



**Financial Results for  
First Quarter Ended March 31, 2019**

Pilgrim's Pride Corporation  
(NASDAQ: PPC)

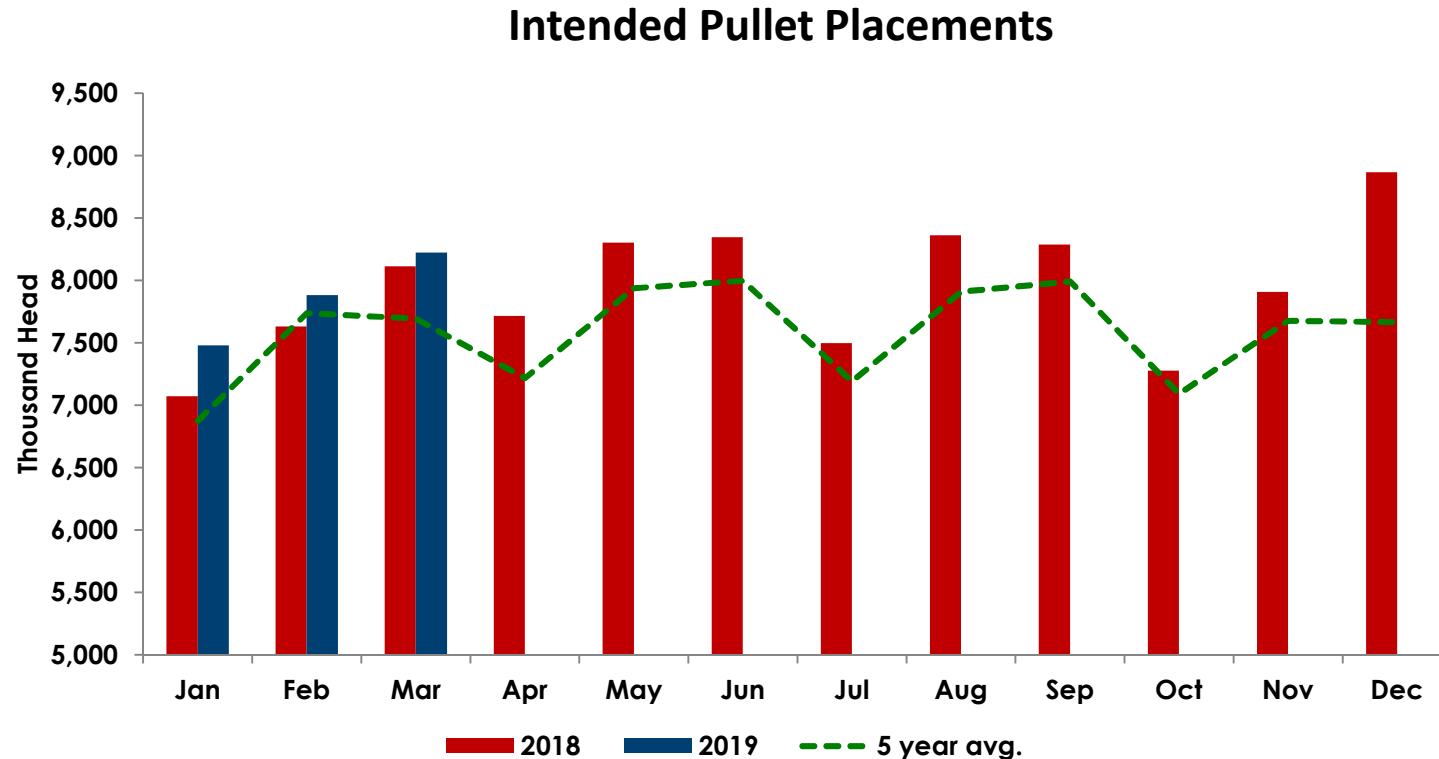
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# Cautionary Notes and Forward-Looking Statements

- 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 In-line with Expected New Capacity



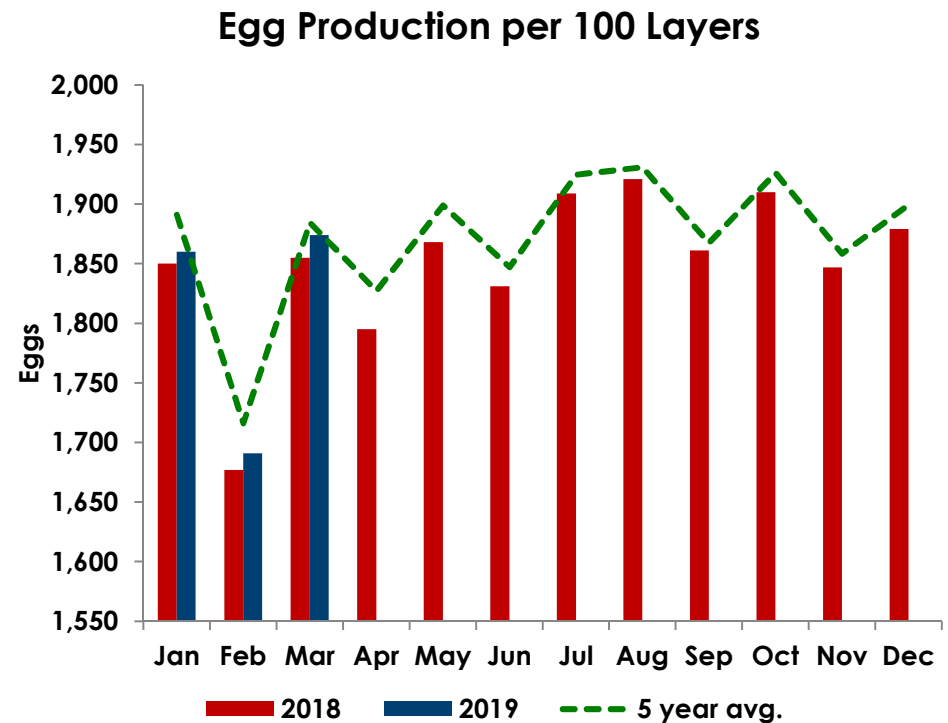
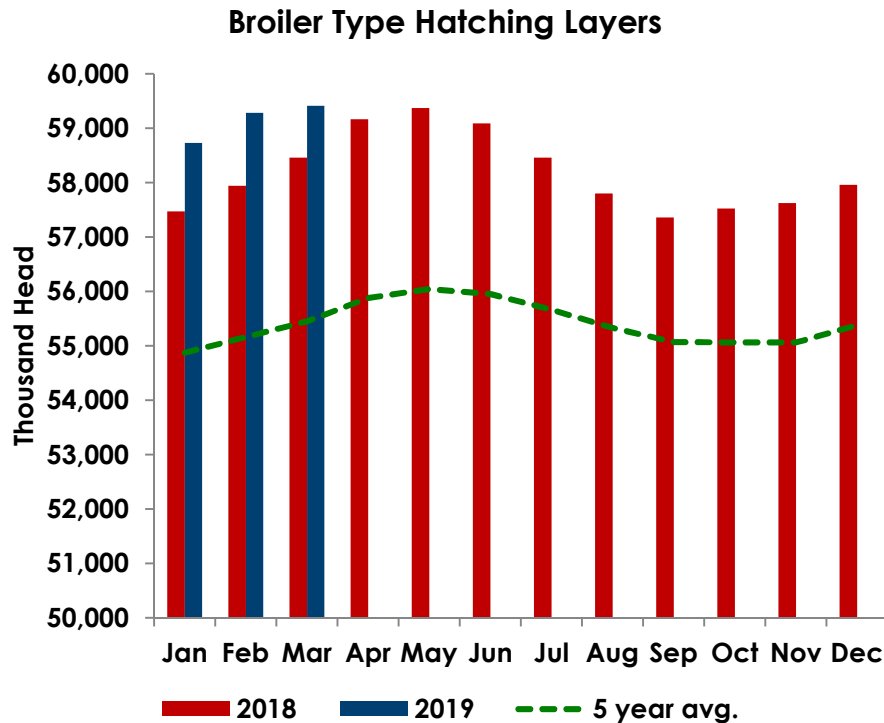
- Trailing 8-Month placements average 3.1% above year prior to accommodate oncoming plants in second half of 2019.



