



SUPPLEMENTAL INFORMATION

First Quarter Fiscal 2023



WE CONTINUED TO SUPPORT OUR LEADING BRANDS, INCLUDING THE **HORMEL® BLACK LABEL®** BRAND THROUGH ITS “SHARE PIECE THIS HOLIDAY” CAMPAIGN.

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.



Named to Fortune's World's Most Admired Companies List

Recognized for our strong reputation within the industry

“For 132 years, Hormel Foods has brought innovation, beloved brands and outstanding value to our consumers, customers, communities and shareholders. This honor is well-deserved recognition for the great work being done every day by our 20,000 inspired team members.”

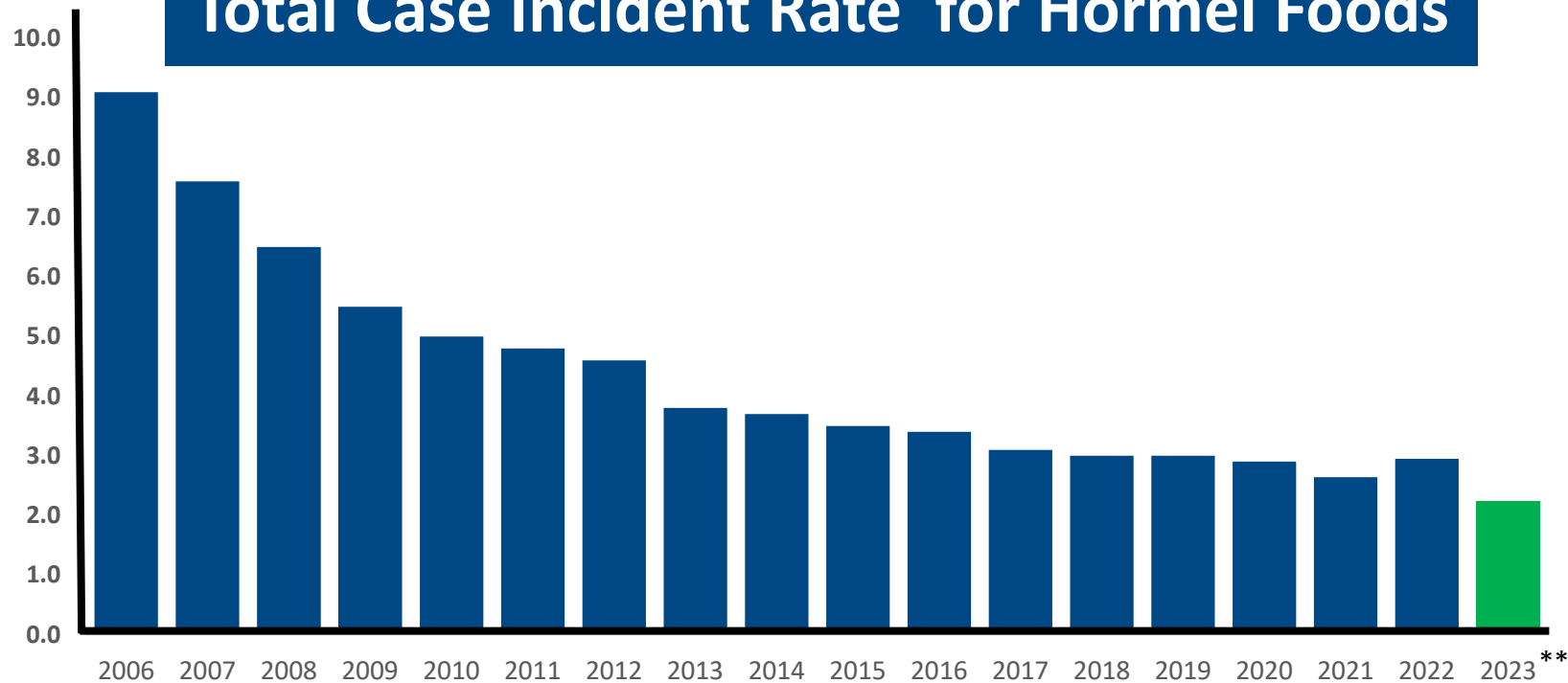
Jim Snee, Chairman,
President and CEO



Demonstrating Our Safety-First Mentality

On track for one of our safest years ever

Total Case Incident Rate* for Hormel Foods



*TCIR = (N X 200,000) / EH, where N=number of injuries or illnesses and EH=total hour work by all employees during the calendar year

**2023 data thru fiscal period 3 ending 1/29/2023

Making Progress on Our Six Strategic Priorities

Protect & grow our core brands

- Volume and sales growth from *Hormel® chili*, *Hormel® Square Table™* entrees, *Dinty Moore®* stew and *Hormel® Black Label®* bacon.¹
- We are benefiting from capacity on core bacon and pepperoni items and expect additional *SPAM®* capacity beginning in the second quarter.



