Hormel Foods

A Long-Term Growth Story



Jim Snee

President and
Chief Executive Officer

CAGE

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 30-37 in the Company's Form 10-Q for the fiscal quarter ended January 29, 2017 for more details.

Why Hormel Foods?

- **TRACK RECORD OF SUCCESS**
- Positioned To Compete
- A Clear Strategy For Long-Term Growth



HRL listed NYSE

We are
Hormel Foods

$9.5B
Fiscal Year 2016
Net Sales

TRACK RECORD OF SUCCESS

Ranked
#16
of the
100 BEST CORPORATE CITIZENS

$18.5B
Market
Capitalization

*Includes 2017 declared increase

EARNINGS GROWTH
28
OUT OF LAST
31 YEARS

51
CONSECUTIVE
YEARS
OF DIVIDEND INCREASES *

Hormel Foods

Refrigerated Foods





Jennie-O Turkey Store







Grocery Products







Specialty Foods







International & Other









Refrigerated Foods



49% OF TOTAL SALES

43% OF PROFIT

Fiscal 2016 Data











Jennie-O Turkey Store

18% OF TOTAL SALES

24% OF PROFIT

Fiscal 2016 Data











Grocery Products

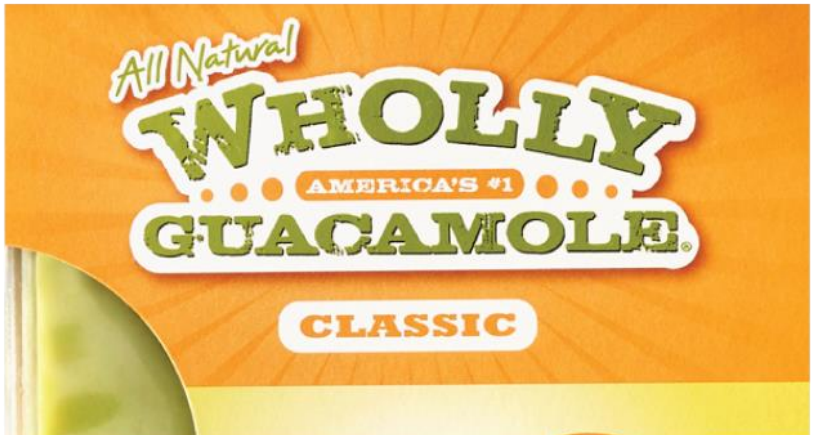




18% OF TOTAL SALES

19% OF PROFIT

Fiscal 2016 Data







