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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

PROXY STATEMENT

AND

2024 ANNUAL REPORT

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Dear Fellow Pilgrim's Stockholders:

I am pleased to invite you to our Annual Meeting of Stockholders. The attached Notice of Annual Meeting of Stockholders and Proxy Statement contain details of the business to be conducted. In addition to the business to be transacted at the meeting, members of management will present information about our operations and will be available to respond to your questions.

Your vote is very important to us and to our business. Prior to the meeting, I encourage you to sign and return your proxy card, or use telephone or Internet voting, so that your shares will be represented and voted at the meeting. You can find instructions on how to vote beginning on page one. You may also attend the meeting in person at Pilgrim's Pride corporate headquarters, at 1770 Promontory Circle, Greeley, Colorado. If you plan to attend in person, please bring proof of Pilgrim's Pride stock ownership and government-issued photo identification, as these will be required for admission.

I hope to see you at the meeting. Thank you in advance for voting and for your continued support of Pilgrim's Pride.

A handwritten signature in black ink, appearing to be "H. S.", written in a cursive style.

President and Chief Executive Officer

April 3, 2025

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# **Pilgrim's Pride Corporation**

**1770 Promontory Circle  
Greeley, Colorado 80634**

## **NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**To Be Held April 30, 2025**

The annual meeting of stockholders of Pilgrim's Pride Corporation will be held at Pilgrim's Pride corporate headquarters, at 1770 Promontory Circle, Greeley, Colorado, on Wednesday, April 30, 2025, at 8:00 a.m., local time, to consider and vote on the following matters:

1. To elect Gilberto Tomazoni, Wesley Mendonça Batista, Joesley Mendonça Batista, Andre Nogueira de Souza, Farha Aslam, Raul Padilla, Joanita Karoleski, and Ajay Menon as the eight JBS Directors;
2. To elect Wallim Cruz de Vasconcellos Junior and Arquimedes A. Celis as the two Equity Directors;
3. To conduct a stockholder advisory vote on executive compensation;
4. To ratify the appointment of KPMG LLP as our independent registered public accounting firm for 2025;
5. To approve the Amended and Restated Pilgrim's Pride Corporation 2019 Long Term Incentive Plan;
6. To transact such other business as may properly be brought before the meeting or any adjournment thereof.

No other matters are expected to be voted on at the annual meeting.

The Board of Directors has fixed the close of business on March 20, 2025, as the record date for determining stockholders entitled to notice of, and to vote at, the annual meeting. If you owned shares of our common stock at the close of business on that date, you are cordially invited to attend the annual meeting. Whether or not you plan to attend the annual meeting, please vote at your earliest convenience. Most stockholders have three options for submitting their votes prior to the meeting:

- (1) via the internet;
- (2) by telephone; or
- (3) by mail.

Please refer to the specific instructions set forth on the enclosed proxy card (if you are a stockholder of record) or voting instruction form (if you hold shares through a bank, broker or other nominee). Admission to the annual meeting will be limited to our stockholders, proxy holders and invited guests. If you are a stockholder of record, please bring a form of government-issued photo identification to the annual meeting. If you hold shares through a bank, broker or other nominee, please bring a form of government-issued photo identification and proof of beneficial ownership (such as a brokerage statement), and, if you wish to vote your shares in person, a signed legal proxy from the stockholder of record.

Greeley, Colorado  
April 3, 2025

FABIO SANDRI  
*President and  
Chief Executive Officer*

**YOUR VOTE IS IMPORTANT!**

**PLEASE SIGN AND RETURN THE ACCOMPANYING PROXY CARD OR VOTING INSTRUCTION FORM OR VOTE YOUR SHARES ON THE INTERNET OR BY TELEPHONE BY FOLLOWING THE INSTRUCTIONS ON THE PROXY CARD OR VOTING INSTRUCTION FORM.**

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON April 30, 2025: The Proxy Statement and the 2024 Annual Report on Form 10-K are available at [www.proxyvote.com](http://www.proxyvote.com). Enter the 16-digit control number located on the proxy card and click “Continue to Vote.”**

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# Pilgrim's Pride Corporation

1770 Promontory Circle  
Greeley, Colorado 80634

## PROXY STATEMENT

### GENERAL INFORMATION

#### **Why did I receive this proxy statement?**

The Board of Directors (the "Board of Directors" or the "Board") of Pilgrim's Pride Corporation is soliciting stockholder proxies for use at our annual meeting of stockholders to be held at the Pilgrim's Pride corporate headquarters, at 1770 Promontory Circle, Greeley, Colorado, on Wednesday, April 30, 2025, at 8:00 a.m., local time, and any adjournments thereof (the "Annual Meeting" or the "meeting"). This proxy statement, the accompanying proxy card, and the 2024 annual report are being mailed to stockholders on or about April 2, 2025. Throughout this proxy statement, we will refer to Pilgrim's Pride Corporation as "Pilgrim's Pride," "Pilgrim's," "PPC," "we," "us" or the "Company."

#### **What is the record date for the Annual Meeting and why is it important?**

The Board of Directors has fixed March 20, 2025 as the record date for determining stockholders who are entitled to vote at the Annual Meeting (the "Record Date"). At the close of business on the Record Date, Pilgrim's Pride had 237,362,204 shares of common stock outstanding, par value \$0.01 per share.

#### **What is the difference between holding shares as a stockholder of record and as a beneficial owner?**

Most stockholders of Pilgrim's Pride hold their shares through a broker, bank, or other nominee, rather than of record directly in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

*Stockholders of Record:* If your shares are registered directly in your name with our transfer agent, you are considered a stockholder of record with respect to those shares. As a stockholder of record, you have the right to vote in person at the meeting.

*Beneficial Owner:* If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered a beneficial owner of shares held in "street name." As a beneficial owner, you have the right to direct your broker on how to vote your shares, and you are also invited to attend the meeting. Since you are not a stockholder of record, however, you may not vote your shares in person at the meeting unless you obtain a signed proxy from the holder of record giving you the right to vote the shares.

#### **How do I attend and get admitted to the Annual Meeting?**

You are entitled to attend the Annual Meeting only if you were a Pilgrim's Pride stockholder as of the close of business on March 20, 2025 or if you hold a valid proxy for the Annual Meeting. **If you plan to attend the physical meeting, please be aware of what you will need for admission as described below.** If you do not provide a government-issued photo identification and comply with the other procedures described here for attending the Annual Meeting in person, you will not be admitted to the meeting location. We reserve the right to deny admission to any person who may pose a threat to the safety of stockholders or other meeting participants, and we reserve the right to implement additional procedures to ensure the security and safety of meeting attendees.

*Stockholders of Record:* If your shares are registered directly in your name with our transfer agent, your shares will be on a list maintained by the inspector of elections. You must present a government-issued photo identification, such as a driver's license, state-issued ID card, or passport.

*Beneficial Owner:* If your shares are held in a stock brokerage account or by a bank or other nominee, you must provide proof of beneficial ownership as of the record date, such as an account statement or similar evidence

of ownership, along with a government-issued photo identification, such as a driver's license, state-issued ID card, or passport.

For directions to the meeting, please contact our General Counsel at Pilgrim's Pride Corporation, 1770 Promontory Circle, Greeley, Colorado 80634.

### **What is a proxy?**

A proxy is your legal designation of another person (the "proxy") to vote on your behalf. By completing and returning the enclosed proxy card, you are giving the proxies appointed by the Board and identified on the proxy card the authority to vote your shares in the manner you indicate on your proxy card.

### **What if I receive more than one proxy card?**

You will receive multiple proxy cards if you hold shares of our common stock in different ways (e.g., joint tenancy, trusts, custodial accounts) or in multiple accounts. If your shares are held in "street name" (i.e., by a broker, bank or other nominee), you will receive your proxy card or voting instruction form from your nominee, and you must return your voting instruction form to that nominee. You should complete, sign, and return each proxy card or voting instruction form you receive.

### **What are the voting rights of the common stock?**

Each holder of record of our common stock on the Record Date is entitled to cast one vote per share on each matter presented at the meeting.

### **What are the two categories of Directors?**

The Company's Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation") provides for a specified number of JBS Directors and Equity Directors, based upon the percentage ownership of JBS S.A. ("JBS") in the Company.

JBS Directors are the eight Directors designated as JBS Directors pursuant to the terms of the Company's Certificate of Incorporation or their successors nominated or appointed by the JBS Directors' nominating committee (the "JBS Nominating Committee"). The current JBS Directors are Gilberto Tomazoni, Wesley Mendonça Batista, Joesley Mendonça Batista, Andre Nogueira de Souza, Farha Aslam, Raul Padilla, Joanita Karoleski, and Ajay Menon.

Equity Directors are the two Directors designated as Equity Directors pursuant to the terms of the Company's Certificate of Incorporation or their successors nominated or appointed by the Equity Directors nominating committee (the "Equity Nominating Committee") or any stockholders other than JBS and its affiliates ("Minority Investors"). The current Equity Directors are Wallim Cruz de Vasconcellos Junior and Arquimedes A. Celis.

### **What are the differences between the categories of Directors?**

All of our Directors serve equal one-year terms. However, only JBS Directors can serve as members of the JBS Nominating Committee, and only Equity Directors can serve as members of the Equity Nominating Committee.

The Stockholders Agreement between us and an affiliate of JBS dated December 28, 2009 (as amended, the "JBS Stockholders Agreement") requires JBS and its affiliates to vote all of Pilgrim's Pride common stock that they hold in the same manner as the shares held by all Minority Investors with respect to the election or removal of Equity Directors. Consequently, the vote of the Minority Investors will determine the outcome of the election of Equity Directors.

With respect to all other matters submitted to a vote of holders of common stock, including the election or removal of any JBS Directors, JBS and its affiliates may vote shares of common stock held by them at their sole and absolute discretion.

## What is the “Say-on-Pay” Vote?

With Proposal 3, the Board is providing stockholders with the opportunity to cast a non-binding, advisory vote on the compensation of our Named Executive Officers (“NEOs”) for 2024, as defined in “Compensation Discussion and Analysis”. This proposal, commonly known as a “Say-on-Pay” proposal, gives you, as a stockholder, the opportunity to endorse or not endorse our executive compensation programs and policies and the compensation paid to our NEOs in 2024.

## How do I vote my shares?

If you are a “stockholder of record,” you have several choices. You can vote your proxy:

- via the internet;
- over the telephone; or
- by completing, dating, signing and mailing the enclosed proxy card.

Please refer to the specific instructions set forth on the enclosed proxy card.

If you are a stockholder of record, you also have the right to vote in person at the meeting. If you are a beneficial owner, your broker, bank or nominee will provide you with materials and instructions for voting your shares. In most instances, you will be able to do this on the internet, by telephone or by mail as indicated above. As a beneficial owner, you have the right to direct your broker on how to vote your shares. However, you may not vote your shares in person at the meeting unless you obtain a signed legal proxy from the holder of record giving you the right to vote the shares.

If you are a current or former employee of Pilgrim’s Pride who holds shares in either the Pilgrim’s Pride Corporation Retirement Savings Plan or the To-Ricos Employee Savings and Retirement Plan, your vote serves as a voting instruction to the trustee for these plans. To be timely, if you vote your shares in the Pilgrim’s Pride Corporation Retirement Savings Plan or the To-Ricos Employee Savings and Retirement Plan by telephone or internet, your vote must be received by 11:59 p.m., Mountain Time, on April 29, 2025. If you do not vote by telephone or internet, please return your proxy card as soon as possible. If you vote in a timely manner, the trustee will vote the shares as you have directed.

## What are the Board’s recommendations on how I should vote my shares?

The Board recommends that you vote your shares as follows:

- Proposal 1:       **FOR** the election of all eight nominees for JBS Director.
- Proposal 2:       **FOR** the election of the two nominees for Equity Director.
- Proposal 3:       **FOR** the approval of the advisory vote on executive compensation.
- Proposal 4:       **FOR** ratification of the appointment of KPMG LLP as our independent registered public accounting firm for 2025.
- Proposal 5:       **FOR** the approval of the Amended and Restated Pilgrim’s Pride Corporation 2019 Long Term Incentive Plan (“Restated 2019 LTIP”).

## What are my choices when voting?

With respect to:

- Proposal 1:       You may either (1) vote “FOR” the election of each JBS Director nominee; or (2) “WITHHOLD” your vote on each JBS Director nominee.
- Proposal 2:       You may either (1) vote “FOR” the election of each Equity Director nominee; or (2) “WITHHOLD” your vote on each Equity Director nominee.

- Proposal 3: You may vote “FOR” or “AGAINST” the proposal, or you may elect to abstain from voting your shares. Abstaining will have the same effect as a vote against the proposal, as discussed below.
- Proposal 4: You may vote “FOR” or “AGAINST” the proposal, or you may elect to abstain from voting your shares. Abstaining will have the same effect as a vote against the proposal, as discussed below.
- Proposal 5: You may vote “FOR” or “AGAINST” the proposal, or you may elect to abstain from voting your shares. Abstaining will have the same effect as a vote against the proposal, as discussed below.

### **How will my shares be voted if I do not specify my voting instructions?**

If you sign and return your proxy card without indicating how you want your shares to be voted, the proxies appointed by the Board will vote your shares as follows:

- Proposal 1: **FOR** the election of all eight nominees for JBS Director.
- Proposal 2: **FOR** the election of the two nominees for Equity Director.
- Proposal 3: **FOR** the approval of the advisory vote on executive compensation.
- Proposal 4: **FOR** ratification of the appointment of KPMG LLP as our independent registered public accounting firm for 2025.
- Proposal 5: **FOR** the approval of the Restated 2019 LTIP.

If you are a current or former employee of Pilgrim’s Pride who holds shares through the Pilgrim’s Pride Corporation Retirement Savings Plan or the To-Ricos Employee Savings and Retirement Plan, you will be given the opportunity to provide instruction to the trustee with respect to how to vote your shares. Any shares for which instructions are not received (1) will be voted by the trustee in accordance with instructions provided by Pilgrim’s Pride with respect to shares held under the Pilgrim’s Pride Corporation Retirement Savings Plan and (2) will not be voted with respect to shares held under the To-Ricos Employee Savings and Retirement Plan.

### **What is a quorum?**

A “quorum” is necessary to hold the meeting. A quorum consists of a majority of the voting power of our common stock issued and outstanding and entitled to vote at the meeting, including the voting power that is present in person or by proxy. The shares of a stockholder whose ballot on any or all proposals is marked as “abstain” and shares represented by “broker non-votes” will be included in the number of shares present at the Annual Meeting to determine whether a quorum is present.

### **What vote is required to approve the proposals for the election of the JBS Directors and the Equity Directors?**

Directors will be elected by a plurality of the voting power of the shares entitled to vote in the election of Directors and represented in person or by proxy at a meeting of stockholders at which a quorum is present. This means that the director who receives the most votes will be elected.

Because JBS owned or controlled over 50% of the voting power of our outstanding common stock on the Record Date, it will be able to elect all of the nominees for JBS Directors and determine the outcome of all other matters presented to a vote of the stockholders. The JBS Stockholders Agreement, however, requires JBS and its affiliates to vote all of Pilgrim’s Pride common stock owned by them in the same manner as the shares held by the Minority Investors with respect to Proposal 2. Consequently, the vote of the Minority Investors will determine the outcome of Proposal 2. With respect to approval of any other item of business to be voted upon at the meeting, including the election or removal of any JBS Directors, JBS and its affiliates may vote shares of Pilgrim’s Pride common stock held by them at their sole and absolute discretion.

## **What vote is required for advisory approval of executive compensation?**

With regard to Proposal 3, the stockholder advisory vote on executive compensation, the results of this vote are not binding on the Board, meaning that our Board will not be obligated to take any compensation actions or to adjust our executive compensation programs or policies, as a result of the vote. Notwithstanding the advisory nature of the vote, the resolution will be considered passed with the affirmative vote of a majority of the total outstanding voting power of capital stock, present in person or represented by proxy at the Annual Meeting.

## **What vote is required for the approval of the appointment of KPMG LLP, the approval of the Restated 2019 LTIP and any other item of business to be voted upon at the meeting?**

The affirmative vote of a majority of the total outstanding voting power of capital stock present in person or represented by proxy at the Annual Meeting is required to ratify the appointment of our independent registered public accounting firm, to approve the Restated 2019 LTIP and to approve any other item of business to be voted upon at the meeting.

## **How are abstentions treated?**

Abstentions from voting on any matter will be counted in the tally of votes. Stockholders may only “withhold” votes and may not abstain with respect to the election of Directors in Proposals 1 and 2. However, stockholders may abstain from Proposals 3, 4 and 5, and an abstention will have the same effect as a vote against any of these proposals.

## **How are “broker non-votes” treated?**

A “broker non-vote” occurs when a nominee (a bank, broker, or other nominee) holding shares for a beneficial owner returns a proxy but does not vote on a particular proposal because the nominee does not have discretionary voting power for that particular item and has not received voting instructions from the beneficial owner. Under applicable rules, brokers have the discretion to vote such shares on routine matters, but not on non-routine matters. A broker non-vote will be deemed “present” at the Annual Meeting and will be counted for purposes of determining whether a quorum exists.

Your broker may vote your shares in its discretion without your instructions on Proposal 4, which is the only routine proposal to be voted on at the Annual Meeting. With regard to Proposals 1, 2, 3 and 5, brokers will have no discretion to vote uninstructed shares, and a “broker non-vote” may therefore occur where no voting instructions are received. Broker non-votes will have no effect on the elections of Directors in Proposals 1 and 2, because the election of Directors requires a plurality vote. Broker non-votes will have the same effect as a vote against Proposals 3 and 5.

*We urge you to vote on ALL voting items.*

## **Can I change my vote after I have mailed in my proxy card?**

Yes. You may revoke your proxy by doing one of the following:

- by sending to the Secretary of the Company a written notice of revocation that is received prior to the meeting;
- by submitting a new proxy card bearing a later date to the Secretary of the Company so that it is received prior to the meeting; or
- by attending the meeting and voting your shares in person.

If your shares are held in “street name,” you may submit new voting instructions by contacting your bank, broker or other nominee.

**Who will pay the cost of this proxy solicitation?**

We will pay the cost of preparing, printing and mailing this proxy statement and of soliciting proxies. We will request brokers, custodians, nominees and other like parties to forward copies of proxy materials to beneficial owners of our common stock and will reimburse these parties for their reasonable and customary charges or expenses.

**Is this proxy statement the only way that proxies may be solicited?**

No. In addition to mailing these proxy materials, certain of our Directors, officers or employees may solicit proxies by telephone, facsimile, e-mail or personal contact. They will not be specifically compensated for doing so.

## PROPOSAL 1. ELECTION OF JBS DIRECTORS

Subject to limited exceptions, our Certificate of Incorporation specifies that the Board of Directors will consist of ten members, which is the number of Directors currently on our Board of Directors. Proxies cannot be voted for a greater number of persons than the ten nominees named.

Pursuant to our Certificate of Incorporation and our bylaws, our Board of Directors includes eight JBS Directors, including the Chairman of the Board, who are designated by the JBS Nominating Committee. For more information, see “Corporate Governance—Committees of the Board of Directors—Nominating Committees.”

At the Annual Meeting, ten Directors, including eight JBS Director nominees, are to be elected, each to hold office for one year or until his or her successor is duly elected and qualified. For more information on our relationship with JBS S.A. (“JBS”), see “Related Party Transactions” and “Security Ownership.” Unless otherwise specified on the proxy card or voting instructions, the shares represented by the proxy will be voted for the election of the eight JBS Director nominees named below. If any JBS Director nominee becomes unavailable for election, it is intended that such shares will be voted for the election of a substitute nominee selected by the JBS Nominating Committee. Our Board of Directors has no reason to believe that any substitute nominee or nominees will be required, and all of the nominees have indicated that they will be willing and able to serve as directors.

### Nominees for JBS Directors

The following is information about our JBS Director nominees, including their ages as of April 3, 2025.

**Gilberto Tomazoni**, 66, has served as Chairman of the Board since July 2013. Since 2018, Mr. Tomazoni has served as the Chief Executive Officer of JBS, and previously, Mr. Tomazoni served as president of the Global Poultry Division of JBS from 2013 to 2018. Before joining JBS, Mr. Tomazoni spent four years with Bunge Alimentos S.A. as Vice President of Foods and Ingredients. Prior to that, Mr. Tomazoni served 27 years with Sadia S.A., a leading provider of both frozen and refrigerated food products in Brazil, in various roles, including Chief Executive Officer from 2004 to 2009. He earned an M.A. degree in management development in 1991 from Fundação de Ensino do Desenvolvimento and a B.Sc. degree in mechanical engineering in 1982 from the Universidade Federal de Santa Catarina. Mr. Tomazoni has served as a board member of Brazil Fast Food Corporation since 2009 and as a member of the International Advisory Council for Fundação Dom Cabral since 2009.

Mr. Tomazoni brings over 30 years of diverse poultry, protein, and food industry experience to the Company. Mr. Tomazoni’s extensive experience and education in the global poultry industry provides invaluable direction to the Company’s strategies in domestic and international markets. As Chairman of the Board, Mr. Tomazoni has direct oversight of the Company’s strategy and operations.

**Wesley Mendonça Batista**, 55, is a co-controlling shareholder of J&F Investimentos S.A. (“J&F”), one of the largest business groups in Brazil. Mr. Wesley Batista brings more than 35 years of experience in the protein industry and provides extensive operational expertise and business management experience to the Company. He currently serves as Vice President of the J&F Institute, a non-profit organization that was created 14 years ago to transform businesses into companies committed to educating their communities.

**Joesley Mendonça Batista**, 53, is a co-controlling shareholder of J&F. Mr. Joesley Batista brings more than 35 years of experience in the protein industry, expertise in protein production operations and business management experience to the Company. He currently serves as President of the J&F Institute.

On May 3, 2017, former J&F officers, former senior executives and board members of JBS and JBS USA Food Company (“JBS USA”), as well as Messrs. Wesley and Joesley Batista, entered into collaboration agreements (*acordos de colaboração premiada*) (“Collaboration Agreements”) with the Brazilian Attorney General’s Office (*Procuradoria-Geral da República*), setting forth facts and conduct relating to illicit payments made to Brazilian politicians from 2009 to 2015. The information and documents disclosed by J&F representatives through the Collaboration Agreements enabled Brazilian authorities to launch several legal and administrative proceedings involving third parties, including criminal investigations and lawsuits. On June 5, 2017, J&F, on behalf of itself and its subsidiaries, entered into a leniency agreement (“Leniency Agreement”) with the Brazilian Federal Prosecution

Office (*Ministério Público Federal*) in relation to the conduct described in the Collaboration Agreements, and J&F agreed to pay a fine of R\$8.0 billion and to contribute an additional R\$2.3 billion to social projects in Brazil, each adjusted for inflation, over a 25-year period. The total fine was subsequently reduced to R\$3.5 billion (equivalent to approximately US\$565 million, converted using the foreign exchange rate as of December 31, 2024). In December 2023, the Brazilian Supreme Court (*Supremo Tribunal Federal*) justice overseeing the case suspended J&F's obligation to make additional installment payments under the Leniency Agreement following a petition from J&F that cited potential misconduct by enforcement authorities in connection with entering into the Leniency Agreement. Notwithstanding the suspension of the fine, the Leniency Agreement otherwise remains in effect.

On October 14, 2020, J&F, JBS, and Messrs. Wesley and Joesley Batista (collectively, the "Respondents"), entered into a settlement agreement with the U.S. Securities and Exchange Commission ("SEC") relating to the circumstances and payments that were the subject of the Collaboration Agreements and Leniency Agreement. In connection with the SEC settlement, the SEC issued a cease-and-desist order (the "SEC order"), finding violations of certain provisions of Section 13(b) of the Exchange Act and rules thereunder, including Exchange Act Rule 13b2-2, in connection with illicit payments made in Brazil from 2009 to 2015 pursuant to which, among other things, JBS S.A. received support from a government official to obtain financing from BNDES, which financing facilitated JBS S.A.'s acquisition of the Company in 2009, unbeknownst to the management of the Company. The SEC required the Respondents to cease and desist from further violations of certain provisions of Section 13(b) of the Exchange Act and rules thereunder and including Exchange Act Rule 13b2-2; evaluate, review and continue to improve anti-bribery and anti-corruption compliance programs; and report to the SEC on such improvements and report any illicit payments that it discovers for a period of three years. JBS was also ordered to pay disgorgement to the SEC in the amount of \$26.9 million and each of the Respondents was ordered to pay a civil penalty of \$550,000, each of which payment has been made in full. In January 2024, following a three-year reporting period, the SEC's Division of Enforcement issued termination letters that formally concluded its investigation into each of the Respondents, including the Respondents. In these termination letters, the SEC stated that, as of the date of the letters, it did not intend to recommend any further enforcement action in this matter.

Also on October 14, 2020, J&F reached an agreement with the U.S. Department of Justice ("DOJ") pursuant to which J&F agreed to plead guilty to one count of conspiracy to violate the anti-bribery provisions of the U.S. Foreign Corrupt Practices Act ("FCPA") in relation to the circumstances and payments that were the subject of the Collaboration Agreements and Leniency Agreement (the "Plea Agreement"). The Plea Agreement imposed a criminal penalty of \$256.5 million, payable in two installments of approximately \$128.2 million. J&F paid \$128.2 million to the U.S. government, and the balance was considered to have been offset by payments made by J&F to Brazilian authorities under the Leniency Agreement. The Plea Agreement also required J&F to implement a compliance program that satisfies DOJ standards; review and improve its internal accounting controls, policies, and procedures regarding compliance with the FCPA; report to the DOJ regarding remediation efforts and progress on the implementation of J&F's compliance program for three years; report evidence or allegations of violations of the anti-bribery provisions of the FCPA during the three-year period; and cooperate fully with the DOJ and other agencies in any investigation concerning J&F, its affiliates, executives, employees, or agents relating to the relevant conduct or any other conduct under investigation by the DOJ during the three-year period. The Respondents and J&F have informed the Company that they have satisfied all payment obligations and have complied with all undertakings and other obligations under the Plea Agreement.

**Andre Nogueira de Souza**, 56, has served as a Director since October 2014. Mr. Nogueira has served in various roles with JBS, including as the Global President of Operations — North America. From January 1, 2013 to 2021, Mr. Nogueira was the President and Chief Executive Officer of JBS USA. Mr. Nogueira began his career with JBS USA Holding Lux S.à.r.l. (formerly known as JBS USA Holdings Inc.) ("JBS USA Holdings") in 2007, serving as Chief Financial Officer through 2011. He then served as Chief Executive Officer of JBS Australia Pty. Ltd. ("JBS Australia"), a subsidiary of JBS, in 2012. Prior to working for JBS USA Holdings, Mr. Nogueira worked for Banco do Brasil in corporate banking positions in the U.S. and Brazil. Mr. Nogueira currently serves on the Executive Committee and the board of the American Meat Institute and the Deans' Leadership Council of the College of Agricultural Sciences—Colorado State University. Mr. Nogueira has an M.B.A. from Fundação Dom Cabral, a Master's degree in Economics from Brasilia University, and a B.A. in Economics from Federal

Fluminense University, and completed the Advanced Management Program at the University of Chicago Booth School of Business.

Mr. Nogueira brings outstanding leadership to our Board through his experience gained as a Chief Executive Officer of JBS USA and JBS Australia and Chief Financial Officer of JBS USA Holdings. In addition, Mr. Nogueira brings an extensive understanding of the protein industry and financial matters to the Board.

**Farha Aslam**, 56, has served as a Director since May 2019. Ms. Aslam is currently a board member of Calavo Growers, an avocado company, and Green Plains Inc., a biorefining company, both of which are listed on the Nasdaq stock market. Prior to her retirement in 2018, Ms. Aslam served as the Managing Director and Senior Analyst of Food and Agribusiness Research from 2004 to 2018 at Stephens Inc., an independent financial services firm that provides deep research and independent thinking to its clients. She also successfully positioned and co-managed numerous equity offerings involving leading companies in the poultry and food industries. Ms. Aslam was formerly Vice President of Food and Agribusiness Research at Merrill Lynch from 1999 to 2004. Ms. Aslam was also a Risk Management Associate at UBS from 1996 to 1998 where she marketed fixed income products to hedge fund and mutual fund clients, and Financial Services Representative at SunAmerica Financial from 1992 to 1994. Ms. Aslam completed her M.B.A. with a focus on Finance from Columbia Business School in 1996 and obtained her B.A. in Economics from University of California, Irvine in 1991.

Ms. Aslam's expertise in food and agribusiness research brings value to our Board. In addition, her multi-faceted financial skills provide key insight to the Company's financial and business operations.

**Raul Padilla**, 69, has served as a Director since April 2022. Mr. Padilla previously served as President, Global Operations of Bunge Limited from 2018 until his retirement in 2021. Prior to that role, Mr. Padilla served as President, South America and President, Sugar and Bioenergy from 2018 to 2021. Prior to those positions, he served as Chief Executive Officer of Bunge Brazil and Managing Director, Sugar and Bioenergy from 2014 to 2018. He served as Managing Director, Bunge Global Agribusiness and Chief Executive Officer, Bunge Product Lines from 2010 to 2014. He was Chief Executive Officer of Bunge Argentina from 1999 to 2010, having joined the company in 1997 as Commercial Director. Mr. Padilla has over 40 years of experience in the oilseed processing and grain handling industries in Argentina, beginning his career with La Plata Cereal in 1977. He has served as President of the Argentine National Oilseed Crushers Association, Vice President of the International Association of Seed Crushers and Director of the Buenos Aires Cereal Exchange and the Rosario Futures Exchange. Mr. Padilla is a graduate of the University of Buenos Aires.

Mr. Padilla brings to the Board over 40 years of experience in agribusiness and food business with global responsibilities.

**Ajay Menon**, 63, has served as a Director since March 2021. Mr. Menon is currently the President and CEO of Colorado State University Research Foundation ("CSURF"), and has been in this role since October 2019, where he is responsible for the protection, management and commercialization of intellectual property resulting from research at Colorado State University ("CSU") and oversees the services that CSURF provides to both CSU and its affiliated institutions. He was formerly a board member of Liberty Media Acquisition Company, a newly incorporated company formed for the purpose of effecting business combinations with one or more businesses. Mr. Menon served as Dean at CSU Colleges of Agricultural Sciences from July 2015 to September 2019 and Business from July 2002 to June 2015. In both these roles, he served as the chief administrative and academic officer shaping each College's strategic direction, academic programs, budgets, and external relationships. He served as Colorado's first Chief Innovation Officer under then-Governor John Hickenlooper from November 2011 to August 2013, where he helped establish and lead the Colorado Innovation Network to develop an ecosystem that cultivates entrepreneurial and innovative activities. Mr. Menon holds a Ph.D. in Marketing and joined CSU in 1991 as a member of the Marketing Department faculty.

Mr. Menon brings senior leadership and expertise in business strategy and innovation. His global network and unique perspective to business leaders brings value to our Board and the Company's global operations.

**Joanita Karoleski**, 64, originally joined the Board as a Director in 2022. Ms. Karoleski is currently the President of JBS Amazon Fund, a JBS initiative to advance forest conservation and develop local communities,

where she has served since September 2020. Ms. Karoleski is also currently serving in the Advisory Board in Instituto Mulheres do Verajo where she mentors and inspires new generations of executives. Before joining JBS Amazon Fund, Ms. Karoleski held various leadership roles, including Chief Executive Officer from 2013 to 2020, at Seara Alimentos LTDA, a privately held meat company in Brazil. Prior to that, Ms. Karoleski served 34 years with Bunge Brasil, a world leader in the processing and supply of products and ingredients for grains and oilseeds, in various leadership roles, including Chief Information Officer from 2000 to 2004. Ms. Karoleski earned her bachelor's degree in computer science and information in 1982 from FURB - Universidade de Blumenau.

Ms. Karoleski brings to the Board over 30 years of strong leadership in the food production industry. Her expertise in business generation value, product portfolio management, branding and partnership, and market development provides a valuable contribution to the Board and direction to the Company's operations.

**The Board of Directors recommends that you vote "FOR" the election of all of the individuals who have been nominated to serve as JBS Directors. Proxies will be so voted unless stockholders specify otherwise or withhold authority to vote.**

## PROPOSAL 2. ELECTION OF EQUITY DIRECTORS

Pursuant to our Certificate of Incorporation and our bylaws, our Board of Directors includes two members designated by the Equity Nominating Committee, which we refer to as our Equity Directors. For more information, see “Corporate Governance—Committee of the Board of Directors—Nominating Committees.”

The JBS Stockholders Agreement requires JBS and its affiliates to vote all of the Pilgrim’s Pride common stock that they hold in the same manner as the shares held by the Minority Investors with respect to the election or removal of Equity Directors. Consequently, the vote of the Minority Investors will determine the outcome of this Proposal 2.

At the Annual Meeting, ten director nominees, including the two Equity Directors on our Board listed below, are to be elected, each to hold office for one year or until his or her successor is duly elected and qualified. Unless otherwise specified on the proxy card or voting instruction form, the shares represented by the proxy will be voted for the election of the three nominees named below. If any of the nominees for Equity Director becomes unavailable for election, it is intended that such shares will be voted for the election of a substitute nominee selected by the Equity Nominating Committee. Our Board of Directors has no reason to believe that any substitute nominee or nominees will be required, and all of the nominees have indicated that they will be willing and able to serve as directors.

### Nominees for Equity Directors

The following is information about our Equity Director nominees, including their ages as of April 3, 2025.

**Wallim Cruz de Vasconcellos Junior**, 67, has served as a Director since December 2009. He has served as a Partner of Iposeira Partners Ltd, a provider of advisory services for mergers and acquisitions and restructuring transactions, since 2003. Mr. Vasconcellos served as a Consultant to IFC/World Bank from 2003 to 2008. He is currently a board member of Oi S.A., a Brazilian telecommunications company listed on the New York Stock Exchange and was previously a board member of Santos Brasil S.A. from 2006 to 2016.

A business strategist, Mr. Vasconcellos brings to the Board real-time experience in the areas of mergers and acquisitions, capital markets, finance, and restructurings, and offers unique insights into global market strategies. In addition, Mr. Vasconcellos’s experience working on behalf of public financial institutions enables him to provide perspective and oversight with regard to the Company’s financial strategies.

**Arquimedes A. Celis**, 71, has served as a Director since May 2019. Mr. Celis currently serves as Chief Executive Officer and board member of Grupo Lala, a Mexican dairy company listed on the Mexican Stock Exchange. He also served as a board member of Borden Dairy, a private company, from 2017 to 2020, and Aeromexico, which is listed on the Mexican Stock Exchange, from 2014 to 2016. Mr. Celis worked at Grupo Lala as Chief Executive Officer from 2001 to 2015. He previously spent 5 years as Chief Executive Officer of Industrias Bachoco, from 1996 to 2001. Prior to that, he worked for 21 years at Grupo Bimbo, where he held various executive positions, including Chief Executive Officer of Barcel. Mr. Celis earned a bachelor’s degree in Industrial Engineering from Veracruz Tech. He is a graduate of the Advanced Management program at IPADE, Universidad Panamericana, School of Business.

Mr. Celis brings to the Board valuable and extensive experience in the consumer packaged goods industry, with a focus on branded food products. Furthermore, his experience and industry knowledge enable him to provide important contributions to the Company’s strategy and operations.

**The Board of Directors recommends that you vote “FOR” the election of all of the individuals who have been nominated to serve as Equity Directors. Proxies will be so voted unless stockholders specify otherwise or withhold authority to vote.**

## CORPORATE GOVERNANCE

### Board of Directors

Our Board of Directors has the responsibility for establishing broad corporate policies and for monitoring our overall performance, but it is not involved in our day-to-day operating decisions. Members of the Board are informed of our business through discussions with the Chief Executive Officer (“CEO”) and other officers, and through their review of analyses and reports sent to them regularly, as well as through participation in Board and committee meetings.

### Board Leadership Structure

Periodically, our Board assesses the board leadership structure to ensure that it serves the interests of the Company and our stockholders and promotes the creation of long-term stockholder value. Currently, the position of our Chairman of the Board and the office of the President and CEO are held by different persons.

We separate the roles of CEO and Chairman of the Board in recognition of the differences between the two roles. The CEO is responsible for setting the strategic direction for the Company and the day-to-day leadership and performance of the Company, while the Chairman of the Board provides guidance to the CEO and sets the agenda for Board meetings and presides over meetings of the full Board. We believe the division of duties is especially appropriate as it facilitates the appropriate level of communication between the Board of Directors and executive management for Board oversight of the Company and its management. In addition, we believe that the current separation provides more effective monitoring and objective evaluation of the performance of the CEO.

Pursuant to our Governance Policies (available on our website at [ir.pilgrims.com/corporate-governance/documents-charters](http://ir.pilgrims.com/corporate-governance/documents-charters)), when the Chairman is not an independent Director, the Board will either designate an independent Director to preside at the meetings of the non-management and independent Directors or they will prescribe a procedure by which a presiding Director is selected for these meetings. In the absence of another procedure being adopted by the Board, the person appointed will be the independent Director with the longest tenure on the Board in attendance at the meeting.

### Board Risk Oversight

The Company’s management is responsible for the ongoing assessment and management of the risks the Company faces, including risks relating to capital structure, strategy, liquidity and credit, financial reporting and public disclosure, legal and regulatory compliance, information technology, cybersecurity, operations, and environmental, social and governance. We focus not only on operational risk, but financial and strategic risk as well. These areas of focus include input costs (commodity pricing, live and processed product cost, and spoilage), revenue risk (sales price and mix), financial risk (adequate controls, timely and effective reporting systems, and other management and governance systems) as well as competitive risks and market trends. We aim to identify, categorize, and respond to these risks to manage as much of their impact on our business as possible.

The Board oversees management’s policies and procedures in addressing these and other risks. Our executive officers regularly report to the non-executive directors, the Audit Committee, and the Compensation Committee to ensure effective and efficient oversight of our activities and to assist in proper risk management and the ongoing evaluation of management controls. With respect to cybersecurity, our Board receives updates from the appropriate executives on the primary cybersecurity risks facing the Company and the measures the Company is taking to mitigate such risks, and, primarily through the Audit Committee, oversees management’s approach to managing cybersecurity risks as part of its risk management oversight. Additionally, each of the Board’s standing committees (which, as of 2024, included the Audit Committee, the Compensation Committee, the two Nominating Committees, and the Sustainability Committee) monitor and report to the Board those risks that fall within the scope of such committees’ respective areas of oversight responsibility. For example, the full Board directly oversees strategic risks. The Nominating Committees directly oversee risk management relating to Director nominations and independence. The Compensation Committee directly oversees risk management relating to employee compensation, including any risks of compensation programs encouraging excessive risk-taking. The Sustainability Committee oversees risk management relating to the Company’s sustainability policies, strategies, and programs.

Finally, the Audit Committee directly oversees risk management relating to financial reporting, accounting and financial controls, public disclosure, and legal and regulatory compliance. The Audit Committee is also responsible for assessing the steps management has taken to monitor and control these risks and exposures and discussing guidelines and policies with respect to the Company’s risk assessment and risk management.

### Board of Directors Independence

Our Board of Directors annually reviews its composition, structure, the composition of its committees and the independence of each director for both board and committee purposes. The determination of independence of members of the Board of Directors is based upon information requested from and provided by each director concerning his or her background, employment, and affiliations, including family relationships. In making this determination, the Board of Directors considers the relationships that each non-employee director has with us and all other facts and circumstances deemed relevant in determining their independence.

Our Board of Directors has affirmatively determined that each of Wallim Cruz de Vasconcellos Junior, Farha Aslam, Ajay Menon, Arquimedes A. Celis, Raul Padilla and Joanita Karoleski has no relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and is independent within the meaning of The Nasdaq Stock Market LLC (“Nasdaq”) rules.

### Board of Directors and Committee Meetings and Executive Sessions

During 2024, the Board of Directors held a total of eight meetings and its committees held a total of 15 meetings, as detailed in the table below. During 2024, each incumbent Director attended at least 75% of the meetings of the Board and the various committees on which he or she served that were held during his or her term of service on the Board and the applicable committees. Generally, the Board holds executive sessions of non-management Directors four times per year. In 2024, the Board held an executive session of non-management Directors three times.

The Board of Directors has established the following Board committees: Audit, Compensation, JBS Nominating, Equity Nominating, and Sustainability.

The following table summarizes the membership of each of the Board’s Committees as of the date of this proxy statement.

Name	Audit	Compensation	Nominating		Sustainability
			JBS	Equity	
Farha Aslam	X				X*
Wesley Mendonça Batista					
Joesley Mendonça Batista					
Arquimedes A. Celis	X	X		X	
Wallim Cruz de Vasconcellos Junior	X*			X	
Joanita Karoleski					
Ajay Menon					X
Andre Nogueira de Souza		X	X		X
Raul Padilla					
Gilberto Tomazoni		X*	X		
Total meetings in 2024	4	—	2	4	4

\* Committee Chair

The Company has no formal policy regarding the attendance of Directors at annual meetings of stockholders but encourages each Director to attend the annual meeting of stockholders. All of our Directors who served on the Board at the time of our 2024 annual meeting of stockholders attended that meeting.

## Committees of the Board of Directors

To assist in carrying out its duties, the Board of Directors has delegated certain authority to the Audit, Compensation, JBS Nominating, Equity Nominating, and Sustainability Committees. Each committee of the Board meets to examine various facets of our operations and take appropriate action or make recommendations to the Board of Directors.

*Audit Committee.* Our Audit Committee’s responsibilities include selecting our independent registered public accounting firm, reviewing the plan and results of the audit performed by our independent registered public accounting firm and the adequacy of our systems of internal accounting controls, discussion of significant accounting matters with management, overseeing our internal audit function and other risk assessment items, and monitoring compliance with our conflicts of interest and business ethics policies. The Audit Committee is composed entirely of Directors who the Board of Directors has determined to be independent within the meaning of the Nasdaq standards applicable to audit committee members and Rule 10A-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). The Board has determined that each of the members of the Audit Committee is financially literate for purposes of the applicable standards of Nasdaq and that Wallim Cruz de Vasconcellos Junior is an “audit committee financial expert” within the meaning of the regulations of the SEC. The Audit Committee has an Audit Committee Charter, which is available on our website at [ir.pilgrims.com/corporate-governance/documents-charters](http://ir.pilgrims.com/corporate-governance/documents-charters).

*Compensation Committee.* Our Compensation Committee reviews the remuneration policies and practices of our officers. For more information on the role of our Compensation Committee, see “Compensation Discussion and Analysis—Role of the Compensation Committee and Executive Officer in Compensation Decisions.”

In reliance on certain exemptions available to controlled companies under Nasdaq rules, the Compensation Committee does not have a Charter. For more information on this exemption and the composition of our Compensation Committee, see “Controlled Company Exemption” below.

*Nominating Committees.* Under our Certificate of Incorporation, the Board has two Nominating Committees: the JBS Nominating Committee and the Equity Nominating Committee.

The JBS Nominating Committee has the exclusive authority to nominate the JBS Directors, fill JBS Director vacancies and select the members of the JBS Nominating Committee. The Equity Nominating Committee has the exclusive authority to nominate the Equity Directors, fill Equity Director vacancies, select the members of the Equity Nominating Committee, and to call a special meeting of stockholders under certain circumstances. The Equity Nominating Committee, acting by majority vote, also has the exclusive right to control the exercise of our rights and remedies under the JBS Stockholders Agreement. Any member or alternate member of the Equity Nominating Committee may be removed only by the approval of a majority of the members of the Equity Nominating Committee.

For so long as JBS and its affiliates beneficially own 35% or more of our outstanding common stock, no person may be nominated as an Equity Director by the Equity Nominating Committee if JBS reasonably determines that such person (1) is unethical or lacks integrity or (2) is a competitor or is affiliated with a competitor of the Company.

Two Equity Directors must satisfy the independence requirements of Rule 10A-3 under the Exchange Act, and be financially literate, and, for so long as there are two or more Equity Directors on the Board, at least one Equity Director must qualify as an “audit committee financial expert” as that term is used in Item 407 of Regulation S-K under the Exchange Act (or any successor rule). Mr. Vasconcellos satisfies the independence requirements and currently qualifies as an “audit committee financial expert”, and Mr. Celis satisfies the independence requirements and is financially literate.

If JBS and its affiliates own at least 50% of our outstanding common stock, at least two JBS Directors are required:

- to be an independent director under the Nasdaq listing standards,

- to satisfy the independence requirements of Rule 10A-3 under the Exchange Act, and
- to be financially literate.

Ms. Aslam and Mr. Menon currently satisfies each of these requirements.

Each of the Board's Nominating Committees has a Charter, current copies of which are available on our website at [ir.pilgrims.com/corporate-governance/documents-charters](http://ir.pilgrims.com/corporate-governance/documents-charters).

*Sustainability Committee.* Our Sustainability Committee oversees the Company's sustainability policies, strategies, and programs, including analyzing external trends, overseeing investment priorities, reviewing performance goals, managing risks, reviewing disclosures, and reviewing relationships with stakeholders, in each case, related to sustainability matters. The Sustainability Committee must be composed of at least two Directors who the Board of Directors has determined to be independent within the meaning of the Nasdaq standards. Ms. Aslam and Mr. Menon satisfy this requirement.

The Sustainability Committee has a Sustainability Committee Charter, which is available on our website at [ir.pilgrims.com/corporate-governance/documents-charters](http://ir.pilgrims.com/corporate-governance/documents-charters).

### **Director Nomination Process**

The Board and the Nominating Committees acknowledge the benefits of broad diversity throughout the Company, including at the level of the Board. Accordingly, the Nominating Committees strive to achieve a balance of knowledge, experience and perspective on the Board, selecting Directors based upon, among other things, their integrity, diversity of experience, business or other relevant experience or expertise, proven leadership skills, their ability to exercise sound judgment, understanding of the Company's business environment, and willingness to devote adequate time and effort to Board responsibilities.

In addition, each of the Nominating Committees will consider stockholder recommendations for candidates for the Board, whether as a JBS Director or Equity Director. Recommendations should be sent to Pilgrim's Pride Corporation, Legal Department, 1770 Promontory Circle, Greeley, Colorado 80634. Such recommendations must satisfy our bylaw requirements relating to director nominations, as described in "Stockholder Proposals for 2025 Annual Meeting of Stockholders." The Nominating Committees utilize the same criteria for evaluating candidates regardless of the source of the referral (including stockholders).

Pursuant to the Governance Policies, the Board and the Nominating Committees from time to time review the experience and characteristics appropriate for board members and director candidates in light of the Board's composition at the time and skills and expertise needed for effective operation of the Board and its committees. In identifying prospective director candidates, the Nominating Committees may use multiple sources, including their members' contacts and referrals from other Directors, members of management, the Company's advisors, executive search firms, and, in the case of the JBS Director nominees, employees of JBS and its affiliates. When considering director candidates, the Nominating Committees seek individuals with backgrounds and qualities that, when combined with those of our incumbent directors, provide a blend of skills and experience to further enhance the Board's effectiveness. In connection with their annual evaluation of a slate of nominees, the Nominating Committees may also assess the contributions of those directors recommended for re-election in the context of the Board evaluation process and other perceived needs of the Board.

When considering whether the JBS Director nominees and Equity Director nominees have the experience, qualifications, attributes or skills, taken as a whole, to enable our Board to satisfy its oversight responsibilities effectively in light of our business and structure, the Nominating Committees focused primarily on each person's background and experience as reflected in the information discussed in each of the directors' individual biographies set forth above in Proposals 1 and 2. We believe that our directors provide an appropriate mix of experience and skills relevant to the size and nature of our business. This process resulted in the nomination by the JBS Nominating Committee and the Equity Nominating Committee of the JBS Director nominees named in Proposal 1 and the Equity Director nominees named in Proposal 2, respectively.

### **Communications with the Board of Directors**

Stockholders and other interested parties may communicate directly with our Board of Directors, any of its committees, all independent Directors, all non-management Directors, or any one Director serving on the Board by sending written correspondence to the desired person or entity addressed to the attention of our Legal Department at Pilgrim's Pride Corporation, 1770 Promontory Circle, Greeley, Colorado 80634. Communications are distributed to the Board, any subset of its members or to any individual Director, as appropriate, depending on the facts and circumstances outlined in the communication.

### **Information about our Executive Officers**

The following is information about our executive officers, including their ages as of April 3, 2025.

**Fabio Sandri**, 53, was named Chief Executive Officer in September 2020 and previously served as our Chief Financial Officer beginning in June 2011. From April 2010 to June 2011, Mr. Sandri served as the Chief Financial Officer of Estacio Participações, the private post-secondary educational institution in Brazil. From November 2008 until April 2010, he was the Chief Financial Officer of Imbra SA, a provider of dental services based in São Paulo, Brazil. Commencing in 2005 through October 2008, he was employed by Braskem S.A., a New York Stock Exchange-listed petrochemical company headquartered in Camaçari, Brazil, first from 2005 to 2007 as its strategy director, then from 2007 until his departure as its corporate controller. He earned his Master of Business Administration degree in 2001 from the Wharton School at the University of Pennsylvania and a degree in electrical engineering in 1993 from Escola Politécnica da Universidade de São Paulo.

**Matthew Galvanoni**, 52, has served as our Chief Financial Officer since March 2021. In this role, he also succeeded Mr. Sandri as our principal financial officer, as defined by SEC rules. Prior to his appointment to the Company, Mr. Galvanoni served as the Vice President, Finance, of Ingredion Incorporated, a leading global ingredients solutions company, from 2016 until 2021. Mr. Galvanoni joined Ingredion in 2012, serving in the role of Global Corporate Controller and Chief Accounting Officer, where he managed the company's accounting-related and external financial reporting responsibilities. Mr. Galvanoni started his career at PricewaterhouseCoopers LLP in 1994 and subsequently held several financial leadership positions at Exelon Corporation, where he most recently served as Assistant Corporate Controller. Mr. Galvanoni graduated from the University of Illinois with a Bachelor of Accounting degree and later received a Master of Business Administration degree from the Kellogg School of Management at Northwestern University.

### **Code of Business Conduct and Ethics and Corporate Governance Policies**

Our Board of Directors has adopted a Code of Conduct and Governance Policies of the Board of Directors. The full texts of the Code of Conduct and Governance Policies are posted on our website at [ir.pilgrims.com/corporate-governance/documents-charters](http://ir.pilgrims.com/corporate-governance/documents-charters). We intend to disclose, if required, future amendments to, or waivers from, certain provisions of the Code of Conduct on our website within four business days following the date of such amendment or waiver.

### **Controlled Company Exemption**

We are a "controlled company" under the Nasdaq listing standards because JBS owns or controls over 50% of the voting power as of the Record Date. Accordingly, we take advantage of certain exemptions from certain corporate governance requirements under Nasdaq rules, including the requirement to have a fully independent compensation committee with a charter and for Director nominations to be made or recommended to the Board solely by a group of independent Directors.

### **2024 DIRECTOR COMPENSATION**

Our director compensation program provides that each Director will receive an annual cash retainer of \$140,000, paid quarterly in arrears. Each Director will receive restricted stock units ("RSUs") with a value of \$60,000 annually, calculated using a stock price to be determined as of the date of the Company's annual meeting of stockholders and vesting in full upon termination of service with the Board of Directors. The Chairs of the Audit Committee, Compensation Committee, and Sustainability Committee receive a \$15,000 annual cash retainer and other members of those committees receive a \$10,000 annual cash retainer per year. In addition, we provide

reimbursement to our Directors for their reasonable expenses related to their service as members of the Board of Directors and any committees thereof.

The following table sets forth certain information with respect to our Director compensation for the fiscal year ended December 29, 2024.

<b>Director</b>	<b>Fees Earned or Paid in Cash<sup>(a)</sup></b>	<b>Stock Awards<sup>(b)</sup></b>	<b>Total</b>
Farha Aslam	\$ 165,000	\$ 60,000	\$ 225,000
Joesley Mendonça Batista <sup>(c)</sup>	93,333	60,000	153,333
Wesley Mendonça Batista <sup>(c)</sup>	93,333	60,000	153,333
Arquimedes A. Celis	160,000	60,000	220,000
Joanita Karoleski <sup>(d)</sup>	28,333	—	28,333
Ajay Menon	150,000	60,000	210,000
Andre Nogueira de Souza <sup>(c)</sup>	106,667	60,000	166,667
Raul Padilla	140,000	60,000	200,000
Gilberto Tomazoni <sup>(c)</sup>	103,333	60,000	163,333
Wallim Cruz de Vasconcellos Junior	185,000	60,000	245,000

- (a) This includes compensation earned for service in the fourth quarter of 2024 that was paid out in the first quarter of 2025.
- (b) Directors were each granted 1,696 RSUs based on the May 1, 2024 grant date share price of \$35.39. The dollar amounts represent the aggregate grant date fair value of stock awards granted during fiscal year 2024. The grant date fair value of an award is measured in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 (“FASB ASC Topic 718”) using the assumptions discussed in Note 16 to our financial statements for the fiscal year ended December 29, 2024 included in the Company’s Annual Report on Form 10-K filed with the SEC on February 13, 2025 (the “Form 10-K”).
- (c) These Directors began receiving Director compensation effective May 1, 2024 equal to what non-employee Directors are receiving.
- (d) Ms. Karoleski resigned from the Board effective February 8, 2024. Ms. Karoleski subsequently was reappointed to the Board effective February 4, 2025.

The following table provides a summary of the aggregate number of unvested RSUs outstanding for each of our directors with RSUs in the table above as of December 29, 2024:

<b>Director</b>	<b>Unvested RSUs Outstanding</b>
Farha Aslam	14,122
Joesley Mendonça Batista	1,696
Wesley Mendonça Batista	1,696
Arquimedes A. Celis	14,122
Joanita Karoleski	—
Ajay Menon	9,162
Andre Nogueira de Souza	1,696
Raul Padilla	6,731
Gilberto Tomazoni	1,696
Wallim Cruz de Vasconcellos Junior	16,908

### **PROPOSAL 3. APPROVAL OF THE ADVISORY VOTE ON EXECUTIVE COMPENSATION**

The Board is providing stockholders with the opportunity to cast an advisory vote on the compensation of our NEOs as required by Section 14A of the Exchange Act. This proposal, commonly known as a “Say-on-Pay” proposal, gives you, as a stockholder, the opportunity to endorse or not endorse our executive compensation programs and policies and the compensation paid to our NEOs.

The “Say-on-Pay” vote is advisory and thus not binding on the Compensation Committee or the Board. The advisory vote will not affect any compensation already paid or awarded to any NEO and will not overrule any decisions by the Compensation Committee or the Board. The Board values the opinions of the Company’s stockholders as expressed through their votes and other communications. Although the vote is non-binding, the Compensation Committee and the Board will review and carefully consider the outcome of the advisory vote on executive compensation and those opinions when making future decisions regarding executive compensation programs.

At the 2024 annual meeting, approximately 98.1% of votes present (including abstentions and broker non-votes) voted for the “Say-on-Pay” proposal related to NEOs. In consideration of the results, the Compensation Committee acknowledged the support received from our stockholders and viewed the results as a confirmation of the Company’s existing executive compensation policies and decisions. Accordingly, we did not significantly change our executive compensation principles and objectives in 2024 in response to the advisory vote of our stockholders.

We design our executive compensation programs to implement our core objectives of attracting key leaders, motivating our executives to remain with the Company for long and productive careers, rewarding sustained financial and operating performance and leadership excellence and aligning the long-term interests of our executives with those of our stockholders. Stockholders are encouraged to read the Compensation Discussion and Analysis (“CD&A”) section of this proxy statement. In the CD&A, we have provided stockholders with a description of our compensation programs, including the principles and policies underpinning the programs, the individual elements of the compensation programs and how our compensation plans are administered. The Board believes that the policies and practices described in the CD&A are effective in achieving the Company’s goals. In furtherance of these goals, among other things, our compensation programs have been designed so that a significant portion of each executive’s total compensation is tied not only to how well he performs individually, but also, where applicable, is “at risk” based on how well the Company performs relative to applicable financial objectives. We also believe that equity incentives are aligned with our core objectives of aligning the long-term interests of our executives with those of our stockholders, attracting and retaining key leaders, and rewarding sustained performance and leadership excellence. The vote on this proposal relates to the overall compensation of our NEOs, as described in this proxy statement, pursuant to Item 402 of Regulation S-K of the SEC (namely, the CD&A, compensation tables and accompanying narrative disclosures found on pages 21 to 40). Accordingly, the Board recommends that you vote in favor of the following resolution:

“RESOLVED, that the compensation of the Company’s named executive officers, as disclosed in the Company’s proxy statement relating to the 2025 Annual Meeting of Stockholders, pursuant to Item 402 of Regulation S-K of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the compensation tables and accompanying narrative disclosures, is hereby APPROVED in a non-binding vote.”

The advisory vote on executive compensation is non-binding, meaning that our Board will not be obligated to take any compensation actions, or to adjust our executive compensation programs or policies, as a result of the vote.

At our 2023 annual meeting of stockholders, our stockholders voted to hold the non-binding stockholder vote to approve the compensation of our named executive officers every year. Thus, the Company’s current policy is to provide stockholders with an opportunity to approve the compensation of the NEOs each year at the annual meeting of stockholders. It is expected that the next such vote will occur at the 2026 annual meeting of stockholders.

**The Board of Directors recommends that you vote “FOR” the approval of the advisory vote on executive compensation. Proxies will be so voted unless stockholders specify otherwise.**

## REPORT OF THE COMPENSATION COMMITTEE

The Compensation Committee of the Board of Directors of the Company has reviewed and discussed with management the following Compensation Discussion and Analysis. Based on this review and discussion, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement and incorporated by reference into the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 2024.

### Compensation Committee

Gilberto Tomazoni, Chairman

Arquimedes Celis

Andre Nogueira de Souza

*The information contained in this report shall not be deemed to be "soliciting material" or "filed" or incorporated by reference in future filings with the SEC, or subject to the liabilities of Section 18 of the Securities Exchange Act of 1934, as amended, except to the extent that the Company specifically incorporates it by reference into a document filed under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.*

## COMPENSATION DISCUSSION AND ANALYSIS

### Executive Summary

The discussion below summarizes a number of our performance highlights and how these affect the variable compensation of our NEOs. For fiscal year 2024, we achieved net sales of \$17.9 billion while generating net income attributable to Pilgrim's of \$1.1 billion, and GAAP earnings per diluted share of \$4.57. Our adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") was \$2.2 billion, or a 12.4% margin.

Our NEOs for 2024 were Mr. Fabio Sandri, our current President and CEO; and Mr. Matthew Galvanoni, our current Chief Financial Officer ("CFO").

### Company Performance and Pay

The Compensation Committee has designed key elements of our executive compensation program to align pay with our performance. The Compensation Committee has structured the terms of executive officer compensation so that a significant amount of our NEO's annual compensation is tied to both the performance of the Company and his respective individual performance, and therefore, would be "at risk." The Compensation Committee's compensation decisions for 2024 reflect the Company's strong performance in multiple financial areas.

The Company's specific 2024 achievements included the following, among others:

- The Company achieved strong results relating to net sales of \$17.9 billion, net income of \$1.1 billion, or \$4.57 per diluted share, and net cash provided by operations of \$2.0 billion during the year.
- As of our fiscal year ended December 29, 2024, the Company had approximately \$2.0 billion of cash and cash equivalents and availability under our debt agreements of approximately \$1.1 billion.
- The Company continued its efforts on cost reductions, more effective processes, training, and its total quality management program.

For more information regarding our financial performance during fiscal year 2024, see our 2024 Form 10-K. For a reconciliation of non-GAAP financial measures for fiscal year 2024, see Annex A at the end of this proxy statement.

### Our Executive Compensation

The Company's compensation principles are intended to implement our core objectives of aligning the long-term interests of our executives with those of our stockholders, attracting and retaining key leaders, and rewarding sustained financial and operating performance and leadership excellence. In pursuing these objectives, the Compensation Committee uses certain guiding principles in designing the specific elements of the executive compensation program. These guiding principles and policies are that:

- incentive compensation should represent a significant portion of total compensation;
- compensation should be performance-based;
- incentive compensation should balance short-term and long-term performance;
- compensation levels should be market competitive; and
- superior performance should be rewarded.

In order to further these guiding principles, the key components of our compensation in 2024 included (1) cash compensation, in the form of base salaries and cash incentive compensation; (2) long-term equity compensation, in the form of RSUs that are earned, if at all, based on the achievement of financial performance metrics designed to reinforce our business objectives and restricted stock and RSUs that vest over time; and

(3) other non-cash compensation, such as retirement, health and welfare benefits, and certain other limited perquisites and benefits.

The Compensation Committee believes a significant portion of the compensation to our NEOs should be performance-based. The Compensation Committee also believes that each NEO's compensation should be balanced with long-term incentives. Accordingly, a significant portion of the compensation to our NEOs was awarded in performance RSUs, which were earned when specific performance targets were met and vest ratably over a three-year period. The Compensation Committee believes these equity awards more closely align our NEOs' incentives with the long-term interests of our stockholders, including growing our business and improving the Company's profitability relative to its peers.

Additionally, the Company maintains the following policies and practices that support the Company's "pay-for-performance" principles:

- the prohibition of Company personnel, including the NEOs, from engaging in any short-term trading, speculative securities transactions, engaging in short sales, and buying or selling put options, call options or other derivative securities;
- holding an annual say-on-pay advisory vote;
- aligning our executive pay with performance, including by awarding performance-based equity awards;
- maintaining clawback provisions in our Incentive Programs; and
- our policy of not having any change-in-control payments or excise tax gross-ups.

Following the end of each fiscal year, the Compensation Committee conducts a review of all components of the Company's compensation program. In conducting its review, the Compensation Committee reviews information related to each NEO's individual performance, total compensation, each of the components of compensation, and the Company's performance. Our compensation principles and objectives did not significantly change in 2024.

### **Executive Compensation Principles, Policies and Objectives**

The Compensation Committee is responsible for establishing the principles that underlie our executive compensation program and guiding the design and administration of specific plans, agreements and arrangements for our executives. Our compensation principles are intended to implement our core objectives of attracting key leaders, motivating our executives to remain with the Company for long and productive careers, rewarding sustained financial and operating performance and leadership excellence and aligning the long-term interests of our executives with those of our stockholders. Our executive compensation principles and policies, which are established and refined from time to time by the Compensation Committee, are described below:

*Incentive compensation should represent a significant portion of total compensation.* A significant portion of our executive officers' total compensation should be tied not only to how well they perform individually, but also, where applicable, should be "at risk" based on how well the Company performs relative to applicable financial objectives.

*Compensation should be performance-based.* Compensation should be subject to performance-based awards as an executive officer's range of responsibility and ability to influence the Company's results increase.

*Incentive compensation should balance short-term and long-term performance.* Executive compensation should be linked to building long-term stockholder value while remaining consistent with our business objectives and values. Our executive compensation program addresses this objective by including long-term incentives in the form of equity-based awards, such as restricted stock and RSUs.

*Compensation levels should be market competitive.* Compensation should be competitive in relation to the marketplace and the Compensation Committee therefore considers market compensation data compiled and prepared by management.

*Superior performance should be rewarded.* Outstanding achievement should be recognized. The Board and the Compensation Committee consider the Company's strategies, including a number of sustainability initiatives, when identifying the appropriate incentive measures and when assigning individual goals and objectives to the NEO and evaluate the individual's performance against those goals and objectives in setting compensation.

In addition, we believe that our compensation programs for executive officers should be appropriately tailored to encourage employees to grow our business, but not encourage them to do so in a way that poses unnecessary or excessive material risk to us. For 2024, the Compensation Committee believes that our CEO and CFO compensation is consistent with our performance and economic and competitive industry conditions, and equity incentives are aligned with our actions to grow our business and improve the Company's profitability relative to similarly-situated companies.

### **Role of the Compensation Committee and Executive Officer in Compensation Decisions**

The Compensation Committee and the Board had the overall responsibility for approving executive compensation and overseeing the administration of our incentive and employee benefit plans. The Compensation Committee is responsible for establishing and overseeing the overall compensation structure, policies and programs of the Company and assessing whether our compensation structure resulted in appropriate compensation levels and incentives for executive management of the Company. The Compensation Committee's objective is to ensure that the total compensation paid to each executive officer was fair, reasonable, competitive and motivational. The Compensation Committee conducts a review of all compensation for our NEOs and works with our CEO to evaluate and approve compensation of our senior executives other than the CEO. To the extent the roles are not held by the same person, our CFO reports directly to our CEO, who supervises the day-to-day performance of the CFO. Accordingly, in that case, the CEO evaluates the CFO's individual performance against the Company-based performance factors, and makes recommendations to the Compensation Committee regarding his compensation. The Compensation Committee strongly considers the compensation recommendations and the performance evaluations by our CEO and any recommendations of the Board of Directors with respect to any non-CEO compensation. Neither the Compensation Committee nor Company management engaged a compensation consultant in 2024 for the purpose of determining or recommending the amount or form of executive compensation.

In determining the components of compensation, the Compensation Committee discusses strategic goals for our compensation program and considers the role of each of the elements of compensation in relationship to the overall pay mix. The Compensation Committee considers the total compensation targeted for each of the NEOs, individual and Company performance and the relationship between pay and performance. The Compensation Committee works with the CEO and the Company's human resources representative, who make recommendations consistent with the guidelines established by the Compensation Committee to each element of compensation of our executive officers. The Compensation Committee evaluates the total compensation packages for our senior executives after considering the recommendations of the CEO and the Company's human resources representative and evaluating the competitive market for executive talent, the Company's performance relative to its competitors and the past compensation paid to each of our NEOs. The CEO does not make recommendations or participate in the Compensation Committee's process for establishing the compensation of the CEO.

If the Compensation Committee determines that there is a misalignment in pay for performance or if the compensation of the NEOs is not appropriately aligned with the competitive market, the Committee may determine, in its discretion, to provide additional compensation to our NEOs in the form of cash or equity or combination thereof. The Compensation Committee believes that discretionary awards, where warranted, can be effective in motivating, rewarding and retaining our NEOs.

### **Say-on-Pay**

At the annual meeting of our stockholders held on May 1, 2024, approximately 98.1% of votes present (including abstentions and broker non-votes) voted for the "Say-on-Pay" proposal related to our NEOs. In consideration of the results, the Compensation Committee acknowledged the support received from our stockholders and viewed the results as a confirmation of the Company's existing executive compensation policies

and decisions. Accordingly, we did not significantly change our compensation principles and objectives in 2024 in response to the advisory vote of our stockholders.

## **Components of Compensation**

The principal components of compensation for our NEOs were as follows:

- base salary;
- bonuses, including annual cash incentive compensation;
- long-term incentive compensation, including awards of RSUs earned based on the achievement of performance goals, time-vested restricted stock and RSUs;
- retirement, health and welfare benefit plans; and
- certain limited perquisites and other personal benefits.

### Base Salary

We provide our NEOs and other employees with a base salary to provide a fixed amount of compensation for services during the fiscal year. Base salaries and any increases thereto are determined by the Compensation Committee for each of the executive officers on an individual basis, taking into consideration an assessment of individual contributions to Company performance, length of tenure, compensation levels for comparable positions, internal equities among positions and, with respect to executives other than the CEO, the recommendations of the CEO. In fiscal 2024, the Compensation Committee reviewed our NEOs' base salaries based on market data, job performance and each NEO's responsibilities for the year. Mr. Sandri's base salary was \$1,000,000 and mid-way through fiscal year 2024, Mr. Galvanoni received an increase to his annual base salary from \$520,000 to \$550,000.

