



Pilgrim's Pride Corporation
Financial Results for
Second Quarter Ended June 26, 2016



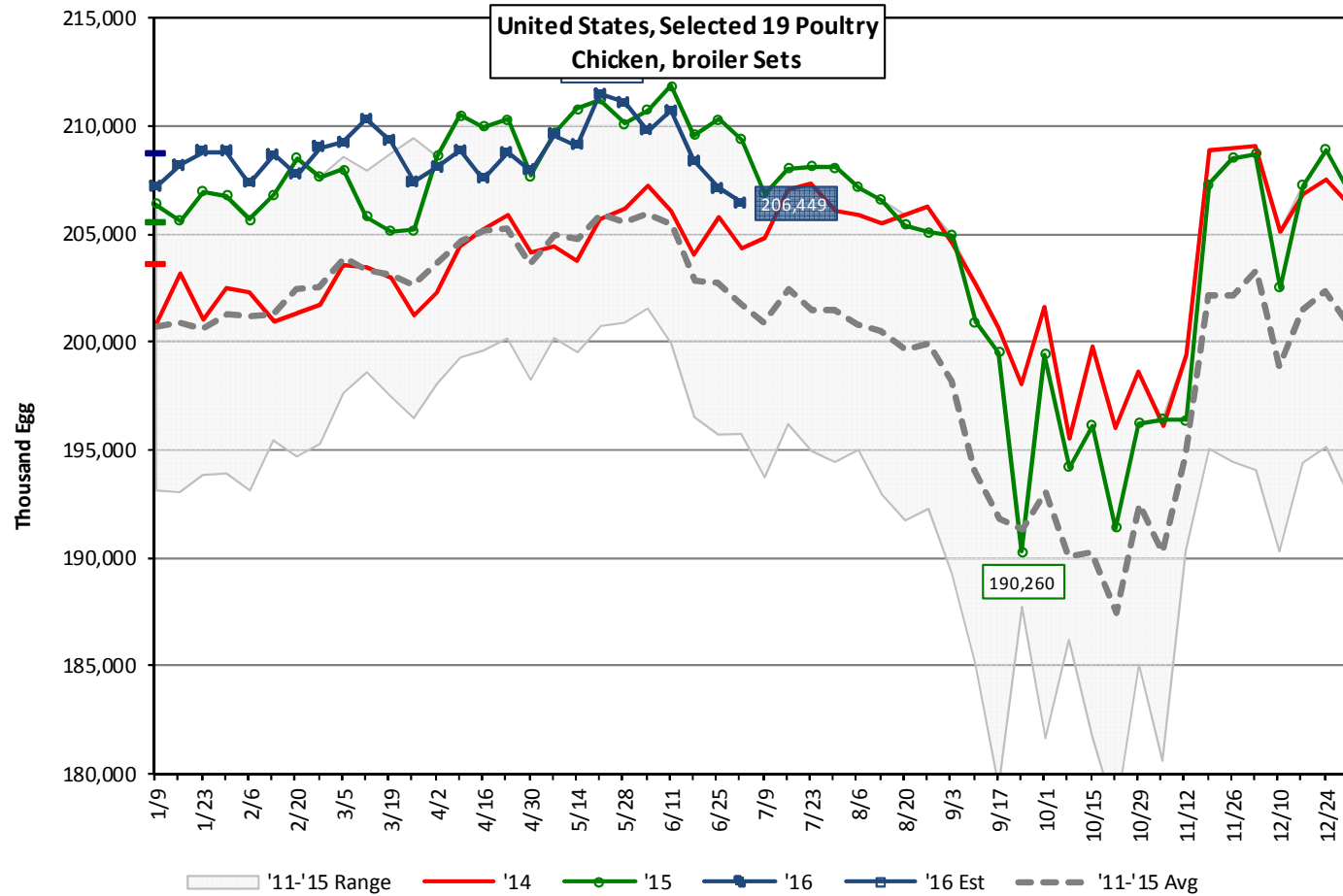


Cautionary Notes and Forward-Looking Statements

- 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.

