



**Third Quarter  
Fiscal 2024**  
SUPPLEMENTAL INFORMATION



In June, *Applegate*® Introduced the First Nationally Available Organic Pepperoni



## ***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; the risk of disruption of operations, including at owned facilities, comanufacturers, suppliers, logistics providers, customers, or other third-party service providers; risk related to the remediation of production disruptions at the Suffolk, Virginia, facility; the risk that the Company will fail to realize anticipated cost savings or operating efficiencies associated with strategic initiatives, including the transform and modernize initiative; risk of loss of a material contract; risk of the Company’s inability to protect information technology systems against, or effectively respond to, cyber attacks against it or others with whom it does business, security breaches or other IT interruptions; deterioration of labor relations or labor availability or increases to labor costs; general risks of the food industry, including food contamination or 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; risks related to the Company’s ability to respond to changing consumer preferences and the success of innovation and marketing investments; damage to the Company’s reputation or brand image; risks associated with 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; risks and uncertainties associated with intangible assets, including any future goodwill or intangible assets impairment charges; and risks arising from the Company’s foreign operations, including geopolitical risk, exchange rate risk, and risks associated with tariffs. 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 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.

# Hormel Releases 18<sup>th</sup> Global Impact Report

GLOBAL  
IMPACT  
REPORT

Quarterly  
Supplement

*Showcases meaningful advancement of its environmental & social impact goals*

## - 2023 Highlights -



[hormelfoods.com/global-impact](https://hormelfoods.com/global-impact)

# Innovating in Key Categories

*Capturing new consumers through branded innovation*

INNOVATION

Quarterly Supplement

## Recent Branded Innovation - Available Now



**Applegate®** Organic Uncured Turkey Pepperoni and Organic Uncured Pork & Beef Pepperoni



**House of Tsang®** General Tso's Chicken, Beef Teriyaki, and Spicy Ginger Chicken



**Wholly®** Guacamole Extra Chunky Restaurant Style



**Hormel®** Golden Salted Egg Yolk Snackable Sausage

# Third Quarter Key Messages

- We delivered **solid third-quarter results** with **earnings above expectations**.
- We made further **progress** on our strategic initiatives, including delivering growing benefits from our transform and modernize initiative.
- We are **narrowing** our full-year earnings outlook to reflect our confidence in the business.

# Executing Our Business Strategy

*Supporting the strategic priorities that drive our results*

BUSINESS  
HIGHLIGHTS

Third Quarter  
Fiscal 2024

## Drive Focus and Growth in our Retail Business

- We grew volume and dollar sales<sup>1,2</sup> for many products during the quarter, including **Skippy**<sup>®</sup> peanut butter, **Jennie-O**<sup>®</sup> lean ground turkey, **Applegate**<sup>®</sup> natural and organic meats, **Wholly**<sup>®</sup> and **Herdez**<sup>®</sup> guacamole, **Lloyd's**<sup>®</sup> barbecue items and **Corn Nuts**<sup>®</sup> corn kernels.
- We introduced **SPAM**<sup>®</sup> Korean BBQ Flavored, the brand's 12th permanent variety. It is aimed at loyal **SPAM**<sup>®</sup> fans and the next generation of consumers.

## Expand Leadership in Foodservice

- We again delivered a strong quarter of volume and net sales growth led in part by **Hormel**<sup>®</sup> **Bacon 1**<sup>™</sup> cooked bacon, premium prepared proteins and **Jennie-O**<sup>®</sup> turkey items.
- Premium prepared proteins continue to offer solutions-based options to our operators. Our newest items - **Hormel**<sup>®</sup> **Flash 180**<sup>™</sup> sous vide-style chicken breast and **Hormel**<sup>®</sup> **Fire Braised**<sup>™</sup> loin back ribs – contributed growth this quarter.

## Aggressively Develop our Global Presence

- Launched new snacking innovation in China, supporting our retail recovery.
- We expanded distribution in the South Korean market through **Skippy**<sup>®</sup> product offerings.
- **SPAM**<sup>®</sup> luncheon meat delivered a second consecutive quarter of double-digit top-line growth<sup>4</sup> with strong shipments to Canada, Southeast Asia and Japan.

## Execute our Enterprise Entertaining & Snacking Vision

- We launched the **Planters**<sup>®</sup> Nut Duos Duo-licious advertising campaign and this new product offering is attracting younger consumers to the snack nuts category.<sup>3</sup>
- We grew household penetration<sup>3</sup> for **Hormel**<sup>®</sup> pepperoni, America's No. 1 pepperoni brand,<sup>2</sup> reflecting its continued relevance to consumers.



