



Financial Results for Third Quarter Ended September 29th, 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.



Third Quarter 2024 Financial Review

Main Indicators (\$MM)	Q3 2024	Q3 2023
Net Revenue	4,585.0	4,360.2
Gross Profit	684.0	345.9
SG&A	144.8	138.6
Operating Income	508.4	206.4
Net Interest	19.5	33.5
Net Income	350.0	121.6
Earnings Per Share (EPS)	1.47	0.51
Adjusted EBITDA*	660.4	324.0
<i>Adjusted EBITDA Margin*</i>	<i>14.4%</i>	<i>7.4%</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 US GAAP.

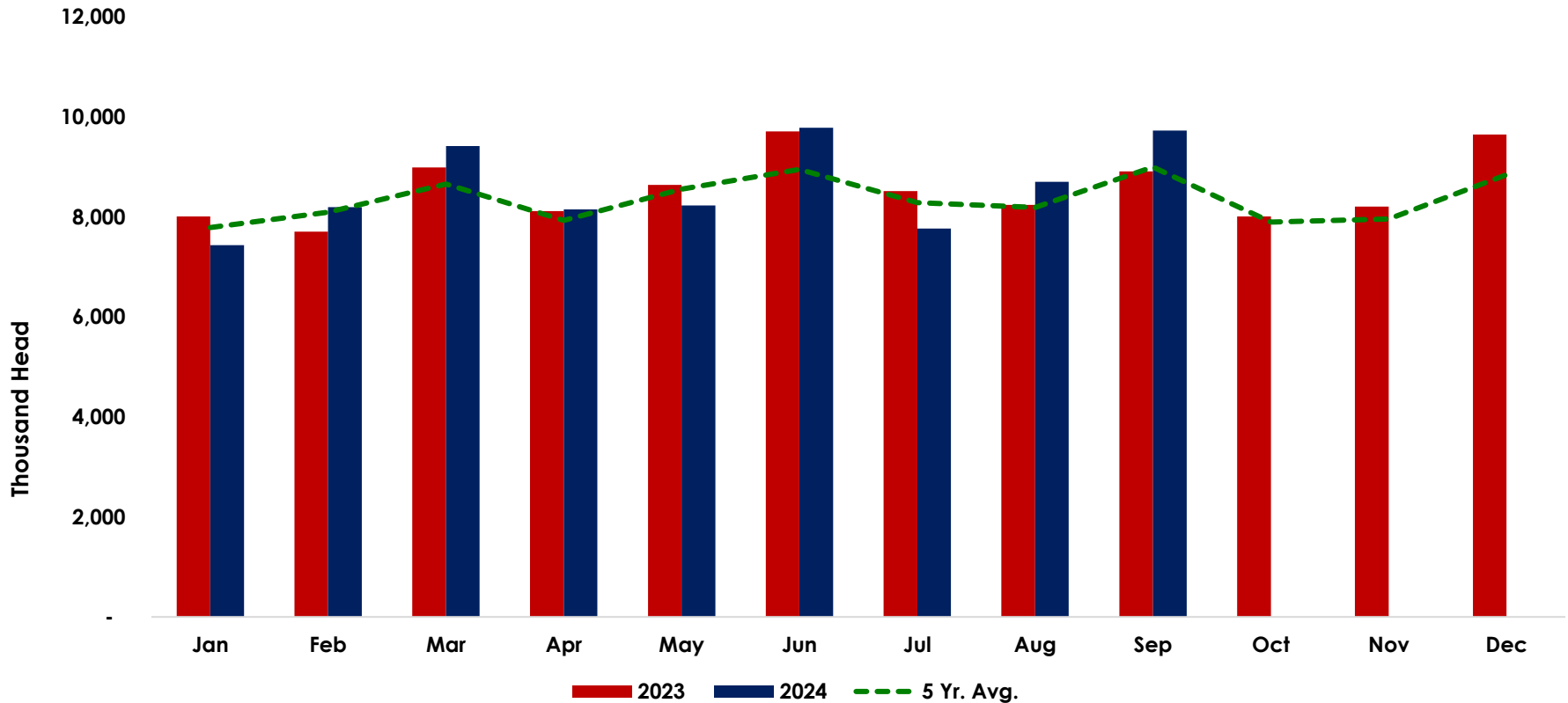
- U.S.: Year-over-year (YoY) increase in commodity market pricing and moderating input costs positively impacted Big Bird business; along with growth with Key Customers in Case Ready and Small Bird driving operating income improvement for the US business; Europe: Significant year-over-year profit improvement due to operational efficiencies and cost reductions; Mexico: profitability decreased YoY due to lower market pricing.
- SG&A: higher advertising and marketing costs supporting our branded products.
- Net interest lower due to lower debt levels and increased interest income on higher cash balance.
- Q3 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	2,773.4	1,308.1	503.5
Adjusted Operating Income*	427.9	76.4	42.9
<i>Adjusted Operating Income Margin*</i>	<i>15.4%</i>	<i>5.8%</i>	<i>8.5%</i>



Pullet Placements Increased 2.0% Y/Y in Q3-2024

Intended Pullet Placements

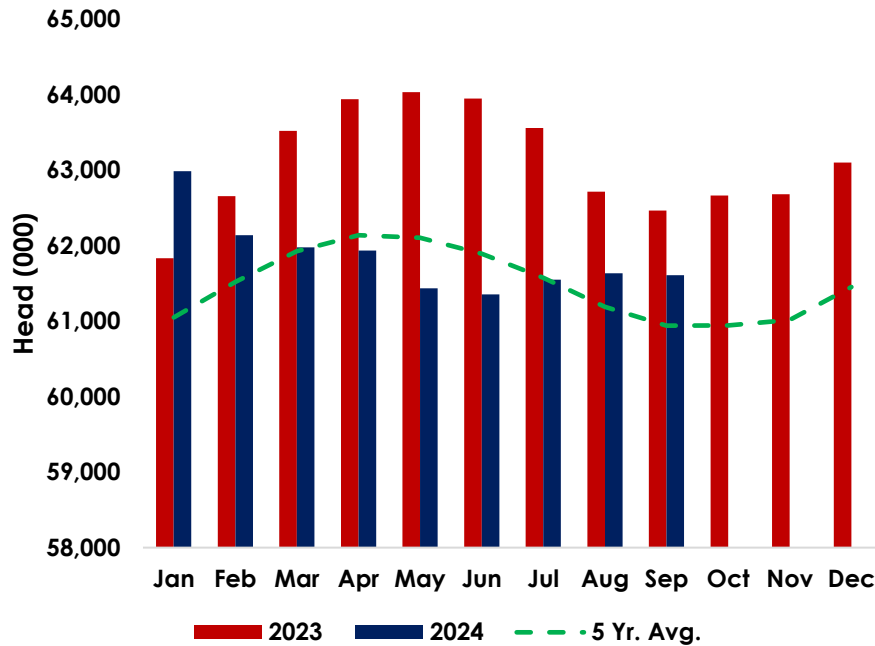


- Trailing 8-month placements increased 1.7% vs. year ago.

