

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

November 10, 2021

Date of Report (Date of earliest event reported)



THE HERSHEY COMPANY

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

1-183

(Commission File Number)

23-0691590

(IRS Employer Identification No.)

19 East Chocolate Avenue

Hershey, PA 17033

(Address of principal executive offices)

(Zip Code)

(717) 534-4200

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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 is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 8.01. Other Events.

On November 10, 2021, The Hershey Company (the “Company”) issued a press release announcing its entry into Purchase Agreements (the “Purchase Agreements”) to acquire Dot’s Pretzels, LLC, the owner of Dot’s Homestyle Pretzels, and to acquire Pretzels, LLC d/b/a Pretzels Inc. manufacturing company.

The Purchase Agreements contain customary conditions, including, among others, (i) the expiration or termination of the 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 Purchase Agreements and (iii) the accuracy, to specified degrees, of representations and warranties set forth therein and material compliance with covenants. The Company expects the acquisitions to close by the end of 2021.

A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference herein.

Safe Harbor Statement

This Current Report on Form 8-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Many of these forward-looking statements can be identified by the use of words such as “anticipate,” “assume,” “believe,” “continue,” “estimate,” “expect,” “forecast,” “future,” “intend,” “plan,” “potential,” “predict,” “project,” “strategy,” “target” and similar terms, and future or conditional tense verbs like “could,” “may,” “might,” “should,” “will” and “would,” among others. These statements are made based upon current expectations that are subject to risk and uncertainty. Because actual results may differ materially from those contained in the forward-looking statements, you should not place undue reliance on the forward-looking statements when deciding whether to buy, sell or hold the company’s securities. Factors that could cause results to differ materially include, but are not limited to: the ability to timely satisfy the conditions to the closing of the transactions contemplated in the Merger and Stock Purchase Agreement; our ability to realize the benefits of the transaction; risks related to the impact of the coronavirus global pandemic (“COVID-19”) on our business, suppliers, distributors, consumers, customers, and employees; the scope and duration of the pandemic; government actions and restrictive measures implemented in response to the pandemic, including the distribution of vaccinations and continuation of social distancing guidelines and stay at home orders; disruptions or inefficiencies in our supply chain due to the loss or disruption of essential manufacturing or supply elements or other factors; issues or concerns related to the quality and safety of our products, ingredients or packaging, human and workplace rights, and other environmental, social or governance matters; changes in raw material and other costs, along with the availability of adequate supplies of raw materials; the company’s ability to successfully execute business continuity plans to address the COVID-19 pandemic and resulting changes in consumer preferences and the broader economic and operating environment; selling price increases, including volume declines associated with pricing elasticity; market demand for our new and existing products; increased marketplace competition; failure to successfully execute and integrate acquisitions, divestitures and joint ventures; changes in governmental laws and regulations, including taxes; political, economic, and/or financial market conditions; risks and uncertainties related to our international operations; disruptions, failures or security breaches of our information technology infrastructure; our ability to hire, engage and retain a talented global workforce, our ability to realize expected cost savings and operating efficiencies associated with strategic initiatives or restructuring programs; complications with the design or implementation of our new enterprise resource planning system; and such other matters as discussed in our Annual Report on Form 10-K for the year ended December 31, 2020. The Company undertakes no duty to update any forward-looking statement to conform the statement to actual results or changes in the Company’s expectations.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

<u>Exhibit Number</u>	<u>Description</u>
99.1	The Hershey Company Press Release dated November 10, 2021
99.2	Investor Presentation dated November 10, 2021
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

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

THE HERSHEY COMPANY

Date: November 10, 2021

By: /s/ Steven E. Voskuil

Steven E. Voskuil
Senior Vice President, Chief Financial Officer

EXHIBIT INDEX

XBRL
[The Hershey Company Press Release dated November 10, 2021](#)
[Presentation dated November 10, 2021](#)
Image Interactive Data File (embedded within the Inline XBRL document)



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Hershey Announces Intent to Acquire Dot's Homestyle Pretzels and Pretzels Inc.

