

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): October 30, 2019

PILGRIM'S PRIDE CORPORATION

(Exact Name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

1-9273
(Commission File Number)

75-1285071
(IRS Employer Identification No.)

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

80634-9038
(Zip Code)

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

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 of October 31, 2019.

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

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: October 30, 2019

/s/ Fabio Sandri
Fabio Sandri
Chief Financial Officer



Financial Results for Third Quarter Ended Sep 29, 2019

Pilgrim's Pride Corporation
(NASDAQ: PPC)

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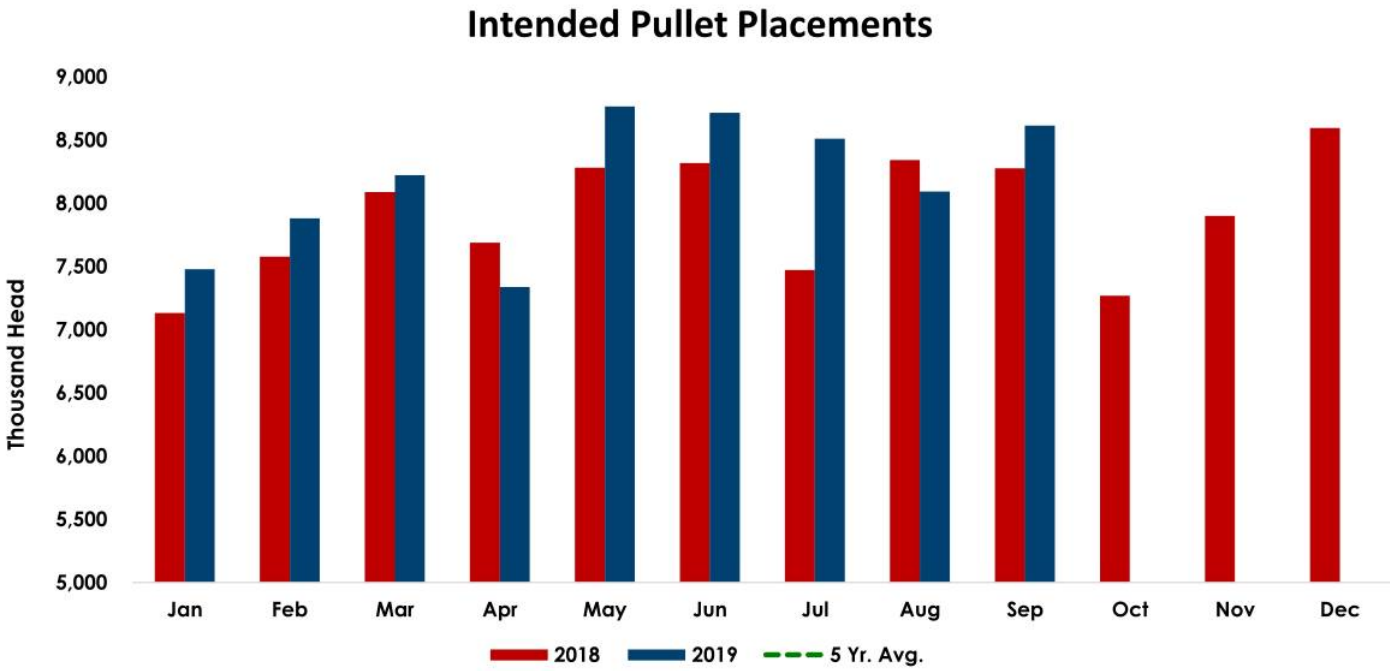
Cautionary Notes and Forward-Looking Statements

- 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 view 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 demand for our poultry products; contamination of our products, which has previously and can in the future lead to product liability claims and product recall 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 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 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. The method of computation may or may not be comparable to other similarly titled measures used in filings with the SEC by other companies. See the consolidated statements of income and consolidated statements of cash flows included in our financial statements.



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Pullet Placement Growth Remains In Line With Expected New Capacity



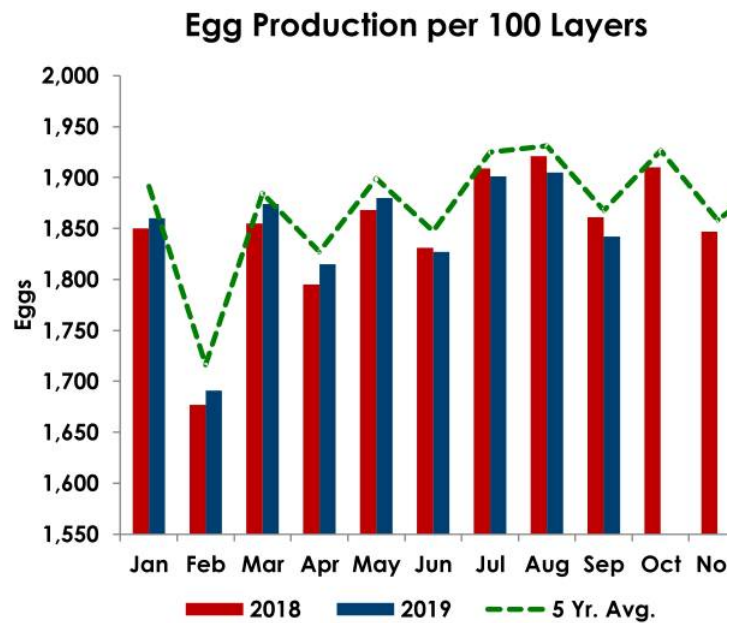
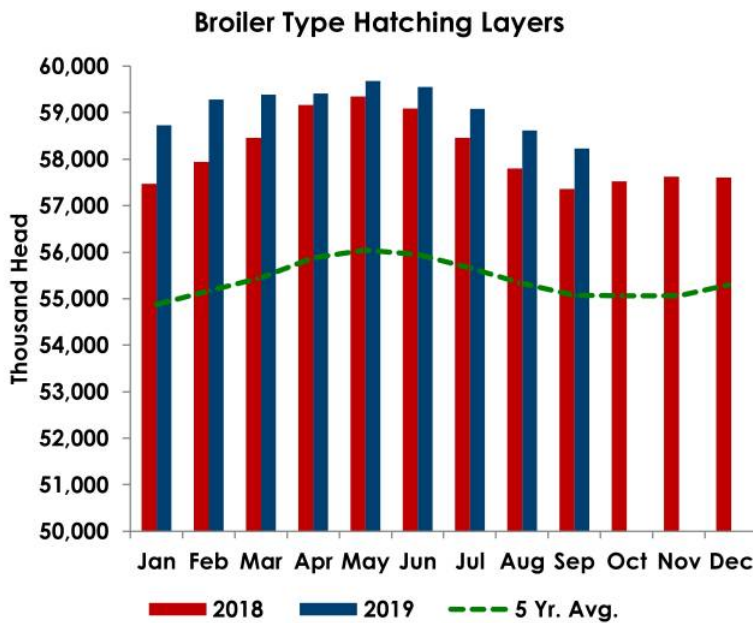
- Trailing 8-Month placements average 3.3% above year prior to accommodate oncoming plants in late 2019.



