



Financial Results for First Quarter Ended April 1, 2018

Pilgrim's Pride Corporation
(NASDAQ: PPC)

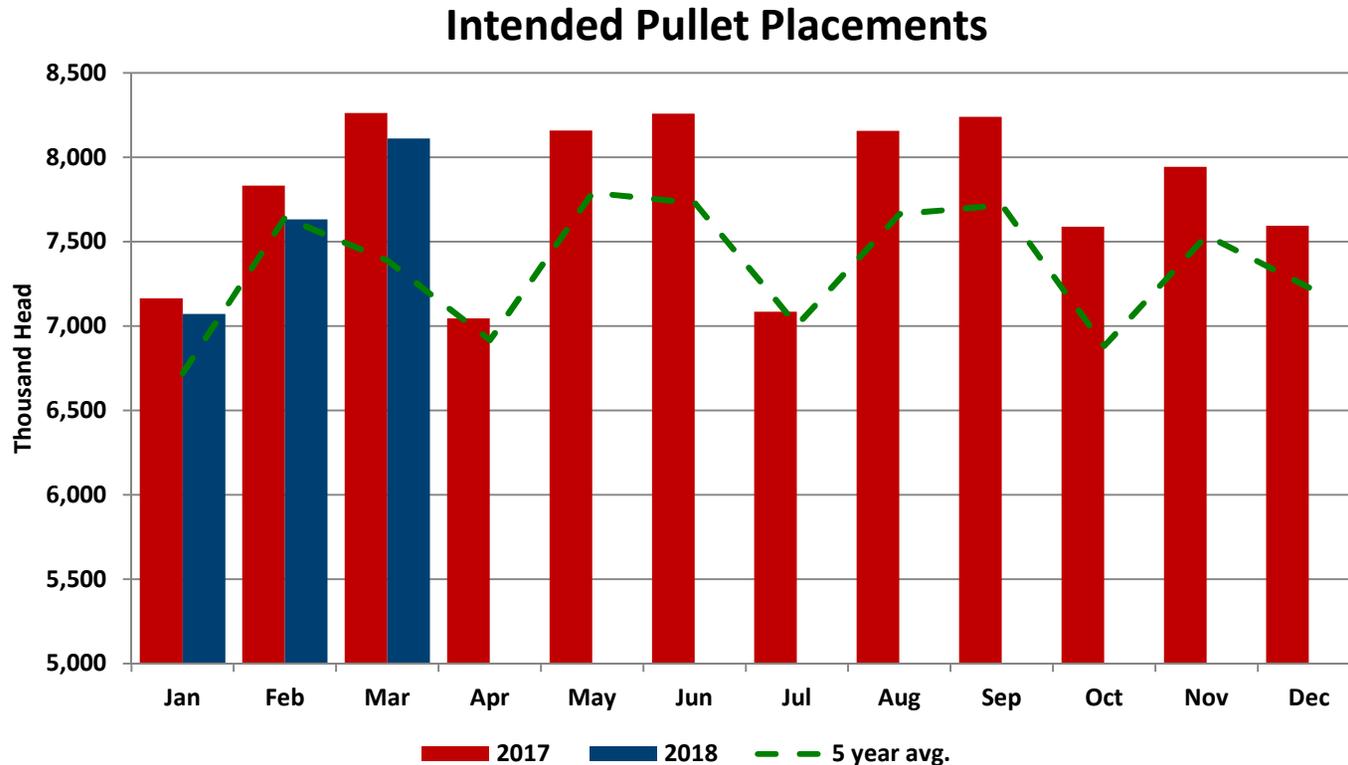
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Cautionary Notes and Forward-Looking Statements

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



2018 Pullet Placements Down 1.9% YTD



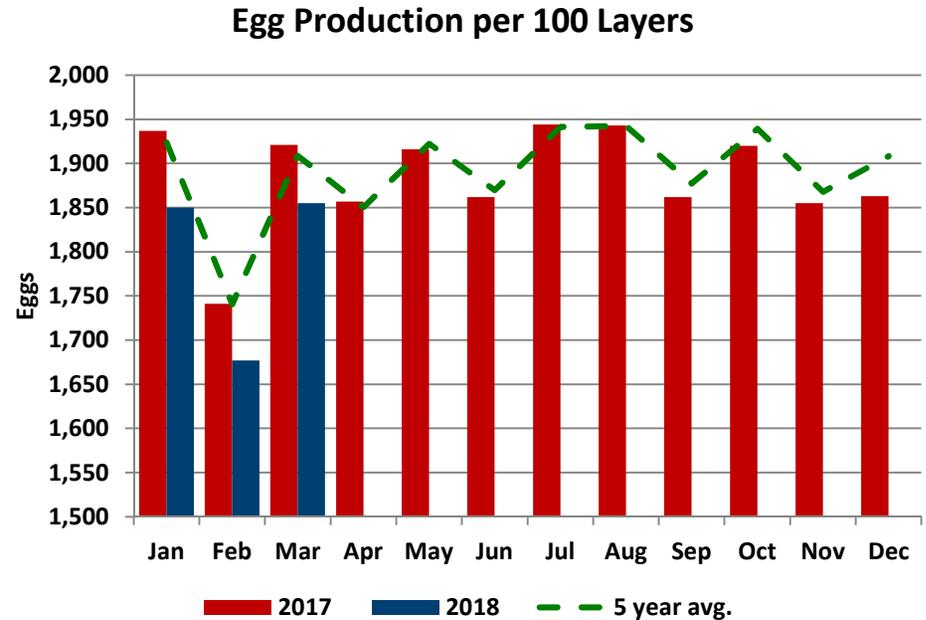
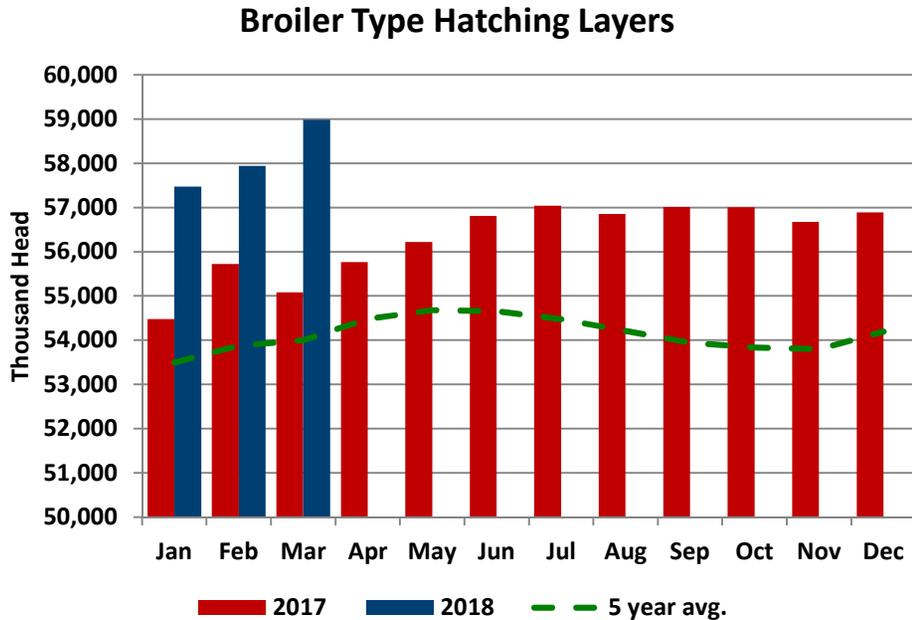
- Pullet placements were slightly down YOY recently but have been up through end of last year to support decreased flock productivity and new plants for 2018/ 2019.



