

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): December 5, 2017

**PILGRIM'S PRIDE CORPORATION**

(Exact Name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation)

**1-9273**

(Commission File Number)

**75-1285071**

(IRS Employer Identification No.)

**1770 Promontory Circle  
Greeley, CO**

(Address of principal executive offices)

**80634-9038**

(Zip Code)

Registrant's telephone number, including area code: **(970) 506-8000**

**Not Applicable**

(Former name or former address, if changed since last report.)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02 Results of Operations and Financial Condition; Item 7.01 Regulation FD.**

On December 5, 2017, Pilgrim's Pride Corporation (the "Company") posted an investor presentation on the Investor Relations Page of the Company's website at: <http://ir.pilgrims.com>. The information contained on this website is not included as a part of, or incorporated by reference into, this report. The investor presentation is also furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The investor presentation discloses on pages 24 and 25 thereof sales and certain other financial results of the Company for the last 12 months ending on the third fiscal quarter of 2017, which includes Granite Holdings S.à r.l. ("Moy Park").

The information in this Item 2.02 and Item 7.01 of this Form 8-K and Exhibit 99.1 attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or any proxy statement or report or other document we may file with the SEC, regardless of any general incorporation language in any such filing, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit

Number

Description

[99.1](#)

Investor Presentation, dated December 5, 2017

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: December 5, 2017

/s/ Fabio Sandri  
Fabio Sandri  
Chief Financial Officer



**Investor Presentation**  
December 2017

Pilgrim's Pride Corporation  
(NASDAQ: PPC)

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# Cautionary Notes and Forward-Looking Statements

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- 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.



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# Our Vision to be the BEST

Through Operational Excellence & Acquisitions



Closing GAPS



Expanding TARGET

2011



U.S.  
Focus



2016



2017



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# Highlights of Our Business

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## **Largest poultry company in the world with a unique portfolio and geographic diversification**

- Combination with Moy Park creates a stronger, more diverse and safer global leader
- Balanced portfolio of fresh, prepared and value-added chicken products
- Broad, differentiated products to meet retail and foodservice customer demand growth
- Growing operation in Mexico – Acquisitions and Greenfields



## **Chicken is the fastest growing protein both in U.S. and abroad**

- Poultry industry in balance with demand
- Affordable and convenient product to consumers
- Supply growing in-line with Demand
- Favorable supply of key input (feed)



## **Operational focus on mix and efficiencies creating competitive advantage**

- Continuous operational improvement – both mix and cost
- SG&A benchmark in the industry
- Zero-Based Budgeting resulting in accountability and disciplined management



## **Management team with proven track record**

- Pilgrim's has a history of successfully identifying and rapidly realizing synergy opportunities
- Disciplined capital allocation and focus on profits and cash flows



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# Our Vision and Strategy

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Become a more valued partner with our key customers



Relentless pursuit of operational excellence



**Pilgrim's®**

**Become the best and most respected company in our industry creating the opportunity of a better future for our team members.**



Safe people, safe products and healthy attitudes



Unique portfolio of diverse, complementary business models



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# Industry Trends Remain Positive

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## **Chicken is the fastest growing protein both in U.S. and abroad**

- 🔗 Poultry industry in balance with demand
- 🔗 Increase in production to meet demand and inventories at adequate levels
- 🔗 Poultry industry close to operational capacity



## **Increased demand for chicken across both foodservice and retail**

- 🔗 Demand across entire spectrum of products including large bird and small bird segments
- 🔗 Growth in differentiated categories such as Organic and NAE
- 🔗 Pricing for beef and pork continues to provide favorable value proposition for chicken despite higher availability



## **Export market adapted to global AI scenario**

- 🔗 Most markets have re-opened and government adopting regionalization policy
- 🔗 Poultry continues to be the fast growing protein in the world and South/North America are the most competitive producers



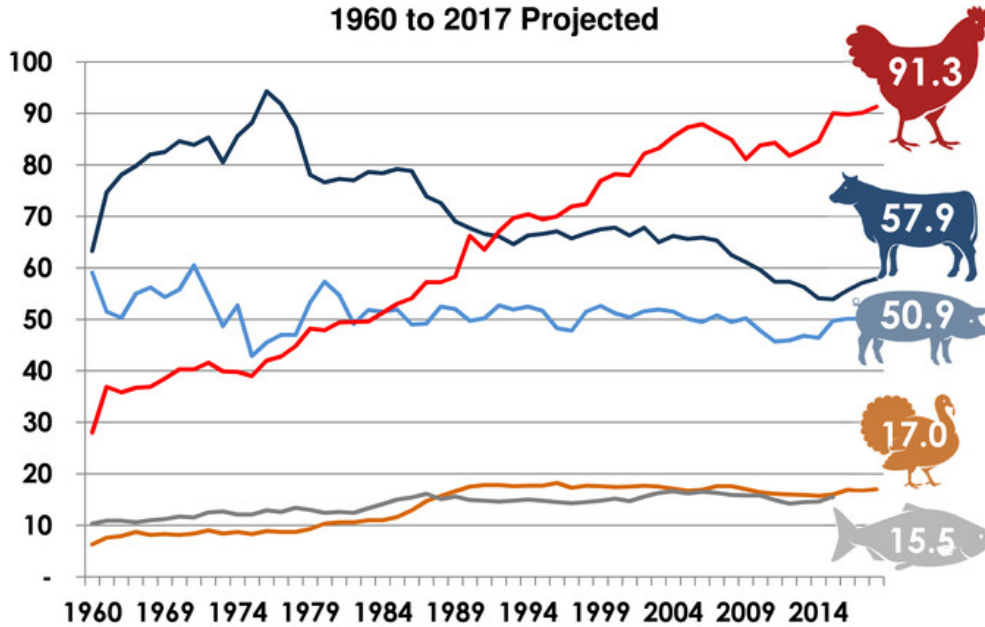
## **Record corn and soybean crop have created a global surplus, reducing the cost of inputs**