### Annual Cash Incentive Compensation

#### *Short-Term Management Incentive Plan*

The Compensation Committee currently administers the STIP, which provides for the grant of annual incentive awards payable upon the achievement of specified performance goals. The awards under the STIP may be paid, at the option of the Compensation Committee, in cash, in the Company's common stock, or in any combination of cash and common stock. For fiscal year 2024, all STIP awards were payable in cash. For each performance period, the Compensation Committee may establish one or more objectively determinable performance goals, based upon one or more of a variety of performance criteria specified in the STIP. In addition, for bonus awards not intended to qualify as qualified performance-based compensation, the Compensation Committee may establish performance goals based on other performance criteria as it deems appropriate in its sole discretion.

*2024 STIP Goals.* As part of developing the Company's compensation strategy for fiscal 2024, the Compensation Committee established for each of our NEOs under the 2024 STIP the target bonus opportunity, performance goals, and, based on such goals, potential payout amounts. The Compensation Committee determined that each NEO's base salary would be his target bonus opportunity under the 2024 STIP. The performance goals set by the Compensation Committee included Company-based performance goals, the achievement of which would determine an initial payout amount, as well as individual-based performance goals, the achievement of which would modify the initial payout amount to determine the final payout amount.

In setting Company-based performance goals, the Compensation Committee chose to utilize PBT Margin, because PBT Margin has a higher correlation to cash flow and liquidity than EBITDA and because it aligns with the Company's goals of driving overall operational results. PBT Margin is defined as GAAP Income Before Taxes, excluding certain adjustments (for fiscal 2024, certain non-recurring expenses such as the settlement agreements relating to broiler chicken antitrust litigation and gains on early extinguishment of debt), expressed as a percentage of Net Sales. For a reconciliation of this non-GAAP financial measure for fiscal year 2024, see Annex A at the end of this proxy statement.

For fiscal year 2024, the Compensation Committee established the following PBT Margins for our NEOs:

PBT Margin	CEO Bonus as a % of Base Salary	CFO Bonus as a % of Base Salary
2% (Threshold)	25%	25%
2.5%	50%	50%
3%	75%	75%
3.5% (Target)	100%	100%
4%	125%	125%
5%	150%	150%
6%	175%	175%
7%	200%	200%

The individual-based performance goals could modify the initial payout amounts above by a multiplier between 0% and 100%, depending on the achievement of such individual-based performance goals.

*2024 STIP Awards.* For purposes of the NEOs’ bonuses pursuant to the 2024 STIP, the PBT Margin for fiscal 2024 was determined by the Compensation Committee in accordance with the Company’s audited financial statements. Following the end of fiscal 2024, the Compensation Committee determined that the Company-based performance goals were achieved at 200% based on a PBT Margin of 8.8%. For these purposes, the Compensation Committee determined to exclude certain non-recurring expenses such as the settlement agreements relating to broiler chicken antitrust litigation and gains on early extinguishment of debt for fiscal year 2024. For more information about how PBT Margin is calculated from our audited financial statements, see Annex A at the end of this proxy statement.

Consequently, after a review of the PBT Margin and individual performance for 2024, the Compensation Committee awarded Mr. Sandri a cash bonus of \$1,982,000 and Mr. Galvanoni a cash bonus of \$1,046,993 under the 2024 STIP. On March 7, 2025, the Compensation Committee approved an additional discretionary award to Mr. Sandri for 18,038 fully vested shares of the Company’s common stock as a result of the outstanding Company performance during 2024.

### Long-Term Incentive Compensation

The Company maintains the 2019 Long-Term Incentive Plan, which is administered by the Compensation Committee. The 2019 Long-Term Incentive Plan was approved by our stockholders at the 2019 Annual Stockholders Meeting, and an amended version is being presented at this Annual Meeting for stockholder approval. The programs described below describe the terms of our equity awards made pursuant to the Plan.

#### *2024 Long-Term Incentive Program*

For fiscal year 2024 compensation, the Compensation Committee adopted the 2024 Long-Term Incentive Program (the “2024 Program”) under the Plan. Grants of target amounts of performance-based RSUs were made to Messrs. Sandri and Galvanoni in January 2024 under the 2024 Program. The purpose of the 2024 Program is to demonstrate improvement against our competitors in the industry. Under the 2024 Program, participants received target awards equal to a specified percentage of their base salary, with such awards being converted to RSUs depending on the Company’s achievement of the performance goals under the 2024 Program. Following the one-year performance period ended December 29, 2024, the RSUs that were earned vest ratably over a three-year service period and settle on December 31, 2025, December 31, 2026, and December 31, 2027. When each RSU vests, it converts to one share of the Company’s common stock. Messrs. Sandri and Galvanoni participated in the 2024 Program.

*Performance Metrics for 2024 Program.* The Compensation Committee selected performance goals for the 2024 Program to measure the Company’s profitability as compared to the profitability of specified competitors in the Company’s three reportable segments—the U.S., Mexico and Europe.

- *U.S. Reportable Segment Performance Metric:* The profitability metric selected by the Compensation Committee for the U.S. reportable segment is earnings before interest and taxes (“EBIT”) per processed

pound, which is calculated as EBIT divided by the pounds of chicken products produced over the same period. The Compensation Committee selected a performance goal that compared EBIT per processed pound generated by our U.S. reportable segment in 2024 to the average EBIT per processed pound generated in 2024 by the 18 U.S. poultry companies reported by Agri Stats, Inc. (the “Agri Stats Survey”).

- *Mexico Reportable Segment Performance Metric:* The profitability metric selected by the Compensation Committee for the Mexico reportable segment is EBIT margin, which is calculated as EBIT divided by net sales. The Compensation Committee selected a performance goal that compared EBIT margin generated by our Mexico reportable segment in 2024 to the EBIT margin generated by Industrias Bachoco S.A.B. de C.V., a regional competitor, in 2024.
- *Europe Reportable Segment Performance Metric:* The profitability metric selected by the Compensation Committee for the Europe reportable segment is EBIT margin, which is also calculated as EBIT divided by net sales. The Compensation Committee selected a performance goal that compared EBIT margin generated by our Europe reportable segment to the average EBIT margin generated by Cranswick plc, a regional competitor, in 2024.

In evaluating the selection of the specified key competitors identified above, the Compensation Committee considered the financial comparative appropriateness of the Company’s competitors in Mexico and Europe. The Compensation Committee chose the EBIT per processed pound metric under the Agri Stats Survey and the EBIT margin metric for Mexico and Europe because they provide a direct link between a NEO’s compensation and Company performance, assessed in light of relevant peer companies and any positive and negative adjustments for unexpected market conditions.

*2024 Program Grants.* In January 2024, Messrs. Sandri and Galvanoni were granted performance-based awards under the 2024 Program that would be settled in RSUs if the awards were earned. The target award for Mr. Sandri was 39,093 RSUs and for Mr. Galvanoni was 20,328 RSUs. Each NEO was entitled to receive a weighted percentage of his target award based on the Company’s achievement in each geographic business segment as follows:

<b>Geographic Segment</b>	<b>Geographic Segment Weighted %</b>	<b>Performance Measure</b>
U.S.	65 %	EBIT per processed pound (in cents) as reported in the Agri Stats Survey
Mexico	10 %	Percent performance of the Company’s EBIT margin relative to selected competitor’s reported results
Europe	25 %	Percent performance of the Company’s EBIT margin relative to selected competitors’ reported results

For the 2024 Program, the Compensation Committee set the target level of performance of the Company’s U.S. operations at the average set forth in the Agri Stats Survey, or two-and-one-half cents per processed pound. For the determination of percent performance of the Company relative to its competitor in Mexico, the Compensation Committee set the target level of performance at 4.00% higher than the reported EBIT margin of the Company’s competitor based on historical performance and expectations for fiscal year 2024 performance. For the determination of percent performance of the Company relative to its competitor in Europe, the Compensation Committee set the target level at 1.50% lower than the reported EBIT margin of the Company’s competitor listed above, based on historical performance and expectations for fiscal year 2024 performance. The Compensation Committee believes that these performance targets establish rigorous performance goals in each geographic business segment that are aligned with the Company’s short- and long-term operating and financial objectives.

The following table sets forth the performance targets for the 2024 Program grants:

Geographic Segment	Payout Achievement Percentages <sup>(c)</sup>					
	50 %	75 %	100 %	125 %	150 %	200 %
U.S. <sup>(a)</sup>	2.00	2.25	2.50	3.00	3.50	4.00
Mexico <sup>(b)</sup>	3.00 %	3.50 %	4.00 %	4.50 %	5.00 %	6.00 %
Europe <sup>(b)</sup>	(2.00)%	(1.75)%	(1.50)%	(1.00)%	(0.50)%	— %

- (a) EBIT per processed pound above the average competition performance target (in cents). The payout achievement percentage described below is determined by comparing the EBIT per processed pound achieved by the Company's U.S. operations in fiscal year 2024 to the EBIT per processed pound performance targets set forth in the table above.
- (b) Target percentage point differential in EBIT margin performance relative to competitors. The payout achievement percentage described below is determined by comparing the EBIT margin in fiscal year 2024 of the Company's operations in Mexico or Europe, respectively, to the selected competitors' EBIT margin and calculating the percentage point differential between the two EBIT margins. If the percentage point differential is achieved by the Company's operations in Mexico or Europe, then the payout percentage with respect to such achievement is determined by comparing such percentage point differential achieved for fiscal year 2024 to the percentage point differential targets set forth with respect to each geographic segment in the table above.
- (c) Payout percentage is a percentage of the target award corresponding to the achieved target set forth in the table.

Messrs. Sandri and Galvanoni were entitled to receive a number of RSUs under the 2024 Program calculated as the approved target award multiplied by the weighted average payout amount determined by the level of payout achievement for each geographic segment, based on actual performance, rounded down to the nearest achievement metric with no proration between achievement levels. For Messrs. Sandri and Galvanoni, the payout achievement for the 2024 Program was calculated as follows:

Geographic Segment	Actual Performance	2024 Payout Achievement Percentage <sup>(a)</sup>	Geographic Segment Weighted %	Weighted Average Payout <sup>(b)</sup>
U.S.	4.54 cents per processed pound above the Agristats average	200 %	65 %	130.0 %
Mexico	Did not meet payout threshold	0 %	10 %	0.0 %
Europe	(0.90)% below competitors' results	125 %	25 %	31.3 %
Total Payout Achievement <sup>(c)</sup>				<u>161.3 %</u>

- (a) Payout achievement percentage was the payout percentage achieved for each reportable segment in 2024, based on actual performance rounded down to the nearest achievement metric with no proration between achievement levels.
- (b) The weighted average payout is determined by the payout achievement multiplied by the reportable segment weighted percentage.
- (c) Total payout achievement is the sum of the weighted average payouts for all three reportable segments.

On February 12, 2025, the Compensation Committee determined that the performance conditions pertaining to the 2024 Program target awards were achieved at 161.3% of the approved 2024 Program targets. This resulted in 63,057 RSUs awarded to Mr. Sandri and 32,790 RSUs awarded to Mr. Galvanoni that will vest ratably over a three-year service period.

#### *2024 Free Cash Flow Long-Term Incentive Program*

For fiscal year 2024 compensation, the Compensation Committee approved the 2024 Free Cash Flow Long-Term Incentive Program (the "2024 FCF Program") under the Plan. The purpose of the 2024 FCF Program is to incentivize the long-term results of the Company to achieve the best cash flow. Under the FCF Program, participants received target performance stock units ("PSUs") that will be settled into RSUs upon the achievement of free cash flow performance targets on a cumulative basis over a three-year performance period from January 1, 2024 to December 27, 2026 with payout percentages from 25% up to 150%. Following the three-year performance period ending December 27, 2026, the earned PSUs will vest ratably over a three-year service period and settle on July 1, 2027, July 1, 2028, and July 1, 2029.

In January 2024, Messrs. Sandri and Galvanoni were granted performance-based awards under the 2024 FCF Program that would be settled in RSUs if the awards were earned. The target award for Mr. Sandri was 250,000 RSUs and for Mr. Galvanoni was 50,000 RSUs.

## *2025 Compensation*

For fiscal year 2025 compensation, Mr. Sandri's base salary is \$1,000,000 and Mr. Galvanoni's base salary is \$550,000. The Compensation Committee adopted a 2025 STIP and 2025 Long-Term Incentive Program (the "2025 Program") under the Plan. Each of these 2025 programs have updated targets set for the 2025 performance year that will determine the final amounts earned under each program.

### Retirement, Health and Welfare Benefit Plans

*401(k) Salary Deferral Plan.* Our NEOs receive no special employee benefits. During 2024, our NEOs were eligible to participate on the same basis as other employees in the Company's 401(k) salary deferral plan (the "401(k) Plan"). Contributions to the 401(k) Plan are made up of a 50% matching contribution on the first 4% of pay to the extent such contributions are not in excess of the Internal Revenue Code limits on contributions to 401(k) plans. Due to their status as highly compensated employees, our NEOs are only able to contribute up to 3% of their base salaries. Under the 401(k) Plan, the Company may make additional matching contributions or other profit sharing contributions at its discretion. There were no discretionary contributions in 2024. We do not have any other pension plan for our NEOs. In 2024, Messrs. Sandri and Galvanoni both participated in the 401(k) Plan.

*Nonqualified Deferred Compensation.* The Company sponsors the Pilgrim's Pride Corporation Non-Qualified Deferred Compensation Plan (the "Deferred Compensation Plan") to help provide for the long-term financial security of our U.S. employees who meet the Internal Revenue Service definition of a "highly compensated employee," which includes our NEOs and certain other key personnel. Under the Deferred Compensation Plan, participants may elect to defer up to 80% of their base salary and/or up to 80% of their annual cash bonus payment as part of their personal retirement or financial planning. Highly compensated employees who elect to defer compensation in the Deferred Compensation Plan must do so annually prior to the beginning of each calendar year and may direct the investment of the amount deferred and retained by us. The Deferred Compensation Plan is administered by the administrative committee appointed by our Board, and deferred compensation may be invested in authorized funds which are similar to the investment options available under our 401(k) Plan. Under the Deferred Compensation Plan, the Company may make additional matching contributions at its discretion and currently makes a matching contribution of up to 50% on the first 1% of pay. In 2024, Messrs. Sandri and Galvanoni both participated in the Deferred Compensation Plan.

*Health and Welfare Benefit Plans.* The Company also provides a variety of health and welfare benefit plans to all eligible employees to offer employees and their families protection against catastrophic loss and to encourage healthy lifestyles. The health and welfare programs include medical, wellness, pharmacy, dental, vision, life insurance and accidental death and disability. Our NEOs generally are eligible for the same benefit programs on the same basis as our other domestic employees.

### Perquisites and Other Personal Benefits

The Company provides certain limited perquisites and other personal benefits that we believe to be reasonable and consistent with our overall compensation program to better enable us to attract and retain competent executives for key positions. The Compensation Committee considers all and periodically reviews the levels of perquisites and other personal benefits in establishing the total compensation of our executive officers. During 2024, our NEOs were eligible to receive company-paid or company-subsidized life insurance and disability coverage on the same basis as our other U.S. employees. The Compensation Committee considered these perquisites and other personal benefits as essential and consistent with market practice in order to induce our NEOs to remain with the Company.

### **Severance Plan**

The Company maintains the Pilgrim's Pride Corporation Severance Plan (the "Severance Plan") which provides severance payments to eligible employees if employment was terminated "without cause." The Severance Plan does not cover termination due to death, disability or retirement, termination for cause or termination at the end of the leave of absence that exceeded the maximum permitted by the Company. Under the Severance Plan, in exchange for signing an enforceable waiver and release agreement, upon termination without cause, an NEO is

entitled to receive as severance pay an amount equal to: 16 weeks of base pay plus two weeks of base pay per year of service in excess of two years up to a maximum of 52 weeks of base pay. In addition, if the Company provided less than two-weeks' notice of termination without cause, an executive officer would have been entitled to up to two additional weeks of base pay in lieu of notice. Additional benefits available to eligible employees under the Severance Plan include career transition services as determined by the Company, including without limitation, written materials, company-sponsored training and job fairs. The terms of each NEO's compensation do not provide for any change-in-control or retirement arrangements other than the vesting of RSUs granted to them under the Plan under certain circumstances in the case of a "change-in-control." See the "2024 Potential Payments Upon Termination or Change-in-Control" table for additional information regarding the severance payable to our NEOs.

### **Policy on Hedging**

Pursuant to the Company's insider trading policy, the Company prohibits directors, officers and employees from engaging in hedging and monetization transactions with respect to Company securities. Hedging or monetization transactions can be accomplished through the use of various financial instruments, including prepaid variable forwards, equity swaps, collars and exchange funds. These transactions may permit continued ownership of the Company's securities obtained through employee benefit plans or otherwise without the full risks and rewards of ownership.

### **Policy on Pledging**

Pursuant to the Company's insider trading policy, the Company also prohibits directors, officers and employees from holding Company securities in a margin account or pledging such securities as collateral.

### **Clawback Policy**

The Board of Directors has adopted a Compensation Recovery Policy ("Clawback Policy") pursuant to Rule 10D-1 of the Exchange Act, the SEC's regulations promulgated thereunder, and applicable Nasdaq listing standards. Pursuant to this policy, in the event that the Company has to prepare an accounting restatement due to material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is (1) material to the previously issued financial statements, or (2) would result in material misstatement if the error were corrected in the current period or left uncorrected in the current period that was caused by any fraud, negligence, or intentional misconduct by an executive officer, the Company, as approved by the Compensation Committee, is required to seek recovery through repayment or return of any erroneously awarded compensation. The executive officers covered by this policy include each of the Company's current and former Section 16 officers. We filed a copy of our Clawback Policy as an exhibit to our Annual Report on Form 10-K for the fiscal year ended December 29, 2024.

## EXECUTIVE COMPENSATION

### Summary Compensation Table

The table below summarizes compensation paid to or earned by our NEOs for the fiscal years indicated.

Name and Principal Position	Year	Salary (\$)	Stock Awards <sup>(a)</sup> (\$)	Non-Equity Incentive Plan Compensation <sup>(b)</sup> (\$)	All Other Compensation <sup>(c)</sup> (\$)	Total (\$)
Fabio Sandri	2024	\$ 1,000,000	\$ 942,956	\$ 1,982,000	\$ 17,075	\$ 3,942,031
President and CEO	2023	942,308	613,554	1,000,000	22,103	2,577,965
	2022	900,000	731,408	1,350,000	30,015	3,011,423
Matthew Galvanoni	2024	532,692	490,329	1,046,993	11,863	2,081,877
CFO	2023	508,461	340,853	425,000	18,447	1,292,761
	2022	500,000	406,338	665,025	39,332	1,610,695

- (a) The dollar amounts represent the aggregate grant date fair value of stock awards granted during each of the years presented. The grant date fair value of an award is measured in accordance with FASB ASC Topic 718 using the assumptions discussed in Note 16 to the Form 10-K. For the awards subject to performance conditions, the grant date fair value is based upon the probable outcome of such conditions using an average of the most recent five years performance achievement. For 2024, the grant date fair value reported above was based on a historical average performance achievement of 86.3%. Assuming the highest level of performed conditions would be achieved, the aggregate grant date fair value for 2024 would be \$2,185,299 for Mr. Sandri and \$1,136,335 for Mr. Galvanoni.
- (b) Reflects annual incentive cash compensation earned for each fiscal year of service pursuant to the STIP. See “Compensation Discussion and Analysis - Components of Compensation - Annual Cash Incentive Compensation” for a discussion of the 2024 STIP. Mr. Galvanoni’s 2023 amount shown also includes the cash payout of the 2023 Special Incentive Program previously disclosed.
- (c) The “All Other Compensation” column includes the following items of compensation:

Name	Year	Group-term Life Insurance (\$)	Long-term Disability Premium (\$)	Company 401(k) Match (\$)	Deferred Compensation Plan Contributions (\$)	Allowances (\$)	Total (\$)
Fabio Sandri	2024	\$ 1,242	\$ 543	\$ 5,175	\$ 10,115	\$ —	\$ 17,075
Matthew Galvanoni	2024	1,242	543	5,175	4,303	600	11,863

### Grants of Plan-Based Awards for Fiscal Year 2024

Name	Grant		Estimated Future Payouts Under Non-Equity Incentive Plan Awards <sup>(a)</sup>			Estimated Future Payouts Under Equity Incentive Plan Awards <sup>(b)</sup>			Grant Date Fair Value of Stock Awards (\$)
	Type	Date	Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)	
Fabio Sandri	2024 STIP		\$ 250,000	\$ 1,000,000	\$ 2,000,000				
	2024 Program	01/22/2024				19,547	39,093	78,186	\$ 942,956
Matthew Galvanoni	2024 STIP		\$ 133,173	\$ 532,692	\$ 1,065,384				
	2024 Program	01/22/2024				10,164	20,328	40,656	\$ 490,329

- (a) The amounts reported in these columns reflect the threshold, target and maximum amounts available under the 2024 STIP, as determined by the Compensation Committee. For more information, see “Compensation Discussion and Analysis - Annual Cash Incentive Compensation.” Actual payments were made in fiscal 2025 and the amounts are reported in the Summary Compensation Table above.
- (b) Reflects the grants under the 2024 Program based upon the probable outcome of the performance conditions using an average of the most recent five year’s performance achievement. For more information, see “Compensation Discussion and Analysis - Long-Term Incentive Compensation.”

### Sandri and Galvanoni Employment Terms

Messrs. Sandri and Galvanoni do not have written employment agreements with the Company. For more information regarding compensation to our NEOs during fiscal year 2024 and the terms of our equity awards, see

“Compensation Discussion and Analysis - Components of Compensation” and “Compensation Discussion and Analysis - Long-Term Incentive Compensation.”

### Outstanding Equity Awards at December 29, 2024

Name	Stock Awards			
	Number of Shares or Units of Stock That Have Not Vested <sup>(a)</sup> (#)	Market Value of Shares or Units of Stock That Have Not Vested <sup>(b)</sup> (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested <sup>(a)</sup> (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested <sup>(b)</sup> (\$)
Fabio Sandri	190,366	\$ 8,741,607	78,186	\$ 3,590,301
Matthew Galvanoni	36,315	1,667,585	40,656	1,866,924

(a) Consists of the following outstanding shares of our restricted stock:

Name	Award	Grant Date	Shares Outstanding	Vesting
Fabio Sandri	2021 FCF Program	01/07/2021	125,000	Vests ratably in equal installments on 7/1/2025 and 7/1/2026
	2021 Program	02/10/2021	16,412	Vests on 12/31/2024
	2023 Program	03/03/2023	48,954	Vests ratably in equal installments on 12/31/2024, 12/31/2025, and 12/31/2026
			<u>190,366</u>	
	2024 Program <sup>(1)</sup>	01/22/2024	<u>78,186</u>	Performance period 1/1/2024 through 12/31/2024, then vests ratably over three years in equal installments on 12/31/2025, 12/31/2026, and 12/31/2027
Matthew Galvanoni	2021 Program	03/15/2021	9,118	Vests on 12/31/2024
	2023 Program	03/03/2023	27,197	Vests ratably in equal installments on 12/31/2024, 12/31/2025, and 12/31/2026
			<u>36,315</u>	
	2024 Program <sup>(1)</sup>	01/22/2024	<u>40,656</u>	Performance period 1/1/2024 through 12/31/2024, then vests ratably over three years in equal installments on 12/31/2025, 12/31/2026, and 12/31/2027

(1) In accordance with SEC rules, this reflects the maximum payout of shares of the 2024 Program for Messrs. Sandri and Galvanoni as that is the next higher achievement level exceeding achievement of the performance conditions as of December 29, 2024.

(b) Values determined based on December 29, 2024 closing market price of our common stock of \$45.92 per share.

## Stock Vested in Fiscal Year 2024

The following table provides information regarding shares that vested during fiscal year 2024 of our NEOs:

Name	Stock Awards <sup>(a)</sup>	
	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting <sup>(b)</sup> (\$)
Fabio Sandri	85,838	\$ 3,303,905
Matthew Galvanoni	—	—

(a) Reflects the vesting of equity awards during fiscal year 2024, as further described below:

Name	Award	Shares	Date of Vesting
Fabio Sandri	Time-vesting	23,338	07/01/2024
	2021 FCF Program	62,500	07/01/2024
		85,838	

(b) Reflects the aggregate market value of shares of our common stock vested on the applicable dates of vesting (including, for awards settled in cash, the aggregate cash value received from the Company).

## Nonqualified Deferred Compensation for Fiscal Year 2024

The following table sets forth information regarding the deferral of components of our NEOs' compensation on a basis that is not tax-qualified for the fiscal year 2024:

Name	Executive Contributions in Last Fiscal Year <sup>(a)</sup> (\$)	Registrant Contributions in Last Fiscal Year <sup>(b)</sup> (\$)	Aggregate Earnings (Loss) in Last Fiscal Year <sup>(c)</sup> (\$)	Aggregate Withdrawals/ Distributions (\$)	Aggregate Balance at Last Fiscal Year End (\$)
Fabio Sandri	40,000	10,115	44,272	—	436,796
Matthew Galvanoni	46,762	4,303	15,701	—	161,986

(a) Amounts in this column for the Deferred Compensation Plan represent salary and bonus deferrals pursuant to the Deferred Compensation Plan and are included in the "Salary" amounts in the Summary Compensation Table above.

(b) Amounts in this column for the Deferred Compensation Plan represent company-matching awards pursuant to the Deferred Compensation Plan and are included in the "All Other Compensation" amounts in the Summary Compensation Table above. For 2024, Mr. Sandri received \$10,115 in matching contributions, and Mr. Galvanoni received \$4,303 in matching contributions. As a result, these sums were included as compensation in the Summary Compensation Table in previous years for the year earned, as applicable.

(c) There were no above-market or preferential earnings with respect to any deferred compensation balances.

## 2024 Potential Payments Upon Termination or Change-in-Control

The information below describes certain compensation that would be paid to our NEOs in the event of a termination of their respective employment with the Company or under certain circumstances in the event of a change-in-control of the Company as of the last business day of fiscal year 2024. Our NEOs would not receive any payments or benefits upon termination for cause. The Company also has no arrangements under which the NEOs would receive any payments or benefits upon a change-in-control of the Company other than immediate vesting under certain circumstances of RSUs granted to the NEOs under the Plan.

Named Executive Officer / Element of Compensation	Termination due to Death or Disability (\$)	Termination Other than for Cause, Death or Disability (\$)	Change-in-Control (\$)
Fabio Sandri			
Severance payment <sup>(a)</sup>	\$ —	\$ 750,000	\$ —
Self-insured payments <sup>(b)</sup>	2,000,000	—	—
Immediate vesting of RSUs <sup>(c)</sup>	11,637,183	—	11,637,183
<b>Total for Mr. Sandri</b>	<b>\$ 13,637,183</b>	<b>\$ 750,000</b>	<b>\$ 11,637,183</b>
Matthew Galvanoni			
Severance payment <sup>(a)</sup>	\$ —	\$ 180,000	\$ —
Self-insured payments <sup>(b)</sup>	2,000,000	—	—
Immediate vesting of RSUs <sup>(c)</sup>	3,173,240	—	3,173,240
<b>Total for Mr. Galvanoni</b>	<b>\$ 5,173,240</b>	<b>\$ 180,000</b>	<b>\$ 3,173,240</b>

(a) Calculated pursuant to the Severance Plan, as described in the Compensation Discussion and Analysis.

(b) For termination due to death not related to a business travel accident, the estate of Messrs. Sandri or Galvanoni would receive \$1,000,000 from third-party insurers. For termination due to death related to a business travel accident, the estate of Messrs. Sandri or Galvanoni would receive \$2,000,000 from third-party insurers. For termination due to long-term disability, Messrs. Sandri or Galvanoni may receive approximately \$15,000 per month in long-term disability payments from third-party insurers.

(c) For each NEO, the amount that may be owed to the NEO or their estate in the event of termination due to death or disability or if a change-in-control occurs represents the value of each NEO's current outstanding RSUs using the closing price of the Company's common stock on the last trading day of the fiscal year ended December 29, 2024 of \$45.92.

## CEO PAY RATIO FOR FISCAL YEAR END 2024

### Pay Ratio

Our CEO to median employee pay ratio has been calculated in accordance with SEC rules under the Dodd-Frank Wall Street Reform and Consumer Protection Act and in a manner consistent with Item 402(u) of Regulation S-K. Mr. Sandri's annual total compensation in 2024 was \$3,942,031. The median employee's annual total compensation in 2024 was \$35,058 calculated using the same methodology as used in the calculation of compensation for the Summary Compensation Table. As a result, the ratio of Mr. Sandri's 2024 annual total compensation to the median employee's 2024 annual total compensation was 113:1.

### Identification of Median Employee

For purposes of identifying the median employee, we evaluate all employees, other than Mr. Sandri, employed by Pilgrim's Pride and calculate each such employee's total cash compensation as of the end of the most recent fiscal year. Total cash compensation consists of annual base pay, annual wages (not including overtime), and target incentive compensation and bonuses at 100% of bonus opportunity. We did not make any material assumptions, adjustments, or estimates with respect to total cash compensation. The total compensation of each employee other than Mr. Sandri was then ranked lowest to highest to identify the median employee for 2024. We have had no significant changes to employee population or employee compensation that would indicate a need to re-identify the median employee or that would significantly impact the pay ratio disclosure. For this reason, we kept the same median employee as identified in 2023 only updating to their 2024 total compensation for the pay ratio disclosure.

## PAY VERSUS PERFORMANCE

### Pay Versus Performance Table

As discussed in our CD&A above, our Compensation Committee aligns our executive pay with performance. The following table sets forth information regarding the compensation information for our NEOs and specific performance measures, including our company selected measure (“CSM”) for the 5 most recent fiscal years:

	Summary Compensation Table - PEO #1 <sup>(1)</sup> (\$)	Compensation Actually Paid - PEO #1 <sup>(2)</sup> (\$)	Summary Compensation Table - PEO #2 <sup>(1)</sup> (\$)	Compensation Actually Paid - PEO #2 <sup>(2)</sup> (\$)	Summary Compensation Table - Non-PEO NEO <sup>(1)</sup> (\$)	Compensation Actually Paid - Non-PEO NEO <sup>(2)</sup> (\$)	Value of Initial Fixed \$100 Investment Based On:		(in thousands)	
							PPC TSR	Peer Group TSR	Net Income (\$)	CSM: Profit Before Taxes Margin (%)
2024	3,942,031	5,767,299	—	—	2,081,877	4,123,145	\$139.28	\$ 75.72	1,087,223	8.8 %
2023	2,577,965	4,660,929	—	—	1,292,761	1,464,968	83.89	70.57	322,317	2.5 %
2022	3,011,423	95,033	—	—	1,610,695	1,204,357	72.19	87.04	746,538	6.1 %
2021	8,581,691	16,487,836	—	—	1,905,296	2,716,224	83.56	102.90	31,268	5.1 %
2020	2,546,931	(2,709,606)	723,665	(11,406,682)	—	—	58.69	86.84	95,070	3.1 %

(1) The PEOs and Other NEOs for each year reported in this table are:

Year	PEO #1	PEO #2	Other NEOs
2024	Fabio Sandri	N/A	Matthew Galvanoni
2023	Fabio Sandri	N/A	Matthew Galvanoni
2022	Fabio Sandri	N/A	Matthew Galvanoni
2021	Fabio Sandri	N/A	Matthew Galvanoni
2020	Fabio Sandri	Jayson Penn	N/A

(2) None of our NEOs participate in a pension plan; therefore, we did not report a change in pension value for any of the years reflected in this table, and a deduction from the SCT total related to pension value is not needed. The following table shows items added to or deducted from the Total Compensation in the Summary Compensation Table in order to calculate

the amount of executive Compensation	2024		2023		2022		2021		2020	
	PEO #1	Average of Other NEOs (\$)	PEO #1	Average of Other NEOs (\$)	PEO #1	Average of Other NEOs (\$)	PEO #1	Average of Other NEOs (\$)	PEO #1	PEO #2
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Total Compensation from SCT</b>	\$3,942,031	\$2,081,877	\$2,577,965	\$1,292,761	\$3,011,423	\$1,610,695	\$8,581,691	\$1,905,296	\$2,546,931	\$723,665
<b>Adjustments for stock and option awards:</b>										
(Subtraction): SCT amounts	(942,956)	(490,329)	(613,554)	(340,853)	(731,408)	(406,338)	(6,062,913)	(921,087)	(1,425,900)	—
Fair value at year-end of awards granted in the year and unvested at year end	2,895,577	1,505,671	700,990	389,439	—	—	13,044,043	1,506,985	2,472,077	—
Change in fair value from prior year end of outstanding and unvested awards granted in prior years	4,129,160	1,025,926	1,737,787	38,204	(2,289,880)	—	1,149,663	—	(559,648)	—
Vesting date fair value of awards granted and vesting during such year	—	—	—	—	—	—	—	225,030	—	—
Change in fair value from prior year end of vested awards granted in prior years	929,626	—	257,741	85,417	104,898	—	4,589	—	(1,786,666)	(1,787,262)
Fair value at end of prior year of awards granted in prior years that were forfeited	(5,186,139)	—	—	—	—	—	(229,237)	—	(3,956,400)	(10,343,085)
<b>Compensation Actually Paid (as calculated)</b>	<b>\$5,767,299</b>	<b>\$4,123,145</b>	<b>\$4,660,929</b>	<b>\$1,464,968</b>	<b>\$95,033</b>	<b>\$1,204,357</b>	<b>\$16,487,836</b>	<b>\$2,716,224</b>	<b>\$(2,709,606)</b>	<b>\$(11,406,682)</b>

- (3) Total shareholder return as calculated based on a fixed investment of one hundred dollars measured from the market close on December 29, 2019 (the last trading day of 2019) through and including the end of the fiscal year for each year reported in the table.
- (4) Our peer group used for the total shareholder return (“TSR”) calculation is the peer group used to show our performance in our Form 10-K, which is comprised of two companies: Hormel Foods Corp and Tyson Foods Inc.
- (5) Our company-selected measure, which is the measure we believe represents the most important financial performance not otherwise presented in the table above that we use to link CAP to our NEOs for fiscal 2024 to our company’s performance, is Profit Before Taxes Margin (as defined elsewhere in this proxy statement, “PBT Margin”). PBT Margin is a non-GAAP financial measure that takes GAAP Income Before Taxes, adds back litigation settlement expense, subtracts gain on early extinguishment of debt, and in prior years, other nonrecurring items, and divides by Net Sales. For a reconciliation of this non-GAAP financial measure for fiscal year 2024, see Annex A at the end of this proxy statement.

## Tabular List of Most Important Pay-for-Performance Financial Performance Measures

The following table lists the four most important financial performance measures that we use to align executive compensation with performance as discussed in the CD&A above:

### Financial Performance Measures

PBT Margin<sup>(1)</sup>

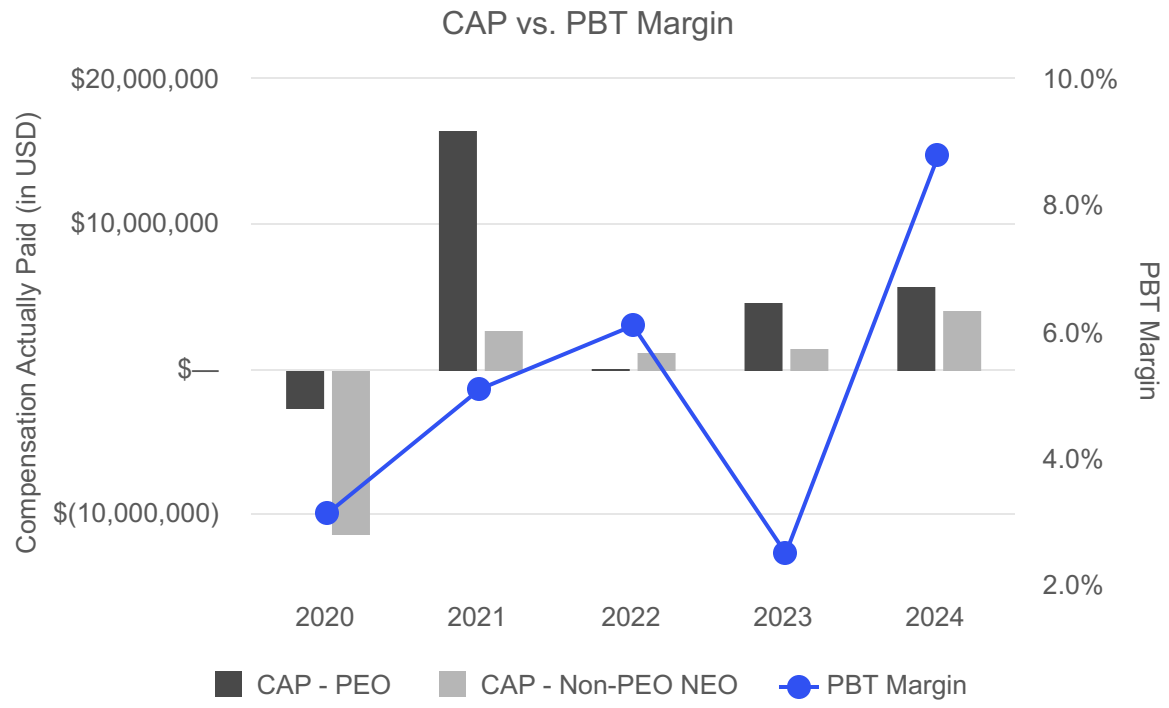
U.S. EBIT per processed pound<sup>(2)</sup>

Mexico EBIT margin<sup>(3)</sup>

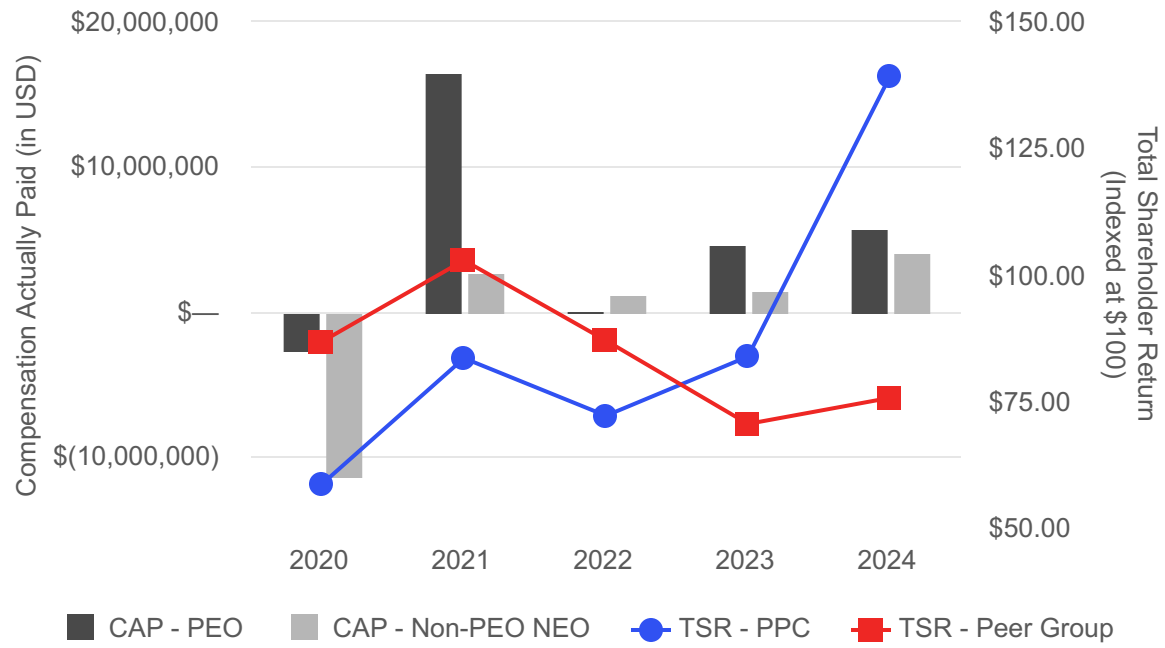
Europe EBIT margin<sup>(4)</sup>

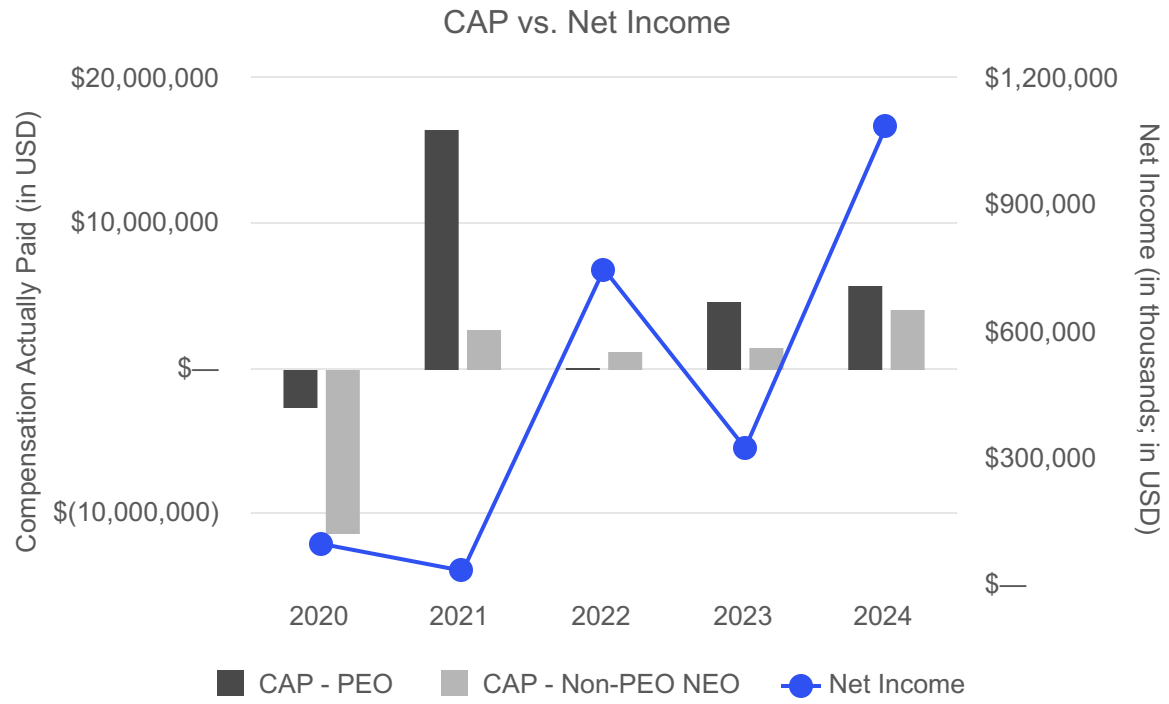
- (1) PBT Margin is defined in the CD&A under “Performance Metrics for 2024 Program.” For a reconciliation of this non-GAAP financial measure for fiscal year 2024, see Annex A at the end of this proxy statement.
- (2) U.S. EBIT per processed pound (in cents) is defined in the CD&A under “Performance Metrics for 2024 Program.”
- (3) Mexico EBIT margin is defined in the CD&A under “Performance Metrics for 2024 Program.”
- (4) Europe EBIT margin is defined in the CD&A under “Performance Metrics for 2024 Program.”

The charts shown below compare the company-selected financial measure of PBT Margin, net income, and PPC and peer group TSR as described above with executive compensation actually paid (or “CAP”) for each of the five most recent years:



CAP vs. Total Shareholder Return





## COMPENSATION RISKS

The Company has reviewed and assessed our compensation policies and practices to determine whether they are reasonably likely to have a material adverse effect on the Company. The Company's management reviews compensation policies for the presence of certain elements that could encourage employees to take unnecessary or excessive risks; the ratios and level of incentive to fixed compensation, annual to long-term compensation and cash to equity compensation; and the comparison of compensation expense to earnings of the Company. Management's assessment of the Company's compensation policies is reviewed by the Compensation Committee as part of its risk oversight function.

The Company believes that its compensation programs for employees and executive officers are appropriately tailored to encourage employees to grow our business, but not to encourage them to do so in a way that poses unnecessary or excessive material risk. In particular, in 2024, the Company's compensation programs were designed to provide the following:

- elements that balance short-term and long-term compensation;
- incentive compensation that rewards performance; and
- compensation with fixed and variable components.

As a result, the Company believes that executive officers and key employees receive a balance between competitive remuneration to encourage retention and compensation designed to provide opportunities to earn more by successfully executing our business strategy. The Company believes the design of these programs encourages our executive officers and key employees to perform at high levels and maximize Company performance without focusing exclusively on compensation performance metrics to the detriment of other important business metrics.

The Company also believes that its compensation program does not encourage excessive risk taking because the above compensation elements coupled with equity ownership in the Company provide a proper mix between long and short-term incentives. A significant portion of the NEOs' total compensation is performance-based and tied to the profitability of the Company. Specifically, in 2024, Messrs. Sandri and Galvanoni were eligible to receive an annual cash bonus payable based on the Company's PBT Margin. Additionally, Messrs. Sandri and Galvanoni have been granted equity awards and currently own a level of equity that the Company believes provides sufficient long-term incentives. The Company believes that the NEOs' beneficial ownership of Pilgrim's Pride common stock, which encourages long-term focus on sustainable performance, aligns their interests with those of our stockholders. For 2024, approximately 66.0% of the total target compensation of each of our CEO and CFO was "at risk," or dependent upon the Company's performance.

Overall, the Company concluded that there were no risks arising from our compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

## COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

During 2024, the members of the Compensation Committee were Arquimedes Celis, Gilberto Tomazoni, and Andre Nogueira de Souza. No member of the Committee was, during 2024, an officer, former officer or employee of the Company or any of our subsidiaries. We did not have any compensation committee interlocks in 2024. See "Related Party Transactions - Reportable Transactions" for additional information on the Company's transactions with JBS.

## INSIDER TRADING POLICY

We have adopted insider trading policies and procedures governing the purchase, sale, and other dispositions of the Company's securities by directors, officers, and employees that are reasonably designed to promote compliance with insider trading laws, rules and regulations (the "Insider Trading Policy"). For information on compensation-related aspects of this policy, see "Compensation Discussion and Analysis — Policy on Pledging" and "Compensation Discussion and Analysis — Policy on Hedging." It is also the policy of the Company to comply with all applicable securities laws when transacting in its own securities. A copy of our Insider Trading Policy is attached as Exhibit 19.1 to the 2024 Annual Report.

## DELINQUENT SECTION 16(A) REPORTS

Section 16(a) of the Exchange Act requires our officers and Directors, and persons who own more than ten percent of our common stock (“Reporting Persons”), to file reports of ownership and changes in ownership with the SEC. Based on a review of such reports filed with the SEC during the most recent fiscal year, our internal records and any written representations from Reporting Persons, we believe that the Reporting Persons complied with all Section 16(a) filing requirements applicable to our Reporting Persons for the fiscal year ended December 29, 2024 except for the following due to administrative delays: for each of Ms. Aslam and Messrs. Joesley Batista, Wesley Batista, Celis, Menon, Nogueira, Padilla, Tomazoni and Vasconcellos, one late Form 4 reporting an RSU grant; for Mr. Galvanoni, one late Form 4 reporting the acquisition of RSUs due to certain PSUs being earned; and for Mr. Sandri, three late Form 4s (reporting two separate acquisitions of RSUs due to certain PSUs being earned, the cash settlement of certain RSUs upon vesting and a sale of shares of common stock).

## SECURITY OWNERSHIP

The following table sets forth certain information with respect to the beneficial ownership of our common stock by (1) each person known by us to own more than 5% of the outstanding shares of our common stock (the only class of voting securities outstanding); (2) each of our directors and director nominees; (3) our NEOs; and (4) all of our current Directors and executive officers as a group. The information below is provided as of March 20, 2025, unless otherwise indicated below.

Name and Beneficial Owner <sup>(a)</sup>	Amount and Nature of Beneficial Ownership of Common Stock	Percent of Outstanding Common Stock	Percent of Voting Power
Wesley Mendonça Batista <sup>(b)</sup>	195,447,632	82.34 %	82.34 %
Joesley Mendonça Batista <sup>(b)</sup>	195,447,632	82.34 %	82.34 %
JBS Wisconsin Properties, LLC <sup>(b)</sup>	195,445,936	82.34 %	82.34 %
Fabio Sandri	360,930	*	*
Matthew Galvanoni	79,057	*	*
Wallim Cruz de Vasconcellos Junior	16,908	*	*
Farha Aslam	14,122	*	*
Arquimedes A. Celis	14,122	*	*
Ajay Menon	9,162	*	*
Joanita Karoleski <sup>(c)</sup>	7,466	*	*
Raul Padilla	6,731	*	*
Gilberto Tomazoni	1,696	*	*
Andre Nogueira de Souza	1,696	*	*
All current executive officers and Directors as a group (12 persons) <sup>(a)</sup>	195,961,218	82.56 %	82.56 %

\* Less than 1%.

- (a) Unless otherwise noted, the address for each individual is c/o Pilgrim’s Pride Corporation, 1770 Promontory Circle, Greeley, CO 80634-9038. To our knowledge, except as otherwise indicated, each of the persons listed above has sole voting and investment power with respect to shares beneficially owned. The amounts reported for each of the individual Directors, except Ms. Karoleski, include the following shares of common stock underlying RSUs which would vest upon their departure from the Board: for each of Messrs. Wesley and Joesley Batista, Tomazoni, and Nogueira: 1,696; for Mr. Vasconcellos, 16,908; for each of Ms. Aslam and Mr. Celis, 14,122; for Mr. Menon, 9,162; for Mr. Padilla, 6,731; and Ms. Karoleski, none. The amounts reported for each of the individual executive officers, include the following shares of common stock underlying RSUs which are all unvested as of the record date, but will vest upon varying future vesting dates as detailed above in Executive Compensation: for Mr. Sandri, 220,693; and for Mr. Galvanoni, 50,922.
- (b) JBS Wisconsin Properties, LLC is a wholly owned, indirect subsidiary of JBS S.A. and directly beneficially owns 195,445,936 shares of our common stock. JBS S.A. is ultimately controlled by Joesley Mendonça Batista and Wesley Mendonça Batista, who jointly control and equally and indirectly own: (1) 100% of the equity interests in J&F Investimentos S.A., a Brazilian corporation, which owns approximately 23.54% of the outstanding capital of JBS S.A.; and (2) 100% of the equity interests in J&F Participações S.A., a Brazilian corporation, which owns approximately 24.79% of the outstanding capital of JBS S.A. The address of JBS S.A. is Avenida Marginal Direita do Tietê, 500, Bloco 1, 3rd Floor, City of São Paulo, State of São Paulo, Brazil, CEP 05118-100 and the address of JBS Wisconsin Properties, LLC is 1770 Promontory Circle, Greeley, CO 80634-9038. The ownership of each of Messrs. Batista also includes shares of common stock underlying RSUs that will vest upon their departure from the Board.

- (c) The amount reported for Ms. Karoleski are shares of common stock derived from RSUs that vested upon her departure from the Board in February 2024. Ms. Karoleski was reappointed to the Board in February 2025.

## RELATED PARTY TRANSACTIONS

### Related Party Transactions Policy

During 2024, in accordance with its Charter, our Audit Committee was responsible for reviewing and approving the terms and conditions of all proposed transactions required to be disclosed under Item 404 of Regulation S-K, including transactions between us and any of our officers or Directors, or relatives or affiliates of any such officers or Directors. Furthermore, our Certificate of Incorporation provides that all transactions required to be disclosed under Item 404 of Regulation S-K under the Exchange Act (“related party transactions”) must first be reviewed, evaluated and approved by the Audit Committee or other committee comprised solely of independent directors, such approval to be evidenced by a resolution stating that such committee has, in good faith, unanimously determined that such transaction complies with the provisions of our Certificate of Incorporation governing related party transactions. Any Audit Committee or other independent body member who was or is not independent with respect to a related party transaction under review has been required by our Audit Committee Charter to disclose his or her lack of independence to the remaining committee members and abstain from the review and approval of that transactions. Under our Certificate of Incorporation, neither we nor any of our subsidiaries may enter into certain sale and purchase transactions with or for the benefit of JBS and its affiliates, except on fair and reasonable terms that are no less favorable to us and/or our applicable subsidiary than those that could have been obtained in a comparable arm’s-length transaction with an unrelated third party. Additionally, pursuant to our Governance Policies, we will not make significant charitable contributions to organizations in which a Director or his/her family member is affiliated, enter into consulting contracts with (or otherwise provide indirect forms of compensation to) a Director, or enter into transactions (other than service as a Director) with the Director or any business or nonprofit entity in which the director is a general partner, controlling stockholder, officer, manager, or trustee, or materially financially interested, without the prior approval of a majority of disinterested members of the full Board, and, if required by Nasdaq rules, the Audit Committee.

### Reportable Transactions

Since January 1, 2024, the start of our fiscal year 2024, these transactions, along with all other related party transactions, received the approval of our Audit Committee. With the assistance of our management’s analysis, the Audit Committee reviewed the terms of all contracts entered into with related parties and determined that they were substantially similar to, and contained terms not less favorable to us than, those obtainable from unaffiliated parties.

The following are our related party transactions with amounts shown for the fiscal year 2024 (in thousands):

Expenditures paid by JBS USA Food Company on behalf of Pilgrim’s <sup>(a)</sup>	\$	121,962
Expenditures paid by Pilgrim’s on behalf of JBS USA Food Company <sup>(a)</sup>		14,593
Sales to related parties <sup>(b)</sup>		33,333
Purchases from related parties <sup>(b)</sup>		206,482

- (a) We have an agreement with JBS USA to allocate costs associated with JBS USA’s procurement of SAP licenses and maintenance services for both companies. Under this agreement, the fees associated with procuring SAP licenses and maintenance services are allocated between the Company and JBS USA in proportion to the percentage of licenses used by each company. The agreement expires on the date of expiration, or earlier termination, of the underlying SAP license agreement. We also have an agreement with JBS USA to allocate the costs of supporting the business operations by one consolidated corporate team, which have historically been supported by their respective corporate teams. Expenditures paid by JBS USA on behalf of PPC will be reimbursed by PPC and expenditures paid by PPC on behalf of JBS USA will be reimbursed by JBS USA. This agreement expires on December 31, 2025. Additionally, on December 30, 2024, we entered into a tax sharing agreement with JBS USA governing the allocation, and certain payment and reimbursement obligations of U.S. income tax liabilities and assets among the Company and its relevant U.S. corporate subsidiaries, on the one hand, and JBS USA and its relevant U.S. subsidiaries, on the other hand. Additionally, JBS USA will be required to make payments to the Company for the incremental tax cost savings to JBS USA arising from the planned consolidation with respect to any dividends paid by the Company on or after December 30, 2024, but prior to December 30, 2026, in the aggregate amount of up to \$725.0 million. The agreement is effective for each tax year beginning on or after December 30, 2024 or such other date in which the Company becomes a member of the Parent Consolidated Group (as defined in the Tax Sharing Agreement).
- (b) We routinely enter into transactions to sell our products to JBS USA and its subsidiaries and purchase products from them.

#### **PROPOSAL 4. RATIFICATION OF THE APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Our Board of Directors recommends the ratification of the appointment of KPMG LLP as our independent registered public accounting firm for 2025. If our stockholders fail to ratify the selection, it will be considered as notice to the Board and the Audit Committee to consider the selection of a different firm. Even if the selection is ratified, the Audit Committee, in its discretion, may select a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of the Company and our stockholders. For information on the fees paid to KPMG LLP in fiscal years 2025 and 2024, see “Independent Registered Public Accounting Firm Fee Information.”

Representatives of KPMG LLP are expected to be present at the Annual Meeting and to be available to respond to appropriate questions. They will be given the opportunity to make a statement if they wish to do so.

**Our Board of Directors recommends that you vote “FOR” the ratification of the appointment of KPMG LLP as our independent registered public accounting firm for 2025. Proxies will be so voted unless stockholders specify otherwise.**

## REPORT OF THE AUDIT COMMITTEE

The Audit Committee assists the Board in fulfilling its responsibilities for general oversight of the integrity of the Company's financial statements, our compliance with legal and regulatory requirements, the independent registered public accounting firm's qualifications and independence, the performance of our internal audit function and the independent registered public accounting firm, risk assessment and risk management. The Audit Committee manages the Company's relationship with its independent registered public accounting firm (who reports directly to the Audit Committee). The Audit Committee has the authority to obtain advice and assistance from outside legal, accounting or other advisors as the Audit Committee deems necessary to carry out its duties and to receive appropriate funding, as determined by the Audit Committee, from the Company for such advice and assistance.

The Company's management has primary responsibility for preparing our financial statements and for our financial reporting process. Our independent registered public accounting firm is responsible for auditing those annual financial statements and expressing an opinion on the conformity of the Company's audited financial statements with U.S. GAAP. The Audit Committee's responsibility is to monitor and review these processes and have direct responsibility for the appointment, compensation, retention and oversight of the independent registered public accounting firm retained to audit the Company's financial statements, but not to verify independently the information provided to the Audit Committee.

In this context, the Audit Committee hereby reports as follows:

1. The Audit Committee has reviewed and discussed the audited financial statements with the Company's management.
2. The Audit Committee has discussed with the independent registered public accounting firm the matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board (the "PCAOB") and the SEC.
3. The Audit Committee has received the written disclosures and the letter from the independent registered public accounting firm required by applicable requirements of the PCAOB regarding the independent registered public accounting firm's communications with the Audit Committee concerning independence and has discussed with the independent registered public accounting firm the independent registered public accounting firm's independence.
4. Based on the review and discussions set forth above, the Audit Committee recommended to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 2024 for filing with the SEC.

The undersigned members of the Audit Committee have submitted this report to the Board of Directors.

Audit Committee

Wallim Cruz de Vasconcellos Jr, Chairman  
Farha Aslam  
Arquimedes Celis

## INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FEE INFORMATION

The following table shows the aggregate fees for services rendered by KPMG LLP, the Company's independent registered public accounting firm, for the fiscal years indicated:

	2024	2023
Audit fees <sup>(a)</sup>	\$ 4,013,590	\$ 4,367,851
Audit-related fees <sup>(b)</sup>	136,666	64,329
Tax fees <sup>(c)</sup>	68,053	—
Total	<u>\$ 4,218,309</u>	<u>\$ 4,432,180</u>

- (a) Audit fees incurred are for the annual audit of the Company's financial statements, the audit of internal controls over financial reporting (i.e., the Sarbanes-Oxley 404 Audit), the reviews of our quarterly reports on Form 10-Q, and statutory audits required in Mexico and the U.K. and Europe.
- (b) Audit-related services principally include other attestation services such as agreed-upon procedures required for compliance with contracts or other statutes. For 2024, audit-related fees are primarily from work associated with Mexico social security law compliance reports and financial statement audits for tax purposes.
- (c) Tax fees include services such as transfer pricing and foreign trade compliance procedures.

The Audit Committee pre-approved all audit and non-audit fees of the independent registered public accounting firm during 2024 and 2023.

### Pre-Approval Policies and Procedures

In accordance with its Charter, our Audit Committee has established policies and procedures by which it approves in advance any audit and permissible non-audit services to be provided by our independent registered public accounting firm. Under these procedures, prior to the engagement of the independent registered public accounting firm for pre-approved services, requests or applications for the independent registered public accounting firm to provide services must be submitted to our CFO, or his designee, and the Audit Committee and must include a detailed description of the services to be rendered. The CFO, or his designee, and the independent registered public accounting firm must ensure that the independent registered public accounting firm is not engaged to perform the proposed services unless those services are within the list of services that have received the Audit Committee's pre-approval and must cause the Audit Committee to be informed in a timely manner of all services rendered by the independent registered public accounting firm and the related fees.

Requests or applications for the independent registered public accounting firm to provide services that require additions or revisions to the 2024 pre-approval will be submitted to the Audit Committee (or any Audit Committee members who have been delegated pre-approval authority) by the CFO or his designee. Each request or application must include:

- a recommendation by the CFO (or designee) as to whether the Audit Committee should approve the request or application; and
- a joint statement of the CFO (or designee) and the independent registered public accounting firm as to whether, in their view, the request or application is consistent with the SEC's regulations and the requirements for auditor independence of the PCAOB.

The Audit Committee also will not permit the engagement to provide any services to the extent that the SEC has prohibited the provision of those services by independent registered public accounting firms.

The Audit Committee delegated authority to the Chairman of the Audit Committee to:

- pre-approve any services proposed to be provided by the independent registered public accounting firm and not already pre-approved or prohibited by this policy up to \$25,000;
- increase any authorized fee limit for pre-approved services (but not by more than 30% of the initial amount that was pre-approved) before we or our subsidiaries engage the independent registered public accounting firm to perform services for any amount in excess of the fee limit; and

- investigate further the scope, necessity or advisability of any services as to which pre-approval is sought.

The Chairman of the Audit Committee is required to report any pre-approval or fee increase decisions to the Audit Committee at the following Audit Committee meeting.

## **PROPOSAL 5. APPROVAL OF AMENDED AND RESTATED PILGRIM'S PRIDE CORPORATION 2019 LONG TERM INCENTIVE PLAN**

### **Overview**

We are asking stockholders to approve the Amended and Restated Pilgrim's Pride Corporation 2019 Long Term Incentive Plan (the "2019 LTIP" and, as restated, the "Restated 2019 LTIP") to increase the number of shares of Company common stock available for issuance under the 2019 LTIP by 2,500,000. The Restated 2019 LTIP also adds a limit on annual grants to non-employee directors of \$500,000 (when aggregated with cash compensation). The Restated 2019 LTIP was adopted by our Board on April 3, 2025, subject to approval by our stockholders at the Annual Meeting. If approved by the Company's stockholders, the Restated 2019 LTIP will become effective as of the date it is approved by our stockholders. After the proposed increase, up to a total of 4,500,000 shares will be available for new equity award grants under the Restated 2019 LTIP (including shares underlying certain outstanding awards previously made subject to stockholder approval).

Other than the increase in the number of shares of Common Stock reserved for issuance described above and the inclusion of the limit on non-employee director compensation, we are not proposing to make any other material changes to the 2019 LTIP. The Restated 2019 LTIP also contains a new definition of "Cause," a provision allowing the Compensation Committee to permit or require the deferral of the issuance of shares or payment of cash in settlement of any award (as discussed below under "—Summary of the Restated 2019 LTIP—Deferrals of Full Value Awards"), and certain immaterial clarifications to defined terms and other immaterial amendments intended to streamline unnecessary or redundant language. The Restated 2019 LTIP will continue to provide for the grant of a broad range of long-term equity-based and cash-based awards, including performance-based awards, to the Company's officers and other employees, members of the Board and any consultants.

We believe the ability to grant awards under the Restated 2019 LTIP is necessary to enable us to attract, motivate and retain directors and key employees, and to provide incentives for such individuals through Common Stock ownership and other rights that promote and recognize the financial success and growth of our Company.

Based upon recent equity award requirements, we believe that the proposed increase of 2,500,000 shares of Common Stock to be reserved for issuance under the Restated 2019 LTIP will be sufficient for equity awards for at least one year. However, the number of shares of Common Stock required for future grants is not currently known and is dependent upon several factors that cannot be predicted, including but not limited to the price of the Company's Common Stock on future grant dates.

If stockholders do not approve the Restated 2019 LTIP, the 2019 LTIP will continue in its current form, such that the pool of shares of Common Stock available thereunder will become depleted and be insufficient for equity awards made following our annual grants in 2025. As a result, in future years, we may not be able to continue to offer equity packages to our current employees and new employees and/or consultants, and thus may be less competitive than other companies that offer equity. We believe that this could impede our plans for growth and impair our ability to operate our business. In addition, if we are unable to grant competitive equity awards, we may be required to offer additional cash-based incentives to replace equity as a means of competing for talent, which we believe could adversely affect our reported earnings and financial results. We also believe that equity grants are a more effective compensation vehicle than cash awards because they better align the financial interests of employees with the interests of stockholders, and promote actions that result in long-term value creation.

If this Proposal 5 receives the requisite stockholder approval, the Company intends to register the additional shares of Common Stock available for issuance under the Restated 2019 LTIP on a registration statement on Form S-8 under the Securities Act of 1933, as amended, as soon as reasonably practicable following receipt of approval.

### **Summary of the Restated 2019 LTIP**

The following is a summary of certain material features of the Restated 2019 LTIP, which does not purport to be a complete description of all the provisions of Restated 2019 LTIP, and is qualified in its entirety by reference to the complete terms of the Restated 2019 LTIP attached hereto as Appendix A (which shows text deleted from the 2019 LTIP as stricken and text added to it as underlined).

Stockholders are urged to read the actual text of the proposed Restated 2019 LTIP. To the extent there is a conflict between this summary and the Restated 2019 LTIP, the terms of the Restated 2019 LTIP will govern.

### Key Features of the Amended and Restated 2019 LTIP

Below is a summary of some of the key features of the Amended and Restated 2019 LTIP that are designed to protect the rights of the Company's stockholders:

- *No "Reload" Stock Options.* The Restated 2019 LTIP does not permit grants of stock options with a "reload" feature that would provide for additional stock options to be granted automatically to a participant upon the participant's exercise of previously-granted stock options.
- *No Repricing or Replacement of Stock Options or Stock Appreciation Rights ("SARs").* Stock options and SARs granted under the Restated 2019 LTIP may not be repriced, replaced or re-granted through cancellation or modification without stockholder approval if the effect would be to reduce the exercise price for the shares under the award. Cash buyouts of underwater awards are not permitted.
- *No In-the-Money Stock Option or SAR Grants.* The Restated 2019 LTIP prohibits the grant of stock options or SARs with an exercise or base price less than 100% of the fair market value of our common stock on the date of grant.
- *Ten-Year Expiration.* No stock option or SAR would be permitted to be exercisable after the ten-year anniversary of the date of grant.
- *No "Evergreen" Provision.* The total number of shares that may be issued under the Restated 2019 LTIP is limited to the share reserve that is subject to stockholder approval. That is, the Restated 2019 LTIP does not include an automatic share replenishment provision (also known as an "evergreen" provision).
- *No Liberal Change in Control Definition.* The definition of "change in control" in the Restated 2019 LTIP would require consummation, not only stockholder approval, of a merger or similar corporate transaction.
- *No Increase to Shares Available for Issuance without Stockholder Approval.* The Restated 2019 LTIP prohibits any increase in the total number of shares of common stock that may be issued under the Restated 2019 LTIP without stockholder approval, other than adjustments in connection with certain corporate reorganizations, changes in capitalization and other events, as described below.

### General Plan Information

The purpose of the Restated 2019 LTIP is to (1) aid the Company in attracting, securing and retaining directors of outstanding ability, (2) aid the Company and its subsidiaries and affiliates in attracting, securing and retaining employees of outstanding ability, (3) attract consultants to provide services to the Company and its subsidiaries and affiliates, as needed, and (4) motivate such persons to exert their best efforts on behalf of the Company and its subsidiaries and its affiliates by providing incentives through the granting of awards under the plan. The Restated 2019 LTIP permits the granting of any or all of the following types of awards:

- stock options, including incentive stock options ("ISOs") and non-qualified stock options ("NSOs");
- SARs;
- dividend equivalent rights;
- restricted stock awards;
- RSUs;
- performance bonus awards; and
- other stock-based awards.

The Restated 2019 LTIP provides that the maximum number of shares of common stock with respect to which awards may be granted is 4,500,000 shares (subject to adjustment in accordance with the provisions under the caption “Adjustments Upon Certain Events” below), whether pursuant to ISOs or otherwise. To the extent permitted by applicable law or rules, shares of common stock issued in assumption of, or in substitution for, any outstanding awards of any entity acquired by (or combined with) the Company or any subsidiary will not be counted against shares of common stock available for grant pursuant to the Restated 2019 LTIP.

