

Luis Marconi

Group Vice President,
Grocery Products

17 Years with Hormel Foods

Hormel Foods Career History

2016: Group Vice President, Grocery Products
2012: Vice President, Grocery Products Marketing
2009: Managing Director, MegaMex Foods Joint Venture
2006: Manager of International Joint Ventures, Grocery Products
2000: Manager of International Sales and Marketing, HFIC

Favorite Hormel Foods Product

SPAM® BRAND

Reinventing
Grocery Products



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Group Vice President,
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Agenda

- **REINVENTING GROCERY PRODUCTS**
- A Long-Term Growth Story



Reinventing Grocery Products

Before ‘08 | ‘09 to ‘12 | ‘12 to ’16

Our Purpose: To Inspire Consumers With Tasty & Simple Foods

Simple Meals	Mexican Foods	Nut Butters
SPAM	MegaMex Foods	SKIPPY
Hormel Chili	CON TODA CONFIANZA…ES HERDEZ	Justin's
Compleats	WHOLLY GUACAMOLE	

Our Drivers: Innovation, Branding & Productivity

Aligning With the New Consumer

Simple Meals | Mexican Foods | Nut Butters






BOOMER
CONSUMPTION INDEX
110

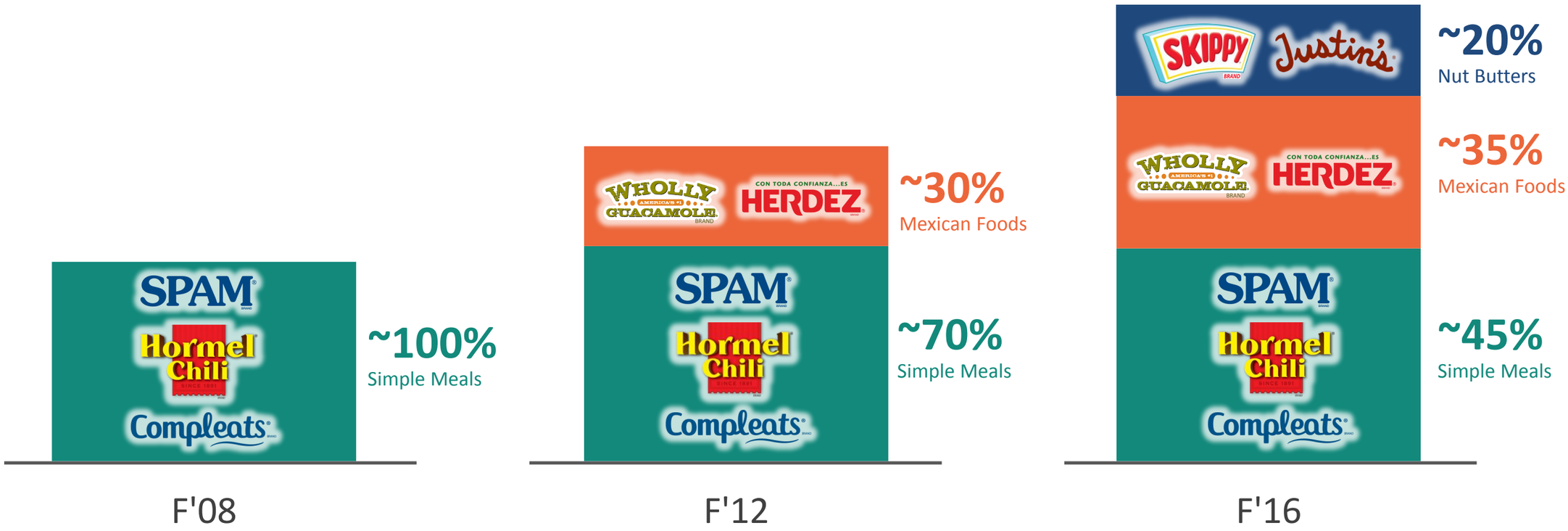
MILLENNIAL
CONSUMPTION INDEX
125

GEN-X
CONSUMPTION INDEX
108

IRI Buyer Index Latest 52 weeks ending 3-19-2017

Balancing Our Portfolio

Sales Evolution



Internal Data

Increasing Our Brand Support



Internal Data

Translating Insights into Meaningful Innovation

Peanut Butter Out Of The Jar



Fresh Guacamole + Snacking



Salsa + Guacamole

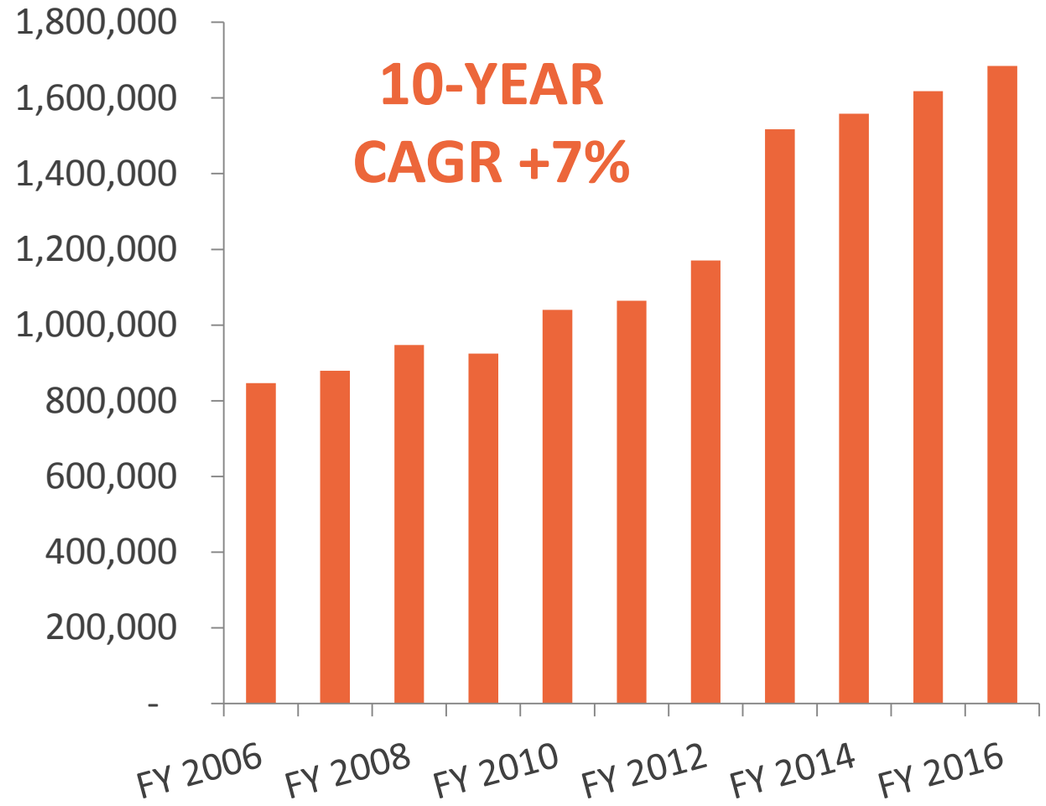


Nut Butters On-The-Go

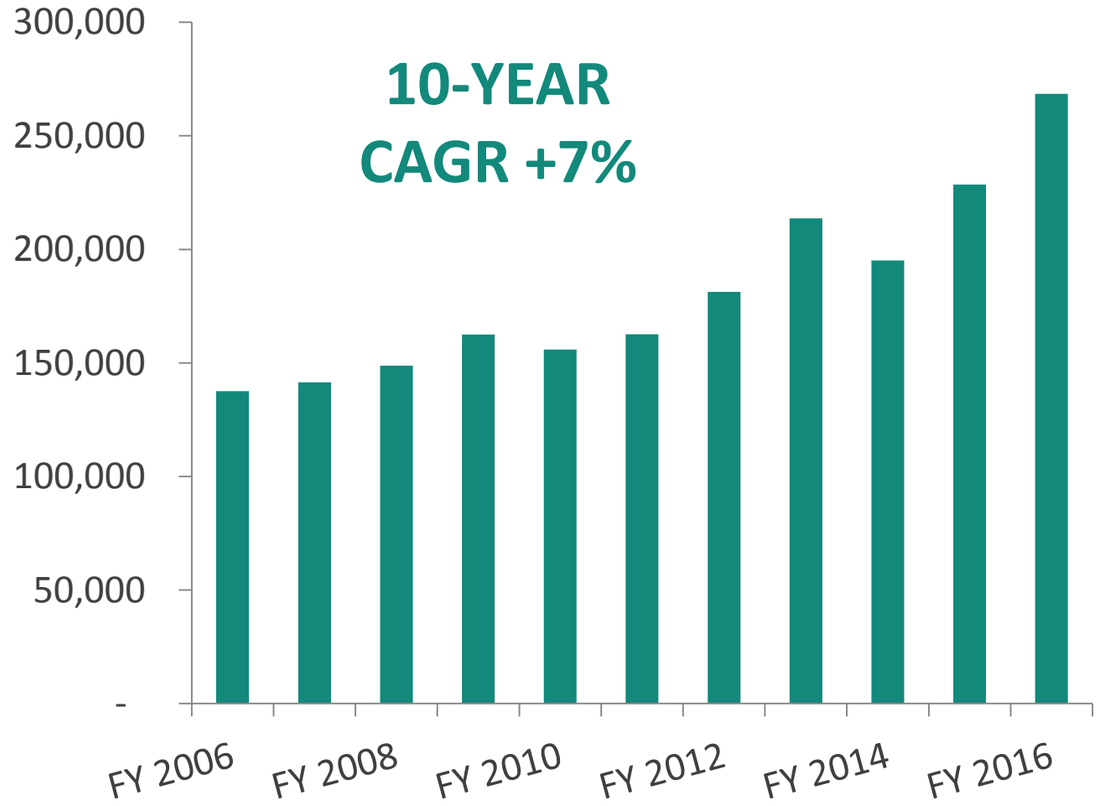


Consistent, Profitable Growth

Net Sales



Segment Profits



Internal Data

Agenda

- Reinventing Grocery Products
- **A LONG-TERM GROWTH STORY**



Reinventing Grocery Products

Our Purpose: To Inspire Consumers With Tasty & Simple Foods

Simple Meals	Mexican Foods	Nut Butters
SPAM, Hormel Chili, Compleats	MegaMex Foods, Herdez, Wholly Guacamole	Skippy, Justin's
Nurture Category Defining Legacy Brands	Outgrow A Growing Category	Scale Up & Innovate In Snacking

Our Drivers: Innovation, Branding & Productivity

Simple Meals

Nurturing Category-Defining Legacy Brands

Brand	Category $M	Dollar Share	Share Change
SPAM® BRAND	$228	90.0%	+0.1 pp
Compleats® BRAND	$171	79.2%	+6.0 pp
Dinty Moore® BRAND	$83	78.2%	+1.6 pp
Mary Kitchen® BRAND	$103	67.7%	-0.7 pp
Hormel Chili SINCE 1891	$537	41.3%	+0.3 pp