*Fastest-Growing Scale Pretzel Brand Would Add Bold Snacking Option and
New Occasions to Hershey's Expanding Snacking Portfolio*

HERSHEY, Pa., Nov. 10, 2021 – The Hershey Company (NYSE: HSY) today announced it has entered into a definitive agreement to acquire Dot's Pretzels LLC, the owner of Dot's Homestyle Pretzels, the fastest-growing scale¹ brand in the pretzel category.

Dot's Pretzels are a perfect complement to Hershey's growing salty snacking portfolio and would create an opportunity to reach new consumers in new occasions, advancing Hershey's snacking powerhouse vision.

"As the fastest growing U.S. pretzel brand, Dot's Pretzels would further accelerate our success in the permissible salty snack category, along with our successful *SkinnyPop* and *Pirate's Booty* brands," said Michele Buck, The Hershey Company President and Chief Executive Officer. "With a unique range of bold, distinctive seasonings and a flavorful crunch that creates a premium pretzel experience for consumers, Dot's Pretzels stand apart from all other products in the pretzel category and represents 55 percent of the pretzel category's growth during the past year."

Created more than a decade ago in North Dakota by founder Dot Henke in her home kitchen, Dot's Pretzels started as a special family snack that she shared with family, friends and neighbors to get through long, cold North Dakota winters. Dot built her business by holding to the highest quality standards, a tradition the company proudly continues today so that each bag of Dot's Pretzels tastes as if it were made in Dot's home kitchen using her original secret formula.

"I created my pretzels to share with those people closest to me and have built the business with the idea of sharing them with everyone," said Dot. "With Hershey behind this amazing brand, I am confident that anyone who would like to enjoy these deliciously bold pretzels will have the opportunity."

Hershey Also Seeks to Expand Manufacturing Capacity and Innovation Capabilities

Hershey also announced today it has entered into a definitive agreement to acquire Pretzels Inc. from an affiliate of Peak Rock Capital, a private investment firm with numerous investments in the food and beverage industry. Pretzels Inc. is a co-manufacturer of pretzels for Dot's Pretzels and several other customers and is a leading innovator in the pretzel category. Based in Bluffton, Indiana, Pretzels Inc. operates three manufacturing locations in Indiana and Kansas. When the transactions are completed, these three manufacturing locations would be in addition to four pretzel-seasoning facilities to be acquired with Dot's. The acquisition of Pretzels Inc. would give Hershey deep pretzel category and product expertise and the manufacturing capabilities to support Dot's growth and future pretzel innovation as well as the continued growth in the entire pretzel category through Pretzels Inc.'s leading co-manufacturing capabilities.

"Pretzels Inc. will help us expand Hershey's snacking and production capabilities while keeping the special connection to Dot's," added Buck. "It will be important as we continue to grow this already fast-growing brand and create new products in the broader pretzel category."

Transaction Details

The total purchase price for these two proposed acquisitions is approximately \$1.2 billion, or approximately \$1 billion of investment net of expected future tax benefits. It will be financed with cash on hand as well as short-term borrowings. The estimated aggregate net sales for the two businesses were approximately \$275 million for the 12 months ended September 2021. The combination of these two strategic acquisitions is expected to be slightly accretive to reported earnings per share in 2023 and adjusted earnings per share in 2022. The acquisitions are subject to customary regulatory approvals and are expected to close by the end of 2021.

To learn more, please refer to our Investor Relations site at: www.thehersheycompany.com.

¹Greater than \$10 million in U.S. retail sales for the 52-weeks ended October 10, 2021

