

Glenn Leitch

Group Vice President;
President, Jennie-O Turkey Store

16 Years with Hormel Foods

Hormel Foods Career History

2011: Group Vice President; President, Jennie-O Turkey Store
2011: General Manager, Jennie-O Turkey Store
2001: Senior Vice President, Commodity & Supply,
Jennie-O Turkey Store

Favorite Hormel Foods Product



Jennie-O Turkey Store

A Long-Term Growth Story



Glenn Leitch

Group Vice President,
President, Jennie-O Turkey Store

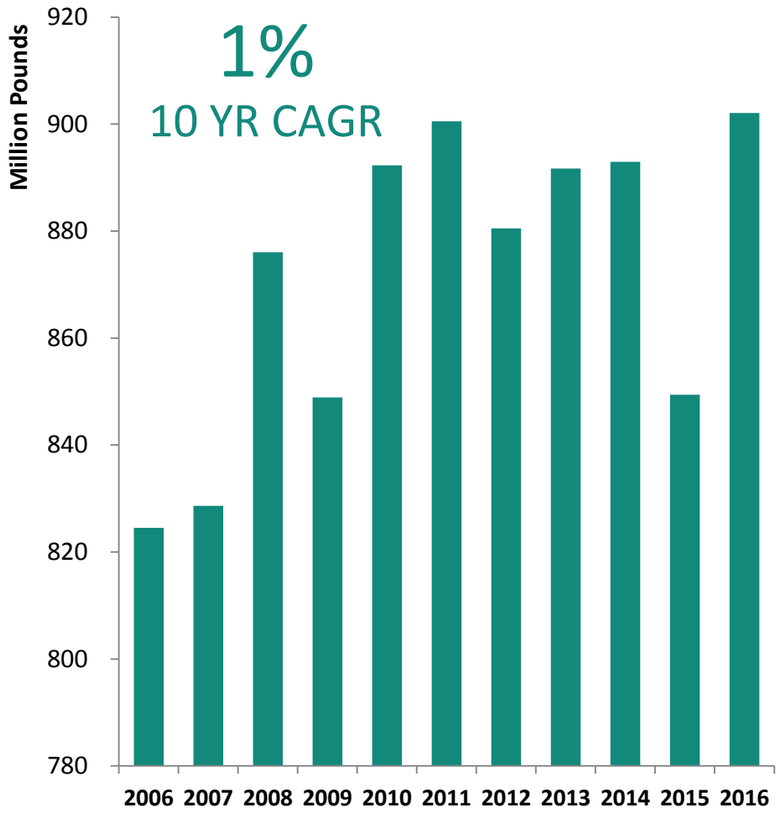
Agenda

- **A HISTORY OF GROWTH**
- Positioned To Compete
