Hormel Foods

BMO CAPITAL MARKETS



10th Annual Farm to Market Conference

May 20–21, 2015 | New York City

foods for the way we live

Jeff Ettinger

Chairman, President and CEO

Legal Disclosure

This presentation contains forward-looking information based on management's current views and assumptions. Actual events may differ materially. Please refer to the cautionary statement regarding Forward-Looking Statements and Risk Factors on pages 29-36 in the Company's Form 10-Q for the fiscal quarter ended January 25, 2015 for more details.

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2015
Second Quarter Results

Revenue	
In millions	
2014 Q2	$2,245
2015 Q2	$2,279
+ 2%	

Earnings per share	
2014 Q2	$0.52
2015 Q2	$0.67
+ 29%	

- Record sales and earnings for the quarter
- All five segments delivered operating profit growth

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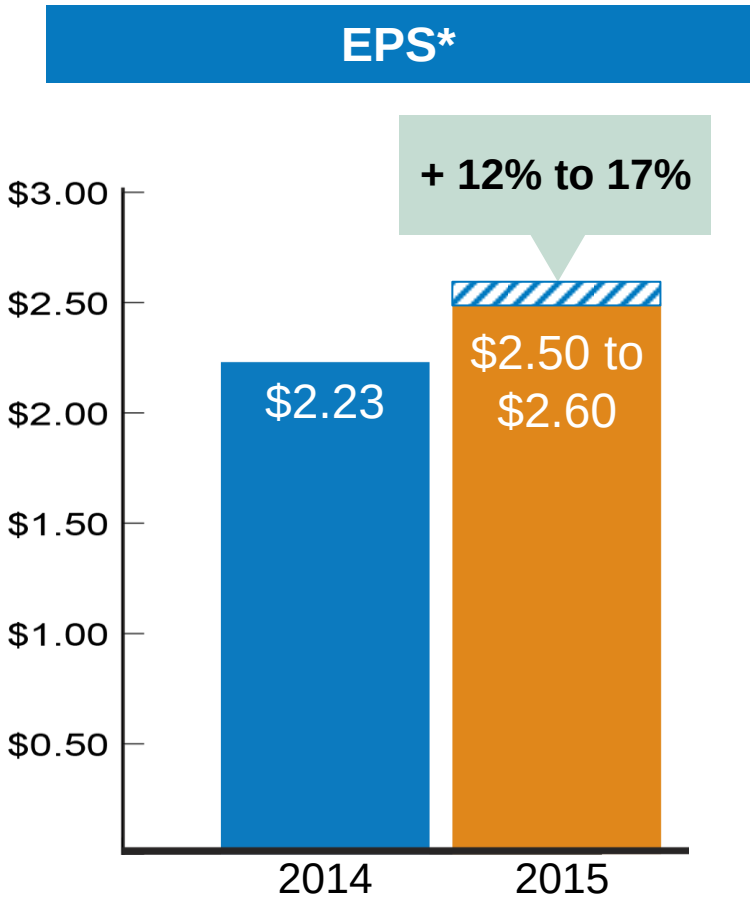
2015 Second Quarter

Segment Results

	Net Sales Change	Segment Profit Change
Grocery Products	+ 1%	+ 1%
Refrigerated Foods	- 8%	+ 52%
Jennie-O Turkey Store	+ 15%	+ 41%
Specialty Foods	+ 32%	+ 11%
International & Other	- 7%	+ 2%

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2015 Outlook
Growth Amidst Volatility



- Grocery Products and Refrigerated Foods
  - Input cost deflation
- Specialty Foods
  - Improved 2H15 contribution from CytoSport
- International
  - Growth in China
- Jennie-O Turkey Store
  - Avian Influenza

*2015 EPS range excludes pre-tax nonrecurring charges relating to the closure of the Stockton, California, manufacturing facility ($10.5 million) and exit of international joint venture businesses ($9.5 million).