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Source: USDA

Layer Growth Needed to Counter Decline in Egg Productivity



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

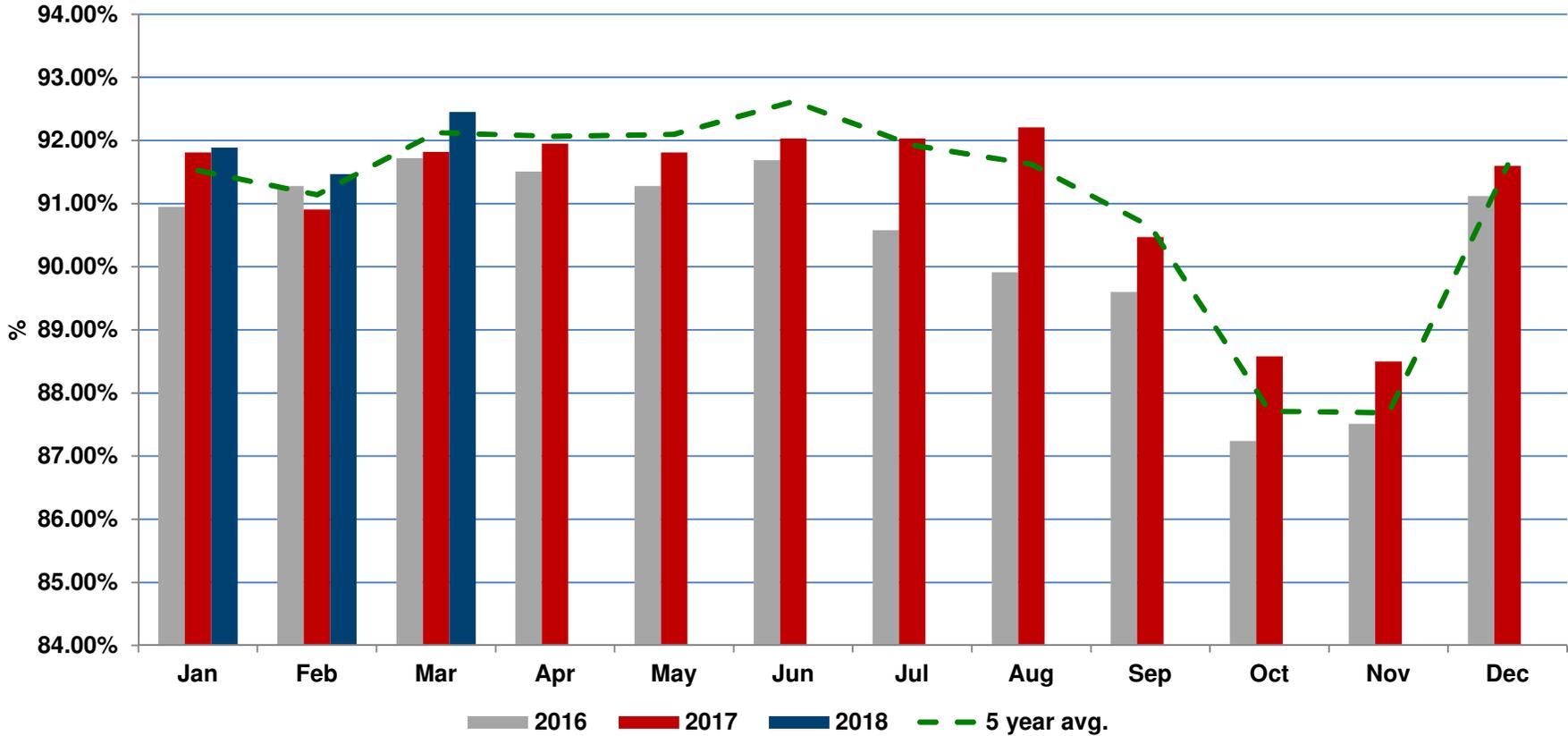


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Source: USDA

Hatchery Utilization Remains Close to Peak Levels

Hatchery Utilization

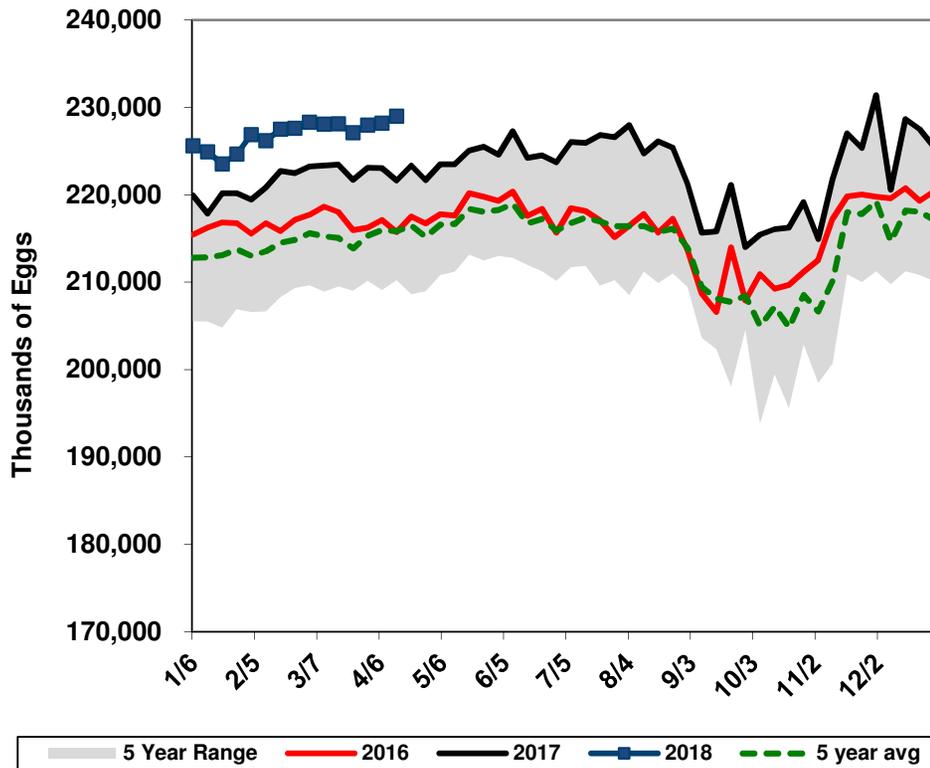


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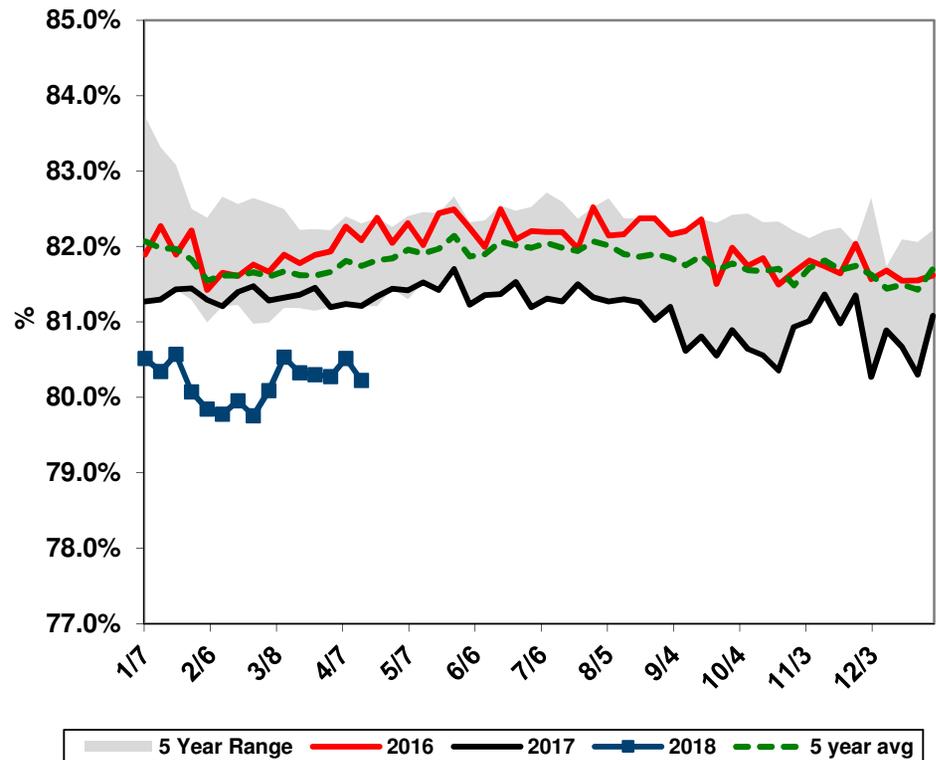
Source: Agristats

