

10-Jun-2024

# Hormel Foods Corp. (HRL)

Oppenheimer Consumer Growth and E Commerce Virtual Conference

## CORPORATE PARTICIPANTS

**James P. Snee**

*Chairman, President & Chief Executive Officer, Hormel Foods Corp.*

**Jacinth C. Smiley**

*Executive Vice President & Chief Financial Officer, Hormel Foods Corp.*

---

## OTHER PARTICIPANTS

**Rupesh Parikh**

*Analyst, Oppenheimer & Co., Inc.*

---

## MANAGEMENT DISCUSSION SECTION

**Rupesh Parikh**

*Analyst, Oppenheimer & Co., Inc.*

Good afternoon, everyone. Thank you for joining us at Oppenheimer's 24th Annual Consumer Growth and ECommerce Conference. My name is Rupesh Parikh, I'm Senior Food, Grocery and Consumer Products analyst here at Oppenheimer. I'm happy to introduce our next presenting company, Hormel. Joining us today, our CEO, Jim Snee; CFO, Jacinth Smiley; and Director of Finance Retail, David Dahlstrom.

So thank you all for being here. The format is – the session will be a fireside chat, and I'll move to audience Q&A. So if you have questions, please enter it in the question panel below the video. So let's get started.

## QUESTION AND ANSWER SECTION

**Rupesh Parikh**

*Analyst, Oppenheimer & Co., Inc.*

Q

I'm going to start off with a few macro questions. So kicking off with the consumer, there are clearly more concerns out there on the low-end consumer. How would you characterize the current health of the consumer at both your Grocery and Foodservice business? And have you seen any change in dynamic as it relates to consumer behavior or preferences?

**James P. Snee**

*Chairman, President & Chief Executive Officer, Hormel Foods Corp.*

A

Yeah. Well, Rupesh, thanks for having us. It's always a pleasure to get a chance to spend some time with you.

As we think about the consumer, really, our outlook for the consumer is mostly unchanged. And I really feel like the American consumer just has been incredibly resilient, right? And then take it across all income levels, ages, geographies, I can't remember the source, but I know this morning there was some consumer data out that really supported that, that the consumer is resilient. But their resilience in this really dynamic environment, there certainly are some headwinds when we talk about inflation, whether it's snap decline, student loan repayment. There's a lot of things there, but then there are also clearly some tailwinds that are allowing the consumer to be so resilient. We think about a strong job market, and again, data last week supported that. We know what consumers are doing in terms of their spending. And although we have seen elevated inflation, the rate at which it's increasing seems to be moderating a little bit.

So that resilient word, I know it can sound a bit cliché and overused, but I really do think that it's appropriate in the environment we're in. And so what does that mean for us? And as we think about it, the way that we've built this really broad, balanced, diversified portfolio, this is a time when it serves us well. And when we think about the channels where we compete, right, Retail, Foodservice and also International, how we think about our brands, some of them very premium, some of them a bit more mainstream. When we think about Retail specifically, where we compete, whether it's the perimeter or more center of the store. Most recently, with the acquisition of Planters, really expanding our presence in the convenience store channel as well. And then, again, just a range of protein options, which is something that seems to be coming more and more of an opportunity.

So when we put all of that together, we've got this resilient consumer with a very favorable portfolio. And I mean, that's why we're optimistic about our business going forward.

**Rupesh Parikh**

*Analyst, Oppenheimer & Co., Inc.*

Q

Great. And then on the food-away-from versus food-at-home side, so [indiscernible] (00:03:44) cover retailers, Walmart and Costco. I get it lately that they're seeing benefits from consumers potentially eating more at home lately. So your team has the unique advantage point between both Foodservice and Retail. So have you guys seen or are you expecting any meaningful shifts between food at home and food away from home for the balance of the year?

**James P. Snee**

*Chairman, President & Chief Executive Officer, Hormel Foods Corp.*

A

It's a great question. And yes, we have this unique visibility, but we also have this incredibly unique opportunity. And it goes back to really how we've built the portfolio and how we've targeted these different channels. And so this retail portfolio that has this combination of premium, mainstream perimeter or center of the store really being there for retail consumers when and where they want to shop.