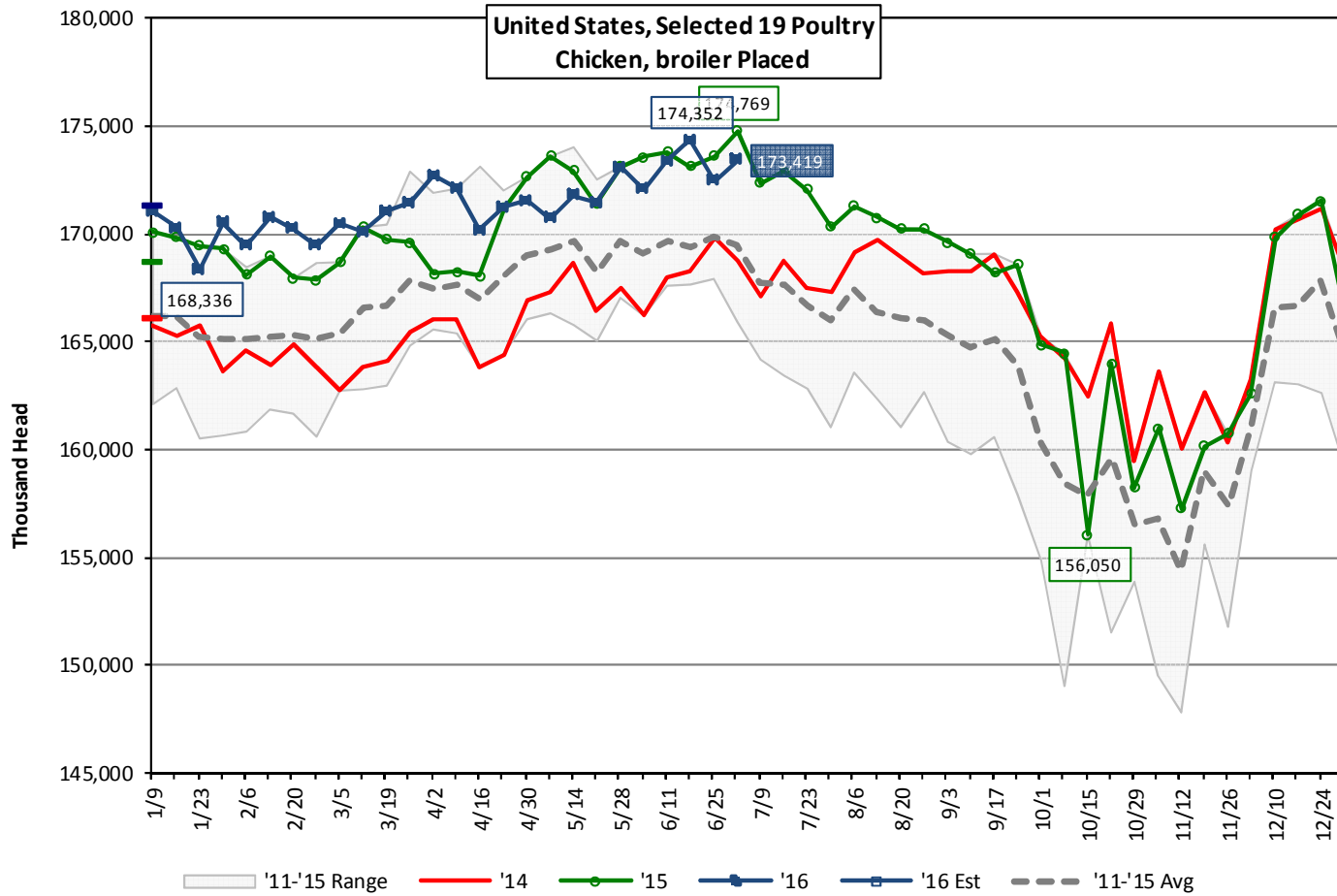


Eggs Sets Trending Lower than 2015



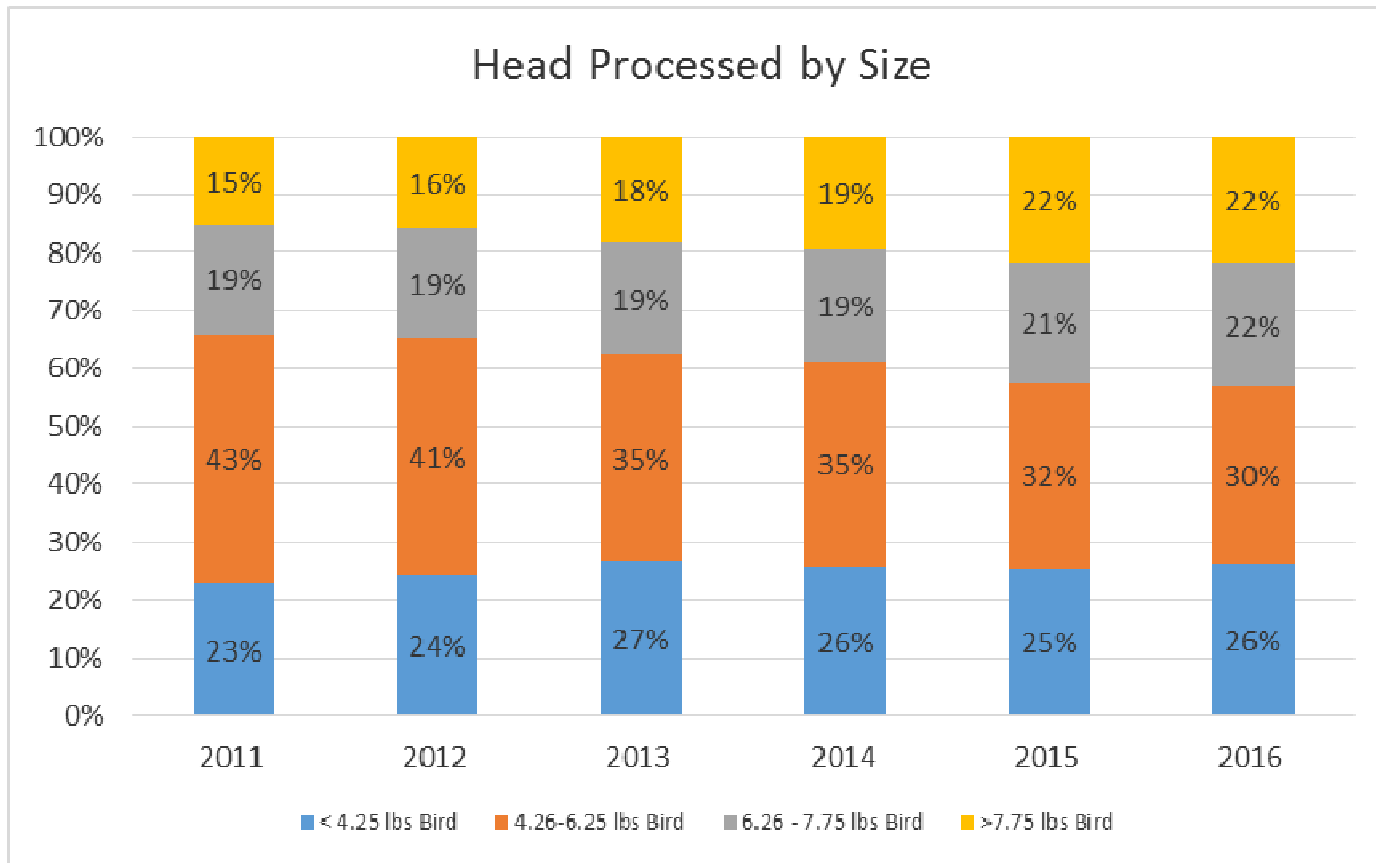


Placements Flat vs 2015





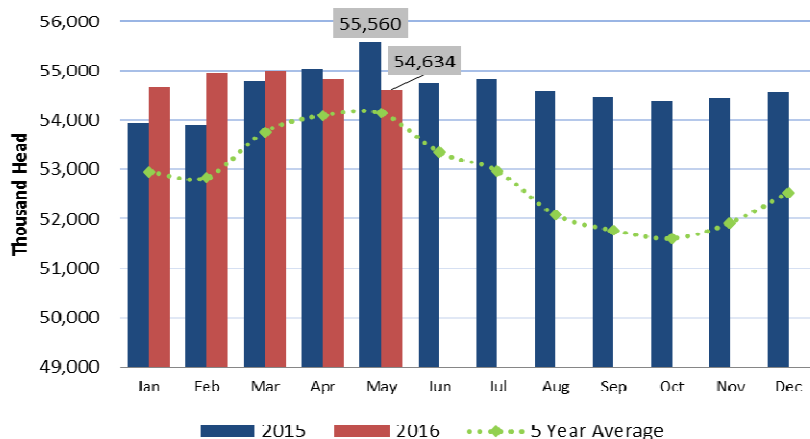
Jumbo Bird Continues to Gain Market Share



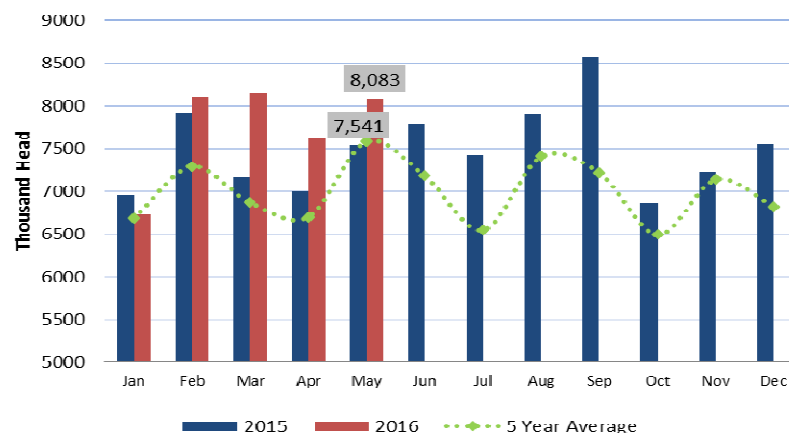


Hatching Layers Lower than Last Year, despite Higher Placements

