



Pilgrim's Pride Corporation
Financial Results for
First Quarter Ended
Mar 26, 2017



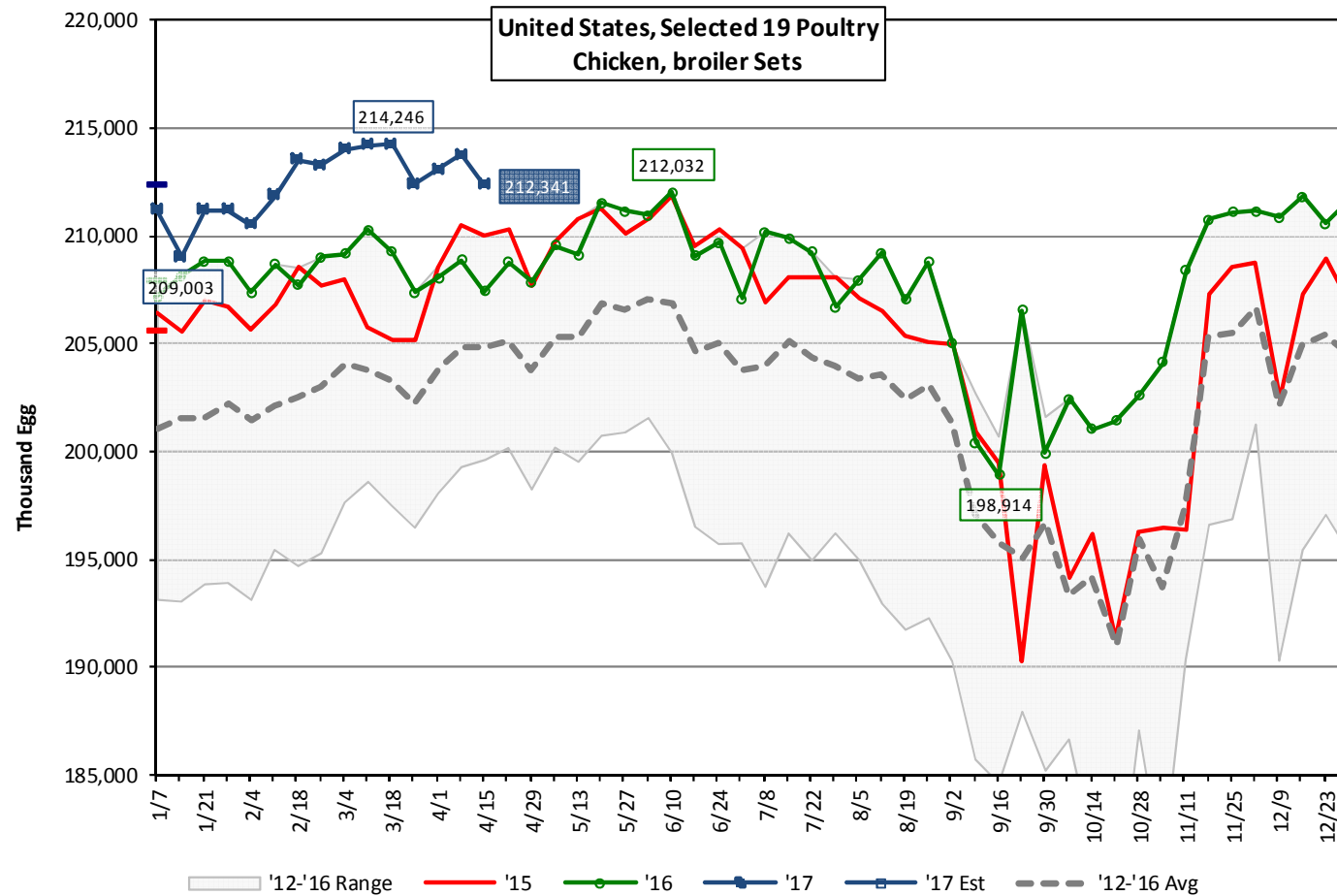


Cautionary Notes and Forward-Looking Statements

- 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.

