

Hormel Foods

Inspired People.
Inspired Food.™

Deutsche Bank

dbAccess Global
Consumer Conference

Jim Snee

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 regarding Forward-Looking Statements and Risk Factors on pages 34-40 in the Company's Form 10-Q for the quarterly period ended April 29, 2018, available for viewing or download on the investor page of the Company's website – Hormelfoods.com

Why Hormel Foods?

- **TRACK RECORD OF SUCCESS**
- Highly Differentiated Business Model
- A Clear Strategy For Long-Term Growth



RANKED
#8
MOST ADMIRED FOOD COMPANY IN THE WORLD BY FORTUNE MAGAZINE

$9.2B
Fiscal Year 2017 Net Sales

Ranked
#16
OF THE 100 BEST CORPORATE CITIZENS

ABOUT
$19B
Market Capitalization

Hormel Foods

Inspired People.
Inspired Food.™

EARNINGS GROWTH
28
OUT OF LAST 32 YEARS

52
CONSECUTIVE YEARS
OF DIVIDEND INCREASES*

*Includes 2018 declared increase

Strong, Branded Presence Across the Food Space

Our Brands Have a

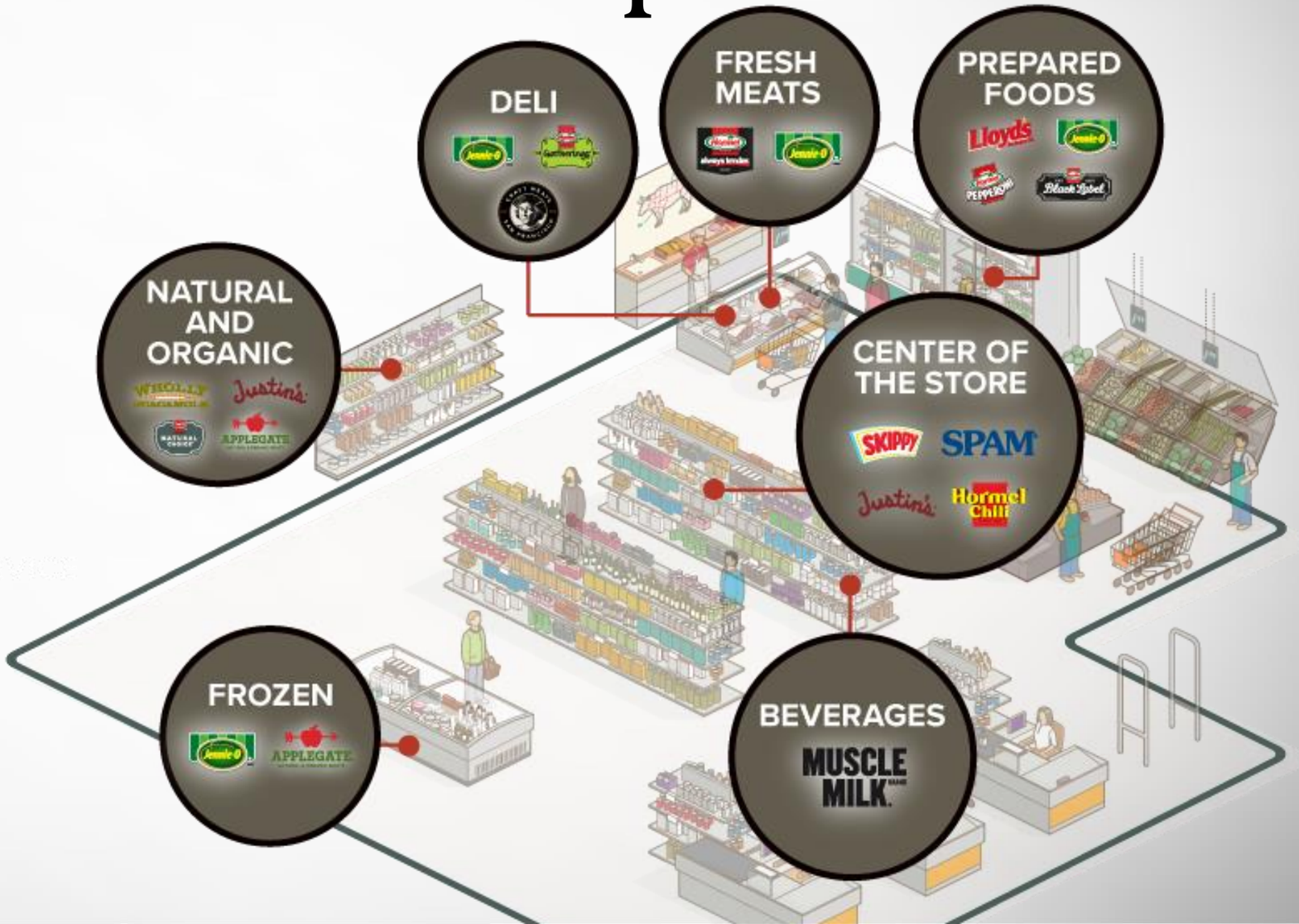
#1 or #2

SHARE

in Over

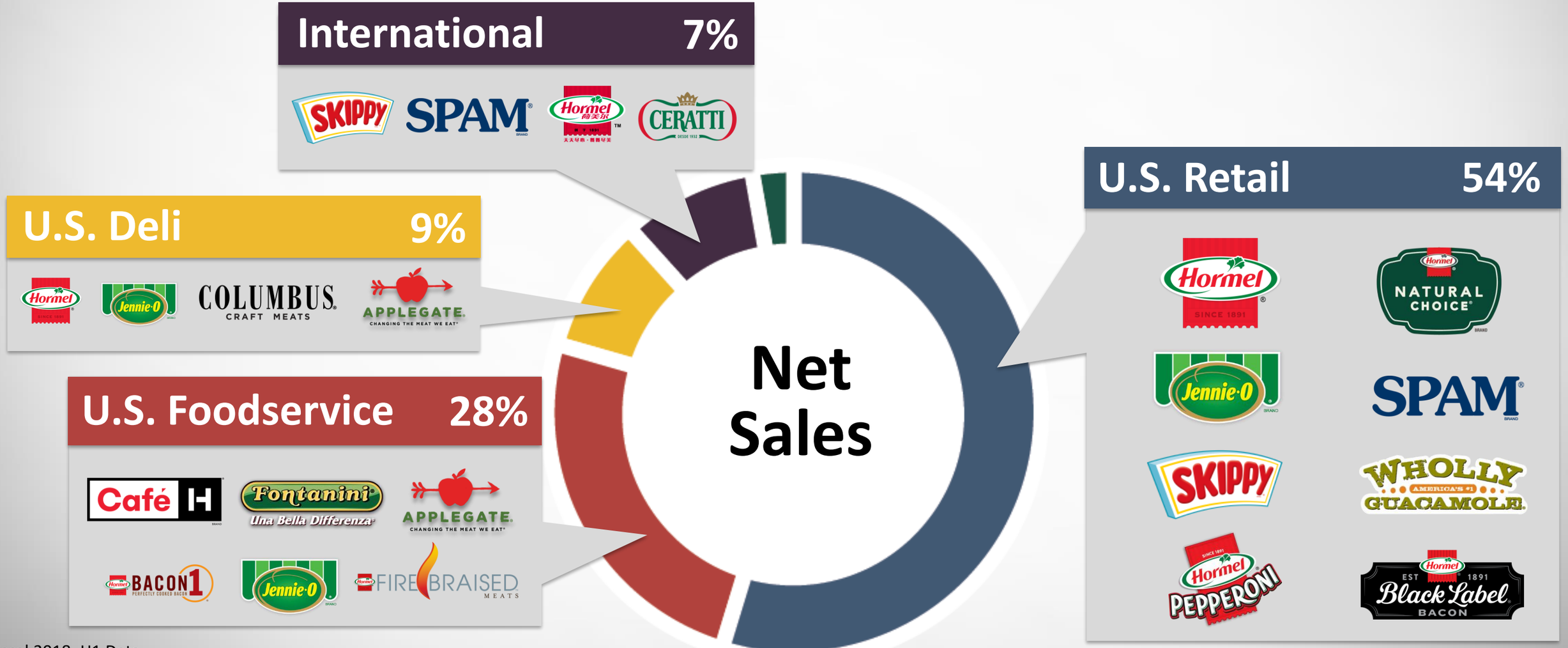
35

CATEGORIES



*IRI 52 weeks ending 10/22/2017 - MULO

Hormel Foods:
A Global Branded Food Company



*Fiscal 2018, H1 Data

A History of Growth, Transformation and Evolution

1997		2017
A COMMODITY COMPANY	→	A GLOBAL BRANDED FOOD COMPANY
$3.1 BILLION NET SALES	→	$9.2 BILLION NET SALES
5.5% OPERATING MARGIN	→	14.0% OPERATING MARGIN

INNOVATIONS

FIRE BRAISED MEATS · NATURAL CHOICE · BACON 1 · Gatherings

MERGERS & ACQUISITIONS

Jennie-O Turkey Store · Con Toda Confianza...es HERDEZ · SKIPPY · Fontanini Una Bella Differenza · COLUMBUS Craft Meats San Francisco · APPLEGATE Changing the Meat We Eat · CERATTI Desde 1932 · Justin's · WHOLLY GUACAMOLE

