



HERSHEY 
CAGNY 2024
Conference

February 20, 2024

Michele Buck

Chief Executive Officer

Forward-Looking Statements

This presentation 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: 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 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, including with respect to inflation, rising interest rates, slower growth or recession, and other events beyond our control such as the impacts on the business arising from the conflict between Russia and Ukraine; risks and uncertainties related to our international operations; disruptions, failures or security breaches of our information technology infrastructure and that of our customers and partners (including our suppliers); 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, 2023 and from time to time in our other filings with the U.S. Securities and Exchange Commission. All information in this presentation is as of February 20, 2024. 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.

Key Takeaways

**We have created a stronger
and more diversified business**

**We participate in resilient categories
and invest in our brands and capabilities
to support long-term growth**

**We are balancing the needs
of near-term business with our
long-term vision and aspirations**

We've been on a Transformational Journey

Accelerated Confectionery Growth

+7.6%

Net Sales CAGR

2019 - 2023



Added Growth Platform

10%

Salty Snacks %
of 2023 Revenue



Unlocked Capacity to Support Growth

\$1.4B

Capex

+25%

Capacity

2019 - 2023



Strengthened International

+5.7%

Net Sales
CAGR

2019 - 2023

+9pts

Segment
Margin Chg.



Today we have a more diversified portfolio

Two Salty Snacks Entering Our Top Ten Brands

2023 Retail Sales¹



5-Year CAGR²:
+6.8%

\$860M+
retail sales



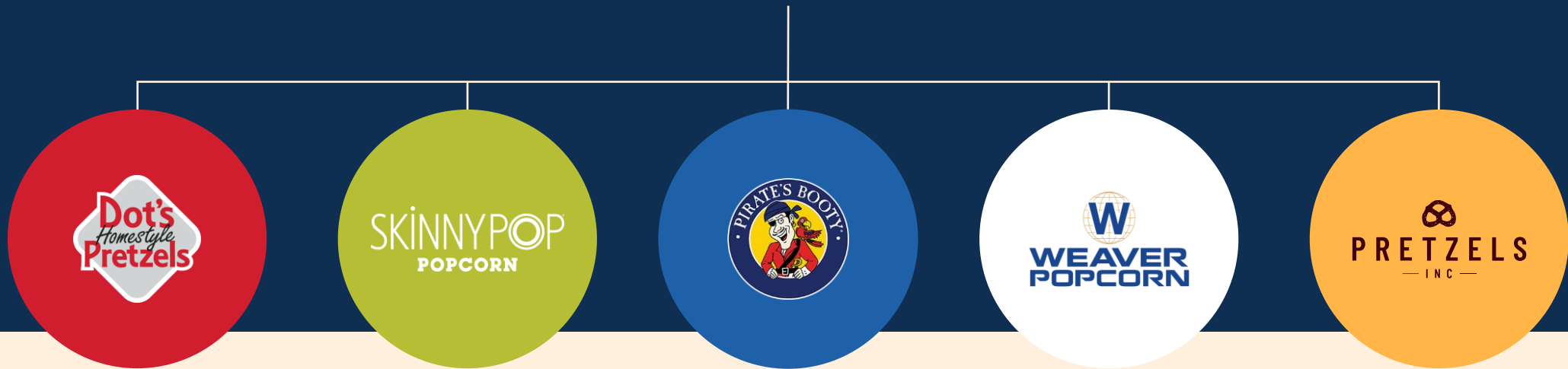
Crossing Consumer Need States

Our North America Salty Snacks Segment has transformed from strong but disparate businesses



Into a Scaled, Integrated Unit Primed for Future Growth

HERSHEY 



**Integrated
Supply Chain**



**Unified Digital
Infrastructure**

**Unlock Growth
Opportunities**

Our New Digital Infrastructure and CTO
are an important foundation
for us to build upon

**Deepak
Bhatia**

Chief Technology
Officer



Enhanced Integration
and Visibility



Greater Automation



Embedding Tech
Teams into Operations



Augmenting with
Artificial Intelligence

With these key items complete, we can embark on the next chapter

Now

- ✓ Increase innovation
- ✓ Expand media reach
- ✓ Optimize price points
- ✓ Improve market share

Future

- ✓ Reimagine innovation
- ✓ Deploy holistic commercial investment model
- ✓ Enhance price ladders and pack architecture
- ✓ Grow snacking leadership

Leverage Strong Foundation for **Long- Term Growth**



U.S. CMG Leadership



Salty Snacks Scale



Profitable International
Growth



M&A for Incrementality

Increase Agility and Efficiency



Competitive
Cost Structure



ERP Upgrade



Automation & Digital
Connectivity Across Org.

