



Pilgrim's Pride Corporation
Financial Results for
Third Quarter Ended Sep 25, 2016



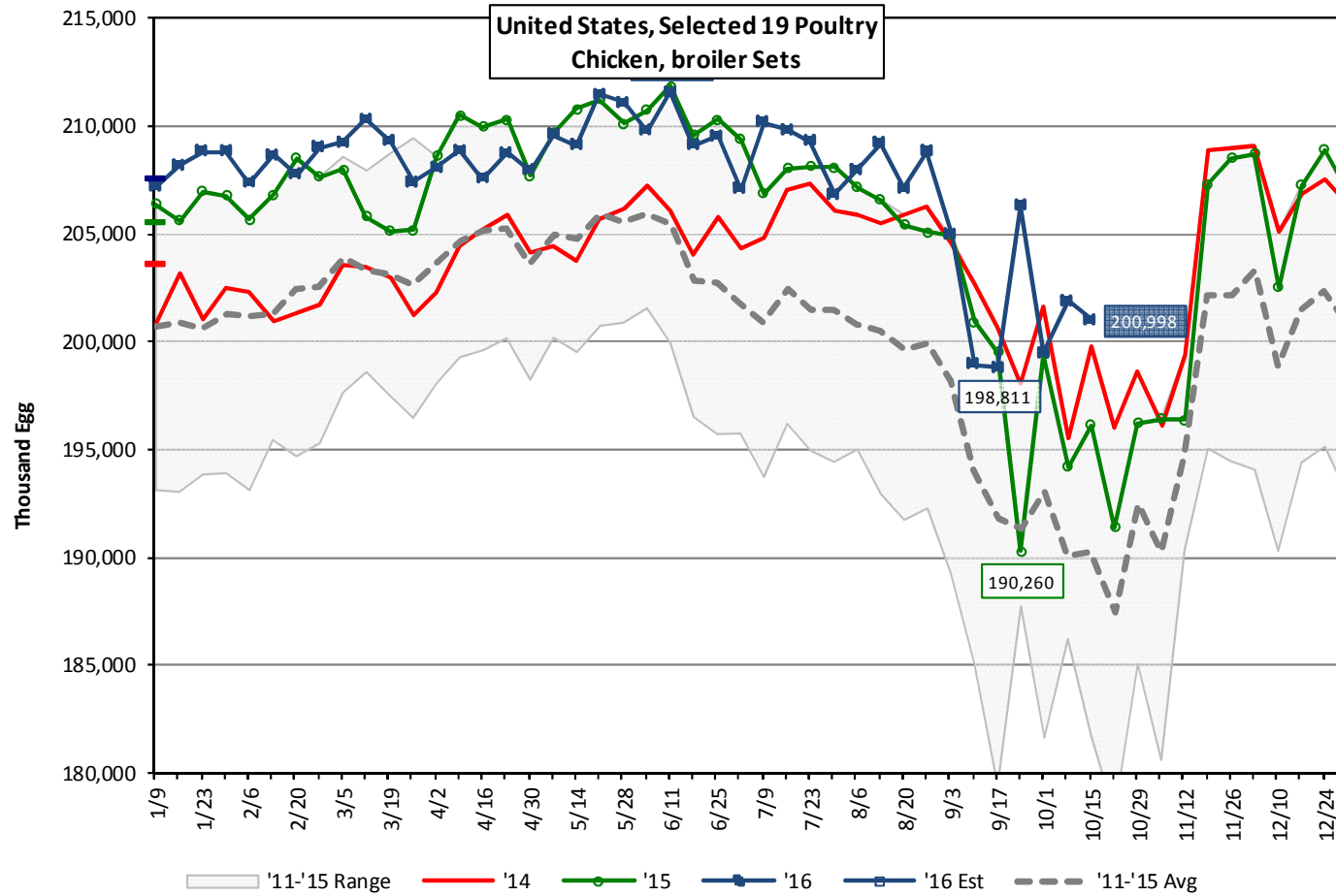


Cautionary Notes and Forward-Looking Statements

- 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.

