



**Financial Results for
Fourth Quarter and Year Ended December 29, 2019**

Pilgrim's Pride Corporation
(NASDAQ: PPC)

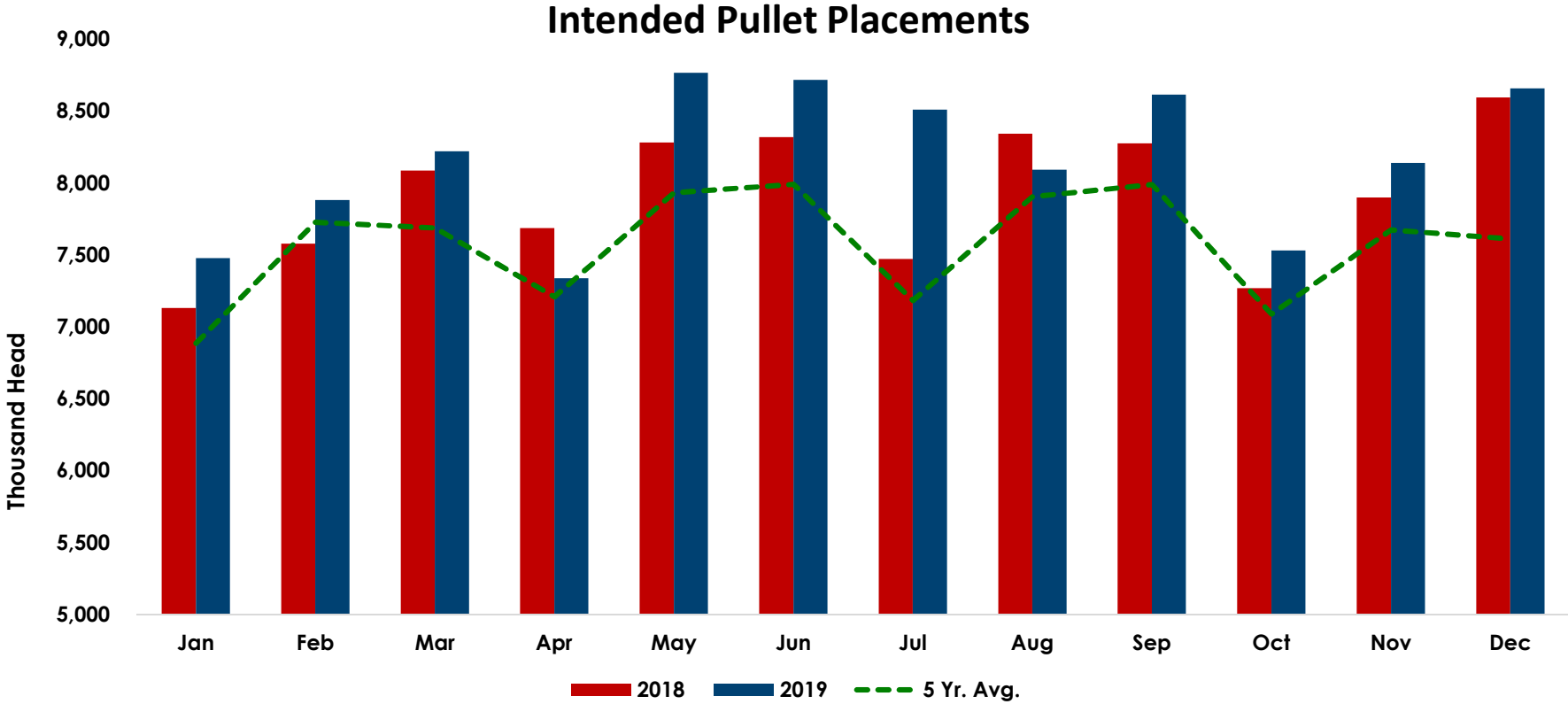
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Cautionary Notes and Forward-Looking Statements

- 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..



Pullet Placement Growth In Line With Expected New Capacity



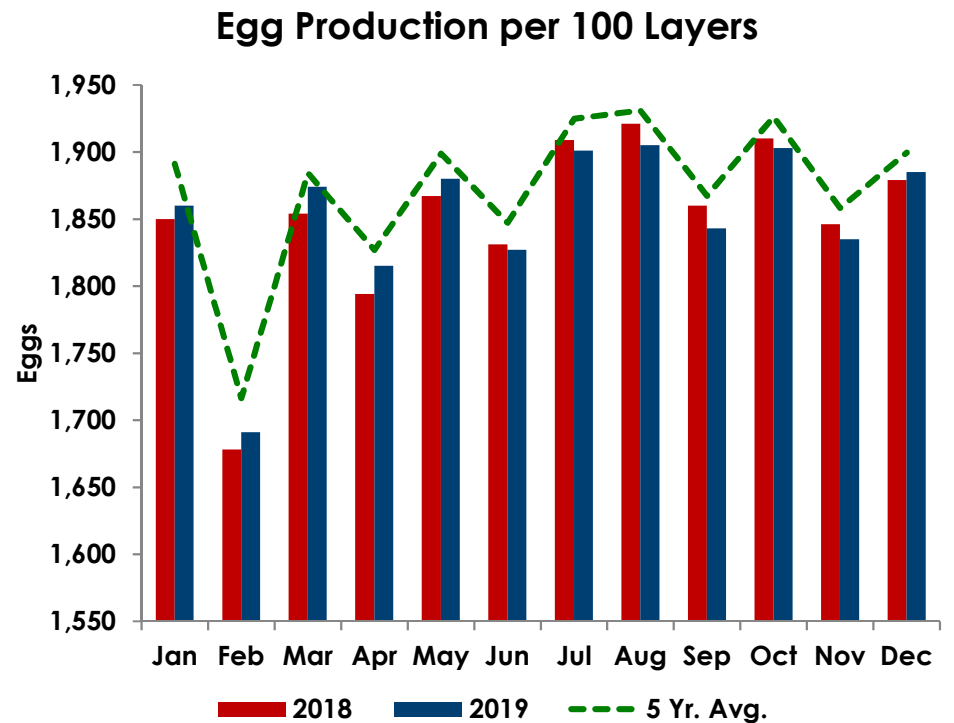
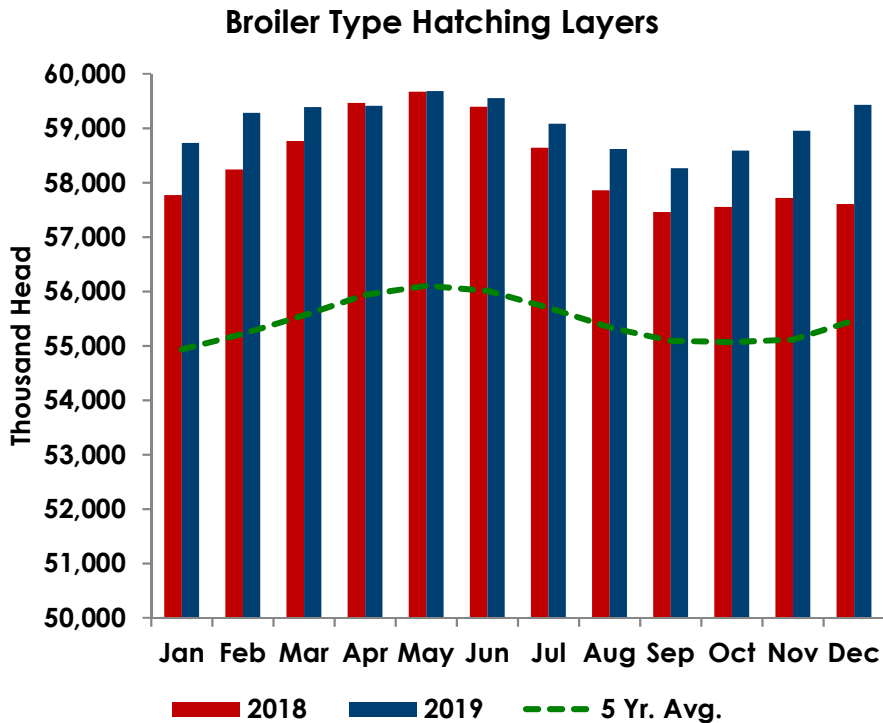
- Trailing 8-Month placements 4.0% above year ago placements to support new capacity.



