

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): August 28, 2019

**PILGRIM'S PRIDE CORPORATION**

(Exact Name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**1-9273**  
(Commission File Number)

**75-1285071**  
(IRS Employer Identification No.)

**1770 Promontory Circle**  
**Greeley CO**  
(Address of principal executive offices)

**80634-9038**  
(Zip Code)

Registrant's telephone number, including area code: **(970) 506-8000**

**Title of each class**  
Common Stock, Par Value \$0.01

**Trading Symbol**  
PPC

**Name of Exchange on Which Registered**  
The NASDAQ Stock Market LLC

**Not Applicable**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 7.01 Regulation FD Disclosure.**

On August 28, 2019, Pilgrim's Pride Corporation (the "Company") issued a press release announcing the entering into a contract to acquire Tulip Limited, a leading, integrated prepared foods supplier with 12 fresh and value-added operations in the United Kingdom, from Danish Crown. In addition, the Company has attached a slide presentation containing certain information relating to the proposed acquisition to be referenced during the Company's conference call of August 28, 2019, as described below. The press release and the slides are furnished herewith as Exhibits 99.1 and 99.2, respectively.

The Company will host a conference call and webcast today, Aug. 28 at 9 a.m. ET to discuss the transaction.

To access the conference call, please dial 1-844-883-3889 from the U.S. or 1-412-317-9245 from outside the U.S. Supporting materials, as well as a link to an audio webcast of the conference call, will be available in the investor section of the Company's website at [www.pilgrims.com](http://www.pilgrims.com) under "Events." Please note that to submit a question to management during the call, you must be logged in via telephone. Replays of the conference call can be accessed by dialing 1-877-344-7529 from the U.S. or 1-412-317-0088 from outside the U.S. The replay confirmation code is 10134608. A replay will be available on Pilgrim's website approximately two hours after the call concludes and can be accessed through the "Investor" section of [www.pilgrims.com](http://www.pilgrims.com).

The information furnished in Item 7.01 and in Exhibits 99.1 and 99.2 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any of the Company's filings under the Securities Act of 1933, as amended, or the Exchange Act.

**Item 9.01 Financial Statements and Exhibits.**

[Exhibit 99.1](#) Press release dated August 28, 2019.

[Exhibit 99.2](#) Investor presentation dated August 28, 2019.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PILGRIM'S PRIDE CORPORATION

Date: August 28, 2019

/s/ Fabio Sandri  
Fabio Sandri  
Chief Financial Officer

FOR IMMEDIATE RELEASE

**PILGRIM'S TO ACQUIRE TULIP LIMITED,  
CREATING INTEGRATED PREPARED FOODS LEADER IN EUROPE**

£290M acquisition increases portfolio diversity across the UK

Expands prepared foods portfolio to 21 percent of global sales

Company to host conference call today at 9 a.m. ET

GREELEY, Colo., and RANDERS, Denmark, August 28, 2019 – Pilgrim's Pride Corporation (Nasdaq: PPC) ("Pilgrim's" or the "Company") today announced that it has signed a contract to acquire Tulip Limited, a leading, integrated prepared foods supplier with 12 fresh and value-added operations in the United Kingdom, from Danish Crown. The transaction solidifies Pilgrim's as a leading European food company, creating one of the largest integrated prepared foods businesses in the UK with a portfolio of brands and retail private label solutions.

The transaction, unanimously approved by Pilgrim's Board of Directors and funded with cash on hand, values Tulip Limited at £290 million (or approximately \$354 million based on a 1.22 exchange rate as of August 27, 2019). The purchase amount represents 5.4x implied expected EBITDA.

"We are pleased to strengthen our European foods platform with the acquisition of Tulip Limited, which positions Pilgrim's as a leading global prepared foods player," said Jayson Penn, Pilgrim's global chief executive officer. "The transaction represents the logical next step in our evolution to expand our geographical footprint, enhance our value-added portfolio and reduce volatility across our business with a more stable margin profile. Tulip Limited's integrated production platform, consumer ready innovation capabilities, well-invested assets, established customer relationships and strong leadership team will solidify Pilgrim's platform for growth in the attractive UK market."