Avian Influenza

- Turkey impact greatest in Minnesota
  - Approximately 55 farms affected in the Jennie-O Turkey Store supply chain
  - Spread of virus seems to be slowing in Minnesota
  - Continuing to work with USDA, APHIS, and other veterinary organizations



- Jennie-O Turkey Store projected impact
  - 2H15 sales down 15% compared to 2H14
  - 2H15 segment margin guidance: 10% to 12%

Strong Brands Supporting Growth

At least

30 BRANDS

have

#1 OR #2

MARKET SHARE POSITIONS IN THEIR CATEGORY



Supporting Brand Growth











Recent Acquisitions

Complement Growth and Diversify Portfolio







Accelerating Growth

New Product Development

$1 billion by 2009

$2 billion by 2012

$3 billion by 2016



3 BRANDS

listed in the

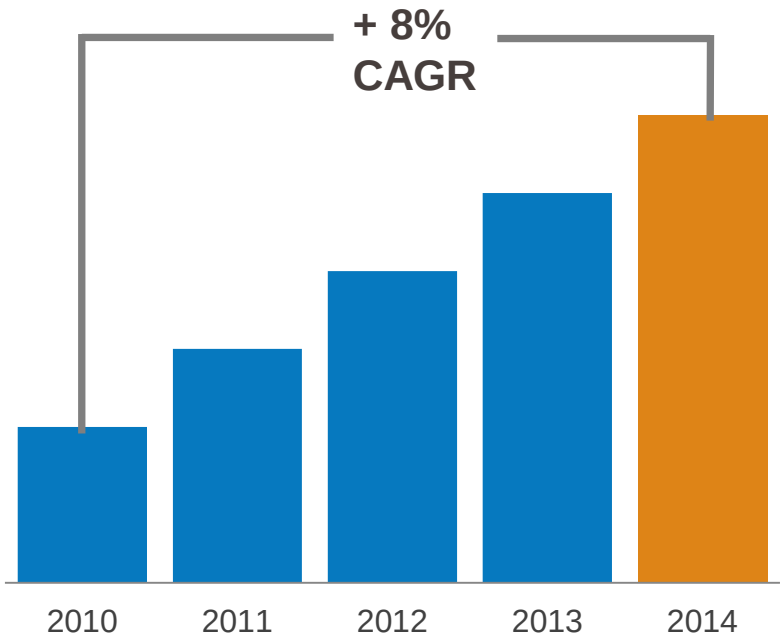
2014 IRI PACESETTERS



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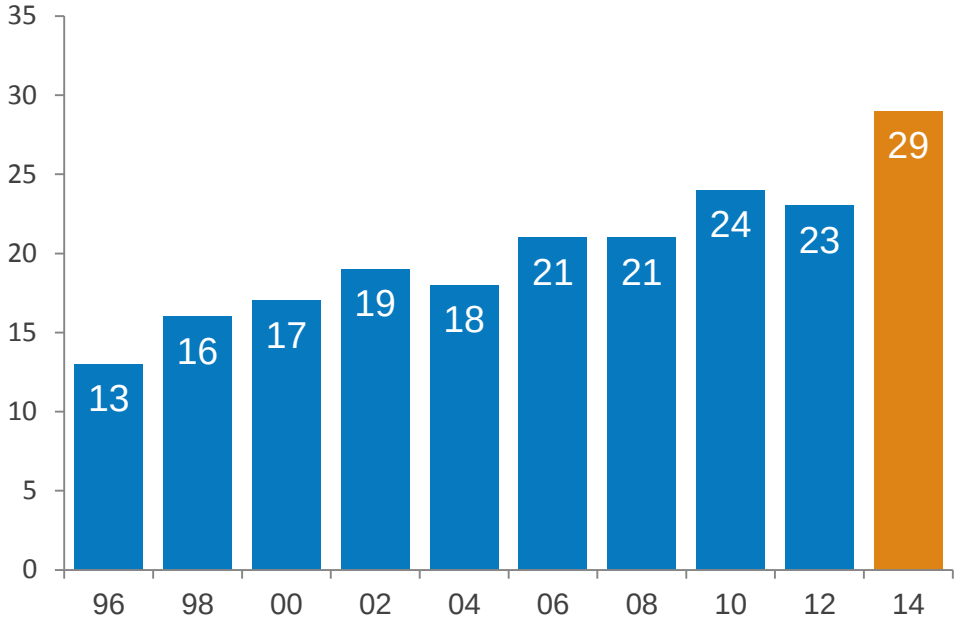
Distribution Growth

Distribution Growth



IRI Total US - Multi Outlet - 12/2010 thru 12/2014 -
Retail Total Points of Distribution