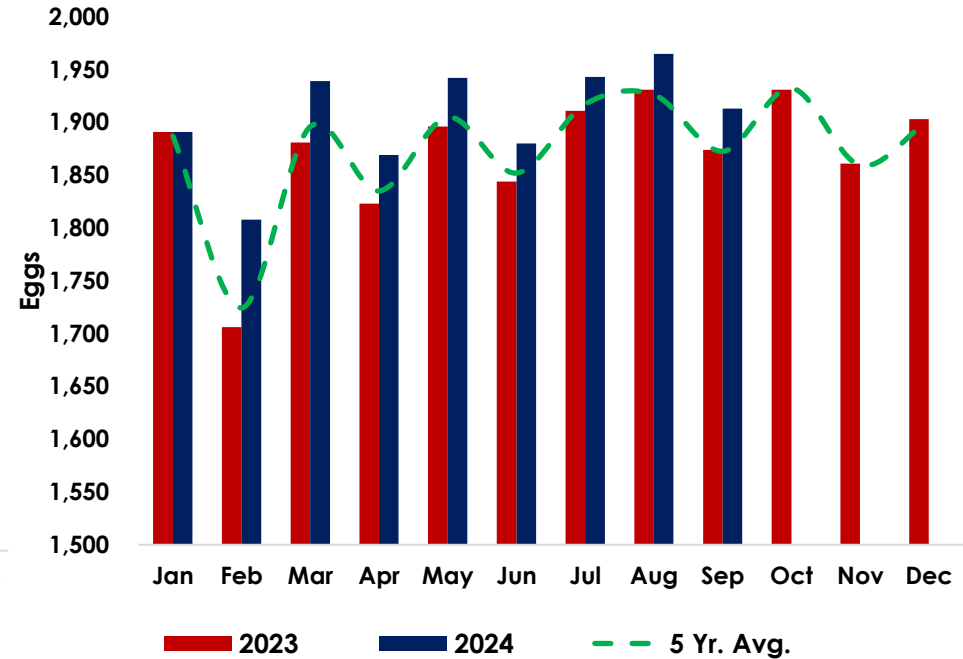


Broiler Layer Flock Decreased Y/Y In Q3-24; Eggs/100 Increased Y/Y In Q3-24

Broiler Type Hatching Layers



Eggs/100

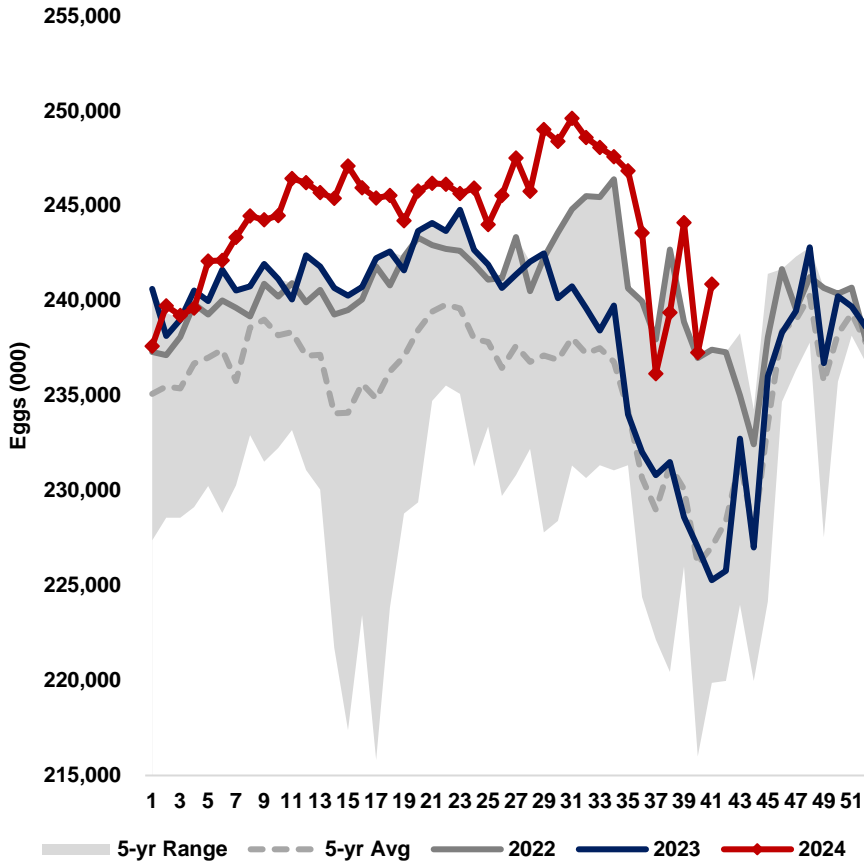


- Broiler layer flock -2.1% YoY in Q3-24.
- Eggs/100 +1.8% YoY in Q3-24.

