REFINITIV

DELTA REPORT

10-K

HRL - HORMEL FOODS CORP /DE/

10-K - OCTOBER 29, 2023 COMPARED TO 10-K - OCTOBER 30, 2022

The following comparison report has been automatically generated

TOTAL DELTAS	2219
CHANGES	289
DELETIONS	878
ADDITIONS	1052

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

FORM 10-K ☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended October 30, 2022 29, 2023

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: 1-2402

hml-20231029_g1.jpg

HORMEL FOODS CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**41-0319970**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1 Hormel Place, Austin Minnesota	**55912-3680**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (507) 437-5611

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock $0.01465 par value	**HRL**	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 Regulations 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, 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.

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the voting and non-voting nonvoting common stock held by non-affiliates of the registrant as of May 1, 2022 April 30, 2023, was $15,095,914,678 $11,661,390,985 based on the closing price of $52.39 $40.44 on the last business day of the registrant's most recently completed second fiscal quarter.

As of December 4, 2022 December 3, 2023, the number of shares outstanding of each of the registrant's classes of common stock was as follows:

Common Stock, $0.01465 Par Value – 546,424,194 546,840,056 shares

Common Stock Non-Voting, Nonvoting, $0.01 Par Value – 0 shares

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement for the Annual Meeting of Stockholders to be held January 31, 2023 January 30, 2024, are incorporated by reference into Part III, Items 10-14. The Proxy Statement will be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year to which this report relates.

HORMEL FOODS CORPORATION
TABLE OF CONTENTS

PART I

Item 1. BUSINESS

General Development of Business

Hormel Foods Corporation, a Delaware corporation (collectively, the "Company", "we," "us,", and "our"), was founded by George A. Hormel in 1891 in Austin, Minnesota, as Geo. A. Hormel & Company. The Company started as a processor of meat and food products and continues in this line of business with emphasis on the manufacturing and distribution of branded, value-added consumer items rather than commodity fresh meat products. The Company builds on its founder's legacy of innovation, quality, and integrity with focus on its purpose statement -— *Inspired People. Inspired Food.*™ Today, the Company is a global branded food company bringing some of the most trusted and iconic brands to tables across the globe with over $12 billion in annual revenue in more than 80 countries.

The Company has continually expanded its product portfolio through organic growth and acquisitions. In fiscal 2021, the Company acquired the *Planters*® snack nuts business, expanding the Company's presence in the growing snacking space. Refer to Note B - Acquisitions and Divestitures of the Notes to the Consolidated Financial Statements for additional information. During fiscal 2023, the Company purchased a 30% common stock interest in PT Garudafood Putra Putri Jaya Tbk (Garudafood), a food and beverage company in Indonesia, expanding the Company's presence in Southeast Asia and supporting global execution in the snacking and entertaining category. Refer to Note D - Investments in Affiliates of the Notes to the Consolidated Financial Statements for additional information.

Description of Business

Segments

The Company manages and reports its operating results Effective in the following four segments: Grocery Products, Refrigerated Foods, Jennie-O Turkey Store, and International & Other. Net sales to unaffiliated customers, segment profit, and the presentation of certain other financial information by segment are reported in Note P - Segment Reporting of the Notes to Consolidated Financial Statements and in the Management's Discussion and Analysis of Financial Condition and Results of Operations.

Grocery Products: The Grocery Products segment primarily consists of the processing, marketing, and sale of shelf-stable food products sold predominantly in the retail market, along with the sale of nutritional and private label shelf-stable products to retail, foodservice, and industrial customers. This segment also includes the results from the Company's MegaMex Foods, LLC (MegaMex) joint venture.
Refrigerated Foods: The Refrigerated Foods segment includes the processing, marketing, and sale of branded and unbranded pork, beef, and poultry products for retail, foodservice, deli, convenience store, and commercial customers.
Jennie-O Turkey Store: The Jennie-O Turkey Store segment primarily consists of the processing, marketing, and sale of branded and unbranded turkey products for retail, foodservice, and commercial customers.
International & Other: The International & Other segment includes Hormel Foods International, which manufactures, markets, and sells Company products internationally. This segment also includes the results from the Company's international royalty arrangements and other joint ventures.

During the fourth quarter of fiscal 2022, 2023, the Company announced transitioned to a new strategic operating model, which aligns its businesses to be more agile, consumer and customer focused, and market driven. Effective in fiscal 2023, the The Company will transition to this new model currently operates with the following three operating and reportable segments: Retail, Foodservice, and International.

Retail
The Retail segment consists primarily of the processing, marketing, and sale of food products sold predominantly in the retail market. This segment also includes the results from the Company's MegaMex Foods, LLC joint venture.

Foodservice
The Foodservice segment consists primarily of the processing, marketing, and sale of food and nutritional products for foodservice, convenience store, and commercial customers.

International
The International segment processes, markets, and sells Company products internationally. This segment also includes the results from the Company's international joint ventures, equity method investments, and royalty arrangements.

Prior period results will be reclassified for fiscal 2022 and 2021 have been recast to reflect these the new reportable segments. Net sales to unaffiliated customers, segment profit, and certain other financial information by segment are reported in Note P - Segment Reporting of the Notes to the Consolidated Financial Statements and in Management's Discussion and Analysis of Financial Condition and Results of Operations.

Products and Distribution

The Company develops, processes, and distributes a wide array of food products in a variety of markets and manufactures its products through various processing facilities and trusted co-manufacturers. The Company's products primarily consist of meat, nuts, and other food products sold across multiple distribution channels, such as U.S. Retail, U.S. Foodservice, and International.

Domestically, the Company sells its products in all 50 states. The Company's products are sold through its sales personnel, who operate in assigned territories or in dedicated teams serving major customers and who are coordinated from sales offices predominately located in major U.S. cities. The Company also utilizes independent brokers and distributors. Products are primarily distributed by common carrier.

Internationally, the The Company markets its products through Hormel Foods International Corporation (HFIC), a wholly-owned subsidiary. HFIC has a global presence within several major international markets, including Australia, Brazil, Canada, China, England, Indonesia, Japan, Mexico, Micronesia, the Philippines, Singapore, and South Korea. Distribution of export sales to customers is by common carrier, while the China and Brazil operations own and operate their own delivery systems. The Company through HFIC, has licensed companies to manufacture various products internationally on a royalty basis, with the primary licensees being Danish Crown UK

being Danish Crown UK Ltd., and CJ CheilJedang Corporation. HFIC The Company also has a minority position positions in a food company companies in the Philippines (The Purefoods-Hormel Company, Inc., 40 percent holding) and Indonesia (Garudafood, 30 percent holding).

Raw Materials

The Company concentrates on the marketing and sale of branded, value-added food products. The principal raw materials used by the Company include pork, turkey, beef, chicken, and nuts. The Company takes a balanced approach to sourcing pork raw materials, including hogs purchased for the Austin, Minnesota processing facility, long-term supply agreements for pork, and spot market purchases of pork. The majority of the turkeys needed to meet raw material requirements are raised by the Company. Production costs from raising turkeys are subject to fluctuations in grain prices and fuel costs. To manage these risks, the Company uses futures, swaps, and options contracts to hedge a portion of its anticipated purchases.

The Company also purchases raw materials from various suppliers. As the Company shifts has shifted its focus toward a more value-added portfolio, it has become increasingly dependent on these suppliers to meet its raw material needs. Certain raw materials, such as cashews, are sourced internationally, which may cause additional risks to pricing and availability. The Company utilizes supply contracts and forward buying strategies to ensure an adequate supply and mitigate price fluctuations.

Human Capital
The Company's employees are the driving force behind innovation, improvement, and success. As of October 30, 2022 October 29, 2023, the Company had more than approximately 20,000 active employees, with over 90 percent located within the U.S. Approximately 20 percent of employees are covered by collective bargaining agreements.

Talent Acquisition, Development, and Retention

Hormel's team members are the cornerstone of the Company and of the fulfillment of its purpose — *Inspired People. Inspired Food.*™ The Company places great importance on the growth, development, and engagement of its team members. The Company offers a competitive compensation package and a multitude of benefits, including medical, life and disability insurance, contributory and non-contributory retirement savings plans, free post-secondary tuition and tuition reimbursement programs, and two years of tuition-free community and technical college for U.S. employees' dependent children.

The Company believes investing in the education, training, and development of employees contributes to the overall success of the business. The Company provides learning opportunities for employees through various training courses, including instructor-led internal and external programs and on-the-job training.

The Company considers the tenure of its team members to be an important indicator of overall performance and is proud of its tenure figures. As of October 30, 2022 October 29, 2023, approximately 50 percent of the Company's team members had five or more years of service, and the 37-person 34-person officer team had an average of 25 years of service.

During fiscal 2022, the Company faced productivity challenges related to high turnover and the need to train new team members at its manufacturing facilities. Overall, the turnover rate was 11 percent for salaried team members and 44 percent for hourly team members. The Company is focused on onboarding and training new team members and creating a best-in-class experience throughout the organization.

Diversity, Equity, and Inclusion
The Company welcomes the diversity of all team members, customers, and consumers, and encourages the integration of their unique skills, thoughts, experiences, and identities. The Company's workforce is made up of approximately 40 percent female and over 55 approximately 60 percent underrepresented minorities. The Company's salaried employees are made up of over 30 approximately 35 percent female and approximately over 20 percent underrepresented minorities. By fostering an inclusive culture, the Company enables every member of the workforce to leverage unique talents and high performance standards to drive innovation and success.

Executives of the Company are held accountable for creating an inclusive, diverse workplace through their annual incentive plan, which includes a component focused on overall belonging scores and the representation of female and underrepresented minorities in salaried positions.

The Company supports eleven twelve employee resource groups (ERGs) that support the Company's mission to create a workplace where all people feel welcomed, respected, and valued. These employee-driven groups play a critical role in diversity, equity, and inclusion efforts and provide professional development and mentorship opportunities.

Safety, Health, and Wellness
The Company's dedicated corporate safety department develops and administers company-wide policies to ensure the safety of each employee and compliance with Occupational Safety and Health Administration standards. The corporate safety department also conducts regular audits of production facilities to ensure compliance with Company safety policies. The Company conducts safety training for all team members and completes approximately 1,000 safety assessments each month.

The Company recognizes that team members perform best when they are healthy, and that optimal performance is necessary for the Company to achieve its key results. In addition to the health care benefits package, the Company's Inspired Health program aims to cultivate and maintain a culture of health and wellness that is focused on encouraging and empowering team members to make healthy lifestyle choices through awareness, prevention, and positive health behavior

changes. This program includes biometric screenings, on-site fitness centers and fitness center discounts, an online health university with robust information and resources, a tobacco cessation program, wellness challenges, and confidential health and wellness support.

Governmental Regulation and Environmental Matters
The Company's operations are subject to regulation by various governmental agencies which oversee areas such as food safety, workforce immigration, environmental laws, animal welfare, tax regulations, and the processing, packaging, storage, distribution, advertising, and labeling of the Company's products. The Company believes it is in compliance with current laws and regulations and does not expect continued compliance to have a material impact on capital expenditures, earnings, or competitive position. The Company continues to monitor existing and pending laws and regulations and, while the impact of regulatory changes cannot be predicted with certainty, the Company does not expect compliance to have a material adverse effect on the Company's business. In addition to compliance with environmental laws and regulations, the Company sets goals to further improve its sustainability efforts and reduce its environmental impact. These goals are outlined in the Company's 20 by 30 Challenge and include matching energy with renewable sourcing, reducing organic waste and greenhouse gas emissions, supporting regenerative agriculture, focusing on packaging sustainability, and reducing food waste. In addition, the Company's greenhouse gas reduction targets were validated by the Science Based Targets initiative in 2023.

Significant Customers
The Company serves many customers throughout the world across various sales channels. Sales to the Company's Company's largest customer, Walmart Inc. (Walmart), accounted for approximately 16 15 percent of consolidated gross sales less returns and allowances during fiscal 2022. 2023. Walmart is a customer in all four reportable for the Company's Retail and International segments. The Company's Company's top five customers collectively represent approximately 36 percent of consolidated gross sales less returns and allowances. The loss of one or more of the top customers in any of the reportable segments could have a material adverse effect upon such segment's segment's financial results.

Competition
The production and sale of meat and food products in the U.S. and internationally is highly competitive. The Company competes with manufacturers of pork and turkey products as well as national and regional producers of other meat and protein sources, such as beef, chicken, fish, nuts, and plant-based proteins.

All operating segments compete on the basis of price, product quality and attributes, brand identification, breadth of product line, and customer service. Through effective marketing and strong quality assurance programs, the Company's strategy is to provide high quality products that possess strong brand recognition, which support higher value perceptions with customers. To grow and maintain market position, the Company focuses on meeting consumer preferences, delivering product innovation, and maintaining long-term and lasting relationships with industry partners.

Patents and Trademarks

There are numerous patents and trademarks important to the Company's business. The Company holds 41 23 U.S. and seven eight foreign patents. Most of the trademarks the Company uses are registered in the U.S. and other countries. Some of the more significant owned or licensed trademarks used by the Company or its affiliates are:

HORMEL, ALWAYS TENDER, APPLEGATE, AUSTIN BLUES, BACON 1, BLACK LABEL, BREAD READY, BURKE, CAFÉ H, CERATTI, CHI-CHI'S, COLUMBUS, COMPLEATS, CORN NUTS, CURE 81, DAN'S PRIZE, DI LUSSO, DINTY MOORE, DON MIGUEL, DOÑA MARIA, EMBASA, FAST 'N EASY, FIRE BRAISED, FONTANINI, HAPPY LITTLE PLANTS, HERDEZ, HORMEL GATHERINGS, HORMEL SQUARE TABLE, HORMEL VITAL CUISINE, HOUSE OF TSANG, JENNIE-O, JUSTIN'S, LA VICTORIA, LAYOUT, LLOYD'S, MARY KITCHEN, MR. PEANUT, NATURAL CHOICE, NUT-RITION, OLD SMOKEHOUSE, OVEN READY, PILLOW PACK, PLANTERS, ROSA GRANDE, SADLER'S SMOKEHOUSE, SKIPPY, SPAM, SPECIAL RECIPE, THICK & EASY, VALLEY FRESH, and WHOLLY.

The Company's patents expire after a term that is typically 20 years from the date of filing, with earlier expiration possible based on the Company's decision whether to pay required maintenance fees. As long as the Company continues to use its trademarks, they are renewed indefinitely.

Available Information

The Company makes available its annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 on its website at www.hormelfoods.com. These reports are accessible under the caption, "Investors – Filings & Reports – SEC Filings" on the Company's website and are available as soon as reasonably practicable after such material is electronically filed with or furnished to the Securities and Exchange Commission (SEC). These filings are also available on the SEC's website at www.sec.gov. The documents are available in print, free of charge, to any stockholder who requests them.

FORWARD-LOOKING STATEMENTS

This report contains "forward-looking" information within the meaning of the federal securities laws. The "forward-looking" information may include statements concerning the Company's outlook for the future as well as other statements of beliefs, future plans, strategies, or anticipated events and similar expressions concerning matters that are not historical facts.

The Private Securities Litigation Reform Act of 1995 (the Reform Act) provides a "safe harbor" for forward-looking statements to encourage companies to provide prospective information. The Company is filing this cautionary statement in connection with the Reform Act. When used in the Company's Annual Report to Stockholders, other filings by the Company with the SEC, the Company's press releases, and oral statements made by the Company's representatives, the words or phrases "should result," "believe," "intend," "plan," "are expected to," "targeted," "will continue," "will approximate," "is anticipated," "estimate," "project," or similar expressions are intended to identify forward-looking statements within the meaning of the Reform Act. Such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical earnings and those anticipated or projected.

In connection with the "safe harbor" provisions of the Reform Act, the Company is identifying risk factors that could affect financial performance and cause the Company's actual results to differ materially from opinions or statements expressed with respect to future periods. The following discussion of risk factors contains certain cautionary statements regarding the Company's business, which should be considered by investors and others. Such risk factors should be considered in conjunction with any discussions of operations or results by the Company or its representatives, including any forward-looking discussion, as well as comments contained in press releases, presentations to securities analysts or investors, or other communications by the Company.

In making these statements, the Company is not undertaking, and specifically declines to undertake, any obligation to address or update each or any factor in future filings or communications regarding the Company's business or results, and is not undertaking to address how any of these factors may have caused changes to discussions or information contained in previous filings or communications. Though the Company has attempted to list comprehensively these important cautionary risk factors, the Company wishes to caution investors and others that other factors may in the future prove to be important in affecting the Company's business or results of operations.

The Company cautions readers not to place undue reliance on forward-looking statements, which represent current views as of the date made. Forward-looking statements are inherently at risk to changes in the national and worldwide economic environment, which could include, among other things, risks related to the deterioration of economic conditions; the COVID-19 pandemic; risks associated with acquisitions, joint ventures, equity investments, and divestitures; potential disruption of operations, including at co-manufacturers, suppliers, logistics providers, customers, or other third-party service providers; failure to realize anticipated cost savings or operating efficiencies associated with strategic initiatives; risk of loss of a material contract; the Company's inability to protect information technology systems against, or effectively respond to, cyber attacks or security breaches; deterioration of labor relations, labor availability or increases to labor costs; general risks of the food industry, including food contamination; outbreaks of disease among livestock and poultry flocks; fluctuations in commodity prices and availability of raw materials and other inputs; fluctuations in market demand for the Company's products; damage to the Company's reputation or brand image; climate change, or legal, regulatory, or market measures to address climate change; risks of litigation; potential sanctions and compliance costs arising from government regulation; compliance with stringent environmental regulations and potential environmental litigation; and risks arising from the Company's foreign operations.

Item 1A. RISK FACTORS

Business and Operational Risks

Deterioration of economic conditions could harm the Company's business. The Company's business may be adversely affected by changes in national or global economic conditions, including inflation, interest rates, tax rates, availability of capital, energy availability and costs (including fuel surcharges), political developments, civil unrest, and the effects of governmental initiatives to manage economic conditions. Decreases in consumer spending rates and shifts in consumer product preferences could also negatively impact the Company.

Volatility in financial markets and the deterioration of national and global economic conditions could impact the Company's operations as follows:

- The financial stability of the Company's customers and suppliers may be compromised, which could result in additional bad debts challenges in collecting accounts receivable or non-performance by suppliers.
- Unfavorable economic conditions may lead customers and consumers to delay or reduce purchases of the Company's products.

- Customer demand for products may not materialize to levels required to achieve the Company's anticipated financial results or may decline as distributors and retailers seek to reduce inventory positions if there is an economic downturn or economic uncertainty in key markets.
- The value of the Company's investments in debt and equity securities may decline, including most significantly the trading securities held as part of a rabbi trust to fund supplemental executive retirement plans and deferred income plans and the Company's assets held in pension plans.
- Future volatility or disruption in the capital and credit markets could impair the Company's liquidity or increase costs of borrowing.

- The Company may be required to redirect cash flow from operations or explore alternative strategies, such as disposing of assets, to fulfill the payment of principal and interest on its indebtedness.

The Company has no operations in Russia or Ukraine, yet it has experienced inflated fuel costs and supply chain shortages and delays due to the impact of the military conflict on the global economy. Further escalation related to If this conflict, or others such as the conflict, including increased trade barriers or restrictions on global trade, Israel-Hamas war, escalates further, it could result in, among other things, additional supply chain disruptions, rising prices for oil and other commodities, volatility in capital markets and foreign exchange rates, rising interest rates, or heightened cybersecurity risks, any of which may adversely affect the Company's business. In addition, the effects of the ongoing conflict could heighten many of the other risk factors included in Item 1A.

The Company utilizes hedging programs to manage its exposure to various market risks, such as commodity prices and interest rates, which qualify for hedge accounting for financial reporting purposes. Volatile fluctuations in market conditions could cause these instruments to become ineffective, which could require any gains or losses associated with these instruments to be reported in the Company's earnings each period. These instruments may limit the Company's ability to benefit from market gains if commodity prices and/or interest rates become more favorable than those secured under the Company's hedging programs.

The Company's goodwill and indefinite lived indefinite-lived intangible assets are initially recorded at fair value and are not amortized, but are reviewed for impairment annually or more frequently if impairment indicators arise. Impairment testing requires judgment around estimates and assumptions and is impacted by factors such as revenue growth rates, operating margins, tax rates, royalty rates, and discount rates. An unfavorable change in these factors may lead to the impairment of goodwill and/or intangible assets. During fiscal 2023, an impairment was indicated for the *Justin's*® trade name, resulting in an impairment charge of $28.4 million.

Additionally, if another a highly pathogenic human disease outbreak developed, such as COVID-19, it may negatively impact the global economy, demand for Company products, the supply chain, the Company's co-manufacturers, and/or the Company's workforce availability including leadership, and the Company's financial results could suffer. The Company has developed contingency plans to address infectious disease scenarios and the potential impact on its operations, and will continue to update these plans as necessary. There can be no assurance given, however, that these plans will be effective in eliminating the negative effects of any such diseases on the Company's operating results.

The COVID-19 pandemic could adversely affect the Company's business, financial condition and results of operations. The COVID-19 global pandemic has had, and may continue to have, negative impacts across many of the Company's business units and facilities. The near- and long-term impacts of COVID-19 are unknown and impossible to predict with any level of certainty. The following potential risk factors arising from the COVID-19 pandemic have had and/or may continue to have one or more of the following impacts on the Company's operations:

- One or more of the Company's manufacturing facilities may be shut down or have their operations significantly impacted due to employee illnesses, increased absenteeism, and/or actions by government agencies. Capital projects may be delayed as additional capacity is no longer currently needed or materials are unavailable. The Company's co-manufacturers and material suppliers may face similar impacts.
- Operating costs may increase as measures are put in place to prevent or slow down the spread of COVID-19, such as compliance with regulatory restrictions, vaccine mandates, facility improvements, employee testing, short-term disability policies, and manufacturing employee bonus payments.
- Operations may be negatively impacted if members of the Company's leadership team, or other key employees, become ill with COVID-19 or otherwise terminate their employment as a result of COVID-19. Further, the Company may face challenges with labor availability, relations, labor costs, hiring, onboarding, and training new employees, including leadership, which may impact results. The Company also may face operational challenges if government quarantine orders restrict movement of employees.
- Supply chain disruptions of various types arising from COVID-19 may impact the Company's ability to make products, the cost for such products, and the ability to deliver products to customers. Closure or reduced operations of material suppliers could result in shortages of key raw materials, as well as impact prices for those materials. The volatility in the market for raw material and supplies could impact the Company's profitability.
- National, state, and local government orders closing or limiting operation of borders and ports, or imposing quarantine, could impact the Company's ability to obtain raw materials and to deliver finished goods to customers.
- Closures or reduced operations at foodservice establishments may impact results for the Company's foodservice business. Bankruptcy filings and/or delinquent payments from the foodservice industry or other customers may negatively impact cash flow.
- A national and/or global economic downturn may impact consumer purchase behavior, such as reduced volume for foodservice products and premium brands.
- If the Company's public relations efforts related to the pandemic are not effective or if consumers perceive them to be irresponsible, the Company's competitive position, reputation, and market share may suffer.

The extent of the impact on the Company's business, financial condition, and results of operations is dependent on the length and severity of the pandemic. The COVID-19 pandemic may adversely impact the Company's operations in one or more ways not identified to date.

The Company's operations are subject to the general risks associated with acquisitions, joint ventures, equity investments, and divestitures. The Company regularly reviews opportunities to support the Company's strategic initiative of delivering long-term value to shareholders through acquisitions, joint ventures, and equity investments and to divest non-strategic assets. The Company has made several acquisitions, joint ventures, equity investments, and divestitures in recent years, including the acquisition of the *Planters*® snack nuts business in

June fiscal 2021 that align with the Company's strategic initiative and purchase of delivering long-term value to shareholders. The Company regularly reviews strategic opportunities to grow through acquisitions and to divest non-strategic assets. a minority interest in Garudafood in fiscal 2023. Potential risks associated with these transactions include the inability to consummate a transaction timely or on favorable terms, diversion of management's attention from other business concerns, potential loss of key employees and customers of current or acquired companies, inability to integrate or divest operations successfully, possible assumption of unknown liabilities, potential disputes with buyers, sellers, or sellers, partners, inability to obtain favorable financing terms, potential impairment charges if purchase assumptions are not achieved, and the inherent risks in entering markets or lines of business in which the Company has limited or no prior experience. Due to the nature of these arrangements, joint ventures and equity investments involve further risks, including the possibility that the Company is unable to execute business strategies and manage operations given limitations of the Company's control. Additionally, partners may become bankrupt, make business decisions that are inconsistent with the Company's goals, or block or delay necessary decisions. Acquisitions, joint ventures, or equity investments outside the U.S. may also present unique challenges and increase the Company's exposure to the risks associated with foreign operations. Any or all of these risks could impact the Company's financial results and business reputation. In addition, acquisitions outside the U. S. may present unique challenges and increase the Company's exposure to the risks associated with foreign operations. The Company's level of indebtedness increased significantly to fund the purchase of the *Planters®* snack nuts business and may continue to increase to fund future acquisitions. acquisitions, joint ventures, or equity investments. Higher levels of debt may, among other things, impact the Company's liquidity and increase the Company's exposure to negative fluctuations in interest rates. During fiscal 2023, an impairment was indicated for the *Justin's®* trade name, resulting in an impairment charge of $28.4 million and the Company recorded a $7.0 million impairment charge related to a corporate venturing investment to recognize a decline in fair value not believed to be temporary.

The Company is subject to disruption of operations at co-manufacturers, suppliers, logistics providers, customers, or other third-party service providers.

- Disruption of operations at co-manufacturers, suppliers, or logistics providers have and may continue to impact the Company's product and input supplies as well as the ability to distribute products.

- Disruptions related to significant customers or sales channels has and could continue to result in a reduction in sales or change in the mix of products sold.
- Disruption in services from partners such as third-party service providers used to support various business functions such as benefit plan administration, payroll processing, information technology and cloud computing services could have an adverse effect on the Company's business.

Any Disruptions of these disruptions could third-party providers have had and may continue to have an adverse effect on the Company's Company's financial results. Actions taken to mitigate the impact of any potential disruption, including increasing inventory in anticipation of a potential production or supply interruption, may adversely affect the Company's financial results. Additionally, labor-related challenges have caused disruptions for many of these providers and may continue to impact the Company's ability to receive inputs or distribute products.

The Company may not realize the anticipated cost savings or operating efficiencies associated with strategic initiatives. The Company operates in the highly competitive food industry and is subject to volatile cost inputs. Strategic initiatives are implemented to achieve a profitable cost structure, operate efficiently, better serve customers, and optimize cash flow. These initiatives may focus on opportunities to improve the procurement, manufacturing, and logistics within the Company's supply chain as well as general and administrative processes. A failure or delay in implementing the improvements associated with these strategic initiatives could adversely impact the Company's results, ability to meet its long-term growth expectations, and ability to fund future initiatives.

The Company began an enterprise transformation and modernization initiative in the second half of fiscal 2023 to provide cost savings and operating efficiencies by fiscal 2026. If this initiative does not achieve the expected financial impact or is not completed in a timely manner, the Company's financial results and ability to meet its long-term growth expectations could be adversely impacted.

The Company is subject to the loss of a material contract. The Company is a party to several supply, distribution, contract packaging and other material contracts. The loss of a material contract or failure to obtain new material contracts could adversely affect the Company's financial results.

The Company may be adversely impacted if the Company is unable to protect information technology systems against, or effectively respond to, cyber attacks or security breaches. Information technology systems are an important part of the Company's business operations. In addition, the Company increasingly relies upon third-party service providers for a variety of business functions, including cloud-based services. Cyber incidents are occurring more frequently across U.S. industries and are being made by groups and individuals with a wide range of motives and expertise. Continued high-profile data security incidents at other companies evidence an external environment that is becoming increasingly hostile. From time to time, the Company has experienced, and may experience in the future, breaches of its security measures due to human error, malfeasance, insider threats, system errors or vulnerabilities or other irregularities, none of which have been material to date. Remote work arrangements may bring additional information technology and data security risks.

Although the Company has programs in place related to business continuity, disaster recovery, and information security initiatives to maintain the confidentiality, integrity, and availability of systems, business applications, and customer information, the Company may not be able to anticipate or implement effective preventive measures against all potential cybersecurity threats, especially because the techniques used change frequently and because attacks can originate from a wide variety of sources, both domestic and foreign. Cybersecurity risk is increasingly difficult to identify and quantify and cannot be fully mitigated because of the rapidly evolving nature of the threats, targets, and consequences.

In addition, the Company is in the midst of a multi-year data and technology transformation project (Project Orion) projects to achieve better analytics, customer service, and process efficiencies through efficiencies. The projects, including modernizing the use of Oracle Cloud Solutions. This project is order-to-cash process, are expected to improve the efficiency and effectiveness of certain financial and business transaction processes and the underlying systems environment. During fiscal 2020, the Company implemented the human resource, payroll, and finance Multiple phases of the project. Additional integrations these projects have already been implemented and additional phases are expected to take place over be implemented in the next few upcoming years. Such an implementation is These implementations are a major undertaking from a financial, management, and personnel perspective. The implementation of the enterprise resource planning system perspective and may prove to be more difficult, costly, or time consuming than expected, and there can be no assurance that this system these projects will be beneficial to the extent anticipated.

In an attempt to mitigate these risks, the Company has implemented and continues to evaluate security initiatives and business continuity plans.

Deterioration of labor relations, labor availability or increases in labor costs could harm the Company's business. As of October 30, 2022 October 29, 2023, the Company employed more than approximately 20,000 people worldwide, of which approximately 20 percent were represented by labor unions, principally the United Food and Commercial Workers Union. Union contracts at four two of the Company's manufacturing facilities, covering approximately 2,400 250 employees, will expire during fiscal 2023. Negotiations have not yet been initiated. 2024. A significant increase in labor costs or a deterioration of labor relations at any of the Company's facilities or co-manufacturing facilities resulting in work slowdowns or stoppages could harm the Company's financial results. Labor and skilled labor availability challenges could continue to have an adverse effect on the Company's business.

Industry Risks

The Company's operations are subject to the general risks of the food industry. The food products manufacturing industry is subject to the risks posed by:

- food spoilage;
- food contamination caused by disease-producing organisms or pathogens, such as *Listeria monocytogenes*, *Salmonella*, and pathogenic *E coli*.;
- food allergens;
- nutritional and health-related concerns;
- federal, state, and local food processing controls;
- consumer product liability claims;
- product tampering; and
- the possible unavailability and/or expense of liability insurance.

The pathogens that may cause food contamination are found generally in livestock and in the environment and thus may be present in the Company's products. These pathogens can also be introduced to products as a result of improper handling by customers or consumers. The Company does not have control over handling procedures once products have been shipped for distribution. If one or more of these risks were to materialize, the Company's brand and business reputation could be negatively impacted. In addition, revenues could decrease, costs of doing business could increase, and the Company's operating results could be adversely affected.

Outbreaks of disease among livestock and poultry flocks could harm the Company's revenues and operating margins. The Company is subject to risks associated with the outbreak of disease in pork and beef livestock, and poultry flocks, including African swine fever (ASF), Bovine Spongiform Encephalopathy (BSE), pneumo-virus, Porcine Circovirus 2 (PCV2), Porcine Reproduction & Respiratory Syndrome (PRRS), Foot-and-Mouth Disease (FMD), Porcine Epidemic Diarrhea Virus (PEDv), and Highly Pathogenic Avian Influenza (HPAI). The outbreak of such diseases could adversely affect the Company's supply of raw materials, increase the cost of production, reduce utilization of the Company's harvest facilities, and reduce operating margins. The impact of global climate change may increase these risks due to changes in weather or migratory patterns which may result in certain types of diseases occurring more frequently or with more intense effects. Additionally, the outbreak of disease may hinder the Company's ability to market and sell products both domestically and internationally.

In recent years, the outbreak of ASF has impacted hog herds in China, Asia, Europe, and the Caribbean. If an outbreak of ASF were to occur in the U.S., the Company's supply of hogs and pork could be materially impacted.

HPAI was detected within the U.S. in 2022 Company's turkey supply chain during the fourth quarter of fiscal 2023 and was confirmed within the Company's Jennie-O Turkey Store supply chain. first quarter of fiscal 2024. The impact of HPAI has reduced and will continue to reduce production volume in the Company's turkey facilities at least through the first half of into fiscal 2023. 2024. The Company is continuing to monitor the situation and will take the appropriate actions to protect the health of the turkeys across the supply chain.

The Company has developed business continuity plans for various disease scenarios and will continue to update these plans as necessary. There can be no assurance given, however, that these plans will be effective in eliminating the negative effects of any such diseases on the Company's operating results.

Fluctuations in commodity prices and availability of raw materials and other inputs could harm the Company's earnings. The Company's results of operations and financial condition are largely dependent upon the cost and supply of pork, poultry, beef, feed grains, and nuts as well as supplies, energy and other inputs and the selling prices for many of the Company's products, which are determined by constantly changing market forces of supply and demand.

The Company takes a balanced approach to sourcing pork raw materials, including hogs purchased for the Austin, Minnesota processing facility, long-term supply agreements for pork, and spot market purchases of pork. This approach ensures a more stable supply of raw materials while minimizing extreme fluctuations in costs over the long-term. This may result, in the short-term, in higher or lower live hog costs compared to the cash spot market. Market-based pricing on certain product lines, and lead time required to implement pricing adjustments, may prevent all or part of these cost increases from being recovered, and these higher costs could adversely affect the Company's short-term financial results.

Jennie-O Turkey Store The Company raises turkeys and contracts with turkey growers to meet its raw material requirements for whole birds and processed turkey products. Results in these operations are affected by the cost and supply of feed grains, which fluctuate due to climate conditions, production forecasts, and supply and demand conditions at local, regional, national, and worldwide markets. The Company attempts to manage some of its short-term exposure to fluctuations in feed prices by forward buying, using futures contracts, and pursuing pricing advances. However, these strategies may not be adequate to overcome sustained increases in market prices due to alternate uses for feed grains or other changes in these market conditions.

The Company may be subject to decreased availability or less favorable pricing for nuts, tomatoes, avocados, or other produce if poor growing conditions have a negative effect on agricultural productivity. Reductions in crop size or quality due to unfavorable growing conditions may have an adverse effect on the Company's results.

The supplies of natural and organic proteins may impact the Company's ability to ensure a continuing supply of these products. To mitigate this risk, the Company partners with multiple long-term suppliers.

International trade barriers and other restrictions or disruptions could result in decreased foreign demand and increased domestic supply of proteins, thereby potentially lowering prices. The Company occasionally utilizes in-country production to limit this exposure.

Market demand for the Company's products may fluctuate. The Company faces competition from producers of alternative meats and protein sources, including pork, beef, turkey, chicken, fish, nuts, nut butters, whey, and plant-based proteins. The factors on which the Company competes include:

- price;
- product quality and attributes;
- brand identification;
- breadth of product line; and
- customer service.

Demand for the Company's products is also affected by competitors' promotional spending, the effectiveness of the Company's advertising and marketing programs, and consumer perceptions. Failure to identify and react to changes in food trends such as sustainability of product sources and animal welfare could lead to, among other things, reduced demand for the Company's brands and products. The Company may be unable to compete successfully on any or all of these factors in the future.

Damage to the Company's reputation or brand image can adversely affect its business. Maintaining and continually enhancing the perception of the Company's reputation and brands is critical to business success. The Company's reputation and brands have been in the past and could in the future be adversely impacted by a number of factors, including unfavorable consumer perception related to events or rumors, adverse publicity, and negative information disseminated through social and digital media. Failure to maintain, extend, and expand the Company's reputation or brand image could adversely impact operating results.

Climate change, or legal, regulatory or market measures to address climate change, could have an adverse impact on the Company's business and results of operations. There is growing concern that carbon dioxide and other greenhouse gases in the atmosphere may have an adverse impact on global temperatures, weather patterns, and the frequency and severity of extreme weather and natural disasters. If such climate change has a negative impact on agricultural productivity, the Company may have decreased availability or less favorable pricing for the raw materials necessary for its operations. Climate change may also cause decreased availability or less favorable pricing for water, which could have an adverse effect on the Company's operations and supply chain. In addition, natural disasters and extreme weather, including those caused by climate change, could cause disruptions in the Company's operations and supply chain.

The increasing concern over climate change may also result in greater local, state, federal, and foreign legal requirements, including requirements to limit greenhouse gas emissions or conserve water usage. If such requirements are enacted, the Company could experience significant cost increases in its operations and supply chain. Further, failure

The Company has developed and publicly announced goals to reduce its impact on the environment such as the 20 by 30 Challenge and the recently announced validation of its greenhouse gas reduction targets by the Science Based Targets initiative. The Company's ability to achieve these goals is subject to numerous factors and conditions, many of which are outside of its control. Examples include, among others, evolving regulatory requirements, disclosure frameworks, and methodologies for reporting data. Failure to accomplish goals set by the Company related to climate change or meet expectations of various Company stakeholders may cause decreased demand for the Company's products and have an adverse effect on results of operations.

Legal and Regulatory Risks

The Company's operations are subject to the general risks of litigation. The Company is involved on an ongoing basis in litigation arising in the ordinary course of business. Trends in litigation may include class actions involving employees, consumers, competitors, suppliers, shareholders, or others, and claims relating to product liability, contract disputes, antitrust regulations, intellectual property, advertising, labeling, wage and hour laws, employment practices or environmental matters. Neither litigation trends nor the outcomes of litigation can be predicted with certainty and adverse litigation trends and outcomes could negatively affect the Company's financial results.

Government regulation, present and future, exposes the Company to potential sanctions and compliance costs that could adversely affect the Company's business. The Company's operations are subject to extensive regulation by the U.S. Department of Homeland Security, the U.S. Department of Agriculture, the U.S. Food and Drug Administration, federal and state taxing authorities and other federal, state, and local authorities which oversee workforce immigration, taxation, animal welfare, food safety, and the processing, packaging, storage, distribution, advertising, and labeling of the Company's products. The Company's manufacturing facilities and products are subject to ongoing inspection by federal, state and local authorities. Claims or enforcement proceedings could be brought against the Company in the future. The availability of government inspectors due

to a government furlough could also cause disruption to the Company's manufacturing facilities. Additionally, the Company is subject to new or modified laws, regulations, and accounting standards. The Company's failure or inability to comply with such requirements could subject the Company to civil remedies, including fines, injunctions, recalls or seizures, as well as potential criminal sanctions. A recent federal district court ruling has had a negative impact on harvest capacity and labor costs. Harvest facilities the Company uses are negotiating to resolve the situation and expect to reach a solution, but harvest capacity and labor costs will may continue to be negatively impacted until a solution is reached. There can be no assurance a solution will be reached, in which case the negative impacts of the ruling would continue.

The Company is subject to stringent environmental regulations and potentially subject to environmental litigation, proceedings, and investigations. The Company's past and present business operations and ownership and operation of real property are subject to stringent federal, state, and local environmental laws and regulations pertaining to the discharge of materials into the environment and the handling and disposition of wastes (including solid and hazardous wastes) or otherwise relating to protection of the environment. Compliance with these laws and regulations, as well as any modifications, is material to the Company's business. Some of the Company's facilities have been in operation for many years and, over time, the Company and other prior operators of these facilities may have generated and disposed of wastes that now may be considered hazardous. Future discovery of contamination of property underlying or in the vicinity of the Company's present or former properties or manufacturing facilities and/or waste disposal sites could require the Company to incur additional expenses related to additional investigation, assessment or other requirements. The occurrence of any of these events, the implementation of new laws and regulations or stricter interpretation of existing laws or regulations could adversely affect the Company's financial results.

The Company’s foreign operations pose additional risks to the Company’s business. The Company operates its business and markets its products internationally. The Company’s foreign operations are subject to the risks described above, as well as risks related to fluctuations in currency values, foreign currency exchange controls, compliance with foreign laws, compliance with applicable U.S. laws, including the Foreign Corrupt Practices Act, and other economic or political uncertainties. International sales are subject to risks related to general economic conditions, imposition of tariffs, quotas, trade barriers and other restrictions, enforcement of remedies in foreign jurisdictions and compliance with applicable foreign laws, and other economic and political uncertainties. All of these risks could result in increased costs or decreased revenues, which could adversely affect the Company’s financial results.

Item 1B. UNRESOLVED STAFF COMMENTS

None.

Item 2. PROPERTIES

The Company's global headquarters are located in Austin, Minnesota. The Company has various processing plants, warehouses and operational facilities, mainly located in the U.S. The Company maintains a national sales force through strategic placement of sales offices across the U.S. Properties are also maintained internationally to support global processing and sales. The A majority of Company the Company's property is owned. Leased property is used as needed for production, distribution, and sales. Property leases range in duration from one to twelve years.

Area* *Square feet, in thousands*	**Refrigerated Foods**	**Grocery Products**	**Jennie-O Turkey Store**	**International & Other**	**Corporate**	**Total**
Production Facilities	5,339	2,768	2,007	1,270	—	11,384
Warehouse/Distribution Centers	724	1,555	149	33	—	2,461
Live Production	829	—	281	—	—	1,110
Administrative/Sales/Research	73	12	65	31	574	755
Total	6,965	4,335	2,502	1,334	574	15,710

*Many of the Company's properties are utilized by more than one segment. These facilities are reflected in the principal segment for presentation purposes. Additionally, turkey growout facilities are excluded.

The Company believes its operating facilities are well maintained and suitable for current production volumes. The Company regularly engages in construction and other capital improvement projects with a focus on value-added capacity projects and automation.

Many of the Company's domestic properties are utilized by more than one segment and utilization of these facilities can change over time. Therefore, it is impracticable to disclose them by segment. The facilities outside the U.S. serve the International segment.

Area (1) *Square feet, in thousands*	Production Facilities	Warehouse/Distribution Centers	Administration/Sales/Research Offices	Total	Leased	Owned
Arizona	—	—	2	2	2	—
Arkansas	589	—	9	598	9	589
California	323	428	54	805	656	149
Colorado	829	—	10	839	10	829
Florida	—	—	5	5	5	—
Georgia	259	—	—	259	—	259
Illinois	738	—	22	760	22	738
Iowa	1,482	658	3	2,143	283	1,860
Kansas	312	—	3	315	3	312
Massachusetts	—	—	4	4	4	—
Michigan	—	—	3	3	3	—
Minnesota	3,761	219	554	4,534	89	4,445
Nebraska	845	—	—	845	—	845
New Jersey	—	—	29	29	29	—
North Carolina	—	—	3	3	3	—
Ohio	—	453	8	461	322	139
Pennsylvania	13	348	9	370	357	13
Texas	285	—	2	287	2	285
Utah	—	209	—	209	209	—
Virginia	625	—	—	625	—	625
Washington	—	—	2	2	2	—
Wisconsin	1,227	102	3	1,332	107	1,225

Total Domestic	11,288	2,417	725	14,430	2,117	12,313
Australia	—	—	2	2	2	—
Brazil	440	—	3	443	440	3
China	842	33	26	901	2	899
Total International	1,282	33	31	1,346	444	902
Total Square Feet	12,570	2,450	756	15,776	2,561	13,215

(1) Turkey growout facilities are excluded.

Item 3. LEGAL PROCEEDINGS

On August 15, 2023, the Company received an unexpected, unfavorable arbitration ruling involving an isolated commercial dispute with a third party. Pursuant to the ruling, the arbitrator awarded $59.6 million in damages, plus prejudgment interest of $5.3 million and attorneys' fees, to the counterparty payable by the Company. The pre-tax impact of the adverse arbitration ruling of $68.3 million is reflected in Selling, General, and Administrative expenses in the Consolidated Statements of Operations for fiscal 2023. The arbitration award amount was paid in full by the Company in the fourth quarter of fiscal 2023. The adverse arbitration ruling is a party not subject to various further appeal or judicial review. Standard confidentiality provisions in the arbitration rules prohibit the Company from commenting on the substance of the ruling.

