

**Fourth Quarter
Fiscal 2024**
Supplemental Slides



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; risks and uncertainties associated with intangible assets, including any future goodwill or intangible assets impairment charges; the risk of disruption of operations, including at owned facilities, co-manufacturers, suppliers, logistics providers, customers, or other third-party service providers; the risk that the Company may fail to realize anticipated cost savings or operating profit improvements associated with strategic initiatives, including the Transform and Modernize initiative; risk of loss of a significant contract or unfavorable changes in the Company’s relationships with significant customers; risk of the Company’s inability to protect information technology systems against, or effectively respond to, cyber attacks, security breaches or other IT interruptions, against or involving the Company’s IT systems or those of others with whom it does business; risk of the Company’s failure to timely replace legacy technologies; deterioration of labor relations or labor availability or increases to labor costs; general risks of the food industry, including those related to food safety, such as costs resulting from food contamination, product recalls, the remediation of food safety events at its facilities, including the production disruption at the Suffolk, Virginia, facility, 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, including due to private label products and lower-priced alternatives; risks related to the Company’s ability to respond to changing consumer preferences, diets and eating patterns, 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; and risks arising from the Company’s foreign operations, including geopolitical risk, exchange rate risk, legal, tax, and regulatory 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 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 organic net sales, adjusted operating income, adjusted diluted net earnings per share, and earnings before interest, taxes, depreciation, and amortization (EBITDA). 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.

Today's Speakers



Jim Snee

Chairman of the Board,
President and CEO



Jacinth Smiley

Executive Vice President
and CFO



Nathan Annis

Vice President,
Corporate Development

Part 1:

Fourth Quarter and Full Fiscal 2024 Earnings and 2025 Outlook Recap

Our Results



CEO Remarks



Fiscal 2024 business highlights

Demonstrated solid strategic execution, the power of the company's portfolio and the resilience of the team

Retail

- Strong growth for many flagship and rising brands¹
- Meaningful, consumer-centric innovation launches
- Strategically increased advertising investments

Foodservice

- +6% net sales growth
- Value from powerful direct selling team
- Launched quality, innovative solutions

International

- Strong branded exports for the **SPAM**[®] family of products and **Skippy**[®] peanut butter
- Growth from investments in Philippines and Indonesia
- Solid recovery of China business

- Delivered adjusted diluted EPS² in line with guidance
- Significant progress on Transform and Modernize initiative
- Record operating cash flow and dividend payments

¹Circana, Receipt Panel, Total Omnichannel; 52 weeks ended 10/06/24

²Non-GAAP measure. See appendix to this presentation for more information, including GAAP to non-GAAP reconciliation.

