



The Queen of Protein



SUPPLEMENTAL INFORMATION

Fourth Quarter
Fiscal 2022



THE **JENNIE-O**® BRAND, CATEGORY LEADER AND TRUSTED BRAND FOR TURKEY PRODUCTS, RECENTLY LAUNCHED ITS “QUEEN OF PROTEIN” CAMPAIGN TO SHOWCASE THE PROTEIN THAT REIGNS SUPREME — TURKEY.



Forward-Looking Statements

This presentation contains “forward-looking” information within the meaning of the federal securities laws. The “forward-looking” information may include statements concerning the Company’s outlook for the future as well as other statements of beliefs, future plans, strategies, or anticipated events and similar expressions concerning matters that are not historical facts. Words or phrases such as “should result,” “believe,” “intend,” “plan,” “are expected to,” “targeted,” “will continue,” “will approximate,” “is anticipated,” “estimate,” “project,” or similar expressions are intended to identify forward-looking statements. Such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical earnings and those anticipated or projected, which factors include, but are not limited to, risks related to the deterioration of economic conditions; the COVID-19 pandemic; risks associated with acquisitions and divestitures; potential disruption of operations including at co-manufacturers, suppliers, logistics providers, customers, or other third party service providers; risk of loss of a material contract; the Company’s inability to protect information technology systems against, or effectively respond to, cyber attacks or security breaches; deterioration of labor relations, labor availability or increases to labor costs; general risks of the food industry, including food contamination; outbreaks of disease among livestock and poultry flocks; fluctuations in commodity prices and availability of raw materials and other inputs; fluctuations in market demand for the Company’s products; damage to the Company’s reputation or brand image; climate change, or legal, regulatory, or market measures to address climate change; risks of litigation; potential sanctions and compliance costs arising from government regulation; compliance with stringent environmental regulation and potential environmental litigation; and risks arising from the Company’s foreign operations. Please refer to the cautionary statements regarding “Risk Factors” and “Forward-Looking Statements” that appear in our most recent Annual Report on Form 10-K and Quarterly reports on Form 10-Q, which can be accessed at www.hormelfoods.com in the “Investors” section, for additional information. In making these statements, the Company is not undertaking, and specifically declines to undertake, any obligation to address or update each or any factor in future filings or communications regarding the Company’s business or results and is not undertaking to address how any of these factors may have caused changes to discussions or information contained in previous filings or communications. Though the Company has attempted to list comprehensively these important cautionary risk factors, the Company wishes to caution investors and others that other factors may in the future prove to be important in affecting the Company’s business or results of operations. The Company cautions readers not to place undue reliance on forward-looking statements, which represent current views as of the date made.

Non-GAAP Information

This presentation contains certain non-GAAP financial measures, including organic net sales, organic volume, net debt, EBITDA and Adjusted EBITDA. Non-GAAP measures are not intended to be a substitute for U.S. GAAP measures in analyzing financial performance. These non-GAAP measures are not in accordance with generally accepted accounting principles and may be different from non-GAAP measures used by other companies. Please see the discussion of non-GAAP financial measures and the reconciliation from the GAAP measures to the non-GAAP adjusted measures at the end of this presentation for more information.

Recognized for Our Commitment

To consumers, team members and the communities where we live and work

Named One of the Top Corporate Citizens in the U.S.



The 2022 ranking recognizes outstanding environmental, social and governance (ESG) transparency and performance among the 1,000 largest U.S. public companies.

Recognized for Continued ESG Efforts



Hormel Foods was ranked for the first time on the Investors Business Daily annual report of the 100 Best ESG Companies – for superior environmental, social and governance ratings, combined with strong fundamental and technical stock performance.

Honored as “Best for Vets” Employer for 10 Straight Years



“Hormel Foods has a long and proud history of supporting the military, both as an active recruiter for former service members and as a leading food supplier to our troops. We are so thankful for our veterans and service members who are a vital part of our incredible team.”

