



Inspired People
Inspired Food

OCTOBER 11, 2023

HRL
NEW YORK STOCK EXCHANGE

**Fourth Quarter
Fiscal 2023**

SUPPLEMENTAL INFORMATION





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; risks associated with acquisitions, joint ventures, equity investments, and divestitures; potential disruption of operations, including at co-manufacturers, suppliers, logistics providers, customers, or other third-party service providers; failure to realize anticipated cost savings or operating efficiencies associated with strategic initiatives; 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 regulations 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 adjusted segment profit, adjusted operating margin, adjusted diluted net earnings per share, EBITDA, and net debt to 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.

Continuing to Deliver on Our Commitments

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

Honored as “Best for Vets” Employer for 11 Straight Years



“Our company has a long history of supporting the military, both as an active recruiter of former service members and as a leading food supplier to our troops. We are incredibly thankful for our veterans and service members who play a vital role on our dynamic team.”

Richard Carlson
VP, Quality Management

Again Identified for Leading Internship Program



“We are thrilled to be ranked as having one of the 100 best internships in the country. Our goal is to provide excellent opportunities for those looking to kickstart their careers and experience firsthand what it’s like to work for an industry-leading Fortune 500 company.”

Amy Sheehan
Director, Talent Acquisition

Recognized for Our Leadership in Green Power Use



“To be recognized by the Environmental Protection Agency for our company’s continued commitment to green power implementation is an incredible honor. This award is proof of the dedication and commitment our team has made to using green power and helping decarbonize the economy.”

Mark Coffey
Group VP, Supply Chain

Released Our 17th Annual Global Impact Report



“At Hormel Foods, we firmly believe that being a successful company means more than just delivering exceptional products to consumers. It means understanding and embracing our global impact — the broader responsibility we have to the planet and society.”

Jim Snee
Chairman of the Board, President
and Chief Executive Officer

Fans of the **SPAM**[®] Brand Helped Support Maui Relief Efforts

\$160,000
DONATED TO
**ALOHA
UNITED
WAY**



When the August wildfires first broke out on the island of Maui, the team behind the **SPAM**[®] brand responded with a donation of cash and product with a retail value of more than \$1,000,000 to directly help those impacted by the devastation.

The brand team also began selling specially designed T-shirts on its website, pledging 100% of all proceeds to the Aloha United Way Maui Fire Relief Fund.

To date, shirt sales have produced \$160,000 in total proceeds.

Historic Safety Achievement

2023 was our safest year ever, thanks to our dedicated team members



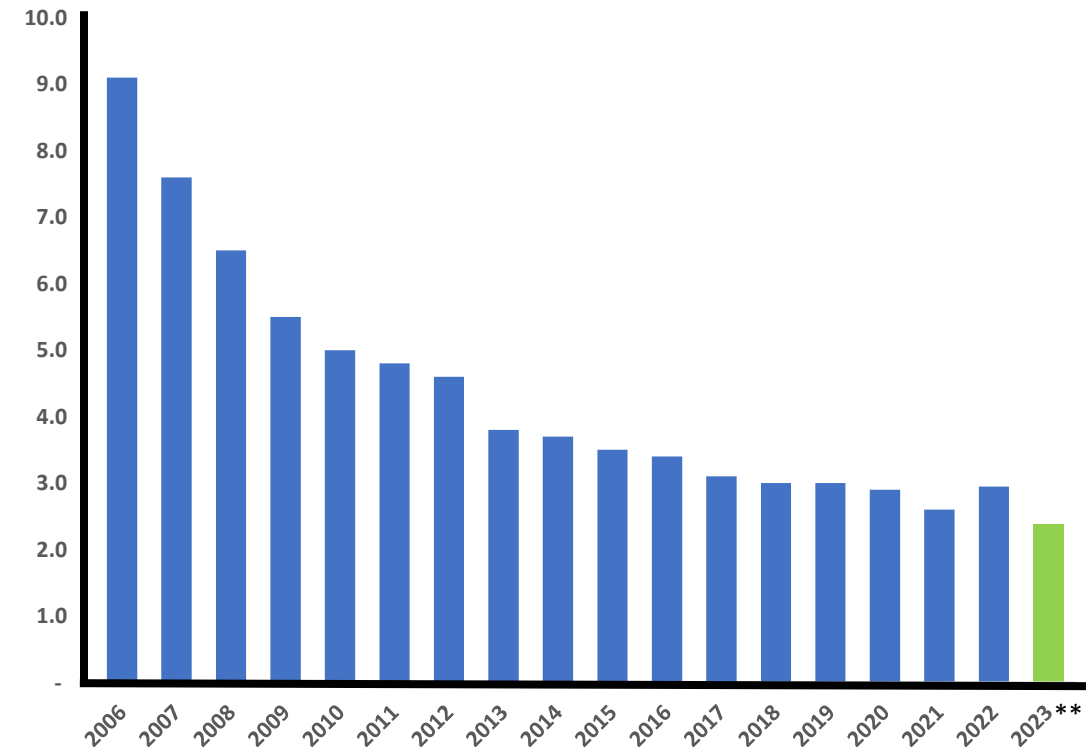
**2023 SAFETY EXCELLENCE
AWARD WINNER**



"We are pleased to announce 2023 as our safest year in company history! From Speaking Up to Creating Solutions on safety topics in our facilities, we thank all our diligent team members for the success of this year. Thank you for keeping our Safety-First culture at the forefront of our business."