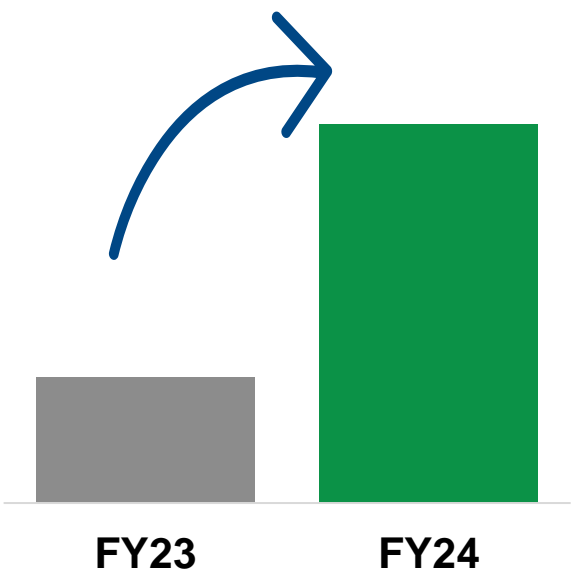
Meaningful innovation driving results

Understanding consumer and operator needs to deliver effective solutions



Net sales
from innovation¹

+140bps

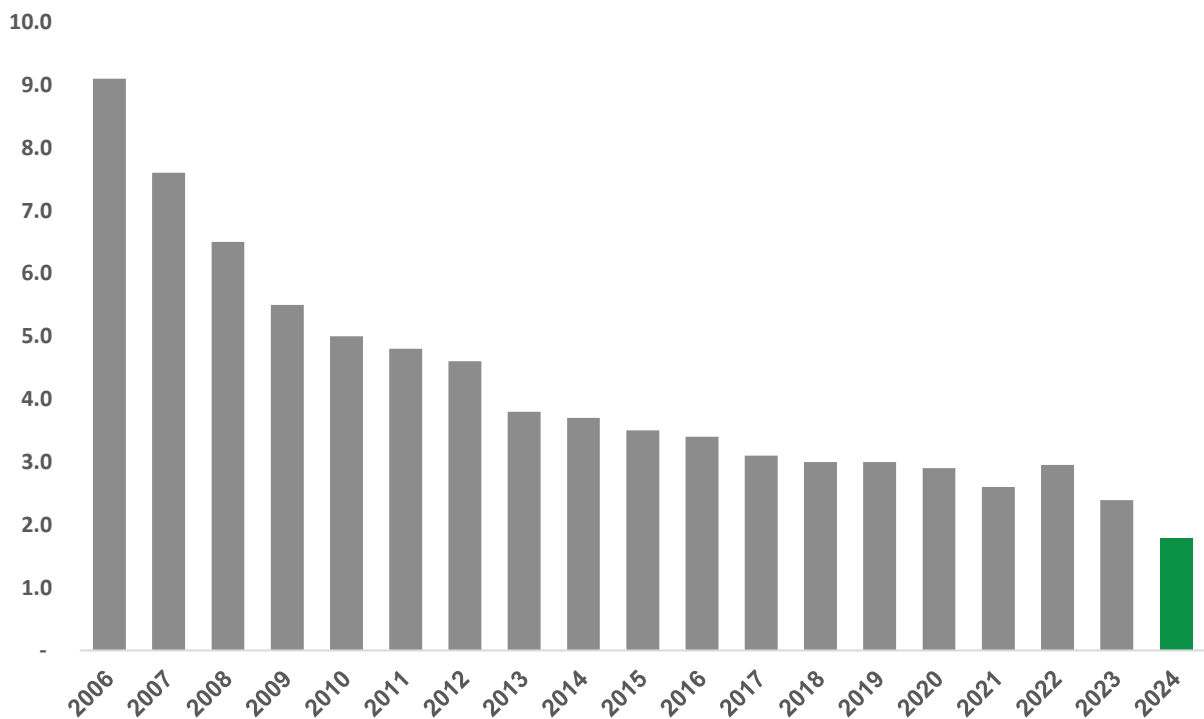


¹Based on net sales for new items launched within the previous three years and the projected sales for items scheduled to launch in the next two years, divided by total reported sales for the year;

Safest year in our company's history

Driven by team members' focus on 'SAFETY FIRST' culture

Total case incident rate*



*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



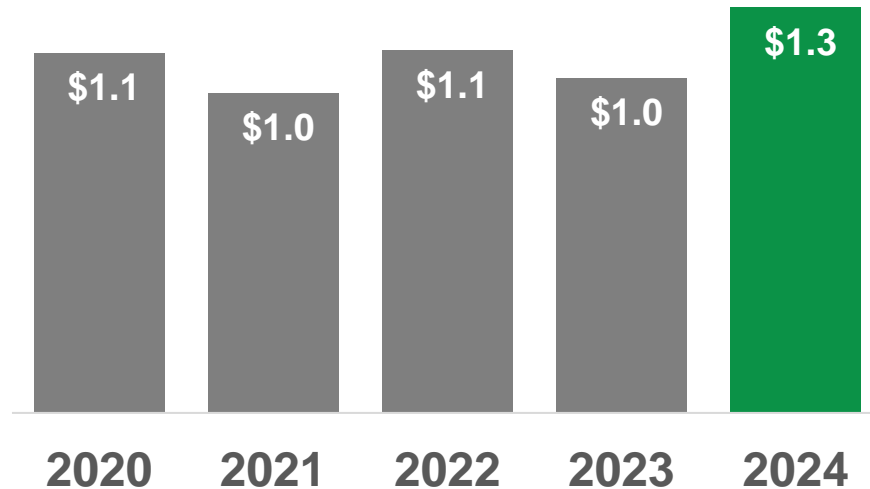
“Aligned with our core value of ‘SAFETY FIRST,’ I want to extend my sincere congratulations to our dedicated team of plant professionals for achieving another record year in employee safety.”

Steve Lykken,
Group Vice President, Supply Chain

Record year of operating cash flow

Strength of our portfolio, disciplined operation of our business and success of T&M delivers achievement

Operating cash flow (in billions)



