

WELCOME TO

INVESTOR  
DAY 2023





# Investor Day

# Introduction

David Dahlstrom  
Director of IR



# Investor Day website

**Website:** [investorday.hormelfoods.com](https://investorday.hormelfoods.com)



## Welcome to the 2023 Hormel Foods Investor Day

The Oct. 12 event will include a broad contingent of senior leaders from Hormel Foods.

We look forward to the opportunity to share our long-term growth strategy and outlook.

[REGISTER / JOIN WEBCAST](#) 



**NYSE Wi-Fi:** Network: ISN | Password: 46wAdseT



# Today's agenda

- 8:30 Introduction – David Dahlstrom
- 8:35 Invest. Transform. Grow. – Jim Snee & Jacinth Smiley  
Q&A – Jim Snee & Jacinth Smiley
- 9:45 Break
- 10:05 One Retail: Driving Focus and Growth – Deanna Brady  
Winning with Consumers – Scott Aakre  
Q&A – Jim Snee, Deanna Brady & Scott Aakre
- 10:55 Break
- 11:15 Expanding Leadership in Foodservice – Mark Ourada  
Future-fitting Our One Supply Chain – Mark Coffey  
Q&A – Jim Snee, Mark Ourada & Mark Coffey
- 12:00 Closing remarks – Jim Snee





## 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; the COVID-19 pandemic; risks associated with acquisitions and divestitures; potential disruption of operations including at co-manufacturers, suppliers, logistics providers, customers, or other third-party service providers; 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.

**Part 1:  
Invest.  
Transform.  
Grow.**

**Executing Our  
Strategy &  
Driving Growth**



# Jim Snee

Chairman of the Board,  
President and CEO





# Key messages you will hear today

- We have made **significant progress** in our evolution to become a stronger, more balanced and less volatile company.
- Our **updated strategic priorities** align with our segments and support meaningful earnings growth by fiscal 2026.
- We are **investing for growth** to accelerate our transformation as a global branded food company.
- Our belief is that our purpose statement of **inspired people** creating **inspired food** is at the center of everything we do.





INVEST. TRANSFORM. GROW.

➤ **Hormel Foods:** An uncommon global branded food company

**Executing on our evolution:**

A stronger, more balanced and less volatile company

**Our 3-year plan to grow earnings:**

Bottom-line growth from current business, transformation & modernization, and strategic value capture



**HRL**  

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**LISTED**  

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**NYSE**

**\$12.5B**

Fiscal year 2022  
net sales

Founded in  
**1891**

Leader in

**40+**

retail categories<sup>1</sup>

**~\$20B**

Market  
capitalization



Inspired People.  
Inspired Food.™

**GOFWD**

the next step in our evolution  
as an **uncommon global**  
branded food company

**57** Consecutive  
years of  
**dividend**  
increases

Source: (1) IRI 52 weeks ending 10/30/2022 – MULO; SPINS 52 weeks ending 10/2/2022.



HORMEL FOODS TODAY

# An uncommon global branded food company

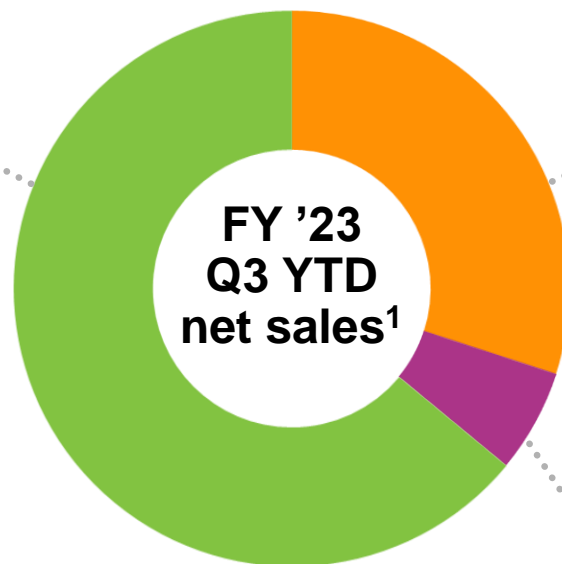
Retail 65%



Foodservice 29%



International 6%



Source: (1) See earnings release dated 8/31/2023

DEFINING FACTORS AS A GLOBAL BRANDED FOOD COMPANY

# Building from a position of strength

## Leading & differentiated brands

Leading positions in 40+ categories<sup>1</sup>

Brand stewardship and innovation

Consumer- and operator-focused

## Balanced global growth

Scale in U.S. retail and foodservice

Investments in global markets and emerging channels

## Organized for long-term growth

GoFWD reorganization

One Supply Chain

Direct-selling organizations

25 years of average management tenure

## Stable financial performance

Reduced commodity exposure

Disciplined financial strategy

Consistent cash flows

## Strong corporate citizenship

*Our Food Journey™*

20 By 30 Challenge

Support for our communities

Source: (1) IRI 52 weeks ending 10/30/2022 – MULO; SPINS 52 weeks ending 10/2/2022.

OUR STRATEGIC FOCUS IS CLEAR

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

## Invest

in people, processes, 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





DEEP BENCH OF EXPERIENCED LEADERSHIP

# Today's speakers represent an experienced, world-class leadership team



**Jim Snee**

Chairman of the Board,  
President and CEO

*34 years industry  
experience*

*34 years with  
Hormel Foods*



**Jacinth Smiley**

Executive Vice  
President and CFO

*2+ years industry  
experience*

*25+ years global  
experience as a sr.  
finance executive*

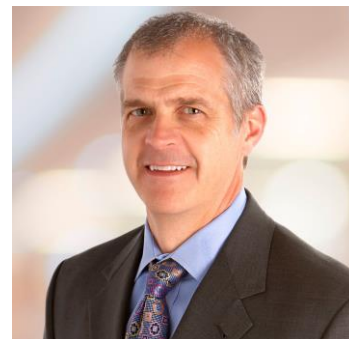


**Deanna Brady**

Executive Vice  
President, Retail

*30 years industry  
experience*

*27 years with  
Hormel Foods*



**Scott Aakre**

Group Vice President,  
Retail, and CMO

*35 years industry  
experience*

*33 years with  
Hormel Foods*



**Mark Coffey**

Group Vice President,  
Supply Chain

*38 years industry  
experience*

*38 years with  
Hormel Foods*



**Mark Ourada**

Group Vice President,  
Foodservice

*35 years industry  
experience*

*35 years with  
Hormel Foods*

A RESPONSIBLE CORPORATE CITIZEN

# Executing on our commitment to deliver value to our stakeholders

## OUR FOOD JOURNEY™

### 20 BY 30 CHALLENGE



A RESPONSIBLE CORPORATE CITIZEN

# Recognized for making a difference





INVEST. TRANSFORM. GROW.

**Hormel Foods:** An uncommon global branded food company

➤ **Executing on our evolution:**  
A stronger, more balanced and less volatile company

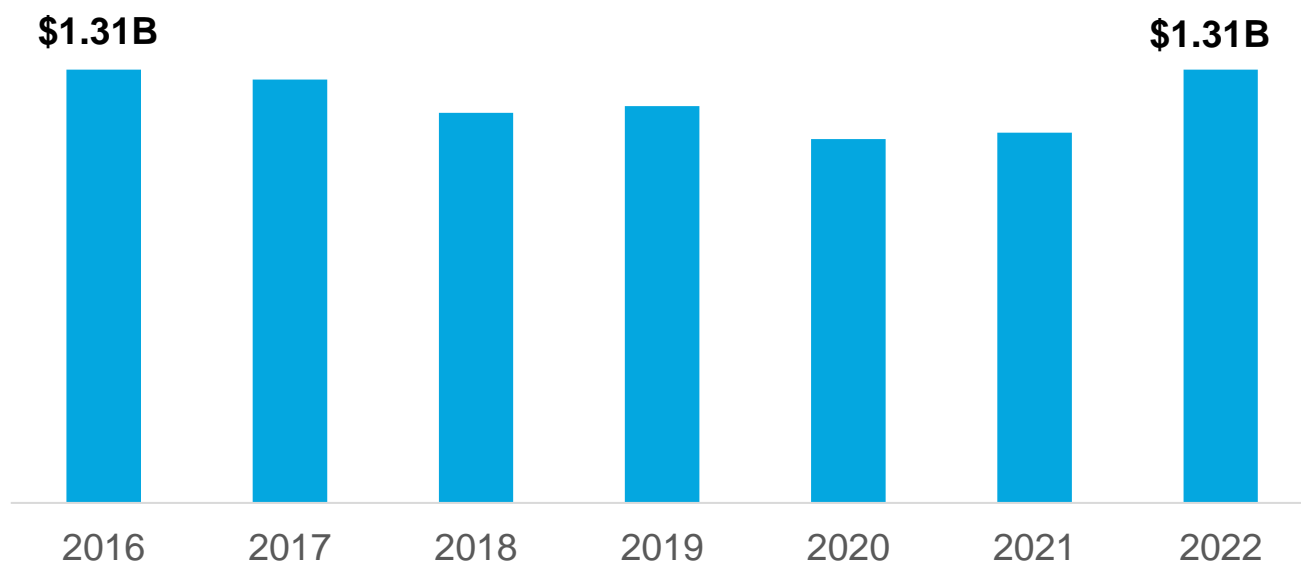
**Our 3-year plan to grow earnings:**  
Bottom-line growth from current business, transformation & modernization, and strategic value capture



## EXECUTING OUR EVOLUTION

# Becoming a global branded food company – stronger, more balanced & less volatile

## Total company operating income



### Long-term focus areas:

- Grow value-added businesses while reducing exposure to volatile commodity profits
- Improve and further balance portfolio through M&A, divestitures and organic growth

Source: Internal data; fiscal year 2018 and prior years have been adjusted due to the adoption of ASU 2017-07, Compensation – Retirement Benefits: Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost (Topic 715).

EXECUTING OUR EVOLUTION

# A stronger, more balanced & less volatile company resulting from our strategic actions since 2016

#1

Improved portfolio to restore profitability

Managed through Jennie-O Turkey Store volatility

**Reduced commodity reliance** and further **balanced our portfolio**

**Acquired stable, accretive businesses** and **divested dilutive, non-strategic assets**

#2

Advanced & modernized capabilities, facilities & systems

**Invested in e-commerce and revenue growth management capabilities**

**Supported growth, facilities, and automation efforts** through a step-up in capex

Modernized our systems through Project Orion

#3

Organized for long-term, sustainable growth

Consolidated into One Supply Chain

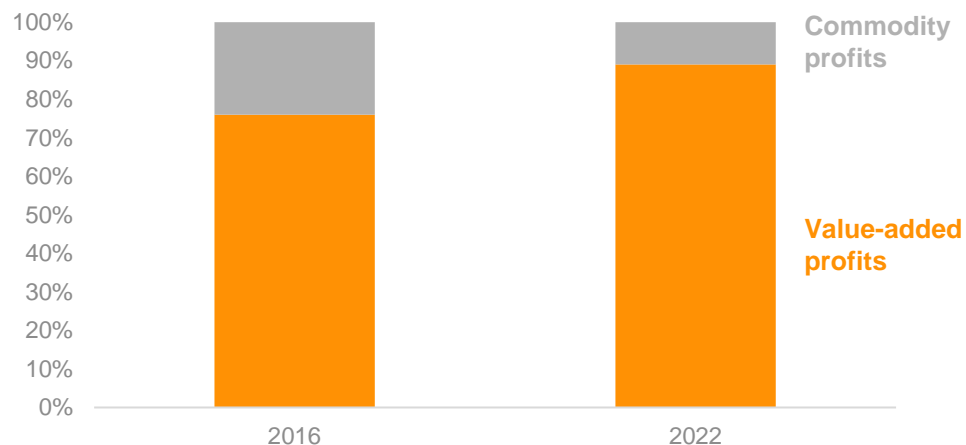
**Right-sized our pork supply chain and integrated Jennie-O Turkey Store business**

**Implemented GoFWD, the next step in our evolution**

ACTION #1 – IMPROVED PORTFOLIO TO RESTORE PROFITABILITY

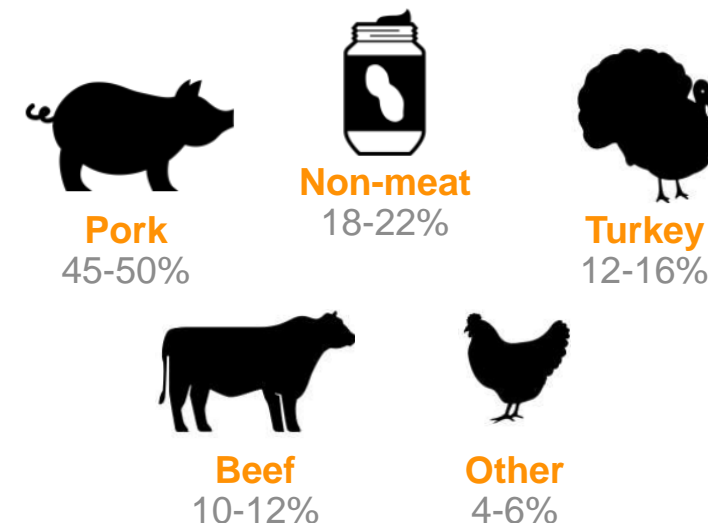
# Reduced commodity reliance & further balanced our portfolio

## Value-added vs commodity profitability<sup>1</sup>



Increased value-added profitability to ~90% of net sales

## Net sales by key input<sup>2</sup>



A balanced portfolio of products

Source: (1) Internal data; commodity profits are historical Refrigerated Foods, Jennie-O Turkey Store and International unbranded sales and profits including fresh meat sales, fresh pork exports, and whole bird sales in addition to the Farmer John and Fremont plant divestitures; (2) Internal data based on FY 2022 actual results.



ACTION #1 – IMPROVED PORTFOLIO TO RESTORE PROFITABILITY

# Acquired stable, accretive businesses to enhance portfolio, more than offsetting impact from divestitures

Divested dilutive, non-strategic assets

Acquired stable, accretive businesses

Net sales  
~\$1.1B

Operating margins  
< 10%

Net sales  
~\$1.8B

Operating margins  
> 10%



Fremont Plant



CYTOSPORT



Source: Internal data for FY 2017 – 2022.

## ACTION #2 – ADVANCED & MODERNIZED CAPABILITIES, FACILITIES & SYSTEMS

# Invested in e-commerce & revenue growth management – driving omnichannel growth & higher returns

### Investment

### Focus

### Results



DIGITAL EXPERIENCE GROUP  
Strategic vision. Dynamic commerce.