Heath Garey
Corporate Manager, Health and Safety

Total Case Incident Rate for Hormel Foods *



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

**Full year fiscal 2023 data

Innovating Across Our Portfolios

Bringing exciting innovation to the marketplace and for the holiday season



The makers of the **Skippy**® brand introduce new variations of **Skippy**® P.B. Bites, all featuring Girl Scout Cookie™ inspired flavors.



Actress Francia Raísa and the makers of the **La Victoria**® brand partner to bring the **LA Mex** to consumers with **La Victoria**® salsa crafted by Francia Raísa.



Herdez® habanero hot sauce brings a hot, spicy heat and versatile taste to enhance any dish.



Hormel® **Black Label**® apple cider bacon marries America's fastest growing bacon brand with one of autumn's trendiest flavors.



Hormel Foodservice introduced **Cure 81**® pumpkin-spice ham, a limited-time offering infused with a specially formulated pumpkin-spice blend.

Fiscal 2023 Business Highlights

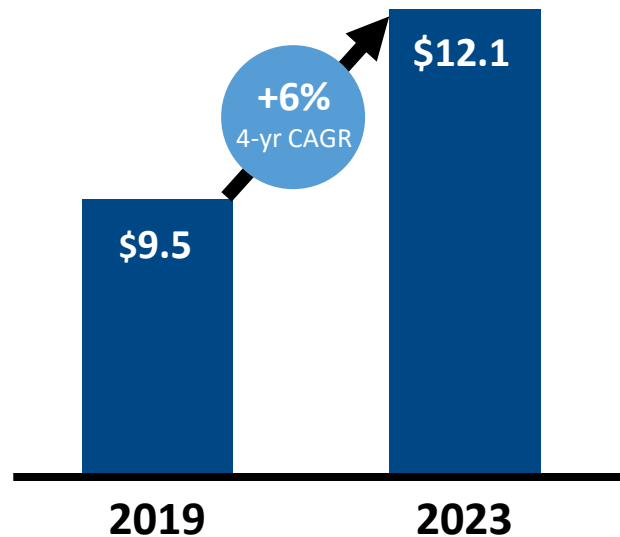
- We achieved a second consecutive year of net sales in excess of \$12 billion, continued to reinvest in leading brands, drove strong operating cash flows of \$1 billion and returned a record amount of cash to shareholders in the form of dividends.
- We continued to make progress on our evolution as a global branded food company despite challenging operating conditions.
- We announced our path to accelerate profitable growth, including a plan to deliver a projected \$250M+ in operating income growth by 2026.

Second Consecutive Year of Net Sales Exceeding \$12B

While continuing to reinvest in the growth of our leading brands

Net Sales

(in billions)



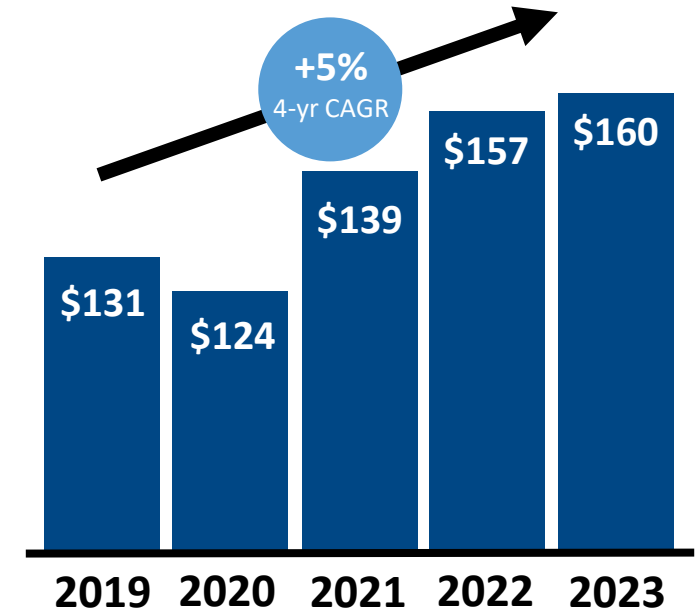
Net sales growth outpacing
our long-term key result



Brands growing net sales
in fiscal 2023*

Advertising

(in millions)