Specialty Foods



10% OF TOTAL SALES

8% OF PROFIT





Fiscal 2016 Data









International & Other

5% OF TOTAL SALES

6% OF PROFIT

Fiscal 2016 Data







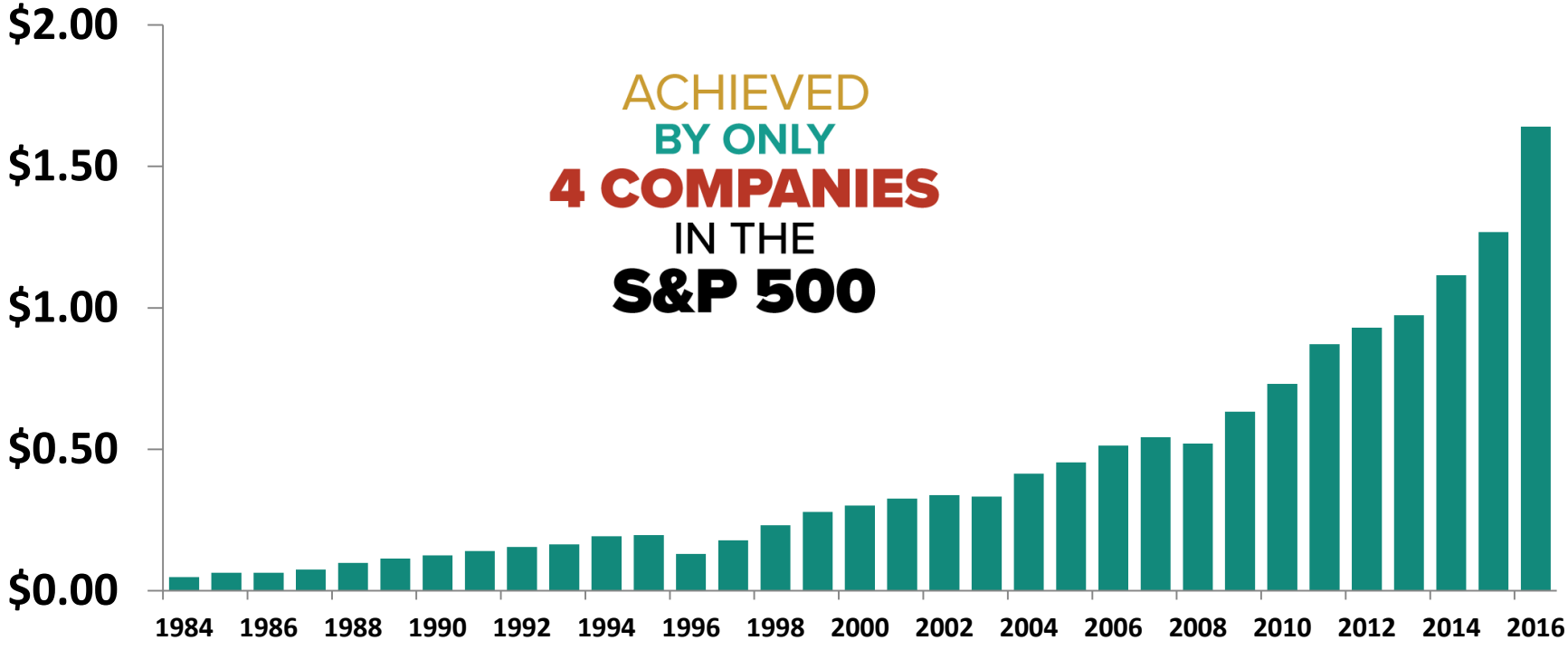






We have Grown Earnings

28 Out of 31 Years

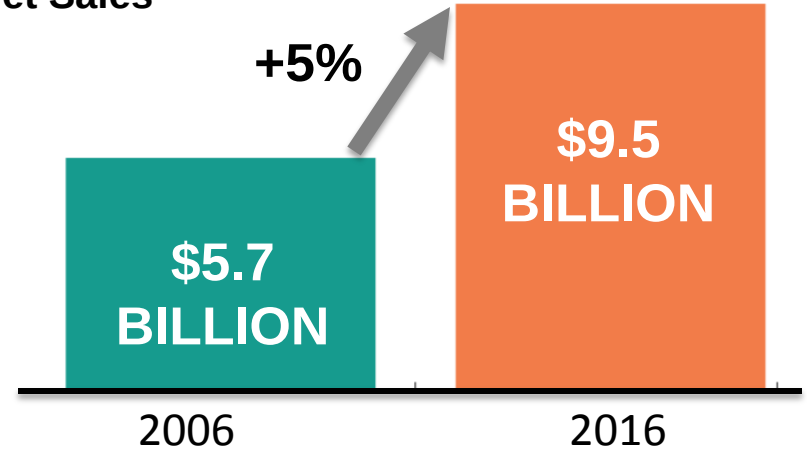


Achieving Our Long-Term Growth Goals

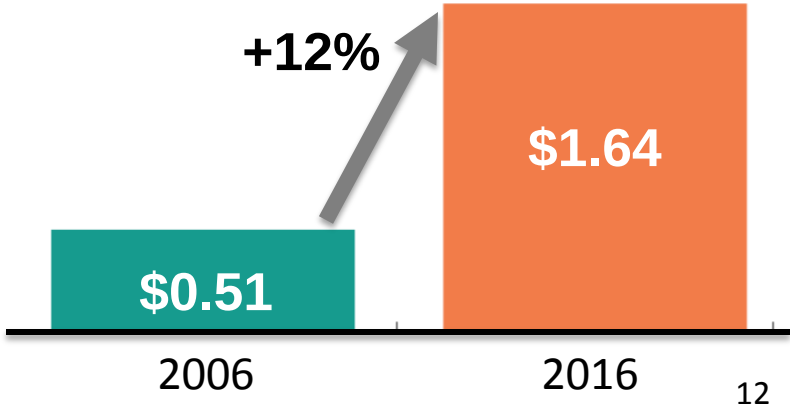
5% TOP LINE GROWTH GOAL

10% BOTTOM LINE GROWTH GOAL

Net Sales



Diluted EPS



Driving Shareholder Value

$3.9B
Cash from Operations
2012 - 2016

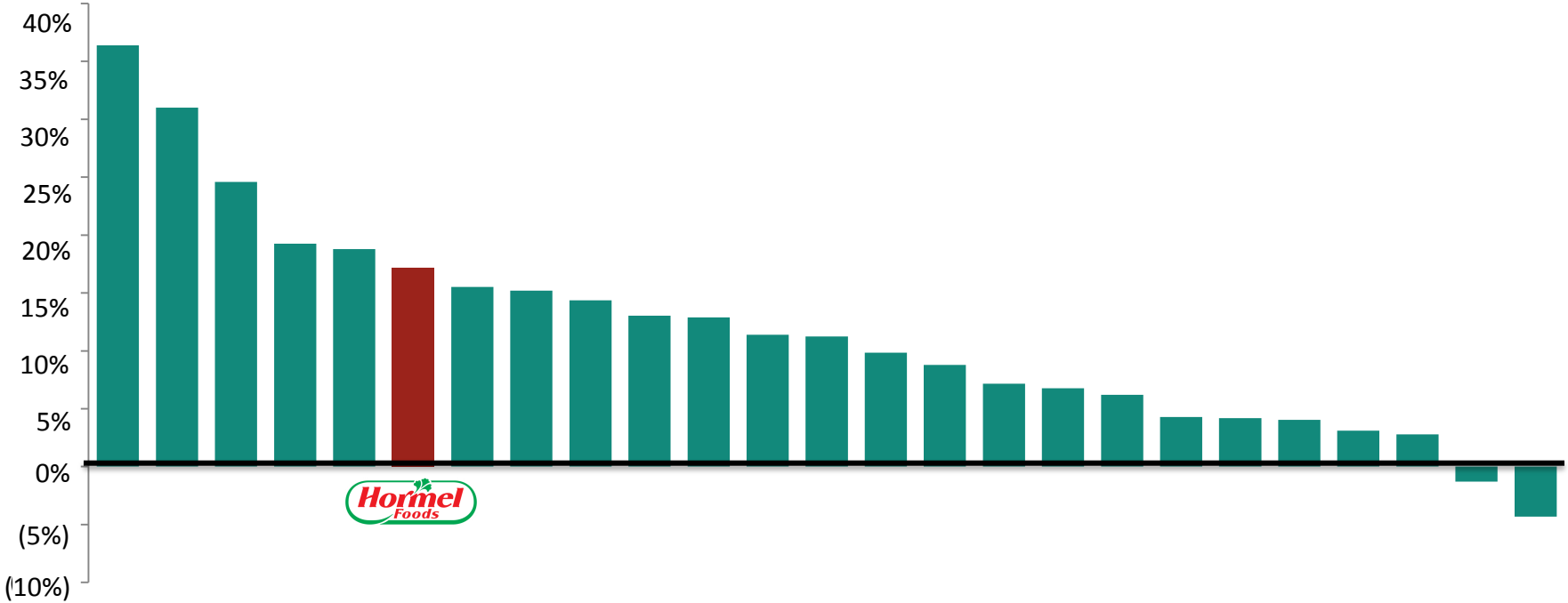
INVESTING IN THE BUSINESS

CAPEX	ACQUISITIONS
$0.8B	$2.2B

RETURNING CASH TO SHAREHOLDERS

DIVIDENDS	BUYBACKS
$1.1B	$0.3B
51 CONSECUTIVE YEARS OF DIVIDEND INCREASES	Offset Stock Option DILUTION

Consistently High ROIC



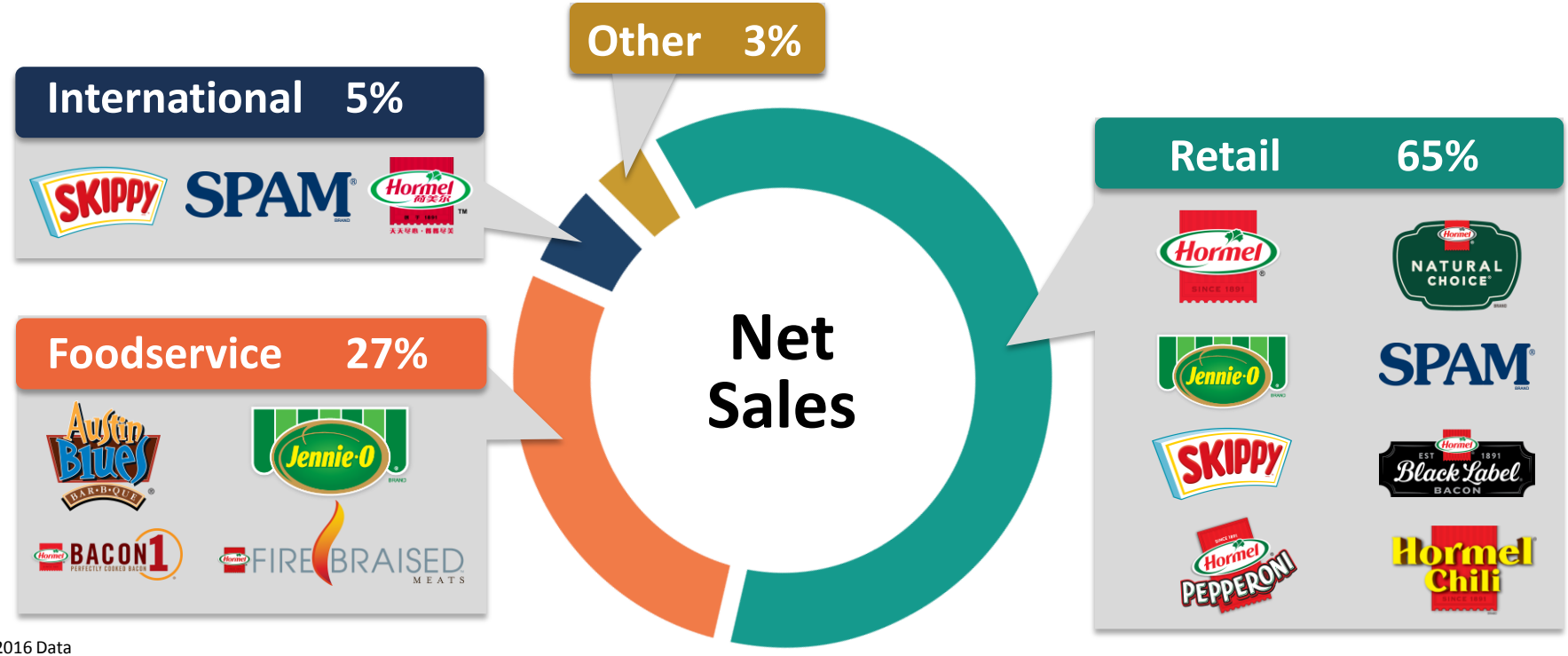
Factset data based on fiscal 2012-2016 data for Hormel Foods and time relative data for peers listed in Company 2016 proxy statement.

Why Hormel Foods?



- Track Record of Success
- **POSITIONED TO COMPETE**
- A Clear Strategy For Long-Term Growth

