HERSHEY

CAGNY 2022 Conference

February 24, 2022
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 risks and uncertainties. Because actual results may differ materially from those contained in the forward-looking statements, you should not place undue reliance on the forward-looking statements when deciding whether to buy, sell or hold the company’s securities. Factors that could cause results to differ materially include, but are not limited to: risks related to the impact of the COVID-19 global pandemic on our business, suppliers, distributors, consumers, customers, and employees; the scope and duration of the pandemic; government actions and restrictive measures implemented in response to the pandemic, including the distribution of vaccinations and continuation of social distancing guidelines and stay at home orders; disruptions or inefficiencies in our supply chain due to the loss or disruption of essential manufacturing or supply elements or other factors; issues or concerns related to the quality and safety of our products, ingredients or packaging, human and workplace rights, and other environmental, social or governance matters; risks associated with climate change and other environmental impacts; 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, 2021. All information in this presentation is as of February 24, 2022. 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.

HERSHEY
Key Takeaways

We had a strong foundation pre-pandemic

We invested and further transformed our business over the past 2 years

We are well positioned to deliver advantaged results in the future
Execution + Transformation

2017
- Reignite confection growth
- Accelerate diversification
- Transform the operating model

2021
- +4.1% 4-Year Retail Sales CAGR
- Category Share +100bps
- 5 brands acquired
  ~$1B retail sales, with growth of ~30% in 2021
- International profit +~$120M vs ‘17
- Faster decision-making
- Enhanced talent development
- Expanded ESG commitments

Source: IRI 5 years ending 12/31/21, Hershey Financials
Strong Foundation

Beloved Brands in Great Categories

2 of the most loved brands in the U.S.

#2 in U.S. Snacking

+4% Projected Category Growth

Advantaged Capabilities

#1 Sales, Category Management and Supply Chain

Agile and efficient content development

Advanced Targeting and Media Analytics

Leading Financials

#1 Gross Margin in S&P Food

#1 Operating Profit Margin in S&P Food

93% 3-YR Cumulative Total Shareholder Return, 2.3xS&P Food Average

Source: Syn-qrinus Nov ’20 Survey, IRI ending 12/31/21, Euromonitor, Kantar Retail Survey, Hershey Financials, Factset S&P Food Group Results
Winning Formula

A Growing Portfolio of Beloved Brands

Unmatched Capabilities Connecting Us to Consumers

A Dynamic Workforce Leading Us Forward

The Long-Term View Guiding Our Growth

Making more moments of goodness
A GROWING PORTFOLIO OF BELOVED BRANDS
Investing in the Core

- Growth across occasions and channels
- Innovative marketing
- Space expansion
- Enhanced revenue management
Capturing Incremental Occasions

Better-For-You Confection
Pack-type Innovation
Salty Snacks Expansion
UNMATCHED CAPABILITIES
CONNECTING US TO CONSUMERS
Advancing Capabilities to Drive Differentiated Performance

Supply Chain

Customers

Consumers

Analytics & Digital Infrastructure

Integrated Dynamic Planning
Agile, Efficient Supply Chain
Incremental Capacity

Category Insights & Strategies
Macro Space Planning
Omni-Channel Activation

Consumer Intelligence
Agile Media Targeting
Strategic Revenue Growth Management
Agile and Reliable Supply Chain

- Resilient, growing team
- Disciplined investments in capacity
- Enhanced automation and technology

Record Production
in 2021

Manufacturing lines
in 3 years

+7

Distribution & fulfillment
centers in 2 years

+2
Sophisticated Media Targeting to Better Reach Our Consumers

- **Partnerships**: Strategic data and technology partnerships
- **Proprietary Targeting**: Anonymized consumer data and purchasing pattern
- **Test & Measurement**: Advanced in-market testing/optimization, Sales-based measurement tools

+5% increase in Media ROI

Source: Hershey Financials
Bringing this Capability to Life

Household Information

Purchase Data

Targeting

Family

Single

All product names, logos, brands, and trademarks noted on this slide are property of their respective owners.
A DYNAMIC WORKFORCE
LEADING US FORWARD
Investing in People

Continuous listening

Improving total rewards package

Enhancing training and development

Creating greater flexibility
Taking Action to Increase Diversity and Inclusion

Hershey

Enhancing hiring and development programs

Stakeholders

New goals for diverse suppliers
Increasing partnership and community support

Transparency

Strengthening commitments and disclosures

Forbes 2021 World’s Top Female Friendly Companies

DiversityInc 2021 Top 50 Companies for Diversity

The Civic 50

Best Places to Work 2021 for LGBTQ Equality

100% Corporate Equality Index
THE LONG-TERM VIEW
GUIDING OUR GROWTH
Differentiated Relationships
Across The Value Chain