SHARE DOMINANCE

STRONG CASH GENERATION

MINIMAL CAPEX

IRI Last 52 weeks ending on 3-19-2017

Simple Meals

A LONG-TERM GROWTH STORY

TODAY…

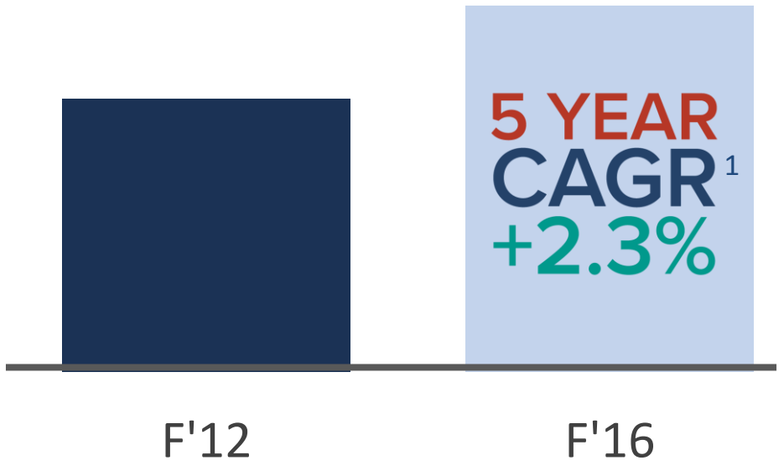
Effortless meal creativity
Defines the category
Iconic equity

SPAM® BRAND

…GOING FORWARD

Engaging consumers in novel ways
Multicultural - Asian: 257, Hisp: 132 [2]
Multi-channel expansion

Net Sales





THE BIG GAME

How Spam Used the Super Bowl to Kick Off Its Sizzling New Message

From out of the cupboard and into the frying pan

SPAM

[1] Internal data; [2] Buyer Consumption Index IRI Panel Last 52 weeks ending 3-19-2017

