

Hormel Foods

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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 and risk factors on pages 34-40 in the Company's Form 10-Q filed September 4, 2015.

From Meat Processor to Packaged Food Company



George A. Hormel opens a meat packing company in Austin, MN.

1891



Late 1930's:

$1 billion in sales

1976

$3 billion in sales

1999

20,500 employees

$9 billion in sales

2014

1928

Geo. A. Hormel & Co. becomes a public company.



1941

$100 million in sales

Creation of Hormel Foundation.



1993

Geo. A. Hormel & Co. officially changes name to Hormel Foods Corporation.

2012

Company executives ring the Closing Bell at the NYSE to commemorate the 75th anniversary of the *SPAM*® brand.



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THE WALL STREET JOURNAL.

BUSINESS NEWS

Skippy Sales Growth, Lower Pork Costs Help Offset Hormel's Turkey Troubles



Hormel Foods Corp. raised its earnings outlook for the year, as improved profitability for its meat prod[illegible]s in the latest quarter and Wholly Guacamole lifted Hormel's grocery division.

"Our balanced business model has aga[illegible]llowed us to limit [illegible]olatil-

outbreak in the U.S. hit more than 50 farms supplying birds to the Hormel division over the spring-ti[illegible] for[illegible] the

$2.57 to $2.63 a share, from a previous forecast of between $2.50 and $2.60 a share.

With[illegible]o outbr[illegible]ks in Hormel

Hormel Foods YTD Q3 2015

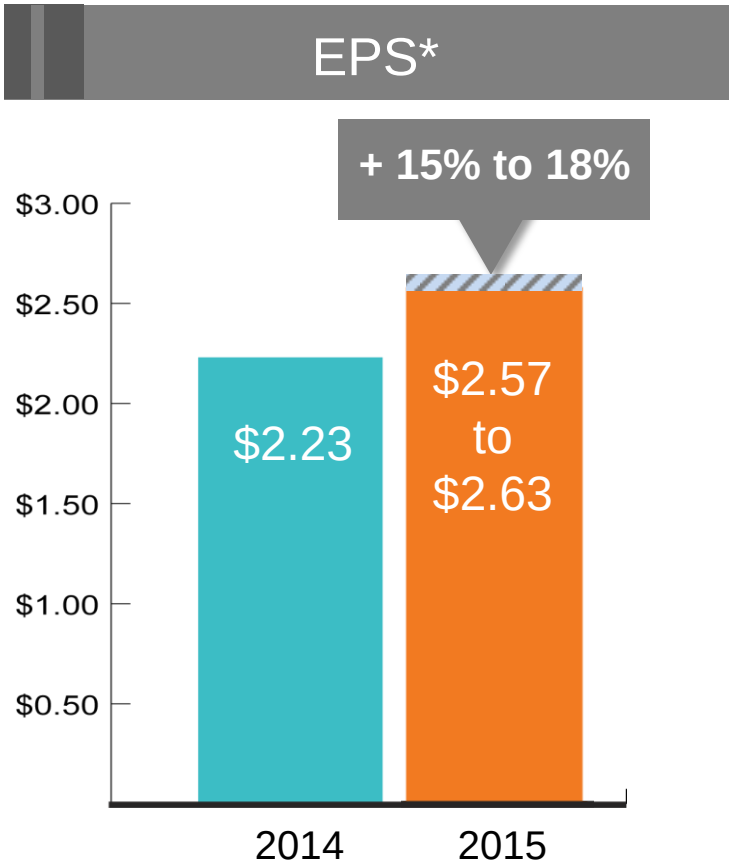
	Net Sales Change	*Segment Profit Change
Grocery Products	+ 4%	+ 11%
Refrigerated Foods	- 6%	+ 25%
Jennie-O Turkey Store	+ 5%	+ 15%
Specialty Foods	+ 32%	+ 23%
International & Other	Flat	+ 4%

Earnings Per Share	
*2015	$1.90
2014	$1.60

+ 19%

*Segment Profit Change and 2015 EPS 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).

2015 Outlook
Growth Amidst Volatility



- Grocery Products/Refrigerated Foods
  - Input cost deflation
- Specialty Foods
  - CytoSport contribution
- Jennie-O Turkey Store
  - Avian Influenza
- International
  - Growth in China

*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). Applegate expected to be neutral to fiscal 2015 results

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Hormel Foods China Positioned for Growth

24%
Five year CAGR (2009-2014)



PAPA JOHNS PIZZA
Better Ingredients. Better Pizza.

KFC

i'm lovin' it
我就喜歡

BURGER KING

SKIPPY BRAND



SPAM BRAND



Hormel 荷美尔

1999 — 2011/2012 — 2013/2014 — 2017

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Jiaxing Hormel Foods Co. Ltd.