But then when a foodservice business that has – it's 30-plus years in the making that is focused on solving pain points for foodservice operators. And it starts with our selling organization, right? It starts with our direct selling force that's in the back of the house talking to operators, what's on your mind? What are you struggling with? And the solutions-based approach to our portfolio that in spite of some of the macro data that's out there, I mean, you go back and you look at the trend of growth that we've seen in our foodservice business, right? Yeah, are we flying in the face of that? Absolutely. And a big part of that is our ability to capture the opportunity and solve the problem.

But then also thinking about where we're competing in foodservice. I know there's this propensity to want to say all foodservice are commercial operators. Well, even within commercial operators, there's different segments and different opportunities. And then when we get into the non-commercial side, when we think of healthcare or K-12, the way that we've attacked this business in a very targeted, specific way, it's what has allowed us to really think about this as just a constant opportunity even when some of the industry or macro data may lead others to think things differently. We're about almost halfway through our third quarter now, Rupesh, and I would tell you that our Foodservice business continues to perform as we expect it to.

---

**Rupesh Parikh**

*Analyst, Oppenheimer & Co., Inc.*

Q

Okay. That's helpful. Now, switching gears to [indiscernible] (00:06:27) more topical poster release, so first on the revenue guide. So the updated full-year revenue guide, even at the low end, implies a meaningful step-up in top line growth versus the first half of the year. So can you walk us through the key puts and takes here? And what gives confidence in driving this acceleration?

---

**James P. Snee**

*Chairman, President & Chief Executive Officer, Hormel Foods Corp.*

A

Yeah. So I think it's important, right? As we said on the call, we do see a path to that range, but the most likely scenario is the low end. But we're really confident in the high single digit half two growth for Foodservice and International. And like I said, we're almost halfway through the third quarter and those businesses continue to meet our expectations.

I do think the retail story is more of a nuanced story where we think about the pockets of the business that continue to perform well. We've talked about SPAM, we've talked about SKIPPY, we've talked about Planters. And really, the biggest driver of any sales impact is the whole bird impact. And we've been pretty clear about that throughout the year. We gave some specifics in Justin's commentary in Q2, but we do feel confident that we're going to be able to deliver to that low end of the range. And there's lots of moving parts, but I think fundamentally we feel really good about the business and where it's headed.

---

**Rupesh Parikh**

*Analyst, Oppenheimer & Co., Inc.*

Q

Great. The other area we've gotten a lot of questions is just on volumes. So we saw a softer volume growth in Q2 versus Q1, and this appeared to be the key driver of the share price weakness post your report. So how that first

half volumes played out versus your team's expectations? And then would you call out any major positive or negative surprises of note?

**James P. Snee**

*Chairman, President & Chief Executive Officer, Hormel Foods Corp.*

A

Yeah. I mean, I think for – the volumes were generally in line for the first half of the year and they were stable year-over-year. And you're always going to have timing elements quarter to quarter. But again, back to Foodservice being just a great driver for the business, when we think about the selling team, the portfolio, the channels, all the things that I know we've talked about a lot. And we expect that mid-single-digit growth for the balance of the year.

Our International business, we talked about the recovery that was going to happen throughout the year. And we're seeing it and we're seeing improving trends in key areas, whether it's our SPAM business, China. And so although we've got some decline, high-single-digit declines for the balance of the year, so much of that is tied to commodity business, fresh pork and turkey volumes. And what the team can control and really be focused on, they're doing a great job.

And then, as I said, the retail volume story is a bit more nuanced. We've got our flagship brands, so think Bacon, SPAM, Planters, JOTS, lean grounds, so many of those well-recognized brands. And then SKIPPY, Applegate, all doing really well. But then we've got softer volumes for whole bird turkeys, and that's expected. We've been talking about that and hopefully providing good color and good information along the way.

Other parts of the business that we don't talk about as much, there's some contract manufacturing volumes in there that have an impact on the business. But when we think about how we roll this business up and what really matters, we feel really good about where it's headed for the back half of the year.

