

Second Quarter Fiscal 2024

SUPPLEMENTAL INFORMATION



Boldly IRRESISTIBLE



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We are supporting the **Hormel**® pepperoni brand with a new national advertising campaign, "Boldly Irresistible," highlighting its versatility and cravability.

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 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.

Working Toward the Future

Supporting efforts with a long-term impact

Investment in State-of-the-Art Childcare Facility



"At Hormel Foods, we are always striving to ensure Austin and the surrounding areas are a prime destination for top talent. One of the main insights gathered from our research and from other employers in the area is the critical importance of accessible childcare options. The Inspired Beginnings Learning Academy is one of the many contributors to vibrant economic development in our community."

Angie Bissen,
Human Resource Manager

Applegate® 2025 Regenerative Beef Goal



"As pioneers of the movements surrounding organic and Applegate Humanely Raised meat, we saw a larger opportunity for regeneratively sourced meat. By working to shift our entire beef supply chain, consumers can support regenerative practices without having to forgo our organic and natural hot dogs they already love. This, in turn, will help to incentivize farmers and the industry to move regenerative agriculture practices from niche to norm."

Joseph O'Connor,
President of Applegate

Bringing On-Trend Innovation to Market

By continuing to innovate in fast-growing, higher-margin categories

Available Now



Applegate Naturals® fully cooked **Sunday Bacon®** is made with 100% natural, humanely raised pork. This fully-cooked item can be enjoyed in minutes.



Planters® salt and vinegar cashews are designed to deliver a burst of tangy flavor. The all-new cashews provide consumers with a unique and satisfying snacking experience.



Hormel® Black Label® ranch bacon begins with quality hand-cut and trimmed quality cuts of meat that are then hand-rubbed with a proprietary brine of seasonings.

Launching Soon



SPAM® Korean BBQ flavored offers a tasty new choice to satisfy loyal customers and attract new consumers with a unique and popular flavor.

Second Quarter Key Messages

- We delivered a **strong first half of the year**, with consecutive quarters of better-than-expected earnings and a significant improvement in operating cash flows.
- We made **further progress** on our strategic initiatives.
- We are **updating our full-year earnings outlook** to reflect our solid first-half performance and our expectations for continued growth from our Foodservice and International segments, ongoing improvements across our supply chain, and further benefits from our transform and modernize initiative.

Making Progress on Our Strategic Priorities

To support long-term earnings growth

Drive Focus and Growth in our Retail Business

- Delivered volume and sales growth¹ for **Planters**® snack nuts, **SPAM**® family of products, **Jennie-O**® lean ground turkey, **Applegate**® premium sliced lunch meat and **Herdez**® guacamole.
- During the first half of the year, total points of distribution increased by mid-single digits² for our flagship and rising brands.



Expand Leadership in Foodservice

- Delivered broad-based volume and net sales growth,³ led by **Hormel**® **Bacon 1**™ cooked bacon, premium prepared proteins, premium pepperoni and **Jennie-O**® turkey.
- Delivered strong growth in the convenience channel,³ led by **Planters**® flavored cashews and **Corn Nuts**® corn kernels.



Aggressively Develop our Global Presence

- Leveraged in-country operations, partnerships and innovation to support growth in key international markets.
- In China, our retail business continued to recover in the second quarter,³ with distribution gains of **SPAM**® singles, the launch of **Skippy**® spreads and innovation in our shelf-stable meat snacking portfolio.



Execute our Enterprise Entertaining & Snacking Vision

- Continued momentum in **Planters**® snack nuts business, with volume, sales and share gains for mixed nuts, cashews and **Corn Nuts**® corn kernels.¹
- Introduced **Planters**® salt and vinegar cashews, **Corn Nuts**® loaded taco-flavor corn kernels and **Hormel Gatherings**® summer-themed hard salami and pepperoni tray.