Strong, Branded Presence Across the Food Space



Fiscal 2016 Data

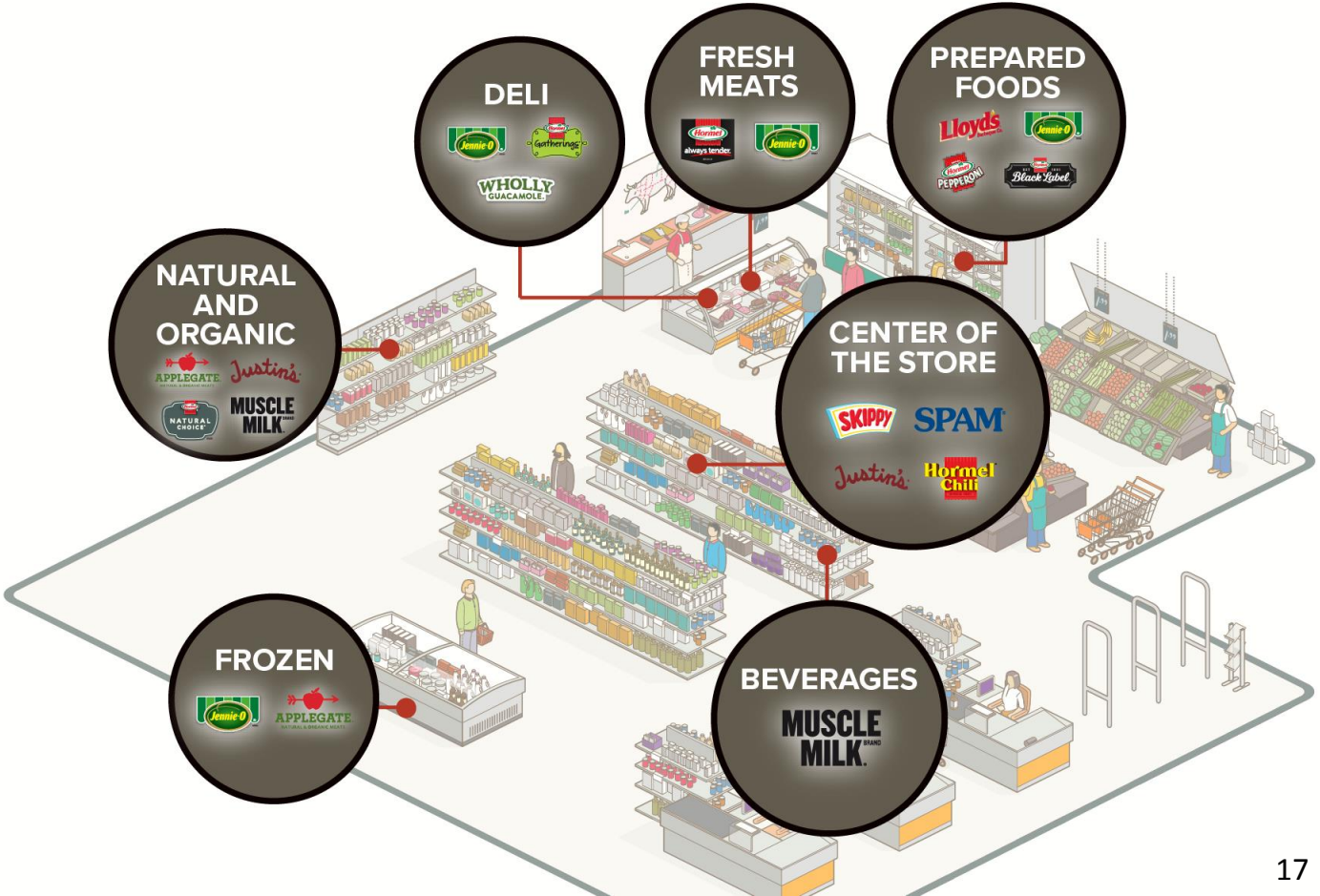
Our Brands Have a

#1 or #2 SHARE

in Over

35

CATEGORIES



*IRI Total U.S. MULO 52 weeks ended 2/12/2017

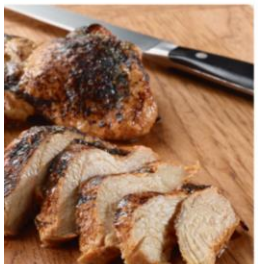
Exceeding Industry Growth in the Foodservice Channel

Segments

- Restaurants
- Convenience
- Hotels
- College & University
- Healthcare
- K-12 Schools

Products







* Technomic Inc. and Internal Data

Three Go-To-Market Strategies For International Growth



CJ PUREFOODS HORMEL

Long-standing PARTNERSHIPS

STRONG EXPORTS

MULTINATIONAL Expansion

Industry-Leading Expertise

Value-Added Protein



Shelf Stable Products



Direct Sales Force



Managing Iconic Brands



Deep Connections to
Customers, Consumers, and Operators

Direct Sales Force

OVER 800 SALES PROFESSIONALS

Innovation

Originate.
Don't Imitate.
-George A. Hormel





Insights



Cultural Anthropologist



Consumer Insights Team



Chefs


Annemarie Vaupel,
Foodservice Innovation Manager,
Refrigerated Foods

The Hormel Foundation

48.5%
OWNERSHIP

Unique Ownership

Fosters a Long-Term Outlook



POSITIONED TO COMPETE

SUPPORTS
LONG-TERM
CAREERS

51
CONSECUTIVE
YEARS
OF DIVIDEND INCREASES *

*Includes 2017 declared increase

Experienced Senior Management Team



Senior Management Team Average

24 YEARS TENTURE

Why Hormel Foods?

- Track Record of Success
- Positioned To Compete
- **A CLEAR STRATEGY FOR LONG-TERM GROWTH**



Our Formula for Success

Building Brands		Innovation		Acquisitions		Balanced Portfolio
						
						
						 
						

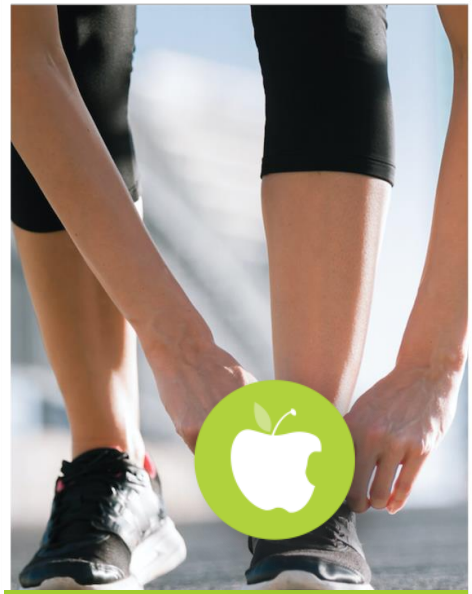
Laser Focused on Four Strategic Growth Areas



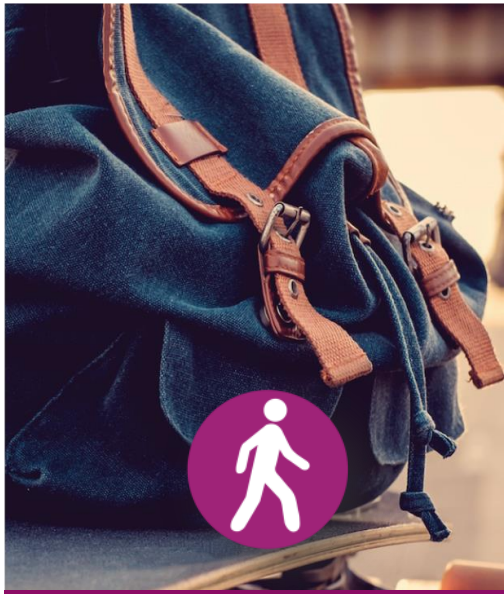
Global



Multicultural



Healthy/ Holistic

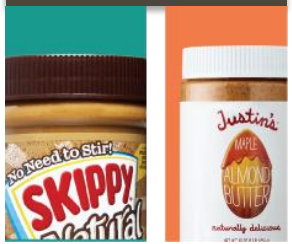
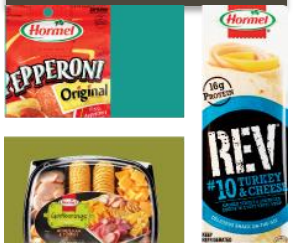
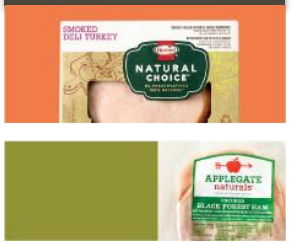