Investing in and accelerating e-commerce sales

- Structure, technology and analytics
- Optimizing product assortment
- Customer expansion and diversification



**~10%**  
Retail sales from e-commerce in 2022<sup>1</sup>



Advancing revenue growth management

- Informing pricing decisions
- Maximizing promotional effectiveness
- Enhanced data and analytical capabilities

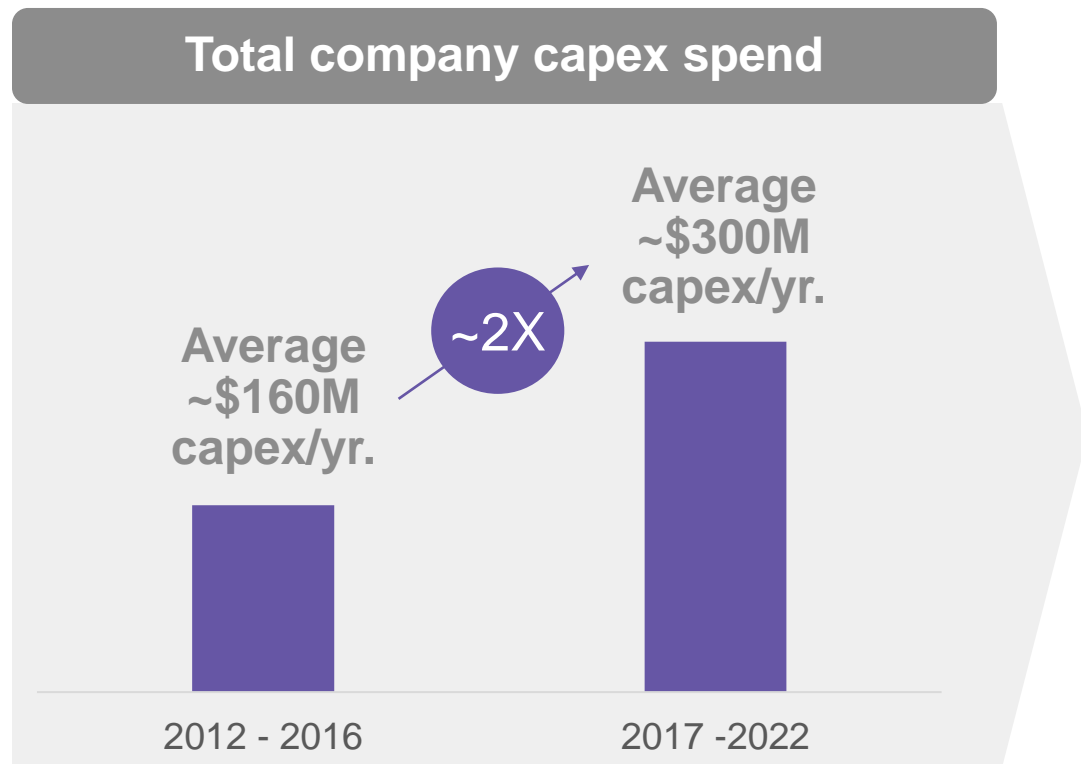


**Increased ROI**  
for our promotional and advertising investments

Source: (1) IRI e-market insights; 52 weeks ending 10/31/2023, Total US.

ACTION #2 – ADVANCED & MODERNIZED CAPABILITIES, FACILITIES & SYSTEMS

# Supported our growth potential with a step-up in capex



Spend **doubled<sup>1</sup>** on average

Spend aligned with priorities:

- Supporting growth and innovation for key product lines
- Driving cost savings
- Automating processes
- Investments in safety and maintaining production facilities
- Expanding data and analytical capabilities



Source: (1) Internal data.



ACTION #3 – ORGANIZED FOR LONG-TERM, SUSTAINABLE GROWTH

# Integrated Jennie-O Turkey Store business & right-sized pork supply chain

Investment



Right-sized pork supply chain

Focus

- Better align with raw material needs of value-added businesses
- Decrease earnings volatility

Results

**Redirect ~\$150M**  
in capital to strategic priorities



- More demand-oriented portfolio
- Increased asset efficiency
- Higher manufacturing throughputs
- Better labor optimization



Integrated Jennie-O Turkey Store

**~\$20M to \$30M**  
annualized SG&A savings



ACTION #3 – ORGANIZED FOR LONG-TERM, SUSTAINABLE GROWTH

# Implemented next step in our evolution – the GoFWD initiative



Retail

Foodservice

International



Exports



Multinational Businesses



Partnerships



Our GoFWD structure:

- Defines strategic growth priorities: consumer-centric retail and customer-solution-oriented foodservice
- Aligns the business to our customers, consumers and operators
- Deepens our sales capabilities and simplifies our approach to customers and operators
- Enables better, faster and more agile decision-making

INVEST. TRANSFORM. GROW.

**Hormel Foods:** An uncommon global branded food company

**Executing on our evolution:**

A strong, more balanced and less volatile company

- **Our 3-year plan to grow earnings:** Bottom-line growth from current business, transformation & modernization, and strategic value capture





BUILDING ON OUR STRENGTHS AS A GLOBAL BRANDED FOOD COMPANY

# Entering the next era of growth

## Our past

### Refined focus >

Meat-centric to protein-centric



## Our present

### Evolution to a global branded food company >

Stronger, more balanced, less volatile



## Our future

### Accelerating growth through transformation

Projected \$250M+ in operating income growth by fiscal 2026



ACCELERATING PROFITABLE GROWTH

# Our path to accelerating profitable growth

## Goal

\$250M+ operating income growth by 2026

### Enterprise Objectives

Operating income growth from current business | Transformation & modernization | Strategic value capture

### Strategic Priorities

Segment strategies | Enterprise strategies

### Enterprise Growth Platforms

Entertaining & snacking | Dry sausage | Bacon | Mexican | Convenient proteins | SPAM<sup>®</sup> family of products

### Enterprise Enablers

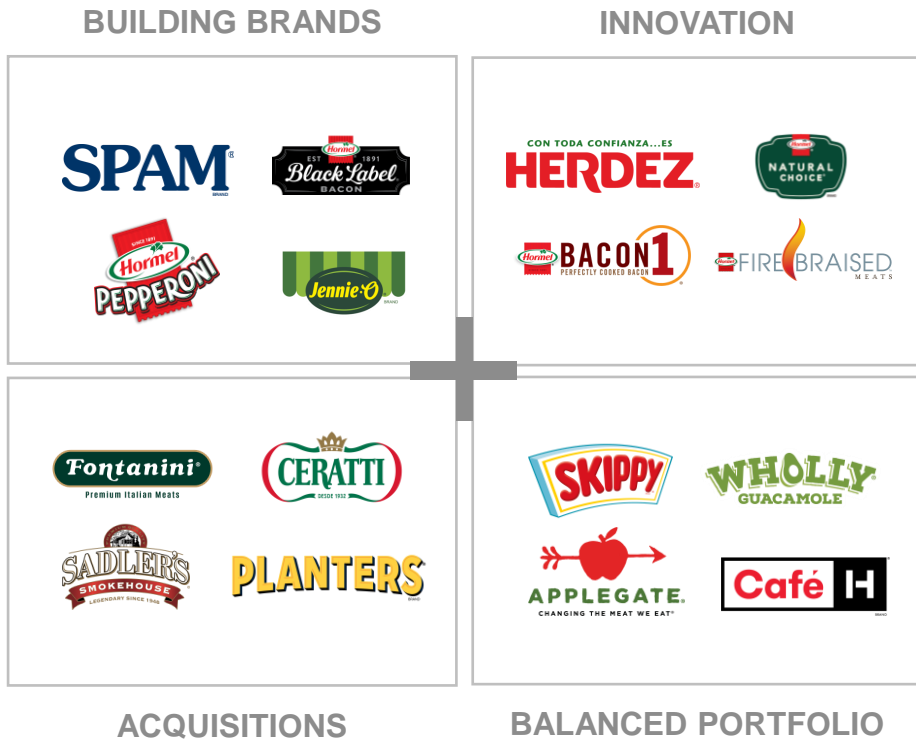
Formula for Success | Cultural Beliefs



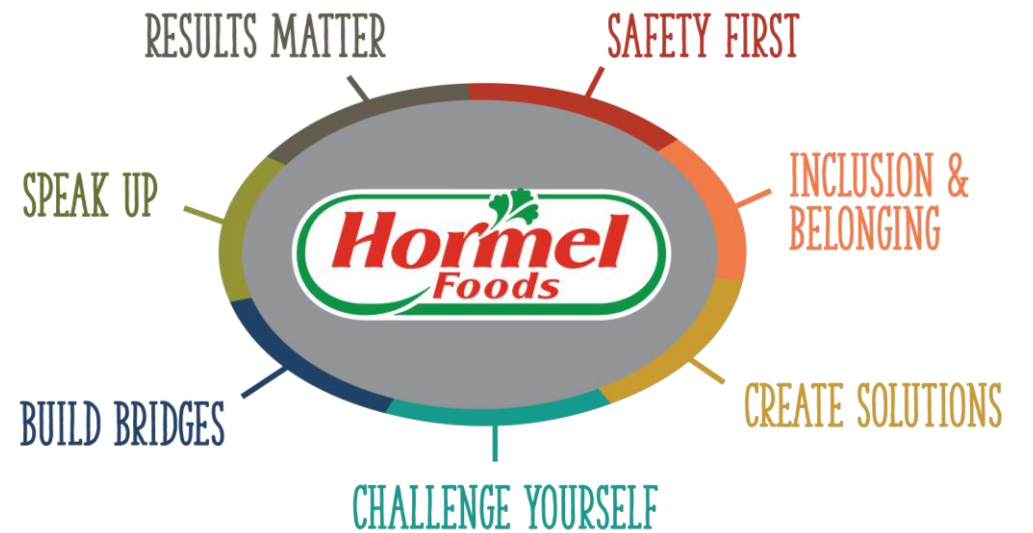
ACCELERATING PROFITABLE GROWTH – ENABLERS

# Enabled by our long-term strategy & uncommon organizational culture

## Our Formula for Success



## Our Cultural Beliefs





ACCELERATING PROFITABLE GROWTH – ENTERPRISE GROWTH PLATFORMS

# Leading & focused in growing categories – where we have earned the right to win

Entertaining & snacking



Dry sausage



Bacon



Mexican



Convenient proteins



SPAM® family of products



ACCELERATING PROFITABLE GROWTH – STRATEGIC PRIORITIES

# Our updated strategic priorities align with our segments & support earnings growth over the next three years

Segment strategies

- Drive focus & growth in our Retail business
- Expand leadership in Foodservice
- Aggressively develop our global presence

ACCELERATING PROFITABLE GROWTH – STRATEGIC PRIORITIES

# Our updated strategic priorities align with our segments & support earnings growth over the next three years

## Segment strategies

- Drive focus & growth in our Retail business
- Expand leadership in Foodservice
- Aggressively develop our global presence

## Enterprise strategies

- Execute our enterprise entertaining & snacking vision
- Future-fit our One Supply Chain
- Continue to transform & modernize our Company



ACCELERATING PROFITABLE GROWTH – ENTERPRISE OBJECTIVES

# Delivering \$250M+ in operating income growth by 2026 will require execution against three enterprise objectives



ACCELERATING PROFITABLE GROWTH – ENTERPRISE OBJECTIVES

# Restoring sustainable & dependable bottom-line growth from our current business

## OPERATING INCOME GROWTH FROM CURRENT BUSINESS



Projecting sustainable  
**5-7%**  
operating income growth  
by FY 2026

### What gives us confidence?

- Leading and reputable brands, many of which emerged stronger from the pandemic
- Return to a normalized innovation cadence
- Ample capacity for growth due to investments
- More balanced, less volatile portfolio

ACCELERATING PROFITABLE GROWTH – ENTERPRISE OBJECTIVES

# Driving savings by minimizing complexity & reducing costs

## TRANSFORMATION & MODERNIZATION



**\$200M+**

*in projected operating income by FY 2026*

### What gives us confidence?

- Savings opportunities are identified, realistic and achievable
- Mix of internal and external expertise, including partnership with Accenture
- Continuing to see normalization across the industrywide supply chain



ACCELERATING PROFITABLE GROWTH – ENTERPRISE OBJECTIVES

# Capturing incremental value from our investments & initiatives

## STRATEGIC VALUE CAPTURE



**\$25M+**  
*in projected operating  
income by FY 2026*

### Areas of focus:

- Synergies from recent M&A and Jennie-O Turkey Store transformation
- Benefits from GoFWD initiative yet to be captured
- Continuous improvement programs across One Supply Chain
- Leveraging recent investments in new capacity and automation

ACCELERATING PROFITABLE GROWTH – ENTERPRISE OBJECTIVES

# A realistic & achievable path to deliver on our commitments & grow earnings



ACCELERATING GROWTH – OBJECTIVE GOAL

# Deliver projected \$250M+ in operating income growth by 2026

## Achieving our objective goal:

- Returns the business to its historical earnings trajectory
- Provides fuel for incremental investment in branded, value-added growth
- Increases cash flow to support further dividend increases, capital investment and debt paydown





## In Summary

- We are a **stronger company today** because of the strategic actions we have taken since 2016.
- We expect our **3-year plan to deliver meaningful earnings improvement** and return our business to its historical earnings trajectory.
- We have the **right strategy, right people and right culture** to deliver on our commitments.





# Jacinth Smiley

Executive Vice President  
and CFO



INVEST. TRANSFORM. GROW.

