

The Hershey Company (HSY)

\$184.75 (Stock Price as of 01/08/2026)

Price Target (6-12 Months): **\$194.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 04/15/25)

Prior Recommendation: Underperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM: B

Value: C

Growth: C

Momentum: A

Summary

The Hershey Company is focused on strengthening innovation, supply-chain agility and commercial execution as it expands its presence across the snacking category. Third-quarter 2025 results showed clear top-line improvement, supported by strong pricing discipline, a successful innovation pipeline and solid growth in salty snacks. Retail takeaway improved across core categories, reflecting better shelf execution and effective brand investment. Management raised its full-year sales outlook and expressed confidence in returning to its long-term growth algorithm in the following year. However, margins remain pressured by elevated cocoa costs, tariffs and an unfavorable cost environment. While productivity savings are helping mitigate some of the impact, Hershey continues to navigate meaningful headwinds that are likely to persist through the near term.

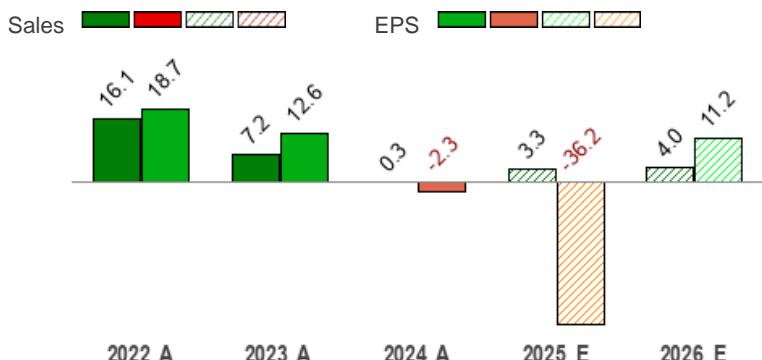
Price, Consensus & Surprise⁽¹⁾



Data Overview

| | |
|----------------------------|---------------------------------|
| 52 Week High-Low | \$199.00 - \$140.13 |
| 20 Day Average Volume (sh) | 1,336,577 |
| Market Cap | \$37.5 B |
| YTD Price Change | 1.5% |
| Beta | 0.18 |
| Dividend / Div Yld | \$5.48 / 3.0% |
| Industry | Food - Confectionery |
| Zacks Industry Rank | Top 45% (110 out of 244) |

Sales and EPS Growth Rates (Y/Y %)⁽²⁾



| | |
|---------------------------|-------------------|
| Last EPS Surprise | 19.3% |
| Last Sales Surprise | 1.8% |
| EPS F1 Est- 4 week change | 2.0% |
| Expected Report Date | 02/05/2026 |
| Earnings ESP | 2.0% |

Sales Estimates (millions of \$)⁽²⁾

| | Q1 | Q2 | Q3 | Q4 | Annual* |
|------|-----------|-----------|-----------|-----------|----------------|
| 2026 | 3,011 E | 2,647 E | 3,297 E | 3,074 E | 12,029 E |
| 2025 | 2,805 A | 2,615 A | 3,181 A | 2,966 E | 11,567 E |
| 2024 | 3,253 A | 2,074 A | 2,987 A | 2,888 A | 11,202 A |

EPS Estimates⁽²⁾

| | Q1 | Q2 | Q3 | Q4 | Annual* |
|------|-----------|-----------|-----------|-----------|----------------|
| 2026 | 1.87 E | 1.15 E | 1.83 E | 1.80 E | 6.65 E |
| 2025 | 2.09 A | 1.21 A | 1.30 A | 1.38 E | 5.98 E |
| 2024 | 3.07 A | 1.27 A | 2.34 A | 2.69 A | 9.37 A |

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 01/08/2026.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/24/2025.

Overview

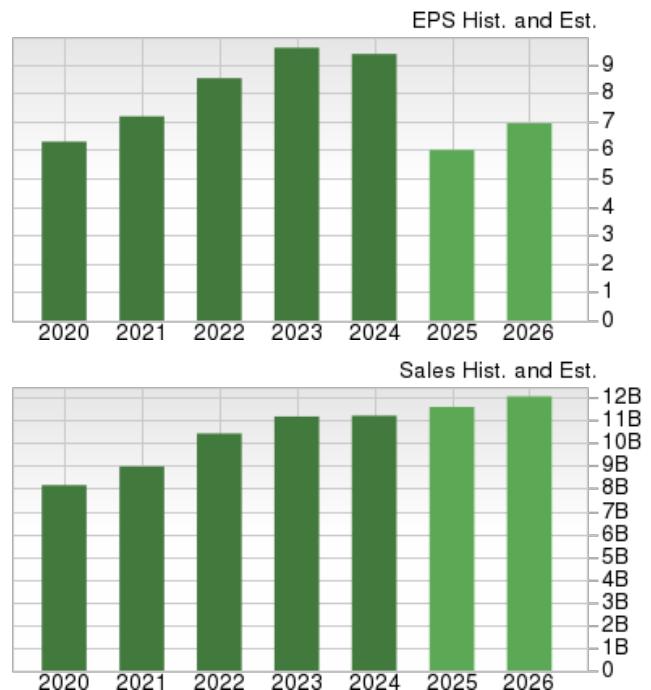
Founded in 1894 and based in Hershey, PA, The Hershey Company, is the largest chocolate manufacturer in North America as well as a global leader in chocolate and non-chocolate confectionery. In addition, Hershey manufactures pantry items like baking ingredients, toppings and beverages; and gum and mint refreshment products; snack bites and mixes, as well as spreads.