Jeff Baker, Group Vice President,
Retail Marketing - Value-Added Meats

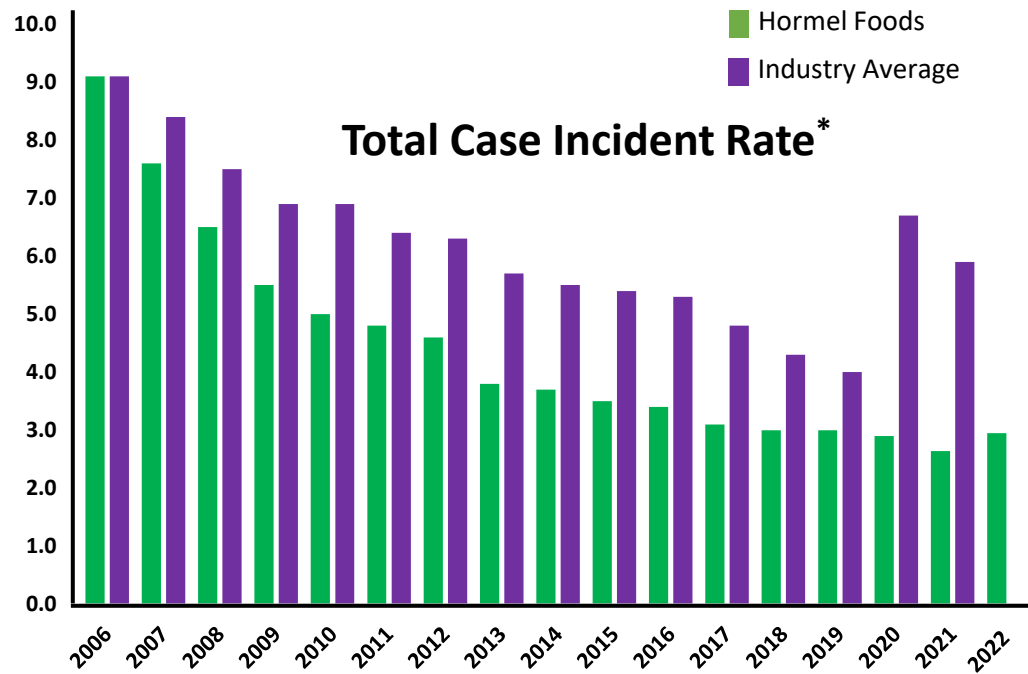
Identified for Leading Internship Program



Our internship program was recognized in the categories of best internships for the retail and consumer products industry and also top engineering roles.

Keeping Employee Safety the Top Priority

Continuing a long track record of better-than-industry safety performance*



Fiscal 2022 Business Highlights

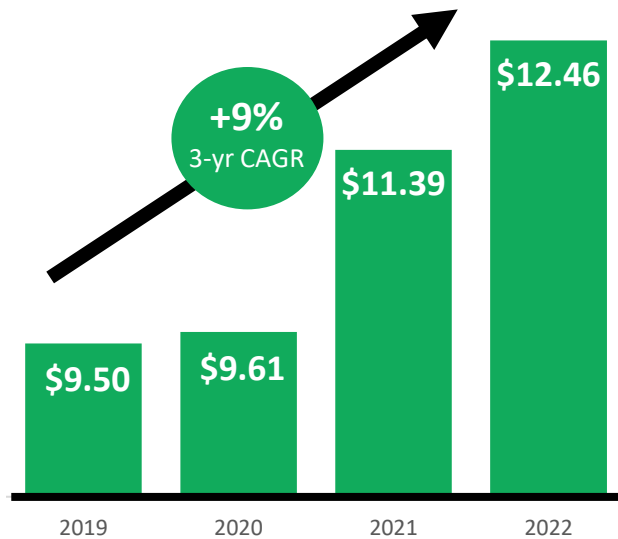
- We reported record sales and double-digit profit growth compared to fiscal 2021, benefitting from a full-year contribution from the **Planters**® business.
- We made considerable progress on our six strategic priorities.
- We delivered another year of consistent cash flow, allowing us to continue supporting our disciplined capital allocation strategy.
- We announced the next step in our evolution as an uncommon global branded food company – the GoFWD initiative.

Delivered Record Sales and Strong Profit Growth

*Record sales driven by **Planters**® business and growth from foodservice businesses*

Net Sales

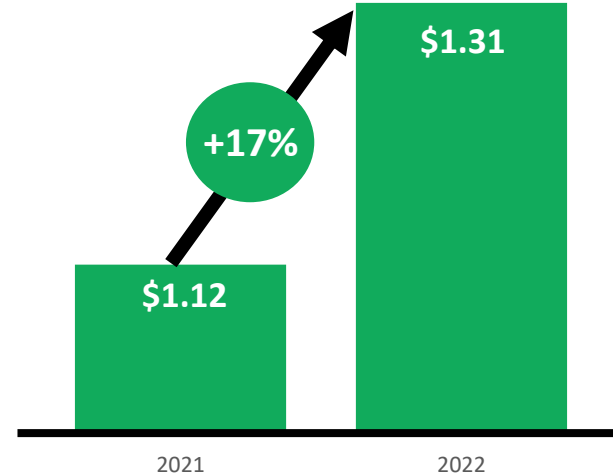
(in billions)



Delivered third consecutive year of record sales

Operating Income

(in billions)



Grew operating income double digits, overcoming continued inflationary pressures, supply chain disruptions and a lower supply of turkey

Integrated **Planters**® Business



Planters® snack nuts business contributed \$1 billion in sales

Fiscal 2022 Channel Highlights

Growth across the company's U.S. channels, led by foodservice

Note: The fourth quarter and full year of fiscal 2022 reflect one fewer week compared to the prior year.

