

Hormel Foods Annual Meeting of Stockholders

January 27, 2026

Austin, Minnesota

TRANSCRIPT

BILL NEWLANDS:

I am Bill Newlands, chairman of the board, and I will be presiding at this meeting. It's a privilege to be here tonight with all of you.

First, I want to recognize a few changes to our board of directors over the last year. Jim Snee departed the board in connection with his retirement from the role of president, chairman and CEO, after 36 years of service to the company. We thank Jim and wish him well in his retirement.

Jeff Ettinger, the company's former chief executive officer, rejoined the board of directors in March of last year prior to his appointment as interim chief executive officer in July.

John Ghingo was named the company's new president in July of last year and joined the board in connection with his advancement.

We are also pleased to have Scott Aakre join the board in May of last year. Scott will be retiring from his role as group vice president and chief marketing officer for Retail at the end of the month.

Members of the company's board of directors and leadership team are present at the meeting today. In addition, representatives of Ernst & Young LLP, our independent registered public accounting firm, have joined us as well.

And now, I'd like to introduce Colleen Batcheler, the company's general counsel, and corporate secretary, who will act as secretary of this meeting and will address a few procedural matters. Colleen, over to you.

COLLEEN BATCHELER:

Thank you, Bill, and good evening to you all. Upon entering the meeting, each of you was presented with an agenda for the meeting and on the reverse side of the agenda is a list of the rules of conduct for the meeting. To conduct an orderly meeting, we do ask that participants abide by these rules. The company has received an affidavit of mailing

establishing that notice of this meeting was duly given and all stockholders of record at the close of business on November 28, 2025, are entitled to vote at the meeting.

We have been informed that approximately 90% of the company's shares of common stock entitled to vote at this meeting are represented in person or by proxy. And because holders of a majority of the shares entitled to vote at this meeting are present in person or by proxy, a quorum is present and this meeting has been duly convened for purposes of transacting such business as may properly come before it.

As a reminder, any forward-looking statements that we make tonight are subject to risks and uncertainties, including those described in our most recently filed annual report on Form 10-K. Also, we refer to certain non-GAAP financial measures, including organic net sales and adjusted earnings per share. Reconciliations of all non-GAAP measures to the most directly comparable GAAP measures are available in the Investors section of our website. I'll now turn the meeting back over to Bill to conduct the formal items of business. Bill.

BILL NEWLANDS:

Thanks, Colleen. The first item of business is the election of the 12 director nominees named in the company's proxy statement, a detailed biography for each director nominee is available in that Proxy Statement.

In addition to myself, the director nominees are:

- Scott Aakre
- Gary Bhojwani
- Jeff Ettinger
- John Ghingo
- Steve Lacey
- Elsa Murano
- Chris Policinski
- Deb Schoneman
- Sally Smith
- Steve White
- And last but not least, Mike Zechmeister

The second item of business is the ratification of the appointment of Ernst & Young as the company's independent registered public accounting firm for the fiscal year ending October 25 of 2026.

The third item of business is the approval on an advisory basis of the compensation for the company's named executive officers.

The fourth item of business is the approval of the Hormel Foods Corporation 2026 Equity and Incentive Compensation Plan.

The board of directors recommends a vote for each of the 12 director nominees and for items two, three and four. The polls are now open for voting. If you previously voted by proxy, you do not need to vote tonight unless you wish to change your vote. We have made ballots available at the ballot desk just outside the auditorium.

If you wish to vote your shares tonight, please deposit your completed ballot, including the legal proxy if you're a beneficial owner of your shares, at the ballot desk, again just outside of the auditorium.

Also, if you have already voted by proxy, there is no need to vote today unless you would like to change your vote.

We will now pause for one minute to allow any final ballots to be deposited.

I hope you enjoyed the music. It was better than having the board sing.

Now that you have had the opportunity to vote, and since all those desiring to vote by ballot have done so, the polls are now closed. Tony Carideo of the Carideo Group has been appointed to act as Inspector of the Elections. The ballots and proxies will be held in the possession of the Inspector of Elections. The Inspector of Election will count the votes.

We have received preliminary voting results from the Inspector of Elections and can report that each of the 12 director nominees has been elected. And items two, three and four have been approved. Final voting results will be reported following the meeting in a Form 8K filing with the Securities and Exchange Commission.

