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Hormel Foods Corp. (HRL)

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MANAGEMENT DISCUSSION SECTION

Benjamin M. Theurer

Analyst, Barclays Capital Casa de Bolsa SA de CV

Yeah. It works. Good morning. Thanks for joining us. Next on stage, we've got Hormel Foods. With us is Jim Snee, company's CEO, joined back in 1989, as well as Jacinth Smiley, who joined as the CFO back in 2021. The company just reported third fiscal quarter results yesterday morning, outlining its thoughts on the rest of the fiscal year and so on. And with that, I'd like to kind of like introduce Jim and kick it off with the first question.

QUESTION AND ANSWER SECTION

Benjamin M. Theurer

Analyst, Barclays Capital Casa de Bolsa SA de CV

Q

So, maybe just talk us through a little bit of what you've been seeing in the quarter? What do you expect for the rest of the year, positives, negatives a little bit, just like the rundown so we understand where you're at right now?

James P. Snee

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

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Yeah. Sure. Thanks for having us, Ben. Always great to be here. I think the biggest takeaway from our Q3 earnings call is that our underlying core business across the enterprise is really, really strong. So, when we think about our retail business, so many of our brands continue to do well. Brands like Black Label bacon, SPAM, Applegate, just a really good strength to so many brands on the retail side. Our Foodservice business continues to perform well, really strong volume and top line performance.

Our International business continues to recover and rebound across all fronts, whether it's in-country in China, some of our branded exports and even our partnerships really starting to leverage some of the investments that we've made in Indonesia. We also talked about some of the headwinds in the business, but they're known headwinds, they're isolated headwinds. When we think about some of the turkey impact, the Planters product disruption and contract manufacturing. They're all known, they're all isolated and really more of a top line impact because we didn't adjust our bottom line. We narrowed our guidance, but we maintained our midpoint.

Jacinth C. Smiley

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

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Yeah. And the other piece I'll add to that as well is in addition the transform and modernize initiative that we're undertaking is truly paying dividends for us at the moment. And so when we think about the – a little bit softer top line and not having the impact on the bottom line and being able to maintain that, that's really speaks to the benefits that we're having from the savings that we're seeing from transform and modernize. And also looking to the expanded margins that we're seeing, which is exactly what we communicated to you as we undertook this and communicated at Investor Day that we're taking on this initiative to really drive operating income for the company.

Benjamin M. Theurer

Analyst, Barclays Capital Casa de Bolsa SA de CV

Q

Okay. Maybe to go a little bit into like call it, the pain points maybe, but then at the same time it's just the short-term nature. So to begin with Planters, the business itself, I mean, you had the disruption at the Suffolk facility, but maybe you can talk a little bit about what you've been doing on the initiatives to drive brand innovation, the health of the brand. What are you seeing in like customer repeat purchases, et cetera? So just to kind of understand how the underlying business is actually going?

James P. Snee

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

A

Yeah. It's a great question. And for us, the best way to think about this is, this is a supply issue, not a demand issue. The work that we've done to really strengthen the Planters brand has been nothing short of spectacular. So prior to the product disruption, the business was hitting on all cylinders. And when we think about what we talked about at time of acquisition, the investments that we knew we needed to make on the advertising front. The work

that we've done on innovation, we've innovated in the legacy business, introducing a sweet and spicy product. But more recently we had introduced – we've got some samples here, some flavored cashews.

And not only did they perform well off the shelf, the most important thing is that they connected us with a new consumer, a younger consumer, bringing them into the space. And really doing the same thing with another great innovation called Planters Nut Duos. So, it's a combination of different types of nuts and different types of flavors. Here we've got ranch flavored almonds, buffalo flavored cashews. Product is spectacular. And bringing innovation to this category is so absolutely important.

And so, while we're in the middle of this supply disruption we – Planters is such an important brand to this category that we've been able to maintain our space on the shelf and be in a very good position as we restore fill rates to get this business back on track rather quickly. So again, all the thesis for when we acquired the brands in terms of what we knew we could do to invest from an advertising innovation perspective, leverage, the synergies on the C-store side of the business in our Foodservice channel. All of those things have come to fruition and we know that we're going to get this back on track.