Since Dec 31, 2014, Hershey reported its operations through two segments, namely, North America, and International and Other. Following the completion of the Dot's and Pretzels buyouts in December 2021, management planned to begin reporting the operations in three reportable segments. Hence, Hershey realigned its former two segments into three reportable segments during the fourth quarter of 2021. These segments are North America Confectionery, North America Salty Snacks and International.

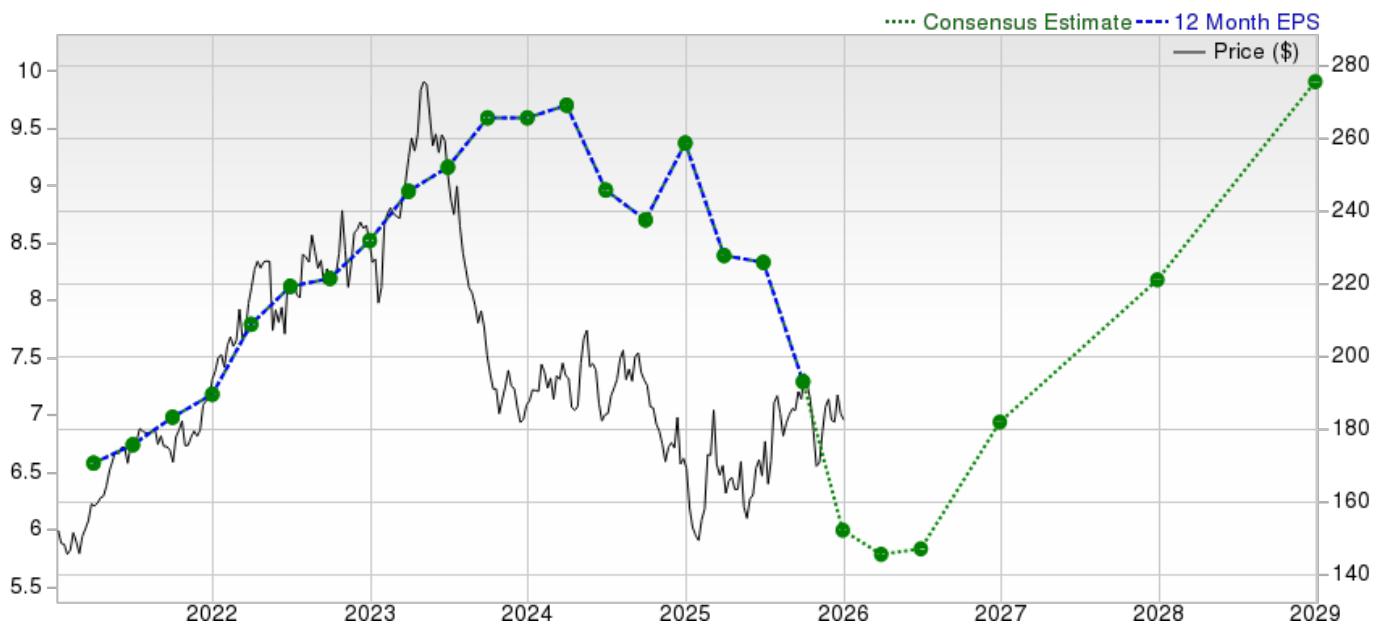
North America Confectionery (79.8% of the total net sales in the third quarter): The segment will take care of chocolate and nonchocolate confectionery market position in the United States and Canada. The unit includes business in chocolate and nonchocolate confectionery, gum and refreshment products, protein bars, spreads, snack bites and mixes, as well as pantry and food service lines. Apart from this, it includes retail operations in several locations.

North America Salty Snacks (12.1% of the total net sales in the third quarter): The segment is responsible for salty snacking products in the United States. The business includes ready-to-eat popcorn, baked and trans-fat free snacks, pretzels as well as other snacks.

International (8.2% of the total net sales in the third quarter): The unit is a combination of all other operating segments (not individually material). Under the unit, it operates and manufactures products across Mexico, Brazil, India and Malaysia. It also distributes and sells confectionery products in export markets across Asia, Latin America, Middle East, Europe, Africa and other regions.



As of 12/24/2025



As of 01/08/2026

Reasons To Buy:

▲ **Transformation Boosts Structural Capabilities:** Hershey is progressing through a multi-year transformation that modernizes and integrates its supply chain, strengthens commercial capabilities, and enhances demand forecasting and execution. The company highlighted upgrades across procurement, production, distribution and commercial planning, supported by investments in data, analytics and digital tools. These efforts contributed to improved performance in the third quarter of 2025, including better shelf execution, more effective merchandising and stronger retailer partnerships. Management also noted expanding transformation program savings and disciplined cost control, both of which are helping offset inflation and strengthen the company's long-term competitiveness.

Hershey drives growth with transformation efforts, cost savings, innovation and strategic buyouts, strengthening its brand portfolio and expanding in snacking.

▲ **Pricing & AAA Initiative Savings:** Pricing remained a major driver in the third quarter of 2025, with net price realization contributing approximately 6 points to organic growth. North America Confectionery realized approximately 7% net pricing, supported by pricing actions implemented in 2024 and 2025. These increases helped partially mitigate significant commodity inflation absorbed over the past two years. Importantly, Hershey's pricing strategy has been tightly coordinated with retail partners, with management highlighting a "planful" and collaborative approach. In addition to pricing, the Advancing Agility & Automation (AAA) productivity initiative is expected to deliver around \$150 million of savings in 2025, providing meaningful cost mitigation against higher cocoa and tariff expenses.

