

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 35-41 in the Company's Form 10-Q for the quarterly period ended April 28, 2019, available for viewing or download on the investor page of the Company's website – Hormelfoods.com

Ranked

#7

MOST ADMIRED FOOD COMPANY IN THE WORLD BY FORTUNE MAGAZINE

$9.5B

FISCAL YEAR 2018 NET SALES

11

CONSECUTIVE YEARS

100 BEST CORPORATE CITIZENS

Hormel Foods

Inspired People. Inspired Food.™

ABOUT

$21B

MARKET CAPITALIZATION

EARNINGS GROWTH

29

OUT OF LAST 33 YEARS

53

CONSECUTIVE YEARS

OF DIVIDEND INCREASES*

*Includes 2019 declared increase

The Hormel Foundation

Unique Ownership And Culture

WORLD HEADQUARTERS IN AUSTIN MINNESOTA

47.8% OWNERSHIP

Ownership as of 4/28/2019

UNCOMMON

GLOBAL BRANDED FOOD COMPANY

FOUNDED IN 1891



AVERAGE MANAGEMENT TENURE: 25 YEARS

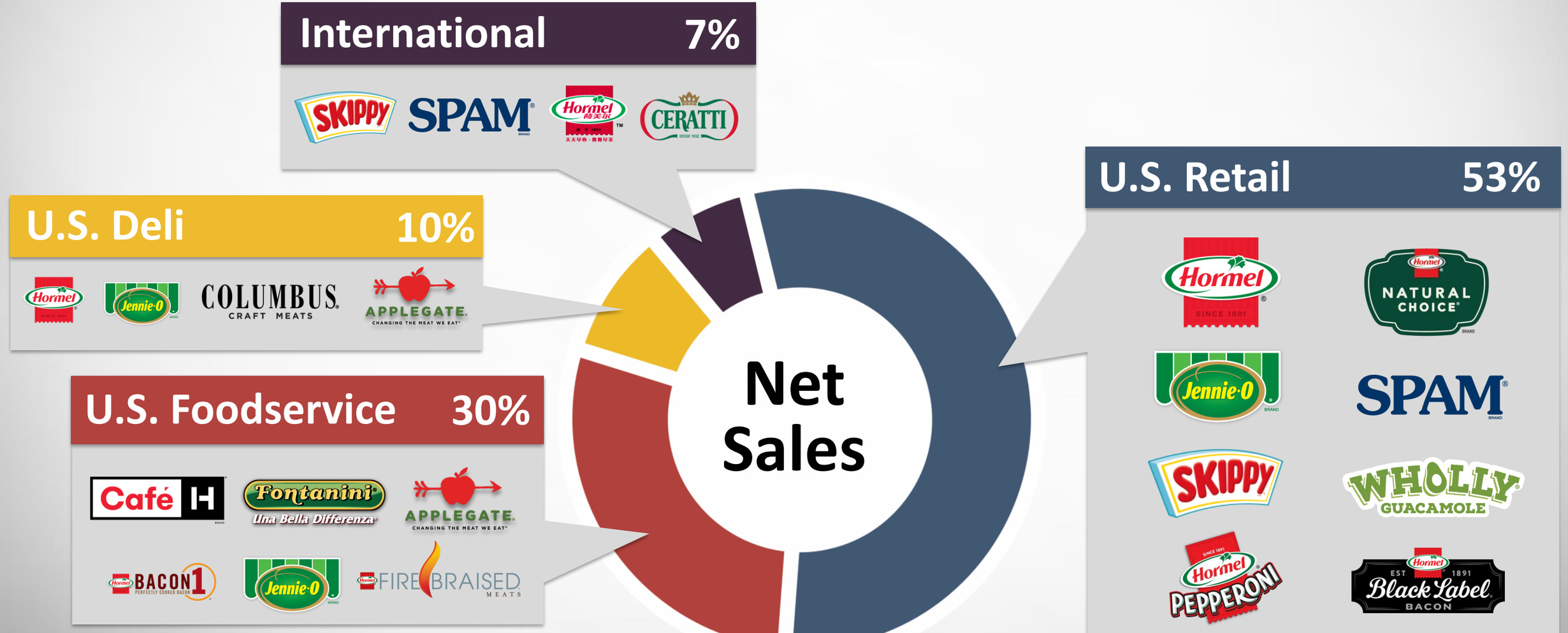


Why Hormel Foods?

