

Jim Splinter

Group Vice President,
Corporate Strategy

33 Years with Hormel Foods

Hormel Foods Career History

2016: Group Vice President, Corporate Strategy
2010: Group Vice President, Grocery Products
2003: Vice President of Marketing for Consumer Products, Refrigerated Foods
1999: Senior Vice President, Retail Sales and Marketing. Jennie-O Turkey Store
1997: Group Product Manager, Recipe Ingredient Group, Grocery Products

Favorite Hormel Foods Product

SPAM®
BRAND



Hormel Foods
Unlocking Growth

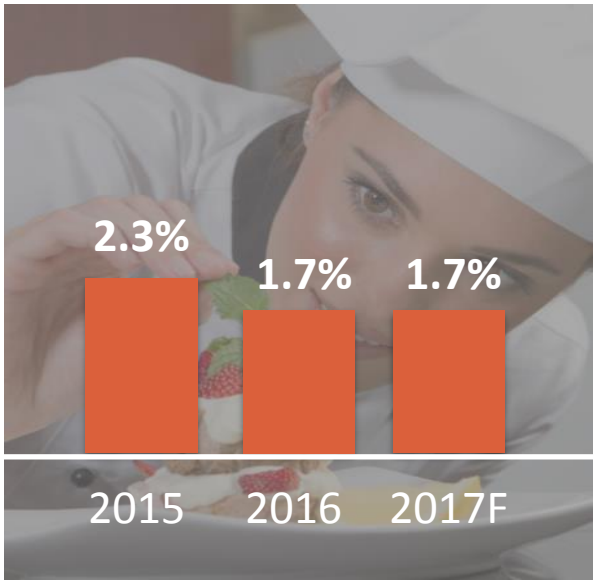
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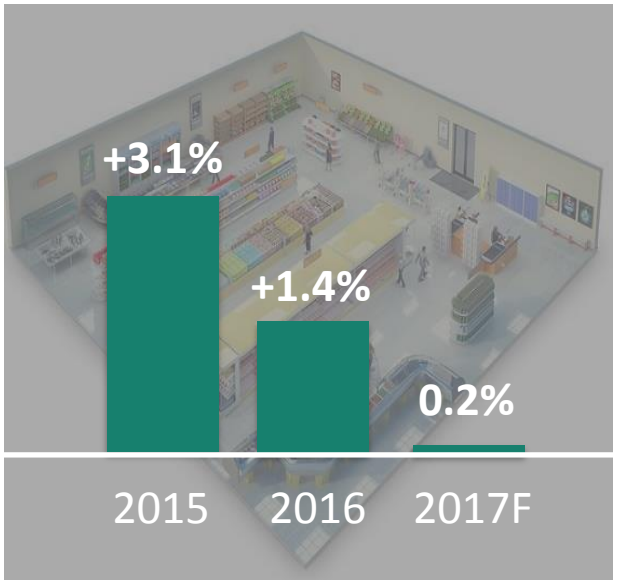
Our 5% Growth Challenge