Net Sales	Fourth Quarter YoY Percent Change (%)	YTD Q4 YoY Percent Change (%)
U.S. Retail	(6)	+7
U.S. Foodservice	(1)	+20
International	(10)	(7)
Total	(5)	+9

- U.S. channels benefited from elevated demand for many retail and value-added foodservice brands, pricing actions to mitigate inflationary pressures and the full-year contribution of the **Planters**® snack nuts business.
- Sales for the international channel declined, primarily due to lower export sales.



Fiscal 2022 Highlights - Our Six Strategic Priorities

Protect & grow our core brands

- U.S. retail channel net sales +7% in fiscal 2022
- Volume and sales growth from **SKIPPY**® peanut butter, **SPAM**® products, **Dinty Moore**® stew, **Hormel**® **Natural Choice**® sliced meats and **Hormel**® **Square Table**® refrigerated entrees



Amplify scale in snacking & entertaining

- Continued growth from **Columbus**® grab-and-go charcuterie and **Hormel Gatherings**® party trays
- Planters**® snack nuts business delivered \$1 billion in net sales



Enhance growth of our ethnic & Food Forward portfolio

- MegaMex joint venture and **Applegate**® business achieved full year sales milestones, driving growth behind the **WHOLLY**®, **Herdez**® and **Applegate**® brands, respectively.



Expand leadership in foodservice

- U.S. foodservice channel net sales +20% in fiscal 2022
- Exceptional volume and sales growth across the portfolio, led by our line of premium prepared proteins



Aggressively develop our global presence

- Commissioned a state-of-the-art innovation center supporting the Asia-Pacific region
- Approved another investment to support our growth in China



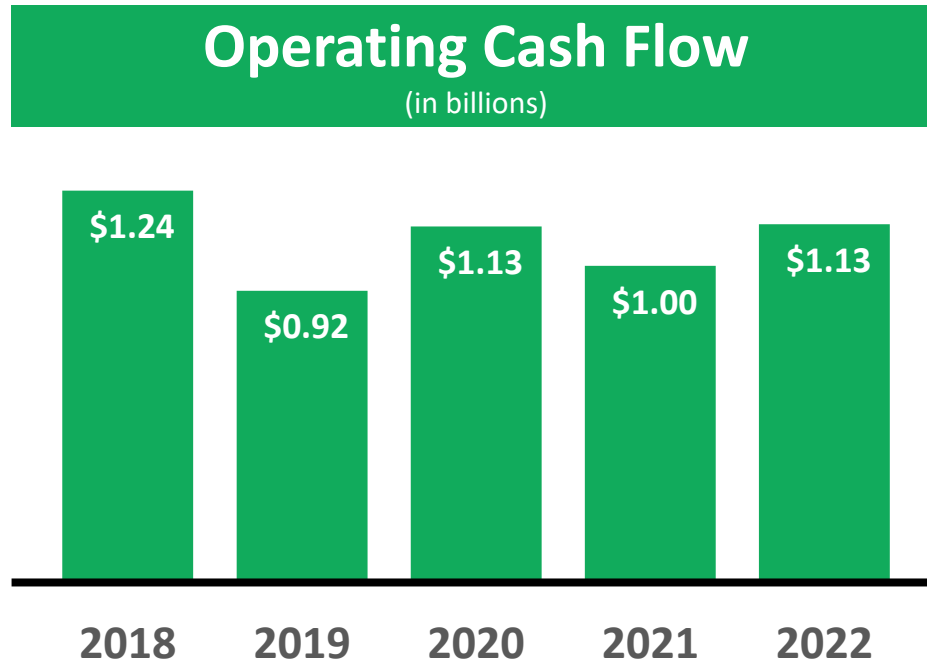
Continue to transform our company

- Announced the next step in our evolution as a global branded food company, **GoFWD**, and transitioned to the new operating model effective Oct. 31, 2022



Generating Strong and Consistent Cash Flow

Supporting our disciplined capital allocation strategy and shareholder commitments



Cash & Mkt Sec.

