



BOLD BUSINESS

BRANDS

INNOVATION

THINKING

LEADERSHIP

FLAVORS

IDEAS

JOURNEY





INVESTOR DAY WEBSITE

investorday.hormelfoods.com

Home

Bios & Photos

Investor Day

Welcome to the 2019 Hormel Foods Investor Day. Our October 10th event will include a broad contingent of senior Hormel Foods managers. We look forward to the opportunity to share our long-term growth strategy and outlook.

[View the webcast ▶](#)



NYSE Wi-Fi: Username: ISN, password: 19caRdUd



AGENDA

Opening Remarks: Jim Snee – Chairman of the Board, President & CEO

Refrigerated Foods: Tom Day – Executive VP, Refrigerated Foods

Grocery Products: Luis Marconi – Group VP, Grocery Products

Direct Sales Force: Deanna Brady – Group VP, Consumer Product Sales

Q&A Session #1

Jim Snee – Chairman of the Board, President & CEO

Tom Day – Executive VP, Refrigerated Foods

Luis Marconi – Group VP, Grocery Products

Deanna Brady – Group VP, Consumer Product Sales

Jeff Baker – Group VP, Hormel Deli Solutions

Mark Ourada – Group VP, Hormel Foodservice

Break – From Approximately 10:05 – 10:20



AGENDA

Jennie-O Turkey Store: Steve Lykken – Senior VP, Jennie-O Turkey Store

One Supply Chain: Glenn Leitch – Executive VP, Supply Chain

Plant-Based Products: Jim Splinter – Group VP, Corporate Strategy

Q&A Session #2

Glenn Leitch – Executive VP, Supply Chain

Jim Splinter – Group VP, Corporate Strategy

Larry Vorpahl – Group VP, Hormel Foods International

Steve Lykken – Senior VP, Jennie-O Turkey Store

Finance: Jim Sheehan – Executive VP and CFO

Q&A Session #3

Jim Snee – Chairman of the Board, President & CEO

Jim Sheehan – Executive VP and CFO

Closing Remarks: Jim Snee – Chairman of the Board, President & CEO

Special Lunch: Chef Tony Finnestad



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 July 28, 2019, available for viewing and download on the investor page of the Company's website – Hormelfoods.com



OPENING REMARKS



Jim Snee

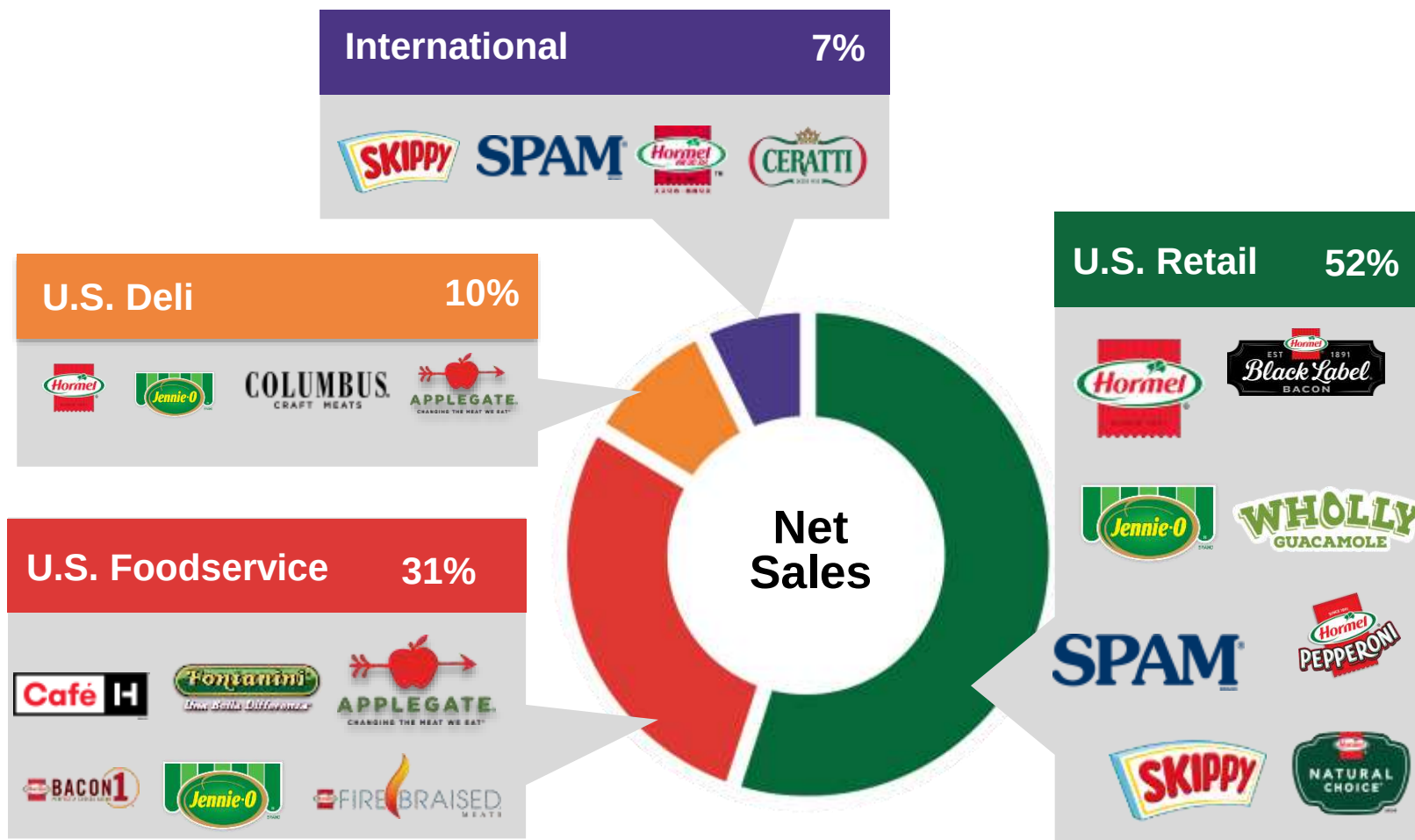
Chairman of the Board, President
and CEO





HORMEL FOODS AT A GLANCE

A Global Branded Food Company



Source: Internal data, fiscal 2019, Q3 YTD



WORLD-CLASS LEADERSHIP TEAM



Jim Snee

Chairman of the Board, President and CEO



Jim Sheehan

Executive Vice President and CFO



Tom Day

Executive Vice President, Refrigerated Foods



Glenn Leitch

Executive Vice President, Supply Chain



Deanna Brady

Group Vice President; President, Consumer Product Sales



Steve Lykken

Senior Vice President; President, Jennie-O Turkey Store



Luis Marconi

Group Vice President, Grocery Products



Jim Splinter

Group Vice President, Corporate Strategy



Jeff Baker

Group Vice President, Deli



Larry Vorpahl

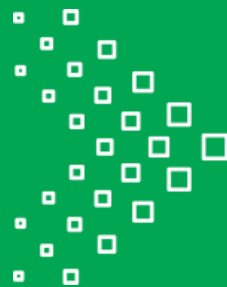
Group Vice President; President, Hormel Foods International Corporation



Mark Ourada

Group Vice President, Foodservice





KEY MESSAGES YOU WILL HEAR TODAY

As a **Global Branded Food Company**, we have the ability to deliver sustainable long-term growth.

An Uncommon Company

We have built a unique, bold culture with strong brands to support sustainable, long-term growth.

Improved Quality of Earnings

We have improved our quality of earnings through intentional and strategic actions.

Clear Growth Strategy

We have a clear growth strategy to achieve our long-term Key Results.

Significant Opportunity Ahead

We are advancing to the next stage in our evolution as a Global Branded Food Company.



HORMEL FOODS

A Global Branded Food
Company

An Uncommon Company

Executing on Our Strategy

Positioned to Win

A Clear Path Forward





AN UNCOMMON COMPANY

Founded in
1891

GLOBAL
Branded
Food Company

25 YEARS
Average
Management Tenure

81 YEARS
of Profit Sharing



48%
OWNERSHIP



Source: Ownership as of 11/30/2018 record date



OUR VISION



Inspired People.
Inspired Food.



OUR PURPOSE

OUR
**FOOD
JOURNEY™**





A CLOSER LOOK AT OUR FOOD JOURNEY™



INVESTING

in Our People

20,000

Employees Received Universal
Stock Options in 2018

37%

Workforce Represented by
Women

50%

Employees with 5+ Years
of Service

52%

Workforce Represented by
Ethnic Minorities



MOST INNOVATION
AND CREATIVITY



Source: 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**





CREATING PRODUCTS

to Improve the Lives of Customers,
Consumers and Operators





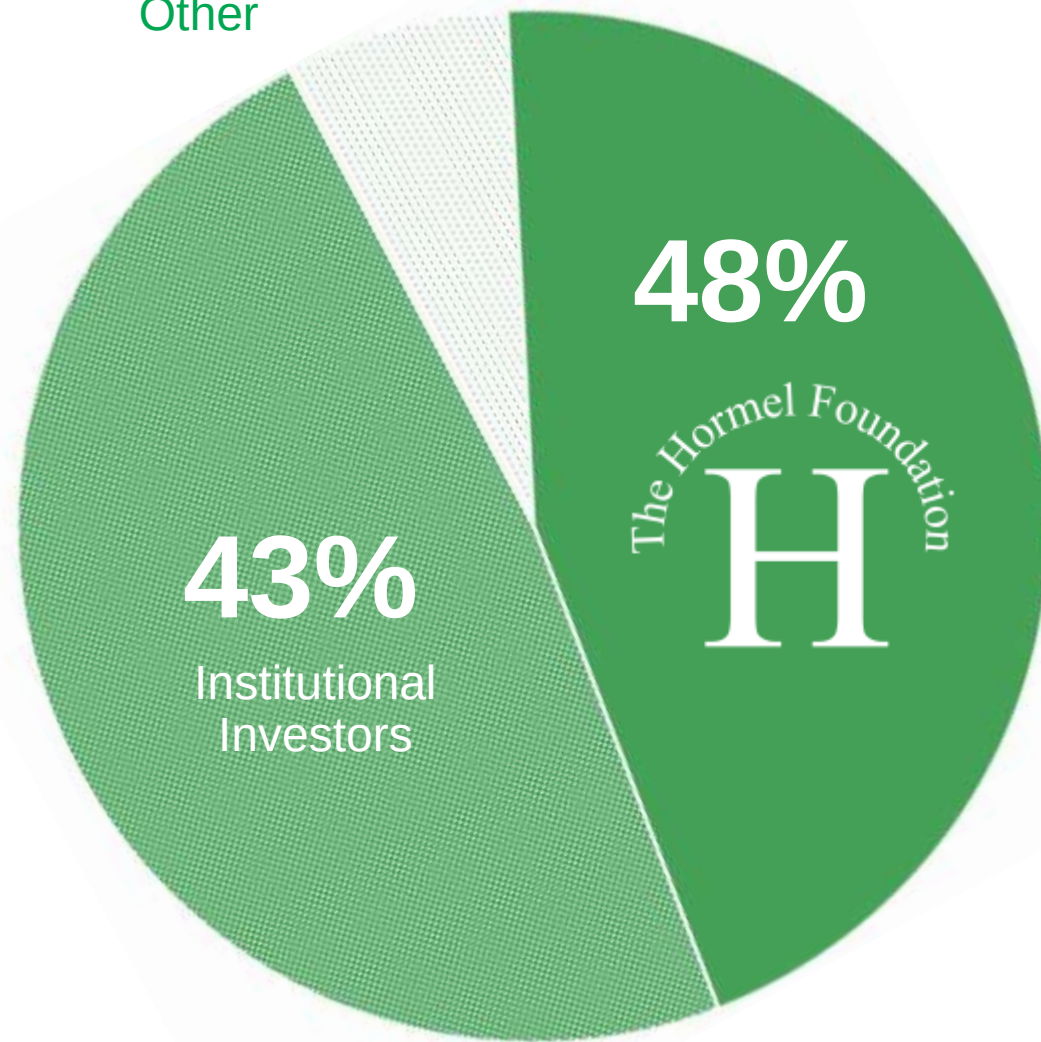
LONG-TERM DECISION-MAKING

Supported by Our Ownership Structure

THE HORMEL FOUNDATION GOALS

1. Preserve the **independence** of the Company
2. Support the Austin, Minn., **community**
3. Provide for the financial welfare of **family heirs**

9%
Other





HORMEL FOODS

A Global Branded Food
Company

An Uncommon Company

Executing on Our Strategy

Positioned to Win

A Clear Path Forward



SUCCESSFULLY DELIVERING ON OUR 2017 PATH FORWARD



Evolving to a broader
food company



Expanding and
accelerating foodservice



Becoming a more
global food company



Reducing volatility and
increasing balance



COMMODITY
PROFITS



VALUE-ADDED
PRODUCTS



Divesting
non-strategic assets



FREMONT
PLANT



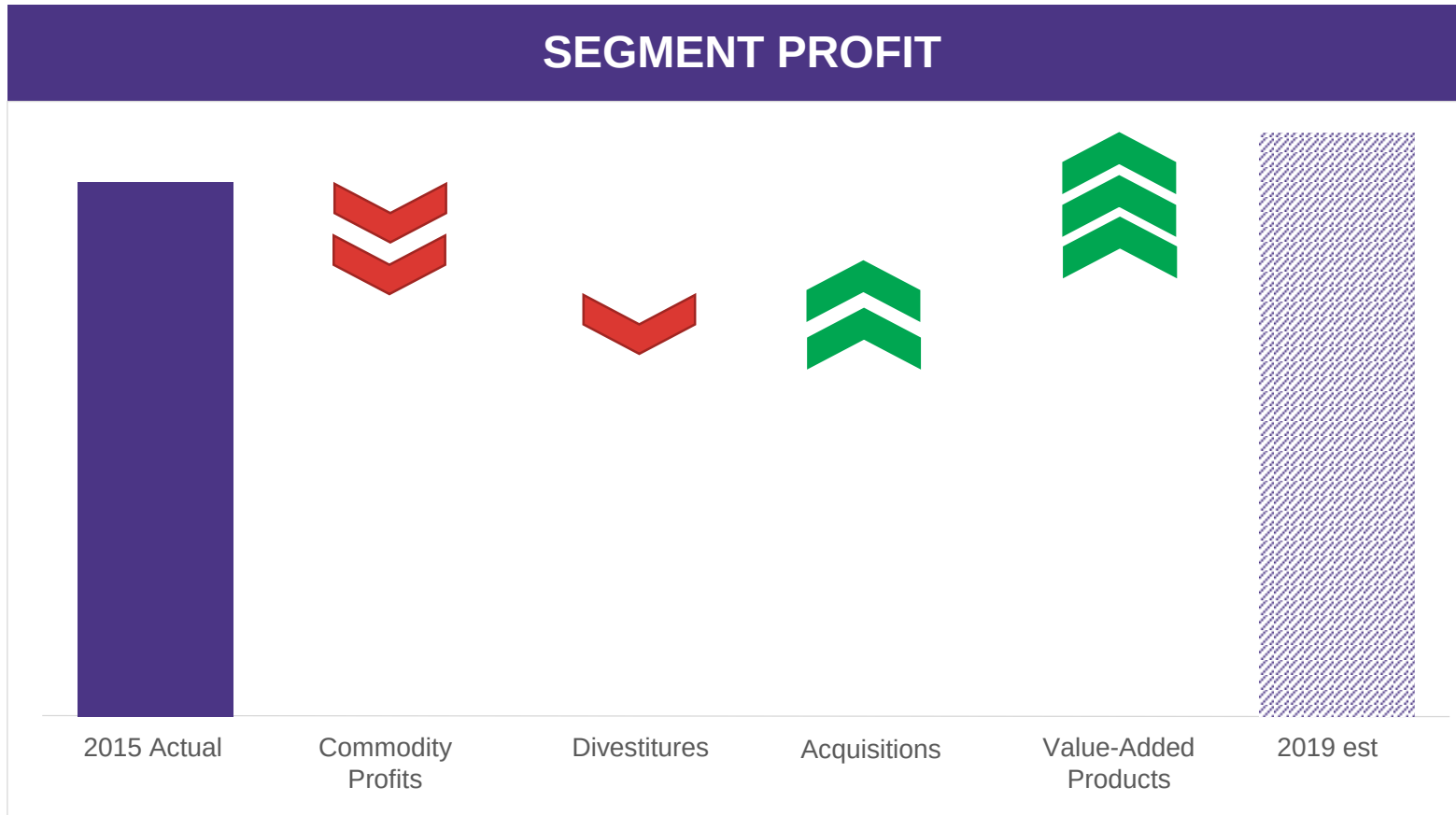
Modernizing our
supply chain





IMPROVED QUALITY OF EARNINGS

Through Intentional and Strategic Actions



1. Reduced exposure to commodity profits
2. Reshaped our portfolio for higher growth and less earnings volatility
3. Delivered branded value-added profit growth

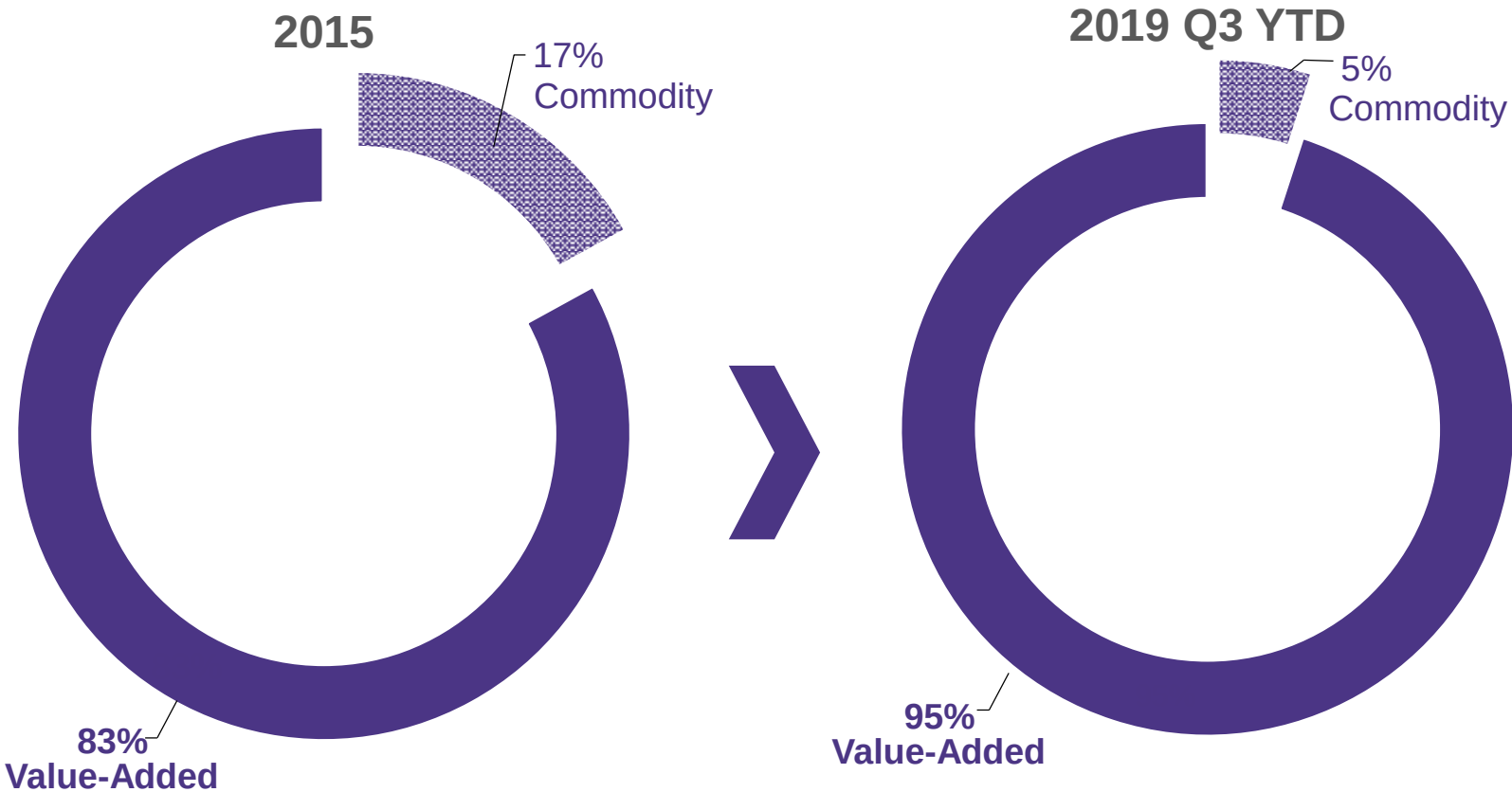




1. REDUCED EXPOSURE

to Commodity Profits

SEGMENT PROFIT



INTENTIONAL ACTIONS

- Divested Farmer John and Fremont plant
- Converted commodity sales to value-added sales

MARKET-DRIVEN DECREASES

- Jennie-O Turkey Store live production and whole birds
- Refrigerated Foods commodity profits
- International fresh pork exports



Source: Internal data. Commodity profits are Refrigerated Foods, Jennie-O Turkey Store and International unbranded sales and profits including fresh meat sales, fresh pork exports, and whole bird sales in addition to the Farmer John and Fremont plant divestitures.

