HERSHEY

CAGNY CONFERENCE

FEBRUARY 20, 2019

MICHELE BUCK

chief executive officer

HERSHEY

1894 125 YEARS HERSHEY 2019

SKINNY POP POPCORN

FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Many of these forward-looking statements can be identified by the use of words such as “intend,” “believe,” “expect,” “anticipate,” “should,” “planned,” “projected,” “estimated,” and “potential,” among others. These statements are made based upon current expectations that are subject to risk and uncertainty. Because actual results may differ materially from those contained in the forward-looking statements, you should not place undue reliance on the forward-looking statements when deciding whether to buy, sell or hold the company's securities. Factors that could cause results to differ materially include, but are not limited to: issues or concerns related to the quality and safety of our products, ingredients or packaging; changes in raw material and other costs, along with the availability of adequate supplies of raw materials; selling price increases, including volume declines associated with pricing elasticity; market demand for our new and existing products; increased marketplace competition; disruption to our manufacturing operations or supply chain; failure to successfully execute and integrate acquisitions, divestitures and joint ventures; changes in governmental laws and regulations, including taxes; political, economic, and/or financial market conditions; risks and uncertainties related to our international operations; disruptions, failures or security breaches of our information technology infrastructure; our ability to hire, engage and retain a talented global workforce; our ability to realize expected cost savings and operating efficiencies associated with strategic initiatives or restructuring programs; complications with the design or implementation of our new enterprise resource planning system; and such other matters as discussed in our Annual Report on Form 10-K for the year ended December 31, 2017. All information in this presentation is as of February 20, 2019. The company undertakes no duty to update any forward-looking statement to conform the statement to actual results or changes in the company's expectations.

125 YEARS IN THE MAKING

1894	2019
1,400 EMPLOYEES LOCALLY	16,500 EMPLOYEES GLOBALLY
4 MANUFACTURING SITES LOCALLY	16 MANUFACTURING SITES GLOBALLY

SOURCE: COMPANY FINANCIALS

125 YEARS IN THE MAKING

THE HERSHEY BAR
FIRST PRODUCED IN 1900

2.8B

PER YEAR

KISSES
FIRST PRODUCED IN 1907

70M

PER DAY

15.1B

PER YEAR

5M

COCOA PODS PER DAY

20,000

COWS MILKED
DAILY FROM FARMS
WITHIN 90 MILES

CONTINUING OUR SUSTAINABILITY JOURNEY

Our Shared
GOODNESS PROMISE

Shared FUTURES	Shared BUSINESS	Shared COMMUNITIES	Shared PLANET
Helping Children Succeed	Operating Responsibly	Investing in Places We Live and Work	Preserving our Planet
the heart warming project™	COCOA For Good		

TODAY'S KEY TAKEAWAYS

We are executing against our strategic plans

We have differentiated assets and capabilities and are taking bold steps to secure our future