- A Compelling Outlook

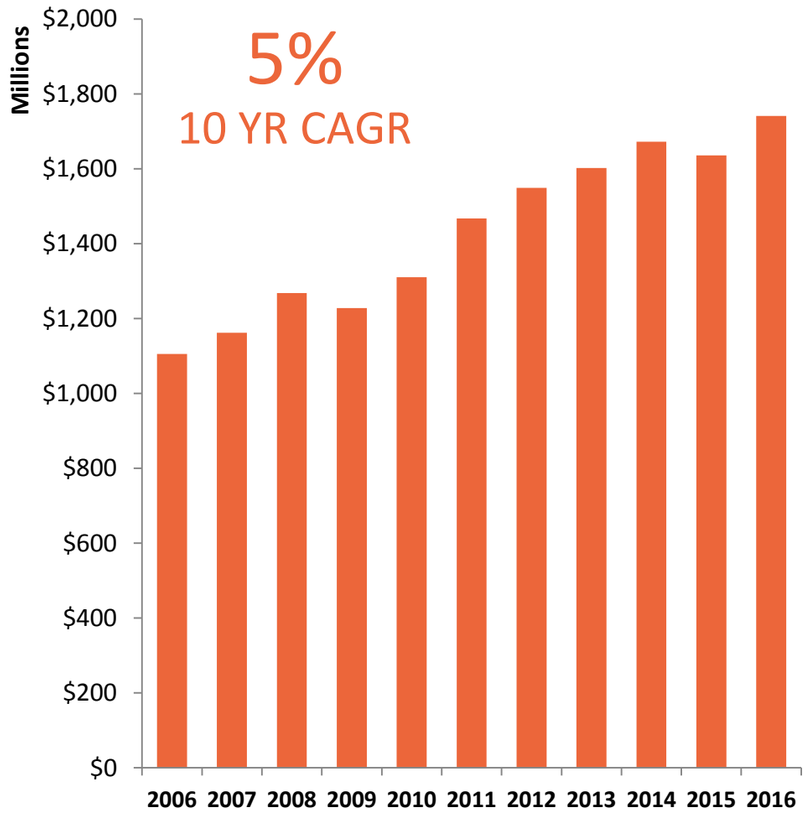


Consistent Long-Term Growth

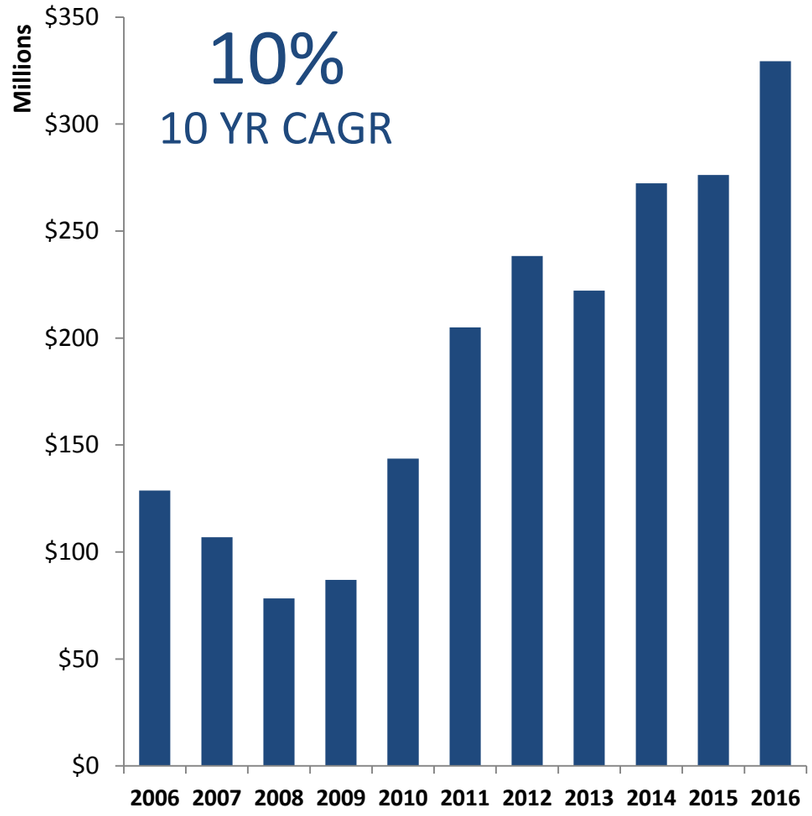
Volume



Net Sales



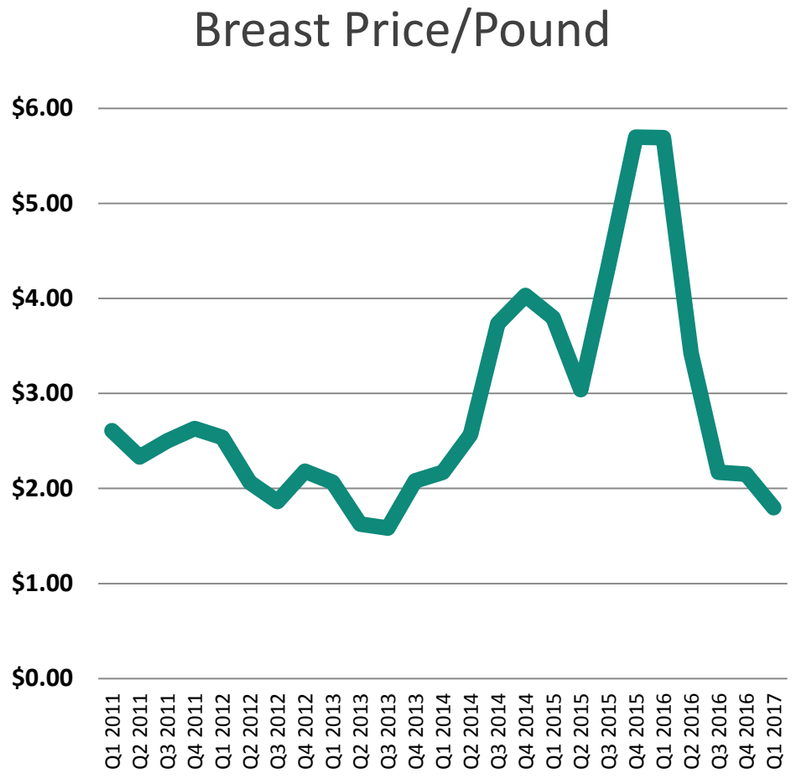
Segment Profit



A HISTORY OF GROWTH

Business Dynamics in the First Half of 2017

Turkey Commodity Markets

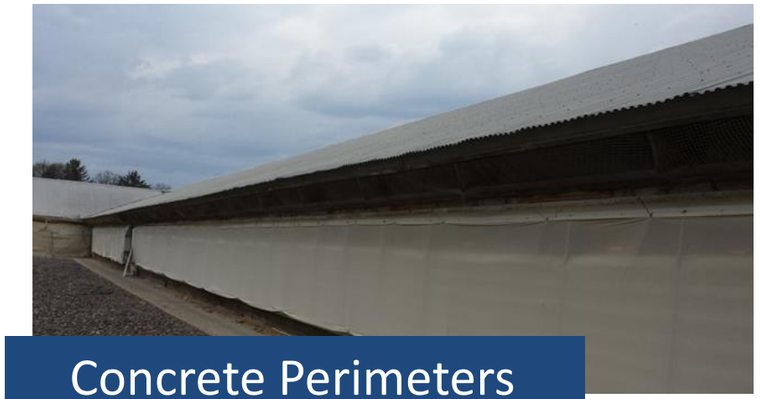


USDA ERS data

Competitive Markets



Increased Expenses



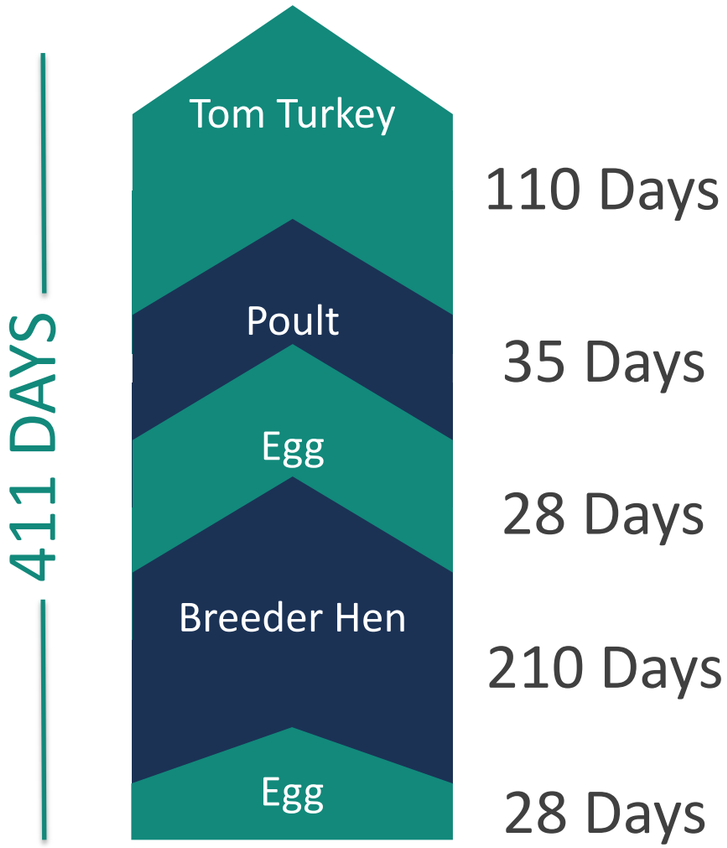
Concrete Perimeters



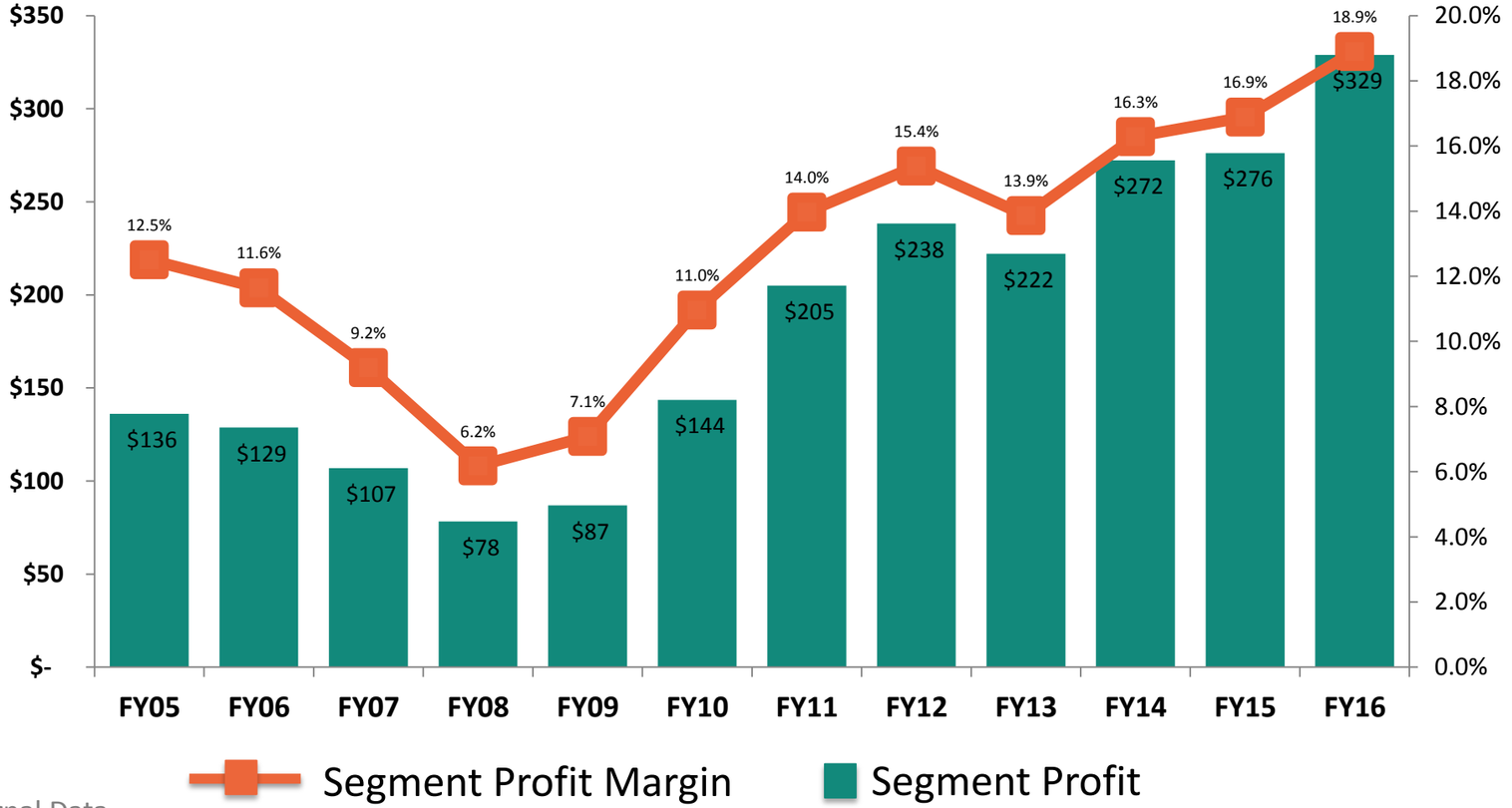
Truck Wash

Cyclical Dynamics Of The Turkey Industry