Cash & Mkt Sec.
\$767M

Debt
\$2.9B

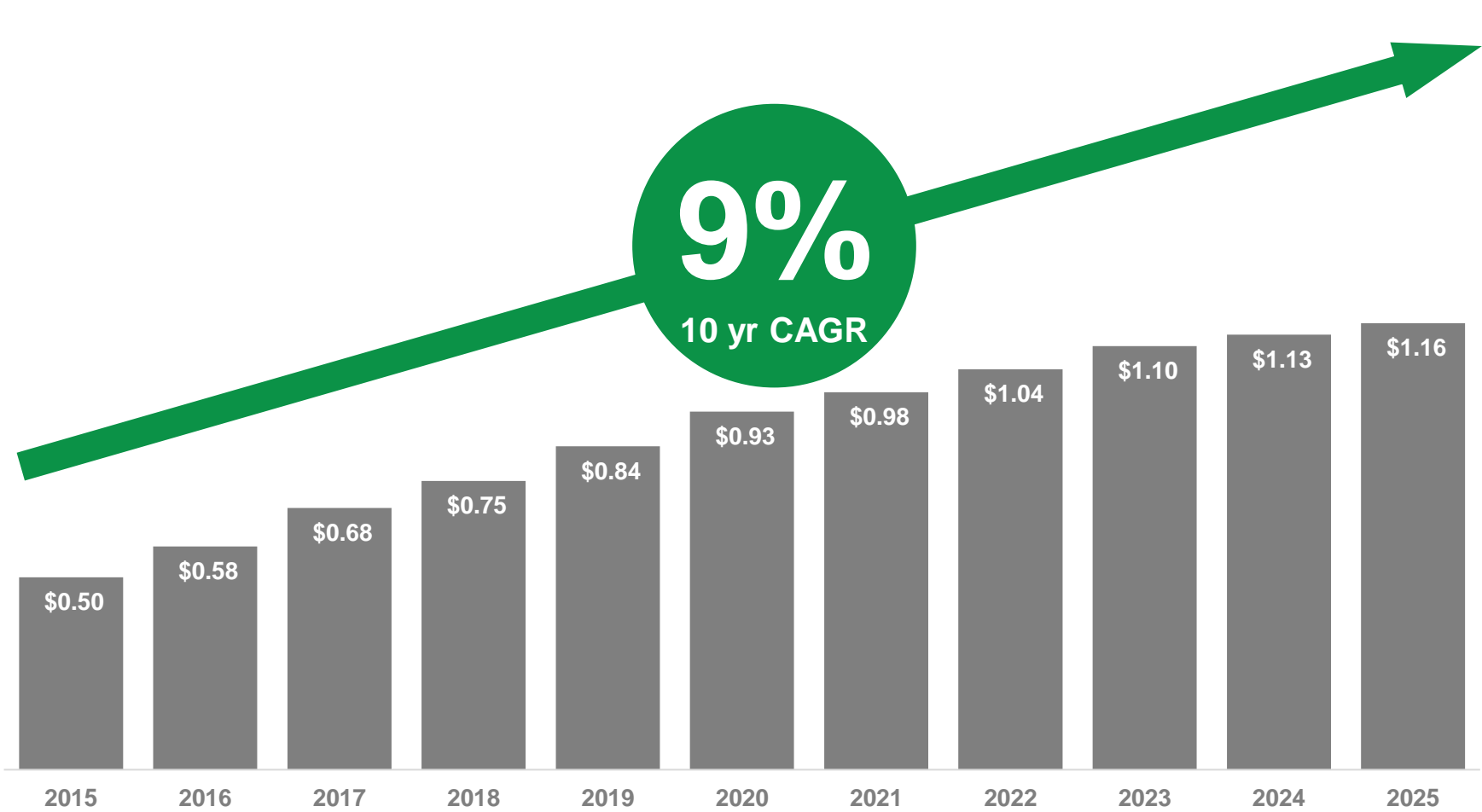
EBITDA* (LTM)
\$1.3B

Net Debt to
EBITDA*
1.6x

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

Record shareholder cash return in form of dividends

*Announced 59th consecutive increase to our annual dividend**



59
Consecutive
Years of Dividend
Increases

96+
Years of Dividend
Payments
Without Interruption

Maintain
**Dividend
Aristocrat**
Membership

*Per share figures have been restated to reflect the two-for-one stock split distributed on Feb. 9, 2016. Fiscal years 2016 and 2021 included 53 weeks. Fiscal 2025 dividend announced on Nov. 25, 2024.



Confidence in our team, brands and Company

Momentum of value-added portfolio and Transform & Modernize initiative

Overcame significant headwinds

- Dynamic consumer environment - **robust portfolio offered value to customers, consumers and operators**
- Steep decline in whole bird commodity markets – **grew Jennie-O® value-added products**
- Snack nuts production disruption – **recapturing Planters® brand momentum**

Strength in value-added portfolio

- #1 or #2 share positions in over 40+ Retail categories¹; Growth within many flagship and rising brands
- Foodservice provides unique value to the marketplace
- International well positioned to expand global presence

Transform & modernize initiative on track

- Transform & Modernize delivered \$75M of benefits in fiscal 2024
- Clear path to significant growth to fuel investments and shareholder returns

¹Circana 52 weeks ending 10/6/2024 – MULO; SPINS 52 weeks ending 10/5/2024

CFO Remarks



Part 2: Transform and Modernize: Executing Our Evolution



OUR STRATEGIC FOCUS REMAINS CLEAR

Deliver long-term shareholder returns & growth through continued investment & transformation