Invest in Capabilities



**Innovation and
Research & Development**

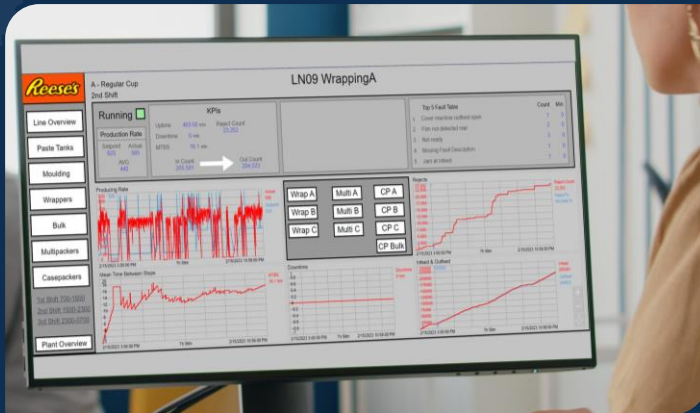


**Holistic Commercial
Management**



**Business and
Workforce Planning**

Capability Example: Supply Chain



Real-Time Data & Analytics

Optimized scheduling and maintenance to increase efficiency and unlock capacity



Enhanced Quality Control

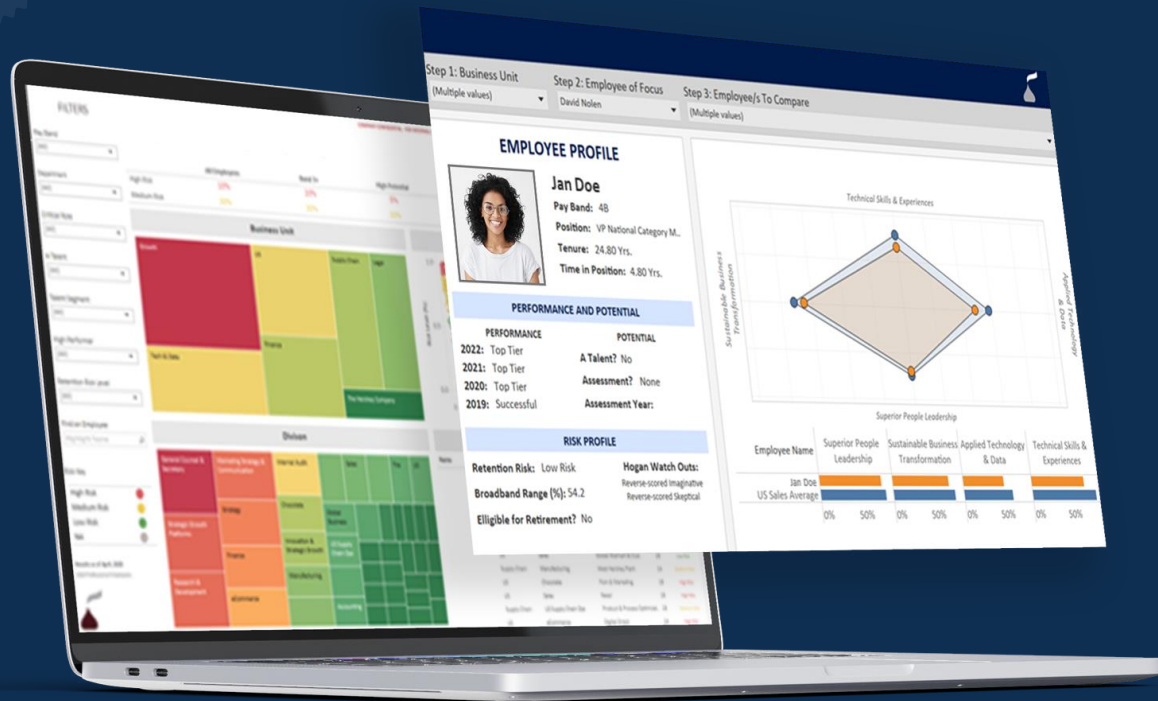
Less waste and increased traceability



Increased Automation

Robotics to improve safety, productivity, and staffing

Capability Example: Human Resources



Optimized Workforce Planning



Enhanced Total Rewards



Dynamic Pay Equity Adjustments



Real Time Continuous Learning

North America Confectionery



North America Salty Snacks



International



North America Confectionery



North America Salty Snacks

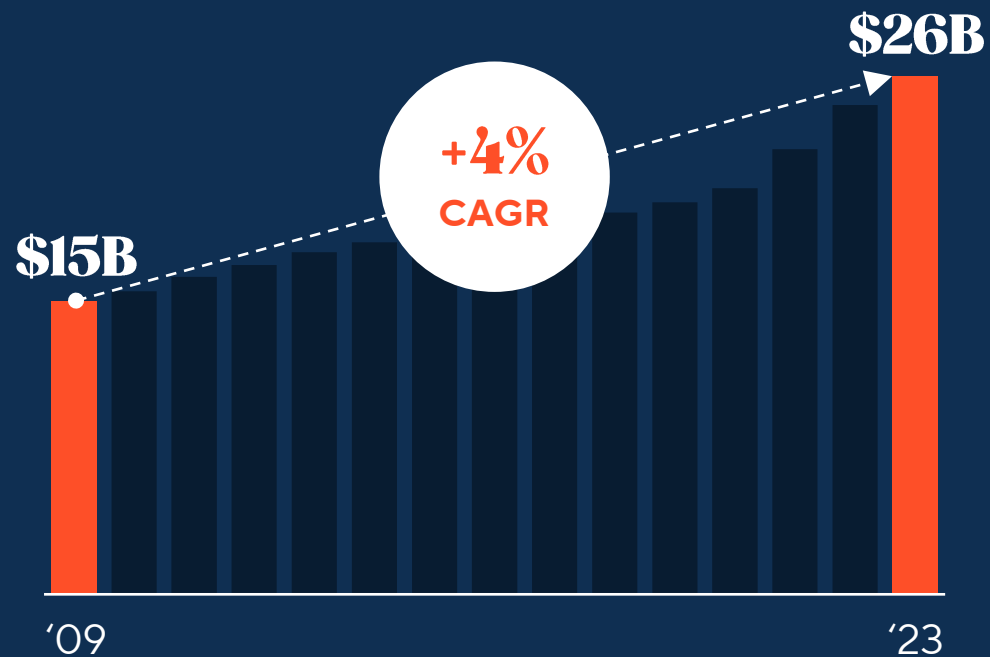


International



Great Categories, Great Brands, Stable Long-Term Growth

Consistent Positive Chocolate Segment Growth



CMG Category Strengths



Expandable
Consumption