Jacinth C. Smiley

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

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Yeah. And I'll just add that in addition to the innovation that Jim just talked about, we've also spent time truly investing in our facility to really ensure that we get our lines – upgrade our lines to where they need to be. But also in terms of the bags. I mean, initially when we acquired the business there was a lot of canisters. And you think about how the consumers really want to get the – purchase the product and now we have – spend that money to invest in lines that get us stand up bags, right? In many different pack sizes, which is – which really speaks to us listening to the consumer and taking those insights to ensure we continue to evolve the brand and evolve our packaging in different ways.

Benjamin M. Theurer

Analyst, Barclays Capital Casa de Bolsa SA de CV

Q

Maybe just, Jacinth, one follow-up as to the impact in the quarter, the financial impact that you had and what you're expecting into fourth Q, I think you've mentioned \$0.06, \$0.03 last 3Q, that number is \$0.03 in 4Q, nothing to expect for 2025. What's like behind those \$0.03? Just like maybe clarify a little bit, the impact where it's coming from?

Jacinth C. Smiley

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

A

Yes, and it's unfortunate. So, certainly, when we gave the guidance last quarter, we were at the very beginning stages of the disruption. And so we were too – clearly too optimistic about how soon we'll get back up and running. And so as we got into it we certainly realized it was going to be a little bit longer. So, it's truly getting the production back up, which we believe for the fourth quarter will be primarily resolved from a production standpoint. Now, when we think about getting fill rates back to where they need to be and getting everything back humming from a sales perspective that will certainly, I mean, take us into 2025. But the production itself should be back up and running in Q4. And so that's what's truly behind the additional \$0.03 that we talked about.

Benjamin M. Theurer

Analyst, Barclays Capital Casa de Bolsa SA de CV

Q

Okay. Got it. Very clear. One other thing, obviously, and you talked about it in your opening remarks is the turkey business, right? Obviously, more commoditized. You've mentioned already, I think two quarters ago, a \$0.15

impact here. Help us kind of reconcile how much is impacted so far? I think the \$0.15 you said yesterday still hold for the year. But as you think about the business and the relevance of the business, what does the turkey business bring to the table to Hormel? Why is it important?

James P. Snee

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

A

Yeah. So, you're correct, the \$0.15 that we called it \$0.10 out of the beginning of the year. We refined that to \$0.15 in Q1. That's played out the way that we expected it to. The important part of protein – or turkey is it's an important protein in our portfolio. And when we think about the value-added opportunities in our business, turkey is front and center. The work that we've done over the years with lean ground turkey and to really build out that item in that brand. The team has done an absolute amazing job. The part that probably goes unnoticed is the effect or the impact that turkey has on our Foodservice business. And so whether we're thinking about sandwiches or center of the plate, turkey plays a key role in our Foodservice segment as well. So just across the spectrum, turkey is an important protein that is not going away in our portfolio.

The other thing that's important is that it's obviously very relevant with consumers and only going to become more so when we think about the trends that are out there, especially with GLP-1. And what consumers are going to be thinking about and needing in terms of lean sources of protein, turkey fits that bill in a big way. And so the consumer need, the consumer opportunity is real. The space and the place that it plays in our portfolio is significant. And so it is – it has been, is and will continue to be an important part of our organization.

Benjamin M. Theurer

Analyst, Barclays Capital Casa de Bolsa SA de CV

Q

Okay. Got it. And then just results related one last one, I wanted to follow-up as well on yesterday. You still have, one of the top line, relatively wide \$300 million move from the lower end to the higher end. So, maybe talk about what's like as you think about it, what could drive that to the higher end? Or what are the potential headwinds that could turn that out to be more at the lower end?

James P. Snee

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

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I think the biggest thing, Jacinth talked a little bit about it is this ramp-up in Planters. And so, the plant is fully operational. We continue to get better just about every day in terms of the throughput from the facility being able to supplement that with our co-packer relationships really helps put us in a better supply situation. I've said it once, I'll say, the thousand times, this is not a demand issue, this is a supply issue. And so, the faster we get supply up and running, the demand is there and that will allow us to perform even better.

