



Financial Results for Fourth Quarter Ended December 31st, 2023

Pilgrim's Pride Corporation
(NASDAQ: PPC)



Cautionary Notes and Forward-Looking Statements

- Statements contained in this press release that state the intentions, plans, hopes, beliefs, anticipations, expectations or predictions of the future of Pilgrim's Pride Corporation and its management are considered forward-looking statements. Without limiting the foregoing, words such as "anticipates," "believes," "estimates," "expects," "intends," "may," "plans," "projects," "should," "targets," "will" and the negative thereof and similar words and expressions are intended to identify forward-looking statements. It is important to note that actual results could differ materially from those projected in such forward-looking statements. Factors that could cause actual results to differ materially from those projected in such forward-looking statements include: matters affecting the poultry industry generally; the ability to execute the Company's business plan to achieve desired cost savings and profitability; future pricing for feed ingredients and the Company's products; outbreaks of avian influenza or other diseases, either in Pilgrim's Pride's flocks or elsewhere, affecting its ability to conduct its operations and/or demand for its poultry products; contamination of Pilgrim's Pride's products, which has previously and can in the future lead to product liability claims and product recalls; exposure to risks related to product liability, product recalls, property damage and injuries to persons, for which insurance coverage is expensive, limited and potentially inadequate; management of cash resources; restrictions imposed by, and as a result of, Pilgrim's Pride's leverage; changes in laws or regulations affecting Pilgrim's Pride's operations or the application thereof; new immigration legislation or increased enforcement efforts in connection with existing immigration legislation that cause the costs of doing business to increase, cause Pilgrim's Pride to change the way in which it does business, or otherwise disrupt its operations; competitive factors and pricing pressures or the loss of one or more of Pilgrim's Pride's largest customers; currency exchange rate fluctuations, trade barriers, exchange controls, expropriation and other risks associated with foreign operations; disruptions in international markets and distribution channels, including, but not limited to, the impacts of the Russia-Ukraine conflict; the risk of cyber-attacks, natural disasters, power losses, unauthorized access, telecommunication failures, and other problems on our information systems; and the impact of uncertainties of litigation and other legal matters described in our most recent Form 10-K and Form 10-Q, including the In re Broiler Chicken Antitrust Litigation, as well as other risks described under "Risk Factors" in the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and subsequent filings with the Securities and Exchange Commission. The forward-looking statements in this release speak only as of the date hereof, and the Company undertakes no obligation to update any such statement after the date of this release, whether as a result of new information, future developments or otherwise, except as may be required by applicable law.
- Actual results could differ materially from those projected in these forward-looking statements as a result of these factors, among others, many of which are beyond our control. In making these statements, we are not undertaking, and specifically decline to undertake, any obligation to address or update each or any factor in future filings or communications regarding our business or results, and we are not undertaking to address how any of these factors may have caused changes to information contained in previous filings or communications. Although we have attempted to list comprehensively these important cautionary risk factors, we must caution investors and others that other factors may in the future prove to be important and affecting our business or results of operations.
- This presentation may include information that may be considered non-GAAP financial information as contemplated by SEC Regulation G, Rule 100, including EBITDA, Adjusted EBITDA, LTM EBITDA, Net Debt, Free Cash Flow, Adjusted EBITDA Margin and others. Accordingly, we have provided tables in the accompanying appendix and in our previous filings with the SEC that reconcile these measures to their corresponding GAAP-based measures and explain why these measures are useful to investors, which can be obtained from the Consolidated Statements of Income provided with our previous filings with the SEC. Our method of computation may or may not be comparable to other similarly titled measures used in filings with the SEC by other companies. See the consolidated statements of income and consolidated statements of cash flows included in our financial statements.



Fourth Quarter 2023 Financial Review

Main Indicators (\$MM)	Q4 2023	Q4 2022
Net Revenue	4,528.3	4,127.4
Gross Profit	321.0	95.8
SG&A	131.1	142.8
Operating Income (Loss)	184.3	(77.5)
Net Interest**	54.5	37.3
Net Income (Loss)	134.2	(155.0)
Earnings (Loss) Per Share	0.57	(0.66)
Adjusted EBITDA*	309.5	62.9
<i>Adjusted EBITDA Margin*</i>	<i>6.8%</i>	<i>1.5%</i>

- *This is a non-GAAP measurement considered by management to be useful in understanding our results. Please see the appendix and most recent SEC financial filings for definition of this measurement and reconciliation to US GAAP.
- **Net Interest includes a \$20.7 million charge for early extinguishment of debt related to the purchase of Senior Notes due 2027.

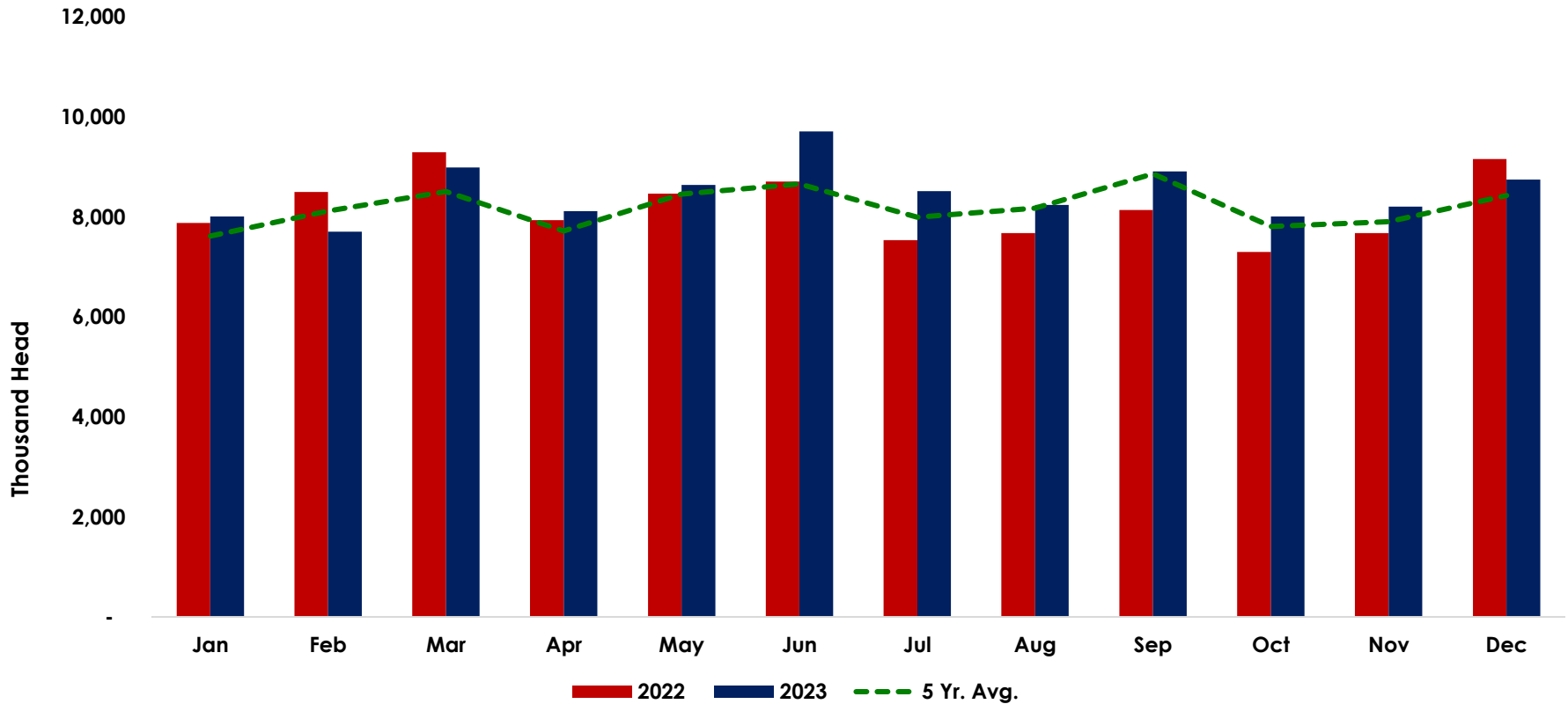
- U.S.: Significant Year-over-Year (YoY) improvement in commodity market pricing and operational improvements benefited Big Bird business; while Case Ready, Small Bird and Prepared Foods improved YoY and Quarter-over Quarter (QoQ) driven by increased distribution; UK/Europe: YoY and QoQ profit improvement due to product diversification and operational efficiencies; Mexico: YoY profitability increases due to improved balance in supply / demand dynamic and breeder cost reductions.
- SG&A lower due to decrease in legal defense costs and cost efficiencies achieved in the US and UK/Europe; partially offset by higher incentive compensation costs in the quarter.
- Adjusted Q4 2023 EBITDA* growth reflects the benefits of our focus on operational efficiencies, portfolio balance, Key Customer strategy, and geographical diversification.