Turkey Lifecycle



Jennie-O Turkey Store



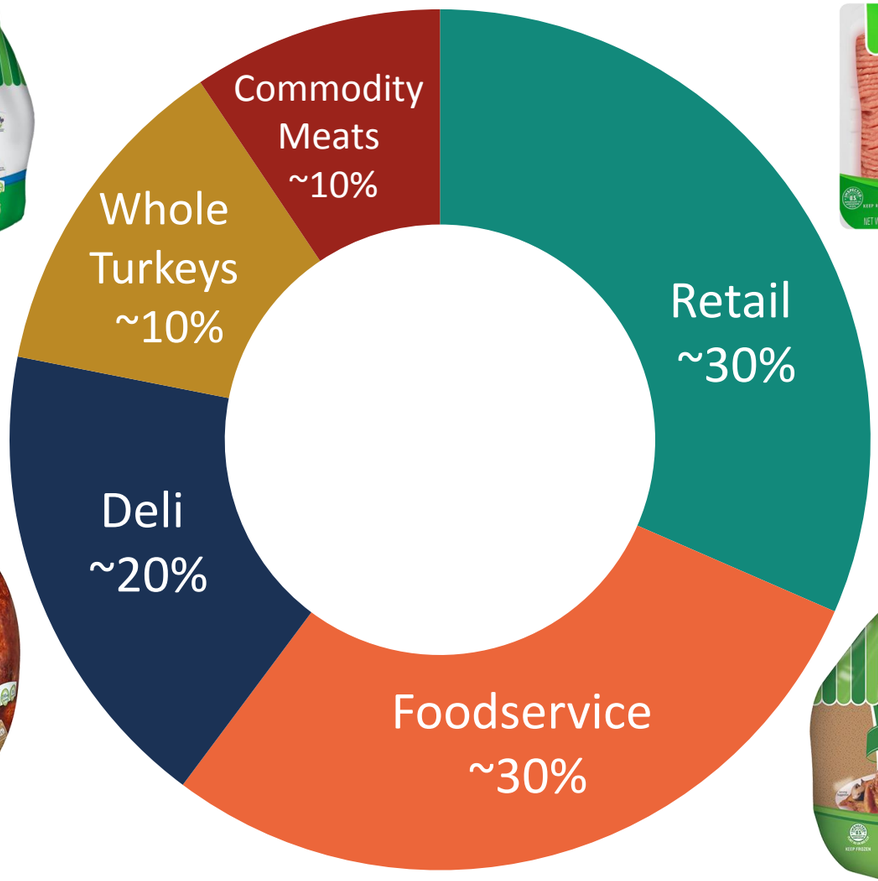
Internal Data

Jennie-O Turkey Store
Overview

Average Net Sales
2014 - 2016











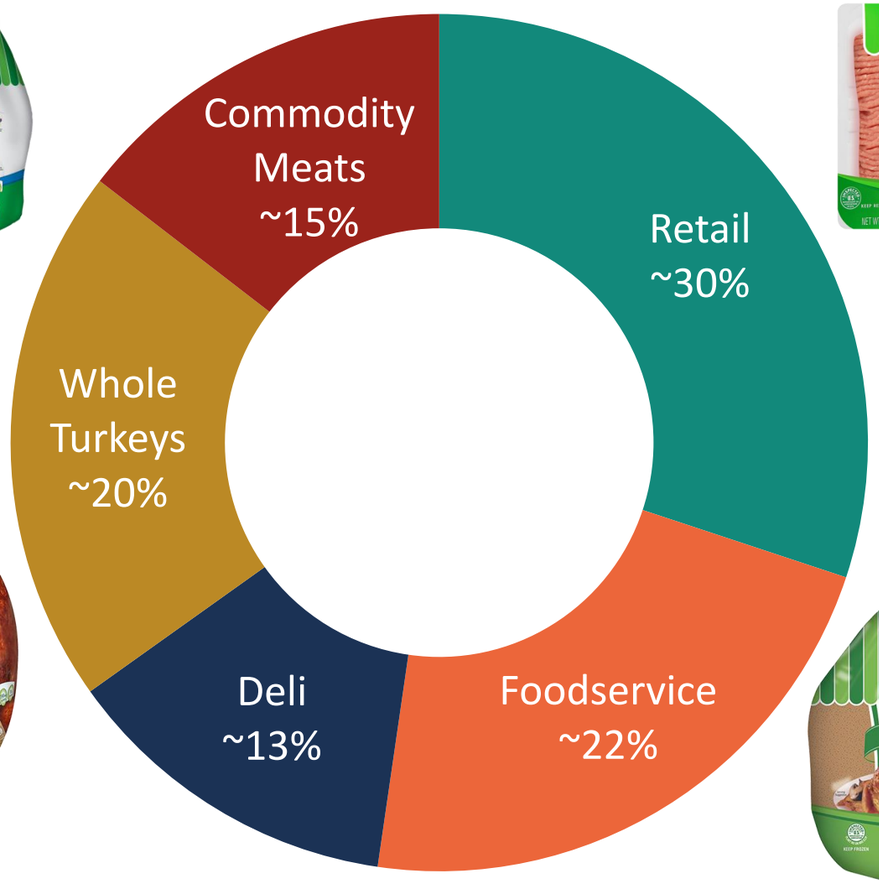


Jennie-O Turkey Store Overview

Average Volume
2014-2016





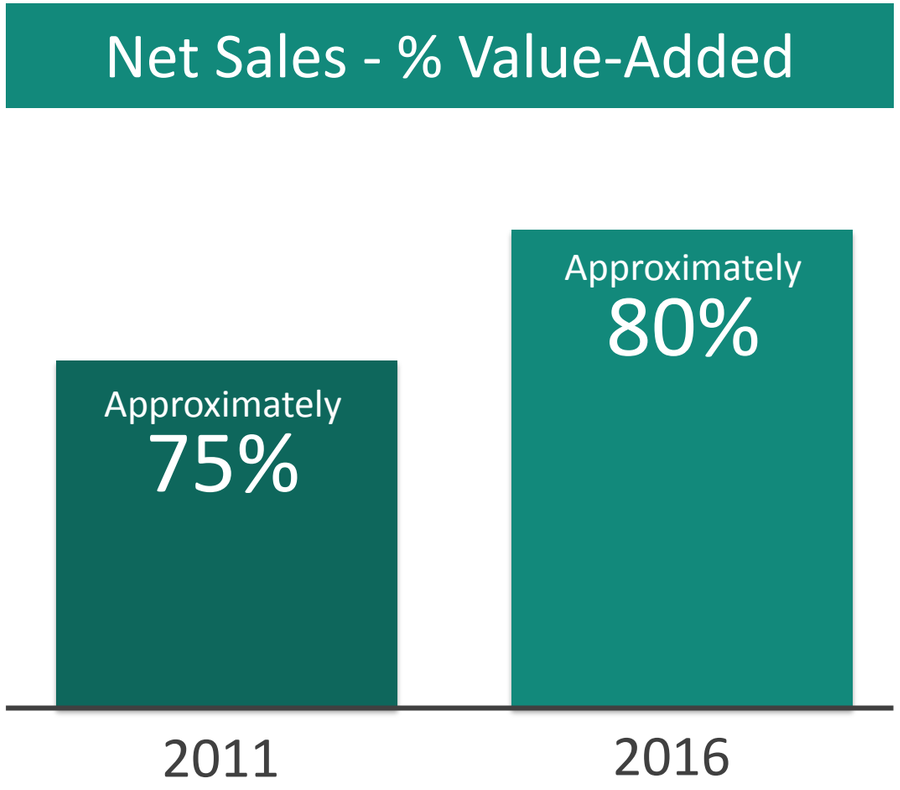








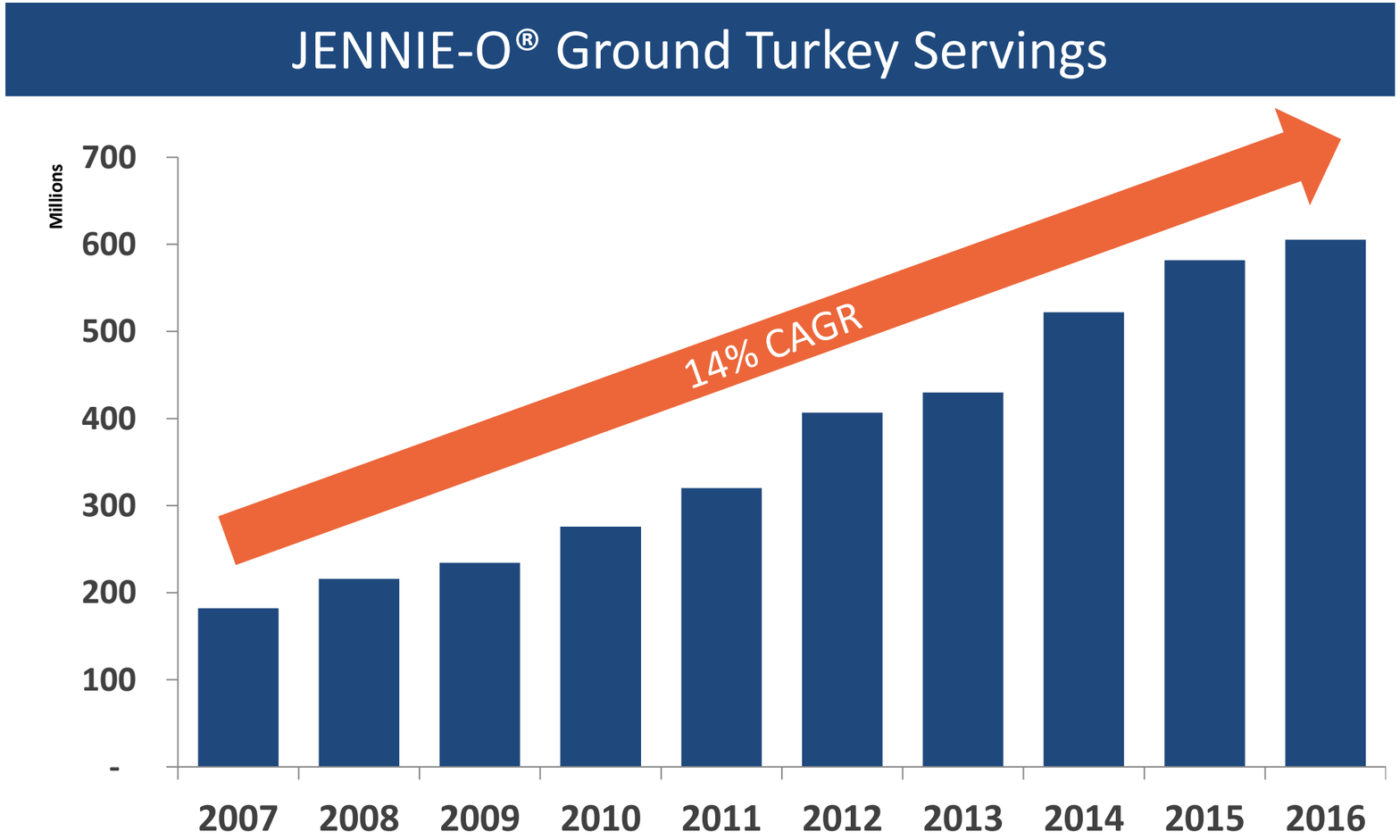
Results Driven By A Positive Mix





Internal Data

Strong Growth in Ground Turkey



600M servings of JENNIE-O® ground turkey were consumed in 2016 – Triple the number in 2007.