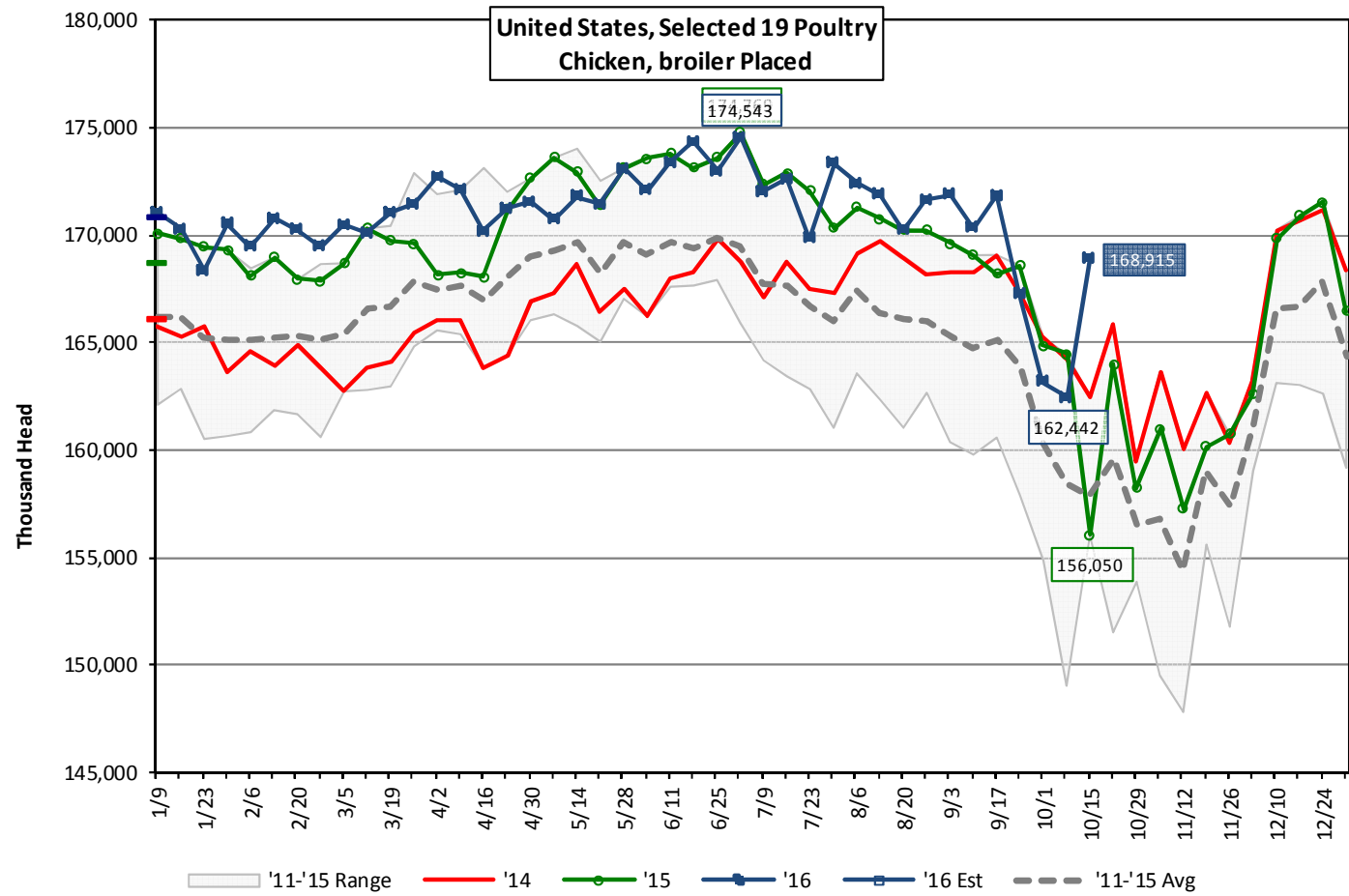


Eggs Sets Up Slightly YTD vs Last Year



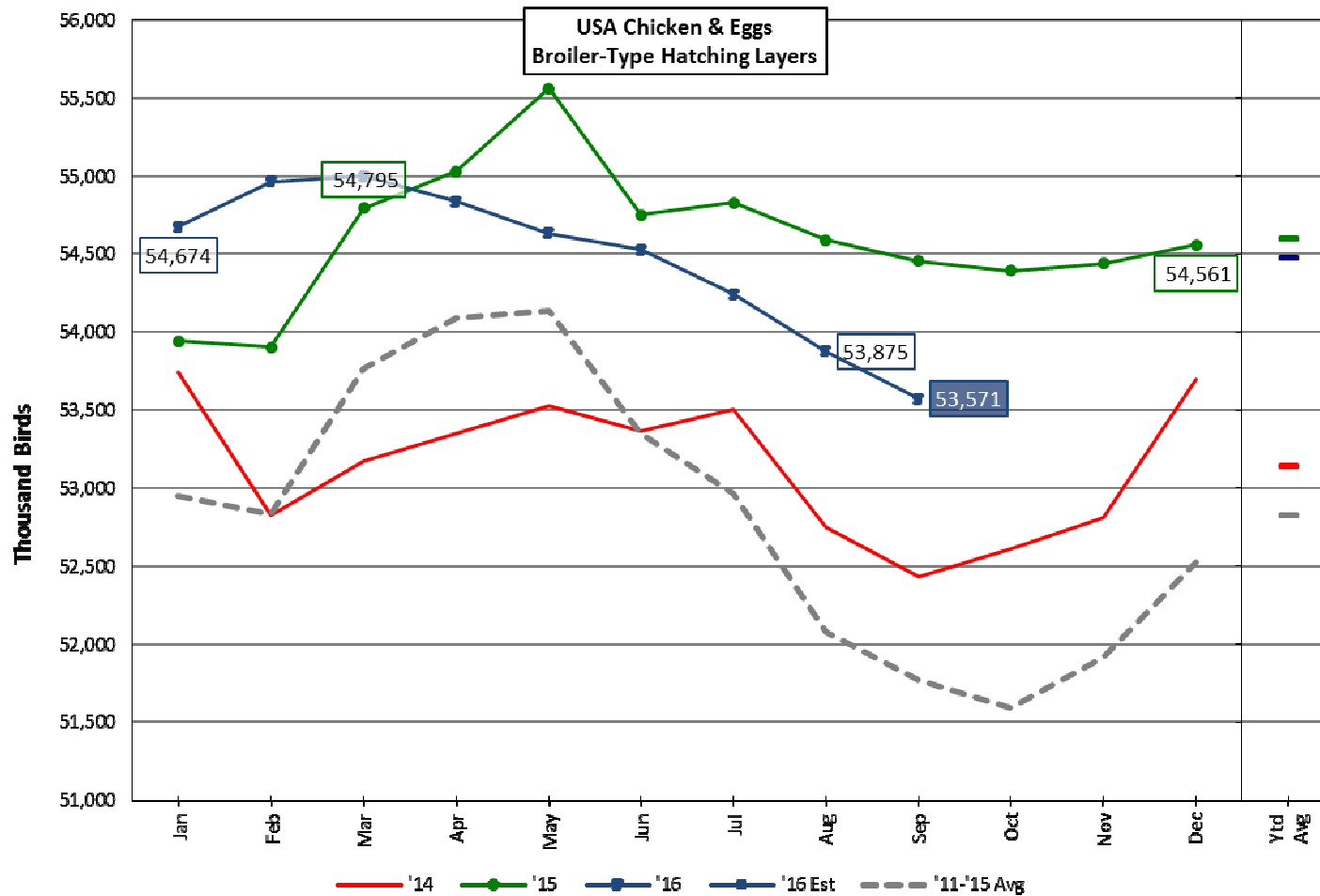


Placements Averaging Mostly Flat vs 2015



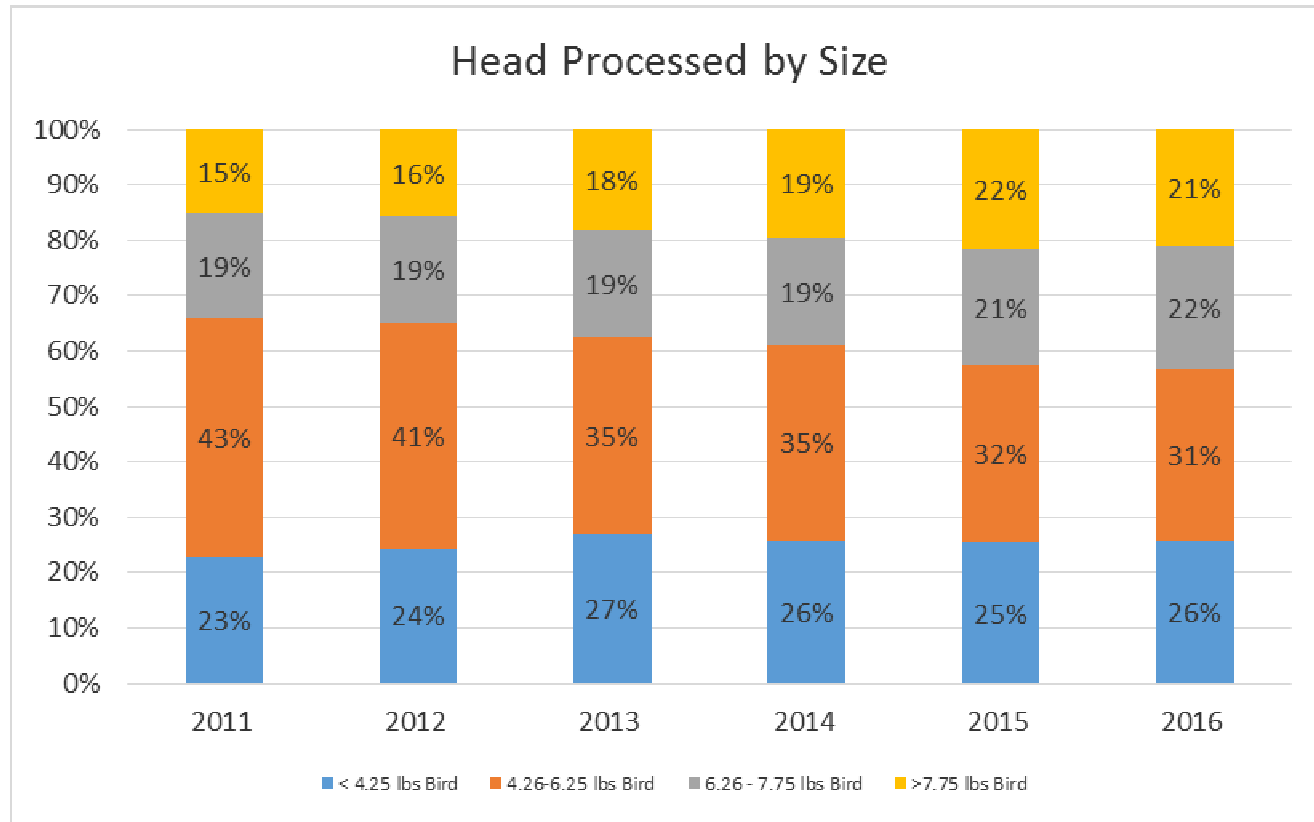


Benign Layer Flock Supportive of Modest Growth in Production





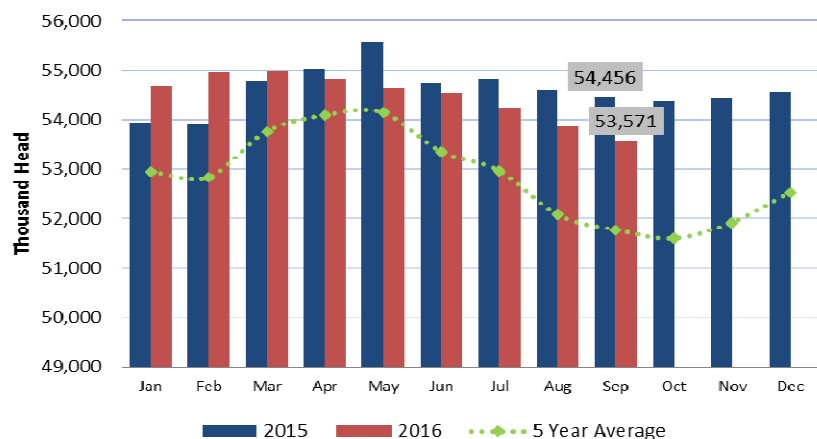
Jumbo Bird Accounting For Larger Share



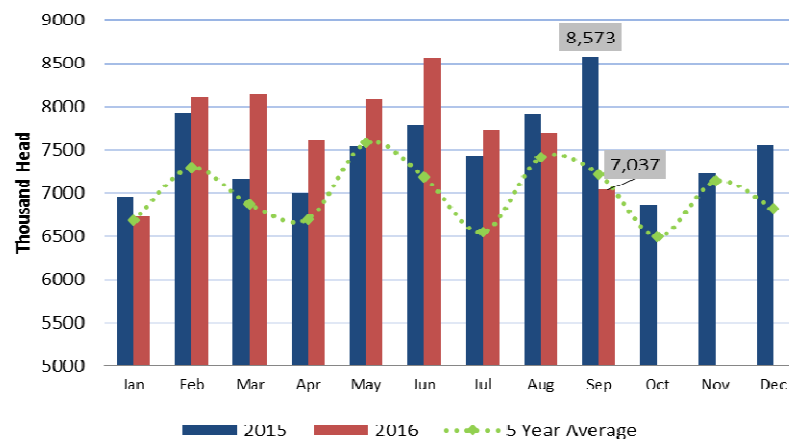


Hatching Layers Remain Flat YTD, Placements Lower in Sep