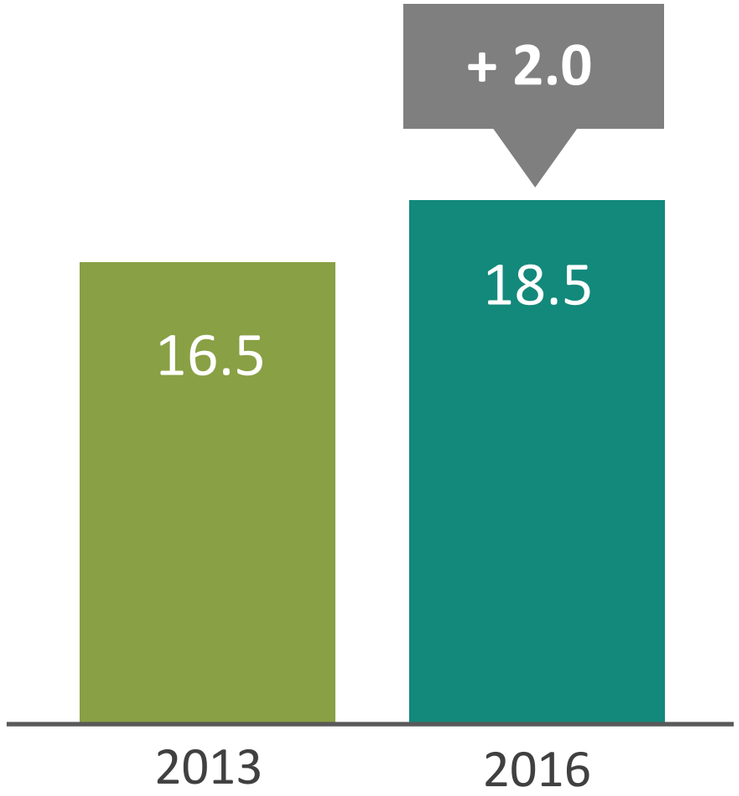
Supporting Our Brands



Nut Butters
Scaling Up & Innovating

A LONG-TERM GROWTH STORY





Hormel Foods
Nut Butter Market
Share %

IRI Last 52 weeks ending on 3-19-2017

Nut Butters

A LONG-TERM GROWTH STORY

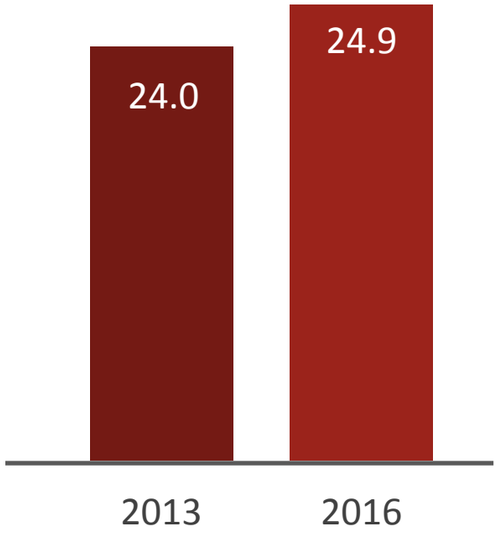
TODAY

SKIPPY® brand spreads simple fun!
Innovation leader
Iconic brand equity

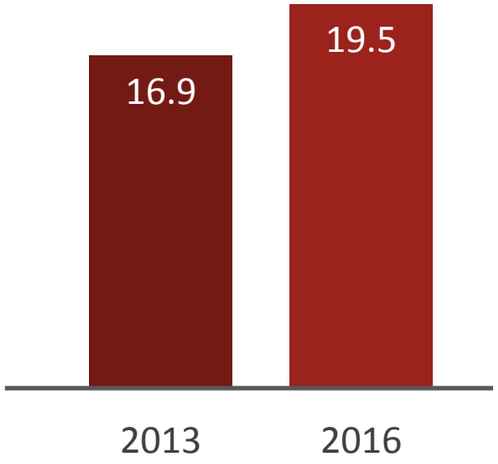
GOING FORWARD

SKIPPY YIPPEE!® Brand building
Snacking innovation
Distribution runway

Household Penetration (%)



Dollar Share (%)





IRI Last 52 weeks ending on 4-9-2017

Nut Butters

Justin's® BRAND

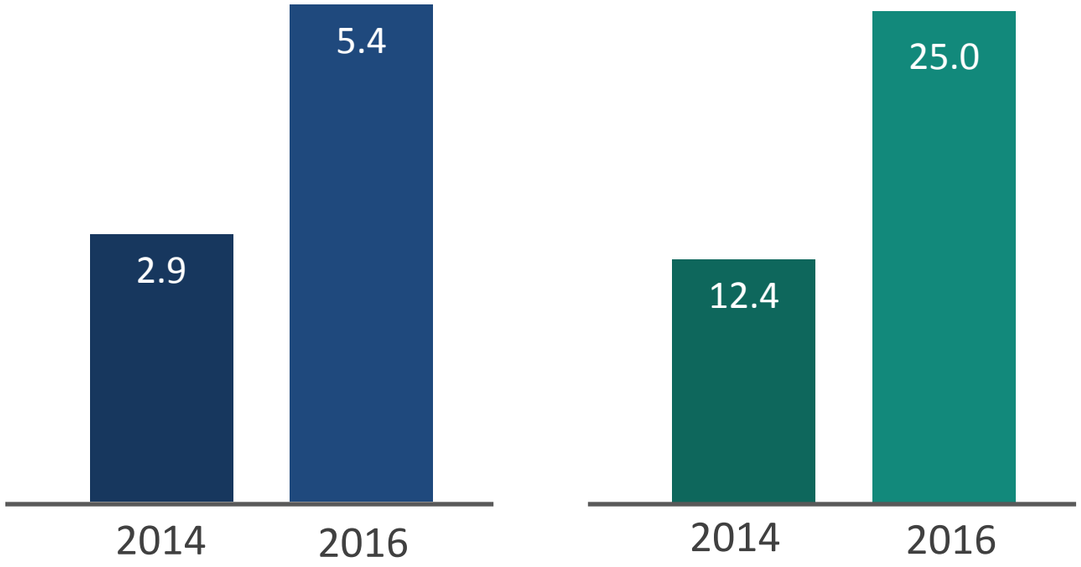
A LONG-TERM GROWTH STORY

ON TRACK

- Completion of strategic integration
- Points of distribution +31% since acquisition



Household Penetration (%)	Dollar Share (%)



	Almond Butter	Peanut Butter	Confection
			
ACV	60%	16%	26%
Chg. L52 Weeks	+7pp	+7pp	+8pp

HHP and Dollar Share: IRI scan & panel - Total US Calendar Years 2014 and 2016
Points of Distribution: HRL 2017 POD tracker 3.1.2017

