



**Item 2.02 Results of Operations and Financial Condition.**

On August 1, 2018 the Registrant issued a press release, a copy of which is attached hereto as Exhibit 99.1 and incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

Exhibit 99.1 Press release dated August 1, 2018.

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**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 1, 2018

/s/ Fabio Sandri  
Fabio Sandri  
Chief Financial Officer

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**Exhibit Index**

[Exhibit 99.1](#) Press release dated August 1, 2018.



**Pilgrim's Pride Reports Net Sales of \$2.84 Billion, GAAP Operating Income of \$185 Million and GAAP EPS of \$0.43 for the Second Quarter of 2018. Excluding One-time Items, Adjusted Operating Income of \$212 Million.**

GREELEY, Colo., August 1, 2018 (GLOBE NEWSWIRE) - Pilgrim's Pride Corporation (NASDAQ: PPC) reports second quarter 2018 financial results.

**Second Quarter Highlights**

- Net Sales of \$2.84 billion, +3.1% vs same quarter last year (+26.0% if excluding the Moy Park numbers from last year). Net Income of \$106.5 million.
- Adjusted Operating Income of \$212.4 million (or a 7.5% margin), excluding the impact of grain derivative loss and one-time expense. Adjusted Operating Income margins of 6.5% in U.S., 16.6% in Mexico and 4.8% in Europe operations, respectively.
- Adjusted EBITDA of \$282.5 million (or a 10.0% margin) and Adjusted EPS of \$0.53.
- Portfolio strategy along with history of acquisitions and investments, with our international operations now accounting for about 30% of sales. The increased diversification and addition of differentiated products with Key Customer approach has continued to generate growth while moderating margin compression in any specific market.
- Mexican operations continue to deliver solid results with EBITDA margins of 19.6%, driven by strong operating performance and growing demand for chicken. Investments into premium Pilgrim's brand is gaining momentum and producing great results.
- New U.S. credit facility was substantially oversubscribed and received strong support from lending partners with favorable terms for future benefits, solidifying our capital structure to pursue strategic intent.

Unaudited <sup>(2)</sup>, In Millions, Except Per Share and Percentages

|                            | Thirteen     | Thirteen      | Y/Y<br>Change | Twenty-Six   | Twenty-Six    | Y/Y Change |
|----------------------------|--------------|---------------|---------------|--------------|---------------|------------|
|                            | Weeks Ended  | Weeks Ended   |               | Weeks Ended  | Weeks Ended   |            |
|                            | July 1, 2018 | June 25, 2017 |               | July 1, 2018 | June 25, 2017 |            |
| Net Sales                  | \$2,836.7    | \$2,752.3     | +3.1%         | \$5,583.4    | \$5,231.6     | +6.7%      |
| GAAP EPS                   | \$0.43       | \$0.94        | -54.3%        | \$0.91       | \$1.32        | -31.1%     |
| Operating Income           | \$185.1      | \$378.3       | -51.1%        | \$386.7      | \$545.1       | -29.1%     |
| Adjusted EBITDA (1)        | \$282.5      | \$448.9       | -37.1%        | \$547.9      | \$680.2       | -19.5%     |
| Adjusted EBITDA Margin (1) | 10.0%        | 16.3%         | -6.3pts       | 9.8%         | 13.0%         | -3.2pts    |

(1) Reconciliations for non-GAAP measures are provided in subsequent sections within this release.

(2) Figures have been adjusted to include full-quarter of Moy Park, in accordance to U.S. GAAP.

“During Q2 market conditions within our U.S. operations were mixed, with the commodity segment counter seasonal and weak whereas the less commodity businesses continued to be strong and well balanced. Despite some volatility in feed and less than ideal market conditions in the commodity chicken sector, the investments we made over the past few years, the recent acquisitions and our capture of operational improvements, and the strength of our small bird and case-ready businesses helped us to offset some of the impact from the commodity markets and contribute to the evolution of our portfolio in supporting our vision to become the best and most respected company in our industry,” stated Bill Lovette, Chief Executive Officer of Pilgrim's.

