

foods for the way we live

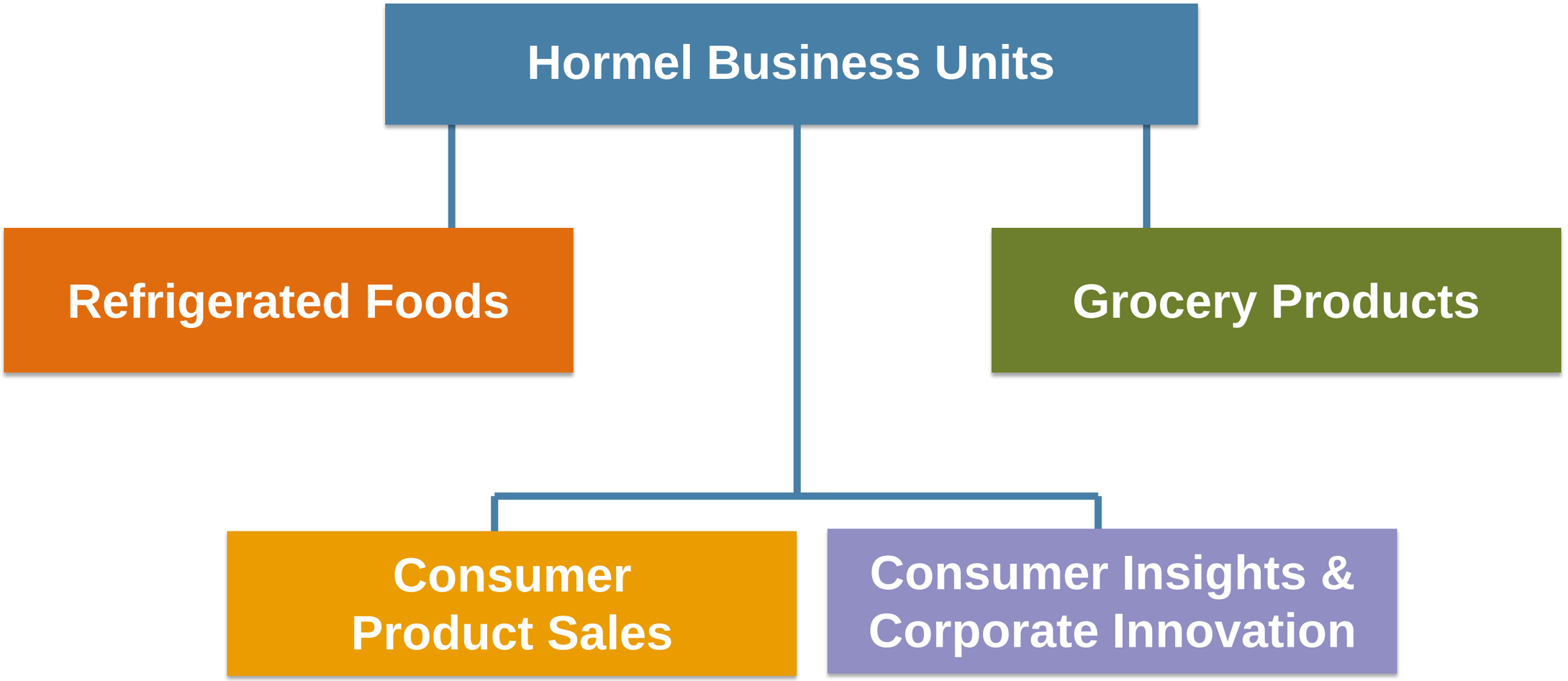
2015 Investor Day

Hormel Foods

Hormel Business Units

Steve Binder
Executive Vice President
President, Hormel Business Units

Organizational Structure



Consumer/Shopper Revolution Driving Change














BACON1
APPLEGATE naturals
WHOLLY GUACAMOLE
Hormel Foods

Evolving To Meet Market Driven Demands

Cultural Beliefs



- Create loyalty
- Results matter
- Speak up
- Build bridges
- Grow talent
- Be bold

Aligning Efforts and Resources

- Operations
- Innovation
- Sales
- Brand building













Operational Excellence

- Coordinate and upgrade raw material supply
- Maximize utilization of shared plant assets
- Create efficient, low cost production platforms
- Safety priority – people and food