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Innovation

The contribution of innovation efforts is a key component of our success

IRI Pacesetters



Progressive Grocer Picks



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Leading Brands

MORE THAN

30 BRANDS

HAVE

#1 or #2

MARKET SHARE

POSITIONS IN THEIR CATEGORY

Hormel Chili
APPLEGATE
NATURAL & ORGANIC MEATS
Hormel Gatherings
SKIPPY
Jennie-O
GENUINE MUSCLE MILK
Hormel PEPPERONI
WHOLLY GUACAMOLE
Lloyd's Barbeque Co.
Hormel cure 81
Dinty Moore
SPAM
FAMILY OF PRODUCTS

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Supporting Brand Growth











Keeping the Portfolio Vital

We have broadened our portfolio with more choices for consumers in key growth areas and leveraging our trusted brands

Growth Opportunities



Global



Multicultural



Healthy / Holistic



On-the-Go

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Recent Brand Investments









Healthy / Holistic On-the-go Multicultural

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WHOLLY GUACAMOLE®
AMERICA'S #1
BRAND



Q3: Double-digit RETAIL GROWTH

#1 REFRIGERATED **guacamole**

Organic offerings

SOCIALLY Engaged

INNOVATIVE

Healthy / Holistic On-the-go Global

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SKIPPY BRAND

Q3: **Mid-single digit** DOMESTIC **GROWTH**

Double-digit INTERNATIONAL **GROWTH**



GLOBAL positioning

GROWTH through **INNOVATION**

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

#1 **NATURAL** peanut butter

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SKIPPY® BRAND



Launching
FALL 2015

Made with real
SKIPPY®
Peanut Butter

5 grams
OF PROTEIN
per serving

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GENUINE MUSCLE MILK®

Q3: Double-digit RETAIL GROWTH



Achieve synergies with **Century Foods**

LAUNCH **new items** for **all channels**

#1 in **ready to drink**

EXPAND in **Food/Drug/Mass**

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Q3: Double-digit RETAIL GROWTH

APPLEGATE®
NATURAL & ORGANIC MEATS



#1
ORGANIC AND NATURAL
MARKET SHARES IN
value-added proteins

EXPANDS
breadth of protein options
to provide
CONSUMER CHOICE

ON-POINT
with
PROTEIN-BASED
strategy

BROADENS APPEAL
to younger and health conscious
CONSUMERS

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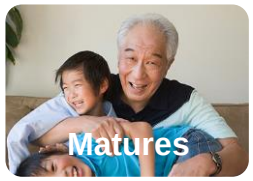
Demographic Opportunities









	Millenials	Gen X	Boomers	Matures
Grocery Products				
SPAM® Products	68	89	114	141
Hormel® Chili	98	100	104	92
Dinty Moore® Beef Stew	72	85	122	115
Hormel® Mary Kitchen® Hash	77	89	116	116
Hormel® Microwave	84	96	108	113
Meat Products				
Hormel® Entrees	66	92	115	136
Hormel® Sides	87	93	112	102
Lloyd's® Ribs	57	81	121	155
Hormel® Convenience Bacon	78	103	108	116
Hormel® Pepperoni	131	119	84	55
Hormel® Natural Choice® Lunchmeat	108	116	96	69
Hormel® REV® Wraps	120	130	86	53
Hormel® Party Trays	118	121	88	64
Jennie-O®				
Jennie-O® Ground Turkey	132	112	85	61
Jennie-O® Turkey Burgers	113	114	95	66
MegaMex				
MegaMex Salsa	110	109	98	70
Wholly Guacamole®	130	114	86	59
SKIPPY® Peanut Butter	98	105	100	95
Muscle Milk®	126	136	83	39
Applegate®	132	124	80	57

Source: IRI Custom DB MULO 52 Wk End 4.19.2015

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On-the-go

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Meat Products

Hormel PEPPERONI

5 year sales CAGR + 7%



PEP IT UP!

Hormel Gatherings

5 year sales CAGR + 13%



Gatherings Happen.

Hormel NATURAL CHOICE BRAND

5 year sales CAGR + 9%



MAKE THE NATURAL CHOICE

Global

Multicultural

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Glenn Leitch

Group Vice President; President, Jennie-O Turkey Store

Avian Influenza Impact

- 2H15 sales guidance
  - Down 15% YOY
- 2H15 margin guidance
  - 10% to 12% with Q4 modestly above Q3 levels



Avian Influenza Impact

- Repopulation is on track (as of September 1)
  - 85% of company farms repopulated
  - 75% of independent growers that supply us have repopulated
  - Should be fully repopulated by end of fiscal 2015
  - Plants running full schedules by January/February



Brand Leadership

Jennie-O® has emerged as a clear category leader in turkey and the brand is now found in households nationwide.