Safe Harbor Statement

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Many of these forward-looking statements can be identified by the use of words such as "anticipate," "assume," "believe," "continue," "estimate," "expect," "forecast," "future," "intend," "plan," "potential," "predict," "project," "strategy," "target" and similar terms, and future or conditional tense verbs like "could," "may," "might," "should," "will" and "would," among others. These statements are made based upon current expectations that are subject to risk and uncertainty. Because actual results may differ materially from those contained in the forward-looking statements, you should not place undue reliance on the forward-looking statements when deciding whether to buy, sell or hold the company's securities. Factors that could cause results to differ materially include, but are not limited to: the ability to timely satisfy the conditions to the closing the transactions contemplated in the definitive agreements; our ability to realize the benefits of the transactions; risks related to the impact of the coronavirus global pandemic ("COVID-19") on our business, suppliers, distributors, consumers, customers, and employees; the scope and duration of the pandemic; government actions and restrictive measures implemented in response to the pandemic, including the distribution of vaccinations and continuation of social distancing guidelines and stay at home orders; disruptions or inefficiencies in our supply chain due to the loss or disruption of essential manufacturing or supply elements or other factors; issues or concerns related to the quality and safety of our products, ingredients or packaging, human and workplace rights, and other environmental, social or governance matters; changes in raw material and other costs, along with the availability of adequate supplies of raw materials; the company's ability to successfully execute business continuity plans to address the COVID-19 pandemic and resulting changes in consumer preferences and the broader economic and operating environment; selling price increases, including volume declines associated with pricing elasticity; market demand for our new and existing products; increased marketplace competition; failure to successfully execute and integrate acquisitions, divestitures and joint ventures; changes in governmental laws and regulations, including taxes; political, economic, and/or financial market conditions; risks and uncertainties related to our international operations; disruptions, failures or security breaches of our information technology infrastructure; our ability to hire, engage and retain a talented global workforce, our ability to realize expected cost savings and operating efficiencies associated with strategic initiatives or restructuring programs; complications with the design or implementation of our new enterprise resource planning system; and such other matters as discussed in our Annual Report on Form 10-K for the year ended December 31, 2020 and from time to time in our other filings with the U.S. Securities and Exchange Commission. All information in this press release is as of November 10, 2021. The company undertakes no duty to update any forward-looking statement to conform the statement to actual results or changes in the company's expectations.

About The Hershey Company

The Hershey Company is headquartered in Hershey, Pa., and is an industry-leading snacks company known for bringing goodness to the world through its iconic brands, remarkable people and enduring commitment to help children succeed. Hershey has approximately 17,000 employees around the world who work every day to deliver delicious, quality products. The company has more than 90 brands around the world that drive more than \$8.1 billion in annual revenues, including such iconic brand names as *Hershey's*, *Reese's*, *Kit Kat*®, *Jolly Rancher*, *Ice Breakers*, *SkinnyPop*, and *Pirate's Booty*.

For more than 125 years, Hershey has been committed to operating fairly, ethically and sustainably. Hershey founder, Milton Hershey, created the Milton Hershey School in 1909 and since then the company has focused on helping children succeed.

To learn more visit www.thehersheycompany.com



Intent to Acquire Dot's Pretzels & Pretzels Inc

November 10, 2021

[To view the full press release, click here.](#)



INVESTING IN AND DIVERSIFYING OUR PORTFOLIO FOR THE FUTURE



DOT'S PRETZELS JOINING THE HERSHEY FAMILY



FINANCIAL HIGHLIGHTS¹

Reported Net Sales: \$160 million

Reported Net Sales Growth: 35%

Adjusted EBITDA Margin: 37%

Source: RI MULO+C 52-weeks ended October 10, 2021; The Pretzel category includes all traditional items along with crisps and filled products.
¹Represents the last 12 months ended September 30, 2021

EXPANDING BREADTH ACROSS SNACKING



sweet

savory

WITH GROWING LEADERSHIP IN KEY SAVORY SNACK CATEGORIES AND OCCASIONS

SKINNYPOP
POPCORN

#2
Brand in
RTE Popcorn



PIRATE'S BOOTY®

#2
Brand in
BFY Puffs



Dot's
Homestyle
Pretzels

#3
Brand in
Pretzels



Estimated Retail Sales **~\$1 BILLION**

The acquisition of Dot's Pretzels is expected to close in December 2021.

The Puffs category includes baked and extruded corn and rice snacks, and the Pretzel category includes all traditional items along with crisps and filled products.

Source: Estimated retail sales includes sales in measured channels included in IRI MULO+C plus key non-measured channels for the 52-weeks end October 10, 2021.

