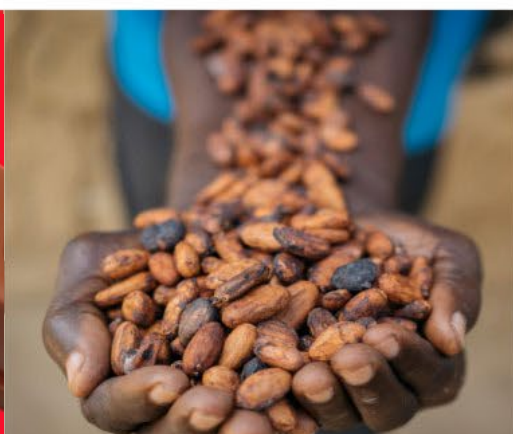




# HERSHEY

## ANNUAL MEETING OF STOCKHOLDERS

MAY 17, 2021



# AGENDA

WELCOME

**ITEMS OF BUSINESS**

BUSINESS REVIEW

QUESTIONS AND ANSWERS

VOTING RESULTS

# ITEMS OF BUSINESS

## ELECTION OF DIRECTORS

RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS

ADVISE ON NAMED EXECUTIVE OFFICER COMPENSATION

VOTING

# NOMINATED DIRECTORS

**Pamela Arway**

**James Brown**

**Victor Crawford**

**Robert Dutkowsky**

**Mary Kay Haben**

**James Katzman**

**Diane Koken**

**Robert Malcolm**

**Anthony Palmer**

**Juan Perez**

**Wendy Schoppert**

**Michele Buck**

# BOARD RECOMMENDATION

**The Board recommends a vote  
FOR each of the director nominees**

# ITEMS OF BUSINESS

ELECTION OF DIRECTORS

**RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS**

ADVISE ON NAMED EXECUTIVE OFFICER COMPENSATION

VOTING

# BOARD RECOMMENDATION

**The Board recommends a vote FOR ratification of the appointment of ERNST & YOUNG LLP as independent auditors for the fiscal year ending December 31, 2021.**

# ITEMS OF BUSINESS

ELECTION OF DIRECTORS

RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS

**ADVISE ON NAMED EXECUTIVE OFFICER COMPENSATION**

VOTING



# BOARD RECOMMENDATION

**The Board recommends a vote FOR approval, on a non-binding advisory basis, of the Company's named executive officer compensation**

# ITEMS OF BUSINESS

ELECTION OF DIRECTORS

RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS

ADVISE ON NAMED EXECUTIVE OFFICER COMPENSATION

**VOTING**

# AGENDA

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# FORWARD-LOOKING STATEMENTS

This presentation contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Many of these forward-looking statements can be identified by the use of words such as “anticipate,” “assume,” “believe,” “continue,” “estimate,” “expect,” “forecast,” “future,” “intend,” “plan,” “potential,” “predict,” “project,” “strategy,” “target” and similar terms, and future or conditional tense verbs like “could,” “may,” “might,” “should,” “will” and “would,” among others. These statements are made based upon current expectations that are subject to risks and uncertainties. Because actual results may differ materially from those contained in the forward-looking statements, you should not place undue reliance on the forward-looking statements when deciding whether to buy, sell or hold the company’s securities. Factors that could cause results to differ materially include, but are not limited to: risks related to the impact of the COVID-19 global pandemic on our business, suppliers, distributors, consumers, customers, and employees; the scope and duration of the pandemic; government actions and restrictive measures implemented in response to the pandemic, including the distribution of vaccinations and continuation of social distancing guidelines and stay at home orders; disruptions or inefficiencies in our supply chain due to the loss or disruption of essential manufacturing or supply elements or other factors; issues or concerns related to the quality and safety of our products, ingredients or packaging, human and workplace rights, and other environmental, social or governance matters; changes in raw material and other costs, along with the availability of adequate supplies of raw materials; the company’s ability to successfully execute business continuity plans to address the COVID-19 pandemic and resulting changes in consumer preferences and the broader economic and operating environment; selling price increases, including volume declines associated with pricing elasticity; market demand for our new and existing products; increased marketplace competition; failure to successfully execute and integrate acquisitions, divestitures and joint ventures; changes in governmental laws and regulations, including taxes; political, economic, and/or financial market conditions; risks and uncertainties related to our international operations; disruptions, failures or security breaches of our information technology infrastructure; our ability to hire, engage and retain a talented global workforce, our ability to realize expected cost savings and operating efficiencies associated with strategic initiatives or restructuring programs; complications with the design or implementation of our new enterprise resource planning system; and such other matters as discussed in our Annual Report on Form 10-K for the year ended December 31, 2020. All information in this presentation is as of May 17, 2021. The company undertakes no duty to update any forward-looking statement to conform the statement to actual results or changes in the company’s expectations.