Information regarding other legal proceedings related is available in Note J - Commitments and Contingencies of the Notes to the ongoing operation of its business, including claims both by and against the Company. At any time, such proceedings typically involve claims related to product liability, labeling, contracts, antitrust regulations, intellectual property, competition laws, employment practices, or other actions brought by employees, customers, consumers, competitors or suppliers. The Company establishes accruals for its potential exposure, as appropriate, for claims against the Company when losses become probable and reasonably estimable. However, future developments or settlements are uncertain and may require the Company to change such accruals as proceedings progress. Resolution of any currently known matters, either individually or in the aggregate, is not expected to have a material effect on the Company's financial condition, results of operations, or liquidity.

The Company is a defendant in four sets of antitrust lawsuits broadly targeting the pork and turkey industries. None of these cases involve allegations of bid rigging or other criminal conduct. The Company has not established reserves as it does not believe it will have liability in any of these cases. Consolidated Financial Statements.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

Information About Executive Officers

NAME	AGE	CURRENT OFFICE AND PREVIOUS FIVE YEARS EXPERIENCE	DATES
James P. Snee	55 56	Chairman of the Board, President and Chief Executive Officer	11/20/17 to Present
Jacinth C. Smiley	54 55	Executive Vice President and Chief Financial Officer	01/01/22 to Present
		Group Vice President (Corporate Strategy)	04/05/21 to 12/31/21
		Vice President and Chief Accounting Officer, LyondellBasell	04/01/18 to 04/04/21
		Chief Financial Officer, GE Oil and Gas North America	02/01/16 to 03/31/18
Deanna T. Brady	57 58	Executive Vice President (Retail)	10/31/22 to Present
		Executive Vice President (Refrigerated Foods)	10/28/19 to 10/30/22
		Group Vice President/President Consumer Product Sales	10/26/15 to 10/27/19
Mark A. Coffey	60 61	Group Vice President (Supply Chain)	04/26/21 to Present
		Senior Vice President (Supply Chain and Manufacturing)	03/28/17 to 04/25/21
Patrick J. Connor	53	Group Vice President (Retail Sales)	10/31/22 to Present
		Group Vice President/President Consumer Product Sales	10/28/19 to 10/30/22
		Vice President (Senior Vice President Consumer Product Sales)	10/31/11 to 10/27/19
Jeffery R. Frank	46	Group Vice President (Retail Marketing)	10/31/22 to Present
		Group Vice President (Grocery Products)	11/01/21 to 10/30/22
		Vice President (Grocery Products Marketing)	03/01/21 to 10/31/21
		Vice President (Foodservice Marketing)	04/30/18 to 02/28/21
		President and Chief Executive Officer (MegaMex)	10/28/13 to 04/29/18
Steven J. Lykken	52	Group Vice President (Jennie-O Turkey Store, Inc.)	03/22/21 to Present
		Senior Vice President/President Jennie-O Turkey Store, Inc.	12/04/17 to 03/21/21
		President Applegate Farms, LLC	04/11/16 to 12/03/17
Swen Neufeldt	49 50	Group Vice President (Hormel Foods International Corporation)	06/29/20 to Present
		Vice President (Meat Products)	10/31/16 to 06/28/20
Mark J. Ourada	57 58	Group Vice President (Foodservice)	03/05/18 to Present
		Vice President (Foodservice Sales)	10/28/13 to 03/04/18
Katherine M. Losness-Larson	57 58	Senior Vice President (Human Resources)	10/31/22 to Present
		Director of Human Resources	10/29/18 to 10/30/22
		Director of Organizational Development	03/17/14 to 10/28/18
Pierre M. Lilly	51 52	Senior Vice President and Chief Compliance Officer	10/26/20 to Present
		Director of Internal Audit	05/30/16 to 10/25/20
Lori J. Marco	55	Senior Vice President (External Affairs) and General Counsel	03/30/15 to Present
Kevin L. Myers, Ph.D.	57 58	Senior Vice President (Research and Development, Quality Control)	03/30/15 to Present
Wendy A. Watkins	56	Senior Vice President and Chief Communications Officer	11/01/21 to Present
		Vice President (Corporate Communications)	04/13/15 to 10/31/21
Paul R. Kuehneman	51 52	Vice President and Controller	02/18/22 to Present
		Assistant Controller	01/04/21 to 02/17/22
		Vice President and CFO (Jennie-O Turkey Store)	05/30/16 to 01/03/21
Florence Makope	47	Vice President and Treasurer	07/25/22 to Present
		Director of Strategy Deployment, Oshkosh Corporation	06/27/21 to 07/01/22
		Director of International Finance, Oshkosh Corporation	03/25/20 to 06/26/21
		Treasurer, Plexus Corp.	11/19/17 to 03/27/20

No family relationship exists among the executive officers.

Executive officers are designated annually by the Board of Directors at the first meeting following the Annual Meeting of Stockholders. Vacancies may be filled and additional officers elected at any time. The Company's Chief Executive Officer has the authority to appoint and remove Vice Presidents (other than Executive Vice Presidents, Group Vice Presidents, and Senior Vice Presidents).

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Hormel Foods Corporation's common stock is traded on the New York Stock Exchange under the symbol HRL. The CUSIP number is 440452100.

Holders

There are approximately 10,000 record stockholders and 230,000 270,000 stockholders whose shares are held in street name by brokerage firms and financial institutions.

Issuer Purchases of Equity Securities

Fourth Quarter Ended October 30, 2022

Period	Total Number of Shares Purchased(1)	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(1)	Maximum Number of Shares that May Yet be Purchased Under the Plans or Programs(1)
August 1, 2022 - September 4, 2022	—	$ —	—	3,987,494
September 5, 2022 - October 2, 2022	—	—	—	3,987,494
October 3, 2022 - October 30, 2022	—	—	—	3,987,494
Total	—		—	

(1) There were no issuer purchases of equity securities in the quarter ended October 29, 2023. On January 29, 2013, the Company's Board of Directors authorized the repurchase of 10,000,000 shares of its common stock with no expiration date. On January 26, 2016, the Board of Directors approved a two-for-one split of the Company's common stock to be effective January 27, 2016. As part of the stock split resolution, the number of shares remaining to be repurchased was adjusted proportionately. The maximum number of shares that may yet be purchased under the repurchase plans or programs as of October 29, 2023 is 3,677,494.

Dividends

The Company has paid dividends for 377 381 consecutive quarters. The annual dividend rate for fiscal 2023 2024 will increase to $1.10 $1.13 per share, representing the 57th 58th consecutive annual dividend increase. The Company is dedicated to returning excess cash flow to shareholders through dividend payments.

Shareholder Return Performance Graph

The following graph shows a comparison of cumulative total shareholder return, calculated on a dividend-reinvested basis, for the Company, the S&P 500 Index, and the S&P 500 Packaged Foods & Meats Index for the five years ended October 30, 2022 October 29, 2023. The graph assumes $100 was invested in each as of the market close on October 30, 2017 October 29, 2018. Note that historic stock price performance is not necessarily indicative of future stock price performance.

549755816748

Item 6. RESERVED

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Executive Overview

Fiscal 2022: 2023: The Company achieved its third second consecutive year of record net sales in excess of $12 billion in fiscal 2022. 2023. Net sales increased 9 were $12.1 billion, declining 3 percent compared to $12.5 billion, primarily driven by the full prior year, inclusion of as the *Planters*® snack nuts business and by growth benefit from the Company's foodservice businesses. Organic net sales1 growth of 6 percent can be attributed to improvement from the foodservice businesses and pricing actions to mitigate inflationary pressures in each business segment (1See explanation was more than offset by the impact of non-GAAP financial measures lower volumes in the Consolidated Results section). Retail and International segments and lower net pricing in certain categories, such as bacon, reflecting raw material commodity deflation. Volume and organic volume[1] declined 7 percent and 8 percent, respectively. Consistent with for the Company's long-term strategy to better align resources to value-added growth, the overall decline in volume was full year, primarily due to lower declines in commodity sales resulting from pork availability as a result of the Company's new pork supply agreement which was effective January 1, 2022. Net earnings increased 10 percent compared to fiscal 2021, benefiting from the inclusion of the *Planters®* snack nuts business, significant profit growth for the Jennie-O Turkey Store segment, and higher sales across the foodservice businesses. Net earnings were negatively impacted by broad-based inflationary pressures stemming from raw materials, packaging, freight, labor, and other inputs. Pricing actions to mitigate these pressures were announced and implemented throughout fiscal 2022. Diluted earnings per share for fiscal 2022 was $1.82, compared to $1.66 last year. Fiscal 2022 contained one less week than the prior year.

Earnings for Jennie-O Turkey Store increased significantly due to higher commodity prices and foodservice sales. Highly pathogenic avian influenza (HPAI) was confirmed lower turkey supply in the Jennie-O Turkey Store supply chain in March 2022. In the second first half of the year due to the team effectively managed a limited turkey supply impacts of HPAI. Segment profit declined 11 percent, as higher results in the Foodservice segment were more than offset by significantly lower results in the Retail and maximized operational performance. Refrigerated Foods International segments. Net earnings declined 21 percent due to lower segment profit and the pre-tax impact of an adverse arbitration ruling of $68.3 million. Adjusted net earnings[1] — excluding the impact of the adverse arbitration ruling, non-cash impairment charges, and costs associated with the Company's transformation and modernization initiative — declined 12 percent. Diluted net earnings per share and adjusted diluted net earnings per share[1] for fiscal 2023 were $1.45 and $1.61, respectively, compared to $1.82 last year.

Segment profit for the Foodservice segment increased due to improved mix across the portfolio. Retail segment profit declined significantly for the full year, increased, driven primarily driven by strong results from the foodservice businesses, more than offsetting lower volumes, unfavorable mix, and higher operational and logistics costs. Grocery Products segment profit declined, as the contribution from the *Planters®* snack nuts business and organic net sales growth was more than operating expenses, partially offset by inflationary pressures the benefit from pricing actions across the portfolio and lower results higher equity in earnings from MegaMex. MegaMex Foods, LLC (MegaMex Foods). International & Other segment profit declined due in large part to lower results from the export business, which was negatively impacted by logistics challenges sales in China and meaningfully higher freight and warehouse expenses. lower turkey commodity sales.

The Company again reinvested into the business through capital expenditures and returned a record amount of cash to shareholders in the form of dividends. Capital expenditures in fiscal 2022 2023 were $279 million $270 million, including investments in new production capabilities for retail and foodservice pepperoni and an expansion of bacon capacity, work on a new line for the *SPAM®* family of products products. The Company continues to be opened prioritize investments in the first half of fiscal 2023, growth, innovation, cost savings, automation, and other projects to support growth of branded products and increase automation. maintenance. The annual dividend for 2023 2024 will be $1.10 $1.13 per share, representing an increase of 3 percent and marks marking the 57th 58th consecutive year of dividend increases.

In August 2022, During fiscal 2023, the Company announced purchased a new strategic operating model 30% common stock interest in Garudafood, a food and has transitioned, effective October 31, 2022, to three operating segments – Retail, Foodservice, and International. The three new segments will continue to be supported by beverage company in Indonesia. This investment expands the Company's One Supply Chain team presence in Southeast Asia and corporate functions. Additionally, supports the Company will be standing up a Brand Fuel Center global execution of Excellence, which will house enterprise-wide brand management expertise, e-commerce capabilities, insights-led innovation the snacking and analytical support to further enable data-driven decisions. Changes to the Company's operating segments have no impact on historical consolidated results of operations, financial position, or cash flows. Earnings will be reported under this structure beginning with the release of fiscal 2023 first quarter results in early March 2023. entertaining strategic priority. The Company will provide recast financial information obtained this minority interest in Garudafood for fiscal years 2021 and 2022 in February 2023. a purchase price of $426 million, including associated transaction costs. The Company funded this transaction with cash on hand.

Fiscal 2023 Outlook: 2024 Outlook[2]: The Company expects continues to navigate through a dynamic operating environment characterized by slowing consumer demand, inflationary pressures, and headwinds in its turkey business. Net sales growth of 1 percent to 3 percent is expected and earnings assumes volume growth in fiscal 2023. key categories, higher brand support and innovation, a benefit from incremental pricing actions, and the current assumptions for raw material input costs. From a top-line bottom-line perspective, the Company anticipates diluted net earnings per share are expected to benefit from higher levels of brand investment, increased production capacity, pricing actions effective be $1.43 to $1.57 and adjusted diluted net earnings per share[1] are expected to be $1.51 to $1.65. Earnings are expected to decline in the second first half of fiscal 2022, the year due to the impact from lower turkey markets, lower volumes in the Retail segment, expenses associated with the transformation and actions related to its new strategic operating model. Earnings modernization initiative, and softness in the Company's China business. Segment profit growth from all three segments is expected in the back half of the year as these pressures abate and as benefits from the Foodservice transformation and International segments and improvement across the supply chain. The Company expects to again operate in a volatile, complex and high-cost environment in fiscal 2023. Risks modernization initiative are realized. Major risks to the outlook include incremental inflationary pressures, further supply chain disruption, significantly lower turkey markets than expected, and the impact of deteriorating macroeconomic conditions on the Company's customers, consumers, and operators.

The Company remains in a strong financial position due to its consistent cash flow, liquidity, and strong balance sheet. The Company plans to continue to support the business through increased marketing and advertising investments for its leading brands as well as investments into its production capabilities, including converting the Barron, Wisconsin, plant into a new line value-added facility to support growth across the portfolio. The Company is also expanding capacity for the high-demand *SPAM Planters®* family of products, a large investment to expand its operations and capabilities in China, and projects to increase automation and efficiency. The Company remains committed to returning snack nuts items. Returning cash to shareholders in the form of dividends. dividends remains a top priority for the Company.

Consistent with the plan outlined at its recent investor day, the Company expects fiscal 2024 to be a year of investment and remains focused on its strategic priorities, executing on its transformation and modernization initiative, fueling its innovation pipeline, and exiting the year with momentum in its business segments. For fiscal 2024, the Company expects a modest benefit to net earnings from its transformation and modernization initiative.

A detailed review of the Company's fiscal 2022 2023 performance compared to fiscal 2021 2022 appears in the following section. A detailed review of the fiscal 2021 2022 performance compared to fiscal 2020 2021 is set forth also provided due to the change in Part II, Item 7 reportable segments which occurred in the first quarter of fiscal 2023.

(1) See the "Non-GAAP Financial Measures" section below for a description of the Company's Form 10-K use of measures not defined by U.S. generally accepted accounting principles (GAAP).
(2) All forward-looking comparisons for the fiscal year ended October 31, 2021, under the caption “Management's Discussion and Analysis of Financial Condition and Results of Operations,” which is incorporated herein by reference.

2024 are comparing fiscal 2023 GAAP figures to projected fiscal 2024 GAAP figures, unless otherwise noted.

Results of Operations

OVERVIEW

The Company is a processor of branded and unbranded food products for retail, foodservice, deli, and commercial customers.

The Company operates transitioned to a new operating model in the first quarter of fiscal 2023 and now reports its results in the following four three reportable segments:

Grocery Products: The Grocery Products segment primarily consists of the processing, marketing, and sale of shelf-stable food products sold predominantly in the retail market, along with the sale of nutritional and private label shelf-stable products to retail, foodservice, and industrial customers. This segment also includes the results from the Company's MegaMex Foods, LLC (MegaMex) joint venture.

Refrigerated Foods: The Refrigerated Foods segment includes the processing, marketing, and sale of branded and unbranded pork, beef, and poultry products for retail, foodservice, deli, convenience store, and commercial customers.

Jennie-O Turkey Store: The Jennie-O Turkey Store segment primarily consists of the processing, marketing, and sale of branded and unbranded turkey products for retail, foodservice, and commercial customers.

International & Other: The International & Other segment includes Hormel Foods International, which manufactures, markets, and sells Company products internationally. This segment also includes the results from the Company's international royalty arrangements and other joint ventures.

The Retail segment consists primarily of the processing, marketing, and sale of food products sold predominantly in the retail market. This segment also includes the results from the Company's MegaMex Foods, LLC joint venture.

The Foodservice segment consists primarily of the processing, marketing, and sale of food and nutritional products for foodservice, convenience store, and commercial customers.

The International segment processes, markets, and sells Company products internationally. This segment also includes the results from the Company's international joint ventures, equity method investments, and royalty arrangements.

Prior period segment results have been retrospectively recast to reflect the new reportable segments.

The Company's fiscal year consisted of 52 weeks in fiscal years 2022 2023 and 2020 2022 and 53 weeks in fiscal year 2021. Fiscal year 2023 2024 will consist of 52 weeks.

FISCAL YEARS 2023 AND 2022

CONSOLIDATED RESULTS

Net Earnings and Diluted Earnings Per Share

In thousands, except per share amounts	Fourth Quarter Ended			Fiscal Year Ended		
	October 30, 2022	October 31, 2021	% Change	**October 30, 2022**	October 31, 2021	% Change
Net Earnings	**$ 279,883**	$ 281,738	(0.7)	**$ 999,987**	$ 908,839	10.0
Diluted Earnings Per Share	**0.51**	0.51	—	**1.82**	1.66	9.6
Adjusted Diluted Earnings Per Share (1)	**0.51**	0.51	—	**1.82**	1.73	5.2

Volume and Net Sales

In thousands	Fourth Quarter Ended			Fiscal Year Ended		
	October 30, 2022	October 31, 2021	% Change	**October 30, 2022**	October 31, 2021	% Change
Volume (lbs.)	**1,160,490**	1,379,848	(15.9)	**4,604,169**	4,933,136	(6.7)
Organic Volume(1)	**1,160,490**	1,281,287	(9.4)	**4,440,352**	4,834,575	(8.2)
Net Sales	**$ 3,283,475**	$ 3,454,751	(5.0)	**$ 12,458,806**	$ 11,386,189	9.4
Organic Net Sales(1)	**3,283,475**	3,207,983	2.4	**11,853,241**	11,139,421	6.4

In thousands, except per share amounts	Fourth Quarter Ended			Fiscal Year Ended		
	October 29, 2023	October 30, 2022	% Change	**October 29, 2023**	October 30, 2022	% Change
Net Earnings	**$ 195,935**	$ 279,883	(30.0)	**$ 793,572**	$ 999,987	(20.6)
Diluted Earnings Per Share	**0.36**	0.51	(29.4)	**1.45**	1.82	(20.3)
Adjusted Diluted Earnings Per Share(1)	**0.42**	0.51	(17.2)	**1.61**	1.82	(11.4)

(1) See the "Non-GAAP Financial Measures" section below for a description of the Company's use of measures not defined by U.S. generally accepted accounting principles (GAAP).

Volume and Net Sales

In thousands	Fourth Quarter Ended			Fiscal Year Ended		
	October 29, 2023	October 30, 2022	% Change	**October 29, 2023**	October 30, 2022	% Change

Volume (lbs.)	**1,155,445**	1,160,490	(0.4)	**4,411,738**	4,604,169	(4.2)
Net Sales	**$ 3,198,079**	$ 3,283,475	(2.6)	**$ 12,110,010**	$ 12,458,806	(2.8)

Volume for the fourth quarter of fiscal 2023 was comparable with last year, as higher turkey volumes in each segment were offset by lower Retail volumes in the convenient meals and proteins and the snacking and entertaining verticals. Net sales declined in the fourth quarter, as higher Foodservice segment sales and the benefit from higher turkey volumes were more than offset by lower volumes in the Retail segment and continued pressure in the International segment.

Fiscal 2023 marked the second consecutive year of net sales in excess of $12 billion. Net sales declined for the full year, as the benefit from pricing actions to mitigate inflationary pressures was more than offset by the impact of lower volumes in the Retail and International segments and lower net pricing in certain categories, such as bacon, reflecting raw material commodity

deflation. The primary drivers of lower volume in fiscal 2023 were declines in commodity pork availability as a result of the Company's new pork supply agreement and lower turkey supply in the first half of the year from the impacts of HPAI.

In fiscal 2024, the Company expects sales growth, which assumes benefits from modestly higher volumes, growth in key categories, higher brand support and innovation, incremental pricing actions, and the current assumptions for raw material costs. Risks to this outlook include slowing consumer demand and greater-than-expected pricing headwinds in the turkey business.

Cost of Products Sold

	Fourth Quarter Ended			Fiscal Year Ended		
In thousands	**October 29, 2023**	October 30, 2022	% Change	**October 29, 2023**	October 30, 2022	% Change
Cost of Products Sold	**$ 2,683,655**	$ 2,717,058	(1.2)	**$ 10,110,169**	$ 10,294,120	(1.8)

Cost of products sold for the fourth quarter and full year of fiscal 2023 decreased due to lower sales. On a volume basis, cost of products sold increased 2 percent in fiscal 2023, driven primarily by inflationary pressures stemming from, among other inputs, packaging, logistics, and labor.

In fiscal 2024, costs are expected to moderate relative to the high levels of inflation the business has absorbed since the beginning of fiscal 2021. Raw material input costs for pork, beef, and feed are anticipated to remain volatile and above historical levels. The Company expects its transformation and modernization initiative to begin delivering modest cost savings in fiscal 2024, targeting packaging, logistics, and production costs.

Gross Profit

	Fourth Quarter Ended			Fiscal Year Ended		
In thousands	**October 29, 2023**	October 30, 2022	% Change	**October 29, 2023**	October 30, 2022	% Change
Gross Profit	**$ 514,425**	$ 566,417	(9.2)	**$ 1,999,841**	$ 2,164,686	(7.6)
Percent of Net Sales	**16.1 %**	17.3 %		**16.5 %**	17.4 %	

Consolidated gross profit as a percent of net sales for the fourth quarter and full year of fiscal 2023 decreased, driven primarily by unfavorable mix in the Retail and International segments and the persistent impact of inflationary pressures. Pricing actions helped mitigate some of the impact from inflationary pressures. Compared to fiscal 2022, gross profit as a percent of net sales for the fourth quarter and full year increased for the Foodservice segment but declined for the Retail and International segments.

In fiscal 2024, the Company expects gross profit as a percent of net sales to be comparable to fiscal 2023. Incremental cost inflation and unfavorable sales mix pose the largest risks to this outlook.

Selling, General, and Administrative (SG&A)

	Fourth Quarter Ended			Fiscal Year Ended		
In thousands	**October 29, 2023**	October 30, 2022	% Change	**October 29, 2023**	October 30, 2022	% Change
SG&A	**$ 216,546**	$ 206,487	4.9	**$ 942,167**	$ 879,265	7.2
Percent of Net Sales	**6.8 %**	6.3 %		**7.8 %**	7.1 %	
Adjusted Percent of Net Sales(1)	**6.6 %**	6.3 %		**7.1 %**	7.1 %	

(1) See the "Non-GAAP Financial Measures" section below for a description of the Company's use of measures not defined by U.S. generally accepted accounting principles (GAAP).

SG&A expenses for the fourth quarter of fiscal 2023 increased as higher professional service expense related to the Company's transformation and modernization initiative and higher advertising expense were partially offset by lower employee-related expenses. For full year fiscal 2023, the increase in SG&A expenses and SG&A expenses as a percent of net sales is attributed to an adverse arbitration ruling totaling $68.3 million. Adjusted SG&A expenses as a percent of net sales(1) for fiscal 2023 were comparable to the prior year.

Advertising investments in fiscal 2023 were $160 million, representing a 2% increase compared to fiscal 2022.

In fiscal 2024, the Company intends to continue investing in its leading brands and for full year advertising expense to increase compared to the prior year.

Research and development continues to be a vital part of the Company's strategy to grow existing brands and expand into new branded items. Research and development expenses were $33.7 million in fiscal 2023, compared to $34.7 million in fiscal 2022.

Equity in Earnings of Affiliates

	Fourth Quarter Ended			Fiscal Year Ended		
In thousands	**October 29, 2023**	October 30, 2022	% Change	**October 29, 2023**	October 30, 2022	% Change
Equity in Earnings of Affiliates	**$ 541**	$ 7,234	(92.5)	**$ 42,754**	$ 27,185	57.3

Equity in earnings of affiliates for the fourth quarter of fiscal 2023 decreased, resulting from the $7.0 million impairment of a corporate venturing investment. Equity in earnings of affiliates for the full year of fiscal 2023 increased due to significantly higher results for MegaMex Foods, reflecting a benefit from pricing actions and lower avocado input costs.

The Company accounts for its majority-owned operations under the consolidation method. Investments in which the Company owns a minority interest, and for which there are no other indicators of control, are accounted for under the equity or cost method. These investments, including balances due to or from affiliates, are included on the Consolidated Statements of Financial Position as Investments in Affiliates. The composition of this line item as of October 29, 2023, was as follows:

In thousands	Investments in Affiliates
U.S.	$ 214,019
Foreign	511,103
Total	$ 725,121

Goodwill and Intangible Impairment

An impairment charge related to the *Justin's*® trade name of $28.4 million was recorded in the fourth quarter of fiscal 2023.

Interest and Investment Income and Interest Expense

	Fourth Quarter Ended			Fiscal Year Ended		
In thousands	**October 29, 2023**	October 30, 2022	% Change	**October 29, 2023**	October 30, 2022	% Change
Interest and Investment Income	**$ (5,872)**	$ 7,933	(174.0)	**$ 14,828**	$ 28,012	(47.1)
Interest Expense	**18,360**	17,602	4.3	**73,402**	62,515	17.4

Interest and investment income decreased in the fourth quarter of fiscal 2023 primarily due to higher pension costs. Interest and investment income decreased for the full year of fiscal 2023 due to higher pension costs, partially offset by increased interest income and improved performance on the rabbi trust. Interest expense increased in fiscal 2023 due to the impact of an interest rate swap.

Effective Tax Rate

	Fourth Quarter Ended		Fiscal Year Ended	
	October 29, 2023	October 30, 2022	**October 29, 2023**	October 30, 2022
Effective Tax Rate	**20.5 %**	21.7 %	**21.8 %**	21.7 %

The effective tax rate for fiscal 2023 reflects a benefit related to the deduction for foreign-derived intangible income. The fiscal 2022 effective tax rate included a benefit for stock option exercises. For additional information, refer to Note N - Income Taxes of the Notes to the Consolidated Financial Statements.

The Company expects the effective tax rate in fiscal 2024 to be between 21.0 and 23.0 percent.

SEGMENT RESULTS

Net sales and segment profit for each of the Company's reportable segments are set forth below. The Company is an integrated enterprise, characterized by substantial intersegment cooperation, cost allocations, and sharing of assets. Therefore, the Company does not represent that these segments, if operated independently, would report the profit and other financial information shown below. Additional segment financial information can be found in Note P - Segment Reporting of the Notes to the Consolidated Financial Statements.

	Fourth Quarter Ended			Fiscal Year Ended		
In thousands	**October 29, 2023**	October 30, 2022	% Change	**October 29, 2023**	October 30, 2022	% Change

Net Sales						
Retail	**$ 1,983,253**	$ 2,066,454	(4.0)	**$ 7,749,039**	$ 7,987,598	(3.0)
Foodservice	**1,032,353**	1,009,672	2.2	**3,639,492**	3,691,408	(1.4)
International	**182,474**	207,350	(12.0)	**721,479**	779,799	(7.5)
Total Net Sales	**$ 3,198,079**	$ 3,283,475	(2.6)	**$ 12,110,010**	$ 12,458,806	(2.8)
Segment Profit						
Retail	**$ 118,660**	$ 198,852	(40.3)	**$ 577,690**	$ 721,832	(20.0)
Foodservice	**167,571**	148,203	13.1	**595,682**	547,686	8.8
International	**9,511**	28,810	(67.0)	**55,234**	107,642	(48.7)
Total Segment Profit	**295,743**	375,865	(21.3)	**1,228,606**	1,377,161	(10.8)
Net Unallocated Expense	**49,485**	18,498	167.5	**214,482**	99,297	116.0
Noncontrolling Interest	**(452)**	128	(454.6)	**(653)**	239	(372.7)
Earnings Before Income Taxes	**$ 245,805**	$ 357,495	(31.2)	**$ 1,013,472**	$ 1,278,103	(20.7)

Volume for the full year of fiscal 2023 was negatively impacted by lower fresh pork availability resulting from the Company's new pork supply agreement (primarily impacting the first quarter) and lower turkey volumes due to the impacts of HPAI in the Company's vertically integrated turkey supply chain (primarily impacting the first half).

Retail

	Fourth Quarter Ended			Fiscal Year Ended		
In thousands	**October 29, 2023**	October 30, 2022	% Change	**October 29, 2023**	October 30, 2022	% Change
Volume (lbs.)	**788,030**	810,044	(2.7)	**3,055,393**	3,245,625	(5.9)
Net Sales	**$ 1,983,253**	$ 2,066,454	(4.0)	**$ 7,749,039**	$ 7,987,598	(3.0)
Segment Profit	**118,660**	198,852	(40.3)	**577,690**	721,832	(20.0)
Adjusted Segment Profit(1)	**147,043**	198,852	(26.1)	**606,073**	721,832	(16.0)

(1) See the "Non-GAAP Financial Measures" section below for a description of the Company's use of measures not defined by U.S. generally accepted accounting principles (GAAP).

For the fourth quarter of fiscal 2023, volume and net sales growth from the value-added meats, emerging brands and bacon verticals was more than offset by declines in the convenient meals and proteins and the snacking and entertaining verticals. In addition to continued recovery across the *Jennie-O*® turkey portfolio, items such as *Applegate*® natural and organic meats, *Hormel*® *Black Label*® bacon, *Chi-Chi's*® and *La Victoria*® salsas, *Corn Nuts*® products and *Hormel*® *Square Table*™ entrees grew volume and net sales during the quarter. Net sales declines continued to be partially attributed to the difficult comparison from high levels of demand for *Skippy*® spreads last year. Full year fiscal 2023 net sales declined primarily due to lower volumes from the convenient meals and proteins and value-added meats verticals, declines in the snacking and entertaining vertical and lower market-driven pricing on raw bacon items.

Segment profit declined for the fourth quarter due to lower sales, unfavorable mix and increased brand investments. Additionally, a non-cash impairment charge of $28.4 million was recorded in the fourth quarter associated with the *Justin's*® trade name. For fiscal 2023, segment profit declined due to lower volumes, unfavorable mix, and higher operating expenses, partially offset by the benefit from pricing actions across the portfolio, higher equity in earnings from MegaMex Foods, and improved bacon volumes.

In fiscal 2024, the Company expects volume and net sales from its Retail segment to be comparable to the prior year. Volume growth in key categories, higher brand support and innovation, and a benefit from incremental pricing actions are expected to be positive catalysts for the business. Earnings are expected to decline compared to the prior year, driven primarily by commodity headwinds in the Company's turkey business. Risks to this outlook include a further slowing in consumer demand and greater-than-expected pricing headwinds in the turkey business.

Foodservice

	Fourth Quarter Ended			Fiscal Year Ended		
In thousands	**October 29, 2023**	October 30, 2022	% Change	**October 29, 2023**	October 30, 2022	% Change
Volume (lbs.)	**279,288**	266,447	4.8	**1,026,772**	1,027,124	—
Net Sales	**$ 1,032,353**	$ 1,009,672	2.2	**$ 3,639,492**	$ 3,691,408	(1.4)
Segment Profit	**167,571**	148,203	13.1	**595,682**	547,686	8.8

Volume and net sales for the fourth quarter of fiscal 2023 increased, driven by a significant recovery across the *Jennie-O*® turkey portfolio and strong demand for premium bacon, pizza toppings and premium breakfast sausage. Additionally, volume and net sales increased for the *Cafe H*®, *Austin Blues*® and *Hormel*®*Cure 81*® brands. Net sales declined for full year fiscal 2023 primarily due to lower net pricing in certain categories, reflecting raw material commodity deflation and lower turkey and fresh pork volumes.

For the fourth quarter, segment profit increased due to the contribution from higher volumes and improved mix. Segment profit increased during fiscal 2023 due to improved mix across the portfolio.

In fiscal 2024, the Company anticipates higher volume, net sales and segment profit from its Foodservice segment compared to the prior year. Risks to this outlook include a softening of foodservice industry demand, lower-than-expected raw material input costs (negatively impacting net sales), and higher-than-expected operating costs.

International

	Fourth Quarter Ended			Fiscal Year Ended		
In thousands	**October 29, 2023**	October 30, 2022	% Change	**October 29, 2023**	October 30, 2022	% Change
Volume (lbs.)	**88,128**	83,999	4.9	**329,573**	331,421	(0.6)
Net Sales	**$ 182,474**	$ 207,350	(12.0)	**$ 721,479**	$ 779,799	(7.5)
Segment Profit	**9,511**	28,810	(67.0)	**55,234**	107,642	(48.7)

As anticipated, net sales declined for the fourth quarter of fiscal 2023 as a result of lower branded export volumes and lower sales in China, primarily related to the retail business. Volume growth was driven by low-margin turkey and commodity fresh pork. For the full year of fiscal 2023, net sales declined primarily due to lower *SPAM®* luncheon meat exports, lower sales in China, and lower commodity turkey prices.

Segment profit for the fourth quarter declined significantly due to continued softness in China and lower branded export demand, partially offset by the contribution from the Company's minority investment in Garudafood. Segment profit for fiscal 2023 declined significantly due to lower sales in China, lower commodity turkey sales, and lower branded export margins.

In fiscal 2024, the Company expects a rebound in its International segment, including higher net sales and segment profit. This recovery is expected to be driven by improvement across the business, including from its multinational businesses in China and Brazil, partnership in the Philippines, and branded exports. Risks to this outlook include continued softness in China and commodity headwinds impacting the export business.

Unallocated Income and Expense

The Company does not allocate deferred compensation, investment income, interest expense, or interest income to its segments when measuring performance. The Company also retains various other income and unallocated expenses at the corporate level. Equity in Earnings of Affiliates is included in segment profit; however, earnings attributable to the Company's corporate venturing investments and noncontrolling interests are excluded.

	Fourth Quarter Ended		Fiscal Year Ended	
In thousands	**October 29, 2023**	October 30, 2022	**October 29, 2023**	October 30, 2022
Net Unallocated Expense	**$ 49,485**	$ 18,498	**$ 214,482**	$ 99,297
Noncontrolling Interest	**(452)**	128	**(653)**	239

For the fourth quarter of fiscal 2023, net unallocated expense increased as a result of higher pension costs, higher professional service expenses related to the Company's transformation and modernization initiative, and from the impairment of a corporate venturing investment. In addition to these drivers, net unallocated expense for fiscal 2023 increased as a result of an adverse arbitration ruling totaling $68.3 million.

(1)Non-GAAP Financial Measures

This filing includes measures of financial performance that are not defined by U.S. GAAP. The Company utilizes these non-GAAP measures to understand and evaluate operating performance on a consistent basis. These measures may also be used when making decisions regarding resource allocation and in determining incentive compensation. The Company believes these non-GAAP financial measures provide useful information to investors because they facilitate year-over-year comparison and provide additional information about trends in the Company's operations. Non-GAAP measures are not intended to be a substitute for U.S. GAAP measures in analyzing financial performance. These non-GAAP measures are not in accordance with generally accepted accounting principles and may be different from non-GAAP measures used by other companies.

Adjusted SG&A expenses as a percent of net sales excludes the impact of an adverse arbitration ruling and certain costs associated with the transformation and modernization initiative. Adjusted diluted net earnings per share excludes the impact of an adverse arbitration ruling, impairment charges associated with the *Justin's®* trade name and a corporate venturing investment, and costs associated with the transformation and modernization initiative. The tax impact was calculated using the effective tax rate for the quarter in which the expense was incurred. The non-GAAP financial measure of adjusted segment profit for the Retail segment excludes the impact of the impairment charge associated with the *Justin's®* trade name.

The Company's fiscal 2024 outlook for adjusted diluted net earnings per share is a non-GAAP financial measure that excludes, or has otherwise been adjusted for, items impacting comparability, including estimated charges associated with the transformation and modernization initiative. The Company's strategic investments in the transformation and modernization initiative are expected to cease at the end of the investment period, are not expected to recur in the foreseeable future, and are not considered representative of the Company's underlying operating performance.

The Company provides earnings before interest and taxes (EBIT) and earnings before interest, taxes, depreciation, and amortization (EBITDA) because these measures are useful to management and investors as indicators of operating strength relative to prior years and are commonly used to benchmark the Company's performance.

The following tables show the calculations to reconcile from the GAAP measures to the non-GAAP financial measures.

ADJUSTED SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES AS A PERCENT OF NET SALES (NON-GAAP) AND ADJUSTED DILUTED NET EARNINGS PER SHARE (NON-GAAP)

	Fourth Quarter Ended				
	October 29, 2023			October 30, 2022	
In thousands, except per share amounts	GAAP	Non-GAAP Adjustments	Non-GAAP	Reported GAAP	Non-GAAP % Change
Net Sales	$ 3,198,079	$ —	$ 3,198,079	$ 3,283,475	(2.6)
Cost of Products Sold	2,683,655	(944)	2,682,711	2,717,058	(1.3)
Gross Profit	514,425	944	515,368	566,417	(9.0)
Selling, General, and Administrative	216,546	(6,726)	209,820	206,487	1.6
Equity in Earnings of Affiliates	541	6,985	7,526	7,234	4.0
Goodwill and Intangible Impairment	28,383	(28,383)	—	—	—
Operating Income	270,037	43,038	313,074	367,164	(14.7)
Interest and Investment Income	(5,872)	—	(5,872)	7,933	(174.0)
Interest Expense	18,360	—	18,360	17,602	4.3
Earnings Before Income Taxes	245,805	43,038	288,843	357,495	(19.2)
Provision for Income Taxes	50,322	8,822	59,145	77,484	(23.7)
Net Earnings	195,483	34,216	229,698	280,011	(18.0)
Less: Net Earnings (Loss) Attributable to Noncontrolling Interest	(452)	—	(452)	128	(454.6)
Net Earnings Attributable to Hormel Foods Corporation	$ 195,935	$ 34,216	$ 230,150	$ 279,883	(17.8)
Diluted Net Earnings Per Share	$ 0.36	$ 0.06	$ 0.42	$ 0.51	(17.2)
Selling, General, and Administrative Expenses as a Percent of Net Sales	6.8 %		6.6 %	6.3 %	

	Fiscal Year Ended				
	October 29, 2023			October 30, 2022	
In thousands, except per share amounts	GAAP	Non-GAAP Adjustments	Non-GAAP	Reported GAAP	Non-GAAP % Change
Net Sales	$ 12,110,010	$ —	$ 12,110,010	$ 12,458,806	(2.8)
Cost of Products Sold	10,110,169	(944)	10,109,225	10,294,120	(1.8)
Gross Profit	1,999,841	944	2,000,785	2,164,686	(7.6)
Selling, General, and Administrative	942,167	(76,726)	865,441	879,265	(1.6)
Equity in Earnings of Affiliates	42,754	6,985	49,739	27,185	83.0
Goodwill and Intangible Impairment	28,383	(28,383)	—	—	—
Operating Income	1,072,046	113,038	1,185,083	1,312,607	(9.7)
Interest and Investment Income	14,828	—	14,828	28,012	(47.1)
Interest Expense	73,402	—	73,402	62,515	17.4
Earnings Before Income Taxes	1,013,472	113,038	1,126,509	1,278,103	(11.9)
Provision for Income Taxes	220,552	24,012	244,565	277,877	(12.0)
Net Earnings	792,920	89,026	881,945	1,000,226	(11.8)
Less: Net Earnings (Loss) Attributable to Noncontrolling Interest	(653)	—	(653)	239	(372.7)
Net Earnings Attributable to Hormel Foods Corporation	$ 793,572	$ 89,026	$ 882,597	$ 999,987	(11.7)
Diluted Net Earnings Per Share	$ 1.45	$ 0.16	$ 1.61	$ 1.82	(11.4)
Selling, General, and Administrative Expenses as a Percent of Net Sales	7.8 %		7.1 %	7.1 %	

ADJUSTED SEGMENT PROFIT (NON-GAAP)

In thousands	Fourth Quarter Ended October 29, 2023 GAAP	Non-GAAP Adjustments	Non-GAAP	October 30, 2022 Reported GAAP	Non-GAAP % Change
Segment Profit					
Retail	**$ 118,660**	**$ 28,383**	**$ 147,043**	$ 198,852	(26.1)
Foodservice	**167,571**	**—**	**167,571**	148,203	13.1
International	**9,511**	**—**	**9,511**	28,810	(67.0)
Total Segment Profit	**295,743**	**28,383**	**324,126**	375,865	(13.8)
Net Unallocated Expense	**49,485**	**(14,655)**	**34,830**	18,498	88.3
Noncontrolling Interest	**(452)**	**—**	**(452)**	128	(454.6)
Earnings Before Income Taxes	**$ 245,805**	**$ 43,038**	**$ 288,843**	$ 357,495	(19.2)

In thousands	Fiscal Year Ended October 29, 2023 GAAP	Non-GAAP Adjustments	Non-GAAP	October 30, 2022 Reported GAAP	Non-GAAP % Change
Segment Profit					
Retail	**$ 577,690**	**$ 28,383**	**$ 606,073**	$ 721,832	(16.0)
Foodservice	**595,682**	**—**	**595,682**	547,686	8.8
International	**55,234**	**—**	**55,234**	107,642	(48.7)
Total Segment Profit	**1,228,606**	**28,383**	**1,256,989**	1,377,161	(8.7)
Net Unallocated Expense	**214,482**	**(84,655)**	**129,827**	99,297	30.7
Noncontrolling Interest	**(653)**	**—**	**(653)**	239	(373.1)
Earnings Before Income Taxes	**$ 1,013,472**	**$ 113,038**	**$ 1,126,510**	$ 1,278,103	(11.9)

ADJUSTED DILUTED NET EARNINGS PER SHARE OUTLOOK (NON-GAAP)

	Fiscal Year 2024 Outlook	2023 Results
Diluted Net Earnings per Share	$1.43 - $1.57	$1.45
Arbitration Ruling	—	$0.10
Impairment Charges	—	$0.05
Transformation and Modernization Initiative	$0.08	$0.01
Adjusted Diluted Net Earnings per Share	$1.51 - $1.65	$1.61

EBIT AND EBITDA (NON-GAAP)

In thousands	Fiscal Year Ended **October 29, 2023**	October 30, 2022
EBIT:		
Net Earnings Attributable to Hormel Foods Corporation	**$ 793,572**	$ 999,987
Plus: Income Tax Expense	**220,552**	277,877
Plus: Interest Expense	**73,402**	62,515
Less: Interest and Investment Income	**14,828**	28,012
EBIT	**$ 1,072,698**	$ 1,312,367
EBITDA:		
EBIT per above	**1,072,698**	1,312,367
Plus: Depreciation and Amortization	**253,311**	235,885
EBITDA	**$ 1,326,009**	$ 1,548,252

FISCAL YEARS 2022 AND 2021

CONSOLIDATED RESULTS

A detailed review of fiscal 2022 performance compared to fiscal 2021 is provided due to the change in reportable segments which occurred in the first quarter of fiscal 2023.

Net Earnings and Diluted Earnings Per Share

	Fourth Quarter Ended			Fiscal Year Ended		
In thousands, except per share amounts	October 30, 2022	October 31, 2021	% Change	October 30, 2022	October 31, 2021	% Change
Net Earnings	$ 279,883	$ 281,738	(0.7)	$ 999,987	$ 908,839	10.0
Diluted Earnings Per Share	0.51	0.51	—	1.82	1.66	9.6
Adjusted Diluted Earnings Per Share(1)	0.51	0.51	—	1.82	1.73	5.2

Volume and Net Sales

	Fourth Quarter Ended			Fiscal Year Ended		
In thousands	October 30, 2022	October 31, 2021	% Change	October 30, 2022	October 31, 2021	% Change
Volume (lbs.)	1,160,490	1,379,848	(15.9)	4,604,169	4,933,136	(6.7)
Organic Volume(1)	1,160,490	1,281,287	(9.4)	4,440,352	4,834,575	(8.2)
Net Sales	$ 3,283,475	$ 3,454,751	(5.0)	$ 12,458,806	$ 11,386,189	9.4
Organic Net Sales(1)	3,283,475	3,207,983	2.4	11,853,241	11,139,421	6.4

(1) See the "Non-GAAP Financial Measures" section below for a description of the Company's use of measures not defined by U.S. generally accepted accounting principles (GAAP).