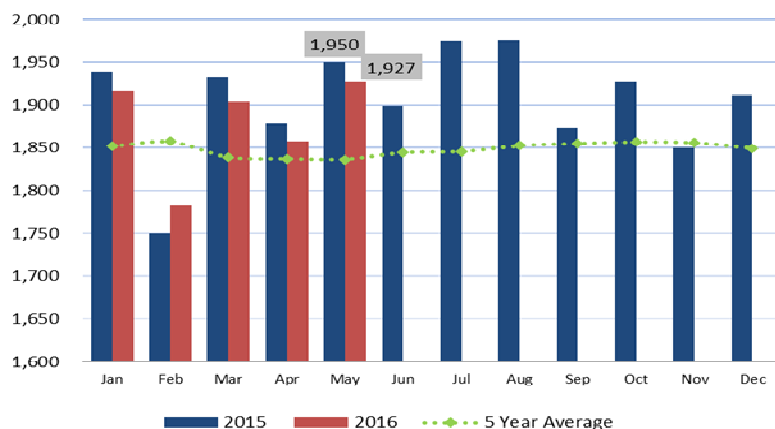
Broiler Type Hatching Layers



Intended Pullet Placements



Egg Production Per 100 Layers



- Hatching layers in May decreased vs 2015, and are close to 5-year average.
- Pullet placements +5.8% YTD, but monthly data are volatile and less correlated with flock growth and production.



