

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of report (Date of earliest event reported): July 31, 2024

PILGRIM'S PRIDE CORPORATION

(Exact Name of registrant as specified in its charter)

1-9273

(Commission File Number)

75-1285071

(IRS Employer Identification No.)

Delaware
(State or other jurisdiction of
incorporation or organization)

1770 Promontory Circle
Greeley CO
(Address of principal executive offices)

80634-9038
(Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
Common Stock, Par Value \$0.01

Trading Symbol
PPC

Name of Exchange on Which Registered
The Nasdaq Stock Market LLC

Not Applicable

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

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 12b-2 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 7.01 Regulation FD Disclosure.

Attached hereto as Exhibit 99.1 is an overview of Pilgrim's Pride Corporation to be referenced during the Company's earnings conference call on August 1, 2024.

The information furnished in Item 7.01 and in Exhibit 99.1 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any of Pilgrim's Pride Corporation's filings under the Securities Act of 1933, as amended, or the Exchange Act.

Item 9.01 Financial Statements and Exhibits.

[Exhibit 99.1](#) Supplemental Historical Financial Information

Exhibit 104 Cover Page Interactive Data File formatted in iXBRL

SIGNATURE

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: July 31, 2024

/s/ Matthew Galvanoni
Matthew Galvanoni
Chief Financial Officer and Chief Accounting Officer



**Financial Results for Second Quarter Ended
June 30, 2024**

Pilgrim's Pride Corporation
(NASDAQ: PPC)



Cautionary Notes and Forward-Looking Statements

- Statements contained in this press release that state the intentions, plans, hopes, beliefs, anticipations, expectations or predictions of the future of Pilgrim's Pride Corporation and its management are considered forward-looking statements. Without limiting the foregoing, words such as "anticipates," "believes," "estimates," "expects," "intends," "may," "plans," "projects," "should," "targets," "will" and the negative thereof and similar words and expressions are intended to identify forward-looking statements. It is important to note that actual results could differ materially from those projected in such forward-looking statements. Factors that could cause actual results to differ materially from those projected in such forward-looking statements include: matters affecting the poultry industry generally; the ability to execute the Company's business plan to achieve desired cost savings and profitability; future pricing for feed ingredients and the Company's products; outbreaks of avian influenza or other diseases, either in Pilgrim's Pride's flocks or elsewhere, affecting its ability to conduct its operations and/or demand for its poultry products; contamination of Pilgrim's Pride's 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; management of cash resources; restrictions imposed by, and as a result of, Pilgrim's Pride's leverage; changes in laws or regulations affecting Pilgrim's Pride's operations or the application thereof; new immigration legislation or increased enforcement efforts in connection with existing immigration legislation that cause the costs of doing business to increase, cause Pilgrim's Pride to change the way in which it does business, or otherwise disrupt its operations; competitive factors and pricing pressures or the loss of one or more of Pilgrim's Pride's 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, including, but not limited to, the impacts of the Russia-Ukraine conflict; the risk of cyber-attacks, natural disasters, power losses, unauthorized access, telecommunication failures, and other problems on our information systems; and the impact of uncertainties of litigation and other legal matters described in our most recent Form 10-K and Form 10-Q, including the In re Broiler Chicken Antitrust Litigation, as well as other risks described under "Risk Factors" in the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and subsequent filings with the Securities and Exchange Commission. The forward-looking statements in this release speak only as of the date hereof, and the Company undertakes no obligation to update any such statement after the date of this release, whether as a result of new information, future developments or otherwise, except as may be required by applicable law.
- 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.



Second Quarter 2024 Financial Review

Main Indicators (\$MM)	Q2 2024	Q2 2023
Net Revenue	4,559.3	4,308.1
Gross Profit	691.6	278.4
SG&A	214.2	148.4
Operating Income	440.8	100.3
Net Interest	15.3	39.5
Net Income	326.5	60.9
Earnings Per Share (EPS)	1.37	0.25
Adjusted EBITDA*	655.9	248.7
<i>Adjusted EBITDA Margin*</i>	14.4%	5.8%

* 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 US GAAP.

- U.S.: Year-over-year (YoY) increase in commodity market pricing and moderating input costs positively impacted Big Bird business; along with growth with Key Customers in Case Ready and Small Bird driving operating income improvement for the US business; Europe: Significant year-over-year profit improvement due to operational efficiencies and cost reductions; Mexico: profitability increases due to improved balance in supply / demand dynamic.
- SG&A higher due to legal settlement expense and higher incentive compensation costs; partially offset by cost efficiencies achieved in all regions.
- Net interest lower due to gain on early extinguishment of debt and higher interest income.
- Q2 2024 Adjusted EBITDA* YoY increase driven by higher US commodity market pricing, along with lower input costs; growth with our Key Customers and operating efficiencies generated in all regions.

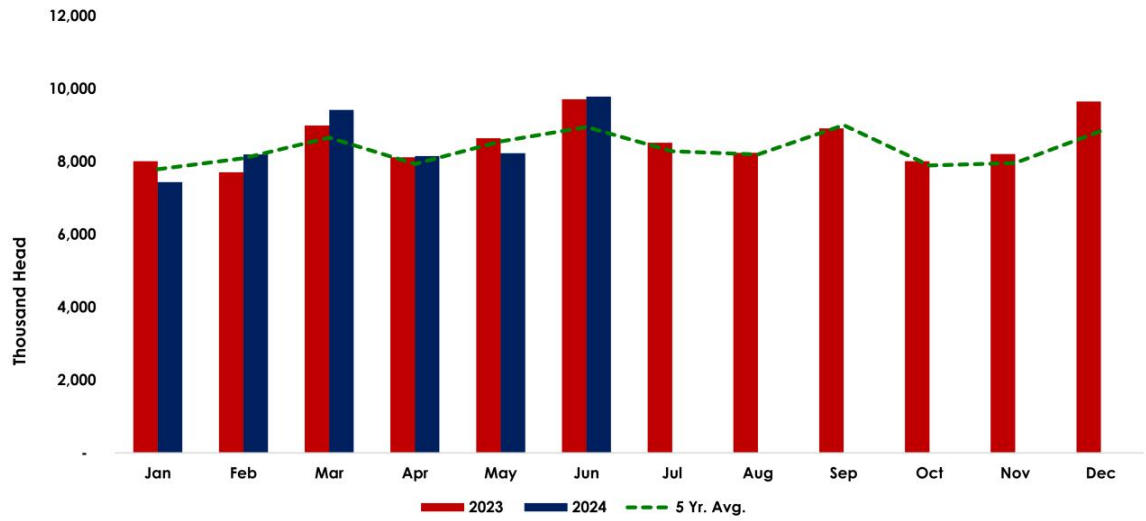
In \$MM	U.S.	EU	MX
Net Revenue	2,664.0	1,301.5	593.8
Adjusted Operating Income*	379.2	60.7	108.8
<i>Adjusted Operating Income Margin*</i>	14.2%	4.7%	18.3%

