



## Q4 Fiscal 2021

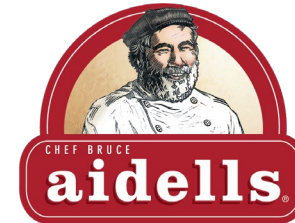
Supplemental Information  
November 15, 2021

# Forward-Looking Statements

Certain information in this report constitutes forward-looking statements as contemplated by the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include, but are not limited to, current views and estimates of our outlook for fiscal 2021, other future economic circumstances, industry conditions in domestic and international markets, our performance and financial results (e.g., debt levels, return on invested capital, value-added product growth, capital expenditures, tax rates, access to foreign markets and dividend policy). These forward-looking statements are subject to a number of factors and uncertainties that could cause our actual results and experiences to differ materially from anticipated results and expectations expressed in such forward-looking statements. We wish to caution readers not to place undue reliance on any forward-looking statements, which are expressly qualified in their entirety by this cautionary statement and speak only as of the date made. We undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. Among the factors that may cause actual results and experiences to differ from anticipated results and expectations expressed in such forward-looking statements are the following: (i) the COVID-19 global pandemic and associated responses thereto have had an adverse impact on our business and operations, and the extent that the COVID-19 pandemic continues to impact us will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, and public adoption rates of COVID-19 vaccines and their effectiveness against variants of COVID-19, including the Delta variant; (ii) the effectiveness of our financial excellence programs; (iii) access to foreign markets together with foreign economic conditions, including currency fluctuations, import/export restrictions and foreign politics; (iv) cyber incidents, security breaches or other disruptions of our information technology systems; (v) risks associated with our failure to consummate favorable acquisition transactions or integrate certain acquisitions' operations; (vi) the Tyson Limited Partnership's ability to exercise significant control over the Company; (vii) fluctuations in the cost and availability of inputs and raw materials, such as live cattle, live swine, feed grains (including corn and soybean meal) and energy; (viii) market conditions for finished products, including competition from other global and domestic food processors, supply and pricing of competing products and alternative proteins and demand for alternative proteins; (ix) outbreak of a livestock disease (such as African swine fever (ASF), avian influenza (AI) or bovine spongiform encephalopathy (BSE)), which could have an adverse effect on livestock we own, the availability of livestock we purchase, consumer perception of certain protein products or our ability to access certain domestic and foreign markets; (x) changes in consumer preference and diets and our ability to identify and react to consumer trends; (xi) effectiveness of advertising and marketing programs; (xii) significant marketing plan changes by large customers or loss of one or more large customers; (xiii) our ability to leverage brand value propositions; (xiv) changes in availability and relative costs of labor and contract farmers and our ability to maintain good relationships with team members, labor unions, contract farmers and independent producers providing us livestock; (xv) issues related to food safety, including costs resulting from product recalls, regulatory compliance and any related claims or litigation; (xvi) compliance with and changes to regulations and laws (both domestic and foreign), including changes in accounting standards, tax laws, environmental laws, agricultural laws and occupational, health and safety laws; (xvii) adverse results from litigation; (xviii) risks associated with leverage, including cost increases due to rising interest rates or changes in debt ratings or outlook; (xix) impairment in the carrying value of our goodwill or indefinite life intangible assets; (xx) our participation in a multiemployer pension plan; (xxi) volatility in capital markets or interest rates; (xxii) risks associated with our commodity purchasing activities; (xxiii) the effect of, or changes in, general economic conditions; (xxiv) impacts on our operations caused by factors and forces beyond our control, such as natural disasters, fire, bioterrorism, pandemics or extreme weather; (xxv) failure to maximize or assert our intellectual property rights; (xxvi) effects related to changes in tax rates, valuation of deferred tax assets and liabilities, or tax laws and their interpretation; (xxvii) the effectiveness of our internal control over financial reporting, including identification of material weaknesses; and (xxviii) the other risks and uncertainties detailed from time to time in our filings with the Securities and Exchange Commission.

# Solid finish to the fiscal year propelled by strong demand and portfolio diversity

- 1 Diverse portfolio delivered double digit adjusted sales<sup>1</sup> and earnings growth
- 2 Our retail core business lines gained share as demand remained elevated
- 3 Continued foodservice volume recovery led by QSRs
- 4 Deleveraging actions support healthy balance sheet and strong liquidity position
- 5 Invested capital to support branded and value-added growth globally



<sup>1</sup> Represents a non-GAAP financial measure. Adjusted Sales is explained and reconciled to comparable GAAP measures in the Appendix.



# Delivered double digit adjusted sales<sup>1</sup> and earnings growth

## Adjusted Sales<sup>1</sup>

↑ **20%**  
4Q21 vs. 4Q20<sup>1</sup>

↑ **11%**  
FY21 vs. FY20<sup>1</sup>

## Adjusted Operating Income<sup>1</sup>

↑ **26%**  
4Q21 vs. 4Q20

↑ **42%**  
FY21 vs. FY20

## Adjusted Earnings Per Share<sup>1</sup>

↑ **35%**  
4Q21 vs. 4Q20

↑ **53%**  
FY21 vs. FY20

### Our Priorities

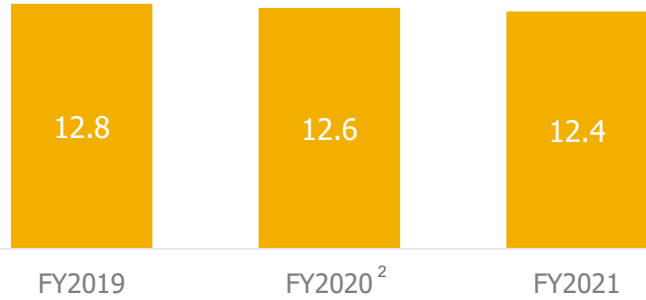
- 1 | Win with customers and consumers
- 2 | Win with team members
- 3 | Win with excellence in execution

<sup>1</sup> Represents a non-GAAP financial measure. Adjusted Sales, adjusted EPS, adjusted operating income and adjusted operating margin are explained and reconciled to comparable GAAP measures in the Appendix.

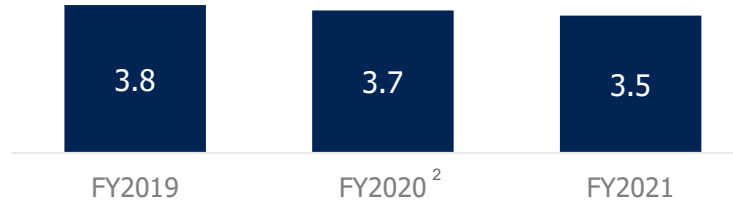
# Deliberate actions underway to increase volumes

Volume<sup>1</sup> (billion pounds)

## Chicken



## Prepared Foods



## International / Other



## Beef



## Pork



- Improving capacity utilization
- Investing in capacity expansion
- Automation to alleviate labor challenges
- Brand and product innovation

**+2-3%** Total company volume growth  
FY 2022

<sup>1</sup> Intersegment sales not included in volume figures and would represent an aggregate reduction to volumes relative to the sum of component parts illustrated above

<sup>2</sup> Volume for fiscal year 2020 has been adjusted to remove the impact of the additional week. The estimated impact of the additional week in the twelve months of fiscal 2020 was calculated by dividing the fourth quarter's sales volume by 14 weeks.