Thank you for attending today's meeting. The formal business of the meeting is now adjourned. We will now have a 2025 business summary presentation by Jeff Ettinger, our interim CEO, and John Ghingo, president, will then provide a presentation with the company's outlook for 2026 and beyond. After that, we will have a brief question and answer period to address questions submitted by stockholders in advance of the meeting.

Before I turn things over to Jeff, on behalf of the board of directors, I want to express our sincere gratitude for the continued support from you, our shareholders. We appreciate your belief in this organization, and we look forward to a bright future together.

And with that, Jeff, over to you.

JEFF ETTINGER:

Well, it's great to be back here in Knowlton Auditorium. It's been six years I guess since the last live annual meeting, and this doesn't mean it's permanently coming back. That will be a decision that the board and management makes year by year, but it's fun to be here this year and we appreciate you braving the typically cold temperatures in late January to attend the meeting.

One other difference this year in the meeting is you don't have to worry about the mad rush at the end because there's no gift boxes out there. The gift boxes are being given out at the SPAM® Museum, as has worked very well for the last several years. And so, anytime between Wednesday and Saturday, you're welcome to go there. Be sure you bring your proof of being a shareholder.

So, I'm here to talk about the 2025 business, and it frankly was a very mixed year.

In terms of the sales of the company, we actually had very strong top-line performance amidst an environment in the food industry where not a lot of companies have seen that kind of growth.

I think that's in many ways because of the portfolio of brands we have. We have great connections still with consumers, whether it's in the retail grocery environment or through our foodservice operators.

Despite these strong results on the top line, it was a challenging year on the bottom line. And I'm going to go through exactly what that meant and what we're doing to try to overcome that going forward. And, that is the final point I want to emphasize, is we do see a clear path toward bringing those profit numbers to grow more commensurately with what the sales are growing.

So, let's start with sales. Overall, 2% growth for the year. We grew every quarter. We grew in all three segments, so strong accomplishment in those regards.

In terms of what items are really resonating in the marketplace, they really run the gamut. I mean, you have SPAM® luncheon meat, fantastic products, obviously for so many years for the company. And we're seeing the influence. I mean, originally, SPAM® followed the troops across the Pacific and found homes in many places all throughout the world. And the flavor varieties that became popular in those areas are in many ways coming back, and so one of the new flavors this year sold here in the U.S. is Korean BBQ.

In the international market, one of the exciting accomplishments that the team really wanted to tout was the fact that with one of the key customers in Japan, Family Mart, we

have now sold 100 million SPAM® musubis. And I think for the domestic market, John's going to talk to you about how it's catching on here in the U.S. as well.

We have great franchises in better-for-you meat protein, such as JENNIE-O® and APPLGATE®, and a variety of items in both.

And then the Foodservice team just does such an outstanding job creating innovative items that consumers like, and that, frankly, operators like, because in many cases they take labor steps out of the operation and make it safer for them to operate.

So, here's the less-good news part.

Clearly in most years you're looking to grow. You're looking to grow your top line. You're looking to grow your bottom line. That did not happen in fiscal 2025. Indeed, we declined in earnings from \$1.58 per share to \$1.37 per share.

The biggest culprit in that was major inflation in input costs. Whether it's pork bellies or pork trim or beef costs, I mean, in many cases, as summer hit up 20%, 30%, 40%, and often you'll see a summer spike and then maybe it'll come back down in the fall. It actually got worse in the fall and so both of those were very challenging. You need to at some point be able to take pricing then to get yourself back level to where the market is, but it's usually about a 60-day process in foodservice to attain that pricing and up to a 90-day process in retail. And so, it ultimately ended up having to be two waves of pricing and most of it did not catch up during the fiscal year.

We also had a couple of isolated operational incidents that were unfortunate. We had a fire at the SKIPPY® plant in Little Rock, which knocked us out of production for a time. And we had a recall here of the FIREBRAISED™ product based here in Austin.

So, ultimately, a 13% decrease.

We had another strong year in the very important safety area. The second best in the company's history. The best had been the year before, 2024.

Really, the key here is that training. The 17,000 employees being trained and the mindset of continuous improvement. Recognizing that any injury rate is not an acceptable injury rate, we need to keep working on that.

And then in terms of cash return to shareholders, this is something that the company really stands out for. We're one of the few companies in the United States that qualifies as what's called a dividend aristocrat, which means that not only have we paid a dividend for many, many years, we've increased the dividend 60 years in a row.