Total Awareness
Jennie-O® Brand



Credited to ongoing advertising investment, the *Jennie-O®* brand has grown from 77% to nearly 90% total awareness.

Household Penetration
Jennie-O® Brand



General Population

24%

(+0.4pt vs YAGO)



Millennials

28%

(+0.9pt vs YAGO)

Healthy / Holistic

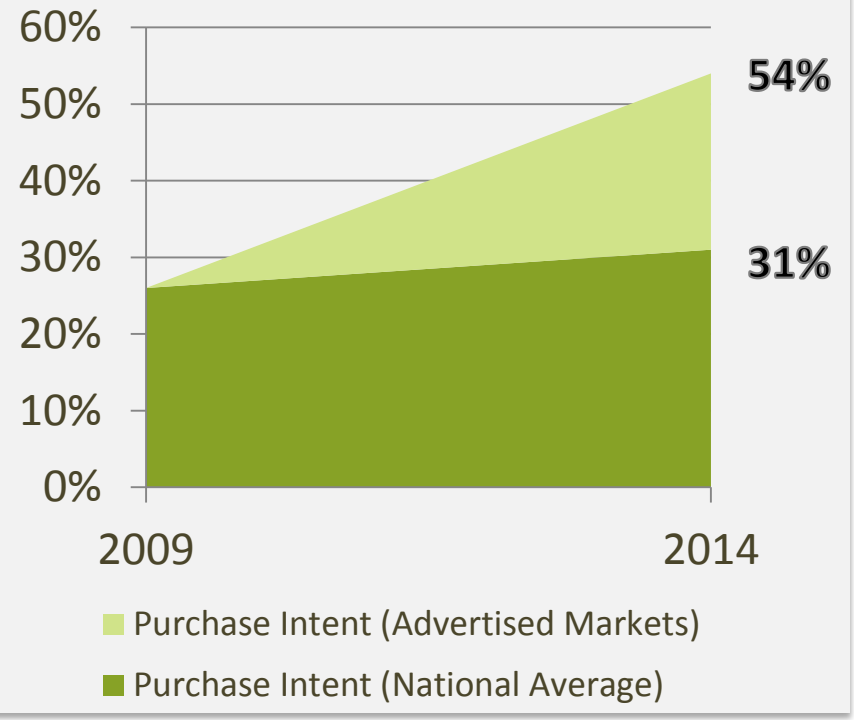
Brand Leadership

Brand Imagery
Jennie-O® Brand

Jennie-O® brand is strongly associated with the following imagery:

- ✓ **Is good for a healthy lifestyle**
- ✓ **Is a brand I would feel good about serving**
- ✓ **Tastes good**

Total Purchase Intent
Jennie-O® Brand



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Advertising Impact

Sleepy Hollow



Launch: 2012

3-Year Projected Net Sales CAGR of Advertised Products

+ 13%

Taco Ride



Launch: 2014

2-Year Projected Net Sales CAGR of Advertised Products:

+ 26%

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Driving Ground Turkey Sales Growth

- Health-conscious millennials are embracing “fresh” and the *Jennie-O*® brand
- *Jennie-O*® product distribution continues to expand
- Ground beef price inflation is enhancing the value proposition



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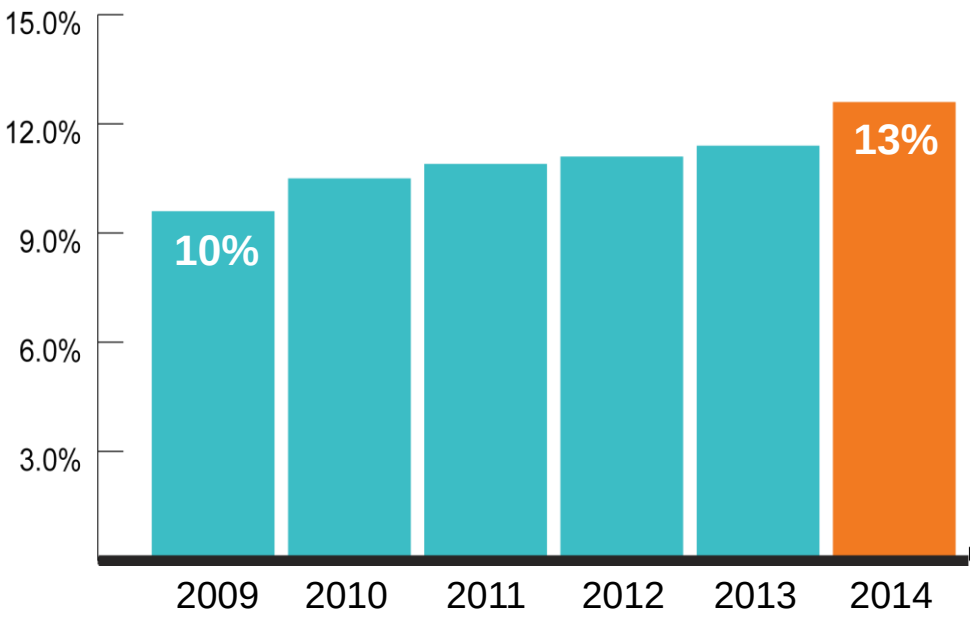
Ground Turkey Share is Growing