Internal Data

Agenda

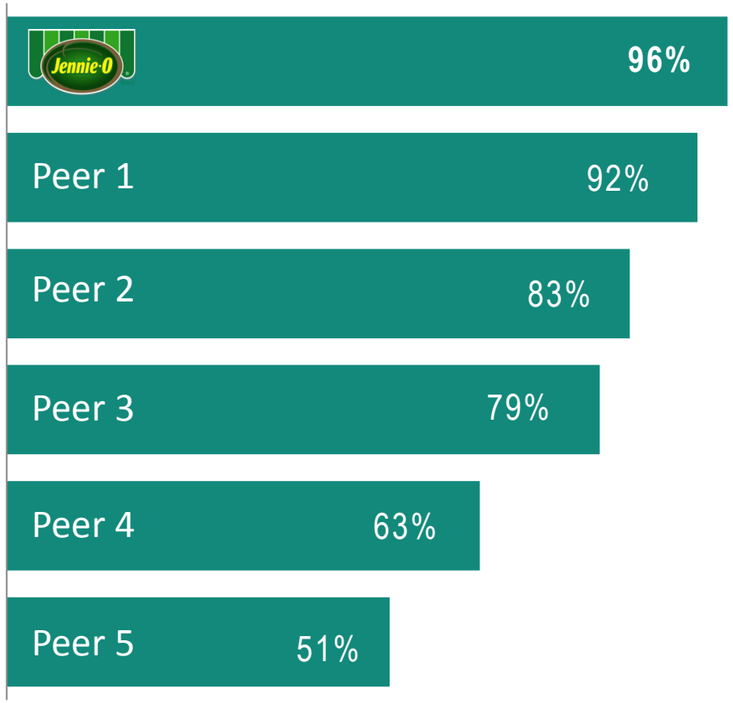
- A History of Growth
- **UNIQUE INDUSTRY POSITION**
- A Compelling Outlook