IRI Total MULO Ave Weekly ACVL12W Ending 3/19/17

Supporting Our Brands



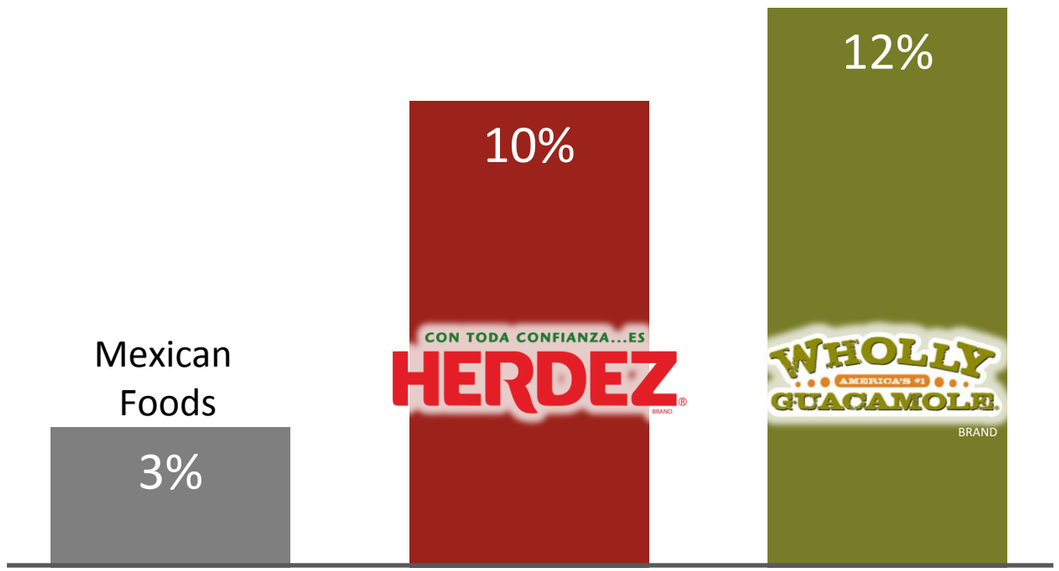
Mexican Foods

Outgrowing a Growing Category

A LONG-TERM GROWTH STORY

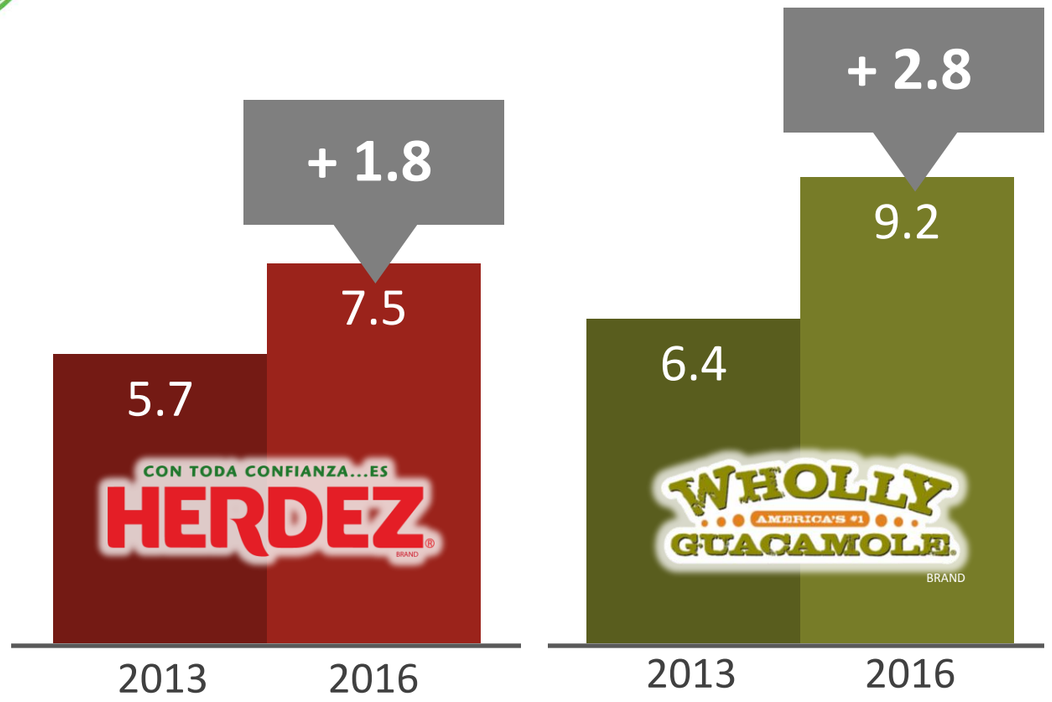
Retail Sales

Growth %



MegaMex Foods

Household Penetration (%)



IRI Last 52 weeks ending on 4-9-2017

Mexican Foods

A LONG-TERM GROWTH STORY

TODAY

Fastest growing salsa
Guacamole salsa innovation
Authentic equity

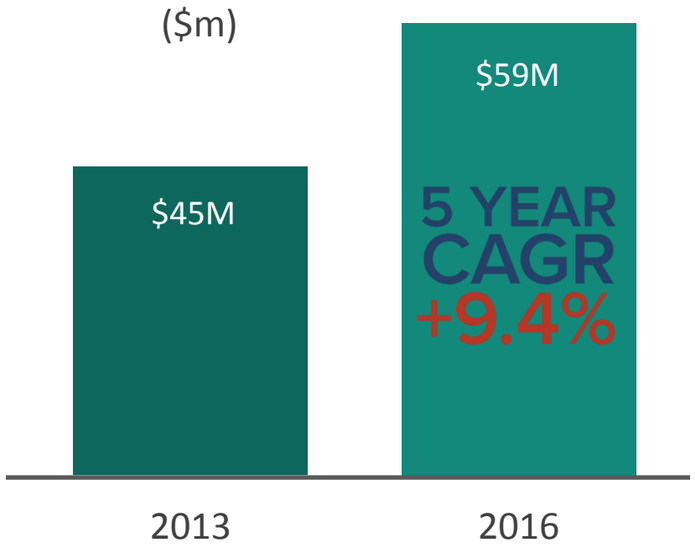
CON TODA CONFIANZA...ES
HERDEZ® BRAND

GOING FORWARD

Increasing brand awareness
Exploring authentic flavors
