UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 28, 2025
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ______to_______
Commission file number 1-183

THE HERSHEY COMPANY

(Exact name of registrant as specified in its charter)

Delaware	**23-0691590**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

19 East Chocolate Avenue, Hershey, PA 17033
(Address of principal executive offices and Zip Code)
(717) 534-4200
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, one dollar par value	HSY	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the registrant’s classes of common stock, as of the latest practicable date.
Common Stock, one dollar par value—148,171,608 shares, as of October 24, 2025.
Class B Common Stock, one dollar par value—54,613,514 shares, as of October 24, 2025.

THE HERSHEY COMPANY
Quarterly Report on Form 10-Q
For the Period Ended September 28, 2025

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Item 1. Financial Statements.

THE HERSHEY COMPANY
CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share amounts)
(unaudited)

	Three Months Ended		Nine Months Ended	
	September 28, 2025	September 29, 2024	September 28, 2025	September 29, 2024
Net sales	$ 3,181,418	$ 2,987,494	$ 8,601,555	$ 8,314,723
Cost of sales	2,144,084	1,754,775	5,823,681	4,572,178
Gross profit	1,037,334	1,232,719	2,777,874	3,742,545
Selling, marketing and administrative expense	600,540	591,920	1,762,419	1,750,888
Business realignment costs	2,211	27,635	18,840	32,572
Operating profit	434,583	613,164	996,615	1,959,085
Interest expense, net	51,474	44,316	142,131	125,511
Other (income) expense, net	11,199	50,101	9,808	82,695
Income before income taxes	371,910	518,747	844,676	1,750,879
Provision for income taxes	95,590	72,446	281,434	326,231
Net income	$ 276,320	$ 446,301	$ 563,242	$ 1,424,648
Net income per share—basic:				
Common stock	$ 1.40	$ 2.26	$ 2.85	$ 7.19
Class B common stock	$ 1.27	$ 2.05	$ 2.58	$ 6.53
Net income per share—diluted:				
Common stock	$ 1.36	$ 2.20	$ 2.77	$ 7.00
Class B common stock	$ 1.27	$ 2.05	$ 2.59	$ 6.53
Dividends paid per share:				
Common stock	$ 1.370	$ 1.370	$ 4.110	$ 4.110
Class B common stock	$ 1.245	$ 1.245	$ 3.735	$ 3.735

See Notes to Unaudited Consolidated Financial Statements.

THE HERSHEY COMPANY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)
(unaudited)

	For the Three Months Ended						For the Nine Months Ended					
	September 28, 2025			September 29, 2024			September 28, 2025			September 29, 2024		
	Pre-Tax Amount	Tax (Expense) Benefit	After-Tax Amount	Pre-Tax Amount	Tax (Expense) Benefit	After-Tax Amount	Pre-Tax Amount	Tax (Expense) Benefit	After-Tax Amount	Pre-Tax Amount	Tax (Expense) Benefit	After-Tax Amount
Net income			$ 276,320			$ 446,301			$ 563,242			$ 1,424,648
Other comprehensive income, net of tax:												
Foreign currency translation adjustments:												
Foreign currency translation gains (losses) during period	$ (2,190)	$ —	(2,190)	$ (4,231)	$ —	(4,231)	$ 29,355	$ —	29,355	$ (36,073)	$ —	(36,073)
Pension and post-retirement benefit plans:												
Net actuarial gain (loss) and service cost	14,418	(3,465)	10,953	65	(54)	11	14,351	(3,609)	10,742	303	(62)	241
Reclassification to earnings	13,479	(3,243)	10,236	2,540	(611)	1,929	19,244	(4,613)	14,631	7,618	(1,829)	5,789
Cash flow hedges:												
Gains (losses) on cash flow hedging derivatives	400	(571)	(171)	1,779	599	2,378	(6,030)	771	(5,259)	5,636	277	5,913
Reclassification to earnings	2,206	(634)	1,572	560	(1,154)	(594)	5,672	(1,275)	4,397	4,210	(2,122)	2,088
Total other comprehensive income (loss), net of tax	$ 28,313	$ (7,913)	20,400	$ 713	$ (1,220)	(507)	$ 62,592	$ (8,726)	53,866	$ (18,306)	$ (3,736)	(22,042)
Comprehensive income			$ 296,720			$ 445,794			$ 617,108			$ 1,402,606

See Notes to Unaudited Consolidated Financial Statements.

THE HERSHEY COMPANY
CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	September 28, 2025 (unaudited)	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,163,017	$ 730,746
Accounts receivable—trade, net	966,411	800,402
Inventories	1,707,522	1,254,094
Prepaid expenses and other	561,155	974,215
Total current assets	4,398,105	3,759,457
Property, plant and equipment, net	3,426,678	3,458,853
Goodwill	2,711,338	2,705,753
Other intangibles	1,891,101	1,873,866
Other non-current assets	1,110,163	1,111,867
Deferred income taxes	42,041	37,065
Total assets	$ 13,579,426	$ 12,946,861
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 1,459,680	$ 1,159,177
Accrued liabilities	952,330	807,341
Accrued income taxes	98,461	51,036
Short-term debt	214,959	1,306,976
Current portion of long-term debt	502,334	604,965
Total current liabilities	3,227,764	3,929,495
Long-term debt	4,677,086	3,190,210
Other long-term liabilities	639,160	688,259
Deferred income taxes	470,970	424,243
Total liabilities	9,014,980	8,232,207
Stockholders' equity:		
The Hershey Company stockholders' equity		
Preferred stock, shares issued: none in 2025 and 2024	—	—
Common stock, shares issued: 166,939,511 at September 28, 2025 and December 31, 2024	166,939	166,939
Class B common stock, shares issued: 54,613,514 at September 28, 2025 and December 31, 2024	54,614	54,614
Additional paid-in capital	1,407,685	1,377,226
Retained earnings	5,447,367	5,698,316
Treasury—common stock shares, at cost: 18,775,431 at September 28, 2025 and 19,169,956 at December 31, 2024	(2,262,135)	(2,278,551)
Accumulated other comprehensive loss	(250,024)	(303,890)
Total stockholders' equity	4,564,446	4,714,654
Total liabilities and stockholders' equity	$ 13,579,426	$ 12,946,861

See Notes to Unaudited Consolidated Financial Statements.

THE HERSHEY COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Nine Months Ended	
	September 28, 2025	**September 29, 2024**
Operating Activities		
Net income	$ 563,242	$ 1,424,648
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	371,180	331,440
Stock-based compensation expense	46,453	32,573
Deferred income taxes	37,790	(25,623)
Write-down of equity investments	—	81,017
Unrealized losses (gains) on derivative contracts	541,137	(200,284)
Other	77,524	53,520
Changes in assets and liabilities, net of business acquisition:		
Accounts receivable—trade, net	(156,979)	(330,777)
Inventories	(445,014)	27,676
Prepaid expenses and other current assets	(231,742)	(52,193)
Accounts payable and accrued liabilities	453,642	119,168
Accrued income taxes	158,869	138,503
Contributions to pension and other benefit plans	(9,978)	(10,100)
Other assets and liabilities	(55,310)	426
Net cash provided by operating activities	1,350,814	1,589,994
Investing Activities		
Capital additions (including software)	(316,537)	(471,415)
Receipts (payments) related to equity investments in tax credit qualifying partnerships	14,261	(78,196)
Purchase of intangible assets	(73,597)	—
Other investing activities	(6,309)	287
Net cash used in investing activities	(382,182)	(549,324)
Financing Activities		
Net (decrease) increase in short-term debt	(1,102,467)	482,767
Long-term borrowings, net of debt issuance costs	1,984,545	—
Repayment of long-term debt and finance leases	(604,641)	(4,476)
Cash dividends paid	(813,955)	(814,309)
Repurchase of common stock	—	(494,191)
Proceeds from exercised stock options	17,258	13,786
Taxes withheld and paid on employee stock awards	(17,182)	(30,546)
Net cash used in financing activities	(536,442)	(846,969)
Effect of exchange rate changes on cash and cash equivalents	81	19,348
Net increase in cash and cash equivalents	432,271	213,049
Cash and cash equivalents, beginning of period	730,746	401,902
Cash and cash equivalents, end of period	$ 1,163,017	$ 614,951
Supplemental Disclosure		
Interest paid	$ 156,433	$ 128,875
Income taxes paid	110,558	180,338

See Notes to Unaudited Consolidated Financial Statements.

HERSHEY COMPANY
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the Three Months Ended September 28, 2025 and September 29, 2024
(in thousands)
(unaudited)

	Preferred Stock	Common Stock	Class B Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Common Stock	Accumulated Other Comprehensive (Loss) Income	Total Stockholders' Equity
Balance, June 29, 2025	$ —	$ 166,939	$ 54,614	$ 1,387,873	$ 5,442,869	$ (2,267,253)	$ (270,424)	$ 4,514,618
Net income					276,320			276,320
Other comprehensive income							20,400	20,400
Dividends (including dividend equivalents):								
Common Stock, $1.370 per share					(203,828)			(203,828)
Class B Common Stock, $1.245 per share					(67,994)			(67,994)
Stock-based compensation				15,597				15,597
Exercise of stock options and incentive-based transactions				4,215		5,118		9,333
Balance, September 28, 2025	$ —	$ 166,939	$ 54,614	$ 1,407,685	$ 5,447,367	$ (2,262,135)	$ (250,024)	$ 4,564,446

	Preferred Stock	Common Stock	Class B Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Common Stock	Accumulated Other Comprehensive (Loss) Income	Total Stockholders' Equity
Balance, June 30, 2024	$ —	$ 166,939	$ 54,614	$ 1,325,876	$ 4,997,269	$ (2,283,219)	$ (251,613)	$ 4,009,866
Net income					446,301			446,301
Other comprehensive loss							(507)	(507)
Dividends (including dividend equivalents):								
Common Stock, $1.370 per share					(202,860)			(202,860)
Class B Common Stock, $1.245 per share					(67,993)			(67,993)
Stock-based compensation				15,164				15,164
Exercise of stock options and incentive-based transactions				1,895		3,072		4,967
Repurchase of common stock (including excise tax)						31		31
Balance, September 29, 2024	$ —	$ 166,939	$ 54,614	$ 1,342,935	$ 5,172,717	$ (2,280,116)	$ (252,120)	$ 4,204,969

THE HERSHEY COMPANY
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the Nine Months Ended September 28, 2025 and September 29, 2024
(in thousands)
(unaudited)

	Preferred Stock	Common Stock	Class B Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Common Stock	Accumulated Other Comprehensive (Loss) Income	Total Stockholders' Equity
Balance, December 31, 2024	$ —	$ 166,939	$ 54,614	$ 1,377,226	$ 5,698,316	$ (2,278,551)	$ (303,890)	$ 4,714,654
Net income					563,242			563,242
Other comprehensive income							53,866	53,866
Dividends (including dividend equivalents):								
Common Stock, $4.110 per share					(610,210)			(610,210)
Class B Common Stock, $3.735 per share					(203,981)			(203,981)
Stock-based compensation				46,799				46,799
Exercise of stock options and incentive-based transactions				(16,340)		16,416		76
Balance, September 28, 2025	$ —	$ 166,939	$ 54,614	$ 1,407,685	$ 5,447,367	$ (2,262,135)	$ (250,024)	$ 4,564,446

	Preferred Stock	Common Stock	Class B Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Common Stock	Accumulated Other Comprehensive (Loss) Income	Total Stockholders' Equity
Balance, December 31, 2023	$ —	$ 166,939	$ 54,614	$ 1,345,580	$ 4,562,263	$ (1,800,232)	$ (230,078)	$ 4,099,086
Net income					1,424,648			1,424,648
Other comprehensive loss							(22,042)	(22,042)
Dividends (including dividend equivalents):								
Common Stock, $4.110 per share					(610,213)			(610,213)
Class B Common Stock, $3.735 per share					(203,981)			(203,981)
Stock-based compensation				33,173				33,173
Exercise of stock options and incentive-based transactions				(35,818)		19,058		(16,760)
Repurchase of common stock (including excise tax)						(498,942)		(498,942)
Balance, September 29, 2024	$ —	$ 166,939	$ 54,614	$ 1,342,935	$ 5,172,717	$ (2,280,116)	$ (252,120)	$ 4,204,969

See Notes to Unaudited Consolidated Financial Statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The unaudited consolidated financial statements provided in this report include the accounts of The Hershey Company (the "Company," "Hershey," "we" or "us") and our majority-owned subsidiaries and entities in which we have a controlling financial interest after the elimination of intercompany accounts and transactions. We have a controlling financial interest if we own a majority of the outstanding voting common stock and minority shareholders do not have substantive participating rights, we have significant control through contractual or economic interests in which we are the primary beneficiary or we have the power to direct the activities that most significantly impact the entity's economic performance. We use the equity method of accounting when we have a 20% to 50% interest in other companies and exercise significant influence. Other investments that are not controlled, and over which we do not have the ability to exercise significant influence, are accounted for under the cost method. Both equity method investments and cost, less impairment, investments are included as Other non-current assets in the Consolidated Balance Sheets.

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial reporting and with the rules and regulations for reporting on Form 10-Q. Accordingly, they do not contain certain information and disclosures required by GAAP for comprehensive financial statements. The financial statements reflect all adjustments (consisting of normal recurring adjustments) which are, in our opinion, necessary for a fair presentation of the results of operations, financial position, and cash flows for the indicated periods.

Operating results for the quarter ended September 28, 2025 may not be indicative of the results that may be expected for the year ending December 31, 2025 because of seasonal effects on our business. These financial statements should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2024 (our "2024 Annual Report on Form 10-K"), which provides a more complete understanding of our accounting policies, financial position, operating results and other matters.

Recent Accounting Pronouncements

Recently Adopted Accounting Pronouncements

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. This ASU requires disclosure of significant segment expenses that are regularly provided to the chief operating decision maker ("CODM"), an amount for other segment items with a description of the composition, and disclosure of the title and position of the CODM. ASU 2023-07 is effective for annual periods beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024. We adopted the provisions of this ASU in the fourth quarter of 2024 and applied the provisions retrospectively to each period presented in the consolidated financial statements. Adoption of the new standard did not have a material impact on our consolidated financial statements.

Recently Issued Accounting Pronouncements Not Yet Adopted

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. This ASU requires public business entities on an annual basis to disclose specific categories in a tabular rate reconciliation and provide additional information for reconciling items that meet a five percent quantitative threshold. Additionally, the ASU requires all entities to disclose the amount of income taxes paid disaggregated by federal, state, and foreign taxes, as well as individual jurisdictions where income taxes paid are equal to or greater than five percent of total income taxes paid. ASU 2023-09 is effective for annual periods beginning after December 15, 2024. Early adoption is permitted and the update should be applied on a prospective basis, with a retrospective application permitted in the financial statements. We are currently evaluating the impact of the new standard on our consolidated financial statements and related disclosures. As a result, we intend to adopt the provisions of this ASU in the fourth quarter of 2025.

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. This ASU requires entities to disclose certain additional expense information including, among other items, purchases of inventory, employee compensation, depreciation and intangible asset amortization included within each Consolidated Statement of Income expense caption. ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted and the update should be applied on a prospective basis, with a retrospective application permitted in the financial statements. We are currently evaluating the impact of the new standard on our consolidated financial statements and related disclosures.

In September 2025, the FASB issued ASU No. 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*. This ASU modernizes the capitalization guidance by removing all references to software development project stages so that the guidance is neutral to different software development methods. Under this ASU, costs are capitalized when management has authorized and committed funding and it is probable the project will be completed and the software used as intended. ASU 2025-06 is effective for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted and the amendments in this update permit an entity to apply the new guidance using a prospective, retrospective or modified transition approach. We are currently evaluating the impact of the new standard on our consolidated financial statements and related disclosures.

No other new accounting pronouncement issued or effective during the fiscal year had or is expected to have a material impact on our consolidated financial statements or disclosures.

2. BUSINESS ACQUISITIONS

LesserEvil, LLC

On March 31, 2025, we entered into a Merger Agreement to acquire LesserEvil, LLC, a privately held company that produces and sells organic popcorn and puffed snack products to retailers and distributors in the United States and Canada, which complements Hershey's existing product portfolio. The Merger Agreement contains customary conditions, including, among others, (i) the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, (ii) the absence of any law or order prohibiting the consummation of the transactions contemplated in the Merger Agreement and (iii) the accuracy, to specified degrees, of representations and warranties set forth therein and material compliance with covenants. If approved, the Company expects the acquisition to close by the end of 2025 and will be financed with cash on hand and short-term borrowings.

Sour Strips

On November 8, 2024, we completed the acquisition of the Sour Strips brand from Actual Candy, LLC. Sour Strips is an emerging sour candy brand and is available in a wide range of food distribution channels in the United States. The initial cash consideration paid for Sour Strips was deemed immaterial and consisted of cash on hand and short-term borrowings; however, the Company may be required to pay additional contingent consideration if certain defined targets are met over a multi-year period. Acquisition-related costs for the Sour Strips acquisition were immaterial.

The acquisition has been accounted for as a business combination and, accordingly, Sour Strips has been included within the North America Confectionery segment from the date of acquisition. The purchase consideration, inclusive of the acquisition date fair value of the contingent consideration, was allocated to minimal net assets acquired, goodwill and other intangible assets. The purchase price allocation has been finalized as of the second quarter of 2025 and includes an immaterial amount of measurement period adjustments. The measurement period adjustments to the initial allocation were based on more detailed information obtained about the specific assets acquired and liabilities assumed, specifically, post-closing adjustments to the working capital acquired.

Goodwill was determined as the excess of the purchase price over the fair value of the net assets acquired (including the identifiable intangible assets). The goodwill derived from this acquisition is expected to be deductible for tax purposes and reflects the value of leveraging our brand building expertise, commercial capabilities and retail relationships to accelerate growth.

(amounts in thousands, except share data or if otherwise indicated)

Other intangible assets include trademarks valued at $41,800 and customer relationships valued at $41,300. Trademarks were assigned an estimated useful life of 22 years and customer relationships were assigned estimated useful lives ranging from 14 to 16 years.