+2.4% Increase in Egg Sets Required to Offset Lower Hatch

Chicken Egg Sets by Week - USDA



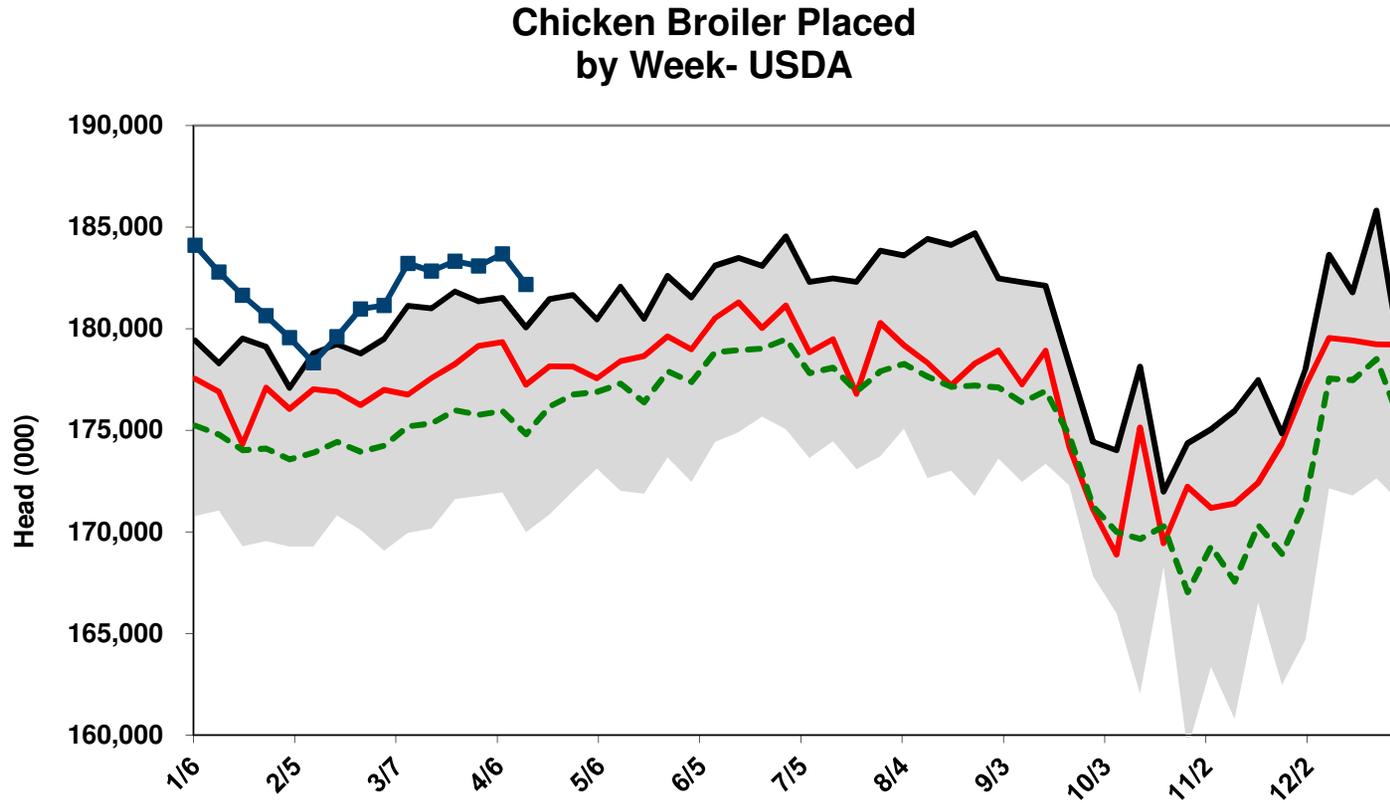
Chicken Hatchability by Week - USDA



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Source: USDA

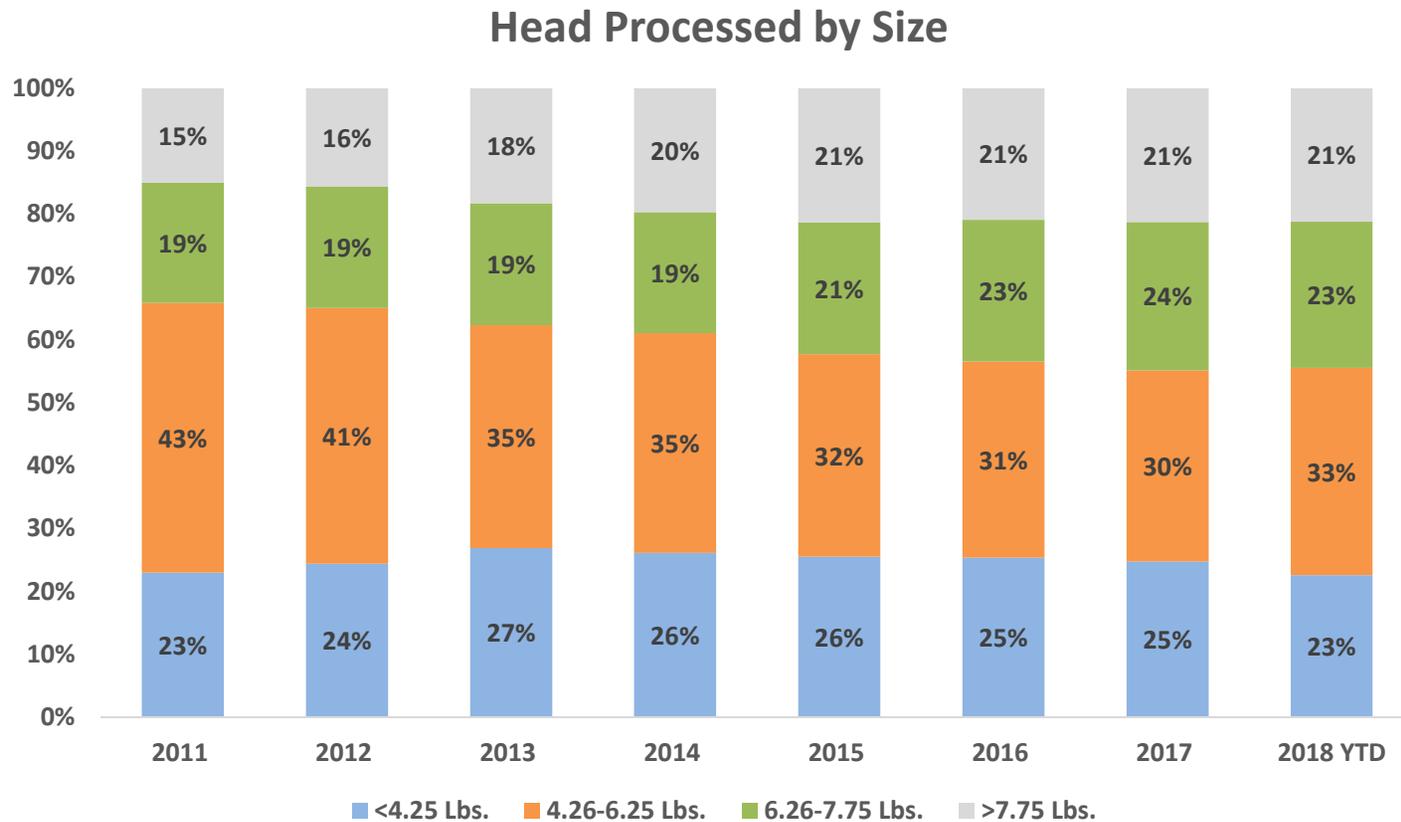
2018 YTD Chick Placements Modestly Higher



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Source: USDA

Net Increase into Jumbo Bird in 2018 on New Capacity Despite Some Conversions to Case Ready

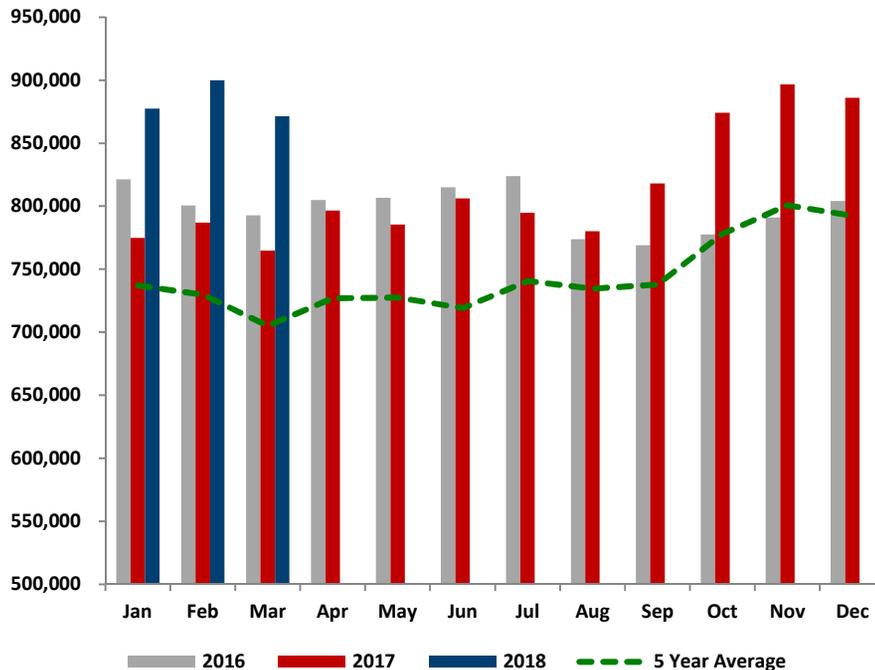


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Source: USDA

Cold Storage Inventories Increase Primarily Driven by “Other” Category

Total Chicken Inventories (000 Lbs.)



Frozen Chicken Inventory (000 LBS)					
Part	Mar-17	Feb-18	Mar-18	YOY Change	MOM Change
Broilers	16,783	14,010	15,641	▼ -6.8%	▲ 11.6%
Hens	4,926	4,308	3,870	▼ -21.4%	▼ -10.2%
Breast Meat	178,702	201,579	184,170	▲ 3.1%	▼ -8.6%
Drumsticks	16,672	26,997	27,613	▲ 65.6%	▲ 2.3%
LQ	113,069	81,746	86,769	▼ -23.3%	▲ 6.1%
Legs	21,830	15,490	14,412	▼ -34.0%	▼ -7.0%
Thighs	9,916	8,492	8,853	▼ -10.7%	▲ 4.3%
Thigh Meat	21,697	26,396	24,284	▲ 11.9%	▼ -8.0%
Wings	64,942	70,655	68,351	▲ 5.2%	▼ -3.3%
Paws and Feet	17,795	32,100	26,899	▲ 51.2%	▼ -16.2%
Other	298,341	418,109	410,479	▲ 37.6%	▼ -1.8%
Total Chicken	764,673	899,882	871,341	▲ 13.9%	▼ -3.2%

