

foods for the way we live

2015 Investor Day

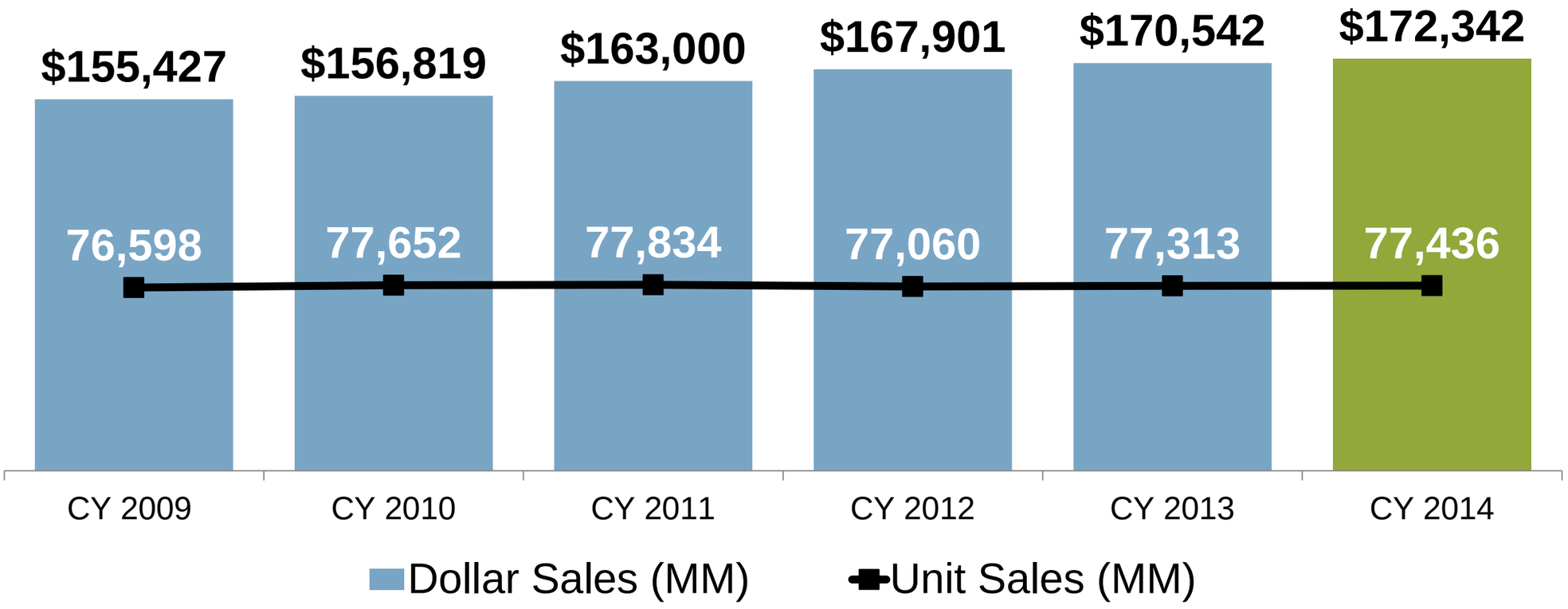
Hormel Foods

Grocery Products

Jim Splinter
Group Vice President

Total Center of Store Food is a $172B Category

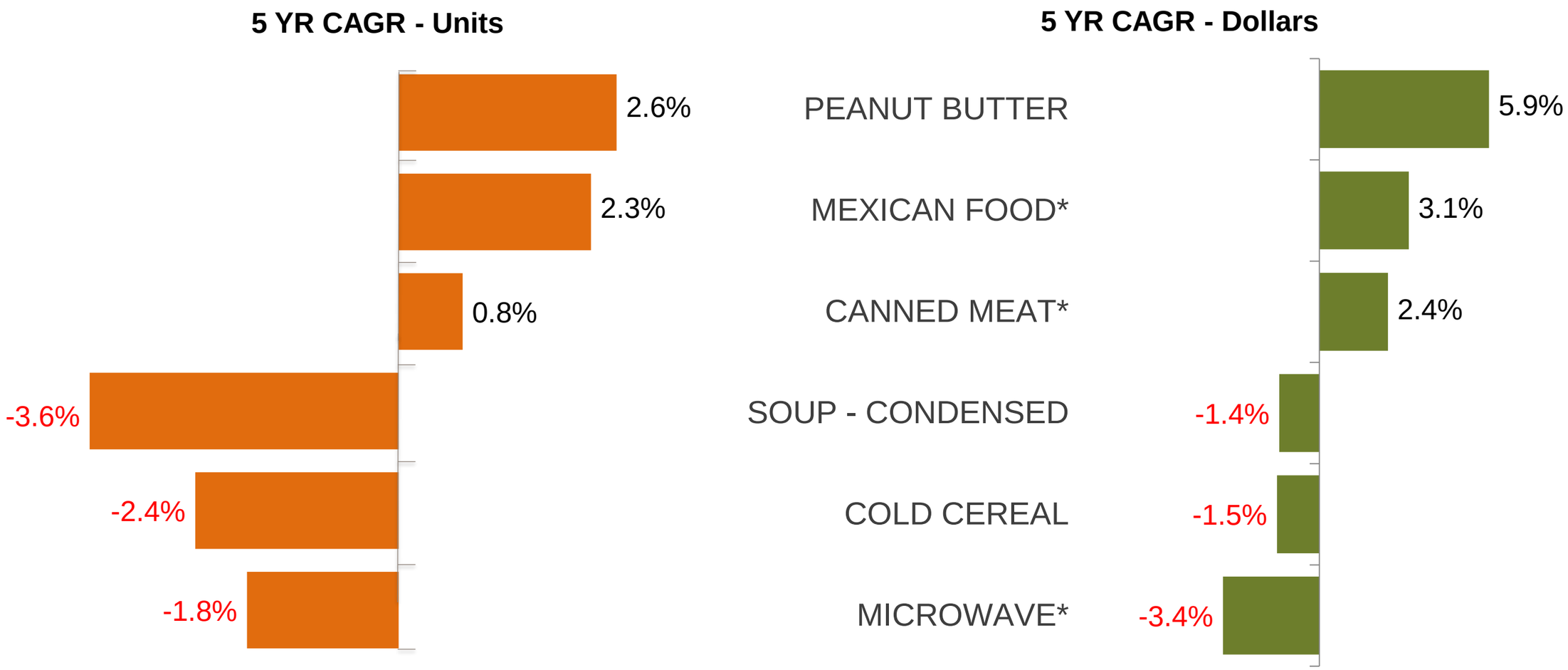
Five Year CAGR: + 2.1% in Dollars and + 0.2% in Units



Source: IRI TSV, Total U.S. MULO, Calendar Year (CY) Ending Periods



Selected Category Growth Trends



Source: IRI Market Advantage & TSV CY Periods 2009 – 2014 * = Hormel Custom Definitions

Financial Evolution

3Yr CAGR Net Sales 14% & Segment Profit 6%

Grocery Products (Dollars in Millions)	% Net Sales Change to YrAgo	% Segment Profit Change to YrAgo
2011	+ 2%	+ 4%
2012*	+ 10%	+ 12%
2013**	+ 30%	+ 18%
2014	+ 3%	- 9%

* MMX's Don Miguel Foods revenues reported in Grocery Products

** Hormel Foods acquisition of *SKIPPY*® peanut butter



Key Performance Targets

Revenue Growth of 3%

Brand Building & Innovation

Segment Profit Growth of 6%



Adjusting To A Changing Consumer

Three Key Consumer Groups

Millennials



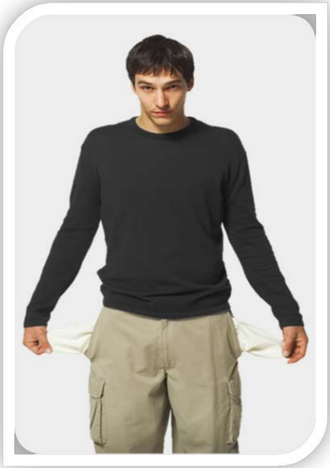
Millennials CPG dollar volume share will grow 70%+ by 2020