3. GOODWILL AND INTANGIBLE ASSETS

The changes in the carrying value of goodwill by reportable segment for the nine months ended September 28, 2025 are as follows:

	North America Confectionery	North America Salty Snacks	International	Total
Balance at December 31, 2024	$ 2,032,857	$ 657,001	$ 15,895	$ 2,705,753
Measurement period adjustments	1,382	—	—	1,382
Foreign currency translation	3,215	—	988	4,203
Balance at September 28, 2025	$ 2,037,454	$ 657,001	$ 16,883	$ 2,711,338

The following table provides the gross carrying amount and accumulated amortization for each major class of intangible asset:

	September 28, 2025		December 31, 2024	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Intangible assets subject to amortization:				
Trademarks	$ 1,801,222	$ (322,409)	$ 1,721,159	$ (282,819)
Customer-related	553,561	(176,288)	552,594	(151,409)
Patents	7,821	(7,821)	7,579	(7,579)
Total	2,362,604	(506,518)	2,281,332	(441,807)
Intangible assets not subject to amortization:				
Trademarks	35,015		34,341	
Total other intangible assets	$ 1,891,101		$ 1,873,866	

In 2025, the gross carrying amount of our intangible assets and corresponding accumulated amortization increased as a result of the purchase of the Fulfil brand in North America.

Total amortization expense for the three months ended September 28, 2025 and September 29, 2024 was $21,202 and $19,534, respectively. Total amortization expense for the nine months ended September 28, 2025 and September 29, 2024 was $62,958 and $58,627, respectively.

4. SHORT AND LONG-TERM DEBT

Short-term Debt

As a source of short-term financing, we utilize cash on hand and commercial paper or bank loans with an original maturity of three months or less. As of September 28, 2025, we maintained a $1.35 billion unsecured revolving credit facility with the option to increase the aggregate amount of the commitments by up to $500 million with the consent of the lenders (the “prior credit facility”). On October 21, 2025, we terminated the prior credit facility, which was scheduled to expire in April 2028, and entered into a new unsecured revolving credit facility (the “new credit facility”). The new credit facility allows the Company to borrow up to $1.875 billion with the option to increase the aggregate amount of the commitments by up to $1.0 billion with the consent of the lenders. The new credit facility is scheduled to expire on October 21, 2030; however, we may extend the termination date for up to two additional one-year periods upon notice to the administrative agent under the facility.

(amounts in thousands, except share data or if otherwise indicated)

The credit agreements governing the prior credit facility and the new credit facility contain certain financial and other covenants, customary representations, warranties and events of default. As of September 28, 2025, we were in compliance with all covenants pertaining to the prior credit facility, and we had no significant compensating balance agreements that legally restricted access to these funds. For more information, refer to the Consolidated Financial Statements included in our 2024 Annual Report on Form 10-K.

In addition to the revolving credit facility, we maintain lines of credit with domestic and international commercial banks. Commitment fees relating to our revolving credit facility and lines of credit are not material. Short-term debt consisted of the following:

	September 28, 2025	December 31, 2024
Short-term foreign bank borrowings against lines of credit	$ 214,959	$ 161,364
U.S. commercial paper	—	1,145,612
Total short-term debt	$ 214,959	$ 1,306,976
Weighted average interest rate on outstanding commercial paper	— %	4.5 %

Long-term Debt

Long-term debt consisted of the following:

Debt Type and Rate	Maturity Date	September 28, 2025	December 31, 2024
0.900% Notes (1)	June 1, 2025	—	300,000
3.200% Notes (2)	August 21, 2025	—	300,000
2.300% Notes	August 15, 2026	500,000	500,000
7.200% Debentures	August 15, 2027	193,639	193,639
4.550% Notes (3)	February 24, 2028	500,000	—
4.250% Notes	May 4, 2028	350,000	350,000
2.450% Notes	November 15, 2029	300,000	300,000
4.750% Notes (3)	February 24, 2030	500,000	—
1.700% Notes	June 1, 2030	350,000	350,000
4.950% Notes (3)	February 24, 2032	500,000	—
4.500% Notes	May 4, 2033	400,000	400,000
5.100% Notes (3)	February 24, 2035	500,000	—
3.375% Notes	August 15, 2046	300,000	300,000
3.125% Notes	November 15, 2049	400,000	400,000
2.650% Notes	June 1, 2050	350,000	350,000
Finance lease obligations (see Note 7)		69,743	73,802
Net impact of interest rate swaps, debt issuance costs and unamortized debt discounts		(33,962)	(22,266)
Total long-term debt		5,179,420	3,795,175
Less—current portion		502,334	604,965
Long-term portion		$ 4,677,086	$ 3,190,210

(1) In June 2025, we repaid $300,000 of 0.900% Notes due upon their maturity.

(2) In August 2025, we repaid $300,000 of 3.200% Notes due upon their maturity.

(3) During the first quarter of 2025, we issued $500,000 of 4.550% Notes due in February 2028, $500,000 of 4.750% Notes due in February 2030, $500,000 of 4.950% Notes due in February 2032 and $500,000 of 5.100% Notes due in February 2035 (together, the “2025 Notes”). Proceeds from the issuance of the 2025 Notes, net of discounts and issuance costs, totaled $1,984,545. The 2025 Notes were issued under a shelf registration statement on Form S-3 filed in May 2024 that registered an indeterminate amount of debt securities.

(amounts in thousands, except share data or if otherwise indicated)

Interest Expense

Net interest expense consists of the following:

	Three Months Ended		Nine Months Ended	
	September 28, 2025	September 29, 2024	September 28, 2025	September 29, 2024
Interest expense	$ 61,456	$ 51,906	$ 176,817	$ 148,099
Capitalized interest	(2,257)	(5,343)	(9,732)	(15,620)
Interest expense	59,199	46,563	167,085	132,479
Interest income	(7,725)	(2,247)	(24,954)	(6,968)
Interest expense, net	$ 51,474	$ 44,316	$ 142,131	$ 125,511

5. DERIVATIVE INSTRUMENTS

We are exposed to market risks arising principally from changes in foreign currency exchange rates, interest rates and commodity prices. We use certain derivative instruments to manage these risks. These include interest rate swaps to manage interest rate risk, foreign currency forward exchange contracts to manage foreign currency exchange rate risk, and commodities futures and options contracts to manage commodity market price risk exposures.

In entering into these contracts, we have assumed the risk that might arise from the possible inability of counterparties to meet the terms of their contracts. We mitigate this risk by entering into exchange-traded contracts with collateral posting requirements and/or by performing financial assessments prior to contract execution, conducting periodic evaluations of counterparty performance and maintaining a diverse portfolio of qualified counterparties. We do not expect any significant losses from counterparty defaults.

Commodity Price Risk

We enter into commodities futures and options contracts and other commodity derivative instruments to reduce the effect of future price fluctuations associated with the purchase of raw materials, energy requirements and transportation services. We generally hedge commodity price risks for 3- to 24-month periods. Our open commodity derivative contracts had a notional value of $591,789 as of September 28, 2025 and $667,421 as of December 31, 2024.

Derivatives used to manage commodity price risk are not designated for hedge accounting treatment. Therefore, the changes in fair value of these derivatives are recorded as incurred within cost of sales. As discussed in Note 13, we define our segment income to exclude gains and losses on commodity derivatives until the related inventory is sold, at which time the related gains and losses are reflected within segment income. This enables us to continue to align the derivative gains and losses with the underlying economic exposure being hedged and thereby eliminate the mark-to-market volatility within our reported segment income.

Foreign Exchange Price Risk

We are exposed to foreign currency exchange rate risk related to our international operations, including non-functional currency intercompany debt and other non-functional currency transactions of certain subsidiaries. Principal currencies hedged include the euro, Canadian dollar, Japanese yen, British pound, Brazilian real, Malaysian ringgit, Mexican peso and Swiss franc. We typically utilize foreign currency forward exchange contracts to hedge these exposures for periods ranging from 3 to 18 months. The contracts are either designated as cash flow hedges or are undesignated. The net notional amount of foreign exchange contracts accounted for as cash flow hedges was $240,306 at September 28, 2025 and $79,028 at December 31, 2024. The effective portion of the changes in fair value on these contracts is recorded in other comprehensive income and reclassified into earnings in the same period in which the hedged transactions affect earnings. The net notional amount of foreign exchange contracts that are not designated as accounting hedges was $20,615 at September 28, 2025 and $123,014 at December 31, 2024. The change in fair value on these instruments is recorded directly in cost of sales or selling, marketing and administrative ("SM&A") expense, depending on the nature of the underlying exposure.

(amounts in thousands, except share data or if otherwise indicated)

Interest Rate Risk

In order to manage interest rate exposure, from time to time, we enter into interest rate swap agreements to protect against unfavorable interest rate changes relating to forecasted debt transactions. These swaps, which are settled upon issuance of the related debt, are designated as cash flow hedges and the gains and losses that are deferred in other comprehensive income are being recognized as an adjustment to interest expense over the same period that the hedged interest payments affect earnings.

Equity Price Risk

We are exposed to market price changes in certain broad market indices related to our deferred compensation obligations to our employees. To mitigate this risk, we use equity swap contracts to hedge the portion of the exposure that is linked to market-level equity returns. These contracts are not designated as hedges for accounting purposes and are entered into for periods of 3 to 12 months. The change in fair value of these derivatives is recorded in selling, marketing and administrative expense, together with the change in the related liabilities. The notional amount of the contracts outstanding at September 28, 2025 and December 31, 2024 was $33,198 and $30,524, respectively.

The following table presents the classification of derivative assets and liabilities within the Consolidated Balance Sheets as of September 28, 2025 and December 31, 2024:

	September 28, 2025		December 31, 2024	
	Assets (1)	**Liabilities (1)**	**Assets (1)**	**Liabilities (1)**
Derivatives designated as cash flow hedging instruments:				
Foreign exchange contracts	$ 2,092	$ 3,856	$ 8,598	$ 3,280
Derivatives not designated as hedging instruments:				
Commodities futures and options (2)	3,214	4,528	514,623	14,321
Deferred compensation derivatives	2,249	—	460	—
Foreign exchange contracts	2,906	32	164	4,800
	8,369	4,560	515,247	19,121
Total	$ 10,461	$ 8,416	$ 523,845	$ 22,401

(1) Derivative assets are classified on our Consolidated Balance Sheets within prepaid expenses and other as well as other non-current assets. Derivative liabilities are classified on our Consolidated Balance Sheets within accrued liabilities and other long-term liabilities.

(2) As of September 28, 2025, amounts reflected on a net basis in assets were assets of $71,402 and liabilities of $68,188, which are associated with cash transfers receivable or payable on commodities futures contracts reflecting the change in quoted market prices on the last trading day for the period. The comparable amounts reflected on a net basis in liabilities at December 31, 2024 were assets of $533,115 and liabilities of $32,998. At September 28, 2025 and December 31, 2024, the remaining amount reflected in assets and liabilities related to the fair value of other non-exchange traded derivative instruments, respectively.

(amounts in thousands, except share data or if otherwise indicated)

Income Statement Impact of Derivative Instruments

The effect of derivative instruments on the Consolidated Statements of Income for the three months ended September 28, 2025 and September 29, 2024 was as follows:

	Non-designated Hedges		Cash Flow Hedges			
	Gains (losses) recognized in income (a)		Gains (losses) recognized in other comprehensive income ("OCI")		Gains (losses) reclassified from accumulated OCI ("AOCI") into income (b)	
	2025	2024	2025	2024	2025	2024
Commodities futures and options	$ 32,745	$ 32,270	$ —	$ —	$ —	$ —
Foreign exchange contracts	212	621	400	1,779	(56)	1,714
Interest rate swap agreements	—	—	—	—	(2,150)	(2,274)
Deferred compensation derivatives	2,249	1,265	—	—		—
Total	$ 35,206	$ 34,156	$ 400	$ 1,779	$ (2,206)	$ (560)

The effect of derivative instruments on the Consolidated Statements of Income for the nine months ended September 28, 2025 and September 29, 2024 was as follows:

	Non-designated Hedges		Cash Flow Hedges			
	Gains (losses) recognized in income (a)		Gains (losses) recognized in other comprehensive income ("OCI")		Gains (losses) reclassified from accumulated OCI ("AOCI") into income (b)	
	2025	2024	2025	2024	2025	2024
Commodities futures and options	$ (52,657)	$ 191,734	$ —	$ —	$ —	$ —
Foreign exchange contracts	8,594	465	(6,030)	5,636	1,052	2,664
Interest rate swap agreements	—	—	—	—	(6,724)	(6,874)
Deferred compensation derivatives	7,012	4,312	—	—		—
Total	$ (37,051)	$ 196,511	$ (6,030)	$ 5,636	$ (5,672)	$ (4,210)

(a) Gains (losses) recognized in income for non-designated commodities futures and options contracts were included in cost of sales. Gains (losses) recognized in income for non-designated foreign currency forward exchange contracts and deferred compensation derivatives were included in selling, marketing and administrative expenses.

(b) Gains (losses) reclassified from AOCI into income for foreign currency forward exchange contracts were included in selling, marketing and administrative expenses. Losses reclassified from AOCI into income for interest rate swap agreements were included in interest expense.

The amount of pre-tax net loss on derivative instruments, including interest rate swap agreements and foreign currency forward exchange contracts expected to be reclassified into earnings in the next 12 months was approximately $10,730 as of September 28, 2025. This amount is primarily associated with interest rate swap agreements.

6. FAIR VALUE MEASUREMENTS

Accounting guidance on fair value measurements requires that financial assets and liabilities be classified and disclosed in one of the following categories of the fair value hierarchy:

Level 1 – Based on unadjusted quoted prices for identical assets or liabilities in an active market.
Level 2 – Based on observable market-based inputs or unobservable inputs that are corroborated by market data.
Level 3 – Based on unobservable inputs that reflect the entity's own assumptions about the assumptions that a market participant would use in pricing the asset or liability.

We did not have any Level 3 financial assets or liabilities, nor were there any transfers between levels during the periods presented.

(amounts in thousands, except share data or if otherwise indicated)

The following table presents assets and liabilities that were measured at fair value in the Consolidated Balance Sheets on a recurring basis as of September 28, 2025 and December 31, 2024:

	Assets / Liabilities			
	Level 1	Level 2	Level 3	Total
September 28, 2025:				
Derivative Instruments:				
Assets:				
Foreign exchange contracts (1)	$ —	$ 4,998	$ —	$ 4,998
Commodities futures and options (3)	$ 3,214	$ —	$ —	$ 3,214
Liabilities:				
Foreign exchange contracts (1)	$ —	$ 3,888	$ —	$ 3,888
Deferred compensation derivatives (2)	—	2,249	—	2,249
Commodities futures and options (3)	$ 4,528	$ —	$ —	$ 4,528
December 31, 2024:				
Assets:				
Foreign exchange contracts (1)	$ —	$ 8,761	$ —	$ 8,761
Deferred compensation derivatives (2)	$ —	$ 460	$ —	$ 460
Commodities futures and options (3)	$ 514,623	$ —	$ —	$ 514,623
Liabilities:				
Foreign exchange contracts (1)	$ —	$ 8,080	$ —	$ 8,080
Commodities futures and options (3)	$ 14,321	$ —	$ —	$ 14,321

(1) The fair value of foreign currency forward exchange contracts is the difference between the contract and current market foreign currency exchange rates at the end of the period. We estimate the fair value of foreign currency forward exchange contracts on a quarterly basis by obtaining market quotes of spot and forward rates for contracts with similar terms, adjusted where necessary for maturity differences.

(2) The fair value of deferred compensation derivatives is based on quoted prices for market interest rates and a broad market equity index.

(3) The fair value of commodities futures and options contracts is based on quoted market prices.

Other Financial Instruments

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable and short-term debt approximated fair values as of September 28, 2025 and December 31, 2024 because of the relatively short maturity of these instruments.

The estimated fair value of our long-term debt is based on quoted market prices for similar debt issues and is, therefore, classified as Level 2 within the valuation hierarchy. The fair values and carrying values of long-term debt, including the current portion, were as follows:

	Fair Value		Carrying Value	
	September 28, 2025	December 31, 2024	September 28, 2025	December 31, 2024
Current portion of long-term debt	$ 495,556	$ 597,547	$ 502,334	$ 604,965
Long-term debt	4,361,035	2,734,322	4,677,086	3,190,210
Total	$ 4,856,591	$ 3,331,869	$ 5,179,420	$ 3,795,175

Other Fair Value Measurements

In addition to assets and liabilities that are recorded at fair value on a recurring basis, GAAP requires that, under certain circumstances, we also record assets and liabilities at fair value on a nonrecurring basis.

2024 Activity

In connection with the acquisition of Sour Strips in 2024, as discussed in Note 2, we used various valuation techniques to determine fair value, with the primary techniques being discounted cash flow analysis and the relief-from-royalty, a form of the multi-period excess earnings, which use significant unobservable inputs, or Level 3 inputs, as defined by the fair value hierarchy. Additionally, we estimated the fair value of the contingent consideration using a Monte Carlo simulation model.

7. LEASES

We lease office and retail space, warehouse and distribution facilities, land, vehicles, and equipment. We determine if an agreement is or contains a lease at inception. Leases with an initial term of 12 months or less are not recorded on the consolidated balance sheet.

Right-of-use ("ROU") assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. ROU assets and liabilities are based on the estimated present value of lease payments over the lease term and are recognized at the lease commencement date.

As most of our leases do not provide an implicit rate, we use our estimated incremental borrowing rate in determining the present value of lease payments. The estimated incremental borrowing rate is derived from information available at the lease commencement date.

Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. A limited number of our lease agreements include rental payments adjusted periodically for inflation. Our lease agreements generally do not contain residual value guarantees or material restrictive covenants.

For real estate, equipment and vehicles that support selling, marketing and general administrative activities, the Company accounts for the lease and non-lease components as a single lease component. These asset categories comprise the majority of our leases. The lease and non-lease components of real estate and equipment leases supporting production activities are not accounted for as a single lease component. Consideration for such contracts are allocated to the lease and non-lease components based upon relative standalone prices either observable or estimated if observable prices are not readily available.

(amounts in thousands, except share data or if otherwise indicated)

The components of lease expense for the three months ended September 28, 2025 and September 29, 2024 were as follows:

		Three Months Ended	
Lease expense	**Classification**	**September 28, 2025**	**September 29, 2024**
Operating lease cost	Cost of sales or SM&A (1)	$ 15,651	$ 13,678
Finance lease cost:			
Amortization of ROU assets	Depreciation and amortization (1)	1,896	2,133
Interest on lease liabilities	Interest expense, net	1,096	1,140
Net lease cost (2)		$ 18,643	$ 16,951

The components of lease expense for the nine months ended September 28, 2025 and September 29, 2024 were as follows:

		Nine Months Ended	
Lease expense	**Classification**	**September 28, 2025**	**September 29, 2024**
Operating lease cost	Cost of sales or SM&A (1)	$ 45,677	$ 39,159
Finance lease cost:			
Amortization of ROU assets	Depreciation and amortization (1)	6,248	6,504
Interest on lease liabilities	Interest expense, net	3,345	3,489
Net lease cost (2)		$ 55,270	$ 49,152

(1) Supply chain-related amounts were included in cost of sales.