Distribution in the East

Retail Sales

FASTEST GROWING SALSA BRAND





IRI Last 52 weeks ending on 4-9-2017

Mexican Foods

A LONG-TERM GROWTH STORY

TODAY

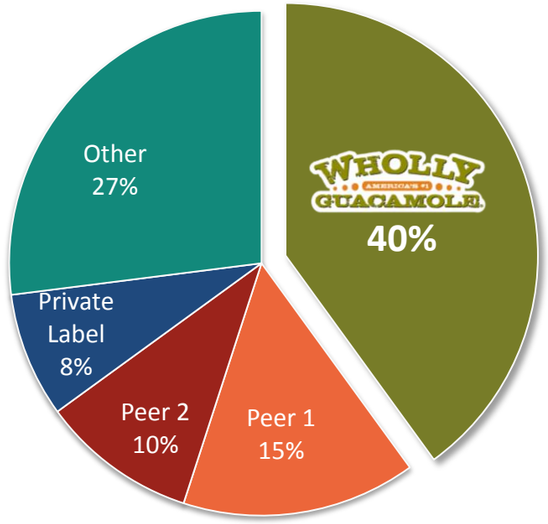
#1 Guacamole in America
Superfood
Innovative

WHOLLY GUACAMOLE® BRAND

GOING FORWARD

Lifestyle brand
Innovation in refrigerated dips
Distribution

#1
SHARE IN A
$280M+
CATEGORY





WHOLLY GUACAMOLE BRAND PRESENTS Live WHOLLY TOUR AND FESTIVAL™

IRI Last 52 weeks ending on 4-9-2017

Supporting Our Brands



Grocery Products Will Grow
3% Top Line & 6% Bottom Line

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