Source: PPC



Pullet Placements Declined Y/Y in Q2-2024 Given Reductions In May

Intended Pullet Placements

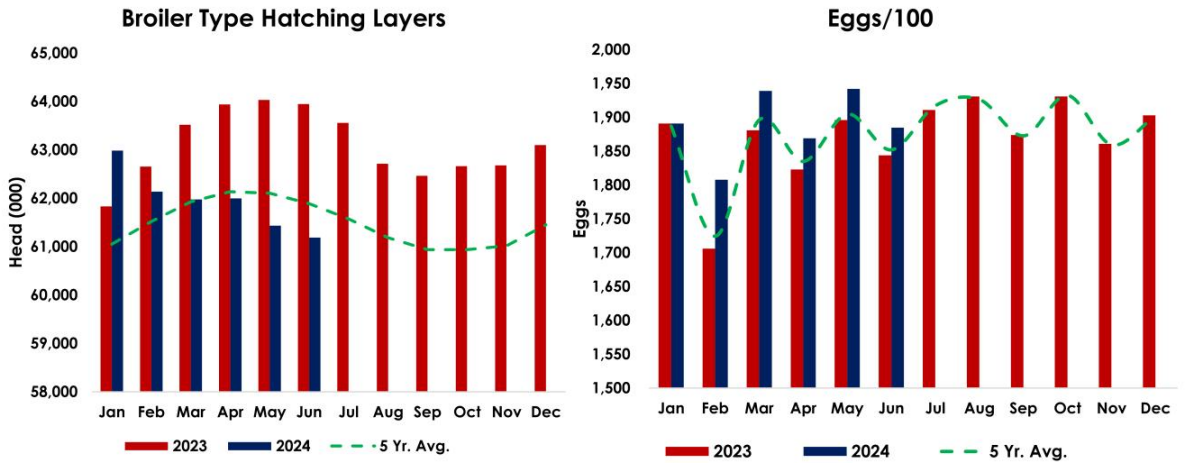


- Trailing 8-month placements increased 1.6% vs. year ago.

Source: USDA



Broiler Layer Flock Decreased Y/Y In Q2-24; Eggs/100 Increased Y/Y In Q2-24

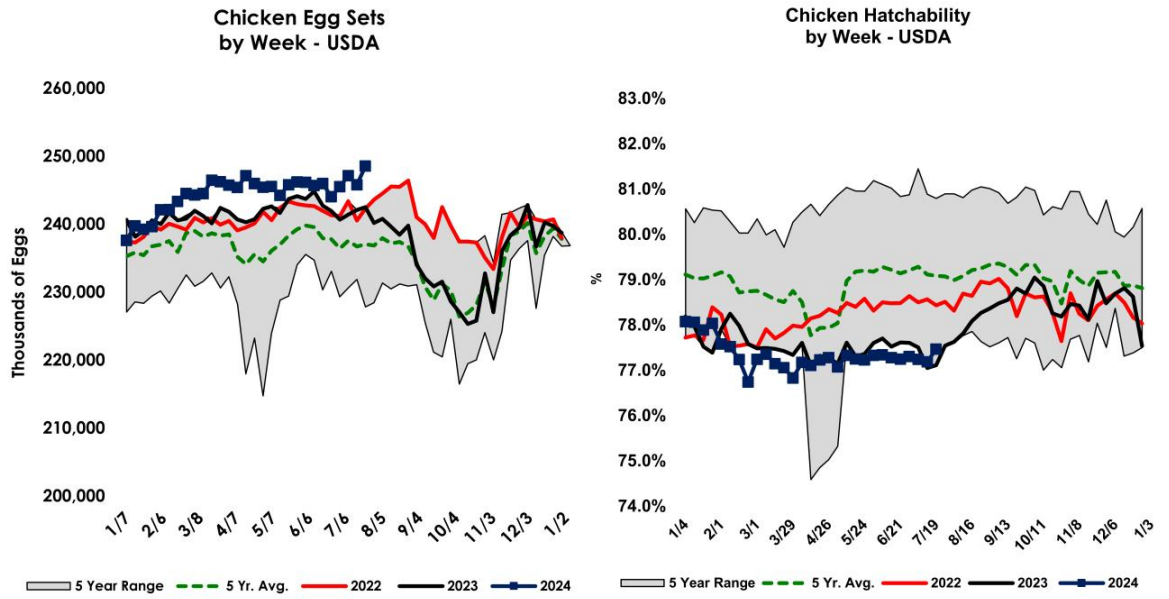


- Broiler layer flock -3.8% YoY in Q2-24.
- Eggs/100 +2.4% YoY in Q2-24.

Source: USDA



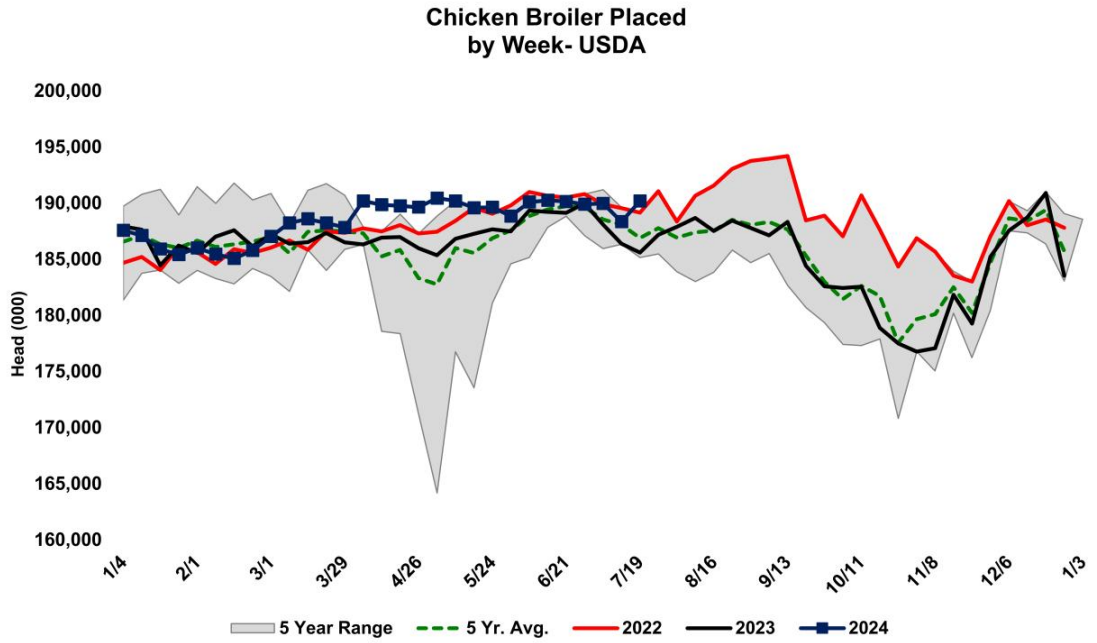
Egg Sets Increased 1.4% YoY in Q2-24; Hatchability -0.3% Below Q2-23 Levels