(2) Net lease cost does not include short-term leases, variable lease costs or sublease income, all of which are immaterial.

Information regarding our lease terms and discount rates were as follows:

	September 28, 2025	December 31, 2024
Weighted-average remaining lease term (years)		
Operating leases	11.6	12.4
Finance leases	26.6	25.9
Weighted-average discount rate		
Operating leases	3.8 %	3.7 %
Finance leases	6.3 %	6.3 %

(amounts in thousands, except share data or if otherwise indicated)

Supplemental balance sheet information related to leases were as follows:

Leases	Classification	September 28, 2025	December 31, 2024
Assets			
Operating lease ROU assets	Other non-current assets	$ 336,808	$ 337,739
Finance lease ROU assets, at cost	Property, plant and equipment, gross	81,791	87,999
Accumulated amortization	Accumulated depreciation	(26,721)	(25,515)
Finance lease ROU assets, net	Property, plant and equipment, net	55,070	62,484
Total leased assets		$ 391,878	$ 400,223
Liabilities			
Current			
Operating	Accrued liabilities	$ 46,291	$ 40,636
Finance	Current portion of long-term debt	3,548	5,666
Non-current			
Operating	Other long-term liabilities	299,750	304,767
Finance	Long-term debt	66,195	68,136
Total lease liabilities		$ 415,784	$ 419,205

The maturities of our lease liabilities as of September 28, 2025 were as follows:

	Operating leases	Finance leases	Total
2025 (rest of year)	$ 14,962	$ 2,184	$ 17,146
2026	57,301	7,014	64,315
2027	54,206	4,944	59,150
2028	36,166	4,407	40,573
2029	32,621	4,245	36,866
Thereafter	227,184	133,646	360,830
Total lease payments	422,440	156,440	578,880
Less: Imputed interest	76,399	86,697	163,096
Total lease liabilities	$ 346,041	$ 69,743	$ 415,784

Supplemental cash flow and other information related to leases were as follows:

	Nine Months Ended	
	September 28, 2025	September 29, 2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 43,965	$ 36,293
Operating cash flows from finance leases	3,345	3,489
Financing cash flows from finance leases	4,595	4,543
ROU assets obtained in exchange for lease liabilities:		
Operating leases	$ 33,158	$ 70,383
Finance leases	62	983

8. INVESTMENTS IN UNCONSOLIDATED AFFILIATES

We invest in partnerships that make equity investments in projects eligible to receive federal historic and renewable energy tax credits. The tax credits, when realized, are recognized as a reduction of tax expense under the flow-through method, at which time the corresponding equity investment is written-down to reflect the remaining value of the future benefits to be realized. The equity investment write-down is reflected within other (income) expense, net in the Consolidated Statements of Income (see Note 17).

Additionally, we acquire ownership interests in emerging snacking businesses and startup companies, which vary in method of accounting based on our percentage of ownership and ability to exercise significant influence over decisions relating to operating and financial affairs. These investments afford the Company the rights to distribute brands that the Company does not own to third-party customers primarily in North America. Net sales and expenses of our equity method investees are not consolidated into our financial statements; rather, our proportionate share of earnings or losses are recorded on a net basis within other (income) expense, net in the Consolidated Statements of Income.

Both equity method investments and cost, less impairment, investments are reported within other non-current assets in our Consolidated Balance Sheets. We regularly review our investments and adjust accordingly for capital contributions, dividends received and other-than-temporary impairments. Total investments in unconsolidated affiliates were $199,575 and $212,928 as of September 28, 2025 and December 31, 2024, respectively.

9. BUSINESS REALIGNMENT ACTIVITIES

We periodically undertake business realignment activities designed to increase our efficiency and focus our business in support of our key growth strategies.

Advancing Agility & Automation Initiative

On February 2, 2024, the Board of Directors of the Company approved a multi-year productivity initiative (“Advancing Agility & Automation Initiative” or "AAA Initiative") to improve supply chain and manufacturing-related spend, optimize selling, general and administrative expenses, leverage new technology and business models to further simplify and automate processes, and generate long-term savings.

The Company estimates that the AAA Initiative will result in total pre-tax costs of $200,000 to $250,000 from inception through 2026. This estimate primarily includes program office execution and third-party costs supporting the design and implementation of the new organizational structure of $100,000 to $120,000, as well as implementation and technology capability costs of $55,000 to $70,000. Additionally, we expect to incur employee severance and related separation benefits of $45,000 to $60,000 as we facilitate workforce reductions and reallocate resources to further drive the Company’s strategic priorities. The cash portion of the total cost is estimated to be $175,000 to $225,000. At the conclusion of the program in 2026, ongoing annual savings are expected to be approximately $400,000.

Since inception through September 28, 2025, we recognized total costs associated with the AAA Initiative of $169,105. These charges predominantly included employee severance and related separation benefits related to workforce reductions and third-party costs supporting the design and implementation of the new organizational structure, as well as technology capability costs. The costs and related benefits of the AAA Initiative predominantly relates to the North America Confectionery segment and Corporate. However, segment operating results do not include these business realignment expenses because we evaluate segment performance excluding such costs.

(amounts in thousands, except share data or if otherwise indicated)

Costs associated with business realignment activities are classified in our Consolidated Statements of Income as follows:

	Three Months Ended		Nine Months Ended	
	September 28, 2025	September 29, 2024	September 28, 2025	September 29, 2024
Cost of sales	$ —	$ 1,457	$ —	$ 12,168
Selling, marketing and administrative expense	8,366	20,037	32,729	60,055
Business realignment costs	2,211	27,635	18,840	32,572
Costs associated with business realignment activities	$ 10,577	$ 49,129	$ 51,569	$ 104,795

Costs recorded by program during the nine months ended September 28, 2025 and September 29, 2024 related to these activities were as follows:

	Three Months Ended		Nine Months Ended	
	September 28, 2025	September 29, 2024	September 28, 2025	September 29, 2024
Advancing Agility & Automation Initiative:				
Severance and employee benefit costs	$ 2,211	$ 27,635	$ 18,840	$ 32,572
Other program costs	8,366	21,494	32,729	72,223
Total	$ 10,577	$ 49,129	$ 51,569	$ 104,795

The following table presents the liability activity for costs qualifying as exit and disposal costs for the nine months ended September 28, 2025:

	Total
Liability balance at December 31, 2024 (1)	$ 10,417
2025 business realignment charges (2)	18,840
Cash payments	(20,557)
Liability balance at September 28, 2025 (1)	$ 8,700

(1) The liability balances reflected above are reported within accrued liabilities and other long-term liabilities.

(2) The costs reflected in the liability roll-forward represent employee-related charges.

10. INCOME TAXES

The majority of our taxable income is generated in the United States and taxed at the United States statutory rate of 21%. The effective tax rates for the nine months ended September 28, 2025 and September 29, 2024 were 33.3% and 18.6%, respectively. Relative to the statutory rate, the 2025 effective tax rate was primarily impacted by tax reserves, foreign rate differential and state taxes.

The Company and its subsidiaries file tax returns in the United States, including various state and local returns, and in other foreign jurisdictions. We are routinely audited by taxing authorities in our filing jurisdictions, and a number of these disputes are currently underway, including multi-year controversies at various stages of review, negotiation and litigation in Mexico, Canada, Switzerland and the United States. The outcome of tax audits cannot be predicted with certainty, including the timing of resolution or potential settlements. If any issues addressed in our tax audits are resolved in a manner not consistent with management's expectations, we could be required to adjust our provision for income taxes in the period such resolution occurs. Based on our current assessments, we believe adequate provision has been made for all income tax uncertainties. We reasonably expect reductions in the liability for unrecognized tax benefits of approximately $15,594 within the next 12 months because of the expiration of statutes of limitations and settlements of tax audits.

(amounts in thousands, except share data or if otherwise indicated)

One Big Beautiful Bill Act

On July 4, 2025, the One Big Beautiful Bill Act (“OBBBA”) was signed into law. The OBBBA introduces changes to United States tax policy, trade regulations, and federal spending priorities. Key provisions include the extension and modification of tax provisions from the 2017 Tax Cuts and Jobs Act, modification of certain energy-related tax credits and incentives, and timing of deductions related to certain domestic expenses. The OBBBA did not have a material impact on the Company’s consolidated financial statements for the nine months ended September 28, 2025.

11. PENSION AND OTHER POST-RETIREMENT BENEFIT PLANS

Net Periodic Benefit Cost

The components of net periodic benefit cost for the three months ended September 28, 2025 and September 29, 2024 were as follows:

	Pension Benefits		Other Benefits	
	Three Months Ended		Three Months Ended	
	September 28, 2025	September 29, 2024	September 28, 2025	September 29, 2024
Service cost	$ 3,544	$ 3,827	$ 29	$ 33
Interest cost	9,253	9,662	1,235	1,215
Expected return on plan assets	(12,029)	(12,800)	—	—
Amortization of prior service credit	(888)	(1,374)	(96)	(38)
Amortization of net loss	3,554	3,814	312	138
Settlement loss	10,597	—	—	—
Total net periodic benefit cost	$ 14,031	$ 3,129	$ 1,480	$ 1,348

We made contributions of $254 and $3,181 to our pension plans and other benefits plans, respectively, during the third quarter of 2025. In the third quarter of 2024, we made contributions of $1,134 and $3,498 to our pension plans and other benefit plans, respectively. The contributions in 2025 and 2024 also included benefit payments from our non-qualified pension plans and post-retirement benefit plans.

The components of net periodic benefit cost for the nine months ended September 28, 2025 and September 29, 2024 were as follows:

	Pension Benefits		Other Benefits	
	Nine Months Ended		Nine Months Ended	
	September 28, 2025	September 29, 2024	September 28, 2025	September 29, 2024
Service cost	$ 10,583	$ 11,512	$ 85	$ 100
Interest cost	27,722	28,995	3,695	3,646
Expected return on plan assets	(36,086)	(38,407)	—	—
Amortization of prior service credit	(2,667)	(4,120)	(288)	(113)
Amortization of net loss	10,661	11,435	941	416
Settlement loss	10,597	—	—	—
Total net periodic benefit cost	$ 20,810	$ 9,415	$ 4,433	$ 4,049

We made contributions of $1,366 and $8,612 to our pension plans and other benefits plans, respectively, during the first nine months of 2025. In the first nine months of 2024, we made contributions of $2,120 and $7,980 to our pension plans and other benefit plans, respectively. The contributions in 2025 and 2024 also included benefit payments from our non-qualified pension plans and post-retirement benefit plans.

(amounts in thousands, except share data or if otherwise indicated)

The non-service cost components of net periodic benefit cost relating to pension and other post-retirement benefit plans are reflected within other (income) expense, net in the Consolidated Statements of Income (see Note 17).

During the first nine months of 2025, we recognized pension settlement charges in The Hershey Retirement Plan for Salaried and Hourly Employees due to lump sum withdrawals by employees retiring or leaving the Company. The non-cash settlement charges, which represent the acceleration of a portion of the respective plan's accumulated unrecognized actuarial loss, were triggered when the cumulative lump sum distributions exceeded the plan's anticipated annual service and interest costs. In connection with the third quarter 2025 settlements, the related plan assets and liabilities were remeasured using a discount rate as of the remeasurement date that was 43 basis points lower than the rate as of December 31, 2024 and an expected rate of return on plan assets of 6.8%, which was consistent with the rate as of December 31, 2024.

12. STOCK COMPENSATION PLANS

Share-based grants for compensation and incentive purposes are made pursuant to the Equity and Incentive Compensation Plan ("EICP"). The EICP provides for grants of one or more of the following stock-based compensation awards to employees, non-employee directors and certain service providers upon whom the successful conduct of our business is dependent:

- Non-qualified stock options ("stock options");
- Performance stock units ("PSUs") and performance stock;
- Stock appreciation rights;
- Restricted stock units ("RSUs") and restricted stock; and
- Other stock-based awards.

The EICP also provides for the deferral of stock-based compensation awards by participants if approved by the Compensation and Human Capital Committee of our Board and if in accordance with an applicable deferred compensation plan of the Company. Currently, the Compensation and Human Capital Committee has authorized the deferral of PSU and RSU awards by certain eligible employees under the Company's Deferred Compensation Plan. Our Board has authorized our non-employee directors to defer any portion of their cash retainer, committee chair fees and RSUs awarded that they elect to convert into deferred stock units under our Directors' Compensation Plan.

At the time stock options are exercised or PSUs and RSUs become payable, Common Stock is issued from our accumulated treasury shares. Dividend equivalents are credited on RSUs on the same date and at the same rate as dividends paid on our Common Stock. Dividend equivalents are charged to retained earnings and included in accrued liabilities until paid.

Awards to employees eligible for retirement prior to the award becoming fully vested are amortized to expense over the period through the date that the employee first becomes eligible to retire and is no longer required to provide service to earn the award. In addition, historical data is used to estimate forfeiture rates and record share-based compensation expense only for those awards that are expected to vest.

For the periods presented, compensation expense for all types of stock-based compensation programs and the related income tax benefit recognized were as follows:

	Three Months Ended		Nine Months Ended	
	September 28, 2025	September 29, 2024	September 28, 2025	September 29, 2024
Pre-tax compensation expense	$ 15,451	$ 15,073	$ 46,453	$ 32,573
Related income tax benefit	3,294	2,572	15,478	6,352

Compensation expenses for stock compensation plans are primarily included in SM&A expense. As of September 28, 2025, total stock-based compensation expense related to non-vested awards not yet recognized was $99,229 and the weighted-average period over which this amount is expected to be recognized was approximately 2.0 years.

(amounts in thousands, except share data or if otherwise indicated)

Stock Options

The exercise price of each stock option awarded under the EICP equals the closing price of our Common Stock on the New York Stock Exchange on the date of grant. Each stock option has a maximum term of 10 years. Grants of stock options provide for pro-rated vesting, typically over a four-year period. Expense for stock options is based on grant date fair value and recognized on a straight-line method over the vesting period, net of estimated forfeitures.

A summary of activity relating to grants of stock options for the period ended September 28, 2025 is as follows:

Stock Options	Shares	Weighted-Average Exercise Price (per share)	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at beginning of year	579,834	$106.73	2.7 years	
Granted	5,165	$164.16		
Exercised	(171,857)	$102.56		
Outstanding as of September 28, 2025	411,667	$108.98	2.4 years	$ 32,916
Options exercisable as of September 28, 2025	402,518	$107.01	2.2 years	$ 32,828

The weighted-average fair value of options granted was $33.91 and $45.95 per share for the periods ended September 28, 2025 and September 29, 2024, respectively. The fair value was estimated on the date of grant using a Black-Scholes option-pricing model and the following weighted-average assumptions:

	Nine Months Ended	
	September 28, 2025	September 29, 2024
Dividend yields	3.0 %	2.0 %
Expected volatility	22.3 %	21.3 %
Risk-free interest rates	4.2 %	4.3 %
Expected term in years	6.3	6.3

The total intrinsic value of options exercised was $12,265 and $13,327 for the periods ended September 28, 2025 and September 29, 2024, respectively.

Performance Stock Units and Restricted Stock Units

Under the EICP, we grant PSUs to select executives and other key employees. Vesting is contingent upon the achievement of certain performance objectives. We grant PSUs over three-year performance cycles. If we meet targets for financial measures at the end of the applicable three-year performance cycle, we award a resulting number of shares of our Common Stock to the participants. The number of shares may be increased to the maximum or reduced to the minimum threshold based on the results of these performance metrics in accordance with the terms established at the time of the award.

For PSUs granted, the target award is a combination of a market-based total shareholder return and performance-based components. For market-based condition components, market volatility and other factors are taken into consideration in determining the grant date fair value and the related compensation expense is recognized regardless of whether the market condition is satisfied, provided that the requisite service has been provided. For performance-based condition components, we estimate the probability that the performance conditions will be achieved each quarter and adjust compensation expenses accordingly. The performance scores of PSU grants during the nine months ended September 28, 2025 and September 29, 2024 can range from 0% to 250% of the targeted amounts.

(amounts in thousands, except share data or if otherwise indicated)

We recognize the compensation expenses associated with PSUs ratably over the three-year term. Compensation expenses are based on the grant date fair value because the grants can only be settled in shares of our Common Stock. The grant date fair value of PSUs is determined based on the Monte Carlo simulation model for the market-based total shareholder return component and the closing market price of the Company's Common Stock on the date of grant for performance-based components.

During the nine months ended September 28, 2025 and September 29, 2024, we awarded RSUs to certain executive officers and other key employees under the EICP. We also awarded RSUs to non-employee directors.

We recognize the compensation expenses associated with employee RSUs over a specified award vesting period based on the grant date fair value of our Common Stock. We recognize expense for employee RSUs based on the straight-line method. The compensation expenses associated with non-employee director RSUs is recognized ratably over the vesting period, net of estimated forfeitures.

A summary of activity relating to grants of PSUs and RSUs for the period ended September 28, 2025 is as follows:

Performance Stock Units and Restricted Stock Units	**Number of units**	**Weighted-average grant date fair value for equity awards (per unit)**
Outstanding at beginning of year	538,803	$204.65
Granted	643,726	$168.32
Performance assumption change (1)	240,508	$235.97
Vested	(318,390)	$206.11
Forfeited	(110,222)	$196.37
Outstanding as of September 28, 2025	994,426	$189.15

(1) Reflects the net number of PSUs above and below target levels based on the performance metrics.

The following table sets forth information about the fair value of the PSUs and RSUs granted for potential future distribution to employees and non-employee directors. In addition, the table provides weighted average assumptions used to determine the fair value of the market-based total shareholder return component using the Monte Carlo simulation model on the date of grant.

	Nine Months Ended	
	September 28, 2025	**September 29, 2024**
Units granted	643,726	357,272
Weighted-average fair value at date of grant	$ 168.32	$ 195.06
Monte Carlo simulation assumptions:		
Estimated values	$110.81	$ 84.13
Dividend yields	3.2 %	2.8 %
Expected volatility	22.2 %	18.5 %

The fair value of shares vested totaled $12,265 and $90,372 for the periods ended September 28, 2025 and September 29, 2024, respectively.

Deferred PSUs, deferred RSUs and deferred stock units representing directors' fees totaled 242,602 units as of September 28, 2025. Each unit is equivalent to one share of the Company's Common Stock.

13. SEGMENT INFORMATION

The Company reports its operations through three segments: (i) North America Confectionery, (ii) North America Salty Snacks and (iii) International. This organizational structure aligns with how our CODM, Kirk Tanner, President and Chief Executive Officer, manages our business, including resource allocation and performance assessment, and further aligns with our product categories and the key markets we serve.