# Making investments toward becoming the most sought-after place to work

## Objectives

1

Health, safety and well-being resources

2

Competitive wage and benefit offerings

3

Investing in automation and technology

## Actions

Required all U.S. team members to be fully vaccinated by November 1

Process control optimization to create better workflow

Hired a Chief Diversity Officer and a Chief Medical Officer

Investing in health clinics and wellness programs

Supporting flexible scheduling and creative production schedules

Childcare, housing, and transportation pilots

Implementation of competitive wage increases

Investing in leadership and career development

Certified interpreter program in place

Making strategic investments in automation and technology for hard-to-fill and difficult jobs

Increasing technology in facilities and use of data analytics to support decision-making



# Productivity is a critical enabler of our future success

New Program Management Office to oversee execution supported by culture of continuous improvement and entrepreneurship

**\$1B+**

Targeted productivity gains by end of **FY2024<sup>1</sup>**

## Operational & Functional Excellence and Agility



**\$300M+**

Implementing activities to improve business processes

Driving continuous efficiency gains in plants and other operations

Consistently apply best-practices to reduce cost in operations and enabling function-driven support services

## Digital Solutions



**\$250M+**

Leveraging new digital solutions through artificial intelligence and vast amounts of data

Driving efficiency across the end-to-end supply chain through investments in digital solutions across logistics, warehousing, and supply chain planning

## Automation



**\$450M+**

Leveraging automation and robotics

Improving worker and product safety through geo-fencing, wearable devices and machine learning

Overcoming labor shortage, as well as training and retention issues

<sup>1</sup> Productivity savings are relative to FY2021 cost baseline



# Growing confidence in the turnaround for the Chicken segment

## Objectives

Be the employer of choice

Improve operational performance

Serve our customers

## Actions

Mandated vaccination to protect team members and their communities

Offering competitive total compensation

Investing in proprietary automation to remove difficult tasks

Deployed new male to regain competitive hatch

Ramping-up Humboldt

Optimizing plant efficiency ahead of increased harvest

Multi-quarter sequential reductions to outside meat purchases

Adding fully cooked capacity through line upgrades and new lines

New Danville, VA plant under construction

Reducing risk and recovering inflation through pricing

Investing to grow Tyson brand leadership

## Outcomes



Optimize outside meat purchases



Increase capacity utilization



Increase customer fill rates



5-7% by mid-FY22  
AOI Margin





# Focused on strengthening our position as a global protein leader

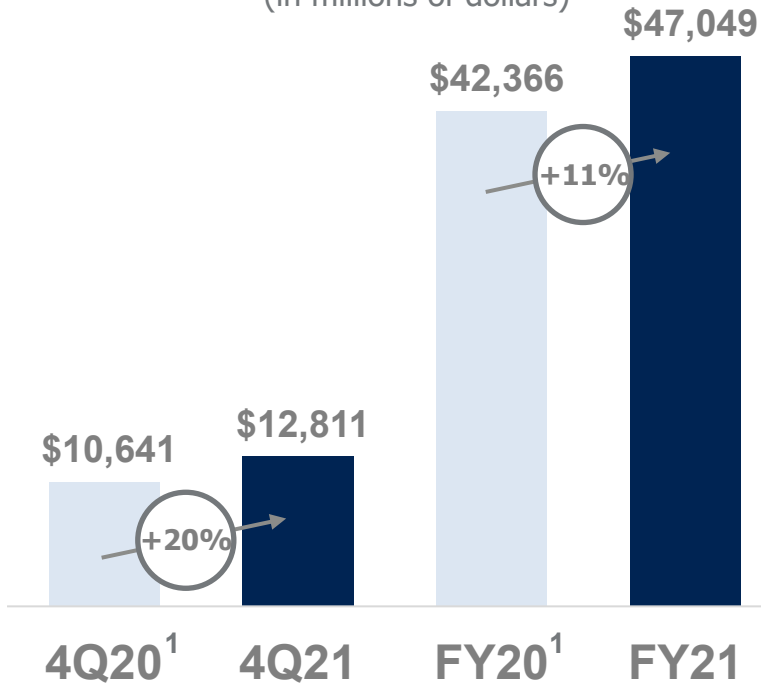


- 1** Transforming our team member experience, starting with health, safety, and wellness
- 2** Outpacing the market by enhancing our portfolio and capacity to serve demand growth for our customers and consumers
- 3** Aggressively restoring our competitiveness in Chicken
- 4** Driving operational and functional excellence and purposefully investing in digital and automation
- 5** Leveraging our financial strength to invest in the business and return cash to shareholders

# Strong total company performance in a challenging year

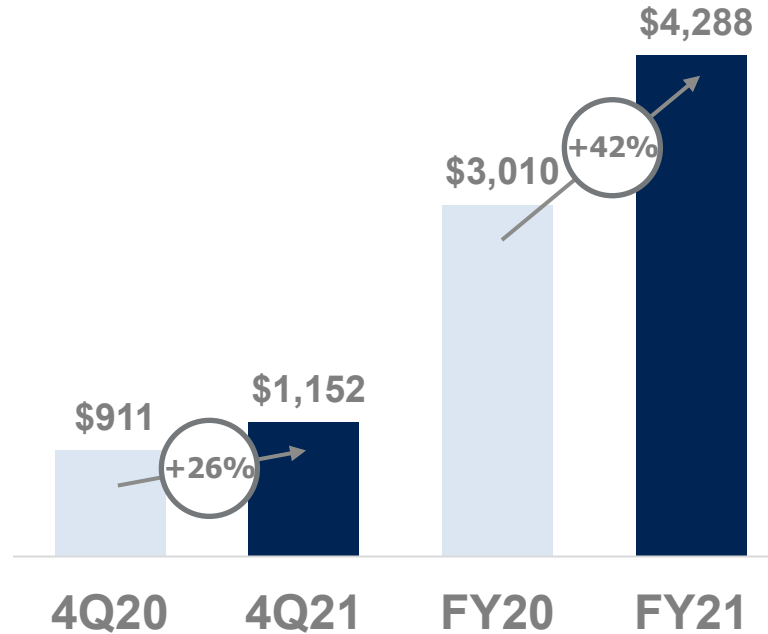
Fourth Quarter and FY 2021 vs Comparable Periods

## ADJUSTED SALES<sup>1</sup> (in millions of dollars)



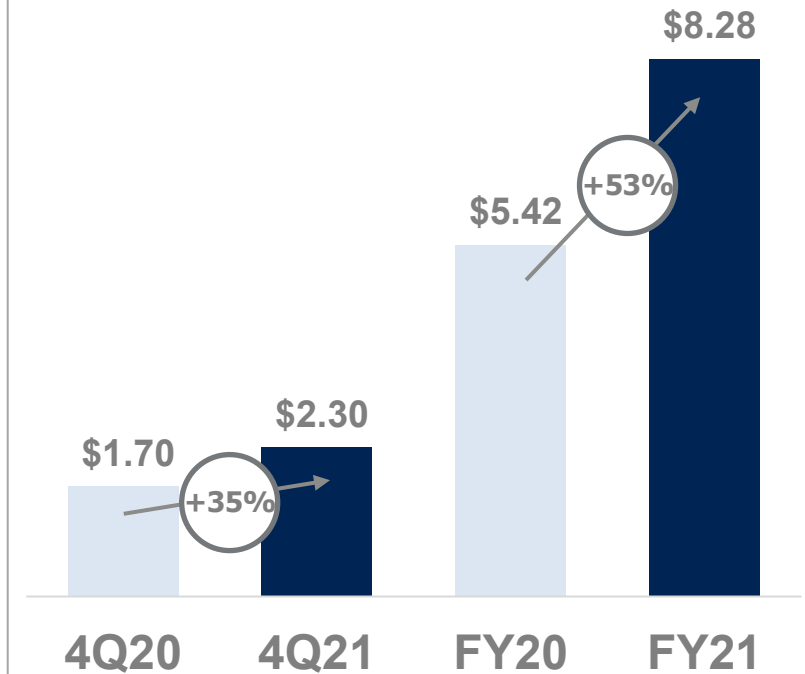
- Volumes down 4% in 4Q and down slightly in FY 21
- Average sales price<sup>2</sup> up 24.2% in 4Q and up 13.2% FY21 due to improved mix and price recovery of cost inflation