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Source: USDA

Hatching Layer Flock Also in Line With New Capacity



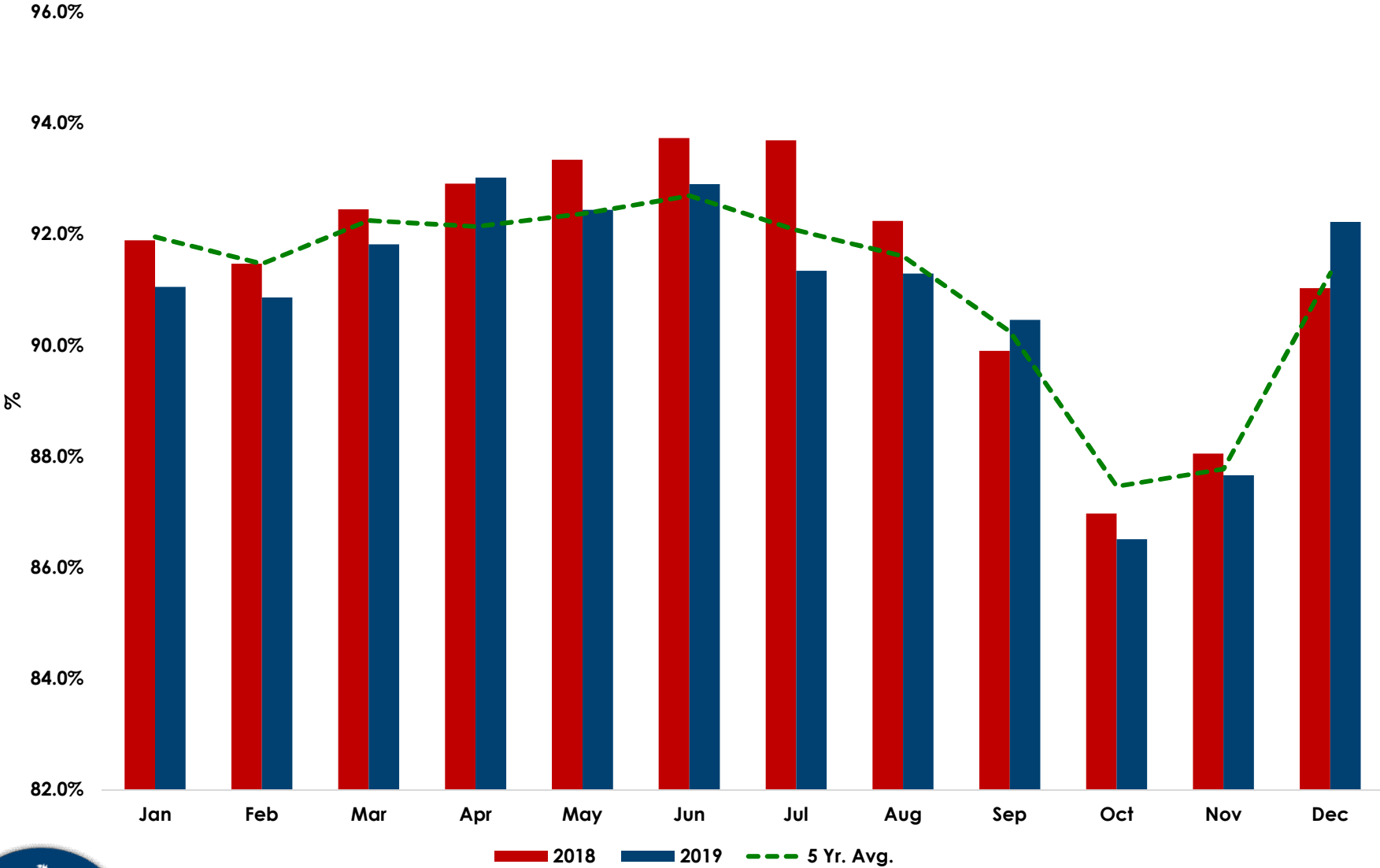
- Egg production increased in 2019 mostly due to larger layer flocks while eggs per layer remained relatively flat for balance of the year.