In \$MM	U.S.	EU	MX
Net Revenue	2,660.6	1,341.1	526.6
Adjusted Operating Income (Loss)*	133.1	63.2	(1.6)
<i>Adjusted Operating Income (Loss) Margin*</i>	<i>5.0%</i>	<i>4.7%</i>	<i>(0.3)%</i>



Pullet Placements +3.4% Y/Y in Q4-2023; Up 3.6% YTD

Intended Pullet Placements

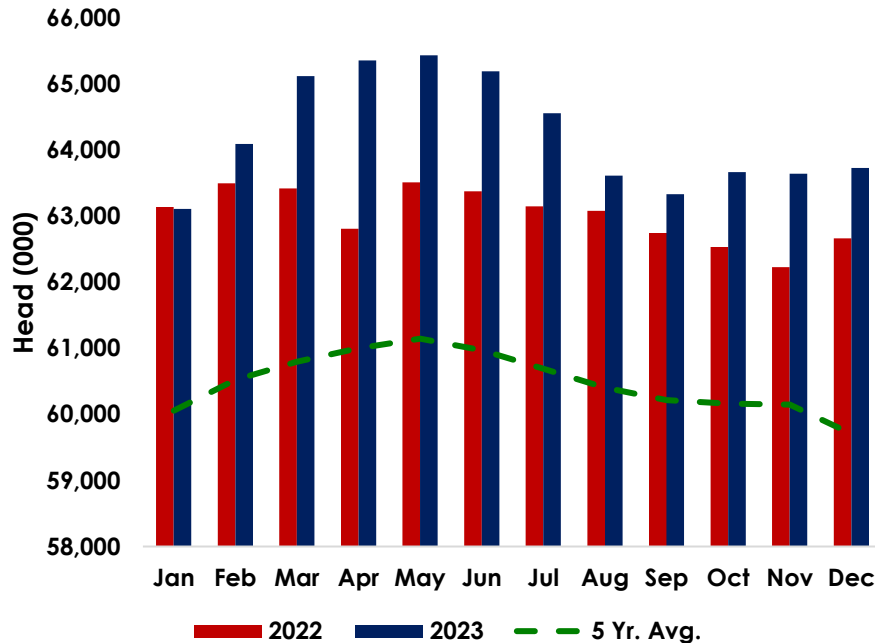


- Trailing 8-Month placements increased 6.7% vs. year ago.

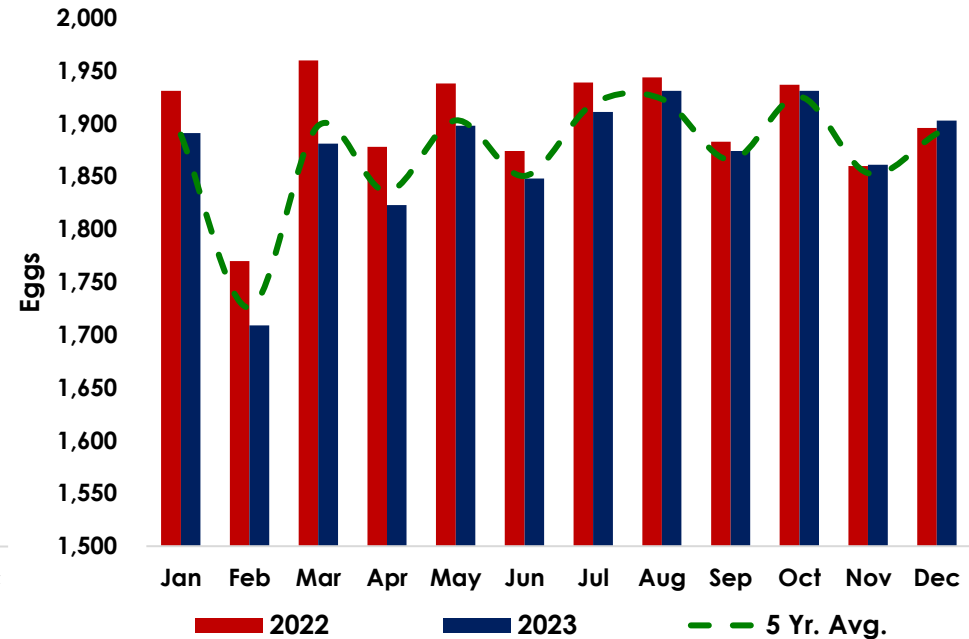


Broiler Layer Flock Increased Y/Y In Q4; Eggs/100 On Par With Year Ago Level In Q4

Broiler Type Hatching Layers



Eggs/100

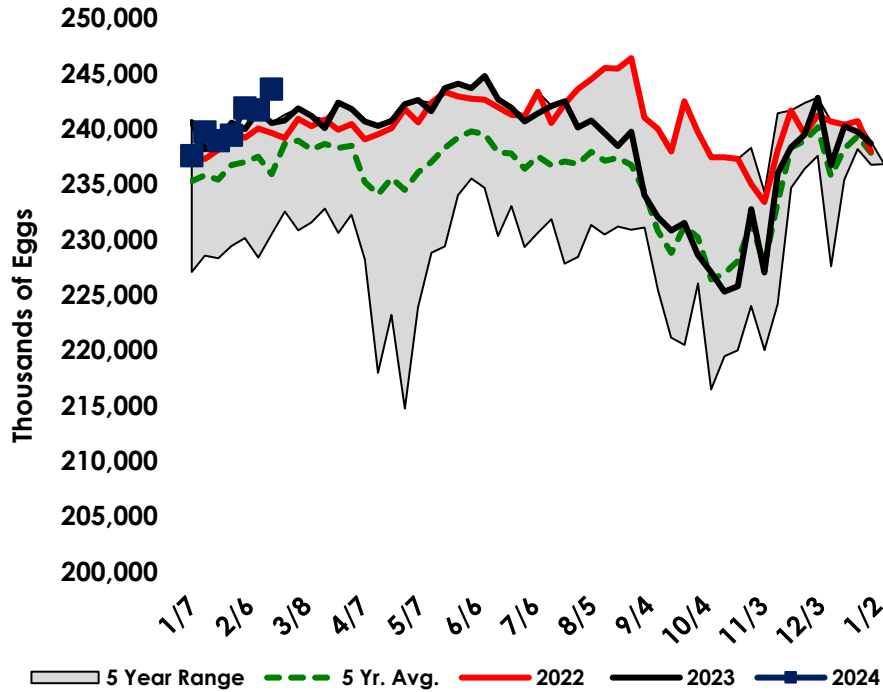


- Broiler layer flock +1.9% YoY in Q4-23.
- Eggs/100 0.0% YoY in Q4-23.