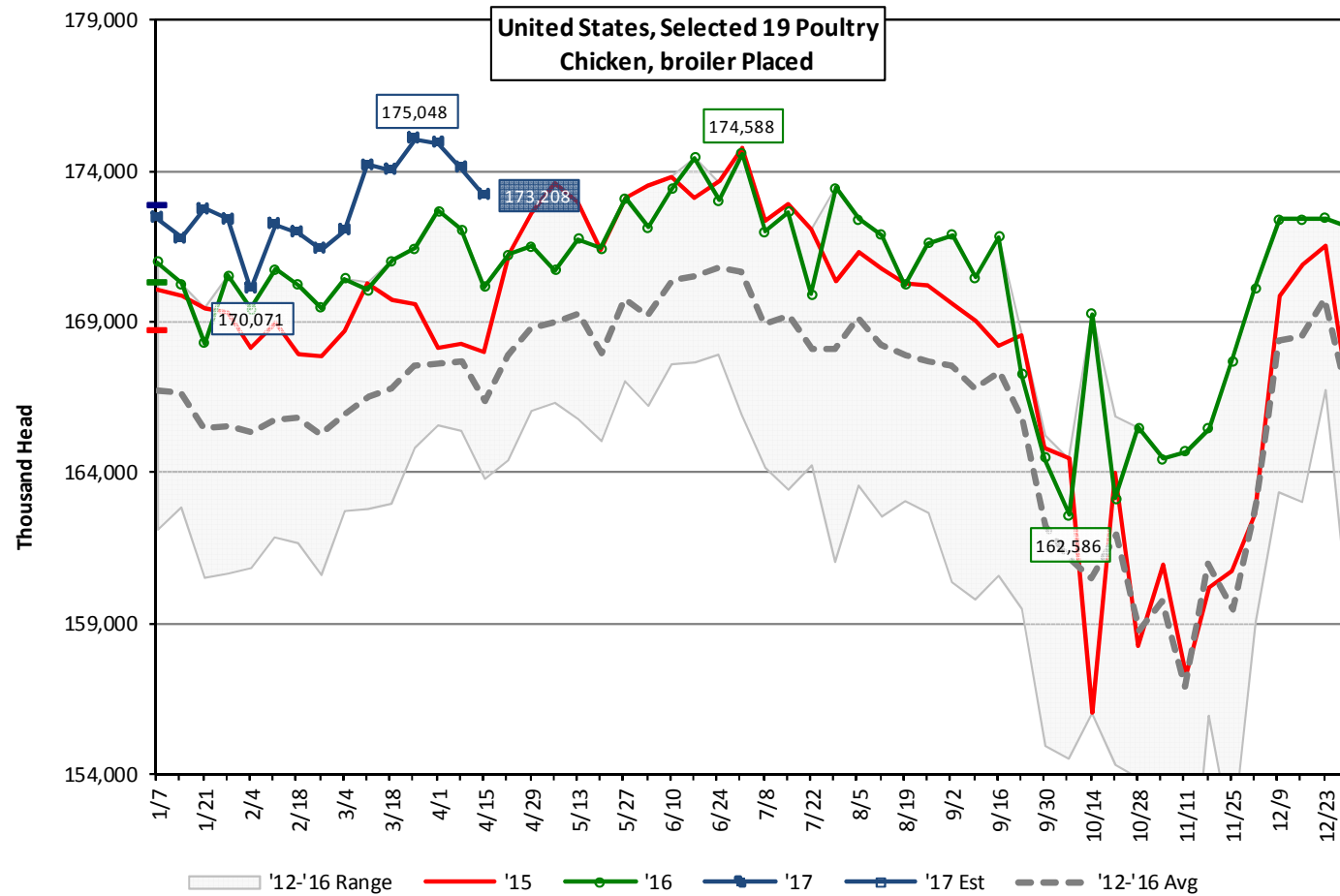


Eggs Sets Average Marginally Up in 2017 from 2016



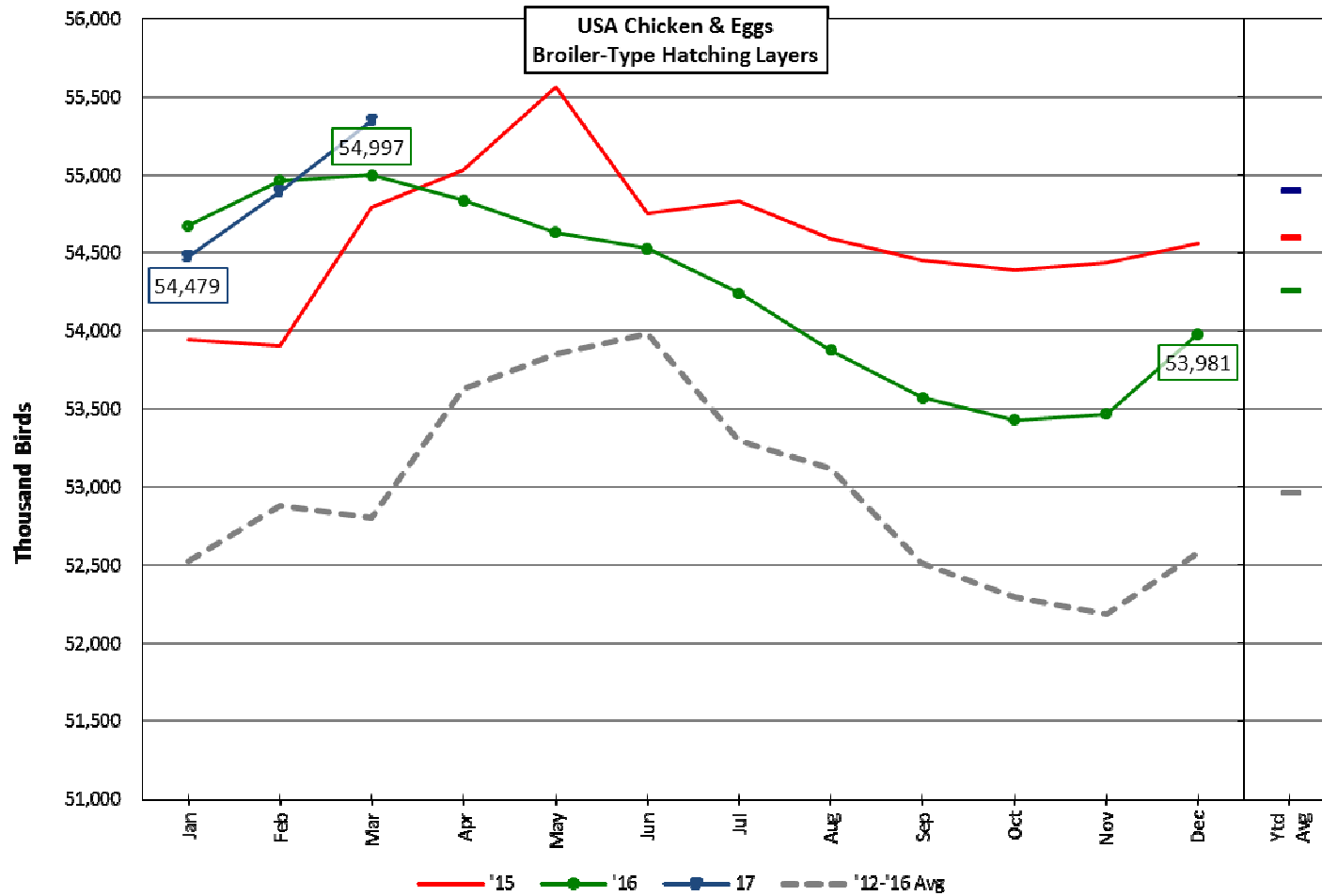


2017 Placements Modestly Higher