# #STRONGERTOGETHER



WE  
Thankful  
for  
YOU!

STRONG

We Are All  
In This  
Together!

WINNING  
AT HOME &  
ABROAD

CAN DO  
ATTITUDE

LET'S STAY  
STRONGER  
LONGER

Planning HSY  
HAPPINESS  
from HOME

#Stronger Together  
THANK YOU!

hugs  
I'M JOLLY

# STRATEGIES TO SUSTAIN OUR MOMENTUM AND DELIVER AGAINST OUR PURPOSE



making *more* moments of goodness.

A GROWING  
PORTFOLIO OF  
BELOVED  
BRANDS

UNMATCHED  
CAPABILITIES  
CONNECTING US  
TO CONSUMERS

A DYNAMIC  
WORKFORCE  
LEADING US  
FORWARD

THE LONG-  
TERM VIEW  
GUIDING OUR  
GROWTH

*deliver peer-leading*  
**SHAREHOLDER RETURNS**

# A GROWING PORTFOLIO OF BELOVED BRANDS

**HERSHEY'S**

*Reese's*

HERSHEY'S  
**Kisses**  
brand

*KitKat*

**ICE BREAKERS**

SKINNYPOP  
POPCORN

**ONE**

# A PORTFOLIO OF **beloved** BRANDS

## Sweet

## Savory





# STRONG U.S. SHARE POSITIONS

## CONFECTION

## BAKING

## SNACKING

**#1** in Confection,  
32% market share

Gained  
**5 MILLION** households  
in 2020

Skinny Pop  
gained **3.5 MILLION** households  
since acquisition



**CHOCOLATE**  
#1, 46%



**SYRUP**  
#1, 79%



**POPCORN**  
#2, 20%



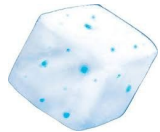
**MINT**  
#1, 35%



**BAKING POWDER**  
#1, 67%



**BETTER-FOR-YOU PUFFS**  
#2, 31%



**GUM**  
#3, 13%



**BAKING CHIPS**  
#3, 8%



**NUTRITION BARS**  
#9, 3%



**SWEETS**  
#3, 8%

Source: IRI ending 2020 YTD through 12/31/2020, Category market share positions and share; Pirate's Booty reflects share of better-for-you puffs



