

TASTE

OF HORMEL FOODS

“Tax reform will have a **clear benefit** to all Hormel Foods stakeholders – our **shareholders**, our **employees**, and the **communities** where we operate.”

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



Q1 2018 PERFORMANCE SUMMARY

EARNINGS PER SHARE \$0.56	CASH FLOW FROM OPERATIONS UP 56%
TOTAL SALES \$2.3 BILLION	ORGANIC SALES ¹ GROWTH +1%

U.S. TAX REFORM IMPACTS

FISCAL 2018 EFFECTIVE TAX RATE 17.5%-20.5%	FULL YEAR CASH FLOW BENEFIT \$100M-\$140M	PROVIDES ADDITIONAL FUNDS TO GROW OUR BUSINESS
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FY18 OUTLOOK

SALES \$9.7 - \$10.1B	EARNINGS PER SHARE \$1.81 - \$1.95
CAPITAL EXPENDITURES OF APPROXIMATELY \$425M	DIVIDEND GROWTH OF +10% TO \$0.75 PER SHARE

FY18 OUTLOOK

- Addition of three strategic acquisitions
- Higher than expected freight expenses
- Continued oversupply in the turkey industry

ACQUISITION HIGHLIGHTS

 Enhances Our Deli Business	 A Great Complement to Hormel Foodservice	 Expands Our Global Presence
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OUR PATH FORWARD

- Evolving to a broader food company
- Expanding and accelerating foodservice
- Becoming a more global food company
- Reducing volatility and increasing balance
- Divesting non-strategic assets
- Modernizing our supply chain

¹ Refer to the comparison of U.S. GAAP to Non-GAAP financial measurements footnote and reconciliation table on page 6 of the Company's first quarter 2018 earnings release.

This document 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 Statement and Risks Factors on pages 31-35 in the Company's 2017 annual report to stockholders.

FOR MORE INFORMATION
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