Source: USDA



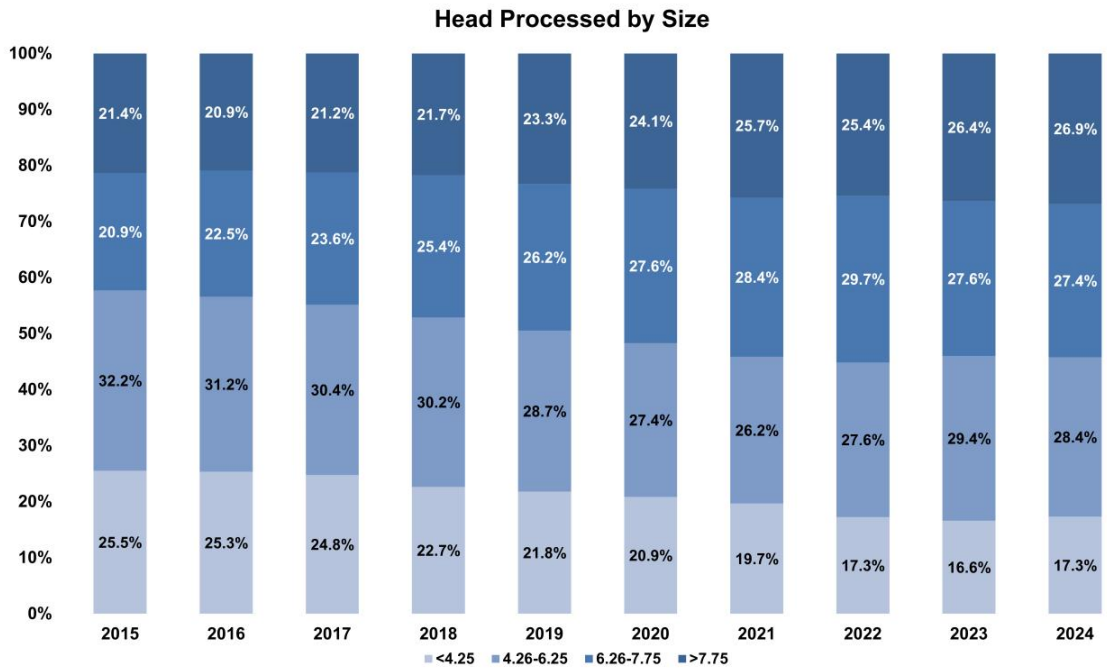
Broiler Placements Increased 1.2% Above Year-Ago Levels in Q2-24



Source: USDA



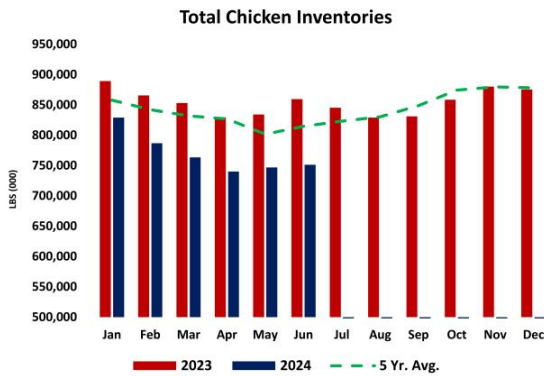
Reduced Head Counts in Small Bird Debone Segment in Q2-24



Source: USDA



Industry Cold Storage Supplies in Q2-24 Trend Below Year Ago and 5-Year Average



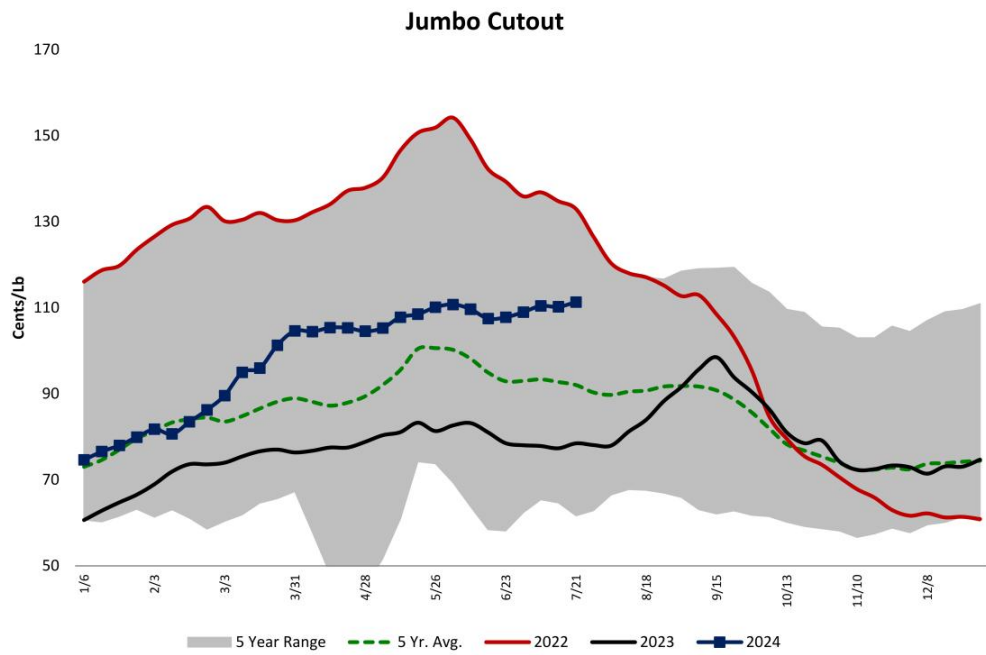
Part	Frozen Chicken Inventory (000 LBS)			YOY Change	MOM Change
	Jun-23	May-24	Jun-24		
Broilers	13,942	12,612	11,530	▼ -17.3%	▼ -8.6%
Hens	7,854	3,779	3,878	▼ -50.6%	▲ 2.6%
Breast Meat	235,823	209,314	207,676	▼ -11.9%	▼ -0.8%
Drumsticks	26,985	30,786	29,186	▲ 8.2%	▼ -5.2%
LQ	65,832	52,461	54,165	▼ -17.7%	▲ 3.2%
Legs	19,445	13,758	13,455	▼ -30.8%	▼ -2.2%
Thighs	9,332	8,739	8,659	▼ -7.2%	▼ -0.9%
Thigh Meat	15,943	13,855	13,931	▼ -12.6%	▲ 0.5%
Wings	68,722	52,362	50,152	▼ -27.0%	▼ -4.2%
Paws and Feet	26,383	25,273	29,589	▲ 12.2%	▲ 17.1%
Other	369,595	324,153	329,249	▼ -10.9%	▲ 1.6%
Total Chicken	859,856	747,092	751,470	▼ -12.6%	▲ 0.6%

- Total Inventories ended Q2 -12.6% Y/Y and -7.8% below 5-year average.
- Breast meat inventories decreased -11.9% Y/Y.
- Wing inventories continue to decline -27.0% below year ago.
- Dark Meat inventories decreased -13.2% Y/Y and -17.9% below 5-year average
- Other category continues to be large contributor of inventory, also experienced significant decline from year ago.