## ADJUSTED OPERATING INCOME<sup>1</sup> (in millions of dollars)



- Higher operating income in Beef partially offset by softer Chicken, Pork, and Prepared Foods segment performance

## ADJUSTED EPS<sup>1</sup> (in dollars per share)



- Strong growth in earnings per share performance
- Includes a nearly \$0.12 benefit from cattle supplier fraud restitution in FY 21; FY 20 \$0.22 negative impact; net impact of \$0.34 cents
- Lower interest expense and adjusted effective tax rate vs. prior year

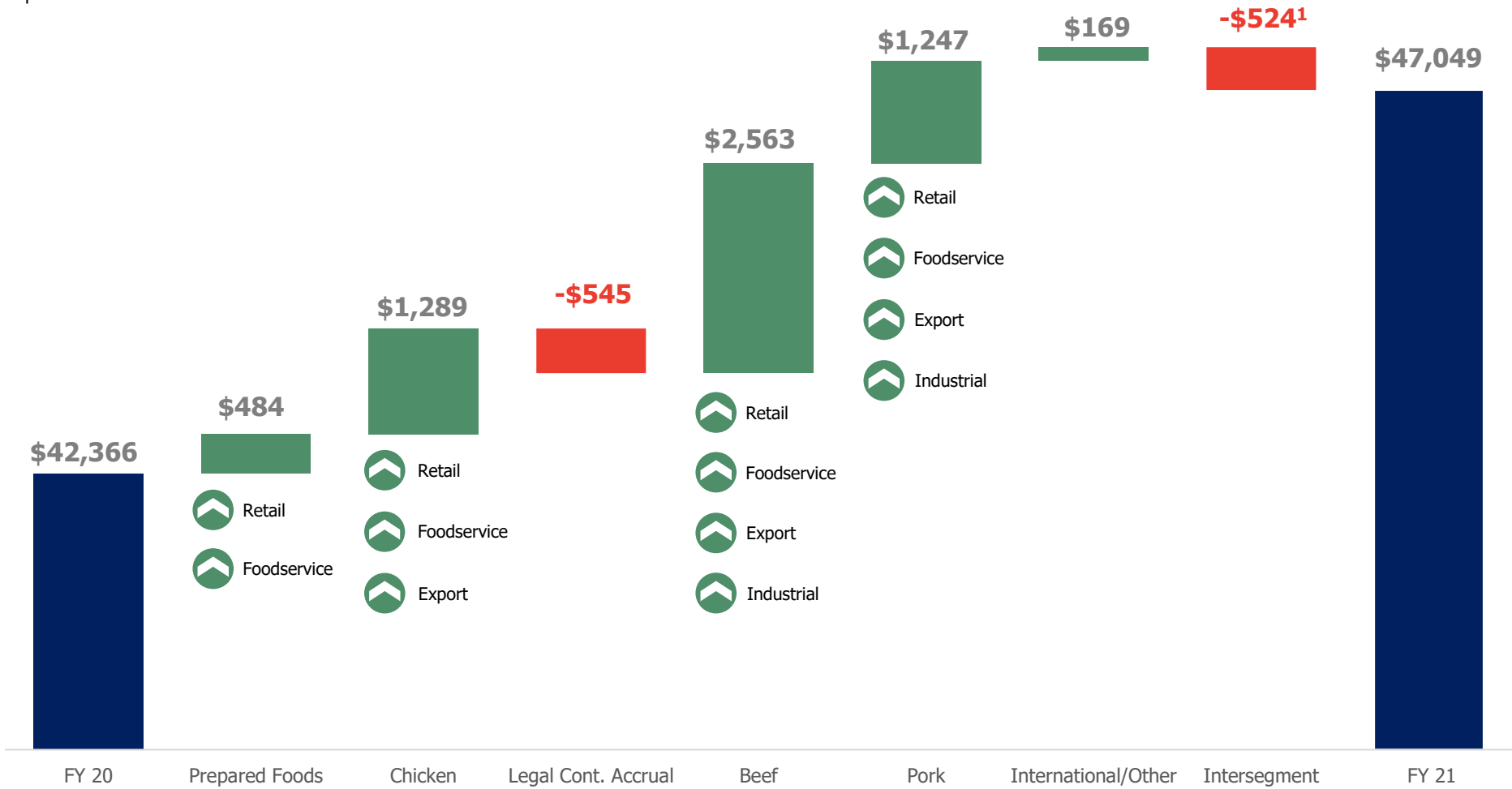
<sup>1</sup> Represents a non-GAAP financial measure. Adjusted Sales, adjusted EPS, adjusted operating income and adjusted operating margin are explained and reconciled to comparable GAAP measures in the Appendix.

<sup>2</sup> Average Price Change for the Chicken Segment and Total Company \$545 million for fiscal year ended October 2, 2021 of legal contingency accruals recognized as a reduction to Sales.

# Adjusted sales<sup>3</sup> increased across all business segments

FY 2021

\$ millions



## Highlights

- **Retail** contributed over \$1 billion in sales improvement in FY 21 and over \$300 million in 4Q21
- **Foodservice** sales improved \$1.6 billion in FY 21 compared to the same period last year driven by an over \$2 billion increase during 2H21
- **Exports<sup>2</sup>** were up nearly \$1 billion in FY 21 compared to the same period last year and over \$300 million during 4Q21 vs. the comparable period
- **Challenging labor environment** impacted volume across segments and channels
- **Selling price** was up across segments due largely to successful pricing actions to offset inflationary pressure as well as certain mix benefits