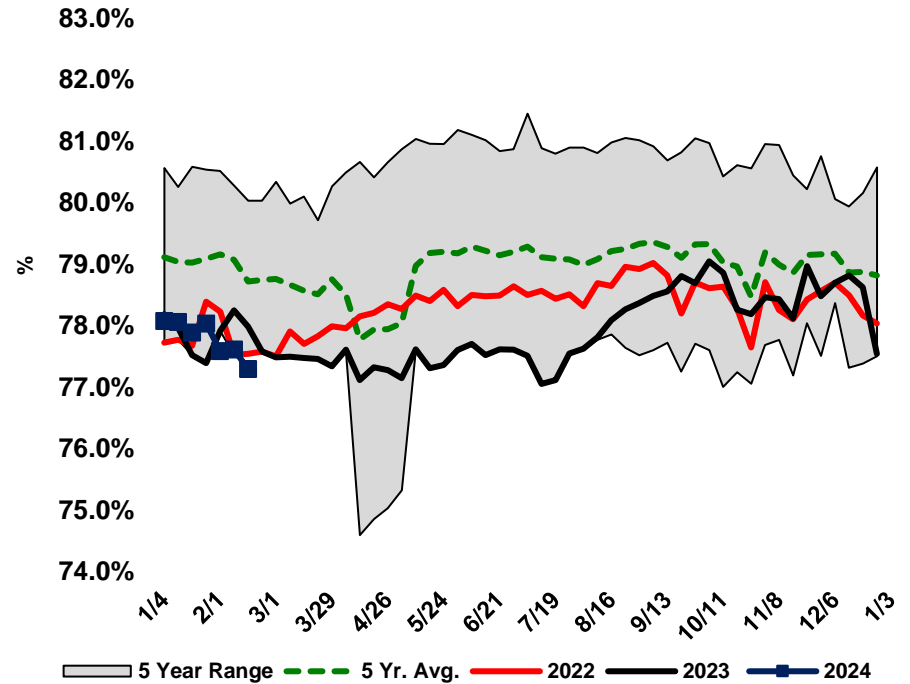


Egg Sets -1.6% YoY in Q4-23; Hatchability 0.2% Above Q4-22 Levels

Chicken Egg Sets by Week - USDA



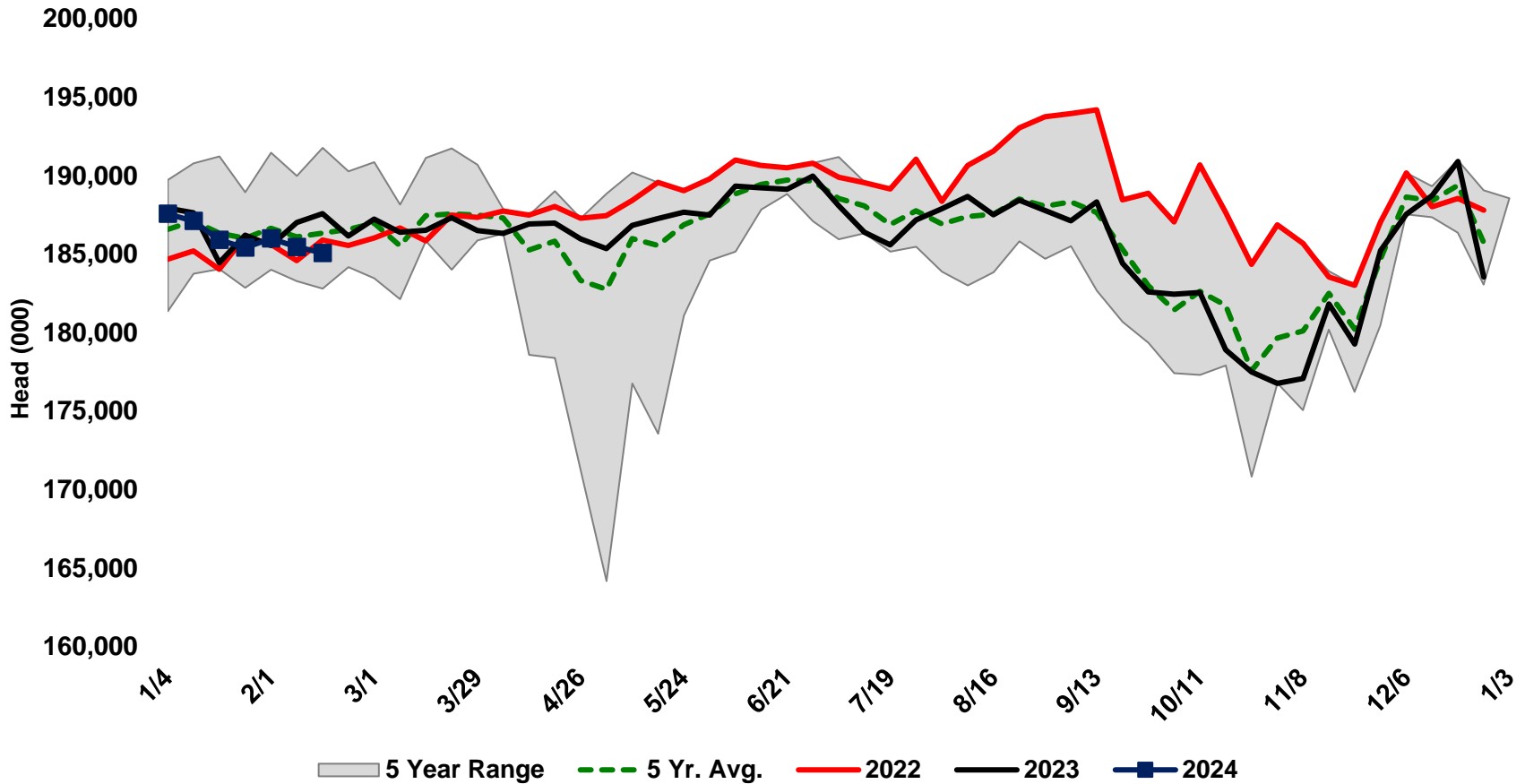
Chicken Hatchability by Week - USDA





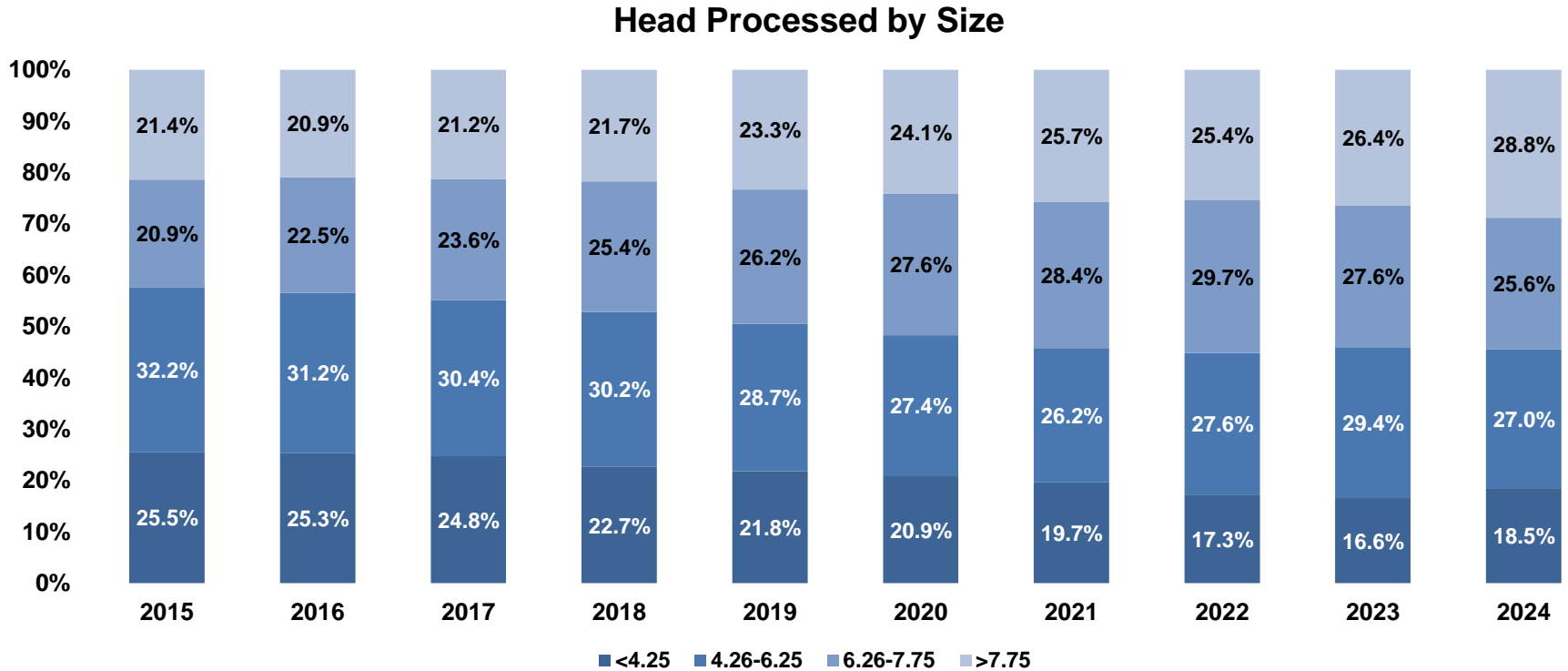
Broiler Placements Down -2.4% Y/Y in Q4-23

Chicken Broiler Placed by Week- USDA





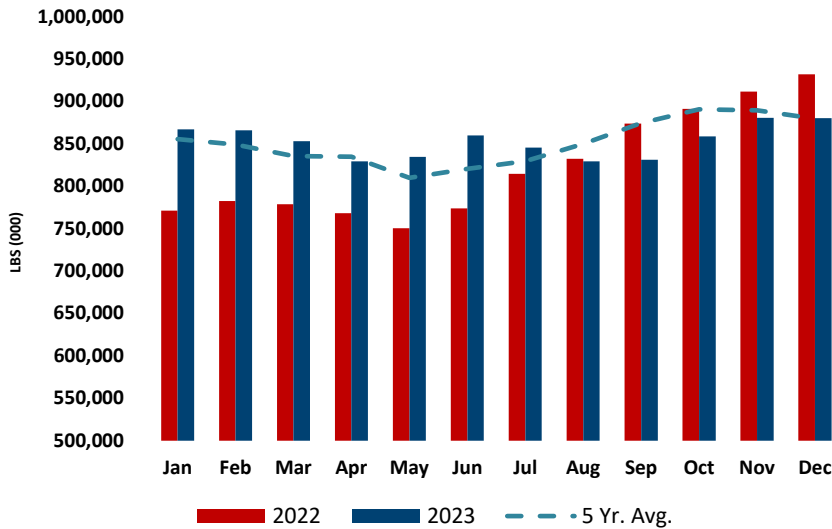
Increased Head Counts in 4.26-6.25 and >7.75 LBS Segment YTD; Y/Y Reductions in Q4 For Middle LBS Segments





