

Hormel Foods

Inspired People.
Inspired Food.™

2018

BARCLAYS

Global Consumer Staples 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

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

$20B

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

Hormel Foods:
A Global Branded Food Company

International 7%

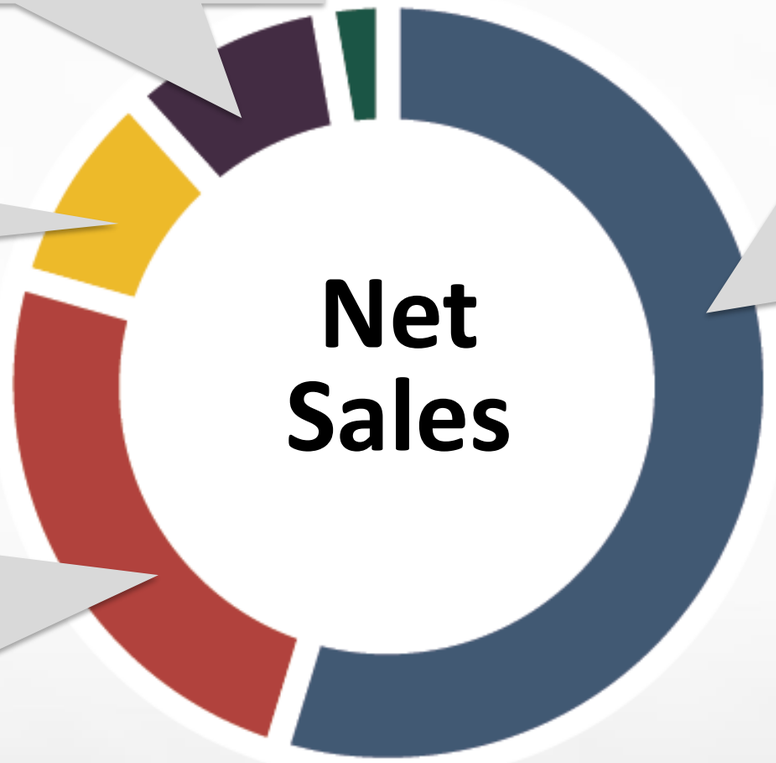
SKIPPY, SPAM, Hormel, CERATTI

U.S. Deli 9%

Hormel, Jennie-O, COLUMBUS CRAFT MEATS, APPLEGATE

U.S. Foodservice 28%

Café H, Fontanini Una Bella Differenza, APPLEGATE, BACON 1, Jennie-O, FIRE BRAISED MEATS



U.S. Retail 54%

Hormel, NATURAL CHOICE, Jennie-O, SPAM, SKIPPY, WHOLLY GUACAMOLE, Hormel PEPPERONI, Hormel Black Label BACON