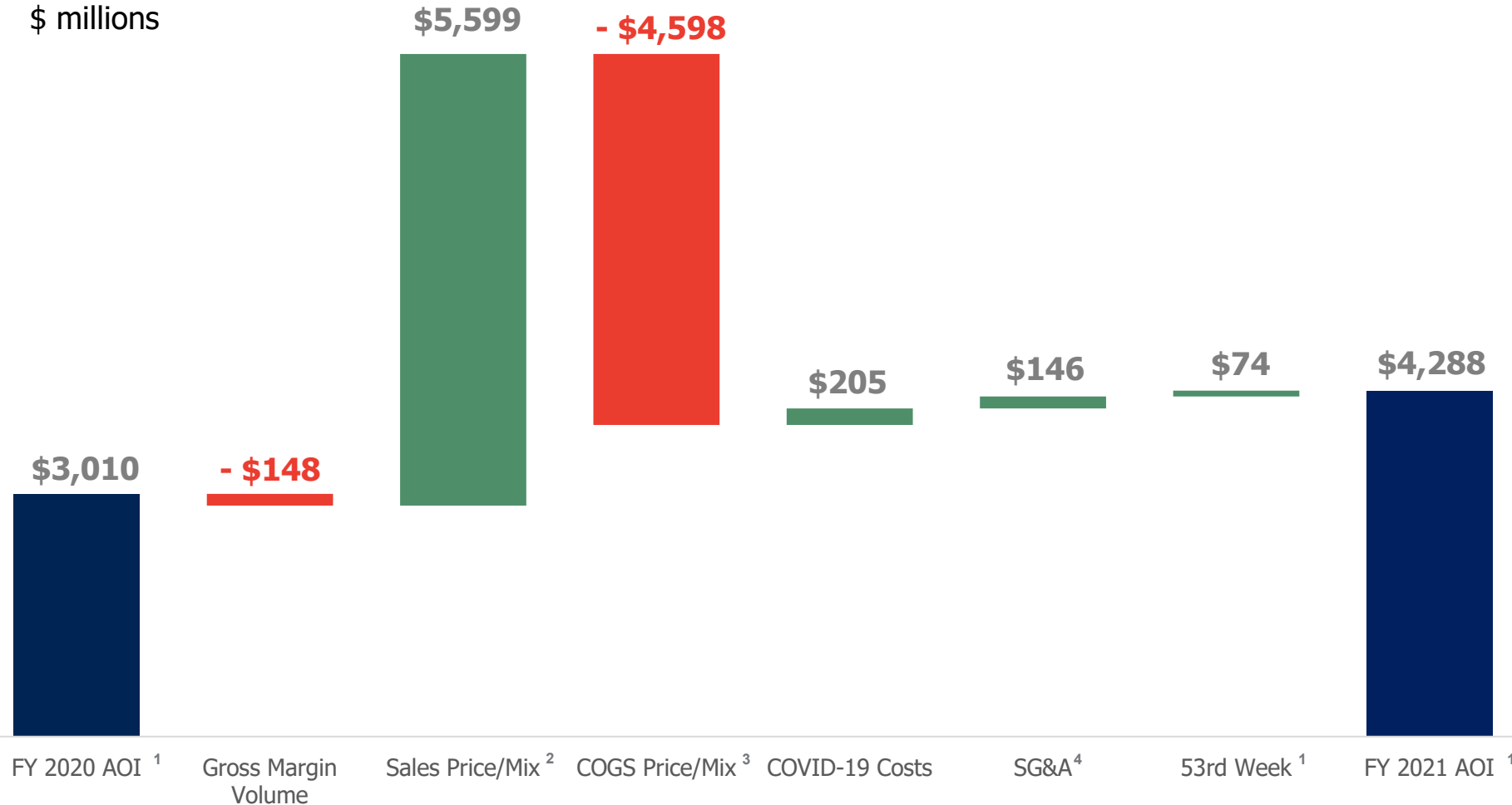
<sup>1</sup> The amount of intersegment sales increased on a year-over-year basis, which is characterized as a reduction to total company sales  
<sup>2</sup> Exports refer to sales of domestically produced products from each of our domestic segments to international markets  
<sup>3</sup> Represents a non-GAAP financial measure. Adjusted sales is explained and reconciled to the comparable GAAP measure in the Appendix.



# Earnings increased driven by strength in Beef and partial recovery of inflationary pressures

FY 2021

\$ millions



## Highlights

- **Volumes** were slightly down in FY21 due primarily to labor challenges
- **Price/mix** benefitted substantially due to strength in Beef and inflation justified pricing
- **COGS** price/mix up substantially as a result of inflationary raw material and supply chain cost pressures
- **SG&A** benefitted from \$106 million loss in FY20 and \$55 million gain from restitution recovered during FY21 associated with cattle supplier fraud, and certain reductions in trade spend and T&E

<sup>1</sup> Represents a non-GAAP financial measure. Adjusted operating income is explained and reconciled to comparable GAAP measures in the Appendix.

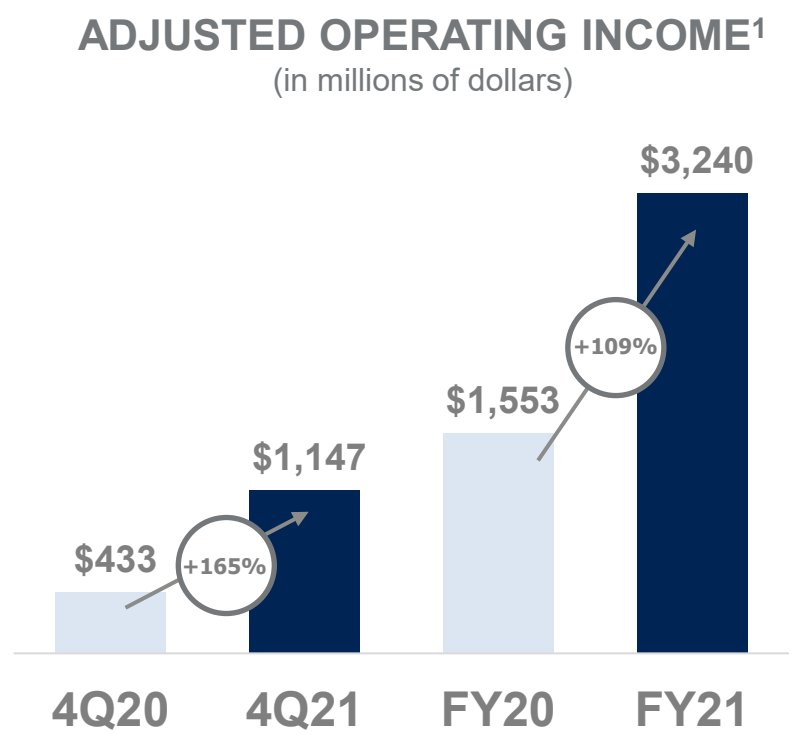
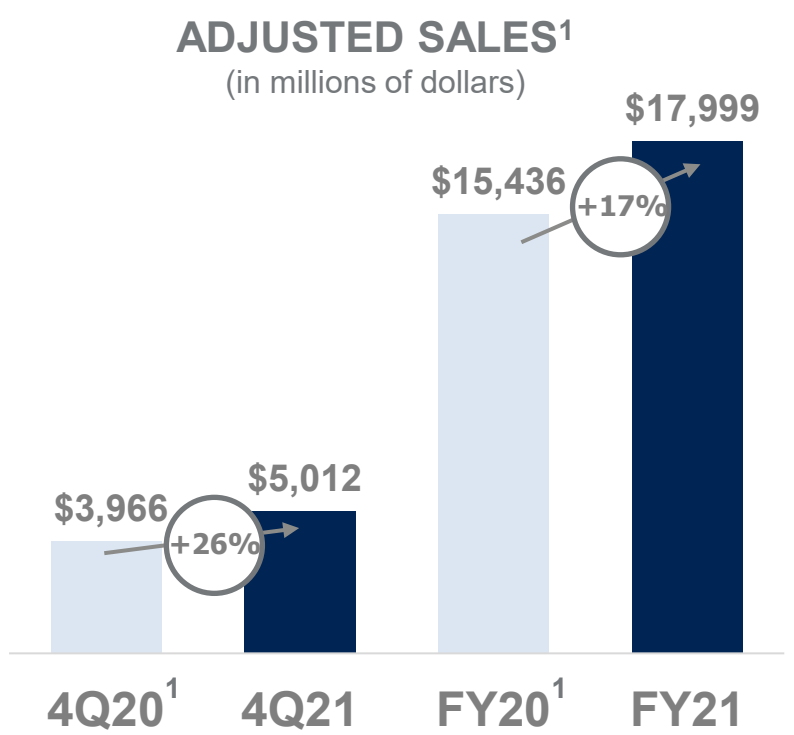
<sup>2</sup> Excludes the impact of \$545 million of legal contingency accruals recognized in the fiscal year ended October 2, 2021 as a reduction to Sales

<sup>3</sup> Excludes the impacts of a gain on sale of business (\$784 million), reductions in COVID-19 costs (\$165 million) and restructuring and related costs (\$17 million) and increases for legal contingency accruals (\$81 million), production facilities fire costs, net of insurance proceeds (\$23 million) and China plant relocation charges (\$27 million).

<sup>4</sup> Remaining SG&A excludes the impact of reductions in COVID-19 costs (\$40 million) and restructuring and related costs (\$60 million).