On-the-go

Growth through Brand Building

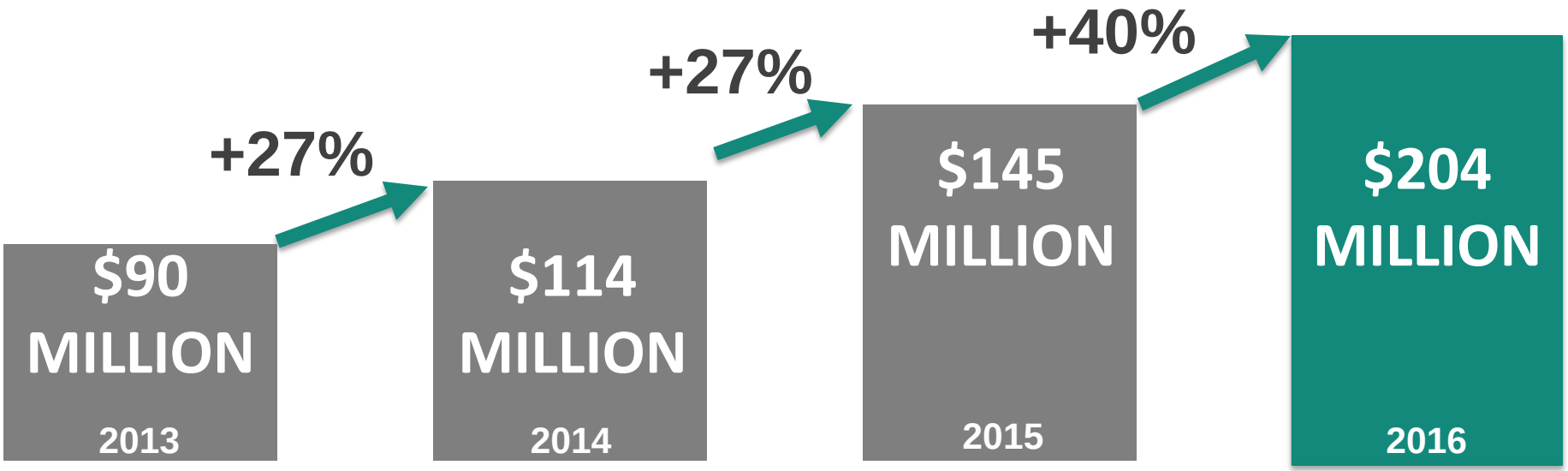
$12.8B
CATEGORY SALES

6.2%
5-YR CAGR

Ground Turkey	Protein Beverages, Bars, and Powder	Nut Butters	Meat Snacks	Mexican Sauces, Salsas and Dips	Natural and Organic Meats
					

