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Tyson Foods, Inc. (TSN)

BMO Farm to Market Conference

CORPORATE PARTICIPANTS

Noel W. White

President, Chief Executive Officer & Director, Tyson Foods, Inc.

Stewart F. Glendinning

Executive Vice President & Chief Financial Officer, Tyson Foods, Inc.

OTHER PARTICIPANTS

Kenneth B. Zaslow

Analyst, BMO Capital Markets (United States)

MANAGEMENT DISCUSSION SECTION

Kenneth B. Zaslow

Analyst, BMO Capital Markets (United States)

Tyson has been gracious enough to kick off our conference since our conference inception 14 years ago. Over those years, Tyson has transformed itself markedly in terms of strategic direction, operational performance and capital deployment. Most recently, the board has chosen a new CEO that truly blends the past with the future. With more than 35 years of experience at Tyson and IBP, Noel White, who took over as CEO last September, has developed an unparalleled track record of delivering industry-leading performance across all businesses that he has led.

Noel is in the process of improving Tyson's execution, shifting its mix toward value-added products and integrating three acquisitions. To help him execute this plan, Stewart has taken over as CFO over the last year-and-a-half. Stewart is uniquely positioned in both finance and operations, as he served as CEO of Coors International, as well as Global Financial Officer.

We're privileged today to kick off the morning with a discussion with the President and CEO, Noel White; and CFO, Stewart Glendinning.

QUESTION AND ANSWER SECTION

Kenneth B. Zaslou

Analyst, BMO Capital Markets (United States)

Q

I want to kick it off with a open-ended question. Noel, what made you decide it was the right time to become CEO? And then, more importantly, as you come in as new CEO, what are your key strategic initiatives? What are you looking to accomplish?

Noel W. White

President, Chief Executive Officer & Director, Tyson Foods, Inc.

A

There's several specific initiatives. One is to continue to execute on the strategy that was in place. And that's to expand our presence in our prepared foods space, value-added products that really started a meaningful way about five years ago with the acquisition of Hillshire Farms. Since then, we've added a number of acquisitions to bolster that space.

So, in the course of the last five years, we've gone from roughly \$1 billion in sales to between \$9 billion and \$10 billion in sales. And five years ago, that business was marginally profitable, I would say. Most recently, we're returning between 11% and 12% on sales. So we've made meaningful growth in that space. And that's the intent, to continue that type of growth.

Secondly, our presence in international market, we have a long history of participating in the international market. In some cases, we've been semi-successful; in other cases, not very successful. We did make a meaningful acquisition November 30 of last year, a company named Keystone Foods, who gave us a presence on a much broader basis, particularly in Asia. We acquired some additional assets in China. We acquired assets in Korea, Malaysia, Thailand and Australia. That provided a base to build from.

And you've probably read we're in the process of making an acquisition that should close sometime relatively quickly with BRF assets that are in Thailand, a manufacturing facility in the UK, and a manufacturing facility in the Netherlands. But those two initiatives, along with the plan to redefine our strategy, so no change in strategy, but we're in the process with Stewart and his team's help of defining the 3, the 5 and the 10 year strategy. So, no significant changes, we're just further defining what that will be.

Lastly, I would say in the area of succession that we have a very strong team, but we want to make sure that we have leaders in place for generations to come. So those would be the four top priorities I would say.

Kenneth B. Zaslou

Analyst, BMO Capital Markets (United States)

Q

Stewart, there's been a series of acquisitions that you've made. Can you talk about or frame the return characteristics and the earnings power contribution from the acquisitions, and how that's going to change – tighten the earnings power, say, not today, but in the year 2020, 2021? How do you think about that?

Stewart F. Glendinning

Executive Vice President & Chief Financial Officer, Tyson Foods, Inc.

A

Yeah. I think, well, let's just start with Noel's push on the international side. If you looked out about the next five years, current market suggests that 90% of the growth is going to come from outside the U.S. So it's important for us to be able to really focus on taking advantage of that.