*YTD Q3 Fiscal 2018 Data

Strong, Branded Presence Across the Food Space

Our Brands Have a

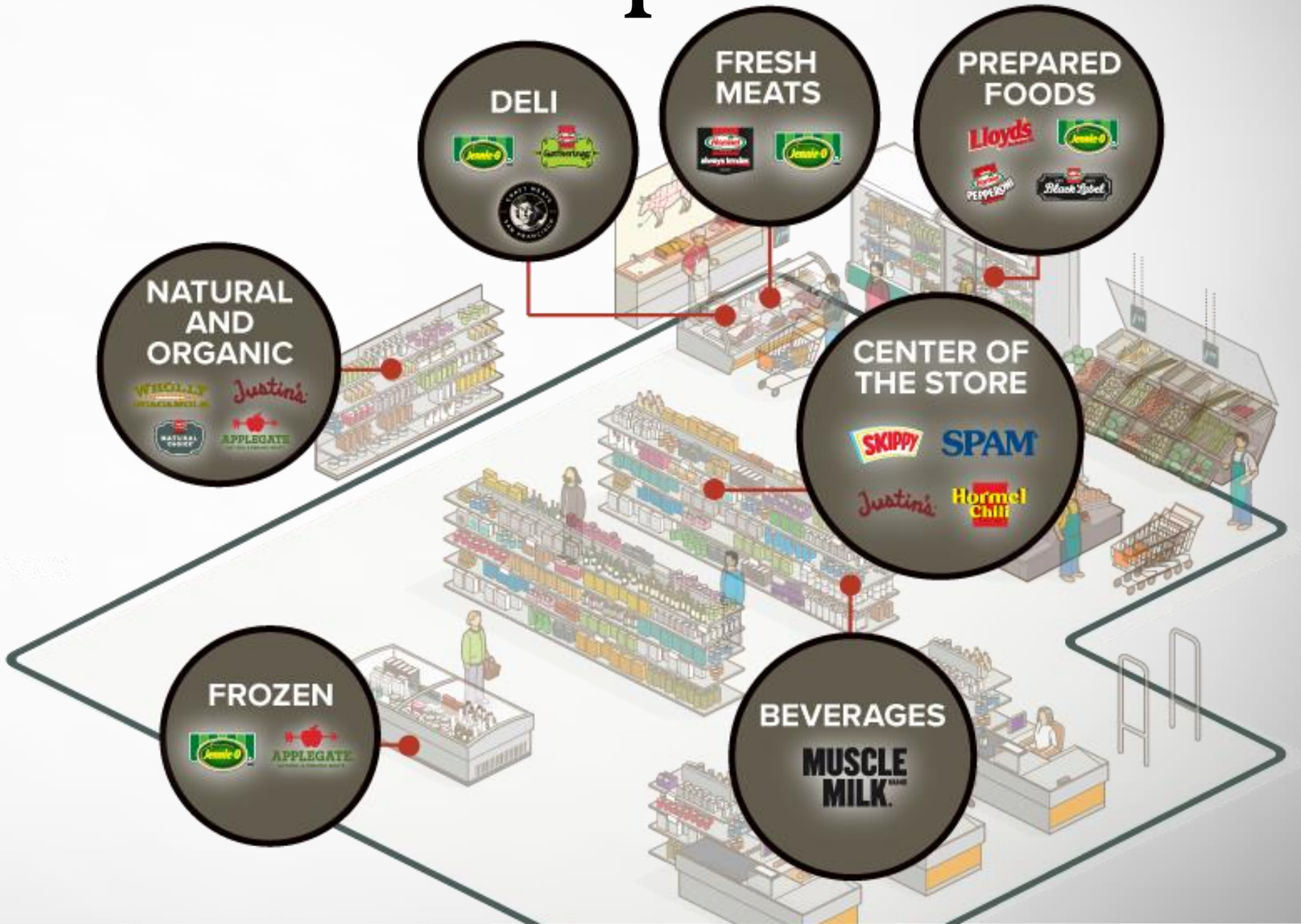
#1 or #2

SHARE

in Over

35

CATEGORIES



*IRI 52 weeks ending 8-12-2018 - MULO

Our Formula for Success

A Model for Growth

Building Brands







+

Innovation







+

Acquisitions







+

Balanced Portfolio









Hormel® Natural Choice® BRAND Delivering Accelerated Growth



Foodservice

+8%



Core Portfolio

+6%



New Categories

+33%



Innovation

+7%

*IRI Total US MULO 13 weeks ending 7-15-18; 3-yr dollar sales CAGR; Foodservice CAGR from internal sales data, 3-yr.



100% NATURAL®

100% TASTY

MAKE THE NATURAL CHOICE®

® Minimally Processed, No Artificial Ingredients.