- **A TRACK RECORD OF SUCCESS**
- A Commitment to Our Food Journey
- A Clear Strategy for Long-Term Growth



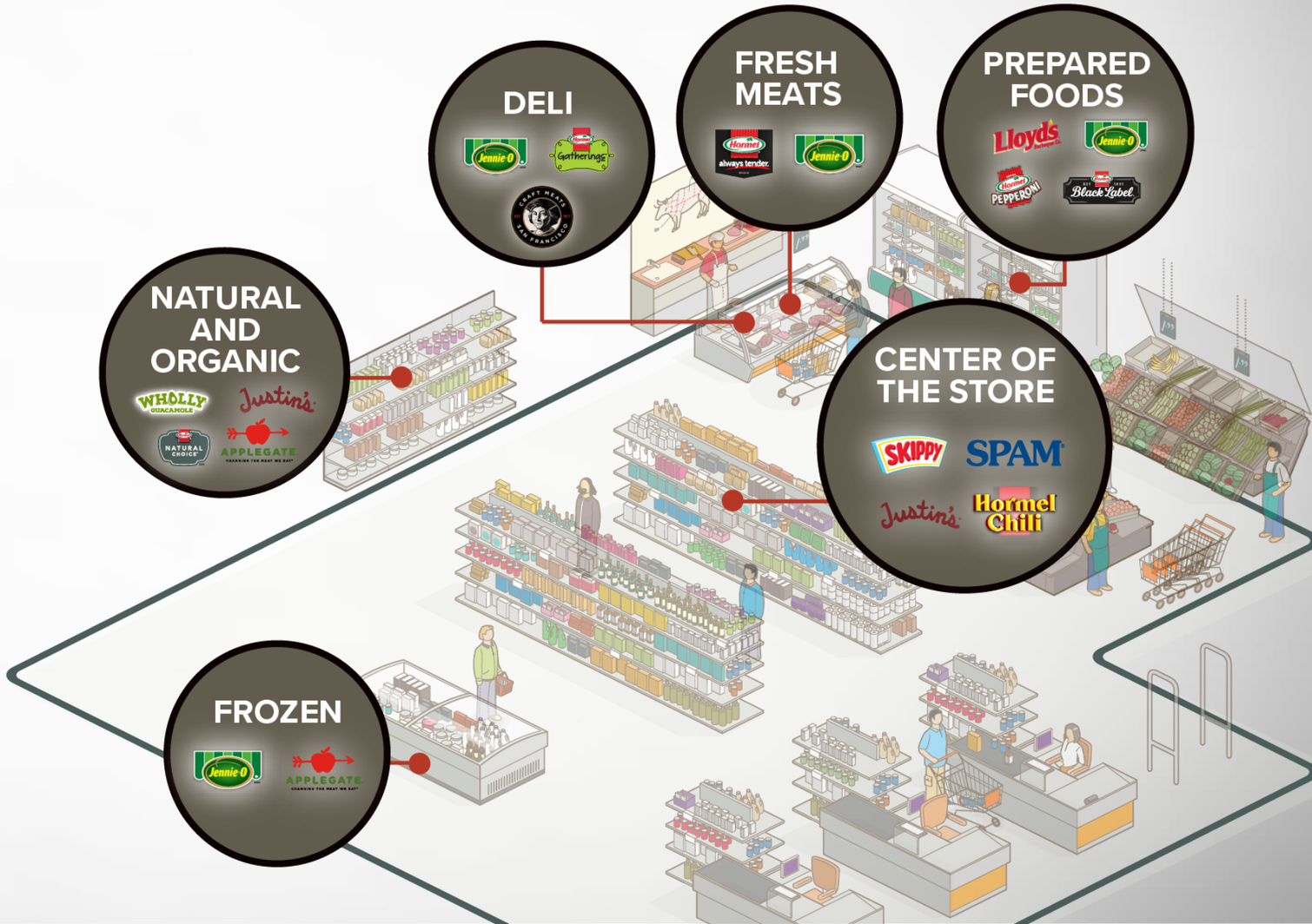
Hormel Foods:
A Global Branded Food Company