¹Circana Total US MULO; 13 weeks ended 4/21/2024 vs YAG ² Circana, POS Custom MA Model, Total US MULO; 26 weeks ended 4/21/24 vs YAG ³ Internal data.

Investing for Growth

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

Plan

Continued the implementation of a new end-to-end planning process and are integrating new planning technology.

Buy

Realized the benefits from our new procurement and productivity programs. Additionally, we are broadening the scope of our efforts outside the supply chain.

Make

Completed a major improvement project to expand capacity for our retail canned portfolio and launched project to improve capacity for **Hormel® Bacon 1™** cooked bacon.

Move

Implemented analytics across our refrigerated network to further enhance our service levels.

Optimize

Leveraged our analytics tools and capabilities to identify opportunities to enhance and support margin-profile improvements.





Official Peanut Butter
of USA Gymnastics



**Hormel
Foods**

Brand Spotlight

FY '24 Q2





GO TO YOUR SKIPPY® PLACE™

Snacking & Entertaining Innovation



Skippy® brand returns to the Canadian market with new peanut butter-inspired snacking products.



Skippy® Brand Powers Athletes



Skippy® becomes the Official Peanut Butter of USA Gymnastics.



Partnering with Pizza Professionals

Hormel® pepperoni opens first-of-its-kind online shop with help of Adam Richman.



New National Advertising Campaign

“Boldly Irresistible” is designed to cater to our consumers and their love for the spicy goodness of **Hormel®** pepperoni.



Maintaining Our Leadership through Meaningful Innovation

Hormel® ribbon pepperoni for foodservice operators.

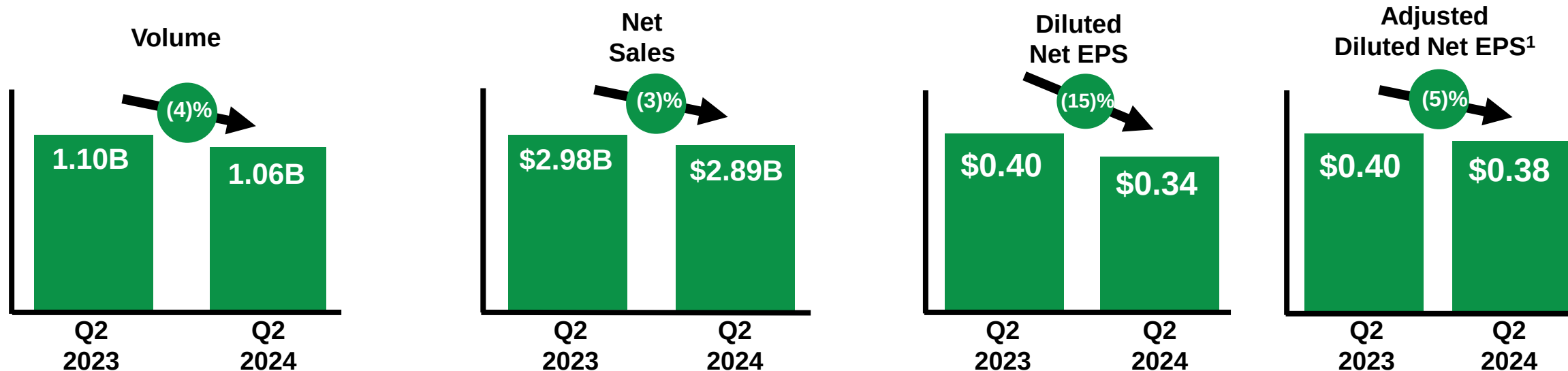


Hormel® chorizo pepperoni for retail consumers.



Second Quarter Financial Metrics

Profit growth from Foodservice and International offset by Retail decline



- Volume growth in the Foodservice segment was more than offset by lower volume in the Retail and International segments.