From a capital perspective, we've got a strong balance sheet. We've got a very financially-disciplined approach to acquisitions. We focus on return. And I've been really pleased to say that the acquisitions that we've undertaken are producing strong results, with synergies coming in on the pace that we had expected.

Kenneth B. Zaslow

Analyst, BMO Capital Markets (United States)

Q

Would you think that it would accelerate your growth rate or does it just increase a bigger base? How do you think about that?

Stewart F. Glendinning

Executive Vice President & Chief Financial Officer, Tyson Foods, Inc.

A

Well, I mean, my point about the 90% is that I think it will allow us to accelerate. 90% of the growth is coming from outside the U.S., then focusing only domestically was going to not give us exposure to the full amount of growth across the world. These are rapidly growing geographies there. Discretionary income is growing quickly. Protein growth on a per capita basis is much lower. And so there's plenty of headroom there. And we want to be there in position to take advantage of that growth.

Kenneth B. Zaslow

Analyst, BMO Capital Markets (United States)

Q

So, putting things on a scale of 1 to 10; 1 being, say, some chicken within December, not so good; and then maybe a 10 when we kind of think about maybe current beef [ph] packer (5:43) margins and chicken margins. How do you rate 2020? And can you talk about the couple of defining factors? And let's start there and we'll build on this.

Noel W. White

President, Chief Executive Officer & Director, Tyson Foods, Inc.

A

It will certainly be determined by the extent of ASF in being a primary factor. Ken, I would say that on a scale of 1 to 10, with 10 being meaningfully improved, it will be much closer to 10 than it would be to 1.

Kenneth B. Zaslow

Analyst, BMO Capital Markets (United States)

Q

Go ahead. Can we talk about African swine fever? It seems like we have a big crowd and I think a lot of people are interested in that. Can you provide a perspective on how it'll affect the overall business as well as the magnitude across divisions?

Noel W. White

President, Chief Executive Officer & Director, Tyson Foods, Inc.

A

Yeah. So, let's talk about magnitudes first. And there's various numbers that are estimating what the effect is in China. And I think probably the most common numbers that are being quoted today are someplace between 25% and 35% of the swine are being affected in China. China is, in fact, the largest hog producer in the world. They produce about half of all the hogs in the world. So, according to current estimates, that would translate to someplace between 150 million and 200 million hogs that have died.

Now, to compare that just to the size of the herd in the United States, the United States this year will process about 135 million hogs. So the death loss in China is likely equal to or potentially much greater than the total supply coming from the United States.

So, with that type of impact and the fact that there's been meaningful losses, current estimates are that about 5% of the total protein supply globally has disappeared. So it's a very meaningful number and it is, in fact, unprecedented, something that I've not seen in my career, particularly in the sense that it's not a short-term event. The effect can last for a prolonged period of time. Nobody knows at this point, but it could easily last for a number of years.

Kenneth B. Zaslou

Analyst, BMO Capital Markets (United States)

Q

And how would it affect your businesses? Can you talk a little bit of – a little granularity again on the pork and beef and chicken side, and then the prepared foods, and how do we balance that out?

Noel W. White

President, Chief Executive Officer & Director, Tyson Foods, Inc.

A

Yeah. In my opinion, it will affect all the proteins. It's not just pork because it's estimated that the 150 million to 200 million hogs that I talked about, that that's about the equivalent of 10 million metric tons. From the United States, it's potentially possible to produce export about 1 million metric tons. So, that leaves it up to the rest of the world and there's not a clear path on how that other 9 million metric tons would be filled, which means that it's likely going to be supplemented by other proteins.

And whether that's fish or chicken or beef, there has to be some way to fill that gap because there is 1.3 billion to 1.4 billion people that will be fed. So I think it will affect all the proteins. Both poultry and beef, we're already seeing that effect. Prices are moving higher. We're seeing increased shipments not only from the United States but other parts of the world to fill that gap.