Our Foodservice business continues to remain very strong. And our International business, again, continues to recover and rebound. So over performance there takes us to an even better place. But I think the important message in all of this is even as we've talked about some of the top line impact, the bottom line range, which has narrowed with a midpoint that's maintained. And I think that speaks volumes to the fact that the underlying health of the business is strong. And really the business that we're controlling, it's more value-added is performing.

Jacinth C. Smiley

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

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Yeah. I'd also add that the transform and modernize work that we're doing. So to the extent that we're – one of the things we have been doing is accelerating some of the projects that we're doing to the extent we can to drive more savings. So, that's another area that could take us higher than to the high side and that's another piece

that's in play. And then the other piece is where does commodity markets land? That's always in play for us at any point in time.

Benjamin M. Theurer

Analyst, Barclays Capital Casa de Bolsa SA de CV



Okay. We'll come to the T&M, transform and modernize in a second. Just real quick, Foodservice, I don't want to know it too deep because it's such an easy ride and it's been doing so well, so not too much to worry about. But if you think about the business and how you've structured it. I mean, it's obviously been a growth driver. You've seen volume year-to-date nicely up. Pricing is always – it's relative easy for you, right? Depending on how commodity markets go, how you need to pass through, but margins very solid. It's a great business for you. So, do you see opportunities to grow that? I mean, how can you expand that business, make it even more relevant and that we're shrinking the other stuff by growing this?

James P. Snee

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



Probably one clarification is I wouldn't call it easy, right? None of its ever easy. It's always a lot of effort. But it's effort that our team has been really, really good at. And so this is a business that's been 30 years in the making. And it is – a key part of it is the structure of the business having a direct selling organization that's front and center with key operators and helping them solve their pain points, create solutions for them, has been paramount to our success. And so that doesn't change.

And when you complement that with an incredible product portfolio, the existing portfolio, but then the continuous innovation over time, one of the ones we talk a lot about is Bacon 1, right? And so, to be able to allow operators to have bacon that appears to be cooked in the back of the house, put it on the center of the plate, high-quality great tasting bacon and eliminates the need for staff to cook the bacon. It eliminates the risk of bacon grease.

Those are the things that we talk about when we say creating solutions and eliminating pain points. And we've got that in so many places throughout the portfolio and having a direct selling organization to execute against that's really important. And so, when we think about the future, it's how do you do more of that, right? And it's – are we expanding our sales force? Absolutely. Are we accelerating innovation? Absolutely. Are we on the lookout for acquisition opportunities? Absolutely.

We think about the Fontanini acquisition, it's hard to believe now, it's seven years ago. That was such a successful acquisition for us and really allowed us to leverage the power of our Foodservice organization against an incredible product portfolio. And so, finding ways to do that more often is going to allow us to continue to grow the business. So it's not easy. But it's very intentional, but it's on trend with what Foodservice operators and distributors expect from us.

Jacynth C. Smiley

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



I'll just add that in addition to that differentiated value prop that Jim just mentioned is just also the diversity in terms of channels, in terms of how we go to market. So, I know sometimes there is a question around, okay, how is – how our QSR is doing? And is that impacting us? Well, we don't just service QSR, right? The team also services – there is the white tablecloth. There is QSR, but there is also the non-commercial channel when we think about, right, K-12, right? That's a space that we play. So we have in addition to the commercial piece, the non-commercial piece that makes it the portfolio more diverse in terms of the offering, but also in terms of the channels and how we go to market.

Benjamin M. Theurer

Analyst, Barclays Capital Casa de Bolsa SA de CV



Yeah. It's very good. International, that's the last segment I wanted to talk about before going a little bit on the structure side. It's been weak and started to come back really fast over last two quarters, very good operating income growth. I mean, obviously kind of like the strategy of going away from, call it, lower quality, lower margin commodity to higher margin profile, sales is paying off. So, as you think about the business, as it evolves, what it used to be, maybe pre-pandemic and then where it's heading towards now. Talk – tell me a little bit more about the opportunities there and what you're seeing in terms of like the need of investments? And how you are seeing the Chinese consumer, because there's always a question marks around that pretty large consumer?