Hispanics



Hispanics forecasted to account for >50% of population growth from 2010 through 2020

Value Shopper



Value Shopper: 2/3 of the population will remain economically concerned through 2020

Transparency, Relevancy and Authenticity





















Multicultural

On-the-go

Healthy / Holistic

Fast Facts | Gluten Free | 19g Protein | No Artificial Ingredients

800-523-4635 hormel.com

Innovation Hitting $3B X ‘16 Expectations

15% of sales are from products new to the division since 2000



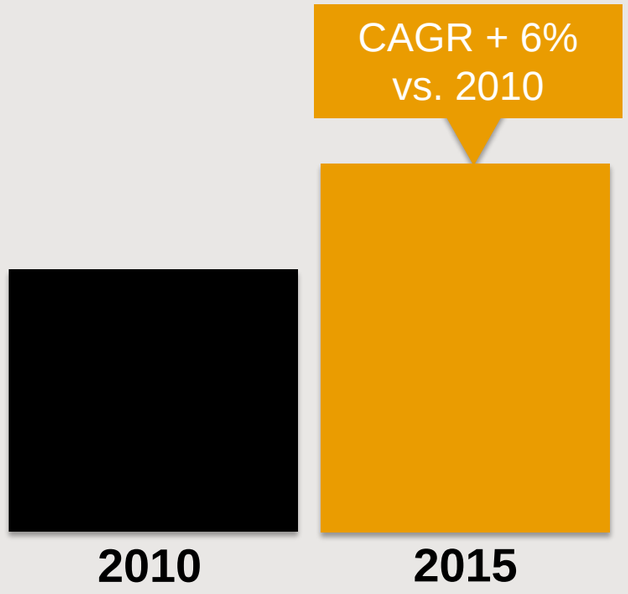
Multicultural

On-the-go

Healthy / Holistic

Increased Baseline Marketing Support

Advertising Investment Levels*



Data Source: Internal Reporting & Revenue Accounting





SCAL: I am Sir-Can-A-Lot, here to save you from another breakfast bore.



SCAL: Wake up those eggs with glorious SPAM!



SCAL: See what SPAM CAN! do...



SCAL: ...at SPAM.com













* = Includes MegaMex

SPAM® BRAND

- Effortless meal creativity
- Defines the category
- Iconic equity





The SPAMERICAN!™ TOUR








The
SPAMERICAN! TOUR
SPAM
Austin
8/22
Chicago
7/8-7/15
Philadelphia
7/2-7/4
San Francisco
4/23-4/26
Denver
5/2-5/5
Washington DC
6/24-6/28
Tulsa
5/14-5/16
Nashville
6/8-6/14
Charlotte
6/18-6/20
Los Angeles
4/15-4/20
Atlanta
5/22-5/28
Little Rock
5/18
Jacksonville
5/30-6/3
San Antonio
5/9-5/11
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SPAM®
BRAND


The SPAMERICAN! TOUR
SPAM
CAN!
#SPAMCAN

SPAM®
BRAND

- **Effortless meal creativity**
- **Defines the category**
- **Iconic equity**





On-the-go

Hormel Chili

SINCE 1891

- America's #1 chili since 1936
- Universal appeal
- In & out of the bowl usage
- Iconic brand equity










Hormel
Chili
SINCE 1891

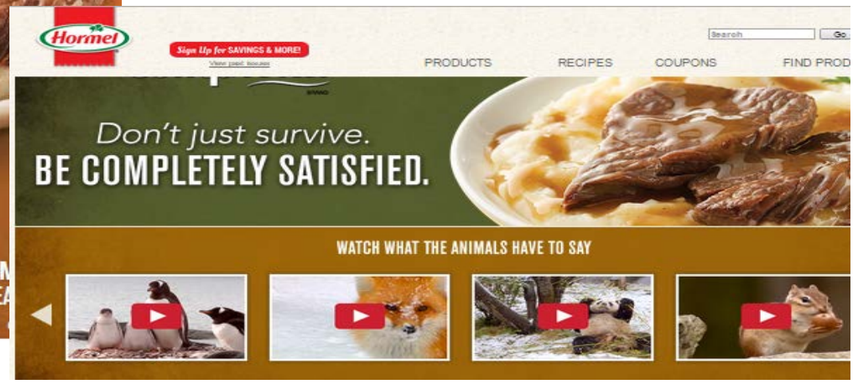
Compleats®

- #1 in single-serve, shelf-stable meals
- Delivering moments of satisfaction
- Established blue-collar adults










