



Financial Results for Third Quarter Ended September 24, 2017

Pilgrim's Pride Corporation
(NASDAQ: PPC)

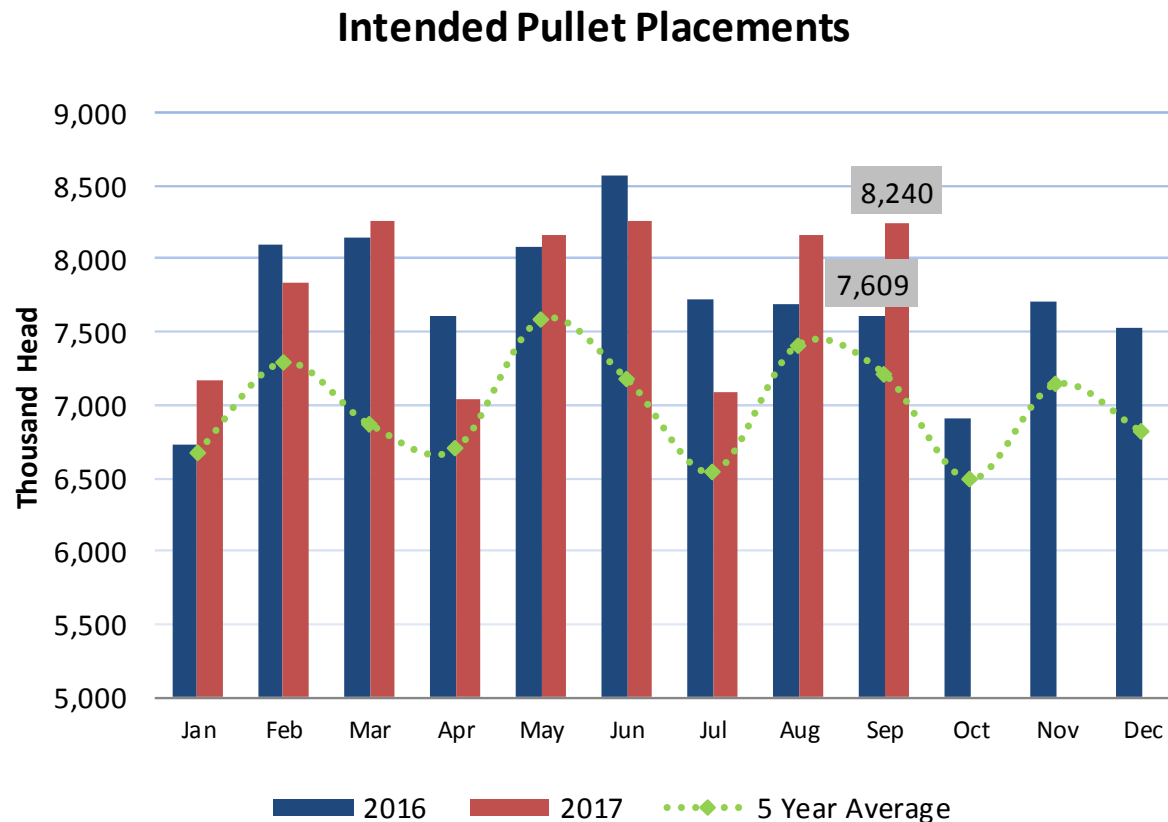
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Cautionary Notes and Forward-Looking Statements

- 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..



2017 Pullet Placements Flat YTD



- Pullet placements are flat indicating modest potential production growth for the remainder of 2017 and into 2018.

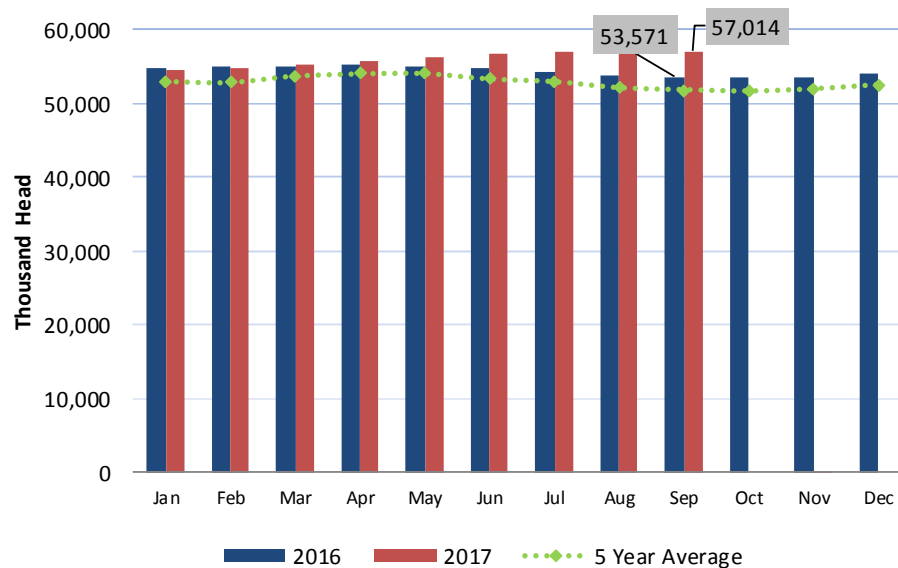


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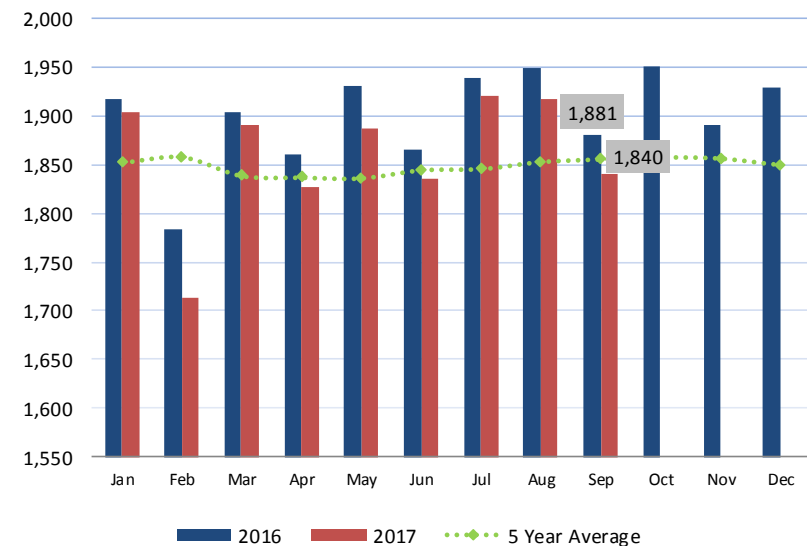
Source: USDA