*Internal data

We Have Grown Earnings

28 Out of 32 Years



*Internal data

Disciplined and Strategic Capital Allocation

$5.0B
Cash from Operations
2013 – 2018 Q2

INVESTING IN THE BUSINESS

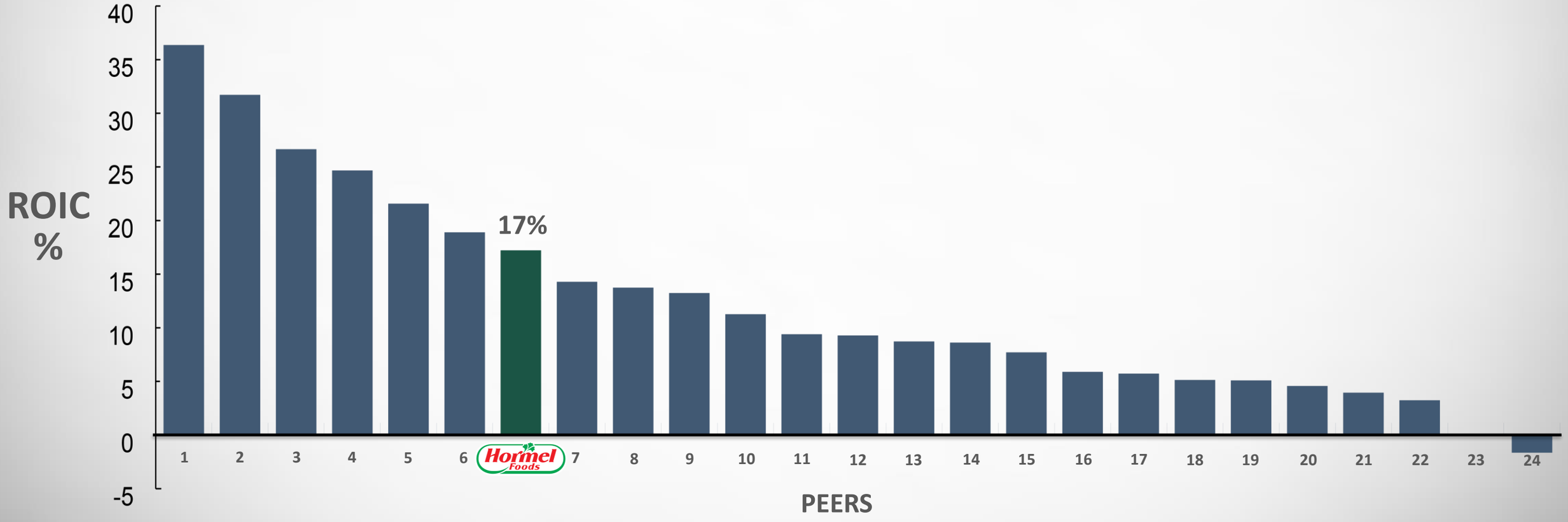
CAPEX	ACQUISITIONS
$1.0B	$3.6B

RETURNING CASH TO SHAREHOLDERS

DIVIDENDS	REPURCHASES
$1.5B	$0.4B
MAINTAIN **DIVIDEND** ARISTOCRAT MEMBERSHIP	BASED ON **INTERNAL** VALUATION

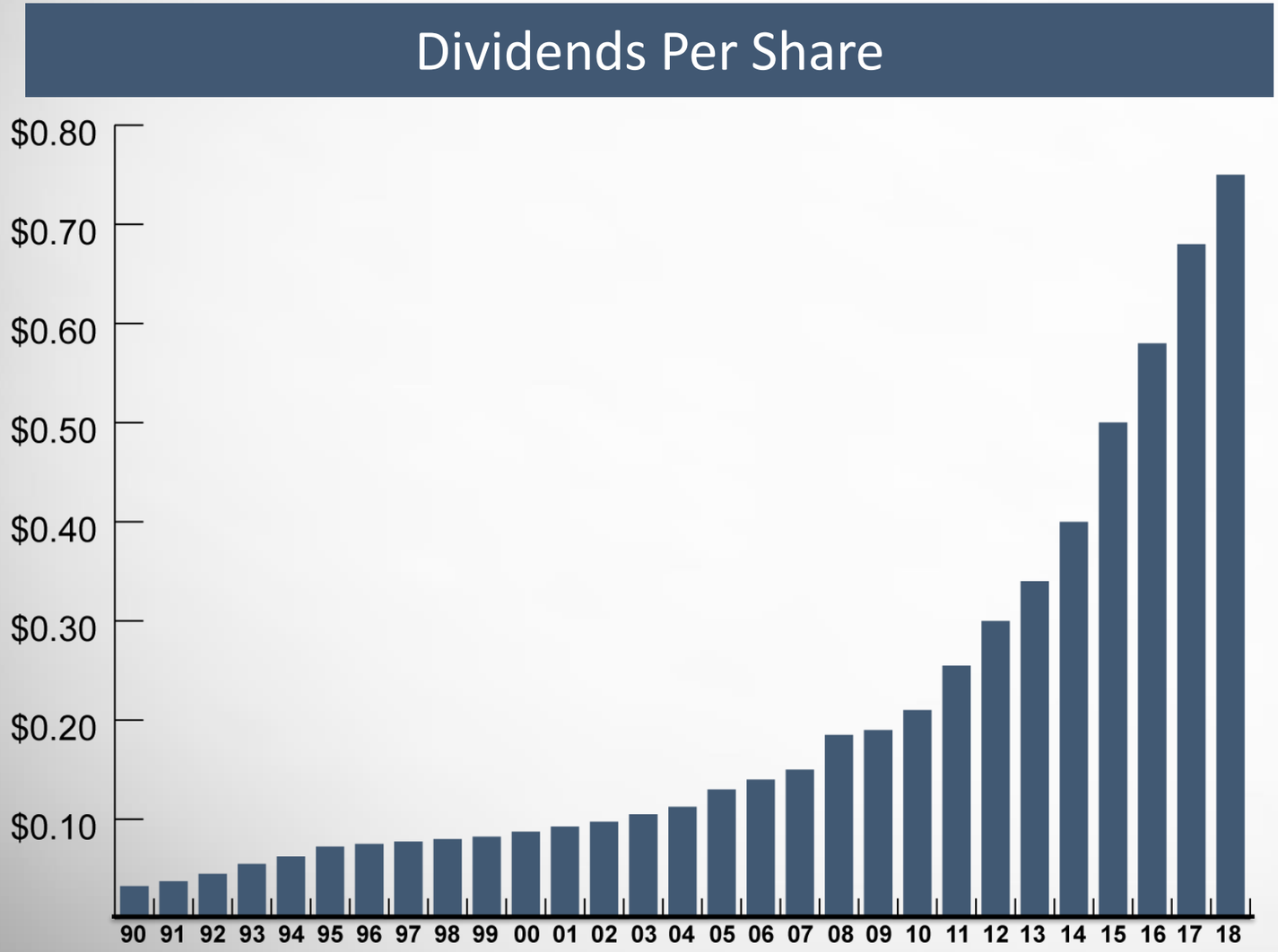
*Internal data

Disciplined Investments Deliver High ROIC



*Factset data based on fiscal 2013-2017 data for Hormel Foods and time relative data for peers listed in Company 2017 proxy statement.

Commitment to Returning Cash to Our Shareholders



MAINTAIN
DIVIDEND
ARISTOCRAT
MEMBERSHIP

52
CONSECUTIVE
YEARS
OF DIVIDEND INCREASES

*Internal data; includes 2018 declared increase

Why Hormel Foods?



- Track Record of Success
- **HIGHLY DIFFERENTIATED BUSINESS MODEL**
- A Clear Strategy For Long-Term Growth

A Highly Differentiated Business Model

Leveraging Unmatched Strengths

1. Maintaining & Growing Leading Brands
2. Direct Sales Forces in Retail, Deli & Foodservice
3. Insight-Driven Innovation & Marketing
4. Unique Ownership & Culture
5. Strong Financial Position











Leading Market Shares



89%



39%



56%

Our Brands Have a **#1 or #2 SHARE** in Over **35** CATEGORIES



34%



36%



42%



42%

*IRI 52 weeks ending 4/22/2018 – MULO;
**SPINS 52 weeks ending 4/22/2018 – Total US Natural (excluding Trader Joes)

A Customer-Focused, Solutions-Based Direct Sales Force

OVER 800

SALES PROFESSIONALS

Retail



Foodservice



Deli



- Relationship Driven
- Understanding of Needs and Challenges
- Insight Leadership

Industry-Leading, Innovation Firsts



1st

Pre-Cooked Canned Meat



1st

Utilizing High Pressure Pasteurization for Lunchmeat



1st

Using Pillow Pack ® Packaging Technology

"Originate, Don't Imitate."