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Source: USDA

Hatchery Utilization Tracking to 5 Year Average

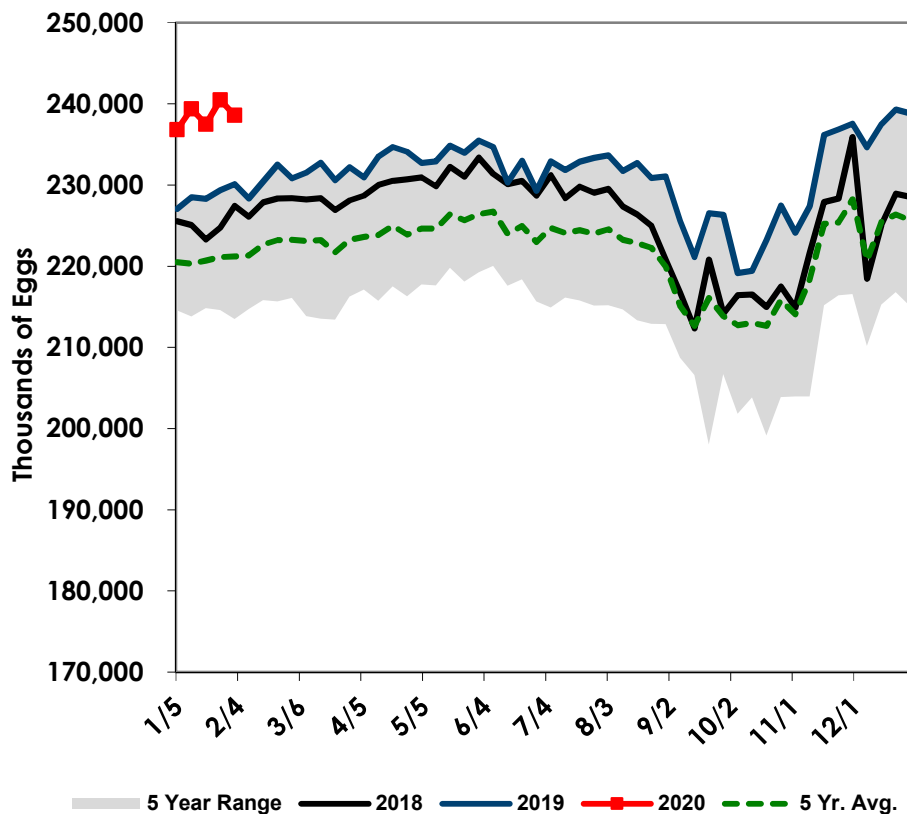


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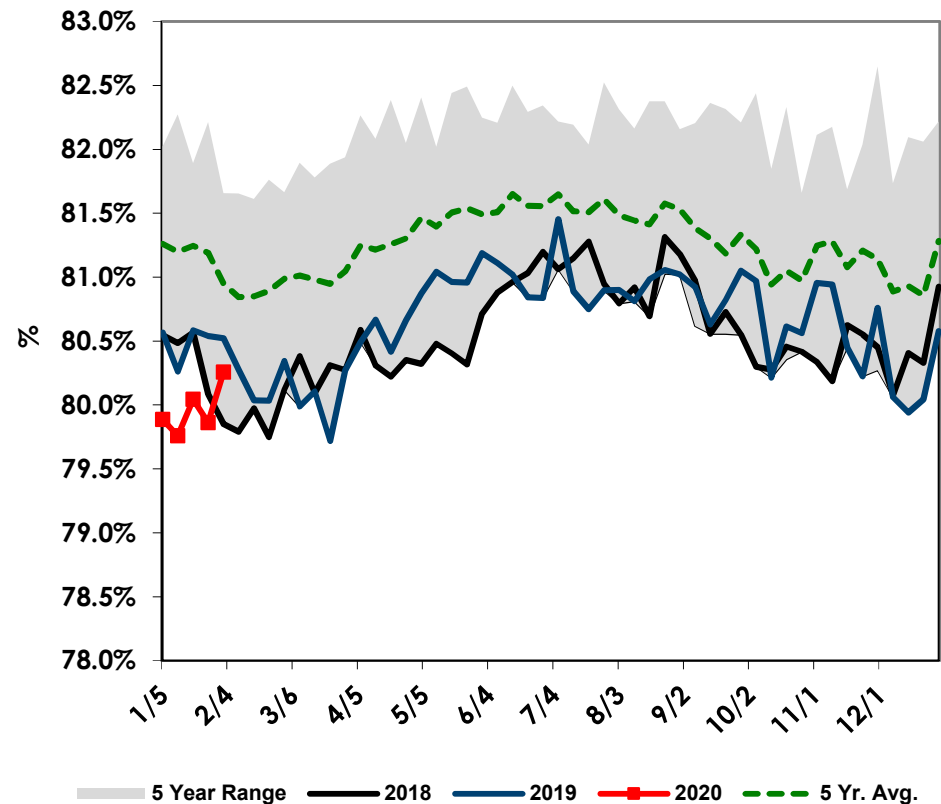
Source: Agristats

Egg Sets Increase YTD in '20 Needed to Supply New Plants; Hatchability Still Below '18/'19 and 5 Year Avg.

