

# "Ahhh, nuts."

## First Quarter Fiscal 2024

SUPPLEMENTAL INFORMATION



SUPPORTING THE **PLANTERS®** BRAND WITH A NEW NATIONAL ADVERTISING CAMPAIGN, "AHHH, NUTS"

## ***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](http://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 diluted net earnings per share. 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. 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.

# Delivering on Our Commitments

*As a strategic business partner and responsible corporate citizen*

## Perfect Score of 100 on the Corporate Equality Index



“We are honored to receive this recognition of the work we’ve done to ensure an inclusive culture that supports all of our valued team members. We’re committed to delivering benefits and programs that support our LGBTQ+ team members and their families.” Katie Larson  
Senior VP, HR

## America’s Best Run Companies



“We’re honored to be recognized as one of America’s best-run companies. I am proud of the work that our 20,000 team members around the world do every day to create quality food for our customers, consumers and communities, but also to address critical issues such as sustainability, hunger and education.”

Jim Snee  
Chairman of the Board, President and CEO

## IFDA Distributor Choice: Strategic Partner Award



Our foodservice team was awarded the International Foodservice Distributor Association's Distributor Choice: Strategic Partner award in January 2024, which recognized our team as the most strategic partner out of more than 70 manufacturers across the foodservice landscape.

# Giving Back During the Holidays

*Supporting the communities where we live and work*

CORPORATE  
RESPONSIBILITY

Quarterly  
Supplement

## Hormel® Cure 81® Hams for Hunger®



*“Hormel Foods is proud to support hunger-relief efforts in our community locations. Our **Hormel® Cure 81® Hams for Hunger®** program has made it possible for families in need to enjoy a delicious holiday meal.”*

Katie Lynch,  
**Hormel® Cure 81®** Brand Manager

## Record-breaking Turkey Donation



*“**Jennie-O®** is honored to provide 15,000 whole turkeys to those in need. This year, we’re donating more than 5,000 to local organizations. With these donations, we hope to make the Thanksgiving season particularly memorable for thousands of families.”*

Steve Venenga,  
Assistant Vice President  
Retail Marketing – Value-Added Meats

# Executing Entertaining & Snacking Vision

*By innovating in fast-growing, higher-margin categories*

INNOVATION

Quarterly  
Supplement



## Available Now

**Justin's®** organic dark chocolate peanut butter candy pieces product provides consumers looking for alternatives to conventional chocolate candy with a clean swap for nostalgic favorites.



## Available Now

**Corn Nuts®** loaded taco flavor corn kernels product brings a bold take to a familiar flavor with notes of garlic, onion, tomato, paprika and lime.



## Launching Soon

**Skippy®** peanut butter wafer cones and peanut butter mini ball snacks marks our first branded entry into Indonesia through our partnership with Garudafood.



## Launching Soon

**Planters®** Nut Duos, our latest innovation with the potential to be a significant contributor to the snack nuts category.

# First Quarter Key Messages

- We delivered **strong results**, led by better-than-expected performance in each of our segments.
- Volume, net sales, adjusted diluted net earnings per share<sup>1</sup> and operating cash flow increased compared to prior year.
- We are **reaffirming our full-year guidance**, expecting continued growth in Foodservice, improvement in our International business, benefits from innovation in Retail, and further progress on our transformation and modernization initiative.

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

# Making Progress on Our Strategic Priorities

*To support long-term earnings growth*

## Drive Focus and Growth in our Retail Business

- Delivered volume and sales growth in the marketplace for **Skippy**<sup>®</sup> peanut butter, **Hormel**<sup>®</sup> **Square Table**<sup>™</sup> entrees, **Chi-Chi's**<sup>®</sup> salsa, **Hormel**<sup>®</sup> **Natural Choice**<sup>®</sup> bacon, **Herdez**<sup>®</sup> guacamole and **Corn Nuts**<sup>®</sup> corn kernels.<sup>1</sup>
- The **Applegate**<sup>®</sup> brand drove sales growth in many natural and organic channel categories for the quarter, including in sliced deli meats, breakfast sausage, breaded chicken, bacon and hot dogs.<sup>2</sup>



## Aggressively Develop our Global Presence

- Continued to expand export sales of **Hormel**<sup>®</sup> **Bacon 1**<sup>™</sup> cooked bacon to foodservice operators around the world, achieving rapid growth in Canada and Australia.
- We expect to launch **Skippy**<sup>®</sup> peanut butter wafer cones and **Skippy**<sup>®</sup> peanut butter mini ball snacks in Indonesia. This marks our first branded entry into Indonesia through our partnership with Garudafood.



