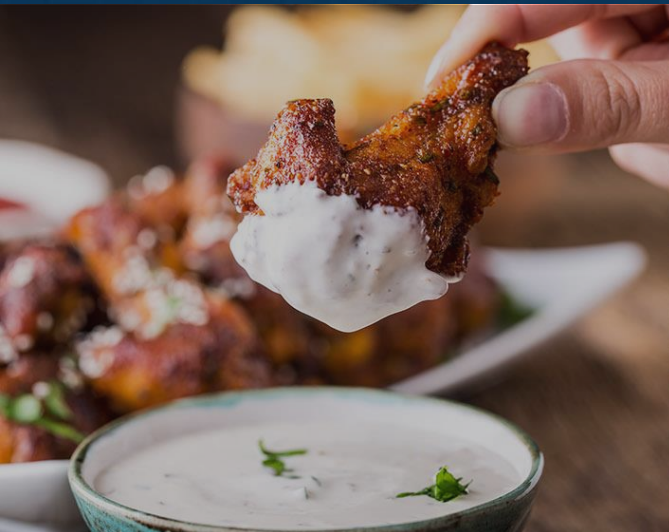




# PILGRIM'S PRIDE COMPANY ANALYST DAY

September 18, 2019



# 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.





# WELCOME AND BUSINESS OVERVIEW

**Jayson Penn**

President and CEO, Pilgrim's

# TODAY'S AGENDA



**Tim Stiller**  
U.S. Chicken

**Kristina Lambert**  
U.S. Prepared Foods & Innovation

**Laston Charriez**  
U.S. Marketing

**Andrew Cracknell**  
Tulip Europe

**Chris Kirke**  
Moy Park Europe



**Charles VonDerHeyde**  
Pilgrim's Mexico

**Joe Waldbusser**  
Commodities and Risk Management

**Kendra Waldbusser**  
Food Safety & Quality Assurance

**Fabio Sandri**  
Financials

**Management Team**  
Wrap-up and Q&A



# OUR VISION & STRATEGY



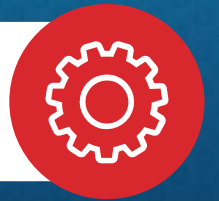
**Become a more valued partner with our key customers**



**Safe people, safe products and healthy attitudes**



**Relentless pursuit of operational excellence**



**Unique portfolio of diverse, complementary business models**



# LEADERSHIP POSITION WITH GLOBAL FOOTPRINT



<sup>1</sup>Subject to approval by the anti-trust authorities



# BUILDING GLOBAL PLATFORMS

Unique portfolio of  
diverse, complementary  
business models



Pilgrims has made 3 acquisitions over the last 5 years, to expand our geographic footprint and add capabilities, products and brands

**TYSON  
DE MEXICO**

**JULY 2014**

**\$400mm**

- Improve geographic reach in Mexico
- Value added products and brands (*Del Dia*)



**JANUARY 2017**

**\$350mm**

- Expand geographic footprint in the Midwest U.S.
- Natural and organic offerings
  - Added Just Bare Chicken



**SEPTEMBER 2017**

**\$1,300mm**

- Geographic expansion in the U.K. and Europe
  - Strong presence in prepared foods



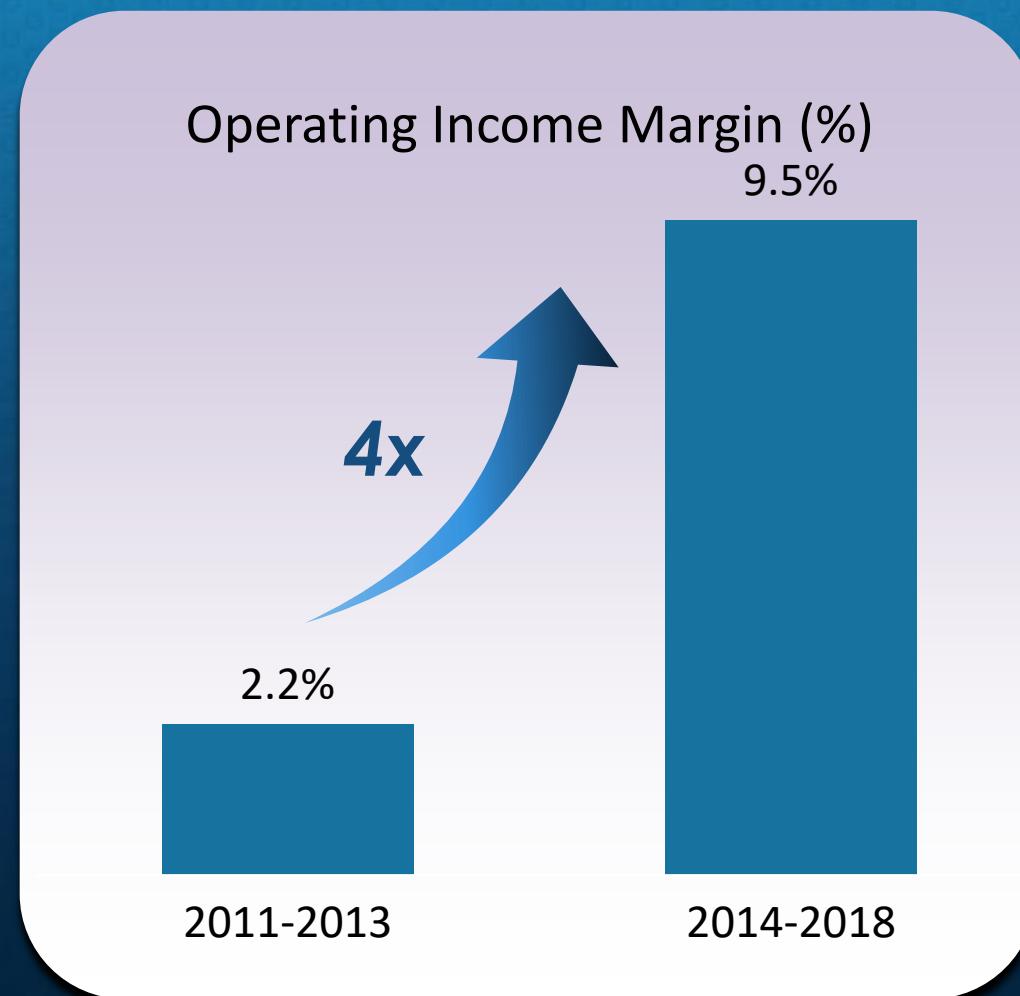
**ANNOUNCED  
AUGUST 2019<sup>1</sup>**

**\$350mm**

- Further expansion in the U.K.
- Increased exposure in the value added segment

<sup>1</sup>Subject to approval by the anti-trust authorities

# ACHIEVING BOTH TOP AND BOTTOM LINE GROWTH





# INNOVATION AT THE CENTER OF GLOBAL PREPARED FOODS GROWTH

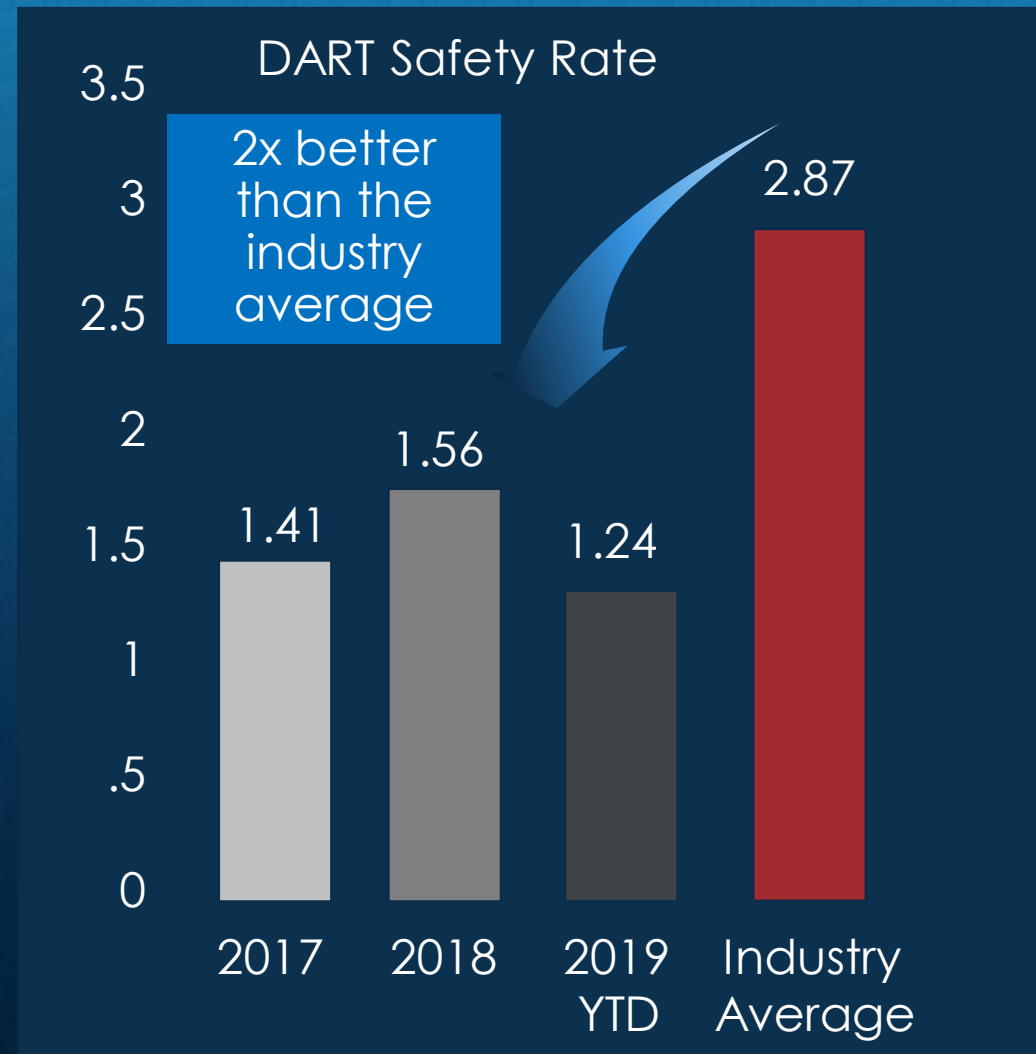
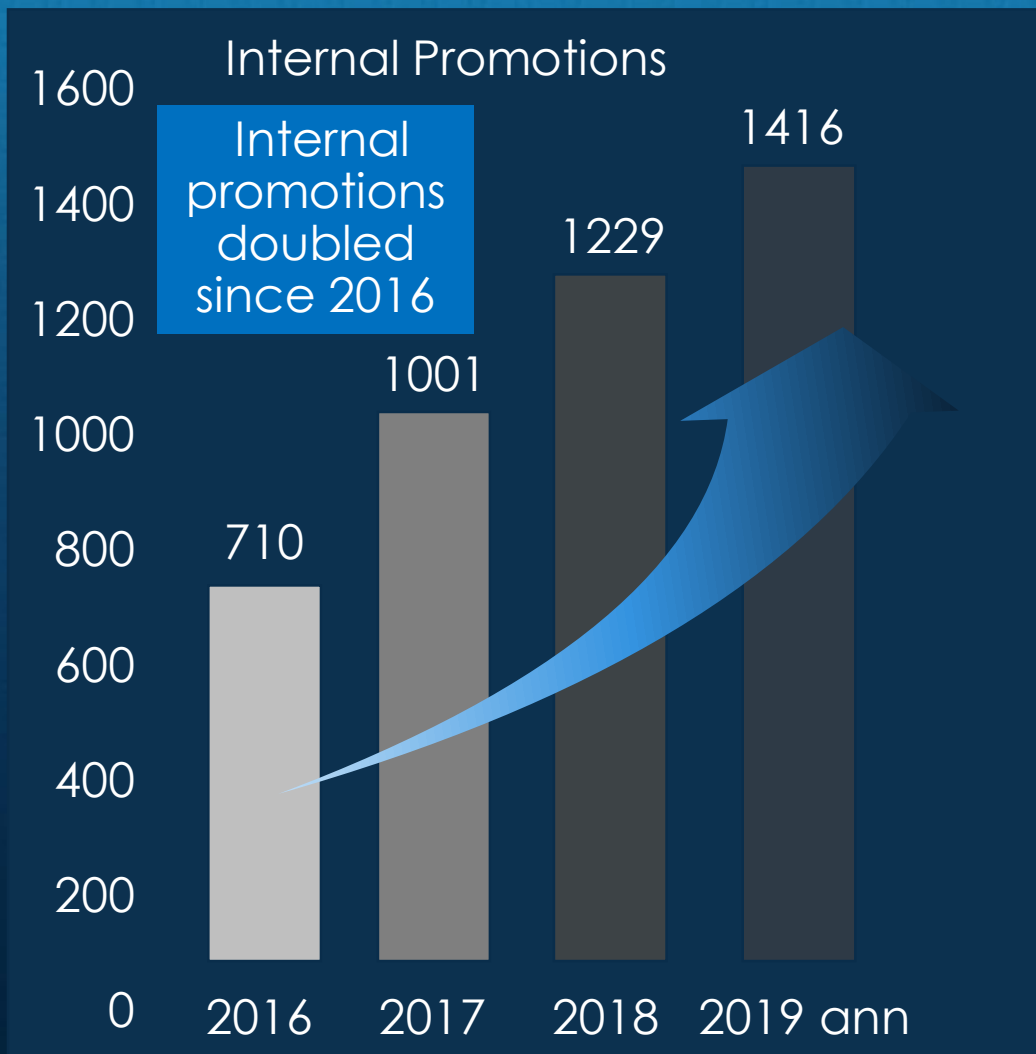


GLOBAL COLLABORATION, INSIGHTS AND TRENDS BALANCED WITH LOCAL OWNERSHIP

Unique portfolio of  
diverse, complementary  
business models



# PEOPLE AT THE FOREFRONT OF OUR STRATEGY





# KEY THEMES TODAY

**We have the Vision and Strategy to strengthen our position as a leading food company**

**We have the right business model of product and geographic diversification**



**We have the right Team in place to produce results**

**We have the right Key Customer strategy to support growth through innovation**



**Tim Stiller**

U.S. CHICKEN



# INDUSTRY LEADING TEAM MEMBER SAFETY



Safe people, safe  
products and  
healthy attitudes



# CULTURE AND TALENT DEVELOPMENT

“...creating the opportunity of a better future for our team members.”



- 42 Supervisor Development Trainees
- 10 Mexico Trainees
- Development Program Focused On Building Our Next Generation of Frontline Supervision



- 21 Management Trainees
- Annual Development Program Focused on Building Our Next Generation of Midlevel Management



- 2700 Participants
- Classroom, Coaching & Mentoring
- Frontline Supervision

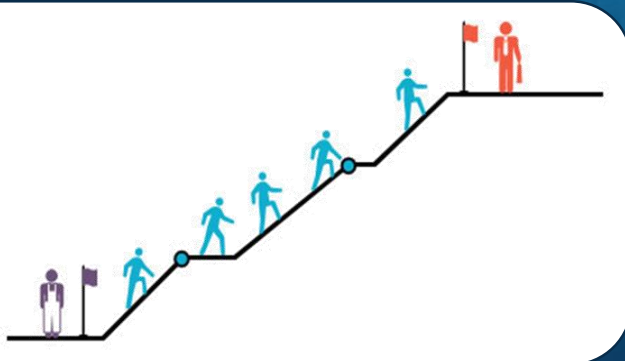


- 950 Participants
- Classroom, Coaching & Mentoring
- Mid to Senior Management



- January 2020
- Creating The Opportunity For Personal Improvement And Career Development

# INTERNAL PROMOTIONS



**Est 2019**

**756**

700  
600  
500  
400  
300  
200  
100  
0

193

2016

410

2017

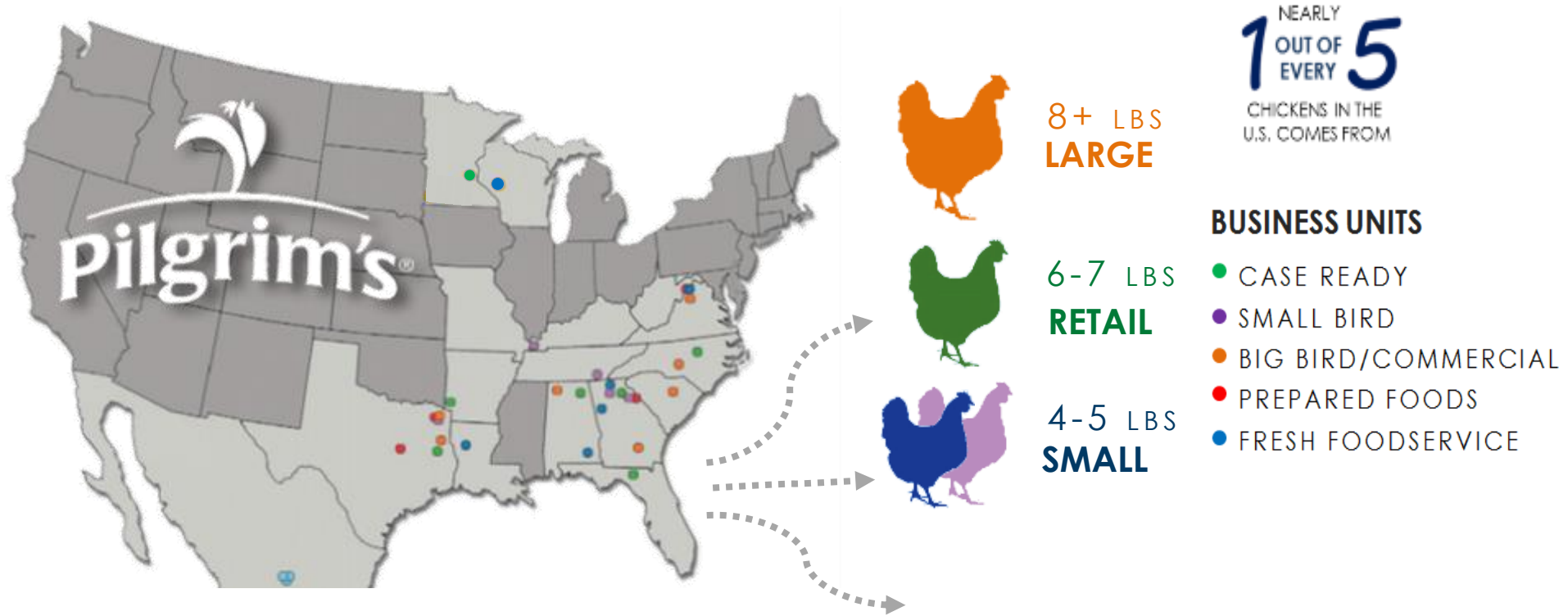
658

2018





# OUR U.S. FOOTPRINT & BUSINESS UNITS



**26** FEED MILLS

**31** PROCESSING PLANTS  
4 PROTEIN CONVERSION  
4 PET FOOD

**33** HATCHERIES

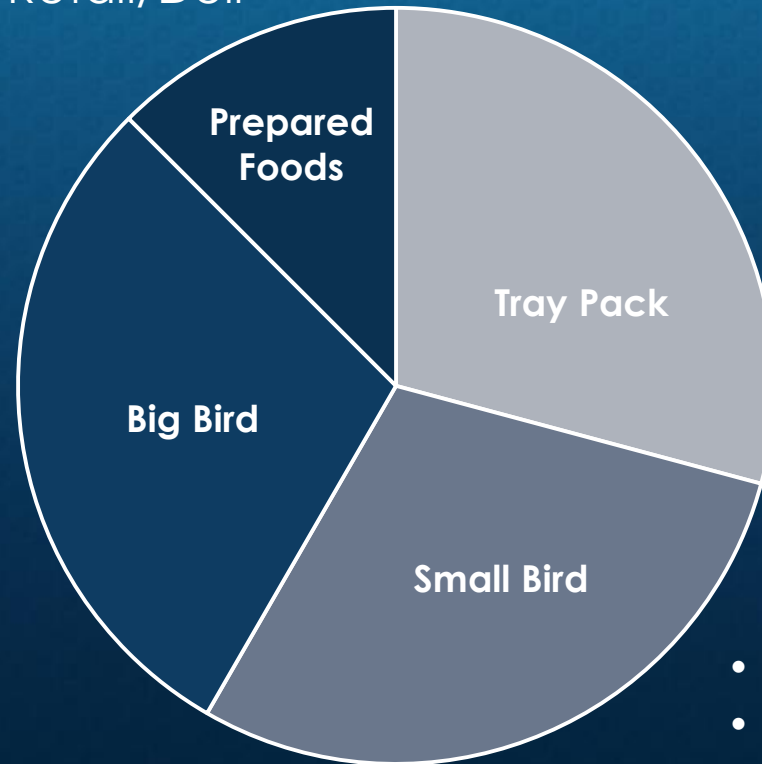
**~37k** TEAM MEMBERS

**~33M** BIRDS PER WEEK  
**9+B** LBS PER YEAR

# OUR UNIQUE PORTFOLIO

- Partially Fried/Fully Cooked
- List Pricing
- Foodservice/Retail/Deli

- 8+ lb. Live Weight
- Commodity Price Correlation
- Foodservice/Industrial



- 6 lb. Live Weight
- Program Pricing
- Retail/Consumer Brands

- 4 lb. Live Weight
- Contract Pricing
- Foodservice/Deli

# CASE READY BUSINESS UNIT

- Key Customer Strategy
  - Service / Quality
- Live Portfolio
  - Organic
  - ABF
  - Veg-fed
  - Traditional
- Product Portfolio
  - Regular / Jumbo Tray Pack
  - Private Label
  - Saddle Pack
  - Just BARE



Pilgrim's Tray Pack 3-Yr CAGR

3.6x

Industry

Pilgrim's





# LARGE BIRD BUSINESS UNIT



**2010**

Zero Large Bird Share

**2016**

Large Bird is 30% of Live Production

**2017**

Improve Operational Efficiency

**2018**

**2019**

**Mix Upgrade Focus**

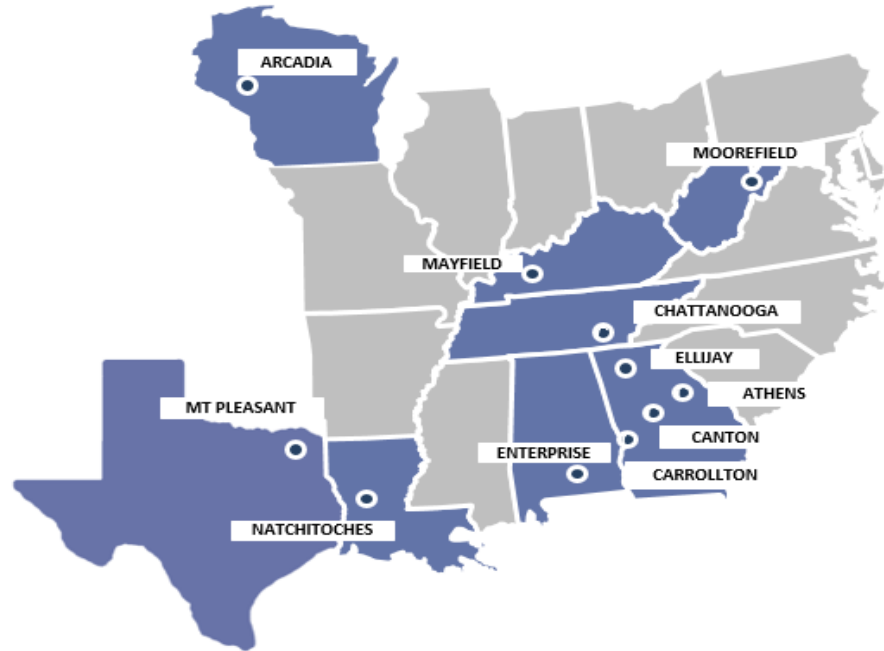
Increased boneless dark meat production by 15% in Q2 YoY

Converted facility to No Antibiotic Ever

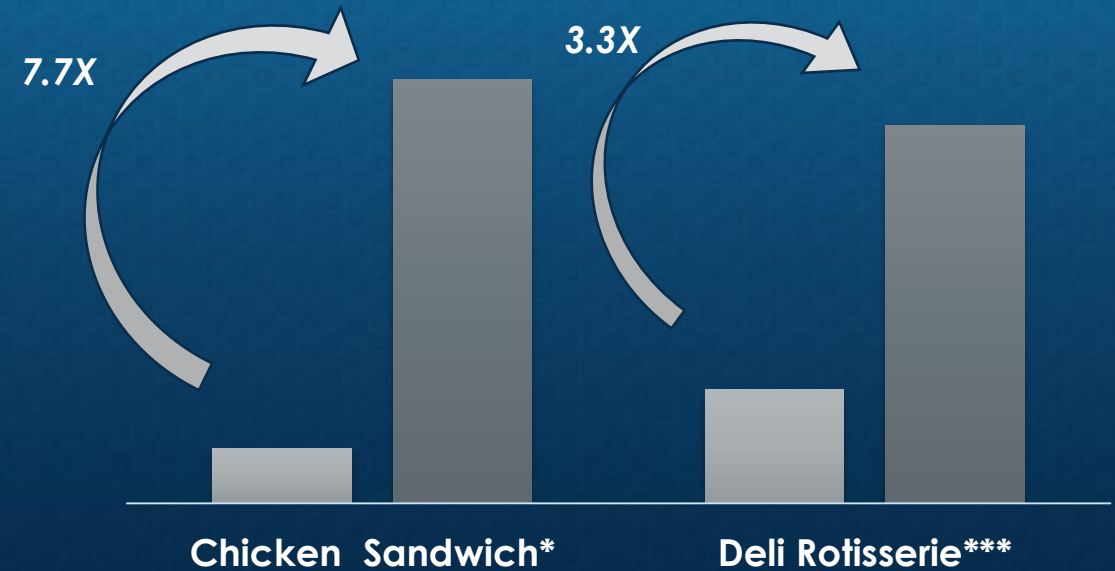
Entered the portioned boneless breast business

