

foods for the way we live

2015 Investor Day

Hormel Foods

Specialty Foods

Don Kremin
Group Vice President

Specialty Foods Group Purpose

Growth

CytoSport®

Diversification

Century Foods International

Hormel HealthLabs

Diamond Crystal Sales, LLC

Operational synergies

Hormel Foods

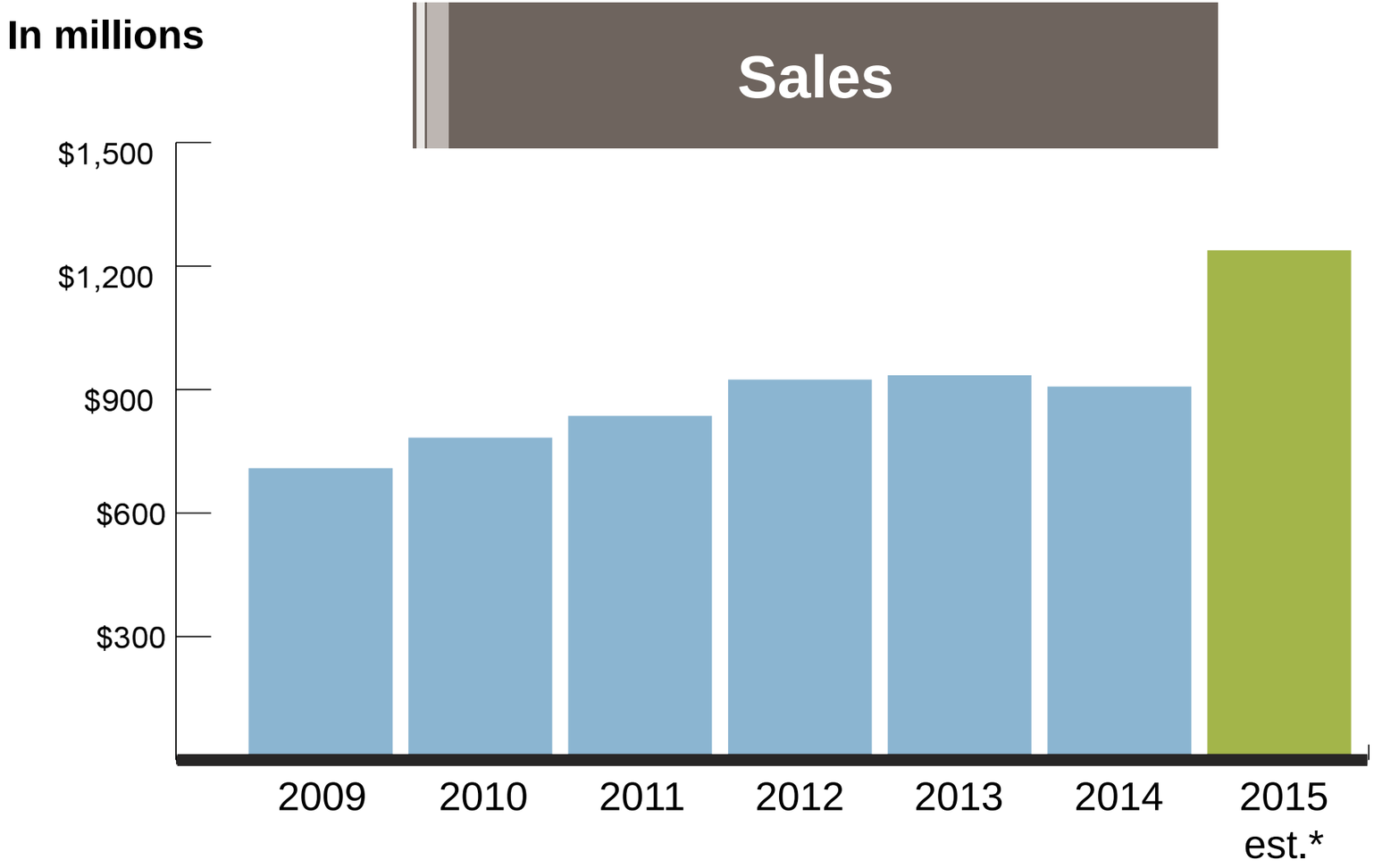
Specialty Products



Performance

Drivers

- Leverage segment assets
- Splenda exit
- CytoSport acquisition



*2015 sales number is estimated based on 5% organic growth plus expected addition of CytoSport