▲ **Broad-Based Growth Across Segments:** Hershey delivered balanced top-line performance in the third quarter of 2025. North America Confectionery net sales increased 5.6%, supported by strong everyday performance and successful innovation. U.S. CMG retail takeaway increased 5.4% for the 12 weeks ended Sept. 28, 2025, with non-seasonal retail takeaway accelerating to 6.6%, driving share gains. Multiple core franchises posted double-digit consumption growth, including Hershey (up 11%) and Cadbury (up 10%). The Salty Snacks segment grew net sales 10%, with approximately 11% volume growth driven by Dot's, SkinnyPop, Pirate's Booty, and new multibrand innovations. Retail takeaway in salty snacks increased 14.2%, and SkinnyPop and Pirate's Booty each posted strong share gains. International delivered 12.1% net sales growth, driven by pricing and double-digit growth in key markets such as Brazil and Europe.

▲ **Innovation Drives Category Leadership:** Hershey showcased strong innovation performance in the quarter, placing five of the top ten U.S. CMG innovations. Reese's Oreo was the top new item in the category, delivering strong trial and consumer engagement. Management emphasized that innovation is helping expand consumption and lift core brands when co-merchandised, reflecting improved execution and strategic alignment between innovation and base business support. The company expects momentum from Reese's Oreo to continue into 2026 and cited a robust innovation pipeline for both 2026 and 2027 across its confection and salty-snacks businesses.

▲ **Gains From Buyouts:** Hershey, which recently acquired LesserEvil continues to benefit from other salty-snacks acquisitions. In the third quarter, SkinnyPop retail takeaway increased 7.7%, gaining nearly 70 basis points of share. Dot's achieved the #1 pretzel share position, demonstrating continued category revitalization, while Pirate's Booty retail sales increased 10.9% and delivered approximately 40 basis points of share gain in cheese snacks and puffs. These brands also contributed to the 11% salty-snacks volume increase in the quarter. Management reiterated enthusiasm for the salty portfolio's runway and cited ongoing innovation across Dot's, SkinnyPop and Pirate's Booty as a driver of future growth.

Reasons To Sell:

▼ **Macroeconomic and Category Pressures:** Hershey continues to operate amid elevated input costs and a cautious consumer environment. Cocoa remains approximately 70% higher than 2023 levels, creating substantial cost pressure. Price elasticity is evident in certain markets, including North America Confectionery and International, where volume declines, or elasticity-related softness, offset part of the pricing benefits. Retailers also remain focused on inventory management, and management noted consumer health and value-seeking behavior as continued watchpoints.

▼ **Margin Compression Continues:** Hershey is currently battling margin pressure. In the third quarter of 2025, the adjusted gross margin contracted 850 basis points, and the adjusted operating margin declined 860 basis points due to higher commodity and tariff costs as well as an unfavorable mix. Adjusted EPS declined 44.4% in the quarter. Segment margins weakened across North America Confectionery (down 750 bps) and International (down 1,210 bps). Despite meaningful transformation program net savings, cost inflation more than offset productivity and pricing benefits, and management expects input-cost headwinds to persist into 2025.

▼ **Road Ahead Looks Challenging:** Management expects profitability to remain constrained through 2025 due to cocoa, tariffs, mix pressure and strategic brand investments. The company expects adjusted EPS to decline 36%-37% for the full year, and tariff expense is projected to be \$160 million-\$170 million. These pressures, along with higher interest expense (nearly \$195 million) and an elevated tax rate, limit near-term earnings visibility. While management expects “on-algorithm” top- and bottom-line growth in 2026, recovery depends on improvements in commodity costs, elasticity and tariff policy.

▼ **Competitive Intensity Across Categories:** Hershey faces broad competition in both confectionery and salty snacks, including global multinationals and fast-growing emerging brands. In convenience stores, where category innovation and merchandising are especially dynamic, management noted evolving promotional strategies and new loyalty tools that require Hershey to maintain high levels of investment and execution. As consumers explore more value-oriented options or alternative snacks, competition for shelf space, household penetration and innovation relevance remains intense — challenging in a period when the company is already navigating substantial margin pressure.

Hershey continues to operate amid elevated input costs and a cautious consumer environment. Management expects profitability to remain constrained through 2025.

Last Earnings Report

Hershey Q3 Earnings & Sales Beat Estimates, 2025 Outlook Raised

The Hershey Company reported third-quarter 2025 adjusted earnings of \$1.30 per share, which fell 44.4% year over year but beat the Zacks Consensus Estimate of \$1.09. Consolidated net sales of \$3,181.4 million increased 6.5% from the year-ago quarter and exceeded the Zacks Consensus Estimate of \$3,125 million. On a constant-currency (cc) basis, organic sales rose 6.2% due to approximately six percentage points of net price realization.

| FY Quarter Ending | 12/31/2025 |
|-------------------------|--------------|
| Earnings Reporting Date | Oct 30, 2025 |
| Sales Surprise | 1.79% |
| EPS Surprise | 19.27% |
| Quarterly EPS | 1.30 |
| Annual EPS (TTM) | 7.29 |

Volume was modestly positive, reflecting the cadence of promotional programming within the North America Salty Snacks segment and the timing of shipments in the International segment.

The acquisition of Sour Strips contributed a benefit of 0.3 percentage points, while the impacts of foreign currency exchange were negligible for the third quarter.