Industry Cold Storage Supplies Ended Q4 On par with Historical Average

Total Chicken Inventories



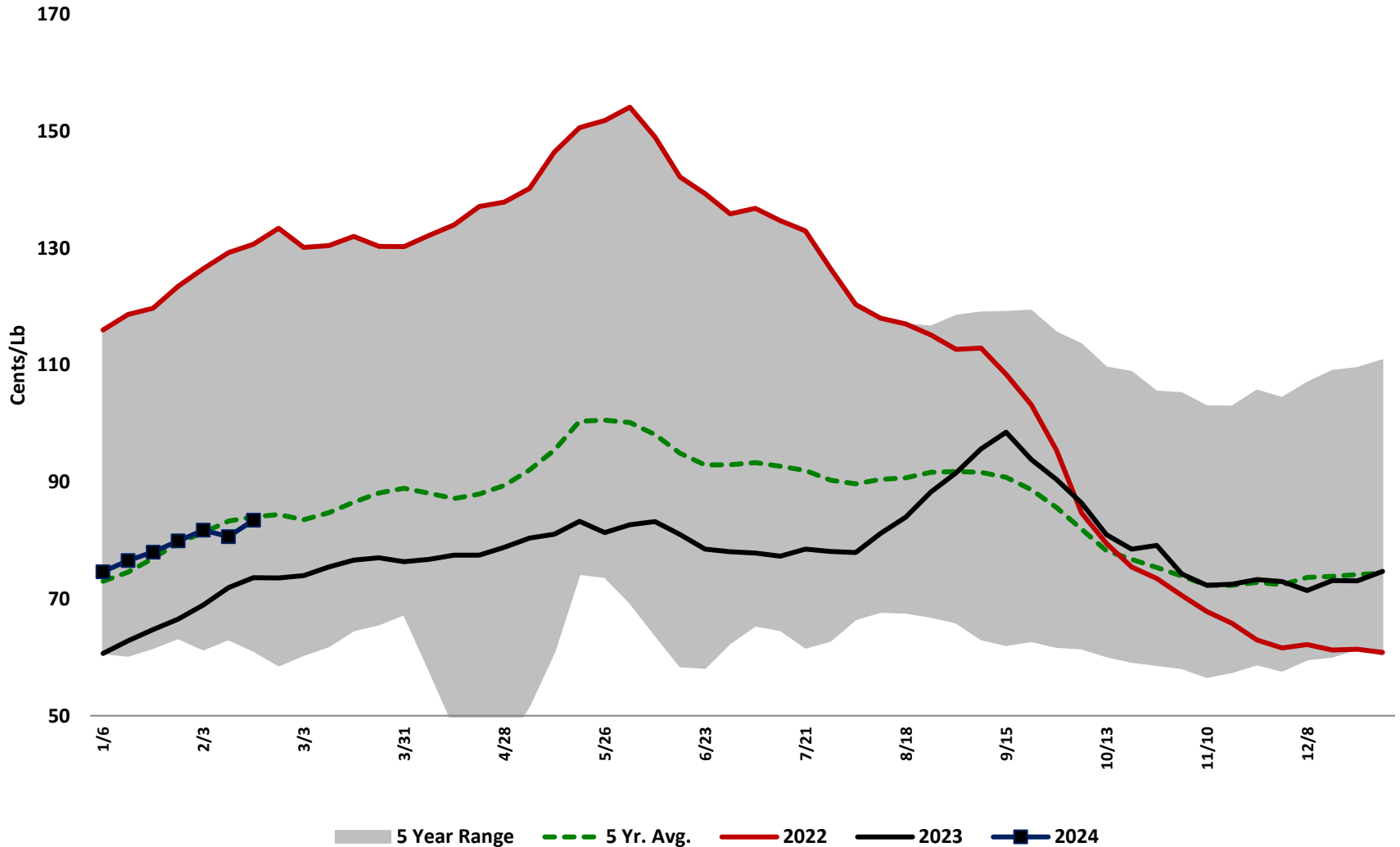
Frozen Chicken Inventory (000 LBS)					
Part	Dec-22	Nov-23	Dec-23	YOY Change	MOM Change
Broilers	13,957	12,172	12,842	▼ -8.0%	▲ 5.5%
Hens	5,230	6,258	6,868	▲ 31.3%	▲ 9.7%
Breast Meat	250,259	239,388	243,514	▼ -2.7%	▲ 1.7%
Drumsticks	32,334	30,736	31,813	▼ -1.6%	▲ 3.5%
LQ	93,463	70,862	66,428	▼ -28.9%	▼ -6.3%
Legs	21,761	20,611	18,552	▼ -14.7%	▼ -10.0%
Thighs	10,444	10,469	8,988	▼ -13.9%	▼ -14.1%
Thigh Meat	18,395	18,483	18,302	▼ -0.5%	▼ -1.0%
Wings	82,277	68,669	67,061	▼ -18.5%	▼ -2.3%
Paws and Feet	34,240	27,158	28,383	▼ -17.1%	▲ 4.5%
Other	369,484	375,714	377,340	▲ 2.1%	▲ 0.4%
Total Chicken	931,844	880,520	880,091	▼ -5.6%	▼ 0.0%

- Total Inventories in December is below 5-year average.
- Breast meat inventories -2.7% below YA levels at the end of Q4.
- Wing inventories in December is below 5-year average.
- Dark meat inventories reduced -15% Y/Y below 5-year average in December.
- Other category continues to be large contributor of inventory, more than 40% of total.



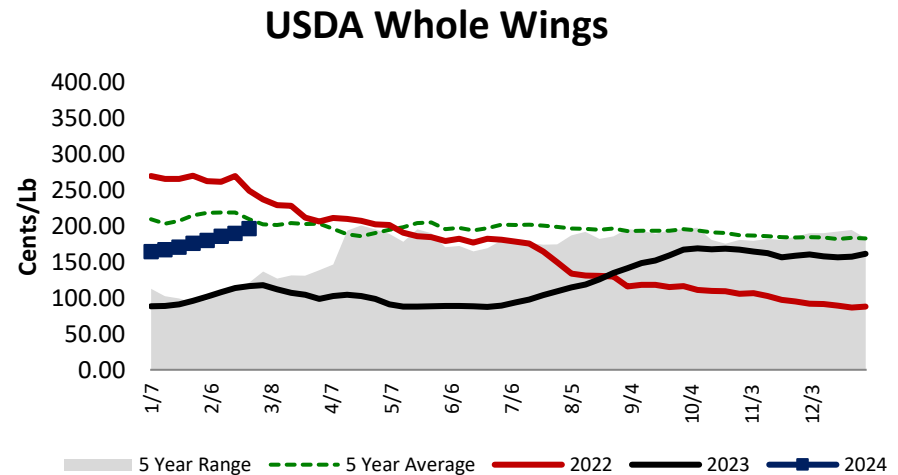
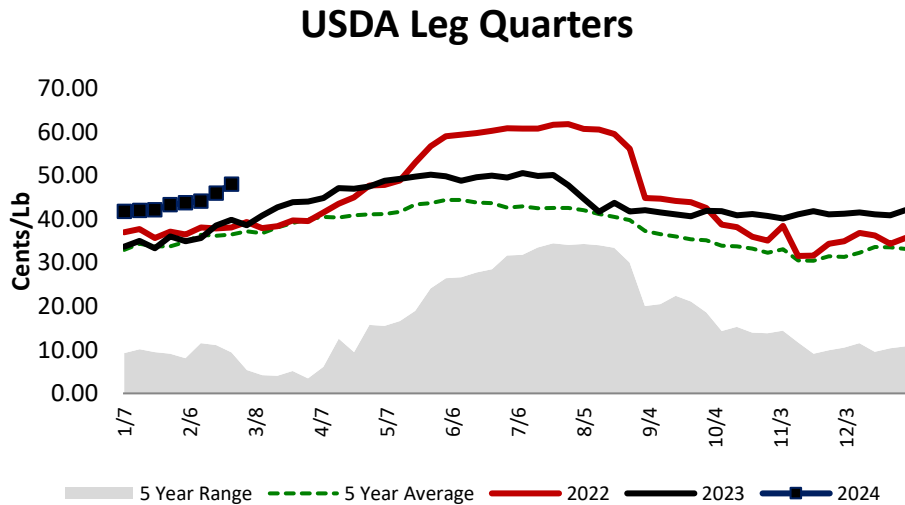
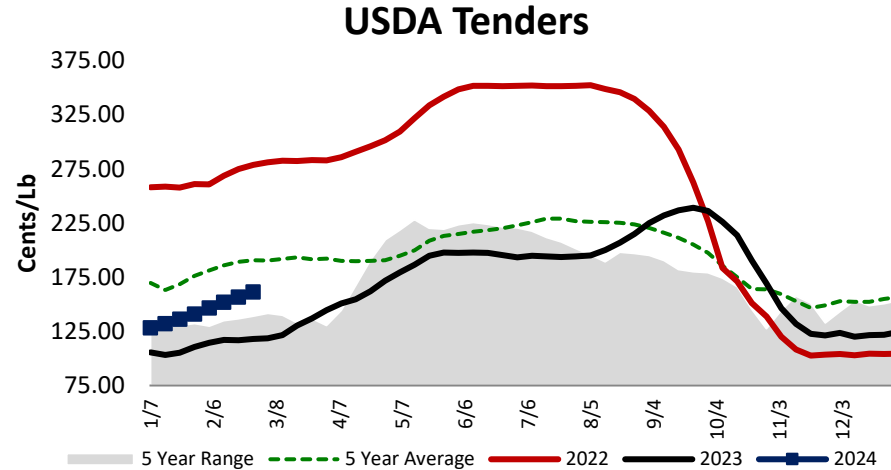
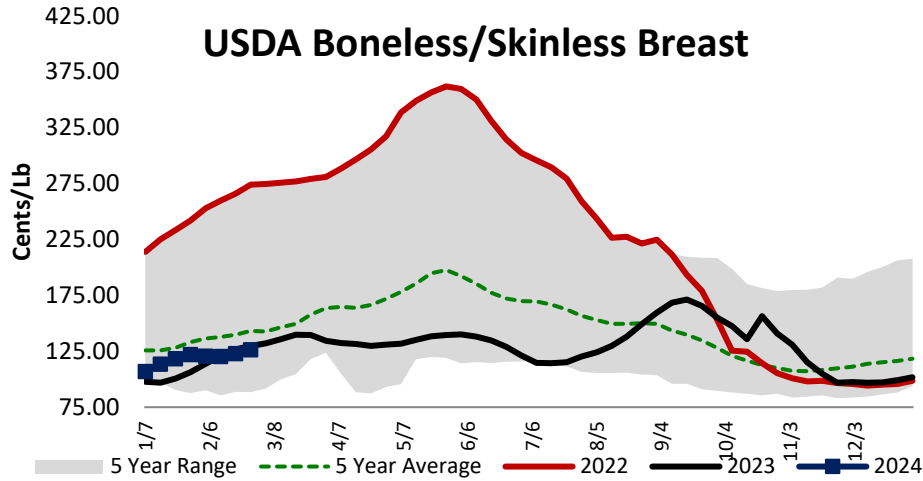
Chicken Pricing in Q4 Trended Above Year Ago And In Line With 5 Year Average