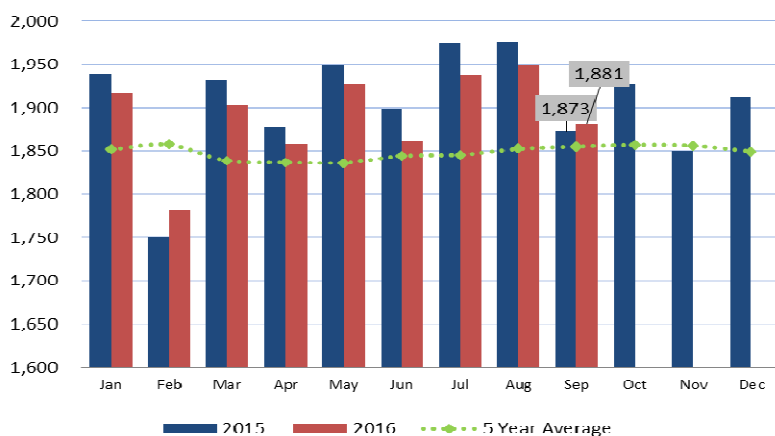
Broiler Type Hatching Layers



Intended Pullet Placements



Egg Production Per 100 Layers

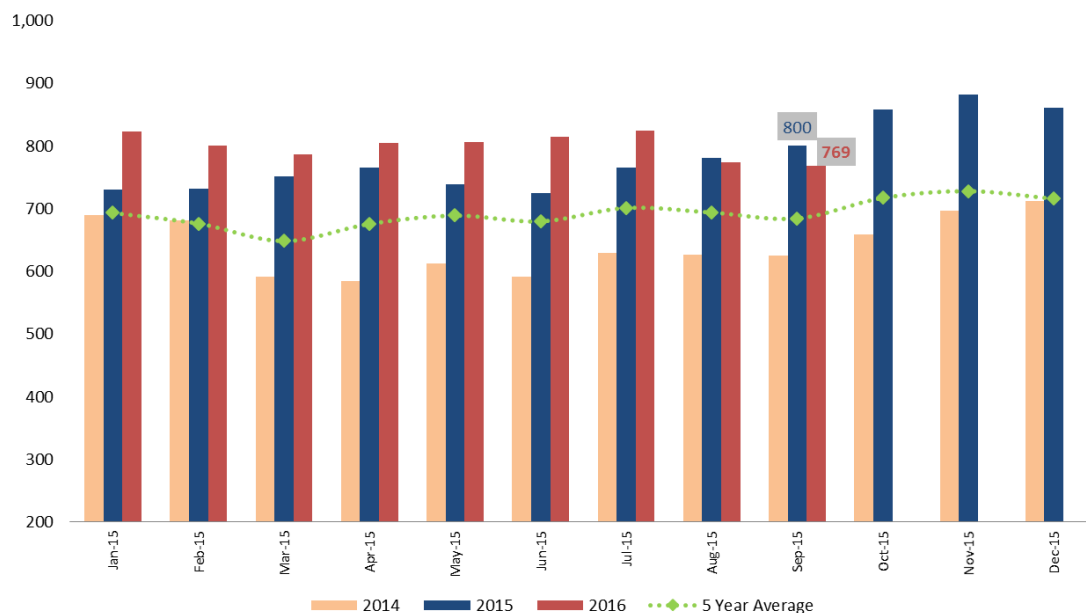


- Hatching layers fell in Sep and remain flat YTD from a year ago.
- Pullet placements declined 18% in Sep, and YTD are now better reflecting changes in layer flock size.



Cold Storage Levels Slowly Declining

Chicken Cold Storage



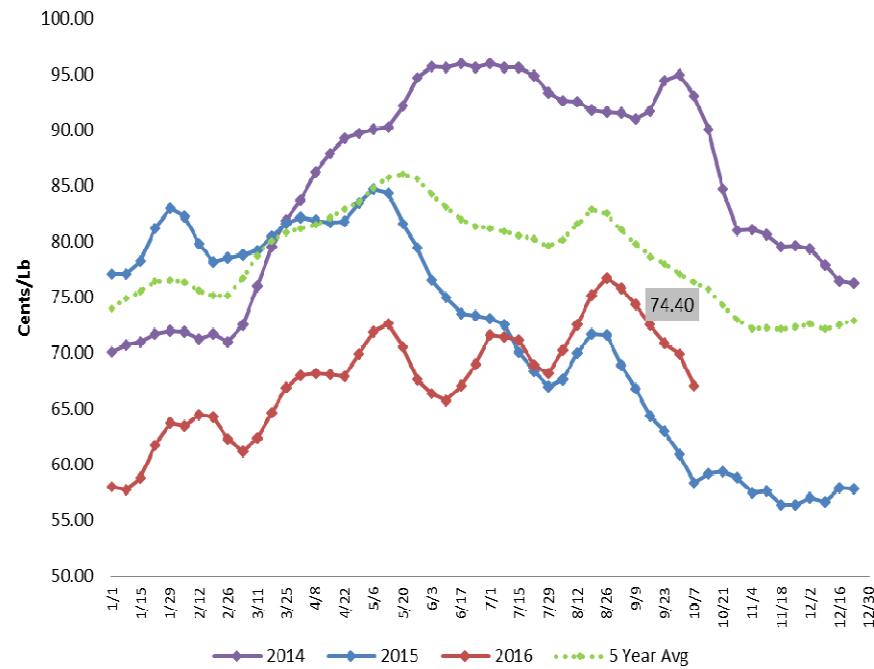
Part	Sep-15	Sep-16	% Change
Broilers	12,939	22,260	72.0%
Hens	10,579	11,449	8.2%
Breast Meat	139,304	149,480	7.3%
Drumsticks	20,167	17,445	-13.5%
Leg Quarters	164,192	133,131	-18.9%
Legs	16,591	12,683	-23.6%
Thighs	14,097	10,551	-25.2%
Thigh meat	27,038	19,879	-26.5%
Wings	71,861	90,279	25.6%
Paws and feet	26,617	20,104	-24.5%
Other	296,820	281,467	-5.2%
Total Chicken	800,205	768,728	-3.9%

- Overall inventories 3.9% lower than 2015 levels. Leg Quarters continue to remain lower year on year driven by strong exports.