High
Frequency

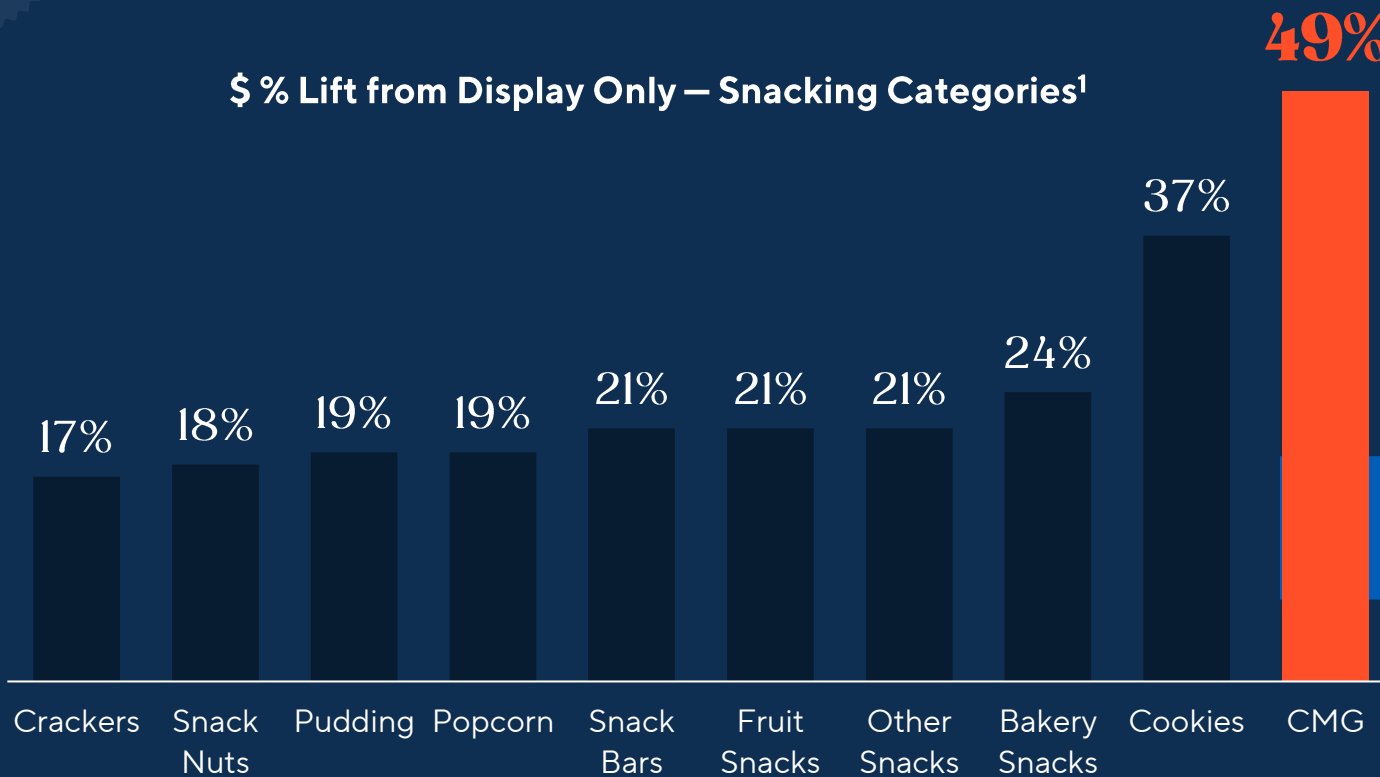


Impulsive



Highly responsive to Merchandising and Margin Accretive

\$ % Lift from Display Only – Snacking Categories¹



Better Display Lifts than any snacking or center store grocery category

With an attractive retailer margin

Key Focus Areas

North America Confectionery



1 Lead with *Reese's*

2 Win in Store

3 Accelerate Sweets

Lead with Reese's



Launching
**Consumer-Led
Innovation**



Increasing
**Media
Impressions**

~40%
higher vs. 2023¹

Unlocking
Supply Capacity

~30%
more lbs vs. 2018¹

Investing in
**Large-Scale
Activations**





Win in Store

Influencing Retail to Deliver a Unified Experience



Shaping the Shelf

Gold Standard Planogram Implemented at >85% of retailers



Evolving Transaction Zones

Queuing Solutions to Increase Engagement and Conversion



Capitalizing on Seasons

71% Household Participation¹

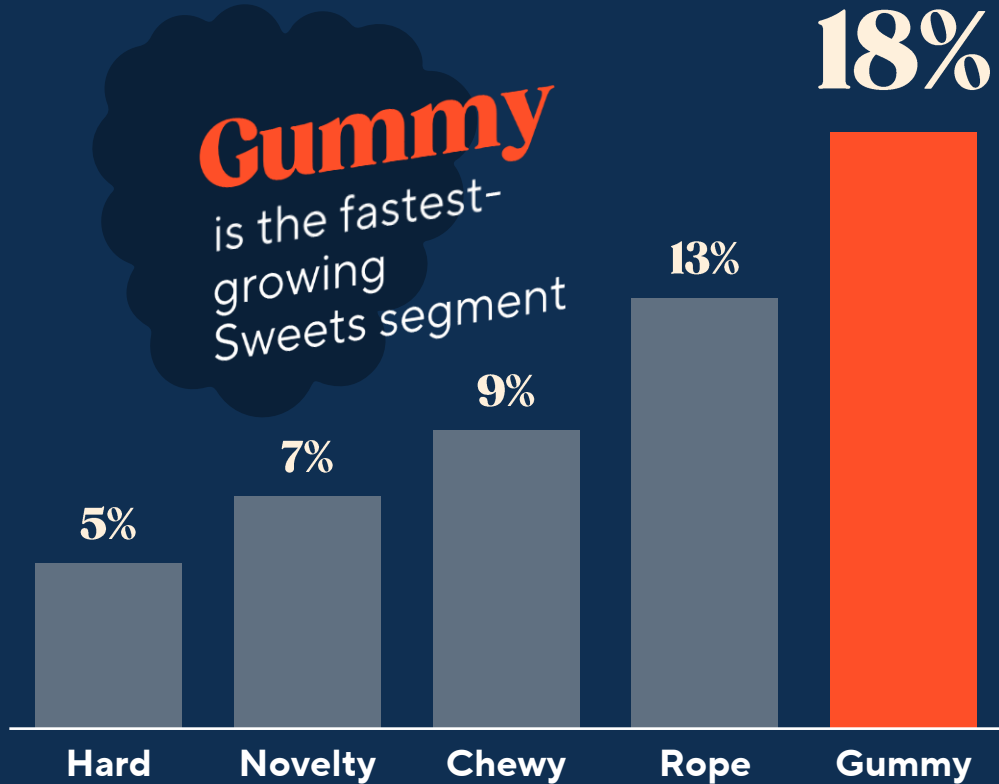


Advancing Omni

Enhancing the Experience Online and at Pickup

Accelerating Sweets Growth with Gummy