## Expand Leadership in Foodservice

- Delivered strong volume and net sales growth, driven by categories such as premium bacon, premium prepared proteins, poultry and snacking.
- Launched three items:
  - Hormel**<sup>®</sup> **Flash 180**<sup>™</sup> sous vide-style chicken breast
  - Café H**<sup>®</sup> pork Al Pastor
  - Hormel**<sup>®</sup> ribbon pepperoni



## Execute our Enterprise Entertaining & Snacking Vision

- Net sales increased within the snacking and entertaining vertical in our Retail segment, driven by **Planters**<sup>®</sup> snack nuts, **Corn Nuts**<sup>®</sup> corn kernels and **Hormel**<sup>®</sup> pepperoni.
- The **Planters**<sup>®</sup> snack nuts business maintained positive volume and dollar share momentum,<sup>3</sup> while growing total points of distribution and households.<sup>4</sup>



<sup>1</sup>Circana Total US MULO; 13 weeks ended 1/28/2024 vs YAG; <sup>2</sup>SPINS; 12 weeks ended 1/28/2024 vs YAG; <sup>3</sup>Circana Total US MULO + Convenience; 13 weeks ended 1/28/2024 vs YAG; <sup>4</sup>Circana Panel Total US All Outlet; 13 weeks ended 1/28/24 vs YAG

# Investing for Growth

*Future-fitting our One Supply Chain and continuing to transform & modernize our Company*

## Plan

Implementing a new end-to-end planning process and integrating new planning technology.

## Buy

Realizing the benefits from our new procurement and productivity programs, with further savings expected across many categories, such as logistics and warehousing, direct supplies and indirect supplies.

## Make

Launched the Hormel Production System to standardize our ways of working across our manufacturing network.

## Move

Taking actions to optimize our refrigerated and ambient distribution networks.

## Optimize

Identified approximately 10% of the items in our portfolio to be optimized. Throughout the year, we expect to use our enhanced data and analytics capabilities to identify more opportunities to improve our portfolio.





# PLANTERS®

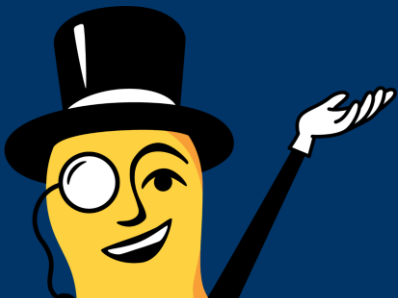
PLANTERS  
Cashews  
ROSEMARY & SEA SALT



## Brand Spotlight

FY '24 Q1





# PLANTERS<sup>®</sup>

BRAND

## STRATEGIC

- Focus on higher **ROI** promotions and business segments
- **Shifting mix** toward innovation and premium nut varieties
- Supporting the **Planters<sup>®</sup>** brand with the launch of the “Ahhh, nuts” campaign in January



## INNOVATIVE

**PLANTERS<sup>®</sup>**  
FLAVORED  
CASHEWS



**PLANTERS<sup>®</sup>**  
NUT DUOS

**CORN NUTS<sup>®</sup>**  
CORN  
KERNELS



## RELEVANT

Maintained positive volume and dollar share<sup>1</sup> momentum in our **Planters<sup>®</sup>** snack nuts business during the first quarter, along with increasing our points of distribution and household penetration