Amplify scale in snacking & entertaining

- The *Planters®* brand launched *The Roast of Mr. Peanut®* ad campaign during the Big Game, earning more than 2.5 billion impressions.²
- The *Columbus®* brand maintained share and remains in the No. 1 dollar and volume share¹ position in the dry deli lunchmeat category.



Enhance growth of our ethnic & Food Forward portfolios

- Strong performance from MegaMex portfolio behind the *Herdez®*, *WHOLLY®*, *CHI-CHI'S®* and *La Victoria®* brands.³
- *Applegate®* products grew dollar sales 6% in the most recent quarter.⁴



Expand leadership in foodservice

- We are leveraging our talented culinary team to deliver Food Forward innovation, highlighting the versatility and value of our products.
- The *Corn Nuts®* brand has grown sales double-digits by increasing distribution across channels.⁵



Aggressively develop our global presence

- We purchased ~29% of the shares of Garudafood, one of the largest food and beverage companies in Indonesia.



Continue to transform our company

- We transitioned to our new strategic operating model, GoFWD.
- We made progress toward fully integrating Jennie-O Turkey Store into the Company's One Supply Chain and new operating segments.



Source Data:

¹ IRI panel, Total US All Outlet, volume and dollar sales for 13 weeks ended 1/29/2023

² Per ICF Next research

³ IRI Market Advantage, Total US MULO, 13 weeks ending 1/22/2023

⁴ NielsenIQ Discover, Total US xAOC, dollar sales for 12 weeks ended 1/28/2023

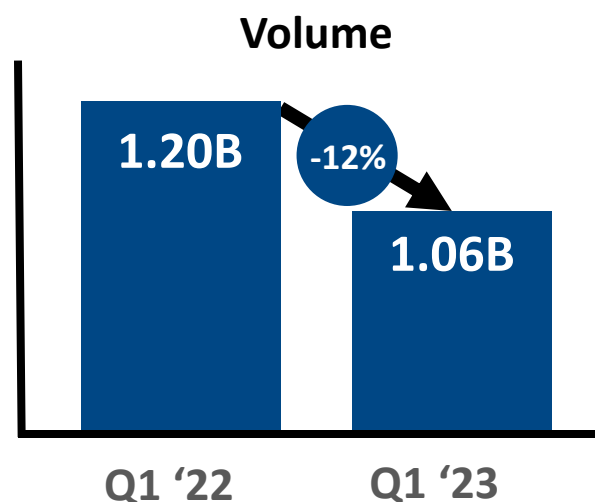
⁵ IRI Market Advantage, Total US MULO + Convenience, 52 weeks ending 1/22/2023

Key Messages

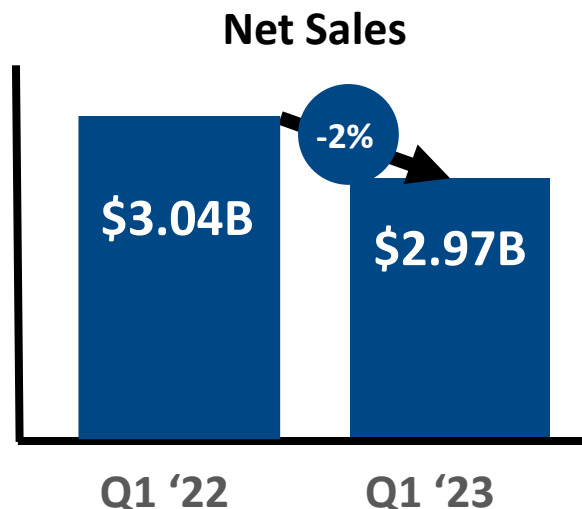
- First quarter results were below our expectations.
- Demand from consumers and operators remained elevated in key categories.
- We are taking immediate actions to combat inventory levels and warehousing costs, and are executing strategies to drive improvement for our **Planters®** business and the snack nuts category.
- We reaffirmed our net sales guidance range and lowered our diluted net earnings per share guidance range for fiscal 2023.

First Quarter Financial Metrics

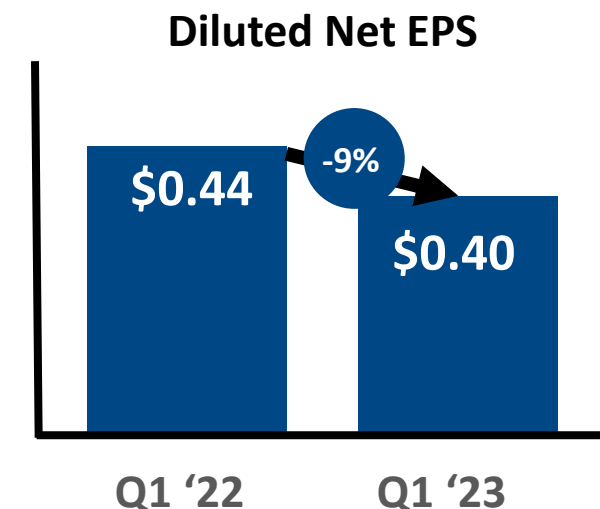
Diluted net earnings per share declined on lower volumes, unfavorable mix and higher costs



- Volume declined for each segment due to lower fresh pork availability resulting from the Company's new pork supply agreement and lower turkey volumes due to the ongoing impacts of highly pathogenic avian influenza (HPAI) in the Company's vertically integrated turkey supply chain.