# SMALL BIRD BUSINESS UNITS

11 plants, 16 MILLION + BIRDS PER WEEK



## 3 Year CAGR

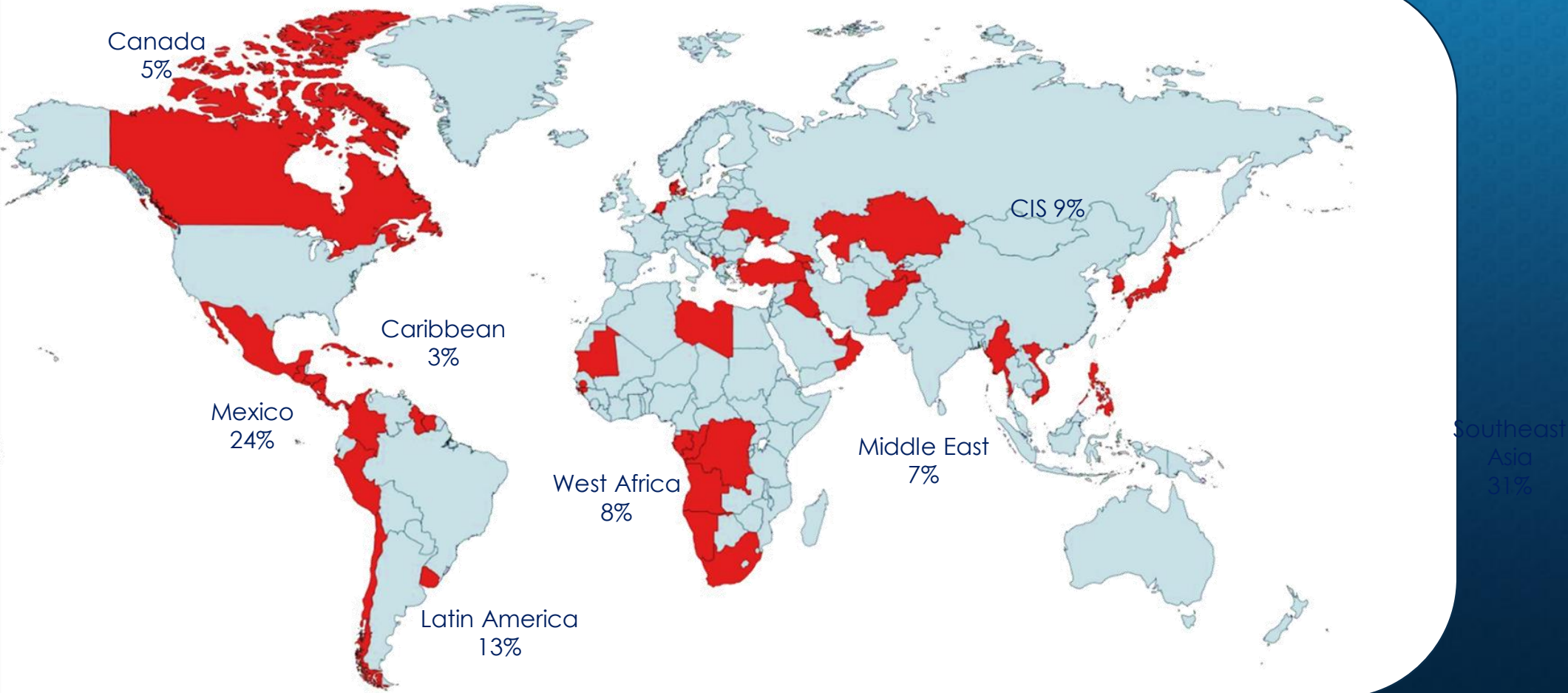


\*Pilgrim's volume growth vs. QSR servings growth, calendar years 2015-2018; servings include crispy chicken and grilled chicken sandwich

\*\*\*Dollar sales growth

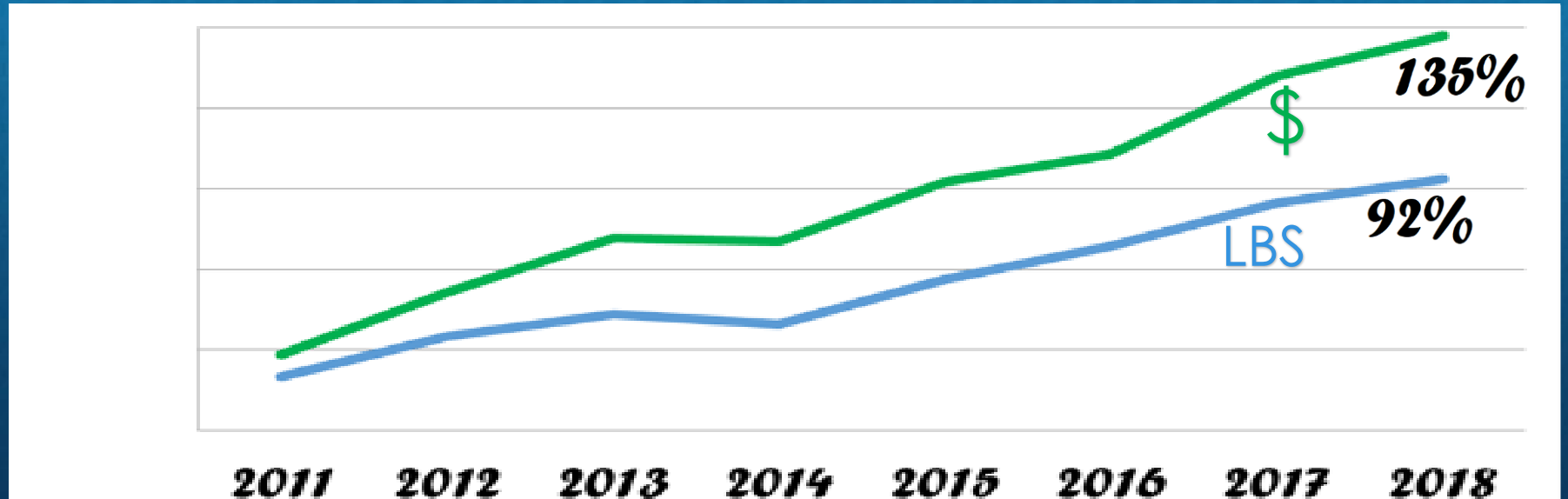
# EXPORT BUSINESS

75 Countries  
9% of USA Broiler Exports





# DRIVING GROWTH WITH KEY CUSTOMERS



# SUPPORTING KEY CUSTOMERS WITH A DIFFERENTIATED PORTFOLIO



Grew **44.7%** and **84%**  
in dollars and volume  
vs. conventional.

**1<sup>st</sup> highest sales growth**  
claim (44.7%)

**40%** of shoppers want  
their meat to carry more  
**Antibiotic-Free** items <sup>1</sup>



**Organic Claims #1**  
**CAGR over Past 5 Years**  
(Compounded Annual  
Growth Rate)

**+8.4%**  
2017 YoY Growth<sup>2</sup>

**>30%**  
CAGR \$ Growth

**23%**  
CAGR Volume  
Growth



**77%** of Consumers state that  
'When buying chicken at a  
grocery store I think it's  
important to see a label that  
shows a third-party  
organization has certified the  
producer's methods as  
humane' <sup>3</sup>

American Humane Certified  
has **highest brand awareness**  
of certifiers; almost 50%  
perceive it to be the best

**52%** Would be willing to  
pay more for product  
certified as humane <sup>3</sup>

# OUR METHODS TO ACHIEVE OPERATIONAL EXCELLENCE

WHAT

**ZERO  
BASED BUDGETING**



HOW

- Called “ZBB”
- ALL expenses justified for each new period
- Starts from a ZERO base
- Built around what’s NEEDED
- Analyzes EVERY function
- Optimizes COSTS not just revenue

- The “ZBB” for Labor (~ 55%-60% of Plant Cost)
- 16 Full-time Industrial Engineers
- Workload Analysis/Each Position
- Create Perfect Staffing /Crewing
- Daily Labor Performance Calculations
- Tracking / Accountability Reports

**Results  
since  
2011**

**\$1 B**

**COST/EFFICIENCY  
IMPROVEMENT**

**2.2k**

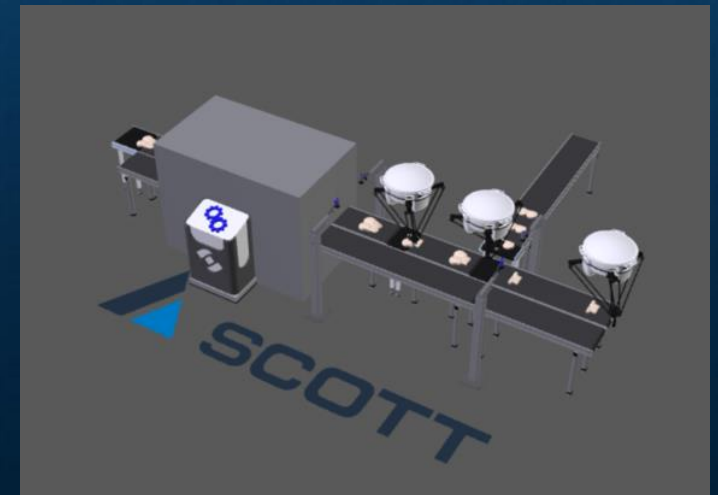
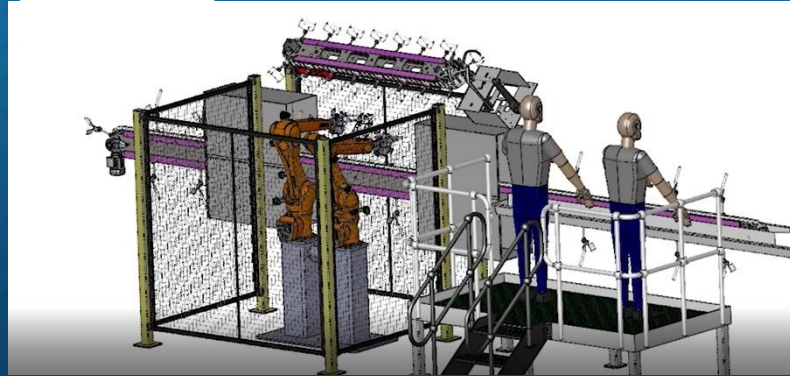
**FEWER POSITIONS DUE TO  
PERFECT STAFFING**

**Optimizing EVERY Penny and EVERY Position**



# INVESTMENT IN AUTOMATION

- Team Member Safety
- Ergonomic Improvements
- Product Quality
- Animal Welfare
- Labor Cost Reduction
- Efficiency Gains





# KEY TAKEAWAYS

- Our commitment to safety, people and quality has allowed us to build a strong foundation.
- Our diverse portfolio in big bird, retail and small bird allows us to capture upside commodity markets while minimizing downside.
- Our key customer strategy has allowed for our growth to outpace the market.
- Our relentless pursuit of operational excellence continues to produce bottom line impact.



# Kristina Lambert

U.S. PREPARED FOODS AND INNOVATION

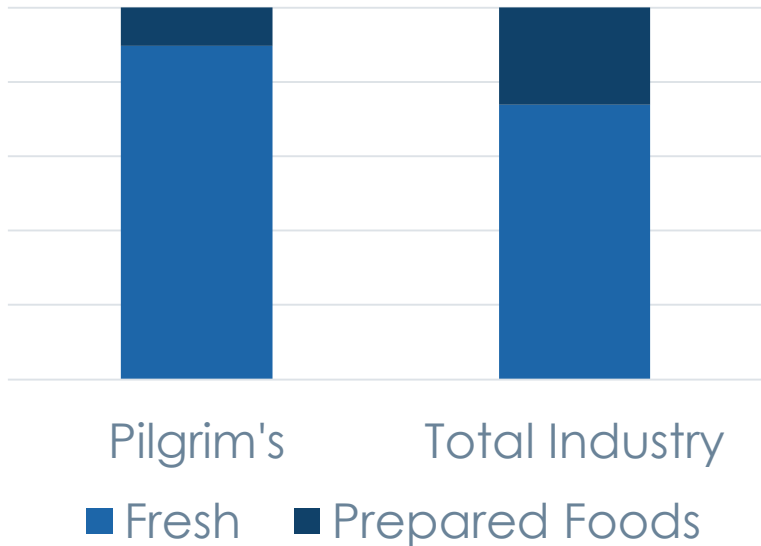




Become the best and most respected company in our industry creating the opportunity of a better future for our team members.

# PREPARED FOODS ROOM TO GROW

Industry Revenue Mix

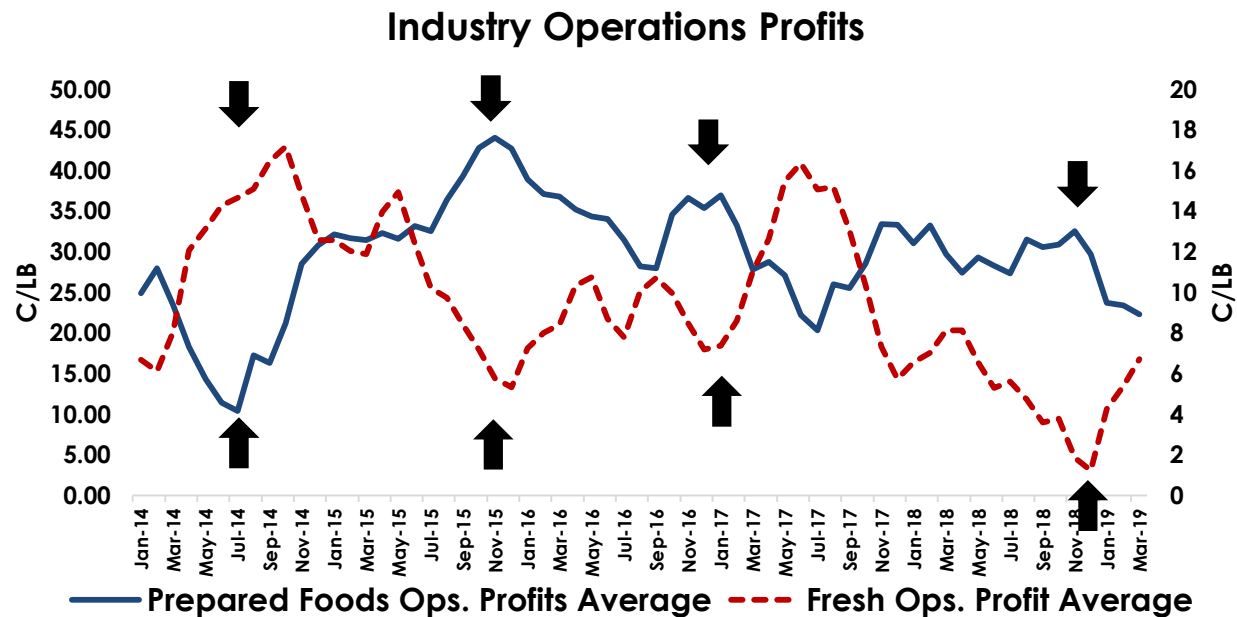


Source: Agri Stats 2018



# WHY GROW PREPARED FOODS?

Prepared Foods reduces profit variability of total portfolio

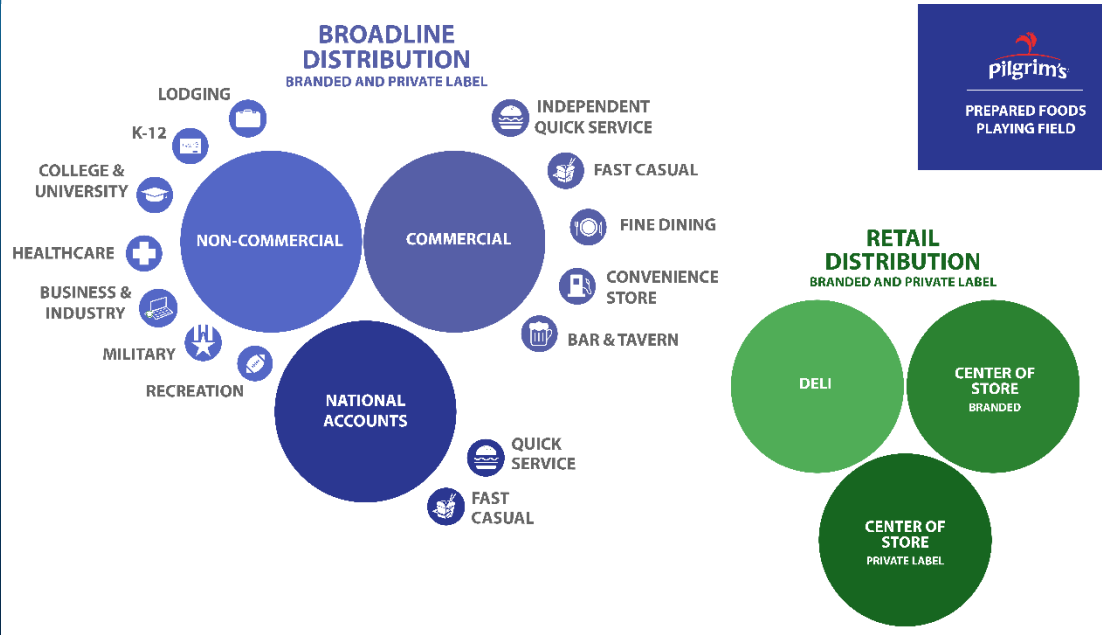
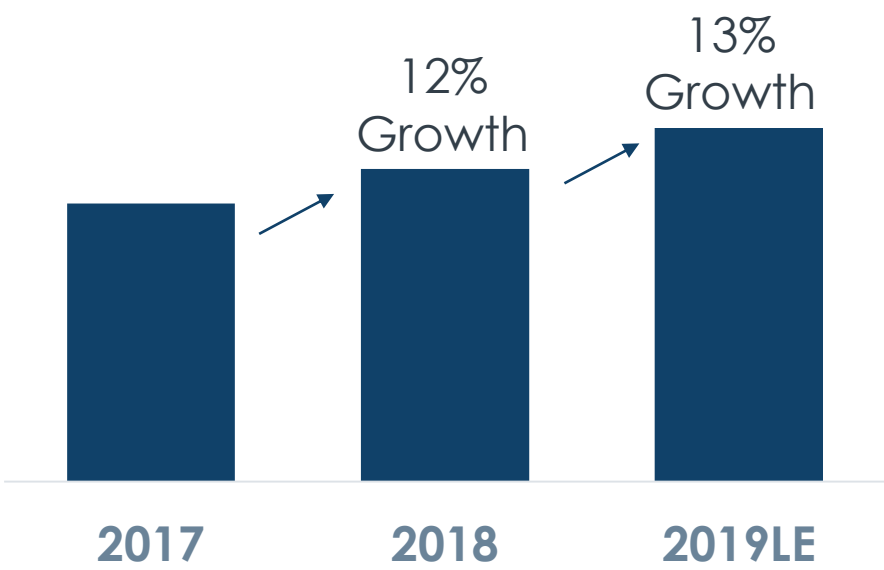


Source: Agri Stats



# PREPARED GROWING IN FOODSERVICE & RETAIL

Prepared Foods  
Revenue Growth







# BRANDS & PORTFOLIO DIVERSIFICATION

## FOODSERVICE

HIGH



Our Newest Brand to Foodservice!

All Natural, Clean Label Chicken  
Raised with No Antibiotics Ever



#1 Breaded Wings in Foodservice -  
Both Bone-In and Boneless with  
Wing Dings® and Wing Zings®

Creator of the 1<sup>st</sup> Fully Cooked Fried  
Chicken in Foodservice History with  
Super Chik'n®

Since 1951 - All In Great Taste!

MED



#2 Chicken Brand in K-12 Schools

26 MM lbs. of Sales via Broadline Alone

Serving Quality Products Since 1933!

## RETAIL

HIGH



#1 Fresh Chicken Brand on Amazon Fresh!

All Natural, Clean Label Chicken Raised with  
No Antibiotics Ever

MED



#2 Brand in Texas for Chicken

Benefits from positive halo from fresh

LOW

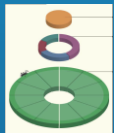
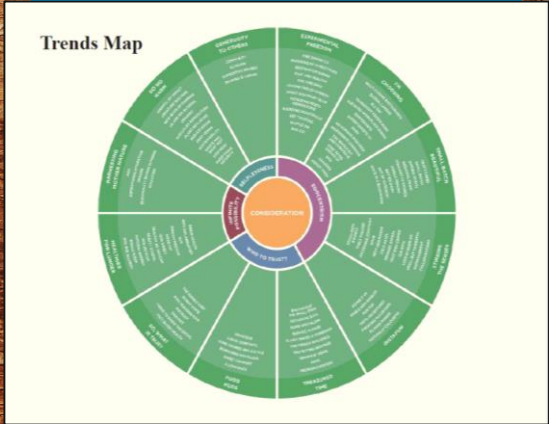


All about great taste and great value

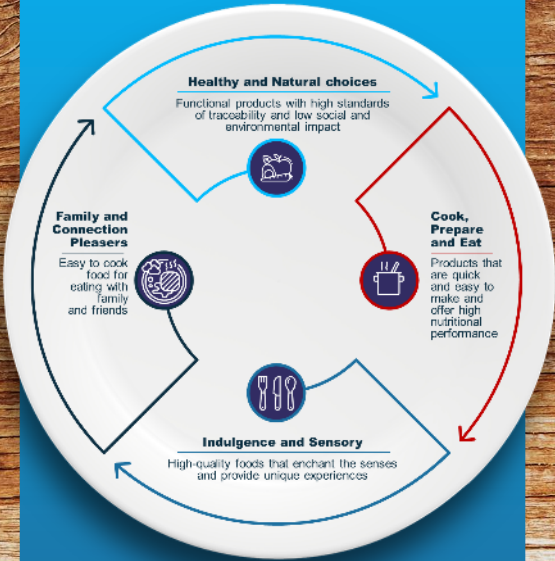
Also available in fresh chicken

# DISCIPLINED INNOVATION PILLARS

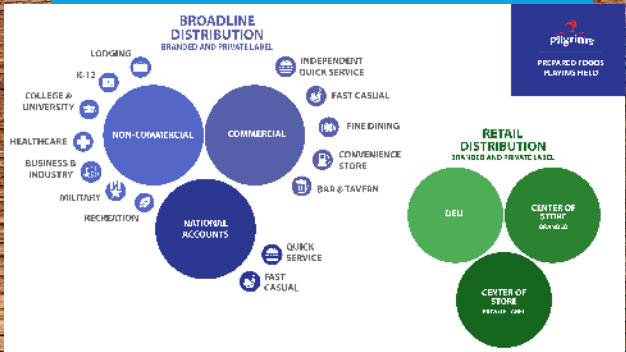
## CONSUMER FIRST



## INNOVATION PLATFORMS



## CUSTOMER CENTRIC



Private Label

## GLOBAL ENABLERS

Knowledge Sharing  
Trend Adoption Alignment  
Global Platforms  
Lift & Launch  
Technology Enablers



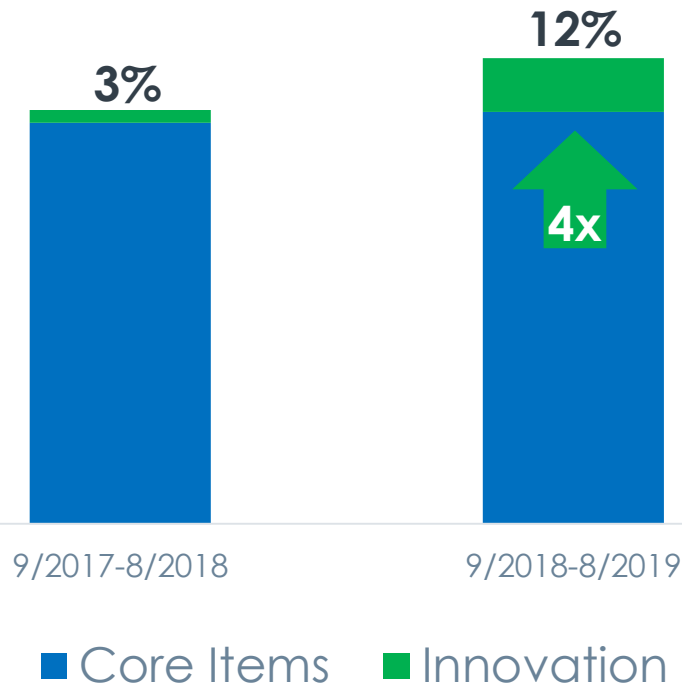




Become a more valued  
partner with our key  
customers

# INNOVATION LEADING GROWTH

## Innovation Dollar Sales





# INNOVATION

## Healthy and Natural Choices



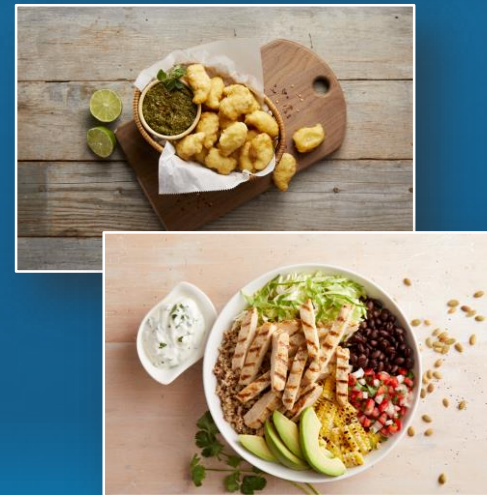
Functional products with high standards of traceability and low social and environmental impact

### Just Bare



All natural\*, ABF, and sourced from family farms

### Just Bare

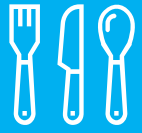


ABF, clean label and made for Foodservice

\*Minimally Processed, No Artificial Ingredients

# INNOVATION

Cook, Prepare and Eat



Products that are quick and easy to make and offer high nutritional performance

## Just Bare



Ready-to-heat  
& Clean label

## Gold Kist



ABF and no  
artificial  
ingredients for  
Foodservice





# INNOVATION

## Family and Connection Pleasers



Easy to cook  
food for  
eating with  
family  
and friends

### Ready to Cook



Flavorful and  
Convenient

### Retail Private Label



Flavorful and  
Convenient





# INNOVATION

## Indulgence and Sensory



High-quality foods that enchant the senses and provide unique experiences

### Menu Expansion



Flavorful menu renovation

### Traffic Driver



Unique LTO



Become the best and most respected company in our industry creating the opportunity of a better future for our team members.