Consistent with the Company's long-term strategy to better align resources to value-added growth, the overall decline in volume for the fourth quarter and full year of fiscal 2022 was primarily due to lower commodity sales resulting from the Company's new pork supply agreement, which was effective January 1, 2022.

Net sales decreased for the fourth quarter of fiscal 2022 due to reduced commodity sales and the impact from an additional week of sales last year. Organic net sales for the fourth quarter increased, led by growth from the Grocery Products Retail and International & Other Foodservice segments. The Grocery Products Retail segment benefited from pricing actions effective at the beginning of the fourth quarter.

Fiscal 2022 marked the third consecutive year of record sales for the Company. Record net sales were primarily driven by the inclusion of the *Planters®* snack nuts business and growth from the Company's foodservice businesses. Foodservice segment. All segments implemented pricing actions during the fiscal year to combat inflationary pressures.

In fiscal 2023, the Company expects sales growth and to benefit from higher levels of brand investment, increased production capacity, pricing actions effective in the second half of fiscal 2022, and actions related to its new strategic operating model.

Cost of Products Sold

	Fourth Quarter Ended			Fiscal Year Ended		
In thousands	October 30, 2022	October 31, 2021	% Change	October 30, 2022	October 31, 2021	% Change
Cost of Products Sold	$ 2,717,058	$ 2,876,669	(5.5)	$ 10,294,120	$ 9,458,283	8.8

Cost of products sold for the fourth quarter decreased, resulting from lower sales due to the additional week in fiscal 2021. For fiscal 2022, cost of products sold increased due to inflationary pressures stemming from raw materials, packaging, freight, labor, and other inputs. The inclusion of the *Planters®* snack nuts business was also a driver of higher costs for the full year.

In fiscal 2023, costs are expected to remain elevated due to the continued impacts of broad-based inflation. Raw material input costs for pork, beef, turkey, and feed are anticipated to remain volatile and above historical levels.

Gross Profit

	Fourth Quarter Ended			Fiscal Year Ended		
In thousands	**October 30, 2022**	October 31, 2021	% Change	**October 30, 2022**	October 31, 2021	% Change
Gross Profit	**$ 566,417**	$ 578,081	(2.0)	**$ 2,164,686**	$ 1,927,906	12.3
Percentage of Net Sales	**17.3 %**	16.7 %		**17.4 %**	16.9 %	

	Fourth Quarter Ended			Fiscal Year Ended		
	October 30,	October 31,		October 30,	October 31,	

In thousands	2022	2021	% Change	2022	2021	% Change
Gross Profit	$ 566,417	$ 578,081	(2.0)	$ 2,164,686	$ 1,927,906	12.3
Percent of Net Sales	17.3 %	16.7 %		17.4 %	16.9 %	

Consolidated gross profit as a percentage percent of net sales for the fourth quarter and full year of fiscal 2022 increased primarily due to improved profitability from the Jennie-O Turkey Store segment, Retail segment. For fiscal 2022, gross profit as a percent of net sales increased primarily due to improved profitability from the Foodservice and International segments, the inclusion of the *Planters*® snack nuts business, and pricing actions to help mitigate inflationary pressures across all segments. Gross profit as a percentage percent of net sales for fiscal 2022 also benefited from the reduction of lower margin commodity sales resulting from the Company's new pork supply agreement. agreement that was new in fiscal 2022.

Compared to the prior year, gross profit as a percentage percent of net sales for the fourth quarter of fiscal 2022 increased for the Jennie-O Turkey Store Retail segment and declined for the other segments. For fiscal 2022, gross profit as a percentage percent of net sales increased for the Jennie-O Turkey Store Foodservice and International & Other segments and decreased modestly for the Refrigerated Foods and Grocery Products segments. Retail segment. All business segments were negatively impacted by broad-based inflationary pressures.

In fiscal 2023, the Company expects gross profit as a percentage of net sales to be comparable to fiscal 2022. Incremental cost inflation poses the largest risk to this assumption.

Selling, General, and Administrative (SG&A)

	Fourth Quarter Ended			Fiscal Year Ended		
In thousands	**October 30, 2022**	October 31, 2021	% Change	**October 30, 2022**	October 31, 2021	% Change
SG&A	**$ 206,487**	$ 230,441	(10.4)	**$ 879,265**	$ 853,071	3.1
Percentage of Net Sales	**6.3 %**	6.7 %		**7.1 %**	7.5 %	

	Fourth Quarter Ended			Fiscal Year Ended		
In thousands	October 30, 2022	October 31, 2021	% Change	October 30, 2022	October 31, 2021	% Change
SG&A	$ 206,487	$ 230,441	(10.4)	$ 879,265	$ 853,071	3.1
Percent of Net Sales	6.3 %	6.7 %		7.1 %	7.5 %	

SG&A expenses for the fourth quarter of fiscal 2022 declined primarily due to the additional week in fiscal 2021. SG&A expenses for fiscal 2022 increased due to the inclusion of the *Planters*® snack nuts business and higher marketing and advertising investments. As a percent of net sales, SG&A expenses declined for the full year, driven by record sales and disciplined cost management.

Advertising investments in fiscal year 2022 were $157 million, representing a 14 percent increase compared to fiscal 2021.

In fiscal 2023, the Company intends to continue investing in key brands including *Planters*®, *SPAM*®, *SKIPPY*®, *Columbus*®, *Hormel*® *Black Label*®, *Hormel*® pepperoni, and *Jennie-O*®.

Research and development continues continued to be a vital part of the Company's strategy to grow existing brands and expand into new branded items. Research and development expenses were $8.6 million and $34.7 million for the fourth quarter and full year of in fiscal 2022, respectively, compared to $8.3 million and $33.6 million for the corresponding periods in fiscal 2021.

Equity in Earnings of Affiliates

	Fourth Quarter Ended			Fiscal Year Ended		
In thousands	October 30, 2022	October 31, 2021	% Change	October 30, 2022	October 31, 2021	% Change
Equity in Earnings of Affiliates	$ 7,234	$ 10,041	(28.0)	$ 27,185	$ 47,763	(43.1)

Equity in earnings of affiliates for the fourth quarter and full year of fiscal 2022 decreased significantly due to lower results for MegaMex. MegaMex Foods. MegaMex Foods results have been were negatively impacted by inflationary pressures, including significantly higher costs for avocados.

The Company accounts for its majority-owned operations under the consolidation method. Investments in which the Company owns a minority interest, and for which there are no other indicators of control, are accounted for under the equity or cost method. These investments, along with receivables from other affiliates, are included in on the Consolidated Statements of Financial Position as investments Investments in and receivables from affiliates. Affiliates. The composition of this line item as of October 30, 2022, was as follows:

In thousands	Investments/ReceivablesInvestments in Affiliates
U.S.	$ 192,577
Foreign	78,481
Total	$ 271,058

Interest and Investment Income and Interest Expense

In thousands	Fourth Quarter Ended			Fiscal Year Ended		
	October 30, 2022	October 31, 2021	% Change	**October 30, 2022**	October 31, 2021	% Change
Interest and Investment Income	**$ 7,933**	$ 10,138	(21.7)	**$ 28,012**	$ 46,878	(40.2)
Interest Expense	**17,602**	15,589	(12.9)	**62,515**	43,307	(44.4)

In thousands	Fourth Quarter Ended			Fiscal Year Ended		
	October 30, 2022	October 31, 2021	% Change	October 30, 2022	October 31, 2021	% Change
Interest and Investment Income	$ 7,933	$ 10,138	(21.7)	$ 28,012	$ 46,878	(40.2)
Interest Expense	17,602	15,589	12.9	62,515	43,307	44.4

Interest and investment income decreased in the fourth quarter and full year of fiscal 2022 primarily due to losses on the rabbi trust. Interest expense in fiscal 2022 reflects the full year impact of debt issued in 2021.

Effective Tax Rate

	Fourth Quarter Ended		Fiscal Year Ended	
	October 30, 2022	October 31, 2021	October 30, 2022	October 31, 2021
Effective Tax Rate	21.7 %	20.0 %	21.7 %	19.3 %

The effective tax rate for fiscal 2021 included the benefit of one-time state tax discrete items. For additional information, refer to Note N - Income Taxes.

The Company expects Taxes of the effective tax rate in fiscal 2023 Notes to be between 21.0 and 23.0 percent. the Consolidated Financial Statements.

SEGMENT RESULTS

Net sales and segment profit for each of the Company's reportable segments are set forth below. The Company is an integrated enterprise, characterized by substantial intersegment cooperation, cost allocations, and sharing of assets. Therefore, the Company does not represent that these segments, if operated independently, would report the segment profit and other financial information shown below. Additional segment financial information can be found in Note P - Segment Reporting.

In thousands	Fourth Quarter Ended			Fiscal Year Ended		
	October 30, 2022	October 31, 2021	% Change	**October 30, 2022**	October 31, 2021	% Change
Net Sales						
Grocery Products	**$ 934,174**	$ 905,030	3.2	**$ 3,533,138**	$ 2,809,445	25.8
Refrigerated Foods	**1,759,161**	1,888,311	(6.8)	**6,691,230**	6,333,410	5.6
Jennie-O Turkey Store	**391,866**	459,754	(14.8)	**1,507,421**	1,495,151	0.8
International & Other	**198,274**	201,655	(1.7)	**727,017**	748,183	(2.8)
Total Net Sales	**$ 3,283,475**	$ 3,454,751	(5.0)	**$ 12,458,806**	$ 11,386,189	9.4
Segment Profit						
Grocery Products	**$ 102,378**	$ 111,235	(8.0)	**$ 367,642**	$ 382,197	(3.8)
Refrigerated Foods	**167,402**	196,819	(14.9)	**685,394**	664,558	3.1
Jennie-O Turkey Store	**75,891**	30,492	148.9	**218,860**	76,006	188.0
International & Other	**30,194**	31,343	(3.7)	**105,264**	115,943	(9.2)
Total Segment Profit	**375,865**	369,888	1.6	**1,377,161**	1,238,704	11.2
Net Unallocated Expense	**18,498**	17,669	4.7	**99,297**	112,836	(12.0)

Noncontrolling Interest	**128**	12	994.1	**239**	301	(20.6)
Earnings Before Income Taxes	**$ 357,495**	$ 352,230	1.5	**$ 1,278,103**	$ 1,126,170	13.5

Reporting of the Notes to the Consolidated Financial Statements.

	Fourth Quarter Ended			Fiscal Year Ended		
In thousands	October 30, 2022	October 31, 2021	% Change	October 30, 2022	October 31, 2021	% Change
Net Sales						
Retail	$ 2,066,454	$ 2,181,048	(5.3)	$ 7,987,598	$ 7,418,079	7.7
Foodservice	1,009,672	1,043,634	(3.3)	3,691,408	3,130,174	17.9
International	207,350	230,068	(9.9)	779,799	837,936	(6.9)
Total Net Sales	$ 3,283,475	$ 3,454,751	(5.0)	$ 12,458,806	$ 11,386,189	9.4
Segment Profit						
Retail	$ 198,852	$ 167,551	18.7	$ 721,832	$ 690,127	4.6
Foodservice	148,203	163,367	(9.3)	547,686	431,992	26.8
International	28,810	38,970	(26.1)	107,642	116,585	(7.7)
Total Segment Profit	375,865	369,888	1.6	1,377,161	1,238,704	11.2
Net Unallocated Expense	18,498	17,669	4.7	99,297	112,836	(12.0)
Noncontrolling Interest	128	12	994.1	239	301	(20.6)
Earnings Before Income Taxes	$ 357,495	$ 352,230	1.5	$ 1,278,103	$ 1,126,170	13.5

Grocery Products

	Fourth Quarter Ended			Fiscal Year Ended		
In thousands	**October 30, 2022**	October 31, 2021	% Change	**October 30, 2022**	October 31, 2021	% Change
Volume (lbs.)	**388,270**	403,550	(3.8)	**1,499,558**	1,340,895	11.8
Net Sales	**$ 934,174**	$ 905,030	3.2	**$ 3,533,138**	$ 2,809,445	25.8
Segment Profit	**102,378**	111,235	(8.0)	**367,642**	382,197	(3.8)

Retail

	Fourth Quarter Ended			Fiscal Year Ended		
In thousands	October 30, 2022	October 31, 2021	% Change	October 30, 2022	October 31, 2021	% Change
Volume (lbs.)	810,044	980,339	(17.4)	3,245,625	3,546,324	(8.5)
Net Sales	$ 2,066,454	$ 2,181,048	(5.3)	$ 7,987,598	$ 7,418,079	7.7
Segment Profit	198,852	167,551	18.7	721,832	690,127	4.6

Net sales for the fourth quarter of fiscal 2022 increased decreased due to the impact from an additional week in the fourth quarter of last year and lower commodity sales. These declines more than offset strong demand for *SKIPPY* *Skippy*® peanut butter and the impact of pricing actions across the Mexican global flavors and simple-meals portfolios. convenient meals and proteins verticals. For the full year, fiscal 2022, net sales increased primarily due to the inclusion of the *Planters*® snack nuts business and the impact from strategic pricing actions. Consistent with the Company's long-term strategy to better align resources to value-added growth, the overall decline in volume for the fourth quarter and full year of fiscal 2022 was primarily due to lower commodity sales resulting from the Company's new pork supply agreement, in addition to supply impacts on the Company's vertically integrated supply chain as a result of HPAI.

For the fourth quarter of fiscal 2022, segment profit declined, as increased due to higher commodity turkey prices, improved value-added mix, and pricing actions did not to offset the impact from continued inflationary pressures. Full year Fiscal 2022 segment profit decreased, increased, as the contribution from the *Planters*® snack nuts business and organic net sales growth was higher commodity turkey prices more than offset by the impact of inflationary pressures and lower results from MegaMex. MegaMex Foods.

In fiscal 2023, the Grocery Products segment will be reported within the Company's new Retail and Foodservice segments. Refer to the "Fiscal 2023 Outlook" in the "Executive Summary" for additional forward-looking commentary.

Refrigerated Foods

	Fourth Quarter Ended	Fiscal Year Ended

In thousands	October 30, 2022	October 31, 2021	% Change	October 30, 2022	October 31, 2021	% Change
Volume (lbs.)	**530,166**	657,488	(19.4)	**2,104,665**	2,437,217	(13.6)
Net Sales	**$ 1,759,161**	$ 1,888,311	(6.8)	**$ 6,691,230**	$ 6,333,410	5.6
Segment Profit	**167,402**	196,819	(14.9)	**685,394**	664,558	3.1

Foodservice

	Fourth Quarter Ended			Fiscal Year Ended		
In thousands	October 30, 2022	October 31, 2021	% Change	October 30, 2022	October 31, 2021	% Change
Volume (lbs.)	266,447	301,111	(11.5)	1,027,124	1,007,667	1.9
Net Sales	$ 1,009,672	$ 1,043,634	(3.3)	$ 3,691,408	$ 3,130,174	17.9
Segment Profit	148,203	163,367	(9.3)	547,686	431,992	26.8

Volume and net sales declined in the fourth quarter of fiscal 2022 due to the impact from an additional week in the fourth quarter of last year fiscal 2021 and lower commodity turkey sales. Products Partially offsetting these declines, products such as *Hormel® Natural Choice®* meats, *Hormel® Bacon 1™* fully cooked bacon and *Hormel® Fire Braised™* flame-seared meats *Hormel Gatherings®* party trays and *Applegate®* breaded chicken grew volume and sales for the quarter. For fourth quarter of fiscal 2022. Fiscal 2022 volume and net sales increased due to strong results from the foodservice businesses, strategic pricing actions across the portfolio as the industry continued to recover from pandemic-related declines and from the inclusion of the *Planters®* snack nuts business in the convenience channel. Consistent with the Company's long-term strategy to better align resources to value-added growth, the overall decline in volume for the fourth quarter and full year was due primarily to lower commodity sales resulting from the Company's new pork supply agreement.

The decline in segment profit for the fourth quarter of fiscal 2022 was driven by lower commodity profitability the impact from an additional week in the fourth quarter of fiscal 2021 and higher operational, logistics and raw material costs. Segment profit growth for full year of fiscal 2022 was primarily due to strong results from the foodservice businesses, more than offsetting significantly higher operational and logistics costs. net sales as described above.

In fiscal 2023, the Refrigerated Foods segment will be reported within the Company's new Retail and Foodservice segments. Refer to the "Fiscal 2023 Outlook" in the "Executive Summary" for additional forward-looking commentary.

International

	Fourth Quarter Ended			Fiscal Year Ended		
In thousands	October 30, 2022	October 31, 2021	% Change	October 30, 2022	October 31, 2021	% Change
Volume (lbs.)	83,999	98,399	(14.6)	331,421	379,145	(12.6)
Net Sales	$ 207,350	$ 230,068	(9.9)	$ 779,799	$ 837,936	(6.9)
Segment Profit	28,810	38,970	(26.1)	107,642	116,585	(7.7)

Jennie-O Turkey Store

	Fourth Quarter Ended			Fiscal Year Ended		
In thousands	**October 30, 2022**	October 31, 2021	% Change	**October 30, 2022**	October 31, 2021	% Change
Volume (lbs.)	**163,785**	240,771	(32.0)	**703,824**	824,184	(14.6)
Net Sales	**$ 391,866**	$ 459,754	(14.8)	**$ 1,507,421**	$ 1,495,151	0.8
Segment Profit	**75,891**	30,492	148.9	**218,860**	76,006	188.0

As anticipated, volume and sales declined in the fourth quarter of fiscal 2022 as a result of the supply impacts on the Company's vertically integrated supply chain from HPAI. For fiscal 2022, higher foodservice and whole-bird sales due to favorable pricing drove the marginal sales increase.

For the fourth quarter of fiscal 2022, segment profit growth was primarily due to higher commodity prices and improved value-added mix. For the full year fiscal 2022, higher commodity prices and foodservice sales drove the substantial improvement in segment profit.

In fiscal 2023, the Jennie-O Turkey Store segment will be reported within the Company's new Retail, Foodservice, and International segments. The Company expects the impacts from HPAI to reduce production volume in its turkey facilities through at least the first half of fiscal 2023. Refer to the "Fiscal 2023 Outlook" in the "Executive Summary" for additional forward-looking commentary.

International & Other

	Fourth Quarter Ended			Fiscal Year Ended		
In thousands	**October 30, 2022**	October 31, 2021	% Change	**October 30, 2022**	October 31, 2021	% Change

Volume (lbs.)	**78,269**	78,039	0.3	**296,122**	330,841	(10.5)
Net Sales	**$ 198,274**	$ 201,655	(1.7)	**$ 727,017**	$ 748,183	(2.8)
Segment Profit	**30,194**	31,343	(3.7)	**105,264**	115,943	(9.2)

In the fourth quarter of fiscal 2022, volume and net sales growth from the *SPAM*® and *SKIPPY* *Skippy*® brands and the multinational businesses were more than offset by lower commodity turkey, fresh pork and refrigerated export sales. For fiscal 2022, volume and sales declined as a result of lower commodity sales due to the Company's new pork supply agreement, lower turkey sales as a result of the supply impacts on the Company's vertically integrated supply chain from HPAI, and ongoing export logistics challenges.

Segment profit declined in the fourth quarter of fiscal 2022, as growth in China did not overcome the impact of lower commodity turkey sales, lower branded export margins, and higher logistics expenses for the export business. Segment profit for the full year fiscal 2022 declined due in large part to lower results from the export business, which was negatively impacted by logistics challenges and meaningfully higher freight expenses.

In fiscal 2023, the International & Other segment will be reported within the Company's new International segment. Refer to the "Fiscal 2023 Outlook" in the "Executive Summary" for additional forward-looking commentary.

Unallocated Income and Expense

The Company does not allocate deferred compensation, investment income, interest expense, or interest income to its segments when measuring performance. The Company also retains various other income and unallocated expenses at the corporate level. Equity in Earnings of Affiliates is included in segment profit; however, earnings attributable to the Company's corporate venturing investments and noncontrolling interests are excluded. These items are included in the segment table for the purpose of reconciling segment results to Earnings Before Income Taxes.

	Fourth Quarter Ended		Fiscal Year Ended	
In thousands	October 30, 2022	October 31, 2021	October 30, 2022	October 31, 2021
Net Unallocated Expense	$ 18,498	$ 17,669	$ 99,297	$ 112,836
Noncontrolling Interest	128	12	239	301

For the fourth quarter of fiscal 2022, Net Unallocated Expense net unallocated expense increased slightly as unfavorable investment performance was mostly offset with lower corporate expense.

For fiscal 2022, Net Unallocated Expense net unallocated expense decreased due to one-time acquisition costs and accounting adjustments of $43 million related to the acquisition of the *Planters*® snack nuts business in fiscal 2021. The overall decline was partially offset by higher interest expense and lower investment income net of deferred compensation.

Non-GAAP Financial Measures

The non-GAAP adjusted financial measurement measure of adjusted diluted earnings per share is presented to provide investors with additional information to facilitate the comparison of past and present operations. This measurement excludes the impact of the acquisition-related expenses and accounting adjustments related to the acquisition of the *Planters*® snack nuts business. The tax impact was calculated using the effective tax rate for the quarter in which the expenses and accounting adjustments were incurred.

The non-GAAP adjusted financial measurements measures of organic volume and organic net sales are presented to provide investors with additional information to facilitate the comparison of past and present operations. Organic volume and organic net sales exclude the impacts of the acquisition of the *Planters*® snack nuts business (June 2021) in the Grocery Products, Refrigerated Foods, Retail, Foodservice, and International & Other segments. Organic volume and organic net sales also exclude the impact of the 53rd week in fiscal 2021 as approximated based on average weekly sales for the fourth quarter (fourteen weeks) ended October 31, 2021.

The Company provides earnings before interest and taxes (EBIT) and earnings before interest, taxes, depreciation, and amortization (EBITDA) because these measures are useful to management and investors as indicators of operating strength relative to prior years and are commonly used to benchmark the Company's performance.

The Company believes these non-GAAP financial measurements measures provide useful information to investors because they are the measurements measures used to evaluate performance on a comparable year-over-year basis. Non-GAAP measurements measures are not intended to be a substitute for U.S. GAAP measurements measures in analyzing financial performance. These non-GAAP measurements measures are not in accordance with generally accepted accounting principles and may be different from non-GAAP measures used by other companies.

The following tables show the calculations to reconcile from the GAAP measures to the non-GAAP adjusted measures.

ADJUSTED DILUTED EARNINGS PER SHARE (NON-GAAP)

	Fiscal Year Ended				
	October 30, 2022	October 31, 2021			
In thousands, except per share amounts	Reported GAAP	Reported GAAP	Acquisition Costs and Adjustments	Non-GAAP	Non-GAAP % Change

Net Sales	$ 12,458,806	$ 11,386,189	$ —	$ 11,386,189	9.4
Cost of Products Sold	10,294,120	9,458,283	(12,900)	9,445,383	9.0
Gross Profit	2,164,686	1,927,906	12,900	1,940,806	11.5
Selling, General, and Administrative	879,265	853,071	(30,303)	822,768	6.9
Equity in Earnings of Affiliates	27,185	47,763	—	47,763	(43.1)
Operating Income	1,312,607	1,122,599	43,203	1,165,802	12.6
Interest and Investment Income (Expense)	28,012	46,878	—	46,878	(40.2)
Interest Expense	62,515	43,307	—	43,307	44.4
Earnings Before Income Taxes	1,278,103	1,126,170	43,203	1,169,373	9.3
Provision for Income Taxes	277,877	217,029	5,975	223,004	24.6
Net Earnings	1,000,226	909,140	37,228	946,368	5.7
Less: Net Earnings Attributable to Noncontrolling Interest	239	301	—	301	(20.5)
Net Earnings Attributable to Hormel Foods Corporation	$ 999,987	$ 908,839	$ 37,228	$ 946,067	5.7
Diluted Net Earnings Per Share	$ 1.82	$ 1.66	$ 0.06	$ 1.73	5.2

ORGANIC VOLUME (NON-GAAP)

	Fourth Quarter Ended				
	October 30, 2022	October 31, 2021			
Lbs., in thousands	Reported (GAAP)	Reported (GAAP)	53rd Week	Organic (Non-GAAP)	Organic % Change
Retail	810,044	980,339	(70,024)	910,315	(11.0)
Foodservice	266,447	301,111	(21,508)	279,603	(4.7)
International	83,999	98,399	(7,029)	91,371	(8.1)
Total Volume	1,160,490	1,379,848	(98,561)	1,281,287	(9.4)

ORGANIC VOLUME (NON-GAAP)

	Fourth Quarter Ended				
	October 30, 2022	October 31, 2021			
Lbs., in thousands	**Reported (GAAP)**	Reported (GAAP)	53rd Week	Organic (Non-GAAP)	Organic % Change
Grocery Products	**388,270**	403,550	(28,825)	374,725	3.6
Refrigerated Foods	**530,166**	657,488	(46,963)	610,525	(13.2)
Jennie-O Turkey Store	**163,785**	240,771	(17,198)	223,573	(26.7)
International & Other	**78,269**	78,039	(5,574)	72,465	8.0
Total Volume	**1,160,490**	1,379,848	(98,561)	1,281,287	(9.4)

	Fiscal Year Ended						
	October 30, 2022			October 31, 2021			
Lbs., in thousands	**Reported (GAAP)**	**Acquisitions**	**Organic (Non-GAAP)**	Reported (GAAP)	53rd Week	Organic (Non-GAAP)	Organic % Change
Grocery Products	**1,499,558**	**(138,186)**	**1,361,372**	1,340,895	(28,825)	1,312,070	3.8
Refrigerated Foods	**2,104,665**	**(22,127)**	**2,082,538**	2,437,217	(46,963)	2,390,254	(12.9)
Jennie-O Turkey Store	**703,824**	**—**	**703,824**	824,184	(17,198)	806,986	(12.8)
International & Other	**296,122**	**(3,503)**	**292,619**	330,841	(5,574)	325,267	(10.0)
Total Volume	**4,604,169**	**(163,817)**	**4,440,352**	4,933,136	(98,561)	4,834,575	(8.2)

	Fiscal Year Ended		
	October 30, 2022	October 31, 2021	

Lbs., in thousands	Reported (GAAP)	Acquisitions	Organic (Non-GAAP)	Reported (GAAP)	53rd Week	Organic (Non-GAAP)	Organic % Change
Retail	3,245,625	(138,186)	3,107,439	3,546,324	(70,024)	3,476,300	(10.6)
Foodservice	1,027,124	(22,127)	1,004,997	1,007,667	(21,508)	986,159	1.9
International	331,421	(3,503)	327,918	379,145	(7,029)	372,117	(11.9)
Total Volume	4,604,169	(163,817)	4,440,352	4,933,136	(98,561)	4,834,575	(8.2)

ORGANIC NET SALES (NON-GAAP)

	Fourth Quarter Ended				
	October 30, 2022	October 31, 2021			
In thousands	**Reported (GAAP)**	Reported (GAAP)	53rd Week	Organic (Non-GAAP)	Organic % Change
Grocery Products	**$ 934,174**	$ 905,030	$ (64,645)	$ 840,385	11.2
Refrigerated Foods	**1,759,161**	1,888,311	(134,879)	1,753,432	0.3
Jennie-O Turkey Store	**391,866**	459,754	(32,840)	426,914	(8.2)
International & Other	**198,274**	201,655	(14,404)	187,251	5.9
Total Net Sales	**$ 3,283,475**	$ 3,454,751	$ (246,768)	$ 3,207,983	2.4

	Fourth Quarter Ended				
	October 30, 2022	October 31, 2021			
In thousands	Reported (GAAP)	Reported (GAAP)	53rd Week	Organic (Non-GAAP)	Organic % Change
Retail	$ 2,066,454	$ 2,181,048	$ (155,789)	$ 2,025,259	2.0
Foodservice	1,009,672	1,043,634	(74,545)	969,089	4.2
International	207,350	230,068	(16,433)	213,635	(2.9)
Total Net Sales	$ 3,283,475	$ 3,454,751	$ (246,768)	$ 3,207,983	2.4

	Fiscal Year Ended						
	October 30, 2022			October 31, 2021			
In thousands	**Reported (GAAP)**	**Acquisitions**	**Organic (Non-GAAP)**	Reported (GAAP)	53rd Week	Organic (Non-GAAP)	Organic % Change
Grocery Products	**$ 3,533,138**	**$ (514,708)**	**$ 3,018,430**	$ 2,809,445	$ (64,645)	$ 2,744,800	10.0
Refrigerated Foods	**6,691,230**	**(80,979)**	**6,610,251**	6,333,410	(134,879)	6,198,531	6.6
Jennie-O Turkey Store	**1,507,421**	**—**	**1,507,421**	1,495,151	(32,840)	1,462,311	3.1
International & Other	**727,017**	**(9,877)**	**717,140**	748,183	(14,404)	733,779	(2.3)
Total Net Sales	**$ 12,458,806**	**$ (605,565)**	**$ 11,853,241**	$ 11,386,189	$ (246,768)	$ 11,139,421	6.4

	Fiscal Year Ended						
	October 30, 2022			October 31, 2021			
In thousands	Reported (GAAP)	Acquisitions	Organic (Non-GAAP)	Reported (GAAP)	53rd Week	Organic (Non-GAAP)	Organic % Change
Retail	$ 7,987,598	$ (514,708)	$ 7,472,890	$ 7,418,079	$ (155,789)	$ 7,262,290	2.9
Foodservice	3,691,408	(80,979)	3,610,429	3,130,174	(74,545)	3,055,629	18.2
International	779,799	(9,877)	769,922	837,936	(16,433)	821,503	(6.3)
Total Net Sales	$ 12,458,806	$ (605,565)	$ 11,853,241	$ 11,386,189	$ (246,768)	$ 11,139,421	6.4

EBIT and AND EBITDA (NON-GAAP)

		Fiscal Year Ended		Fiscal Year Ended

In thousands	*In thousands*	**October 30, 2022**	October 31, 2021	*In thousands*	October 30, 2022	October 31, 2021
EBIT:	**EBIT:**			**EBIT:**		
Net Earnings Attributable to Hormel Foods Corporation	Net Earnings Attributable to Hormel Foods Corporation	**$ 999,987**	$ 908,839	Net Earnings Attributable to Hormel Foods Corporation	$ 999,987	$ 908,839
Plus: Income Tax Expense	Plus: Income Tax Expense	**277,877**	217,029	Plus: Income Tax Expense	277,877	217,029
Plus: Interest Expense	Plus: Interest Expense	**62,515**	43,307	Plus: Interest Expense	62,515	43,307
Less: Interest and Investment Income	Less: Interest and Investment Income	**28,012**	46,878	Less: Interest and Investment Income	28,012	46,878
EBIT	EBIT	**$ 1,312,367**	$ 1,122,297	EBIT	$ 1,312,367	$ 1,122,297
EBITDA:	**EBITDA:**			**EBITDA:**		
EBIT per above	EBIT per above	**1,312,367**	1,122,297	EBIT per above	1,312,367	1,122,297
Plus: Depreciation and Amortization	Plus: Depreciation and Amortization	**262,753**	228,406	Plus: Depreciation and Amortization	235,885	209,309
EBITDA	EBITDA	**$ 1,575,121**	$ 1,350,704	EBITDA	$ 1,548,252	$ 1,331,606

LIQUIDITY AND CAPITAL RESOURCES

When assessing liquidity and capital resources, the Company evaluates cash and cash equivalents, short-term and long-term investments, income from operations, and borrowing capacity.

Cash Flow Highlights

		Fiscal Year Ended			Fiscal Year Ended	
In millions	*In millions*	**October 30, 2022**	October 31, 2021	*In millions*	**October 29, 2023**	October 30, 2022
Cash and Cash Equivalents	Cash and Cash Equivalents	**$ 982**	$ 614	Cash and Cash Equivalents	**$ 737**	$ 982
Cash Provided By (Used in) Operating Activities	Cash Provided By (Used in) Operating Activities	**1,135**	1,002	Cash Provided By (Used in) Operating Activities	**1,048**	1,135
Cash Provided by (Used in) Investing Activities	Cash Provided by (Used in) Investing Activities	**(258)**	(3,626)	Cash Provided by (Used in) Investing Activities	**(690)**	(258)
Cash Provided by (Used in) Financing Activities	Cash Provided by (Used in) Financing Activities	**(487)**	1,521	Cash Provided by (Used in) Financing Activities	**(600)**	(487)

Cash and cash equivalents increased decreased in fiscal 2022. 2023. The Company's income from operations was sufficient to cover dividend payments and capital expenditures. Cash on hand was also used to fund an investment in Garudafood, a food and beverage company in Indonesia. Additional details related to significant drivers of cash flows are provided below.

Cash Provided by (Used in) Operating Activities

- Cash flows from operating activities were largely impacted by changes in operating assets and liabilities.
  - Accounts receivable decreased $28 million $49 million in fiscal 2022 2023 primarily due to timing of sales and more efficient collections. The $192 million increase $28 million decrease in fiscal 2021 2022 is largely due to increased sales and the incremental impact timing of the *Planters*® snack nuts business. collections.
  - In fiscal 2023, inventory decreased $36 million as a result of strategic inventory management efforts implemented to address elevated inventory levels. The $352 million increase in fiscal 2022 inventory increased $352 million is due to inflation in raw material and other input costs and maintaining higher inventory levels.
  - Prepaid expenses and other assets increased $69 million in fiscal 2023 primarily due to cash collateral requirements for the Company's hedging programs and timing of payments related to infrastructure improvement commitments. The $145 million increase in fiscal 2021 2022 of $15 million is primarily due to higher raw material and supply costs and the acquisition timing of the *Planters*® snack nuts business. payments.
  - Accounts payable and accrued expenses decreased $15 million $141 million in fiscal 2022 2023 related to the timing of payments. payments and lower promotional and incentive compensation expenses. In fiscal 2021, 2022, accounts payable and accrued expenses increased $115 million decreased $15 million related to the incremental impact timing of the *Planters*® snack nuts business. payments.

Cash Provided by (Used in) Investing Activities

- In fiscal 2023, the Company acquired a minority interest in Garudafood for $426 million, including associated transaction costs.
- Capital expenditures were $279 million $270 million and $232 million $279 million in fiscal 2022 2023 and 2021, 2022, respectively. The largest spend in both years was related to capacity expansion in Omaha, Nebraska. Additional projects for fiscal 2023 included an expansion of bacon capacity at the Austin, Minnesota facility and a new production line for the *SPAM®* family of products in Dubuque, Iowa, initial phases of the transition from harvest to value-added capacity in Barron, Wisconsin, wastewater infrastructure in Austin, Minnesota, and pepperoni capacity in Omaha, Nebraska. The largest spend in fiscal 2022 and Project Orion in fiscal 2021.
- also included the capacity expansion for *In fiscal 2021, the Company acquired the Planters* *SPAM®* snack nuts business and pepperoni as well as for $3.4 billion. bacon in Austin, Minnesota.

Cash Provided by (Used in) Financing Activities

- Cash dividends paid to the Company's shareholders continue to be are an ongoing financing activity for the Company with payments totaling $593 million in fiscal 2023 and $558 million in fiscal 2022 and $523 million in fiscal 2021. 2022. The dividend rate was $1.10 per share in fiscal 2023 compared to $1.04 per share in fiscal 2022, which reflected a 6 percent increase over the fiscal 2021 rate of $0.98 per share. 2022.
- The During fiscal 2023, the Company issued $2.3 billion of long-term debt in fiscal 2021. Proceeds from the issuance, along with cash on hand, were used to fund the acquisition of the *Planters®* snack nuts business.
- The Company repaid $250 million of its senior unsecured notes upon maturity in fiscal 2021. repurchased 310,000 shares for $12 million.

Sources and Uses of Cash

The Company's balanced business model, with diversification across raw material inputs, channels, and categories, provides stability in ever changing economic environments. The Company maintains a disciplined capital allocation strategy by applying a waterfall approach, which focuses first on required uses of cash such as capital expenditures to maintain facilities, dividend returns to investors, mandatory debt repayments, and pension obligations. Next, the Company looks to strategic items in support of growth initiatives such as capital projects, acquisitions, additional dividend increases, and working capital investments. Finally, the Company evaluates opportunistic uses including incremental debt repayment and share repurchases.

The Company believes its anticipated income from operations, cash on hand, and borrowing capacity under the current credit facility, and access to capital markets will be adequate to meet all short-term and long-term commitments. The Company continues to look for opportunities to make investments and acquisitions that align with its strategic priorities. The Company's ability to leverage its balance sheet through the issuance of debt provides the flexibility to pursue strategic opportunities which may require additional funding.

Dividend Payments

The Company remains committed to providing returns to investors through cash dividends. The Company has paid 377 381 consecutive quarterly dividends since becoming a public company in 1928. The annual dividend rate for fiscal 2023 2024 will increase to $1.10 $1.13 per share, representing the 57th 58th consecutive annual dividend increase.

Capital Expenditures

Capital expenditures are first allocated to required maintenance and then growth opportunities based on the needs of the business. Capital expenditures supporting growth opportunities in fiscal 2023 will 2024 are expected to focus on projects for related to value-added capacity, innovation, automation, infrastructure, and new technology. Capital expenditures for fiscal 2023 2024 are estimated to be $350 million $280 million.

Debt

As of October 30, 2022 October 29, 2023, the Company's outstanding debt included $3.3 billion of fixed rate unsecured senior notes due in fiscal 2024, 2028, 2030, and 2051. 2051 with interest payable semi-annually. During fiscal 2022, 2023, the Company made $55 million of interest payments and expects to make $55 million of interest payments in fiscal 2023 2024 on these notes. In fiscal 2023, $950 million of the notes was reclassified as Current Maturities of Long-term Debt on the Consolidated Statements of Financial Position. See Note L - Long-term Long-Term Debt and Other Borrowing Arrangements of the Notes to the Consolidated Financial Statements for additional information.

Borrowing Capacity

As a source of short-term financing, the Company maintains a $750 million unsecured revolving credit facility. The maximum commitment under this credit facility may be further increased by $375 million, generally by mutual agreement of the lenders and us, the Company, subject to certain customary conditions. Funds drawn from this facility may be used by the Company to refinance existing debt, for working capital or other general corporate purposes, and for funding acquisitions. The lending commitments under the facility are scheduled to expire on May 6, 2026, at which time the Company will be required to pay in full all obligations then outstanding. As of October 30, 2022 October 29, 2023, the Company had no outstanding draws from this facility.

Debt Covenants

The Company's debt and credit agreements contain customary terms and conditions including representations, warranties, and covenants. These debt covenants limit the ability of the Company to, among other things, incur debt for borrowed money secured by certain liens, engage in certain sale and leaseback transactions, and require maintenance of certain consolidated leverage ratios. As of October 30, 2022 October 29, 2023, the Company was in compliance with all covenants and expects to maintain compliance in the future.

Cash Held by International Subsidiaries

As of October 30, 2022 October 29, 2023, the Company had $170 million $164 million of cash and cash equivalents held by international subsidiaries. The Company maintains all undistributed earnings as permanently reinvested. The Company evaluates the balance and uses of cash held internationally based on the needs of the business.

Share Repurchases

The Company is authorized to repurchase 3,987,494 3,677,494 shares of common stock as part of an existing plan approved by the Company's Board of Directors. During fiscal year 2022, 2023, the Company did not repurchase any repurchased 310,000 shares of stock. for $12 million. The Company continues to evaluate share repurchases as part of its capital allocation strategy.

Commitments

The following table shows a schedule of the Company's material cash commitments as of October 30, 2022 October 29, 2023:

In millions	*In millions*	Payments Due by Periods	*In millions*	Payments Due by Periods

		Total	Less than 1 year	1-3 years	3-5 years	More than 5 years		Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Purchase Commitments(1)	Purchase Commitments(1)	$ 3,434	$ 1,321	$ 1,428	$ 540	$ 145	Purchase Commitments(1)	$ 2,763	$ 1,229	$ 1,178	$ 298	$ 59
Debt Repayments(2)	Debt Repayments(2)	3,300	—	950	—	2,350	Debt Repayments(2)	3,300	950	—	750	1,600
Interest Payments on Long-term Debt(2)	Interest Payments on Long-term Debt(2)	764	55	104	98	506	Interest Payments on Long-term Debt(2)	708	55	98	98	457
Pension & Other Post-retirement Benefit Payments(3)	Pension & Other Post-retirement Benefit Payments(3)	1,118	102	211	223	582	Pension & Other Post-retirement Benefit Payments(3)	1,138	104	217	227	590
Lease Obligations(4)	Lease Obligations(4)	135	33	52	25	25	Lease Obligations(4)	194	41	69	47	36
Other Commitments(5)	Other Commitments(5)	75	32	34	9	—	Other Commitments(5)	110	51	59	—	—

(1) The Company commits to purchase quantities of livestock, grain, and other raw materials to ensure a steady supply of production inputs. The Company uses hedging programs to manage price risk associated with a portion of the future grain and hog commitments. The purchase commitments listed above do not reflect the impact of the hedging instruments that manage the risk of fluctuating commodity markets. See Note F - Derivatives and Hedging and Note J - Commitments and Contingencies of the Notes to the Consolidated Financial Statements for additional information.

(2) As of October 30, 2022 October 29, 2023, the Company's outstanding debt included unsecured senior notes due in fiscal 2024, 2028, 2030, and 2051. The Company is required by certain covenants in its debt agreements to maintain specified levels of financial ratios and financial position. See Note L - Long-term Long-Term Debt and Other Borrowing Arrangements of the Notes to the Consolidated Financial Statements for additional information.

(3) Represents pension and other post-retirement benefit payments related to the Company's unfunded defined benefit plans. Benefit payments reflect expectations for the next ten years as estimates are not readily available beyond that point. See Note G - Pension and Other Post-retirement Post-Retirement Benefits of the Notes to the Consolidated Financial Statements for additional information.

(4) See Note K - Leases of the Notes to the Consolidated Financial Statements for additional detail. Lease payments exclude $31.2 million of legally binding minimum lease payments for leases signed but not yet commenced.

(5) Includes obligations related to infrastructure improvements supporting various manufacturing facilities. facilities and a media advertising agreement.

Off Balance Sheet Arrangements

As of October 30, 2022 October 29, 2023, the Company had $49.4 $48.6 million of standby letters of credit issued on its behalf. The standby letters of credit are primarily related to the Company's self-insured workers compensation programs. This amount includes revocable standby letters of credit totaling $3.1 $2.7 million for obligations of an affiliated party that may arise under workers compensation claims. Letters of credit are not reflected in on the Company's Consolidated Statements of Financial Position.

CRITICAL ACCOUNTING ESTIMATES

Management's discussion and analysis of financial condition and results of operations is based upon the Company's consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires the Company to make estimates, judgments, and assumptions that can

have a meaningful effect on the reporting of consolidated financial statements. See Note A - Summary of Significant Accounting Policies of the Notes to the Consolidated Financial Statements for additional information.

Critical accounting estimates are defined as those reflective of significant judgments, estimates and uncertainties, which may result in materially different results under different assumptions and conditions. The Company believes the following are its critical accounting estimates:

Revenue Recognition

Description: The Company recognizes sales at the point in time when the performance obligation has been satisfied and control of the product has transferred to the customer. Obligations for the Company are usually fulfilled once shipped product is received or picked up by the customer. Revenue is recorded net of applicable provisions for discounts, returns, and allowances.