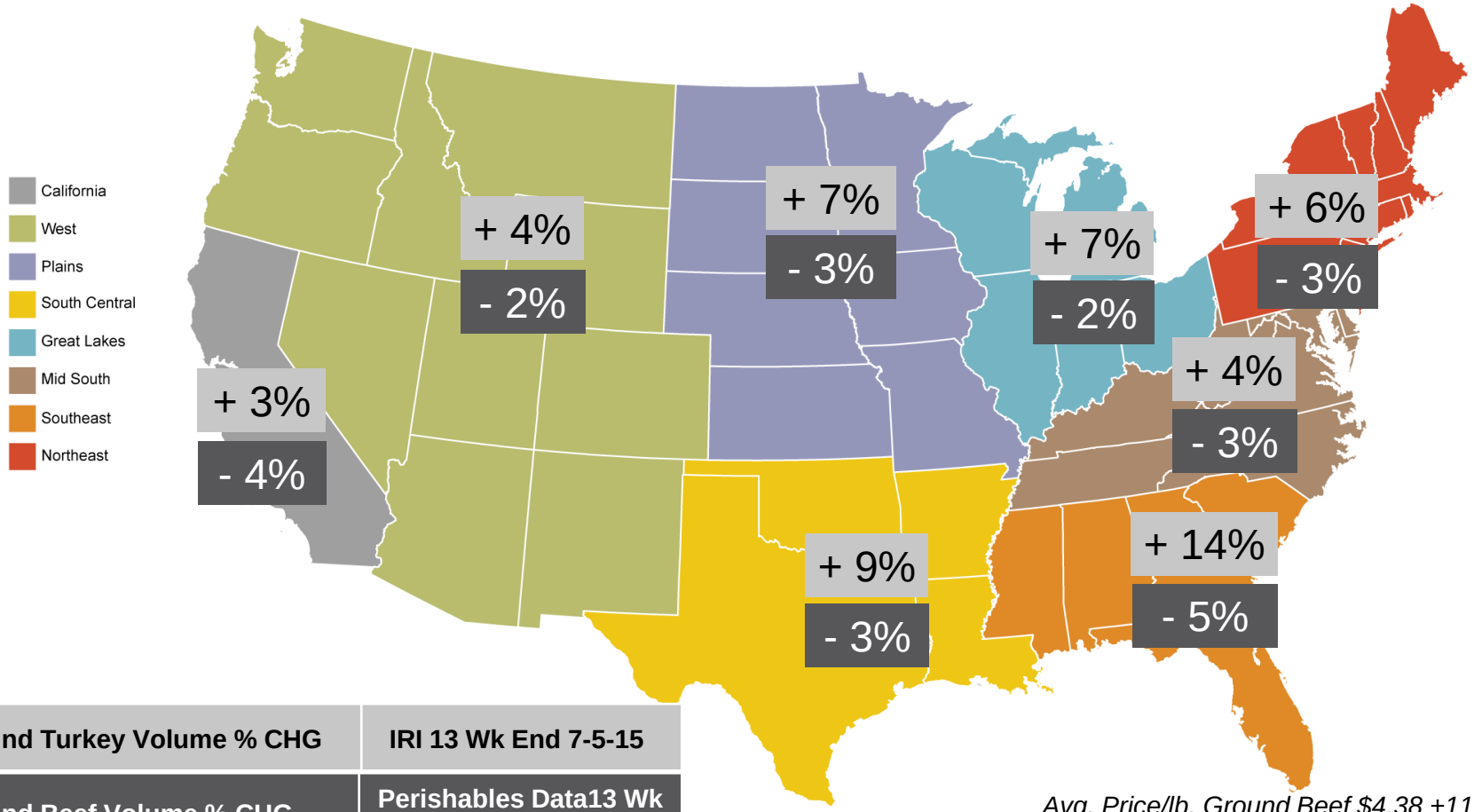
	Ground Beef	Ground Turkey
Pounds Sold	1.9B	264M
Retail Value	$6.9B	$922M
1 Share Point = 21 Million Pounds		