## KEY TAKEAWAYS

- Expanded TEAM is in place
- Existing PLANT footprint ready for more
- BRAND and CUSTOMER focus continues to build
- GROWTH will continue to be led by INNOVATION



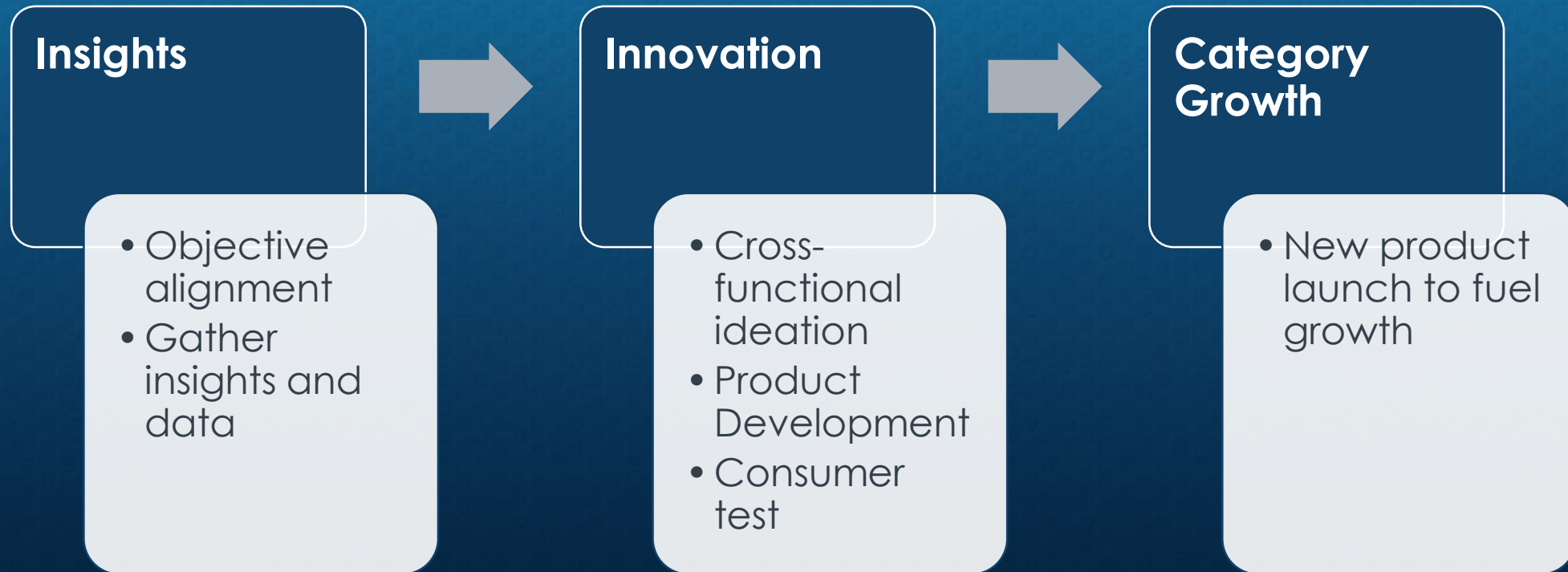


# Laston Charriez

MARKETING



# KEY CUSTOMER JOINT BUSINESS PLANNING PROCESS



# KEY CUSTOMER JOINT BUSINESS PLANNING

|           | Customer A                | Customer B                   | Customer C                   |
|-----------|---------------------------|------------------------------|------------------------------|
| Challenge | Grow Deli Sales           | Grow Frozen Chicken Sales    | Grow Deli Sales (Hot & Cold) |
| Action    | Bringing concepts to life | Presenting Frozen Innovation | Presenting Deli innovation   |



# BUILDING JUST BARE

## Extending Reach and Relevance



### Case Ready



#1 Brand on Amazon Fresh

### Fast Prep



Launch 2019

### Quick Meals



Launch 2019

### Lunchmeats



Launch 2020



# MEET KATE: THE JUST BARE SHOPPER



Female



Age 25-54



Head of her household, married with kids



Willing to pay more for all natural, organic, and sustainable products



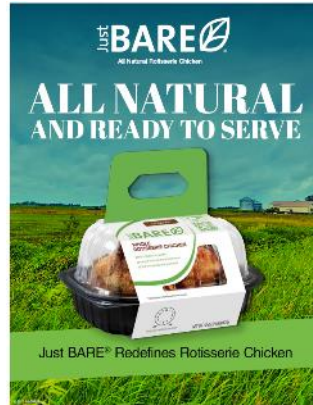
Wants meal options that do not sacrifice on health or taste



Always purchases fresh food



# JBC ROTISSERIE AT RETAIL



Poster



Magnet



Cling



Take One



Railstrip



Poster



Sail Sign





# On-Line/Digital Grocery

**5x** Growth over next decade

**9%-20%** CAGR predictions, 2016-2025

**19%** Buy SOME groceries online

**70%** WILL within 10 years

**3** out of **5** Look at mobile devices for sales, coupons BEFORE going to store

**TODAY**  
**764** Online store sales  
equivalent growth **BY 2025**  
**3,900**

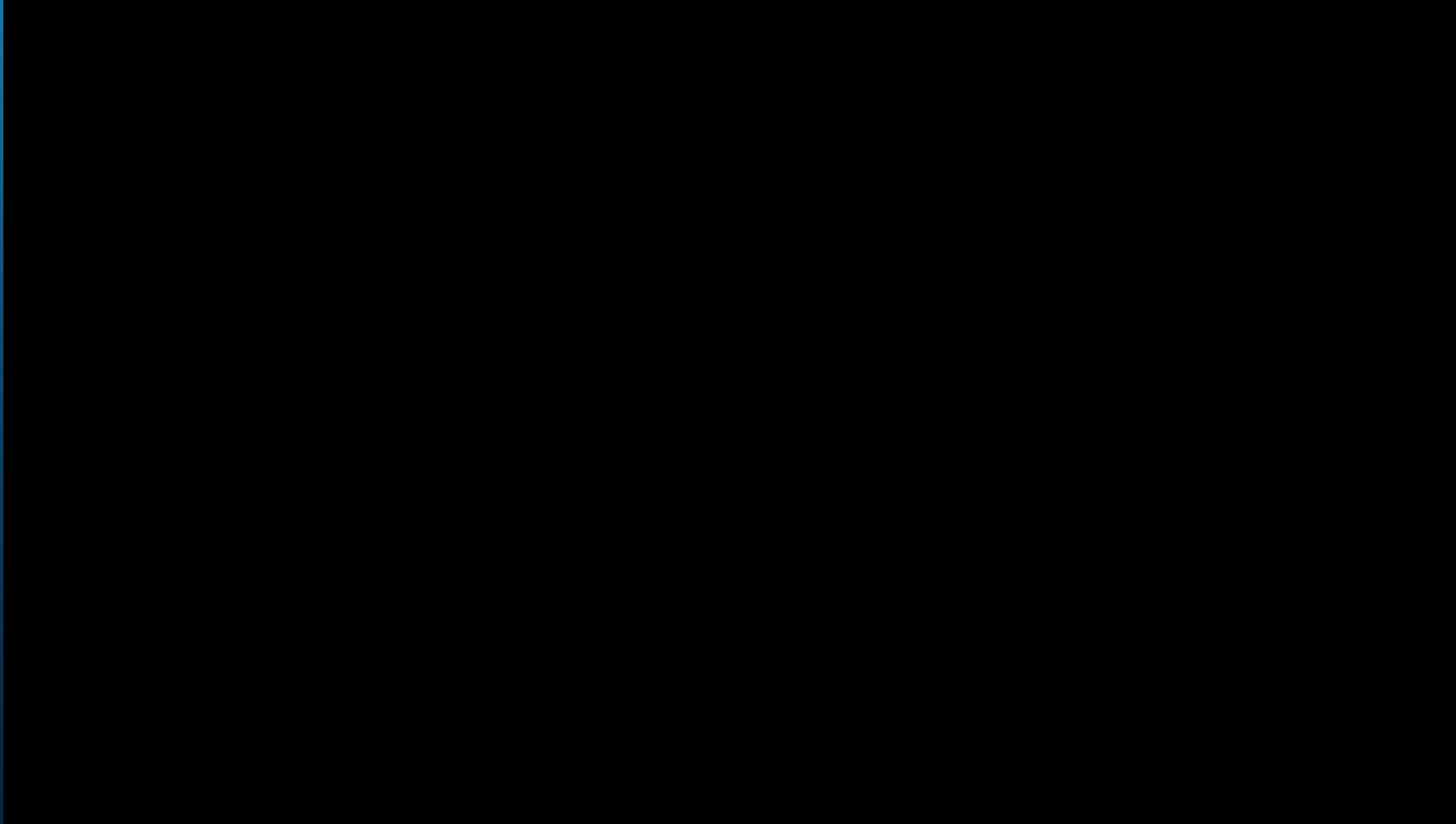
**amazon**fresh

**#1**  
**SELLING  
FRESH  
CHICKEN  
ITEM**

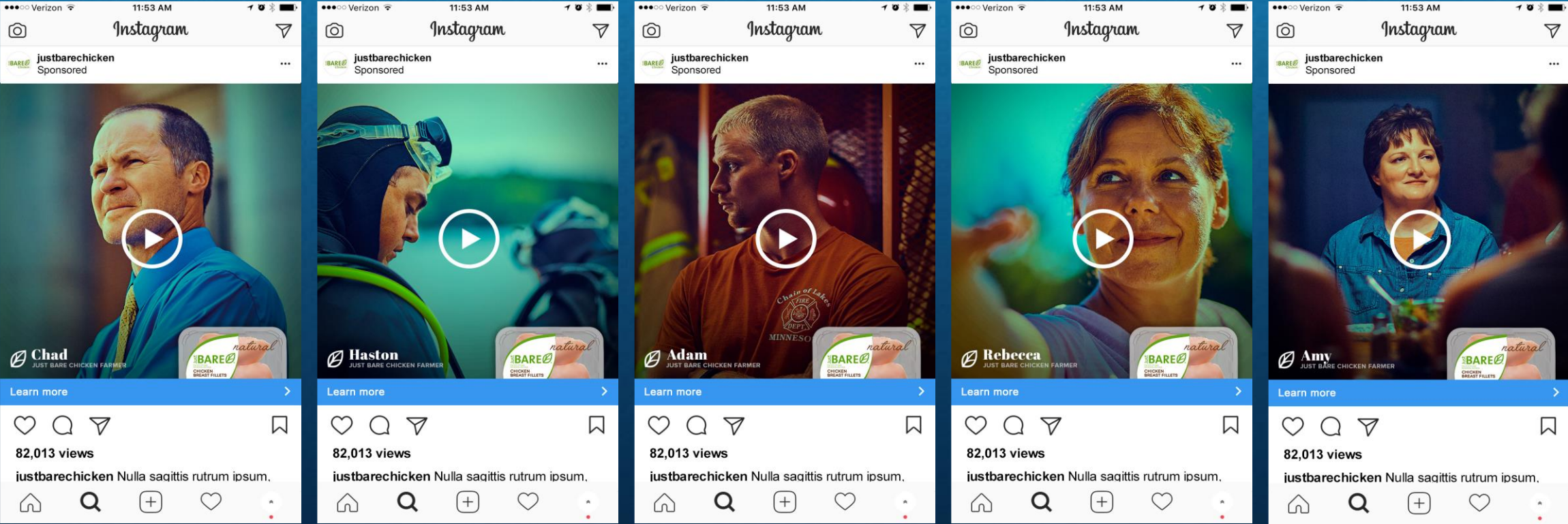




# WHO MAKES YOUR FOOD – ADAM

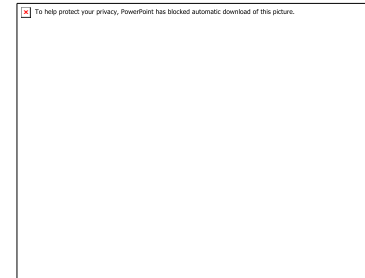


# WHO MAKES YOUR FOOD – SOCIAL



INSTAGRAM/FACEBOOK

# SPONSORSHIPS THAT CONNECT WITH KATE





# USA CYCLING



Just **BARE** Chicken



# JUST BARE B/S THIGHS “FALL :30” VIDEO/TV



Just **BARE** 





# KEY TAKEAWAYS

- Pilgrim's is the Total Chicken Solutions Partner
- We bring together private label, captive brands and brands, insights, innovations and corporate resources, and we put them at full disposal of our Key Customers.





# Andrew Cracknell

TULIP, EUROPE

# TULIP LTD – AN INTRODUCTION





# TULIP LTD - UNIQUE INTEGRATED PORK SUPPLY CHAIN

The biggest, lowest cost and most sustainable farming business in UK

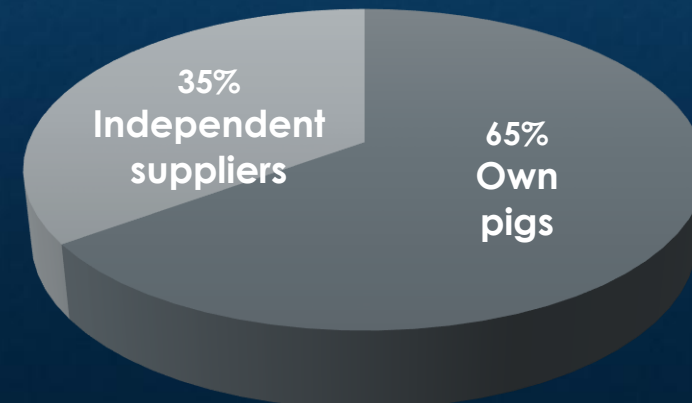
- Farmer partner focus on welfare, efficiency and quality
- We own the livestock, supply the feed, veterinary inputs and management



No. of owned pigs produced p.a.



Tulip Ltd – 2.5m pigs p.a.

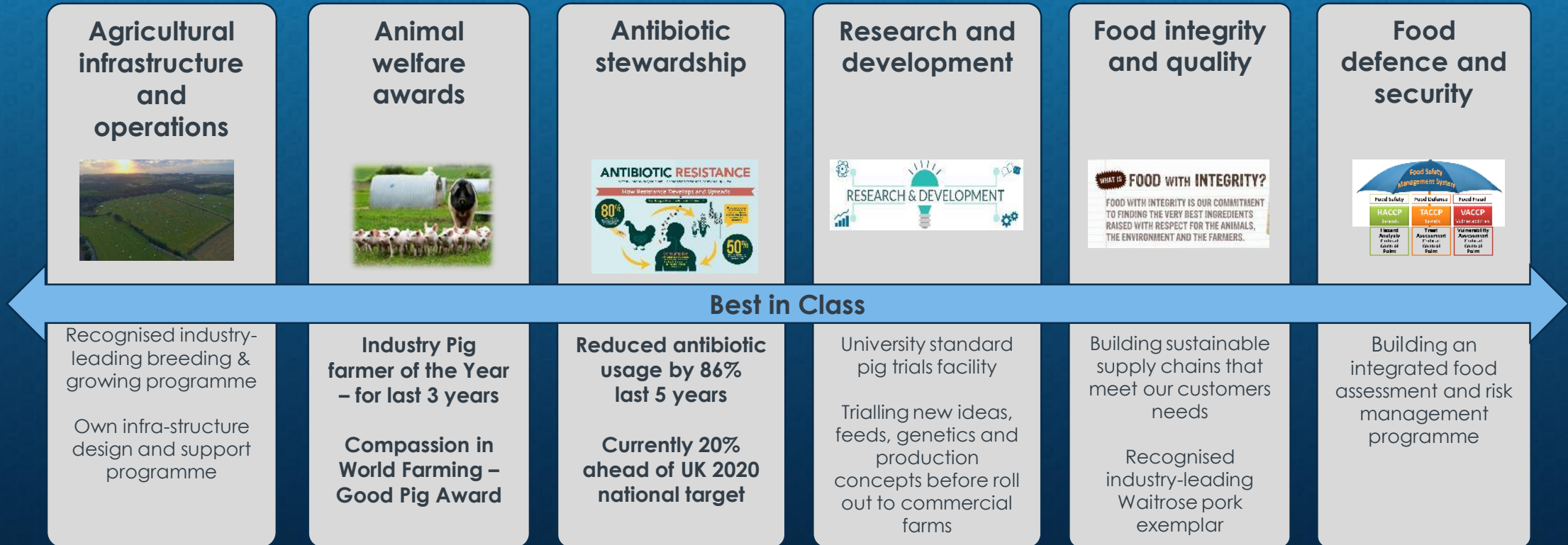


~40% of UK ODB\* Pig farming

■ Internal ODB ■ External ODB & RT



# TULIP LTD. - STRONG FOCUS ON FOOD SAFETY, ANIMAL WELFARE AND QUALITY STANDARDS DELIVERS COMPETITIVE ADVANTAGE



## Approved by Key Legislative and Third Party Bodies



# TULIP LTD - MARKET LEADING ASSET BASE

Investments of more than £250m since 2010



6,100 team members



Revenue £1bn



4 abattoirs/deboning  
8 active processing sites



Heritage of quality  
Formed from the best companies:  
Hygrade, Flagship, Roach, Dalehead,  
Geo Adams, Parkham, BQP

*Ongoing footprint optimization to improve efficiencies and cost reductions*



# TULIP LTD – INVESTING IN COMPETITIVE ADVANTAGES

Investments of more than £250m since 2010

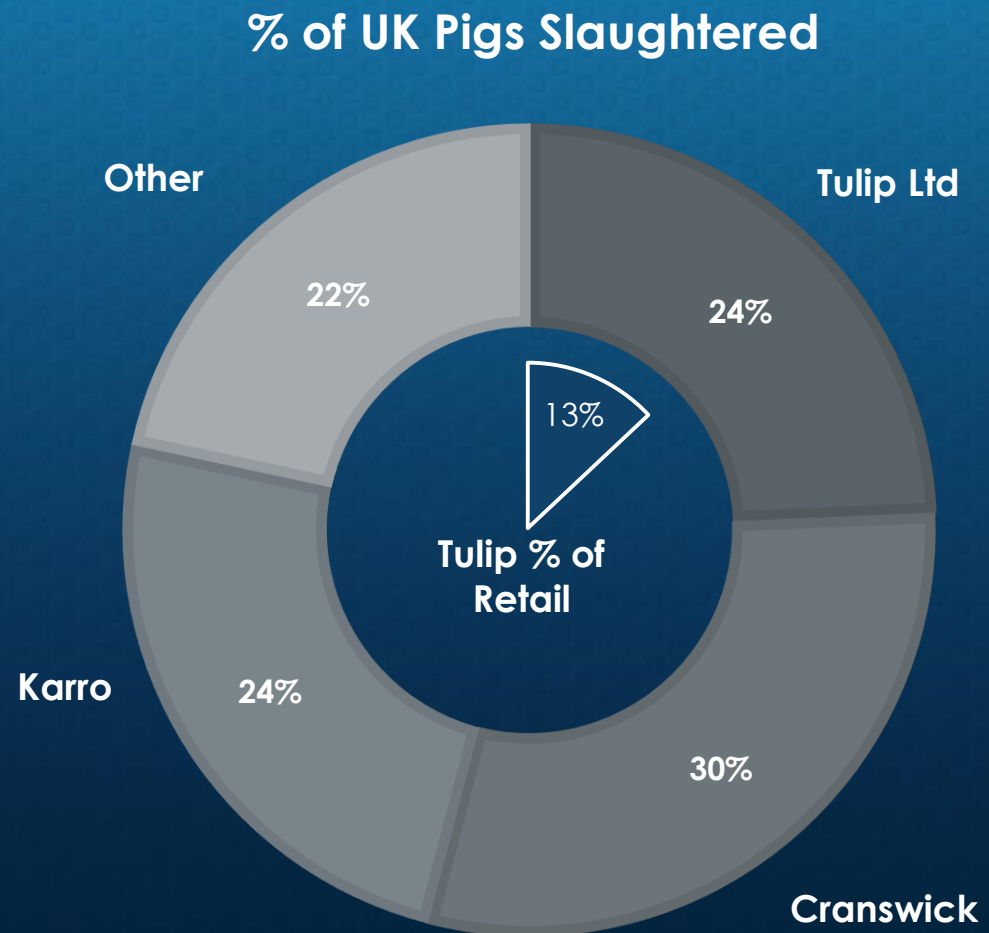
## Well invested assets

- ✓ High welfare pig abattoirs
- ✓ Acquisition of Easey farming
- ✓ Investments in worlds largest Scotch egg production facility
- ✓ Centre of Excellence for curing and slicing Bacon and Gammon