Fiscal 2019, H1 Data

Strong, Branded Presence Across the Food Space

OVER 40 BRANDS ARE #1 OR #2 IN THEIR CATEGORIES*



*IRI 52 weeks ending 11-4-2018 - MULO

We Have Grown Earnings

29 Out of 33 Years

ACHIEVED
BY ONLY
5 COMPANIES
IN THE
S&P 500



Internal data

Disciplined and Strategic Capital Allocation

$5.1B
Cash from Operations
2014 – 2018

INVESTING IN THE BUSINESS

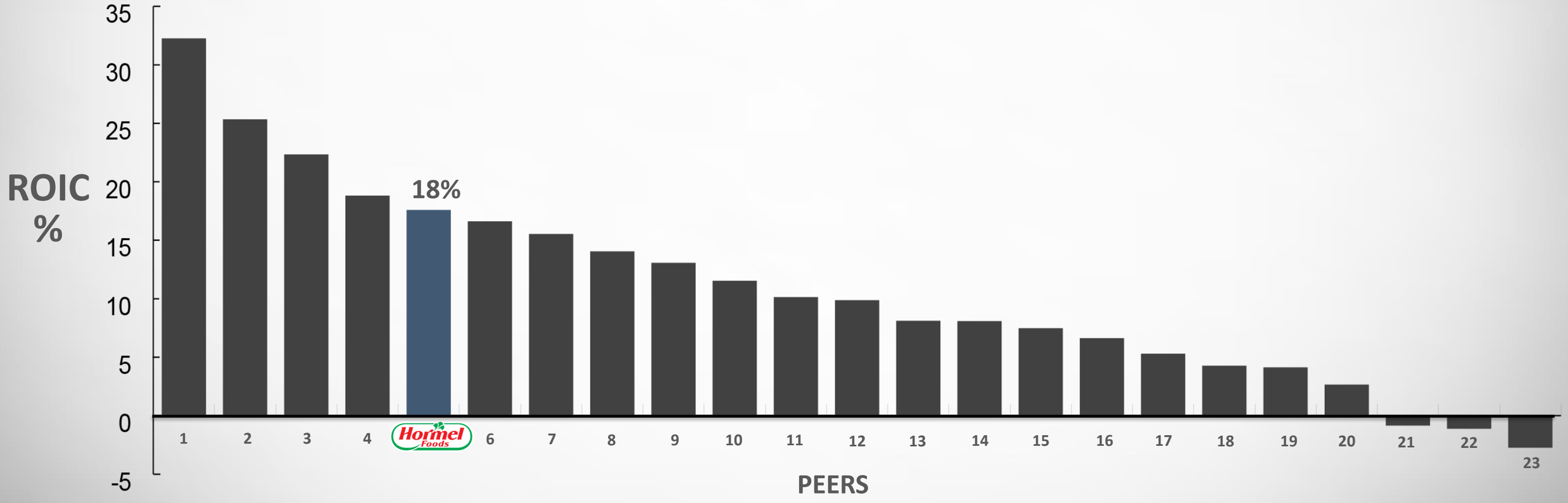
CAPEX	ACQUISITIONS
$1.2B	$2.9B

RETURNING CASH TO SHAREHOLDERS

DIVIDENDS	REPURCHASES
$1.5B	$0.3B
DIVIDEND ARISTOCRAT MEMBERSHIP	BASED ON INTERNAL VALUATION

Internal data

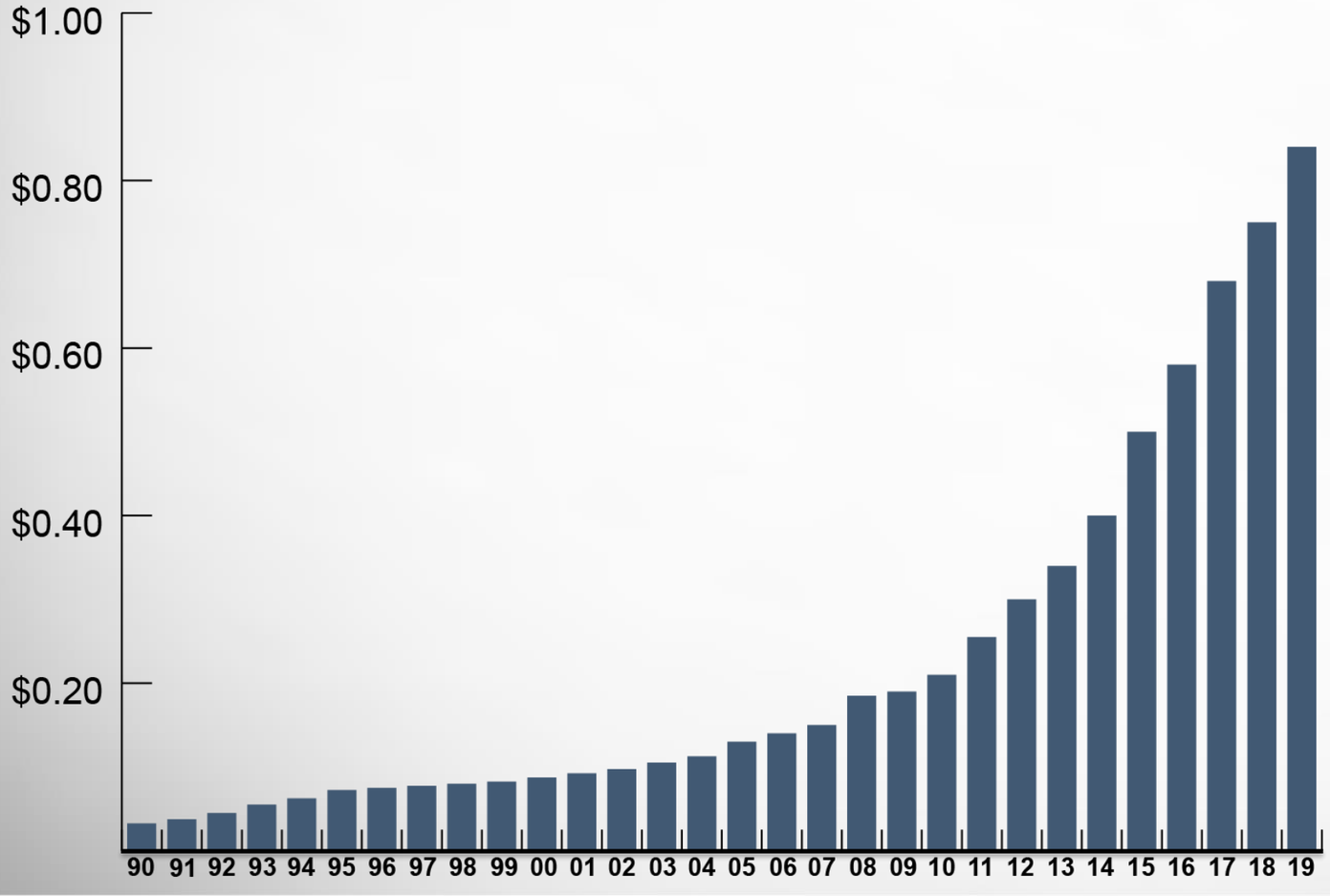
Disciplined Investments
Deliver High ROIC



Factset data based on fiscal 2014-2018 data for Hormel Foods and time relative data for peers listed in Company 2018 proxy statement.

Commitment to Returning Cash to our Shareholders

Dividends Per Share



DIVIDEND ARISTOCRAT MEMBERSHIP

53 CONSECUTIVE YEARS
OF DIVIDEND INCREASES*

*Internal data; includes 2019 declared increase

Why Hormel Foods?

- A Track Record of Success
- **A COMMITMENT TO OUR FOOD JOURNEY**
- A Clear Strategy for Long-Term Growth




OUR
FOOD
JOURNEY™



