Jim Snee
President and CEO

28 Years with Hormel Foods

Hormel Foods Career History
Oct 2016: President and Chief Executive Officer
Oct 2015: President and Chief Operating Officer
2012: Group Vice President, Hormel Foods International
2008: Vice President, Affiliated Foods
2006: Director of Purchasing
1996: Regional Manager, Foodservice Group

Favorite Hormel Foods Products

Skippy Peanut Butter
Black Label Original Bacon
Muscle Milk
Hormel Foods
A Long-Term Growth Story

Jim Snee
President and
Chief Executive Officer
Agenda

Steve Binder  
8:50 – 9:10

Tom Day  
9:10 – 9:35

Jeff Baker  
9:35 – 9:55

Q&A  
9:55 – 10:00
Agenda

Don Kremin
12:30 – 12:50

Larry Vorpahl
12:50 – 1:10

Jim Splinter
1:10 – 1:30

Q&A
1:30 – 1:35
Agenda

Jim Sheehan
1:35 – 1:50

Jim Snee
1:50 – 2:00

Final Q&A
2:00 – 2:15
Hormel Foods
The Path Forward

1. Evolving to a Broader Food Company
2. Expanding and Accelerating Foodservice
3. Becoming a More Global Food Company
4. Reducing Volatility & Increasing Balance
5. Divesting Non-Strategic Assets
6. Modernizing our Supply Chain
Evolving to a Broader Food Company

Meat Protein Company

+ Non-Meat Protein

Flavor Enhancers
Expanding and Accelerating Foodservice
Becoming A More Global Food Company

Recreating the U.S. Model Globally

1. #1 or #2 Brands
2. Product Mix – Shelf Stable & Perishable
3. Channel Mix – Foodservice & Retail
4. No Vertical Integration

China Capacity

At Full Production Capacity

Approximately 160M

Approximately 80M

2016 Actual

+2x
Reducing Volatility & Increasing Balance

Reducing Volatility By:

1. Continuing to shift our mix to value-added products
2. Fewer commodity sales
3. Expanding our portfolio of raw materials
Portfolio Management
Divesting Non-Strategic Assets

$750M ANNUAL SALES DIVESTED
70 BPS IMPROVEMENT IN OPERATING MARGIN AFTER DIVESTITURES

Internal data
Modernizing Our Supply Chain

- More than 30 production facilities
- More than 10,000 SKUs
- More than 10,000 supply items
- Best of the Best
- Simplify
- Modernize
- Optimize
- Rationalize

Internal data
2020 Margin Goal
A Logical Progression

1. Evolving to a Broader Food Company
2. Expanding and Accelerating Foodservice
3. Becoming a More Global Food Company
4. Reducing Volatility & Increasing Balance
5. Divesting Non-Strategic Assets
6. Modernizing our Supply Chain

Internal data
Non-Negotiables
In the Path Forward

STRONG BALANCE SHEET
HIGH RETURN ON INVESTED CAPITAL
CONSECUTIVE DIVIDEND INCREASES
Hormel Foods
The Path Forward

Jim Snee
President and
Chief Executive Officer