Jumbo Cutout





BSB and Tenders Declined Seasonally in Q4; Wings and LQ Remained Steady in Q4

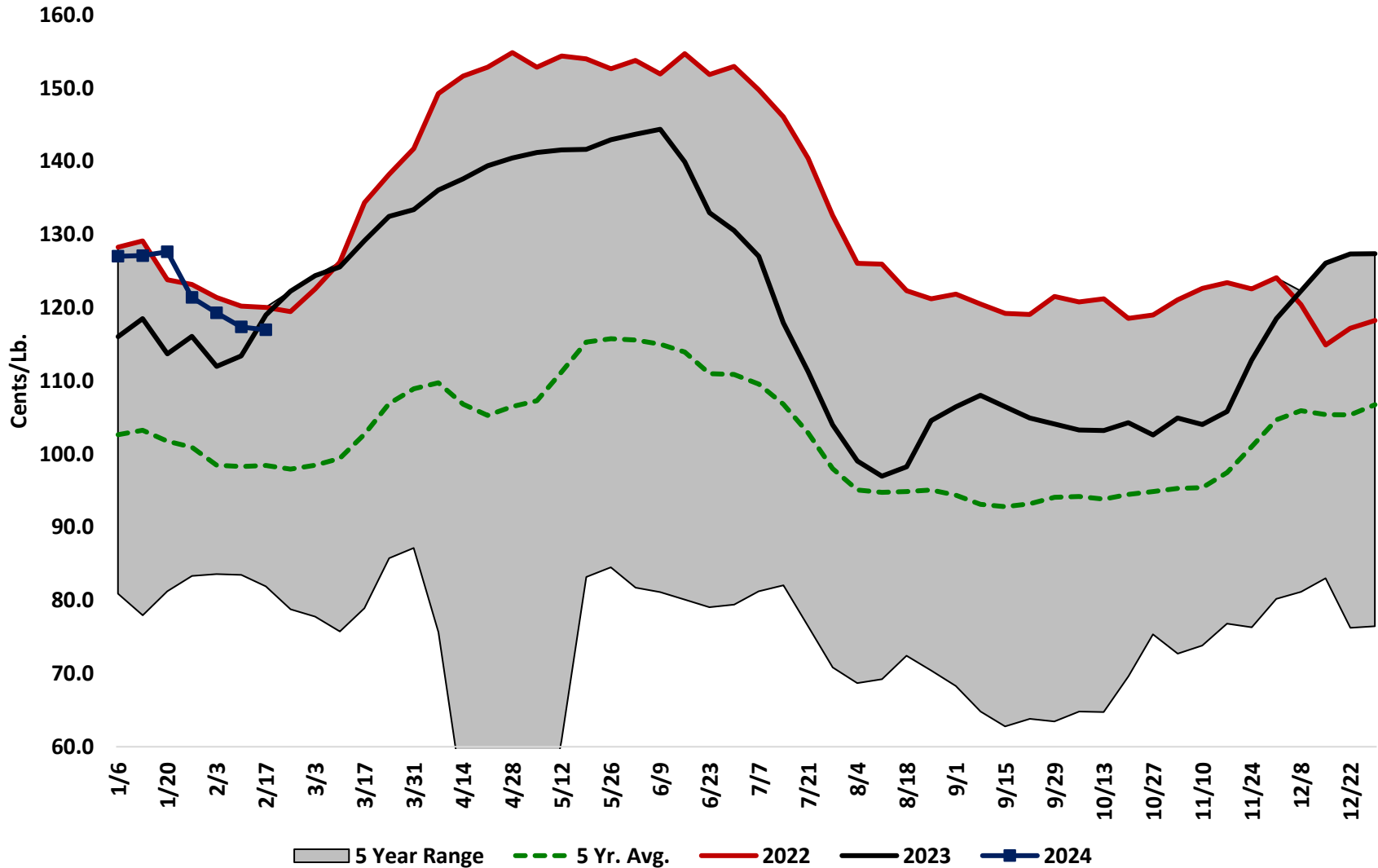


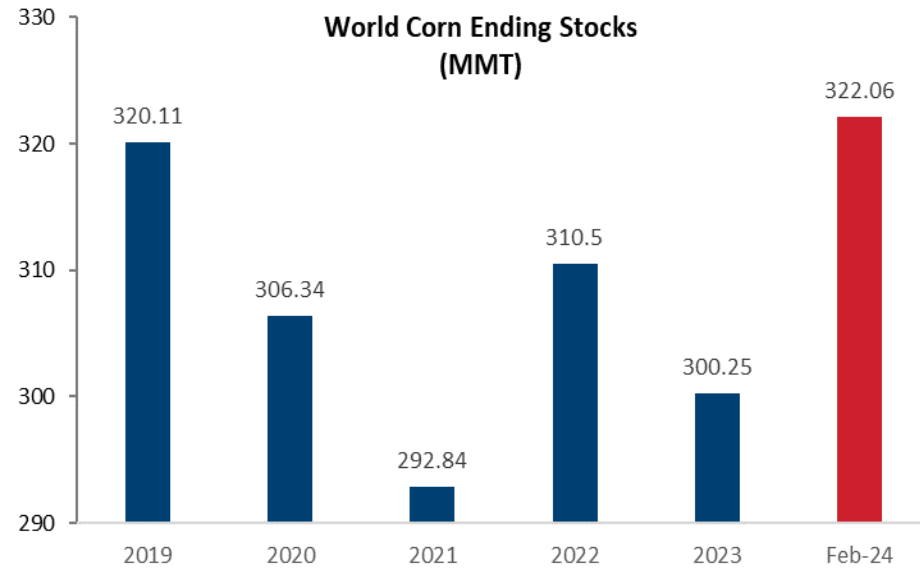
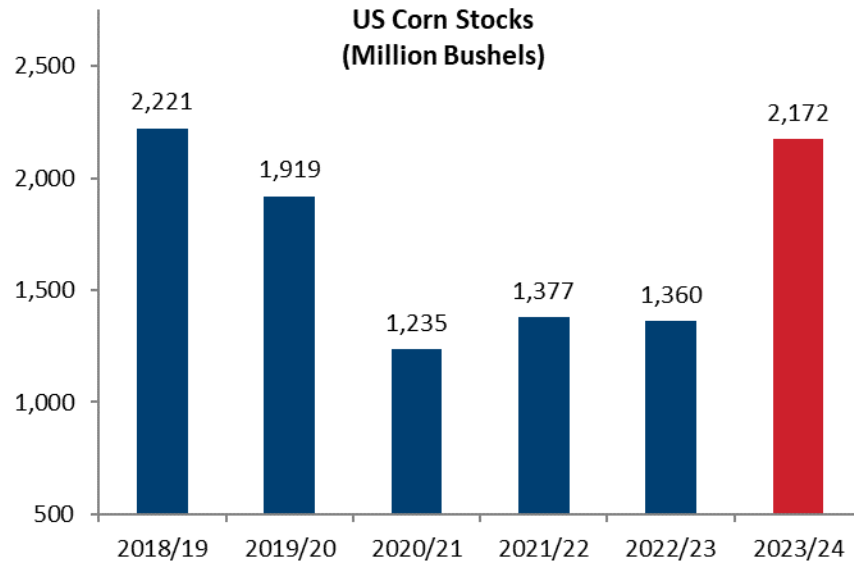
Note: On the week of September 2, 2022, USDA revised their reporting of chicken prices from regional prices to one national metric. The old USDA NE Broiler prices previously used provided the largest sample size and the most accurate reflection of the chicken market. The above pricing indicates the new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