# *investing* IN THE CORE



## MARKETING SUPPORT

**>8%** OF NET SALES  
BRANDS SUPPORTED **24**

## INNOVATION



## SEASONS

**97%** HOUSEHOLDS  
PARTICIPATING

## PRICE REALIZATION



## DISTRIBUTION

**1,000** FOOTBALL  
FIELDS OF NEW  
SPACE

## E-COMMERCE

**~5%** OF COMPANY  
SALES

Source: Hershey Company financials, IRI ending 12/27/20



# DIVERSIFYING TO CAPTURE PROFITABLE, INCREMENTAL GROWTH

## PERMISSIBLE INDULGENCE

Thins Platform Expansion

Zero Sugar Platform

Hershey Organic Launch



## SNACKING

New Skinny Pop & Pirate's Campaigns

Nutrition Bar Expansion

Targeted Snack Cakes Launch



## INTERNATIONAL

Accelerate Growth In India/Mexico

Seed Growth In Europe/Asia

Optimize China



UNMATCHED  
CAPABILITIES  
CONNECTING US  
TO CONSUMERS

# ADVANTAGED CAPABILITIES

## ACROSS THE VALUE CHAIN

### Data & Analytics

REAL-TIME DATA, AI

### Precision Consumer Messaging

#1 IN MEDIA INVESTMENT  
*amongst food peers*

### Customer Strategies

# 1 RANKED TEAM  
*In Category Management and  
Business Relationships*

### Omni-Channel Activation

#1 SHARE IN STORE & ON-LINE

### Agile Supply Chain

# 1 RANKED TEAM  
*In Customer Service*

### In-Store Execution

# 1 RANKED TEAM  
*by Store Managers and Employees*



Source: Advantage, Hershey Company financials, IRI



# S'MORES TIME FOR FAMILY AND FRIENDS

Consumer Understanding



Responsive Retail & Media



Data Analytics & Insights



40M  
HOUSEHOLDS  
+5M

CATEGORY  
SHARE  
+350bps



Holistic Activation

Agile Supply Chain



Source: IRI



# INVESTING AND ADAPTING FOR FUTURE GROWTH

**SUPPLY  
CHAIN**