Cold Storage Levels Stabilizing

Chicken Cold Storage

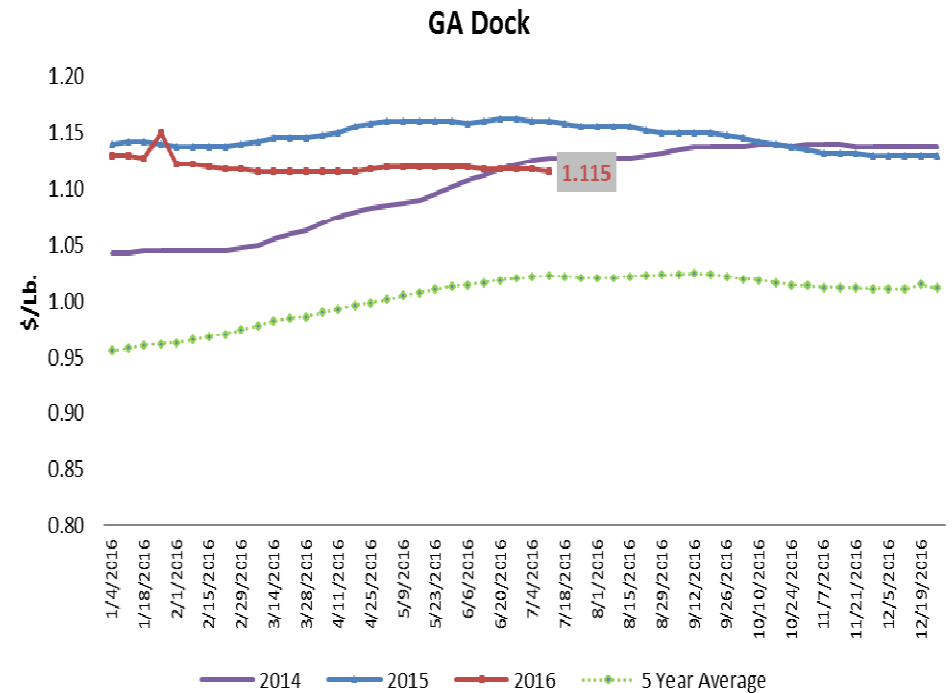
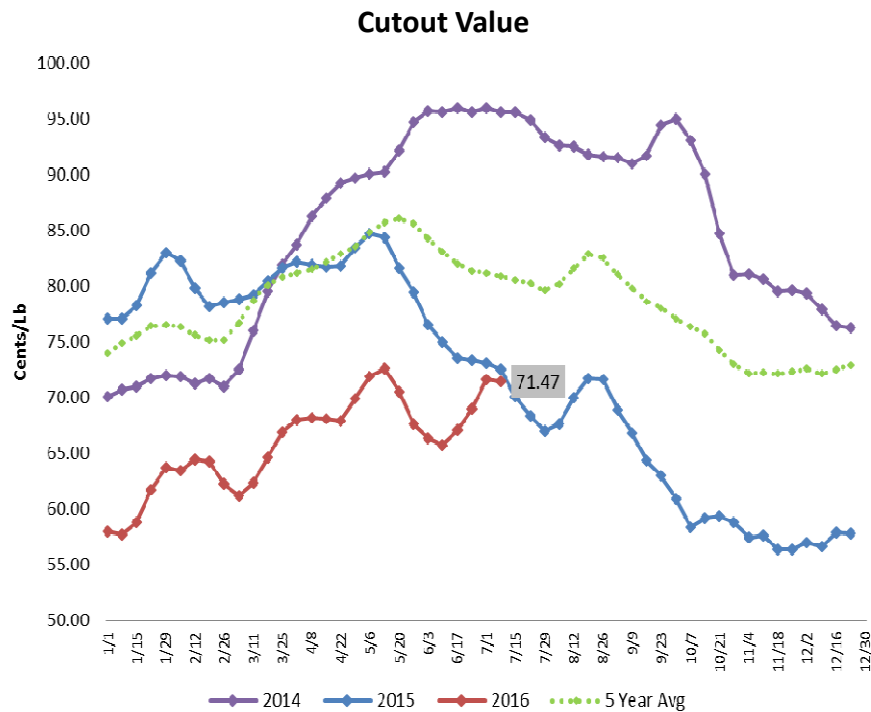


Part	Jun-15	Jun-16	% Change
Broilers	19,943	20,270	1.6%
Hens	5,496	8,652	57.4%
Breast Meat	146,728	169,409	15.5%
Drumsticks	28,315	23,106	-18.4%
Leg Quarters	138,577	130,218	-6.0%
Legs	13,262	13,956	5.2%
Thighs	10,704	14,812	38.4%
Thigh meat	22,406	20,501	-8.5%
Wings	48,995	90,794	85.3%
Paws and feet	27,894	20,416	-26.8%
Other	262,155	302,664	15.5%
Total Chicken	724,475	814,798	12.5%

- Overall inventories higher than 2015 but still close to 1 week production.



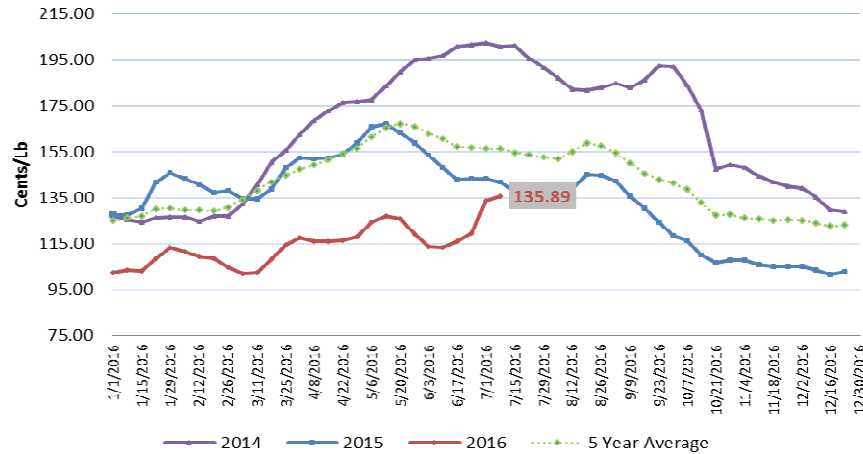
Cutout Values Improving and Contract Still at Strong Levels