"We welcome the talented Tulip Limited team members and management team, led by Andrew Cracknell, to the Pilgrim's family, and we look forward to working together to drive growth and deliver value for our stakeholders," Penn continued.

"Pilgrim's is acquiring an industry-leading farming operation, a strong team of dedicated people and a network of well-invested manufacturing sites," said Andrew Cracknell, CEO of Tulip Limited. "Our companies share a rich heritage in agriculture and food production with aligned values that put people and customers at the heart of all we do. The Tulip Limited leadership team and I look forward to working with our new colleagues to build upon the fantastic progress made within the business and realise our combined growth opportunities as we enter an exciting new phase."

Tulip Limited, like Pilgrim's, has a long heritage in agriculture and protein production. The company is the largest pig producer in the UK, with nearly £1 billion in annual sales and more than 6,000 team members. Tulip Limited provides a variety of high-quality, innovative products to retail and foodservice customers, utilizing an integrated supply chain with accountability and traceability.

"Pilgrim's is already strongly positioned within the UK chicken market and would like to strengthen its position within the market for pork. On our part, we want to simplify our UK business. Going forward we will supply Danish pork to Pilgrim's, so all in all the transaction holds out interesting perspectives for both parties," said Jais Valeur, Group CEO of Danish Crown.

Under terms of the agreement, Danish Crown will continue to supply Danish pork to Tulip Limited under a long-term supply agreement, allowing Tulip Limited to continue to provide the highest quality products from continental European producers to customers and consumers.

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## Financing

The transaction will be funded entirely by Pilgrim's cash on hand. Pilgrim's believes that its strong cash flow generation and the additional cash flow resulting from the acquisition will allow the company to maintain its strong credit profile while providing ample free cash flow for delivering and facilitating further strategic acquisitions. Considering the company's strong cash flow generations in Q3 and Q4, after the close of the transaction Pilgrim's expects leverage to be below 2x.

## Conference Call Information

Pilgrim's will host a conference call and webcast today, Aug. 28 at 9 a.m. ET to discuss the transaction.

To access the conference call, please dial 1-844-883-3889 from the U.S. or 1-412-317-9245 from outside the U.S. Supporting materials, as well as a link to an audio webcast of the conference call, will be available in the investor section of Pilgrim's website at [www.pilgrims.com](http://www.pilgrims.com) under "Events." Please note that to submit a question to management during the call, you must be logged in via telephone. Replays of the conference call can be accessed by dialing 1-877-344-7529 from the U.S. or 1-412-317-0088 from outside the U.S. The replay confirmation code is 10134608. A replay will be available on Pilgrim's website approximately two hours after the call concludes and can be accessed through the "Investor" section of [www.pilgrims.com](http://www.pilgrims.com).

## About Pilgrim's

Pilgrim's employs more than 51,400 people and operates chicken processing and prepared foods facilities in 14 U.S. states, Puerto Rico, Mexico, the U.K. and continental Europe. The company's primary distribution is through retailers and foodservice distributors. For more information, please visit [www.pilgrims.com](http://www.pilgrims.com).

## About Danish Crown

The Danish Crown group is among the world's largest pork exporters and is Europe's largest pork processor. Danish Crown is also among the largest meat processing companies in Europe. The company was founded in 1887 as a cooperative and the ownership still belongs to approximately 7,000 Danish farmers.

## About Tulip Limited

Tulip Limited employees more than 6,000 people and provides a wide range of innovative, quality meat products to the retail and foodservice sectors. The company is the country's largest pig producer and operates 12 production facilities throughout the UK.