Investing in our People and Partners

100%
GENDER PAY
EQUITY

3 CONSECUTIVE YEARS
WORLD'S BEST EMPLOYERS
FORBES



50%
OF EMPLOYEES
WITH 5+ YEARS
OF SERVICE

37%
OF WORKFORCE
REPRESENTED BY
WOMEN



52%
OF WORKFORCE
REPRESENTED BY
ETHNIC MINORITIES



Internal data

Improving Communities
Where We Live and Work

On Track to Achieve 2020 Goals



REDUCE
WATER USE BY
10%



REDUCE
SOLID WASTE SENT
TO LANDFILLS BY
10%



REDUCE
NONRENEWABLE
ENERGY USE BY
10%



REDUCE
GREENHOUSE GAS
EMISSIONS BY
10%



REDUCE
PRODUCT PACKAGING BY
25 MILLION POUNDS

Improving Communities Where We Live and Work



Improving Communities
Where We Live and Work



5 PLANTS
UTILIZING POWER FROM
SOLAR GARDENS

ADDITIONAL
SOLAR GARDEN
TO BE COMPLETED
BY 2020

Improving Communities Where We Live and Work

$15 MILLION
IN CASH AND DONATIONS







Internal data

Creating Products to Improve Customer's Lives

Supporting Nutrition and Well-Being

Hormel NATURAL CHOICE® NO PRESERVATIVES 100% NATURAL**

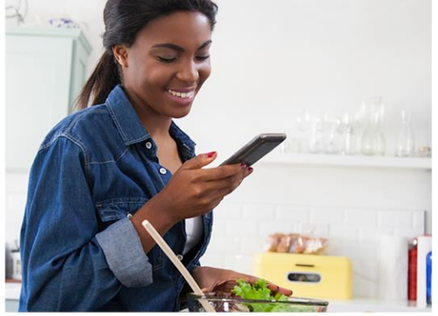
SKIPPY Natural

Justin's® BRAND

APPLEGATE® CHANGING THE MEAT WE EAT®

Jennie-O® BRAND

WHOLLY® GUACAMOLE















Why Hormel Foods?

