

Tyson Foods, Inc
13th Annual BMO Farm to Market Conference

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Ken Zaslow: Today marks the 13th consecutive year in which Tyson kicks off our conference. In those years, Tyson has recreated itself several times in terms of operational excellence, capital deployment, and strategic direction with key transformative acquisitions. With the acquisition of Hillshire in 2014, Tyson transformed not only its business profile, but also its depth of management talent.

Since taking over as CEO less than 18 months ago, Tom is in the process of recreating Tyson's business model yet again, with a mixed shift towards value-added product mix, improved execution of prepared foods, and integration of AdvancePierre.

To help with executing his plan, Stewart has taken over as CFO over the last several months. 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 both Tom and Stewart, so with that, welcome, guys.

Tom Hayes: Thanks, Ken.

Stewart Glendinning: Thanks, Ken.

Ken Zaslow: I'll kick off the questions. You know, as we think about your long-term growth model, what do you think the key driver is for you delivering your long-term growth targets? How much of it will rely on volume? How much will rely on pricing, cost savings, acquisitions, and margin expansion? Can you just kind of broaden that out a little bit?

Tom Hayes: Sure. The answer is E, all of the above. First of all, thanks for coming to the conference and coming to see us. Next year, we'll have to get some more seats in the back—standing room only.

Comments that we're going to make today are going to be forward-looking, as Stewart and I will talk about adjusted EPS, adjusted operating income, so I wanted to make you

aware of that. If you have questions, you can go to ir.tyson.com and have some really strong summer reading.

As it relates to what we're doing in terms of growing the business, Ken mentioned that, you know, flat can be the new normal. Not for Tyson. We have been growing. I think you've seen that. We've demonstrated it. And we're focused on volume growth. For us, input costs will move a bit, so, you know, sales may fluctuate a bit. We want unit sales, volume sales, and margin expansion, and year-over-year earnings growth every year.

So, for us, the algorithm starts with volume, and it starts with value-added volume. We said above 3 percent volume growth on our value-added business and high single-digit EPS. So, how we get there is through, Ken, everything you just mentioned. We've got to drive differentiated volume. We do that through branding and innovation. We certainly want to make sure that we're doing the best we can as relates to our cost structure. We have a new continuous improvement focus on the business that's been driving a lot of what we call financial fitness. The idea is you want to take weight off, and you want to keep it off through a fitness program.

And then, I would say, just to wrap up that thought, we will be acquisitive. We have an acquisition that we just announced yesterday. We kind of wanted to make a scoop for Ken, and we've talked a bit about it. It's different than a branded acquisition, but when we talk about the financials that we are prepared to do there today, I think everybody that's an investor in our stock will be happy. Everybody who's not will hopefully, you know, buy in and become an investor.

Ken Zaslow: Do you want to take that and talk about how that acquisition actually fits into your strategy, what the multiple was, what the dynamics are, the accretion, dilution, if you could just talk a little bit about it? And more importantly than anything else is how does it actually fit into your value-added strategy over the next couple of years?

Tom Hayes: Sure. So I'm going to open it up and make a couple of comments, and then turn it over to Stewart to talk about the financials. I mean, it is a sweet deal. It's not a business that is a consumer business. It's a rendering business, so American Protein Products is a company that we have been following for quite some time. We have a business exactly like it. So basically, it's recycling the parts of animals that aren't used—in this case, it's poultry—to make animal feed, pet food, aquaculture, as well as a number of allied products. Could be crayons and ChapStik, and other things like that.

The business is a very strong business. It's not one that was in a process. We developed a relationship with the founder, and over the years, just got to know them very well, and here recently, pushed to make this acquisition. We needed the additional capacity. The products that are rendered in our own facilities come from our farms, and the products that they render are from other suppliers.

So, extraordinarily excited. Want to give a bit on the multiple and pre- and post-synergy?

Stewart Glendinning: Yeah, sure. Thanks, Tom. Well, look, I think, like Tom said, this is really a great deal for investors, primarily because the return is so strong. If you've looked at the acquisition multiple, which is just peeking into double digits around 10 times, we bought the

business at a very reasonable price. When you get below that, though, after synergies—and we expect those synergies to ramp up by year three and certainly by year four—we expect the after-synergies multiple to be right around the mid-single digits. So, you can make that kind of calculation to be clear that there's very substantial value creation in this business and the synergies are driven in areas that we know well. Like Tom has said, this is a business we run, and so when we put our financials of our business up against the financials of this business, it's very clear where the value gaps are, and it's very clear to us about how to go and extract that value from this acquisition.

Ken Zaslow: Can you just talk about the actual synergies that you get from it, how much it will be, when the timing of the—when will it close? And, is this accretive immediately, and does this make it more—put cushion to your outlook for this year, or does it put you more in the middle? Just because we don't have that (inaudible).

Stewart Glendinning: Yeah, well, I mean, we haven't adjusted our outlook this year for this acquisition. We just announced the deal. In terms of the synergies themselves, they're really driven by a couple of primary areas. Number one, we know that we can run this business at a lower cost, because we've got our own financials right next door to that. Those costs we know we can extract.