<sup>1</sup>Circana Total US MULO; 13 weeks ended 7/14/2024 vs YAG; <sup>2</sup>SPINS Satori, Total US Natural; 12 weeks ended 7/14/2024 vs YAG.; <sup>3</sup>Circana, Receipt Panel, Total Omnichannel; 13 weeks ended 7/14/24.; <sup>4</sup>Internal data.

# Driving Company-wide Efficiencies

*Further progress on our transform & modernize initiative*

## Plan

*Continued to implement our new end-to-end planning process and improve our inventory management practices.*



## Make

*Continued to generate improved operational results in our manufacturing facilities, unlocking production capacity and generating cost savings across our network.*





# Brand Spotlight

FY '24 Q3





# SPAM<sup>®</sup>

BRAND



**SPAM<sup>®</sup> Korean BBQ Flavor Launched in Q3, SPAM<sup>®</sup>'s 12<sup>th</sup> Permanent Variety**



**The Makers of the SPAM<sup>®</sup> Brand Unwrap Limited-Edition SPAM<sup>®</sup> Musubi Day Merch Collection Benefiting Maui**

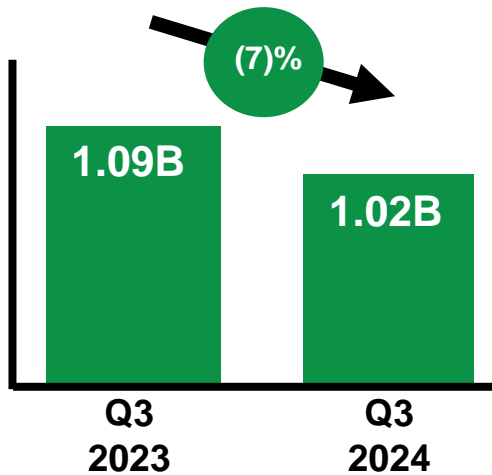


**Showcasing the Joy of A SPAM<sup>®</sup> Musubi, A New SPAM<sup>®</sup> Brand Campaign Went Live In July Across Japan**

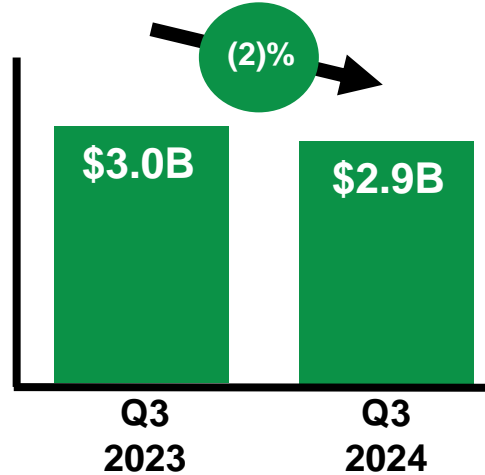
# Third Quarter Financial Metrics

*Delivering better-than-expected earnings*

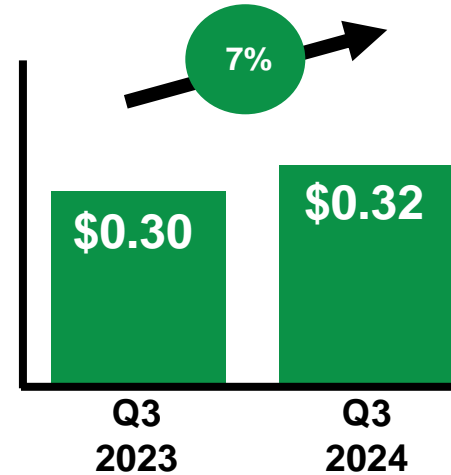
Volume (lbs)



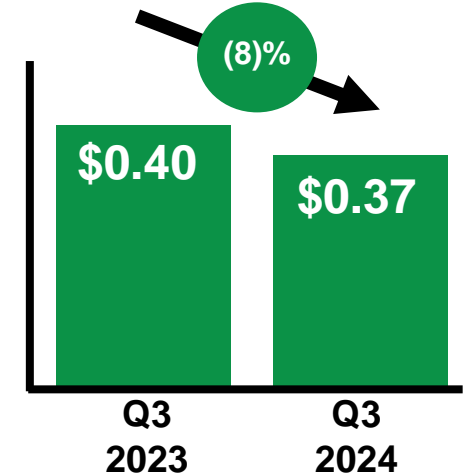
Net Sales



Diluted Net EPS



Adjusted Diluted Net EPS<sup>1</sup>



- Volume growth in Foodservice was more than offset by volume declines in our International and Retail segments.