Percent of Individuals Consuming Hormel Foods Products



Reported in an average two week period
Source: The NPD Group's National Eating Trends service; Years ending Feb. except latest period

Long Runway for Growth

Low Household Penetration (HHP)

Turkey Burgers 3%
Category 6%

REV® 4%
Category 30%

Party Trays 6%
Category 7%

Hormel®
Natural Choice® 7%
Category 80%

Refrigerated
Guacamole 7%
Category 14%

Hormel® *COMPLEATS*® 9%
Category 14%

SPAM® 12%
Category 14%

Ground Turkey 13%
Category 26%

Pepperoni 22%
Category 31%

IRI US Panel Data for 52 Weeks ended 2/22/15

Recent Trip to London

FINANCIAL TIMES
WORLD BUSINESS NEWSPAPER

Warren's buffet

Selected Brands	Mondelez	Campbell Soup	General Mills	Kellogg Co	Hormel Foods	Hershey	JM Smucker
Market Caplitalization ($bn)	57.7	14.2	31.7	22.4	14.9	22.2	13.5
Net Debt ($bn)	13.5	3.7	7.8	6.3	-0.3	1.5	2.0
Valuation Multiple**	13.8	12.0	12.4	11.9	12.4	13.5	11.9

FT Graphic. Sources: Bloomberg; S&P Capital IQ; Companies; FT Research

*Estimated earnings before interest, taxes, depreciation and amortization/sales
** Enterprise value/ebitda

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Small Town Headquarters

Austin, Minnesota

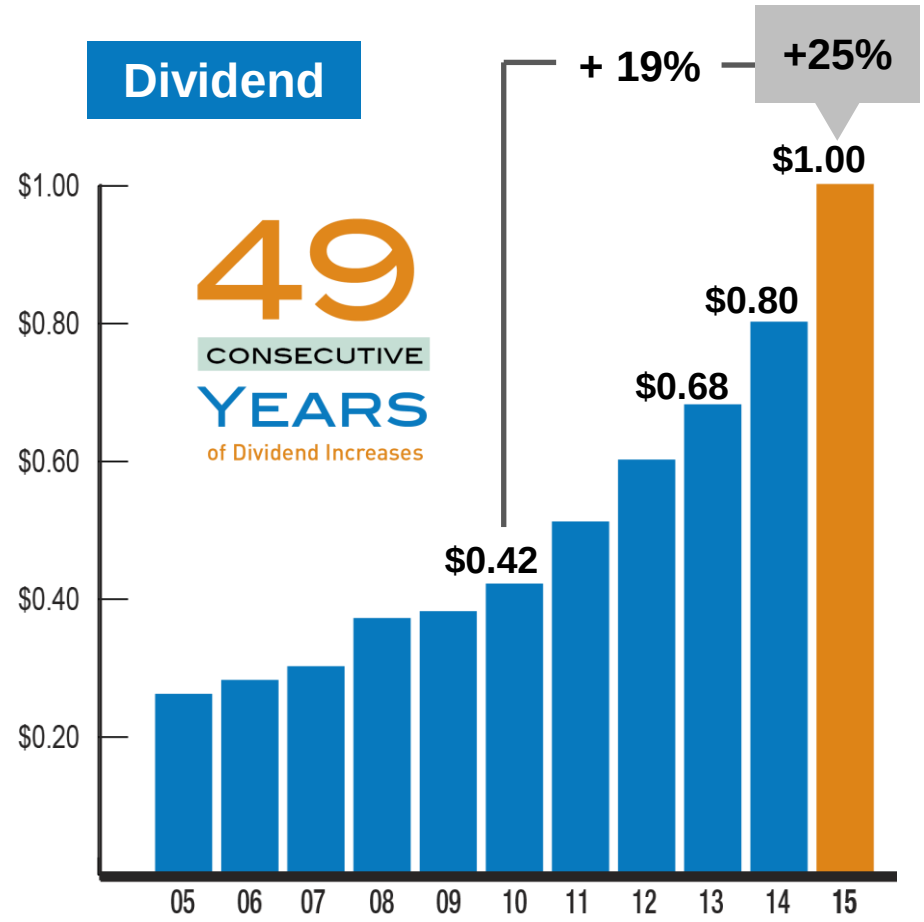


- Fosters long-term careers
- Good corporate citizen
- Financially conservative
- Foundation ownership enables long-term financial perspective