“Mexico once again delivered strong results during the quarter as we had strong operating performance as well as very good demand for chicken. Our volumes increased during the quarter, driving a robust EBITDA performance of 19.6% which together with our differentiated strategy and dedication of our team members, extended the outperformance over the main competition over the past few years. Our Prepared Foods are growing at a double digit rate and are generating strong results under both premium Pilgrim’s and Del Dia to drive the evolution of our Mexican portfolio towards more differentiated, higher-value products, and ultimately margin expansion.”

“In Europe, we are already recording an improvement in performance and are seeing expected results from the integration, with significant share gained at a key customer and several other projects to further optimize our relationships, highlighting how our newly acquired operations are already benefiting from our team’s enhanced focus on Key Customer strategy. The operational improvements initiatives are also going well and we are slightly ahead of our \$50 million synergy target for the next two years, supporting a margin increase of 70bps. We are innovating in the market in Europe by continuing to develop exciting products to satisfy a growing consumer demand for chicken and alternative forms of protein, which can be easily adapted to other markets we participate in.”

### Conference Call Information

A conference call to discuss Pilgrim’s quarterly results will be held tomorrow, August 2, at 7:00 a.m. MT (9 a.m. ET). Participants are encouraged to pre-register for the conference call using the link below. Callers who pre-register will be given a unique PIN to gain immediate access to the call and bypass the live operator. Participants may pre-register at any time, including up to and after the call start time.

To pre-register, go to: <https://services.choruscall.com/links/ppc180802.html>

You may also reach the pre-registration link by logging in through the investor section of our website at [www.pilgrims.com](http://www.pilgrims.com) and clicking on the link under “Upcoming Events.”

For those who would like to join the call but have not pre-registered, access is available by dialing +1 (844) 883-3889 within the US, or +1 (412) 317-9245 internationally, and requesting the “Pilgrim’s Pride Conference.” Please note that to submit a question to management during the call, you must be logged in via telephone.

Replays of the conference call 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 webcast will be available for replay through November 2, 2018.

### **About Pilgrim’s Pride**

Pilgrim’s employs approximately 51,400 people and operates chicken processing plants and prepared-foods facilities in 14 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).

### **Forward-Looking Statements**

*Statements contained in this press release that state the intentions, plans, hopes, beliefs, anticipations, expectations or predictions of the future of Pilgrim’s Pride Corporation and its management are considered forward-looking statements. It is important to note that actual results could differ materially from those projected in such forward-looking statements. Factors that could cause actual results to differ materially from those projected in such forward-looking statements include: matters affecting the poultry industry generally; the ability to execute the Company’s business plan to achieve desired cost savings and profitability; future pricing for feed ingredients and the Company’s products; outbreaks of avian influenza or other diseases, either in Pilgrim’s Pride’s flocks or elsewhere, affecting its ability to conduct its operations and/or demand for its poultry products; contamination of Pilgrim’s Pride’s 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; management of cash resources; restrictions imposed by, and as a result of, Pilgrim’s Pride’s leverage; changes in laws or regulations affecting Pilgrim’s Pride’s operations or the application thereof; new immigration legislation or increased enforcement efforts in connection with existing immigration legislation that cause the costs of doing business to increase, cause Pilgrim’s Pride to change the way in which it does business, or otherwise disrupt its operations; competitive factors and pricing pressures or the loss of one or more of Pilgrim’s Pride’s largest customers; currency exchange rate fluctuations, trade barriers, exchange controls, expropriation and other risks associated with foreign operations; disruptions in international markets and distribution channel, including anti-dumping proceedings and countervailing duty proceedings; and the impact of uncertainties of litigation as well as other risks described under “Risk Factors” in the Company’s Annual Report on Form 10-K and subsequent filings with the Securities and Exchange Commission. Pilgrim’s Pride Corporation undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.*