Continuing to support our brands

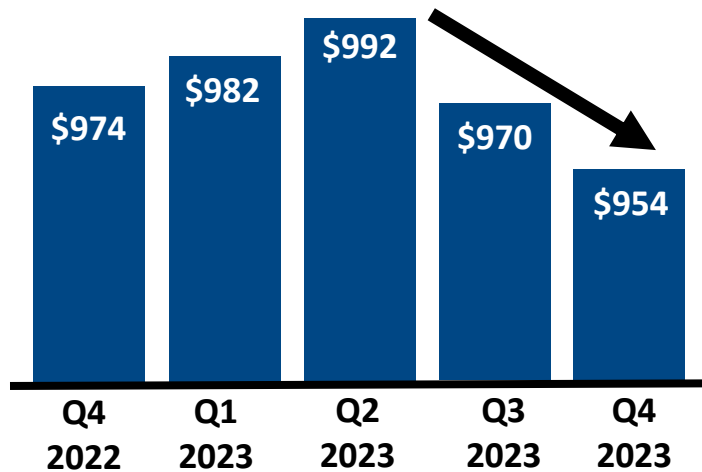


Progress Addressing Near-term Challenges

Including inventory, margins and our snack nuts business

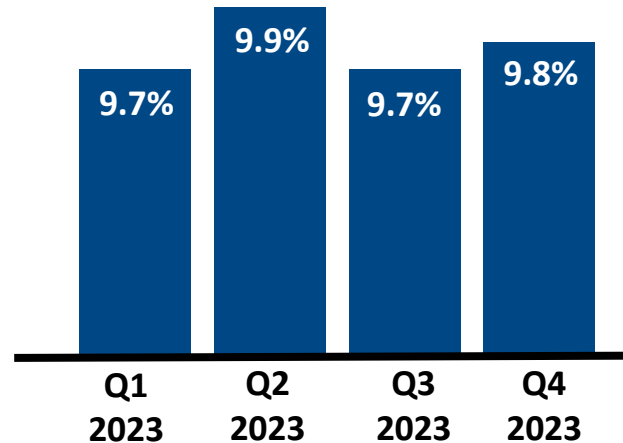
Lowering Inventory

Finished Goods Inventory (\$ millions)

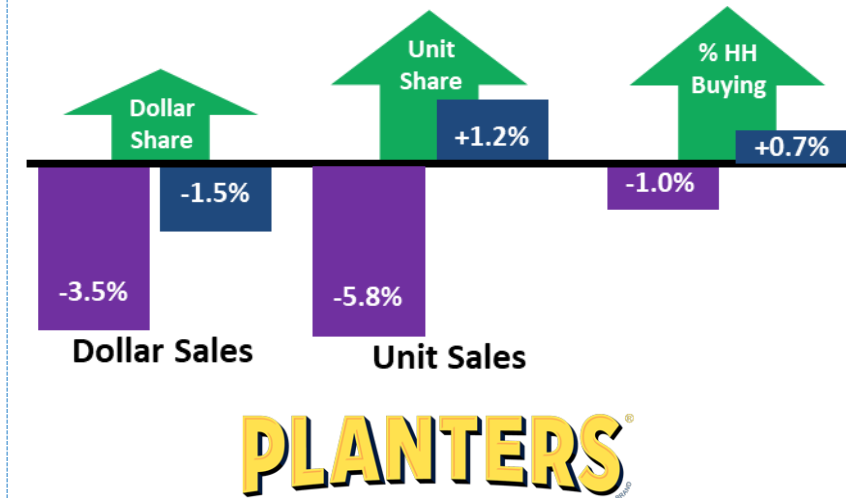


Stabilizing Margins

Adjusted Operating Margin¹



Improving the *Planters*[®] Snack Nuts Business²



PLANTERS[®]

Snack Nuts Category

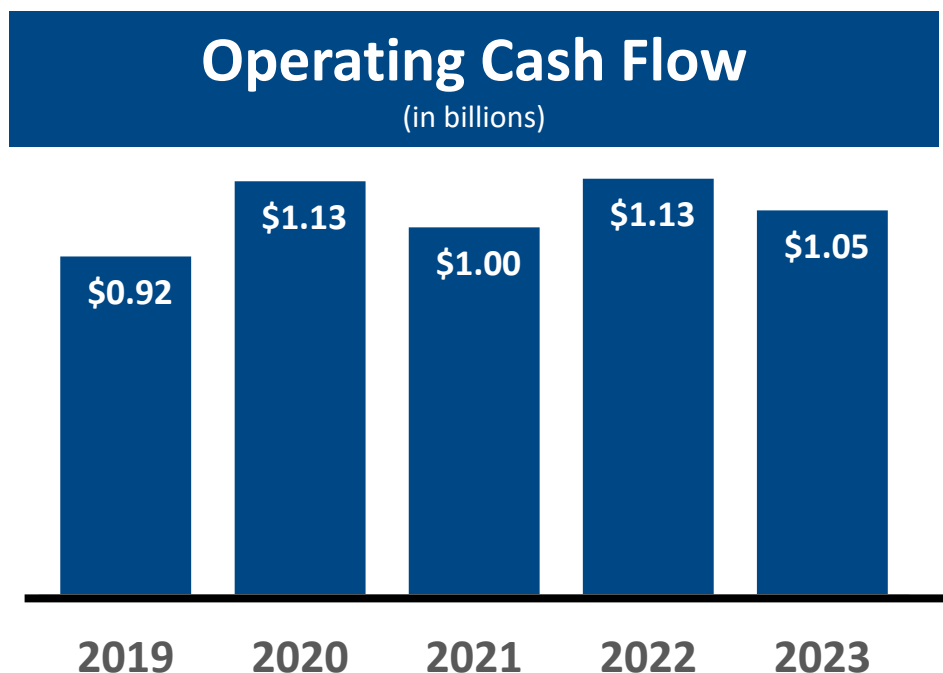
Planters[®] Snack Nuts

¹Non-GAAP financial measure. See appendix to this presentation for more information, including GAAP to non-GAAP reconciliation