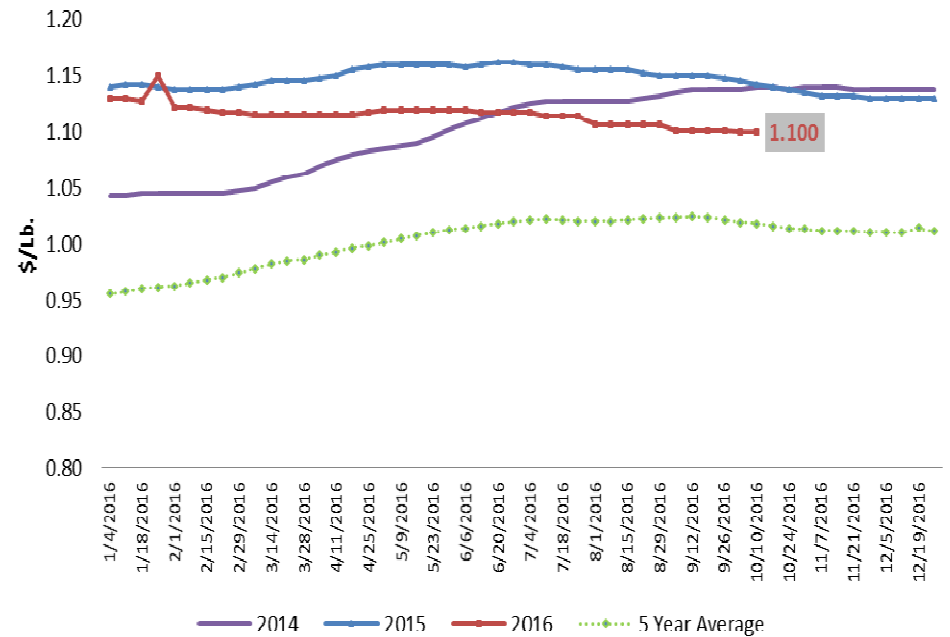


Cutout Values Remain Ahead of 2015 while Contracts Still Firm

Cutout Value

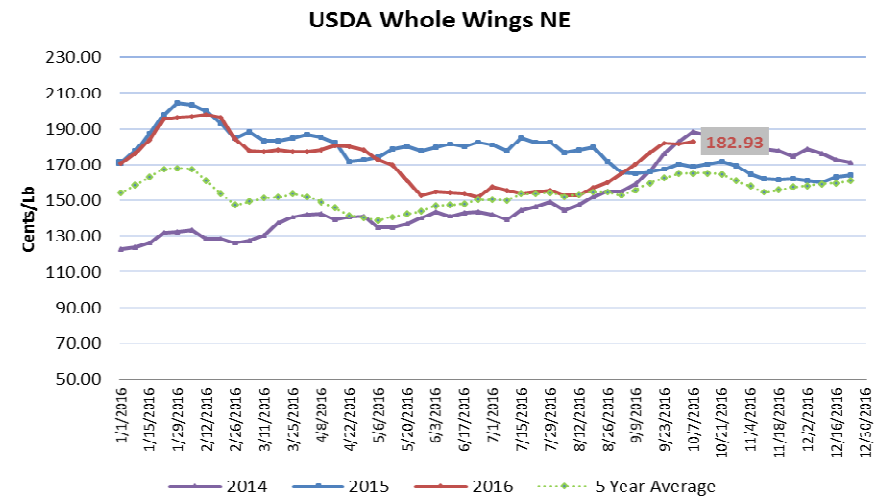
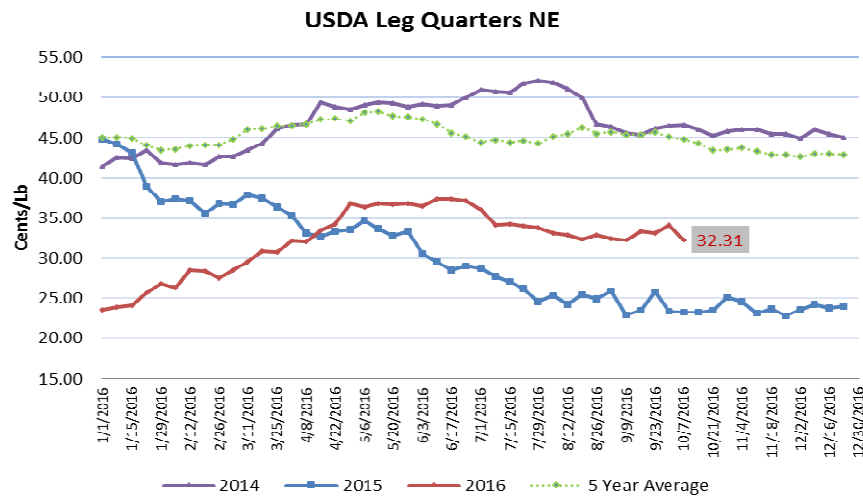
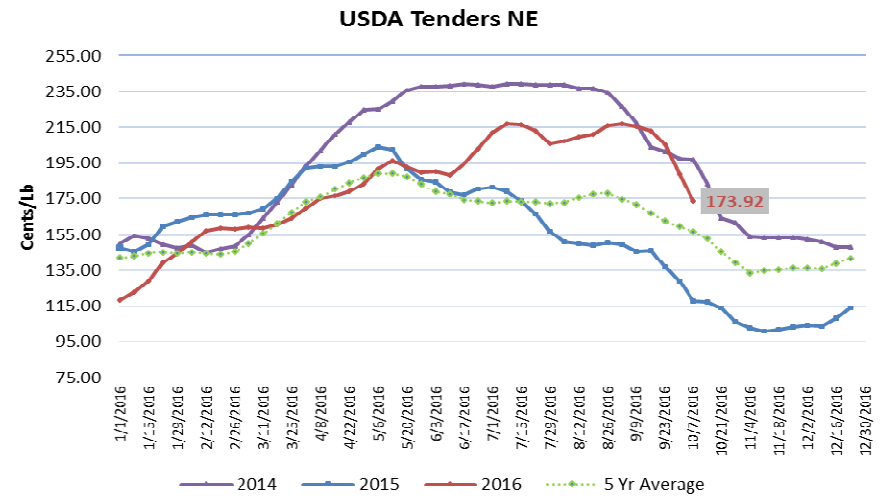
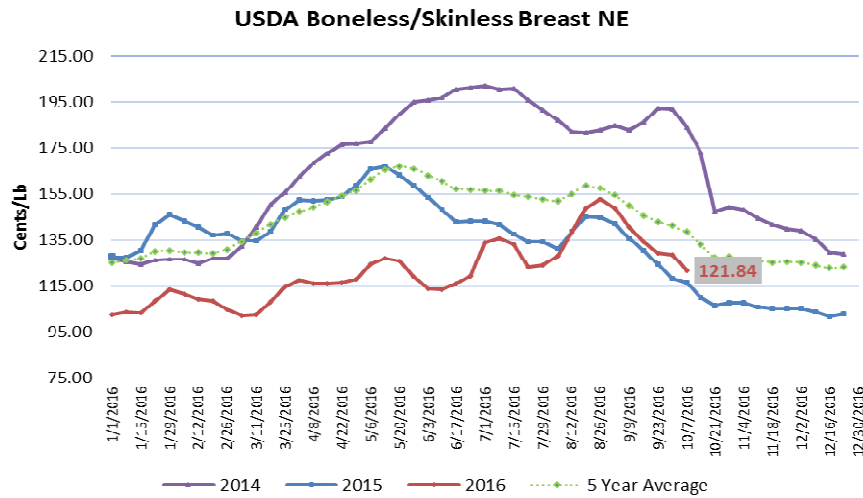


GA Dock





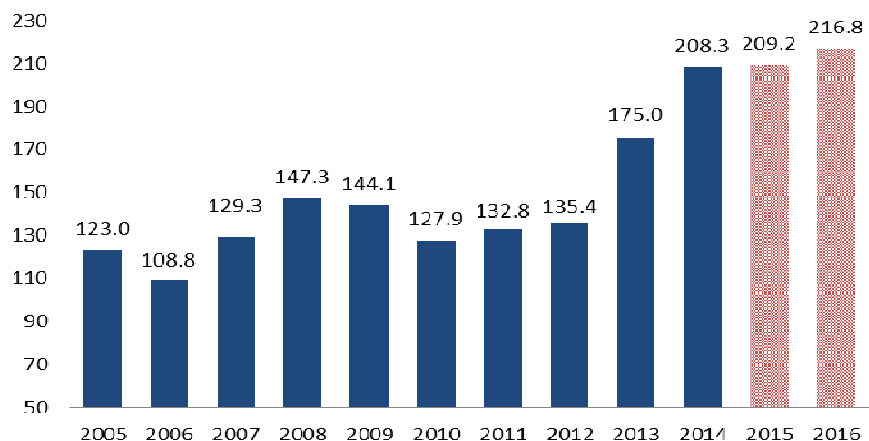
Leg Quarters Improved vs 2015, Other Parts In-line with Normal Seasonality