The increase rate has started to decline, so you'll see this year it was just a penny, and that matches up to the fact our earnings have not been as strong. And so, we need to get the earnings growth back to make sure we can keep having this great pattern of growth for the dividends.

John's going to cover 2026 for you, but I want to talk to you about a couple actions we took late in fiscal year 2025 to hopefully set us up to be in a better position to deliver both top- and bottom-line growth in 2026. Because we can't just sort of hope or wish that things are going to get better, we need to make sure we're being proactive in that.

So first would be, I said we already had pretty good growth last year in all three channels.

As you start a fresh year, you can kind of reload your marketing and advertising budget and you can focus that spending on items that you think are going to help drive the mix you're looking for. That maybe in some cases are a little bit more profitable products for the company, and indeed we're doing that.

We're also utilizing new capabilities to be able to enhance the spend.

I mentioned to you how pricing lagged, and so that is a benefit heading into this year, so we are catching up.

And we're starting to get both in the retail and foodservice environment where we're more balanced in terms of what the costs look like and the prices we charge in the marketplace.

The company's had a transform and modernize initiative for this is the third year heading into this fiscal 2026. It's been a very strong program for the company in terms of cost savings but also modernization and efficiencies.

Last year, some of the benefits from that kind of got swallowed up by those huge increases in raw material, so you didn't see it go to the bottom line. This year, our expectation is these dozens of new projects in 2026 will benefit the bottom line. We're also planning to utilize some of it to enhance that advertising spend and market those items.

Late in fiscal 2025, the company announced that we were going to do a restructuring. We were going to look, aiming at what's called reducing SG&A, so selling general and administrative expenses. Some of your overhead expenses, those had grown significantly over the last couple of years, even though our sales weren't growing at that rate and our earnings were definitely not growing at that rate. And so, the goals of this program were yes, to reduce spending, to give ourselves a better chance on the bottom line to be able to grow in future years. But we also took the opportunity to really say okay, take a fresh look at the organizational structure we need to have going forward and reorganize for faster decision making.

And then lastly, we're going to save back some of those savings and say, okay, we're going to invest some of those in technology, in food safety and quality, and in new capabilities.

And then lastly, over the last couple of years, the company has done a number of things that led to more centralization. So, they had a One Supply Chain initiative where it's all kind of coordinated operations and shipping and logistics and so forth, all kind of in one entity. A couple of years ago, we changed the reporting segments. We had the old grocery products, refrigerated foods, etcetera. Now it's Retail, Foodservice and International.

And in doing so there's great reasons for that from an efficiency standpoint. There's excellent reasons for that in terms of leveraging yourself with your customer and being more important to the customer. We heard just in today's meeting that we've become one of the most highest ranked with retail customers in terms of what we provide and all types of services.

Ultimately then, you need to however coordinate this kind of group, and if you're going to be centralized, you need to make sure your decision-making, that people are talking, that they're collaborating. And to really facilitate this, we added a new position this year, so Jeff Baker, a long-term senior leader for the company with experience in all aspects of the business, is now our Group VP of Enterprise Performance.

So, it is my pleasure at this point to turn the program over to John Ghingo. John comes to the company, we kind of call him, he's kind of an insider outsider. So he has significant outside experience, including with traditional companies such as Mondelez and Kraft. Indeed, John and his team, when he was with that organization was part that managed Oreo on a global basis and grew that franchise from a billion dollars to three billion dollars. He then embarked into more of the sort of new age or new wave areas of businesses such as White Wave that has Silk milk. And then Hormel found him, or he found us, and became the leader of the Applegate team and did that for four years out in New Jersey.

He then had a stint in private equity with the Whisps brand and then came back to our organization as our head of Retail here early last year.

It's been a pleasure partnering with John. We started as partners in July, and I will continue to partner with him through the end of this fiscal year. And we both are expecting great things going forward. So please join me in welcoming just the 11th president in the company's history, Mr. John Ghingo. Take it away.

JOHN GHINGO:

Thank you, Jeff. Thank you all for coming out. Thanks for a little bit of time here. It's a wonderful evening and I'm super proud to be a part of it.

I will say, you know, to start off, it is an honor to have the opportunity to help lead this great company forward. It is also a privilege to work alongside Jeff every day.