*IRI consulting analysis ending 11/20/16

We Continue to Invest in Our Brands

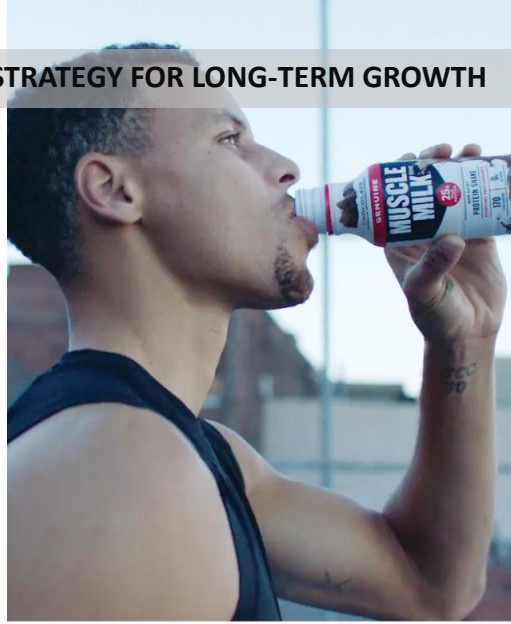


*Internal data – advertising investment

Supporting Our Brands













Growth through Innovation







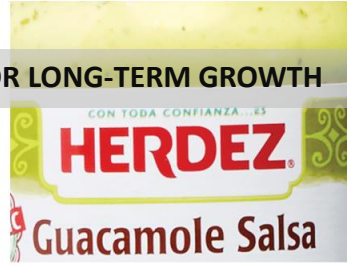


12.6%
of total net sales

2016