Judgments and Uncertainties: The Company offers various sales incentives to customers and consumers. Incentives offered off-invoice include prompt pay allowances, will call allowances, spoilage allowances, and temporary price reductions. These incentives are recognized as reductions of revenue at the time control is transferred. Coupons are used as an incentive for consumers to purchase various products. The coupons reduce revenue at the time they are offered, based on estimated redemption rates. Promotional contracts are performed by customers to promote the Company's products to consumers. These incentives reduce revenue at the time of performance through direct payments and accrued promotional funds. Accrued promotional funds are unpaid liabilities for promotional contracts in process or completed at the end of a quarter or fiscal year. Accruals with customers are based on defined performance.

Sensitivity of Estimate to Change: The liability relating to these agreements is based on a review of the outstanding contracts on which performance has taken place but which the promotional payments relating to such contracts remain unpaid as of the end of the fiscal year. The level of customer performance and the historical spend rate versus contracted rates are estimates used to determine these liabilities.

Income Taxes

Description: The Company records income taxes in accordance with the liability method of accounting. Deferred taxes are recognized for the estimated taxes ultimately payable or recoverable based on enacted tax law. Changes in enacted tax rates are reflected in the tax provision as they occur.

Judgments and Uncertainties: The Company computes its provision for income taxes based on the statutory tax rates and tax planning opportunities available to it in the various jurisdictions in which it operates. Judgment is required in evaluating the Company's tax positions and determining its annual tax provision.

Sensitivity of Estimate to Change: While the Company considers all of its tax positions fully supportable, the Company is occasionally challenged by various tax authorities regarding the amount of taxes due. The Company recognizes a tax position in its financial statements when it is more likely than not the position will be sustained upon examination, based on its technical merits. The position is then measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. A change in judgment related to the expected ultimate resolution of uncertain tax positions will be recognized in earnings in the quarter of such change. As of October 30, 2022 October 29, 2023, the Company had $21.8 $21.5 million of unrecognized tax benefits, including estimated interest and penalties, recorded in Other Long-term Liabilities.

Business Combinations

Description: The Company accounts for business combinations using the acquisition method of accounting. The Company allocates the purchase price of an acquired business to the assets acquired and liabilities assumed based upon their estimated fair values at the acquisition date with the excess recorded as Goodwill.

Judgments and Uncertainties: The acquisition method of accounting requires the Company to make significant estimates and assumptions regarding the fair value of the acquired assets. Fair value of the assets and liabilities acquired is determined through established valuation techniques, such as the income, cost or market approach. The Company may utilize third-party valuation experts to assist in the fair value determination. The fair value measurements of identifiable intangibles are based on available historical information and expectations and assumptions about the future. Significant assumptions used to value identifiable intangible assets may include projected revenue growth, estimated cash flows, discount rates, royalty rates, and other factors.

Determining the useful life of an intangible asset also requires judgment. Certain acquired brands are expected to have indefinite lives based on their history and the Company's intent to continue to support and build the brands. Other acquired assets, such as customer relationships, are expected to have determinable useful lives.

Sensitivity of Estimate to Change: The Company did not have any business combinations in fiscal 2023 and 2022. On June 7, 2021, the Company acquired the *Planters®* snack nuts business for $3.4 billion and used a third-party valuation specialist to perform the valuation of the assets acquired. Refer to Note B - Acquisitions and Divestitures of the Notes to the Consolidated Financial Statements for additional information. The Company acquired tradenames trade names which were determined to have a fair value of $712.0 million. Key assumptions used to calculate the fair value of the tradenames trade names using a relief from royalty model included revenue projections, royalty rates, and discount rates. The Company also identified customer relationships which were assigned a fair value of $51.0 million using the distributor method under the income approach. Assumptions in valuing this asset included future earnings projections, customer attrition rate, and discount rate, among others. The Company believes the estimates applied are based on reasonable assumptions, but which are inherently uncertain. As a result, actual results may differ from the assumptions and judgments used to determine fair value of the assets acquired, which could result in material impairment losses in the future.

Goodwill and Other Indefinite-Lived Intangibles

Description: Other indefinite-lived intangible assets primarily include tradenames trade names obtained through business acquisitions which are originally recorded at their estimated fair values at the date of acquisition. Goodwill is the residual after allocating the purchase price to net assets acquired and is allocated across the Company's reporting units: Grocery Products, Refrigerated Foods, Jennie-O Turkey Store, Retail, Foodservice, and International. Goodwill and indefinite-lived intangible assets are not amortized but tested annually for impairment, or more frequently if impairment indicators arise. If the carrying value of these assets exceeds the estimated fair value, the asset is considered impaired which requires a reduction to earnings. See Note A - Summary of Significant Accounting Policies of the Notes to the Consolidated Financial Statements for additional details regarding the Company's procedures.

Judgments and Uncertainties: Determining whether impairment indicators exist and estimating the fair value of the Company's goodwill reporting units and intangible assets for impairment testing requires significant judgment. Indefinite-lived tradenames trade names are evaluated for impairment using an income approach utilizing the relief from royalty method. Significant assumptions include royalty rate, annual projected revenue, discount rate, and estimated long term long-term growth rate. Estimating the fair value of goodwill reporting units using the discounted cash flow model requires management to make assumptions and projections of future cash flows, revenues, earnings, discount rates, long term long-term growth rates, and other factors.

Sensitivity of Estimate to Change: The assumptions used to assess impairment consider historical trends, macroeconomic conditions, and projections consistent with the Company's operating strategy. Changes in these estimates can have a significant impact on the assessment of fair value which could result in material impairment losses.

As a result of organizational changes in the first quarter of fiscal 2023, the Company conducted an assessment of its operating segments and reporting units. Based on this analysis, goodwill was reallocated using the relative fair value approach. Prior to the goodwill reallocation, an impairment assessment was performed which indicated no impairment to the Company's reporting units. Subsequent to the goodwill reallocation, the Company completed quantitative impairment testing on each new reporting unit. The estimated fair value of each goodwill reporting unit exceeded the calculated carrying value by more than 50 percent. During the fourth quarter of fiscal 2022, 2023, the Company performed a qualitative assessment of goodwill. No goodwill impairment charges were recorded as a result of the testing. The Company last completed quantitative testing in fiscal 2021 and the estimated fair value of each goodwill reporting unit exceeded the calculated carrying value by more than 50 percent. assessment. Based on the 2021 quantitative testing performed in the first quarter of fiscal 2023, a 10 percent decline in projected cash flows or 10 percent increase in the discount rate would not result in an impairment.

The Company also performed a qualitative impairment testing assessment for indefinite-lived intangible assets in the fourth quarter of fiscal 2022. 2023. As a result of the qualitative assessment, it was determined that it was more likely than not the *Justin's*® trade name was impaired, and the Company performed a quantitative impairment test. As a result of the quantitative impairment test, a $28.4 million intangible asset impairment charge was recorded for the *Justin's*® trade name. No other impairment charges were recorded as a result of the testing. qualitative assessment. The Company last completed quantitative testing for the other indefinite-lived intangible assets in fiscal 2021 and the estimated fair value of each indefinite-lived intangible asset exceeded the carrying value by more than 10 percent. Based on the fiscal 2021 testing, a 10 percent decline in forecasted revenue or 10 percent increase in the discount rate would not result in a material impairment. Based on the fiscal 2023 quantitative impairment test, a 10 percent decline in forecasted revenue or 10 percent increase in the discount rate used for the *Justin's*® trade name would not result in additional material impairment.

Pension and Other Post-Retirement Benefits

Description: The Company sponsors several defined benefit pension and post-retirement health care benefit plans and recognizes the associated expenses, assets, and liabilities.

Judgments and Uncertainties: In accounting for these employment costs and the associated benefit obligations, management must make a variety of assumptions and estimates including mortality rates, discount rates, compensation increases, expected return on plan assets, health care cost trend rates, and interest crediting rates. The Company considers historical data as well as current facts and circumstances when determining these estimates. Expected long-term rate of return on plan assets is based on fair value, composition of the asset portfolio, historical long-term rates of return, and estimates of future performance. Mortality and discount rates used are based on actuarial tables elected at each fiscal year-end. The Company uses third-party specialists

to assist in the determination of these estimates and the calculation of certain employee benefit expenses and the outstanding obligation.

Benefit plan assets are stated at fair value. Due to the lack of readily available market prices, private equity investments are valued by models using a combination of available market data and unobservable inputs that consider earnings multiples, discounted cash flows, and other qualitative and quantitative factors. Other benefit plan investments are measured at Net Asset Value (NAV) per share of the fund's underlying investments as a practical expedient.

Sensitivity of Estimate to Change: The assumed discount rate, expected long-term rate of return on plan assets, rate of future compensation increase, interest crediting rate, and the health care cost trend rate have a significant impact on the amounts reported for the benefit plans. For the year ended October 30, 2022 October 29, 2023, the Company had $1,200.0 million $1.2 billion and $212.0 million $186.2 million in pension benefit obligation and post-retirement benefit obligation, respectively. For fiscal 2023, 2024, the Company expects pension benefit costs of $37.4 $44.3 million and post-retirement benefit costs of $12.2 $10.5 million. A one-percentage-point change in these rates would have the following effects:

		1-Percentage-Point			
		Benefit Cost		Benefit Obligation	
In millions	*In millions*	Increase	Decrease	Increase	Decrease
Pension Benefits	Pension Benefits				
Discount Rate	Discount Rate	$ (11.1)	$ 13.2	$ (118.0)	$ 142.6
Expected Long-term Rate of Return on Plan Assets	Expected Long-term Rate of Return on Plan Assets	(12.0)	12.0	—	—
Rate of Future Compensation Increase	Rate of Future Compensation Increase	1.3	(1.2)	0.2	(0.2)
Interest Crediting Rate	Interest Crediting Rate	3.3	(2.8)	8.7	(7.5)
Post-retirement Benefits	Post-retirement Benefits				
Discount Rate	Discount Rate	$ —	$ (1.1)	$ (14.9)	$ 17.3
Health Care Cost Trend Rate	Health Care Cost Trend Rate	0.8	(0.7)	17.0	(14.9)

	One-Percentage-Point			
	Benefit Cost		Benefit Obligation	
In millions	Increase	Decrease	Increase	Decrease
Pension Benefits				
Discount Rate	$ (11.0)	$ 13.0	$ (108.5)	$ 129.7
Expected Long-term Rate of Return on Plan Assets	(11.5)	11.5	—	—
Rate of Future Compensation Increase	1.7	(1.5)	1.0	(1.3)
Interest Crediting Rate	4.3	(3.6)	11.6	(10.2)
Post-retirement Benefits				
Discount Rate	$ (0.2)	$ 0.3	$ (12.4)	$ 14.3
Health Care Cost Trend Rate	1.0	(0.9)	14.3	(12.6)

As of October 30, 2022 October 29, 2023, the Company had $88.2 million $79.4 million and $666.1 million $638.4 million of private equity and NAV investments, respectively. These valuations are subject to judgments and assumptions of the funds which may prove to be incorrect, resulting in risks of incorrect valuation of these investments. The Company seeks to mitigate these risks by evaluating the appropriateness of the funds' judgments and assumptions by reviewing the financial data included in the funds' financial statements. The Company also holds quarterly meetings with the investment adviser to review fund performance, which include comparisons to the relevant indices. On an annual basis, the Company performs pricing tests on certain underlying investments to gain additional assurance of the reliability of values received from the fund manager.

See Note G - Pension and Other Post-retirement Post-Retirement Benefits of the Notes to the Consolidated Financial Statements for additional information.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is exposed to various forms of market risk as a part of its ongoing business practices. The Company utilizes derivative instruments to mitigate earnings fluctuations due to market volatility.

Commodity Price Risk: The Company is subject to commodity price risk primarily through grain, lean hog, and live hog natural gas markets. To reduce these exposures and offset the fluctuations caused by changes in market conditions, the Company employs hedging programs. These programs utilize futures, swaps, and options contracts and are accounted for as cash flow hedges. The fair value of the Company's cash flow commodity contracts as of October 30, 2022 October 29, 2023, was $21.6 million $17.1 million compared to $25.2 million $21.6 million as of October 31, 2021 October 30, 2022. The Company measures its market risk exposure on its cash flow commodity contracts using a sensitivity analysis, which considers a hypothetical 10 percent change in the market prices. A 10 percent decrease in the market price would have negatively impacted the fair value of the Company's cash flow commodity contracts as of October 30, 2022 October 29, 2023, by $31.7 million $26.3 million, which in turn would lower the Company's future cost on purchased commodities by a similar amount.

Interest Rate Risk: The Company is subject to interest rate risk primarily from changes in fair value of long-term fixed rate debt. As of October 30, 2022 October 29, 2023, the Company's long-term debt had a fair value of $2.7 billion compared to $3.3 billion $2.7 billion as of October 31, 2021 October 30, 2022. The Company measures its market risk exposure of long-term fixed rate debt using a sensitivity analysis, which considers a 10 percent change in interest rates. A 10 percent decrease in interest rates would have positively impacted the fair value of the Company's long-term debt as of October 30, 2022 October 29, 2023, by $90.2 million $83.6 million. A 10 percent increase would have negatively impacted the long-term debt by $84.1 million $77.5 million.

Foreign Currency Exchange Rate Risk: The fair values of certain Company assets are subject to fluctuations in foreign currency exchange rates. The Company's net asset position in foreign currencies as of October 30, 2022 October 29, 2023, was $652.4 million $1.1 billion, compared to $657.2 million $652.4 million as of October 31, 2021 October 30, 2022, with most of the exposure existing in Indonesian rupiah, Chinese yuan, and Brazilian real. The Company currently does not use market risk sensitive instruments to manage this risk.

Investment Risk: The Company has corporate-owned life insurance policies classified as trading securities as part of a rabbi trust to fund certain supplemental executive retirement plans and deferred income plans. As of October 30, 2022 October 29, 2023, the balance of

these securities totaled $186.2 million $188.2 million compared to $203.0 million $186.2 million as of October 31, 2021 October 30, 2022. The rabbi trust is invested primarily in fixed income funds. The Company is subject to market risk due to fluctuations in the value of the remaining investments as unrealized gains and losses associated with these securities are included in the Company's net earnings on a mark-to-market basis. A 10 percent decline in the value of the investments not held in fixed income funds would have negatively impacted the Company's pretax earnings by approximately $7.6 million $7.8 million, while a 10 percent increase in value would have a positive impact of the same amount.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Management

Management's Responsibility for Financial Statements

The accompanying financial statements were prepared by the management of Hormel Foods Corporation which is responsible for their integrity and objectivity. These statements have been prepared in accordance with U.S. generally accepted accounting principles appropriate in the circumstances and, as such, include amounts that are based on our best estimates and judgments.

Hormel Foods Corporation has developed a system of internal controls designed to assure that the records reflect the transactions of the Company and that the established policies and procedures are adhered to. This system is augmented by well-communicated written policies and procedures, a strong program of internal audit and well-qualified personnel.

These financial statements have been audited by Ernst & Young LLP, an independent registered public accounting firm, and their report is included herein. The audit was conducted in accordance with the standards of the U.S. Public Company Accounting Oversight Board and includes a review of the Company's accounting and financial controls and tests of transactions.

The Audit Committee of the Board of Directors, composed solely of outside directors, meets periodically with the independent auditors, management, and the internal auditors to assure that each is carrying out its responsibilities. Both Ernst & Young LLP and our internal auditors have full and free access to the Audit Committee, with or without the presence of management, to discuss the results of their audit work and their opinions on the adequacy of internal controls and the quality of financial reporting.

Management's Report on Internal Control Over Financial Reporting

Management of Hormel Foods Corporation is responsible for establishing and maintaining adequate internal control over financial reporting for the Company, as such term is defined in Exchange Act Rule 13a–15(f). The Company's internal control system is designed 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 standards. Under the supervision, and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework).

Based on our evaluation under the framework in *Internal Control - Integrated Framework*, we concluded that our internal control over financial reporting was effective as of October 30, 2022 October 29, 2023. Our internal control over financial reporting as of October 30, 2022 October 29, 2023, has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report which is included herein.

/s/ James P. Snee

James P. Snee

Chairman of the Board,

President and Chief Executive Officer

/s/ Jacinth C. Smiley

Jacinth C. Smiley

Executive Vice President

and Chief Financial Officer

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Hormel Foods Corporation

Opinion on Internal Control Over Financial Reporting

We have audited Hormel Foods Corporation's internal control over financial reporting as of October 30, 2022 October 29, 2023, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Hormel Foods Corporation (the Company) maintained, in all material respects, effective internal control over financial reporting as of October 30, 2022 October 29, 2023, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the accompanying consolidated statements of financial position of the Company as of October 30, 2022 October 29, 2023 and October 31, 2021 October 30, 2022, the related consolidated statements of operations, comprehensive income, changes in shareholders' investment and cash flows for each of the three years in the period ended October 30, 2022 October 29, 2023 and the related notes and financial statement schedule listed in the index Index at Item 15 and our report dated December 6, 2022 December 6, 2023 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Minneapolis, Minnesota

December 6, 2022

2023

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Hormel Foods Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of Hormel Foods Corporation (the Company) as of October 30, 2022 October 29, 2023 and October 31, 2021 October 30, 2022, the related consolidated statements of operations, comprehensive income, changes in shareholders' investment and cash flows for each of the three years in the period ended October 30, 2022 October 29, 2023 and the related notes and the financial statement schedule listed in the index Index at Item 15 (collectively referred to as the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at October 30, 2022 October 29, 2023 and October 31, 2021 October 30, 2022, and the results of its operations and its cash flows for each of the three years in the period ended October 30, 2022 October 29, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of October 30, 2022 October 29, 2023, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated December 6, 2022 December 6, 2023 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the account or disclosure to which it relates.

Valuation of Alternative Investments -— Pension Assets

Description of the Matter

At October 30, 2022 October 29, 2023, the Company had $1.2 billion in plan assets related to the defined benefit pension plans. Approximately 61% of the total pension assets are in private equity funds, real estate – domestic funds, global stocks – collective investment funds, global stocks – gold funds, hedge funds, fixed income – hedge funds, and fixed income – collective investment funds. These types of investments are referred to as "alternative investments." As documented in Note G the notes of the financial statements, these alternative investments are valued at net asset value (NAV) or are valued using significant unobservable inputs.

Auditing the fair value of these alternative investments is challenging because of the higher estimation uncertainty of the inputs to the fair value calculations, including the underlying NAVs, discounted cash flow valuations, comparable market valuations, and adjustments for currency, credit liquidity and other risks. Additionally, certain information regarding the fair value of these alternative investments is based on unaudited information available to management at the time of valuation.

Valuation of Alternative Investments -— Pension Assets

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls addressing the risk of material misstatement relating to valuation of alternative investments. This included testing management's review controls over the valuation of alternative investments, for example, a review of fund performance in comparison to the selected benchmark and meetings with the investment advisor on a quarterly basis to review market performance and fund returns in comparison with relevant indices and the investment policy. We also tested management's independent price testing of underlying investments performed for certain investments on a quarterly basis.

Our audit procedures included, among others, inquiring of management and the investment advisor regarding changes to the investment portfolio and investment strategies. We confirmed the fair value of the investments and ownership interest directly with the fund managers. We inspected the trust statement for observable transactions near year end to compare to the estimated fair value. We also obtained the latest audited financial statements for certain investments, performed a rollforward of the investment balance to compute an estimated market return on investment, and compared the market return to relevant benchmarks.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 1931.

Minneapolis, Minnesota

December 6, 2022 2023

Consolidated Statements of Operations

In thousands, except per share amounts	*In thousands, except per share amounts*	Fiscal Year Ended			*In thousands, except per share amounts*	Fiscal Year Ended		
		October 30, 2022	October 31, 2021	October 25, 2020		**October 29, 2023**	October 30, 2022	October 31, 2021
Net Sales	Net Sales	**$ 12,458,806**	$ 11,386,189	$ 9,608,462	**Net Sales**	**$ 12,110,010**	$ 12,458,806	$ 11,386,189
Cost of Products Sold	Cost of Products Sold	**10,294,120**	9,458,283	7,782,498	Cost of Products Sold	**10,110,169**	10,294,120	9,458,283
Gross Profit	Gross Profit	**2,164,686**	1,927,906	1,825,963	Gross Profit	**1,999,841**	2,164,686	1,927,906
Selling, General, and Administrative	Selling, General, and Administrative	**879,265**	853,071	761,315	Selling, General, and Administrative	**942,167**	879,265	853,071
Equity in Earnings of Affiliates	Equity in Earnings of Affiliates	**27,185**	47,763	35,572	Equity in Earnings of Affiliates	**42,754**	27,185	47,763
Goodwill and Intangible Impairment					Goodwill and Intangible Impairment	**28,383**	—	—
Operating Income	Operating Income	**1,312,607**	1,122,599	1,100,220	**Operating Income**	**1,072,046**	1,312,607	1,122,599
Interest and Investment Income	Interest and Investment Income	**28,012**	46,878	35,596	Interest and Investment Income	**14,828**	28,012	46,878
Interest Expense	Interest Expense	**62,515**	43,307	21,069	Interest Expense	**73,402**	62,515	43,307
Earnings Before Income Taxes	Earnings Before Income Taxes	**1,278,103**	1,126,170	1,114,747	Earnings Before Income Taxes	**1,013,472**	1,278,103	1,126,170
Provision for Income Taxes	Provision for Income Taxes	**277,877**	217,029	206,393	Provision for Income Taxes	**220,552**	277,877	217,029
Net Earnings	Net Earnings	**1,000,226**	909,140	908,354	Net Earnings	**792,920**	1,000,226	909,140
Less: Net Earnings Attributable to Noncontrolling Interest		**239**	301	272				
Less: Net Earnings (Loss) Attributable to Noncontrolling Interest					Less: Net Earnings (Loss) Attributable to Noncontrolling Interest	**(653)**	239	301
Net Earnings Attributable to Hormel Foods Corporation	Net Earnings Attributable to Hormel Foods Corporation	**$ 999,987**	$ 908,839	$ 908,082	**Net Earnings Attributable to Hormel Foods Corporation**	**$ 793,572**	$ 999,987	$ 908,839
Net Earnings Per Share:	Net Earnings Per Share:				Net Earnings Per Share:			
Basic	Basic	**$ 1.84**	$ 1.68	$ 1.69	Basic	**$ 1.45**	$ 1.84	$ 1.68
Diluted	Diluted	**$ 1.82**	$ 1.66	$ 1.66	Diluted	**$ 1.45**	$ 1.82	$ 1.66
Weighted-average Shares Outstanding:	Weighted-average Shares Outstanding:				Weighted-average Shares Outstanding:			
Basic	Basic	**544,918**	541,114	538,007	Basic	**546,421**	544,918	541,114
Diluted	Diluted	**549,566**	547,580	546,592	Diluted	**548,982**	549,566	547,580

See Notes to the Consolidated Financial Statements

Consolidated Statements of Comprehensive Income

In thousands	Fiscal Year Ended **October 29, 2023**	October 30, 2022	October 31, 2021
Net Earnings	**$ 792,920**	$ 1,000,226	$ 909,140
Other Comprehensive Income (Loss), Net of Tax:			
Foreign Currency Translation	**3,588**	(39,393)	13,379
Pension and Other Benefits	**11,632**	65,587	71,967
Derivatives and Hedging	**(38,940)**	(5,267)	33,034
Equity Method Investments	**6,847**	—	—
Total Other Comprehensive Income (Loss)	**(16,874)**	20,927	118,380
Comprehensive Income	**776,045**	1,021,153	1,027,520
Less: Comprehensive Income (Loss) Attributable to Noncontrolling Interest	**(836)**	(542)	700
Comprehensive Income Attributable to Hormel Foods Corporation	**$ 776,881**	$ 1,021,695	$ 1,026,820

See Notes to the Consolidated Financial Statements

Consolidated Statements of Comprehensive Income

In thousands	Fiscal Year Ended **October 30, 2022**	October 31, 2021	October 25, 2020
Net Earnings	**$ 1,000,226**	$ 909,140	$ 908,354
Other Comprehensive Income (Loss), Net of Tax:			
Foreign Currency Translation	**(39,393)**	13,379	(10,812)
Pension and Other Benefits	**65,587**	71,967	15,698
Deferred Hedging	**(5,267)**	33,034	(284)
Total Other Comprehensive Income (Loss)	**20,927**	118,380	4,602
Comprehensive Income	**1,021,153**	1,027,520	912,956
Less: Comprehensive Income (Loss) Attributable to Noncontrolling Interest	**(542)**	700	624
Comprehensive Income Attributable to Hormel Foods Corporation	**$ 1,021,695**	$ 1,026,820	$ 912,332

See Notes to Consolidated Financial Statements

Consolidated Statements of Financial Position

In thousands, except share and per share amounts	*In thousands, except share and per share amounts*	**October 30, 2022**	October 31, 2021	*In thousands, except share and per share amounts*	**October 29, 2023**	October 30, 2022
Assets	**Assets**			**Assets**		
Cash and Cash Equivalents	Cash and Cash Equivalents	**$ 982,107**	$ 613,530	Cash and Cash Equivalents	**$ 736,532**	$ 982,107
Short-term Marketable Securities	Short-term Marketable Securities	**16,149**	21,162	Short-term Marketable Securities	**16,664**	16,149
Accounts Receivable (Net of Allowance for Doubtful Accounts of $3,507 at October 30, 2022, and $4,033 at October 31, 2021)		**867,593**	895,719			

Accounts Receivable (Net of Allowance for Doubtful Accounts of $3,557 at October 29, 2023 and $3,507 at October 30, 2022)				Accounts Receivable (Net of Allowance for Doubtful Accounts of $3,557 at October 29, 2023 and $3,507 at October 30, 2022)	**817,391**	867,593
Inventories	Inventories	**1,716,059**	1,369,198	Inventories	**1,680,406**	1,716,059
Taxes Receivable	Taxes Receivable	**7,177**	8,293	Taxes Receivable	**7,242**	7,177
Prepaid Expenses and Other Current Assets	Prepaid Expenses and Other Current Assets	**48,041**	39,914	Prepaid Expenses and Other Current Assets	**39,014**	48,041
Total Current Assets	Total Current Assets	**3,637,125**	2,947,816	Total Current Assets	**3,297,249**	3,637,125
Goodwill	Goodwill	**4,925,829**	4,929,102	Goodwill	**4,928,464**	4,925,829
Other Intangibles	Other Intangibles	**1,803,027**	1,822,273	Other Intangibles	**1,757,171**	1,803,027
Pension Assets	Pension Assets	**245,566**	289,096	Pension Assets	**204,697**	245,566
Investments In and Receivables from Affiliates		**271,058**	299,019			
Investments in Affiliates				Investments in Affiliates	**725,121**	271,058
Other Assets	Other Assets	**283,169**	299,907	Other Assets	**370,252**	283,169
Property, Plant, and Equipment	Property, Plant, and Equipment			Property, Plant, and Equipment		
Land	Land	**74,303**	72,133	Land	**74,626**	74,303
Buildings	Buildings	**1,398,255**	1,332,881	Buildings	**1,458,354**	1,398,255
Equipment	Equipment	**2,636,660**	2,415,063	Equipment	**2,781,730**	2,636,660
Construction in Progress	Construction in Progress	**216,246**	316,455	Construction in Progress	**195,665**	216,246
Less: Allowance for Depreciation	Less: Allowance for Depreciation	**(2,184,319)**	(2,027,414)	Less: Allowance for Depreciation	**(2,344,557)**	(2,184,319)
Net Property, Plant, and Equipment	Net Property, Plant, and Equipment	**2,141,146**	2,109,117	Net Property, Plant, and Equipment	**2,165,818**	2,141,146
Total Assets	Total Assets	**$ 13,306,919**	$ 12,696,329	**Total Assets**	**$ 13,448,772**	$ 13,306,919
Liabilities and Shareholders' Investment	**Liabilities and Shareholders' Investment**			**Liabilities and Shareholders' Investment**		
Accounts Payable	Accounts Payable	**$ 816,604**	$ 793,310	Accounts Payable	**$ 771,397**	$ 816,604
Accrued Expenses	Accrued Expenses	**58,801**	51,192	Accrued Expenses	**51,679**	58,801
Accrued Marketing Expenses	Accrued Marketing Expenses	**113,105**	114,746	Accrued Marketing Expenses	**87,452**	113,105
Employee Related Expenses		**279,072**	269,327			
Employee-Related Expenses				Employee-Related Expenses	**263,330**	279,072
Interest and Dividends Payable	Interest and Dividends Payable	**163,963**	154,803	Interest and Dividends Payable	**172,178**	163,963
Taxes Payable	Taxes Payable	**32,925**	23,520	Taxes Payable	**15,212**	32,925
Current Maturities of Long-term Debt	Current Maturities of Long-term Debt	**8,796**	8,756	Current Maturities of Long-term Debt	**950,529**	8,796
Total Current Liabilities	Total Current Liabilities	**1,473,266**	1,415,654	Total Current Liabilities	**2,311,776**	1,473,266
Long-term Debt Less Current Maturities	Long-term Debt Less Current Maturities	**3,290,549**	3,315,147	Long-term Debt Less Current Maturities	**2,358,719**	3,290,549
Pension and Post-retirement Benefits	Pension and Post-retirement Benefits	**385,832**	546,362	Pension and Post-retirement Benefits	**349,268**	385,832
Deferred Income Taxes	Deferred Income Taxes	**475,212**	278,183	Deferred Income Taxes	**498,106**	475,212

Other Long-term Liabilities	Other Long-term Liabilities	**141,840**	162,623	Other Long-term Liabilities	**191,917**	141,840
Shareholders' Investment	Shareholders' Investment			Shareholders' Investment		
Preferred Stock, Par Value $0.01 a Share — Authorized 160,000,000 Shares; Issued — None	Preferred Stock, Par Value $0.01 a Share — Authorized 160,000,000 Shares; Issued — None	—	—	Preferred Stock, Par Value $0.01 a Share — Authorized 160,000,000 Shares; Issued — None	—	—
Common Stock, Nonvoting, Par Value $0.01 a Share — Authorized 400,000,000 Shares; Issued — None	Common Stock, Nonvoting, Par Value $0.01 a Share — Authorized 400,000,000 Shares; Issued — None	—	—	Common Stock, Nonvoting, Par Value $0.01 a Share — Authorized 400,000,000 Shares; Issued — None	—	—
Common Stock, Par Value $0.01465 a Share — Authorized 1,600,000,000 Shares; Issued 546,237,051 Shares October 30, 2022 Issued 542,412,403 Shares October 31, 2021		**8,002**	7,946			
Common Stock, Par Value $0.01465 a Share — Authorized 1,600,000,000 Shares; Issued 546,599,420 Shares October 29, 2023 Issued 546,237,051 Shares October 30, 2022				Common Stock, Par Value $0.01465 a Share — Authorized 1,600,000,000 Shares; Issued 546,599,420 Shares October 29, 2023 Issued 546,237,051 Shares October 30, 2022	**8,007**	8,002
Additional Paid-in Capital	Additional Paid-in Capital	**469,468**	360,336	Additional Paid-in Capital	**506,179**	469,468
Accumulated Other Comprehensive Loss	Accumulated Other Comprehensive Loss	**(255,561)**	(277,269)	Accumulated Other Comprehensive Loss	**(272,252)**	(255,561)
Retained Earnings	Retained Earnings	**7,313,374**	6,881,870	Retained Earnings	**7,492,952**	7,313,374
Hormel Foods Corporation Shareholders' Investment	Hormel Foods Corporation Shareholders' Investment	**7,535,284**	6,972,883	Hormel Foods Corporation Shareholders' Investment	**7,734,885**	7,535,284
Noncontrolling Interest	Noncontrolling Interest	**4,936**	5,478	Noncontrolling Interest	**4,100**	4,936
Total Shareholders' Investment	Total Shareholders' Investment	**7,540,219**	6,978,360	Total Shareholders' Investment	**7,738,985**	7,540,219
Total Liabilities and Shareholders' Investment	Total Liabilities and Shareholders' Investment	**$ 13,306,919**	$ 12,696,329	**Total Liabilities and Shareholders' Investment**	**$ 13,448,772**	$ 13,306,919

See Notes to the Consolidated Financial Statements

Consolidated Statements of Changes in Shareholders' Investment

In thousands, except per share amounts	*In thousands, except per share amounts*	Hormel Foods Corporation Shareholders: Common Stock Shares	Common Stock Amount	Treasury Stock Shares	Treasury Stock Amount	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	*share amounts*	Non-controlling Interest	Shares	Total Shareholders' Investment
Balance at October 27, 2019		534,489	$7,830	—	$ —	$184,921	$6,128,207	$ (399,500)		$ 4,077		$ 5,925,535
Balance at October 25, 2020												
Net Earnings	Net Earnings						908,082			272		908,354

In thousands, except per	Hormel Foods Corporation Shareholders: Common Stock Amount	Shares	Treasury Stock Amount		Additional Paid-In Capital	Retained Earnings
Balance at October 25, 2020	539,887	$ 7,909	—	$ —	$289,554	$6,523,33
Net Earnings						908,83

Other Comprehensive Income (Loss)	Other Comprehensive Income (Loss)							4,250	352	4,602
Contribution from Non-controlling Interest									77	77
Purchases of Common Stock	Purchases of Common Stock			(302)	(12,360)					(12,360)
Stock-based Compensation Expense	Stock-based Compensation Expense					22,458				22,458
Exercise of Stock Options/ Restricted Shares	Exercise of Stock Options/ Restricted Shares	5,700	83			82,324				82,407
Shares Retired	Shares Retired	(302)	(4)	302	12,360	(149)	(12,207)			—
Declared Dividends — $0.93 per Share							(500,747)			(500,747)
Balance at October 25, 2020		539,887	$7,909	—	$ —	$289,554	$6,523,335	$ (395,250)	$ 4,778	$ 6,430,326
Net Earnings							908,839		301	909,140
Other Comprehensive Income (Loss)								117,981	399	118,380
Purchases of Common Stock				(469)	(19,958)					(19,958)
Stock-based Compensation Expense		38	1			24,743				24,744
Exercise of Stock Options/ Restricted Shares		2,956	43			46,326				46,369
Shares Retired		(469)	(7)	469	19,958	(287)	(19,664)			—
Declared Dividends — $0.98 per Share	Declared Dividends — $0.98 per Share						(530,640)			(530,640)
Balance at October 31, 2021	Balance at October 31, 2021	542,412	$7,946	—	$ —	$360,336	$6,881,870	$ (277,269)	$ 5,478	$ 6,978,360
Net Earnings	Net Earnings						**999,987**		**239**	**1,000,226**
Other Comprehensive Income (Loss)	Other Comprehensive Income (Loss)							**21,708**	**(782)**	**20,927**
Stock-based Compensation Expense	Stock-based Compensation Expense	**37**	**1**			**27,786**				**27,786**
Exercise of Stock Options/ Restricted Shares	Exercise of Stock Options/ Restricted Shares	**3,787**	**55**			**79,871**				**79,927**
Declared Dividends — $1.04 per Share	Declared Dividends — $1.04 per Share					**1,475**	**(568,482)**			**(567,007)**
Balance at October 30, 2022	**Balance at October 30, 2022**	**546,237**	**$8,002**	**—**	**$ —**	**$469,468**	**$7,313,374**	**$ (255,561)**	**$ 4,936**	**$ 7,540,219**
Net Earnings										
Other Comprehensive Income (Loss)										
Purchases of Common Stock										

Other Comprehensive Income (Loss)						
Purchases of Common Stock			(469)	(19,958)		
Stock-based Compensation Expense	38	1			24,743	
Exercise of Stock Options/ Restricted Shares	2,956	43			46,326	
Shares Retired	(469)	(7)	469	19,958	(287)	(19,66
Declared Dividends — $0.98 per Share						(530,64
Balance at October 31, 2021	542,412	$ 7,946	—	$ —	$360,336	$6,881,87
Net Earnings						999,98
Other Comprehensive Income (Loss)						
Stock-based Compensation Expense	37	1			27,786	
Exercise of Stock Options/ Restricted Shares	3,787	55			79,871	
Declared Dividends — $1.04 per Share					1,475	(568,48
Balance at October 30, 2022	546,237	$ 8,002	—	$ —	$469,468	$7,313,37
Net Earnings						**793,57**
Other Comprehensive Income (Loss)						
Purchases of Common Stock			**(310)**	**(12,303)**		

Stock-based Compensation Expense	44	—			24,077	
Exercise of Stock Options/ Restricted Shares	629	9			12,009	
Shares Retired	(310)	(5)	310	12,303	(277)	(12,02
Declared Dividends — $1.10 per Share					902	(601,97
Balance at October 29, 2023	546,599	$ 8,007	—	$ —	$ 506,179	$ 7,492,95

See Notes to the Consolidated Financial Statements

Consolidated Statements of Cash Flows

In thousands	Fiscal Year Ended October 30, 2022	Fiscal Year Ended October 31, 2021	Fiscal Year Ended October 25, 2020
Operating Activities			
Net Earnings	$ **1,000,226**	$ 909,140	$ 908,354
Adjustments to Reconcile to Net Cash Provided by (Used in) Operating Activities:			
Depreciation	**213,026**	183,772	165,716
Amortization	**49,727**	44,634	40,065
Equity in Earnings of Affiliates	**(27,185)**	(47,763)	(35,572)
Distributions Received from Equity Method Investees	**43,039**	44,999	37,499
Provision for Deferred Income Taxes	**177,000**	28,677	32,039
Loss (Gain) on Property/Equipment Sales and Plant Facilities	**6,695**	3,731	1,793
Non-cash Investment Activities	**19,298**	(24,215)	(15,315)
Stock-based Compensation Expense	**24,943**	24,744	22,458
Operating Lease Cost			
Goodwill and Intangible Impairment			
Other Non-cash, Net			

In thousands	Fiscal Year Ended October 29, 2023	Fiscal Year Ended October 30, 2022	Fiscal Year Ended October 31, 2021
Operating Activities			
Net Earnings	$ **792,920**	$ 1,000,226	$ 909,140
Adjustments to Reconcile to Net Cash Provided by (Used in) Operating Activities:			
Depreciation	**227,331**	213,026	183,772
Amortization	**25,980**	22,859	25,537
Equity in Earnings of Affiliates	**(42,754)**	(27,185)	(47,763)
Distributions Received from Equity Method Investees	**38,160**	43,039	44,999
Provision for Deferred Income Taxes	**31,794**	177,000	28,677
Non-cash Investment Activities	**(2,392)**	19,298	(24,215)
Stock-based Compensation Expense	**24,077**	24,943	24,744
Operating Lease Cost	**29,072**	20,633	16,699
Goodwill and Intangible Impairment	**28,383**	—	—
Other Non-cash, Net	**20,034**	12,931	6,129

Changes in Operating Assets and Liabilities, Net of Acquisitions:	Changes in Operating Assets and Liabilities, Net of Acquisitions:				Changes in Operating Assets and Liabilities, Net of Acquisitions:			
Decrease (Increase) in Accounts Receivable	Decrease (Increase) in Accounts Receivable	**28,365**	(191,627)	(119,516)	Decrease (Increase) in Accounts Receivable	**48,998**	28,365	(191,627)
Decrease (Increase) in Inventories	Decrease (Increase) in Inventories	**(351,663)**	(145,176)	(1,839)	Decrease (Increase) in Inventories	**35,714**	(351,663)	(145,176)
Decrease (Increase) in Prepaid Expenses and Other Current Assets		**(15,460)**	34,555	5,860				
Decrease (Increase) in Prepaid Expenses and Other Assets					Decrease (Increase) in Prepaid Expenses and Other Assets	**(68,666)**	(15,460)	34,555
Increase (Decrease) in Pension and Post-retirement Benefits	Increase (Decrease) in Pension and Post-retirement Benefits	**(29,392)**	(15,448)	(10,509)	Increase (Decrease) in Pension and Post-retirement Benefits	**18,272**	(29,392)	(15,448)
Increase (Decrease) in Accounts Payable and Accrued Expenses	Increase (Decrease) in Accounts Payable and Accrued Expenses	**(14,511)**	115,099	111,277	Increase (Decrease) in Accounts Payable and Accrued Expenses	**(140,519)**	(14,511)	115,099
Increase (Decrease) in Net Income Taxes Payable	Increase (Decrease) in Net Income Taxes Payable	**10,869**	36,811	(14,286)	Increase (Decrease) in Net Income Taxes Payable	**(18,557)**	10,869	36,811
Net Cash Provided by (Used in) Operating Activities	Net Cash Provided by (Used in) Operating Activities	**$ 1,134,977**	$ 1,001,934	$ 1,128,024	Net Cash Provided by (Used in) Operating Activities	**1,047,847**	1,134,977	1,001,934
Investing Activities	**Investing Activities**				**Investing Activities**			
Net (Purchase) Sale of Securities	Net (Purchase) Sale of Securities	**$ 2,493**	$ (4,364)	$ (2,589)	Net (Purchase) Sale of Securities	**(42)**	2,493	(4,364)
Acquisitions of Businesses and Intangibles	Acquisitions of Businesses and Intangibles	**—**	(3,396,246)	(270,789)	Acquisitions of Businesses and Intangibles	**—**	—	(3,396,246)
Purchases of Property and Equipment		**(278,918)**	(232,416)	(367,501)				
Proceeds from Sales of Property and Equipment		**1,224**	2,216	1,916				
Decrease (Increase) in Investments, Equity in Affiliates, and Other Assets		**2,404**	(343)	(21,124)				
Purchases of Property, Plant, and Equipment					Purchases of Property, Plant, and Equipment	**(270,211)**	(278,918)	(232,416)
Proceeds from Sales of Property, Plant, and Equipment					Proceeds from Sales of Property, Plant, and Equipment	**5,322**	1,224	2,216
Proceeds from (Purchases of) Affiliates and Other Investments					Proceeds from (Purchases of) Affiliates and Other Investments	**(427,709)**	2,404	(343)

Proceeds from Company-owned Life Insurance	Proceeds from Company-owned Life Insurance	**14,761**	5,315	3,772	Proceeds from Company-owned Life Insurance	**3,096**	14,761	5,315
Net Cash Provided by (Used in) Investing Activities	Net Cash Provided by (Used in) Investing Activities	**$ (258,037)**	$ (3,625,839)	$ (656,316)	Net Cash Provided by (Used in) Investing Activities	**(689,544)**	(258,037)	(3,625,839)
Financing Activities	**Financing Activities**				**Financing Activities**			
Proceeds from Long-term Debt	Proceeds from Long-term Debt	**$ —**	$ 2,276,292	$ 992,381	Proceeds from Long-term Debt	**1,980**	—	2,276,292
Repayments of Long-term Debt and Finance Leases	Repayments of Long-term Debt and Finance Leases	**(8,673)**	(258,617)	(8,368)	Repayments of Long-term Debt and Finance Leases	**(8,827)**	(8,673)	(258,617)
Dividends Paid on Common Stock	Dividends Paid on Common Stock	**(557,839)**	(523,114)	(487,376)	Dividends Paid on Common Stock	**(592,932)**	(557,839)	(523,114)
Share Repurchase	Share Repurchase	**—**	(19,958)	(12,360)	Share Repurchase	**(12,303)**	—	(19,958)
Proceeds from Exercise of Stock Options	Proceeds from Exercise of Stock Options	**79,827**	45,919	81,818	Proceeds from Exercise of Stock Options	**12,018**	79,827	45,919
Proceeds from Noncontrolling Interest		**—**	—	77				
Net Cash Provided by (Used in) Financing Activities	Net Cash Provided by (Used in) Financing Activities	**$ (486,684)**	$ 1,520,520	$ 566,172	Net Cash Provided by (Used in) Financing Activities	**(600,064)**	(486,684)	1,520,520
Effect of Exchange Rate Changes on Cash	Effect of Exchange Rate Changes on Cash	**(21,679)**	2,606	3,526	Effect of Exchange Rate Changes on Cash	**(3,814)**	(21,679)	2,606
Increase (Decrease) in Cash and Cash Equivalents	Increase (Decrease) in Cash and Cash Equivalents	**368,577**	(1,100,778)	1,041,407	Increase (Decrease) in Cash and Cash Equivalents	**(245,575)**	368,577	(1,100,778)
Cash and Cash Equivalents at Beginning of Year	Cash and Cash Equivalents at Beginning of Year	**613,530**	1,714,309	672,901	Cash and Cash Equivalents at Beginning of Year	**982,107**	613,530	1,714,309
Cash and Cash Equivalents at End of Year	Cash and Cash Equivalents at End of Year	**$ 982,107**	$ 613,530	$ 1,714,309	Cash and Cash Equivalents at End of Year	**$ 736,532**	$ 982,107	$ 613,530

See Notes to the Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Note A

Summary of Significant Accounting Policies

Principles of Consolidation: The consolidated financial statements Consolidated Financial Statements include the accounts of Hormel Foods Corporation (the Company) and all of its majority-owned subsidiaries after elimination of intercompany accounts, transactions, and profits.