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**PILGRIM'S PRIDE CORPORATION**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

|  | July 1, 2018   | December 31, 2017 |
|--|----------------|-------------------|
|  | (Unaudited)    |                   |
|  | (In thousands) |                   |
| Cash and cash equivalents  | \$ 640,842     | \$ 581,510        |
| Restricted cash  | 33,185         | 8,021             |
| Trade accounts and other receivables, less allowance for doubtful accounts | 589,933        | 565,478           |
| Accounts receivable from related parties                                   | 1,179          | 2,951             |
| Inventories  | 1,190,017      | 1,255,070         |
| Prepaid expenses and other current assets                                  | 132,820        | 102,550           |
| Assets held for sale   | 2,904          | 708               |
| Total current assets   | 2,590,880      | 2,516,288         |
| Deferred tax assets  | 3,149          | —                 |
| Other long-lived assets  | 18,276         | 18,165            |
| Identified intangible assets, net  | 593,751        | 617,163           |
| Goodwill   | 982,560        | 1,001,889         |
| Property, plant and equipment, net   | 2,113,953      | 2,095,147         |
| Total assets   | \$ 6,302,569   | \$ 6,248,652      |
| Accounts payable   | \$ 815,696     | \$ 733,027        |
| Accounts payable to related parties  | 26,941         | 2,889             |
| Revenue contract liability   | 32,200         | 36,607            |
| Accrued expenses and other current liabilities                             | 407,442        | 410,152           |
| Income taxes payable   | 60,174         | 222,073           |
| Current maturities of long-term debt                                       | 44,606         | 47,775            |
| Total current liabilities  | 1,387,059      | 1,452,523         |
| Long-term debt, less current maturities                                    | 2,584,486      | 2,635,617         |
| Deferred tax liabilities   | 196,561        | 208,492           |
| Other long-term liabilities  | 80,045         | 96,359            |
| Total liabilities  | 4,248,151      | 4,392,991         |
| Common stock   | 2,604          | 2,602             |
| Treasury stock   | (231,758)      | (231,758)         |
| Additional paid-in capital   | 1,938,140      | 1,932,509         |
| Retained earnings  | 399,902        | 173,943           |
| Accumulated other comprehensive income (loss)                              | (63,584)       | (31,140)          |
| Total Pilgrim's Pride Corporation stockholders' equity                     | 2,045,304      | 1,846,156         |
| Noncontrolling interest  | 9,114          | 9,505             |
| Total stockholders' equity   | 2,054,418      | 1,855,661         |
| Total liabilities and stockholders' equity                                 | \$ 6,302,569   | \$ 6,248,652      |