James P. Snee

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



Yeah. As simple as International sounds, it's a complex business. And we really – we think about it in three different buckets. So, the first is our multinational businesses and that really would be our in-country business in China and Brazil. China being far larger and more meaningful to the organization. And 2023 was a bit of an anomaly, obviously, in the China market. We felt the impact both on retail and Foodservice, but the team's done a great job recovering on our retail business. Again, new innovation, especially in the snacking area, continued growth in our SPAM brand there, not just the cans products, but single-serve pouches. So much so that we're actually investing additional capacity to support that business.

And then, the other part of it is what we call partnerships. And when we think about longstanding partnership in the Philippines, in South Korea, where the SPAM brand just continues to grow very, very well. And then our most recent partnership is the acquisition that we've made or the investment that we've made in Indonesia with Garudafood's really the biggest international investment that we've made. So, really three strong well-developed partners and businesses that we didn't just write a check for. It's how do we bring our expertise and how do we leverage the expertise. And in the case of Garuda, how do we leverage their portfolio to think about snacking and entertaining in a different way on a global basis? And we're starting to see that play out.

And then the last part is branded export. So, we export a lot of SPAM and Skippy items that truly are value-added. And we're seeing that business continue to grow as we further penetrate and develop markets that we're very strategic about. And so, all three parts of that business are doing really well.

Another part that impacted last year was there were some sales dollars and volume on commodity-type items that flowed through our International business. And we haven't seen that this year because we've been able to manage our inventories better and sell them for a better return domestically. And so all of that adds up to the business being in a much, much better place and one that's set up to get – to return to the trajectory it was on pre-2023.

Benjamin M. Theurer

Analyst, Barclays Capital Casa de Bolsa SA de CV



Okay. Got it. Very good. On the transform and modernization plan, so you – clearly, you laid out all the investments needed in order to get to around about \$250 million operating income gains. I think it was by the end of 2025, beginning into 2026, something like that. So how is this process evolved so far? And what still needs to be done? What are you seeing on like the investment needs in order to complete it and call it, for the next 18 months?

Jacinth C. Smiley

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

A

Yeah. No, I'll start off by saying this is for sure the biggest, most impactful initiative that the company has undertaken in its history. And it's going very well. As we talked about Investor Day, the target is \$250 million of operating income by 2026 and we're well on our way. We talked about 2024 being an investment year. That being said, we are already unlocking a lot of benefits, a lot of opportunities for the company in the different pillars that we laid out. The biggest piece being around the supply chain where \$200 million is related to the supply chain component. And so when we think about those pillars, we think about them in terms of plan, buy, make and move.

And so that's the [ph] vernacular wound (00:25:41) continue to use as we give the update. But there is benefit that we're seeing in each of those areas. How do we think about the – what it should cost us when we're purchasing materials, whether that's direct or indirect. When we think about the planning perspective of our business, we could – we have now an end-to-end solution that we're working through from a supply chain perspective. Think about it from the standpoint of integrated business planning. How do we get the right demand signal such that we can produce the right inventory, get it into right warehouse, in the right position to get it to the customer, but also having the right supply so that we can manage the inventory to manage working capital, free up cash appropriately to invest, but also reduce our expenses appropriately.

So, I mean, those are some of the examples that we're already working through putting in that infrastructure. But in addition to that is really surrounding it and enabling it with data and analytics and technology to build the infrastructure to ensure that that can also be sustained in addition to having the change management that's necessary to ensure the new ways of working that comes into play and making that stick throughout the organization. So, there is a lot there and there is a lot going on in the organization. And we're certainly excited to really get to Q4 where we can get a chance to give a more robust update on the initiative.

James P. Snee

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

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Great. I think from a team member perspective, when you try to do something this big, it's how do you make sure that everybody is on board? Because you do need everybody rowing in the same direction. And there was never any question from our team members in terms of was this the right thing to do in their mind? And they saw it, they lived it, they worked with the systems and the processes that we had. The question is, how do you bring it to life, right? And how do you really ingrain this in the culture and the success that Jacinth is describing that we have seen in year one has been really, really important to get people to think, not just it's the right thing to do, but in their heart I know it's the right thing to do and I'm seeing the benefit and I want to do more and I want to do more faster.