# TULIP LTD – OPPORTUNITY TO GROW IN RETAIL

24% UK slaughter share compared to 13% of Retail market share



**Key player revenue:**

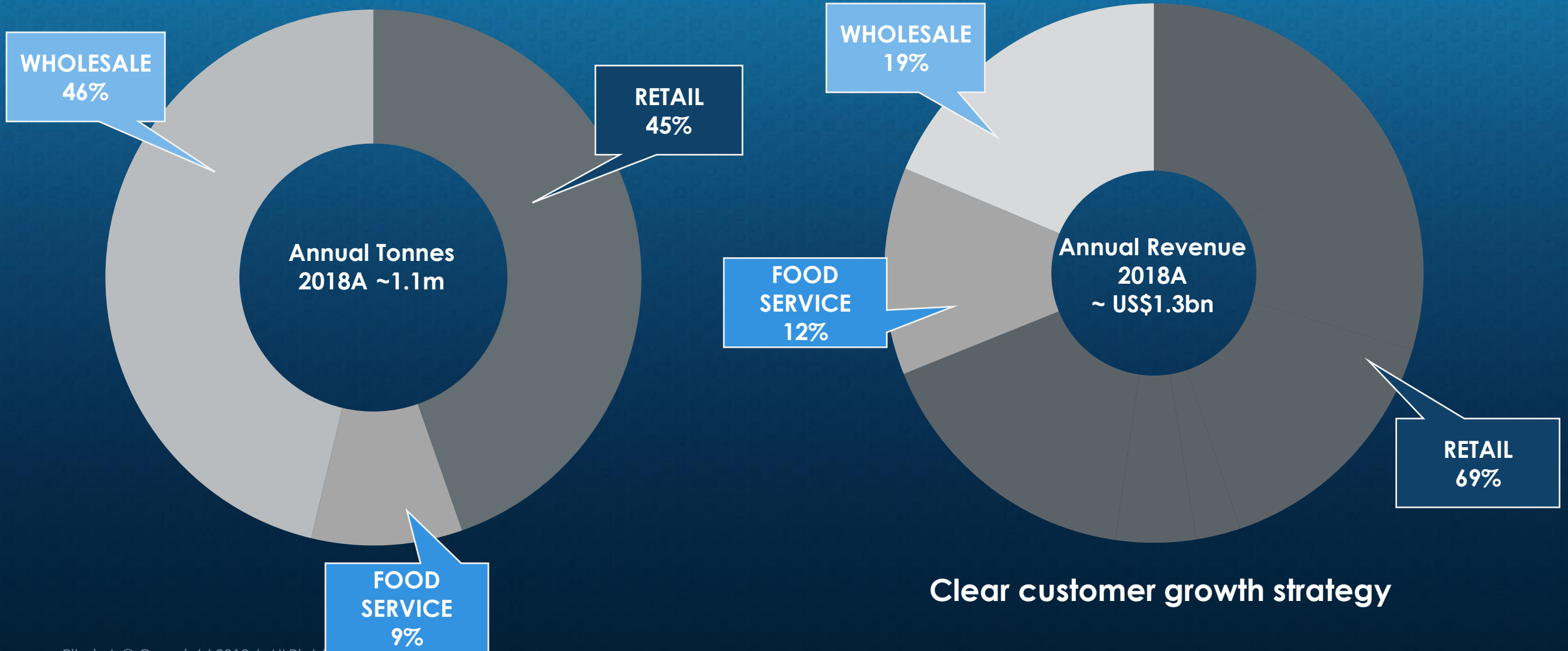
**Tulip Ltd**  
£1bn

**Cranswick**  
£1.4bn

**Karro**  
£0.5bn

# TULIP LTD – OUR SALES SEGMENTS AND CUSTOMERS

Opportunity to grow in retail from wholesale and capitalise on export



Clear customer growth strategy

# TULIP LTD - EXPORT GROWTH OPPORTUNITIES

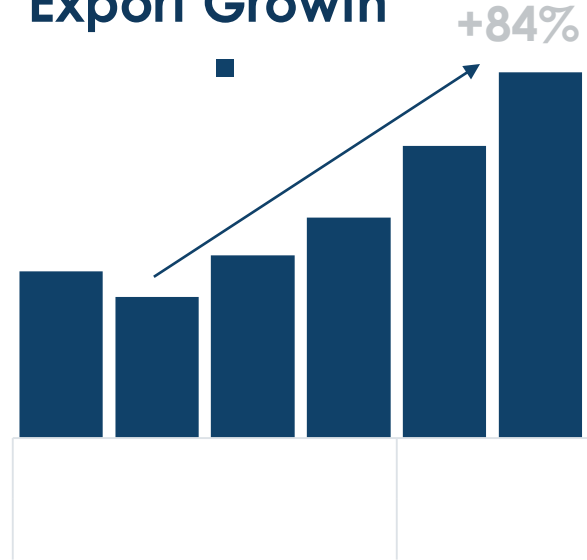
Driven by spread of ASF in China

## ASF Outbreak in China:

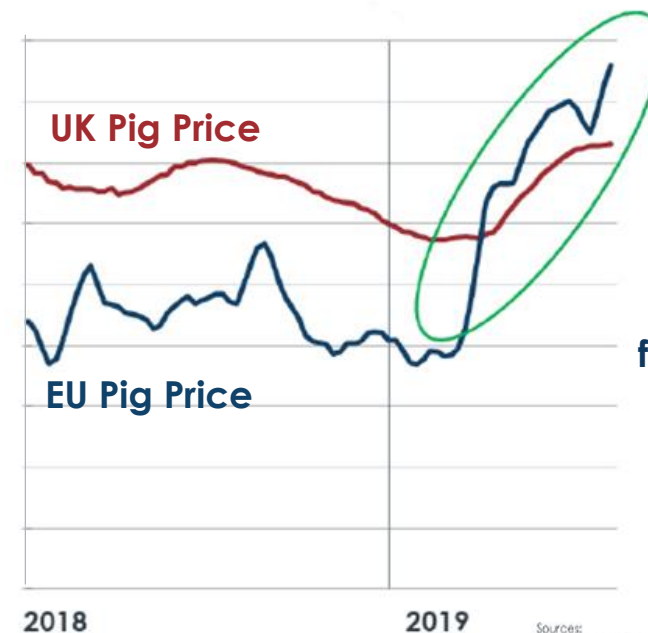
- Expect 38% reduction in China's pork meat production
- Produces and consumes 50% of world pork
- Driving export growth opportunities
- Driving increased pig prices



## Tulip Ltd - China Export Growth



p / kilogram



UK pig  
price  
below EU  
from Q2'19

Source: MARA

[https://www.oie.int/wahis\\_2/public/wahid.php/Diseaseinformation/Diseaseoutbreakmaps](https://www.oie.int/wahis_2/public/wahid.php/Diseaseinformation/Diseaseoutbreakmaps)

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Sources:  
<https://port.chdb.org.uk/prices/stat/prices/euro/reference-price/for-rations3&country=eul>  
<https://port.chdb.org.uk/prices-stat/prices/pig-prices-eu-spec/>




# TULIP LTD - PRODUCT SEGMENTS AND MARKET SHARE

Opportunities to grow and add value in high margin categories

Higher Margin



Lower Margin

|   | Product      | Market Value | Tulip Value Share |
|---|--------------|--------------|-------------------|
|    | Cooked Meats | £2,627m      | 6%                |
|    | Snacking     | £748m        | 12%               |
|    | Slow Cooked  | £204m        | 12%               |
|    | Bacon        | £867m        | 28%               |
|    | Sausages     | £672m        | 8%                |
|   | Gammon       | £276m        | 32%               |
|  | Fresh Pork   | £765m        | 26%               |

Source: Kantar 52wk to 11.08.19

# TULIP LTD – HEALTH, SAFETY & ENVIRONMENT

## Strong focus drives significant improvements

- ✓ Year on year reduction in lost time accidents
- ✓ Year on year reduction in green house gasses
- ✓ Year on year reduction in water Intensity
- ✓ Year on year reduction in electricity Intensity
- ✓ Food waste of total production

# TULIP LTD - FOCUSING ON OUR PEOPLE

The best management team in the industry;

- Driving accountability and ownership to the right levels across the Company, through restructuring, right sizing and removing the reliance on external consultants
- A strong Apprenticeship Programme, covering a range of disciplines including Butchery, Engineering and Technical
- Graduate Development Programme re-launched in 2019
- Positive engagement in local communities, supporting local charities alongside the group charity - Mind



# TULIP LTD - WHAT'S NEXT...

**Optimize footprint  
and complete  
turnaround**

**Drive best in class  
operational  
excellence**

**Capitalise on export  
opportunities**

**Strengthen and  
grow business with  
key customers**

**Drive innovations in  
areas of under  
indexed and high  
margin**

**Integrating with  
Pilgrim's and  
harvest synergies**

# KEY TAKEAWAYS

- Our commitment to safety, people, sustainability, animal welfare and quality has allowed us to build a strong foundation.
- Our unique integrated supply chain with our own high welfare pigs provides a competitive advantage and real point of differentiation.
- Our asset base and current sales mix provides opportunities to grow in retail and higher value added categories.
- Our ongoing investments and footprint optimization allows us to deliver operational excellence and bottom line impact.



# Chris Kirke

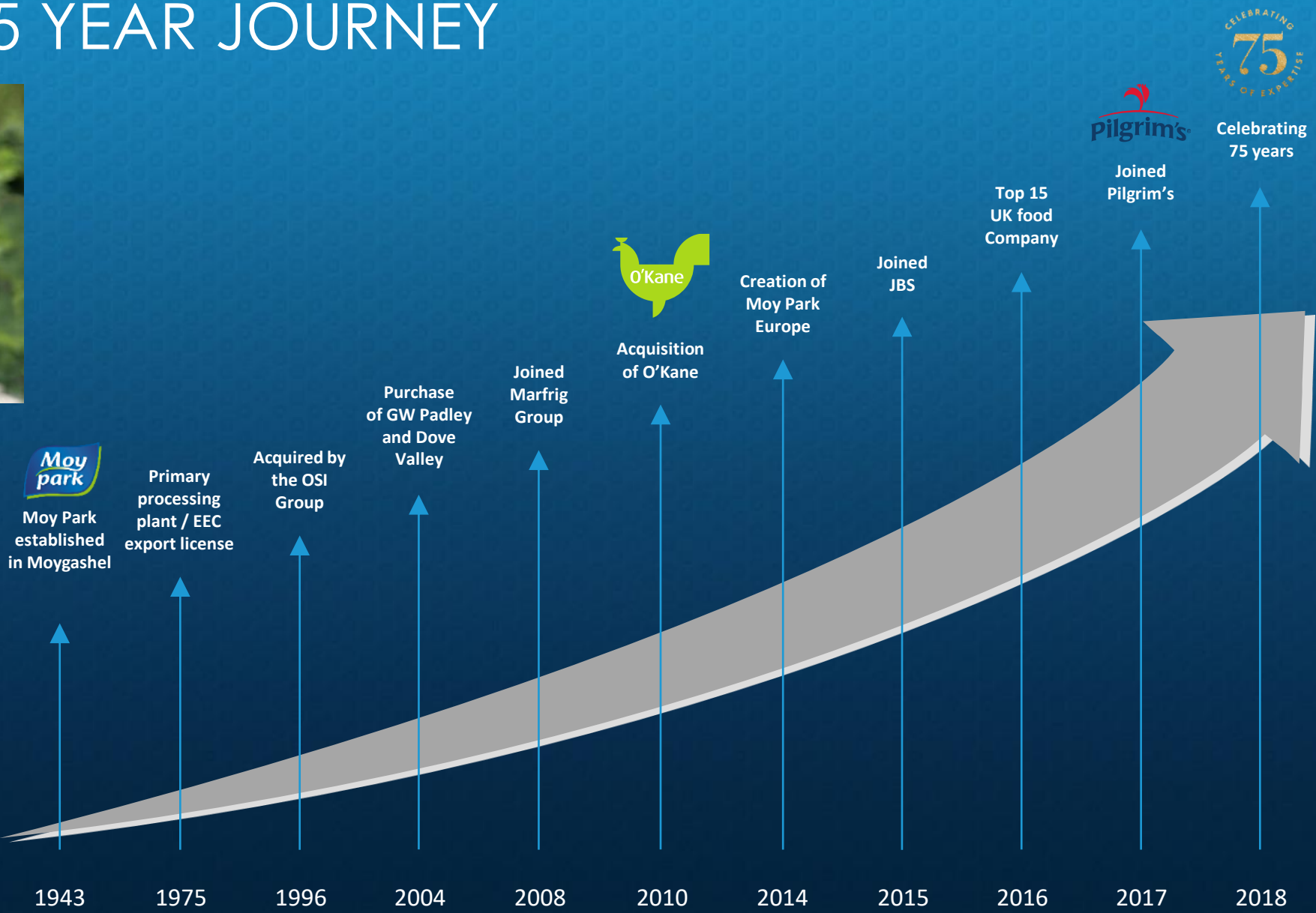
MOY PARK, EUROPE



# MOY PARK'S 75 YEAR JOURNEY



75 YEARS OF  
HERITAGE  
AND GROWTH



# PEOPLE SAFETY



Strong and  
active leadership  
from the top

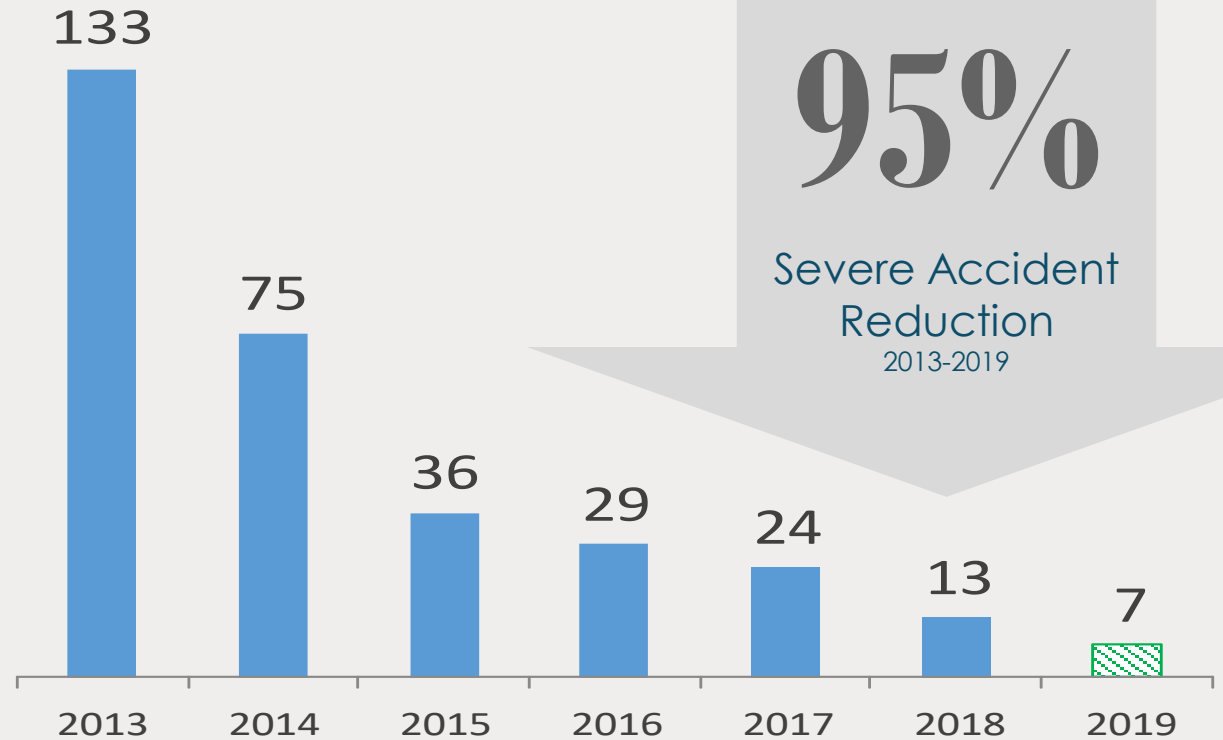


Involving &  
Engaging  
Team Members



Assessment  
and review of  
performance

Safe people, safe products  
& healthy attitudes



**156 Lost Workdays YTD 2019**

594 YE 2017  
5530 YE 2013

**70%**

Days Lost  
Reduction  
2017-2019

# MOY PARK'S ANNUAL OPERATING INCOME PROGRESSION

**OUR JOURNEY  
75 YEARS OF  
HERITAGE  
AND GROWTH**





# MOY PARK AT A GLANCE

Diversified European  
protein-based food  
company with presence  
in **poultry, beef, pork**  
and **meat free**

Top 5 leading European poultry company

Joined **Pilgrim's Pride** September 2017

**Top 15 UK food business** and leader in  
convenience products

Processing up to **6 million birds** per week

**12 production sites** in UK, England,  
France and Holland

Employer of **13,000 people**

Diversified portfolio of **customers**



8  
ADDED-VALUE  
PROCESSING  
FACILITIES

4  
FRESH  
PROCESSING  
FACILITIES



**UK & Ireland:**  
74% of revenues

Primary Fresh

Ready-to-Eat

Coated

**Continental Europe:**  
26% of revenues

Beef

Convenience

Meat Free

# UNIQUE INTEGRATED FARM-TO-FORK SUPPLY CHAIN, WITH WELL INVESTED FARMS AND HATCHERIES



- ▶ Young farming estate
- ▶ Facilities capable of supplying the next generation
- ▶ Hot water heating in 98%+ of estate

## UNIQUE PERFORMANCE HOUSE



- ▶ 18,000 birds
- ▶ Feed formulations
- ▶ Alternative breeds and bedding



**Strongest European  
geographic biosecurity**

## NEWARK HATCHERY



- ▶ £20m investment
- ▶ State-of-the-art technology
- ▶ Latest automation techniques

**0 – 18 MONTH  
MOY PARK SUPPLY CHAIN**

**FEED MILLS**



**GRANDPARENT REAR**

**GRANDPARENT LAY**

**PARENT HATCHERY**

**200 PARENT REAR**

**PARENT LAY**

**BROILER HATCHERY**

**600 BROILER FARMS**



**4 FRESH POULTRY SITES**

**8 PREPARED FOODS SITES**



**DISTRIBUTION CENTRE**

**CUSTOMER STORES**

# FOOD SAFETY IS AT THE HEART OF OUR STRATEGY, ALONG WITH QUALITY, INTEGRITY AND TRUST.

WE ARE SHAPING THE FUTURE OF FOOD SAFETY AND QUALITY WITHIN OUR INDUSTRY.

## BROAD EXECUTIVE ADVISORY BODY REPRESENTATION

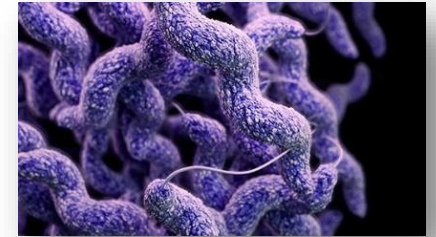


FIIA Food Industry  
Initiative on Antimicrobials



## INDUSTRY LEADING PERFORMANCE ON CAMPYLOBACTER AND ANTIBIOTICS

- ▶ Patented process intervention
- ▶ Largest known molecular study
- ▶ New qPCR kit



## AGRICULTURE AND FOOD SAFETY COLLABORATION PROJECTS



- ▶ 2 Innovate UK
- ▶ 1 Invest Northern Ireland
- ▶ 3 PhD
- ▶ 9 Agri-Food Quest Competence Centre

## MOY PARK WORLD CLASS FOOD SAFETY FORUM

Professor  
Patrick Wall



Professor  
Steven Walker



Professor  
John Moore





# OUR STRENGTH IS IN OUR PEOPLE, OUR VALUES, OUR QUALITY IS IN OUR WELL INVESTED FACILITIES

## AWARD WINNING PORTFOLIO OF DEVELOPMENT PROGRAMMES

- ▶ Graduate Management Trainees
- ▶ Apprenticeships
- ▶ Leadership Development
- ▶ Professional Development
- ▶ Internal Academies



## WELL INVESTED FACILITIES

*Dungannon*

- ▶ Only UK site with 6 pillar brands
- ▶ 6.6 birds a second
- ▶ 3 robots processing 300 fillets per minute



## ENSURING A GOOD EMPLOYEE EXPERIENCE THROUGH

- ▶ Modern recruitment system
- ▶ On boarding programmes
- ▶ Engagement programmes
- ▶ Language solutions
- ▶ Talent mapping
- ▶ Health and well being initiatives and more
- ▶ Moy Park app allowing employees to report Behavioural Based Safety observations



## CORPORATE RESPONSIBILITY

**TOTAL ENERGY INTENSITY REDUCED IN 2018**

**↓ 4.5%**

Total has reduced by over 15%



**>300,000 MEAL EQUIVALENTS**  
distributed to support services targeting the eradication of food poverty

**FOOD WASTE REDUCED BY MORE THAN 1,000 TONNES IN THE LAST YEAR**

Through innovation and operational excellence



**60% CO2e REDUCTION**

Total CO2e reduced by over 60% from base year 2010

OUR GOAL IS TO PROVIDE LEADING INSIGHT AND DEVELOPMENT RESOURCES TO OUR CUSTOMERS, SO WE CAN INNOVATE TOGETHER TO MEET CONSUMERS' NEEDS.

### MOY PARK BRANDS



### BRANDS IN DEVELOPMENT



**SIGNIFICANT DEPTH OF MARKET DATA**  
*covering total grocery & 19+ specialist categories*

KANTAR **WORLD PANEL**

**the food people**



**IRI**  
Growth delivered.

**dunnhumby**



**MCA.**  
Eating and drinking out  
market insight.



### EXTENSIVE RESEARCH CAPABILITY

- ▶ Bespoke custom community
- ▶ Pop-Up communities
- ▶ Video Panel
- ▶ In house merchandising specialist



### LEADING CULINARY AND INNOVATION EXPERTISE

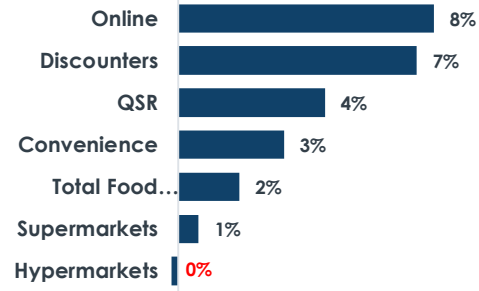


- ▶ Well invested facilities in NI & GB
- ▶ Dedicated innovation and development teams
- ▶ Dedicated key account chefs

# BIG THEMES IN THE UK MARKET: AN EVOLVING LANDSCAPE

## CHANGING CHANNEL DYNAMICS

Discounters turning the screw



Renewed Price competition



CAGR by channel: to 2024 for retail. to 2021 for food service

## EVOLVING SUPPLY DYNAMICS



EXPANSION



OPTIMISATION



EXPANSION



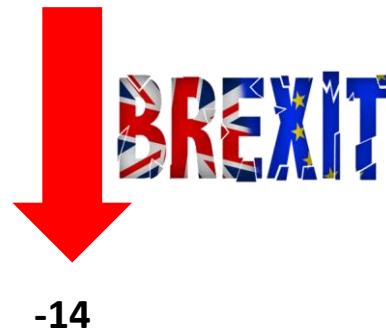
ACQUISITION



CONTRACTION

## COMPLEX CONSUMER DYNAMICS

CONFIDENCE



-14

AV DISPOSABLE  
INCOME

+5.4%



£216/wk  
[+£12.05 YoY]

## SOCIAL RESPONSIBILITY

COMPASSION  
in world farming

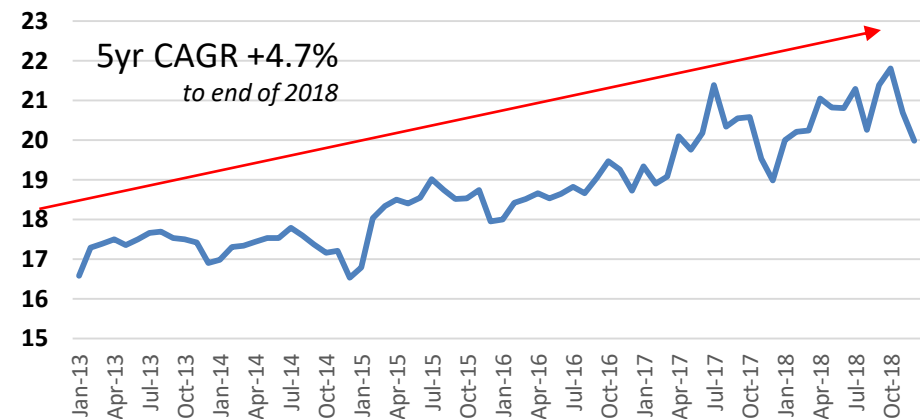


Source: IGD Channel Opportunities 2019 – 2024, June 2019; MCA Insight Eating Out in the UK Report, July 2018 – 9% growth assumes 2021 and 2022 maintain 2020 projected growth of 1.7%; Asda Income Tracker, August 2019