Sustainable Competitive Advantages

Brand

Category Awareness Among Millennials



Products



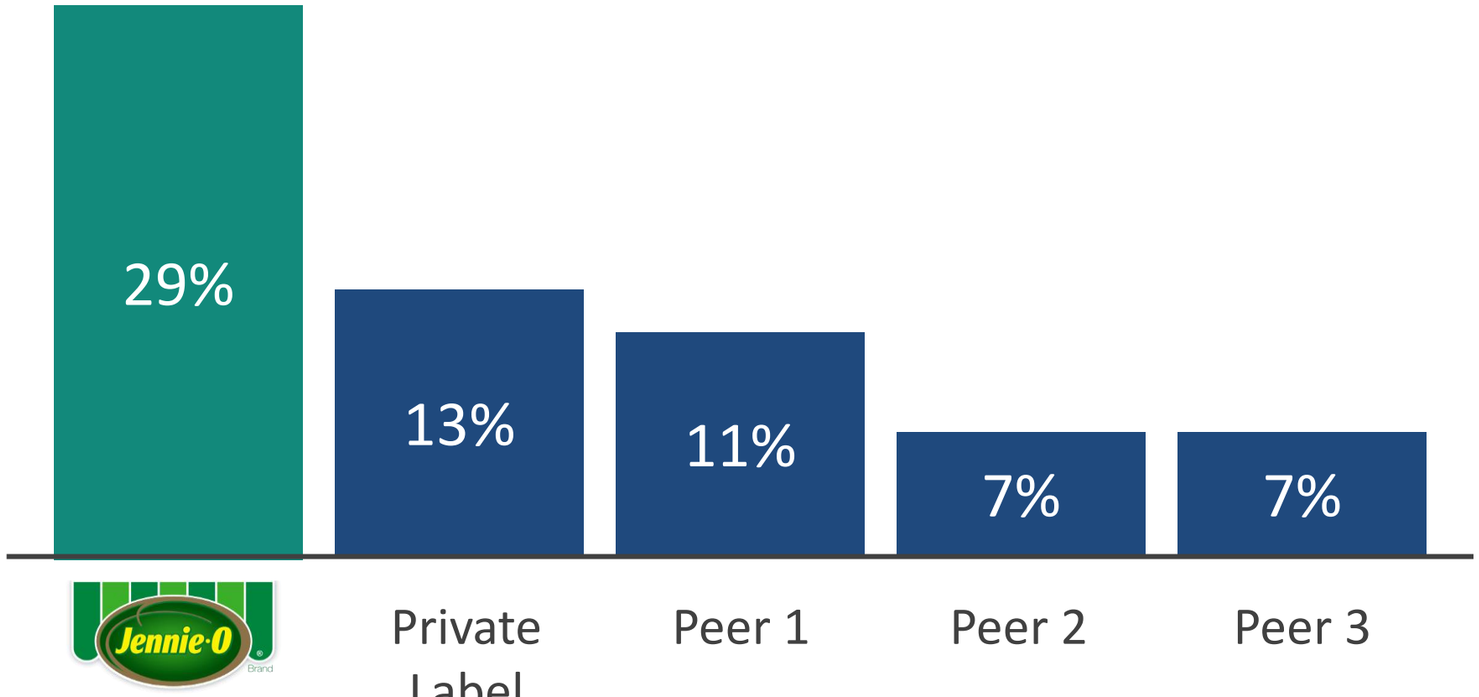
Supply Chain

- Midwest location
- Proximity to production facilities
- Location of DCs

2016 Hormel JOTS Custom Tracking Measurement

Industry Leadership

Turkey Category Dollar Share

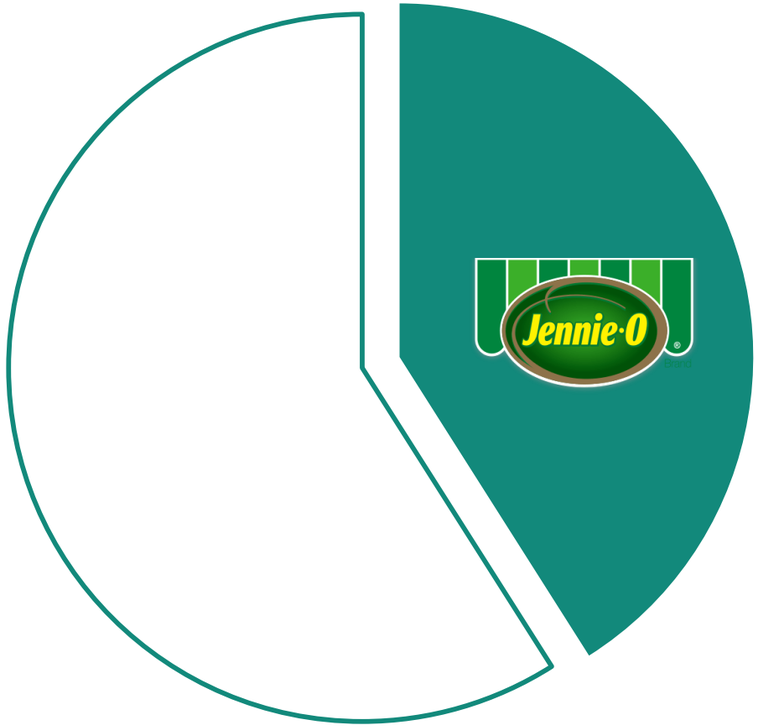




IRI L52W 4/9/2017

#1 Market Share in Lean Ground Turkey

Lean Ground Turkey Market Share





Leadership in Numerous Other Categories

#1 Market Share



36% Share

Fresh Ground Turkey Breakfast Tray



69% Share

Fresh Ground Turkey Chub



75% Share

Fresh Ground Turkey Breakfast Chub



83% Share

#2 or #3 Market Share



16% Share

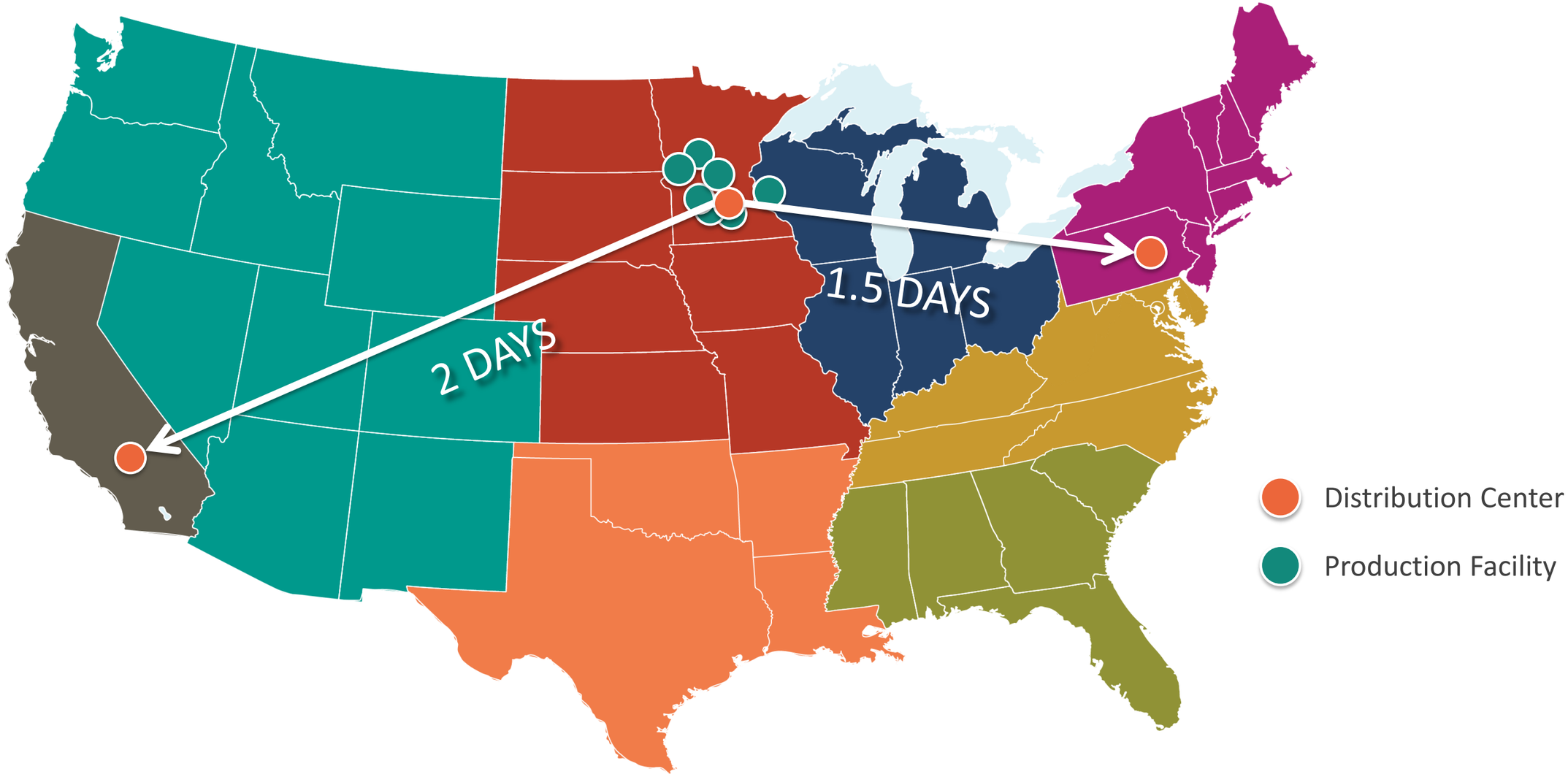


37% Share



17% Share

An Industry-Leading Supply Chain



Delivering a High-Performing Product





Supporting the Brand With Effective Advertising





UNIQUE INDUSTRY POSITION

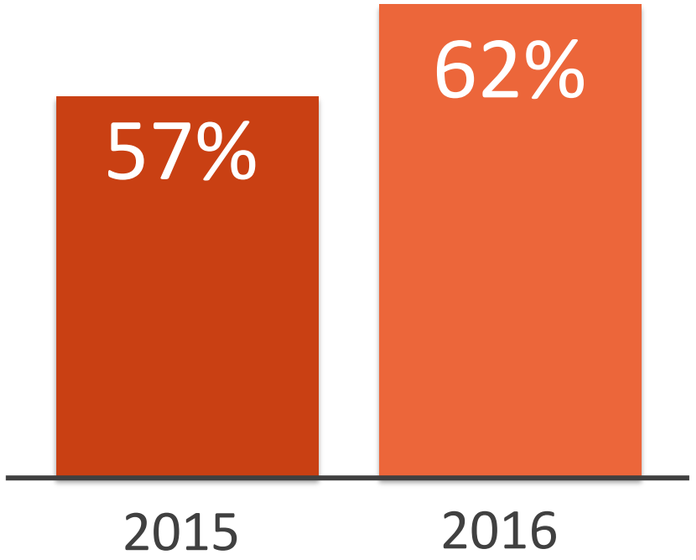
Creating Consumer Awareness and Purchase Intent

Total JENNIE-O® Brand Awareness



Credited to ongoing advertising investment, the *Jennie-O®* brand has grown from 77% to over 96% total awareness.

Purchase Intent



Advertising Awards

Best Sampling Campaign



2016 Hormel JOTS Custom Tracking Measurement

Agenda

- A History of Growth
- Positioned To Compete
- **A COMPELLING OUTLOOK**



Putting More Turkey On More Plates

JENNIE-O® Turkey Sausage Chub Volume



From Holidays…



… to Everyday.