Retail Sales
Sweets Segments, 3-Year CAGR²



Gummy Capacity

+50% by **2024**¹

Supporting a record year of innovation



New
Forms



New
Flavors



New
Partnerships



New
Campaigns

Launching New Business Models

Iconic Personalities



Hershey Capabilities

Media Ad Sizzle

North America Confectionery



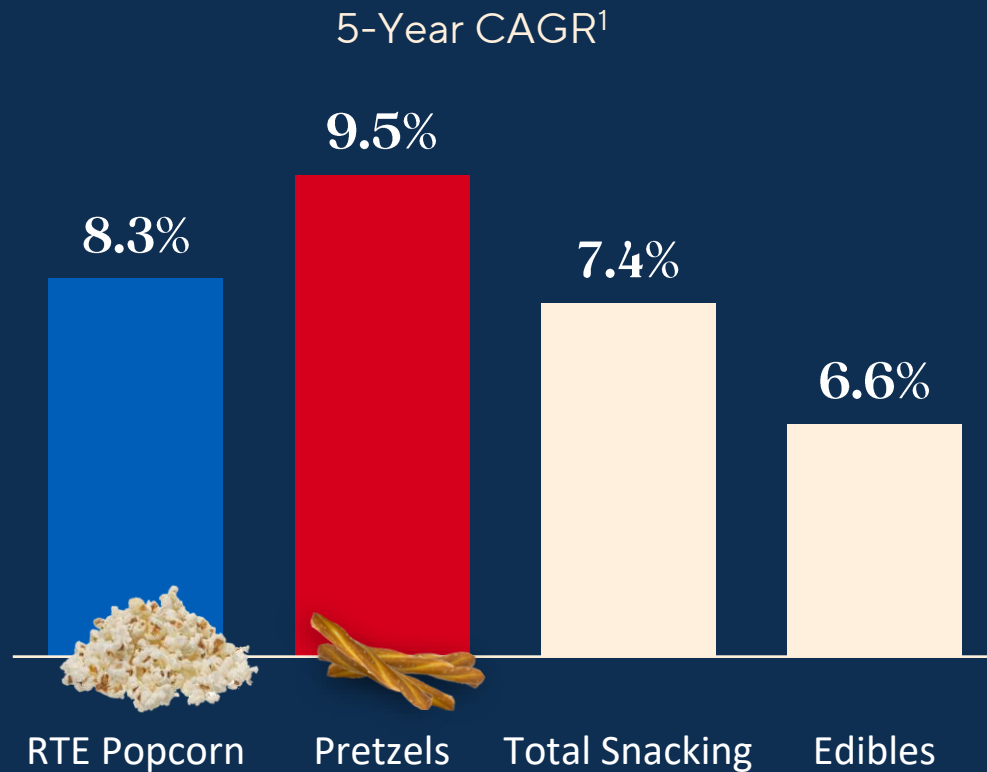
North America Salty Snacks



International

Growing Leadership in **Key Subcategories**

Brands are Scaled, Integrated and Primed to Lead



SKINNYPOP
POPCORN

#2
in RTE Popcorn²

+12.5%
5-Yr Retail Sales CAGR¹

Dot's
Homestyle
Pretzels

#2
in Pretzels²

+65.4%
5-Yr Retail Sales CAGR¹

Key Focus Areas

North America Salty Snacks



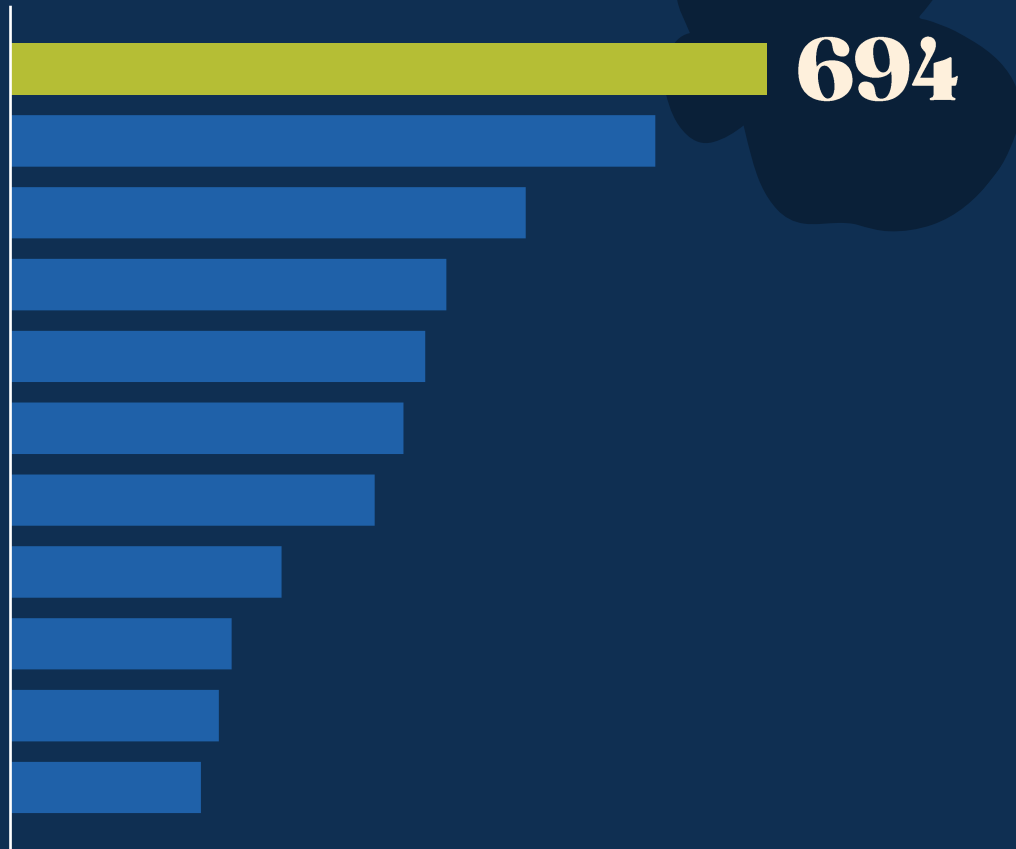
1 Increase Distribution

2 Build Brand Awareness

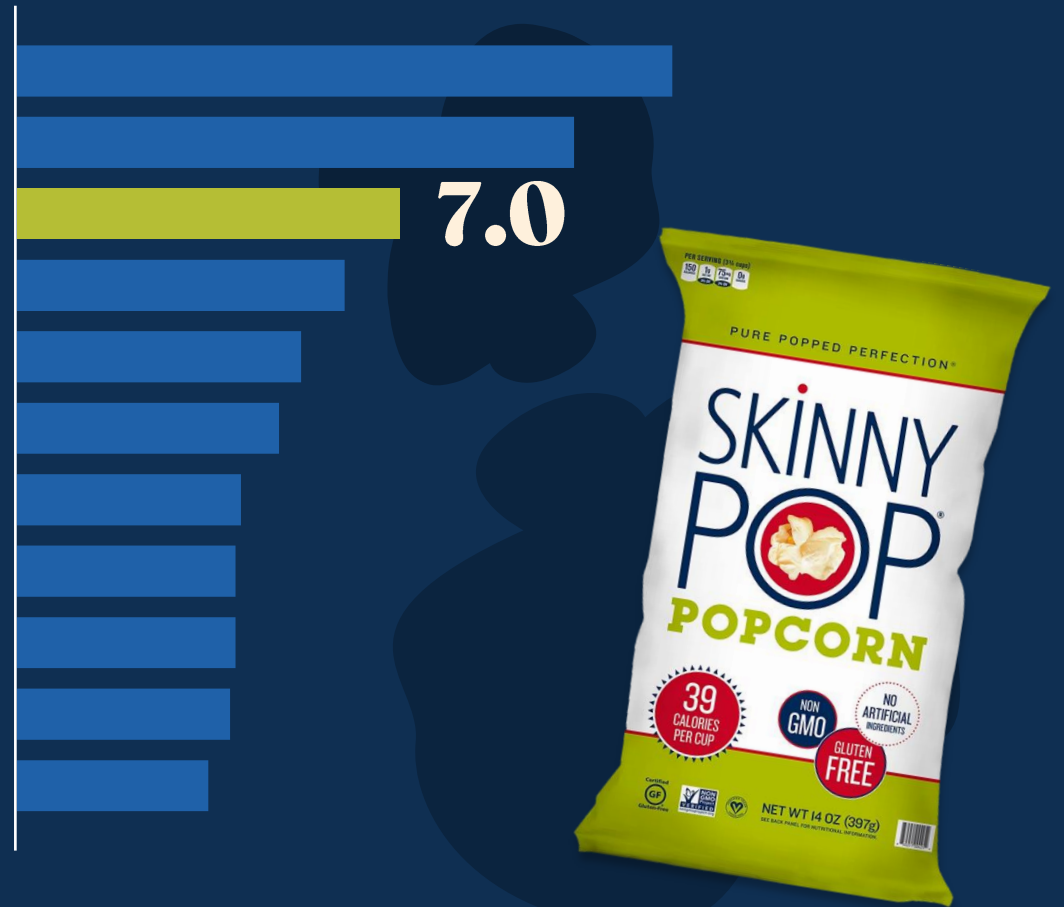
3 Price Pack Architecture

Strong Distribution Opportunities Remain

SkinnyPop is **#1** in RTE Velocity...



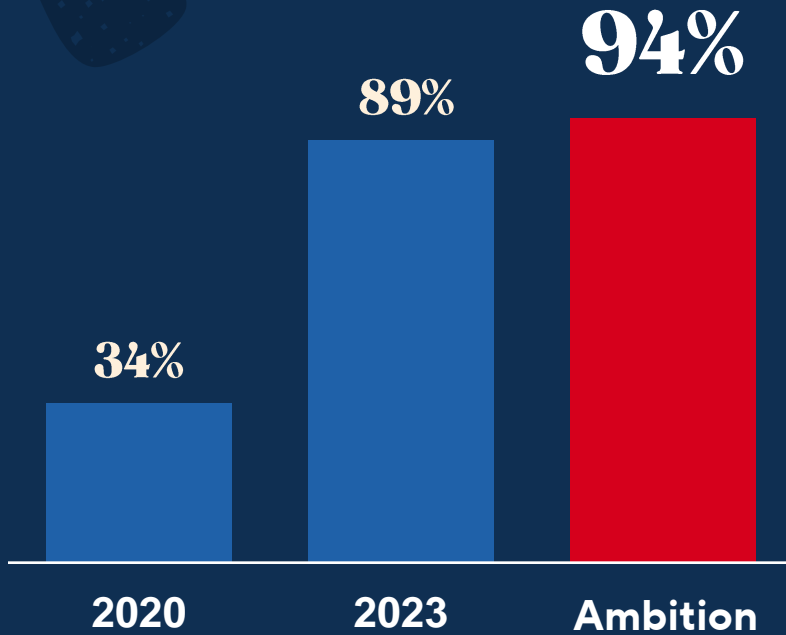
... and **#3** in Average Items per Store