## CONTACT:

### **Pilgrim's Pride**

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**Pilgrim's Acquires Tulip UK**  
August 28, 2019

Pilgrim's Pride Corporation  
(NASDAQ: PPC)

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# Cautionary Notes and Forward-Looking Statements

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- Statements contained in this presentation that share our intentions, beliefs, expectations or predictions for the future, denoted by the words “anticipate,” “believe,” “estimate,” “should,” “expect,” “project,” “plan,” “imply,” “intend,” “foresee” and similar expressions, are forward-looking statements that reflect our current views about future events and are subject to risks, uncertainties and assumptions. Such risks, uncertainties and assumptions include the following matters affecting the chicken industry generally, including fluctuations in the commodity prices of feed ingredients and chicken; actions and decisions of our creditors; our ability to obtain and maintain commercially reasonable terms with vendors and service providers; our ability to maintain contracts that are critical to our operations; our ability to retain management and other key individuals; certain of our reorganization and exit or disposal activities, including selling assets, idling facilities, reducing production and reducing workforce, resulted in reduced capacities and sales volumes and may have a disproportionate impact on our income relative to the cost savings; risk that the amounts of cash from operations together with amounts available under our exit credit facility will not be sufficient to fund our operations; management of our cash resources, particularly in light of our substantial leverage; restrictions imposed by, and as a result of, our substantial leverage; additional outbreaks of avian influenza or other diseases, either in our own flocks or elsewhere, affecting our ability to conduct our operations and/or demand for our poultry products; contamination of our products, which has previously and can in the future lead to product liability claims and product recalls; exposure to risks related to product liability, product recalls, property damage and injuries to persons, for which insurance coverage is expensive, limited and potentially inadequate; changes in laws or regulations affecting our operations or the application thereof; new immigration legislation or increased enforcement efforts in connection with existing immigration legislation that cause our costs of business to increase, cause us to change the way in which we do business or otherwise disrupt our operations; competitive factors and pricing pressures or the loss of one or more of our largest customers; currency exchange rate fluctuations, trade barriers, exchange controls, expropriation and other risks associated with foreign operations; disruptions in international markets and distribution channels; and the impact of uncertainties of litigation as well as other risks described herein and under “Risk Factors” in the Company’s Annual Report on Form 10-K filed with the Securities and Exchange Commission (the “SEC”).
- Actual results could differ materially from those projected in these forward-looking statements as a result of these factors, among others, many of which are beyond our control. In making these statements, we are not undertaking, and specifically decline to undertake, any obligation to address or update each or any factor in future filings or communications regarding our business or results, and we are not undertaking to address how any of these factors may have caused changes to information contained in previous filings or communications. Although we have attempted to list comprehensively these important cautionary risk factors, we must caution investors and others that other factors may in the future prove to be important and affecting our business or results of operations.
- This presentation may include information that may be considered non-GAAP financial information as contemplated by SEC Regulation G, Rule 100, including EBITDA, Adjusted EBITDA, LTM EBITDA, Net Debt, Free Cash Flow, Adjusted EBITDA Margin and others. Accordingly, we have provided tables in the accompanying appendix and in our previous filings with the SEC that reconcile these measures to their corresponding GAAP-based measures and explain why these measures are useful to investors, which can be obtained from the Consolidated Statements of Income provided with our previous filings with the SEC. Our method of computation may or may not be comparable to other similarly titled measures used in filings with the SEC by other companies. See the consolidated statements of income and consolidated statements of cash flows included in our financial statements.



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# Presenters

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Jayson Penn

*Chief Executive Officer, Pilgrim's Pride*

Fabio Sandri

*Chief Financial Officer, Pilgrim's Pride*



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# Pilgrim's & Tulip Together: Strategic and Financial Rationale

## Transaction Terms

- Values Tulip Limited at £290 Million (~\$354 Million based on a 1.22 exchange rate)

## Valuation and Financing

- Implied Expected EBITDA multiple of 5.4x<sup>(1)</sup>, including potential synergies
- Pilgrim's Pride Corporation intends to fund the acquisition with cash on hand
  - PPC net leverage at Q2 2019 was 2.1x and considering cash on hand, plus cash flow before closing, leverage would be below 2x

## Transaction Benefits

- Creates one of the clear leaders in the protein and prepared foods sector in UK
- Enhances stability of margin structure
- Strengthens portfolio of brands and value-added innovation capabilities
- Creates Platform for growth in European and global markets

## Timing and Approvals

- Transaction is subject of customary due diligence and approvals from governmental authorities

1. Assumes expected profitability of £54MM (\$65 million) per year after 2 year, or 5.7% EBITDA margins, based on comparable portfolio companies