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Source: USDA

Hatching Layer Flock Seasonally Declining Q3 Egg Production Below 2018 and 5 Year Average



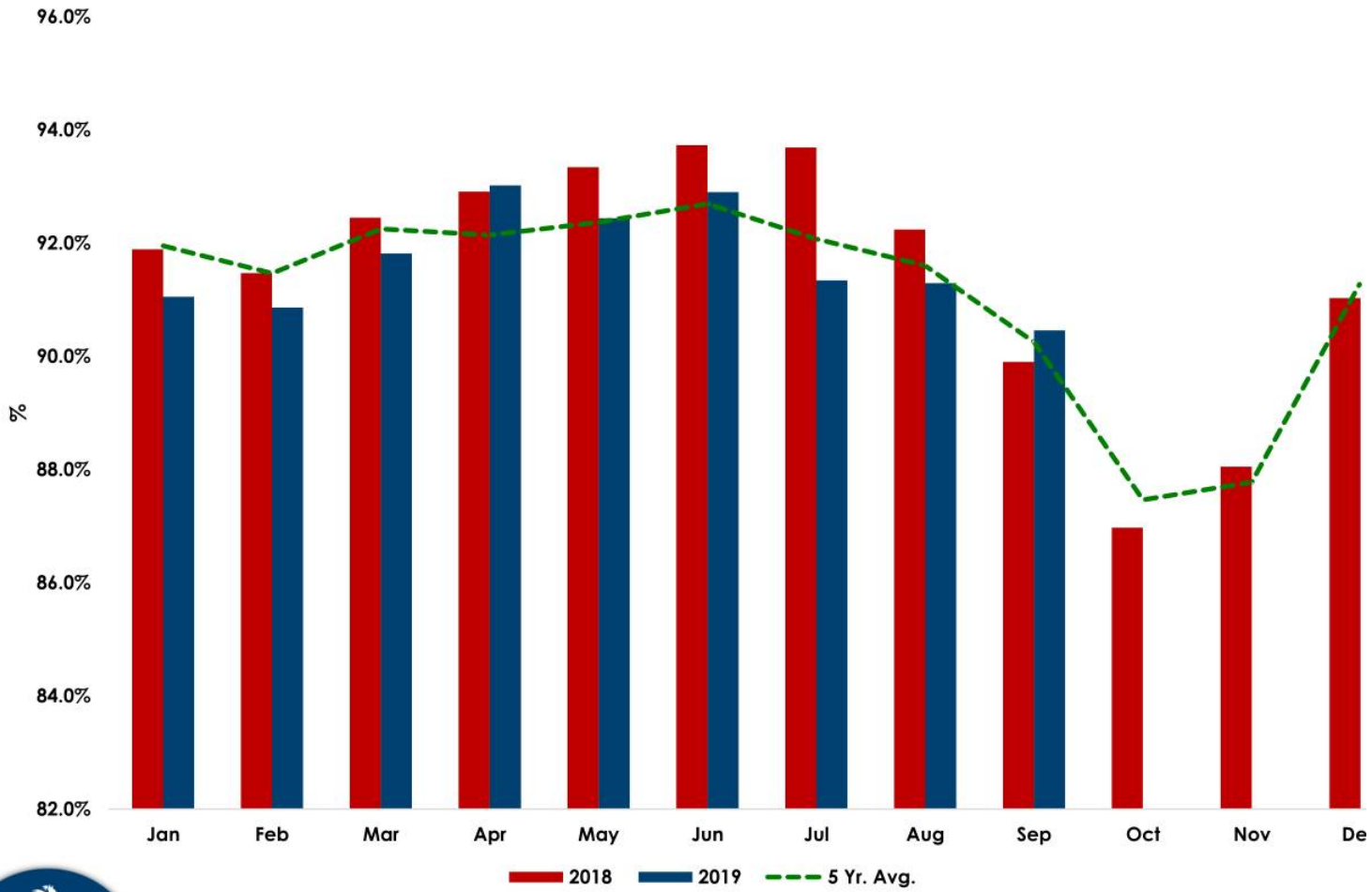
- Growth in hatching layers has been supportive of new capacity.
- Eggs production improved in early 2019, but have shown Y/Y declines since June.



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Source: USDA

Hatchery Utilization Remains Close to 5 Year Average



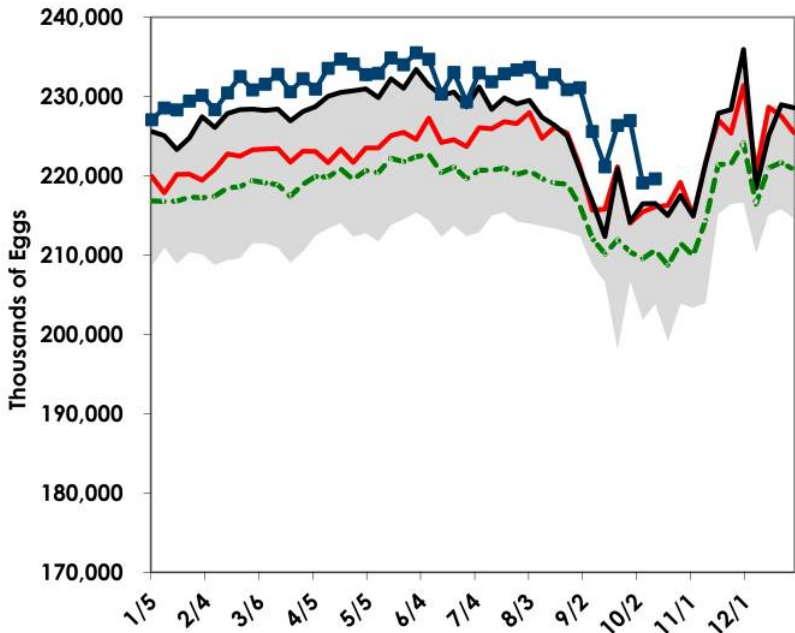
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Source: Agristats