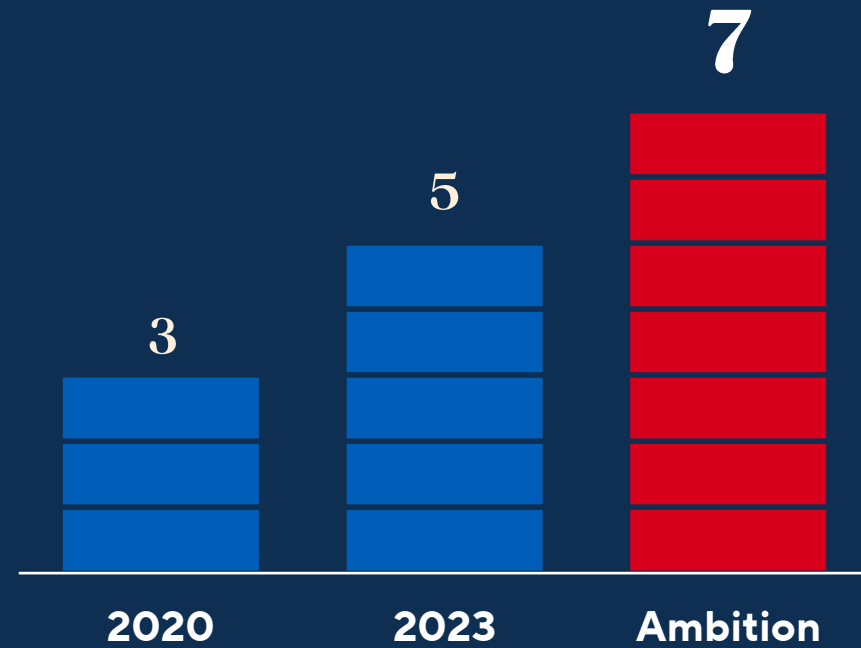


Strong Distribution Opportunities Remain

ACV%



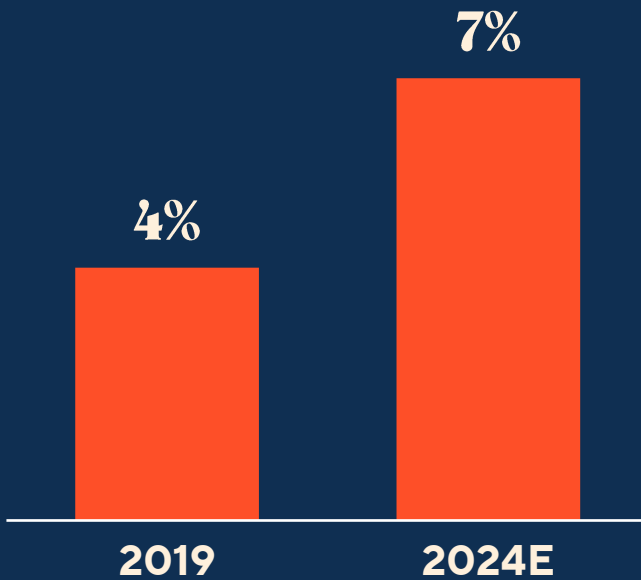
Average Items Per Store



Multiple Levers to Build Brand Awareness

Greater Investment

Marketing Investment
% of Net Sales¹



New Campaigns & Partnerships



Innovation



Price Pack Architecture to Capture New Occasions



**New Entry Level
Price Point**



**Family Size
Trade Up**



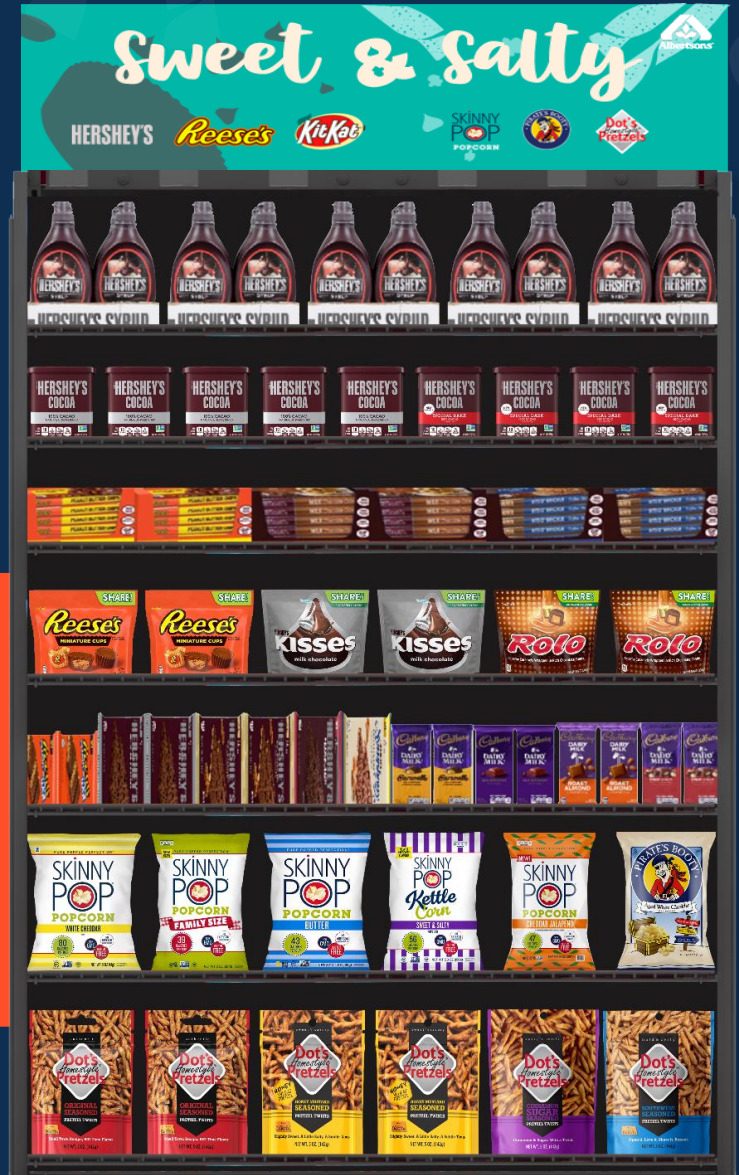
**Assorted Multipack
Offerings**

Sweet & Salty

Joint Merchandising

One-stop shop for all of our consumers' snacking needs

Maximize display velocities with even more scale brands



North America Confectionery



North America Salty Snacks



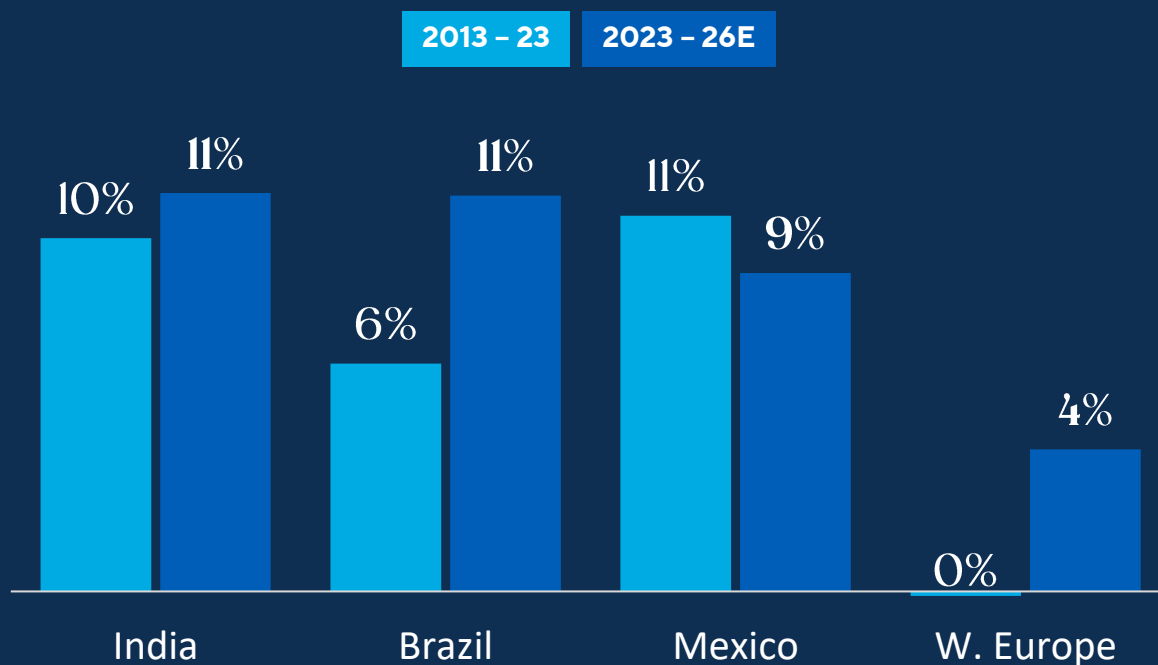
International



Disciplined Model for Growth

High Growth Markets

Chocolate Category Retail Value Growth¹



Revenue Growth

+6% '19-'23 CAGR²

Profit

+31% '19-'23 CAGR²

Key Focus Areas International



1 Build on Reese's Success

2 Advance Hershey's Global Appeal

3 Lead Spicy in Mexico

Build on Reese's Success



- ✓ Fastest growing brand in the UK for 3 straight years
- ✓ Increase distribution and merchandizing behind relevant consumer occasions
- ✓ Selective regional expansion to other markets

Advance Hershey's Global Appeal



- ✓ Distribution expansion in India and Brazil
- ✓ New occasions with innovation
- ✓ Locally relevant media

Accelerate Pelon in Mexico



- ✓ New marketing campaign
- ✓ Distribution expansion
- ✓ Value pack opportunities

North America Confectionery



North America Salty Snacks



International



On-trend
Categories



Incremental
Occasions

Scale
Brands

M&A

Strong Gross
Margins

To Accelerate Growth

Long-Term Outlook



2-4%

Net Sales Growth

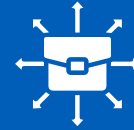


6-8%

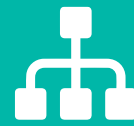