**Rupesh Parikh**

*Analyst, Oppenheimer & Co., Inc.*

Q

Okay. So it sounds like if you take out the whole bird business and the contract manufacturing volumes, it would probably give you a different picture on Retail than what we're seeing.

**James P. Snee**

*Chairman, President & Chief Executive Officer, Hormel Foods Corp.*

A

Yeah, absolutely, Rupesh. That's a really, really good clarification is that those are – I mean, they're very specific and tactical items, but you've got – whole bird volumes are significant and contract manufacturing volumes are also having an impact. It would be a different story.

**Rupesh Parikh**

*Analyst, Oppenheimer & Co., Inc.*

Q

Okay. Again, since we got so many questions on Retail, so at your Analyst Day, I thought the comment around retail overall was very bullish on the longer term there. So given what you see in the first half, has anything changed in terms of how you guys look at the longer-term health of the Retail, your product portfolio in Retail? So maybe just some thoughts there versus the commentary at the Analyst Day.

**James P. Snee**

*Chairman, President & Chief Executive Officer, Hormel Foods Corp.*

A

Yeah. The way we think about it is, I mean, everything we do, Rupesh, has got a long-term focus on it. And you've heard our retail team talk about being focused on winning with consumers, winning with the customers and really better allocating resources so that over the longer term we improve the margin structure of the business.

And that's what we're focused on doing. And if you really think about the business overall and what our expectations for Retail was expected to offset the whole bird – more than offset the whole bird impact on this business. That's a pretty big accomplishment. But when we – we told you what the impact was going to be. And really, the new news in our conversation has been the Planters disruption and that corresponding impact. And so that should hopefully reframe a little bit how we're thinking and how we were thinking about Retail and what we're going to be able to get done. So that Retail, again, that we were expecting to more than offset the whole bird impact.

And we're doing that through the brands, a lot of the brands that we've already talked about, our flagship brands, Planters, Black Label, SPAM, Jennie-O. They performed well-gained share. We expect them to continue to perform well in the marketplace.

Innovation remain a key focus for the team. When we think about the innovation work that we've done with the Planters brand, I mean, it's been incredibly successful and it's doing everything that we want it to do in terms of not just driving sales, but connecting with the right consumer. And then, I mean, there's still benefit to be gained from this go-forward structure, right, how we're aligning resources to really optimize that business going forward. We're 18 months into that new structure. And the progress we've made is really, really good.

So we feel good about the team's ability to continue to overcome some of the headwinds that are always going to be there. Some of the trends, we talked about some pockets of center store. Not entirely new. And that's why we build out this balanced portfolio because it never hits on all cylinders at all times. And so we just want to make sure that we're set up, that when something's down, something else is up and vice versa. And I think we've demonstrated our ability to do that over time. And we understand where challenges are and we have a plan, and we know how to execute that plan.

---

**Rupesh Parikh**

*Analyst, Oppenheimer & Co., Inc.*

**Q**

Great. So the last topic I want to cover [indiscernible] (00:14:04) is just the whole bird turkey business. It appears weaker, a whole turkey market will continue through the balance of the fiscal year. Can you remind us the dynamics here? And then would you expect this headwind to continue into your next fiscal year?

---

**Jacynth C. Smiley**

*Executive Vice President & Chief Financial Officer, Hormel Foods Corp.*

**A**

Yeah. Rupesh, so as we think about whole birds from a big picture perspective, outside of whole birds, we are projecting growth across several parts of the Jennie-O branded turkey, including ground turkey that Jim touched on before. There, we've been leaning into that with advertising to just continue to drive the consumers there in the Retail space and then also in our value-added turkey business in Foodservice.

But as we think about the impact from the whole birds, we talked about \$0.15 impact in total for the year. Given where we were last year with HPAI and the disruption there from the virus and coming into this year where it was minimal, we're seeing oversupply in the market consistent with the rest of everybody else. And so we will see that impact here as a headwind, but that's fully baked in to the guidance that we have given. So we feel that we have de-risked the portfolio, but the big picture is we have turkey available and we're ready to service the customers in a market that we believe is very attractive.