Source: USDA



Jumbo Cutout Pricing Trended Above Year Ago and 5-year Average in Q2-24

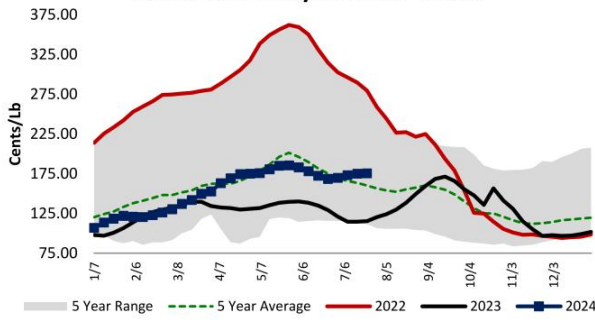


Source: PPC, EMI

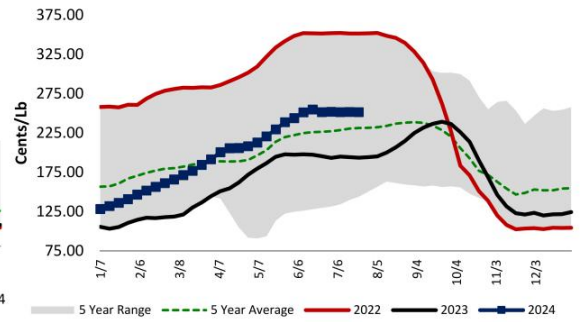


BSB and Tenders Improved Seasonally, Wings accelerated above seasonal norm, LQ Steady in Q2-24

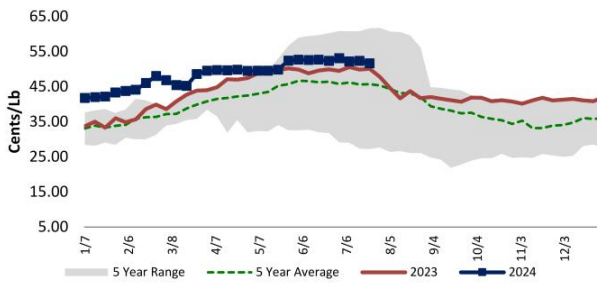
USDA Boneless/Skinless Breast



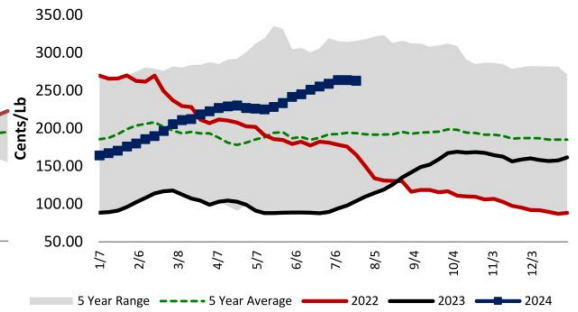
USDA Tenders



USDA Leg Quarters

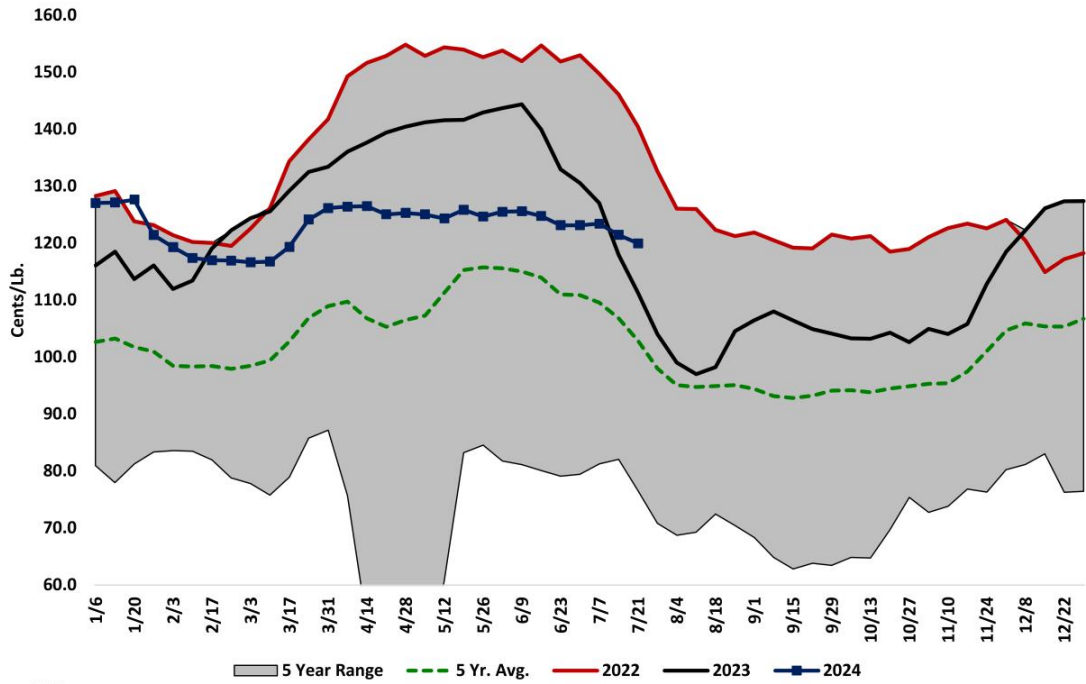


USDA Whole Wings NE

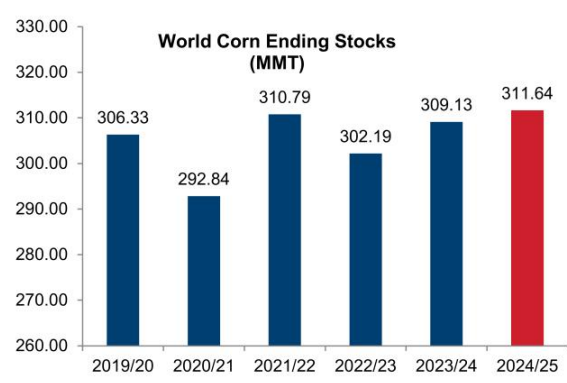
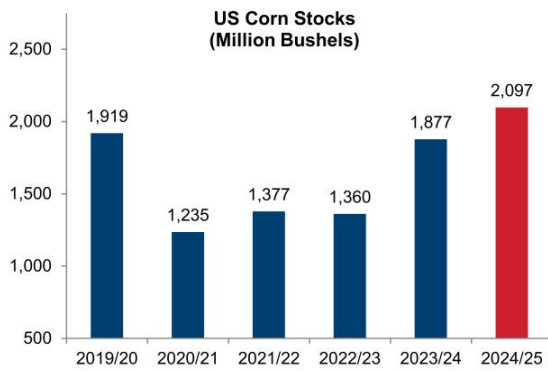


Note: On the week of September 2, 2022, USDA revised their reporting of chicken prices from regional prices to one national metric. The old USDA NE Broiler prices previously used provided the largest sample size and the most accurate reflection of the chicken market. The above pricing indicates the new national price reflected by the USDA reporting from 9/2/22 on.