- Net sales growth in Foodservice was more than offset by declines in our Retail and International segments.

- Diluted net earnings per share increased YoY, benefitted in part by the lapping of an unfavorable arbitration ruling.
- Adjusted diluted net earnings per share<sup>1</sup> excludes the impact of expenses related to our transform and modernize initiative and litigation settlements.

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

# Retail

*Multiple key brands outperform marketplace*

## Segment Highlights

- Volume and net sales declined, primarily due to significant year-over-year volume and pricing declines for whole bird turkeys, lower sales of **Planters**® snack nuts resulting from production disruptions at the Suffolk, Virginia, facility, and lower center-store and contract manufacturing volumes.
  - Partially offsetting these declines were net sales growth for many key brands, including **Hormel**® **Black Label**® bacon, **Applegate**® natural and organic meats, **Jennie-O**® ground turkey, **Skippy**® peanut butter, **Wholly**® guacamole, **Herdez**® salsas and sauces, and **Hormel**® **Square Table**™ entrees.
  - Segment profit declined, as the benefit from lower logistics expenses and savings from the transform and modernize initiative were more than offset by the impact of lower net sales.



Retail Segment	Q3 YoY Percent Change
Volume	(9)%
Net Sales	(7)%
Segment Profit	(15)%

# Foodservice

*Top-line growth despite industry softness*

## Segment Highlights

- Volume and net sales growth were driven primarily by strong performance across the turkey, premium prepared proteins, bacon and pepperoni categories.
  - Notable products such as **Hormel® Fire Braised™** meats, **Hormel® Bacon 1™** cooked bacon, **Café H®** globally inspired proteins and **Rosa Grande®** premium pepperoni delivered strong volume and net sales growth. Growth from branded **Jennie-O®** turkey items continued to benefit top-line results.
  - Segment profit decreased as higher sales were more than offset by higher SG&A expenses.



Foodservice Segment	Q3 YoY Percent Change
Volume	+2%
Net Sales	+7%
Segment Profit	(3)%

# International

*Recovery on track with significant profitability improvements*

## Segment Highlights

- Robust volume and net sales growth for **SPAM**<sup>®</sup> luncheon meat, refrigerated foodservice exports, and **Skippy**<sup>®</sup> peanut butter exports were more than offset by the difficult comparison in the prior year to significantly higher export volumes of low-margin commodity fresh pork and turkey.
- Segment profit increased significantly, driven by improved export margins, growth from our investments in the Philippines and Indonesia, and favorable costs in China.

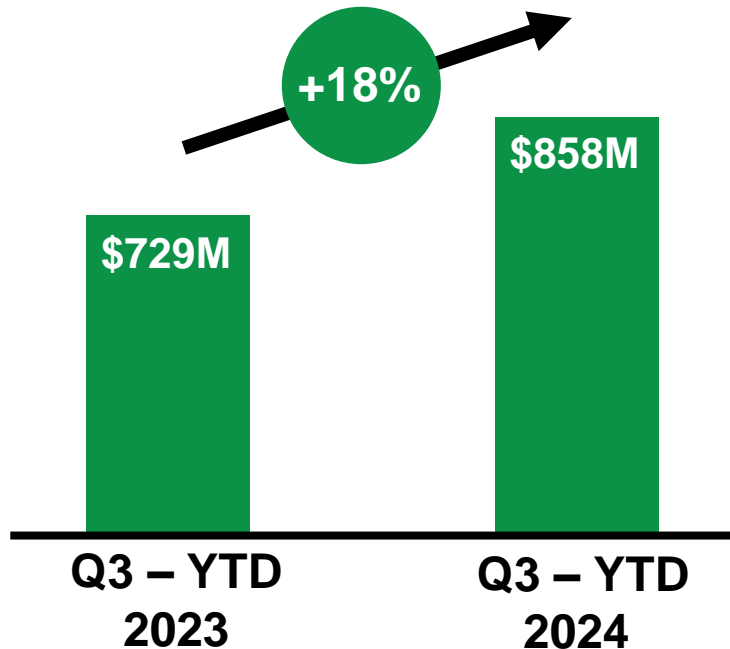


International Segment	Q3 YoY Percent Change
Volume	(13)%
Net Sales	(2)%
Segment Profit	+78%

# Generating Strong Operating Cash Flow

*Supporting our disciplined capital allocation strategy and shareholder commitments*

## Operating Cash Flow



Cash & Mkt Sec.