Invest

in people, data & technology and brands



Transform

and modernize processes, portfolios and how we create value as a company



Grow

net sales, earnings and the impact we have on the world



Sustainable growth engine for the company

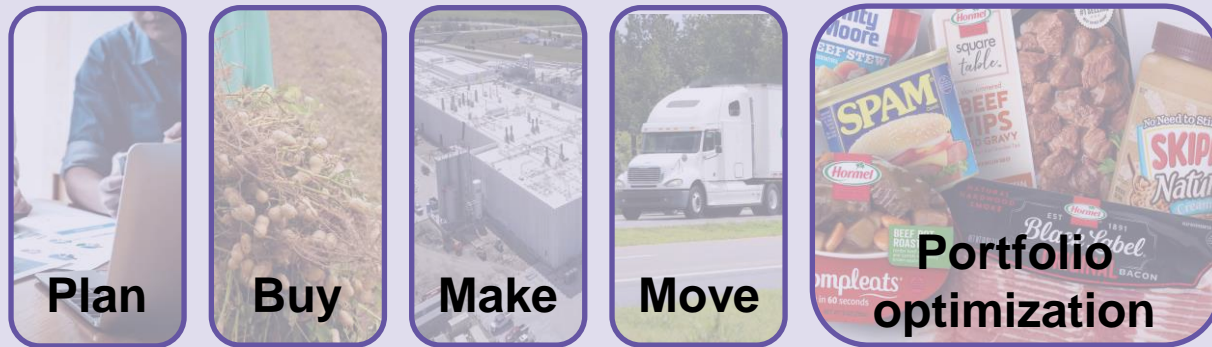


Transform and Modernize: Creating Value



Reshaping how we operate and creating new opportunities for growth

Supply chain efficiency



**Transform &
Modernize**
pillars



Data & technology



People & processes

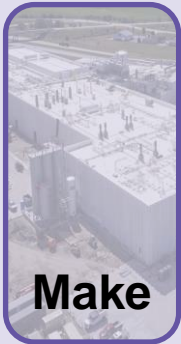


**Foundational
investments**
to enable growth

We delivered \$75M in operating income benefits from Buy, Make & Move in fiscal 2024



Buy



Make



Move

- **BUY:** Numerous sourcing events to reduce costs; improvement of procurement structure and tools
- **MAKE:** Standardized ways of working to improve yields, increase capacity and avoid capex
- **MOVE:** More efficient and optimized logistics & warehousing

2024 benefits

	<u>Value</u>
Logistics	\$\$\$\$
Raw Materials & Supplies	\$\$\$
Manufacturing	\$\$

2025: Accelerating operating income benefit



2025 expected benefit captured

	<u>Value</u>
Raw Materials & Supplies	\$\$\$\$
Manufacturing	\$\$
Logistics	\$\$

Plan & Portfolio Optimization pillars contributing growth



Plan

Centralized, high-impact
end-to-end planning
transformation



Portfolio optimization

Consumer- and operator-
centric, less complex, more
profitable mix

Investments are enhancing capabilities and unlocking our full potential

**Projecting
~\$250M**

**in total
Transform
& Modernize
spend**

PEOPLE

- UPSKILL team members
- DATA-DRIVEN & ANALYTICAL organization

PROCESSES

- MODERN processes
- Driving COMPLEXITY out

DATA

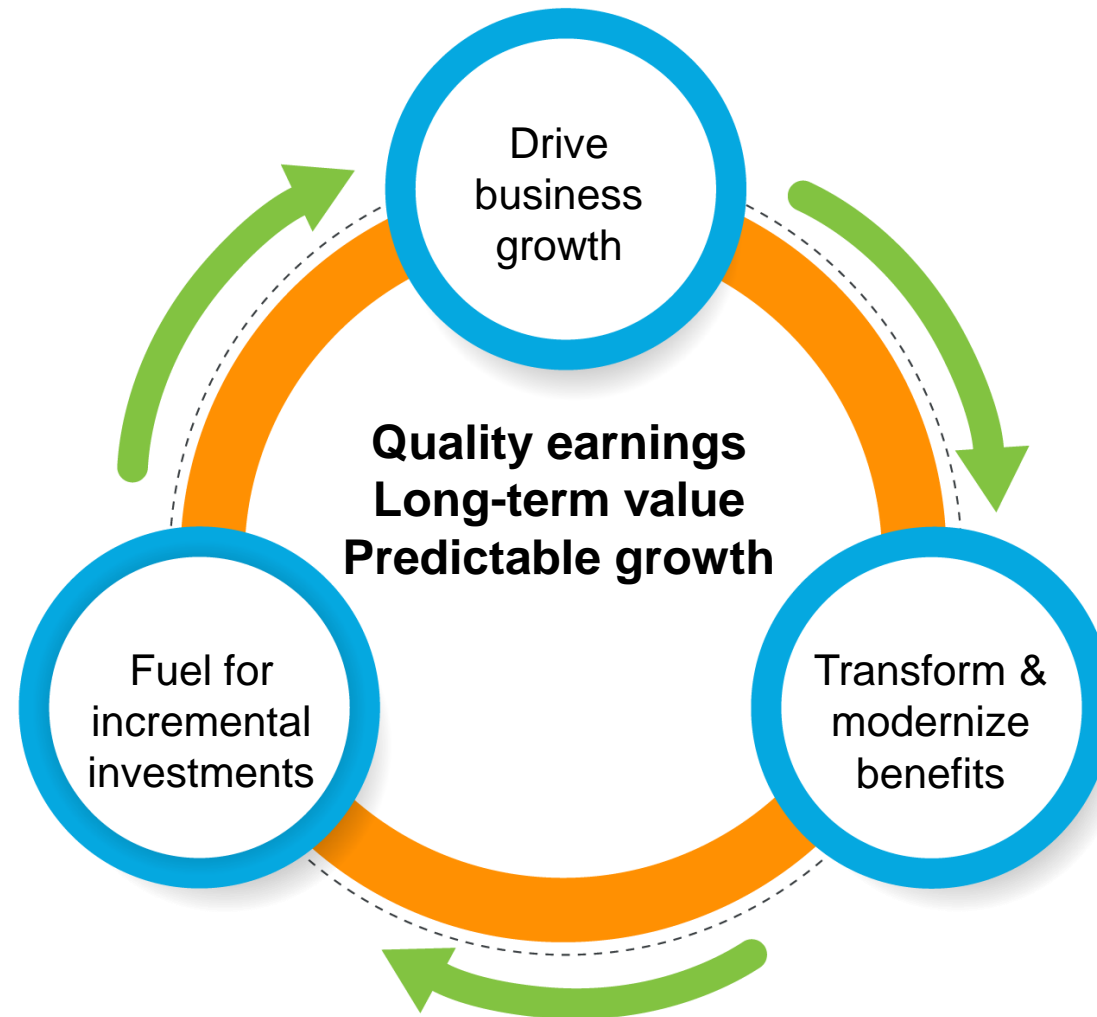
- STRATEGIC INSIGHTS for a competitive edge
- EMPOWERED decisions built on analytics