- 🔗 Rising corn crops in the U.S. and world-wide have pushed global stocks to over 200 million tons
- 🔗 Record crops in major growing regions contributing to record global stocks for oilseeds, continuing to drive pricing lower despite some volatility



# U.S. Per Capita Chicken Consumption Continues to Rise

Annual Pounds-Per-Person Chicken Consumption:  
1960 to 2017 Projected



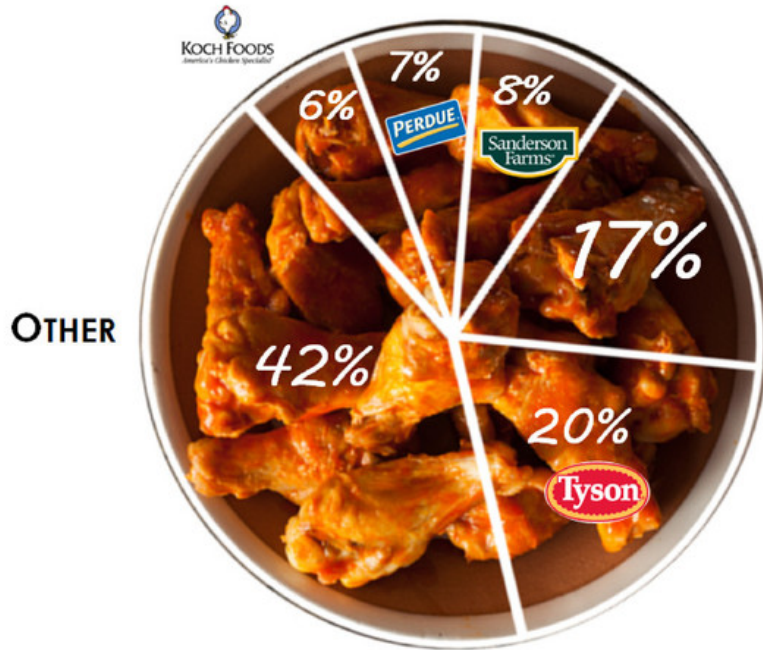
Source: USDA Last updated August 2017

- Due to growth in retail and foodservice
- Millennials, Gen Z AND people (40-69) are consuming more chicken than consumers of the same age range 30 years ago
- Chicken preferred for health/sustainable attributes



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# A U.S. Market Share Leader in Ready-to-Cook Pounds



NEARLY  
1 OUT OF EVERY 5  
CHICKENS IN THE  
U.S. COMES FROM



Source: Watt Poultry USA March 2017, PPC.



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# Geographic and Business Diversification in U.S.



8+ LBS  
**LARGE**

6-7 LBS  
**RETAIL**

4-5 LBS  
**SMALL**

## BUSINESS UNITS

- CASE READY
- SMALL BRID
- BIG BIRD/COMMERCIAL
- PREPARED FOODS
- FRESH FOODSERVICE
- PROTEIN CONVERSION
- GNP

**26** FEED MILLS

**31** PROCESSING PLANTS

**33** HATCHERIES

**~32K** TEAM MEMBERS

**~33M** BIRDS PER WEEK

- 4 PROTEIN CONVERSION
- 4 PET FOOD

**9+B** LBS PER YEAR

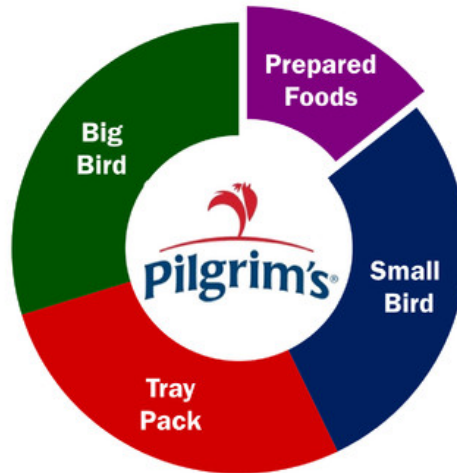


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# Broad Portfolio With Commodity Upside and Market Downside Protection

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- 8+ Lbs. Live Weight
- Commodity Price Correlation
- Foodservice/Industrial
  
- 6 Lbs. Live Weight
- Program Pricing
- Retail/Consumer Brands



- Partially Fried/Fully Cooked
- List Pricing
- Foodservice/Retail/Deli
  
- 4 Lbs. Live Weight
- Contract Pricing
- Foodservice/Deli



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# Delivering Higher Order Attributes to Meet Growing Consumer Needs



Grew **11%** and **14%** in dollars and volume vs. conventional at -4% and 1.9%, respectively

**2<sup>nd</sup> highest sales growth** claim (28.7%), after organic (44%)

**76%** of retailers report success with converting shoppers

**61%** of consumers willing to pay 5 cents/lb. more, **37%** \$1/lb. more



**Organic Claims #1 CAGR over Past 5 Years**  
*(Compounded Annual Growth Rate)*

**>30%**  
CAGR \$ Growth

**23%**  
CAGR Volume Growth



**92.6%** of consumers find it very important to purchase humanely raised meats

American Humane Certified has **highest brand awareness** of certifiers; almost 50% perceive it to be the best

On average, consumers willing to pay **5.7% more** for meats products that are humane certified; Millennials **6.5% more**

Source: 2016 and 2017 Power of Meat, 2012 and 2016 Consumer Reports Surveys, 2016 National Chicken Council U.S. Chicken Consumption Report, MeatingPlace; 2014 Humane Heartland Farm Animal Welfare Survey, American Humane Association, November 2014; 2016 Animal Welfare Research/Qualtrics.