2. RESHAPED OUR PORTFOLIO

for Higher Growth and Less Earnings Volatility

DIVESTITURES

Total Sales Divested
~\$1.1B

Divested Margins
< 10%



Fremont Plant



ACQUISITIONS

Total Sales Acquired
~\$1.1B

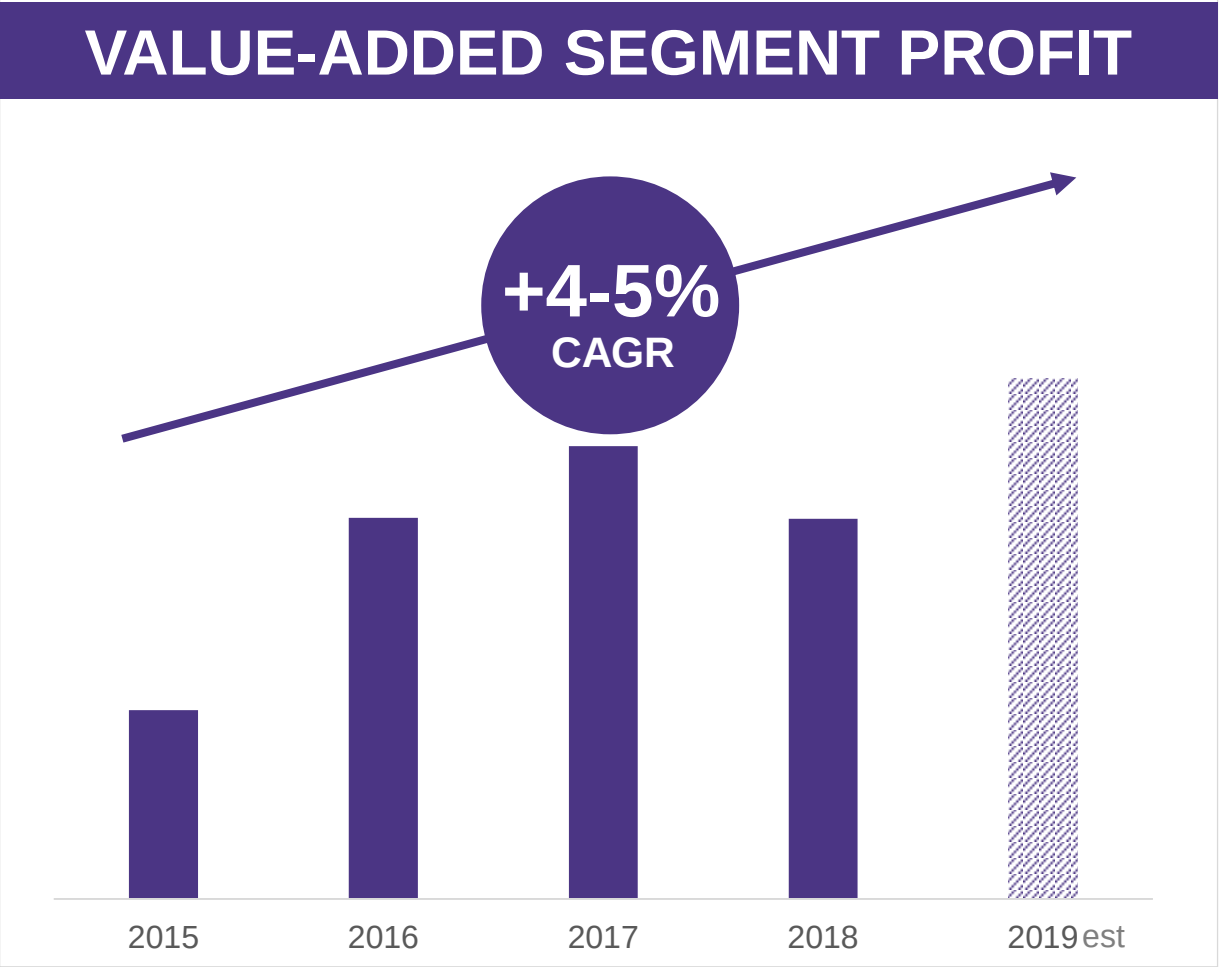
Acquired Margins
> 10%





3. DELIVERED BRANDED VALUE-ADDED PROFIT

Growth over the Last 4 Years



Foodservice growth continues to outpace the industry by 2-3x

Growth in retail categories led by brands such as SPAM[®], Hormel[®] pepperoni, Herdez[®] and Wholly[®]

Industry-leading innovations such as Hormel[®] Bacon 1[™], Hormel[®] Fire-Braised[™] and Herdez[®] guacamole salsa



Declines in Jennie-O[®] lean ground turkey

Rationalized contract manufacturing business



Source: Internal data. Excludes commodity profits, divestitures and year 1 of acquisitions.



HORMEL FOODS

A Global Branded Food
Company

An Uncommon Company

Executing on Our Strategy

Positioned to Win

A Clear Path Forward





THE FOOD INDUSTRY IS UNDERGOING SIGNIFICANT CHANGE

Demographic Shifts

Purpose-Driven Brands

Blurring Channels

Changing Consumer Preferences

Snacking

Personalization

Globally Inspired Flavors





EXPANDING OUR COMPETITIVE ADVANTAGES

Brand Stewardship

Insights-Driven Innovation

Strong Customer Relationships

Supply Chain Capability

Culture of Accountability





BRAND STEWARDSHIP

Supporting Retail, Deli and Foodservice Brands

RETAIL AND DELI

HERDEZ
"Authentic Mexican Salsa"

Justin's
"Responsibly Sourced Ingredients"

Jennie-O
"Food That Inspires You To Live Well"

APPLEGATE
"Changing the Meat We Eat"



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

NATURAL CHOICE
"All Natural Ingredients"

CRAFT MEATS
"Artisan Crafted Meats"

WHOLLY GUACAMOLE
"Real Ingredient Goodness"

FOODSERVICE

BACON1
"Perfectly and Fully Cooked"

Café H
"Expanding the Reach of Amazing Taste"

FIRE BRAISED MEATS
"Fire Seared and Slow Cooked"



GROWING 2-3X VS INDUSTRY

Fontanini
"Authentic Italian Meats"

Austin Blues
"Genuine, Slow Smoked Barbeque"

Hormel
"Cupping and Charring the Pizza World"





INSIGHTS AND BOLD THINKING ARE DRIVING OUR INNOVATION

World-Class, Award-Winning
R&D and Innovation Teams



Progressive Grocer
Editors' Picks



Back-to-Back
GMA Awards for
Innovation and Creativity





CUSTOMER-FOCUSED, SOLUTIONS-BASED

Direct Sales Force



800
SALES PROFESSIONALS

Retail
Foodservice
Deli





CREATING

an Efficient and Agile Supply Chain



ASSET & CAPITAL OPTIMIZATION EFFORTS



AUTOMATION SOLUTIONS



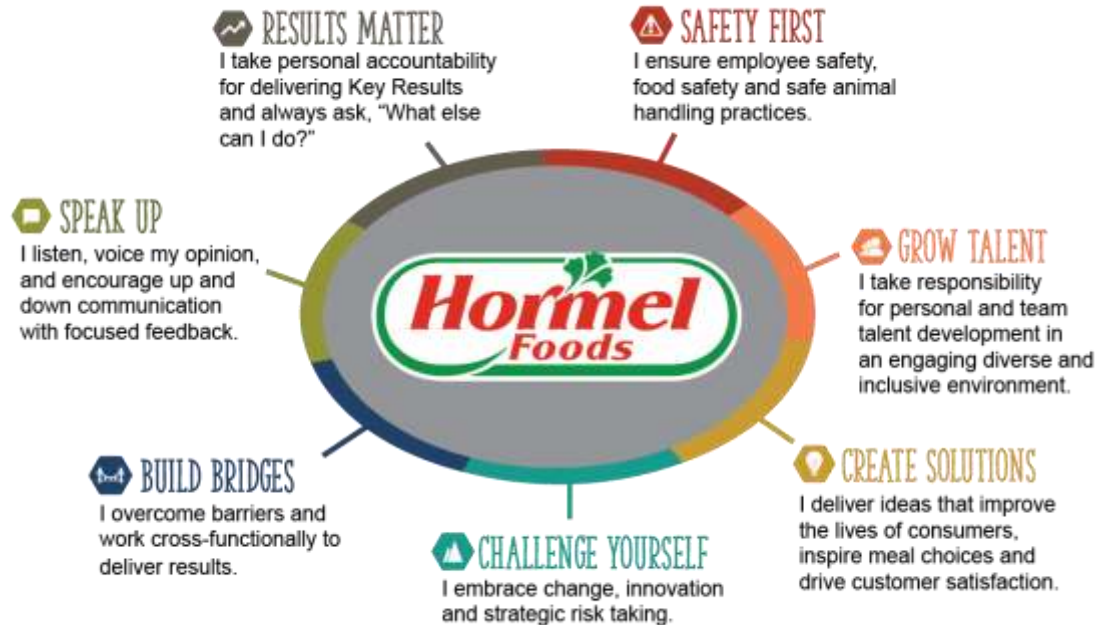
RIGHT LOGISTICS & CUSTOMER SERVICE MODEL





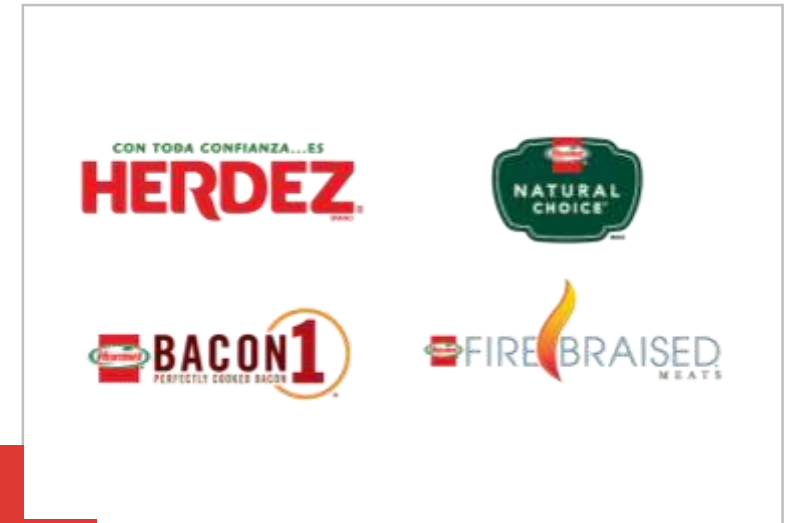
CULTURE OF ACCOUNTABILITY

Empowering our Team Members to Think Differently and **BE BOLD**



BUILDING BRANDS

INNOVATION



ACQUISITIONS

BALANCED PORTFOLIO

OUR
FORMULA
FOR
SUCCESS





HORMEL FOODS

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ANOTHER STEP FORWARD

in the Continued Evolution of Hormel Foods



PRE-2013 MEAT-CENTRIC COMPANY

Pork and turkey

Retail-focused

Commodity-driven



2013-2019 PROTEIN-CENTRIC COMPANY

Expanded beyond
meat protein

Strong growth
from foodservice

Derisked
commodity profits



2020+ GLOBAL BRANDED FOOD COMPANY

Global

**Leading retail, deli
and foodservice
brands**

Food Forward



OUR 2020 PATH FORWARD

as a Global Branded
Food Company

SIX STRATEGIC PRIORITIES

#1

Grow our deli and
foodservice brands



#2

Accelerate growth in
ethnic cuisines



#3

Pursue bold
new innovation



#4

Expand our
global presence



#5

Protect our
core brands



#6

Continue to transform
our company





NEAR-TERM CATALYSTS

for Our Organic Growth Goals

2-3%

ORGANIC SALES GROWTH

Refrigerated Foods continues momentum in **Foodservice** and **Deli**

Grocery Products accelerates growth in **Mexican foods**

Jennie-O Turkey Store returns to **growth**

International aggressively grows in **China** and **Brazil**

5-7%

ORGANIC PROFIT GROWTH

Product mix shift and **innovation** improve our margin profile

Our brands continue to demonstrate **pricing power**

Project Orion and One Supply Chain yield **cost savings**





REALISTIC AND ACHIEVABLE KEY RESULTS

Built on Organic Growth and Acquisitions

ORGANIC GROWTH GOALS

2-3%

Organic Net
Sales Growth

5-7%

Organic Operating
Profit Growth

ACQUISITIONS

Strategically
Aligned

Leading
Brands

Disciplined
Valuation



LONG-TERM KEY RESULTS

5%

Top-Line
Growth

10%

Bottom-Line
Growth

15%

of Net Sales from
Innovation by 2020

<1%

Controllable
Expense Growth



UPDATING OUR FISCAL 2019 GUIDANCE

Updating our Earnings
Per Share Guidance
Range in Line with our
Expectations

	UPDATED	PRIOR
Fiscal 2019 Earnings Per Share	\$1.76 - \$1.80	\$1.71 - \$1.85

1. Refrigerated Foods successfully managing volatile commodity markets
2. Stabilizing Jennie-O Turkey Store and reinvesting in the business
3. Grocery Products effectively navigating pricing and promotional initiatives
4. Declines in fresh pork exports due to lower global prices





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BOLD BUSINESS

BRANDS

INNOVATION

THINKING

LEADERSHIP

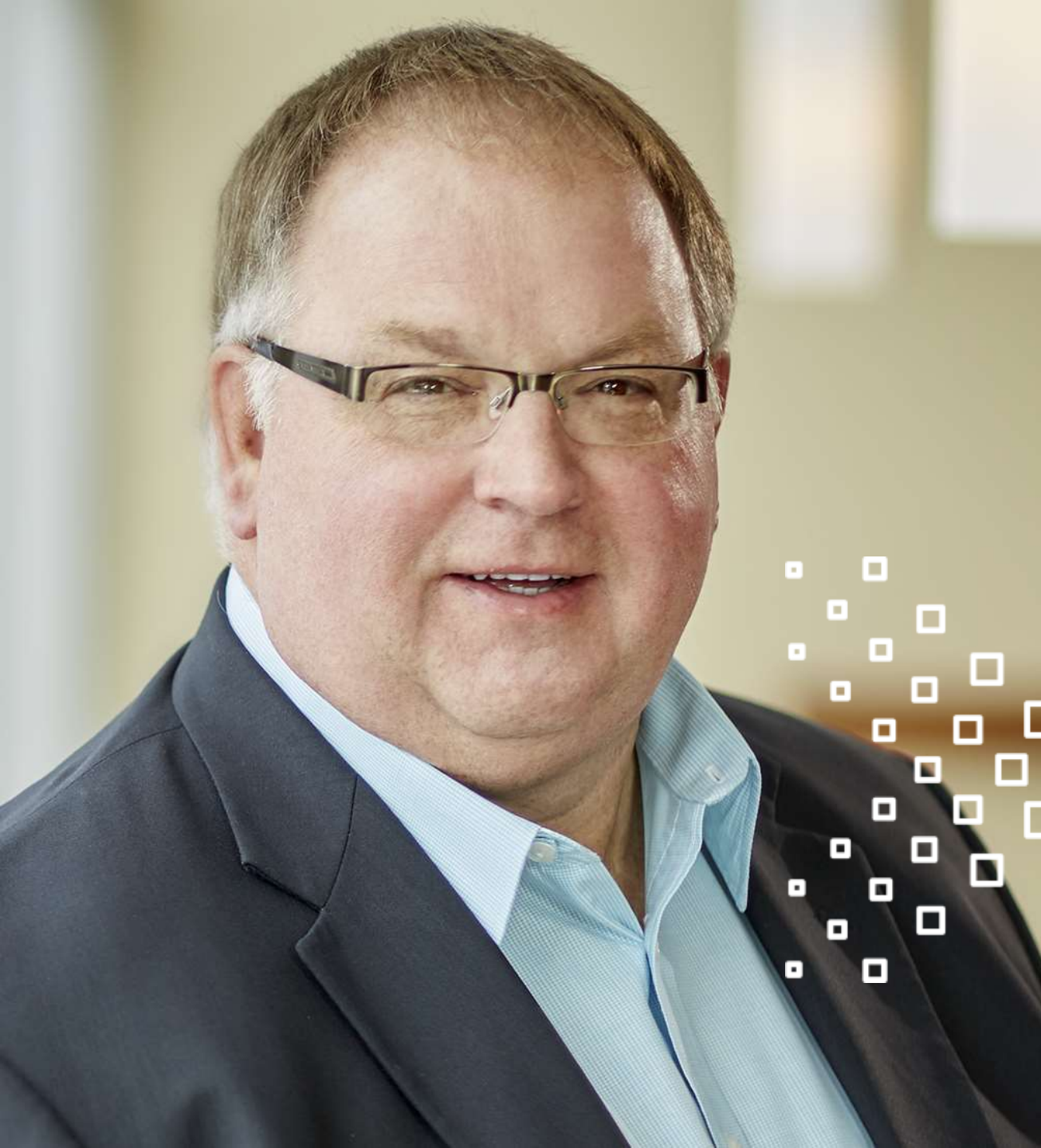
FLAVORS

IDEAS

JOURNEY



REFRIGERATED FOODS



Tom Day

Executive Vice President,
Refrigerated Foods





REFRIGERATED FOODS HAS A STRONG PRESENCE

Across Many Channels

NET SALES MIX

~40%

FOODSERVICE

~25%

RETAIL

~20%

DELI

~15%

COMMODITY





POSITIONED TO LEAD

Through African Swine Fever

ACTIONS WE ARE TAKING

- ✓ **Cross-functional** team established
- ✓ Close **communication** with customers
- ✓ **Protecting** the Company's assets