- A Track Record of Success
- A Commitment to Our Food Journey
- **A CLEAR STRATEGY FOR LONG-TERM GROWTH**



Our Formula for Success

Building brands

SPAM®

Hormel Black Label BACON

Hormel PEPPERONI

Jennie-O

Innovation

CON TODA CONFIANZA...ES HERDEZ®

Hormel NATURAL CHOICE®

Hormel BACON 1 PERFECTLY COOKED BACON

Hormel FIRE BRAISED MEATS

Acquisitions

Fontanini® Una Bella Differenza®

COLUMBUS® CRAFT MEATS SAN FRANCISCO

CERATTI DESDE 1932

Justin's

Balanced portfolio

SKIPPY®

WHOLLY GUACAMOLE

APPLEGATE® CHANGING THE MEAT WE EAT®

Café H

Making Progress on Strategic Initiatives

✓1 Evolving to a broader food company

HERDEZ® BRAND

Justin's® BRAND

WHOLLY® GUACAMOLE

COLUMBUS FOUNDED IN SAN FRANCISCO

✓2 Expanding and accelerating foodservice

Fontanini® Una Bella Differenza®

Hormel BACON 1 PERFECTLY COOKED BACON®

Hormel FIRE BRAISED MEATS

✓3 Becoming a more global food company

CERATTI DESDE 1932