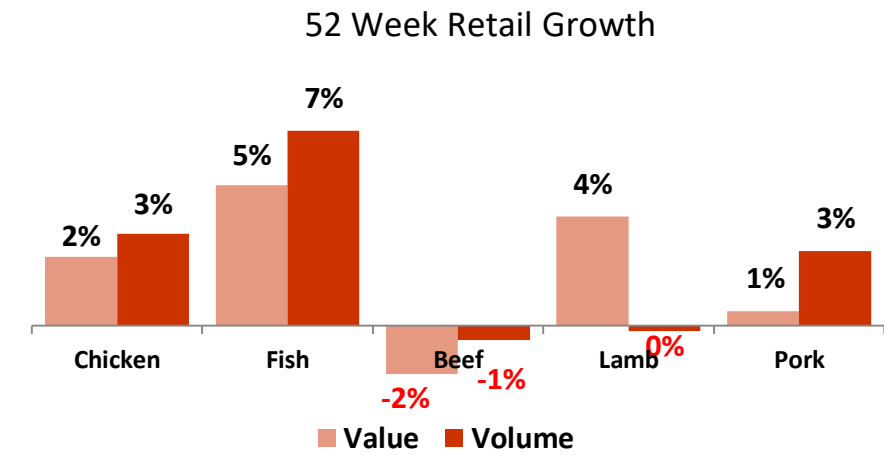


# MARKET DYNAMICS

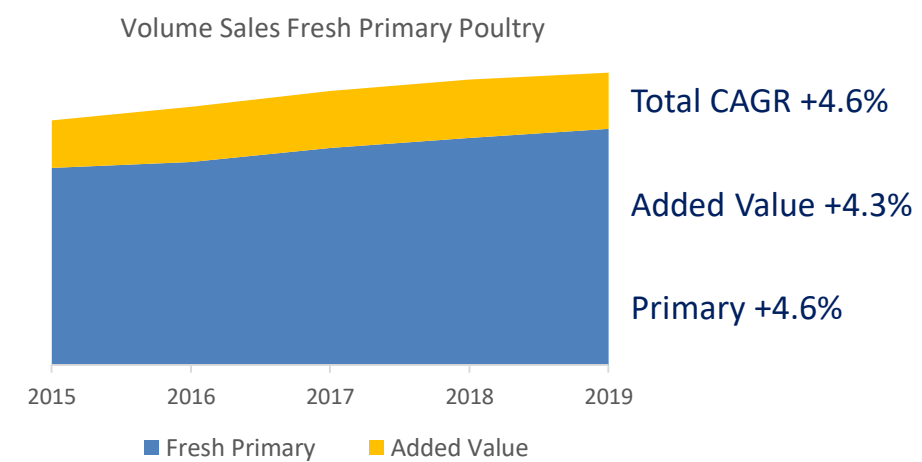
## UK PROCESSING GROWTH



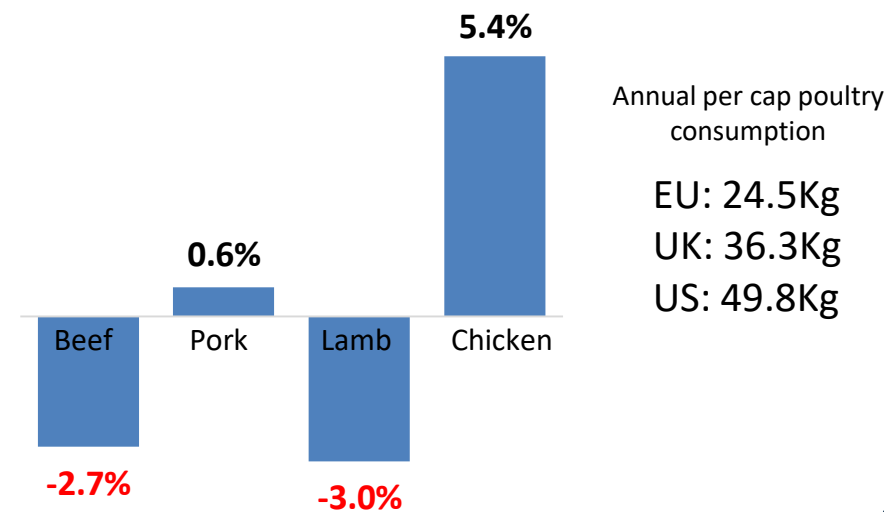
## GROWTH RELATIVE TO OTHER PROTEINS



## RETAIL MARKET LONG TERM TREND



## CONSUMER MEAT CONSUMPTION TREND

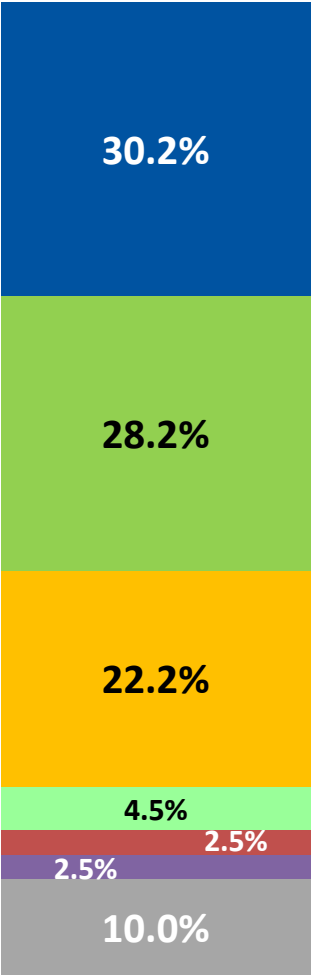
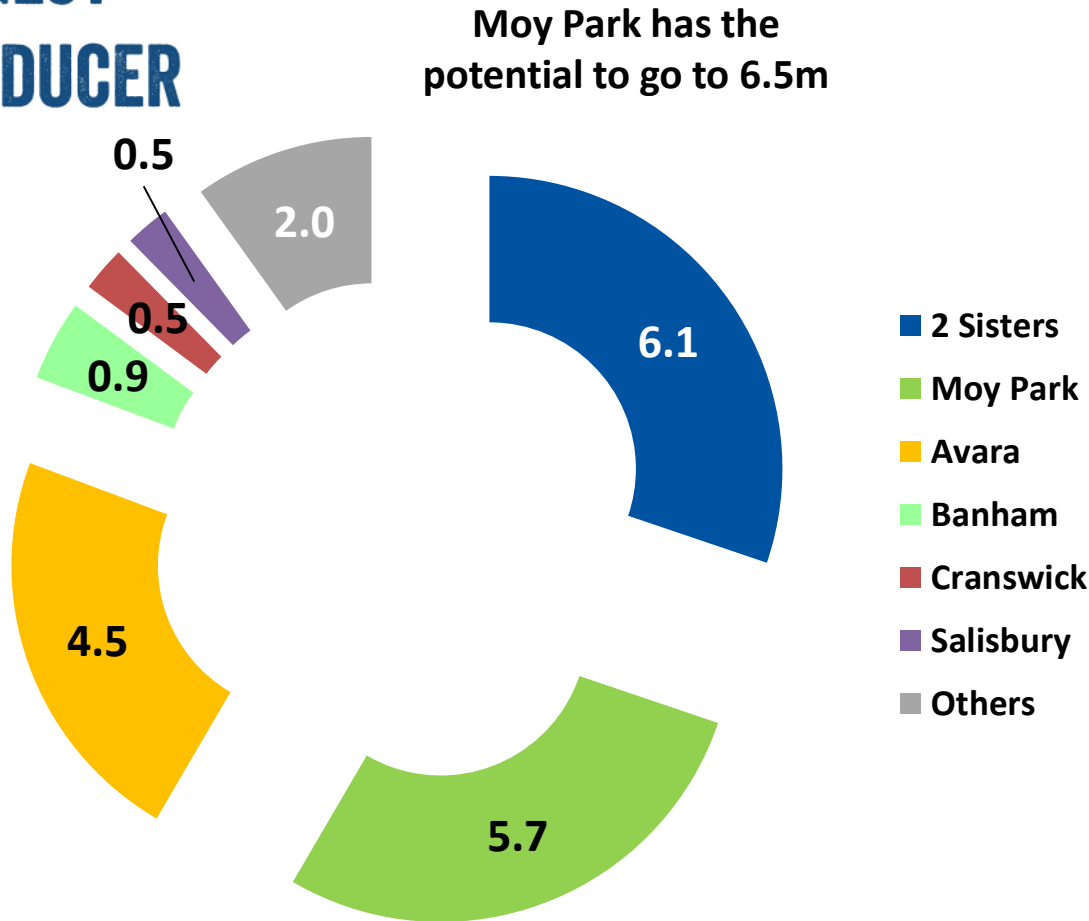


Source: 1 = Defra Slaughter data to Dec 2018; 2 - Kantar Worldpanel 4 year trend, 52 weeks to 19<sup>th</sup> May 2019 v previous year; 3 - Kantar Worldpanel 52 weeks to 11<sup>th</sup> August 2019 v previous year; 4 - EU and US - OECD; UK - ONS/HMRC via AHDB Poultry Pocketbook 2018

# MARKET DYNAMICS

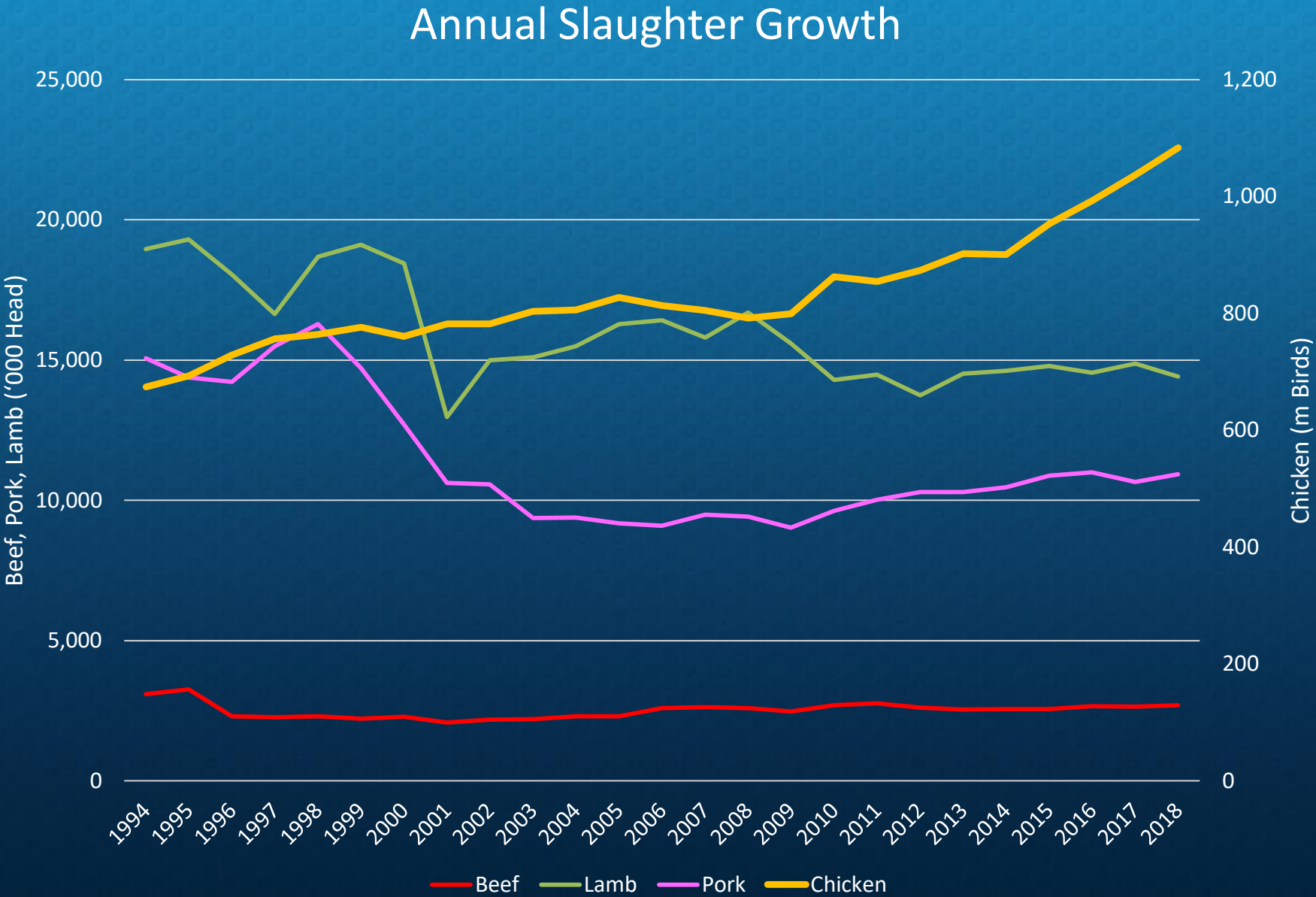
Average UK weekly kill for YTD is 20.2m birds

MOY PARK IS THE  
SECOND LARGEST  
CHICKEN PRODUCER  
IN THE UK



Source: DEFRA UK Averaged Weekly Kill YTD, to end June 2019;  
Moy Park management estimates, 2019

# MARKET DYNAMICS





# MARKET DYNAMICS

What makes a key  
customer  
relationship



WAITROSE  
& PARTNERS

Sainsbury's

TESCO



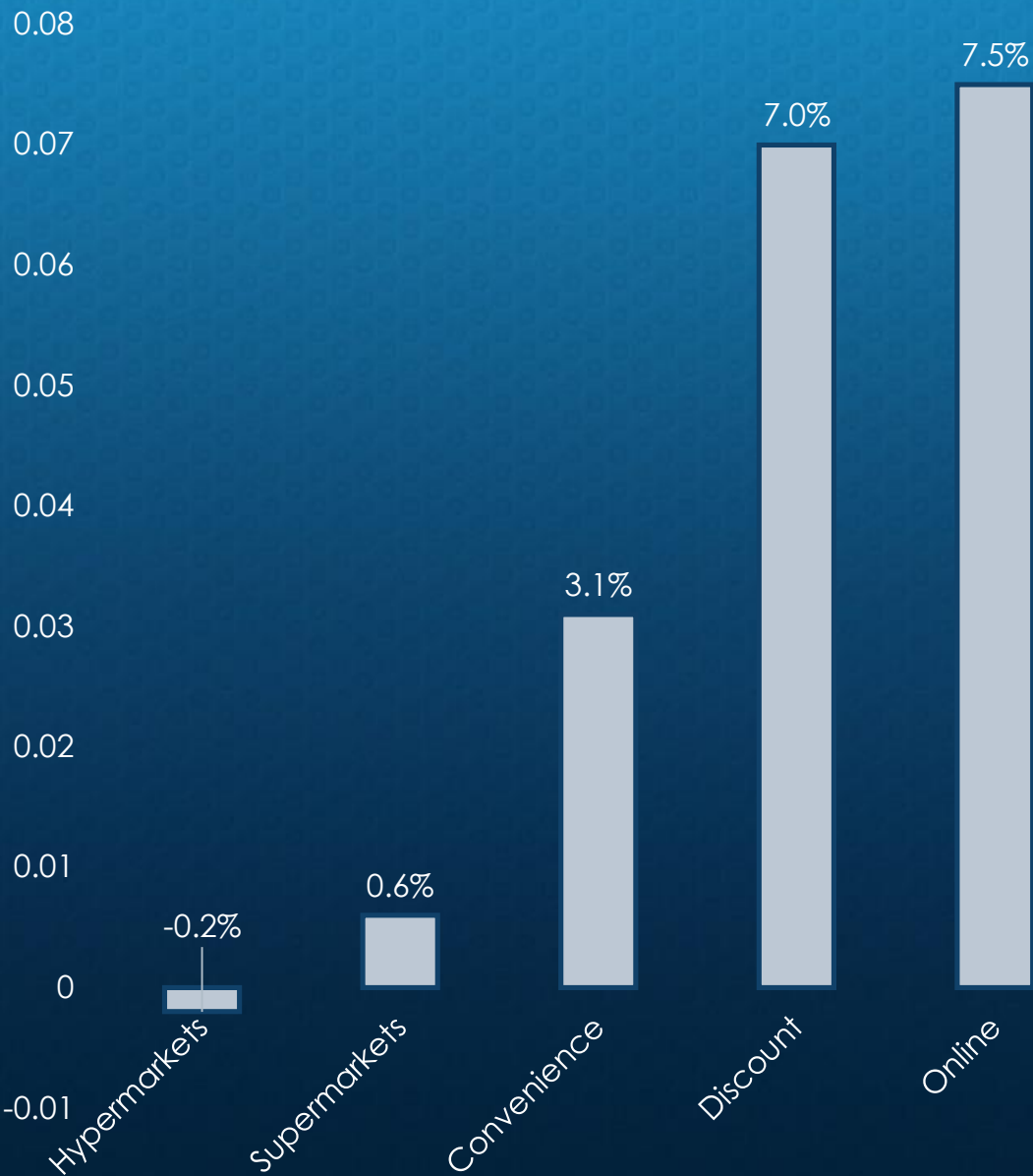
# MOY PARK HAS THE MOST RESPECTED DEDICATED E-COMMERCE TEAM IN THE INDUSTRY\*

PRODUCT   ENVIRONMENT   CONTENT   ACTIVATION   NAVIGATION



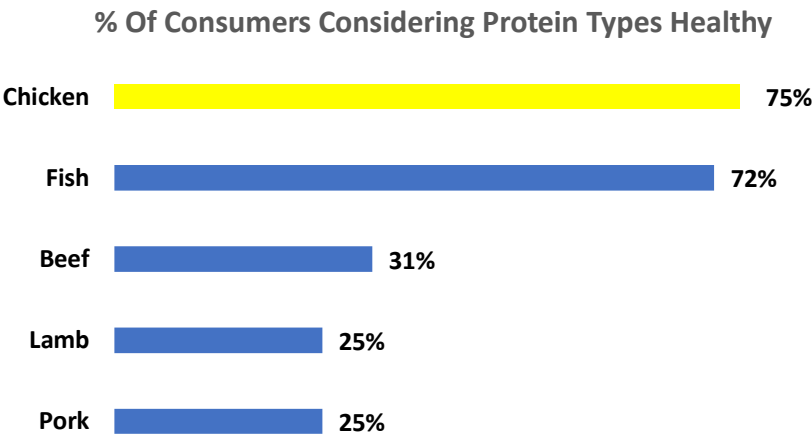
ONLINE IS SET TO BE THE FASTEST GROWING GROCERY CHANNEL IN THE UK OVER THE NEXT FIVE YEARS

## CAGR% 2019 - 2024

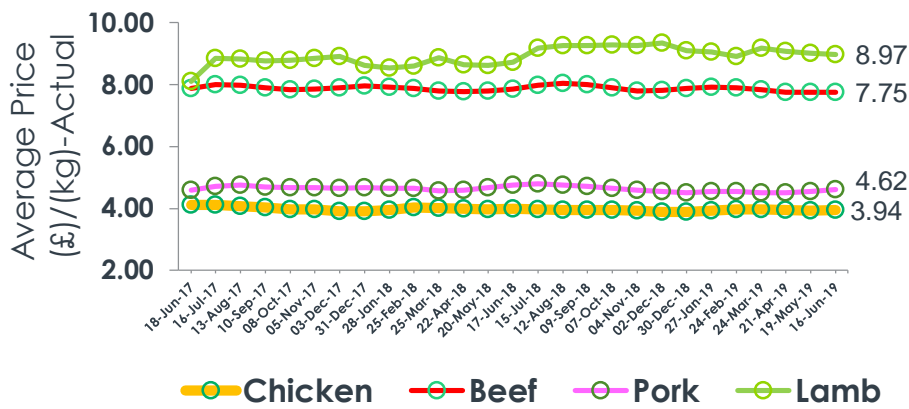


# CONSUMER TRENDS

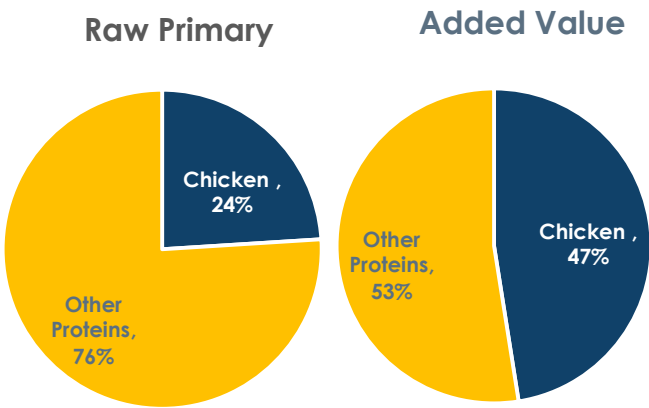
## HEALTH



## VALUE FOR MONEY

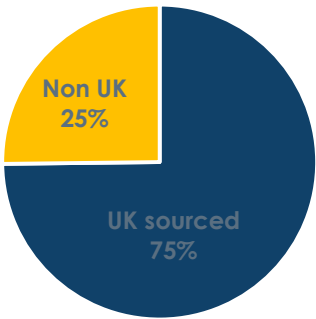


## CONVENIENCE



Poultry is more versatile, so has a higher share of the AV market

## PROVENANCE



|                     | UK source | Non UK | % British |
|---------------------|-----------|--------|-----------|
| Total UK            | 20.2      | 6.8    | 75%       |
| Fresh Retail        | 16        | 0.8    | 95%       |
| Conv Retail inc B2B | 1.5       | 3.6    | 29%       |
| Food Service        | 2.7       | 2.4    | 53%       |





# INNOVATION

## CONTINUOUSLY INOVATING TO MEET CONSUMERS NEEDS

Examples of 2019 innovation delivering against consumer trends

### HEALTH



Waitrose &  
Tesco Free  
From

### SNACKING



Jack Links  
partnership:  
Chicken Bites

### CONVENIENCE



Branded  
Microwaveable  
Wings

### EXCITEMENT



Sainsbury's:  
Pineapple, Rum  
and Coconut  
Kebabs

### MEAT FREE

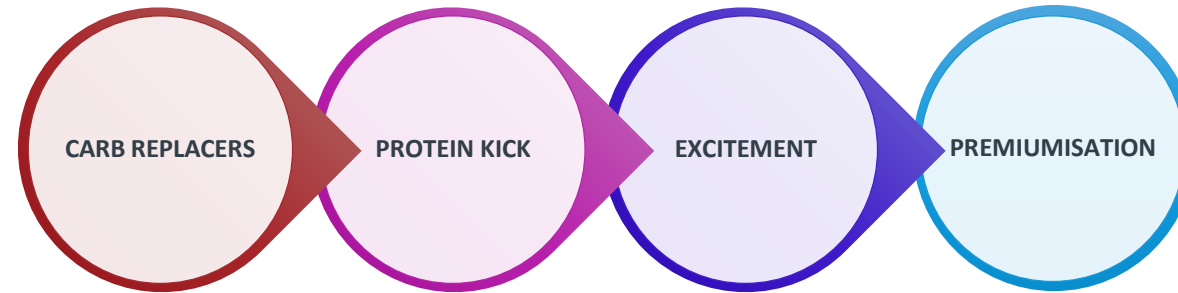


FOUR DAYS SINCE LAUNCH AND  
KFC'S IMPOSTER BURGER IS SOLD OUT  
IN THE UK

# INNOVATION

DRIVING PRODUCT  
DEVELOPMENT  
ACROSS MULTIPLE  
PLATFORMS

Looking forwards – 2019/2020 Innovation Pipeline



Chicken Mince



Pastry



Drum Fillet



Chicken Sausages



Flexitarian  
Chicken Burgers



Flexitarian  
Chicken Beet Balls



Flexitarian  
Chicken & Greens Bake



# KEY TAKE AWAYS



- A fast-growing multi-protein business
- A unique, embedded agricultural base
- Industry-leading technical standards
- Culture of continuous improvement and operational excellence
- Solid key customer portfolio, offering growth, volume and premium opportunities
- A strong track record of innovation
- #1 ranked industry e-commerce team

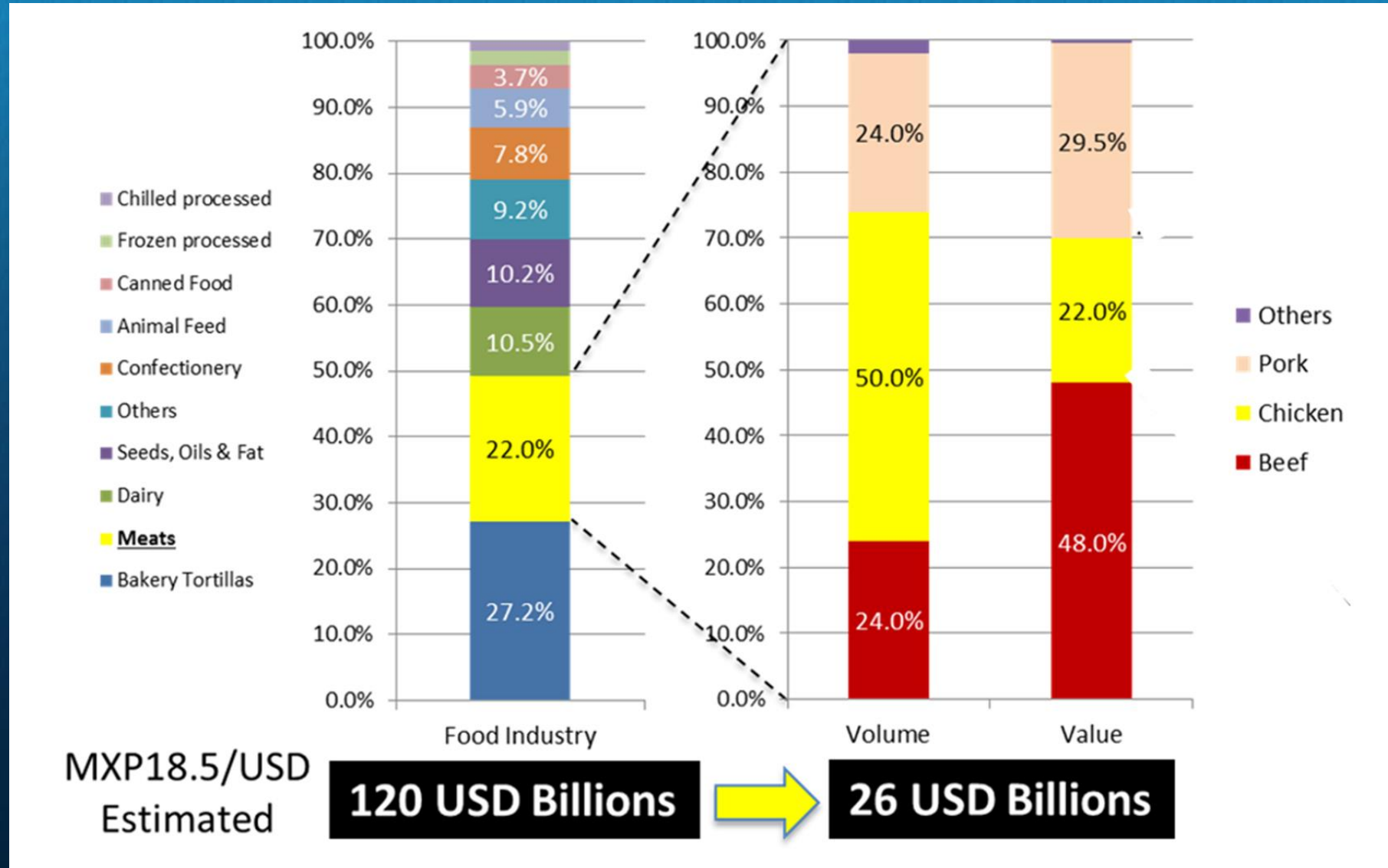




# Charles VonDerHeyde

PILGRIM'S MEXICO

# MEXICO FOOD INDUSTRY MARKET COMPOSITION



# INDUSTRY: SALES CHANNELS

## SALES CHANNELS IN MEXICO POULTRY INDUSTRY:

|                     |      |
|---------------------|------|
| + LIVE SALES        | 37 % |
| + WHOLESALES        | 35 % |
| + RETAIL            | 14 % |
| + FOODSERVICE       | 7 %  |
| + ROTISSERIE CHAINS | 8 %  |