➤ **Investment strategy:** Transformation & modernization to enable earnings growth

**Long-term growth outlook:**

Investing to achieve 3-year profitability goal and long-term key results

**Capital allocation:** Committed to dividend growth, investment in our business and our investment-grade rating





## TRANSFORMATION & MODERNIZATION

# Clear investment priorities to deliver \$200M+ in operating income growth through transformation & modernization

### TRANSFORMATION & MODERNIZATION



**\$200M+**  
*in projected operating  
income by FY 2026*

### REDUCE COST STRUCTURE

Supply chain efficiency

Plan Buy Make Move Portfolio optimization

Data & technology

People & processes



## FOUNDATIONAL INVESTMENTS – PEOPLE AND PROCESSES

# Investing first in our people & processes creates the foundation for successful transformation



### Foundational investment in people & processes:

- Close gap between current processes and best-in-class
- Develop and market our company's value proposition
- Maintain and support our culture of accountability
- Upskill our team members



FOUNDATIONAL INVESTMENTS – DATA AND TECHNOLOGY

# Our investments in data & technology will enable process improvement & enhanced capabilities



Foundational investment in data & technology:

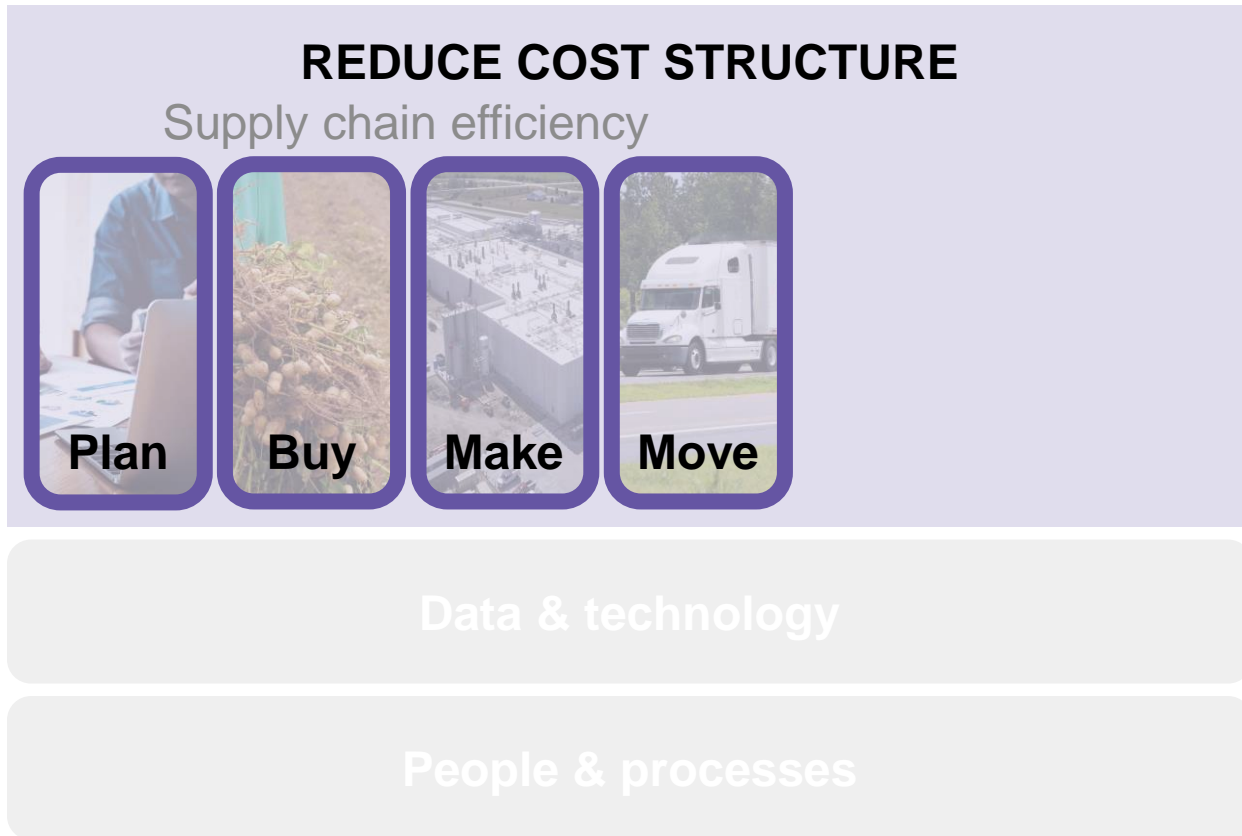
- Complete order-to-cash project
- Improve end-to-end planning process
- Enhance data & analytics capabilities



People & processes

VALUE DRIVERS – PLAN, BUY, MAKE, MOVE

# Significant savings from transformational efforts focused on our supply chain



**Workstreams to reduce supply chain cost structure:**

**Plan:** End-to-end planning evolution driven by people, process, data and technology

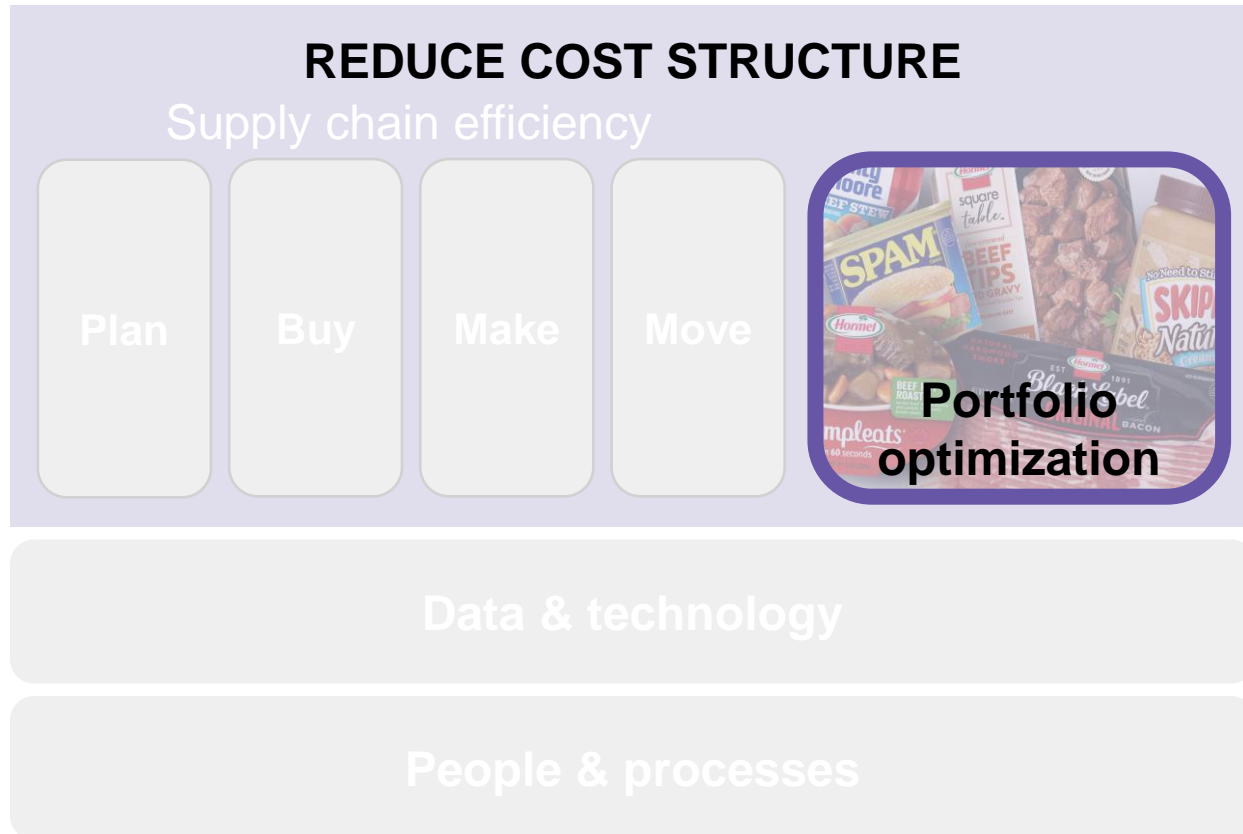
**Buy:** Build foundational procurement capabilities to drive savings and productivity gains

**Make:** Execute our enhanced Hormel Production System across all facilities to drive operational and financial benefits

**Move:** Invest in refrigerated distribution network and transportation capabilities

## VALUE DRIVERS – PORTFOLIO OPTIMIZATION

# Minimizing complexity & enhancing margin structure through portfolio optimization



Elements of portfolio optimization:

**Surge portfolio review:** Alignment and execution to achieve quick wins

**Portfolio complexity analysis and segmentation:** Organized processes for complexity-reduction opportunities

**Ongoing portfolio optimization process:** Integrated approach to routinely monitor “strategic value” and “profitability” of SKUs



## BUILDING THE FOUNDATION

# Investments in our people, processes, and data & technology are foundational to achieving our transformational goal



**Foundational investments**  
to enable growth

DELIVERING OUR GOAL

# We expect to deliver significant savings by the end of fiscal 2026

## REDUCE COST STRUCTURE

Supply chain efficiency

**Plan** **Buy** **Make** **Move** **Portfolio optimization**

**Data & technology**

**People & processes**

**Transformation & modernization**



**\$200M+**  
in projected operating income growth by 2026



**Foundational investments**  
to enable growth



**Investment strategy:** Transformation & modernization to enable earnings growth

➤ **Long-term growth outlook:** Investing to achieve 3-year profitability goal and long-term key results

**Capital allocation:** Committed to dividend growth, investment in our business and our investment-grade rating





LONG-TERM KEY RESULTS

# Remaining committed to our long-term key results

## Net sales

# 2-3%

Organic net sales growth

**4.2% net sales CAGR<sup>2</sup>**  
(fiscal 2012-2022)

## Operating income

# 5-7%

Operating income growth

**5.3% operating income CAGR<sup>2</sup>**  
(fiscal 2012-2022)

## Innovation

# 15%

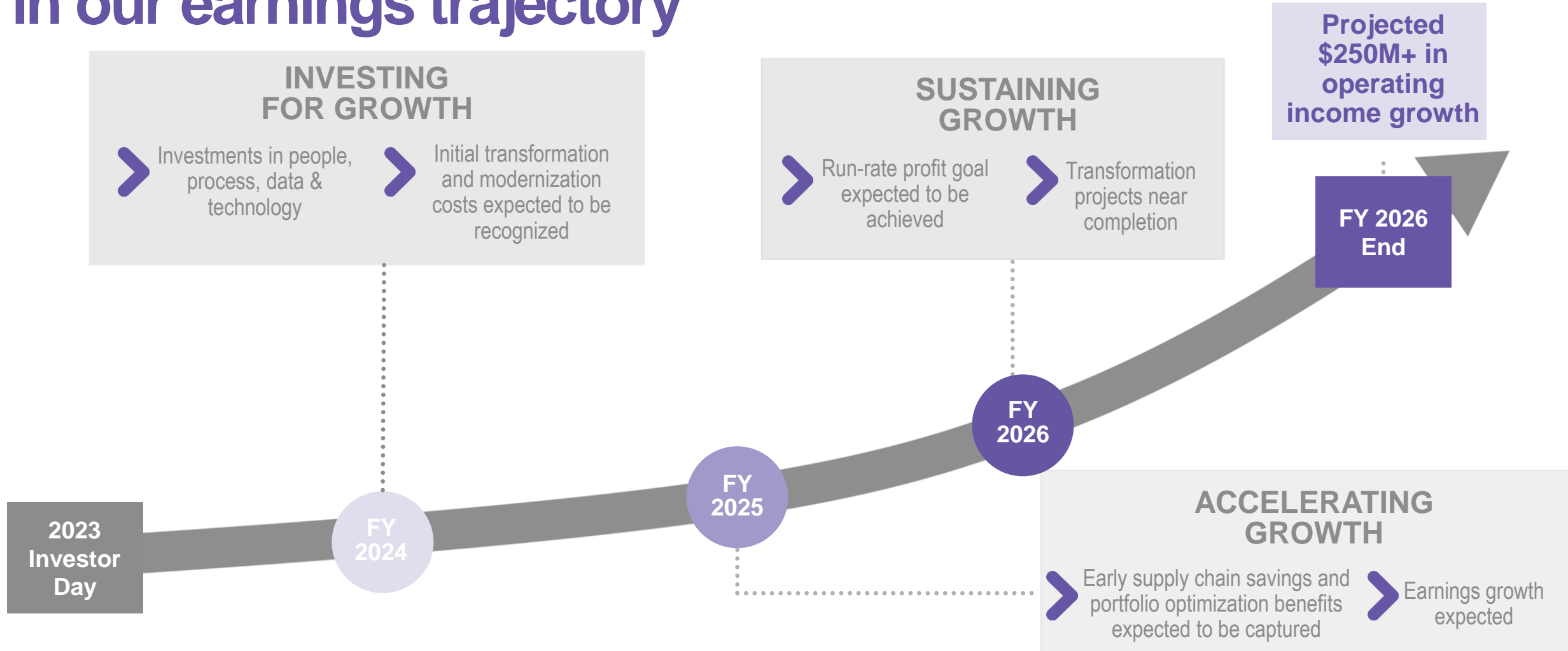
of net sales from innovation<sup>1</sup>

**13% net sales from innovation<sup>3</sup>**  
(fiscal 2022 actual)

Source: (1) Based 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; (2) 2022 annual report; (3) Disclosed in our 2022 Global Impact report.

TIMELINE TO PROFITABILITY GOAL

# Projecting a steady & sequential ramp in our earnings trajectory



**Investment strategy:** Transformation & modernization to enable earnings growth

**Long-term growth outlook:** Investing to achieve 3-year profitability goal and long-term key results

➤ **Capital allocation:** Committed to dividend growth, investment in our business and our investment-grade rating



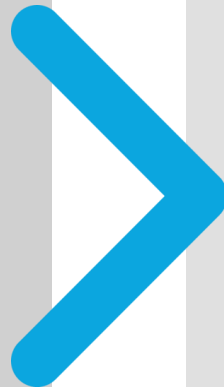


## CAPITAL ALLOCATION STRATEGIES

# Committed to dividend growth, investing in our business, & maintaining an investment-grade rating

### Required

- Increase dividend
- Maintenance capex
- Mandatory debt repayment
- Pension obligations



### Strategic

- Growth capex
- Incremental dividend increases
- Acquisitions
- Investments in working capital