And most importantly, I feel very fortunate to get to work among the 19,000 team members we have around the world with Hormel, and I'll talk more about that.

To start off, when I talk about Hormel, you'll hear me say it's a great company. And it is a great company. But I think more important than that is, it is a very unique company. And I guess this is where a little bit of my insider/outsider observations come in.

Why do I think Hormel is unique?

If you start just by looking at the business, look at our capabilities, our brands, our resources, our assets, we have a great plot in the industry that I think is unmatched with other food companies, by other food companies. That's the first reason I think we're unique.

The second reason I think we're unique has to do with our ability to transform. Over the years, Hormel has continued to evolve, to transform, to grow, to keep pace and stay ahead of the world changing around us. And I think that ability to transform is unique.

And the third reason I think Hormel is unique is the people and the culture, and frankly to me, that is the defining characteristic of this company. You'll hear me touch on all three of these things in my remarks this evening.

So, what is Hormel? I'll start with the what. By the numbers, we're a \$12 billion company. We have scale, we have assets, we have capabilities. Our \$12 billion business means we have a business that reaches vastly across channels. So, if you think about our channels, we go everywhere from hotels to hospitals, from white tablecloth restaurants to convenience stores, from grocery stores to club stores, and everything in the middle.

We are within arm's reach of consumers when they want food, when they want fuel, when they need nourishment, when they need to feed their families. We are there. That is great channel presence with our leading position in over 40 categories at retail.

We also have products across all temperature states, from refrigerated to frozen to shelf-stable ambient products. We also reach consumers for all different needs, dates, and occasions, from breakfast to lunch to dinner, to snacking in between, to mini meals, to entertaining occasions. We have solutions for consumers that plug easily into their lives.

And all of this is powered by our 19,000 global team members around the world.

Second question is where is Hormel Foods?

Our geographic presence starts right here in our hometown of our corporate headquarters in Austin, Minnesota, and spans across the United States from coast to coast with over 60 locations, representing our production locations, our subsidiary companies and our sales offices.

And our presence spans beyond that across the world, all the way to the other side of the world with our growing presence across Asia Pacific, in that critical opportunity zone for our business.

The third question is who is Hormel Foods? This is about our people and our culture. Our people and our culture, as I said, are a defining trait of this company. It is our people and our culture that take forward and carry forward the things from the past, our focus on quality, trust, honesty, humility. These are the enduring parts of Hormel.

It is also our people and culture that allow us to change and adapt and be agile in a world that's changing rapidly around us. It is our people who allow us to do both of those things.

And one of the phrases I have used, having worked in other big food companies, is Hormel is different because it is a big company with a soul.

And having worked in some other big companies, you don't always feel like there is something deeper. With this company, there is something deeper. There is a soul.

And as a big global branded food company with a soul, we recognize that our job is more than just dollars and cents. We have stakeholders to think about. And so we have a new platform we call Good Feeds Us All.

And this is really thinking through our impacts as a company beyond the P&L. And really thinking broadly about our impact in the world.

We have two pillars, one around planet and one around society. From a planet standpoint, we continue to focus on reducing our planetary footprint and reducing waste. From a people standpoint, we continue to focus on our employees, our suppliers, all of our human stakeholders out there, and importantly, we continue to focus on our communities.

And while we are bigger and we are global and we have a global reach, we don't forget about the importance of local community and what that means to this company and what we mean to those communities. That starts right here in Austin. We had, just two months ago, our Hometown Turkey Takeover that we hosted here in Austin. I'm gonna roll a quick video so we could take a look at what that event was like.

VIDEO:

This is the second annual Hometown Turkey Takeover. It takes a community, it takes a big team to do this. It truly was a community event and making sure that we had enough people here, but also that enough people knew about it throughout the community. One of my favorite sayings at Hormel Foods is that food is love. We not only say it in the company, but we also show it through actions such as holding this event here today. It's so fun to think of Hormel Foods being part of so many Thanksgiving dinners. I think that what really energizes me about this morning is how happy people were to show up today. One of the things that we really stressed to everyone putting together this event was to make sure everyone felt welcome coming through the door and I feel that we really shine through with that today.

That was our second annual Hometown Turkey Takeover here in Austin. We also extended this year and did a Hometown Turkey Takeover in Willmar as well. And, we love the program, it is a great, to me, expression of the care and passion our employees have for the communities in which we work, the communities in which we have our plants around the world.