Adj. EPS Growth



Robust innovation pipeline



Optimized price pack architecture



Organization evolution to fuel growth



Technology investments to drive commercial growth



Continued capability investment and evolution



Steve Voskuil

Chief Financial Officer

Long Track Record of Delivering Strong Results

Over the last 10 years¹ ...

Average Organic
Revenue Growth

+3.7%

Average Operating
Income Growth

+7%

Average
Adjusted EPS

+10%

Average Free
Cash Flow²

+11%

Annualized TSR³

+14% vs. Food +9%

No Change to Our Key Financial Philosophies



Commercial

- Balanced price and volume growth
- Pricing to cover input cost inflation
- Productivity to offset supply chain inflation
- Maintain / increase commercial investment



Capital

- Grow dividend in line with earnings
- Disciplined capital spending
- Net leverage ratio of 1.5 – 2.0x

Capital Deployment Priorities

Strong Cash Flow Enables Reinvestment and Shareholder Value Creation

\$7B

3-Year Operating Cashflow

Capital Allocation Priority

1

Business Reinvestment

Dividend

Capital Allocation Priority
Dynamic Allocation

2

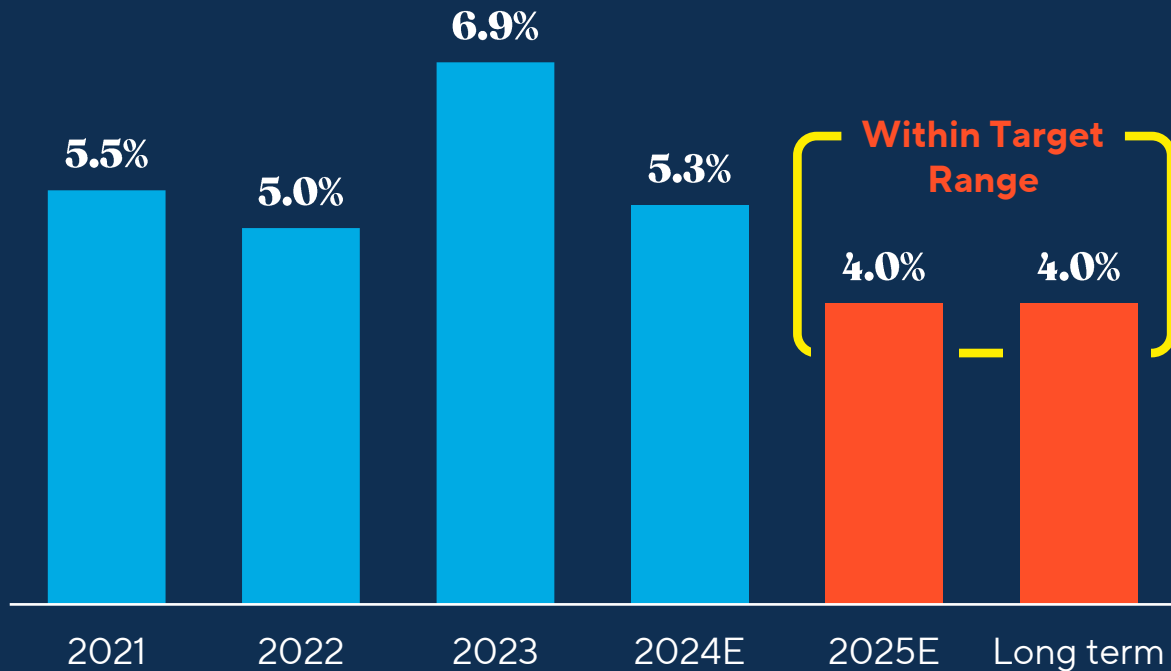
M&A

Share Buybacks

Debt Reduction

Capital Investment Normalizing

Capital Expenditures as a % of Net Sales



Capital Investment Unlocks

- ✓ Core confection capacity
- ✓ Snacking scale and optimization
- ✓ Supply Chain resilience & technology



Creates a Unified Digital Foundation

- ✓ Harmonized **business processes**
- ✓ End-to-end **supply chain visibility**
- ✓ **Faster M&A** integration
- ✓ **AI- and automation-enabled** data strategies
- ✓ **Enhanced collaboration** with suppliers and customers
- ✓ Support for new and emerging **commercial strategies**

ERP System Upgrade Success in Mexico & Salty increases Confidence for U.S.