Chicken Egg Sets
by Week - USDA



Chicken Hatchability
by Week - USDA

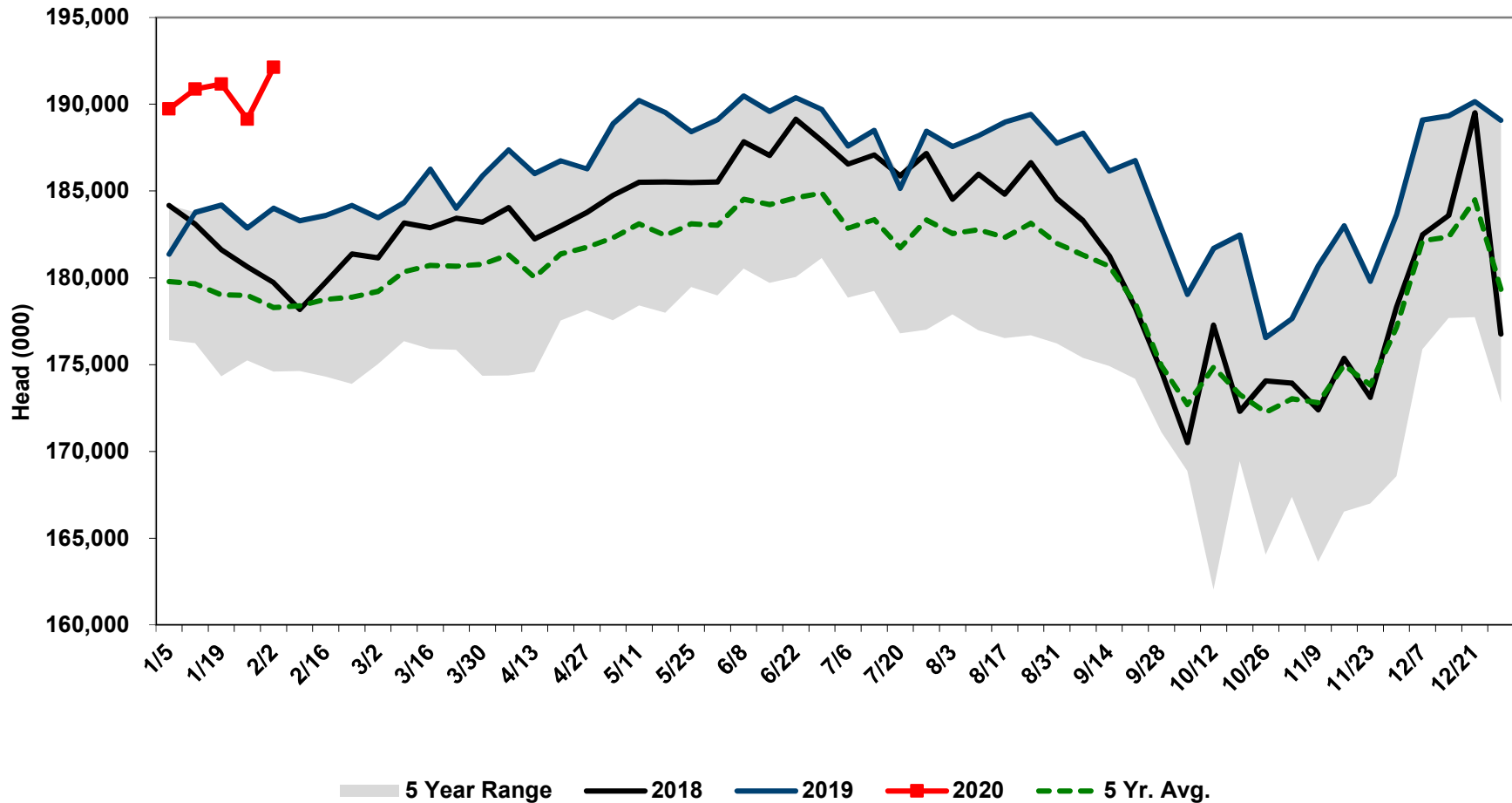


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Source: USDA

Chick Placements Up +4.0% YTD in 2020

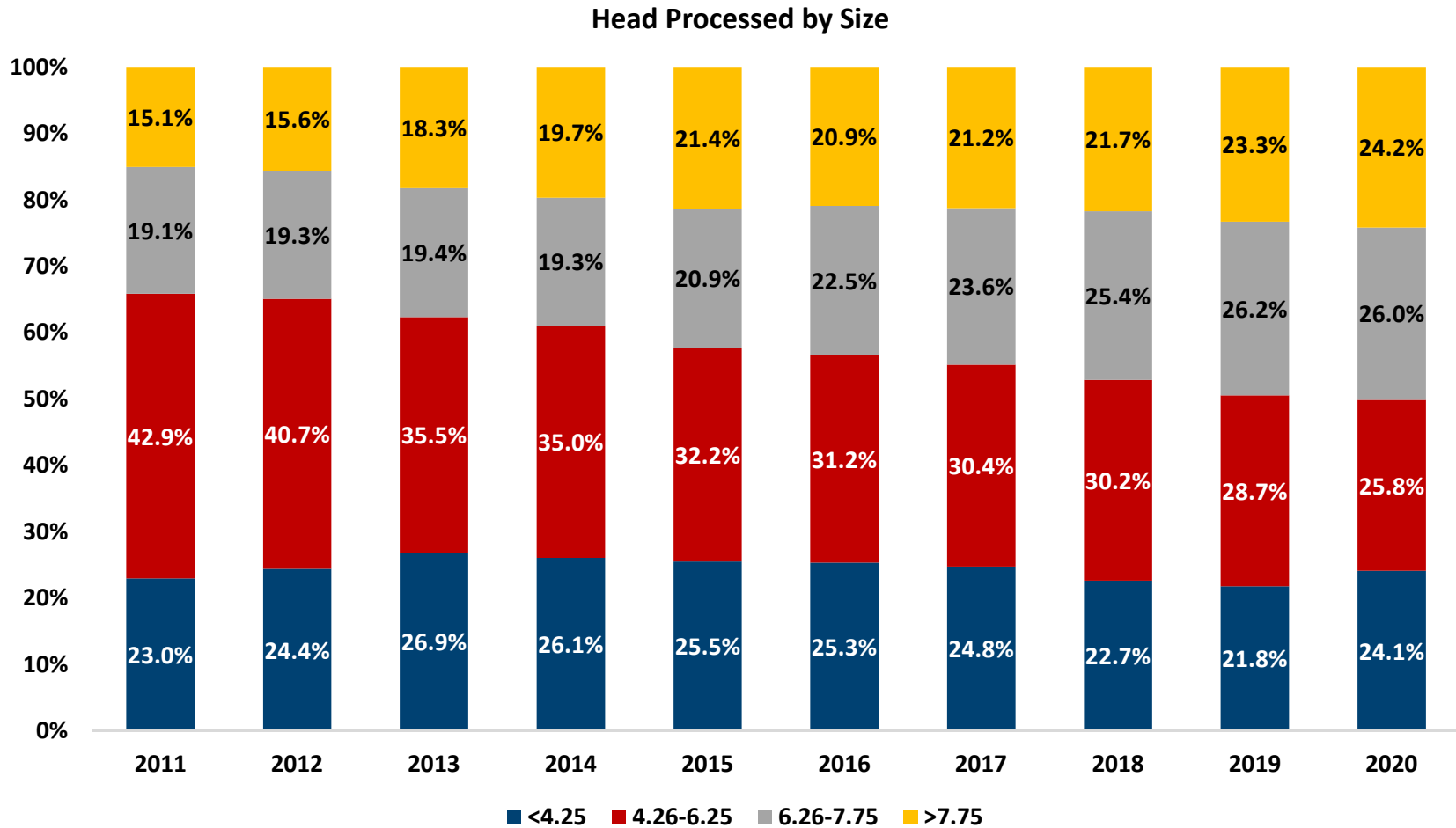
Chicken Broiler Placed
by Week- USDA



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Source: USDA

Growth Concentrated on The Big Bird Categories

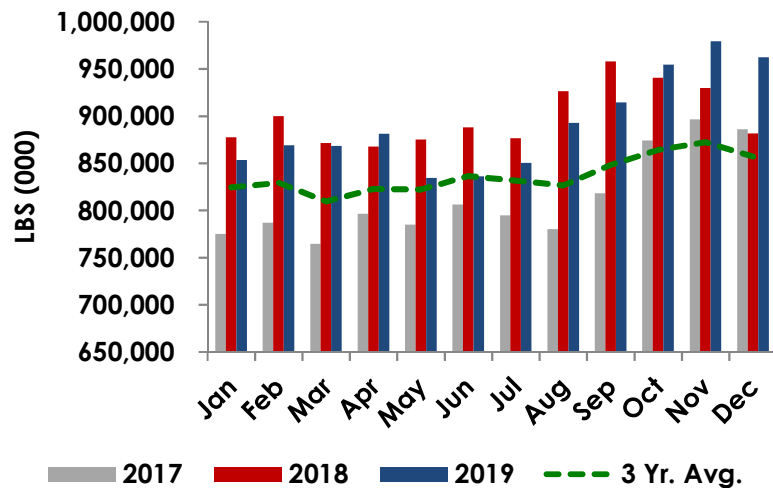


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Source: USDA

Total Freezer Inventories Higher Than Last Year But Stable at Year End

Total Chicken Inventories



Frozen Chicken Inventory (000 LBS)					
Part	Dec-18	Nov-19	Dec-19	YOY Change	MOM Change
Broilers	17,712	22,837	20,414	▲ 15.3%	▼ -10.6%
Hens	5,615	4,068	5,432	▼ -3.3%	▲ 33.5%
Breast Meat	188,311	206,928	216,664	▲ 15.1%	▲ 4.7%
Drumsticks	37,552	44,225	40,535	▲ 7.9%	▼ -8.3%
LQ	61,435	98,208	81,588	▲ 32.8%	▼ -16.9%
Legs	11,749	14,805	15,783	▲ 34.3%	▲ 6.6%
Thighs	12,572	12,480	11,770	▼ -6.4%	▼ -5.7%
Thigh Meat	24,145	40,834	38,080	▲ 57.7%	▼ -6.7%
Wings	86,813	64,214	56,540	▼ -34.9%	▼ -12.0%
Paws and Feet	31,460	29,276	35,502	▲ 12.8%	▲ 21.3%
Other	404,262	441,448	439,947	▲ 8.8%	▼ -0.3%
Total Chicken	881,626	979,323	962,255	▲ 9.1%	▼ -1.7%

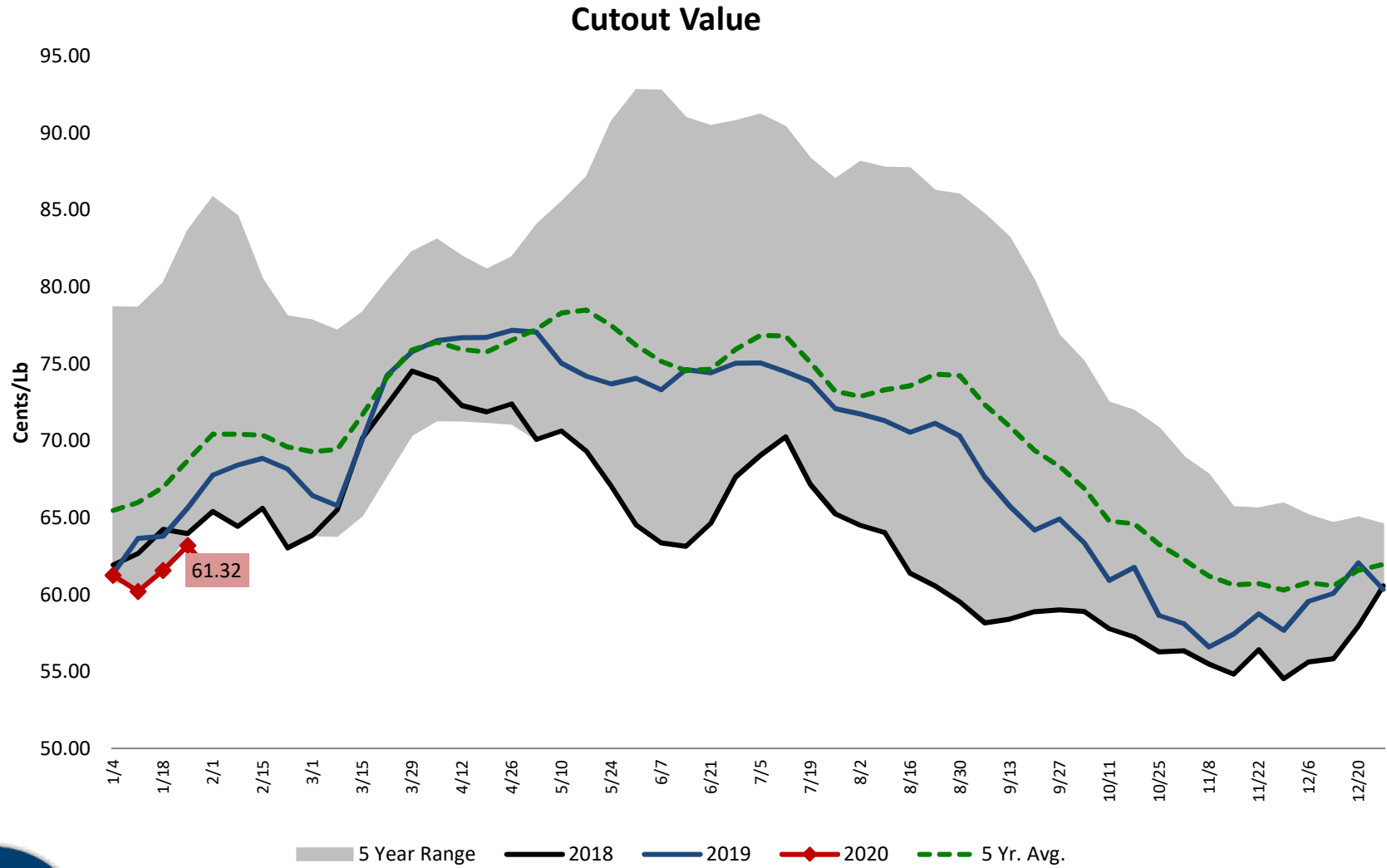
- Breast meat inventories continue to grow YOY.
- LQ climbing back from historical lows.
- Wing inventories continue to remain low relative to 3 year average.
- Thigh meat and Other category are other major contributors to inventory growth.