– George A. Hormel



1st

Freezer-to-Oven Turkey Products



1st

Perfectly Cooked Precooked Bacon



1st

Cancer-Specific Nutritional Offerings



1st

Fortified, Shelf-Stable Turkey Spread

Unique Ownership And Culture

The Hormel Foundation

48.5%
OWNERSHIP



STOCK OPTION GRANTS
TO OVER
20,000
EMPLOYEES



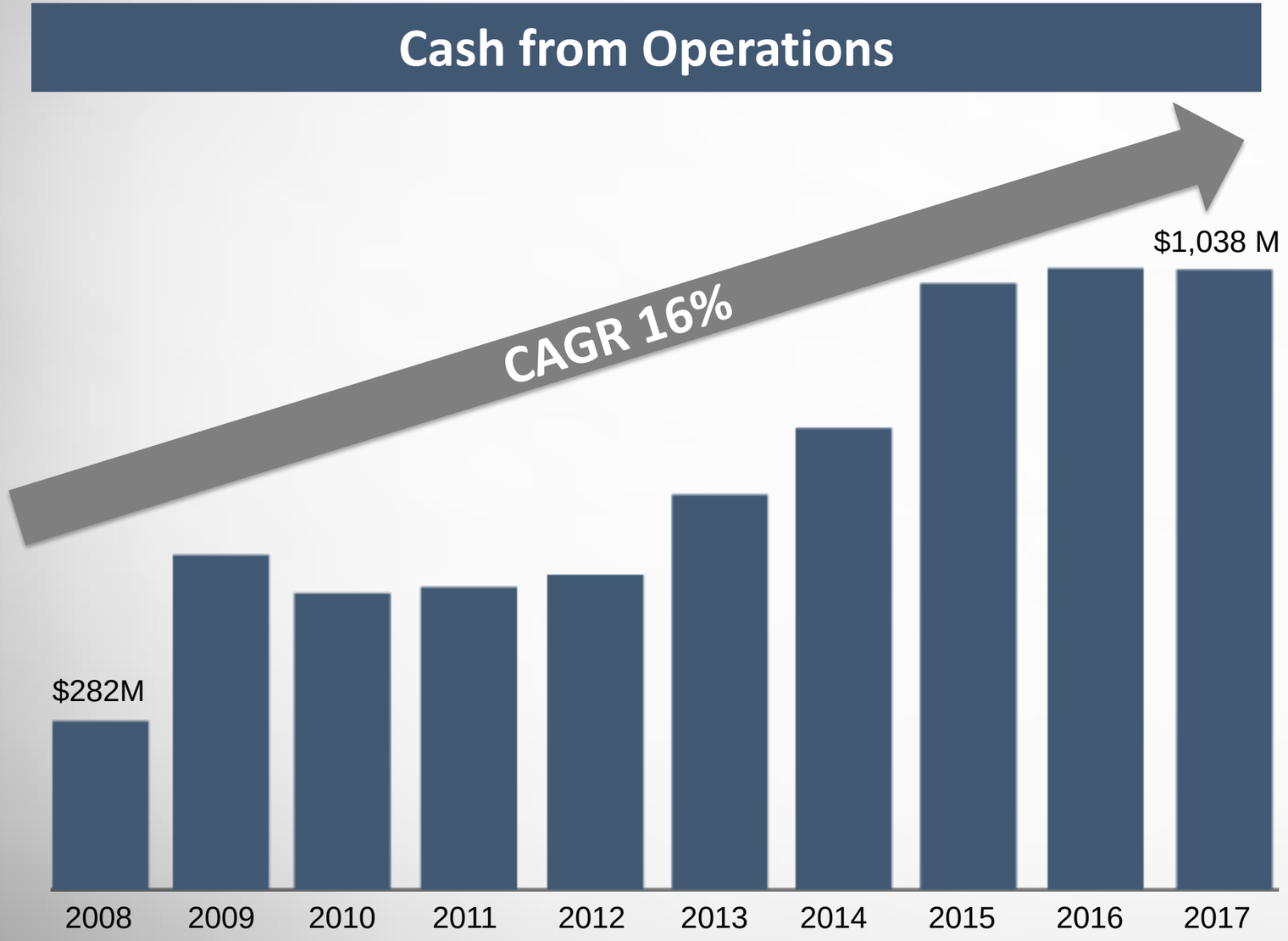
SUPPORTS
LONG-TERM
CAREERS



AVERAGE MANAGEMENT
TENURE:
25
YEARS



Strong Financial Position



$810M
IN DEBT

Less than 1x EBITDA

MAINTAIN
INVESTMENT
GRADE RATING

*Internal data

Why Hormel Foods?

- Track Record of Success
- Highly Differentiated Business Model
- **A CLEAR STRATEGY FOR LONG-TERM GROWTH**



Our Formula for Success

Building Brands



+

Innovation







+

Acquisitions





+

Balanced Portfolio











Hormel Foods

Our Path Forward

Priorities from Investor Day - June 2017

- **EVOLVING** to a broader food company
- **EXPANDING** and accelerating foodservice
- **BECOMING** a more global food company
- **REDUCING** volatility and increasing balance
- **DIVESTING** non-strategic assets
- **MODERNIZING** our supply chain