The Restated 2019 LTIP also provides that the total number of shares of common stock that will be available for grants of ISOs is 4,500,000 shares. The fair value of awards, when aggregated with cash compensation, granted to a non-employee director in any fiscal year may not exceed \$500,000. Shares which are subject to awards that expire, terminate, lapse for any reason or are settled for cash, or which are tendered or withheld to satisfy the grant or exercise price or tax withholding obligation pursuant to any award may be utilized again with respect to awards granted under the Restated 2019 LTIP. The payment of any dividend equivalent rights in cash in conjunction with any outstanding awards shall not be counted against the shares available for issuance under the Restated 2019 LTIP.

### Eligibility

Currently, employees (including executive officers), directors and consultants (including agents, independent contractors, leased employees and advisors) of the Company, its subsidiaries and affiliates are eligible to participate in the Restated 2019 LTIP. Only employees of the Company or its subsidiaries may be granted ISOs. As of the Record Date, the Company, its subsidiaries and affiliates had approximately 61,600 employees. Additionally, as of that date, the Company had ten non-employee directors. The actual participants under the Restated 2019 LTIP are to be determined from time to time by the Compensation Committee, in its discretion.

### Administration

The Restated 2019 LTIP is administered by the Board or a committee appointed by the Board, which will initially be the Compensation Committee. The Compensation Committee has the authority to, among other things, select employees, directors or consultants to whom awards are to be granted, to determine the number of options or other types of awards to be granted to such employees, directors or consultants, to establish the terms and conditions of such awards, and to delegate non-discretionary administrative responsibilities in connection with the Restated 2019 LTIP to such other persons as it deems advisable. The Compensation Committee has the authority to interpret the Restated 2019 LTIP, to establish, amend and revise any rules and regulations relating to the Restated 2019 LTIP, and to otherwise make any determination that it deems necessary or advisable for the administration of the Restated 2019 LTIP. In order to satisfy the requirements of Rule 16b-3 of the Exchange Act, members of the Compensation Committee are required to be “non-employee directors” within the meaning of Rule 16b-3 of the Exchange Act. The Restated 2019 LTIP provides that the Board may authorize one or more officers to grant awards to participants who are not subject to the rules promulgated under Section 16 of the Exchange Act or officers or Directors of the Company to whom the authority to grant or amend awards has been given, provided that any such grants will be subject to the terms and conditions of the Compensation Committee authorization.

Notwithstanding the foregoing, a Repricing (as defined below) is prohibited without prior stockholder approval, provided, however, that the Compensation Committee may: (1) authorize the Company, with the consent of the respective participant, to issue new awards in exchange for the surrender and cancellation of any or all outstanding awards or (2) buy from a participant an award previously granted with payment in cash, shares of common stock (including restricted stock) or other consideration, based on such terms and conditions as the Compensation Committee and the participant may agree. For purposes of the Restated 2019 LTIP, “Repricing” means any of the following or any other action that has the same purpose and effect: (1) lowering the exercise price of an outstanding option or SAR granted under the Restated 2019 LTIP after it is granted or (2) canceling an outstanding award granted under the Restated 2019 LTIP at a time when its exercise or purchase price exceeds the then fair market value (as defined in the Restated 2019 LTIP) of the shares underlying such outstanding award, in exchange for another award or a cash payment, unless the cancellation and exchange occurs in connection with a merger, amalgamation, consolidation, sale of substantially all the Company's assets, acquisition, spin-off, or other similar corporate transaction.

## Adjustments Upon Certain Events

Subject to any required action by the stockholders of the Company, the aggregate number and kind of shares that may be issued under the Restated 2019 LTIP, the terms and conditions of any outstanding awards, as well as the grant or exercise price per share for any outstanding awards under the Restated 2019 LTIP, will be adjusted as the Committee in its discretion may deem appropriate to reflect any stock dividend, stock split, spin-off, combination or exchange of shares, merger, consolidation or other distribution (other than normal cash dividends) of Company assets to stockholders, or any other change affecting the shares of common stock or the price of the shares (other than any Equity Restructuring (as defined in the Restated 2019 LTIP)). Except as expressly provided in the Restated 2019 LTIP or pursuant to action of the Compensation Committee under the Restated 2019 LTIP, no issuance by the Company of shares of stock of any class or securities convertible into shares of stock of any class, will affect, and no adjustment by reason thereof will be made with respect to, the number of shares subject to an award or the grant or exercise price of any award.

In the event of any event described in the preceding paragraph or any unusual or nonrecurring transactions or events affecting the Company, any affiliate of the Company, or the financial statements of the Company or any affiliate, or of changes in applicable laws, regulations or accounting principles, the Compensation Committee may, in its sole discretion whenever the Compensation Committee determines that such action is appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Restated 2019 LTIP or with respect to any award under the Restated 2019 LTIP, to facilitate such transactions or events or to give effect to such changes in laws, regulations or principles, provide for adjustments to the settlement and vesting of existing awards, including termination of such awards or modification of performance targets or performance periods for performance-based awards. The Compensation Committee's determination need not be uniform and may be different for different participants.

In the event of any Equity Restructuring, which generally means a stock dividend, stock split or other event that causes a change in the per share value of shares underlying outstanding awards and that is effected without receipt of consideration by the Company, the number and type of shares covered by each outstanding award and the exercise or grant price thereof, if applicable, shall be equitably adjusted, and the Compensation Committee may, in its sole discretion, provide for equitable adjustments with respect to the aggregate number and kind of shares that may be issued under the Restated 2019 LTIP to reflect such Equity Restructuring.

## Change in Control

Except as may otherwise be provided in any applicable award agreement or other written agreement entered into between the Company and a participant in the Restated 2019 LTIP, if a "change in control" occurs and the participant's awards are not converted, assumed, or replaced by a successor entity, then immediately prior to the change in control the awards will become fully exercisable and all forfeiture restrictions on the awards will lapse. Upon or in anticipation of the occurrence of a change in control, the Compensation Committee may cause any and all of a participant's awards to terminate at a specific time in the future and shall give each participant the right to exercise or accelerate such awards during a period of time as the Compensation Committee shall determine in its sole discretion.

Under the Restated 2019 LTIP, a "change in control" generally includes (1) a direct or indirect sale or other disposition of the Company and its subsidiaries taken as a whole as an entirety or substantially as an entirety in one transaction or series of transactions, (2) the consummation of any transaction (including a merger) to which the Company is a party the result of which is that immediately after such transaction the stockholders of the Company immediately prior to such transaction hold less than 50.1% of the total voting power generally entitled to vote in the election of directors of the person surviving such transaction, (3) any "person" or "group" becomes the ultimate "beneficial owner" (each as defined in Rule 13d-3 of the Exchange Act) of more than 50% of the total voting power generally entitled to vote in the election of directors of the Company on a fully diluted basis, (4) subject to specified exceptions and qualifications, during any two consecutive years, individuals who at the beginning of such period constituted the members of the Board cease for any reason to constitute a majority of the members of the Board then in office, or (5) the adoption of a plan for the liquidation or dissolution of the Company.

Regardless of whether a change in control has occurred, the Compensation Committee may in its sole discretion at any time determine that, upon the termination of employment or service of a participant for any reason, or the occurrence of a change in control, all or a portion of such participant's options or SARs shall become fully or partially exercisable, that all or a part of the restrictions on all or a portion of a participant's outstanding awards shall lapse, and/or that any performance criteria with respect to any awards held by a participant shall be deemed to be wholly or partially satisfied as of such date as the Compensation Committee may declare in its sole discretion. In the event that the terms of any agreement between the Company or any affiliate of the Company and the participant contains provisions that conflict with and are more restrictive than the provisions of the Restated 2019 LTIP described above, the provisions of the Restated 2019 LTIP shall prevail and control and the more restrictive provisions of such agreement (and only such terms) shall be of no force and effect.

#### Stock Options

The Restated 2019 LTIP provides that the option price pursuant to which common stock may be purchased will be determined by the Compensation Committee, but will not be less than the fair market value of the common stock on the date the option is granted. The Compensation Committee will determine the term of each option, but no option will be exercisable more than 10 years after the date of grant. Payment of the purchase price will be (1) in cash, (2) in shares of common stock, (3) by a promissory note bearing interest at no less than such rate as shall then preclude the imputation of interest under the Code, (4) other property acceptable to the Compensation Committee (including through the delivery of irrevocable instructions to a broker to deliver promptly to the Company an amount equal to the aggregate option price for the shares being purchased), or (5) any combination of the foregoing methods of payment. If a participant's service terminates by reason of death or Disability (as defined in the Restated 2019 LTIP), to the extent the participant was entitled to exercise the option on the date of death or Disability, the option may be exercised within one year after the date of death or Disability (or such other period specified in the applicable award agreement). If a participant's service with the Company terminates for any reason (other than death or Disability), each option then held by the participant may be exercised within three months (or such other period specified in the applicable award agreement) after the date of such termination, but only to the extent such option was exercisable at the time of termination of service.

#### Restricted Stock Awards

The Restated 2019 LTIP provides for certain terms and conditions pursuant to which restricted stock and RSUs may be granted under the Restated 2019 LTIP. Each grant of restricted stock and RSUs must be evidenced by an award agreement in a form approved by the Compensation Committee. The vesting of a restricted stock award or RSU granted under the Restated 2019 LTIP may, but shall not be required to, be conditioned upon the completion of a specified period of service, upon attainment of specified performance goals, and/or upon such other criteria as the Compensation Committee may determine in its sole discretion. Except as provided in the applicable award agreement, no shares of restricted stock may be assigned, transferred or otherwise encumbered or disposed of by the participant until such shares have vested in accordance with the terms of such award agreement. The restricted stock shall be subject to such restrictions on transferability and other restrictions as the Compensation Committee may impose (including, without limitation, limitations on the right to vote restricted stock or the right to receive dividends on the restricted stock).

#### Stock Appreciation Rights

The Compensation Committee has the authority under the Restated 2019 LTIP to grant SARs. Each SAR granted entitles a participant to exercise the SAR in whole or in part and, upon such exercise, to receive from the Company an amount equal to the product of (1) the excess of (a) the fair market value on the exercise date of one share of common stock over (b) the fair market value on the date of grant of one share of common stock and (2) the number of shares covered by the portion of the SAR so exercised, subject to any limitations the Compensation Committee may impose.

#### Other Types of Awards

The Compensation Committee also has the authority under the Restated 2019 LTIP to grant awards of unrestricted shares of common stock, restricted stock, RSUs, and other awards that are valued in whole or in part by

reference to, or are otherwise based upon, the fair market value of the common stock. The terms and conditions of these other stock-based awards will be determined by the Compensation Committee. Other cash-based and stock-based awards may also be granted to participants from time to time as the Compensation Committee sees fit, including performance-based awards.

Such performance-based awards are rights to receive amounts denominated in cash or shares of common stock, based on the Company's or a participant's performance during a designated period in which attainment of the performance goals is measured.

Performance goals, the length of the performance period and time of payment of the performance-based awards are established by the Compensation Committee. The performance criteria will be based on one or more (or any combination) criteria as the Compensation Committee shall determine from time to time, including, but not limited to the following:

- revenue;
- earnings or net earnings (including earnings before or after any one or more of the following: interest, taxes, depreciation, or amortization);
- sales;
- economic value-added;
- cash flow (including, but not limited to, operating cash flow and free cash flow);
- cash flow return on capital;
- earnings per share of common stock (including earnings before any one or more of the following: interest, taxes, depreciation, amortization, restructuring costs or rental expenses);
- return on equity; return on capital; total stockholder return;
- return on invested capital; return on assets or net assets;
- return on sales; income or net income (either before or after taxes);
- operating earnings; operating income or net operating income;
- operating profit or net operating profit;
- operating or net profit margin;
- cost reductions or savings or expense management;
- funds from operations;
- appreciation in the fair market value of shares of common stock;
- working capital;
- market share;
- productivity;
- expense;
- operating efficiency;
- customer satisfaction; and
- safety record.

The foregoing criteria may relate to the Company, one or more of its affiliates, subsidiaries or one or more of its divisions, geography, business units, segments, products, product lines, partnerships, joint ventures, minority investments, or any combination thereof, of the Company or its affiliates, or the performance of an individual, and may be determined or applied on an absolute or relative basis, a consolidated basis, an adjusted basis, or as compared to the performance of a published or special index, including, but not limited to, the Standard & Poor's 500 Stock Index, the NASDAQ Market Index, the Russell 2000 Index or a group of comparable companies, or any combination thereof.

The Compensation Committee shall determine whether, with respect to a performance period, the applicable performance goals have been met with respect to a given participant and, if they have, to so ascertain the amount payable under the applicable performance-based award. In determining the amount earned by a participant under a performance-based award, the Compensation Committee shall have the right to modify the amount payable at a given level of performance, if in its sole and absolute discretion, such modification is appropriate, or to take into account additional factors that the Compensation Committee may deem relevant to the assessment of individual or corporate performance for the performance period. In addition, the Committee may, in its sole discretion, adjust the amount of the Performance-Based Award to be paid either upwards or downwards in its discretion.

#### Deferrals of Full Value Awards

The Compensation Committee may, in its discretion permit or require the deferral of the issuance of shares or payment of cash in settlement of any award, other than an option or stock appreciation right, subject to the terms and conditions the Compensation Committee may establish. Such terms and conditions shall be set forth in writing in the relevant award agreement, and shall address, to the extent relevant, the amount of compensation that may or must be deferred, the permissible times and forms of payment of deferred amounts, the terms and conditions of any deferral elections, and the crediting of interest or dividend equivalents on deferred amounts.

#### Amendments to the Restated 2019 LTIP

The Restated 2019 LTIP may be amended by the Board of Directors or the Compensation Committee, except that no amendment may be made which, (1) without the approval of the stockholders of the Company, would (except as in accordance with the provisions under the caption "Adjustments Upon Certain Events" above) increase the total number of shares reserved or extend the exercise period for an option beyond ten years from the date of grant, or that otherwise would require stockholder approval under rules of any stock exchange or market or quotation system on which the shares are traded, or other applicable law or (2) without the consent of a participant, would adversely affect in any material way any award previously granted; provided, however, that an amendment or modification that may cause an ISO to become a non-qualified stock option shall not be treated as adversely affecting the rights of a participant. Subject to the foregoing, with respect to participants who reside or work outside of the United States, the Compensation Committee, in its sole discretion, shall have the power and authority to adopt rules, procedures and subplans with provisions that limit or modify the terms and conditions of any award granted to such participants in order to conform such terms with the requirements of local law.

#### Transferability

Awards under the Restated 2019 LTIP are not assignable or transferable (including, without limitation, to a third party financial institution or for consideration) otherwise than by will or by the laws of descent or distribution, except that the Compensation Committee may authorize awards (other than ISOs) to be granted on terms which permit an award to be transferred to, exercised by and paid to certain persons or entities related to the participant, including, but not limited to members of the participant's family, charitable institutions, or trusts or other entities whose beneficiaries or beneficial owners are members of the participant's family and/or charitable institutions, or to such other persons or entities as may be expressly approved by the Compensation Committee, pursuant to such conditions and procedures as the Compensation Committee may establish. Any permitted transfer shall be subject to the condition that the Compensation Committee receive evidence satisfactory to it that the transfer is being made for estate and/or tax planning purposes (or to a "blind trust" in connection with the participant's termination of employment or service with the Company or an affiliate of the Company to assume a position with a governmental,

charitable, educational or similar non-profit institution) and on a basis consistent with the Company's lawful issue of securities.

### Applicable Policies

Any participant receiving any award granted pursuant to the Restated 2019 LTIP shall be subject to any compensation recovery policy adopted by the Board or the Compensation Committee at any time, which includes our Clawback Policy. For more information, see "Compensation Discussion and Analysis—Clawback Policy." Any award will automatically be subject to compliance with applicable Company policies, including those relating to insider trading, pledging or hedging transactions and minimum post-vesting holding periods (as described in "Compensation Discussion and Analysis—Policy on Pledging," "Compensation Discussion and Analysis—Policy on Hedging," and "Insider Trading Policy").

### **Federal Income Tax Consequences of Awards**

The following is a brief summary of the principal United States federal income tax consequences of awards under the Restated 2019 LTIP. This summary is not intended to be exhaustive and does not describe state, local or foreign tax laws.

#### Incentive Stock Options

The grant of an incentive stock option will not result in any immediate tax consequences to the Company or the participant. In addition, a participant will not recognize taxable income, and we will not be entitled to any deduction, upon the exercise of an incentive stock option while the participant is an employee or within three months following termination of employment (longer in the case of death). In such event, the excess of the fair market value of the shares acquired over the option price will be includible in the participant's alternative minimum taxable income for the year of exercise for purposes of the alternative minimum tax. If the participant does not dispose of the shares acquired within one year after their receipt (and within two years after the option was granted), gain or loss recognized on the subsequent disposition of the shares will be treated as long-term capital gain or loss. Capital losses of individuals are deductible only against capital gains and a limited amount of taxable ordinary income. In the event of an earlier disposition, the participant will recognize taxable ordinary income in an amount equal to the lesser of (i) the excess of the fair market value of the shares on the date of exercise over the option price; or (ii) if the disposition is a taxable sale or exchange, the amount of any gain realized. Any additional gain to the participant will be treated as capital gain, long-term or short-term, depending on how long the shares have been held. Upon such a disqualifying disposition, we will be entitled to a deduction in the same amount and at the same time as the participant recognizes such taxable ordinary income, subject to the limitations of Section 162(m) of the Code.

#### Non-Qualified Stock Options

The grant of a non-qualified stock option will not result in any immediate tax consequences to the Company or the participant. Upon the exercise of a non-qualified stock option, the participant will recognize taxable ordinary income, and we will be entitled to a deduction, subject to the limitations of Section 162(m) of the Code, equal to the difference between the option price and the fair market value of the shares acquired at the time of exercise. Any gain or loss upon a subsequent sale or exchange of the shares will be capital gain or loss, long-term or short-term, depending on how long the shares have been held.

#### Stock Appreciation Rights

The grant of a SAR will not result in any immediate tax consequences to the Company or the grantee. Upon the exercise of a SAR, any cash received and the fair market value on the exercise date of any shares received will constitute taxable ordinary income to the grantee. We will be entitled to a deduction in the same amount and at the same time, subject to the limitations of Section 162(m) of the Code.

#### Restricted Stock

A participant normally will not recognize taxable income upon an award of restricted stock, and we will not be entitled to a deduction, until the termination of the restrictions. Upon such termination, the participant will recognize taxable ordinary income in an amount equal to the fair market value of the shares at that time, plus the amount of the dividends thereon to which the participant then becomes entitled. However, a participant may elect to recognize taxable ordinary income in the year the restricted stock is awarded in an amount equal to its fair market value at that time, determined without regard to the restrictions. We will be entitled to a deduction in the same amount and at the same time as the participant realizes income, subject to the limitations of Section 162(m) of the Code.

#### RSUs/Performance Shares

Any cash and the fair market value of any shares received in connection with the grant of an RSU under the Restated 2019 LTIP will constitute taxable ordinary income to the participant in the year in which paid, and the Company will be entitled to a deduction in the same amount, subject to the limitations of Section 162(m) of the Code.

#### Other Stock-Based and Cash Awards

The grant of other stock-based and cash awards will generally constitute taxable ordinary income to the participant in the year in which paid, and the Company will generally be entitled to a deduction in the same amount, subject to the limitations of the Section 162(m) of the Code.

#### Dividend Equivalents

Dividend equivalents generally will be taxed at ordinary income rates when paid. In most instances, they will be treated as additional compensation that we will be able to deduct at that time, subject to the limitations of Section 162(m) of the Code.

#### Withholding

Applicable taxes required by law will be withheld from all amounts paid in satisfaction of an award.

#### Section 162(m) of the Code

Section 162(m) of the Code denies deductions to publicly held corporations for compensation paid to certain senior executives that exceeds \$1,000,000.

#### Section 409A of the Code

Section 409A of the Code imposes complex rules on nonqualified deferred compensation arrangements, including requirements with respect to elections to defer compensation and the timing of payment of deferred amounts. Depending on how they are structured, certain equity-based awards may be subject to Section 409A of the Code, while others are exempt. If an award is subject to Section 409A of the Code and a violation occurs, the compensation is includible in income when no longer subject to a substantial risk of forfeiture and the participant may be subject to a 20% penalty tax and, in some cases, interest penalties. The Restated 2019 LTIP and awards granted under the Restated 2019 LTIP are intended to be exempt from or comply with the requirements of Section 409A of the Code.

#### **New Plan Benefits**

As of the date hereof, the following awards have been granted, contingent upon stockholder approval of the Restated 2019 LTIP, using the additional 2,500,000 shares of Common Stock to be reserved under the Restated 2019 LTIP. PSUs are shown assuming performance is deemed satisfied at the target level.

## Restated 2019 LTIP

Name and Position	Dollar Value (\$) <sup>(a)</sup>	Number of RSUs	Number of PSUs
<b>Named Executive Officers</b>			
Fabio Sandri (Chief Executive Officer)	\$ —	42,272	270,462
Matthew Galvanoni (Chief Financial Officer)	—	12,461	60,640
<b>Executive Group (All Named Executive Officers)</b>	—	54,733	331,102
<b>Non-Executive Officer Director Group</b>	—	—	—
<b>Non-Executive Officer Employee Group</b>	—	277,009	273,286

(a) The dollar value is unable to be calculated for the listed awards. The ending stock price at December 29, 2024 was \$45.92.

### Historical Plan Awards

The awards set forth in “New Plan Benefits” are the only awards granted under the Restated 2019 Plan that are contingent upon stockholder approval of the Restated 2019 LTIP. With respect to the shares of Common Stock proposed to be reserved under the Restated 2019 LTIP that are not covered by the awards in “New Plan Benefits,” these shares will be granted at the discretion of the Compensation Committee based on a number of factors and, accordingly, such future awards under the Restated 2019 LTIP are not currently determinable. However, for illustrative purposes only, the following table sets forth information as of the Record Date with respect to the number of shares of Common Stock underlying awards that were granted historically under the 2019 LTIP since its inception (excluding awards covered under “New Plan Benefits”) to the specified groups set forth below.

Name	Number of RSUs
<b>Named Executive Officers</b>	
Fabio Sandri	440,750
Matthew Galvanoni	84,334
<b>Directors</b>	
Farha Aslam	14,122
Wesley Mendonça Batista	1,696
Joesley Mendonça Batista	1,696
Arquimedes A. Celis	14,122
Wallim Cruz de Vasconcellos Junior	16,908
Joanita Karoleski	7,466
Ajay Menon	9,162
Andre Nogueira de Souza	1,696
Raul Padilla	6,731
Gilberto Tomazoni	1,696
<b>All Current Executive Officers as a Group</b>	525,084
<b>All Current Non-Employee Directors as a Group</b>	75,295
<b>Other Persons</b>	
Each associate of the current executive officers, non-employee directors and director nominee	—
Each other person who received or is to receive 5% of awards under the 2019 LTIP	444,713
<b>All Non-Executive Officer Employees as a Group</b>	925,341

### Equity Compensation Plan Information

The following table sets forth information regarding the shares of common stock to be issued and those remaining available for issuance under our 2019 LTIP as of December 29, 2024. The amounts shown do not include the shares of Common Stock that would be issued or made available for issuance under the Restated 2019 LTIP if approved by our stockholders.

Plan Category	Number of Securities to Be Issued Upon Exercise of Outstanding Options, Warrants and Rights <sup>(a)</sup>	Weighted-Average Exercise Price of Outstanding Option, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in the First Column)
Equity compensation plans approved by securities holders	1,257,695	\$ 24.64	29,935
Equity compensation plans not approved by securities holders	—	—	—
Total	1,257,695	\$ 24.64	29,935

(a) These amounts represent PSUs and RSUs outstanding, but not yet vested, under the 2019 LTIP as of December 29, 2024, and for PSUs, assume performance is deemed satisfied at the maximum level.

### Interest of Certain Persons in the Restated 2019 LTIP

Our employees (including executive officers) and non-employee directors will be eligible to receive awards under the Restated 2019 LTIP if it is approved. Accordingly, such individuals have a substantial interest in the approval of this Proposal 5.

**The Board of Directors recommends that you vote “FOR” the approval of the Restated 2019 LTIP. Proxies will be so voted unless stockholders specify otherwise.**

## HOUSEHOLDING OF STOCKHOLDER MATERIALS

Some banks, brokers and other nominee record holders may be participating in the practice of “householding” proxy statements and annual reports. This means that only one copy of this proxy statement or annual report to stockholders may have been sent to multiple stockholders in the same household. We will promptly deliver a separate copy of either document to any stockholder who requests orally or by writing to our Investor Relations Department at the following address: 1770 Promontory Circle, Greeley, Colorado 80634 or by telephone (970) 506-7783. Any stockholder who currently is receiving multiple copies and would like to receive only one copy for his or her household should contact his or her bank, broker or other nominee record holder.

## STOCKHOLDER PROPOSALS FOR 2026 ANNUAL MEETING OF STOCKHOLDERS

Pursuant to our bylaws, a stockholder must give our Secretary timely written notice in order to present a proposal (including nominations of Directors) at the 2026 annual meeting of stockholders, which we intend to hold on April 29, 2026. Such written notice must contain specified information prescribed in our bylaws and must be received at our principal executive offices by December 30, 2025 (but not before August 2, 2025), and, if the stockholder seeks the inclusion of its director nominees on a universal proxy card, the notice must also contain the information required by Rules 14a-19(b)(2) and 14a-19(b)(3) of the Exchange Act (including a statement that the stockholder intends to solicit the holders of shares representing at least 67 percent of the voting power of shares entitled to vote on the election of directors in support of director nominees other than ours). Additionally, for stockholder proposals submitted pursuant to Rule 14a-8 of the Exchange Act to be considered for inclusion in the proxy materials for the 2026 annual meeting of stockholders, they must be received by our Secretary at our principal executive offices no later than the close of business on December 4, 2025.

## ANNUAL REPORT

**Our 2024 annual report is being mailed concurrently with this proxy statement. Upon written request of a stockholder, the Company will furnish without charge a copy of our 2024 Annual Report on Form 10-K, including the financial statements and financial statement schedules. If you would like to request a copy, please contact Pilgrim’s Pride Corporation, at: 1770 Promontory Circle, Greeley, Colorado 80634 Attn: Investor Relations.**

**In addition, our financial reports and recent filings with the SEC are available at [www.sec.gov](http://www.sec.gov) and on our website at [ir.pilgrims.com](http://ir.pilgrims.com). Information contained on our website is not part of this proxy statement.**

## IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON APRIL 30, 2025

This proxy statement and the Company’s 2024 annual report are also available electronically on our hosted website. You may view these directly at: [www.proxyvote.com](http://www.proxyvote.com).

To access and review the materials made available electronically:

1. Go to [www.proxyvote.com](http://www.proxyvote.com).
2. Enter the 16-digit control number located on the proxy card.
3. Click “Continue to Vote.”

We encourage you to review all of the important information contained in the proxy materials before voting.

## **OTHER BUSINESS**

The Board of Directors is not aware of, and it is not anticipated that there will be presented at the Annual Meeting, any business other than the proposals included in this proxy statement. If other matters properly come before the Annual Meeting, the persons named on the accompanying proxy card will vote the returned proxies as the Board of Directors recommends.

By order of the Board of Directors,

FABIO SANDRI

*President and  
Chief Executive Officer*

Greeley, Colorado  
April 3, 2025

## 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 proxy statement, whether as a result of new information, future developments or otherwise, except as may be required by applicable law.*

## Annex A

### Reconciliation of GAAP Information to Non-GAAP Financial Measures

The following reconciles the GAAP information to the Non-GAAP financial measure included in this proxy statement for the fiscal year 2024:

Reconciliation of Adjusted EBITDA	Amount
	(In thousands)
<b>Net income</b>	\$ 1,087,223
Add:	
Interest expense, net	88,509
Income tax expense	325,046
Depreciation and amortization	433,622
<b>EBITDA</b>	1,934,400
Add:	
Litigation settlements	167,228
Restructuring activities losses	93,388
Loss on settlement of pension from plan termination	21,649
Inventory write-down as a result of hurricane	8,075
Minus:	
Foreign currency transaction gains	10,025
Net income attributable to noncontrolling interest	785
<b>Adjusted EBITDA</b>	<b>\$ 2,213,930</b>

The following table supports the PBT Margin calculation:

Reconciliation of PBT Margin	2024
	(In thousands, except percentage data)
<b>Income before tax, as reported</b>	\$ 1,412,269
Add:	
Litigation settlements	167,228
Gain on early extinguishment of debt	(11,211)
<b>Income before tax, adjusted</b>	1,568,286
<b>Net sales</b>	17,878,291
<b>Income before tax, adjusted, as a percent of net sales</b>	<b>8.8 %</b>

**PILGRIM'S PRIDE CORPORATION  
AMENDED AND RESTATED**

**2019 LONG TERM INCENTIVE PLAN**

**ARTICLE 1. PURPOSES OF THE PLAN**

The purposes of the Pilgrim's Pride Corporation Amended and Restated 2019 Long Term Incentive Plan (the "Plan") are to attract and retain the best available personnel, to provide additional incentives to Employees, Directors and Consultants and to promote the success and enhance the value of the Company's business by linking the personal interests of the Directors, Employees and Consultants to those of Company stockholders and by providing such individuals with an incentive for outstanding performance to generate superior returns to Company stockholders. The Plan originally became effective on May 1, 2019 (the "Effective Date"). The Company hereby amends and restates the Plan, subject to stockholder approval. The terms of this Amended and Restated 2019 Long Term Incentive Plan shall be effective on the date of stockholder approval (the "Restatement Date") and shall apply to Awards granted on and after the Restatement Date.

**ARTICLE 2. DEFINITIONS**

Wherever the following terms are used in the Plan they shall have the meanings specified below, unless the context clearly indicates otherwise. The singular pronoun shall include the plural where the context so indicates.

2.1. "Affiliate" means (a) a Subsidiary, (b) any entity in which the Company has a significant equity interest, or (c) any entity that directly or through one or more intermediaries is controlled by the Company, in each case, as determined by the Committee.

2.2. "Award" means an Option, an award of Restricted Stock, a Stock Appreciation Right, an award of Performance Shares, an award of Performance Stock Units, a Dividend Equivalent Right, an award of Restricted Stock Units, a Performance Bonus Award, a Performance-Based Award or any other right or benefit, including any other Award under Article-8\_8, granted to a Participant pursuant to the Plan.

2.3. "Award Agreement" means any written agreement, contract, or other instrument or document evidencing the terms and conditions of an Award, including through electronic medium.

2.4. "Board" means the Board of Directors of the Company.

2.5. "Cause" means what the term is expressly defined to mean in a then-effective written agreement (including an Award Agreement) between a Participant and the Company or any Affiliate, or in the absence of any such then-effective agreement or definition, a Participant's (i) embezzlement or misappropriation of Company funds or property, (ii) conviction or plea of guilty, no contest or otherwise being found to be or held accountable or responsible for a misdemeanor involving moral turpitude or a felony that could result in imprisonment; (iii) violation of any material Company policy or Company code of conduct, or nondisclosure, non-solicitation, non-competition or similar obligation owed to the Company or any of its Affiliates, (iv) material breach of any fiduciary duty to the Company or any Affiliate; or (v) engaging in fraudulent, dishonest, unethical, dishonorable or disruptive behavior, practices or acts, or any other misconduct, which would be reasonably expected to harm or bring disrepute to the Company or any

of its Affiliates, their business or any of their customers, employees or vendors, as determined by the Company.

2.6. ~~2.5~~—“Change in Control” shall mean the occurrence of any of the following events:

2.6.1. a direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation) of all or substantially all the assets of the Company and its subsidiaries taken as a whole to any “person” or “group” (as such terms are used in Section 13(d)(3) of the Exchange Act) as an entirety or substantially as an entirety in one transaction or series of transactions;

2.6.2. the consummation of any transaction (including, without limitation, any merger, consolidation or recapitalization) to which the Company is a party the result of which is that immediately after such transaction the stockholders of the Company immediately prior to such transaction beneficially own less than 50.1% of the total voting power generally entitled to vote in the election of directors, managers or trustees of the person surviving such transaction;

2.6.3. any “person” or “group” (as such terms are used in Section 13(d)(3) of the Exchange Act) becomes the ultimate “beneficial owner,” as defined in Rule 13d-3 under the Exchange Act, of more than 50% of the total voting power generally entitled to vote in the election of directors, managers or trustees of the Company on a fully-diluted basis;

2.6.4. during any period of two consecutive years, individuals who at the beginning of such period constituted the members of the Board (together with any new directors whose election by such Board or whose nomination for election by the stockholders of the Company was approved by a vote of a majority of the directors then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the members of the Board then in office; or

2.6.5. the adoption of a plan for the liquidation or dissolution of the Company.

Notwithstanding the foregoing, to the extent that any amount constituting “non-qualified deferred compensation” under Section 409A of the Code (as defined below) would become payable under this Plan by reason of a Change in Control, ~~which does not~~ no Change in Control shall be deemed to have occurred upon an event described in this Section 2.6 unless the event would also constitute a change in ownership or effective control of the Company, or a change in the ownership of a substantial portion of the assets of the Company within the meaning of Section 409A of the Code, then the amount shall be payable on the earliest payment event permissible under Section 409A of the Code that is set forth in the Award Agreement.

2.7. ~~2.6~~—“Code” means the U.S. Internal Revenue Code of 1986, as amended: and in effect from time to time. For purposes of the Plan, references to sections of the Code shall be deemed to include any applicable treasury regulations and guidance promulgated thereunder and any successor or similar statutory provisions.

2.8. ~~2.7~~—“Committee” means the committee of the Board appointed or described in Article ~~11~~ 11 to administer the Plan.

2.9. ~~2.8~~—“Common Stock” means the common stock of the Company, par value \$0.01 per share, and such other securities of the Company that may be substituted for the Common Stock pursuant to Article 10.

2.10. ~~2.9~~—“Company” means Pilgrim’s Pride Corporation, a Delaware corporation.

2.11. ~~2.10~~—“Consultant” means any consultant or adviser if: (a) the consultant or adviser renders bona fide services to the Company or any Affiliate; (b) the services rendered by the consultant or adviser are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Company’s securities; and (c) the consultant or adviser is a natural person.

2.12. ~~2.11~~—“Director” means a member of the Board, or as applicable, a member of the board of directors of a Subsidiary.

2.13. ~~2.12~~—“Disability” means that a Participant is unable to carry out the responsibilities and functions of the position held by the Participant by reason of any medically determined physical or mental impairment for a period of not less than ninety (90) consecutive days. A Participant shall not be considered to have incurred a Disability unless he or she furnishes proof of such impairment, such as a treating physician’s written certification, sufficient to satisfy the Board in its discretion. Notwithstanding the foregoing, for purposes of Incentive Stock Options granted under the Plan, “Disability” means the Participant is disabled within the meaning of Section 22(e)(3) of the Code.

2.14. ~~2.13~~—“Dividend Equivalent Right” means a right granted to a Participant pursuant to Section 8.3 hereof to receive the equivalent value (in cash or Shares) of dividends paid on the Shares.

2.15. ~~2.14~~—“Effective Date” shall have the meaning set forth in Section ~~12.1~~12.1 hereof.

2.16. ~~2.15~~—“Eligible Individual” means any person who is an Employee, a Consultant or a Director, as determined by the Committee.

2.17. ~~2.16~~—“Employee” means a full time or part time employee of the Company or any Affiliate, including an officer or Director, who is treated as an employee in the personnel records of the Company or Affiliate for the relevant period, but shall exclude individuals who are classified by the Company or Affiliate as (a) leased from or otherwise employed by a third party, (b) independent contractors or (c) intermittent or temporary, even if any such classification is changed retroactively as a result of an audit, litigation or otherwise. A Participant shall not cease to be an Employee in the case of (i) any vacation or sick time or otherwise approved paid time off in accordance with the Company or an Affiliate’s policy or (ii) transfers between locations of the Company or between the Company and/or any Affiliate. Neither services as a Director nor payment of a director’s fee by the Company or an Affiliate shall be sufficient to constitute “employment” by the Company or any Affiliate.

2.18. ~~2.17~~—“Equity Restructuring” shall mean a nonreciprocal transaction between the ~~company~~Company and its stockholders, such as a stock dividend, stock split, spin-off, rights offering or recapitalization through a large, nonrecurring cash dividend, that affects the Shares (or other securities of the Company) or the price of Shares (or other securities) and causes a change in the per share value of the Shares underlying outstanding Awards.

2.19. ~~2.18~~—“Exchange Act” means the U.S. Securities Exchange Act of 1934, as amended.

2.20. ~~2.19~~—“Fair Market Value” means, as of any given date, (a) if Shares are traded on any established stock exchange, the closing price of a Share as quoted on the principal exchange on which the Shares are listed, as reported in ~~the~~The Wall Street Journal (or such other source as the Company may deem reliable for such purposes) for such date, or if no sale occurred on such date, the first trading date

immediately prior to such date during which a sale occurred; or (b) if Shares are not traded on an exchange but are regularly quoted on a national market or other quotation system, the closing sales price on such date as quoted on such market or system, or if no sales occurred on such date, then on the date immediately prior to such date on which sales prices are reported; or (c) in the absence of an established market for the Shares of the type described in clauses (a) or (b) of this Section ~~2.19~~2.20, the fair market value established by the Committee acting in good faith.

2.21. ~~2.20~~—“Incentive Stock Option” means an Option that is intended to meet the requirements of Section 422 of the Code or any successor provision thereto.

2.22. ~~2.21~~—“Independent Director” means a Director of the Company who is not an Employee.

2.23. ~~2.22~~—“Non-Employee Director” means a Director of the Company who qualifies as a “Non-Employee Director” as defined in Rule 16b-3(b)(3) under the Exchange Act, or any successor rule.

2.24. ~~2.23~~—“Non-Qualified Stock Option” means an Option that is not intended to be an Incentive Stock Option.

2.25. ~~2.24~~—“Option” means a right granted to a Participant pursuant to Article ~~5~~5 to purchase a specified number of Shares at a specified price during specified time periods. An Option may be either an Incentive Stock Option or a Non-Qualified Stock Option.

2.26. ~~2.25~~—“Participant” means any Eligible Individual who, as an Independent Director, Consultant or Employee, has been granted an Award pursuant to the Plan.

2.27. ~~2.26~~—“Performance-Based Award” means an Award ~~granted pursuant to Article 6 or Article 8~~ that vests, in whole or in part, based on the attainment of Performance Goals.

2.28. ~~2.27~~—“Performance Bonus Award” has the meaning set forth in Section ~~8.58~~8.5 hereof.

2.29. ~~2.28~~—“Performance Criteria” means the criteria that the Committee selects for purposes of establishing the Performance Goal or Performance Goals for a Participant for a Performance Period. The Performance Criteria that may be used to establish Performance Goals include, but are not limited to the following: revenue; earnings or net earnings (including earnings before or after any one or more of the following: interest, taxes, depreciation, or amortization); sales; economic value-added; cash flow (including, but not limited to, operating cash flow and free cash flow); cash flow return on capital; earnings per share of Common Stock (including earnings before any one or more of the following: interest, taxes, depreciation, amortization, restructuring costs or rental expenses); return on equity; return on capital; total stockholder return; return on invested capital; return on assets or net assets; return on sales; income or net income (either before or after taxes); operating earnings; operating income or net operating income; operating profit or net operating profit; operating or net profit margin; cost reductions or savings or expense management; funds from operations; appreciation in the Fair Market Value of shares of Common Stock; working capital; market share; productivity; expense; operating efficiency; customer satisfaction; and safety record, any of which may be measured in absolute terms or as compared to any incremental increase, on a consolidated basis, on an adjusted basis, or as compared to the performance of a published or special index, including, but not limited to, the Standard & Poor’s 500 Stock Index, the Nasdaq Market Index, the Russell 2000 ~~index~~Index or a group of comparable companies, or any combination thereof.

2.30. ~~2.29~~—“Performance Goals” means, for a Performance Period, the goals established in writing by the Committee for the Performance Period based upon which may, but are not required to, include the Performance Criteria. Depending on the Performance Criteria used to establish such Performance Goals, the The Performance Goals may be expressed in terms of overall Company performance, the performance of an Affiliate, the performance of a division, business unit, geography, segment, product, product line, partnership, joint venture, minority investment or any combination thereof, of the Company or an Affiliate, or the performance of an individual, or any other measure determined by the Committee. The Committee, in its discretion, may appropriately adjust or modify Performance Goals or the calculation of Performance Goals for such Performance Period in order to prevent the dilution or enlargement of the rights of Participants (a) in the event of, or in anticipation of, any unusual or extraordinary corporate item, transaction, event, or development, or (b) in recognition of, or in anticipation of, any other unusual or nonrecurring events affecting the Company, or the financial statements of the Company, or in response to, or in anticipation of, changes in applicable laws, regulations, accounting principles, or business conditions either upwards or downwards in its discretion.

2.31. ~~2.30~~—“Performance Period” means one or more periods of time, which may be of varying and overlapping durations, as the Committee may select, over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant’s right to, and the payment of, a Performance-Based Award.

2.32. ~~2.31~~—“Performance Share” means a right granted to a Participant pursuant to Section 8.1 hereof, to receive Shares, the payment of which is contingent upon achieving certain Performance Goals or other performance-based targets established by the Committee.

2.33. ~~2.32~~—“Performance Stock Unit” means a right granted to a Participant pursuant to Section 8.2 hereof, to receive Shares, the payment of which is contingent upon achieving certain Performance Goals or other performance-based targets established by the Committee.

2.34. ~~2.33~~—“Plan” means this Pilgrim’s Pride Corporation Amended and Restated 2019 Long Term Incentive Plan, as it may be amended from time to time.

2.35. ~~2.34~~—“Restricted Stock” means Shares awarded to a Participant pursuant to Article 6 that are subject to certain restrictions and may be subject to risk of forfeiture.

2.36. ~~2.35~~—“Restricted Stock Unit” means an Award granted pursuant to Section 8.4 hereof and shall be evidenced by a bookkeeping entry representing the equivalent of one Share.

2.37. ~~2.36~~—“Section 409A-Compliance” shall have the meaning assigned to it in means Section 9-6 hereof 409A of the Code.

2.38. ~~2.37~~—“Securities Act” shall mean the U.S. Securities Act of 1933, as amended.

2.39. “Separation from Service” means a “separation from service” as such term is defined for purposes of Section 409A.

2.40. “Service” means the provision of services by a Participant to the Company or any Affiliate in any Eligible Individual capacity.

2.41. ~~2.38~~—“Share” means a share of Common Stock.

2.42. ~~2.39~~—“Stock Appreciation Right” or “SAR” means a right granted pursuant to Article 7 to receive a payment equal to the excess of the Fair Market Value of a specified number of Shares on the date the SAR is exercised over the Fair Market Value on the date the SAR was granted as set forth in the applicable Award Agreement.

2.43. ~~2.40~~—“Subsidiary” means any “subsidiary corporation” as defined in Section 424(f) of the Code and any applicable regulations promulgated thereunder or any other entity of which a majority of the outstanding voting stock or voting power is beneficially owned directly or indirectly by the Company.

### **ARTICLE 3. SHARES SUBJECT TO THE PLAN**

#### **3.1. Number of Shares.**

3.1.1. Subject to Article 10 and Section 3.1(b) hereof, the aggregate number of Shares which may be issued or transferred pursuant to Awards under the Plan is ~~2,000,000~~4,500,000 Shares, all of which may be issued upon the exercise of Incentive Stock Options. In determining the number of Shares to be counted against this share reserve in connection with any Award, where the number of Shares subject to an Award is variable on the Grant Date, the number of Shares to be counted against the share reserve shall be the maximum number of Shares that could be received under that particular Award, until such time as it can be determined that only a lesser number of shares could be received.

3.1.2. To the extent that an Award terminates, expires, lapses for any reason, or is settled in cash, any Shares subject to the Award shall again be available for the grant of an Award pursuant to the Plan. Additionally, any Shares tendered or withheld to satisfy the grant or exercise price or tax withholding obligation pursuant to any Award shall again be available for the grant of an Award. To the extent permitted by applicable law or any exchange rule, Shares issued in assumption of, or in substitution for, any outstanding awards of any entity acquired in any form of combination by the Company or any Subsidiary shall not be counted against Shares available for grant pursuant to this Plan. The payment of Dividend Equivalent Rights in cash in conjunction with any outstanding Awards shall not be counted against the Shares available for issuance under the Plan. ~~Notwithstanding the provisions of this Section 3.1(b), no Shares may again be optioned, granted or awarded if such action would cause an Incentive Stock Option to fail to qualify as an incentive stock option under Section 422 of the Code.~~

3.2. Shares Distributed. Any Shares distributed pursuant to an Award may consist, in whole or in part, of authorized and unissued Shares, treasury Shares or Shares purchased on the open market.

~~3.3—Limitation on Number of Shares Subject to Awards. Notwithstanding any provision in the Plan to the contrary, the maximum number of Shares with respect to one or more Awards that may be granted to any one Participant during any fiscal year shall be 2,000,000 Shares and the maximum amount that may be paid in cash during any fiscal year with respect to any Award (including, without limitation, any Performance Bonus Award) shall be \$10,000,000.~~

3.3. ~~3.4~~—Repricing. Notwithstanding the foregoing, a Repricing (as defined below) is prohibited without prior stockholder approval. Subject to compliance with the provisions of the immediately preceding sentence regarding a Repricing, the Committee may, at any time or from time to time: (a) authorize the Company, with the consent of the respective Participants, to issue new Awards in exchange for the surrender and cancellation of any or all outstanding Awards or (b) buy from a Participant an Award previously granted with payment in cash, Shares (including Restricted Stock) or other consideration, based on such terms and conditions as the Committee and the Participant may agree. For purposes of the Plan, “Repricing” means any of the following or any other action that has the same

purpose and effect: (i) lowering the exercise price of an outstanding Option or SAR granted under the Plan after it is granted or (ii) canceling an outstanding Award granted under the Plan at a time when its exercise or purchase price exceeds the then Fair Market Value of the stock underlying such outstanding Award, ~~in~~In exchange for another Award or a cash payment, unless the cancellation and exchange occurs in connection with a merger, amalgamation, consolidation, sale of substantially all the Company's assets, acquisition, spin-off or other similar corporate transaction.

3.4. Limits on Compensation to Non-Employee Directors. The aggregate grant date fair value (as determined in accordance with generally accepted accounting principles applicable in the United States) of all Awards granted during any calendar year to any one Non-Employee Director, together with the amount of any cash fees or retainers paid to such Non-Employee Director during such calendar year with respect to such individual's service as a Non-Employee Director shall not exceed \$500,000.

#### **ARTICLE 4. ELIGIBILITY AND PARTICIPATION**

4.1. Eligibility. Each Eligible Individual shall be eligible to be granted one or more Awards pursuant to the Plan.

4.2. Participation. Subject to the provisions of the Plan, the Committee may, from time to time, select from among all Eligible Individuals, those to whom Awards shall be granted and shall determine the nature and amount of each Award. No Eligible Individual shall have any right to be granted an Award pursuant to this Plan.

4.3. Non-U.S. Participants. Notwithstanding any provision of the Plan to the contrary, in order to comply with the laws in countries outside the United States in which the Company and its Affiliates operate or have Eligible Individuals, the Committee, in its sole discretion, shall have the power and authority to: (a) determine which Affiliates shall be covered by the Plan; (b) determine which Eligible Individuals outside the United States are eligible to participate in the Plan; (c) modify the terms and conditions of any Award granted to Eligible Individuals outside the United States to comply with applicable laws of jurisdictions outside of the United States; (d) establish subplans and modify exercise procedures and other terms and procedures and rules, to the extent such actions may be necessary or advisable (any such subplans and/or modifications shall be attached to this Plan as appendices), including adoption of rules, procedures or subplans applicable to particular Affiliates or Participants residing in particular locations; *provided, however,* that no such subplans and/or modifications shall increase the share limitations contained in Sections 3.1 and 3.3 hereof; and (e) take any action, before or after an Award is made, that it deems advisable to obtain approval or comply with any necessary local governmental regulatory exemptions or approvals. Without limiting the generality of the foregoing, the Committee is specifically authorized to adopt rules, procedures and subplans with provisions that limit or modify rights on death, disability or retirement or on termination of ~~employment~~Service, available methods of exercise or settlement of an Award, payment of income, social insurance contributions and payroll taxes, the shifting of employer tax liability to the Participant, the withholding procedures and handling of any Share certificates or other indicia of ownership which may vary with local requirements. Notwithstanding the foregoing, the Committee may not take any actions hereunder, and no Awards shall be granted, that would violate the Exchange Act, the Code, any securities law or governing statute or any other applicable law.

#### **ARTICLE 5. STOCK OPTIONS**

5.1. General. The Committee is authorized to grant Options to Eligible Individuals on the following terms and conditions:

5.1.1. Exercise Price. The exercise price per Share subject to an Option shall be determined by the Committee and set forth in the Award Agreement; provided that, subject to Section 5.2(c) hereof, the per Share exercise price for any Option shall not be less than 100% of the Fair Market Value of a Share on the date of grant.

5.1.2. Time and Conditions of Exercise. The Committee shall determine the time or times at which an Option may be exercised in whole or in part; *provided* that the term of any Option granted under the Plan shall not exceed ten years. The Committee shall also determine the performance or other conditions, if any, that must be satisfied before all or part of an Option may be exercised.

5.1.3. Payment. The Committee shall determine the methods by which the exercise price of an Option may be paid, the form of payment, including, without limitation: (i) cash or check, (ii) surrender of Shares or delivery of a properly executed form of attestation of ownership of Shares as the Committee may require (including withholding of Shares otherwise deliverable upon exercise of the Award) which have a Fair Market Value on the date of surrender or attestation equal to the aggregate exercise price of the Shares as to which the Award shall be exercised, (iii) promissory note bearing interest at no less than such rate as shall then preclude the imputation of interest under the Code), (iv) other property acceptable to the Committee (including through the delivery of a notice that the Participant has placed a market sell order with a broker with respect to Shares then issuable upon exercise of the Option, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the Option exercise price; *provided* that payment of such proceeds is then made to the Company upon settlement of such sale), or (v) any combination of the foregoing methods of payment. The Committee shall also determine the methods by which Shares shall be delivered or deemed to be delivered to Participants. Notwithstanding any other provision of the Plan to the contrary, no Participant who is a Director or an “executive officer” of the Company within the meaning of Section 13(k) of the Exchange Act shall be permitted to pay the exercise price of an Option, or continue any extension of credit with respect to the exercise price of an Option with a loan from the Company or a loan arranged by the Company in violation of Section 13(k) of the Exchange Act.

5.1.4. Evidence of Grant. All Options shall be evidenced by an Award Agreement between the Company and the Participant. The Award Agreement shall include such additional provisions as may be specified by the Committee.

5.2. Incentive Stock Options. Incentive Stock Options shall be granted only to Employees of the Company or any Subsidiary, and the terms of any Incentive Stock Options granted pursuant to the Plan, in addition to the requirements of Section 5.1 hereof, must comply with the provisions of this Section 5.2.

5.2.1. Expiration. Subject to Section 5.2(c) hereof, an Incentive Stock Option shall expire and may not be exercised to any extent by anyone after the first to occur of the following events:

5.2.1.1. Ten years from the date it is granted, unless an earlier time is set in the Award Agreement;

5.2.1.2. Three months after the Participant’s termination of employment as an Employee; and

5.2.1.3. One year after the date of the Participant’s termination of employment or service on account of Disability or death. Upon the Participant’s Disability or death, any Incentive Stock Options exercisable at the Participant’s Disability or death may be exercised by the Participant’s legal

representative or representatives, by the person or persons entitled to do so pursuant to the Participant's last will and testament, or, if the Participant fails to make testamentary disposition of such Incentive Stock Option or dies intestate, by the person or persons entitled to receive the Incentive Stock Option pursuant to the applicable laws of descent and distribution.

5.2.2. Dollar Limitation. The aggregate Fair Market Value (determined as of the time the Option is granted) of all Shares with respect to which Incentive Stock Options are first exercisable by a Participant in any calendar year (under the Plan and all other plans of the Company and its Affiliates) may not exceed \$100,000 or such other limitation as imposed by Section 422(d) of the Code, or any successor provision. To the extent that Incentive Stock Options are first exercisable by a Participant in excess of such limitation, the excess shall be considered Non-Qualified Stock Options.

5.2.3. Ten Percent Owners. An Incentive Stock Option shall be granted to any individual who, at the date of grant, owns stock possessing more than ten percent of the total combined voting power of all classes of Shares of the Company only if (i) such Option is granted at a price that is not less than 110% of Fair Market Value on the date of grant and (ii) the Option is exercisable for no more than five years from the date of grant.

5.2.4. Notice of Disposition. The Participant shall give the Company prompt notice of any disposition of Shares acquired by exercise of an Incentive Stock Option within (i) two years from the date of grant of such Incentive Stock Option or (ii) one year after the transfer of such Shares to the Participant.

5.2.5. Right to Exercise. During a Participant's lifetime, an Incentive Stock Option may be exercised only by the Participant.

5.2.6. Failure to Meet Requirements. Any Option (or portion thereof) purported to be an Incentive Stock Option, which, for any reason, fails to meet the requirements of Section 422 of the Code shall be considered a Non-Qualified Stock Option.

5.3. Substitution of Stock Appreciation Rights. The Committee may provide in the Award Agreement evidencing the grant of an Option that the Committee, in its sole discretion, shall have ~~to~~ the right to substitute a Stock Appreciation Right for such Option at any time prior to or upon exercise of such Option; *provided*, that such Stock Appreciation Right shall be exercisable with respect to the same number of Shares for which such substituted Option would have been exercisable.

## **ARTICLE 6. RESTRICTED STOCK AWARDS**

6.1. Grant of Restricted Stock. The Committee is authorized to make Awards of Restricted Stock to any Eligible Individual selected by the Committee in such amounts and subject to such terms and conditions as determined by the Committee. All Awards of Restricted Stock shall be evidenced by an Award Agreement.

6.2. Purchase Price. At the time of the grant of an Award of Restricted Stock, the Committee shall determine the price, if any, to be paid by the Participant for each Share subject to the Award of Restricted Stock. To the extent required by applicable law, the price to be paid by the Participant for each Share subject to the Award of Restricted Stock shall not be less than the par value of a Share (or such higher amount required by applicable law). The purchase price of Shares acquired pursuant to the Award of Restricted Stock shall be paid either: (i) in cash at the time of purchase; (ii) at the sole discretion of the Committee, by services rendered or to be rendered to the Company or an Affiliate; or (iii) in any other

form of legal consideration that may be acceptable to the Committee in its sole discretion and in compliance with applicable law.

6.3. Issuance and Restrictions. Restricted Stock shall be subject to such restrictions on transferability and other restrictions as the Committee may impose (including, without limitation, limitations on the right to vote Restricted Stock or the right to receive dividends on the Restricted Stock). These restrictions may lapse separately or in combination at such times, pursuant to such circumstances, in such installments, or otherwise, as the Committee determines at the time of the grant of the Award or thereafter.

~~6.4—Forfeiture. Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of employment or service during the applicable restriction period, Restricted Stock that is at that time subject to restrictions shall be forfeited; *provided, however*, that the Committee may (a) provide in any Restricted Stock Award Agreement that restrictions or forfeiture conditions relating to Restricted Stock will be waived in whole or in part in the event of terminations resulting from specified causes, and (b) in other cases waive in whole or in part restrictions or forfeiture conditions relating to Restricted Stock.~~

6.4. ~~6.5—Certificates for Restricted Stock~~. Restricted Stock granted pursuant to the Plan may be evidenced in such manner as the Committee shall determine. If certificates representing shares of Restricted Stock are registered in the name of the Participant, certificates must bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Stock, and the Company may, at its discretion, retain physical possession of the certificate until such time as all applicable restrictions lapse.

## **ARTICLE 7. STOCK APPRECIATION RIGHTS**

### **7.1. Grant of Stock Appreciation Rights**

7.1.1. A Stock Appreciation Right may be granted to any Eligible Individual selected by the Committee. A Stock Appreciation Right shall be subject to such terms and conditions not inconsistent with the Plan as the Committee shall impose and shall be evidenced by an Award Agreement, provided that the term of any Stock Appreciation Right shall not exceed ten years.

7.1.2. A Stock Appreciation Right shall entitle the Participant (or other person entitled to exercise the Stock Appreciation Right pursuant to the Plan) to exercise all or a specified portion of the Stock Appreciation Right (to the extent then exercisable pursuant to its terms) and to receive from the Company an amount equal to the product of (i) the excess of (A) the Fair Market Value of the Shares on the date the Stock Appreciation Right is exercised over (B) the Fair Market Value of the Shares on the date the Stock Appreciation Right was granted and (ii) the number of Shares with respect to which the Stock Appreciation Right is exercised, subject to any limitations the Committee may impose.

## 7.2. Payment and Limitations on Exercise.

7.2.1. Subject to Section 7.2(b) hereof, payment of the amounts determined under Section 7.1(b) hereof shall be in cash, in Shares (based on its Fair Market Value as of the date the Stock Appreciation Right is exercised) or a combination of both, as determined by the Committee.

7.2.2. To the extent any payment under Section 7.1(b) hereof is effected in Shares, it shall be made subject to satisfaction of all provisions of Article 5 pertaining to Options.

## **ARTICLE 8. OTHER TYPES OF AWARDS**

8.1. Performance Share Awards. Any Eligible Individual selected by the Committee may be granted one or more Awards of Performance Shares which shall be denominated in a number of Shares and which may be linked to any one or more of the Performance Criteria or other specific performance criteria determined appropriate by the Committee Goals, in each case on a specified date or dates or over any period or periods determined by the Committee. ~~In making such determinations, the Committee shall consider (among such other factors as it deems relevant in light of the specific type of award) the contributions, responsibilities and other compensation of the particular Participant.~~

8.2. Performance Stock Units. Any Eligible Individual selected by the Committee may be granted one or more Performance Stock Unit awards which shall be denominated in unit equivalents of Shares and/or units of value including dollar value of Shares and which may be linked to any one or more of the Performance Criteria or other specific performance criteria determined appropriate by the Committee Goals, in each case on a specified date or dates or over any period or periods determined by the Committee. ~~In making such determinations, the Committee shall consider (among such other factors as it deems relevant in light of the specific type of award) the contributions, responsibilities and other compensation of the particular Participant.~~

8.3. Dividend Equivalent Rights. Any Eligible Individual selected by the ~~The~~ Committee may ~~be granted~~ provide for a grant of Dividend Equivalent Rights based on the dividends declared on the Shares that are subject to any Award, to be credited as of dividend payment dates, during the period between the date the Award is granted and the date the Award is exercised, vests or expires, as determined by the Committee in an Award. Such Dividend Equivalent Rights shall be converted to cash or additional Shares by such formula and at such time and subject to such limitations as may be determined by the Committee the terms of the Award.

8.4. Restricted Stock Units. The Committee is authorized to make Awards of Restricted Stock Units to any Eligible Individual selected by the Committee in such amounts and subject to such terms and conditions as determined by the Committee. At the time of grant, the Committee shall specify the date or dates on which the Restricted Stock Units shall become fully vested and nonforfeitable, and may specify such conditions to vesting as it deems appropriate. At the time of grant, the Committee shall specify the maturity date applicable to each grant of Restricted Stock Units which shall be no earlier than the vesting date or dates of the Award ~~and may be determined at the election of the grantee~~. On the maturity date, the Company shall, subject to Section 9.5(b), transfer to the Participant one unrestricted, fully transferable Share for each Restricted Stock Unit scheduled to be paid out on such date and not previously forfeited. Alternatively, settlement of a Restricted Stock Unit may be made in cash or any combination of cash and Shares, as determined by the Committee, in its sole discretion, at the time of grant of the Restricted Stock Units. Methods of converting Restricted Stock Units into cash may include, without limitation, a method based on the average Fair Market Value of Shares over a series of trading days. ~~A holder of Restricted Stock Units shall have no rights other than those of a general creditor of the Company.~~ Restricted Stock

Units represent an unfunded and unsecured obligation of the Company, subject to the terms and conditions of the applicable Award Agreement evidencing the grant of the Restricted Stock Unit.

8.5. Performance Bonus Awards. Any Eligible Individual selected by the Committee may be granted one or more Performance-Based Awards in the form of a cash bonus (a "Performance Bonus Award") payable upon the attainment of Performance Goals that are established by the Committee ~~and relate to one or more of the Performance Criteria~~, in each case on a specified date or dates or over any period or periods determined by the Committee.

8.6. Other Awards. The Committee is authorized under the Plan to make any other Award to an Eligible Individual that is not inconsistent with the provisions of the Plan and that by its terms involves or might involve the issuance of (i) Shares, (ii) a right with an exercise or conversion privilege related to the passage of time, the occurrence of one or more events, or the satisfaction of performance criteria or other conditions, or (iii) any other security with the value derived from the value of the Shares. The Committee may establish one or more separate programs under the Plan for the purpose of issuing particular forms of Awards to one or more classes of Participants on such terms and conditions as determined by the Committee from time to time.

~~8.7—Term. Except as otherwise provided herein, the term of any Award of Performance Shares, Performance Stock Units, Dividend Equivalent Rights, Restricted Stock Units and any other Award granted pursuant to this Article 8 shall be set by the Committee in its discretion.~~

~~8.8—Exercise or Purchase Price. The Committee may establish the exercise or purchase price, if any, of any Award of Performance Shares, Performance Stock Units, Restricted Stock Units and any other Award granted pursuant to this Article 8; *provided, however*, that such price shall not be less than the par value of a Share on the date of grant, unless otherwise permitted by applicable state law.~~

~~8.9—Exercise upon Termination of Employment or Service. An Award of Performance Shares, Performance Stock Units, Dividend Equivalent Rights, Restricted Stock Units and any other Award granted pursuant to this Article 8 shall only be exercisable or payable while the Participant is an Employee, Consultant or Director, as applicable; *provided, however*, that the Committee in its sole and absolute discretion may provide that an Award of Performance Shares, Performance Stock Units, Dividend Equivalent Rights, Restricted Stock Units or any other Award granted pursuant to this Article 8 may be exercised or paid subsequent to a termination of employment or service, as applicable, or following a Change in Control of the Company, or because of the Participant's retirement, death or disability, or otherwise.~~

8.7. 8.10—Form of Payment. Payments with respect to any Awards granted under this Article 8 shall be made in cash, in Shares or a combination of both, as determined by the Committee.

8.8. 8.11—Award Agreement. All Awards under this Article 8 shall be subject to such additional terms and conditions as determined by the Committee and shall be evidenced by an Award Agreement.

8.9. 8.12—Payment of Performance-Based Awards. Unless otherwise provided in the applicable Award Agreement, a Participant must be employed by the Company or an Affiliate on the day a Performance-Based Award for the appropriate Performance Period is paid to the Participant. Furthermore, a Participant shall be eligible to receive payment pursuant to a Performance-Based Award for a Performance Period only if the Performance Goals for such period are achieved. In determining the amount earned by a Participant under a Performance-Based Award, the Committee shall have the right to

modify the amount payable at a given level of performance, if in its sole and absolute discretion, such modification is appropriate, or to take into account additional factors that the Committee may deem relevant to the assessment of individual or corporate performance for the Performance Period. In addition, the Committee may, in its discretion, adjust the amount of the Performance-Based Award actually paid to any Participant either upwards or downwards.

8.10. Deferrals of Full Value Awards. The Committee may, in its discretion, permit or require the deferral by a Participant of the issuance of Shares or payment of cash in settlement of any Award other than an Option or Stock Appreciation Right, subject to such terms, conditions, rules and procedures as it may establish or prescribe for such purpose and with the intention of complying with the applicable requirements of Section 409A. The terms, conditions, rules and procedures for any such deferral shall be set forth in writing in the relevant Award Agreement or in such other agreement, plan or document as the Committee may determine, or some combination of such documents. The terms, conditions, rules and procedures for any such deferral shall address, to the extent relevant, matters such as: (i) the amount of compensation that may or must be deferred (or the method for calculating the amount); (ii) the permissible time(s) and form(s) of payment of deferred amounts; (iii) the terms and conditions of any deferral elections by a Participant or of any deferral required by the Company; and (iv) the crediting of interest or dividend equivalents on deferred amounts.

## **ARTICLE 9. PROVISIONS APPLICABLE TO AWARDS**

9.1. Stand-Alone and Tandem Awards. Awards granted pursuant to the Plan may, in the discretion of the Committee, be granted either alone, in addition to, or in tandem with, any other Award granted pursuant to the Plan. Awards granted in addition to or in tandem with other Awards may be granted either at the same time as or at a different time from the grant of such other Awards.

9.2. Award Agreement. Awards under the Plan shall be evidenced by Award Agreements that set forth the terms, conditions and limitations for each Award, as determined by the Committee, which may include the term of an Award, the provisions applicable in the event the Participant's employment or service terminates, and the Company's authority to unilaterally or bilaterally amend, modify, suspend, cancel or rescind an Award.

9.3. Limits on Transfer. No right or interest of a Participant in any Award may be pledged, encumbered, or hypothecated to or in favor of any party other than the Company or an Affiliate, or shall be subject to any lien, obligation, or liability of such Participant to any other party other than the Company or an Affiliate. Except as otherwise provided by the Committee, no Award shall be assigned, transferred, or otherwise disposed of by a Participant (including, without limitation, to a third party financial institution or for consideration) other than by will or the laws of descent and distribution or pursuant to beneficiary designation procedures approved from time to time by the Committee (or the Board in the case of Awards granted to Independent Directors). The Committee by express provision in the Award or an amendment thereto may permit an Award (other than an Incentive Stock Option) to be transferred to, exercised by and paid to certain persons or entities related to the Participant, including, but not limited to, members of the Participant's family, charitable institutions, or trusts or other entities whose beneficiaries or beneficial owners are members of the Participant's family and/or charitable institutions, or to such other persons or entities as may be expressly approved by the Committee, pursuant to such conditions and procedures as the Committee may establish. Any permitted transfer shall be subject to the condition that the Committee ~~receives~~ receives evidence satisfactory to it that the transfer is being made for estate and/or tax planning purposes (or to a "blind trust" in connection with the Participant's termination of employment or service with the Company or an Affiliate to assume a position with a governmental,

charitable, educational or similar non-profit institution) and on a basis consistent with the Company's lawful issue of securities.

9.4. Beneficiaries. ~~Notwithstanding Section 9.3 hereof,~~ a A Participant may, in the manner determined by the Committee, designate a beneficiary to exercise the rights of the Participant and to receive any distribution with respect to any Award upon the Participant's death. A beneficiary, legal guardian, legal representative, or other person claiming any rights pursuant to the Plan is subject to all terms and conditions of the Plan and any Award Agreement applicable to the Participant, except to the extent the Plan and Award Agreement otherwise provide, and to any additional restrictions deemed necessary or appropriate by the Committee. If the Participant is married and resides in a community property state, a designation of a person other than the Participant's spouse as his or her beneficiary with respect to more than 50% of the Participant's interest in the Award shall not be effective without the prior written consent of the Participant's spouse. If no beneficiary has been designated or survives the Participant, payment shall be made to the person entitled thereto pursuant to the Participant's will or the laws of descent and distribution. Subject to the foregoing, a beneficiary designation may be changed or revoked by a Participant at any time provided the change or revocation is filed with the Committee prior to the Participant's death.