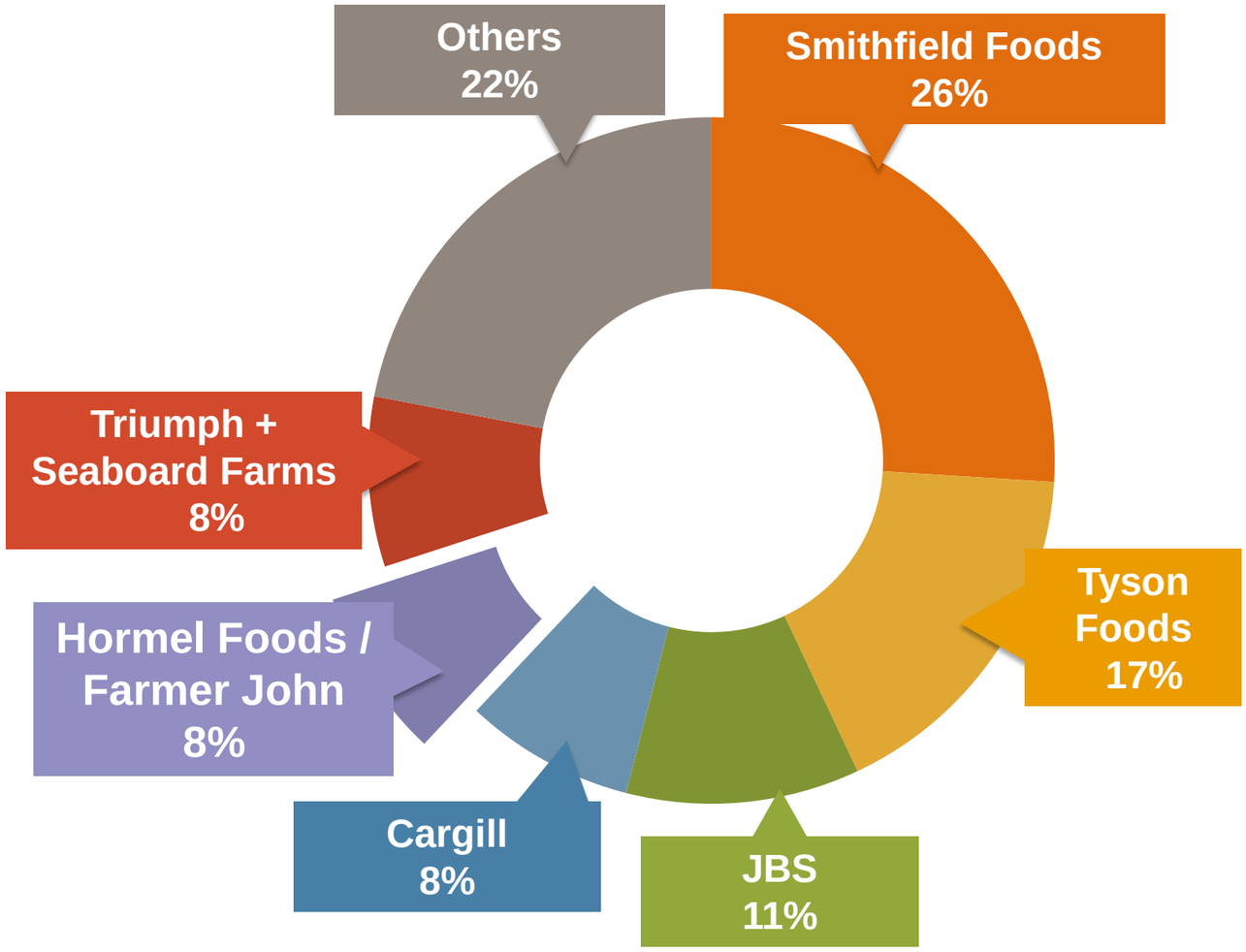




Top 10
Pork Harvest Companies

Rank	Company	Daily Total Harvest
1	Smithfield Foods	117,000
2	Tyson Foods	76,925
3	JBS - Swift	50,000
4	Cargill / Excel	37,800
5	Hormel Foods / Farmer John	37,300
6	Triumph	20,000
7	Seaboard Farms	19,800
8	Indiana Packers	17,000
9	Hatfield Quality Meats	10,400
10	Rantoul Foods	4,800

Pork
Packing Market Share



Consumer Relevant Innovation

- $3B by 2016
- Data and insights
- Disciplined stage gate approach
- Deliver meaningful new products
- Align with company portfolio strategy













