foods for the way we live 2015 Investor Day

Grocery Products

Jim Splinter
Group Vice President
Total Center of Store Food is a $172B Category

Five Year CAGR: + 2.1% in Dollars and + 0.2% in Units

Source: IRI TSV, Total U.S. MULO, Calendar Year (CY) Ending Periods
Selected Category Growth Trends

5 YR CAGR - Units
-3.6% - MEXICAN FOOD*
-2.4% - CANNED MEAT*
-1.8% - SOUP - CONDENSED
0.8% - PEANUT BUTTER

5 YR CAGR - Dollars
5.9% - 5 YR CAGR - Dollars
3.1% - MEXICAN FOOD*
2.4% - CANNED MEAT*
-1.4% - SOUP - CONDENSED
-1.5% - COLD CEREAL
-3.4% - MICROWAVE*

Source: IRI Market Advantage & TSV CY Periods 2009 – 2014  * = Hormel Custom Definitions
Financial Evolution

3Yr CAGR Net Sales 14% & Segment Profit 6%

<table>
<thead>
<tr>
<th>Grocery Products</th>
<th>% Net Sales Change to YrAgo</th>
<th>% Segment Profit Change to YrAgo</th>
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<tbody>
<tr>
<td>(Dollars in Millions)</td>
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<tr>
<td>2011</td>
<td>+ 2%</td>
<td>+ 4%</td>
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<tr>
<td>2012*</td>
<td>+ 10%</td>
<td>+ 12%</td>
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<tr>
<td>2013**</td>
<td>+ 30%</td>
<td>+ 18%</td>
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<tr>
<td>2014</td>
<td>+ 3%</td>
<td>- 9%</td>
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* MMX’s Don Miguel Foods revenues reported in Grocery Products  
** Hormel Foods acquisition of SKIPPY® peanut butter
Key Performance Targets

- Revenue Growth of 3%
- Brand Building & Innovation
- Segment Profit Growth of 6%
Adjusting To A Changing Consumer
Three Key Consumer Groups

**Millennials**
- Millennials CPG dollar volume share will grow 70%+ by 2020

**Hispanics**
- Hispanics forecasted to account for >50% of population growth from 2010 through 2020

**Value Shopper**
- Value Shopper: 2/3 of the population will remain economically concerned through 2020
Transparency, Relevancy and Authenticity

Multicultural On-the-go Healthy / Holistic
Innovation Hitting $3B X ‘16 Expectations

15% of sales are from products new to the division since 2000

Multicultural  On-the-go  Healthy / Holistic
Increased Baseline Marketing Support

Advertising Investment Levels*

CAGR + 6% vs. 2010

2010 2015

Data Source: Internal Reporting & Revenue Accounting

* = Includes MegaMex
• Effortless meal creativity
• Defines the category
• Iconic equity
Effortless meal creativity
Defines the category
Iconic equity

On-the-go
America’s #1 chili since 1936
Universal appeal
In & out of the bowl usage
Iconic brand equity
• #1 in single-serve, shelf-stable meals
• Delivering moments of satisfaction
• Established blue-collar adults
MegaMex Foods

Structure

- Headquartered in Orange, CA
- 5 locations worldwide
- 3,500 employees

Vision

Together Juntos

To bring the spirit of Mexico to every table
• Authentic
• Innovative
• Social engaged
• Solutions-focused
• Relevant / fun
• “Power food”
• Organic offerings
• Socially engaged
• Innovative
• Category leader
SKIPPY® is the PEANUT BUTTER that SPREADS SIMPLE FUN!

On-the-go

Healthy / Holistic
SKIPPY is the PEANUT BUTTER that SPREADS SIMPLE FUN!
Summary

• Performance target guidance of 3% topline and 6% bottom-line
• Division is adjusting to a changing consumer
• Managing the legacy core portfolio for modest growth
• Restructuring Microwave Meals with a renewed focus on core users
• Expect MegaMex to continue being our “growth engine”
• Executing our SKIPPY® strategic growth plan
The End