²Circana Total US MULO, 13 weeks ended 11/5/2023 and Circana Panel, 13 weeks ended 11/5/2023

Continuing to Generate Strong and Consistent Cash Flow

Supporting our disciplined capital allocation strategy and shareholder commitments



Cash & Mkt Sec.

\$753M

Debt

\$3.3B

EBITDA* (LTM)

\$1.3B

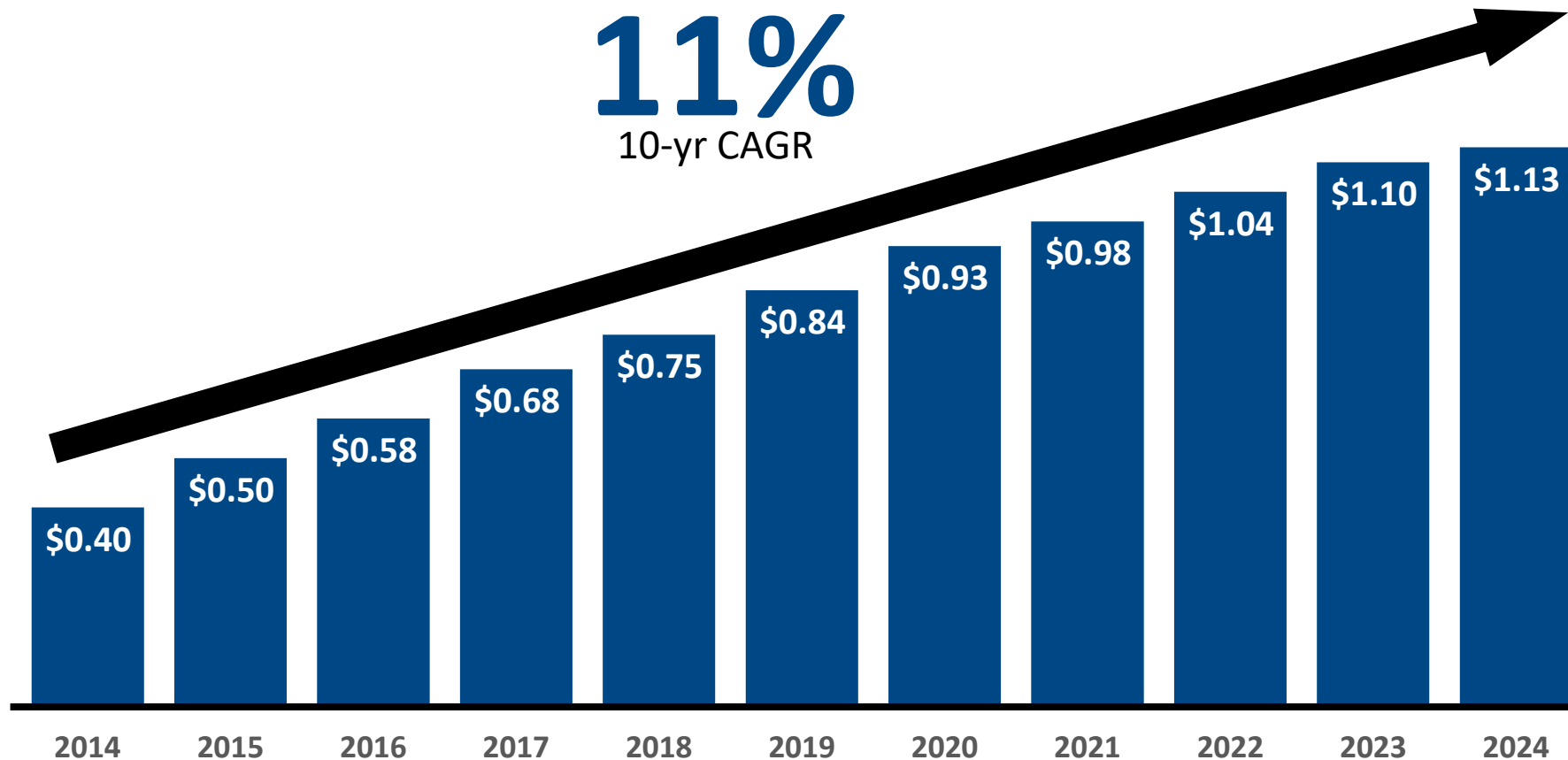
Current Net
Debt/EBITDA*

1.9x

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

Returning Cash to Shareholders

*Announced 58th consecutive increase to the annual dividend**



58

Consecutive
Years of Dividend
Increases

95+

Years of Dividend
Payments
Without Interruption

Maintain
**Dividend
Aristocrat**
Membership

Additional Fiscal 2023 Financial Disclosures

- Advertising investments were \$160 million, compared to \$157 million last year.
- The effective tax rate was 21.8%, compared to 21.7% for the previous year.
- Capital expenditures were \$270 million, compared to \$279 million last year.
During the year, the Company invested in capacity expansions for pepperoni and the **SPAM**[®] family of products.