Share of Ground Meats



Source: Perishables Data

Fresh Ground Turkey Growth vs. Ground Beef



Ground Turkey Volume % CHG	IRI 13 Wk End 7-5-15
Ground Beef Volume % CHG	Perishables Data13 Wk End 6-27-15

Avg. Price/lb. Ground Beef $4.38 +11.6%
Avg. Price/lb. Ground Turkey $3.53 +1.1%

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Driving Growth: Ground Turkey

RANK #2
among
ALL EXACT WEIGHT
items in the meat department
NATIONALLY



Rank	Product	Total US - Multi Outlet (millions)
1	OSCAR MAYER NATURAL HARDWOOD SMOKED BACON SLICED RFG 16 OZ	$227.2
2	JENNIE O TURKEY STORE RFG REGULAR TURKEY GROUND 20 OZ	$170.3
3	PL FZN REGULAR CHICKEN FILLET 48 OZ	$149.7
4	PL RFG REGULAR BEEF 80 OZ	$148.5
5	PL RFG REGULAR BEEF 16 OZ	$140.7
6	BAR S RFG CHICKEN AND PORK FRANK 8 CT 12 OZ	$139.8
7	PL RFG REGULAR BEEF 48 OZ	$139.4
8	HORMEL BLACK LABEL REGULAR BACON SLICED RFG 16 OZ	$131.4
9	JIMMY DEAN RFG REGULAR SAUSAGE 16 OZ	$128.9
10	PL RFG REGULAR BEEF 80 OZ	$112.8

3 Year CAGR
Fresh Ground Turkey without Jennie-O Turkey Store = + 8%
Jennie-O Turkey Store fresh ground turkey = + 13%

Time : Latest 52 Weeks Ending 07-12-15

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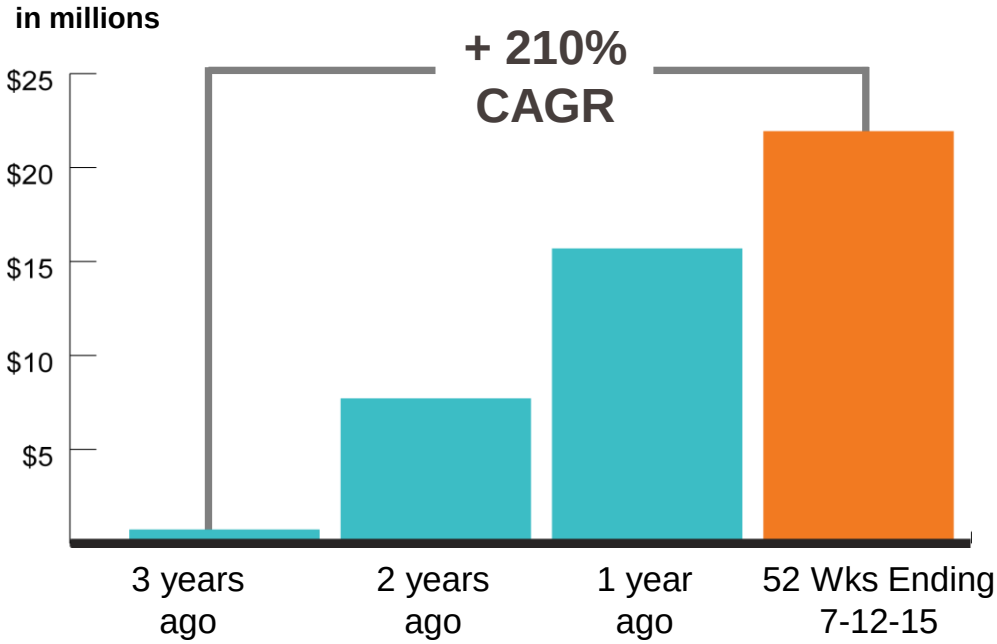
Driving Growth: Fresh Breakfast Sausage Rolls