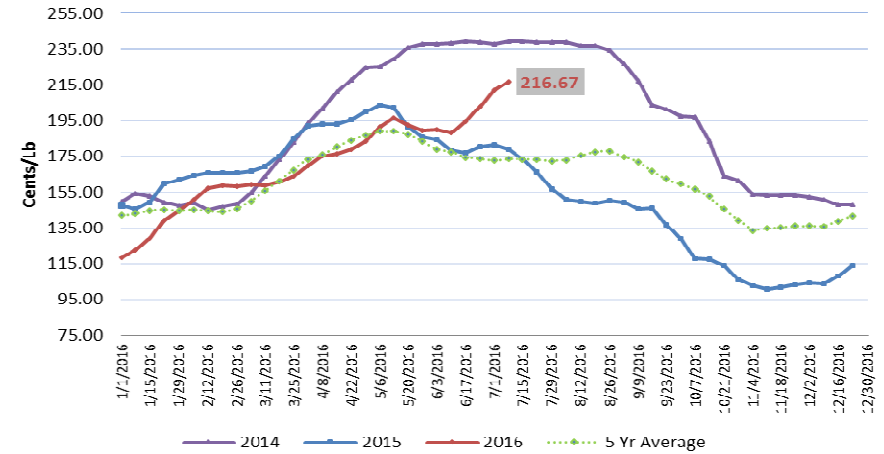


Leg Quarters Strengthening, Other Parts In-line with Seasonal Patterns

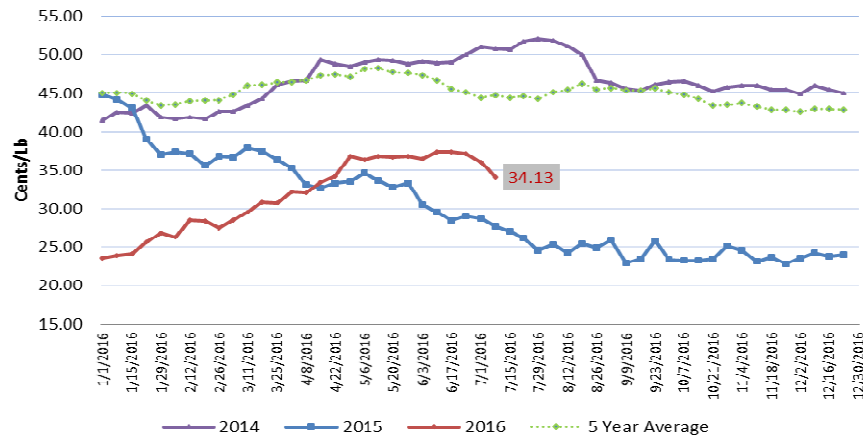
USDA Boneless/Skinless Breast NE



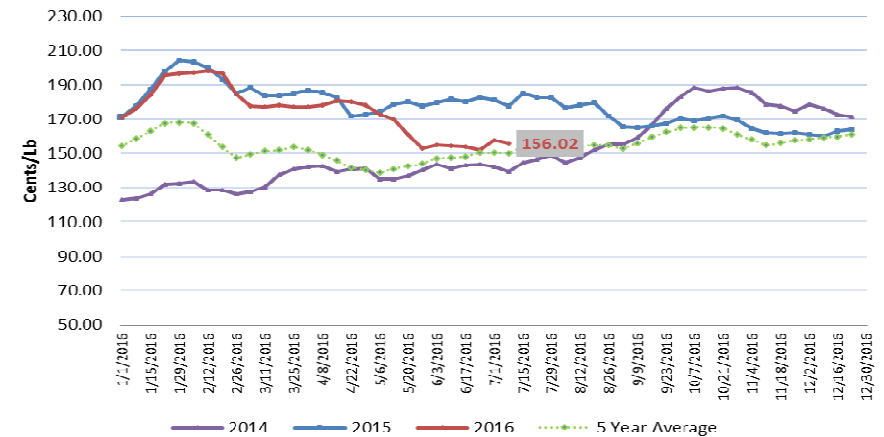
USDA Tenders NE



USDA Leg Quarters NE



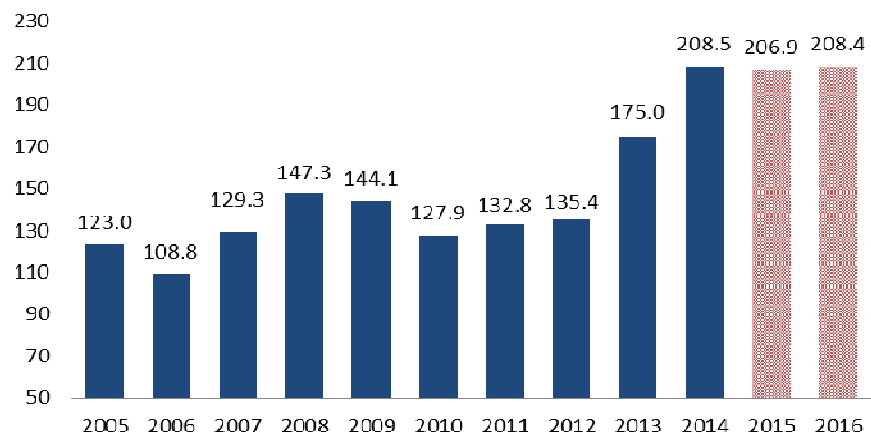
USDA Whole Wings NE



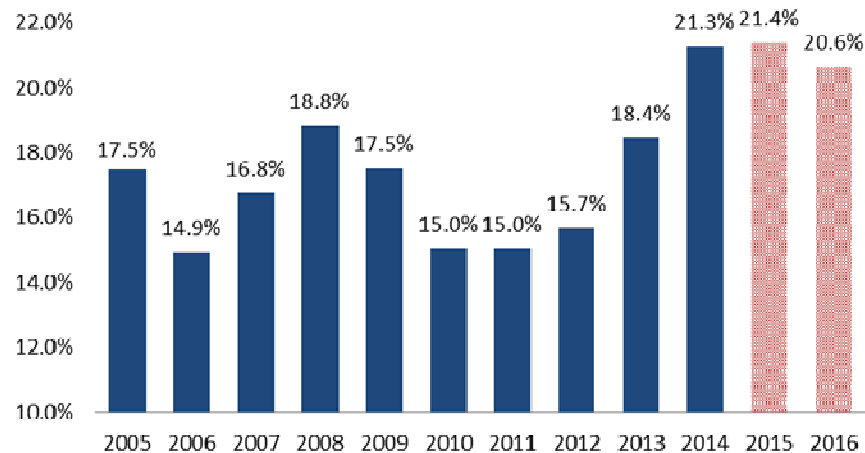


Corn Stocks Still at High Levels

Global Corn Stocks
(Million Metric Tons)