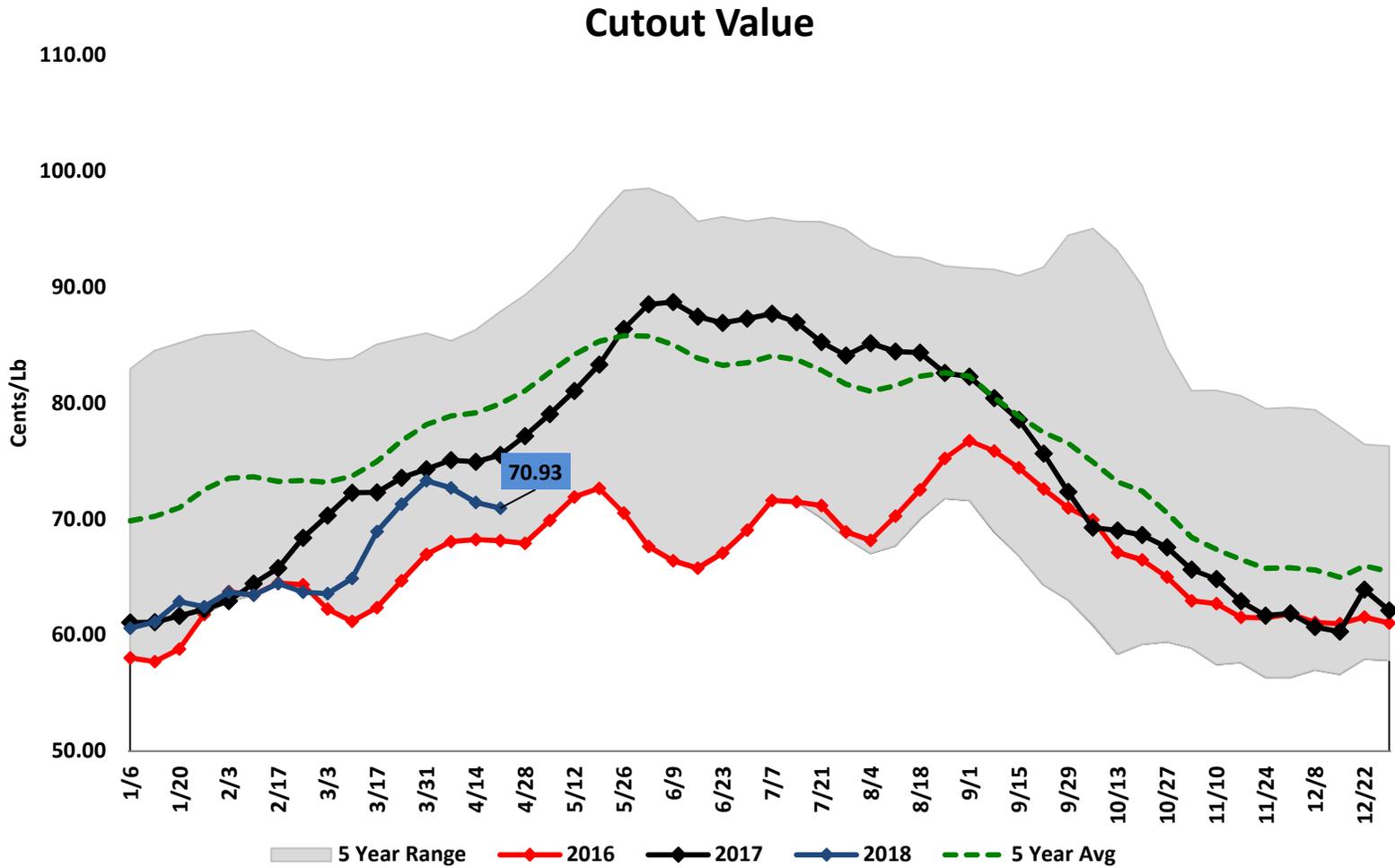
- Overall inventories rose in Mar mostly driven by large increase in “Other” products; LQ and Legs ended the month down vs. Mar 2017.



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Source: USDA

Prices in 2018 in Line with Seasonality But Lower than Last Year

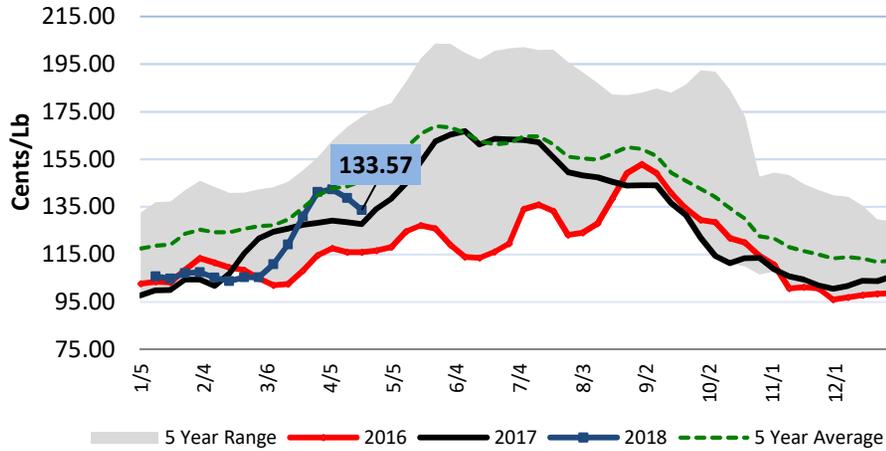


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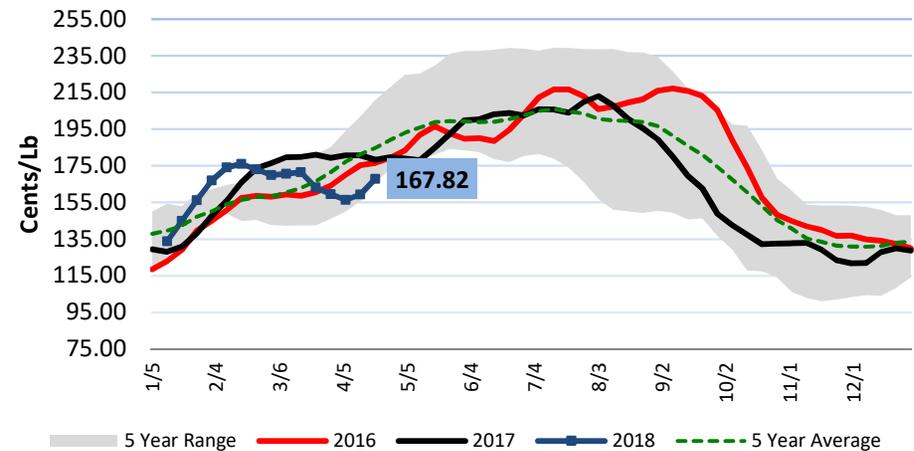
Source: PPC

Tenders and Breast Close to Seasonal Norms; LQ Consistent, Wings Below Last 2 Yrs