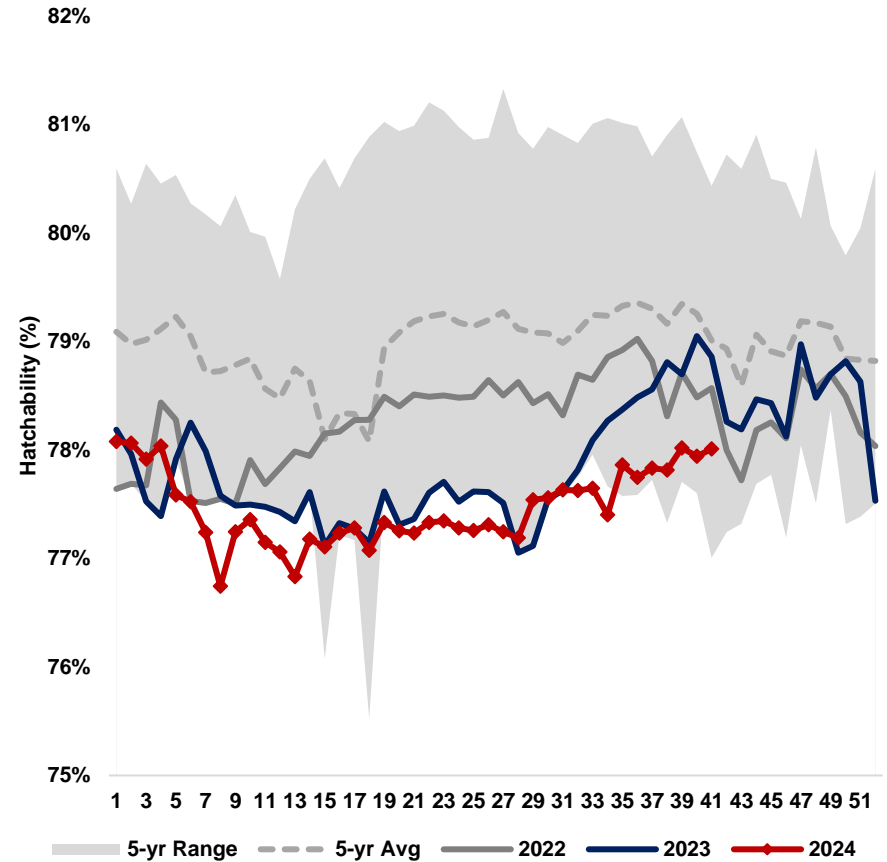


Egg Sets Increased 3.7% YoY in Q3-24; Hatchability 0.5% Below Q3-23 Levels

Chicken Eggs Set by Week - USDA

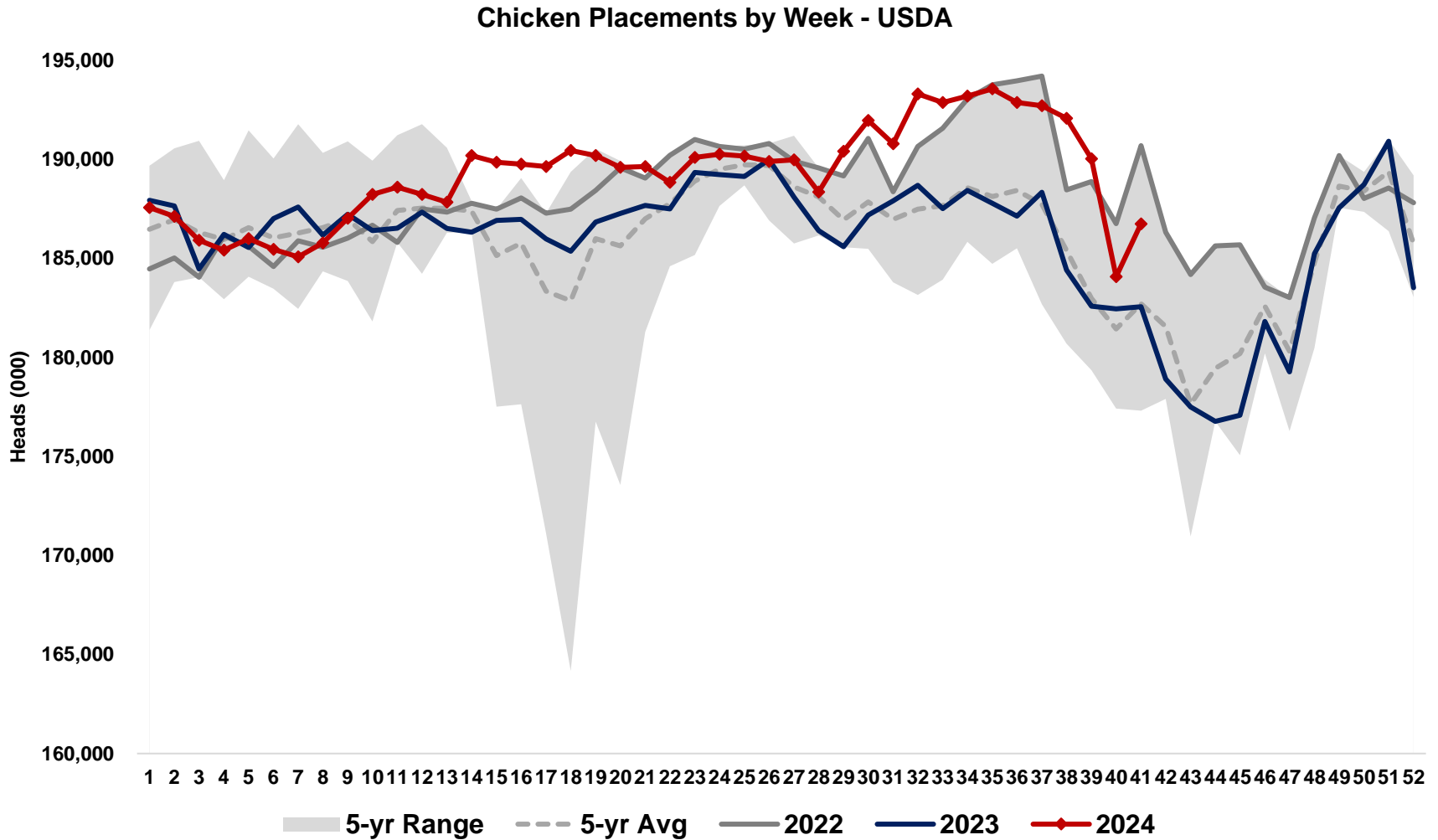


Chicken Hatchability by Week - USDA





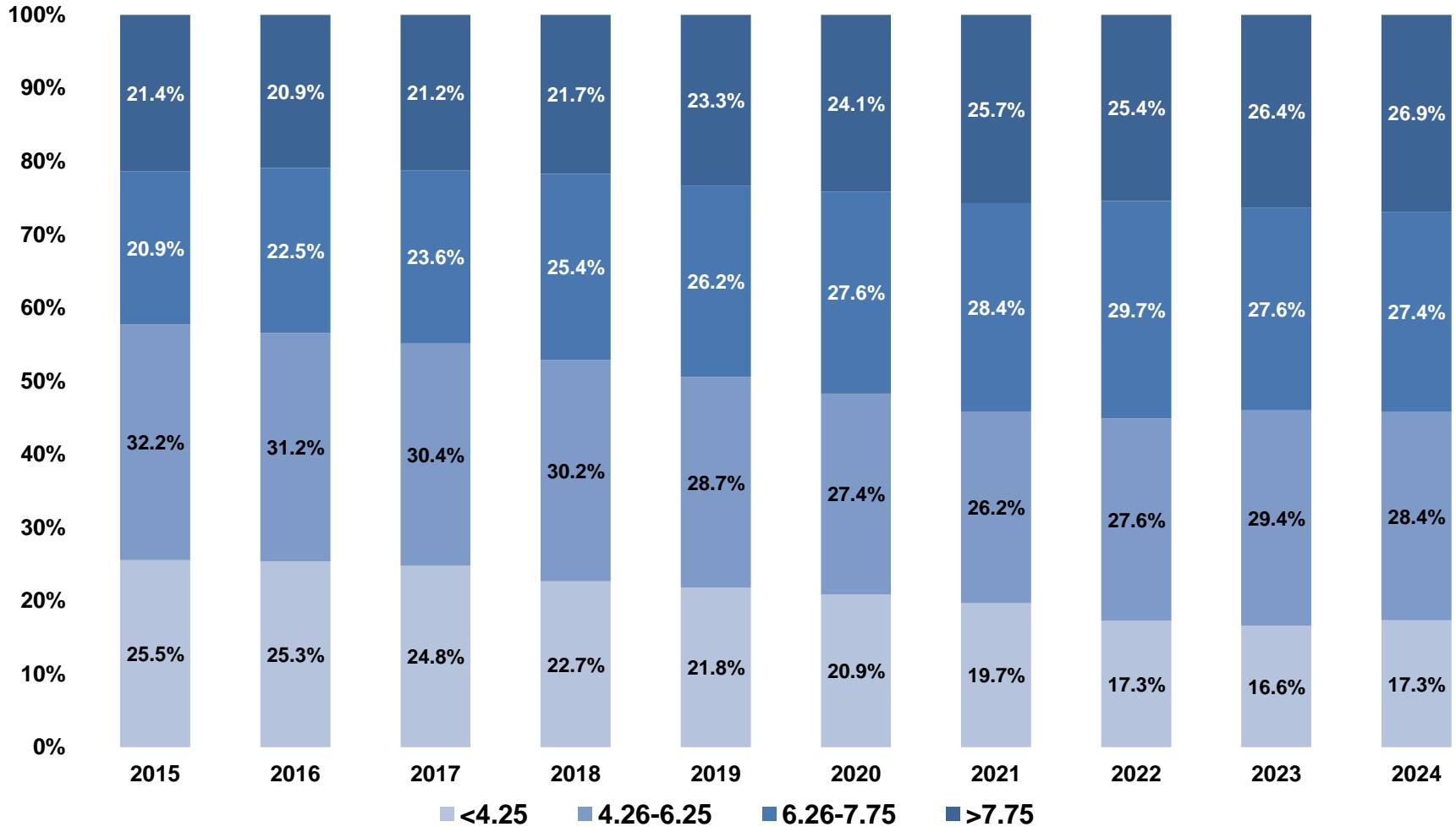
Broiler Placements Increased 2.6% Above Year-Ago Levels in Q3-24





Reduced Head Counts in Small Bird Debone Segment in Q3-24

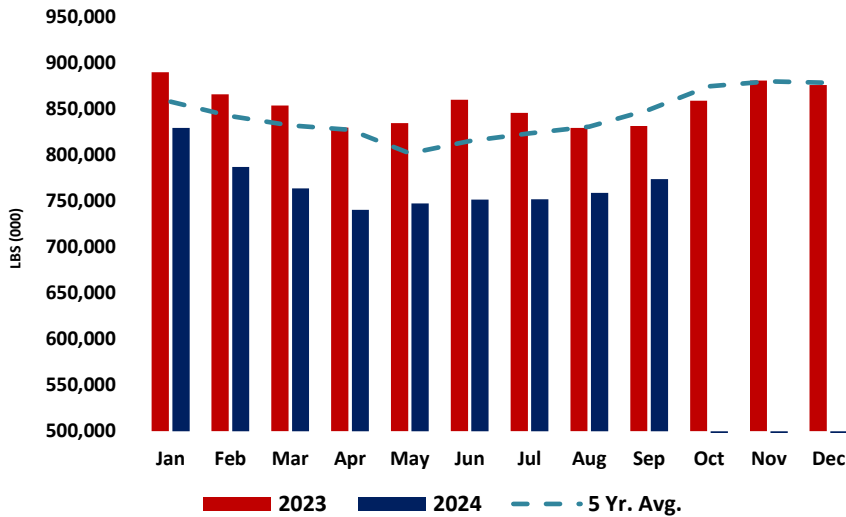
Head Processed by Size





Industry Cold Storage Supplies in Q3-24 Trended Below Year Ago and 5-Year Average