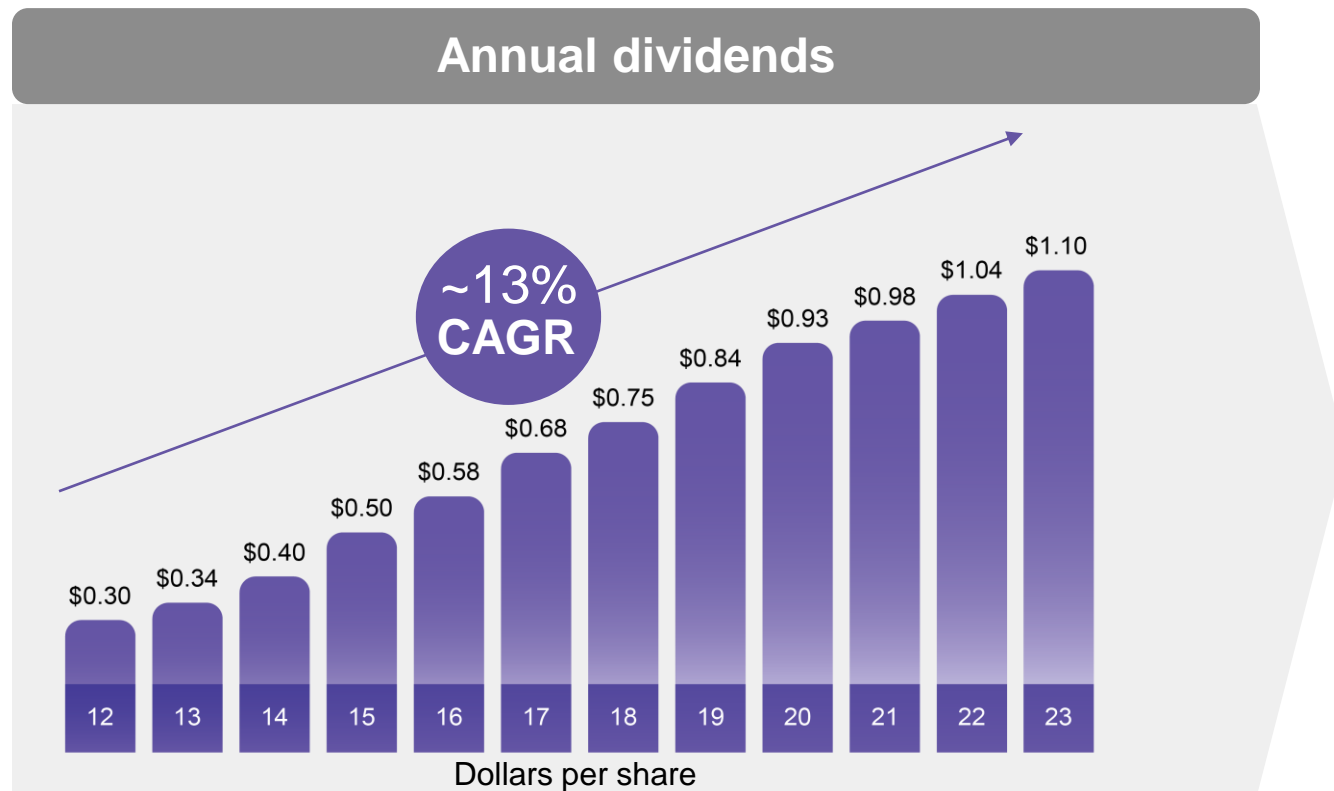


### Opportunistic

- Share repurchases
- Incremental debt repayment
- Cash build

COMMITTED TO OUR DIVIDEND

# Growing our dividend remains the top priority as we allocate capital to drive long-term shareholder returns



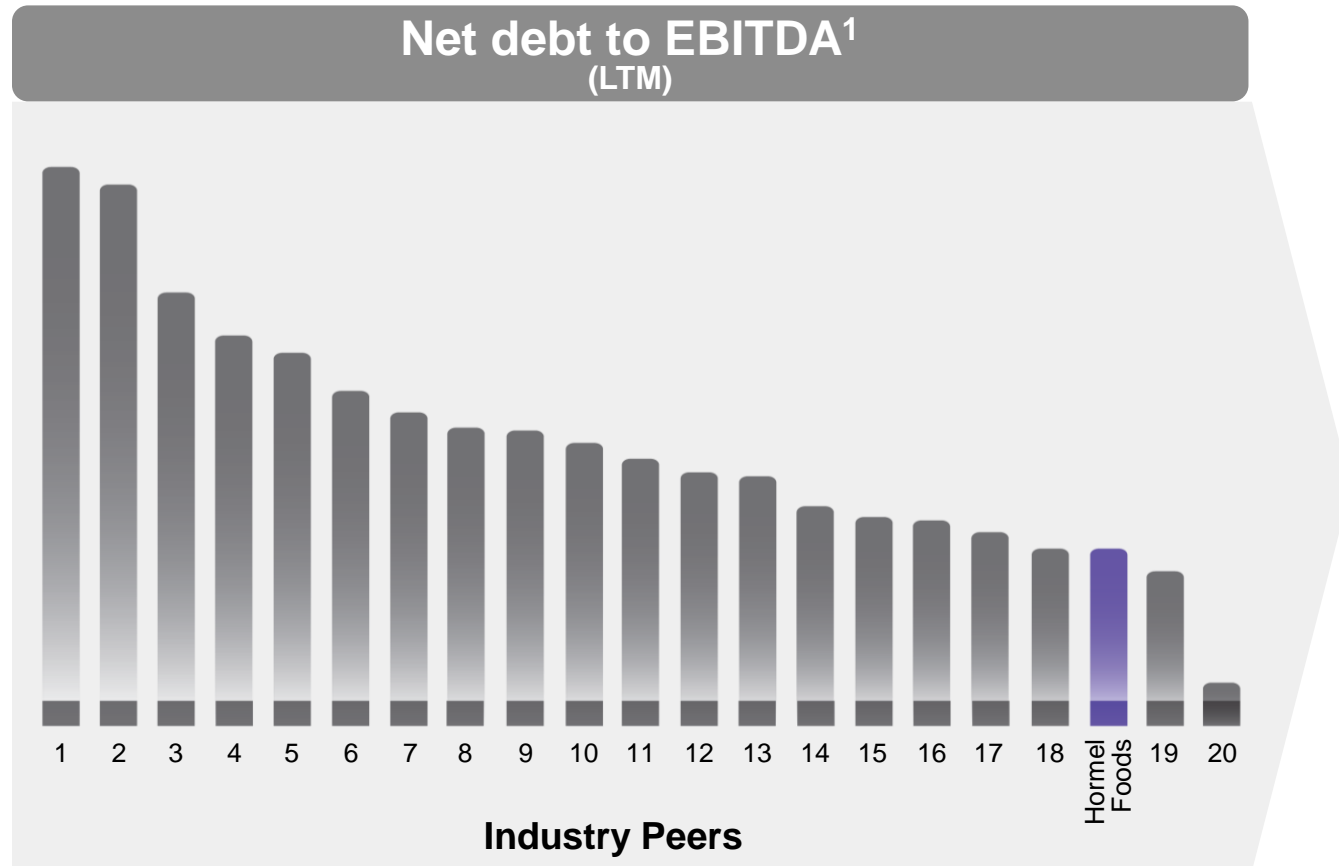
Long-term commitment to our dividend:

- **57 consecutive years** of dividend increases
- Member of S&P 500 **Dividend Aristocrats**
- **95 consecutive years** of dividend payments

Source: Internal data; 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.

STRONG FINANCIAL POSITION

# Financial flexibility to support our business



Cash & mkt sec.<sup>2</sup>  
**\$687M**

Debt<sup>2</sup>  
**\$3.3B**

Committed to maintaining  
**Investment-grade rating**

Source: (1) Sourced from FactSet standardized view on 9/1/2023 for the company's LTIP peers; Net debt to EBITDA calculated by FactSet for the last twelve months ("LTM")  
(2) As of Q3, 2023 – see earnings release dated 8/31/2023 for additional detail.



INVEST. TRANSFORM. GROW.

## In Summary

- We are focused on **delivering long-term shareholder returns and growth** through continued investment and transformation.
- We are **reaffirming our long-term key results**.
- Our **strong balance sheet** supports our **capital allocation priorities**.



# Q&A



**Jim Snee**

Chairman of the Board,  
President and CEO



**Jacinth Smiley**

Executive Vice President  
and CFO





Break



# Part 2: One Retail

## Driving Focus & Growth in Our Retail Business



# Deanna Brady

Executive Vice  
President, Retail





# What did you think of the first course?





## ONE RETAIL

➤ **One Retail:** A powerhouse of leading brands, exceptional talent and strong capabilities

**Brands matter:** A balanced, well-positioned and relevant portfolio

**Clear strategic focus:** Winning with consumers and customers, allocating resources to drive profitable growth and improving our margin structure



ONE RETAIL TODAY

# An \$8B powerhouse of leading brands, talented people & strong capabilities

## Leading retail brands

# #1 or 2

position in more than 40 categories<sup>1</sup>



## Exceptional talent



# ~650

team members

## Strong capabilities



Source: (1) IRI 52 weeks ending 10/30/2022 – MULO; SPINS 52 weeks ending 10/2/2022.

STRUCTURED FOR GROWTH

# Defined verticals – better aligning our structure with our strategy

*Retail verticals – approximate percentage of total Retail segment net sales*

~25%	~20%	~10%	~10%	~5%	~30%
Convenient meals and proteins	Snacking and entertaining	Global flavors	Bacon	Emerging brands	Value-added meats



Source: Internal data based on FY 2022 actual net sales.



BUILDING THE FOUNDATION

# Significant progress implementing GoFWD structure in 2023

## Year one GoFWD successes:

- Integrated seven businesses into one reporting structure
- Focus, alignment and decision-making within the leadership team
- Diligent prioritization of resources, talent management and growth
- Openness to learning, reassessing and making changes



## ONE RETAIL

**One Retail:** A powerhouse of leading brands, exceptional talent and strong capabilities

➤ **Brands matter:** A balanced, well-positioned and relevant portfolio

**Clear strategic focus:** Winning with consumers and customers, allocating resources to drive profitable growth and improving our margin structure



BRANDS MATTER – RETAIL STORE

# Large, balanced & scalable portfolio across the retail footprint...





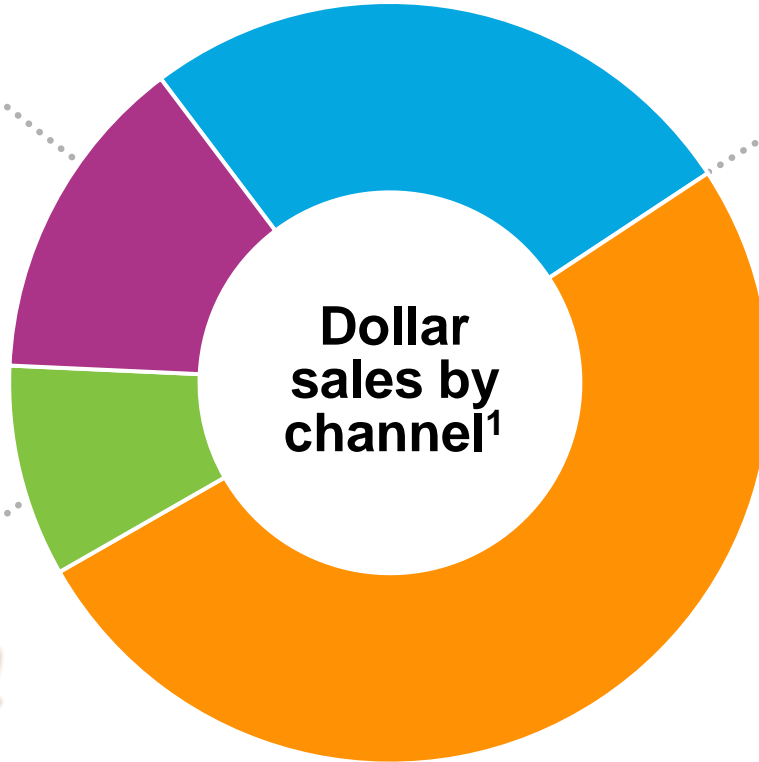
BRANDS MATTER – RETAIL CHANNEL

... with broad exposure to industry segments & subsegments

Club



E-commerce & Other



Grocery & Mass



Source: (1)Circana Total US – All Outlet 52 weeks ending 9/10/2023.

BRANDS MATTER – SCALE & SCOPE

# Possessing an \$8B portfolio of brands with balanced exposure across many categories



BRANDS MATTER – GROWTH & RELEVANCE

# Many of our brands have emerged from the pandemic stronger & more relevant with consumers

Dollar sales vs 4YA |  
branded category position<sup>1</sup>



Source: (1) Circana Scan Panel; Total US All Outlets; 52 weeks ending 8/13/23 vs 2019; NielsenIQ Discover 52 weeks ending 9/23/2023 vs 2019 (Applegate).



## ONE RETAIL

**One Retail:** A powerhouse of leading brands, exceptional talent and strong capabilities

**Brands matter:** A balanced, well-positioned and relevant portfolio

- **Clear strategic focus:** Winning with consumers and customers, allocating resources to drive profitable growth and improving our margin structure



CLEAR STRATEGIC FOCUS

# The retail channel has grown in importance for consumers

**86%** of more than 600 billion annual eating occasions are sourced from retail

The share of retail-sourced occasions remains **2% higher** than pre-pandemic



Source: The NPD Group/*National Eating Trends*® for year-end December 2022; sourced from home/retail and consumed in home.



CLEAR STRATEGIC FOCUS

# Leveraging our strengths & thinking differently about how we drive long-term, profitable growth

#1

## Winning with consumers and customers

➤ To accelerate growth in a dynamic and complex operating environment



#2

## Strategic resource allocation

➤ To drive profitable growth through deliberate alignment of resources



#3

## Improving our margin structure

➤ To support investment in long-term, sustainable growth





STRATEGY #1 – WINNING WITH CONSUMERS AND CUSTOMERS

# Winning with our consumers starts by winning with customers



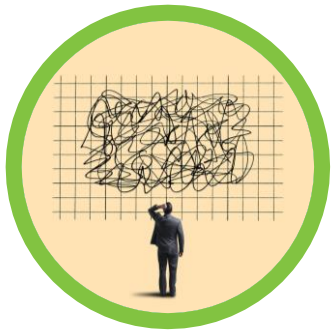


STRATEGY #1 – WINNING WITH CONSUMERS AND CUSTOMERS

# The current operating environment is increasingly complex & dynamic

## Economic uncertainty

➤ Persistent food inflation, slower wage growth and uncertain job markets are shifting consumer buying habits



## Demographic changes

➤ The younger generations are more ethnically and racially diverse, bringing change to overall shopping habits and behaviors



## Sustaining the good

➤ Consumers are increasingly supporting brands that are advancing ESG initiatives



## Holistic well-being

➤ Consumers are placing greater emphasis on foods that can help them achieve physical and mental well-being



## Customer market shifts

➤ Significant shifts in the Retail space are driven by changing shopper needs: e-commerce, store size, labor availability, margin compression, and logistics



STRATEGY #1 – WINNING WITH CONSUMERS AND CUSTOMERS

# Our portfolio is well positioned to address changing consumer behavior

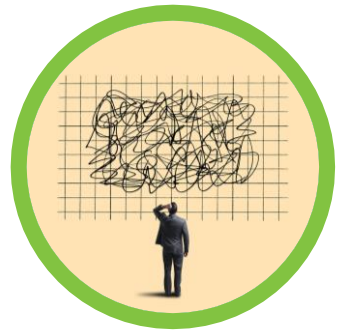
Economic uncertainty

Demographic changes

Sustaining the good

Holistic well-being

Customer market shifts





STRATEGY #1 – WINNING WITH CONSUMERS AND CUSTOMERS

# A path to growing our \$8B powerhouse of brands with our customers



## Becoming an indispensable strategic partner

- Possessing a **customer-first** mindset
- Being a category **thought leader**
- Prioritizing resources for **growth**



## Activating leading insights

- Aligning to a **shared** Hormel Foods **message**
- Curating **shopper insights**
- Leveraging new **insights and technology**



## Creating an empowered team

- Capitalizing on **unique and valued culture**
- Integrating **cross-functional resources**
- Collaborating to **elevate customer influence**

STRATEGY #1 – WINNING WITH CONSUMERS AND CUSTOMERS

# Translating our strategy into winning – examples from year one of GoFWD

Winning with innovation



Leveraging our **Brand Fuel** team

Winning with data, analytics & insights



Growing the **Planters**® snack nuts business in the club channel

Winning with distribution



Bringing **authentic Mexican experiences** to the marketplace

STRATEGY #2 – STRATEGIC RESOURCE ALLOCATION

# Segmenting our brands to better drive focus & accelerate growth

Aligning resources to our **Strategic Brands**



## Flagship

*Large, material, established*



## Rising

*Small, differentiated and poised for growth*



## Foundational

*Steady growers*





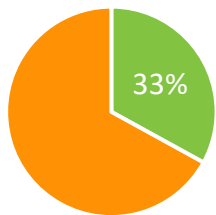
STRATEGY #2 – STRATEGIC RESOURCE ALLOCATION

# Investing in & leading with our flagship brands

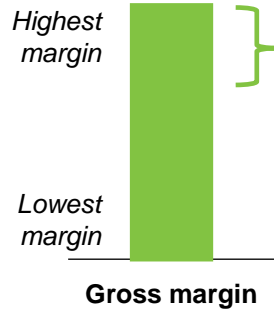
Flagship brands



Net sales contribution



Margin profile



Long-term growth outlook

**Volume**  
+low-single-digit

**Net sales**  
+mid-single-digit

Resource commitments:

- Consistent marketing investments
- Strong, experienced marketing teams
- Heavy R&D investment to drive innovation
- Agile operations to meet consumer demand and deliver innovation

Source: Internal data; financial metrics exclude MegaMex Foods.