Egg Sets Up +1.7% Y

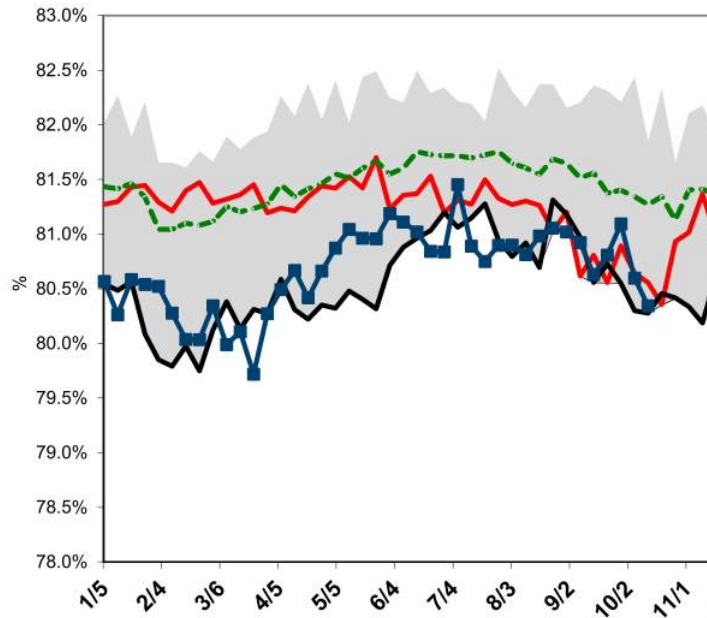
Hatchability Remains In Line With 20

Chicken Egg Sets
by Week - USDA



5 Year Range 2017 2018 2019 5 Yr. Avg.

Chicken Hatchability
by Week - USDA



5 Year Range 2017 2018 2019 5 Yr. Avg.

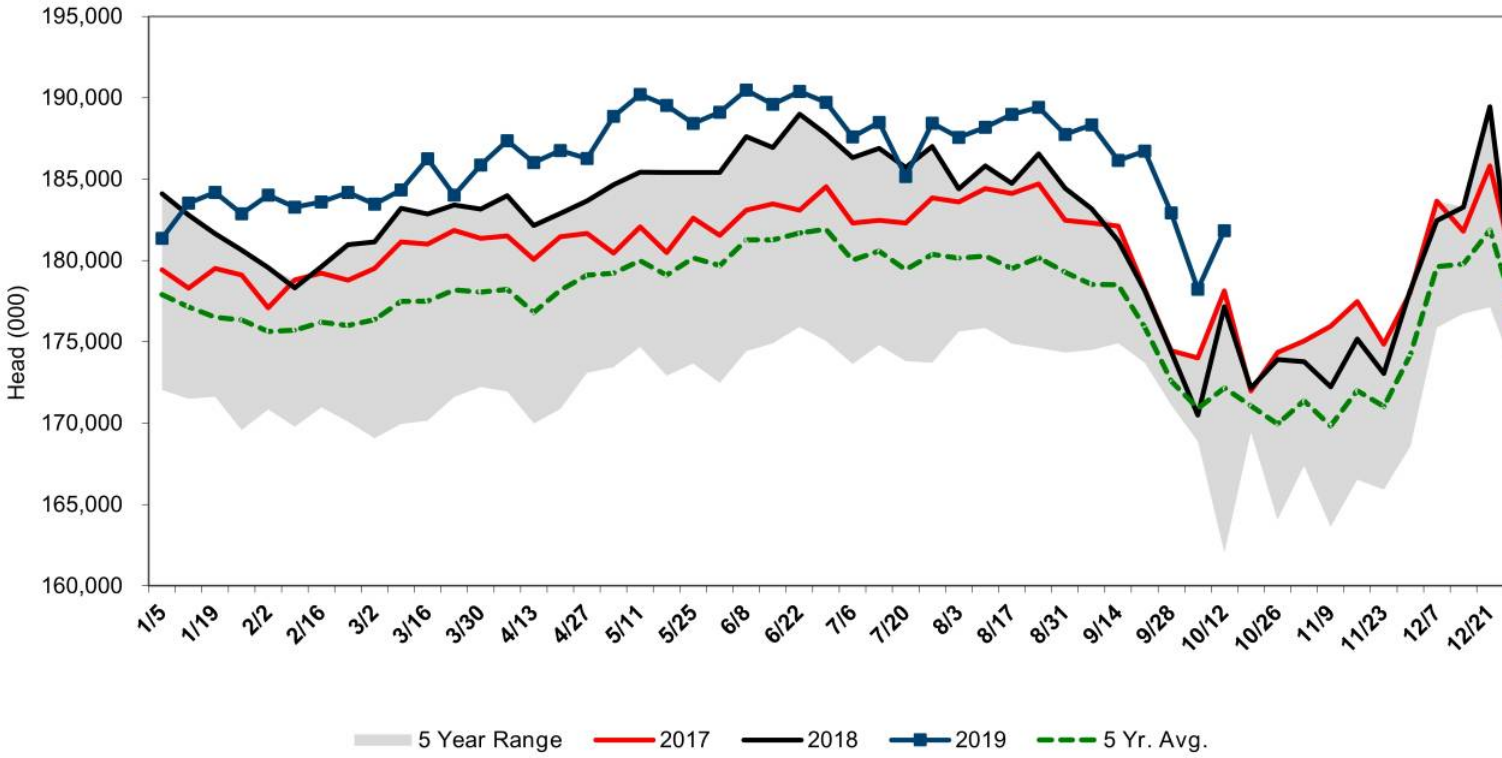


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Source: USDA

Chick Placements Up +1.7% YTD

Chicken Broiler Placed by Week- USDA

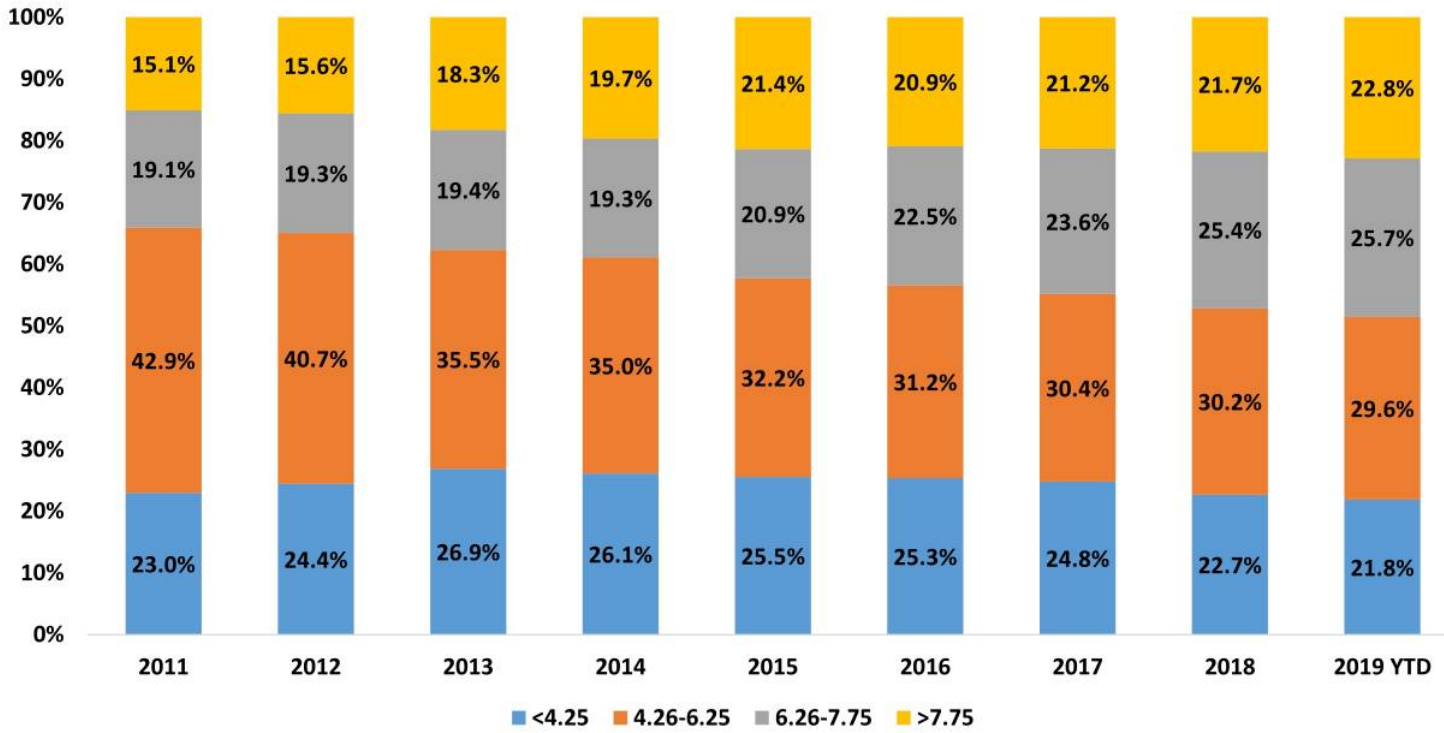


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Source: USDA

Jumbo Bird and Case Ready Categories Growing Sha

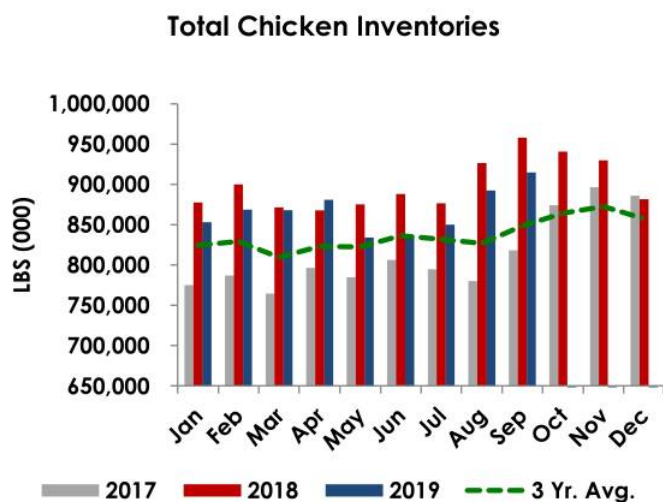
Head Processed by Size



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Source: USDA

Total Freezer Inventories Continued to Decline Y/Y



Frozen Chicken Inventory (000 LBS)					
Part	Sep-18	Aug-19	Sep-19	YOY Δ	M/M Δ
Broilers	21,073	22,274	22,492	▲ 6.7%	▲
Hens	6,150	8,701	7,818	▲ 27.1%	▼
Breast Meat	177,388	180,972	185,532	▲ 4.6%	▲
Drumsticks	40,085	45,080	46,737	▲ 16.6%	▲
LQ	104,410	73,446	78,020	▼ -25.3%	▲
Legs	18,012	13,636	13,567	▼ -24.7%	▼
Thighs	11,892	9,877	9,074	▼ -23.7%	▼
Thigh Meat	22,721	37,129	33,680	▲ 48.2%	▼
Wings	104,951	71,960	69,207	▼ -34.1%	▼
Paws and Feet	28,189	31,426	30,685	▲ 8.9%	▼
Other	423,132	398,306	418,159	▼ -1.2%	▲
Total Chicken	958,003	892,807	914,971	▼ -4.5%	▲