**PILGRIM'S PRIDE CORPORATION**  
**CONDENSED CONSOLIDATED AND COMBINED STATEMENTS OF INCOME**  
(Unaudited)

|  | Thirteen Weeks Ended                  |               | Twenty-Six Weeks Ended |               |
|--|---------------------------------------|---------------|------------------------|---------------|
|  | July 1, 2018                          | June 25, 2017 | July 1, 2018           | June 25, 2017 |
|  | (In thousands, except per share data) |               |                        |               |
| Net sales  | \$ 2,836,713                          | \$ 2,752,286  | \$ 5,583,391           | \$ 5,231,626  |
| Cost of sales  | 2,562,491                             | 2,277,454     | 5,021,504              | 4,500,410     |
| Gross profit   | 274,222                               | 474,832       | 561,887                | 731,216       |
| Selling, general and administrative expense  | 87,975                                | 92,148        | 173,258                | 181,808       |
| Administrative restructuring charges   | 1,135                                 | 4,349         | 1,924                  | 4,349         |
| Operating income   | 185,112                               | 378,335       | 386,705                | 545,059       |
| Interest expense, net of capitalized interest  | 40,267                                | 22,567        | 90,567                 | 41,679        |
| Interest income  | (4,834)                               | (1,104)       | (6,424)                | (1,472)       |
| Foreign currency transaction losses (gains)  | 5,630                                 | (2,303)       | 3,909                  | (1,612)       |
| Miscellaneous, net   | (817)                                 | (1,272)       | (2,434)                | (4,115)       |
| Income before income taxes   | 144,866                               | 360,447       | 301,087                | 510,579       |
| Income tax expense   | 38,522                                | 115,256       | 75,519                 | 164,650       |
| Net income   | 106,344                               | 245,191       | 225,568                | 345,929       |
| Less: Net income from Granite Holdings Sàrl prior to acquisition by Pilgrim's Pride Corporation      | —                                     | 11,118        | —                      | 17,393        |
| Less: Net income (loss) attributable to noncontrolling interests                                     | (197)                                 | 432           | (391)                  | 974           |
| Net income attributable to Pilgrim's Pride Corporation   | \$ 106,541                            | \$ 233,641    | \$ 225,959             | \$ 327,562    |
| <b>Weighted average shares of common stock outstanding:</b>  |                                       |               |                        |               |
| Basic  | 248,981                               | 248,753       | 248,909                | 248,722       |
| Effect of dilutive common stock equivalents  | 76                                    | 220           | 116                    | 228           |
| Diluted  | 249,057                               | 248,973       | 249,025                | 248,950       |
| <b>Net income attributable to Pilgrim's Pride Corporation per share of common stock outstanding:</b> |                                       |               |                        |               |
| Basic  | \$ 0.43                               | \$ 0.94       | \$ 0.91                | \$ 1.32       |
| Diluted  | \$ 0.43                               | \$ 0.94       | \$ 0.91                | \$ 1.32       |

**PILGRIM'S PRIDE CORPORATION AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED AND COMBINED STATEMENTS OF CASH FLOWS**  
(Unaudited)

|   | Twenty-Six Weeks Ended |               |
|---|------------------------|---------------|
|   | July 1, 2018           | June 25, 2017 |
| (In thousands)  |                        |               |
| Cash flows from operating activities:   |                        |               |
| Net income  | \$ 225,568             | \$ 345,929    |
| Adjustments to reconcile net income to cash provided by operating activities:   |                        |               |
| Depreciation and amortization   | 139,479                | 132,613       |
| Noncash loss on early extinguishment of debt  | 4,918                  | —             |
| Foreign currency transaction loss related to borrowing arrangements   | 4,221                  | 5,634         |
| Amortization of premium related to Senior Notes   | (334)                  | —             |
| Accretion of discount related to Senior Notes   | 321                    | —             |
| Impairment expense  | 573                    | 3,534         |
| Loss (gain) on property disposals   | 239                    | (768)         |
| Gain on equity method investment  | (32)                   | (30)          |
| Share-based compensation  | 5,633                  | 1,947         |
| Deferred income tax expense (benefit)   | (11,927)               | 25,857        |
| Changes in operating assets and liabilities:  |                        |               |
| Trade accounts and other receivables  | (31,913)               | (93,391)      |
| Inventories   | 60,303                 | (93,901)      |
| Prepaid expenses and other current assets   | (31,099)               | (15,323)      |
| Accounts payable, accrued expenses and other current liabilities  | 103,991                | (46,506)      |
| Income taxes  | (161,571)              | 73,207        |
| Long-term pension and other postretirement obligations  | (5,323)                | (3,916)       |
| Other operating assets and liabilities  | 942                    | (1,337)       |
| Cash provided by operating activities   | 303,989                | 333,549       |
| Cash flows from investing activities:   |                        |               |
| Acquisitions of property, plant and equipment   | (155,188)              | (197,989)     |
| Business acquisition  | —                      | (359,698)     |
| Proceeds from property disposals  | 1,205                  | 1,466         |
| Cash used in investing activities   | (153,983)              | (556,221)     |
| Cash flows from financing activities:   |                        |               |
| Proceeds from revolving line of credit and long-term borrowings   | 604,062                | 1,013,662     |
| Payments on revolving line of credit, long-term borrowings and capital lease obligations  | (673,452)              | (591,904)     |
| Proceeds from equity contribution under Tax Sharing Agreement between JBS USA Food Company Holdings and Pilgrim's Pride Corporation | 5,558                  | 5,038         |
| Payment of capitalized loan costs   | (5,708)                | (2,777)       |
| Purchase of common stock under share repurchase program   | —                      | (14,641)      |
| Cash provided by (used in) financing activities   | (69,540)               | 409,378       |
| Effect of exchange rate changes on cash and cash equivalents  | 4,030                  | 9,273         |
| Increase (decrease) in cash, cash equivalents and restricted cash   | 84,496                 | 195,979       |
| Cash, cash equivalents and restricted cash, beginning of period   | 589,531                | 297,524       |
| Cash, cash equivalents and restricted cash, end of period   | \$ 674,027             | \$ 493,503    |