**Rupesh Parikh**

*Analyst, Oppenheimer & Co., Inc.*

Q

In any sense, whether this headwind continues into next year or is it still too early?

**Jacynth C. Smiley**

*Executive Vice President & Chief Financial Officer, Hormel Foods Corp.*

A

It's still too early to say. Again, we're fully de-risked for 2024 and we won't give any guidance here going into 2025 as yet.

**Rupesh Parikh**

*Analyst, Oppenheimer & Co., Inc.*

Q

Okay. Got it.

**James P. Snee**

*Chairman, President & Chief Executive Officer, Hormel Foods Corp.*

A

I think, Rupesh, the important thing just talked about is our teams are out there focused on regaining lost business from when the supply wasn't there. And the retail one again becomes a lot more evident because you can see the product on shelf. But thinking about the work that's happening in our Foodservice business is really important as well, that they now have this very important protein back in their bag and they're confident when they're out selling it. And we're seeing that business continue to pick up as well.

**Rupesh Parikh**

*Analyst, Oppenheimer & Co., Inc.*

Q

Okay. So that's a great segue into the next area I want to cover is just Foodservice. So Foodservice clearly remains a bright spot for Hormel. And already commentary turned on this call has been positive with Foodservice. So what are the bigger opportunities your team still sees in the channel and then what's your team's confidence in sustaining momentum within Foodservice?

**James P. Snee**

*Chairman, President & Chief Executive Officer, Hormel Foods Corp.*

A

Yeah. It's a great question. And I do think it's one that we need to continue to spend more time on because it's just not as visible. The data isn't as transparent as the Retail business. But obviously, our results demonstrate that not only we have an excellent start for the year, positioned for a strong half two, but I think the most important thing here through those numbers is this belief and knowledge that we're operating from a position of strength, right? With this direct sales team, this portfolio of innovative, value-added solutions and really being able to build out these diversified sales channels.

And so when we think about that opportunity, that last one, diversified sales channels. And, Rupesh, we've talked about since the acquisition of Planters our desire to become a bigger player in that convenience store channel as consumers shop that differently than they ever have. And so we've been able to really build out in our typical way this kind of multipronged approach to c-stores where the business is there's front of a store where I'm going in and I'm going to grab a snack and I'm going to go. And the team has done a great job with distribution, the innovation that we've been able to get on the shelf, and we've really built that into a competency and a muscle that we longed to have.

But then when we think about how consumers and customers are shopping differently in terms of meals that they're getting, the prepared food, right, sandwiches, sliced meats and the way we're able to talk about our pizza toppings, sliced meats for those sandwiches, the conversations are really, really much different. And so we feel really good about that as a continuous opportunity.

Through the work that we've done in bringing the Jennie-O business closer, it's opened up a whole range of opportunities for us and really the K-12 school business. Jennie-O had a really strong foothold there. And now being able to layer in the Hormel portfolio with the right sales acumen, really great opportunity for us and then as we think about innovative items. We've talked a lot of the years about Austin Blues barbecue, Café H, Bacon 1, and it doesn't stop. Now, we're talking about this FLASH 180 chicken that allows operators without a lot of equipment to be able to put chicken on their menu in a way that they weren't before. And Ribbon Pepperoni that operators are always looking for something new and different. And so being able to have a different appearance on the top of a pizza, I mean, those two items alone have already exceeded our sales expectations.

So it's not really forward looking, but then there's some of the ketchup stuff I mentioned. We've got turkey, we've got available supply, some of the investments that we had made in capacity to really help us in constrained areas such as bacon and pizza topping. So, again, you can tell my excitement about the opportunities because they're there and they're real for our Foodservice team.

---

**Rupesh Parikh**

*Analyst, Oppenheimer & Co., Inc.*

Q

Great. And the other area where I feel like momentum is building is International, so I just wanted to touch on the International business as well. So at least from our perspective, it appears your team is turning a corner and your commentary on the call is that you guys expect to return to growth in the back half of the year. So maybe if you can walk us through some of the key puts and takes here.