9.5. Stock Certificates; Book Entry Procedures.

9.5.1. Notwithstanding anything herein to the contrary, the Company shall not be required to issue or deliver any certificates evidencing Shares pursuant to the exercise or vesting of any Award, unless and until the Board has determined, with advice of counsel, that the issuance and delivery of such certificates is in compliance with all applicable laws, regulations of governmental authorities and, if applicable, the requirements of any exchange on which the Shares are listed or traded. All certificates evidencing Shares delivered pursuant to the Plan are subject to any stop-transfer orders and other restrictions as the Committee deems necessary or advisable to comply with federal, state local, securities or other laws, including laws of jurisdictions outside of the United States, rules and regulations and the rules of any national securities exchange or automated quotation system on which the Shares are listed, quoted, or traded. The Committee may place legends on any certificate evidencing Shares to reference restrictions applicable to the Shares. In addition to the terms and conditions provided herein, the Board may require that a Participant make such reasonable covenants, agreements, and representations as the Board, in its discretion, deems advisable in order to comply with any such laws, regulations, or requirements. The Committee shall have the right to require any Participant to comply with any timing or other restrictions with respect to the settlement or exercise of any Award, including a window-period limitation, as may be imposed in the discretion of the Committee.

9.5.2. Notwithstanding any other provision of the Plan, unless otherwise determined by the Committee or required by any applicable law, rule or regulation, the Company shall not deliver to any Participant certificates evidencing Shares issued in connection with any Award and instead such Shares shall be recorded in the books of the Company (or, as applicable, its transfer agent or stock plan administrator).

~~9.6. Accelerated Vesting and Deferral Limitations. The Committee shall not have the discretionary authority to accelerate or delay issuance of Shares under an Award that constitutes a deferral of compensation within the meaning of Section 409A of the Code, except to the extent that such acceleration or delay may, in the discretion of the Committee, be effected in a manner that will not cause any person to incur taxes, interest or penalties under Section 409A of the Code ("Section 409A Compliance").~~

9.6. Paperless Administration. In the event that the Company establishes, for itself or using the services of a third party, an automated system for the documentation, granting or exercise of Awards, such as a system using an internet website or interactive voice response, then the paperless documentation, granting or exercise of Awards by a Participant may be permitted through the use of such an automated system.

## **ARTICLE 10. CHANGES IN CAPITAL STRUCTURE**

### **10.1. Adjustments.**

10.1.1. In the event of any stock dividend, stock split, combination or exchange of shares, merger, consolidation or other distribution (other than normal cash dividends) of Company assets to stockholders, or any other change affecting the Shares or the price of the Shares other than an Equity Restructuring, the Committee shall make such adjustments, if any, as the Committee in its discretion may deem appropriate to reflect such change with respect to (i) the aggregate number and kind of shares that may be issued under the Plan (including, but not limited to, adjustments of the limitations in Sections 3.1 and 3.3 hereof); (ii) the terms and conditions of any outstanding Awards (including, without limitation, any applicable performance targets or criteria with respect thereto); and (iii) the grant or exercise price per Share for any outstanding Awards under the Plan.

10.1.2. In the event of any transaction or event described in Section 10.1(a) hereof or any unusual or nonrecurring transactions or events affecting the Company, any affiliate of the Company, or the financial statements of the Company or any affiliate, or of changes in applicable laws, regulations or accounting principles, the Committee, in its sole and absolute discretion, and on such terms and conditions as it deems appropriate, either by the terms of the Award or by action taken prior to the occurrence of such transaction or event and either automatically or upon the Participant's request, is hereby authorized to take any one or more of the following actions whenever the Committee determines that such action is appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or with respect to any Award under the Plan, to facilitate such transactions or events or to give effect to such changes in laws, regulations or principles:

10.1.2.1. To provide for either (A) termination of any such Award in exchange for an amount of cash, if any, equal to the amount that would have been attained upon the exercise of such Award or realization of the Participant's rights (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction or event described in this Section 10.1 the Committee determines in good faith that no amount would have been attained upon the exercise of such Award or realization of the Participant's rights, then such Award may be terminated by the Company without payment) or (B) the replacement of such Award with other rights or property selected by the Committee in its sole discretion;

10.1.2.2. To provide that such Award be assumed by the successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for by similar options, rights or awards covering the stock of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and prices;

10.1.2.3. To make adjustments in the number and type of Shares (or other securities or property) subject to outstanding Awards, and in the number and kind of outstanding Restricted Stock and/or in the terms and conditions of (including the grant or exercise price), and the criteria included in outstanding options, rights and awards and options, rights and awards which may be granted in the future;

10.1.2.4. To provide that such Award shall be exercisable or payable or fully vested with respect to all Shares covered thereby, notwithstanding anything to the contrary in the Plan or the applicable Award Agreement; and

10.1.2.5. To provide that the Award cannot vest, be exercised or become payable after such event.

10.1.3. In connection with the occurrence of any Equity Restructuring, and notwithstanding anything to the contrary in Sections 10.1(a) and 10.1(b) hereof:

10.1.3.1. The number and type of securities subject to each outstanding Award and the exercise price or grant price thereof, if applicable, shall be equitably adjusted. The adjustments provided under this Section 10.1(c)(i) shall be nondiscretionary and shall be final and binding on the affected Participant and the Company.

10.1.3.2. The Committee shall make such equitable adjustments, if any, as the Committee in its discretion may deem appropriate to reflect such Equity Restructuring with respect to the aggregate number and kind of shares that may be issued under the Plan (including, but not limited to, adjustments of the limitations in Sections 3.1 and 3.3 hereof).

## 10.2. Acceleration Upon a Change in Control and for Other Reasons.

10.2.1. Notwithstanding Section 10.1 hereof, and except as may otherwise be provided in any applicable Award Agreement or other written agreement entered into between the Company and a Participant, if a Change in Control occurs and a Participant's Awards are not converted, assumed, or replaced by a successor entity, then immediately prior to the Change in Control such Awards shall become fully exercisable and all forfeiture restrictions on such Awards shall lapse. Upon, or in anticipation of, a Change in Control, the Committee may cause any and all Awards outstanding hereunder to terminate at a specific time in the future, including, but not limited to, the date of such Change in Control, and shall give each Participant the right to exercise or accelerate such Awards during a period of time as the Committee, in its sole and absolute discretion, shall determine.

10.2.2. Regardless of whether an event has occurred as described in Section 10.2(a) above, and subject to Article 6 and Article 8 as to Performance-Based Awards, the Committee may in its sole discretion at any time determine that, upon the termination of employment or service of a Participant for any reason, or the occurrence of a Change of Control, all or a portion of such Participant's Options or SARs shall become fully or partially exercisable, that all or a part of the restrictions on all or a portion of the Participant's outstanding Awards shall lapse, and/or that any Performance Criteria with respect to any Awards held by that Participant shall be deemed to be wholly or partially satisfied, in each case, as of such date as the Committee may, in its sole discretion, declare.

~~(e)The Committee may discriminate among Participants and among Awards made to a Participant in exercising its discretion pursuant to this Section 10.2. In the event that the terms of any agreement between the Company or any Affiliate and a Participant contains provisions that conflict with and are more restrictive than the provisions of this Section 10.2, this Section 10.2 shall prevail and control and the more restrictive terms of such agreement (and only such terms) shall be of no force or effect.~~

10.2.3. ~~10.3~~—No Other Rights. Except as expressly provided in the Plan, no Participant shall have any rights by reason of any subdivision or consolidation of Shares of any class, the payment of any dividend, any increase or decrease in the number of Shares of any class or any dissolution, liquidation, merger, or consolidation of the Company or any other corporation. Except as expressly provided in the

Plan or pursuant to action of the Committee under the Plan, no issuance by the Company of Shares of any class, or securities convertible into Shares of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number of Shares subject to an Award or the grant or exercise price of any Award. The Committee will not be required to treat all Awards or Participants similarly for purposes of this Article 10.

## **ARTICLE 11. ADMINISTRATION**

11.1. Committee. Unless and until the Board delegates administration of the Plan to a Committee as set forth below, the Plan shall be administered by the full Board, and for such purposes the term “Committee” as used in this Plan shall be deemed to refer to the Board. The Board, at its discretion or as otherwise necessary to comply with the requirements of Rule 16b-3 promulgated under the Exchange Act or to the extent required by any other applicable rule or regulation, may delegate administration of the Plan to a Committee consisting of two or more members of the Board. Unless otherwise determined by the Board, the Committee shall consist of at least one Non-Employee Director and one “independent director” under the rules of Nasdaq (or other principal securities market on which Shares are traded); provided that any action taken by the Committee shall be valid and effective, whether or not members of the Committee at the time of such action are later determined not to have satisfied the requirements for membership set forth in this Section 11.1 or otherwise provided in any charter of the Committee. Notwithstanding the foregoing: (a) the full Board, acting by a majority of its members in office, shall conduct the general administration of the Plan with respect to all Awards granted to Independent Directors and for purposes of such Awards the term “Committee” as used in this Plan shall be deemed to refer to the Board and (b) the Committee may delegate its authority hereunder to the extent permitted by Section 11.5 hereof. In its sole discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Committee under the Plan except with respect to matters which under Rule 16b-3 under the Exchange Act, or any regulations or rules issued thereunder, are required to be determined in the sole discretion of the Committee. Except as may otherwise be provided in the certificate of incorporation or bylaws of the Company or in any charter of the Committee, appointment of Committee members shall be effective upon acceptance of appointment; Committee members may resign at any time by delivering written notice to the Board; and vacancies in the Committee may only be filled by the Board.

11.2. Action by the Committee. Unless otherwise established by the Board or in the certificate of incorporation or bylaws of the Company or in any charter of the Committee, a majority of the Committee shall constitute a quorum and the acts of a majority of the members present at any meeting at which a quorum is present, and acts approved in writing by a majority of the Committee in lieu of a meeting, shall be deemed the acts of the Committee. Each member of the Committee is entitled to, in good faith, rely or act upon any report or other information furnished to that member by any officer or other employee of the Company or any Affiliate, the Company’s independent certified public accountants, or any executive compensation consultant or other professional retained by the Company to assist in the administration of the Plan.

11.3. Authority of Committee. Subject to any specific designation in the Plan, the Committee has the exclusive power, authority and discretion to:

11.3.1. Designate Participants to receive Awards;

11.3.2. Determine the type or types of Awards to be granted to each Participant;

11.3.3. Determine the number of Awards to be granted and the number of Shares to which an Award will relate;

11.3.4. Determine the terms and conditions of any Award granted pursuant to the Plan, including, but not limited to, the exercise price, grant price, or purchase price, any reload provision, any restrictions or limitations on the Award, any schedule for lapse of forfeiture restrictions or restrictions on the exercisability of an Award, and accelerations or waivers thereof, any provisions related to non-competition and recapture of gain on an Award, based in each case on such considerations as the Committee in its sole discretion determines;

11.3.5. Determine whether, to what extent, and pursuant to what circumstances an Award may be settled in, or the exercise price of an Award may be paid in, cash, Shares, other Awards, or other property, or an Award may be canceled, forfeited, or surrendered;

11.3.6. Prescribe the form of each Award Agreement, which need not be identical for each Participant;

11.3.7. Decide all other matters that must be determined in connection with an Award;

11.3.8. Establish, adopt, or revise any rules and regulations as it may deem necessary or advisable to administer the Plan;

11.3.9. Determine conclusively whether a Change in Control of the Company has occurred pursuant to the definition in Section 2.56, and the date of the occurrence of such Change in Control and any incidental matters relating thereto;

11.3.10. Interpret the terms of, and any matter arising pursuant to, the Plan or any Award Agreement; and

11.3.11. Make all other decisions and determinations that may be required pursuant to the Plan or as the Committee deems necessary or advisable to administer the Plan.

11.4. Decisions Binding. The Committee's interpretation of the Plan, any Awards granted pursuant to the Plan, any Award Agreement and all decisions and determinations by the Committee with respect to the Plan are final, binding, and conclusive on all parties.

11.5. Delegation of Authority. ~~To the extent permitted by not inconsistent with applicable law or stock exchange rules, the Board or Committee may from time to time delegate to a committee of all or any portion of its authority under the Plan to any one or more of its members of the Board or one or more officers of the Company the authority to grant or amend, as to Awards to Participants other than (a) Employees who are not subject to Section 16 of the Exchange Act or (b), to a committee of one or more directors or to one or more executive officers of the Company (or Directors) to whom authority to grant or amend Awards has been delegated hereunder. The Committee may also delegate non-discretionary administrative responsibilities in connection with the Plan to such other persons as it deems advisable. For the avoidance of doubt, provided it meets the limitation in the preceding sentence, this delegation shall include the right to modify Awards as necessary to accommodate changes in the laws or regulations, including in jurisdictions outside the United States. Any delegation hereunder shall be subject to the restrictions and limits that the Board or Committee specifies at the time of such delegation, and the Board or Committee may at any time rescind the authority so delegated or appoint a new delegatee. At all times, the delegatee appointed under this Section 11.5 shall serve in such capacity at the pleasure of the Board.~~

## **ARTICLE 12. EFFECTIVE AND EXPIRATION DATE**

12.1. Effective Date. The Plan is ~~effective as of December 28, 2019~~ became effective on the Effective Date. The Amended and Restated Plan will become effective on the Restatement Date, provided that it is approved by the Company's shareholders, which shall be considered the date of its adoption for purposes of Treasury Regulation §1.422-2(b)(2)(i).

12.2. Expiration Date. The Plan will expire on, and no Award may be granted pursuant to the Plan after ~~December 28, 2029~~, except that no Incentive Stock Options may be granted under the Plan after the earlier of the tenth anniversary of (a) the date the Plan is approved by the Board or (b) the EffectiveRestatement Date. Any Awards that are outstanding on the tenth anniversary of the EffectiveRestatement Date shall remain in force according to the terms of the Plan and the applicable Award Agreement.

### **ARTICLE 13. AMENDMENT, MODIFICATION, AND TERMINATION**

13.1. Amendment, Modification, and Termination. ~~Subject to Section 14.14 hereof, with of the Plan.~~ With the approval of the Board, at any time and from time to time, the Committee may terminate, amend or modify the Plan; *provided, however*, that (a) to the extent necessary ~~and desirable~~ to comply with any applicable law, regulation, or stock exchange rule, the Company shall obtain stockholder approval of any Plan amendment in such a manner and to such a degree as required, and (b) stockholder approval shall be required for any amendment to the Plan that (i) increases the number of shares available under the Plan (other than any adjustment as provided by Article 10), or (ii) permits the Committee to extend the exercise period for an Option beyond ten years from the date of grant. No termination, suspension, or amendment of the Plan may materially impair the rights of any Participant under a previously granted Award except as provided under Section 13.2, or unless such action is necessary to comply with applicable law or stock exchange rules.

13.2. Awards Previously Granted. ~~Except with respect to amendments made pursuant to Section 14.14 hereof~~ Amendment of Awards. Subject to Section 3.3, the Committee may unilaterally amend the terms of any Agreement evidencing an Award previously granted, except that, unless otherwise provided herein or in an Agreement, no termination, amendment, or modification of the ~~Plan~~ Award shall adversely affect in any material way any Award previously granted pursuant to the Plan without the prior written consent of the Participant unless such amendment is necessary to comply with applicable law or stock exchange rules or any compensation recovery policy as provided in Section 14.17(a); provided, however, that an amendment or modification that may cause an Incentive Stock Option to become a Non-Qualified Stock Option shall not be treated as adversely affecting the rights of the Participant, and provided further that a Participant's rights with respect to an Award will not be deemed to have been adversely affected by any amendment if the Committee, in its sole discretion, determines that the amendment, taken as a whole, does not materially impair the Participant's rights.

### **ARTICLE 14. GENERAL PROVISIONS**

14.1. No Rights to Awards. No Eligible Individual or other person shall have any claim to be granted any Award pursuant to the Plan, and neither the Company nor the Committee is obligated to treat Eligible Individuals, Participants or any other persons uniformly.

14.2. No Stockholders Rights. Except as otherwise provided herein, a Participant shall have none of the rights of a stockholder with respect to Shares covered by any Award, including the right to vote or receive dividends, until the Participant becomes the record owner of such Shares, notwithstanding the exercise of an Option or other Award.

14.3. Withholding. The Company or any Affiliate, as appropriate, shall have the authority and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy U.S. federal, state, and local taxes and taxes imposed by jurisdictions outside of the United States (including the Participant's employment tax obligations) required by law to be withheld with respect to any taxable event concerning a Participant arising as a result of this Plan or to take such other action as may be necessary in the opinion of the Company or an Affiliate, as appropriate, to satisfy withholding obligations for the payment of taxes. The Committee may in its discretion and in satisfaction of the foregoing requirement allow a Participant to elect to have the Company withhold Shares otherwise issuable under an Award (or allow the return of Shares) having a Fair Market Value equal to the sums required to be withheld. Notwithstanding any other provision of the Plan, the number of Shares which may be withheld with respect to the issuance, vesting, exercise or payment of any Award (or which may be repurchased from the Participant of such Award within six months (or such other period as may be determined by the Committee) after such Shares were acquired by the Participant from the Company) in order to satisfy the Participant's U.S. federal, state, local and non-U.S. income and payroll tax liabilities with respect to the issuance, vesting, exercise or payment of the Award shall be limited to the number of Shares which have a Fair Market Value on the date of withholding or repurchase equal to the aggregate amount of such liabilities based on the minimum statutory withholding rates for federal, state, local and foreign income tax and payroll tax purposes that are applicable to such supplemental taxable income. No Shares shall be delivered hereunder to any Participant or other person until the Participant or such other person has made arrangements acceptable to the Committee for the satisfaction of the tax obligations with respect to any taxable event concerning the Participant or such other person arising as a result of this Plan.

14.4. No Right to Employment or Services. Nothing in the Plan or any Award Agreement shall interfere with or limit in any way the right of the Company or any Affiliate to terminate any Participant's employment or services at any time, nor confer upon any Participant any right to continue in the employ or service of the Company or any Affiliate.

14.5. Unfunded Status of Awards. The Plan is intended to be an "unfunded" plan for incentive compensation and the Company shall not be required to segregate any assets that may at any time be represented by Awards under the Plan. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or any Award Agreement shall give the Participant any rights that are greater than those of a general creditor of the Company or any Affiliate. Neither the Company, its Affiliates, the Committee, nor the Board shall be deemed to be a trustee of any amounts to be paid under the Plan nor shall anything contained in the Plan or any action taken pursuant to its provisions create or be construed to create a fiduciary relationship between the Company and/or its Affiliates, and a Participant.

14.6. Indemnification. To the extent allowable pursuant to applicable law, each member of the Committee or of the Board shall be indemnified and held harmless by the Company from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by such member in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action or failure to act pursuant to the Plan and against and from any and all amounts paid by him or her in satisfaction of judgment in such action, suit, or proceeding against him or her; *provided* he or she gives the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled pursuant to the Company's Certificate of Incorporation or Bylaws, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

14.7. Relationship to other Other Benefits. No payment pursuant to the Plan shall be taken into account in determining any benefits pursuant to any pension, retirement, savings, profit sharing, group insurance, welfare or other benefit plan of the Company or any Affiliate except to the extent otherwise expressly provided in writing in such other plan or an agreement thereunder.

14.8. Expenses. The expenses of administering the Plan shall be borne by the Company and its Affiliates.

14.9. Titles and Headings. The titles and headings of the Sections in the Plan are for convenience of reference only and, in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control.

14.10. Fractional Shares. No fractional Shares shall be issued and the Committee shall determine, in its discretion, whether cash shall be given in lieu of fractional shares or whether such fractional shares shall be eliminated by rounding up or down as appropriate.

14.11. Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan, the Plan, and any Award granted or awarded to any Participant who is then subject to Section 16 of the Exchange Act, shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 under the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by applicable law, the Plan and Awards granted or awarded hereunder shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

14.12. Government and Other Regulations. The obligation of the Company to make payment of awards in Shares or otherwise shall be subject to all applicable laws, rules, and regulations of the United States and jurisdictions outside the United States, and to such approvals by government agencies, including government agencies in jurisdictions outside of the United States, in each case as may be required or as the Company deems necessary or advisable. Without limiting the foregoing, the Company shall have no obligation to issue or deliver evidence of title for Shares subject to Awards granted hereunder prior to: (i) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable, and (ii) completion of any registration or other qualification with respect to the Shares under any applicable law in the United States ~~or~~ in a jurisdiction outside of the United States or ruling of any governmental body that the Company determines to be necessary or advisable or at a time when any such registration or qualification is not current, has been suspended or otherwise has ceased to be effective. The inability or impracticability of the Company to obtain or maintain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained. The Company shall be under no obligation to register pursuant to the Securities Act, as amended, any of the Shares paid pursuant to the Plan. If the Shares paid pursuant to the Plan may in certain circumstances be exempt from registration pursuant to the Securities Act, as amended, the Company may restrict the transfer of such Shares in such manner as it deems advisable to ensure the availability of any such exemption.

14.13. Governing Law. The Plan and all Award Agreements, and all controversies arising thereunder or related thereto, shall be construed in accordance with and governed by the laws of the State of Delaware without regard to principles of conflict of laws that would apply to any other law.

~~14.14 — Section 409A. Except as provided in Section 14.15 hereof, to the extent that the Committee determines that any Award granted under the Plan is subject to Section 409A of the Code, the Award Agreement evidencing such Award shall incorporate the terms and conditions required by Section 409A of the Code. To the extent applicable, the Plan and Award Agreements shall be interpreted in accordance with Section 409A of the Code and Department of Treasury regulations and other interpretive guidance issued thereunder, including, without limitation, any such regulations or other guidance that may be issued after the Effective Date. Notwithstanding any provision of the Plan to the contrary, in the event that following the Effective Date the Committee determines that any Award may be subject to Section 409A of the Code and related Department of Treasury guidance (including such Department of Treasury guidance as may be issued after the Effective Date), the Committee may adopt such amendments to the Plan and the applicable Award Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Committee determines are necessary or appropriate to (a) exempt the Award from Section 409A of the Code and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (b) comply with the requirements of Section 409A of the Code and related Department of Treasury guidance and thereby avoid the application of any penalty taxes under such Section.~~

14.14. Section 409A. It is intended that all Awards under the Plan will be exempt from, or will comply with, Section 409A, and to the maximum extent permitted the Awards and the Plan will be interpreted and administered in accordance with this intent. Each amount to be paid or benefit to be provided under an Award shall be construed as a separate and distinct payment for purposes of Section 409A. If payment under an Award is to be made within a designated period which does not begin and end within one calendar year, the Participant does not have a right to designate the taxable year of the payment. Notwithstanding anything to the contrary in the Plan or any Agreement, with respect to any Award that constitutes a deferral of compensation subject to Section 409A:

14.14.1. If any amount is payable under such Award upon a termination of Service, a termination of Service will be deemed to have occurred only at such time as the Participant has experienced a Separation from Service; and

14.14.2. If any amount shall be payable with respect to any such Award as a result of a Participant's Separation from Service at such time as the Participant is a "specified employee" within the meaning of Section 409A, then no payment shall be made, except as permitted under Section 409A, prior to the first business day after the earlier of (i) the date that is six months after the Participant's Separation from Service or (ii) the Participant's death. Unless the Committee has adopted a specified employee identification policy as contemplated by Section 409A, specified employees will be identified by the Board in its discretion in accordance with the default provisions specified under Section 409A.

None of the Company, the Board, the Committee nor any other person involved with the administration of this Plan shall (i) in any way be responsible for ensuring the exemption of any Award from, or compliance by any Award with, the requirements of Section 409A, (ii) have any obligation to design or administer the Plan or Awards granted thereunder in a manner that minimizes a Participant's tax liabilities, including the avoidance of any additional tax liabilities under Section 409A, or (iii) shall have any liability to any Participant for any such tax liabilities.

14.15. No Representations or Covenants with respect to Tax Qualification. Although the Company may endeavor to (1) qualify an Award for favorable tax treatment under the laws of the United States or jurisdictions outside of the United States (e.g., incentive stock options under Section 422 of the Code or

French-qualified stock options) or (2) avoid adverse tax treatment (e.g., under Section 409A of the Code), the The Company makes no representation to that effect and expressly disavows any covenant to maintain favorable or avoid unfavorable tax treatment, anything to the contrary in this Plan, including Section 14.14 hereof, notwithstanding. The Company shall be unconstrained in its corporate activities without regard to the potential negative tax impact on holders of Awards under the Plan.

14.16. Subplans. The Committee shall have the authority to adopt, alter, and terminate subplans, appendices, or supplements under this Plan as it may deem necessary, appropriate, or desirable for any purpose, including without limitation, to facilitate the administration of the Plan, comply with applicable laws or regulations, or meet specific needs or objectives of the Company or its Affiliates; *provided, however,* that no such subplans and/or modifications shall increase the share limitations contained in Sections 3.1 and 3.4 hereof.

14.17. Applicable Policies.

14.17.1. Forfeiture and Compensation Recovery. Awards and any compensation associated therewith are subject to forfeiture, recovery by the Company or other action pursuant to any compensation recovery policy adopted by the Board or the Committee at any time, as amended from time to time, which includes but is not limited to any compensation recovery policy adopted by the Board or the Committee in response to the requirements of Section 10D of the Exchange Act, the SEC's final rules thereunder, and applicable listing rules or other rules and regulations implementing the foregoing or as otherwise required by law or stock exchange. Any Agreement will be automatically unilaterally amended to comply with any such compensation recovery policy.

14.17.2. ~~14.16—~~Applicable Other Policies. Notwithstanding any other provision of ~~the~~this Plan or an Award agreement to the contrary, acceptance by any Participant of any Award granted pursuant to the Plan constitutes such Participant's acknowledgement and agreement that all Awards made, the acquisition, holding or disposition of Shares acquired pursuant to the Plan shall in all events be subject to (a) Section 304 of the Sarbanes Oxley Act of 2002, (b) any rules and/or regulations issued pursuant to the Dodd-Frank Act of 2010 or any clawback policy adopted by the Company pursuant to such rules and/or regulations and (c) the insider trading policy of the Company compliance with applicable Company policies, including those relating to insider trading, pledging or hedging transactions, minimum post-vesting holding periods and stock ownership guidelines.

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Dear Fellow Pilgrim's Stockholders:

Throughout 2024, our team focused on a leadership mindset to elevate our performance. To that end, we emphasized our commitment to team member safety and development along with continued execution of our strategies. As a result, we generated strong results for our business and reinforced the foundation for continued profitable growth.

In the U.S., our diversified Fresh chicken portfolio across industry segments and product attributes benefited from increased demand. Key Customer partnerships in Case Ready and Small Birds drove significant growth in QSRs, Retail, and Deli. Our margins in Big Bird expanded from enhanced commodity cutout values, lower input costs, and progress in operational excellence. Diversification efforts through value added products continues to gain momentum as Prepared Foods' net sales grew nearly 12% from last year. Our fully cooked offerings in Just Bare continue to be exceptionally well received as share increased by over 200 basis points compared to last year. Commerce remains a key growth enabler as digitally influenced sales grew 30% versus 2023.

We've made substantial progress in our profitability journey in Europe. To that end, we've integrated our three legacy businesses into our "One Europe" management model, creating a more lean, nimble, and Key Customer focused organization. We've also continued to make progress in our manufacturing network optimization, improving mix and productivity. Our diversification efforts through branded offerings continue to gain traction as Fridge Raiders and Richmond grew above category averages. Innovation remains a key priority as we launched over 700 new items during the year, reinforcing the foundation for continued growth.

Mexico also realized strong performance. In the commodity market, balanced supply/demand fundamentals, along with lower input costs, drove incremental profitability. In Fresh, our sales to Key Customers grew double digits and Prepared Foods continues to grow its marketplace presence, further diversifying our portfolio. Efforts to expand our production capabilities across both Fresh and Prepared Foods remained on schedule.

We continue to drive sustainability deeper in our organization. To that end, all regions once again improved their Scope 1&2 emissions intensity compared to last year. We also leveraged our methane capture capabilities to collaborate with leading industry partners to create renewable natural gas production. Team member development is also top of our mind. To date, over 350 team members or their family members have signed up for tuition support through our Better Futures program. In Hometown Strong, since its inception, we have funded over \$15 million in local projects to support the communities in which we operate.

For fiscal year 2024, we had net sales of \$17.9 billion, generating net income of \$1.1 billion and GAAP EPS of \$4.57. Our adjusted EBITDA\* (Earnings Before Interest, Taxes Depreciation and Amortization) was \$2.2 billion, or a 12.4% margin.

Moving forward, we will continue our unwavering commitment to our values, team member safety and well-being, and execution of our strategies. When these efforts are combined with our leadership mindset, we can accelerate our growth for 2025 and beyond. As a result, we can take yet another step in our journey to become the best and most respected company in our industry.

Thank you for your continued support.

/s/ Fabio Sandri

Fabio Sandri

President and Global Chief Executive Officer, Pilgrim's Pride Corporation

\* For a reconciliation of this non-GAAP financial measure to the comparable GAAP measure, please see Annex A to this proxy statement.

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended December 29, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File number 1-9273



**PILGRIM'S PRIDE CORPORATION**  
(Exact name of registrant as specified in its charter)

Delaware 75-1285071  
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

1770 Promontory Circle 80634-9038  
Greeley CO  
(Address of principal executive offices) (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	Trading Symbol	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	PPC	The Nasdaq Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-accelerated Filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The aggregate market value of the registrant's Common Stock, \$0.01 par value, held by non-affiliates of the registrant as of June 30, 2024 was \$1,584,521,371. The number of shares of the registrant's Common Stock outstanding as of February 12, 2025 was 237,122,205.

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Portions of the Company's Proxy Statement for the 2025 Annual Meeting of Stockholders are incorporated by reference into Part III of this annual report.

**PILGRIM'S PRIDE CORPORATION**  
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## PART I

### Forward Looking Statements and Explanatory Note

This annual report contains, and management may make, certain “forward-looking statements” as defined under the Private Securities Litigation Reform Act of 1995. Statements of our intentions, beliefs, expectations or predictions for the future, denoted by the words “anticipate,” “believe,” “estimate,” “expect,” “plan,” “project,” “imply,” “intend,” “should,” “foresee” and similar expressions, are forward-looking statements that reflect our current views about future events and are subject to risks and uncertainties. Such risks and uncertainties include those described under “Risk Factors” below and elsewhere in this annual report. Actual results could differ materially from those expressed in, or implied or projected by these forward-looking statements as a result of these risks and uncertainties, many of which are difficult to predict and beyond our control. The Company’s forward-looking statements speak only as of the date of this report or as of the date they are made, and the Company undertakes no obligation to update its forward-looking statements. The risks described in this annual report are not the only risks we face, and additional risks and uncertainties may impair our business operations. The occurrence of any one or more of the factors described herein or other currently unknown factors could materially adversely affect our business and operating results.

### Item 1. Business

#### Company Overview

Pilgrim’s Pride Corporation (referred to herein as “Pilgrim’s,” “PPC,” “the Company,” “we,” “us,” “our,” or similar terms) is primarily engaged in the production, processing, marketing and distribution of fresh, frozen and value-added chicken and pork products to retailers, distributors and foodservice operators. JBS S.A., through its indirect wholly-owned subsidiaries (together, “JBS”), beneficially owns 82.42% of our outstanding common stock.

We market our balanced portfolio of fresh, prepared and value-added meat products to a diverse set of customers across the U.S., the U.K. and Europe, Mexico and in over 120 other countries. Our sales efforts are largely targeted towards the foodservice industry, principally chain restaurants and food processors, such as Chick-fil-A® and retail customers, including grocery store chains and wholesale clubs, such as Kroger®, Costco®, Publix® and H-E-B® in the U.S., chain restaurants such as McDonald’s® and grocery store chains such as Sainsbury’s®, Tesco® and Waitrose® in the U.K. and Europe, and grocery store chains such as Wal-Mart® in Mexico.

As a vertically integrated company, we are able to control nearly every phase of the production process, which helps us manage food safety and quality, control margins and improve customer service. Our plants are strategically located to ensure that customers timely receive fresh products. With our global network of approximately 4,500 growers, 35 feed mills, 49 hatcheries, 39 processing plants, 30 prepared foods cook plants, 29 distribution centers, 12 protein conversion facilities and five pet food plants, we believe we are well-positioned to supply the growing demand for our products.

We operate on the basis of a 52/53-week fiscal year ending on the Sunday falling on or before December 31. Any reference we make to a particular year (for example 2024) in the notes to these Consolidated Financial Statements applies to our fiscal year and not the calendar year. Fiscal year 2024 was a 52-week fiscal year and fiscal year 2023 was a 53-week fiscal year.

#### Reportable Segments

We operate in three reportable segments: U.S., Europe, and Mexico. We produce or purchase for resale chicken products through our operations in the U.S., the U.K. and continental Europe, and Mexico and pork products through our operations in the U.K. We conduct separate operations in the U.S., the U.K., the Republic of Ireland, continental Europe, Puerto Rico and Mexico; however, for geographic reporting purposes, we include Puerto Rico with our U.S. operations. See “Note 20. Reportable Segments” of our Consolidated Financial Statements included in this annual report for additional information.

#### Products and Markets

*Fresh Products Overview.* Our fresh products consist of refrigerated whole or cut-up chicken, frozen whole chickens, breast fillets, mini breast fillets and prepackaged case-ready chicken, and in the U.K., primary pork cuts, added value pork, pork ribs and lamb products. Our case-ready chicken includes various combinations of freshly refrigerated, whole chickens, chicken parts in trays, bags or other consumer packs labeled and priced ready for the retail grocer’s fresh meat counter. Additionally, we are an important player in the live chicken market in Mexico. In 2024, our fresh product sales accounted for 82.1%, 22.9%, and 84.2% of our total U.S., Europe, and Mexico product sales, respectively.

*Prepared Products Overview.* Our prepared products include portion-controlled breast fillets, tenderloins and strips, delicatessen products, salads, formed nuggets and patties and bone-in chicken parts. These products are sold either refrigerated

or frozen and may be fully cooked, partially cooked or raw. In addition, these products may be breaded and/or marinated. Our prepared products include processed sausages, bacon, slow cooked, smoked meat, gammon joints, ready-to-cook variety of meat products, pre-packed meats, sandwich and deli counter meats, pulled pork balls, meatballs and coated foods. In 2024, our prepared foods products sales accounted for 10.3%, 65.8%, and 10.4% of our total U.S., Europe, and Mexico chicken and pork sales, respectively.

*Exported Products Overview.* Exported products primarily consist of whole chickens and chicken parts sold either refrigerated for distributors in the U.S. or frozen for distribution to export markets and in the U.K., primary pork cuts, hog heads and trotters frozen for distribution to export markets. In 2024, our export product sales accounted for 4.4% and 9.3% of our total U.S. and Europe product sales, respectively.

*Market Overview.* Our foodservice market principally consists of chain restaurants, food processors, broad-line distributors and certain other institutions. Our retail market consists primarily of grocery store chains, wholesale clubs and other retail distributors. Our export market consists primarily of customers who purchase for distribution in the U.S., U.K. and continental Europe, or for export to Mexico, the Middle East, Asia, and other international markets.

### Net Sales for Primary Product Lines and Markets

The following table sets forth, for the periods beginning with 2022, net sales attributable to each of our primary product lines and markets served with those products. We based the table on our internal sales reports and their classification of product types.

	Years Ended		
	December 29, 2024	December 31, 2023	December 25, 2022
(In thousands)			
U.S. reportable segment:			
Fresh products	\$ 8,731,905	\$ 8,105,269	\$ 8,624,421
Prepared foods	1,094,818	978,423	1,107,734
Export	468,553	533,205	552,823
Other products	334,653	410,846	463,372
Total U.S. reportable segment	10,629,929	10,027,743	10,748,350
Europe reportable segment:			
Fresh products	1,178,459	1,074,900	908,882
Prepared foods	3,381,178	3,525,359	3,104,347
Export	477,486	472,656	712,685
Other products	99,624	130,406	148,824
Europe reportable segment	5,136,747	5,203,321	4,874,738
Mexico reportable segment:			
Fresh products	1,777,815	1,796,670	1,587,809
Prepared foods	220,270	212,651	167,589
Other products	113,530	121,832	89,891
Total Mexico reportable segment	2,111,615	2,131,153	1,845,289
Total net sales	\$ 17,878,291	\$ 17,362,217	\$ 17,468,377

### Raw Materials

*Grains.* The Company utilizes various raw materials in its operations, including corn, soybean meal and wheat, along with various other ingredients from which the Company produces its own formulated feeds. In 2024, corn, soybean meal and wheat accounted for approximately 42.2%, 38.0% and 5.0% of our feed costs, respectively. The production of feed ingredients is positively or negatively affected primarily by the global level of supply, demand for feed ingredients, the agricultural policies of the U.S. and foreign governments and weather patterns throughout the world. We attempt to mitigate the impact of price volatility on our profitability by decreasing the amount of our products that are sold under longer term fixed-price contracts, broadening our product portfolio and expanding the variety of contracts within our book of business. To also manage this risk, we purchase derivative financial instruments. The Company has long-standing relationships with its sources of grain and other feed ingredients and expects to have an adequate supply for its present needs.

*Live chicks.* The Company's chicken operations purchase one-day old chicks from a few major breeders. These chicks, when mature, serve as the grandparent and parent stock of the broilers that these operations process for consumption. Should breeder stock from its present suppliers not be available for any reason, the Company believes that it could obtain adequate breeder stock from other suppliers in the regions in which it operates.

*Live pigs.* The Company's pork operations in the U.K. maintain a pig production base that makes up approximately 31.6% of the total number of pigs processed by the Company each year. Additionally, the Company's pork operations procure live pigs for slaughter within a few days of purchase from numerous independent farmers throughout the U.K. Live pigs sourced from independent farmers make up approximately 68.4% of the total number of pigs processed by the Company each year. Although we generally expect adequate supply of live pigs in the U.K., there may be periods of imbalance in supply and demand.

## **Trademarks**

We own registered trademarks which are used in connection with our business. The trademarks are important to the overall marketing and branding of our products. A significant portion of our trademarks in our business are registered. In part, our success is partially dependent on the existence and continued protection of these trademarks. As long as the Company continues to use its trademarks, they may be renewed indefinitely. Some of the more significant owned or licensed trademarks used by the Company or its affiliates include Pilgrim's®, Just Bare®, Gold'n Plump®, Gold Kist®, Country Pride®, Pierce Chicken®, Pilgrim's® Mexico, Savoro, To-Ricos®, Del Dia®, Moy Park, O'Kane, Richmond, Fridge Raiders and Denny.

## **Seasonality**

The demand for our chicken products generally is greatest during the spring and summer months and lowest during the winter months. The demand for our pork products generally is higher during the summer and peaks during the winter primarily due to the holiday season.

## **Key Customers**

Our two largest customers, which operate in the U.S., together accounted for approximately 16.6% and 13.2% of our consolidated net sales in 2024 and 2023, respectively. No single customer accounted for ten percent or more of our consolidated net sales in either 2024 or 2023.

## **Competition**

The chicken and pork industries in the U.S., the U.K., continental Europe and Mexico are highly competitive. The competitive factors in our business include price, product quality, product development, brand identification, breadth of product line and customer service. We believe that being a vertically integrated chicken company and having a fully integrated supply chain in the pork business may provide long-term cost and quality advantages over non-vertically integrated and other processors. We utilize various advertising and marketing techniques to develop and strengthen trade and consumer awareness and enhance brand loyalty for consumer products. We believe our efforts to achieve and maintain brand awareness and loyalty could support achievement of greater price premiums than would otherwise be the case in certain markets and support and expand our product distribution. We actively seek to identify and address consumer preferences by using qualitative and quantitative consumer research techniques in key geographic markets to discover and validate new product ideas, packaging designs and methods. Although poultry and pork are often relatively inexpensive in comparison with other meats, we also compete indirectly with the producers of other meats and fish, since changes in the relative prices of these foods can alter consumer buying patterns.

## **Regulation and Environmental Matters**

The chicken, pork and prepared foods industries are subject to government regulation, particularly in the health, workplace safety and environmental areas, including provisions relating to the discharge of materials into the environment, treatment and disposal of agricultural and food processing wastes, the use and maintenance of refrigeration systems, ammonia-based chillers, noise, odor and dust management, the operation of mechanized processing equipment and other operations, storm water, air emissions, treatment, storage and disposal of wastes, handling of hazardous substances and remediation of contaminated soil, surface water and groundwater, by the Centers for Disease Control, the United States Department of Agriculture ("USDA"), the Food and Drug Administration ("FDA"), the Environmental Protection Agency ("EPA"), the Occupational Safety and Health Administration and state and local regulatory authorities in the U.S. and by similar governmental agencies in the U.K., the Republic of Ireland, continental Europe and Mexico. Our chicken processing facilities in the U.S. are subject to on-site examination, inspection and regulation by the USDA. The FDA inspects the production of our feed mills in the U.S. Our food processing facilities and feed mills in the U.K., continental Europe and Mexico are subject to

on-site examination, inspection and regulation by government agencies that perform functions similar to those performed by the USDA and FDA.

The EPA, environmental authorities in the U.K., the Republic of Ireland, continental Europe and Mexico, and/or other U.S. or Mexican state and local authorities may, from time to time, adopt revisions to environmental rules and regulations, and/or changes in the terms and conditions of our environmental permits, with which we must comply. Compliance with existing or new environmental requirements, including more stringent limitations imposed or expected in recently-renewed or soon-to be renewed environmental permits or raw material sourcing, may require additional capital expenditures and operating expenses which may be significant. Moreover, customers in select regions may require additional or more immediate adoption of various regulations, further increasing overall investments and costs.

In the U.K., all poultry farms which exceed a threshold size of 40,000 birds placed are required to carry out activities in compliance with their environmental permits and they must use Best Available Techniques in order to achieve a high level of environmental protection. Our pork sites are independently audited and certified by the British Retail Consortium standard. Many of our pork sites are additionally certified by farm-to-fork traceability schemes including Royal Society for the Prevention of Cruelty to Animals Assured, Soil Association, Organic Farmers and Growers and Assured Food Standards.

## **Human Capital Resources**

As of December 29, 2024, we employed over 61,600 persons. Our success is largely dependent on the skills, experience and efforts of our employees. We rely on an adequate number of skilled employees to serve in critical production roles, such as processing workers and operations supervisors. In managing our business, we focus on a number of human capital measures or objectives, which are rooted in our core values and include the following items:

*Health and Safety.* A core tenet of our Company is the promotion of a safe and healthy working environment. Key examples of our focus and commitment include:

- We engage with our team members through the use of safety committees and other safety initiatives to improve the overall safety of the workplace and advance a safety first culture.
- We train team members on how to identify physical hazards, conduct focused daily, monthly and annual physical hazard assessments at all facilities, ensure that identified physical hazards are logged and ensure timely remediation.
- Leveraging third-party experts, we conduct regular ergonomic assessments, ensure that identified ergonomic issues are logged and ensure timely remediation.
- We conduct safety audits of all facilities on an annual basis. These audits include auditing the physical state of the plant, policies, safety culture and our occupational health clinics.
- Our efforts in 2024 have resulted in year-over-year reductions in severe injuries of 37%.

*Anti-discrimination.* We value diversity in the workplace, and do not discriminate on the basis of age, color, disability, family or marital status, gender, national origin, or any other characteristic protected by applicable law, regulation, or ordinance. We prohibit discrimination in all recruiting, hiring, promotion, training, compensation, termination, and other employment decisions.

*Retention and Career Development.* We are committed to retaining talented employees at both production and management levels by offering competitive compensation and benefits, as well as leadership training and development opportunities.

- We strive to provide competitive pay to our team members and reward top performers. Our benefits offerings include a minimum paid time off and paid sick leave for salaried employees, life and disability insurance and Company-matching retirement plans.
- We have extensive leadership training programs, such as our Supervisor Development Program, created to help identify and develop production workers into frontline supervisors, the aforementioned People First Program, designed to equip frontline supervisors with the behavioral and technical skills needed to effectively lead their production teams and our Summit Program, designed to improve the skill set of our senior leadership team. We have found that recognizing our employees' efforts through training for continued advancement strengthens their performance and helps with our goals to achieve business results. Our employees completed over 1,394,426 training hours during 2024 and over 332,000 training hours during 2023.

*Community Support.* We are focused on supporting the communities in which we operate and serve.

- *Hometown Strong Initiative.* Hometown Strong, which we launched in 2020, is an initiative to help the communities in which we operate respond to the unexpected challenges on society. We believe the Hometown Strong initiative has provided consequential investment projects and helped communities prepare for unanticipated challenges and build for the future. Since inception, we have committed to Hometown Strong donations of \$20 million.
- *Tomorrow Fund.* The Tomorrow Fund, which we launched in 2019, is a scholarship program designed to support the collegiate scholastic pursuits of our employees and their direct dependents. The Tomorrow Fund awards certain employees scholarships to an eligible university of their choice.
- *Better Futures.* Better Futures, which we launched in 2021, is the largest privately funded free community college program in rural America, offering free community college to our team members and their dependents. So far, over 2,126 team members or dependents have signed up and 705 have started their selected academic pathway.

*Employee Relations.* We respect our team members’ rights of association, including by joining labor unions and collective bargaining. Approximately 35.4% of our workforce are covered by a collective bargaining agreement. For additional information, see “Item 1A. Risk Factors - Our performance depends on favorable labor relations with our employees and our compliance with labor laws. Any deterioration of those relations or increase in labor costs due to our compliance with labor laws could adversely affect our business.”

**Available Information**

The Company’s website is [www.pilgrims.com](http://www.pilgrims.com). The Company makes available, free of charge, through its website, the Company’s annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, directors and officers Forms 3, 4 and 5, and amendments to those reports, as soon as reasonably practicable after electronically filing such materials with, or furnishing them to, the SEC. The Company may use its website as a distribution channel of material company information. Financial and other important information regarding the Company is routinely posted on and accessible through the Company’s website at <http://ir.pilgrims.com>. Information contained on the Company’s website is not included as part of, or incorporated by reference into, this annual report.

**Information about our Executive Officers**

<b>Name</b>	<b>Age</b>	<b>Background and Experience</b>	<b>Dates</b>
Fabio Sandri	53	President and Chief Executive Officer	September 2020 to Present
Matthew Galvanoni	52	Chief Financial Officer	March 2021 to Present

Fabio Sandri was named the Chief Executive Officer in September 2020 and previously served as our Chief Financial Officer from June 2011 to March 2021. From April 2010 to June 2011, Mr. Sandri served as the Chief Financial Officer of Estacio Participações, the private post-secondary educational institution in Brazil. From November 2008 until April 2010, he was the Chief Financial Officer of Imbra SA, a provider of dental services based in Sao Paolo, Brazil. Commencing in 2005 through October 2008, he was employed by Braskem S.A., a New York Stock Exchange-listed petrochemical company headquartered in Camaçari, Brazil, first from 2005 to 2007 as its strategy director, then from 2007 until his departure as its corporate controller. He earned his Master’s of Business Administration degree in 2001 from the Wharton School at the University of Pennsylvania and a degree in electrical engineering in 1993 from Escola Politécnica da Universidade de São Paulo.

Matthew Galvanoni was named the Chief Financial Officer in February 2021, effective March 2021. Prior to his appointment to the Company, Mr. Galvanoni served as Vice President, Finance, of Ingredion Incorporated, a leading global ingredients solution company, since 2016. Mr. Galvanoni joined Ingredion in 2012, serving in the role of Global Corporate Controller and Chief Accounting Officer, where he managed the company’s accounting-related and external financial reporting responsibilities. Mr. Galvanoni started his career at PricewaterhouseCoopers LLP in 1994 and subsequently held several financial leadership positions at Exelon Corporation, where he most recently served as Assistant Corporate Controller. Mr. Galvanoni graduated from the University of Illinois with a Bachelor’s of Accounting degree and later received a Master’s of Business Administration degree from the Kellogg School of Management at Northwestern University.

## **Item 1A. Risk Factors**

The following risk factors should be read carefully in connection with evaluating our business and the forward-looking information contained in this annual report on Form 10-K. Any of the following risks could materially adversely affect our business, operations, industry or financial position or our future financial performance. While we believe we have identified and discussed below all risk factors affecting our business that we believe are material, there may be additional risks and uncertainties that are not presently known or that are not currently believed to be significant that may adversely affect our business, operations, industry, financial position and financial performance in the future.

### **Business and Operational Risk Factors**

#### **Industry cyclicality can affect our earnings, especially due to fluctuations in commodity prices of feed ingredients, chicken and pork.**

Profitability in the chicken and pork industries is materially affected by the commodity prices of feed ingredients and the market prices of chicken and pork, which are determined by supply and demand factors. As a result, the chicken and pork industries are subject to cyclical earnings fluctuations.

The price of feed ingredients is positively or negatively affected primarily by the global level of supply and demand for feed ingredients, the agricultural policies of the U.S. and foreign governments and weather patterns throughout the world. In particular, weather patterns often change agricultural conditions in an unpredictable manner. A significant change in weather patterns could affect supplies of feed ingredients, as well as our ability to obtain feed ingredients, grow chickens and pigs or deliver products. Consequently, there can be no assurance that the price of grains will not rise as a result of, among other things, increasing demand for these products around the world and alternative uses of these products, such as ethanol and biodiesel production.

Volatility in feed ingredient prices has had, and may continue to have, a materially adverse effect on our operating results, which has resulted in, and may continue to result in, additional noncash expenses due to impairment of the carrying amounts of certain of our assets. We periodically seek, to the extent available, to enter into advance purchase commitments or financial derivative contracts for the purchase of feed ingredients in an effort to manage our feed ingredient costs. The use of these instruments may not be successful. In addition, we have not designated the derivative financial instruments that we have purchased to mitigate commodity purchase exposures as cash flow hedges. Therefore, we recognize changes in the fair value of these derivative financial instruments immediately in earnings. Unexpected changes in the fair value of these instruments could adversely affect the results of our operations. Although we attempt to mitigate the impact of feed price volatility on our profitability by decreasing the amount of our products that are sold under longer term fixed-price contracts, these changes will not eliminate the impact of changes in feed ingredient prices on our profitability and would prevent us from profiting on such contracts during times of declining market prices for chicken and/or pork.

#### **Outbreaks of livestock diseases in general, and poultry and pig diseases in particular, including avian influenza and African swine fever, can significantly and adversely affect our ability to conduct our operations and the demand for our products.**

We take precautions intended to ensure that our flocks and herds are healthy and that our processing plants and other facilities operate in a sanitary and environmentally-sound manner. However, events beyond our control, such as outbreaks of disease, either in our own flocks and herds or elsewhere, could significantly affect the demand for our products or our ability to conduct our operations. Furthermore, an outbreak of disease could result in governmental restrictions on the import and export of our fresh chicken, fresh pork or other products involving our suppliers, facilities or customers, or require us to euthanize one or more of our flocks or herds in order to comply with disease control legislative requirements. This could result in customer order cancellations or create adverse publicity that may have a material adverse effect on our ability to market our products successfully and on our business, reputation and prospects.

There have been recent outbreaks of both high- and low-pathogenic strains of avian influenza (“HPAI” and “LPAI”, respectively) in Europe, the U.S., the U.K., and in Mexico. Outbreaks of both HPAI and LPAI are increasingly common. For example, HPAI H5 has been detected in a number of states in the U.S. predominantly in poultry flocks but also more recently in dairy cattle, wild birds and mammals, as well as in farm workers directly exposed to infected animals. Even if no additional highly pathogenic or highly contagious strains of avian influenza are confirmed in Europe, the U.S., the U.K. or Mexico, there can be no assurance that outbreaks elsewhere will not materially adversely affect international demand for poultry produced in our operating countries. Additionally, should any of these strains spread to or within Europe, the U.S., the U.K. or Mexico, there can be no assurance that it would not significantly affect our ability to conduct our operations and/or demand for our products, in each case in a manner having a material adverse effect on our business, reputation and/or prospects.

While our pork products are produced through our U.K. operations, previous outbreaks of African swine fever in China and its subsequent spread across the world had a significant effect on both the global supply of pork and on pork prices. As an island, the U.K. has an element of built-in biosecurity, but there are risks, mainly as a result of human movement of infected meat from the European Union (the “E.U.”). In the event of an outbreak of African Swine Fever in the U.K., we believe the Company’s risks are somewhat mitigated. However, we cannot provide assurance that it would not significantly affect our ability to conduct our operations and/or demand for our products, in each case in a manner having a material adverse effect on our business, reputation, or prospects.

**If our products become contaminated, we may be subject to product liability claims and product recalls. Such product liability claims or product recalls could adversely affect our business reputation, expose us to increased scrutiny by federal and state regulators and may not be fully covered by insurance.**

Poultry and pork products are susceptible to contamination by harmful organisms, or pathogens, such as *Listeria monocytogenes*, *Salmonella*, generic *E.coli*, *Yersinia enterocolitica* and *Staphylococcus aureus*. These pathogens are generally found in the environment or naturally exist in the animal’s gut. These pathogens may also be introduced due to improper handling at the further processing, foodservice, or consumer level. These risks can be managed—but not eliminated—through good manufacturing practices and finished product testing. We have little, if any, control over proper handling once the product leaves our facilities. Illness and death may result if the pathogens are not eliminated at the further processing, foodservice or consumer level. An inadvertent shipment of contaminated products which contravenes relevant legislative requirements may lead to increased risk of exposure to product liability claims, product recalls and increased scrutiny by federal and state regulatory agencies and may have a material adverse effect on our business, reputation and/or prospects. The packaging, marketing and distribution of food products entail an inherent risk of product liability and product recall and the resultant adverse publicity. We may be subject to significant liability if the consumption of any of our products causes injury, illness or death.

We could be required to recall certain products in the event of contamination or damage to the products. In addition to the risks of product liability or product recall due to deficiencies caused by our production or processing operations, we may encounter the same risks if any third-party tampers with our products. We cannot provide assurance that we will not be required to perform product recalls, or that product liability claims will not be asserted against us in the future. Any claims that may be made may create adverse publicity that could have a material adverse effect on our ability to market our products successfully or on our business, reputation, prospects, financial condition and results of operations. If our products become contaminated, spoiled, are tampered with or are mislabeled, we may be subject to product liability claims and product recalls. A widespread product recall could result in significant losses due to recall-related costs, the destruction of product inventory, and lost sales from product unavailability for a period of time. Such a product recall also could result in adverse publicity, damage to our reputation and a loss of consumer confidence in our products, which could have a material adverse effect on our business results.

We currently maintain insurance coverage for certain risks, including product liability, business interruption, and general liability insurance. However, insurance can be expensive and difficult to obtain. There is no assurance that we can maintain adequate coverage in the future or that such insurance would be sufficient to cover all potential losses. Moreover, even though our insurance coverage may be designed to protect us from losses attributable to certain events, it may not adequately protect us from liability and expenses we incur in connection with such events.

**Our foreign operations and commerce in international markets pose special risks to our business and operations and subject us to additional regulatory frameworks and compliance costs.**

We have significant operations and assets located in Mexico, the U.K., the Republic of Ireland, and continental Europe and may participate in or acquire operations and assets in other foreign countries in the future. Foreign operations may be exposed to a number of special risks such as currency exchange rate fluctuations, trade barriers, exchange controls, expropriation and changes in laws and policies, including tax laws and laws governing foreign-owned operations. Currency exchange rate fluctuations have had adverse effects on us in the past. Exchange rate fluctuations or one or more other risks may have a material adverse effect on our business or operations in the future. Our operations in Mexico, the U.K., the Republic of Ireland, and continental Europe are conducted through subsidiaries organized under non-U.S. laws. Claims of creditors of our subsidiaries, including trade creditors, will generally have priority as to the assets of our subsidiaries over our claims. Additionally, the ability of these subsidiaries to make payments and distributions to us can be limited by terms of subsidiary financing arrangements and will be subject to, among other things, the laws applicable to these subsidiaries. To date, these laws have not had a material adverse effect on the ability of these subsidiaries to make these payments and distributions. However, laws such as these may have a material adverse effect on the ability of these subsidiaries to make these payments and distributions in the future.

Our operations in foreign jurisdictions also subject us to additional regulatory frameworks, which can increase costs of compliance and subject us to possible fines and penalties, some of which could be significant. In some cases, foreign regulatory frameworks may be considered more stringent or complex than similar regimes in the United States. For example, the European Union’s Deforestation Regulation (the “EUDR”), which generally becomes effective on December 30, 2025, will require companies trading in cattle, cocoa, coffee, oil palm, rubber, soya, and wood, as well as products derived from these commodities, to conduct extensive diligence on the value chain to ensure the goods do not result from recent deforestation, forest degradation, or breaches of local laws in order to sell such products in the European Union market. The EUDR, and other current or proposed regulations in the European Union and elsewhere, are expected to increase our compliance costs, may affect sales in such markets, and may result in fines and penalties or reputational harm if we do not fully comply.

Additionally, to conduct our operations, we regularly move data across national borders (including data related to business, financial, marketing and regulatory matters) and must comply with increasingly complex and rigorous regulatory standards enacted to protect business and personal data in the U.S. and elsewhere. For example, in 2018, the European Union (the “E.U.”) recently commenced enforcement of the General Data Protection Regulation (the “GDPR”). The GDPR imposes significant additional compliance obligations on companies regarding the handling of personal data and provides certain individual privacy rights to persons whose data is stored. The GDPR grants enforcement powers to certain E.U. regulators including extra-territorial powers in some cases. These enforcement powers allow regulators to conduct investigations and dawn raids, to issue penalties up to the greater of €20 million or 4% of worldwide turnover for the most serious violations, and to require changes to the way that organizations (including the Company) use personal data. Due to the geographic scope of our operations, the GDPR may increase our responsibility and liability in relation to personal data that we process, and we may be required to put in place additional mechanisms to minimize the risk of non-compliance with applicable privacy laws and regulations. Privacy laws such as the GDPR and similar laws and regulations are increasing in complexity and number, change frequently and sometimes conflict. In particular, as the E.U. states reframe their national legislation to harmonize with the GDPR, we will need to monitor compliance with all relevant E.U. member states’ laws and regulations, including where permitted derivations from the GDPR are introduced. Additional laws may be enacted in U.S. states or at the U.S. federal level. Compliance with such existing, proposed, and recently enacted laws and regulations can be costly and may necessitate the review and implementation of policies and processes relating to our collection, security, and use of data. Any failure to comply with these regulatory standards could subject us to legal and reputational risks including proceedings against the Company by governmental entities or others, fines and penalties, or damage to our reputation and credibility and could have a negative impact on our business and results of operations.

Historically, we have targeted international markets to generate additional demand for our products. In particular, given the general preference for white chicken meat by U.S. and U.K. consumers, we have targeted international markets for the sale of certain dark chicken meat and parts, such as chicken paws. We have also targeted international markets for excess primary pork cuts and parts, such as hog heads and trotters. As part of this initiative, we have created a significant international distribution network into several markets in Mexico, the Middle East, and Asia. Our success in these markets may be impacted, and in recent periods, has been influenced by disruptions in export markets. A significant risk is disruption due to import restrictions and tariffs, other trade protection measures, and import or export licensing requirements regarding food products imposed by foreign countries. Significant political or regulatory developments in the jurisdictions in which we sell our products, such as those stemming from the presidential administration in the U.S., are difficult to predict, may create uncertainty, and could impact our business. For example, the implementation of new tariff schemes by various governments, such as those implemented by the U.S. and China in recent years, could increase the costs of our operations and ultimately increase the cost of products sold from one country into another country. In addition, disruptions may be caused by outbreaks of diseases—either in our flocks and herds or elsewhere in the world—and resulting changes in consumer preferences. One or more of these or other disruptions in the international markets and distribution channels could adversely affect our business.

**Competition in the chicken and pork industries with other vertically integrated chicken or pork companies may make us unable to compete successfully in this industry, which could adversely affect our business.**

Both the chicken and pork industries are highly competitive. In the U.S., Mexico, the U.K., the Republic of Ireland, and continental Europe, we primarily compete with other vertically integrated chicken and pork companies. In general, the competitive factors in these industries include price, product quality, product development, brand identification, breadth of product line and customer service. Competitive factors vary by major market. In the foodservice market, competition is based on consistent quality, product development, service and price. In the U.S. retail market, competition is based on product quality, brand awareness, customer service and price. Further, there is some competition with non-vertically integrated further processors in the prepared chicken business. In the Mexico retail and foodservice markets, where product differentiation has traditionally been limited, product quality and price have been the most critical competitive factors. In the U.K., the Republic of Ireland, and continental Europe retail and food service markets, key competitive factors include price, delivering consistent levels of the highest quality, service level, and delivering strong innovation. The fresh U.K. and continental Europe market primarily consists of retailer private label products. The U.K. fresh market is primarily sourced from within the U.K., making

vertical integration a prerequisite for operating in that market. The U.K. prepared foods market is less exclusively sourced from within the U.K. so vertical integration is less of a consideration, and competition is opened up to other processors; some of whom produce or source from abroad. Our success depends in part on our ability to manage costs and be efficient in the highly competitive poultry and pork industries, and our failure to do so may materially and adversely affect our business, financial condition, and results of operations.

**Media campaigns related to food production; regulatory and customer focus on environmental, social and governance responsibility; and recent increased focus and attention by the U.S. government on market dynamics in the meat processing industry could expose us to additional costs or risks.**

Individuals or organizations can use social media platforms to publicize inappropriate or inaccurate stories or perceptions about the food production industry or our company. Such practices could cause damage to the reputations of our company and/or the food production industry in general. This damage could adversely affect our financial results. In addition, regulators, stockholders, customers and other interested parties have focused increasingly on the environmental, social and governance practices of companies. This has led to an increase in regulations and may continue to cause us to be subject to additional regulations in the future. Our customers or other interested parties may also require us to implement certain environmental, social or governance procedures or standards before doing or continuing to do business with us. Also, the U.S. government has increased its focus on market dynamics within the meat industry. The U.S. government has conducted inquiries related to the meat processing industry on matters such as market pricing and processor relationships with the farming community. This increased attention on environmental, social, and governance practices could cause us to incur additional compliance costs, divert management attention from operating our business, impair our access to capital among certain investors, and subject us to litigation risk for disclosures we make and practices we adopt regarding these issues. This in turn could have a material adverse effect on our business, financial condition, and the results of operations.

**We are increasingly dependent on information technology, and our business and reputation could suffer if we are unable to protect our information technology systems against, or effectively respond to, cyber-attacks or other cyber security incidents or breaches, or if our information technology systems are otherwise disrupted.**

The proper functioning of our information systems is critical to the successful operation of our business. We rely on information technology networks and systems, including the Internet, to process, transmit, and store electronic and financial information, to manage a variety of business processes and activities, and to comply with regulatory, legal, and tax requirements. We also depend on our information technology infrastructure for digital marketing activities and for electronic communications among our locations, personnel, customers, and suppliers. Although our information systems are protected with robust backup systems, including physical and software safeguards and remote processing capabilities, information systems by their nature are still vulnerable to cyber-attacks, natural disasters, power losses, unauthorized access, telecommunication failures, and other problems. In addition, certain software we use is licensed from, and certain services related to our information systems are provided by, third parties who could choose to discontinue their relationship with us or who could encounter system disruptions or attacks of their own. If critical information systems fail or these systems or related software or services are otherwise unavailable, our ability to process orders, maintain proper levels of inventory, collect accounts receivable, pay expenses, and maintain the security of Company and customer data could be adversely affected. Cyber-attacks and other cyber incidents have been increasing in frequency and continue to evolve in nature and sophistication. We have experienced actual or attempted cyber-attacks and anticipate facing ongoing cybersecurity threats of our information technology systems or networks. To date, none of these actual or attempted cyber-attacks has had a material adverse effect on our operations or financial condition. For example, as disclosed in prior filings, we were the target of an organized cybersecurity attack in 2021 that affected some of the servers supporting our global IT systems. Our encrypted backup servers allowed for a return to full operation within two days and the loss of food produced was limited to less than one day of production. In total, we incurred a loss of approximately \$10.0 million related to the cyberattack during the second quarter of 2021, which included an allocation of \$2.4 million of the total \$11.0 million ransom paid by our parent company. However, there can be no assurances that future attacks would not have an adverse effect on our operations or financial condition.

Our failure to maintain our cyber-security measures and keep abreast of new and evolving threats may make our systems vulnerable. The rapid evolution and increased adoption of new technologies, such as artificial intelligence, may intensify our cybersecurity risks. The potential consequences of a material cyber-security incident include reputational damage, litigation with third parties, regulatory actions, disruption of plant operations, and increased cyber-security protection and remediation costs. We cannot assure that we will be able to prevent all of the rapidly evolving forms of increasingly sophisticated and frequent cyber-attacks. Moreover, our efforts to address network security vulnerabilities may not be successful, resulting potentially in the theft, loss, destruction, or corruption of information we store electronically, as well as unexpected interruptions, delays, or cessation of service, any of which could cause harm to our business operations. The vulnerability of our systems and our failure to identify or respond timely to cyber incidents could have an adverse effect on our operations and reputation and expose us to liability or regulatory enforcement actions.

**Our operations are subject to general risks of litigation.**

We are involved, on an ongoing basis, in litigation relating to alleged antitrust violations or arising in the ordinary course of business or otherwise. Trends in litigation may include class actions involving consumers, shareholders, employees, or injured persons, and claims relating to commercial, labor, employment, antitrust, securities, or environmental matters. Litigation trends and the outcome of litigation cannot be predicted with certainty, and adverse litigation trends and outcomes could result in material damages, which could adversely affect our financial condition and results of operations.

For example, between September 2, 2016 and October 13, 2016, a series of purported class action lawsuits were brought against the Company and other defendants by and on behalf of direct and indirect purchasers of broiler chickens alleging violations of antitrust and unfair competition laws. The complaints seek, among other relief, treble damages for an alleged conspiracy among defendants to reduce output and increase prices of broiler chickens from the period of January 2008 to 2019. For additional information on this and other litigation matters, see Part II, Item 8, Notes to Consolidated Financial Statements, “Note 21. Commitments and Contingencies” in this annual report. The outcome of the litigation matters involving the Company remains uncertain. Adverse actions, judgments, or settlements have previously and could result in materially adverse monetary damages, fines, penalties, or injunctive relief against the Company. Any claims or litigation, even if fully indemnified or insured, could damage the Company’s reputation and make it more difficult to compete effectively or to obtain adequate insurance in the future.

**We may not be able to successfully integrate the operations of companies we acquire or benefit from growth opportunities.**

We continue to pursue selective acquisitions of complementary businesses, such as Pilgrim’s Food Masters, which we acquired in 2021. Inherent in any future acquisitions are certain risks such as increasing leverage and debt service requirements and combining company cultures and facilities, which could have a material adverse effect on our operating results, particularly during the period immediately following such acquisitions. Additional debt or equity capital may be required to complete future acquisitions, and there can be no assurance that we will be able to raise the required capital. These opportunities may expose us to successor liability relating to actions involving any acquired entities, their respective management or contingent liabilities incurred prior to our involvement and may expose us to liabilities associated with ongoing operations, in particular to the extent we are unable to adequately and safely manage such acquired operations. A material liability associated with these types of opportunities or our failure to successfully integrate any acquired entities into our business could have a material adverse effect on us.

We may not be able to successfully integrate any growth opportunities we may undertake in the future or successfully implement appropriate operational, financial and administrative systems and controls to achieve the benefits that we expect to result therefrom. These risks include: (1) failure of the acquired entities to achieve expected results; (2) possible inability to retain or hire key personnel of the acquired entities; and (3) possible inability to achieve expected synergies and/or economies of scale. In addition, the process of integrating businesses could cause interruption of, or loss of momentum in, the activities of our existing business. The diversion of our management’s attention, the lack of experience in operating in the geographical market of the acquired business and any delays or difficulties encountered in connection with the integration of these businesses could adversely affect our business, results of operations and prospects.