Sales

Ranked 6th Nationally
Among all Roll Sausage SKU's





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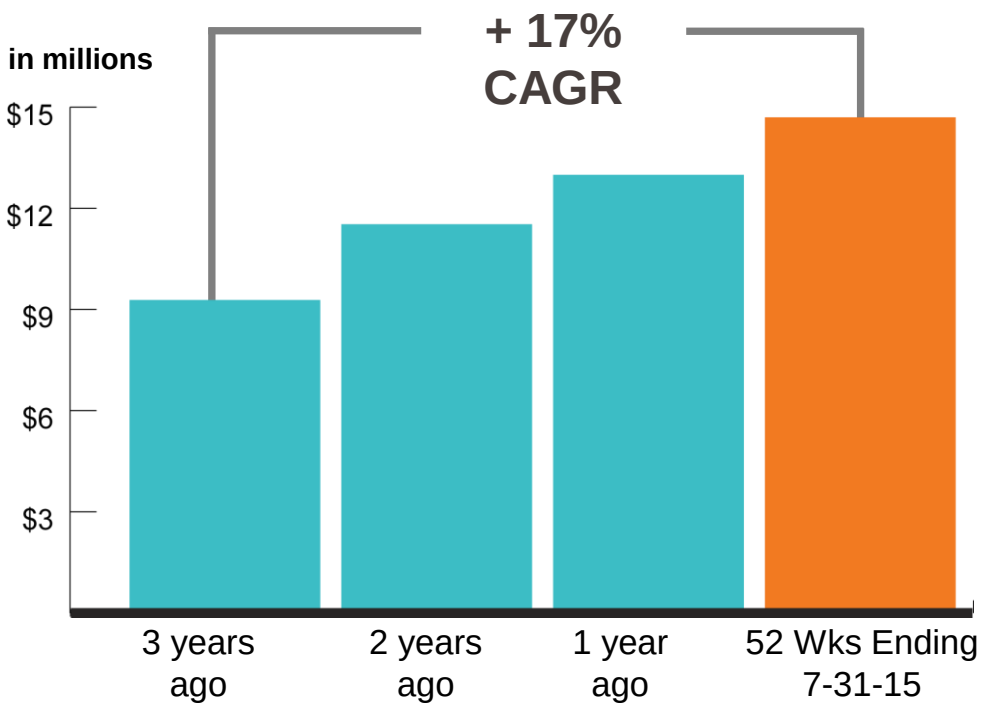
Driving Growth: Oven Ready

Sales



From Freezer to Oven to Perfect!



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On-the-go

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Driving Growth: Turkey Breast Sticks

NEW PRODUCT : All Natural Turkey Breast Sticks

- Single-serve packaging
- Clean ingredient statement
- Portable





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On-the-go

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Brands in the Space

							
Serving Size	**21 g**	56 g	28 g	28 g	28 g	21 g	21 g
Calories	**25**	160	130	50	70	90	70
Total Fat	**0.5 g**	11 g	10 g	4 g	1 g	7 g	6 g
Sodium	**85 mg**	420 mg	350 mg	570 mg	415 mg	135 mg	160 mg
Protein	**5 g**	13 g	8 g	8 g	11 g	5 g	5g