We are driving shareholder value and delivering on our financial commitments

STRATEGIC IMPERATIVES

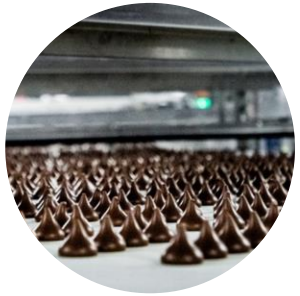
Undisputed leader in US confection

Capture incremental snacking occasions

Drive profitable International growth

Reallocate resources and optimize cost structure

Expand competitive advantage through differentiated capabilities



SIGNIFICANT PROGRESS OVER THE PAST 2 YEARS

Undisputed leader in US confection

#1 US CMG **share**

Beloved brands

Capture incremental snacking occasions

Amplify SNACK BRANDS

PIRATE BRANDS

Drive profitable International growth

Profit **+$103M** vs 2016

HSD organic revenue growth

Reallocate resources and optimize cost structure

Corporate **cost structure -9%**

Incremental resources for growth

Expand competitive advantage through differentiated capabilities

Digital/ERP transformation

Holistic advisors
Brick and Mortar + Digital

New **media** models

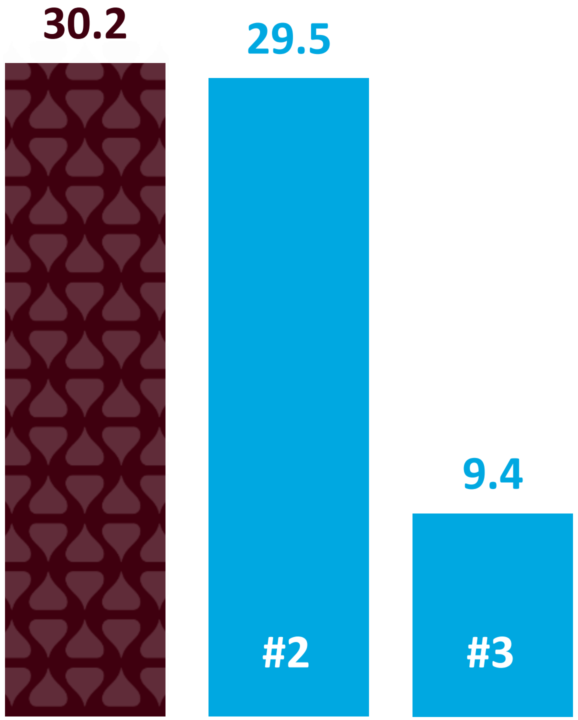
HERSHEY 125 YEARS

*CORPORATE COST STRUCTURE EXCLUDES ERP CAPABILITY EXPENSES; SOURCE: IRI

UNDISPUTED US LEADER IN CONFECTION

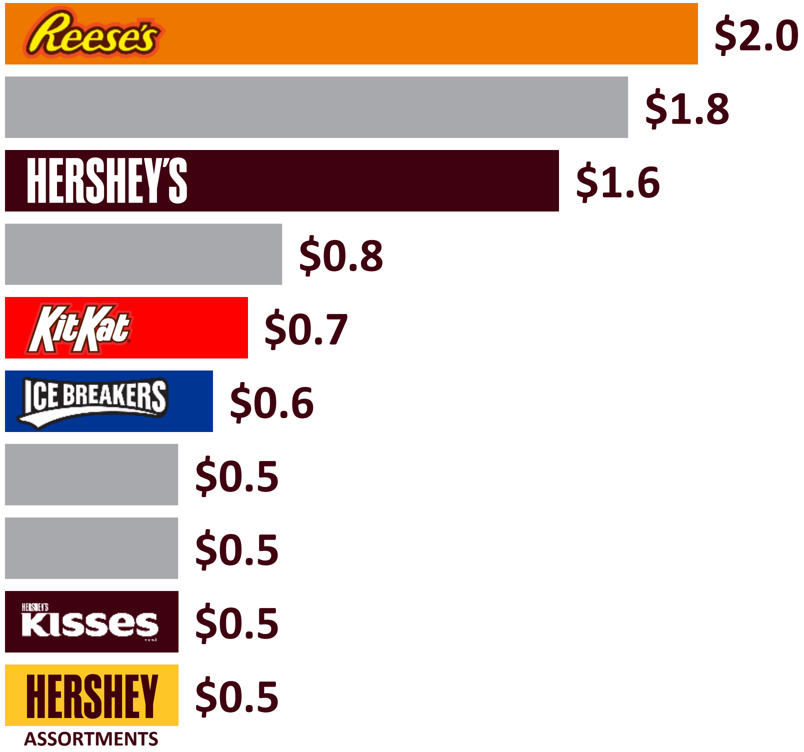
#1 US CMG

2018 MARKET SHARE



6 OUT OF TOP 10 BRANDS

2018 CMG RETAIL SALES $B



LOVED BY CONSUMERS

TOP 100 MOST POWERFUL BRANDS

	RANK
Coca-Cola	1
Hershey	**2**
Bayer	3
Apple	4
Walt Disney World	5

KIDS MOST LOVED BRANDS

	RANK
YouTube	1
Oreo	2
M&Ms	3
Hershey	**4**
Netflix	5

PARENTS MOST LOVED BRANDS

	RANK
Amazon	1
Crayola	2
Netflix	3
Hershey	**4**
Google	5

SOURCE: IRI ENDING 12/30/18; 2017 RANKINGS BY TENET PARTNERS, COREBRAND, SMARTY PANTS

CAPTURE INCREMENTAL SNACKING OCCASIONS

Fast growing, high margin, financially accretive better-for-you snacking assets

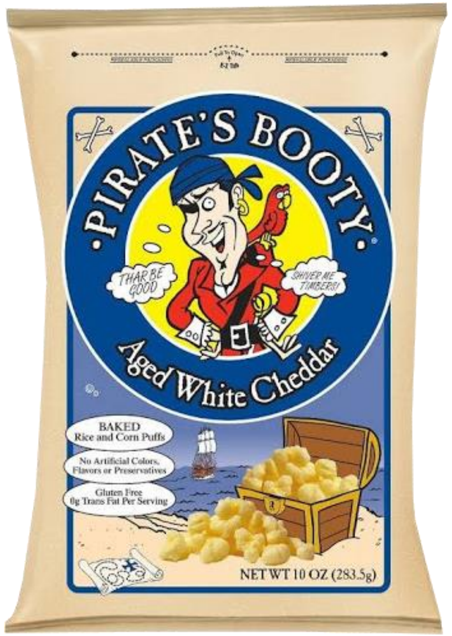
Amplify SNACK BRANDS

$285M
NET SALES

+6.1%
RETAIL SALES GROWTH

+40 BPS
SHARE CHANGE

PIRATE BRANDS



$90M
NET SALES

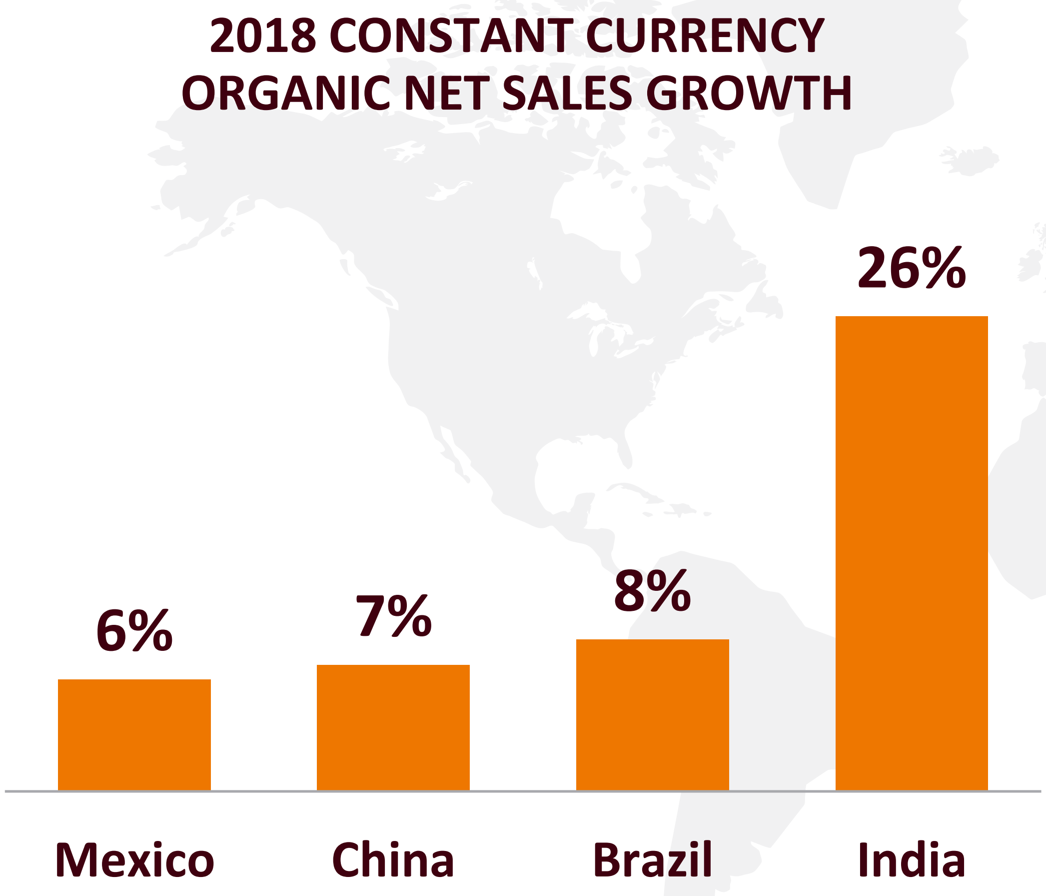
+7.4%
RETAIL SALES GROWTH

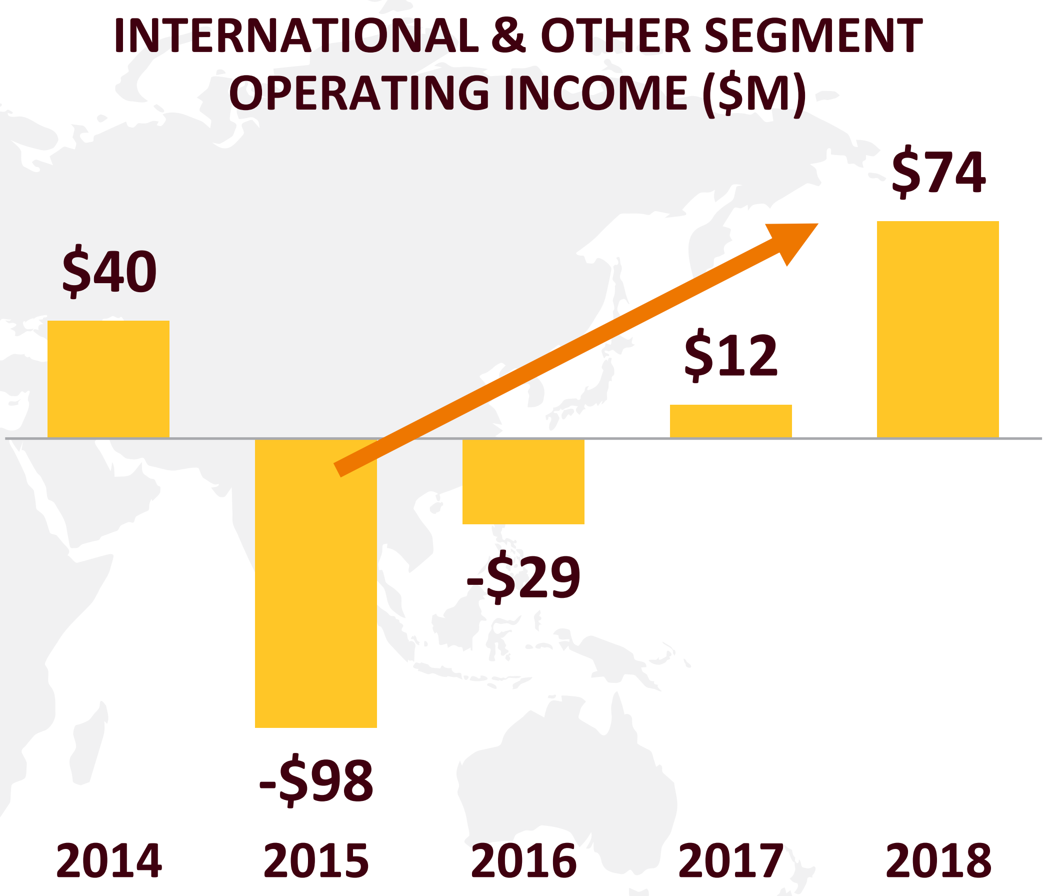
SOURCE: LATEST 12 MONTH FINANCIALS, NET SALES NUMBERS ARE APPROXIMATE, IRI ENDING 12/30/18

PORTFOLIO OF ICONIC BRANDS
TO MEET CONSUMER NEEDS

SWEET ⟷ SAVORY

DRIVE PROFITABLE INTERNATIONAL GROWTH



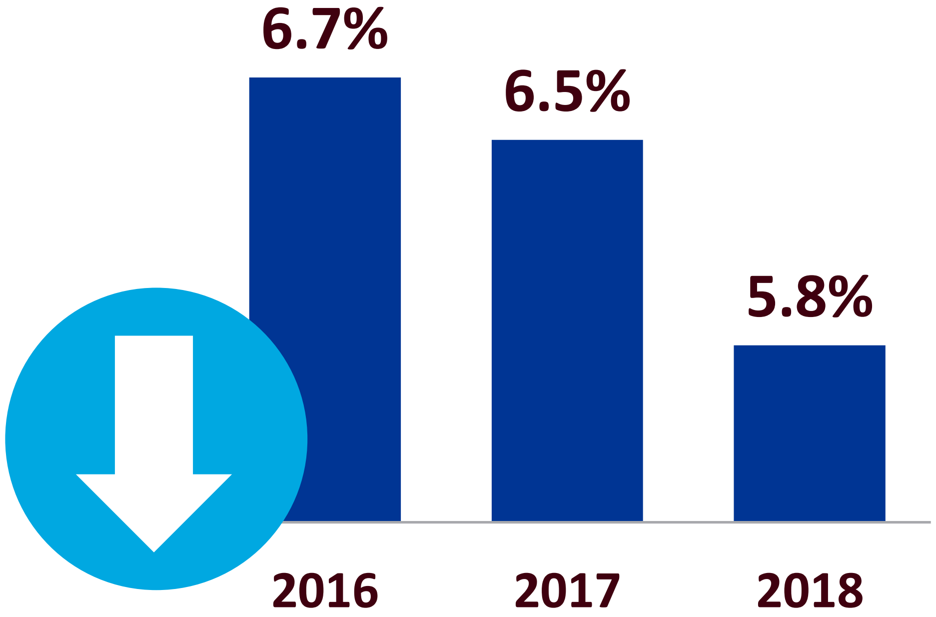


SOURCE: COMPANY FINANCIALS, SEE APPENDIX FOR A RECONCILIATION BETWEEN REPORTED AND ORGANIC CONSTANT CURRENCY GROWTH RATES

REALLOCATE RESOURCES
AND OPTIMIZE COST STRUCTURE

Reductions in general administrative expenses fueling growth driving capabilities

SELECT CORPORATE EXPENSE*
(AS A PERCENT OF NET SALES)



FUEL

GROWTH DRIVING CAPABILITIES

- Digital Commerce
- Media analytics & creative
- Commercial Planning
- ERP

*EXCLUDES ERP EXPENSE | SOURCE: COMPANY FINANCIALS

EXPAND COMPETITIVE ADVANTAGE
THROUGH DIFFERENTIATED CAPABILITIES

ADVANTAGED ASSETS AND CAPABILITIES

ICONIC BRANDS

HERSHEY'S

Reese's

KitKat

US SCALE IN GROWING, HIGH MARGIN CATEGORIES

#1	in Confection
#2	in Snacking
+8PTS	Gross margins vs peers
2X	Category growth vs peers