Decline in Egg Productivity Offsetting Layer Growth

Broiler Type Hatching Layers



Egg Production Per 100 Layers



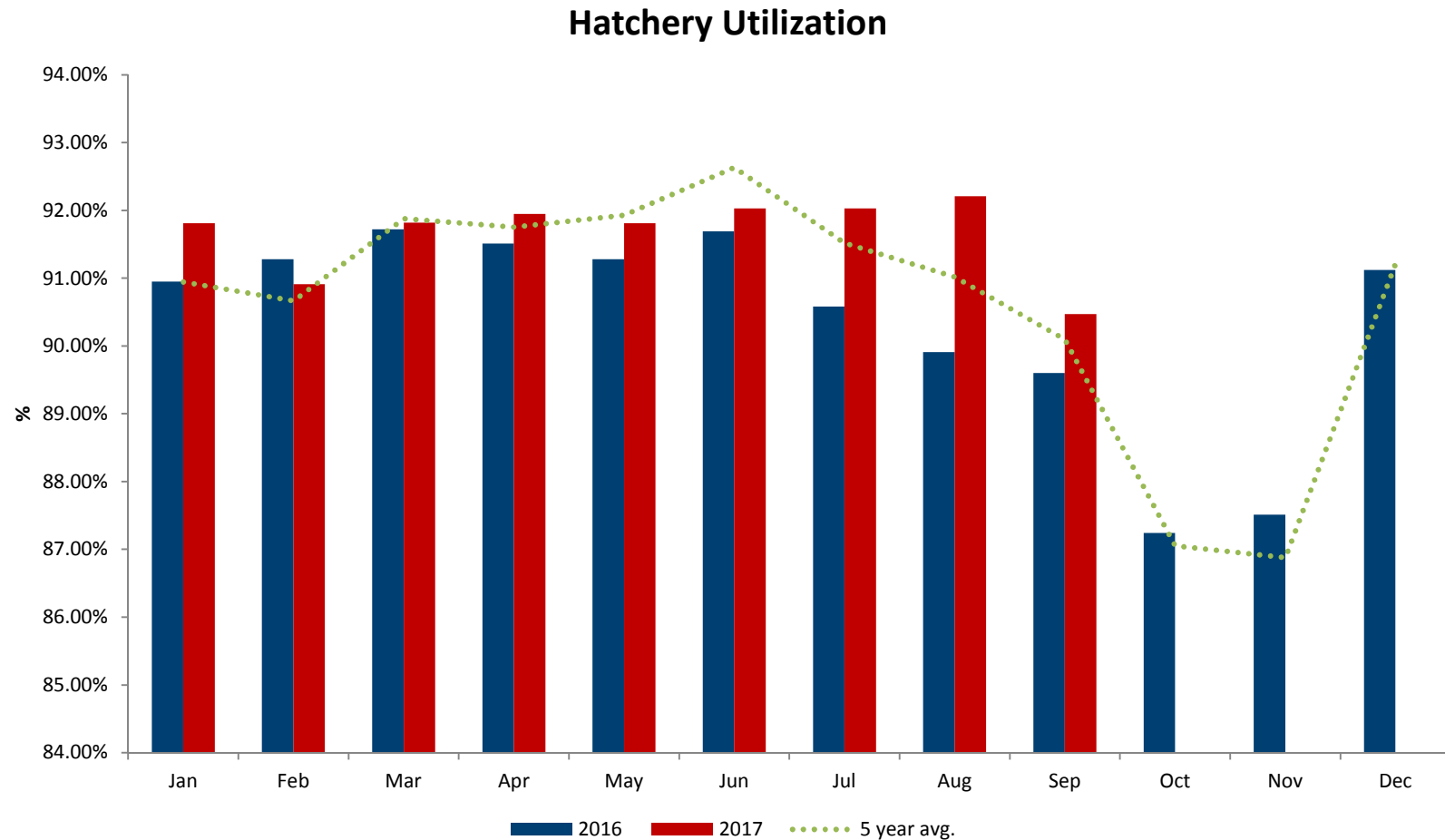
- Hatching layers are up to counter less productive new breed and older flock, both of which generate fewer eggs per bird.



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Source: USDA

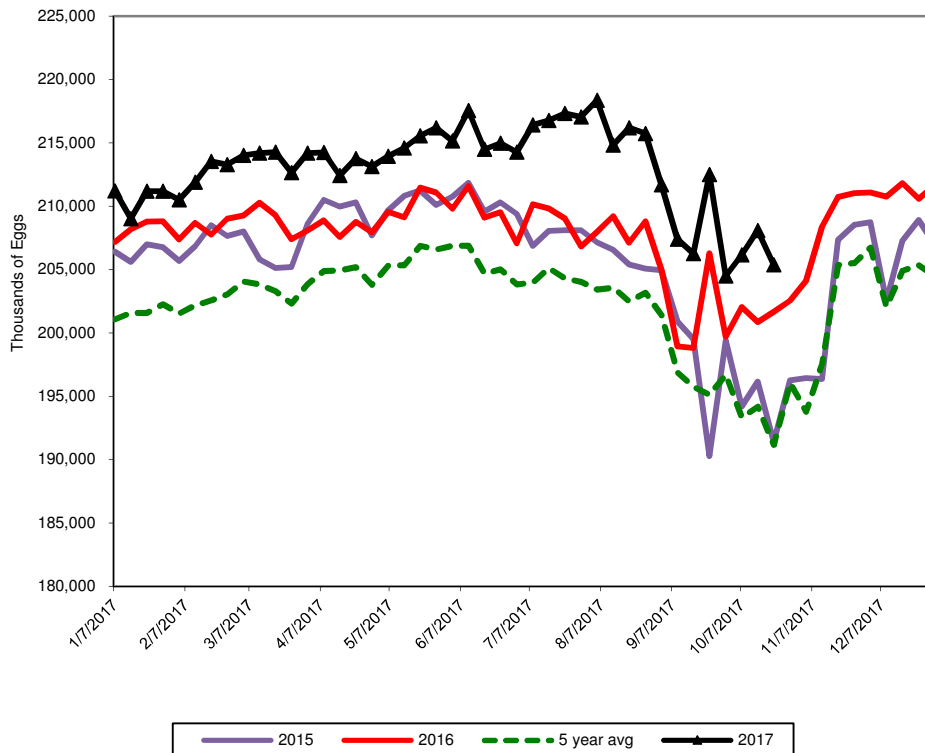
Hatchery Utilization Remains Close to Peak Levels