# Consumer demand and ample cattle supply drive Beef strength

Fourth Quarter and FY 2021 vs Comparable Periods



- HIGHLIGHTS**
- 4Q21 volume decreased due primarily to labor challenges
  - 4Q21 average sales price increased substantially due to favorable market conditions and strong demand that more than offset inflationary pressures
  - FY21 operating income increased substantially due primarily to favorable market conditions, partially offset by labor challenges that impacted volume throughput

Sales Development		Volume		Price
4Q21 vs. 4Q20	↓	(8.8%)	↑	35.2%
FY 21 vs. FY 20	↑	2.4%	↑	14.2%

Adj Operating Margin <sup>1</sup>			
4Q20	4Q21	FY 20	FY 21
10.9%	22.9%	10.1%	18.0%



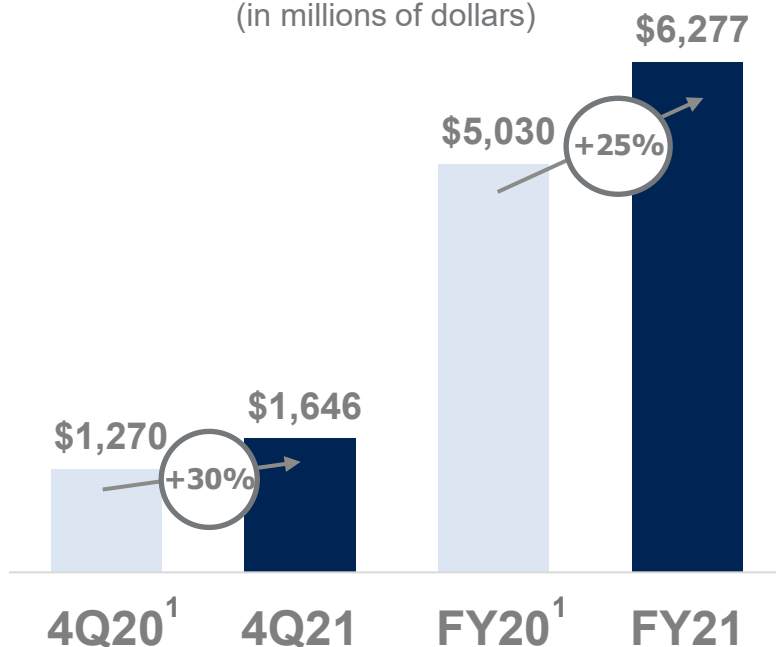
<sup>1</sup> Represents a non-GAAP financial measure. Adjusted Sales, adjusted EPS, adjusted operating income and adjusted operating margin are explained and reconciled to comparable GAAP measures in the Appendix.

# Labor challenges impact volume and profitability in Pork

Fourth Quarter and FY 2021 vs Comparable Periods

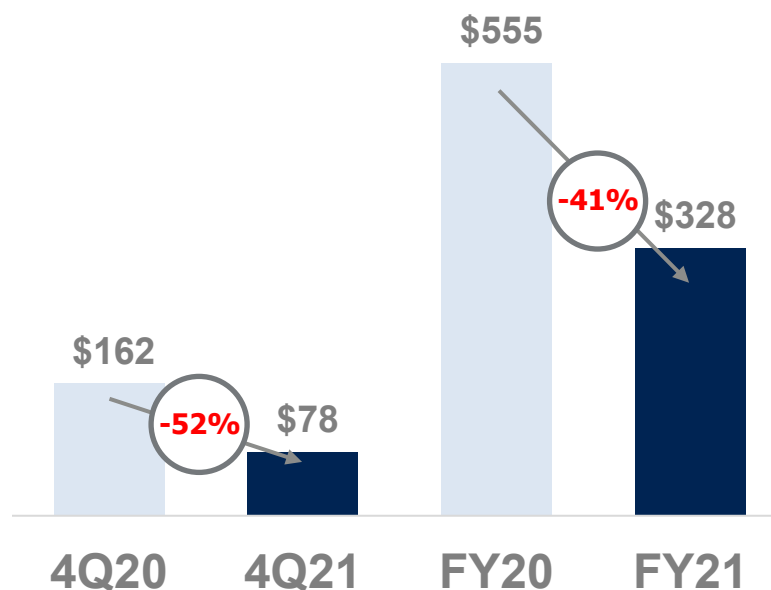
## ADJUSTED SALES<sup>1</sup>

(in millions of dollars)



## ADJUSTED OPERATING INCOME<sup>1</sup>

(in millions of dollars)



## HIGHLIGHTS

- 4Q21 volume decreased due primarily to labor challenges
- 4Q21 average sales price increased substantially due to favorable market conditions and strong demand that more than offset inflationary pressures
- FY21 operating income decreased due to mixed market conditions and labor challenges that impacted volume throughput



### Sales Development

		Volume		Price
4Q21 vs. 4Q20	↓	(11.3%)	↑	40.9%
FY 21 vs. FY 20	↓	(0.8%)	↑	25.6%

### Adj Operating Margin<sup>1</sup>

4Q20	4Q21	FY 20	FY 21
12.8%	4.7%	11.0%	5.2%

<sup>1</sup> Represents a non-GAAP financial measure. Adjusted Sales, adjusted EPS, adjusted operating income and adjusted operating margin are explained and reconciled to comparable GAAP measures in the Appendix.

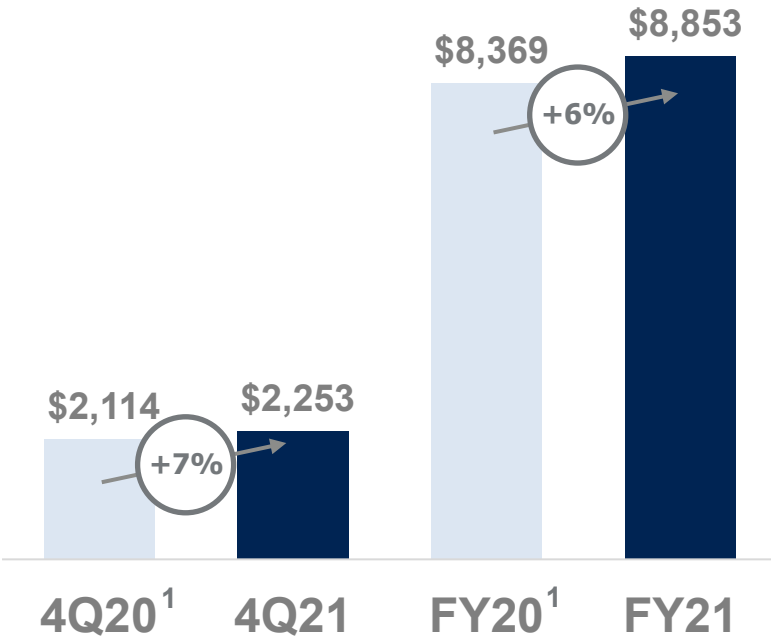


# Prepared Foods taking actions to mitigate inflationary pressure

Fourth Quarter and FY 2021 vs Comparable Periods

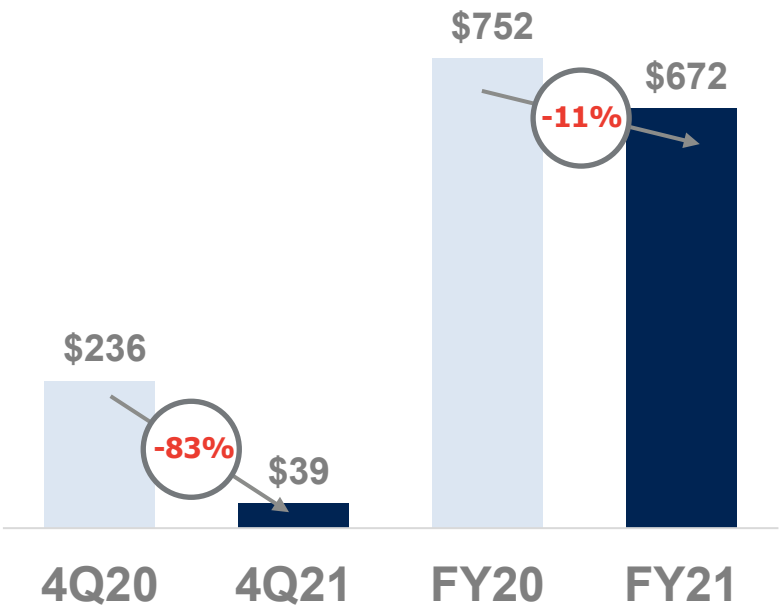
## ADJUSTED SALES<sup>1</sup>

(in millions of dollars)