ADVANCED COMMERCIAL CAPABILITIES

Strategic Category & Total Store Leadership

Ubiquitous Distribution

Dynamically Routed Retail Sales Force

Supply Chain Scale & Agility

SOURCE: IRI ENDING 12/30/18; BLOOMBERG; PEERS REFLECTS S&P FOOD GROUP

EXPAND COMPETITIVE ADVANTAGE
THROUGH DIFFERENTIATED CAPABILITIES

2018 ADVANCEMENTS

DIGITAL

+7 Use of **Digital Platforms** Ranking

KANTAR CONSULTING

+230 BPS Digital commerce market **share gains**

ERP **3** Modules Launched

HOLISTIC ADVISORSHIP

ADVANTAGE

#1 in Category Management

2019 CATEGORY CAPTAIN PRESENTED BY ConvenienceStore

6 years in a row

Retailer partnerships to **enhance website organization** and improve conversion

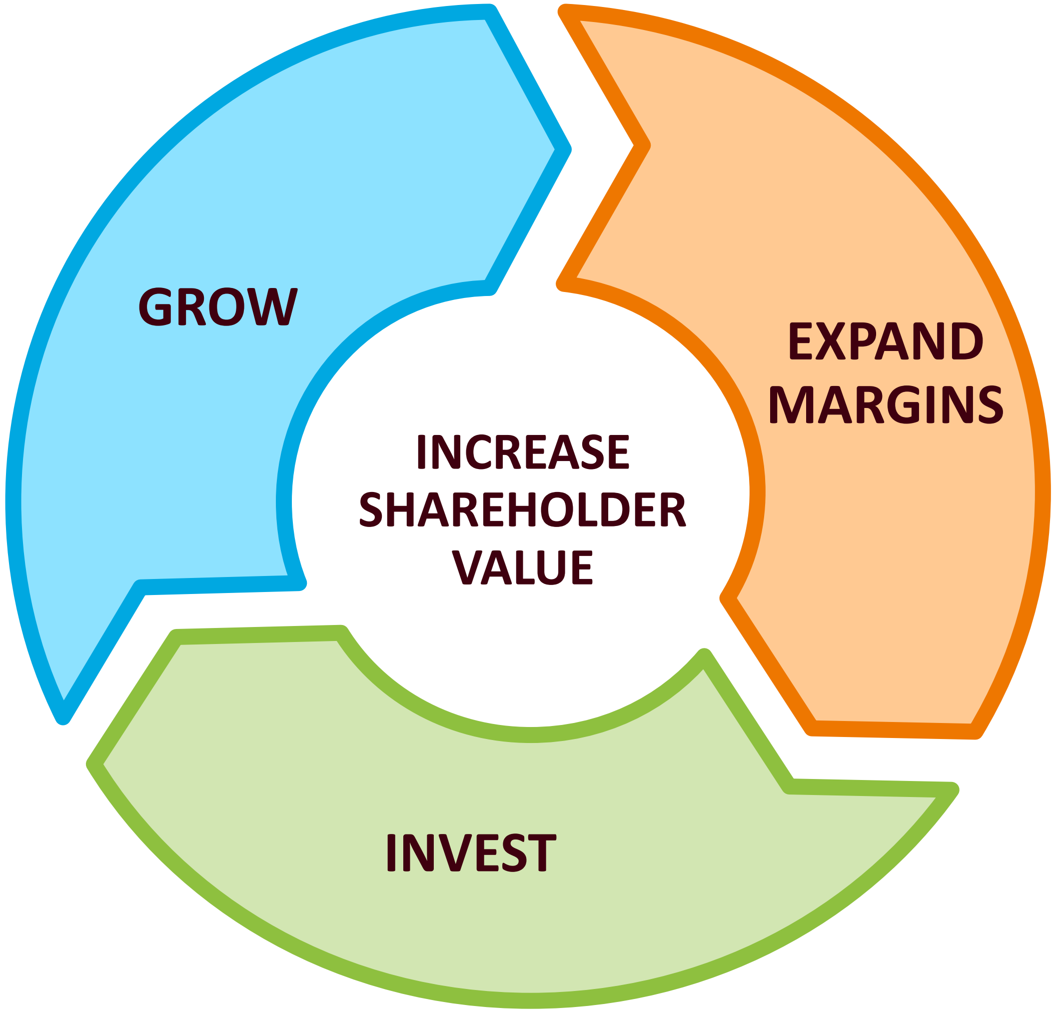
NEW MEDIA MODELS

Precision Capabilities

In House Creative

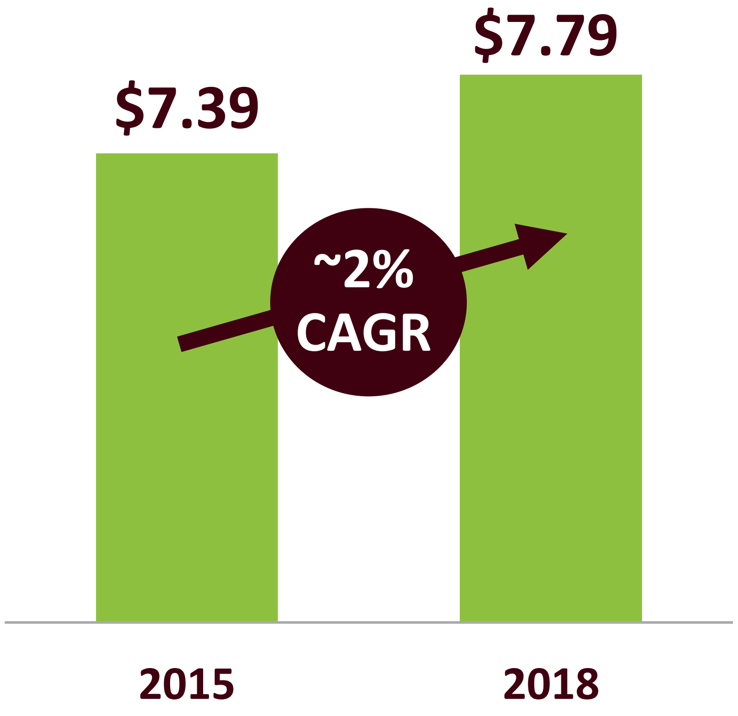
SOURCE: KANTAR, ADVANTAGE, CONVENIENCESTORE, RETAILER SPECIFIC POS DATA

VIRTUOUS CYCLE TO DRIVE
SHAREHOLDER VALUE

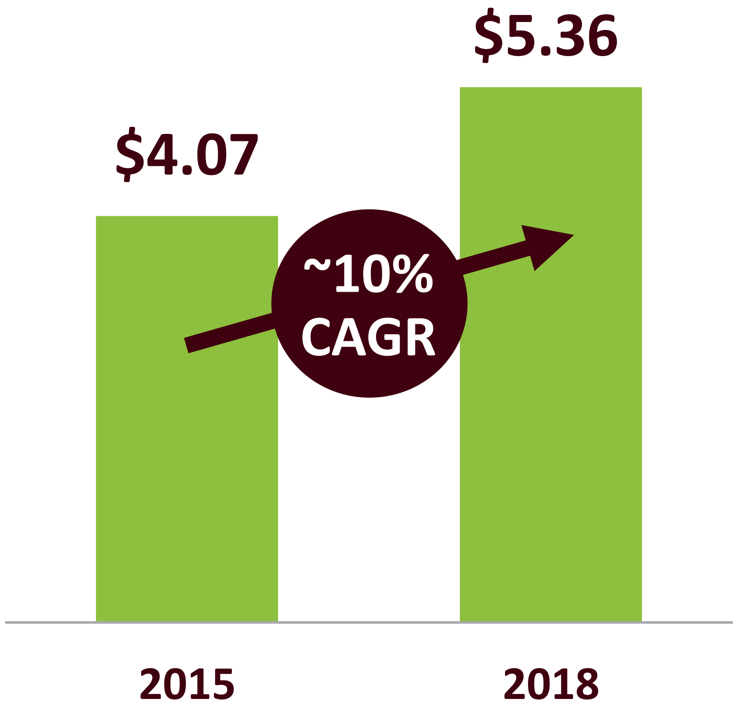


DRIVING SHAREHOLDER VALUE
AND DELIVERING FINANCIAL COMMITMENTS

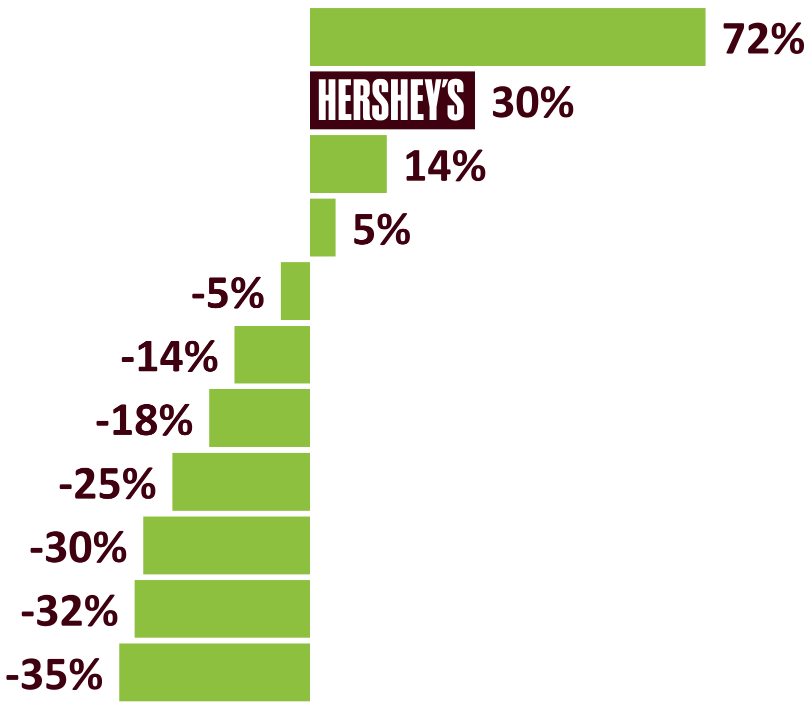
NET SALES ($B)



ADJUSTED EPS



3 YR TSR
PACKAGED FOOD COMPANIES



SOURCE: COMPANY FINANCIALS, BLOOMBERG; SEE APPENDIX FOR A RECONCILIATION OF GAAP EPS TO ADJUSTED EPS

2019 IMPERATIVES

Undisputed leader in US confection

Accelerate US Confection

Capture incremental snacking occasions

Grow Skinny Pop; Integrate Pirate's Booty

Drive profitable International growth

Maintain Momentum

Reallocate resources and optimize cost structure

Complete Margin for Growth Program

Expand competitive advantage through differentiated capabilities

Digital Transformation
Holistic Advisors
New Business Models
Supply Chain Evolution

ACCELERATE US CONFECTION SALES
THROUGH BALANCED ACTIVATION

SHELF TRANSFORMATION

SEASONS

CORE VELOCITY

PRODUCT INNOVATION

PRICING

PACKAGING RENOVATION TO IMPROVE

SHELF APPEAL

Improved shelf appeal

Incremental shelf space

Price realization to offset incremental packaging costs

PARTNERING WITH RETAILERS
TO CONVERT ADDITIONAL SPACE TO CMG & SNACKING

Converting less productive magazine space on the front end at a key food retailer drove 7% overall growth, and 40% growth for confection

CATEGORY	$ % CHANGE
CMG	**40.0%**
Beverage	0.6%
Snacks	**2.7%**
Magazines	**-14.9%**
HBC	0.1%
GM	0.8%
TOTAL	**7.0%**

SOURCE: IRI, RETAILER “A”, 52 WEEK ENDING 2/25/18

STRONG SEASONAL SALES

EASTER

3 week longer season in 2019

+0.5pt contribution to FY HSY growth

<u>500 MILLION</u> eggs sold!

HALLOWEEN/HOLIDAY

Strong ‘18 growth & sell through drive solid ‘19 buy

New Kit Kat capacity to further optimize assortments

SOURCE: COMPANY FINANCIALS

NEW MARKETING MODELS

TO DRIVE CORE VELOCITY

NEW CAMPAIGNS

INNOVATIVE CONSUMER ENGAGEMENT

~3 BILLION Earned Impressions in **1 WEEK**

NEW CAPABILITIES TO SUPPORT BREADTH OF PORTFOLIO EFFICIENTLY

	SPEND	IMPRESSIONS
Reese's, Hershey's, Kisses, KitKat, Ice Breakers	MSD	HSD

Payday, York, Almond Joy, barkTHINS, Mounds, Jolly Rancher, Twizzlers, Cadbury: 3 YR Spend **+50%**

SOURCE: COMPANY FINANCIALS

PRODUCT INNOVATION ON #1 BRAND

Reese's
#1
Candy Brand*

Reese's
#1
Purchase Frequency*

Reese's
#1 SKU
REESE'S PBC King Size*

Reese's
#1
Seasonal Brand*

SOURCE: IRI

INTRODUCING REESE'S THINS

40% Thinner

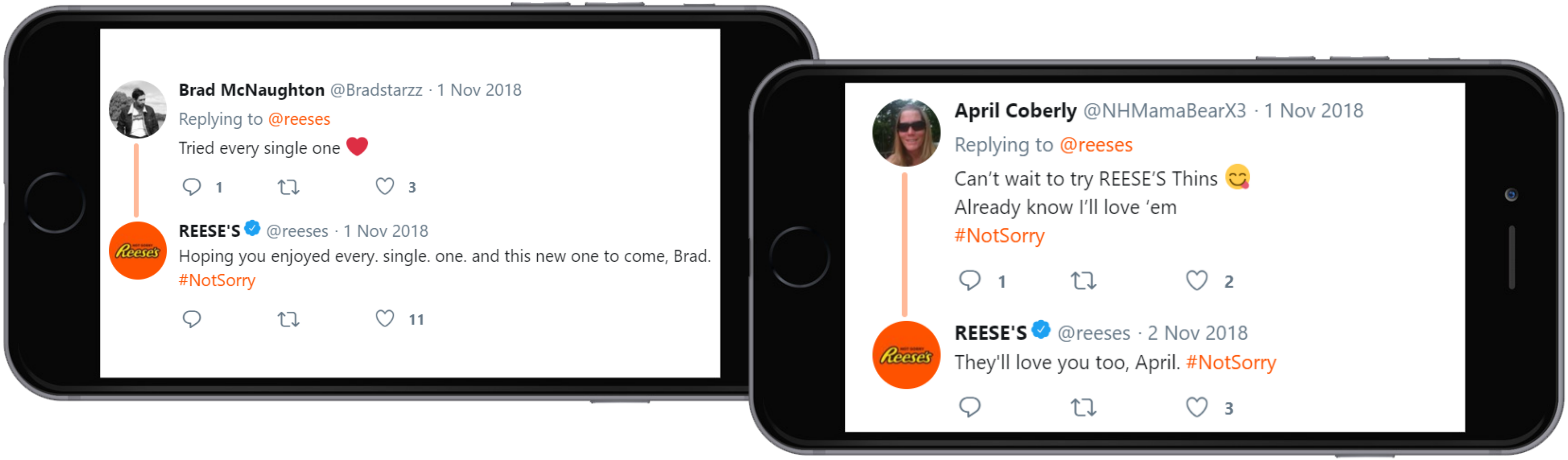
100% Delicious

New, enhanced packaging

LEVERAGING CONSUMERS LOVE FOR BRAND

1 BILLION EARNED IMPRESSIONS

Post Q3 Earnings Call



TODAY | The Washington Post | elite daily | delish

SOURCE: RETAILER SPECIFIC POS DATA,

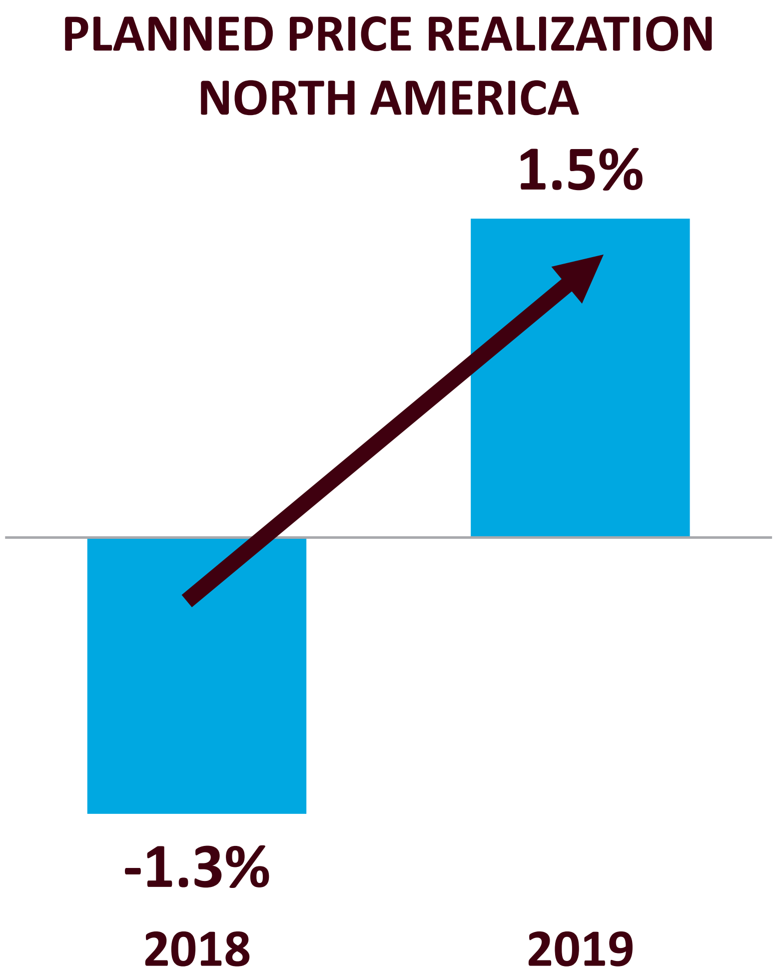
RELEVANT NEWS ACROSS OCCASIONS

SINGLE SERVE

TAKE HOME

SINGLE SERVE SUMMER PROMOTION

PRICE REALIZATION IN 2019



- New, targeted pricing approach
- Multiple levers to achieve realization
- On track, executing now