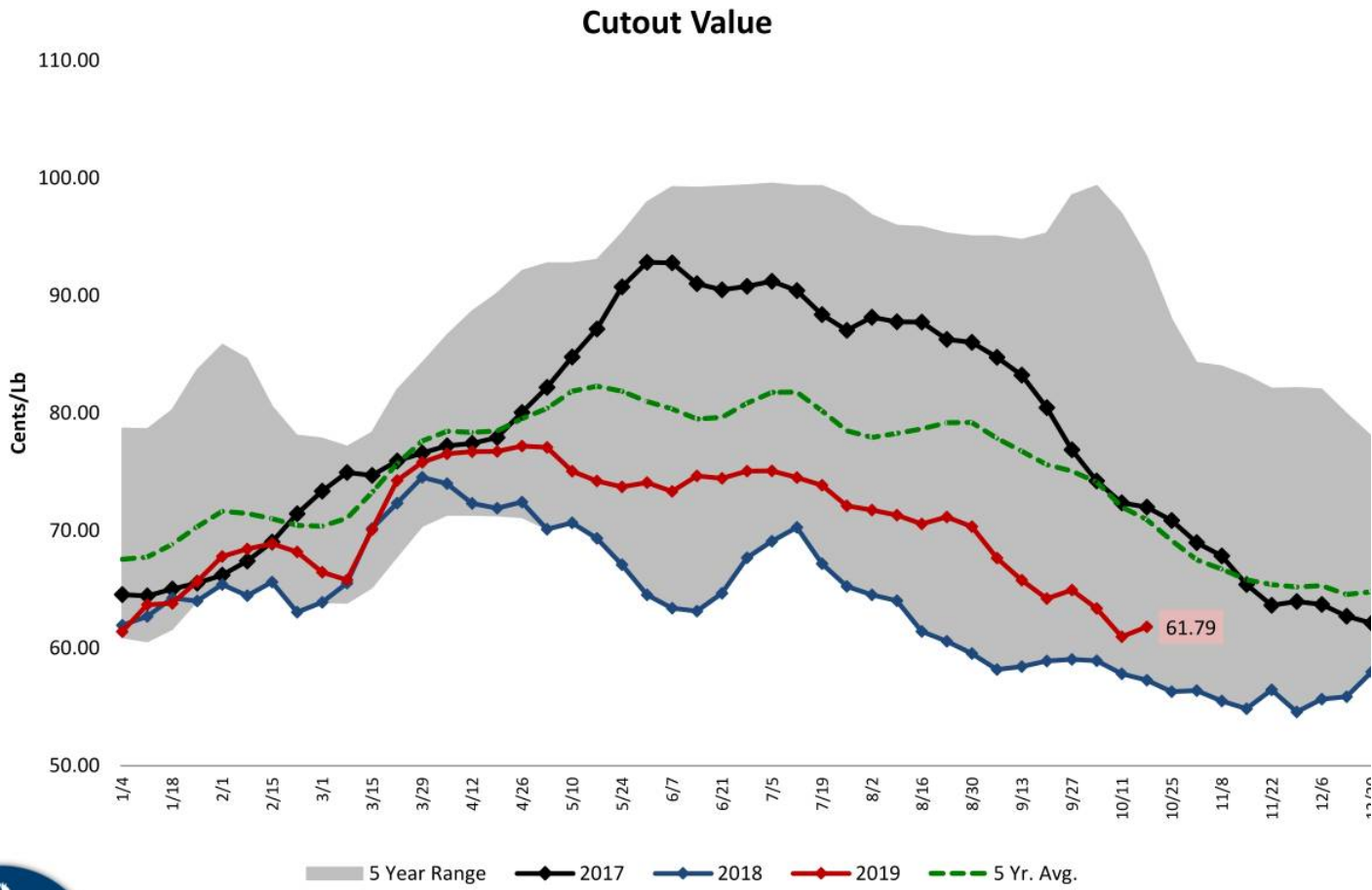
- Total inventories showing normal seasonal increase.
- LQ climbing back from historical lows, but still remain well below 2018 level.
- Breast meat inventories maintain steady M/M and Y/Y growth.
- Wing inventories fell M/M and continue to trend near 2017 levels.



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Source: USDA

Cutout Following Seasonal Trends and Remains Above 2

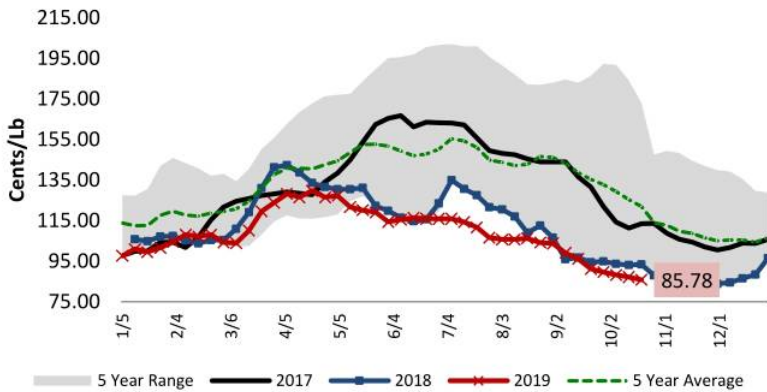


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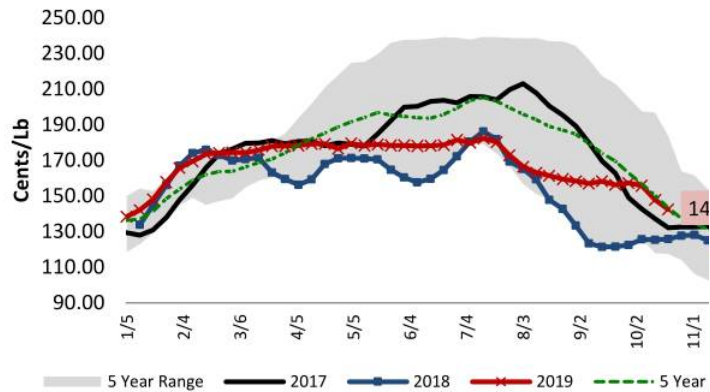
Source: PPC, EMI

Strength in Wings and LQs Continue to Support Cuto Boneless Breast In Line With 20