# PILGRIM'S MÉXICO / MAIN INFO:

## PPMEX MAIN INFO:

**2ND**  
MEX PRODUCER



**+8 Million**  
Weekly



**+11,000**  
Employees

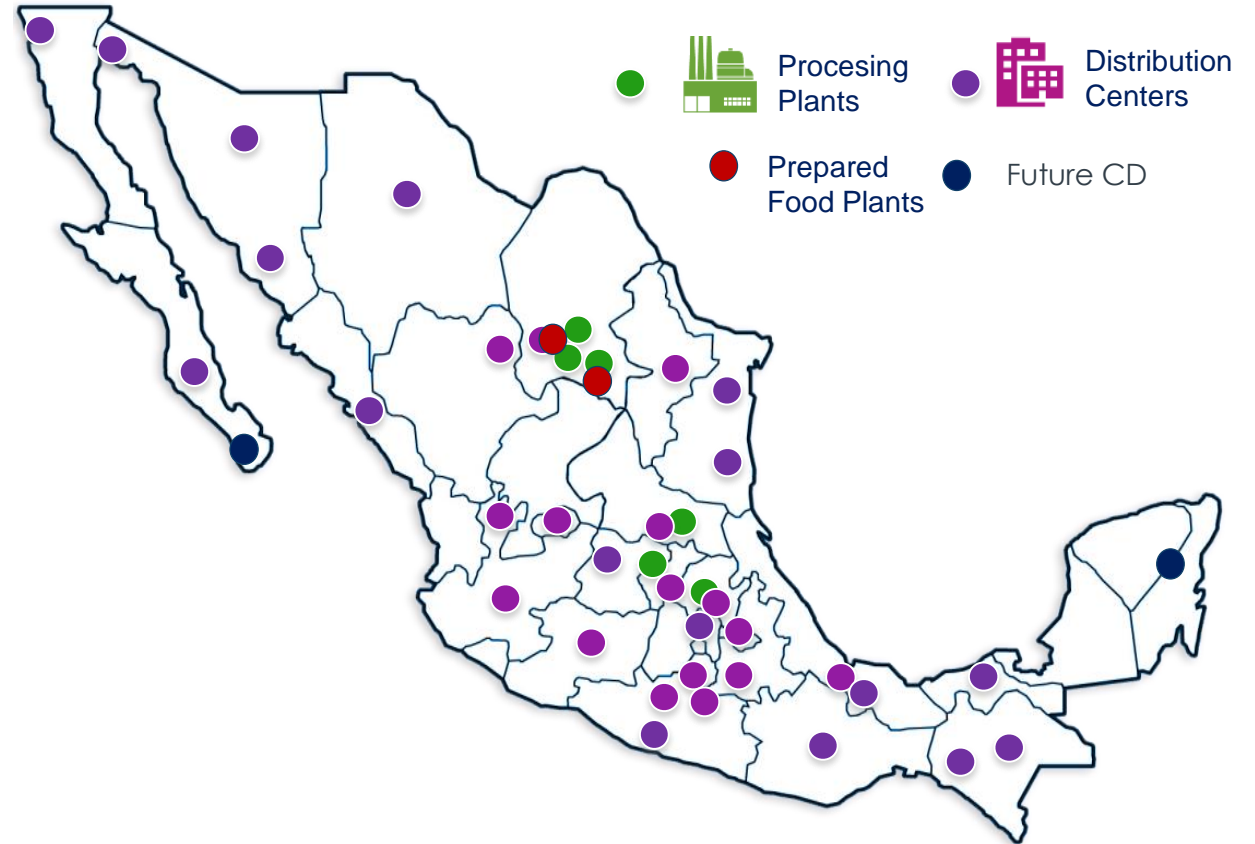


**6** Processing Plant  
**2** Value Added Plant  
**34** Distribution centers

## FROM FARM TO THE TABLE!



## MAIN FACILITIES:



# PILGRIM'S MEXICO HR STRATEGY – PEOPLE!

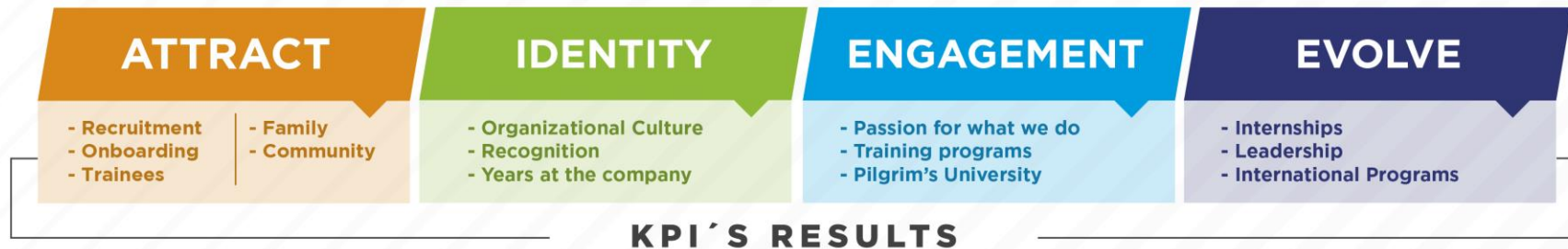




# PILGRIM'S MEXICO HR STRATEGY – PEOPLE!



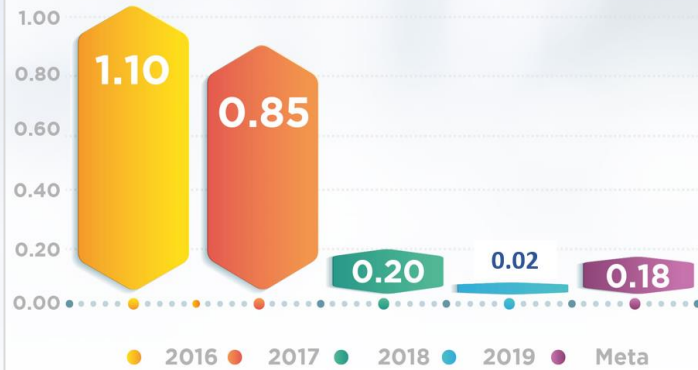
OUR GREATEST VALUE  
**IS OUR PEOPLE**





# PILGRIM'S MEXICO HR STRATEGY – PEOPLE!

## DART



## SEVERITY



## ATTRACT

- Recruitment
- Onboarding
- Trainees

- Family
- Community

## IDENTITY

- Organizational Culture
- Recognition
- Years at the company

## ENGAGEMENT

- Passion for what we do
- Training programs
- Pilgrim's University

## EVOLVE

- Internships
- Leadership
- International Programs

## KPI'S RESULTS

## TURNOVER



# PILGRIM'S MEXICO'S STRATEGY



# STRATEGIC OBJECTIVES



**1)- Greater profitability (Margin) of the industry in a sustainable way**

*Goal: Achieve a greater profitability than our main competitor.*

**2)- Increase Market share.**

*Goal: To grow faster than market pace*

**3)- Enhance brand's (Marca) portfolio value (brand equity)**

*Goal: To have the most recognized brands in the industry*

**To be a  
SUCCESSFUL LONG TERM COMPANY**



# KEY CUSTOMERS & CHANNELS

## Channels



LIVE CHICKEN

WHOLESALE

RETAIL

ROTISERIE CHAINS

QSR



## CLIENTS



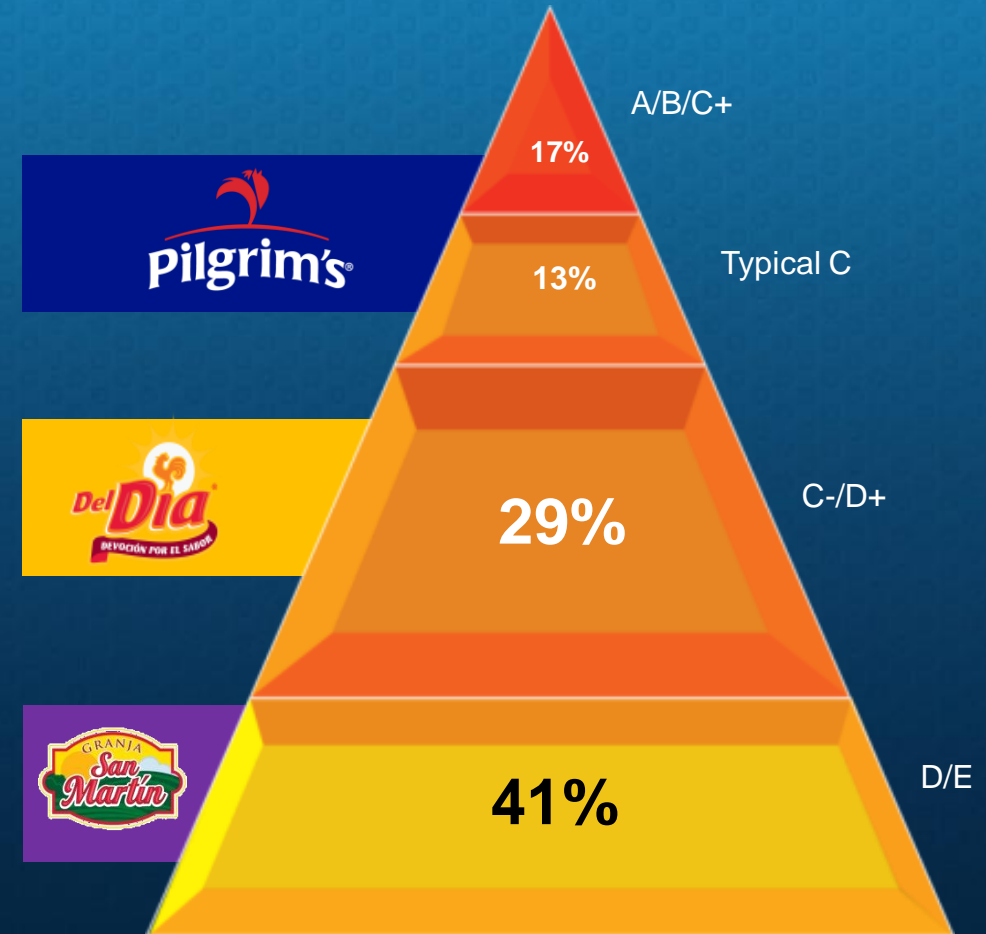
# CREATING VALUE FOR KEY CUSTOMERS



# PORTFOLIO SOLUTIONS FOR THE DIFFERENT SEGMENTS

## Solution for each segment:

We made a solution adapted for each channel and for each social economic level of the population.



Population Distribution in Mexico and how our brands are aligned in each segment  
Source: INEGI : AMAI



# VALUE CREATION FOR KEY CUSTOMERS

## 1- UNDERSTAND CUSTOMERS NEEDS & MARKET TRENDS

Work very close to our key customer to understand clearly their needs. And, at the same time, continue reading of the market and the consumer trends to propose our Key Customers with solutions.

## 2- CO-CREATION OF VALUE PROPOSITION (CUSTOMER AND PPMEX)

Together, Key customer and us, co-create and discover the best solution for the detected opportunities.



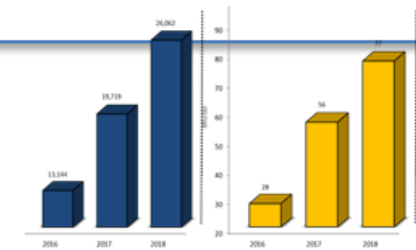
## 3- SOLUTION DEVELOPMENT (IDEA CENTER)

In our IDEA CENTER (Ppmex R&D Center) we develop the solutions using our GATE Methodology



## 4- DELIVER THE SOLUTIONS (TRACKING RESULTS)

Deliver the solutions for our Key Customers. Together to define the KPIS for tracking the performance of the new solution.



# COMMERCIAL STRATEGY / FRESH BU

Increase our participation in Modern Channel with branded products that allow us to have a more stable profitability and at the same time to develop our brands.



# COMMERCIAL STRATEGY / PREPARED FOOD BU

To provide the best food experience, nutrition and taste to connect people. We want to inspire you give the most to the ones you love.



  
pilgrim's  
Premium



**QSR**

The best sensory experience  
of the category

**The best value/price  
equation.**

Your best ally in  
value added  
poultry



# INNOVATION

“R&D center (IDEA) has been the connecting place between opportunities and the productive elements (marketing-suppliers-plants-process) to make all the projects real and successful”





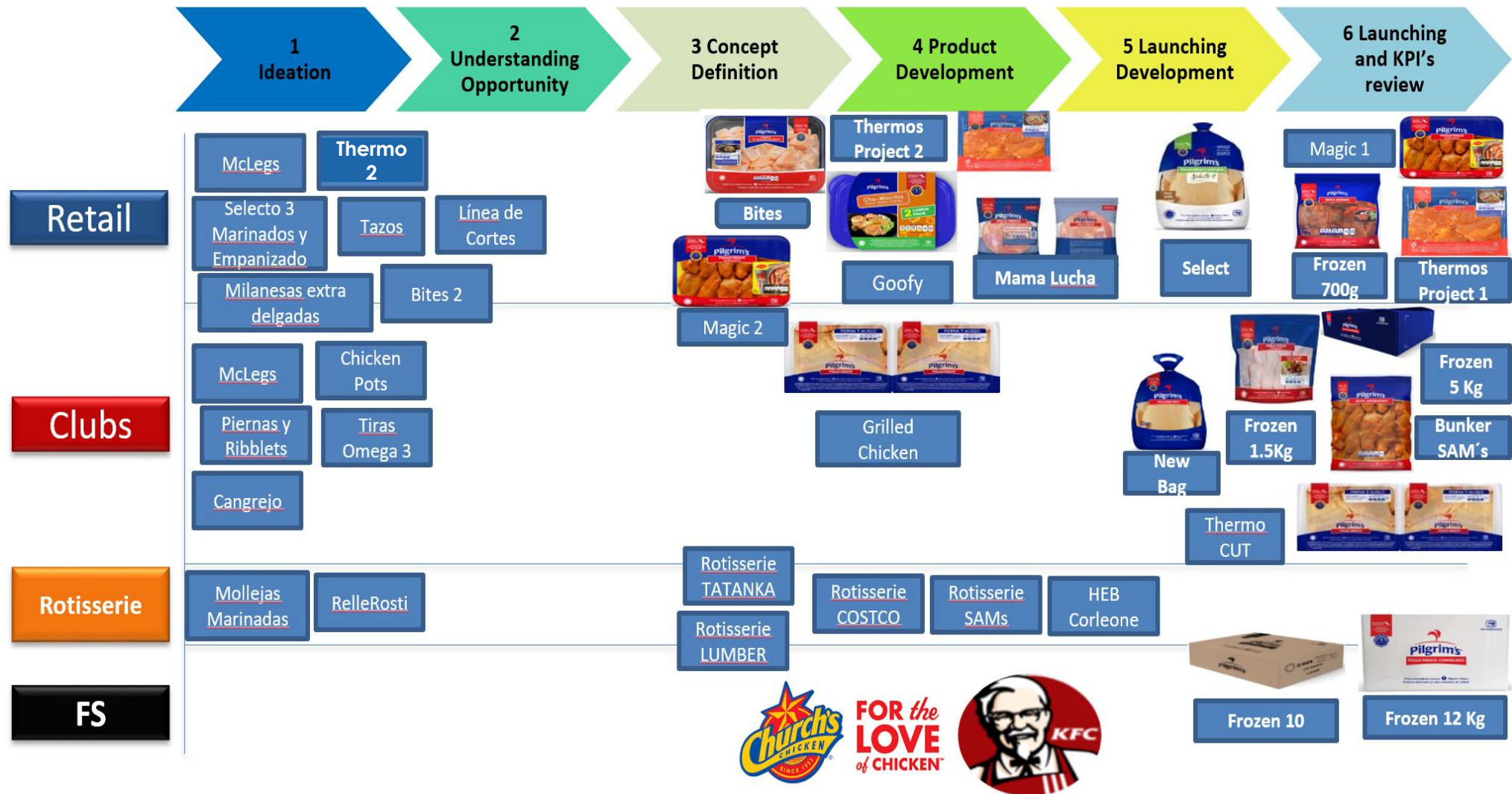


Innovación, Desarrollo y Adelanto

IDEA



# INNOVATION PROCESSES





## PPMEX | KEY INNOVATIONS - EXAMPLES

Innovations based on dark meat products with local recipes and trendy flavors.



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Innovations based on early in early out strategy for the Christmas Season.



We also added local flavors to Del Día launches.





## PPMEX | KEY INNOVATIONS - EXAMPLES

IQF chicken antibiotics free aimed to consumers who cares a lot about their consumption. Display in the organic products aisle.

- Chicken Legs skinless.
- Chicken Thighs skinless.
- Milanesas.

Selecto  
DE LA  
GRANJA



Low cost products aimed at the traditional consumer looking for chicken with excellent flavor and at a low price range. Chicken marinated boneless thighs and other chicken pieces in 3 spicy flavors.

- Fixed weight 500g.
- 30 days of life shelf.

EL SAZÓN  
DE TU COCINA



This new product line emphasizes the power of the grill master by becoming the King of the Grill. Whole open chicken, marinated with alcoholic flavors in a shrink bag, designed for the grill.

- Frozen for better preservation.
- 1 year of life shelf.

Grill  
KING



pilgrim's

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# PPMEX | EMPAQUES CLUB NFL PORTAFOLIO 2019-2020 |

Septiembre - Febrero

CLUB CARBON MIX  
LOLLIPOPS 1.2KG

CLUB BUFFALO WINGS 1.2KG

CLUB BUFFALO  
BONELESS 1.2KG

**pilgrim's** | **NFL**  
POLLO OFICIAL DE LA NFL

- For a great snacking.  
Spicy wings with different hot levels.
- Fixed weight 500g.
  - 30 days of life shelf.



**pilgrim's**

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# THE BLUE WAVE CONTINUES EXPANDING...





# KEY TAKEAWAYS

- Our commitment to safety, people and quality has created the conditions for long term sustained growth
- The diversification of our portfolio, steadily moving from commodity to prepared foods and branded products, is creating more steady results (YOY)
- Our key customer strategy, as well as our brand awareness, sustain our growth strategy
- Our relentless pursue of operational excellence, combined with our innovation skills, continues to support our financial results