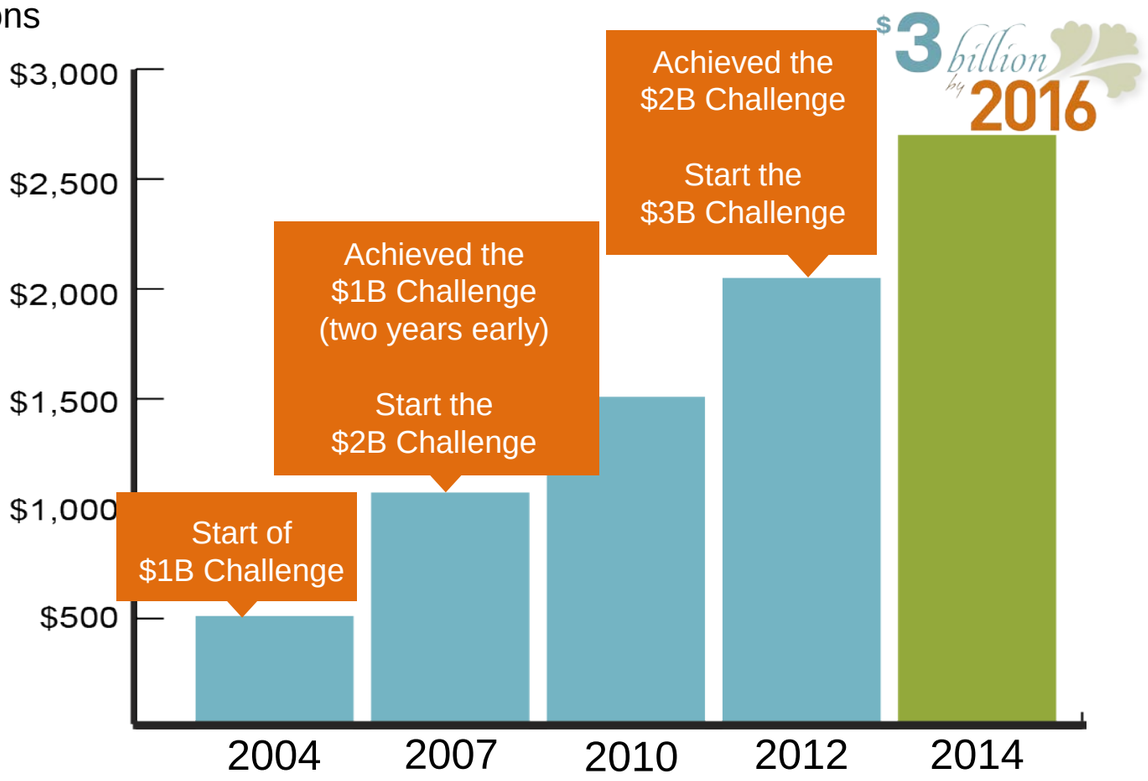


Hormel Foods

Delivering Results

The contribution of innovation efforts is accelerating

In millions



3 BRANDS

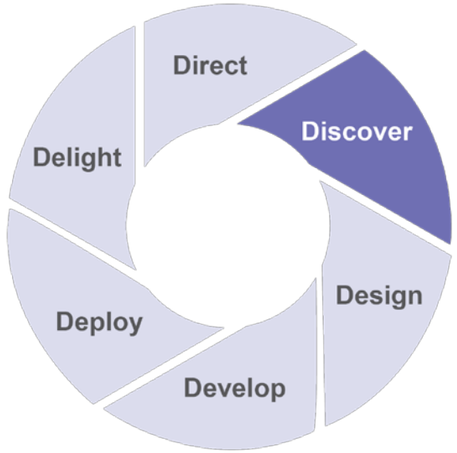
listed in the

2014 IRI PACESETTERS



Using Data to Drive Discovery

Innovation Process



Data

92%
of Americans
EATING A SANDWICH
3x per week

68%
look for
SNACKS THAT ARE
fun to eat

Conversation

UNMET =
CONSUMER NEED



On-the-Go Protein



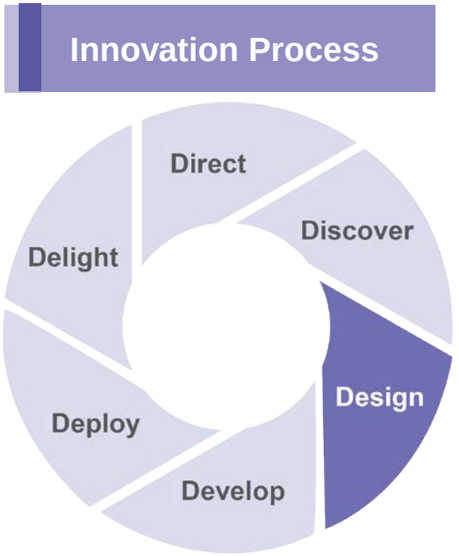


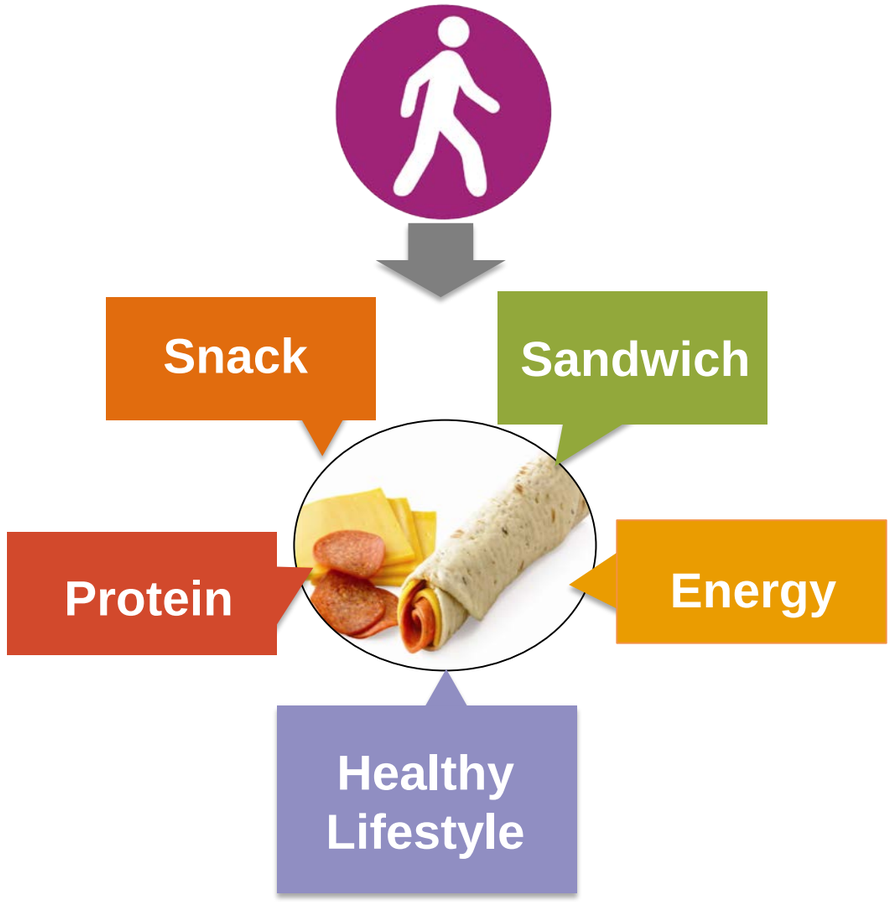




Hormel Foods

Connecting Insights to Design and a Focused Target



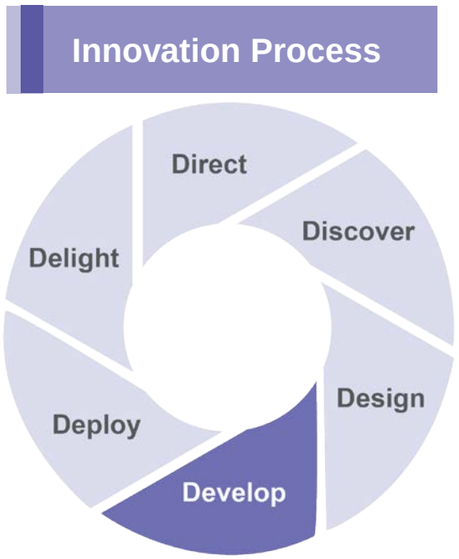