**The consolidation of customers and/or the loss of one or more of our largest customers could adversely affect our business.**

Our customers, such as supermarkets, warehouse clubs and food distributors, have consolidated in recent years, and consolidation is expected to continue throughout the U.S. and in other major markets. These consolidations have produced large, sophisticated customers with increased buying power who are more capable of operating with reduced inventories, opposing price increases, and demanding lower pricing, increased promotional programs and specifically tailored products. These customers also may use shelf space currently used for our products for their own private label products. Because of these trends, our volume growth could slow or we may need to lower prices or increase promotional spending for our products, any of which could adversely affect our financial results.

Our two largest customers together accounted for approximately 16.6% of our consolidated net sales in 2024. Our business could suffer significant setbacks in revenues and operating income if we lost one or more of our largest customers, or if our customers’ plans and/or markets should change significantly.

**We depend on contract growers and independent producers to supply us with livestock.**

We contract primarily with independent contract growers to raise the live chickens and pigs processed in our operations. If we do not attract and maintain contracts with growers or maintain marketing and purchasing relationships with independent producers, our production operations could be negatively affected.

**Changes in consumer preference could negatively impact our business.**

The food industry in general is subject to changing consumer trends, demands and preferences. Trends within the food industry can shift frequently, and failure to identify and respond to these trends could lead to, among other things, reduced demand and price reductions for our products, and could have an adverse effect on our financial results. For example, consumer concerns related to human health, climate change, resource conservation and animal welfare of animal-based protein sources have contributed to consumer interest in plant-based protein sources. Because we primarily produce chicken and pork products, we may be limited in our ability to respond to changes in consumer preferences towards other animal-based proteins or away from animal-based proteins entirely.

We strive to respond to consumer preferences and expectations, but there is no assurance that our efforts will be successful. We could be adversely affected if consumers lose confidence in the quality of certain food products or ingredients. Prolonged negative perceptions of certain food products or ingredients could influence consumer preferences and acceptance of some of our products and marketing programs. Prolonged negative perceptions of specific food products or ingredients could materially and adversely affect our product sales, financial condition and results of operations. Our Pilgrim's Food Masters business has a number of well-recognized brands with significant market presence. While we have recently made efforts to increase the market share of our Just Bare® and Pilgrim's® brands in the U.S. market, maintaining and enhancing the value of these brands is a priority for our business. Brand value is based in large part on consumer perceptions. Success in promoting and enhancing brand value depends in large part on our ability to provide high-quality products. Brand value may be impacted by a number of factors, including consumer perception that we have acted in an irresponsible manner, adverse publicity about our products (whether or not valid), our failure to maintain the quality of our products, the failure of our products to deliver consistently positive consumer experiences or the products becoming unavailable to consumers.

**Climate change and related regulations may have a long-term adverse impact on our business and results of operations.**

Generally, global average temperatures are gradually increasing, which is likely due to increased concentration of carbon dioxide and other greenhouse gases in the atmosphere, which may contribute to significant changes in weather patterns around the globe and an increase in the frequency and severity of natural disasters. Decreased agricultural productivity in certain regions of the world as a result of changing weather patterns may limit the availability or increase the cost of key agricultural commodities and natural resources, as well as raw materials such as corn, soybean meal and other feed ingredients, which are important sources of ingredients for our products, and could impact the food security of communities around the world. Increased frequency or duration of extreme weather conditions could also impair production capabilities, disrupt our supply chain or impact demand for our products. Increasing concern over climate change also may adversely impact demand for our products due to changes in consumer preferences and result in additional legal or regulatory requirements designed to reduce or mitigate the effects of carbon dioxide and other greenhouse gas emissions on the environment. In addition, climate change could affect our ability to procure needed commodities at reasonable costs and in quantities we currently experience and may require us to make additional unplanned capital expenditures. Increased energy or compliance costs and expenses due to increased legal or regulatory requirements could be prohibitively costly and may cause disruptions in, or an increase in, the costs associated with, the running of our production facilities. Furthermore, compliance with any such legal or regulatory requirements could necessitate significant changes to our business operations and strategy, which may require substantial time, attention and resources. There is no assurance that we will not be subject to significant fines if such laws and regulations are interpreted and applied in a manner inconsistent with our practices. The effects of climate change and legal or regulatory initiatives to address climate change could have a long-term adverse impact on our business and results of operations. We currently have outstanding Senior Notes that are linked to our achievement of targeted reductions in Scope 1 and 2 greenhouse gas emissions intensity by 2025. If we fail to meet these targeted reductions in 2025, the interest rate applied to these Senior Notes will increase. Finally, from time to time we establish and publicly announce goals and targets to reduce our carbon footprint. If we fail to achieve, adequately specify or accurately report on our progress toward achieving our carbon emissions reduction goals and targets, we could be subject to lawsuits, investigations, government actions, or other claims made by public or private entities, each of which could have a material impact on our business, financial condition, results of operations and prospects. In addition, the resulting negative publicity from any such allegations could adversely affect consumer preference for our products.

## **Legal and Regulatory Risk Factors**

### **Regulations, present and future, are constant factors affecting our business.**

Our operations are and are expected to remain affected by federal, state and local governmental legislation and regulation, including in the health, safety and environmental areas. Changes in laws or regulations or the application thereof regarding areas such as wage and hour and environmental compliance may lead to government enforcement actions and potential litigation by private litigants. In addition, new laws and regulations, unforeseen developments, or stricter interpretations of existing laws or regulations may also materially affect our business or operations in the future. For example, the USDA amended the Packers and Stockyards Act to require new disclosures that live poultry dealers must provide to contract growers.

#### *Immigration*

Immigration reform continues to attract significant attention in the public arena and the U.S. Congress. Despite our past and continuing efforts to hire only U.S. citizens and/or persons legally authorized to work in the U.S., we cannot guarantee that all of our employees and contractors are persons legally authorized to work in the U.S. There is no certainty that enforcement efforts by governmental authorities will not disrupt a portion of our workforce or operations at one or more facilities, which could negatively impact our business. Also, no assurance can be given that further enforcement efforts by governmental authorities will not result in the assessment of fines that could adversely affect our financial position, operating results or cash flows.

#### *Environmental, Health and Safety*

Our operations are subject to extensive federal, state, local and foreign laws and regulations pertaining to the protection of the environment, including those relating to the discharge of materials into the environment, the handling, treatment and disposal of wastes, and the remediation of soil and groundwater contamination. Certain regulations have become increasingly stringent over time. Failure to comply with these requirements may result in criminal as well as civil and administrative penalties, claims for property damage, personal injury and damage to natural resources. Additionally, adverse publicity could arise from regulatory actions. Compliance with existing or changing environmental requirements, including potentially more stringent limitations imposed or expected to be imposed in recently-renewed or soon to be renewed environmental permits, may require capital expenditures for installation of new or upgraded pollution control equipment at some of our facilities.

Operations at many of our facilities involve the treatment and disposal of wastewater, stormwater and agricultural and food processing wastes, the use and maintenance of refrigeration systems, including ammonia-based chillers, noise, odor and dust management, the operation of mechanized processing equipment, and other operations that potentially could affect the environment, health and safety. Some of our facilities have been operating for many years were built before current environmental standards were imposed, and/or are in areas that have recently experienced increased residential and commercial development pressures. Failure to comply with current and future applicable environmental, health and safety standards could result in fines and penalties, and we have previously been subject to such sanctions. We are upgrading wastewater treatment facilities at a number of these locations, either pursuant to consent agreements with regulatory authorities or on a voluntary basis in anticipation of future permit requirements. For example, the EPA has proposed Meat and Poultry Products Effluent Guidelines and Standards, which may increase requirements and necessitate further upgrades to existing facilities.

In the past, we have acquired businesses with operations such as pesticide and fertilizer production that involved greater use of hazardous materials and generation of more hazardous wastes than our current operations. While many of those operations have been sold or closed, some environmental laws impose strict and, in certain circumstances, joint and several liability for costs of investigation and remediation of contaminated sites on current and former owners and operators of the sites, and on persons who arranged for disposal of wastes at such sites. In addition, current owners or operators of such contaminated sites may seek to recover cleanup costs from us based on past operations or contractual indemnifications.

Additionally, we have from time to time had incidents at our plants involving worker health and safety. These have included ammonia releases due to mechanical failures in chiller systems and worker injuries and fatalities involving processing equipment and vehicle accidents. We have taken preventive measures in response; however, we can make no assurance that similar incidents will not arise in the future. New environmental, health and safety requirements, stricter interpretations of existing requirements, or obligations related to the investigation or clean-up of contaminated sites, may materially affect our business or operations in the future.

*Anti-Corruption*

We are subject to a number of anti-corruption laws, including the U.S. Foreign Corrupt Practices Act (“FCPA”) and the U.K. Bribery Act (“UKBA”). The FCPA and similar anti-bribery laws generally prohibit companies and their intermediaries from making improper payments or improperly providing anything of value to foreign officials, directly or indirectly, for the purpose of obtaining or keeping business and/or other benefits. Some of these laws have legal effect outside the jurisdictions in which they are adopted under certain circumstances. The FCPA also requires maintenance of adequate record-keeping and internal accounting practices to accurately reflect transactions. Under the FCPA, companies operating in the U.S. may be held liable for actions taken by their strategic or local partners or representatives.

The UKBA is broader in scope than the FCPA in that it directly prohibits commercial bribery (i.e. bribing individuals or organizations other than government officials) in addition to bribery of government officials and it does not recognize certain exceptions, notably for facilitation payments, that are permitted by the FCPA. The UKBA also has wide jurisdiction. It covers any offense committed in the U.K., but proceedings can also be brought if a person who has a close connection with the U.K. commits the relevant acts or omissions outside the U.K. It defines a person with a close connection to include British citizens, individuals ordinarily resident in the U.K. and bodies incorporated in the U.K. The UKBA also provides that any organization that conducts part of its business in the U.K., even if it is not incorporated in the U.K., can be prosecuted for the corporate offense of failing to prevent bribery by an associated person, even if the bribery took place entirely outside the U.K. and the associated person had no connection with the U.K.

Other jurisdictions in which we operate have adopted similar anti-corruption, anti-bribery and anti-kickback laws to which we are subject. Civil and criminal penalties may be imposed for violations of these laws.

Despite our ongoing efforts to ensure compliance with the FCPA, the UKBA and similar laws, there can be no assurance that our directors, officers, employees, agents, third-party intermediaries and the companies to which we outsource certain of our business operations, have previously complied or will comply with those laws and our anti-corruption policies or that our compliance program will be sufficient to prevent or detect bribery, and we may be ultimately held responsible for any such non-compliance. If we or our directors or officers violate anti-corruption laws or other laws governing the conduct of business with government entities (including local laws), we or our directors or officers may be subject to criminal and civil penalties or other remedial measures, which could harm our reputation and have a material adverse impact on our business, financial condition, results of operations and prospects. Any actual or alleged violations of such laws could also harm our reputation or have an adverse impact on our business, financial condition, results of operations and prospects.

**Labor and Employment Risk Factors**

**Our performance depends on favorable labor relations with our employees and our compliance with labor laws. Any deterioration of those relations or increase in labor costs due to our compliance with labor laws could adversely affect our business.**

As of December 29, 2024, we employed approximately 61,600 persons. Approximately 35.4% of our workforce are covered by a collective bargaining agreement. Substantially all employees covered under collective bargaining agreements are covered under agreements that expire in 2025 or later. We have not experienced any labor-related work stoppage at any location in over ten years. We believe our relationship with our employees and union leadership is satisfactory. At any given time, we will likely be in some stage of contract negotiations with various collective bargaining units. In the absence of an agreement, we may become subject to labor disruption at one or more of these locations, which could have an adverse effect on our financial results.

**Loss of essential employees or material increase in employee turnover could have a significant negative impact on our business.**

Our success is largely dependent on the skills, experience, and efforts of our management and other employees. The loss of the services of one or more members of our senior management or of numerous employees with essential skills could have a negative effect on our business, financial condition and results of operations. If we are not able to retain or attract talented, committed individuals to fill vacant positions when needs arise, it may adversely affect our ability to achieve our business objectives.

We also rely on an adequate supply of skilled employees at our processing and food facilities. Trained and experienced personnel in our industry are in high demand, and we have experienced high turnover and difficulty retaining employees with appropriate training and skills. We cannot predict whether we will be able to attract, motivate and maintain an adequate skilled workforce necessary to operate our existing and future facilities efficiently, or that labor expenses will not increase as a result of a shortage in the supply of skilled personnel, thereby adversely impacting our financial performance. While our industry

generally operates with high employee turnover, any material increases in employee turnover rates or any widespread employee dissatisfaction could also have a material adverse effect on our business, financial condition and results of operations.

**Labor shortages and increased turnover or increases in employee and employee-related costs could have adverse effects on our profitability.**

We and our third-party vendors have experienced increased labor shortages at some of our production facilities and other locations. Several factors have had and may continue to have adverse effects on the labor force available to us and our third-party vendors, including government regulations, which include laws and regulations related to workers' health and safety, wage and hour practices and work authorization. Labor shortages and increased turnover rates within the Company and our third-party vendors have led to and could in the future lead to increased costs, such as increased overtime to meet demand and increased wage rates to attract and retain employees and could negatively affect our ability to efficiently operate our production facilities or otherwise operate at full capacity and could result in downtime of our production facilities. An overall or prolonged labor shortage, lack of skilled labor, increased turnover or labor inflation for any of the foregoing reasons could have a material adverse impact on our operations, results of operations, reputation, liquidity or cash flows.

**If we are unable to attract, hire or retain key team members or a highly skilled and diverse global workforce, it could have a negative impact on our business, financial condition or results of operations.**

Our continued growth requires us to attract, hire, retain and develop key team members, including our executive officers and senior management team, and maintain a highly skilled and diverse global workforce. We compete to attract and hire highly skilled team members and our own team members are highly sought after by our competitors and other companies. Competition could cause us to lose talented team members, and unplanned turnover could deplete our institutional knowledge and result in increased costs due to increased competition for team members. In addition, our compensation arrangements may not always be successful in attracting new employees or retaining our existing team members.

**Stock Ownership and Financial Risk Factors**

**JBS USA beneficially owns a majority of our common stock and has the ability to control the vote on most matters brought before the holders of our common stock.**

JBS USA Food Company Holdings, Inc. ("JBS USA Holdings") beneficially and indirectly owns a majority of the shares and voting power of our common stock and is entitled to appoint a majority of the members of our Board of Directors. As a result, subject to restrictions on voting power and actions in the Stockholders Agreement with JBS USA Holding Lux S.a.r.l. and our organization documents, JBS USA Holdings has the ability to control our management, policies and financing decisions, elect a majority of the members of our Board of Directors at the annual meeting and control the vote on most matters coming before the holders of our common stock. Under the Stockholders Agreement, and through its parent entity, JBS USA Holding Lux S.a.r.l., JBS USA Holdings has the ability to elect up to eight members of our Board of Directors and the other holders of our common stock have the ability to elect up to two members of our Board of Directors. Moreover, our ultimate controlling shareholders may serve as members of our Board of Directors or as members of the board of directors or other senior management positions at any JBS companies.

JBS USA Holdings may have interests that are different from other shareholders and may vote in a way that may be adverse to our other shareholders' interests. JBS USA Holding's concentration of ownership could also have the effect of delaying or preventing a change in control or otherwise discouraging a potential acquirer from attempting to obtain control of us, which could cause the market price of our common stock to decline or prevent our shareholders from realizing a premium over the market price for their common stock.

**We are subject to reputational risk in connection with U.S. and Brazilian civil and criminal actions and investigations involving our ultimate controlling shareholders, and these actions may materially adversely impact our business and prospects and damage our reputation and image.**

As previously disclosed in our Proxy Statement filed in April 2024, in 2017, our ultimate controlling shareholders (Wesley Mendonça Batista and Joesley Mendonça Batista), among others, entered into collaboration agreements with the Brazilian Attorney General's Office (*Procuradoria-Geral da República*) (the "Collaboration Agreements"), and J&F Investimentos S.A., a corporation (*sociedade por ações*) incorporated under the laws of Brazil controlled by our ultimate controlling shareholders ("J&F"), on behalf of itself and its subsidiaries, entered into a leniency agreement with the Brazilian Federal Prosecution Office (*Ministério Público Federal*) (the "Leniency Agreement") following disclosures of illicit payments made to Brazilian politicians from 2009 to 2015. Pursuant to the Leniency Agreement, J&F agreed to pay a fine of R\$8.0 billion and contribute an additional R\$2.3 billion to social projects in Brazil, each adjusted for inflation, over a 25-year period. The total fine was subsequently reduced to R\$3.5 billion (equivalent to approximately US\$630 million, converted using the

foreign exchange rate as of June 30, 2024). In December 2023, the Brazilian Supreme Court (*Supremo Tribunal Federal*) justice overseeing the case suspended J&F's obligation to make additional installment payments under the Leniency Agreement following a petition from J&F that cited potential misconduct by enforcement authorities in connection with entering into the Leniency Agreement. Notwithstanding the suspension of the fine, the Leniency Agreement otherwise remains in effect.

In 2020, J&F, JBS S.A., and our ultimate controlling shareholders (collectively, the "Respondents") also entered into a settlement with the U.S. Securities and Exchange Commission (the "SEC") relating to the circumstances and payments that were the subject of the Collaboration Agreements and Leniency Agreement. Pursuant to the SEC settlement and related order, the Respondents undertook, among other things, to improve anti-bribery and anti-corruption compliance programs, make progress reports to the SEC, and pay disgorgement and civil penalties. JBS S.A. was ordered to pay disgorgement to the SEC in the amount of US\$26.9 million, and each of our ultimate controlling shareholders was ordered to pay a civil penalty of US\$550,000, each of which payment has been made in full.

Also in 2020, J&F reached a plea agreement with the Department of Justice ("DOJ") in which J&F pled guilty to one count of conspiracy to violate the FCPA in relation to the circumstances and payments that were the subject of the Collaboration Agreements and Leniency Agreement and agreed to pay a criminal penalty of US\$256.5 million, payable in two installments of approximately US\$128.2 million each. J&F paid US\$128.2 million to the U.S. government, and the balance was considered to have been offset by payments made by J&F to Brazilian authorities under the Leniency Agreement. The DOJ plea agreement also required J&F to implement a compliance program and improve its internal policies and to make progress and other reports to the DOJ. Since 2017, JBS S.A. and J&F have implemented numerous and material changes to their anti-corruption compliance policies intended to detect and prevent illicit payments and conduct throughout their operations, including the introduction of new policies and practices and the hiring of experienced professionals who have a track record of building effective compliance programs. In addition, the terms of the above-referenced agreements with Brazilian authorities, the SEC and the DOJ provide strong disincentives to any violation of their terms. Our management and leadership teams are strongly committed to operating our business in compliance with anti-corruption principles and law. However, no assurance can be given that new and improved policies, practices and personnel will be effective to detect or prevent illicit activities in all cases.

As a result of the above-mentioned matters, the reputation of JBS USA Holdings, our ultimate controlling shareholders and JBS S.A. has suffered and may continue to suffer. Although we and, to our knowledge, our ultimate controlling shareholders and their affiliates are currently in compliance with our and their respective obligations under the Brazilian Collaboration Agreements and Leniency Agreement, the SEC order and the DOJ plea agreement, and while we understand that these agreements resolved the Brazilian and U.S. criminal legal exposure of JBS S.A, J&F and our ultimate controlling shareholders related to the illicit conduct that was the subject of these agreements, any breach of any of the obligations under these agreements could result in negative publicity that could have a material adverse effect on our reputation and the reputation of our ultimate controlling shareholders. In addition, to the extent any negative reputational impact of these events continues into the future, if pending investigations and proceedings are not resolved favorably to JBS S.A. and our ultimate controlling shareholders, or if future events or actions give rise to new investigations, allegations or proceedings involving us, our ultimate controlling shareholders or affiliates, our reputation and our ability to execute our business strategies, enter into beneficial transactions, partnerships or acquisitions, may be materially adversely affected.

**Our future financial and operating flexibility may be adversely affected by significant leverage.**

On a consolidated basis, as of December 29, 2024, we had approximately \$3.2 billion of unsecured indebtedness and had the ability to borrow approximately \$1.1 billion under our credit agreements. Significant amounts of cash flow would be necessary to make payments of interest and repay the principal amount of such indebtedness. The degree to which we are leveraged could have important consequences because (1) it could affect our ability to satisfy our obligations under our credit agreements, (2) a substantial portion of our cash flow from operations is required to be dedicated to interest and principal payments and may not be available for operations, working capital, capital expenditures, expansion, acquisitions or general corporate or other purposes, (3) our ability to obtain additional financing and to fund working capital, capital expenditures and other general corporate requirements in the future may be impaired; (4) we may be more highly leveraged than some of our competitors, which may place us at a competitive disadvantage, (5) our flexibility in planning for, or reacting to, changes in our business may be limited, (6) it may limit our ability to pursue acquisitions and sell assets and (7) it may make us more vulnerable in the event of a continued or new downturn in our business or the economy in general.

Our ability to make payments on and to refinance our debt, including our credit facilities, would depend on our ability to generate cash in the future. This, to a certain extent, is subject to various business factors (including, among others, the commodity prices of feed ingredients, chicken and pork) and general economic, financial, competitive, legislative, regulatory, and other factors that are beyond our control.

There can be no assurance that we will be able to generate sufficient cash flow from operations or that future borrowings will be available under our credit facilities in an amount sufficient to enable us to pay our debt obligations, including obligations under our credit facilities, or to fund our other liquidity needs. We may need to refinance all or a portion of their debt on or before maturity. There can be no assurance that we will be able to refinance any of their debt on commercially reasonable terms or at all.

**Impairment in the carrying value of goodwill or other identifiable intangible assets could negatively affect our operating results.**

We have a significant amount of goodwill and identifiable intangible assets on our Consolidated Balance Sheets. Under the accounting principles generally accepted in the U.S. (“U.S. GAAP”), goodwill and other identifiable intangible assets with indefinite lives must be evaluated for impairment annually or more frequently if events indicate it is warranted. If the carrying value of our reporting units exceeds their current fair value as determined based on the discounted future cash flows of the related business, the goodwill is considered impaired and is reduced to fair value by a non-cash charge to earnings. For indefinite-lived intangible assets, an impairment loss is recognized if the carrying amount of an indefinite-lived intangible asset exceeds the estimated fair value of that intangible asset. Identified intangible assets with definite lives are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Events and conditions that could result in impairment in the value of our goodwill and other identifiable intangible assets include changes in the industry in which we operate, particularly the impact of a downturn in the global economy or the economies of geographic regions or countries in which we operate, as well as competition, adverse changes in the regulatory environment, or other factors leading to reduction in expected long-term sales or profitability.

**General Risk Factors**

**Weak or unstable national or global economic conditions, including inflation, could negatively impact our business.**

Our business may be adversely affected by:

- weak or volatile national or global economic conditions, including inflation;
- unfavorable currency exchange rates and interest rates;
- the lack of availability of credit on reasonable terms;
- restricted access to capital markets;
- changes in consumer spending rates and habits;
- unemployment and underemployment; and
- a tight energy supply and high energy costs.

Our business could be negatively affected if efforts and initiatives of the governments of the United States and other countries to manage and stimulate the economy fail or result in worsening economic conditions. Deteriorating economic conditions could negatively affect consumer demand for protein generally or our products specifically, consumers’ ability to afford our products, consumer habits with respect to how they spend their food dollars, and the cost and availability of raw materials we need.

Disruptions in credit and other financial markets caused by deteriorating or weak national and international economic conditions could, among other things:

- make it more difficult for us, our customers or our growers or prospective growers to obtain financing and credit on reasonable terms;
- cause lenders to change their practice with respect to the industry generally or our company specifically in terms of granting credit extensions and terms;
- impair the financial condition of our customers, suppliers or growers making it difficult for them to meet their obligations and supply raw material; or
- impair the financial condition of our insurers, making it difficult or impossible for them to meet their obligations to us.

**Our business may be negatively impacted by economic or other consequences from Russia’s war against Ukraine and the sanctions imposed as a response to that action.**

We face risks related to the ongoing Russia-Ukraine war that began in February 2022. The impact of the ongoing war and sanctions will likely not be limited to businesses that operate in Russia and Ukraine and may negatively impact other global economic markets including where we operate. The impacts have included and may continue to include, but are not limited to, higher prices for commodities, such as food products, ingredients and energy products, increasing inflation in some countries, and disrupted trade and supply chains. The conflict has disrupted shipments of grains, vegetable oils, fertilizer and energy products.

The impact on the agriculture markets falls into two main categories: (1) the effect on Ukrainian crop production, as the region is key in global grain production; and (2) the duration of the disruption in trade flows. Safety and financing concerns in the region are restricting export execution, which is in turn forcing grain and oil demand to find alternative supply. The duration of the war and related volatility makes global markets extremely sensitive to growing-season weather in other global grain producing regions and has led to a large risk premium in futures prices. Moreover, Russia’s suspension of the Black Sea Grain Initiative in June 2023 may further pressure on trade flows in the region. The continued volatility in the global markets, in part as a result of the war, has adversely impacted our costs by driving up prices, raising inflation and increasing pressure on the supply of feed ingredients and energy products throughout the global markets.

In addition, the U.S. government and other governments in jurisdictions in which we operate have imposed sanctions and export controls against Russia, Belarus and interests therein and threatened additional sanctions and controls. The impact of these measures, now and in the future, could adversely affect our business, supply chain or customers.

Finally, there may be increased risk of cyberattack as a result of the ongoing conflict. We have not seen any new or heightened risk of potential cyberattacks since the outbreak of the Russia-Ukraine war.

**Extreme weather, natural disasters or other events beyond our control as well as interruption by man-made problems such as power disruptions could negatively impact our business.**

Bioterrorism, fire, pandemic, extreme weather or natural disasters, including droughts, floods, excessive cold or heat, hurricanes or other storms, could impair the health or growth of our flocks, production or availability of feed ingredients, or interfere with our operations due to power outages, fuel shortages, damage to our production and processing facilities or disruption of transportation channels, among other things. Any of these factors could have an adverse effect on our operations or financial results. Moreover, climate change, including the impact of global warming, may contribute to risks including extreme weather events and adverse impacts on agricultural production, as well as potential regulatory compliance risks, all of which could have a material adverse effect on our results of operations, financial condition and liquidity.

A significant power outage could have a material adverse impact on our business, results of operations, and financial condition. Although we maintain incident management and disaster response plans, in the event of a major disruption caused by a man-made problem such as a power disruption, we may be unable to continue our operations and may endure system interruptions, reputational harm, delays in our development activities, lengthy interruptions in service, breaches of data security and loss of critical data, and our insurance may not cover such events or may be insufficient to compensate us for the potentially significant losses we may incur.

**Item 1B. Unresolved Staff Comments**

None.

**Item 1C. Cybersecurity**

*Cybersecurity Risk, Strategy and Governance*

The Company maintains a robust cybersecurity infrastructure to safeguard our operations, networks and data through comprehensive security measures including our technology tools, internal management and external service providers.

The Company’s Chief Information Officer (“CIO”) is responsible for assessing, identifying, and managing the risks from cybersecurity threats. Our CIO has significant experience in information technology and many of our information technology team members hold qualifications in technology security positions. We maintain a cross-functional Cybersecurity Committee, as well as a Global Security Committee consisting of the information technology professionals and security managers from each country in which we have operations.

We have both policies and procedures that align with the National Institute of Standards and Technology Cybersecurity Framework. Our information security program includes, among other aspects, vulnerability management, antivirus and malware protection, encryption and access control, and employee training. Our CIO, together with our Global Security Committee, reviews emerging threats, controls, and procedures as part of assessing, identifying, and managing risks. Risks identified by our cybersecurity program are analyzed to determine the potential impact on us and the likelihood of occurrence. Such risks are continuously monitored to ensure that the circumstances and severity of such risks have not changed.

We also endeavor to apprise employees of emerging risks and require them to undergo regular security awareness trainings and supplemental trainings as needed. Additionally, we conduct periodic internal exercises to gauge the effectiveness of the trainings and assess the need for additional training.

In addition, we engage independent third-party cybersecurity providers for testing and vulnerability detection. We regularly engage with third-party vendors to perform external penetration testing, which identifies potential threats and reduces the impact and/or likelihood of these threats. Our employees perform similar intrusion tests and internal and external scans to help improve and harden the company's security posture. We also conduct security assessments of our IT vendors and certain business partners and maintain cyber incident response plans that are periodically reviewed and updated by our IT Security and Cyber Defense Teams and leveraged table top exercises performed by our IT teams. The incident response plan ties into our Cybersecurity Committee processes for review to ensure the required reporting of material incidents to the Board of Directors, as applicable.

Our Board of Directors, primarily through the Audit Committee, oversees management's approach to managing cybersecurity risks as part of its risk management oversight. The Audit Committee holds periodic discussions with management regarding the Company's guidelines and policies with respect to cybersecurity risks and receives regular reports from the CIO regarding such risks and the steps management has taken to monitor and control any exposure resulting from such risks.

As of the date of this report, we are not aware of any risks from cybersecurity threats that have materially affected or are reasonably likely to materially affect our business strategy, results of operations, or financial condition.

**Item 2. Properties**

*Operating Facilities*

Our main operating facilities are as follows:

	Number of Facilities			Capacity <sup>(a)</sup>	Unit of Measure	Average Capacity Utilization
	Owned	Leased	Total			
<b>Chicken Operations:</b>						
Fresh processing facilities	35	1	36	8.3 million	Birds per day	93.4 %
Prepared foods facilities	12	2	14	535,368	Tons per year	81.7 %
Hatcheries	47	2	49	3.2 billion	Eggs per year	91.3 %
Other operation facilities <sup>(b)</sup>	51	1	52	16.1 million	Tons per year	73.9 %
Grain elevator	1	—	1	8.6 million	Bushels per year	13.6 %
<b>Pork Operations:</b>						
Fresh processing facilities	2	—	2	8,550	Pigs per day	94.3 %
Prepared foods facilities	7	—	7	232,401	Tons per year	66.1 %
Other operation facilities <sup>(c)</sup>	1	—	1	3,750	Pigs per year	88.9 %
<b>Lamb Operations<sup>(d)</sup>:</b>						
Fresh processing facilities	1	—	1	3,333	Lambs per day	89.7 %
Prepared foods facilities	1	—	1	13,614	Tons per year	69.9 %
<b>Prepared Meals Operations:</b>						
Prepared meals facilities	5	3	8	294,666	Tons per year	64.5 %
<b>Distribution Centers and Other</b>	11	18	29	N/A		N/A

- (a) Capacity and utilization numbers do not include idled facilities.
- (b) Other facilities in the chicken operations include feed mills, protein conversion and rendering facilities, and pet food facilities in the U.S.
- (c) Other facilities in the pork operations include company-owned pig farms in the U.K.
- (d) Facilities in lamb operations are from the acquisition of Randall Parker Foods and are in the U.K.

**Item 3. Legal Proceedings**

The information required with respect to this item can be found in Part II, Item 8, Notes to Consolidated Financial Statements, “Note 21. Commitments and Contingencies” in this annual report and is incorporated by reference into this Item 3.

**Item 4. Mine Safety Disclosures**

None.

## PART II

### **Item 5. Market for the Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities**

#### *Market Information*

Our common stock is listed on the Nasdaq Global Select Market (“Nasdaq”) under the symbol “PPC.”

#### *Holder*

As of February 7, 2025, the Company estimates that there were approximately 85,000 holders (including individual participants in security position listings) of the Company’s common stock.

#### *Dividends*

The Company does not have a policy of paying dividends to its stockholders. Any change in dividend policy will depend upon future conditions, including earnings and financial condition, general business conditions, any applicable contractual limitations and other factors deemed relevant by our Board of Directors in its discretion.

Both the U.S. Credit Facility and the indentures governing the Company’s senior notes restrict, but do not prohibit, the Company from declaring dividends. In addition, the terms of the Europe Revolver Facility Agreement restrict the Europe’s ability and the ability of certain of Europe’s subsidiaries to, among other things, make payments and distributions to us, which could in turn impair our ability to pay dividends to our stockholders. See “Note 13. Debt” of our Consolidated Financial Statements included in this annual report for additional information.

#### *Performance Graph*

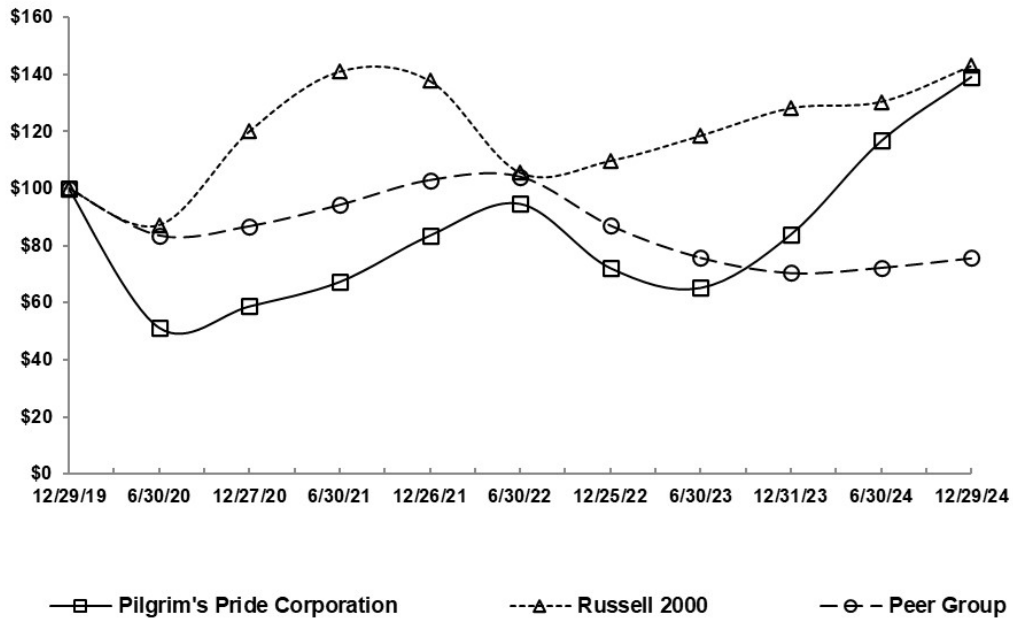
The graph below shows a comparison from December 29, 2019 through December 29, 2024 of the cumulative 5-year total stockholder return of holders of the Company’s common stock with the cumulative total returns of the Russell 2000 index and a customized peer group of two companies: Tyson Foods Inc and Hormel Foods Corp. The graph assumes that the value of the investment in our common stock, in each index, and in the peer group (including reinvestment of dividends) was \$100 on December 29, 2019 and tracks it through December 29, 2024.

The graph covers the period from December 29, 2019 to December 29, 2024, and reflects the performance of the Company’s single class of common stock. The stock price performance represented by this graph is not necessarily indicative

of future stock performance.

**COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN\***

Among Pilgrim's Pride Corporation, the Russell 2000 Index, and a Peer Group



\*\$100 invested on 12/29/19 in stock or index, including reinvestment of dividends. Indexes calculated on month-end basis.

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	12/29/19	06/30/20	12/27/20	06/30/21	12/26/21	06/30/22	12/25/22	06/30/23	12/31/23	06/30/24	12/29/24
PPC	\$ 100.00	\$ 51.23	\$ 58.69	\$ 67.27	\$ 83.56	\$ 94.72	\$ 72.19	\$ 65.18	\$ 83.89	\$ 116.74	\$ 139.28
Russell 2000	100.00	87.02	119.96	141.00	137.74	105.47	109.59	118.45	128.14	130.36	142.93
Peer Group	100.00	83.63	86.82	94.23	102.85	104.05	87.07	75.85	70.52	72.38	75.67

Item 6. [Reserved]

## **Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations**

### **Executive Summary**

#### **Overview**

We are one of the largest protein companies in the world, and as a vertically integrated company, we are able to control nearly every phase of the production process, which helps us manage food safety and quality, control margins and improve customer service. This gives us the opportunity to continue to create growth and development opportunities, further increasing our position as a leading domestic and global protein company.

We reported net income attributable to Pilgrim’s Pride Corporation of \$1.1 billion, or \$4.57 per diluted common share, and profit before tax totaling \$1.4 billion, for 2024. These operating results included gross profit of \$2.3 billion and generated \$2.0 billion of cash from operations. We generated consolidated operating margins of 8.4% with operating margins of 10.5%, 3.3%, and 10.6% in our U.S., Europe, and Mexico reportable segments, respectively. During 2024, we generated EBITDA and Adjusted EBITDA of \$1.9 billion and \$2.2 billion, respectively. A reconciliation of net income to EBITDA and Adjusted EBITDA is included later in “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this annual report.

We operate on the basis of a 52/53-week fiscal year that ends on the Sunday falling on or before December 31. Any reference we make to a particular year applies to our fiscal year and not the calendar year. Fiscal year 2024 was a 52-week fiscal year and fiscal year 2023 was a 53-week fiscal year.

#### **Global Economic Conditions**

During 2024, global inflation levels declined, but remained above historical averages. The U.K. and E.U. region saw a continued decrease in inflation rate and flat demand, leading to cost recovery for our business and stabilizing prices for customers, though labor costs continue to be a challenge for our Europe operations. We have and will continue to invest in our people and implement supply chain solutions to mitigate global economic impacts in our Europe operations. The Russia-Ukraine war's impact on the global feed ingredient and energy markets is currently less pronounced though there remain many risks and uncertainties that may impact global markets. In Mexico, inflation remains high and the peso weakened further against the U.S. dollar in the fourth quarter of 2024. Mexico remains a relatively volatile market given overall business seasonality.

We have responded to these challenges by continuing negotiations with customers to mitigate the impact of extraordinary costs we have experienced. We also continue to focus on operational initiatives that aim to deliver labor efficiencies, better agricultural performance and improved yields.

#### **Raw Materials and Input Costs**

Our U.S. and Mexico segments use corn and soybean meal as the main ingredients for feed production, while our Europe segment uses wheat, soybean meal and barley as the main ingredients for feed production.

During 2024, the global price of corn, measured at U.S. dollars per metric ton, maintained lower prices at an average of about 30% below prior year prices, per the International Monetary Fund as reported by the St. Louis Fed research center. Towards the end of 2024, corn prices ticked upwards and ended the year about 4% lower than the prior year. Global wheat prices at the end of 2024 were about 14% lower than the prior year ending prices. Good growing conditions and lower demand led to the decrease in corn prices, while wheat prices fluctuated more throughout 2024. Soybean prices were lower than 2023 due to better growing conditions and lower demand.

	Corn <sup>(a)</sup>		Soybean Meal <sup>(a)</sup>		Wheat <sup>(a)</sup>	
	Highest Price	Lowest Price	Highest Price	Lowest Price	Highest Price	Lowest Price
	(In whole dollars)				(In whole pounds sterling)	
<b>2024</b>						
Fourth Quarter	4.54	4.01	350.0	279.5	190.5	174.0
Third Quarter	4.18	3.62	387.0	303.4	196.9	168.7
Second Quarter	4.65	3.97	386.5	328.3	202.8	165.1
First Quarter	4.67	4.00	381.2	327.8	184.5	153.7
<b>2023</b>						
Fourth Quarter	5.05	4.50	473.6	363.2	193.9	182.0
Third Quarter	6.37	4.61	464.7	388.2	216.0	170.8
Second Quarter	6.78	5.55	465.7	389.7	204.8	165.5
First Quarter	6.85	6.19	513.0	438.3	239.0	191.0

(a) We obtain corn and soybean meal prices from the Chicago Board of Trade, and we obtain wheat prices from the London International Financial Futures and Options Exchange.

During 2024, U.S. commodity market prices for chicken products trended in line with historical averages to begin the year, but saw stronger seasonal increases in mid-first quarter as industry production declined relative to the prior year levels and domestic demand growth absorbed produced volumes and eroded cold storage inventories. Supply rebounded with growth in the second quarter, however, hatchability and broiler mortality headwinds inhibited more substantial production increases. Although broiler production grew, robust retail and foodservice demand growth absorbed production at a rate sufficient to maintain market prices above the five-year historical average throughout the remainder of 2024.

U.S. commodity market prices throughout 2025 will be impacted by the evolution of foodservice, retail, and export meat demand, influenced by factors such as government regulation, spread of Avian influenza cases both domestically and abroad, evolution of the general economy, and overall protein supply.

During 2024, the U.K. chicken market saw an increase in labor costs due to the national living wages change in April 2024. Through customer contracts and additional negotiations, we have offset the majority of these cost increases. Due to increased competition with the U.K. egg market, there has been an increase in costs to retain growers, while feed costs have decreased throughout the year. We continue to focus on managing costs, including labor and yield efficiencies, agricultural performance and increasing operational efficiencies through investments in capital projects.

Commodity prices for chicken in Mexico ended 2024 above prior-year prices despite incremental decreases throughout the second half of the year. Mexico grain prices decreased from prior year levels.

U.K. market prices for pork products have followed an upward trend from 2022, albeit at a slower rate throughout 2024. During the year, the U.K. market price for a pig has fallen slowly in line with a general reduction in input prices as well as market pressure from Europe. U.K. pig farming became profitable in the second quarter of 2023 and has remained profitable since.

U.K. prices for prepared foods have increased from inflationary pressures. We continue to focus on partnering with our Key Customers and increasing operational efficiency.

**Sustainability**

We believe sustainability involves continuously improving social responsibility, economic viability and environmental stewardship. We are committed to helping society meet the global challenge of feeding a growing population in a responsible matter.

*Environmental Stewardship.* We are focused on improving the efficiency of our operations and supporting producers to reduce our environmental footprint. In support of this initiative in April 2021, we issued \$1.0 billion of sustainability-linked bonds, which require us to reduce our Scope 1 and 2 global greenhouse gas emissions intensity of 17.7% by 2025 and by 30.0% by 2030 from our 2019 baseline.

*Social Responsibility.* Safety of our team members is a condition at Pilgrim’s. The physical health and mental well-being of our workforce continues to be a top priority for our business. As such, we implemented hundreds of safety measures within our facilities and constantly evolve our operations as needed. To support the communities where our team members live and work, we have committed \$20 million in funding for local projects focused on alleviating food insecurity and strengthening

long-term community infrastructure through our Hometown Strong initiative. To date, we have approved over \$15 million for these areas. We also continue to build on Hometown Strong through our Better Futures program, which provides team member and their dependents in tuition free, higher education program, to improve their skills and career opportunities. The program has been exceptionally well received as we have over 2,100 participants since inception. Finally, ensuring the well-being of animals under our care is an uncompromising commitment at Pilgrim’s. We continually strive to improve our welfare efforts through the use of new technologies and the implementation of standards that meet and exceed regulatory requirements and industry guidelines.

*Governance.* To cultivate discipline and drive accountability for Sustainability-related matters, we use our annual budgeting process to establish strategies, plans, and risk mitigation tactics. This process is further reinforced by a series of key performance indicators to evaluate and monitor progress. These performance indicators are linked with compensation for both senior executive and plant level personnel. As part of our business management processes, progress against these metrics is reviewed at least monthly and evaluated by external agencies to assess progress against industry peers. In addition, the Board of Directors formed a Sustainability Committee to provide oversight and counsel on strategies, policies, and investments to reduce the impact of climate change. The Sustainability Committee meets on a quarterly basis to monitor progress, provide feedback, and evaluate impact of trends.

**Reportable Segments**

We operate in three reportable segments: the U.S., Europe, and Mexico. We measure segment profit as operating income. Certain corporate expenses are allocated to the Mexico and Europe reportable segments based upon various apportionment methods for specific expenditures incurred related thereto with the remaining amounts allocated to the U.S. For additional information, see “Note 20. Reportable Segments” of our Consolidated Financial Statements included in this annual report.

**Results of Operations**

**2024 Compared to 2023**

A significant factor in each of the year-over-year comparisons below in is that our fiscal year 2023 was 53-weeks whereas our fiscal year 2024 was 52-weeks.

*Net sales.* Net sales for 2024 increased \$516.1 million, or 3.0%, from \$17.4 billion generated in 2023 to \$17.9 billion generated in 2024. The following table provides additional information regarding net sales:

Sources of net sales	2024	Change from 2023		Impact on Change from 2023		
		Amount	Percent	Sales Volume	Sales Prices	Foreign Currency Translation Impact
(In thousands, except percent data)						
U.S.	\$ 10,629,929	\$ 602,187	6.0 %	(1.4)%	7.4 %	— %
Europe	5,136,747	(66,575)	(1.3)%	(0.9)%	(3.1)%	2.7 %
Mexico	2,111,615	(19,538)	(0.9)%	0.1 %	1.8 %	(2.8)%
Total net sales	<u>\$ 17,878,291</u>	<u>\$ 516,074</u>	3.0 %			

*U.S. Reportable Segment.* U.S. net sales generated in 2024 increased \$602.2 million, or 6.0%, from U.S. net sales generated in 2023 primarily because of an increase in net sales per pound, contributing \$739.0 million, or 7.4 percentage points, to the increase in net sales. This increase in net sales per pound was partially offset by a decrease in sales volume of \$136.8 million, or 1.4 percentage points, due to one less week in 2024. The increase in net sales per pound was primarily driven by higher commodity market pricing for fresh chicken products as compared to prior year across all major cuts.

*Europe Reportable Segment.* Europe sales generated in 2024 decreased \$66.6 million, or 1.3%, from sales generated in 2023 primarily from a decrease in net sales per pound due to the pass-through of lower input costs and a decrease in sales volume of \$163.0 million, or 3.1 percentage points, and \$48.4 million, or 0.9 percentage points, respectively. These decreases were partially offset by the favorable impact of foreign currency translation of \$144.8 million, or 2.7 percentage points.

*Mexico Reportable Segment.* Mexico sales generated in 2024 decreased \$19.5 million, or 0.9%, from sales generated in 2023 primarily because of the unfavorable impact of foreign currency translation of \$62.0 million, or 2.8 percentage points, partially offset by an increase in net sales per pound and an increase in sales volume of \$39.3 million, or 1.8 percentage points, and \$3.2 million, or 0.1 percentage points, respectively. The unfavorable impact of foreign currency translation was due to a weakening of the Mexican peso against the U.S. dollar. The increases in net sales per pound and sales volume were driven by

improved product mix and increased commodity chicken prices. Sales volumes increased across all sales channel, except live chicken which slightly decreased.

*Gross profit.* Gross profit increased by \$1.2 billion, or 106.8%, from \$1.1 billion generated in 2023 to \$2.3 billion generated in 2024. The following tables provide gross profit information:

Components of gross profit	2024	Change from 2023		Percent of Net Sales	
		Amount	Percent	2024	2023
(In thousands, except percent data)					
Net sales	\$ 17,878,291	\$ 516,074	3.0 %	100.0 %	100.0 %
Cost of sales	15,565,524	(678,292)	(4.2)%	87.1 %	93.6 %
Gross profit	<u>\$ 2,312,767</u>	<u>\$ 1,194,366</u>	106.8 %	12.9 %	6.4 %

Sources of gross profit	2024	Change from 2023	
		Amount	Percent
(In thousands, except percent data)			
U.S.	\$ 1,564,092	\$ 1,041,608	199.4 %
Europe	461,667	86,968	23.2 %
Mexico	287,008	65,576	29.6 %
Elimination <sup>(a)</sup>	—	214	(100.0)%
Total gross profit	<u>\$ 2,312,767</u>	<u>\$ 1,194,366</u>	106.8 %

Sources of cost of sales	2024	Change from 2023	
		Amount	Percent
(In thousands, except percent data)			
U.S.	\$ 9,065,837	\$ (439,421)	(4.6)%
Europe	4,675,080	(153,543)	(3.2)%
Mexico	1,824,607	(85,114)	(4.5)%
Elimination <sup>(a)</sup>	—	(214)	(100.0)%
Total cost of sales	<u>\$ 15,565,524</u>	<u>\$ (678,292)</u>	(4.2)%

(a) Our Consolidated Financial Statements include the accounts of our company and our majority owned subsidiaries. We eliminate all significant affiliate accounts and transactions upon consolidation.

*U.S. Reportable Segment.* Cost of sales incurred by our U.S. operations in 2024 decreased \$439.4 million, or 4.6%, from cost of sales incurred by our U.S. operations in 2023. Cost of sales decreased primarily due to decreased cost per pound sold and sales volume of \$309.8 million, or 3.3 percentage points, and \$129.6 million, or 1.3 percentage points, respectively. The decrease in cost per pound sold was driven by a reduction in feed ingredients, such as corn and soy, costs in our live operations. The reduction in live operations costs was partially offset by an increase in labor, incentive compensation, and insurance costs.

*Europe Reportable Segment.* Cost of sales incurred by the Europe operations during 2024 decreased \$153.5 million, or 3.2%, from cost of sales incurred by the Europe operations during 2023 primarily due to decreases in cost per pound sold and sales volume of \$248.7 million, or 5.2 percentage points, and \$44.9 million, or 0.9 percentage points, respectively. These decreases were partially offset by the unfavorable impact of foreign currency translation of \$140.1 million, or 2.9 percentage points. The decrease in cost per pound was driven by decreased feed ingredients, labor, utilities and other operating costs and from production efficiencies as a result of our restructuring initiatives.

*Mexico Reportable Segment.* Cost of sales incurred by the Mexico operations during 2024 decreased \$85.1 million, or 4.5%, from cost of sales incurred by the Mexico operations during 2023 primarily because of the favorable impact of foreign currency remeasurement and a decrease in cost per pound sold of \$53.6 million, or 2.8 percentage points, and \$34.3 million, or 1.8 percentage points, respectively. These decreases in cost of sales were partially offset by an increase in sales volume of \$2.8 million, or 0.1 percentage points. The favorable impact of foreign currency remeasurement was due to a weakening of the Mexican peso against the U.S. dollar. The decrease in cost per pound sold was driven by a reduction in commodity ingredients costs, partially offset by an increase in employee profit sharing costs due to higher profitability in 2024.

*Operating income.* Operating income increased \$983.8 million, or 188.4%, from \$522.3 million generated for 2023 to \$1,506.1 million generated for 2024. The following tables provide operating income information:

Components of operating income	2024	Change from 2023		Percent of Net Sales	
		Amount	Percent	2024	2023
(In thousands, except percent data)					
Gross profit	\$ 2,312,767	\$ 1,194,366	106.8 %	12.9 %	6.4 %
SG&A expenses	713,310	161,540	29.3 %	4.0 %	3.2 %
Restructuring activities	93,388	49,043	110.6 %	0.5 %	0.3 %
Operating income	<u>\$ 1,506,069</u>	<u>\$ 983,783</u>	188.4 %	8.4 %	3.0 %
Change from 2023					
Sources of operating income	2024	Amount	Percent		
(In thousands, except percent data)					
U.S.		\$ 1,113,001	\$ 874,107	365.9 %	
Europe		169,693	41,542	32.4 %	
Mexico		223,375	67,920	43.7 %	
Eliminations <sup>(a)</sup>		—	214	(100.0)%	
Total operating income		<u>\$ 1,506,069</u>	<u>\$ 983,783</u>	188.4 %	
Change from 2023					
Sources of SG&A expenses (defined below)	2024	Amount	Percent		
(In thousands, except percent data)					
U.S.		\$ 451,091	\$ 167,501	59.1 %	
Europe		198,586	(3,617)	(1.8)%	
Mexico		63,633	(2,344)	(3.6)%	
Total SG&A expense		<u>\$ 713,310</u>	<u>\$ 161,540</u>	29.3 %	
Change from 2022					
Sources of restructuring activities charges	2023	Amount	Percent		
(In thousands, except percent data)					
Europe		\$ 93,388	\$ 49,043	110.6 %	

(a) Our Consolidated Financial Statements include the accounts of our company and our majority owned subsidiaries. We eliminate all significant affiliate accounts and transactions upon consolidation.

*U.S. Reportable Segment.* Selling, general and administrative (“SG&A”) expense incurred by the U.S. operations during 2024 increased \$167.5 million, or 59.1%, from SG&A expense incurred by the U.S. operations during 2023 primarily from increases in litigation settlement costs and incentive compensation costs.

*Europe Reportable Segment.* SG&A expense incurred by the Europe operations during 2024 decreased \$3.6 million, or 1.8%, from SG&A expense incurred by the Europe operations during 2023 primarily due to decreased labor and employee-related costs.

*Mexico Reportable Segment.* SG&A expense incurred by the Mexico operations during 2024 decreased \$2.3 million, or 3.6%, from SG&A expense incurred by the Mexico operations during 2023. SG&A expense decreased primarily from the favorable impact of foreign currency translation due to the weakening of the Mexican peso against the U.S. dollar, partially offset by increased wages and employee profit share costs.

*Net interest expense.* Consolidated interest expense decreased 46.9% to \$88.5 million in 2024 from \$166.6 million in 2023. The decrease in net interest expense resulted primarily from an increase in interest income earned on higher cash balances, a decrease from early extinguishment of debt, and a decrease in interest expense on outstanding borrowings due to decreased borrowings. The decrease in net interest expense from early extinguishment of debt is due to gross realized gains of \$13.8 million recognized on the repurchases of \$164.3 million of outstanding principal senior notes during 2024 compared to a loss on early extinguishment of debt of \$20.7 million recognized on the repayment of senior notes during 2023. As a percent of net sales, net interest expense in 2024 and 2023 was 0.5% and 1.0%, respectively.

*Income taxes.* Our consolidated income tax expense in 2024 was \$325.0 million, compared to income tax expense of \$42.9 million in 2023. The increase in income tax expense in 2024 resulted primarily from an increase in pre-tax income during 2024.

## 2023 Compared to 2022

For discussion of 2023 results of operations in comparison to 2022 results of operations, see Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in Part II of the 2023 Annual Report on Form 10-K filed on February 27, 2024.

### Liquidity and Capital Resources

Our principal sources of liquidity are cash generated from operations, funds from borrowings, and existing cash on hand. The following table presents our available sources of liquidity as of December 29, 2024:

Sources of Liquidity	Facility Amount	Amount Outstanding	Available
	(In millions)		
Cash and cash equivalents	\$ —	\$ —	\$ 2,043.2
Borrowing arrangements:			
U.S. Credit Facility <sup>(a)</sup>	850.0	—	825.8
Mexico Credit Facility <sup>(b)</sup>	54.6	—	54.6
Europe Credit Facility <sup>(c)</sup>	188.6	—	188.6

(a) Availability under the U.S. Credit Facility is also reduced by our outstanding standby letters of credit. Standby letters of credit outstanding at December 29, 2024 totaled \$24.2 million.

(b) As of December 29, 2024, the U.S. dollar-equivalent of the amount available under the Mexico Credit Facility was \$54.6 million (\$1.1 billion Mexican pesos).

(c) As of December 29, 2024, the U.S. dollar-equivalent of the amount available under the Europe Credit Facility was \$188.6 million (£150.0 million).

On May 1, 2024, the Pilgrim's Board of Directors approved a bond repurchase program which authorizes the Company to repurchase up to \$200.0 million to buy back our outstanding senior notes. Under the program, we have repurchased \$144.3 million of outstanding principal of the Senior Notes Due 2031 and \$20.0 million of the outstanding principal of the Senior Notes due 2033 for an aggregate of \$164.3 million.

We expect cash flows from operations, combined with availability under our credit facilities, to provide sufficient liquidity to fund current obligations, projected working capital requirements, maturities of long-term debt and capital spending for at least the next twelve months.

### Historical Flow of Funds

Cash Flows from Operating Activities	Year Ended	
	December 29, 2024	December 31, 2023
	(In millions)	
Net income	\$ 1,087.2	\$ 322.3
Net noncash expenses	480.0	462.5
Changes in operating assets and liabilities:		
Trade accounts and other receivables	88.3	(19.0)
Inventories	134.5	12.6
Prepaid expenses and other current assets	(33.3)	17.8
Accounts payable and accrued expenses	126.7	(68.7)
Income taxes	109.4	(8.9)
Long-term pension and other postretirement obligations	26.1	(10.0)
Other operating assets and liabilities	(28.8)	(30.7)
Cash provided by operating activities	\$ 1,990.1	\$ 677.9

### Net Noncash Expenses

Items necessary to reconcile from net income to cash flow provided by operating activities included net noncash expenses of \$480.0 million for the year ended December 29, 2024. Net noncash expense items included \$433.6 million of depreciation and amortization, deferred income tax expense of \$4.8 million, asset impairment of \$28.6 million, stock-based compensation expense of \$14.9 million, gain on early extinguishment of debt recognized as a component of interest expense of

\$11.2 million, loan cost amortization of \$5.0 million, accretion of bond discount of \$2.5 million, and a \$1.8 million gain on property disposals.

Items necessary to reconcile from net income to cash flow provided by operating activities included net noncash expenses of \$462.4 million for the year ended December 31, 2023. Net noncash expense items included \$419.9 million of depreciation and amortization, loss on early extinguishment of debt recognized as a component of interest expense of \$20.7 million, loan cost amortization of \$7.4 million, stock-based compensation expense of \$7.2 million, deferred income tax expense of \$6.7 million, asset impairment of \$4.0 million, and accretion of bond discount of \$2.3 million. Partially offsetting the net noncash expenses was an \$6.1 million gain on property disposals. Other items affecting net noncash expenses were individually immaterial.

### Changes in Operating Assets and Liabilities

The change in trade accounts and other receivables, including accounts receivable from related parties, represented a \$88.3 million source of cash in 2024. The change in cash was primarily due to the timing of customer payments and collections of insurance proceeds. The change in trade accounts and other receivables, including accounts receivable from related parties, represented a \$19.0 million use of cash in 2023. The change in cash was primarily due to the timing of customer payments.

The change in inventories represented a \$134.5 million source of cash in 2024. The change in cash resulted from a decrease in our finished goods inventories and lower input costs included in inventory values. The change in inventories represented a \$12.6 million source of cash in 2023. The change in cash resulted from an decrease in our raw materials and work-in-process inventory values.

The change in prepaid expenses and other current assets represented a \$33.3 million use of cash in 2024. This change resulted primarily from a net increase in the commodity derivatives assets from favorable fair value positions, an increase from short-term available-for-sale investments, and the impact of foreign currency translation. The change in prepaid expenses and other current assets represented a \$17.8 million source of cash in 2023. This change resulted primarily from a net decrease in the commodity derivatives assets.

Accounts payable and accrued expenses, including accounts payable to related parties, represented a \$126.7 million source of cash in 2024. This change resulted primarily from increases in litigation settlement and incentive compensation accruals. Accounts payable and accrued expenses, including accounts payable to related parties, represented a \$68.7 million use of cash in 2023. This change resulted primarily from the timing of payments.

The change in income taxes, which includes income taxes receivable, income taxes payable, deferred tax assets, deferred tax liabilities, reserves for uncertain tax positions and the tax components within accumulated other comprehensive loss, represented a \$109.4 million source of cash in 2024. This change resulted primarily from the timing of estimated tax payments and higher profitability in 2024 which increased our income tax payables and reduced income tax receivable. The change in income taxes, which includes income taxes receivables, income taxes payable, deferred tax assets, deferred tax liabilities, reserves for uncertain tax positions and the tax components within accumulated other comprehensive loss, represented a \$8.9 million use of cash in 2023. This change resulted primarily from the timing of estimated tax payments and lower profitability in 2023.

Cash Flows from Investing Activities	Year Ended	
	December 29, 2024	December 31, 2023
	(In millions)	
Acquisitions of property, plant and equipment	\$ (476.2)	\$ (543.8)
Proceeds from insurance recoveries	—	20.7
Proceeds from property disposals	15.4	19.8
Cash used in investing activities	<u>\$ (460.8)</u>	<u>\$ (503.4)</u>

Capital expenditures during the two years were incurred for growth projects, such as the Athens, GA expansion and the South Georgia protein conversion plant, and to improve operational efficiencies, information technology system enhancement projects, and to reduce costs for the years ended December 29, 2024 and December 31, 2023. Proceeds from property disposals were primarily for the sale of a farm in Mexico and other miscellaneous equipment.

Cash Flows from Financing Activities	Year Ended	
	December 29, 2024	December 31, 2023
	(In millions)	
Proceeds from revolving line of credit and long-term borrowings	\$ —	\$ 1,768.2
Payments on revolving line of credit, long-term borrowings, and finance lease obligations	(152.1)	(1,616.3)
Payment of capitalized loan costs	—	(19.8)
Payment on early extinguishment of debt	(0.2)	(13.8)
Proceeds from contribution (payment of distribution) of capital under Tax Sharing Agreement with JBS USA Holdings	1.4	(1.6)
Cash provided by (used in) financing activities	<u>\$ (150.9)</u>	<u>\$ 116.7</u>

Payments on revolving line of credit, long-term borrowings and finance lease obligations during 2024 are primarily related to open market repurchases of outstanding senior notes. The proceeds from contribution of capital under the Tax Sharing Agreement with JBS USA Holdings during 2024 were an allocation made during tax year 2023 for payment of historical tax adjustments. Payments on early extinguishment of debt during 2024 are transaction fees related to the bond repurchases.

Proceeds from revolving line of credit, long-term borrowings and finance lease obligations during 2023 are primarily from the offerings of our 2033 and 2034 Senior Notes as well as borrowings on our U.S. and Europe Credit Facilities. Payments on revolving line of credit, long-term borrowings, and finance lease obligations during 2023 are primarily due to the paydown of our term loans and revolving notes on our 2021 U.S. Credit Facility, the completed tender offer of our 2027 Senior Notes, and repayment of borrowings on our Europe Credit Facility. The payment of capitalized loan costs during 2023 relates to the offerings of our 2033 and 2034 Senior Notes and the execution of our 2023 U.S. Credit Facility. The payment on early extinguishment of debt during 2023 primarily relates to the tender-offer payment of our 2027 Senior Notes. The distribution of equity under the Tax Sharing Agreement during 2023 is the 2022 distribution of equity that was paid in the first quarter of 2023.

### Long-Term Debt and Other Borrowing Arrangements

Our long-term debt and other borrowing arrangements consist of senior notes, revolving credit facilities and other term loan agreements. For a description, refer to Part II, Item 8, Notes to Consolidated Financial Statements, “Note 13. Debt.”

### Capital Expenditures

We anticipate spending between \$450 million and \$500 million on the acquisition of property, plant and equipment in 2025. Capital expenditures will primarily be incurred to grow our operations, improve efficiencies, to reduce costs, and for information technology system enhancement projects. We expect to fund these capital expenditures with cash flow from operations and cash on hand.

### Contractual Obligations

In addition to our debt commitments at December 29, 2024, we had other commitments and contractual obligations that require us to make specified payments in the future. The following table summarizes the total amounts due as of December 29, 2024 under all debt agreements, commitments and other contractual obligations. The table indicates the years in which payments are due under the contractual obligations.

Contractual Obligations	Payments Due By Period				
	Total	Less than One Year	One to Three Years	Three to Five Years	Greater than Five Years
	(In thousands)				
Long-term debt <sup>(a)</sup>	\$ 3,256,324	\$ 322	\$ 696	\$ 769	\$ 3,254,537
Interest <sup>(b)</sup>	1,339,347	164,554	329,058	328,984	516,751
Finance leases	1,875	577	1,079	219	—
Operating leases	294,184	73,332	104,223	53,474	63,155
Derivative liabilities	4,669	4,669	—	—	—
Purchase obligations <sup>(c)</sup>	438,087	400,703	24,877	3,495	9,012
Total	<u>\$ 5,334,486</u>	<u>\$ 644,157</u>	<u>\$ 459,933</u>	<u>\$ 386,941</u>	<u>\$ 3,843,455</u>

- (a) Long-term debt is presented at face value and excludes \$24.2 million in letters of credit outstanding related to normal business transactions. Long-term debt includes the Live Oak CHP Project PACE Loan. For a description, refer to Part II, Item 8, Notes to Consolidated Financial Statements, “Note 13. Debt.”
- (b) Interest expense in the table above assumes the continuation of interest rates and outstanding borrowings as of December 29, 2024.
- (c) Includes agreements to purchase goods or services that are enforceable and legally binding on us and that specify all significant terms, including fixed or minimum quantities to be purchased; fixed, minimum, or variable price provisions; and the approximate timing of the transaction.

We expect cash flows from operations, combined with availability under the U.S., Mexico, and Europe Credit Facilities to provide sufficient liquidity to fund current obligations, projected working capital requirements, maturities of long-term debt and capital spending for at least the next twelve months.

## **Pillar II Tax Initiative**

### *Global Minimum Tax*

The Organization for Economic Co-operation and Development (“OECD”) is an international organization composed of 38 member countries that work together to establish international standards and develop solutions for various social, economic, and environmental challenges. These solutions range from improving economic performance and job creation to promoting quality education and combating international tax evasion.

Regarding the fight against tax evasion, the Base Erosion and Profit Shifting (“BEPS”) project was launched in 2013 as a collaboration between the G20 (a group of the world's 20 largest economies) and the OECD. The project aims to implement 15 measures to combat tax avoidance, enhance the consistency of international tax rules, and ensure a more transparent global tax environment. It seeks to prevent the misuse of tax regulations that result in the erosion of the tax base, particularly through profit shifting to jurisdictions with more favorable or no taxation.

Pillar II is part of one of the OECD’s most recent initiatives, known as BEPS 2.0, which aims to address tax challenges arising from evolving business models in a globalized economy. The goal of Pillar II is to establish a global minimum tax system for multinational enterprises (“MNEs”) with annual consolidated revenue exceeding €750 million. This additional taxation seeks to balance the global allocation of corporate income taxes and ensure that multinational groups pay a minimum effective tax rate of 15% per jurisdiction where they operate.

Starting in the 2024 calendar year, the Pillar II rules came into effect in several jurisdictions, impacting multinational companies operating in these markets. However, during the first three years of implementation, transitional rules (Safe Harbor) have been introduced to simplify the calculation of the effective tax rate per jurisdiction, facilitating the adaptation of multinational groups to the new requirements.

As the Group operates in multiple countries that have adopted the global minimum tax as of 2024—including France, Ireland, Luxembourg, Malta, the Netherlands, and the U.K.—the Company has been closely monitoring the potential impacts of these new regulations and, to date, does not anticipate significant material exposure to this tax.

## **Recent Accounting Pronouncements**

Refer to Part II, Item 8, Notes to Consolidated Financial Statements, “Note 1. Business and Summary of Significant Accounting Policies.”

## **Critical Accounting Policies and Estimates**

*General.* Our discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. On an ongoing basis, we evaluate our estimates, including those related to revenue recognition, inventory, goodwill and other intangible assets, litigation and income taxes. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We believe the following critical accounting policies affect our more significant judgments and estimates used in the preparation of our financial statements.

*Revenue Recognition.* The vast majority of our revenue is derived from contracts which are based upon a customer ordering our products. While there may be master agreements, the contract is only established when the customer’s order is accepted by us. We account for a contract, which may be verbal or written, when it is approved and committed by both parties,

the rights of the parties are identified along with payment terms, the contract has commercial substance and collectability is probable.

We evaluate the transaction for distinct performance obligations, which are the sale of our products to customers. Since our products are commodity market-priced, the sales price is representative of the observable, standalone selling price. Each performance obligation is recognized based upon a pattern of recognition that reflects the transfer of control to the customer at a point in time, which is upon destination (customer location or port of destination) and depicts the transfer of control and recognition of revenue. There are instances of customer pick-up at our facilities, in which case control transfers to the customer at that point and we recognize revenue. Our performance obligations are typically fulfilled within days to weeks of the acceptance of the order.