Established Retail Brands Relevant and Growing

+5%



+5%



+3%



+2%



+2%



+1%



+1%



+1%



*IRI Total US MULO ending 7-15-18; 3-yr dollar sales CAGR

Nurturing Our Established Brands







SPAM® BRAND **89%** SHARE

Hormel Chili SINCE 1891 **46%** SHARE

Dinty Moore® BRAND **79%** SHARE

*IRI Total US MULO ending 7-15-18


LUMBERJACKS EAT MOORE
Dinty Moore
BEEF STEW
NO PRESERVATIVES

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

Award-Winning, Insights-Driven Innovation Fueling Growth





GMA
The Association of Food, Beverage and Consumer Products Companies

Back-to-Back GMA Awards for Innovation and Creativity





PROGRESSIVE GROCER 2017 EDITORS' PICK BEST NEW PRODUCT AHEAD OF WHAT'S NEXT

Progressive Grocer Editors' Picks

Nut Butter Innovation Driving Growth





30%
INCREASE
IN POINTS OF
DISTRIBUTION

BE SMOOTH LIKE SKIPPY™ BRAND



*IRI data from January 2013 – June 2018


BE SMOOTH LIKE
SKIPPY
BRAND

Foodservice Innovation

Delivering Meaningful Growth



Hormel FIRE BRAISED MEATS

Introduced 2013

+30%

2-yr CAGR



Hormel BACON 1 PERFECTLY COOKED BACON

Introduced 2014

+60%

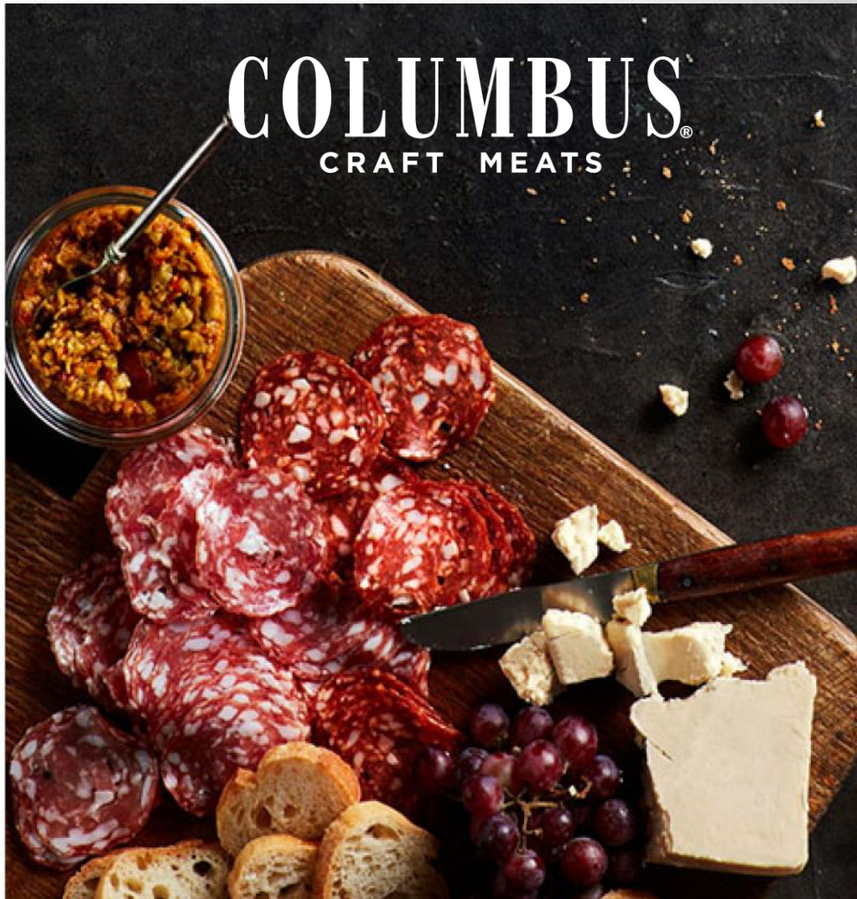
2-yr CAGR

*Internal sales data, 2015-2017

Acquisitions Integrated, on Track and Growing







COLUMBUS® CRAFT MEATS

The Catalyst for a Unified Deli Organization

ACQUISITIONS



Hormel Foods FOODSERVICE

INNOVATIVE SOLUTIONS



Jennie-O TURKEY STORE®

TURKEY EXPERTS



Hormel® SINCE 1891 Brand

VALUE-ADDED INNOVATOR



APPLEGATE® CHANGING THE MEAT WE EAT®

NATURAL & ORGANIC LEADER



CRAFT MEATS EST. 1917 SAN FRANCISCO

CRAFT MEATS

Balance Across the Portfolio, Growth Across Generations

BALANCED PORTFOLIO



Millennials

- Applegate – Changing the Meat We Eat
- Hormel Pepperoni
- Jennie-O
- Wholly Guacamole
- Craft Meats San Francisco
- Hormel Gatherings



Gen X

- Muscle Milk
- Jennie-O
- Natural Choice
- Con Toda Confianza…es Herdez
- Skippy
- Hormel Chili



Boomers

- Dinty Moore
- Refrigerated Entrées
- Lloyds Barbeque Co.
- Hormel Compleats
- Mary Kitchen
- SPAM



Matures

- Lloyds Barbeque Co.
- Refrigerated Entrées
- SPAM
- Mary Kitchen
- Hormel Black Label Bacon
- Hormel Side Dishes