SOURCE: COMPANY FINANCIALS; PRICING BUILDS OVER COURSE OF 2019, WITH 2.5 PT RUN RATE ACHIEVED BY ~Q3 '19

DRIVE SKINNY POP GROWTH

#1
Velocity item in the RTE Popcorn Category

Hershey's
6th
Largest Brand

2019 GROWTH DRIVERS

Increase Distribution

New Marketing Campaign

Category Management Partnerships

SOURCE: IRI ENDING 12/30/18; COMPANY FINANCIALS

CONSUMER RELEVANCE IN POP CULTURE

SELENA GOMEZ
#1 most followed celebrity on Instagram

WSJ.
THE WALL STREET JOURNAL MAGAZINE

ADUT AKECH
Most in-demand model working in fashion

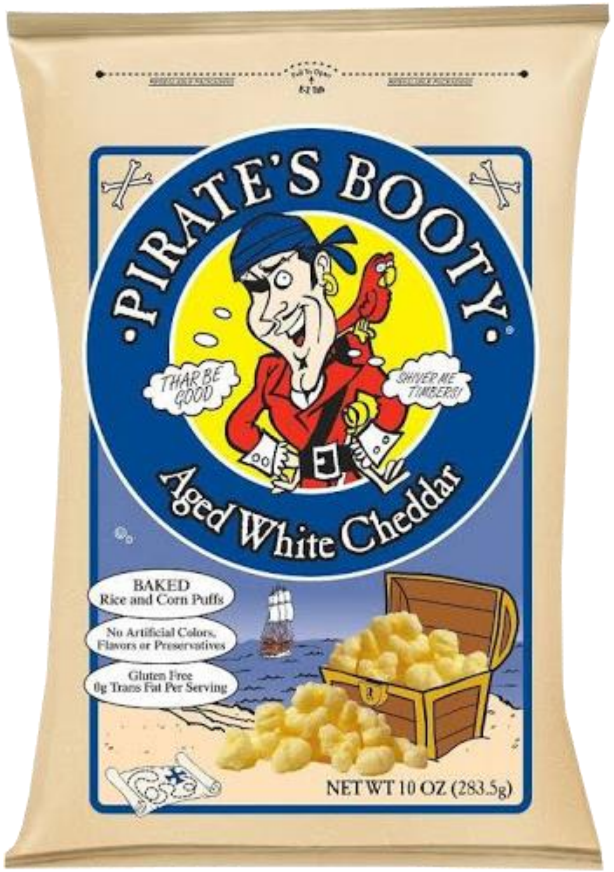
TORY BURCH

INTEGRATE PIRATE BRANDS

Strong Velocities

Growing Household Penetration

Differentiated, incremental consumer



2019 INTEGRATION PRIORITIES

Sales Transition

Category Management

Distribution Opportunities

SOURCE: IRI ENDING 12/30/18

LEVERAGING BEST OF BIG AND SMALL

HERSHEY

Category Advisors/Shopper Insights

Ubiquitous Distribution

Supply Chain

eCommerce

Amplify SNACK BRANDS | PIRATE BRANDS

Great Brands

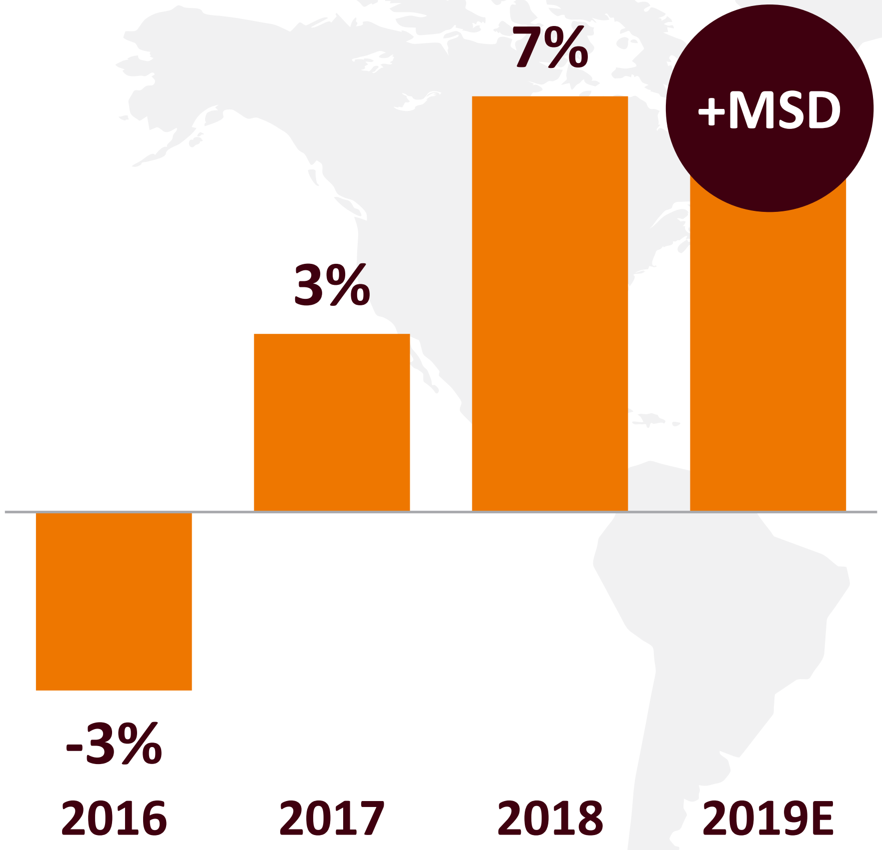
Distinct Channel & BFY Expertise

Fast & Agile Operating Model

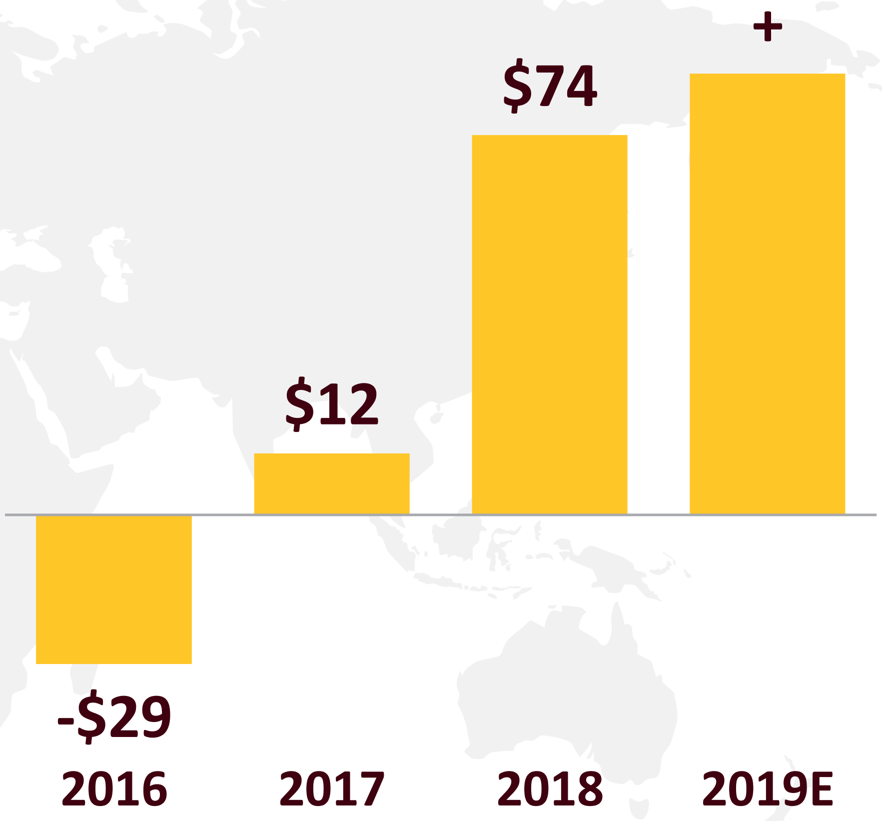
SOURCE: IRI ENDING 12/30/18

MAINTAIN INTERNATIONAL MOMENTUM

ORGANIC CONSTANT CURRENCY NET SALES GROWTH



OPERATING INCOME ($M)



SOURCE: COMPANY FINANCIALS; SEE APPENDIX FOR A RECONCILIATION BETWEEN REPORTED AND ORGANIC CONSTANT CURRENCY GROWTH RATES

EXPAND SUSTAINABLE, PROFITABLE
INTERNATIONAL GROWTH MODEL IN 2019

SCORE WITH CORE

Win with **core Brands**

Hershey's First

Targeted Innovation

Grow Key Brands

DRIVE MARGIN MUSCLE

Expand gross margins by driving cost efficiencies & price realization

Amplify Supply

Maximize Net Realization

SHAPE FOR GROWTH

Reshape global and local capabilities and key P&L levers

Country Focus Levers

Global Capabilities

COMPLETE MARGIN FOR GROWTH PROGRAM

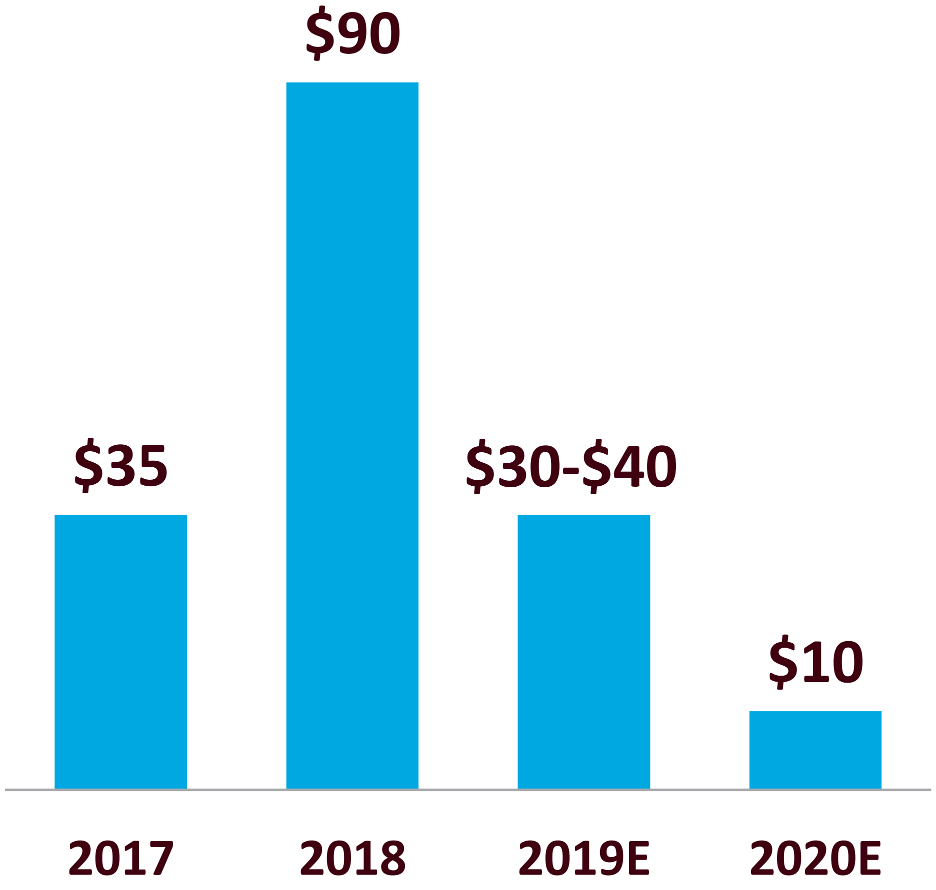
$150-$175M

“RUN RATE”
towards high end of range

Execution complete in 2019

Some savings flow through in 2020 due to ERP implementation phasing

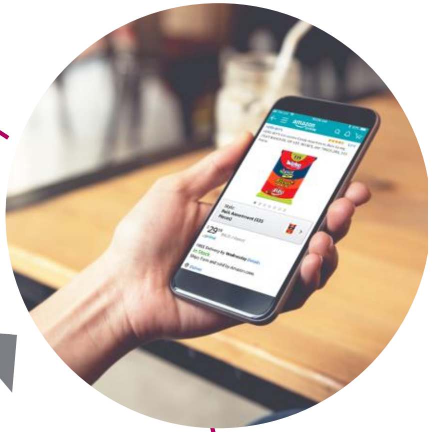
MARGIN FOR GROWTH COST SAVINGS ($M)



ADVANCING DIFFERENTIATED CAPABILITIES

Holistic Advisors

Digital Transformation



OPERATING MODELS, TALENT AND CULTURE

Business Model Evolution

Supply Chain Evolution

AMPLIFIED BY REMARKABLE EMPLOYEES
AND CULTURE

speed
energy
pride
excellence
together
integrity
passion
experimentation
freedom to operate