We make judgments regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from revenue and cash flows with customers. Determination of a contract requires evaluation and judgment along with the estimation of the total contract value and if any of the contract value is constrained. Due to the nature of our business, there is minimal variable consideration, as the contract is established at the acceptance of the order from the customer. When applicable, variable consideration is estimated at contract inception and updated on a regular basis until the contract is completed. Allocating the transaction price to a specific performance obligation based upon the relative standalone selling prices includes estimating the standalone selling prices including discounts and variable consideration.

*Inventories.* Live chicken and pig inventories are stated at the lower of cost or net realizable value and breeder hen, breeder sow and boar inventories at the lower of cost, less accumulated amortization, or net realizable value. The costs associated with breeder hen inventories are accumulated up to the production stage and amortized over their productive lives using the unit-of-production method. The costs associated with breeder sow inventories are accumulated up to the production stage and amortized on a straight-line basis over their productive lives to the estimated residual cull value. The costs associated with finished poultry products, finished pork products, feed, eggs and other inventories are stated at the lower of cost (average) or net realizable value. Inventory typically transfers from one stage of production to another at a standard cost, where it accumulates additional cost directly incurred with the production of inventory, including overhead. The standard cost at which each type of inventory transfers is set by management to reflect the actual costs incurred in the prior steps. We monitor and adjust standard costs throughout the year to ensure that standard costs reasonably reflect the actual average cost of the inventory produced.

We allocate meat costs between our various finished chicken products based on a by-product costing technique that reduces the cost of the whole bird by estimated yields and amounts to be recovered for certain by-product parts. This primarily includes leg quarters, wings, tenders and offal, which are carried in inventory at the estimated recovery amounts, with the remaining amount being reflected as our breast meat cost. We allocate meat costs between our various finished pork products based on a by-product costing technique that allocates the cost of the whole pig into the primal cuts by estimated yields and amounts to be recovered for certain by-product parts. This primarily includes legs, shoulders, bellies, offal and fifth quarter parts, which are carried in inventory at the estimated recoverable amounts, with the remaining amount being reflected as our loin meat cost.

For our prepared foods inventories, raw materials and packaging materials are valued at the lower of weighted average cost and net realizable value, work in progress is valued at the latest production cost (raw materials, packaging), finished goods are valued at the lower of the latest actual monthly production cost (raw materials, packaging and direct labor) and attributable overheads and net realizable value, and engineering spares and consumables are valued at cost with an appropriate provision for obsolete engineering spares consistent with historical practice.

Generally, we perform an evaluation of whether any lower of cost or net realizable value adjustments are required at the country level based on a number of factors, including: (1) pools of related inventory, (2) product continuation or discontinuation, (3) estimated market selling prices and (4) expected distribution channels. If actual market conditions or other factors are less favorable than those projected by management, additional inventory adjustments may be required. We also record valuation adjustments, when necessary, for estimated obsolescence at or equal to the difference between the cost of inventory and the estimated market value based upon known conditions affecting inventory obsolescence, including significantly aged products, discontinued product lines, or damaged or obsolete products.

*Goodwill and Other Intangibles, net.* Goodwill represents the excess of the aggregate purchase price over the fair value of the net identifiable assets acquired in a business combination. Identified intangible assets represent trade names and customer relationships arising from acquisitions that are recorded at fair value as of the date acquired less accumulated amortization, if any. We use various market valuation techniques to determine the fair value of our identified intangible assets.

Goodwill is not amortized but is tested for impairment on an annual basis in the fourth quarter of each fiscal year or more frequently if impairment indicators arise. For goodwill, an impairment loss is recognized for any excess of the carrying

amount of a reporting unit's goodwill over the implied fair value of that goodwill. Management first reviews relevant qualitative factors to determine whether it is more likely than not (that is, a likelihood of more than 50 percent), that the fair value of a reporting unit is less than the unit's carrying amount (including goodwill). If management determines it is more likely than not that the carrying amount of a reporting unit goodwill might be impaired, a quantitative impairment test is performed. Management has the option to bypass the qualitative assessment for any reporting unit in any period and proceed directly to performing the quantitative impairment test. Management would be able to resume performing the qualitative assessment in any subsequent period. When performing quantitative impairment tests, we estimate the fair value of our reporting units with material goodwill carrying amounts using an income approach (discounted cash flow method). We develop projections for cash flows over a 5-year period based on assumptions about revenue growth and margin changes using internally-developed economic projections and industry data obtained from government authorities such as the U.S. Department of Agriculture and other sources. We also make terminal value assumptions about revenue growth and margin changes for periods beyond the projection period. We utilize margin assumptions based on operating performance expectations, margins historically realized in the reporting units' industries, and general macroeconomic trends. We utilize the weighted average cost of capital as a proxy for the discount rate. We consider reporting units that have 20% or less excess fair value over carrying amount to have a heightened risk of future goodwill impairment.

In 2022, we reviewed relevant qualitative factors and determined that no indicators of goodwill impairment existed for our Moy Park, Pilgrim's Food Masters, Pilgrim's Mexico, and Pilgrim's U.S. reporting units. Our Pilgrim's U.K. reporting unit reported goodwill of \$2.1 million at December 25, 2022. These amounts were considered immaterial to warrant quantitative goodwill impairment testing.

In 2023, we experienced (1) an increase in long-term treasury rates that management determined could negatively affect discount rates and (2) continued inflationary pressures impacting primarily our Moy Park and Pilgrim's Food Masters reporting units that management determined could negatively affect our margins. Both discount rates and margins are used in estimating the fair value of the reporting units. Therefore, management elected to bypass qualitative assessments and performed quantitative goodwill impairment tests for the Moy Park, Pilgrim's Food Masters, Pilgrim's Mexico, and Pilgrim's U.S. reporting units as of December 31, 2023. Our Pilgrim's U.K. reporting unit reported goodwill of \$2.3 million at December 31, 2023. This amount was considered immaterial to warrant quantitative goodwill impairment testing. Based on the outcome of the quantitative tests, management determined that no goodwill impairment existed in the Moy Park, Pilgrim's Food Masters, Pilgrim's Mexico, or Pilgrim's U.S. reporting units as of December 31, 2023.

On July 1, 2024, the Company effectively completed a reorganization within its Europe reportable segment. The previous reporting units were Moy Park, Pilgrim's UK, and Pilgrim's Food Masters. The new reporting units are Fresh Pork/Lamb, Fresh Poultry, Food Service, Meals, and Brands & Snacking. As a result of this reorganization, the Company reassigned assets and liabilities to the applicable reporting units and allocated goodwill using the relative net assets approach. The Company then performed an interim impairment test on the reporting units on both a pre- and post-reorganization basis. There was no impairment recognized as a result of these tests.

As of December 29, 2024, the Company assessed qualitative factors to determine if it was necessary to perform quantitative impairment tests related to the carrying amounts of its goodwill. Based on these assessments, the Company determined that it was not necessary to perform quantitative impairment tests related to the carrying amount of its goodwill at that date.

Other intangible assets with indefinite lives are not amortized but are tested for impairment on an annual basis in the fourth quarter of each fiscal year or more frequently if impairment indicators arise. An impairment loss is recognized if the carrying amount of an indefinite-life intangible asset exceeds the estimated fair value of that intangible asset. Management first reviews relevant qualitative factors to determine whether it is more likely than not (that is, a likelihood of more than 50%) that an intangible asset is impaired. If management determines there is an indication that the carrying amount of the intangible asset might be impaired, a quantitative impairment test is performed. Management has the option to bypass the qualitative assessment for any indefinite-life intangible asset in any period and proceed directly to performing the quantitative impairment test.

The fair value of our indefinite-life intangible assets is calculated principally using a relief-from-royalty valuation approach, which uses significant unobservable inputs as defined by the fair value hierarchy, and is believed to reflect market participant views which would exist in an exit transaction. Under this valuation approach, we make estimates and assumptions about brand sales growth, royalty rates and discount rates based on specific brand sales projections, general economic projections, anticipated future cash flows and marketplace data. We consider indefinite-life intangible assets that have 20% or less excess fair value over carrying amount to have a heightened risk of future impairment. Our 2022 indefinite-life intangible assets impairment analyses did not result in an impairment charge.

In 2023, we experienced an increase in long-term treasury rates that management determined could negatively affect discount rates, which are used in estimating the fair value of the reporting units. Therefore, management elected to bypass qualitative assessments for all indefinite-life intangible assets and performed quantitative impairment tests. Based on the outcome of the quantitative tests, management determined that no material impairment existed as of December 29, 2024.

The Company additionally assessed if the Pilgrim's Europe reorganization indicated that any carrying amounts of its non-goodwill intangible assets might not be recoverable. The reorganization did not result in any change in business use for any of the intangible assets and therefore, the Company determined no indicators were present that required us to test the recoverability of the asset group-level carrying amounts of its Europe intangible assets at that date.

As of December 29, 2024, the Company assessed qualitative factors to determine if it was necessary to perform quantitative impairment tests related to the carrying amounts of its intangible assets not subject to amortization. Based on these assessments, the Company determined that it was not necessary to perform quantitative impairment tests related to the carrying amount of its intangible assets not subject to amortization at that date.

Identifiable intangible assets with definite lives, such as customer relationships and trade names that we expect to use for a limited amount of time, are amortized over their estimated useful lives on a straight-line basis. The useful lives range from 15 to 20 years for trade names and three to 18 years for customer relationships. Identified intangible assets with definite lives are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Management assessed if events or changes in circumstances indicated that the aggregate carrying amount of its identified intangible assets with definite lives might not be recoverable and determined that there were no impairment indicators during the years ended December 29, 2024 and December 31, 2023.

*Litigation and Contingent Liabilities.* We are subject to lawsuits, investigations and other claims related to employment, environmental, product, and other matters. We are required to assess the likelihood of any adverse judgments or outcomes, as well as potential ranges of probable losses, to these matters. We estimate the amount of reserves required for these contingencies when losses are determined to be probable and after considerable analysis of each individual issue. We expense legal costs related to such loss contingencies as they are incurred. With respect to our environmental remediation obligations, the accrual for environmental remediation liabilities is measured on an undiscounted basis. These reserves may change in the future due to changes in our assumptions, the effectiveness of strategies, or other factors beyond our control.

*Income Taxes.* We follow provisions under the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 740, *Income Taxes*, with regard to members of a group that file a consolidated tax return but issue separate financial statements. We file certain state unitary returns with JBS USA Food Company Holdings. Our income tax expense is computed using the separate return method. The provision for income taxes has been determined using the asset and liability approach of accounting for income taxes. For the unitary states, we have an obligation to make tax payments to JBS USA Food Company Holdings for our share of the unitary taxable income, which is included in taxes payable in our Consolidated Balance Sheets. Under this approach, deferred income taxes reflect the net tax effect of temporary differences between the book and tax bases of recorded assets and liabilities, net operating losses and tax credit carry forwards. The amount of deferred tax on these temporary differences is determined using the tax rates expected to apply to the period when the asset is realized or the liability is settled, as applicable, based on the tax rates and laws in the respective tax jurisdiction enacted as of the balance sheet date. We recognize potential interest and penalties related to income tax positions as a part of the income tax provision.

*Defined Benefit Pension and Other Postretirement Plans.* We sponsor four qualified defined benefit pension plans, two nonqualified defined benefit retirement plans, and one defined benefit postretirement life insurance plan. Some of these plans are administered by a board of trustees made up of management within the participating companies and representatives from associated labor groups while others are administered by an investment committee made up of management from the participating company. We use independent third-party actuaries to assist in determining our pension obligations and net periodic benefit cost. We, along with the actuaries, review assumptions including estimates of the present value of projected future pension payments to participants. We accumulate and amortize the impact of actuarial gains and losses over future periods.

Our defined benefit pension and other postretirement plans contains uncertainties because it requires management to make assumptions and apply judgments. The key assumptions made in developing key estimates include discount rates, expected returns on plan assets, retirement rates, and mortality. These assumptions can have a material impact on the funded status and the net periodic benefit cost. The discount rates reflect yields on high-quality corporate bonds as of the measurement date and were compared to the effective discount rate determined by discounting plan cash flows using the 12/27/2024 Empower Above Mean Curve. All other assumptions reflect estimates of future experience and considering relevant historical information, such as credible plan experience, from representative populations and relevant plan characteristics. The mortality

assumption reflects experience from representative populations, based on the Pri-2012 Private Retirement Plans Mortality Table Report issued by the Society of Actuaries (“SOA”) in October 2019 and the Mortality Improvement Scale MP-2021 Report issued by the SOA in October 2021. It is reasonable to expect that changes in external factors will result in changes to the assumptions noted above that are used to measure pension obligations and net periodic benefit cost in future periods.

During 2024, we terminated our Pilgrim’s Pride Pension Plan for Legacy Gold Kist (“LGK Plan”) and our Pilgrim’s Pride Retirement Plan for Union Employees (“Union Plan”). The termination included settling all outstanding obligations through a combination of lump-sum payouts to participants who elected to receive one and through a purchase of annuities for the participants who did not elect a lump-sum payout. In order to fund the lump-sum payments and purchases of nonparticipating annuity contracts, all invested assets within each of the two plans was liquidated. The remaining assets within the two plans at the end of the year represents an excess of the liquidated assets over the amount of outstanding obligations at time of termination. These assets will be split between an amount transferred to our qualifying 401(k) retirement plan and an amount reverted to the Company less applicable excise taxes in Q1 2025.

We evaluated the termination of our LGK and Union Plans to confirm if this transaction met the definition of a settlement as defined under ASC Topic 715 *Compensation—Retirement Benefits*, which defines a settlement as “a transaction that is an irrevocable action, relieves the employer (or the plan) of primary responsibility for a pension or postretirement obligation, and eliminates significant risks related to the obligation and the assets used to effect the settlement.” The termination of our LGK and Union Plans was an irrevocable action that relieved us from the pension obligations through the payment of lump-sum payouts and nonparticipating annuity purchases using the liquidated assets of the plans. Additionally, through the termination and settlement of all obligations, we eliminated the significant risks associated with maintaining the obligations and assets. Through this analysis, it was determined we met the criteria of a full settlement of the pension obligations, we applied settlement accounting which required us to recognize the net loss remaining in accumulated other comprehensive loss at the time of settlement as a net loss in *Miscellaneous, net* on the Statement of Income for the year ended December 29, 2024.

*Business Combination Accounting.* We allocate the consideration of an acquired business to its identifiable assets and liabilities based on estimated fair values. The excess of the consideration over the amount allocated to the assets and liabilities, if any, is recorded to goodwill. We use all available information to estimate fair values. We use various models to determine the value of assets acquired and liabilities assumed such as net realizable value to value inventory, cost method and market approach to value property, relief-from-royalty and multi-period excess earnings to value intangibles and discounted cash flow to value goodwill. We typically engage third-party valuation specialists to assist in the fair value determination of tangible long-lived assets and intangible assets other than goodwill. The fair value of acquired inventories is typically determined by extending physical counts of the inventories taken at or near the acquisition date to market pricing in effect for such inventories at or near the acquisition date. The carrying values of acquired receivables and accounts payable have historically approximated their fair values as of the business combination date. As necessary, we may engage third-party specialists to assist in the estimation of fair value for certain liabilities. We adjust the preliminary acquisition accounting, as necessary, typically up to one year after the acquisition closing date for those items that existed at the acquisition date and were provisionally accounted for at that time, as we obtain more information regarding asset valuations and liabilities assumed.

Our acquisition accounting methodology contains uncertainties because it requires management to make assumptions and to apply judgment to estimate the fair value of acquired assets and liabilities. Management estimates the fair value of assets and liabilities based upon quoted market prices, the carrying value of the acquired assets and widely accepted valuation techniques, including discounted cash flows and market multiple analyses. Unanticipated events or circumstances may occur which could affect the accuracy of our fair value estimates, including changes in assumptions regarding industry economic factors and business strategies. If actual results are materially different than the assumptions used to determine fair value of the assets and liabilities acquired through a business combination, it is possible that adjustments to the carrying values of such assets and liabilities will have an impact on our net earnings.

### **Reconciliation of Net Income to EBITDA and Adjusted EBITDA**

“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: (1) foreign currency transaction losses (gains), (2) costs related to litigation settlements, (3) restructuring activities losses, (4) loss on settlement of pension from plan termination, (5) inventory write-down as a result of hurricane, and (6) net income attributable to noncontrolling interest. EBITDA is presented because it is used by us 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. We believe investors would be interested in our Adjusted EBITDA because this is how our management analyzes EBITDA applicable to continuing operations. We also believe that Adjusted EBITDA, in combination with our 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 our performance with our 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. Some of the limitations of these measures are:

- They do not reflect our cash expenditures, future requirements for capital expenditures or contractual commitments;
- They do not reflect changes in, or cash requirements for, our working capital needs;
- They do not reflect the significant interest expense or the cash requirements necessary to service interest or principal payments on our debt;
- Although depreciation and amortization are noncash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA and Adjusted EBITDA do not reflect any cash requirements for such replacements;
- They are not adjusted for all noncash income or expense items that are reflected in our statements of cash flows;
- EBITDA does not reflect the impact of earnings or charges attributable to noncontrolling interests;
- They do not reflect the impact of earnings or charges resulting from matters we consider to not be indicative of our ongoing operations; and
- They do not reflect limitations on or costs related to transferring earnings from our subsidiaries to us.

In addition, other companies in our industry may calculate these measures differently than we do, 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. You should compensate for these limitations by relying primarily on our U.S. GAAP results and using EBITDA and Adjusted EBITDA only on a supplemental basis.

**Reconciliation of Adjusted EBITDA  
(Unaudited)**

	Year Ended	
	December 29, 2024	December 31, 2023
Net income	\$ 1,087,223	\$ 322,317
Add:		
Interest expense, net	88,509	166,621
Income tax expense	325,046	42,905
Depreciation and amortization	433,622	419,900
EBITDA	1,934,400	951,743
Add:		
Foreign currency transaction losses (gains)	(10,025)	20,570
Litigation settlements expense	167,228	39,400
Restructuring activities losses	93,388	44,345
Loss on settlement of pension from plan termination	21,649	—
Inventory write-down as a result of hurricane	8,075	—
Minus:		
Property insurance recoveries	—	21,124
Net income attributable to noncontrolling interest	785	743
Adjusted EBITDA	<u>\$ 2,213,930</u>	<u>\$ 1,034,191</u>

**Reconciliation of Adjusted Net Income  
(Unaudited)**

	Year Ended	
	December 29, 2024	December 31, 2023
Net income attributable to Pilgrim's	\$ 1,086,438	\$ 321,574
Add:		
Foreign currency transaction losses (gains)	(10,025)	20,570
Litigation settlements	167,228	39,400
Restructuring activities losses	93,388	44,345
Loss on settlement of pension from plan termination	21,649	—
Inventory write-down as a result of hurricane	8,075	—
Loss (gain) on early extinguishment of debt recognized as a component of interest expense <sup>(a)</sup>	(11,211)	20,694
Minus:		
Property insurance recoveries	—	21,124
Adjusted net income attributable to Pilgrim's before tax impact of adjustments	1,355,542	425,459
Net tax benefit of adjustments <sup>(b)</sup>	(66,057)	(25,140)
Adjusted net income attributable to Pilgrim's	\$ 1,289,485	\$ 400,319
Weighted average diluted shares of common stock outstanding	237,800	237,297
Adjusted net income attributable to Pilgrim's per common diluted share	\$ 5.42	\$ 1.69

(a) The gain on early extinguishment of debt recognized as a component of interest expense in 2024 was due to the bond repurchases. The loss on early extinguishment of debt recognized as a component of interest expense in 2023 was due to the repurchase of the Senior Notes due 2027.

(b) Net tax impact of adjustments represents the tax impact of all adjustments shown above.

**Item 7A. Quantitative and Qualitative Disclosures about Market Risk**

**Market Risk-Sensitive Instruments and Positions**

The risk inherent in our market risk-sensitive instruments and positions is primarily the potential loss arising from adverse changes in commodity prices, foreign currency exchange rates, interest rates and the credit quality of available-for-sale securities as discussed below. The sensitivity analyses presented do not consider the effects that such adverse changes may have on overall economic activity, nor do they consider additional actions our management may take to mitigate our exposure to such changes. Actual results may differ from those described below.

**Commodity Prices**

We purchase certain commodities, primarily corn, soybean meal, soybean oil, and wheat, for use as ingredients in the feed we either sell commercially or consume in our live operations. As a result, our earnings are affected by changes in the price and availability of such feed ingredients. We have from time to time attempted to minimize our exposure to the changing price and availability of such feed ingredients using various techniques, including, but not limited to, (1) executing purchase agreements with suppliers for future physical delivery of feed ingredients at established prices and (2) purchasing or selling derivative financial instruments such as futures and options.

For this sensitivity analysis, market risk is estimated as a hypothetical 10% increase in the weighted-average cost of our primary feed ingredients as of the periods presented. The impact of this fluctuation, if realized, could be mitigated by related commodity hedging activity. However, fluctuations greater than 10% could occur.

	Year Ended December 29, 2024	
	Amount	Impact of 10% Increase in Feed Ingredient Prices
		(In thousands)
Feed ingredient purchases <sup>(a)</sup>	\$ 3,451,498	\$ 345,150
Feed ingredient inventory <sup>(b)</sup>	166,993	16,699

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- (a) Based on our feed consumption, a 10% increase in the price of our feed ingredient purchases would have increased cost of sales for the year ended December 29, 2024.
- (b) A 10% increase in ending feed ingredient prices would have increased inventories as of December 29, 2024.

		December 29, 2024	
		Amount	Impact of 10% Increase to the Fair Value of Commodity Derivative Assets
		(In thousands)	
Commodity derivative assets <sup>(a)</sup>	\$	9,677	\$ 968

- (a) We purchase commodity derivative financial instruments, specifically exchange-traded futures and options, in an attempt to mitigate price risk related to our anticipated consumption of commodity inputs for the next 12 months. A 10% increase in corn, soybean meal, soybean oil and wheat prices would have resulted in an increase in the fair value of our net commodity derivative asset position, including margin cash, as of December 29, 2024.

### Interest Rates

*Fixed-rate debt.* Market risk for fixed-rate debt is estimated as the potential decrease in fair value resulting from a hypothetical increase in interest rates of 10%. Using a discounted cash flow analysis, a hypothetical 10% increase in interest rates would have decreased the fair value of our fixed-rate debt by \$101.4 million as of December 29, 2024.

### Foreign Currency

#### *Mexico Foreign Investments*

We are exposed to foreign exchange-related variability of investments and earnings from our Mexican subsidiaries. Foreign currency market risk is the possibility that our financial results or financial position could be better or worse than planned because of changes in foreign currency exchange rates. For this sensitivity analysis, market risk is estimated as a hypothetical 10% change in exchange rates used to convert Mexican peso to U.S. dollars, and the effect of this change on our Mexican foreign investments.

*Net Assets.* As of December 29, 2024, our Mexican subsidiaries that are denominated in Mexican peso had net assets of \$796.9 million. A 10% weakening in Mexican peso against the U.S. dollar exchange rate would cause a decrease in the net assets of our Mexican subsidiaries by \$72.4 million. A 10% strengthening in the Mexican peso against the U.S. dollar exchange rate would cause an increase in the net assets of our Mexican subsidiaries of \$88.5 million.

We are also exposed to the effect of potential currency exchange rate fluctuations to the extent that amounts are repatriated from Mexico to the U.S. The Mexican peso exchange rate can directly and indirectly impact our financial condition and results of operations.

#### *Europe Foreign Investments*

We are exposed to foreign exchange-related variability of investments and earnings from our Europe subsidiaries. Foreign currency market risk is the possibility that our financial results or financial position could be better or worse than planned because of changes in foreign currency exchange rates. For this sensitivity analysis, market risk is estimated as a hypothetical 10% change in exchange rates used to convert British pound and euro to U.S. dollars, and the effect of this change on our Europe foreign investments.

*Net Assets.* As of December 29, 2024, our Europe subsidiaries that are denominated in the British pound had net assets of \$0.8 billion. A 10% weakening in the British pound against the U.S. dollar exchange rate would cause a decrease in the net assets of our Europe subsidiaries by \$70.7 million. A 10% strengthening in the British pound against the U.S. dollar exchange rate would cause an increase in the net assets of our Europe subsidiaries by \$86.4 million.

*Cash flow hedging transactions.* We periodically enter into foreign currency forward contracts, which are designated and qualify as cash flow hedges, to hedge foreign currency risk on a portion of sales generated and purchases made by our Europe reportable segment. A 10% weakening or strengthening of the U.S. dollar against the British pound and U.S. dollar against the euro would result in immaterial changes in the fair values of these derivative instruments. No assurance can be given as to how future movements in currency rates could affect our future financial condition or results of operations.

### Quality of Investments

Certain retirement plans that we sponsor invest in a variety of financial instruments. We have analyzed our portfolios of investments and, to the best of our knowledge, none of our investments, including money market funds units, commercial paper and municipal securities, have been downgraded, and neither we nor any fund in which we participate hold significant

amounts of structured investment vehicles, auction rate securities, collateralized debt obligations, credit derivatives, hedge funds investments, fund of funds investments or perpetual preferred securities. Certain postretirement funds in which we participate hold significant amounts of mortgage-backed securities. However, none of the mortgages collateralizing these securities are considered subprime.

**Impact of Inflation**

The U.S., Mexico and most of Europe continue to experience inflation at above-historical levels, though to a lesser degree than in the prior year. None of the locations in which we operate are experiencing hyperinflation. We have responded to these inflationary challenges by continuing negotiations with customers to recoup the extraordinary costs we have experienced. We also continue to focus on operational initiatives that aim to deliver labor efficiencies, better agricultural performance and improved yields.

## Item 8. Financial Statements and Supplementary Data

### Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors  
Pilgrim's Pride Corporation:

#### *Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting*

We have audited the accompanying consolidated balance sheets of Pilgrim's Pride Corporation and subsidiaries (the Company) as of December 29, 2024 and December 31, 2023, the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the fiscal years in the three-year period ended December 29, 2024, and the related notes (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of December 29, 2024, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 29, 2024 and December 31, 2023, and the results of its operations and its cash flows for each of the fiscal years in the three-year period ended December 29, 2024, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 29, 2024 based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

#### *Basis for Opinions*

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

#### *Definition and Limitations of Internal Control Over Financial Reporting*

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made

only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### *Critical Audit Matters*

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

#### *Evaluation of quantitative goodwill impairment assessment*

As discussed in Notes 1 and 8 to the consolidated financial statements, the goodwill balance as of December 29, 2024 was \$1.2 billion, of which \$1.1 billion related to reporting units within the Company's Europe reportable segment. On July 1, 2024, the Company completed a reorganization within its Europe reportable segment. As a result of the reorganization, the Company reassigned assets and liabilities to the reporting units and allocated goodwill. The Company then performed pre- and post-reorganization quantitative impairment tests to determine whether the fair value of each of the reporting units was less than their carrying amounts.

We identified the evaluation of the post-reorganization quantitative goodwill impairment assessment on July 1, 2024 related to certain reporting units within the Company's Europe reportable segment as a critical audit matter. Subjective auditor judgment and specialized skills and knowledge were required to evaluate certain key assumptions used in measuring the fair value of the reporting units. These key assumptions included forecasted revenue growth, forecasted margins, discount rates, and terminal growth rates. Changes in these assumptions could have had an impact on the fair value of the reporting units.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the Company's quantitative goodwill impairment assessments as of July 1, 2024 for certain reporting units within the Company's Europe reportable segment, including controls over the key assumptions listed above. We evaluated the Company's assessments by:

- assessing the Company's forecasted revenue growth and forecasted margins against underlying business strategies, growth plans, and comparable companies
- comparing historical revenue growth and margins to forecasts to assess the Company's ability to forecast.

In addition, we involved valuation professionals with specialized skills and knowledge, who assisted in:

- evaluating the discount rates used by comparing the Company's inputs to the discount rates to publicly available data for comparable companies and assessing the resulting discount rates
- comparing the selected terminal growth rates to the Company's growth expectations using publicly available industry and economic data.

/s/ KPMG LLP

We have served as the Company's auditor since 2012.

Kansas City, Missouri  
February 13, 2025

**PILGRIM'S PRIDE CORPORATION  
CONSOLIDATED BALANCE SHEETS**

	December 29, 2024	December 31, 2023
(In thousands, except share and par value data)		
Cash and cash equivalents	\$ 2,040,834	\$ 697,748
Restricted cash and cash equivalents	2,324	33,475
Investment in available-for-sale securities	10,220	—
Trade accounts and other receivables, less allowance for credit losses	1,004,334	1,129,178
Accounts receivable from related parties	2,608	1,778
Inventories	1,783,488	1,985,399
Income taxes receivable	72,414	161,062
Prepaid expenses and other current assets	200,879	195,831
Assets held for sale	3,062	—
Total current assets	5,120,163	4,204,471
Deferred tax assets	29,483	4,890
Other long-lived assets	62,019	35,646
Operating lease assets, net	255,713	266,707
Intangible assets, net	806,234	853,983
Goodwill	1,239,073	1,286,261
Property, plant and equipment, net	3,137,891	3,158,403
Total assets	<u>\$ 10,650,576</u>	<u>\$ 9,810,361</u>
Accounts payable	\$ 1,411,519	\$ 1,410,576
Accounts payable to related parties	15,257	41,254
Revenue contract liabilities	48,898	84,958
Accrued expenses and other current liabilities	1,015,504	926,727
Income taxes payable	60,097	31,678
Current maturities of long-term debt	858	674
Total current liabilities	2,552,133	2,495,867
Noncurrent operating lease liabilities, less current maturities	195,944	203,348
Long-term debt, less current maturities	3,206,113	3,340,841
Deferred tax liabilities	422,952	385,548
Other long-term liabilities	20,038	40,180
Total liabilities	6,397,180	6,465,784
Common stock, \$.01 par value, 800,000,000 shares authorized; 262,263,358 and 261,931,080 shares issued at year-end 2024 and year-end 2023, respectively; 237,122,205 and 236,789,927 shares outstanding at year-end 2024 and year-end 2023, respectively	2,623	2,620
Treasury stock, at cost, 25,141,153 shares at year-end 2024 and year-end 2023	(544,687)	(544,687)
Additional paid-in capital	1,994,259	1,978,849
Retained earnings	3,157,511	2,071,073
Accumulated other comprehensive loss	(370,300)	(176,483)
Total Pilgrim's Pride Corporation stockholders' equity	4,239,406	3,331,372
Noncontrolling interest	13,990	13,205
Total stockholders' equity	<u>4,253,396</u>	<u>3,344,577</u>
Total liabilities and stockholders' equity	<u>\$ 10,650,576</u>	<u>\$ 9,810,361</u>

The accompanying notes are an integral part of these Consolidated Financial Statements.

**PILGRIM'S PRIDE CORPORATION**  
**CONSOLIDATED STATEMENTS OF INCOME**

	Year Ended		
	December 29, 2024	December 31, 2023	December 25, 2022
	(In thousands, except per share data)		
Net sales	\$ 17,878,291	\$ 17,362,217	\$ 17,468,377
Cost of sales	15,565,524	16,243,816	15,656,574
Gross profit	2,312,767	1,118,401	1,811,803
Selling, general and administrative expense	713,310	551,770	604,742
Restructuring activities	93,388	44,345	30,466
Operating income	1,506,069	522,286	1,176,595
Interest expense, net of capitalized interest	161,175	202,272	152,672
Interest income	(72,666)	(35,651)	(9,028)
Foreign currency transaction losses (gains)	(10,025)	20,570	30,817
Miscellaneous, net	15,316	(30,127)	(23,339)
Income before income taxes	1,412,269	365,222	1,025,473
Income tax expense	325,046	42,905	278,935
Net income	1,087,223	322,317	746,538
Less: Net income attributable to noncontrolling interest	785	743	608
Net income attributable to Pilgrim's Pride Corporation	<u>\$ 1,086,438</u>	<u>\$ 321,574</u>	<u>\$ 745,930</u>

**Weighted average shares of Pilgrim's Pride Corporation common stock outstanding:**

Basic	237,008	236,725	239,766
Effect of dilutive common stock equivalents	792	572	628
Diluted	<u>237,800</u>	<u>237,297</u>	<u>240,394</u>

**Net income attributable to Pilgrim's Pride Corporation per share of common stock outstanding:**

Basic	\$ 4.58	\$ 1.36	\$ 3.11
Diluted	\$ 4.57	\$ 1.36	\$ 3.10

The accompanying notes are an integral part of these Consolidated Financial Statements.

**PILGRIM'S PRIDE CORPORATION**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	Year Ended		
	December 29, 2024	December 31, 2023	December 25, 2022
(In thousands)			
Net income	\$ 1,087,223	\$ 322,317	\$ 746,538
Other comprehensive income (loss):			
Foreign currency translation adjustment			
Gains (losses) arising during the period	(222,393)	154,975	(297,066)
Derivative financial instruments designated as cash flow hedges			
Gains (losses) arising during the period	1,756	(2,565)	(2,915)
Reclassification to net earnings for losses (gains) realized	(1,849)	1,813	4,142
Income tax effect	—	—	(24)
Available-for-sale securities			
Gains (losses) arising during the period	72	(166)	(3)
Income tax effect	(27)	42	2
Reclassification to net earnings for losses (gains) realized	(82)	175	(17)
Income tax effect	20	(42)	4
Defined benefit plans			
Gains realized during the period	15,535	6,751	8,505
Income tax effect	(3,849)	(1,825)	(2,122)
Reclassification to net earnings of losses realized	22,530	1,065	1,381
Income tax effect	(5,530)	(258)	(338)
Total other comprehensive income (loss), net of tax	<u>(193,817)</u>	<u>159,965</u>	<u>(288,451)</u>
Comprehensive income	893,406	482,282	458,087
Less: Comprehensive income attributable to noncontrolling interests	785	743	608
Comprehensive income attributable to Pilgrim's Pride Corporation	<u>\$ 892,621</u>	<u>\$ 481,539</u>	<u>\$ 457,479</u>

The accompanying notes are an integral part of these Consolidated Financial Statements.

**PILGRIM'S PRIDE CORPORATION**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**

	Pilgrim's Pride Corporation Stockholders								
	Common Stock		Treasury Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interest	Total
	Shares	Amount	Shares	Amount					
	(In thousands)								
Balance at December 26, 2021	261,347	\$ 2,614	(17,673)	\$ (345,134)	\$ 1,964,028	\$ 1,003,569	\$ (47,997)	\$ 11,854	\$ 2,588,934
Comprehensive income:									
Net income	—	—	—	—	—	745,930	—	608	746,538
Other comprehensive loss, net of tax benefit of \$2,478	—	—	—	—	—	—	(288,451)	—	(288,451)
Capital distribution under Tax Sharing Agreement between JBS USA Holdings and Pilgrim's Pride Corporation (the "TSA")	—	—	—	—	(1,592)	—	—	—	(1,592)
Stock-based compensation plans:									
Common stock issued under compensation plans	264	3	—	—	(3)	—	—	—	—
Requisite service period recognition	—	—	—	—	7,400	—	—	—	7,400
Common stock purchased under share repurchase program	—	—	(7,469)	(199,553)	—	—	—	—	(199,553)
Balance at December 25, 2022	261,611	\$ 2,617	(25,142)	\$ (544,687)	\$ 1,969,833	\$ 1,749,499	\$ (336,448)	\$ 12,462	\$ 2,853,276
Comprehensive income:									
Net income	—	—	—	—	—	321,574	—	743	322,317
Other comprehensive income, net of tax expense of \$2,083	—	—	—	—	—	—	159,965	—	159,965
Capital contribution under TSA	—	—	—	—	1,425	—	—	—	1,425
Stock-based compensation plans:									
Common stock issued under compensation plans	320	3	—	—	(3)	—	—	—	—
Requisite service period recognition	—	—	—	—	7,594	—	—	—	7,594
Balance at December 31, 2023	261,931	\$ 2,620	(25,142)	\$ (544,687)	\$ 1,978,849	\$ 2,071,073	\$ (176,483)	\$ 13,205	\$ 3,344,577
Comprehensive income:									
Net income	—	—	—	—	—	1,086,438	—	785	1,087,223
Other comprehensive loss, net of tax benefit of \$9,386	—	—	—	—	—	—	(193,817)	—	(193,817)
Stock-based compensation plans:									
Common stock issued under compensation plans	332	3	—	—	(3)	—	—	—	—
Requisite service period recognition	—	—	—	—	15,413	—	—	—	15,413
Balance at December 29, 2024	<u>262,263</u>	<u>\$ 2,623</u>	<u>(25,142)</u>	<u>\$ (544,687)</u>	<u>\$ 1,994,259</u>	<u>\$ 3,157,511</u>	<u>\$ (370,300)</u>	<u>\$ 13,990</u>	<u>\$ 4,253,396</u>

The accompanying notes are an integral part of these Consolidated Financial Statements.

**PILGRIM'S PRIDE CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Year Ended		
	December 29, 2024	December 31, 2023	December 25, 2022
	(In thousands)		
<b>Cash flows from operating activities</b>			
Net income	\$ 1,087,223	\$ 322,317	\$ 746,538
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization	433,622	419,900	403,110
Asset impairment	28,575	4,010	3,559
Stock-based compensation	14,873	7,226	6,985
Loss (gain) on early extinguishment of debt recognized as a component of interest expense	(11,211)	20,694	—
Loan cost amortization	5,033	7,366	4,753
Deferred income tax expense	4,830	6,675	21,295
Accretion of bond discount	2,506	2,278	1,717
Loss (gain) on property disposals	1,779	(6,052)	(18,908)
Loss (gain) on equity method investments	(7)	328	(2)
Changes in operating assets and liabilities			
Trade accounts and other receivables	88,340	(19,007)	(149,599)
Inventories	134,521	12,602	(472,224)
Prepaid expenses and other current assets	(33,303)	17,776	18,264
Accounts payable, accrued expenses and other current liabilities	126,672	(68,677)	263,288
Income taxes	109,369	(8,878)	(142,455)
Long-term pension and other postretirement obligations	26,052	(9,993)	(4,128)
Other operating assets and liabilities	(28,747)	(30,688)	(12,330)
Cash provided by operating activities	1,990,127	677,877	669,863
<b>Cash flows from investing activities</b>			
Acquisitions of property, plant and equipment	(476,153)	(543,816)	(487,110)
Proceeds from property disposals	15,356	19,784	35,516
Proceeds from property insurance recoveries	—	20,681	16,034
Purchase of acquired businesses, net of cash acquired	—	—	(9,692)
Cash used in investing activities	(460,797)	(503,351)	(445,252)
<b>Cash flows from financing activities</b>			
Payments on revolving line of credit, long-term borrowings and finance lease obligations	(152,120)	(1,616,321)	(388,299)
Proceeds from revolving line of credit and long-term borrowings	—	1,768,236	362,540
Proceeds from contribution (payment of distribution) of capital under Tax Sharing Agreement between JBS USA Holdings and Pilgrim's Pride Corporation	1,425	(1,592)	(1,961)
Payment on early extinguishment of debt	(200)	(13,780)	—
Payment of capitalized loan costs	(16)	(19,816)	(4,741)
Purchase of common stock under share repurchase program	—	—	(199,553)
Cash provided by (used in) financing activities	(150,911)	116,727	(232,014)
Effect of exchange rate changes on cash and cash equivalents	(66,484)	5,211	(7,959)
Increase (decrease) in cash and cash equivalents	1,311,935	296,464	(15,362)
Cash and cash equivalents, restricted cash and restricted cash equivalents, beginning of year	731,223	434,759	450,121
Cash and cash equivalents, restricted cash and restricted cash equivalents, end of year	<u>\$ 2,043,158</u>	<u>\$ 731,223</u>	<u>\$ 434,759</u>
<b>Supplemental Disclosure Information</b>			
Interest paid (net of amount capitalized)	\$ 182,040	\$ 131,205	\$ 156,292
Income taxes paid	197,557	19,749	385,585

The accompanying notes are an integral part of these Consolidated Financial Statements.

## 1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Business

Pilgrim's Pride Corporation (referred to herein as "Pilgrim's," "PPC," "the Company," "we," "us," "our," or similar terms) is one of the largest food companies in the world, with operations in the United States ("U.S."), the United Kingdom ("U.K."), Mexico, France, Puerto Rico, the Netherlands and the Republic of Ireland. Pilgrim's is primarily a chicken producer, with pork and lamb operations in the U.K. Pilgrim's products are sold to foodservice, retail and frozen entrée customers. The Company's primary distribution is through retailers, foodservice distributors and restaurants throughout the countries listed above. Additionally, the Company exports chicken and pork products (from its U.K. operations) to over 120 countries. Our fresh products consist of refrigerated whole or cut-up chicken, selected chicken parts that are either marinated or non-marinated, primary pork cuts, added value pork, pork ribs and lamb products. The Company's prepared products include fully cooked, ready-to-cook and individually frozen chicken parts, strips, nuggets and patties, processed sausages, bacon, smoked meat, gammon joints, pre-packed meats, sandwich and deli counter meats and meat balls. The Company's other products include plant-based protein offerings, ready-to-eat meals, multi-protein frozen foods, vegetarian foods and desserts. The Company also provides direct-to-consumer meals and hot food to-go solutions in the U.K. and the Republic of Ireland. We operate feed mills, hatcheries, processing plants and distribution centers in 14 U.S. states, the U.K., Mexico, France, Puerto Rico, the Netherlands and the Republic of Ireland.

### Consolidated Financial Statements

The Company operates on the basis of a 52/53-week fiscal year ending on the Sunday falling on or before December 31. Any reference we make to a particular year in the notes to these Consolidated Financial Statements applies to our fiscal year and not the calendar year. Fiscal year 2024 was a 52-week fiscal year and fiscal year 2023 was a 53-week fiscal year.

The Consolidated Financial Statements have been prepared in conformity with accounting principles generally accepted in the U.S. ("U.S. GAAP") using management's best estimates and judgments. These estimates and judgments affect the reported amounts of assets and liabilities and disclosure of the contingent assets and liabilities at the date of the financial statements. The estimates and judgments will also affect the reported amounts for certain revenues and expenses during the reporting period. Actual results could differ materially from these estimates and judgments. Significant estimates made by the Company include the allowance for credit losses, reserves related to inventory obsolescence or valuation, useful lives of long-lived assets, goodwill, identifiable intangible assets, valuation of deferred tax assets, insurance accruals, valuation of pension and other postretirement benefits obligations, income tax accruals, certain derivative positions and valuations of acquired businesses.

The functional currency of the Company's U.S. operations and certain holding-company subsidiaries in Luxembourg, the U.K., Malta and the Republic of Ireland is the U.S. dollar. The functional currency of its U.K. operations is the British pound. The functional currency of the Company's operations in France, the Netherlands and the Republic of Ireland is the euro. The Company has determined that there was a significant change in economic factors that necessitated a reassessment of the appropriate functional currency of the Mexico reportable segment. The primary economic factors driving the change include 1) the recent sustained, historical strengthening of the Mexican peso against the U.S. dollar and against other global currencies without a correlated impact on the average product sales prices of our Mexico operations and 2) a shift in the proportional volume of spend we have that is denominated in Mexican peso in relation to spend that is denominated in U.S. dollar. As a result of this reassessment, on April 1, 2024, the Company changed the functional currency of its Mexico operations from U.S. dollar to the Mexican peso. The change in the functional currency was accounted for on April 1, 2024, and did not have a material impact on our consolidated financial statements. For foreign currency-denominated entities, including the Company's Mexico operations after April 1, 2024, translation from local currencies into U.S. dollars is performed for assets and liabilities using the exchange rates in effect as of the balance sheet date. Income and expense accounts are remeasured using average exchange rates for the period. Adjustments resulting from translation of these financial records are reflected as a separate component of *Accumulated other comprehensive loss* in the Consolidated Balance Sheets. For the Company's Mexico operations prior to April 1, 2024, remeasurement from the Mexican peso to U.S. dollars was performed for monetary assets and liabilities using the exchange rate in effect as of the balance sheet date. Remeasurement was performed for non-monetary assets using the historical exchange rate in effect on the date of each asset's acquisition. Income and expense accounts were remeasured using average exchange rates for the period. Net adjustments that resulted from remeasurement of the financial records, as well as foreign currency transaction gains and losses, are reflected in *Foreign currency transaction losses (gains)* in the Consolidated Statements of Income.

The Company or its subsidiaries may use derivatives for the purpose of mitigating exposure to changes in foreign currency exchange rates. Foreign currency transaction gains or losses are reported in the Consolidated Statements of Income.

**Revenue Recognition**

The vast majority of the Company's revenue is derived from contracts which are based upon a customer ordering its products. While there may be master agreements, the contract is only established when the customer's order is accepted by the Company. The Company accounts for a contract, which may be verbal or written, when it is approved and committed by both parties, the rights of the parties are identified along with payment terms, the contract has commercial substance and collectability is probable.

The Company evaluates the transaction for distinct performance obligations, which are the sale of its products to customers. Since its products are commodity market-priced, the sales price is representative of the observable, standalone selling price. Each performance obligation is recognized based upon a pattern of recognition that reflects the transfer of control to the customer at a point in time, which is upon destination (customer location or port of destination), and depicts the transfer of control and recognition of revenue. There are instances of customer pick-up at the Company's facilities, in which case control transfers to the customer at that point and the Company recognizes revenue. The Company's performance obligations are typically fulfilled within days to weeks of the acceptance of the order.

The Company makes judgments regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from revenue and cash flows with customers. Determination of a contract requires evaluation and judgment along with the estimation of the total contract value and if any of the contract value is constrained. Due to the nature of our business, there is minimal variable consideration, as the contract is established at the acceptance of the order from the customer. When applicable, variable consideration is estimated at contract inception and updated on a regular basis until the contract is completed. Allocating the transaction price to a specific performance obligation based upon the relative standalone selling prices includes estimating the standalone selling prices including discounts and variable consideration.

**Shipping and Handling Costs**

In the rare case when shipping and handling activities are performed after a customer obtains control of the good, the Company has elected to account for shipping and handling as activities to fulfill the promise to transfer the good. When revenue is recognized for the related good before the shipping and handling activities occur, the related costs of those shipping and handling activities are accrued. Shipping and handling costs are recorded within cost of sales.

**Advertising Costs**

The Company expenses advertising costs as incurred. Advertising costs are included in *Selling, general and administrative* ("SG&A") expense and totaled \$70.1 million, \$56.7 million and \$58.0 million for 2024, 2023 and 2022, respectively.

**Research and Development Costs**

Research and development costs are expensed as incurred. Research and development costs totaled \$12.4 million, \$5.7 million and \$12.5 million for 2024, 2023 and 2022, respectively.

**Cash and Cash Equivalents**

The Company considers highly liquid investments with an original maturity of three months or less when acquired to be cash equivalents. The majority of the Company's disbursement bank accounts are zero balance accounts where cash needs are funded as checks are presented for payment by the holder. Checks issued pending clearance that result in overdraft balances for accounting purposes are classified as accounts payable and the change in the related balance is reflected in operating activities on the Consolidated Statements of Cash Flows.

**Restricted Cash**

The Company is required to maintain cash balances with a broker as collateral for exchange traded futures contracts. These balances are classified as restricted cash as they are not available for use by the Company to fund daily operations. The balance of restricted cash may also include investments in U.S. Treasury Bills that qualify as cash equivalents, as required by the broker, to offset the obligation to return cash collateral.

The following table reconciles cash, cash equivalents, restricted cash and restricted cash equivalents as reported in the Consolidated Balance Sheets to the total of the same amounts shown in the Consolidated Statements of Cash Flows:

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	<u>December 29, 2024</u>	<u>December 31, 2023</u>
	(In thousands)	
Cash and cash equivalents	\$ 2,040,834	\$ 697,748
Restricted cash and restricted cash equivalents	2,324	33,475
Total cash, cash equivalents, restricted cash and restricted cash equivalents shown in the Consolidated Statements of Cash Flows	<u>\$ 2,043,158</u>	<u>\$ 731,223</u>

### Investments

The Company's current investments are all highly liquid investments classified as either cash equivalents or short-term investments with an original maturity of less than one year at time of acquisition. The Company's current investments are comprised of fixed income securities, such as commercial paper. These investments are classified as available-for-sale. These securities are recorded at fair value, and unrealized holding gains and losses are recorded, net of tax, as a component of accumulated other comprehensive loss. Investments in fixed income securities with remaining maturities of less than one year and those identified by management at the time of purchase for funding operations in less than one year are classified as current assets. Investments in fixed income securities with remaining maturities in excess of one year that management has not identified at the time of purchase for funding operations in less than one year are classified as long-term assets. Unrealized losses are charged against net earnings when a decline in fair value is determined to be other than temporary. Management reviews several factors to determine whether a loss is other than temporary, such as the length of time a security is in an unrealized loss position, the extent to which fair value is less than amortized cost, the impact of changing interest rates in the short and long term, and the Company's intent and ability to hold the security for a period of time sufficient to allow for any anticipated recovery in fair value. The Company determines the cost of each security sold and each amount reclassified out of accumulated other comprehensive loss into earnings using the specific identification method. Purchases and sales are recorded on a settlement date basis.

Investments in entities in which the Company has an ownership interest greater than 50% and exercises control over the entity are consolidated in the Consolidated Financial Statements. Investments in entities in which the Company has an ownership interest between 20% and 50% and exercises significant influence are accounted for using the equity method. The Company invests from time to time in ventures in which its ownership interest is less than 20% and over which it does not exercise significant influence. Such investments are accounted for under the cost method. The fair values for investments not traded on a quoted exchange are estimated based upon the historical performance of the ventures, the ventures' forecasted financial performance and management's evaluation of the ventures' viability and business models. To the extent the book value of an investment exceeds its assessed fair value, the Company will record an appropriate impairment charge.

### Accounts Receivable

The Company records accounts receivable when revenue is recognized. We record an allowance for expected credit losses, reducing our receivables balance to an amount we estimate is collectible from our customers. Estimates used in determining the allowance for credit losses are based on historical collection experience, current trends, aging of accounts receivable, and periodic credit evaluations of our customers' financial condition. We write off accounts receivable when it becomes apparent, based upon age or customer circumstances, that such amounts will not be collected. Generally, the Company does not require collateral for its accounts receivable.

### Inventories

Live chicken and pig inventories are stated at the lower of cost or net realizable value and breeder hen, breeder sow and boar inventories are stated at the lower of cost, less accumulated amortization, or net realizable value. The costs associated with breeder hen inventories are accumulated up to the production stage and amortized over their productive lives using the unit-of-production method. The costs associated with breeder sow inventories are accumulated up to the production stage and amortized on a straight-line basis over their productive lives to the estimated residual cull value. Finished poultry products, finished pork products, feed, eggs and other inventories are stated at the lower of cost (average) or net realizable value. Inventory typically transfers from one stage of production to another at a standard cost, where it accumulates additional cost directly incurred with the production of inventory, including overhead. The standard cost at which each type of inventory transfers is set by management to reflect the actual costs incurred in the prior steps. We monitor and adjust standard costs throughout the year to ensure that standard costs reasonably reflect the actual average cost of the inventory produced.

The Company allocates meat costs between its various finished chicken products based on a by-product costing technique that reduces the cost of the whole bird by estimated yields and amounts to be recovered for certain by-product parts. This primarily includes leg quarters, wings, tenders and offal, which are carried in inventory at the estimated recovery amounts, with the remaining amount being reflected as its breast meat cost. The Company allocates meat costs between its various

finished pork products based on a by-product costing technique that allocates the cost of the whole pig into the primal cuts by estimated yields and amounts to be recovered for certain by-product parts. This primarily includes legs, shoulders, bellies, offal and fifth quarter parts, which are carried in inventory at the estimated recoverable amounts, with the remaining amount being reflected as our loin meat cost.

The Company values its other prepared foods products, raw materials and packaging materials at the lower of weighted average cost and net realizable value. Work in progress is valued at the latest production cost (raw materials, packaging), finished goods are valued at the lower of the latest actual monthly production cost (raw materials, packaging and direct labor) and attributable overheads and net realizable value, and engineering spares and consumables are valued at cost with an appropriate provision for obsolete engineering spares consistent with historical practice.

Generally, the Company performs an evaluation of whether any lower of cost or net realizable value adjustments are required at the country level based on a number of factors, including: (1) pools of related inventory, (2) product continuation or discontinuation, (3) estimated market selling prices and (4) expected distribution channels. If actual market conditions or other factors are less favorable than those projected by management, additional inventory adjustments may be required. The Company also records valuation adjustments, when necessary, for estimated obsolescence at or equal to the difference between the cost of inventory and the estimated market value based upon known conditions affecting inventory obsolescence, including significantly aged products, discontinued product lines, or damaged or obsolete products.

### **Leases**

The Company determines if an arrangement is a lease at inception. Operating leases are included in *Operating lease assets, net, Accrued expenses and other current liabilities*, and *Noncurrent operating lease liabilities, less current maturities*, in our Consolidated Balance Sheets. Finance leases are included in *Property, plant and equipment, net, Current maturities of long-term debt* and *Long-term debt, less current maturities* in our Consolidated Balance Sheets.

Operating lease assets and operating lease liabilities are initially recognized based on the present value of the future minimum lease payments over the lease term at commencement date. As most of the Company's leases do not provide an implicit interest rate, the Company uses its incremental borrowing rate ("IBR") based on the information available at commencement date in determining the present value of future payments. IBR is derived from the Company's credit facility's margin as a basis with adjustments to periodically updated SOFR swap rate and foreign currency curve. The operating lease asset also includes any lease payments made, including upfront costs and prepayments, and excludes lease incentives and initial direct costs incurred. The Company's lease terms may include options to extend or terminate a lease when it is reasonably certain that it will exercise that option. Leases with an initial term of 12 months or less are not recorded on the balance sheet. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term with a corresponding reduction to the operating lease asset.

The Company has lease agreements with lease and non-lease components. Lease and non-lease components are generally accounted for separately. For certain equipment leases, such as vehicles, the Company accounts for the lease and non-lease components as a single lease component.

### **Property, Plant and Equipment**

Property, plant and equipment are stated at cost, and repair and maintenance costs are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of these assets. Estimated useful lives for building, machinery and equipment are five to 33 years and for automobiles and trucks are three to ten years. The charge to income resulting from amortization of assets recorded under capital leases is included within depreciation expense.

The Company records impairment charges on long-lived assets held for use when events and circumstances indicate that the assets may be impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amount of those assets. When the above is true, the impairment charge is determined based upon the amount the net book value of the assets exceeds their fair market value. In making these determinations, the Company utilizes certain assumptions, including, but not limited to: (1) future cash flows estimated to be generated by these assets, which are based on additional assumptions such as asset utilization, remaining length of service and estimated salvage values, (2) estimated fair market value of the assets and (3) determinations with respect to the lowest level of cash flows relevant to the respective impairment test, generally groupings of related operational facilities. Given the interdependency of the Company's individual facilities during the production process, which operate as a vertically integrated network, it evaluates impairment of assets held for use at the country level (i.e., the U.S. and Mexico). Management believes this is the lowest level of identifiable cash flows for its assets that are held for use in production activities. At the present time, the Company's forecasts indicate that it can recover the carrying value of its assets held for use based on the projected undiscounted cash flows of the operations.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company records impairment charges on long-lived assets held for sale when the carrying amount of those assets exceeds their fair value less appropriate selling costs. Fair value is based on amounts documented in sales contracts or letters of intent accepted by the Company, amounts included in counteroffers initiated by the Company, or, in the absence of current contract negotiations, amounts determined using a sales comparison approach for real property and amounts determined using a cost approach for personal property. Under the sales comparison approach, sales and asking prices of reasonably comparable properties are considered to develop a range of unit prices within which the current real estate market is operating. Under the cost approach, a current cost to replace the asset new is calculated and then the estimated replacement cost is reduced to reflect the applicable decline in value resulting from physical deterioration, functional obsolescence and economic obsolescence. Appropriate selling costs includes reasonable broker's commissions, costs to produce title documents, filing fees, legal expenses and the like.

**Goodwill and Other Intangibles, net**

Goodwill represents the excess of the aggregate purchase price over the fair value of the net identifiable assets acquired in a business combination. Identified intangible assets represent trade names, customer relationships and non-compete agreements arising from acquisitions that are recorded at fair value as of the date acquired less accumulated amortization, if any. The Company uses various market valuation techniques to determine the fair value of its identified intangible assets.

Goodwill and other intangible assets with indefinite lives are not amortized but are tested for impairment on an annual basis in the fourth quarter of each fiscal year or more frequently if impairment indicators arise. For goodwill, an impairment loss is recognized for any excess of the carrying amount of a reporting unit's goodwill over the implied fair value of that goodwill. Management first reviews relevant qualitative factors to determine whether it is more likely than not (that is, a likelihood of more than 50 percent), that the fair value of a reporting unit is less than the unit's carrying amount (including goodwill). If management determines it is more likely than not that the carrying amount of a reporting unit goodwill might be impaired, a quantitative analysis is performed. Management performed a qualitative analysis noting that it was not more likely than not that there was goodwill impairment in any of its reporting units as of December 29, 2024. For indefinite-lived intangible assets, an impairment loss is recognized if the carrying amount of an indefinite-lived intangible asset exceeds the estimated fair value of that intangible asset. Management first reviews relevant qualitative factors to determine whether it is more likely than not (that is, a likelihood of more than 50%) that an intangible asset is impaired. If management determines there is an indication that the carrying amount of the intangible asset might be impaired, and quantitative analysis is performed. Management performed a qualitative analysis noting that it was not more likely than not that there was impairment for any of its indefinite-lived intangible assets as of December 29, 2024.

Identifiable intangible assets with definite lives, such as customer relationships and trade names that the Company expects to use for a limited amount of time, are amortized over their estimated useful lives on a straight-line basis. The useful lives range from 15 to 20 years for trade names and three to 18 years for customer relationships. Identified intangible assets with definite lives are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Management assessed if events or changes in circumstances indicated that the aggregate carrying amount of its identified intangible assets with definite lives might not be recoverable and determined that there were no impairment indicators during the years ended December 29, 2024 and December 31, 2023.

**Litigation and Contingent Liabilities**

The Company is subject to lawsuits, investigations and other claims related to employment, environmental, product and other matters. The Company is required to assess the likelihood of any adverse judgments or outcomes, as well as potential ranges of probable losses, to these matters. The Company estimates the amount of reserves required for these contingencies when losses are determined to be probable and after considerable analysis of each individual issue. The Company expenses legal costs related to such loss contingencies as they are incurred. The accrual for environmental remediation liabilities is measured on an undiscounted basis. These reserves may change in the future due to changes in the Company's assumptions, the effectiveness of strategies, or other factors beyond the Company's control.

**Accrued Self Insurance**

Insurance expense for casualty claims and employee-related health care benefits are estimated using historical and current experience and actuarial estimates. Stop-loss coverage is maintained with third-party insurers to limit the Company's total exposure. Certain categories of claim liabilities are actuarially determined. The assumptions used to arrive at periodic expenses are reviewed regularly by management. However, actual expenses could differ from these estimates and could result in adjustments to be recognized.

**Asset Retirement Obligations**

The Company monitors certain asset retirement obligations in connection with its operations. These obligations relate to clean-up, removal or replacement activities and related costs for “in-place” exposures only when those exposures are moved or modified, such as during renovations of our facilities. These in-place exposures include asbestos, refrigerants, wastewater, oil, lubricants and other contaminants common in manufacturing environments. Under existing regulations, the Company is not required to remove these exposures and there are no plans to undertake a renovation that would require removal of the asbestos or the remediation of the other in-place exposures at this time. The facilities are expected to be maintained and repaired by activities that will not result in the removal or disruption of these in-place exposures at this time. As a result, there is an indeterminate settlement date for these asset retirement obligations because the range of time over which the Company may incur these liabilities is unknown and cannot be reasonably estimated. Therefore, the Company has not recorded the fair value of any potential liability.

**Income Taxes**

The Company follows provisions stated in the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 740, *Income Taxes*, with regard to members of a group that file a consolidated tax return but issue separate financial statements. The Company files certain state unitary returns with JBS USA Food Company Holdings (“JBS USA Holdings”). The income tax expense of the Company is computed using the separate return method. The provision for income taxes has been determined using the asset and liability approach of accounting for income taxes. For the unitary states, we have an obligation to make tax payments to JBS USA Holdings for our share of the unitary taxable income, which is included in taxes payable in our Consolidated Balance Sheets. Under this approach, deferred income taxes reflect the net tax effect of temporary differences between the book and tax bases of recorded assets and liabilities, net operating losses and tax credit carry forwards. The amount of deferred tax on these temporary differences is determined using the tax rates expected to apply to the period when the asset is realized or the liability is settled, as applicable, based on the tax rates and laws in the respective tax jurisdiction enacted as of the balance sheet date.

The Company reviews its deferred tax assets for recoverability and establishes a valuation allowance based on historical taxable income, potential for carry back of tax losses, projected future taxable income, applicable tax strategies, and the expected timing of the reversals of existing temporary differences. A valuation allowance is provided when it is more likely than not that some or all of the deferred tax assets will not be realized. Valuation allowances have been established primarily for net operating loss carry forwards of certain foreign subsidiaries.

The Company deems its earnings from Mexico, Puerto Rico, the U.K., the Republic of Ireland, France, the Netherlands, Luxembourg and Malta as of December 29, 2024 to be permanently reinvested. As such, U.S. deferred income taxes have not been provided on these earnings. If such earnings were not considered indefinitely reinvested, certain deferred foreign and U.S. income taxes would be provided.

The Company follows provisions within ASC Topic 740, *Income Taxes*, that provide a recognition threshold and measurement criteria for the financial statement recognition of a tax benefit taken or expected to be taken in a tax return. Tax benefits are recognized only when it is more likely than not, based on the technical merits, that the benefits will be sustained on examination. Tax benefits that meet the more-likely-than-not recognition threshold are measured using a probability weighting of the largest amount of tax benefit that has greater than 50% likelihood of being realized upon settlement. Whether the more-likely-than-not recognition threshold is met for a particular tax benefit is a matter of judgment based on the individual facts and circumstances evaluated in light of all available evidence as of the balance sheet date. See “Note 12. Income Taxes” to the Consolidated Financial Statements.

On December 30, 2024 the Company entered into a tax sharing agreement (the “Tax Sharing Agreement”) with JBS USA governing the allocation, and certain payment and reimbursement obligations of U.S. income tax liabilities and assets among the Company and its relevant U.S. corporate subsidiaries, on the one hand, and JBS USA and its relevant U.S. subsidiaries, on the other hand. The Tax Sharing Agreement is effective for each tax year beginning on or after December 30, 2024 or such other date in which PPC becomes a member of the Parent Consolidated Group (as defined in the Tax Sharing Agreement). The Tax Sharing Agreement is attached as Exhibit 10.15 to this Annual Report.

**Pension and Other Postemployment Benefits**

Our pension and other postemployment benefit costs and obligations are dependent on the various actuarial assumptions used in calculating such amounts. These assumptions relate to discount rates, long-term return on plan assets and other factors. We base the discount rate assumptions on current investment yields on high-quality corporate long-term bonds. We determine the long-term return on plan assets based on historical portfolio results and management’s expectation of the future economic environment. Actual results that differ from our assumptions are accumulated and, if in excess of the lesser of

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

10% of the projected benefit obligation or the fair market value of plan assets, amortized over either (1) the estimated average future service period of active plan participants if the plan is active or (2) the estimated average future life expectancy of all plan participants if the plan is frozen.

**Derivative Financial Instruments**

The Company uses derivative financial instruments (e.g., futures, forwards options and swaps) for the purpose of mitigating exposure to changes in commodity prices, foreign currency exchange rates and interest rates.

- *Commodity Price Risk* - The Company utilizes various raw materials, which are all considered commodities, in its operations, including corn, soybean meal, soybean oil, wheat, natural gas, electricity and diesel fuel. The Company considers these raw materials to be generally available from a number of different sources and believes it can obtain them to meet its requirements. These commodities are subject to price fluctuations and related price risk due to factors beyond our control, such as economic and political conditions, supply and demand, weather, governmental regulation and other circumstances. Generally, the Company enters into derivative contracts such as physical forward contracts and exchange-traded futures or option contracts in an attempt to mitigate price risk related to its anticipated consumption of commodity inputs for periods up to 12 months. The Company may enter into longer-term derivatives on particular commodities if deemed appropriate.
- *Foreign Currency Risk* - The Company has foreign operations and, therefore, has exposure to foreign exchange risk when the financial results of those operations are translated to U.S. dollars. The Company will occasionally purchase derivative financial instruments such as foreign currency forward contracts in an attempt to mitigate currency exchange rate exposure in its Mexico reportable segment. The Company's Europe reportable segment also attempts to mitigate foreign currency exposure on certain transactions denominated in foreign currencies through the use of derivative financial instruments.
- *Interest Rate Risk* - The Company has exposure to variability in cash flows from interest payments due to the use of variable interest rates on certain long-term debt arrangements. The Company has purchased in the past an interest rate swap contract to convert the variable interest rate to a fixed interest rate on a portion of its outstanding long-term debt arrangements in order to manage this interest rate risk and add stability to interest expense and cash flows.

Pilgrim's recognizes all commodity derivative instruments that qualify for derivative accounting treatment as either assets or liabilities and measures those instruments at fair value unless they qualify for, and we elect, the normal purchases and normal sales scope exception ("NPNS"). The permitted accounting treatments include: cash flow hedge; fair value hedge; and undesignated contracts. Undesignated contract accounting is the default accounting treatment for all derivatives unless they qualify, and we specifically designate them, for one of the other accounting treatments. Derivatives designated for any of the elective accounting treatments must meet specific, restrictive criteria both at the time of designation and on an ongoing basis.

The Company has generally applied the NPNS exception for certain of its forward physical grain purchase and energy purchase contracts. NPNS contracts are accounted for using the accrual method of accounting; therefore, there were no amounts recorded in the Consolidated Financial Statements at December 29, 2024 and December 31, 2023.

Undesignated contracts may include contracts not designated as a hedge or for which the NPNS exception was not elected, contracts that do not qualify for hedge accounting and derivatives that do not or no longer qualify for the NPNS scope exception. The fair value of these derivatives is recognized in the Consolidated Balance Sheets within *Prepaid expenses and other current assets* or *Accrued expenses and other current liabilities*. Changes in fair value of these derivatives are recognized immediately in the Consolidated Statements of Income within *Net sales*, *Cost of sales* or *SG&A expense*, depending on the risk they are intended to mitigate. While management believes these instruments help mitigate various market risks, they are not designated nor accounted for as hedges as a result of the extensive record keeping requirements.

**Business Combination Accounting**

Pilgrim's allocates the consideration of an acquired business to its identifiable assets and liabilities based on estimated fair values. The excess of the consideration over the amount allocated to the assets and liabilities, if any, is recorded to goodwill. The Company uses all available information to estimate fair values. Pilgrim's uses various models to determine the value of assets acquired and liabilities assumed such as net realizable value to value inventory, cost method and market approach to value property, relief-from-royalty and multi-period excess earnings to value intangibles and discounted cash flow to value goodwill. The Company typically engages third-party valuation specialists to assist in the fair value determination of tangible long-lived assets and intangible assets other than goodwill. The fair value of acquired inventories is determined by extending physical counts of the inventories taken at or near the acquisition date to market pricing in effect for such inventories

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

at or near the acquisition date. The carrying values of acquired receivables and accounts payable have historically approximated their fair values as of the business combination date. As necessary, Pilgrim's may engage third-party specialists to assist in the estimation of fair value for certain liabilities. The Company adjusts the preliminary acquisition accounting, as necessary, typically up to one year after the acquisition closing date for those items that existed at the acquisition date and were provisionally accounted for at that time, as it obtains more information regarding asset valuations and liabilities assumed.