HERSHEY'S

DISRUPTING & RE-ENERGIZING THE PRETZEL CATEGORY WITH BOLD FLAVORS AND PREMIUM PRETZEL CRUNCH



CONSUMER
NEEDS

FUNCTIONAL
Satiating
Permissible

EMOTIONAL
Deliciously Bold
Exciting to Eat

FOCUSED, PREMIUM PRICED PORTFOLIO WITH CATEGORY LEADING VELOCITIES

FOCUSED

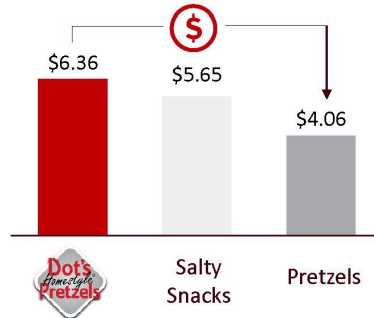


#1 Item in Category +\$100M Retail Sales

Top 3 Items >80% of Dot's Retail Sales

PREMIUM

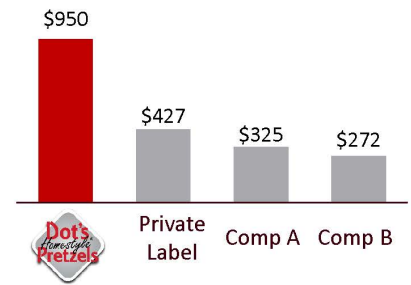
Dollars (\$) per Pound (lb)



~60% Price Premium to Pretzel Category

STRONG VELOCITY

Dollars (\$) per Total Point Distribution (TDP)



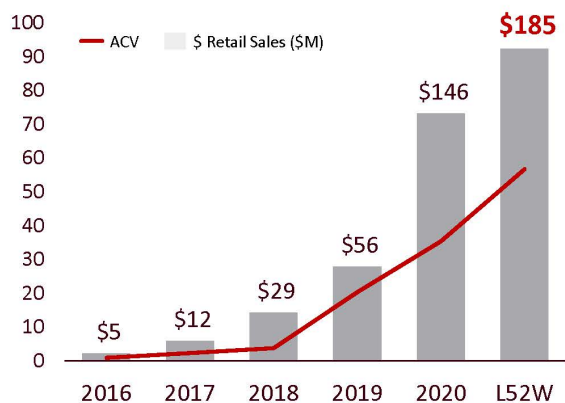
Highest velocity brand in Pretzels

Source: IRI MULO+C 52-weeks ended October 10, 2021; The Pretzel category includes all traditional items along with crisps and filled products.

HERSHEY'S

ACCELERATED GROWTH DRIVING THE CATEGORY

RETAIL SALES



fastest-growing
PRETZEL AND SALTY SNACK SCALE¹ BRAND

55%
of the Pretzel category growth
OVER PAST YEAR

¹Greater than \$10M in U.S. retail sales for the 52-weeks ended October 10, 2021.

Source: IRI MULO+C 52-weeks ended October 10, 2021; The Pretzel category includes all traditional items along with crisps and filled products.

ACQUIRING PRETZELS INC TO MAXIMIZE SUPPLY CHAIN CAPACITY, PROFITABILITY AND CONTINUITY



HIGHLIGHTS

Co-Manufacturer for  other branded products, and private label

Capital Investment of \$100M in past 3 years

Capacity and capabilities offer breadth for Dot's and CMG branded snacking items

LEVERAGE BEST OF BIG AND SMALL



Category Strategy

Ubiquitous Distribution

Addressable Media / In-House Creative

Product & Pack Innovation

Omni-Channel Expertise

Strong Brand Equity

Disruptive Product Offering




Independent DSD Distributor Network

Manufacturing Scale & Capabilities

value creation



TRANSACTION OVERVIEW

TERMS	FINANCING	CLOSING
<p>Total Investment \$1.22B</p> <p>Aggregate Net Sales \$275M¹</p> <p>Expected to be slightly accretive to reported earnings per share in 2023 and adjusted earnings per share in 2022</p> 	<p>Cash on hand and commercial paper</p> <p>No change expected to corporate credit rating</p> 	<p>Pending regulatory approvals</p> <p>Expected to close in Dec '21</p> 

¹Aggregate Net Sales represents the last 12 months ended September 30, 2021 for Dot's Pretzels and Pretzels Inc., excluding estimated intercompany sales.

Sweet + Savory

MAKING MORE
MOMENTS OF
GOODNESS



HERSHEY'S