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# Tulip and Pilgrim's – A Leading Protein and Prepared Foods Platform

Revenues - GBPM



Based on oc&c top 150 index and public figures  
MoyPark based on last 12 months and Tulip expected revenues



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# Creates Significant Value for Pilgrim's Shareholders

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-  **Increases Diversification**
  - Provides further geographic and product diversification in the European market
  - Platform for growth in Europe and its export destinations
-  **Improves Earnings Stability**
  - Mitigated commodity exposure as a portion of sales are on long-term relationships
  - Integration with raw material
-  **Strong Value-Add Portfolio**
  - Expansion of prepared foods portfolio with addition of high value-added capabilities
  - Differentiated products further reduce pure commodity exposure
-  **Sharing of Innovation and Best Practices**
  - Share best practices, operational excellence and management expertise
-  **Value Creation**
  - Significant synergy and portfolio growth opportunities
-  **Capital Structure**
  - Pilgrim's strong cash flow generation and the additional cash flow resulting from the acquisition will allow the Company to maintain its strong balance sheet
  - Pro forma leverage facilitates continued financial flexibility



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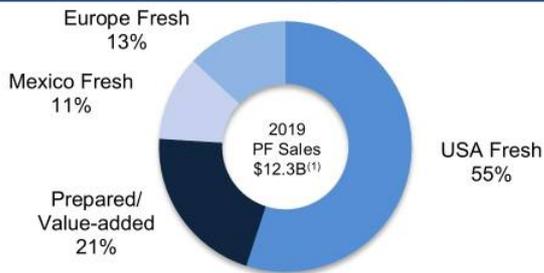
# Enhances Diversification and Capabilities

Acquisition furthers **Pilgrim's** strategy of expanding into new categories and increases value add capabilities

Pro Forma Sales by Geography



Pro Forma Sales by Product<sup>(2)</sup>



Pro Forma Synergized EBITDA

\$ in millions



Note: GBP converted to USD at the constant currency rate of [1.22].

1. Annualized sales based on 2019 sales. Pro forma sales comprised of \$11,133 mm from Pilgrim's Pride and \$1,159mm (£950mm) from Tulip.
2. "Prepared" includes USA, Mexico and Moy Park prepared Chicken as well as 39% of Tulip pro-forma sales
3. Assumes expected profitability of 5.7% EBITDA (per year after 2 years, based on comparable portfolio companies) on sales of £950MM at Exchange Rate of 1.22X.
4. Q2 2019 LTM EBITDA as of June 30, 2019

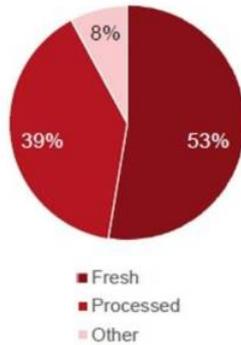


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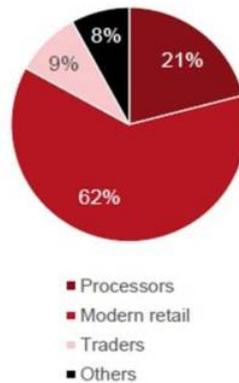
# Delivers Best-in-Class and Highly Integrated Capabilities

- ✓ £950 Million in sales
- ✓ 8 added-value processing facilities
- ✓ 4 fresh processing facilities
- ✓ Highly integrated, well invested, comprehensive product platform
- ✓ Focus on provenance and UK origin – key driver in UK retail market
- ✓ 6,100 team members

Total sales per category



Sales per channel



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# Adds Attractive Portfolio with a Broad Product and Customer Mix

## Brands:



Owned brand



Unlimited right to use in UK



Owned brand



Owned brand



Owned brand



Owned brand

**PRIVATE LABEL**

Primary Tulip revenue source

## Product categories:



### Fresh Pork

UK's leading fresh pork producer, supplying everything from primary cuts to added value pork and pork ribs. fully integrated supply chain



### Bacon

State-of-the-art facilities based in Cornwall, produces a large proportion of the UK's bacon products



### Sausages

One of UK's largest producers of sausages



### Cooked meats

One of UK's largest manufacturer and supplier of sliced meats, including pre-packed meats, sandwich meats and deli counter meats



### Canned goods

Supplier of hot & cold canned goods for the UK market



### Snacking

Delivery of a multitude products, from cooked sausages to black pudding, pulled pork balls, meat balls and chicken kiev bites

## Channels:

### Wholesale

Delivery of fresh and frozen pork to wholesale businesses across the UK.