Sep 2022



Oct 2023

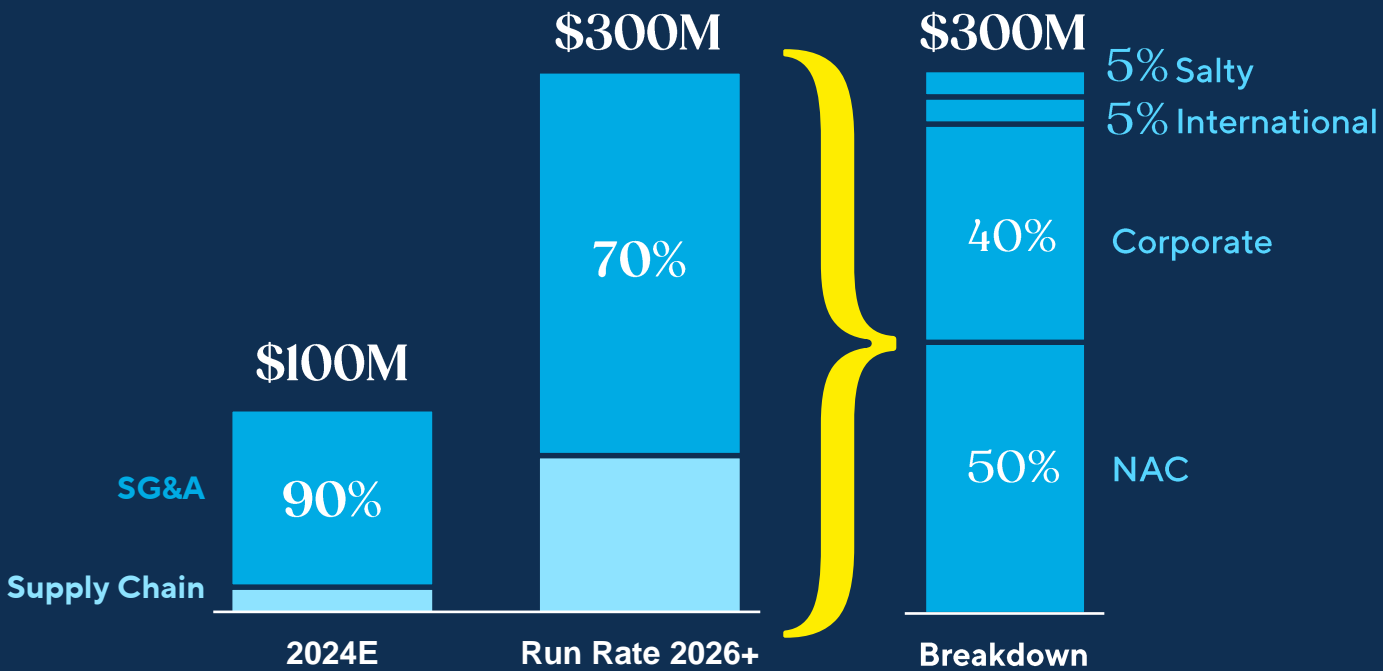


Apr 2024

Advancing Automation and Agility Initiative

- 1 Digitize and automate
- 2 Optimize procurement and manufacturing
- 3 Capture capability synergies across segments
- 4 Accelerate capability investments in innovation, R&D, and planning
- 5 Increase organizational effectiveness

Expected Program Net Savings



Reaffirming 2024 Outlook



2-3%

Reported Net Sales Growth



Flat

Reported Earnings Per Share Growth



Flat

Adjusted Earnings Per Share Growth

Q&A

Reconciliation of GAAP and Non-GAAP Information

Organic, Constant Currency Net Sales Growth

Reconciliation of GAAP and Non-GAAP Information

For the year ended December 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Components of Net Sales Growth										
Percentage Change as Reported	3.9%	-0.5%	0.7%	1.0%	3.7%	2.5%	2.0%	10.1%	16.1%	7.2%
Impact of Foreign Currency Exchange	-0.7%	-1.6%	-0.7%	0.2%	-0.2%	-0.3%	-0.5%	0.4%	-0.2%	0.2%
Impact of Acquisitions/Divestitures	0.8%	1.0%	0.6%	0.3%	3.6%	1.0%	0.5%	1.0%	4.3%	0.0%
Percentage Change on Organic Constant Currency Basis	3.9%	0.1%	0.8%	0.5%	0.3%	1.8%	2.0%	8.7%	12.0%	7.0%

Reconciliation of GAAP and Non-GAAP Information

Year-ending: December 31, 2023

In Millions of Dollars Except Per Share Amounts	Gross Profit	Operating Profit	Interest-Expense, Net	Net Income	Income Per Share-Diluted
GAAP results	\$ 4,997.8	\$2,560.9	\$151.8	\$1,861.8	\$9.06
Adjustments:					
Derivative mark-to-market losses	58.9	58.9	-	48.7	0.29
Business realignment activities	0.5	3.4	-	2.7	0.01
Acquisition and integration-related activities	(1.7)	75.9	-	57.6	0.37
Other miscellaneous losses	-	-	-	-	-
Tax effect of all adjustments reflected above	-	-	-	-	(0.14)
Non-GAAP results	\$5,055.5	\$2,699.1	\$151.8	\$1,970.8	\$9.59

Reconciliation of GAAP and Non-GAAP Information

Year-ending: December 31, 2022

In Millions of Dollars Except Per Share Amounts	Gross Profit	Operating Profit	Interest-Expense, Net	Net Income	Income Per Share-Diluted
GAAP results	\$ 4,498.8	\$ 2,260.8	\$ 137.6	\$ 1,644.8	\$ 7.96
Adjustments:					
Derivative mark-to-market losses	78.8	78.2	-	64.7	0.38
Business realignment activities	-	4.4	-	3.3	0.02
Acquisition and integration-related activities	4.0	48.5	-	37.0	0.24
Other miscellaneous losses	-	13.6	-	10.3	0.07
Tax effect of all adjustments reflected above	-	-	-	-	(0.15)
Non-GAAP results	\$ 4,581.6	\$ 2,405.4	\$ 137.6	\$ 1,760.1	\$ 8.52

Reconciliation of GAAP and Non-GAAP Information

Year-ending: December 31, 2021

In Millions of Dollars Except Per Share Amounts	Gross Profit	Operating Profit	Interest-Expense, Net	Net Income	Income Per Share-Diluted
GAAP results	\$ 4,048.6	\$ 2,043.7	\$ 127.4	\$ 1,477.5	\$ 7.11
Adjustments:					
Derivative mark-to-market gains	(24.4)	(24.4)	-	(15.2)	(0.12)
Business realignment activities	5.2	16.6	-	13.5	0.09
Acquisition and integration-related activities	2.7	33.1	-	25.5	0.16
Noncontrolling interest share of business realignment and impairment charges	-	-	-	5.3	0.03
Other miscellaneous benefits	-	(15.2)	-	(13.7)	(0.07)
Tax effect of all adjustments reflected above	-	-	-	-	(0.01)
Non-GAAP results	\$ 4,032.1	\$ 2,053.9	\$ 127.4	\$ 1,492.8	\$ 7.19