DELIVERING SUSTAINABLE, LONG-TERM GROWTH

Refrigerated Foods

Continued Evolution

Competing in Categories We Know Well

The Power of Refrigerated Foods





THE INTENTIONAL EVOLUTION

of Refrigerated Foods

ORGANIC GROWTH



ACQUISITIONS

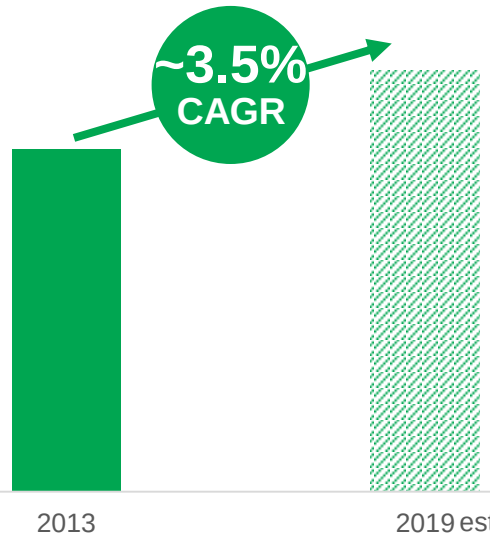


DIVESTITURES

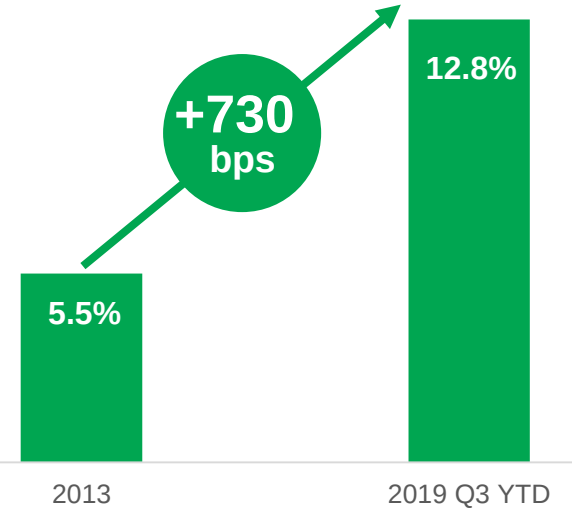


Fremont
Plant

NET SALES



SEGMENT PROFIT MARGIN





REDUCING EXPOSURE TO VOLATILITY

from Commodity Profits

STRATEGIC BUSINESS EXITS

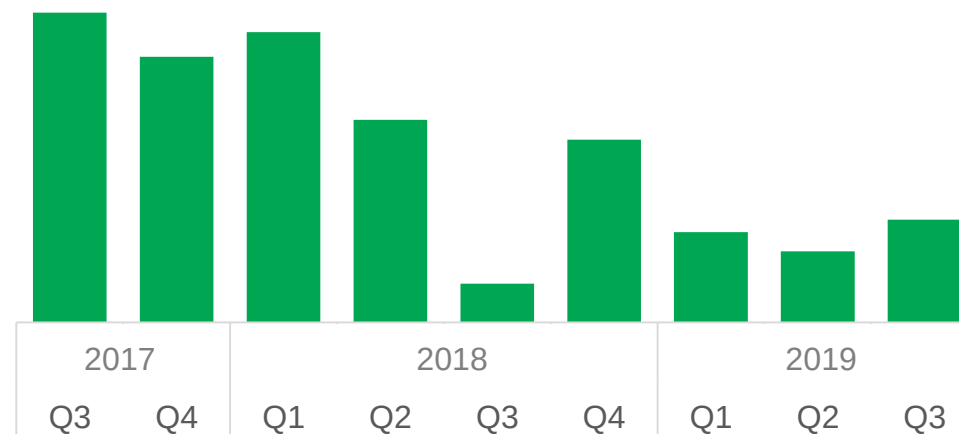


**Fremont
Plant**



REDUCED COMMODITY PROFITS

Commodity Profits

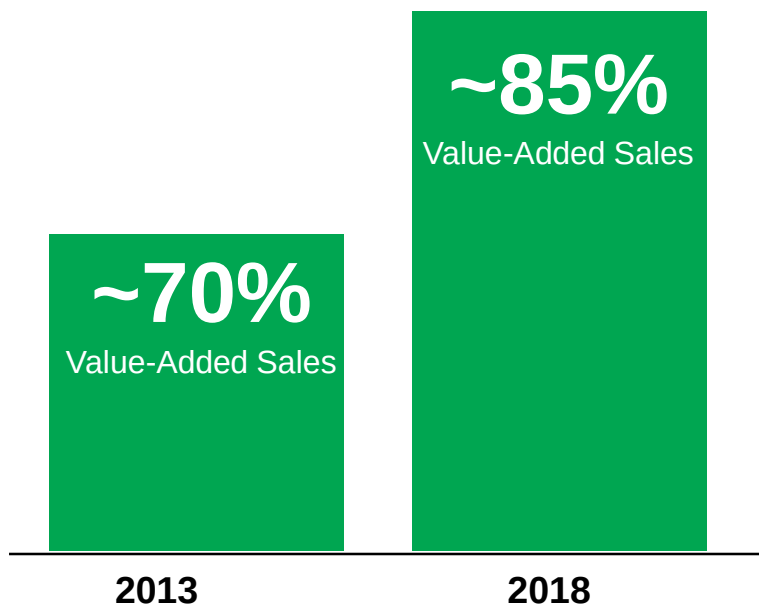




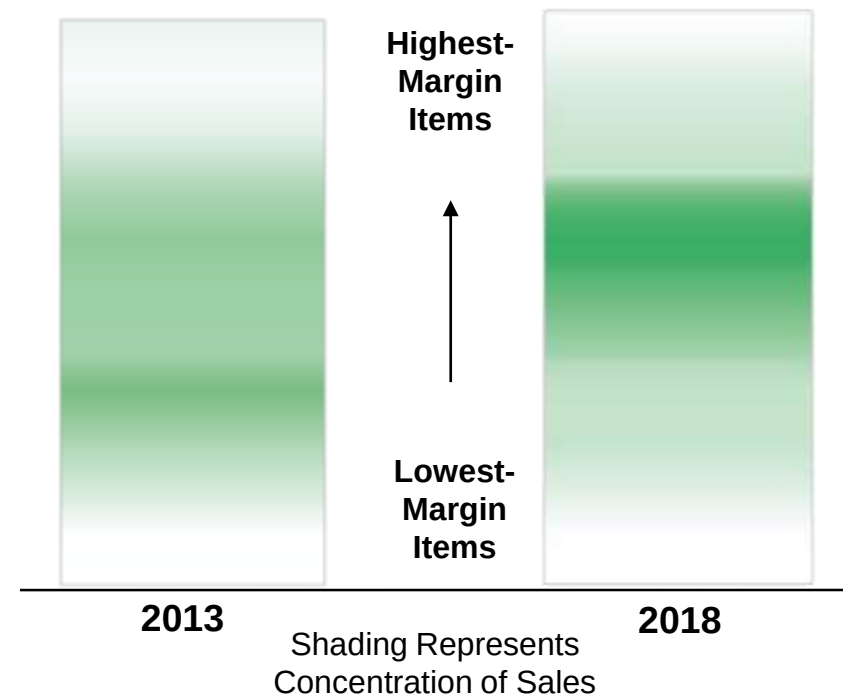
IMPROVING MIX AND MARGIN

Through Growth in Branded Value-Added Products

A POSITIVE SHIFT IN MIX



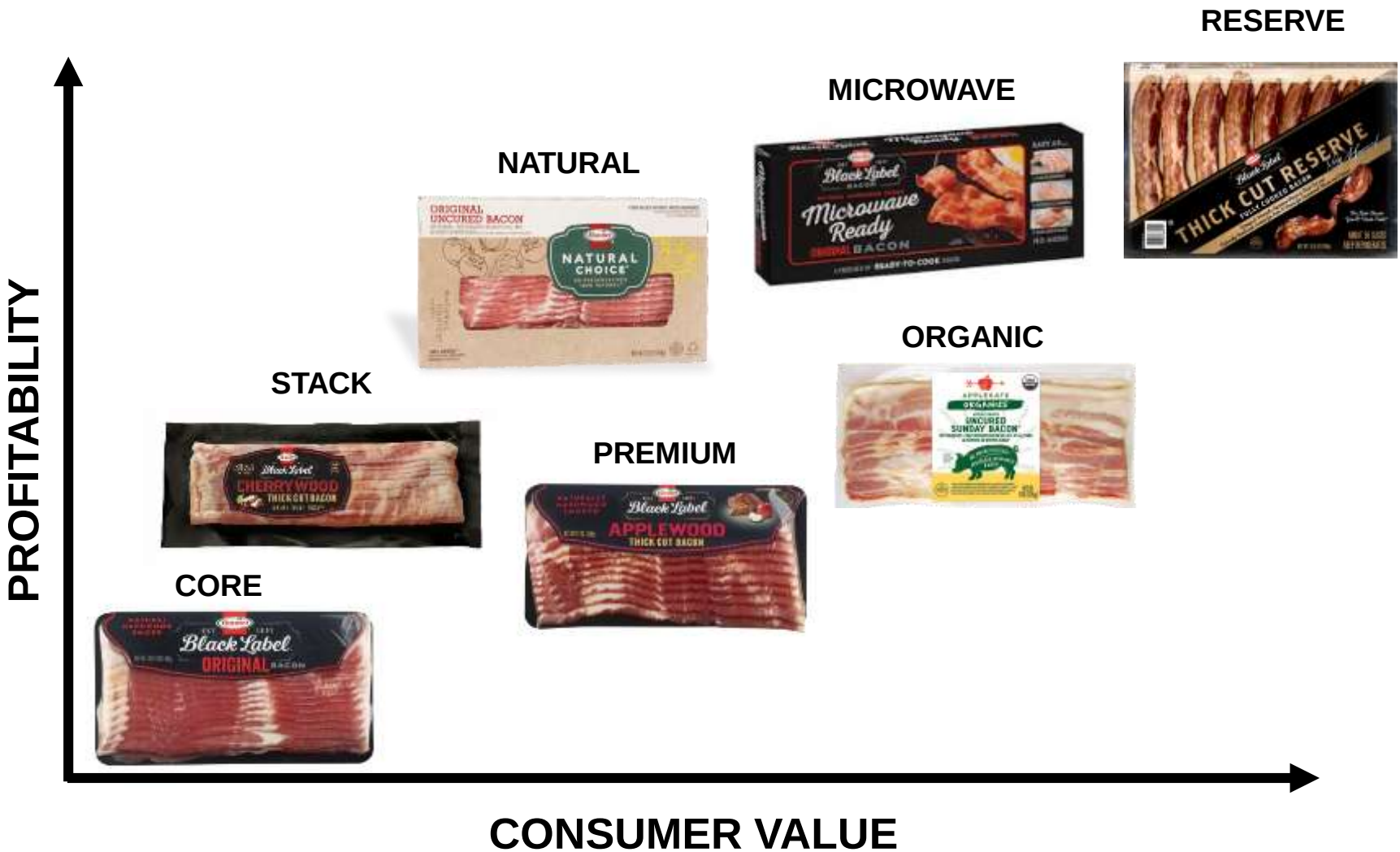
AN IMPROVED MARGIN PROFILE





IMPROVING PROFITABILITY

by Shifting Our Mix to Higher Margin Items



THREE HEALTHY AND GROWING BUSINESSES



Different Customer Bases
Unique Direct Sales Forces
Distinct Product Portfolios

Retail



Foodservice



Deli





COMPETING IN GROWING CATEGORIES

in the Retail Channel

PACKAGED DELI MEAT

\$9.0B
+2.3%



BREAKFAST MEATS

\$7.1B
+2.4%



VALUE-ADDED PORK

\$0.5B
+0.2%



HEAT & EAT MEALS

\$2.3B
+1.6%





OUR LEADING RETAIL BRANDS

Drive Results

~\$1.4B
2018 Net Sales

Brands are
10+ #1 or #2
in the categories
in which they compete



Refrigerated
ENTREES



Source: Internal data; IRI 52 weeks ending 11/4/2018 - MULO



EXPANDING AND ACCELERATING

Our Growth in Foodservice

~\$2.1B
2018 Net Sales

2-3X
Industry Growth



Source: Internal data; Technomic



OUR FOODSERVICE STRATEGY

is to Create Solutions for Operators

LABOR



CONVENIENCE



NEW FLAVORS





PREMIUM PREPARED PROTEINS

Creating Solutions for Foodservice Operators



+22%



+8%



+5%





CHANNELS ARE BLURRING

in the Food Industry

RETAIL

DELI

FOODSERVICE





TODAY'S DELI IS EVOLVING

and Hormel Deli Solutions is Leading the Change



~\$800M
2018 Net Sales

+6.8%
Grab and Go

+2.3%
Prepared Foods





A STRATEGY TO SOLVE CHALLENGES

for Retailers in a Quickly Changing Part of the Store

LABOR



SHRINK



NEW FLAVORS





DELIVERING SUSTAINABLE, LONG-TERM GROWTH

Refrigerated Foods

Continued Evolution

Competing in Categories We Know Well

The Power of Refrigerated Foods





We're Always the New Black®

SALES GROWTH

Premium Bacon Sales

10%
CAGR

2014

2019 est

INNOVATION



OFFERING CONSUMERS CHOICE

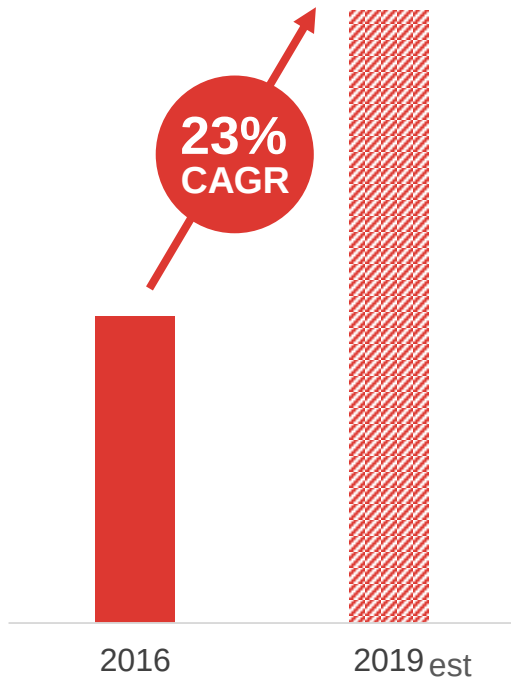




THE PERFECT BACON

for Every Operator

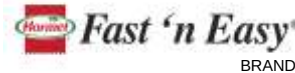
BACON 1™ SALES GROWTH



PREMIUM



MID-TIER



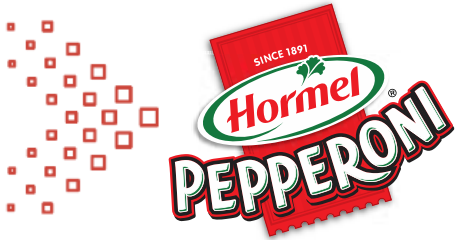
ECONOMY



98%

Food Versatility Score





HORMEL® PEPPERONI

Think It Up. Make It Up.™ Pep It Up!®

CATEGORY IMPORTANCE

#1

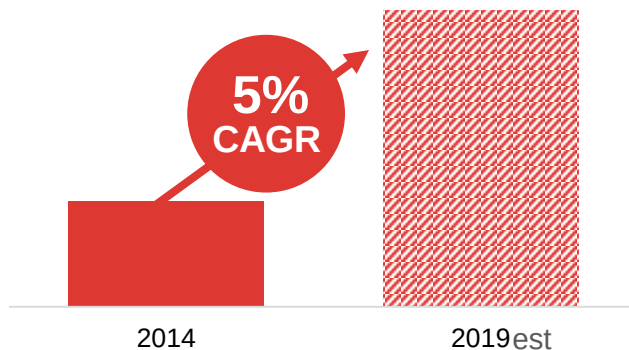
Selling SKU on
Lunchmeat Wall

56%

Dollar Share



SALES GROWTH



DIVERSE PRODUCT PORTFOLIO

**Pizza
Solutions**



**Meal
Helpers**



**Snacks
To Go**



EFFECTIVE ADVERTISING





PERFECTLY POSITIONED

to Capture Growth in the Pizza Renaissance

Pizzerias Growing at

2X

Foodservice Industry Growth Rate

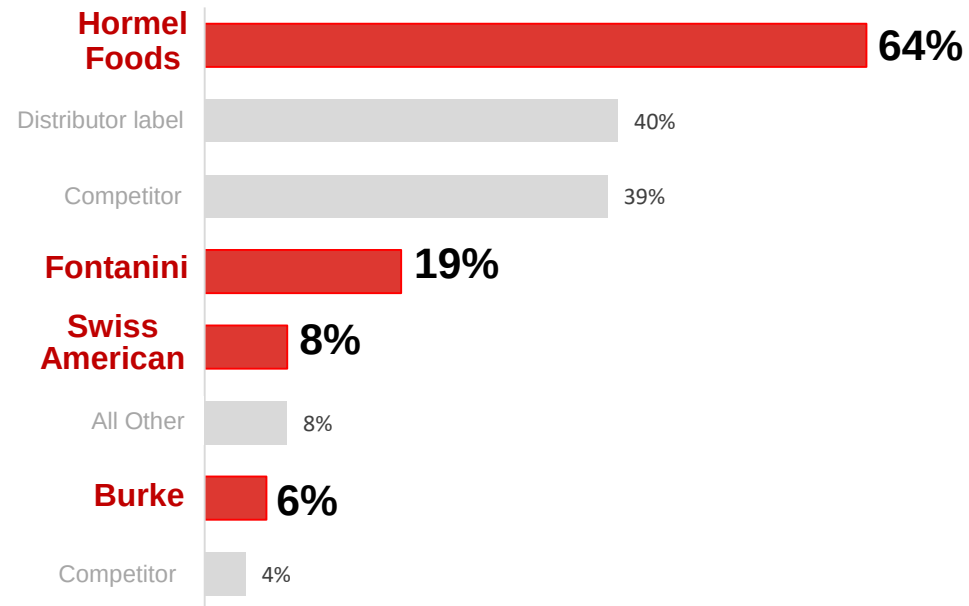
83%

Consumers Eat Pizza
Once A Month

43%

Consumers Eat Pizza
Once A Week

Which of the following brands of protein toppings do you purchase for your operation?





FONTANINI® ITALIAN MEATS

Accelerating Growth with Authentic
Italian Products Across Foodservice,
Retail and the Deli





INCREASING OUR PRESENCE AND SCALE

Across Many Categories

AUTHENTIC ITALIAN



ITALIAN MEATS



PREPARED PROTEINS



DELI MEATS



REFRIGERATED SNACKS





DELIVERING SUSTAINABLE, LONG-TERM GROWTH

Refrigerated Foods

Continued Evolution

Competing in Categories We Know Well

The Power of Refrigerated Foods





REFRIGERATED FOODS VISION

To Have the Choice of a Hormel Foods Product Everywhere You Want To Eat





LEVERAGING THE POWER

of Refrigerated Foods





A HISTORY OF WINNING

Across Many Channels and Platforms

DELI MEAT



FOODSERVICE



INNOVATION



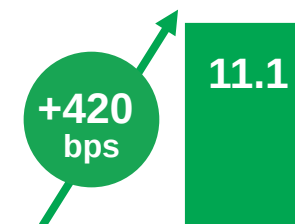


ACCELERATING GROWTH

Through Brand Stewardship and Innovation



HOUSEHOLD PENETRATION



2016

2019





LEVERAGING THE POWER

of the Applegate® Brand to Grow Refrigerated Foods



- ✓ New and exciting products
- ✓ Natural & specialty channels
- ✓ A strong company mission



- ✓ Fortune 500 company capabilities
- ✓ Scale in retail, deli and foodservice
- ✓ Consumer choice





DRIVING THE MISSION

with Innovation and Brand Expansion

CHANGING
THE MEAT
WE EAT®

BRANDED FOODSERVICE



oath

PIZZA

MEAT + PLANT BLENDS



CHARCUTERIE & HANDHELD SNACKS



FRESH PORK UTILIZATION





COLUMBUS



BRAND

RELENTLESSLY CRAFTED

for Remarkable Taste



COLUMBUS NET SALES

+8%

2018

2019



Hormel
Foods



BUILDING AN ENTERTAINING

Pipeline to Meet Consumer and Operator Demands

AVAILABLE THIS HOLIDAY!



CHARCUTERIE EXPANSION



INTRODUCTION INTO FOODSERVICE



REFRIGERATED FOODS

Our Formula for Success

BUILDING BRANDS

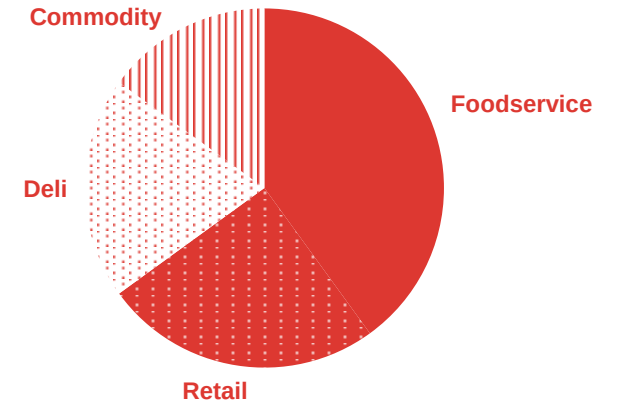


INNOVATION



ACQUISITIONS

BALANCED PORTFOLIO





KEY TAKEAWAYS

We are committed to shifting our business from commodity to value-added.

We are well-positioned to continue delivering sustainable long-term growth.