Total Chicken Inventories

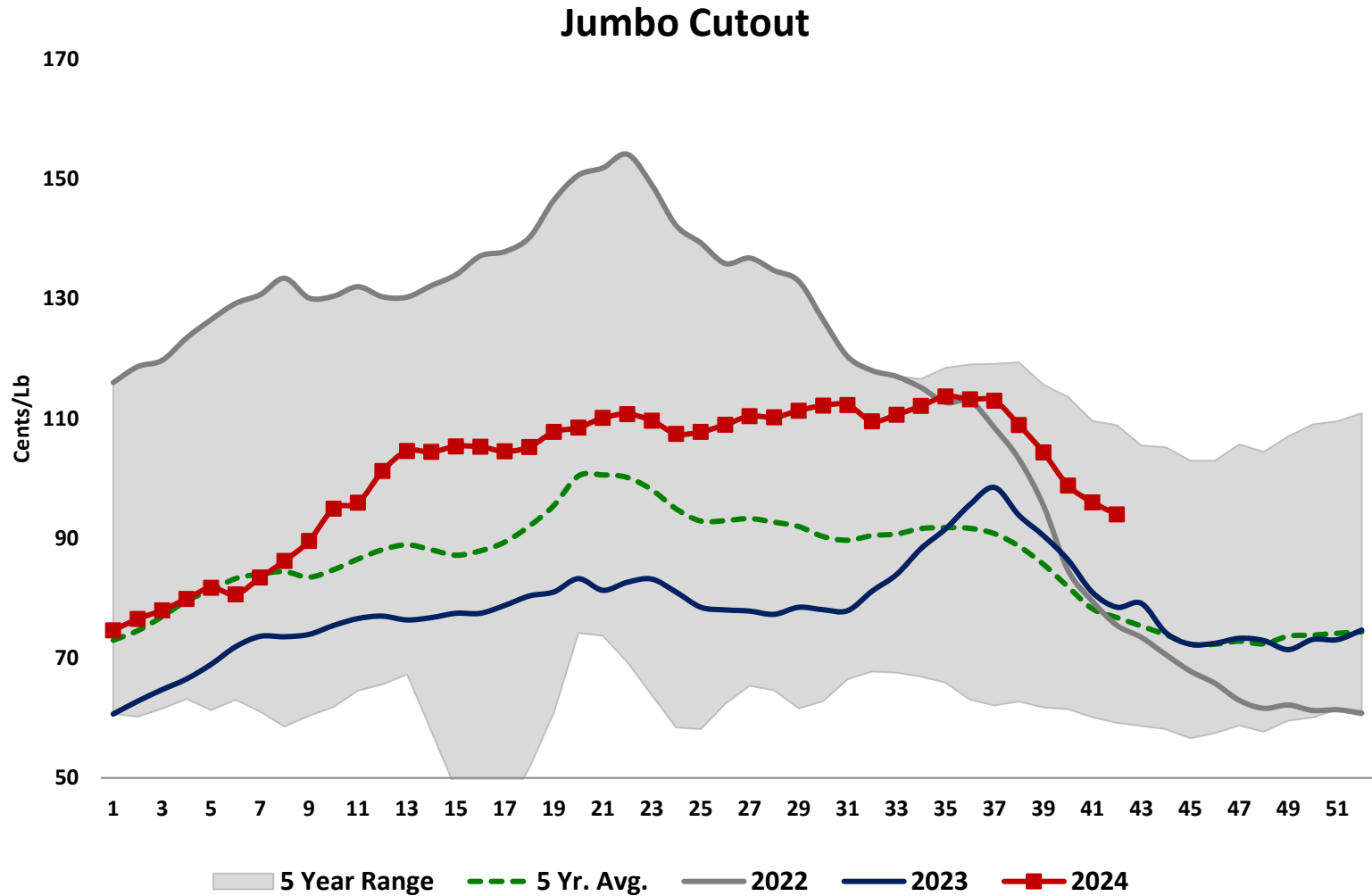


Frozen Chicken Inventory (000 LBS)					
Part	Sep-23	Aug-24	Sep-24	Y/Y Change	M/M Change
Broilers	15,763	13,585	13,570	▼ -13.9%	▼ -0.1%
Hens	8,585	4,541	4,940	▼ -42.5%	▲ 8.8%
Breast Meat	230,432	205,428	221,657	▼ -3.8%	▲ 7.9%
Wings	65,332	51,651	51,690	▼ -20.9%	▲ 0.1%
LQ	62,690	62,552	56,702	▼ -9.6%	▼ -9.4%
Legs	15,935	13,662	12,972	▼ -18.6%	▼ -5.1%
Drums	27,169	27,450	27,722	▲ 2.0%	▲ 1.0%
Thighs	10,181	8,506	8,803	▼ -13.5%	▲ 3.5%
Thigh Meat	16,027	13,155	13,236	▼ -17.4%	▲ 0.6%
Paws and Feet	27,477	31,390	33,380	▲ 21.5%	▲ 6.3%
Others	351,602	326,631	329,008	▼ -6.4%	▲ 0.7%
Total Chicken	831,193	758,551	773,680	▼ -6.9%	▲ 2.0%

- Total Inventory at the end Sep-24 down 6.9% Y/Y and 8.9% below 5-year average after experiencing mild seasonal inventory build to end the quarter.
- Breast meat inventories decreased 3.8% Y/Y.
- Wing inventories remain tight, 21% below year ago levels.
- Dark Meat inventories decreased 9.5% Y/Y.
- Other category continues to be large contributor of inventory, also experienced decline of 6.4% from year ago.



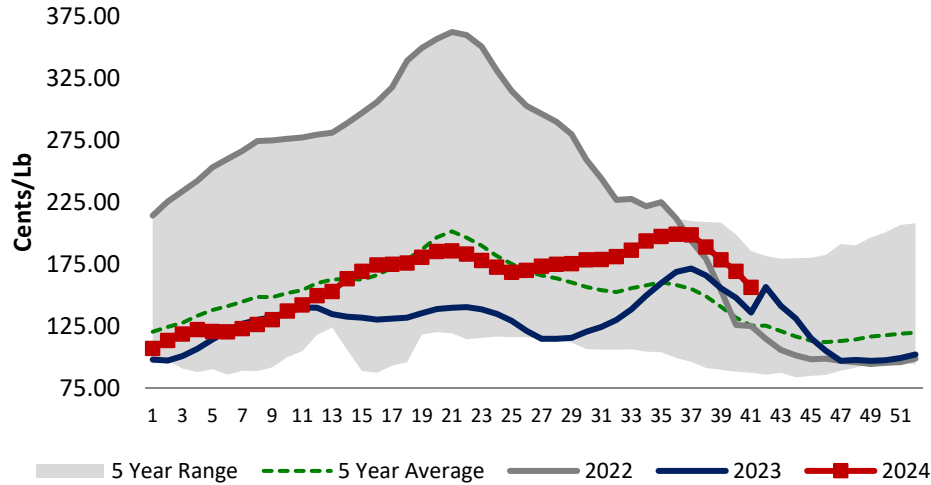
Jumbo Cutout Pricing Trended Above YA and 5-year Average in Q3-24



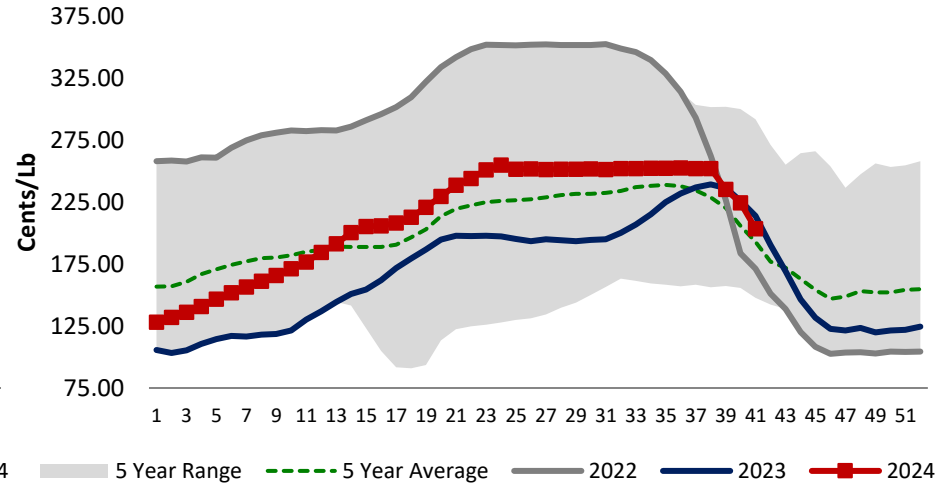


BSB and Tenders Trended Seasonally and Above YA in Q3-24; LQs Stable at the High Levels; Wings Well Above 5-Year Average