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# Diverse Channel Mix Drives Value to Key Customers; Addresses Multiple Consumer Needs



**FOODSERVICE**  
**50%**



- Cut-up Parts
- Boneless Skinless
- Wings
- Whole Chickens



- Par-fried, Breaded
  - Breasts/Other Boneless
  - Wings/Other Bone-In



- Fully Cooked
  - Breaded
  - Glazed
  - Roasted



- Fully Cooked
  - Pulled & Diced Strips
  - Fajita Strips
  - Chicken Salads



**RETAIL & DELI**  
**50%**



- Whole Chicken
- Cut-up Parts
- Boneless Skinless
- Raw Value-Added



- Individually Frozen & Fresh
  - Boneless Skinless Breasts, Tenders, Thighs
  - Bone-in Parts
  - Burgers



- Fully Cooked Frozen
  - Breaded, Glazed & Roasted
  - Par-fried Breaded
  - Sausages & Meatballs



- Rotisserie Chickens
- 8-piece Cut-up
- Breaded, Roasted & Glazed
- Patties



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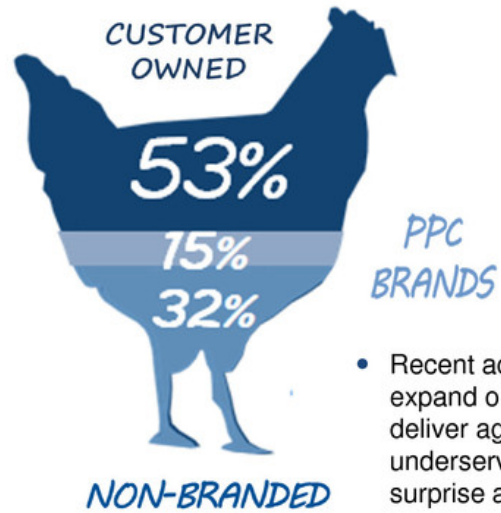


# Our Brands and Production Mix

## BRANDS



## MIX\*



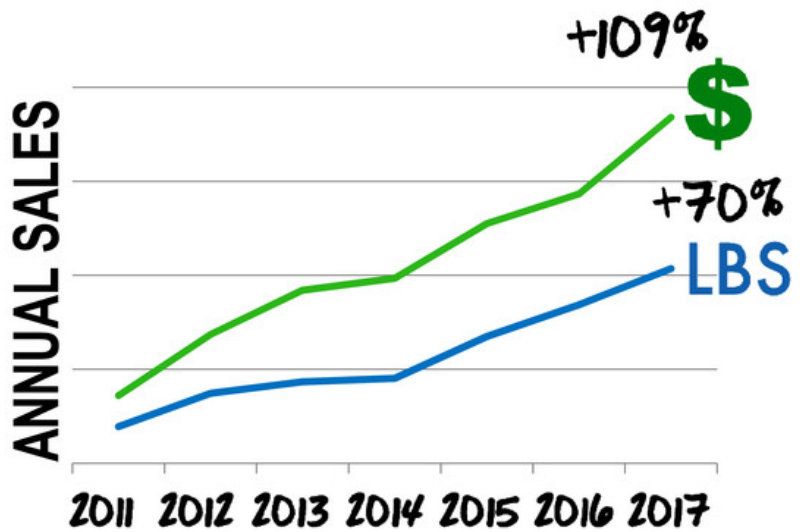
\* YE2016, U.S. only

- Recent acquisitions expand our ability to deliver against underserved consumers, surprise and delight
- Brands can gain share via differentiation, especially against Millennials



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# Our KEY Customer Strategy Drives Growth and Loyalty



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# Also Growing in Alternative Channels

## On-Line/Digital Grocery

**5x** Growth over next decade

**9%-20%** CAGR predictions, 2016-2025

**19%** Buy SOME groceries online

**70%** WILL within 10 years

**3 out of 5** Look at mobile devices for sales coupons BEFORE going to store

**TODAY 764** Online store sales equivalent growth **BY 2025 3,900**

<https://www.cnbc.com/2017/01/30/online-grocery-sales-set-surge-grabbing-20-percent-of-m.html>  
<https://www.cnbc.com/2017/06/21/dont-worry-wal-mart-amazon-buying-whole-foods-is-just-a-d.html>

**amazon**fresh


**#1**  
**SELLING FRESH CHICKEN ITEM**



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# Our Methods to Achieve Operational Excellence



- HOW 
- Called "ZBB"
  - ALL expenses justified for each new period
    - Starts from a ZERO base
    - Built around what's NEEDED
    - Analyzes EVERY function
  - Optimizes COSTS not just revenue

3-YR RESULTS 

**\$400M**  
COST/EFFICIENCY  
IMPROVEMENT

**1.8k**  
FEWER POSITIONS DUE TO  
PERFECT STAFFING

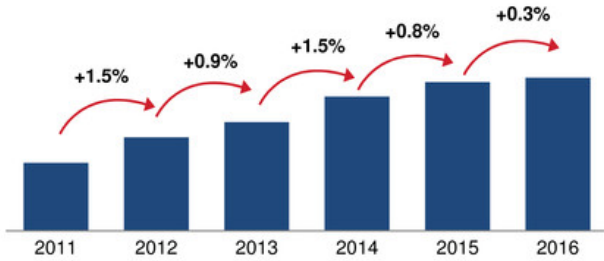
Optimizing EVERY Penny and EVERY Position



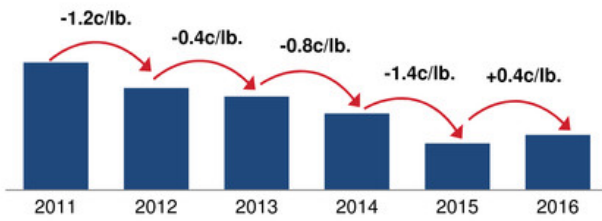
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# Creating Efficiencies in the Operation