BOLD

BUSINESS

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GROCERY PRODUCTS



Luis Marconi

Group Vice President,
Grocery Products





GROWING AND EVOLVING WITH TODAY'S CONSUMER

Grocery Products

Long-Term Growth Story

Creating Value in Center Store

Accelerating Growth in Mexican Foods



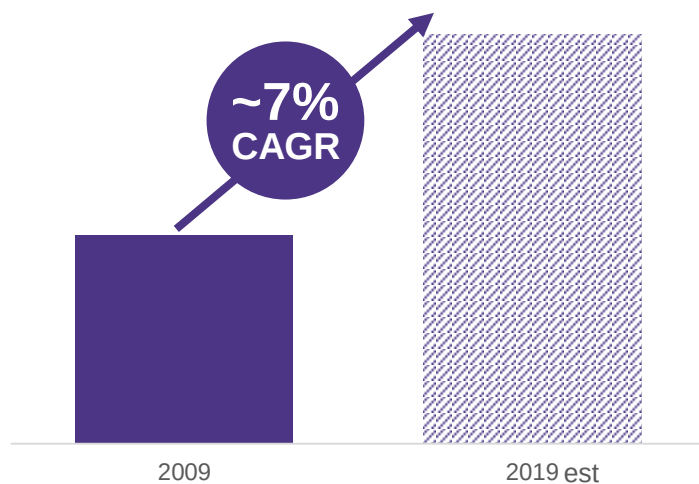


LONG-TERM, CONSISTENT GROWTH

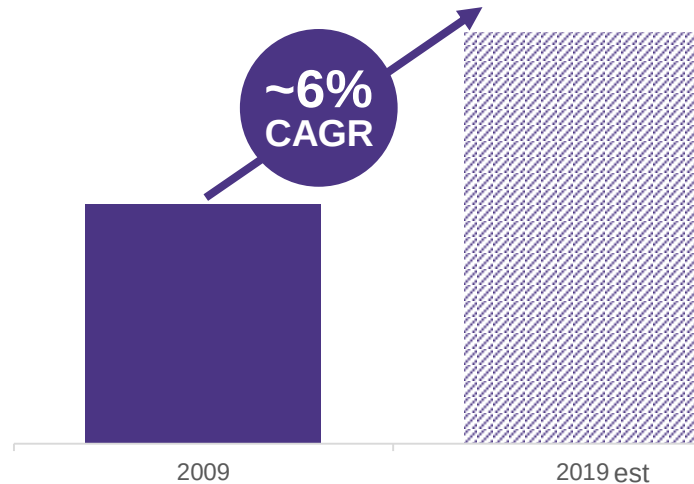
in Sales and Earnings



NET SALES



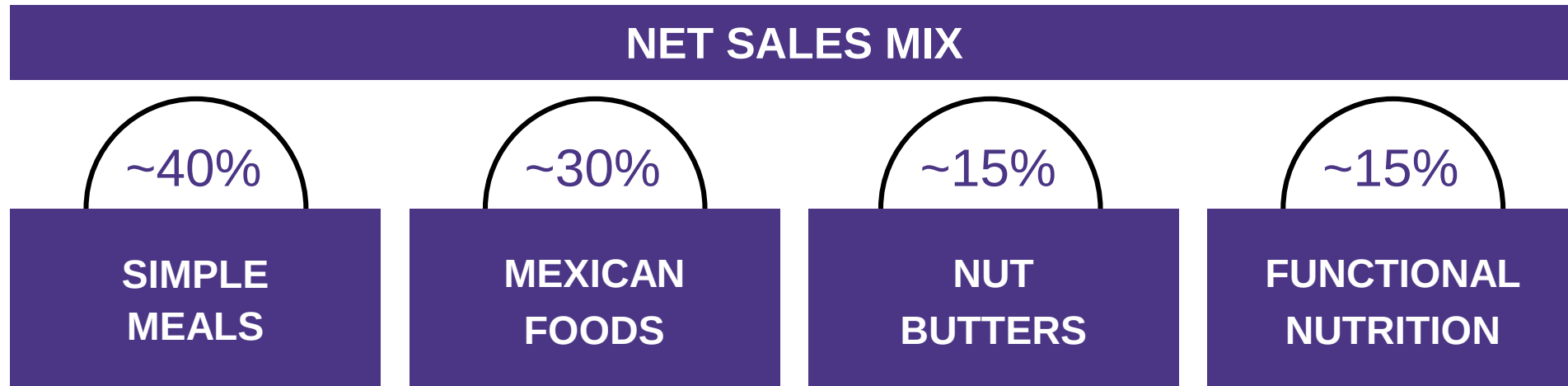
SEGMENT PROFIT





AN INDUSTRY-LEADING PORTFOLIO

of Center Store Brands



SPAM
BRAND

**Hormel
Chili**
SINCE 1891

Compleats
BRAND

MegaMex
Foods

CON TODA CONFIANZA...ES
HERDEZ
BRAND

WHOLLY
GUACAMOLE

SKIPPY

Justin's
BRAND

**HORMEL
HEALTH LABS**

**CENTURY
FOODS
INTERNATIONAL**

**Hormel
Foods**



OUR PORTFOLIO RESONATES

Across Generations

BOOMERS



SIMPLE MEALS

113

Consumption Index

GENERATION X



NUT BUTTERS

103

Consumption Index

MILLENNIALS



MEXICAN FOODS

112

Consumption Index





GROWING AND EVOLVING WITH TODAY'S CONSUMER

Grocery Products

Long-Term Growth Story

Creating Value in Center Store

Accelerating Growth in Mexican Foods

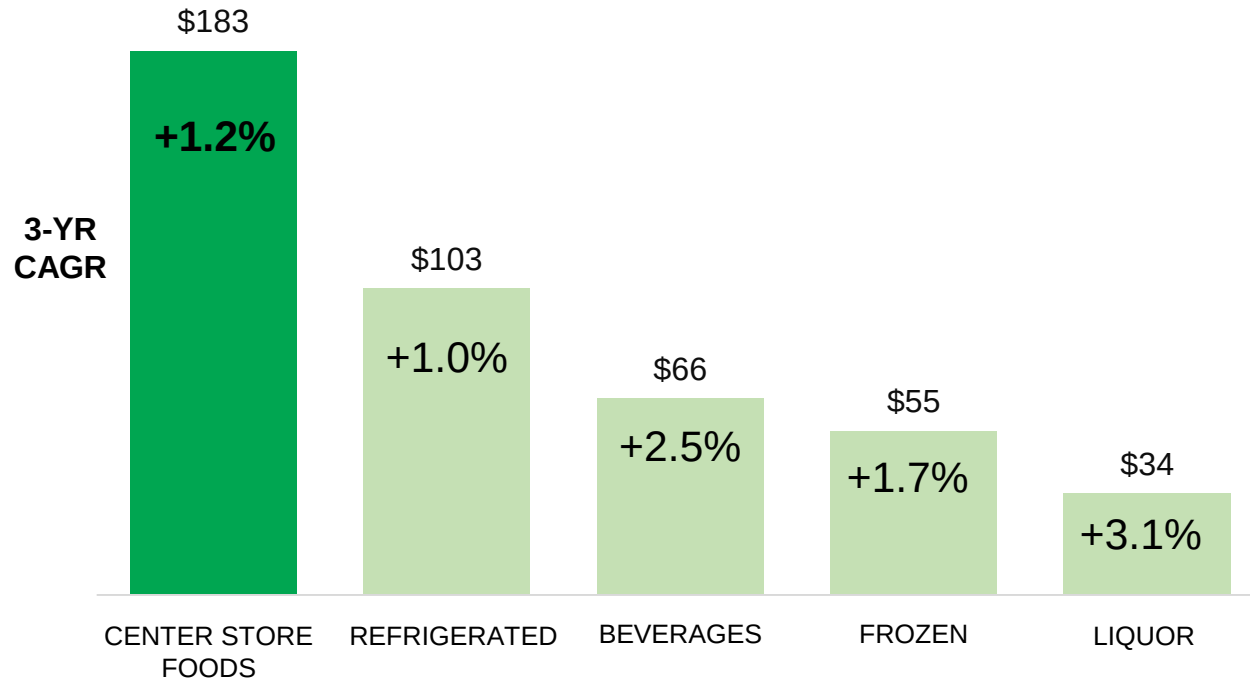




THE CENTER STORE IS GROWING

and Important to Retailers

DOLLAR SALES (IN BILLIONS)



CENTER STORE HEADWINDS

Total Points of Distribution

-1.2%

vs. year ago

Private Label Points of Distribution

+5.4%

3yr CAGR

Private Label Dollar Share

+0.5%

Vs. 2016



DRIVING BRAND RELEVANCE

in Center Store

LEADING MARKET SHARES



90%



41%



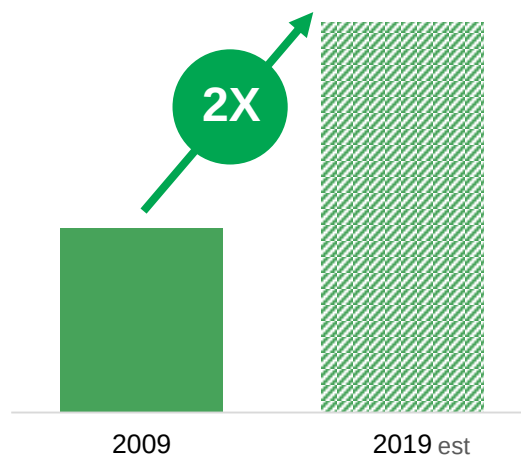
86%



79%

BRAND BUILDING

Advertising Investment (\$)



INNOVATION



EXECUTION





BRANDS WELL-POSITIONED

Against Private Label

	#1 BRAND	#2 BRAND	PRIVATE LABEL SHARE
Luncheon Meats		Competitor	4%
Chili		Competitor	6%
Stew		Competitor	7%
Microwave Trays		Competitor	0%
Hash		Competitor	15%
Nut Butters	Competitor		22%



SPAM[®]
BRAND

**Dinty
Moore**[®]
BRAND



**THREE BRANDS
CREATING
VALUE
IN CENTER
STORE**



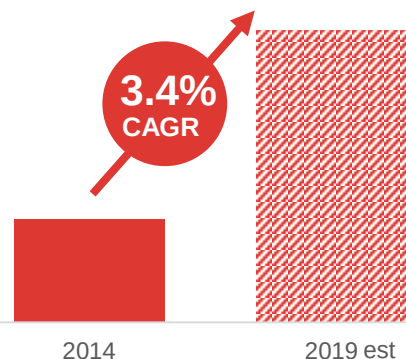


SPAM[®] SIZZLES!

BRAND

GROWTH

SPAM[®] Net Sales



On Track for

5

Consecutive Years
Record Growth

EFFECTIVE ADVERTISING



13.0%

HHP

+1.1MM

Buyer Increase
2017-2019

CONSUMER TAILWINDS

Consumption
Index



Hispanic
Americans
144



Asian
Americans
454





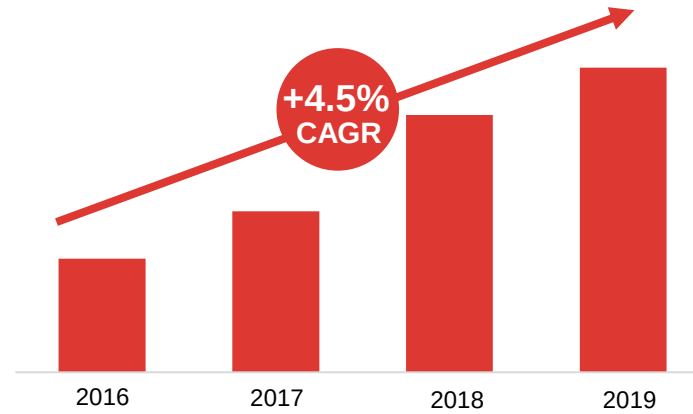
SPAM
BRAND



AN ALL-AMERICAN CLASSIC

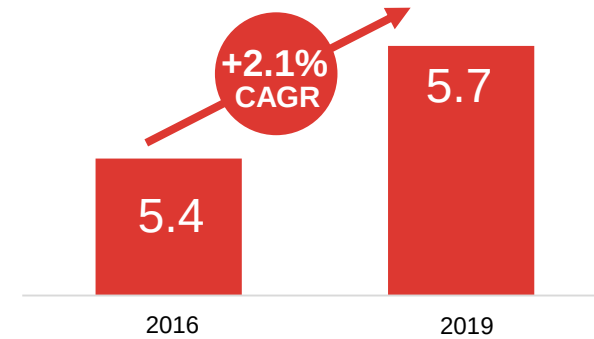
BRAND BUILDING

Dollar Sales



HEARTY BUYER GROWTH

Buyers (in Millions)



**Strong
Brand
Equity**



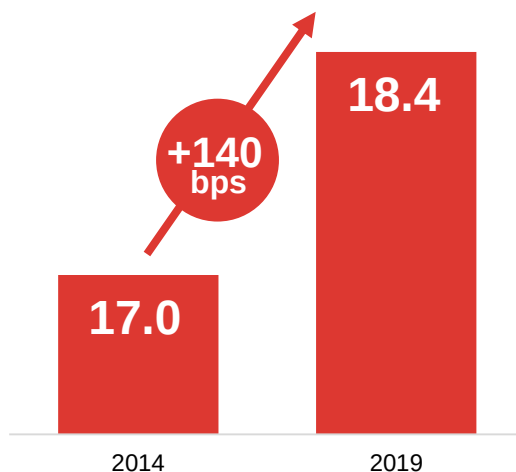
79%
Market
Share



A SMOOTH BRAND THAT SPREADS SIMPLE FUN

LONG-TERM SHARE GROWTH

SKIPPY® Spreads Market Share



CREATING VALUE IN PEANUT BUTTER

Branding



Innovation



Execution





GROWING AND EVOLVING WITH TODAY'S CONSUMER

Grocery Products

Long-Term Growth Story

Creating Value in Center Store

Accelerating Growth in Mexican Foods





Mexican Food is On Trend

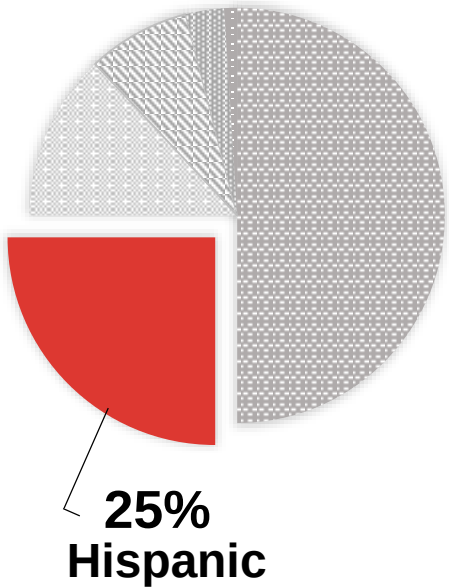


MEXICAN FOOD IS ON-TREND

Across Demographics and Menus

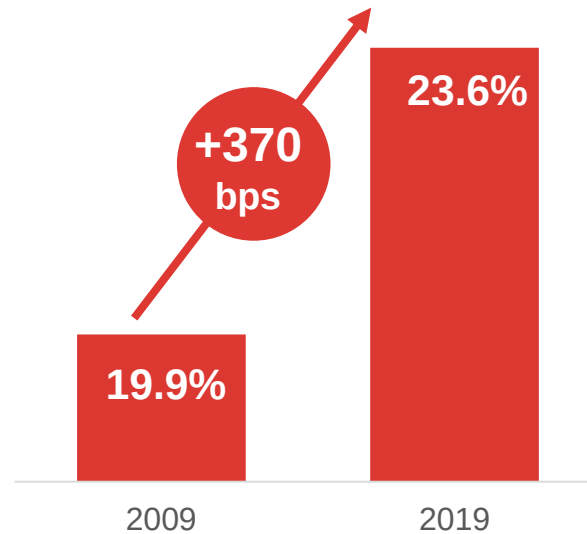
DEMOGRAPHIC

Racial Profile of U.S. Population 2045



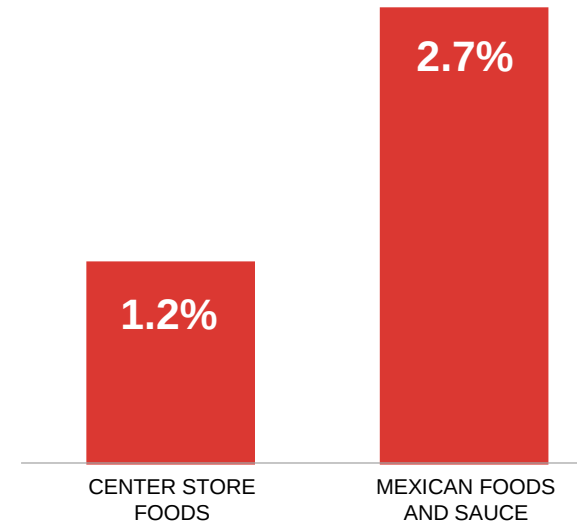
MENUS

Menu Mentions



RETAIL SALES

Dollar Sales Growth (3-Year)





MEGAMEX IS REIMAGINING MEXICAN FLAVORS

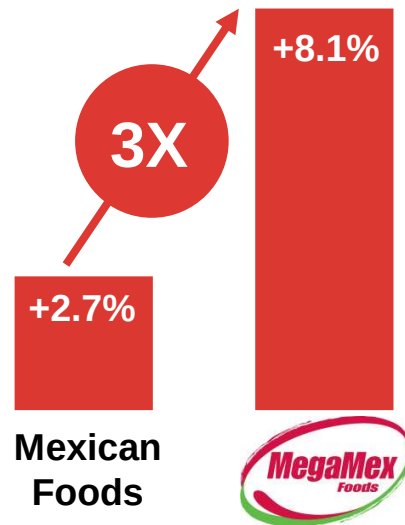
with a Portfolio of Authentic Products

AUTHENTIC MEXICAN PRODUCTS



Our 10-year-old Joint Venture is Competitively Advantaged

OUTGROWING A GROWTH CATEGORY



ACCELERATING GROWTH

CON TODA CONFIANZA...ES
HERDEZ
BRAND

WHOLLY
GUACAMOLE





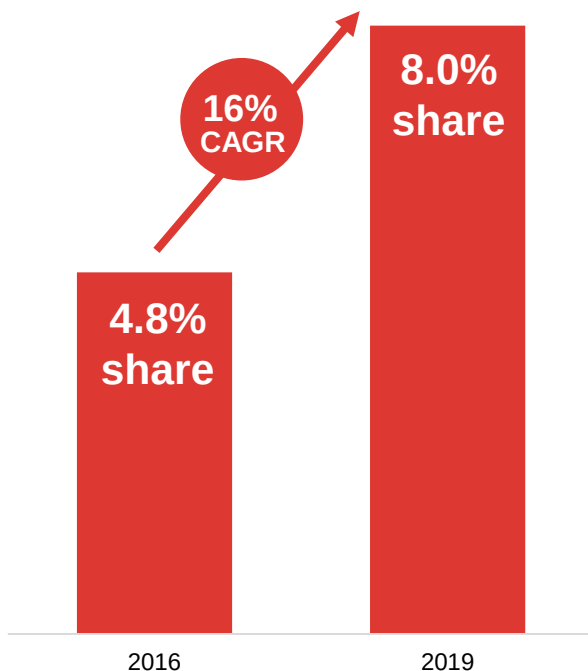
CON TODA CONFIANZA...ES

HERDEZ[®]

BRAND

FASTEST-GROWING SALSA IN AMERICA

Dollar Sales



WINNING WITH INNOVATION



Introduced: 2016
Dollar Share: **2.4%**



Introduced: 2018
Dollar Share: **6.7%**

NEW AND BOLD ADVERTISING



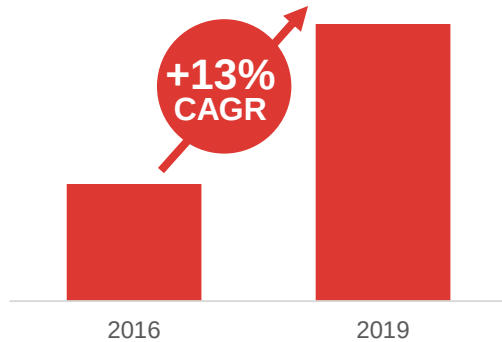
MEXICAN IS HERDEZ™





#1 GUACAMOLE IN AMERICA

Dollar Sales



Household Penetration

Avocados **71%**
WHOLLY® guacamole **10%**

PLANT-BASED SUPERFOOD



COMPETITIVE SUPPLY CHAIN



STRONG PIPELINE OF INNOVATION





ALL REAL.
NO DRAMA.™



GROCERY PRODUCTS

Our Formula for Success

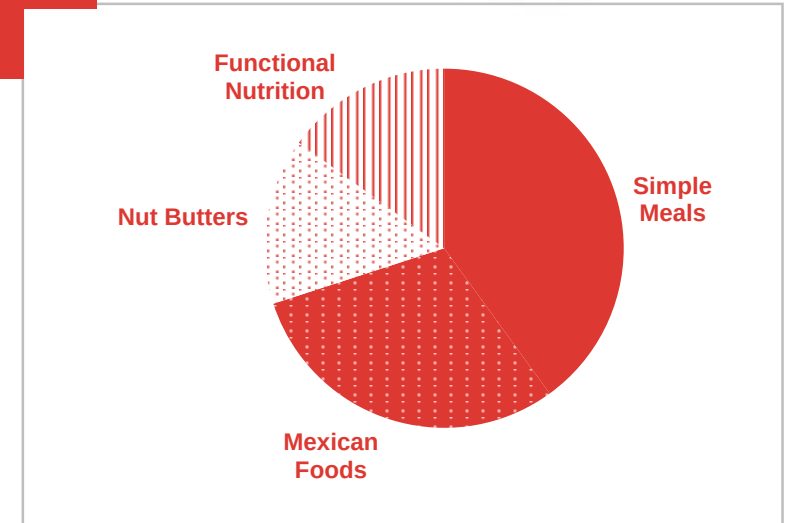
BUILDING BRANDS



INNOVATION



ACQUISITIONS



BALANCED PORTFOLIO





KEY TAKEAWAYS

We possess the capabilities to
continue to drive value in center store.