*Buyer Index, IRI MULO 52 weeks ending 8-12-2018

We Have Grown Earnings

28 Out of 32 Years



*Internal data

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

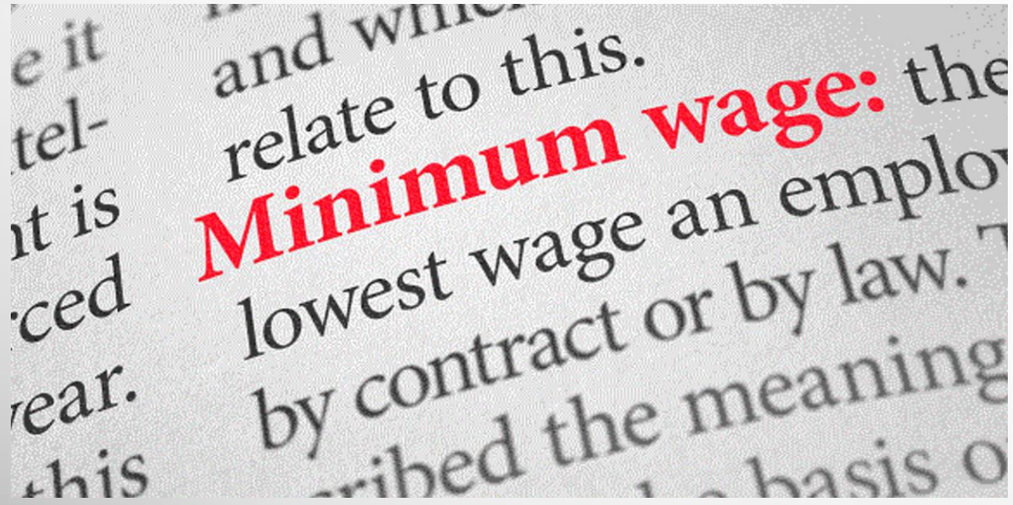


Flavor Enhancers



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

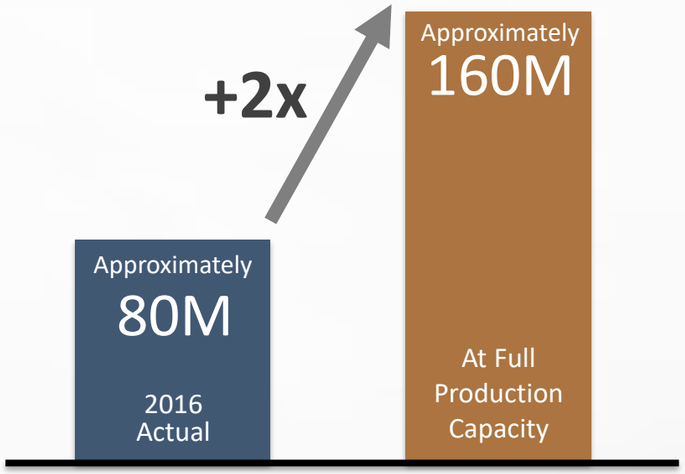
NEW FLAVORS

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

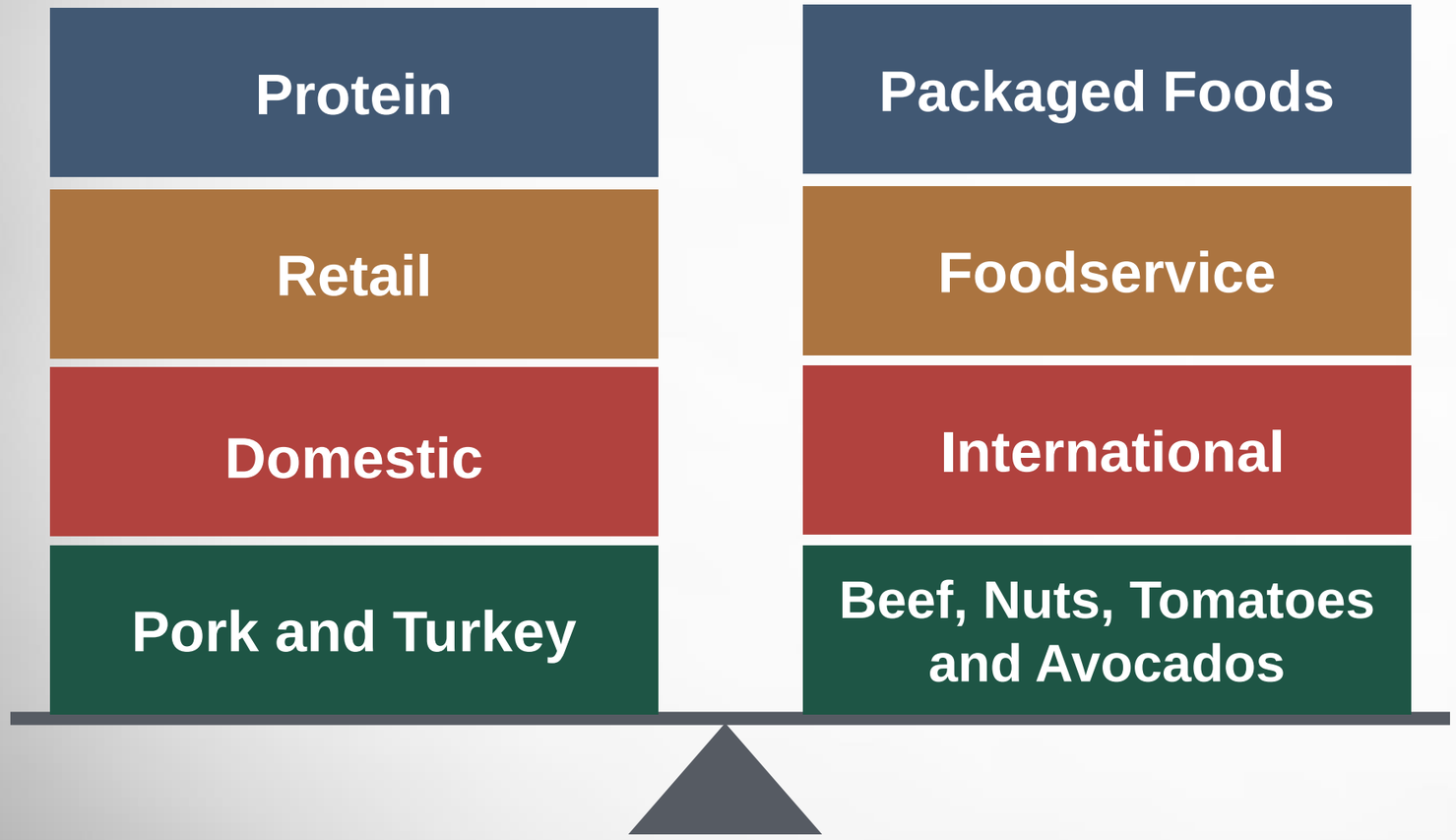


Geographic Expansion

CERATTI BRAND DESDE 1932



Reducing Volatility and Increasing Balance