**CUSTOMERS**

**CONSUMERS**

**TECHNOLOGY & ANALYTICS**

**ERP**

**Agile Fulfillment**

**Incremental Capacity**

**Category Management**

**Omni-Channel Activation**

**Addressable Media**

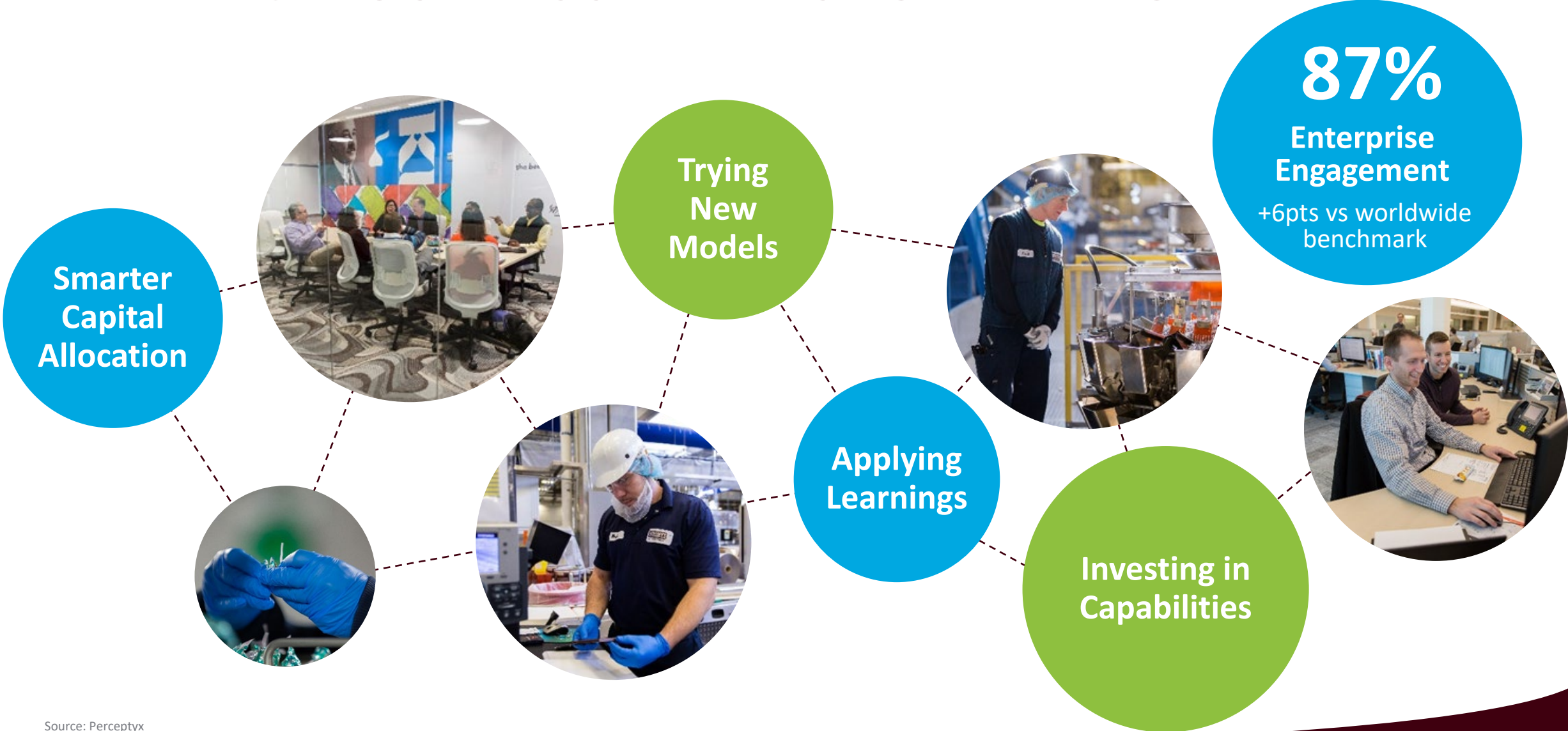
**Revenue Management**



A DYNAMIC  
WORKFORCE  
LEADING US FORWARD



# DRIVING BUSINESS TRANSFORMATION

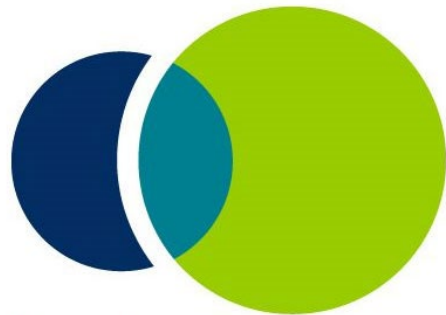


Source: Perceptyx

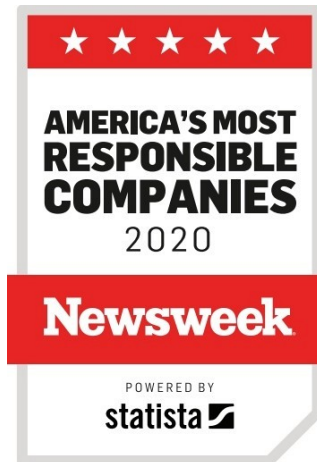
# THE LONG-TERM VIEW GUIDING OUR GROWTH

# “DOING WELL BY DOING GOOD”

- Milton S. Hershey



Dow Jones  
Sustainability Indexes



Forbes  
2020





Supporting our **communities** in times of need

**+30%**  
in 2020



# STRONG PROGRESS AGAINST OUR ESG AGENDA



## RESPONSIBLE SOURCING

**100%**  
certified cocoa

**100%**  
of priority ingredients  
responsibly and  
sustainably sourced



## ENVIRONMENT

Announced **Science Based Targets**

Established **packaging sustainability commitments**



## HUMAN CAPITAL

Achieved aggregate **Gender Pay Equity** in U.S.

Accelerated our efforts regarding **Diversity, Equity and Inclusion**



## COMMUNITY

Increased community investment by **+30%**

ESG is defined as Environmental, Social and Governance.

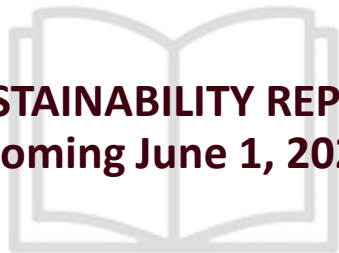


# ANNOUNCED NEW ENVIRONMENTAL COMMITMENTS

## 2030 GOALS



**SUSTAINABILITY REPORT**  
Coming June 1, 2021



### CO<sub>2</sub> Emissions

Reduce Scope 1 & 2 Emissions by 50%  
Reduce Scope 3 Emissions by 25%

### Packaging

100% of plastic packaging to be recyclable, reusable,  
or compostable  
Reducing packaging weight by an additional 25M lbs