15% BY 2020 INNOVATION GOAL

*Internal data









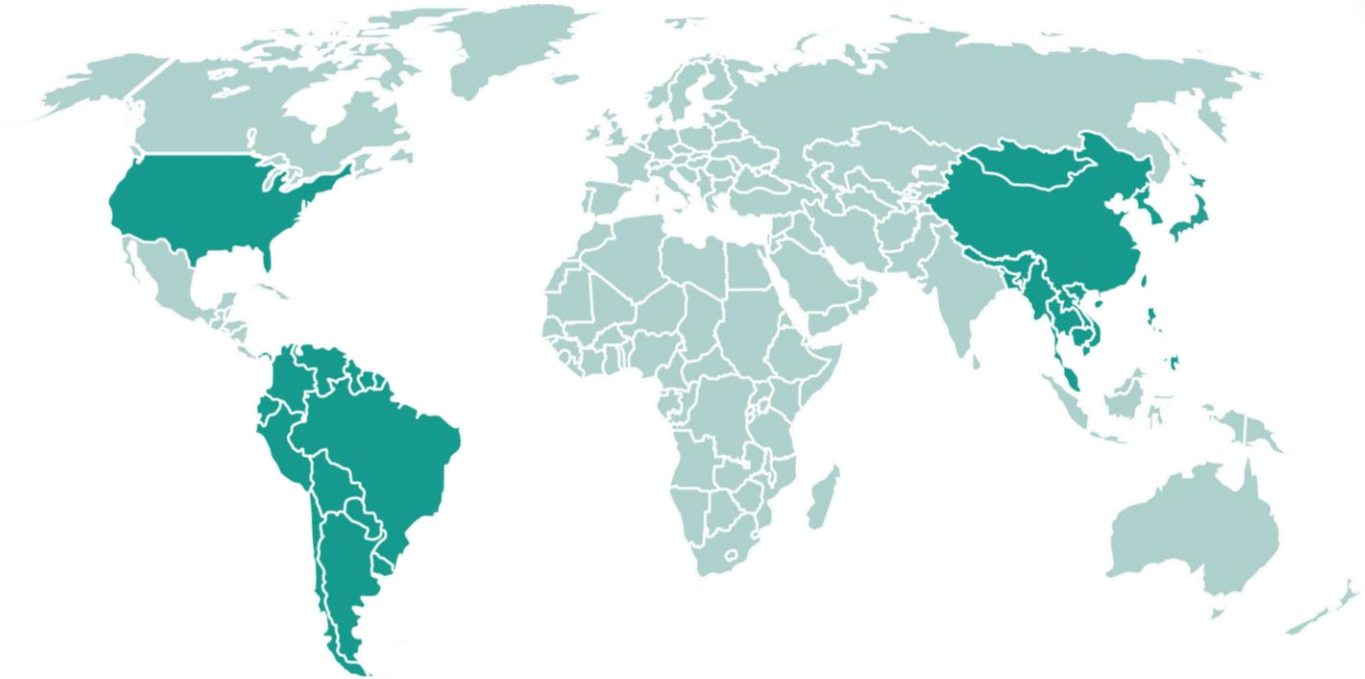






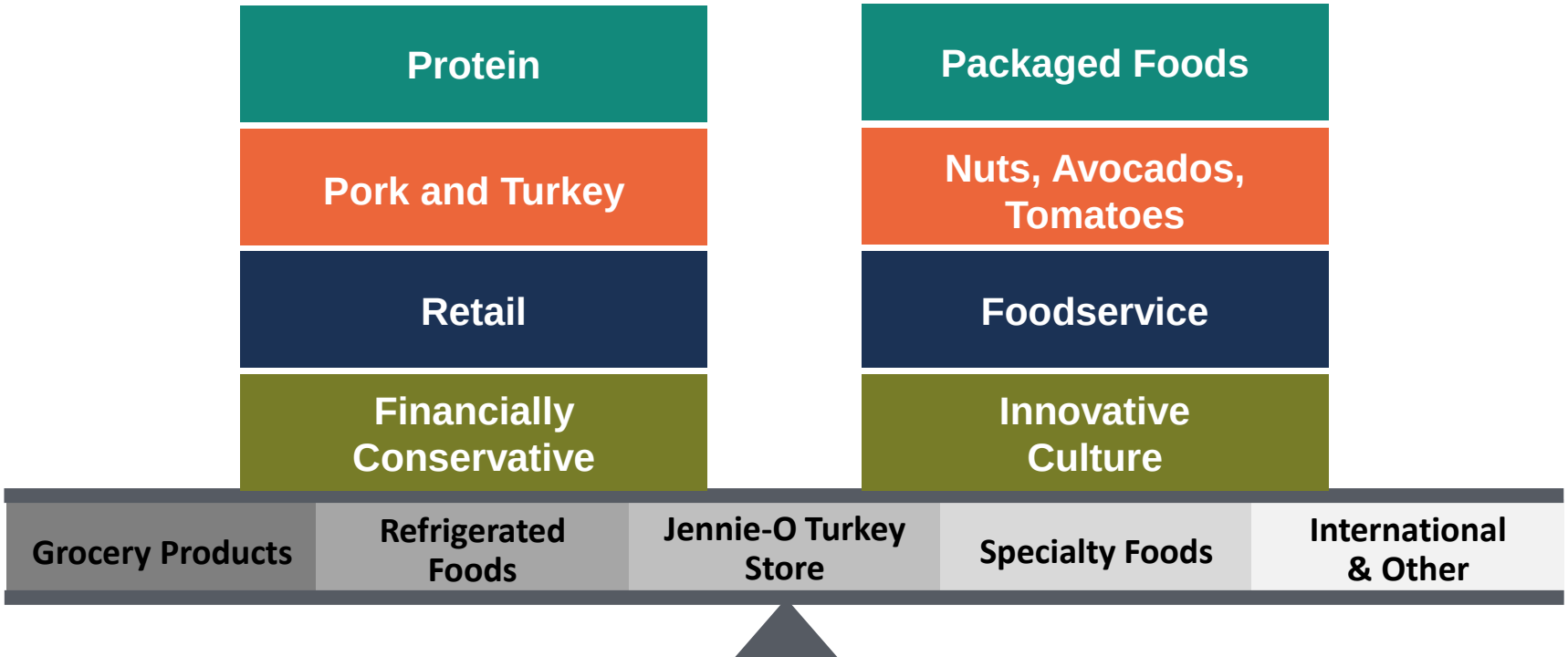


Growth through Strategic Acquisitions

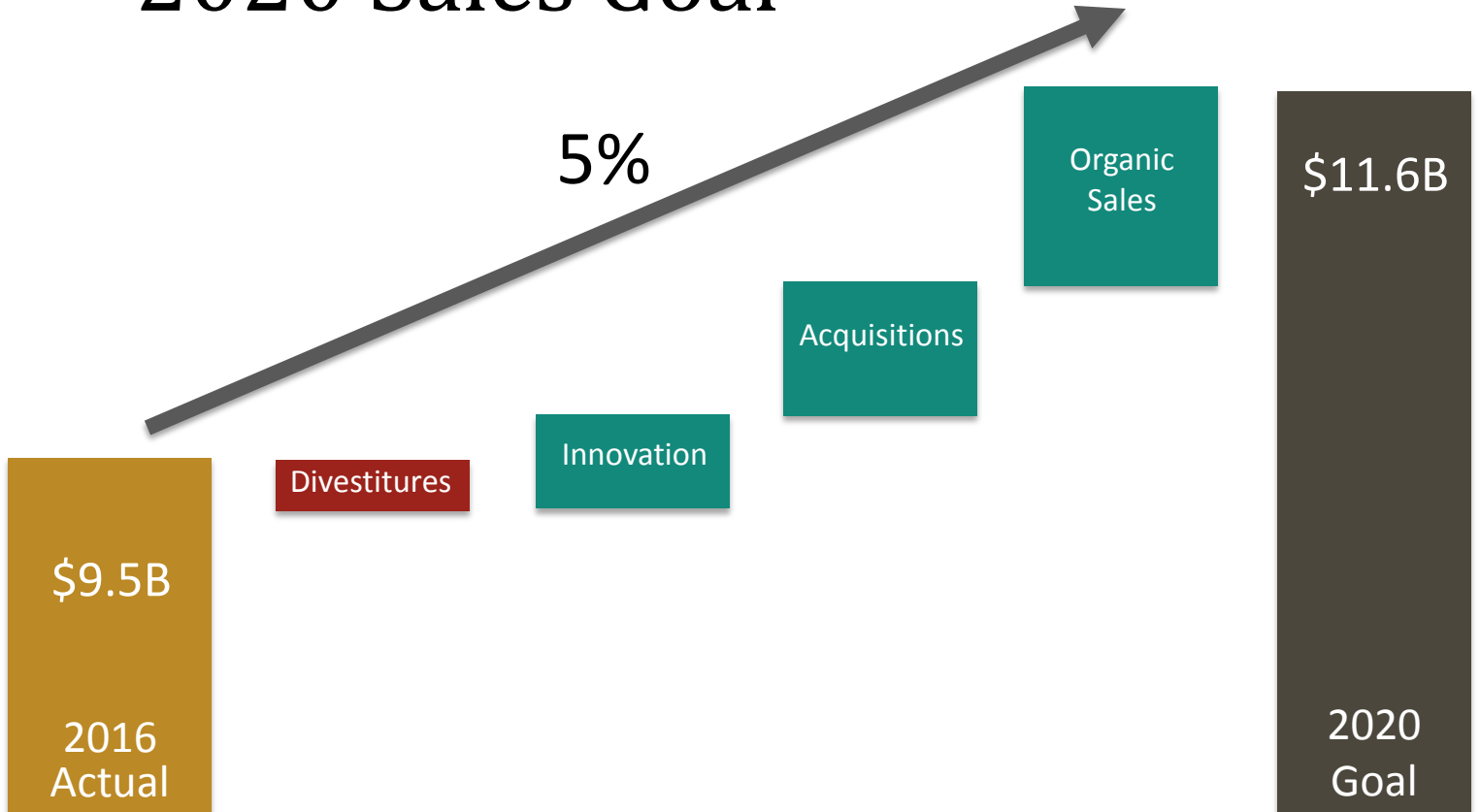


- #1 or #2 brands
- Accretive
- Bring more than cash
- Support existing businesses