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Source: USDA

Cutout 2019 Better Than Year Before, and Following Seasonal Patterns YTD

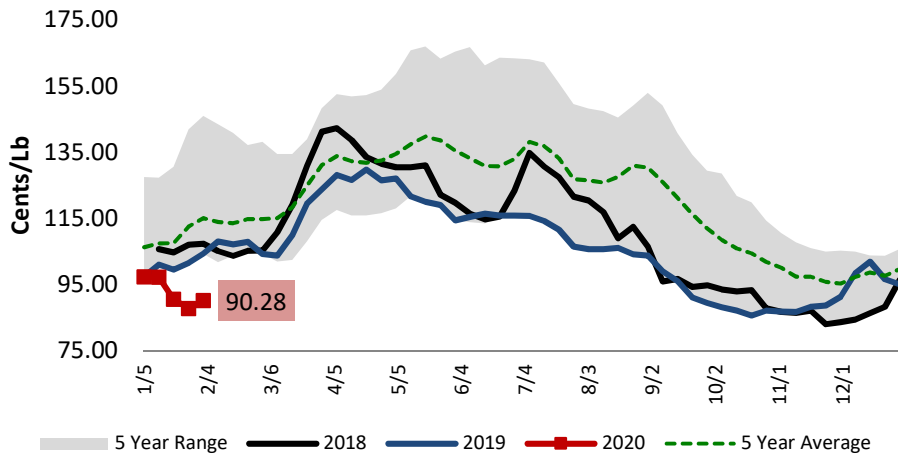


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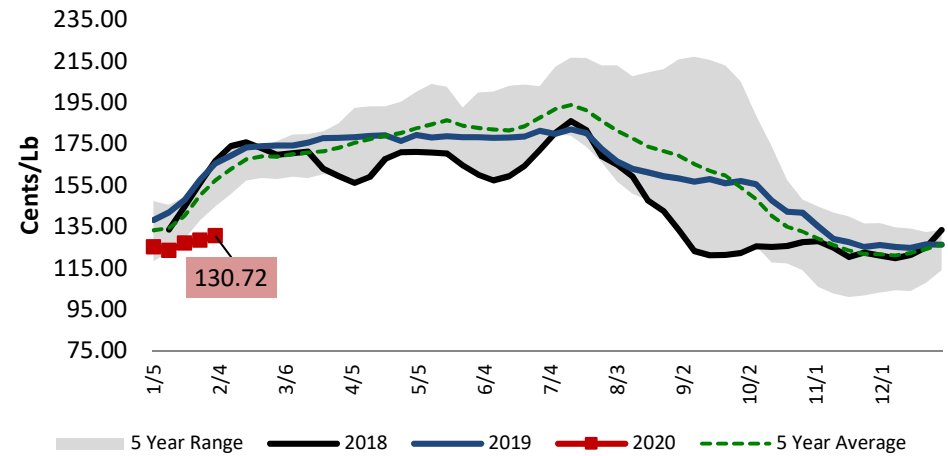
Source: PPC, EMI

Strength in Wings and LQs Continue to Support Cutout; Boneless Breasts and Tenders Gaining Traction