Volume Share<sup>1</sup>



Dollar Share<sup>1</sup>



Avg. Weekly Total  
Points of Distribution<sup>1</sup>

**+6%**

Household  
Penetration<sup>2</sup>





# First Quarter Highlights



Grew turkey volume in each of our segments



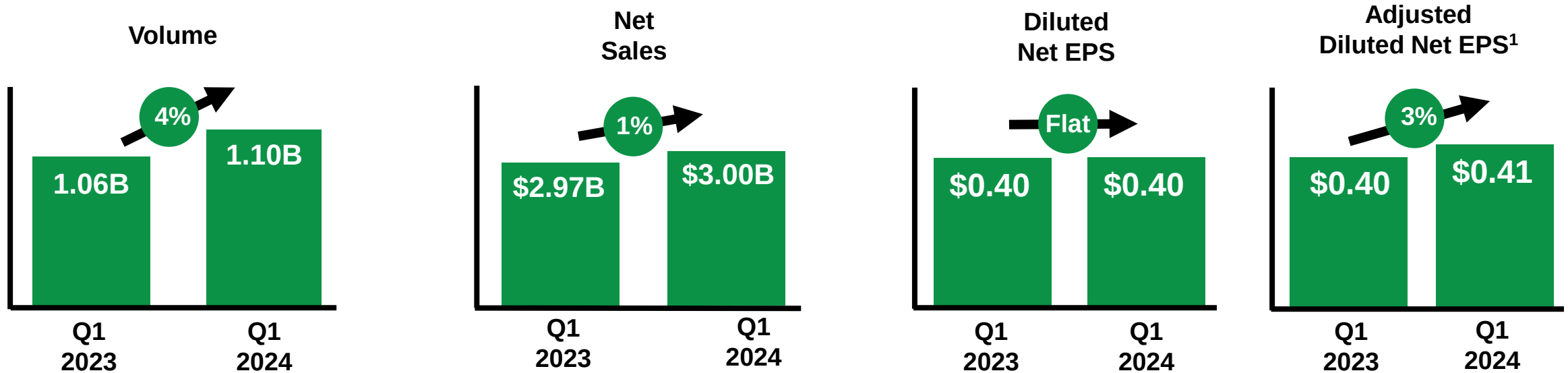
Grew retail volume and sales of **Jennie-O®** turkey items during the quarter, including above-category performance in the fresh ground turkey category<sup>1</sup>



**Jennie-O®** branded items in foodservice delivered double-digit volume and net sales growth

# First Quarter Financial Metrics

*Delivering volume, net sales and adjusted diluted net EPS<sup>1</sup> growth*



- Broad-based volume growth across our businesses reflects the strength of our leading brands, robust demand for our foodservice products and momentum in our **Planters®** snack nuts business.

- Net sales increased, led by the benefit from higher volumes in each segment and strong growth in Foodservice, more than offsetting lower sales in the Retail and International segments.

- Diluted earnings per share was comparable to last year, as the benefit from higher net sales, lower logistics expenses, and higher interest and investment income was offset by higher SG&A expenses and a higher tax rate.
- Adjusted diluted net earnings per share<sup>1</sup> excludes the impact of costs associated with the transformation and modernization initiative.