So I think it will certainly bolster prices. It's early in the process that if the numbers are accurate, there are sizable inventories in cold storage in China, but those are expected to be depleted sometime over the course of the next couple of months. And it's really about that point in time that I think that we'll start seeing the meaningful escalation in pricing.

Kenneth B. Zaslou

Analyst, BMO Capital Markets (United States)

Q

Just following up on the U.S.-China trade resolution, can you talk about how either a resolution or the absence of a resolution would affect Tyson, how are you positioned for that?

Noel W. White

President, Chief Executive Officer & Director, Tyson Foods, Inc.

A

Currently, there's a 62% duty on any pork products that flow from the United States to China. And there is mandatory reporting on behalf of the USDA that all of us have to report our sales and shipments to each individual country. We can see that there is roughly 111 million pounds that have been confirmed, but shipments have really not started in a meaningful way.

The interest is still substantial. I think that there's a number of participants sort of waiting to see what happens with the trade negotiations between China and the United States. And most recently, it looks like that there may not be quick resolution on that, but I think there's a lot of buyers sort of waiting to see what the outcome is.

Kenneth B. Zaslow

Analyst, BMO Capital Markets (United States)

Q

And does that affect your outlook as in...

Noel W. White

President, Chief Executive Officer & Director, Tyson Foods, Inc.

A

No. No. Because I think whether the product is shipped from the United States, whether it's shipped from other countries, whether it's Brazil or Europe or anyplace else, that that will create [ph] net difference (11:35) and it will create a void someplace else. So, the fact that we wouldn't ship directly to China in a meaningful way is not overly concerning to me.

Kenneth B. Zaslow

Analyst, BMO Capital Markets (United States)

Q

On the risk management side, right, so now you've seen corn and soybean meal kind of coming under a lot of pressure. I know over the last year and a half, two years, you've kind of implemented a new risk management system. Can you talk about that and can you capitalize on the lower feed cost and is that creating a opportunity for you?

Stewart F. Glendinning

Executive Vice President & Chief Financial Officer, Tyson Foods, Inc.

A

Sure. I mean, well, let's be clear. I mean, lower feed cost is always better than higher feed costs, right, just as a matter of course. From a risk management perspective, we have a very strong hedging program, Ken, inside of Tyson. That is an approach that is not based on any kind of speculation, but is based on normal hedging kind of approaches, which ultimately allow you to average in and average out.

We do have some structures in the company, which sometimes we'll use option structures that allow us to participate in improving markets, but don't allow any sort of deterioration in the numbers. I would say we've got a sensible program that ultimately optimizes the cost for our organization. But understand, as prices move up generally, you're going to follow them. And as prices move down generally, you will follow them. It is a matter of a lag.

Kenneth B. Zaslow

Analyst, BMO Capital Markets (United States)

Q

Let's suppose for a second that African swine fever does create this earnings opportunity and Tyson generates, call it, I think your best year was over \$1.5 billion, so let's say you generate \$1 billion in free cash flow. How do you think of your priorities in terms of acquisitions, share repurchases, CapEx? Can we go through that because you're going to have...

Stewart F. Glendinning

Executive Vice President & Chief Financial Officer, Tyson Foods, Inc.

A

Sure.

Kenneth B. Zaslow

Analyst, BMO Capital Markets (United States)

Q

...you're going to be flush with a lot of cash.

Stewart F. Glendinning

Executive Vice President & Chief Financial Officer, Tyson Foods, Inc.

A

Yeah. Well, I look forward to that problem. And in the scheme of problems, that's a good one to have. But one of the things I said last year, and it's still true this year, is that the benefit of Tyson is it's actually been a company that's able to have pulled the levers, all of the financial levers, that are good for shareholders. We've been able to invest in M&A. We've been able to increase the dividend substantially. We have been able to put a lot of CapEx behind our organization. And we've been able to buy back shares all at the same time.