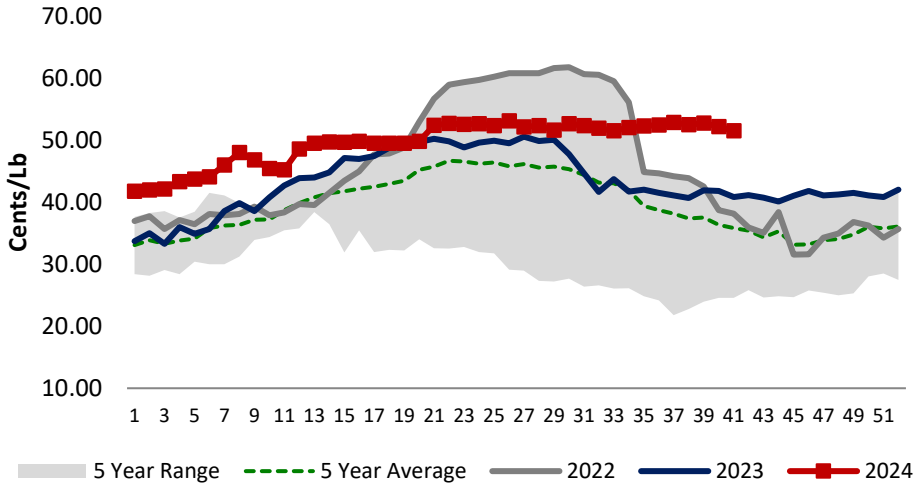
USDA Boneless/Skinless Breast



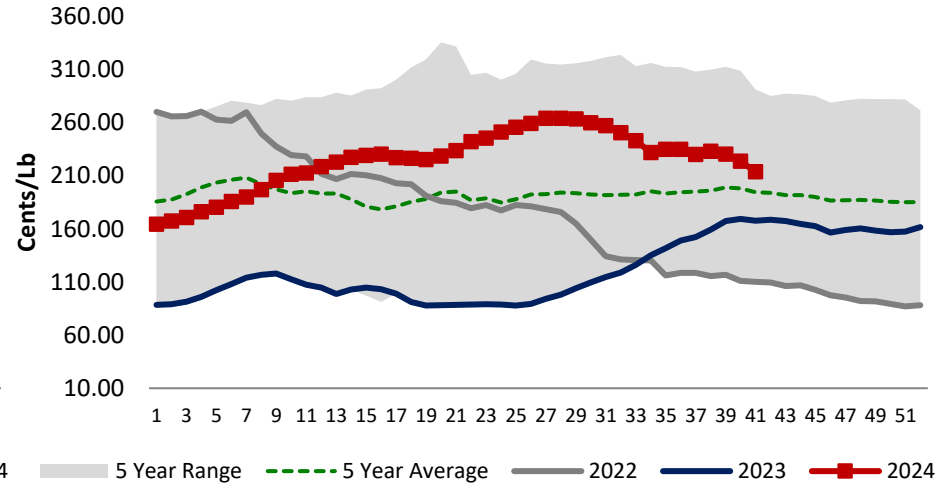
USDA Tenders



USDA Leg Quarters



USDA Whole Wings

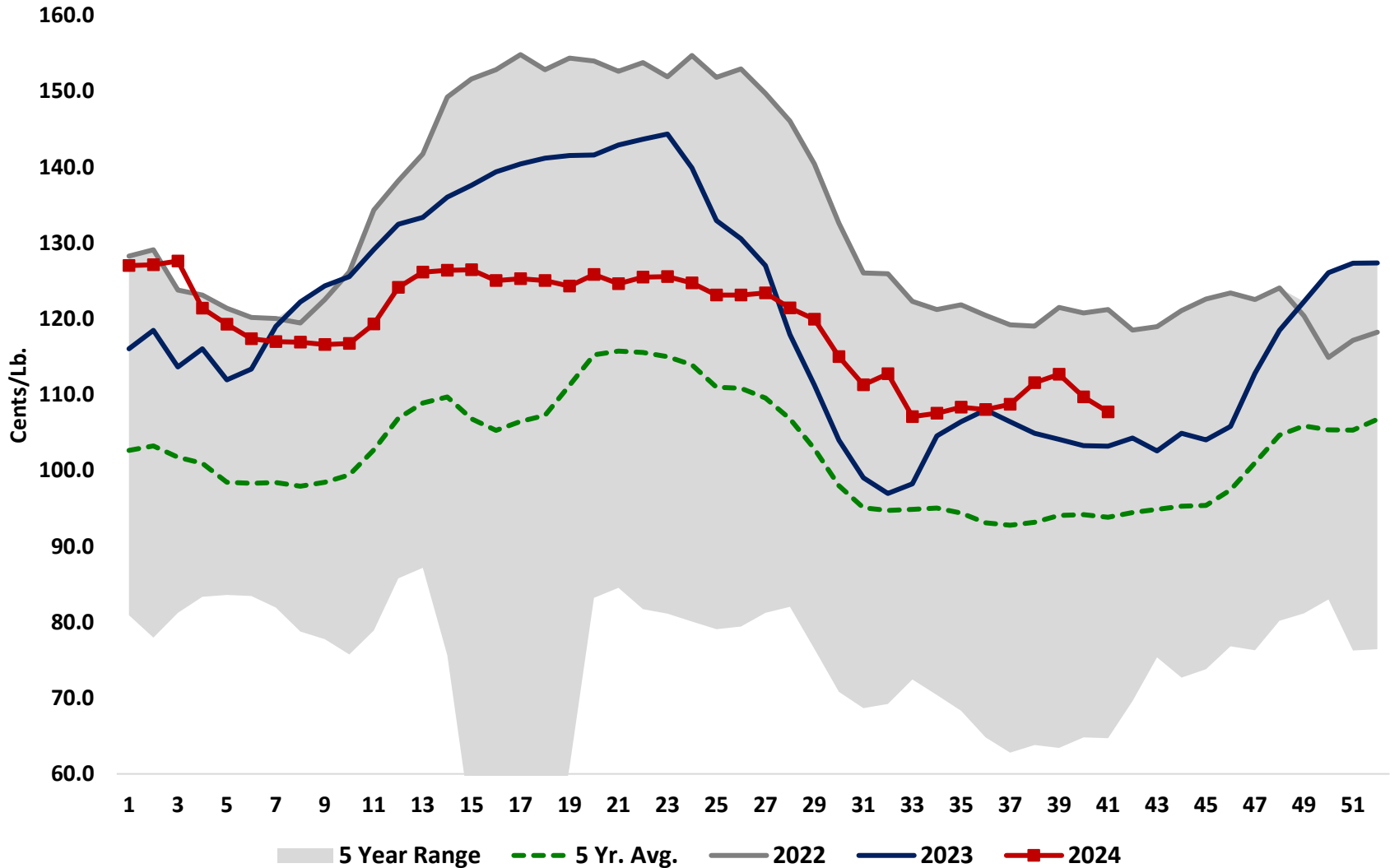


Note: On the week of September 2, 2022, USDA revised their reporting of chicken prices from regional prices to one national metric. The old USDA NE Broiler prices previously used provided the largest sample size and the most accurate reflection of the chicken market. The above pricing indicates the new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

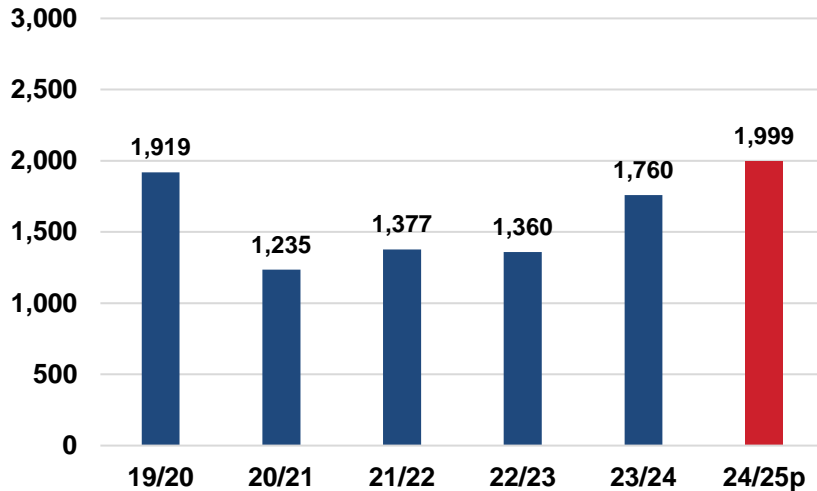


WOG Pricing Trended Down But Above Year Ago in Q3-24

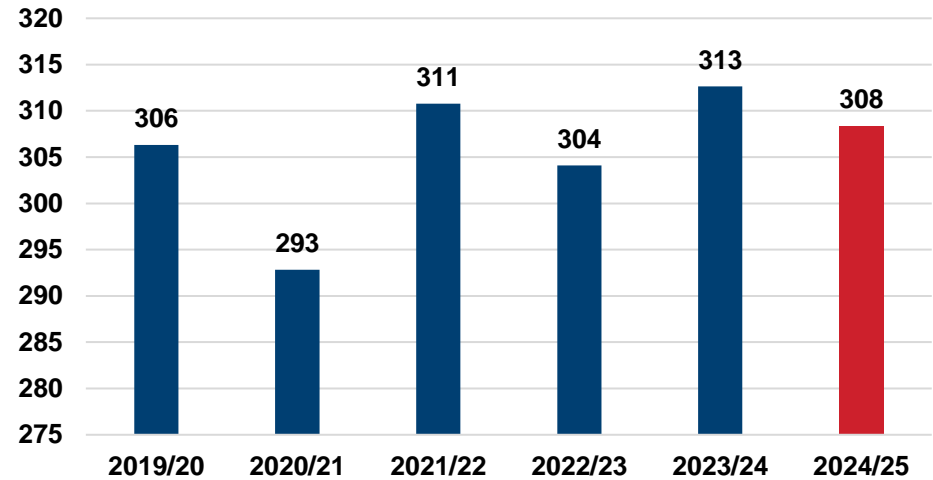
EMI WOG 2.5-4.0 LBS



US Corn Ending Stocks (MBUs)