\$1.0B

Debt

\$3.3B

EBITDA* (LTM)

\$1.6B

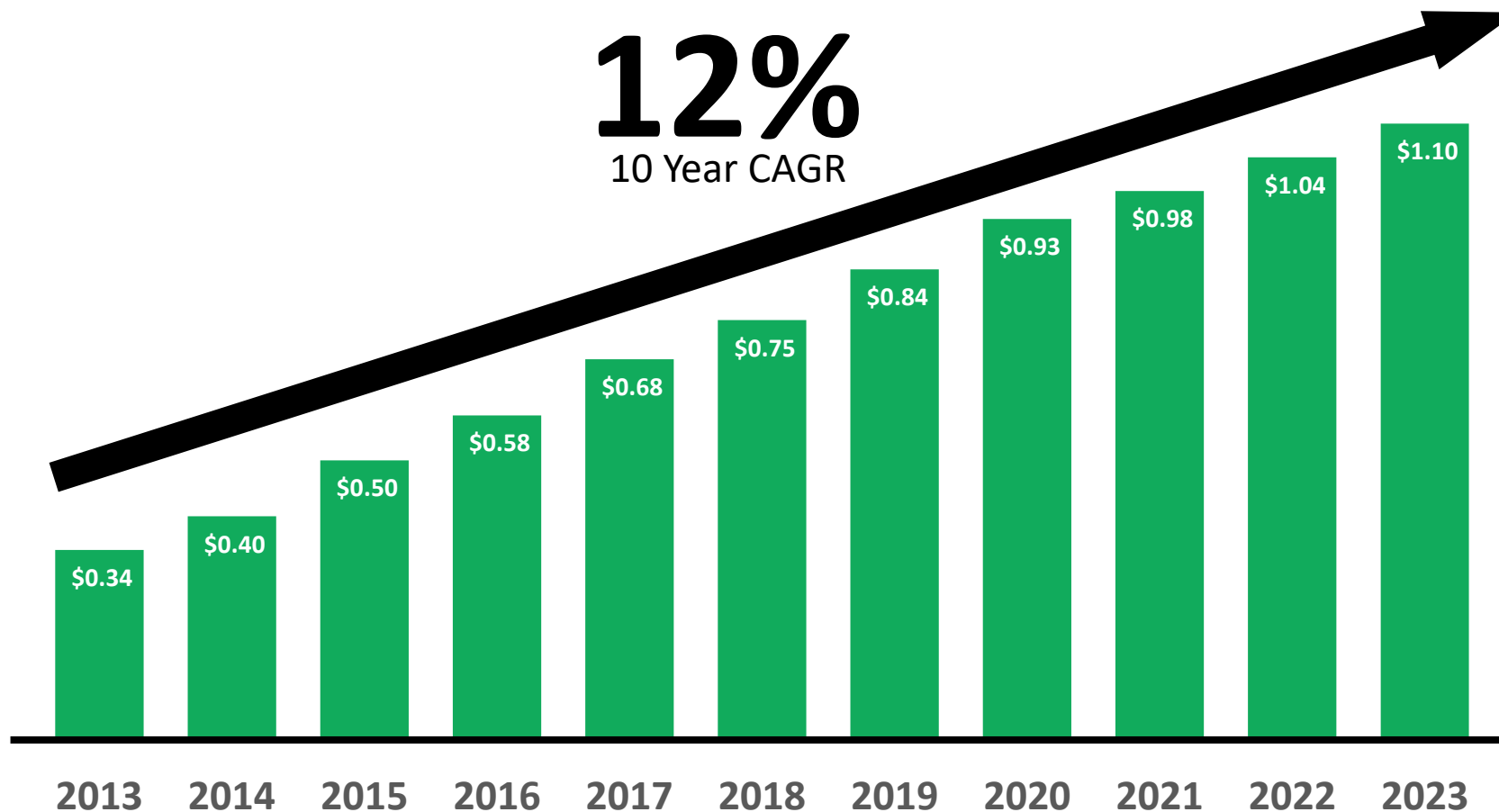
Current Net
Debt/EBITDA*

<1.5x

*Non-GAAP financial measure. See appendix to this presentation for more information, including GAAP to non-GAAP reconciliation.