And so we're seeing that and experiencing that across the organization, which is really – it's powerful as we think about the work that is yet to come still in 2025 and 2026 as we see the effect or the benefits ramp up. But it is, as Jacinth said, it's a big undertaking. But it is a necessary undertaking in terms of where we were, where we are today and where we want to take this business and this company in the foreseeable future.

Benjamin M. Theurer

Analyst, Barclays Capital Casa de Bolsa SA de CV

Q

Okay. I mean, within that, just to quickly follow-up on that, have you kind of seen maybe even more opportunities that could potentially take you beyond that target level of \$250 million? And I mean, obviously, maybe still early stage. But what are like the levers you're playing, right? Is it just optimizing on the production processes? Is it

supply chain? Is it maybe import SKU rationalization, just to focus on the more profitable items? How should we think about it? What are like the still the pending opportunities that you're having?

Jacinth C. Smiley

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

A

I'm going to use one of Jim's term, we're not going to spike the football at the moment and say it's going to be anything. I'll give just one example, though, that we think about from a make perspective, we have the – we have a proprietary Hormel production system that we have now instituted. And think about showing up at a plant where everyone is doing – is really having the same procedures, right? And executing the processes exactly the same way with the same metrics every single time and what that means, right?

So, having those standardized processes in each of the plants. That's what we have now. We're now starting to put in place and we have seen that in the plants that we have put that in place where it's now giving us better yield, freeing up capacity, where we are now able to avoid capital deployment for areas we would have already deployed capital to. But also having us the ability or giving us the ability to repatriate some production that we would have – we have outsourced. So, thinking about [ph] comans (00:30:45) that we had been utilizing because we were capacity constrained and being able to bring that production back in-house. So that's just one example of some of the benefits that we're seeing.

James P. Snee

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

A

Yeah. I would say, nice try, Ben.

Benjamin M. Theurer

Analyst, Barclays Capital Casa de Bolsa SA de CV

Q

I have to.

James P. Snee

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

A

But I think it is just what Jacinth described, right? There are those successes that we are seeing that give us that confidence that we're on track. And it's like anything of this magnitude, right? Some of the assumptions where we thought you were going to achieve this or maybe that's not as much or you thought you were going to achieve this and you're over delivering that's going to happen throughout the process. The biggest thing is as the organization is seeing this success that's where the momentum builds. That's where the buy-in happens. And it's how do we do more faster? And that's a really good place for us to be.

Benjamin M. Theurer

Analyst, Barclays Capital Casa de Bolsa SA de CV

Q

Okay. Got it. In the interest of time, just two more topics. So, one, and that's like kind of a theme we've had is a lot of I'd like talking about the strength or the lack of strength of the consumer. So, just wanted to get maybe your view because it feels weird that particularly in retail where you would think people downgrade from Foodservice into retail and then within retail maybe trade down that's where you would have the stronger foothold because of the portfolio and then Foodservice [ph] is something, but (00:32:09) it's exactly the opposite around. So, maybe tell us a little bit about what you're seeing in terms of like the health of the consumer right now within the different segments? And how you're positioned to potentially go through the next couple of months that look a little softer for someone?

James P. Snee

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

A

Yeah. I don't know that our outlook on the consumer is probably all that much different than some of the other companies that you've heard. I mean, there's obviously an inflationary factor and inflationary fatigue that, I mean, even all of us as consumers, right, are feeling. So – but what that means to us is how do we really create value? And so the consumer who is being now more intentional, how do we create the value for them that when they're showing up at the shelf, we are creating value for them in a way that goes beyond just price, right? So they're showing up being intentional, thinking about individual maybe meal events, meal solutions. And so it isn't just about lowering the price. It's how are we supporting our advertising to really create this awareness for consumer about maybe you can extend a meal with some of our more convenient meal and protein items.

So, it's all of those things as they come together. It's really important. I think the conversations really tend to focus just so much on price and promotion. But really thinking about how much – how important advertising can be in talking to the consumer still? How important innovation is? Innovation is still really, really important in terms of drawing the consumer to those categories. And that's what we've spent a lot of time and effort on. We already talked about these the Planters innovation, which are spectacular.