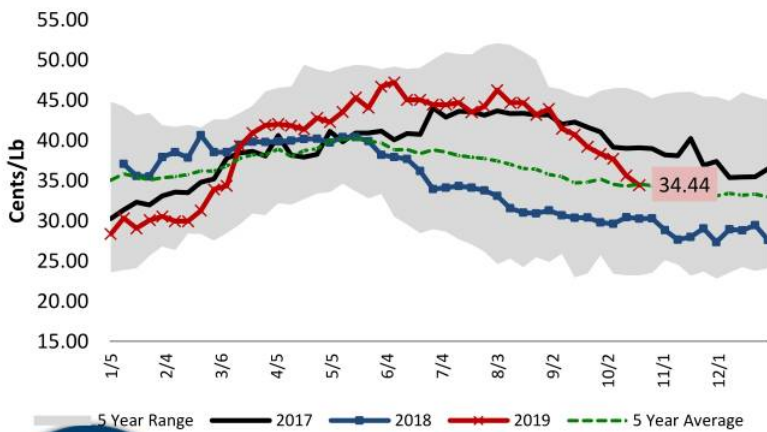
USDA Boneless/Skinless Breast NE



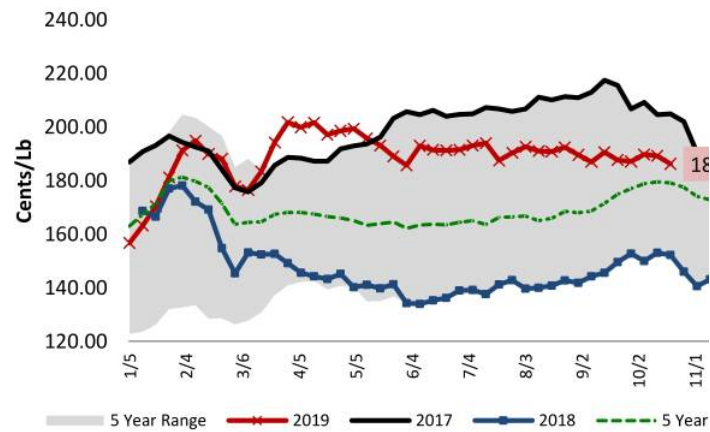
USDA Tenders NE



USDA Leg Quarters NE



USDA Whole Wings NE

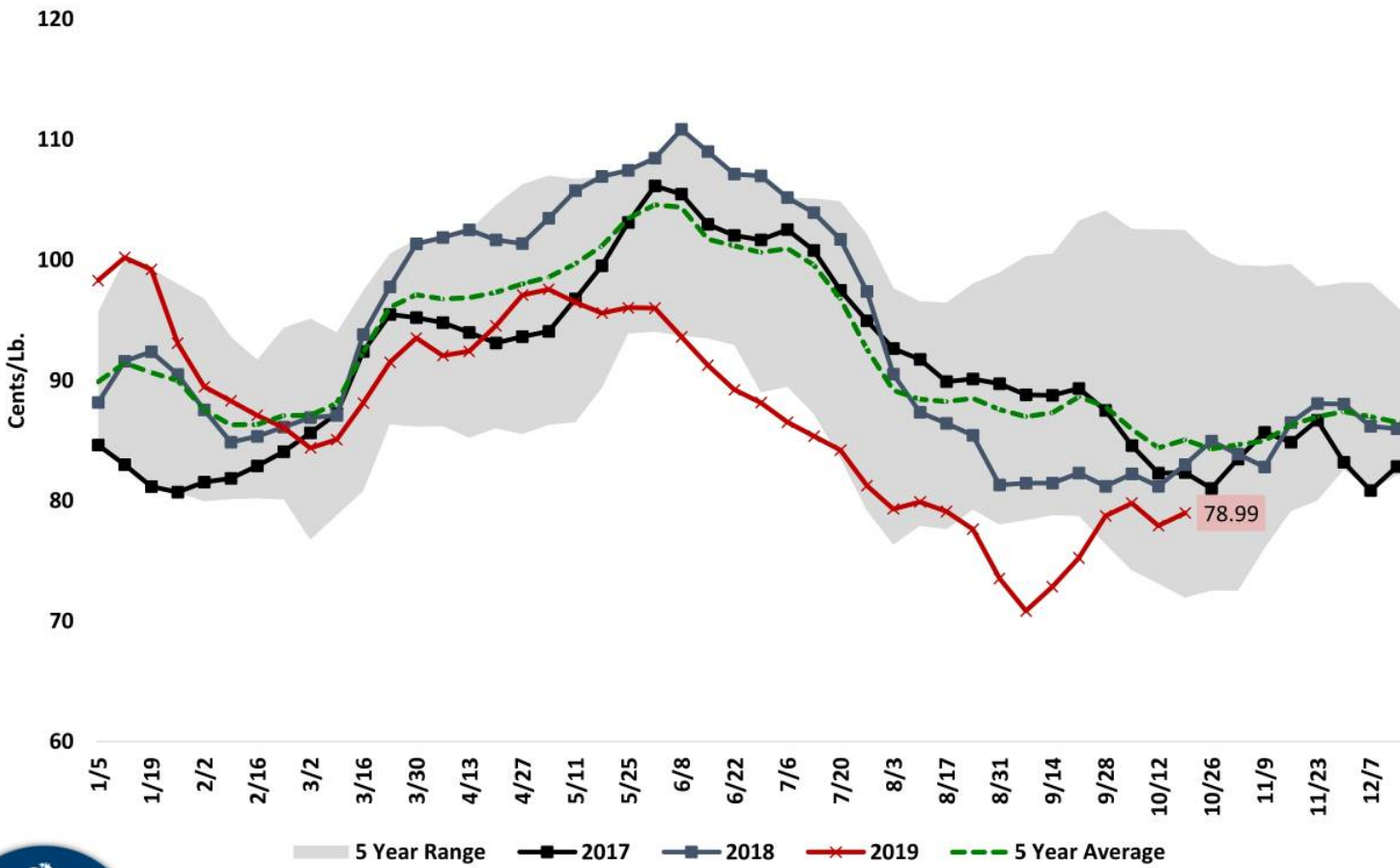


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Source: USDA

Seasonal Decline Started Early for WOG But Has Rebounded Close to 5 Year Range

EMI WOG 2.5-4.0 LBS



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Source: EMI

Corn Stocks Projected to Decrease in 2019



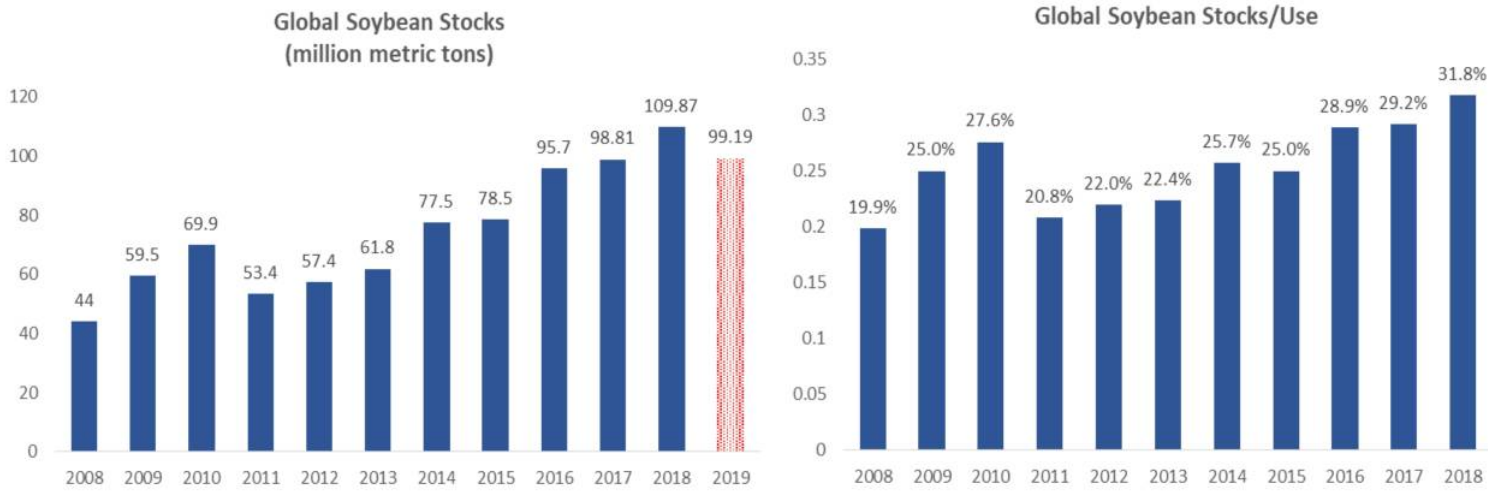
- Despite challenging growing season in the U.S., global stocks/use to remain relatively flat in 2019.
- Increase in global wheat supplies to reduce global corn trade this crop year.



