budget, is there anything you can share in terms of how dollars are shifting towards digital and within digital?

<<Leslie Lee, Vice President, Digital Experience>>

Yeah. So from a digital standpoint, there's no doubt that our marketing dollars are shifting more towards digital from traditional media. And that is, it's dependent on the brand and the spend, but between 60% to 80% of the spend is moving towards digital. And when I say digital, it's not just digital e-commerce, but it's also digital media, it's video streaming, it's social media, it's all those places where you think about digital being used. And so that shift is happening just as consumer trends are shifting and more and more people are using digital as a tool to enable their shift.

When I think about ROI, really what we start to do is shift how our spend is in digital. And a lot of our digital spend is closer to purchase and closer to where consumer would purchase. And so by that we tend to see a higher ROI in the activities that we do because it is right, it's giving that inspiration to actually convert to purchase. And so we're seeing a bigger uplift in that. So generally speaking, the ROIs in this spend is definitely a lot greater than some of the other spends that we look at.

<<Rupesh Parikh, Analyst, Oppenheimer & Co.>>

Okay, great. And then, retail media is a big focal point for Kroger, Walmart and really all of our covered companies right now. What is Hormel doing in this area with the retailers? Is there anything you would comment on in terms of the ROI you're seeing here? And then we also get the question is retail media spend for Hormel, is that typically incremental to other spending with retailers?

<<Leslie Lee, Vice President, Digital Experience>>

Yeah. So, yeah, so retail media, we're certainly participating in that and we're participating in it with different retailers overall. And what we are doing is we're leveraging that as another tool and toolbox to help to grow our brands overall. And when we think about retailer media, we look at how we can use that to get smarter about our consumer and about where the brands that are being purchased, and we use that then to help drive the sale ultimately at the retailer of our brands.

To that extent, that's where the ROI starts to come in and we do get a better ROI in some of those spends versus others. And then if I think about retail media and how we compare it to other media and where we start to use it and leverage it, one of the things that we make the decision on when we're thinking about if it's going to be an incremental spend to the retailer is what other value can we unlock when we spend with the retailer? So can we get more data with that spend? Can we get more merchandising in-store? Can we get more distribution? All those types of things. And so we really look at it from that standpoint and so from that, it depends on the brand and the category on if this will be an incremental spend or just the shift from another part of the spend at that retailer.

<<Rupesh Parikh, Analyst, Oppenheimer & Co.>>

Okay. Sounds a lot more complex than I expected. Okay.

<<Leslie Lee, Vice President, Digital Experience>>

It is a little bit.

<<Rupesh Parikh, Analyst, Oppenheimer & Co.>>

And then personalization, so a big focus, Albertsons, Kroger, Walmart and others are in personalization. What's Hormel doing to support retailers in this area?

<<Leslie Lee, Vice President, Digital Experience>>

Yeah. So we're definitely working with our retailers from a personalization standpoint for those that are in that space using their loyalty card data or using the data that they have to be able to offer up different offers to consumers or shoppers based on their behavior. We're in works in partnerships with them on a lot of the tools that they have to offer for us to be able to do that. So it's definitely something that we continue to work with and optimize as we move forward. And it's definitely a place that we continue to want to make sure that we're not only doing the right things for our retailer, but ultimately doing the right things for the consumers and shopper.

<<Rupesh Parikh, Analyst, Oppenheimer & Co.>>

Okay. Another topic I want to cover is just AI. So AI is clearly topical really for all of my covered companies. How is Hormel using AI today and what are the bigger opportunities for AI down the road?

<<Leslie Lee, Vice President, Digital Experience>>

Yeah. So AI is definitely very topical. It's the buzzword of the century lately, right? And really what we do with AI is, so there's kind of two things. We leverage AI right now with a lot of our day-to-day activities to help us have better, make better decisions on where we're going to spend and where we're going to invest from a digital standpoint. So there's a lot of tools that we use that can help us do that. Where the buzz is coming recently is really around things like ChatGPT and how do we leverage ChatGPT. And that's a place where many of our retailers are starting to incorporate and look at how they can leverage that as a function in AI. And so we're starting to partner with some of those retailers to think about what, how best we can make sure that our products are in that mix when we're moving with AI from a chat standpoint. So that's definitely, it's emerging and we're in the very beginning of the stages of that. And so we're always looking at how we can explore and move past kind of where the nascent behavior is into that mass behavior.

<<Rupesh Parikh, Analyst, Oppenheimer & Co.>>

Okay, great. So I'm going to wrap up with a final question for both of you. So PJ maybe I'll start with you first. Since we look back over the past few unprecedented years with the pandemic, what are some key learnings for you both? And how have these changed your priorities going forward? What are you focused from here?

<<PJ Connor, Group Vice President, Retail Sales>>

Yeah, great question. I would say, the first thing that I learned that we all did is the importance of supply chain. And particularly for us, I mean, our pre pandemic, our fill rates and our supply chain was where we always got the highest marks from our retail partners. I always wish it would've been the quality of the salesperson, but it was actually, it was around our supply chain. And that created some opportunities for us that development opportunities, when we went into this, because we were so strong. We never even had an allocation process. We didn't have an allocation model because we have never gone through it. We also didn't have a customer service team, because you didn't need to have a customer service team when you're filling your orders in full every single time.

And so what we learned is that there were some developmental areas for us some – I would say maybe some blind spots that we weren't aware of that. We've been able to now address and have become, again, a really formidable piece of our supply chain complementary to our supply chain to allow that to be one of our really bright stars again.

The second thing that I would say that I learned is the longer you focus on something Rupesh, the stronger you become at it and the stronger that muscle becomes. And sometimes it can come at the expense of other muscles. And what I mean by that is we became really good at chasing

orders and solving supply chain challenges. And so when you ask what are our priorities going forward, it's about creating and driving demand, because we have our products back, we have our consumers back, we're advertising, we're marketing, we have promotional activity, and we're really focused on how do we drive baseline sales. And to your point earlier, how do we drive unit growth? We've all driven dollar growth during the last three years. How do we really drive unit and volume growth going forward? And that's what our focus is on going forward.

<<Rupesh Parikh, Analyst, Oppenheimer & Co.>>

Great. Leslie?

<<Leslie Lee, Vice President, Digital Experience>>

Yeah. I would say that really where our focus is around this mixture of where consumers want to shop and how they want to shop. And it's sometimes online and it's sometimes in-store, and it's sometimes both. And so making sure that we have the right offerings and the right infrastructure to be able to serve that. That's a real big focus for us overall.

<<Rupesh Parikh, Analyst, Oppenheimer & Co.>>

Okay, great. And as you look at like, I guess the different online channels, it seems like to me pickup is still robust growth out there. The home delivery – it's kind of – it's mixed with good data this morning. It didn't seem great. Just where do you guys see like the most growth potential as you look at the different e-commerce verticals or delivery verticals?

<<Leslie Lee, Vice President, Digital Experience>>

Yeah, I definitely think pickup is definitely going to be the biggest place where you see the most growth in the continued growth. Delivery is definitely has a place. And there's specific times and places where that makes sense, but pickup is where we see that real growth.

<<Rupesh Parikh, Analyst, Oppenheimer & Co.>>

Okay. Great. Well, thank you to the Hormel management team for joining us today, PJ, Leslie, and David.

<<David Dahlstrom, Director, Investor Relations>>

Thank you, Rupesh.

<<Leslie Lee, Vice President, Digital Experience>>

Thank you.

<<PJ Connor, Group Vice President, Retail Sales>>

Thanks, Rupesh.