### Retail Private

Producing over different own products for the UK's leading retailers

### Select customers:

Waitrose

Morrisons

ALDI

co op

Sainsbury  
TESCO

### Other business channels:

#### Foodservice Solutions

Cooperation with wholesale sector, caterers, foodservice operatives to develop products and ingredients for recipes

#### Business to Business

support and product expertise to food manufacturers

#### Exports

From Europe, Africa and Asia to markets such as China, US and the Middle East



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# Provides Significant Synergy and Growth Opportunities

## PROVEN HISTORY OF EFFICIENT INTEGRATION

Pilgrim's has a history of successfully identifying and rapidly realizing synergy opportunities

- ✓ Synergies realized in Mexico post-integration exceeded original target and the acquired asset is performing at the same level as the legacy
- ✓ Synergies realized at GNP exceeds the initial target
- ✓ Synergies identified at Moy park exceeds the initial target of \$50mm

## UNIQUE OPPORTUNITY OF INNOVATION AND EFFICIENCY

### OPERATIONAL EXCELLENCE

### UNIQUE RESULT-ORIENTED CULTURE

### SOURCING

### VALUE CHAIN EFFICIENCY

### SG&A

### FOCUS ON KEY CUSTOMERS AND DISCIPLINE

- Production efficiencies
- Zero Based Budgeting
- Product portfolio expansion
- Long expertise in Organic and sustainable production
- Optimization of sourcing
- Global management of feed sourcing
- Leverage marketing and sales infrastructure
- Accelerate Innovation for Key customers
- Back-office and system integration

Increase value for Retailers and Foodservice customers, with portfolio expansion and innovation capabilities



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# Tulip Squarely Aligns with Pilgrim's Strategic Priorities

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Combination creates a stronger, more diverse and safer global leader



Enhances existing relationships with key customers across retail and foodservice channels in Europe



Commitment to innovation, sustainability and growth



Best-in-class operational platform with synergy upside from benchmarking and cross-learning opportunities



Strengthens global portfolio of business



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# Q&A



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# Appendix: Reconciliation of LTM EBITDA

The summary unaudited consolidated income statement data for the twelve months ended June 30, 2019 (the LTM Period) have been calculated by subtracting the applicable unaudited consolidated income statement data for the six months ended July 1, 2018 from the sum of (1) the applicable unaudited consolidated income statement data for the year ended December 30, 2018 and (2) the applicable audited consolidated income statement data for the six months ended June 30, 2019.

## PILGRIM'S PRIDE CORPORATION Reconciliation of LTM Adjusted EBITDA

(Unaudited)	Thirteen Weeks Ended September 30, 2018	Thirteen Weeks Ended December 30, 2018	Thirteen Weeks Ended March 31, 2019	Thirteen Weeks Ended June 30, 2019	LTM Ended June 30, 2019
	(In thousands)				
Net income	\$ 29,463	\$ (8,227)	\$ 84,125	\$ 170,080	\$ 275,441
Add:					
Interest expense, net	31,093	33,765	30,222	30,150	125,230
Income tax expense	30,848	(20,944)	20,416	75,547	105,867
Depreciation and amortization	71,027	66,975	67,182	71,348	276,532
EBITDA	162,431	71,569	201,945	347,125	783,070
Add:					
Foreign currency transaction losses (gains)	(6,711)	19,962	2,636	2,260	18,147
Acquisition charges	16	—	—	—	16
Restructuring activities	257	2,584	(27)	(43)	2,771
Other nonrecurring losses and expenses	164	16,023	—	—	16,187
Minus:					
Net income (loss) attributable to noncontrolling interest	153	(903)	114	12	(624)
Adjusted EBITDA	\$ 156,004	\$ 111,041	\$ 204,440	\$ 349,330	\$ 820,815

Source: PPC



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