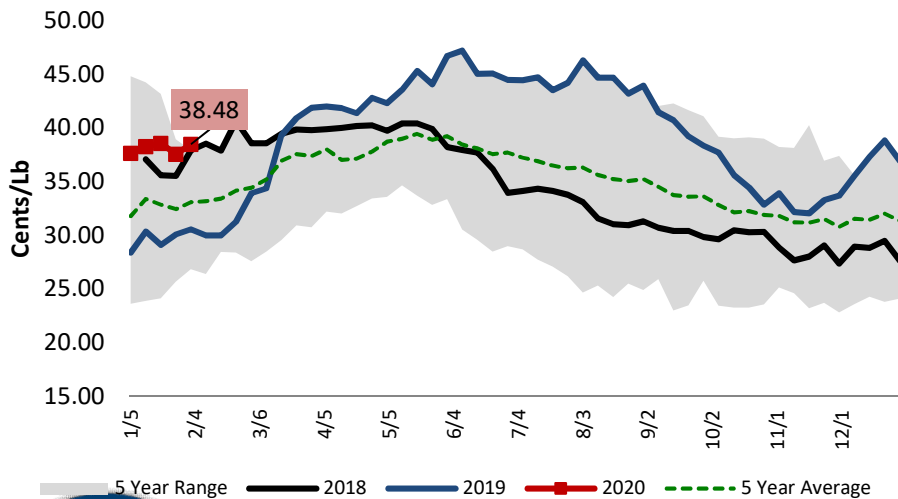
USDA Boneless/Skinless Breast NE



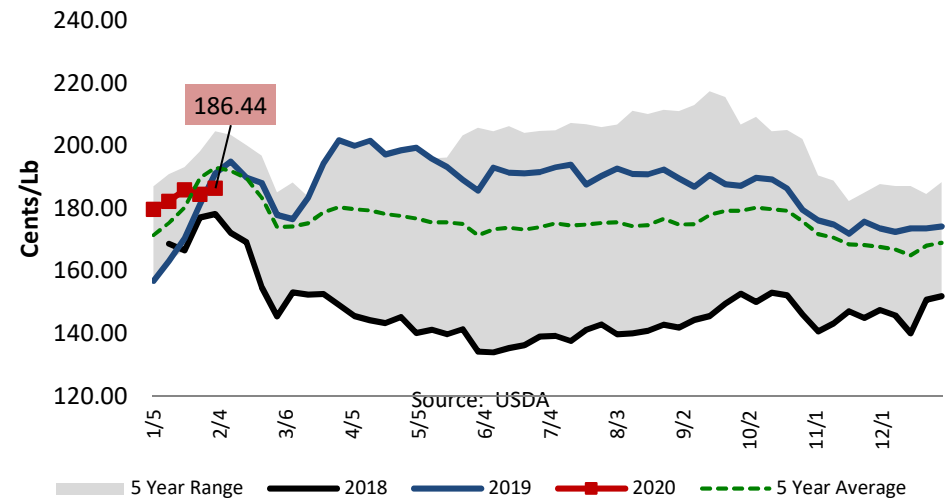
USDA Tenders NE



USDA Leg Quarters NE



USDA Whole Wings NE



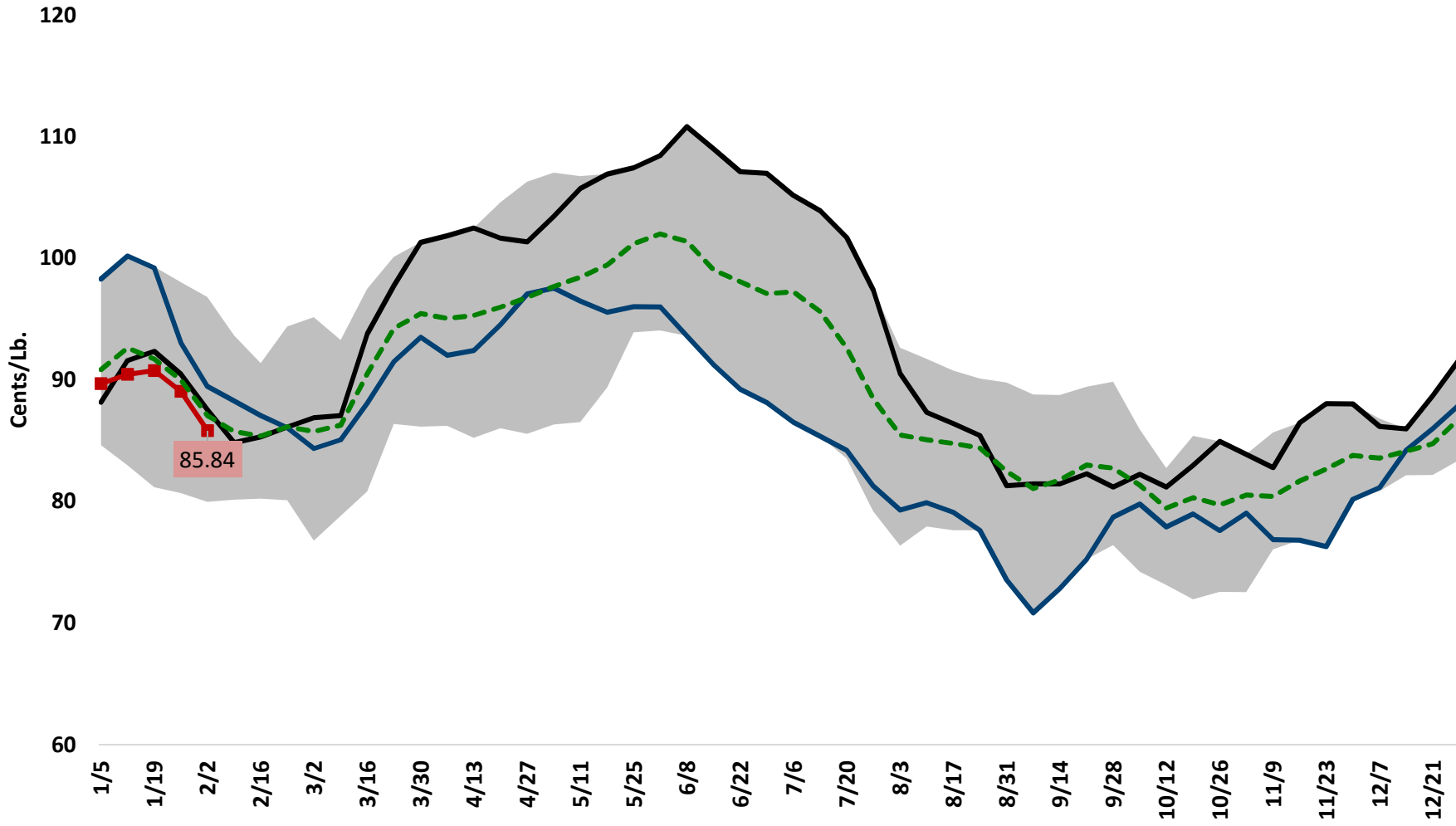
Source: USDA



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WOG Pricing Following Seasonality

EMI WOG 2.5-4.0 LBS



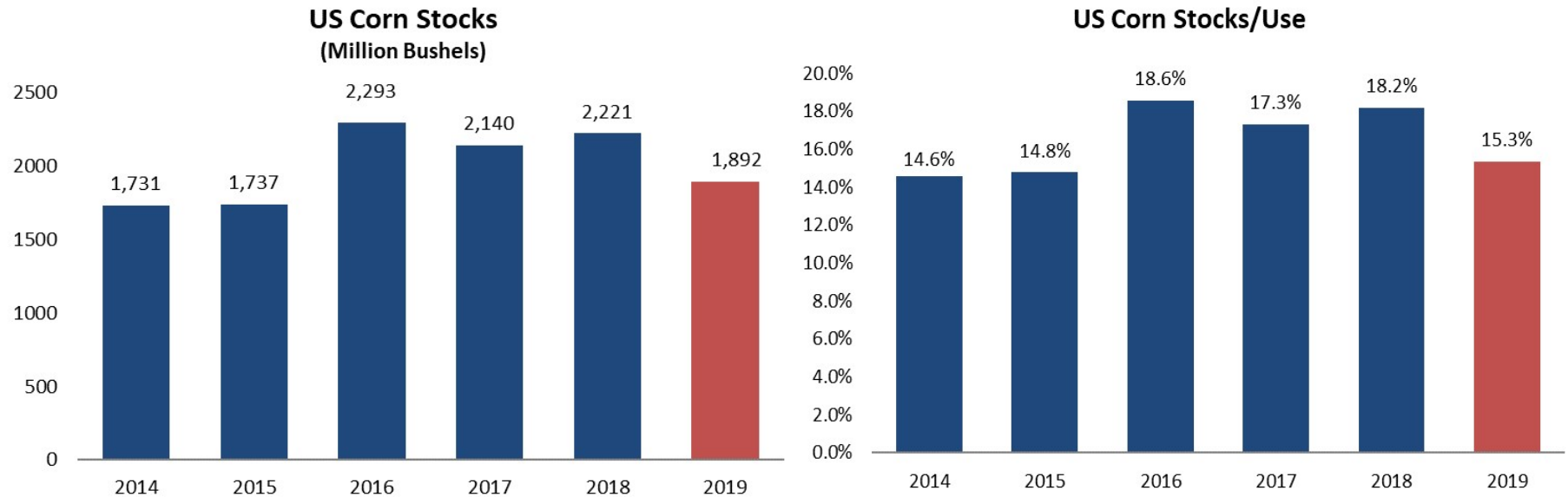
5 Year Range 2018 2019 2020 5 Year Average



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Source: EMI

Corn Stocks Remain at Adequate Levels



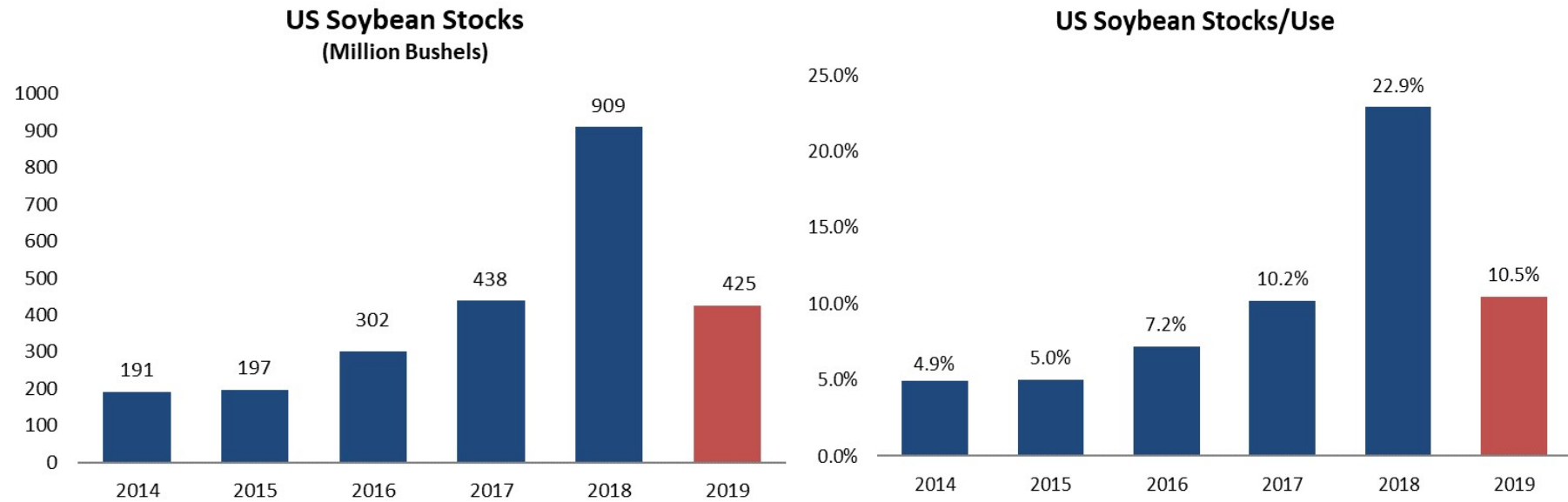
- Despite a challenging growing season in the U.S., stocks/use remains at adequate levels
- U.S. exports weighed down by large global production helping to maintain U.S. stocks/use