---

**James P. Snee**

*Chairman, President & Chief Executive Officer, Hormel Foods Corp.*

A

Yeah. We've talked about from the beginning of the year that this was all about recovery for International, given some of the macro environment that they endured last year. And then they were able to deliver half one volume growth. And that was a balance of some commodity but also refrigerated exports. We're seeing that recovery in China. Retail was a little slower. Foodservice is coming back. But the work that they're doing in China and Indonesia, with our partnerships throughout Asia, I mean, all of these things are really coming together. And that's why we expect this business will recover and/or I guess you would say further accelerate in the back half of the year.

And it's really broad based, right? Branded exports, we expect to get back to more normalized shipments. China will continue to recover strength in Foodservice, recovery in Retail and then these partnerships I talked about, Indonesia, South Korea, the Philippines. All of them leading to significantly increased segment profit compared to last year. So it's setting up not only to achieve recovery, but allow us to get back on track with some of the more strategic things that we want to do in those areas that we've identified as opportunities.

---

**Rupesh Parikh**

*Analyst, Oppenheimer & Co., Inc.*

Q

Great. So now moving on to view Hormel-specific strategic questions. So your team provided positive update on your transformation and modernization initiatives on your recent calls. How have the efforts progressed versus

expectations? Any surprises to-date? And then did your team remain confident in your ability to deliver on your savings target of \$250 million by 2026?

---

**Jacynth C. Smiley**

*Executive Vice President & Chief Financial Officer, Hormel Foods Corp.*

A

Yeah. So this is definitely a clear, bright spot for us. I mean, we came out of Investor Day really bullish about what we wanted to achieve in order to grow earnings but also improve the business, particularly when we think about our supply chain and the costs we have talked about that has crept in that we really needed to take out in order to expand our margins and get back to the margin structure that we're used to.

So just as a reminder, the key areas that we were focused on were a few pillars underneath that supply chain plan by make, move and portfolio optimization. We have made progress in all of those areas. In some cases, ahead of our own expectations. So from a plan perspective, we are implementing an end-to-end planning process that really integrates the technology from a demand perspective all the way to the supply piece and getting the products out to customers. And then from a buy standpoint, we're clearly working on procuring better. This is not something that we have highly in our toolkit for a long time in terms of really focusing on how do we buy, whether that's direct supplies, logistics, indirect supply is all across the board.

And then on the make pillar there, ensuring that we have a standardized manner in which we're running our plant and we're really seeing benefits there as well. One of them is able to actually increase capacity across the board in certain areas, but also improving our yields as we think about our manufacturing plants. And then, again, from a move perspective, that's an area where we're seeing benefits.

Portfolio optimization is one we've gotten some questions about. And this is really beyond, as we said before, SKU rationalization. But it's truly how do we ensure we have more focused portfolio that gives us the margin profile that we're looking for. So how do we improve the SKUs and get them into the quadrant that's less complex but more profitable, and we have seen some really good wins there. And there is one example that comes to mind around our Pepperoni portfolio, where, when we looked at that gathering's portfolio, we had more than 71 items that we were shipping between last year and this year, and there is 25% of the items that either need to be actioned or consolidated.

So we're clearly seeing wins in these areas that will definitely get us on the path to achieving what we set out for 2026. And the team has really rallied around this and we have embraced it, enable it with change management that will ensure that this is actually sustainable, that we can achieve what we set out to achieve, but also for the long term this is not something that's a one-off that we will then be able to walk away from, but something that we know we will be able to put in place and sustain for the long term.

So I really feel confident about our ability to execute what we set out to execute for 2024, but even more confident about what we will do for 2025 on the path to hitting and achieving the objectives we set out for 2026 as well.

---

**Rupesh Parikh**

*Analyst, Oppenheimer & Co., Inc.*

Q

Okay. So it sounds like all the [indiscernible] (00:26:33) here under transformation, modernization initiatives, you're on pace or ahead of where you guys would expect to be, is that the way...

---

**Jacynth C. Smiley**

*Executive Vice President & Chief Financial Officer, Hormel Foods Corp.*

A

Indeed, indeed.

**Rupesh Parikh**

*Analyst, Oppenheimer & Co., Inc.*

Q

Okay, perfect. I'm going to jump to a few financial questions. And true to your full-year outlook, you provided update to your guidance during Q2 earnings. What would you highlight as a key risk in achieving the top and bottom line delivery?