Returning Cash to Shareholders

*Announced 57th consecutive increase to the annual dividend**



57

Consecutive
Years of Dividend
Increases

94+

Years of Dividend
Payments
Without Interruption

Maintain
**Dividend
Aristocrat**
Membership

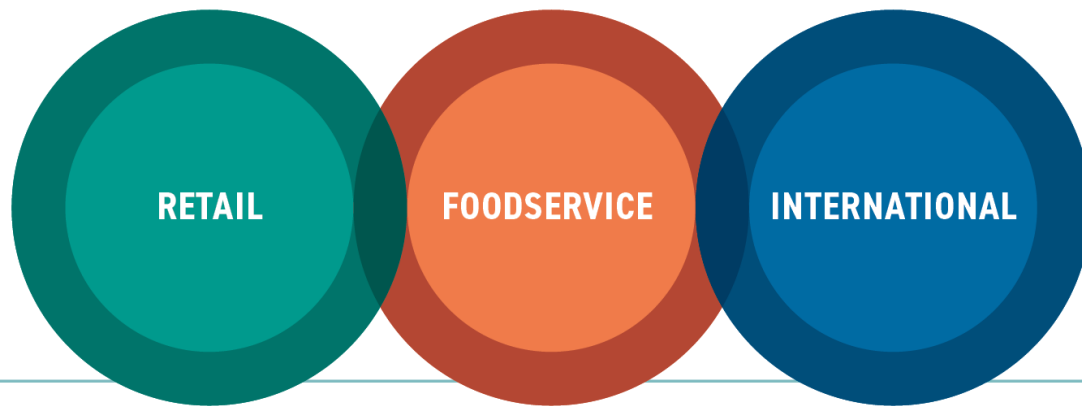
Additional Financial Disclosures

- Advertising spend for fiscal 2022 was \$157 million, compared to \$139 million in the prior year, with higher investments in all segments.
- The effective tax rate was 21.7%, compared to 19.3% for the previous year. Last year's rate included the benefit of one-time state tax discrete items.
- Capital expenditures in fiscal 2022 were \$279 million, compared to \$232 million last year.
- Fiscal 2022 depreciation and amortization expense was \$263 million compared to \$228 million last year.

Taking the Next Step in Our Evolution - GoFWD

Better aligning our structure with our proven strategy

New Strategic Operating Model



Implementation Focus

- Adopting new organizational design and management structures
- Continuing to fully integrate Jennie-O Turkey Store into the company's One Supply Chain and new operating segments
- Standing up the Brand Fuel Center of Excellence

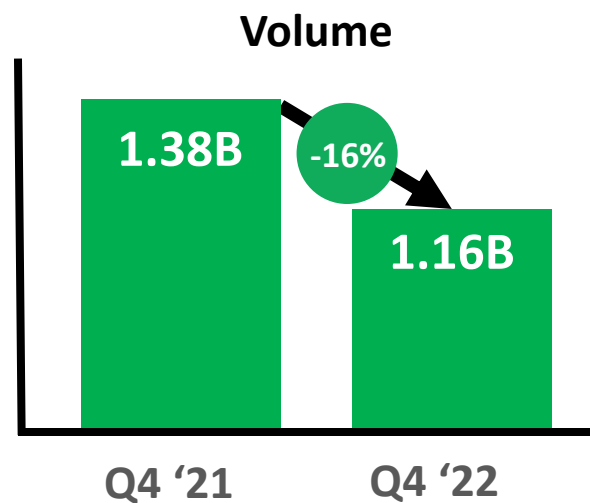
Fourth Quarter Business Highlights

- Delivered diluted earnings per share comparable with record results last year, which included an additional week of sales
- Drove operating income growth of +3%, to \$367 million
- Made progress across our supply chain to increase production capabilities and restore inventories on key product lines
- Provided fiscal 2023 outlook, expecting sales and earnings growth