Hershey's adjusted gross margin was 31.8%, contracting 850 basis points year over year, primarily reflecting higher commodity and tariff costs and unfavorable mix, which more than offset the benefits from net price realization, supply-chain productivity gains and savings from the company's transformation program. Selling, marketing and administrative (SM&A) expenses increased 1.5% year over year. The increase was mainly driven by higher incentive compensation and non-people operating costs, partially offset by efficiencies and transformation program savings.

Advertising and related consumer marketing expenses declined 5% year over year, as efficiencies in North America Confectionery were partially offset by higher spending in North America Salty Snacks and International. Excluding advertising and related consumer marketing, SM&A expenses rose 5% from the prior-year period, reflecting higher incentive compensation and consulting costs.

Adjusted operating profit decreased 35.4% year over year to \$422.5 million, surpassing our estimate of \$417.1 million. The adjusted operating margin contracted 860 basis points year over year to 13.3%. The decline was driven by higher commodity and tariff costs and an unfavorable mix, which more than offset pricing gains, supply-chain productivity and transformation program savings.

HSY Provides Insights by Segment

Hershey's North America Confectionery segment generated net sales of \$2.62 billion in the third quarter of 2025, up 5.6% year over year. On an organic, constant-currency basis, sales grew 5.2%, fueled by approximately seven percentage points of net price realization. Volume declined about 1%, reflecting solid innovation performance and continued strength across core brands, which partially offset the effects of price elasticity.

Hershey's North America Salty Snacks segment posted net sales of \$321 million in the third quarter of 2025, rising 10% from the prior year. Volume growth of approximately 11 percentage points reflected the timing of promotional programming, innovation launches and media investments. Net price realization was about 1 percentage point lower due to the timing of promotions compared with the previous year.

Hershey's International segment delivered net sales of \$244.8 million up 12.1% year over year. Price realization contributed approximately 7 percentage points, reflecting strategic pricing actions across key markets, while volume increased about 6 percentage points, supported by strong double-digit growth in Brazil and the timing of shipments in Europe and Mexico. These gains were partially offset by price elasticity in several international markets. The segment reported a loss of \$13.6 million compared with income of \$14.2 million in the prior-year quarter.

What to Expect From HSY in 2025

The company raised its 2025 financial outlook, reflecting improved business momentum. Net sales are expected to increase 3% year over year compared with the previous guidance of "up at least 2%." This outlook includes an expected 40-basis-point benefit from the Sour Strips acquisition and an anticipated 30-basis-point headwind from foreign currency translation.

On the earnings front, the company expects reported earnings per share (EPS) to decline 48-50%, a slight improvement from the prior mentioned 50% decline. Adjusted EPS is projected to decrease 36-37%, narrowing to the upper half of the previous range of down 36-38%. The decline primarily reflects higher commodity and tariff costs, an unfavorable sales mix, and increased investments in the company's transformation and productivity initiatives.

Tariff expenses are forecast between \$160 million and \$170 million for 2025. The company continues to advance its Agility & Automation Initiative, which is expected to deliver \$150 million in savings during 2025. These savings, combined with ongoing supply-chain productivity improvements and disciplined cost management, are intended to help offset continued input cost inflation and tariff pressures.

Recent News

Hershey's LesserEvil Buyout to Strengthen Better-for-You Snacks - Nov. 19, 2025

The Hershey Company has completed its acquisition of LesserEvil, a rapidly expanding organic snack maker known for bold flavor profiles and simple, high-quality ingredients. The addition of the brand deepens Hershey's presence in the better-for-you snacking space and enhances its capabilities in salty snacks, a category where consumer demand and growth continue to accelerate faster than many other snack segments.

By bringing LesserEvil into the fold, Hershey broadens the range of snacking experiences it can offer, adding a brand built on clean ingredients, mindful eating and modern flavor innovation. The move supports Hershey's long-term strategy to diversify its portfolio while investing in high-growth brands that resonate with evolving consumer preferences.

Hershey noted that the acquisition marks an important step in advancing its snacking leadership, reflecting a shared emphasis on innovation, consumer insight and long-term brand building. LesserEvil underscored the strong alignment between the two organizations' values and stated that joining Hershey will expand the brand's reach without compromising its mission-driven culture.

Valuation

Hershey's shares are up 7.8% in the past six-month period and 10.7% over the trailing 12-month period. Stocks in the Zacks sub-industry are up 6.2% and the Zacks Consumer Staples sector is down 4.2% in the past six-month period. Over the past year, the Zacks sub-industry is up 7.8% while the sector up 2.1%.

The S&P 500 index is up 16.5% in the past six-month period and 17.5% in the past year.

The stock is currently trading at 26.64X forward 12-month earnings, which compares to 21.57X for the Zacks sub-industry, 16.35X for the Zacks sector and 23.3X for the S&P 500 index.

Over the past five years, the stock has traded as high as 31.52X and as low as 18.03X, with a 5-year median of 24.74X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$194 price target reflects 28.24X forward 12-month earnings.