**James P. Snee**

*Chairman, President & Chief Executive Officer, Hormel Foods Corp.*

A

Yeah. I think here, Rupesh, we talked a little bit about the top line already in terms of our ability to have Foodservice continue to perform, get the right mix for International, especially for the top line of the business. And then feel like Retail still has opportunity. We got pockets of growth, got to continue to grow and offset some of the areas that we talked about that may have some softness.

But for us, when I think back to the guidance we've set up the beginning of the year, then the performance in Q1, right, a really strong performance in Q1. And then we talked about this additional \$0.05 of headwind because of turkey markets that really I don't have any control over that. And then a Q2 that was also strong. And if we didn't have the Planters disruption and some of this additional headwind from turkey markets, our outlook for the back half of the year, we'd be having an even more positive story to tell.

And so when you set all apart, I mean, that's why we're confident is that we feel like we've de-risked the turkey story in terms of the Planters disruption and our ability to get back on track there. We feel like we've de-risked that and we're still expecting strong performances from Foodservice and International. And like I said, Retail still got a battle. And prior to the Planters news, we had expected them to more than offset whole bird.

So given all the puts and takes, we don't want to lose sight of the fact that we did raise – the recent raise of the bottom end guidance is appropriate, and we've got this clear line of sight to the back half growth. So the team feels really good about where we are. We're focused when we talk about running the business and being able to execute against transform and modernize. There's very clear expectations and a lot of confidence in our ability to do what we say we're going to do.

**Rupesh Parikh**

*Analyst, Oppenheimer & Co., Inc.*

Q

Great. That's really helpful color. And then just on capital allocation, if you could remind us of how you rank the capital allocation priorities as they stand today. And where does M&A fit from a priority perspective?

**Jacinth C. Smiley**

*Executive Vice President & Chief Financial Officer, Hormel Foods Corp.*

A

Yeah. So I'll touch on that. So our capital allocation strategy is consistent with what we've outlined before. And so it's requiring strategic and then opportunistic. And so today, as I think about it and I know this question has been coming up, we are very focused on executing on transform and modernize. We have a huge unlock there in value capture that we've committed to. And so while we aren't focused on M&A today, we certainly continue to maintain a very robust list of potentials or things that we would be interested in. And to the extent that there was something that was super compelling, we would take a look at it. But as we sit here today, our focus is really executing on transform and modernize.

**James P. Snee***Chairman, President & Chief Executive Officer, Hormel Foods Corp.*

A

Yeah. I would add to that, Rupesh. I mean, the bottom line is, if we choose to do M&A, we can do M&A, right? And so it really is where is this strategic fit for that M&A opportunity. And so we know the strategic fit and opportunity for continuing to build momentum with the Planters business even more so as we come back online post this disruption, right? We've demonstrated our ability to execute against this business. And the other part is the rewards and the benefits we're seeing from transform and modernize is we're really very sensitive that we don't distract the organization because we don't want to lose that momentum.

All that being said, though, just like Jacinth has said, if there's strategic rationale and we continue to reevaluate, talk about and think about opportunities, we have the financial wherewithal to do it. And so I think we know exactly where those opportunities are. We'll continue to pursue them, but we'll do it in a very strategic and thoughtful way.

**Rupesh Parikh***Analyst, Oppenheimer & Co., Inc.*

Q

Great. So I'm going to wrap up with two longer-term questions. So, first, does your team still believe it's on track towards the longer-term growth of 2% to 3% organic sales growth and 5% to 7% operating income growth?

**James P. Snee***Chairman, President & Chief Executive Officer, Hormel Foods Corp.*

A

Yeah. We do, right? And that's – when we think about what we set out for Investor Day and what we are going to get done for 2026, it is to restore the historical and sustainable growth trajectory of the business. And so we've got that area in focus for Retail, Foodservice and International, but then layering in all this transform and modernize initiatives to really support that effort because we knew that we needed to get our supply chain back on track.

And so the answer there is definitely yes, that's an important part of the three areas we need to execute against in this whole transform and modernize initiative by the end of 2026.