PROGRESSING INITIATIVES IN 2019

Holistic Advisors

CMG ▶ Snacking ▶ Total Store

Brick & Mortar ▶ Brick & Mortar + Digital

Digital Transformation

ERP

Analytics and Insights

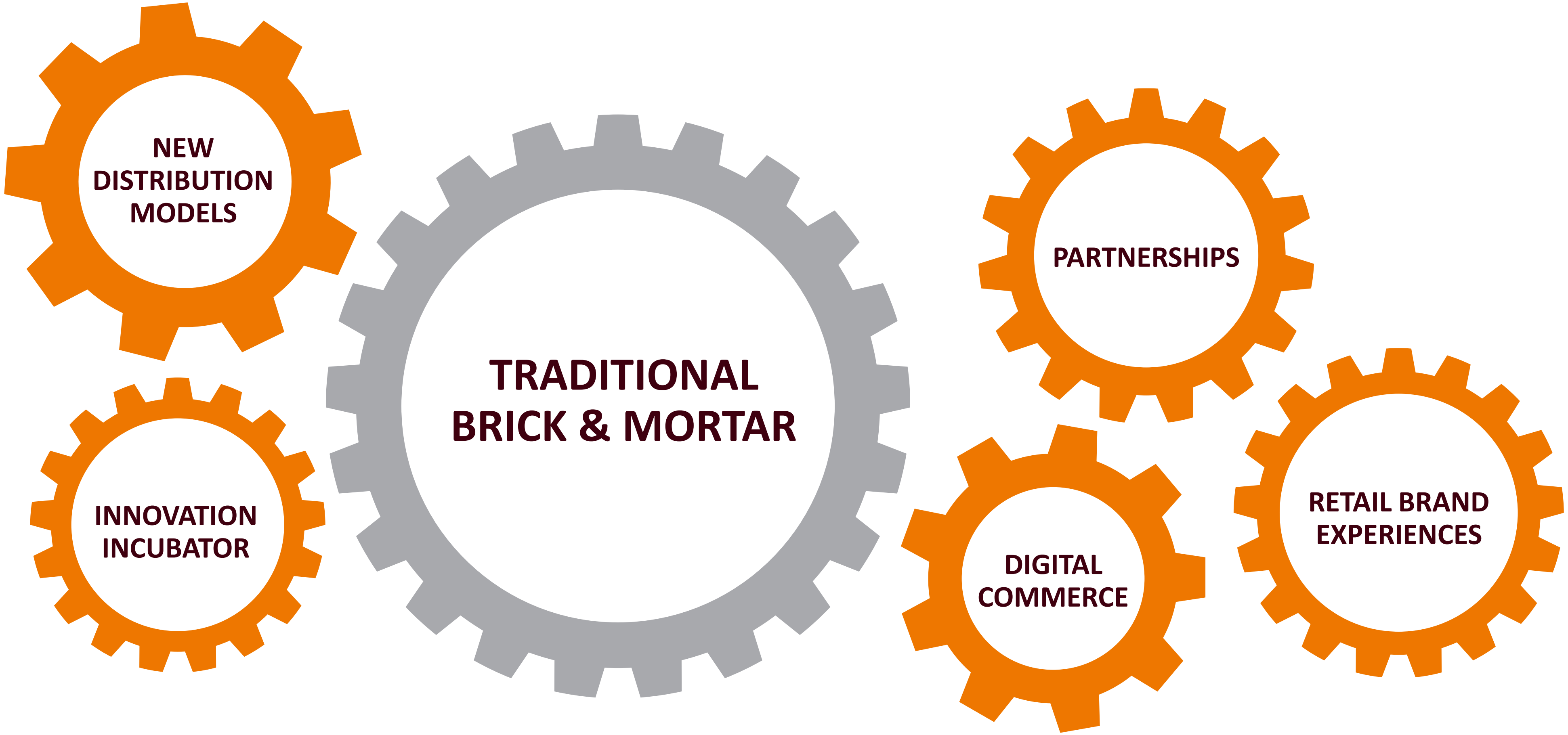
New Data Sources & Tools to Harvest

Supply Chain Evolution

Smart Plants

Late Stage Customization

COMPLEMENTING EXISTING BUSINESS MODEL
TO MEET CHANGING CONSUMER NEEDS



COMPLEMENTING EXISTING BUSINESS MODEL
TO MEET CHANGING CONSUMER NEEDS

DIGITAL COMMERCE

WORRY FREE COLD SHIP ON PRIME ITEMS

Click & Collect

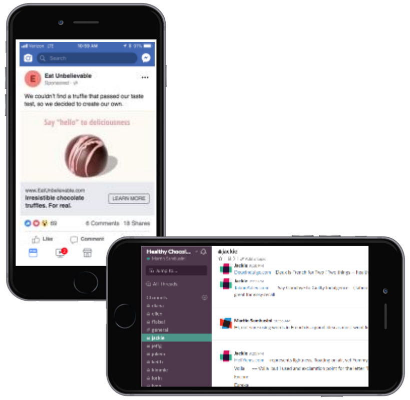
goPuff

NEW DISTRIBUTION MODELS

CARGO

RETAIL BRAND EXPERIENCES

INNOVATION INCUBATOR



PARTNERSHIPS

HERSHEY HAS LEVERAGEABLE, TRANSLATABLE CAPABILITIES TO WIN IN DIGITAL COMMERCE

DIGITAL COMMERCE

MORNING CONSULT

Beloved Brands

#1 most loved brand

Deep Customer Relationships

Ranked #5 overall across all consumer goods manufacturers

ADVANTAGE

Recognized Category Expertise

Ranked #1 by retailers for category management

Strength in Paid & Earned Media

3B earned impressions at product launch

Retailer Profitability

Amongst the highest

SOURCE: MORNING CONSULT, ADVANTAGE, CISION, WILLARD BISHOP

AND WE ARE WINNING

DIGITAL COMMERCE

Winning Share	Trips Increasing	Driving Higher Average Selling Price	Building Bigger Baskets	Maintaining Margin Profile
+230bps 2018	**Online Visits > Offline Trips**	**1.2x to 3.5x** brick and mortar	**1.0x to 3.5x** brick and mortar	Within **100-150 bps** of THC Avg

SOURCE: RETAILER SPECIFIC POS DATA, 2017-2018, COMPANY FINANCIALS

WE KNOW THE KEYS TO SUCCESS
IN DIGITAL COMMERCE

DIGITAL COMMERCE

BE FOUND

Win At Search: The Shelf

KNOW THEM

Journey and Missions

BE LOVED

CRM: The Relationship

BE BRILLIANT

Digital Content: The Pack

BE ON THE LIST

Algorithm and Missions and Models: The Cart

CRM = CONSUMER RELATIONSHIP MARKETING

SHOPPERS NOW HAVE OPTIONS
BEYOND FILLING THEIR OWN BASKETS

DIGITAL COMMERCE

MISSION	Deal Hunting/ Family Snacking Refill	Family Snacking Refill	Family Snacking Refill	Sudden Craving	Special Purpose
MODEL	Ship-to-home ▼ amazon STAPLES	Delivery ▼ Peapod	Pick-up ▼ Walmart Kroger	On-demand ▼ goPuff	DTC ▼ HERSHEY
PORTFOLIO	Large bags, multi-packs of single serve bars	Traditional items found in grocery/mass stores	Traditional items found in grocery/mass stores	Items found in C-store; instant consumable focused	Unique Propositions/ Differentiated portfolio