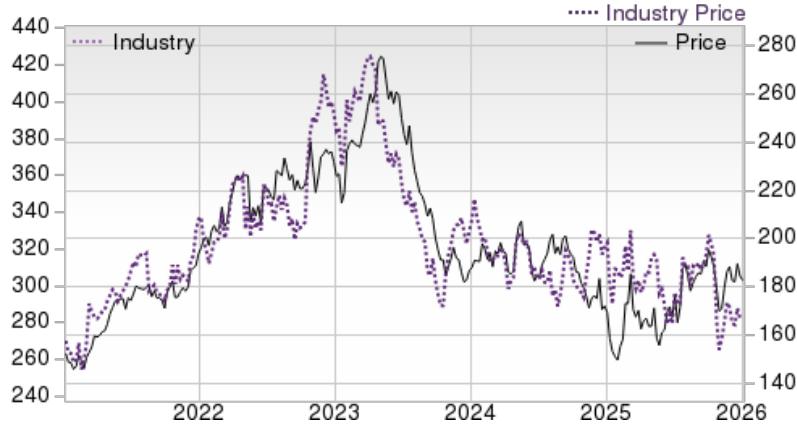
The table below shows summary valuation data for HSY

| Valuation Multiples - HSY | | | | | |
|---------------------------|---------------|-------|--------------|--------|---------|
| | | Stock | Sub-Industry | Sector | S&P 500 |
| P/E F12M | Current | 26.64 | 21.57 | 16.35 | 23.3 |
| | 5-Year High | 31.52 | 24.09 | 20.29 | 23.78 |
| | 5-Year Low | 18.03 | 16.05 | 16.1 | 15.73 |
| | 5-Year Median | 24.74 | 20.96 | 17.99 | 21.22 |
| P/S F12M | Current | 3.07 | 1.97 | 8.18 | 5.27 |
| | 5-Year High | 4.95 | 3.08 | 10.94 | 5.5 |
| | 5-Year Low | 2.57 | 1.78 | 6.59 | 3.82 |
| | 5-Year Median | 3.77 | 2.42 | 8.78 | 5.04 |
| EV/EBITDA TTM | Current | 16.16 | 13.15 | 34.31 | 18.69 |
| | 5-Year High | 21.14 | 16.77 | 45.14 | 22.37 |
| | 5-Year Low | 11.08 | 9.48 | 33.37 | 13.85 |
| | 5-Year Median | 16.52 | 13.65 | 39.83 | 17.94 |

As of 12/23/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Top 45% (110 out of 244)



Top Peers⁽¹⁾

| Company (Ticker) | Rec | Rank |
|-------------------------------|--------------|------|
| United Natural Foods...(UNFI) | Outperform | 1 |
| B&G Foods, Inc. (BGS) | Neutral | 3 |
| General Mills, Inc. (GIS) | Neutral | 3 |
| McCormick & Company,...(MKC) | Neutral | 2 |
| The Simply Good Food...(SMPL) | Neutral | 3 |
| Conagra Brands (CAG) | Underperform | 4 |
| Flowers Foods, Inc. (FLO) | Underperform | 4 |
| The Hain Celestial G...(HAIN) | Underperform | 5 |

Industry Comparison⁽¹⁾ Industry: Food - Confectionery

| | HSY | X Industry | S&P 500 | FLO | MKC | SMPL |
|---|-----------|------------|-----------|--------------|-----------|-----------|
| Zacks Recommendation (Long Term) | Neutral | - | - | Underperform | Neutral | Neutral |
| Zacks Rank (Short Term) | 3 | - | - | 4 | 2 | 3 |
| VGM Score | B | - | - | A | D | C |
| Market Cap | 37.46 B | 2.69 B | 40.73 B | 2.23 B | 18.02 B | 1.96 B |
| # of Analysts | 9 | 6.5 | 22 | 2 | 5 | 4 |
| Dividend Yield | 2.97% | 0.49% | 1.37% | 9.38% | 2.86% | 0.00% |
| Value Score | C | - | - | A | C | B |
| Cash/Price | 0.03 | 0.05 | 0.04 | 0.01 | 0.01 | 0.05 |
| EV/EBITDA | 13.24 | 13.24 | 15.01 | 6.84 | 15.97 | 11.96 |
| PEG Ratio | -1.96 | 4.85 | 2.04 | NA | 4.10 | 4.85 |
| Price/Book (P/B) | 8.21 | 2.93 | 3.44 | 1.57 | 3.12 | 1.13 |
| Price/Cash Flow (P/CF) | 15.83 | 15.83 | 15.54 | 5.16 | 17.91 | 9.76 |
| P/E (F1) | 30.89 | 18.75 | 18.81 | 10.43 | 20.76 | 10.87 |
| Price/Sales (P/S) | 3.26 | 3.26 | 3.07 | 0.43 | 2.65 | 1.35 |
| Earnings Yield | 3.76% | 6.48% | 5.30% | 9.57% | 4.81% | 9.20% |
| Debt/Equity | 1.02 | 0.23 | 0.57 | 0.97 | 0.54 | 0.23 |
| Cash Flow (\$/share) | 11.67 | 2.12 | 8.98 | 2.05 | 3.75 | 2.12 |
| Growth Score | C | - | - | C | F | D |
| Hist. EPS Growth (3-5 yrs) | 6.11% | 11.85% | 8.24% | -1.77% | -0.22% | 11.85% |
| Proj. EPS Growth (F1/F0) | -36.18% | 7.02% | 9.21% | -18.75% | 2.37% | -1.04% |
| Curr. Cash Flow Growth | -1.19% | -1.19% | 7.00% | 5.58% | 8.40% | 4.73% |
| Hist. Cash Flow Growth (3-5 yrs) | 9.36% | 9.36% | 7.49% | 4.33% | 2.77% | 13.46% |
| Current Ratio | 1.36 | 2.83 | 1.19 | 0.79 | 0.71 | 5.01 |
| Debt/Capital | 50.61% | 18.62% | 38.14% | 49.28% | 34.93% | 18.62% |
| Net Margin | 11.84% | 11.84% | 12.77% | 3.78% | 11.46% | 6.26% |
| Return on Equity | 32.08% | 10.53% | 17.03% | 16.35% | 14.30% | 9.56% |
| Sales/Assets | 0.85 | 0.61 | 0.53 | 1.25 | 0.52 | 0.60 |
| Proj. Sales Growth (F1/F0) | 3.30% | 1.85% | 5.30% | 3.00% | 1.60% | -0.30% |
| Momentum Score | A | - | - | A | A | B |
| Daily Price Chg | 2.60% | 2.68% | 0.01% | 4.66% | 2.69% | 6.61% |
| 1 Week Price Chg | -0.97% | -3.80% | 1.11% | -0.92% | -2.39% | -2.10% |
| 4 Week Price Chg | 1.75% | 6.18% | 0.30% | -2.41% | 1.80% | 10.60% |
| 12 Week Price Chg | -1.10% | -14.32% | 4.41% | -16.27% | 0.80% | -14.32% |
| 52 Week Price Chg | 13.89% | -14.25% | 16.95% | -47.09% | -9.92% | -42.38% |
| 20 Day Average Volume | 1,336,577 | 726,265 | 2,445,854 | 3,592,392 | 2,572,865 | 1,741,304 |
| (F1) EPS Est 1 week change | 0.00% | 0.00% | 0.00% | 0.05% | 0.31% | 0.00% |
| (F1) EPS Est 4 week change | 1.96% | 0.98% | 0.00% | 0.05% | 0.07% | 0.00% |
| (F1) EPS Est 12 week change | 4.38% | -0.97% | 0.47% | -6.58% | -0.16% | -6.32% |
| (Q1) EPS Est Mthly Chg | -0.70% | -0.35% | 0.00% | -0.52% | 0.14% | 0.00% |