Internal Data

Jennie-O® Turkey Skews Toward Millennials

Household Penetration: JENNIE-O® Brand

General Population
22%



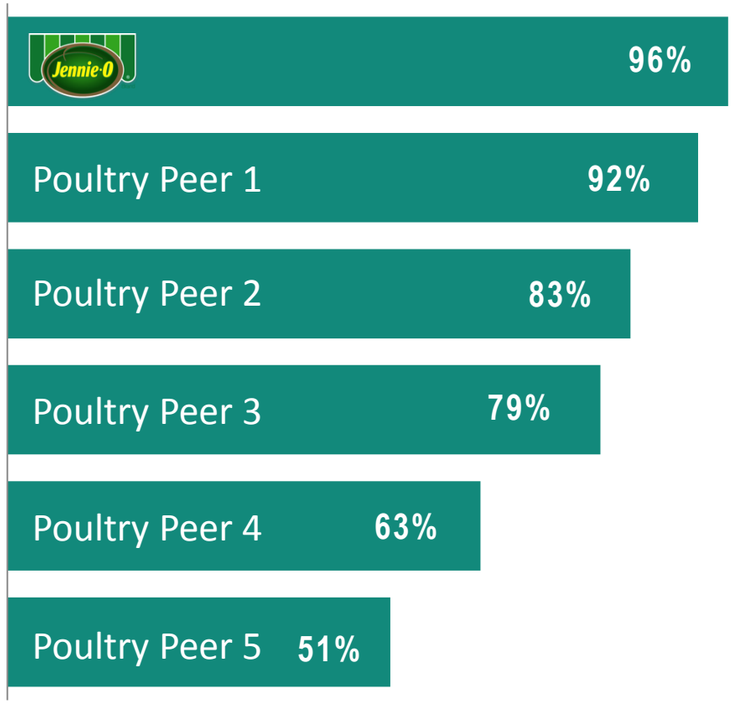
Gen X
24%



Millennials
26%



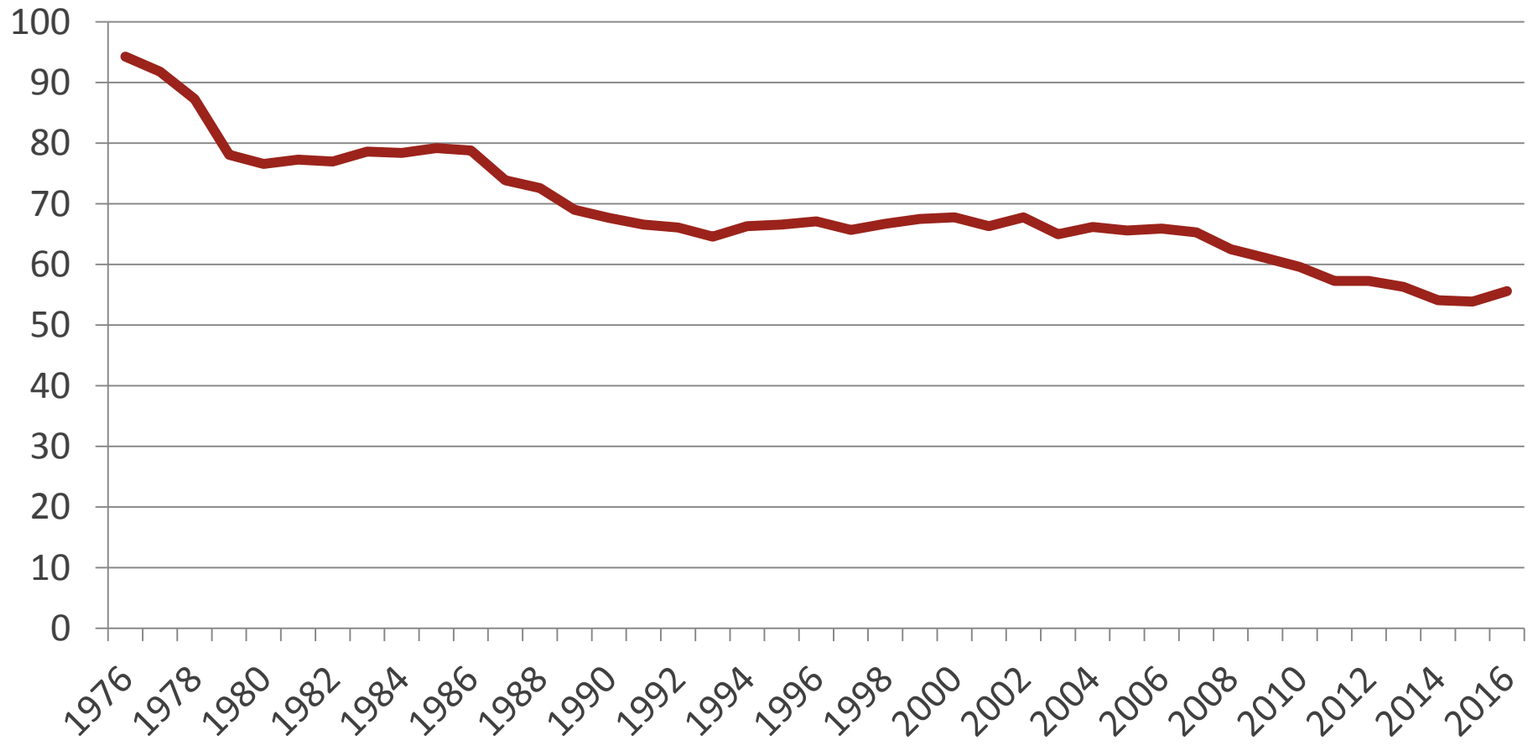
Category Awareness Among Millennials



2016 Hormel JOTS Custom Tracking Measurement

Declining Beef Consumption Creates An Opportunity

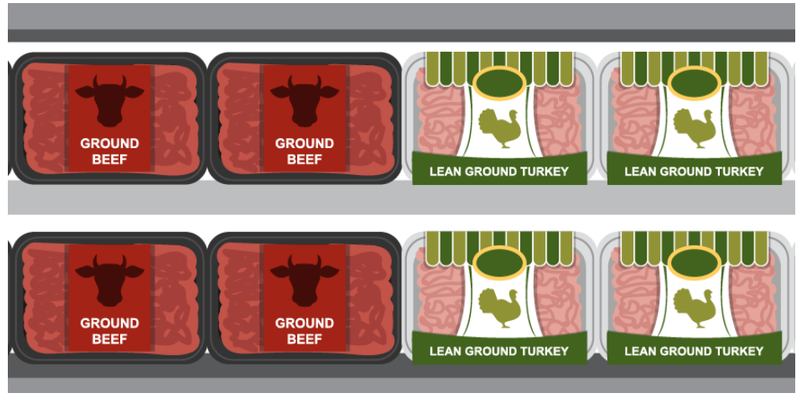
Per-Capita Beef Consumption



USDA ERS data

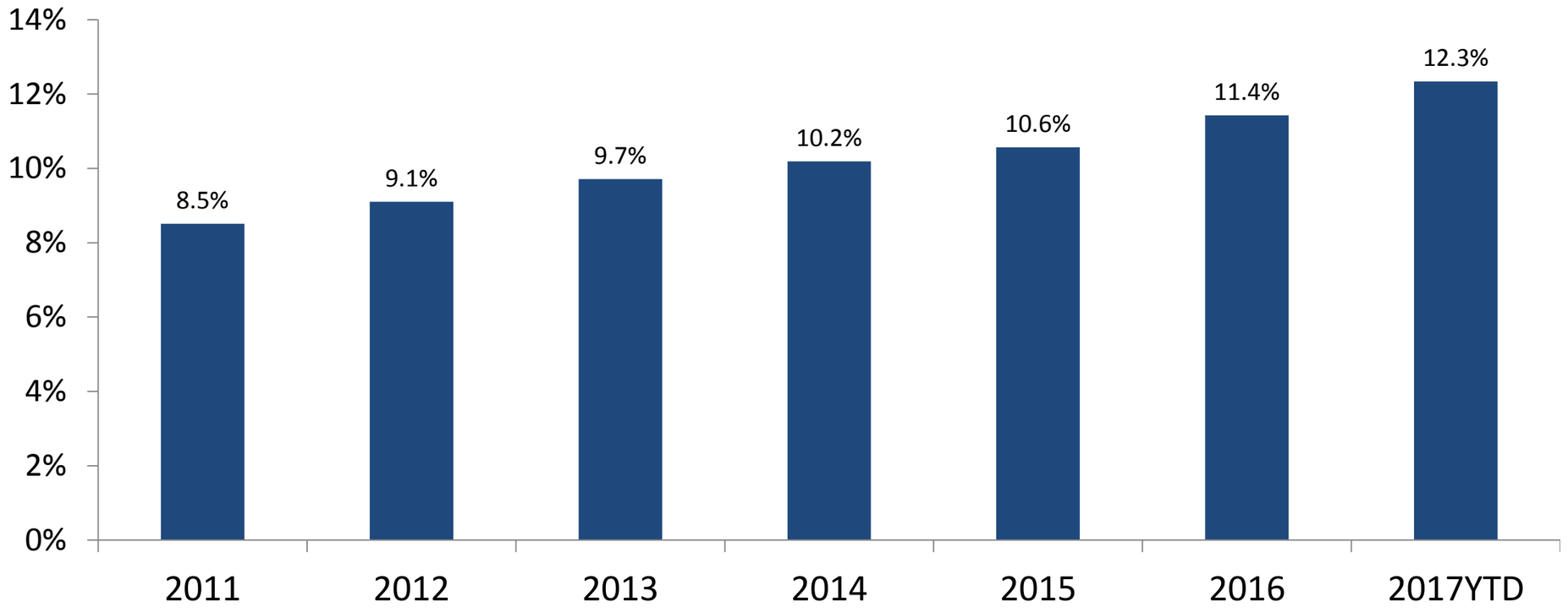
$7 BILLION

GROUND MEAT CATEGORY



Turkey Continues to Take Share From Beef

Turkey's Share of Ground Meats

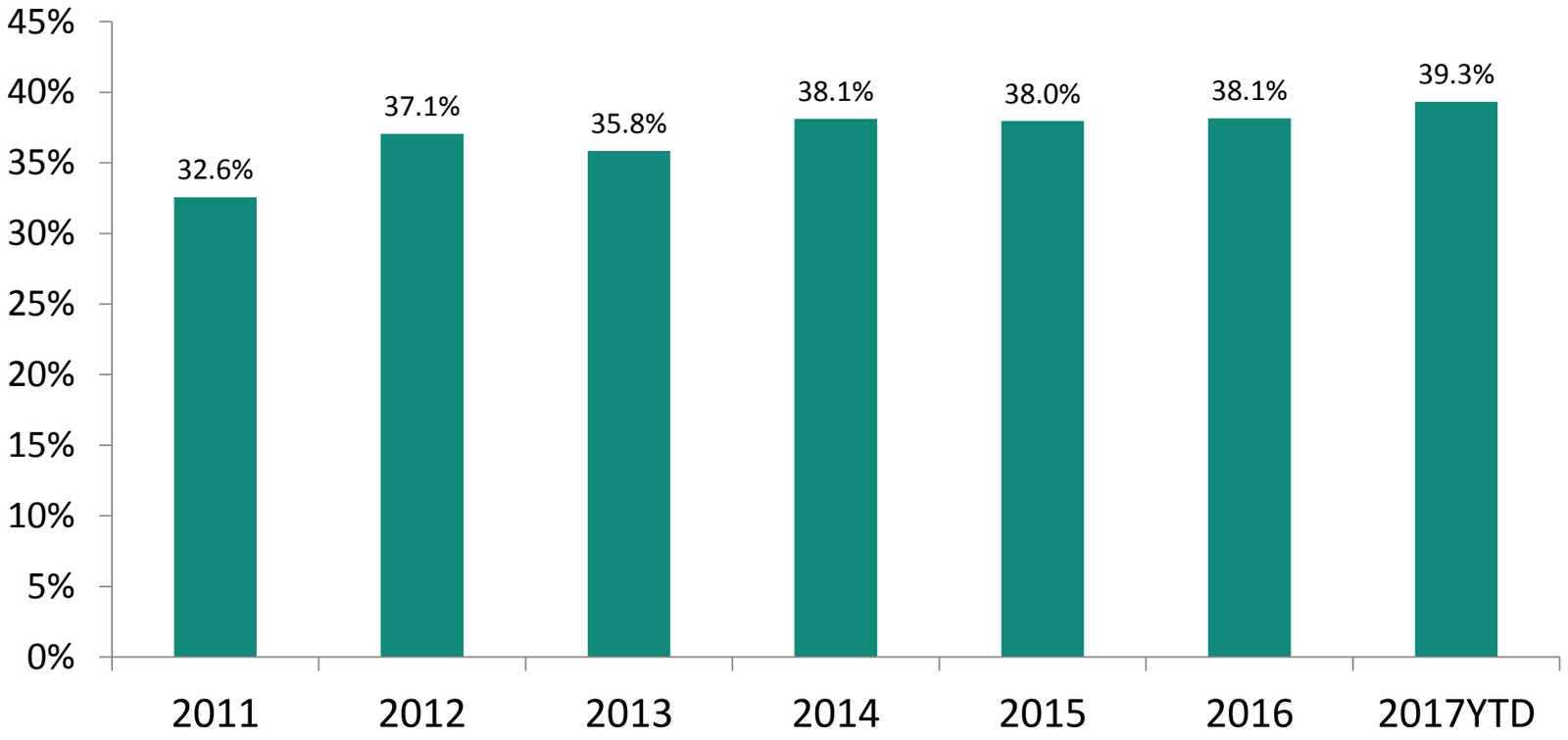


MAKE THE SWITCH®

IRI Total US – Multi Outlet 4/9/2017

Jennie-O Continues to Gain Share of Ground Turkey Category

Jennie-O's Share of Ground Turkey



IRI Total US – Multi Outlet 4/9/2017

Brand Support

Made Me More Likely To Purchase (% Yes)