Mexican foods is a runway for growth.



A composite image featuring a family of three (a woman and two children) shopping in a grocery store on the left, and a close-up of three chili dogs on the right. The word 'BOLD' is written in large white letters across the center, with 'BUSINESS' in smaller white letters to its right. Various business-related terms are listed in white text on the right side, and the Hormel Foods logo is in the bottom right corner.

BRANDS

INNOVATION

THINKING

LEADERSHIP

BOLD BUSINESS

FLAVORS

IDEAS

JOURNEY



DIRECT SALES FORCE

A portrait of Deanna Brady, a woman with short, curly brown hair, wearing glasses and a dark blazer. She is smiling. A decorative graphic of white and green squares is positioned to the right of her head.

Deanna Brady

Group Vice President
President, Consumer Products Sales (CPS)





HORMEL FOODS DIRECT SALES FORCE

Our Competitive Advantage to Drive Growth for Our Customers

RETAIL



FOODSERVICE



DELI



SellingPower

50
BEST
COMPANIES
TO SELL FOR

2019

800

Direct Selling
Professionals

11 Years

Average Tenure

**Channel-Specific
Training Program**





OUR DIRECT SALES FORCE

Enables Us to
Partner With Our
Customers to
Deliver Solutions





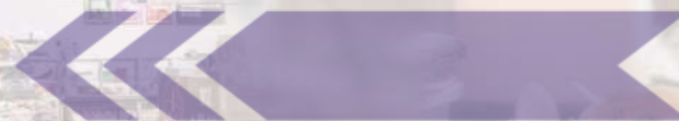
OUR DIRECT SALES FORCE

Enables Brand Extensions Across Channels

RETAIL

DELI

FOODSERVICE





POSITIONED TO SUCCEED IN AN EVER-CHANGING MARKETPLACE

Direct Sales Force

Total Food Growth

E-Commerce

Revenue Growth Management



Refrigerated Meats



Frozen



Center Store



Foodservice



Produce



Deli



TFG HELPS DRIVE GROWTH

Hormel Foods brands
are found in **86%** of
U.S. households

The Hormel Foods shopper
is **15%** more valuable than
the average shopper

We are introducing a
new **sales playbook**





TOTAL FOOD GROWTH

Inspired People. Inspired Food. Inspired Customers.





POSITIONED TO SUCCEED IN AN EVER-CHANGING MARKETPLACE

Direct Sales Force

Total Food Growth

E-Commerce

Revenue Growth Management





A CLEAR SET OF PRIORITIES

to Accelerate Our Growth in E-Commerce

#1

**SUPPORT OUR
CORE GP
PORTFOLIO**



#2

**EXPAND
ASSORTMENT FOR
ONLINE GROCERY
PICKUP**

SHOP FROM ANYWHERE.

Buy groceries & schedule a
delivery or pickup time.



#3

**LAUNCH SELECT
PERISHABLE
PRODUCT LINES**



#4

**CONTINUE TO
ENHANCE OUR
ANALYTICS**





ON TRACK TO EXCEED \$100M

In E-Commerce Retail Sales by the End of FY 2019

IMPLEMENTED STRUCTURE, TECHNOLOGY AND ANALYTICS

Hormel Foods
Digital Experience Group



ESTABLISHED INITIAL PRODUCT ASSORTMENT



SUCCESSES TO DATE



Gaining Market Share



Penetrating Fresh



Exceeding Sales Goals





A LOGICAL PATH TO DOUBLING E-COMMERCE SALES

Over the Next
Three Years

- Continued investment in
online grocery pickup
- Further optimization
of packaging
- Customer expansion
and diversification



POSITIONED TO SUCCEED IN AN EVER-CHANGING MARKETPLACE

Direct Sales Force

Total Food Growth

E-Commerce

Revenue Growth Management





REVENUE GROWTH MANAGEMENT

Driving Profitable Growth and Supporting Our Key Results

RGM is:

Brand + Trade + Customer = Improved ROI

RGM
STRATEGIC INVESTMENTS.
STRATEGIC GROWTH.



Driving
Profitable
Growth

**Reallocate
Inefficient
Trade**

Within **same brands** and **accounts**

To other opportunities **across accounts** or **brands**

To other **more effective marketing-mix** opportunities

Into **new products**

Take to the **bottom line**



RGM IN ACTION

A Case Study on Driving Growth in 2020



BRAND ANALYSIS



INSIGHT

➤ Ineffective trade expense was providing a negative return to the company

ACTION IN 2020

➤ Shifting ineffective trade expenses to media and advertising

EXPECTED RESULTS

➤ Increased household penetration
Increased consumer loyalty
Increased net sales





RGM WILL CONTRIBUTE MEANINGFULLY

to Our Growth Goals

ALIGNMENT



PEOPLE



WHAT IS IT WORTH?

Increased ROI
for our Promotional
and Advertising
Investments

PROCESS



INFRASTRUCTURE





KEY TAKEAWAYS

Our customer-focused, solutions-based direct sales force is a competitive advantage.

Total Food Growth is aimed at growing with and inspiring customers.

Our E-commerce and Revenue Growth Management capabilities will contribute meaningfully to the company's Key Results.





**Jim
Snee**

Chairman of
the Board,
President
and CEO



**Tom
Day**

Executive Vice
President,
Refrigerated
Foods



**Jeff
Baker**

Group Vice
President,
Deli



**Mark
Ourada**

Group Vice
President,
Foodservice



**Luis
Marconi**

Group Vice
President,
Grocery
Products



**Deanna
Brady**

Group Vice
President;
President,
Consumer
Product Sales



BOLD BUSINESS

BRANDS

INNOVATION

THINKING

LEADERSHIP

FLAVORS

IDEAS

JOURNEY



JENNIE-O TURKEY STORE



**Steve
Lykken**

Senior Vice President;
President, Jennie-O Turkey Store, Inc.





A LEADING POSITION

in Retail and Foodservice Turkey

NET SALES MIX

~40%

RETAIL

~40%

FOODSERVICE

~20%

COMMODITY





A WORLD-CLASS SUPPLY CHAIN

in the Turkey Industry

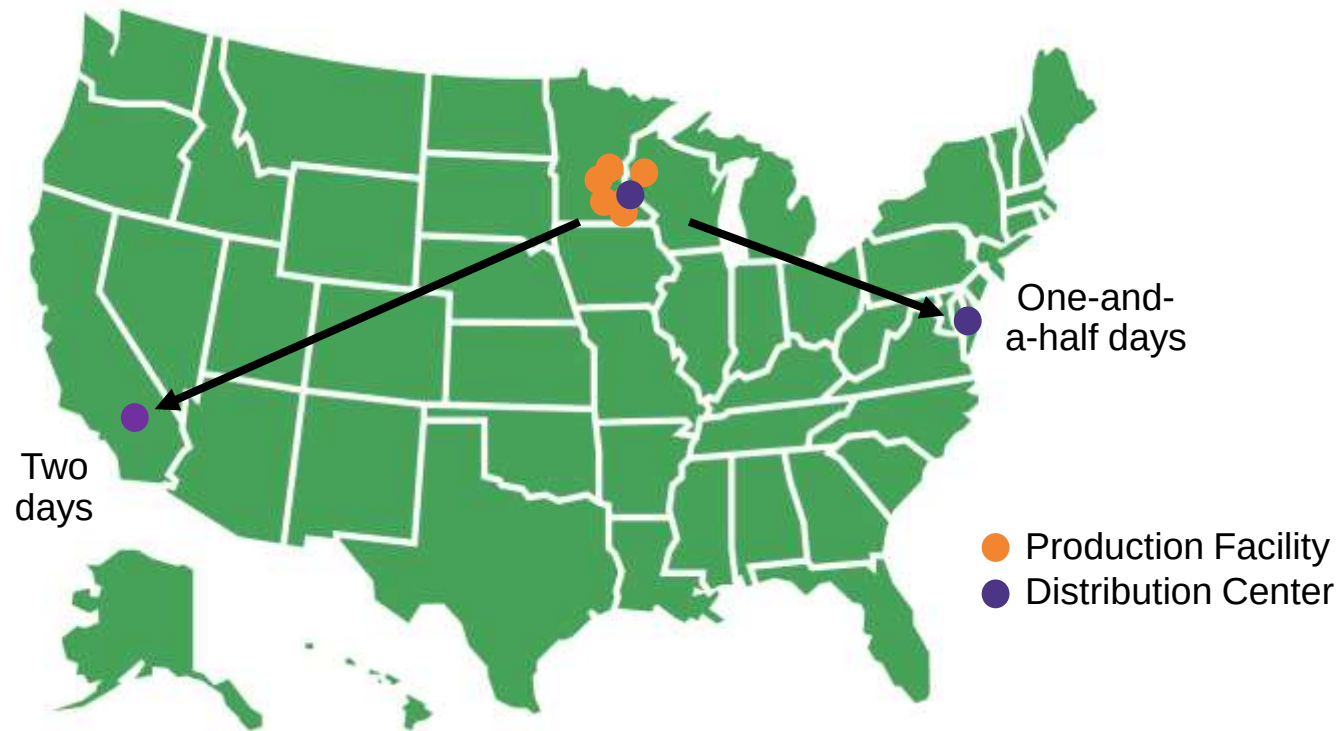
VERTICALLY INTEGRATED LIVE PRODUCTION



MODERN PRODUCTION FACILITIES



EFFICIENT AND CENTRALLY LOCATED DISTRIBUTION NETWORK



TWO VOLUNTARY RECALLS IN 2018



Latest ground turkey recall: 164,000 more pounds affected in ongoing salmonella outbreak

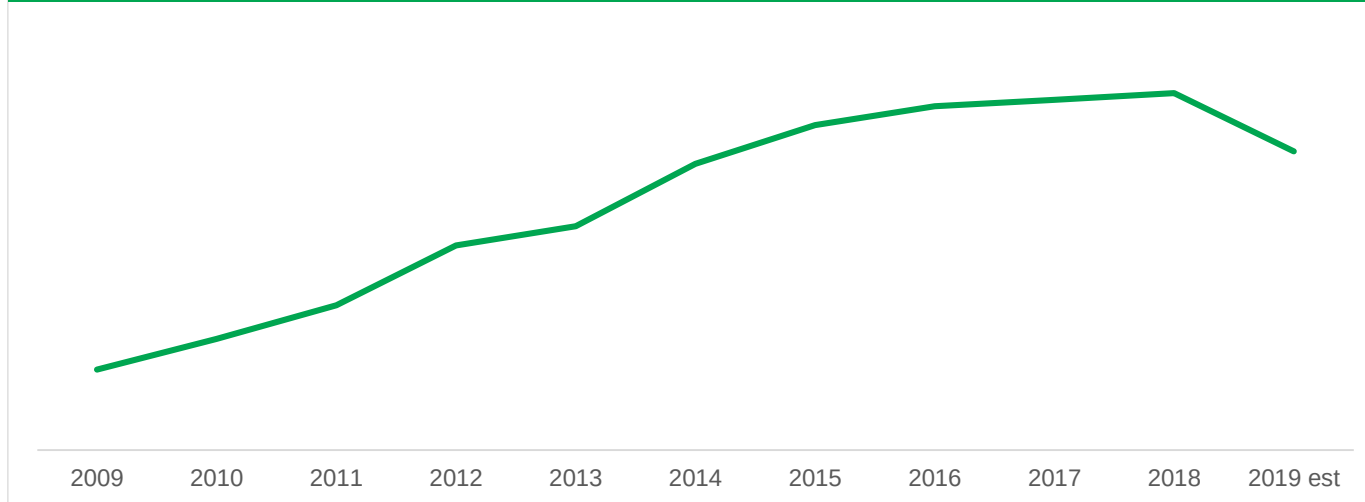
More than 164,000 pounds of raw ground turkey have been recalled amid an ongoing salmonella outbreak that has now sickened 216 people since November.



VOLUNTARY RECALLS LED TO A SHARP DECLINE IN SALES

A global turkey supply chain challenge with a specific type of salmonella impacted virtually all turkey companies

DRAMATIC DECLINE IN LEAN GROUND TURKEY SALES AFTER A DECADE OF GROWTH





CURRENT INDUSTRY CYCLE

More Challenging and Longer than Other Cycles

FOURTH CONSECUTIVE YEAR OF INDUSTRY OVERSUPPLY

Breast meat in cold storage **above the 5-year average**

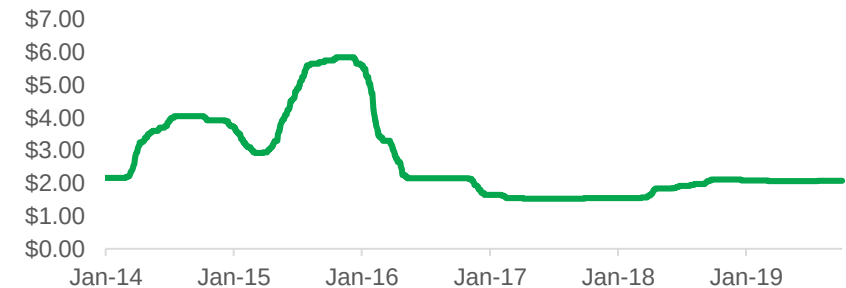
Lower hen poult placements

Increased tom poult placements

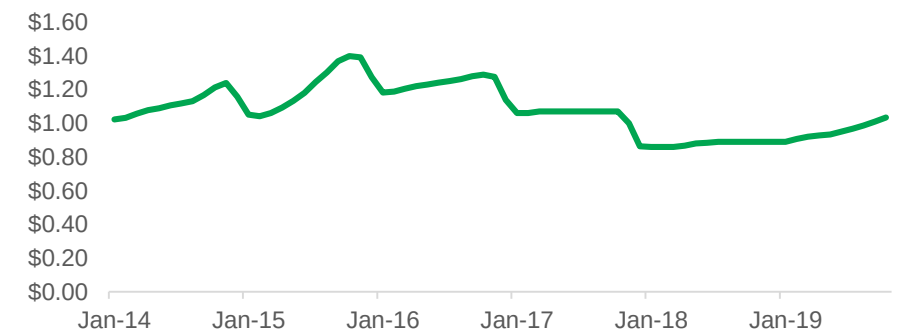


TURKEY MARKETS HAVE YET TO SHOW MEANINGFUL INCREASES

Turkey Breast Prices (\$/LB)



Whole Bird Prices (\$/LB)





DECISIVE ACTION TAKEN

to Reignite Growth at Jennie-O Turkey Store



New sales and marketing leadership to drive **bold thinking**



New media strategies activated in select markets **driving strong sales growth**



Significant investments in infrastructure





A PATH TO ACHIEVE 12%

Segment Profit Margins by 2023

GETTING BACK TO OUR PLAYBOOK

1

REGAIN

lean ground turkey
distribution

2

REBUILD

customer confidence
in our brand

3

REINVIGORATE

our innovation
pipeline

4

REALIGN

our cost structure
to invest in growth

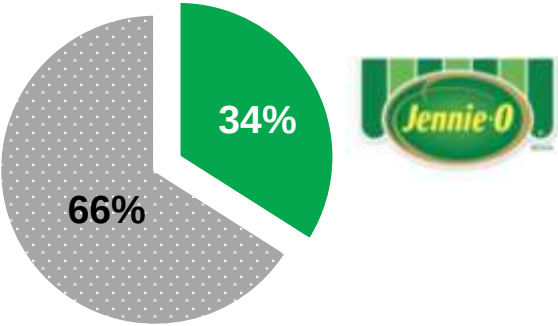




REGAIN LEAN GROUND DISTRIBUTION

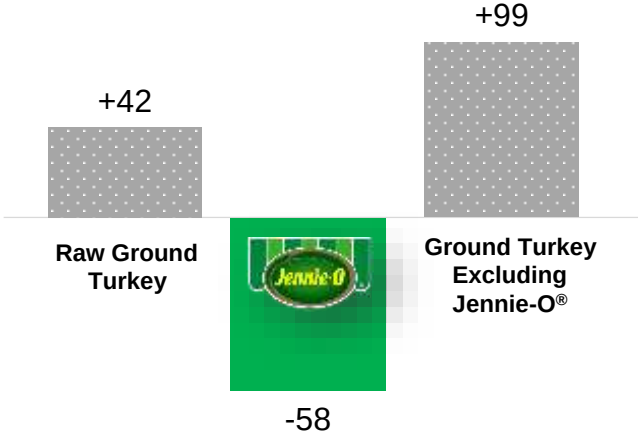
The JENNIE-O® Brand is Still the Category Leader

SHARE



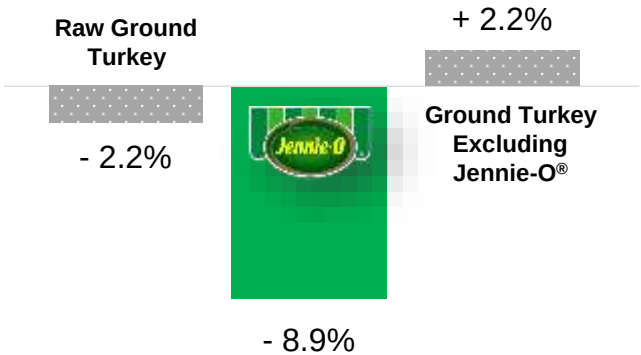
JENNIE-O® is the **share leader** with **34%** of raw ground turkey volume.

TOTAL POINTS OF DISTRIBUTION



JENNIE-O® has lost distribution while competitive brands grew their on-shelf presence during our recall events.

GROWTH



Growth rates for the category have been impacted by JENNIE-O® declines. Competitive brands are growing due to the points of distribution they gained.