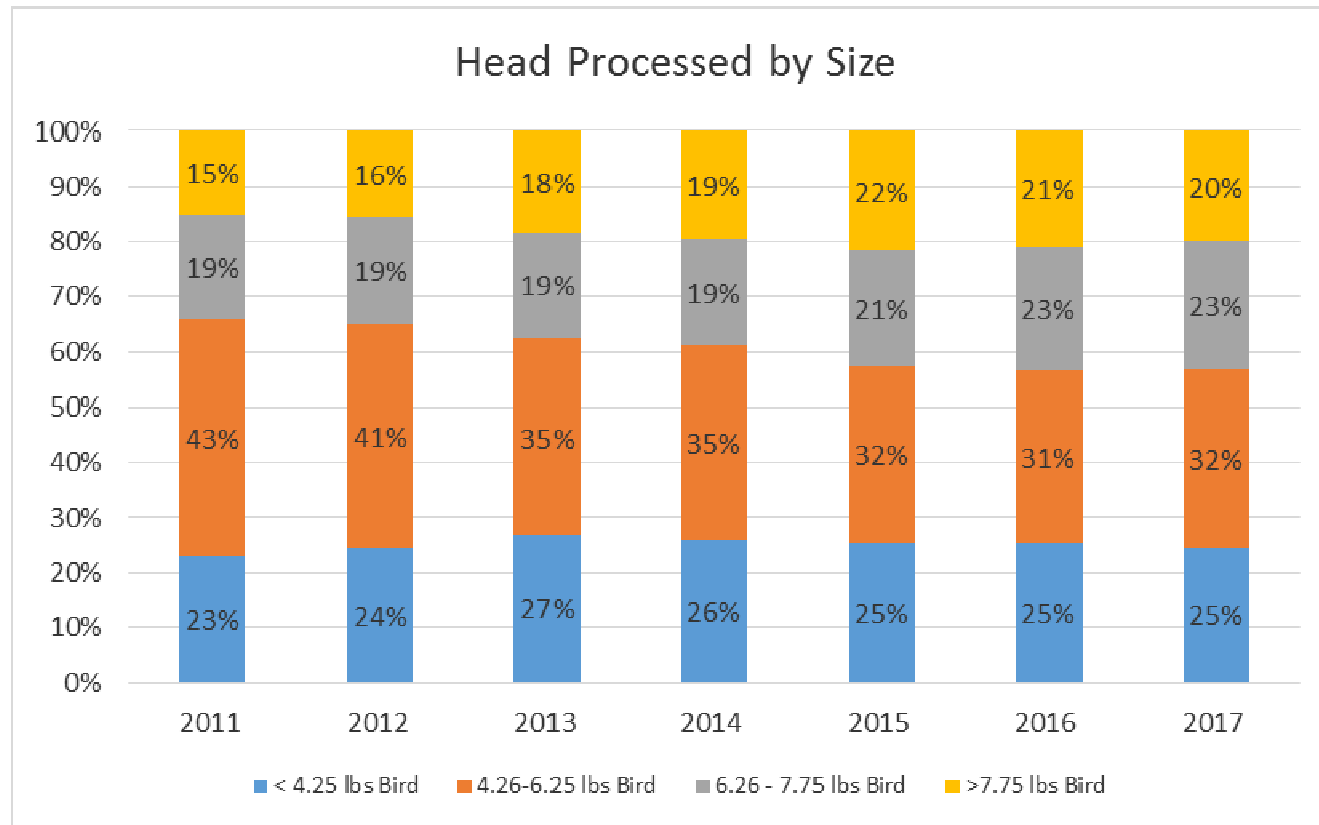


Broiler Type Hatching Layers In-line YTD with 2016





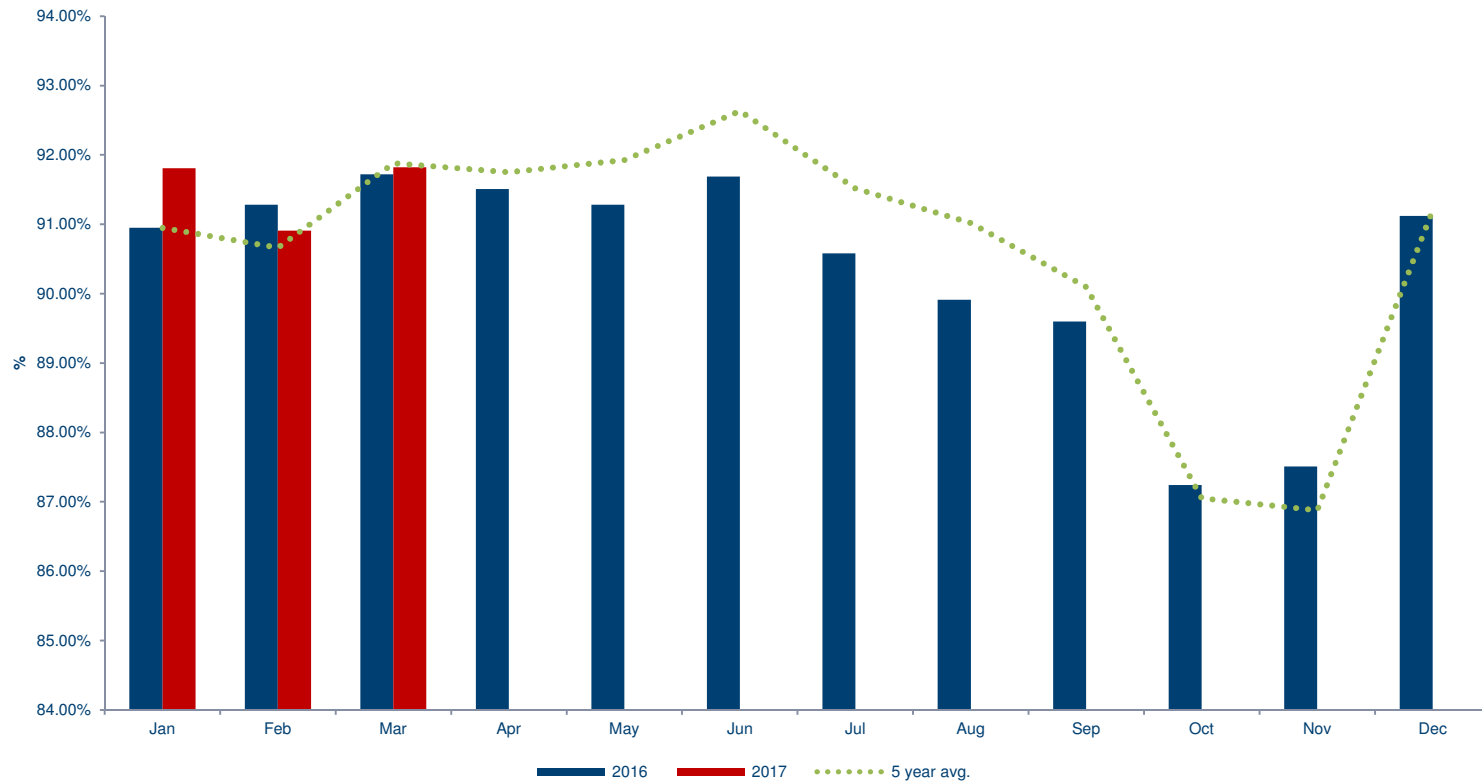
Jumbo Bird Share Down Slightly After Significant Increase Since 2011