SEARCH IS THE NEW SHELF

DIGITAL COMMERCE

EYE LEVEL SHELF = FIRST PAGE SEARCH

DIGITAL COMMERCE

ONLINE CONTENT
IS THE NEW PACKAGING

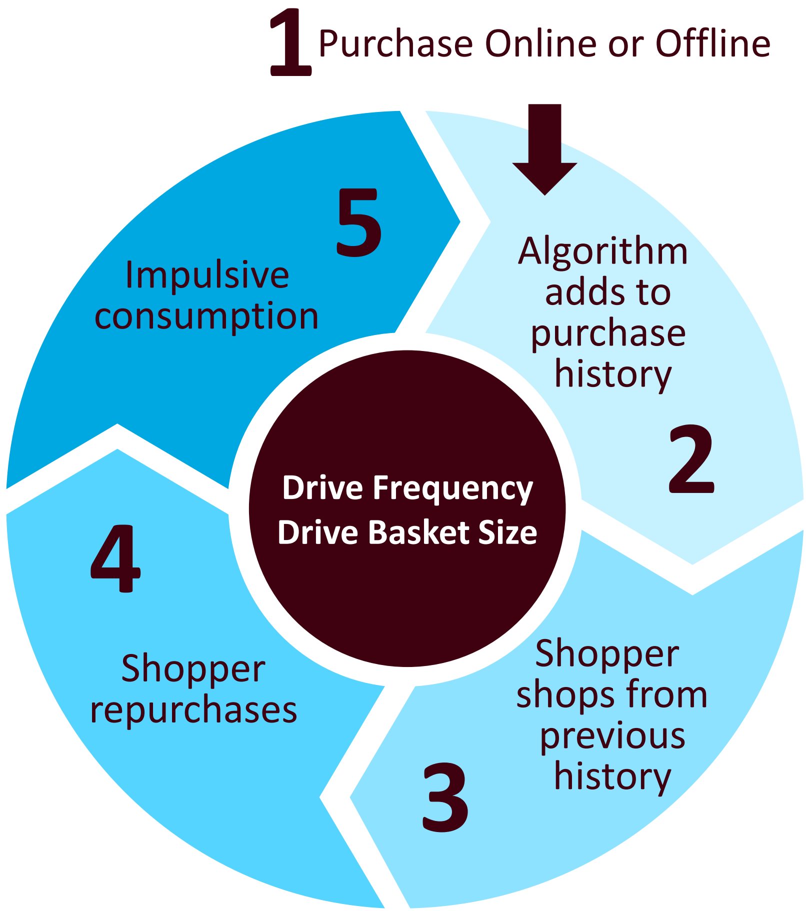
From Foot Stopping
to
Thumb-Stopping

VS

PURCHASE HISTORY IS A GIFT

THAT KEEPS ON GIVING, CREATING THE PERFECT LIST

DIGITAL COMMERCE



**GET ON THE LIST,
GET IN THE PANTRY AND
EXPAND CONSUMPTION**

LEVERAGING CAPABILITIES TO WIN HALLOWEEN

SHARE OF SEARCH

+300 bps

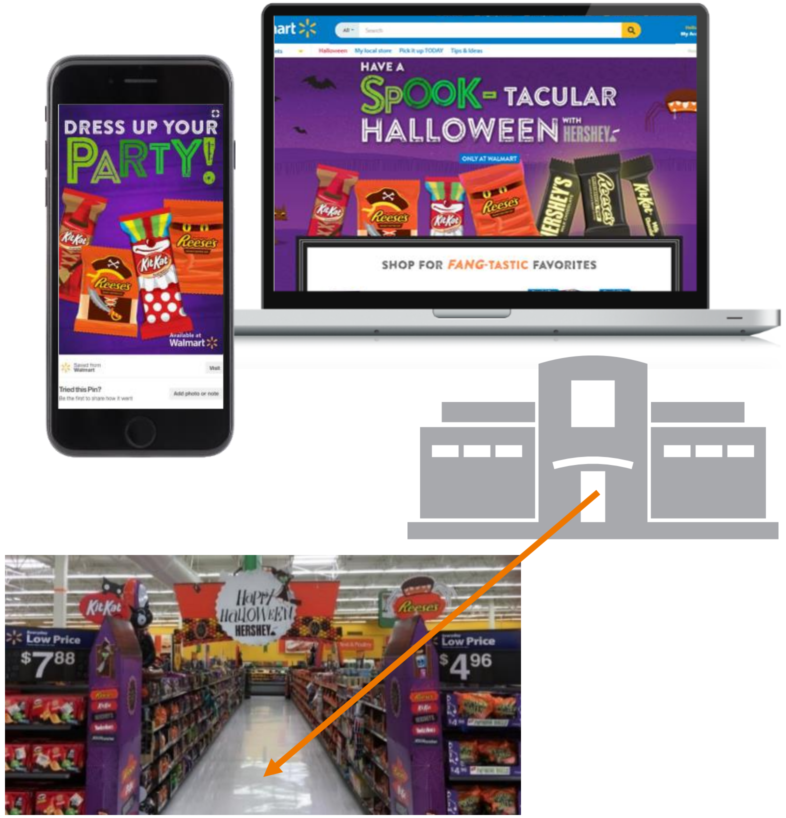
75M unique impressions

DIFFERENTIATED ITEMS AND CONTENT

TARGETED MEDIA

Store level analytics, rapid execution

ACTIVATING ACROSS ECOSYSTEM



SOURCE: RETAILER SPECIFIC POS DATA,

STRATEGIC IMPERATIVES

Undisputed US leader in confection

Capture incremental snacking occasions

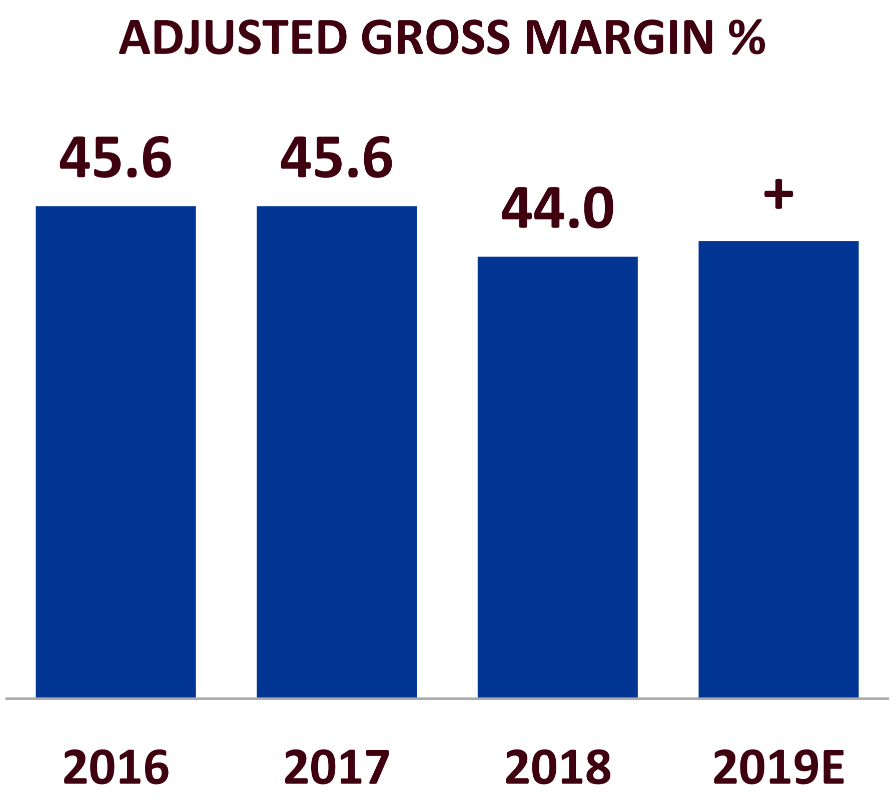
Drive profitable International growth

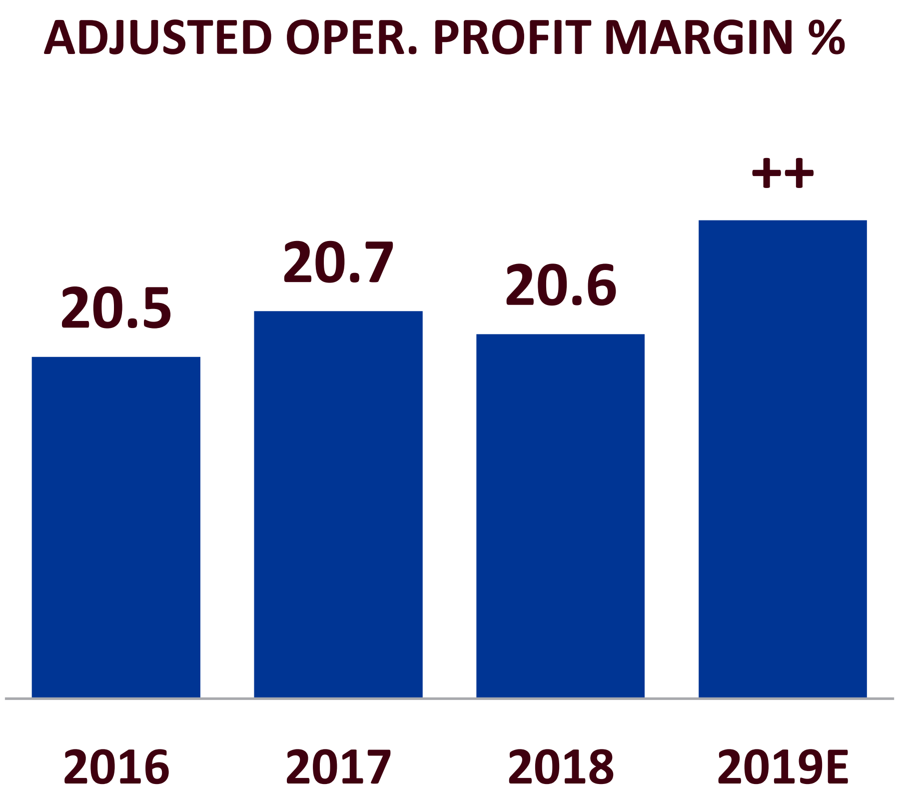
Reallocate resources and optimize cost structure

Expand competitive advantage through differentiated capabilities

A GREAT INVESTMENT

STABILIZING MARGINS

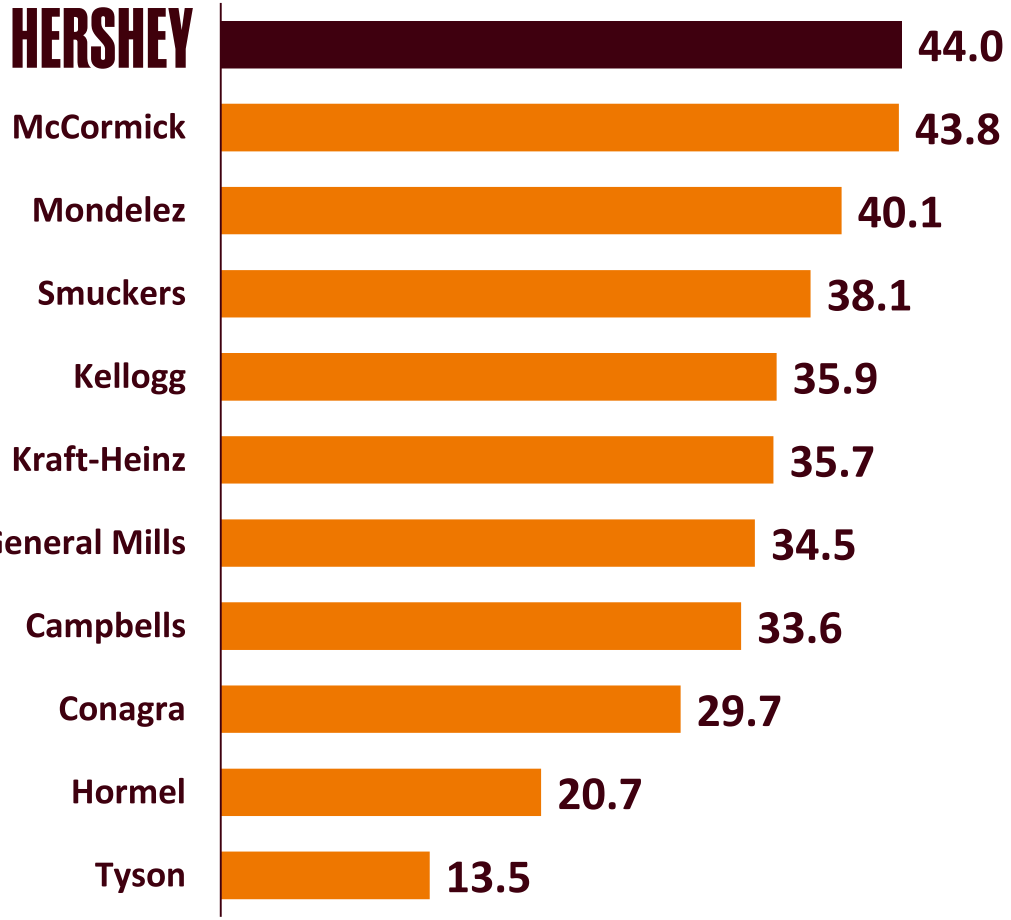




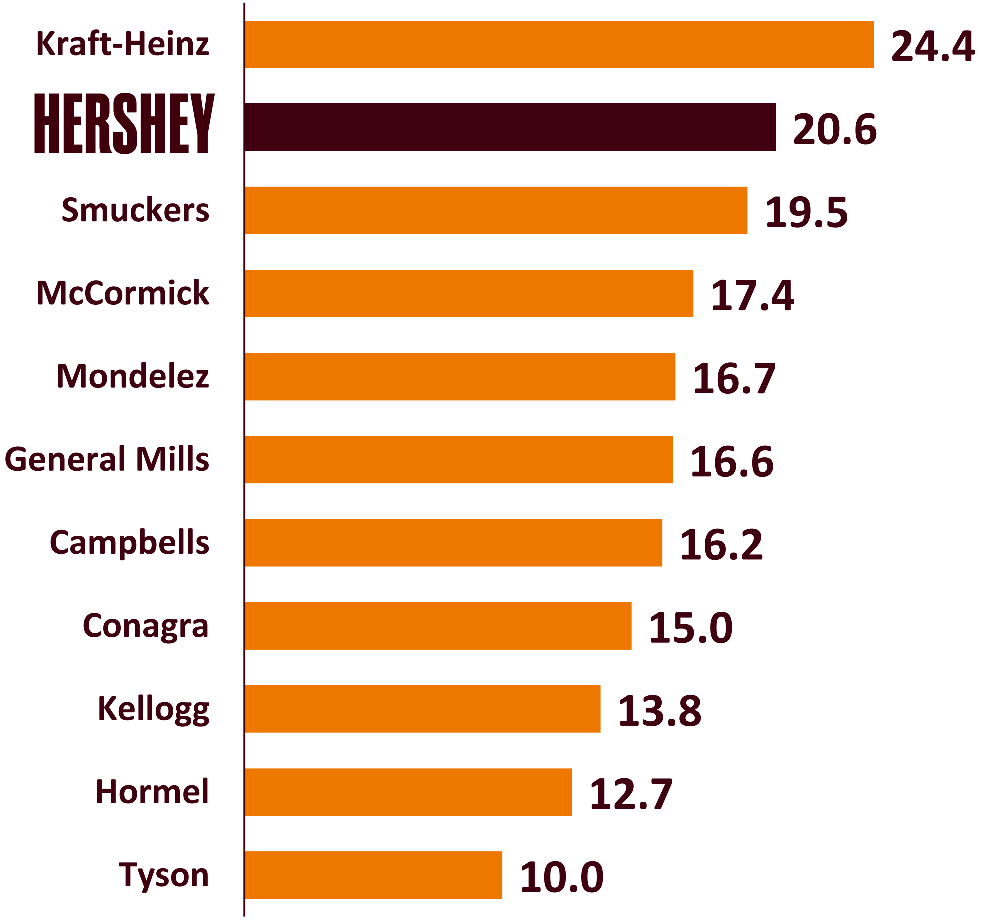
SOURCE: COMPANY FINANCIALS; SEE APPENDIX FOR A RECONCILIATION OF GAAP GROSS MARGIN TO ADJUSTED GROSS MARGIN AND GAAP OPERATING PROFIT MARGIN TO ADJUSTED OPERATING PROFIT MARGIN

ADVANTAGED MARGINS VS PEERS

2018 ADJUSTED GROSS MARGIN %



2018 ADJUSTED OPER. PROFIT MARGIN %



SOURCE: COMPANY FINANCIALS, CREDIT SUISSE

SEE APPENDIX FOR A RECONCILIATION OF HERSHEY GAAP GROSS MARGIN TO ADJUSTED GROSS MARGIN AND HERSHEY GAAP OPERATING PROFIT MARGIN TO ADJUSTED OPERATING PROFIT MARGIN