Portfolio & Vision

Balanced Portfolio

Growth Platform

Health and Nutrition 54%*

CytoSport · Century Foods International · Hormel HealthLabs

- Retail
- Industrial
- Foodservice

Legacy Portfolio

Core 46%*

Hormel Foods Specialty Products · Diamond Crystal Sales, LLC

- Retail
- Industrial
- Foodservice

*Projected 2015 segment profit percentage



Balanced Growth Strategies

Health and Nutrition

CytoSport

Century Foods International

Hormel HealthLabs

Grow
Muscle Milk Franchise

Realize Synergies between
CytoSport and Century Foods

Grow
Hormel Health Labs

Core

Hormel Foods Specialty Products

Diamond Crystal Sales, LLC

Utilize
capacity and innovate

Expand margins by
offering branded solutions

Expand
value-added ingredients



Core - Offer Branded Solutions

Hormel Foods Specialty Products

- Kid's Kitchen
- Emeril



DIAMOND CRYSTAL SALES, LLC

- Café Delight
- Wholesome



WHOLESOME SWEETENERS

Health and Nutrition Consumer Strategy

Core strategy based on linking protein to consumer need for various levels of activity

Protein

Least Active Lifestyle ⟷ **Most Active Lifestyle**

Recovery



Recovering patient, aiming to get back to normal function

Active



Active lifestyle, workout 2-3 times a week

Performance



Physical performance important aspect of life, workout every day

MUSCLE MILK
Hormel THICK & EASY
Café Delight CARAMEL
Hormel Foods

Hormel HealthLabs

Delivering Franchise Growth

- #1 brand for Dysphagia
- Expand domestic distribution
- Innovate
- Develop new trade channels



Global

Multicultural

Healthy / Holistic

On-the-Go

Why CytoSport?



Global | Multicultural | Healthy / Holistic | On-the-Go

- #1 brand ready-to-drink
- Relationship with Century Foods

Channels of Trade

Specialty

22% of sales



The Vitamin Shoppe
SINCE 1977
Answers For Every Body

GNC

LIFETIME FITNESS

SPORTS EUROPA PRODUCTS

DSD

38% of sales

PEPSI



7-ELEVEN

Wawa FOOD MARKETS

RaceTrac

QT

FDM* and Club

40% of sales



Walmart

COSTCO WHOLESALE

TARGET

SAFEWAY

*Food, Drug, and Mass channels

GENUINE MUSCLE MILK® BRAND

State of the Acquired Business

Opportunities

- Growing category
- Distribution voids in FDM
- Synergies with Century Foods

Challenges

- Weak state of Specialty & Club channel
- Lack of innovation



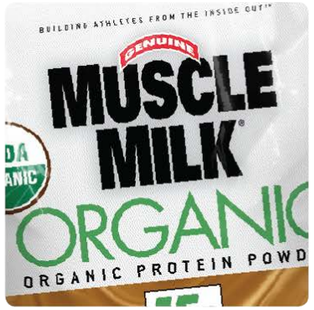
2015 Focus

- Realize synergies between CytoSport and Century Foods
- Launch new items for all sales channels
- Complete rebranding in specialty channel
- Develop sales in FDM channel























CytoSport and Century Foods Synergies

Sales, Marketing, Innovation, & Financial Management

CytoSport®

+

Plant Assets and Production Competency

Century Foods International

=

Value Creation



1. **Improved asset and capacity utilization**
2. **Improved customer service**
3. **Synergy gains**



Innovation in All Sales Channels

FDM and Club





DSD





Specialty Channel





Rebranding in Specialty Channel

Success with Monster Launch





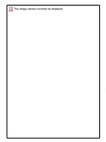
Develop Sales in FDM and Club



Leveraged Hormel Foods competency in FDM and Club to drive incremental sales

Brand Share Total

Muscle Milk brand share the last 4 weeks is at 33%, with dollar sales up + 6%, and the category with growth of + 5%

	Dollar % Growth		Dollar Share	
	Last 12Wks	Last 4Wks	Last 12Wks	Last 4Wks
 Single Serve	+ 6%	+ 3%	64%	65%
 Take Home	+ 14%	+ 13%	36%	35%
RTD Total	+ 8%	+ 5%	54%	54%
 Powder	+ 18%	+ 14%	11%	11%
RTD + Powder Total	+ 9%	+ 6%	32%	33%

Source: Nielsen Last 12/4Wks Ending 3/21/2015; US AOC+Convenience Total

Future Growth

Health and Nutrition

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