Hatchery Utilization Close to Peak Levels

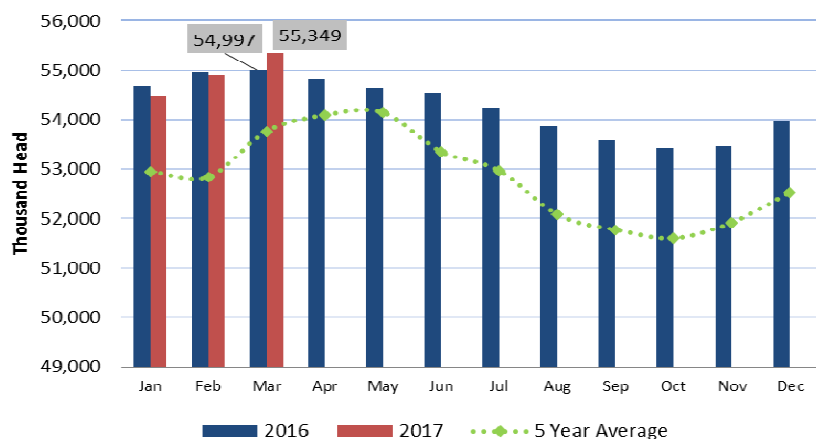
Hatchery Utilization



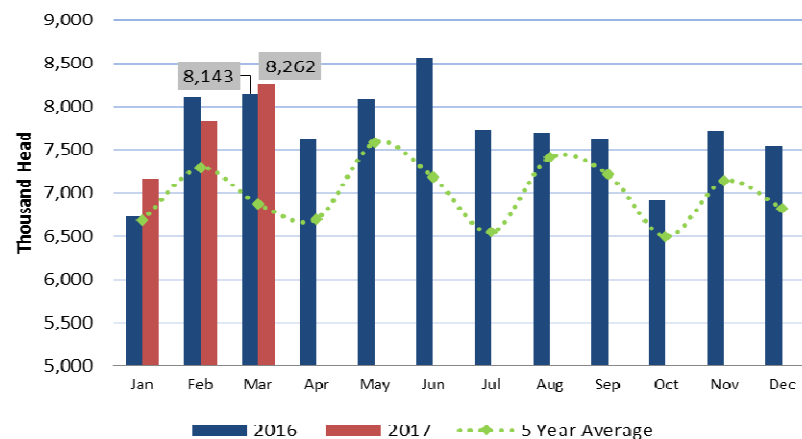


Hatching Layers Flat vs 2016, Placements Marginally Higher

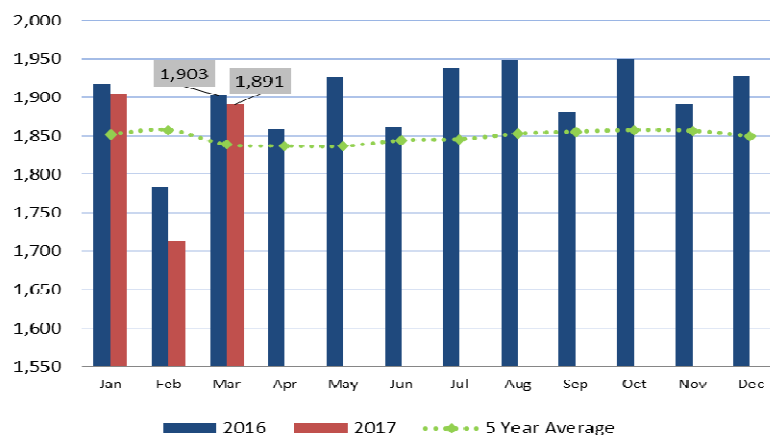
Broiler Type Hatching Layers



Intended Pullet Placements



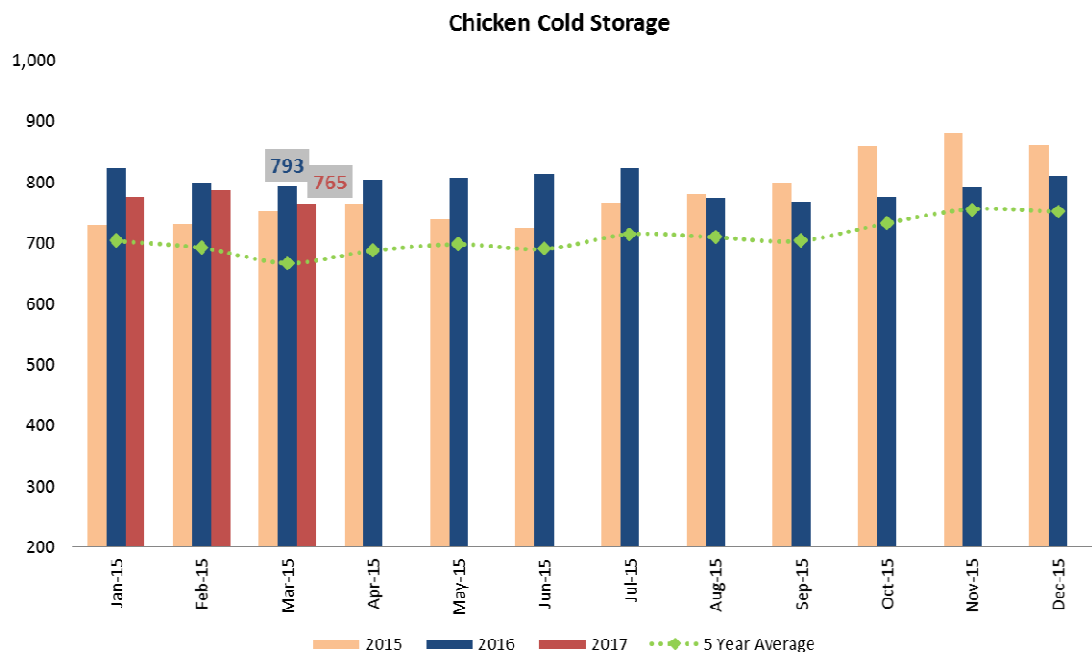
Egg Production Per 100 Layers



- Hatching layers are in-line in Mar and YTD with last year.
- Egg production is below 2016, while pullet placements are only slightly higher year on year, supportive of a modest production growth in 2017.



Cold Storage Levels Lower Than 2016

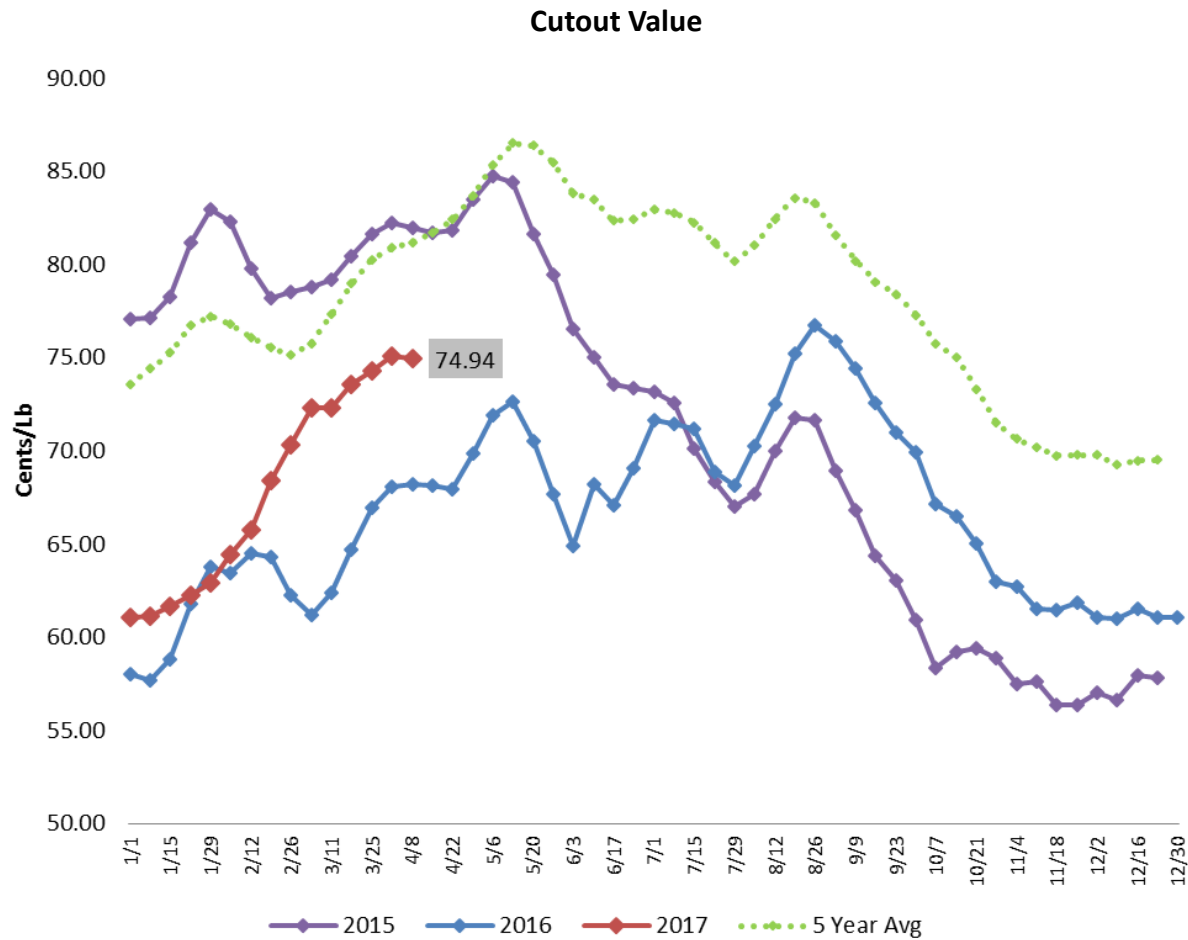


Part	Mar-16	Mar-17	% Change
Broilers	20,152	16,855	-16.4%
Hens	6,116	4,916	-19.6%
Breast Meat	183,857	179,198	-2.5%
Drumsticks	26,582	16,670	-37.3%
Leg Quarters	106,251	113,202	6.5%
Legs	9,645	21,782	125.8%
Thighs	14,651	9,923	-32.3%
Thigh meat	22,485	21,698	-3.5%
Wings	77,032	64,950	-15.7%
Paws and feet	18,040	17,795	-1.4%
Other	308,063	298,348	-3.2%
Total Chicken	792,874	765,337	-3.5%

- Overall inventories 3.5% lower than 2016 levels, driven by strong retail and improved demand for export-oriented cuts.