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Source: USDA

## Breeders Up to Accommodate New Processing Capacities, Egg Production YTD Remains Below 5-year Avg



- Hatching layers are up to support ramp up of new industry capacities.
- Egg production improving, but YTD still below the 5-year average.

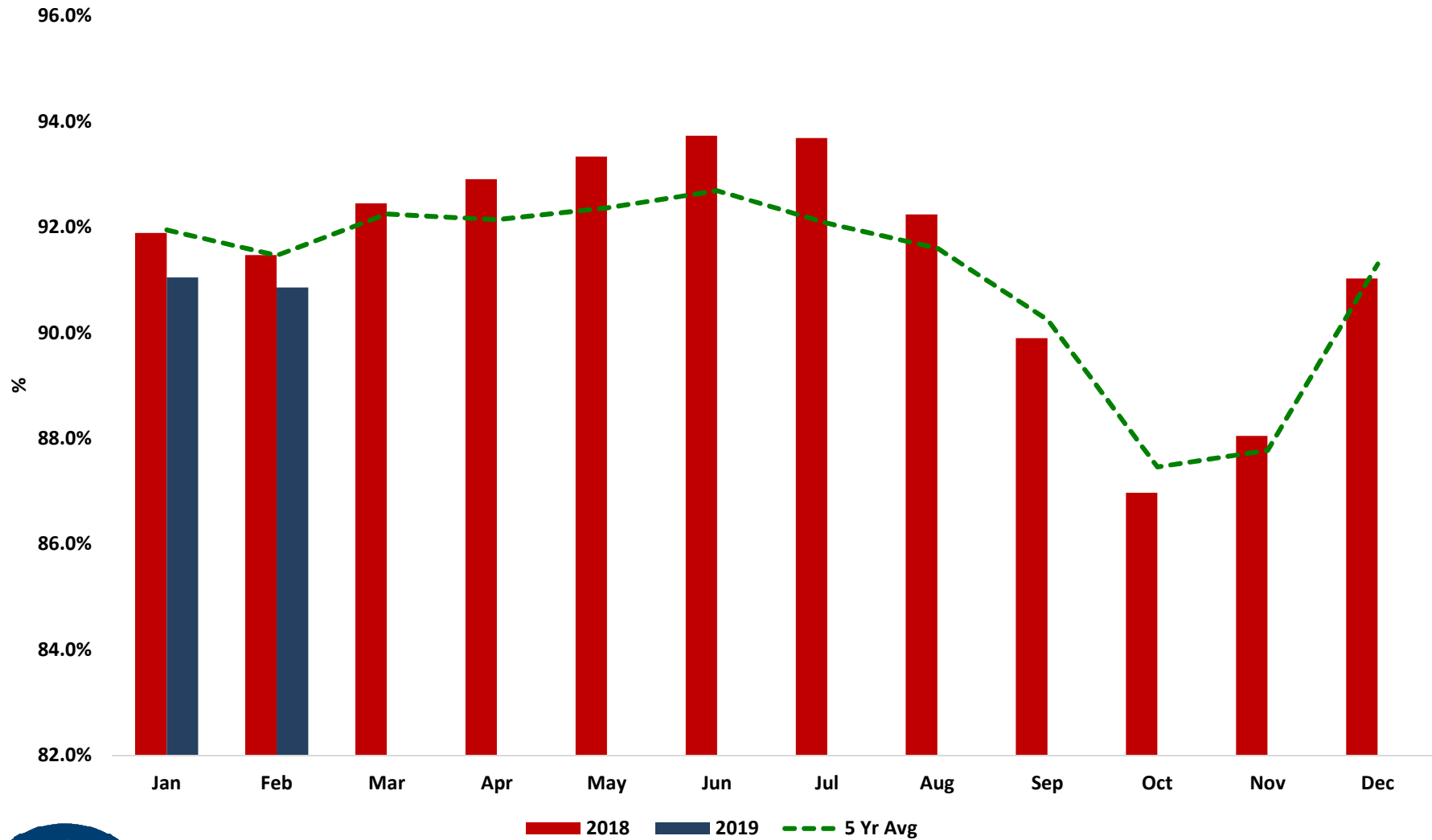


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Source: USDA

# Hatchery Utilization In-line with Historical Levels

## Hatchery Utilization

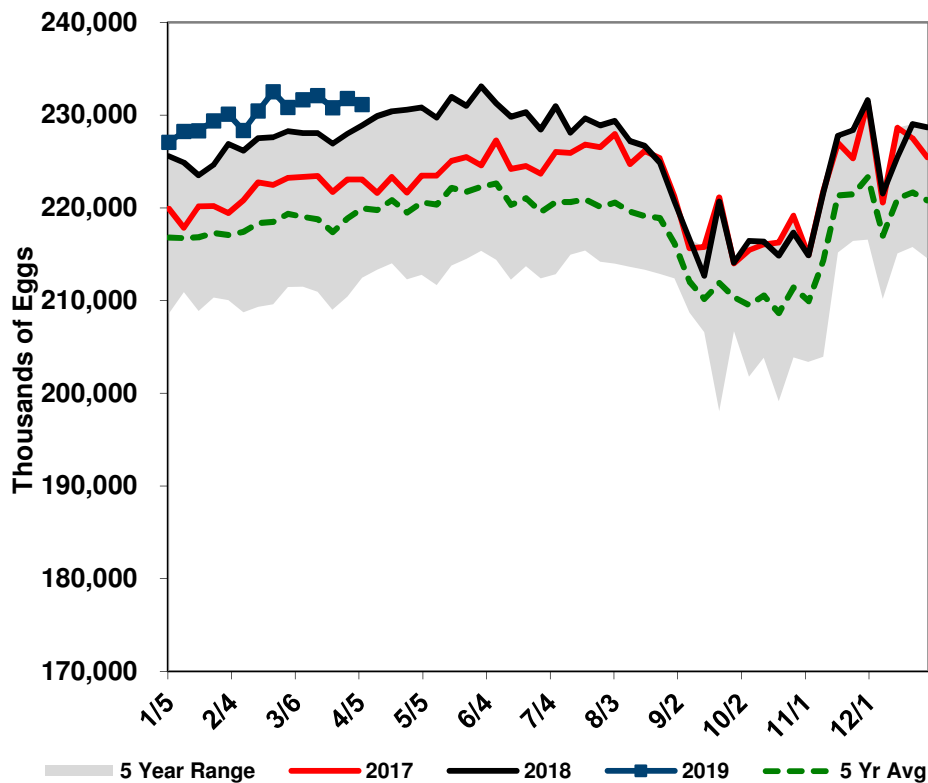


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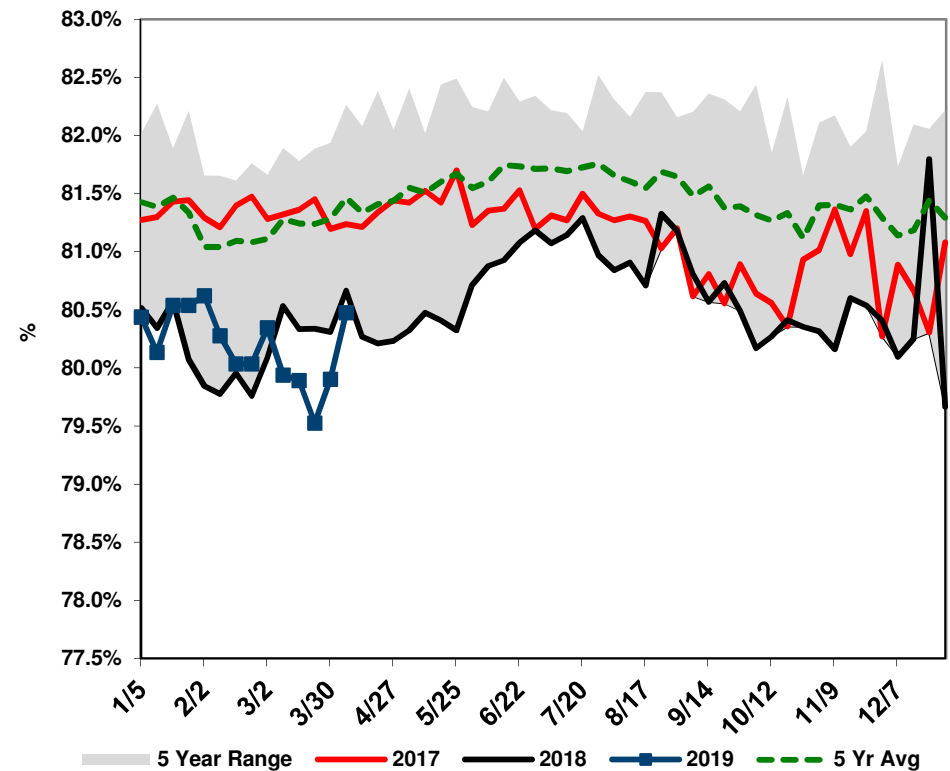
Source: Agristats

