Q2 2020 Performance Review

TASTE OF HORMEL FOODS

"I have the highest level of confidence that we have the **right strategy, sound fundamentals, best-in-class management** and the **financial strength** to **thrive** in this **dynamic marketplace.** I appreciate the work happening across all areas of our company and know we **will continue to do what is best** for our team members and customers."

Jim Snee, chairman of the board, president, and chief executive officer

Hormel Foods Inspired People. Inspired Food.

Q2 PERFORMANCE SUMMARY

ORGANIC VOLUME[1]	ORGANIC NET SALES[1]	DILUTED EPS
1.2B LBS	**$2.4B**	**$0.42**
+7%	**+6%**	**-9%[2]**

GENERATING STRONG AND STABLE CASH FLOWS TO MEET OUR CAPITAL NEEDS

CASH FLOW FROM OPERATIONS	OPERATING FREE CASH FLOW[1]
$360M	**$280M**
+102%	**+115%**

GROWING OUR BUSINESS BY INVESTING IN BRANDS CONSUMERS TRUST

"We know **consumers are looking for trusted brands,** and we **will continue investing in our leading brands** such as *SPAM®, SKIPPY®, Jennie-O®, Hormel® Natural Choice®* and *Applegate®*."

Jim Snee

SPAM® SKIPPY® Jennie-O® Hormel Natural Choice® Applegate®

[1]Organic volume and organic net sales exclude the volume and sales impact of the Sadler's acquisition and CytoSport divestiture. Operating free cash flow is calculated as cash provided by or used in operating activities from continuing operations (a GAAP measure) less capital expenditures. See the Q2 Press Release dated May 21, 2020 for the non-GAAP reconciliations.

[2]Comparison to adjusted diluted earnings per share in 2019 which excludes the one-time gain associated with the divestiture of the CytoSport business. See the Q2 Press Release dated May 21, 2020 for the non-GAAP reconciliations.

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 30-35 in the company's Form 10-Q for the fiscal quarter ended Jan. 26, 2020 in addition to a supplemental risk factor relating to the COVID-19 pandemic included in our Form 8-K filed on May 21, 2020.

KEEPING OUR TEAM MEMBERS SAFE

"**Employee safety** has been and will continue to be **our top priority** and this is why we **are committed** to making the necessary investments **to keep our team members safe.**"

Jim Snee

ACTIONS WE HAVE IMPLEMENTED ACROSS OUR FACILITIES

- Introduced our new awareness initiative called KEEP COVID OUT!
- Provided personal protective equipment for all plant team members
- Performed frequent disinfecting of high-touch areas
- Reconfigured common areas and workstations
- Performed temperature and wellness screenings
- Reduced production line speeds
- Revised shift scheduling
- Provided new guidelines on carpooling
- Expanded social distancing measures throughout each facility
- Provided remote work opportunities where possible
- Awarded $11 million in bonuses to all full- and part-time plant production team members

KEEP COVID OUT! Hormel Foods

NEAR-TERM BUSINESS DYNAMICS

- Strong demand for retail products and recovery in foodservice
- Uncertainty related to operational interruptions across the industry
- Volatile costs for many key inputs
- Higher operating costs due to the effects of COVID-19

FOR MORE INFORMATION

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