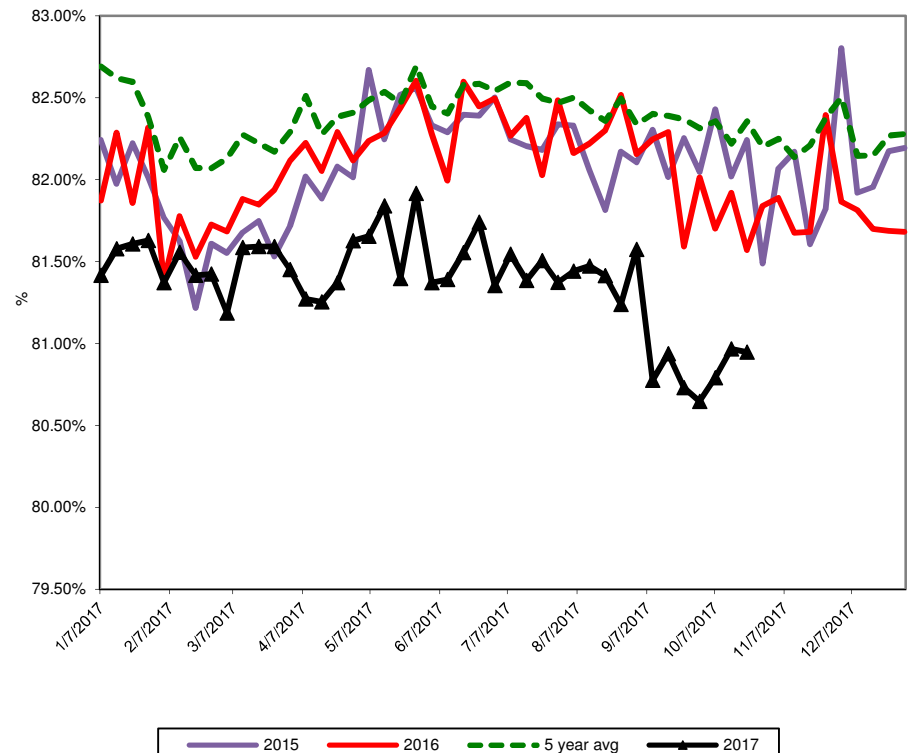
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Lower Hatchability Reduces Impact of +2.7% YTD Egg Sets