And I think increased cash flow simply give us more opportunity. The decision of which way to go will be return generation-dependent. And I'd like to give you an example, I mean, when I look at our CapEx, our CapEx is ramped up in the last couple of years because we've had a portfolio of really good projects. That, when you look at it on a composite basis, have given us returns substantially ahead of our cost of capital.

But I can tell you that the number of capital projects and Noel, certainly, can speak to this, there are a lot more capital projects that sit behind that, right? And so we've squeezed that in. Why? Because we wanted to fund our dividend. We wanted to drive stock buyback. And so, I don't think you'll necessarily see us sort of skewed to one side or the other, but we will – it's sort of like a balloon. You squeeze it slightly, it doesn't all disappear on one side. It just sort of broadens on one of the other sides. And it will be dependent on the opportunities.

One of the things I shared with some folks yesterday is that M&A, by itself, is a little bit lumpy. The idea that people just say, well, I'm not doing M&A anymore is a little dependent on what opportunities present themselves. Where we are at a place currently, we are in a debt paydown mode right now, we are. So, does a world in which we make a lot of more money change that? Of course, it does, right? It allows us to pay down that debt more quickly or it allows us to allocate more money to any of the other areas.

Kenneth B. Zaslow

Analyst, BMO Capital Markets (United States)

Q

Would you be able to accelerate your CapEx budget or you have a discipline that wouldn't let you do that? And then, would you let the cash sit on the balance sheet and how long?

Stewart F. Glendinning

Executive Vice President & Chief Financial Officer, Tyson Foods, Inc.

A

Yeah. Look, it's hard to say. First, let's have the cash, right? I mean, our focus is first on execution and making sure we actually deliver. That's job one. And when the cash comes in, then my point is that opportunities will present themselves, whether they're CapEx opportunities, share buyback opportunities. The point is that Tyson will have the flexibility to decide which of those.

But the thing I want the folks in the room to know is that we are financially disciplined. We are interested in making sure that our shareholders get a very good return. And those things will be what drives our capital allocation priorities.

Kenneth B. Zaslou

Analyst, BMO Capital Markets (United States)



Noel, you come in with a lot of operational expertise. I mean, I've known you all the way back from when you did the pork operations way back. On the call, you mentioned two things that kind of struck me on an operational side. One was that you're looking on the chicken side to include in the operation. There was some issues with tray pack and you guys are going to look to do something to improve that. Can you expand on that?

And then the second part of that would be on the pork side, you've seen pork packer margins come in. And it's interesting, on the call, you said we feel confident about our full-year numbers and that we were able to outperform the benchmarks. So, those two kind of came out something as both important but surprising. So, can we take each one of those separately?

Noel W. White

President, Chief Executive Officer & Director, Tyson Foods, Inc.



Yeah. Sure. On the poultry side, and I want to make sure that people understand that we're talking about very specific segments within poultry that it's not poultry in general and it's not – when we talk about tray pack, which I did mention, that it's not tray pack in total, it's plant-specific. So it's a very targeted approach that we have specific plants that are not performing at the level that we would expect them to perform.

And it's not an easy quick solution because when I talk about issues, that would be in terms of mix components. So, what we sell out of that plant to what customers, in what percentages. So, it's not just the plant operations. It's how we actually go to market out of those specific plants. So, the solve is in process. We've made some meaningful progress over the last two to three months, I would say. And we do have visibility now that through the course of the next relatively short period of time, that we'll be able to overcome the disadvantage that we felt that we had in the marketplace. So, that'd be on the poultry side.

I mean, we're a \$43 billion company. We operate 150 plants or so. There will always be specific challenges someplace within the system and that's our job to address those specific issues.

On the pork side, we've done, I would say, a very good job in managing the process I mentioned on the call that our turnover numbers are at historic lows. Labor markets are very tight. So, we have a lot more tenure in our plants, not only from a supervisory standpoint, but an hourly team member standpoint. Productivity has been very strong as a result of that.

And I mentioned to a couple of people last night that most people think in terms of wage rates and benefits and things like that, and that's not the complete solve and solution. You have to have a competitive rate. But it really comes down to how you treat your people in the plant, that they need to feel like they're a meaningful part of the operation. They have input. They have opinions.