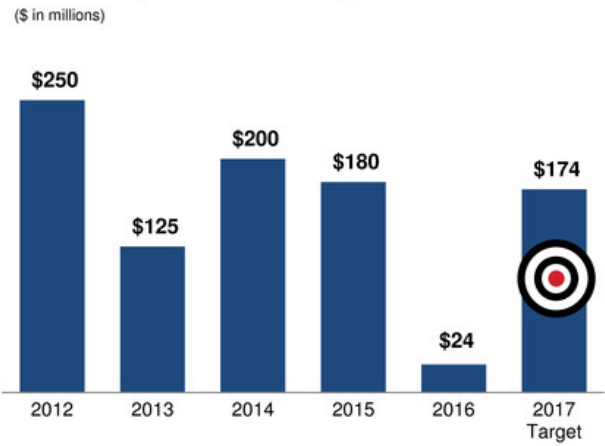
## Yield



## Plant Cost



## Operational Improvement

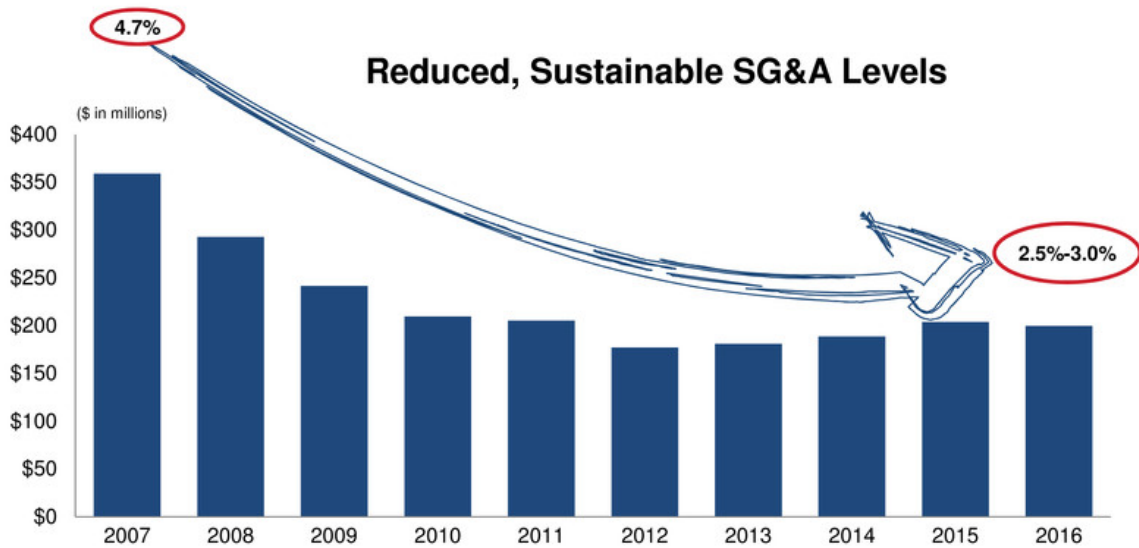


- >\$1.0bn cumulative operational improvements '11-'16
- 2016 impacted by portfolio mix changes
- \$174mm targeted for 2017
- Commitment at every level; using ZBB



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# Reducing Costs and Increasing Agility



- De-layering: Closer to customers
- Shared Service Center with JBS
- Zero-Based Budget
- Strategic Marketing



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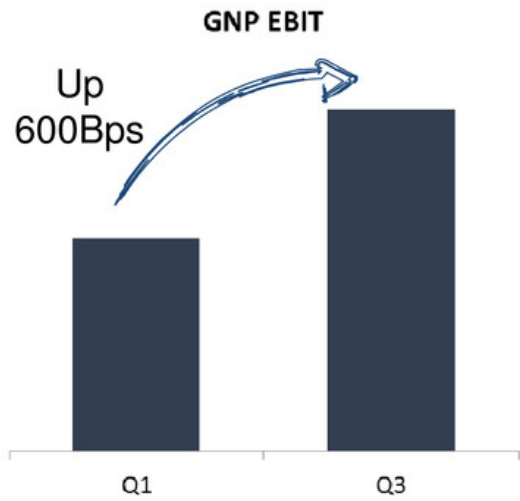
# Growing in US and Integrating the Gold'n Plump Business

## Expanded Geography

- Vertically Integrated, State-of-the-Art
- Operationally Excellent & Flexible
- 2 Primary Processing Plants
- 2 Hatcheries, 2 Feed Mills

## Differentiated Brands

- Fresh and Frozen
- Multiple Channels
- Medium-size Bird for Retail Tray Pack
- Small-Bird Strategy for Deli & Foodservice



Just **BARE** Chicken



Exceeding Expected Synergies of \$30MM

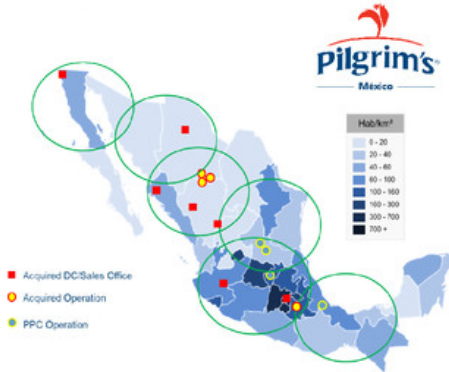


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# Growing in Mexico Through Acquisition and Greenfields

## Geographic Diversity

- Strong player in central and north regions
- Demand growth for chicken



## Growth Opportunity

- New complex in Veracruz – starting with 100K live birds/week growing to 500K in 2 years



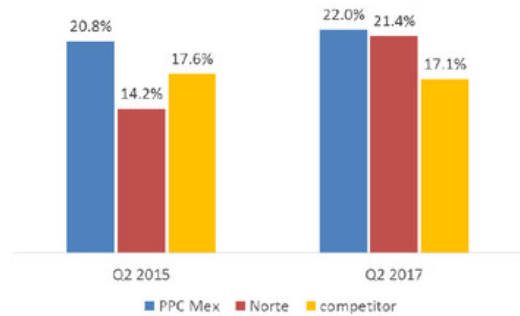
## Product Diversity

- Diversified product mix from commodity to prepared branded products, including premium Pilgrim's brand