TECHNOLOGY

- INTEGRATED tech solutions
- AI infused systems

- **MORE Competitive**
- **MORE Agile**
- **MORE Profitable**

Powerful flywheel for sustained value creation



Transform and Modernize: Our Priorities in Action



Thinking differently about how we operate creates compounding value

	Past		Present
Processes	<ul style="list-style-type: none">• Deep institutional knowledge• Manual operational processes	>	<ul style="list-style-type: none">• Streamlined enterprise-wide processes• Intelligent automation & digitization
Key Capabilities	<ul style="list-style-type: none">• Siloed• Underleveraged	>	<ul style="list-style-type: none">• Centralized to leverage scale• Investing in differentiated capabilities
Complexity	<ul style="list-style-type: none">• Broad range of vendors and SKUs with long tail	>	<ul style="list-style-type: none">• Smart, data-informed simplification• Strategic segmentation
Value Capture	<ul style="list-style-type: none">• Variety of methodologies to identify and capture value and savings	>	<ul style="list-style-type: none">• Standardized & disciplined process• Accountability to key metrics

Developing a new framework & tools for procuring goods and services across the entire enterprise

Scope Opportunities

> Enterprise-wide Effort

- Enabled by **One Supply Chain & GoFWD**
- All major categories **reviewed & sourced**

Adapt How We Operate

> New Operating Model

- **Modern, centralized** structure
- **Standardized** training
- **Updated** policies and governance

> New Procurement Tools

- **Advanced** sourcing tools
- **Should-cost** modeling capabilities
- Data **visibility & analytics**

Extract Value

> Sourcing Execution

- **FY24:** Targeted categories in **Cost of Goods Sold** and **Indirect Spend**
- **FY25:** Targeting categories across **full P&L**
- **FY26:** Year-over-year productivity **growth**

New way of operating will be fully embedded by 2026

Sourcing event drives value across the enterprise – one of many different sourcing events

The Opportunity

- **Cost and complexity of routine supplies and parts were increasing**
 - **Common** supplies and parts across our manufacturing facilities
 - Large annual spend with **100s of vendors**
 - Opportunity to execute **enterprise-wide sourcing**

Our Focus

- **Reduce cost of supplies and parts while improving inventory levels**
- Significantly reduce **complexity** and **number of vendors**

Value Unlocked

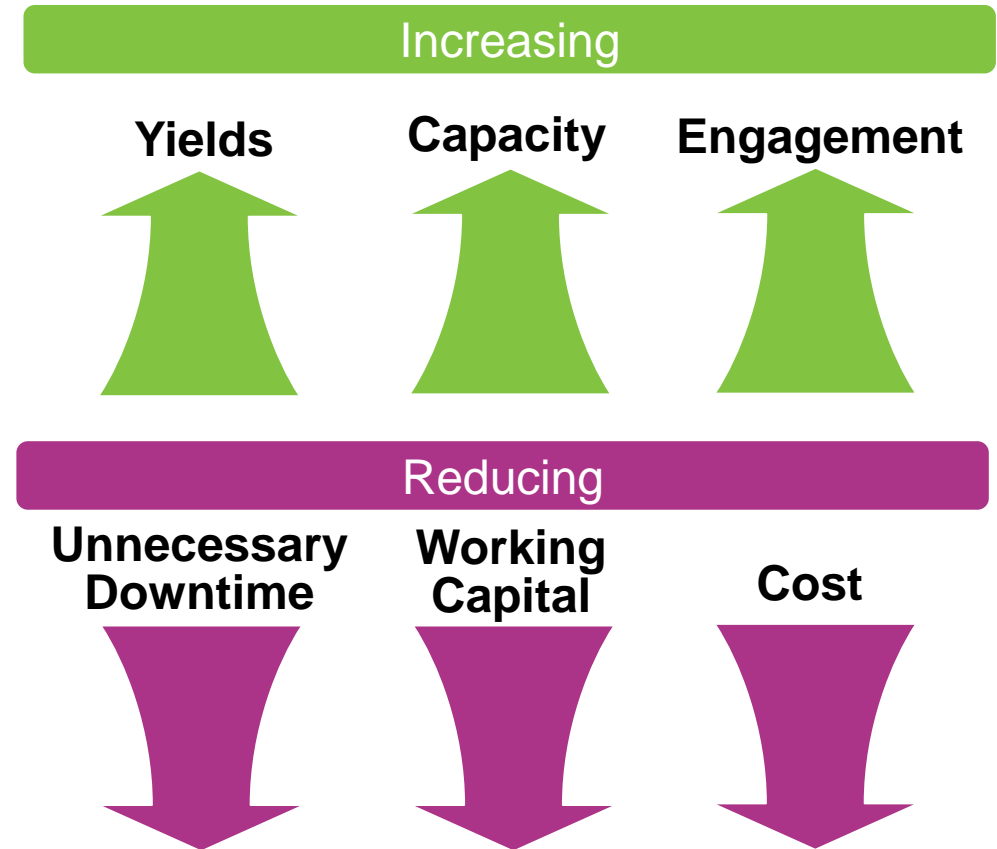
- **Substantial financial savings**
- **Cash flow generation**