# Egg Sets Up +1.5% in Q1 despite Larger Breeder Flock, Hatchability Remains Challenged

Chicken Egg Sets by Week - USDA



Chicken Hatchability by Week - USDA

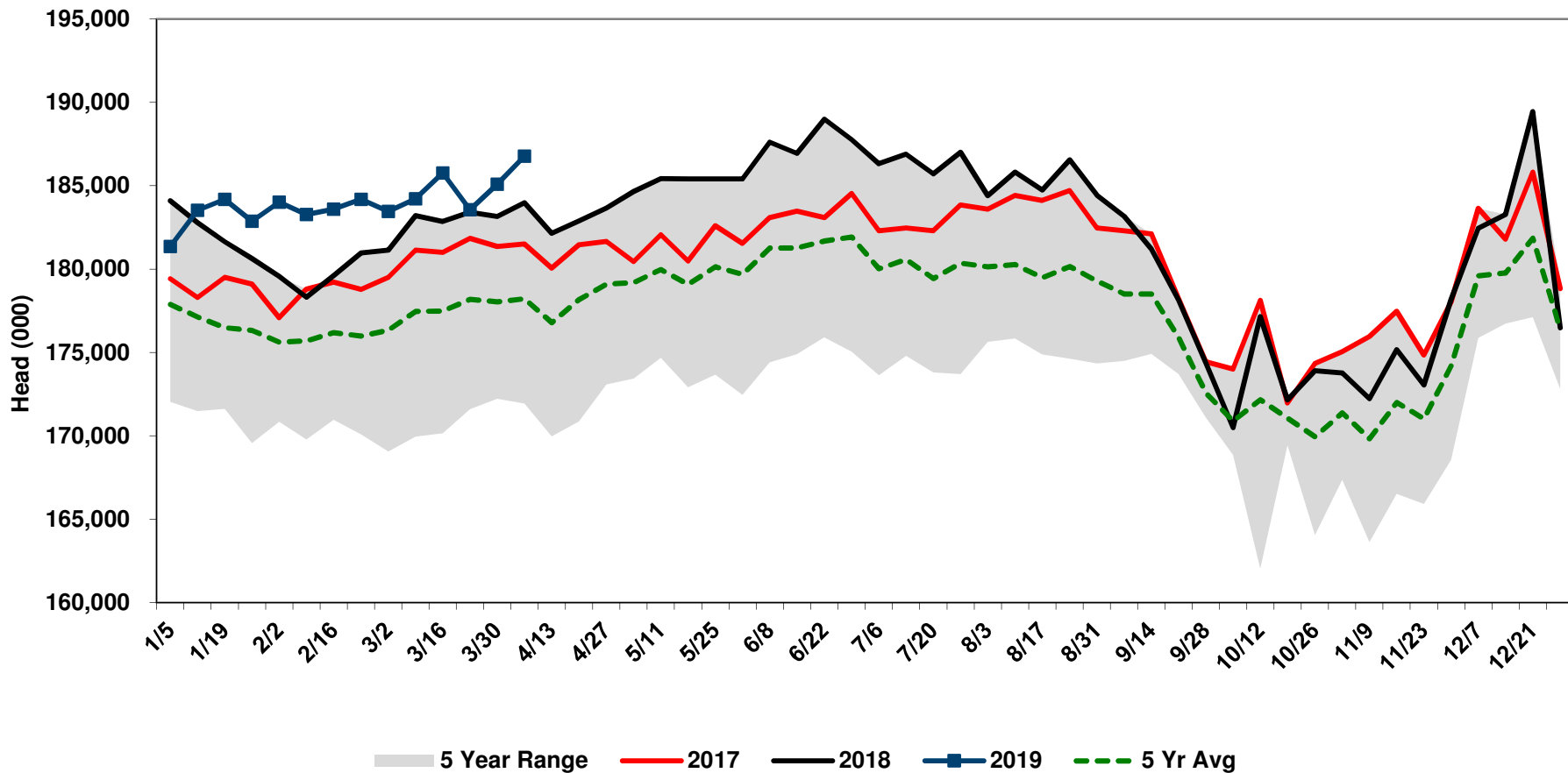


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Source: USDA

# Chick Placements Up +1.2% in Q1

Chicken Broiler Placed  
by Week- USDA

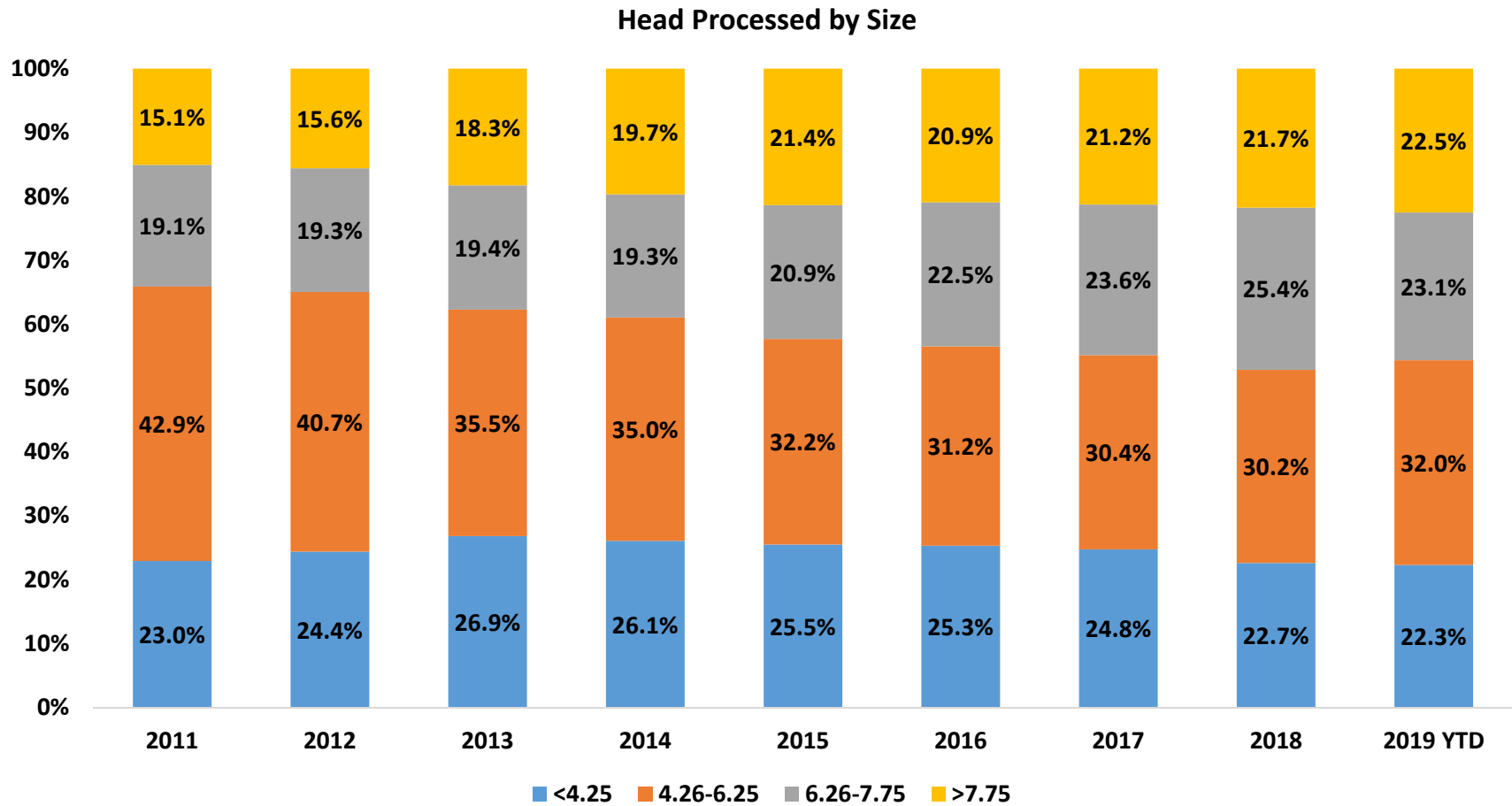


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Source: USDA



# Bigger Bird Categories Continuing to Grow Share, Small Birds Declining

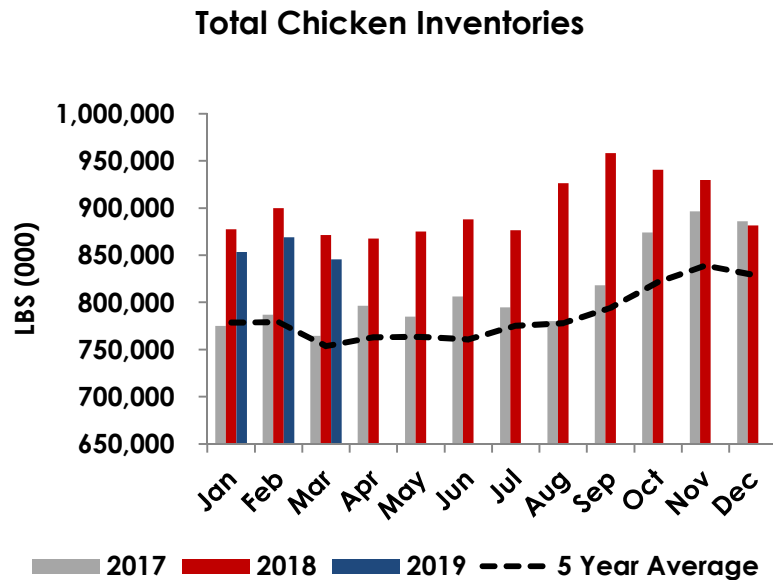


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Source: USDA



# Cold Storage Inventories Moving Lower on Improving Demand



Frozen Chicken Inventory (000 LBS)					
Part	Mar-18	Feb-19	Mar-19	YOY Change	MOM Change