Use of Estimates: The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Rounding: Certain amounts in the Consolidated Financial Statements and associated notes may not foot due to rounding. All percentages have been calculated using unrounded amounts.

Fiscal Year: The Company's fiscal year ends on the last Sunday in October. Fiscal years 2022 2023 and 2020 2022 consisted of 52 weeks. Fiscal year 2021 consisted of 53 weeks. Fiscal year 2023 2024 will consist of 52 weeks.

Reportable Segments: As of October 30, 2022, the Company had four operating and reportable segments: Grocery Products, Refrigerated Foods, Jennie-O Turkey Store, and International and Other. At the beginning of fiscal 2023, the Company transitioned to a new strategic operating model, which aligns its businesses to be more agile, consumer and customer focused, and market driven. Effective on October 31, 2022, the Company operates with the following three operating and reportable segments: Retail, Foodservice, and International, which are consistent with how the Company's chief operating decision maker assesses performance and allocates resources. This change had no impact on the consolidated results of operations, financial position, shareholders' investment, or cash flows. Prior period segment results have been retrospectively recast to reflect the new reportable segments.

Cash and Cash Equivalents: The Company considers all investments with an original maturity of three months or less on their acquisition date to be cash equivalents. The Company's cash equivalents as of October 30, 2022, October 29, 2023 and October 31, 2021 October 30, 2022, consisted primarily of bank deposits, money market funds rated AAA, or other highly liquid investment accounts. The Net Asset Value (NAV) of the Company's money market funds is based on the market value of the securities in the portfolio.

Fair Value Measurements: Pursuant to the provisions of Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures* (ASC 820), the Company measures certain assets and liabilities at fair value or discloses the fair value of certain assets and liabilities recorded at cost in the consolidated financial statements. Consolidated Financial Statements. Fair value is calculated as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). ASC 820 establishes a fair value hierarchy which requires assets and liabilities measured at fair value to be categorized into one of three levels based on the inputs used in the valuation. The Company classifies assets and liabilities in their entirety based on the lowest level of input significant to the fair value measurement. The three levels are defined as follows:

Level 1: Observable inputs based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Observable inputs, other than those included in Level 1, based on quoted prices for similar assets and liabilities in active markets, or quoted prices for identical assets and liabilities in inactive markets.

Level 3: Unobservable inputs that reflect an entity's own assumptions about what inputs a market participant would use in pricing the asset or liability based on the best information available in the circumstances.

See additional discussion regarding the Company's fair value measurements in Note F - Derivatives and Hedging, Note G - Pension and Other Post-retirement Post-Retirement Benefits, and Note I - Fair Value Measurements.

Compensation: The Company maintains a rabbi trust to fund certain supplemental executive retirement plans and deferred compensation plans. Under the plans, participants can defer certain types of compensation and elect to receive a return on the deferred amounts based on the changes in fair value of various investment options, primarily a variety of mutual funds. The Company has corporate-owned life insurance policies on certain participants in the deferred compensation plans. The cash surrender value of the policies is included in Other Assets on the Consolidated Statements of Financial Position. The securities held by the trust are classified as trading securities. Therefore, unrealized gains and losses associated with these investments

are included in the Company's earnings. Securities held by the trust generated gains (losses) of $3.2 million, $(16.8) million, $21.2 million, and $7.0 million $21.2 million for fiscal years 2023, 2022, and 2021, and 2020, respectively.

Inventories: Inventories are stated at the lower of cost or net realizable value. Cost is determined principally under the average cost method. Adjustments to the Company's lower of cost or net realizable value inventory reserve are reflected in Cost of Products Sold in the Consolidated Statements of Operations.

Property, Plant, and Equipment: Property, Plant, and Equipment are stated at cost. The Company uses the straight-line method in computing depreciation. The annual provisions for depreciation have been computed principally using the following ranges of asset lives: buildings 20 to 40 years, and equipment 3 to 14 years.

Leases: The Company determines if an arrangement contains a lease at inception. Right-of-use assets and lease liabilities are recognized based on the present value of future minimum lease payments over the lease term at the commencement date. Leases with an initial term of twelve months or less are not recorded on the Consolidated Statements of Financial Position. The Company combines lease and non-lease components together in determining the minimum lease payments for all leases.

The length of the lease term used in recording right-of-use assets and lease liabilities is based on the contractually required lease term adjusted for any options to renew, early terminate, or purchase the lease that are reasonably certain of being exercised. Most leases include one or more options to renew or terminate. The exercise of lease renewal and termination options is at the Company's discretion and generally is not reasonably certain at lease commencement. The Company's lease agreements typically do not contain material residual value guarantees. The Company has one lease with an immaterial residual value guarantee that is included in the minimum lease payments.

Certain lease agreements include rental payment increases over the lease term that can be fixed or variable. Fixed payment increases and variable payment increases based on an index or rate are included in the initial lease liability using the index or rate at commencement date. Variable payment increases not based on an index or rate are recognized as incurred.

If the rate implicit in the lease is not readily determinable, the Company used its periodic incremental borrowing rate, based on the information available at commencement date, to determine the present value of future lease payments. Leases and right-of-use assets that existed prior to the adoption of ASU Accounting Standards Update 2016-02, *Leases (Topic 842)* were valued using the incremental borrowing rate on October 28, 2019.

Impairment of Long-Lived Assets and Definite-Lived Intangible Assets: Definite-lived intangible assets are amortized over their estimated useful lives. The Company reviews long-lived assets and definite-lived intangible assets for impairment annually, or more frequently when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If impairment indicators are present and the estimated future undiscounted cash flows are less than the carrying value of the assets and any related goodwill, the carrying value is reduced to the estimated fair value. The Company recorded no material impairment charges for long-lived or definite-lived assets in fiscal years 2023, 2022, 2021, or 2020. 2021.

Goodwill and Other Indefinite-Lived Intangibles: Indefinite-lived intangible assets are originally recorded at their estimated fair values at date of acquisition. Goodwill is the residual after allocating the purchase price to net assets acquired. Acquired goodwill and other indefinite-lived intangible assets are allocated to reporting units that will receive the related benefits. Goodwill and indefinite-lived intangible assets are tested annually for impairment during the fourth quarter following the annual planning process or more frequently if impairment indicators arise.

See additional discussion regarding the Company's goodwill and intangible assets in Note C - Goodwill and Intangible Assets.

Goodwill

In conducting the annual impairment test for goodwill, the Company has the option to first assess qualitative factors to determine whether it is more likely than not (> 50 percent likelihood) the fair value of any reporting unit is less than its carrying amount. If the Company elects to perform a qualitative assessment and determines an impairment is more likely than not, the Company is required to perform a quantitative impairment test. Otherwise, no further analysis is required. Alternatively, the Company may elect to proceed directly to the quantitative impairment test.

In conducting a qualitative assessment, the Company analyzes actual and projected growth trends for net sales, gross margin and segment profit for each reporting unit, as well as historical performance versus plan and the results of prior quantitative tests. Additionally, the Company assesses factors that may impact the business's financial results such as macroeconomic conditions and the related impact, market-related exposures, plans to market for sale all or a portion of the business, competitive changes, new or discontinued product lines, and changes in key personnel.

If performed, the quantitative goodwill impairment test is performed at the reporting unit level. First, the fair value of each reporting unit is compared to its corresponding carrying value, including goodwill. The fair value of each reporting unit is estimated using discounted cash flow valuations (Level 3), which incorporate assumptions regarding future growth rates, terminal values and discount rates. The estimates and assumptions used consider historical performance and are consistent

with the assumptions used in determining future profit plans for each reporting unit, which are approved by the Company's Board of Directors. If the quantitative assessment results in the carrying value exceeding the fair value of any reporting unit, the results from the quantitative analysis will be relied upon to determine both the existence and amount of goodwill impairment. An impairment loss will be recognized for the amount by which the reporting unit's carrying amount exceeds its fair value, not to exceed the carrying amount of goodwill in that reporting unit.

As a result of organizational changes in the first quarter of fiscal 2023, the Company conducted an assessment of its operating segments and reporting units. Based on this analysis, goodwill was reallocated using the relative fair value approach. Prior to the goodwill reallocation, an impairment assessment was performed which indicated no impairment to the Company's reporting units. Subsequent to the goodwill reallocation, the Company completed quantitative impairment testing on each new reporting unit. The fair value of each reporting unit exceeded its carrying amount; therefore, no impairment charges were recorded.

During the fourth quarter of fiscal 2022, 2023, the Company completed its annual goodwill impairment tests and performed qualitative assessments. No impairment charges were recorded as a result of the qualitative annual assessments in fiscal years 2023, 2022, and 2020 and quantitative assessments in fiscal year 2021.

Indefinite-Lived Intangibles

In conducting the annual impairment test for its indefinite-lived intangible assets, the Company first performs a qualitative assessment to determine whether it is more likely than not (> 50 percent likelihood) an indefinite-lived intangible asset is impaired. If the Company concludes this is the case, a quantitative test for impairment must be performed. Otherwise, the Company does not need to perform a quantitative test.

In conducting the qualitative assessment, the Company analyzes growth rates for historical and projected net sales and the results of prior quantitative tests. Additionally, each operating segment assesses items that may impact the value of their intangible assets or the applicable royalty rates to determine if impairment may be indicated.

If performed, the quantitative impairment test compares the fair value and carrying amount of the indefinite-lived intangible asset. The fair value of indefinite-lived intangible assets is primarily determined on the basis of estimated discounted value using the relief from royalty method (Level 3), which incorporates assumptions regarding future sales projections, discount rates and royalty rates. If the carrying amount exceeds fair value, the indefinite-lived intangible asset is considered impaired, and an impairment charge is recorded for the difference. Even if not required, the Company may elect to perform the quantitative test in order to gain further assurance in the qualitative assessment.

During the fourth quarter of fiscal 2022, 2023, the Company completed its annual indefinite-lived asset impairment tests by performing qualitative assessments. As a result of the qualitative assessments, it was determined that more likely than not the *Justin's*® trade name was impaired, and the Company performed a quantitative impairment test. As a result of the quantitative impairment test, a $28.4 million intangible asset impairment charge was recorded for the *Justin's*® trade name. No other impairment charges were recorded as a result of the qualitative assessments in fiscal years 2022 2023 and 2020 2022 and quantitative assessments in fiscal year 2021.

Pension and Other Post-retirement Benefits: The Company has elected to use the corridor approach to recognize expenses related to its defined benefit pension and other post-retirement benefit plans. Under the corridor approach, actuarial gains or losses resulting from experience and changes in assumptions are deferred and amortized over future periods. For the defined benefit pension plans, the unrecognized gains and losses are amortized when the net gain or loss exceeds 10 percent of the greater of the projected benefit obligation or the fair value of plan assets at the beginning of the year. For the other post-retirement plans, the unrecognized gains and losses are amortized when the net gain or loss exceeds 10 percent of the accumulated pension benefit obligation at the beginning of the year. For plans with primarily active participants, net gains or losses in excess of the corridor are amortized over the average remaining service period of participating employees expected to receive benefits under those plans. For plans with primarily inactive participants, net gains or losses in excess of the corridor are amortized over the average remaining life of the participants receiving benefits under those plans.

Contingent Liabilities: The Company may be subject to investigations, legal proceedings, or claims related to the ongoing operation of its business, including claims both by and against the Company. Such proceedings typically involve claims related to product liability, contract disputes, antitrust regulations, wage and hour laws, employment practices, or other actions brought by employees, consumers, competitors or suppliers. The Company establishes accruals for its potential exposure for claims when losses become probable and reasonably estimable. Where the Company is able to reasonably estimate a range of potential losses, the Company records the amount within that range which constitutes the Company's best estimate. The Company also discloses the nature of and range of loss for claims against the Company when losses are reasonably possible and material.

Foreign Currency Translation: Assets and liabilities denominated in foreign currency are translated at the current exchange rate as of the date of the Consolidated Statements of Financial Position. Amounts in the Consolidated Statements of Operations

are translated at the average monthly exchange rate. Translation adjustments resulting from fluctuations in exchange rates are recorded as a component of Accumulated Other Comprehensive Loss within Shareholders' Investment.

When calculating foreign currency translation, the Company deemed its foreign investments to be permanent in nature and has not provided for taxes on currency translation adjustments arising from converting the investment in a foreign currency to U.S. dollars.

Derivatives and Hedging Activity: The Company uses derivative instruments to manage its exposure to commodity prices and interest rates. The derivative instruments are recorded at fair value on the Consolidated Statements of Financial Position. The cash flow impacts from the derivative instruments are primarily included in Operating Activities on in the Consolidated Statements of Cash Flows. Additional information on hedging activities is presented in Note F - Derivatives and Hedging.

Equity Method Investments: The Company has a number of investments in joint ventures where for which its voting interests are in excess of 20 percent but not greater than 50 percent and for which there are no other indicators of control. The Company accounts for such investments under the equity method of accounting and its underlying share of each investee's equity, along with any related receivables balances due to or from affiliates, is reported in on the Consolidated Statements of Financial Position as part of Investments In in Affiliates. The Company records its interest in the net earnings of its equity method investments, along with adjustments for unrealized profits on intra-entity transactions and Receivables from Affiliates. amortization of basis differences, within Equity in Earnings of Affiliates in the Consolidated Statements of Operations. Financial results for certain entities are reported on a 30- to 90-day lag.

The Company regularly monitors and evaluates the fair value of its equity investments. If events and circumstances, such as ongoing or projected decreases in earnings or significant business disruptions, indicate that a decline in the fair value of these assets has occurred and is other than temporary, the Company will record a charge in Equity in Earnings of Affiliates in the Consolidated Statements of Operations. The Company recorded a $7.0 million impairment in fiscal 2023 related to a corporate venturing investment. The Company did not record an impairment charge on any

of its equity investments in fiscal years 2022 2021, or 2020. 2021. See additional information pertaining to the Company's equity method investments in Note D - Investments In in Affiliates.

The Company uses the cumulative earnings approach to determine the cash flow presentation of distributions from equity method investments. Distributions received are reflected in operating activities in the Consolidated Statements of Cash Flows unless the cumulative distributions exceed the portion of the cumulative equity in earnings of the equity method investment. Distributions in excess of the cumulative equity in earnings are deemed to be returns of the investment and Receivables From Affiliates. classified as investing activities in the Consolidated Statements of Cash Flows.

Revenue Recognition: The Company's customer contracts predominantly contain a single performance obligation to fulfill customer orders for the purchase of specified products. Revenue from product sales is primarily identified by purchase orders ("contracts"), which in some cases are governed by a master sales agreement. The purchase orders in combination with the invoice typically specify quantity and product(s) ordered, shipping terms, and certain aspects of the transaction price including discounts. Contracts are at standalone pricing or governed by pricing lists or brackets. The Company's revenue is recognized at the point in time when performance obligations have been satisfied and control of the product has transferred to the customer. This is typically once the shipped product is received or picked up by the customer. Revenue is recognized at the net consideration the Company expects to receive in exchange for the goods. The amount of net consideration recognized includes estimates of variable consideration, including costs for trade promotion programs, consumer incentives, and allowances and discounts associated with distressed or potentially unsaleable products.

A majority of the Company's revenue is short-term in nature with shipments within one year from order date. The Company's payment terms generally range between 7 to 45 days and vary by sales channel and other factors. The Company accounts for shipping and handling costs as contract fulfillment costs and excludes taxes imposed on and collected from customers in revenue producing transactions from the transaction price. The Company does not have significant deferred revenue or unbilled receivable balances as a result of transactions with customers. Costs to obtain contracts with a duration of one year or less are expensed and included in the Consolidated Statements of Operations.

The Company promotes products through advertising, consumer incentives, and trade promotions. These programs include discounts, slotting fees, coupons, rebates, and in-store display incentives. Customer trade promotion and consumer incentive activities are recorded as a reduction to the sale price based on amounts estimated as variable consideration. The Company estimates variable consideration at the expected value method to determine the total consideration which the Company expects to be entitled. Estimated amounts are included in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. The Company's estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of anticipated performance and all information (historical, current, and forecasted) that is reasonably available.

The Company discloses revenue by reportable segment sales channel, and class of similar product in Note P - Segment Reporting.

Allowance for Doubtful Accounts: The Company estimates the Allowance for Doubtful Accounts based on a combination of factors, evaluations, and historical data while considering current and future economic conditions.

Advertising Expenses: Advertising costs are included in Selling, General, and Administrative and expensed when incurred. Advertising expenses include all media advertising but exclude the costs associated with samples, demonstrations, and market research. Advertising costs for fiscal years 2023, 2022, and 2021 and 2020 were $160.1 million, $157.3 million, $138.5 million, and $123.6 million $138.5 million, respectively.

Shipping and Handling Costs: The Company's shipping and handling expenses are included in Cost of Products Sold on in the Consolidated Statements of Operations.

Research and Development Expenses: Research and development costs are expensed as incurred and are included in Selling, General, and Administrative expenses on in the Consolidated Statements of Operations. Research and development expenses incurred for fiscal years 2023, 2022, and 2021 and 2020 were $33.7 million, $34.7 million, $33.6 million, and $31.9 million $33.6 million, respectively.

Income Taxes: The Company records income taxes in accordance with the liability method of accounting. Deferred taxes are recognized for the estimated taxes ultimately payable or recoverable based on enacted tax law. Changes in enacted tax rates are reflected in the tax provision as they occur.

In accordance with ASC 740, *Income Taxes*, the Company recognizes a tax position in its financial statements when it is more likely than not that the position will be sustained upon examination based on the technical merits of the position. That position is then measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement.

Stock-Based Compensation: The Company records stock-based compensation expense in accordance with ASC 718, *Compensation – Stock Compensation*. For options subject to graded vesting, the Company recognizes stock-based compensation expense ratably over the shorter of the vesting period or the individual's retirement eligibility date. The Company estimates forfeitures at the time of grant based on historical experience and revises in subsequent periods if actual forfeitures differ.

Share Repurchases: The Company may purchase shares of its common stock through open market and privately negotiated transactions at prices deemed appropriate by management. The timing and amount of repurchase transactions under the repurchase authorization depend on market conditions as well as corporate and regulatory considerations. For additional share repurchases information, see Part II, Item 5 - Market for Registrants' Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Supplemental Cash Flow Information: Non-cash investment activities presented on in the Consolidated Statements of Cash Flows primarily consist of unrealized gains or losses on the Company's rabbi trust. The noted investments are included in Other Assets on the Consolidated Statements of Financial Position. Changes in the value of these investments are presented in the Consolidated Statements of Operations as Interest and Investment Income.

Reclassifications: Certain reclassifications of previously reported amounts have been made to conform to the current year presentation. Amortization related to operating leases and debt issuance costs were reclassified from Amortization to separate line items within the operating activities section of the Consolidated Statements of Cash Flows. These reclassifications had no impact on the Consolidated Statements of Operations, Consolidated Statements of Financial Position, or the Increase (Decrease) in Cash and Cash Equivalents in the Consolidated Statements of Cash Flows.

Accounting Changes and Recent Accounting Pronouncements Pronouncements:

New Accounting Pronouncements Recently Adopted

Fiscal 2022 2023
No new accounting standards were adopted during fiscal 2023.

Fiscal 2022
In December 2019, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2019-12, *Income Taxes - Simplifying the Accounting for Income Taxes (Topic 740).* The updated guidance simplifies the accounting for income taxes by removing certain exceptions in Topic 740 and clarifying and amending existing guidance. The amendments are effective for fiscal years beginning after December 15, 2020, with early adoption permitted. The Company

adopted the provisions of this new accounting standard at the beginning of fiscal 2022 and adoption did not have a material impact on its consolidated financial statements.

Fiscal 2021

New Accounting Pronouncements Not Yet Adopted

In June 2016, November 2023, the FASB issued ASU 2016-13, 2023-07 *Financial Instruments Segment Reporting - Credit Losses: Measurement of Credit Losses on Financial Instruments Improving Reportable Segment Disclosures (Topic 326) 280).*The update provides guidance on the measurement of credit losses for most financial assets and certain other instruments is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant expenses. The ASU requires disclosures to include significant segment expenses that are not measured at fair value through net income. The amendment replaces regularly provided to the current incurred loss impairment approach with chief operating decision maker (CODM), a methodology to reflect expected credit losses description of other segment items by reportable segment, and requires consideration any additional measures of a broader range of reasonable and supportable information segment's profit or loss used by the CODM when deciding how to explain credit loss estimates. allocate resources. The updated guidance is ASU also requires all annual disclosures currently required by Topic 280 to be applied on a modified retrospective approach and is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. The Company adopted the provisions of this new accounting standard at the beginning of fiscal 2021. The adoption did not have a material impact on the Company's consolidated financial statements, thus no cumulative-effect adjustment to retained earnings was necessary.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement - Disclosure Framework (Topic 820)*. The updated guidance requires entities to disclose the changes in unrealized gains and losses for the period included in other comprehensive income for recurring Level 3 fair value measurements and the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements. Amendments in this guidance also require disclosure of transfers into and out of Level 3 of the fair value hierarchy, purchases and issues of Level 3 assets and liabilities, and clarify that the measurement uncertainty disclosure is as of the reporting date. The guidance removes requirements to disclose the amounts and reasons for transfers between Level 1 and Level 2, policy for timing between of transfers between levels, and the valuation processes for Level 3 fair value measurements. The updated guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. The Company adopted the provisions of this new accounting standard at the beginning of fiscal 2021. Presentation and disclosure requirements were applied prospectively and retrospectively as required by the amendments. The adoption did not have a material impact on the Company's consolidated financial statements.

In August 2018, the FASB issued ASU 2018-14, *Compensation - Retirement Benefits - Defined Benefit Plans (Topic 715)*. The updated guidance requires additional disclosures of weighted-average interest crediting rates for cash balance plans and an explanation of the reasons for significant gains and losses related to changes in the benefit obligation. Amendments in the guidance also clarify the requirement to disclose the projected benefit obligation (PBO) and fair value of plan assets for plans with PBOs in excess of plan assets. The same disclosure is needed for the accumulated benefit obligation (ABO) and fair value of plan assets for plans with ABOs in excess of plan assets. The guidance removes certain previous disclosure requirements no longer considered cost beneficial. The amendments are effective for fiscal years ending after December 15, 2020, with early adoption permitted. The Company adopted the provisions of this new accounting standard at the beginning of fiscal 2021. Presentation and disclosure requirements were applied retrospectively to all periods presented. The adoption did not have a material impact on the Company's consolidated financial statements.

Fiscal 2020

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The updated guidance requires lessees to recognize a right-of-use asset and lease liability for all leases with terms of more than twelve months. Recognition, measurement, and presentation of expenses will depend on the classification as a finance or operating lease. periods. The update also requires expanded quantitative and qualitative disclosures. Accounting guidance for lessors is largely unchanged. The requirements of the new standard are effective for fiscal years beginning after December 15, 2018 December 15, 2023, including and interim periods within those fiscal years. years beginning after December 15, 2024, with early adoption permitted and requires retrospective application to all prior periods presented in the financial statements. The Company adopted is currently assessing the provisions timing and impact of this new accounting standard at adopting the beginning of fiscal 2020. For transition purposes, the Company elected the package of practical expedients to not reassess prior conclusions related to contracts containing leases, lease classification, and initial direct costs. The Company elected the comparative periods practical expedient, and as a result, the Company did not adjust its comparative period financial information or make the new required lease disclosures for periods before the effective date. Upon adoption, the Company recognized right-of-use assets of $112.7 million and lease liabilities of $114.1 million in the Consolidated Statements of Financial Position as of October 28, 2019. The new standard did not have a material impact on the Consolidated Statements of Operations or the Consolidated Statements of Cash Flows. updated provisions.

Recently issued accounting standards or pronouncements not disclosed have been excluded as they are currently not relevant to the Company.

Note B

Acquisitions and Divestitures

Acquisitions: On June 7, 2021, the Company acquired the *Planters®* snack nuts business from The Kraft Heinz Company. The acquisition includes the *Planters®*, *NUT-rition®*, and *Corn Nuts®* brands. The final purchase price, including working capital adjustments, was $3.4 billion. The transaction was funded with the Company's cash on hand and from the issuance of long-term debt.

Planters® is an iconic snack brand and this acquisition significantly expands the Company's presence, and should broaden the scope for future acquisitions, in the growing snacking space. Operating results for this acquisition have been included in the Company's Consolidated Statements of Operations from the date of acquisition and are reflected in the Grocery Products, Refrigerated Foods, Retail, Foodservice, and International & Other segments. The acquisition contributed $952.5 million, $1.0 billion and $410.8 million $410.8 million of net sales during fiscal 2023, 2022 and fiscal 2021, respectively. As the acquisition has been integrated within the Company's existing operations, post-acquisition net earnings are not discernible.
Acquisition-related costs were $30.3 million for the fiscal year ended October 31, 2021, which are reflected in the Consolidated Statements of Operations as Selling, General, and Administrative. Additional one-time adjustments related to the revaluation of acquired inventory of $12.9 million were recognized in the Consolidated Statements of Operations as Cost of Products Sold for the fiscal

year ended October 31, 2021. The combined impact of these one-time acquisition costs and accounting adjustments was $43.2 million for the fiscal year ended October 31, 2021.

The acquisition was accounted for as a business combination using the acquisition method. The Company determined the acquisition date fair values of the assets acquired using independent appraisals. The Company completed purchase accounting allocations in the fourth quarter of fiscal 2021. Allocations of the purchase price to acquired assets, including goodwill and intangibles assets, are presented in the table below.

In thousands	Purchase Price Allocation	
Inventory	$	149,224
Property, Plant, and Equipment		170,958
Goodwill		2,313,064
Other Intangibles:		
Tradenames Trade Names		712,000
Customer Relationships		51,000
Purchase Price	$	3,396,246

Goodwill is calculated as the excess of the purchase price over the fair values of the identifiable net assets acquired and is deductible for tax purposes. The goodwill recorded as part of the acquisition primarily reflects the value of the potential to expand the Company's presence in the growing snacking space and serve as a platform for innovation.

The following unaudited pro forma financial information presents the combined results of operations as if the acquisition of the *Planters*® snack nuts business had occurred on October 27, 2019. These unaudited pro forma results do not necessarily reflect the actual results of operations that would have been achieved had the acquisition occurred on that date, nor are they necessarily indicative of future results of operations.

	Fiscal Year Ended			
In thousands	**October 31, 2021**		October 25, 2020	
Pro Forma Net Sales	**$**	**12,061,686**	$	10,657,992
Pro Forma Net Earnings Attributable to Hormel Foods Corporation		**985,881**		934,783

	Fiscal Year Ended	
In thousands	October 31, 2021	
Pro Forma Net Sales	$	12,061,686
Pro Forma Net Earnings Attributable to Hormel Foods Corporation		985,881

The pro forma results include charges for depreciation and amortization of acquired assets and interest expense on debt issued to finance the acquisition, as well as the related income taxes. The pro forma results for also reflect an adjustment to add back the fiscal year ended October 25, 2020, also include nonrecurring adjustments relating to the recognition of transaction costs incurred and revaluation of inventory acquired along with the related income tax effects, which in the aggregate reduce pro forma net earnings by $41.1 million. The pro forma results for the fiscal year ended October 31, 2021, include an adjustment to add back the transaction costs incurred and revaluation of inventory acquired in those periods, along with the related income tax effects, since those costs are reflected in the preceding fiscal year on a pro forma basis.

On March 2, 2020, the Company acquired the assets comprising the Sadler's Smokehouse business (Sadler's) for a final purchase price of $270.8 million. Sadler's is an authentic, pit-smoked meats business based in Henderson, Texas. This acquisition has strengthened the Company's foodservice position and provided an opportunity to further extend the Sadler's product line into the retail channel.

The transaction was funded with cash on hand and accounted for as a business combination using the acquisition method. The Company completed an allocation of the fair value of the assets acquired utilizing third-party valuation appraisals during fiscal 2020.

Operating results for this acquisition have been included in the Company's Consolidated Statements of Operations from the date of acquisition and are reflected in the Refrigerated Foods segment. Pro forma results are not material for inclusion. effects.

See Note C - Goodwill and Intangible Assets for amounts assigned to goodwill and intangible assets.

Note C

Goodwill and Intangible Assets

Goodwill: Goodwill was reallocated as of October 31, 2022, due to organizational changes as described in Note A - Summary of Significant Accounting Policies. The changes in the carrying amount of goodwill for the fiscal years ended October 30, 2022, October 29, 2023 and October 31, 2021 October 30, 2022, are:

In thousands	Grocery Products	Refrigerated Foods	Jennie-O Turkey Store	International & Other	Total
Balance at October 25, 2020	$ 632,301	$ 1,607,005	$ 176,628	$ 196,793	$ 2,612,727
Goodwill Acquired	1,766,053	487,416	—	59,595	2,313,064
Foreign Currency Translation	—	—	—	3,311	3,311
Balance at October 31, 2021	$ 2,398,354	$ 2,094,421	$ 176,628	$ 259,699	$ 4,929,102
Foreign Currency Translation	**—**	**—**	**—**	**(3,273)**	**(3,273)**
Balance at October 30, 2022	**$ 2,398,354**	**$ 2,094,421**	**$ 176,628**	**$ 256,427**	**$ 4,925,829**

The increase in goodwill during fiscal 2021 reflects the acquisition of the *Planters®* snack nuts business. See Note B - Acquisitions and Divestitures for additional information.

In thousands	Grocery Products	Refrigerated Foods	Jennie-O Turkey Store	Retail	Foodservice	International	Total
Balance at October 31, 2021	$ 2,398,354	$ 2,094,421	$ 176,628	$ —	$ —	$ 259,699	$ 4,929,102
Foreign Currency Translation	—	—	—	—	—	(3,273)	(3,273)
Balance at October 30, 2022	$ 2,398,354	$ 2,094,421	$ 176,628	$ —	$ —	$ 256,427	$ 4,925,829
Goodwill Reallocation	**(2,398,354)**	**(2,094,421)**	**(176,628)**	**2,916,796**	**1,750,594**	**2,013**	**—**
Foreign Currency Translation	**—**	**—**	**—**	**—**	**—**	**2,635**	**2,635**
Balance at October 29, 2023	**$ —**	**$ —**	**$ —**	**$ 2,916,796**	**$ 1,750,594**	**$ 261,074**	**$ 4,928,464**

Intangible Assets: The carrying amounts for indefinite-lived intangible assets are:

In thousands	**October 30, 2022**	October 31, 2021
Brands/Tradenames/Trademarks	**$ 1,665,190**	$ 1,665,190
Other Intangibles	**184**	184
Foreign Currency Translation	**(6,599)**	(6,646)
Total	**$ 1,658,775**	$ 1,658,728

In thousands	**October 29, 2023**	October 30, 2022
Brands/Trade Names/Trademarks	**$ 1,636,807**	$ 1,665,190
Other Intangibles	**184**	184
Foreign Currency Translation	**(5,893)**	(6,599)
Total	**$ 1,631,098**	$ 1,658,775

The gross carrying amount and accumulated amortization for definite-lived intangible assets are:

	October 30, 2022		October 31, 2021	
In thousands	**Gross Carrying Amount**	**Accumulated Amortization**	Gross Carrying Amount	Accumulated Amortization
Customer Lists/Relationships	**$ 168,239**	**$ (69,779)**	$ 168,239	$ (56,882)
Other Intangibles	**59,241**	**(11,606)**	60,241	(8,356)
Tradenames/Trademarks	**10,536**	**(7,828)**	10,536	(5,700)
Foreign Currency Translation	**—**	**(4,551)**	—	(4,534)
Total	**$ 238,016**	**$ (93,764)**	$ 239,016	$ (75,471)

	October 29, 2023		October 30, 2022	
In thousands	**Gross Carrying Amount**	**Accumulated Amortization**	Gross Carrying Amount	Accumulated Amortization
Customer Lists/Relationships	**$ 168,239**	**$ (82,658)**	$ 168,239	$ (69,779)
Other Intangibles	**59,241**	**(15,857)**	59,241	(11,606)
Trade Names/Trademarks	**6,540**	**(5,089)**	10,536	(7,828)
Foreign Currency Translation	**—**	**(4,344)**	—	(4,551)
Total	**$ 234,020**	**$ (107,947)**	$ 238,016	$ (93,764)

Amortization expense on intangible assets for the last three fiscal years was:

In thousands	
2022	**$ 19,274**
2021	17,518
2020	14,251

In thousands	
2023	**$ 18,386**
2022	19,274
2021	17,518

Estimated annual amortization expense on intangible assets for the five fiscal years after October 30, 2022 October 29, 2023, is as follows:

In thousands	*In thousands*		*In thousands*	
2023		$ 18,320		
2024	2024	16,331	2024	$ 16,381
2025	2025	14,628	2025	14,681
2026	2026	14,172	2026	14,210
2027	2027	13,940	2027	13,940
2028			2028	13,009

During the fourth quarter of fiscal years 2023, 2022, 2021, and 2020, 2021, the Company completed the required annual impairment tests of indefinite-lived intangible assets and goodwill. In fiscal 2023, an impairment was indicated for the *Justin's*® trade name, resulting in an impairment charge of $28.4 million. The expense is reflected in the Retail segment and included in Goodwill and Intangible Impairment in the Consolidated Statements of Operations. No other impairment was indicated. Useful lives of intangible assets were also reviewed during this process with no material changes identified.

Note D

Investments In and Receivables From in Affiliates

Investments In and Receivables from Affiliates consists of:

In thousands	Segment	Percent Owned	**October 30, 2022**	October 31, 2021
MegaMex Foods, LLC	Grocery Products	50%	**$ 182,939**	$ 205,413
Other Joint Ventures	International & Other	Various (20 – 50%)	**88,119**	93,606
Total			**$ 271,058**	$ 299,019

Equity in Earnings of Affiliates consists of:

In thousands	*In thousands*	Segment	Fiscal Year Ended **October 30, 2022**	Fiscal Year Ended October 31, 2021	Fiscal Year Ended October 25, 2020	*In thousands*	% Owned	Fiscal Year Ended **October 29, 2023**	Fiscal Year Ended October 30, 2022	Fiscal Year Ended October 31, 2021
MegaMex Foods, LLC (1)	MegaMex Foods, LLC (1)	Grocery Products	**$ 19,861**	$ 38,178	$ 31,919	MegaMex Foods, LLC (1)	50%	**$ 40,501**	$ 19,861	$ 38,178
Other Joint Ventures		International & Other	**7,324**	9,585	3,653					
Total			**$ 27,185**	$ 47,763	$ 35,572					
Other Equity Method Investments (2)						Other Equity Method Investments (2)	Various (20 - 50%)	**2,253**	7,324	9,585
Total Equity in Earnings of Affiliates						Total Equity in Earnings of Affiliates		**$ 42,754**	$ 27,185	$ 47,763

(1) MegaMex, Foods, LLC, is reflected in the Retail Segment.
Dividends (2) Other Equity Method Investments are primarily reflected in the International Segment but also include corporate venturing investments.

Distributions received from affiliates equity method investees include:

In thousands	Fiscal Year Ended **October 29, 2023**	Fiscal Year Ended October 30, 2022	Fiscal Year Ended October 31, 2021
Dividends	**$ 38,160**	$ 43,039	$ 44,999

On December 15, 2022, the Company purchased from various minority shareholders a 29% common stock interest in PT Garudafood Putra Putri Jaya Tbk (Garudafood), a food and beverage company in Indonesia. On April 12, 2023, the Company purchased additional shares increasing the ownership interest to 30%. This investment expands the Company's presence in Southeast Asia and supports the global execution of the snacking and entertaining strategic priority. The Company has the ability to exercise significant influence, but not control, over Garudafood; therefore, the investment is accounted for under the equity method.

The Company obtained its Garudafood interest for a purchase price of $425.8 million, including associated transaction costs. The transaction was funded using the Company's cash on hand. Based on a third-party valuation, the Company's basis difference between the fair value of the investment and proportionate share of the carrying value of Garudafood's net assets is $324.8 million. The basis difference related to inventory, property, plant and equipment, and certain intangible assets is being amortized through Equity in Earnings of Affiliates over the associated useful lives. As of October 29, 2023, the remaining basis difference was $324.6 million. Based on quoted market prices, the fair value of the common stock held in Garudafood was $291.2 million as of October 29, 2023.

In fiscal years ended October 30, 2022, October 31, 2021, and October 25, 2020, were $43.0 million, $45.0 million, and $37.5 million, respectively. 2023, the Company recorded a $7.0 million impairment charge related to a corporate venturing investment to recognize a decline in fair value not believed to be temporary. The impact is reflected in Equity in Earnings of Affiliates on the Consolidated Statements of Operations. The Company determined that no other-than-temporary impairment existed for any other equity method investments as of October 29, 2023.

The Company recognized a basis difference of $21.3 million associated with the formation of MegaMex Foods, LLC, of which $10.2 million $9.3 million is remaining as of October 30, 2022 October 29, 2023. This difference is being amortized through Equity in Earnings of Affiliates.

Note E

Inventories

Principal components of inventories are:

In thousands	*In thousands*	October 30, 2022	October 31, 2021	*In thousands*	October 29, 2023	October 30, 2022
Finished Products	Finished Products	$ 974,160	$ 725,115	Finished Products	$ 954,432	$ 974,160
Raw Materials and Work-in-Process	Raw Materials and Work-in-Process	440,193	395,403	Raw Materials and Work-in-Process	448,535	440,193
Operating Supplies	Operating Supplies	206,289	163,416	Operating Supplies	168,289	206,289
Maintenance Materials and Parts	Maintenance Materials and Parts	95,417	85,264	Maintenance Materials and Parts	109,151	95,417
Total	Total	$ 1,716,059	$ 1,369,198	Total	$ 1,680,406	$ 1,716,059

Note F

Derivatives and Hedging

The Company uses hedging programs to manage risk associated with commodity purchases and interest rates. These programs utilize futures, swaps, and options contracts to manage the Company's exposure to market fluctuations. The Company has determined its designated hedging programs to be highly effective in offsetting the changes in fair value or cash flows generated by the items hedged. Effectiveness testing is performed on a quarterly basis to ascertain a high level of effectiveness for cash flow and fair value hedging programs. If the requirements of hedge accounting are no longer met, hedge accounting is discontinued immediately and any future changes to fair value are recorded directly through earnings.

Cash Flow Commodity Hedges: The Company designates grain, and lean hog, and natural gas futures, swaps, and options contracts used to offset price fluctuations in the Company's future grain and hog purchases of these commodities as cash flow hedges. Effective gains or losses related to these cash flow hedges are reported in Accumulated Other Comprehensive Loss (AOCL) and reclassified into earnings, through Cost

of Products Sold, in the periods in which the hedged transactions affect earnings. The Company typically does not hedge its grain or natural gas exposure beyond the next two upcoming fiscal years and its lean hog exposure beyond the next fiscal year.

Fair Value Commodity Hedges: The Company designates the futures it uses to minimize the price risk assumed when fixed forward priced contracts are offered to the Company's commodity suppliers as fair value hedges. The intent of the program is programs are intended to make the forward priced commodities cost nearly the same as cash market purchases at the date of delivery. Changes in the fair value of the futures contracts along with and the gain or loss on the hedged purchase commitment are marked-to-market through earnings and recorded on the Consolidated Statements of Financial Position as a Current Asset and Current Liability, respectively. Gains or losses related to these fair value hedges are recognized through Cost of Products Sold in the periods in which the hedged transactions affect earnings.

Cash Flow Interest Rate Hedges: In the second quarter of fiscal 2021, the Company designated two separate interest rate locks as cash flow hedges to manage interest rate risk associated with the anticipated debt transactions required to fund the acquisition of the *Planters*® snack nuts business. The total notional amount of the Company's locks was $1.25 billion. In the third quarter of fiscal 2021, the associated unsecured senior notes were issued with a tenor of seven and thirty years and both locks were lifted (See Note L - Long-term Long-Term Debt and Other Borrowing Arrangements). Mark-to-market gains and losses on these instruments were deferred as a component of AOCL. The resulting gain in AOCL is reclassified to Interest Expense in the period in which the hedged transactions affect earnings.

Fair Value Interest Rate Hedge: In the first quarter of fiscal 2022, the Company entered into an interest rate swap to protect against changes in the fair value of a portion of previously issued senior unsecured notes attributable to the change in the benchmark interest rate. The hedge specifically designated the last $450 million of the notes due June 2024 (the “2024 Notes”) 2024 Notes). The Company terminated the swap in the fourth quarter of fiscal 2022. The loss related to the swap was recorded as a fair value hedging adjustment to the hedged debt and will be amortized into through earnings over the remaining life of the debt.

Other Derivatives: The Company holds certain futures contract positions as part of a merchandising program and swap contracts to manage the Company’s exposure to fluctuations in grain and pork commodity markets. The Company has not applied hedge accounting to these positions. Activity related to derivatives not designated as hedges is immaterial to the consolidated financial statements.

Volume: The Company's outstanding contracts related to its commodity hedging programs include:

In millions	Volume	
Commodity Contracts October 29, 2023	October 30, 2022	October 31, 2021
Corn	**34.3 million 30.7 bushels**	33.1 million 34.3 bushels
Lean Hogs	**177.5 million 144.2 pounds**	120.0 million 177.5 pounds
Natural Gas	**3.0 MMBtu**	— MMBtu

Fair Value of Derivatives: The gross fair values of the Company’s derivative instruments designated as hedges are:

In thousands	*In thousands*	Location on Consolidated Statements of Financial Position	Gross Fair Value(1) **October 30, 2022**	October 31, 2021
Commodity Contracts		Other Current Assets	**$13,504**	$21,798

In thousands	Location on Consolidated Statements of Financial Position	**October 29, 2023**	October 30, 2022
Commodity Contracts(1)	Other Current Assets	**$ (13,233)**	$ 13,504

(1) Amounts represent the gross fair value of commodity derivative assets and liabilities. The Company nets the derivative assets and liabilities for each of its commodity hedging programs, including cash collateral, when a master netting arrangement exists between the Company and the counterparty to the derivative contract. The amount or timing of cash collateral balances may impact the classification of the commodity derivative in on the Consolidated Statements of Financial Position. The gross liability position as of October 29, 2023, is offset by the right to reclaim net cash collateral of $32.2 million contained within the master netting arrangement. The gross asset position as of October 30, 2022, is offset by the obligation to return net cash collateral of $1.3 million contained within the master netting arrangement. The gross asset position as of October 31, 2021, is offset by the obligation to return cash collateral of $10.8 million. $1.3 million. See Note I - Fair Value Measurements for a discussion of these net amounts as reported in on the Consolidated Statements of Financial Position.

Fair Value Hedge - Assets (Liabilities): The carrying amount of the Company’s fair value hedge hedged assets (liabilities) are:

In thousands	*In thousands*	Location on Consolidated Statements of Financial Position	Carrying Amount of the Hedged Assets/(Liabilities) **October 30, 2022**	October 31, 2021
Commodity Contracts	Commodity Contracts	Accounts Payable(1)	**$ 5,725**	$3,432
Interest Rate Contracts	Interest Rate Contracts	Long-term Debt - Less Current Maturities(2)	**(430,050)**	—

In thousands	Location on Consolidated Statements of Financial Position	**October 29, 2023**	October 30, 2022
Commodity Contracts	Accounts Payable(1)	**$ (4,914)**	$ 5,725
Interest Rate Contracts	Current Maturities of Long-term Debt(2)	**(442,549)**	—
Interest Rate Contracts	Long-term Debt Less Current Maturities(2)	**—**	(430,050)

(1) Represents the carrying amount of fair value hedged assets and liabilities which are offset by other assets included in master netting arrangements described above.

