



HERSHEY'S

# Investor Day 2023

HERSHEY, PA

MARCH 22, 2023

# Enterprise Strategies

**Michele Buck**  
Chief Executive Officer



**HERSHEY**

**WHO  
WE  
ARE**

**Great Brands**

**Advantaged Financial  
Structure**

**Best People**

**Differentiated Capabilities  
& Executional Excellence**

WE SET OUT TO DO  
**more...**

...FOR OUR **portfolio**

...FOR OUR **capabilities**

...FOR OUR **people**

...FOR OUR **customers**

...FOR OUR **environment**

...FOR OUR **shareholders**



ONE OF THE  
**Strongest**  
**Snacking Portfolios**  
IN THE INDUSTRY



# While Delivering Differentiated Results

## Net Sales 5-Year CAGR<sup>1</sup>



## Adjusted EPS 5-Year CAGR<sup>1</sup>



<sup>1</sup> Net Sales and adjusted EPS are presented on a calendar-year basis.

Source: Factset, Company Financials, see appendix for a reconciliation of GAAP to Adjusted EPS

# Generated Peer-leading Market Performance

## Market Performance

Stock Price Index to 12/31/2017



HSY STOCK PRICE CHANGE **+104%**

TO ACHIEVE THIS VISION,  
**Our Fundamental Strategies**  
REMAIN THE SAME



UNDISPUTED LEADER  
**U.S. CMG**



SCALE  
**Salty Snacks**



PROFITABLE GROWTH IN  
**International**



INCREMENTALITY VIA  
**M&A**

**A Leading Snacking Powerhouse**



# Balanced Growth Drivers

## PROVIDE DIFFERENTIATION

**Sweet**



**SALTY**

**Power  
Brands**



**NICHE  
FAVORITES**

**U.S.**



**INTER-  
NATIONAL**

**Everyday**



**SEASON**

**At Home**



**ON-THE-GO**

# Continue to Focus on Confection and Salty Snacks



## Drive Confection Incrementality

Drive Chocolate and Expand BFY & Sweets

Deliver Price Realization

Optimize Consumer Investment

## Scale Salty Snacks

Increase Brand Awareness

Expand Distribution

Scale Operating Model

## Profitable International Growth

Focus on Core Brands

Expand Distribution

Drive Adjacencies

# M&A TO ACCELERATE GROWTH

- ✓ On-trend Categories
- ✓ Scale Brands
- ✓ Incremental Occasions
- ✓ Strong Gross Margins