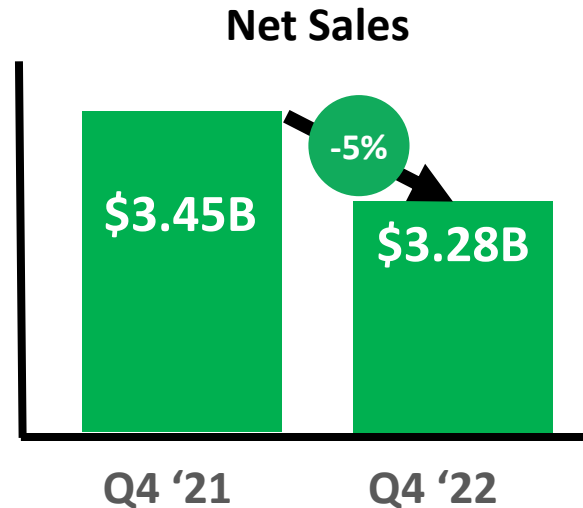
Fourth Quarter Financial Metrics

Diluted earnings per share comparable with record results last year

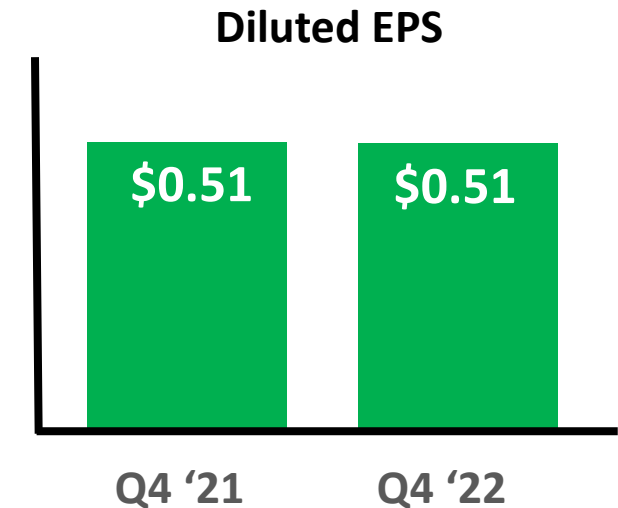
Note: The fourth quarter and full year of fiscal 2022 reflect one fewer week compared to the prior year.



- Volume declines were anticipated, resulting from our earlier decision to rationalize lower-margin commodity pork volume and lower turkey supplies.
- Organic volume* increased for the Grocery Products and International & Other segments.



- Net sales decreased due to reduced commodity sales and the impact from an additional week of sales last year.
- Organic net sales* increased, led by the center-store grocery portfolio as well as another solid performance from our foodservice businesses.



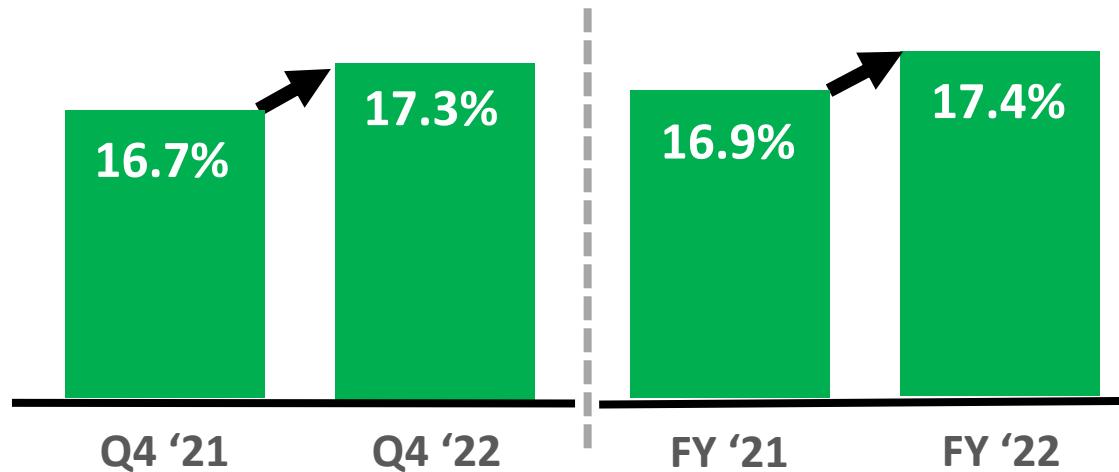
- Diluted earnings per share comparable with record results last year, overcoming an additional week of sales.
- The Jennie-O Turkey Store segment drove excellent growth.
- The effective tax rate was 21.7% compared to 20.0% last year.