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Source: USDA

Soybean Inventories Remain High



- Stocks are set to decline from record levels due to a reduction in U.S. soybean production
- Weak global export demand due to ASF keeping stocks/use at surplus levels



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Source: USDA

Fiscal Year 2019 Financial Review

Main Indicators (\$M)	FY-19	FY-18
Net Revenue	11,409.2	10,937.8
Gross Profit	1,070.4	843.5
SG&A	379.8	347.8
Operating Income	690.6	495.7
Net Interest	118.4	149.0
Net Income	455.9	247.9
Earnings Per Share (EPS)	1.83	1.00
Adjusted EBITDA*	973.8	798.2
<i>Adjusted EBITDA Margin*</i>	8.5%	7.3%

* 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.

- U.S.: Key Customer partnerships continue to deliver growth and improved consistency; MX: Stable full-year performance; UK/Europe: Better legacy results due to operational improvements, integration of new operations on track.
- SG&A higher on more brand investments in U.S. and MX, and addition of new Europe assets.
- Higher EBITDA reflects strong execution and operating performance, as well as geographical diversity in spite of specific market conditions.

In \$M	U.S.	EU	MX
Net Revenue	7,636.7	2,383.8	1,388.7
Operating Income	487.3	79.2	124.0
<i>Operating Income Margin</i>	6.4%	3.3%	8.9%



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Source: PPC

Fourth Quarter 2019 Financial Review

Main Indicators (\$M)	Q4-19	Q4-18
Net Revenue	3,063.5	2,656.8
Gross Profit	201.4	111.8
SG&A	115.6	88.2
Operating Income	85.8	23.6
Net Interest	30.7	33.8
Net Income	92.1	(7.3)
Earnings Per Share (EPS)	0.37	(0.03)
Adjusted EBITDA*	161.6	111.0
<i>Adjusted EBITDA Margin*</i>	5.3%	4.2%

* 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.

- U.S.: Commodity improved Y/Y; MX: Soft macro environment but increased volume; UK/Europe: Legacy operations margins increased +100bps Y/Y, new assets already generating positive EBITDA.
- SG&A higher on more brand investments in U.S. and MX, and addition of new Europe operations.
- Adjusted Q4-19 EBITDA reflects portfolio, Key Customer strategy, and geographical diversification.

In \$M	U.S.	EU	MX
Net Revenue	1,904.5	815.4	343.6
Operating Income	60.3	16.9	8.5
<i>Operating Income Margin</i>	3.2%	2.1%	2.5%

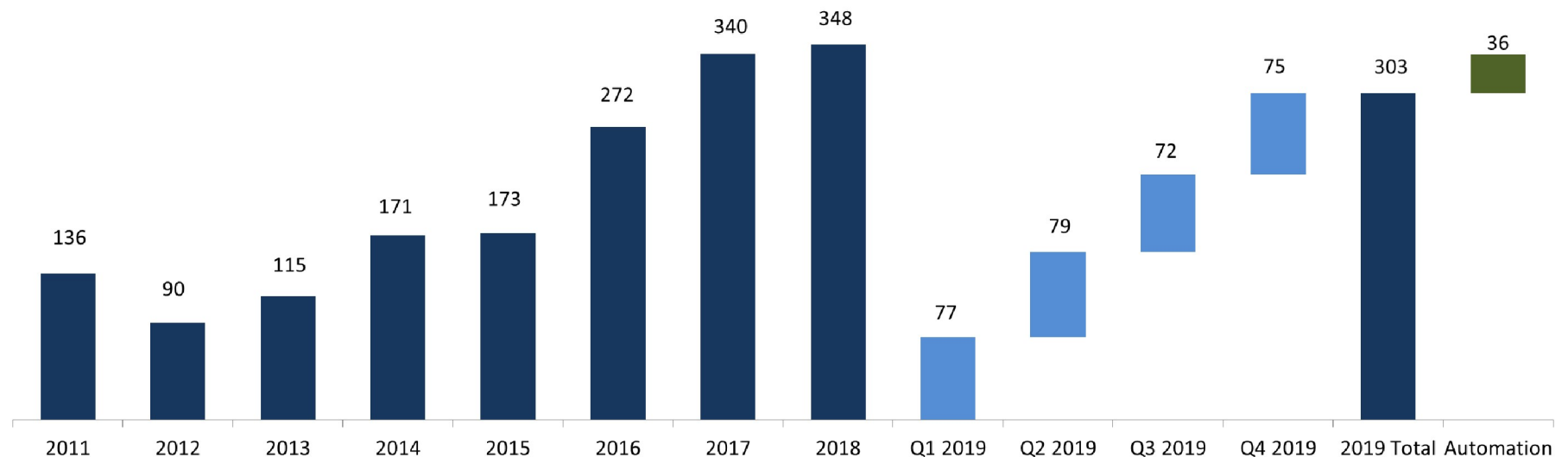


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Source: PPC

Fiscal Year 2019 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

Investor Relations Contact

Investor Relations: **Dunham Winoto**
Director, Investor Relations

E-mail: **IRPPC@pilgrims.com**

Address: **1770 Promontory Circle**
Greeley, CO 80634 USA

Website: **www.pilgrims.com**



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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		Fifty-Two Weeks Ended	
	December 29, 2019	December 30, 2018	December 29, 2019	December 30, 2018
	(In thousands)			
Net income (loss)	\$ 92,235	\$ (8,227)	\$ 456,536	\$ 246,804
Add:				
Interest expense, net	30,650	33,765	118,353	149,001
Income tax expense (benefit)	18,681	(20,944)	161,009	85,423
Depreciation and amortization	76,849	66,975	287,230	274,088
EBITDA	218,415	71,569	1,023,128	755,316
Add:				
Foreign currency transaction loss (gain)	(1,006)	19,962	6,917	17,160
Transaction costs related to acquisitions	1,239	—	1,302	320
Restructuring activities loss (gain)	6	2,584	(84)	4,765
Other nonrecurring losses	—	16,023	—	19,485
Minus:				
Gain on bargain purchase	56,880	—	56,880	—
Net income (loss) attributable to noncontrolling interest	155	(903)	612	(1,141)
Adjusted EBITDA	<u>\$ 161,619</u>	<u>\$ 111,041</u>	<u>\$ 973,771</u>	<u>\$ 798,187</u>

Source: PPC



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Appendix: Reconciliation of LTM EBITDA

The summary unaudited consolidated income statement data for the twelve months ended December 29, 2019 (the LTM Period) have been calculated by summing each of the unaudited thirteen week periods within the audited fifty-two week period ended December 29, 2019.