Broilers	15,641	19,363	18,795	▲ 20.2%	▼ -2.9%
Hens	3,869	7,135	6,989	▲ 80.6%	▼ -2.0%
Breast Meat	184,218	186,110	176,749	▼ 4.1%	▲ 5.0%
Drumsticks	27,613	35,698	38,727	▲ 40.2%	▲ 8.5%
LQ	86,768	64,365	64,254	▼ -25.9%	▼ -0.2%
Legs	14,423	11,264	11,133	▼ 22.8%	▼ 1.2%
Thighs	8,853	15,412	9,457	▲ 6.8%	▼ -38.6%
Thigh Meat	24,368	31,671	32,923	▲ 35.1%	▲ 4.0%
Wings	68,347	65,326	61,343	▼ -10.2%	▼ -6.1%
Paws and Feet	26,899	30,085	26,929	▲ 0.1%	▼ -10.5%
Other	410,474	402,427	398,247	▼ -3.0%	▼ -1.0%
<b>Total Chicken</b>	<b>871,473</b>	<b>868,856</b>	<b>845,546</b>	▼ -3.0%	▼ -2.7%

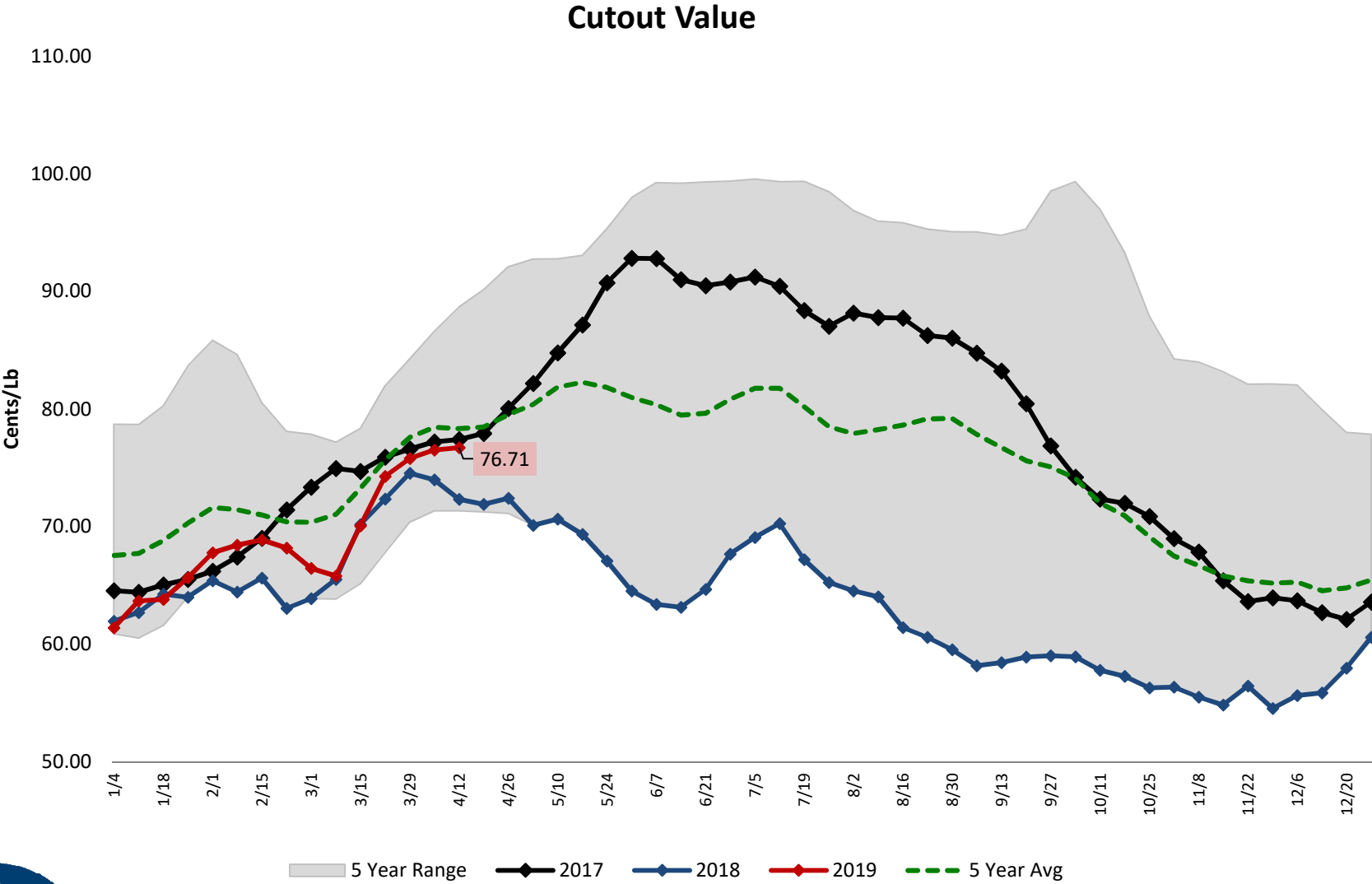
- Total inventories reduction in-line with seasonality; “Other” category declining.
- Breast meat lowering to 2017 levels.
- LQ inventories remain at very low levels.
- Wing inventories below 2017 levels.