From these strong roots, this enduring foundation that I talked about of Hormel, we take the company forward amidst a challenging time in our industry, no doubt.

We believe our long-term growth algorithm, which calls for 2% to 3% organic net sales growth and 5-7% operating income growth, is achievable for us in that backdrop.

Our consumer-focused protein-centric portfolio, our ability to build our brands, our differentiated brands, and innovate in the marketplace are defining traits for us as a company that we can win with competitively.

We also know that we are now organized in a way for long-term growth with a very stable financial backdrop and strong corporate citizenship. Put all of that together, and it is a great formula for a company that is poised to grow for years to come.

As we click into 2026, I'm going to touch on a couple of themes or focus areas of how we're changing the trajectory of the company and our earnings trajectory at large.

This is about taking what we have – the resources, the capabilities, the brands, the products, the people, and repositioning ourselves in the market, repositioning ourselves for sustained growth into the future. And so, how does that start?

It starts with a focus on the consumer, and I say that because our business is a consumption-driven business every day, and you all live this. Consumers have choices. What are they going to eat? When are they going to eat it? Why are they going to eat it? And it is a world of choice for our consumers.

And our business turns with those choices and winning more of those moments from more consumers every day. And so, we focus on the consumer. We call it consumer obsession. Listen to the consumer, understand the consumer, observe the consumer. How can we be better partners to solve more problems, get them past pain points. Sometimes pain points they know about products and categories, sometimes it's things they don't even see and know. How can we help them?

And in a world in which consumers are seeking more and more protein, more and more nourishing solutions, more and more ease and convenience, more and more flavor experience, we have an opportunity to push our brands. To push our categories into very new spaces, we call it beyond boundaries. To big wide-open markets, to open up more share of stomach and more business.

And at the same time, invest in our business, our technology, our data, our people, our process, so that we not only prepared for today, but we get this company ready for the future.

Our operating model, and Jeff alluded to this, has us sitting with three distinct-scale business units, one Retail, one Foodservice, one International.

Each of these segments has its own plot, has its own right to win, has its own growth ambitions and its own strategy. But, they come together with an enterprise strategy and a foundation that sits underneath it, which is a company that is strong.

But investments are being made to modernize and transform this company to make it even stronger for the future. That transformation journey is one I'm extremely excited about.

I'll now click through each of our three units to share some highlights. I'll start with Retail. Now, Retail is our largest business unit by size and in terms of revenue, it is also the home base of many of our beloved brands.

And we have an increased, I'll call it strategic clarity on how we're going to focus building our Retail business into the future. We have identified eight priority brands, each of them with a strong competitive position in the marketplace, with strong differentiation versus competitive products and brands, and importantly, with a big consumer opportunity ahead.

Underneath that, we have what we call next sources of growth, big platform areas where consumer trends are heading, that we can organize ourselves to unlock big growth into the future. Think about things like, ready-to-eat convenient dinners – more and more important to consumers. Think about snacking in the afternoon when people are hungry and they need substance and fuel. That afternoon sustenance – big, important space. Think about flavor experience and our authentic Mexican portfolio.

These are big platforms for today and into the future and as we take all of this, this framework was developed with financial analysis, with strategic analysis, but importantly, it was designed with consumers at the heart of it. This came out of what we call consumer-demand landscaping work, where you see why consumers buy what they buy and eat what they eat all day long. And, how do we take some of our businesses and position them into big spaces?

By unlocking the resources, the creativity, the investments, the passion of our people, we can do so much with this portfolio that is yet still ahead. I'll give an example. Let's talk about SPAM® for a minute. So, Jeff mentioned SPAM® as well.

You could view SPAM® as a leader in the very narrowly defined canned luncheon meat category, and it is that. But our team chose to view SPAM® as a global leader in food culture. Well, when you change the frame and look at it that way, all of a sudden you start to think much bigger. And we started to do partnerships with global properties like Disney's Lilo and Stitch or the enduring Dr. Seuss property, Green Eggs and Ham. We executed those programs with collectible cans, in-store programming, working with our customers, consumer activation. Very exciting, very relevant, very culturally on.

And we took the ideas inspired by global food culture of how people use SPAM® in Asia and Hawaii, and we brought them to a leading retailer in the United States and said, we'd like to do a trial in the sushi department of your grocery stores on the West Coast and introduce some SPAM® sushi formats. Well, not only did they work on the West Coast, they worked so well that we've now expanded SPAM® in sushi departments across the entire country from coast to coast. And, we even have some SPAM® Musubi here, I believe, in the Hy-Vee in Austin.