Chicken Egg Sets
by Week - USDA



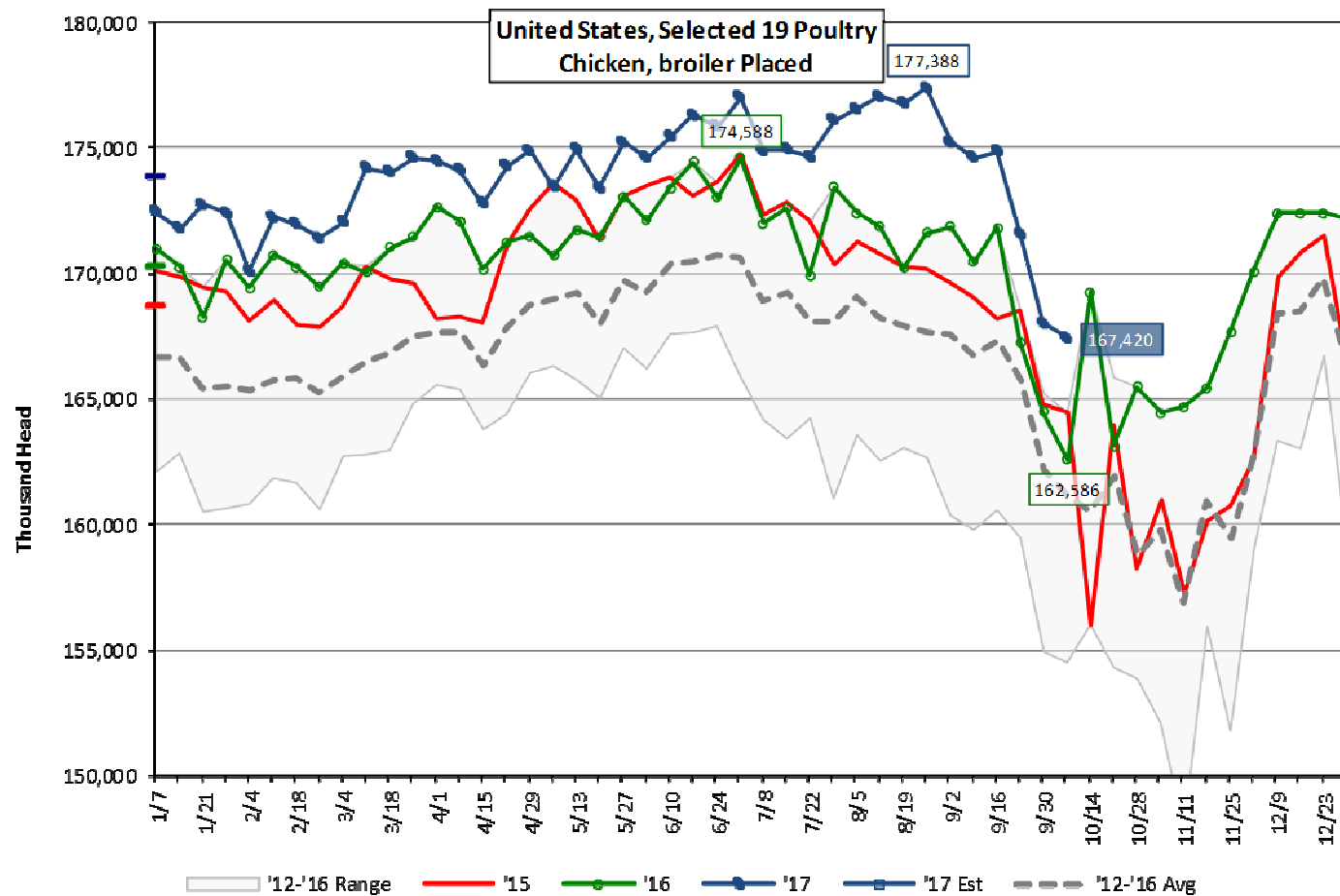
Chicken Hatchability
by Week - USDA



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Source: USDA

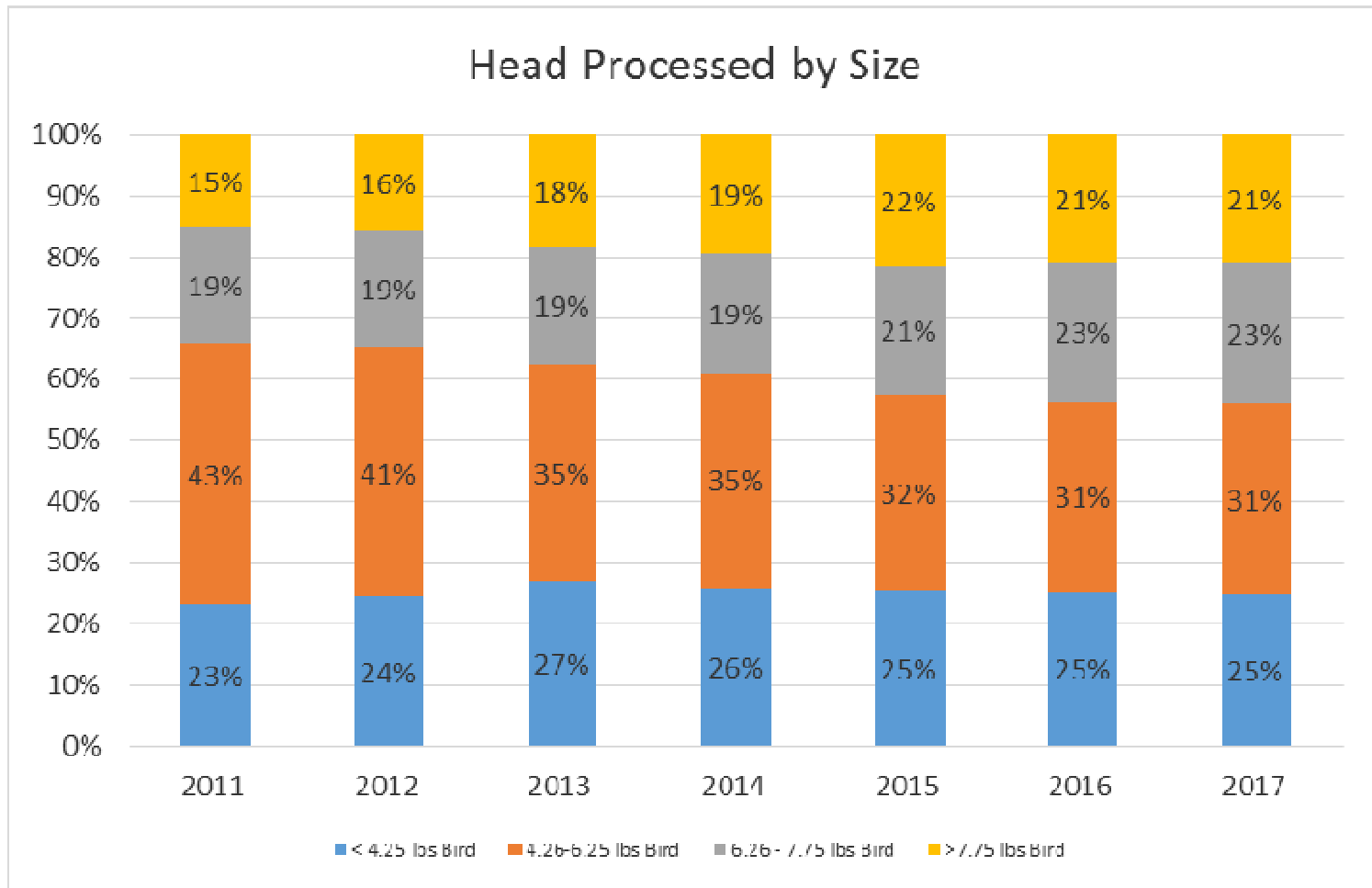
2017 Chick Placements Modestly Higher



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Source: USDA

Avg Weight Trending Down; Jumbo Bird Share Not Growing After Significant Increase Since 2011



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Source: USDA

Hurricane Impacting Cold Storage Inventories

Chicken Cold Storage



Part	Sep-16	Sep-17	% Change
Broilers	22,290	23,016	3.3%
Hens	11,449	6,565	-42.7%
Breast Meat	149,732	169,594	13.3%
Drumsticks	17,645	24,125	36.7%
Leg Quarters	133,031	131,206	-1.4%
Legs	12,577	19,549	55.4%
Thighs	10,551	9,741	-7.7%
Thigh meat	19,859	17,145	-13.7%
Wings	90,373	66,919	-26.0%
Paws and feet	20,104	22,727	13.0%
Other	281,473	332,778	18.2%
Total Chicken	769,084	823,365	7.1%

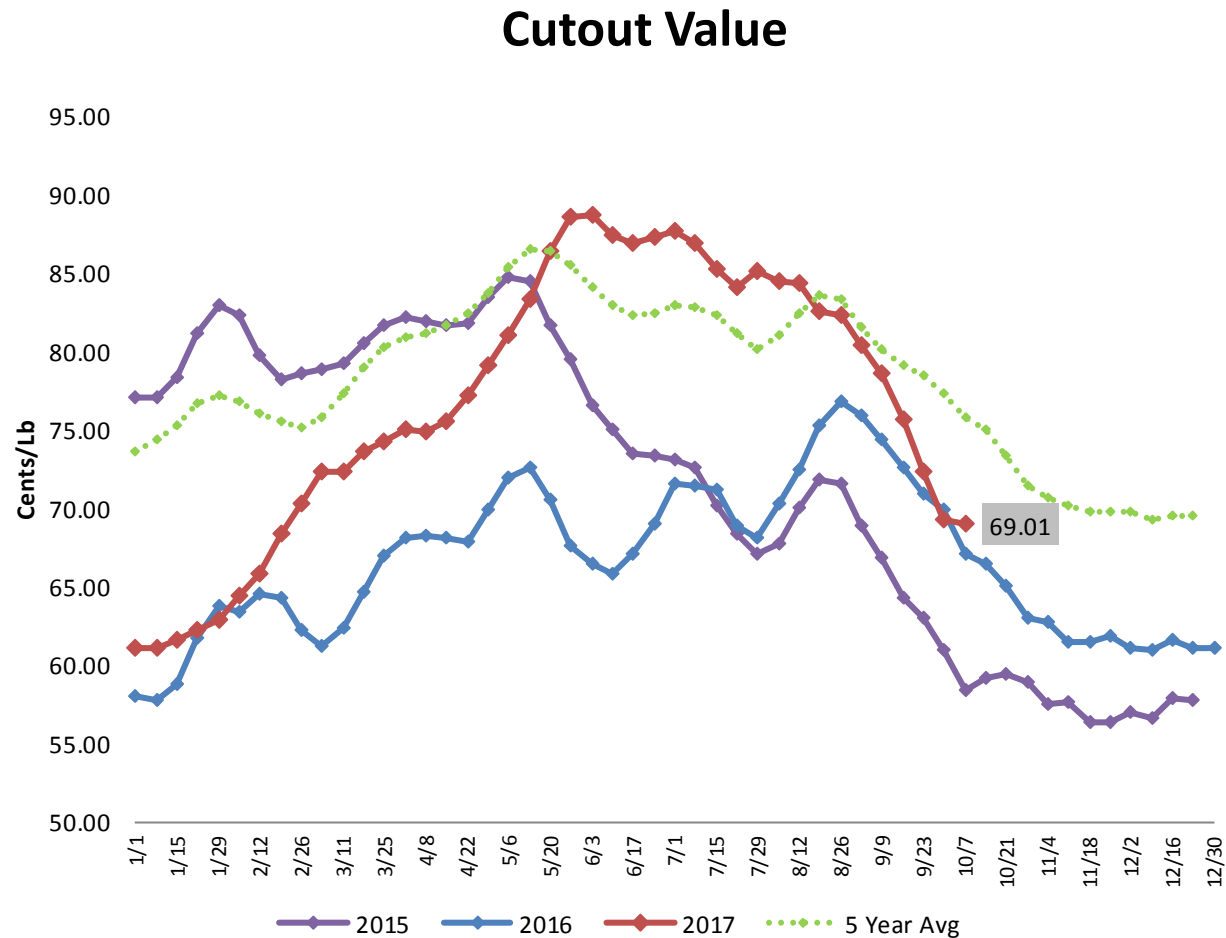
- Overall inventories rose in September due temporary reduction in demand because of hurricane-related logistical issues.