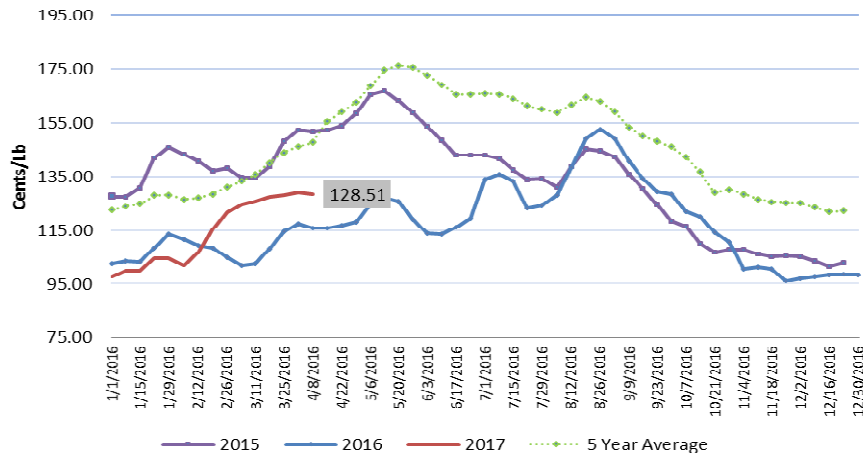
Cutout Values above 2016 but still Lower than 5 year levels