**Rupesh Parikh***Analyst, Oppenheimer & Co., Inc.*

Q

And then similarly, on the margin front, although still early on, does your team still believe they are on track towards driving the 10%-plus Retail segment margin target?

**James P. Snee***Chairman, President & Chief Executive Officer, Hormel Foods Corp.*

A

Yeah, they are. And I think it goes back to what we talked about: win with the consumer, win with the customer, right, and be able to expand those margins. And so they know exactly what they need to get done and the confidence hasn't waned. The story hasn't changed through [indiscernible] (00:33:16). That's exactly what they are focused on doing.

**Jacinth C. Smiley***Executive Vice President & Chief Financial Officer, Hormel Foods Corp.*

A

Yeah. And if I can just add, Rupesh, we haven't talked about it, but part and parcel of this transform and modernize work that we're doing and what we did with go-forward was really around having data and analytics sit as an enabler to everything that we that we're doing. And so that really helps inform us in terms of the decisions,

whether it is to make a decision around the consumer from consumer insights or it's to get all the data we need to inform us from a demand signal perspective, right?

So all of those together really underpins all the work that we're doing to set ourselves to have a more robust infrastructure from a business standpoint and a supply chain standpoint as well.

---

**Rupesh Parikh**

*Analyst, Oppenheimer & Co., Inc.*

Okay, great. So we're up for time. So I want to thank Jim, Jacinth and David for joining us tonight.

---

**James P. Snee**

*Chairman, President & Chief Executive Officer, Hormel Foods Corp.*

Great.

---

**Jacinth C. Smiley**

*Executive Vice President & Chief Financial Officer, Hormel Foods Corp.*

Thank you.

---

**James P. Snee**

*Chairman, President & Chief Executive Officer, Hormel Foods Corp.*

Thanks, Rupesh, appreciate the conversation.

**Disclaimer**

The information herein is based on sources we believe to be reliable but is not guaranteed by us and does not purport to be a complete or error-free statement or summary of the available data. As such, we do not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information. You must evaluate, and bear all risks associated with, the use of any information provided hereunder, including any reliance on the accuracy, completeness, safety or usefulness of such information. This information is not intended to be used as the primary basis of investment decisions. It should not be construed as advice designed to meet the particular investment needs of any investor. This report is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any state where such an offer or solicitation would be illegal. Any information expressed herein on this date is subject to change without notice. Any opinions or assertions contained in this information do not represent the opinions or beliefs of FactSet CallStreet, LLC. FactSet CallStreet, LLC, or one or more of its employees, including the writer of this report, may have a position in any of the securities discussed herein.

THE INFORMATION PROVIDED TO YOU HEREUNDER IS PROVIDED "AS IS," AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, FactSet CallStreet, LLC AND ITS LICENSORS, BUSINESS ASSOCIATES AND SUPPLIERS DISCLAIM ALL WARRANTIES WITH RESPECT TO THE SAME, EXPRESS, IMPLIED AND STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER FACTSET CALLSTREET, LLC NOR ITS OFFICERS, MEMBERS, DIRECTORS, PARTNERS, AFFILIATES, BUSINESS ASSOCIATES, LICENSORS OR SUPPLIERS WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGES FOR LOST PROFITS OR REVENUES, GOODWILL, WORK STOPPAGE, SECURITY BREACHES, VIRUSES, COMPUTER FAILURE OR MALFUNCTION, USE, DATA OR OTHER INTANGIBLE LOSSES OR COMMERCIAL DAMAGES, EVEN IF ANY OF SUCH PARTIES IS ADVISED OF THE POSSIBILITY OF SUCH LOSSES, ARISING UNDER OR IN CONNECTION WITH THE INFORMATION PROVIDED HEREIN OR ANY OTHER SUBJECT MATTER HEREOF.

The contents and appearance of this report are Copyrighted FactSet CallStreet, LLC 2024 CallStreet and FactSet CallStreet, LLC are trademarks and service marks of FactSet CallStreet, LLC. All other trademarks mentioned are trademarks of their respective companies. All rights reserved.