Fourth Quarter Key Messages

- We delivered results in line with the low end of our revenue and adjusted diluted net earnings per share¹ expectations.
- We drove double-digit segment profit growth in Foodservice due to higher volumes and improved mix.
- We grew or maintained market share² for many of our leading retail brands across key categories, including **Hormel® Black Label®** raw bacon, **Planters®** snack nuts, **Jennie-O®** ground turkey, the **SPAM®** family of products and in our Mexican foods portfolio.
- We provided our fiscal 2024 outlook, expecting net sales growth and investment in transformation and modernization initiative.

¹Non-GAAP financial measure. See appendix to this presentation for more information, including GAAP to non-GAAP reconciliation

²Circana Total US MULO, 13 weeks ended 11/5/2023

Making Progress on Our Six Strategic Priorities

Drive focus and growth in our Retail business

- We grew volume and sales in the marketplace during the fourth quarter of fiscal 2023 for **Planters**® cashews and mixed nuts, **Jennie-O**® lean ground turkey, **Hormel**® **Natural Choice**® bacon, **Chi-Chi's**® salsa and **Herdez**® guacamole and taco sauce.¹



Expand leadership in foodservice

- We delivered volume growth during the fourth quarter across our premium offerings, including bacon, breakfast sausage and pizza toppings.²
- We announced another step in our GoFWD evolution, combining our customized solutions and distributor-label businesses for the powerhouse brands of Burke Corp., Dan's Prize and Sadler's Smokehouse.



Aggressively develop our global presence

- In collaboration with a leading convenience store chain in Japan, we celebrated the sale of the 50 millionth **SPAM**® musubi (grilled **SPAM**® luncheon meat, rice, edible seaweed) during fiscal 2023.²
- We continued to expand the **Skippy**® brand internationally, including capturing leading category shares in Mexico,³ and the Philippines,⁴ and increased sales in Germany.²



Execute our enterprise entertaining & snacking vision

- We gained household penetration, distribution and dollar share for the **Planters**® brand in the fourth quarter.¹
- **Hormel**® pepperoni — the No. 1 selling brand of pepperoni in the U.S. — gained significant distribution in the dollar channel during the fourth quarter.⁴



Future-fit our One Supply Chain

- In continuation of our efforts to transform our turkey business, we are converting the Barron (Wis.) Plant, which currently operates turkey harvest and value-added production lines, into a value-added facility to support growth across our broader portfolio. Harvest operations are expected to cease during the second quarter of fiscal 2024.



Continue to transform and modernize our company

- As detailed at our investor day, we are targeting \$200 million-plus in operating income growth by fiscal 2026 from our transformation and modernization initiative across the supply chain.
- We released our 17th annual Global Impact Report in September 2023.

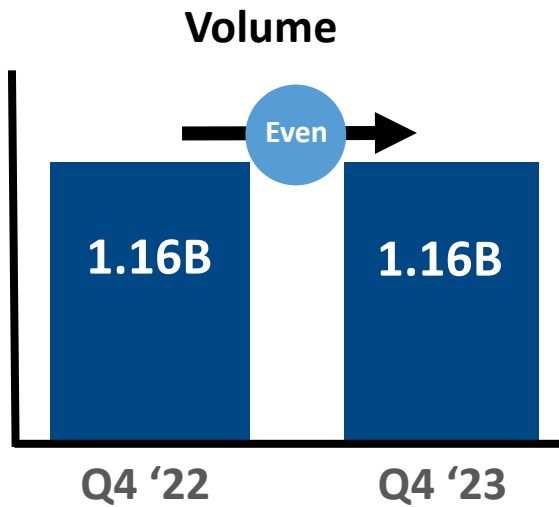


¹Circana Total US MULO, 13 weeks ended 11/5/2023; ²Internal data, ³NielsenIQ Retail Measurement, MX-Hormel-Untables-ST, Entire Dataset, YTD 10/29/2023,