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Source: USDA

After Strong Grilling Season, Cutout Values Moving Closer to Seasonal Trends

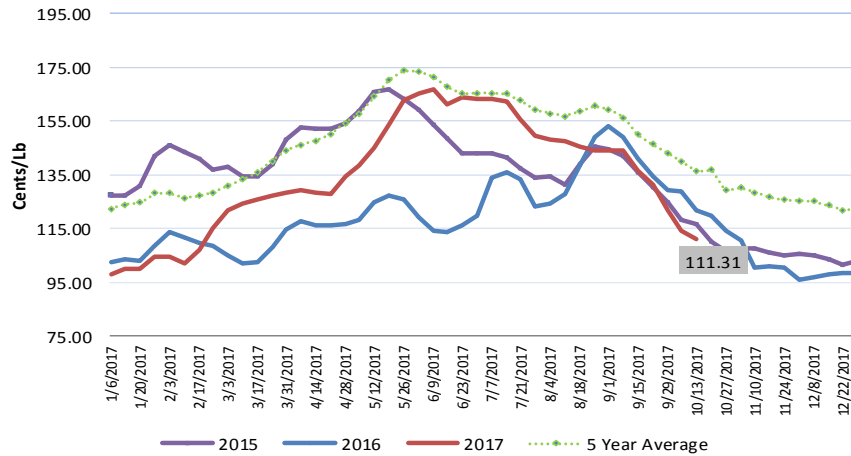


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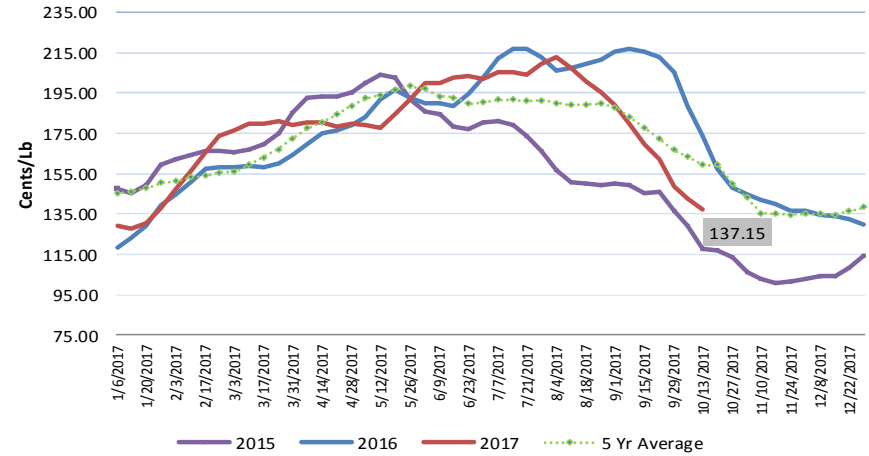
Source: PPC