JENNIE-O® BRAND IS IMPORTANT

for Lean Ground Turkey Category Growth

VOLUME SEGMENTATION

Ground Turkey
Category Growth

+0.2%



Retailers with
JENNIE-O® in
Distribution

+0.3%

Retailers with No
JENNIE-O® in
Distribution*

-4.3%

JENNIE-O®
Points of
Distribution
Significantly
Reduced vs.
Last Year

-4.5%



Source: IRI retailer analysis 13 weeks ending 08/11/2019.
Indicates retailers that reduced Jennie-O points of distribution by > 50% in the latest 13 weeks vs Year Ago

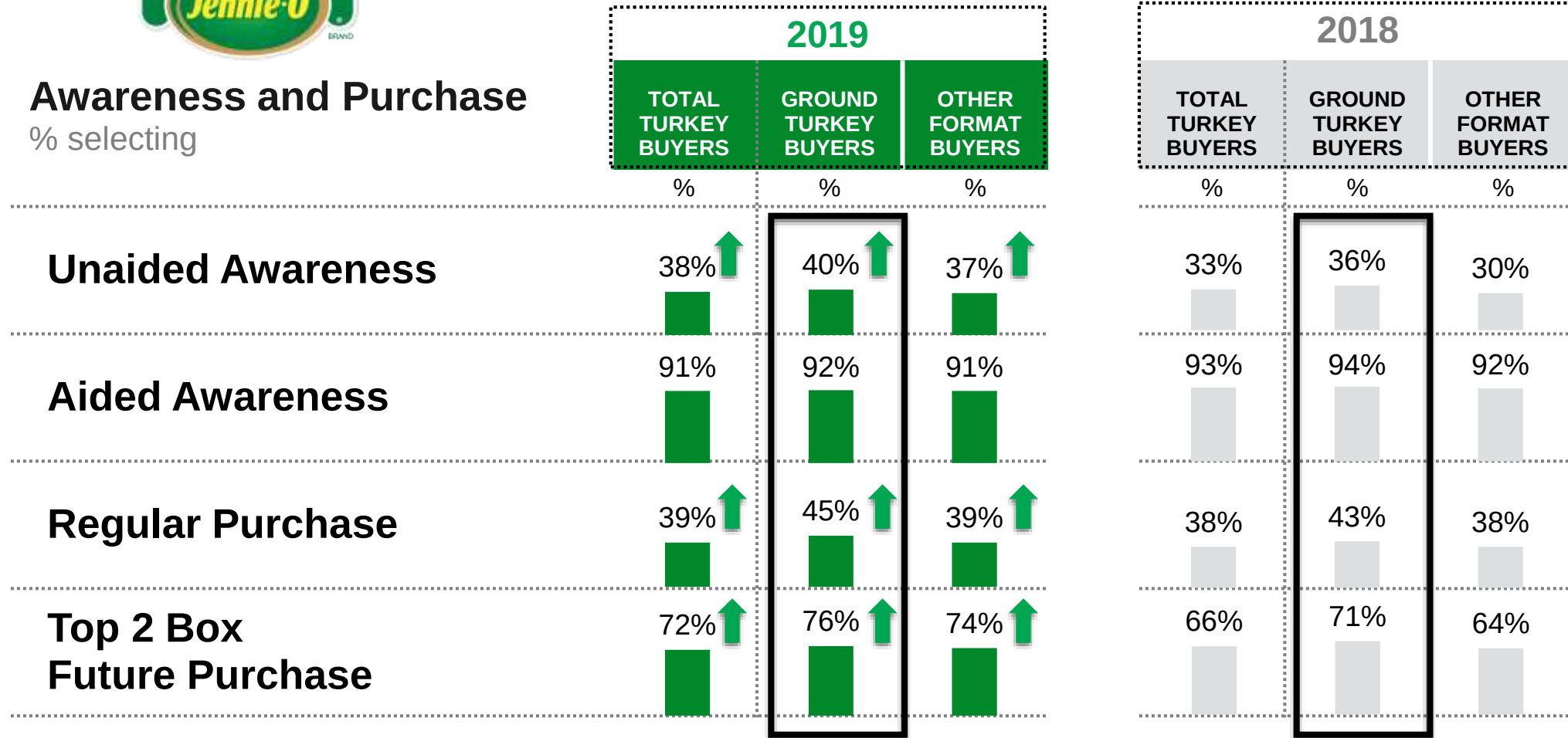


REBUILD CUSTOMER CONFIDENCE

Unaided Brand Awareness and Future Purchase Interest are Up in 2019



Awareness and Purchase % selecting



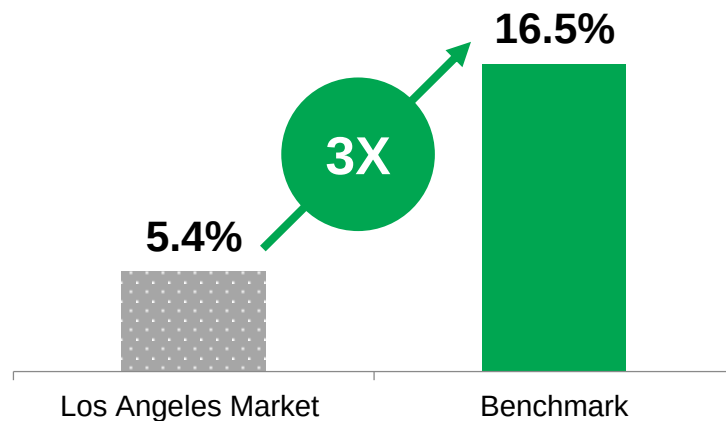


REBUILD CUSTOMER CONFIDENCE

by Reactivating Our Proven Media Campaigns



JENNIE-O® LEAN GROUND TURKEY LIFT



Media Campaign
Generated **Over 3x** the
Benchmark Sales Lift

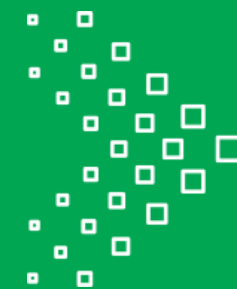




REINVIGORATE

Our Innovation Pipeline





REALIGN OUR COST STRUCTURE TO INVEST IN GROWTH

Our investments will
eliminate labor, drive
productivity and improve
ergonomics





A PATH TO ACHIEVE 12%

Segment Profit Margins by 2023

GETTING BACK TO OUR PLAYBOOK

1

REGAIN

lean ground turkey
distribution

2

REBUILD

customer confidence
in our brand

3

REINVIGORATE

our innovation
pipeline

4

REALIGN

our cost structure
to invest in growth





KEY TAKEAWAYS

Jennie-O Turkey Store remains a leader within the turkey industry in the face of challenging industry and business dynamics.

Decisive and intentional actions are underway.

We have a plan to return this business to growth.



BOLD BUSINESS

BRANDS

INNOVATION

THINKING

LEADERSHIP

FLAVORS

IDEAS

JOURNEY



ONE SUPPLY CHAIN



Glenn Leitch

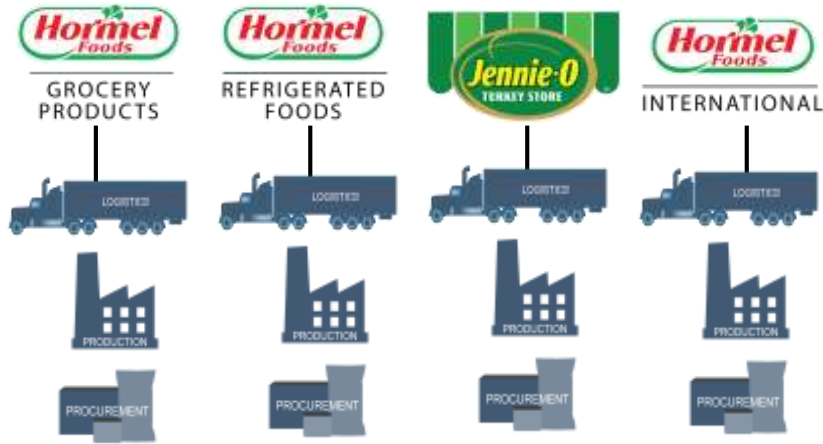
Executive Vice President,
Supply Chain



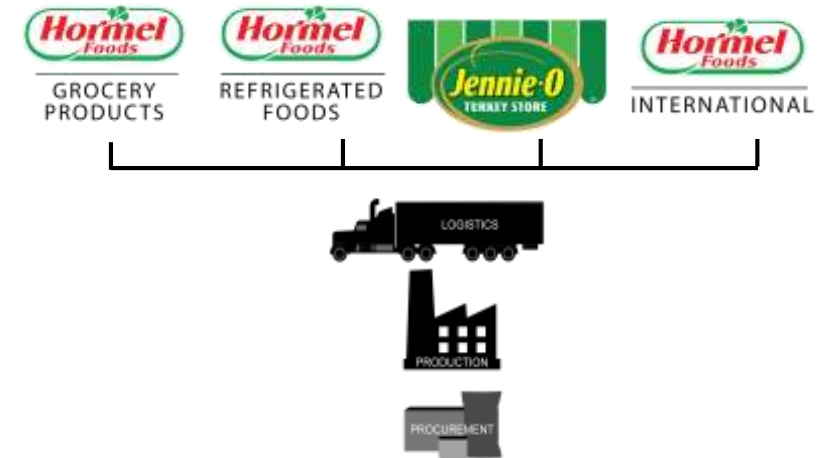


A SIGNIFICANT SHIFT WITHIN SUPPLY CHAIN

Since Our 2017 Investor Day



ONE
SUPPLY
CHAIN



THE PAST

Separately managed supply chains

Minimal centralized management

Savings mostly **bottom-up**



November
2017

**Announced
One Supply Chain
Initiative**



THE FUTURE

A **single view** of the world

Centralized management

Savings are **bottom-up** and **top-down**





ONE SUPPLY CHAIN

Expanding Our Competitive Advantages in All Areas of Supply Chain



Operations



Engineering



Industrial
Engineering



Quality Control



Purchasing



Logistics/Transportation
Demand Planning



Research and
Development

Aligning our stars to our imagined future

PROJECT ORION

SIMPLIFY

MODERNIZE

OPTIMIZE

RATIONALIZE





CREATING AN EFFICIENT AND AGILE SUPPLY CHAIN

One Supply Chain

Making Significant Progress

Managing Our Pork Supply

Controlling Costs

Investing in Growth





EARLY SUCCESSES



Additional High-Speed Slicing Lines

Labor Savings and Overhead
Improvement of 10-20%





Extended Line Runs

15-20% Increase in Production
Capacity on Selected Lines





Utilizing Lowest-Cost Formulas on Additional SKUs

\$1-2M Annual Savings

Source: Internal data





In-Housing Dry Sausage Production

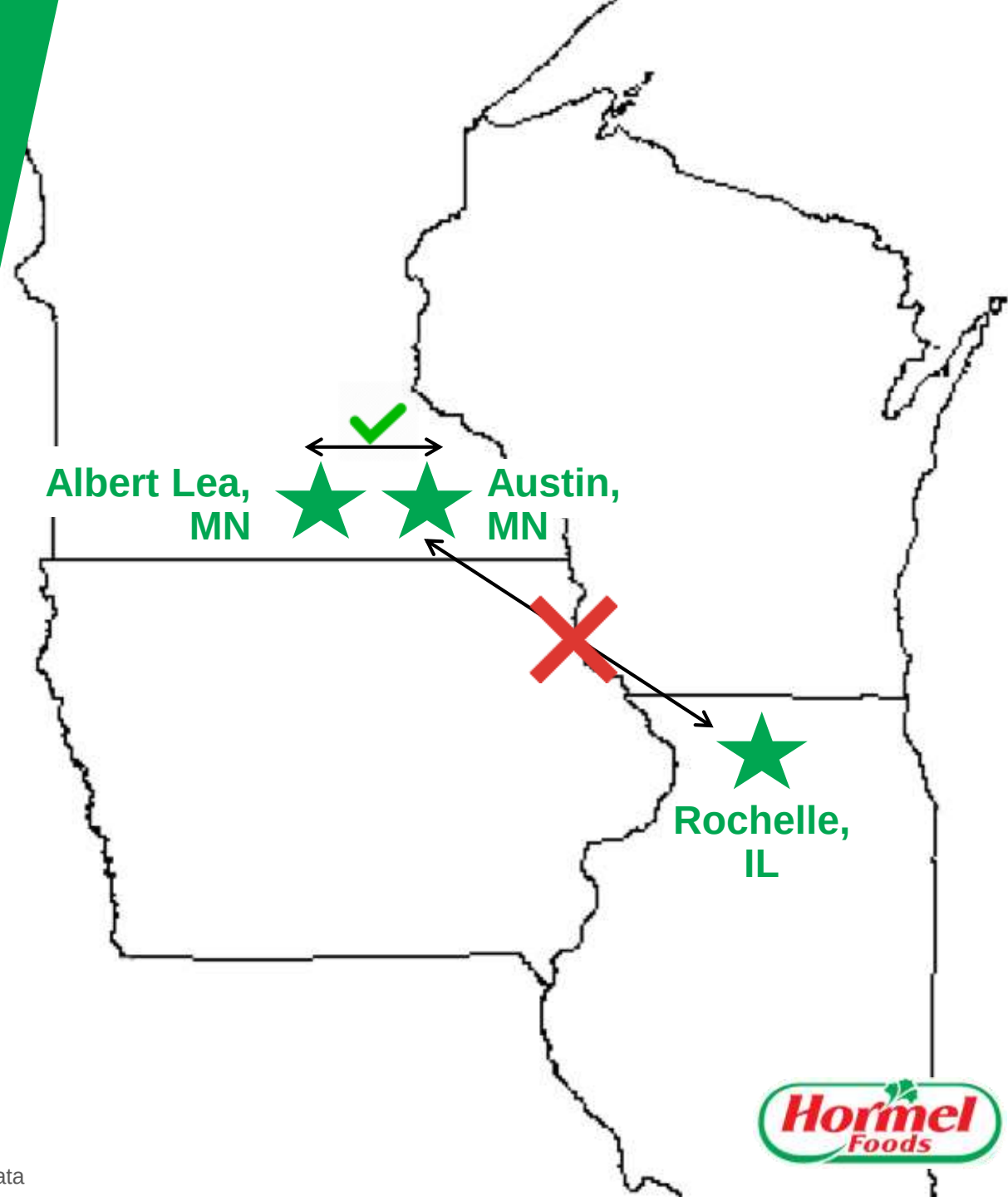
\$1-2M Annual Savings

Source: Internal data



Ham Boning Optimization

\$1-2M Annual Savings



Source: Internal data



Production Capacity Sharing

\$2-3M Annual Savings



Source: Internal data



Increased Use of Frozen and Tempered Raw Material

\$2-3M Annual Savings

Source: Internal data





Co-Manufacturing Optimization

\$2-3M Annual Savings

Source: Internal data





Raw Material Sourcing Changes

\$2-3M Annual Savings





Expansion of Central Buying Capabilities

\$3-4M Annual Savings





Renovated Spice Blending Operation

~\$0.40-\$1.00 per LB.
Procurement Savings





WINS BEYOND THE BOTTOM LINE





New Training

Developing our
Skilled Labor Across
the Company





Collaboration and Sharing of Best Practices

Driving Improvement Across
Production Facilities





Provide a Single View of Supply Chain Performance





CREATING AN EFFICIENT AND AGILE SUPPLY CHAIN

One Supply Chain

Making Significant Progress

Managing Our Pork Supply

Controlling Costs

Investing in Growth





MORE THAN JUST A PORK COMPANY

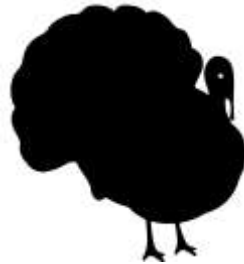
A Balanced Portfolio of Products

NET SALES BY KEY INPUTS



Pork

50-55%



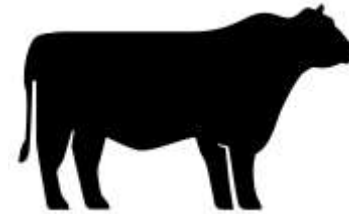
Turkey

18-22%



Non-Meat

16-18%



Beef

8-10%



Chicken
& Other

2-4%





MANAGING PORK INPUT COST

While Supporting Growth and Reducing Volatility

AUSTIN HARVEST OPERATION

~20,000 hogs/day

Hogs purchased on multiple contracts based on **hog, pork, grain** and **futures** markets

WHOLESTONE FARMS

~10,000 hogs/day

100% of raw material purchased at **market prices** through 2021

Own **first right of refusal** to second-shift harvest

EXTERNAL PORK PURCHASES

Externally procured pork such as **bellies, trim & spare ribs**

Co-manufactured finished goods

Pork procured in **China** and **Brazil**



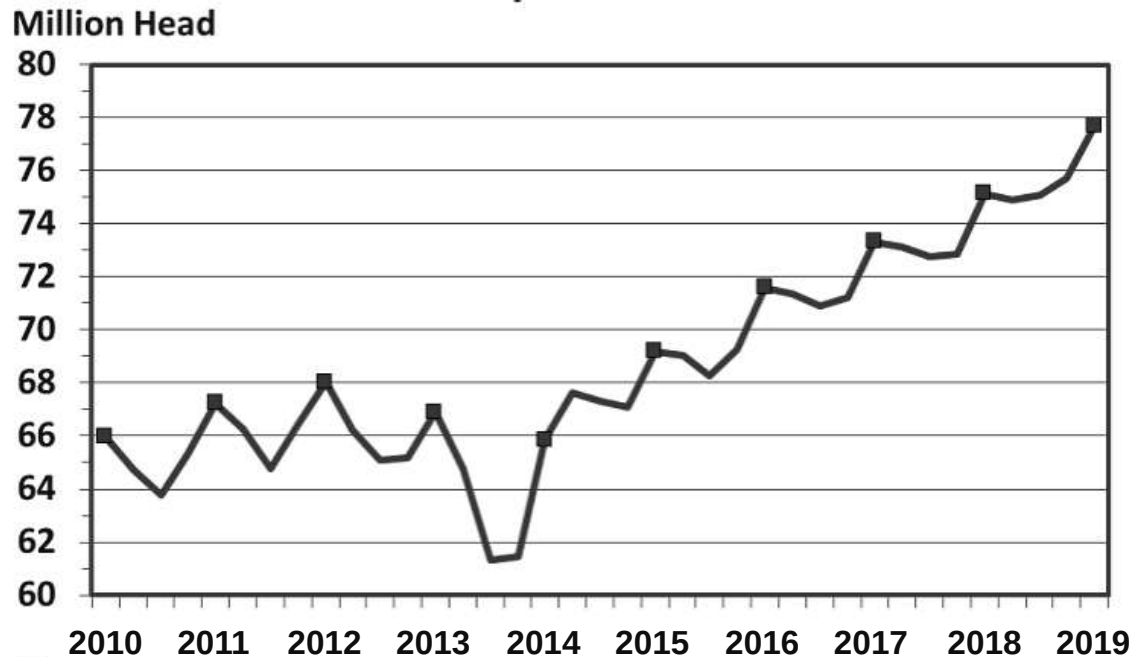


PREPARED TO MANAGE

Through Uncertainty Related to African Swine Fever

DOMESTIC SUPPLY IS ROBUST

U.S. Quarterly Hogs and Pigs Inventory
September 1



U.S. PREVENTION MEASURES IN RESPONSE TO ASF THREAT

- Increased **surveillance** at ports of entry and **restricting** imports of pork products from affected countries
- Strict **on-farm biosecurity** protocols and best practices across the hog industry
- **Coordinated response** plans between the U.S. pork industry, producers and states
- Standardized **indemnification** process for hog producers



CREATING AN EFFICIENT AND AGILE SUPPLY CHAIN

One Supply Chain

Making Significant Progress

Managing Our Pork Supply

Controlling Costs

Investing in Growth





A STRATEGIC AND DISCIPLINED APPROACH

to Controlling Costs and Supporting Key Results

INVEST IN AUTOMATION



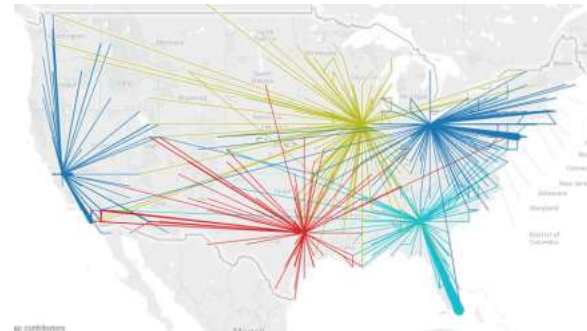
ASSET UTILIZATION



SYNERGY CAPTURE



NETWORK OPTIMIZATION



KEY RESULT

Hold Controllable
Expense Growth to

<1%

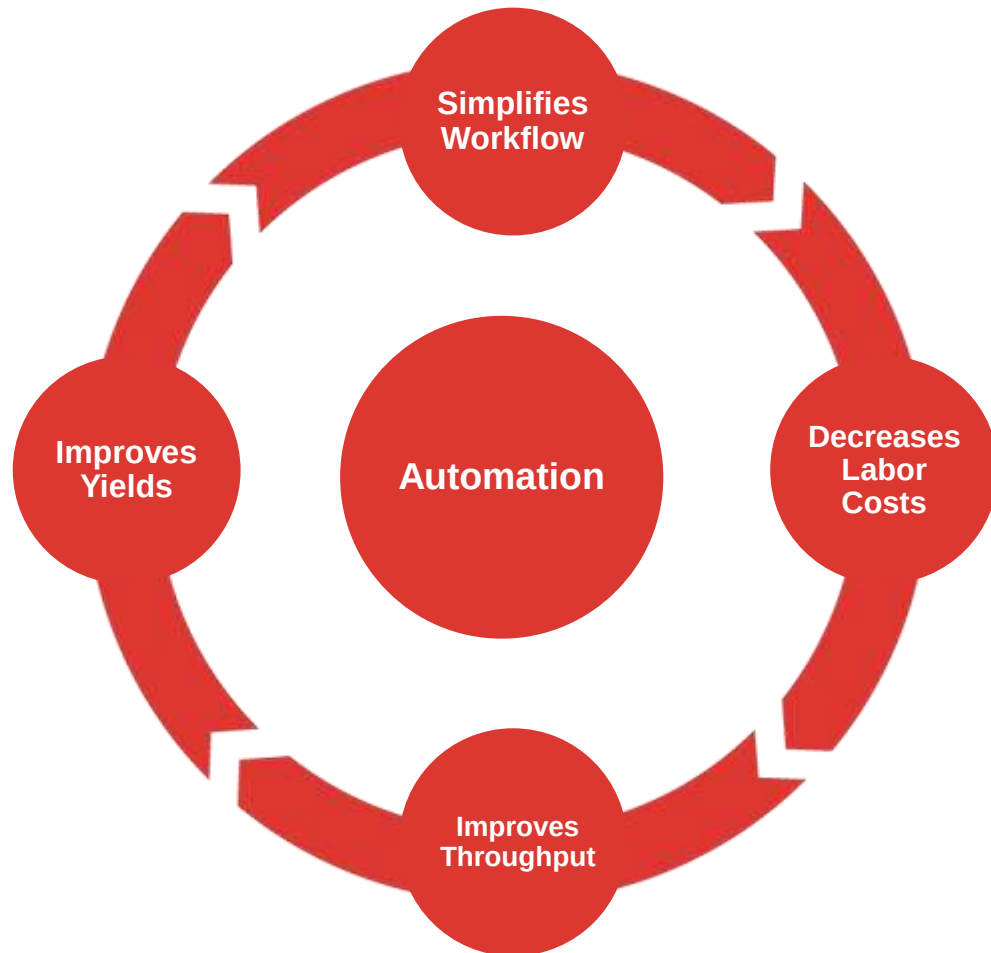
Per Year





INVESTING IN AUTOMATION

Remains a Top Priority





SYNERGY CAPTURE

Incremental to Acquisition Benefits

COLUMBUS[®]