Our Balanced Model In Action

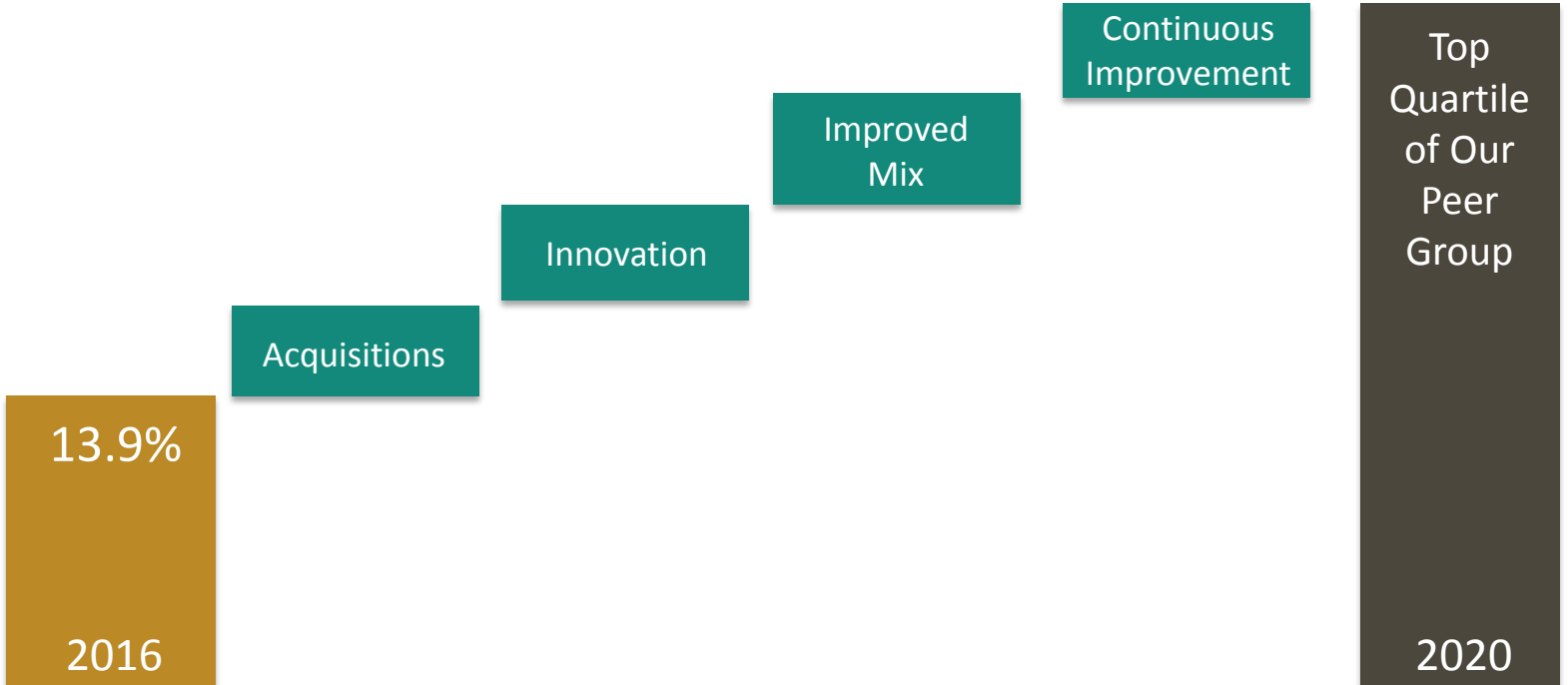


Bridging to our 2020 Sales Goal



*Internal data

Margin Expansion
Will Come in Many Ways

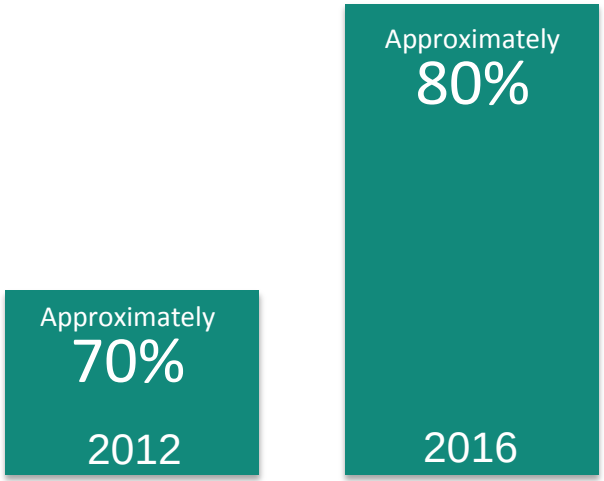


*Internal data

Enhancing Our Product Mix

Value-Added Sales Growth

Refrigerated Foods



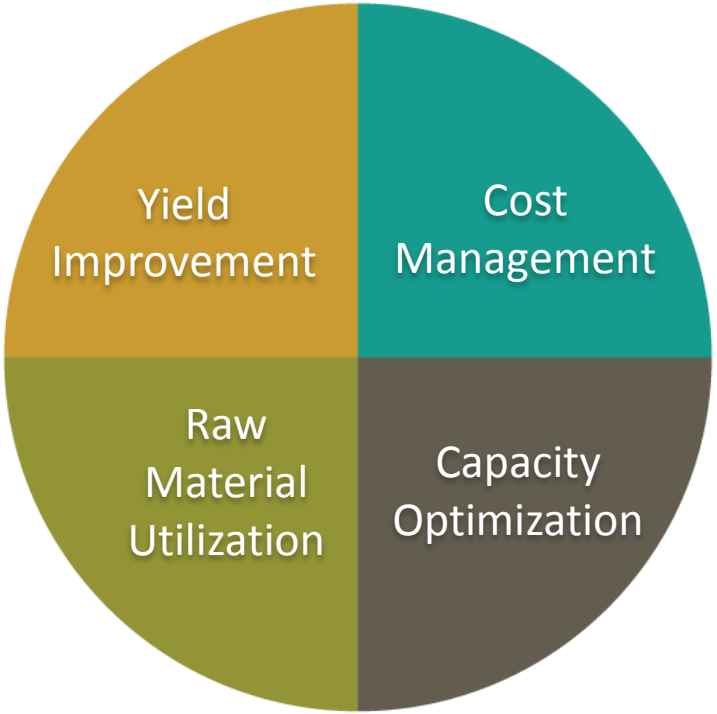
Consistently Adding Value to Our Products



*Internal data – Excludes Farmer John related sales