## ADJUSTED OPERATING INCOME<sup>1</sup>

(in millions of dollars)



## HIGHLIGHTS

- 4Q21 volume decreased due primarily to lower production throughput as a result of a challenged labor environment.
- 4Q21 average sales price increased due to favorable product mix and price recovery to offset inflationary raw material pressures
- FY21 operating income decreased substantially due primarily to raw material inflationary pressures (+\$520 million) that were not fully offset by price, as well as labor challenges that impacted volume throughput

### Sales Development

### Volume

### Price

4Q21 vs. 4Q20	↓	(5.7%)	↑	12.3%
FY 21 vs. FY 20	↓	(3.7%)	↑	9.5%

### Adj Operating Margin<sup>1</sup>

4Q20	4Q21	FY 20	FY 21
11.2%	1.7%	9.0%	7.6%



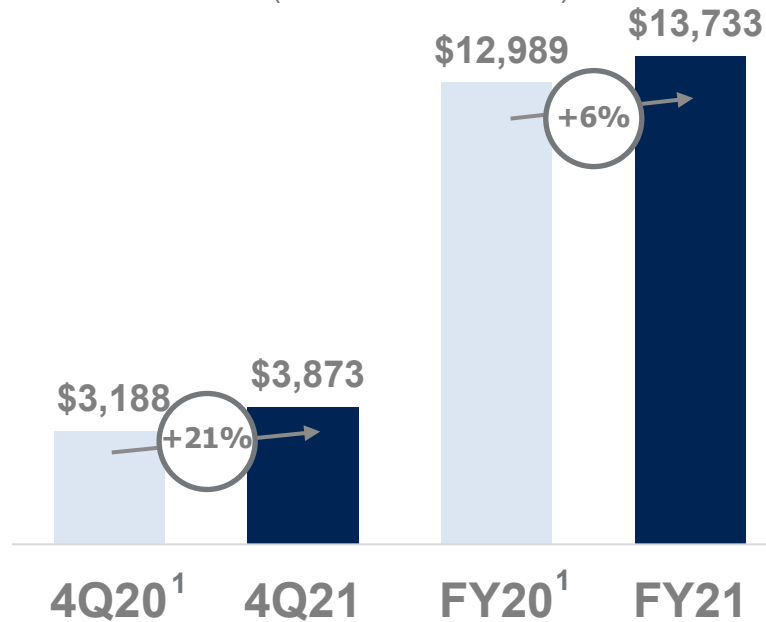
<sup>1</sup> Represents a non-GAAP financial measure. Adjusted Sales, adjusted EPS, adjusted operating income and adjusted operating margin are explained and reconciled to comparable GAAP measures in the Appendix.

# Traction in volume and price in the Chicken segment

Fourth Quarter and FY 2021 vs Comparable Periods

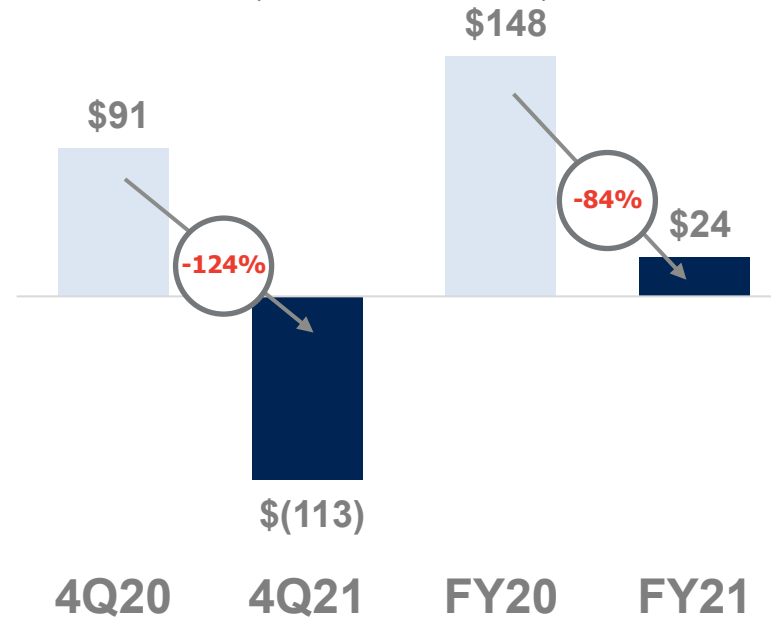
## ADJUSTED SALES<sup>1</sup>

(in millions of dollars)



## ADJUSTED OPERATING INCOME<sup>1</sup>

(in millions of dollars)



## HIGHLIGHTS

- 4Q21 volume increased as production throughput improved, partially offset by labor challenges
- 4Q21 average sales price increased due to favorable product mix and price recovery to offset inflationary raw material pressures
- FY21 operating income decreased substantially due primarily to a \$120 million negative derivative impact versus prior year, partially offset by pricing initiatives and better operational performance



### Sales Development

		Volume		Price <sup>2</sup>
4Q21 vs. 4Q20	↑	1.3%	↑	20.2%
FY 21 vs. FY 20	↓	(1.5%)	↑	11.4%

### Adj Operating Margin<sup>1</sup>

4Q20	4Q21	FY 20	FY 21
2.9%	(2.9%)	1.1%	0.2%

<sup>1</sup> Represents a non-GAAP financial measure. Adjusted Sales, adjusted EPS, adjusted operating income and adjusted operating margin are explained and reconciled to comparable GAAP measures in the Appendix.

<sup>2</sup> Average Price Change for the Chicken Segment and Total Company excludes \$545 million for the fiscal year ended October 2, 2021 of legal contingency accruals recognized as a reduction to Sales.

