Barclays Back-to-School Consumer Conference 2013

Jeff Ettinger
Chairman, President & CEO
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 and risk factors on pages 31-38 in the Company’s Form 10-Q filed June 7, 2013.
Industry Changes Since 2005

Food Companies that may have presented:

• Kraft Foods, Sara Lee, HJ Heinz, Ralcorp, Smithfield Foods, Wrigley, Del Monte Foods

Many changes with these food companies since then

Meanwhile, at Hormel Foods...
Innovation

NPD as % of Total Sales

- 21.0
- 22.3
- 23.9
- 25.9
- 30

2010 2011 2012 YTD 2013 2016 EST.

Hormel®
Natural Choice

Value-Added
Turkey

Convenient
Meals

Snacking &
Occasions

Strengthened strategic platforms and added new growth drivers

Strong Growth at Hormel Foods
Established Large Mexican Portfolio
Acquired & Integrated Several Businesses

Traditional Grocery Products

- Skippy
  - 2013

Mexican Product Portfolio

- Don Miguel
  - 2010
- Wholly Guacamole
  - 2011

Refrigerated Convenient Meals

- Lloyds
  - 2005
- Hormel Country Crock
  - 2010

Foodservice Solution Products

- Burke
  - 2007
Marketing Investment to Strengthen Brands
Expanded Our Presence Internationally

Asian focus

- Strong markets
  - Korea
  - Philippines
- New or developing markets
  - Japan
  - China

Fresh pork

- Targeted end-use customers
- Customized products to local tastes

Segment Earnings

- 2005: $10
- 2012: $50

SPAM® brand

Fresh pork
Capital Investment to Support Growth

Dubuque Plant

Compleats® Microwave Meals
- New cheesy pasta and breakfast items

Fremont Plant

SPAM® lines

REV® Snack Wrap Lines

Jennie-O Turkey Store

Tray pack line of products
Strong Growth at Hormel Foods

Sales

2005  $5.4B
2013* $8.7B

+ 6% CAGR

EPS

2005  $0.91
2013* $1.92

+ 10% CAGR

*Estimated Sales and EPS based on midpoint of guidance range
# Financial Report
## Third Quarter Results

<table>
<thead>
<tr>
<th>In millions except per share</th>
<th>FY 2013</th>
<th>FY 2012</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>$2,160</td>
<td>$2,008</td>
<td>+ 8%</td>
</tr>
<tr>
<td>Tonnage (lbs.)</td>
<td>1,189</td>
<td>1,159</td>
<td>+ 3%</td>
</tr>
<tr>
<td>Net earnings per share</td>
<td>$0.42</td>
<td>$0.41</td>
<td>+ 2%</td>
</tr>
</tbody>
</table>

- Record sales with all five segments contributing to growth
- Sales were a record even excluding the impact of *SKIPPY®*
Fiscal 2013 Guidance

• Maintained EPS Guidance Range of $1.88 to $1.96
  • Volatile grain and protein markets
    • These headwinds are expected to become tailwinds in Fiscal 2014

• Long-term growth goals
  • Sales growth of 5%
  • EPS growth of 10%
2013 Editor's Picks

- **Hormel® REV® wraps**
- **Herdez® bean and cheese dips**
- **Hormel® Natural Choice® cherrywood smoked ham deli meat and sun-dried tomato turkey deli meat**
- **Herdez® chile limon tortilla chips**
- **Farmer John® chicken sausages**
- **Wholly Guacamole® 100-calorie minis**
- **Herdez® Mexican Cooking Sauces**
A Leader in Exciting Mexican Category

MegaMex Foods Sales

In millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$209</td>
</tr>
<tr>
<td>*2013</td>
<td>$600</td>
</tr>
</tbody>
</table>

*Estimated sales based on internal data

Broad array of both authentic and mainstream Mexican products
SKIPPY® - Added an Iconic Brand

- Growing value-added non-meat protein
- #2 brand, #1 share in “Natural”
- Plug & Play
  - Operations, logistics, sales
- Extendible into other on-trend categories
International Growth Drivers

- **Pork**
- **SPAM® brand**
- **China**
- **SKIPPY® brand**

China closing expected by end of fiscal 2013
SKIPPY® Revenue Synergies in China

Future Growth Drivers

Retail
Cities 34
Distributors 51

Foodservice
Cities 32
Distributors 107

Retail
Cities 134
Distributors 128

Foodservice
Cities 156
Distributors 320

Expanded Growth
Strong Turkey Innovation

- Fresh Turkey Breakfast Sausage (Chubs)
- FESTIVE Seasoned Turkey Chubs
- Jalapeno Jack Turkey Burgers
- 8 oz Turkey Franks
- Turkey Breast Steaks
- Maple Turkey Bacon
- Grab + Go Turkey Pot Roast
- Turkey Meatloaf (Deli Prepared Foods)
- Turkey Bacon (12oz. + 5oz.)
- Turkey Breakfast Sausage (Fully Cooked, Refrigerated)
- Turkey Meatballs (Fully Cooked, Refrigerated)
Improving Macro Conditions in Turkey

- Grain markets
- Commodity turkey
  - Supply/demand balance

**Nearby Corn Futures**

**Poult Placed (U.B.)**

In millions

- 2012
- 2013
Protein Snacks Are On Trend
Hormel® REV® Snack Wraps

- 37% of food is eaten “on the go”
- 8 of 10 fastest growing foods are eaten cold
- 90% of snacks are eaten during an activity
Strong Foodservice Innovation

“Delicious efficiency in a box”
• Saves labor and prep time
• Improves consistency and quality
Positioning Legacy Products for Growth

- New flavors
- *SPAM®* singles

- Reformulated
- New flavors
- New packaging

- Consumer driven physical attributes
Liquidity for Growth

- Strong cash flow
  - 2012: $385 million
- Low debt to equity: 8.3% as of 3Q13
  - Zero net debt
  - $2B debt capacity
Dividend History

+ 13% CAGR

$0.37

$0.60

$0.68

08 09 10 11 12 13

CONSECUTIVE YEARS of Dividend Increases
A Strong Track Record of Growth

Net Sales

In millions

$10,000
$8,000
$6,000
$4,000
$2,000
0

82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 00 01 02 03 04 05 06 07 08 09 10 11 12

Compound Annual Growth Rates

30 Year CAGR = 6%
20 Year CAGR = 6%
10 Year CAGR = 8%
5 Year CAGR = 6%
A Strong Track Record of Growth

Earnings Per Share

Compound Annual Growth Rates

- 30 Year CAGR = 13%
- 20 Year CAGR = 9%
- 10 Year CAGR = 11%
- 5 Year CAGR = 11%
Thank you!

Barclays Back-to-School Consumer Conference 2013