Scaling new ways of working to improve our manufacturing performance



Integrating ways of working, unleashing performance.

- **Standardizing ways of working** across all manufacturing facilities
- Maturity model to drive **accountability for the right behaviors**
- Focused efforts on **key capacity constrained facilities**



Improving capacity to meet future demand

The Opportunity



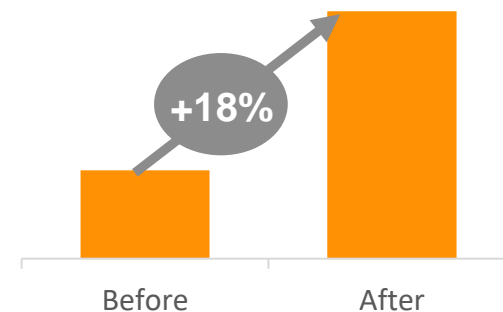
- Hormel® BACON 1™ fully cooked bacon demand remains **strong**
- **Capacity constraints** limited our Foodservice team's ability to fully meet demand
- New capital investments were **costly** and had **long lead times**

Our Focus

- Improve capacity at Wichita facility with the **Hormel Production System**

Value Unlocked

Increased Capacity



Sustainable Improvements

- Increased **productivity**
- Reduced **cost**
- Improved **morale**

Enhancing our logistics network and boosting distribution capacity

Freight RFP

- Renegotiated enterprise freight rates to generate **immediate cost savings**



Product Flow Optimization

- **Optimized** flow of finished goods inventory to **decrease landed cost**



Distribution Capacity

- Opening **new Memphis** metro-area distribution center to **improve inventory flow** and **increase distribution capacity**



Revolutionize our approach to end-to-end planning across the company

Today

- **Manual** spreadsheets
- **Legacy** technology
- **Numerous** different processes



Future

- **Centralized** activities
- Full adoption of **Integrated Business Planning** process and technology
- Leveraging **data analytics** and **AI** to inform decisions

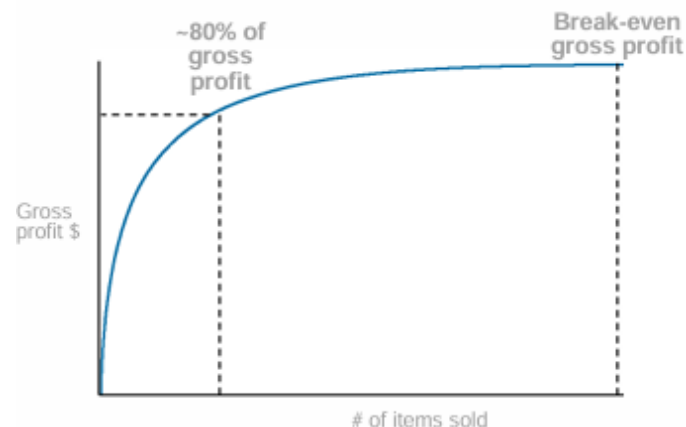


Improved

- **Service Level**
- **Cost Structure**
- **Working Capital**
- **Team Member Engagement**

Reshaping our portfolio for better margins and topline growth

The Opportunity



- **Long tail** of **unprofitable** and/or **low volume** products
- **Inconsistent** process across enterprise on how to manage portfolios

Our Focus

- **Rigorous process** to evaluate & manage all items in our **portfolio**
- Divested non-strategic businesses including **Hormel Health Labs**
- Addressed low volume or unprofitable SKUs

Value Unlocked

- **Improved profitability**
- **Reduced complexity**
- **Increased capacity for innovation**

Continuing to drive value in Fiscal 2025 and 2026

- **Foundational investments** in data, technology, people, and process
- **Converging** enterprise objectives
- Increasingly **interconnected** pillars
- Positively impacting all **aspects of our financials**
- Unlocking our team's **full potential**

