
Fowl Financiers Hershey's Analysis

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Confectionary Industry

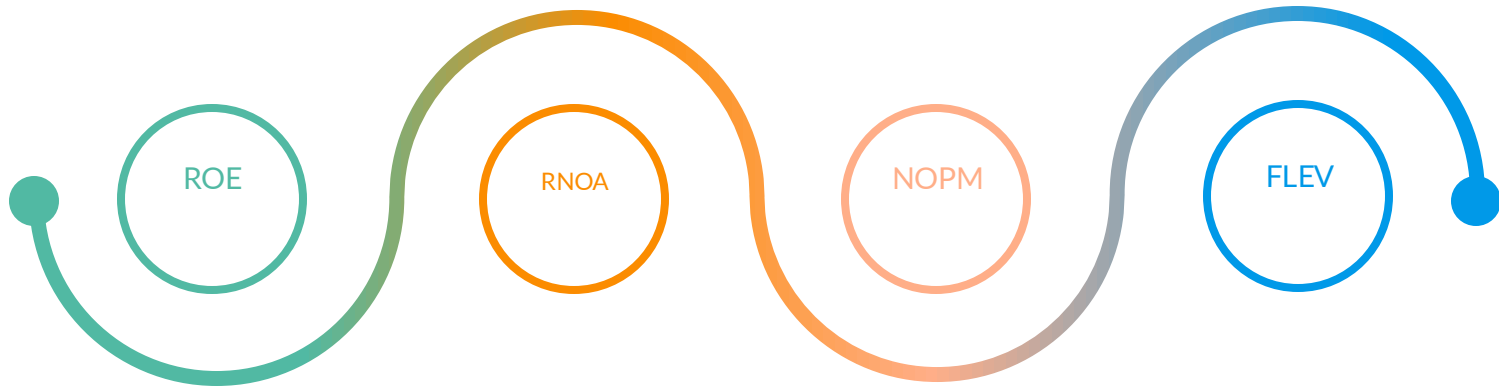
S - Brand Recognition, Product Diversity, Market Leadership

W - Supply Chain Dependence, Domestic Market Focus, Raw Material Sensitivity

O - Global Expansion, Health Products, Social Media

T - Intense Competition, Negative Publicity, Climate Change

Current Profitability



Disaggregated Return on Equity

Stable over 50% showing how Hershey's uses its equity to make a profit each year

Return on Operating Assets Increase

Consistent increase from the past 3 years, indicating improvement in operational returns

Net Operating Profit Margin Increases YoY

Profit margin drives the performance and indicates pricing strength

Financial Leverage Decrease

Decrease financial risk while increasing operational performance

\$301.16

Hershey's Value Estimate

Sensitivity Analysis

Assumptions			
	Base Value	Lower	Upper
Sales Growth	2.00%	1.00%	3.00%
WACC	5.61%	4.61%	6.61%
Terminal Growth	1.00%	0.50%	1.50%
Stock Price	\$ 301.16	\$ 313.33	\$289.18

Actual Closing Stock Price on March 26, 2025
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\$168.52

Major Assumptions

Growth Rate
2.00%

**Statutory
Tax Rate**
21%

WACC
5.61%

**Other
Assumptions**

Issue Identified

Financial Metric Motivation:

Focus on Free Cash Flow could have had a direct impact on Executive decision making, prioritizing short-term performance