Actions to Offset Inflationary Pressures are Working

Margin improvement driven by Jennie-O Turkey Store and strategic pricing actions

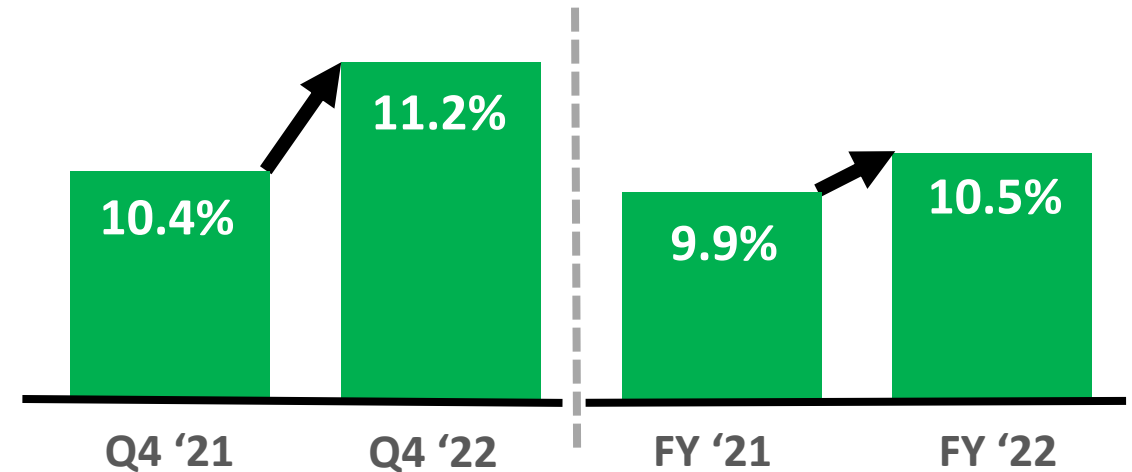
Gross Profit Margin

(% of Net Sales)



Operating Margin

(% of Net Sales)



Refrigerated Foods

Lower commodity profitability and higher operational costs impacted results

Note: The fourth quarter of fiscal 2022 reflects one fewer week compared to the prior year.

Segment Results

Refrigerated Foods	Q4 YoY Percent Change (%)
Volume	(19)
Organic Volume*	(13)
Net Sales	(7)
Organic Net Sales*	Comparable
Segment Profit	(15)

Business Highlights

- Products such as **Hormel® Natural Choice®** meats, **Hormel® Bacon 1™** fully cooked bacon, **Hormel® Fire Braised™** flame-seared meats, **Hormel Gatherings®** party trays and **Applegate®** breaded chicken grew volume and sales for the quarter.
- Overall net sales declined due to the impact from an additional week in the fourth quarter of last year and lower commodity sales. The overall decline in volume was primarily due to lower commodity sales resulting from the company's new pork supply agreement.
- The decline in segment profit was driven by lower commodity profitability and higher operational, logistics and raw material costs.



Grocery Products

Organic top-line growth was offset by continued inflationary pressures

Note: The fourth quarter of fiscal 2022 reflects one fewer week compared to the prior year.

Segment Results

Grocery Products	Q4 YoY Percent Change (%)
Volume	(4)
Organic Volume*	+4
Net Sales	+3
Organic Net Sales*	+11
Segment Profit	(8)

Business Highlights

- Net sales increased due to strong demand for **SKIPPY**® peanut butter and the impact of pricing actions across the Mexican and simple-meals portfolios.
- Organic volume and net sales gains were led by the **SPAM**®, **SKIPPY**®, **WHOLLY**®, **Herdez**® and **Dinty Moore**® brands.
- Segment profit declined, as pricing actions did not offset the impact from continued inflationary pressures.



Jennie-O Turkey Store

Delivering another quarter of growth despite challenges related to HPAI

Note: The fourth quarter of fiscal 2022 reflects one fewer week compared to the prior year.

Segment Results

Jennie-O Turkey Store	Q4 YoY Percent Change (%)
Volume	(32)
Organic Volume*	(27)
Net Sales	(15)
Organic Net Sales*	(8)
Segment Profit	+149

Business Highlights

- As anticipated, volume and sales declined as a result of the supply impacts on the company's vertically integrated supply chain from highly pathogenic avian influenza (HPAI).
- Segment profit growth was primarily due to higher commodity prices and improved value-added mix.



International & Other

Growth in China was offset by lower export sales and higher logistics costs

Note: The fourth quarter of fiscal 2022 reflects one fewer week compared to the prior year.

Segment Results

International & Other	Q4 YoY Percent Change (%)
Volume	comparable
Organic Volume*	+8
Net Sales	(2)
Organic Net Sales*	+6
Segment Profit	(4)

Business Highlights

- Volume and net sales growth from the **SPAM**® and **SKIPPY**® brands and the multinational businesses were offset by lower fresh pork and refrigerated export sales.
- Fresh pork sales declined as a result of the company's new pork supply agreement.
- Segment profit growth in China did not overcome declines in the export business and elevated logistics expenses.



Fiscal 2023 Outlook

Expecting to grow both sales and earnings in fiscal 2023

Fiscal 2023 Outlook

	Guidance	Comp. vs FY '22
Net Sales (in billions)	\$12.6 - \$12.9	+1 - 3%
Diluted EPS	\$1.83 - \$1.93	+1 - 6%
Effective Tax Rate	21.0% - 23.0%	21.7%
Depreciation and Amortization	~\$285 million	+8%
Capital Expenditures	~\$350 million	+25%

Commentary

- We enter fiscal 2023 well-positioned for the current macroeconomic climate and expect top-line growth from all three of our new segments – Retail, Foodservice and International.
- From an earnings perspective, we anticipate earnings growth to be driven by our Foodservice and International segments, and improvements across the supply chain.
- We expect to operate in a volatile, complex and high-cost environment again in fiscal 2023.