- Net sales decreased, as the benefit from pricing actions to mitigate inflationary pressures was more than offset by the impact of lower volumes in each segment.
- Strong demand continued across many of the center-store, refrigerated and premium items at retail, and for solutions-based items in the Foodservice segment.



- Diluted net earnings per share declined as the impact of lower sales, unfavorable mix and higher operating costs were partially offset by higher equity in earnings, higher investment income, and lower selling, general and administrative expenses.
- The effective tax rate was 22.6%, compared to 22.4% last year.

Retail

Lower net sales, unfavorable mix and higher operating costs impacted results

Note: Volume and net sales declined due to lower fresh pork availability resulting from the Company's new pork supply agreement and lower turkey volumes due to the ongoing impacts of HPAI in the Company's vertically integrated turkey supply chain.

Segment Results

Retail Segment	Q1 YoY Percent Change (%)
Volume	(13)
Net Sales	(2)
Segment Profit	(9)

Segment Highlights

- Net sales increased for products such as **Hormel® Black Label®** bacon, **Columbus®** charcuterie, **Hormel®** chili, **Herdez®** salsa and sauces, **Hormel® Square Table™** entrees and **Mary Kitchen®** hash. Lower sales of snack nuts and peanut butter offset a majority of these gains.
- Segment profit declined due to the impact from lower net sales, unfavorable mix and higher operating costs, partially offset by the benefit from pricing actions across the portfolio, higher equity in earnings from MegaMex and improved results for the bacon business.



Foodservice

Improved mix drove profit growth

Note: Volume and net sales declined due to lower fresh pork availability resulting from the Company's new pork supply agreement and lower turkey volumes due to the ongoing impacts of HPAI in the Company's vertically integrated turkey supply chain.

Segment Results

Foodservice Segment	Q1 YoY Percent Change (%)
Volume	(6)
Net Sales	(2)
Segment Profit	+1

Segment Highlights

- Products in the sliced meats, pepperoni, premium prepared proteins, and premium bacon and breakfast sausage categories grew volume and net sales for the quarter.
- Net sales declines can be partially attributed to lower net pricing reflecting commodity relief in certain categories.
- Segment profit increased due to improved mix across the portfolio.



International

Strong Philippines joint venture results offset by lower exports, results in China

Note: Volume and net sales declined due to lower fresh pork availability resulting from the Company's new pork supply agreement and lower turkey volumes due to the ongoing impacts of HPAI in the Company's vertically integrated turkey supply chain.

Segment Results

International Segment	Q1 YoY Percent Change (%)
Volume	(14)
Net Sales	(8)
Segment Profit	(27)

Segment Highlights

- Volume and net sales growth from our branded exports, including the **SPAM**® and **SKIPPY**® brands, and improved results in Brazil, were partially offset by lower sales in China due to ongoing COVID-related disruption.
- Segment profit declined, as strong results from our joint venture in the Philippines did not overcome significantly lower turkey and fresh pork export sales, lower sales in China and elevated logistics expenses.



Minority Investment in Garudafood

Supporting the global execution of our snacking and entertaining strategic priority



“Garudafood is a market leader, with strong and reputable brands, local expertise and a best-in-class distribution network. We have been partnering with the Garudafood team for several years, and this strategic investment enhances the partnership.”

Jim Snee, Chairman,
President and CEO



First Quarter Additional Financial Disclosures

- Advertising spend was \$47 million, comparable with last year.
- The effective tax rate was 22.6%, compared to 22.4% for the previous year.
- Capital expenditures were \$37 million, compared to \$50 million last year.
- Depreciation and amortization expense was \$71 million, compared to \$64 million last year.

Fiscal 2023 Outlook

Expecting net sales growth from each segment in fiscal 2023

Fiscal 2023 Outlook

	Guidance	Comp. vs FY '22
Net Sales (billions)	\$12.6B - \$12.9B	+1% - 3%
Diluted Net EPS	\$1.70 - \$1.82	(7)% - Comparable
Effective Tax Rate	21.0% - 23.0%	21.7%
Depreciation and Amortization	~\$285 million	+8%
Capital Expenditures	~\$350 million	+25%

Commentary

- We remain well positioned in the retail, foodservice and international channels, and expect to drive net sales growth in each of our segments this year.
- Demand for our leading retail brands remains favorable, our Foodservice segment expects strong growth for the remainder of the year, and we anticipate the near-term challenges for our International segment to abate over the coming months.
- Compared to our expectations heading into the year, earnings are being pressured by increased inefficiencies across our supply chain related to higher inventory levels and softness in the snack nuts category.





Additional Information

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