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Source: USDA

# Average Cutout Strongly Rebounded Back to 2017 Levels, After Weak 2018

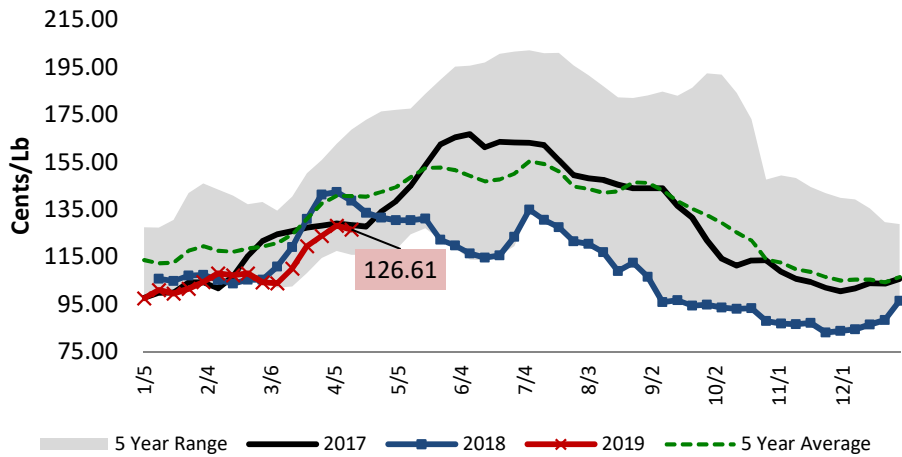


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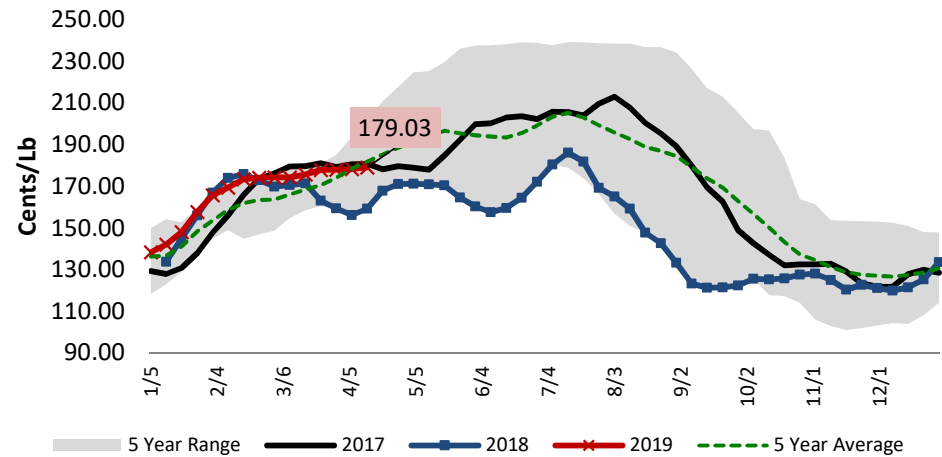
Source: PPC, EMI