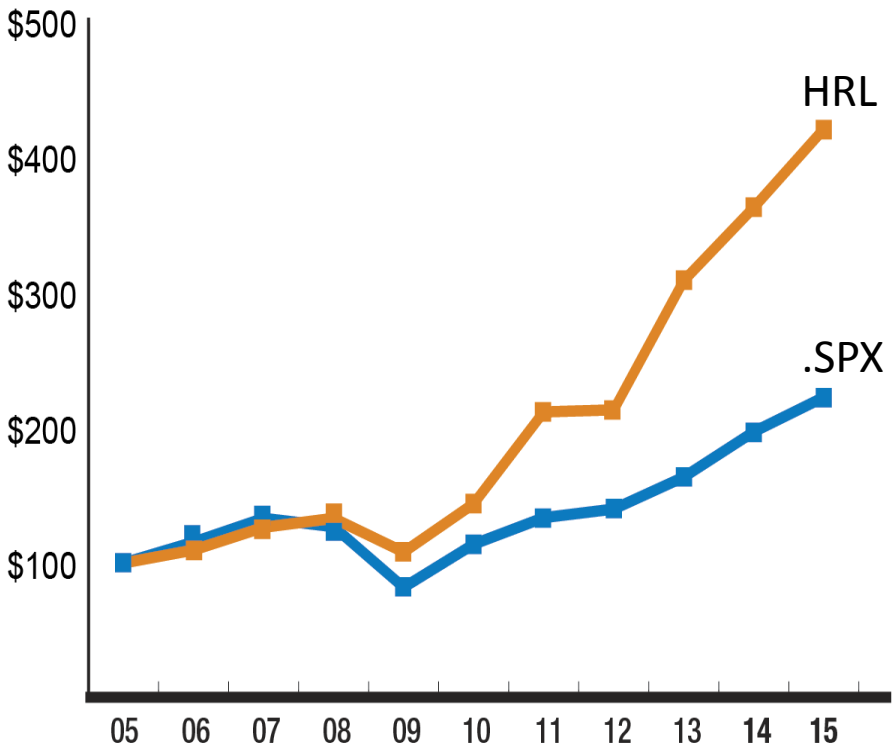
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Dividend Growth

Dividend



Stock Performance



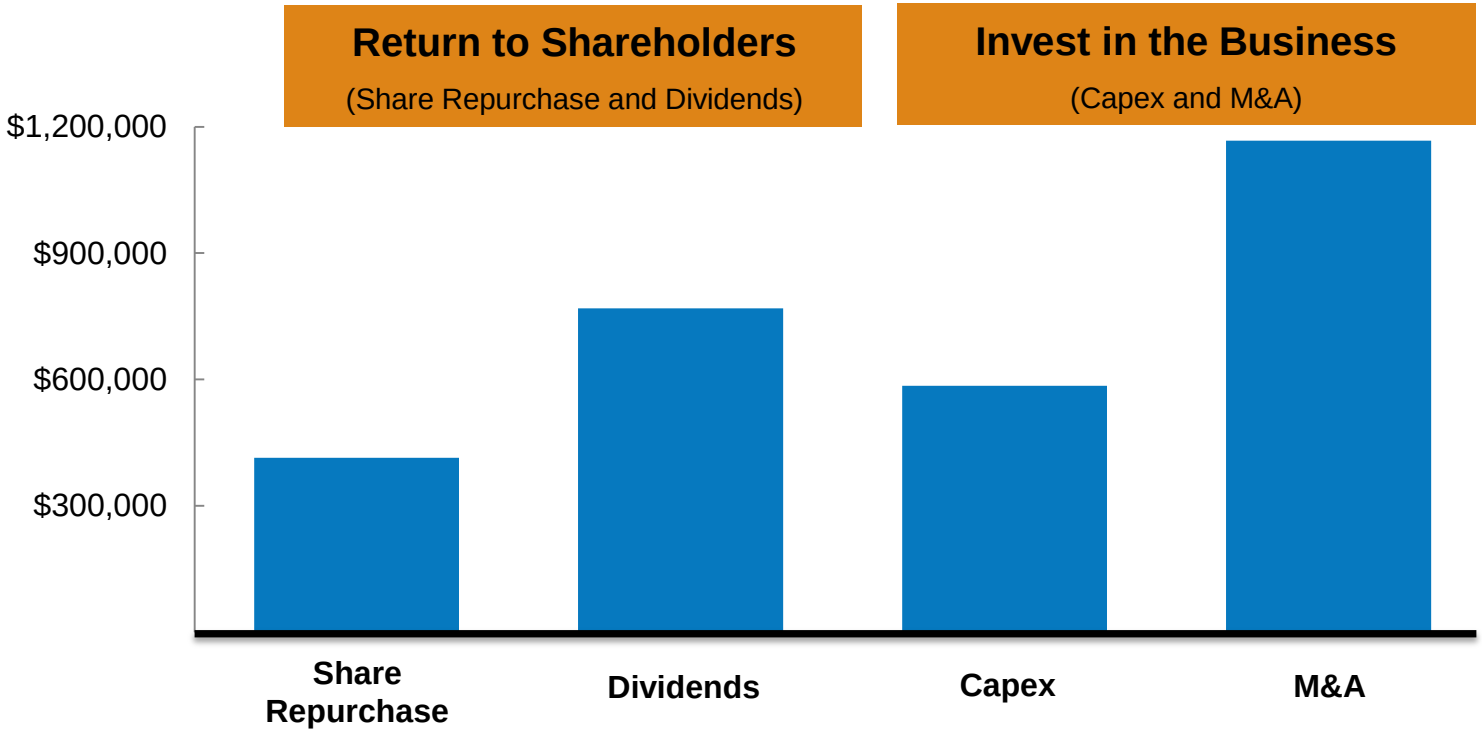
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Investing for the Future