### Deforestation

Eliminate deforestation from ingredient  
supply chains



# DELIVERING PEER-LEADING FINANCIAL RETURNS

# STRATEGY IS WORKING, GOOD MOMENTUM

A GROWING  
PORTFOLIO OF  
BELOVED  
BRANDS

UNMATCHED  
CAPABILITIES  
CONNECTING US  
TO CONSUMERS

A DYNAMIC  
WORKFORCE  
LEADING US  
FORWARD

THE LONG-  
TERM VIEW  
GUIDING OUR  
GROWTH

## DELIVERING AGAINST OUR LONG-TERM ALGORITHM

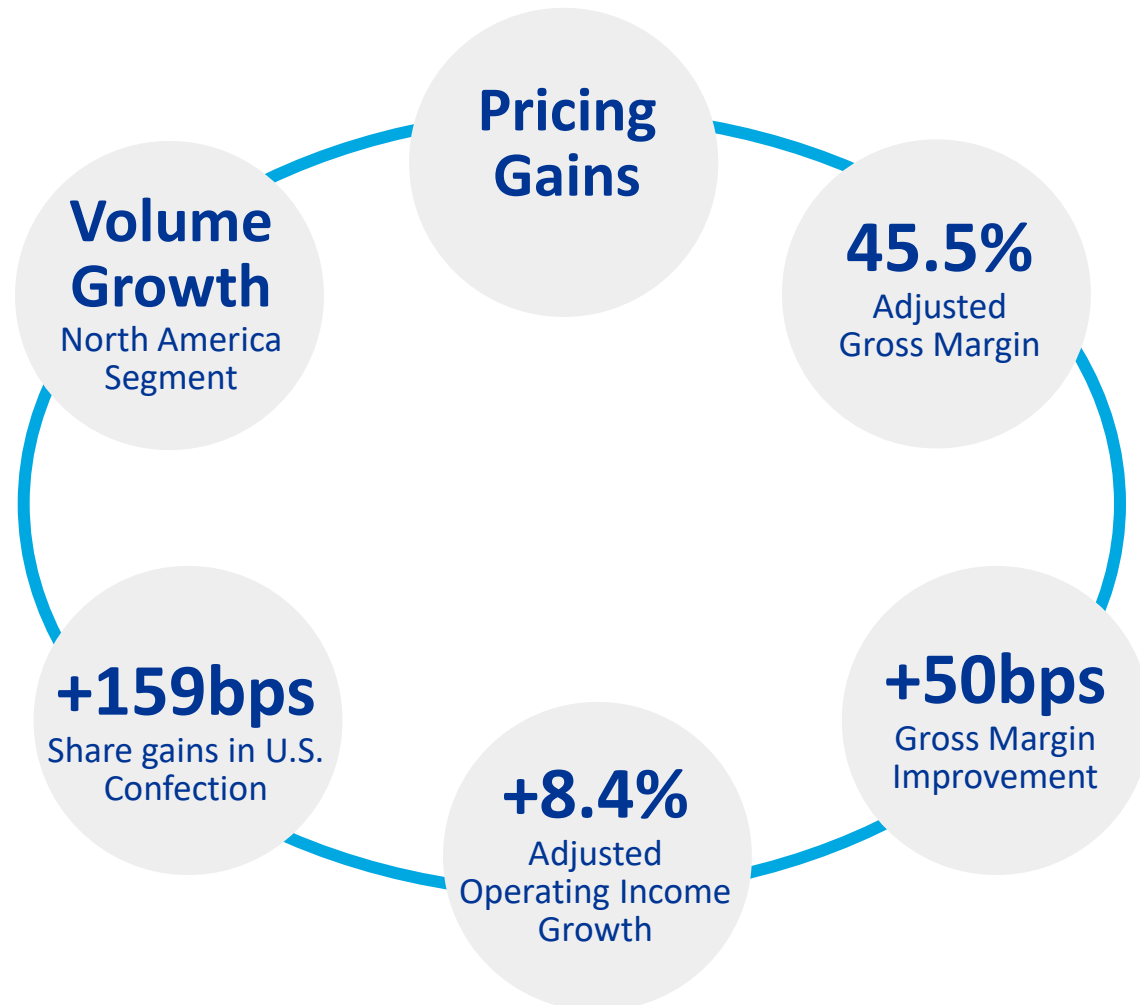
	2019	2020	Q1 2021
2-4% NET SALES GROWTH	✓	✓	✓
6-8% ADJUSTED EPS GROWTH	✓	✓	✓