**Gracias!**

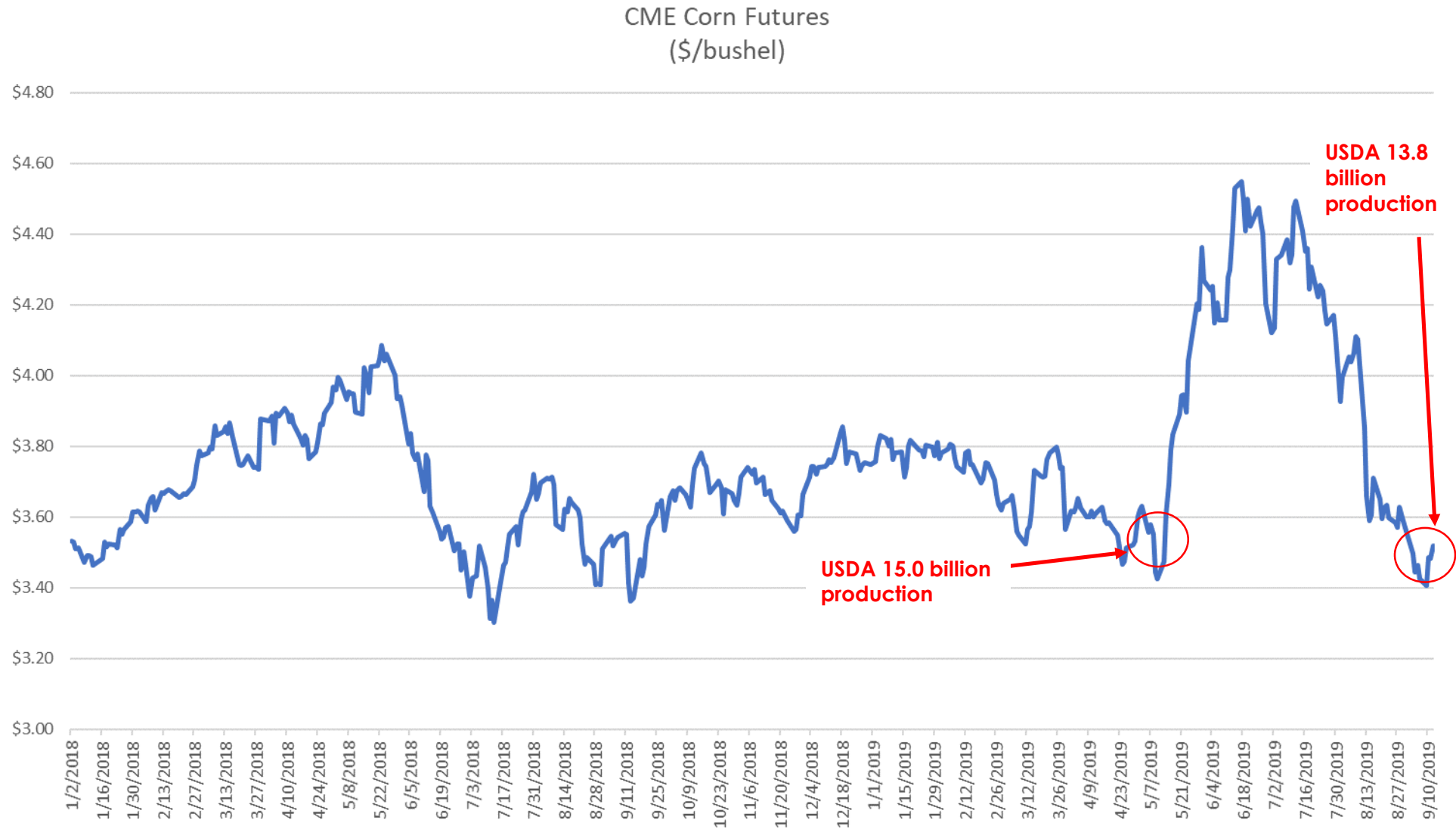




# Joe Waldbusser

Commodities and Risk Management

# CME CORN FUTURES



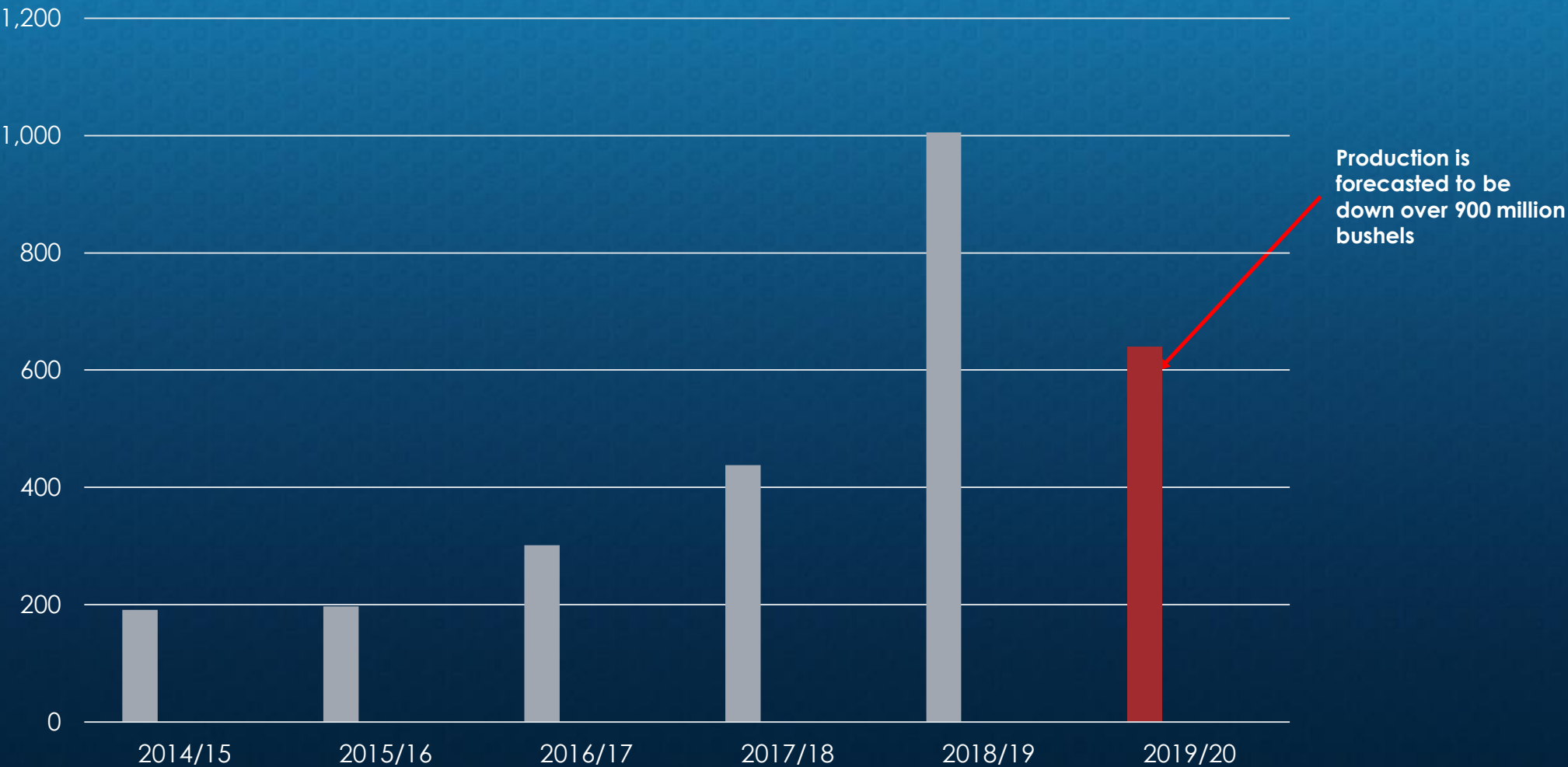
# US CORN STOCKS



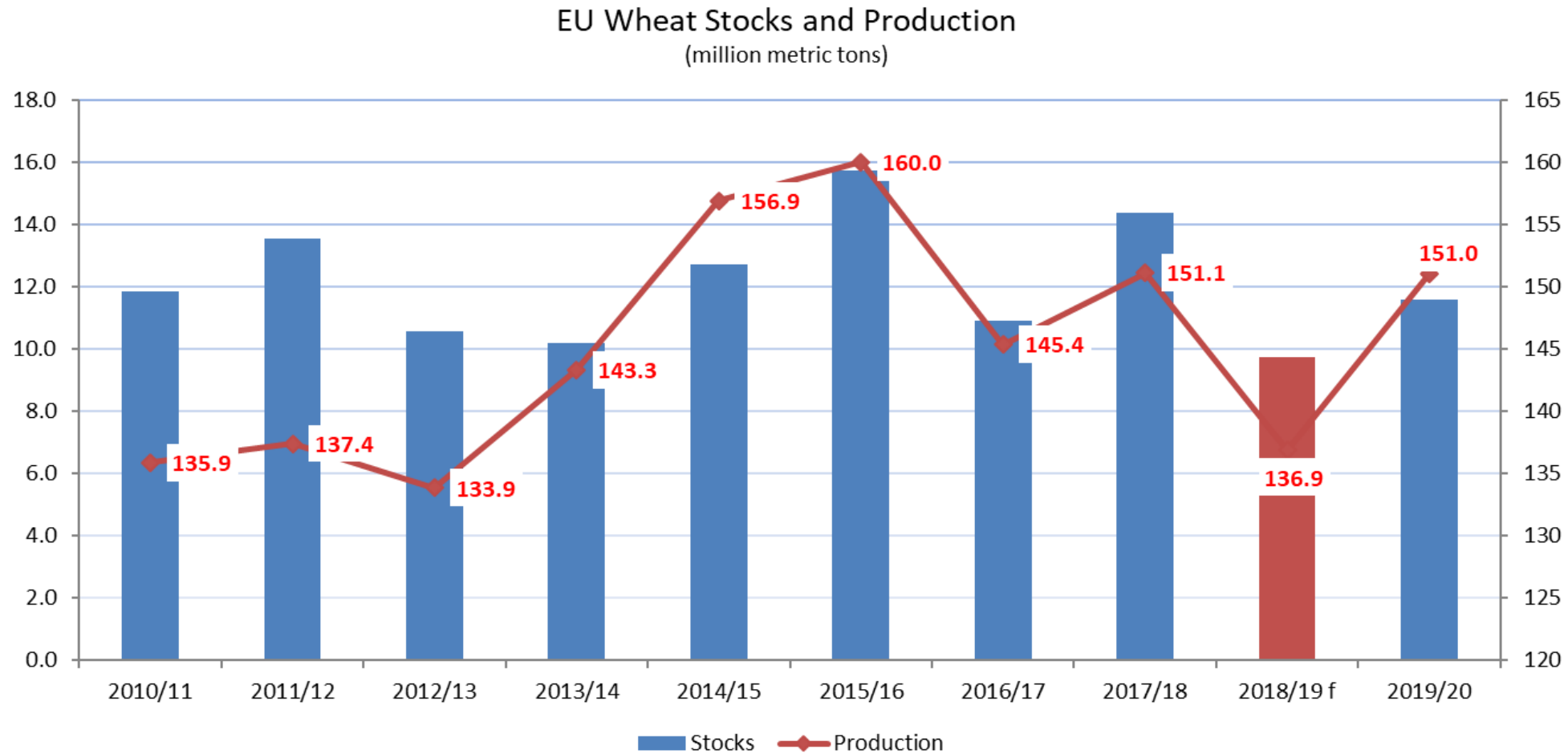


# US SOYBEAN STOCKS

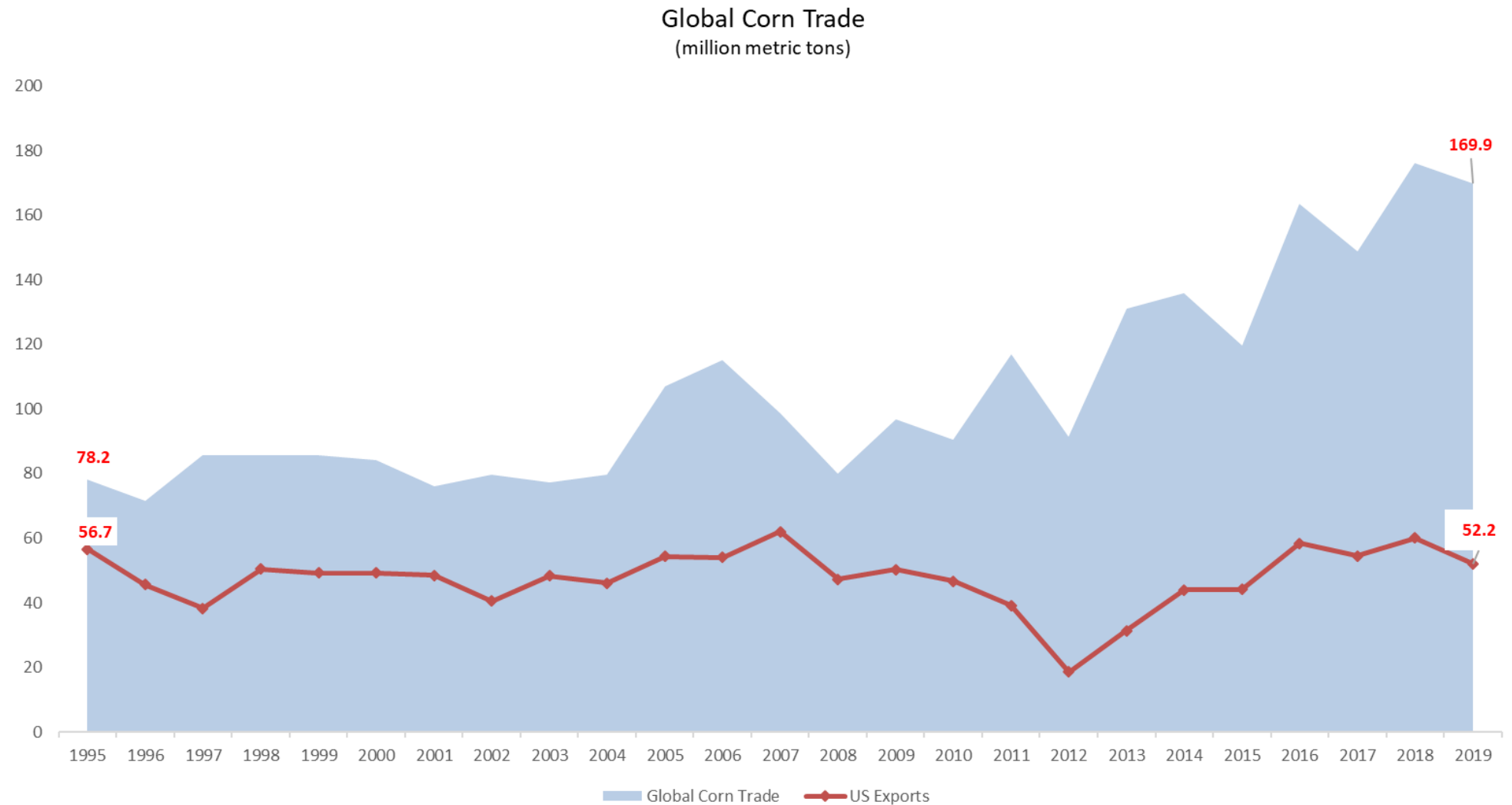
WASDE SOYBEAN STOCKS  
(Million bushels)



# EU WHEAT STOCKS



# GLOBAL CORN TRADE





# TRENDS IN GRAIN MARKETS

- Price discovery for corn is much more dependent on global production and trade than in previous years
- Strong dollar, relatively cheap ocean freight will keep encouraging production growth outside of the US
- US trade and ethanol policy is becoming more uncertain for soybeans and corn
- Changes to CME storage rates to increase future carry charges and increase the price for hedging forward

# KEY TAKEAWAYS

- Risk management team uses an adaptive strategy to give our businesses a competitive advantage in feed costs
- Pilgrims is uniquely positioned with a global buying footprint to source grains in every production region
- Partnership with farmers allows for more direct sourcing and reduced costs



# Kendra Waldbusser

FOOD SAFETY AND QUALITY ASSURANCE



# SUSTAINABILITY AT PILGRIM'S

At Pilgrim's, our view of sustainability is guided by our vision to become the best and most respected company in our industry, creating the opportunity of a better future for our team members.

We believe sustainability involves improving short- and long-term profitability by managing economic, social and environmental factors.



Economic  
Viability



Social  
Responsibility



Environmental  
Stewardship



# OUR 2020 TARGETS

## ENVIRONMENT

WATER USE  
INTENSITY



10%

GHG EMISSION  
INTENSITY



14%

ELECTRICITY  
INTENSITY



12%

NATURAL GAS  
USE INTENSITY



14%

SUPPLY CHAIN



100%

TEAM MEMBER  
HEALTH &  
SAFETY



15%

ANIMAL  
WELFARE



90%



# ANIMAL WELFARE



*We recognize that, to achieve meaningful progress, we must partner with customers, stakeholders and organizations that share our values and commitment to a sustainable future.*



# PRODUCT INTEGRITY



*Uncompromising food safety and quality.*



*Global Food Safety Initiative (GFSI)  
scheme audits at all facilities.*





For more information, please visit *[sustainability.pilgrims.com](https://sustainability.pilgrims.com)*

# KEY TAKEAWAYS

- Comprehensive sustainability strategy that addresses priority issues critical to the long-term success of our business and the interests of our key stakeholders
- Ensuring the well-being of the animals under our care is an uncompromising commitment at Pilgrim's.
- Continue to invest in technology and processes at all facilities to ensure food safety and quality.



**Safe  
people, safe  
products  
and healthy  
attitudes**





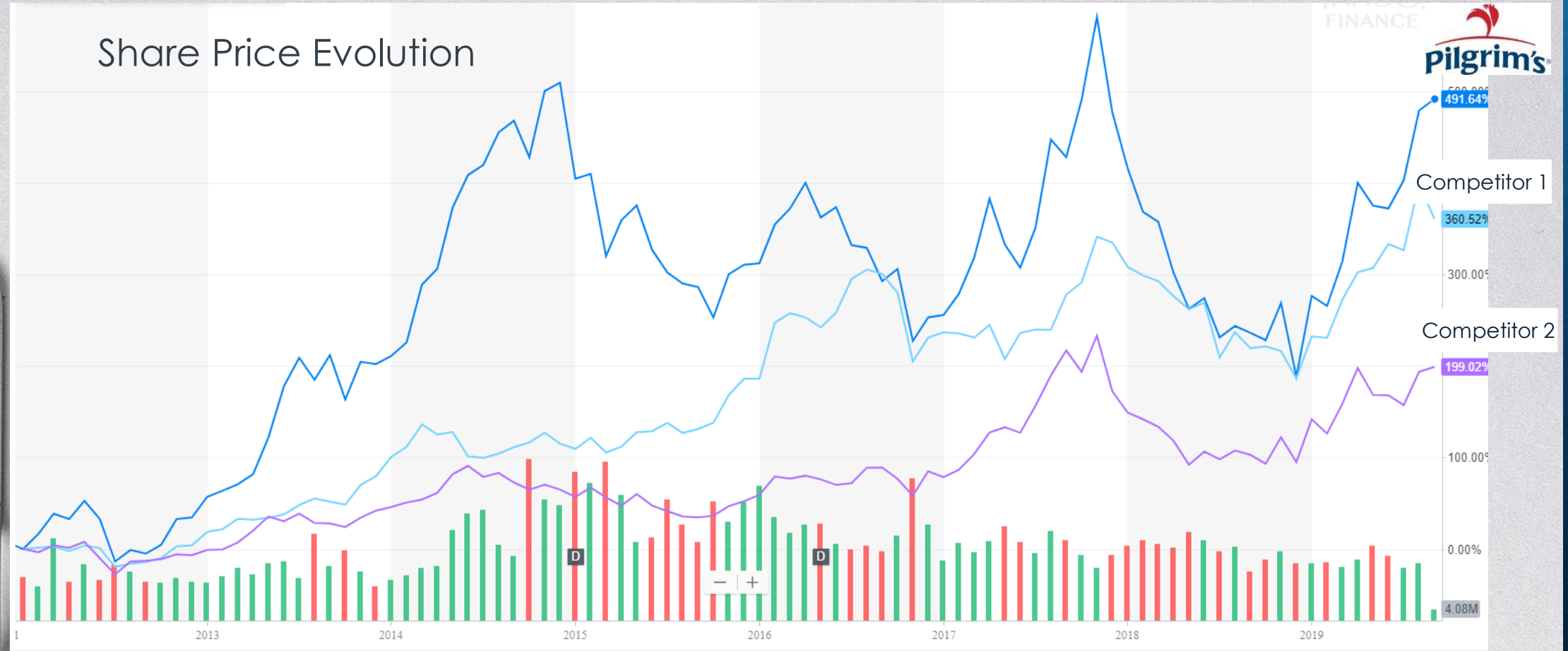
# Fabio Sandri

## FINANCIALS

# OUR VISION – HOW DO WE TRACK IT?



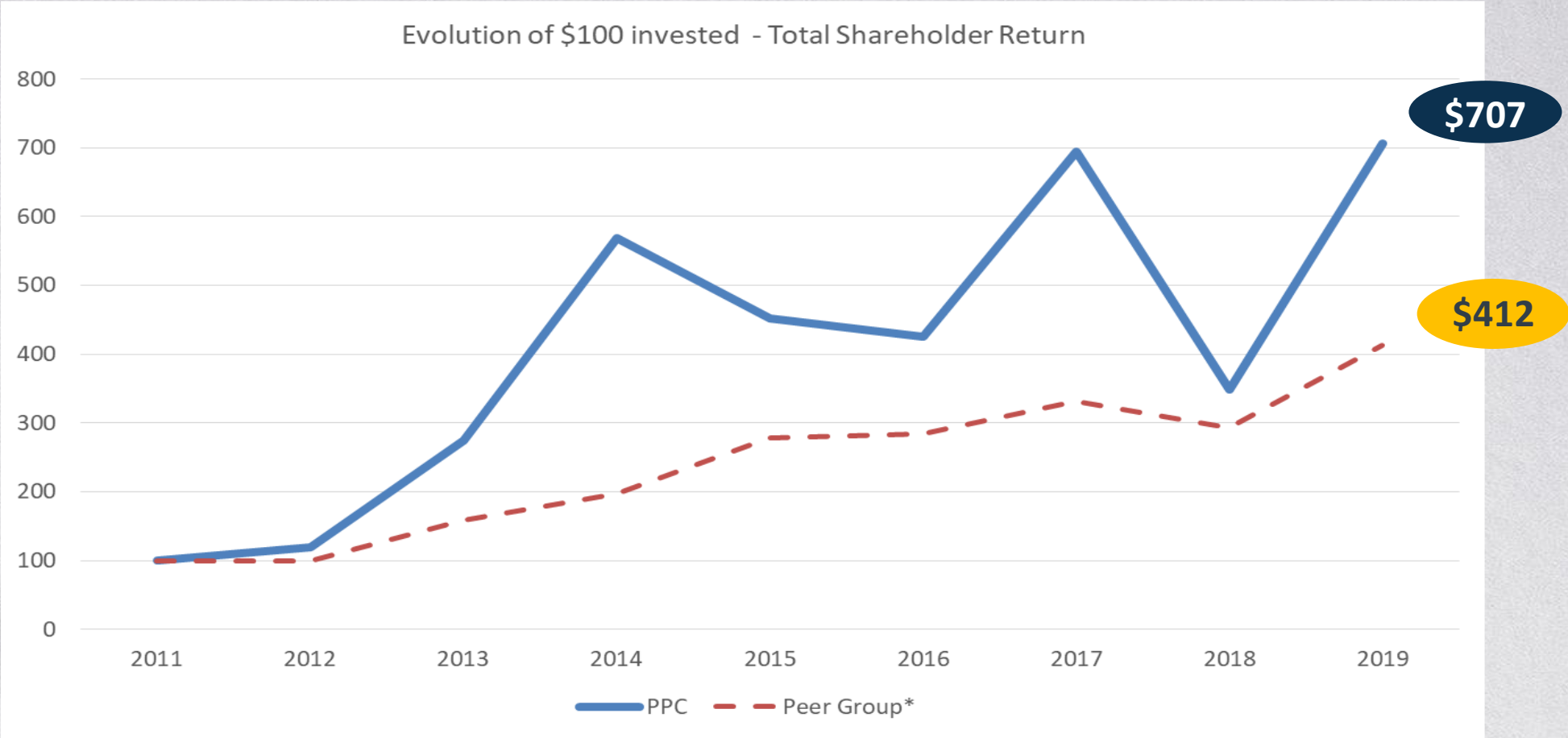
# OUR VISION - MARKET VALUE



Note: share price increase since December 2011



# OUR VISION - TOTAL SHAREHOLDER RETURN



\*\$100 invested on 12/25/11 in stock or 12/31/11 in index, including reinvestment of dividends. Indexes calculated on month-end basis

Peer Group includes Hormel Foods Corp, Sanderson Farms Inc. and Tyson Foods Inc

# ENGAGEMENT AT EVERY LEVEL OF THE ORGANIZATION

## Operational Improvement

>\$1.3bn cumulative operational improvements '11-'18

\$125mm targeted for 2019

2016 impacted by portfolio mix changes

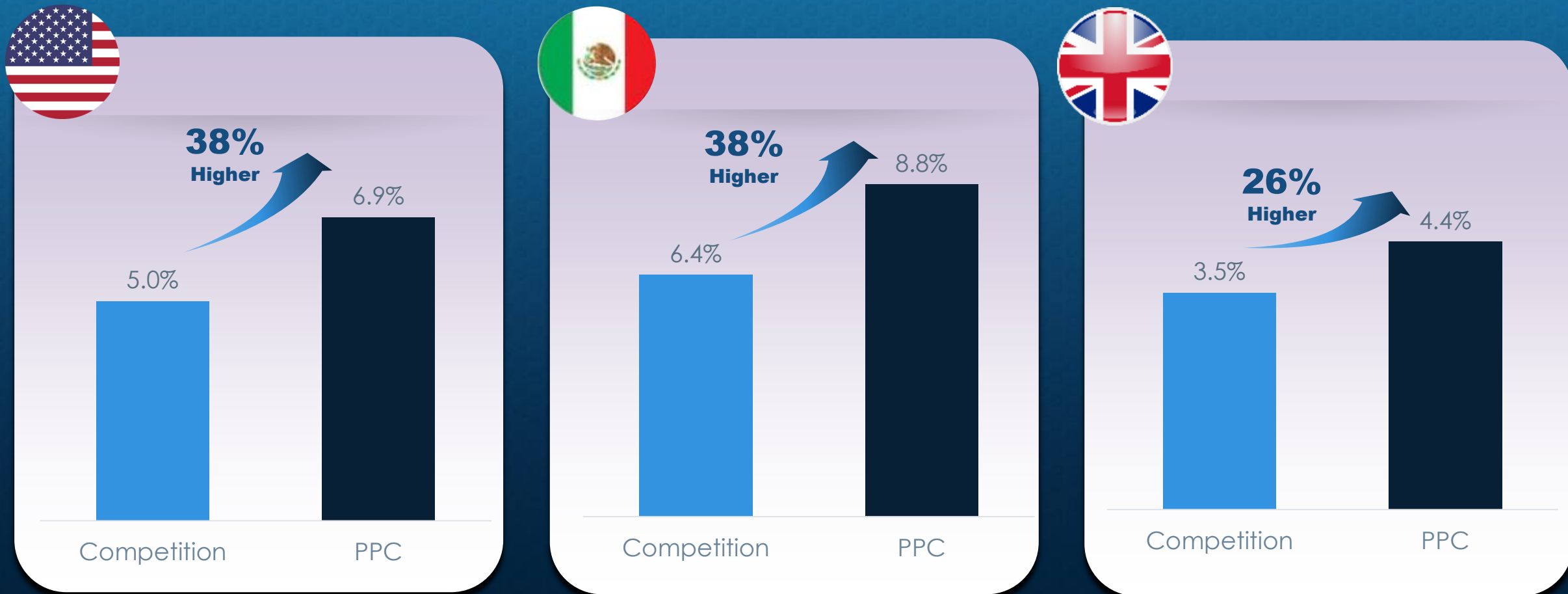
Commitment at every level; using ZBB



(\$ in millions)

# OUR VISION – OPERATIONAL BENCHMARKS

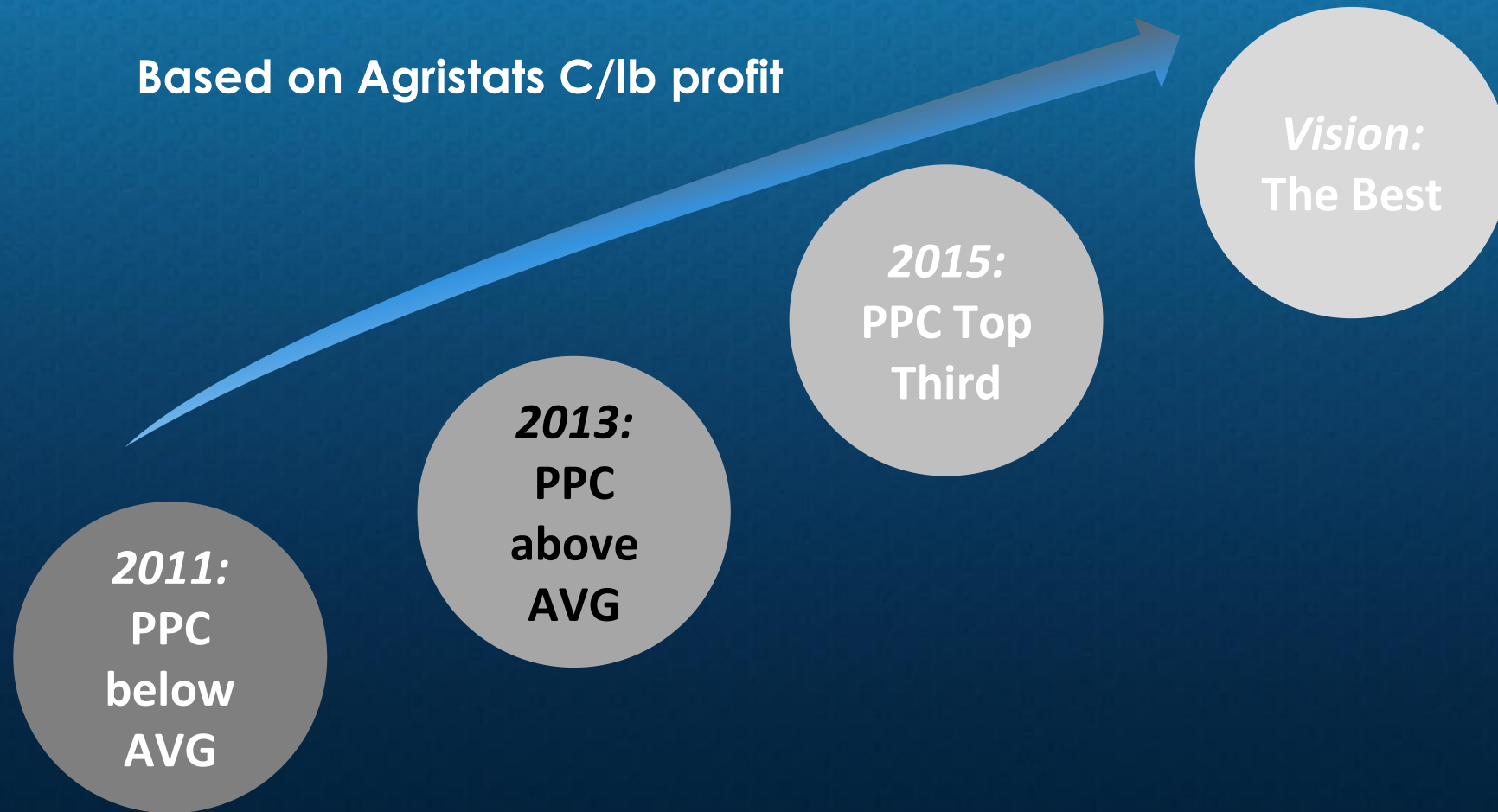
## *Operating Income Outperformance In All Geographies*