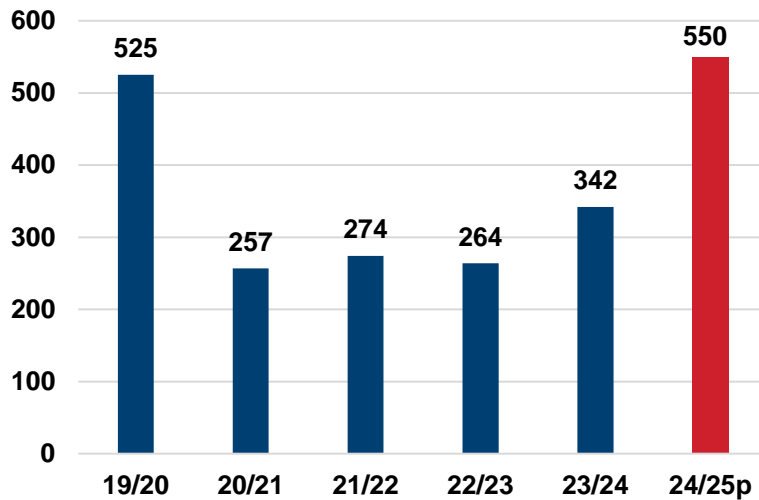


World Corn Endings stocks (MMT)

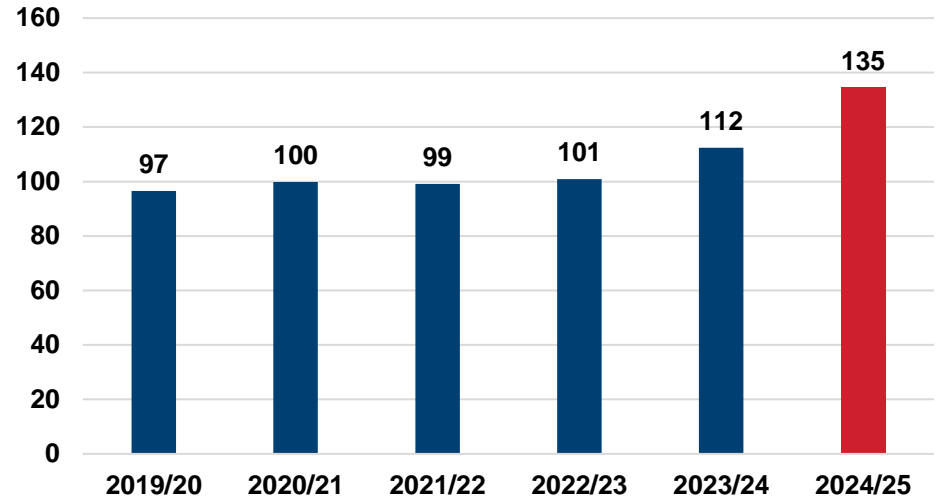


- US realizes record corn yield, highest ever beginning supply for 24/25 crop year. US stocks grow, while global stocks contract slightly vs prior year
- Lower prices vs past several years along with smaller than anticipated crops from other N. Hemisphere corn producers create opportunity for solid US corn export demand.
- China remains absent from global corn import market, limiting price upside
- Production weather for Argentina & Brazil corn are next major fundamental drivers of corn price

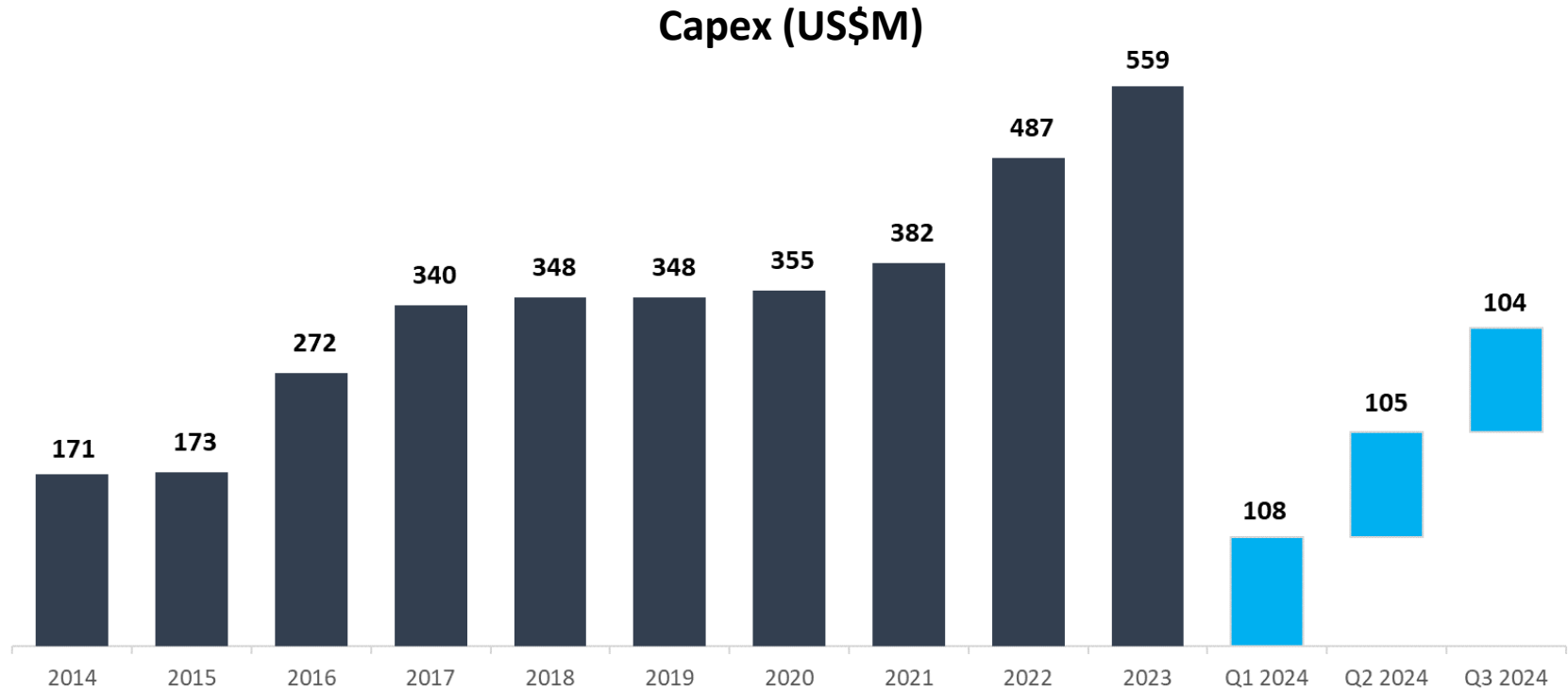
US Soybean Ending Stocks (MBUs)



World Soy End Stocks (MMT)



- US realizes record soy yield, highest ever beginning supply for 24/25 crop year. Both US and global bean ending stocks expected to grow in 24/25
- Favorable exchange rate for South American soybean producers leads to continued acreage expansion despite lower CME soybean prices, contributing to overall healthy level of global supply
- US elections and South American weather will be main driver in oilseed prices
- Soy crush expands around the globe, limiting upside potential in soybean meal prices



- Continued investment in strategic projects will support Key Customers' growth and emphasize our focus on further diversification of our portfolio and operational improvements
- Behind 2024 guidance spending pace due to timing of initiation of certain capital projects



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) loss on settlement of pension obligations due to plan termination, (5) write-downs of inventory as a result of hurricane, (6) property insurance recoveries for property damage losses, and (7) 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		Nine Months Ended	
	September 29, 2024	September 24, 2023	September 29, 2024	September 24, 2023
	(In thousands)			
Net income	\$ 349,990	\$ 121,567	\$ 851,451	\$ 188,106
Add:				
Interest expense, net ^(a)	19,498	33,530	65,733	112,116
Income tax expense (benefit)	131,609	44,553	284,321	20,488
Depreciation and amortization	110,470	104,300	321,768	307,414
EBITDA	611,567	303,950	1,523,273	628,124
Add:				
Foreign currency transaction losses (gains) ^(b)	(678)	8,924	(7,240)	43,462
Litigation settlements ^(c)	—	10,500	72,190	34,700
Restructuring activities losses ^(d)	30,836	940	82,070	38,684
Loss on settlement of pension from plan termination ^(e)	10,709	—	10,709	—
Inventory write-down as a result of hurricane ^(f)	8,075	—	8,075	—
Minus:				
Property insurance recoveries ^(e)	—	—	—	19,086
Net income attributable to noncontrolling interest	130	289	867	1,185
Adjusted EBITDA	<u>\$ 660,379</u>	<u>\$ 324,025</u>	<u>\$ 1,688,210</u>	<u>\$ 724,699</u>



Appendix: Reconciliation of Adjusted EBITDA

- 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 a loss recognized on the settlement of pension plan obligations related to an ongoing plan termination of our two U.S. defined benefit plans. We expect the termination to be substantially complete by the end of the year.
- f. This primarily represents broiler losses incurred as a result of Hurricane Helene in late September 2024.
- g. This represents property insurance recoveries primarily for the property damage losses incurred as a result of the tornado in Mayfield, KY in December 2021.