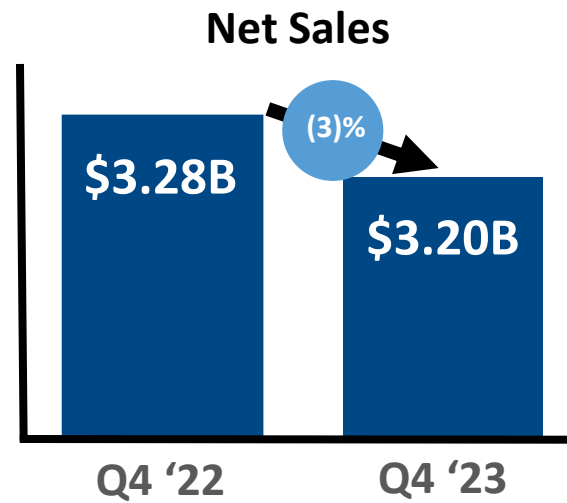
⁴Kantar, Total Channels, Total Peanut Butter, Total Philippines, 52 weeks ended 9/10/2023

Fourth Quarter Financial Metrics

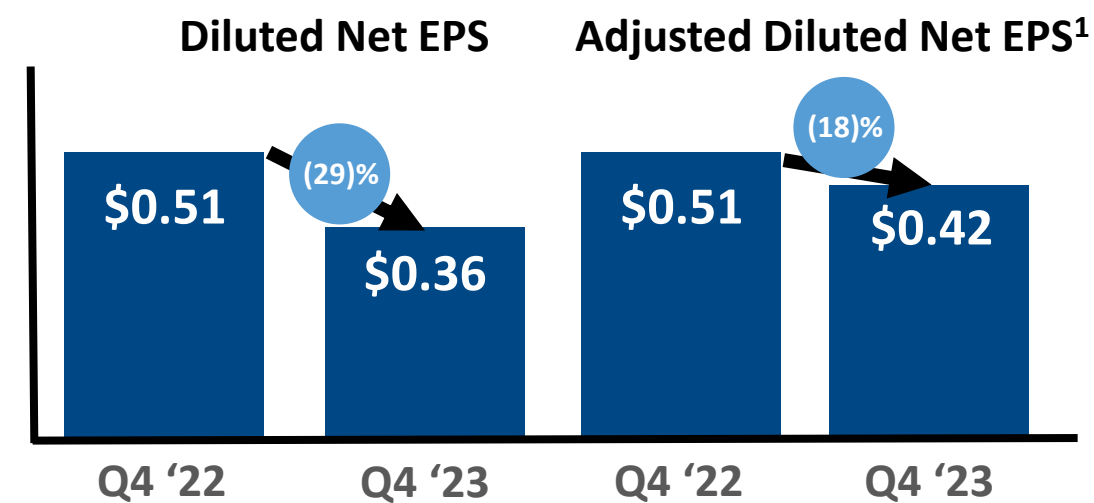
Strength in Foodservice offset by pressure in Retail and International segments



- Volume for the fourth quarter was comparable with last year, as higher turkey volumes in each segment were offset by lower Retail volumes.



- Net sales declined in the fourth quarter, as higher Foodservice segment sales and the benefit from higher turkey volumes were more than offset by lower volumes in the Retail segment and continued pressure in our International segment.



- Diluted net earnings per share declined primarily due to lower Retail and International segment results.
- Adjusted diluted net earnings per share¹ exclude the impact of impairment charges and costs associated with the transformation and modernization initiative.

Retail

Segment profit declined on lower net sales, unfavorable mix, increased brand investments

Segment Results

Retail Segment	Q4 YoY Percent Change (%)
Volume	(3)
Net Sales	(4)
Segment Profit	(40)
Adjusted Segment Profit ¹	(26)

Segment Highlights

- Volume and net sales growth from the value-added meats, emerging brands and bacon verticals was more than offset by declines in the convenient meals and proteins, and snacking and entertaining verticals.
- In addition to continued recovery across the **Jennie-O**® turkey portfolio, items such as **Applegate**® natural and organic meats, **Hormel**® **Black Label**® bacon, **Chi-Chi's**® and **La Victoria**® salsas, **Corn Nuts**® products and **Hormel**® **Square Table**™ entrees grew volume and net sales during the quarter.
- Net sales declines continued to be partially attributed to the difficult comparison from high levels of demand for **Skippy**® spreads last year.
- A noncash impairment charge of \$28 million was recorded in the fourth quarter, associated with the **Justin's**® trade name.
- Adjusted segment profit¹ declined due to lower sales, unfavorable mix and increased brand investments.



¹Non-GAAP financial measure. See appendix to this presentation for more information, including GAAP to non-GAAP reconciliation

Foodservice

Higher volumes and improved mix drove increased segment profit

Segment Results

Foodservice Segment	Q4 YoY Percent Change (%)
Volume	+5
Net Sales	+2
Segment Profit	+13

Segment Highlights

- Volume and net sales for the quarter increased, driven by a significant recovery across the **Jennie-O®** turkey portfolio and strong demand for premium bacon, pizza toppings and premium breakfast sausage.
- Brands such as **Cafe H®**, **Austin Blues®** and **Hormel® Cure 81®** also saw volume and net sales gains for the fourth quarter.
- Segment profit increased due to the contribution from higher volumes and improved mix.