- Acquisition in Mexico at end of Q2 2015:
  - Initial estimate of \$30mm of synergies
  - Actual synergies of \$50mm and the acquired asset is performing at the same level as the legacy
  - Cross-learning and benchmarking benefiting both new and legacy asset results

Mexico EBITDA (%)



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# Opening New Platforms for Growth – Moy Park

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## **Increases Diversification**

- Provides further geographic diversification with exposure to the European market
- Platform for growth in Europe and its export destinations



## **Improves Earnings Stability**

- Attractive structural market dynamics in European fresh poultry
- Mitigated commodity exposure as a portion of sales are on long-term relationships



## **Strong Value-Add Portfolio**

- Expansion of prepared foods portfolio with addition of high value-added capabilities



## **Sharing of Innovation and Best Practices**

- Access to a portfolio of innovative products and leading new product development platform
- Share best practices, operational excellence and management expertise



## **Value Creation**

- Significant synergy opportunities

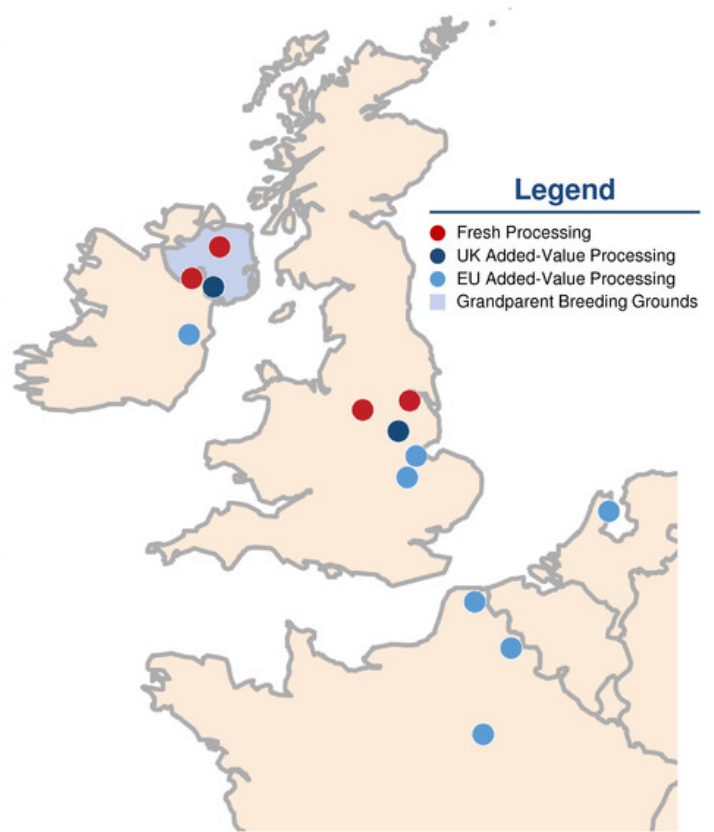


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# Moy Park – A Leading Prepared Foods Platform

- Top 15 UK food company providing fresh, prepared, value-added and locally farmed poultry and complementary convenience food products for more than 70 years
- Highly regarded and innovative manufacturer of convenience food products
  - Prepared foods represent approximately 50% of revenue
- Best-in-class and fully vertically integrated market-leading platform
  - 13 plants in the UK, Ireland, France and the Netherlands
  - 5.7mm birds processed per week (approximately 30%<sup>(1)</sup> of UK production)
  - More than 12,000 team members
- Stability in margin structure supported by prepared foods business model and long-term partnerships with customers
- 75% of revenues generated in the UK & Ireland; 25% in Continental Europe
- Supplies major UK supermarkets and major European Quickservice Restaurant Operators

1. Poultry volume produced based on DEFRA calculations using egg placings and average mortality rates.



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# Significant Synergy and Growth Opportunities

## PROVEN HISTORY OF EFFICIENT INTEGRATION

Pilgrim's has a history of successfully identifying and rapidly realizing synergy opportunities

- ✓ Synergies realized in Mexico post-integration exceeded original target and the acquired asset is performing at the same level as the legacy
- ✓ Synergies identified at GNP already exceed the initial target

## UNIQUE OPPORTUNITY OF INNOVATION AND EFFICIENCY

### OPERATIONAL EXCELLENCE

*UNIQUE RESULT-ORIENTED CULTURE*

### SOURCING

*VALUE CHAIN EFFICIENCY*

### SG&A

*FOCUS ON KEY CUSTOMERS AND DISCIPLINE*

- Production efficiencies
- Zero Based Budgeting
- Product portfolio optimization
- Long expertise in Organic and sustainable production
- Optimization of sourcing and production
- Live cost improvements
- Yield improvements
- Global management of feed sourcing
- Leverage marketing and sales infrastructure on export markets
- Accelerate Innovation for Key customers
- IT system integration