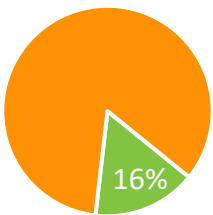
STRATEGY #2 – STRATEGIC RESOURCE ALLOCATION

# Fueling aggressive growth for our rising brands

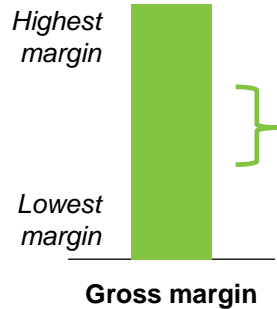
Rising brands



Net sales contribution



Margin profile



Long-term growth outlook

**Volume**  
+mid-single-digit

**Net sales**  
+mid-single-digit

- Resource commitments:
- Over-investment in marketing and innovation resources
  - Entrepreneurial talent to drive growth
  - High focus from brand support teams

Source: Internal data; financial metrics exclude MegaMex Foods.

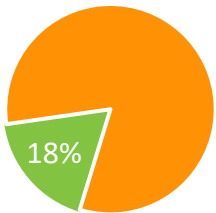
STRATEGY #2 – STRATEGIC RESOURCE ALLOCATION

# Focusing & leveraging our foundational brands

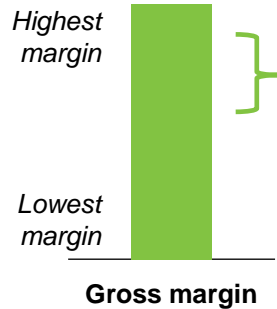
Foundational brands



Net sales contribution



Margin profile



Long-term growth outlook

**Volume**  
+low-single-digit

**Net sales**  
+low-single-digit

Resource commitments:

- Marketing investment to maintain market share
- Experienced brand management teams
- Consistent cost containment focus

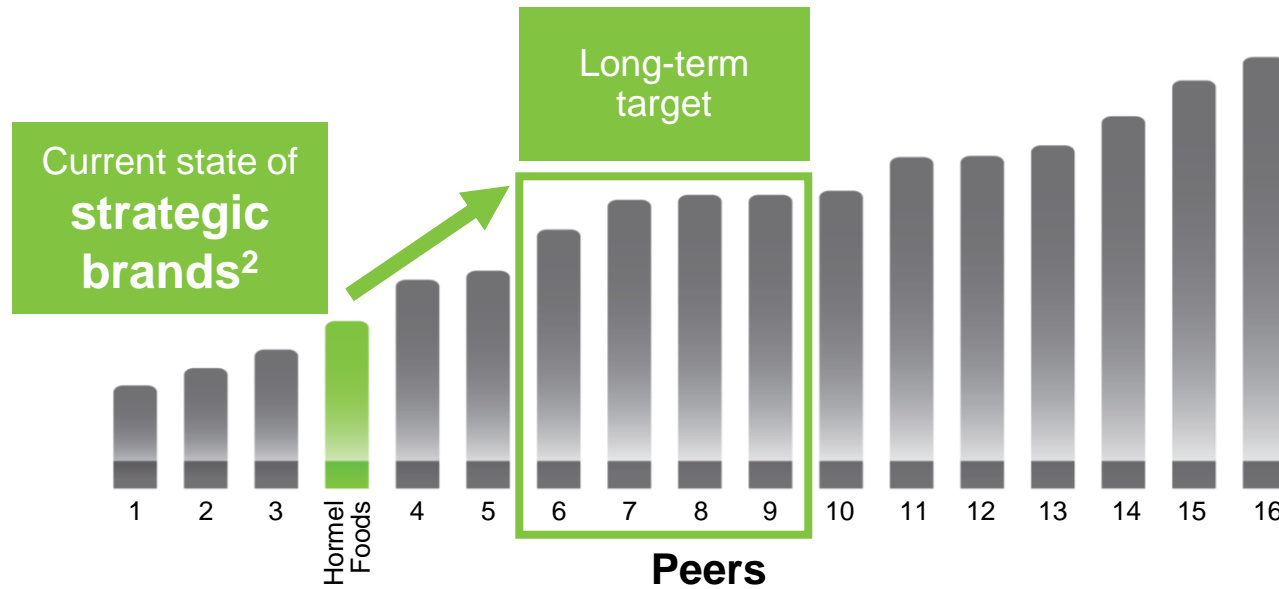
Source: Internal data; financial metrics exclude MegaMex Foods.



STRATEGY #3 – IMPROVING OUR MARGIN STRUCTURE

# Improving our margin structure will allow us to better support our leading brands

**Gross margin % of net sales<sup>1</sup>**  
(most recently completed fiscal year)



- Higher margins support:**
- > Increased brand investment
  - > Incremental innovation
  - > Capital to support further growth

Source: (1) Sourced from Factset, September 2023; (2) internal data; financial metrics exclude MegaMex Foods.

STRATEGY #3 – IMPROVING OUR MARGIN STRUCTURE

# Driving margin expansion through brand stewardship & by reducing cost & complexity

<p><b>Brand stewardship</b> <i>Enhance relationship with consumer</i></p> <ul style="list-style-type: none"><li>• Pricing and mix</li><li>• Incremental and impactful innovation</li><li>• Higher brand investment and support</li></ul> <p>.....</p> <p><b>+1-3 pts.</b> Gross margin expansion long-term</p>	<p><b>Portfolio optimization</b> <i>Reducing cost and complexity</i></p> <ul style="list-style-type: none"><li>• Optimize assortment</li><li>• Reduce supply chain complexity</li><li>• Evaluate incrementality and contribution</li></ul> <p>.....</p> <p><b>+1-3 pts.</b> Gross margin expansion long-term</p>	<p><b>Supply chain improvements</b> <i>Flexing supply chain muscle</i></p> <ul style="list-style-type: none"><li>• Leverage scale to lower costs</li><li>• Improve planning and forecasting</li><li>• Lower distressed sales</li></ul> <p>.....</p> <p><b>+1-3 pts.</b> Gross margin expansion long-term</p>	<p><b>SG&amp;A management</b> <i>Capturing efficiencies</i></p> <ul style="list-style-type: none"><li>• Optimize broker network</li><li>• Maintain disciplined cost management</li></ul> <p>.....</p> <p><b>+1-2 pts.</b> Gross margin expansion long-term</p>
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Targeting long-term segment profit margin of >10% for Retail segment

## STRATEGY #3 – IMPROVING OUR MARGIN STRUCTURE

# Leveraging our capabilities to fuel growth for the *Planters*<sup>®</sup> snack nuts business



## PROJECT ROAST

FUELING PLANTERS<sup>®</sup> GROWTH

### Focus areas:

- Incremental and impactful innovation
- Higher brand investment and support
- Optimize assortment
- Leverage scale to lower costs
- Improve planning and forecasting
- Maintain disciplined cost management



## In Summary

- We are **consumer-focused to drive growth** across our businesses and for our customers.
- We are **better allocating our resources** to optimize performance in the marketplace.
- We are committed to **improving our margin structure** to better support long-term, sustainable growth.



# Part 2: One Retail

## Winning with Consumers





# Scott Aakre

Group Vice President &  
Chief Marketing Officer,  
Retail





WINNING WITH CONSUMERS TODAY

# Our retail branded portfolio reaches 85%<sup>1</sup> of households across all generational breaks



Source: (1) Circana Scan Panel, Total US All Outlet, 52 weeks ending 8/13/23; brands assigned by Buyer Index - Circana Receipt Panel; omnichannel; 52 weeks ending 7/16/2023.

WINNING WITH CONSUMERS TODAY

# We are building demand across an ethnically diverse U.S. consumer base

## African American

- >  112
- >  108
- >  106






## Asian/Pacific Islander American

- >  365
- >  159
- >  122



## Hispanic

- >  156
- >  127
- >  127



## White

- >  123
- >  109
- >  103



Figures denote consumption index

Source: Buyer Index - Circana Receipt Panel; omnichannel; 52 weeks ending 7/16/2023.

WINNING WITH CONSUMERS TODAY

# Brand Fuel combines & expands our enterprise capabilities to engage consumers & drive growth

## BRAND FUEL



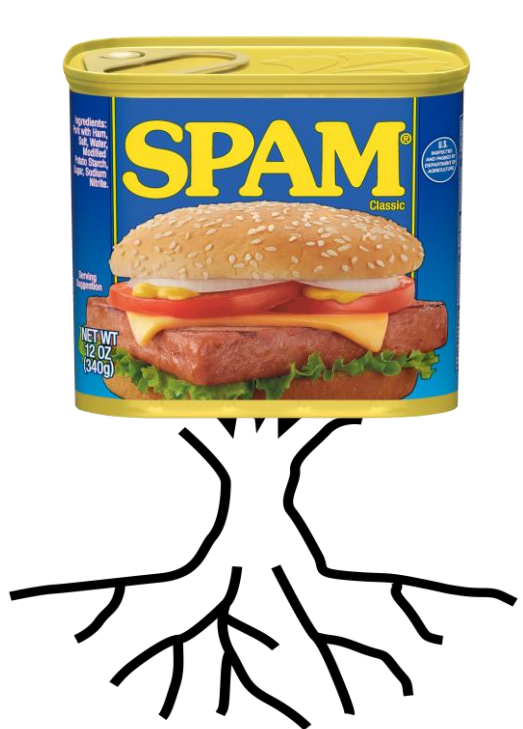
### Brand Fuel:

- A center of excellence focused on insights, innovation, data analytics, omni experience and media strategy
- Supports brands and customers with an in-field cultural anthropologist and dedicated consumer panel
- Results-driven from scaled procurement, agile project teams and shared learning



WINNING WITH CONSUMERS TODAY

# Growing an 86-year-old global & iconic brand through the power of Brand Fuel

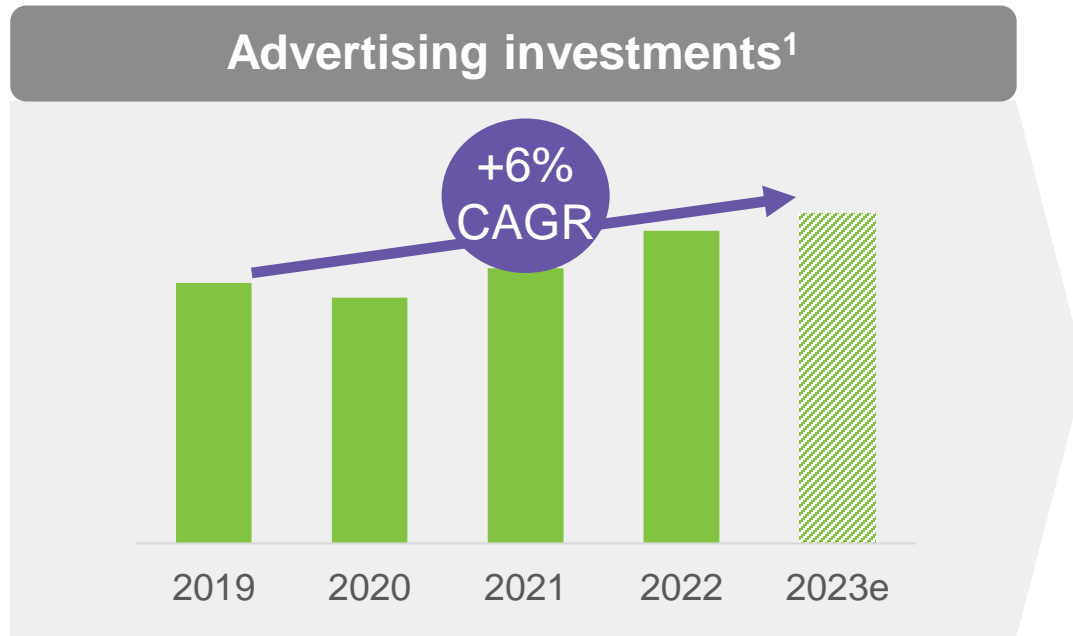


“Born in America but raised around the world.”

John A., Ghanaian – American, FAN *SPAM*® project

WINNING WITH CONSUMERS TODAY

# Supporting our brands to drive growth & engagement in the marketplace



Supporting our brands  
and connecting with consumers



Source: (1) Internal data.

WINNING WITH CONSUMERS

# Renovating & innovating the portfolio to remain relevant with the consumer today & tomorrow

#1

## Global flavors



#2

## Entertaining & snacking



#3

## Natural & organic meats







## Key insight

**Mexican** is the top ethnic cuisine in the U.S. with millennials<sup>1</sup> both at and away from home

.....

**81%**

of **Generation Z** consumers seek out spicy flavors<sup>2</sup>

Source: (1) The NPD Group/CREST®, YE Feb. 2022;  
(2) Technomic CA Report Nov 2020.



GLOBAL FLAVORS – MEXICAN

# Herdez® & Wholly® offer compelling growth stories

CON TODA CONFIANZA ES  
**HERDEZ**  
BRAND

Expanding beyond the core



**WHOLLY**  
BRAND

Dynamic innovation pipeline to increase occasions



GLOBAL FLAVORS – MEXICAN

# Leading innovation in Mexican flavors



  
**MegaMex**  
FOODS

**\$184M**

in innovative items  
across the portfolio

Source: Internal data



A CLOSER LOOK - ALIGNING WITH TODAY'S CONSUMERS

# Using foundational brands & cultural influences to deliver new products & messaging







## Key Insight

Snacking is a growing lifestyle in the U.S., especially for the younger generations<sup>1</sup>

3+ snacks per day

18-24 58%

25-34 68%

35-44 60%

---

**\$69B**

Snacking & entertaining category sales<sup>2</sup>

Source: (1) Circana 2023 Snacking Survey;  
(2) IRI Market Advantage last 52 weeks ending 6/18/2023.



ENTERTAINING & SNACKING

# Positioned to win with leading brands in entertaining & snacking



- Fuel snacking – convenient, filling snack options that give an energy boost
- Holiday get-togethers



- Highly craveable - driven by unique flavors
- Convenience store favorite



- Pizza and pizza-related recipes for casual gatherings
- Perfect for snacking



- Creating a flavorful and adventurous experience
- Growing trend of charcuterie



- Convenient, affordable option for casual get-togethers
- A solution for billions of occasions





A CLOSER LOOK - ALIGNING WITH TODAY'S CONSUMERS

# Using our position in snacking to innovate for younger, more diverse consumers

Winning with flavor



Same great taste,  
different eating experience





## Key insight

Consumers are increasingly seeking and supporting brands that are genuinely advancing ESG initiatives



Source: Applegate Brand Health Tracker, October 2023.