**PILGRIM'S PRIDE CORPORATION**

**Selected Financial Information**

**(Unaudited)**

“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 |               | Twenty-Six Weeks Ended |               |
|---|----------------------|---------------|------------------------|---------------|
|   | July 1, 2018         | June 25, 2017 | July 1, 2018           | June 25, 2017 |
|   | (In thousands)       |               |                        |               |
| Net income  | \$ 106,344           | \$ 245,191    | \$ 225,568             | \$ 345,929    |
| Add:  |                      |               |                        |               |
| Interest expense, net                                     | 35,433               | 21,463        | 84,143                 | 40,207        |
| Income tax expense (benefit)                              | 38,522               | 115,256       | 75,519                 | 164,650       |
| Depreciation and amortization                             | 70,278               | 69,941        | 139,479                | 132,613       |
| Minus:  |                      |               |                        |               |
| Amortization of capitalized financing costs               | 2,453                | 1,366         | 4,210                  | 4,576         |
| EBITDA  | 248,124              | 450,485       | 520,499                | 678,823       |
| Add:  |                      |               |                        |               |
| Foreign currency transaction losses (gains)               | 5,630                | (2,303)       | 3,909                  | (1,612)       |
| Acquisition charges                                       | 125                  | —             | 304                    | —             |
| Derivative loss (gain)                                    | 24,002               | (3,236)       | 17,621                 | (344)         |
| Restructuring charges                                     | 1,135                | 4,349         | 1,924                  | 4,349         |
| Non-recurring expense                                     | 3,298                | —             | 3,298                  | —             |
| Minus:  |                      |               |                        |               |
| Net income (loss) attributable to noncontrolling interest | (197)                | 432           | (391)                  | 974           |
| Adjusted EBITDA   | \$ 282,511           | \$ 448,863    | \$ 547,946             | \$ 680,242    |