Farmers
Suppliers
Employees
Retailers
Focused Advancement in Our ESG Priorities

Cocoa
Responsible Sourcing & Human Rights
Environment
People
Youth
Community

Scaling our cocoa programs to achieve our commitments
Strengthening our environmental agenda
Further embedding ESG into our business strategy and operations
Steve Voskuil
Chief Financial Officer
Advantaged Financial Structure

Growing categories, leading margins, reliable earnings growth

Strong balance sheet with portfolio optionality

Peer-leading value to shareholders
Investing in the Business for Long-term Growth

**Boost Consumer and Retailer Support**
- Industry leading advertising levels
- Proprietary retail sales force

**Build a Resilient Supply Chain**
- Increased manufacturing capacity
- Enhanced automation and technology

**Scale High Growth, High Margin Acquisitions**
- Incremental occasions focused on permissibility
- Acquired snacking manufacturing capabilities
Proven Track Record of Profit Margin Expansion

- Price Realization
- Volume Growth
- Productivity
- New Manufacturing Capabilities
- Network Optimization
- Capabilities driving SG&A efficiencies
- Snacking Scale

Adjusted Operating Profit Margin %

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2015</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>17.7</td>
<td>20.0</td>
<td>22.5</td>
<td>22.9</td>
</tr>
</tbody>
</table>

Source: Hershey Financials; See Appendix for a reconciliation of GAAP to Adjusted Operating Profit Margin
Consistent, on-Algorithm Earnings Growth

Hershey Adjusted EPS Growth

Long-Term Target

+6–8%

ADJUSTED EARNINGS PER SHARE

10 YR CAGR  9.8%
5 YR CAGR  10.3%
2021  14.3%
2022E  9–11%

Source: Hershey Financials; See Appendix for a Reconciliation of GAAP to Adjusted EPS
Elevated CAPEX Focused on Key Growth Drivers

Core Confection Capacity

Snacking Scale & Optimization

Supply Chain Resilience
Healthy Cash Flow Enables Strong Investment and Shareholder Returns

3-YR Operating Cash Flow

$5.5B

~60% Business Investment
- $1.3B capital expenditures
- $2.0B on acquisitions

~40% Cash Returned to Shareholders
- $2.4B cash returned to shareholders
- 93% 3-Year Cumulative Total Shareholder Return

Source: Hershey Financials, Investment outpaced cash flow as leverage increased slightly
All-time High Stock Price

$143

Jan ‘20

$204

Feb ‘22

43%

HERSHEY

Source: Factset

HSY Stock Price Appreciation
Michele Buck
Chief Executive Officer
Confidence in Long-term Growth

- Balanced innovation
- Enhanced price-pack architecture
- More diversification in high-growth segments
- Supply chain scale and adaptability
- Investment in people, capabilities, and technology

2–4% Net Sales Growth
6–8% Adj. EPS Growth
Reconciliation of GAAP and Non-GAAP Information

For the year ended December 31, 2021

<table>
<thead>
<tr>
<th>In millions of dollars except per share amounts</th>
<th>Gross Profit</th>
<th>Operating Profit</th>
<th>Interest Expense, net</th>
<th>Net Income</th>
<th>Income Per Share-Diluted</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP results</td>
<td>$ 4,048.6</td>
<td>$ 2,043.7</td>
<td>$ 127.4</td>
<td>$ 1,477.5</td>
<td>$ 7.11</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Derivative mark-to-market gains</td>
<td>(24.4)</td>
<td>(24.4)</td>
<td>--</td>
<td>(15.2)</td>
<td>(0.12)</td>
</tr>
<tr>
<td>Business realignment activities</td>
<td>5.2</td>
<td>16.6</td>
<td>--</td>
<td>13.5</td>
<td>0.09</td>
</tr>
<tr>
<td>Acquisition-related costs</td>
<td>2.7</td>
<td>33.1</td>
<td>--</td>
<td>25.5</td>
<td>0.16</td>
</tr>
<tr>
<td>Noncontrolling interest share of business</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>5.3</td>
<td>0.03</td>
</tr>
<tr>
<td>realignment and impairment charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other miscellaneous benefits</td>
<td>--</td>
<td>(15.2)</td>
<td>--</td>
<td>(13.7)</td>
<td>(0.07)</td>
</tr>
<tr>
<td>Tax effect of all adjustments reflected above</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>-</td>
<td>(0.01)</td>
</tr>
<tr>
<td>Non-GAAP results</td>
<td>$ 4,032.1</td>
<td>$ 2,053.9</td>
<td>$ 127.4</td>
<td>$ 1,492.8</td>
<td>$ 7.19</td>
</tr>
</tbody>
</table>

For the year ended December 31, 2021

As reported operating profit margin 22.8%
Non-GAAP operating profit margin (1) 22.9%

(1) Calculated as non-GAAP operating profit as a percentage of net sales for the period presented.
Reconciliation of GAAP and Non-GAAP Information

For the year ended December 31, 2020

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

For the year ended December 31, 2020

| As reported operating profit margin          | 21.9%        |
| Non-GAAP operating profit margin (1)         | 22.5%        |

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