Our safety numbers are significantly better than they were a couple of years ago. And when people truly feel that you care about them as a person, productivity improves. And our pork team has done a great job in our facilities in accomplishing that. So, the process is never ending, right? So, it's a work in process.

Kenneth B. Zaslou

Analyst, BMO Capital Markets (United States)



Just going back to chicken and I remember, in the day, there were some examples that we were given – either you put in heaters in the chicken houses and stuff like that. Are there examples of – and again, it's more for

storytelling of understanding what you guys are doing. Are there some examples, anecdotes of little thing of what you're doing in the chicken operations, just to kind of put a little, bad term, but meat on the bone, not intended but...

Noel W. White

President, Chief Executive Officer & Director, Tyson Foods, Inc.

A

I would say that probably the most meaningful change is just the automation that's taking place in the poultry business, that wage rates are up over the last couple of years at an accelerated pace. So it wasn't unusual for a number of years that the wage rates were increasing at about a 3% rate. The last couple of years, they've been more than that.

So, with that, we've done a lot of work on automation. We have an in-house team that is solely dedicated to automating processes. We have dedicated facilities that do nothing but develop technologies that will help them in that process. So there is both commercially-available technology and then there is proprietary technology that we're developing ourself. That's true not only on the poultry side of our business, but in all aspects of our business. So, on the pork side, the beef side, and the prepared side.

So we have a relatively new Chief Technology Officer who has done an awesome job, so not only in developing and implementing technology, but using advanced analytics, artificial intelligence to better predict how demand and pricing will flow. So there's a lot of work going on in that space as well. So I would say that's probably the most meaningful change as we look ahead the next five years, that we have to think differently than we've thought previously, that there are tools available to us that we have to be able to effectively utilize.

Kenneth B. Zaslow

Analyst, BMO Capital Markets (United States)

Q

The other big topic that's kind of out there is alternative meats, probably no surprise to you. Can you talk about what is the evolution, what is Tyson – how are you going to push into the alternative meats and then kind of pairing that is how do you allocate capital to that? How much capital will be allocated to that? What are your expected returns? So, it's a two-part or two pieces of a question, if we can start with the strategy and then the financing behind it.

Noel W. White

President, Chief Executive Officer & Director, Tyson Foods, Inc.

A

Sure. Well, we were one of the early investors in a couple of alternative protein companies, and we just exited one of those positions a few weeks ago. And I would say it turned out to be a good investment for us. And it came to the point in time where we decided that we are going to enter that market ourselves and do it in a meaningful way. And rather than competing directly with somebody that we have an investment in, we decided that we would exit the investment and move into that category, utilizing all the resources that we have available to us. So, from an insight standpoint, innovation standpoint, R&D, manufacturing, distribution, sales, we plan to take full advantage of all the resources at our disposal and move into the category in a meaningful way.

Stewart F. Glendinning

Executive Vice President & Chief Financial Officer, Tyson Foods, Inc.

A

Yeah. So, on the capital side...

Kenneth B. Zaslow

Analyst, BMO Capital Markets (United States)

Q

How much do you have?

Stewart F. Glendinning

Executive Vice President & Chief Financial Officer, Tyson Foods, Inc.

A

We haven't been specific about the actual amount of capital. I think it is included in the scope of the capital forecast that we've given you. It's not meaningful in the scheme of \$1.3 billion of capital. And it'll develop over time. Obviously, if the product is very successful, then we will need more capital behind it to continue to expand. And for that reason, you ought to see that the returns on that investment come fairly quickly, because it's scaled to be able to bring the protein – or to follow the product's growth.

I think, more meaningfully, just from a capital standpoint when you think about Tyson, if we were starting a company from the ground up, we had nothing, we'd have to build a lot of assets. We have a transportation network. We have a refrigerated storage network. We have a sales force, so many of the pieces. We have the test kitchens. We have the science labs. All of those things that you need to bring a new product like this to market that would otherwise require capital if you were a start-up, don't require capital on our side.