NATURAL & ORGANIC MEATS

# Applegate remains the industry leader in natural & organic meats

Consumers are making more conscious choices<sup>1</sup>

Of processed meat buyers:

**~50%**

will pay more to get natural/organic

**~50%**

choose meat based on health

**~33%**

buy based on animal treatment

**~25%**

buy based on environmental impact

growing > YAG

#1 natural/organic market position<sup>2</sup>

- > Lunchmeat
- > Hot dogs
- > Bacon
- > Breakfast sausage
- > Breaded chicken



Source: (1) Applegate Brand Health Tracker, October 2023;(2) NielsenIQ Discover 52 weeks ending 9/23/2023.



## NATURAL & ORGANIC MEATS

# Well-positioned across taste profiles, lifestyles & eating occasions

### Every taste



Sweet



Savory

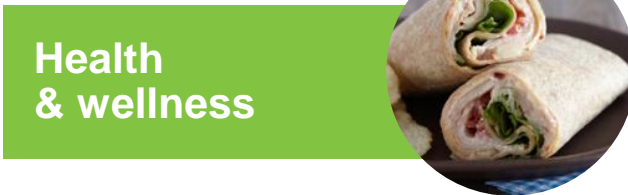


Spicy

### Every lifestyle



Diet & eating plans



Health & wellness



Cooking & foodie culture

### Every occasion

Breakfast, lunch, & dinner



Snacking & entertaining

Away from home & on the go



## In Summary

- Our portfolio is **built for growth** and is a **competitive advantage**.
- We are **winning in the marketplace** with insights, analytics and innovation.
- GoFWD is the **unlock** that we expect to drive **future growth**.



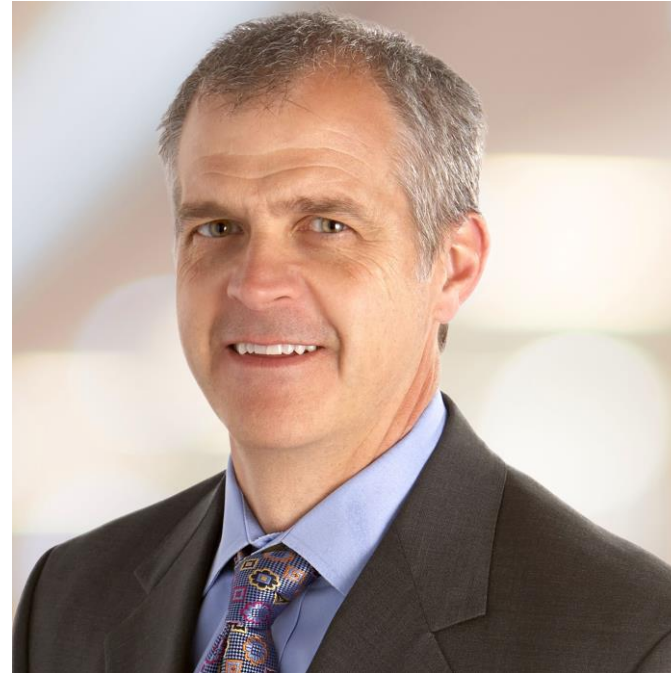


# Q&A



**Deanna Brady**

Executive Vice  
President, Retail



**Scott Aakre**

Group Vice President &  
Chief Marketing Officer,  
Retail





**Break**



# Part 3: Foodservice

## Expanding Leadership in Foodservice



# Mark Ourada

Group Vice President,  
Foodservice





# What did you think of the second course?





➤ **A highly differentiated business:**  
Delivering innovative solutions and  
above-industry growth

**Clear strategic focus:** Growing key  
categories, establishing digital leadership  
and expanding our presence in c-stores

**Expanding industry leadership:**  
Leveraging collaboration, investment and  
innovation to drive long-term growth



FOODSERVICE TODAY

# Delivering high-quality, innovative culinary solutions with an operator-first mentality

## Leading foodservice brands



## Focus categories



## Differentiated capabilities

- > Solutions-based portfolio
- > Direct-selling model
- > Operator-focused innovation





AN INDUSTRY LEADER

# Maintaining a highly-differentiated position in the foodservice industry

**Differentiators**

**Benefits**

Branded portfolio



Commands a premium price point in the marketplace

Full-solutions provider



Seen as an industry leader and authority in bacon, pizza toppings and prepared proteins

Balanced go-to-market strategy



Able to withstand shifting market conditions

Direct sales force



Possesses long-term and lasting relationships with industry partners

Operator-focused



Viewed as an industry leader and strategic partner



LEVERAGING OUR NEW MODEL

# Successful execution against GoFWD priorities in fiscal 2023

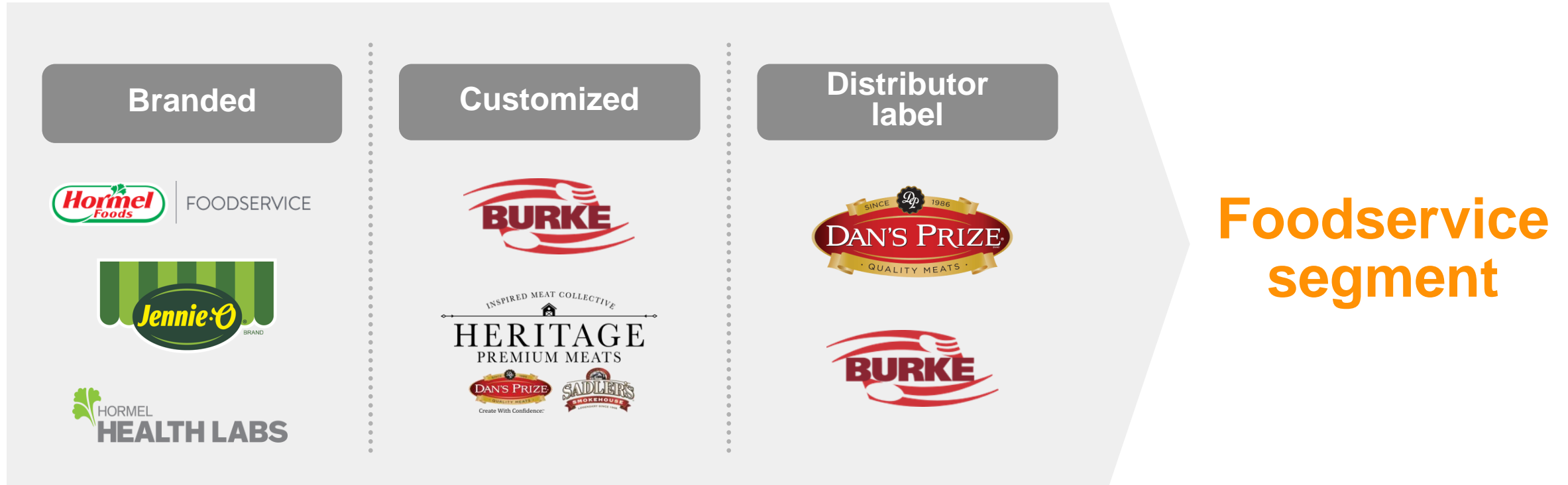
## Year one GoFWD successes:

- Capitalized on the unique attributes of each business
- Increased collaboration between businesses
- Identified synergies and opportunities for “value add”
- Leveraged customer interaction



STRUCTURED FOR GROWTH

# Leveraging all our capabilities as a leader in the industry





FOCUSED ON SOLUTIONS

# By leveraging insights & innovation, we deliver solutions for industry pain points



High-quality, versatile products

Innovative solutions

Authentic applications

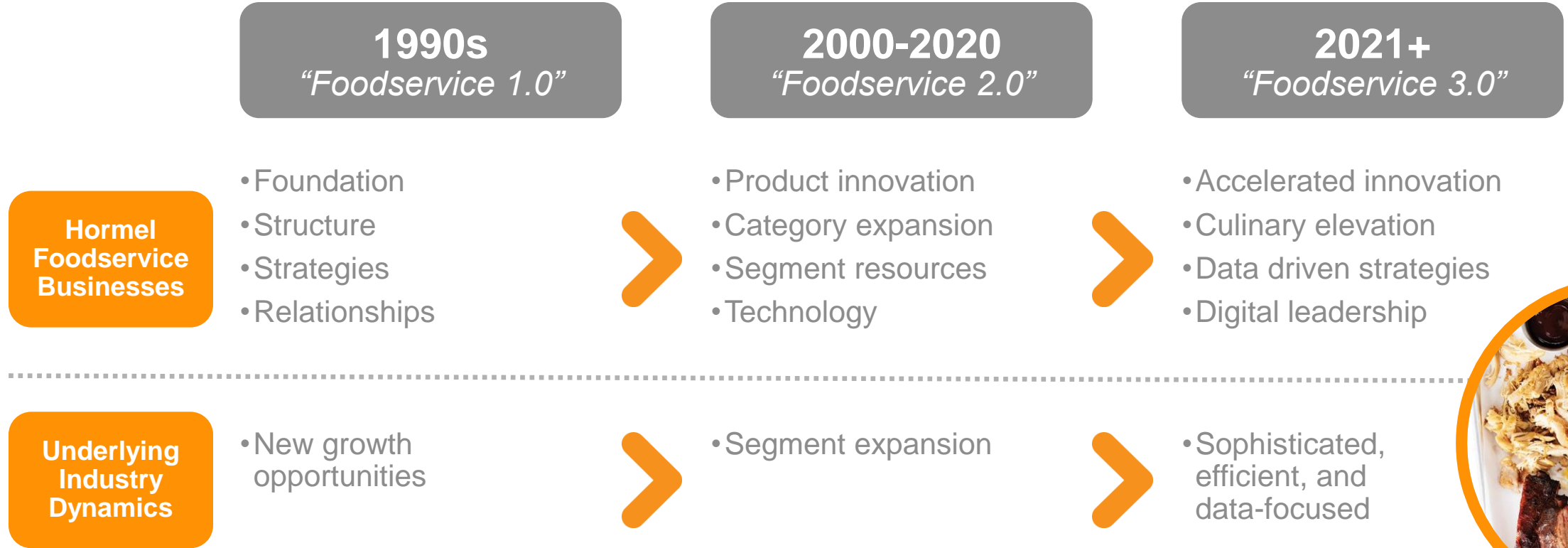


Addressing industry challenges by:

- Reducing labor complexity
- Maximizing customer reach and revenue
- Balancing labor needs

A STRATEGIC & INTENTIONAL EVOLUTION

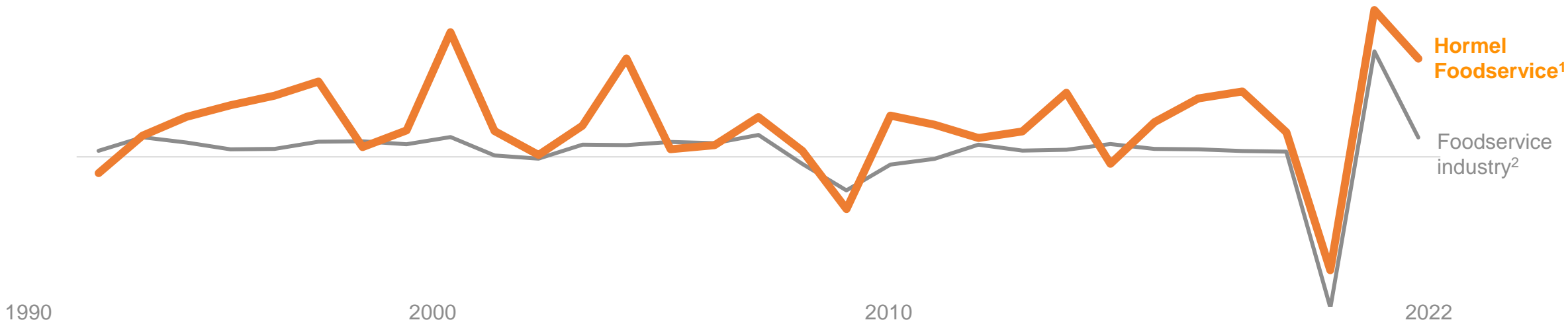
# Aligning with industry trends, operator shifts & macroeconomic changes



A TRACK RECORD OF ABOVE-INDUSTRY GROWTH

# Consistently outpacing industry growth since our inception in the early 1990s

YoY % change



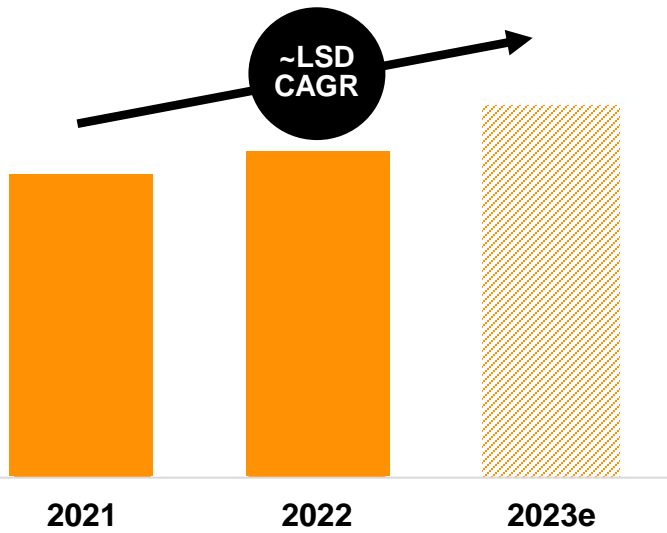
Source: (1) Internal data – YoY net sales change; includes legacy Hormel Foodservice only;  
 (2) As reported by Technomic – YoY dollar sales industry change (real).



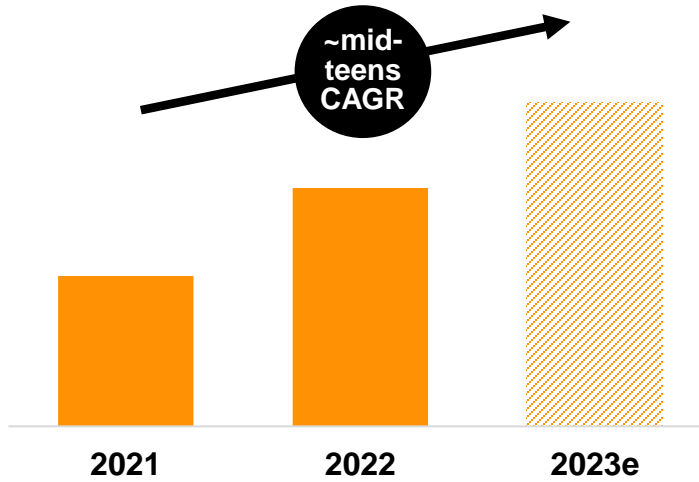
DELIVERING RESULTS

# We have sustained our momentum coming out of the pandemic

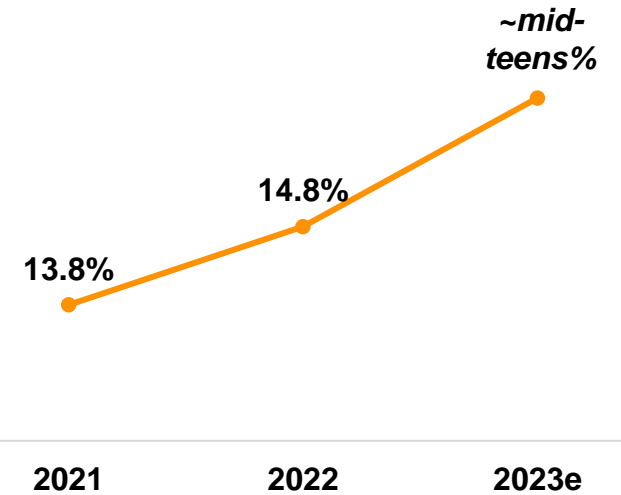
Volume



Segment profit



Segment profit margin



Source: Internal data.