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

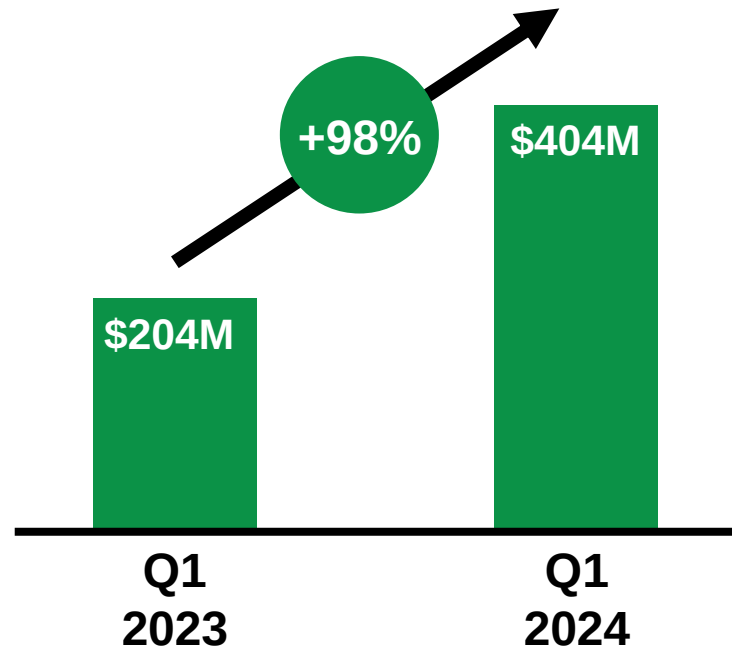
# Generating Strong Operating Cash Flow

*Significant operating cash flow improvement versus prior year*

CASH FLOW  
AND DEBT

First Quarter  
Fiscal 2024

## Operating Cash Flow



Cash & Mkt Sec.

**\$982M**

Debt

**\$3.3B**

Committed to Maintaining

**Investment-  
Grade Rating**

# Retail

*Results benefited from growth in snacking and entertaining, lower logistics expenses*

## Segment Highlights

- Demand was strong for many products, including **Skippy**® peanut butter, **Planters**® snack nuts, **Wholly**® dips, **Herdez**® salsas and sauces, **La Victoria**® salsas, **Jennie-O**® ground turkey, **Hormel**® **Square Table**™ entrees and **Hormel**® pepperoni, which each delivered volume and net sales improvement during the quarter.
  - Volume growth for the quarter was driven by the value-added meats, global flavors, emerging brands and bacon verticals. Net sales declined primarily due to lower contract manufacturing volume and lower commodity turkey pricing.
  - Segment profit declined, as the benefit from higher sales in our snacking and entertaining vertical and lower logistics expenses was more than offset by the impact from lower commodity turkey pricing and lower equity in earnings from MegaMex Foods.



| Retail Segment | Q1<br>YoY Percent Change |
|----------------|--------------------------|
| Volume         | +2%                      |
| Net Sales      | (2)%                     |
| Segment Profit | (3)%                     |

# Foodservice

*Higher net sales and favorable logistics expenses drove increased segment profit*

## Segment Highlights

- Volume and net sales growth were broad based across numerous categories, led by **Jennie-O®** turkey and double-digit gains for products such as **Hormel® Bacon 1™** cooked bacon, pepperoni, **Austin Blues®** smoked meats and **Café H®** globally inspired proteins.
- Additionally, the Company's Heritage Premium Meats group drove strong volume and double-digit net sales improvement for the quarter.
- Segment profit increased primarily due to higher sales and favorable logistics expenses.



| Foodservice Segment | Q1<br>YoY Percent Change |
|---------------------|--------------------------|
| Volume              | +8%                      |
| Net Sales           | +9%                      |
| Segment Profit      | +10%                     |

# International

*Profit growth led by partnerships in Indonesia and the Philippines*

## Segment Highlights

- Higher commodity exports led to volume gains for the quarter. Net sales declined due to lower branded export sales and lower sales in China.
  - In China, foodservice results improved as we lapped COVID-related disruption last year. This benefit was more than offset by continued weakness in the retail channel.
  - Segment profit increased due to the inclusion of our investment in Indonesia and significantly higher results from our partnership in the Philippines, which offset the impact from lower branded export demand and lower sales in China.



| International Segment | Q1<br>YoY Percent Change |
|-----------------------|--------------------------|
| Volume                | +11%                     |
| Net Sales             | (3)%                     |
| Segment Profit        | +1%                      |

# Fiscal 2024 Outlook

*Reaffirming full-year earnings guidance*

FISCAL 2024  
OUTLOOK

Quarterly  
Supplement

## Fiscal 2024 Outlook

|                                         | Outlook          |
|-----------------------------------------|------------------|
| Net Sales (billions)                    | \$12.2 – \$12.5  |
| Diluted Net EPS                         | \$1.43 – \$1.57  |
| Adjusted Diluted Net EPS <sup>(1)</sup> | \$1.51 – \$1.65* |
| Effective Tax Rate                      | 21.0% – 23.0%    |

\*Adjusted diluted net earnings per share<sup>1</sup> excludes the estimated impact of \$0.08 per share from 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 share<sup>1</sup> at the end of this presentation.