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## Financial Overview



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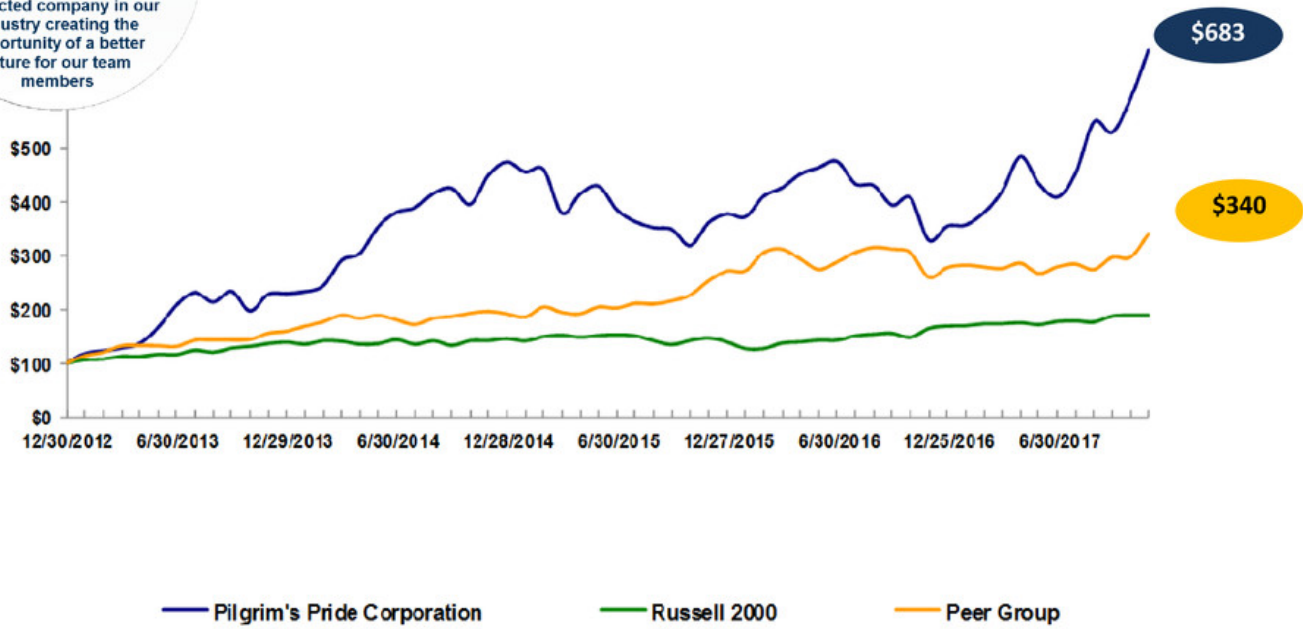


# Our Vision – Total Shareholder Return Growth



## COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN\*

Among Pilgrim's Pride Corporation, the Russell 2000 Index, and a Peer Group



Note: Peer Group includes Hormel Foods Corp, Sanderson Farms Inc. and Tyson Foods Inc.  
 1. \$100 invested on 12/30/12 in stock or 12/31/12 in index, including reinvestment of dividends. Indexes calculated on month-end basis.

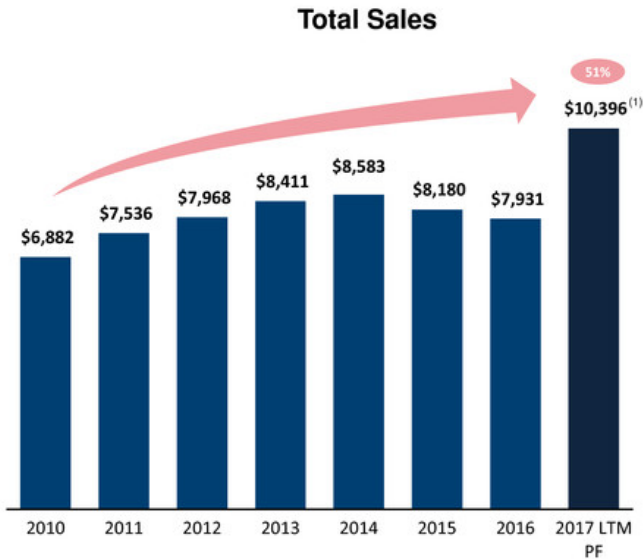


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# Progress Report – Growth

## 6 Years of Significant Growth ...

(\$ in millions)



## ... BOTH in the U.S. and Abroad

(\$ in millions)



Note: 2012 sales adjusted to 52 weeks, figures may be off due to rounding.

1. Comprised of \$8,460mm from Pilgrim's Pride, which is pro forma for a full year of GNP sales, and \$1,937mm (£1,527mm) from Moy Park.

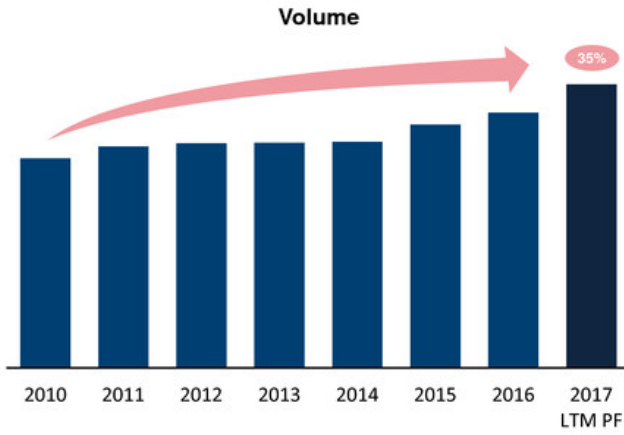


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# Progress Report – Results

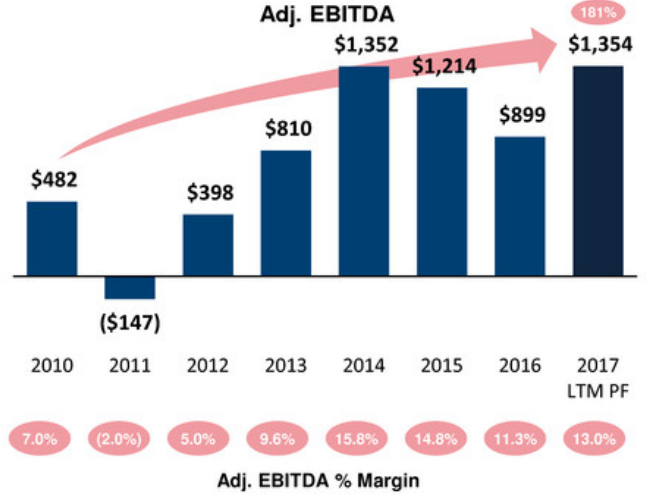
## Growth Volume ...

(MM lbs.)