LEVERS FOR GROSS MARGIN EXPANSION

FIXED COST LEVERAGE

NEW MANUFACTURING CAPABILITIES/TECHNOLOGY

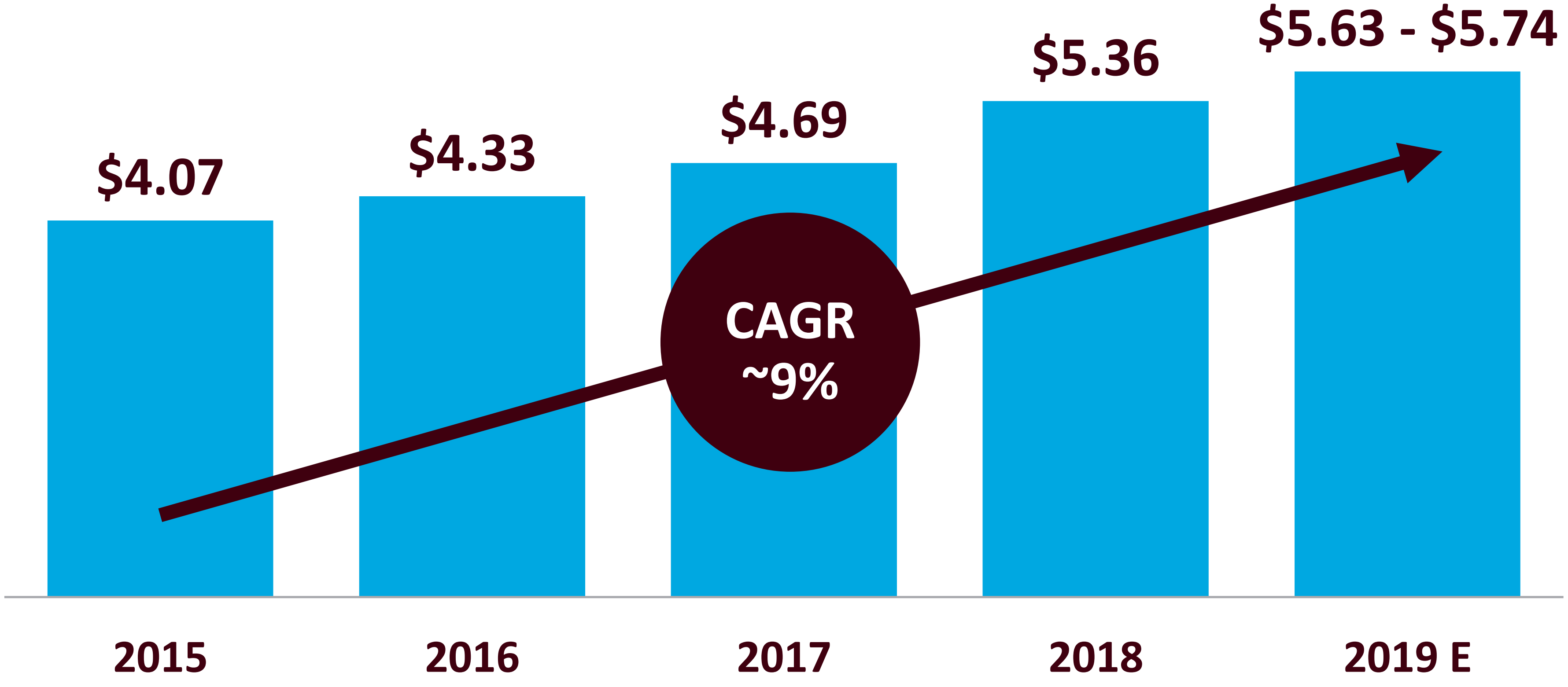
NET PRICE REALIZATION

PRODUCTIVITY

PACKAGING OPTIMIZATION

OUR EPS REMAINS STRONG

ADJUSTED EPS

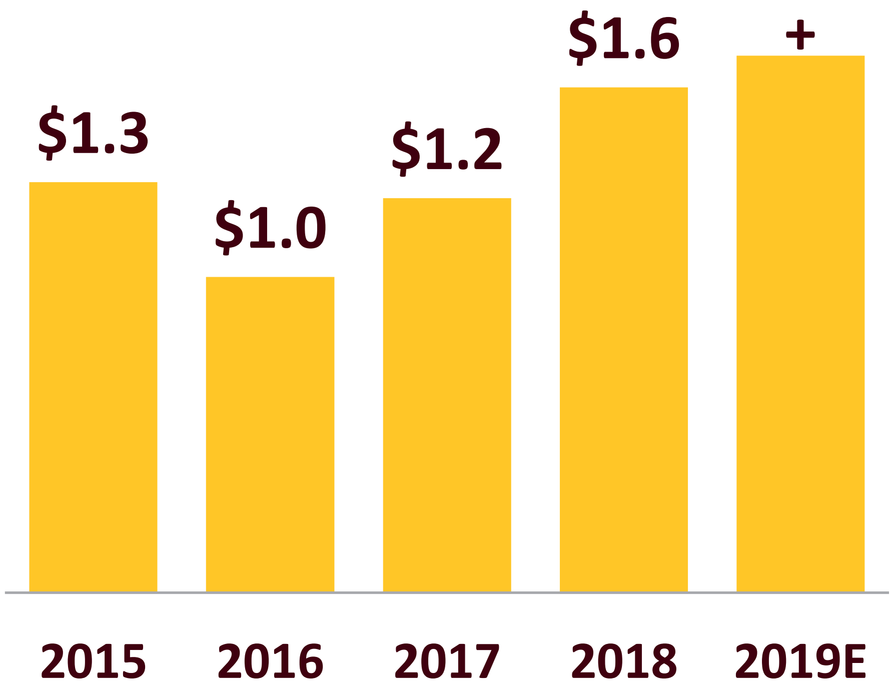


HERSHEY 125 YEARS

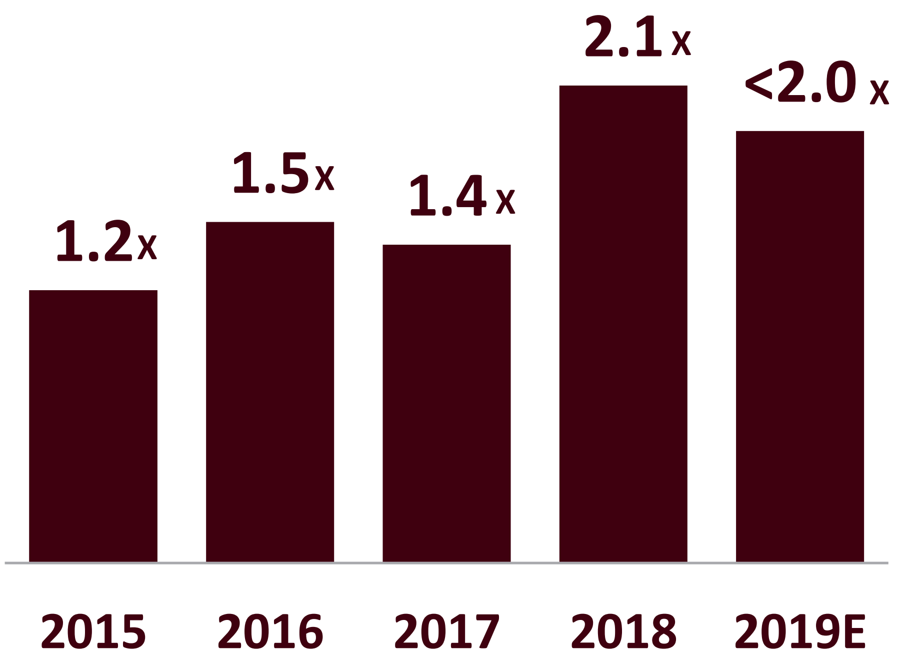
SOURCE: COMPANY FINANCIALS; SEE APPENDIX FOR A RECONCILIATION OF GAAP EPS TO ADJUSTED EPS

STRONG CASH FLOW,
HEALTHY BALANCE SHEET

OPERATING CASH FLOW ($B)



NET DEBT TO ADJUSTED EBITDA



A/A1 DEBT RATING (S&P/MOODY'S)

HERSHEY 125 YEARS

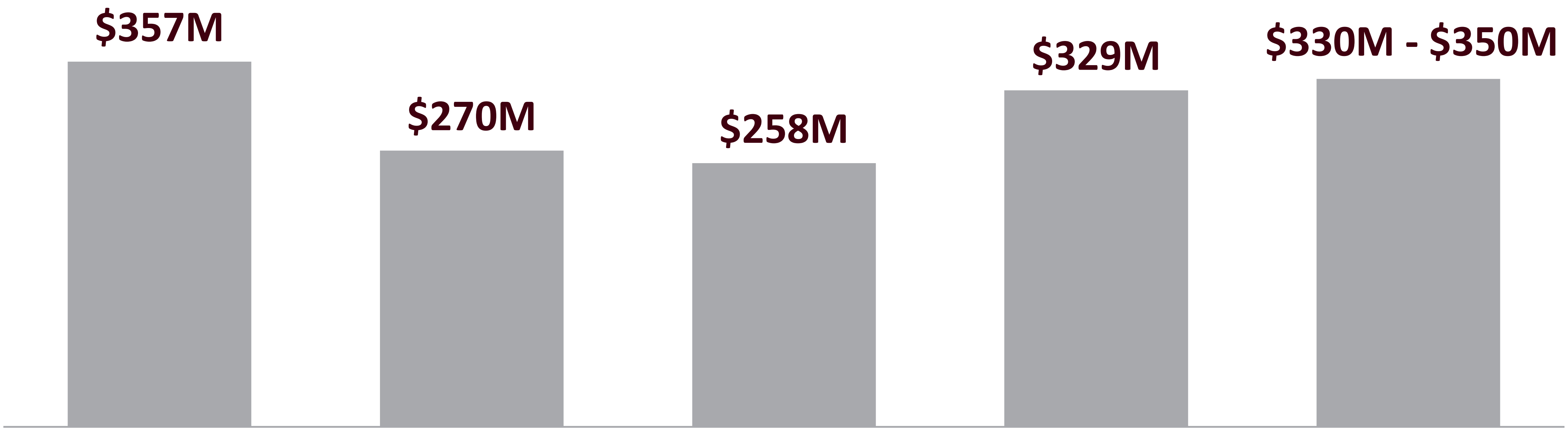
SOURCE: COMPANY FINANCIALS

CASH FLOW PRIORITIES

HERSHEY 125 YEARS

CAPITAL EXPENDITURES

#1
BUSINESS GROWTH
(INCL. M&A)



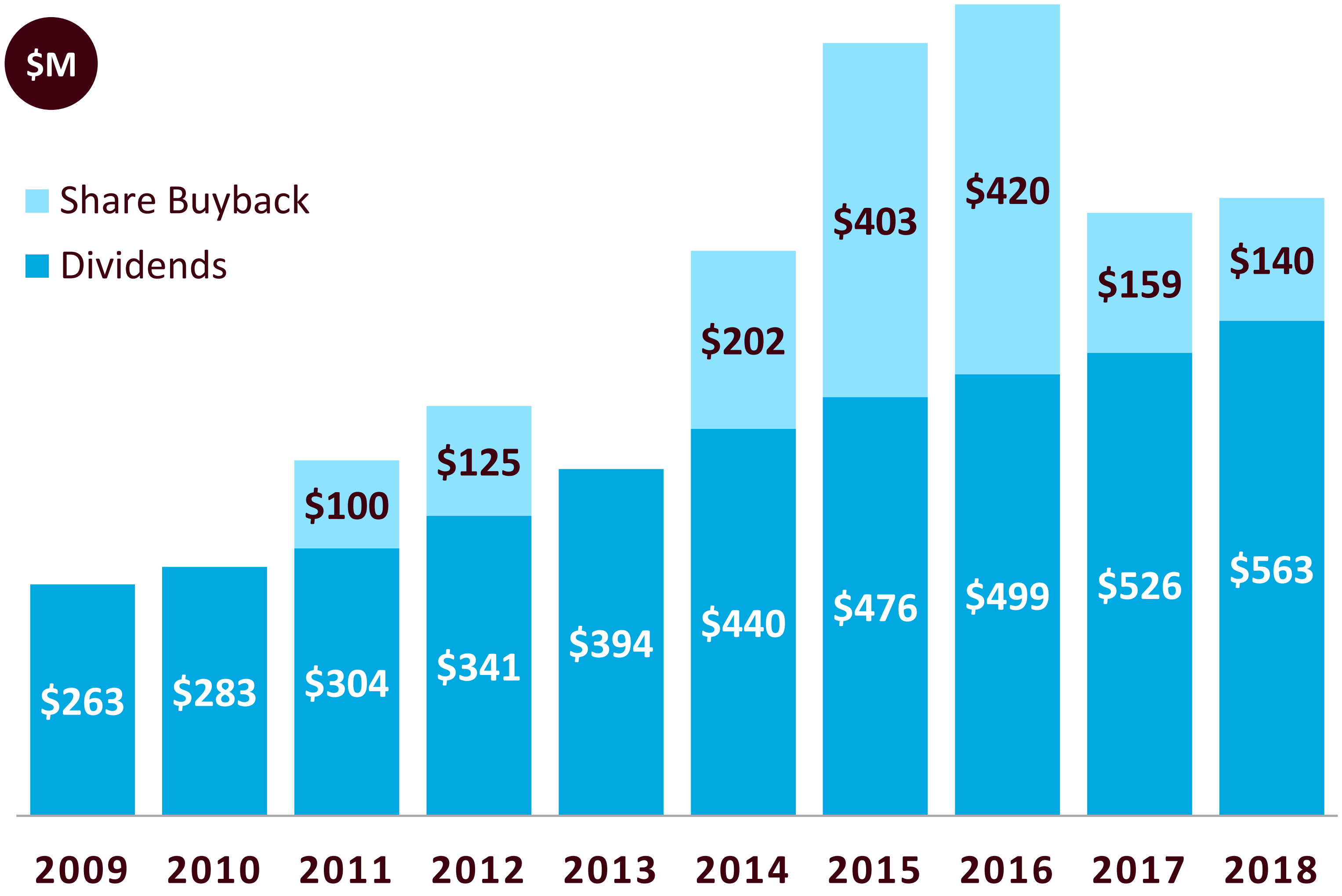
	2015	2016	2017	2018	2019E
% OF NET SALES	4.8%	3.6%	3.4%	4.2%	Slightly > 4%