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 |               | Twenty-Six Weeks Ended |               | Thirteen Weeks Ended |               | Twenty-Six Weeks Ended |               |
|---|----------------------|---------------|------------------------|---------------|----------------------|---------------|------------------------|---------------|
|   | July 1, 2018         | June 25, 2017 | July 1, 2018           | June 25, 2017 | July 1, 2018         | June 25, 2017 | July 1, 2018           | June 25, 2017 |
| (In thousands)  |                      |               |                        |               |                      |               |                        |               |
| Net income from continuing operations                     | \$ 106,344           | \$ 245,191    | \$ 225,568             | \$ 345,929    | 3.75 %               | 8.91 %        | 4.04 %                 | 6.61 %        |
| Add:  |                      |               |                        |               |                      |               |                        |               |
| Interest expense, net                                     | 35,433               | 21,463        | 84,143                 | 40,207        | 1.25 %               | 0.78 %        | 1.51 %                 | 0.77 %        |
| Income tax expense  | 38,522               | 115,256       | 75,519                 | 164,650       | 1.36 %               | 4.19 %        | 1.35 %                 | 3.15 %        |
| Depreciation and amortization                             | 70,278               | 69,941        | 139,479                | 132,613       | 2.48 %               | 2.54 %        | 2.50 %                 | 2.53 %        |
| Minus:  |                      |               |                        |               |                      |               |                        |               |
| Amortization of capitalized financing costs               | 2,453                | 1,366         | 4,210                  | 4,576         | 0.09 %               | 0.05 %        | 0.08 %                 | 0.09 %        |
| EBITDA  | 248,124              | 450,485       | 520,499                | 678,823       | 8.75 %               | 16.38 %       | 9.32 %                 | 12.98 %       |
| Add:  |                      |               |                        |               |                      |               |                        |               |
| Foreign currency transaction losses (gains)               | 5,630                | (2,303)       | 3,909                  | (1,612)       | 0.20 %               | (0.08)%       | 0.07 %                 | (0.03)%       |
| Acquisition charges                                       | 125                  | —             | 304                    | —             | —%                   | —%            | 0.01 %                 | —%            |
| Derivative loss (gain)                                    | 24,002               | (3,236)       | 17,621                 | (344)         | 0.85 %               | (0.12)%       | 0.32 %                 | (0.01)%       |
| Restructuring charges                                     | 1,135                | 4,349         | 1,924                  | 4,349         | 0.04 %               | 0.16 %        | 0.03 %                 | 0.08 %        |
| Non-recurring expense                                     | 3,298                | —             | 3,298                  | —             | 0.12 %               | —%            | 0.06 %                 | —%            |
| Minus:  |                      |               |                        |               |                      |               |                        |               |
| Net income (loss) attributable to noncontrolling interest | (197)                | 432           | (391)                  | 974           | (0.01)%              | 0.02 %        | (0.01)%                | 0.02 %        |
| Adjusted EBITDA   | \$ 282,511           | \$ 448,863    | \$ 547,946             | \$ 680,242    | 9.96 %               | 16.32 %       | 9.81 %                 | 13.00 %       |
| Net Revenue:  | \$ 2,836,713         | \$ 2,752,286  | \$ 5,583,391           | \$ 5,231,626  | \$ 2,836,713         | \$ 2,752,286  | \$ 5,583,391           | \$ 5,231,626  |

A reconciliation of GAAP Operating Income to Adjusted Operating Income is as follows:

**PILGRIM'S PRIDE CORPORATION**  
**Reconciliation of Adjusted Operating Income**  
**(Unaudited)**

|                           | Thirteen Weeks Ended |               | Twenty-Six Weeks Ended |               |
|---------------------------|----------------------|---------------|------------------------|---------------|
|                           | July 1, 2018         | June 25, 2017 | July 1, 2018           | June 25, 2017 |
|                           | (In thousands)       |               |                        |               |
| GAAP Operating Income     | \$ 185,112           | \$ 378,335    | \$ 386,705             | \$ 545,059    |
| Derivative loss (gain)    | \$ 24,002            | \$ (3,236)    | \$ 17,621              | \$ (344)      |
| Non-recurring expense     | \$ 3,298             | \$ —          | \$ 3,298               | \$ —          |
| Adjusted Operating Income | \$ 212,412           | \$ 375,099    | \$ 407,624             | \$ 544,715    |

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                  |                  | Twenty-Six Weeks Ended |                  |
|--|---------------------------------------|------------------|------------------------|------------------|
|  | July 1,<br>2018                       | June 25,<br>2017 | July 1,<br>2018        | June 25,<br>2017 |
|  | (In thousands, except per share data) |                  |                        |                  |
| Net income (loss) attributable to Pilgrim's Pride Corporation  | \$ 106,541                            | \$ 233,641       | \$ 225,959             | \$ 327,562       |
| Loss on early extinguishment of debt   | 2,000                                 | —                | 11,661                 | —                |
| Acquisition and restructuring charges, net of taxes  | 944                                   | —                | 1,669                  | 2,918            |
| Derivative loss (gain)   | 17,982                                | (2,171)          | 13,201                 | (231)            |
| Foreign currency transaction losses (gains)  | 5,630                                 | (2,303)          | 3,909                  | (1,612)          |
| Income (loss) before loss on early extinguishment of debt and foreign currency transaction losses (gains)                          | 133,097                               | 229,167          | 249,990                | 328,480          |
| Weighted average diluted shares of common stock outstanding  | 249,057                               | 248,973          | 249,025                | 248,950          |
| Income (loss) before loss on early extinguishment of debt and foreign currency transaction losses (gains) per common diluted share | \$ 0.53                               | \$ 0.92          | \$ 1.00                | \$ 1.32          |