## ... and Profitability

(\$ in millions)

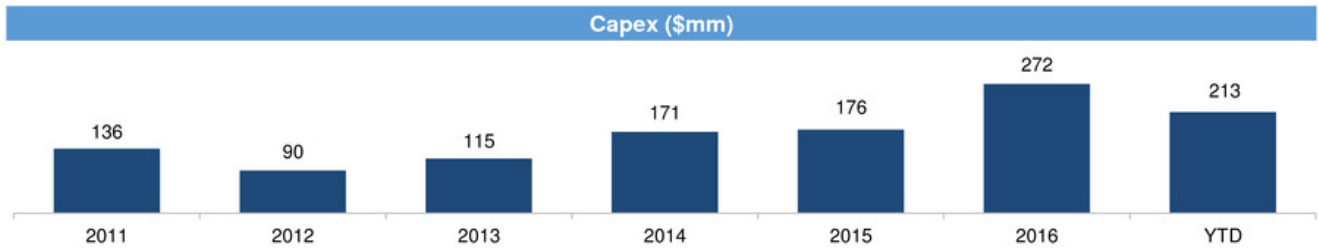


Note: 2012 Lbs. adjusted to 52 weeks as fiscal 2012 contained 53 weeks. Adjustment was to reduce lbs. by 1/53rd.



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# Progress Report – Capital Spending



- Strong Free Cash Flow generation has enabled us to direct more capital spending towards identified projects with rapid payback and structural projects. \$1B invested in the last 6 years
- New strategic projects will support key customers growth and de-emphasize our exposure to commodity markets by bringing more differentiated portfolio.

## Leading U.S. Certified Organic Chicken Supplier

**SANFORD, NC**



- Controlled Atmosphere Gas Stunning
- Automated White Meat Deboning
- Automated Dark Meat Deboning
- Higher Order Attributes



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# Third Quarter 2017 Financial Results

Main Indicators (\$M)**	Q3-17	Q3-16
Net Revenue	2,793.9	2,495.3
Gross Profit	478.6	253.1
SG&A	106.4	76.3
Operating Income	372.2	176.8
Net Interest	22.5	18.9
Net Income	232.7	98.7
Earnings Per Share (EPS)	0.93	0.39
Adjusted EBITDA*	463.6	237.4
Adjusted EBITDA Margin*	16.6%	9.5%

\* 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.

- Strength across all US business units, GNP operations significantly improved, MX results above expectations.
- SG&A higher due to addition of GNP and Moy Park, investments in brands in USA and Mexico, and \$19MM non-recurring acquisition/restructuring.
- Adjusted Q3-17 EBITDA well above Q3-16 and was among the top quarterly performance in the U.S.

In \$M	U.S.	EU	MX
Net Revenue	1,938.5	514.3	341.0
Adjusted Operating Income*	322.0	21.3	45.7
Adjusted Operating Income Margin*	16.6%	4.1%	13.4%



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## Appendix

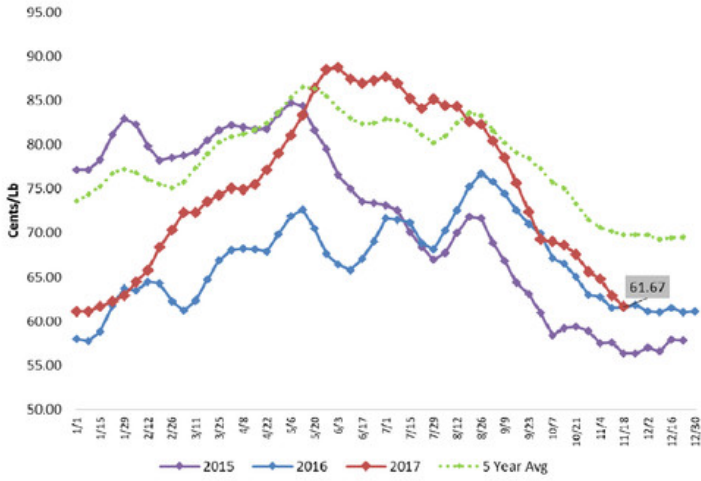


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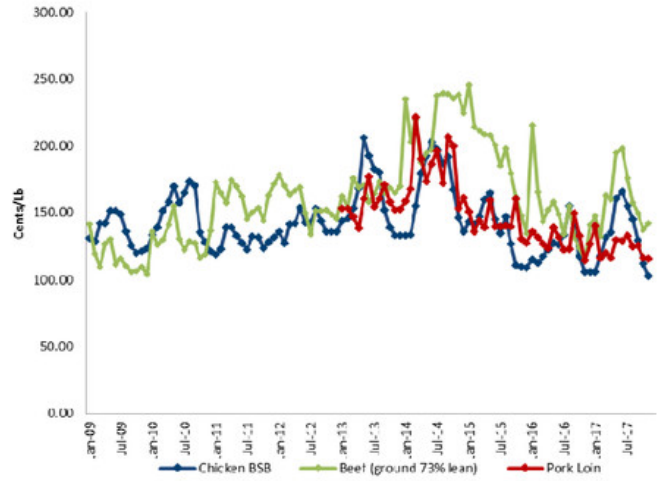
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# Historical Chicken Prices

### Chicken Cutout



### Retail Chicken Compared to Beef and Pork



Source: USDA-WASDE



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# 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		Thirty-Nine Weeks Ended	
	September 24, 2017	September 25, 2016	September 24, 2017	September 25, 2016
	(In thousands)			
Net income	\$ 238,313	\$ 101,965	\$ 584,242	\$ 394,685
Add:				
Interest expense, net	22,508	18,866	62,715	56,480
Income tax expense	113,396	53,819	278,046	202,979
Depreciation and amortization	71,763	58,718	204,625	174,128
Minus:				
Amortization of capitalized financing costs	1,181	970	3,129	2,859
EBITDA	444,799	232,398	1,126,499	825,413
Add:				
Foreign currency transaction loss (gains)	(888)	4,569	(2,500)	(1,769)
Acquisition charges	15,039	—	15,039	—
Restructuring charges	4,147	279	8,496	279
Minus:				
Net income (loss) attributable to noncontrolling interest	(460)	(130)	514	(334)
Adjusted EBITDA	\$ 463,557	\$ 237,376	\$ 1,147,020	\$ 824,257