## Outlook Commentary

For fiscal year 2024, the Company is:

- **Reaffirming its net sales growth outlook of 1% to 3%**, which assumes volume growth in key categories, higher brand support and innovation, impacts from incremental pricing actions and its current assumptions for raw material input costs.
- **Reaffirming its diluted net earnings per share and adjusted diluted net earnings per share<sup>1</sup> expectations.**
  - Diluted net earnings per share and adjusted diluted net earnings per share<sup>1</sup> are expected to decline year over year in the second quarter and grow in the back half of the year.
  - The full-year outlook reflects a significant year-over-year decline in whole bird turkey markets.
- **Assuming a modest benefit to net earnings from its transformation and modernization initiative.**

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

# Selected Financial Details – Q1 and FY 2024

- **Advertising investments** were \$44 million, compared to \$47 million last year. The Company expects full-year advertising expense to increase compared to the prior year.
- The **effective tax rate** was 23.4%, compared to 22.6% last year. The Company benefited from the impact of certain discrete items and higher federal deductions last year.
- **Capital expenditures** were \$47 million, compared to \$37 million last year. The Company's target for capital expenditures in fiscal 2024 is \$280 million.
- **Depreciation and amortization** expense was \$64 million, compared to \$62 million last year. The full-year expense for fiscal 2024 is expected to be approximately \$250 million.

# Additional Information

**David Dahlstrom**

Director of Investor Relations

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## ***Non-GAAP Financial Measures***

This presentation includes measures of financial performance that are not defined by U.S. generally accepted accounting principles (GAAP). The Company utilizes these non-GAAP measures to understand and evaluate operating performance on a consistent basis. These measures may also be used when making decisions regarding resource allocation and in determining incentive compensation. The Company believes these non-GAAP financial measures provide useful information to investors because they facilitate year-over-year comparison and comparison with peer companies as well as provide additional information about trends in the Company's operations. 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 GAAP and may be different from non-GAAP measures used by other companies.

In the fourth quarter of fiscal 2023, the Company announced a multi-year transformation and modernization initiative. The strategic investments in this 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 does not believe such costs to be reflective of the ongoing operating cost structure; therefore, the Company is excluding certain discrete costs related to the transformation and modernization initiative from the non-GAAP financial measures. Expenses for this initiative are comprised primarily of nonrecurring charges for consulting fees, which are reflected in selling, general, and administrative (SG&A), and charges related to portfolio optimization, which are reflected in Cost of Products Sold. This presentation is consistent with the information the Company's management is using to evaluate performance and allocate resources and facilitates comparison of operating performance across multiple periods. 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.

Adjusted diluted net earnings per share excludes certain 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 table below shows the calculations to reconcile from the GAAP measures to the non-GAAP financial measures.*

HORMEL FOODS CORPORATION  
 RECONCILIATION OF NON-GAAP MEASURES  
 Unaudited

| <i>in thousands, except per share amounts</i>      | Quarter Ended    |                  |
|----------------------------------------------------|------------------|------------------|
|                                                    | January 28, 2024 | January 29, 2023 |
| Diluted Net Earnings Per Share (GAAP)              | \$ 0.40          | \$ 0.40          |
| Transformation and Modernization Initiative        | 0.01             | —                |
| Adjusted Diluted Net Earnings Per Share (Non-GAAP) | \$ 0.41          | \$ 0.40          |

**Forward-looking GAAP to Non-GAAP Measures**

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 calculation to reconcile from the estimated fiscal 2024 GAAP measure to the estimated non-GAAP adjusted measure.

|                                             | Fiscal 2024<br>Outlook |
|---------------------------------------------|------------------------|
| Diluted Net Earnings per Share              | \$1.43 - \$1.57        |
| Transformation and Modernization Initiative | \$0.08                 |
| Adjusted Diluted Net Earnings per Share     | \$1.51 - \$1.65        |