Total Foodservice Food & Beverage
% "Real" Dollar Sales Change

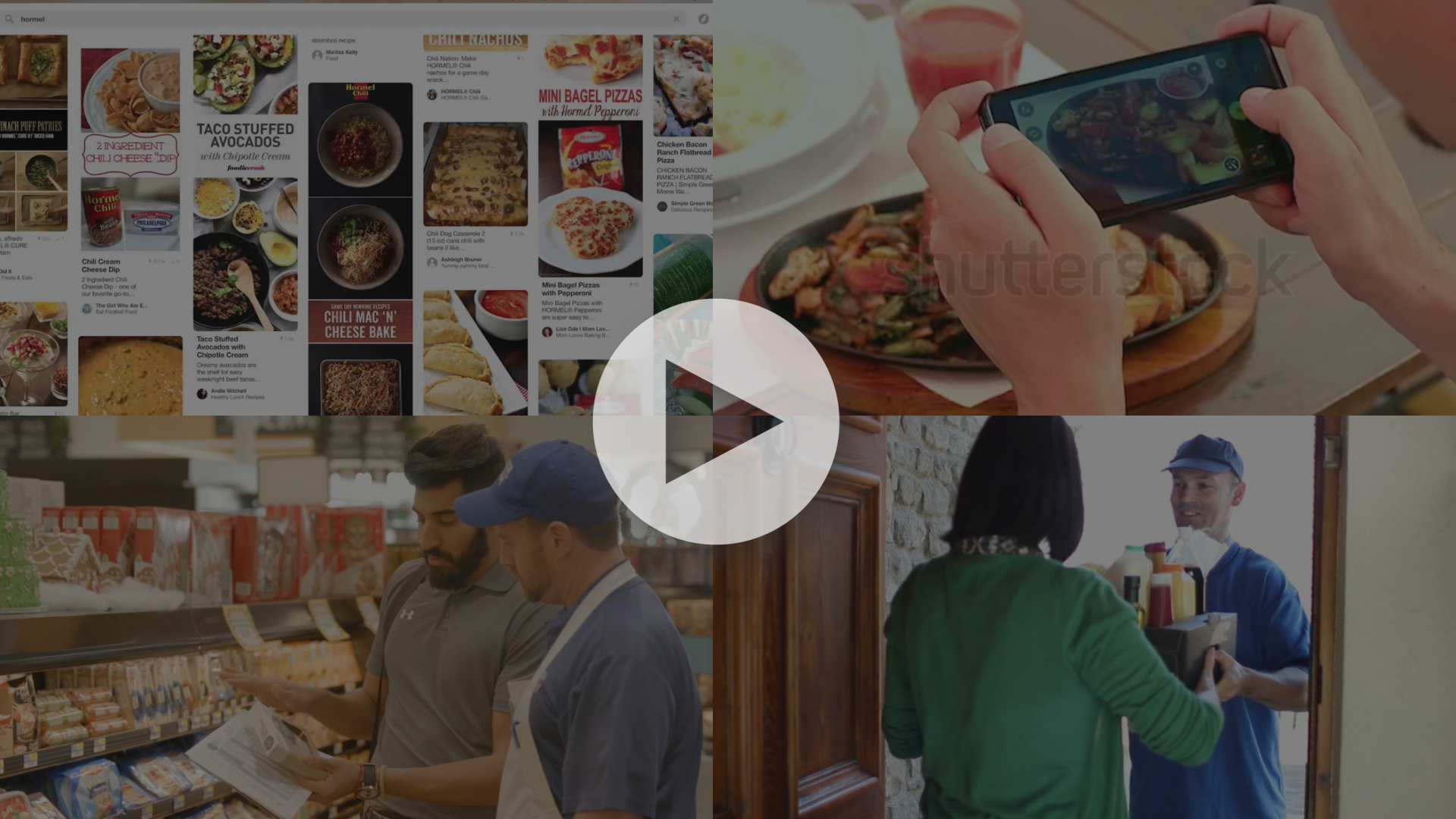


Source: Technomic Act/Forecast Jan 2017 (no liquor)

Total Retail Food & Beverage
% Dollar Sales Change



Source: Total US MULO (no liquor, no RW), 52 Wk Ending 02/19/17


hormel
TACO STUFFED AVOCADOS
with Chipotle Cream
foodiecrush
2 INGREDIENT CHILI CHEESE DIP
Chili Cream Cheese Dip
Taco Stuffed Avocados with Chipotle Cream
stromboli recipe
Maritza Kelly
Food
CHILI NACHOS
Chili Nation: Make HORMEL® Chili nachos for a game day snack...
HORMEL® Chili
HORMEL® Chili Ga...
MINI BAGEL PIZZAS
with Hormel Pepperoni
Mini Bagel Pizzas with Pepperoni
Mini Bagel Pizzas with HORMEL® Pepperoni are super easy to...
Lise Ode | Mom Lov...
Mom Loves Baking B...
Chicken Bacon Ranch Flatbread Pizza
CHICKEN BACON RANCH FLATBREAD PIZZA | Simple Gree... Moms We...
Simple Green Mo...
Delicious Recipes
Chili Dog Casserole 2 (15 oz) cans chili with beans (I like...
Ashleigh Bruner
Yummy yummy food...
GAME DAY WINNING RECIPES
CHILI MAC 'N' CHEESE BAKE
Creamy avocados are the shell for easy weeknight beef tacos...
Andie Mitchell
Healthy Lunch Recipes
shutterstock