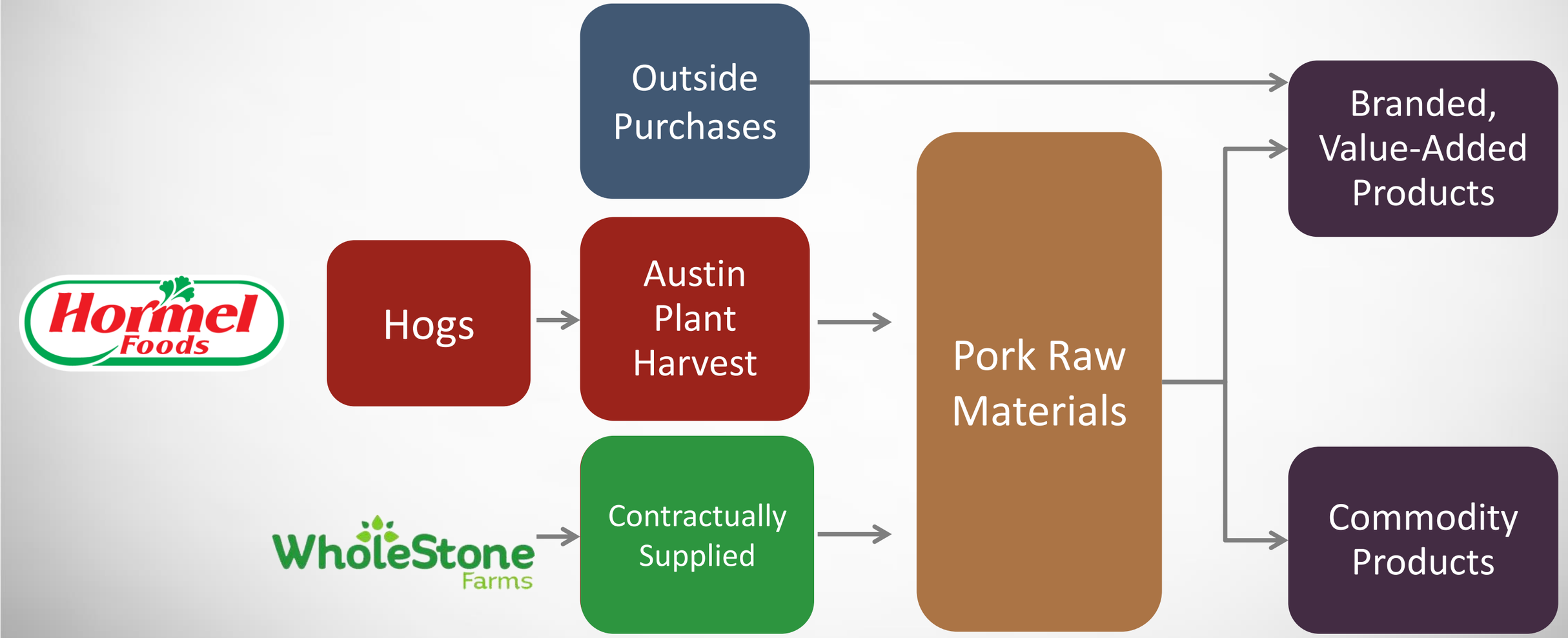


Reducing Volatility By:

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

Fremont Plant Sale

Right-Sizing Our Pork Supply Chain





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

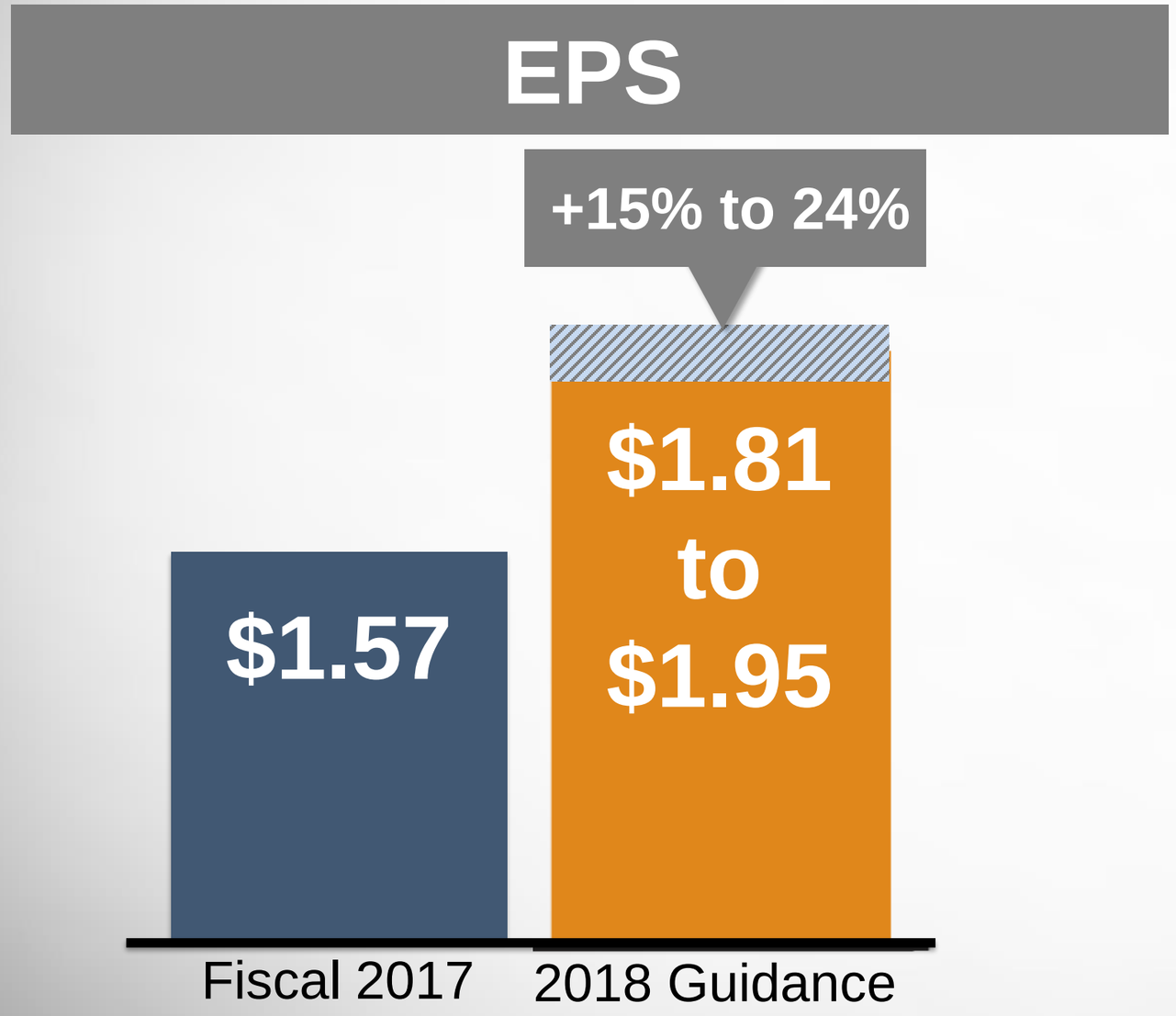
MODERNIZE

OPTIMIZE

RATIONALIZE

*Internal data

Investing in Growth in FY 2018

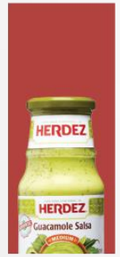


- **Managing** through industry dynamics
- **Executing** on our strategic initiatives
- **Investing** in growth