# U.S. Confection Leader

## Leading Position



CMG  
31%<sup>1</sup>

Chocolate  
45%<sup>1</sup>

## Gaining Share

HERSHEY'S

+60 bps<sup>2</sup>

Top 5  
Competitors Combined

-215 bps<sup>2</sup>



# We Aspire to **LEAD** in Popcorn and Pretzels



FROM  
#2 TO #1

## popcorn



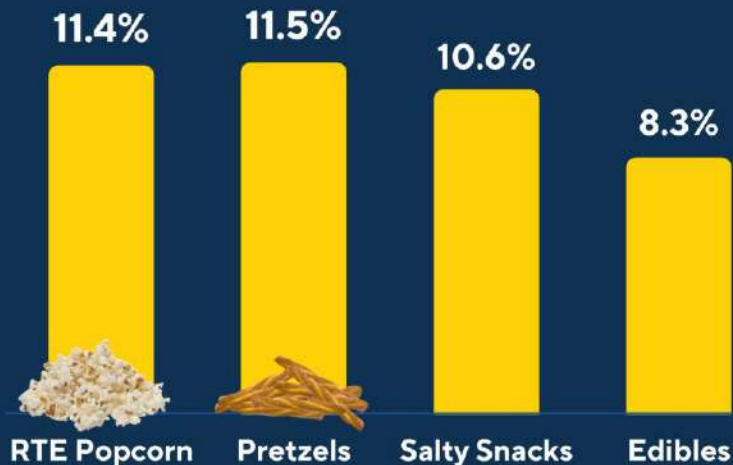
FROM  
#3 TO #1

## pretzels

# We are Positioned to Win

## Categories are Primed for Growth

Retail Sales 3-Year CAGR<sup>1</sup>



Retail  
Sales<sup>2</sup>

\$2B

\$2B

\$35B

\$685B

## Brands are Scaled, Fast-growing

SKINNYPOP  
POPCORN

\$495M<sup>2</sup>

#1 in Dollar  
Growth  
Over 3-Years



\$335M<sup>2</sup>

Fastest-Growing  
Pretzel Brand  
Over 3-Years

# Financial Outlook & Capital Allocation Priorities

**Steve Voskuil**  
Chief Financial Officer



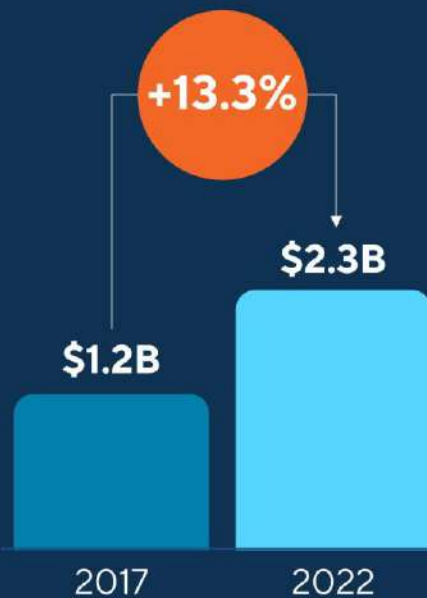
5-YEAR CAGR

## Proven Track Record

### Adjusted Earnings Per Share



### Operating Cash Flow



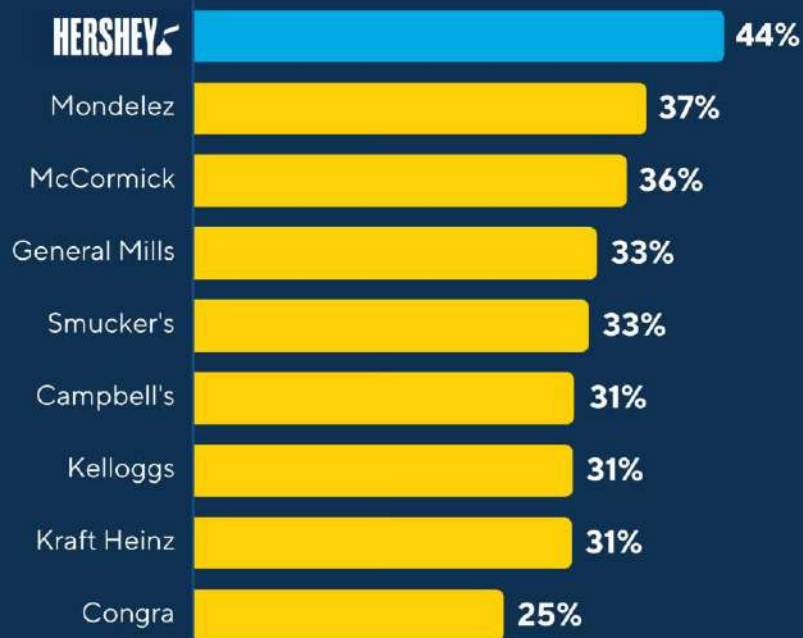
### Dividend Per Share



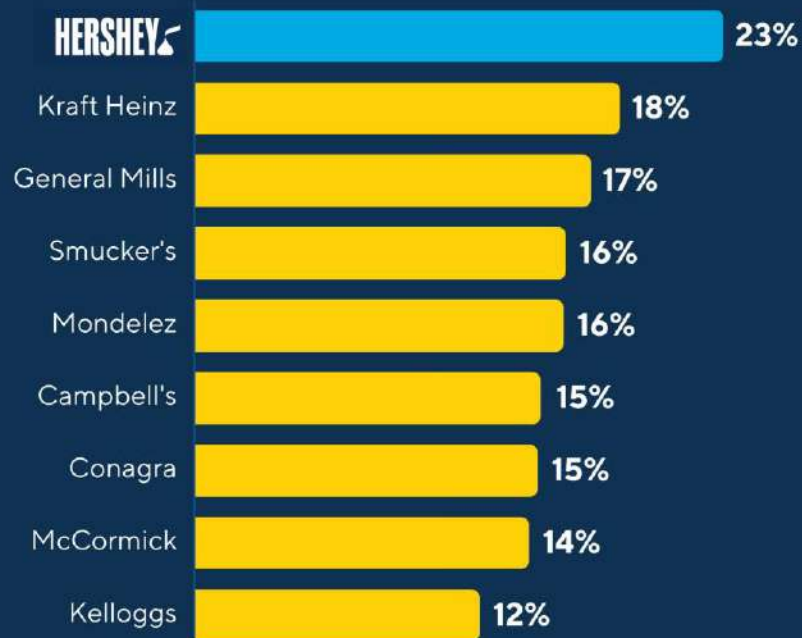


# Leading Margins

## Adjusted Gross Margin Calendar Year 2022



## Adjusted Operating Margin Calendar Year 2022



# Strong Cash Flow Conversion

Cash Flow from Operations (\$ Billion)



Free Cash Flow Productivity<sup>1</sup>



## Focused Effort on Working Capital Improvement



Expand Processes  
to Salty Snacks



Extended Payment  
Terms with Suppliers



Optimize Inventory Levels

<sup>1</sup> Free Cash Flow Productivity is defined as [Free Cash Flow / Net Income].