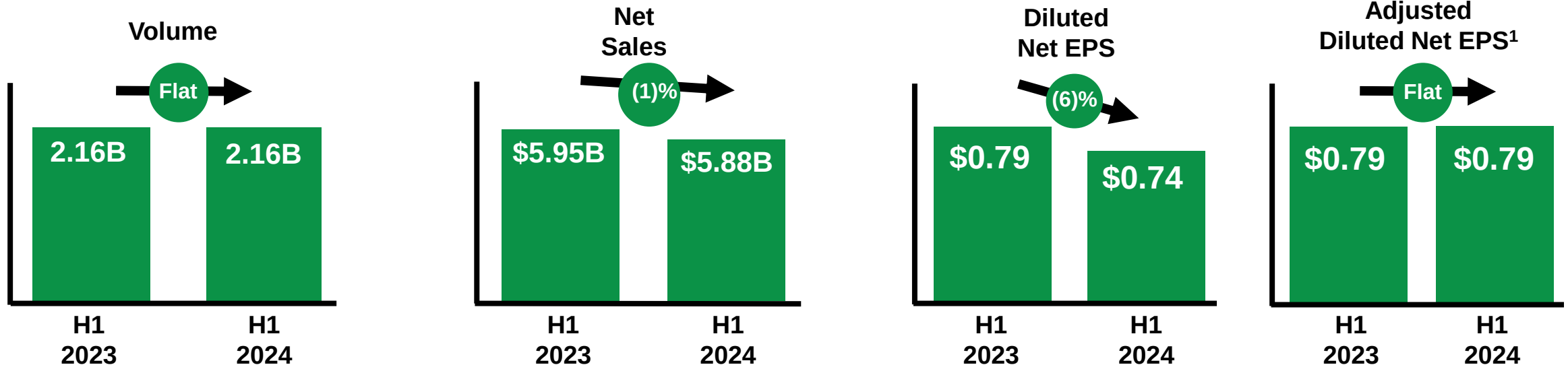
- Benefits from higher volume and net sales in the Foodservice segment were offset by lower volume and net sales in the Retail and International segments.

- Diluted net earnings per share declined, as the benefit from lower logistics expenses and higher interest and investment income was more than offset by the impact from lower net sales and higher SG&A expenses.
- Adjusted diluted net earnings per share¹ excludes the impact of expenses related to the Company's transform and modernize initiative and pork antitrust litigation settlements.

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

First-Half Financial Metrics

Delivers better-than-expected first-half earnings



- Volume growth in the Foodservice and International segments was offset by lower volume in the Retail segment.

- The benefit from improved volume in the Foodservice segment was more than offset by lower net sales in the Retail and International segments.

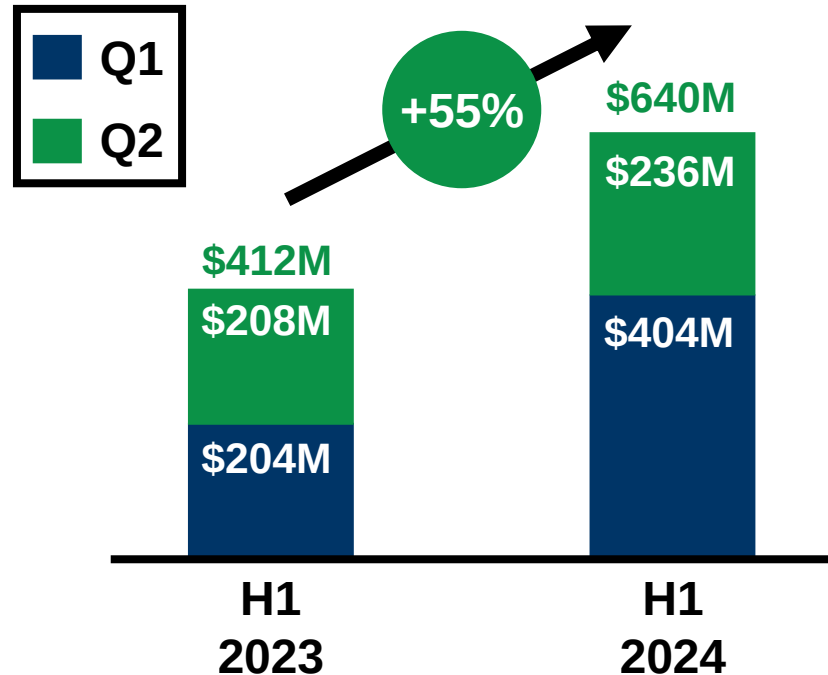
- Diluted net earnings per share declined due to the impact from lower net sales and higher SG&A expenses, which included expenses related to the Company's transform and modernize initiative and pork antitrust litigation settlements.
- Adjusted diluted net earnings per share¹ was comparable to last year and ahead of expectations heading into the year.