WOG Values Climbed And Ended Q4 Above Year Ago

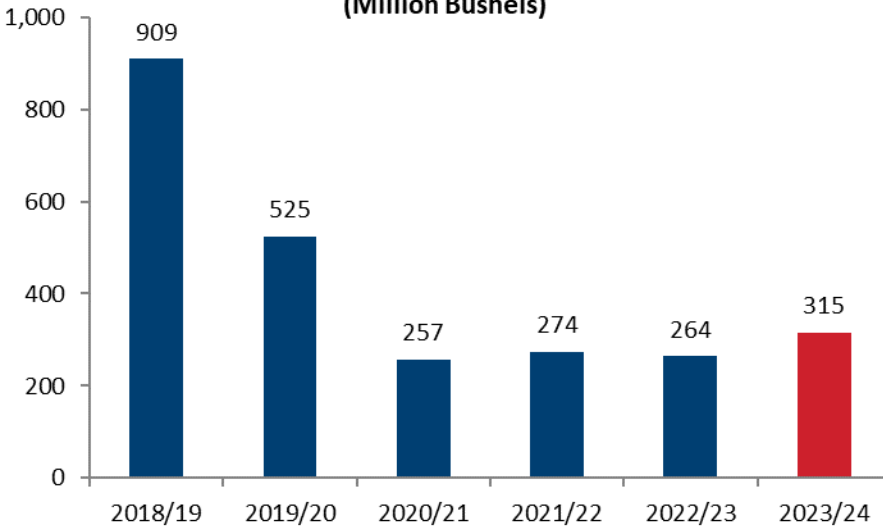
EMI WOG 2.5-4.0 LBS



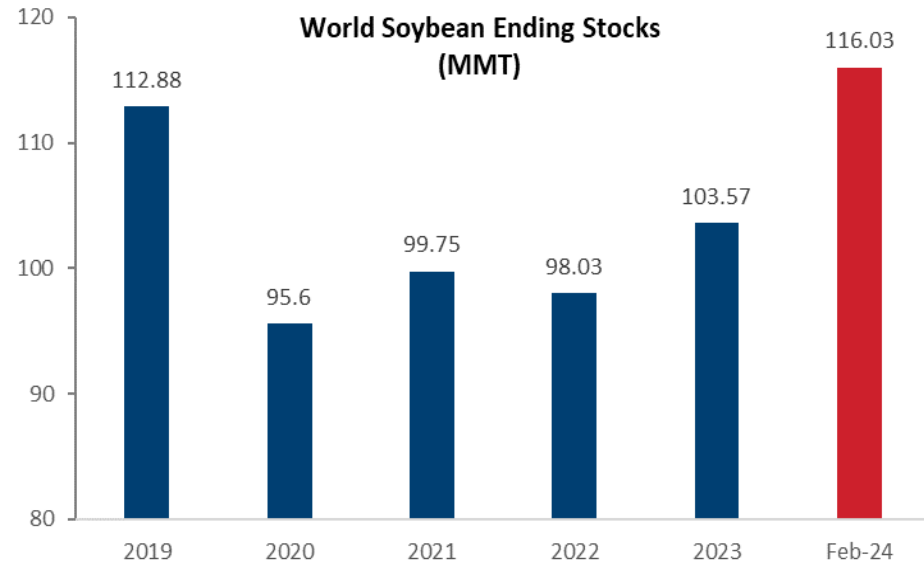


- The '23/24 US corn crop was record large at 15.3B bu., rebuilding ending stock forecasts to a historically robust levels.
- Current USDA forecasts suggest Brazil and Argentina will have record large corn production when combined. Globally, these forecasts contribute to '23/24 ending stocks increasing by approximately 22M metric tons year-on year.
- Ukraine shipments continue to be available and competitively priced to global destinations.
- South American weather and US new crop planting economics will be the focus in coming weeks.

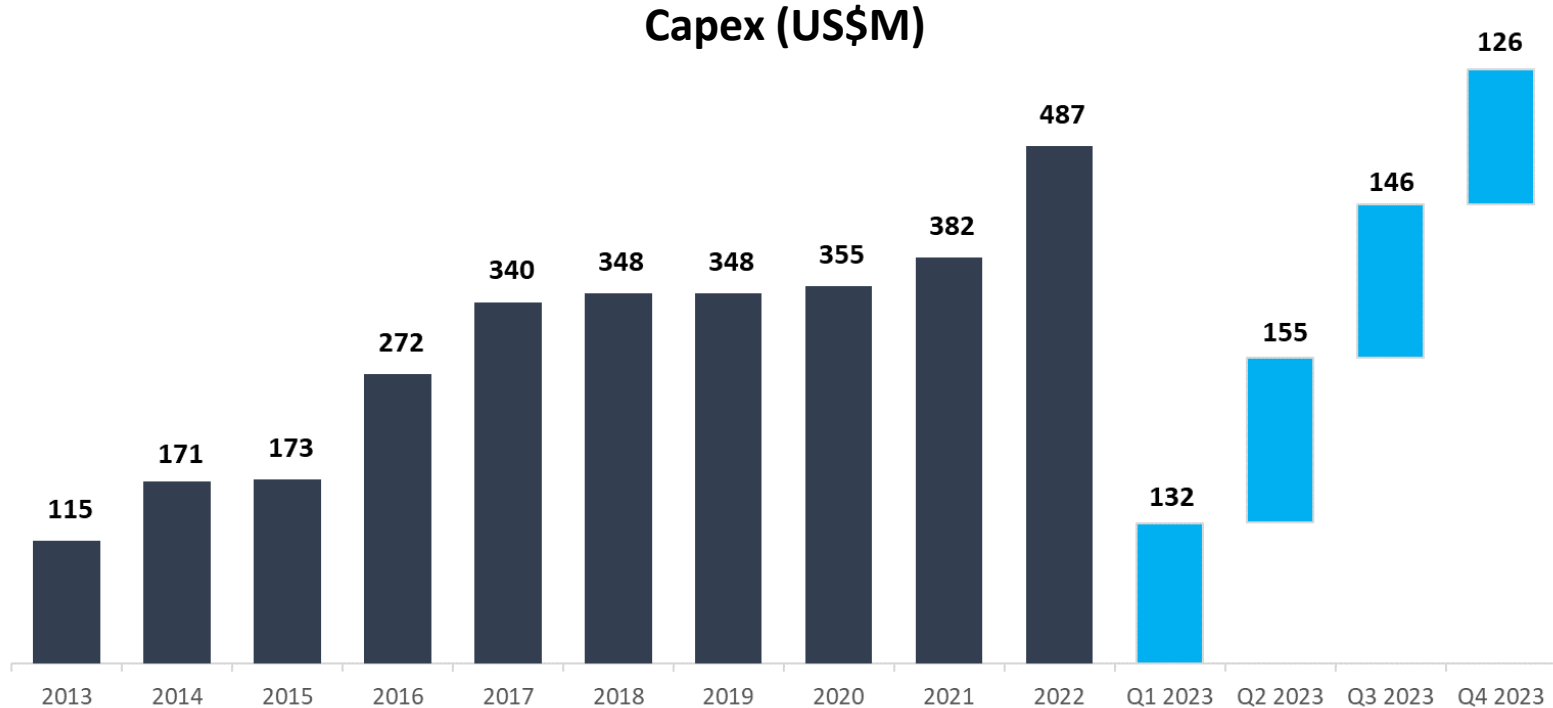
**US Soybean Stocks
(Million Bushels)**



**World Soybean Ending Stocks
(MMT)**



- '23/24 US soybean ending stock levels are forecast approximately 19% higher year-on-year, benefitting from a positive adjustment to final US soybean yields by the USDA in January and a more recent adjustment lower of US soybean export demand.
- South American production, however, is the key to recent price direction, as Argentina production is forecast to rebound to 50M metric tons, doubling the 25Mmt from last year's drought. Brazil production is currently forecast at 156Mmt, down a mere 6 from last year's record 162M metric ton crop.
- US crush industry expansion is pressuring soybean meal prices as it grows US supply. The US has realized record soy crush in Q4'23. The rebound in Argentina crush with the improved crop should offer competition into global markets in 2024.
- US soy oil, although potentially influenced by biofuel policy, is facing competition from substitute fats/oils in food, feed, and renewable fuel channels.



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



APPENDIX



Appendix: Reconciliation of Adjusted EBITDA

“EBITDA” is defined as the sum of net income (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) transaction costs related to business acquisitions, (3) costs related to litigation settlements, (4) restructuring activities losses, (5) property insurance recoveries, and (6) net income attributable to noncontrolling interest. EBITDA is presented because it is used by management and we believe it is frequently used by securities analysts, investors and other interested parties, in addition to and not in lieu of results prepared in conformity with accounting principles generally accepted in the U.S. (“U.S. GAAP”), to compare the performance of companies. We believe investors would be interested in our Adjusted EBITDA because this is how our management analyzes EBITDA applicable to continuing operations. The Company also believes that Adjusted EBITDA, in combination with the Company’s financial results calculated in accordance with U.S. GAAP, provides investors with additional perspective regarding the impact of certain significant items on EBITDA and facilitates a more direct comparison of its performance with its competitors. EBITDA and Adjusted EBITDA are not measurements of financial performance under U.S. GAAP. EBITDA and Adjusted EBITDA have limitations as analytical tools and should not be considered in isolation or as substitutes for an analysis of our results as reported under U.S. GAAP. In addition, other companies in our industry may calculate these measures differently limiting their usefulness as a comparative measure. Because of these limitations, EBITDA and Adjusted EBITDA should not be considered as an alternative to net income as indicators of our operating performance or any other measures of performance derived in accordance with U.S. GAAP. These limitations should be compensated for by relying primarily on our U.S. GAAP results and using EBITDA and Adjusted EBITDA only on a supplemental basis.