## A highly differentiated business:

Delivering innovative solutions and above-industry growth

- **Clear strategic focus:** Growing key categories, establishing digital leadership and expanding our presence in c-stores

## Expanding industry leadership:

Leveraging collaboration, investment and innovation to drive long-term growth



CLEAR STRATEGIC FOCUS

# Growing the business in the current environment

#1

## Accelerate growth in key categories

- To expand leadership positions in bacon, pizza toppings, premium prepared proteins and turkey



#2

## Establish digital leadership position

- To continue to evolve with changing industry dynamics



#3

## Expand presence in c-stores

- To further balance our business in an important, growing and relevant industry subsegment

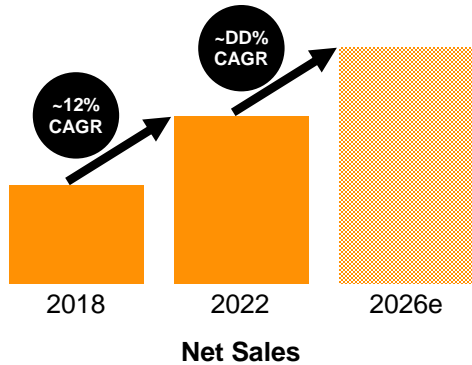




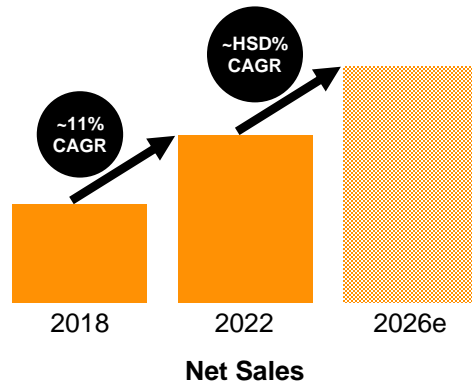
STRATEGY #1 – ACCELERATE GROWTH IN KEY CATEGORIES

# Leading & growing in bacon, pizza toppings & premium prepared proteins

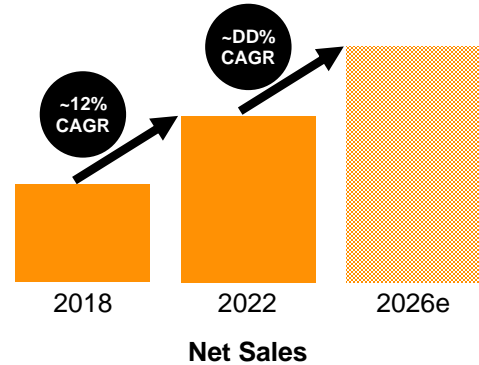
## Bacon



## Pizza toppings



## Premium prepared proteins



Source: Internal data.

## STRATEGY #1 – ACCELERATE GROWTH IN KEY CATEGORIES

# Unlocking value through the integration of the *Jennie-O*<sup>®</sup> foodservice business

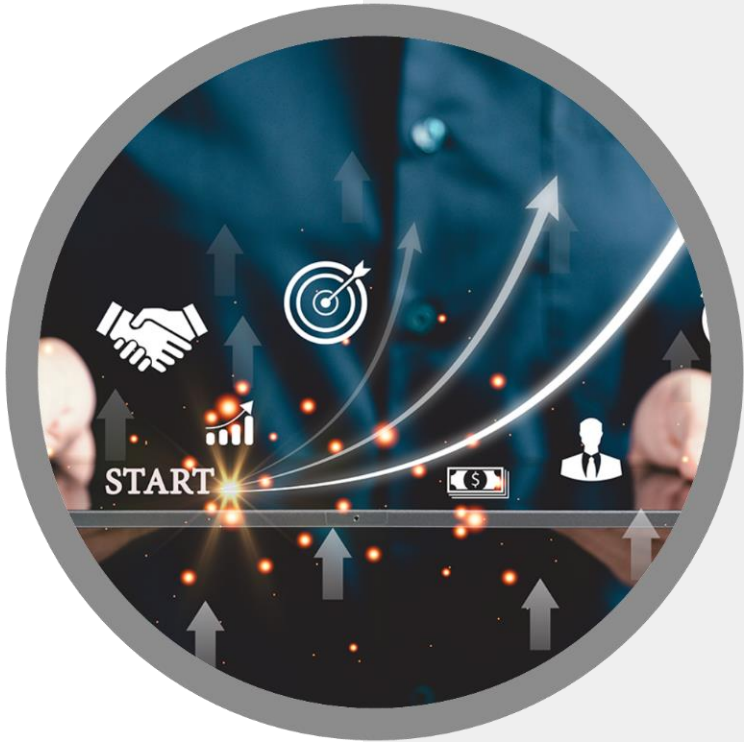
## Expected benefits from *Jennie-O*<sup>®</sup> integration:

- Improved mix and margin on street account business across the turkey portfolio
- K-12 channel expansion with *Hormel*<sup>®</sup> branded items
- Cross-functional opportunities with large national accounts
- A more focused and demand-driven turkey set through portfolio optimization



## STRATEGY #2 – ESTABLISH DIGITAL LEADERSHIP POSITION

# Digital leadership – a key enabler moving forward



# ~75%

of operators leverage digital ordering and online content<sup>1</sup>

## Focus areas within digital:

- Distributor and operator digital marketing campaigns
- Targeted distributor analytics
- Foundational data syndication

Source: (1) Technomic.



STRATEGY #3 – EXPAND PRESENCE IN C-STORES

# Convenience store landscape presents a compelling & attractive opportunity for growth

## C-Store reach<sup>1</sup>

**150,000+**  
Convenience stores<sup>1</sup>



**~\$900B**  
Total sales<sup>2</sup>

**~\$300B**  
In-store revenue<sup>2</sup>

## Key categories in c-stores<sup>3</sup>

### Prepared Food



**#1** Inside sales contributor  
**#1** Inside margin contributor

### Salty Snacks



**#5** Inside sales contributor  
**#5** Inside margin contributor

Source: (1) 2023 NACS/NielsenIQ Convenience Industry Store Count; (2) NACS, calendar 2022 data; (3) NACS State of the Industry 2022.

STRATEGY #3 – EXPAND PRESENCE IN C-STORES

# Visible across the convenience store format



**1 FRONT END IMPULSE**

**2 REFRIGERATED SNACKS**

**3 REFRIGERATED PREPARED MEALS**

**4 HOT CASE/READY MEALS**

**5 FILL IN SHOPPING/ CONVENIENT MEALS**

**6 SALTY SNACKS**

**7 SHIPPER DISPLAY - PLANTERS**

**Goals in c-store channel:**

- Grow share across ingredients, snacking and traditional retail
- Strengthen customer partnerships
- Solidify position as a thought leader and indispensable business partner
- Drive meaningful top- and bottom-line growth for the division



**A highly differentiated business:**

Delivering innovative solutions and above-industry growth

**Clear strategic focus:** Growing key categories, establishing digital leadership and expanding our presence in c-stores

➤ **Expanding industry leadership:** Leveraging collaboration, investment and innovation to drive long-term growth





OUR LONG-TERM AMBITION

# Expand our leadership position in foodservice

## Our vision

*Continue to outpace industry growth by delivering value-added, differentiated products to the market through the leading sales team in the industry*



## Long-term imperatives

**Collaboration**

**Investment**

**Innovation**



PORLAND

PORLAND

rosseto  
SERVING SOLUTIONS

ACACIA

Mount Franklin Fo

MegaMex  
FOODS

A vertical display board featuring various colorful Mexican dishes such as salsa, guacamole, and beans.

Fontanini  
Premium Italian Meats

A vertical display board showing a chef in a white uniform pointing towards a large, succulent roasted meat dish.

Hormel  
Foods

WELCOME TO OUR HOUSE

Hormel BACON 1  
PERFECTLY COOKED BACON

A vertical display board featuring a close-up image of several strips of perfectly cooked, golden-brown bacon.

Hormel  
FOODS

A vertical display board showing a variety of cooked meats, including what appears to be a ham or large roast.





## INVESTMENT

# Broadening culinary capabilities to drive operator engagement



## Investing in culinary capabilities:

- Establishing the Culinary Collective, which centralizes and leverages our culinary teams across the organization
- Further utilizing our Innovation Center with customers
- Training our direct sales force in culinary skills



INNOVATION

# Keeping a robust & vibrant pipeline of innovative products

Supplementing pizza toppings leadership



**Fontanini**<sup>®</sup>

Premium Italian Meats

Broadening offerings in “speed scratch”



**FLASH 180**<sup>™</sup>  
SOUS VIDE PROTEINS

## In Summary

- We continue to deliver **high-quality, innovative culinary solutions** with an operator-first mentality.
- We have **clear strategic focus** and expect continued growth from this business.
- Expanding our **leadership position in the foodservice industry** remains our long-term ambition.





# Part 3: One Supply Chain

## Future-fitting our One Supply Chain





# Mark Coffey

Group Vice President,  
Supply Chain



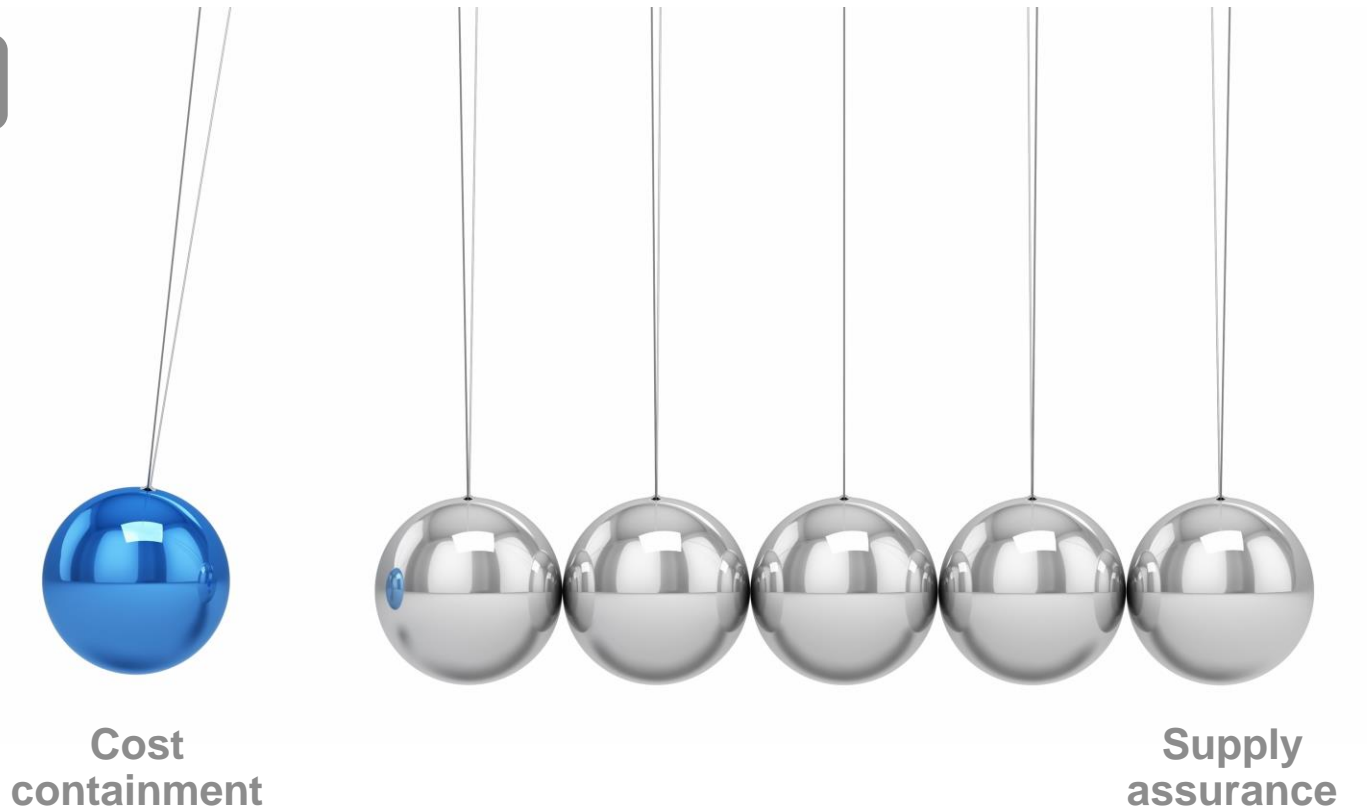
HISTORICAL APPROACH – COST CONTAINMENT

# Long track record of operating an efficient & effective supply chain

**Historical approach**

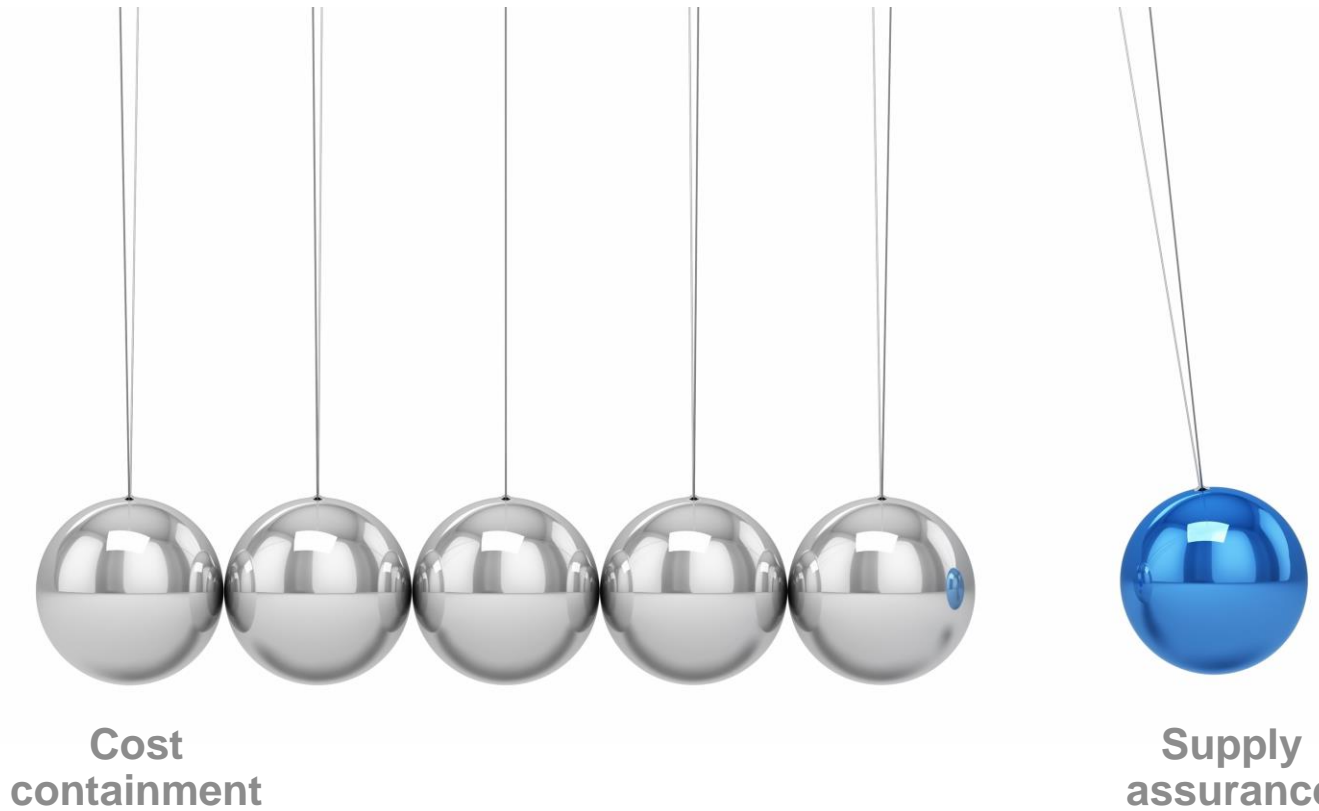
**Hold controllable costs to < 1% increase YoY**