Appendix: Reconciliation of LTM Adjusted EBITDA

The summary unaudited consolidated income statement data for the twelve months ended September 29, 2024 (the LTM Period) have been calculated by subtracting the applicable unaudited consolidated income statement data for the nine months ended September 24, 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 nine months ended September 29, 2024.

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

	Three Months Ended				LTM Ended
	December 31, 2023	March 31, 2024	June 30, 2024	September 29, 2024	September 29, 2024
	(In thousands)				
Net income	\$ 134,211	\$ 174,938	\$ 326,523	\$ 349,990	\$ 985,662
Add:					
Interest expense, net	54,505	30,897	15,338	19,498	120,238
Income tax expense	22,417	52,062	100,650	131,609	306,738
Depreciation and amortization	112,486	103,350	107,948	110,470	434,254
EBITDA	323,619	361,247	550,459	611,567	1,846,892
Add:					
Foreign currency transaction losses (gains)	(22,892)	(4,337)	(2,225)	(678)	(30,132)
Litigation settlements	4,700	940	71,250	—	76,890
Restructuring activities losses	5,661	14,559	36,675	30,836	87,731
Loss on settlement of pension from plan termination	—	—	—	10,709	10,709
Inventory write-down as a result of hurricane	—	—	—	8,075	8,075
Minus:					
Property insurance recoveries	2,038	—	—	—	2,038
Net income (loss) attributable to noncontrolling interest	(442)	517	220	130	425
Adjusted EBITDA	<u>\$ 309,492</u>	<u>\$ 371,892</u>	<u>\$ 655,939</u>	<u>\$ 660,379</u>	<u>\$ 1,997,702</u>



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		Nine Months Ended		Three Months Ended		Nine Months Ended	
	September 29, 2024	September 24, 2023	September 29, 2024	September 24, 2023	September 29, 2024	September 24, 2023	September 29, 2024	September 24, 2023
(In thousands)								
Net income	\$ 349,990	\$ 121,567	\$ 851,451	\$ 188,106	7.63 %	2.79 %	6.30 %	1.47 %
Add:								
Interest expense, net	19,498	33,530	65,733	112,116	0.43 %	0.77 %	0.49 %	0.87 %
Income tax expense (benefit)	131,609	44,553	284,321	20,488	2.87 %	1.02 %	2.11 %	0.16 %
Depreciation and amortization	110,470	104,300	321,768	307,414	2.40 %	2.39 %	2.38 %	2.39 %
EBITDA	611,567	303,950	1,523,273	628,124	13.33 %	6.97 %	11.28 %	4.89 %
Add:								
Foreign currency transaction losses (gains)	(678)	8,924	(7,240)	43,462	(0.01)%	0.20 %	(0.05)%	0.33 %
Litigation settlements	—	10,500	72,190	34,700	— %	0.24 %	0.53 %	0.27 %
Restructuring activities losses	30,836	940	82,070	38,684	0.67 %	0.02 %	0.61 %	0.30 %
Loss on settlement of pension from plan termination	10,709	—	10,709	—	0.23 %	— %	0.08 %	— %
Inventory write-down as a result of hurricane	8,075	—	8,075	—	0.18 %	— %	0.06 %	— %
Minus:								
Property insurance recoveries	—	—	—	19,086	— %	— %	— %	0.15 %
Net income attributable to noncontrolling interest	130	289	867	1,185	— %	0.01 %	0.01 %	0.01 %
Adjusted EBITDA	<u>\$ 660,379</u>	<u>\$ 324,025</u>	<u>\$1,688,210</u>	<u>\$ 724,699</u>	<u>14.40 %</u>	<u>7.42 %</u>	<u>12.50 %</u>	<u>5.63 %</u>
Net sales	\$4,584,979	\$4,360,196	\$13,506,227	\$12,833,915	—	—	—	—

Source: PPC



Appendix: Reconciliation of Adjusted EBITDA by Segment

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

	Three Months Ended				Three Months Ended			
	September 29, 2024				September 24, 2023			
	U.S.	Europe	Mexico	Total	U.S.	Europe	Mexico	Total
	(In thousands)				(In thousands)			
Net income	\$ 278,241	\$ 36,209	\$ 35,540	\$ 349,990	\$ 31,124	\$ 35,743	\$ 54,700	\$ 121,567
Add:								
Interest expense, net ^(a)	30,734	(4,195)	(7,041)	19,498	42,331	(649)	(8,152)	33,530
Income tax expense	101,478	14,038	16,093	131,609	20,953	5,550	18,050	44,553
Depreciation and amortization	70,121	34,959	5,390	110,470	63,052	35,927	5,321	104,300
EBITDA	480,574	81,011	49,982	611,567	157,460	76,571	69,919	303,950
Add:								
Foreign currency transaction losses (gains) ^(b)	(1)	202	(879)	(678)	6,168	2,933	(177)	8,924
Litigation settlements ^(c)	—	—	—	—	10,500	—	—	10,500
Restructuring activities losses ^(d)	—	30,836	—	30,836	—	940	—	940
Loss on settlement of pension from plan termination ^(e)	10,709	—	—	10,709	—	—	—	—
Inventory write-down as a result of hurricane ^(f)	8,075	—	—	8,075	—	—	—	—
Minus:								
Net income attributable to noncontrolling interest	—	—	130	130	—	—	289	289
Adjusted EBITDA	<u>\$ 499,357</u>	<u>\$ 112,049</u>	<u>\$ 48,973</u>	<u>\$ 660,379</u>	<u>\$ 174,128</u>	<u>\$ 80,444</u>	<u>\$ 69,453</u>	<u>\$ 324,025</u>



Appendix: Reconciliation of Adjusted EBITDA by Segment

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

	Nine Months Ended				Nine Months Ended			
	September 29, 2024				September 24, 2023			
	U.S.	Europe	Mexico	Total	U.S.	Europe	Mexico	Total
	(In thousands)				(In thousands)			
Net income (loss)	\$ 579,948	\$ 102,232	\$ 169,271	\$ 851,451	\$ (43,801)	\$ 68,485	\$ 163,422	\$ 188,106
Add:								
Interest expense, net ^(a)	100,266	(8,734)	(25,799)	65,733	127,234	(1,470)	(13,648)	112,116
Income tax expense (benefit)	215,655	9,383	59,283	284,321	(9,895)	4,743	25,640	20,488
Depreciation and amortization	200,006	104,852	16,910	321,768	187,048	103,483	16,883	307,414
EBITDA	1,095,875	207,733	219,665	1,523,273	260,586	175,241	192,297	628,124
Add:								
Foreign currency transaction losses (gains) ^(b)	—	(53)	(7,187)	(7,240)	55,027	835	(12,400)	43,462
Litigation settlements ^(c)	72,190	—	—	72,190	34,700	—	—	34,700
Restructuring activities losses ^(d)	—	82,070	—	82,070	—	38,684	—	38,684
Loss on settlement of pension from plan termination ^(e)	10,709	—	—	10,709	—	—	—	—
Inventory write-down as a result of hurricane ^(f)	8,075	—	—	8,075	—	—	—	—
Minus:								
Property insurance recoveries ^(e)	—	—	—	—	19,086	—	—	19,086
Net income attributable to noncontrolling interest	—	—	867	867	—	—	1,185	1,185
Adjusted EBITDA	<u>\$1,186,849</u>	<u>\$ 289,750</u>	<u>\$ 211,611</u>	<u>\$1,688,210</u>	<u>\$ 331,227</u>	<u>\$ 214,760</u>	<u>\$ 178,712</u>	<u>\$ 724,699</u>



Appendix: Reconciliation of Adjusted EBITDA by Segment

- 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 a loss recognized on the settlement of pension plan obligations related to an ongoing plan termination of our two U.S. defined benefit plans. We expect the termination to be substantially complete by the end of the year.
- f. This primarily represents broiler losses incurred as a result of Hurricane Helene in late September 2024.
- g. This represents property insurance recoveries primarily for the property damage losses incurred as a result of the tornado in Mayfield, KY in December 2021.