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2015 Turkey Takeovers



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Chairman, President and CEO

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Balance Sheet Metrics

Approximately
$350 MILLION
CASH

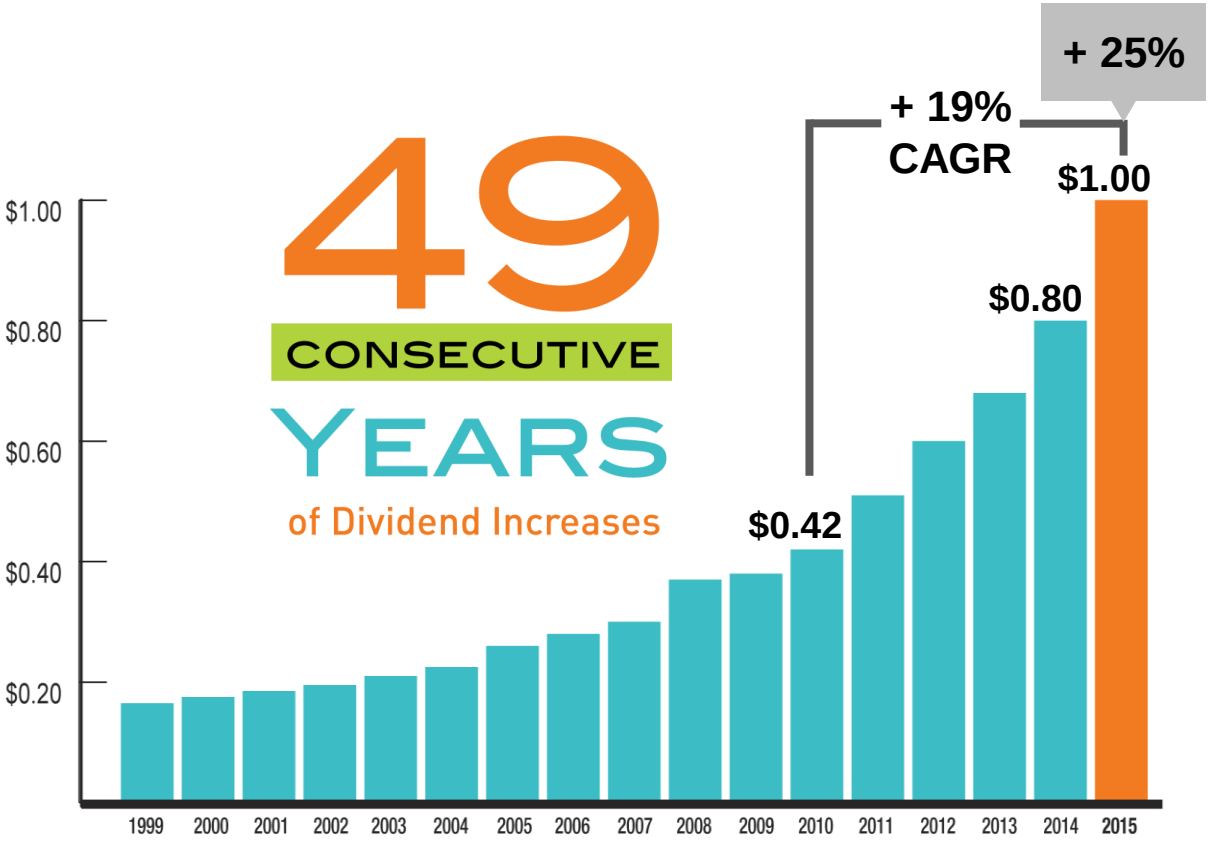
Approximately
$600 MILLION
DEBT

15%
DEBT TO EQUITY RATIO

$3 BILLION
Capacity for additional
DEBT

Return to Shareholders

Member of S&P 500 Dividend Aristocrats



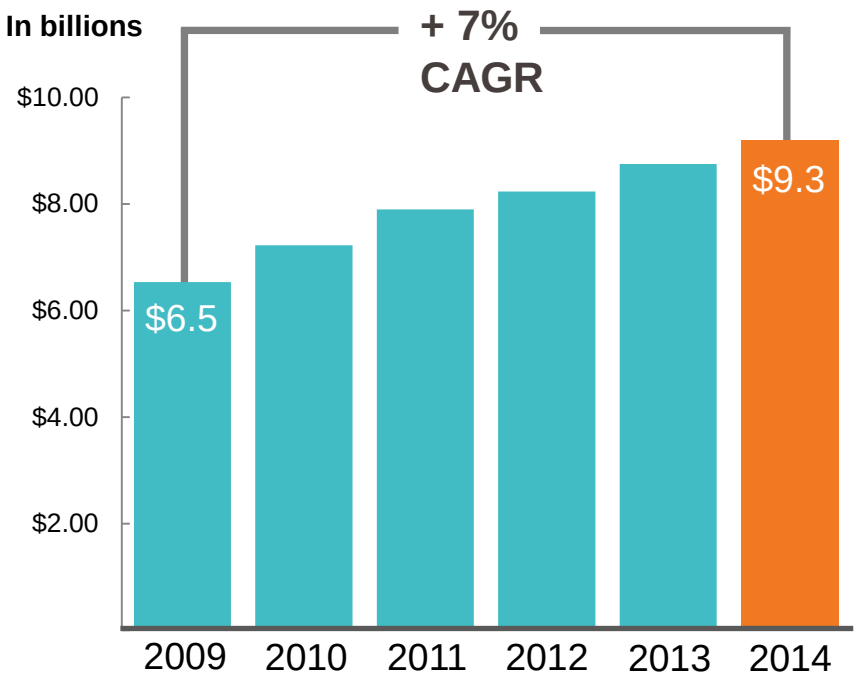
- Dividend growth exceeding EPS growth
  - Target CPG peer average