# Boneless Breast and Tenders Near 2017 Levels, Wings Very Strong while LQs Back Above Year Ago Levels

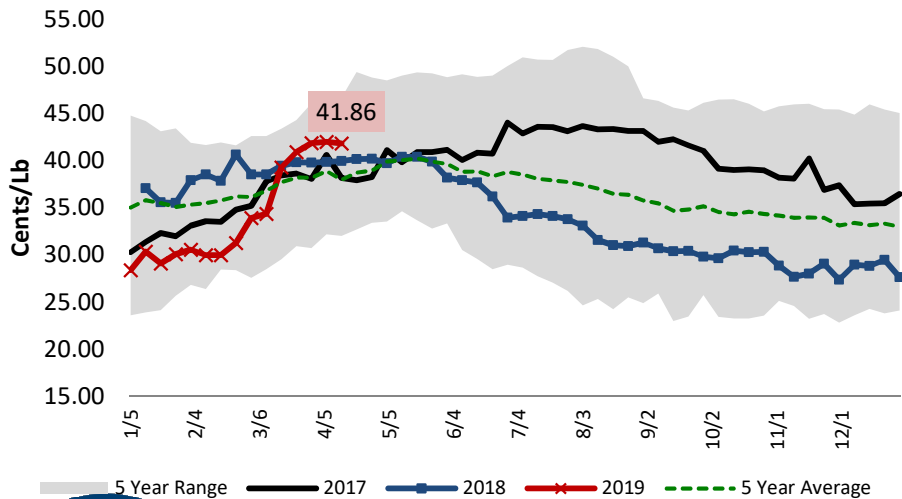
## USDA Boneless/Skinless Breast NE



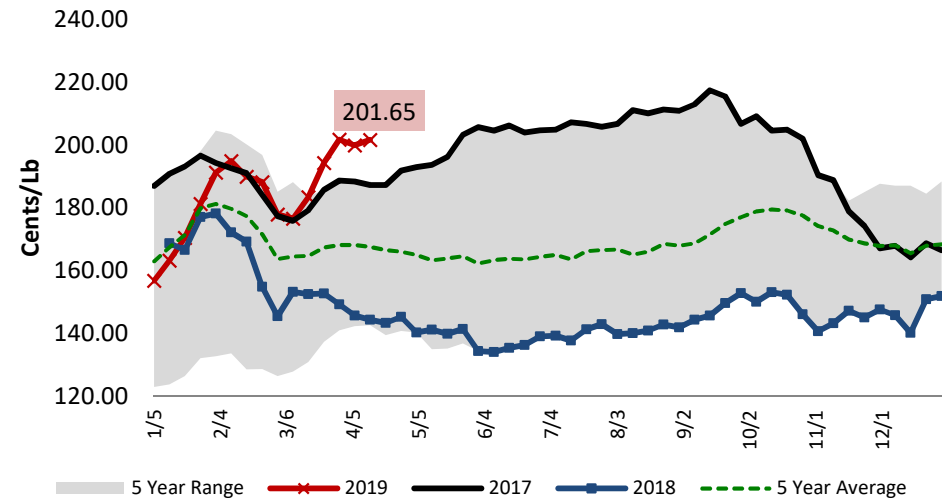
## USDA Tenders NE



## USDA Leg Quarters NE



## USDA Whole Wings NE

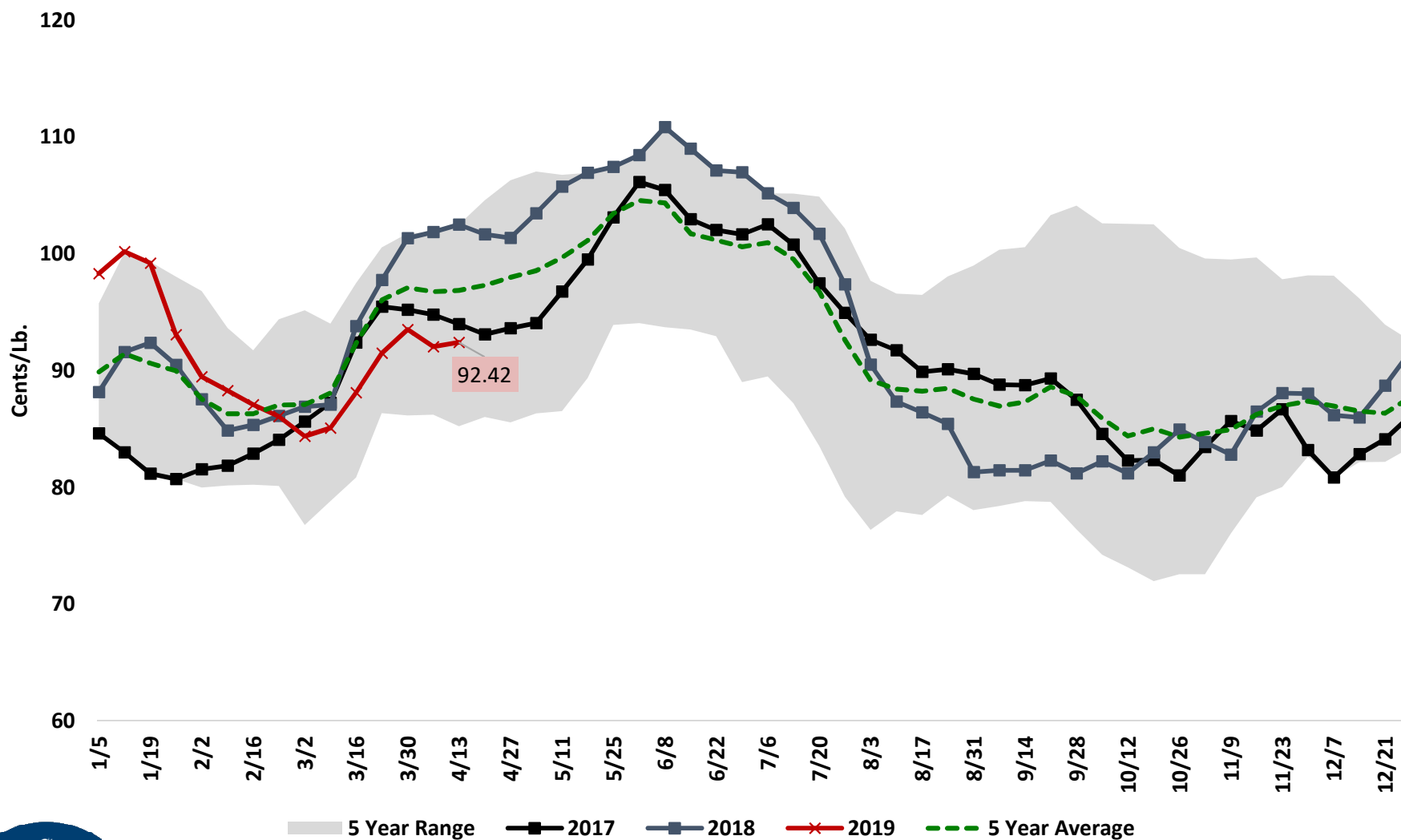


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Source: USDA

# 2018 Small Bird Prices Tracked Close to 2017, Off to a Good Start This Year

EMI WOG 2.5-4.0 LBS

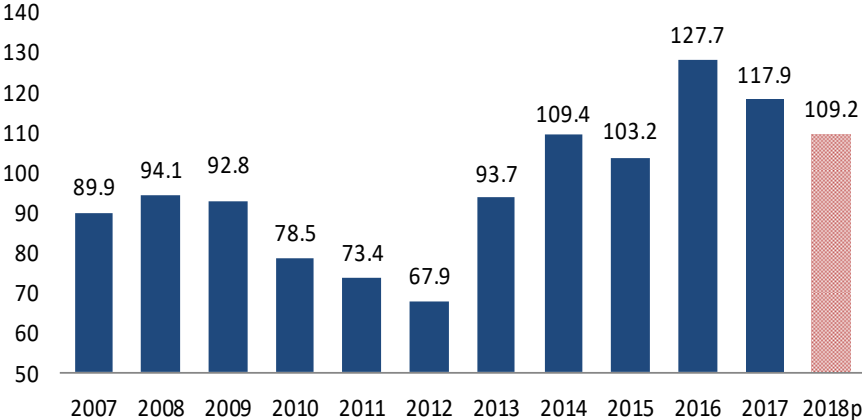


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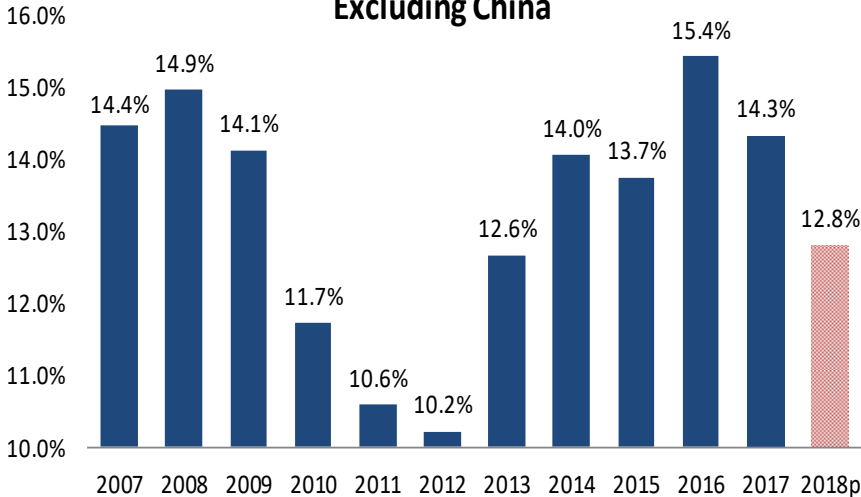
Source: EMI