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Source: USDA

Global Soybean Inventories Remain High



- Stocks are set to decline from record levels due to reduction in U.S. soybean production.
- Lower global export demand due to ASF keeping stocks/use at surplus levels.



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Source: USDA

Third Quarter 2019 Financial Rev

Main Indicators (\$M)	Q3-19	Q3-18
Net Revenue	2,778.0	2,697.6
Gross Profit	282.2	169.7
SG&A	94.0	84.4
Operating Income	188.2	85.3
Net Interest	27.3	31.1
Net Income	109.8	29.3
Earnings Per Share (EPS)	0.44	0.12
Adjusted EBITDA*	258.4	156.0
<i>Adjusted EBITDA Margin*</i>	9.3%	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 GAAP.

- U.S.: Commodity recovered Y/Y , PF solid; MX: In-line with seasonality; UK/Europe: Pricing model adjustment and operational improvements continue to generate higher profits.
- SG&A higher on more brand investments in U.S. and MX.
- Adjusted Q3-19 EBITDA reflects portfolio, Key Customer strategy, and geographical diversification.

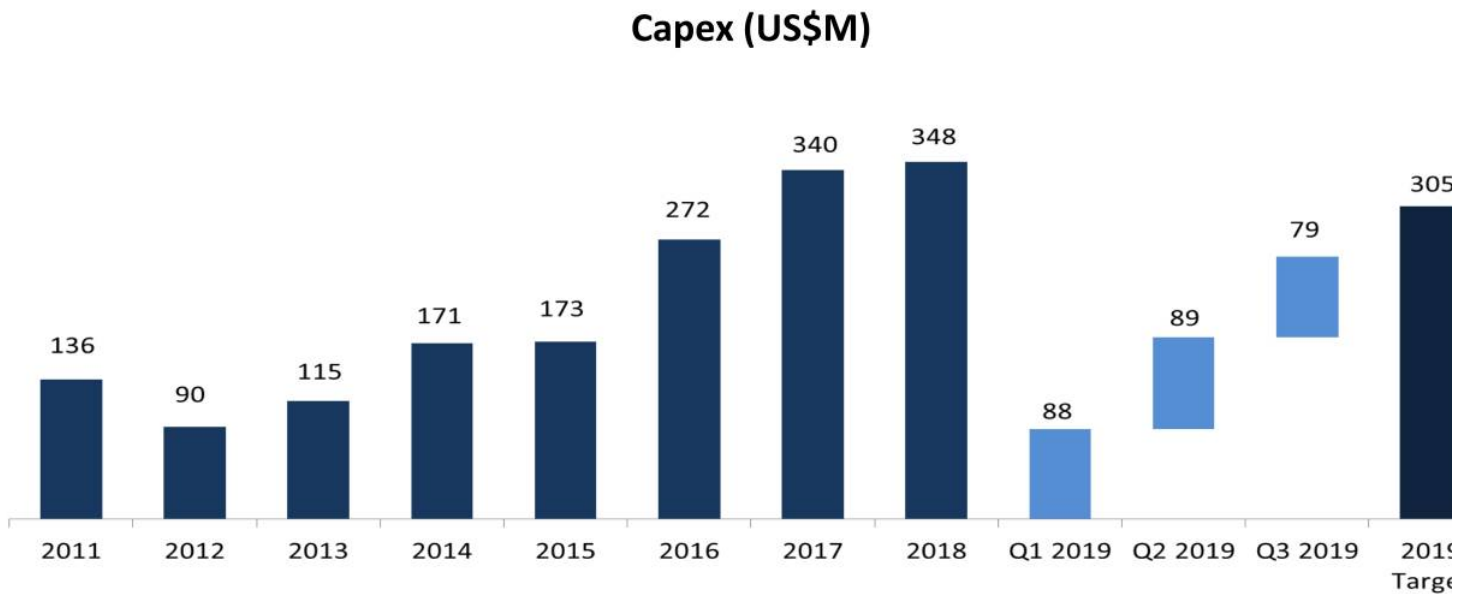
In \$M	U.S.	EU	
Net Revenue	1,931.7	517.5	3
Operating Income	125.2	25.3	3
<i>Operating Income Margin</i>	6.5%	4.9%	1



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Source: PPC

Fiscal Year 2019 Capital Spend



- 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: **Dunham Winoto**
Director, Investor Relations

E-mail: **IRPPC@pilgrims.com**

Address: **1770 Promontory Circle**
Greeley, CO 80634 USA

Website: **www.pilgrims.com**



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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 from operating activities or as a measure of liquidity or an alternative to net income as indicators of our operating performance or any other measure of performance derived in accordance with GAAP.

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

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 29, 2019	September 30, 2018	September 29, 2019	September 30, 2018
	(In thousands)			
Net income	\$ 110,096	\$ 29,463	\$ 364,301	\$ 255,031
Add:				
Interest expense, net	27,330	31,093	87,703	115,236
Income tax expense	46,365	30,848	142,328	106,367
Depreciation and amortization	71,851	71,026	210,381	207,113
EBITDA	255,642	162,430	804,713	683,747
Add:				
Foreign currency transaction losses	3,027	(6,711)	7,923	(2,802)
Acquisition charges	63	16	63	320
Restructuring activity	(20)	257	(90)	2,181
Other nonrecurring losses and expenses	—	164	—	3,462
Minus:				
Net income (loss) attributable to noncontrolling interest	331	153	457	(238)
Adjusted EBITDA	\$ 258,381	\$ 156,003	\$ 812,152	\$ 687,146

Source: PPC



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Appendix: Reconciliation of LTM EBITDA

The summary unaudited consolidated income statement data for the twelve months ended September 29, 2019 (the LTM Period) have been calculated by subtracting the applicable unaudited consolidated income statement data for the nine months ended September 30, 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 nine months ended September 29, 2019.