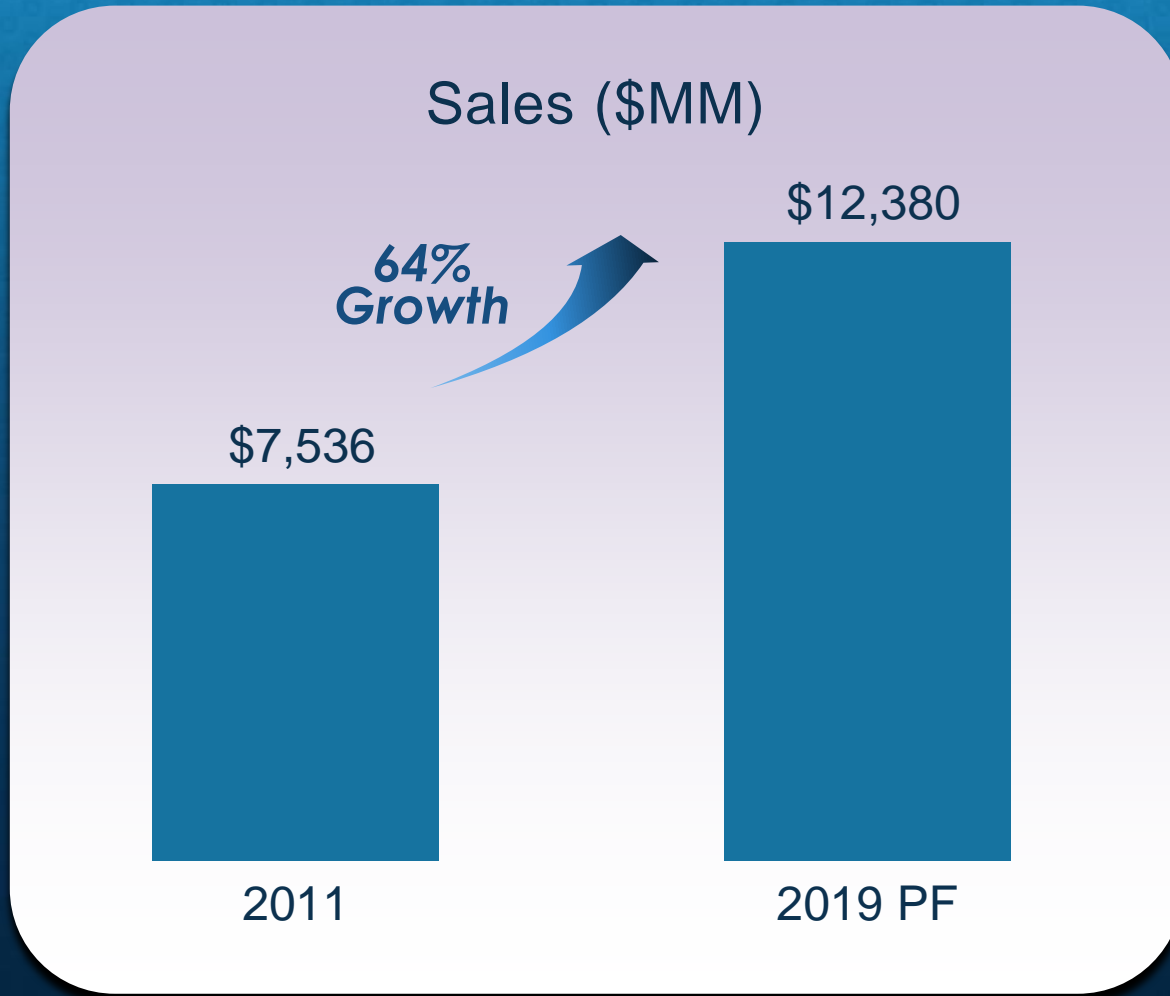
Competition in USA includes Sanderson Farms and Tyson Foods Poultry Division; in Mexico includes Bachoco and in Europe Includes Cranswick, Scandi and 2Sisters.



# OUR VISION – OPERATIONAL BENCHMARKS



# STRONG OPERATIONS ALLOWED US TO GROW



Source: PPC

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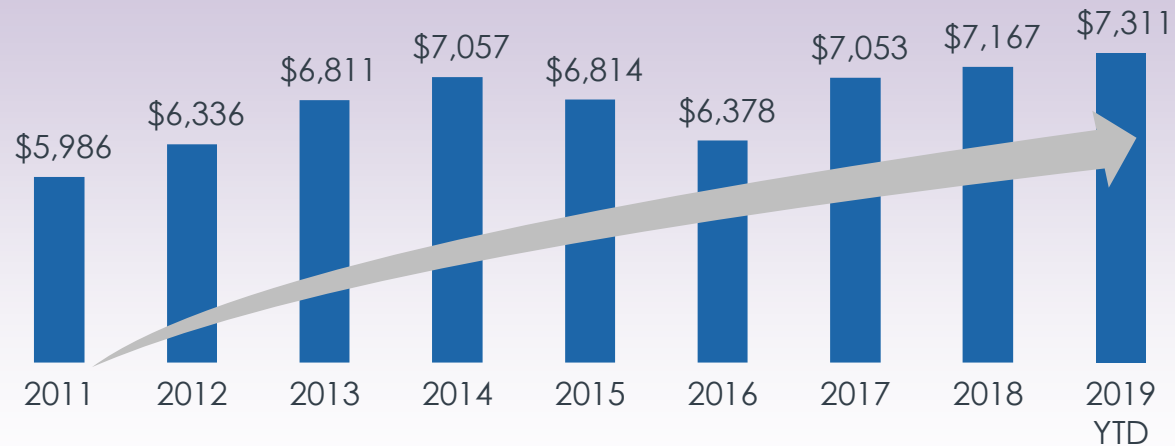


# STRONG OPERATIONS ALLOWED US TO GROW

...BOTH in the U.S. and Abroad

## U.S. Domestic Sales

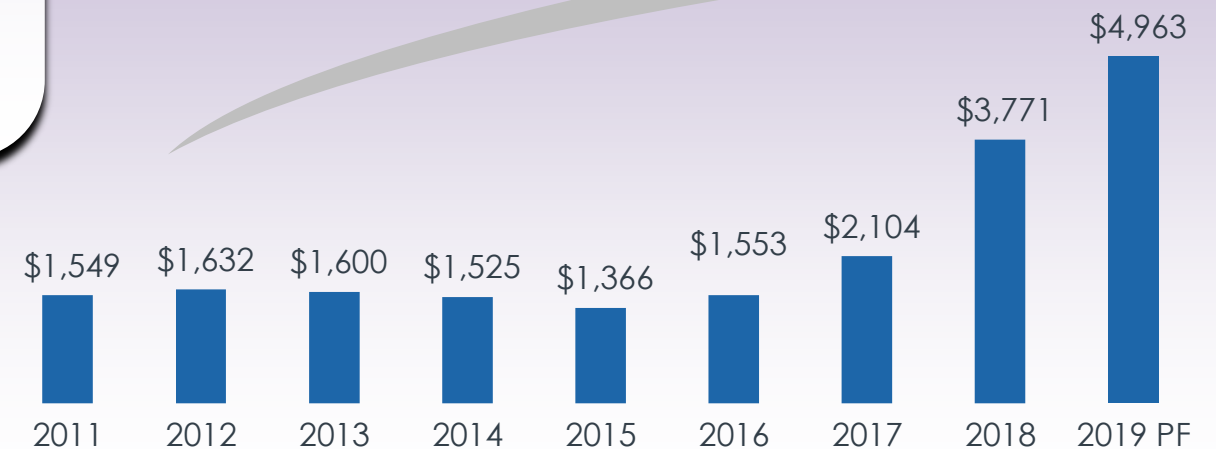
(\$ in millions)



+22%

## International Sales (Export + Mexico + Europe)

(\$ in millions)



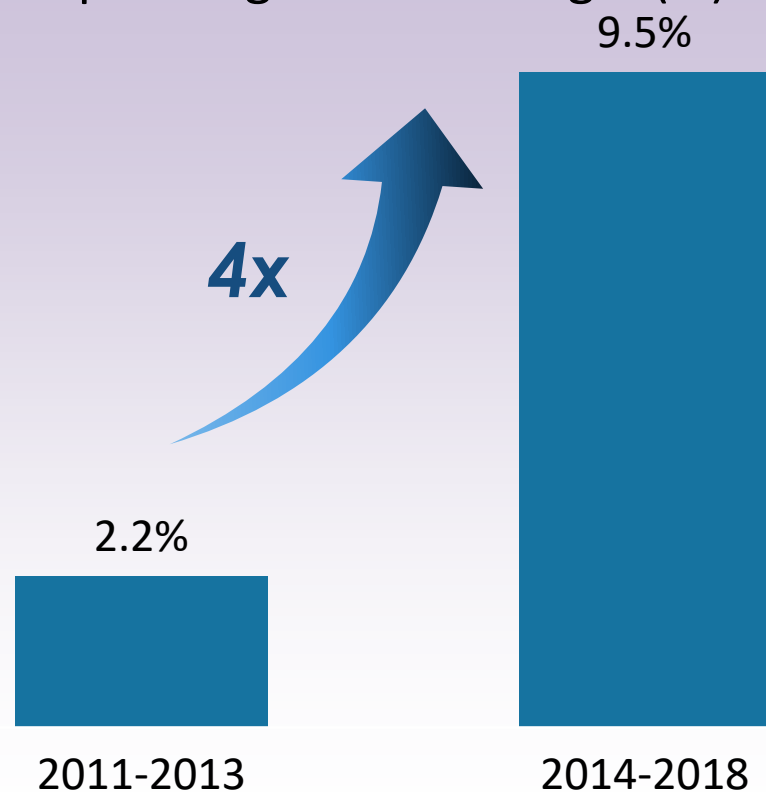
+320%

Note: 2012 and 2017 sales adjusted to 52 weeks, figures may be off due to rounding  
Pro Forma Assumes 2019 YTD Annualized and Tulip estimated sales  
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# STRONG OPERATIONS ALLOWED US TO IMPROVE RESULTS

Operating Income Margin (%)

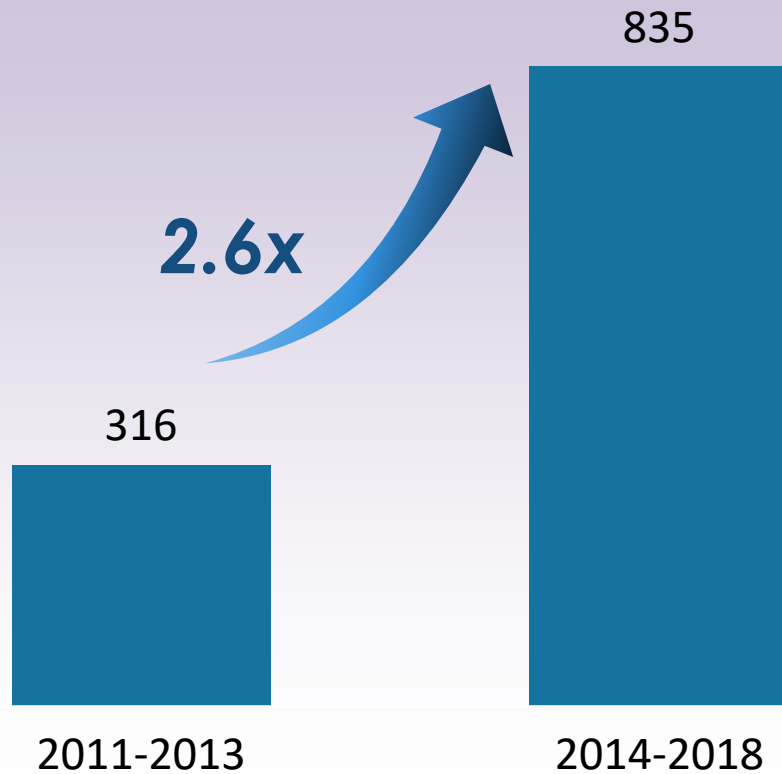


~4x average Operating Income Margin improvement during 2014-2018 vs. 2011-2013

\$125mm 2019 targeted operational improvements

# WE HAVE STRONG FREE CASH FLOW AND BALANCE SHEET

Cash Flow from Operations (\$MM)

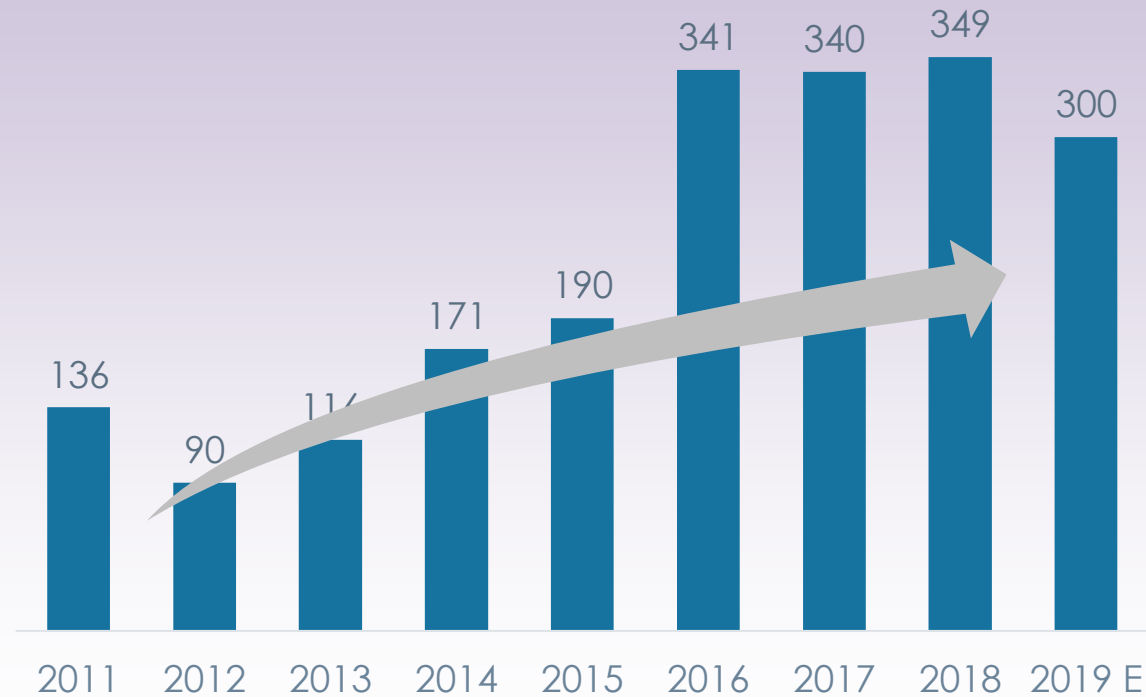


Close Management of working capital

Net debt / LTM EBITDA 2.1X as of June 2019  
Significant room for growing the company

# SIGNIFICANT INVESTMENT IN OUR BUSINESS

Capex (\$ MM)



Nearly \$2.0B invested in the last 9 years.

Priority on projects with rapid payback and projects targeting safety, quality and sustainability

Strategic projects that support key customers growth and de-emphasize our exposure to commodity markets by bringing more differentiated portfolio.



# BUILDING GLOBAL PLATFORMS

**TYSON  
DE MEXICO**

**JULY 2014**

**\$400mm**

- Improve geographic reach in Mexico
- Value added products and brands (*Del Dia*)



**JANUARY 2017**

**\$350mm**

- Expand geographic footprint in the Midwest U.S.
- Natural and organic offerings
- Added Just Bare Chicken



**SEPTEMBER 2017**

**\$1,300mm**

- Geographic expansion in the U.K. and Europe
- Strong presence in prepared foods



**ANNOUNCED  
AUGUST 2019<sup>1</sup>**

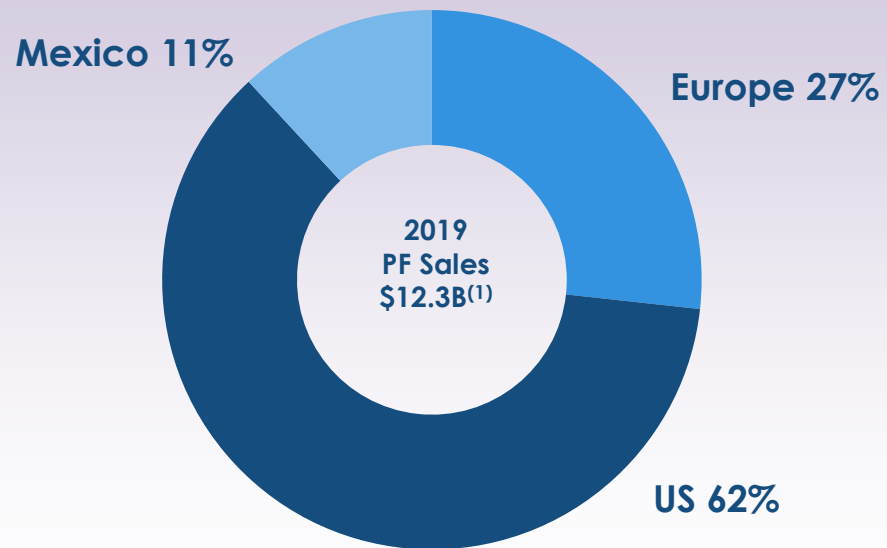
**\$350mm**

- Further expansion in the U.K.
- Increased exposure in the value added segment

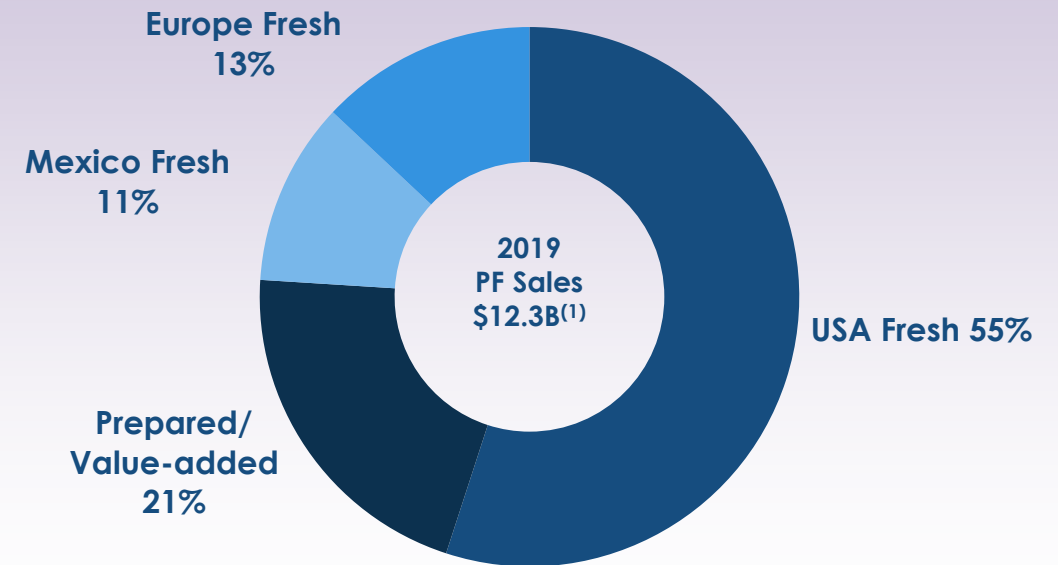
<sup>1</sup> Subject to approval by the anti-trust authorities

# CREATING A STRONGER PORTFOLIO

## Pro Forma Sales by Geography



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



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

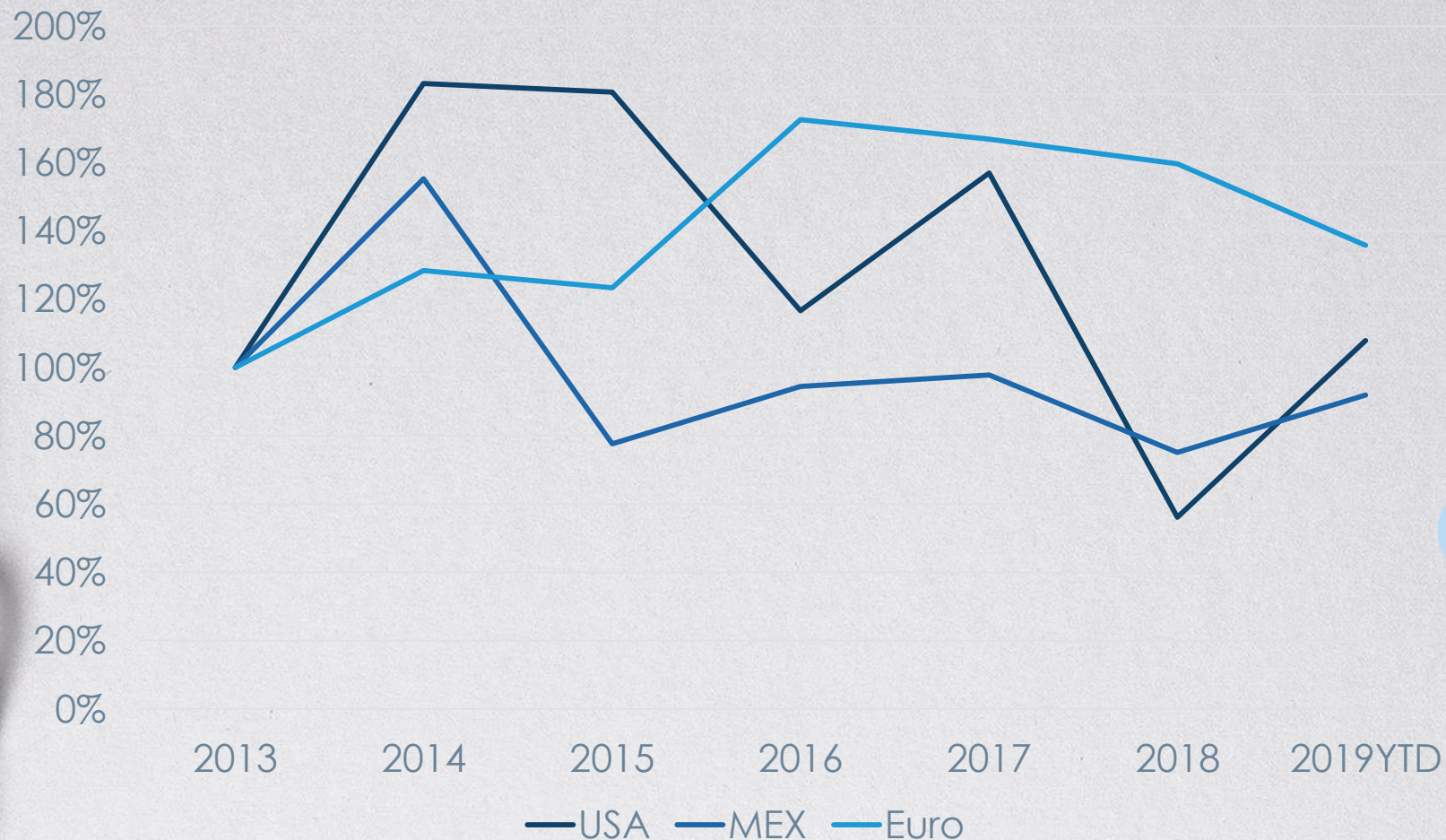
1. Annualized sales based on 2019 sales. Pro forma sales comprised of \$11,133 mm from Pilgrim's Pride and \$1,159mm (£950mm) from Tulip

2. "Prepared" includes USA, Mexico and Moy Park prepared Chicken as well as 39% of Tulip pro-forma sales



# STRONGER PORTFOLIO THAT CAN REDUCE VOLATILITY

Operational Income Margins (indexed to 2013)



|              | STD<br>Deviation |
|--------------|------------------|
| USA          | 43.3%            |
| MEX          | 24.7%            |
| Euro         | 24.5%            |
| Consolidated | 33.2%            |

Having the 3  
geographies  
reduces the STDV  
by 23%



# OUR VISION - BETTER FUTURE FOR TEAM MEMBERS!



- **Healthy company growing** : New opportunities, internal promotions
- **Better, more stable results:** Higher variable compensation
- **Attract the best** teams, suppliers, partners, customers and investors
- **Creating Shareholder Value**

# KEY TAKEAWAYS TODAY

**We have the Vision and Strategy to strengthen our position as a leading food company**

**We have the right business model of product and geographic diversification**



**We have the right Team in place to produce results**

**We have the right Key Customer strategy to support growth through innovation**

# OUR VISION & STRATEGY



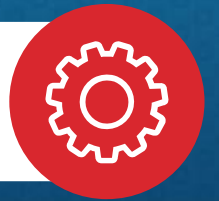
**Become a more valued partner with our key customers**



**Safe people, safe products and healthy attitudes**



**Relentless pursuit of operational excellence**



**Unique portfolio of diverse, complementary business models**







**Thank you**