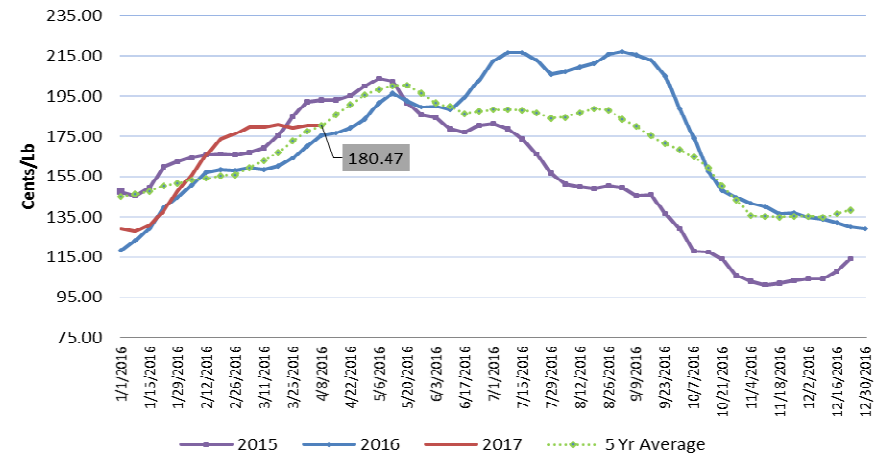


Leg Quarters Improved vs 2016, Other Parts In-line with Normal Seasonality

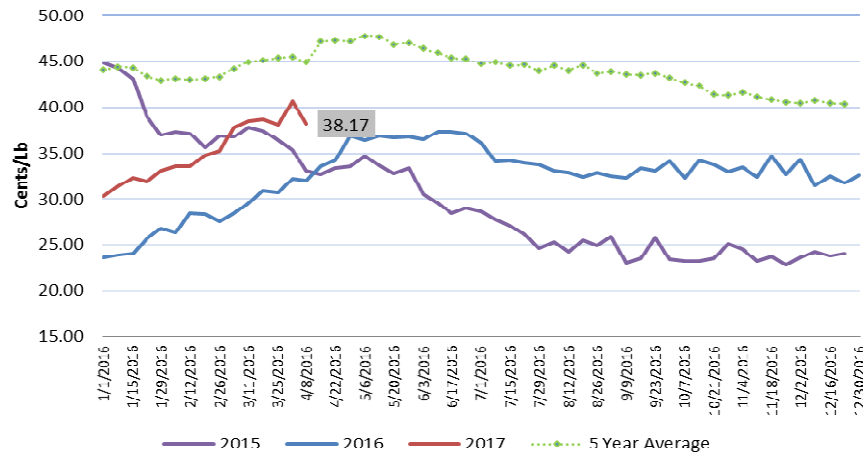
USDA Boneless/Skinless Breast NE



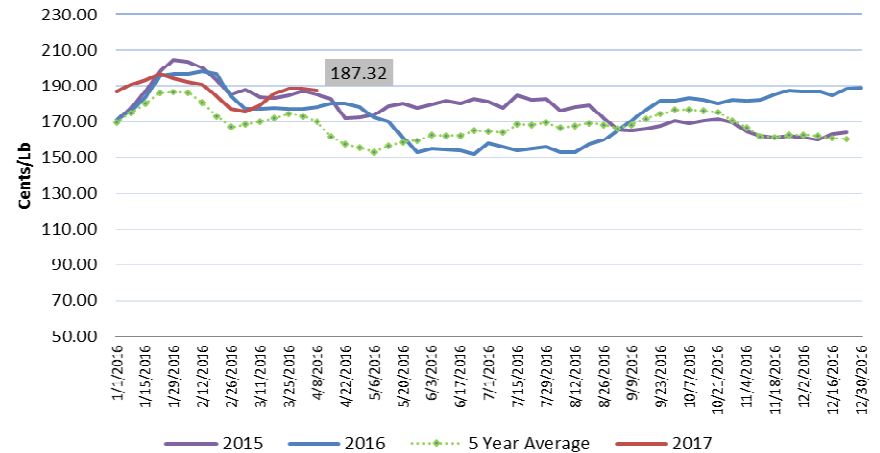
USDA Tenders NE



USDA Leg Quarters NE

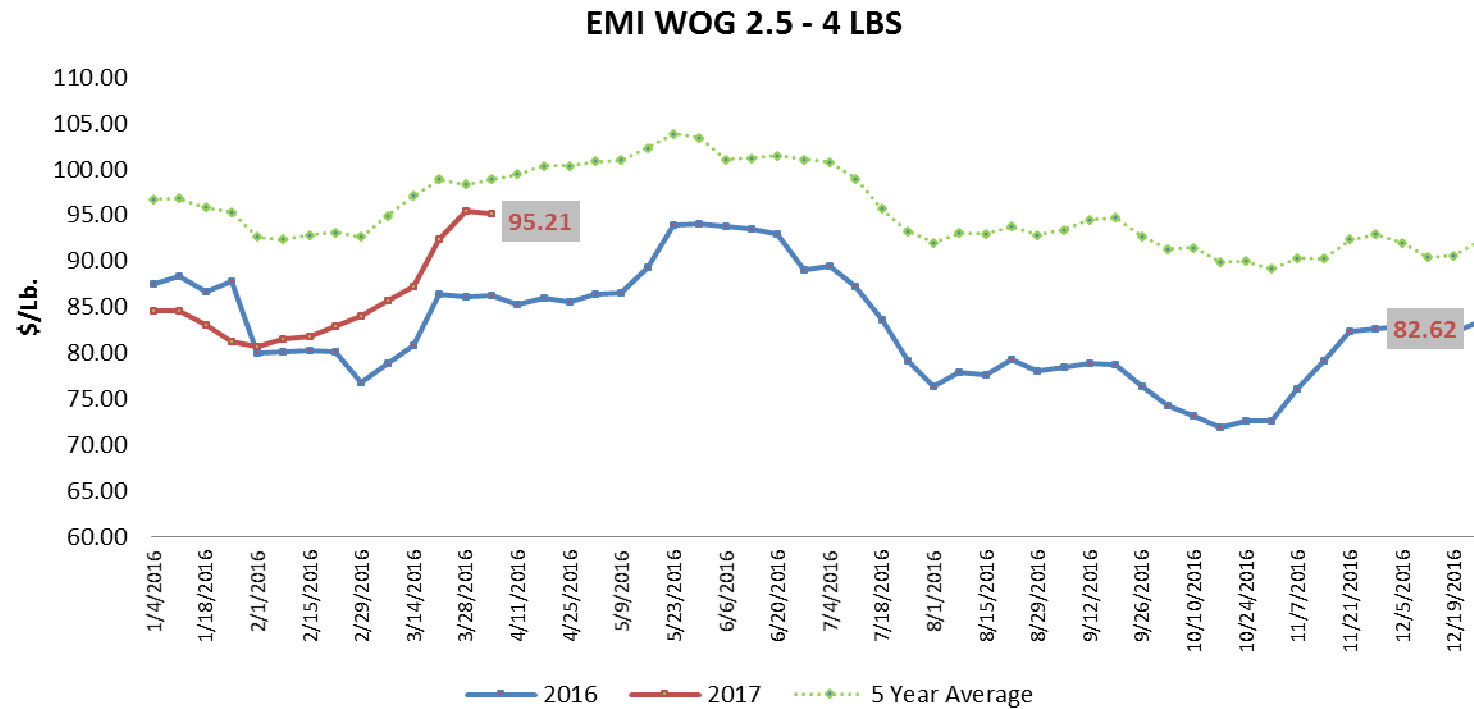


USDA Whole Wings NE





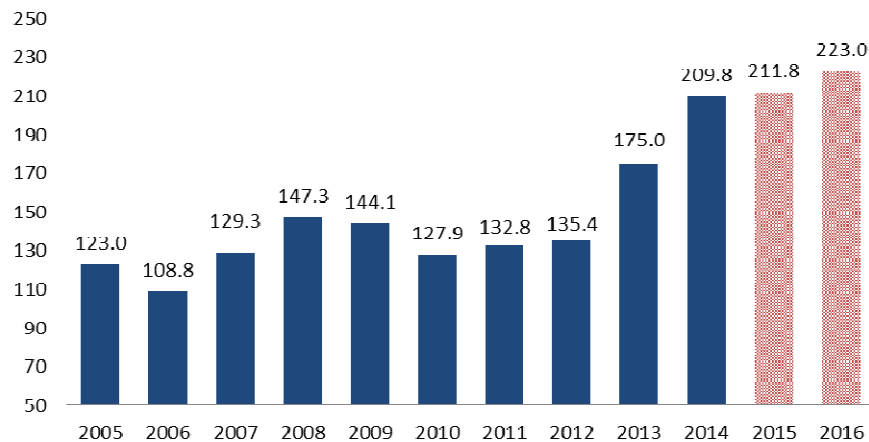
Strength in Small Bird and Retail Contracts Continues



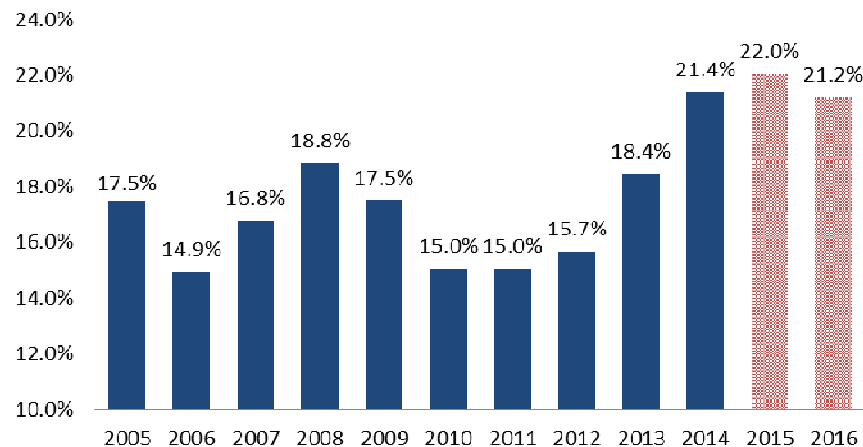


Corn Stocks at Record High Levels

Global Corn Stocks
(Million Metric Tons)



Global Corn Stocks/Use

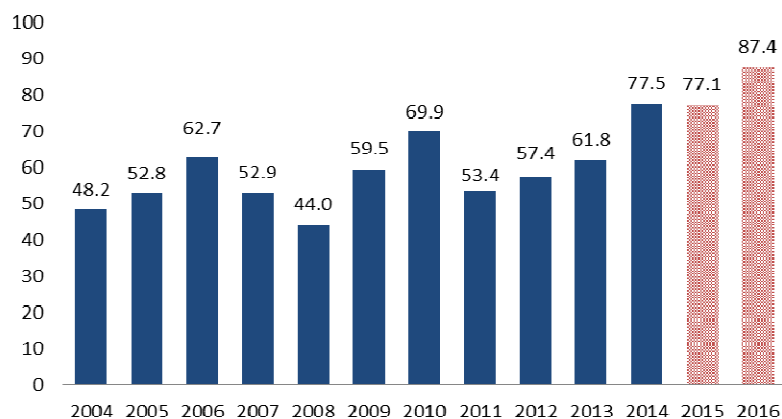


- Global stocks continue to stay at record high levels.
- USDA raised global stocks-to-use in April for new crop on higher than expected South American corn harvest.

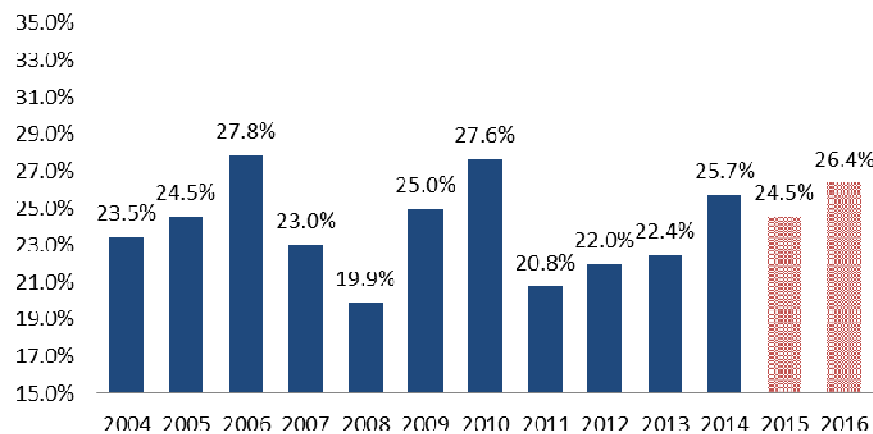


Global Soybean Inventories Grow

Global Soybean Stocks
(Million Metric Tons)



Global Soybean Stocks/Use



- Global inventories of soybeans remain high and at record high levels, surpassing 2014 previous highs.
- Demand for oilseed products estimated to grow to finish out the 2016 crop year.