International

Results impacted by softness in China, lower branded export demand

Segment Results

International Segment	Q4 YoY Percent Change (%)
Volume	+5
Net Sales	(12)
Segment Profit	(67)

Segment Highlights

- As anticipated, net sales declined as a result of lower branded export volumes and lower sales in China, primarily related to the retail business.
- Volume growth was driven by low-margin turkey and commodity fresh pork.
- Segment profit declined significantly due to continued softness in China and lower branded export demand, partially offset by the contribution from our minority investment in Garudafood.



Fiscal 2024 Outlook

Expecting net sales growth, investment in transformation and modernization initiative

Fiscal 2024 Outlook

	Fiscal 2024 Outlook	Fiscal 2023
Net Sales (in billions)	\$12.2 – \$12.5	\$12.1
Diluted Net EPS	\$1.43 – \$1.57	\$1.45
Adjusted Diluted Net EPS ⁽¹⁾	\$1.51 – \$1.65*	\$1.61
Effective Tax Rate	21.0% – 23.0%	21.8%

*Adjusted diluted net earnings per share¹ excludes the estimated impact of \$0.08 per share from one-time and nonrecurring costs associated with the Company's transformation and modernization initiative. Please see discussion of non-GAAP financial measures and a reconciliation of the Company's fiscal year 2024 guidance for estimated adjusted diluted net earnings per share¹ at the end of this presentation.



Commentary

The Company expects:

- Net sales growth of 1% to 3%, which assumes volume growth in key categories, higher brand support and innovation, a benefit from incremental pricing actions and current assumptions for raw material input costs;
- Earnings to decline in the first half of the year, due to the impact from lower turkey markets, lower volumes in the Retail segment and softness in its China business;
- Segment profit growth from all three segments in the back of the year;
- A modest benefit to net earnings from its transformation and modernization initiative.



Additional Information

David Dahlstrom

Director of Investor Relations

dwdahlstrom@hormel.com



Non-GAAP Financial Measures

- The non-GAAP financial measures of adjusted selling, general and administrative expenses as a percent of net sales, adjusted operating income, adjusted operating margin, adjusted earnings before income taxes, adjusted diluted net earnings per share, and adjusted segment profit are presented to provide investors with additional information to facilitate the comparison of past and present operations. The Company believes these non-GAAP financial measures provide useful information to investors because they are the measures used to evaluate performance on a comparable year-over-year basis. Adjusted selling, general and administrative expenses as a percent of net sales excludes the impact of an adverse arbitration ruling and certain costs associated with the transformation and modernization initiative. Adjusted operating income, adjusted operating margin, adjusted earnings before income taxes, and adjusted diluted net earnings per share exclude the impact of an adverse arbitration ruling, impairment charges associated with the **Justin's®** trade name and a corporate venturing investment, and costs associated with the transformation and modernization initiative. The tax impact was calculated using the effective tax rate for the quarter in which the expense was incurred. The non-GAAP financial measure of adjusted segment profit for the Retail segment excludes the impact of a non-cash impairment charge associated with the **Justin's®** trade name.
- The Company provides earnings before interest and taxes (EBIT) and earnings before interest, taxes, depreciation, and amortization (EBITDA) because these measures are useful to management and investors as indicators of operating strength relative to prior years and are commonly used to benchmark the Company's performance.
- Non-GAAP measures are not intended to be a substitute for 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 below show the calculations to reconcile from the GAAP measures to the non-GAAP adjusted measures

In thousands, except per share amounts	Fourth Quarter Ended				
	October 29, 2023			October 30, 2022	Non-GAAP % Change
	GAAP	Non-GAAP Adjustments	Non-GAAP	Reported GAAP	
Net Sales	\$ 3,198,079	\$ —	\$ 3,198,079	\$ 3,283,475	(2.6)
Cost of Products Sold	2,683,655	(944)	2,682,711	2,717,058	(1.3)
Gross Profit	514,425	944	515,368	566,417	(9.0)
Selling, General, and Administrative	216,546	(6,726)	209,820	206,487	1.6
Equity in Earnings of Affiliates	541	6,985	7,526	7,234	4.0
Goodwill and Intangible Impairment	28,383	(28,383)	—	—	—
Operating Income	270,037	43,038	313,074	367,164	(14.7)
Interest and Investment Income (Expense)	(5,872)	—	(5,872)	7,933	(174.0)
Interest Expense	18,360	—	18,360	17,602	4.3
Earnings Before Income Taxes	245,805	43,038	288,843	357,495	(19.2)
Provision for Income Taxes	50,322	8,822	59,145	77,484	(23.7)
Net Earnings	195,483	34,216	229,698	280,011	(18.0)
Less: Net Earnings (Loss) Attributable to Noncontrolling Interest	(452)	—	(452)	128	(454.6)
Net Earnings Attributable to Hormel Foods Corporation	\$ 195,935	\$ 34,216	\$ 230,150	\$ 279,883	(17.8)
Diluted Net Earnings Per Share	\$ 0.36	\$ 0.06	\$ 0.42	\$ 0.51	(17.2)
Operating Margin (% of Net Sales)	8.4		9.8	11.2	