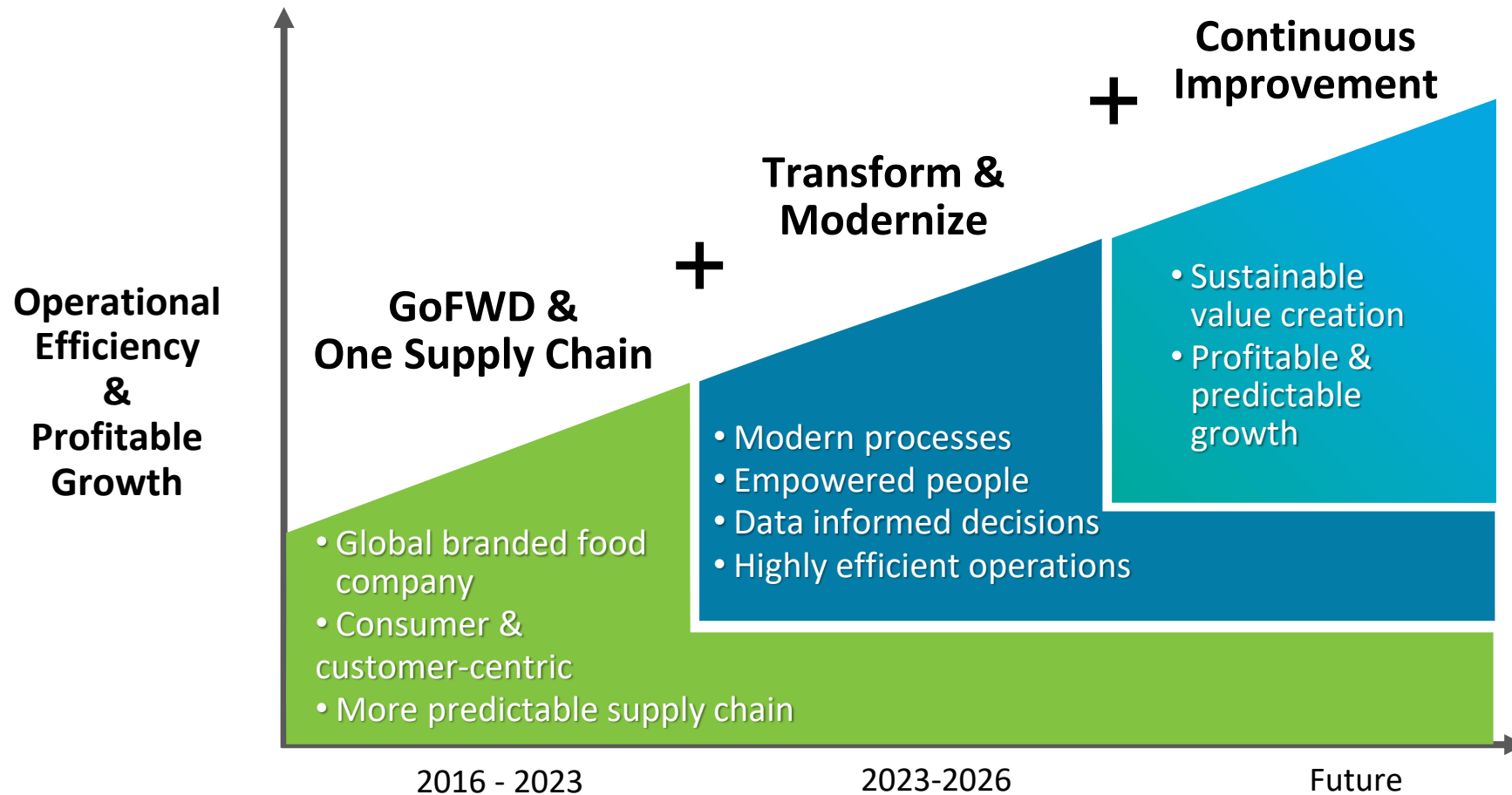


Our commitment

Delivering sustainable long-term growth



Positioned for profitable and predictable growth, and sustainable, long-term shareholder value creation



Strong long-term strategy and portfolio

Net sales

2-3%

Organic net sales¹ growth

Operating income

5-7%

Operating income growth

- Leading & differentiated brands
- Fueled by innovation
- Organized for long-term growth
- Stable financial performance
- Strong corporate citizenship

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

Q&A



Jim Snee

Chairman of the Board,
President and CEO



Jacinth Smiley

Executive Vice President
and CFO



John Ghingo

Executive Vice
President, Retail



Nathan Annis

Vice President,
Corporate Development

Additional Information

Jess Blomberg

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Fiscal 2025 Outlook

Value-Added Growth and Acceleration of Transform and Modernize Initiative

Fiscal 2025 Outlook

Net Sales	\$11.9 - \$12.2 billion
Operating Income	\$1.13 - \$1.23 billion
Adj. Operating Income¹	\$1.18 - \$1.28 billion
Diluted EPS	\$1.51 - \$1.65
Adj. Diluted EPS¹	\$1.58 - \$1.72
Effective Tax Rate	22.0 - 23.0%

Commentary

The Company expects:

- Organic net sales¹ growth of 1% to 3%, which assumes leading on-trend categories, increased brand investments, innovation and growth across all segments
- Double-digit percent increases in marketing and advertising investments
- Capital expenditures in the range of \$275 to \$300 million, including investments in data and technology and value-added capacity expansions
- Estimated incremental benefits from the T&M initiative in the range of \$100 to \$150 million

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

Appendix Non-GAAP Measures

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 (T&M) Initiative

In the fourth quarter of fiscal 2023, the Company announced a multi-year T&M 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 T&M 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 T&M 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. The Company also does not adjust for savings realized through the T&M initiative as these are considered ongoing in nature and reflect expected ongoing operating performance.