Reconciliation of GAAP and Non-GAAP Information

Year-ending: December 31, 2020

In Millions of Dollars Except Per Share Amounts	Gross Profit	Operating Profit	Interest-Expense, Net	Net Income	Income Per Share-Diluted
GAAP results	\$ 3,701.3	\$ 1,782.7	\$ 149.4	\$ 1,278.7	\$ 6.11
Adjustments:					
Derivative mark-to-market losses	6.4	6.4	-	5.1	0.03
Business realignment activities	2.2	31.5	-	24.0	0.15
Acquisition-related costs	-	3.6	-	2.8	0.03
Pension settlement charges relating to Company-directed initiatives	-	-	-	2.6	0.02
Long-lived asset impairment charges	-	9.1	-	8.8	0.04
Noncontrolling interest share of business realignment and impairment charges	-	-	-	(3.4)	(0.02)
Other miscellaneous benefits	-	(3.2)	-	(2.4)	(0.01)
Tax effect of all adjustments reflected above	-	-	-	-	(0.06)
Non-GAAP results	\$ 3,709.9	\$ 1,830.2	\$ 149.4	\$ 1,316.2	\$ 6.29

Reconciliation of GAAP and Non-GAAP Information

Year-ending: December 31, 2019

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

Reconciliation of GAAP and Non-GAAP Information

Year-ending: December 31, 2018

In Millions of Dollars Except Per Share Amounts	Gross Profit	Operating Profit	Interest-Expense, Net	Net Income	Income Per Share-Diluted
GAAP results	\$ 3,575.3	\$ 1,623.7	\$ 138.8	\$ 1,177.6	\$ 5.58
Adjustments:					
Derivative mark-to-market gains	(168.3)	(168.3)	-	(152.5)	(0.80)
Business realignment activities	11.3	51.8	-	38.9	0.25
Acquisition-related costs	6.2	44.8	-	35.7	0.21
Pension settlement charges relating to Company-directed initiatives	-	-	-	4.1	0.03
Long-lived and intangible asset impairment charges	-	57.7	-	41.9	0.27
Impact of U.S. tax reform	-	-	-	(7.8)	-
Noncontrolling interest share of business realignment and impairment charges	-	-	-	(6.3)	(0.03)
Gain on sale of licensing rights	-	(2.7)	-	(1.5)	(0.01)
Tax effect of all adjustments reflected above	-	-	-	-	(0.14)
Non-GAAP results	\$ 3,424.6	\$ 1,607.1	\$ 138.8	\$ 1,130.1	\$ 5.36

Reconciliation of GAAP and Non-GAAP Information

Year-ending: December 31, 2017

In Millions of Dollars Except Per Share Amounts	Gross Profit	Operating Profit	Interest-Expense, Net	Net Income	Income Per Share-Diluted
GAAP results	\$ 3,455.4	\$ 1,313.4	\$ 98.3	\$ 783.0	\$ 3.66
Adjustments:					
Derivative mark-to-market gains	(35.3)	(35.3)	-	(30.5)	(0.16)
Business realignment activities	5.1	69.4	-	51.0	0.33
Acquisition-related costs	-	0.3	-	0.2	-
Pension settlement charges relating to Company-directed initiatives	-	-	-	6.8	0.05
Long-lived and intangible asset impairment charges	-	208.7	-	185.4	0.98
Impact of U.S. tax reform	-	-	-	32.5	-
Noncontrolling interest share of business realignment and impairment charges	-	-	-	(26.8)	(0.13)
Tax effect of all adjustments reflected above	-	-	-	-	(0.04)
Non-GAAP results	\$ 3,425.2	\$ 1,556.5	\$ 98.3	\$ 1,001.5	\$ 4.69

Reconciliation of GAAP and Non-GAAP Information

Year-ending: December 31, 2016

In Millions of Dollars Except Per Share Amounts	Gross Profit	Operating Profit	Interest-Expense, Net	Net Income	Income Per Share-Diluted
GAAP results	\$ 3,169.5	\$1,255.2	\$90.1	\$720.0	\$3.34
Adjustments:					
Derivative mark-to-market gains	163.2	163.2	-	142.7	0.76
Acquisition and integration costs	-	6.5	-	4.0	0.03
Business realignment activities	58.1	93.9	-	79.9	0.43
Pension settlement charges relating to Company-directed initiatives	-	-	-	8.5	0.06
Goodwill and other intangible asset impairment	-	4.2	-	3.0	0.02
Settlement of Shanghai Golden Monkey Liability	-	-	-	(26.7)	(0.12)
Tax effect of all adjustments reflected above	-	-	-	-	(0.19)
Non-GAAP results	\$ 3,390.9	\$1,523.0	\$90.1	\$931.6	\$4.33

Reconciliation of GAAP and Non-GAAP Information

Year-ending: December 31, 2015

In Millions of Dollars Except Per Share Amounts	Gross Profit	Operating Profit	Interest-Expense, Net	Net Income	Income Per Share-Diluted
GAAP results	\$ 3,386.6	\$1,075.8	\$105.8	\$513.0	\$2.32
Adjustments:					
Acquisition and integration costs	7.3	20.9	1.6	14.2	0.05
Business realignment activities	8.8	110.8	-	73.0	0.33
Pension settlement charges relating to Company-directed initiatives	-	-	-	6.3	0.03
Goodwill and other intangible asset impairment	-	280.8	-	280.8	1.28
Loss on early extinguishment of debt	-	-	28.3	17.6	0.09
Gain on sale of trademark	-	-	-	(6.3)	(0.03)
Non-GAAP results	\$3,402.7	\$1,488.3	\$135.7	\$898.6	\$4.07

Reconciliation of GAAP and Non-GAAP Information

Year-ending: December 31, 2014

In Millions of Dollars Except Per Share Amounts	Gross Profit	Operating Profit	Interest-Expense, Net	Net Income	Income Per Share-Diluted
GAAP results	\$ 3,336.2	\$1,392.3	\$(83.5)	\$846.9	\$3.77
Adjustments:					
Acquisition and integration costs	-	14.9	(1.6)	10.3	0.05
Business realignment, including PNC	1.6	12.0	-	8.3	0.33
NSRPE(1)	(2.7)	(1.8)	-	(1.3)	(0.01)
India impairment	-	15.9	-	14.3	0.06
Loss on anticipated Mauna Loa divestiture	-	22.2	-	17.4	0.08
Non-GAAP results	\$3,335.1	\$1,455.5	\$(85.1)	\$895.9	\$3.98

Reconciliation of GAAP and Non-GAAP Information

Year-ending: December 31, 2013

In Millions of Dollars Except Per Share Amounts	Gross Profit	Operating Profit	Interest-Expense, Net	Net Income	Income Per Share-Diluted
GAAP results	\$ 3,280.8	\$1,338.1	\$(88.4)	\$820.5	\$3.61
Adjustments:					
Acquisition and integration costs	0.3	4.0	-	5.4	0.03
Business realignment, including PNC	0.4	19.1	-	11.8	0.05
NSRPE(1)	5.4	10.9	-	6.6	0.03
Non-GAAP results	\$3,286.9	\$1,372.1	\$(88.4)	\$844.3	\$3.72