Analyst Earnings Model⁽²⁾

The Hershey Company (HSY)

In \$MM, except per share data

| FY Ends December 31st | 2022A | 2023A | 2024A | 2025E | 2026E | 2027E | | | | | | | | | |
|---|-------------------|-------------------|-------------------|------------------|------------------|------------------|------------------|-------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|--|
| | FY | FY | FY | 1Q | 2Q | 3Q | 4Q | FY | 1Q | 2Q | 3Q | 4Q | FY | FY | |
| | Dec-22 | Dec-23 | Dec-24 | 31-Mar-25 | 30-Jun-25 | 30-Sep-25 | 31-Dec-25 | Dec-25 | 31-Mar-26 | 30-Jun-26 | 30-Sep-26 | 31-Dec-26 | Dec-26 | Dec-27 | |
| Income Statement | | | | | | | | | | | | | | | |
| Net Sales | \$10,419.3 | \$11,165.0 | \$11,202.3 | \$2,805.4 | \$2,614.7 | \$3,181.4 | \$2,965.5 | \$11,567.0 | \$3,010.5 | \$2,647.3 | \$3,296.9 | \$3,074.2 | \$12,028.9 | \$12,389.1 | |
| FX | (0.2%) | 0.2% | (0.1%) | (0.9%) | (0.7%) | 0.0% | 0.0% | (0.4%) | 0.2% | 0.0% | 0.0% | 0.0% | 0.1% | 0.0% | |
| Constant Currency | 16.3% | 7.0% | 0.4% | (12.9%) | 26.7% | 6.5% | 2.0% | 3.5% | 7.0% | 1.2% | 3.6% | 3.7% | 3.9% | 3.0% | |
| Acquisitions | 4.3% | 0.0% | 0.0% | 0.3% | 0.4% | 0.3% | 0.7% | 0.4% | 0.1% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | |
| Organic Growth | 12.0% | 7.0% | 0.4% | (13.2%) | 26.3% | 6.2% | 2.0% | 3.2% | 7.0% | 1.2% | 3.6% | 3.7% | 3.9% | 3.0% | |
| Reported Growth | 16.1% | 7.2% | 0.3% | (13.8%) | 26.0% | 6.5% | 2.7% | 3.3% | 7.3% | 1.2% | 3.6% | 3.7% | 4.0% | 3.0% | |
| Cost of Sales, Non-GAAP | \$5,837.7 | \$6,109.4 | \$6,347.2 | \$1,649.7 | \$1,617.7 | \$2,168.3 | \$1,921.2 | \$7,356.9 | \$1,848.9 | \$1,664.1 | \$2,107.2 | \$1,905.4 | \$7,523.5 | \$7,626.4 | |
| YoY % Chng | 18.2% | 4.7% | 3.9% | (7.9%) | 37.2% | 21.6% | 20.6% | 15.9% | 12.0% | 2.9% | (2.8%) | (0.8%) | 2.3% | 1.4% | |
| Cost of Sales, Reported | \$5,920.5 | \$6,167.2 | \$5,901.4 | \$1,861.2 | \$1,818.4 | \$2,144.1 | \$1,577.1 | \$7,400.8 | \$2,071.4 | \$1,868.4 | \$2,082.5 | \$1,586.5 | \$7,608.9 | \$7,711.6 | |
| YoY % Chng | 20.3% | 4.2% | (4.3%) | 18.0% | 46.6% | 22.2% | 18.6% | 25.4% | 11.3% | 2.7% | (2.9%) | 0.6% | 2.8% | 1.4% | |
| Gross Profit, Non-GAAP | \$4,581.6 | \$5,055.6 | \$4,855.0 | \$1,155.7 | \$997.0 | \$1,013.1 | \$1,044.3 | \$4,210.1 | \$1,163.6 | \$983.3 | \$1,189.7 | \$1,168.8 | \$4,505.4 | \$4,762.7 | |
| YoY % Chng | 13.6% | 10.3% | (4.0%) | (20.9%) | 11.4% | (15.9%) | (19.3%) | (13.3%) | 0.7% | (1.4%) | 17.4% | 11.9% | 7.0% | 5.7% | |
| Gross Profit, Reported | \$4,498.8 | \$4,997.8 | \$5,300.9 | \$944.3 | \$796.3 | \$1,037.3 | \$1,388.4 | \$4,166.3 | \$939.1 | \$778.9 | \$1,214.4 | \$1,487.7 | \$4,420.1 | \$4,677.5 | |
| YoY % Chng | 11.1% | 11.1% | 6.1% | (43.7%) | (4.5%) | (15.8%) | (10.9%) | (21.4%) | (0.5%) | (2.2%) | 17.1% | 7.2% | 6.1% | 5.8% | |
| Selling, Marketing & Administrative Expense, Adjusted | \$2,176.2 | \$2,356.5 | \$2,259.8 | \$547.6 | \$586.4 | \$590.6 | \$614.1 | \$2,338.7 | \$598.4 | \$612.8 | \$633.0 | \$611.8 | \$2,456.1 | \$2,291.6 | |