AREAS IDENTIFIED

Co-packer
optimization

SKU rationalization

Utilization of fresh vs
frozen raw material

IMPACT

In-housing of production at a
reduced cost to the business

Reduces inefficient SKUs and
improves gross margin

Increased efficiency,
capacity and **improved**
raw material utilization

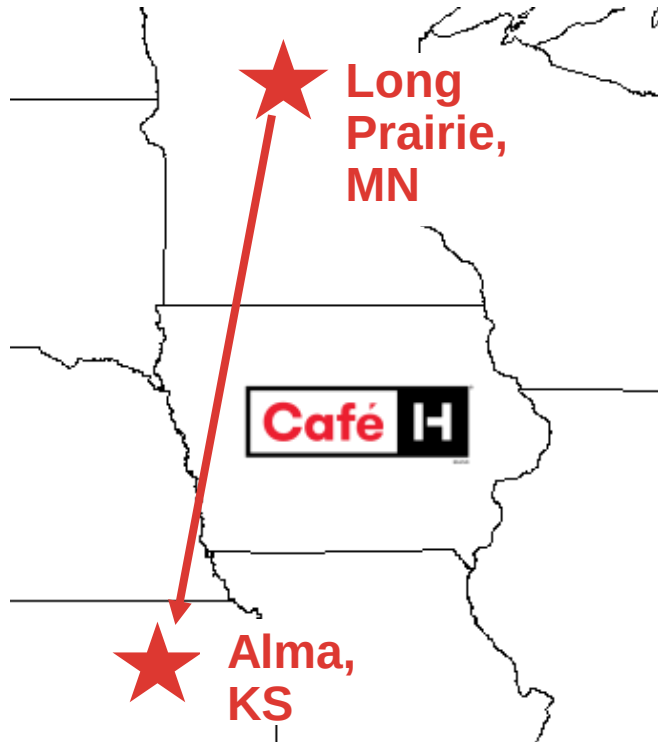




IMPROVING ASSET UTILIZATION

at Our Production Facilities

PRODUCTION MOVED



BENEFITS

Delays capital spend

Increases capacity for an on-trend and growing product line

More **effectively utilizes our assets** at both facilities

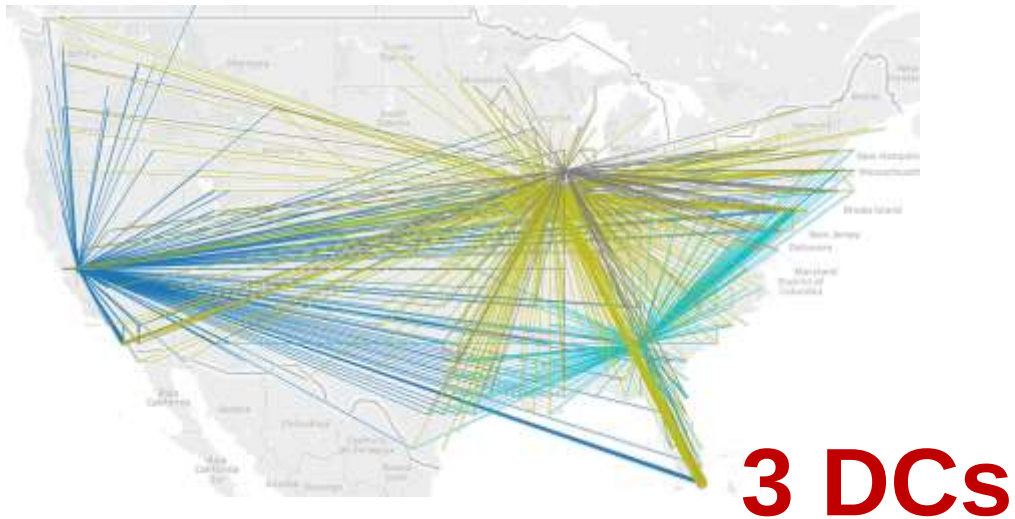




OPTIMIZING OUR LOGISTICS NETWORK

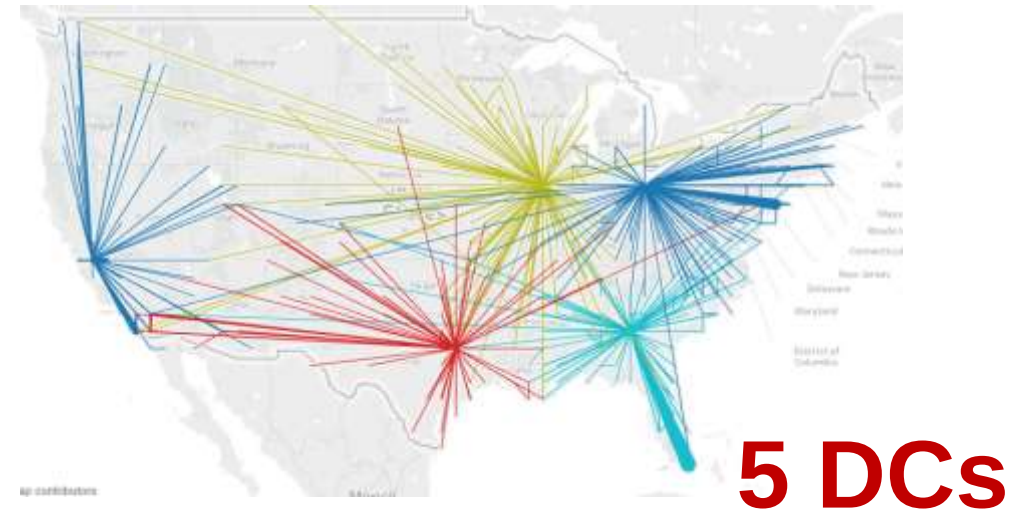
to Reduce Costs and Improve Service

PREVIOUS DRY NETWORK



3 DCs

CURRENT DRY NETWORK



5 DCs

BENEFITS

~\$4M in freight savings

~3M freight mile reduction

Improved service metrics





A BALANCED APPROACH

to Cost Savings

Raw Material
Procurement

\$2-3M

Purchasing

\$14-16M

Manufacturing
Improvement

\$42-46M

\$75M

FY 2019 COST
SAVINGS GOAL

Packaging and
Formulation

\$5-7M

Other

\$2-4M

Co-Manufacturing
Optimization

\$2-3M





CREATING AN EFFICIENT AND AGILE SUPPLY CHAIN

One Supply Chain

Making Significant Progress

Managing Our Pork Supply

Controlling Costs

Investing in Growth





Complete



Fontanini

~\$20M Capacity Expansion

Meatballs

Precooked Toppings





Dold

~\$130M Capacity Expansion

Bacon1™ Precooked Bacon



Complete





On Track for H2, 2020



Burke

~\$150M Capacity Expansion

Core **Pizza** Toppings

Plant-Based Toppings



PLANNING TO INVEST ~\$1B

Over the Next Three
Years to Drive Growth

GROCERY PRODUCTS



REFRIGERATED FOODS



JENNIE-O TURKEY STORE



INTERNATIONAL AND CORPORATE

Aligning our stars to our inspired future
PROJECT ORION





KEY TAKEAWAYS

Significant progress is being made on our One Supply Chain initiative.

We are prepared to manage through African swine fever.

We are focused on controlling costs and investing in future growth.





BOLD BUSINESS

BRANDS

INNOVATION

THINKING

LEADERSHIP

FLAVORS

IDEAS

JOURNEY



PLANT-BASED PRODUCTS



Jim Splinter

Group Vice President,
Corporate Strategy





CONVERGENCE OF TRENDS

Unprecedented Change is
Happening in the Food
Industry





A FOOD FORWARD COMPANY

Utilizing Insights and Innovation
to Drive Sustainable Long-Term
Growth

**Using Insights to Identify
White Space**

Leveraging Our Differentiating
Capabilities





FOOD FORWARD

People are
becoming more
“plant curious”
with their eating

Source: Internal research





PLANT-CURIOUS CONSUMER

Attitudes and Motivations

“ I don't expect a 'plant burger' to taste like meat, but I do expect it to taste good. ”

“ My family needs to like it. ”

“ I need protein to keep me full. ”

RECENT STUDY SHOWS

1/3 of consumers plan to buy more **plant-based** foods





SIGNIFICANT UPSIDE POTENTIAL

for Plant-Based Alternative Proteins

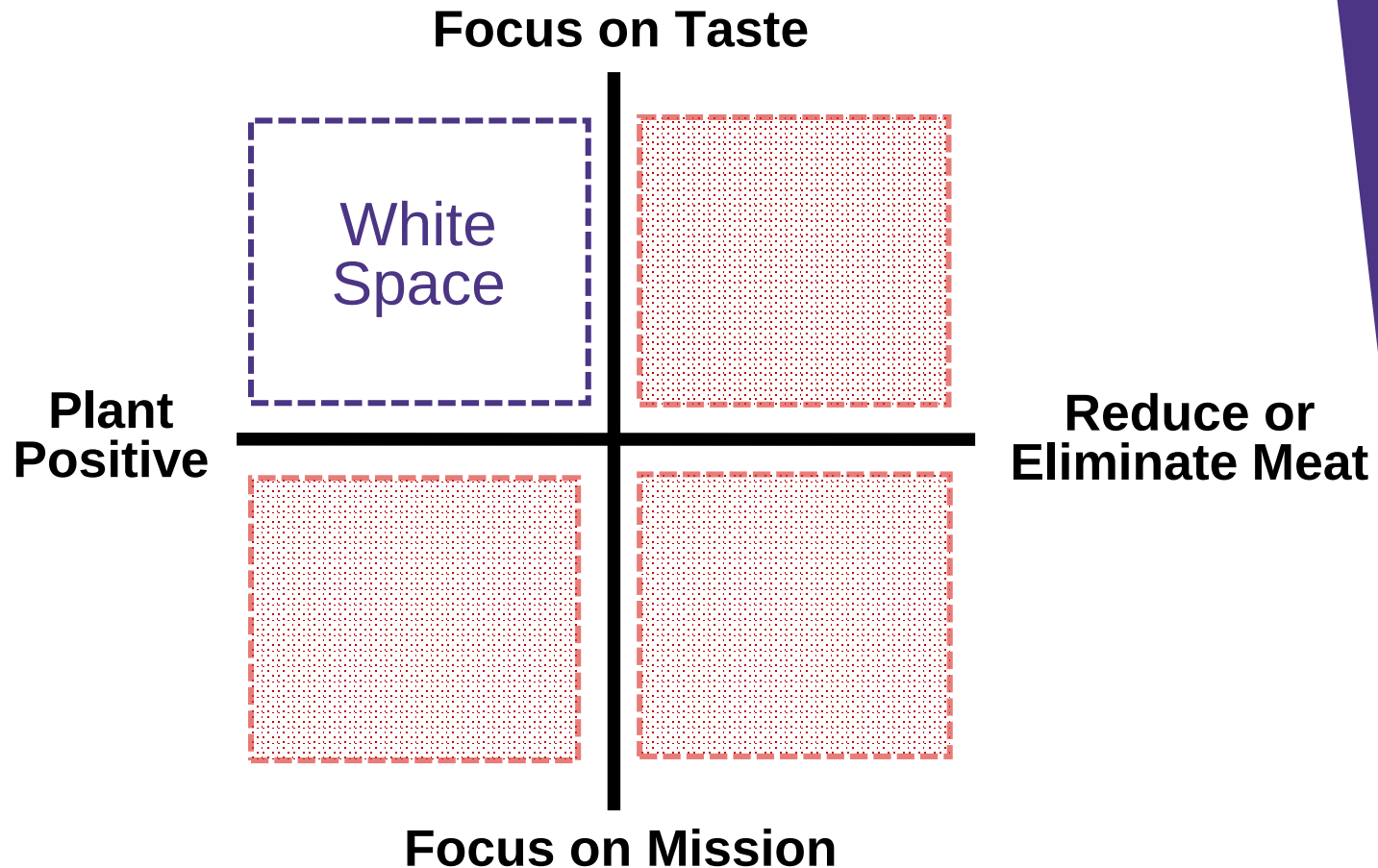
12%

of US Households Consume
Plant-Based Meat Proteins

\$10B - \$15B

Addressable Market in the
Next 5 to 7 Years





IDENTIFYING THE WHITE SPACE

Our consumer insights team identified a clear opportunity to fill a void in the plant-based alternative protein marketplace.





A FOOD FORWARD COMPANY

Utilizing Insights and Innovation
to Drive Sustainable Long-Term
Growth

Using Insights to Identify White
Space

Leveraging Our Differentiating
Capabilities





Happy
Little
Plants™



A FOOD FORWARD COMPANY

Utilizing Insights and Innovation
to Drive Sustainable Long-Term
Growth

Using Insights to Identify White
Space

Leveraging Our Differentiating
Capabilities





DEVELOPING THE PRODUCT FROM INSIGHT

to Launch with a Focus on Meeting the Needs of Our Consumers

COMPLETE PROTEIN



20g Soy Protein

180 Calories

7g Fat

No Preservatives

No Cholesterol

All 9 Amino Acids

Per 4oz serving

A FOCUS ON TASTE AND VERSATILITY

1-for-1 Replacement
for Ground Beef



POSITIVE BRAND ATTITUDE



Using **Plant Positivity** to show how foods “**made with plants**” fit perfectly into a consumer’s meal and lifestyle





Happy Little Plants™

brand





BRINGING THE POWER

of Our Retail and Foodservice
Businesses to Plant-Based Proteins

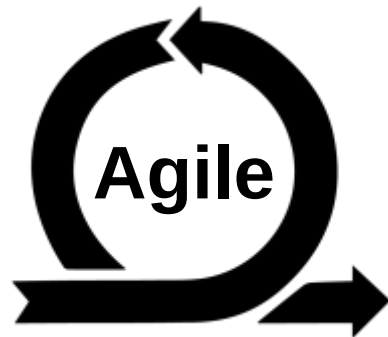




UTILIZING OUR COMPETITIVE ADVANTAGES

to Win in the Plant-Based Alternative Protein Marketplace

VENTURING / INCUBATOR / AGILE



NIMBLE SUPPLY CHAIN



DIRECT SALES FORCE





KEY TAKEAWAYS

Our entire portfolio of plant-based alternative protein offerings is well-positioned to win in the marketplace.

We will continue to leverage our differentiating capabilities to enter new white spaces.





**Glenn
Leitch**

Executive Vice
President,
Supply Chain



**Steve
Lykken**

Senior Vice
President;
President, Jennie-
O Turkey Store



**Larry
Vorpahl**

Group Vice President;
President, Hormel
Foods International
Corporation



**Jim
Splinter**

Group Vice
President,
Corporate
Strategy



BOLD

BUSINESS

BRANDS

INNOVATION

THINKING

LEADERSHIP

FLAVORS

IDEAS

JOURNEY



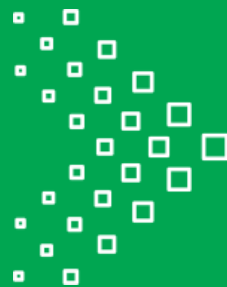
FINANCE



Jim Sheehan

Executive Vice President,
Chief Financial Officer





KEY MESSAGES

Progress Since 2017

Since Investor Day 2017, we have made progress against our key initiatives.

Capital Allocation Strategy

We take a disciplined and thoughtful approach to capital allocation.

Strong Balance Sheet

Our strong and flexible balance sheet positions us for growth through acquisitions.

Long-Term Investments

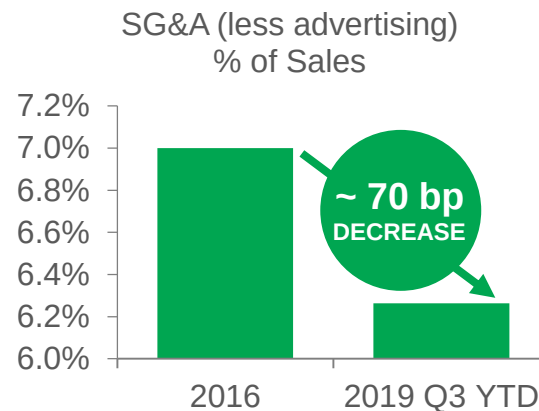
We remain focused on long-term investments that drive exceptional shareholder returns.



EXCELLENT PROGRESS

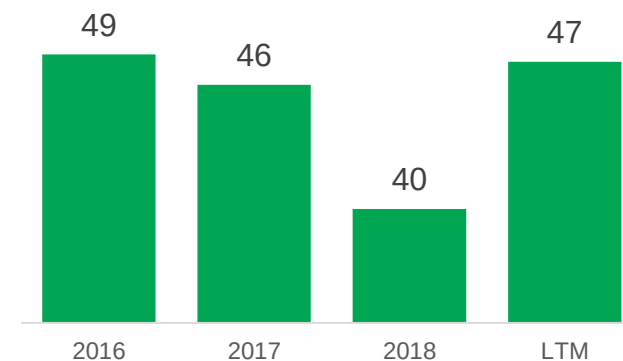
Made on Our
Commitments from
Investor Day 2017

STRATEGIC COST MANAGEMENT



IMPROVED OUR CASH CYCLE

Cash Conversion Cycle (Days)



OPTIMIZING OUR CAPITAL STRUCTURE

\$560 Million
in Cash

Maintained **Investment**
Grade Rating

Maintained **Dividend**
Aristocrat Membership

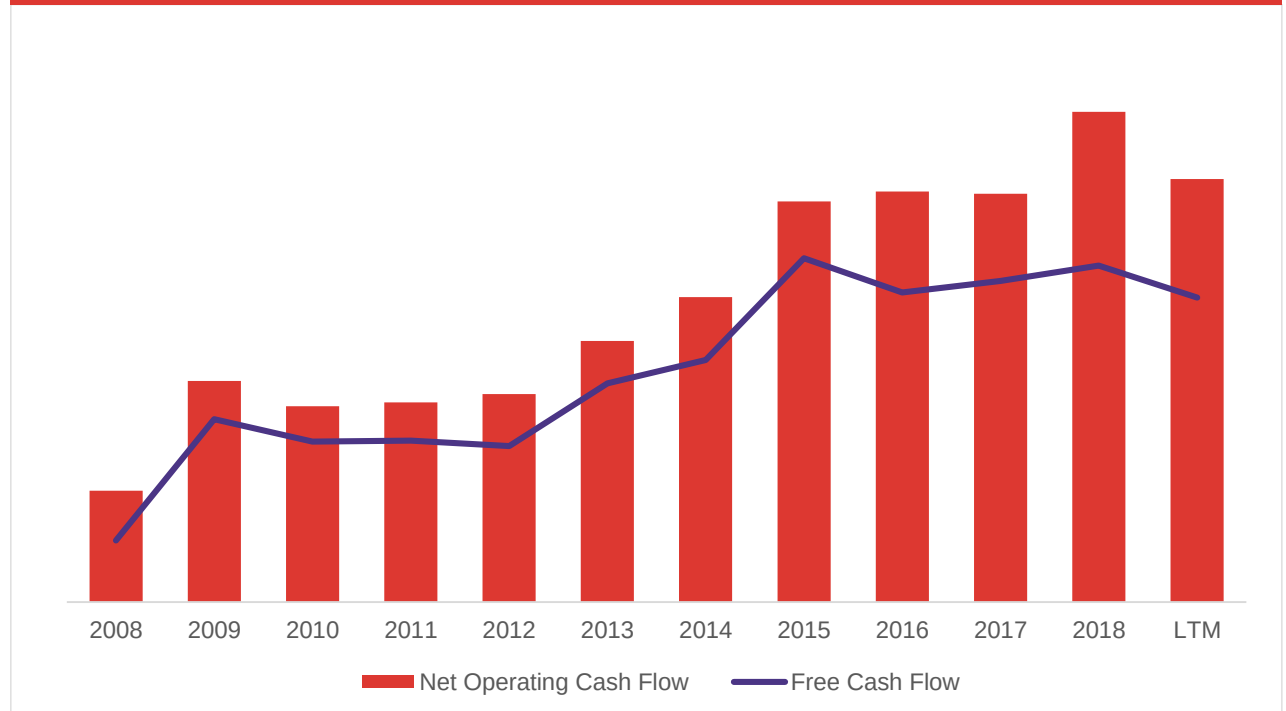


Source: Internal data. Cash balance as of Q3, 2019. LTM (last twelve months) as of Q3, 2019.