# Using financial strength to invest in the business and return cash to shareholders

## OPERATING CASH FLOW (in billions of dollars)



## BUILD FINANCIAL STRENGTH

Manage leverage level to hit long-term target



## INVEST IN OUR BUSINESS

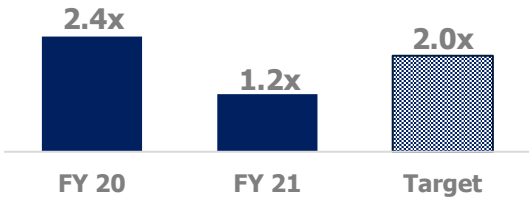
Disciplined investments to modernize and expand capacity and support growth



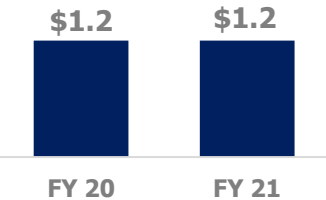
## RETURN CASH TO SHAREHOLDERS

Committed to returning cash to shareholders through dividends and share repurchases

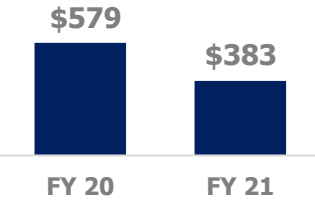
## Leverage Ratio (Net Debt/Adj. EBITDA)<sup>1</sup>



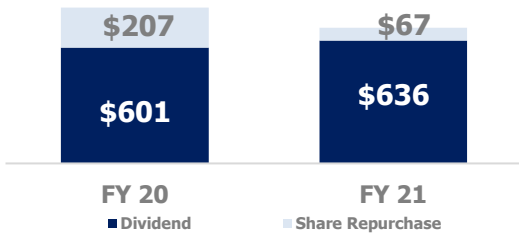
## Capital Expenditures (in billions)



## Working Capital (source of cash, in billions)



## Dividends and Share Repurchases (in millions)



<sup>1</sup> Represents a non-GAAP financial measure. Adjusted EPS, adjusted operating income, adjusted operating margin, and adjusted EBITDA are explained and reconciled to comparable GAAP measures in the Appendix.



# FY 2022 Guidance

**\$49-51<sup>B</sup>**

Sales Range  
FY 2022

**+5-7%**

Sales Growth  
FY 2022

**+2-3%**

Volume Growth  
FY 2022

**\$300-400<sup>M</sup>**

Productivity Savings  
FY 2022

**\$2<sup>B</sup>**

Capital Expenditures  
FY 2022

**~23%**

Tax Rate  
FY 2022

**\$380<sup>M</sup>**

Net Interest Expense  
FY 2022

**<2.0x**

Net Debt-to-EBITDA  
FY 2022

# Expect solid profitability in fiscal year 2022 despite inflationary pressure

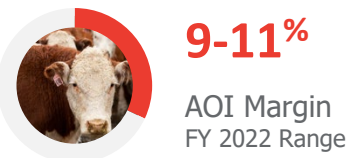
## Prepared Foods



### Inflation challenges first half performance

Continued share gains in Core Business Lines | Price recovery tipped to 2H22 | Volume improvement in foodservice

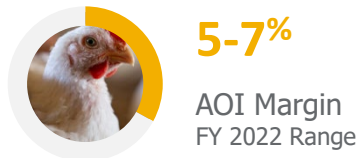
## Beef



### Strong profitability continues albeit below FY 2021 levels

Case-ready and premium product growth | Strong export demand | Specialty product values increase | Modest consumption growth

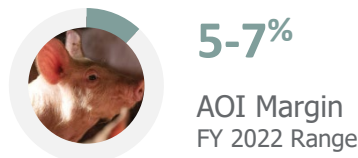
## Chicken



### Restoring competitiveness

Retail brand leadership continues | Improvement in hatch | Increased capacity utilization to ~85% | Continued foodservice recovery | Modest grain cost tailwind with corn price relatively flat to last year | Automation benefits start

## Pork



### Improve margins as headwinds continue

Hog and pig inventory improves | Consumption increase





## Investor Day

Thursday, December 9, 2021  
10:00 am – 1:00 pm EDT





# Appendix

# Additional Financial Highlights

FY2021

- **Liquidity of \$4.8 billion at 10/02/21**
- **Leverage of 1.2x net debt-to-adjusted EBITDA<sup>1</sup>**
- **Net interest expense of \$420 million**
- **Effective tax rate of 24.3%**
- **Capital expenditures \$1.2 billion**
- **Dividend payment of \$636 million**
- **Share repurchases of \$67 million**



<sup>1</sup>Represents a non-GAAP financial measure. Adjusted EPS, adjusted operating income and adjusted operating margin are explained and reconciled to comparable GAAP measures in the Appendix

# EPS Reconciliations

\$ in millions, except per share data (Unaudited)

	Fourth Quarter				Twelve Months Ended			
	Pretax Impact		EPS Impact		Pretax Impact		EPS Impact	
	2021	2020	2021	2020	2021	2020	2021	2020
Reported net income per share attributable to Tyson (GAAP EPS)			\$ 3.71	\$ 1.79			\$ 8.34	\$ 5.64
Less: Defined benefit plan gains	\$ (34)	\$ —	(0.07)	—	\$ (34)	\$ (116)	(0.07)	(0.24)
Less: Gain on sale of business	\$ (784)	\$ —	(1.40)	—	\$ (784)	\$ —	(1.40)	—
Add: China plant relocation charge <sup>1</sup>	\$ 4	\$ —	0.01	—	\$ 27	\$ —	0.06	—
Add: Legal contingency accruals <sup>2</sup>	\$ —	\$ —	—	—	\$ 626	\$ —	1.31	—
Add: Production facilities fire costs, net of insurance proceeds <sup>3</sup>	\$ 23	\$ —	0.05	—	\$ 17	\$ 1	0.04	—
Add: Restructuring and related charges	\$ —	\$ 23	—	0.05	\$ —	\$ 75	—	0.16
Less: Impact from Additional Week	\$ —	\$ (65)	—	(0.14)	\$ —	\$ (65)	—	(0.14)
Adjusted net income per share attributable to Tyson (Adjusted EPS)			\$ 2.30	\$ 1.70			\$ 8.28	\$ 5.42

<sup>1</sup> Relates to a plant relocation from a government land expropriation and includes accelerated depreciation and team member related charges recognized as an increase of Cost of Sales.

<sup>2</sup> Legal contingency accruals included \$545 million recognized as a reduction of Sales and \$81 million recognized as an increase of Cost of Sales.

<sup>3</sup> Relates to fires at production facilities in Chicken in the fourth quarter of fiscal 2021 and Beef in the fourth quarter of fiscal 2019. Amount includes direct incremental costs, net of insurance proceeds, of \$23 million net expense recognized in Cost of Sales and \$6 million net proceeds recognized in Other, net for fiscal 2021.

Adjusted net income per share attributable to Tyson (Adjusted EPS) is presented as a supplementary measure of our financial performance that is not required by, or presented in accordance with, GAAP. We use Adjusted EPS as an internal performance measurement and as one criterion for evaluating our performance relative to that of our peers. We believe Adjusted EPS is meaningful to our investors to enhance their understanding of our financial performance and is frequently used by securities analysts, investors and other interested parties to compare our performance with the performance of other companies that report Adjusted EPS. Further, we believe that Adjusted EPS is a useful measure because it improves comparability of results of operations from period to period. Adjusted EPS should not be considered a substitute for net income per share attributable to Tyson or any other measure of financial performance reported in accordance with GAAP. Investors should rely primarily on our GAAP results and use non-GAAP financial measures only supplementally in making investment decisions. Our calculation of Adjusted EPS may not be comparable to similarly titled measures reported by other companies.

# EBITDA Reconciliations

\$ in millions (Unaudited)

	Twelve Months Ended	
	October 2, 2021	October 3, 2020
Net Income	\$ 3,060	\$ 2,071
Less: Interest income	(8)	(10)
Add: Interest expense	428	485
Add: Income tax expense	981	593
Add: Depreciation	934	900
Add: Amortization <sup>1</sup>	261	278
EBITDA	\$ 5,656	\$ 4,317
Adjustments to EBITDA:		
Add: Gain on sale of business	\$ (784)	\$ —
Add: China plant relocation charge <sup>2</sup>	27	—
Add: Legal contingency accruals <sup>3</sup>	626	—
Add: Production facilities fire costs, net of insurance proceeds <sup>4</sup>	17	1
Less: Defined benefit plan gains	(34)	(116)
Add: Restructuring and related charges	—	75
Less: Impact of additional week in fiscal 2020	—	(96)
Total Adjusted EBITDA	\$ 5,508	\$ 4,181
Total gross debt	9,348	11,339
Less: Cash and cash equivalents	(2,507)	(1,420)
Less: Short-term investments	—	—
Total net debt	\$ 6,841	\$ 9,919
Ratio Calculations:		
Gross debt/EBITDA	1.7x	2.6x
Net debt/EBITDA	1.2x	2.3x
Gross debt/Adjusted EBITDA	1.7x	2.7x
Net debt/Adjusted EBITDA	1.2x	2.4x

<sup>1</sup> Excludes the amortization of debt issuance and debt discount expense of \$19 million for the twelve months ended October 2, 2021 and \$14 million for the twelve months ended October 3, 2020, as it is included in Interest expense.