| YoY % Chng | 10.0% | 8.3% | (4.1%) | (8.7%) | 14.6% | 7.2% | 2.8% | 3.5% | 9.3% | 4.5% | 7.2% | (0.4%) | 5.0% | (6.7%) | |
| Selling, Marketing & Administrative Expense | \$2,236.0 | \$2,436.5 | \$2,373.6 | \$558.7 | \$603.2 | \$600.5 | \$539.1 | \$2,301.5 | \$615.8 | \$597.6 | \$627.9 | \$586.3 | \$2,427.7 | \$2,283.9 | |
| YoY % Chng | 11.7% | 9.0% | (2.6%) | (9.6%) | 11.5% | 1.5% | (13.4%) | (3.0%) | 10.2% | (0.9%) | 4.6% | 8.8% | 5.5% | (5.9%) | |
| Business Realignment Costs | \$2.0 | \$0.4 | \$29.0 | \$16.4 | \$0.3 | \$2.2 | \$0.0 | \$18.8 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | |
| YoY % Chng | (43.6%) | (77.8%) | 6.483.9% | (94.8%) | (92.0%) | (35.1%) | | | | | | | | | |
| Operating Income, Non-GAAP | \$2,405.4 | \$2,699.1 | \$2,595.3 | \$608.1 | \$410.6 | \$422.5 | \$430.2 | \$1,871.3 | \$565.2 | \$370.5 | \$556.7 | \$557.0 | \$2,049.3 | \$2,471.1 | |
| YoY % Chng | 17.1% | 12.2% | (3.8%) | (29.4%) | 7.1% | (35.4%) | (38.3%) | (27.9%) | (7.1%) | (9.8%) | 31.8% | 29.5% | 9.8% | 20.6% | |
| Operating Income, Reported | \$2,260.8 | \$2,560.9 | \$2,698.2 | \$369.2 | \$192.8 | \$434.6 | \$849.3 | \$1,845.9 | \$323.2 | \$181.3 | \$586.5 | \$901.3 | \$1,992.4 | \$2,393.6 | |
| YoY % Chng | 10.6% | 13.3% | 13.2% | (65.1%) | (33.0%) | (29.1%) | (9.6%) | (36.3%) | (12.5%) | (6.0%) | 35.0% | 6.1% | 7.9% | 20.1% | |
| Interest Expense, Net | \$137.6 | \$151.8 | \$165.7 | \$44.6 | \$46.0 | \$51.5 | \$52.9 | \$195.0 | \$52.6 | \$53.1 | \$51.1 | \$49.1 | \$206.0 | \$193.9 | |
| YoY % Chng | 8.0% | 10.3% | 9.1% | 12.1% | 11.3% | 16.2% | 31.6% | 17.7% | 18.0% | 15.4% | (0.7%) | (7.2%) | 5.6% | (5.9%) | |
| Other (Income) Expense, Net Adjusted | \$206.2 | \$237.2 | \$258.6 | \$0.9 | (\$2.3) | \$11.2 | \$23.7 | \$33.5 | \$4.5 | \$4.5 | \$10.4 | \$19.9 | \$39.2 | \$50.0 | |
| YoY % Chng | 73.1% | 15.1% | 9.0% | (97.0%) | (507.0%) | (77.6%) | (86.5%) | (87.0%) | 374.8% | 291.7% | (7.4%) | (16.2%) | 17.0% | 27.6% | |
| Other (Income) Expense, Net | \$206.2 | \$237.2 | \$258.6 | \$0.9 | (\$2.3) | \$11.2 | \$23.7 | \$33.5 | \$4.5 | \$4.5 | \$10.4 | \$19.9 | \$39.2 | \$50.0 | |
| YoY % Chng | 73.1% | 15.1% | 9.0% | (97.0%) | (507.0%) | (77.6%) | (86.5%) | (87.0%) | 374.8% | 291.7% | (7.4%) | (16.2%) | 17.0% | 27.6% | |
| Pre-Tax Income, Non-GAAP | \$2,061.7 | \$2,310.1 | \$2,171.0 | \$562.5 | \$366.9 | \$359.8 | \$353.6 | \$1,642.8 | \$508.0 | \$312.8 | \$495.2 | \$488.0 | \$1,804.1 | \$2,227.2 | |
| YoY % Chng | 14.1% | 12.0% | (6.0%) | (28.7%) | 7.4% | (35.7%) | (26.5%) | (24.3%) | (9.7%) | (14.7%) | 37.6% | 38.0% | 9.8% | 23.4% | |
| Pre-Tax Income, Reported | \$1,917.1 | \$2,171.9 | \$2,473.9 | \$323.7 | \$149.1 | \$371.9 | \$772.6 | \$1,617.3 | \$266.1 | \$123.7 | \$525.0 | \$832.4 | \$1,747.2 | \$2,149.6 | |
| YoY % Chng | 6.7% | 13.3% | 13.9% | (67.2%) | (39.4%) | (28.3%) | 6.9% | (34.6%) | (17.8%) | 41.2% | 7.7% | 8.0% | 23.0% | | |
| Income Tax, Non-GAAP | \$301.7 | \$339.3 | \$263.9 | \$137.1 | \$120.4 | \$96.1 | \$72.8 | \$426.5 | \$127.0 | \$78.2 | \$123.8 | \$122.0 | \$451.0 | \$556.8 | |