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.



Non-GAAP Measures (continued)

Gain on Sale of Business

In the fourth quarter of fiscal 2024, the Company sold the Hormel Health Labs business, resulting in a gain on the sale. The Company believes the one-time benefit from the sale is not reflective of the Company's ongoing operating cost structure, is not indicative of the Company's core operating performance, and may not be meaningful when comparing the Company's operating performance against that of prior periods. Thus, the Company adjusted for (i.e. excluded) the gain.

Organic Net Sales

The non-GAAP adjusted financial measurement of organic net sales provides investors with additional information to facilitate the comparison of past and present operations. Organic net sales excludes the impact of the sale of the Hormel Health Labs business in the Foodservice segment in fiscal 2024.

Impairment Charges

In the fourth quarter of fiscal 2023, the Company incurred impairment charges associated with the *Justin's*® trade name and a corporate venturing investment. The Company believes that non-recurring costs for these impairments are not reflective of the Company's ongoing operating cost structure, 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; therefore, the Company is excluding these discrete costs.

Non-GAAP Measures (continued)

The tables below show the calculations to reconcile from the GAAP measures to the non-GAAP measures presented in this presentation:

<i>in thousands</i>	Fourth Quarter Ended		Fiscal Year Ended	
	October 27, 2024	October 29, 2023	October 27, 2024	October 29, 2023
Operating Income (GAAP)	\$ 294,481	\$ 270,037	\$ 1,067,932	\$ 1,072,046
Transform and Modernize Initiative ⁽¹⁾⁽²⁾	17,350	9,340	53,013	9,340
Pork Antitrust Litigation Settlements	—	—	11,750	—
Red Meat Wages Antitrust Litigation Settlement	—	—	13,500	—
Poultry Wages Antitrust Litigation Settlement	—	—	3,500	—
Gain on Sale of Business	(3,922)	—	(3,922)	—
Arbitration Ruling	—	(1,671)	—	68,329
Impairment Charges	—	35,368	—	35,368
Adjusted Operating Income (Non-GAAP)	\$ 307,909	\$ 313,074	\$ 1,145,773	\$ 1,185,083

	Fourth Quarter Ended		Fiscal Year Ended	
	October 27, 2024	October 29, 2023	October 27, 2024	October 29, 2023
Diluted Earnings Per Share (GAAP)	\$ 0.40	\$ 0.36	\$ 1.47	\$ 1.45
Transform and Modernize Initiative ⁽¹⁾⁽²⁾	0.02	0.01	0.08	0.01
Pork Antitrust Litigation Settlements	—	—	0.02	—
Red Meat Wages Antitrust Litigation Settlement	—	—	0.02	—
Poultry Wages Antitrust Litigation Settlement	—	—	—	—
Gain on Sale of Business	(0.01)	—	(0.01)	—
Arbitration Ruling	—	—	—	0.10
Impairment Charges	—	0.05	—	0.05
Adjusted Diluted Earnings Per Share (Non-GAAP)	\$ 0.42	\$ 0.42	\$ 1.58	\$ 1.61

(1) Comprised primarily of asset write-offs related to portfolio optimization.

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

Non-GAAP Measures (continued)

Fiscal 2025 Outlook - Organic Net Sales (Non-GAAP)

To facilitate the comparison of past and present net sales performance, the Company's fiscal 2025 outlook for net sales growth has been adjusted to reflect organic net sales. Organic net sales exclude the impact of the sale of the Hormel Health Labs business in the fourth quarter of fiscal 2024. The adjustment removes the full year fiscal 2024 net sales of the operation, which were reported within the Foodservice segment.

<i>In thousands</i>	Fiscal 2025 Outlook	2024 Results	Change
Net Sales (GAAP)	\$11,900,000 - \$12,200,000	\$ 11,920,797	0 % - 2 %
Hormel Health Labs Divestiture	— - —	(107,643)	
Organic Net Sales (Non-GAAP)	\$11,900,000 - \$12,200,000	\$ 11,813,154	1 % - 3 %

EBIT and EBITDA (Non-GAAP)

The Company provides earnings before interest and taxes (EBIT) and earnings before interest, taxes, depreciation, and amortization (EBITDA) because it believes these measures are useful to management and investors as indicators of operating performance net of non-operating income and expenses, and because they are commonly used to benchmark the Company's performance.

<i>In thousands</i>	Fiscal Year Ended	
	October 27, 2024	October 29, 2023
EBIT (Non-GAAP):		
Net Earnings Attributable to Hormel Foods Corporation	\$ 805,038	\$ 793,572
Plus: Income Tax Expense	230,803	220,552
Plus: Interest Expense	80,894	73,402
Less: Interest and Investment Income	48,396	14,828
EBIT (Non-GAAP)	\$ 1,068,339	\$ 1,072,698
EBITDA (Non-GAAP):		
EBIT per above	1,068,339	1,072,698
Plus: Depreciation and Amortization	257,756	253,311
EBITDA (Non-GAAP)	\$ 1,326,095	\$ 1,326,009