Wings Counter-seasonally Strong, Other Parts Tracking to 5-year Average

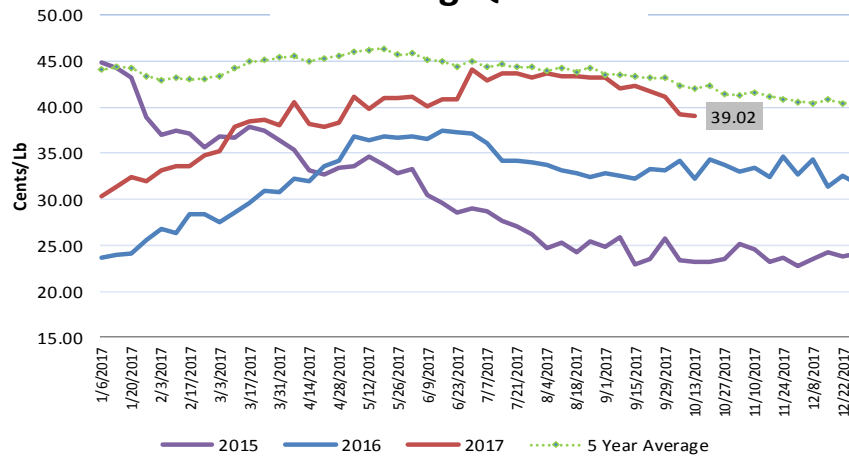
USDA Boneless/Skinless Breast NE



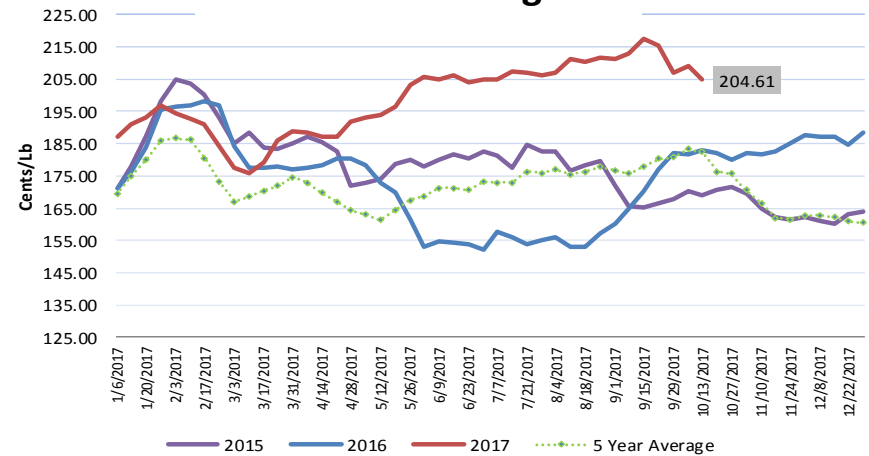
USDA Tenders NE



USDA Leg Quarters



USDA Whole Wings NE

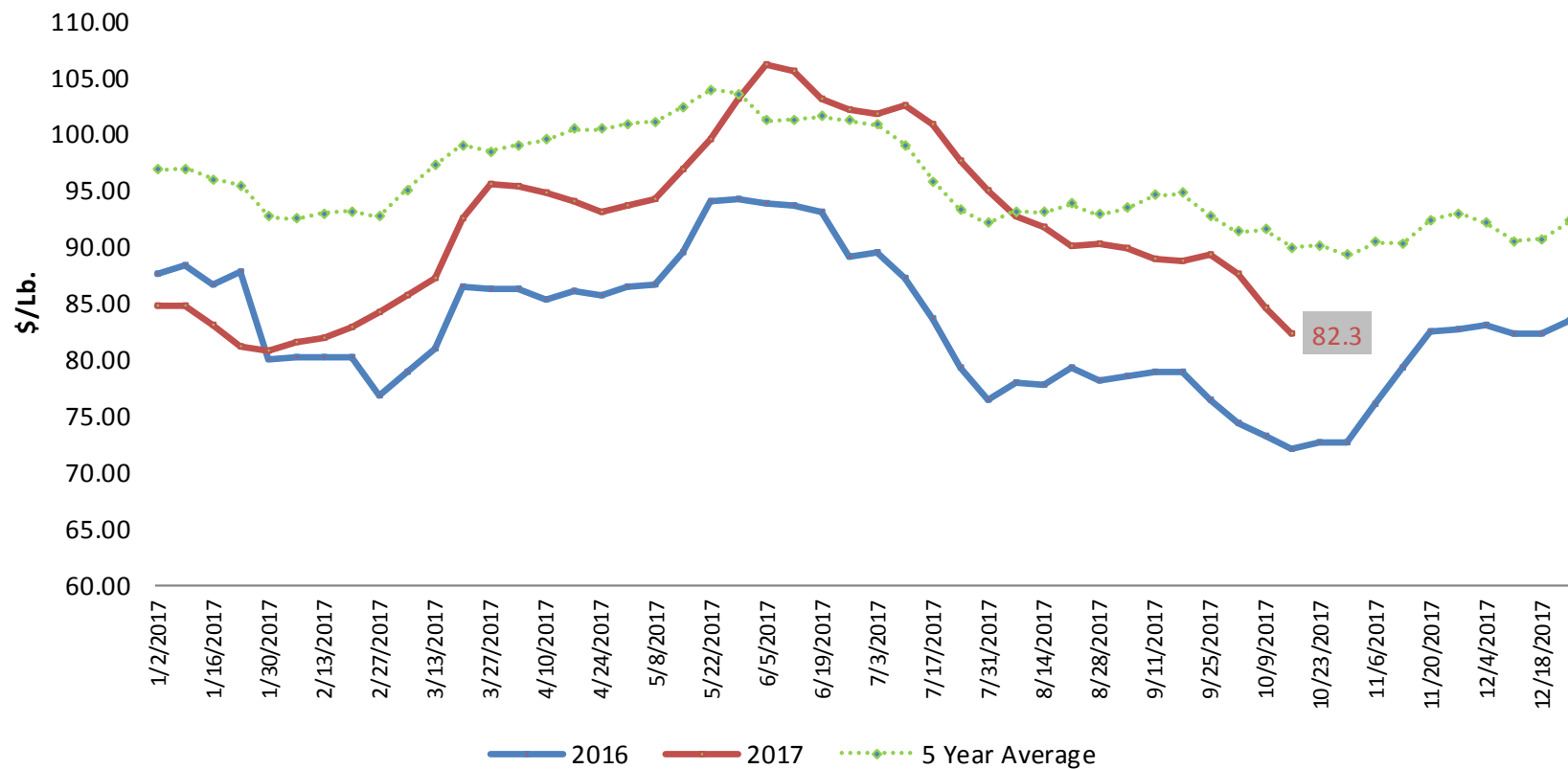


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Source: USDA

Small Bird and Retail Contracts In-line with Seasonality and Above 2016

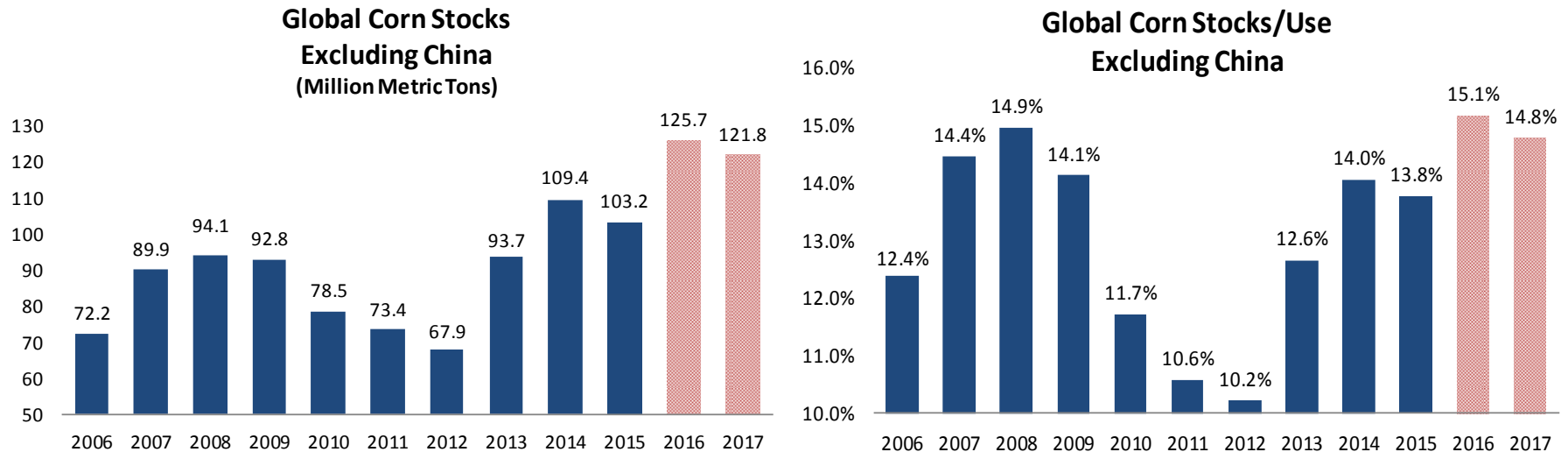
EMI WOG 2.5-4 LBS



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Source: EMI

Corn Stocks to remain at high levels in '17/18



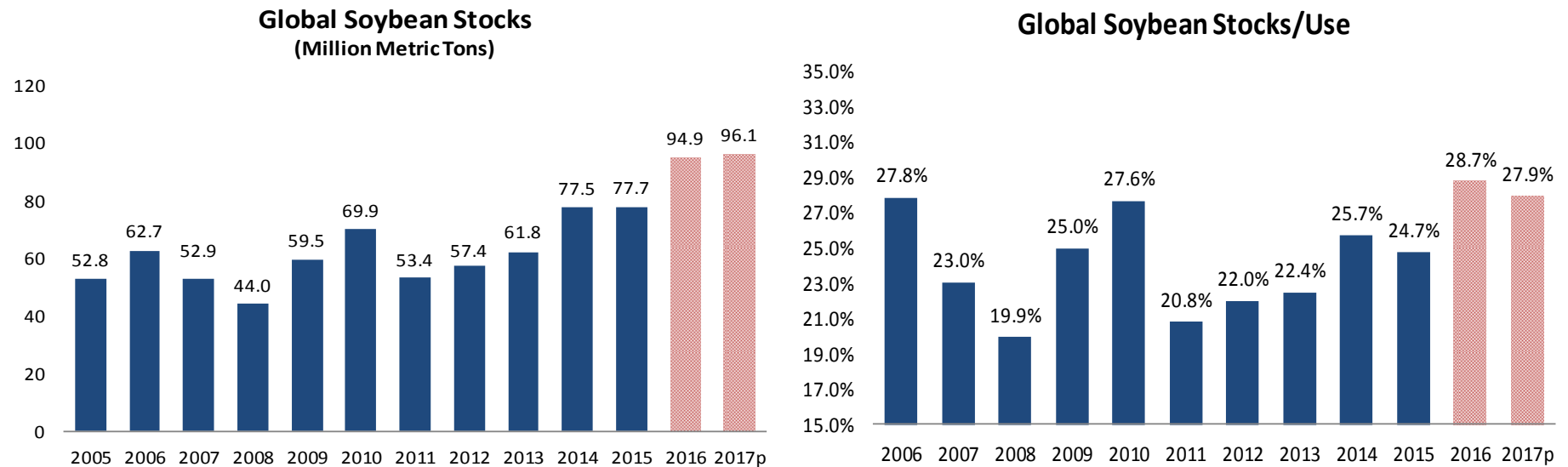
- After record stocks in 2016, 2017 stocks projected slightly lower but market remains well supplied.
- USDA lowers global stocks-to-use for 2017.