EMI WOG 2.5-4.0 LBS

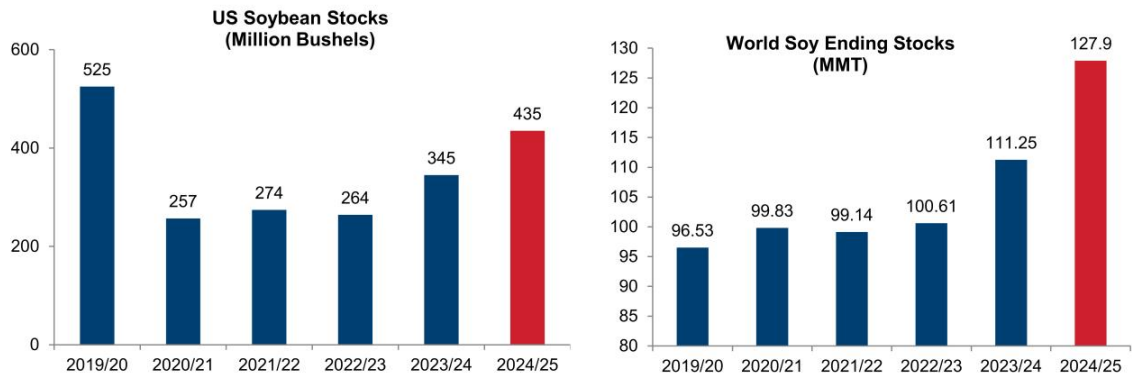


Source: EMI

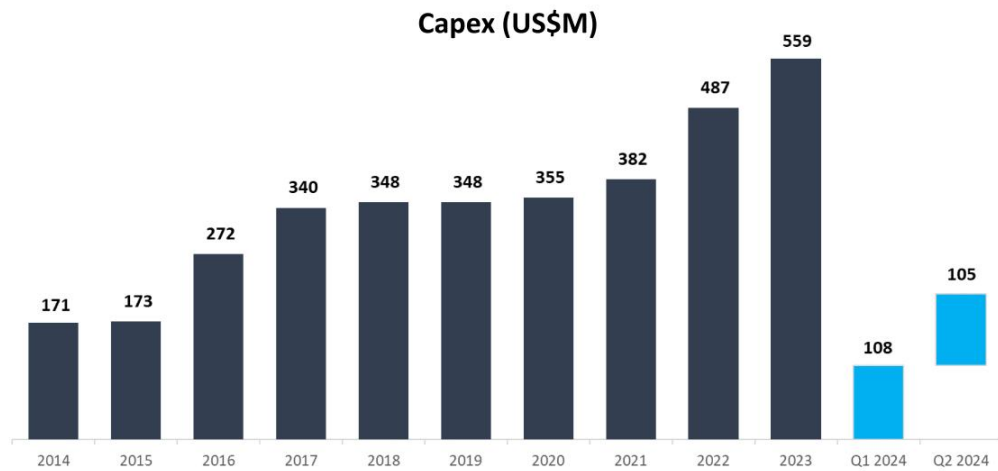


- USDA June plantings survey suggests increased corn area vs the March survey, though acreage still lower vs 2023. Increased carry in stocks plus broadly favorable production weather so far leave path to 24/25 US corn ending stocks above 2 billion bushels
- South American corn production increased by 2 mmt vs prior year, hitting a record high level and contributing to expected 12 mmt global increase in corn stocks for 2023/24 crop year vs 2022/23
- USDA June quarterly grain stocks came in larger than expected, adding buffer to already comfortable ending stocks
- Black Sea weather suggests below average corn yields; Black Sea corn flow less important with improved Western hemisphere production

Source: PPC



- June quarterly stocks report confirms big year-on-year increase in US soybean stocks, solidifies ~ 30% growth in ending stocks vs 22/23 crop year with stocks seen growing to multi-year high in 24/25
- South American combined soybean production hits new record as Argentina's 25 mmt production increase more than offsets Brazil's 9 mmt decline, both relative to last year
- USDA June plantings survey shows as planted soybean acres grow by 3M vs prior year
- US soy crush expansion continues, leading to greater US soybean meal production



- Continued investment in strategic projects will support Key Customers' growth and emphasize our focus on further diversification of our portfolio and operational improvements

APPENDIX



Appendix: Reconciliation of Adjusted EBITDA

"EBITDA" is defined as the sum of net income 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: (1) foreign currency transaction losses (gains), (2) costs related to litigation settlements, (3) restructuring activities losses, (4) property insurance recoveries for property damage losses, and (5) net income attributable to noncontrolling interests. 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 U.S. ("U.S. 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 applicable to continuing operations. The Company also believes that Adjusted EBITDA, in combination with the Company's financial results calculated in accordance with U.S. 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 U.S. GAAP. EBITDA and Adjusted EBITDA have limitations as analytical tools and should not be considered in isolation or as substitutes for an analysis of our results as reported under U.S. GAAP. In addition, other companies in our industry may calculate these measures differently limiting their usefulness as a comparative measure. Because of these limitations, EBITDA and Adjusted EBITDA should not be considered as an alternative to net income as indicators of our operating performance or any other measures of performance derived in accordance with U.S. GAAP. These limitations should be compensated for by relying primarily on our U.S. GAAP results and using EBITDA and Adjusted EBITDA only on a supplemental basis.



Appendix: Reconciliation of Adjusted EBITDA

PILGRIM'S PRIDE CORPORATION
Reconciliation of Adjusted EBITDA
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2024	June 25, 2023	June 30, 2024	June 25, 2023
	(In thousands)			
Net income	\$ 326,523	\$ 60,908	\$ 501,461	\$ 66,539
Add:				
Interest expense, net ^(a)	15,338	39,524	46,235	78,586
Income tax expense (benefit)	100,650	(15,225)	152,712	(24,065)
Depreciation and amortization	107,948	104,857	211,298	203,114
EBITDA	550,459	190,064	911,706	324,174
Add:				
Foreign currency transaction losses (gains) ^(b)	(2,225)	16,395	(6,562)	34,538
Litigation settlements ^(c)	71,250	13,000	72,190	24,200
Restructuring activities losses ^(d)	36,675	29,718	51,234	37,744
Minus:				
Property insurance recoveries ^(e)	—	—	—	19,086
Net income attributable to noncontrolling interest	220	452	737	896
Adjusted EBITDA	<u>\$ 655,939</u>	<u>\$ 248,725</u>	<u>\$ 1,027,831</u>	<u>\$ 400,674</u>

a. Interest expense, net, consists of interest expense less interest income.

b. Prior to April 1, 2024, the Company measures the financial statements of its Mexico reportable segment as if the U.S. dollar were the functional currency. Accordingly, we remeasure assets and liabilities, other than nonmonetary assets, of the Mexico reportable segment at current exchange rates. We remeasure nonmonetary assets using the historical exchange rate in effect on the date of each asset's acquisition. Currency exchange gains or losses resulting from these remeasurements were previously recognized in the line item *Foreign currency transaction losses (gains)* in the Condensed Consolidated Statements of Income. Effective April 1, 2024, the Company changed the functional currency of its Mexico reportable segment from U.S. dollar to Mexican peso, which means all translation gains/losses on outstanding balances are now recognized in accumulated other comprehensive income. Transactional functional currency gains/losses are included in the line item *Foreign currency transaction losses (gains)* in the Condensed Consolidated Statements of Income.

c. This represents expenses recognized in anticipation of probable settlements in ongoing litigation.

d. Restructuring activities losses are related to costs incurred, such as severance, asset impairment, contract termination, and others, as part of multiple ongoing restructuring initiatives throughout our Europe reportable segment.

e. This represents property insurance recoveries primarily for the property damage losses incurred as a result of the tornado in Mayfield, KY in December 2021.