(2) Represents the carrying amount of the hedged portion of the "2024 Notes". 2024 Notes. As of October 30, 2022 October 29, 2023, the carrying amount of the "2024 Notes" 2024 Notes included a cumulative fair value hedging adjustment of $20.0 $7.5 million from discontinued hedges. In the third quarter of fiscal 2023, the 2024 Notes and the fair value hedging adjustment were reclassified from Long-term Debt less Current Maturities to Current Maturities of Long-term Debt on the Consolidated Statements of Financial Position.

Accumulated Other Comprehensive Loss Impact: As of October 30, 2022 October 29, 2023, the Company included in AOCL hedging losses (before tax) of $24.5 million on commodity contracts and gains (before tax) of $26.0 million on commodity contracts and $13.5 million $12.5 million related to interest rate settled positions. The Company expects to recognize the majority of the gains losses on commodity contracts over the next twelve months. Gains on interest rate contracts offset the hedged interest payments over the tenor of the associated debt instruments.

The effect of on AOCL for gains or losses (before tax) related to the Company's derivative instruments are:

In thousands	Gain/(Loss) Recognized in AOCL(1)		Location on Consolidated Statements of Operations	Gain/(Loss) Reclassified from AOCL into Earnings(1)	
	Fiscal Year Ended			Fiscal Year Ended	
Cash Flow Hedges:	**October 30, 2022**	October 31, 2021		**October 30, 2022**	October 31, 2021
Commodity Contracts	**$ 56,371**	$ 59,143	Cost of Products Sold	**$ 57,592**	$ 31,044
Excluded Component(2)	**(4,748)**	1,078		**—**	—
Interest Rate Contracts	**—**	14,864	Interest Expense	**988**	399

In thousands	Gain/(Loss) Recognized in AOCL(1)		Location on Consolidated Statements of Operations	Gain/(Loss) Reclassified from AOCL into Earnings(1)	
	Fiscal Year Ended			Fiscal Year Ended	
Cash Flow Hedges:	**October 29, 2023**	October 30, 2022		**October 29, 2023**	October 30, 2022
Commodity Contracts	**$ (50,353)**	$ 56,371	Cost of Products Sold	**$ 1,225**	$ 57,592
Excluded Component(2)	**1,127**	(4,748)		**—**	—
Interest Rate Contracts	**—**	—	Interest Expense	**988**	988

(1) See Note H - Accumulated Other Comprehensive Loss for the after-tax impact of these gains or losses on Net Earnings.
(2) Represents the time value of corn options excluded from the assessment of effectiveness for which the difference between changes in fair value and periodic amortization is recorded in AOCL.

Consolidated Statements of Operations Impact: The effect on the Consolidated Statements of Operations for gains or losses (before tax) related to the Company's derivative instruments are:

In thousands	Consolidated Statement of Operations Impact		
	Fiscal Year Ended		
	October 30, 2022	October 31, 2021	October 25, 2020
Net Earnings Attributable to Hormel Foods Corporation	**$ 999,987**	$ 908,839	$ 908,082
Cash Flow Hedges - Commodity Contracts			
Gain (Loss) Reclassified from AOCL	**55,350**	31,787	(37,834)
Amortization of Excluded Component from Options	**(4,369)**	(3,033)	—
Gain (Loss) Due to Discontinuance of Cash Flow Hedges(1)	**2,242**	(743)	—
Fair Value Hedges - Commodity Contracts			
Gain (Loss) on Commodity Futures(2)	**(18,122)**	(28,078)	13,192
Total Gain (Loss) on Commodity Contracts(3)	**$ 35,101**	$ (67)	$ (24,642)
Cash Flow Hedges - Interest Rate Locks			
Amortization of Gain on Interest Rate Locks	**988**	399	—
Fair Value Hedge - Interest Rate Swap			
Gain (Loss) on Interest Rate Swap	**928**	—	—
Amortization of Loss Due to Discontinuance of Fair Value Hedge(4)	**(1,923)**	—	—
Total Gain (Loss) on Interest Rate Contracts(5)	**$ (7)**	$ 399	$ —
Total Gain (Loss) Recognized in Earnings	**$ 35,094**	$ 332	$ (24,642)

In thousands	Fiscal Year Ended		
	October 29, 2023	October 30, 2022	October 31, 2021
Net Earnings Attributable to Hormel Foods Corporation	**$ 793,572**	$ 999,987	$ 908,839
Cash Flow Hedges - Commodity Contracts			
Gain (Loss) Reclassified from AOCL	**1,225**	55,350	31,787
Amortization of Excluded Component from Options	**(5,835)**	(4,369)	(3,033)
Gain (Loss) Reclassified from AOCL Due to Discontinuance of Cash Flow Hedges(1)	**—**	2,242	(743)

Fair Value Hedges - Commodity Contracts			
Gain (Loss) on Commodity Futures(2)	**656**	(18,122)	(28,078)
Total Gain (Loss) on Commodity Contracts(3)	**$ (3,955)**	$ 35,101	$ (67)
Cash Flow Hedges - Interest Rate Locks			
Gain (Loss) Reclassified from AOCL	**988**	988	399
Fair Value Hedge - Interest Rate Swap			
Gain (Loss) on Interest Rate Swap	**—**	928	—
Amortization of Loss Due to Discontinuance of Fair Value Hedge(4)	**(12,499)**	(1,923)	—
Total Gain (Loss) on Interest Rate Contracts(5)	**$ (11,511)**	$ (7)	$ 399
Total Gain (Loss) Recognized in Earnings	**$ (15,466)**	$ 35,094	$ 332

(1) In fiscal years ended 2022 and 2021, the Company discontinued hedge accounting related to corn usage that was deemed to no longer probable to occur resulting in the immediate recognition of gains of $2.2 million (1.0 million bushels) and losses of $0.7 million (2.8 million bushels), respectively.
(2) Represents gains or losses on commodity contracts designated as fair value hedges that were closed during the year, which were offset by a corresponding gain or loss on the underlying hedged purchase commitment. Additional gains or losses related to changes in the fair value of open commodity contracts, along with the offsetting gain or loss on the hedged purchase commitment, are also marked-to-market through earnings with no impact on a net basis.
(3) Total Gain (Loss) on Commodity Contracts is recognized in earnings through Cost of Products Sold.
(4) Represents the fair value hedging adjustment amortized into through earnings.
(5) Total Loss Gain (Loss) on Interest Rate Contracts is recognized in earnings through Interest Expense.

Note G

Pension and Other Post-retirement Benefits

The Company has several defined benefit plans and defined contribution plans covering most employees. Benefits for defined benefit pension plans covering hourly employees are provided based on stated amounts for each year of service, while plan benefits covering salaried employees are based on final average compensation, age and years of service. In the fourth quarter of fiscal 2022, an amendment was enacted for the salaried pension plan which changed the design from a stable value benefit to a cash balance benefit effective January 1, 2023. The cash balance design establishes hypothetical accounts for employees that are credited with an amount equal to a specified percentage percent of their pay plus interest. Total costs associated with the Company's defined contribution benefit plans in fiscal years 2023, 2022, and 2021 and 2020 were $41.0 million, $47.9 million, $46.7 million, and $44.5 million $46.7 million, respectively.

Certain groups of employees are eligible for post-retirement health or welfare benefits. Benefits for retired employees vary for each group depending on respective retirement dates and applicable plan coverage in effect. Contribution requirements for retired employees are governed by the Retiree Health Care Payment Program and may change each year as the cost to provide coverage is determined.

Net periodic cost of defined benefit plans included the following for fiscal years ending:

		Pension Benefits			Post-retirement Benefits		
In thousands	*In thousands*	**October 30, 2022**	October 31, 2021	October 25, 2020	**October 30, 2022**	October 31, 2021	October 25, 2020
Service Cost	Service Cost	**$ 40,076**	$ 37,127	$ 35,584	**$ 469**	$ 533	$ 770
Interest Cost	Interest Cost	**50,558**	50,399	53,642	**7,684**	7,945	9,306
Expected Return on Plan Assets	Expected Return on Plan Assets	**(108,248)**	(102,693)	(101,283)	**—**	—	—
Amortization of Prior Service Cost		**(1,496)**	(1,496)	(2,168)	**8**	(669)	(2,651)
Recognized Actuarial Loss		**12,530**	22,742	22,383	**2,439**	2,020	1,045
Amortization of Prior Service Cost (Credit)							

	Pension Benefits			Post-retirement Benefits		
In thousands	**October 29, 2023**	October 30, 2022	October 31, 2021	**October 29, 2023**	October 30, 2022	October 31, 2021
Service Cost	**$ 35,607**	$ 40,076	$ 37,127	**$ 248**	$ 469	$ 533
Interest Cost	**68,630**	50,558	50,399	**12,064**	7,684	7,945
Expected Return on Plan Assets	**(78,285)**	(108,248)	(102,693)	**—**	—	—
Amortization of Prior Service Cost (Credit)	**(1,843)**	(1,496)	(1,496)	**8**	8	(669)

Recognized Actuarial Loss (Gain)								Recognized Actuarial Loss (Gain)	**13,303**	12,530	22,742	**(29)**	2,439	2,020
Net Periodic Cost	Net Periodic Cost	**$ (6,581)**	$ 6,080	$ 8,158	**$ 10,600**	$ 9,830	$ 8,470	Net Periodic Cost	**$ 37,413**	$ (6,581)	$ 6,080	**$ 12,290**	$ 10,600	$ 9,830

Non-service cost components of net pension and post-retirement benefit cost are presented within Interest and Investment Income on in the Consolidated Statements of Operations.

Actuarial gains and losses and any adjustments resulting from plan amendments are deferred and amortized over periods ranging from 8 to 21 years for pension benefits and 13 to 14 years for post-retirement benefits. The following amounts have not been recognized in net periodic pension cost and are included in Accumulated Other Comprehensive Loss:

	Pension Benefits		Post-retirement Benefits	
In thousands	**October 30, 2022**	October 31, 2021	**October 30, 2022**	October 31, 2021
Unrecognized Prior Service Credit	**$ (2,399)**	$ (3,624)	**$ (146)**	$ (154)
Unrecognized Actuarial (Losses) Gains	**(272,401)**	(305,433)	**18,044**	(35,616)

	Pension Benefits		Post-retirement Benefits	
In thousands	**October 29, 2023**	October 30, 2022	**October 29, 2023**	October 30, 2022
Unrecognized Prior Service (Cost) Credit	**$ (7,549)**	$ (2,399)	**$ (138)**	$ (146)
Unrecognized Actuarial (Loss) Gain	**(270,468)**	(272,401)	**35,483**	18,044

The following is a reconciliation of the beginning and ending balances of the benefit obligation, fair value of plan assets, and funded status of the plans as of the measurement dates:

		Pension Benefits		Post-retirement Benefits			Pension Benefits		Post-retirement Benefits	
In thousands	*In thousands*	**October 30, 2022**	October 31, 2021	**October 30, 2022**	October 31, 2021	*In thousands*	**October 29, 2023**	October 30, 2022	**October 29, 2023**	October 30, 2022
Change in Benefit Obligation:	Change in Benefit Obligation:					Change in Benefit Obligation:				
Benefit Obligation at Beginning of Year	Benefit Obligation at Beginning of Year	**$ 1,711,958**	$ 1,666,886	**$ 274,666**	$ 285,293	Benefit Obligation at Beginning of Year	**$ 1,200,013**	$ 1,711,958	**$ 211,986**	$ 274,666
Service Cost	Service Cost	**40,076**	37,127	**469**	533	Service Cost	**35,607**	40,076	**248**	469
Interest Cost	Interest Cost	**50,558**	50,399	**7,684**	7,945	Interest Cost	**68,630**	50,558	**12,064**	7,684
Actuarial (Gain) Loss(1)	Actuarial (Gain) Loss(1)	**(515,995)**	34,247	**(51,219)**	1,539	Actuarial (Gain) Loss(1)	**(51,106)**	(515,995)	**(17,421)**	(51,219)
Plan Amendments	Plan Amendments	**(2,722)**	—	**—**	—	Plan Amendments	**3,307**	(2,722)	**—**	—
Participant Contributions	Participant Contributions	**—**	—	**1,808**	2,113	Participant Contributions	**—**	—	**2,137**	1,808
Medicare Part D Subsidy	Medicare Part D Subsidy	**—**	—	**448**	461	Medicare Part D Subsidy	**—**	—	**449**	448
Benefits Paid	Benefits Paid	**(83,862)**	(76,702)	**(21,868)**	(23,218)	Benefits Paid	**(82,071)**	(83,862)	**(23,263)**	(21,868)
Benefit Obligation at End of Year	Benefit Obligation at End of Year	**$ 1,200,013**	$ 1,711,958	**$ 211,986**	$ 274,666	Benefit Obligation at End of Year	**$ 1,174,380**	$ 1,200,013	**$ 186,199**	$ 211,986

(1) Actuarial gains in fiscal 2022 were primarily due to the change in the discount rate assumptions utilized in measuring plan obligations.

		Pension Benefits		Post-retirement Benefits			Pension Benefits		Post-retirement Benefits	
In thousands	*In thousands*	**October 30, 2022**	October 31, 2021	**October 30, 2022**	October 31, 2021	*In thousands*	**October 29, 2023**	October 30, 2022	**October 29, 2023**	October 30, 2022
Change in Plan Assets:	Change in Plan Assets:					Change in Plan Assets:				
Fair Value of Plan Assets at Beginning of Year	Fair Value of Plan Assets at Beginning of Year	**$ 1,698,596**	$ 1,553,532	**$ —**	$ —	Fair Value of Plan Assets at Beginning of Year	**$ 1,240,200**	$ 1,698,596	**$ —**	$ —
Actual Return on Plan Assets	Actual Return on Plan Assets	**(387,244)**	211,054	**—**	—	Actual Return on Plan Assets	**15,810**	(387,244)	**—**	—

Participant Contributions	—	—	**1,808**	2,113	Participant Contributions	**—**	—	**2,137**	1,808
Employer Contributions	**12,711**	10,712	**20,060**	21,105	Employer Contributions	**11,733**	12,711	**21,126**	20,060
Benefits Paid	**(83,862)**	(76,702)	**(21,868)**	(23,218)	Benefits Paid	**(82,071)**	(83,862)	**(23,263)**	(21,868)
Fair Value of Plan Assets at End of Year	**$ 1,240,200**	$ 1,698,596	**$ —**	$ —	Fair Value of Plan Assets at End of Year	**$ 1,185,672**	$ 1,240,200	**$ —**	$ —
Funded Status at End of Year	**$ 40,187**	$ (13,362)	**$ (211,986)**	$ (274,666)	Funded Status at End of Year	**$ 11,292**	$ 40,187	**$ (186,199)**	$ (211,986)

Amounts recognized in on the Consolidated Statements of Financial Position are as follows:

	Pension Benefits		Post-retirement Benefits			Pension Benefits		Post-retirement Benefits	
In thousands	**October 30, 2022**	October 31, 2021	**October 30, 2022**	October 31, 2021	*In thousands*	**October 29, 2023**	October 30, 2022	**October 29, 2023**	October 30, 2022
Pension Assets	**$ 245,566**	$ 289,096	**$ —**	$ —	Pension Assets	**$ 204,697**	$ 245,566	**$ —**	$ —
Employee-related Expenses	**(11,571)**	(11,173)	**(19,962)**	(19,589)					
					Employee-Related Expenses	**(12,023)**	(11,571)	**(18,313)**	(19,962)
Pension and Post-retirement Benefits	**(193,808)**	(291,285)	**(192,024)**	(255,077)	Pension and Post-retirement Benefits	**(181,382)**	(193,808)	**(167,886)**	(192,024)
Net Amount Recognized	**$ 40,187**	$ (13,362)	**$ (211,986)**	$ (274,666)	Net Amount Recognized	**$ 11,292**	$ 40,187	**$ (186,199)**	$ (211,986)

The accumulated benefit obligation for all pension plans was $1.2 billion and $1.7 billion as of October 30, 2022, October 29, 2023 and October 31, 2021, respectively. October 30, 2022. The following table provides information for pension plans with projected and accumulated benefit obligations in excess of plan assets:

In thousands	**October 30, 2022**	October 31, 2021
Projected Benefit Obligation	**$ 205,379**	$ 302,458
Accumulated Benefit Obligation	**204,302**	292,877
Fair Value of Plan Assets	**—**	—

In thousands	**October 29, 2023**	October 30, 2022
Projected Benefit Obligation	**$ 193,404**	$ 205,379
Accumulated Benefit Obligation	**191,888**	204,302
Fair Value of Plan Assets	**—**	—

Weighted-average assumptions used to determine benefit obligations are as follows:

	October 30, 2022	October 31, 2021
Discount Rate	**5.92 %**	3.00 %
Rate of Future Compensation Increase (For Plans that Base Benefits on Final Compensation Level)	**3.95 %**	4.14 %
Interest Crediting Rate (For Cash Balance Plan)(1)	**4.42 %**	—

(1) Cash balance plan enacted in the fourth quarter of fiscal 2022.

	October 29, 2023	October 30, 2022
Discount Rate	**6.49 %**	5.92 %
Rate of Future Compensation Increase (For Plans that Base Benefits on Final Compensation Level)	**4.06 %**	3.95 %
Interest Crediting Rate (For Cash Balance Plan)	**4.98 %**	4.42 %

Weighted-average assumptions used to determine net periodic benefit costs are as follows:

	October 30, 2022	October 31, 2021	October 25, 2020		**October 29, 2023**	October 30, 2022	October 31, 2021
Discount Rate	**3.00 %**	3.06 %	3.37 %	Discount Rate	**5.92 %**	3.00 %	3.06 %

Rate of Future Compensation Increase (For Plans that Base Benefits on Final Compensation Level)	**4.14 %**	4.09 %	4.06 %
Expected Long-term Return on Plan Assets	**6.50 %**	6.75 %	7.00 %

Rate of Future Compensation Increase (For Plans that Base Benefits on Final Compensation Level)	**3.95 %**	4.14 %	4.09 %
Expected Long-term Return on Plan Assets	**6.50 %**	6.50 %	6.75 %
Interest Crediting Rate (For Cash Balance Plan)(1)	**4.42 %**	— %	— %

(1) Cash balance plan enacted in the fourth quarter of fiscal 2022.

The expected long-term rate of return on plan assets is based on fair value and developed in consultation with outside advisors. A range is determined based on the composition of the asset portfolio, historical long-term rates of return, and estimates of future performance. The interest crediting rate is determined annually based on the U.S. 30-year Treasury rate with a floor of 2.65 percent.

For measurement purposes, an 8 percent annual rate of increase in the per capita cost of covered health care benefits for pre-Medicare and post-Medicare retirees' coverage is assumed for 2023. 2024. The pre-Medicare and post-Medicare rate is assumed to decrease to 5 percent for 2028 2029 and remain steady thereafter.

The Company's funding policy is to make annual contributions of not less than the minimum required by applicable regulations. The Company expects to make contributions of $32.5 million $31.3 million during fiscal 2023 2024, which represent benefit payments for unfunded plans.

Benefits expected to be paid over the next ten fiscal years are as follows:

In thousands	Pension Benefits	Post-retirement Benefits
2023	$ 81,447	$ 20,548
2024	84,199	20,176
2025	87,441	19,640
2026	90,959	19,031
2027	95,094	18,370
2028-2032	501,359	80,186

In thousands	Pension Benefits	Post-retirement Benefits
2024	$ 85,068	$ 18,871
2025	87,841	18,430
2026	92,386	17,865
2027	95,000	17,262
2028	97,973	16,649
2029-2033	517,376	73,091

Plan assets for certain defined benefit pension plans are held in the Hormel Foods Corporation Master Trust (Master Trust). The investment strategy for the Master Trust attempts to minimize the long-term cost of pension benefits, reduce the volatility of pension expense, and achieve a healthy funded status for the plans. The Company establishes target allocations in consultation

with outside advisors through the use of asset-liability modeling in an effort to match the duration of the plan assets with the duration of the Company's projected benefit liability.

The actual and target weighted-average asset allocations for the Company's pension plan assets as of the plan measurement date are as follows:

	October 30, 2022		October 31, 2021	
Asset Category	**Actual %**	**Target Range %**	Actual %	Target Range %
Fixed Income	**43.3**	**40-60**	43.8	35-60
Global Stocks	**36.9**	**20-55**	40.7	20-55
Real Estate	**8.6**	**0-10**	5.3	0-10
Private Equity	**7.1**	**0-10**	6.4	0-10
Hedge Funds	**2.1**	**0-10**	2.6	0-10
Cash and Cash Equivalents	**1.9**	**0-5**	1.1	—

	October 29, 2023		October 30, 2022	
Asset Category	**Actual %**	**Target Range %**	Actual %	Target Range %
Fixed Income	**47.6**	**40 – 60**	43.3	40 – 60
Global Stocks	**31.2**	**20 – 55**	36.9	20 – 55
Real Estate	**8.0**	**0 – 10**	8.6	0 – 10

Private Equity	**6.7**	**0 – 15**	7.1	0 – 10
Gold	**2.4**	**0 – 5**	—	0 – 0
Hedge Funds	**2.1**	**0 – 10**	2.1	0 – 10
Cash and Cash Equivalents	**2.0**	**0 – 5**	1.9	0 – 5

The following tables show the categories of defined benefit pension plan assets and the level under which fair values were determined pursuant to the provisions of ASC 820. Assets measured at fair value using the net asset value (NAV) per share practical expedient are not required to be classified in the fair value hierarchy. These amounts are provided to permit reconciliation to the total fair value of plan assets.

	Fair Value Measurements as of October 30, 2022			
In thousands	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Plan Assets in Fair Value Hierarchy				
Cash Equivalents(1)	$ 23,162	$ —	$ 23,162	$ —
Private Equity(2)				
Domestic	37,032	—	—	37,032
International	51,122	—	—	51,122
Fixed Income(3)				
U.S. Government Issues	166,461	109,643	56,818	—
Municipal Issues	10,541	—	10,541	—
Corporate Issues – Domestic	244,044	—	244,044	—
Corporate Issues – Foreign	41,759	—	41,759	—
Global Stocks - Mutual Funds(4)	—	—	—	—
Plan Assets in Fair Value Hierarchy	$ 574,121	$ 109,643	$ 376,324	$ 88,154
Plan Assets at Net Asset Value				
Real Estate – Domestic(5)	$ 106,951			
Global Stocks - Collective Investment Funds(6)	458,045			
Hedge Funds(7)	26,273			
Fixed Income - Hedge Funds(8)	62,025			
Fixed Income - Collective Investment Funds(9)	12,785			
Plan Assets at Net Asset Value	$ 666,080			
Total Plan Assets at Fair Value	$ 1,240,200			

	Fair Value Measurements as of October 29, 2023			
In thousands	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Plan Assets in Fair Value Hierarchy				
Cash Equivalents(1)	$ 23,643	$ 461	$ 23,182	$ —
Private Equity(2)				
Domestic	31,383	—	—	31,383
International	48,065	—	—	48,065
Fixed Income(3)				
U.S. Government Issues	171,949	123,683	48,266	—
Municipal Issues	9,884	—	9,884	—
Corporate Issues – Domestic	226,202	—	226,202	—
Corporate Issues – Foreign	36,133	—	36,133	—
Plan Assets in Fair Value Hierarchy	$ 547,258	$ 124,144	$ 343,667	$ 79,448
Plan Assets at Net Asset Value				
Real Estate – Domestic(4)	$ 95,315			
Global Stocks – Collective Investment Funds(5)	369,513			
Global Stocks – Gold(6)	28,163			

Hedge Funds(7)	**24,965**
Fixed Income – Hedge Funds(8)	**64,613**
Fixed Income – Collective Investment Funds(9)	**55,845**
Plan Assets at Net Asset Value	**$ 638,414**
Total Plan Assets at Fair Value	**$ 1,185,672**

		Fair Value Measurements as of October 31, 2021					Fair Value Measurements as of October 30, 2022			
In thousands	*In thousands*	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	*In thousands*	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Plan Assets in Fair Value Hierarchy	Plan Assets in Fair Value Hierarchy					Plan Assets in Fair Value Hierarchy				
Cash Equivalents(1)	Cash Equivalents(1)	$ 19,328	$ —	$ 19,328	$ —	Cash Equivalents(1)	$ 23,162	$ —	$ 23,162	$ —
Private Equity(2)	Private Equity(2)					Private Equity(2)				
Domestic	Domestic	53,229	—	—	53,229	Domestic	37,032	—	—	37,032
International	International	56,190	—	—	56,190	International	51,122	—	—	51,122
Fixed Income(3)	Fixed Income(3)					Fixed Income(3)				
U.S. Government Issues	U.S. Government Issues	262,181	164,357	97,824	—	U.S. Government Issues	166,461	109,643	56,818	—
Municipal Issues	Municipal Issues	14,024	—	14,024	—	Municipal Issues	10,541	—	10,541	—
Corporate Issues – Domestic	Corporate Issues – Domestic	321,639	—	321,639	—	Corporate Issues – Domestic	244,044	—	244,044	—
Corporate Issues – Foreign	Corporate Issues – Foreign	56,102	—	56,102	—	Corporate Issues – Foreign	41,759	—	41,759	—
Global Stocks - Mutual Funds(4)		94,115	94,115	—	—					
Plan Assets in Fair Value Hierarchy	Plan Assets in Fair Value Hierarchy	$ 876,808	$ 258,472	$ 508,917	$ 109,419	Plan Assets in Fair Value Hierarchy	$ 574,121	$ 109,643	$ 376,324	$ 88,154
Plan Assets at Net Asset Value	Plan Assets at Net Asset Value					Plan Assets at Net Asset Value				
Real Estate – Domestic(5)		$ 90,106								
Global Stocks - Collective Investment Funds(6)		596,985								
Real Estate – Domestic(4)						Real Estate – Domestic(4)	$ 106,951			
Global Stocks – Collective Investment Funds(5)						Global Stocks – Collective Investment Funds(5)	458,045			
Hedge Funds(7)	Hedge Funds(7)	44,848				Hedge Funds(7)	26,273			
Fixed Income - Hedge Funds(8)		62,609								
Fixed Income - Collective Investment Funds(9)		27,239								
Fixed Income – Hedge Funds(8)						Fixed Income – Hedge Funds(8)	62,025			

Fixed Income – Collective Investment Funds(9)				Fixed Income – Collective Investment Funds(9)	12,785
Plan Assets at Net Asset Value	Plan Assets at Net Asset Value	$ 821,787		Plan Assets at Net Asset Value	$ 666,080
Total Plan Assets at Fair Value	Total Plan Assets at Fair Value	$ 1,698,596		Total Plan Assets at Fair Value	$ 1,240,200

The following is a description of the valuation methodologies used for instruments measured at fair value, including the general classification of such instruments:

(1) Cash Equivalents: These Level 1 and Level 2 investments consist primarily of cash and highly liquid money market mutual funds traded in active markets in addition to highly liquid futures and T-bills with an observable daily settlement price.

(2) Private Equity: These Level 3 investments consist of various collective investment funds, which are managed by a third party, invested in a well-diversified portfolio of equity investments from top performing, high quality firms focused on U.S. and foreign small to mid-markets, venture capitalists, and entrepreneurs with a concentration in areas of innovation. Investment strategies include buyouts, growth capital, buildups, and distressed, as well as early stages of company development mainly in the U.S. The fair value of these funds is based on the fair value of the underlying investments.

(3) Fixed Income: The Level 1 investments include U.S. Treasury bonds and notes, which are valued at the closing price reported on the active market in which the individual securities are traded. The Level 2 investments consist principally of U.S. government securities, which are valued daily using institutional bond quote sources and mortgage-backed securities pricing sources, and municipal, domestic, and foreign securities, which are valued daily using institutional bond quote sources.

(4) Global Stocks - Mutual Funds: These Level 1 investments include open-ended mutual funds consisting of a mix of U.S. common stocks and foreign common stocks, which are valued at closing price reported on the active market in which the fund is traded. The investment strategy is to obtain long term capital appreciation by focusing on companies generating above average earnings growth and are leading growth businesses in the marketplace. There are no restrictions on redemptions.

(5) Real Estate -— Domestic: These investments include ownership in open-ended real estate funds, which manage diversified portfolios of commercial properties within the office, residential, retail, and industrial property sectors. Investment strategies aim to acquire, own, hold, or dispose of investments with the goal of achieving current income and/or capital appreciation. The real estate investments are valued at the NAV of shares held by the Master Trust. Requests to redeem shares are granted on a quarterly basis with either 45 or 90 days advance notice, subject to availability of cash.

(6)(5) Global Stocks -— Collective Investment Funds: These investments include commingled funds consisting of a mix of U.S. common stocks and foreign common stocks. The collective investment funds are valued at the NAV of shares held by the Master Trust. The investment strategy is to obtain long term long-term capital appreciation by focusing on companies generating above average earnings growth and are leading growth businesses in the marketplace. All funds are daily liquid with the exception of one that is available on the first business day of the month for subscriptions and withdrawals.

(6) Global Stocks – Gold: This investment is a limited partnership consisting of physical gold, global mining industry common stocks, and to a limited extent, other precious metals. The limited partnership is valued at the NAV of shares held by the Master Trust. This fund allows for weekly subscriptions and monthly redemptions.

(7) Hedge Funds: These investments are designed to provide diversification to an overall institutional portfolio and, in particular, provide protection against equity market downturns. They are comprised of Commodity Trading Advisor Managed Futures, Global Macro (Discretionary and/or Quant) and Long Volatility/Tail Risk Hedging strategies. The hedge funds are valued at the NAV of shares held by the Master Trust. Requests to redeem shares are granted daily, monthly or quarterly.

(8) Fixed Income -— Hedge Funds: These investments target absolute, risk-adjusted returns by taking advantage of price dislocations and inconsistencies within credit markets. Funds are comprised primarily of U.S. and European corporate credit and structured credit. The investments are valued at the NAV of shares held by the Master Trust. Requests to redeem shares are granted on a quarterly basis on the three year fund anniversary with a ninety day notice period.

(9) Fixed Income -— Collective Investment Funds: These investments include commingled funds consisting of a mix of U.S. government and investment grade corporate bonds. The collective investment funds are valued at NAV of the shares held by the Master Trust. The investment strategy is to achieve an investment return that approximates as closely to the Bloomberg Barclays U.S. Aggregate Bond Index over the long term long-term by investing in the securities that comprise the benchmark. There are no restrictions on redemptions.

A reconciliation of the beginning and ending balance of the investments measured at fair value using significant unobservable inputs (Level 3) is as follows:

In thousands	*In thousands*	**October 30, 2022**	October 31, 2021	*In thousands*	**October 29, 2023**	October 30, 2022
Fair Value at Beginning of Year	Fair Value at Beginning of Year	**$ 109,419**	$ 83,838	Fair Value at Beginning of Year	**$ 88,154**	$ 109,419
Purchases, Issuances, and Settlements (Net)	Purchases, Issuances, and Settlements (Net)	**(29,188)**	(23,151)	Purchases, Issuances, and Settlements (Net)	**(8,926)**	(29,188)
Unrealized Gains (Losses)(1)	Unrealized Gains (Losses)(1)	**(18,027)**	26,879	Unrealized Gains (Losses)(1)	**(8,525)**	(18,027)
Realized Gains	Realized Gains	**(604)**	604	Realized Gains	**6,455**	(604)
Interest and Dividend Income	Interest and Dividend Income	**26,554**	21,248	Interest and Dividend Income	**2,290**	26,554
Fair Value at End of Year	Fair Value at End of Year	**$ 88,154**	$ 109,419	Fair Value at End of Year	**$ 79,448**	$ 88,154

(1) Included in Accumulated Other Comprehensive Loss in on the Consolidated Statements of Financial Position.

During fiscal 2022, 2023, the value of the Level 3 investments ranged from $75.2 million $77.8 million to $109.4 million $88.2 million, with an average value of $91.8 million $81.2 million.

The Company has commitments totaling $131.5 million $151.9 million for the private equity investments within the pension plans. The unfunded private equity commitment balance for each investment category is as follows:

In thousands	*In thousands*	**October 30, 2022**	October 31, 2021	*In thousands*	**October 29, 2023**	October 30, 2022
Domestic Equity	Domestic Equity	**$ 2,146**	$ 81	Domestic Equity	**$ 16,835**	$ 2,146
International Equity	International Equity	**10,466**	9,794	International Equity	**11,396**	10,466
Unfunded Commitment Balance	Unfunded Commitment Balance	**$ 12,612**	$ 9,875	Unfunded Commitment Balance	**$ 28,231**	$ 12,612

Funding for future private equity capital calls will come from existing pension plan assets and not from additional cash contributions by the Company.

Note H

Accumulated Other Comprehensive Loss

Components of Accumulated Other Comprehensive Loss are as follows:

In thousands	*In thousands*	Foreign Currency Translation	Pension & Other Benefits	Derivatives & Hedging	Accumulated Other Comprehensive Loss	*In thousands*	Foreign Currency Translation	Pension & Other Benefits	Derivatives & Hedging	Equity Method Investments	Accumulated Other Comprehensive Loss
Balance at October 27, 2019		$ (52,996)	$ (348,877)	$ 2,373	$ (399,500)						
Unrecognized Gains (Losses)											
Gross		(11,164)	2,003	(38,213)	(47,374)						
Tax Effect		—	(404)	9,324	8,920						
Reclassification into Net Earnings											
Gross		—	18,609 (1)	37,834 (2)	56,443						
Tax Effect		—	(4,510)	(9,229)	(13,739)						
Net of Tax Amount		(11,164)	15,698	(284)	4,250						
Balance at October 25, 2020	Balance at October 25, 2020	$ (64,161)	$ (333,178)	$ 2,089	$ (395,250)	Balance at October 25, 2020	$ (64,161)	$ (333,178)	$ 2,089	$ —	$ (395,250)
Unrecognized Gains (Losses)	Unrecognized Gains (Losses)					Unrecognized Gains (Losses)					
Gross	Gross	12,980	72,623	75,084	160,687	Gross	12,980	72,623	75,084	—	160,687
Tax Effect	Tax Effect	—	(17,715)	(18,259)	(35,974)	Tax Effect	—	(17,715)	(18,259)	—	(35,974)
Reclassification into Net Earnings	Reclassification into Net Earnings					Reclassification into Net Earnings					
Gross	Gross	—	22,597 (1)	(31,443) (2)	(8,846)	Gross	—	22,597 (1)	(31,443) (2)	—	(8,846)
Tax Effect	Tax Effect	—	(5,538)	7,652	2,114	Tax Effect	—	(5,538)	7,652	—	2,114
Net of Tax Amount		12,980	71,967	33,034	117,981						
Change Net of Tax						Change Net of Tax	12,980	71,967	33,034	—	117,981
Balance at October 31, 2021	Balance at October 31, 2021	$ (51,181)	$ (261,211)	$ 35,123	$ (277,269)	Balance at October 31, 2021	$ (51,181)	$ (261,211)	$ 35,123	$ —	$ (277,269)
Unrecognized Gains (Losses)	Unrecognized Gains (Losses)					Unrecognized Gains (Losses)					
Gross	Gross	**(38,612)**	**73,361**	**51,623**	**86,372**	Gross	(38,612)	73,361	51,623	—	86,372
Tax Effect	Tax Effect	**—**	**(17,942)**	**(12,384)**	**(30,326)**	Tax Effect	—	(17,942)	(12,384)	—	(30,326)

Reclassification into Net Earnings	Reclassification into Net Earnings				
Gross	Gross	—	13,481 (1)	(58,580) (2)	(45,099)
Tax Effect	Tax Effect	—	(3,312)	14,073	10,761
Net of Tax Amount		(38,612)	65,587	(5,267)	21,708
Change Net of Tax					
Balance at October 30, 2022	**Balance at October 30, 2022**	**$ (89,793)**	**$ (195,624)**	**$ 29,856**	**$ (255,561)**
Unrecognized Gains (Losses)					
Gross					
Tax Effect					
Reclassification into Net Earnings					
Gross					
Tax Effect					
Change Net of Tax					
Balance at October 29, 2023					

Reclassification into Net Earnings					
Gross	—	13,481 (1)	(58,580) (2)	—	(45,099)
Tax Effect	—	(3,312)	14,073	—	10,761
Change Net of Tax	(38,612)	65,587	(5,267)	—	21,708
Balance at October 30, 2022	$ (89,793)	$ (195,624)	$ 29,856	$ —	$ (255,561)
Unrecognized Gains (Losses)					
Gross	**3,771**	**3,878**	**(49,226)**	**15,082**	**(26,495)**
Tax Effect	**—**	**(880)**	**11,998**	**—**	**11,118**
Reclassification into Net Earnings					
Gross	**—**	**11,439** (1)	**(2,213)** (2)	**(8,235)** (3)	**991**
Tax Effect	**—**	**(2,806)**	**501**	**—**	**(2,305)**
Change Net of Tax	**3,771**	**11,632**	**(38,940)**	**6,847**	**(16,691)**
Balance at October 29, 2023	**$ (86,022)**	**$ (183,993)**	**$ (9,084)**	**$ 6,847**	**$ (272,252)**

(1) Included in computation of net periodic cost. See Note G - Pension and Other Post-retirement Post-Retirement Benefits for additional information.
(2) Included in Cost of Products Sold and Interest Expense in the Consolidated Statements of Operations. See Note F - Derivatives and Hedging for additional information.

(3) Included in Equity in Earnings of Affiliates in the Consolidated Statements of Operations.

Note I

Fair Value Measurements

The Company's financial assets and liabilities carried at fair value on a recurring basis as of October 30, 2022, October 29, 2023 and October 31, 2021 October 30, 2022, and their level within the fair value hierarchy are presented in the table below.

	Fair Value Measurements at October 30, 2022			
In thousands	**Total Fair Value**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets at Fair Value				
Cash and Cash Equivalents(1)	**$ 982,107**	**$ 980,730**	**$ 1,377**	**$ —**
Short-term Marketable Securities(2)	**16,149**	**8,763**	**7,386**	**—**
Other Trading Securities(3)	**186,243**	**—**	**186,243**	**—**
Commodity Derivatives(4)	**12,448**	**12,228**	**220**	**—**
Total Assets at Fair Value	**$ 1,196,947**	**$ 1,001,721**	**$ 195,226**	**$ —**
Liabilities at Fair Value				
Deferred Compensation(3)	**$ 57,790**	**$ —**	**$ 57,790**	**$ —**
Total Liabilities at Fair Value	**$ 57,790**	**$ —**	**$ 57,790**	**$ —**

	Fair Value Measurements at October 29, 2023			
In thousands	**Total Fair Value**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets at Fair Value				
Cash and Cash Equivalents(1)	**$ 736,532**	**$ 735,387**	**$ 1,145**	**$ —**

Short-term Marketable Securities(2)	16,664	2,499	14,164	—
Other Trading Securities(3)	188,162	—	188,162	—
Commodity Derivatives(4)	9,330	9,603	(273)	—
Total Assets at Fair Value	$ 950,688	$ 747,489	$ 203,199	$ —
Liabilities at Fair Value				
Deferred Compensation(3)	$ 55,222	$ —	$ 55,222	$ —
Total Liabilities at Fair Value	$ 55,222	$ —	$ 55,222	$ —

		Fair Value Measurements at October 31, 2021						Fair Value Measurements at October 30, 2022			
In thousands	*In thousands*	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	*In thousands*	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets at Fair Value	Assets at Fair Value						Assets at Fair Value				
Cash and Cash Equivalents(1)	Cash and Cash Equivalents(1)	$ 613,530	$ 611,111		$ 2,419	$ —	Cash and Cash Equivalents(1)	$ 982,107	$ 980,730	$ 1,377	$ —
Short-term Marketable Securities(2)	Short-term Marketable Securities(2)	21,162	8,790		12,372	—	Short-term Marketable Securities(2)	16,149	8,763	7,386	—
Other Trading Securities(3)	Other Trading Securities(3)	203,020	—		203,020	—	Other Trading Securities(3)	186,243	—	186,243	—
Commodity Derivatives(4)	Commodity Derivatives(4)	13,522	8,104		5,418	—	Commodity Derivatives(4)	12,448	12,228	220	—
Total Assets at Fair Value	Total Assets at Fair Value	$ 851,234	$ 628,005		$ 223,229	$ —	Total Assets at Fair Value	$ 1,196,947	$ 1,001,721	$ 195,226	$ —
Liabilities at Fair Value	Liabilities at Fair Value						Liabilities at Fair Value				
Deferred Compensation(3)	Deferred Compensation(3)	$ 70,466	$ —		$ 70,466	$ —	Deferred Compensation(3)	$ 57,790	$ —	$ 57,790	$ —
Total Liabilities at Fair Value	Total Liabilities at Fair Value	$ 70,466	$ —		$ 70,466	$ —	Total Liabilities at Fair Value	$ 57,790	$ —	$ 57,790	$ —

The following methods and assumptions were used to estimate the fair value of the financial assets and liabilities above:

(1) The Company's cash equivalents considered Level 1 consist primarily of bank deposits, money market funds rated AAA, or other highly liquid investment accounts, and have a maturity date of three months or less. Cash equivalents considered Level 2 are funds holding agency bonds or securities recognized at amortized cost.

(2) The Company holds securities as part of a portfolio maintained to generate investment income and to provide cash for operations of the Company, if necessary. The portfolio is managed by a third party who is responsible for daily trading activities, and all assets within the portfolio are highly liquid. The cash, U.S. government securities, and money market funds rated AAA held by the portfolio are classified as Level 1. The current investment portfolio also includes corporate bonds and other asset backed securities for which there is an active, quoted market. Market prices are obtained from a variety of industry providers, large financial institutions, and other third-party sources to calculate a representative daily market value, and therefore, these securities are classified as Level 2.

(3) The Company maintains a rabbi trust to fund certain supplemental executive retirement plans and deferred compensation plans. The majority of the funds held in the rabbi trust relate to supplemental executive retirement plans and have been invested primarily in fixed income funds managed by a third party. The declared rate on these funds is set based on a formula using the yield of the general account investment portfolio supporting the fund as adjusted for expenses and other charges. The rate is guaranteed for one year at issue and may be reset annually on the policy anniversary, subject to a guaranteed minimum rate. As the value is based on adjusted market rates and the fixed rate is only reset on an annual basis, these funds are classified as Level 2.

Under the Company's deferred compensation plans, participants can defer certain types of compensation and elect to receive a return based on the changes in fair value of various investment options which include equity securities, money market accounts, bond funds or other portfolios for which there is an active quoted market. The Company also offers a fixed rate investment option to participants. The rate earned on these investments is adjusted annually based on a specified percentage percent of the I.R.S. U.S. Internal Revenue Service (IRS) applicable federal rates. These liabilities are classified as Level 2. The Company maintains funding in the rabbi trust generally mirroring the selections within the deferred compensation plans. These funds are managed by a third-party insurance policy, the values of which represent their cash surrender value based on the fair value of the underlying investments in the account. These policies are classified as Level 2.

The rabbi trust is included in Other Assets and deferred compensation liabilities in Other Long-term Liabilities on the Consolidated Statements of Financial Position. Securities held by the rabbi trust are classified as trading securities. Unrealized gains and losses associated with these investments are included in the Company's earnings. Securities held by the rabbi trust generated gains (losses) of $3.2 million, $(16.8) million, $21.2 million, and $7.0 $21.2 million for fiscal years 2023, 2022, 2021, and 2020, 2021, respectively.