Global Corn Stocks/Use

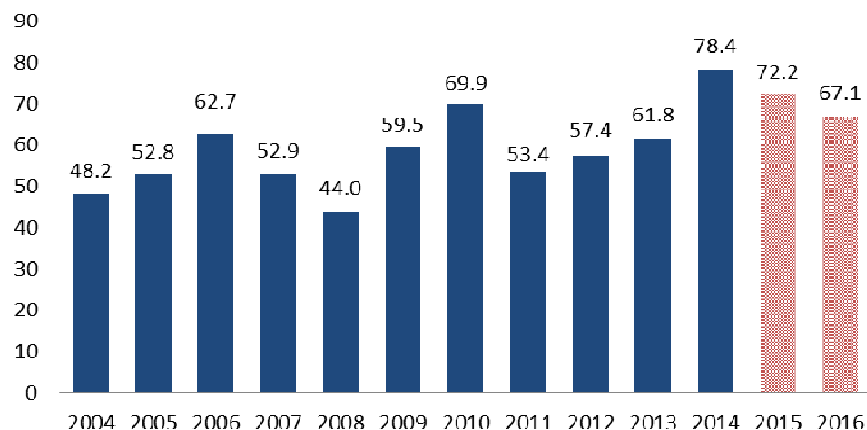


- Global stocks maintaining high levels as harvest remains plentiful.
- 2016 stocks-to-use global inventories have backed off slightly compared to historically high in 2015 but still elevated.

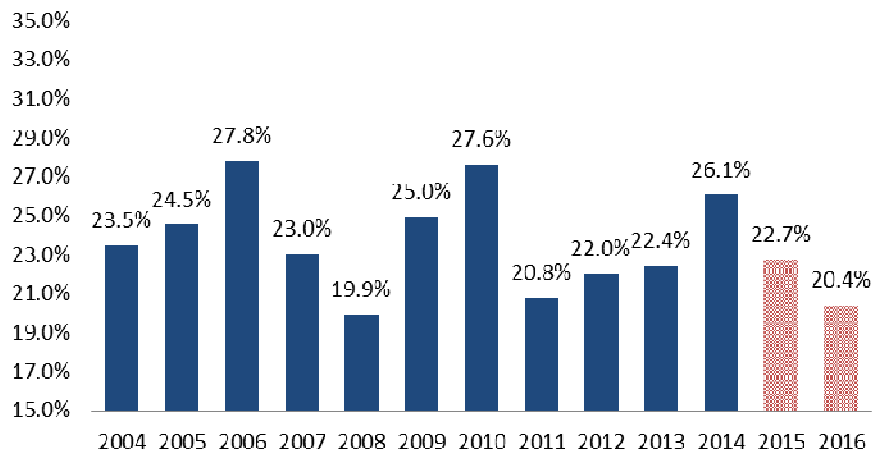


Global Soybean Inventories Moderating

Global Soybean Stocks
(Million Metric Tons)



Global Soybean Stocks/Use



- Global inventories of soybeans remain high but have come off from 2014 and 2015 record highs.
- Demand for oilseed products estimated to narrow slightly in 2016.



Second Quarter 2016 Financial Review

Main Indicators (\$M)	Q2-16	Q2-15
Net Revenue	2,028.3	2,053.9
Gross Profit	286.1	432.0
SG&A	49.5	53.6
Operating Income	236.6	378.4
Net Interest	10.9	10.2
Net Income	152.9	241.5
Earnings Per Share (EPS)	0.60	0.93
Adjusted EBITDA*	282.7	425.8
<i>Adjusted EBITDA Margin*</i>	<i>13.9%</i>	<i>20.7%</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.

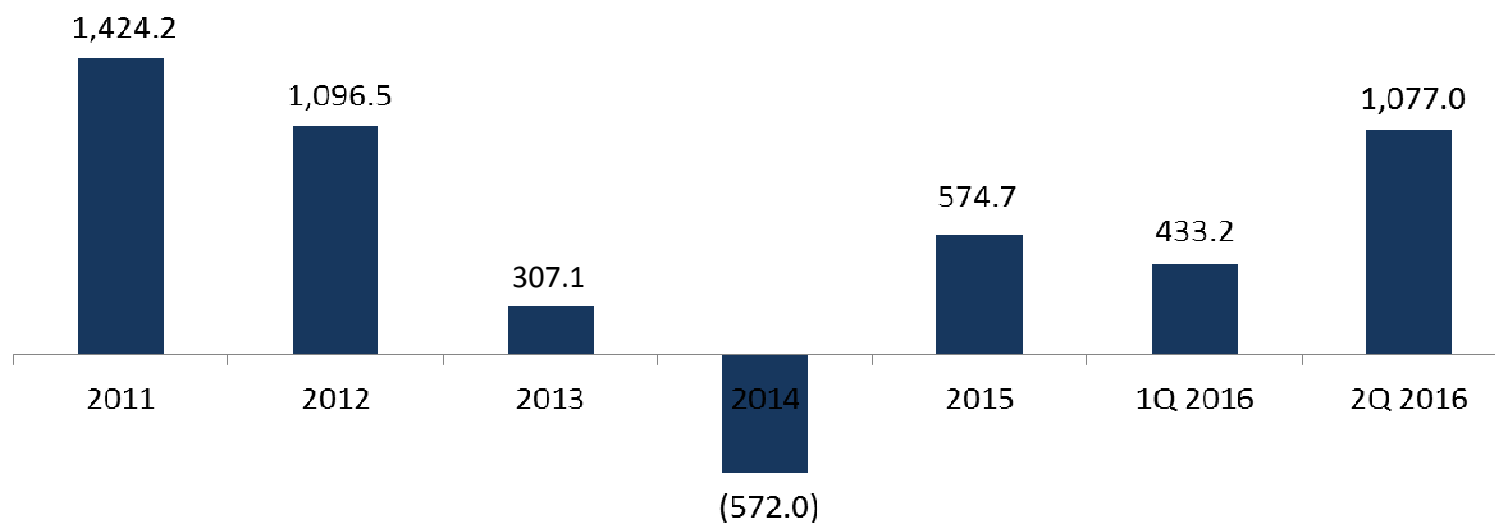
- Improved Q2 performance: Strong operating results in MX due to better markets and improved synergies. U.S. solid but impacted by downtime due to operational improvements at largest PF plant.
- SG&A in-line with Q2-15 (\$48.8M ex-restructuring charges) despite Mexico Acquisition.
- Adjusted Q2-16 EBITDA below Q2-15 on tough comps however still one of the strongest historically.