So, what we're talking about is taking this narrowly defined canned luncheon meat and opening SPAM® up to the global sushi market, which is a much, much bigger marketplace to participate in.

As we think about innovating on our brands, I mentioned getting close to the consumer. We need to be sitting next to our consumer, sometimes literally. As a part of our team, we have what we call a cultural anthropologist. She helps us sit in the kitchens, in the cars, in the workplaces of our consumers. We go on shopping trips with them, and we understand why and how they do what they do through observation and discussion. This unlocks new insights.

One of those insights, maybe not the most revolutionary, is that people love bacon. Did you know people love bacon?

People love bacon so much they would use it a lot more often actually, but it's difficult. It's a difficult product. People don't like handling raw bacon. It's messy, there's a lot of clean up. And so, the insight was, if we could figure out ways to make bacon easier, we could easily get people to consume more bacon and be very happy. Right, that was it.

Well, for years Hormel has been at this convenient bacon. Think about fully cooked bacon, where we leverage with our foodservice partners in their kitchens, commercial kitchens, or fully cooked bacon in retail where people use it at home. We also have at retail what we call microwave-ready bacon, where you tear off a pouch, pre-portioned, drop it in the microwave, ready to go. Easy.

But our latest bacon innovation is what we call OVEN READY™ bacon. And to me, it takes it up a notch. This is our easiest bacon yet. You buy it on the tray at retail, bring it home, take the wrapper off – you never have to touch the bacon. You slide it into the oven, bacon cooks, pull it back out, consume the bacon, throw the tray away – disposable.

That solves multiple pain points for consumers and makes bacon so much easier. And, we're getting very good reviews on this product, very good repeat rates. And we're expanding distribution.

We also have introduced on bacon some exciting flavors. So think about Cinnamon Toast Crunch BLACK LABEL® Bacon, which we introduced last year. It's a mouthful, but it was a lot of fun. We got a lot of buzz out of that product.

We also more recently introduced a Frank's Red Hot Flavored Bacon.

These are just great ways to make bacon relevant, to make it fun, and to give people reasons to consume.

I'm now going to shift gears and talk a little bit about our Foodservice unit. So Foodservice is a performer for us. This business delivers consistent growth, profitable growth. And it delivers that growth in very incremental markets and channels for us as a company.

Our focus in Foodservice is customers. It's about solving problems for our operator partners to make their lives easier and to make their businesses run smoother. We have scaled leading platforms in both bacon and pizza toppings. And we have an incredibly important growing business in what we call premium prepared proteins. Think about this as high-quality meats that enable our operator partners to take complexity and time and labor out of their kitchens with great quality. Our model is premised on continuing to invest in innovation and capabilities that help our customers stay ahead, that keep us ahead of the competition, and make our customers' lives easier.

The secret sauce of this Foodservice team, in my view, like many other parts of Hormel, is also the people. And we continue to invest in our direct selling organization for our Foodservice unit. We call them salespeople, but they're actually a lot more than that. These salespeople are our market researchers. They are relationship builders. They are foodies. They're problem solvers. And they are at the center of so much of what we do with our Foodservice business. I'm going to roll a quick video which shows you what a day in the life looks like.

VIDEO:

Let's take a look at what it's like to be a sales rep for Hormel Foodservice. There's a lot that reps do. From interacting with customers to managing food show booths, and all the prep and travel in between. All of it is essential for playing an important role in the foodservice industry. One of the best parts about a career as a Hormel Foodservice sales rep is being at the crossroads of people and food. There's something special about introducing products for others to enjoy, describing how ingredients perform, talking through prep methods, and showing the value our foods bring to their business.

As always, it is the team members at Hormel who will carry our business forward and into the future. And finally, our exciting International unit.

Our International unit has us poised for additional investment and additional growth. In a world where people are looking for more protein in all corners of the world and more nourishing solutions, more convenience, more food safe protein options, we are in a great position to pioneer solutions, like we've done in North America, all around the world. We have three basic go-to-market models for international business.

The first is what we call multinational businesses, where we have in-country operations where we drive performance with our own resources and people.