- ***North America Confectionery –*** This segment is responsible for our traditional chocolate and non-chocolate confectionery market position in the United States and Canada. This includes our business in chocolate and non-chocolate confectionery, gum and refreshment products, protein bars, spreads, snack bites and mixes, as well as pantry and food service lines. This segment also includes our retail operations, including Hershey's Chocolate World stores in Hershey, Pennsylvania; New York, New York; Las Vegas, Nevada; Niagara Falls (Ontario) and Singapore, as well as operations associated with licensing the use of certain of the Company's trademarks and products to third parties around the world.

- ***North America Salty Snacks –*** This segment is responsible for our salty snacking products in the United States. This includes ready-to-eat popcorn, baked and trans fat free snacks, pretzels and other snacks.

- ***International –*** International is a combination of all other operating segments that are not individually material, including those geographic regions where we operate outside of North America. We currently have operations and manufacture product in Mexico, Brazil, India and Malaysia, primarily for consumers in these regions, and also distribute and sell confectionery products in export markets of Asia, Latin America, Middle East, Europe, Africa and other regions.

For segment reporting purposes, the CODM uses "segment income" to evaluate segment performance and allocate resources, including considering budget-to-actual variances and prior year-to-actual variances on a monthly basis. Segment income excludes unallocated general corporate administrative expenses, unallocated mark-to-market gains and losses on commodity derivatives, business realignment and impairment charges, acquisition-related costs and other unusual gains or losses that are not part of our measurement of segment performance. These items of our operating profit are managed centrally at the corporate level and are excluded from the measure of segment income reviewed by the CODM as well as the measure of segment performance used for incentive compensation purposes.

As discussed in Note 5, derivatives used to manage commodity price risk are not designated for hedge accounting treatment. These derivatives are recognized at fair market value with the resulting realized and unrealized (gains) losses recognized in unallocated derivative (gains) losses outside of the reporting segment results until the related inventory is sold, at which time the related gains and losses are reallocated to segment income. This enables us to align the derivative gains and losses with the underlying economic exposure being hedged and thereby eliminate the mark-to-market volatility within our reported segment income.

Certain manufacturing, warehousing, distribution and other activities supporting our global operations are integrated to maximize efficiency and productivity. As a result, assets and capital expenditures are not managed on a segment basis and are not included in the information reported to the CODM for the purpose of evaluating performance or allocating resources. We disclose depreciation and amortization that is generated by segment-specific assets, since these amounts are included within the measure of segment income reported to the CODM.

(amounts in thousands, except share data or if otherwise indicated)

Our segment net sales and earnings for the three months ended September 28, 2025 and September 29, 2024 were as follows:

For the three months ended September 28, 2025	North America Confectionery	North America Salty Snacks	International	Total
Net sales	$ 2,615,600	$ 321,020	$ 244,798	$ 3,181,418
Cost of sales	1,752,225	206,267	209,843	
SM&A expense	291,900	57,006	48,562	
Total segment income (loss)	$ 571,475	$ 57,747	$ (13,607)	$ 615,615
Unallocated corporate expense (1)				194,705
Unallocated mark-to-market gains on commodity derivatives				(24,250)
Costs associated with business realignment activities (see Note 9)				10,577
Operating profit				$ 434,583
Interest expense, net (see Note 4)				51,474
Other (income) expense, net (see Note 17)				11,199
Income before income taxes				$ 371,910

For the three months ended September 29, 2024	North America Confectionery	North America Salty Snacks	International	Total
Net sales	$ 2,477,303	$ 291,835	$ 218,356	$ 2,987,494
Cost of sales	1,446,950	181,729	154,012	
SM&A expense	305,531	56,129	50,137	
Total segment income	$ 724,822	$ 53,977	$ 14,207	$ 793,006
Unallocated corporate expense (1)				161,796
Unallocated mark-to-market gains on commodity derivatives				(31,083)
Costs associated with business realignment activities (see Note 9)				49,129
Operating profit				$ 613,164
Interest expense, net (see Note 4)				44,316
Other (income) expense, net (see Note 17)				50,101
Income before income taxes				$ 518,747

(1) Includes centrally-managed (a) corporate functional costs relating to legal, treasury, finance, and human resources, (b) expenses associated with the oversight and administration of our global operations, including warehousing, distribution and manufacturing, information systems and global shared services, (c) non-cash stock-based compensation expense, (d) acquisition and integration-related costs, and (e) other gains or losses that are not integral to segment performance.

(amounts in thousands, except share data or if otherwise indicated)

Our segment net sales and earnings for the nine months ended September 28, 2025 and September 29, 2024 were as follows:

For the nine months ended September 28, 2025	North America Confectionery	North America Salty Snacks	International	Total
Net sales	$ 7,001,208	$ 914,337	$ 686,010	$ 8,601,555
Cost of sales	4,342,071	581,440	512,239	
SM&A expense	887,357	166,817	138,857	
Total segment income	$ 1,771,780	$ 166,080	$ 34,914	$ 1,972,774
Unallocated corporate expense (1)				536,659
Unallocated mark-to-market losses on commodity derivatives				387,932
Costs associated with business realignment activities (see Note 9)				51,568
Operating profit				$ 996,615
Interest expense, net (see Note 4)				142,131
Other (income) expense, net (see Note 17)				9,808
Income before income taxes				$ 844,676

For the nine months ended September 29, 2024	North America Confectionery	North America Salty Snacks	International	Total
Net sales	$ 6,764,439	$ 856,835	$ 693,449	$ 8,314,723
Cost of sales	3,738,180	545,758	470,079	
SM&A expense	888,745	166,190	141,403	
Total segment income	$ 2,137,514	$ 144,887	$ 81,967	$ 2,364,368
Unallocated corporate expense (1)				496,215
Unallocated mark-to-market gains on commodity derivatives				(195,727)
Costs associated with business realignment activities (see Note 9)				104,795
Operating profit				$ 1,959,085
Interest expense, net (see Note 4)				125,511
Other (income) expense, net (see Note 17)				82,695
Income before income taxes				$ 1,750,879

(1) Includes centrally-managed (a) corporate functional costs relating to legal, treasury, finance, and human resources, (b) expenses associated with the oversight and administration of our global operations, including warehousing, distribution and manufacturing, information systems and global shared services, (c) non-cash stock-based compensation expense, (d) acquisition and integration-related costs, and (e) other gains or losses that are not integral to segment performance.

(amounts in thousands, except share data or if otherwise indicated)

Activity within the unallocated mark-to-market adjustment for commodity derivatives is as follows:

	Three Months Ended		Nine Months Ended	
	September 28, 2025	September 29, 2024	September 28, 2025	September 29, 2024
Net (gains) losses on mark-to-market valuation of commodity derivative positions recognized in income	$ (32,745)	$ (32,270)	$ 52,657	$ (191,734)
Net gains (losses) on commodity derivative positions reclassified from unallocated to segment income	8,495	1,187	335,275	(3,993)
Net (gains) losses on mark-to-market valuation of commodity derivative positions recognized in unallocated derivative (gains) losses	$ (24,250)	$ (31,083)	$ 387,932	$ (195,727)

As of September 28, 2025, the cumulative amount of mark-to-market gains on commodity derivatives that have been recognized in our consolidated cost of sales and not yet allocated to reportable segments was $22,299. Based on our forecasts of the timing of the recognition of the underlying hedged items, we expect to reclassify net pre-tax gains on commodity derivatives of $100,866 to segment operating results in the next twelve months.

Depreciation and amortization expense included within segment income presented above is as follows:

	Three Months Ended		Nine Months Ended	
	September 28, 2025	September 29, 2024	September 28, 2025	September 29, 2024
North America Confectionery	$ 78,752	$ 64,805	$ 221,311	$ 191,210
North America Salty Snacks	19,414	19,776	63,587	59,475
International	7,276	6,268	20,174	18,467
Corporate	22,342	22,406	66,108	62,288
Total	$ 127,784	$ 113,255	$ 371,180	$ 331,440

Additional information regarding our net sales disaggregated by geographical region is as follows:

	Three Months Ended		Nine Months Ended	
	September 28, 2025	September 29, 2024	September 28, 2025	September 29, 2024
Net sales:				
United States	$ 2,799,716	$ 2,640,336	$ 7,552,700	$ 7,273,235
All other countries	381,702	347,158	1,048,855	1,041,488
Total	$ 3,181,418	$ 2,987,494	$ 8,601,555	$ 8,314,723

14. TREASURY STOCK ACTIVITY

A summary of our treasury stock activity is as follows:

	Nine Months Ended September 28, 2025	
	Shares	Dollars
		In thousands
Shares issued for stock options and incentive compensation	(394,525)	$ (16,416)

In May 2021, our Board of Directors approved a $500 million share repurchase authorization, which was completed as of March 31, 2024. In December 2023, our Board of Directors approved an additional $500 million share repurchase authorization. This program commenced after the existing May 2021 authorization was completed. As a result of the share repurchase authorization, approximately $470 million remains available for repurchases under our December 2023 share repurchase authorization. We are authorized to purchase our outstanding shares in open market and privately negotiated transactions. The program has no expiration date and acquired shares of Common Stock will be held as treasury shares. Purchases under approved share repurchase authorizations are in addition to our practice of buying back shares sufficient to offset those issued under incentive compensation plans.

15. CONTINGENCIES

The Company is subject to certain legal proceedings and claims arising out of the ordinary course of our business, which cover a wide range of matters including trade regulation, product liability, advertising, contracts, environmental issues, patent and trademark matters, labor and employment matters, human and workplace rights matters and tax. While it is not feasible to predict or determine the outcome of such proceedings and claims with certainty, in our opinion, these matters, both individually and in the aggregate, are not expected to have a material effect on our financial condition, results of operations or cash flows.

16. EARNINGS PER SHARE

We compute basic earnings per share for Common Stock and Class B common stock using the two-class method. The Class B common stock is convertible into Common Stock on a share-for-share basis at any time. The computation of diluted earnings per share for Common Stock assumes the conversion of Class B common stock using the if-converted method, while the diluted earnings per share of Class B common stock does not assume the conversion of those shares.

	Three Months Ended			
	September 28, 2025		September 29, 2024	
	Common Stock	Class B Common Stock	Common Stock	Class B Common Stock
Basic earnings per share:				
Numerator:				
Allocation of distributed earnings (cash dividends paid)	$ 203,137	$ 67,994	$ 202,390	$ 67,993
Allocation of undistributed earnings	3,889	1,300	131,726	44,192
Total earnings—basic	$ 207,026	$ 69,294	$ 334,116	$ 112,185
Denominator (shares in thousands):				
Total weighted-average shares—basic	148,363	54,614	147,938	54,614
Earnings Per Share—basic	$ 1.40	$ 1.27	$ 2.26	$ 2.05
Diluted earnings per share:				
Numerator:				
Allocation of total earnings used in basic computation	$ 207,026	$ 69,294	$ 334,116	$ 112,185
Reallocation of total earnings as a result of conversion of Class B common stock to Common stock	69,294	—	112,185	—
Reallocation of undistributed earnings	—	(3)	—	(107)
Total earnings—diluted	$ 276,320	$ 69,291	$ 446,301	$ 112,078
Denominator (shares in thousands):				
Number of shares used in basic computation	148,363	54,614	147,938	54,614
Weighted-average effect of dilutive securities:				
Conversion of Class B common stock to Common shares outstanding	54,614	—	54,614	—
Employee stock options	176	—	283	—
Performance and restricted stock units	341	—	195	—
Total weighted-average shares—diluted	203,494	54,614	203,030	54,614
Earnings Per Share—diluted	$ 1.36	$ 1.27	$ 2.20	$ 2.05

The earnings per share calculations for the three months ended September 28, 2025 and September 29, 2024 excluded 12 and 12 stock options (in thousands), respectively, that would have been antidilutive.

	Nine Months Ended			
	September 28, 2025		September 29, 2024	
	Common Stock	Class B Common Stock	Common Stock	Class B Common Stock
Basic earnings per share:				
Numerator:				
Allocation of distributed earnings (cash dividends paid)	$ 609,974	$ 203,981	$ 610,328	$ 203,981
Allocation of undistributed earnings	(187,827)	(62,886)	457,433	152,906
Total earnings—basic	$ 422,147	$ 141,095	$ 1,067,761	$ 356,887
Denominator (shares in thousands):				
Total weighted-average shares—basic	148,234	54,614	148,474	54,614
Earnings Per Share—basic	$ 2.85	$ 2.58	$ 7.19	$ 6.53
Diluted earnings per share:				
Numerator:				
Allocation of total earnings used in basic computation	$ 422,147	$ 141,095	$ 1,067,761	$ 356,887
Reallocation of total earnings as a result of conversion of Class B common stock to Common stock	141,095	—	356,887	—
Reallocation of undistributed earnings	—	135	—	(418)
Total earnings—diluted	$ 563,242	$ 141,230	$ 1,424,648	$ 356,469
Denominator (shares in thousands):				
Number of shares used in basic computation	148,234	54,614	148,474	54,614
Weighted-average effect of dilutive securities:				
Conversion of Class B common stock to Common shares outstanding	54,614	—	54,614	—
Employee stock options	187	—	300	—
Performance and restricted stock units	238	—	243	—
Total weighted-average shares—diluted	203,273	54,614	203,631	54,614
Earnings Per Share—diluted	$ 2.77	$ 2.59	$ 7.00	$ 6.53

The earnings per share calculations for the nine months ended September 28, 2025 and September 29, 2024 excluded 27 and 13 stock options (in thousands), respectively, that would have been antidilutive.

(amounts in thousands, except share data or if otherwise indicated)

17. OTHER (INCOME) EXPENSE, NET

Other (income) expense, net reports certain gains and losses associated with activities not directly related to our core operations. A summary of the components of other (income) expense, net is as follows:

	Three Months Ended		Nine Months Ended	
	September 28, 2025	September 29, 2024	September 28, 2025	September 29, 2024
Write-down of equity investments in partnerships qualifying for historic and renewable energy tax credits (see Note 8)	$ —	$ 49,626	$ —	$ 81,017
Non-service cost components of net periodic benefit cost relating to pension and other post-retirement benefit plans (see Note 11)	11,938	617	14,575	1,852
Other (income) expense, net	(739)	(142)	(4,767)	(174)
Total	$ 11,199	$ 50,101	$ 9,808	$ 82,695

(amounts in thousands, except share data or if otherwise indicated)

18. SUPPLEMENTAL BALANCE SHEET INFORMATION

The components of certain asset accounts included within our Consolidated Balance Sheets are as follows:

	September 28, 2025	December 31, 2024
Inventories:		
Raw materials	$ 836,307	$ 477,592
Goods in process	308,999	204,674
Finished goods	1,246,524	990,785
Inventories at First In First Out	2,391,830	1,673,051
Adjustment to Last In First Out	(684,308)	(418,957)
Total inventories	$ 1,707,522	$ 1,254,094
Prepaid expenses and other:		
Prepaid expenses	$ 133,955	$ 269,792
Other current assets	427,200	704,423
Total prepaid expenses and other	$ 561,155	$ 974,215
Property, plant and equipment:		
Land	$ 195,803	$ 194,502
Buildings	2,056,636	1,991,937
Machinery and equipment	4,422,893	4,147,530
Construction in progress	300,796	478,842
Property, plant and equipment, gross	6,976,128	6,812,811
Accumulated depreciation	(3,549,450)	(3,353,958)
Property, plant and equipment, net	$ 3,426,678	$ 3,458,853
Other non-current assets:		
Pension	$ 54,774	$ 41,298
Capitalized software, net	347,570	367,087
Operating lease ROU assets	336,808	337,739
Investments in unconsolidated affiliates	199,575	212,928
Other non-current assets	171,436	152,815
Total other non-current assets	$ 1,110,163	$ 1,111,867

(amounts in thousands, except share data or if otherwise indicated)

The components of certain liability and stockholders' equity accounts included within our Consolidated Balance Sheets are as follows:

	September 28, 2025	December 31, 2024
Accounts payable:		
Accounts payable—trade	$ 803,839	$ 807,918
Supplier finance program obligations	457,302	215,122
Other	198,539	136,137
Total accounts payable	$ 1,459,680	$ 1,159,177
Accrued liabilities:		
Payroll, compensation and benefits	$ 265,045	$ 226,774
Advertising, promotion and product allowances	429,208	359,986
Operating lease liabilities	46,291	40,636
Other	211,786	179,945
Total accrued liabilities	$ 952,330	$ 807,341
Other long-term liabilities:		
Post-retirement benefits liabilities	$ 82,109	$ 87,006
Pension benefits liabilities	31,664	33,837
Operating lease liabilities	299,750	304,767
Other	225,637	262,649
Total other long-term liabilities	$ 639,160	$ 688,259
Accumulated other comprehensive loss:		
Foreign currency translation adjustments	$ (148,386)	$ (177,741)
Pension and post-retirement benefit plans, net of tax	(96,725)	(122,098)
Cash flow hedges, net of tax	(4,913)	(4,051)
Total accumulated other comprehensive loss	$ (250,024)	$ (303,890)

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management's Discussion and Analysis ("MD&A") is intended to provide an understanding of Hershey's financial condition, results of operations and cash flows by focusing on changes in certain key measures from year to year. This MD&A should be read in conjunction with our Unaudited Consolidated Financial Statements and accompanying notes included in this Quarterly Report on Form 10-Q for the quarterly period ended September 28, 2025 ("this Quarterly Report on Form 10-Q"). This discussion contains a number of forward-looking statements, all of which are based on current expectations. Actual results may differ materially. Refer to the Safe Harbor Statement below as well as the Risk Factors and other information contained in our 2024 Annual Report on Form 10-K for information concerning the key risks to achieving future performance goals.

The MD&A is organized in the following sections:

OVERVIEW

Hershey is a global confectionery leader known for making more moments of goodness through chocolate, sweets, mints and other great tasting snacks. We are the largest producer of quality chocolate in North America, a leading snack maker in the United States ("U.S.") and a global leader in chocolate and non-chocolate confectionery. We market, sell and distribute our products under more than 90 brand names in approximately 70 countries worldwide.

Our principal product offerings include chocolate and non-chocolate confectionery products; gum and mint refreshment products and protein bars; pantry items, such as baking ingredients, toppings and beverages; and snack items such as spreads, bars, and snack bites and mixes, popcorn and pretzels.