First Quarter 2017 Financial Review

Main Indicators (\$M)	Q1-17	Q1-16
Net Revenue	2,020.5	1,962.9
Gross Profit	215.2	237.6
SG&A	62.9	48.8
Operating Income	152.4	188.8
Net Interest	12.1	11.3
Net Income	93.9	118.4
Earnings Per Share (EPS)	0.38	0.46
Adjusted EBITDA*	204.0	233.5
<i>Adjusted EBITDA Margin*</i>	<i>10.1%</i>	<i>11.9%</i>

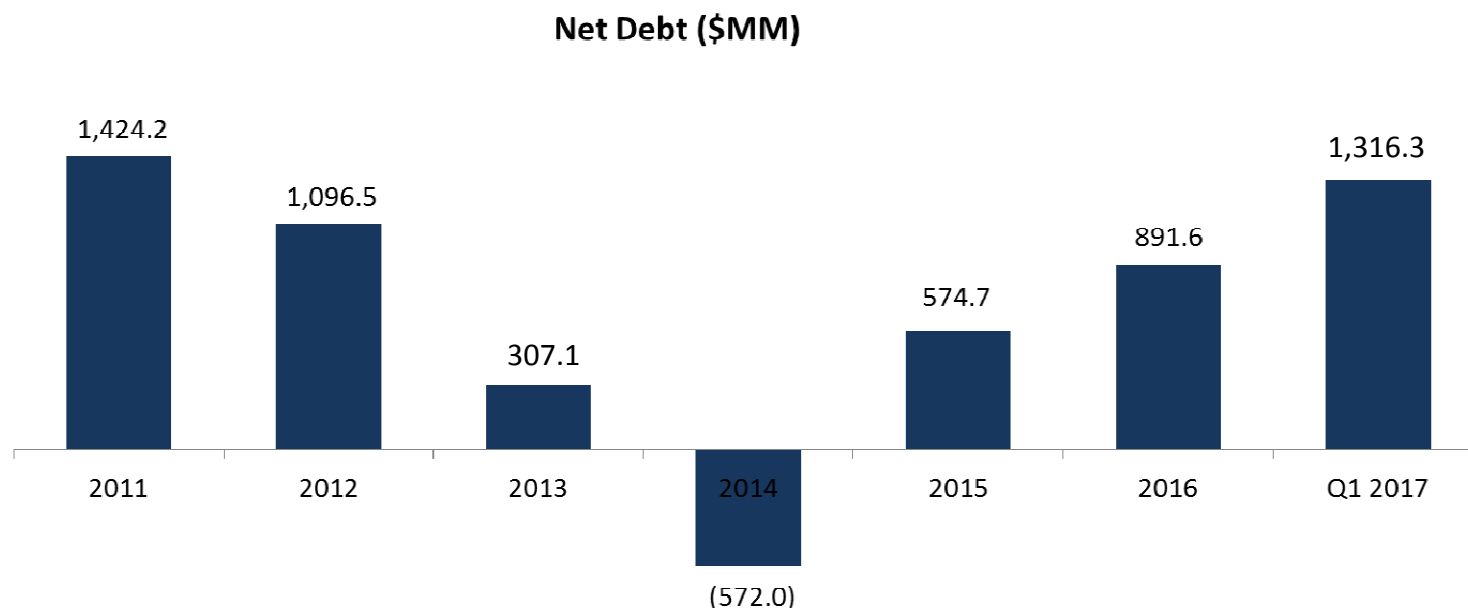
* This is a non-GAAP measurement considered by management to be useful in understanding our results. Please see the appendix and most recent SEC financial filings for definition of this measurement and reconciliation to GAAP.

- Balanced performance during Q1 within Fresh; case-ready and small birds strength continues while large birds improving; MX operating results solid but FX impacted cost.
- SG&A higher due to addition of GNP.
- Adjusted Q1-17 EBITDA below Q1-16 but in-line with expectations on sequential improving operating performance in the U.S.

In \$M	U.S.	MX
Net Revenue	1,736.4	284.1
Operating Income	133.6	18.8
<i>Operating Income Margin</i>	<i>7.7%</i>	<i>6.6%</i>



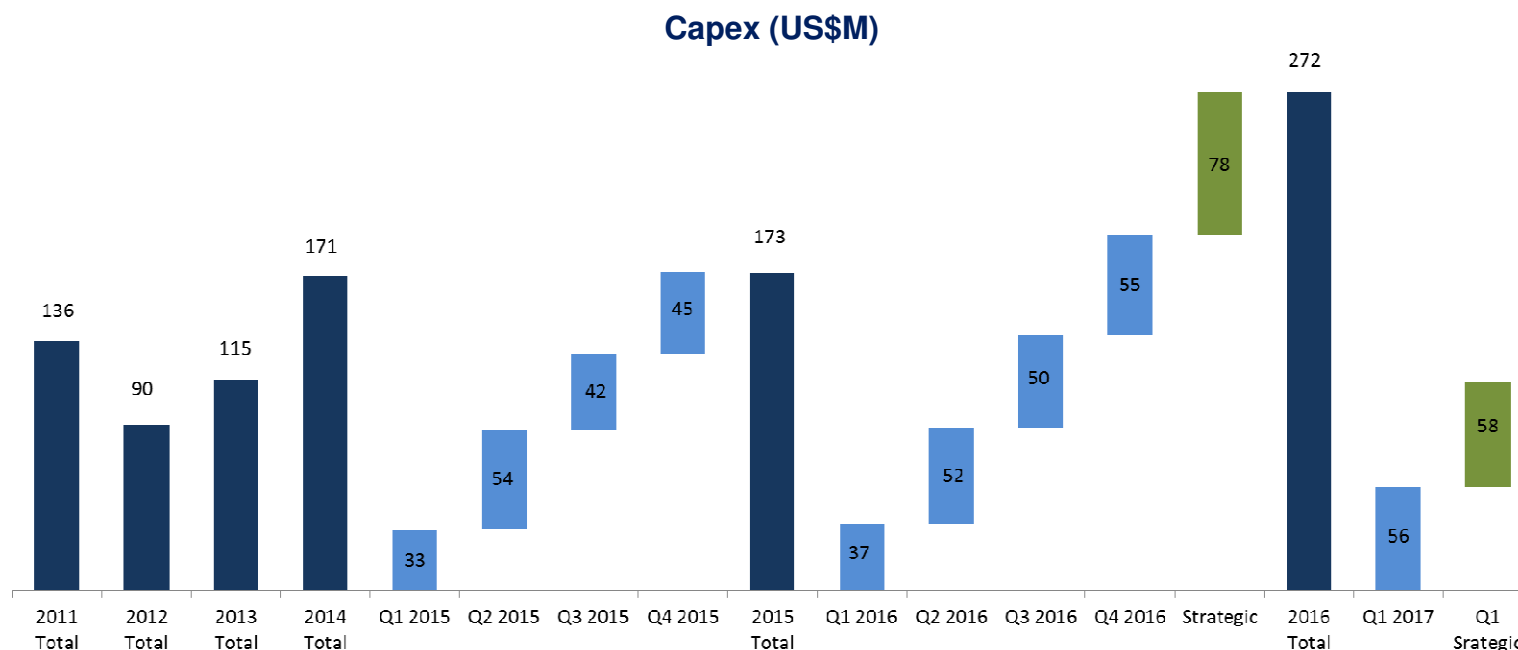
Solid Balance Sheet, With Plenty of Room for Strategic Investments



- Cash Flow From Operations generation of \$61MM in the quarter due to timing of strategic capital investments as well as bonus payments and share repurchase.
- Net debt multiple is 1.5x LTM EBITDA, vs target of 2-3x, underlining our capability to fulfill strategic actions.