We then have partnerships in different parts of the world. This is what I call the best-of-both approach, where we work with a strong local partner who maybe has some scale advantages locally, some know-how locally, and we bring our global know-how to that to build a successful business together in a market.

And then we have exports. And this is where we take some of our beloved products and brands and send them around the world where they are enjoyed by consumers.

All three of those contribute to our profitable growth in our International business. All three are important.

Now, the multinational approach, I'm gonna talk about one specifically, which is our China business. We've built this business over a long time. We've built it the right way. And in fact,

now we're sitting with a strong business, with a strong team, with a strong culture. They innovate rapidly. We have R&D, we have manufacturing, we have great, great team and culture and we've been at it for quite some time. I'm gonna show a quick video because we very proudly celebrated this past year, our 30th anniversary of operations in China.

VIDEO

So for those of you who don't speak Mandarin, what they said there was “leading in quality for over 30 years.” And how awesome is it to have a group of people on the other side of the world from Hormel talking, and proudly, about quality.

The last thing I'll say on International is that it is a two-way street in terms of culturally inspired food. We take our global brands and product platforms and we adapt them locally to make sure they resonate in local markets, whether it's format changes, flavor changes, things we do distinctly to make them work locally.

But, and Jeff alluded to some of this, equally important is we're getting ideas back from other markets that we're able to bring to the United States. SPAM® is one of those sources. We're doing the same thing on SKIPPY® now and bringing ideas back to the United States. So this virtuous cycle of global expansion will help our business here in the United States as well.

And finally, our transform and modernize. I mentioned this is our foundation, we continue to invest across our supply chain. We organize our supply chain into four pillars. We call it plan – how we plan our business by how we procure the things we need to run our business; make – how we make or manufacture our products; and more – how we move them around, through trucks, other means, and warehousing.

Each of those pillars is being invested and reinvented for a stronger foundation. We also continue to look at our portfolio. How do we simplify our portfolio and make sure we're focused on the items that matter most and are the most profitable, and where can we take items out to simplify and take businesses out if needed?

And underneath that, we're making critical investments in data, technology, people and processes to create an even better version of Hormel Foods, a more competitive version of Hormel Foods into the future.

So, in summary, you know, I'll talk about a couple of things.

Number one, I made the decision to rejoin the company 18 months ago because I was excited about these three aspects.

I was excited about our portfolio and our nourishing foods and all the proteins we could do in a world looking for more nourishment and more protein. I think we have an immense business opportunity.

Two, I was excited about the transformation that we've been on a long journey with and more recently, investing quite a bit in. I think it's exactly what we need to reposition ourselves into the future.

And three, and most importantly, the reason I came back and the reason I am so excited about the future is our people, our culture and our community. This is truly a unique company, sitting in a unique hometown of Austin, Minnesota.

And I can remember my first trip to Hormel was just about eight years ago. In January of 2018, and I remember coming out and I remember meeting the people at Hormel Foods and I thought, wow, these people are very refreshing. They're very honest, they're very humble, they're very down-to-earth, they're very approachable.

I just felt very connected to the people and the culture of the company, and then I also observed, just this inextricable link between the company and the community. And I thought this also seems very interesting.

So, over the years, as I continue to come back to Austin, visiting and now being here pretty much all the time, I'm observing that that link is not just a link, there's actually a cultural transfusion of some sort that happens where Hormel Foods is super important to Austin, but Austin is super important to Hormel Foods. The values, the culture of the company live and breathe in the community. And the community lives and breathes in the hallways of the company.

And I truly think that is what sets us apart. So, I'm very excited to join the company. I'm very excited to join the community. I will also say I'm incredibly proud of all of the team over the years who built what Hormel is today.

But as proud as I am about what it is, I'm even more excited about what the future holds. I truly believe the best days of this company are still ahead of us. Thank you very much.

COLLEEN BATCHELER:

Thank you, Jeff and John, for those terrific remarks. We're now going to turn to the question-and-answer portion of our meeting. As a reminder, questions were required to be submitted in advance of tonight's meetings, and we will not be taking questions from the floor. But if you do have a question and did not submit it, please do not hesitate to share it with us through our investor relations team who can be reached via email at IR@hormel.com.

So, with that, I'll ask Jeff and John to come back up to the podium.

JEFF ETTINGER:

I'll start with the first question. We have a question this evening from Mr. Rod Huinker, who took the time last week to drive over to our corporate office. Mr. Hinker's question relates to a major current topic, immigration, and the company's role in it.