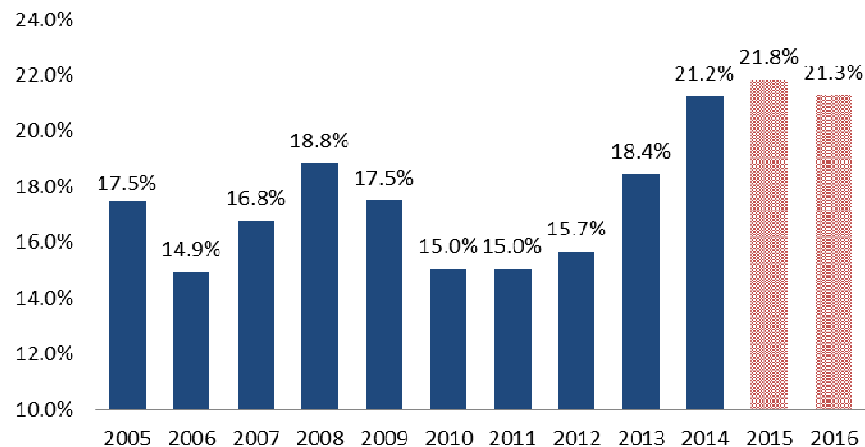


Corn Stocks at Record High Levels

Global Corn Stocks
(Million Metric Tons)



Global Corn Stocks/Use

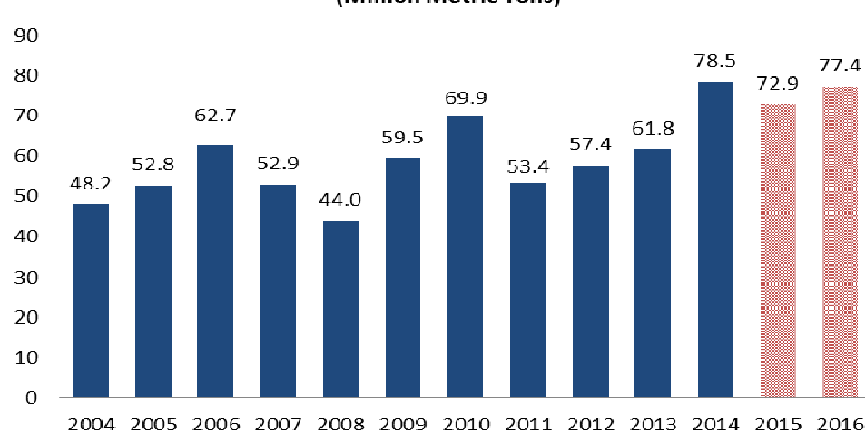


- Global stocks hitting record high levels as harvest remains plentiful.
- 2016 stocks-to-use global inventories have backed off slightly compared to historically high in 2015 but still elevated.

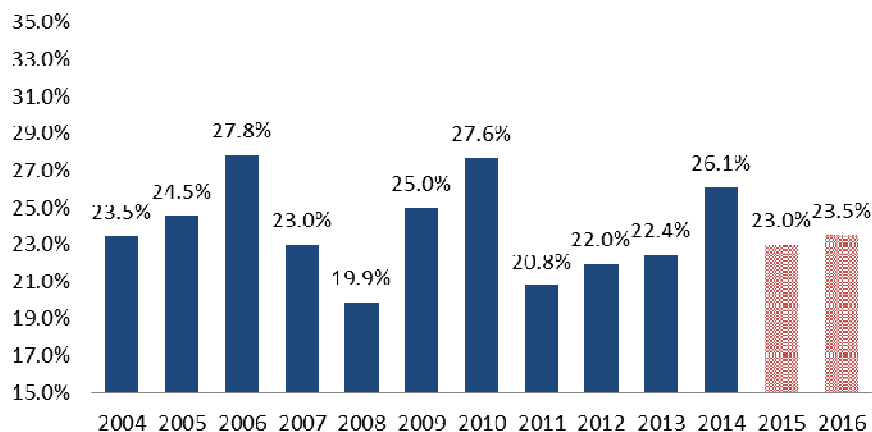


Global Soybean Inventories Increasing

Global Soybean Stocks
(Million Metric Tons)



Global Soybean Stocks/Use



- Global inventories of soybeans remain high and above 2015 levels.
- Demand for oilseed products estimated to narrow slightly in 2016.



Third Quarter 2016 Financial Review

Main Indicators (\$M)	Q3-16	Q3-15
Net Revenue	2,031.7	2,112.5
Gross Profit	210.2	284.5
SG&A	46.4	53.4
Operating Income	163.8	231.1
Net Interest	11.8	10.2
Net Income	98.7	137.1
Earnings Per Share (EPS)	0.39	0.53
Adjusted EBITDA*	210.8	274.3
<i>Adjusted EBITDA Margin*</i>	<i>10.4%</i>	<i>13.0%</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.