# Corn Stocks to Decrease from Record Levels

**Global Corn Stocks  
Excluding China  
(Million Metric Tons)**



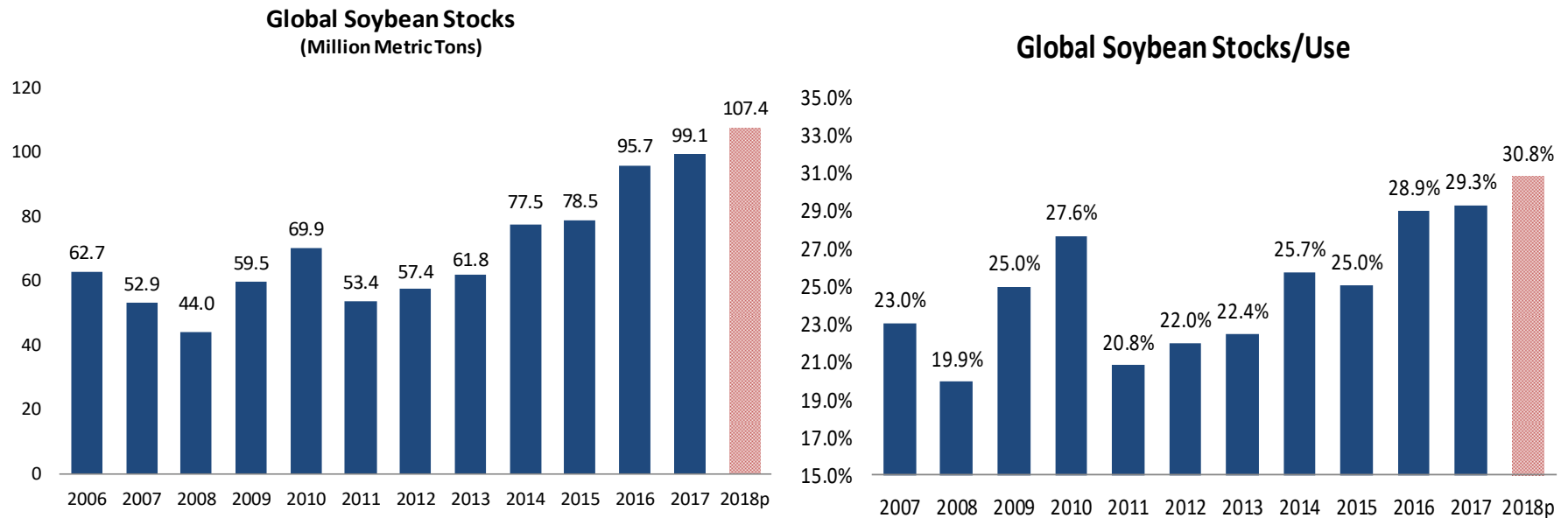
**Global Corn Stocks/Use  
Excluding China**



- As we approach planting season 2018 stocks are expected to decline, plenty of supply remains available.
- Stocks/use projected to tighten in 2018.



# Global Soybean Inventories Projected to Grow



- Stocks are projected to set new record in '18, at 107.4 MMT.
- Record global soybean stocks has kept key export countries competitive, contributing to a large US soybean supply.

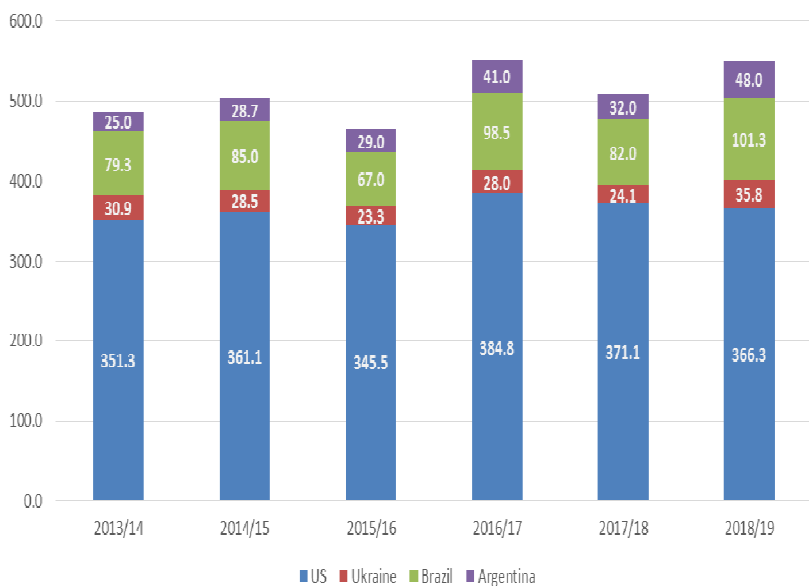


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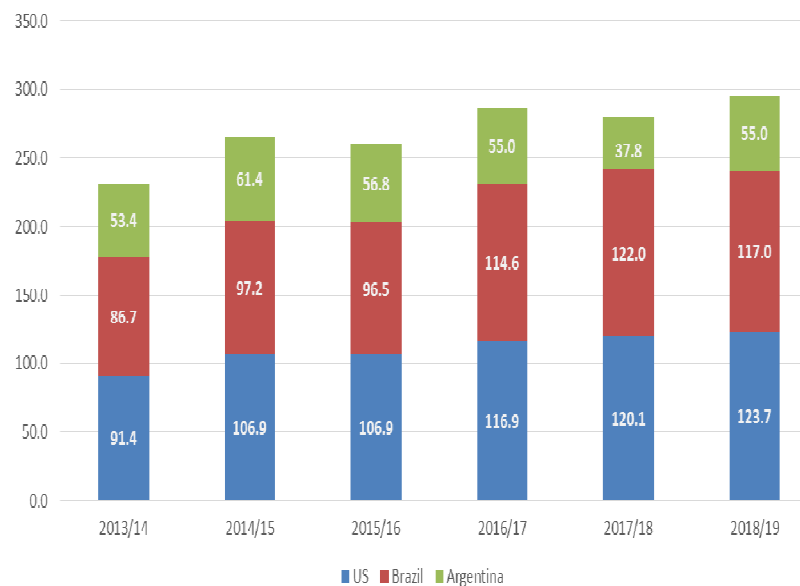
Source: USDA

# Corn and Soybean Production by Major Export Country

Corn Major Exporter Production  
(Million Metric Tons)



Soybean Major Exporter Production  
(Million Metric Tons)



- Big rebound in major exporter production pressuring both corn and soybean prices.



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Source: USDA



## First Quarter 2019 Financial Review

Main Indicators (\$M)	Q1-19	Q1-18
Net Revenue	2,724.7	2,746.7
Gross Profit	218.9	287.7
SG&A	81.9	86.1
Operating Income	137.0	201.6
Net Interest	30.2	48.7
Net Income	84.0	119.4
Earnings Per Share (EPS)	0.34	0.48
Adjusted EBITDA*	204.4	271.8
<i>Adjusted EBITDA Margin*</i>	7.5%	9.9%

\* 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 drove strong rebound Q/Q , PF accelerating in momentum; MX: challenging Q1 supply/demand conditions but Q2 already recovering; UK/Europe: input headwinds compensated by operational improvements and synergy capture.
- SG&A lower due to realized synergies despite more brand investments in U.S. and MX.
- Adjusted Q1-19 EBITDA reflects portfolio, Key Customer strategy, and geographical diversification.

In \$M	U.S.	EU	MX
Net Revenue	1,883.6	515.0	326.1
Operating Income	114.8	12.7	9.5
<i>Operating Income Margin</i>	6.1%	2.5%	2.9%