¹Non-GAAP 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 compared to last year

Operating Cash Flow



Cash & Mkt Sec.

\$1.5B

Debt

\$3.8B

Committed to Maintaining

**Investment-
Grade Rating**

Retail

Strategic investments supporting growth in key areas

Segment Highlights

- Net sales increased for many items, including **Hormel® Black Label®** bacon, the **SPAM®** family of products, **Applegate®** natural and organic meats, **Hormel® Square Table™** entrees and **Planters®** snack nuts. These gains were negated by a significant year-over-year volume and pricing decline for whole-bird turkeys and lower net sales in the convenient meals and proteins vertical.
- Volume growth from the bacon and emerging brands verticals was more than offset by declines in value-added meats.
- Segment profit declined due to lower sales and higher SG&A expenses, which included increased advertising investments. These factors more than offset the benefit from lower logistics expenses and supply chain improvement.



Retail Segment	Q2 YoY Percent Change	H1 YoY Percent Change
Volume	(5)%	(2)%
Net Sales	(7)%	(4)%
Segment Profit	(14)%	(8)%

Foodservice

Delivered another excellent start to the year

Segment Highlights

- Products such as **Hormel® Bacon 1™** cooked bacon, **Hormel® Fire Braised™** meats, **Austin Blues®** smoked meats, **Café H®** globally inspired proteins and **Corn Nuts®** corn kernels delivered double-digit net sales gains. Additionally, branded **Jennie-O®** turkey items delivered robust growth.
 - Volume and net sales growth were driven primarily by strength across the bacon, premium prepared proteins and turkey categories.
 - Segment profit increased due to higher sales and lower logistics expenses.



Foodservice Segment	Q2 YoY Percent Change	H1 YoY Percent Change
Volume	+3%	+5%
Net Sales	+6%	+8%
Segment Profit	+3%	+6%

International

Recovery on track, with further improvement expected in the second half

Segment Highlights

- Double-digit volume and net sales increases for **SPAM**® luncheon meat and refrigerated exports were more than offset by lower commodity export volumes and lower net sales in China.
 - Segment profit increased significantly, resulting from favorable costs in China, growth from our partnerships in the Philippines, South Korea and Indonesia, as well as growth in Brazil.

International Segment	Q2 YoY Percent Change	H1 YoY Percent Change
Volume	(7)%	+1%
Net Sales	(7)%	(5)%
Segment Profit	+71%	+29%



Fiscal 2024 Outlook

Updating full-year earnings guidance

Fiscal 2024 Outlook

	Current	Previous
Net Sales (billions)	\$12.2 – \$12.5	\$12.2 – \$12.5
Diluted Net EPS	\$1.45 – \$1.55	\$1.43 – \$1.57
Adjusted Diluted Net EPS ¹	\$1.55 – \$1.65*	\$1.51 – \$1.65*
Effective Tax Rate	22.0% – 23.0%	21.0% – 23.0%

*Adjusted diluted net earnings per share¹ excludes the estimated impact of \$0.08 per share from nonrecurring costs associated with the Company's transform and modernize initiative and approximately \$0.02 per share resulting from legal settlements. Please see discussion of non-GAAP 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.