Source: PPC



Appendix: Reconciliation of LTM Adjusted EBITDA

The summary unaudited consolidated income statement data for the twelve months ended June 30, 2024 (the LTM Period) have been calculated by subtracting the applicable unaudited consolidated income statement data for the six months ended June 25, 2023 from the sum of (1) the applicable audited consolidated income statement data for the year ended December 31, 2023 and (2) the applicable unaudited consolidated income statement data for the six months ended June 30, 2024.

PILGRIM'S PRIDE CORPORATION Reconciliation of LTM Adjusted EBITDA (Unaudited)

	Three Months Ended				LTM Ended
	September 24, 2023	December 31, 2023	March 31, 2024	June 30, 2024	June 30, 2024
	(In thousands)				
Net income	\$ 121,567	\$ 134,211	\$ 174,938	\$ 326,523	\$ 757,239
Add:					
Interest expense, net	33,530	54,505	30,897	15,338	134,270
Income tax expense	44,553	22,417	52,062	100,650	219,682
Depreciation and amortization	104,300	112,486	103,350	107,948	428,084
EBITDA	303,950	323,619	361,247	550,459	1,539,275
Add:					
Foreign currency transaction losses (gains)	8,924	(22,892)	(4,337)	(2,225)	(20,530)
Litigation settlements	10,500	4,700	940	71,250	87,390
Restructuring activities losses	940	5,661	14,559	36,675	57,835
Minus:					
Property insurance recoveries	—	2,038	—	—	2,038
Net income (loss) attributable to noncontrolling interest	289	(442)	517	220	584
Adjusted EBITDA	<u>\$ 324,025</u>	<u>\$ 309,492</u>	<u>\$ 371,892</u>	<u>\$ 655,939</u>	<u>\$ 1,661,348</u>

Source: PPC



Appendix: Reconciliation of EBITDA Margin

EBITDA margins have been calculated by taking the relevant unaudited EBITDA figures, then dividing by net sales for the applicable period. EBITDA margins are presented because they are used by management and we believe it is frequently used by securities analysts, investors and other interested parties, as a supplement to our results prepared in accordance with U.S. GAAP, to compare the performance of companies.

PILGRIM'S PRIDE CORPORATION Reconciliation of EBITDA Margin (Unaudited)

	Three Months Ended		Six Months Ended		Three Months Ended		Six Months Ended	
	June 30, 2024	June 25, 2023	June 30, 2024	June 25, 2023	June 30, 2024	June 25, 2023	June 30, 2024	June 25, 2023
	(In thousands)							
Net income	\$ 326,523	\$ 60,908	\$ 501,461	\$ 66,539	7.16 %	1.41 %	5.62 %	0.79 %
Add:								
Interest expense, net	15,338	39,524	46,235	78,586	0.34 %	0.92 %	0.52 %	0.93 %
Income tax expense (benefit)	100,650	(15,225)	152,712	(24,065)	2.21 %	(0.35)%	1.71 %	(0.28)%
Depreciation and amortization	107,948	104,857	211,298	203,114	2.36 %	2.43 %	2.36 %	2.39 %
EBITDA	550,459	190,064	911,706	324,174	12.07 %	4.41 %	10.21 %	3.83 %
Add:								
Foreign currency transaction losses (gains)	(2,225)	16,395	(6,562)	34,538	(0.04)%	0.38 %	(0.07)%	0.40 %
Litigation settlements	71,250	13,000	72,190	24,200	1.56 %	0.30 %	0.81 %	0.29 %
Restructuring activities losses	36,675	29,718	51,234	37,744	0.80 %	0.69 %	0.57 %	0.45 %
Minus:								
Property insurance recoveries	—	—	—	19,086	— %	— %	— %	0.23 %
Net income attributable to noncontrolling interest	220	452	737	896	— %	0.01 %	0.01 %	0.01 %
Adjusted EBITDA	\$ 655,939	\$ 248,725	\$ 1,027,831	\$ 400,674	14.39 %	5.77 %	11.51 %	4.73 %
Net sales	\$4,559,314	\$4,308,091	\$8,921,248	\$8,473,719	—	—	—	—

Source: PPC



Appendix: Reconciliation of Adjusted EBITDA by Segment

PILGRIM'S PRIDE CORPORATION
Reconciliation of Adjusted EBITDA
(Unaudited)

	Three Months Ended				Three Months Ended			
	June 30, 2024				June 25, 2023			
	U.S.	Europe	Mexico	Total	U.S.	Europe	Mexico	Total
	(In thousands)				(In thousands)			
Net income (loss)	\$ 199,076	\$ 41,511	\$ 85,936	\$ 326,523	\$ (21,335)	\$ 11,929	\$ 70,314	\$ 60,908
Add:								
Interest expense, net ^(a)	24,946	(2,556)	(7,052)	15,338	43,538	(623)	(3,391)	39,524
Income tax expense (benefit)	82,117	(14,212)	32,745	100,650	(14,026)	(6,730)	5,531	(15,225)
Depreciation and amortization	67,200	34,865	5,883	107,948	63,759	35,279	5,819	104,857
EBITDA	373,339	59,608	117,512	550,459	71,936	39,855	78,273	190,064
Add:								
Foreign currency transaction losses (gains) ^(b)	(1)	(39)	(2,185)	(2,225)	28,546	(1,482)	(10,669)	16,395
Litigation settlements ^(c)	71,250	—	—	71,250	13,000	—	—	13,000
Restructuring activities losses ^(d)	—	36,675	—	36,675	—	29,718	—	29,718
Minus:								
Net income attributable to noncontrolling interest	—	—	220	220	—	—	452	452
Adjusted EBITDA	<u>\$ 444,588</u>	<u>\$ 96,244</u>	<u>\$ 115,107</u>	<u>\$ 655,939</u>	<u>\$ 113,482</u>	<u>\$ 68,091</u>	<u>\$ 67,152</u>	<u>\$ 248,725</u>

- a. Interest expense, net, consists of interest expense less interest income.
- b. Prior to April 1, 2024, the Company measures the financial statements of its Mexico reportable segment as if the U.S. dollar were the functional currency. Accordingly, we remeasure assets and liabilities, other than nonmonetary assets, of the Mexico reportable segment at current exchange rates. We remeasure nonmonetary assets using the historical exchange rate in effect on the date of each asset's acquisition. Currency exchange gains or losses resulting from these remeasurements were previously recognized in the line item *Foreign currency transaction losses (gains)* in the Condensed Consolidated Statements of Income. Effective April 1, 2024, the Company changed the functional currency of its Mexico reportable segment from U.S. dollar to Mexican peso, which means all translation gains/losses on outstanding balances are now recognized in accumulated other comprehensive income. Transactional functional currency gains/losses are included in the line item *Foreign currency transaction losses (gains)* in the Condensed Consolidated Statements of Income.
- c. This represents expenses recognized in anticipation of probable settlements in ongoing litigation.
- d. Restructuring activities losses are related to costs incurred, such as severance, asset impairment, contract termination, and others, as part of multiple ongoing restructuring initiatives throughout our Europe reportable segment.