2015 'Taco Ride'



69%

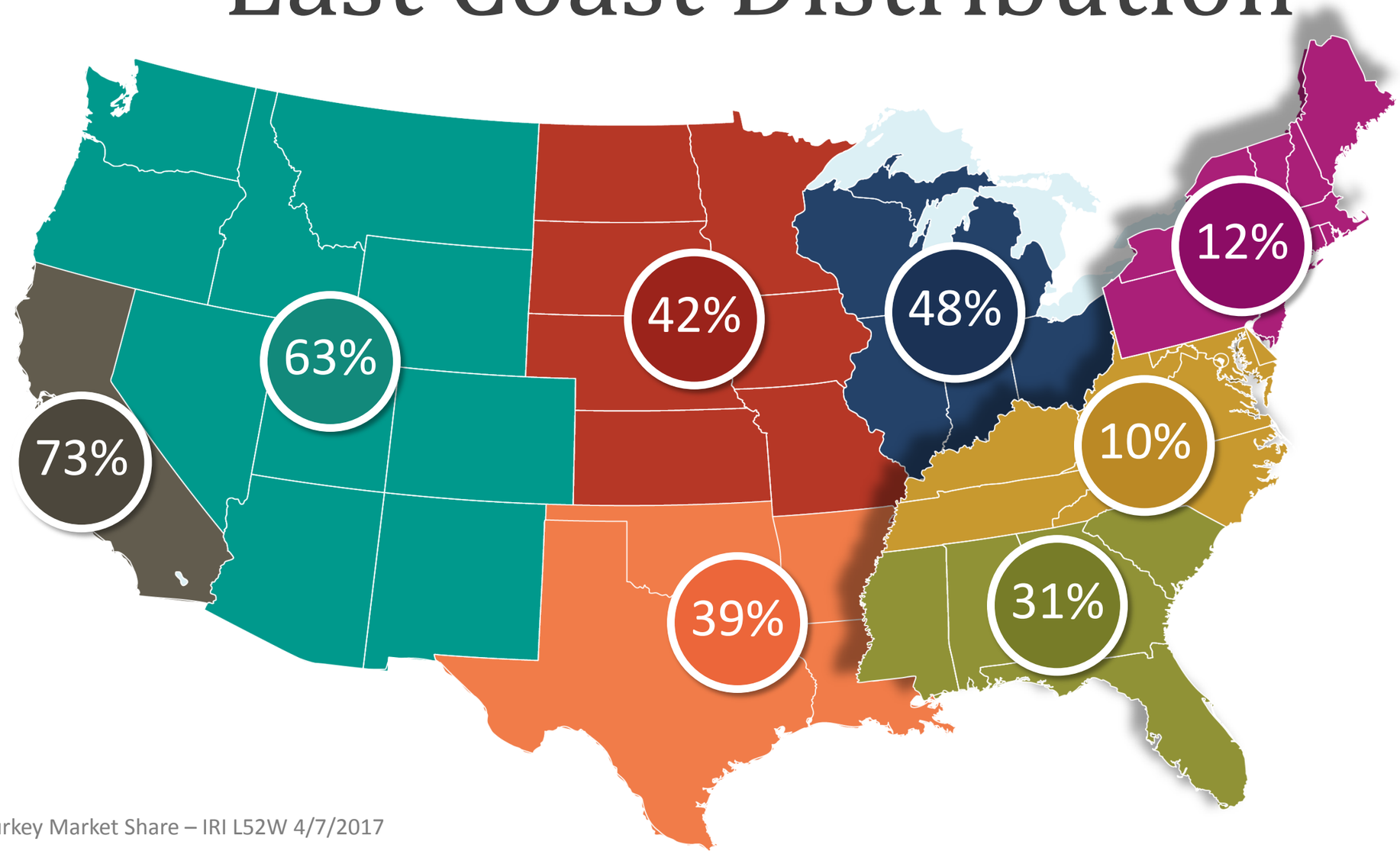
2016 'Make the Switch'



76%

2016 Hormel JOTS Custom Tracking Measurement

Growing our East Coast Distribution



Jennie-O® Ground Turkey Market Share – IRI L52W 4/7/2017

A Continued Focus On Innovation

Snacking



Turkey Bacon Expansion



All-Natural



High Growth Opportunity
With Jennie-O® Oven Ready™





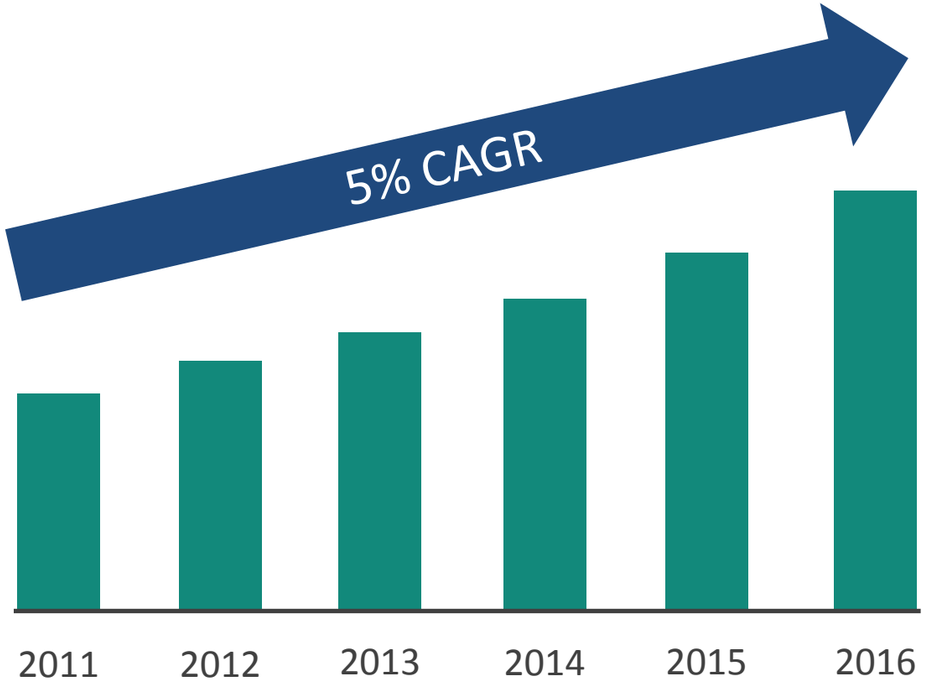
Internal data

Supporting the Brand
With Effective Advertising



Retail, Foodservice And Deli Sales Growth

Value-Added Sales Growth





Expanding Distribution for Premium Deli and Prepared Foods

Premium Deli



- Distribution expansion
- Innovation through flavor varieties.

Category Growth CAGR	Jennie-O Growth CAGR
5.7%	1.4%*

Prepared Foods



- Expand distribution of boneless and bone-in rotisserie turkey
- Launch slow roasted dark turkey rotisserie
- Oven Roasted whole turkey for holiday meal kits

Category Growth CAGR	Jennie-O Growth CAGR
13.0%	9.9%

5 Year CAGR Dollar Sales. Category: IDDBA What's In Store. Jennie-0: Internal Shipments

*Lost 17% of sales during High Path Ai and regained all lost business plus 2% more

The Right Foodservice Partners



National Accts.



College and University



Commercial



Non-Commercial



K-12

STARBUCKS COFFEE

Arby's

smashburger
smash. sizzle. savor.

Jersey Mike's SUBS

Colorado State University

VIRGINIA TECH VT

UNIVERSITY of WASHINGTON

USC UNIVERSITY OF SOUTHERN CALIFORNIA

Good things come from SYSCO

KWIK TRIP

US. FOODS

UNIPRO FOODSERVICE, Inc.