In \$M	U.S.	MX
Net Revenue	1,677.4	350.9
Operating Income	164.5	72.1
<i>Operating Income Margin</i>	<i>9.8%</i>	<i>20.5%</i>



Balance Sheet Strong, With Much Room for Strategic Investments

Net Debt (\$MM)

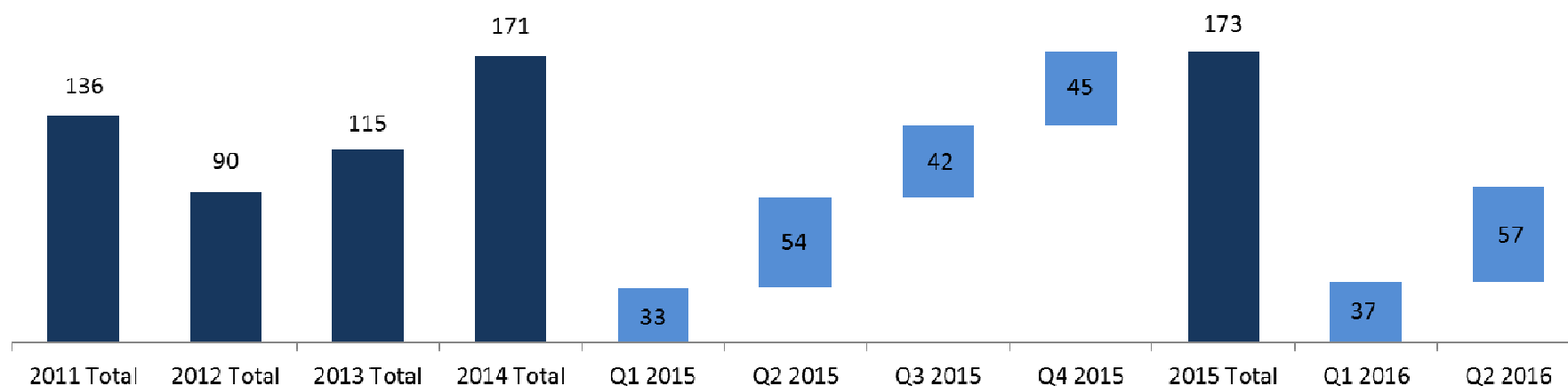


- Cash Flow From Operations generation of \$111MM in the quarter.
- Net debt multiple remains low at 1.15x LTM EBITDA despite recent \$700MM special dividend payment.



Second Quarter 2016 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.



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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		Twenty-Six Weeks Ended	
	June 26, 2016	June 28, 2015	June 26, 2016	June 28, 2015
	(In thousands)			
Net income	\$ 153,042	\$ 241,624	\$ 271,053	\$ 445,817
Add:				
Interest expense, net	10,865	10,237	22,205	13,602
Income tax expense (benefit)	78,398	129,104	141,002	240,598
Depreciation and amortization	46,293	38,918	88,683	75,070
Minus:				
Amortization of capitalized financing costs	962	864	1,889	1,589
EBITDA	287,636	419,019	521,054	773,498
Add:				
Foreign currency transaction losses (gains)	(4,744)	2,059	(4,979)	11,033
Restructuring charges	—	4,813	—	4,813
Minus:				
Net income (loss) attributable to noncontrolling interest	156	135	(204)	113
Adjusted EBITDA	\$ 282,736	\$ 425,756	\$ 516,279	\$ 789,231



Appendix: Reconciliation of LTM EBITDA

The summary unaudited consolidated income statement data for the twelve months ended June 26, 2016 (the LTM Period) have been calculated by subtracting the applicable unaudited consolidated income statement data for the six months ended June 28, 2015 from the sum of (1) the applicable audited consolidated income statement data for the year ended December 27, 2015 and (2) the applicable audited consolidated income statement data for the six months ended June 26, 2016.