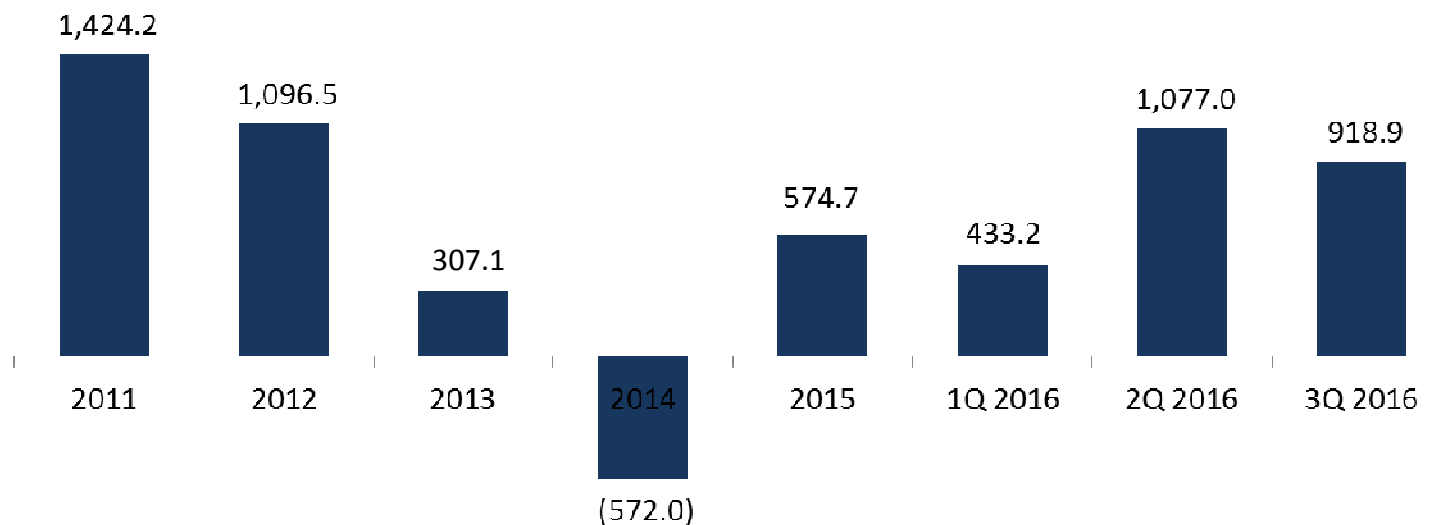
- Respectable Q3 performance: MX environment weaker Q/Q but consistent with seasonality; synergy capture on track. U.S. solid but impacted by downtime due to slower than expected ramp at largest PF plant.
- SG&A also positively impacted by MX synergies.
- Adjusted Q3-16 EBITDA below Q3-15 because of PF plant overhang however Fresh remains solid.

In \$M	U.S.	MX
Net Revenue	1,724.6	307.1
Operating Income	141.2	22.6
<i>Operating Income Margin</i>	<i>8.2%</i>	<i>7.4%</i>



Balance Sheet Strong, With Plenty of Room for Strategic Investments

Net Debt (\$MM)

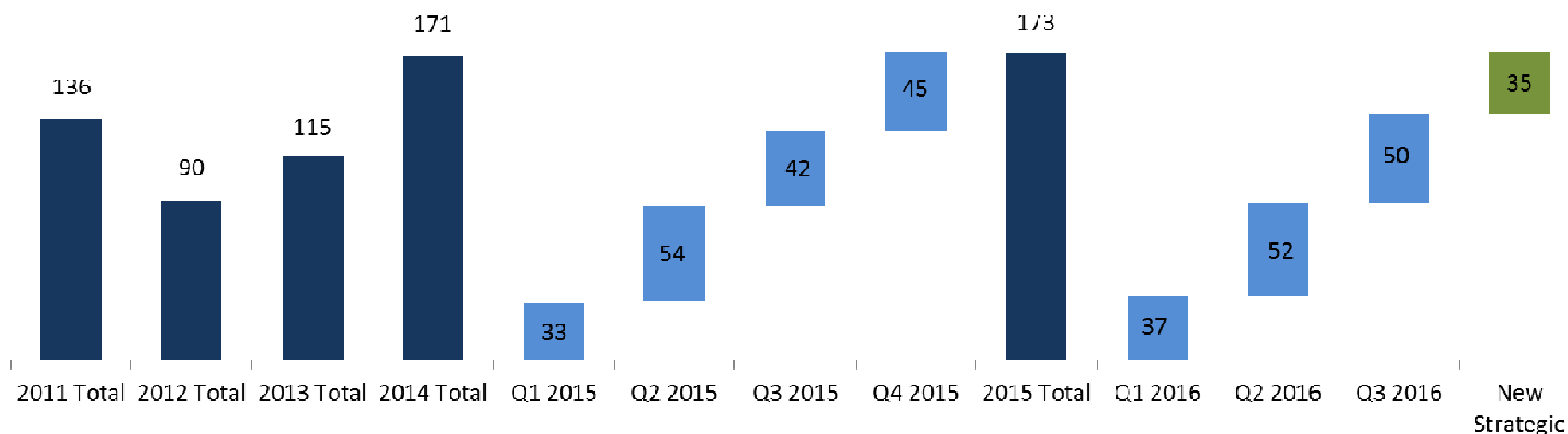


- Cash Flow From Operations generation of \$242MM in the quarter.
- Net debt multiple remains low at 1.05x LTM EBITDA, despite \$700MM special dividend payment paid in Q2.



Third 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.
- New strategic projects will support key customers growth and de-emphasize our exposure to commodity markets.



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**



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		Thirty-Nine Weeks Ended	
	September 25, 2016	September 27, 2015	September 25, 2016	September 27, 2015
	(In thousands)			
Net income	\$ 98,527	\$ 137,095	\$ 369,580	\$ 582,912
Add:				
Interest expense, net	11,834	10,182	34,039	23,784
Income tax expense (benefit)	51,060	73,153	192,062	313,751
Depreciation and amortization	45,772	41,415	134,455	116,485
Minus:				
Amortization of capitalized financing costs	970	1,119	2,859	2,708
EBITDA	206,223	260,726	727,277	1,034,224
Add:				
Foreign currency transaction losses (gains)	4,142	12,773	(837)	23,806
Restructuring charges	279	792	279	5,605
Minus:				
Net income (loss) attributable to noncontrolling interest	(130)	33	(334)	146
Adjusted EBITDA	\$ 210,774	\$ 274,258	\$ 727,053	\$ 1,063,489



Appendix: Reconciliation of LTM EBITDA

The summary unaudited consolidated income statement data for the twelve months ended September 25, 2016 (the LTM Period) have been calculated by subtracting the applicable unaudited consolidated income statement data for the nine months ended September 27, 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 nine months ended September 25, 2016.