DELIVERING STRONG, LONG-TERM GROWTH

NET OPERATING AND FREE CASH FLOW

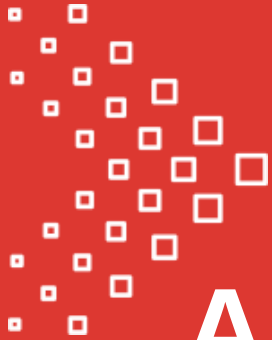


\$1,116M
Average Cash
from Operations

\$812M
Average Free
Cash Flow

Source: Average of fiscal year 2017, 2018 and Q3, 2019 LTM (last twelve months). Free cash flow is a non-GAAP measure. See reconciliation table in Appendix for details.





ALIGNING OUR CAPITAL ALLOCATION STRATEGY

with Our Vision
as a Growth Company

REQUIRED

- Increase Dividend
- Maintenance CapEx
- Mandatory Debt Repayment
- Pension Obligations

STRATEGIC

- Growth CapEx
- Incremental Dividend Increases
- Acquisitions
- Investments in Working Capital

OPPORTUNISTIC

- Share Repurchases
- Incremental Debt Repayment
- Cash Build





CAPITAL ALLOCATION

Making Disciplined Investments & Returning Cash to Shareholders

INVESTING IN THE
BUSINESS
\$2.3B

~\$3.3B

Cash from Operations
2017-2019 est.

RETURNING CASH
TO SHAREHOLDERS
\$1.5B

ACQUISITIONS

\$1.4B



CAPEX

\$0.9B



DIVIDENDS

\$1.2B

Maintain
Dividend Aristocrat
Membership

REPURCHASES

\$0.3B

Opportunistic
and based on
our **Internal**
Valuation





INVESTING IN STRATEGIC ACQUISITIONS

to Transform and Grow Our Company

\$1.4B
Invested

\$640M
Total Sales
Acquired

Accretive
Margins





STRATEGIC INVESTMENTS

to Grow Our Business While Enhancing Our Infrastructure

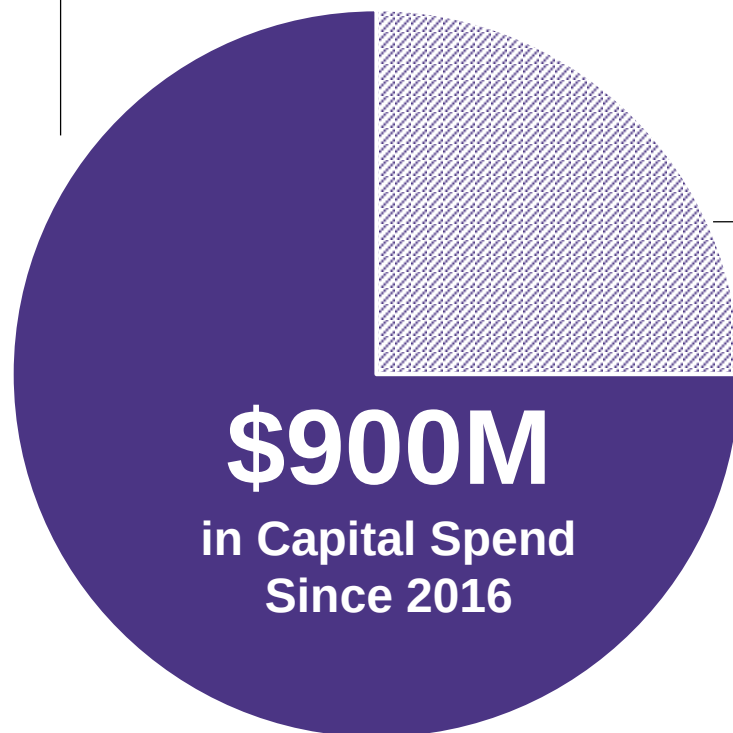
75%

Growth CapEx

~\$100-300M annually

Based on the **needs** of the businesses

Primarily for **capacity, innovation, equipment and new technology**



\$900M

in Capital Spend
Since 2016

25%

Maintenance CapEx

~\$100M annually

Primarily for replacement of **equipment** and **infrastructure**



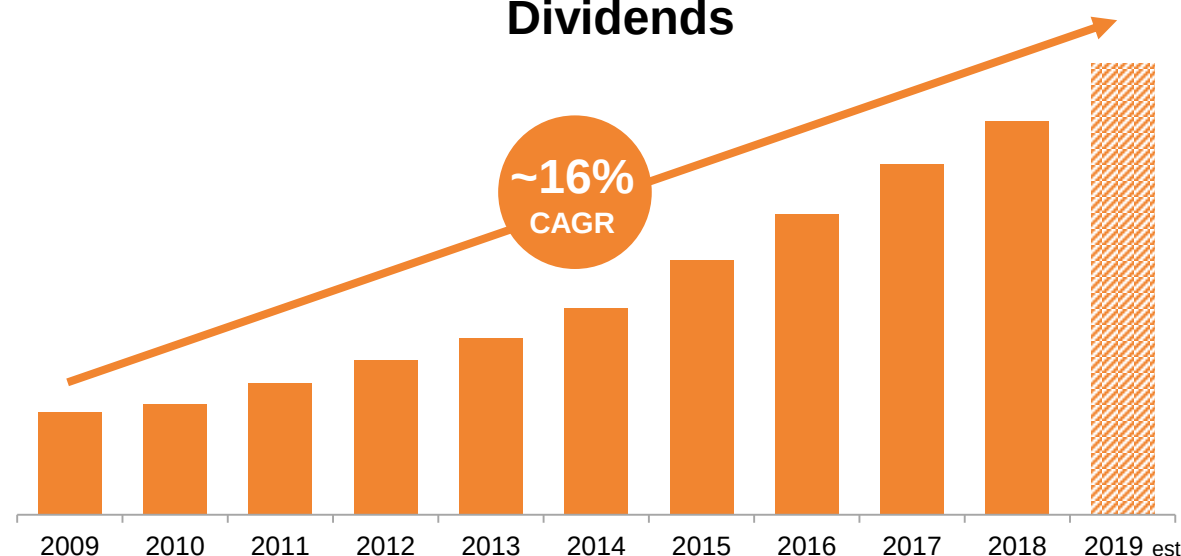


RETURNING \$1.2B OF CASH TO SHAREHOLDERS

Over the Last Three Years
While Increasing
Our Dividend

A DIVIDEND ARISTOCRAT

Dividends



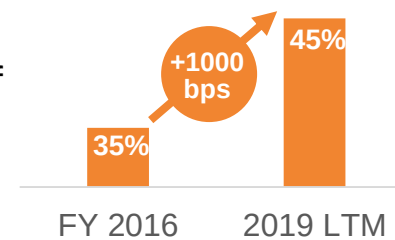
53

Consecutive
Years of Dividend
Increases

11

Consecutive Years of
Double-Digit
Increases

Dividend Payout Ratio



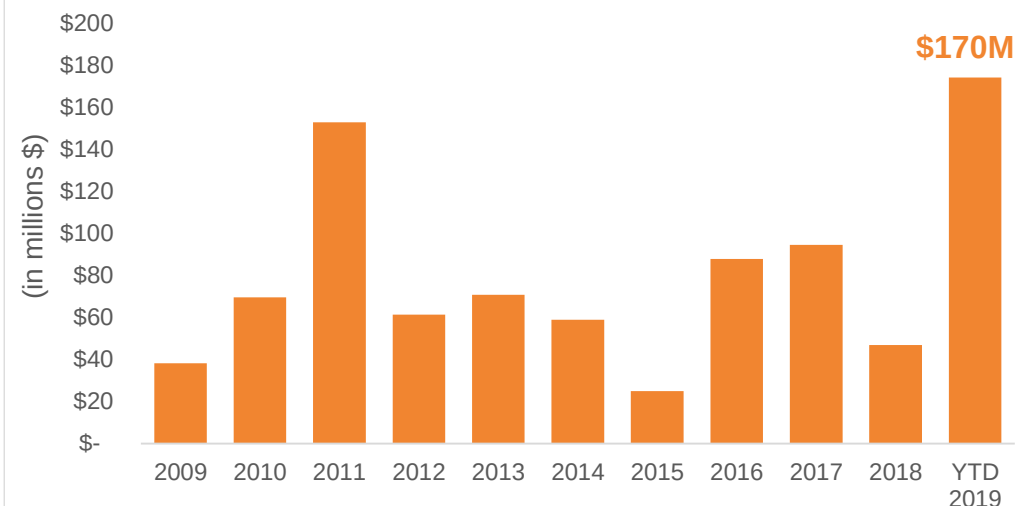
Source: Internal data. 2019 includes dividend declared 9/23/2019; FactSet.



REPURCHASING STOCK OPPORTUNISTICALLY

Returning \$300M of Cash to
Shareholders Since 2016

STOCK REPURCHASES



Current Authorization to
Repurchase **~5M Shares**

The Hormel Foundation's Ownership
Level is Currently **48%**

Based on Our **Internal** Valuation





A STRONG BALANCE SHEET

Positioned to be Leveraged for Growth

Priority

Maintain
**Investment-
Grade** Rating

Debt Capacity

\$3.5B in debt generates
EBITDA coverage of
approximately **2 times**

\$560M

in Cash

\$250M

in Debt

**Current Net
Debt/EBITDA
< 0**





A CONTINUED FOCUS

on Long-term Investments

INVESTING IN BRANDS

RCM
STRATEGIC INVESTMENTS.
STRATEGIC GROWTH.



INVESTING IN THE BUSINESS

~\$1B

in CapEx Planned in
the Next 3 Years



DELIVERING STRONG ROIC

5-Year ROIC:

18%

Top-Quartile
of Peer Group

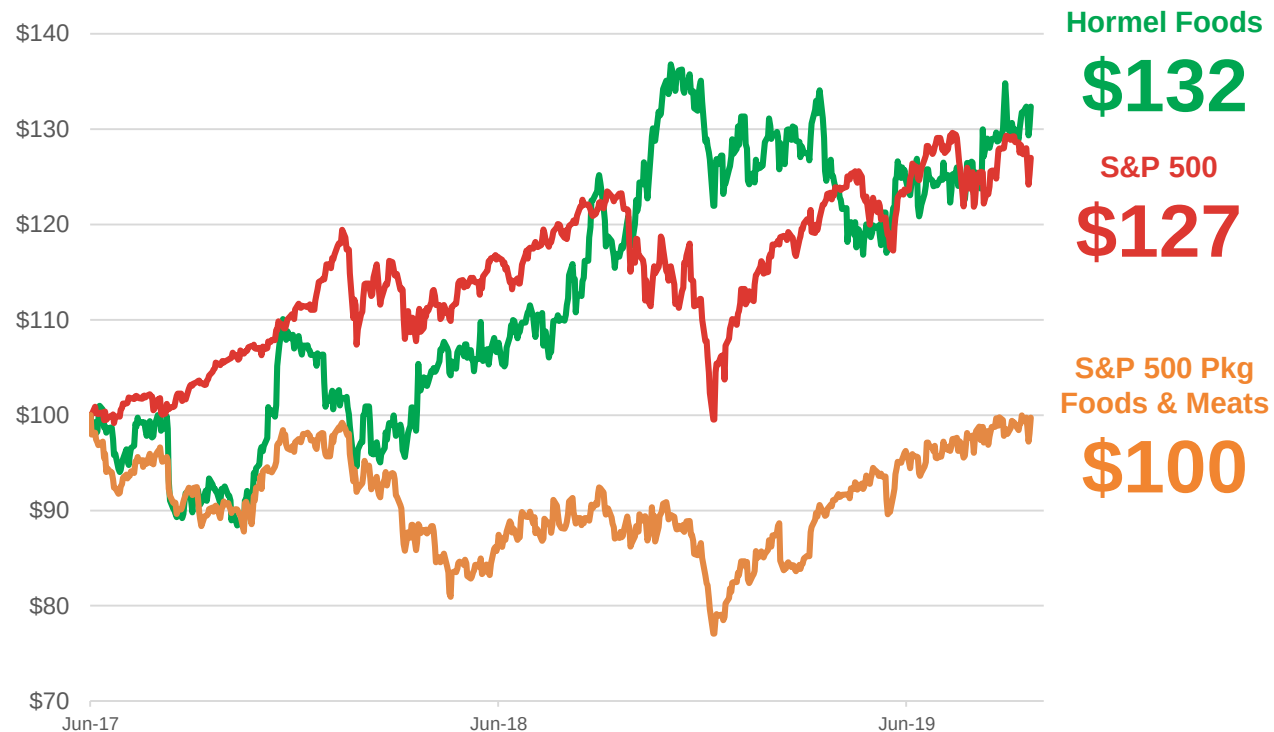




DELIVERING LEADING RETURNS

to Our Shareholders

TOTAL RETURN



Source: FactSet. \$100 invested on 6/15/17 in stock or index – including reinvestment of dividends





SETTING THE PATH

for the Future of Our
Company



**Robotic Process
Automation**



Analytics



Insights

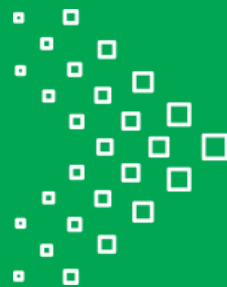
PROJECT ORION GOAL

Create a **unified**, Oracle **cloud-based** platform that brings the **conveniences** and **technology** of our everyday lives to the **business** environment.

Aligning our stars to our inspired future

PROJECT ORION





KEY MESSAGES

Progress Since 2017

Since Investor Day 2017, we have made progress against our key initiatives.

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We remain focused on long-term investments that drive exceptional shareholder returns.



BOLD BUSINESS

BRANDS

INNOVATION

THINKING

LEADERSHIP

FLAVORS

IDEAS

JOURNEY





Jim Snee

Chairman of the Board, President
and CEO



KEY TAKEAWAYS FROM TODAY

Tom Day

Executive Vice
President,
Refrigerated Foods

Continued **evolution** toward **branded value-added** products

Strong growth from **retail**, **deli** and **foodservice**

Luis Marconi

Group Vice President,
Grocery Products

Creating value in center store with **brand building** and **innovation**

Accelerating growth in **Mexican** foods

Deanna Brady

Group Vice President;
President, CPS

Our **direct sales force** is a competitive advantage

Total Food Growth, Revenue Growth Management and **E-commerce** will drive growth



KEY TAKEAWAYS FROM TODAY

Jim Splinter

Group Vice President,
Corporate Strategy

Using **insights** to identify white space in **plant-based** alternative proteins

Leveraging our **differentiating capabilities** to launch the Happy Little Plants™ brand

Steve Lykken

Senior Vice President;
President, JOTS

Getting back to our **proven playbook** at Jennie-O Turkey Store

Clear plan to return the business to **growth**



KEY TAKEAWAYS FROM TODAY

Glenn Leitch

Executive Vice
President,
Supply Chain

Significant progress made on our
One Supply Chain initiative

Focused on **controlling costs** while investing
in **future growth**

Jim Sheehan

Executive Vice
President and CFO

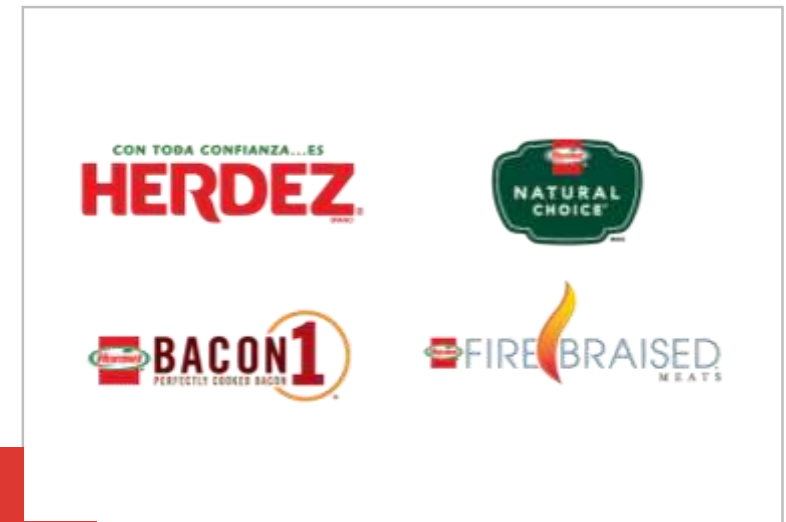
Disciplined and **intentional** capital allocation
with a focus on **long-term decision making**

Strong balance sheet offers **flexibility** and
positions us for **growth**



BUILDING BRANDS

INNOVATION



ACQUISITIONS

BALANCED PORTFOLIO



OUR
FORMULA
FOR
SUCCESS



OUR 2020 PATH FORWARD

as a Global Branded
Food Company

SIX STRATEGIC PRIORITIES

#1

Grow our deli and
foodservice brands



COLUMBUS
CRAFT MEATS

#2

Accelerate growth in
ethnic cuisines



#3

Pursue bold
new innovation



#4

Expand our
global presence



SPAM

#5

Protect our
core brands



#6

Continue to transform
our company





REALISTIC AND ACHIEVABLE KEY RESULTS

Built on Organic Growth and Acquisitions

ORGANIC GROWTH GOALS

2-3%

Organic Net
Sales Growth

5-7%

Organic Operating
Profit Growth

ACQUISITIONS

Strategically
Aligned

Leading
Brands

Disciplined
Valuation



LONG-TERM KEY RESULTS

5%

Top Line
Growth

10%

Bottom Line
Growth

15%

of Net Sales from
Innovation by 2020

<1%

Controllable
Expense Growth





KEY MESSAGES HEARD TODAY

As a **Global Branded Food Company**, we have the ability to deliver sustainable long-term growth.

An Uncommon Company

We have built a unique, bold culture with strong brands to support sustainable, long-term growth.

Improved Quality of Earnings

We have improved our quality of earnings through intentional and strategic actions.

Clear Growth Strategy

We have a clear growth strategy to achieve our long-term Key Results.

Significant Opportunity Ahead

We are advancing to the next stage in our evolution as a Global Branded Food Company.



Inspired People.
Inspired Food.™



APPENDIX





NON-GAAP RECONCILIATION TABLE

Free cash flow represents net cash provided from operating activities less purchases of plant, property and equipment. Hormel considers free cash flow to be a liquidity measure that provides useful information to management and investors about the amount of cash generated by the business after the purchases of plants, property, equipment and technology. Free cash flow should not be used as a substitute for the most comparable GAAP measure in assessing the company's liquidity for the periods presented. An analysis of any non-GAAP financial measure should be used in conjunction with results presented in accordance with GAAP. In the table that follows, free cash flow for each period presented is reconciled to net cash provided by operating activities.

	52-Week	52-Week	52-Week
(in thousands)	Period Ended	Period Ended	Period Ended
Free Cash Flow (Non-GAAP)	Oct. 29, 2017	Oct. 28, 2018	Jul. 28, 2019
Net cash provided by operating activities (GAAP)	\$ 1,034	\$ 1,242	\$ 1,071
Capital expenditures	(221)	(390)	(300)
Free Cash Flow (Non-GAAP)	\$ 813	\$ 852	\$ 771

**2017 Adjusted due to the adoption of Accounting Standards Update (ASU) 2016-09, Compensation - Stock Compensation: Improvements to Employee Share-Based Payment Accounting and ASU 2016-15, Statement of Certain Cash Receipts and Cash Payments*