Our Fiscal 2019 Priorities Are Clear

Continue to Grow Value-Added Brands













Execute on Deli Growth Strategy











Deliver Innovation to Growing Categories











Capture Supply Chain Savings



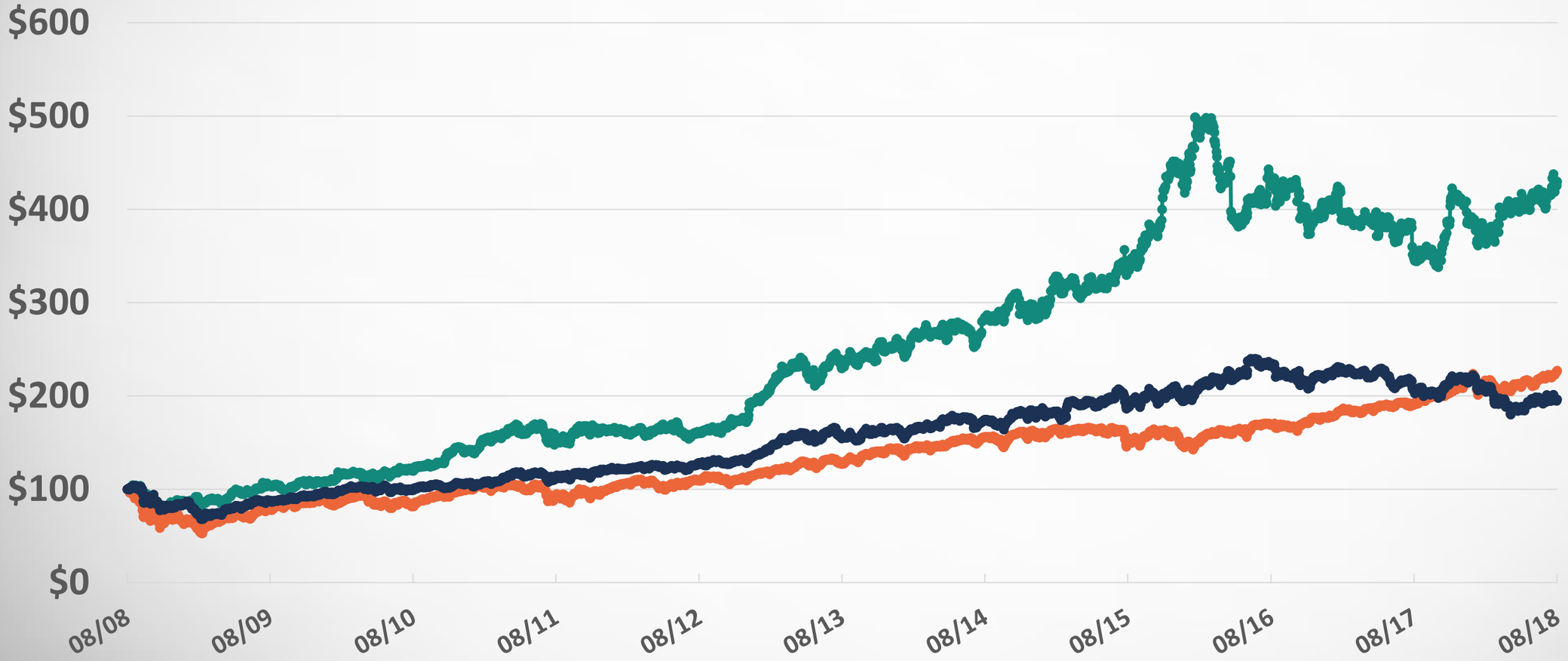


Jim Sheehan

Senior Vice President,
Chief Financial Officer



Delivering Long-Term Shareholders Returns



Hormel Foods $430

S&P 500 $227

S&P 500 Pkg Food & Meats $196

*$100 invested on 8/29/08 in stock or index – including reinvestment of dividends

Impact of Fremont Plant Sale



Supply Chain

- Multi-year supply agreement
- Represents 1/3 of harvest volume
- Avoids major capital expenditure



Financial

- $30M in proceeds
- $15-$20M expense in FY19
- Expected to close in December 2018