**\$562M**

Debt

**\$2.9B**

Committed to Maintaining

**Investment-  
Grade Rating**

# Returning Cash to Stockholders

*Consistently growing dividends for our investors*

DIVIDEND  
PAYMENT

Third Quarter  
Fiscal 2024

## \$155M

Returned to  
Stockholders  
in Q3

## 58

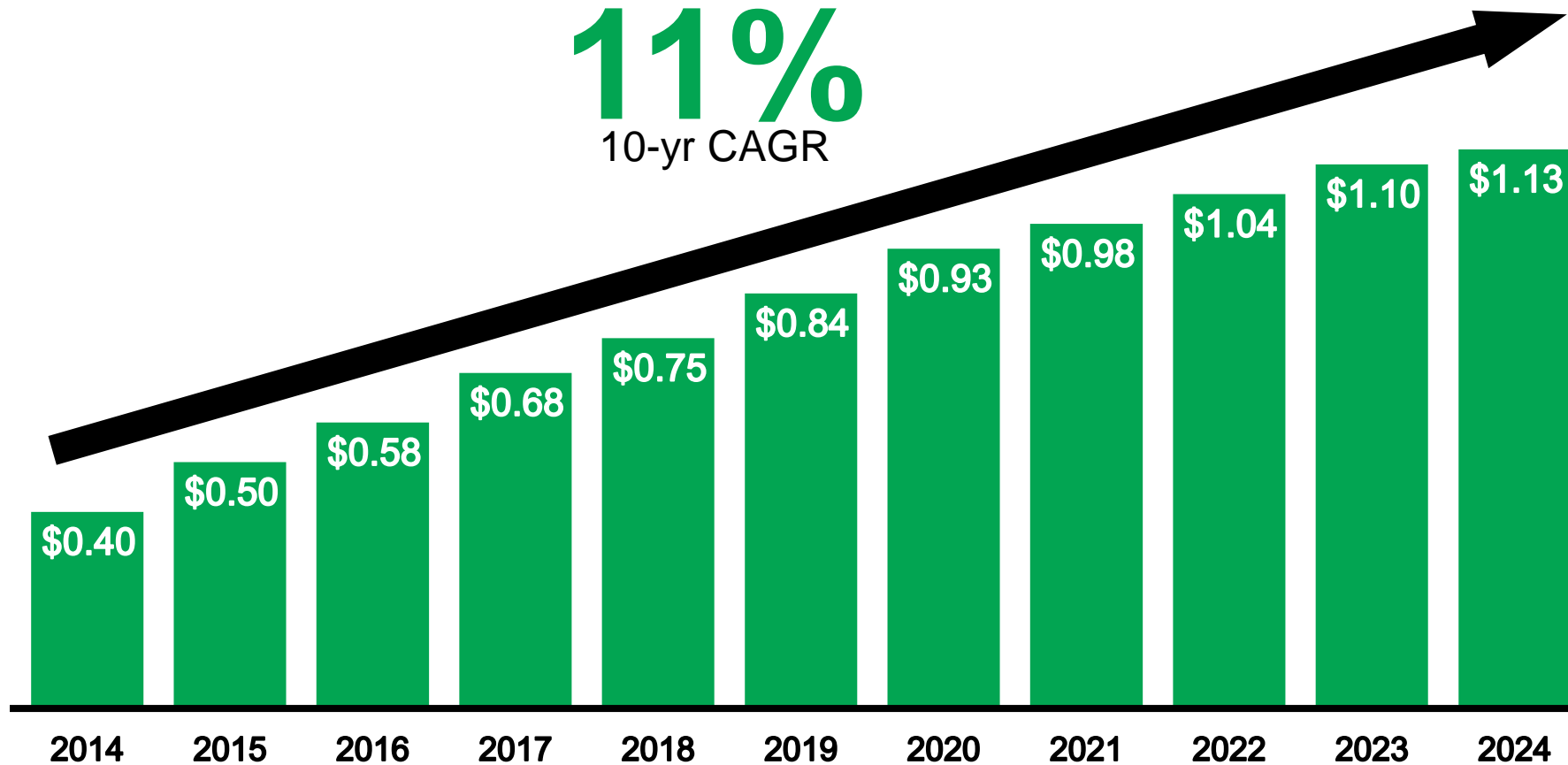
Consecutive  
Years of Dividend  
Increases