Source: PPC



Appendix: Reconciliation of Adjusted EBITDA by Segment

PILGRIM'S PRIDE CORPORATION
Reconciliation of Adjusted EBITDA
(Unaudited)

	Six Months Ended				Six Months Ended			
	June 30, 2024				June 25, 2023			
	U.S.	Europe	Mexico	Total	U.S.	Europe	Mexico	Total
	(In thousands)				(In thousands)			
Net income (loss)	\$ 301,707	\$ 66,023	\$ 133,731	\$ 501,461	\$ (74,925)	\$ 32,742	\$ 108,722	\$ 66,539
Add:								
Interest expense, net ^(a)	69,532	(4,539)	(18,758)	46,235	84,903	(821)	(5,496)	78,586
Income tax expense (benefit)	114,177	(4,655)	43,190	152,712	(30,848)	(807)	7,590	(24,065)
Depreciation and amortization	129,885	69,893	11,520	211,298	123,996	67,556	11,562	203,114
EBITDA	615,301	126,722	169,683	911,706	103,126	98,670	122,378	324,174
Add:								
Foreign currency transaction losses (gains) ^(b)	1	(255)	(6,308)	(6,562)	48,859	(2,098)	(12,223)	34,538
Litigation settlements ^(c)	72,190	—	—	72,190	24,200	—	—	24,200
Restructuring activities losses ^(d)	—	51,234	—	51,234	—	37,744	—	37,744
Minus:								
Property insurance recoveries ^(e)	—	—	—	—	19,086	—	—	19,086
Net income attributable to noncontrolling interest	—	—	737	737	—	—	896	896
Adjusted EBITDA	<u>\$ 687,492</u>	<u>\$ 177,701</u>	<u>\$ 162,638</u>	<u>\$ 1,027,831</u>	<u>\$ 157,099</u>	<u>\$ 134,316</u>	<u>\$ 109,259</u>	<u>\$ 400,674</u>

a. Interest expense, net, consists of interest expense less interest income.

b. Prior to April 1, 2024, the Company measures the financial statements of its Mexico reportable segment as if the U.S. dollar were the functional currency. Accordingly, we remeasure assets and liabilities, other than nonmonetary assets, of the Mexico reportable segment at current exchange rates. We remeasure nonmonetary assets using the historical exchange rate in effect on the date of each asset's acquisition. Currency exchange gains or losses resulting from these remeasurements were previously recognized in the line item *Foreign currency transaction losses (gains)* in the Condensed Consolidated Statements of Income. Effective April 1, 2024, the Company changed the functional currency of its Mexico reportable segment from U.S. dollar to Mexican peso, which means all translation gains/losses on outstanding balances are now recognized in accumulated other comprehensive income. Transactional functional currency gains/losses are included in the line item *Foreign currency transaction losses (gains)* in the Condensed Consolidated Statements of Income.

c. This represents expenses recognized in anticipation of probable settlements in ongoing litigation.

d. Restructuring activities losses are related to costs incurred, such as severance, asset impairment, contract termination, and others, as part of multiple ongoing restructuring initiatives throughout our Europe reportable segment.

e. This represents property insurance recoveries for the property damage losses incurred as a result of the tornado in Mayfield, KY in December 2021.

Source: PPC



Appendix: Reconciliation of Adjusted Operating Income

Adjusted Operating Income is calculated by adding to Operating Income certain items of expense and deducting from Operating Income certain items of income. Management believes that presentation of Adjusted Operating Income provides useful supplemental information about our operating performance and enables comparison of our performance between periods because certain costs shown below are not indicative of our current operating performance. A reconciliation of GAAP operating income to adjusted operating income as follows:

PILGRIM'S PRIDE CORPORATION Reconciliation of Adjusted Operating Income (Unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2024	June 25, 2023	June 30, 2024	June 25, 2023
	(In thousands)			
GAAP operating income, U.S. operations	\$ 307,988	\$ 37,265	\$ 487,405	\$ 9,159
Litigation settlements	71,250	13,000	72,190	24,200
Adjusted operating income, U.S. operations	\$ 379,238	\$ 50,265	\$ 559,595	\$ 33,359
Adjusted operating income margin, U.S. operations	14.2 %	2.1 %	10.7 %	0.7 %

	Three Months Ended		Six Months Ended	
	June 30, 2024	June 25, 2023	June 30, 2024	June 25, 2023
	(In thousands)			
GAAP operating income, Europe operations	\$ 23,993	\$ 2,513	\$ 55,109	\$ 27,774
Restructuring activities losses	36,675	29,718	51,234	37,744
Adjusted operating income, Europe operations	\$ 60,668	\$ 32,231	\$ 106,343	\$ 65,518
Adjusted operating income margin, Europe operations	4.7 %	2.5 %	4.1 %	2.6 %

	Three Months Ended		Six Months Ended	
	June 30, 2024	June 25, 2023	June 30, 2024	June 25, 2023
	(In thousands)			
GAAP operating income, Mexico operations	\$ 108,809	\$ 60,719	\$ 148,550	\$ 94,894
No adjustments	—	—	—	—
Adjusted operating income, Mexico operations	\$ 108,809	\$ 60,719	\$ 148,550	\$ 94,894
Adjusted operating income margin, Mexico operations	18.3 %	11.0 %	13.4 %	9.1 %

Source: PPC



Appendix: Reconciliation of GAAP Operating Income Margin to Adjusted Operating Income Margin

Adjusted Operating Income Margin for each of our reportable segments is calculated by dividing Adjusted operating income by Net Sales. Management believes that presentation of Adjusted Operating Income Margin provides useful supplemental information about our operating performance and enables comparison of our performance between periods because certain costs shown below are not indicative of our current operating performance. A reconciliation of GAAP operating income margin for each of our reportable segments to adjusted operating income margin for each of our reportable segments is as follows:

PILGRIM'S PRIDE CORPORATION
Reconciliation of GAAP Operating Income Margin to Adjusted Operating Income Margin
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2024	June 25, 2023	June 30, 2024	June 25, 2023
	(In percent)			
GAAP operating income margin, U.S. operations	11.6 %	1.5 %	9.3 %	0.2 %
Litigation settlements	2.6 %	0.6 %	1.4 %	0.5 %
Adjusted operating income margin, U.S. operations	14.2 %	2.1 %	10.7 %	0.7 %
	(In percent)			
GAAP operating income margin, Europe operations	1.8 %	0.2 %	2.1 %	1.1 %
Restructuring activities losses	2.9 %	2.3 %	2.0 %	1.5 %
Adjusted operating income margin, Europe operations	4.7 %	2.5 %	4.1 %	2.6 %
	(In percent)			
GAAP operating income margin, Mexico operations	18.3 %	11.0 %	13.4 %	9.1 %
No adjustments	— %	— %	— %	— %
Adjusted operating income margin, Mexico operations	18.3 %	11.0 %	13.4 %	9.1 %

Source: PPC



Appendix: Reconciliation of Adjusted Net Income

Adjusted net income attributable to Pilgrim's Pride Corporation ("Pilgrim's") is calculated by adding to Net income attributable to Pilgrim's certain items of expense and deducting from Net income attributable to Pilgrim's certain items of income, as shown below in the table. Adjusted net income attributable to Pilgrim's Pride Corporation per common diluted share 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 U.S. GAAP, to compare the performance of companies. Management also believe that this non-U.S. GAAP financial measure, in combination with our financial results calculated in accordance with U.S. GAAP, provides investors with additional perspective regarding the impact of such charges on net income attributable to Pilgrim's Pride Corporation per common diluted share. Adjusted net income attributable to Pilgrim's Pride Corporation per common diluted share is not a measurement of financial performance under U.S. GAAP, has limitations as an analytical tool and should not be considered in isolation or as a substitute for an analysis of our results as reported under U.S. GAAP. Management believes that presentation of adjusted net income attributable to Pilgrim's provides useful supplemental information about our operating performance and enables comparison of our performance between periods because certain costs shown below are not indicative of our current operating performance. A reconciliation of net income (loss) attributable to Pilgrim's Pride Corporation per common diluted share to adjusted net income attributable to Pilgrim's Pride Corporation per common diluted share is as follows:

PILGRIM'S PRIDE CORPORATION Reconciliation of Adjusted Net Income (Unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2024	June 25, 2023	June 30, 2024	June 25, 2023
	(In thousands, except per share data)			
Net income attributable to Pilgrim's	\$ 326,303	\$ 60,456	\$ 500,724	\$ 65,643
Add:				
Foreign currency transaction losses (gains)	(2,225)	16,395	(6,562)	34,538
Litigation settlements	71,250	13,000	72,190	24,200
Restructuring activities losses	36,675	29,718	51,234	37,744
Minus:				
Gain on early extinguishment of debt	11,159	—	11,159	—
Property insurance recoveries	—	—	—	19,086
Adjusted net income attributable to Pilgrim's before tax impact of adjustments	420,844	119,569	606,427	143,039
Net tax impact of adjustments ^(a)	(22,879)	(14,306)	(25,580)	(18,729)
Adjusted net income attributable to Pilgrim's	\$ 397,965	\$ 105,263	\$ 580,847	\$ 124,310
Weighted average diluted shares of common stock outstanding	237,733	237,209	237,615	237,186
Adjusted net income attributable to Pilgrim's per common diluted share	\$ 1.67	\$ 0.44	\$ 2.44	\$ 0.52

(a) Net tax expense (benefit) of adjustments represents the tax impact of all adjustments shown above.

Source: PPC

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Appendix: Reconciliation of GAAP EPS to Adjusted EPS

Adjusted EPS is calculated by dividing the adjusted net income attributable to Pilgrim's stockholders by the weighted average number of diluted shares. Management believes that Adjusted EPS provides useful supplemental information about our operating performance and enables comparison of our performance between periods because certain costs shown below are not indicative of our current operating performance. A reconciliation of U.S. GAAP to non-U.S. GAAP financial measures is as follows:

PILGRIM'S PRIDE CORPORATION
Reconciliation of GAAP EPS to Adjusted EPS
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2024	June 25, 2023	June 30, 2024	June 25, 2023
	(In thousands, except per share data)			
GAAP EPS	\$ 1.37	\$ 0.25	\$ 2.11	\$ 0.28
Add:				
Foreign currency transaction losses (gains)	(0.01)	0.07	(0.03)	0.15
Litigation settlements	0.30	0.05	0.30	0.09
Restructuring activities losses	0.15	0.13	0.23	0.16
Minus:				
Gain on early extinguishment of debt	0.05	—	0.05	—
Property insurance recoveries	—	—	—	0.08
Adjusted EPS before tax impact of adjustments	1.76	0.50	2.56	0.60
Net tax impact of adjustments ^(a)	(0.09)	(0.06)	(0.12)	(0.08)
Adjusted EPS	<u>\$ 1.67</u>	<u>\$ 0.44</u>	<u>\$ 2.44</u>	<u>\$ 0.52</u>
Weighted average diluted shares of common stock outstanding	237,733	237,209	237,615	237,186

a. Net tax impact of adjustments represents the tax impact of all adjustments shown above.



Appendix: Supplementary Selected Segment and Geographic Data

PILGRIM'S PRIDE CORPORATION
Supplementary Selected Segment and Geographic Data
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2024	June 25, 2023	June 30, 2024	June 25, 2023
	(In thousands)			
Sources of net sales by geographic region of origin:				
U.S.	\$ 2,663,965	\$ 2,446,208	\$ 5,243,297	\$ 4,878,776
Europe	1,301,541	1,310,750	2,569,444	2,550,014
Mexico	593,808	551,133	1,108,507	1,044,929
Total net sales	<u>\$ 4,559,314</u>	<u>\$ 4,308,091</u>	<u>\$ 8,921,248</u>	<u>\$ 8,473,719</u>
Sources of cost of sales by geographic region of origin:				
U.S.	\$ 2,211,626	\$ 2,332,103	\$ 4,553,666	\$ 4,726,342
Europe	1,187,671	1,223,722	2,363,409	2,378,793
Mexico	468,391	473,615	928,638	916,899
Elimination	—	226	—	213
Total cost of sales	<u>\$ 3,867,688</u>	<u>\$ 4,029,666</u>	<u>\$ 7,845,713</u>	<u>\$ 8,022,247</u>
Sources of gross profit by geographic region of origin:				
U.S.	\$ 452,339	\$ 114,105	\$ 689,631	\$ 152,434
Europe	113,870	87,028	206,035	171,221
Mexico	125,417	77,518	179,869	128,030
Elimination	—	(226)	—	(213)
Total gross profit	<u>\$ 691,626</u>	<u>\$ 278,425</u>	<u>\$ 1,075,535</u>	<u>\$ 451,472</u>
Sources of operating income by geographic region of origin:				
U.S.	\$ 307,988	\$ 37,265	\$ 487,405	\$ 9,159
Europe	23,993	2,513	55,109	27,774
Mexico	108,809	60,719	148,550	94,894
Elimination	—	(226)	—	(213)
Total operating income	<u>\$ 440,790</u>	<u>\$ 100,271</u>	<u>\$ 691,064</u>	<u>\$ 131,614</u>

Source: PPC