Business Acquisitions

On March 31, 2025, we entered into a Merger Agreement to acquire LesserEvil, LLC, a privately held company that produces and sells organic popcorn and puffed snack products to retailers and distributors in the United States and Canada, which complements Hershey's existing product portfolio. The Company expects the acquisition to close by the end of 2025, pending the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and satisfaction of other customary closing conditions.

On November 8, 2024, we completed the acquisition of the Sour Strips brand from Actual Candy, LLC. Sour Strips is an emerging sour candy brand and is available in a wide range of food distribution channels in the United States.

TRENDS AFFECTING OUR BUSINESS

Throughout the first nine months of 2025, we experienced net sales growth, positive changes in consumer behavior, and price inelasticity despite the persistent dynamic macroeconomic environment. However, increasing inflationary pressures, including ongoing price volatility for select commodities and higher manufacturing costs, continued to challenge the business and led to a decrease in net income. Despite a strategic pricing action in the third quarter combined with other specific actions taken to mitigate the gross margin pressures, our direct product inputs continue to be the primary incremental cost to our business (see Consolidated Results of Operations included in this MD&A). We utilize many exchange traded commodities for our business that are subject to price volatility, specifically cocoa products, which continued to experience elevated market prices compared to historical levels (see Part I, Item 3 - Quantitative and Qualitative Disclosures about Market Risk included in this Quarterly Report on Form 10-Q).

Furthermore, changes in global trade policies, including tariffs on U.S. imports, continue to increase global economic and political uncertainty. We are continuing to monitor the ongoing negotiations related to tariffs, specifically, goods imported into the U.S. from Canada, Mexico and other countries, as well as export markets, in which we have significant business operations, all of which may result in material adverse effects on our results of operations. The scope and length of tariffs, including their effects on the broader economy and our business, remain uncertain. These outcomes may be influenced by factors such as continued U.S. negotiations with impacted countries, retaliatory measures from other nations, possible tariff exemptions, public sentiment toward U.S. products and companies, and the domestic availability of lower-cost alternatives. We expect tariff expense to negatively impact our full year results.

Additionally, leadership changes at the U.S. Department of Health and Human Services and the U.S. Food and Drug Administration ("FDA") earlier in 2025, as well as the Make America Healthy Again movement, subject the food industry to increasing laws and regulations, including nutrition, food date labeling and traceability recordkeeping requirements, as well as changes in consumer expectations and behavior. For example, in April 2025 the FDA announced that it would be phasing out the approved use of petroleum-based synthetic dyes in food products. Therefore, in an effort to be responsive to the evolving regulatory environment and to ensure consumers have options to fit their lifestyle while maintaining trust and confidence in our products, we announced our decision to remove all certified Food, Drug & Cosmetic colors from our great tasting snacks by the end of 2027. The estimated costs associated with this removal are not expected to have a material impact on our financial position, results of operations or liquidity.

As of September 28, 2025, we believe we have sufficient liquidity to satisfy our key strategic initiatives and other material cash requirements in both the short-term and in the long-term; however, we continue to evaluate and take action, as necessary, to preserve adequate liquidity and ensure that our business can operate effectively during the current economic environment. We continue to monitor our discretionary spending across the organization (see Liquidity and Capital Resources included in this MD&A).

Based on the length and severity of the fluctuating macroeconomic environment, including price volatility for our commodities, the possibility of a recession, changes in consumer shopping and consumption behavior, and changes in geopolitical events, including the imposition of tariffs and retaliatory tariffs, we may continue to experience increasing supply chain costs, higher inflation and other impacts to our business. We will continue to evaluate the nature and extent of these evolving impacts on our business, consolidated results of operations, segment results, liquidity and capital resources.

CONSOLIDATED RESULTS OF OPERATIONS

In millions of dollars except per share amounts	Three Months Ended September 28, 2025	Three Months Ended September 29, 2024	Percent Change	Nine Months Ended September 28, 2025	Nine Months Ended September 29, 2024	Percent Change
Net sales	$ 3,181.4	$ 2,987.5	6.5 %	$ 8,601.6	$ 8,314.7	3.4 %
Cost of sales	2,144.1	1,754.8	22.2 %	5,823.7	4,572.2	27.4 %
Gross profit	1,037.3	1,232.7	(15.8)%	2,777.9	3,742.5	(25.8)%
Gross margin	*32.6 %*	*41.3 %*		*32.3 %*	*45.0 %*	
Selling, marketing & administrative (“SM&A”) expenses	600.5	591.9	1.5 %	1,762.4	1,750.9	0.7 %
SM&A expense as a percent of net sales	*18.9 %*	*19.8 %*		*20.5 %*	*21.1 %*	
Business realignment activities	2.2	27.6	(92.0)%	18.8	32.6	(42.2)%
Operating profit	434.6	613.2	(29.1)%	996.6	1,959.0	(49.1)%
Operating profit margin	*13.7 %*	*20.5 %*		*11.6 %*	*23.6 %*	
Interest expense, net	51.5	44.3	16.2 %	142.1	125.5	13.2 %
Other (income) expense, net	11.2	50.1	(77.6)%	9.8	82.7	(88.1)%
Provision for income taxes	95.6	72.5	31.9 %	281.4	326.2	(13.7)%
Effective income tax rate	*25.7%*	*14.0%*		*33.3%*	*18.6%*	
Net income	$ 276.3	$ 446.3	(38.1)%	$ 563.2	$ 1,424.6	(60.5)%
Net income per share—diluted	$ 1.36	$ 2.20	(38.2)%	$ 2.77	$ 7.00	(60.4)%

NOTE: Percentage changes may not compute directly as shown due to rounding of amounts presented above.
NM = not meaningful

Results of Operations - Third Quarter 2025 vs. Third Quarter 2024

Net Sales

Net sales were $3,181.4 million in the third quarter of 2025 compared to $2,987.5 million in the same period of 2024, an increase of $193.9 million, or 6.5%. The net sales increase reflects a favorable price realization of approximately 6% primarily related to pricing actions within the North America Confectionery and International segments. Volume was slightly positive, driven by strong results in North America Salty Snacks and the timing of shipments in the International segment, partially offset by price elasticity impacts within the North America Confectionery segment. Additionally, the 2024 acquisition of Sour Strips contributed a minimal benefit and there was no impact from foreign currency exchange rates.

Key U.S. Marketplace Metrics

The U.S. candy, mint and gum (“CMG”) consumer takeaway and market share information reflects measured channels of distribution accounting for approximately 90% of our U.S. confectionery retail business. These channels of distribution primarily include food, drug, mass merchandisers, and convenience store channels, plus Wal-Mart Stores, Inc., partial dollar, club and military channels. These metrics are based on measured market scanned purchases as reported by Circana, the Company’s market insights and analytics provider, and provide a means to assess our retail takeaway and market position relative to the overall category.

For the third quarter of 2025, our total U.S. retail takeaway increased 6.3% in the expanded multi-outlet combined plus convenience store channels (Circana MULO + C-Stores), which includes candy, mint, gum, salty snacks and grocery items. Our CMG consumer takeaway increased 5.4%, despite a CMG market share decrease of 4 basis points. Our Salty consumer takeaway increased 14.2% in the third quarter of 2025 and experienced a Salty market share increase of 48 basis points.

Cost of Sales and Gross Margin

Cost of sales were $2,144.1 million in the third quarter 2025 compared to $1,754.8 million in the same period of 2024, an increase of $389.3 million, or 22.2%. The increase was driven by higher costs, primarily due to unfavorable commodity costs from cocoa and tariffs. Mark-to-market activity on our commodity derivative instruments intended to economically hedge future years' commodity purchases contributed a minimal impact (See Part I, Item 3 - Quantitative and Qualitative Disclosures About Market Risk included in this Quarterly Report on Form 10-Q for more information).

Gross margin was 32.6% in the third quarter of 2025 compared to 41.3% in the same period of 2024, a decrease of 870 basis points. The decrease was driven by unfavorable commodity and tariff costs and unfavorable mix, partially offset by net price realization, supply chain productivity and net savings related to our AAA Initiative.

SM&A Expenses

SM&A expenses were $600.5 million in the third quarter of 2025 compared to $591.9 million in the same period of 2024, an increase of $8.6 million, or 1.5%. Total advertising and related consumer marketing expenses decreased 5.0%, driven primarily by efficiencies in the North America Confectionery segment. SM&A expenses, excluding advertising and related consumer marketing, increased 5.0% in the third quarter of 2025, driven by higher compensation and consulting costs, partially offset by net savings related to our AAA Initiative.

Business Realignment Activities

We periodically undertake business realignment activities designed to increase our efficiency and focus our business in support of our key growth strategies. Excluding the portion recorded within Cost of Sales and SM&A expenses (as noted above), we recorded business realignment costs of $2.2 million during the third quarter of 2025 versus $27.6 million in the third quarter of 2024. The costs related to the AAA Initiative, which commenced in 2024, focused on leveraging new technology to improve supply chain and manufacturing-related spend, and optimize selling, general and administrative expenses. Costs associated with business realignment activities are classified in our Consolidated Statements of Income as described in Note 9 to the Unaudited Consolidated Financial Statements.

Operating Profit and Operating Profit Margin

Operating profit was $434.6 million in the third quarter of 2025 compared to $613.2 million in the same period of 2024, a decrease of $178.6 million, or 29.1%. The decrease was primarily due to lower gross profit and higher SM&A expenses, partially offset by lower business realignment expenses, as noted above. Operating profit margin decreased to 13.7% in 2025 from 20.5% in 2024, driven by the same factors noted above that resulted in lower gross margin for the period.

Interest Expense, Net

Net interest expense was $51.5 million in the third quarter of 2025 compared to $44.3 million in the same period of 2024, an increase of $7.2 million, or 16.2%. The increase was primarily due to higher long-term debt balances in 2025, driven by the February 2025 debt issuance, versus 2024.

Other (Income) Expense, Net

Other (income) expense, net was $11.2 million in the third quarter of 2025 versus $50.1 million in the third quarter of 2024, a net decrease of $38.9 million, or 77.6%. The decrease in net expense was predominantly driven by no write-downs on equity investments qualifying for tax credits in the third quarter of 2025 versus $49.6 million of write-downs on equity investments qualifying for tax credits in the third quarter of 2024, partially offset by an increase of $11.3 million of non-service cost components of net periodic benefit cost relating to pension and other post-retirement benefit plans.

Income Taxes and Effective Tax Rate

The effective income tax rate was 25.7% for the third quarter of 2025 compared with 14.0% for the third quarter of 2024. Relative to the 21% statutory rate, the 2025 effective tax rate was primarily impacted by state taxes and tax reserves, partially offset by foreign rate differential. Relative to the 21% statutory rate, the 2024 effective tax rate was primarily impacted by investment tax credits, partially offset by state taxes.

Net Income and Earnings Per Share-diluted

Net income was $276.3 million in the third quarter of 2025 compared to $446.3 million in the same period of 2024, a decrease of $170.0 million, or 38.1%. EPS-diluted was $1.36 in the third quarter of 2025 compared to $2.20 in the third quarter of 2024, a decrease of $0.84, or 38.2%. The decrease in both net income and EPS-diluted was driven by lower gross profit, higher SM&A expenses, higher interest expense, and higher income taxes, partially offset by lower business realignment costs and lower other expenses.

Results of Operations - First Nine Months 2025 vs. First Nine Months 2024

Net Sales

Net sales were $8,601.6 million in the first nine months of 2025 compared to $8,314.7 million during the same period of 2024, an increase of $286.9 million, or 3.4%. The net sales increase was driven by favorable price realization of approximately 4% across our reportable segments. The net sales increase was partially offset by a volume decrease of approximately 1%, primarily driven by price elasticity impacts within the North America Confectionery segment, partially offset by strong results in North America Salty Snacks. Additionally, the 2024 acquisition of Sour Strips contributed a minimal benefit and there was an unfavorable foreign currency exchange impact of less than 1%.

Key U.S. Marketplace Metrics

For the first nine months of 2025, our total U.S. retail takeaway increased 4.9% in the expanded multi-outlet combined plus convenience store channels (IRI MULO + C-Stores), which includes candy, mint, gum, salty snacks and grocery items. Our U.S. CMG consumer takeaway increased 4.4% and experienced a CMG market share decrease of 7 basis points. Our Salty consumer takeaway increased 10.1% and experienced a Salty market share increase of 36 basis points.

Cost of Sales and Gross Margin

Cost of sales were $5,823.7 million in the first nine months of 2025 compared to $4,572.2 million in the same period of 2024, an increase of $1,251.5 million, or 27.4%. The increase was driven by $1,309.7 million of higher costs, primarily related to $244.4 million of unfavorable mark-to-market activity on our commodity derivative instruments intended to economically hedge future years' commodity purchases (See Part I, Item 3 - Quantitative and Qualitative Disclosures About Market Risk included in this Quarterly Report on Form 10-Q for more information) and unfavorable commodity costs from cocoa and tariffs. The increase was partially offset by $58.2 million, primarily related to lower sales volume and lower business realignment costs.

Gross margin was 32.3% in the first nine months of 2025 compared to 45.0% in the same period of 2024, a decrease of 1,270 basis points. The decrease was driven by higher commodity and tariff costs, unfavorable year-over-year mark-to-market impact from commodity derivative instruments, unfavorable product mix, and volume declines, partially offset by net price realization, supply chain productivity and net savings related to our AAA Initiative.

SM&A Expenses

SM&A expenses were $1,762.4 million in the first nine months of 2025 compared to $1,750.9 million in the same period of 2024, an increase of $11.5 million, or 0.7%. Total advertising and related consumer marketing expenses increased 2.1%, driven by increased spending in the North America Confectionery and North America Salty Snacks segments. SM&A expenses, excluding advertising and related consumer marketing, remained flat in the first nine months of 2025 as compared to the first nine months of 2024.

Business Realignment Activities

We periodically undertake business realignment activities designed to increase our efficiency and focus our business in support of our key growth strategies. Excluding the portion recorded within Cost of Sales and SM&A expenses (as noted above), we recorded business realignment costs of $18.8 million during the first nine months of 2025 versus $32.6 million in the first nine months of 2024. The costs related to the AAA Initiative, which commenced in 2024, focused on leveraging new technology to improve supply chain and manufacturing-related spend, and optimize selling, general and administrative expenses. Costs associated with business realignment activities are classified in our Consolidated Statements of Income as described in Note 9 to the Unaudited Consolidated Financial Statements.

Operating Profit and Operating Profit Margin

Operating profit was $996.6 million in the first nine months of 2025 compared to $1,959.0 million in the same period of 2024, a decrease of $962.4 million, or 49.1%. The decrease was driven by lower gross profit and higher SM&A expenses, partially offset by lower business realignment activities as noted above. Operating profit margin decreased to 11.6% in the first nine months of 2025 from 23.6% in the same period in 2024, driven by the same factors that resulted in lower gross margin for the period.

Interest Expense, Net

Net interest expense was $142.1 million in the first nine months of 2025 compared to $125.5 million in the same period of 2024, an increase of $16.6 million, or 13.2%. The increase was primarily due to higher long-term debt balances in 2025 versus 2024, driven by the February 2025 debt issuance, partially offset by lower short-term debt balances in 2025 versus 2024.

Other (Income) Expense, Net

Other (income) expense, net was $9.8 million in the first nine months of 2025 versus $82.7 million in the first nine months of 2024, a net income decrease of $72.9 million, or 88.1%. The change was predominantly driven by no write-downs on equity investments qualifying for tax credits in the first nine months of 2025 versus $81.0 million of write-downs on equity investments qualifying for tax credits in the first nine months of 2024. This was partially offset by an increase of $12.7 million of non-service cost components of net periodic benefit costs relating to pension and other post-retirement benefit plans.

Income Taxes and Effective Tax Rate

Our effective income tax rate was 33.3% for the first nine months of 2025 compared with 18.6% for the first nine months of 2024. Relative to the 21% statutory rate, the 2025 effective tax rate was primarily impacted by tax reserves, foreign rate differential and state taxes. Relative to the 21% statutory rate, the 2024 effective tax rate was impacted by investment tax credits partially offset by state taxes.

Net Income and Earnings Per Share-diluted

Net income was $563.2 million in the first nine months of 2025 compared to $1,424.6 million in the same period of 2024, a decrease of $861.4 million, or 60.5%. EPS-diluted was $2.77 in the first nine months of 2025 compared to $7.00 in the same period of 2024, a decrease of $4.23, or 60.4%. The decrease in both net income and EPS-diluted was driven by lower gross profit, higher interest expense, and higher taxes, partially offset by lower other expenses.

SEGMENT RESULTS

The summary that follows provides a discussion of the results of operations of our three segments: North America Confectionery, North America Salty Snacks and International. For segment reporting purposes, we use "segment income" to evaluate segment performance and allocate resources. Segment income excludes unallocated general corporate administrative expenses, unallocated mark-to-market gains and losses on commodity derivatives, business realignment and impairment charges, acquisition-related costs and other unusual gains or losses that are not part of our measurement of segment performance. These items of our operating income are largely managed centrally at the corporate level and are excluded from the measure of segment income reviewed by our Chief Operating Decision Maker, Kirk Tanner, President and Chief Executive Officer, and used for resource allocation and internal management reporting and performance evaluation. Segment income and segment income margin, which are presented in the segment discussion that follows, are non-GAAP measures and do not purport to be alternatives to operating income as a measure of operating performance. We believe that these measures are useful to investors and other users of our financial information in evaluating ongoing operating profitability as well as in evaluating operating performance in relation to our competitors, as they exclude the activities that are not directly attributable to our ongoing segment operations. Refer to Note 13 Segment Information in our audited consolidated financial statements for reconciliations of net sales for our reportable segments to consolidated total net sales and of segment operating income to consolidated income before taxes.

Our segment results, including a reconciliation to our consolidated results, were as follows:

	Three Months Ended		Nine Months Ended	
In millions of dollars	September 28, 2025	September 29, 2024	September 28, 2025	September 29, 2024
Net Sales:				
North America Confectionery	$ 2,615.6	$ 2,477.3	$ 7,001.2	$ 6,764.4
North America Salty Snacks	321.0	291.8	914.3	856.8
International	244.8	218.4	686.0	693.5
Total	$ 3,181.4	$ 2,987.5	$ 8,601.6	$ 8,314.7
Segment Income (Loss):				
North America Confectionery	$ 571.5	$ 724.8	$ 1,771.8	$ 2,137.5
North America Salty Snacks	57.7	54.0	166.1	144.9
International	(13.6)	14.2	34.9	82.0
Total segment income	615.6	793.0	1,972.8	2,364.4
Unallocated corporate expense (1)	194.7	161.8	536.7	496.2
Unallocated mark-to-market (gains) losses on commodity derivatives (2)	(24.3)	(31.1)	387.9	(195.7)
Costs associated with business realignment activities	10.6	49.1	51.6	104.8
Operating profit	434.6	613.2	996.6	1,959.1
Interest expense, net	51.5	44.3	142.1	125.5
Other (income) expense, net	11.2	50.1	9.8	82.7
Income before income taxes	$ 371.9	$ 518.8	$ 844.7	$ 1,750.9

(1) Includes centrally-managed (a) corporate functional costs relating to legal, treasury, finance and human resources, (b) expenses associated with the oversight and administration of our global operations, including warehousing, distribution and manufacturing, information systems and global shared services, (c) non-cash stock-based compensation expense, (d) acquisition and integration-related costs and (e) other gains or losses that are not integral to segment performance.