Appendix: Reconciliation of Adjusted EBITDA

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

	Three Months Ended		Year Ended	
	December 31, 2023	December 25, 2022	December 31, 2023	December 25, 2022
	(In thousands)			
Net income (loss)	\$ 134,211	\$ (155,042)	\$ 322,317	\$ 746,538
Add:				
Interest expense, net ^(a)	54,505	37,298	166,621	143,644
Income tax expense	22,417	25,256	42,905	278,935
Depreciation and amortization	112,486	102,148	419,900	403,110
EBITDA	323,619	9,660	951,743	1,572,227
Add:				
Foreign currency transaction losses (gains) ^(b)	(22,892)	16,469	20,570	30,817
Transaction costs related to acquisitions ^(c)	—	(24)	—	948
Litigation settlements ^(d)	4,700	5,804	39,400	34,086
Restructuring activities losses ^(e)	5,661	30,466	44,345	30,466
Minus:				
Property insurance recoveries ^(f)	2,038	(417)	21,124	19,580
Net income (loss) attributable to noncontrolling interest	(442)	(66)	743	608
Adjusted EBITDA	\$ 309,492	\$ 62,858	\$ 1,034,191	\$ 1,648,356

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

(b) The Company measures the financial statements of its Mexico reportable segment as if the U.S. dollar were the functional currency. Accordingly, we remeasure assets and liabilities, other than nonmonetary assets, of the Mexico reportable segment at current exchange rates. We remeasure nonmonetary assets using the historical exchange rate in effect on the date of each asset's acquisition. Currency exchange gains or losses resulting from these remeasurements, as well as, from our U.K. and Europe reportable segment are included in the line item Foreign currency transaction losses (gains) in the Consolidated Statements of Income.

(c) Transaction costs related to acquisitions includes those charges that are incurred in conjunction with business acquisitions.

(d) This represents expenses recognized in anticipation of probable settlements in ongoing litigation.

(e) Restructuring charges is primarily related to restructuring initiatives at multiple production facilities throughout our U.K. and Europe reportable segment.

(f) This represents property insurance recoveries for property damage losses.



Appendix: Reconciliation of LTM Adjusted EBITDA

The summary unaudited consolidated income statement data for the 12 months ended December 31, 2023 (the LTM Period) have been calculated by summing each of the unaudited three month periods within the audited year ended December 31, 2023.

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

	Three Months Ended				LTM Ended December 31, 2023
	March 26, 2023	June 25, 2023	September 24, 2023	December 31, 2023	
	(In thousands)				
Net income	\$ 5,631	\$ 60,908	\$ 121,567	\$ 134,211	\$ 322,317
Add:					
Interest expense, net	39,062	39,524	33,530	54,505	166,621
Income tax expense	(8,840)	(15,225)	44,553	22,417	42,905
Depreciation and amortization	98,257	104,857	104,300	112,486	419,900
EBITDA	134,110	190,064	303,950	323,619	951,743
Add:					
Foreign currency transaction losses (gains)	18,143	16,395	8,924	(22,892)	20,570
Litigation settlements	11,200	13,000	10,500	4,700	39,400
Restructuring activities losses	8,026	29,718	940	5,661	44,345
Minus:					
Property insurance recoveries	19,086	—	—	2,038	21,124
Net income (loss) attributable to noncontrolling interest	444	452	289	(442)	743
Adjusted EBITDA	<u>\$ 151,949</u>	<u>\$ 248,725</u>	<u>\$ 324,025</u>	<u>\$ 309,492</u>	<u>\$ 1,034,191</u>



Appendix: Reconciliation of EBITDA Margin

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

PILGRIM'S PRIDE CORPORATION Reconciliation of EBITDA Margin

(Unaudited)

	Three Months Ended		Year Ended		Three Months Ended		Year Ended	
	December 31, 2023	December 25, 2022	December 31, 2023	December 25, 2022	December 31, 2023	December 25, 2022	December 31, 2023	December 25, 2022
(In thousands, except percent of net sales)								
Net income (loss)	\$ 134,211	\$ (155,042)	\$ 322,317	\$ 746,538	2.96 %	(3.76)%	1.86 %	4.27 %
Add:								
Interest expense, net	54,505	37,298	166,621	143,644	1.20 %	0.90 %	0.96 %	0.82 %
Income tax expense	22,417	25,256	42,905	278,935	0.50 %	0.61 %	0.25 %	1.60 %
Depreciation and amortization	112,486	102,148	419,900	403,110	2.48 %	2.47 %	2.42 %	2.31 %
EBITDA	323,619	9,660	951,743	1,572,227	7.14 %	0.22 %	5.48 %	9.00 %
Add:								
Foreign currency transaction losses (gains)	(22,892)	16,469	20,570	30,817	(0.50)%	0.41 %	0.13 %	0.18 %
Transaction costs related to acquisitions	—	(24)	—	948	— %	— %	— %	0.01 %
Litigation settlements	4,700	5,804	39,400	34,086	0.10 %	0.14 %	0.21 %	0.19 %
Restructuring activities losses	5,661	30,466	44,345	30,466	0.13 %	0.74 %	0.26 %	0.17 %
Minus:								
Property insurance recoveries	2,038	(417)	21,124	19,580	0.05 %	(0.01)%	0.12 %	0.11 %
Net income (loss) attributable to noncontrolling interest	(442)	(66)	743	608	(0.01)%	— %	— %	— %
Adjusted EBITDA	\$ 309,492	\$ 62,858	\$ 1,034,191	\$ 1,648,356	6.83 %	1.52 %	5.96 %	9.44 %
Net sales	\$ 4,528,302	\$ 4,127,365	\$17,362,217	\$17,468,377	\$4,528,302	\$4,127,365	\$17,362,217	\$17,468,377



Appendix: Reconciliation of Adjusted EBITDA by Segment

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

	Three Months Ended				Three Months Ended			
	December 31, 2023				December 25, 2022			
	U.S.	U.K. & Europe	Mexico	Total	U.S.	U.K. & Europe	Mexico	Total
	(In thousands)				(In thousands)			
Net income (loss)	\$ 76,321	\$ 46,181	\$ 11,709	\$ 134,211	\$ (86,893)	\$ (22,193)	\$ (45,956)	\$(155,042)
Add:								
Interest expense, net ^(a)	66,779	(1,458)	(10,816)	54,505	38,094	633	(1,429)	37,298
Income tax expense (benefit)	4,047	18,635	(265)	22,417	(22,097)	20,673	26,680	25,256
Depreciation and amortization	68,004	38,707	5,775	112,486	63,370	32,899	5,879	102,148
EBITDA	215,151	102,065	6,403	323,619	(7,526)	32,012	(14,826)	9,660
Add:								
Foreign currency transaction losses (gains) ^(b)	(19,594)	(3,355)	57	(22,892)	17,060	442	(1,033)	16,469
Transaction costs related to acquisitions ^(c)	—	—	—	—	—	(24)	—	(24)
Litigation settlements ^(d)	4,700	—	—	4,700	5,804	—	—	5,804
Restructuring activities ^(e)	—	5,661	—	5,661	—	30,466	—	30,466
Minus:								
Property insurance recoveries ^(f)	—	1,921	117	2,038	(417)	—	—	(417)
Net income attributable to noncontrolling interest	—	—	(442)	(442)	—	—	(66)	(66)
Adjusted EBITDA	\$ 200,257	\$ 102,450	\$ 6,785	\$ 309,492	\$ 15,755	\$ 62,896	\$ (15,793)	\$ 62,858

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

(b) The Company measures the financial statements of its Mexico reportable segment as if the U.S. dollar were the functional currency. Accordingly, we remeasure assets and liabilities, other than nonmonetary assets, of the Mexico reportable segment at current exchange rates. We remeasure nonmonetary assets using the historical exchange rate in effect on the date of each asset's acquisition. Currency exchange gains or losses resulting from these remeasurements, as well as, from our U.K. and Europe reportable segment are included in the line item Foreign currency transaction losses (gains) in the Consolidated Statements of Income.

(c) Transaction costs related to acquisitions includes those charges that are incurred in conjunction with business acquisitions.

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(e) Restructuring charges is primarily related to restructuring initiatives at multiple production facilities throughout our U.K. and Europe reportable segment.

(f) This represents property insurance recoveries for property damage losses.