The Company's acquisition accounting methodology contains uncertainties because it requires management to make assumptions and to apply judgment to estimate the fair value of acquired assets and liabilities. Management estimates the fair value of assets and liabilities based upon quoted market prices, the carrying value of the acquired assets and widely accepted valuation techniques, including discounted cash flows and market multiple analyses. Unanticipated events or circumstances may occur which could affect the accuracy of the Company's fair value estimates, including changes in assumptions regarding industry economic factors and business strategies. If actual results are materially different than the assumptions used to determine fair value of the assets and liabilities acquired through a business combination, it is possible that adjustments to the carrying values of such assets and liabilities will have an impact on the Company's net earnings.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. We make significant estimates in regard to realization of deferred tax assets; valuation of long-lived assets; valuation of contingent liabilities and self-insurance liabilities; and valuation of acquired businesses.

**Industrial Revenue Bond Transaction**

On August 22, 2024, the Company closed an industrial revenue bond transaction with the Douglas-Coffee County Industrial Authority d/b/a Douglas-Coffee County Development Authority (the "County") in order to receive a five-year real property tax abatement on the Company's newly constructed Douglas, Georgia protein conversion facility. Pursuant to this transaction, the County issued an industrial revenue bond for \$130.0 million principal amount to the Company and then used the proceeds of the bond issuance to purchase the land and facility from the Company. The County then leased the facility back to the Company under a finance lease, the terms of which provide for the payment of rent in an amount equal to that of bond service costs. The related land and building are recorded as assets in *Property, plant, and equipment, net* on the Company's Condensed Consolidated Balance Sheet. The Company has the legal right to set-off and intends to set-off the corresponding lease and bond service payments, therefore the Company has netted the finance lease obligation with the bond asset. As such, no amount for our obligation under the finance lease or the corresponding industrial revenue bond asset are reflected in our Consolidated Balance Sheet.

**Recent Accounting Pronouncements Adopted in 2024**

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which requires additional disclosures for reportable segments. The guidance requires disclosures about significant segment expenses that are regularly provided to the chief operating decision maker along with additional measures of segment profit that are regularly used by the chief operating decision maker in assessing segment performance and deciding how to allocate resources. The provisions of the new guidance will be effective for years beginning after December 15, 2023 and interim periods in fiscal years beginning after December 15, 2024. The Company adopted this guidance effective December 29, 2024. The adoption of this guidance did not have a material impact on our Consolidated Financial Statements. Additional information regarding segments is included in "Note 20. Reportable Segments."

**Recent Accounting Pronouncements Adopted in 2023**

In September 2022, the FASB issued Accounting Standards Update ("ASU") 2022-04, *Liabilities - Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations*, which requires disclosure of the existence of supplier financing programs. The guidance requires disclosure about the nature of the supplier financing agreements, including key terms and payment timing and determination of amounts, the accounting treatment for the transactions and the effect of the transactions on the financial statements, as well as any assets pledged or guarantees provided to the providers of the financing programs. The provisions of the new guidance were effective for years beginning after December 15, 2022 with the requirement to add rollforward disclosures for years beginning after December 15, 2023. The Company adopted this guidance effective December 26, 2022. The adoption of this guidance did not have a material impact on our Consolidated Financial Statements. Additional information regarding supplier finance programs is included in "Note 11. Supplier Finance Programs."

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, which provides optional expedients and exceptions to the application of current GAAP to existing contracts, hedging relationships and other transactions affected by reference rate reform. The new guidance will ease the transition to new reference rates by allowing entities to update contracts and hedging relationships without applying many of the contract modification requirements specific to those contracts. The provisions of the new guidance are effective beginning March 12, 2020, extending through December 31, 2022 with the option to apply the guidance at any point during that time period. In January 2021, the FASB issued ASU 2021-01, *Reference Rate Reform (Topic 848)*, which provides further clarification on the scope of Topic 848 so that derivatives affected by the discounting transition are explicitly eligible for certain optional expedients and exceptions in Topic 848. Once an entity elects an expedient or exception it must be applied to all eligible contracts or transactions. The Company adopted this guidance effective December 26, 2022. The adoption did not have a material impact on our Consolidated Financial Statements.

### Recent Accounting Pronouncements Not Yet Adopted as of December 29, 2024

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires additional disclosures for income taxes to enhance transparency and usefulness of income tax disclosures. The guidance requires additional disclosures for the tabular rate reconciliation, income taxes paid, and the disaggregation of domestic, federal and state, and foreign components within income (or loss) from continuing operations before income tax expense (or benefit) and income tax expense (or benefit) from continuing operations. The provisions of the new guidance will be effective for years beginning after December 15, 2024. The Company plans to adopt this guidance as it becomes effective and is assessing the impacts on our Consolidated Financial Statements.

In November 2024, the FASB issued ASU 2024-03, *Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40)*, which requires additional disclosures for certain costs and expenses to help investors better understand major components of an entity's income statement. The guidance requires additional disclosures for costs and expenses such as purchases of inventory, employee compensation, depreciation, and intangible asset amortization. The provisions of the new guidance will be effective for annual reporting years beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027. The Company plans to adopt this guidance as it becomes effective and is assessing the impacts on our Consolidated Financial Statements.

## 2. REVENUE RECOGNITION

### Disaggregated Revenue

Revenue has been disaggregated into the following categories below to show how economic factors affect the nature, amount, timing and uncertainty of revenue and cash flows:

	Year Ended December 29, 2024				
	Fresh	Prepared	Export	Other <sup>(a)</sup>	Total
	(In thousands)				
U.S.	\$ 8,731,904	\$ 1,094,818	\$ 468,553	\$ 334,654	\$ 10,629,929
Europe	1,178,459	3,381,178	477,486	99,624	5,136,747
Mexico	1,777,815	220,270	—	113,530	2,111,615
Total net sales	\$ 11,688,178	\$ 4,696,266	\$ 946,039	\$ 547,808	\$ 17,878,291

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## Year Ended December 31, 2023

	Fresh	Prepared	Export	Other <sup>(a)</sup>	Total
	(In thousands)				
U.S.	\$ 8,105,268	\$ 978,423	\$ 533,205	\$ 410,846	\$ 10,027,742
Europe	1,074,900	3,525,359	472,657	130,406	5,203,322
Mexico	1,796,670	212,651	—	121,832	2,131,153
Total net sales	<u>\$ 10,976,838</u>	<u>\$ 4,716,433</u>	<u>\$ 1,005,862</u>	<u>\$ 663,084</u>	<u>\$ 17,362,217</u>

## Year Ended December 25, 2022

	Fresh	Prepared	Export	Other <sup>(a)</sup>	Total
	(In thousands)				
U.S.	\$ 8,624,421	\$ 1,107,734	\$ 552,823	\$ 463,372	\$ 10,748,350
Europe	908,882	3,104,347	712,685	148,824	4,874,738
Mexico	1,587,809	167,589	—	89,891	1,845,289
Total net sales	<u>\$ 11,121,112</u>	<u>\$ 4,379,670</u>	<u>\$ 1,265,508</u>	<u>\$ 702,087</u>	<u>\$ 17,468,377</u>

(a) Included in Other sales shown above are sales of commodity grains and protein byproducts.

Additional disaggregation of revenue by sales channel is provided below:

## Year Ended December 29, 2024

	Retail	Foodservice	Export	Other	Total
	(In thousands)				
U.S.	\$ 5,708,826	\$ 4,029,197	\$ 468,553	\$ 423,353	\$ 10,629,929
Europe	3,257,803	846,284	477,486	555,174	5,136,747
Mexico <sup>(a)</sup>	531,724	982,429	—	597,462	2,111,615
Total net sales	<u>\$ 9,498,353</u>	<u>\$ 5,857,910</u>	<u>\$ 946,039</u>	<u>\$ 1,575,989</u>	<u>\$ 17,878,291</u>

## Year Ended December 31, 2023

	Retail	Foodservice	Export	Other	Total
	(In thousands)				
U.S.	\$ 5,111,023	\$ 3,829,397	\$ 533,205	\$ 554,117	\$ 10,027,742
Europe	3,220,272	917,304	472,657	593,089	5,203,322
Mexico <sup>(a)</sup>	502,408	986,567	—	642,178	2,131,153
Total net sales	<u>\$ 8,833,703</u>	<u>\$ 5,733,268</u>	<u>\$ 1,005,862</u>	<u>\$ 1,789,384</u>	<u>\$ 17,362,217</u>

## Year Ended December 25, 2022

	Retail	Foodservice	Export	Other	Total
	(In thousands)				
U.S.	\$ 4,952,560	\$ 4,608,606	\$ 552,823	\$ 634,361	\$ 10,748,350
Europe	2,842,502	778,304	712,685	541,247	4,874,738
Mexico <sup>(a)</sup>	416,342	880,368	—	548,579	1,845,289
Total net sales	<u>\$ 8,211,404</u>	<u>\$ 6,267,278</u>	<u>\$ 1,265,508</u>	<u>\$ 1,724,187</u>	<u>\$ 17,468,377</u>

(a) Included in Mexico foodservice channel are sales to wholesale public meat markets that typically sell product on to foodservice customers. Included in Mexico other channel are sales to live chicken markets.

**Contract Costs**

The Company can incur incremental costs to obtain or fulfill a contract such as broker expenses that are not expected to be recovered. The amortization period for such expenses is less than one year; therefore, the costs are expensed as incurred.

**Taxes**

The Company excludes all taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction and collected by the entity from a customer (for example, sales, use, value added and some excise taxes) from the transaction price.

**Contract Balances**

The Company receives payment from customers based on terms established with the customer. Payments are typically due within 14 to 30 days of delivery. Revenue contract liabilities relate to payments received in advance of satisfying the performance under the customer contract. The revenue contract liabilities relate to customer prepayments and the advanced consideration, such as cash, received from governmental agency contracts for which performance obligations to the end customer have not been satisfied.

Changes in the revenue contract liability balances for the years ended December 29, 2024 and December 31, 2023 were as follows:

	December 29, 2024	December 31, 2023
	(In thousands)	
Balance, beginning of year	\$ 84,958	\$ 34,486
Revenue recognized	(82,331)	(28,674)
Cash received, excluding amounts recognized as revenue during the period	46,271	79,146
Balance, end of year	<u>\$ 48,898</u>	<u>\$ 84,958</u>

**3. LEASES**

The Company is party to operating lease agreements for warehouses, office space, vehicle maintenance facilities and livestock growing farms in the U.S., distribution centers, hatcheries and office space in Mexico and farms, processing facilities and office space in Europe. Additionally, the Company leases equipment, over-the-road transportation vehicles and other assets in all three reportable segments. The Company is also party to a limited number of finance lease agreements in the U.S.

The Company's leases have remaining lease terms of less than one year to 17 years, some of which may include options to extend the lease for up to five years and some of which may include options to terminate the lease within one year. The exercise of options to extend lease terms is at the Company's sole discretion. Certain leases also include options to purchase the leased property.

Certain lease agreements include rental payment increases over the lease term that can be either fixed or variable. Fixed payment increases and variable payment increases based on an index or rate are included in the initial lease liability using the index or rate at commencement date. Variable payment increases not based on an index are recognized as incurred. Certain lease agreements contain residual value guarantees, primarily vehicle and transportation equipment leases.

The following table presents components of lease expense (in thousands). Operating lease cost, finance lease amortization and finance lease interest are respectively included in *Cost of sales*, *SG&A expense* and *Interest expense, net of capitalized interest* in the Consolidated Statements of Income.

	Year Ended	
	December 29, 2024	December 31, 2023
Operating lease cost <sup>(a)</sup>	\$ 86,684	\$ 92,877
Amortization of finance lease assets	650	921
Interest on finance leases	58	95
Short-term lease cost	103,364	93,739
Variable lease cost	2,577	2,751
Net lease cost	<u>\$ 193,333</u>	<u>\$ 190,383</u>

(a) Sublease income is immaterial and not included in operating lease costs.

The weighted-average remaining lease term and discount rate for lease liabilities included in our Consolidated Balance Sheets are as follows:

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	December 29, 2024	December 31, 2023
Weighted-average remaining lease term:		
Operating leases	6.11 years	5.73 years
Finance leases	3.35 years	4.34 years
Weighted-average discount rate:		
Operating leases	4.53 %	4.24 %
Finance leases	2.66 %	2.81 %

Supplemental cash flow information related to leases is as follows (in thousands):

	Year Ended	
	December 29, 2024	December 31, 2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows - operating leases	\$ 84,806	\$ 94,087
Operating cash flows - finance leases	40	96
Financing cash flows - finance leases	616	979
Operating lease assets obtained in exchange for operating lease liabilities	66,060	36,967

Future minimum lease payments under noncancelable leases as of December 29, 2024 are as follows (in thousands):

	Operating Leases		Finance Leases	
	December 29, 2024	December 31, 2023	December 29, 2024	December 31, 2023
For the fiscal years ending December:				
2025	\$ 73,332	\$ 577	\$ 73,332	\$ 577
2026	58,905	553	58,905	553
2027	45,318	526	45,318	526
2028	31,595	219	31,595	219
2029	21,879	—	21,879	—
Thereafter	63,155	—	63,155	—
Total future minimum lease payments	294,184	1,875	294,184	1,875
Less: imputed interest	(34,913)	(83)	(34,913)	(83)
Present value of lease liabilities	\$ 259,271	\$ 1,792	\$ 259,271	\$ 1,792

Lease liabilities are included in our Consolidated Balance Sheets as follows (in thousands):

	December 29, 2024		December 31, 2023	
	Operating Leases	Finance Leases	Operating Leases	Finance Leases
Accrued expenses and other current liabilities	\$ 63,327	\$ —	\$ 67,440	\$ —
Current maturities of long-term debt	—	536	—	674
Noncurrent operating lease liability, less current maturities	195,944	—	203,348	—
Long-term debt, less current maturities	—	1,256	—	1,812
Total lease liabilities	\$ 259,271	\$ 1,792	\$ 270,788	\$ 2,486

#### 4. DERIVATIVE FINANCIAL INSTRUMENTS

The Company utilizes various raw materials in its operations, including corn, soybean meal, soybean oil, wheat, natural gas, electricity and diesel fuel, which are all considered commodities. The Company considers these raw materials generally available from a number of different sources and believes it can obtain them to meet its requirements. These commodities are subject to price fluctuations and related price risk due to factors beyond our control, such as economic and political conditions, supply and demand, weather, governmental regulation and other circumstances. Generally, the Company purchases derivative financial instruments, specifically exchange-traded futures and options, in an attempt to mitigate price risk related to its anticipated consumption of commodity inputs for approximately the next twelve months. The Company may purchase longer-term derivative financial instruments on particular commodities if deemed appropriate.

The Company has operations in Mexico, the U.K., France, the Netherlands and the Republic of Ireland. Therefore, it has exposure to translational foreign exchange risk when the financial results of those operations are remeasured in U.S. dollars. The Company has historically purchased foreign currency forward contracts to manage a portion of this foreign exchange risk.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The fair value of derivative assets is included in the line item *Prepaid expenses and other current assets* on the Consolidated Balance Sheets while the fair value of derivative liabilities is included in the line item *Accrued expenses and other current liabilities* on the same statements. The Company’s counterparties require that it post collateral for changes in the net fair value of the derivative contracts. This cash collateral is reported in the line item *Restricted cash and restricted cash equivalents* on the Consolidated Balance Sheets.

Undesignated contracts may include contracts not designated as hedges or contracts that do not qualify for hedge accounting. The fair value of each of these derivatives is recognized in the Consolidated Balance Sheets within *Prepaid expenses and other current assets* or *Accrued expenses and other current liabilities*. Changes in fair value of each derivative are recognized immediately in the Consolidated Statements of Income within *Net sales*, *Cost of sales*, or *Foreign currency transaction losses (gains)* depending on the risk the derivative is intended to mitigate. While management believes these instruments help mitigate various market risks, they are not designated and accounted for as hedges as a result of the extensive record keeping requirements.

The Company does not apply hedge accounting treatment to certain derivative financial instruments it has purchased to mitigate commodity purchase exposures in the U.S. and Mexico or foreign currency transaction exposures on our Mexico operations. Therefore, the Company recognized changes in the fair value of these derivative financial instruments immediately in earnings. Gains or losses related to the commodity derivative financial instruments are included in the line item *Cost of sales* in the Consolidated Statements of Income. Realized gains and losses related to cash flows are disclosed in the Consolidated Statements of Cash Flows in *Cash provided by operating activities*. Unrealized gains and losses related to cash flows are disclosed in the Consolidated Statements of Cash Flows in the line item *Other operating assets and liabilities*. Gains or losses related to the foreign currency derivative financial instruments are included in the line item *Foreign currency transaction losses (gains)* in the Consolidated Statements of Income.

The Company does apply hedge accounting treatment to certain derivative financial instruments related to its Europe reportable segment that it has purchased to mitigate foreign currency transaction exposures. Before the settlement date of the financial derivative instruments, the Company recognizes changes in the fair value of the cash flow hedge into accumulated other comprehensive income (“AOCI”). When the derivative financial instruments are settled, the amount in AOCI is then reclassified to earnings. Gains or losses related to these derivative financial instruments are included in the line item *Net sales* and *Cost of sales* in the Consolidated Statements of Income.

We have generally applied the normal purchase and normal sale scope exception (“NPNS”) to our forward physical grain purchase contracts delivered by truck and to our forward physical natural gas and solar-generated power purchase contracts. NPNS contracts are accounted for using the accrual method of accounting; therefore, amounts payable under these contracts are recorded when we take delivery of the contracted product and no amounts were recorded for the fair value of these contracts in the Consolidated Financial Statements at December 29, 2024 and December 31, 2023.

Information regarding the Company’s outstanding derivative instruments and cash collateral posted with brokers is included in the following table:

	<u>December 29, 2024</u>	<u>December 31, 2023</u>
	(In thousands)	
<b>Fair values:</b>		
Commodity derivative assets	\$ 6,598	\$ 1,202
Commodity derivative liabilities	(2,494)	(17,118)
Foreign currency derivative assets	755	175
Foreign currency derivative liabilities	(1,397)	(723)
Sales contract derivative assets	—	960
Sales contract derivative liabilities	(778)	—
Cash collateral posted with brokers <sup>(a)</sup>	2,324	33,475
<b>Derivatives coverage<sup>(b)</sup>:</b>		
Corn	11.5 %	10.9 %
Soybean meal	9.3 %	39.6 %
Period through which stated percent of needs are covered:		
Corn	December 2025	July 2024
Soybean meal	March 2026	March 2024

(a) Collateral posted with brokers consists primarily of cash, short term treasury bills, or other cash equivalents.

(b) Derivatives coverage is the percent of anticipated commodity needs covered by outstanding derivative instruments through a specified date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table presents the gains and losses of each derivative instrument held by the Company not designated or qualifying as hedging instruments:

Type of Contract <sup>(a)</sup>	Year Ended			Affected Line Item in the Consolidated Statements of Income
	December 29, 2024	December 31, 2023	December 25, 2022	
Foreign currency derivatives	\$ —	\$ (34,229)	\$ (35,586)	Foreign currency transaction losses (gains)
Commodity derivatives	(11,008)	(5,318)	53,899	Cost of sales
Sales contract derivatives	(1,738)	4,665	8,985	Net sales
Total	<u>\$ (12,746)</u>	<u>\$ (34,882)</u>	<u>\$ 27,298</u>	

(a) Amounts represent income (expenses) related to results of operations.

The following tables present the components of the gain or loss on derivatives that qualify as cash flow hedges:

	Gains (Losses) Recognized in Other Comprehensive Income (Loss)		
	December 29, 2024	December 31, 2023	December 25, 2022
	(In thousands)		
Foreign currency derivatives	\$ 1,767	\$ (2,579)	\$ 1,719
Interest rate swap derivatives	—	—	98
Total	<u>\$ 1,767</u>	<u>\$ (2,579)</u>	<u>\$ 1,817</u>

	Gains (Losses) Reclassified from AOCI into Income	
	December 29, 2024	December 31, 2023
	(In thousands)	
	Net sales <sup>(a)</sup>	Cost of sales <sup>(b)</sup>

Total amounts of income and expense line items presented in the Consolidated Statements of Income in which the effects of cash flow hedges are recorded	\$ 17,878,291	\$ 15,565,524	\$ 17,362,217	\$ 16,243,816
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Impact from cash flow hedging instruments:

Foreign currency derivatives	1,367	(482)	(1,816)	(3)
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(a) Amounts represent income (expenses) related to net sales.

(b) Amounts represent expenses (income) related to cost of sales and interest expense.

As of December 29, 2024, there were \$2 million of pre-tax deferred net losses on foreign currency derivatives recorded in AOCI expected to be reclassified to the Consolidated Statements of Income during the next twelve months. This expectation is based on the anticipated settlements on the hedged investments in foreign currencies that will occur over the next twelve months, at which time the Company will recognize the deferred losses to earnings.

## 5. TRADE ACCOUNTS AND OTHER RECEIVABLES

Trade accounts and other receivables (including accounts receivable from related parties), less allowance for credit losses, consisted of the following:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	<u>December 29, 2024</u>	<u>December 31, 2023</u>
	(In thousands)	
Trade accounts receivable	\$ 973,820	\$ 1,027,916
Notes receivable	8,970	51,168
Other receivables	30,018	59,435
Receivables, gross	1,012,808	1,138,519
Allowance for credit losses	(8,474)	(9,341)
Receivables, net	<u>\$ 1,004,334</u>	<u>\$ 1,129,178</u>
Accounts receivable from related parties <sup>(a)</sup>	\$ 2,608	\$ 1,778

(a) Additional information regarding accounts receivable from related parties is included in “Note 19. Related Party Transactions.”

Activity in the allowance for credit losses was as follows:

	<u>December 29, 2024</u>	<u>December 31, 2023</u>
	(In thousands)	
<b>Allowance for Credit Losses:</b>		
Balance, beginning of period	\$ (9,341)	\$ (9,559)
Provision released (charged) to operating results	102	(1,439)
Account write-offs and recoveries	46	2,436
Effect of exchange rate	719	(779)
Balance, end of period	<u>\$ (8,474)</u>	<u>\$ (9,341)</u>

In June 2023, the Company and JBS USA Food Company (“JBS USA”) jointly entered into a receivables purchase agreement with a bank for an uncommitted facility with a maximum capacity of \$415.0 million and no recourse to the Company or JBS USA. Under the facility, the Company may sell eligible trade receivables in exchange for cash. Transfers under the agreement are recorded as a sale under ASC 860, *Broad Transactions – Transfers and Servicing*. At the transfer date, the Company received cash equal to the face value of the receivables sold less a fee based on the current Secured Overnight Financing Rate (“SOFR”) plus an applicable margin applied over the customer payment term. The fees are immaterial.

**6. INVENTORIES**

Inventories consisted of the following:

	<u>December 29, 2024</u>	<u>December 31, 2023</u>
	(In thousands)	
Raw materials and work-in-process	\$ 1,069,170	\$ 1,158,467
Finished products	527,364	642,028
Operating supplies	77,146	75,530
Maintenance materials and parts	109,808	109,374
Total inventories	<u>\$ 1,783,488</u>	<u>\$ 1,985,399</u>

**7. INVESTMENTS IN SECURITIES**

The Company recognizes investments in available-for-sale securities as cash equivalents, current investments or long-term investments depending upon each security’s length to maturity. The following table summarizes our investments in available-for-sale securities:

	<u>December 29, 2024</u>		<u>December 31, 2023</u>	
	<u>Amortized Cost</u>	<u>Fair Value</u>	<u>Amortized Cost</u>	<u>Fair Value</u>
	(In thousands)			
<b>Cash equivalents:</b>				
Fixed income securities	\$ 1,702,493	\$ 1,702,697	\$ 324,808	\$ 324,947
<b>Short-term investment:</b>				
Fixed income securities	10,000	10,220	—	—

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Interest income and gross realized gains during 2024 and 2023 related to the Company's available-for-sale securities totaled \$70.8 million and \$21.5 million, respectively, while gross realized losses were immaterial. Proceeds received from the sale or maturity of available-for-sale securities investments are historically disclosed in the Consolidated Statements of Cash Flows. Net unrealized holding gains and losses on the Company's available-for-sale securities recognized during 2024 and 2023 that have been included in accumulated other comprehensive income (loss) and the net amount of gains and losses reclassified out of accumulated other comprehensive income (loss) to earnings during 2024 and 2023 are disclosed in "Note 14. Stockholders' Equity."

**8. GOODWILL AND INTANGIBLE ASSETS**

The activity in goodwill by reportable segment for the years ended December 29, 2024 and December 31, 2023 were as follows:

	<u>December 31, 2023</u>	<u>Currency Translation</u>	<u>December 29, 2024</u>
		(In thousands)	
U.S.	\$ 41,936	\$ —	\$ 41,936
Europe	1,116,521	(18,878)	1,097,643
Mexico	127,804	(28,310)	99,494
Total	<u>\$ 1,286,261</u>	<u>\$ (47,188)</u>	<u>\$ 1,239,073</u>

	<u>December 25, 2022</u>	<u>Currency Translation</u>	<u>December 31, 2023</u>
		(In thousands)	
U.S.	\$ 41,936	\$ —	\$ 41,936
Europe	1,058,204	58,317	1,116,521
Mexico	127,804	—	127,804
Total	<u>\$ 1,227,944</u>	<u>\$ 58,317</u>	<u>\$ 1,286,261</u>

Intangible assets consisted of the following:

	<u>December 31, 2023</u>	<u>Amortization</u>	<u>Currency Translation</u>	<u>December 29, 2024</u>
			(In thousands)	
<b>Carrying amount:</b>				
Trade names not subject to amortization	\$ 580,473	\$ —	\$ (11,116)	\$ 569,357
Trade names subject to amortization	112,681	—	(665)	112,016
Customer relationships	441,719	—	(9,858)	431,861
<b>Accumulated amortization:</b>				
Trade names	(57,762)	(3,893)	128	(61,527)
Customer relationships	(223,128)	(28,503)	6,158	(245,473)
Total	<u>\$ 853,983</u>	<u>\$ (32,396)</u>	<u>\$ (15,353)</u>	<u>\$ 806,234</u>

	<u>December 25, 2022</u>	<u>Amortization</u>	<u>Currency Translation</u>	<u>December 31, 2023</u>
			(In thousands)	
<b>Carrying amount:</b>				
Trade names not subject to amortization	\$ 549,024	\$ —	\$ 31,449	\$ 580,473
Trade names subject to amortization	112,057	—	624	112,681
Customer relationships	427,662	—	14,057	441,719
Trade names	(53,708)	(3,886)	(168)	(57,762)
Customer relationships	(189,015)	(29,210)	(4,903)	(223,128)
Total	<u>\$ 846,020</u>	<u>\$ (33,096)</u>	<u>\$ 41,059</u>	<u>\$ 853,983</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Intangible assets are amortized over the estimated useful lives of the assets as follows:

Trade names subject to amortization	15-20 years
Customer relationships	3-18 years

The Company expects to recognize amortization expense associated with intangible assets of \$32.4 million in 2025, \$29.9 million in 2026, \$24.9 million in 2027, 2028 and 2029.

On July 1, 2024, the Company effectively completed a reorganization within its Europe reportable segment. The previous reporting units were Moy Park, Pilgrim's UK, and Pilgrim's Food Masters. The new reporting units are Fresh Pork/Lamb, Fresh Poultry, Food Service, Meals, and Brands & Snacking. As a result of this reorganization, the Company reassigned assets and liabilities to the applicable reporting units and allocated goodwill using the relative net assets approach. The Company then performed an interim impairment test on the reporting units on both a pre- and post-reorganization basis. There was no impairment recognized as a result of these tests. The Company additionally assessed if the Pilgrim's Europe reorganization indicated that any carrying amounts of its non-goodwill intangible assets might not be recoverable. The reorganization did not result in any change in business use for any of the intangible assets and therefore, the Company determined no indicators were present that required us to test the recoverability of the asset group-level carrying amounts of its Europe intangible assets at that date.

As of December 29, 2024, the Company assessed qualitative factors to determine if it was necessary to perform quantitative impairment tests related to the carrying amounts of its goodwill or its intangible assets not subject to amortization. Based on these assessments, the Company determined that it was not necessary to perform quantitative impairment tests related to the carrying amount of its goodwill nor its intangible assets not subject to amortization at that date.

As of December 29, 2024, the Company assessed if events or changes in circumstances indicated that the aggregate carrying amount of its intangible assets subject to amortization might not be recoverable. There were no indicators present that required the Company to test the recoverability of the aggregate carrying amount of its intangible assets subject to amortization at that date.

**9. PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment ("PP&E"), net consisted of the following:

	<u>December 29, 2024</u>	<u>December 31, 2023</u>
	(In thousands)	
Land	\$ 215,305	\$ 273,846
Buildings	2,307,851	2,170,716
Machinery and equipment	4,137,561	3,953,008
Autos and trucks	130,013	93,858
Finance lease assets	4,275	5,550
Construction-in-progress	299,933	458,146
PP&E, gross	<u>7,094,938</u>	<u>6,955,124</u>
Accumulated depreciation	<u>(3,957,047)</u>	<u>(3,796,721)</u>
PP&E, net	<u>\$ 3,137,891</u>	<u>\$ 3,158,403</u>

The Company recognized depreciation expense of \$401.2 million, \$386.8 million and \$369.4 million during 2024, 2023 and 2022, respectively.

During 2024, the Company incurred \$458.5 million on capital projects and transferred \$633.0 million of completed projects from construction-in-progress to depreciable assets. Capital expenditures during 2024 were primarily incurred for growth projects, such as the Moorefield, WV expansion and the South Georgia protein conversion plant, and to improve operational efficiencies, information technology system enhancement projects, and to reduce costs. During 2023, the Company spent \$557.8 million on capital projects and transferred \$461.0 million of completed projects from construction-in-progress to depreciable assets. Capital expenditures in accounts payable and accrued expenses for the years ended December 29, 2024 and December 31, 2023 were \$29.2 million and \$85.9 million, respectively.

During 2024, the Company sold certain PP&E for \$15.4 million and recognized a loss of \$1.8 million. PP&E sold in 2024 consisted of a feed mill in the U.S., breeder farm equipment in Mexico, and other miscellaneous equipment. During 2023,

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

the Company sold certain PP&E for \$19.8 million and recognized a gain of \$6.1 million. PP&E sold in 2023 consisted of a farm in Mexico and other miscellaneous equipment.

The Company has closed or idled various facilities in the U.S. and the U.K. The Board of Directors has not determined if it would be in the best interest of the Company to divest any of these idled assets. Management is therefore not certain that it can or will divest any of these assets within one year, is not actively marketing these assets and, accordingly, has not classified them as assets held for sale. The Company continues to depreciate these assets. As of December 29, 2024, the carrying amount of these idled assets was \$45.1 million based on depreciable value of \$185.8 million and accumulated depreciation of \$140.7 million. During 2024, the Company recognized an impairment loss on PP&E of \$28.6 million incurred as a result of planned restructuring activities in the Europe reportable segment. Additional information regarding restructuring activities is included in “Note 18. Restructuring-Related Activities.”

As of December 29, 2024, the Company assessed if events or changes in circumstances indicated that the aggregate carrying amount of its property, plant and equipment held for use might not be recoverable. There were no indicators present that required the Company to test the recoverability of the aggregate carrying amount of its property, plant and equipment held for use at that date.

**10. CURRENT LIABILITIES**

Current liabilities, other than income taxes and current maturities of long-term debt, consisted of the following components:

	<u>December 29, 2024</u>	<u>December 31, 2023</u>
	(In thousands)	
<b>Accounts payable</b>		
Trade accounts	\$ 1,269,417	\$ 1,294,830
Book overdrafts	113,364	90,612
Other payables	28,738	25,134
Total accounts payable	1,411,519	1,410,576
Accounts payable to related parties <sup>(a)</sup>	15,257	41,254
Revenue contract liabilities <sup>(b)</sup>	48,898	84,958
<b>Accrued expenses and other current liabilities</b>		
Compensation and benefits	346,355	249,474
Accrued sales rebates	116,439	104,390
Litigation settlements	111,769	73,330
Insurance and self-insured claims	76,025	76,287
Interest and debt-related fees	65,192	71,508
Current maturities of operating lease liabilities <sup>(c)</sup>	63,327	67,440
Taxes	35,938	37,635
Derivative liabilities <sup>(d)</sup>	4,669	17,841
Other accrued expenses	195,790	228,822
Total accrued expenses and other current liabilities	1,015,504	926,727
<b>Total current liabilities</b>	<u>\$ 2,491,178</u>	<u>\$ 2,463,515</u>

(a) Additional information regarding accounts payable to related parties is included in “Note 19. Related Party Transactions.”

(b) Additional information regarding revenue contract liabilities is included in “Note 2. Revenue Recognition.”

(c) Additional information regarding current maturities of operating lease liabilities is included in “Note 3. Leases.”

(d) Additional information regarding derivative liabilities is included in “Note 4. Derivative Financial Instruments.”

**11. SUPPLIER FINANCE PROGRAMS**

The Company maintains supplier finance programs, under which we agree to pay for invoices that are confirmed as valid under the program from participating suppliers to a financing entity. Maturity dates are generally between 65-120 days and we pay either the supplier or the financing entity depending on the supplier's election. We do not have an economic interest in a supplier's participation in the program or a direct financial relationship with the financial institution funding the program. The outstanding balances are included in *Accounts payable* in the Consolidated Balance Sheets.

	<b>Year Ended</b>	
	<b>December 29, 2024</b>	
	(In thousands)	
Confirmed obligations outstanding, beginning of year	\$	192,666
Invoices confirmed during the year		870,540
Confirmed invoices paid during the year		(910,426)
Confirmed obligations outstanding, end of year	\$	<u>152,780</u>

**12. INCOME TAXES**

Income (loss) before income taxes by jurisdiction is as follows:

	<b>Year Ended</b>		
	<b>December 29, 2024</b>	<b>December 31, 2023</b>	<b>December 25, 2022</b>
	(In thousands)		
U.S.	\$ 1,428,497	\$ 26,887	\$ 928,709
Foreign	(16,228)	338,335	96,764
Total	<u>\$ 1,412,269</u>	<u>\$ 365,222</u>	<u>\$ 1,025,473</u>

The components of income tax expense (benefit) are set forth below:

	<b>Year Ended</b>		
	<b>December 29, 2024</b>	<b>December 31, 2023</b>	<b>December 25, 2022</b>
	(In thousands)		
<b>Current</b>			
Federal	\$ 172,269	\$ (19,727)	\$ 169,660
Foreign	113,194	59,326	52,995
State and other	34,752	(3,369)	34,985
Total current	<u>320,215</u>	<u>36,230</u>	<u>257,640</u>
<b>Deferred</b>			
Federal	21,334	12,783	14,654
Foreign	(25,697)	(10,573)	5,694
State and other	9,194	4,465	947
Total deferred	<u>4,831</u>	<u>6,675</u>	<u>21,295</u>
Total	<u>\$ 325,046</u>	<u>\$ 42,905</u>	<u>\$ 278,935</u>

The effective tax rate for 2024 was 23.0% compared to 11.7% for 2023 and 27.2% for 2022.

The following table reconciles the statutory U.S. federal income tax rate to the Company's effective income tax rate:

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	Year Ended		
	December 29, 2024	December 31, 2023	December 25, 2022
Federal income tax rate	21.0 %	21.0 %	21.0 %
State tax rate, net	2.4	0.6	3.2
Global intangible low-taxed income	0.1	—	—
Mexico tax audit	—	—	3.8
Intercompany financing	(0.9)	(5.7)	(1.9)
Permanent items	1.7	(0.9)	(0.9)
Difference in U.S. statutory tax rate and foreign country effective tax rate	2.3	5.2	1.2
Rate change	(0.5)	(0.7)	(0.9)
Foreign currency translation	(0.8)	(7.4)	(0.9)
Tax credits	(0.8)	(3.0)	(0.4)
Change in reserve for unrecognized tax benefits	0.1	—	(0.4)
Change in valuation allowance	(0.2)	6.9	2.8
Return to provision	0.1	(4.1)	—
Other	(1.5)	(0.2)	0.6
Total	23.0 %	11.7 %	27.2 %

Included in the Mexico tax audit item in above table is an increase of 3.8% in the effective tax rate related to the Mexican Tax Authority's claim that Avícola Pilgrim's Pride de Mexico, S.A. de C.V. ("Avícola") should have considered dividends paid out of its subsidiaries as partially taxable in tax years 2009 and 2010. The amount was recorded during the year ended December 25, 2022.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Significant components of the Company's deferred tax liabilities and assets are as follows:

	<u>December 29, 2024</u>	<u>December 31, 2023</u>
	(In thousands)	
<b>Deferred tax liabilities</b>		
PP&E and identified intangible assets	\$ 495,571	\$ 519,458
Inventories	93,513	99,144
Incentive compensation	—	8,984
Operating lease assets	63,717	81,942
Other	6,959	2,534
Total deferred tax liabilities	<u>659,760</u>	<u>712,062</u>
<b>Deferred tax assets</b>		
U.S. net operating losses	14,603	24,902
Foreign net operating losses	49,166	55,583
Credit carry forwards	20,099	23,985
Allowance for credit losses	3,532	5,167
Accrued liabilities	92,565	81,156
Workers' compensation	7,172	5,361
Incentive compensation	1,161	—
Operating lease liabilities	63,717	80,823
Advance payments	—	22,774
Interest expense limitations	72,615	93,685
Other	27,918	26,428
Total deferred tax assets	<u>352,548</u>	<u>419,864</u>
Valuation allowance	<u>(86,257)</u>	<u>(88,460)</u>
Net deferred tax assets	<u>266,291</u>	<u>331,404</u>
Net deferred tax liabilities	<u>\$ 393,469</u>	<u>\$ 380,658</u>

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities (including the impact of available carry back and carry forward periods), projected future taxable income and tax-planning strategies in making this assessment.

As of December 29, 2024, the Company believes it has sufficient positive evidence to conclude that realization of its federal, state and foreign net deferred tax assets are more likely than not to be realized. As of December 29, 2024, the Company's valuation allowance is \$86.3 million, of which \$10.6 million relates to our Europe operations, \$0.3 million relates to our Mexico operations, \$50.9 million relates to Onix Investments UK Limited, Sandstone Holdings Sàrl and Arkose Investments ULC, indirect subsidiaries of Pilgrim's, \$11.9 million relates to our Puerto Rico operations, \$11.8 million relates to U.S. foreign tax credits and \$0.8 million relates to state net operating losses.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
	(In thousands)			
<b>Valuation allowance</b>				
2024	\$ 88,460	\$ 637	\$ (2,840)	\$ 86,257
2023	64,361	25,296	(1,197)	88,460
2022	24,261	43,188	(3,088)	64,361

As of December 29, 2024, the Company had federal and state net operating loss carry forwards of approximately \$48.4 million that begin to expire in 2025. The Company also had Mexico net operating loss carry forwards as of December 29, 2024 of approximately \$0.8 million that begin to expire in 2028. The Company also had U.K. net operating loss carry forwards as of December 29, 2024 of approximately \$177.2 million that may be carried forward indefinitely.

As of December 29, 2024, the Company had approximately \$5.4 million of state tax credit carry forwards that begin to expire in 2025.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 29, 2024 and December 31, 2023, there is a tax effect of \$(9.4) million and \$(2.1) million, respectively, reflected in other comprehensive loss.

For the years ended December 29, 2024 and December 31, 2023, there are immaterial tax effects reflected in income tax expense due to excess tax benefits and shortfalls related to stock-based compensation. See “Note 1. Business and Summary of Significant Accounting Policies” for additional information.

A reconciliation of the beginning and ending amounts of unrecognized tax benefits is as follows:

	<u>December 29, 2024</u>	<u>December 31, 2023</u>
	(In thousands)	
Unrecognized tax benefits, beginning of year	\$ 37,565	\$ 27,585
Increase as a result of tax positions taken during prior years	—	17,415
Decrease for lapse in statute of limitations	(8,300)	(7,201)
Decrease for tax positions of prior years	(296)	(234)
Unrecognized tax benefits, end of year	<u>\$ 28,969</u>	<u>\$ 37,565</u>

Included in unrecognized tax benefits of \$29.0 million as of December 29, 2024, was \$15.1 million of tax benefits that, if recognized, would reduce the Company’s effective tax rate. It is not practicable at this time to estimate the amount of unrecognized tax benefits that will change in the next twelve months.

The Company recognizes interest and penalties related to unrecognized tax benefits in its provision for income taxes. As of December 29, 2024, the Company had recorded a liability of \$7.6 million for interest and penalties. During 2024, accrued interest and penalty amounts related to uncertain tax positions increased by \$1.7 million.

The Company operates in the U.S. (including multiple state jurisdictions), Puerto Rico and several foreign locations including Mexico, the U.K., the Republic of Ireland. With few exceptions, the Company is no longer subject to examinations by taxing authorities for years prior to 2020 in U.S. federal, state and local jurisdictions, for years prior to 2010 in Mexico, and for years prior to 2017 in the U.K.

The Company has a tax sharing agreement with JBS USA Holdings effective for tax years beginning 2010. There was no tax sharing receivable or payable accrued for the 2024 tax year.

### 13. DEBT

Long-term debt and other borrowing arrangements, including current notes payable to banks, consisted of the following components:

	<u>Maturity</u>	<u>December 29, 2024</u>	<u>December 31, 2023</u>
		(In thousands)	
Senior notes payable, net of discount, at 6.875%	2034	\$ 491,329	\$ 490,408
Senior notes payable, net of discount, at 6.25%	2033	974,381	993,595
Senior notes payable at 3.50%	2032	900,000	900,000
Senior notes payable, net of discount, at 4.25%	2031	850,342	992,711
U.S. Credit Facility (defined below) at SOFR plus 1.35%	2028	—	—
Europe Credit Facility (defined below) with notes payable at SONIA plus 1.25%	2027	—	—
Mexico Credit Facility (defined below) with notes payable at TIIE plus 1.35%	2026	—	—
Live Oak CHP Project PACE Loan 5.15%	2053	20,599	—
Finance lease obligations	Various	1,792	2,486
Long-term debt		3,238,443	3,379,200
Less: Current maturities of long-term debt		(858)	(674)
Long-term debt, less current maturities		3,237,585	3,378,526
Less: Capitalized financing costs		(31,472)	(37,685)
Long-term debt, less current maturities, net of capitalized financing costs		<u>\$ 3,206,113</u>	<u>\$ 3,340,841</u>

The future minimum principal payments due in each of the next five fiscal years subsequent to the year ended December 29, 2024, related to the Live Oak CHP Project PACE Loan discussed below, are \$0.1 million. See “Note 3. Leases” for future minimum payments of finance lease obligations.

**Bond Repurchase Program**

On May 1, 2024, the Board approved a bond repurchase program which authorizes the Company to buyback \$200.0 million of the Company's outstanding senior notes. Under the program, the Company has repurchased \$144.3 million of outstanding principal of the Senior Notes due 2031 and \$20.0 million of outstanding principal of the Senior Notes due 2033, resulting in gross realized gains of \$13.8 million in the year ended December 29, 2024. The gross realized gains on early extinguishment of debt are recognized as a reduction in interest expense. The original discount and capitalized financing costs of \$1.1 million and \$1.2 million associated with the amounts repurchased, respectively, are partially offsetting the gross gains on early extinguishment of debt, along with a nominal amount of transaction fees.

**U.S. Senior Notes***U.S. Senior Notes Due 2031*

On April 8, 2021, the Company completed a sale of \$1.0 billion aggregate principal amount of its 4.25% sustainability-linked unsecured senior notes due 2031 ("Senior Notes due 2031"). The Company used the net proceeds, together with cash on hand, to redeem previously issued senior notes. The issuance price of this offering was 98.994%, which created gross proceeds of \$989.9 million. The \$10.1 million discount will be amortized over the remaining life of the Senior Notes due 2031. Each issuance of the Senior Notes due 2031 is treated as a single class for all purposes under the April 2021 Indenture (defined below) and have the same terms.

The Senior Notes due 2031 are governed by, and were issued pursuant to, an indenture dated as of April 8, 2021 by and among the Company, its guarantor subsidiaries and Regions Bank, as trustee (the "April 2021 Indenture"). The April 2021 Indenture provides, among other things, that the Senior Notes due 2031 bear interest at a rate of 4.25% per annum payable semi-annually on April 15 and October 15 of each year. From and including October 15, 2026, the interest rate payable on the notes shall be increased to 4.50% per annum unless the Company has notified the trustee at least 30 days prior to October 15, 2026 that in respect of the year ending December 31, 2025, (1) the Company's greenhouse gas emissions intensity reduction target of 17.679% by December 31, 2025 from a 2019 baseline (the "Sustainability Performance Target") has been satisfied and (2) the satisfaction of the Sustainability Performance Target has been confirmed by a qualified provider of third-party assurance or attestation services appointed by the Company to review the Company's statement of the greenhouse gas emissions intensity in accordance with its customary procedures.

*U.S. Senior Notes Due 2032*

On September 2, 2021, the Company completed a sale of \$900.0 million in aggregate principal amount of its 3.50% unsecured senior notes due 2032 ("Senior Notes due 2032"). The Company used the proceeds, together with borrowings under the delayed draw term loan under its U.S. Credit Facility, to finance the acquisition of the Kerry Consumer Foods' meats and meals businesses (now Pilgrim's Food Masters) and to pay related fees and expenses. Each issuance of the Senior Notes due 2032 is treated as a single class for all purposes under the September 2021 Indenture (defined below) and have the same terms.

The Senior Notes due 2032 are governed by, and were issued pursuant to, an indenture dated as of September 2, 2021 by and among the Company, its guarantor subsidiaries and Regions Bank, as trustee (the "September 2021 Indenture"). The September 2021 Indenture provides, among other things, that the Senior Notes due 2032 bear interest at a rate of 3.50% per annum payable semi-annually on March 1 and September 1 of each year.

On September 22, 2022, the Company announced expiration and receipt of requisite consents in its consent solicitation for certain amendments to its Senior Notes due 2031 and Senior Notes due 2032. The amendments conform certain provisions and restrictive covenants in each indenture to (1) reflect PPC investment grade status and (2) the corresponding provisions and restrictive covenants set forth in the indenture governing its Senior Notes due 2031 and Senior Notes due 2032. The amendments permanently eliminated certain covenants for the Company, including limitation on incurrence of additional debt, issuance of capital stock, restricted payments, asset sales, restrictions on distributions, affiliate transactions, guarantees of debt by restricted subsidiaries and provisions related to mergers and consolidation. In addition, provisions related to limitation on liens, sale and leaseback transactions, substitution of the company and measuring compliance were amended.

*U.S. Senior Notes Due 2033*

On April 19, 2023, the Company completed a sale of \$1.0 billion aggregate principal amount of its 6.25% unsecured, registered senior notes due 2033 ("Senior Notes due 2033"). The Company used the net proceeds to repay the term loans and the outstanding balance under the U.S. Credit Facility as defined below. The remaining proceeds were used for general corporate purposes, including repaying existing debt. The issuance price of this offering to the public was 99.312%, which created gross proceeds of \$993.1 million before transaction costs. The \$6.9 million discount will be amortized over the

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

remaining life of the Senior Notes due 2033. The Senior Notes due 2033 bear interest at a rate of 6.25% per annum from the date of issuance until maturity, payable semiannually on January 1 and July 1 of each year, commencing on January 1, 2024.

The Senior Notes due 2027, Senior Notes due 2031, Senior Notes due 2032, and Senior Notes due 2033 (together, “Guaranteed Senior Notes”) were and are each guaranteed on a senior unsecured basis by the Company’s guarantor subsidiaries. On February 16, 2023, the Company exchanged all of its outstanding principal amounts on the Senior Notes due 2031 and the Senior Notes due 2032 for an equal principal amount of new notes in a transaction registered under the Securities Act. The Senior Notes due 2033 were registered under the Securities Act from the date of sale. In addition, all of the Company’s other existing or future domestic restricted subsidiaries that incur or guarantee any other indebtedness (with limited exceptions) must also guarantee the Guaranteed Senior Notes. All the Guaranteed Senior Notes related guarantees were and are unsecured senior obligations of the Company and its guarantor subsidiaries and rank equally with all of the Company’s and its guarantor subsidiaries’ other unsubordinated indebtedness. The Guaranteed Senior Notes also contain customary covenants and events of default.

*U.S. Senior Notes Due 2034*

On October 12, 2023, the Company completed a sale of \$500.0 million aggregate principal amount of its 6.875% unsecured, registered senior notes due 2034 (“Senior Notes due 2034”). The Company used the net proceeds from the offering of the Senior Notes due 2034, together with cash on hand, to repurchase pursuant to a tender offer and redeem all of its outstanding 5.875% Senior Notes due 2027. The issuance price of this offering to the public was 98.041%, which created gross proceeds of \$490.2 million before transaction costs. The \$9.8 million discount will be amortized over the remaining life of the Senior Notes due 2034. The Senior Notes due 2034 bear interest at a rate of 6.875% per annum from the date of issuance until maturity, payable semiannually in arrears on May 15 and November 15 of each year, commencing on May 15, 2024.

The Senior Notes due 2034 are the Company’s senior unsecured obligations and will rank equally with all of the Company’s existing and future senior unsecured debt and rank senior to all of the Company’s existing and future subordinated debt. The Senior Notes due 2034 will be effectively junior to the Company’s existing and future secured debt to the extent of the value of the collateral securing such debt. The Senior Notes due 2034 are not guaranteed by the Company’s subsidiaries will be structurally subordinated to all existing and future liabilities (including trade payables) of the Company’s subsidiaries.

**U.S. Credit Facility**

On October 4, 2023, the Company and certain of the Company’s subsidiaries entered into a Revolving Syndicated Facility Agreement (the “U.S. Credit Facility”) with CoBank, ACB as administrative agent and the other lenders party thereto. The U.S. Credit Facility provides for a revolving loan commitment of up to \$850 million. The loan commitment matures on October 4, 2028. The U.S. Credit Facility is unsecured and will be used for general corporate purposes. Outstanding borrowings under the U.S. Credit Facility bear interest at a per annum rate equal to either the Secured Overnight Financing Rate (“SOFR”) or the prime rate plus applicable margins based on the Company’s credit ratings. As of December 29, 2024, the Company had outstanding letters of credit and available borrowings under the revolving credit commitment of \$24.2 million and \$825.8 million, respectively, and there were no outstanding borrowings under this agreement.

The U.S. Credit Facility requires customary financial and other covenants for transactions of this type, including limitations on 1) liens, 2) indebtedness, 3) sales and other dispositions of assets, 4) dividends, distributions, and other payments in respect of equity interest, 5) investments, and 6) voluntary prepayments, redemptions or repurchases of junior debt. In each case, clauses 1 to 6 are subject to certain exceptions which can be material and certain of such clauses only apply to the Company upon the occurrence of certain triggering events. The Company is currently in compliance with the covenants under the U.S. Credit Facility.

**Europe Credit Facility**

On June 24, 2022, Moy Park Holdings (Europe) Ltd. (“MPH(E)”) and other Pilgrim’s entities located in the U.K. and Republic of Ireland entered into an unsecured multicurrency revolving facility agreement (the “Europe Credit Facility”) with the Governor and Company of the Bank of Ireland, as agent, and the other lenders party thereto. The Europe Credit Facility provides for a multicurrency revolving loan commitment of up to £150.0 million. The loan commitment matures on June 24, 2027. Outstanding borrowings bear interest at the current Sterling Overnight Index Average (“SONIA”) interest rate plus 1.25%. All obligations under this agreement are guaranteed by certain of the Company’s subsidiaries. As of December 29, 2024, both the U.S. dollar-equivalent loan commitment and borrowing availability were \$188.6 million and there were no outstanding borrowings under this agreement.

The Europe Credit Facility contains representations and warranties, covenants, indemnities and conditions, in each case, that the Company believes are customary for transactions of this type. Pursuant to the terms of the agreement, the

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Company is required to meet certain financial and other restrictive covenants. Additionally, the Company is prohibited from taking certain actions without consent of the lenders, including, without limitation, incurring additional indebtedness, entering into certain mergers or other business combination transactions, permitting liens or other encumbrances on its assets and making restricted payments, including dividends, in each case, except as expressly permitted under the Europe Credit Facility. The Company is currently in compliance with the covenants under the Europe Credit Facility.

**Mexico Credit Facility**

On August 15, 2023, certain of the Company’s Mexican subsidiaries entered into an unsecured credit agreement (the “Mexico Credit Facility”) with BBVA México as lender. The loan commitment under the Mexico Credit Facility is Mex\$1.1 billion and can be borrowed on a revolving basis. Outstanding borrowings under the Mexico Credit Facility accrue interest at a rate equal to The Interbank Equilibrium Interest (“TIIE”) rate plus 1.35%. The Mexico Credit Facility contains covenants and defaults that the Company believes are customary for transactions of this type. The Mexico Credit Facility will be used for general corporate and working capital purposes. The Mexico Credit Facility will mature on August 15, 2026. As of December 29, 2024, the U.S. dollar-equivalent of the loan commitment and borrowing availability was \$54.6 million. As of December 29, 2024, there were no outstanding borrowings under the Mexico Credit Facility. The Company is currently in compliance with the covenants under the Mexico Credit Facility.

**Live Oak CHP Project PACE Loan**

On October 10, 2022, the Company entered into a property assessed clean energy (“PACE”) financing program, required by Section 15 of the Property Assessed Clean Energy Act to fund various energy projects, with the city of Live Oak, Florida. The loan bears interest at 5.15%, and is secured by a special assessment on the property. The repayment of the loan is assessed and amortized over a 30-year term, payable in equal annual installments including principal, interest, and assessment administrative fees at the same time and in the same installments as the general taxes on the property. As of December 29, 2024, there were \$20.6 million of outstanding principal under the Live Oak CHP Project PACE Loan.

**14. STOCKHOLDERS’ EQUITY**
**Accumulated Other Comprehensive Loss (“AOCL”)**

The following tables provide information regarding the changes in AOCL during 2024 and 2023:

	2024				Total
	Losses Related to Foreign Currency Translation	Unrealized Losses on Derivative Financial Instruments Classified as Cash Flow Hedges	Losses Related to Pension and Other Postretirement Benefits	Losses on Available-for-Sale Securities	
	(In thousands)				
Balance, beginning of year	\$ (114,850)	\$ (1,914)	\$ (59,714)	\$ (5)	\$ (176,483)
Other comprehensive income (loss) before reclassifications	(222,393)	1,767	12,062	45	(208,519)
Amounts reclassified from accumulated other comprehensive loss to net income	—	(1,849)	17,000	(62)	15,089
Currency translation	—	(11)	(376)	—	(387)
Net current year other comprehensive income (loss)	(222,393)	(93)	28,686	(17)	(193,817)
Balance, end of year	\$ (337,243)	\$ (2,007)	\$ (31,028)	\$ (22)	\$ (370,300)

	2023				
	Gains (Losses) Related to Foreign Currency Translation	Unrealized Losses on Derivative Financial Instruments Classified as Cash Flow Hedges	Losses Related to Pension and Other Postretirement Benefits	Gains (Losses) on Available- for-Sale Securities	Total
	(In thousands)				
Balance, beginning of year	\$ (269,825)	\$ (1,162)	\$ (65,447)	\$ (14)	\$ (336,448)
Other comprehensive income (loss) before reclassifications	154,975	(2,579)	5,437	(124)	157,709
Amounts reclassified from accumulated other comprehensive loss to net income	—	1,813	807	133	2,753
Currency translation	—	14	(511)	—	(497)
Net current year other comprehensive income (loss)	154,975	(752)	5,733	9	159,965
Balance, end of year	<u>\$ (114,850)</u>	<u>\$ (1,914)</u>	<u>\$ (59,714)</u>	<u>\$ (5)</u>	<u>\$ (176,483)</u>

Details about Accumulated Other Comprehensive Loss Components	Amount Reclassified from Accumulated Other Comprehensive Loss <sup>(a)</sup>		Affected Line Item in the Consolidated Statements of Income
	2024	2023	
	(In thousands)		
Realized gain (loss) on settlement of foreign currency derivatives classified as cash flow hedges	\$ 1,367	\$ (1,816)	Net sales
Realized gain (loss) on settlement of foreign currency derivatives classified as cash flow hedge	482	3	Cost of sales
Realized gain (loss) on sale of securities	82	(175)	Interest income
Realized loss on settlement of pension obligation from plan termination <sup>(b)</sup>	(21,714)	—	Miscellaneous, net
Amortization of pension and other postretirement plan actuarial losses <sup>(b)</sup>	(816)	(1,065)	Miscellaneous, net
Total before tax	(20,599)	(3,053)	
Tax benefit	5,510	300	
Total reclassification for the period	<u>\$ (15,089)</u>	<u>\$ (2,753)</u>	

(a) Positive amounts represent income to the results of operations while amounts in parentheses represent expenses to the results of operations.

(b) These accumulated other comprehensive loss components are included in the computation of net periodic pension cost. See “Note 15. Pension and Other Postretirement Benefits.”

### Preferred Stock

The Company has authorized 50,000,000 shares of \$0.01 par value preferred stock, although no shares have been issued and no shares are outstanding.

### Restrictions on Dividends

The U.S. Credit Facility and the indentures governing the Company’s senior notes have currently no restrictions on dividends. Under certain triggering events, the U.S. Credit Facility may limit the Company’s ability to declare and pay dividends. Additionally, the Europe Credit Facility, under certain triggering events, may restrict MPH(E) and other Pilgrim’s entities located in the U.K. and Republic of Ireland to, among other things, make payments and distributions to the Company.

## 15. PENSION AND OTHER POSTRETIREMENT BENEFITS

The Company sponsors programs that provide retirement benefits to most of its employees. These programs include qualified defined benefit pension plans such as the Pilgrim’s Pride Retirement Plan for Union Employees (the “Union Plan”) the Pilgrim’s Pride Pension Plan for Legacy Gold Kist Employees (the “GK Pension Plan”), the Tulip Limited Pension Plan and the Geo Adams Group Pension Fund, nonqualified defined benefit retirement plans, a defined benefit postretirement life insurance plan and defined contribution retirement savings plan. Expenses recognized under all retirement plans totaled \$56.9 million, \$32.0 million and \$30.9 million in 2024, 2023 and 2022, respectively. The expenses recognized in 2024 include \$21.7 million of loss recognized on the settlement of the terminated GK and Union pension plans, defined below.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company used a year-end measurement date of December 29, 2024 for its pension and postretirement benefits plans. Certain disclosures are listed below. Other disclosures are not material to the financial statements.

### Qualified Defined Benefit Pension Plans

The Company sponsored four qualified defined benefit pension plans named the Pilgrim’s Pride Retirement Plan for Union Employees (the “Union Plan”), the Pilgrim’s Pride Pension Plan for Legacy Gold Kist Employees (the “GK Pension Plan”), the Tulip Limited Pension Plan (the “Tulip Plan”) and the Geo Adams Group Pension Fund (the “Geo Adams Plan” and, together with the Tulip Plan, the “Europe Plans”). The Union Plan covers certain locations or work groups within PPC. The GK Pension Plan covers certain eligible U.S. employees who were employed at locations that the Company purchased through its acquisition of Gold Kist in 2007. Participation in the GK Pension Plan was frozen as of February 8, 2007 for all participants with the exception of terminated vested participants who are or may become permanently and totally disabled. The plan was frozen for that group as of March 31, 2007. The Europe Plans cover certain eligible active and former Europe employees who were employed at locations that the Company purchased through its acquisition of Tulip in 2019. Participation in the Tulip Plan was frozen as of October 31, 2007 and participation in the Geo Adams Plan was frozen as of September 5, 2008.

During 2024, the Company executed a termination of its Union and GK Pension Plans. Under the plan terminations, participants were offered a lump-sum buyout or an annuity placement buyout. As a result, the Company settled \$99.6 million of outstanding benefit obligations and recognized a \$21.7 million loss on settlement during the year ended December 29, 2024. The loss was recognized in *Miscellaneous, net* on the Consolidated Statement of Income. Assets of the pension plans were liquidated and funds from liquidation were used to settle the obligations.

### Nonqualified Defined Benefit Pension Plans

The Company sponsors two nonqualified defined benefit retirement plans named the Former Gold Kist Inc. Supplemental Executive Retirement Plan (the “SERP Plan”) and the Former Gold Kist Inc. Directors’ Emeriti Retirement Plan (the “Directors’ Emeriti Plan”). Pilgrim’s Pride assumed sponsorship of the SERP Plan and Directors’ Emeriti Plan through its acquisition of Gold Kist in 2007. The SERP Plan provides benefits on compensation in excess of certain U.S. Internal Revenue Code limitations to certain former executives with whom Gold Kist negotiated individual agreements. Benefits under the SERP Plan were frozen as of February 8, 2007. The Directors’ Emeriti Plan provides benefits to former Gold Kist directors.

### Defined Benefit Postretirement Life Insurance Plan

The Company sponsors one defined benefit postretirement life insurance plan named the Gold Kist Inc. Retiree Life Insurance Plan (the “Retiree Life Plan” and together with the Union Plan, the GK Pension Plan, the SERP Plan and the Directors’ Emeriti Plan, the “U.S. Plans”). Pilgrim’s Pride assumed defined benefit postretirement medical and life insurance obligations, including the Retiree Life Plan, through its acquisition of Gold Kist in 2007. In January 2001, Gold Kist began to substantially curtail its programs for active employees. On July 1, 2003, Gold Kist terminated medical coverage for retirees age 65 or older, and only retired employees in the closed group between ages 55 and 65 could continue their coverage at rates above the average cost of the medical insurance plan for active employees. These retired employees all reached the age of 65 in 2012 and liabilities of the postretirement medical plan then ended.

### Defined Benefit Plans Obligations and Assets

The change in benefit obligation, change in fair value of plan assets, funded status and amounts recognized in the Consolidated Balance Sheets for these plans were as follows:

	Pension Benefits		Other Benefits	
	2024	2023	2024	2023
<b>Change in projected benefit obligation</b>	(In thousands)			
Projected benefit obligation, beginning of year	\$ 237,508	\$ 236,147	\$ 1,160	\$ 1,169
Interest cost	10,764	11,322	53	54
Actuarial (gains) losses	(20,783)	238	(39)	(21)
Benefits paid	(12,671)	(17,072)	(30)	(42)
Curtailments and settlements	(99,635)	—	—	—
Currency translation (gain) loss	(1,453)	6,873	—	—
Projected benefit obligation, end of year	<u>\$ 113,730</u>	<u>\$ 237,508</u>	<u>\$ 1,144</u>	<u>\$ 1,160</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	Pension Benefits		Other Benefits	
	2024	2023	2024	2023
<b>Change in plan assets</b>	(In thousands)			
Fair value of plan assets, beginning of year	\$ 225,451	\$ 210,133	\$ —	\$ —
Actual return on plan assets	5,842	17,709	—	—
Contributions by employer	6,831	8,570	30	42
Benefits paid	(12,671)	(17,072)	(30)	(42)
Curtailments and settlements	(99,635)	—	—	—
Expenses paid from assets	(320)	(327)	—	—
Currency translation gain (loss)	(1,572)	6,438	—	—
Fair value of plan assets, end of year	<u>\$ 123,926</u>	<u>\$ 225,451</u>	<u>\$ —</u>	<u>\$ —</u>

	Pension Benefits		Other Benefits	
	2024	2023	2024	2023
<b>Funded status</b>	(In thousands)			
Overfunded (unfunded) benefit obligation, end of year	\$ 10,196	\$ (12,057)	\$ (1,144)	\$ (1,160)

	Pension Benefits		Other Benefits	
	2024	2023	2024	2023
<b>Amounts recognized in the Consolidated Balance Sheets as of end of year</b>	(In thousands)			
Long-term assets	\$ 11,829	\$ —	\$ —	\$ —
Total assets	<u>\$ 11,829</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Current liabilities	\$ (205)	\$ (7,717)	\$ (201)	\$ (187)
Long-term liabilities	(1,428)	(4,340)	(943)	(973)
Total liabilities	<u>\$ (1,633)</u>	<u>\$ (12,057)</u>	<u>\$ (1,144)</u>	<u>\$ (1,160)</u>

	Pension Benefits		Other Benefits	
	2024	2023	2024	2023
<b>Amounts recognized in accumulated other comprehensive loss at end of year</b>	(In thousands)			
Net actuarial loss (gain)	\$ 2,063	\$ 40,487	\$ (126)	\$ (87)

The accumulated benefit obligation for the Company's defined benefit pension plans was \$113.7 million and \$237.5 million as of December 29, 2024 and December 31, 2023, respectively. As of December 29, 2024, the weighted average duration of our defined benefit obligation is 17.5 years.

**Net Periodic Benefit Costs**

Net benefit costs include the following components:

	Pension Benefits			Other Benefits		
	2024	2023	2022	2024	2023	2022
	(In thousands)					
Interest cost	\$ 10,764	\$ 11,322	\$ 6,777	\$ 53	\$ 54	\$ 23
Estimated return on plan assets	(11,106)	(10,393)	(10,298)	—	—	—
Settlement loss	21,714	—	1,591	—	—	—
Expenses paid from assets	320	327	337	—	—	—
Amortization of net loss	798	1,048	1,364	—	—	—
Amortization of past service cost	18	17	17	—	—	—
Net cost (income)	<u>\$ 22,508</u>	<u>\$ 2,321</u>	<u>\$ (212)</u>	<u>\$ 53</u>	<u>\$ 54</u>	<u>\$ 23</u>

**Economic Assumptions**

The weighted average assumptions used in determining pension and other postretirement plan information were as follows:

	Pension Benefits			Other Benefits		
	2024	2023	2022	2024	2023	2022
<b>Benefit obligation</b>						
Discount rate	4.68 %	4.81 %	5.04 %	5.30 %	5.06 %	5.16 %
<b>Net pension and other postretirement cost</b>						
Discount rate	4.56 %	4.93 %	3.67 %	5.06 %	5.16 %	2.38 %
Expected return on plan assets	6.17 %	4.95 %	4.68 %	NA	NA	NA

The discount rate represents the interest rate used to determine the present value of future cash flows currently expected to be required to settle the Company’s pension and other benefit obligations. The discount rate assumptions used to determine future pension obligations at December 29, 2024 and December 31, 2023 were based on the Empower Above Mean Curve, which was designed by Empower to provide a means for plan sponsors to value the liabilities of their postretirement benefit plans. The Empower Above Mean Curve represents a series of annual discount rates from bonds with an AA minimum average credit quality rating as rated by Moody’s Investor Service, Standard & Poor’s and Fitch Ratings. The expected benefit payments were discounted by each corresponding discount rate on the yield curve. For payments beyond 30 years, the Company extended the curve assuming the discount rate derived in year 30 is extended to the end of the plan’s payment expectations. Once the present value of the string of benefit payments was established, the Company determined the single rate on the yield curve, that when applied to all obligations of the plan, would exactly match the previously determined present value. The discount rate assumptions used to determine future pension obligations for the Europe pension plans at December 29, 2024 and December 31, 2023 were based on corporate bond spot yield curves provided by Merrill Lynch. Merrill Lynch bases this calculation entirely on AA1-AA3 rated bonds. As part of the evaluation of pension and other postretirement assumptions, the Company applied assumptions for mortality that incorporate generational white and blue collar mortality trends. In determining its benefit obligations, the Company used generational tables that take into consideration increases in plan participant longevity. As of December 29, 2024 and December 31, 2023, the U.S. pension and other postretirement benefit plans used variations of the Pri-2012 mortality table. The MP-2021 mortality improvement scale was used for 2024 and 2023. As of December 29, 2024 and December 31, 2023, the Europe pension plans used variations of the AxCo0 mortality table in combination with the CMI\_2023 Sk=7.0 and CMI\_2022 Sk=7.0 mortality improvement scales for 2024 and 2023, respectively, for pre-retirement employees and the S3PMA and S3PFA\_M mortality tables in combination with the CMI\_2023 Sk=7.0 and CMI\_2022 Sk=7.0 mortality improvement scales for 2024 and 2023, respectively, for postretirement employees.