5% TOP LINE GROWTH

10% BOTTOM LINE GROWTH

15% INNOVATION BY 2020

MARGINS
IN TOP QUARTILE
OF PEERS
BY 2020



Evolving to a Broader Food Company

Meat Protein Company



+

Broader Food Company

Non-Meat Protein

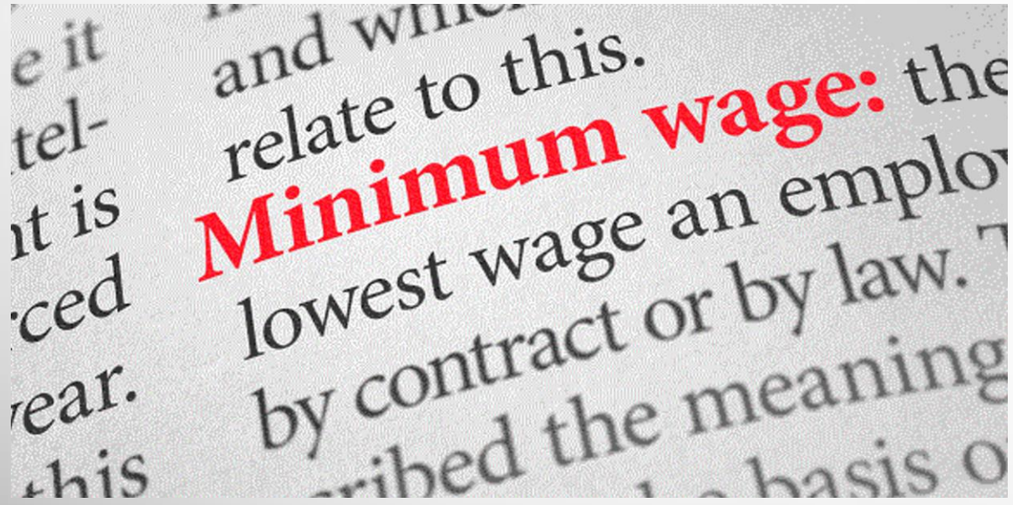


Flavor Enhancers



Expanding and Accelerating Foodservice





Fontanini® Una Bella Differenza®

Hormel® BACON 1® PERFECTLY COOKED BACON

Austin Blues® BAR-B-QUE®

Hormel® FIRE BRAISED MEATS

Hormel® NATURAL CHOICE® BRAND

Café H BRAND

CONVENIENCE

LABOR REDUCTION

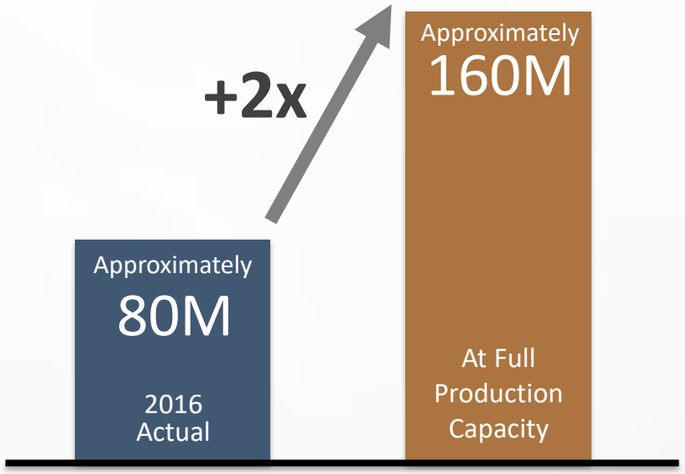
NEW FLAVORS

Becoming a More Global Food Company

Recreating the U.S. Model Globally

1. #1 or #2 brands
2. Product mix – shelf-stable & perishable
3. Channel mix – foodservice & retail
4. No vertical integration