PILGRIM'S PRIDE CORPORATION Reconciliation of LTM Adjusted EBITDA

(Unaudited)	Thirteen Weeks Ended				LTM Ended December 29, 2019
	March 31, 2019	June 30, 2019	September 29, 2019	December 29, 2019	
	(In thousands)				
Net income	\$ 84,125	\$ 170,080	\$ 110,096	\$ 92,235	\$ 456,536
Add:					
Interest expense, net	30,222	30,150	27,330	30,650	118,352
Income tax expense	20,416	75,547	46,365	18,681	161,009
Depreciation and amortization	67,182	71,348	71,851	76,849	287,230
EBITDA	201,945	347,125	255,642	218,415	1,023,127
Add:					
Foreign currency transaction loss (gain)	2,636	2,260	3,027	(1,006)	6,917
Transaction costs related to acquisitions	—	—	63	1,239	1,302
Restructuring activities loss (gain)	(27)	(43)	(20)	6	(84)
Minus:					
Gain on bargain purchase	—	—	—	56,880	56,880
Net income attributable to noncontrolling interest	114	12	331	155	612
Adjusted EBITDA	<u>\$ 204,440</u>	<u>\$ 349,330</u>	<u>\$ 258,381</u>	<u>\$ 161,619</u>	<u>\$ 973,770</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		Fifty-Two Weeks Ended		Thirteen Weeks Ended		Fifty-Two Weeks Ended	
	Dec 29, 2019	Dec 30, 2018	Dec 29, 2019	Dec 30, 2018	Dec 29, 2019	Dec 30, 2018	Dec 29, 2019	Dec 30, 2018
(In thousands, except percent of net sales)								
Net income (loss)	\$ 92,235	\$ (8,227)	\$ 456,536	\$ 246,804	3.01 %	(0.31)%	4.00 %	2.26 %
Add:								
Interest expense, net	30,650	33,765	118,353	149,001	1.00 %	1.27 %	1.04 %	1.36 %
Income tax expense (benefit)	18,681	(20,944)	161,009	85,423	0.61 %	(0.79)%	1.41 %	0.78 %
Depreciation and amortization	76,849	66,975	287,230	274,088	2.51 %	2.52 %	2.52 %	2.51 %
EBITDA	218,415	71,569	1,023,128	755,316	7.13 %	2.69 %	8.97 %	6.91 %
Add:								
Foreign currency transaction loss (gain)	(1,006)	19,962	6,917	17,160	(0.03)%	0.75 %	0.06 %	0.16 %
Transaction costs related to acquisitions	1,239	—	1,302	320	0.04 %	— %	0.01 %	— %
Restructuring activities loss (gain)	6	2,584	(84)	4,765	— %	0.10 %	— %	0.04 %
Other nonrecurring losses	—	16,023	—	19,485	— %	0.60 %	— %	0.18 %
Minus:								
Gain on bargain purchase	56,880	—	56,880	—	1.86 %	— %	0.50 %	— %
Net income (loss) attributable to noncontrolling interest	155	(903)	612	(1,141)	0.01 %	(0.03)%	0.01 %	(0.01)%
Adjusted EBITDA	\$ 161,619	\$ 111,041	\$ 973,771	\$ 798,187	5.28 %	4.18 %	8.53 %	7.30 %
Net sales	\$ 3,063,489	\$ 2,656,789	\$ 11,409,219	\$ 10,937,784				



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Source: PPC

Appendix: Reconciliation of Adjusted Net Income

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 Net Income
(Unaudited)

	Thirteen Weeks Ended		Fifty-Two Weeks Ended	
	December 29, 2019	December 30, 2018	December 29, 2019	December 30, 2018
	(In thousands, except per share data)			
Net income (loss) attributable to Pilgrim's	\$ 92,080	\$ (7,324)	\$ 455,924	\$ 247,945
Adjustments, net of tax:				
Loss on early extinguishment of debt	—	—	—	12,449
Transaction costs related to acquisitions and restructuring activities net loss	920	1,919	900	3,778
Other nonrecurring losses	—	11,903	—	14,475
Foreign currency transaction loss (gain)	(744)	14,829	5,113	12,748
Gain on bargain purchase	(56,880)	—	(56,880)	—
	\$ 35,376	\$ 21,327	\$ 405,057	\$ 291,395
U.S. Tax Cuts & Jobs Act transition tax	—	—	—	26,400
Adjusted net income attributable to Pilgrim's	\$ 35,376	\$ 21,327	\$ 405,057	\$ 317,795
Weighted average diluted shares of common stock outstanding	249,849	249,366	249,709	249,149
Adjusted net income attributable to Pilgrim's per common diluted share	\$ 0.14	\$ 0.09	\$ 1.62	\$ 1.28



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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		Fifty-Two Weeks Ended	
	December 29, 2019	December 30, 2018	December 29, 2019	December 30, 2018
(In thousands, except per share data)				
U.S. GAAP EPS	\$ 0.37	\$ (0.03)	\$ 1.83	\$ 1.00
Adjustments, net of tax:				
Loss on early extinguishment of debt	—	—	—	0.05
Transaction costs related to acquisitions and restructuring activities loss (gain)	—	0.01	—	0.02
Other nonrecurring losses	—	0.05	—	0.05
Foreign currency transaction loss (gain)	—	0.06	0.02	0.05
Gain on bargain purchase	(0.23)	—	(0.23)	—
	0.14	0.09	1.62	1.17
U.S. Tax Cuts & Jobs Act transition tax	—	—	—	0.11
Adjusted EPS	\$ 0.14	\$ 0.09	\$ 1.62	\$ 1.28
Weighted average diluted shares of common stock outstanding	249,849	249,366	249,709	249,149



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Source: PPC

Appendix: Segment and Geographic Data

PILGRIM'S PRIDE CORPORATION
Supplementary Geographic Data
(Unaudited)

	Thirteen Weeks Ended		Fifty-Two Weeks Ended	
	December 29, 2019	December 30, 2018	December 29, 2019	December 30, 2018
(In thousands)				
Sources of net sales by geographic region of origin:				
U.S.	\$ 1,904,515	\$ 1,820,952	\$ 7,636,716	\$ 7,425,661
Europe	815,397	514,541	2,383,793	2,148,666
Mexico	343,577	321,296	1,388,710	1,363,457
Total net sales	<u>\$ 3,063,489</u>	<u>\$ 2,656,789</u>	<u>\$ 11,409,219</u>	<u>\$ 10,937,784</u>
Sources of cost of sales by geographic region of origin:				
U.S.	\$ 1,779,959	\$ 1,772,730	\$ 6,903,237	\$ 6,909,779
Europe	759,788	476,844	2,212,042	1,977,838
Mexico	322,371	295,465	1,223,642	1,206,823
Elimination	(24)	(98)	(96)	(132)
Total cost of sales	<u>\$ 2,862,094</u>	<u>\$ 2,544,941</u>	<u>\$ 10,338,825</u>	<u>\$ 10,094,308</u>
Sources of gross profit by geographic region of origin:				
U.S.	\$ 124,556	\$ 48,222	\$ 733,479	\$ 515,882
Europe	55,609	37,697	171,751	170,828
Mexico	21,206	25,831	165,068	156,634
Elimination	24	98	96	132
Total gross profit	<u>\$ 201,395</u>	<u>\$ 111,848</u>	<u>\$ 1,070,394</u>	<u>\$ 843,476</u>
Sources of operating income by geographic region of origin:				
U.S.	\$ 60,307	\$ (9,579)	\$ 487,275	\$ 291,381
Europe	16,949	15,979	79,182	84,524
Mexico	8,512	17,137	124,015	119,649
Elimination	24	98	96	132
Total operating income	<u>\$ 85,792</u>	<u>\$ 23,635</u>	<u>\$ 690,568</u>	<u>\$ 495,686</u>



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Source: PPC