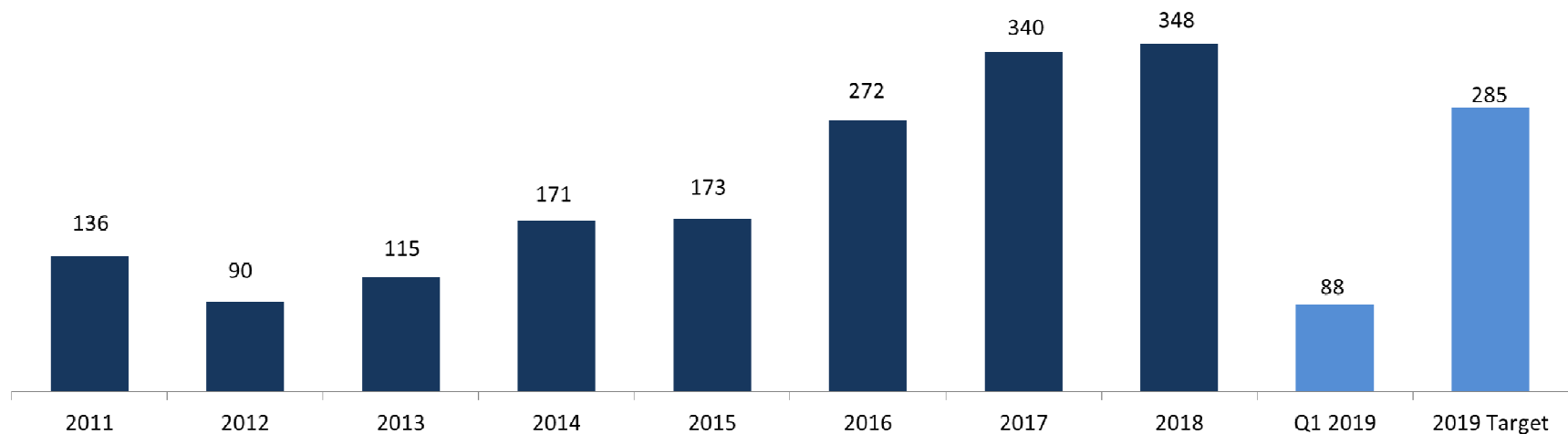


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Source: PPC

# 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

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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	
	March 31, 2019	April 1, 2018
	(In thousands)	
Net income	\$ 84,125	\$ 119,224
Add:		
Interest expense, net	30,222	48,710
Income tax expense (benefit)	20,416	36,997
Depreciation and amortization	67,182	67,444
EBITDA	201,945	272,375
Add:		
Foreign currency transaction losses (gains)	2,636	(1,721)
Acquisition charges	—	179
Restructuring activity	(27)	789
Minus:		
Net income (loss) attributable to noncontrolling interest	114	(194)
Adjusted EBITDA	\$ 204,440	\$ 271,816

Source: PPC



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## Appendix: Reconciliation of LTM EBITDA

The summary unaudited consolidated income statement data for the twelve months ended March 31, 2019 (the LTM Period) have been calculated by subtracting the applicable unaudited consolidated income statement data for the three months ended April 1, 2018 from the sum of (1) the applicable audited consolidated income statement data for the year ended December 30, 2018 and (2) the applicable audited consolidated income statement data for the three months ended March 31, 2019.

### PILGRIM'S PRIDE CORPORATION Reconciliation of LTM Adjusted EBITDA

(Unaudited)	Thirteen Weeks Ended July 1, 2018	Thirteen Weeks Ended September 30, 2018	Thirteen Weeks Ended December 30, 2018	Thirteen Weeks Ended March 31, 2019	LTM Ended March 31, 2019
	(In thousands)				
Net income (loss)	\$ 106,344	\$ 29,463	\$ (8,227)	\$ 84,125	\$ 211,705
Add:					
Interest expense, net	35,433	31,093	33,765	30,222	130,513
Income tax expense	38,522	30,848	(20,944)	20,416	68,842
Depreciation and amortization	70,278	71,971	68,207	67,182	277,638
Minus:					
Amortization of capitalized financing costs	2,453	944	1,232	—	4,629
EBITDA	248,124	162,431	71,569	201,945	684,069
Add:					
Foreign currency transaction losses (gains)	5,630	(6,711)	19,962	2,636	21,517
Acquisition charges	125	16	—	—	141
Restructuring activity	1,135	257	2,584	(27)	3,949
Other nonrecurring losses and expenses	3,298	164	16,023	—	19,485
Minus:					
Net income (loss) attributable to noncontrolling interest	(197)	153	(903)	114	(833)
Adjusted EBITDA	<u>\$ 258,509</u>	<u>\$ 156,004</u>	<u>\$ 111,041</u>	<u>\$ 204,440</u>	<u>\$ 729,994</u>



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Source: PPC

# Appendix: EBITDA Margin Reconciliation

EBITDA margins have been calculated by taking the relevant unaudited EBITDA figures, then dividing by Net Revenue for the applicable period.

## PILGRIM'S PRIDE CORPORATION Reconciliation of EBITDA Margin

(Unaudited)	Thirteen Weeks Ended		Thirteen Weeks Ended	
	March 31, 2019	April 1, 2018	March 31, 2019	April 1, 2018
	(In thousands)			
Net income from continuing operations	\$ 84,125	\$ 119,224	3.09%	4.34%
Add:				
Interest expense, net	30,222	48,710	1.11%	1.77%
Income tax expense	20,416	36,997	0.75%	1.35%
Depreciation and amortization	67,182	67,444	2.46%	2.46%
EBITDA	201,945	272,375	7.41%	9.92%
Add:				
Foreign currency transaction losses (gains)	2,636	(1,721)	0.09%	(0.06)%
Acquisition charges	—	179	—%	—%
Restructuring activity	(27)	789	—%	0.03%
Minus:				
Net income (loss) attributable to noncontrolling interest	114	(194)	—%	(0.01)%
Adjusted EBITDA	\$ 204,440	\$ 271,816	7.50%	9.90%
Net sales	\$ 2,724,675	\$ 2,746,678		



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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 Earnings

(Unaudited)	Thirteen Weeks Ended	
	March 31, 2019	April 1, 2018
	(In thousands, except per share data)	
Net income attributable to Pilgrim's Pride Corporation	\$ 84,011	\$ 119,418
Adjustments, net of tax:		
Loss on early extinguishment of debt	—	12,895
Acquisition charges and restructuring activity	(27)	968
Foreign currency transaction losses (gains)	2,636	(1,721)
Income before loss on early extinguishment of debt, acquisition charges and restructuring activity, and foreign currency transaction losses (gains)	86,620	131,560
Weighted average diluted shares of common stock outstanding	249,557	248,989
Income before loss on early extinguishment of debt, acquisition charges and restructuring activity, and foreign currency transaction losses (gains) per common diluted share	\$ 0.35	\$ 0.53



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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	
	March 31, 2019	April 1, 2018
	(In thousands, except per share data)	
GAAP EPS	\$ 0.34	\$ 0.48
Adjustments, net of tax:		
Loss on early extinguishment of debt	—	0.05
Foreign currency transaction losses (gains)	0.01	(0.01)
Adjusted EPS	\$ 0.35	\$ 0.53
Weighted average diluted shares of common stock outstanding	249,557	248,989



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Source: PPC

# Appendix: Segment and Geographic Data

## PILGRIM'S PRIDE CORPORATION Supplementary Selected Segment and Geographic Data

(Unaudited)	Thirteen Weeks Ended	
	March 31, 2019	April 1, 2018
	(In thousands)	
Sources of net sales by country of origin:		
US	\$ 1,883,591	\$ 1,841,105
Europe	514,962	544,300
Mexico	326,122	361,273
Total net sales	<u>\$ 2,724,675</u>	<u>\$ 2,746,678</u>
Sources of cost of sales by country of origin:		
US	\$ 1,713,419	\$ 1,658,734
Europe	485,378	501,568
Mexico	306,963	298,735
Elimination	(24)	(24)
Total cost of sales	<u>\$ 2,505,736</u>	<u>\$ 2,459,013</u>
Sources of gross profit by country of origin:		
US	\$ 170,172	\$ 182,370
Europe	29,584	42,733
Mexico	19,159	62,538
Elimination	24	24
Total gross profit	<u>\$ 218,939</u>	<u>\$ 287,665</u>
Sources of operating income by country of origin:		
US	\$ 114,840	\$ 127,286
Europe	12,714	21,413
Mexico	9,464	52,870
Elimination	24	24
Total operating income	<u>\$ 137,042</u>	<u>\$ 201,593</u>



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Source: PPC