First Quarter 2017 Capital Spending



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



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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	
	March 26, 2017	March 27, 2016
	(In thousands)	
Net income	\$ 94,463	\$ 118,011
Add:		
Interest expense, net	12,084	11,340
Income tax expense (benefit)	47,901	62,604
Depreciation and amortization	50,390	42,391
Minus:		
Amortization of capitalized financing costs	951	928
EBITDA	203,887	233,418
Add:		
Foreign currency transaction losses (gains)	619	(235)
Restructuring charges	—	—
Minus:		
Net income (loss) attributable to noncontrolling interest	542	(360)
Adjusted EBITDA	\$ 203,964	\$ 233,543



Appendix: Reconciliation of LTM EBITDA

The summary unaudited consolidated income statement data for the twelve months ended March 26, 2017 (the LTM Period) have been calculated by subtracting the applicable unaudited consolidated income statement data for the three months ended March 27, 2016 from the sum of (1) the applicable audited consolidated income statement data for the year ended December 25, 2016 and (2) the applicable audited consolidated income statement data for the three months ended March 26, 2017.

PILGRIM'S PRIDE CORPORATION Reconciliation of LTM Adjusted EBITDA

(Unaudited)	Thirteen Weeks Ended June 26, 2016	Thirteen Weeks Ended September 25, 2016	Thirteen Weeks Ended December 25, 2016	Thirteen Weeks Ended March 26, 2017	LTM Ended March 26, 2017
	(In thousands)				
Net income	\$ 153,042	\$ 98,527	\$ 70,149	\$ 94,463	\$ 416,181
Add:					
Interest expense, net	10,865	11,834	10,158	12,084	44,941
Income tax expense (benefit)	78,398	51,060	40,844	47,901	218,203
Depreciation and amortization	46,293	45,772	46,059	50,390	188,514
Minus:					
Amortization of capitalized financing costs	962	970	972	951	3,855
EBITDA	287,636	206,223	166,238	203,887	863,984
Add:					
Foreign currency transaction losses (gains)	(4,744)	4,142	4,734	619	4,751
Restructuring charges	—	279	790	—	1,069
Minus:					
Net income (loss) attributable to noncontrolling interest	156	(130)	(469)	542	99
Adjusted EBITDA	<u>\$ 282,736</u>	<u>\$ 210,774</u>	<u>\$ 172,231</u>	<u>\$ 203,964</u>	<u>\$ 869,705</u>



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	
	March 26, 2017	March 27, 2016	March 26, 2017	March 27, 2016
	(In thousands)			
Net income from continuing operations	\$ 94,463	\$ 118,011	4.68%	6.01 %
Add:				
Interest expense, net	12,084	11,340	0.60%	0.58 %
Income tax expense (benefit)	47,901	62,604	2.37%	3.19 %
Depreciation and amortization	50,390	42,391	2.49%	2.16 %
Minus:				
Amortization of capitalized financing costs	951	928	0.05%	0.05 %
EBITDA	203,887	233,418	10.09%	11.89 %
Add:				
Foreign currency transaction losses (gains)	619	(235)	0.03%	(0.01)%
Restructuring charges	—	—	—%	— %
Minus:				
Net income (loss) attributable to noncontrolling interest	542	(360)	0.03%	(0.02)%
Adjusted EBITDA	\$ 203,964	\$ 233,543	10.09%	11.90 %
Net Revenue:	\$ 2,020,492	\$ 1,962,937	\$ 2,020,492	\$ 1,962,937



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>March 26, 2017</u>	<u>March 27, 2016</u>
	(In thousands, except per share data)	
Net income (loss) attributable to Pilgrim's Pride Corporation	\$ 93,921	\$ 118,371
Loss on early extinguishment of debt	—	—
Foreign currency transaction losses (gains)	619	(235)
Income (loss) before loss on early extinguishment of debt and foreign currency transaction losses (gains)	94,540	118,136
Weighted average diluted shares of common stock outstanding	248,926	255,147
Income (loss) before loss on early extinguishment of debt and foreign currency transaction losses (gains) per common diluted share	<u>\$ 0.38</u>	<u>\$ 0.46</u>



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	
	March 26, 2017	March 27, 2016
	(In thousands, except per share data)	
GAAP EPS	\$ 0.38	\$ 0.46
Loss on early extinguishment of debt	—	—
Foreign currency transaction losses (gains)	—	—
Adjusted EPS	\$ 0.38	\$ 0.46
Weighted average diluted shares of common stock outstanding	248,926	255,147



Appendix: Net Debt / Cash Position Reconciliation

Net debt is defined as total long term debt less current maturities, plus current maturities of long term debt and notes payable, minus cash, cash equivalents and investments in available-for-sale securities. Net debt is presented because it is used by management, and we believe it is frequently used by securities analysts, investors and other parties, in addition to and not in lieu of debt as presented under GAAP, to compare the indebtedness of companies. A reconciliation of net debt is as follows:

PILGRIM'S PRIDE CORPORATION
Reconciliation of Net Debt
(Unaudited)

	March 26, 2017	March 27, 2016	December 25, 2016	December 27, 2015	December 28, 2014
	(In thousands)				
Long term debt, less current maturities	1,346,990	\$ 986,400	\$ 1,011,858	\$ 985,509	\$ 3,980
Add: Current maturities of long term debt and notes payable	96	21,665	94	28,812	262
Minus: Cash and cash equivalents	30,762	574,888	120,328	439,638	576,143
Minus: Available-for-sale securities	—	—	—	—	—
Net debt (cash position)	\$ 1,316,324	\$ 433,177	\$ 891,624	\$ 574,683	\$ (571,901)



Appendix: Segment and Geographic Data

PILGRIM'S PRIDE CORPORATION
Supplementary Selected Segment and Geographic Data

	Thirteen Weeks Ended	
	March 26, 2017	March 27, 2016
	(Unaudited)	
	(In thousands)	
Sources of net sales by country of origin:		
US:	\$ 1,736,405	\$ 1,670,281
Mexico:	284,087	292,656
Total net sales:	<u>\$ 2,020,492</u>	<u>\$ 1,962,937</u>
Sources of cost of sales by country of origin:		
US:	\$ 1,548,099	\$ 1,453,955
Mexico:	257,212	271,444
Elimination:	(24)	(24)
Total cost of sales:	<u>\$ 1,805,287</u>	<u>\$ 1,725,375</u>
Sources of gross profit by country of origin:		
US:	\$ 188,306	\$ 216,326
Mexico:	26,875	21,212
Elimination:	24	24
Total gross profit:	<u>\$ 215,205</u>	<u>\$ 237,562</u>
Sources of operating income by country of origin:		
US:	\$ 133,556	\$ 174,590
Mexico:	18,772	14,160
Elimination:	24	24
Total operating income:	<u>\$ 152,352</u>	<u>\$ 188,774</u>