(4) The Company's commodity derivatives represent futures, swaps, and options contracts used in its hedging or other programs to offset price fluctuations associated with purchases of corn, natural gas, hogs, and hogs, pork, and to minimize the price risk assumed when forward priced contracts are offered to the Company's commodity

suppliers. The Company's futures and options contracts for corn are traded on the Chicago Board of Trade, while futures contracts for lean hogs are traded on the Chicago Mercantile Exchange. These are active markets with quoted prices available, and these contracts are classified as Level 1. The Company's corn futures option Company holds natural gas and pork swap contracts that are over-the-counter instruments classified as Level 2 whose 2. The value of the natural gas swap contracts is calculated using the Black-Scholes pricing model, corn future quoted prices quoted from the Chicago Board New York Mercantile Exchange, and the value of Trade, and other adjustments to inputs that the pork swap contracts are observable in active markets. calculated using a futures implied USDA estimated pork cut-out value. All derivatives are reviewed for potential credit risk and risk of nonperformance. The net balance for each program commodity derivatives is included in Other Current Assets or Accounts Payable, as appropriate, in on the Consolidated Statements of Financial Position. As of October 30, 2022 October 29, 2023, the Company has recognized the right to reclaim net cash collateral of $32.2 million from various counterparties (including cash of $42.6 million less $10.4 million of realized loss). As of October 30, 2022, the Company had recognized obligation to return net cash collateral of $1.3 million from various counterparties (including cash of $27.5 million less $26.2 million of realized gain). As of October 31, 2021, the Company had recognized obligation to return net cash collateral of $10.8 million from various counterparties (including cash of $45.6 $27.5 million less $34.8 $26.2 million of realized gain).

The Company's financial assets and liabilities include accounts receivable, accounts payable, and other liabilities, for which carrying value approximates fair value. The Company does not carry its long-term debt at fair value in its on the Consolidated Statements of Financial Position. The fair value of long-term debt, utilizing discounted cash flows (Level 2), was $2.7 billion as of October 30, 2022, October 29, 2023 and $3.3 billion $2.7 billion as of October 31, 2021 October 30, 2022. See Note L - Long Term Long-Term Debt and Other Borrowing Arrangements for additional information.

The Company measures certain nonfinancial assets and liabilities at fair value, which are recognized or disclosed on a nonrecurring basis (e.g., goodwill, intangible assets, and property, plant, and equipment). During fiscal year 2023, the Company recorded a $28.4 million impairment charge on the *Justin's*® trade name and a $7.0 million impairment charge on a corporate venturing investment. See additional discussion in Note C - Goodwill and Intangible Assets and Note D - Investments in Affiliates. During fiscal years 2023, 2022, 2021, and 2020, 2021, there were no other material remeasurements of assets or liabilities at fair value on a nonrecurring basis subsequent to their initial recognition.

Note J

Commitments and Contingencies

Purchase Commitments: To ensure a steady supply of hogs and turkeys and keep the cost of products stable, the Company has entered into contracts with producers for the purchase of hogs and turkeys at formula-based prices over periods up to 10 years. 5 years and 9 years, respectively. The Company has also entered into grow-out contracts with independent farmers to raise turkeys for the Company for periods up to 25 years. Under these arrangements, the Company owns the livestock, feed, and other supplies while the independent farmers provide facilities and labor. In addition, the Company has contracted for the purchase of corn, soybean meal, feed ingredients, and other raw materials from independent suppliers for periods up to 4 2 years. Under these contracts, As of October 29, 2023, the Company is committed to make purchases under these contracts, assuming current price levels, as follows: for future fiscal years:

In thousands	*In thousands*	October 30, 2022	*In thousands*	
2023		$ 1,321,098		
2024	2024	894,139	2024	$ 1,228,731
2025	2025	534,137	2025	762,253
2026	2026	372,558	2026	415,489
2027	2027	167,727	2027	182,925
2028			2028	114,843
Later Years	Later Years	144,769	Later Years	58,931
Total	Total	$ 3,434,428	Total	$ 2,763,172

Purchases under these contracts for fiscal years 2023, 2022, and 2021 and 2020 were $1.4 billion, $1.2 billion, $1.1 billion, and $0.9 billion $1.1 billion, respectively.

Other Commitments and Guarantees: The Company has commitments of approximately $75 million $48.2 million related to infrastructure improvements supporting various manufacturing facilities and $62.0 million for a media advertising agreement as of October 30, 2022 October 29, 2023.

As of October 30, 2022 October 29, 2023, the Company has $49.4 million $48.6 million of standby letters of credit issued on its behalf. The standby letters of credit are primarily related to the Company's self-insured workers compensation programs. This amount includes revocable standby letters of credit totaling $3.1 million $2.7 million for obligations of an affiliated party that may arise under workers compensation claims. Letters of credit are not reflected in on the Company's Consolidated Statements of Financial Position.

Legal Proceedings: The Company is involved in litigation on an a party to various legal proceedings related to the ongoing basis arising operation of its business, including claims both by and against the Company. At any time, such proceedings typically involve claims related to product liability, labeling, contracts, antitrust regulations, intellectual property, competition laws, employment practices, or other actions brought by employees, customers, consumers, competitors, or suppliers. The Company establishes accruals for its potential exposure, as appropriate, for claims against the Company when losses become probable and reasonably estimable. However, future developments or settlements are uncertain and may require the Company to change such accruals as proceedings progress. Resolution of any currently known matter, either individually or in the ordinary course of business. In aggregate, is not expected to have a material effect on the opinion of management, the outcome of litigation currently pending will not materially affect the Company's financial condition, results of operations, financial condition, or liquidity.

Pork Antitrust Litigation

Beginning in June 2018, a series of putative class action complaints were filed against the Company, as well as several other pork-processing companies and a benchmarking service called Agri Stats in the United States District Court for the District of Minnesota styled *In re Pork Antitrust Litigation* (the Pork Antitrust Civil Litigation). The plaintiffs allege, among other things, that beginning in January 2009, the defendants conspired and combined to fix, raise, maintain, and stabilize the price of pork and pork products—including through the use of Agri Stats—in violation of federal antitrust laws. The complaints on behalf of the putative classes of indirect purchasers also include causes of action under various state unfair competition laws, consumer protection laws, and unjust enrichment common laws. The plaintiffs seek treble damages, injunctive relief, pre-and post-judgment interest, costs, and attorneys' fees. Since the original filing, certain direct-action plaintiffs have opted out of class treatment and are proceeding with individual direct actions making similar claims, and others may do so in the future. The Company has not recorded any liability for these matters as it does not believe a loss is probable, and it cannot reasonably estimate any reasonably possible loss as the Company believes that it has valid and meritorious defenses against the allegations.

The Offices of the Attorney General in New Mexico and Alaska have filed complaints against the Company and certain of its pork subsidiaries, as well as several other pork processing companies and Agri Stats. The complaints are based on allegations similar to those asserted in the Pork Antitrust Civil Litigation and allege violations of state antitrust, unfair trade practice, and unjust enrichment laws based on allegations of conspiracies to exchange information and manipulate the supply of pork. The Company has not recorded any liability for these matters as it does not believe a loss is probable, and it cannot reasonably estimate any reasonably possible loss as the Company believes that it has valid and meritorious defenses against the allegations.

Turkey Antitrust Litigation

Beginning in December 2019, a series of putative class action complaints were filed against the Company, as well as several other turkey-processing companies and a benchmarking service called Agri Stats, in the U.S. District Court for the Northern District of Illinois styled *In re Turkey Antitrust Litigation*. The plaintiffs allege, among other things, that from at least 2010 to 2017, the defendants conspired and combined to fix, raise, maintain, and stabilize the price of turkey products—including through the use of Agri Stats—in violation of federal antitrust laws. The complaints on behalf of the putative classes of indirect purchasers also include causes of action under various state unfair competition laws, consumer protection laws, and unjust enrichment common laws. The plaintiffs seek treble damages, injunctive relief, pre-and post-judgment interest, costs, and attorneys' fees. Since the original filing, certain direct-action plaintiffs have opted out of class treatment and are proceeding with individual direct actions making similar claims, and others may do so in the future. The Company has not recorded any liability for these matters as it does not believe a loss is probable, and it cannot reasonably estimate any reasonably possible loss as the Company believes that it has valid and meritorious defenses against the allegations.

Poultry Wages Antitrust Litigation

In December 2019, a putative class of non-supervisory production and maintenance employees at poultry-processing plants in the continental United States filed an amended consolidated class action complaint against the Company and various other poultry processing companies in the United States District Court for the District of Maryland styled *Jien, et al. v. Perdue Farms, Inc., et al*. The plaintiffs allege that since 2009, the defendants directly and through a wage survey and benchmarking service exchanged information regarding compensation in an effort to depress and fix wages and benefits for employees at poultry-processing plants, feed mills, and hatcheries in violation of federal antitrust laws. The plaintiffs seek, among other things, treble monetary damages, punitive damages, restitution, and pre-and post-judgment interest, as well as declaratory and injunctive relief. In July 2022, the Court partially granted the Company's motion to dismiss, and dismissed plaintiffs' *per se* wage-fixingclaim as to the Company. The Company has not recorded any liability for this matter as it does not believe a loss is probable, and it cannot reasonably estimate any reasonably possible loss as the Company believes that it has valid and meritorious defenses against the allegations.

Red Meat Wages Antitrust Litigation

In November 2022, a putative class of non-supervisory production and maintenance employees at "red meat" processing plants in the continental United States filed a class action complaint against the Company and various other beef- and pork-processing companies in the United States District Court for the District of Colorado styled *Brown, et al. v. JBS USA Food Co., et al*. The plaintiffs allege that since 2014, the defendants directly and through a wage survey and benchmarking service exchanged information regarding compensation in an effort to depress and fix wages and benefits for employees at

beef- and pork-processing plants in violation of federal antitrust laws. The plaintiffs seek, among other things, treble monetary damages, punitive damages, restitution, and pre-and post-judgment interest, as well as declaratory and injunctive relief. The Company has not recorded any liability for this matter as it does not believe a loss is probable, and it cannot reasonably estimate any reasonably possible loss as the Company believes that it has valid and meritorious defenses against the allegations.

Note K

Leases

The Company has operating leases for manufacturing facilities, office space, warehouses, transportation equipment, and as well as miscellaneous real estate and equipment contracts. Finance leases primarily include turkey growing facilities and an aircraft. The Company's lessor portfolio consists primarily of immaterial operating leases of farmland to third parties.

Lease information included in on the Consolidated Statements of Financial Position are:

In thousands	*In thousands*	**Location on Consolidated Statements of Financial Position**	**October 30, 2022**	October 31, 2021	*In thousands*	**Location on Consolidated Statements of Financial Position**	**October 29, 2023**	October 30, 2022
Right-of-Use Assets	Right-of-Use Assets				Right-of-Use Assets			
Operating	Operating	Other Assets	**$ 73,613**	$ 72,291	Operating	Other Assets	**$ 131,920**	$ 73,613

Finance	Finance	Net Property, Plant, and Equipment	**45,563**	53,433	Finance	Net Property, Plant, and Equipment	**37,999**	45,563
Total Right-of-Use Assets	Total Right-of-Use Assets		**$ 119,176**	$ 125,724	Total Right-of-Use Assets		**$ 169,919**	$ 119,176
Liabilities	Liabilities				Liabilities			
Current	Current				Current			
Operating	Operating	Accrued Expenses	**$ 21,183**	$ 18,331	Operating	Accrued Expenses	**$ 26,238**	$ 21,183
Finance	Finance	Current Maturities of Long-term Debt	**8,391**	8,362	Finance	Current Maturities of Long-term Debt	**8,597**	8,391
Noncurrent	Noncurrent				Noncurrent			
Operating	Operating	Other Long-term Liabilities	**55,571**	**56,779**	Operating	Other Long-term Liabilities	**109,237**	55,571
Finance	Finance	Long-term Debt Less Current Maturities	**36,082**	44,637	Finance	Long-term Debt Less Current Maturities	**27,488**	36,082
Total Lease Liabilities	Total Lease Liabilities		**$ 121,227**	$ 128,109	Total Lease Liabilities		**$ 171,560**	$ 121,227

Lease expenses are:

		Fiscal Year Ended				Fiscal Year Ended		
In thousands	*In thousands*	**October 30, 2022**	October 31, 2021	October 25, 2020	*In thousands*	**October 29, 2023**	October 30, 2022	October 31, 2021
Operating Lease Cost (1)	Operating Lease Cost (1)	**$ 25,702**	$ 21,993	$ 19,602	Operating Lease Cost (1)	**$ 34,209**	$ 25,702	$ 21,993
Finance Lease Cost	Finance Lease Cost				Finance Lease Cost			
Amortization of Right-of-Use Assets	Amortization of Right-of-Use Assets	**7,965**	8,104	7,985	Amortization of Right-of-Use Assets	**7,594**	7,965	8,104
Interest on Lease Liabilities	Interest on Lease Liabilities	**1,707**	2,019	2,304	Interest on Lease Liabilities	**1,361**	1,707	2,019
Variable Lease Cost (2)	Variable Lease Cost (2)	**463,439**	544,635	424,955	Variable Lease Cost (2)	**511,906**	463,439	544,635
Net Lease Cost	Net Lease Cost	**$ 498,813**	$ 576,751	$ 454,846	Net Lease Cost	**$ 555,070**	$ 498,813	$ 576,751

(1) Includes short-term lease costs, which are immaterial.

(2) ASC 842 - *Leases* requires disclosure of payments related to agreements with an embedded lease that are not otherwise reflected on the balance sheet. The Company's variable lease costs primarily include inventory related expenses, such as materials, labor, and overhead from manufacturing and service agreements that contain embedded leases. Variability of these costs is determined based on usage or output and may vary for other reasons such as changes in material prices.

The weighted-average remaining lease term and discount rate for lease liabilities included in on the Consolidated Statements of Financial Position are:

		October 30, 2022	October 31, 2021		**October 29, 2023**	October 30, 2022
Weighted Average Remaining Lease Term						
Weighted-average Remaining Lease Term				Weighted-average Remaining Lease Term		
Operating Leases	Operating Leases	**5.32 years**	5.92 years	Operating Leases	**6.0 years**	5.3 years
Finance Leases	Finance Leases	**6.26 years**	7.18 years	Finance Leases	**5.3 years**	6.3 years
Weighted Average Discount Rate						
Weighted-average Discount Rate				Weighted-average Discount Rate		
Operating Leases	Operating Leases	**2.08 %**	1.76 %	Operating Leases	**4.43 %**	2.08 %
Finance Leases	Finance Leases	**3.44 %**	3.48 %	Finance Leases	**3.37 %**	3.44 %

Supplemental cash flow and other information related to leases for the fiscal year-end year ended are:

In thousands	*In thousands*	**October 30, 2022**	October 31, 2021	October 25, 2020	*In thousands*	**October 29, 2023**	October 30, 2022	October 31, 2021

Cash Paid for Amounts Included in the Measurement of Lease Liabilities	Cash Paid for Amounts Included in the Measurement of Lease Liabilities				Cash Paid for Amounts Included in the Measurement of Lease Liabilities			
Operating Cash Flows from Operating Leases	Operating Cash Flows from Operating Leases	**$ 24,098**	$ 20,305	$ 15,412	Operating Cash Flows from Operating Leases	**$ 29,436**	$ 24,098	$ 20,305
Operating Cash Flows from Finance Leases	Operating Cash Flows from Finance Leases	**1,707**	2,019	2,304	Operating Cash Flows from Finance Leases	**1,361**	1,707	2,019
Financing Cash Flows from Finance Leases	Financing Cash Flows from Finance Leases	**8,491**	8,598	8,189	Financing Cash Flows from Finance Leases	**8,407**	8,491	8,598
Right-of-Use Assets obtained in exchange for new finance lease liabilities					Right-of-Use Assets obtained in exchange for new finance lease liabilities	**19**	—	—
Right-of-Use Assets obtained in exchange for new operating lease liabilities	Right-of-Use Assets obtained in exchange for new operating lease liabilities	**19,646**	31,962	5,210	Right-of-Use Assets obtained in exchange for new operating lease liabilities	**84,087**	19,646	31,962

The maturity of the Company's lease liabilities as of October 30, 2022 October 29, 2023, are:

In thousands	*In thousands*	**Operating Leases**	**Finance Leases (1)**	**Total**	*In thousands*	**Operating Leases**	**Finance Leases (1)**	**Total (2)**
2023		$ 23,405	$ 9,745	$ 33,150				
2024	2024	19,062	9,623	28,685	2024	$ 31,718	$ 9,637	$ 41,355
2025	2025	14,892	8,120	23,012	2025	29,050	8,101	37,152
2026	2026	10,110	5,652	15,762	2026	26,066	5,666	31,732
2027	2027	4,429	4,314	8,743	2027	19,769	4,314	24,083
2028 and beyond		13,962	11,226	25,188				
2028					2028	12,873	10,542	23,414
2029 and beyond					2029 and beyond	35,608	685	36,293
Total Lease Payments	Total Lease Payments	$ 85,859	$ 48,680	$ 134,539	Total Lease Payments	$ 155,084	$ 38,944	$ 194,028
Less: Imputed Interest	Less: Imputed Interest	9,105	4,207	13,312	Less: Imputed Interest	19,609	2,859	22,468
Present Value of Lease Liabilities	Present Value of Lease Liabilities	$ 76,754	$ 44,473	$ 121,227	Present Value of Lease Liabilities	$ 135,475	$ 36,085	$ 171,560

(1) Over the life of the lease contracts, finance lease payments include $8.5 million $8.1 million related to purchase options which are reasonably certain of being exercised.
(2) Lease payments exclude $31.2 million of legally binding minimum lease payments for leases signed but not yet commenced.

Note L

Long-term Debt and Other Borrowing Arrangements

Long-term Debt consists of:

In thousands	*In thousands*	**October 30, 2022**	October 31, 2021	*In thousands*	**October 29, 2023**	October 30, 2022

Senior Unsecured Notes, with Interest at 3.050% Interest Due Semi-annually through June 2051 Maturity Date	Senior Unsecured Notes, with Interest at 3.050% Interest Due Semi-annually through June 2051 Maturity Date	$ **600,000**	$ 600,000	Senior Unsecured Notes, with Interest at 3.050% Interest Due Semi-annually through June 2051 Maturity Date	$ **600,000**	$ 600,000
Senior Unsecured Notes, with Interest at 1.800% Interest Due Semi-annually through June 2030 Maturity Date	Senior Unsecured Notes, with Interest at 1.800% Interest Due Semi-annually through June 2030 Maturity Date	**1,000,000**	1,000,000	Senior Unsecured Notes, with Interest at 1.800% Interest Due Semi-annually through June 2030 Maturity Date	**1,000,000**	1,000,000
Senior Unsecured Notes, with Interest at 1.700% Interest Due Semi-annually through June 2028 Maturity Date	Senior Unsecured Notes, with Interest at 1.700% Interest Due Semi-annually through June 2028 Maturity Date	**750,000**	750,000	Senior Unsecured Notes, with Interest at 1.700% Interest Due Semi-annually through June 2028 Maturity Date	**750,000**	750,000
Senior Unsecured Notes, with Interest at 0.650% Interest Due Semi-annually through June 2024 Maturity Date	Senior Unsecured Notes, with Interest at 0.650% Interest Due Semi-annually through June 2024 Maturity Date	**950,000**	950,000	Senior Unsecured Notes, with Interest at 0.650% Interest Due Semi-annually through June 2024 Maturity Date	**950,000**	950,000
Unamortized Discount on Senior Notes	Unamortized Discount on Senior Notes	**(7,750)**	(8,484)	Unamortized Discount on Senior Notes	**(7,016)**	(7,750)
Unamortized Debt Issuance Costs	Unamortized Debt Issuance Costs	**(19,856)**	(23,435)	Unamortized Debt Issuance Costs	**(16,278)**	(19,856)
Interest Rate Swap Liabilities(1)	Interest Rate Swap Liabilities(1)	**(19,950)**	—	Interest Rate Swap Liabilities(1)	**(7,451)**	(19,950)
Finance Lease Liabilities(2)	Finance Lease Liabilities(2)	**44,473**	52,999	Finance Lease Liabilities(2)	**36,085**	44,473
Other Financing Arrangements	Other Financing Arrangements	**2,429**	2,823	Other Financing Arrangements	**3,908**	2,429
Total	Total	$ **3,299,345**	$ 3,323,903	Total	$ **3,309,247**	$ 3,299,345
Less: Current Maturities of Long-term Debt	Less: Current Maturities of Long-term Debt	**8,796**	8,756	Less: Current Maturities of Long-term Debt	**950,529**	8,796
Long-term Debt Less Current Maturities	Long-term Debt Less Current Maturities	$ **3,290,549**	$ 3,315,147	Long-term Debt Less Current Maturities	$ **2,358,719**	$ 3,290,549

(1) See Note F - Derivatives and Hedging for additional information information.
(2) See Note K - Leases for additional information information.

Senior Unsecured Notes: On June 3, 2021, the Company issued $950.0 million aggregate principal amount of its 0.650% notes due 2024 (the "2024 Notes") (2024 Notes), $750.0 million aggregate principal amount of its 1.700% notes due 2028 (the "2028 Notes") (2028 Notes), and $600.0 million aggregate principal amount of its 3.050% notes due 2051 (the "2051 Notes") (2051 Notes). The 2024 Notes may be redeemed in whole or in part one year after their issuance without penalty for early partial payments or full redemption. The 2028 Notes and 2051 Notes may be redeemed in whole or in part at any time at the applicable redemption price. Interest will accrue per annum at the stated rates with interest on the notes being paid semi-annually in arrears on June 3 and December 3 of each year, commencing December 3, 2021. Interest rate risk was hedged utilizing interest rate locks on the 2028 Notes and 2051 Notes. The Company lifted the hedges in conjunction with the issuance of these notes. See Note F - Derivatives and Hedging for additional information. If a change of control triggering event occurs, the Company must offer to purchase the notes at a purchase price

equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to the date of purchase. During the third quarter of fiscal 2023, the 2024 Notes were reclassified to Current Maturities of Long-term Debt on the Consolidated Statement of Financial Position.

On June 11, 2020, the Company issued senior notes in an aggregate principal amount of $1.0 billion, due June 11, 2030. 2030. The notes bear interest at a fixed rate of 1.800% per annum, with interest paid semi-annually in arrears on June 11 and December 11 of each year, commencing December 11, 2020. The notes may be redeemed in whole or in part at any time at the applicable redemption price set forth in the prospectus supplement. If a change of control triggering event occurs, the Company must offer to purchase the notes at a purchase price equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to the date of purchase.

Unsecured Revolving Credit Facility: On May 6, 2021, the Company entered into an unsecured revolving credit agreement with Wells Fargo Bank, National Association as administrative agent, swingline lender and issuing lender, U.S. Bank National

Association, JPMorgan Chase Bank, N.A. and BofA Securities, Inc. as syndication agents and the lenders party thereto. The revolving credit agreement provides for an unsecured revolving credit facility with an aggregate principal commitment amount at any time outstanding of up to $750.0 million with an uncommitted increase option of an additional $375.0 million upon the satisfaction of certain conditions.

On April 17, 2023, the Company entered into a first amendment (Amendment) to the Company's $750.0 million revolving credit agreement. The Amendment provides for, among other things (i) the replacement of London Interbank Offered Rate (LIBOR) with Term Secured Overnight Financing Rate (SOFR) and Daily Simple Singapore Overnight Rate Average (SORA) for the Eurocurrency Rate for U.S. Dollars and Singapore Dollars, including applicable credit spread adjustments and relevant SOFR benchmark provisions, (ii) permitting two one-year extension options to be exercised at any anniversary, (iii) removing the change in debt ratings notice requirement, (iv) shortening the notice period requirements for Base Rate Loans to allow for same day notice, and (v) increasing the number of permitted interest periods from 8 to 15.

The unsecured revolving line of credit bears interest, at the Company's election, at either a Base Rate plus margin of 0.0% to 0.150% or the Adjusted Term SOFR, Adjusted Daily Simple Risk-Free Rate (RFR) or Eurocurrency Rate plus margin of 0.575% to 1.150% and a variable fee of 0.050% to 0.100% is paid for the availability of this credit line. Extensions of credit under the facility may be made in the form of revolving loans, swingline loans and letters of credit. The lending commitments under the agreement are scheduled to expire on May 6, 2026, at which time the Company will be required to pay in full all obligations then outstanding. As of October 30, 2022, October 29, 2023 and October 31, 2021 October 30, 2022, the Company had no outstanding draws from this facility.

Debt Covenants: The Company is required by certain covenants in its debt agreements to maintain specified levels of financial ratios and financial position. As of October 30, 2022 October 29, 2023, the Company was in compliance with all of these covenants.

Interest Payments: Total interest paid in the last three fiscal years is as follows:

In millions	*In millions*			*In millions*	
2023				**2023**	**$ 57.1**
2022	**2022**	**$**	**57.0**	2022	57.0
2021	2021		25.1	2021	25.1
2020			14.5		

Note M

Stock-Based Compensation

The Company issues stock options, restricted stock units, restricted shares, and deferred stock units as part of its stock incentive plans for employees and nonemployee directors. Stock-based compensation expense for fiscal years 2023, 2022, and 2021, and 2020, was $24.1 million, $24.9 million, $24.7 million, and $22.5 million $24.7 million, respectively. The Company recognizes stock-based compensation expense ratably over the shorter of the vesting period or the individual's retirement eligibility date.

As of October 30, 2022 October 29, 2023, there was $19.6 million $16.2 million of total unrecognized compensation expense from stock-based compensation arrangements granted under the plans. This compensation is expected to be recognized over a weighted-average period of approximately 1.5 1.6 years. During fiscal years 2023, 2022, 2021, and 2020, 2021, cash received from stock option exercises was $79.8 million $12.0 million, $45.9 million $79.8 million, and $81.8 million $45.9 million, respectively.

Shares issued for option exercises, restricted stock units, restricted shares, and deferred stock units may be either authorized but unissued shares or shares of treasury stock. The number of shares available for future grants was 10.1 million at October 29, 2023, 11.1 million at October 30, 2022, and 12.5 million at October 31, 2021, and 13.7 million at October 25, 2020.

Stock Options: The Company's policy is to grant options with the exercise price equal to the market price of the common stock on the date of grant. Options typically vest over four years and expire ten years after the date of the grant.

A reconciliation of the number of options outstanding and exercisable as of October 30, 2022 October 29, 2023, is:

		Shares (in thousands)	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in thousands)		Shares (in thousands)	Weighted-average Exercise Price	Weighted-average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in thousands)
Stock Options Outstanding at October 31, 2021		19,022	$ 33.49							
Stock Options Outstanding at October 30, 2022						Stock Options Outstanding at October 30, 2022	16,130	$ 36.85		
Granted	Granted	**1,358**	**43.19**			Granted	**1,002**	**46.46**		
Exercised	Exercised	**(3,845)**	**22.17**			Exercised	**(518)**	**29.24**		
Forfeited	Forfeited	**(403)**	**40.06**			Forfeited	**(147)**	**41.51**		

Expired	Expired	(1)	40.59			Expired	(84)	42.55		
Stock Options Outstanding at October 30, 2022		16,130	$ 36.85	4.9	$ 163,808					
Stock Options Exercisable at October 30, 2022		10,816	$ 34.56	3.9	$ 134,370					
Stock Options Outstanding at October 29, 2023						Stock Options Outstanding at October 29, 2023	16,384	$ 37.61	4.3	$ 18,845
Stock Options Exercisable at October 29, 2023						Stock Options Exercisable at October 29, 2023	13,611	$ 36.00	3.5	$ 18,845

The weighted-average grant date fair value of stock options granted and the total intrinsic value of options exercised during each of the past three fiscal years, are:

In thousands, except per share amounts	*In thousands, except per share amounts*	Fiscal Year Ended October 30, 2022	Fiscal Year Ended October 31, 2021	Fiscal Year Ended October 25, 2020	*In thousands, except per share amounts*	Fiscal Year Ended October 29, 2023	Fiscal Year Ended October 30, 2022	Fiscal Year Ended October 31, 2021
Weighted-average Grant Date Fair Value	Weighted-average Grant Date Fair Value	**$ 7.09**	$ 7.52	$ 7.72	Weighted-average Grant Date Fair Value	**$ 10.06**	$ 7.09	$ 7.52
Intrinsic Value of Exercised Options	Intrinsic Value of Exercised Options	**109,745**	94,108	182,821	Intrinsic Value of Exercised Options	**6,350**	109,745	94,108

The fair value of each option award is calculated on the date of grant using the Black-Scholes valuation model utilizing the following weighted-average assumptions:

		Fiscal Year Ended October 30, 2022	Fiscal Year Ended October 31, 2021	Fiscal Year Ended October 25, 2020		Fiscal Year Ended October 29, 2023	Fiscal Year Ended October 30, 2022	Fiscal Year Ended October 31, 2021
Risk-free Interest Rate	Risk-free Interest Rate	**1.6 %**	1.0 %	1.7 %	Risk-free Interest Rate	**3.5 %**	1.6 %	1.0 %
Dividend Yield	Dividend Yield	**2.4 %**	2.1 %	2.0 %	Dividend Yield	**2.4 %**	2.4 %	2.1 %
Stock Price Volatility	Stock Price Volatility	**20.4 %**	20.0 %	19.0 %	Stock Price Volatility	**21.1 %**	20.4 %	20.0 %
Expected Option Life	Expected Option Life	**7.5 years**	7.4 years	7.5 years	Expected Option Life	**7.4 years**	7.5 years	7.4 years

As part of the annual valuation process, the Company reassesses the appropriateness of the inputs used in the valuation models. The Company establishes the risk-free interest rate using U.S. Treasury yields as of the grant date. The dividend yield is based on the dividend rate approved by the Company's Board of Directors and the stock price on the grant date. The expected volatility assumption is based on historical volatility. The expected life assumption is based on an analysis of past exercise behavior by option holders. In performing the valuations for option grants, the Company has not stratified option holders as exercise behavior has historically been consistent across all employees.

Restricted Stock Units: Restricted stock units are valued equal to the market price of the common stock on the date of the grant and generally vest after three years. These awards accumulate dividend equivalents, which are provided as additional units and are subject to the same vesting requirements as the underlying grant. A reconciliation of the restricted stock units as of October 30, 2022 October 29, 2023, is:

		Shares (in thousands)	Weighted-Average Grant Date Fair Value	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in thousands)		Shares (in thousands)	Weighted-average Grant Date Fair Value	Weighted-average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in thousands)
Restricted Stock Units Outstanding at October 31, 2021		**385**	**$ 46.81**							

Restricted Stock Units Outstanding at October 30, 2022						Restricted Stock Units Outstanding at October 30, 2022	681	$ 45.53		
Granted	Granted	**362**	**44.14**			Granted	**237**	**45.96**		
Dividend Equivalents	Dividend Equivalents	**9**	**50.32**			Dividend Equivalents	**18**	**41.44**		
Vested	Vested	**(41)**	**45.68**			Vested	**(185)**	**45.88**		
Forfeited	Forfeited	**(34)**	**44.76**			Forfeited	**(28)**	**45.64**		
Restricted Stock Units Outstanding at October 30, 2022		**681**	**$ 45.53**	**1.5**	**$ 31,972**					
Restricted Stock Units Outstanding at October 29, 2023						**Restricted Stock Units Outstanding at October 29, 2023**	**723**	**$ 45.59**	**1.3**	**$ 22,692**

The weighted-average grant date fair value of restricted stock units granted, and the total fair value of restricted stock units granted, during each and the fair value of the past three fiscal years, restricted stock units that have vested are:

		Fiscal Year Ended				Fiscal Year Ended		
In thousands, except per share amounts	*In thousands, except per share amounts*	**October 30, 2022**	October 31, 2021	October 25, 2020	*In thousands, except per share amounts*	**October 29, 2023**	October 30, 2022	October 31, 2021
Weighted-average Grant Date Fair Value	Weighted-average Grant Date Fair Value	**$ 44.14**	$ 47.52	$ 45.88	Weighted-average Grant Date Fair Value	**$ 45.96**	$ 44.14	$ 47.52
Fair Value of Restricted Stock Units Granted	Fair Value of Restricted Stock Units Granted	**15,980**	10,699	9,383	Fair Value of Restricted Stock Units Granted	**10,889**	15,980	10,699
Fair Value of Restricted Stock Units Vested	Fair Value of Restricted Stock Units Vested	**$ 1,893**	$ 1,460	$ 839	Fair Value of Restricted Stock Units Vested	**8,466**	1,893	1,460

Restricted Shares: Restricted shares awarded to nonemployee directors annually on February 1 are subject to a restricted period which expires the date of the Company's next annual stockholders meeting. Newly elected directors receive a prorated award of restricted shares of the Company's common stock, which expires on the date of the Company's second succeeding annual stockholders meeting. A reconciliation of the restricted shares as of October 30, 2022 October 29, 2023, is:

In thousands, except per share amounts		Shares	Weighted-Average Grant Date Fair Value		Shares (in thousands)	Weighted-average Grant Date Fair Value
Restricted Shares Outstanding at October 31, 2021		38	$ 46.92			
Restricted Shares Outstanding at October 30, 2022				Restricted Shares Outstanding at October 30, 2022	37	$ 47.11
Granted	Granted	**37**	**47.11**	Granted	**44**	**44.14**
Vested	Vested	**(38)**	**46.92**	Vested	**(37)**	**47.11**
Restricted Shares Outstanding at October 30, 2022		**37**	**$ 47.11**			

Restricted Shares Outstanding at October 29, 2023	**Restricted Shares Outstanding at October 29, 2023**	**44**	**$**	**44.14**

The weighted-average grant date fair value of restricted shares granted, the total fair value of restricted shares granted, and the fair value of shares that have vested during each of the past three fiscal years are:

In thousands, except per share amounts	*In thousands, except per share amounts*	Fiscal Year Ended **October 30, 2022**	October 31, 2021	October 25, 2020	*In thousands, except per share amounts*	Fiscal Year Ended **October 29, 2023**	October 30, 2022	October 31, 2021
Weighted-average Grant Date Fair Value	Weighted-average Grant Date Fair Value	**$ 47.11**	$ 46.92	$ 47.29	Weighted-average Grant Date Fair Value	**$ 44.14**	$ 47.11	$ 46.92
Fair Value of Restricted Shares Granted	Fair Value of Restricted Shares Granted	**1,760**	1,760	1,973	Fair Value of Restricted Shares Granted	**1,920**	1,760	1,760
Fair Value of Restricted Shares Vested	Fair Value of Restricted Shares Vested	**$ 1,760**	$ 2,133	$ 1,974	Fair Value of Restricted Shares Vested	**1,760**	1,760	2,133

Deferred Stock Units: Nonemployee directors can elect to receive all or a portion of their annual retainer in the form of non-forfeitable deferred stock units which vest immediately. The deferred stock units accumulate dividend equivalents, which are provided as additional units. Each deferred stock unit represents the right to receive one share of the Company’s common stock following the completion of the director’s service.

During fiscal 2022, 2023, the Company granted 12.3 17.5 thousand units, credited dividend equivalents of 2.1 2.7 thousand units and distributed 5.5 6.9 thousand units, which had a weighted-average fair value on the grant date of $48.30, $48.44, $38.93, $42.70, and $17.95 $17.26 per share, respectively. As of October 30, 2022 October 29, 2023, 104.9 118.2 thousand units were outstanding, which had a weighted-average fair value on the grant date of $36.18 $37.84 per share and an aggregate intrinsic fair value of $4.9 $3.7 million.

Note N

Income Taxes

The components of the Provision for Income Taxes are as follows:

In thousands	*In thousands*	**Fiscal Year Ended** **October 30, 2022**	October 31, 2021	October 25, 2020	*In thousands*	Fiscal Year Ended **October 29, 2023**	October 30, 2022	October 31, 2021
Current	Current				Current			
U.S. Federal	U.S. Federal	**$ 67,638**	$ 171,732	$ 142,708	U.S. Federal	**$ 161,016**	$ 67,638	$ 171,732
State	State	**20,054**	7,541	13,353	State	**20,166**	20,054	7,541
Foreign	Foreign	**13,185**	9,079	18,293	Foreign	**7,576**	13,185	9,079
Total Current	Total Current	**100,877**	188,352	174,354	Total Current	**188,758**	100,877	188,352
Deferred	Deferred				Deferred			
U.S. Federal	U.S. Federal	**164,091**	23,507	34,408	U.S. Federal	**23,221**	164,091	23,507
State	State	**13,638**	2,220	4,937	State	**8,602**	13,638	2,220
Foreign	Foreign	**(729)**	2,950	(7,306)	Foreign	**(29)**	(729)	2,950
Total Deferred	Total Deferred	**177,000**	28,677	32,039	Total Deferred	**31,794**	177,000	28,677
Total Provision for Income Taxes	Total Provision for Income Taxes	**$ 277,877**	$ 217,029	$ 206,393	Total Provision for Income Taxes	**$ 220,552**	$ 277,877	$ 217,029

The Company has elected to treat global intangible low taxed low-taxed income (GILTI) as a period cost.

Deferred Income Taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the deferred income tax liabilities and assets are as follows:

In thousands	*In thousands*	**October 30, 2022**	October 31, 2021	*In thousands*	**October 29, 2023**	October 30, 2022
Deferred Tax Liabilities	Deferred Tax Liabilities			Deferred Tax Liabilities		
Goodwill and Intangible Assets	Goodwill and Intangible Assets	**$ (404,295)**	$ (322,822)	Goodwill and Intangible Assets	**$ (477,282)**	$ (404,295)
Tax over Book Depreciation and Basis Differences	Tax over Book Depreciation and Basis Differences	**(246,411)**	(143,891)	Tax over Book Depreciation and Basis Differences	**(233,802)**	(246,411)
Other, net	Other, net	**(21,467)**	(21,967)	Other, net	**(33,105)**	(21,467)
Deferred Tax Assets	Deferred Tax Assets			Deferred Tax Assets		
Pension and Other Post-retirement Benefits	Pension and Other Post-retirement Benefits	**42,794**	71,190	Pension and Other Post-retirement Benefits	**42,952**	42,794
Employee Compensation Related Liabilities	Employee Compensation Related Liabilities	**65,461**	68,133	Employee Compensation Related Liabilities	**65,958**	65,461
Marketing and Promotional Accruals	Marketing and Promotional Accruals	**29,045**	22,916	Marketing and Promotional Accruals	**16,972**	29,045
Inventory				Inventory	**46,856**	10,368
Other, net	Other, net	**62,334**	50,767	Other, net	**75,562**	51,966
Net Deferred Tax (Liabilities) Assets	Net Deferred Tax (Liabilities) Assets	**$ (472,539)**	$ (275,674)	Net Deferred Tax (Liabilities) Assets	**$ (495,889)**	$ (472,539)

Reconciliation of the statutory federal income tax rate to the Company's effective tax rate is as follows:

		Fiscal Year Ended				Fiscal Year Ended		
		October 30, 2022	October 31, 2021	October 25, 2020		**October 29, 2023**	October 30, 2022	October 31, 2021
U.S. Statutory Rate	U.S. Statutory Rate	**21.0 %**	21.0 %	21.0 %	U.S. Statutory Rate	**21.0 %**	21.0 %	21.0 %
State Taxes on Income, Net of Federal Tax Benefit	State Taxes on Income, Net of Federal Tax Benefit	**2.4**	0.8	1.6	State Taxes on Income, Net of Federal Tax Benefit	**2.5**	2.4	0.8
Stock-based Compensation	Stock-based Compensation	**(1.5)**	(1.6)	(3.1)	Stock-based Compensation	**(0.1)**	(1.5)	(1.6)
Foreign-derived Intangible Income Deduction					Foreign-derived Intangible Income Deduction	**(1.3)**	(0.4)	(0.4)
All Other, net	All Other, net	**(0.2)**	(0.9)	(1.0)	All Other, net	**(0.3)**	0.2	(0.5)
Effective Tax Rate	Effective Tax Rate	**21.7 %**	19.3 %	18.5 %	Effective Tax Rate	**21.8 %**	21.7 %	19.3 %

As of October 30, 2022 October 29, 2023, the Company had $271.1 $299.3 million of undistributed earnings from non-U.S. subsidiaries. The Company maintains all earnings as permanently reinvested. Accordingly, no additional income taxes have been provided for withholding tax, state tax, or other taxes.

Total income taxes paid during fiscal years 2023, 2022, and 2021 and 2020 were $205.0 million, $93.1 million, $167.0 million, and $169.7 million $167.0 million, respectively.

The following table sets forth changes in the unrecognized tax benefits, excluding interest and penalties, for fiscal years 2022 2023 and 2021. 2022.

In thousands	
Balance as of October 25, 2020	$ 33,242
Tax Positions Related to the Current Period	
Increases	4,003
Tax Positions Related to Prior Periods	
Increases	2,117
Decreases	(4,170)
Settlements	(8,934)
Decreases Related to a Lapse of Applicable Statute of Limitations	(4,166)
Balance as of October 31, 2021	$ 22,092
Tax Positions Related to the Current Period	
Increases	3,618
Tax Positions Related to Prior Periods	
Increases	1,890
Decreases	(1,789)
Settlements	(2,509)
Decreases Related to a Lapse of Applicable Statute of Limitations	(3,782)
Balance as of October 30, 2022	$ 19,520
Tax Positions Related to the Current Period	
Increases	**3,876**
Tax Positions Related to Prior Periods	
Increases	**2,131**
Decreases	**(1,708)**
Settlements	**(811)**
Decreases Related to a Lapse of Applicable Statute of Limitations	**(3,881)**
Balance as of October 29, 2023	**$ 19,127**

The amount of unrecognized Unrecognized tax benefits, including interest and penalties, is are recorded in Other Long-term Liabilities. If recognized as of October 29, 2023 and October 30, 2022, $17.0 million, and October 31, 2021, $17.2 million, and $19.6 million, respectively, would impact the Company's effective tax rate. The Company includes accrued interest and penalties related to uncertain tax positions in income tax expense, Provision for Income Taxes, with immaterial losses included in expense for during fiscal 2023, 2022 2021 and 2020. 2021. The amount of accrued interest and penalties at October 30, 2022, October 29, 2023 and October 31, 2021 October 30, 2022, associated with unrecognized tax benefits was $2.3 million $2.4 million and $5.0 million $2.3 million, respectively.

The Company is regularly audited by federal and state taxing authorities. The U.S. Internal Revenue Service (I.R.S.) IRS concluded their examinations its examination of fiscal 2019 2021 in the second quarter of fiscal 2021. The I.R.S. has 2023. Previously, the IRS placed the Company in the Bridge phase of the Compliance Assurance Process (CAP) for fiscal 2020. In this phase, the I.R.S. IRS will not accept any disclosures, conduct any reviews, or provide any assurances. The Company has elected to participate in CAP for fiscal years through 2023. The objective of CAP is to contemporaneously work with the I.R.S. IRS to achieve federal tax compliance and resolve all or most of the issues prior to filing of the tax return. The Company may elect to continue participating in CAP for future tax years; the Company may withdraw from the program at any time.

The Company is in various stages of audit by several state taxing authorities on a variety of fiscal years, as far back as 2015. While it is reasonably possible that one or more of these audits may be completed within the next 12 months and the related unrecognized tax benefits may change based on the status of the examinations, it is not possible to reasonably estimate the effect of any amount of such change to previously recorded uncertain tax positions.

The Inflation Reduction Act of 2022 was signed into law on August 16, 2022. The 15% corporate alternative minimum tax will not apply to the Company until in fiscal year 2024.

Note O

Earnings Per Share Data

The reported net earnings attributable to the Company were used when computing basic and diluted earnings per share. Diluted earnings per share was calculated using the treasury stock method. The following table sets forth the shares used as the denominator for those computations: computations.