Source: Hershey Company financials





# HIGH-QUALITY 2020 EARNINGS VIA BALANCED, MULTI-LEVER APPROACH



## 2020 Financials

**+2.0%** Organic, Constant Currency Net Sales Growth

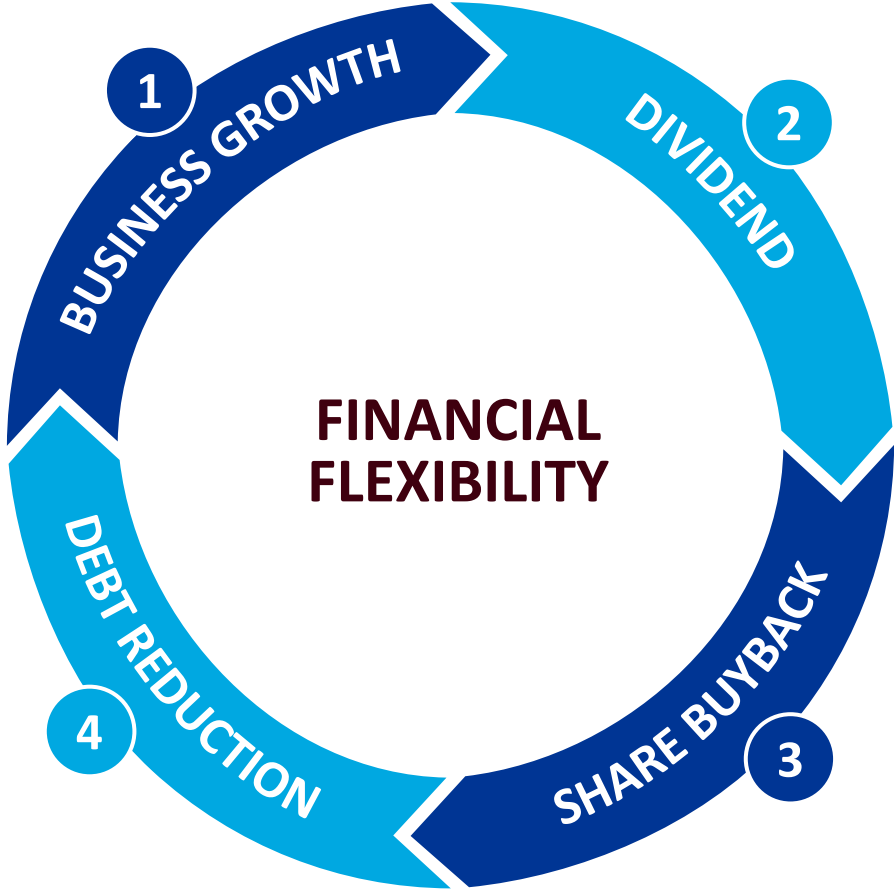
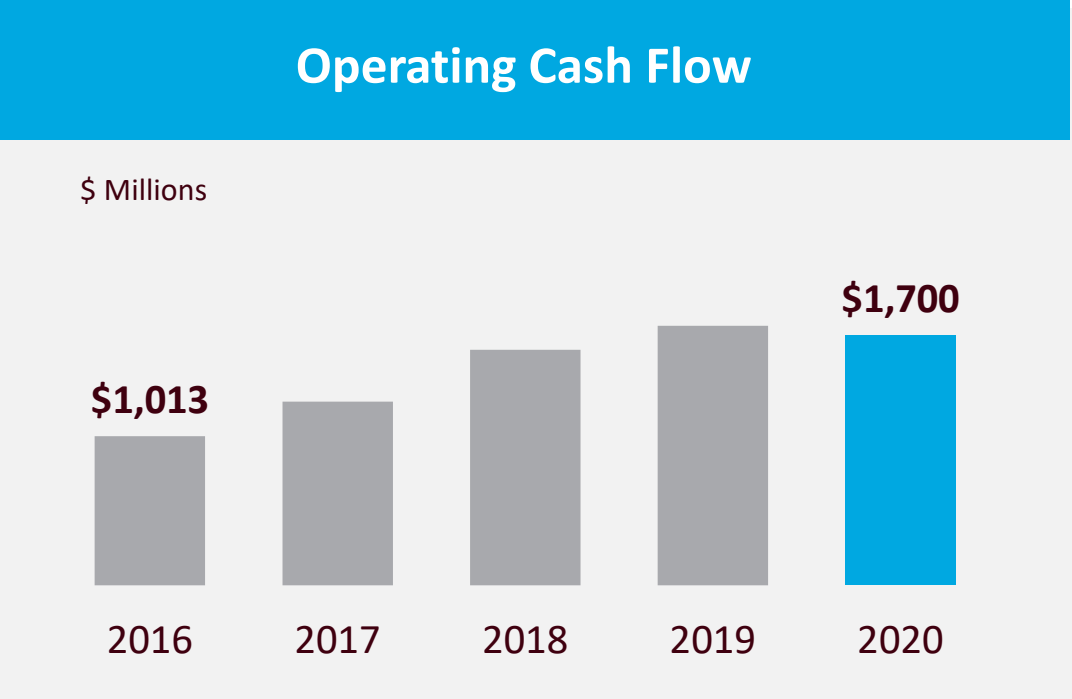
**+8.8%** Adjusted EPS – Diluted Growth