In thousands, except per share amounts	Fiscal Year Ended				
	October 29, 2023			October 30, 2022	Non-GAAP % Change
	GAAP	Non-GAAP Adjustments	Non-GAAP	Reported GAAP	
Net Sales	\$ 12,110,010	\$ —	\$ 12,110,010	\$ 12,458,806	(2.8)
Cost of Products Sold	10,110,169	(944)	10,109,225	10,294,120	(1.8)
Gross Profit	1,999,841	944	2,000,785	2,164,686	(7.6)
Selling, General, and Administrative	942,167	(76,726)	865,441	879,265	(1.6)
Equity in Earnings of Affiliates	42,754	6,985	49,739	27,185	83.0
Goodwill and Intangible Impairment	28,383	(28,383)	—	—	—
Operating Income	1,072,046	113,038	1,185,083	1,312,607	(9.7)
Interest and Investment Income	14,828	—	14,828	28,012	(47.1)
Interest Expense	73,402	—	73,402	62,515	17.4
Earnings Before Income Taxes	1,013,472	113,038	1,126,509	1,278,103	(11.9)
Provision for Income Taxes	220,552	24,012	244,565	277,877	(12.0)
Net Earnings	792,920	89,026	881,945	1,000,226	(11.8)
Less: Net Earnings (Loss) Attributable to Noncontrolling Interest	(653)	—	(653)	239	(372.7)
Net Earnings Attributable to Hormel Foods Corporation	\$ 793,572	\$ 89,026	\$ 882,597	\$ 999,987	(11.7)
Diluted Net Earnings Per Share	\$ 1.45	\$ 0.16	\$ 1.61	\$ 1.82	(11.4)
Selling, General, and Administrative Expenses as a Percent of Net Sales	7.8		7.1	7.1	
Operating Margin (% of Net Sales)	8.9		9.8	10.5	

Adjusted Segment Profit

	Fourth Quarter Ended				
	October 29, 2023			October 30, 2022	
	GAAP	Non-GAAP Adjustments	Non-GAAP	Reported GAAP	Non-GAAP % Change
<i>In thousands</i>					
Segment Profit					
Retail	\$ 118,660	\$ 28,383	\$ 147,043	\$ 198,852	(26.1)
Foodservice	167,571	—	167,571	148,203	13.1
International	9,511	—	9,511	28,810	(67.0)
Total Segment Profit	295,743	28,383	324,126	375,865	(13.8)
Net Unallocated Expense	49,485	(14,655)	34,830	18,498	88.3
Noncontrolling Interest	(452)	—	(452)	128	(454.6)
Earnings Before Income Taxes	\$ 245,805	\$ 43,038	\$ 288,843	\$ 357,495	(19.2)

Net Debt/EBITDA

Net Debt

<i>In thousands</i>	October 29, 2023	October 30, 2022
Long-Term Debt Less Current Maturities	\$ 2,358,719	\$ 3,290,549
Plus: Current Maturities of Long-Term Debt	950,529	8,796
Less: Cash and Cash Equivalents	736,532	982,107
Less: Short-Term Marketable Securities	16,664	16,149
Net Debt	\$ 2,556,052	\$ 2,301,089

EBIT and EBITDA

<i>In thousands</i>	Fiscal Year Ended	
	October 29, 2023	October 30, 2022
EBIT:		
Net Earnings Attributable to Hormel Foods Corporation	\$ 793,572	\$ 999,987
Plus: Income Tax Expense	220,552	277,877
Plus: Interest Expense	73,402	62,515
Less: Interest and Investment Income	14,828	28,012
EBIT	\$ 1,072,698	\$ 1,312,367
EBITDA:		
EBIT per above	1,072,698	1,312,367
Plus: Depreciation and Amortization	253,311	235,885
EBITDA	\$ 1,326,009	\$ 1,548,252

Net Debt/EBITDA	1.9	1.5
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Fiscal 2024 Outlook

Our fiscal 2024 outlook for adjusted diluted net earnings per share is a non-GAAP financial measure that excludes, or has otherwise been adjusted for, items impacting comparability, including estimated charges associated with the transformation and modernization initiative.

The table below shows the calculations to reconcile from the estimated fiscal 2024 GAAP measure to the estimated non-GAAP adjusted measure.

	Fiscal Year	
	2024 Outlook	2023 Results
Diluted Net Earnings per Share	\$1.43 - \$1.57	\$1.45
Arbitration Ruling	—	\$0.10
Non-cash Impairment Charges	—	\$0.05
Modernization and Transformation Initiative ^(A)	\$0.08	\$0.01
Adjusted Diluted Net Earnings per Share	\$1.51 - \$1.65	\$1.61

(A) Since the strategic investments in the transformation and modernization initiative are expected to cease at the end of the investment period, are not expected to recur in the foreseeable future and are not considered representative of the Company's underlying operating performance, the Company's management believes presenting these costs as an adjustment in the non-GAAP results provides additional information to investors about trends in the Company's operations and is useful for period-over-period comparisons.