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		Nine Months Ended	
	September 29, 2024	September 24, 2023	September 29, 2024	September 24, 2023
	(In thousands)			
GAAP operating income, U.S. operations	\$ 419,844	\$ 101,382	\$ 907,249	\$ 110,541
Litigation settlements	—	10,500	72,190	34,700
Inventory write-down as a result of hurricane	8,075	—	8,075	—
Adjusted operating income, U.S. operations	<u>\$ 427,919</u>	<u>\$ 111,882</u>	<u>\$ 987,514</u>	<u>\$ 145,241</u>
Adjusted operating income margin, U.S. operations	15.4 %	4.5 %	12.3 %	2.0 %

	Three Months Ended		Nine Months Ended	
	September 29, 2024	September 24, 2023	September 29, 2024	September 24, 2023
	(In thousands)			
GAAP operating income, Europe operations	\$ 45,601	\$ 42,809	\$ 100,710	\$ 70,583
Restructuring activities losses	30,836	940	82,070	38,684
Adjusted operating income, Europe operations	<u>\$ 76,437</u>	<u>\$ 43,749</u>	<u>\$ 182,780</u>	<u>\$ 109,267</u>
Adjusted operating income margin, Europe operations	5.8 %	3.3 %	4.7 %	2.8 %

	Three Months Ended		Nine Months Ended	
	September 29, 2024	September 24, 2023	September 29, 2024	September 24, 2023
	(In thousands)			
GAAP operating income, Mexico operations	\$ 42,909	\$ 62,182	\$ 191,459	\$ 157,076
No adjustments	—	—	—	—
Adjusted operating income, Mexico operations	<u>\$ 42,909</u>	<u>\$ 62,182</u>	<u>\$ 191,459</u>	<u>\$ 157,076</u>
Adjusted operating income margin, Mexico operations	8.5 %	11.1 %	11.9 %	9.8 %



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		Nine Months Ended	
	September 29, 2024	September 24, 2023	September 29, 2024	September 24, 2023
	(In percent)			
GAAP operating income margin, U.S. operations	15.1 %	4.1 %	11.3 %	1.5 %
Litigation settlements	— %	0.4 %	0.9 %	0.5 %
Inventory write-down as a result of hurricane	0.3 %	— %	0.1 %	— %
Adjusted operating income margin, U.S. operations	<u>15.4 %</u>	<u>4.5 %</u>	<u>12.3 %</u>	<u>2.0 %</u>
	Three Months Ended		Nine Months Ended	
	September 29, 2024	September 24, 2023	September 29, 2024	September 24, 2023
	(In percent)			
GAAP operating income margin, Europe operations	3.5 %	3.3 %	2.6 %	1.8 %
Restructuring activities losses	2.3 %	— %	2.1 %	1.0 %
Adjusted operating income margin, Europe operations	<u>5.8 %</u>	<u>3.3 %</u>	<u>4.7 %</u>	<u>2.8 %</u>
	Three Months Ended		Nine Months Ended	
	September 29, 2024	September 24, 2023	September 29, 2024	September 24, 2023
	(In percent)			
GAAP operating income margin, Mexico operations	8.5 %	11.1 %	11.9 %	9.8 %
No adjustments	— %	— %	— %	— %
Adjusted operating income margin, Mexico operations	<u>8.5 %</u>	<u>11.1 %</u>	<u>11.9 %</u>	<u>9.8 %</u>



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		Nine Months Ended	
	September 29, 2024	September 24, 2023	September 29, 2024	September 24, 2023
	(In thousands, except per share data)			
Net income attributable to Pilgrim's	\$ 349,860	\$ 121,278	\$ 850,584	\$ 186,921
Add:				
Foreign currency transaction losses (gains)	(678)	8,924	(7,240)	43,462
Litigation settlements	—	10,500	72,190	34,700
Restructuring activities losses	30,836	940	82,070	38,684
Loss on settlement of pension from plan termination	10,709	—	10,709	—
Inventory write-down as a result of hurricane	8,075	—	8,075	—
Minus:				
Gain on early extinguishment of debt	(52)	—	11,159	—
Property insurance recoveries	—	—	—	19,086
Adjusted net income attributable to Pilgrim's before tax impact of adjustments	398,854	141,642	1,005,229	284,681
Net tax impact of adjustments ^(a)	(11,857)	(4,927)	(37,423)	(23,657)
Adjusted net income attributable to Pilgrim's	\$ 386,997	\$ 136,715	\$ 967,806	\$ 261,024
Weighted average diluted shares of common stock outstanding	237,891	237,347	237,686	237,244
Adjusted net income attributable to Pilgrim's per common diluted share	\$ 1.63	\$ 0.58	\$ 4.07	\$ 1.10



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		Nine Months Ended	
	September 29, 2024	September 24, 2023	September 29, 2024	September 24, 2023
	(In thousands, except per share data)			
GAAP EPS	\$ 1.47	\$ 0.51	\$ 3.58	\$ 0.79
Add:				
Foreign currency transaction losses (gains)	—	0.04	(0.03)	0.18
Litigation settlements	—	0.04	0.30	0.15
Restructuring activities losses	0.13	—	0.35	0.16
Loss on settlement of pension from plan termination	0.05	—	0.05	—
Inventory write-down as a result of hurricane	0.03	—	0.03	—
Minus:				
Gain on early extinguishment of debt	—	—	0.05	—
Property insurance recoveries	—	—	—	0.08
Adjusted EPS before tax impact of adjustments	1.68	0.59	4.23	1.20
Net tax impact of adjustments ^(a)	(0.05)	(0.01)	(0.16)	(0.10)
Adjusted EPS	<u>\$ 1.63</u>	<u>\$ 0.58</u>	<u>\$ 4.07</u>	<u>\$ 1.10</u>
Weighted average diluted shares of common stock outstanding	237,891	237,347	237,686	237,244



Appendix: Supplementary Selected Segment and Geographic Data

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

	Three Months Ended		Nine Months Ended	
	September 29, 2024	September 24, 2023	September 29, 2024	September 24, 2023
(In thousands)				
Sources of net sales by geographic region of origin:				
U.S.	\$ 2,773,391	\$ 2,488,317	\$ 8,016,688	\$ 7,367,093
Europe	1,308,127	1,312,205	3,877,571	3,862,219
Mexico	503,461	559,674	1,611,968	1,604,603
Total net sales	<u>\$ 4,584,979</u>	<u>\$ 4,360,196</u>	<u>\$ 13,506,227</u>	<u>\$ 12,833,915</u>
Sources of cost of sales by geographic region of origin:				
U.S.	\$ 2,280,425	\$ 2,317,661	\$ 6,834,091	\$ 7,044,003
Europe	1,176,286	1,216,258	3,539,695	3,595,051
Mexico	444,298	480,395	1,372,936	1,397,294
Elimination	—	—	—	213
Total cost of sales	<u>\$ 3,901,009</u>	<u>\$ 4,014,314</u>	<u>\$ 11,746,722</u>	<u>\$ 12,036,561</u>
Sources of gross profit by geographic region of origin:				
U.S.	\$ 492,966	\$ 170,656	\$ 1,182,597	\$ 323,090
Europe	131,841	95,947	337,876	267,168
Mexico	59,163	79,279	239,032	207,309
Elimination	—	—	—	(213)
Total gross profit	<u>\$ 683,970</u>	<u>\$ 345,882</u>	<u>\$ 1,759,505</u>	<u>\$ 797,354</u>
Sources of operating income by geographic region of origin:				
U.S.	\$ 419,844	\$ 101,382	\$ 907,249	\$ 110,541
Europe	45,601	42,809	100,710	70,583
Mexico	42,909	62,182	191,459	157,076
Elimination	—	—	—	(213)
Total operating income	<u>\$ 508,354</u>	<u>\$ 206,373</u>	<u>\$ 1,199,418</u>	<u>\$ 337,987</u>