Our Strategy Framework






- Occupy attractive growth spaces
- Deliver ideas that improve the lives of consumers/patrons
- Protect and grow our core businesses

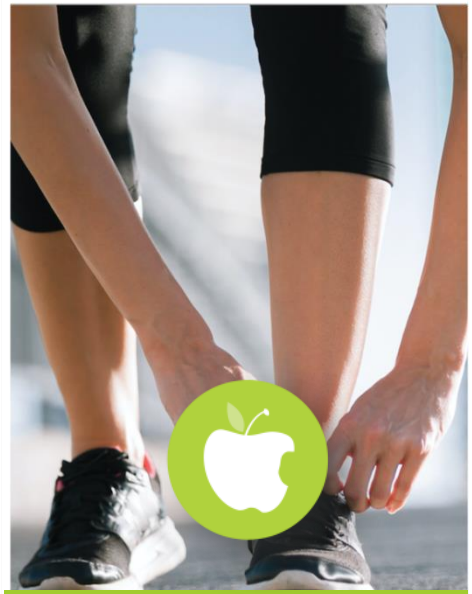
Laser Focused on Four Strategic Growth Areas



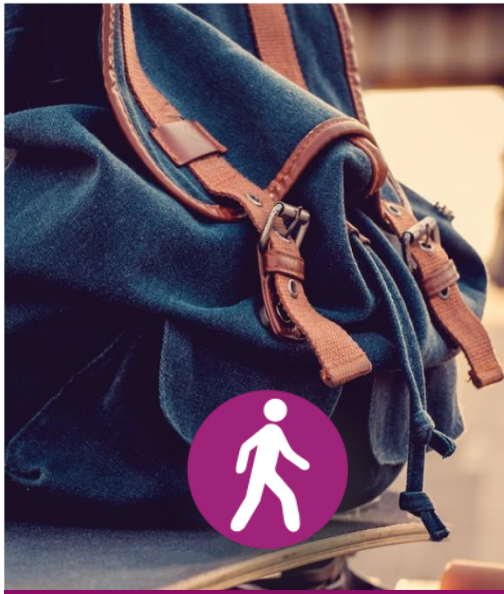
Global



Multicultural



Healthy/ Holistic



On-The-Go

Unlocking Growth

Occupy Attractive Growth Spaces



Retail Strategic Growth Opportunity Areas

- Jennie-O
- SKIPPY
- REV
- Hormel Gatherings
- Justin's
- Hormel Pepperoni
- Wholly Guacamole
- Con Toda Confianza...es HERDEZ
- Muscle Milk
- Applegate — Changing the Meat We Eat
- Hormel Natural Choice



Foodservice as a Growth Channel

- Hormel HealthLabs
- Jennie-O
- Hormel Foods FOODSERVICE
- Dan's Prize — Quality Meats
- Burke



Expand our International Presence

- CJ
- Hormel 尚美尔
- Purefoods Hormel

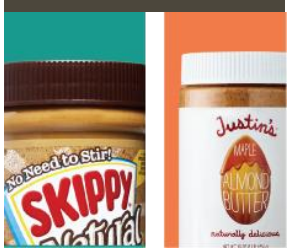
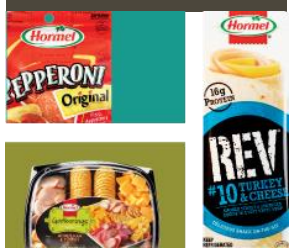
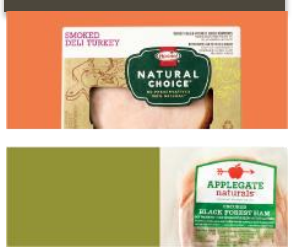
Unlocking Growth