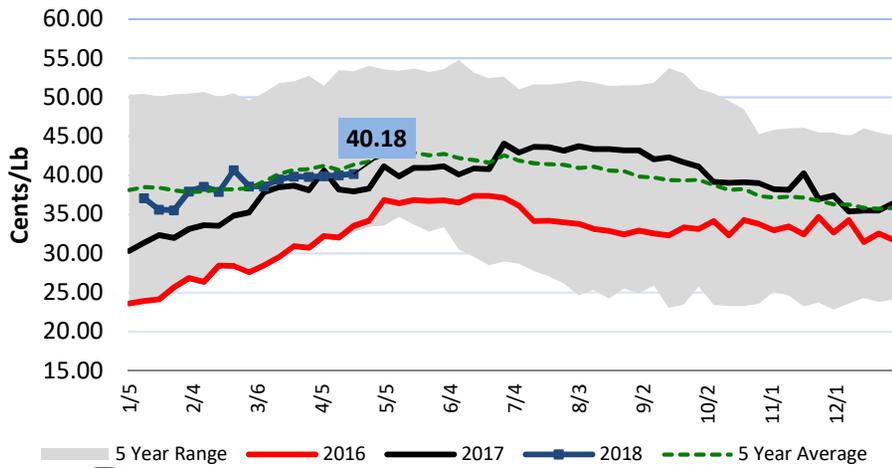
USDA Boneless/Skinless Breast NE



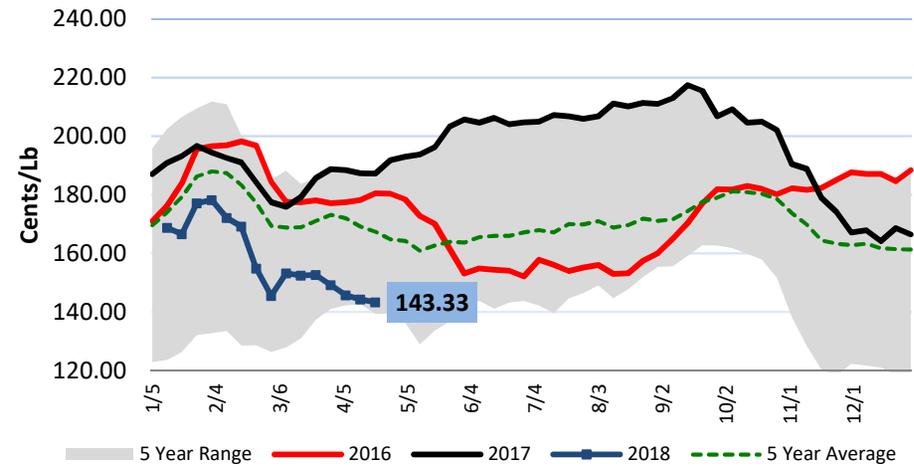
USDA Tenders NE



USDA Leg Quarters



USDA Whole Wings NE

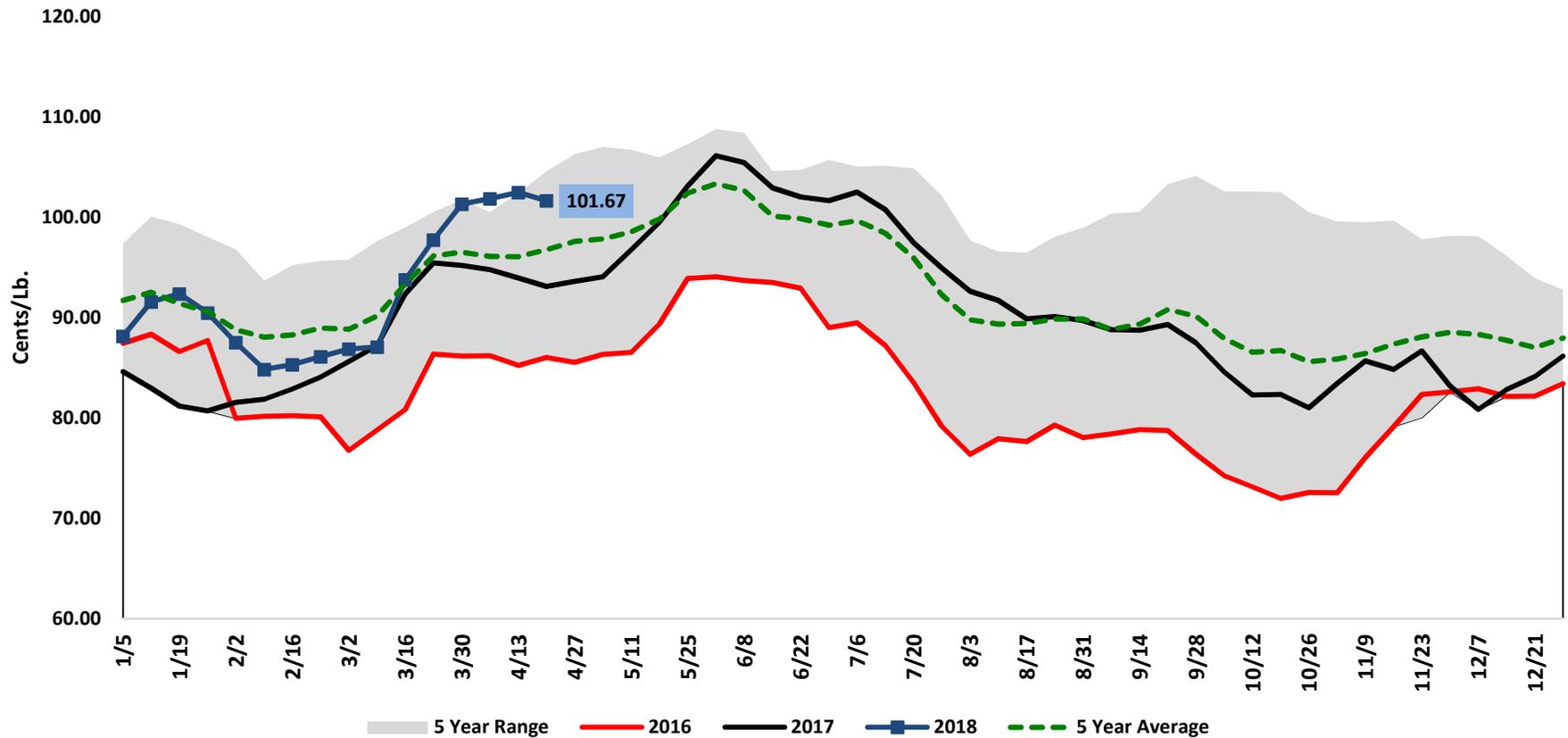


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Source: USDA

Small Bird Stronger than Last Year and Above 5-yr Average

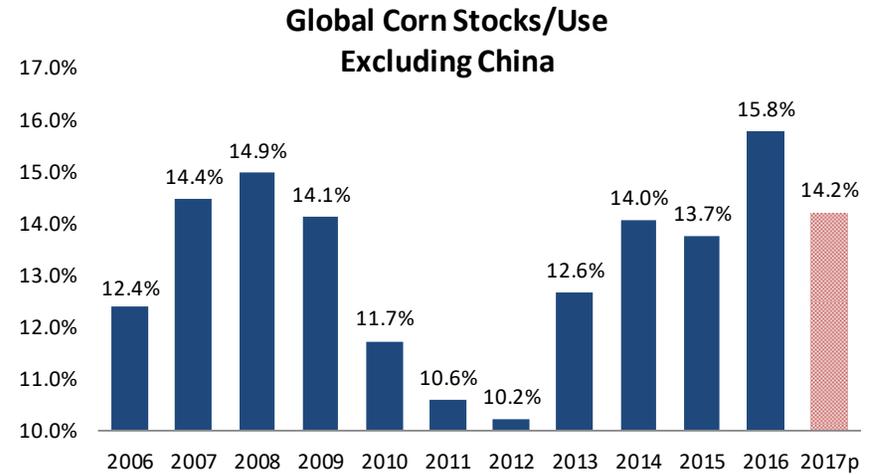
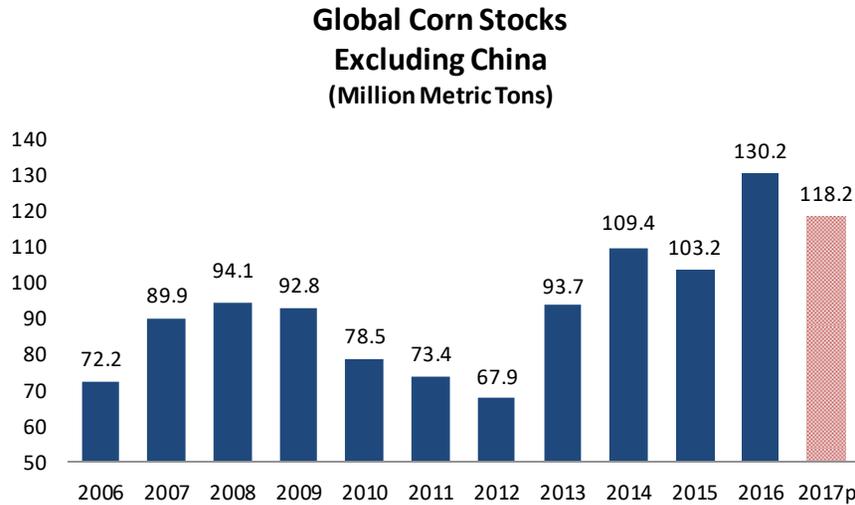
EMI WOG 2.5-4.0 LBS



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Source: EMI

Corn Stocks to Remain at High Levels in '17/18



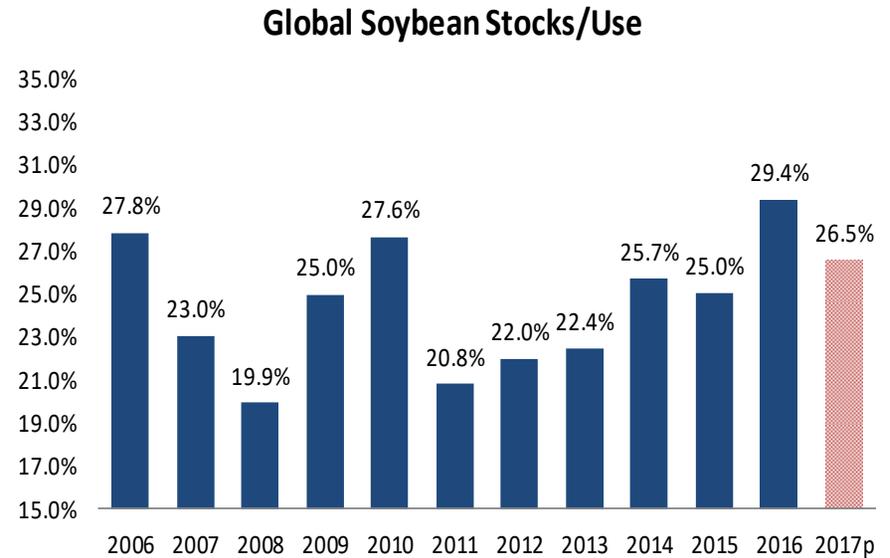
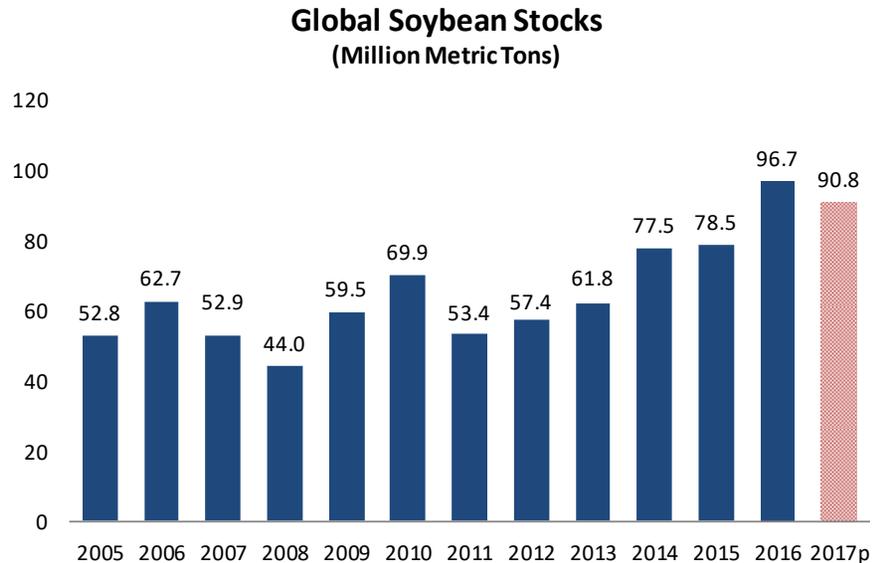
- 2017 stocks projected to be fall, but ample supply remains available.
- Stocks/use projected to tighten in 2018.



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Source: USDA

Global Soybean Inventories Projected Well Above Average



- Stocks are projected to remain well supplied in '17/'18, at 90.8 MMT.
- USDA forecasts continued growth in oilseed demand in 2018 .



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Source: USDA

First Quarter 2018 Financial Review

Main Indicators (\$M)**	Q1-18	Q1-17
Net Revenue	2,746.7	2,479.3
Gross Profit	287.7	256.5
SG&A	86.1	89.8
Operating Income	201.6	166.7
Net Interest	48.7	18.7
Net Income	119.4	93.9
Earnings Per Share (EPS)	0.48	0.38
Adjusted EBITDA*	271.8	228.5
<i>Adjusted EBITDA Margin*</i>	9.9%	9.2%

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

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

- US business units solid, strong performance in MX on market improvements and success of new product portfolio, UK/Europe stable.
- SG&A lower due to realized synergies despite more brand investments in US and MX. Interest impacted by MP bond refinancing but improves terms for future.
- Adjusted Q1-18 EBITDA improvement vs Q1-17 shows strength and diversity of portfolio despite market conditions.