Disciplined and Strategic Capital Allocation

$5.3B
Cash from Operations
2013 – 2018 Q3

INVESTING IN THE BUSINESS

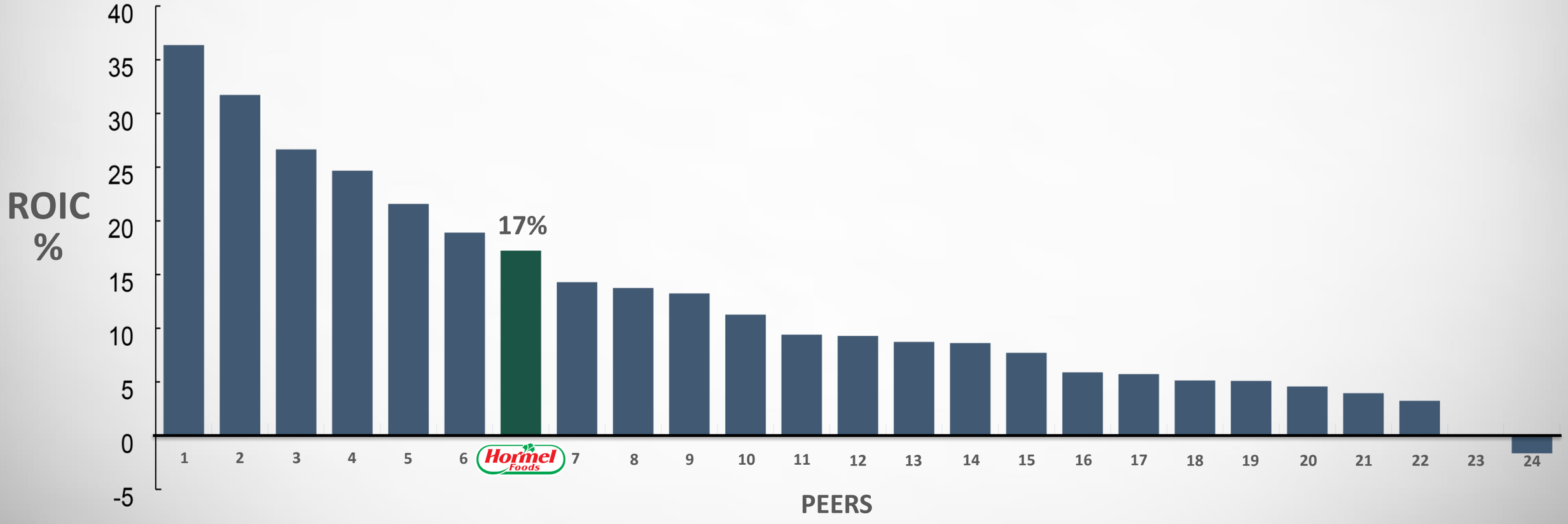
CAPEX	ACQUISITIONS
$1.1B	$3.6B

RETURNING CASH TO SHAREHOLDERS

DIVIDENDS	REPURCHASES
$1.6B	$0.4B
MAINTAIN **DIVIDEND** ARISTOCRAT MEMBERSHIP	BASED ON **INTERNAL** VALUATION

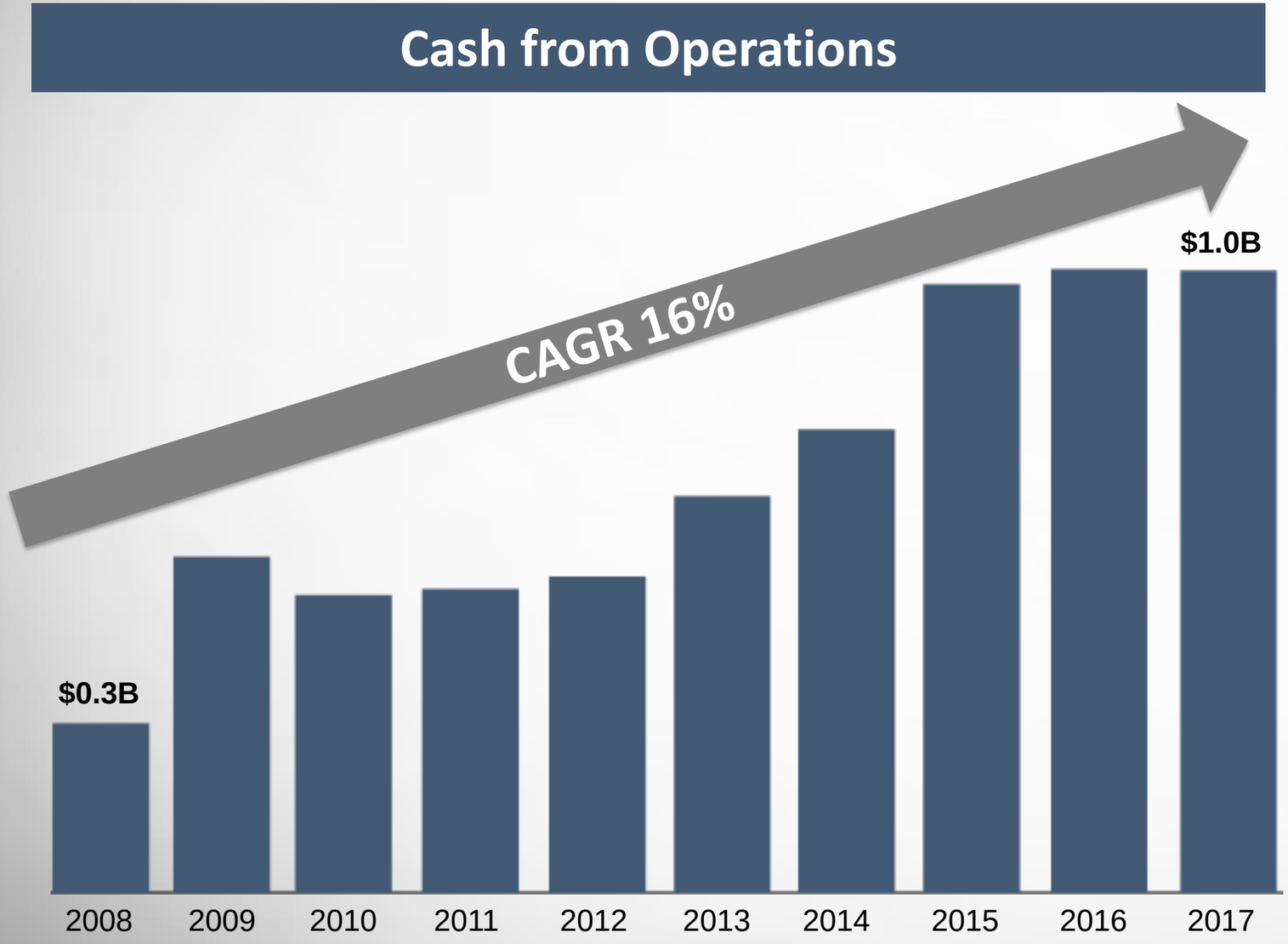
*Internal data

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.