## 96

Years of Consecutive  
Dividend Payments

## 11%

10-yr CAGR



# Selected Financial Details – Q3 and FY 2024

- **Advertising investments** were \$40 million, compared to \$43 million last year. The decline is partially due to lower support for the *Planters*<sup>®</sup> brand due to production disruptions at the Suffolk, Virginia, facility. The Company expects full-year advertising expense to increase compared to the prior year.
- The **effective tax rate** was 21.7%, even with last year. The effective tax rate for fiscal 2024 is expected to be between 22.0% and 23.0%.
- **Capital expenditures** were \$65 million, compared to \$78 million last year. The Company's target for capital expenditures in fiscal 2024 is \$280 million.
- **Depreciation and amortization** expense was \$64 million, even with last year. The full-year expense for fiscal 2024 is expected to be approximately \$250 million.



# Fiscal 2024 Outlook

Updating full-year earnings guidance

FISCAL 2024  
OUTLOOK

Quarterly  
Supplement

## Fiscal 2024 Outlook

	Current	Previous
Net Sales (billions)	\$11.8 – \$12.1	\$12.2 – \$12.5
Diluted Net EPS	\$1.45 – \$1.51	\$1.45 – \$1.55
Adjusted Diluted Net EPS <sup>1</sup>	\$1.57 – \$1.63 <sup>2</sup>	\$1.55 – \$1.65 <sup>3</sup>
Effective Tax Rate	22.0% – 23.0%	22.0% – 23.0%

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

<sup>2</sup>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 transform and modernize initiative and approximately \$0.04 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 share<sup>1</sup> at the end of this presentation.

<sup>3</sup>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 transform and modernize initiative and approximately \$0.02 per share resulting from legal settlements. Please see the Q2 discussion of non-GAAP 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 the Q2 FY24 Earnings Supplement.

## Outlook Commentary

For fiscal year 2024, the Company is:

- **Updating** its net sales range expectations to \$11.8 billion to \$12.1 billion, reflecting lower-than-expected commodity markets, production disruptions at its Suffolk, Virginia, facility, and declines in its contract manufacturing business.
- **Narrowing** its expectations for diluted net earnings per share to \$1.45 to \$1.51 and its expectations for adjusted diluted net earnings per share<sup>1</sup> to \$1.57 to \$1.63.<sup>2</sup>
- **Including** an updated estimate of \$0.06 per share impact related to production disruptions at its Suffolk, Virginia, facility. Furthermore, the Company is assessing the financial impact related to storm damage at its Papillion, Nebraska, facility.
- **Assuming** continued benefits to net earnings from its transform and modernize initiative.

# 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 calculated 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 that non-recurring costs associated with the transform and modernize initiative 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.

### **Legal Matters**

From time to time, the Company incurs expenses related to discrete legal matters that the Company believes 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 Company adjusts for (i.e., excludes) these expenses.

*Litigation Settlements* - In the second and third quarters of fiscal 2024, the Company entered into settlement agreements with certain plaintiffs in its pending antitrust litigation.

*Arbitration Ruling* - In the third quarter of fiscal 2023, the Company received an unexpected, unfavorable arbitration ruling involving an isolated commercial dispute with a third party.



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

	Quarter Ended		Nine Months Ended	
	July 28, 2024	July 30, 2023	July 28, 2024	July 30, 2023
Diluted Net Earnings Per Share (GAAP)	\$ 0.32	\$ 0.30	\$ 1.07	\$ 1.09
Transform and Modernize Initiative <sup>(1)(2)</sup>	0.02	—	0.05	—
Pork Antitrust Litigation Settlements	—	—	0.02	—
Red Meat Wages Antitrust Litigation Settlement	0.02	—	0.02	—
Poultry Wages Antitrust Litigation Settlement	—	—	—	—
Arbitration Ruling	—	0.10	—	0.10
Adjusted Diluted Net Earnings Per Share (Non-GAAP)	\$ 0.37	\$ 0.40	\$ 1.16	\$ 1.19

(1) Comprised primarily of asset write-offs related to portfolio optimization and project-based external consulting fees

(2) Comprised primarily of project-based external consulting fees.



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

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

	<b>Fiscal 2024 Outlook</b>
Diluted Net Earnings per Share (GAAP)	\$1.45 - \$1.51
Transform and Modernize Initiative	\$0.08
Litigation Settlements	\$0.04
Adjusted Diluted Net Earnings per Share (Non-GAAP)	<u>\$1.57 - \$1.63</u>