- Legacy cost savings programs
- Continuous improvement mindset
- Investments in efficiencies, automation and technology



PANDEMIC-ERA APPROACH – SUPPLY ASSURANCE

# Through the pandemic, we intentionally & successfully focused on “supply assurance”



**Pandemic-era approach**

- Service our customers**
- Procure supplies at any cost
  - Extend line runs, including weekends and overtime
  - Capacity expansion, both internally and via third parties



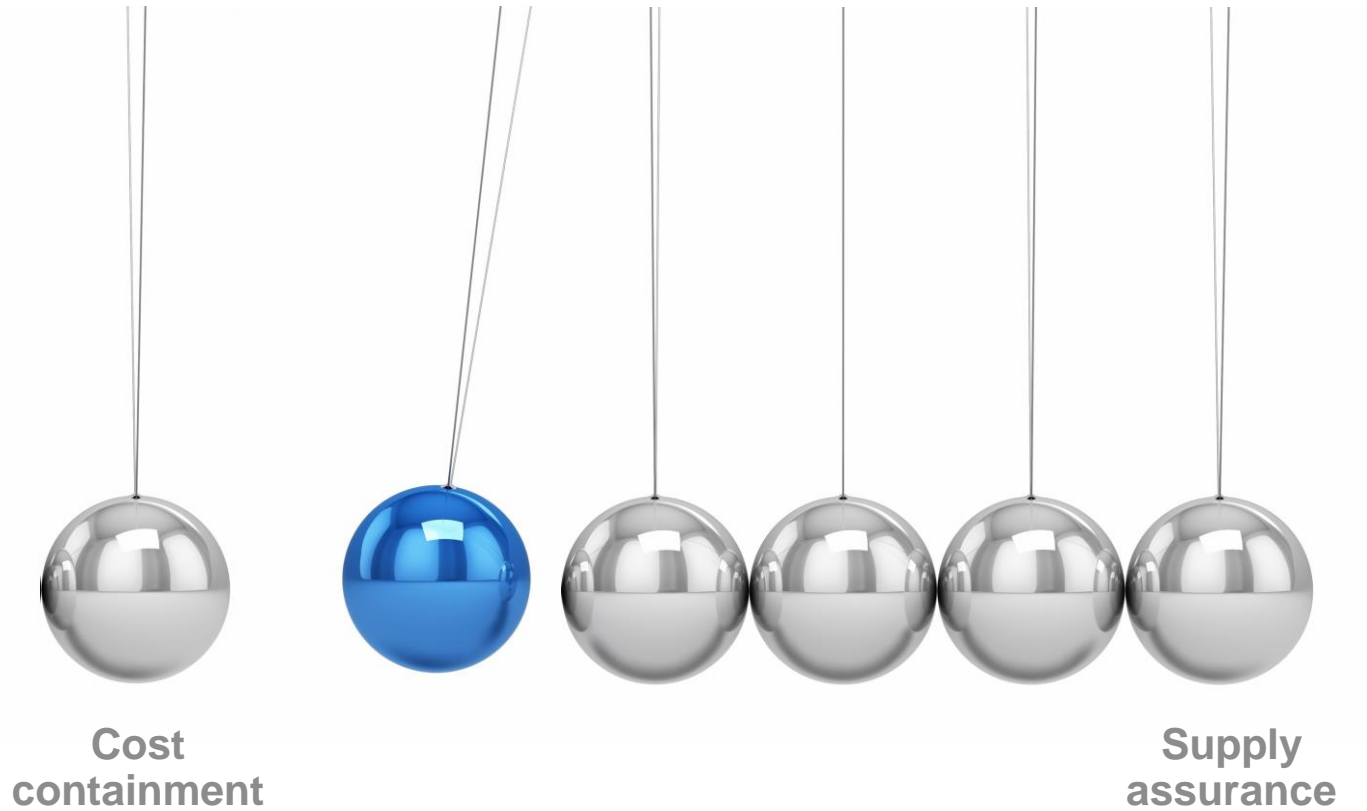
FUTURE APPROACH – BALANCING COST WITH TRANSFORMATIONAL INVESTMENTS

# Pivoting back toward “cost containment” & accelerating investment in long-term growth

## Future approach

### Future-fitting our One Supply Chain

- Legacy cost savings programs
- Continuous improvement mindset
- Transformational investments in our supply chain



FUTURE-FITTING ONE SUPPLY CHAIN

# A thoughtful & thorough approach



**Benchmark**  
our current state  
supply chain

**Identify initiatives**  
to realize our supply  
chain vision

Develop an  
**integrated  
roadmap**

Create a  
**holistic value case**  
for each initiative

FUTURE-FITTING ONE SUPPLY CHAIN

# Solving for changes in demand & an increasingly dynamic supply environment



## Fast-evolving demand...

- Ever-changing consumer expectations
- Increasing customer requirements
- Sustainability & CSR expectations

## ...highly turbulent supply headwinds

- Supply assurance & inflation
- The fight for talent
- Transparency and traceability



Source: Accenture.



FUTURE-FITTING ONE SUPPLY CHAIN

# Focused on investing for growth, minimizing complexity & reducing cost



**\$200M+**  
in projected operating  
income by 2026

**Focus areas:**

- Execute portfolio optimization initiatives
- Invest in end-to-end supply chain solutions
- Improve efficiency across our supply chain

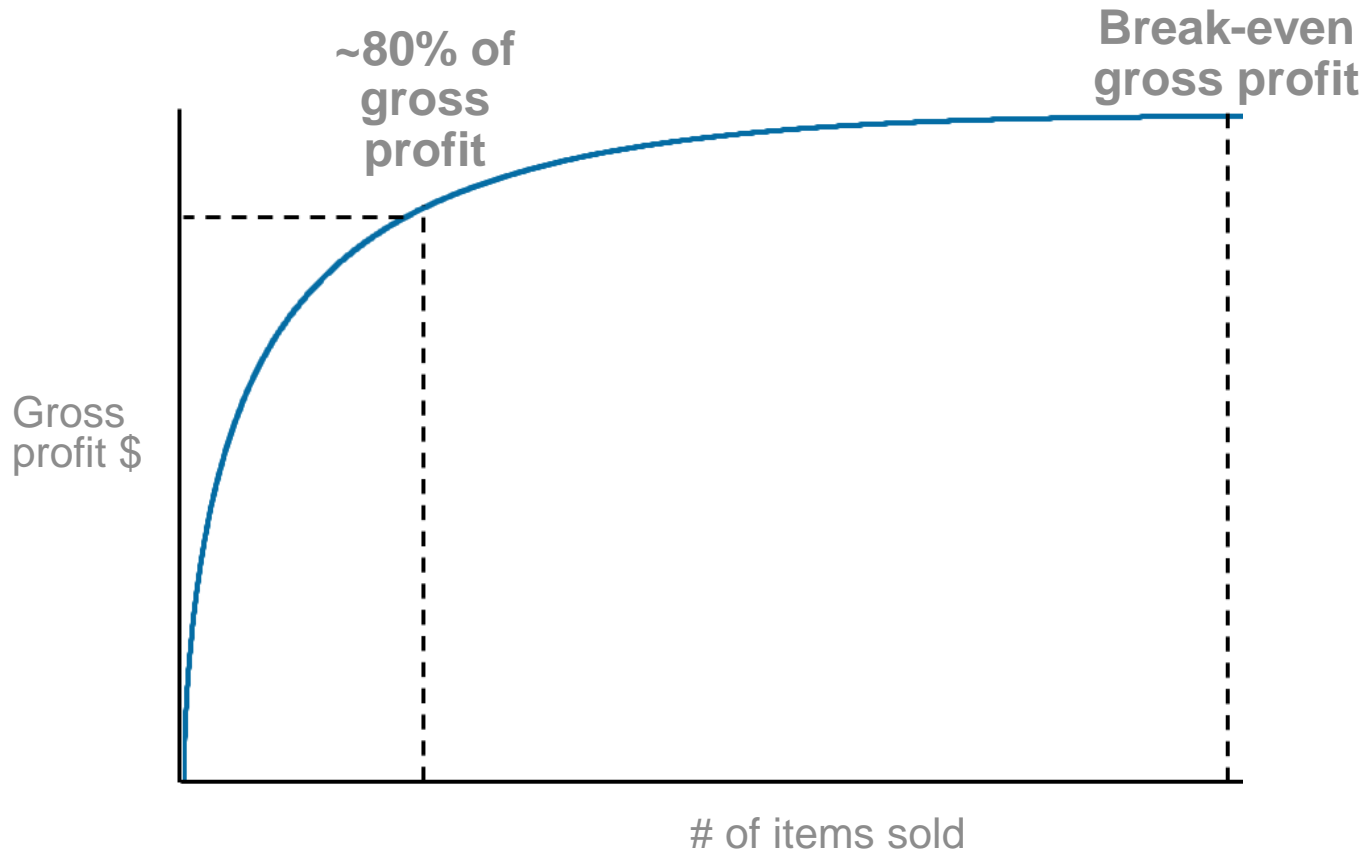
A CLOSER LOOK – IMPROVE EFFICIENCY ACROSS OUR SUPPLY CHAIN

# Value case for Plan, Buy, Make & Move

	Plan	Buy	Make	Move
Value	\$\$\$	\$\$\$	\$\$	\$
Complexity	HIGH	Moderate	Moderate	low
Action	Adopt a holistic approach to <b>end-to-end planning</b> transformation	Develop <b>right structure &amp; tools for procurement</b> across the total enterprise	Pilot, test, and scale <b>new ways of working</b> across the network	Assess and address near-term capacity & <b>network optimization</b>

A CLOSER LOOK – PORTFOLIO OPTIMIZATION

# Illustrative example – we possess a long & complex “tail of SKUs”



**Key takeaways:**

- Majority of gross profit derived from limited number of SKUs
- Small portion of portfolio comprised of unprofitable SKUs
- **Ample opportunity to simplify and optimize portfolio**

Source: Internal data; based on items sold between Q4 FY22 – Q3 FY23.



OUR 3-YEAR JOURNEY

# A comprehensive & transformational plan



## In Summary

- We are **future-fitting our One Supply Chain** by investing for growth, minimizing complexity and reducing cost.
- Successful execution against our supply chain strategic initiative is expected to result in **meaningful savings by FY 2026.**



# Q&A



**Mark Ourada**

Group Vice President,  
Foodservice



**Mark Coffey**

Group Vice President,  
Supply Chain



**INVESTOR**  
**DAY 2023**



# Jim Snee

Chairman of the Board,  
President and CEO



KEY TAKEAWAYS FROM TODAY

# We have a realistic & achievable path to deliver growth



**Jacinth Smiley**  
Executive Vice President  
and CFO

- Focused on **delivering long-term shareholder returns** and **growth**
- **Reaffirmed** our long-term **key results**



**Deanna Brady**  
Executive Vice  
President, Retail

- **Better allocating our resources** to optimize performance in the marketplace
- Committed to **improving our margin structure**



**Scott Aarke**  
Group Vice President &  
Chief Marketing Officer,  
Retail

- **Winning in the marketplace** with insights, analytics and innovation
- **Unlocking future growth** through GoFWD



KEY TAKEAWAYS FROM TODAY

# We have a realistic & achievable path to deliver growth



**Mark Ourada**  
Group Vice President,  
Foodservice

- Delivering **high-quality, innovative culinary solutions** to foodservice operators
- Focused on **expanding our leadership position** in the foodservice industry



**Mark Coffey**  
Group Vice President,  
Supply Chain

- **Future-fitting** our One Supply Chain
- Investing for **growth, minimizing complexity** and **reducing cost**

OUR STRATEGIC FOCUS IS CLEAR

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

## Invest

in people, processes, 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



ACCELERATING PROFITABLE GROWTH – ENTERPRISE OBJECTIVES

# A realistic & achievable path to grow operating income \$250M+ by 2026





LONG-TERM KEY RESULTS

# Remaining committed to our long-term key results

## Net sales

**2-3%**

Organic net sales growth

**4.2% net sales CAGR<sup>2</sup>**  
(fiscal 2012-2022)

## Operating income

**5-7%**

Operating income growth

**5.3% operating income CAGR<sup>2</sup>**  
(fiscal 2012-2022)

## Innovation

**15%**

of net sales from innovation<sup>1</sup>

**13% net sales from innovation<sup>3</sup>**  
(fiscal 2022 actual)

Source: (1) Based 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; (2) 2022 annual report; (3) Disclosed in our 2022 Global Impact report.

# Key messages you heard today

- We have made **significant progress** in our evolution to become a stronger, more balanced and less volatile company.
- Our **updated strategic priorities** align with our segments and support meaningful earnings growth by fiscal 2026.
- We are **investing for growth** to accelerate our transformation as a global branded food company.
- Our belief is that our purpose statement of **inspired people** creating **inspired food** is at the center of everything we do.







**THANKS FOR  
ATTENDING**