(2010-2014)

Generating consistent and strong free cash flow

$2.9 billion invested or returned to shareholders since 2010



Talented Experienced Team



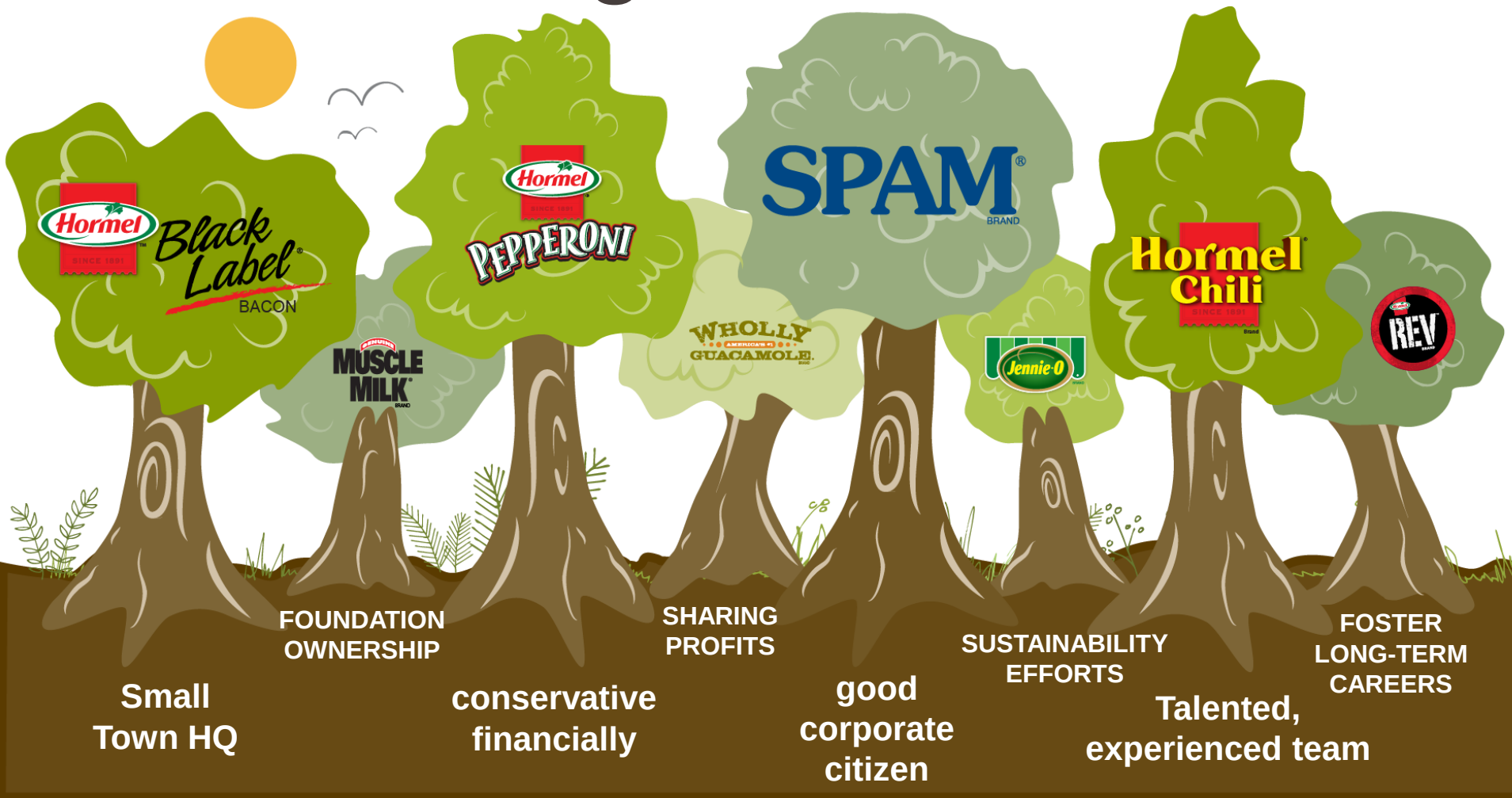
