Q1 2020 Performance Review

TASTE
OF HORMEL FOODS

> "The Sadler's Smokehouse acquisition perfectly aligns with our strategic initiative to **strengthen our position in foodservice** and gives us **another highly differentiated branded product line.**"
>
> Jim Snee, chairman of the board, president, and chief executive officer

Hormel Foods. Inspired People. Inspired Food.™

Q1 PERFORMANCE SUMMARY

ORGANIC VOLUME[1]	ORGANIC NET SALES[1]	DILUTED EPS
1.2B LBS	$2.4B	$0.45
+2%	+4%	+2%

LEADING BRANDS DRIVE STRONG ORGANIC[1] SALES GROWTH

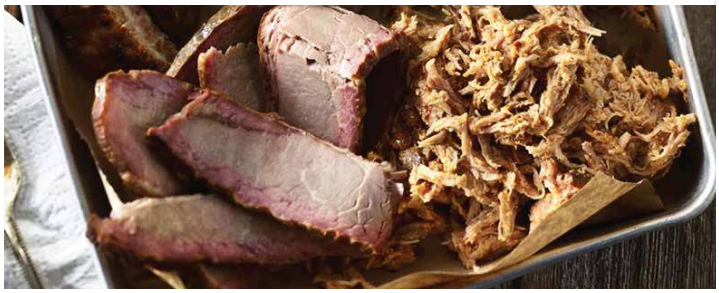
Applegate · Hormel Cure 81 · Wholly Guacamole · SPAM · Hormel Gatherings · Hormel Compleats · Fire Braised Meats · Justin's · Hormel Black Label Bacon · Herdez · Fontanini Una Bella Differenza · Refrigerated Entrées · Hormel Bacon 1

FY20 OUTLOOK REAFFIRMED

NET SALES	EPS
$9.5- $10.3B	$1.69- $1.83

HORMEL FOODS WELCOMES SADLER'S SMOKEHOUSE TO THE FAMILY

- Founded in 1948 in Henderson, Texas
- Product lines include authentic pit-smoked meats
- Purchase price of $270M; net of a $40M cash tax benefit, the effective purchase price was $230M
- Annual net sales, excluding sales to Hormel Foods, of $140M
- Acquisition expected to close in Q2



FY20 OUTLOOK

- Solid fundamentals across the Refrigerated Foods value-added businesses
- Momentum at Jennie-O Turkey Store as the business continues to regain lean ground turkey distribution and to benefit from supply chain improvements
- Continued investments in capacity and marketing to drive growth
- Market volatility related to the impact from African swine fever and coronavirus in Asia

[1]Organic volume and organic net sales exclude the volume and sales impact of the CytoSport divestiture. See the Q4 Press Release dated 11/26/2019 for the non-GAAP reconciliation.

This document contains forward-looking information based on management's current views and assumptions. Actual events may differ materially. Please refer to the cautionary statements regarding "Risk Factors" and "Forward-Looking Statements" that appear on pages 7-9 and 28 in the company's Form 10-K for the fiscal year ended October 27, 2019.

FOR MORE INFORMATION

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