(2) Net losses (gains) on mark-to-market valuation of commodity derivative positions recognized in unallocated derivative losses (gains). See Note 13 to the Unaudited Consolidated Financial Statements.

North America Confectionery

The North America Confectionery segment is responsible for our chocolate and non-chocolate confectionery market position in the United States and Canada. This includes developing and growing our business in chocolate and non-chocolate confectionery, gum and refreshment products, protein bars, spreads, snack bites and mixes, as well as pantry and food service lines. While a less significant component, this segment also includes our retail operations, including Hershey's Chocolate World stores in Hershey, Pennsylvania; New York, New York; Las Vegas, Nevada; Niagara Falls (Ontario) and Singapore, as well as operations associated with licensing the use of certain trademarks and products to third parties around the world. North America Confectionery results, which accounted for 82.2% and 82.9% of our net sales for the three months ended September 28, 2025 and September 29, 2024, respectively, were as follows:

	Three Months Ended			Nine Months Ended		
In millions of dollars	September 28, 2025	September 29, 2024	Percent Change	September 28, 2025	September 29, 2024	Percent Change
Net sales	$ 2,615.6	$ 2,477.3	5.6 %	$ 7,001.2	$ 6,764.4	3.5 %
Segment income	571.5	724.8	(21.2)%	1,771.8	2,137.5	(17.1)%
Segment margin	*21.8 %*	*29.3 %*		*25.3 %*	*31.6 %*	

NOTE: Percentage changes may not compute directly as shown due to rounding of amounts presented above.

<u>Results of Operations - Third Quarter 2025 vs. Third Quarter 2024</u>

Net sales of our North America Confectionery segment were $2,615.6 million in the third quarter of 2025 compared to $2,477.3 million in the same period of 2024, an increase of $138.3 million, or 5.6%. The increase was driven by favorable price realization of approximately 7%, primarily due to the pricing action announced in July. Volume declined approximately 1%, driven by price elasticity impacts in everyday core U.S. confection. Additionally, the 2024 acquisition of Sour Strips contributed a minimal benefit and there was no impact from foreign currency exchange rates.

Our North America Confectionery segment income was $571.5 million in the third quarter of 2025 compared to $724.8 million in the same period of 2024, a decrease of $153.3 million, or 21.2%. The decrease was driven primarily by higher commodity and tariff costs and unfavorable mix, partially offset by net price realization, supply chain productivity, net savings related to our AAA Initiative and reduced advertising and related consumer marketing expenses.

Results of Operations - First Nine Months 2025 vs. First Nine Months 2024

Net sales of our North America Confectionery segment were $7,001.2 million in the first nine months of 2025 compared to $6,764.4 million in the same period of 2024, an increase of $236.8 million, or 3.5%. The increase was driven by favorable price realization of approximately 5%, primarily due to the pricing action announced in July. Volume declined approximately 2%, driven by price elasticity impacts in everyday core U.S. confection. Additionally, the 2024 acquisition of Sour Strips contributed a benefit of less than 1% and the impact from unfavorable foreign currency exchange rates was immaterial.

Our North America Confectionery segment income was $1,771.8 million in the first nine months of 2025 compared to $2,137.5 million the same period of 2024, a decrease of $365.7 million or 17.1%. The decrease was driven primarily by higher commodity and tariff costs and unfavorable mix, partially offset by net price realization, supply chain productivity and net savings related to our AAA Initiative.

North America Salty Snacks

The North America Salty Snacks segment is responsible for our grocery and snacks market positions, including our salty snacking products. North America Salty Snacks results, which accounted for 10.1% and 9.8% of our net sales for the three months ended September 28, 2025 and September 29, 2024, respectively, were as follows:

	Three Months Ended			Nine Months Ended		
In millions of dollars	**September 28, 2025**	**September 29, 2024**	**Percent Change**	**September 28, 2025**	**September 29, 2024**	**Percent Change**
Net sales	$ 321.0	$ 291.8	10.0 %	$ 914.3	$ 856.8	6.7 %
Segment income	57.7	54.0	6.9 %	166.1	144.9	14.6 %
Segment margin	*18.0 %*	*18.5 %*		*18.2 %*	*16.9 %*	

NOTE: Percentage changes may not compute directly as shown due to rounding of amounts presented above.

Results of Operations - Third Quarter 2025 vs. Third Quarter 2024

Net sales of our North America Salty Snacks segment were $321.0 million in the third quarter of 2025 compared to $291.8 million in the same period of 2024, an increase of $29.2 million, or 10.0%. The increase was predominantly due to volume increases of approximately 11%, primarily driven by *Dot's Homestyle Pretzels, SkinnyPop* and *Pirates Booty*. The net sales increase was partially offset by unfavorable price realization of approximately 1% as a result of higher trade promotional activities.

Our North America Salty Snacks segment income was $57.7 million in the third quarter of 2025 compared to $54.0 million in the same period of 2024, an increase of $3.7 million, or 6.9%. The increase was primarily due to volume increases, net savings related to our AAA Initiative and lower commodity costs.

Results of Operations - First Nine Months 2025 vs. First Nine Months 2024

Net sales of our North America Salty Snacks segment were $914.3 million in the first nine months of 2025 compared to $856.8 million the same period of 2024, an increase of $57.5 million, or 6.7%. The increase was driven by volume growth of approximately 6%, primarily related to *Dot's Homestyle Pretzels* and *SkinnyPop*. Price realization was flat in the first nine months of 2025 compared to the same period of 2024.

Our North America Salty Snacks segment income was $166.1 million in the first nine months of 2025 compared to $144.9 million the same period of 2024, an increase of $21.2 million, or 14.6%. The increase was primarily due to volume increases and net savings related to our AAA Initiative, partially offset by higher supply chain costs.

International

The International segment includes all other countries where we currently manufacture, import, market, sell or distribute chocolate and non-chocolate confectionery and other products. We currently have operations and manufacture product in Mexico, Brazil, India and Malaysia, primarily for consumers in these regions, and also distribute and sell confectionery products in export markets of Latin America, as well as Europe, Asia-Pacific ("APAC"), the Middle East and Africa ("MEA") and other regions. International results, which accounted for 7.7% and 7.3% of our net sales for the three months ended September 28, 2025 and September 29, 2024, respectively, were as follows:

	Three Months Ended			Nine Months Ended		
In millions of dollars	**September 28, 2025**	**September 29, 2024**	**Percent Change**	**September 28, 2025**	**September 29, 2024**	**Percent Change**
Net sales	$ 244.8	$ 218.4	12.1 %	$ 686.0	$ 693.5	(1.1)%
Segment income	(13.6)	14.2	(195.8)%	34.9	82.0	(57.4)%
Segment margin	*(5.6)%*	*6.5 %*		*5.1 %*	*11.8 %*	

NOTE: Percentage changes may not compute directly as shown due to rounding of amounts presented above.

Results of Operations - Third Quarter 2025 vs. Third Quarter 2024

Net sales of our International segment were $244.8 million in the third quarter of 2025 compared to $218.4 million in the same period of 2024, an increase of $26.4 million, or 12.1%. The increase was due to favorable price realization of approximately 7%, primarily due to strategic pricing actions across key markets. Volume increased approximately 6%, primarily attributable to Brazil, Europe and Mexico, partially offset by price elasticity across markets. There was no impact from foreign currency exchanges rates.

Our International segment generated a loss of $13.6 million in the third quarter of 2025 compared to $14.2 million in income in the third quarter of 2024, a decrease of $27.8 million, or 195.8%, driven by higher commodity and manufacturing costs, which more than offset favorable price realization, supply chain productivity, and net savings related to our AAA Initiative.

Results of Operations - First Nine Months 2025 vs. First Nine Months 2024

Net sales of our International segment were $686.0 million in the first nine months of 2025 compared to $693.5 million the same period of 2024, a decrease of $7.5 million, or 1.1%. The decrease was due to an unfavorable impact from foreign currency exchange rates of approximately 5%, driven by Mexico and

India. The decrease was partially offset by a favorable price realization of approximately 3%, primarily due to strategic pricing actions across key markets. Volume was flat in the first nine months of 2025 compared to the same period of 2024.

Our International segment generated income of $34.9 million in the first nine months of 2025 compared to $82.0 million in the first nine months of 2024, a decrease of $47.1 million, or 57.4%, driven by higher commodity and manufacturing costs, which more than offset favorable price realization, supply chain productivity, and net savings related to our AAA Initiative.

Unallocated Corporate Expense

Unallocated corporate expense includes centrally-managed (a) corporate functional costs relating to legal, treasury, finance and human resources, (b) expenses associated with the oversight and administration of our global operations, including warehousing, distribution and manufacturing, information systems and global shared services, (c) non-cash stock-based compensation expense, (d) acquisition and integration-related costs and (e) other gains or losses that are not integral to segment performance.

In the third quarter of 2025, unallocated corporate expense totaled $194.7 million, as compared to $161.8 million in the third quarter of 2024, an increase of $32.9 million, or 20.3%. The increase was primarily driven by higher compensation and benefits costs and consulting fees.

In the first nine months of 2025, unallocated corporate expense totaled $536.7 million, as compared to $496.2 million in the first nine months of 2024, an increase of $40.5 million, or 8.2%. The increase was primarily driven by higher compensation and benefits costs and consulting fees, partially offset by lower investments in capabilities and technology, as a result of the completion of our ERP system upgrade in 2024, as well as lower acquisition and integration costs.

LIQUIDITY AND CAPITAL RESOURCES

Historically, our primary source of liquidity has been cash generated from operations. Domestic seasonal working capital needs, which typically peak during the summer months, are generally met by utilizing cash on hand, bank borrowings or the issuance of commercial paper. Commercial paper may also be issued, from time to time, to finance ongoing business transactions, such as the repayment of long-term debt, business acquisitions and for other general corporate purposes.

At September 28, 2025, our cash and cash equivalents totaled $1.2 billion, an increase of $432.3 million compared to the 2024 year-end balance. Additional detail regarding the net uses of cash are outlined in the following discussion. Additionally, at September 28, 2025, we had outstanding short- and long-term debt totaling $5.4 billion, of which $502.3 million was classified as the current portion of long-term debt. Of the $502.3 million, $500 million of 2.300% Notes are due upon maturity on August 15, 2026. We believe we can satisfy these debt obligations with cash generated from our operations, issuing new debt, and/or by borrowing on our unsecured credit facility.

Approximately 50% of the balance of our cash and cash equivalents at September 28, 2025 was held by subsidiaries domiciled outside of the United States. A majority of our cash and cash equivalents balance is distributable to the United States without material tax implications, such as withholding tax. We intend to continue to reinvest the remainder of this balance outside of the United States for which there would be a material tax implication to distributing for the foreseeable future and, therefore, have not recognized additional tax expense on these earnings. We believe that our existing sources of liquidity are adequate to meet anticipated funding needs at comparable risk-based interest rates for the foreseeable future. Acquisition spending and/or share repurchases could potentially increase our debt. Operating cash flow and access to capital markets are expected to satisfy our various short- and long-term cash flow requirements, including acquisitions and capital expenditures.

Cash Flow Summary

The following table is derived from our Consolidated Statements of Cash Flows:

	Nine Months Ended	
In millions of dollars	**September 28, 2025**	**September 29, 2024**
Net cash provided by (used in):		
Operating activities	$ 1,350.8	$ 1,590.0
Investing activities	(382.2)	(549.3)
Financing activities	(536.4)	(847.0)
Effect of exchange rate changes on cash and cash equivalents	0.1	19.3
Net change in cash and cash equivalents	$ 432.3	$ 213.0

Operating activities

We generated cash of $1,350.8 million from operating activities in the first nine months of 2025, a decrease of $239.2 million compared to $1,590.0 million in the same period of 2024. This decrease in net cash provided by operating activities was mainly driven by the following factors:

- Other assets and liabilities consumed cash of $287.1 million in 2025, compared to $51.8 million in 2024. This $235.3 million fluctuation was primarily driven by the timing of certain prepaid expenses and other current assets.

- In the aggregate, select net working capital items, specifically, trade accounts receivable, inventory, accounts payable and accrued liabilities, consumed cash of $148.4 million in 2025, compared to $183.9 million in 2024. This $35.5 million fluctuation was mainly driven by an increase in accounts payable and accrued liabilities due to the timing of vendor and supplier payments as well as an increase in accounts receivable, partially offset by higher inventory levels.

- Net income adjusted for non-cash charges to operations (including depreciation, amortization, stock-based compensation, deferred income taxes, a write-down of equity investments, unrealized gains and losses on derivative contracts and other charges) resulted in $60.0 million of lower cash flow in 2025 relative to 2024.

- The decrease in cash provided by operating activities was partially offset by the following net cash inflows:

    - Timing of income tax payments generated cash of $158.9 million in 2025, compared to $138.5 million in 2024. This $20.4 million fluctuation was primarily due to the variance in actual tax expense for 2025 relative to the timing of quarterly estimated tax payments. We paid cash of $110.6 million for income taxes during 2025 compared to $180.3 million in the same period of 2024.

Investing activities

We used cash of $382.2 million for investing activities in the first nine months of 2025, a decrease of $167.1 million compared to $549.3 million in the same period of 2024. This decrease in net cash used in investing activities was mainly driven by the following factors:

- *Capital spending*. Capital expenditures, including capitalized software, primarily to support our ERP system implementation, capacity expansion, innovation and cost savings, were $316.5 million in the first nine months of 2025 compared to $471.4 million in the same period of 2024. The decrease in our 2025 capital expenditures is largely driven by the wind down of our key strategic initiatives, including completion of the upgrade of a new ERP system across the enterprise in 2024. We expect 2025 capital expenditures, including capitalized software, to be approximately $425 million, the lower end of our previously estimated range of $425 million to $450 million, as capital spending as a percentage of net sales is expected to return to historical levels. We intend to use our existing cash and internally generated funds to meet our 2025 capital requirements.

- *Investments in partnerships qualifying for tax credits*. We make investments in partnership entities that in turn make equity investments in projects eligible to receive federal historic and renewable energy tax credits. We received payments of approximately $14.3 million in the first nine months of 2025, compared to investing $78.2 million in the same period of 2024.

- *Intangible assets*. In the first nine months of 2025, we purchased the Fulfil brand in North America for $73.6 million.

- *Other investing activities*. In the first nine months of 2025 and 2024, our other investing activities were minimal.

Financing activities

We used cash of $536.4 million for financing activities in the first nine months of 2025, a decrease of $310.6 million compared to cash used of $847.0 million in the same period of 2024. This decrease in net cash used in financing activities was mainly driven by the following factors:

- *Short-term borrowings, net.* In addition to utilizing cash on hand, we use short-term borrowings (commercial paper and bank borrowings) to fund seasonal working capital requirements and ongoing business needs. During the first nine months of 2025, we used cash of $1.1 billion to reduce short-term commercial paper borrowings and short-term foreign bank borrowings. During the first nine months of 2024, we generated cash of $482.8 million predominately through the issuance of short-term commercial paper and an increase in short-term foreign bank borrowings.

- *Long-term debt borrowings and repayments*. During the first nine months of 2025, we issued $500 million of 4.550% Notes due in February 2028, $500 million of 4.750% Notes due in February 2030, $500 million of 4.950% Notes due in February 2032 and $500 million of 5.100% Notes due in February 2035 (together, the "2025 Notes"). Proceeds from the issuance of the 2025 Notes, net of discounts and issuance costs, totaled $2.0 billion. Additionally, we repaid $300 million of 0.900% Notes due upon maturity and $300 million of 3.200% Notes due upon maturity in June and August 2025, respectively. During the first nine months of 2024, we had no long-term debt borrowings or repayments activity.

- *Dividend payments*. Total dividend payments to holders of our Common Stock and Class B Common Stock were $814.0 million during the first nine months of 2025, a decrease of $0.4 million compared to $814.3 million in the same period of 2024. Details regarding our 2025 cash dividends paid to stockholders are as follows:

	Quarter Ended		
In millions of dollars except per share amounts	**March 30, 2025**	**June 29, 2025**	**September 28, 2025**
Dividends paid per share – Common stock	$ 1.370	$ 1.370	$ 1.370
Dividends paid per share – Class B common stock	$ 1.245	$ 1.245	$ 1.245
Total cash dividends paid	$ 271.6	$ 271.2	$ 271.2
Declaration date	February 5, 2025	April 30, 2025	July 29, 2025
Record date	February 17, 2025	May 16, 2025	August 15, 2025
Payment date	March 14, 2025	June 16, 2025	September 15, 2025

- *Share repurchases*. We repurchase shares of Common Stock to offset the dilutive impact of treasury shares issued under our equity compensation plans. The value of these share repurchases in a given period varies based on the volume of stock options exercised and our market price. In addition, we periodically repurchase shares of Common Stock pursuant to Board-authorized programs intended to drive additional stockholder value. Details regarding our share repurchases are as follows:

	Nine Months Ended	
In millions	**September 28, 2025**	**September 29, 2024**
Shares repurchased in the open market under pre-approved share repurchase programs (1)	—	400.0
Shares repurchased in the open market to replace Treasury Stock issued for stock options and incentive compensation	$ —	$ 94.2
Cash used for total share repurchases (excluding excise tax)	$ —	$ 494.2
Total shares repurchased under pre-approved share repurchase programs	—	2.0

(1) In May 2021, our Board of Directors approved a $500 million share repurchase authorization, which was completed as of March 31, 2024. In December 2023, our Board of Directors approved an additional $500 million share repurchase authorization. This program commenced after the existing May 2021 authorization was completed and is to be utilized at management's discretion. As a result of the share repurchase authorization, approximately $470 million remains available for repurchases under our December 2023 share repurchase authorization. We are authorized to purchase our outstanding shares in open market and privately negotiated transactions. The program has no expiration date and acquired shares of Common Stock will be held as treasury shares. Purchases under approved share repurchase authorizations are in addition to our practice of buying back shares sufficient to offset those issued under incentive compensation plans.