There are places, from a manufacturing perspective, from working with these new ingredients that do require capital from us. But we are in a very, very powerful position to execute efficiently and effectively in the space. Not to mention, of course, the fact that we are already a strong brand house that will bring this to bear. The capital [ph] is (24:46) the least of the challenges for us.

Kenneth B. Zaslow

Analyst, BMO Capital Markets (United States)

Q

How big do you think your offering could be in three years? Could it be a \$300 million product, a \$500 million, could it be a \$1 billion? Like, how do you kind of frame it and how do we think about it, because you do have a distribution technology?

Noel W. White

President, Chief Executive Officer & Director, Tyson Foods, Inc.

A

Yeah, it is a growing category. Can it be a \$1 billion brand? Yeah, I think it can be in time. It's a space that we identified some time ago as an emerging category. We chose to enter via investment rather than build ourselves. So I think it certainly has the capability of being a \$1 billion business for us.

Kenneth B. Zaslow

Analyst, BMO Capital Markets (United States)

Q

Switching topics a little bit, on the beef side, I've been covering Tyson for lots of decades, it's very rarely that you guys actually put out some sort of not even confidence but – you always have confidence on a margin beyond the current year. And on the last two calls, you were fairly confident on the outlook for beef margins. Can you talk about what the strength is coming from? Why the continuity, where you think that you could actually do better in 2020 than 2019? Lay that out for us.

Noel W. White

President, Chief Executive Officer & Director, Tyson Foods, Inc.

A

Sure. Let me start with the supply side and then I'll talk about the demand side. So, on the supply side, from a cattle standpoint, we have very good visibility on what the size of the supply is going to be over the course of the next at minimum two years and likely three years. So we look at the size of the cow herd, both the beef cow herd

and the dairy cow herd. And then, we looked at the number of yearlings [ph] or calves (26:34) that are born. And from the time the calf is born to the time that we process that animal, it's about a two-year time period.

So, we have an early indication of the retention rate of how many cows, which is the mothers, that will ultimately generate the offspring. And gestation, let's say it's a short year and then you have two years of growth. So we have good visibility out three years and we have very, very good visibility out two years because those calves are already on the ground, okay?

So, from a supply standpoint, it looks like we'll have at least equal numbers through 2021 and likely into 2022. And there's no indication, at this point, that that will move into a liquidation phase. Too soon to tell, but we have visibility out three years.

On the demand side, both domestic and international demand has been very, very strong. So, from an export standpoint, we've moved as a country from high single digits to about a 15% export rate and that continues to grow. Most recently, it's been down some, but I think it's just a short-term phenomenon. So, over the course of time, it has continued to grow, particularly to Asia.

And then, domestically, demand has been strong as well, both at the retail and foodservice level. And when we look at the value of all the composite cut out, the value of all the individual components put back together, it's been ranging between \$2.10 and \$2.30, so let's say \$2.20 on average.

Historically, when we get to those type of price levels, particularly at \$2.30, there is demand destruction that took place, but we've maintained that type of cut out number for a prolonged period of time. And we've not tested significantly higher than that, \$2.40, \$2.50. But it does appear like we are in a new phase of not only the value of the beef that we're selling, but the returns that it generates for us and, just as importantly, for our supplier base, which are the feeders and the cow-calf operations. So we want all of our suppliers to be profitable.

So, as I've said before, we're in the spread business. So, as the value of the cut out number goes up, typically the price that we pay for the cattle also go up and the price paid back to the cow-calf producer goes up as well. So, as they stay in a profitable mode, right, they continue to produce livestock, which has broken a cycle that we've seen for well over 100 years, which is about a 10-year cycle, where the price of livestock goes up. There's production that takes place on the way up because it's so profitable, right? Greater production results ultimately in lower prices that we pay and it comes back down. And historically, it ran about 10 years.