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Source: USDA

Global Soybean Inventories Increasing



- Global inventories of soybeans remain at record high levels, with expected growth in 2017.
- USDA forecasts continued growth in oilseed demand in 2018 .



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Source: USDA

Third Quarter 2017 Financial Review

Main Indicators (\$M)**	Q3-17	Q3-16
Net Revenue	2,793.9	2,495.3
Gross Profit	478.6	253.1
SG&A	106.4	76.3
Operating Income	372.2	176.8
Net Interest	22.5	18.9
Net Income	232.7	98.7
Earnings Per Share (EPS)	0.93	0.39
Adjusted EBITDA*	463.6	237.4
<i>Adjusted EBITDA Margin*</i>	<i>16.6%</i>	<i>9.5%</i>

* This is a non-GAAP measurement considered by management to be useful in understanding our results. Please see the appendix and most recent SEC financial filings for definition of this measurement and reconciliation to GAAP.

** Consolidated results include full-quarter of Moy Park, in accordance to U.S. GAAP.

- Strength across all US business units, GNP operations significantly improved, MX results above expectations.
- SG&A higher due to addition of GNP and Moy Park, investments in brands in USA and Mexico, and \$19MM non-recurring acquisition/restructuring.
- Adjusted Q3-17 EBITDA well above Q3-16 and was among the top quarterly performance in the U.S.

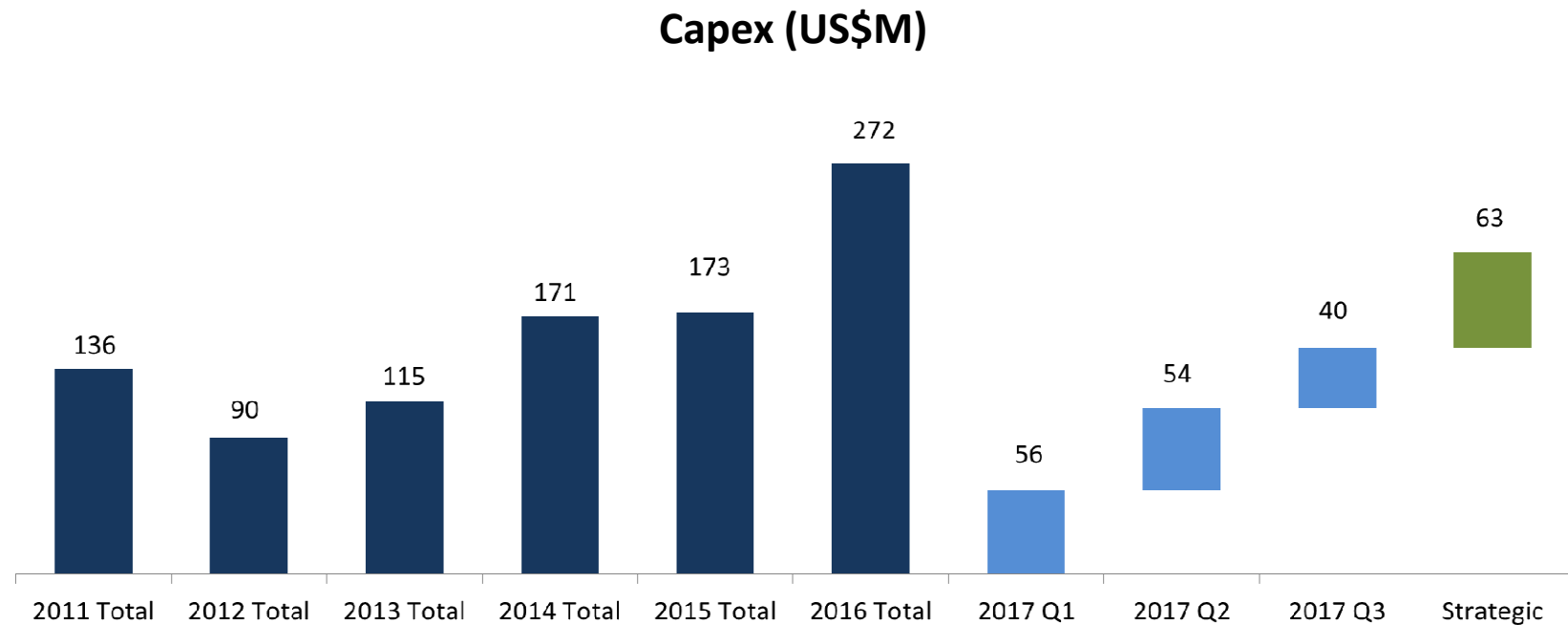
In \$M	U.S.	EU	MX
Net Revenue	1,938.5	514.3	341.0
Adjusted Operating Income*	322.0	21.3	45.7
<i>Adjusted Operating Income Margin*</i>	<i>16.6%</i>	<i>4.1%</i>	<i>13.4%</i>



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Source: PPC

Third Quarter 2017 Capital Spending



- Strong Free Cash Flow generation has enabled us to direct more capital spending towards identified projects with rapid payback and structural projects.
- New strategic projects will support key customers growth and de-emphasize our exposure to commodity markets by yielding a more differentiated portfolio.



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Source: PPC

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APPENDIX



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Appendix: EBITDA Reconciliation

“EBITDA” is defined as the sum of net income (loss) plus interest, taxes, depreciation and amortization. “Adjusted EBITDA” is calculated by adding to EBITDA certain items of expense and deducting from EBITDA certain items of income that we believe are not indicative of our ongoing operating performance consisting of: (i) income (loss) attributable to non-controlling interests, (ii) restructuring charges, (iii) reorganization items, (iv) losses on early extinguishment of debt and (v) foreign currency transaction losses (gains). EBITDA is presented because it is used by management and we believe it is frequently used by securities analysts, investors and other interested parties, in addition to and not in lieu of results prepared in conformity with accounting principles generally accepted in the US (“GAAP”), to compare the performance of companies. We believe investors would be interested in our Adjusted EBITDA because this is how our management analyzes EBITDA. The Company also believes that Adjusted EBITDA, in combination with the Company’s financial results calculated in accordance with GAAP, provides investors with additional perspective regarding the impact of certain significant items on EBITDA and facilitates a more direct comparison of its performance with its competitors. EBITDA and Adjusted EBITDA are not measurements of financial performance under GAAP. They should not be considered as an alternative to cash flow from operating activities or as a measure of liquidity or an alternative to net income as indicators of our operating performance or any other measures of performance derived in accordance with GAAP.