**\$1.7B** Operating Cash Flow

Source: Hershey Company financials; All comparison for 2020 are with respect to 2019; Refer to Appendix for Reconciliation of GAAP to Non-GAAP measures



# HEALTHY CASH FLOW FUELS FINANCIAL FLEXIBILITY



Source: Hershey Company financials



# PROVEN TRACK RECORD OF RETURNING CASH TO SHAREHOLDERS



## DIVIDEND PAYOUT RATIO

# 52%

average over past five years

*Committed to a dividend payout ratio of at least 50%*

## SHARE REPURCHASES

# \$1 BILLION

cumulatively over past five years\*

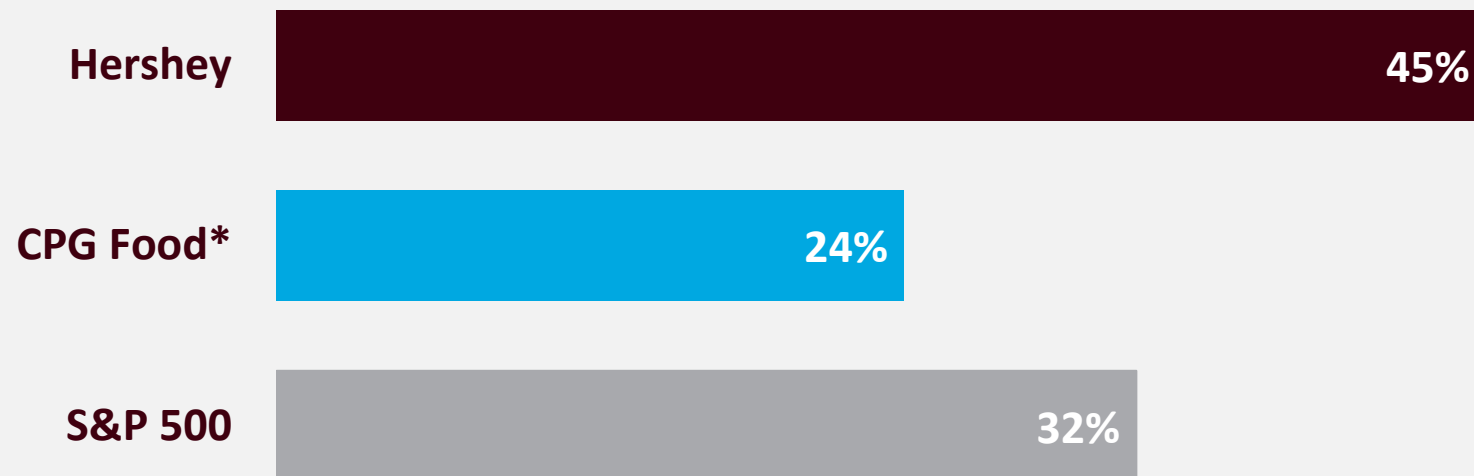
*Plan to return to historical share repurchases strategies in 2021*



\* Share repurchases exclude shares repurchased in connection with stock options  
Source: Hershey Company financials

# CREATING SHAREHOLDER VALUE OVER LONG-TERM

## 10-Year Total Shareholder Return



(\*) Food reflects the S&P 500 Packaged Food Sub-Industry Index  
Source: Bloomberg

SET A NEW ALL-TIME HIGH  
STOCK PRICE



**\$171.60**

market close  
05/13/21



# STRATEGIES TO DELIVER SUSTAINABLE, ADVANTAGED RESULTS



making *more* moments of goodness.