- *Proceeds from exercised stock options and employee tax withholding.* During the first nine months of 2025, we received $17.3 million from employee exercises of stock options and paid $17.2 million of employee taxes withheld from share-based awards. During the first nine months of 2024, we received $13.8 million from employee exercises of stock options and paid $30.5 million of employee taxes withheld from share-based awards. Variances are driven primarily by the number of shares exercised and the share price at the date of grant.

Recent Accounting Pronouncements

Information on recently adopted and issued accounting standards is included in Note 1 to the Unaudited Consolidated Financial Statements.

Critical Accounting Estimates

For information regarding the Company's critical accounting estimates, refer to Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our 2024 Annual Report on Form 10-K. There have been no material changes to the Company's critical accounting estimates since December 31, 2024.

Safe Harbor Statement

We are subject to changing economic, competitive, regulatory and technological risks and uncertainties that could have a material impact on our business, financial condition or results of operations. In connection with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, we note the following factors that, among others, could cause future results to differ materially from the forward-looking statements, expectations and assumptions that we have discussed directly or implied in this Quarterly Report on Form 10-Q. 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.

The factors that could cause our actual results to differ materially from the results projected in our forward-looking statements include, but are not limited to the following:

- Our Company's reputation or brand image might be impacted as a result of issues, concerns or regulatory changes relating to the quality and safety of our products, ingredients or packaging, human and workplace rights, and other environmental, social or governance matters, which in turn could result in litigation or otherwise negatively impact our operating results;
- Disruption to our manufacturing operations or supply chain could impair our ability to produce or deliver finished products, resulting in a negative impact on our operating results;
- We might not be able to hire, engage and retain the talented global human capital we need to drive our growth strategies;
- Risks associated with climate change and other environmental impacts, and increased focus and evolving views of our customers, stockholders and other stakeholders on climate change issues, could negatively affect our business and operations;
- Increases in raw material and energy costs along with the availability of adequate supplies of raw materials could continue to affect future financial results;
- Price increases may not be sufficient to offset cost increases and maintain profitability or may result in sales volume declines associated with pricing elasticity;
- Market demand for new and existing products could decline;
- Increased marketplace competition could hurt our business;
- Our financial results may be adversely impacted by the failure to successfully execute or integrate acquisitions, divestitures and joint ventures;
- Our international operations may not achieve projected growth objectives, which could adversely impact our overall business and results of operations;
- We may not fully realize the expected cost savings and/or operating efficiencies associated with our strategic initiatives or restructuring programs, which may have an adverse impact on our business;
- Changes in governmental laws, regulations and policies, including taxes and tariffs, could increase our costs and liabilities or impact demand for our products;
- Political, economic and/or financial market conditions, including impacts on our business arising from the ongoing conflict between Russia and Ukraine, could negatively impact our financial results;

- Disruptions, failures or security breaches of our information technology infrastructure could have a negative impact on our operations;
- Complications with the design or implementation of our new enterprise resource planning system could adversely impact our business and operations; and
- Such other matters as discussed in our 2024 Annual Report on Form 10-K and our Quarterly Report on Form 10-Q for the quarter ending March 30, 2025 and June 29, 2025, and this Quarterly Report on Form 10-Q, including Part II, Item 1A, "Risk Factors."

We undertake no obligation to publicly update or revise any forward-looking statements to reflect actual results, changes in expectations or events or circumstances after the date this Quarterly Report on Form 10-Q is filed.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

The total amount of short-term debt, net of cash, amounted to a net cash position of $948 million and a net debt position of $576 million, at September 28, 2025 and December 31, 2024, respectively. A hypothetical 100 basis point increase in interest rates applied to this variable-rate short-term debt as of September 28, 2025 would have changed interest income by approximately $7.7 million for the first nine months of 2025 versus a change to interest expense of $7.0 million for 2024.

We consider our current risk related to market fluctuations in interest rates on our remaining debt portfolio, excluding fixed-rate debt converted to variable rates with fixed-to-floating instruments, to be minimal since this debt is largely long-term and fixed-rate in nature. Generally, the fair market value of fixed-rate debt will increase as interest rates fall and decrease as interest rates rise. A 100 basis point increase in market interest rates would decrease the fair value of our fixed-rate long-term debt at September 28, 2025 and December 31, 2024 by approximately $273 million and $169 million, respectively. However, since we currently have no plans to repurchase our outstanding fixed-rate instruments before their maturities, the impact of market interest rate fluctuations on our long-term debt does not affect our results of operations or financial position.

Foreign Currency Exchange Rate Risk

We are exposed to currency fluctuations related to manufacturing or selling products in currencies other than the U.S. dollar. We may enter into foreign currency forward exchange contracts to reduce fluctuations in our long or short currency positions relating primarily to purchase commitments or forecasted purchases for equipment, raw materials and finished goods denominated in foreign currencies.

The fair value of foreign currency forward exchange contracts represents the difference between the contracted and current market foreign currency exchange rates at the end of the period. We estimate the fair value of foreign currency forward exchange contracts on a quarterly basis by obtaining market quotes of spot and forward rates for contracts with similar terms, adjusted where necessary for maturity differences. The potential decline in fair value of foreign currency forward exchange contracts resulting from a hypothetical near-term adverse change in market rates of 10% was $16.5 million as of September 28, 2025 and $32.3 million as of December 31, 2024, generally offset by a reduction in foreign exchange associated with our transactional activities.

Commodities—Price Risk Management and Derivative Contracts

We use futures and options contracts and other commodity derivative instruments in combination with forward purchasing of cocoa products, sugar, corn products, certain dairy products, wheat products, natural gas and diesel fuel primarily to mitigate price volatility and provide visibility to future costs within our supply chain. Significant changes impacting our commodity price risk management since our 2024 Annual Report on Form 10-K are described below.

Cocoa Products

During the first nine months of 2025, the average cocoa futures contract price was $3.97 per pound, with a trading range of $3.30 to $4.89 per pound, based on the Intercontinental Exchange futures contract. This average cocoa futures contract price represents an increase of approximately 15% compared to the 2024 annual average of $3.45 per pound.

The cocoa supply-demand outlook continues to show improved signs for the 2024/25 season following three consecutive seasons of supply deficit. Supply has benefited from a combination of more favorable weather conditions in Côte d'Ivoire and Ghana and the ongoing expansion of supply in the rest of the world, specifically Ecuador, which is supplying approximately 35% more cocoa than in the previous season. Demand for cocoa beans has been negatively impacted by high prices over the last two years and this season's grind is expected to be 2% lower than the previous season. Despite recent pullback of future contracts across the board, the outlook for cocoa prices remains uncertain due to significant liquidity and volatility events in the market, which may have an impact on our financial condition and results of operations.

Our costs for cocoa products will not necessarily reflect market price fluctuations because of our forward purchasing and hedging practices (including amount and duration thereof), premiums and discounts reflective of varying delivery times, and supply and demand for our specific varieties and grades of cocoa liquor, cocoa butter and cocoa powder. We generally hedge commodity price risks for 3- to 24-month periods. As a result, the average market prices are not necessarily indicative of our average costs.

Commodity Sensitivity Analysis

Our open commodity derivative contracts had a notional value of $591.8 million as of September 28, 2025 and $667.4 million as of December 31, 2024. At the end of the third quarter of 2025, the potential change in fair value of commodity derivative instruments, assuming a 10% decrease in the underlying commodity price, would have increased our net unrealized losses by $25.8 million, generally offset by a reduction in the cost of the underlying commodity purchases.

For additional information about our market risks, see Item 7A under Part II of our 2024 Annual Report on Form 10-K.

Item 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We have established disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 (the “Exchange Act”)) designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms, and such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Management, with the participation of the Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company’s disclosure controls and procedures as of September 28, 2025. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of September 28, 2025.

Changes in Internal Controls Over Financial Reporting

There have been no changes to the Company’s internal control over financial reporting during the quarter ended September 28, 2025, that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings.

Information on legal proceedings is included in Note 15 to the Unaudited Consolidated Financial Statements.

Item 1A. Risk Factors.

When evaluating an investment in our Common Stock, investors should consider carefully, among other things, the risk factors previously disclosed in Part I, Item 1A, “Risk Factors,” of our 2024 Annual Report on Form 10-K (the "2024 Form 10-K") and the information contained in this Quarterly Report on Form 10-Q and our other reports and registration statements filed with the SEC.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Issuer Purchases of Equity Securities

There were no purchases of our Common Stock made by or on behalf of Hershey, or any “affiliated purchaser” (as defined in Rule 10b-18(a)(3) under the Exchange Act) of Hershey, during the three months ended September 28, 2025.

During the three months ended September 28, 2025, no shares of Common Stock were purchased in open market transactions in connection with our standing authorization to buy back shares sufficient to offset those issued under incentive compensation plans, which authorization does not have a dollar or share limit and is not included in our share repurchase authorizations described in the following paragraph.

In May 2021, our Board of Directors approved a $500 million share repurchase authorization, which was completed as of March 31, 2024. In December 2023, our Board of Directors approved an additional $500 million share repurchase authorization. This program commenced after the existing May 2021 authorization was completed and is to be utilized at management’s discretion. As a result of the share repurchase authorization, approximately $470 million remains available for repurchases under our December 2023 share repurchase authorization. We are authorized to purchase our outstanding shares in open market and privately negotiated transactions. The program has no expiration date and acquired shares of Common Stock will be held as treasury shares. Purchases under approved share repurchase authorizations are in addition to our practice of buying back shares sufficient to offset those issued under incentive compensation plans.

Item 3. Defaults Upon Senior Securities.

Not applicable.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Director and Executive Officer Trading

A portion of our directors' and officers' compensation is in the form of equity awards and, from time to time, they may engage in open-market transactions with respect to their Company securities for diversification or other personal reasons. All such transactions in Company securities by directors and officers must comply with the Company's Insider Trading Policy, which requires that transactions be in accordance with applicable U.S. federal securities laws that prohibit trading while in possession of material nonpublic information. Rule 10b5-1 under the Exchange Act provides an affirmative defense that enables directors and officers to prearrange transactions in the Company's securities in a manner that avoids concerns about initiating transactions while in possession of material nonpublic information.

The following table describes the contracts, instructions or written plans for the purchase or sale of securities adopted by our directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) during the three months ended September 28, 2025, that are intended to satisfy the affirmative defense conditions of Rule 10b5-1(c). No other Rule 10b5-1 trading arrangements or "non-Rule 10b5–1 trading arrangements" (as defined by S-K Item 408(c)) were entered into or terminated by our directors or officers during such period.

Name and Title	Date of Adoption of 10b5-1 Plan	Duration of 10b5-1 Plan[(1)]	Aggregate Number of Securities to be Sold or Purchased
Cordel Robbin-Coker Director	8/1/2025	7/31/2026	Sell 677 shares

(1) The plan duration is until the date listed in this column or such earlier date upon the completion of all trades under the plan (or the expiration of the orders relating to such trades without execution) or the occurrence of such other termination events as specified in the plan.

Item 6. Exhibits.

The following exhibits are filed as part of this Quarterly Report on Form 10-Q:

Exhibit Number	Description
3.1	Restated Certificate of Incorporation, as amended by the Company's Stockholders on May 6, 2025, is incorporated by reference from Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 29, 2025.
3.2	The Company's By-laws, as amended and restated as of March 4, 2025, are incorporated by reference from Exhibit 3.1 to the Company's Current Report on Form 8-K filed March 10, 2025.
10.1	Executive Employment Agreement, dated July 7, 2025, by and between The Hershey Company and Kirk Tanner, is incorporated by reference from Exhibit 10.1 to the Company's Current Report on Form 8-K filed July 8, 2025.+
10.2	Form of Notice of Special Award of Performance Stock Units (effective July 7, 2025).+
31.1	Certification of Kirk Tanner, Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
31.2	Certification of Steven E. Voskuil, Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
32.1	Certification of Kirk Tanner, Chief Executive Officer, and Steven E. Voskuil, Chief Financial Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 28, 2025, formatted in Inline XBRL and contained in Exhibit 101.

*	Filed herewith
**	Furnished herewith
+	Management contract, compensatory plan or arrangement

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE HERSHEY COMPANY
(Registrant)

Date: October 30, 2025	*/s/ Steven E. Voskuil*
	Steven E. Voskuil Senior Vice President, Chief Financial Officer (Principal Financial Officer)
Date: October 30, 2025	*/s/ Jennifer L. McCalman*
	Jennifer L. McCalman Vice President, Chief Accounting Officer (Principal Accounting Officer)

Exhibit 10.2

The Hershey Company
19 East Chocolate Avenue
Hershey, Pennsylvania 17033

Notice of Special Award of Performance Stock Units (Inducement Equity)

1. EFFECTIVE DATE AND CONTINGENT TARGET AWARD. Effective **#GrantDate#** (the "Grant Date"), Grantee will be awarded **#QuantityGranted#** contingent target Performance Stock Units ("PSUs") pursuant to the terms of this agreement. The actual number of PSUs earned may be equal to, exceed or be less than the contingent target award, and will be based upon the Company's attainment of the performance goals approved for the three-year performance cycle commencing on the Grant Date (the "Performance Cycle"). Each earned PSU represents the right to receive one share of Hershey Common Stock, $1.00 par value, at a future date and time, subject to the terms of this Notice of Special Award of Performance Stock Units (Inducement Equity) (the "Notice of Award").

The Grantee will have forty-five (45) days to accept the terms of this Notice of Award. By accepting the award of PSUs under this Notice of Award, Grantee accepts and agrees to: (i) these terms and conditions, (ii) the terms and conditions of The Hershey Company Equity and Incentive Compensation Plan ("EICP"), which are incorporated herein by reference, and (iii) as applicable, the terms and conditions of The Hershey Company Deferred Compensation Plan, which are incorporated herein by reference. This award of PSUs is expressly contingent upon Grantee agreeing to the obligations contained herein. Failure to agree to all the terms and conditions set forth herein in the form presented by The Hershey Company ("Hershey") shall result in the PSUs being cancelled, with no benefit to Grantee.

The terms of this Notice of Award extend not only to the Grantee and Hershey, but also to Hershey's past and present affiliated and related companies, subsidiaries, joint ventures, affiliated entities, parent companies and its and their respective successors and assigns, its and their past, present and future benefit and severance plans, including the EICP and the terms and conditions of The Hershey Company Deferred Compensation Plan, and their representatives, agents, trustees, officials, shareholders, officers, directors, employees, attorneys, benefit plan administrators and fiduciaries, both past and present, in their individual or representative capacities, and all of their successors and assigns (collectively with Hershey, the "Company").

2. DEFINITIONS. Wherever used herein, the following terms shall have the meanings set forth below. ***Capitalized terms not otherwise defined in this Notice of Award shall have the same meanings as set forth in the EICP.***

(A) "Business Relationships" means the Company's relationships with customers, suppliers, agents, licensees, licensors and others that likewise give the Company a competitive advantage.

(B) "Committee" means the Compensation and Executive Organization Committee of the Board of Directors.

(C) "Competing Business" means any business, person, entity or group of business entities, regardless of whether organized as a corporation, partnership (general or limited), joint venture, association or other organization that (i) conducts or is planning to conduct a business similar to and/or in competition with any business conducted or planned by the Company and for which Grantee was employed or performed services in a job or had knowledge of the operations of such business(es) over the last two (2) years of Grantee's employment with the Company, or (ii) designs, develops, produces, offers for sale or sells a product or service that can be used as a substitute for or is generally intended to satisfy the same customer needs for, any one or more products or services designed, developed, manufactured, produced or offered for sale or sold by the Company for which Grantee was employed or performed services in a job or had knowledge of the operations of such business(es) of the Company during the two (2) years prior to the termination of Grantee's employment with the Company. Grantee acknowledges that he/she will be deemed to have such knowledge if Grantee received, was in possession of or otherwise had access to Confidential Information regarding such business.

(D) "Confidential Information" means trade secrets and other confidential and proprietary information relating to the Company's business, including, but not limited to, information about the Company's manufacturing processes; manuals, recipes and ingredient percentages; engineering drawings; product and process research and development; new product information; cost information; supplier data; strategic business information; information related to the Company's legal strategies or legal advice rendered to the Company; marketing, financial and business development information, plans, forecasts, reports and budgets; customer information; new product strategies, plans and project activities; and acquisition and divestiture strategies, plans and project activities.

(E) "Deferred Compensation Plan" means The Hershey Company Deferred Compensation Plan and any successor or replacement plan thereof.

(F) "Disabled" means Grantee is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Company.

(G) "Key Employee" means a "specified employee" under Internal Revenue Code ("Code") section 409A(a)(2)(B)(i) (i.e., a key employee (as defined in Code section 416(i) (without regard to paragraph (5) thereof)) of a corporation any stock in which is publicly traded on an established securities market or otherwise) and applicable Treasury regulations and other guidance under Code section 409A. Key Employees shall be determined in accordance with Code section 409A and pursuant to the methodology established by the Employee Benefits Committee.

(H) Wherever reference is made to a "performance metric," the reference is intended to refer to a Performance Goal and the performance period (the Performance Cycle or a calendar year within the Performance Cycle) over which attainment of the Performance Goal is measured.

(I) "EICP" means The Hershey Company Equity and Incentive Compensation Plan, as in effect from time to time and any successor or replacement plan thereof.

(J) A Grantee is "Retirement Eligible" on and after the date the Grantee has both attained his or her 55th birthday and been continuously employed by the Company for at least five (5) years.

(K) "Material Contact" means contact for the purpose of furthering the Company's business.

(L) "Separation from Service" or "Separate from Service" means a "separation from service" within the meaning of Code section 409A.

3. VESTING DATE. On the last day of the three-year Performance Cycle (the "Vesting Date"), the Grantee shall vest in the number of PSUs earned based on the Company's actual performance during the Performance Cycle relative to each performance metric, provided that the Grantee has remained in continuous employment with the Company from the Grant Date through such date and has accepted and agreed to all terms and conditions in this agreement.