PILGRIM'S PRIDE CORPORATION Reconciliation of LTM Adjusted EBITDA

(Unaudited)	Thirteen Weeks Ended December 27, 2015	Thirteen Weeks Ended March 27, 2016	Thirteen Weeks Ended June 26, 2016	Thirteen Weeks Ended September 25, 2016	LTM Ended September 25, 2016
	(In thousands)				
Net income	\$ 63,050	\$ 118,011	\$ 153,042	\$ 98,527	\$ 432,630
Add:					
Interest expense, net	10,091	11,340	10,865	11,834	44,130
Income tax expense (benefit)	33,045	62,604	78,398	51,060	225,107
Depreciation and amortization	42,490	42,391	46,293	45,772	176,946
Minus:					
Amortization of capitalized financing costs	930	928	962	970	3,790
EBITDA	147,746	233,418	287,636	206,223	875,023
Add:					
Foreign currency transaction losses (gains)	2,134	(235)	(4,744)	4,142	1,297
Restructuring charges	—	—	—	279	279
Minus:					
Net income (loss) attributable to noncontrolling interest	(98)	(360)	156	(130)	(432)
Adjusted EBITDA	<u>\$ 149,978</u>	<u>\$ 233,543</u>	<u>\$ 282,736</u>	<u>\$ 210,774</u>	<u>\$ 877,031</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		Thirty-Nine Weeks Ended		Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 25, 2016	September 27, 2015	September 25, 2016	September 27, 2015	September 25, 2016	September 27, 2015	September 25, 2016	September 27, 2015
	(In thousands)							
Net income from continuing operations	\$ 98,527	\$ 137,095	\$ 369,580	\$ 582,912	4.85 %	6.49 %	6.14 %	9.37 %
Add:								
Interest expense, net	11,834	10,182	34,039	23,784	0.58 %	0.48 %	0.57 %	0.38 %
Income tax expense (benefit)	51,060	73,153	192,062	313,751	2.51 %	3.46 %	3.19 %	5.04 %
Depreciation and amortization	45,772	41,415	134,455	116,485	2.25 %	1.96 %	2.23 %	1.87 %
Minus:								
Amortization of capitalized financing costs	970	1,119	2,859	2,708	0.05 %	0.05 %	0.05 %	0.04 %
EBITDA	206,223	260,726	727,277	1,034,224	10.15 %	12.34 %	12.08 %	16.63 %
Add:								
Foreign currency transaction losses (gains)	4,142	12,773	(837)	23,806	0.20 %	0.60 %	(0.01) %	0.38 %
Restructuring charges	279	792	279	5,605	0.01 %	0.04 %	— %	0.09 %
Minus:								
Net income (loss) attributable to noncontrolling interest	(130)	33	(334)	146	(0.01) %	— %	(0.01) %	— %
Adjusted EBITDA	\$ 210,774	\$ 274,258	\$ 727,053	\$ 1,063,489	10.37 %	12.98 %	12.07 %	17.10 %
Net Revenue:	\$ 2,031,721	\$ 2,112,529	\$ 6,022,973	\$ 6,219,324	\$ 2,031,721	\$ 2,112,529	\$ 6,022,973	\$ 6,219,324



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		Thirty-Nine Weeks Ended	
	September 25, 2016	September 27, 2015	September 25, 2016	September 27, 2015
	(In thousands, except per share data)			
Net income (loss) attributable to Pilgrim's Pride Corporation	\$ 98,657	\$ 137,062	\$ 369,914	\$ 582,766
Loss on early extinguishment of debt	—	—	—	68
Foreign currency transaction losses (gains)	4,142	12,773	(837)	23,806
Income (loss) before loss on early extinguishment of debt and foreign currency transaction losses (gains)	102,799	149,835	369,077	606,640
Weighted average diluted shares of common stock outstanding	254,920	259,503	255,037	259,765
Income (loss) before loss on early extinguishment of debt and foreign currency transaction losses (gains) per common diluted share	\$ 0.40	\$ 0.58	\$ 1.45	\$ 2.34



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)

	<u>Thirteen Weeks Ended</u>		<u>Thirty-Nine Weeks Ended</u>	
	<u>September 25, 2016</u>	<u>September 27, 2015</u>	<u>September 25, 2016</u>	<u>September 27, 2015</u>
	(In thousands, except per share data)			
GAAP EPS	\$ 0.39	\$ 0.53	\$ 1.45	\$ 2.24
Loss on early extinguishment of debt	—	—	—	—
Foreign currency transaction losses (gains)	0.02	0.05	—	0.09
Adjusted EPS	<u>\$ 0.40</u>	<u>\$ 0.58</u>	<u>\$ 1.45</u>	<u>\$ 2.34</u>
Weighted average diluted shares of common stock outstanding	254,920	259,503	255,037	259,765



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>September 27, 2015</u>	<u>September 25, 2016</u>
	(In thousands)				
Long term debt, less current maturities	\$ 501,999	\$ 3,980	\$ 985,509	\$ 1,000,398	\$ 1,004,840
Add: Current maturities of long term debt and notes payable	410,234	262	28,812	5,971	92
Minus: Cash and cash equivalents	508,206	576,143	439,638	396,719	85,994
Minus: Available-for-sale securities	96,902	—	—	—	—
Net debt (cash position)	<u>\$ 307,125</u>	<u>\$ (571,901)</u>	<u>\$ 574,683</u>	<u>\$ 609,650</u>	<u>\$ 918,938</u>



Appendix: Segment and Geographic Data

PILGRIM'S PRIDE CORPORATION
Supplementary Selected Segment and Geographic Data

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 25, 2016 (Unaudited)	September 27, 2015	September 25, 2016	September 27, 2015
(In thousands)				
Sources of net sales by country of origin:				
US:	\$ 1,724,625	\$ 1,798,375	\$ 5,072,351	\$ 5,479,992
Mexico:	307,096	314,154	950,622	739,332
Total net sales:	<u>\$ 2,031,721</u>	<u>\$ 2,112,529</u>	<u>\$ 6,022,973</u>	<u>\$ 6,219,324</u>
Sources of cost of sales by country of origin:				
US:	\$ 1,545,163	\$ 1,552,282	\$ 4,470,387	\$ 4,511,158
Mexico:	276,365	275,727	818,748	614,554
Elimination:	(24)	(24)	(72)	(72)
Total cost of sales:	<u>\$ 1,821,504</u>	<u>\$ 1,827,985</u>	<u>\$ 5,289,063</u>	<u>\$ 5,125,640</u>
Sources of gross profit by country of origin:				
US:	\$ 179,462	\$ 246,093	\$ 601,964	\$ 968,836
Mexico:	30,731	38,427	131,874	124,777
Elimination:	24	24	72	71
Total gross profit:	<u>\$ 210,217</u>	<u>\$ 284,544</u>	<u>\$ 733,910</u>	<u>\$ 1,093,684</u>
Sources of operating income by country of origin:				
US:	\$ 141,194	\$ 203,755	\$ 480,278	\$ 833,193
Mexico:	22,604	27,353	108,857	103,854
Elimination:	24	24	72	71
Total operating income:	<u>\$ 163,822</u>	<u>\$ 231,132</u>	<u>\$ 589,207</u>	<u>\$ 937,118</u>