Cap Ex will remain slightly elevated through 2020 due to ERP implementation

SOURCE: COMPANY FINANCIALS

CASH RETURNED TO SHAREHOLDERS

#2 & #3
DIVIDENDS & SHARE BUYBACKS



SOLID TRACK RECORD
OF RETURNING
CASH TO SHAREHOLDERS

~$5.7B IN DIVIDENDS AND SHARE REPURCHASES*
OVER THE LAST 10 YEARS

COMMITTED TO A
DIVIDEND PAYOUT RATIO
OF AT LEAST 50%

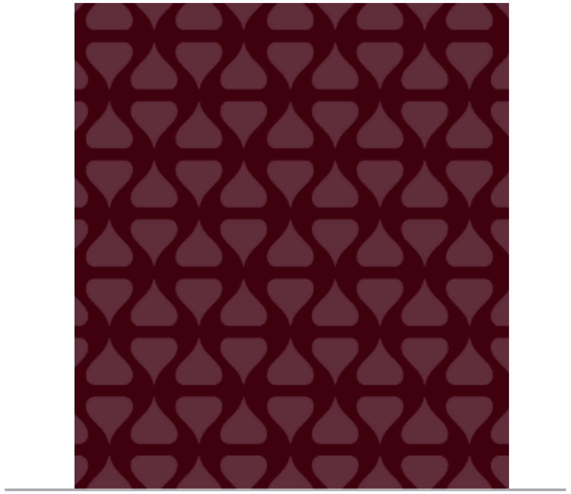
*EXCLUDES SHARES REPURCHASED IN CONNECTION WITH THE EXERCISE OF STOCK OPTIONS

TARGETED CAPITAL STRUCTURE

#4 DEBT REDUCTION

TARGET RANGE
NET DEBT / ADJ. EBITDA

1.5x to 2.0x



Current debt level of 2.1x

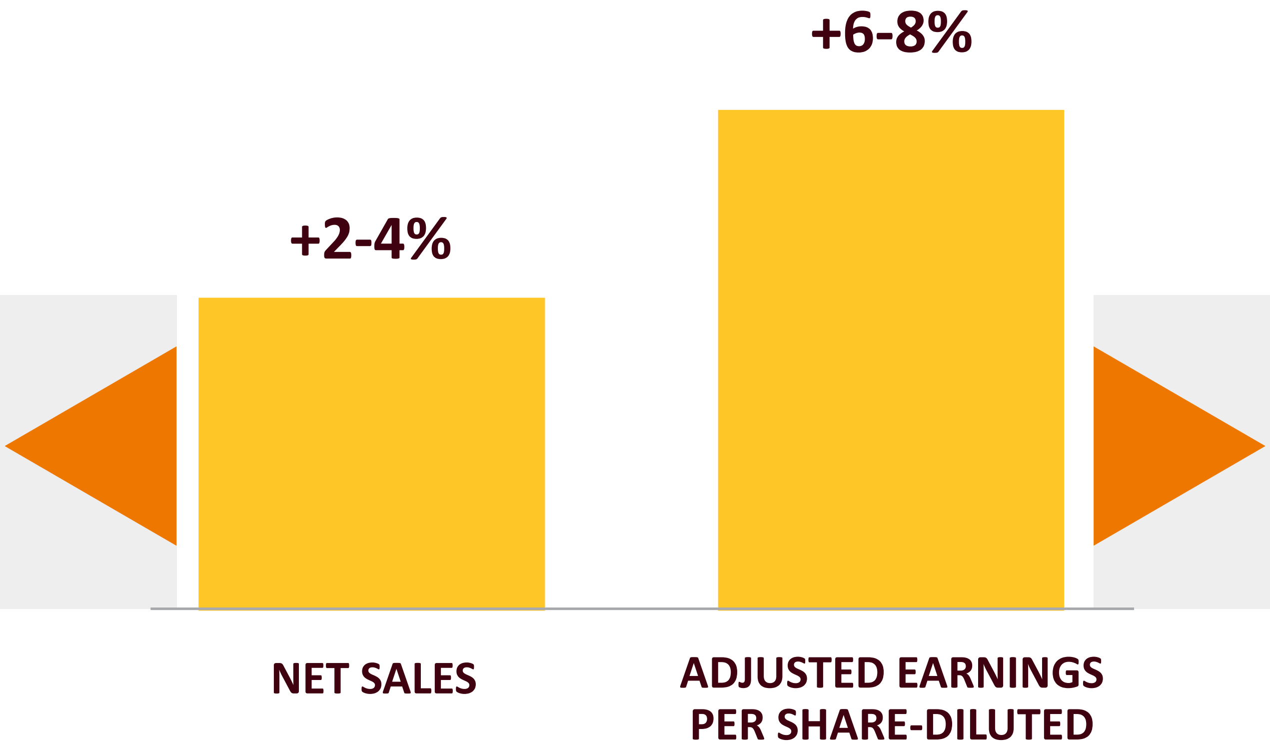
Would consider Net Debt/Adjusted EBITDA greater than **2.0x** for strategic acquisition

Given strong cash flow LTD trades in line with our "A" rating

SOURCE: COMPANY FINANCIALS

LONG-TERM SALES & EPS TARGET

NA CMG	1.5 - 2.0pts
NA Snacks	0.5pts
Int’l	0.5pts
M&A	0.5pts



Fixed cost leverage, margin improvement via COGS and SG&A

NET SALES IN CONSTANT CURRENCY

2019 OUTLOOK REAFFIRMED

	CHG. VS. 2018
NET SALES	+1% to +3%
ADJUSTED EPS	+5% to +7%

HERSHEY 125 YEARS

SEE APPENDIX FOR A RECONCILIATION OF GAAP TO ADJUSTED EPS

TODAY'S KEY TAKEAWAYS

We are executing against our strategic plans

We have differentiated assets and capabilities and are taking bold steps to secure our future

We are driving shareholder value and delivering on our financial commitments

APPENDIX

APPENDIX

Reconciliation of GAAP and Non-GAAP Information

Below is a reconciliation of projected 2019 earnings per share-diluted calculated in accordance with GAAP to non-GAAP adjusted earnings per share-diluted:

	2019 (Projected)
Reported EPS – Diluted	$5.50 - $5.66
Business realignment activities	$0.01 - $0.02
Acquisition-related costs	$0.04 - $0.06
Pension settlement charges relating to Company-directed initiatives	$0.03 - $0.05
Adjusted EPS – Diluted	$5.63 - $5.74

Adjusted Gross Margin and Adjusted Operating Profit Margin for 2019 are non-GAAP financial measures that exclude or otherwise have been adjusted for items impacting comparability, including the impact of changes in foreign currency exchange rates, business realignment activities, acquisition-related costs and pension settlement charges. We are not able to reconcile these forward-looking non-GAAP financial measures to their most directly comparable forward-looking GAAP financial measures without unreasonable efforts because we are unable to predict with a reasonable degree of certainty the actual impact of changes in foreign currency exchange rates, business realignment activities, acquisition-related costs and pension settlement charges. The unavailable information could have a significant impact on our full year 2019 GAAP financial results.

APPENDIX

Reconciliation of GAAP and Non-GAAP Information

For the year ended December 31,	2018				
In millions of dollars except per share amounts	Gross Profit	Operating Profit	Interest Expense, net	Net Income	Income Per Share-Diluted
GAAP results	$ 3,575.3	$ 1,623.7	$ 138.8	$ 1,177.6	$ 5.58
Adjustments:					
Derivative mark-to-market gains	(168.3)	(168.3)	--	(152.5)	(0.72)
Business realignment activities	11.3	51.8	--	38.9	0.18
Acquisition-related costs	6.2	44.8	--	35.7	0.18
Pension settlement charges relating to Company-directed initiatives	--	--	--	4.1	0.02
Long-lived and intangible asset impairment charges	--	57.7	--	41.9	0.20
Impact of U.S. tax reform	--	--	--	(7.8)	(0.04)
Noncontrolling interest share of business realignment and impairment charges	--	--	--	(6.3)	(0.03)
Gain on sale of licensing rights	--	(2.7)	--	(1.5)	(0.0)
Non-GAAP results	$ 3,424.6	$ 1,607.1	$ 138.8	$ 1,130.1	$ 5.36
GAAP Depreciation & Amortization		295.1			
Accelerated Depreciation		(9.1)			
Adjusted Non-GAAP EBITDA		$ 1,893.1			

* Primarily accelerated depreciation related to the Operational Optimization Program, included in business realignment adjustment

For the year ended December 31,	2018
As reported gross margin	45.9%
Non-GAAP gross margin (1)	44.0%
As reported operating profit margin	20.8%
Non-GAAP operating profit margin (2)	20.6%

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

HERSHEY 125 YEARS

APPENDIX

Reconciliation of GAAP and Non-GAAP Information

For the year ended December 31,	2017				
In millions of dollars except per share amounts	Gross Profit	Operating Profit	Interest Expense, net	Net Income	Income Per Share-Diluted
GAAP results	$ 3,455.4	$ 1,313.4	$ 98.3	$ 783.0	$ 3.66
Adjustments:					
Derivative mark-to-market gains	(35.3)	(35.3)	--	(30.5)	(0.14)
Business realignment activities	5.1	69.4	--	51.0	0.25
Acquisition-related costs	--	0.3	--	0.2	--
Pension settlement charges relating to Company-directed initiatives	--	--	--	6.8	0.02
Long-lived and intangible asset impairment charges	--	208.7	--	185.4	0.87
Impact of U.S. tax reform	--	--	--	32.5	0.15
Noncontrolling interest share of business realignment and impairment charges	--	--	--	(26.8)	(0.12)
Non-GAAP results	$ 3,425.2	$ 1,556.5	$ 98.3	$ 1,001.5	$ 4.69
GAAP Depreciation & Amortization		261.9			
Accelerated Depreciation		(6.9)			
Adjusted Non-GAAP EBITDA		$ 1,811.5			

* Primarily accelerated depreciation related to the Operational Optimization Program, included in business realignment adjustment

For the year ended December 31,	2017
As reported gross margin	46.0%
Non-GAAP gross margin (1)	45.6%
As reported operating profit margin	17.5%
Non-GAAP operating profit margin (2)	20.7%

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

APPENDIX

Reconciliation of GAAP and Non-GAAP Information

For the year ended December 31,	**2016**				
In millions of dollars except per share amounts	**Gross Profit**	**Operating Profit**	**Interest Expense, net**	**Net Income**	**Income Per Share-Diluted**
GAAP results	$ 3,169.5	$ 1,255.2	$ 90.1	$ 720.0	$ 3.34
Adjustments:					
Derivative mark-to-market adjustment	163.2	163.2	--	142.7	0.66
Acquisition-related costs	--	6.5	--	4.0	0.02
Business realignment activities	58.1	93.9	--	79.9	0.38
Pension settlement charges relating to Company-directed initiatives	-	-	--	8.5	0.04
Goodwill and other intangible asset impairment	--	4.2	--	3.0	0.01
Settlement of Shanghai Golden Monkey Liability	--	--	--	(26.7)	(0.12)
Non-GAAP results	$ 3,390.9	$ 1,523.0	$ 90.1	$ 931.6	$ 4.33
GAAP Depreciation & Amortization		301.8			
Accelerated Depreciation		(48.6)			
Adjusted Non-GAAP EBITDA		$ 1,776.2			

* Primarily accelerated depreciation related to the Operational Optimization Program, included in business realignment adjustment

For the year ended December 31,	**2016**
As reported gross margin	42.6%
Non-GAAP gross margin (1)	45.6%
As reported operating profit margin	16.9%
Non-GAAP operating profit margin (2)	20.5%

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

APPENDIX

Reconciliation of GAAP and Non-GAAP Information

For the year ended December 31,	2015				
In millions of dollars except per share amounts	Gross Profit	Operating Profit	Interest Expense, net	Net Income	Income Per Share-Diluted
GAAP results	$ 3,386.6	$ 1,075.8	$ 105.8	$ 513.0	$ 2.32
Adjustments:					
Acquisition-related costs	7.3	20.9	1.6	14.2	0.05
Business realignment activities	8.8	110.8	--	73.0	0.33
Pension settlement charges relating to Company-directed initiatives	-	-	--	6.3	0.03
Goodwill and other intangible asset impairment	--	280.8	--	280.8	1.28
Loss on early extinguishment of debt	--	--	28.3	17.6	0.09
Gain on sale of trademark	--	--	--	(6.3)	(0.03)
Non-GAAP results	$ 3,402.7	$ 1,488.3	$ 135.7	$ 898.6	$ 4.07
GAAP Depreciation & Amortization		244.9			
Accelerated Depreciation		(5.9)			
Adjusted Non-GAAP EBITDA		$ 1,727.3			

* Primarily accelerated depreciation related to other international restructuring programs, included in business realignment adjustment

For the year ended December 31,	2015
As reported gross margin	45.8%
Non-GAAP gross margin (1)	46.1%
As reported operating profit margin	14.6%
Non-GAAP operating profit margin (2)	20.1%

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

APPENDIX

Reconciliation of GAAP Net Sales Growth rates to Organic Constant Currency Net Sales Growth rates

International and Other segment	2019 (Projected)
Reported Net Sales Growth	3.3%
Business divistitures	2.3%
Foreign Currency Exchange Rates	0.2%
Organic Constant Currency Net Sales Growth	5.8%

APPENDIX

Reconciliation of GAAP Net Sales Growth rates to Organic Constant Currency Net Sales Growth rates

	Twelve Months Ended December 31, 2018		
	Percentage Change as Reported	Impact of Foreign Currency Exchange	Percentage Change on Constant Currency Basis
International and Other segment			
Mexico	4.3%	(1.9)%	6.2%
Brazil	(4.7)%	(13.1)%	8.4%
India	21.5%	(4.8)%	26.3%
China[1]	(20.5)%	1.0%	(21.5)%
Total International and Other segment	(0.5)%	(1.8)%	1.3%
Total Company	3.7%	(0.2)%	3.9%

[1] China results reflect the divestiture of the company's Shanghai Golden Monkey business. Excluding this business, organic constant currency net sales growth was approximately 7% for the full year 2018.

HERSHEY 125 YEARS

APPENDIX

Reconciliation of GAAP Net Sales Growth rates to Organic Constant Currency Net Sales Growth rates

	Twelve Months Ended December 31, 2017		
	Percentage Change as Reported	Impact of Foreign Currency Exchange	Percentage Change on Constant Currency Basis
International and Other segment			
Mexico	9.7%	(1.1)%	10.8%
Brazil	19.9%	9.4%	10.5%
India	17.0%	3.2%	13.8%
China	(18.1)%	(0.8)%	(17.3)%
Total International and Other segment	(1.4)%	0.6%	(2.0)%
Total Company	1.0%	0.2%	0.8%

APPENDIX

Reconciliation of GAAP Net Sales Growth rates to Organic Constant Currency Net Sales Growth rates

	Twelve Months Ended December 31, 2016		
	Percentage Change as Reported	Impact of Foreign Currency Exchange	Percentage Change on Constant Currency Basis
International and Other segment			
Mexico	(8.5)%	(16.0)%	7.5%
Brazil	15.7%	(6.0)%	21.7%
India	(26.6)%	(3.6)%	(23.0)%
China	(0.3)%	(4.9)%	4.6%
Total International and Other segment	(1.2)%	(4.4)%	3.2%
Total Company	0.7%	(0.7)%	1.4%