In the event of a Change in Control, vesting of PSUs, if any, shall be determined in accordance with paragraph 15 of the EICP. In accordance with paragraph 15 of the EICP, if the PSUs are assumed or replaced, or remain outstanding, such that the PSUs as assumed, replaced or continued qualify as a Replacement Award under paragraph 15 of the EICP, the occurrence of the Change in Control shall not affect the vesting or payment of the PSUs which shall then constitute a Replaced Award as defined in the EICP. However, if within two (2) years following the Change in Control and prior to the Vesting Date, Grantee's employment is terminated by the Company for any reason other than for Cause (as defined in the EICP), by the Grantee for Good Reason (as defined in the EICP), as a result of Grantee 's death or as a result of Grantee becoming Disabled, the Grantee shall immediately vest in the Replacement Award upon such termination based on the provisions of The Hershey Company Executive Benefits Protection Plan ("EBPP") applicable to Grantee; provided, however, that if Grantee is not a participant in any EBPP, then the Grantee shall immediately vest in the Replacement Award upon such termination based on the provisions of EBPP (Group 3A). Notwithstanding the foregoing, if the Committee determines that the PSUs are not replaced in connection with a Change in Control with awards meeting the requirements for Replacement Awards, the Grantee shall vest in the PSUs and receive payment in accordance with the provisions of the EBPP applicable to Grantee; provided, however, that if Grantee is not a participant in any EBPP, then the Grantee shall vest in the PSUs and receive payment in accordance with the provisions of EBPP (Group 3A). This section is intended to only set forth PSU vesting provisions in the circumstances identified. This section does not change or modify which employees are eligible to participate in the EBPP.

If prior to the Vesting Date, the Grantee's employment with the Company terminates for any reason, then the PSUs subject to this Notice of Award shall terminate and be completely forfeited on the date of such termination of the Grantee's employment unless the Grantee is entitled to vesting with respect to the PSUs under the terms of the EICP or other Company-sponsored plan or agreement or as described in this paragraph 3 relating to a Change in Control, paragraph 4 below relating to special vesting conditions or paragraph 13(G) below relating to Foreign Nationals, in which case such vesting of the PSUs will be in accordance with the terms of this Notice of Award or the applicable plan, agreement or local law. Notwithstanding anything in the EICP or this Notice of Award to the contrary, if the Grantee is terminated for Cause (as defined in the EICP) from the Company prior to payment pursuant to paragraph 6, all of the PSUs will immediately and automatically without any action on the part of the Grantee or the Company, be forfeited by the Grantee.

4. <u>SPECIAL VESTING CONDITIONS</u>. The Committee has determined that the following special vesting conditions shall apply to this award.

(A) If the Grantee's employment with the Company terminates (i) as a result of the Grantee's death or (ii) solely as a result of Grantee becoming Disabled, then the Grantee will vest immediately on the date of such termination in a prorated portion of the PSUs allocated to each performance metric in effect as of the date of employment termination and the number of PSUs earned, if any, will be determined based on Hershey's (or an applicable subsidiary, division or similar unit of the Company) financial statement accruals through the completed fiscal quarter immediately preceding termination of employment for each performance metric, provided, if such termination occurs during the first fiscal quarter, the number of earned PSUs will be based on the target number of PSUs allocated to each such performance metric.

(B) If the Grantee's employment with the Company terminates (other than for Cause (as defined in the EICP)) when the Grantee is Retirement Eligible, then the Grantee will vest upon the Vesting Date in a prorated portion of the PSUs allocated to each performance metric and the number of PSUs earned, if any, will be based on Hershey's (or an applicable subsidiary, division or similar unit of the Company) actual performance during the Performance Cycle for each performance metric.

(C) The prorated portion of the earned PSUs allocated to each performance metric, determined as described in paragraphs 4(A) and 4(B) above, shall be equal to the number of PSUs allocated at the start of the Performance Cycle to such performance metric multiplied by a fraction, the numerator of which equals the number of full and partial calendar months during the performance period (the Performance Cycle or a calendar year within the Performance Cycle, as applicable) for such performance metric preceding the date of the Grantee's termination and the denominator of which equals the number of months in the performance period for such performance metric. Any fractional share resulting from such calculations shall be eliminated by rounding down to the nearest whole number for each performance metric. Any PSUs subject to this Notice of Award in excess of the prorated amounts shall not vest pursuant to paragraph 4(A) or 4(B) but instead shall terminate and be completely forfeited as of the date of termination.

5. <u>DETERMINATION OF EARNED PSUs</u>. The number of PSUs earned, if any, with respect to each performance metric shall be determined following the conclusion of the Performance Cycle (and, if applicable, any performance period ending in the Performance Cycle), based upon achievement against the applicable Performance Goals. Any fractional share resulting from such calculations shall be eliminated by rounding to the nearest whole number for each performance metric. The determination of earned PSUs and the prorated amounts under paragraphs 4(A) and 4(C) in the event of Grantee's termination due to death or becoming Disabled will be made within 60 days following such termination. The final determination of the number of PSUs earned is subject to review, approval and modification by the Committee.

6. <u>PAYMENT OF AWARD</u>. Unless deferred under the Deferred Compensation Plan, earned PSUs that have vested ("Vested Units") shall be paid in the form of a share of Common Stock, unless prohibited by applicable local law or as otherwise provided by the Committee or other applicable agreement or the EBPP (if applicable), in which case the Vested Units will be paid in the cash equivalent, effective as of (A) the date the Committee approves the number of PSUs earned for the Performance Cycle (or, if earlier, the date the award vests in accordance with the

provisions of paragraph 3 applicable upon a Change in Control), (B) the date of Grantee's death, or (C) the date Grantee becomes Disabled. In the event payment is made pursuant to clause (A) above, such payment shall be made as soon as practicable following the Vesting Date and the Committee's approval of the number of PSUs earned, but in no event later than seventy-five (75) days following the Vesting Date. In the event payment is made pursuant to clause (B) or (C) above, such payment shall be made on or before the sixtieth (60^{th}) day following the date of the applicable event.

Notwithstanding the foregoing, distributions due to a Separation from Service may not be made to a Key Employee before the date which is six months after the date of the Key Employee's Separation from Service (or, if earlier, the date of death of the Key Employee). Any payments that would otherwise be made during this period of delay as a result of the Grantee's Separation from Service shall be accumulated and paid within fifteen (15) days after the first day of the seventh month following the Grantee's Separation from Service (or, if earlier, on or before the first day of the third month after the Participant's death).

7. NON-COMPETITION. Grantee acknowledges that due to the nature of his/her employment with the Company , he/she has and will have access to, contact with, and Confidential Information about the Company's business and Business Relationships. Grantee acknowledges that the Company has incurred considerable expense and invested considerable time and resources in developing its Confidential Information and Business Relationships, and that such Confidential Information and Business Relationships are critical to the success of the Company's business. Accordingly, both (i) during the term of his/her employment with the Company, and (ii) for a period of twelve (12) months following the termination of his/her employment, Grantee, except in the performance of his/her duties to the Company, shall not, without the prior written consent of Hershey's Chief Human Resources Officer, directly or indirectly serve or act in a consulting, employee or managerial capacity, or engage in oversight of any person who serves or acts in a consulting, employee or managerial capacity, as an officer, director, employee, consultant, advisor, independent contractor, agent or representative of a Competing Business. This restriction shall apply to any Competing Business that conducts business or plans to conduct business in the same or substantially similar geographic area in which Grantee was employed or, directly or indirectly, performed services for the Company during the two years prior to his/her termination of Grantee's employment. Grantee acknowledges: (i) that the Company's business is conducted throughout the United States and the world, (ii) notwithstanding the state of incorporation or principal office of Hershey, it is expected that the Company will have business activities and have valuable business relationships within its industry throughout the United States and around the world, and (iii) as part of Grantee's responsibilities, Grantee has conducted or may conduct business throughout the United States and around the world in furtherance of the Company's business and its relationships. Grantee further acknowledges and understands that if he/she has any question about whether any prior position which Grantee has held at the Company over the last two (2) years subjects Grantee to specific restrictions, and will be used to identify Competing Business(es), Grantee should contact his/her Human Resource representative at the Company.

8. NON-SOLICITATION. Grantee acknowledges that the Company has invested and will invest significant time and money to recruit and retain its employees and to develop valuable, continuing relationships with existing and prospective clients and customers of the Company. Accordingly, recognizing that Grantee has obtained and will obtain valuable information about employees of the Company and their respective talents and areas of expertise and information about the Company's customers, suppliers, business partners, and/or vendors and their requirements, Grantee agrees both (i) during the term of his/her employment, and (ii) for a period

of twelve (12) months following his/her termination of employment, Grantee, except in the performance of his/her duties to the Company, shall not directly or indirectly (including as an officer, director, employee, consultant, advisor, agent or representative), for himself/herself or on behalf of any other person or entity:

(A) for any purpose that is in competition with any of the aspects of the Company's business, solicit, take away or engage, or participate in soliciting, taking away or engaging, any current or potential customers, suppliers, agents, licensees or licensors of the Company with whom Grantee had contact while employed by the Company, or about whom Grantee had access to Confidential Information as a result of Grantee's employment; or

(B) recruit, hire, or attempt to recruit or hire, or solicit or encourage to leave their employment with the Company (either directly or by assisting others), any Company employee with whom Grantee had Material Contact during the last two (2) years of Grantee's employment with the Company. Notwithstanding the foregoing, this paragraph shall not be violated by (i) general advertising or solicitation not specifically targeted at employees of the Company, or (ii) actions taken by any person or entity with which Grantee is associated if Grantee is not directly or indirectly involved in any manner in the matter and has not identified such employee of the Company for recruiting or solicitation.

9. NON-DISCLOSURE OF CONFIDENTIAL INFORMATION. Grantee acknowledges that due to the nature of his/her employment and the position of trust that he/she holds or will hold with the Company, he/she will have access to, learn, be provided with, and in some cases will prepare and create for the Company, Confidential Information. Grantee acknowledges and agrees that Confidential Information, whether or not in written form, is the exclusive property of the Company, that it has been and will continue to be of critical importance to the business of the Company, and that the disclosure of it will cause the Company substantial and irreparable harm. Accordingly, Grantee will not, either during his/her employment or at any time after the termination of his/her employment with the Company, use or disclose any Confidential Information relating to the business of the Company which is not generally available to the public. Notwithstanding the foregoing provisions of this paragraph 9, Grantee may disclose or use any such information (i) when such disclosure or use may be required or appropriate in the good faith judgment of Grantee in the course of performing his/her duties to the Company and in accordance with the Company's policies and procedures, (ii) when required by a court of law, by any governmental agency having supervisory authority over Grantee or the business of the Company, or by any administrative or legislative body (including a committee thereof) with apparent jurisdiction, or (iii) with the prior written consent of Hershey's General Counsel. Notwithstanding anything herein to the contrary, Grantee understands and agrees that his/her obligations under this Agreement shall be in addition to, rather than in lieu of, any obligations Grantee may have under any applicable statute or at common law.

Grantee is hereby notified in accordance with the Defend Trade Secrets Act of 2016 that Grantee will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, or is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. If Grantee files a lawsuit for retaliation against the Company for reporting a suspected violation of law, Grantee may disclose the Company's trade secrets to Grantee's attorney and use the trade secret information in the court proceeding, provided Grantee files any document containing the trade secret under seal, and does not disclose the trade secret, except pursuant to court order.

10. ADDITIONAL RESTRICTIONS AND LIMITATIONS.

(A) To the extent that no PSUs are earned or the Grantee does not vest in any PSUs, all interest in such units and any related shares of Common Stock shall be forfeited. The Grantee shall have no right or interest in any PSU or related share of Common Stock that is forfeited.

(B) Upon each issuance or transfer of shares of Common Stock in accordance with this Notice of Award, a number of Vested Units equal to the number of shares of Common Stock issued or transferred to the Grantee shall be extinguished and such number of Vested Units will not be considered to be held by the Grantee for any purpose.

11. WITHHOLDING.

(A) The Company's obligation to deliver shares of Common Stock or cash to settle the Vested Units shall be subject to the satisfaction of applicable tax withholding requirements. The Grantee may pay to the Company any applicable withholding tax due as a result of such payment.

(B) Unless the Grantee has otherwise paid the withholding tax due, the Company shall withhold from any cash which may be paid and/or reduce the number of shares of Common Stock issued to the Grantee to satisfy the minimum applicable tax withholding requirements.

12. OTHER LAWS. The Company shall have the right to refuse to issue or transfer any shares under this Notice of Award if the Company acting in its absolute discretion determines that the issuance or transfer of such Common Stock might violate any applicable law or regulation.

13. MISCELLANEOUS.

(A) This Notice of Award shall be subject to all of the provisions, definitions, terms and conditions set forth in the EICP and any interpretations, rules and regulations promulgated by the Committee from time to time, all of which are incorporated by reference in this Notice of Award. By accepting the PSUs awarded herewith, Grantee acknowledges and agrees that the PSUs are awarded under and governed by the terms and conditions set forth in this document and in the EICP, and the Employee Confidentiality and Restrictive Covenant Agreement (or similar or successor agreement), if any, applicable to Grantee. Any dispute or disagreement which shall arise under, as a result of, or in any way relate to the interpretation, construction or administration of the EICP or the PSUs awarded thereunder shall be determined in all cases and for all purposes by the Committee or any successor committee, and any such determination shall be final, binding and conclusive for all purposes. In the event of any conflict between this Notice of Award and the Employee Confidentiality and Restrictive Covenant Agreement (or similar or successor agreement), if any, applicable to Grantee, this Notice of Award shall govern. Grantee acknowledges that a remedy at law for any breach or threatened breach of this Notice of Award would be inadequate and therefore agrees that the Company shall be entitled to injunctive relief in case of any such breach or threatened breach. Grantee acknowledges and agrees that the Company may apply to any court of law or equity of competent jurisdiction for specific performance and/or injunctive relief (without posting a bond or other security) in order to enforce or prevent any violation of this Notice of Award and that money damages would not be an adequate remedy. Grantee acknowledges and agrees that a violation of this Notice of Award would cause irreparable harm to the Company. The Company's right to injunctive relief shall be cumulative and in addition to any other remedies available by law or equity. If a court determines that Grantee has breached or threatened to breach this Notice of Award, Grantee agrees to reimburse the Company for all reasonable attorneys' fees and costs incurred in enforcing its terms. However, nothing contained herein shall be construed as prohibiting the Company from pursuing any other available remedies for a breach, which may include, but not be limited to, contract damages, lost profits and punitive damages.

(B) (i) Grantee acknowledges and agrees that in addition to the relief described in paragraph 13(A), if the Committee determines, in its sole discretion , that Grantee has violated or threatened to violate the terms of this Notice of Award or the EICP, or that the Grantee has engaged in any intentional misconduct that caused the Company material financial or reputational harm, then Hershey may cancel any part of the grant that has not vested. In addition, upon the request or direction of the Committee, Grantee shall also immediately deliver to Hershey, the cash equivalent of any PSUs that have vested under this Notice of Award , inclusive of any dividends paid on any vested shares. (ii) The term "intentional misconduct" shall include conduct the Committee determines indicates an intentional violation of law, the Company's Code of Conduct, or any of the Company's other material ethics and compliance policies. (iii) In determining whether to recover a payment, the Committee shall take into account such considerations as it deems appropriate, including whether the assertion of a claim may violate applicable law. The Committee shall have the sole discretion in determining whether a grantee's conduct has or has not met any particular standard of conduct under the law or Company policy and whether any financial or reputational harm is material.

(C) Notwithstanding anything in the EICP or this Notice of Award to the contrary, Grantee acknowledges that the Company may be entitled or required by law or Company policy to recoup compensation paid to Grantee pursuant to the EICP, and Grantee agrees to comply with any Company request or demand for recoupment.

(D) Grantee agrees that, at any time after Grantee's termination of employment from the Company, he/she will cooperate with the Company in (i) all investigations of any kind, (ii) helping to prepare and review documents and meetings with Company attorneys, and (iii) providing truthful testimony as a witness or a declarant during discovery and/or trial in connection with any present or future court, administrative, agency or arbitration proceeding involving the Company and with respect to which Grantee has relevant information

(E) If one or more of the provisions of this Notice of Award shall be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and the invalid, illegal or unenforceable provisions shall be deemed null and void; however, to the extent permissible by law, any provisions which could be deemed null and void shall first be construed, interpreted or revised retroactively to permit this Notice of Award to be construed so as to foster the intent of this award and the EICP.

(F) The PSUs are intended to comply with Code section 409A and official guidance issued thereunder. Notwithstanding anything herein to the contrary, this Notice of Award shall be interpreted, operated and administered in a manner consistent with this intention.

(G) Notwithstanding anything herein to the contrary, in the event the Grantee: (i) is an employee of the Company in a country other than the United States (a "Foreign National"), (ii) is not subject to the federal income tax laws of the United States ("U.S. Tax Law") for purposes of these PSUs, and (iii) has certain rights in the vesting and payment of the PSUs upon termination of employment under the laws of the country in which Grantee is employed, the vesting and payment of any unvested PSUs will be in accordance with the terms of a severance agreement entered into between the Company and Grantee that complies with the laws of the country in which Grantee is employed or in the absence of a severance agreement, as may be required by the laws of such country; provided, however, if any PSUs, granted to such Foreign National, are subject to U.S. Tax Law, the payment of such PSUs shall be governed by the terms of this Notice of Award.

(H) The award of PSUs and all terms and conditions related thereto, including those of the EICP, shall be governed by the laws of the Commonwealth of Pennsylvania. Grantee expressly consents that: (i) any action or proceeding relating to a breach or the enforceability of this Notice of Award will be brought only in the federal or state courts, as appropriate, located in the Commonwealth of Pennsylvania; and (ii) any such action or proceeding will be heard without a jury. Grantee expressly waives the right to bring any such action in any other jurisdiction and to have such action heard before a jury regardless of where such action is filed. The EICP shall control in the event there is a conflict between the EICP and these terms and conditions.

14. CONTACT INFORMATION. Copies of the EICP and Information Statement (Prospectus) for the EICP are available upon request from the myHR Support Center by calling 1-800-878- 0440 or by email to askHR@hersheys.com. Contact the VP, Global Total Rewards for information relating to the performance metrics.

Exhibit 31.1

CERTIFICATION

I, Kirk Tanner, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of The Hershey Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ KIRK TANNER

Kirk Tanner
Chief Executive Officer
(Principal Executive Officer)
October 30, 2025

Exhibit 31.2

CERTIFICATION

I, Steven E. Voskuil, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of The Hershey Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/S/ STEVEN E. VOSKUIL

Steven E. Voskuil
Chief Financial Officer
(Principal Financial Officer)
October 30, 2025

Exhibit 32.1

CERTIFICATION

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officers of The Hershey Company (the "Company") hereby certify, to the best of their knowledge, that the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 28, 2025 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date:	October 30, 2025	/s/ KIRK TANNER
		Kirk Tanner **Chief Executive Officer** **(Principal Executive Officer)**
Date:	October 30, 2025	/s/ STEVEN E. VOSKUIL
		Steven E. Voskuil **Chief Financial Officer** **(Principal Financial Officer)**

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.