SPAM® BRAND

SKIPPY®

Making Progress on Strategic Initiatives

✓4 Reducing volatility and increasing balance

COMMODITY PROFITS

VALUE-ADDED PRODUCTS

✓5 Divesting non-strategic assets

CYTOSPORT

FARMER JOHN SINCE 1931

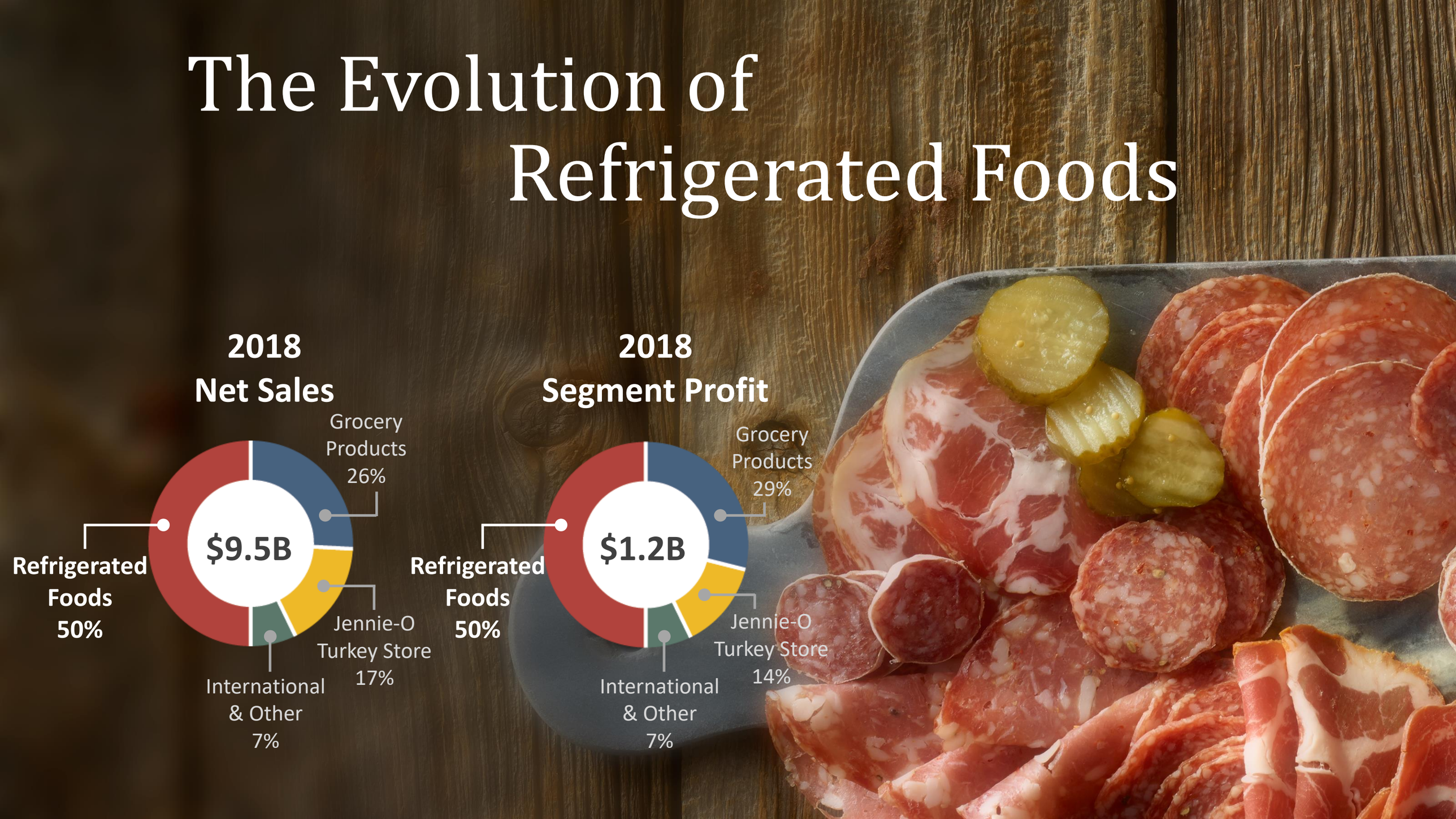
Saag's SPECIALTY MEATS & SAUSAGES

FREMONT PLANT

✓6 Modernizing our supply chain

SIMPLIFY MODERNIZE OPTIMIZE RATIONALIZE

The Evolution of Refrigerated Foods



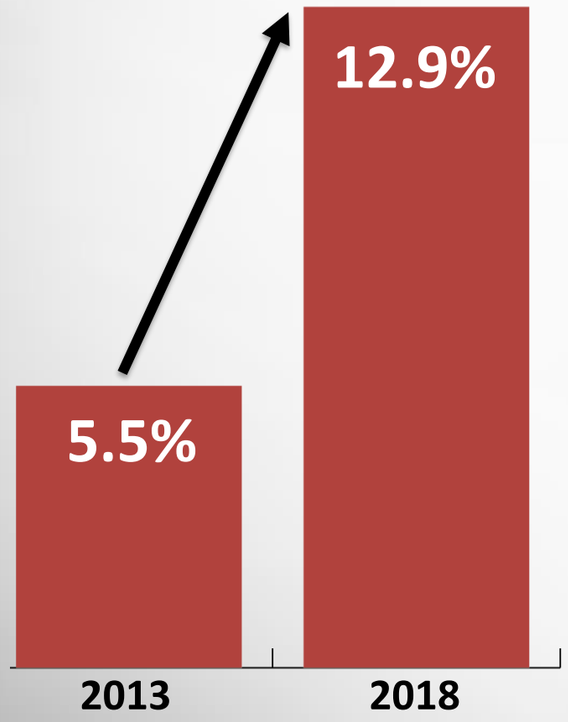
Tom Day

Executive Vice President,
Refrigerated Foods

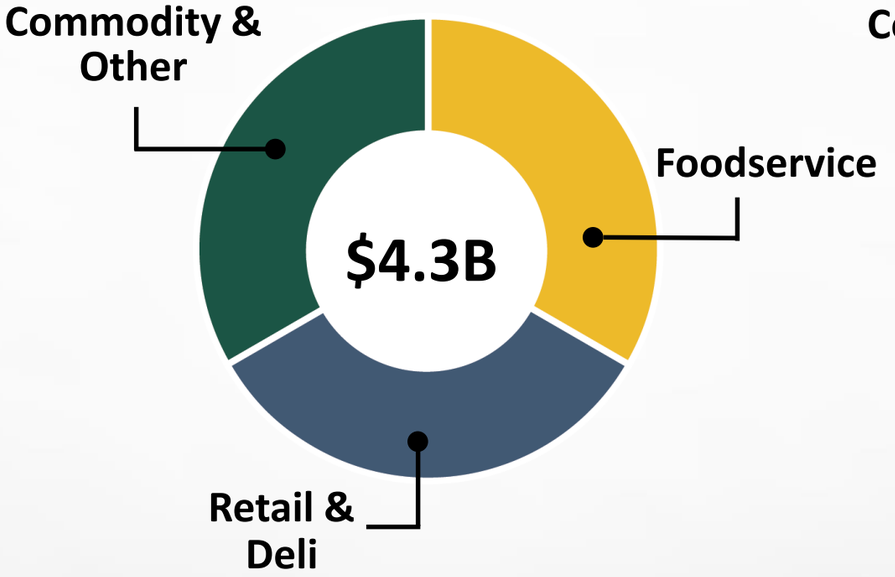


The Evolution of Refrigerated Foods

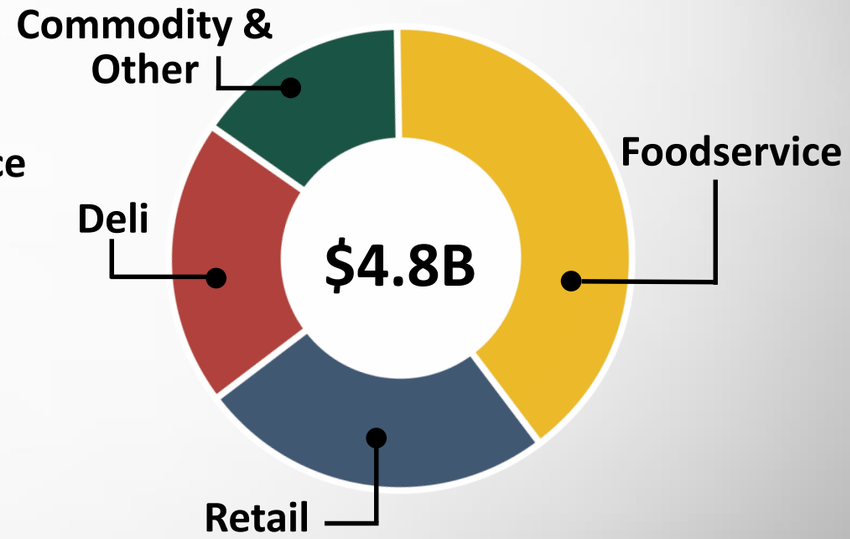
Operating Margin



Sales by Channel 2013



Sales by Channel 2018

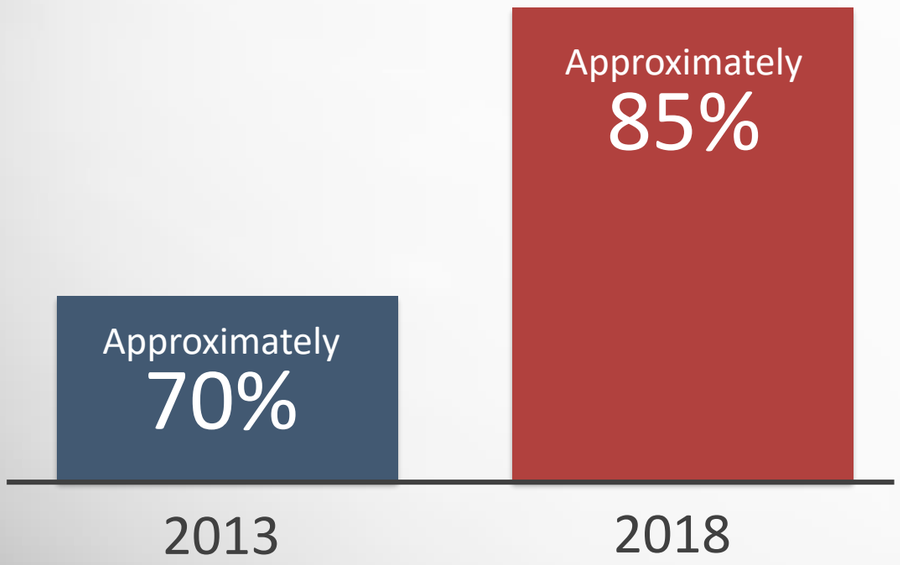


Internal data

A History of Consistent, Positive Mix Shift

Value-Added Sales Growth

Refrigerated Foods



Consistently Adding Value to Our Products