Senior Management Team Average

26 YEARS TENURE

Hormel Foods

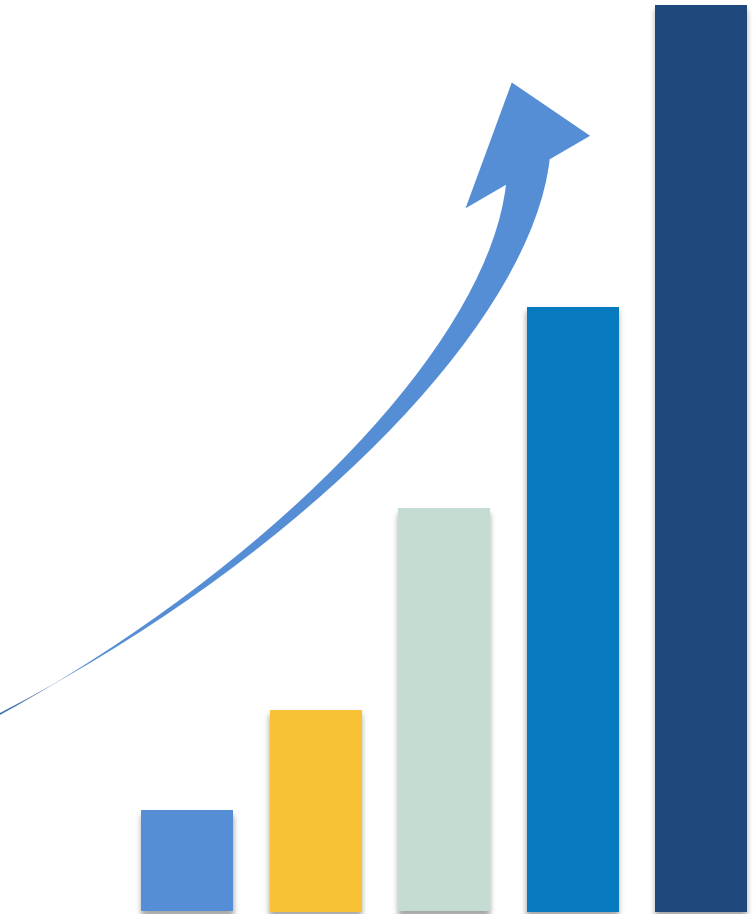
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Thriving Vital Portfolio