| Income Tax, Reported | \$272.3 | \$310.1 | \$252.7 | \$99.5 | \$86.4 | \$95.6 | \$203.2 | \$484.6 | \$66.5 | \$30.9 | \$131.3 | \$208.1 | \$436.8 | \$537.4 | |
| Tax Rate, Non-GAAP | 14.6% | 14.7% | 12.2% | 24.4% | 32.8% | 26.7% | 20.6% | 26.0% | 25.0% | 25.0% | 25.0% | 25.0% | 25.0% | 25.0% | |
| Tax Rate, Reported | 14.2% | 14.3% | 10.2% | 30.7% | 57.9% | 25.7% | 26.3% | 30.0% | 25.0% | 25.0% | 25.0% | 25.0% | 25.0% | 25.0% | |
| Net Income | \$1,644.8 | \$1,861.8 | \$2,221.2 | \$224.2 | \$62.7 | \$276.3 | \$569.4 | \$1,132.7 | \$199.6 | \$92.8 | \$393.8 | \$624.3 | \$1,310.4 | \$1,612.2 | |
| YoY % Chng | 10.9% | 13.2% | 19.3% | (71.9%) | (65.3%) | (38.1%) | (28.5%) | (49.0%) | (11.0%) | 47.9% | 42.5% | 9.6% | 15.7% | 23.0% | |
| Noncontrolling Interest | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | |
| Net Income Attributable to The Hershey Company, Non-GAAP | \$1,760.1 | \$1,970.8 | \$1,907.0 | \$425.4 | \$246.5 | \$263.7 | \$280.7 | \$1,216.3 | \$381.0 | \$234.6 | \$371.4 | \$366.0 | \$1,353.1 | \$1,670.4 | |
| YoY % Chng | 17.9% | 12.0% | (3.2%) | (32.3%) | (4.5%) | (44.4%) | (48.6%) | (36.2%) | (10.4%) | (4.8%) | 40.8% | 30.4% | 11.2% | 23.4% | |
| Net Income Attributable to The Hershey Company, Reported | \$1,644.8 | \$1,861.8 | \$2,221.2 | \$224.2 | \$62.7 | \$276.3 | \$569.4 | \$1,132.7 | \$199.6 | \$92.8 | \$393.8 | \$624.3 | \$1,310.4 | \$1,612.2 | |
| YoY % Chng | 11.3% | 13.2% | 19.3% | (71.9%) | (65.3%) | (38.1%) | (28.5%) | (49.0%) | (11.0%) | 47.9% | 42.5% | 9.6% | 15.7% | 23.0% | |
| Diluted Shares Outstanding | 206.6 | 205.5 | 203.5 | 203.1 | 203.2 | 203.5 | 203.5 | 203.3 | 203.5 | 203.5 | 203.5 | 203.5 | 203.5 | 203.5 | |
| Diluted EPS, Non-GAAP | \$8.52 | \$9.59 | \$9.37 | \$2.09 | \$1.21 | \$1.30 | \$1.38 | \$5.98 | \$1.87 | \$1.15 | \$1.83 | \$1.80 | \$6.65 | \$8.21 | |
| YoY % Chng | 18.5% | 12.6% | (2.3%) | (31.9%) | (4.7%) | (44.4%) | (48.7%) | (36.2%) | (10.4%) | (4.7%) | 40.4% | 30.4% | 11.2% | 23.4% | |
| Diluted EPS, Reported | \$7.96 | \$9.06 | \$10.92 | \$1.10 | \$0.31 | \$1.36 | \$2.80 | \$5.57 | \$0.98 | \$0.46 | \$1.93 | \$3.07 | \$6.44 | \$7.92 | |
| YoY % Chng | 12.0% | 13.8% | 20.5% | (71.7%) | (65.2%) | (38.2%) | (28.6%) | (49.0%) | (10.8%) | 47.0% | 42.3% | 9.6% | 15.6% | 23.0% | |
| Dividend per Share | \$3.87 | \$4.46 | \$5.48 | \$1.37 | \$1.37 | \$1.37 | \$5.48 | \$1.37 | \$1.37 | \$1.37 | \$1.37 | \$1.37 | \$5.48 | \$5.48 | |

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We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

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The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

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Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

| | |
|----------------|---|
| Value Score | C |
| Growth Score | C |
| Momentum Score | A |
| VGM Score | B |

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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