A GROWING  
PORTFOLIO OF  
BELOVED  
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UNMATCHED  
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*deliver peer-leading*  
**SHAREHOLDER RETURNS**



# AGENDA

WELCOME

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BUSINESS REVIEW

**QUESTIONS AND ANSWERS**

VOTING RESULTS



# QUESTIONS & ANSWERS

KEEP QUESTIONS BRIEF | LIMIT TO ONE TOPIC

\*All questions and answers will be posted on the Investor Relations website by May 24<sup>th</sup>, including those we are unable to get to during the live meeting today.

# AGENDA

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**VOTING RESULTS**



**HERSHEY.** 

# APPENDIX



# APPENDIX

## Reconciliation of GAAP and Non-GAAP Information

For the year ended December 31,	2020				
	<u>Gross Profit</u>	<u>Operating Profit</u>	<u>Interest Expense, net</u>	<u>Net Income</u>	<u>Income Per Share-Diluted</u>
In millions of dollars except per share amounts					
GAAP results	\$ 3,701.3	\$ 1,782.7	\$ 149.4	\$ 1,278.7	\$ 6.11
Adjustments:					
Derivative mark-to-market losses	6.4	6.4	--	5.1	0.03
Business realignment activities	2.2	31.5	--	24.0	0.15
Acquisition-related costs	-	3.6	--	2.8	0.03
Pension settlement charges relating to Company-directed initiatives	--	--	--	2.6	0.02
Long-lived asset impairment charges	--	9.1	--	8.8	0.04
Noncontrolling interest share of business realignment and impairment charges	--	--	--	(3.4)	(0.02)
Facility closure reserve adjustment	--	(3.2)	--	(2.4)	(0.01)
Tax effect of all adjustments reflected above	--	--	--	-	(0.06)
Non-GAAP results	\$ 3,709.9	\$ 1,830.2	\$ 149.4	\$ 1,316.2	\$ 6.29
GAAP Depreciation & Amortization		294.9			
Accelerated Depreciation		0.0			
Adjusted Non-GAAP EBITDA		\$ 2,125.1			

# APPENDIX

<b>For the year ended December 31,</b>	<b>2020</b>
As reported gross margin	45.4%
Non-GAAP gross margin (1)	45.5%
As reported operating profit margin	21.9%
Non-GAAP operating profit margin (2)	22.5%

(1) Calculated as non-GAAP gross profit as a percentage of net sales for the period presented.

(2) Calculated as non-GAAP operating profit as a percentage of net sales for the period presented.

# APPENDIX

## Reconciliation of GAAP and Non-GAAP Information

For the year ended December 31,

2019

In millions of dollars except per share amounts	<u>Gross Profit</u>	<u>Operating Profit</u>	<u>Interest Expense, net</u>	<u>Net Income</u>	<u>Income Per Share-Diluted</u>
GAAP results	\$ 3,622.5	\$ 1,596.0	\$ 144.1	\$ 1,149.7	\$ 5.46
Adjustments:					
Derivative mark-to-market gains	(28.7)	(28.7)	--	(25.2)	(0.14)
Business realignment activities	-	9.2	--	7.3	0.04
Acquisition-related costs	2.0	10.2	--	7.7	0.05
Pension settlement charges relating to Company-directed initiatives	--	--	--	1.8	0.01
Long-lived and intangible asset impairment charges	--	112.5	--	88.5	0.53
Noncontrolling interest share of business realignment and impairment charges	--	--	--	(2.8)	(0.01)
Gain on sale of other assets	--	(11.3)	--	(8.5)	(0.05)
Tax effect of all adjustments reflected above	--	--	--	-	(0.11)
Non-GAAP results	\$ 3,595.8	\$ 1,687.9	\$ 144.1	\$ 1,218.4	\$ 5.78
GAAP Depreciation & Amortization		291.5			
Accelerated Depreciation		0.0			
Adjusted Non-GAAP EBITDA		\$ 1,979.5			

# APPENDIX

<b>For the year ended December 31,</b>	<b>2019</b>
As reported gross margin	45.4%
Non-GAAP gross margin (1)	45.0%
As reported operating profit margin	20.0%
Non-GAAP operating profit margin (2)	21.1%

(1) Calculated as non-GAAP gross profit as a percentage of net sales for the period presented.

(2) Calculated as non-GAAP operating profit as a percentage of net sales for the period presented.