In \$M	U.S.	EU	MX
Net Revenue	1,841.1	544.3	361.3
Operating Income	127.3	21.4	52.9
<i>Operating Income Margin</i>	6.9%	3.9%	14.6%

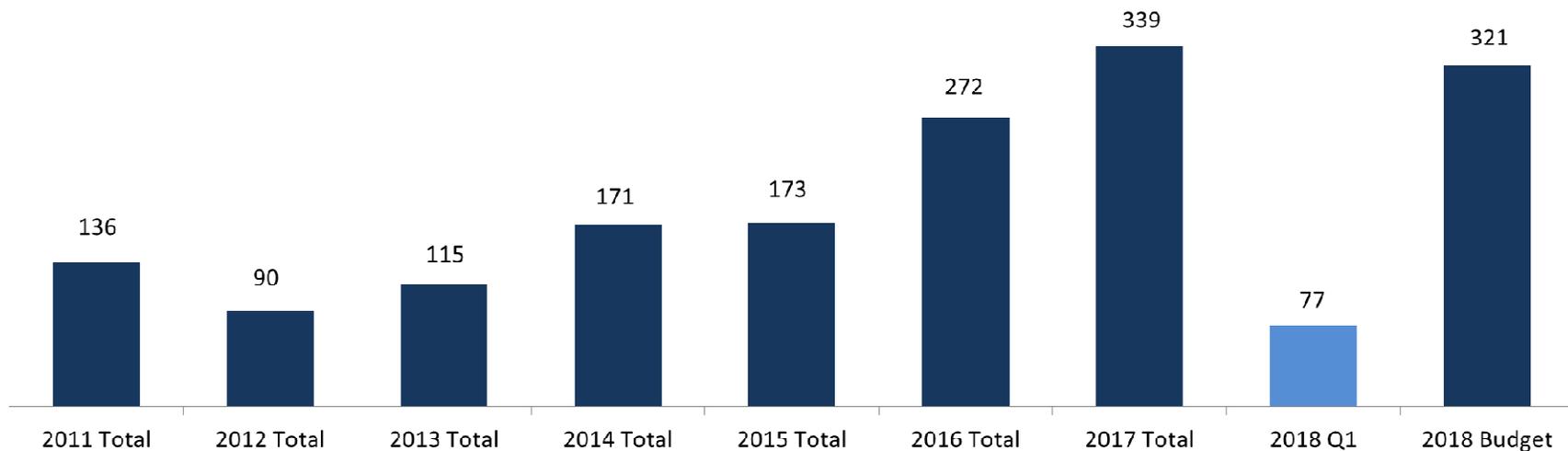


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Source: PPC

First Quarter 2018 Capital Spending

Capex (US\$M)



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



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Source: PPC

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APPENDIX



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Appendix: EBITDA Reconciliation

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

PILGRIM'S PRIDE CORPORATION Reconciliation of Adjusted EBITDA

(Unaudited)	Thirteen Weeks Ended	
	April 1, 2018	March 26, 2017
	(In thousands)	
Net income	\$ 119,224	\$ 100,738
Add:		
Interest expense, net	48,710	18,744
Income tax expense (benefit)	36,997	49,394
Depreciation and amortization	69,201	62,672
Minus:		
Amortization of capitalized financing costs	1,757	3,210
EBITDA	272,375	228,338
Add:		
Foreign currency transaction losses (gains)	(1,721)	691
Acquisition charges	179	—
Restructuring charges	789	—
Minus:		
Net income (loss) attributable to noncontrolling interest	(194)	542
Adjusted EBITDA	\$ 271,816	\$ 228,487



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Source: PPC

Appendix: EBITDA Margin Reconciliation

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

PILGRIM'S PRIDE CORPORATION Reconciliation of EBITDA Margin

(Unaudited)	Thirteen Weeks Ended		Thirteen Weeks Ended	
	April 1, 2018	March 26, 2017	April 1, 2018	March 26, 2017
	(In thousands)			
Net income from continuing operations	\$ 119,224	\$ 100,738	4.34 %	4.06 %
Add:				
Interest expense, net	48,710	18,744	1.77 %	0.76 %
Income tax expense	36,997	49,394	1.35 %	1.99 %
Depreciation and amortization	69,201	62,672	2.52 %	2.53 %
Minus:				
Amortization of capitalized financing costs	1,757	3,210	0.06 %	0.13 %
EBITDA	272,375	228,338	9.92 %	9.22 %
Add:				
Foreign currency transaction losses (gains)	(1,721)	691	(0.06) %	0.03 %
Acquisition charges	179	—	0.01 %	— %
Restructuring charges	789	—	0.03 %	— %
Minus:				
Net income (loss) attributable to noncontrolling interest	(194)	542	(0.01) %	0.02 %
Adjusted EBITDA	\$ 271,816	\$ 228,487	9.90 %	9.23 %
Net Revenue:	\$ 2,746,678	\$ 2,479,340	\$ 2,746,678	\$ 2,479,340



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Source: PPC

Appendix: Reconciliation of Adjusted Earnings

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

PILGRIM'S PRIDE CORPORATION
Reconciliation of Adjusted Earnings
(Unaudited)

	<u>Thirteen Weeks Ended</u>	
	<u>April 1, 2018</u>	<u>March 26, 2017</u>
	(In thousands, except per share data)	
Net income (loss) attributable to Pilgrim's Pride Corporation	\$ 119,418	\$ 93,921
Loss on early extinguishment of debt	12,895	—
Acquisition and restructuring charges, net of taxes	968	—
Foreign currency transaction losses (gains)	(1,721)	691
Income (loss) before loss on early extinguishment of debt and foreign currency transaction losses (gains)	131,560	94,612
Weighted average diluted shares of common stock outstanding	248,989	248,926
Income (loss) before loss on early extinguishment of debt and foreign currency transaction losses (gains) per common diluted share	\$ 0.53	\$ 0.38



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Source: PPC

Appendix: Adjusted EPS Bridge

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

PILGRIM'S PRIDE CORPORATION
Reconciliation of GAAP EPS to Adjusted EPS
(Unaudited)

	Thirteen Weeks Ended	
	April 1, 2018	March 26, 2017
	(In thousands, except per share data)	
GAAP EPS	\$ 0.48	\$ 0.38
Loss on early extinguishment of debt	0.05	—
Acquisition and restructuring charges, net of taxes	0.01	—
Foreign currency transaction losses (gains)	(0.01)	—
Adjusted EPS	\$ 0.53	\$ 0.38
Weighted average diluted shares of common stock outstanding	248,989	248,926



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Source: PPC

Appendix: Segment and Geographic Data

PILGRIM'S PRIDE CORPORATION
Supplementary Selected Segment and Geographic Data

	Thirteen Weeks Ended	
	April 1, 2018	March 26, 2017
	(Unaudited)	
	(In thousands)	
Sources of net sales by country of origin:		
US:	\$ 1,841,105	\$ 1,736,405
Europe:	544,300	458,848
Mexico:	361,273	284,087
Total net sales:	<u>\$ 2,746,678</u>	<u>\$ 2,479,340</u>
Sources of cost of sales by country of origin:		
US:	\$ 1,658,734	\$ 1,548,099
Europe:	501,568	417,518
Mexico:	298,735	257,212
Elimination:	(24)	(24)
Total cost of sales:	<u>\$ 2,459,013</u>	<u>\$ 2,222,805</u>
Sources of gross profit by country of origin:		
US:	\$ 182,370	\$ 188,306
Europe:	42,733	41,330
Mexico:	62,538	26,875
Elimination:	24	24
Total gross profit:	<u>\$ 287,665</u>	<u>\$ 256,535</u>
Sources of operating income by country of origin:		
US:	\$ 127,286	\$ 133,556
Europe:	21,413	14,372
Mexico:	52,870	18,772
Elimination:	24	24
Total operating income:	<u>\$ 201,593</u>	<u>\$ 166,724</u>



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Source: PPC