Independent Marketing Alliance

AVENDRA
Comprehensive Procurement Solutions

sodexo

vizient

PREMIER

#1 TURKEY SUPPLIER TO K-12

Investments in The Future of Live Production



SCHOOL FOOD FOCUS
CERTIFIED
RESPONSIBLE
Veterinary prescribed antibiotics only to treat illness
ANTIBIOTIC USE
www.certifiedresponsibleantibioticuse.org

- Third-party certification through the Agriculture Marketing Service
- Production starts this month
- Intent is to certify all company production

Investing In Our Future

MORE THAN

$175 MILLION

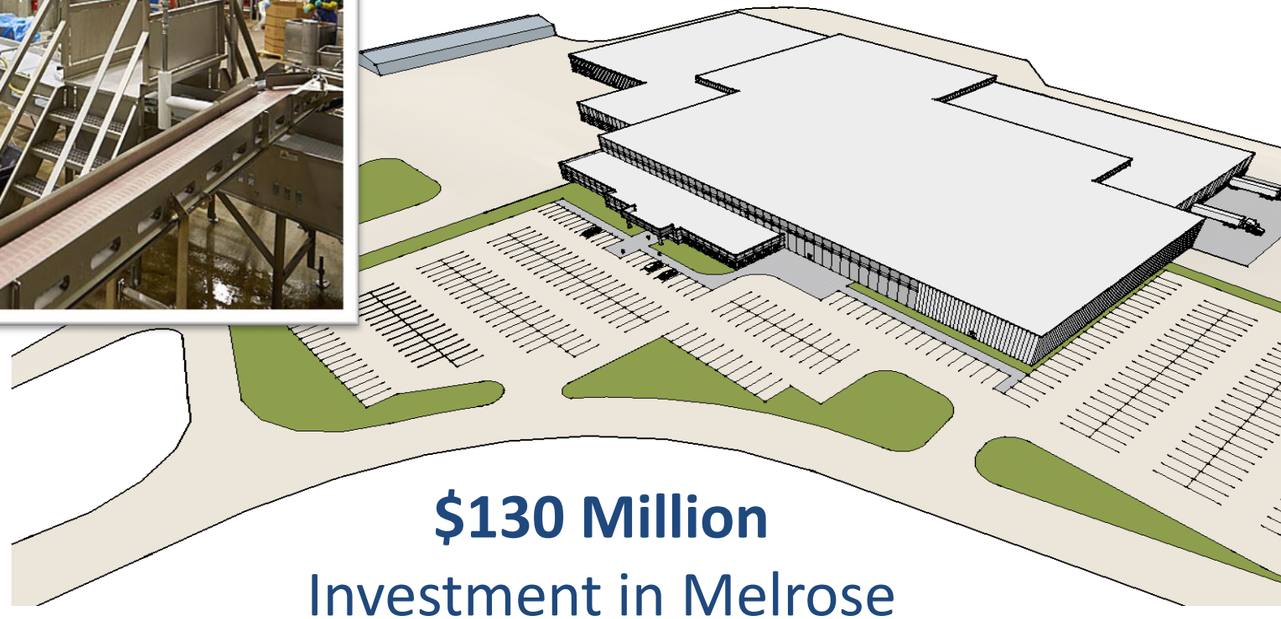
CAPEX SPEND

2012-2016

Faribault Plant



Melrose Green Field Plant



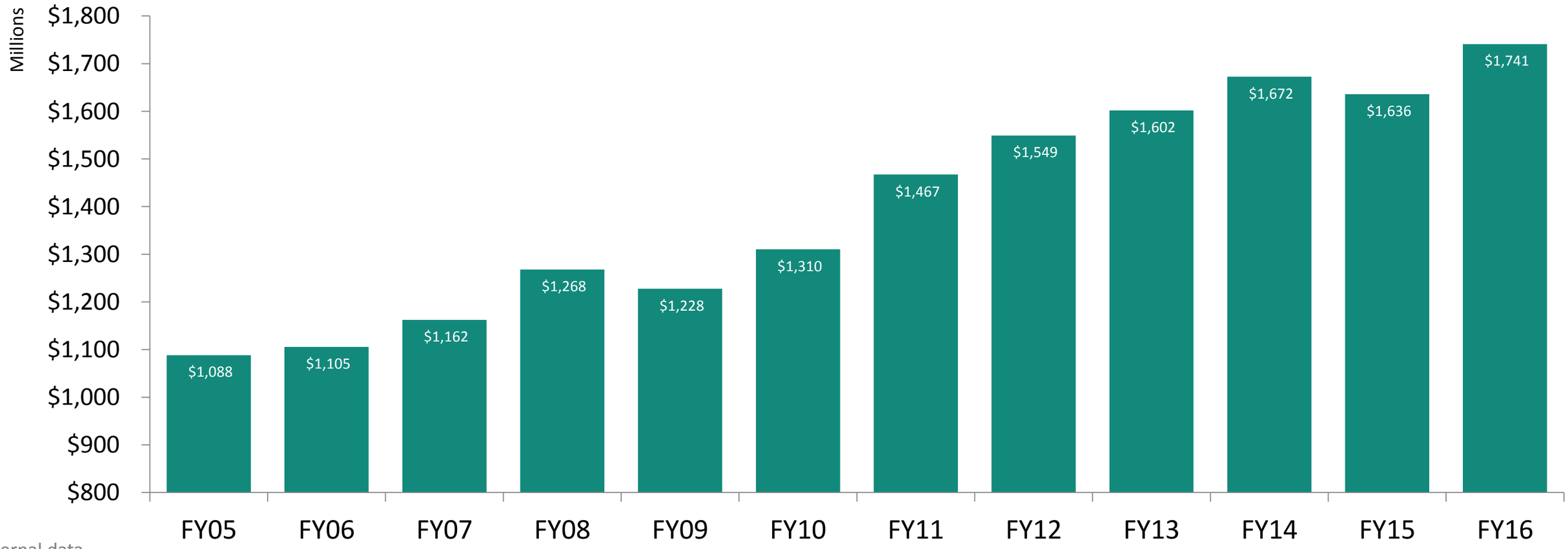
$130 Million

Investment in Melrose Whole Bird Plant

Internal data

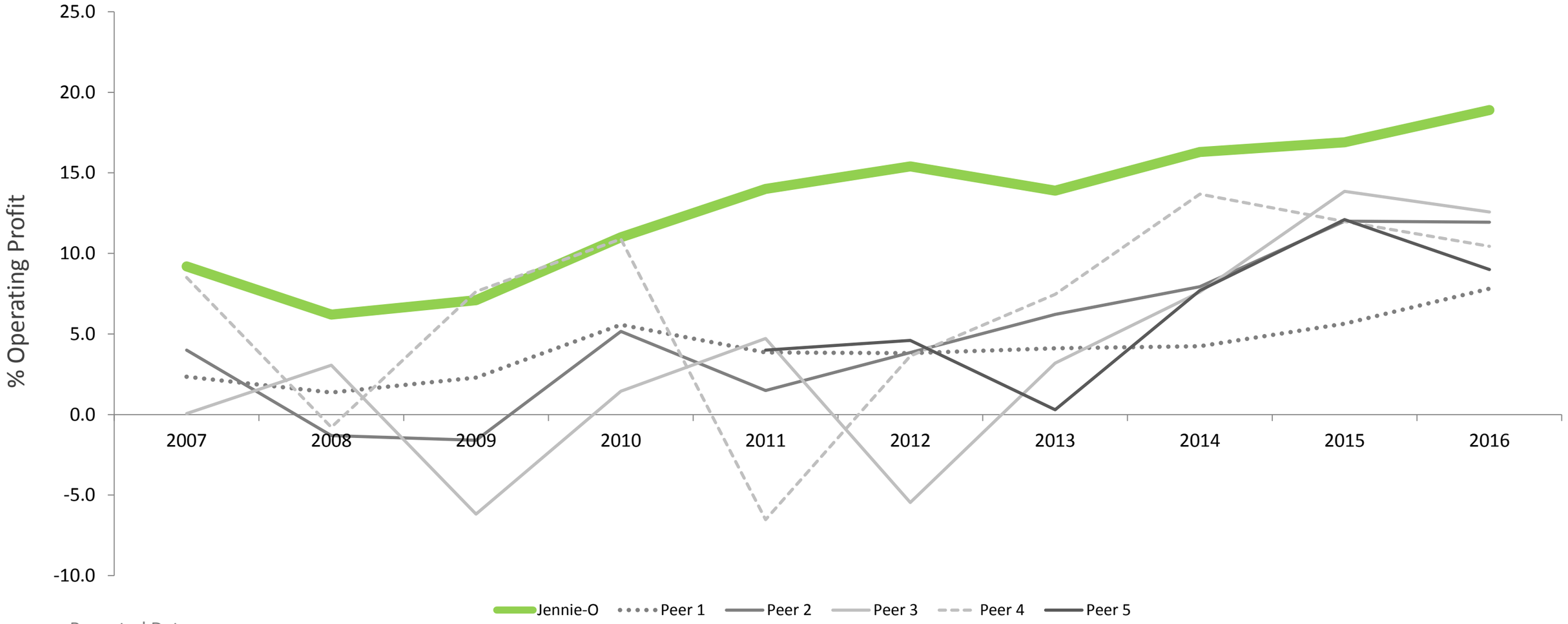
Consistent Growth Through Industry Cycles

Jennie-O Turkey Store Net Sales



Internal data

Our Goal is to be the Most Profitable Poultry Company



Company Reported Data

Key Takeaways

- The industry’s best supply chain
- A brand that resonates with millennials
- A category on the rise with room to grow



Jennie-O Turkey Store

A Long-Term Growth Story



Glenn Leitch

Group Vice President,
President, Jennie-O Turkey Store