China Capacity
Lbs

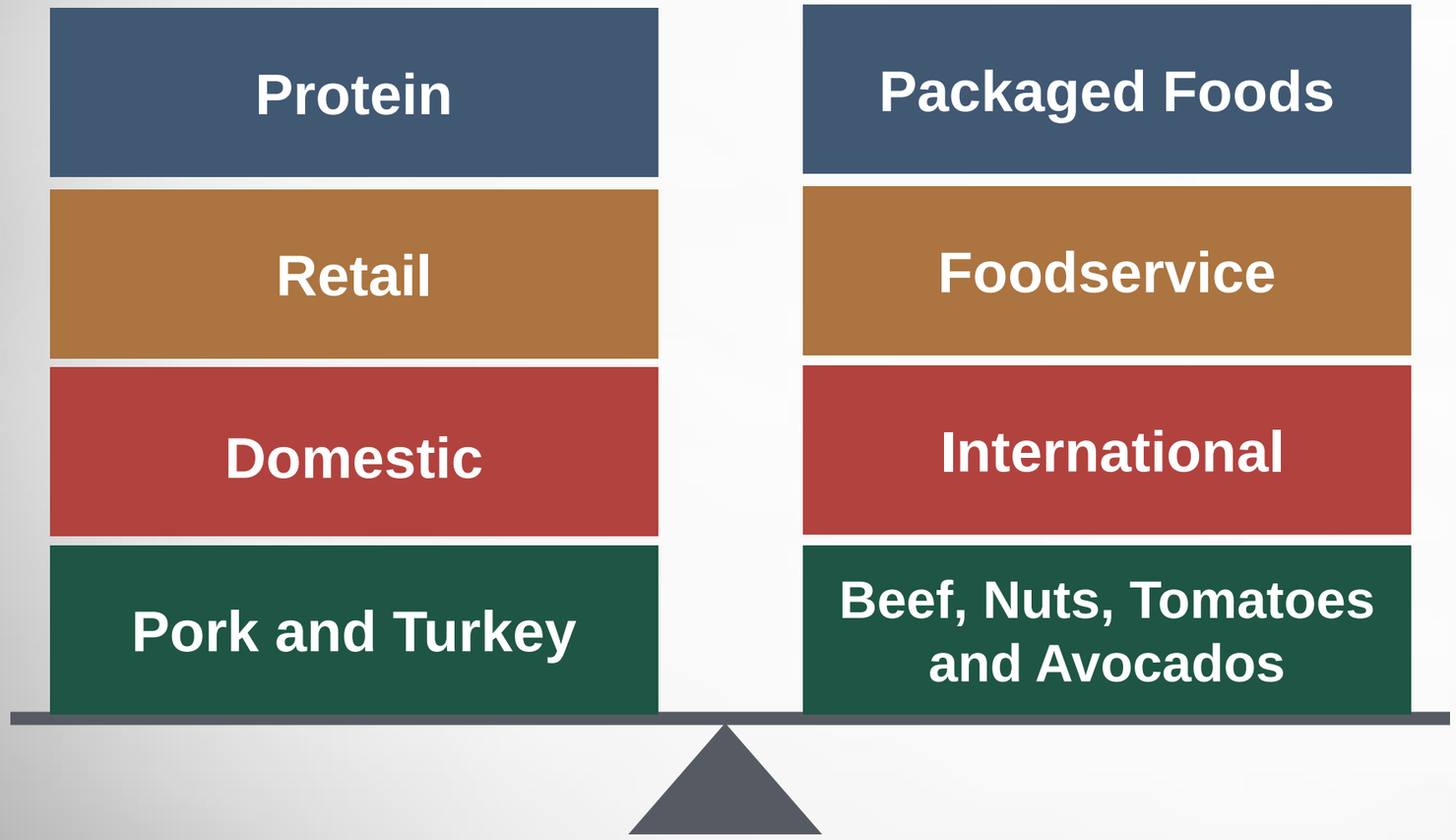


Geographic Expansion

CERATTI BRAND
DESDE 1932



Reducing Volatility and Increasing Balance



Reducing Volatility By:

1. Continuing to shift our mix to value-added products
2. Minimizing commodity sales
3. Expanding our portfolio of raw materials



Modernizing Our Supply Chain

MORE THAN
30
PRODUCTION FACILITIES

BROAD
CO-PACKER
NETWORK

MORE THAN
10,000
SUPPLY ITEMS

MORE THAN
10,000
SKUs

SIMPLIFY

MODERNIZE

OPTIMIZE

RATIONALIZE

Internal data

Supply Chain Integration on Track

Hormel Foods
GROCERY PRODUCTS

Hormel Foods
REFRIGERATED FOODS

Jennie-O TURKEY STORE

Hormel Foods
INTERNATIONAL









Hormel Foods

A Long-Term Growth Story

- Track Record of Success
- Highly Differentiated Business Model
- A Clear Strategy For Long-Term Growth





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