Combining Food Science and Technology



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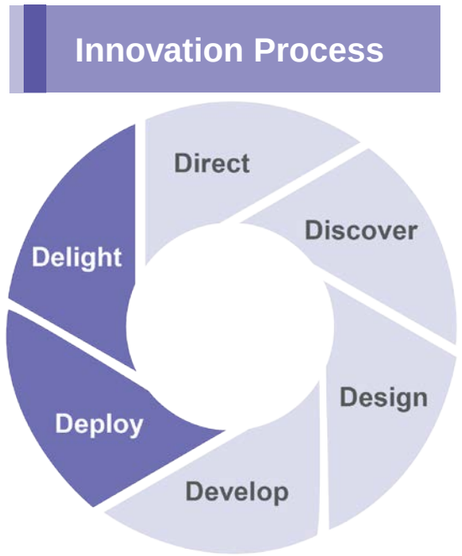
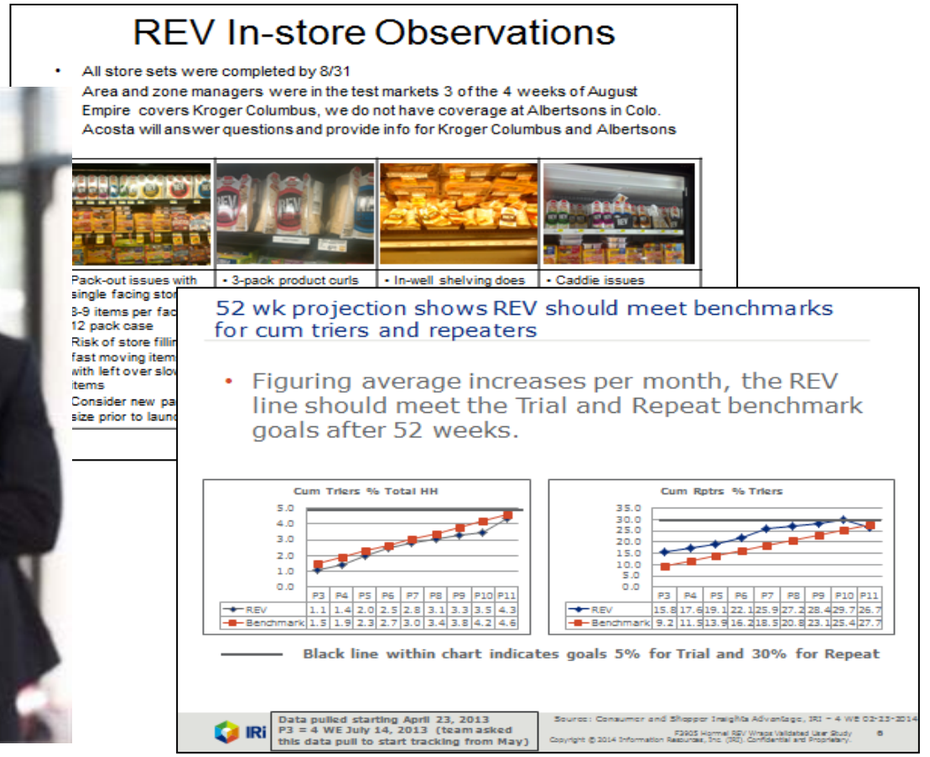
Patent Pending

Data Driven Sales Execution







Superior Sales Execution

- Channel-specific expertise
- Focused, direct sales force
- Branded value-added differentiated portfolio
- Award recognized



Foodservice

177 people

DIRECT SALES FORCE

10 people

MARKETING TEAM

Industry Recognized

- Sysco Gold Supplier 2014
- UniPro Supplier of the Year 2014
- UniPro Innovation 2014







Retail

279 people

DIRECT SALES FORCE

30 people

MARKETING TEAM

Industry Recognized

- Walmart New Item of the Year 2014
- Progressive Grocer Magazine Category Captain – Ethnic Foods 2014
- Selling Power Magazine Top 50 Best Companies to Sell For















Supporting Brand Growth













Long Runway for Growth

Low Household Penetration (HHP)

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%

Pepperoni 22%
Category 31%

Source: 52 week IRI data ending 5/17/15



Operating Margin

Refrigerated Foods

Guidance: 5% to 8%

1st half of 2015 actual: 10%

Grocery Products

Guidance: 12% to 14%

1st half of 2015 actual: 12%








Hormel Business Units







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*Expected July 2015 Closing