Strong Financial Position



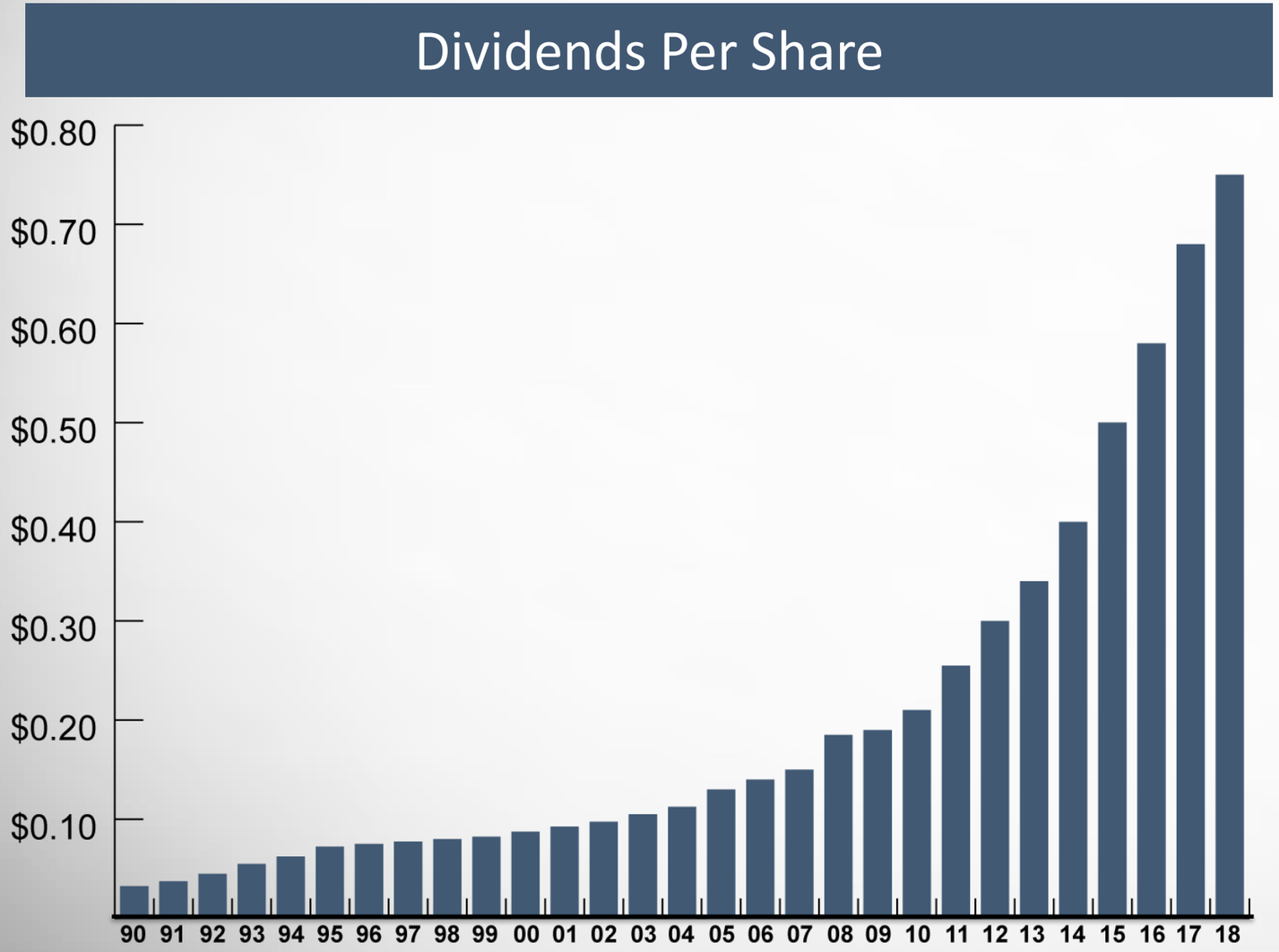
$720M
IN DEBT

Less than 1x EBITDA

MAINTAIN
INVESTMENT
GRADE RATING

*Internal data

Commitment to Returning Cash to Our Shareholders



90
CONSECUTIVE
YEARS
OF QUARTERLY DIVIDENDS

52
CONSECUTIVE
YEARS
OF DIVIDEND INCREASES

*Internal data; includes 2018 declared increase

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5% TOP LINE GROWTH

10% BOTTOM LINE GROWTH

15% BY 2020 INNOVATION

Margins IN TOP QUARTILE OF PEERS by 2020

1. Evolving to a broader food company
2. Expanding and accelerating foodservice
3. Becoming a more global food company
4. Reducing volatility and increasing balance
5. Divesting non-strategic assets
6. Modernizing our supply chain



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