Hormel
SINCE 1891
Compleats
MICROWAVE MEALS

MegaMex Foods

Structure

HERDEZ DelFuerte 50%

Hormel Foods 50%

MegaMex Foods

DON MIGUEL Tradition & Taste Since 1908

Fresherized Foods™ Leaders in Food Safety, Quality and Innovation



- Headquartered in Orange, CA
- 5 locations worldwide
- 3,500 employees

Vision

Together·Juntos

To bring the spirit of Mexico to every table



CON TODA CONFIANZA...ES

HERDEZ®

BRAND

- Authentic
- Innovative
- Social engaged
- Solutions-focused









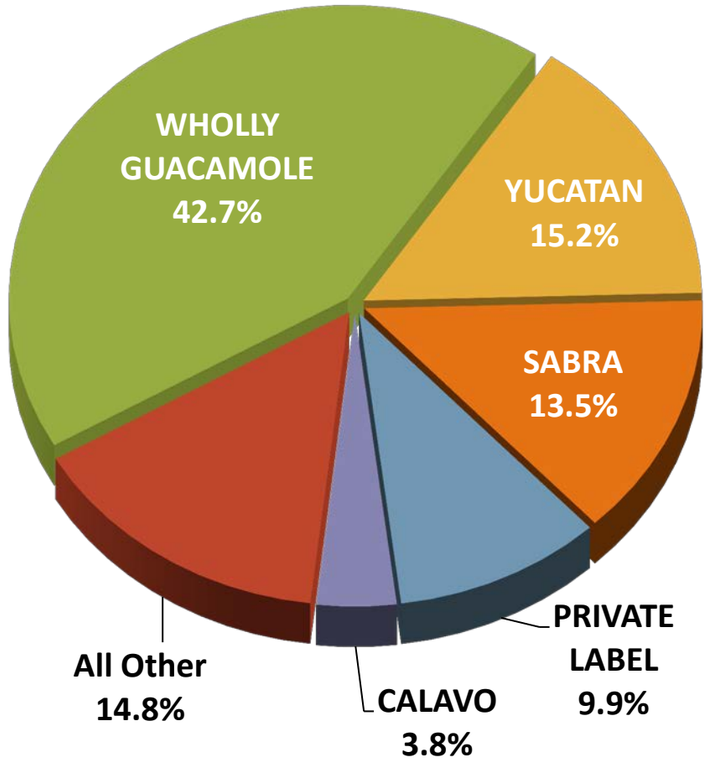
Multicultural

WHOLLY GUACAMOLE®

AMERICA'S #1

BRAND

- Relevant / fun
- "Power food"
- Organic offerings
- Socially engaged
- Innovative
- Category leader







Healthy / Holistic

Multicultural

SKIPPY® BRAND

SKIPPY® is the **PEANUT BUTTER** that **SPREADS SIMPLE FUN!**



On-the-go

Healthy / Holistic






SKIPPY
NOT SO FUN
PEANUTS

SKIPPY BRAND

SKIPPY is the **PEANUT BUTTER** that **SPREADS SIMPLE FUN!**

On-the-go

Healthy / Holistic









SKIPPY®

BRAND





SPAM
SKIPPY
WHOLLY GUACAMOLE
Hormel Foods

Summary

- Performance target guidance of 3% topline and 6% bottom-line
- Division is adjusting to a changing consumer
- Managing the legacy core portfolio for modest growth
- Restructuring Microwave Meals with a renewed focus on core users
- Expect MegaMex to continue being our “growth engine”
- Executing our SKIPPY® strategic growth plan













The End