The sensitivity of the projected benefit obligation for pension benefits to changes in the discount rate is set out below. The impact of a change in the discount rate of 0.25% on the projected benefit obligation for other benefits is immaterial. This sensitivity analysis is based on changing one assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to variations in significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as that for calculating the liability recognized in the Consolidated Balance Sheets.

	Increase in Discount Rate of 0.25%	Decrease in Discount Rate of 0.25%
	(In thousands)	
Impact on projected benefit obligation for pension benefits	\$ (3,044)	\$ 3,205

The expected rate of return on plan assets was primarily based on the determination of an expected return and behaviors for each plan’s current asset portfolio that the Company believes are likely to prevail over long periods. This determination was made using assumptions for return and volatility of the portfolio. Asset class assumptions were set using a combination of empirical and forward-looking analysis. To the extent historical results were affected by unsustainable trends or events, the effects of those trends or events were quantified and removed. The Company also considered anticipated asset allocations, investment strategies and the views of various investment professionals when developing this rate.

**Plan Assets**

The following table reflects the pension plans’ actual asset allocations:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	2024	2023
Cash and cash equivalents	21 %	2 %
Pooled separate accounts for the Union Plan <sup>(a)</sup> :		
Equity securities	— %	2 %
Fixed income securities	— %	2 %
Pooled separate accounts and common collective trust funds for the GK Pension Plan <sup>(a)</sup> :		
Equity securities	— %	25 %
Fixed income securities	3 %	15 %
Real estate	— %	2 %
Pooled separate accounts for the U.K. Plans <sup>(a)</sup> :		
Equity securities	30 %	29 %
Fixed income funds	24 %	1 %
Liability driven investments	10 %	15 %
Real estate	12 %	7 %
Total assets	<u>100 %</u>	<u>100 %</u>

(a) Pooled separate accounts (“PSAs”) and common collective trust funds (“CCTs”) are two of the most common types of alternative vehicles in which benefit plans invest. These investments are pooled funds that look like mutual funds, but they are not registered with the SEC. Often times, they will be invested in mutual funds or other marketable securities, but the unit price generally will be different from the value of the underlying securities because the fund may also hold cash for liquidity purposes, and the fees imposed by the fund are deducted from the fund value rather than charged separately to investors. Some PSAs and CCTs have no restrictions as to their investment strategy and can invest in riskier investments, such as derivatives, hedge funds, private equity funds, or similar investments.

Absent regulatory or statutory limitations, the target asset allocation for the investment of pension assets in the PSAs for the Europe Plans is 21% overseas equity, 21% diversified alternatives, 15% real estate, 24% equity-linked liability driven investments, 11% other liability driven investments and 8% cash for the Tulip Pension Plan; and 23% global equities, 11% equity-linked liability driven investments, 15% liability driven investments, 16% corporate bonds and 35% cash for the Geo Adams Group Pension Fund. The plans only invest in fixed income and equity instruments for which there is a readily available public market. The Company develops its expected long-term rate of return assumptions based on the historical rates of returns for equity and fixed income securities of the type in which its plans invest.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The fair value measurements of plan assets fell into the following levels of the fair value hierarchy as of December 29, 2024 and December 31, 2023:

	2024				2023			
	Level 1 <sup>(a)</sup>	Level 2 <sup>(b)</sup>	Level 3 <sup>(c)</sup>	Total	Level 1 <sup>(a)</sup>	Level 2 <sup>(b)</sup>	Level 3 <sup>(c)</sup>	Total
	(In thousands)							
Cash and cash equivalents	\$ 26,479	\$ —	\$ —	\$ 26,479	\$ 5,394	\$ —	\$ —	\$ 5,394
PSAs for the Union Plan:								
Large U.S. equity funds <sup>(d)</sup>	—	—	—	—	—	2,123	—	2,123
Small/Mid U.S. equity funds <sup>(e)</sup>	—	—	—	—	—	1,133	—	1,133
International equity funds <sup>(f)</sup>	—	—	—	—	—	1,654	—	1,654
Fixed income funds <sup>(g)</sup>	—	70	—	70	—	3,640	—	3,640
Real estate <sup>(h)</sup>	—	—	—	—	—	437	—	437
PSAs and CCTs for the GK Pension Plan:								
Large U.S. equity funds <sup>(d)</sup>	—	—	—	—	—	27,516	—	27,516
Small/Mid U.S. equity funds <sup>(e)</sup>	—	—	—	—	—	13,991	—	13,991
International equity funds <sup>(f)</sup>	—	—	—	—	—	13,751	—	13,751
Fixed income funds <sup>(g)</sup>	—	3,152	—	3,152	—	34,111	—	34,111
Real estate <sup>(h)</sup>	—	—	—	—	—	5,174	—	5,174
PSAs for the Europe Plans:								
Large U.S. equity funds <sup>(d)</sup>	—	11,761	—	11,761	—	29,648	—	29,648
International equity funds <sup>(f)</sup>	—	25,575	—	25,575	—	36,507	—	36,507
Fixed income funds <sup>(g)</sup>	—	29,715	—	29,715	—	3,376	—	3,376
Real estate <sup>(h)</sup>	—	15,442	—	15,442	—	14,985	—	14,985
Liability driven investments <sup>(i)</sup>	—	11,732	—	11,732	—	32,011	—	32,011
Total assets	<u>\$ 26,479</u>	<u>\$ 97,447</u>	<u>\$ —</u>	<u>\$123,926</u>	<u>\$ 5,394</u>	<u>\$220,057</u>	<u>\$ —</u>	<u>\$225,451</u>

- (a) Unadjusted quoted prices in active markets for identical assets are used to determine fair value.
- (b) Quoted prices in active markets for similar assets and inputs that are observable for the asset are used to determine fair value.
- (c) Unobservable inputs, such as discounted cash flow models or valuations, are used to determine fair value.
- (d) This category is comprised of investment options that invest in stocks, or shares of ownership, in large, well-established U.S. companies. These investment options typically carry more risk than fixed income options but have the potential for higher returns over longer time periods.
- (e) This category is generally comprised of investment options that invest in stocks, or shares of ownership, in small to medium-sized U.S. companies. These investment options typically carry more risk than larger U.S. equity investment options but have the potential for higher returns.
- (f) This category is comprised of investment options that invest in stocks, or shares of ownership, in companies with their principal place of business or office outside of the U.S.
- (g) This category is comprised of investment options that invest in bonds, or debt of a company or government entity (including U.S. and non-U.S. entities). These investment options typically carry more risk than short-term fixed income investment options, but less overall risk than equities.
- (h) This category is comprised of investment options that invest in real estate investment trusts or private equity pools that own real estate. These long-term investments are primarily in office buildings, industrial parks, apartments or retail complexes. These investment options typically carry more risk, including liquidity risk, than fixed income investment options.
- (i) This category is comprised of investments that seek to ensure availability of funds to cover current and future liabilities. These investments are typically focused on both the assets and liabilities of the plan.

**Benefit Payments**

The following table reflects the benefits as of December 29, 2024 expected to be paid through 2034 from the Company's pension and other postretirement plans. The Company's pension plans are primarily funded plans. Therefore, anticipated benefits with respect to these plans will come primarily from the trusts established for these plans. The Company's other postretirement plans are unfunded. Therefore, anticipated benefits with respect to these plans will come from the Company's own assets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	Pension Benefits	Other Benefits
	(In thousands)	
2025	\$ 7,332	\$ 201
2026	7,477	182
2027	7,634	164
2028	7,866	147
2029	7,964	130
2030-2034	40,531	430
Total	<u>\$ 78,804</u>	<u>\$ 1,254</u>

As required by funding regulations or laws, the Company anticipates contributing \$0.2 million and less than \$0.2 million to its pension and other postretirement plans, respectively, during 2025.

**Unrecognized Benefit Amounts in Accumulated Other Comprehensive Loss**

The amounts in accumulated other comprehensive loss that were not recognized as components of net periodic benefits cost and the changes in those amounts are as follows:

	Pension Benefits			Other Benefits		
	2024	2023	2022	2024	2023	2022
	(In thousands)					
Net actuarial loss, beginning of year	\$ 40,487	\$ 48,121	\$ 58,143	\$ (87)	\$ (66)	\$ 118
Amortization	(816)	(1,065)	(1,381)	—	—	—
Realized loss on settlement	(21,714)	—	(1,591)	—	—	—
Actuarial loss (gain)	(20,782)	238	(106,909)	(39)	(21)	(184)
Asset loss (gain)	5,264	(7,317)	99,777	—	—	—
Currency translation (gain) loss	(376)	510	82	—	—	—
Net actuarial loss (gain), end of year	<u>\$ 2,063</u>	<u>\$ 40,487</u>	<u>\$ 48,121</u>	<u>\$ (126)</u>	<u>\$ (87)</u>	<u>\$ (66)</u>

**Risk Management**

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

*Asset volatility.* The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets under perform this yield, this will create a deficit. The pension plans hold a significant proportion of equities, which are expected to outperform corporate bonds in the long-term while contributing volatility and risk in the short-term. The Company monitors the level of investment risk but has no current plan to significantly modify the mixture of investments. The investment position is discussed more below.

*Changes in bond yields.* A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

The investment position is managed and monitored by a committee of individuals from various departments. This group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the pension obligations. The group has not changed the processes used to manage its risks from previous periods. The group does not use derivatives to manage its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. The majority of equities are in U.S. large and small cap companies with some global diversification into international entities.

**Remeasurement**

The Company remeasures both plan assets and obligations on a quarterly basis.

**Defined Contribution Plans**

The Company sponsors two defined contribution retirement savings plans in the U.S. reportable segment for eligible U.S. and Puerto Rico employees. The Company maintains three postretirement plans for eligible employees in the Mexico reportable segment, as required by Mexico law, which primarily cover termination benefits. The Company maintains two defined contribution retirement savings plans in the Europe reportable segment for eligible Europe employees, as required by Europe law. The Company’s expenses related to its defined contribution plans totaled \$32.5 million, \$28.5 million and \$27.0 million in 2024, 2023 and 2022, respectively.

**16. INCENTIVE COMPENSATION**

The Company sponsors short-term incentive plans that provide the grant of either cash or stock-based bonus awards payable upon achievement of specified performance goals. As of December 29, 2024, the Company has accrued \$87.9 million, \$36.7 million and \$7.8 million related to cash bonus awards that are recognized in the U.S., Europe, and Mexico reportable segments, respectively.

The Company also sponsors a performance-based, omnibus long-term incentive plan that provides for the grant of a broad range of long-term equity-based and liability-based awards to the Company’s officers and other employees, members of the Board of Directors and any consultants (the “LTIP”). Awards that may be granted under the LTIP include “incentive stock options,” within the meaning of the IRC, nonqualified stock options, stock appreciation rights, restricted stock awards and restricted stock units (“RSUs”). Equity-based awards are converted into shares of the Company’s common stock shortly after award vesting. Compensation cost to be recognized for an equity-based awards grant is determined by multiplying the number of awards granted by the closing price of a share of the Company’s common stock on the award grant date. Liability-based awards granted under the LTIP are converted into cash shortly after award vesting. Compensation cost to be recognized for a liability-based awards grant is first determined by multiplying the number of awards granted by the closing price of a share of PPC’s common stock on the award grant date. However, the compensation cost to be recognized is adjusted at each subsequent milestone date (i.e., forfeiture date, vesting date or financial reporting date) by multiplying the number of awards granted by the closing price of a share of PPC’s common stock on the milestone date. On May 1, 2019, the Company’s stockholders approved the Pilgrim’s Pride Corporation 2019 Long Term Incentive Plan (the “2019 LTIP”), which replaced the expiring Pilgrim’s Pride Corporation 2009 Long-Term Incentive Plan (the “2009 LTIP”). The 2019 LTIP became effective as of December 28, 2019. As of December 29, 2024, we have in reserve less than 0.1 million shares of common stock for future issuance under the 2019 LTIP.

Compensation costs and the income tax benefit recognized for our stock-based compensation arrangements are included below:

	2024	2023	2022
	(In thousands)		
<b>Equity-based awards compensation cost</b>			
Cost of sales	\$ 2,439	\$ 629	\$ 959
Selling, general and administrative expense	12,975	6,958	5,904
Total cost	15,414	7,587	6,863
Income tax benefit	3,730	1,836	1,671
Net cost	<u>\$ 11,684</u>	<u>\$ 5,751</u>	<u>\$ 5,192</u>
<b>Liability-based awards compensation cost</b>			
Selling, general and administrative expense <sup>(a)</sup>	\$ (1,953)	\$ 2,491	\$ 1,773
Income tax benefit (expense)	(473)	603	432
Net cost <sup>(a)</sup>	<u>\$ (1,480)</u>	<u>\$ 1,888</u>	<u>\$ 1,341</u>

(a) During 2024, the liability-based awards in our Europe and Mexico segments for the 2023 performance year were determined to have not met the performance threshold for payout therefore the Company reversed the prior and current year recognized compensation costs related to these awards.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company's RSU activity is included below:

	2024		2023		2022	
	Number	Weighted Average Milestone Date Fair Value <sup>(a)</sup>	Number	Weighted Average Milestone Date Fair Value <sup>(a)</sup>	Number	Weighted Average Milestone Date Fair Value <sup>(a)</sup>
(In thousands, except weighted average fair values)						
<b>Equity-based RSUs</b>						
Outstanding at beginning of year	911	\$ 22.40	993	\$ 22.00	554	\$ 20.40
Granted	979	26.80	324	23.67	405	23.88
Vested	(187)	21.76	(378)	22.25	(266)	23.25
Awards reinstated (forfeited)	(131)	21.70	(28)	24.99	300	23.52
Outstanding at end of year	<u>1,572</u>	<u>\$ 25.27</u>	<u>911</u>	<u>\$ 22.40</u>	<u>993</u>	<u>\$ 22.00</u>
(In thousands, except weighted average fair values)						
<b>Liability-based RSUs</b>						
Outstanding at beginning of year	242	\$ 27.66	377	\$ 23.80	574	\$ 27.55
Granted	—	—	158	24.21	269	22.09
Vested	—	—	(196)	25.27	(139)	27.55
Forfeited	(218)	34.32	(97)	22.81	(327)	24.71
Outstanding at end of year	<u>24</u>	<u>\$ 45.92</u>	<u>242</u>	<u>\$ 27.66</u>	<u>377</u>	<u>\$ 23.80</u>

(a) The milestone date fair value is either the closing price of the Company's common stock on the grant date for equity-based awards or the closing price of a share of the Company's common stock on the respective milestone date for cash-based liability-based awards (i.e., grant date, vesting date, forfeiture date or financial reporting date).

The total fair value of equity-based awards vested during 2024 was \$7.1 million. No liability-based awards vested during 2024. The total fair values of equity-based awards and liability-based awards vested during 2023 were \$9.3 million and \$5.0 million, respectively.

As of December 29, 2024, the total unrecognized compensation cost related to all nonvested equity-based awards was \$16.9 million. This cost is expected to be recognized over a weighted average period of 1.91 years. As of December 29, 2024, the total unrecognized compensation cost related to all nonvested liability-based awards was immaterial. This cost is expected to be recognized over a weighted average period of 0.01 years.

Historically, we have issued new shares, as opposed to treasury shares, to satisfy equity-based award conversions.

**17. FAIR VALUE MEASUREMENTS**

Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Assets and liabilities measured at fair value must be categorized into one of three different levels depending on the assumptions (i.e., inputs) used in the valuation:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date;
- Level 2 Quoted prices in active markets for similar assets and liabilities and inputs that are observable for the asset or liability; or
- Level 3 Unobservable inputs, such as discounted cash flow models or valuations.

The determination of where assets and liabilities fall within this hierarchy is based upon the lowest level of input that is significant to the fair value measurement in its entirety.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As of December 29, 2024 and December 31, 2023, the Company held fixed income securities, derivative assets and derivative liabilities that were required to be measured at fair value on a recurring basis. Fixed income securities consist of investments, such as money market funds and commercial paper. Derivative assets and liabilities consist of long and short positions on exchange-traded commodity futures instruments, commodity options instruments, sales contracts instruments, foreign currency instruments to manage translation and remeasurement risk.

The following items were measured at fair value on a recurring basis:

	December 29, 2024			December 31, 2023		
	Level 1	Level 2	Total	Level 1	Level 2	Total
(In thousands)						
<b>Assets</b>						
Fixed income securities	\$ 1,712,917	\$ —	\$ 1,712,917	\$ 324,947	\$ —	\$ 324,947
Commodity derivative assets	6,598	—	6,598	1,202	—	1,202
Foreign currency derivative assets	755	—	755	175	—	175
Sales contract derivative assets	—	—	—	—	960	960
<b>Liabilities</b>						
Commodity derivative liabilities	(2,494)	—	(2,494)	(17,118)	—	(17,118)
Foreign currency derivative liabilities	(1,397)	—	(1,397)	(723)	—	(723)
Sales contract derivative liabilities	—	(778)	(778)	—	—	—

See “Note 4. Derivative Financial Instruments” and “Note 7. Investments in Securities” for additional information.

The valuation of financial assets and liabilities classified in Level 1 is based upon unadjusted quoted prices for identical assets or liabilities in active markets. The valuation of financial assets and liabilities in Level 2 is determined using a market approach based upon quoted prices for similar assets and liabilities in active markets or other inputs that are observable for substantially the full term of the financial instrument. The valuation of financial assets in Level 3 is determined using an income approach based on unobservable inputs such as discounted cash flow models or valuations. For each class of assets and liabilities not measured at fair value in the Consolidated Balance Sheets but for which fair value is disclosed, the Company is not required to provide the quantitative disclosure about significant unobservable inputs used in fair value measurements categorized within Level 3 of the fair value hierarchy.

In addition to the fair value disclosure requirements related to financial instruments carried at fair value, accounting standards require interim disclosures regarding the fair value of all of the Company’s financial instruments. The methods and significant assumptions used to estimate the fair value of financial instruments and any changes in methods or significant assumptions from prior periods are also required to be disclosed. There were no changes to methods or significant assumptions from prior periods.

The carrying amounts and estimated fair values of our debt obligations recorded in the Consolidated Balance Sheets consisted of the following:

	December 29, 2024		December 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
(In thousands)				
Fixed-rate senior notes payable at 3.50%, at Level 2 inputs	(900,000)	(777,033)	(900,000)	(760,203)
Fixed-rate senior notes payable at 4.25%, at Level 2 inputs	(850,342)	(789,304)	(992,711)	(902,650)
Fixed-rate senior notes payable at 6.25%, at Level 2 inputs	(974,381)	(1,001,178)	(993,595)	(1,029,020)
Fixed-rate senior notes payable at 6.875%, at Level 2 inputs	(491,329)	(533,650)	(490,408)	(540,230)
Live Oak CHP Project Pace Loan 5.15%, at level 3 inputs	(20,599)	(18,569)	—	—

See “Note 13. Debt” for additional information.

The carrying amounts of our cash and cash equivalents, restricted cash and cash equivalents, accounts receivable, accounts payable and certain other liabilities approximate their fair values due to their relatively short maturities. Derivative assets were recorded at fair value based on quoted market prices and are included in the line item *Prepaid expenses and other current assets* on the Consolidated Balance Sheets. Derivative liabilities were recorded at fair value based on quoted market

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

prices and are included in the line item *Accrued expenses and other current liabilities* on the Consolidated Balance Sheets. The fair values of the Company's Level 2 fixed-rate debt obligations were based on the quoted market price at December 29, 2024 or December 31, 2023, as applicable.

In addition to assets and liabilities that are recorded at fair value on a recurring basis, the Company records certain assets and liabilities at fair value on a nonrecurring basis. Generally, assets are recorded at fair value on a nonrecurring basis as a result of impairment charges when required by U.S. GAAP. There were no significant fair value measurement losses recognized for such assets and liabilities in the periods reported.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**18. RESTRUCTURING-RELATED ACTIVITIES**

In 2022, the Company began restructuring initiatives in its Europe reportable segment. Additional restructuring initiatives also commenced in 2023 and 2024. The purpose of our ongoing restructuring activities is to integrate central operations and reallocate processing capacities between production facilities resulting in closures of some facilities in the Europe reportable segment.

The following table provides a summary of our estimates of timelines and costs associated with these restructuring initiatives by major type of cost:

	<u>Moy Park</u>	<u>Pilgrim's Pride Ltd. 2022</u>	<u>Pilgrim's Pride Ltd. 2024</u>	<u>Pilgrim's Food Masters 2022</u>	<u>Pilgrim's Food Masters 2023</u>	<u>Pilgrim's Food Masters 2024</u>	<u>Pilgrim's Europe Central</u>	<u>Total</u>
(In thousands)								
Earliest implementation date	October 2022	November 2022	September 2024	December 2022	October 2023	April 2024	January 2024	
Expected predominant completion date	June 2023	July 2023	December 2024	July 2023	March 2024	March 2025	June 2025	
Costs incurred and expected to be incurred:								
Employee-related costs	\$ 11,103	\$ 20,283	\$ 1,531	\$ 14,490	\$ 3,027	\$ 19,628	\$ 43,236	\$ 113,298
Asset impairment costs	3,481	15,938	—	4,141	—	10,808	1,824	36,192
Contract termination costs	248	144	—	—	—	846	1,747	2,985
Other exit and disposal costs <sup>(a)</sup>	6,135	7,735	185	6,330	—	9,935	3,807	34,127
Total exit and disposal costs <sup>(b)</sup>	\$ 20,967	\$ 44,100	\$ 1,716	\$ 24,961	\$ 3,027	\$ 41,217	\$ 50,614	\$ 186,602
Costs incurred since earliest implementation date:								
Employee-related costs	\$ 11,103	\$ 20,283	\$ 1,531	\$ 14,490	\$ 3,027	\$ 19,628	\$ 27,956	\$ 98,018
Asset impairment costs	3,481	15,938	—	4,141	—	10,808	1,824	36,192
Contract termination costs	248	144	—	—	—	846	1,747	2,985
Other exit and disposal costs <sup>(a)</sup>	6,135	7,735	185	6,330	—	9,453	1,166	31,004
Total exit and disposal costs	\$ 20,967	\$ 44,100	\$ 1,716	\$ 24,961	\$ 3,027	\$ 40,735	\$ 32,693	\$ 168,199

(a) Comprised of other costs directly related to the restructuring initiatives including Moy Park flock depletion, the write-off of Pilgrim's Pride Ltd. prepaid maintenance costs and Pilgrim's Food Masters consulting fees.

(b) All costs, except for asset impairment costs, are estimated to result in cash outlays.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

During 2024, the Company recognized the following expenses and paid the following cash related to each restructuring initiative:

	Expenses	Cash Outlays
	(In thousands)	
Moy Park	\$ (105)	\$ 869
Pilgrim's Pride Ltd. 2022	18,349	3,166
Pilgrim's Pride Ltd. 2024	1,717	1,512
Pilgrim's Food Masters 2022	—	1,598
Pilgrim's Food Masters 2023	—	2,139
Pilgrim's Food Masters 2024	40,735	22,172
Pilgrim's Europe Central	32,692	26,490
Total	<u>\$ 93,388</u>	<u>\$ 57,946</u>

These expenses are reported in the line item *Restructuring activities* on the Consolidated Statements of Income.

The following table reconciles liabilities and reserves associated with each restructuring initiative from December 31, 2023 to December 29, 2024. Ending liability balances for employee termination benefits and other charges are reported in the line item *Accrued expenses and other current liabilities* in our Consolidated Balance Sheets. The ending reserve balance for inventory adjustments is reported in the line item *Inventories* in our Consolidated Balance Sheets.

	Moy Park				
	Liability or reserve as of December 31, 2023	Restructuring charges incurred	Cash payments and disposals	Currency translation	Liability or reserve as of December 29, 2024
	(In thousands)				
Asset impairment	\$ —	\$ 5	\$ (5)	\$ —	\$ —
Other charges	2,644	(110)	(722)	(28)	1,784
Contract termination	144	—	(147)	3	—
Total	<u>\$ 2,788</u>	<u>\$ (105)</u>	<u>\$ (874)</u>	<u>\$ (25)</u>	<u>\$ 1,784</u>
	Pilgrim's Pride Ltd. 2022				
	Liability or reserve as of December 31, 2023	Restructuring charges incurred	Cash payments and disposals	Currency translation	Liability or reserve as of December 29, 2024
	(In thousands)				
Employee retention benefits	\$ 35	\$ (34)	\$ —	\$ (1)	\$ —
Severance	734	220	(616)	—	338
Asset impairment	—	15,938	(15,938)	—	—
Inventory adjustments	294	141	(432)	(3)	—
Lease termination	164	253	(215)	3	205
Other charges	752	1,831	(2,550)	(5)	28
Total	<u>\$ 1,979</u>	<u>\$ 18,349</u>	<u>\$ (19,751)</u>	<u>\$ (6)</u>	<u>\$ 571</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**Pilgrim's Pride Ltd. 2024**

	Liability or reserve as of December 31, 2023	Restructuring charges incurred	Cash payments and disposals	Currency translation	Liability or reserve as of December 29, 2024
	(In thousands)				
Severance	\$ —	\$ 1,532	\$ (1,512)	\$ (20)	\$ —
Inventory adjustments	—	185	(185)	—	—
<b>Total</b>	<b>\$ —</b>	<b>\$ 1,717</b>	<b>\$ (1,697)</b>	<b>\$ (20)</b>	<b>\$ —</b>

**Pilgrim's Food Masters 2022**

	Liability or reserve as of December 31, 2023	Restructuring charges incurred	Cash payments and disposals	Currency translation	Liability or reserve as of December 29, 2024
	(In thousands)				
Severance	\$ 1,281	\$ —	\$ (1,276)	\$ (5)	\$ —
Inventory adjustments	65	—	(65)	—	—
Lease termination	1,289	—	(1,284)	(5)	—
Other charges	685	—	(322)	(6)	357
<b>Total</b>	<b>\$ 3,320</b>	<b>\$ —</b>	<b>\$ (2,947)</b>	<b>\$ (16)</b>	<b>\$ 357</b>

**Pilgrim's Food Masters 2023**

	Liability or reserve as of December 31, 2023	Restructuring charges incurred	Cash payments and disposals	Currency translation	Liability or reserve as of December 29, 2024
	(In thousands)				
Employee retention benefits	\$ 522	\$ —	\$ (517)	\$ (5)	\$ —
Severance	1,636	—	(1,622)	(14)	—
<b>Total</b>	<b>\$ 2,158</b>	<b>\$ —</b>	<b>\$ (2,139)</b>	<b>\$ (19)</b>	<b>\$ —</b>

**Pilgrim's Food Masters 2024**

	Liability or reserve as of December 31, 2023	Restructuring charges incurred	Cash payments and disposals	Currency translation	Liability or reserve as of December 29, 2024
	(In thousands)				
Employee retention benefits	\$ —	\$ 2,850	\$ (2,768)	\$ (6)	\$ 76
Severance	—	16,778	(15,237)	79	1,620
Asset impairment	—	10,808	(10,808)	—	—
Inventory adjustments	—	403	(403)	—	—
Lease termination	—	846	(548)	(8)	290
Other charges	—	9,050	(4,167)	(96)	4,787
<b>Total</b>	<b>\$ —</b>	<b>\$ 40,735</b>	<b>\$ (33,931)</b>	<b>\$ (31)</b>	<b>\$ 6,773</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**Pilgrim's Europe Central**

	<b>Liability or reserve as of December 31, 2023</b>	<b>Restructuring charges incurred</b>	<b>Cash payments and disposals</b>	<b>Currency translation</b>	<b>Liability or reserve as of December 29, 2024</b>
			(In thousands)		
Employee retention benefits	\$ —	\$ 12	\$ (12)	\$ —	\$ —
Severance	—	27,944	(25,004)	(117)	2,823
Asset impairment	—	1,824	(1,824)	—	—
Inventory adjustments	—	93	—	(2)	91
Lease termination	—	8	(8)	—	—
Other charges	—	1,064	(992)	(5)	67
Contract termination	—	1,747	(482)	(42)	1,223
Total	<u>\$ —</u>	<u>\$ 32,692</u>	<u>\$ (28,322)</u>	<u>\$ (166)</u>	<u>\$ 4,204</u>

**19. RELATED PARTY TRANSACTIONS**

Pilgrim's has been and, in some cases, continues to be a party to certain transactions with affiliated companies.

	Year Ended		
	December 29, 2024	December 31, 2023	December 25, 2022
(In thousands)			
<b>Sales to related parties</b>			
JBS USA Food Company <sup>(a)</sup>	\$ 28,230	\$ 27,687	\$ 24,224
JBS Chile Ltd.	3,143	1,733	595
Other related parties	1,960	6,383	5,128
Total sales to related parties	<u>\$ 33,333</u>	<u>\$ 35,803</u>	<u>\$ 29,947</u>
Year Ended			
	December 29, 2024	December 31, 2023	December 25, 2022
(In thousands)			
<b>Cost of goods purchased from related parties</b>			
JBS USA Food Company <sup>(a)</sup>	\$ 159,264	\$ 185,258	\$ 156,452
Seara Meats B.V.	28,170	28,828	44,364
Penasul UK LTD	10,670	13,932	13,516
JBS Asia CO Limited	6,248	4,953	7,762
Other related parties	2,130	7,168	1,476
Total cost of goods purchased from related parties	<u>\$ 206,482</u>	<u>\$ 240,139</u>	<u>\$ 223,570</u>
Year Ended			
	December 29, 2024	December 31, 2023	December 25, 2022
(In thousands)			
<b>Expenditures paid by related parties</b>			
JBS USA Food Company <sup>(b)</sup>	\$ 121,962	\$ 156,439	\$ 91,568
Other related parties	—	15	97
Total expenditures paid by related parties	<u>\$ 121,962</u>	<u>\$ 156,454</u>	<u>\$ 91,665</u>
Year Ended			
	December 29, 2024	December 31, 2023	December 25, 2022
(In thousands)			
<b>Expenditures paid on behalf of related parties</b>			
JBS USA Food Company <sup>(b)</sup>	\$ 14,593	\$ 22,734	\$ 53,065
Other related parties	—	5	5,514
Total expenditures paid on behalf of related parties	<u>\$ 14,593</u>	<u>\$ 22,739</u>	<u>\$ 58,579</u>
Year Ended			
	December 29, 2024	December 31, 2023	December 25, 2022
(In thousands)			
<b>Other related party transactions</b>			
Capital distribution (contribution) under tax sharing agreement	\$ —	\$ (1,425)	\$ 1,592
Year Ended			
	December 29, 2024	December 31, 2023	
(In thousands)			
<b>Accounts receivable from related parties</b>			
JBS USA Food Company <sup>(a)</sup>		\$ 1,727	\$ 967
JBS Chile Ltd.		725	585
Other related parties		156	226
Total accounts receivable from related parties		<u>\$ 2,608</u>	<u>\$ 1,778</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	<u>December 29, 2024</u>	<u>December 31, 2023</u>
	(In thousands)	
<b>Accounts payable to related parties</b>		
JBS USA Food Company <sup>(a)</sup>	\$ 5,424	\$ 34,038
Seara Meats B.V.	4,861	2,252
JBS Asia Co Limited	4,023	2,254
Penasul UK LTD	714	2,187
Other related parties	235	523
<b>Total accounts payable to related parties</b>	<u>\$ 15,257</u>	<u>\$ 41,254</u>

- (a) The Company routinely executes transactions to both purchase products from JBS USA Food Company (“JBS USA”) and sell products to them. As of December 29, 2024, goods purchased and in transit from JBS USA were \$1.6 million and not reflected on our Consolidated Balance Sheets.
- (b) The Company has an agreement with JBS USA to allocate costs associated with JBS USA’s procurement of SAP licenses and maintenance services for both companies. Under this agreement, the fees associated with procuring SAP licenses and maintenance services are allocated between the Company and JBS USA in proportion to the percentage of licenses used by each company. The agreement expires on the date of expiration, or earlier termination, of the underlying SAP license agreement. The Company also has an agreement with JBS USA to allocate the costs of supporting the business operations by one consolidated corporate team, which have historically been supported by their respective corporate teams. Expenditures paid by JBS USA on behalf of the Company will be reimbursed by the Company and expenditures paid by the Company on behalf of JBS USA will be reimbursed by JBS USA. This agreement expires on December 31, 2025.

**20. REPORTABLE SEGMENTS**

The Company operates in three reportable segments: U.S., Europe and Mexico. The Company’s reportable segments are identified by a combination of factors, including geographic area, regulatory environment, economic environment and product portfolios. Each reportable segment is managed separately through a local management team. The results of each operating, or reportable, segment are provided to the chief operating decision maker (“CODM”) on a regular basis. The Company’s CODM is the President and Chief Executive Officer. The information provided to the CODM at the operating segment level is then used to assess performance and make decisions regarding allocation of key resources. The CODM primarily measures segment profit and evaluates performance based on operating income. The accounting policies of the segments are the same as those described in the summary of significant accounting policies.

We conduct separate operations in the continental U.S. and in Puerto Rico. For segment reporting purposes, the Puerto Rico operations are included in the U.S. reportable segment. The chicken products processed by the U.S. reportable segment are sold to foodservice, retail and frozen entrée customers. The segment’s primary distribution is through retailers, foodservice distributors and restaurants.

The Europe reportable segment processes primarily fresh chicken, pork products, lamb products, specialty meats, ready meals and other prepared foods that are sold to foodservice, retail and direct to consumer customers. The segment’s primary distribution is through retailers, foodservice distributors and restaurants.

The chicken products processed by the Mexico reportable segment are sold to foodservice, retail and frozen entrée customers. The segment’s primary distribution is through retailers, foodservice distributors and restaurants.

Additional information regarding reportable segments is as follows:

	<u>Year Ended</u>		
	<u>December 29, 2024<sup>(a)</sup></u>	<u>December 31, 2023<sup>(b)</sup></u>	<u>December 25, 2022<sup>(c)</sup></u>
	(In thousands)		
<b>Net sales</b>			
U.S.	\$ 10,629,929	\$ 10,027,742	\$ 10,748,350
Europe	5,136,747	5,203,322	4,874,738
Mexico	2,111,615	2,131,153	1,845,289
<b>Total net sales</b>	<u>\$ 17,878,291</u>	<u>\$ 17,362,217</u>	<u>\$ 17,468,377</u>

- (a) For the year 2024, the U.S. reportable segment had intercompany sales to the Mexico reportable segment of \$121.6 million. These sales consisted of fresh products, prepared products and grain and are eliminated in our consolidation.
- (b) For the year 2023, the U.S. reportable segment had intercompany sales to the Mexico reportable segment of \$370.1 million. These sales consisted of fresh products, prepared products, eggs and grain and are eliminated in our consolidation.
- (c) For the year 2022, the U.S. reportable segment had intercompany sales to the Mexico reportable segment of \$120.9 million. These sales consisted of fresh products, prepared products and grain and are eliminated in our consolidation. For the year 2022, the Europe reportable segment had intercompany sales of eggs to the U.S. reportable segment of \$5.3 million, which were eliminated in our consolidation.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	Year Ended		
	December 29, 2024	December 31, 2023	December 25, 2022
	(In thousands)		
<b>Cost of sales</b>			
U.S.	\$ 9,065,837	\$ 9,505,258	\$ 9,312,445
Europe	4,675,080	4,828,623	4,634,066
Mexico	1,824,607	1,909,721	1,710,117
Eliminations	—	214	(54)
Total cost of sales	<u>\$ 15,565,524</u>	<u>\$ 16,243,816</u>	<u>\$ 15,656,574</u>
<b>Gross profit</b>			
U.S.	\$ 1,564,092	\$ 522,484	\$ 1,435,905
Europe	461,667	374,699	240,672
Mexico	287,008	221,432	135,172
Eliminations	—	(214)	54
Total gross profit	<u>\$ 2,312,767</u>	<u>\$ 1,118,401</u>	<u>\$ 1,811,803</u>
<b>Selling, general administrative expenses</b>			
U.S.	\$ 451,091	\$ 283,590	\$ 341,880
Europe	198,586	202,203	211,140
Mexico	63,633	65,977	51,722
Total SG&A expenses	<u>\$ 713,310</u>	<u>\$ 551,770</u>	<u>\$ 604,742</u>
<b>Restructuring activities charges</b>			
Europe	\$ 93,388	\$ 44,345	\$ 30,466
<b>Operating income</b>			
U.S.	\$ 1,113,001	\$ 238,894	\$ 1,094,025
Europe	169,693	128,151	(934)
Mexico	223,375	155,455	83,450
Eliminations	—	(214)	54
Total operating income	<u>\$ 1,506,069</u>	<u>\$ 522,286</u>	<u>\$ 1,176,595</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	Year Ended		
	December 29, 2024	December 31, 2023	December 25, 2022
	(In thousands)		
<b>Reconciliation of profit or loss (segment operating income)</b>			
Total segment operating income	\$ 1,506,069	\$ 522,286	\$ 1,176,595
Interest expense, net of capitalized interest	161,175	202,272	152,672
Interest income	(72,666)	(35,651)	(9,028)
Foreign currency transaction losses (gains)	(10,025)	20,570	30,817
Miscellaneous, net	15,316	(30,127)	(23,339)
Income before income taxes	1,412,269	365,222	1,025,473
Income tax expense	325,046	42,905	278,935
Net income	<u>\$ 1,087,223</u>	<u>322,317</u>	<u>\$ 746,538</u>
<b>Interest expense</b>			
	Year Ended		
	December 29, 2024	December 31, 2023	December 25, 2022
	(In thousands)		
U.S.	\$ 166,002	\$ 208,000	\$ 148,720
Europe	2,237	1,728	2,422
Mexico	1,191	558	1,530
Eliminations	(8,255)	(8,014)	—
Total interest expense	<u>\$ 161,175</u>	<u>\$ 202,272</u>	<u>\$ 152,672</u>
<b>Interest income</b>			
	Year Ended		
	December 29, 2024	December 31, 2023	December 25, 2022
	(In thousands)		
U.S.	\$ 32,218	\$ 13,987	\$ 4,779
Europe	16,233	4,656	296
Mexico	32,470	25,022	3,953
Eliminations	(8,255)	(8,014)	—
Total interest income	<u>\$ 72,666</u>	<u>\$ 35,651</u>	<u>\$ 9,028</u>
<b>Income tax expense (benefit)</b>			
	Year Ended		
	December 29, 2024	December 31, 2023	December 25, 2022
	(In thousands)		
U.S.	\$ 237,550	\$ (5,848)	\$ 220,245
Europe	10,750	23,378	8,290
Mexico	76,746	25,375	50,400
Total income tax expense (benefit)	<u>\$ 325,046</u>	<u>\$ 42,905</u>	<u>\$ 278,935</u>
<b>Depreciation and amortization</b>			
	Year Ended		
	December 29, 2024	December 31, 2023	December 25, 2022
	(In thousands)		
U.S.	\$ 270,618	\$ 255,052	\$ 244,617
Europe	140,993	142,190	134,374
Mexico	22,011	22,658	24,119
Total	<u>\$ 433,622</u>	<u>\$ 419,900</u>	<u>\$ 403,110</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	Year Ended		
	December 29, 2024	December 31, 2023	December 25, 2022
(In thousands)			
<b>Capital expenditures<sup>(a)</sup></b>			
U.S.	\$ 336,973	\$ 417,919	\$ 343,825
Europe	91,177	109,590	114,330
Mexico	30,306	30,244	28,955
Total	<u>\$ 458,456</u>	<u>\$ 557,753</u>	<u>\$ 487,110</u>

(a) Capital expenditures incurred include those that were paid out in cash and those that are still outstanding in accounts payable as of December 29, 2024.

	Year Ended	
	December 29, 2024	December 31, 2023
(In thousands)		
<b>Total assets</b>		
U.S.	\$ 7,848,510	\$ 7,012,211
Europe	4,051,150	4,299,985
Mexico	1,172,728	1,684,711
Eliminations	(2,421,812)	(3,186,546)
Total	<u>\$ 10,650,576</u>	<u>\$ 9,810,361</u>

	Year Ended	
	December 29, 2024	December 31, 2023
(In thousands)		
<b>Long-lived assets<sup>(a)</sup></b>		
U.S.	\$ 2,156,858	\$ 2,085,222
Europe	979,116	1,041,857
Mexico	261,518	301,919
Eliminations	(3,888)	(3,888)
Total	<u>\$ 3,393,604</u>	<u>\$ 3,425,110</u>

(a) For this disclosure, we exclude financial instruments, deferred tax assets and intangible assets in accordance with ASC 280-10-50-41, *Segment Reporting*. Long-lived assets, as used in ASC 280-10-50-41, implies hard assets that cannot be readily removed.

	Year Ended		
	December 29, 2024	December 31, 2023	December 25, 2022
(In thousands)			
<b>Net sales to customers by customer location</b>			
U.S.	\$ 10,165,049	\$ 9,496,709	\$ 10,204,411
Europe	5,087,606	5,148,931	4,813,108
Mexico	2,160,490	2,180,418	1,895,658
Asia-Pacific	303,570	384,946	390,679
Canada, Caribbean and Central America	89,068	72,339	87,515
Africa	52,329	66,519	61,894
South America	20,179	12,355	15,112
Total	<u>\$ 17,878,291</u>	<u>\$ 17,362,217</u>	<u>\$ 17,468,377</u>

Information regarding net sales attributable to each of our primary product lines and markets served with those products is included in “Note 2. Revenue Recognition.” We based the table on our internal sales reports and their classification of products.

## 21. COMMITMENTS AND CONTINGENCIES

### General

The Company is a party to many routine contracts in which it provides general indemnities in the normal course of business to third parties for various risks. Among other considerations, the Company has not recorded a liability for any of these indemnities because, based upon the likelihood of payment, the fair value of such indemnities would not have a material impact on its financial condition, results of operations and cash flows.

**Purchase Obligations**

The Company will sometimes enter into noncancelable contracts to purchase capital equipment and certain commodities such as corn, soybean meal, wheat and energy. As of December 29, 2024, the Company was party to outstanding purchase contracts totaling \$400.7 million payable in 2025, \$23.0 million payable in 2026, \$1.9 million payable in 2027, \$1.8 million payable in 2028 and \$10.7 million payable thereafter.

**Operating Leases**

Additional information regarding operating leases is included in “Note 3. Leases.”

**Financial Instruments**

The Company’s loan agreements generally obligate the Company to reimburse the applicable lender for incremental increased costs due to a change in law that imposes (1) any reserve or special deposit requirement against assets of, deposits with or credit extended by such lender related to the loan, (2) any tax, duty or other charge with respect to the loan (except standard income tax) or (3) capital adequacy requirements. In addition, some of the Company’s loan agreements contain a withholding tax provision that requires the Company to pay additional amounts to the applicable lender or other financing party, generally if withholding taxes are imposed on such lender or other financing party as a result of a change in the applicable tax law. These increased cost and withholding tax provisions continue for the entire term of the applicable transaction, and there is no limitation on the maximum additional amounts the Company could be obligated to pay under such provisions. Any failure to pay amounts due under such provisions generally would trigger an event of default and, in a secured financing transaction, would entitle the lender to foreclose upon the collateral to realize the amount due.

**Litigation**

The Company is subject to various legal proceedings and claims which arise in the ordinary course of business. In the Company’s opinion, it has made appropriate and adequate accruals for claims where necessary; however, the ultimate liability for these matters is uncertain, and if significantly different than the amounts accrued, the ultimate outcome could have a material effect on the financial condition or results of operations of the Company. The Company cannot predict the outcome of the litigation matters or other actions nor when they will be resolved. The consequences of the pending litigation matters are inherently uncertain, and settlements, adverse actions, or adverse judgments in some or all of these matters, including investigations by the U.S. Department of Justice (“DOJ”) or the Attorneys General, may result in monetary damages, fines, penalties, or injunctive relief against the Company, which could be material and could adversely affect its financial condition or results of operations. Any claims or litigation, even if fully indemnified or insured, could damage the Company’s reputation and make it more difficult to compete effectively or to obtain adequate insurance in the future. In addition, the U.S. government’s recent focus on market dynamics in the meat processing industry could expose the Company to additional costs and risks.

*Tax Claims and Proceedings*

During 2014 and 2015, the Mexican Tax Administration Service (“SAT”) opened a review of Avícola with regard to tax years 2009 and 2010. In both instances, the SAT claims that controlled company status did not exist for certain subsidiaries because Avícola did not own 50% of the shares in voting rights of Incubadora Hidalgo, S. de R.L de C.V. and Comercializadora de Carnes de México S. de R.L de C.V. (both in 2009) and Pilgrim’s Pride, S. de R.L. de C.V. (in 2010). Avícola appealed the opinion, and on January 31, 2023, the appeal as to tax year 2009 was dismissed by the Mexico Supreme Court. Accordingly, during 2023 Avícola paid \$25.9 million for tax year 2009. The opinion for tax year 2010 is still under appeal. Accordingly, Avícola has an accrual of \$14.4 million as of December 29, 2024 with regard to the tax year 2010.

On May 12, 2022, the SAT issued tax assessments against Pilgrim’s Pride, S. de R.L. de C.V. and Provemex Holdings, LLC in connection with PPC’s acquisition of Tyson de México. The Mexican subsidiaries of PPC filed a petition to nullify these assessments. The District Court issued a judgement on January 20, 2025, in which the court now claims that the seller owed tax due to the indirect transfer of Mexican assets in connection with the sale, and that PPC or its subsidiaries should have withheld such taxes, but also noted that only one of the assessments will proceed. PPC will appeal and will continue to defend this matter. The amount under appeal for the remaining assessment is approximately \$269.5 million. No expense has been recorded for this amount at this time, and PPC have submitted an indemnification claim notice pursuant to the definitive agreement to acquire Tyson de México. There can be no assurances as to whether the indemnification claim will be successful or in what amounts.

In 2019 and 2020, the UK Revenue & Customs Authority (HMRC) opened reviews of the 2017 and 2018 tax returns of Onix Investments UK Ltd in which HMRC evaluated the deductibility of certain interest related expenses incurred by Onix Investments UK Ltd (the “Deductions”). The Deductions total \$7.9 million for tax year 2017 and \$32.1 million for tax year

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2018. On April 12, 2024, HMRC concluded that the Deductions should be disallowed and Onix Investments UK Ltd appealed. On October 8, 2024, HMRC issued a Review Conclusion Letter affirming the prior decision to disallow the Deductions. Onix Investments UK Ltd has timely filed a Grounds of Appeal and will continue to defend this matter.

*U.S. Litigation*

Between September 2, 2016 and October 13, 2016, a series of federal class action lawsuits were filed with the U.S. District Court for the Northern District of Illinois (“Illinois Court”) against PPC and other defendants by and on behalf of direct and indirect purchasers of broiler chickens alleging violations of antitrust and unfair competition laws and styled as *In re Broiler Chicken Antitrust Litigation*, Case No. 1:16-cv-08637 (the “Broiler Antitrust Litigation”). The complaints seek, among other relief, treble damages for an alleged conspiracy among defendants to reduce output and increase prices of broiler chickens from the period of January 2008 to the present. PPC has entered into agreements to settle all claims made by the three certified classes for an aggregate total of \$195.5 million, each of which has received final approval from the Illinois Court. PPC continues to defend itself against the direct-action plaintiffs as well as parties that have opted out of the class settlements (collectively, the “Broiler Opt Outs”). PPC will seek reasonable settlements with the Broiler Opt Outs where they are available. To date, we have recognized an expense of \$582.5 million, including a \$45.0 million incremental increase in the three months ended December 29, 2024, to cover settlements with various Broiler Opt Outs. We have recognized these settlement expenses within *SG&A expense* in our Consolidated Statements of Income.

Between August 30, 2019 and October 16, 2019, a series of purported class action lawsuits were filed in the U.S. District Court for the District of Maryland (“Maryland Court”) against PPC and a number of other chicken producers, as well as Webber, Meng, Sahl & Company and Agri Stats, styled as *Jien, et al. v. Perdue Farms, Inc., et al.*, No.19-cv-02521. The plaintiffs are a putative class of poultry processing plant production and maintenance workers (“Poultry Workers Class”) and allege that the defendants conspired to fix and depress the compensation paid to Poultry Workers Class in violation of the Sherman Antitrust Act. PPC entered into an agreement to settle all claims made by the Poultry Workers Class for \$29.0 million and paid the plaintiffs this amount during 2021, though the agreement is still subject to final approval by the Maryland Court. We have recognized these settlement expenses within *SG&A expense* in our Consolidated Statements of Income.

On January 27, 2017, a purported class action on behalf of broiler chicken farmers was brought against PPC and other chicken producers in the U.S. District Court for the Eastern District of Oklahoma alleging, among other things, a conspiracy to reduce competition for grower services and depress the price paid to growers. The complaint was consolidated with several subsequently filed consolidated amended class action complaints and styled as *In re Broiler Chicken Grower Litigation*, Case No. CIV-17-033. On June 24, 2024, a settlement was reached in the amount of \$100.0 million. This settlement was paid on October 28, 2024. We have recognized these settlement expenses within *SG&A expense* in our Consolidated Statements of Income. The incremental increase in settlement amount was recognized in the three months ended June 30, 2024. On January 7, 2025, the Court granted final approval of the Company’s settlement and dismissed the case.

On October 20, 2016, Patrick Hogan, acting on behalf of himself and a putative class of certain PPC stockholders, filed a class action complaint in the U.S. District Court for the District of Colorado against PPC and its named executive officers styled as *Hogan v. Pilgrim’s Pride Corporation, et al.*, No. 16-CV-02611. The complaint alleges, among other things, that PPC’s SEC filings contained statements that were rendered materially false and misleading. On December 6, 2024, the Company entered into a settlement agreement in principal with the putative class in the amount of \$41.5 million, which is subject to court approval. We have recognized this expense in *SG&A expense* in the Consolidated Statements of Income.

*U.S. State Matters*

From February 21, 2017 through May 4, 2021, the Attorneys General for multiple U.S. states have issued civil investigative demands (“CIDs”). The CIDs request, among other things, data and information related to the acquisition and processing of broiler chickens and the sale of chicken products. PPC is cooperating with the Attorneys General in these states in producing documents pursuant to the CIDs.

On September 1, 2020, February 22, 2021, and October 28, 2021, the Attorneys General in New Mexico (*State of New Mexico v. Koch Foods, et al.*, D-101-CV-2020-01891), Alaska (*State of Alaska v. Agri Stats, Inc., et al.*, 3AN-21-04632), and Washington (*State of Washington v. Tyson Foods Inc., et al.*, 21-2-14174-5), respectively, filed complaints against PPC and others based on allegations similar to those asserted in the Broiler Antitrust Litigation. The State of Washington settlement was paid in the second quarter of 2023 for \$11.0 million. On June 24, 2024, PPC entered into a settlement with the Attorney General in New Mexico for \$5.2 million. The State of New Mexico settlement was paid in the third quarter of 2024. On July 3, 2024, PPC entered into a settlement with Attorney General in Alaska for \$1.25 million, and this amount was paid on July 10, 2024. These settlements were recognized in *SG&A expense* in our Consolidated Statements of Income in their respective periods.

*U.S. Federal Matters*

On February 9, 2022, PPC learned that the DOJ opened a civil investigation into human resources antitrust matters, and on October 6, 2022, PPC learned that the DOJ opened a civil investigation into grower contracts and payment practices and on October 2, 2023, received a CID requesting information from PPC. PPC is cooperating with the DOJ in its investigations and CID. The DOJ has informed the Company that it is likely to file a civil complaint pursuant to at least one of these investigations.

**22. MARKET RISKS AND CONCENTRATIONS**

The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash equivalents, investment securities and trade accounts receivable. The Company's cash equivalents and investment securities are high-quality debt and equity securities placed with major banks and financial institutions. The Company's trade accounts receivable are generally unsecured. Credit evaluations are performed on all significant customers and updated as circumstances dictate. Concentrations of credit risk with respect to trade accounts receivable are limited due to the large number of customers and their dispersion across geographic areas. The Company does not have a single customer that exceeds the 10% of net sales. The Company does not believe it has significant concentrations of credit risk in its trade accounts receivable.

As of December 29, 2024, we employed over 61,600 people. Approximately 35.4% of the Company's employees were covered under collective bargaining agreements. Substantially all employees covered under collective bargaining agreements are covered under agreements that expire in 2025 or later. We have not experienced any labor-related work stoppage at any location in over ten years. We believe our relationship with our employees and union leadership is satisfactory. At any given time, we will likely be in some stage of contract negotiations with various collective bargaining units. In the absence of an agreement, we may become subject to labor disruption at one or more of these locations, which could have an adverse effect on our financial results.

As of December 29, 2024, the aggregate carrying amount of net assets belonging to our Mexico and Europe reportable segments was \$0.7 billion and \$2.9 billion, respectively. As of December 31, 2023, the aggregate carrying amount of net assets belonging to our Mexico and Europe reportable segments was \$1.3 billion and \$3.1 billion, respectively.

**Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

None.

**Item 9A. Controls and Procedures****Disclosure Controls and Procedures**

Under Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 (the "Exchange Act"), "disclosure controls and procedures" means controls and other procedures that are designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's (the "SEC") rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by our Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures as of December 29, 2024. Based on that evaluation and subject to the foregoing, the Company's Chief Executive Officer and Chief Financial Officer, concluded that, as of December 29, 2024, the Company's disclosure controls and procedures were effective.

**Changes in Internal Control over Financial Reporting**

There was no change in the Company's internal control over financial reporting that occurred during the Company's quarter ended December 29, 2024 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

During 2024, the Company completed the first phase of a multi-year implementation of an enterprise resource planning ("ERP") system. The implementation did not and is not expected to materially affect our internal control over financial reporting.

**Management's Report on Internal Control over Financial Reporting**

Pilgrim's Pride Corporation's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). PPC's internal control is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles.

PPC's management assessed the effectiveness of the Company's internal control over financial reporting as of December 29, 2024 based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control Integrated Framework (2013). Based on this assessment, management concluded that PPC's internal control over financial reporting was effective as of December 29, 2024.

KPMG LLP, an independent registered public accounting firm which audited our Consolidated Financial Statements included in this Form 10-K, has issued an unqualified report on the effectiveness of the Company's internal control over financial reporting as of December 29, 2024. That report is included in Part I, Item 8. Financial Statements and Supplementary Data, of this annual report.

**Item 9B. Other Information**

None.

**Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

Not applicable.

**PART III**

**Item 10. Directors, Executive Officers and Corporate Governance**

Certain information regarding our executive officers has been presented under “Information about our Executive Officers” included in “Item 1. Business,” above.

We have adopted a Code of Business Conduct and Ethics, which applies to all employees, including our Chief Executive Officer and our Chief Financial Officer and Principal Accounting Officer. The full text of our Code of Business Conduct and Ethics is published on our website, at [www.ir.pilgrims.com](http://www.ir.pilgrims.com), under the “Corporate Governance-Documents & Charters” caption. We intend to disclose, if required, future amendments to, or waivers from, certain provisions of this Code on our website within four business days following the date of such amendment or waiver.

We have adopted an Insider Trading Policy, which applies to all directors, officers, and designated employees, including our Chief Executive Officer and our Chief Financial Officer and Principal Accounting Officer, as well as their family members or other persons with whom they have a relationship with who are subject to this policy and entities under their control. We believe this policy is reasonably designed to promote compliance with insider trading laws, rules, and regulations and listing standards applicable to the Company. This policy is included in Exhibit 19 to this Annual Report on Form 10-K.

The other information required by Item 10 is incorporated by reference herein from the Company’s Definitive Proxy Statement for its 2025 Annual Meeting of Stockholders to be filed no later than 120 days after the close of the fiscal year covered by this report, which sections are incorporated herein by reference.

**Item 11. Executive Compensation**

The information required by Item 11 is incorporated by reference herein from the Company’s Definitive Proxy Statement for its 2025 Annual Meeting of Stockholders to be filed no later than 120 days after the close of the fiscal year covered by this report, which sections are incorporated herein by reference.

**Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

*Equity Compensation Plan Information*

Plan Category <sup>(a)</sup>	Number of Securities to Be Issued Upon Exercise of Outstanding Options, Warrants and Rights <sup>(b)</sup>	Weighted-Average Exercise Price of Outstanding Option, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in the First Column)
Equity compensation plans approved by securities holders	1,257,695	\$ 24.64	29,935
Equity compensation plans not approved by securities holders	—	—	—
Total	1,257,695	\$ 24.64	29,935

(a) The table provides certain information about our common stock that may be issued under the Long Term Incentive Plan (the “LTIP”), as of December 29, 2024. For additional information concerning terms of the LTIP, see Part II. Item 8, Notes to Consolidated Financial Statements, “Note 16. Incentive Compensation” in this annual report.

(b) These amounts represent restricted stock units outstanding, but not yet vested, under the LTIP as of December 29, 2024.

The other information required by Item 12 is incorporated by reference herein from the Company’s Definitive Proxy Statement for its 2025 Annual Meeting of Stockholders to be filed no later than 120 days after the close of the fiscal year covered by this report, which sections are incorporated herein by reference.

**Item 13. Certain Relationships and Related Transactions, and Director Independence**

The information required by Item 13 is incorporated by reference herein from the Company's Definitive Proxy Statement for its 2025 Annual Meeting of Stockholders to be filed no later than 120 days after the close of the fiscal year covered by this report, which sections are incorporated herein by reference.

**Item 14. Principal Accounting Fees and Services**

Our independent registered public accounting firm is KPMG LLP, Kansas City, MO, Auditor Firm ID: 185.

The information required by Item 14 is incorporated by reference herein from the Company's Definitive Proxy Statement for its 2025 Annual Meeting of Stockholders to be filed no later than 120 days after the close of the fiscal year covered by this report, which sections are incorporated herein by reference.

**PART IV****Item 15. Exhibits and Financial Statement Schedules**

## (a) Financial Statements

- (i) The financial statements and schedules listed in the index to financial statements and schedules on page 1 of this annual report are filed as part of this annual report.
- (ii) All other schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions or are not applicable and therefore have been omitted.

## (b) Exhibits

Exhibit Number

- 3.1 [Amended and Restated Certificate of Incorporation of the Company. \(incorporated by reference from Exhibit 3.1 of the Company's Current Form 8-K \(No. 001-09273\) filed on December 30, 2024\).](#)
- 3.2 [Amended and Restated Corporate Bylaws of the Company. \(incorporated by reference from Exhibit 3.2 of the Company's Current Form 8-K \(No. 001-09273\) filed on December 30, 2024\).](#)
- 4.1 [Stockholders Agreement dated December 28, 2009 between the Company and JBS USA Holding Lux, S.à.r.l., formerly known as JBS USA Holdings, LLC, as amended \(incorporated by reference from Exhibit 3.3 to the Company's Form 8-A \(No. 001-09273\) filed on December 27, 2012\).](#)
- 4.2 [Form of Common Stock Certificate \(incorporated by reference from Exhibit 4.1 to the Company's Current Report on Form 8-K \(No. 001-09273\) filed on December 29, 2009\).](#)
- 4.3 [Indenture dated as of April 8, 2021 among the Company, Pilgrim's Pride Corporation of West Virginia, Inc., Gold'n Plump Poultry, LLC, Gold'n Plump Farms, LLC, JFC LLC and Regions Bank, as Trustee \(incorporated by reference from Exhibit 4.1 of the Company's Current Report on Form 8-K \(No. 001-09273\) filed on April 9, 2021\).](#)
- 4.4 [Form of Senior 4.25% Note due 2031 \(included in Exhibit 4.3\).](#)
- 4.5 [Indenture, dated as of September 2, 2021 among the Company, as issuer, Pilgrim's Pride Corporation of West Virginia, Inc., Gold'n Plump Poultry, LLC, Gold'n Plump Farms, LLC and JFC LLC, as Guarantors, and Regions Bank, as Trustee \(incorporated by reference from Exhibit 4.1 of the Company's Current Report on Form 8-K \(No. 001-09273\) filed on September 2, 2021\).](#)
- 4.6 [Form of Senior 3.50% Note due 2032 \(included in Exhibit 4.5\).](#)
- 4.7 [Description of Securities Registered Pursuant to Section 12\(b\) of the Exchange Act.](#)
- 4.8 [First Supplemental Indenture, dated as of September 22, 2022 among the Company, as issuer, Pilgrim's Pride Corporation of West Virginia, Inc., Gold'n Plump Poultry, LLC, Gold'n Plump Farms, LLC and JFC LLC, as Guarantors, and Regions Bank, as Trustee \(incorporated by reference from Exhibit 4.1 of the Company's Current Report on Form 8-K \(No. 001-09273\) filed on September 26, 2022\).](#)
- 4.9 [First Supplemental Indenture, dated as of September 22, 2022 among the Company, as issuer, Pilgrim's Pride Corporation of West Virginia, Inc., Gold'n Plump Poultry, LLC, Gold'n Plump Farms, LLC and JFC LLC, as Guarantors, and Regions Bank, as Trustee \(incorporated by reference from Exhibit 4.1 of the Company's Current Report on Form 8-K \(No. 001-09273\) filed on September 26, 2022\).](#)
- 4.10 [Indenture dated as of April 19, 2023, among the Company, the Guarantors and Regions Bank, as Trustee \(incorporated by reference from Exhibit 4.1 of the Company's Current Report on Form 8-K \(No. 001-02973\) filed on April 19, 2023\).](#)
- 4.11 [First Supplemental Indenture dated as of April 19, 2023, among the Company, the Guarantors and the Trustee \(incorporated by reference from Exhibit 4.2 of the Company's Current Report on Form 8-K \(No. 001-02973\) filed on April 19, 2023\).](#)
- 4.12 [Form of Senior 6.25% Note due 2033 \(included in Exhibit 4.11\).](#)
- 4.13 [Second Supplemental Indenture, dated as of October 12, 2023, between the Company and Regions Bank, as trustee \(incorporated by reference from Exhibit 4.1 of the Company's Current Report on Form 8-K \(No. 001-02973\) filed on October 13, 2023\).](#)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- 4.14 [Form of Senior 6.875% Note due 2034 \(included in Exhibit 4.13\).](#)
- 10.1 [Pilgrim's Pride Corporation Long Term Incentive Plan \(incorporated by reference from Exhibit 10.2 of the Company's Current Report on Form 8-K \(No. 001-09273\) filed on December 30, 2009\). †](#)
- 10.2 [Form of Restricted Stock Unit Award Agreement \(incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K \(No. 001-09273\) filed on September 10, 2012\). †](#)
- 10.3 [2019 Pilgrim's Pride Corporation Long-Term Incentive Plan \(incorporated by reference from Exhibit 10.14 of the Company's Annual Report on Form 10-K filed on February 21, 2020\). †](#)
- 10.4 [Form of Stock Award Agreement under the Pilgrim's Pride Corporation Long Term Incentive Plan \(incorporated by reference from Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on April 28, 2021\). †](#)
- 10.5 [Multicurrency Revolving Facility Agreement, dated as of June 24, 2022, by and among Moy Park Holdings \(Europe\) Limited and other Pilgrim's subsidiaries, the Governor and Company of the Bank of Ireland, as agent, and the other lenders party thereto \(incorporated by reference from Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q filed on July 28, 2022\).](#)
- 10.6 [Revolving Syndicated Facility Agreement, dated as of October 4, 2023, by and among Pilgrim's Pride Corporation, certain of its subsidiaries, CoBank, ACB, as administrative agent and the other lenders party thereto \(incorporated by reference from Exhibit 10.1 of the Company's Current Report on Form 8-K \(No. 001-02973\) filed on October 10, 2023\).](#)
- 10.7 [Revolving Line of Credit Agreement, dated as of August 15, 2023, by and among BBVA México as lender, and Pilgrim's Pride, Sociedad de Responsabilidad Limitada de Capital Variable, as borrower \(incorporated by reference from Exhibit 4.6 of the Company's Quarterly Report on Form 10-Q \(No. 001-02973\) filed on October 26, 2023\).](#)
- 10.8 [Tax Sharing Agreement by and among JBS USA Food Company Holdings and Pilgrim's Pride Corporation, dated as of December 30, 2024 \(incorporated by reference from Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 30, 2024\).](#)
- 19 [Insider Trading Policy.](#)
- 21 [Subsidiaries of Registrant.\\*](#)
- 22.1 [List of Guarantor Subsidiaries.\\*](#)
- 23.1 [Consent of KPMG LLP.\\*](#)
- 31.1 [Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.\\*](#)
- 31.2 [Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.\\*](#)
- 32.1 [Certification of Principal Executive Officer of Pilgrim's Pride Corporation pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.\\*\\*](#)
- 32.2 [Certification of Principal Financial Officer of Pilgrim's Pride Corporation pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.\\*\\*](#)
- 97 [Clawback Policy \(incorporated by reference from Exhibit 97 of the Company's Annual Report on Form 10-K filed on February 27, 2024\).](#)
- 101.INS Inline XBRL Instance Document
- 101.SCH Inline XBRL Taxonomy Extension Schema
- 101.CAL Inline XBRL Taxonomy Extension Calculation
- 101.DEF Inline XBRL Taxonomy Extension Definition
- 101.LAB Inline XBRL Taxonomy Extension Label
- 101.PRE Inline XBRL Taxonomy Extension Presentation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

104 Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

\* **Filed herewith**

\*\* **Furnished herewith**

† **Represents a management contract or compensation plan arrangement**

**Item 16. Form 10-K Summary**

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on February 12, 2025.

PILGRIM'S PRIDE CORPORATION

By: /s/ Matthew Galvanoni

Matthew Galvanoni

Chief Financial Officer and Chief Accounting  
Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENT that the undersigned officers and directors of Pilgrim's Pride Corporation do hereby constitute and appoint Matthew Galvanoni as his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming that all said attorney-in-fact and agent, or any of them or their or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Gilberto Tomazoni</u> Gilberto Tomazoni	Chairman of the Board	February 12, 2025
<u>/s/ Fabio Sandri</u> Fabio Sandri	President and Chief Executive Officer (Principal Executive Officer)	February 12, 2025
<u>/s/ Matthew Galvanoni</u> Matthew Galvanoni	Chief Financial Officer and Chief Accounting Officer (Principal Financial Officer and Principal Accounting Officer)	February 12, 2025
<u>/s/ Farha Aslam</u> Farha Aslam	Director	February 12, 2025
<u>/s/ Joesley Mendonça Batista</u> Joesley Mendonça Batista	Director	February 12, 2025
<u>/s/ Wesley Mendonça Batista</u> Wesley Mendonça Batista	Director	February 12, 2025
<u>/s/ Arquimedes A. Celis</u> Arquimedes A. Celis	Director	February 12, 2025
<u>/s/ Raul Padilla</u> Raul Padilla	Director	February 12, 2025
<u>/s/ Wallim Cruz de Vasconcellos Junior</u> Wallim Cruz de Vasconcellos Junior	Director	February 12, 2025
<u>/s/ Ajay Menon</u> Ajay Menon	Director	February 12, 2025
<u>/s/ Andre Nogueira de Souza</u> Andre Nogueira de Souza	Director	February 12, 2025
<u>/s/ Joanita Maria Maestri Karoleski</u> Joanita Maria Maestri Karoleski	Director	February 12, 2025