Occupy Attractive Growth Spaces

17%
SHARE FOR HORMEL FOODS

$12.8B
CATEGORY SALES

6.2%
5-YR CAGR

Ground Turkey	Protein Beverages, Bars, and Powders	Nut Butters	Meat Snacks	Salsas, Sauces & Condiments	Natural & Organic Meats
					

IRI consulting analysis ending 11/20/16

Unlocking Growth

2020 Growth Pocket Analysis

Ground Turkey	Protein Beverages, Bars, and Powders	Nut Butters	Meat Snacks	Salsas, Sauces & Condiments	Natural & Organic Meats
					
+	+	+	+	+	+

Need States

Healthier Lifestyles	Convenience & Portability	Controlled Indulgences	Eating Mini - Occasions	Flavor Enhancers	Protein Nutrition

Unlocking Growth

Millennials: Key Growth Contributors

+10%
MILLENNIALS

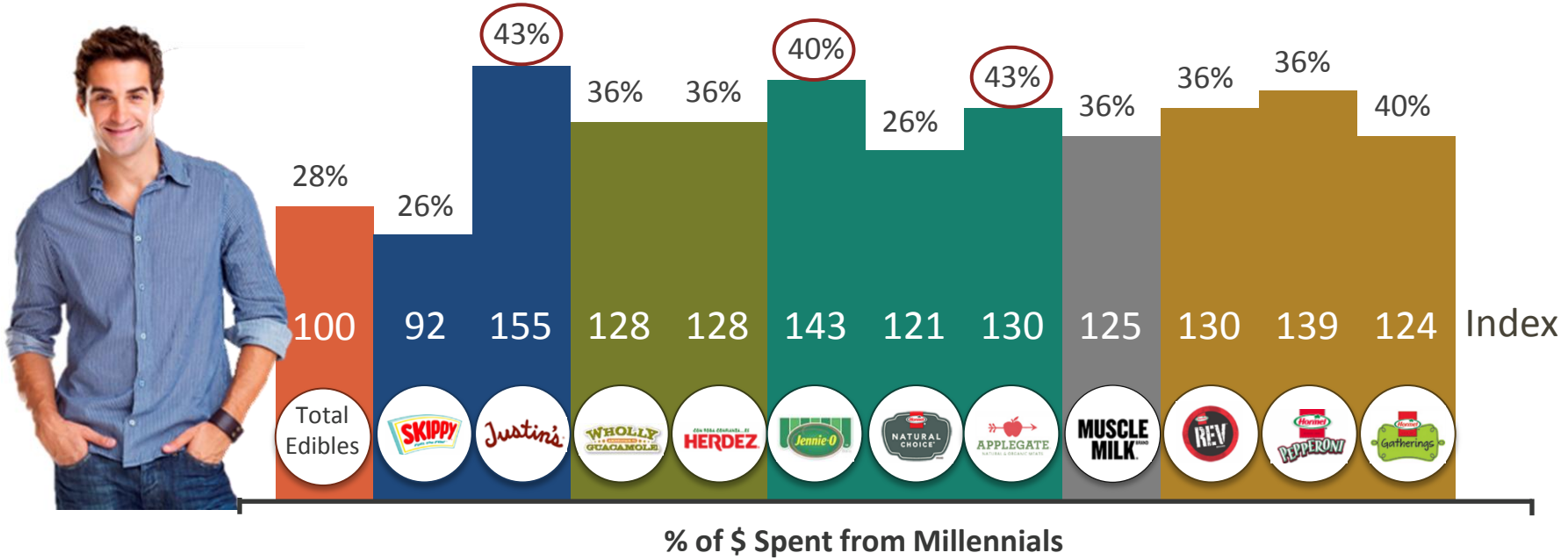


-14%
BOOMERS

IRI Consumer Panel Past CY 2015 All Outlets Total Store Dollar Sales

Unlocking Growth

Millennials: Key Growth Contributors



IRI CSIA, Total US, All Outlet, 52 Wks. Ending 1/22/2017

Unlocking Growth

Occupy Attractive Growth Spaces

FOODSERVICE:

27% OF HORMEL **FOODS** PORTFOLIO SALES

Jennie-O · DAN'S PRIZE · Hormel Foods FOODSERVICE · Hormel HealthLabs · BURKE

Fully Cooked Bacon	Premium Prepared Proteins	Sliced Meats	Raw Bacon	Pizza Toppings	Turkey
					

Unlocking Growth

Expand Our International Presence

5% OF HORMEL PORTFOLIO SALES[1]



3.2B PEOPLE IN THE MIDDLE CLASS WORLDWIDE[2]





45% PER CAPITA INCREASE IN MEAT CONSUMPTION BY **2030** IN DEVELOPING COUNTRIES[3]



88% OF THE NEXT 1 BILLION MIDDLE CLASS WILL BE ASIAN[2]

1 = Fiscal 2016 Data, 2= Hami Kharas, Brookings Institute Feb 2017 3 = WHO Report 2014

Unlocking Growth

Improving Lives Through Innovation

A CLEAR STRATEGY FOR LONG-TERM GROWTH

Eating “Mini Occasions”



Healthier Lifestyles



Protein Nutrition



Foodservice



Flavor Enhancers



Controlled Indulgences



THIS YEAR,



DIGITAL will influence 77% OF ALL RETAIL SALES



76% OF ALL SHOPPING TRIPS BEGIN ONLINE



50% OF CPG CATEGORY MARKET GROWTH will be online by 2018





71% OF ALL PRODUCT SEARCHES BEGIN ON RETAIL SITES

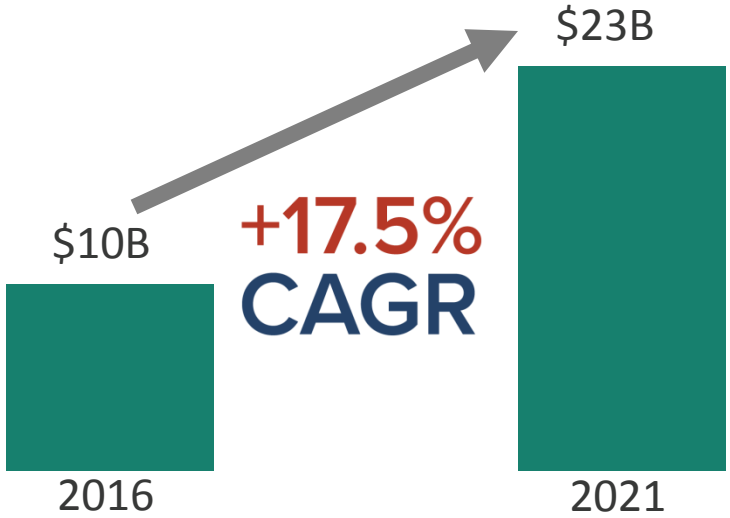


55% BEGIN ON amazon

Unlocking Growth

Building our Digital Capabilities

US Online Edible Grocery Market Sales



IBIS, Mintel, Kantar Retail, Javelin Group benchmarks & analysis

Personalized Relationships at Scale



Unlocking Growth

Acquisition Opportunity Spaces

Eating "Mini Occasions"