Source: Company Financials

# A Great Investment

**Growing Categories**

**Volume & Price Growth**

**Leading Margin Performance**

**Strong Cash Flow**

**Disciplined Capital Allocation**

## Total Shareholder Return

5-Year Annualized Return

**HERSHEY**

**17.8%**

**Market**

**9.4%**

**Food**

**6.6%**

## Reaffirming 2023 Outlook

**6-8%**

Reported Net  
Sales growth

**11-15%**

Reported Earnings Per  
Share Growth

**9-11%**

Adjusted Earnings Per  
Share Growth



DELIVERING  
**more...**

**KEEP THE  
MOMENTUM  
GOING**

**INVEST  
DIFFERENTIALLY  
& PRAGMATICALLY**

**EXECUTE AND  
TRANSFORM**

**Deliver Peer-leading Shareholder Return**

# The Transformation

## Before / After Versions

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A sample of slides shown



Before



After



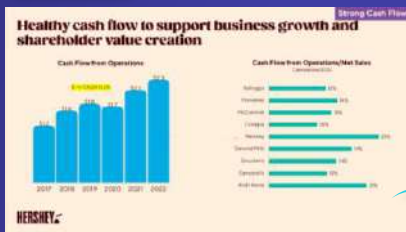
Before



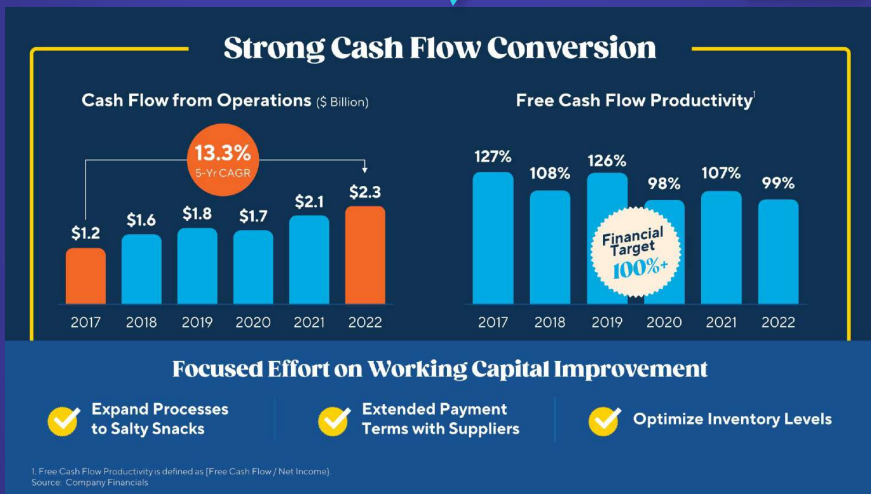
After



Before



After



Before



After





Before



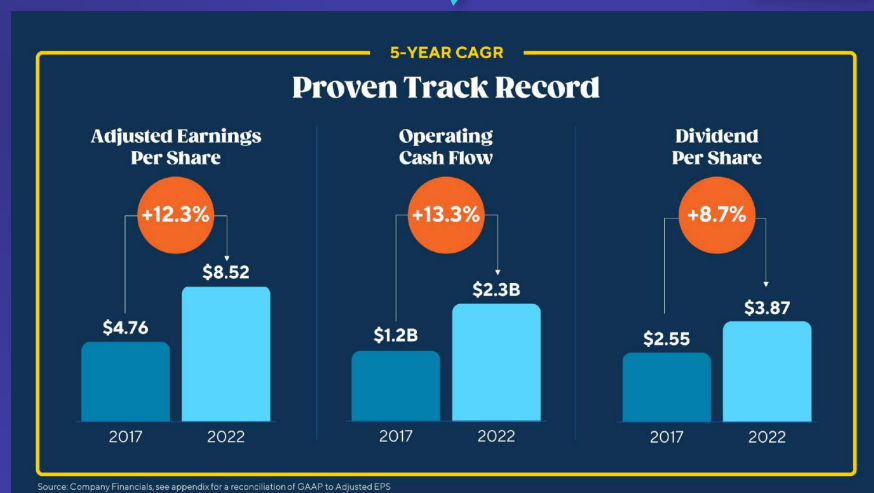
After



Before



After





[View the Entire Deck](#)