Additional Information

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Non-GAAP Financial Measures

NON-GAAP
APPENDIX

Quarterly
Supplement

NON-GAAP FINANCIAL MEASURES

The non-GAAP adjusted financial measurements of organic volume and organic net sales are presented to provide investors with additional information to facilitate the comparison of past and present operations. Organic net sales and organic volume exclude the impacts of the acquisition of the **Planters**® snack nuts business (June 2021) in the Grocery Products, Refrigerated Foods and International & Other segments. Organic volume and organic net sales also exclude the impact of the 53rd week in fiscal 2021 as approximated based on average weekly sales for the fourth quarter (fourteen weeks) ended October 31, 2021.

The company believes these non-GAAP financial measurements provide useful information to investors because they are the measurements used to evaluate performance on a comparable year-over-year basis. Non-GAAP measurements are not intended to be a substitute for U.S. GAAP measurements in analyzing financial performance. These non-GAAP measurements are not in accordance with generally accepted accounting principles and may be different from non-GAAP measures used by other companies.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

ORGANIC VOLUME (NON-GAAP)

Lbs., in thousands	Fourth Quarter Ended				Non-GAAP % Change
	October 30, 2022	October 31, 2021			
	Reported GAAP	Reported GAAP	53rd Week	Organic (Non-GAAP)	
Grocery Products	388,270	403,550	(28,825)	374,725	3.6
Refrigerated Foods	530,166	657,488	(46,963)	610,525	(13.2)
Jennie-O Turkey Store	163,785	240,771	(17,198)	223,573	(26.7)
International & Other	78,269	78,039	(5,574)	72,465	8.0
Total Volume	1,160,490	1,379,848	(98,561)	1,281,287	(9.4)

ORGANIC NET SALES (NON-GAAP)

In thousands	Fourth Quarter Ended				Non-GAAP % Change
	October 30, 2022	October 31, 2021			
	Reported GAAP	Reported GAAP	53rd Week	Organic (Non-GAAP)	
Grocery Products	\$ 934,174	\$ 905,030	\$ (64,645)	\$ 840,385	11.2
Refrigerated Foods	1,759,161	1,888,311	(134,879)	1,753,432	0.3
Jennie-O Turkey Store	391,866	459,754	(32,840)	426,914	(8.2)
International & Other	198,274	201,655	(14,404)	187,251	5.9
Total Net Sales	\$ 3,283,475	\$ 3,454,751	\$ (246,768)	\$ 3,207,983	2.4





Non-GAAP Financial Measures

NON-GAAP
APPENDIX

Quarterly
Supplement

NON-GAAP FINANCIAL MEASURES

The non-GAAP adjusted financial measures of net debt, EBITDA and Adjusted EBITDA are useful to management and investors as indicators of operating strength. Net debt is defined as total debt less cash and cash equivalents and short-term marketable securities. EBITDA reflects earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA also removes the impact of one-time **Planters®** acquisition costs.

The company believes these non-GAAP financial measures provide useful information to investors, as a measure used to evaluate financial strength of a business on a comparable year-over-year basis. Non-GAAP measures are not intended to be a substitute for U.S. GAAP measures in analyzing financial performance. These non-GAAP measures are not in accordance with generally accepted accounting principles and may be different from non-GAAP measures used by other companies. The tables on the right show the calculations to reconcile from the GAAP measures to the non-GAAP adjusted measures.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

Net Debt

(in thousands)	Quarter Ended	
	October 30, 2022	October 31, 2021
Long-Term Debt Less Current Maturities	\$ 3,290,549	\$ 3,315,147
Plus: Current Maturities of Long-Term Debt	8,796	8,756
Less: Cash and Cash Equivalents	982,107	613,530
Less: Short-Term Marketable Securities	16,149	21,162
Net Debt	\$ 2,301,089	\$ 2,689,211

EBIT and EBITDA

(in thousands)	Last Twelve Months Ended	
	October 30, 2022	October 31, 2021
EBITDA		
Net Earnings Attributable to Hormel Foods Corporation	\$ 999,987	\$ 908,839
Plus: Income Tax Expense	277,877	217,029
Plus: Interest Expense	62,515	43,307
Less: Interest and Investment Income	28,012	46,878
Plus: Depreciation and Amortization	262,753	228,406
EBITDA	1,575,121	1,350,704
Plus: One-time Planters® acquisition costs	-	43,203
Adjusted EBITDA	\$ 1,575,121	\$ 1,393,907

Net Debt/EBITDA

1.46

1.93