$2.5B MEAT SNACK CATEGORY

9% YOY GROWTH RATE

Healthier Lifestyles

NATURAL & ORGANIC FOODS

$117B CATEGORY

Protein Nutrition

PLANT PROTEINS

ACV/HHP STEADILY GROWING

Foodservice

$845B CATEGORY

OPERATOR SOLUTION FOCUS

Flavor Enhancers

SALSA, SAUCES & CONDIMENTS

$16B CATEGORY

International

ASIA & LATIN AMERICA FOCUS

EMERGING MIDDLE CLASS

IRI 52W ending 4/16/17 MULO + C and Technomic data

Unlocking Growth

A CLEAR STRATEGY FOR LONG-TERM GROWTH

Portfolio Management

Reinvigorate — Improve marketing leverage



Renovate — Fix barriers to growth



Accelerate — Brands as growth platforms



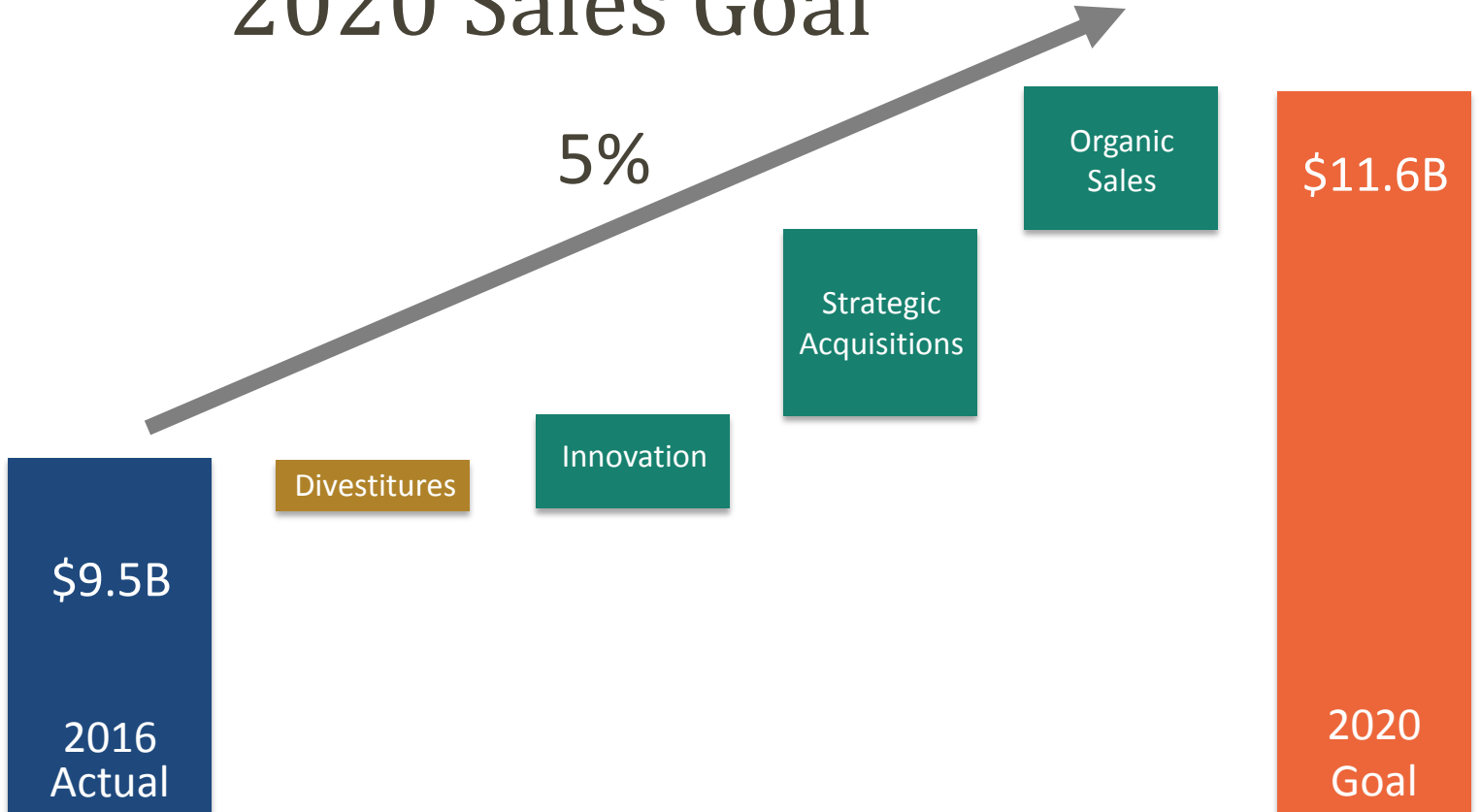
Protect & Grow — Enhance consumer relevancy



A CLEAR STRATEGY FOR LONG-TERM GROWTH

Unlocking Growth

2020 Sales Goal



Internal data



Hormel Foods
Unlocking Growth

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Corporate Strategy