The company has advocated for comprehensive immigration reform for years. Including leading a trip to Washington D.C. in 2007 with other community members to meet with legislators. We have been early and regular participants in the E-Verify program to verify the identity of each applicant. Once someone joins our team, we treat all of our employees with dignity and respect.

If a law enforcement officer comes to one of our facilities with a lawful basis to seek a certain person, we have a duty to cooperate. This is true whether we are interacting with local police officers or federal officials.

This past weekend, we joined dozens of members of the Minnesota business community in publishing an open letter to federal, state and local officials, encouraging cooperation to achieve a de-escalation of recent tensions. We did this to support a constructive path forward toward a safe, stable Minnesota for our team members and our communities.

John, do you have this next question?

JOHN GHINGO:

I do. So, our next question came in from Keith Loger. Keith's comment was: while I believe the overall stability of Hormel is not in doubt, the share price has tumbled terribly the past four to five years. To what do you attribute this action?

Obviously a good question, on a lot of people's minds. I would point to a few things. The first thing I would talk about is something I mentioned, but this industry has been under a tremendous amount of pressure – food sector, food industry, consumer packaged goods – if you go back to COVID, for a variety of reasons, including inflation, including consumer pressure. The industry has been under pressure and a lot of our peer companies have struggled as well.

But then beyond that, we certainly have had performance issues, and some of the performance issues we have had are things that were self-inflicted that we could have done better. Some of them are things that happened to us that were driven more externally, but when you add all of that up, our performance just hasn't been where we expected it to be;

where we needed it to be; where we wanted it to be. And so, our performance hasn't lived up, and that's really what's underneath the share decline.

I will take the next question also. So, the next question comes from Kenneth Kroupa. Several years ago, I asked if any profits from the China business came back to shareholders and was told at the time that the money was invested back in that country. Is that still the case, and if so, why?

So, I guess I would just pause to say you heard me talk earlier about the China business. We are very bullish on the China business. Not only do we have a strong team, strong culture, strong business in China, it is obviously one of the most important markets in the world.

And so, we do continue to invest in that market. We invest in growth. We invest in adding capabilities, adding scale, adding people. So, we are growing in China, investing in China. That being said, we have recently brought cash back from China as well, to directly answer the question.

Actually, the next question is one that Jeff and I have heard quite frequently or repeatedly over the past few months we've been working together. And the question is a simple one: what are you most excited about as we look ahead?

And for me, it's interesting, I talked about consumer obsession, I talked about the opportunity we have. I didn't talk much about consumer trends. And when I just think about where the consumer is going, it's even more exciting than where they are today. So, for example, the trend around protein, there's a frenzy with protein right now. You're seeing it added to all kinds of foods and drinks, but the enduring trend around protein is a 25-year trend of people getting more understanding of protein, associating it with energy, strength, satiety, feeling good.

And so that protein curve is gonna continue to grow into the future. That is an enduring consumer trend that we project out into the future. Also, the need for convenient solutions for protein, how to make it easier – that's an enduring consumer trend. And the desire for great flavor and taste – that's an enduring consumer trend.

So, when I look at those macro trends, and then I step back and look at our plot in the industry, it's even more exciting to think about the future and how well we line up with where consumers are going. So that's what I'm most excited about.

JEFF ETTINGER:

It's been exciting for me, frankly, to come back and be with some of the team. That's always one of the joys, frankly, professionally, is to work toward a common goal with dedicated

folks who are also trying to achieve something. And it's been fun to reconnect with folks who may all look a little different maybe after a few years, and then lots of new folks. Lots of new folks that came to Hormel directly from college or directly from somewhere else, and then folks who have come into our company laterally. And I've really grown to appreciate some of the other industry knowledge that people bring from other companies that now are benefiting our team.

And indeed, as John and I look to the future, I think we both feel that that's going to be a key element of going forward for the Hormel company is that balance of, yes, we're still going to be a promote from within, kind of your-own-draft-picks type of organization, but we're going to supplement that with some key free agents to make sure that our team is robust and can continue to grow this company.

JOHN GHINGO:

Yeah, well said

I guess I would just say in closing, thank you for the time, for the attention, and for the warm welcome you've afforded me to the company and to Austin, Minnesota, and thank you for coming out tonight.

JEFF ETTINGER:

Thanks very much.