Outlook Commentary

For fiscal year 2024, the Company is:

- **Reaffirming** its net sales growth outlook of 1% to 3%.
- **Updating** its expectations for diluted net earnings per share to \$1.45 to \$1.55 and its expectations for adjusted diluted net earnings per share¹ to \$1.55 to \$1.65.*
- **Including** net sales and earnings pressure from a significant year-over-year decline in whole bird turkey markets, as well as the estimated impact of an unplanned production interruption at its Suffolk, Virginia, facility.
- **Assuming** continued benefits to net earnings from its transform and modernize initiative.

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

Selected Financial Details – Q2 and FY 2024

- **Advertising investments** were \$44 million, compared to \$35 million last year. The Company expects full-year advertising expense to increase compared to the prior year.
- The **effective tax rate** was 22.5%, compared to 22.1% last year. The Company benefited from the impact of higher federal deductions last year.
- **Capital expenditures** were \$60 million, compared to \$54 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

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Non-GAAP 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 measures provide useful information to investors because they aid analysis and understanding of the Company's results and business trends relative to past performance and the Company's competitors. 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.

Transform and Modernize Initiative

In the fourth quarter of fiscal 2023, the Company announced a multi-year transform and modernize initiative. In presenting non-GAAP measures, the Company adjusts for (i.e., excludes) expenses for this initiative that are non-recurring, comprised primarily of project-based external consulting fees and asset write-offs related to portfolio optimization (i.e., reducing the complexity and optimizing the assortment of the product portfolio). The Company believes the non-recurring costs are not reflective of the Company's ongoing operating cost structure; therefore, the Company is excluding these discrete costs. The Company does not adjust for (i.e., does not exclude) certain costs related to the transform and modernize initiative that are expected to continue after the project ends, such as software license fees and internal employee expenses, because those costs are considered ongoing in nature as a component of normal operating costs.

Pork Antitrust Litigation Settlements

In the second quarter of fiscal 2024, the Company agreed to settle with three classes of plaintiffs in the pork antitrust litigation. These settlement amounts are not indicative of the Company's core operating performance, do not reflect expected future operating costs, and may not be meaningful when comparing the Company's operating performance against that of prior periods.

The subsequent tables show the calculations to reconcile from the GAAP measures to the non-GAAP measures. The tax impacts were calculated using the effective tax rate for the quarter in which the expenses were incurred.

The table below shows the calculations to reconcile from the GAAP measures to the non-GAAP measures.

	Quarter Ended		Six Months Ended	
	April 28, 2024	April 30, 2023	April 28, 2024	April 30, 2023
Diluted Net Earnings Per Share (GAAP)	\$ 0.34	\$ 0.40	\$ 0.74	\$ 0.79
Transform and Modernize Initiative ⁽¹⁾	0.02	—	0.03	—
Pork Antitrust Litigation Settlements ⁽²⁾	0.02	—	0.02	—
Adjusted Diluted Net Earnings Per Share (Non-GAAP)	<u>\$ 0.38</u>	<u>\$ 0.40</u>	<u>\$ 0.79</u>	<u>\$ 0.79</u>

(1) Comprised primarily of asset write-offs related to portfolio optimization and project-based external consulting fees (2) Settlements for pork antitrust litigation.

Forward-looking GAAP to Non-GAAP Measures

Our fiscal 2024 outlook for adjusted diluted net earnings per share is a non-GAAP measure that excludes, or has otherwise been adjusted for, items impacting comparability, including estimated charges associated with the transform and modernize 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 Outlook
Diluted Net Earnings per Share (GAAP)	\$1.45 - \$1.55
Transform and Modernize Initiative ⁽¹⁾	\$0.08
Pork Antitrust Litigation Settlements ⁽²⁾	\$0.02
Adjusted Diluted Net Earnings per Share (Non-GAAP)	\$1.55 - \$1.65

(1) Comprised primarily of asset write-offs related to portfolio optimization and project-based external consulting fees (2) Settlements for pork antitrust litigation.