Appendix: Reconciliation of Adjusted EBITDA by Segment

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

	Year Ended				Year Ended			
	December 31, 2023				December 25, 2022			
	U.S.	U.K. & Europe	Mexico	Total	U.S.	U.K. & Europe	Mexico	Total
	(In thousands)				(In thousands)			
Net income (loss)	\$ 32,520	\$ 114,666	\$ 175,131	\$ 322,317	\$ 706,704	\$ (3,642)	\$ 43,476	\$ 746,538
Add:								
Interest expense, net ^(a)	194,013	(2,928)	(24,464)	166,621	143,941	2,126	(2,423)	143,644
Income tax expense (benefit)	(5,848)	23,378	25,375	42,905	220,245	8,290	50,400	278,935
Depreciation and amortization	255,052	142,190	22,658	419,900	244,617	134,374	24,119	403,110
EBITDA	475,737	277,306	198,700	951,743	1,315,507	141,148	115,572	1,572,227
Add:								
Foreign currency transaction losses (gains) ^(b)	35,433	(2,520)	(12,343)	20,570	35,702	(3,008)	(1,877)	30,817
Transaction costs related to acquisitions ^(c)	—	—	—	—	847	101	—	948
Litigation settlements ^(d)	39,400	—	—	39,400	34,086	—	—	34,086
Restructuring activities losses ^(e)	—	44,345	—	44,345	—	30,466	—	30,466
Minus:								
Property insurance recoveries ^(f)	19,086	1,921	117	21,124	19,580	—	—	19,580
Net income attributable to noncontrolling interest	—	—	743	743	—	—	608	608
Adjusted EBITDA	<u>\$ 531,484</u>	<u>\$ 317,210</u>	<u>\$ 185,497</u>	<u>\$ 1,034,191</u>	<u>\$ 1,366,562</u>	<u>\$ 168,707</u>	<u>\$ 113,087</u>	<u>\$ 1,648,356</u>



Appendix: Reconciliation of Adjusted Operating Income

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

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

	Three Months Ended		Year Ended	
	December 31, 2023	December 25, 2022	December 31, 2023	December 25, 2022
	(In thousands)			
GAAP operating income, U.S. operations	\$ 128,353	\$ (52,796)	\$ 238,894	\$ 1,094,025
Litigation settlements ^(a)	4,700	5,804	39,400	34,086
Transaction costs related to acquisitions ^(b)	—	—	—	847
Adjusted operating income, U.S. operations	<u>\$ 133,053</u>	<u>\$ (46,992)</u>	<u>\$ 278,294</u>	<u>\$ 1,128,958</u>
Adjusted operating income margin, U.S. operations	5.0 %	(1.9)%	2.8 %	10.5 %
GAAP operating income, U.K. and Europe operations	\$ 57,568	\$ (1,340)	\$ 128,151	\$ (934)
Restructuring activities losses	5,661	30,466	44,345	30,466
Adjusted operating income, U.K. and Europe operations	<u>\$ 63,229</u>	<u>\$ 29,126</u>	<u>\$ 172,496</u>	<u>\$ 29,532</u>
Adjusted operating income margin, U.K. and Europe operations	4.7 %	2.4 %	3.3 %	0.6 %
GAAP operating income, Mexico operations	\$ (1,621)	\$ (23,400)	\$ 155,455	\$ 83,450
No adjustments	—	—	—	—
Adjusted operating income, Mexico operations	<u>\$ (1,621)</u>	<u>\$ (23,400)</u>	<u>\$ 155,455</u>	<u>\$ 83,450</u>
Adjusted operating income margin, Mexico operations	(0.3)%	(5.1)%	7.3 %	4.5 %



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

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

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

	Three Months Ended		Year Ended	
	December 31, 2023	December 25, 2022	December 31, 2023	December 25, 2022
	(In percent)			
GAAP operating income margin, U.S. operations	4.8 %	(2.2)%	2.4 %	10.2 %
Litigation settlements	0.2 %	0.3 %	0.4 %	0.3 %
Transaction costs related to acquisitions	— %	— %	— %	— %
Adjusted operating income margin, U.S. operations	5.0 %	(1.9)%	2.8 %	10.5 %
GAAP operating income margin, U.K. and Europe operations	4.3 %	(0.1)%	2.5 %	— %
Restructuring activities losses	0.4 %	2.5 %	0.8 %	0.6 %
Adjusted operating income margin, U.K. and Europe operations	4.7 %	2.4 %	3.3 %	0.6 %
GAAP operating income margin, Mexico operations	(0.3)%	(5.1)%	7.3 %	4.5 %
No adjustments	— %	— %	— %	— %
Adjusted operating income margin, Mexico operations	(0.3)%	(5.1)%	7.3 %	4.5 %



Appendix: Reconciliation of Adjusted Net Income

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

PILGRIM'S PRIDE CORPORATION

Reconciliation of Adjusted Net Income

(Unaudited)

	Three Months Ended		Year Ended	
	December 31, 2023	December 25, 2022	December 31, 2023	December 25, 2022
	(In thousands, except per share data)			
Net income (loss) attributable to Pilgrim's	\$ 134,653	\$ (154,976)	\$ 321,574	\$ 745,930
Add:				
Foreign currency transaction losses (gains)	(22,892)	16,469	20,570	30,817
Transaction costs related to acquisitions	—	(24)	—	948
Litigation settlements	4,700	5,804	39,400	34,086
Restructuring activities losses	5,661	30,466	44,345	30,466
Loss on early extinguishment of debt recognized as a component of interest expense ^(a)	20,694	—	20,694	—
Minus:				
Property insurance recoveries	2,038	—	21,124	19,580
Adjusted net income (loss) attributable to Pilgrim's before tax impact	140,778	(102,261)	425,459	822,667
Net tax impact of adjustments ^(b)	(1,483)	(12,757)	(25,140)	(19,115)
Adjusted net income (loss) attributable to Pilgrim's	\$ 139,295	\$ (115,018)	\$ 400,319	\$ 803,552
Weighted average diluted shares of common stock outstanding	237,465	236,469	237,297	240,394
Adjusted net income attributable to Pilgrim's per common diluted share	\$ 0.59	\$ (0.49)	\$ 1.69	\$ 3.34

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



Appendix: Reconciliation of GAAP EPS to Adjusted EPS

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

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

	Three Months Ended		Year Ended	
	December 31, 2023	December 25, 2022	December 31, 2023	December 25, 2022
	(In thousands, except per share data)			
U.S. GAAP EPS	\$ 0.57	\$ (0.66)	\$ 1.36	\$ 3.10
Add:				
Foreign currency transaction losses (gains)	(0.10)	0.08	0.09	0.13
Transaction costs related to acquisitions	—	—	—	—
Litigation settlements	0.02	0.02	0.16	0.14
Restructuring activities losses	0.02	0.13	0.19	0.13
Loss on early extinguishment of debt recognized as a component of interest expense	0.09	—	0.08	—
Minus:				
Property insurance recoveries	0.01	—	0.09	0.08
Adjusted EPS attributable to Pilgrim's before tax impact	0.59	(0.43)	1.79	3.42
Net tax impact of adjustments ^(a)	—	(0.06)	(0.10)	(0.08)
Adjusted EPS	\$ 0.59	\$ (0.49)	\$ 1.69	\$ 3.34
Weighted average diluted shares of common stock outstanding	237,465	236,469	237,297	240,394

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



Appendix: Supplementary Selected Segment and Geographic Data

PILGRIM'S PRIDE CORPORATION
Supplementary Geographic Data
(Unaudited)

	Three Months Ended		Year Ended	
	December 31, 2023	December 25, 2022	December 31, 2023	December 25, 2022
(In thousands)				
Sources of net sales by country of origin:				
U.S.	\$ 2,660,649	\$ 2,430,343	\$ 10,027,742	\$ 10,748,350
Europe	1,341,103	1,234,609	5,203,322	4,874,738
Mexico	526,550	462,413	2,131,153	1,845,289
Total net sales	<u>\$ 4,528,302</u>	<u>\$ 4,127,365</u>	<u>\$ 17,362,217</u>	<u>\$ 17,468,377</u>
Sources of cost of sales by country of origin:				
U.S.	\$ 2,461,255	\$ 2,406,386	\$ 9,505,258	\$ 9,312,445
Europe	1,233,572	1,154,440	4,828,623	4,634,066
Mexico	512,427	470,769	1,909,721	1,710,117
Elimination	1	(12)	214	(54)
Total cost of sales	<u>\$ 4,207,255</u>	<u>\$ 4,031,583</u>	<u>\$ 16,243,816</u>	<u>\$ 15,656,574</u>
Sources of gross profit by country of origin:				
U.S.	\$ 199,394	\$ 23,957	\$ 522,484	\$ 1,435,905
Europe	107,531	80,169	374,699	240,672
Mexico	14,123	(8,356)	221,432	135,172
Elimination	(1)	12	(214)	54
Total gross profit	<u>\$ 321,047</u>	<u>\$ 95,782</u>	<u>\$ 1,118,401</u>	<u>\$ 1,811,803</u>
Sources of operating income (loss) by country of origin:				
U.S.	\$ 128,353	\$ (52,796)	\$ 238,894	\$ 1,094,025
Europe	57,568	(1,340)	128,151	(934)
Mexico	(1,621)	(23,400)	155,455	83,450
Elimination	(1)	12	(214)	54
Total operating income (loss)	<u>\$ 184,299</u>	<u>\$ (77,524)</u>	<u>\$ 522,286</u>	<u>\$ 1,176,595</u>