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Financial Performance Goals



5%
Revenue Growth

10%
Operating Income Growth

$3 Billion by 2016
New Product Development
New Products Introduced Since 2000

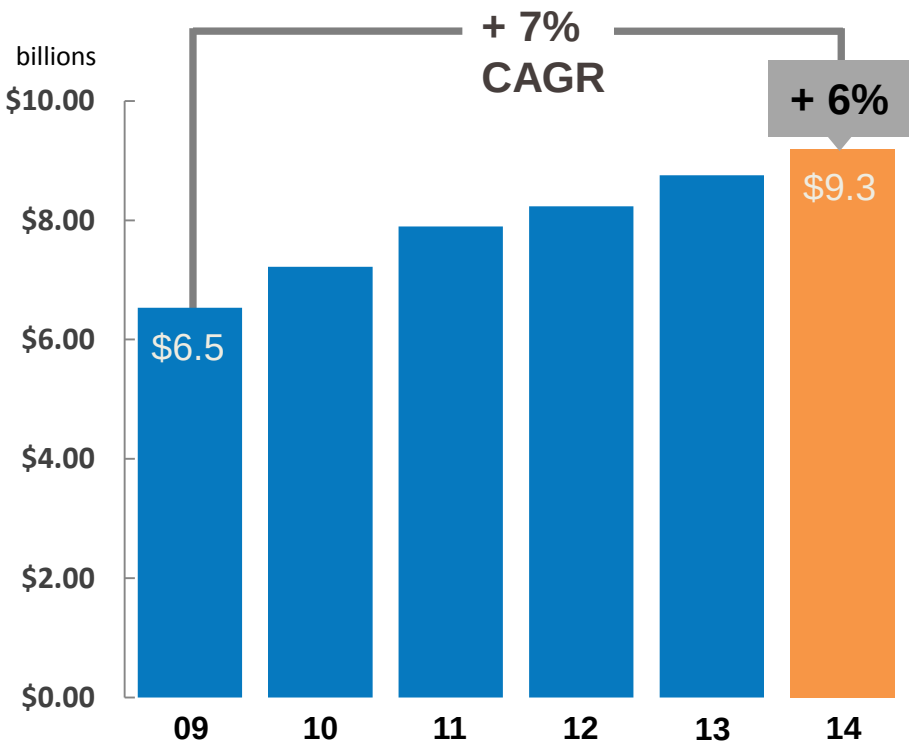
<1%
Operating Expense Growth

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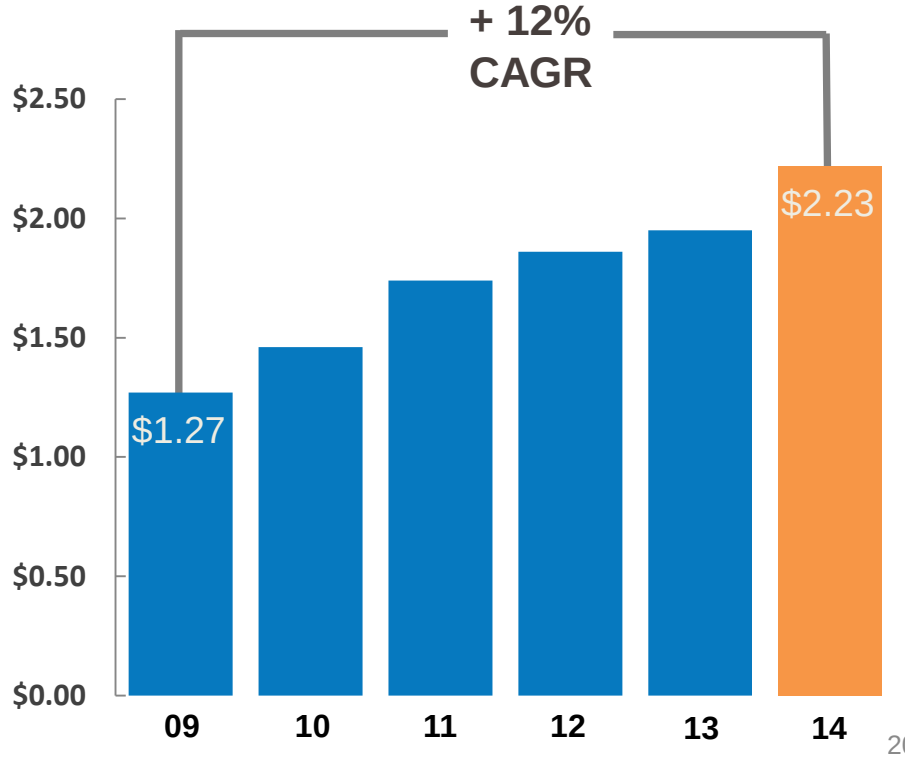
Sales and EPS Growth

Exceeding long-term targets

Sales



EPS



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