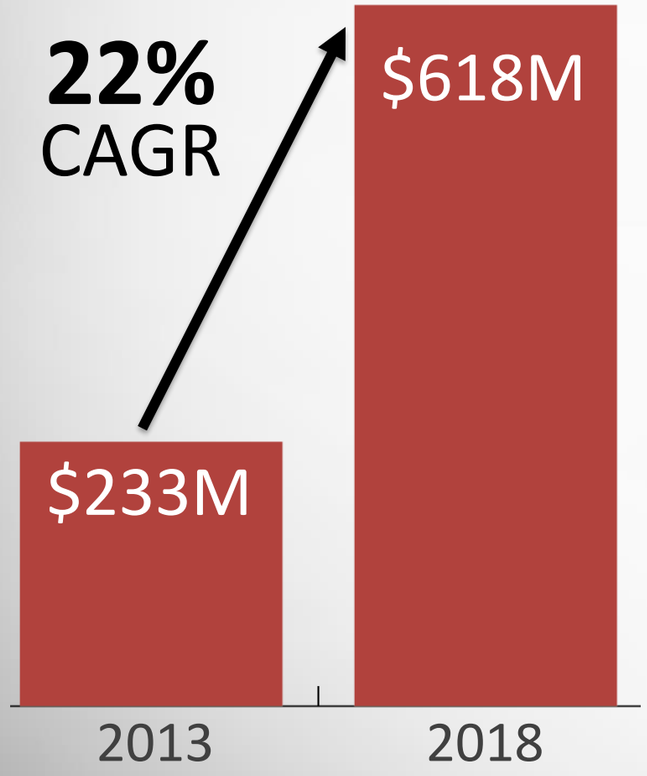




Internal data – Excludes Farmer John related sales

Accelerating Profit Growth Through Intentional Action

Segment Profit Growth



Organic Growth

Gatherings · Austin Blues BAR-B-QUE · Natural Choice · Bacon 1 Perfectly Cooked Bacon · Fire Braised Meats · Black Label Bacon · Pepperoni

M&A

Fontanini Una Bella Differenza · Applegate Changing the Meat We Eat · Craft Meats San Francisco

Business Exits

Farmer John · Saag's · PRECEPT FOODS · FREMONT PLANT

Internal data

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

Old Smokehouse® APPLEWOOD-SMOKED PREMIUM BACONS Hormel® Foods

BURKE® BRAND

APPLEGATE® CHANGING THE MEAT WE EAT®

2-3X INDUSTRY GROWTH

- Direct Sales Force
- Relationships
- Innovation

Our Leading Brands Drive Results at Retail

#1 Brands

Hormel Pepperoni

57% Share

Convenience Bacon

Hormel Black Label Bacon

44% Share

Hormel Gatherings