Sales and EPS Growth

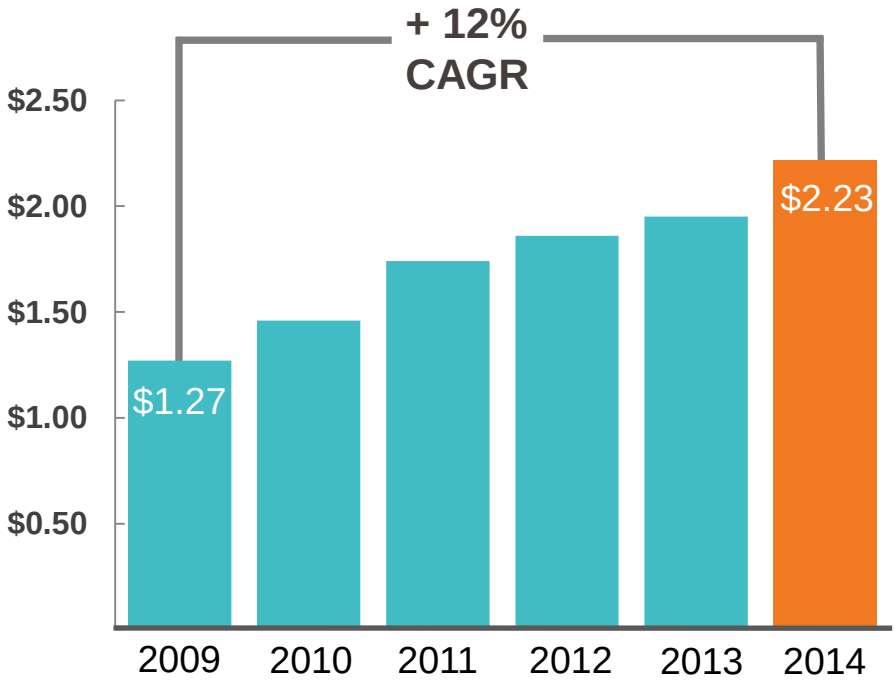
GOAL
5% Revenue Growth

GOAL
10% Operating Income Growth

Sales

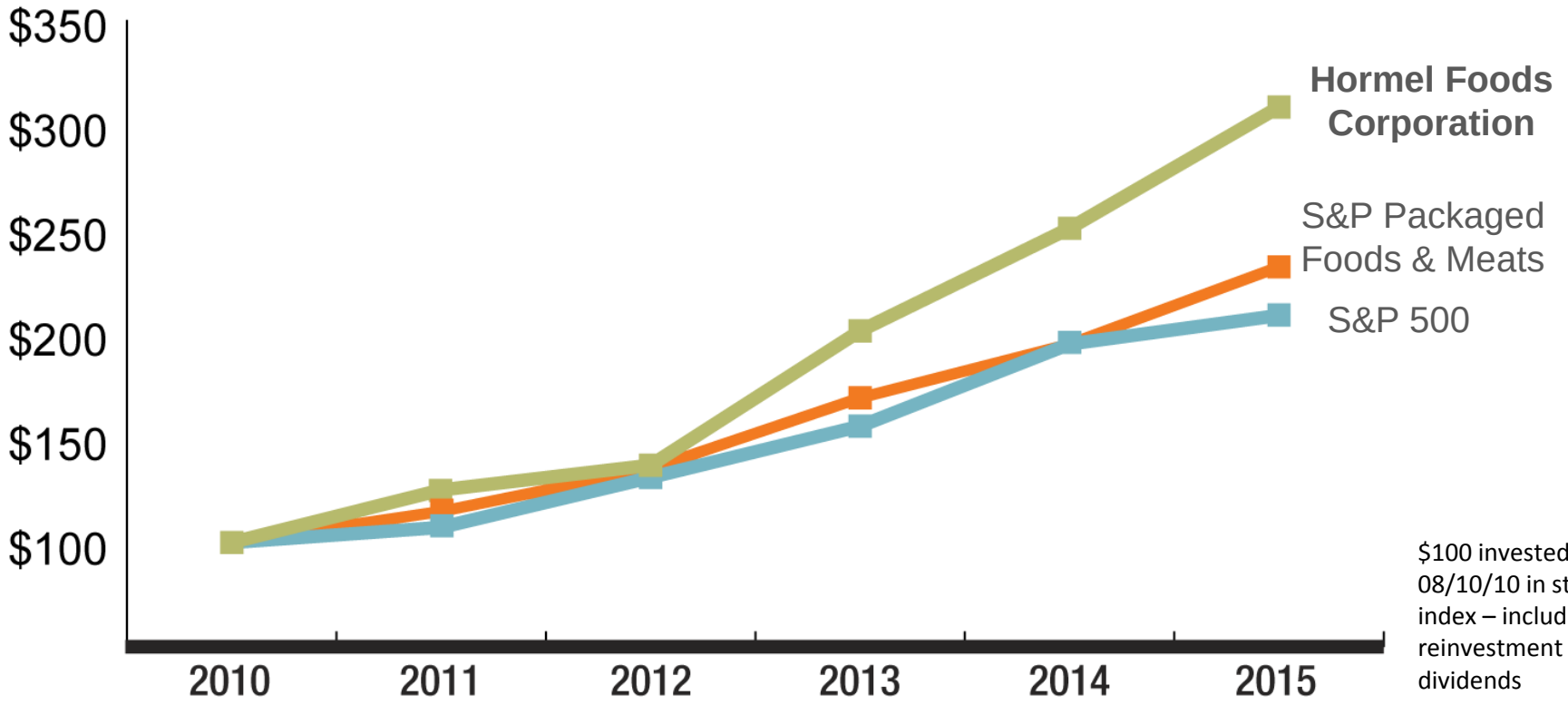


EPS



Total Shareholder Return

Comparison of 5-Year Cumulative Return



$100 invested on 08/10/10 in stock or index – including reinvestment of dividends



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