PILGRIM'S PRIDE CORPORATION Reconciliation of LTM Adjusted EBITDA

(Unaudited)	<u>Thirteen Weeks Ended September 27, 2015</u>	<u>Thirteen Weeks Ended December 27, 2015</u>	<u>Thirteen Weeks Ended March 27, 2016</u>	<u>Thirteen Weeks Ended June 26, 2016</u>	<u>LTM Ended June 26, 2016</u>
	(In thousands)				
Net income	\$ 137,095	\$ 63,050	\$ 118,011	\$ 153,042	\$ 471,198
Add:					
Interest expense, net	10,182	10,091	11,340	10,865	42,478
Income tax expense (benefit)	73,153	33,045	62,604	78,398	247,200
Depreciation and amortization	41,415	42,490	42,391	46,293	172,589
Minus:					
Amortization of capitalized financing costs	1,119	930	928	962	3,939
EBITDA	260,726	147,746	233,418	287,636	929,526
Add:					
Foreign currency transaction losses (gains)	12,773	2,134	(235)	(4,744)	9,928
Restructuring charges	792	—	—	—	792
Minus:					
Net income (loss) attributable to noncontrolling interest	33	(98)	(360)	156	(269)
Adjusted EBITDA	<u>\$ 274,258</u>	<u>\$ 149,978</u>	<u>\$ 233,543</u>	<u>\$ 282,736</u>	<u>\$ 940,515</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		Twenty-Six Weeks Ended		Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	June 26, 2016	June 28, 2015	June 26, 2016	June 28, 2015	June 26, 2016	June 28, 2015	June 26, 2016	June 28, 2015
	(In thousands)							
Net income from continuing operations	\$ 153,042	\$ 241,624	\$ 271,053	\$ 445,817	7.55 %	11.76 %	6.79 %	10.86 %
Add:								
Interest expense, net	10,865	10,237	22,205	13,602	0.54 %	0.50 %	0.56 %	0.33 %
Income tax expense (benefit)	78,398	129,104	141,002	240,598	3.87 %	6.29 %	3.53 %	5.86 %
Depreciation and amortization	46,293	38,918	88,683	75,070	2.28 %	1.89 %	2.22 %	1.83 %
Minus:								
Amortization of capitalized financing costs	962	864	1,889	1,589	0.05 %	0.04 %	0.05 %	0.04 %
EBITDA	287,636	419,019	521,054	773,498	14.18 %	20.40 %	13.05 %	18.83 %
Add:								
Foreign currency transaction losses (gains)	(4,744)	2,059	(4,979)	11,033	(0.23)%	0.10 %	(0.12)%	0.27 %
Restructuring charges	—	4,813	—	4,813	— %	0.23 %	— %	0.12 %
Minus:								
Net income (loss) attributable to noncontrolling interest	156	135	(204)	113	0.01 %	0.01 %	(0.01)%	— %
Adjusted EBITDA	\$ 282,736	\$ 425,756	\$ 516,279	\$ 789,231	13.94 %	20.73 %	12.94 %	19.22 %
Net Revenue:	\$ 2,028,315	\$ 2,053,876	\$ 3,991,252	\$ 4,106,795	\$ 2,028,315	\$ 2,053,876	\$ 3,991,252	\$ 4,106,795



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)

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	June 26, 2016	June 28, 2015	June 26, 2016	June 28, 2015
	(In thousands, except per share data)			
Net income (loss) attributable to Pilgrim's Pride Corporation	\$ 152,886	\$ 241,489	\$ 271,257	\$ 445,704
Loss on early extinguishment of debt	—	68	—	68
Foreign currency transaction losses (gains)	(4,744)	2,059	(4,979)	11,033
Income (loss) before loss on early extinguishment of debt and foreign currency transaction losses (gains)	148,142	243,616	266,278	456,805
Weighted average diluted shares of common stock outstanding	254,944	259,897	255,045	259,895
Income (loss) before loss on early extinguishment of debt and foreign currency transaction losses (gains) per common diluted share	\$ 0.58	\$ 0.94	\$ 1.04	\$ 1.76



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		Twenty-Six Weeks Ended	
	June 26, 2016	June 28, 2015	June 26, 2016	June 28, 2015
	(In thousands, except per share data)			
GAAP EPS	\$ 0.60	\$ 0.93	\$ 1.06	\$ 1.71
Loss on early extinguishment of debt	—	—	—	—
Foreign currency transaction losses (gains)	(0.02)	0.01	(0.02)	0.04
Adjusted EPS	<u>\$ 0.58</u>	<u>\$ 0.94</u>	<u>\$ 1.04</u>	<u>\$ 1.76</u>
Weighted average diluted shares of common stock outstanding	254,944	259,897	255,045	259,895



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)

	<u>December 29, 2013</u>	<u>December 28, 2014</u>	<u>December 27, 2015</u>	<u>June 28, 2015</u>	<u>June 26, 2016</u>
	(In thousands)				
Long term debt, less current maturities	\$ 501,999	\$ 3,980	\$ 985,509	\$ 1,000,420	\$ 1,117,979
Add: Current maturities of long term debt and notes payable	410,234	262	28,812	117	90
Minus: Cash and cash equivalents	508,206	576,143	439,638	574,194	41,047
Minus: Available-for-sale securities	96,902	—	—	—	—
Net debt (cash position)	<u>\$ 307,125</u>	<u>\$ (571,901)</u>	<u>\$ 574,683</u>	<u>\$ 426,343</u>	<u>\$ 1,077,022</u>



Appendix: Segment and Geographic Data

PILGRIM'S PRIDE CORPORATION
Supplementary Selected Segment and Geographic Data

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	June 26, 2016 (Unaudited)	June 28, 2015	June 26, 2016	June 28, 2015
(In thousands)				
Sources of net sales by country of origin:				
US:	\$ 1,677,445	\$ 1,838,859	\$ 3,347,726	\$ 3,681,617
Mexico:	350,870	215,017	643,526	425,178
Total net sales:	<u>\$ 2,028,315</u>	<u>\$ 2,053,876</u>	<u>\$ 3,991,252</u>	<u>\$ 4,106,795</u>
Sources of cost of sales by country of origin:				
US:	\$ 1,471,269	\$ 1,454,669	\$ 2,925,224	\$ 2,958,876
Mexico:	270,939	167,211	542,383	338,827
Elimination:	(24)	(24)	(48)	(48)
Total cost of sales:	<u>\$ 1,742,184</u>	<u>\$ 1,621,856</u>	<u>\$ 3,467,559</u>	<u>\$ 3,297,655</u>
Sources of gross profit by country of origin:				
US:	\$ 206,176	\$ 384,190	\$ 422,502	\$ 722,742
Mexico:	79,931	47,806	101,143	86,350
Elimination:	24	24	48	48
Total gross profit:	<u>\$ 286,131</u>	<u>\$ 432,020</u>	<u>\$ 523,693</u>	<u>\$ 809,140</u>
Sources of operating income by country of origin:				
US:	\$ 164,494	\$ 335,783	\$ 339,084	\$ 629,437
Mexico:	72,093	42,566	86,253	76,501
Elimination:	24	24	48	48
Total operating income:	<u>\$ 236,611</u>	<u>\$ 378,373</u>	<u>\$ 425,385</u>	<u>\$ 705,986</u>