69% Share



52% Share

Lunchmeats

Applegate Natural & Organic Meats

36% Share*

Ribs

Lloyd's Barbeque Co.

27% Share













IRI L52W 4/21/2019 Dollar Share
* SPINS L52W 4/21/19 Dollar Share

Today's Deli...



has Evolved

Bulk Deli Meat



Prepared Foods



Hormel Foods

Jennie-O BRAND

Grab & Go



COLUMBUS

FOUNDED IN SAN FRANCISCO EST. 1917

Hormel SINCE 1891

Gatherings BRAND

Refrigerated Foods

Our Formula for Success

Building brands

Innovation

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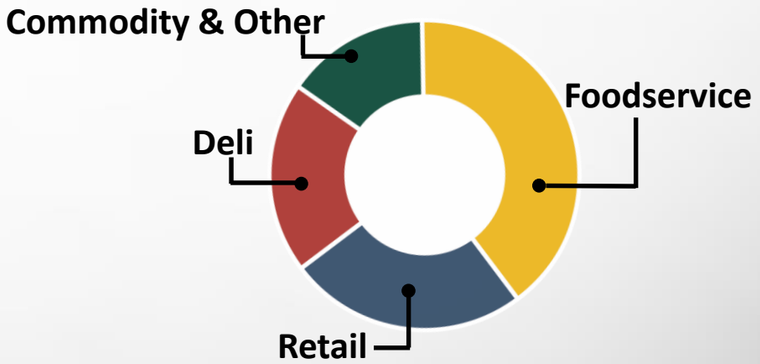
Balanced portfolio



Hormel Foods

A Long-Term Growth Story

- A Track Record of Success
- A Commitment to Our Food Journey
- A Clear Strategy for Long-Term Growth

5% TOP LINE **GROWTH** GOAL

10% BOTTOM LINE **GROWTH** GOAL

15% BY **2020** INNOVATION GOAL

MARGINS IN TOP QUARTILE OF PEERS **BY 2020**



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