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                  |                | Twenty-Six Weeks Ended |                |
|---|---------------------------------------|----------------|------------------------|----------------|
|   | July 1, 2018                          | June 25, 2017  | July 1, 2018           | June 25, 2017  |
|   | (In thousands, except per share data) |                |                        |                |
| GAAP EPS  | \$ 0.43                               | \$ 0.94        | \$ 0.91                | \$ 1.32        |
| Loss on early extinguishment of debt                        | 0.01                                  | —              | 0.05                   | —              |
| Acquisition and restructuring charges, net of taxes         | —                                     | —              | 0.01                   | 0.01           |
| Derivative loss (gain)                                      | 0.07                                  | (0.01)         | 0.05                   | —              |
| Foreign currency transaction losses (gains)                 | 0.02                                  | (0.01)         | (0.01)                 | (0.01)         |
| Adjusted EPS  | <u>\$ 0.53</u>                        | <u>\$ 0.92</u> | <u>\$ 1.00</u>         | <u>\$ 1.32</u> |
| Weighted average diluted shares of common stock outstanding | 249,057                               | 248,973        | 249,025                | 248,950        |

**PILGRIM'S PRIDE CORPORATION**  
**Supplementary Selected Segment and Geographic Data**

|  | Thirteen Weeks Ended |               | Twenty-Six Weeks Ended |               |
|--|----------------------|---------------|------------------------|---------------|
|  | July 1, 2018         | June 25, 2017 | July 1, 2018           | June 25, 2017 |
|  | (Unaudited)          |               |                        |               |
|  | (In thousands)       |               |                        |               |
| <b>Sources of net sales by country of origin:</b>        |                      |               |                        |               |
| US:  | \$ 1,899,435         | \$ 1,882,142  | \$ 3,740,540           | \$ 3,618,547  |
| Europe:  | 563,102              | 500,681       | 1,107,402              | 959,530       |
| Mexico:  | 374,176              | 369,463       | 735,449                | 653,549       |
| Total net sales:   | \$ 2,836,713         | \$ 2,752,286  | \$ 5,583,391           | \$ 5,231,626  |
| <b>Sources of cost of sales by country of origin:</b>    |                      |               |                        |               |
| US:  | \$ 1,745,511         | \$ 1,547,252  | \$ 3,404,245           | \$ 3,095,502  |
| Europe:  | 513,991              | 451,232       | 1,015,559              | 868,750       |
| Mexico:  | 302,973              | 278,993       | 601,708                | 536,205       |
| Elimination:   | 16                   | (23)          | (8)                    | (47)          |
| Total cost of sales:                                     | \$ 2,562,491         | \$ 2,277,454  | \$ 5,021,504           | \$ 4,500,410  |
| <b>Sources of gross profit by country of origin:</b>     |                      |               |                        |               |
| US:  | \$ 153,924           | \$ 334,889    | \$ 336,295             | \$ 523,044    |
| Europe:  | 49,111               | 49,450        | 91,843                 | 90,780        |
| Mexico:  | 71,203               | 90,470        | 133,741                | 117,345       |
| Elimination:   | (16)                 | 23            | 8                      | 47            |
| Total gross profit:                                      | \$ 274,222           | \$ 474,832    | \$ 561,887             | \$ 731,216    |
| <b>Sources of operating income by country of origin:</b> |                      |               |                        |               |
| US:  | \$ 99,469            | \$ 277,602    | \$ 226,755             | \$ 411,159    |
| Europe:  | 23,662               | 18,933        | 45,075                 | 33,304        |
| Mexico:  | 61,997               | 81,777        | 114,867                | 100,549       |
| Elimination:   | (16)                 | 23            | 8                      | 47            |
| Total operating income:                                  | \$ 185,112           | \$ 378,335    | \$ 386,705             | \$ 545,059    |