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Source: PPC

# 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		Thirty-Nine Weeks Ended		Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24, 2017	September 25, 2016	September 24, 2017	September 25, 2016	September 24, 2017	September 25, 2016	September 24, 2017	September 25, 2016
(In thousands)								
Net income from continuing operations	\$ 238,313	\$ 101,965	\$ 584,242	\$ 394,685	8.53 %	4.09 %	7.28 %	5.26 %
Add:								
Interest expense, net	22,508	18,866	62,715	56,480	0.81 %	0.76 %	0.78 %	0.75 %
Income tax expense	113,396	53,819	278,046	202,979	4.06 %	2.16 %	3.46 %	2.70 %
Depreciation and amortization	71,763	58,718	204,625	174,128	2.57 %	2.35 %	2.55 %	2.32 %
Minus:								
Amortization of capitalized financing costs	1,181	970	3,129	2,859	0.04 %	0.04 %	0.04 %	0.04 %
EBITDA	444,799	232,398	1,126,499	825,413	15.92 %	9.32 %	14.03 %	10.99 %
Add:								
Foreign currency transaction gains	(888)	4,569	(2,500)	(1,769)	(0.03)%	0.18 %	(0.03)%	(0.02)%
Acquisition charges	15,039	—	15,039	—	0.54 %	— %	0.19 %	— %
Restructuring charges	4,147	279	8,496	279	0.15 %	0.01 %	0.11 %	— %
Minus:								
Net income (loss) attributable to noncontrolling interest	(460)	(130)	514	(334)	(0.02)%	(0.01)%	0.01 %	— %
Adjusted EBITDA	\$ 463,557	\$ 237,376	\$ 1,147,020	\$ 824,257	16.59 %	9.52 %	14.28 %	10.98 %
Net Revenue:	\$ 2,793,885	\$ 2,495,281	\$ 8,025,511	\$ 7,507,681	\$ 2,793,885	\$ 2,495,281	\$ 8,025,511	\$ 7,507,681



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Source: PPC

# 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		Thirty-Nine Weeks Ended	
	September 24, 2017	September 25, 2016	September 24, 2017	September 25, 2016
(In thousands, except per share data)				
Net income attributable to Pilgrim's Pride Corporation	\$ 232,680	\$ 98,657	\$ 560,242	\$ 369,914
Loss on early extinguishment of debt	—	—	—	—
Acquisition and restructuring charges, net of taxes	12,988	—	15,980	—
Foreign currency transaction gains	(888)	4,569	(2,500)	(1,769)
Income before loss on early extinguishment of debt and foreign currency transaction gains	244,780	103,226	573,722	368,145
Weighted average diluted shares of common stock outstanding	248,988	254,920	248,962	255,037
Income before loss on early extinguishment of debt and foreign currency transaction gains per common diluted share	\$ 0.98	\$ 0.41	\$ 2.30	\$ 1.44



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Source: PPC

# 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)

	<u>Thirteen Weeks Ended</u>		<u>Thirty-Nine Weeks Ended</u>	
	<u>September 24, 2017</u>	<u>September 25, 2016</u>	<u>September 24, 2017</u>	<u>September 25, 2016</u>
(In thousands, except per share data)				
GAAP EPS	\$ 0.93	\$ 0.39	\$ 2.25	\$ 1.45
Loss on early extinguishment of debt	—	—	—	—
Acquisition and restructuring charges, net of taxes	0.05	—	0.06	—
Foreign currency transaction gains	—	0.02	(0.01)	(0.01)
Adjusted EPS	<u>\$ 0.98</u>	<u>\$ 0.41</u>	<u>\$ 2.30</u>	<u>\$ 1.44</u>
Weighted average diluted shares of common stock outstanding	248,988	254,920	248,962	255,037



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Source: PPC

# Segment and Geographic Data

PILGRIM'S PRIDE CORPORATION  
Supplementary Selected Segment and Geographic Data

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24, 2017 (Unaudited)	September 25, 2016	September 24, 2017	September 25, 2016
(In thousands)				
Sources of net sales by country of origin:				
US:	\$ 1,938,542	\$ 1,724,625	\$ 5,557,089	\$ 5,072,351
Mexico:	341,018	307,096	994,568	950,622
Europe:	514,325	463,560	1,473,854	1,484,708
Total net sales:	<u>\$ 2,793,885</u>	<u>\$ 2,495,281</u>	<u>\$ 8,025,511</u>	<u>\$ 7,507,681</u>
Sources of cost of sales by country of origin:				
US:	\$ 1,561,333	\$ 1,545,289	\$ 4,656,825	\$ 4,470,648
Mexico:	286,617	276,366	822,822	818,749
Europe:	467,374	420,590	1,336,123	1,343,242
Elimination:	(23)	(24)	(69)	(71)
Total cost of sales:	<u>\$ 2,315,301</u>	<u>\$ 2,242,221</u>	<u>\$ 6,815,701</u>	<u>\$ 6,632,568</u>
Sources of gross profit by country of origin:				
US:	\$ 377,209	\$ 179,336	\$ 900,262	\$ 601,703
Mexico:	54,401	30,730	171,745	131,874
Europe:	46,951	42,970	137,734	141,466
Elimination:	23	24	69	70
Total gross profit:	<u>\$ 478,584</u>	<u>\$ 253,060</u>	<u>\$ 1,209,810</u>	<u>\$ 875,113</u>
Sources of operating income by country of origin:				
US:	\$ 307,962	\$ 141,195	\$ 719,121	\$ 480,280
Mexico:	45,692	22,603	146,241	108,856
Europe:	18,569	13,027	51,874	55,841
Elimination:	23	23	69	71
Total operating income:	<u>\$ 372,246</u>	<u>\$ 176,848</u>	<u>\$ 917,305</u>	<u>\$ 645,048</u>



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Source: PPC





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