A Culture of Continuous Improvement

1,000+
CONTINUOUS IMPROVEMENT PROJECTS IN 2016



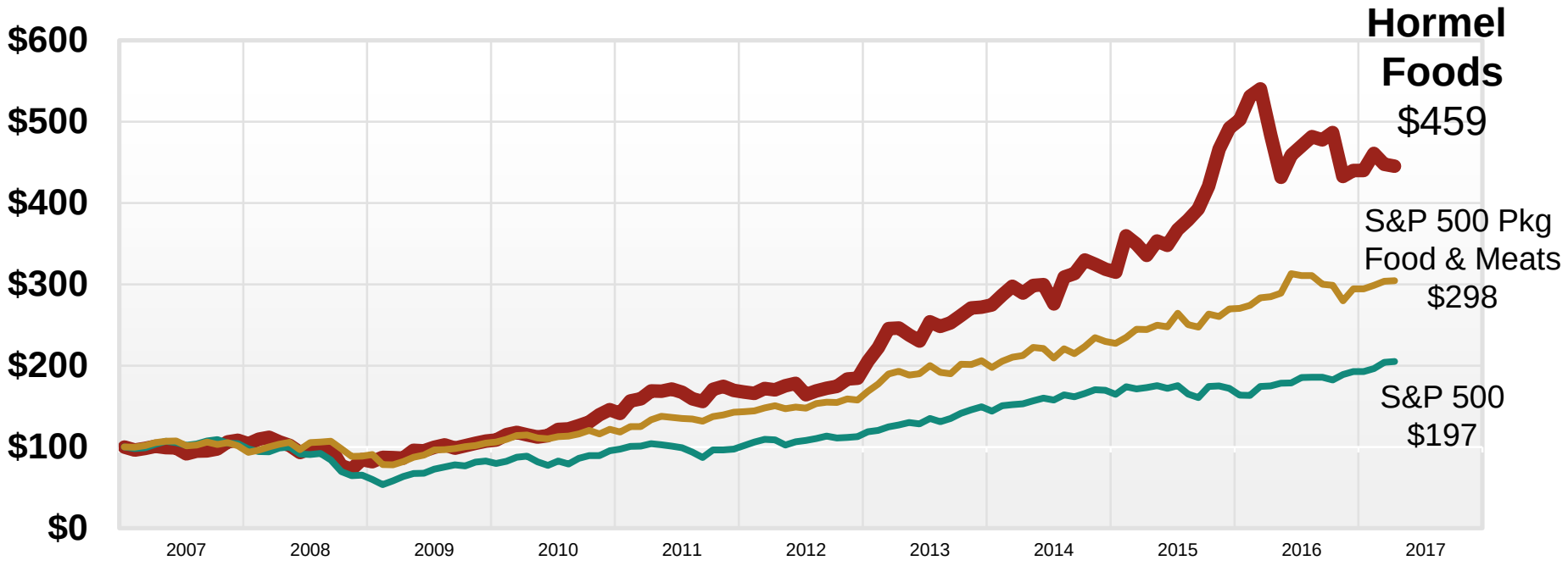
Hormel Foods

A Long-Term Growth Story

- Track Record Of Success
- Positioned To Compete
- A Clear Strategy For Long-Term Growth



Driving Shareholder Returns



$100 invested on 1/31/07 in stock or index – including reinvestment of dividends

Hormel Foods

A Long-Term Growth Story



Jim Snee

President and
Chief Executive Officer

CAGE