PILGRIM'S PRIDE CORPORATION Reconciliation of LTM Adjusted EBITDA

(Unaudited)	Thirteen Weeks Ended December 30, 2018	Thirteen Weeks Ended March 31, 2019	Thirteen Weeks Ended June 30, 2019	Thirteen Weeks Ended September 29, 2019	LTM Ended September 29, 2019
	(In thousands)				
Net income	\$ (8,227)	\$ 84,125	\$ 170,080	\$ 110,096	\$ 356,074
Add:					
Interest expense, net	33,765	30,222	30,150	27,330	121,467
Income tax expense	(20,944)	20,416	75,547	46,365	121,384
Depreciation and amortization	66,975	67,182	71,348	71,851	277,356
EBITDA	71,569	201,945	347,125	255,642	876,281
Add:					
Foreign currency transaction losses (gains)	19,962	2,636	2,260	3,027	27,885
Acquisition charges	—	—	—	63	63
Restructuring activities	2,584	(27)	(43)	(20)	2,494
Other nonrecurring losses and expenses	16,023	—	—	—	16,023
Minus:					
Net income (loss) attributable to noncontrolling interest	(903)	114	12	331	(446)
Adjusted EBITDA	\$ 111,041	\$ 204,440	\$ 349,330	\$ 258,381	\$ 923,192



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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		Thirty-Nine Weeks Ended		Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 29, 2019	September 30, 2018	September 29, 2019	September 30, 2018	September 29, 2019	September 30, 2018	September 29, 2019	September 30, 2018
	(In thousands)							
Net income	\$ 110,096	\$ 29,463	\$ 364,301	\$ 255,031	3.96 %	1.09 %	4.37 %	3.08 %
Add:								
Interest expense, net	27,330	31,093	87,703	115,236	0.98 %	1.15 %	1.05 %	1.39 %
Income tax expense	46,365	30,848	142,328	106,367	1.67 %	1.14 %	1.71 %	1.28 %
Depreciation and amortization	71,851	71,026	210,381	207,113	2.59 %	2.63 %	2.52 %	2.50 %
EBITDA	255,642	162,430	804,713	683,747	9.20 %	6.03 %	9.64 %	8.26 %
Add:								
Foreign currency transaction losses	3,027	(6,711)	7,923	(2,802)	0.11 %	(0.25)%	0.09 %	(0.03)%
Acquisition charges	63	16	63	320	— %	— %	— %	— %
Restructuring activity	(20)	257	(90)	2,181	— %	0.01 %	— %	0.03 %
Other nonrecurring losses and expenses	—	164	—	3,462	— %	0.01 %	— %	0.04 %
Minus:								
Net income (loss) attributable to noncontrolling interest	331	153	457	(238)	0.01 %	0.01 %	0.01 %	— %
Adjusted EBITDA	\$ 258,381	\$ 156,003	\$ 812,152	\$ 687,146	9.30 %	5.79 %	9.73 %	8.30 %
Net sales	\$ 2,777,970	\$ 2,697,604	\$ 8,345,730	\$ 8,280,995	\$ 2,777,970	\$ 2,697,604	\$ 8,345,730	\$ 8,280,995



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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		Thirty-Nine Weeks Ended	
	September 29, 2019	September 30, 2018	September 29, 2019	September 30, 2018
	(In thousands, except per share data)			
Net income attributable to Pilgrim's Pride Corporation	\$ 109,765	\$ 29,310	\$ 363,844	\$ 255,269
Adjustments, net of tax:				
Loss on early extinguishment of debt	—	903	—	12,679
Acquisition charges and restructuring activities	33	207	(20)	1,893
Foreign currency transaction losses	2,290	(5,077)	5,994	(2,120)
Income before loss on early extinguishment of debt, acquisition charges and restructuring activities, and foreign currency transaction losses	\$ 112,088	\$ 25,343	\$ 369,818	\$ 267,721
U.S. Tax Cuts & Jobs Act transition tax	—	26,400	—	26,400
Adjusted net income (loss)	\$ 112,088	\$ 51,743	\$ 369,818	\$ 294,121
Weighted average diluted shares of common stock outstanding	249,729	249,179	249,652	249,076
Income before loss on early extinguishment of debt, acquisition and restructuring activities and foreign currency transaction losses per common diluted share	\$ 0.45	\$ 0.21	\$ 1.48	\$ 1.18



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Source: PPC

Appendix: Adjusted EPS Brid

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		Thirty-Nine Weeks Ended	
	September 29, 2019	September 30, 2018	September 29, 2019	September 30, 2018
	(In thousands, except per share data)			
GAAP EPS	\$ 0.44	\$ 0.12	\$ 1.46	\$ 1.03
Adjustments, net of tax:				
Loss on early extinguishment of debt	—	—	—	0.05
Foreign currency transaction losses	0.01	(0.02)	0.02	(0.01)
	<u>\$ 0.45</u>	<u>\$ 0.10</u>	<u>\$ 1.48</u>	<u>\$ 1.08</u>
U.S. Tax Cuts & Jobs Act transition tax	—	0.11	—	0.11
Adjusted EPS	<u>\$ 0.45</u>	<u>\$ 0.21</u>	<u>\$ 1.48</u>	<u>\$ 1.18</u>
Weighted average diluted shares of common stock outstanding	249,729	249,179	249,652	249,076



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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		Thirty-Nine Weeks Ended	
	September 29, 2019	September 30, 2018	September 29, 2019	September 30, 2018
(In thousands)				
Sources of net sales by country of origin:				
US	\$ 1,931,657	\$ 1,864,169	\$ 5,732,201	\$ 5,604,709
Europe	517,531	526,722	1,568,396	1,634,125
Mexico	328,782	306,713	1,045,133	1,042,161
Total net sales	<u>\$ 2,777,970</u>	<u>\$ 2,697,604</u>	<u>\$ 8,345,730</u>	<u>\$ 8,280,995</u>
Sources of cost of sales by country of origin:				
US	\$ 1,739,474	\$ 1,732,803	\$ 5,123,278	\$ 5,137,049
Europe	474,490	485,435	1,452,254	1,500,994
Mexico	281,833	309,650	901,271	911,358
Intersegment transactions, net	(24)	(25)	(72)	(34)
Total cost of sales	<u>\$ 2,495,773</u>	<u>\$ 2,527,863</u>	<u>\$ 7,476,731</u>	<u>\$ 7,549,367</u>
Sources of gross profit by country of origin:				
US	\$ 192,183	\$ 131,366	\$ 608,923	\$ 467,660
Europe	43,041	41,287	116,142	133,131
Mexico	46,949	(2,937)	143,862	130,803
Intersegment transactions, net	24	25	72	34
Total gross profit	<u>\$ 282,197</u>	<u>\$ 169,741</u>	<u>\$ 868,999</u>	<u>\$ 731,628</u>
Sources of operating income by country of origin:				
US	\$ 125,169	\$ 74,206	\$ 426,968	\$ 300,960
Europe	25,325	23,470	62,233	68,545
Mexico	37,667	(12,355)	115,503	102,512
Intersegment transactions, net	24	25	72	34
Total operating income	<u>\$ 188,185</u>	<u>\$ 85,346</u>	<u>\$ 604,776</u>	<u>\$ 472,051</u>



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Source: PPC