But when we think about bacon, bacon's a category for us that has continued to do exceptionally well. And one of the products that we just announced this week is a collaboration with Cinnamon Toast Crunch. So Black Label Bacon, Cinnamon Toast Crunch, right? It's something exciting, new and different in a category that consumers are shopping on a regular basis. And so how do you make it more exciting? And I think we're doing that. We talked a little bit already about SPAM. We introduced our SPAM Korean flavor. It's a permanent variety, I think it's our 12th permanent variety, but it's something new and different. And so really our focus is not just talking about price and promotional activity. It's making sure that we're supporting it with the right level of advertising to educate, but then also creating innovation that allows it to be exciting.

Benjamin M. Theurer

Analyst, Barclays Capital Casa de Bolsa SA de CV

Q

Got it. Last one I have, Jacinth, your favorite topic, capital allocation. So you still have a relatively large chunk for CapEx left for the year in order to get to the, I think, guide at roughly \$280 million. Nothing outrageous probably very similar as last year. But as you think about like CapEx normalized, is that like kind of the level we should also assume go forward? And what are like kind of the current strategic focuses within that CapEx?

Jacinth C. Smiley

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

A

Yeah. So, yeah, the cadence is consistent. So there isn't anything in this quarter that's just significant in terms of the spending. So, there aren't large chunks of any particular project. So there is a whole host of projects this quarter that will get us to this \$280 million that we are targeting for the year. And that's the level that we've been over the last couple of years now going forward. I don't know if that's going to be the number. We do go through a robust process every year where we – it's a bottoms up rollup of, okay, what do we need to spend based on our maintenance expenses for the plants and other projects? And so that's a thought process we go through every year.

In terms of our capital allocation process, that has – that's not changing. It's the same as we think about it what's required, what's strategic, what's opportunistic and that's the cadence in which we will think about deploying capital. What I'll say is we continue to generate very strong cash flow. So it gives us optionality. And where we sit today with our leverage ratio is pretty good. We're sitting at 1.8 times EBITDA at the moment. So if there is

something compelling that shows up, we have the option to go out and lever up if we wanted to. But we also have enough cash to do things that we would like to do that we think is compelling and driving value for our shareholder. Now in terms of buybacks, I know that we – I get that question a lot as well.

Benjamin M. Theurer

Analyst, Barclays Capital Casa de Bolsa SA de CV

Q

About to ask that question.

Jacinth C. Smiley

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

A

Yes. Why don't we do more buybacks? Given our structure, right, with 47-or-so-percent of our shares being held by our one major investor, the Hormel Foods Foundation we – and the trust, we don't have the same kind of lever. So, our lever is dividends, and we're committed to continuing to pay dividends and having dividend growth. And that's really the true lever for us. I mean, we pay out about – almost 70% of our cash is paid out in dividends each year. So, we'll continue to pay dividends and we're committed to dividends growth as well.

James P. Snee

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

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And I think an important part of that conversation goes back to transform and modernize, the So, for example, that Jacinth gave on capital avoidance, right? I can think specifically of a couple of projects where we probably would have been thinking about some significant investments in the not too distant future.

But because of the Hormel production system, right? We've been able to unlock capacity and meaningful capacity that now gives the sales team license to go out and sell very strategic value-added products without having to layer-in additional capital. So, the story is this all comes together. You can see why we're so excited about the position of the company. When we think about the strength of the underlying business it's really, really strong.

Very strong performance by a number of retail brands, continued strength in Foodservice, really nice recovery and rebound in our International business, this compounding and building effect of what's happening with transform and modernize. And we'll get through the headwinds that are known and they're isolated. The bigger part of what's so exciting for us and the level of optimism that you hopefully can sense is really the business that is underneath it and that matters is doing really well.

Benjamin M. Theurer

Analyst, Barclays Capital Casa de Bolsa SA de CV

I guess that's a wrap. Well, thank you very much. Jim, Jacinth, thanks for being on stage and see you next year.

James P. Snee

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

Great. Thank you, Ben.

Jacinth C. Smiley

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

All right. Thank you.

James P. Snee

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

Appreciate it.

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