<sup>2</sup> Relates to a plant relocation from a government land expropriation and includes accelerated depreciation and team member related charges recognized as an increase of Cost of Sales.

<sup>3</sup> Legal contingency accruals included \$545 million recognized as a reduction of Sales and \$81 million recognized as an increase of Cost of Sales.

<sup>4</sup> Relates to fires at production facilities in Chicken in the fourth quarter of fiscal 2021 and Beef in the fourth quarter of fiscal 2019. Amount includes direct incremental costs, net of insurance proceeds, of \$23 million net expense recognized in Cost of Sales and \$6 million net proceeds recognized in Other, net for fiscal 2021.



# Segment Operating Income Reconciliations

\$ in millions (Unaudited)

Adjusted Operating Income (Loss) (for the fourth quarter ended October 2, 2021)						
	Beef	Pork	Chicken	Prepared Foods	International/Other	Total
Reported operating income (loss)	\$ 1,147	\$ 78	\$ (136)	\$ 823	\$ (3)	\$ 1,909
Less: Gain on sale of business	—	—	—	(784)	—	(784)
Add: Production facilities fire costs, net of insurance proceeds <sup>1</sup>	—	—	23	—	—	23
Add: China plant relocation charge <sup>2</sup>	—	—	—	—	4	4
Adjusted operating income (loss)	\$ 1,147	\$ 78	\$ (113)	\$ 39	\$ 1	\$ 1,152

Adjusted Operating Income (Loss) (for the twelve months ended October 2, 2021)						
	Beef	Pork	Chicken	Prepared Foods	International/Other	Total
Reported operating income (loss)	\$ 3,240	\$ 328	\$ (625)	\$ 1,456	\$ (3)	\$ 4,396
Less: Gain on sale of business	—	—	—	(784)	—	(784)
Add: Production facilities fire costs, net of insurance proceeds <sup>1</sup>	—	—	23	—	—	23
Add: Legal contingency accruals <sup>3</sup>	—	—	626	—	—	626
Add: China plant relocation charge <sup>2</sup>	—	—	—	—	27	27
Adjusted operating income	\$ 3,240	\$ 328	\$ 24	\$ 672	\$ 24	\$ 4,288

<sup>1</sup> Relates to fires at production facilities in Chicken in the fourth quarter of fiscal 2021 recognized as an increase of Cost of Sales.

<sup>2</sup> Relates to a plant relocation from a government land expropriation and includes accelerated depreciation and team member related charges recognized as an increase of Cost of Sales.

<sup>3</sup> Legal contingency accruals included \$545 million recognized as a reduction of Sales and \$81 million recognized as an increase of Cost of Sales.

Adjusted operating income (loss) is presented as a supplementary measure in the evaluation of our business that is not required by, or presented in accordance with, GAAP. We use adjusted operating income (loss) as an internal performance measurement and as a criterion for evaluating our performance relative to that of our peers. We believe adjusted operating income (loss) is meaningful to our investors to enhance their understanding of our financial performance and is frequently used by securities analysts, investors and other interested parties to compare our performance with the performance of other companies that report adjusted operating income (loss). Further, we believe that adjusted operating income (loss) is a useful measure because it improves comparability of results of operations from period to period. Adjusted operating income (loss) should not be considered as a substitute for operating income (loss) or any other measure of operating performance reported in accordance with GAAP. Investors should rely primarily on our GAAP results and use non-GAAP financial measures only supplementally in making investment decisions. Our calculation of adjusted operating income (loss) may not be comparable to a similarly titled measure reported by other companies.

# Segment Sales and Operating Income Reconciliations

\$ in millions (Unaudited)

Adjusted Sales and Operating Income (Loss)													
(for the fourth quarter ended October 3, 2020)													
	Beef		Pork		Chicken		Prepared Foods		International/Other		Intersegment	Total	
Reported Sales	\$	4,272	\$	1,368	\$	3,433	\$	2,277	\$	491	\$	(381) \$	11,460
Less: Estimated impact of additional week¹		(306)		(98)		(245)		(163)		(35)		28	(819)
Adjusted Sales	\$	3,966	\$	1,270	\$	3,188	\$	2,114	\$	456	\$	(353) \$	10,641
Reported operating income (loss)	\$	466	\$	174	\$	86	\$	249	\$	(13)		\$	962
Add: Restructuring and Related Charges		4		1		12		5		1			23
Adjusted operating income (loss) prior to adjustment for additional week		470		175		98		254		(12)			985
Less: Estimated impact of additional week		(37)		(13)		(7)		(18)		1			(74)
Adjusted operating income (loss)	\$	433	\$	162	\$	91	\$	236	\$	(11)		\$	911

Adjusted Sales and Operating Income (Loss)													
(for the twelve months ended October 3, 2020)													
	Beef		Pork		Chicken		Prepared Foods		International/Other		Intersegment	Total	
Reported Sales	\$	15,742	\$	5,128	\$	13,234	\$	8,532	\$	1,856	\$	(1,307) \$	43,185
Less: Estimated impact of additional week¹		(306)		(98)		(245)		(163)		(35)		28	(819)
Adjusted Sales	\$	15,436	\$	5,030	\$	12,989	\$	8,369	\$	1,821	\$	(1,279) \$	42,366
Reported operating income (loss)	\$	1,580	\$	565	\$	122	\$	743	\$	(2)		\$	3,008
Add: Restructuring and related charges		9		3		33		27		3			75
Add: Beef production facility fire costs, net of insurance proceeds		1		—		—		—		—			1
Adjusted operating income (loss) prior to adjustment for additional week		1,590		568		155		770		1			3,084
Less: Estimated impact of additional week		(37)		(13)		(7)		(18)		1			(74)
Adjusted operating income	\$	1,553	\$	555	\$	148	\$	752	\$	2		\$	3,010

<sup>1</sup> The estimated impact of the additional week in the fourth quarter and twelve months of fiscal 2020 was calculated by dividing the fourth quarter's Sales prior to adjustment for additional week by 14 weeks.

Adjusted operating income and adjusted sales are presented as supplementary measures in the evaluation of our business that are not required by, or presented in accordance with, GAAP. We use adjusted operating income and adjusted sales as internal performance measurements and as two criteria for evaluating our performance relative to that of our peers. We believe adjusted operating income and adjusted sales are meaningful to our investors to enhance their understanding of our financial performance and are frequently used by securities analysts, investors and other interested parties to compare our performance with the performance of other companies that report adjusted operating income and adjusted sales. Further, we believe that adjusted operating income and adjusted sales are useful measures because they improve comparability of results of operations from period to period. Adjusted operating income and adjusted sales should not be considered as substitutes for operating income, sales or any other measure of operating performance reported in accordance with GAAP. Investors should rely primarily on our GAAP results and use non-GAAP financial measures only supplementally in making investment decisions. Our calculation of adjusted operating income and adjusted sales may not be comparable to similarly titled measures reported by other companies.