		Fiscal Year Ended				Fiscal Year Ended		
In thousands	*In thousands*	**October 30, 2022**	October 31, 2021	October 25, 2020	*In thousands*	**October 29, 2023**	October 30, 2022	October 31, 2021
Basic Weighted-Average Shares Outstanding	Basic Weighted-Average Shares Outstanding	**544,918**	541,114	538,007	Basic Weighted-Average Shares Outstanding	**546,421**	544,918	541,114
Dilutive Potential Common Shares	Dilutive Potential Common Shares	**4,648**	6,466	8,585	Dilutive Potential Common Shares	**2,562**	4,648	6,466
Diluted Weighted-Average Shares Outstanding	Diluted Weighted-Average Shares Outstanding	**549,566**	547,580	546,592	Diluted Weighted-Average Shares Outstanding	**548,982**	549,566	547,580
Antidilutive Potential Common Shares	Antidilutive Potential Common Shares	**1,915**	2,839	1,822	Antidilutive Potential Common Shares	**6,834**	1,915	2,839

Note P

Segment Reporting

The Company develops, processes, and distributes a wide array of food products in a variety of markets. The As described in Note A - Summary of Significant Accounting Policies, the Company transitioned to a new operating model in the first quarter of fiscal 2023 and now reports its results in the following four three segments: Grocery Products, Refrigerated Foods, Jennie-O Turkey Store, Retail, Foodservice, and International, & Other, which are consistent with how the Company's Chief Operating Decision Maker chief operating decision maker (CODM) assesses performance and allocates resources. Prior period segment results have been retrospectively recast to reflect the new reportable segments.

Grocery Products: The Grocery Products Retail segment consists primarily consists of the processing, marketing, and sale of shelf-stable food products sold predominantly in the retail market, along with the sale of nutritional and private label shelf-stable products to retail, foodservice, and industrial customers. market. This segment also includes the results from the Company's MegaMex Foods, LLC (MegaMex) joint venture.

Refrigerated Foods: The Refrigerated Foods Foodservice segment includes the processing, marketing, and sale of branded and unbranded pork, beef, and poultry products for retail, foodservice, deli, convenience store, and commercial customers.
Jennie-O Turkey Store: The Jennie-O Turkey Store segment consists primarily consists of the processing, marketing, and sale of branded food and unbranded turkey nutritional products for retail, foodservice, convenience store, and commercial customers.

International & Other: The International & Other segment includes Hormel Foods International, which manufactures, processes, markets, and sells Company products internationally. This segment also includes the results from the Company's international joint ventures, equity method investments, and royalty arrangements and other joint ventures. arrangements.

The Company's CODM reviews assets at a consolidated level and does not use assets by segment to evaluate performance or allocate resources. Therefore, the Company does not disclose assets by segment. Intersegment sales are eliminated in the Consolidated Statements of Operations.

consolidation and are not reviewed when evaluating segment performance. The Company does not allocate deferred compensation, investment income, interest expense, or interest income to its segments when measuring performance. The Company also retains various other income and expenses at the corporate level. In fiscal 2021, one-time acquisition-related costs and accounting adjustments associated with the purchase of the *Planters*® snack nuts business were also retained at the corporate level. Equity in Earnings of Affiliates is included in segment profit; however, earnings attributable to the Company's corporate venturing investments and noncontrolling interests are excluded. These items are included below as Net Unallocated Expense and Noncontrolling Interest when reconciling to Earnings Before Income Taxes.

Financial measures for each of the Company's reportable segments and reconciliation to consolidated Earnings Before Income Taxes are set forth below. The Company's CODM reviews assets at a consolidated level and does not use assets by segment to evaluate performance or allocate resources. Therefore, the Company does not disclose assets by segment. The Company is an integrated enterprise, characterized by substantial intersegment cooperation, cost allocations, and sharing of assets. Therefore, the Company does not represent that these segments, if operated independently, would report the profit and other financial information shown below.

	Fiscal Year Ended		
In thousands	**October 30, 2022**	October 31, 2021	October 25, 2020
Sales to Unaffiliated Customers			
Grocery Products	**$ 3,533,138**	$ 2,809,445	$ 2,385,291
Refrigerated Foods	**6,691,230**	6,333,410	5,271,061
Jennie-O Turkey Store	**1,507,421**	1,495,151	1,333,459
International & Other	**727,017**	748,183	618,650

Total	**$ 12,458,806**	$ 11,386,189	$ 9,608,462
Intersegment Sales			
Grocery Products	**$ —**	$ —	$ 13
Refrigerated Foods	**25,751**	28,019	21,067
Jennie-O Turkey Store	**253,573**	134,563	108,276
International & Other	**—**	—	—
Total	**279,325**	162,582	129,356
Intersegment Elimination	**(279,325)**	(162,582)	(129,356)
Total	**$ —**	$ —	$ —
Net Sales			
Grocery Products	**$ 3,533,138**	$ 2,809,445	$ 2,385,304
Refrigerated Foods	**6,716,981**	6,361,429	5,292,128
Jennie-O Turkey Store	**1,760,994**	1,629,714	1,441,735
International & Other	**727,017**	748,183	618,650
Intersegment Elimination	**(279,325)**	(162,582)	(129,356)
Total	**$ 12,458,806**	$ 11,386,189	$ 9,608,462
Segment Profit			
Grocery Products	**$ 367,642**	$ 382,197	$ 358,008
Refrigerated Foods	**685,394**	664,558	609,406
Jennie-O Turkey Store	**218,860**	76,006	105,585
International & Other	**105,264**	115,943	93,782
Total Segment Profit	**$ 1,377,161**	$ 1,238,704	$ 1,166,782
Net Unallocated Expense	**99,297**	112,836	52,307
Noncontrolling Interest	**239**	301	272
Earnings Before Income Taxes	**$ 1,278,103**	$ 1,126,170	$ 1,114,747
Depreciation and Amortization			
Grocery Products	**$ 50,948**	$ 34,645	$ 32,148
Refrigerated Foods	**131,041**	116,206	97,317
Jennie-O Turkey Store	**47,190**	47,669	46,322
International & Other	**12,972**	15,244	16,226
Corporate	**20,602**	14,643	13,767
Total	**$ 262,753**	$ 228,406	$ 205,781

	Fiscal Year Ended		
In thousands	**October 29, 2023**	October 30, 2022	October 31, 2021
Net Sales			
Retail	**$ 7,749,039**	$ 7,987,598	$ 7,418,079
Foodservice	**3,639,492**	3,691,408	3,130,174
International	**721,479**	779,799	837,936
Total Net Sales	**$ 12,110,010**	$ 12,458,806	$ 11,386,189
Segment Profit			
Retail	**$ 577,690**	$ 721,832	$ 690,127
Foodservice	**595,682**	547,686	431,992
International	**55,234**	107,642	116,585
Total Segment Profit	**$ 1,228,606**	$ 1,377,161	$ 1,238,704
Net Unallocated Expense	**214,482**	99,297	112,836
Noncontrolling Interest	**(653)**	239	301
Earnings Before Income Taxes	**$ 1,013,472**	$ 1,278,103	$ 1,126,170
Depreciation and Amortization			
Retail	**$ 145,690**	$ 135,824	$ 124,627

Foodservice	**74,370**	69,577	53,954
International	**15,627**	16,072	16,482
Corporate	**17,623**	14,413	14,246
Total Depreciation and Amortization	**$ 253,311**	$ 235,885	$ 209,309

Revenue has been disaggregated into the categories below to show how sales channels affect the nature, amount, timing, and uncertainty of revenue and cash flows. Total revenue contributed by sales channel for the last three fiscal years are:

	Fiscal Year Ended		
In thousands	**October 30, 2022**	October 31, 2021	October 25, 2020
U.S. Retail	**$ 7,780,284**	$ 7,283,842	$ 6,411,739
U.S. Foodservice	**3,879,568**	3,239,424	2,489,644
International	**798,955**	862,923	707,078
Total	**$ 12,458,806**	$ 11,386,189	$ 9,608,462

In fiscal 2022, the Company updated its presentation of revenue disaggregation by sales channel, combining U.S. Deli and U.S. Retail as market conditions have evolved providing many similarities between the channels. The prior year presentation has been updated to conform to the current period presentation.

The Company's products primarily consist of meat and other food products. Total revenue contributed by classes of similar products for the last three fiscal years are:

		Fiscal Year Ended				Fiscal Year Ended		
In thousands	*In thousands*	**October 30, 2022**	October 31, 2021	October 25, 2020	*In thousands*	**October 29, 2023**	October 30, 2022	October 31, 2021
Perishable	Perishable	**$ 6,554,512**	$ 6,271,164	$ 5,328,738	Perishable	**$ 8,511,795**	$ 8,737,486	$ 8,437,851
Shelf-stable	Shelf-stable	**3,402,075**	2,661,194	2,092,551	Shelf-stable	**3,598,215**	3,721,320	2,948,338
Poultry		**2,121,819**	2,100,356	1,886,367				
Miscellaneous		**380,400**	353,475	300,806				
Total		**$ 12,458,806**	$ 11,386,189	$ 9,608,462				
Total Net Sales					Total Net Sales	**$ 12,110,010**	$ 12,458,806	$ 11,386,189

Perishable includes fresh meats, frozen items, refrigerated meal solutions, bacon, sausages, hams, guacamole, and guacamole (excluding Jennie-O Turkey Store products). other items that require refrigeration. Shelf-stable includes canned luncheon meats, nut butters, snack nuts, chili, shelf-stable microwaveable meals, hash, stews, tortillas, salsas, tortilla chips, nutritional food supplements, and other items that do not require refrigeration. The Poultry category is composed primarily of Jennie-O Turkey Store products. The Miscellaneous category primarily consists of nutritional food products and supplements, dessert and drink mixes, and industrial gelatin products.

Revenues from external customers are classified as domestic or foreign based on the location where title passes. No individual foreign country is material to the consolidated results. Additionally, the Company's long-lived assets located in foreign countries are not significant. Total net sales attributed to the U.S. and all foreign countries in total for the last three fiscal years are:

		Fiscal Year Ended				Fiscal Year Ended		
In thousands	*In thousands*	**October 30, 2022**	October 31, 2021	October 25, 2020	*In thousands*	**October 29, 2023**	October 30, 2022	October 31, 2021
U.S.	U.S.	**$ 11,776,883**	$ 10,653,088	$ 9,006,007	U.S.	**$ 11,515,094**	$ 11,776,883	$ 10,653,088
Foreign	Foreign	**681,923**	733,101	602,454	Foreign	**594,915**	681,923	733,101
Total		**$ 12,458,806**	$ 11,386,189	$ 9,608,462				
Total Net Sales					Total Net Sales	**$ 12,110,010**	$ 12,458,806	$ 11,386,189

In fiscal 2022, 2023, sales to Walmart Inc. (Walmart) represented $2.1 billion $2.0 billion or 15.6% 15.5% of the Company's consolidated gross sales less returns and allowances compared to $1.9 billion $2.1 billion or 15.2% 15.6% in fiscal 2021. 2022. Walmart is a customer for all four segments of the Company. Company's Retail and International segments.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

Item 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

As of the end of the period covered by this report (the Evaluation Date), the Company carried out an evaluation, under the supervision and with the participation of management, including the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended (the Exchange Act)). In designing and evaluating the disclosure controls and procedures, management recognized any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded, as of the Evaluation Date, our disclosure controls and procedures were effective to provide reasonable assurance the information we are required to disclose in reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Internal Control over Financial Reporting

Management's report on the Company's internal control over financial reporting is included on page 30 35 of this report. The report of the Company's independent registered public accounting firm related to their assessment of the effectiveness of internal control over financial reporting is included on page 31 36 of this report.

There were no changes in the Company's internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) through the fourth quarter of fiscal 2022 2023 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. OTHER INFORMATION

None. During the fiscal quarter ended October 29, 2023, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as the terms are defined in Item 408(a) of Regulation S-K.

Item 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

Information under "Item 1 – Election of Directors", "Board Independence", and information under "Board of Director and Committee Meetings" in the definitive proxy statement for the Annual Meeting of Stockholders to be held January 31, 2023 January 30, 2024, is incorporated herein by reference.

Information concerning Executive Officers is set forth in Part I of this Annual Report on Form 10-K, pursuant to Instruction to Item 401 of Regulation S-K.

The Company has adopted a Code of Ethical Business Conduct in compliance with applicable rules of the Securities and Exchange Commission that applies to its principal executive officer, its principal financial officer, and its principal accounting officer or controller, or persons performing similar functions. A copy of the Code of Ethical Business Conduct is available on the Company's website at www.hormelfoods.com, free of charge, under the caption, "Investors – Governance – Governance Documents." The Company intends to satisfy any disclosure requirement under Item 5.05 of Form 8-K regarding an amendment

to, or waiver from, a provision of this Code of Ethical Business Conduct by posting such information on the Company's website at the address and location specified above.

Item 11. EXECUTIVE COMPENSATION

Information commencing with "Executive Compensation" through "CEO Pay Ratio Disclosure", and information under "Compensation of Directors" in the definitive proxy statement for the Annual Meeting of Stockholders to be held January 31, 2023 January 30, 2024, is incorporated herein by reference.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information regarding the Company's equity compensation plans as of October 30, 2022 October 29, 2023, is presented below:

Plan Category	Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights(1) (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights(2) (b)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)	Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights(1) (a)	Weighted-average Exercise Price of Outstanding Options, Warrants and Rights(2) (b)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity Compensation Plans Approved by Security Holders	Equity Compensation Plans Approved by Security Holders	16,953,461	$36.85	11,140,087	Equity Compensation Plans Approved by Security Holders	17,268,449	$37.61	10,099,031
Equity Compensation Plans Not Approved by Security Holders	Equity Compensation Plans Not Approved by Security Holders	—	—	—	Equity Compensation Plans Not Approved by Security Holders	—	—	—
Total	Total	16,953,461	$36.85	11,140,087	Total	17,268,449	$37.61	10,099,031

(1) Includes 16,130,380 16,383,844 stock options, 680,836 722,899 restricted stock units, 37,356 43,502 restricted shares and 104,889 118,204 deferred stock units.
(2) Only includes the weighted-average exercise price of outstanding stock options.

Information under "Security Ownership of Certain Beneficial Owners" and "Security Ownership of Management" in the definitive proxy statement for the Annual Meeting of Stockholders to be held January 31, 2023 January 30, 2024, is incorporated herein by reference.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information under "Related Party Transactions" and "Board Independence" in the definitive proxy statement for the Annual Meeting of Stockholders to be held January 31, 2023 January 30, 2024, is incorporated herein by reference.

Item 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information under "Independent Registered Public Accounting Firm Fees" and "Audit Committee Preapproval Policies and Procedures" in the definitive proxy statement for the Annual Meeting of Stockholders to be held January 31, 2023 January 30, 2024, is incorporated herein by reference.

PART IV

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The following consolidated financial statements of Hormel Foods Corporation for the fiscal year ended October 30, 2022 October 29, 2023, are filed as part of this report:

Consolidated Statements of Operations–Fiscal Years Ended October 30, 2022 October 29, 2023, October 31, 2021 October 30, 2022, and October 25, 2020 October 31, 2021.

Consolidated Statements of Comprehensive Income–Fiscal Years Ended October 30, 2022 October 29, 2023, October 31, 2021 October 30, 2022, and October 25, 2020 October 31, 2021.

Consolidated Statements of Financial Position–October 30, 2022, October 29, 2023 and October 31, 2021 October 30, 2022.

Consolidated Statements of Changes in Shareholders' Investment–Fiscal Years Ended October 30, 2022 October 29, 2023, October 31, 2021 October 30, 2022, and October 25, 2020 October 31, 2021.

Consolidated Statements of Cash Flows–Fiscal Years Ended October 30, 2022 October 29, 2023, October 31, 2021 October 30, 2022, and October 25, 2020 October 31, 2021.

Notes to the Consolidated Financial Statements

Report of Management

Report of Independent Registered Public Accounting Firm (PCAOB ID: 42)

FINANCIAL STATEMENT SCHEDULES

The following consolidated financial statement schedule of Hormel Foods Corporation required is submitted herewith:

Schedule II – Valuation and Qualifying Accounts and Reserves–Fiscal Years Ended October 30, 2022 October 29, 2023, October 31, 2021 October 30, 2022, and October 25, 2020 October 31, 2021.

HORMEL FOODS CORPORATION
SCHEDULE II – VALUATION AND QUALIFYING ACCOUNTS AND RESERVES
In thousands

Classification	Balance at Beginning of Period	Additions/(Benefits) Charged to Cost and Expenses	Additions/(Benefits) Charged to Other Accounts Describe	Deductions- Describe	Balance at End of Period
Valuation reserve deduction from assets account:					
Fiscal year ended October 30, 2022 Allowance for doubtful accounts receivable	$ 4,033	$ (646)	$ —	$ 31 (1) (151) (2)	$ 3,507
Fiscal year ended October 31, 2021 Allowance for doubtful accounts receivable	$ 4,012	$ 146	$ (12) (3)	$ 138 (1) (25) (2)	$ 4,033
Fiscal year ended October 25, 2020 Allowance for doubtful accounts receivable	$ 4,063	$ 339	$ (63) (4) 12 (5)	$ 452 (1) (113) (2)	$ 4,012

Classification	Balance at Beginning of Period	Additions/(Benefits) Charged to Cost and Expenses	Additions/(Benefits) Charged to Other Accounts (Describe)	Deductions (Describe)	Balance at End of Period
Valuation reserve deduction from assets account:					
Fiscal year ended October 29, 2023 Allowance for doubtful accounts receivable	$ 3,507	$ 289	$ —	$ 275 (1) (36) (2)	$ 3,557
Fiscal year ended October 30, 2022 Allowance for doubtful accounts receivable	$ 4,033	$ (646)	$ —	$ 31 (1) (151) (2)	$ 3,507
Fiscal year ended October 31, 2021 Allowance for doubtful accounts receivable	$ 4,012	$ 146	$ (12) (3)	$ 138 (1) (25) (2)	$ 4,033

(1) Uncollectible accounts written off.

(2) Recoveries on accounts previously written off.

(3) Consolidation of the Sadler's reserve.
(4) Consolidation of the Applegate reserve.

(5)Increase in the reserve due to the inclusion of Sadler's accounts receivable.

FINANCIAL STATEMENTS AND SCHEDULES OMITTED

All other financial statements and schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions or are inapplicable, and therefore have been omitted.

HORMEL FOODS CORPORATION

LIST OF EXHIBITS

NUMBER	DESCRIPTION OF DOCUMENT
3.1(1)	Restated Certificate of Incorporation as amended January 27, 2016. (Incorporated by reference to Exhibit 3.1 to Hormel's Annual Report on Form 10-K dated December 21, 2016, File No. 001-02402.)
3.2(1)	Bylaws as amended to date. (Incorporated by reference to Exhibit 3(ii) to Hormel's Current Report on Form 8-K dated May 21, 2018, File No. 001-02402.)
4.1(1)	Description of Capital Stock. (Incorporated by reference to Exhibit 4.3 to the Company's Annual Report on Form 10-K filed on December 6, 2019, File No. 001-02402.)
4.2(1)	Indenture dated as of April 1, 2011, between the Company and U.S. Bank National Association. (Incorporated by reference to Exhibit 4.3 to Hormel's Registration Statement on Form S-3 filed on April 4, 2011, File No. 333-173284.)
4.3(1)	Form of 1.800% Notes due June 11, 2030. (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on June 11, 2020, File No. 001-02402.)
4.4(1)	Pursuant to Item 601(b)(4)(iii) of Regulation S-K, copies of instruments defining the rights of holders of certain long-term debt are not filed. Hormel agrees to furnish copies thereof to the Securities and Exchange Commission upon request.
4.5(1)	Form of 0.650% Notes due 2024 (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated June 3, 2021, File No. 001-02402.)
4.6(1)	Form of 1.700% Notes due 2028 (Incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K dated June 3, 2021, File No. 001-02402.)
4.7(1)	Form of 3.050% Notes due 2051 (Incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K dated June 3, 2021, File No. 001-02402.)
10.1(1)(3)	Hormel Foods Corporation Supplemental Executive Retirement Plan (2007 Restatement). (Incorporated by reference to Exhibit 10.2 to Hormel's Current Report on Form 8-K dated November 21, 2011, File No. 001-02402.)
10.2(1)(3)	First Amendment of Hormel Foods Corporation Supplemental Executive Retirement Plan (2007 Restatement). (Incorporated by reference to Exhibit 10.3 to Hormel's Current Report on Form 8-K dated November 21, 2011, File No. 001-02402.)
10.3(1)(3)	Second Amendment of Hormel Foods Corporation Supplemental Executive Retirement Plan (2007 Restatement). (Incorporated by reference to Exhibit 10.4 to Hormel's Current Report on Form 8-K dated November 21, 2011, File No. 001-02402.)
10.4(1)(3)	Third Amendment of Hormel Foods Corporation Supplemental Executive Retirement Plan (2007 Restatement). (Incorporated by reference to Exhibit 10.5 to Hormel's Current Report on Form 8-K dated November 21, 2011, File No. 001-02402.)
10.5(1)(3)	Hormel Foods Corporation 2000 Stock Incentive Plan (Amended 1-31-2006). (Incorporated by reference to Exhibit 10.1 to Hormel's Current Report on Form 8-K dated January 31, 2006, File No. 001-02402.)
10.6(1)(3)	Hormel Foods Corporation Executive Deferred Income Plan II (November 21, 2011 Restatement). (Incorporated by reference to Exhibit 10.1 to Hormel's Current Report on Form 8-K dated November 21, 2011, File No. 001-02402.)
10.7(1)(3)	Form of Indemnification Agreement for Directors and Officers. (Incorporated by reference to Exhibit 10.1 to Hormel's Quarterly Report on Form 10-Q for the quarter ended April 29, 2012, File No. 001-02402.)
10.8(1)(3)	Hormel Foods Corporation 2009 Nonemployee Director Deferred Stock Plan (Plan Adopted November 24, 2008). (Incorporated by reference to Exhibit 10.2 to Hormel's Quarterly Report on Form 10-Q for the quarter ended January 25, 2009, File No. 001-02402.)
10.9(1)(3)	Hormel Foods Corporation 2009 Long-Term Incentive Plan. (Incorporated by reference to Appendix A to Hormel's definitive Proxy Statement filed on December 18, 2013, File No. 001-02402.)
10.10(1)(3)	Hormel Survivor Income Plan for Executives (1993 Restatement). (Incorporated by reference to Exhibit 10.11 to Hormel's Annual Report on Form 10-K for the fiscal year ended October 29, 2006, File No. 001-02402.)
10.11(1)(3)	Hormel Foods Corporation 2018 Incentive Compensation Plan. (Incorporated by reference to Appendix A to Hormel's Definitive Proxy Statement filed on December 20, 2017, File No. 001-02402.)
10.12(1)(3)	Hormel Foods Corporation Restricted Stock Award Agreement Under the 2018 Incentive Compensation Plan (Non-Employee Directors). (Incorporated by reference to Exhibit 10.1 to Hormel's Current Report on Form 8-K dated January 30, 2018, File No. 001-02402.)

NUMBER	DESCRIPTION OF DOCUMENT
10.13(1)(3)	Hormel Foods Corporation Stock Option Agreement Under the 2018 Incentive Compensation Plan. (Incorporated by reference to Exhibit 10.2 to Hormel's Current Report on Form 8-K dated January 30, 2018, File No. 001-02402.)
10.14(1)(3)	Hormel Foods Corporation Restricted Stock Unit Agreement Under the 2018 Incentive Compensation Plan. (Incorporated by reference to Exhibit 10.15 to Hormel's Annual Report on Form 10-K for the fiscal year ended October 27, 2019, File No. 001-02402.)
10.1 10.155(1)	U.S. $750,000,000 First Amendment to the Credit Agreement, dated as of May 6, 2021 April 17, 2023, among the Company, Wells Fargo Bank, National Association, as Administrative Agent, Swingline Lender and Issuing Lender, and the lenders identified on the signature pages thereof. (Incorporated by reference to Exhibit 10.1 to the Company's Current Hormel's Quarterly Report on Form 8-K filed on May 6, 202110-Q for the quarter ended April 30, 2023, File No. 001- 02402. No. 001-02402)
21.1(2)	Subsidiaries of the Registrant.
23.1(2)	Consent of Independent Registered Public Accounting Firm.
24.1(2)	Power of Attorney.
31.1(2)	Certification Required Under Section 302 of the Sarbanes-Oxley Act of 2002.
31.2(2)	Certification Required Under Section 302 of the Sarbanes-Oxley Act of 2002.
32.1(2)	Certification Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
97.1(2)	Hormel FoodsCorporation Compensation Recovery Policy
101(2)	The following financial statements from the Company's Annual Report on Form 10-K for the fiscal year ended October 30, 2022 October 29, 2023, formatted in Inline XBRL: (i) Consolidated Statements of Financial Position, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Income, (iv) Consolidated Statements of Changes in Shareholders' Investment, (v) Consolidated Statements of Cash Flows, and (vi) Notes to the Consolidated Financial Statements, tagged as blocks of text and including detailed tags.
104(2)	The cover page from the Company's Annual Report on Form 10-K for the fiscal year ended October 30, 2022 October 29, 2023, formatted in Inline XBRL (included as Exhibit 101).

(1) Document has previously been filed with the Securities and Exchange Commission and is incorporated herein by reference.

(2) These exhibits transmitted via EDGAR.

(3) Management contract or compensatory plan or arrangement.

Item 16. FORM 10-K SUMMARY

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

HORMEL FOODS CORPORATION

By: /s/ JAMES P. SNEE December 6, 2022 2023

JAMES P. SNEE Date

Chairman of the Board, President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ JAMES P. SNEE	Chairman of the Board, President and Chief Executive Officer	12/6/2022 December 6, 2023
JAMES P. SNEE	(Principal Executive Officer)	
/s/ JACINTH C. SMILEY	Executive Vice President and Chief Financial Officer	12/6/2022 December 6, 2023
JACINTH C. SMILEY	(Principal Financial Officer)	
/s/ PAUL R. KUEHNEMAN	Vice President and Controller	12/6/2022 December 6, 2023
PAUL R. KUEHNEMAN	(Principal Accounting Officer)	
/s/ PRAMA BHATT*	Director	December 6, 2023
PRAMA BHATT		
/s/ GARY C. BHOJWANI*	Director	12/6/2022 December 6, 2023
GARY C. BHOJWANI		
/s/ TERRELL K. CREWS*	Director	12/6/2022
TERRELL K. CREWS		
/s/ STEPHEN M. LACY*	Director	12/6/2022 December 6, 2023
STEPHEN M. LACY		
/s/ ELSA A. MURANO*	Director	12/6/2022 December 6, 2023
ELSA A. MURANO		
/s/ SUSAN K. NESTEGARD*	Director	12/6/2022
SUSAN K. NESTEGARD		
/s/ WILLIAM A. NEWLANDS*	Director	12/6/2022 December 6, 2023
WILLIAM A. NEWLANDS		
/s/ CHRISTOPHER J. POLICINSKI*	Director	12/6/2022 December 6, 2023
CHRISTOPHER J. POLICINSKI		
/s/ JOSE L. PRADO*	Director	12/6/2022 December 6, 2023
JOSE L. PRADO		
/s/ SALLY J. SMITH*	Director	12/6/2022 December 6, 2023
SALLY J. SMITH		
/s/ STEVEN A. WHITE*	Director	12/6/2022 December 6, 2023
STEVEN A. WHITE		
/s/ RAYMOND G. YOUNG*	Director	December 6, 2023
RAYMOND G. YOUNG		
/s/ MICHAEL P. ZECHMEISTER*	Director	December 6, 2023
MICHAEL P. ZECHMEISTER		
*By: /s/ PAUL R. KUEHNEMAN		12/6/2022 December 6, 2023
PAUL R. KUEHNEMAN		
as Attorney-In-Fact		

EXHIBIT 21.1

SUBSIDIARIES OF HORMEL FOODS CORPORATION

The Company owns the indicated percentage of the issued and outstanding stock or other equity interests of the following entities:

Name of Subsidiary	State or Country of Incorporation	Ownership Percentage
199 Ventures, LLC	Minnesota	100 %
Alma Foods, LLC	Delaware	100 %
Applegate Farms, LLC	Delaware	100 %
Applegate Investment Corporation	Delaware	100 %
Beijing Hormel Business Management Co., Ltd	China	100 %
Beijing Hormel Foods Co. Ltd.	China	80 %
Burke Marketing Corporation	Iowa	100 %
Campoco, Inc.	Minnesota	100 %
Century Foods International, LLC	Delaware	100 %
Century Foods Land Development, LLC	Delaware	100 %
Cidade do Sol Alimentos S.A.	Brazil	100 %
Clean Field Comércio de Produtos Alimentícios Ltda.	Brazil	100 %
Columbus Manufacturing, Inc.	Delaware	100 %
Creative Contract Packaging, LLC	Delaware	100 %
Cultivated Foods, LLC	Minnesota	100 %
Dan's Prize, Inc.	Minnesota	100 %
Diversified Foods Insurance Company, LLC	Vermont	100 %
Dold Foods, LLC	Delaware	100 %
Fontanini Foods, LLC	Minnesota	100 %
HF International Holdings C.V.	Netherlands	100 %
Hormel (China) Investment Co., Ltd.	China	100 %
Hormel (Zhejiang) Innovation Technology Co., Ltd.	China	100 %
Hormel Canada, Ltd.	Canada	100 %
Hormel Financial Services Corporation	Minnesota	100 %
Hormel Foods Asia Pacific Pte. Ltd.	Singapore	100 %
Hormel Foods Australia Pty Limited	Australia	100 %
Hormel Foods Brazil Participações Ltda.	Brazil	100 %
Hormel Foods Corporate Services, LLC	Delaware	100 %
Hormel Foods International Corporation	Delaware	100 %
Hormel Foods Japan KK	Japan	100 %
Hormel Foods Mexico, S. de R.L. de C.V.	Mexico	100 %
Hormel Foods Operations, LLC	Minnesota	100 %
Hormel Foods Panama S.A.	Panama	100 %
Hormel Foods Sales, LLC	Delaware	100 %
Hormel Foods, LLC	Minnesota	100 %
Hormel Health Labs, LLC	Minnesota	100 %
Hormel International Investments, LLC	Delaware	100 %
Hormel MM Holding Corporation	Delaware	100 %
Hormel Netherlands B.V.	Netherlands	100 %
Jennie-O Turkey Store International, Inc.	Minnesota	100 %
Jennie-O Turkey Store, Sales, LLC	Delaware	100 %
Jennie-O Turkey Store, Inc.	Minnesota	100 %
Jennie-O Turkey Store, LLC	Minnesota	100 %
Jiaxing Hormel Foods Co., Ltd	China	100 %
JJOTS, LLC	Minnesota	100 %
Justin's, LLC	Delaware	100 %
Lloyd's Barbeque Company, LLC	Delaware	100 %
Logistic Service, LLC	Delaware	100 %

Name of Subsidiary (continued)	State or Country of Incorporation	Ownership Percentage
Melting Pot Foods, LLC	Delaware	100 %
Mespil, Inc.	Delaware	100 %
Mexican Accent, LLC	Delaware	100 %
Mountain Prairie, LLC	Colorado	100 %

Name of Subsidiary	State or Country of Incorporation	Ownership Percentage
Omamori Indústria de Alimentos Ltda.	Brazil	100 %
Osceola Food, LLC	Delaware	100 %
Progressive Processing, LLC	Delaware	100 %
Provena Foods Inc.	California	100 %
PT Hormel Garudafood Jaya	Indonesia	51 %
Rochelle Foods, LLC	Delaware	100 %
Sadler's Smokehouse, LLC	Minnesota	100 %
Shanghai Hormel Foods Co., Ltd.	China	100 %
Skippy Foods, LLC	Minnesota	100 %
Stagg Foods, LLC	Delaware	100 %
Valley Fresh, Inc.	Delaware	100 %
West Central Turkeys, LLC	Delaware	100 %

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement Number 33-14615 on Form S-8 dated May 27, 1987,

(2) Post-Effective Amendment Number 1 to Registration Statement Number 33-29053 on Form S-8 dated January 26, 1990,

(3) Registration Statement Number 333-44178 on Form S-8 dated August 21, 2000,

(4) Registration Statement Numbers 333-102805, 333-102806, 333-102808, and 333-102810 on Forms S-8 dated January 29, 2003,

(5) Registration Statement Number 333-110776 on Form S-8 dated November 26, 2003,

(6) Registration Statement Number 333-131625 on Form S-8 dated February 7, 2006,

(7) Registration Statement Number 333-136642 on Form S-8 dated August 15, 2006,

(8) Registration Statement Number 333-162405 on Form S-8 dated October 9, 2009,

(9) Registration Statement Numbers 333-191719 and 333-191720 on Forms S-8 dated October 15, 2013,

(10) Registration Statement Number 333-217593 on Form S-3ASR dated May 2, 2017,

(11) Registration Statement Number 333-222801 on Form S-8 dated January 1, 2018; and ,

(12) Registration Statement Number 333-237980 on Form S-3 S-3ASR dated May 4, 2020; and

(13) Registration Statement Number 333-268693 on Form S-3ASR dated December 6, 2022

of our reports dated December 6, 2022 December 6, 2023, with respect to the consolidated financial statements and schedule of Hormel Foods Corporation and the effectiveness of internal control over financial reporting of Hormel Foods Corporation included in this Annual Report (Form 10-K) of Hormel Foods Corporation for the year ended October 30, 2022 October 29, 2023.

/s/ Ernst & Young LLP
Minneapolis, MN Minnesota
December 6, 2022 2023

EXHIBIT 24.1

POWER OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints each of Jacinth C. Smiley, Paul R. Kuehneman, and Florence Makope, with full power to each to act without the other, his or her true and lawful attorney-in-fact and agent with full power of substitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign the Annual Report on Form 10-K of Hormel Foods Corporation (“Hormel”) for Hormel’s fiscal year ended October 30, 2022 October 29, 2023, and any or all amendments to said Annual Report, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, and to file the same with such other authorities as necessary, granting unto each such attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that each such attorney-in-fact and agent, or his substitute, may lawfully do or cause to be done by virtue hereof.

Signature	Title	Date
/s/ James P. Snee James P. Snee	Chairman of the Board, President, Chief Executive Officer and Director (Principal Executive Officer)	November 21, 2022 17, 2023
/s/ Jacinth C. Smiley Jacinth C. Smiley	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	December 1, November 20, 2022
/s/ Paul R. Kuehneman Paul R. Kuehneman	Vice President and Controller (Principal Accounting Officer)	November 22, 2022 20, 2023
/s/ Prama Bhatt Prama Bhatt	Director	November 20, 2023
/s/ Gary C. Bhojwani Gary C. Bhojwani	Director	November 16, 2022 2023
/s/ Terrell K. Crews Terrell K. Crews	Director	November 17, 2022
/s/ Stephen M. Lacy Stephen M. Lacy	Director	November 20, 2022 15, 2023
/s/ Elsa A. Murano Elsa A. Murano	Director	November 21, 2022 19, 2023
/s/ Susan K. Nestegard Susan K. Nestegard	Director	November 20, 2022
/s/ William A. Newlands William A. Newlands	Director	November 16, 2022 20, 2023
/s/ Christopher J. Policinski Christopher J. Policinski	Director	November 16, 2022 20, 2023
/s/ Jose L. Prado Jose L. Prado	Director	November 20, 2022 2023
/s/ Sally J. Smith Sally J. Smith	Director	November 16, 2022 20, 2023
/s/ Steven A. White Steven A. White	Director	November 16, 2022 19, 2023
/s/ Raymond G. Young Raymond G. Young	Director	November 20, 2023
/s/ Micheal P. Zechmeister Michael P. Zechmeister	Director	November 16, 2023

EXHIBIT 31.1

CERTIFICATION REQUIRED UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, James P. Snee, certify that:

1. I have reviewed this Annual Report on Form 10-K of Hormel Foods Corporation for the fiscal year ended October 30, 2022 October 29, 2023;

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 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 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.

Dated: December 6, 2022 2023

Signed: /s/ JAMES P. SNEE

JAMES P. SNEE

Chairman of the Board, President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION REQUIRED UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jacinth C. Smiley, certify that:

1. I have reviewed this Annual Report on Form 10-K of Hormel Foods Corporation for the fiscal year ended October 30, 2022 October 29, 2023;

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 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 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.

Dated: December 6, 2022 2023

Signed: /s/ JACINTH C. SMILEY

JACINTH C. SMILEY
Executive Vice President and Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Hormel Foods Corporation (the “Company”) for the period ended October 30, 2022 October 29, 2023, as filed with the Securities and Exchange Commission (the “Report”), the undersigned hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities and Exchange Act of 1934, as amended; and
(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: December 6, 2022 2023

/s/ JAMES P. SNEE

JAMES P. SNEE
Chairman of the Board, President and Chief Executive Officer

Dated: December 6, 2022 2023

/s/ JACINTH C. SMILEY

JACINTH C. SMILEY
Executive Vice President and Chief Financial Officer

EXHIBIT 97.1

HORMEL FOODS CORPORATION

COMPENSATION RECOVERY POLICY

Effective September 25, 2023

Policy

The Board of Directors (the “Board”) of Hormel Foods Corporation (the “Company”) has adopted this Compensation Recovery Policy (this “Policy”) pursuant to Rule 10D-1 of the Securities and Exchange Act of 1934, as amended (the “Exchange Act”), the Securities and Exchange Commission regulations promulgated thereunder, and applicable New York Stock Exchange (“NYSE”) listing standards. Subject to and in accordance with the terms of this Policy, upon a Recoupment Event, each Covered Executive shall be obligated to return to the Company, reasonably promptly, the amount of Erroneously Awarded Compensation that was received by such Covered Executive during the Lookback Period.

Administration

This Policy will be administered by the Compensation Committee of the Board (the “Committee”). Any determinations made by the Committee will be final and binding on all affected individuals.

Definitions

“Accounting Restatement” means an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is (a) material to the previously issued financial statements (commonly referred to as a “Big R” restatement), or (b) would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (commonly referred to as a “little r” restatement).

“Covered Executive” means each of the Company’s current and former Section 16 Officers.

“Erroneously Awarded Compensation” means, with respect to each Covered Executive in connection with an Accounting Restatement, the excess of the amount of Incentive-Based Compensation received by the Covered Executive during the Lookback Period over the amount of Incentive-Based Compensation that otherwise would have been received had it been determined based on the restated amounts, computed without regard to any taxes paid. For Incentive-Based Compensation based on stock price or total shareholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in an Accounting Restatement: (a) the amount must be based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was received; and (b) the Company must maintain documentation of the determination of that reasonable estimate and provide such documentation to NYSE.

“Financial Reporting Measures” are any measures that are determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any measures derived wholly or in part from such measures. Stock price and total shareholder return are also Financial Reporting Measures. A Financial Reporting Measure need not be presented within the financial statements or included in a filing with the SEC.

“Incentive-Based Compensation” is any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure.

“Lookback Period” means the three completed fiscal years immediately preceding the Required Restatement Date and any transition period (that results from a change in the Company’s fiscal year) of less than nine months within or immediately following those three completed fiscal years.

A “Recoupment Event” occurs when the Company is required to prepare an Accounting Restatement.

“Required Restatement Date” means the earlier to occur of: (a) the date the Company’s Board, a committee of the Board, or the officer(s) of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement, or (b) the date a court, regulator, or other legally authorized body directs the Company to prepare an Accounting Restatement.

“Section 16 Officer” is defined an “officer” of the Company in accordance with Rule 16a-1(f) of the Exchange Act.

“Section 409A” means Section 409A of the Internal Revenue Code and the regulations and guidance promulgated thereunder.

Amount Subject to Recovery

The Incentive-Based Compensation that is subject to potential recovery under this Policy includes such compensation that is received by a Covered Executive (i) on or after the original effective date of this Policy (even if such Incentive-Based Compensation was approved, awarded or granted prior to the effective date), (ii) after the individual became a Covered Executive, (iii) if the individual served as a Section 16 Officer during the performance period for such Incentive-Based Compensation, and (iv) while the Company has a class of securities listed on a national securities exchange or national securities association.

The amount of Incentive-Based Compensation subject to recovery from a Covered Executive upon a Recoupment Event is the Erroneously Awarded Compensation, which amount shall be determined by the Committee.

For purposes of this Policy, Incentive-Based Compensation is deemed “received” in the Company’s fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant of the Incentive-Based Compensation occurs after the end of that period.

Recovery of Erroneously Awarded Compensation

Promptly following a Recoupment Event, the Committee will determine the amount of Erroneously Awarded Compensation for each Covered Executive, and the Company will provide each such Covered Executive with a written notice of such amount and a demand for repayment or return. Upon receipt of such notice, each affected Covered Executive shall promptly repay or return such Erroneously Awarded Compensation to the Company.

If such repayment or return is not made within a reasonable time, the Company shall recover Erroneously Awarded Compensation in a reasonable and prompt manner using any lawful method, determined by the Committee; provided that recovery of any Erroneously Awarded Compensation must be made in compliance with Section 409A. The applicable Covered Executive shall also be required to reimburse the Company for any and all expenses (including legal fees) reasonably incurred by the

Company in recovering such Erroneously Awarded Compensation in accordance with the immediately preceding sentence.

Limited Exceptions

Erroneously Awarded Compensation will be recovered in accordance with this Policy unless the Committee determines that recovery would be impracticable and one of the following conditions is met:

- the direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered, provided the Company has first made a reasonable effort to recover the Erroneously Awarded Compensation; or
- the recovery would likely cause a U.S. tax-qualified retirement plan to fail to meet the requirements of Internal Revenue Code Sections 401(a)(13) and 411(a) and the regulations thereunder.

Reliance on any of the above exemptions will further comply with applicable listing standards, including without limitation, documenting the reason for the impracticability and providing required documentation to NYSE.

No Insurance or Indemnification

Neither the Company nor any of its affiliates or subsidiaries may indemnify any Covered Executive against the loss of any Erroneously Awarded Compensation (or related expenses incurred by the Covered Executive) pursuant to a recovery of Erroneously Awarded Compensation under this Policy, nor will the Company nor any of its affiliates or subsidiaries pay or reimburse a Covered Executive for any insurance premiums on any insurance policy obtained by the Covered Executive to protect against the forfeiture or recovery of any compensation pursuant to this Policy.

Interpretation

The Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. This Policy shall be applied and interpreted in a manner that is consistent with the requirements of Rule 10D-1 and any applicable regulations, rules or standards adopted by SEC or the rules of any national securities exchange or national securities association on which the Company's securities are listed. In the event that this Policy does not meet the requirements of Rule 10D-1, the SEC regulations promulgated thereunder, or the rules of any national securities exchange or national securities association on which the Company's securities are listed, this Policy shall be deemed to be amended to meet such requirements.

Amendment; Termination

The Committee may amend this Policy in its discretion and shall amend this Policy as it deems necessary to comply with the regulations adopted by the SEC under Rule 10D-1 and the rules of any national securities exchange or national securities association on which the Company's securities are listed. The Committee may terminate this Policy at any time. Notwithstanding anything herein to the contrary, no amendment or termination of this Policy shall be effective if that amendment or termination would cause the Company to violate any federal securities laws, SEC rules or the rules of any national securities exchange or national securities association on which the Company's securities are listed.

Other Recoupment Rights

Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company pursuant to the terms of any similar provision in any employment agreement or other compensation plan or agreement and any other legal remedies available to the Company. This Policy is in addition to any other clawback or compensation recovery, recoupment or forfeiture policy in effect or that may be adopted by the Company from time to time, or any laws, rules or listing standards applicable to the Company, including without limitation, the Company's right to recoup compensation subject to Section 304 of the Sarbanes-Oxley Act of 2022 and the Company's Misconduct Compensation Recovery Policy.

Successors

This Policy shall be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.

Applicable Law

This Policy and all rights and obligations hereunder shall be governed by and construed in accordance with the law of the State of Delaware regardless of the application of rules of conflicts of laws that would apply to the laws of any other jurisdiction.

REFINITIV

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.