PILGRIM'S PRIDE CORPORATION Reconciliation of Adjusted EBITDA

(Unaudited)	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24, 2017	September 25, 2016	September 24, 2017	September 25, 2016
	(In thousands)			
Net income	\$ 238,313	\$ 101,965	\$ 584,242	\$ 394,685
Add:				
Interest expense, net	22,508	18,866	62,715	56,480
Income tax expense	113,396	53,819	278,046	202,979
Depreciation and amortization	71,763	58,718	204,625	174,128
Minus:				
Amortization of capitalized financing costs	1,181	970	3,129	2,859
EBITDA	444,799	232,398	1,126,499	825,413
Add:				
Foreign currency transaction loss (gains)	(888)	4,569	(2,500)	(1,769)
Acquisition charges	15,039	—	15,039	—
Restructuring charges	4,147	279	8,496	279
Minus:				
Net income (loss) attributable to noncontrolling interest	(460)	(130)	514	(334)
Adjusted EBITDA	\$ 463,557	\$ 237,376	\$ 1,147,020	\$ 824,257



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Source: PPC

Appendix: EBITDA Margin Reconciliation

EBITDA margins have been calculated by taking the relevant unaudited EBITDA figures, then dividing by Net Revenue for the applicable period.

PILGRIM'S PRIDE CORPORATION Reconciliation of EBITDA Margin

(Unaudited)	Thirteen Weeks Ended		Thirty-Nine Weeks Ended		Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24, 2017	September 25, 2016	September 24, 2017	September 25, 2016	September 24, 2017	September 25, 2016	September 24, 2017	September 25, 2016
	(In thousands)							
Net income from continuing operations	\$ 238,313	\$ 101,965	\$ 584,242	\$ 394,685	8.53 %	4.09 %	7.28 %	5.26 %
Add:								
Interest expense, net	22,508	18,866	62,715	56,480	0.81 %	0.76 %	0.78 %	0.75 %
Income tax expense	113,396	53,819	278,046	202,979	4.06 %	2.16 %	3.46 %	2.70 %
Depreciation and amortization	71,763	58,718	204,625	174,128	2.57 %	2.35 %	2.55 %	2.32 %
Minus:								
Amortization of capitalized financing costs	1,181	970	3,129	2,859	0.04 %	0.04 %	0.04 %	0.04 %
EBITDA	444,799	232,398	1,126,499	825,413	15.92 %	9.32 %	14.03 %	10.99 %
Add:								
Foreign currency transaction gains	(888)	4,569	(2,500)	(1,769)	(0.03)%	0.18 %	(0.03)%	(0.02)%
Acquisition charges	15,039	—	15,039	—	0.54 %	— %	0.19 %	— %
Restructuring charges	4,147	279	8,496	279	0.15 %	0.01 %	0.11 %	— %
Minus:								
Net income (loss) attributable to noncontrolling interest	(460)	(130)	514	(334)	(0.02)%	(0.01)%	0.01 %	— %
Adjusted EBITDA	\$ 463,557	\$ 237,376	\$ 1,147,020	\$ 824,257	16.59 %	9.52 %	14.28 %	10.98 %
Net Revenue:	\$ 2,793,885	\$ 2,495,281	\$ 8,025,511	\$ 7,507,681	\$ 2,793,885	\$ 2,495,281	\$ 8,025,511	\$ 7,507,681



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Source: PPC

Appendix: Reconciliation of Adjusted Earnings

A reconciliation of net income (loss) attributable to Pilgrim's Pride Corporation per common diluted share to adjusted net income (loss) attributable to Pilgrim's Pride Corporation per common diluted share is as follows:

PILGRIM'S PRIDE CORPORATION

Reconciliation of Adjusted Earnings

(Unaudited)

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24, 2017	September 25, 2016	September 24, 2017	September 25, 2016
(In thousands, except per share data)				
Net income attributable to Pilgrim's Pride Corporation	\$ 232,680	\$ 98,657	\$ 560,242	\$ 369,914
Loss on early extinguishment of debt	—	—	—	—
Acquisition and restructuring charges, net of taxes	12,988	—	15,980	—
Foreign currency transaction gains	(888)	4,569	(2,500)	(1,769)
Income before loss on early extinguishment of debt and foreign currency transaction gains	244,780	103,226	573,722	368,145
Weighted average diluted shares of common stock outstanding	248,988	254,920	248,962	255,037
Income before loss on early extinguishment of debt and foreign currency transaction gains per common diluted share	\$ 0.98	\$ 0.41	\$ 2.30	\$ 1.44



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Source: PPC

Appendix: Adjusted EPS Bridge

A reconciliation of GAAP earnings per share (EPS) to adjusted earnings per share (EPS) is as follows:

PILGRIM'S PRIDE CORPORATION				
Reconciliation of GAAP EPS to Adjusted EPS				
(Unaudited)				
	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24, 2017	September 25, 2016	September 24, 2017	September 25, 2016
(In thousands, except per share data)				
GAAP EPS	\$ 0.93	\$ 0.39	\$ 2.25	\$ 1.45
Loss on early extinguishment of debt	—	—	—	—
Acquisition and restructuring charges, net of taxes	0.05	—	0.06	—
Foreign currency transaction gains	—	0.02	(0.01)	(0.01)
Adjusted EPS	\$ 0.98	\$ 0.41	\$ 2.30	\$ 1.44
Weighted average diluted shares of common stock outstanding	248,988	254,920	248,962	255,037



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Source: PPC

Appendix: Segment and Geographic Data

PILGRIM'S PRIDE CORPORATION Supplementary Selected Segment and Geographic Data

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24, 2017	September 25, 2016	September 24, 2017	September 25, 2016
	(Unaudited)			
(In thousands)				
Sources of net sales by country of origin:				
US:	\$ 1,938,542	\$ 1,724,625	\$ 5,557,089	\$ 5,072,351
Mexico:	341,018	307,096	994,568	950,622
Europe:	514,325	463,560	1,473,854	1,484,708
Total net sales:	<u>\$ 2,793,885</u>	<u>\$ 2,495,281</u>	<u>\$ 8,025,511</u>	<u>\$ 7,507,681</u>
Sources of cost of sales by country of origin:				
US:	\$ 1,561,333	\$ 1,545,289	\$ 4,656,825	\$ 4,470,648
Mexico:	286,617	276,366	822,822	818,749
Europe:	467,374	420,590	1,336,123	1,343,242
Elimination:	(23)	(24)	(69)	(71)
Total cost of sales:	<u>\$ 2,315,301</u>	<u>\$ 2,242,221</u>	<u>\$ 6,815,701</u>	<u>\$ 6,632,568</u>
Sources of gross profit by country of origin:				
US:	\$ 377,209	\$ 179,336	\$ 900,262	\$ 601,703
Mexico:	54,401	30,730	171,745	131,874
Europe:	46,951	42,970	137,734	141,466
Elimination:	23	24	69	70
Total gross profit:	<u>\$ 478,584</u>	<u>\$ 253,060</u>	<u>\$ 1,209,810</u>	<u>\$ 875,113</u>
Sources of operating income by country of origin:				
US:	\$ 307,962	\$ 141,195	\$ 719,121	\$ 480,280
Mexico:	45,692	22,603	146,241	108,856
Europe:	18,569	13,027	51,874	55,841
Elimination:	23	23	69	71
Total operating income:	<u>\$ 372,246</u>	<u>\$ 176,848</u>	<u>\$ 917,305</u>	<u>\$ 645,048</u>



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Source: PPC