And that should have peaked around 2016-2017; didn't take place. We're still seeing those type of similar production numbers and it's likely because the prices that are being paid for not only the cattle that we process but the cow-calf, it has been unusual for all sectors to be profitable. That is the case today where the various sectors are profitable, which means that it's a very healthy industry, which is very promising for me from a long-term standpoint that all the sectors are profitable. We have to have our customers, the retail, foodservice operators, we have to generate an acceptable return and then our suppliers have to be profitable as well.

Kenneth B. Zaslow

Analyst, BMO Capital Markets (United States)



Would you think of the four divisions, that has the greatest probability of potentially changing your band of margins? I don't know. Would that be the one or is there others that you might think about, because of just how confident you are about the beef? Is that fair?

Noel W. White

President, Chief Executive Officer & Director, Tyson Foods, Inc.

A

I think the question is, Ken, that what that will be going forward. And we do have some analytics work that's underway that we will try to answer that question. So, through the course of my career, within the beef business, we were low single digits for a number of years.

Kenneth B. Zaslow

Analyst, BMO Capital Markets (United States)

Q

Right.

Noel W. White

President, Chief Executive Officer & Director, Tyson Foods, Inc.

A

It moved up to 3% to 5% and then it became 6% to 8%. And the question now is what will that look like over the course of the next five-plus years. And that's the work that's underway right now. And personally, I think that there's been a fundamental change in global demand. Demand has continued to grow on a global basis. Supplies, basically, on a global basis, have been flat.

Kenneth B. Zaslow

Analyst, BMO Capital Markets (United States)

Q

I'm going to wrap up with probably one or two questions. How do you think about Tyson's base earnings and growth algorithm? Like, where do we stand now with these tailwinds and how do you think about this? Is this something that can be permanent for a couple of years or is this something that we kind of have as a one-time and then we kind of change it? How do you think about the base and the earnings algorithm?

Noel W. White

President, Chief Executive Officer & Director, Tyson Foods, Inc.

A

I think that if we look back in history, we've delivered high single-digit EPS and top-line growth. At this point, it's difficult to give a specific answer and need to keep in mind that that is over the course of a period of time.

Kenneth B. Zaslow

Analyst, BMO Capital Markets (United States)

Q

Yeah.

Noel W. White

President, Chief Executive Officer & Director, Tyson Foods, Inc.

A

So, if we go back over – going back particularly to 9, 10 years ago, that's been the case. Not every single year, because there is going to be some ups and downs, but over the course of time, that's what we've delivered. And that is certainly the intent that we want to continue to accomplish, which is part of the strategy work that I mentioned earlier with Stewart, how we go about doing exactly that.

Stewart F. Glendinning

Executive Vice President & Chief Financial Officer, Tyson Foods, Inc.

A

And, Ken, it's worth pointing out. We have a number of sort of momentum – there's some momentum behind this. I mean, look at our – the Prepared Foods business just in this last quarter really performed well. We know we'll see some pork pricing pressure in the short run there, but just look at the performance of the brands, right?

13 weeks, Nielsen looking better than the year-to-date, year-to-date looking better than 52 weeks, right? So, that business is healthy. You heard Noel's comments relative to the beef business and what that looks like in front of us. His comments relative to where we are in chicken, the signals are for chicken, they're pointing upwards. And then you sort of wrap ASF on top of all of that, I mean I think the recipe for us going forward looks really good for Tyson.

Looking out five years, I think there's a lot of opportunity for us relative to the international comments that Noel expressed. And I think you should expect to see us make the most of the platform that we bought. And if 90% of the world's protein growth is going to be outside of the United States, that's a lot of growth. And we'll be well-positioned, just given the scale and the capability of the organization, to take advantage of that.

Kenneth B. Zaslou

Analyst, BMO Capital Markets (United States)

Great. We're going to end there. Perfect. Thank you so much, guys. Excellent.

Noel W. White

President, Chief Executive Officer & Director, Tyson Foods, Inc.

Yeah. Ken, thank you.

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