I think the second area, which is probably more exciting, and Tom talked about this having a value-added component, is when you look at the kinds of products that we generate from our own facilities, we tend to sell products that are more processed, that offer a higher margin. And so, we can see taking this business, value-adding the product, and then extracting more margin from it. Those are going to be the two big drivers, Ken.

Tom Hayes: And probably, over the course of three-ish years is what we're thinking about in terms of synergies.

Ken Zaslow: And when does it close?

Stewart Glendinning: Well, we're going to—we'll have a process of regulatory approval, so it's hard to say precisely the date, but we will close as soon as we are able to get that approval. One of the things that you asked about is, is the deal accretive? It certainly is accretive, and I would expect that we'd probably do better than our WACC rate, on a return basis, if not by the end of year one, certainly just as we cross into year two, so this is way beyond accretive.

Ken Zaslow: So, 2018 has had a lot of strange issues going on in terms of your earnings. I know you may not want to actually quantify things, but can we actually put a framework around what are the issues that have affected 2018 that probably will not affect 2019? And then, you know—I guess that's where I'll start right there. I'll start with that.

Tom Hayes: You asked this question on the earnings call.

Ken Zaslow: Yeah.

Tom Hayes: You're taking another bite of the apple—

Ken Zaslow: I am trying—

Tom Hayes: —so I'll answer it differently. No, it's important to know what is going to be recurring in our business and what's not, for sure. You know, to be clear, we're not going to get into the process of adjusting everything. You know, that's not our style. But we do recognize there are some things our investors should know. What I want to be really careful about, and what we want to make sure that we don't do, is start talking about weather every year. Well, how is weather this year different than last year? And weather has been on everybody's minds, because we had this terribly crazy winter.

For a company like ours, you know, you have a slow start to the spring selling season. But we said, you know, the barbecue season starts today. We hope it started sometime last week. That is a challenge. So I would say weather not only affects demand, but it also, in this case, stopped us from running some of our plants. So you can say well, you can catch up on Saturdays and so forth, but it creates disruption. You're moving products around the supply chain to serve customers, to try to get, you know, the best effort that you can to have people show up. If they don't, then, you know, you're really being careful, because you want people to be safe in traveling into the plants, and a lot of the cases, it just wasn't the right thing for us to want them to do.

So, that creates some challenges, and I don't want to quantify that, because I can't say that next year, that's not going to happen. What I will say is the freight element of this is no small matter. Those of you that listened to the earnings call, you know that we said that for the fiscal year '18, it's going to cost us about \$155 million, because we can't catch up to what's already passed. We are into the market. We've been increasing our pricing in the market to cover freight. It's not an easy discussion to have with customers. Nobody wants to have those. We have great relationships with our customers, so I feel really good about the traction that we have and the placements that we've made.

What we don't know, and you can read our materials for all the risks that are in our business, but certainly, you know, freight being an item that is a—you know, we don't know where it's going to land, particularly as it relates to fuel costs going forward. That's a bit of a headwind. What you should take away is that we are squarely focused on dealing with it. I would say we are one of the first out talking about it and don't know what the rest of the industry has done. I know it is a big conversation, but we will do our best to make sure we get all the value back for our shareowners and for ourselves.

Stewart Glendinning: Yeah, Ken, maybe just a couple things to add to what Tom has to say. I mean, in every business, this sort of question is what's the momentum, and I think that's maybe a little bit behind your question. On the weather side, of course, weather could repeat; it could not repeat. We'll see how that happens.

We called out a couple of other things in the call. First of all, on the freight side, we gave you specific numbers on that, and we said we'd be upside down by \$155 million this year because of freight, relative to where we'd expected. But we also said that by the fourth quarter, we thought on a run rate basis, we'd have that covered, which is a really big positive for our business, so I'd say that gets a big check mark.

The other thing we called out, two other things in our poultry business we called out: The

hatch rates, which of course we're working actively on solving it. That's a problem the industry is facing. And we called out some operational challenges, which we were already on top of. When you think about the things that we called out in the quarter, I would say three out of the four we have in hand. The weather will be what the weather is, but we're all going to be subjected to the same.

Ken Zaslow: Can you talk about the hatchability and productivity levels, and how you're evolving on that, and when will that kind of come to an end?

Tom Hayes: Yeah, it's a problem that doesn't have a solution today, so it's not an answer any of us what to hear. The good news side of it, if there is a silver lining, we made these changes to get better breast meat yield and to get better feed conversion. Those things, we are seeing. So at some point, it's going to be, you know, worth the run here. And what I would say is we're not stopping. We're trying to figure out this industry-wide challenge, so to the extent that we do, if the hatch rate goes up and we get all the benefits of going to the different breed, that will be awesome. I think we will be in a good position. We don't have it figured out today, but you know, we have great people working around us that I have trust and faith that they will get the answer, and we will put this behind us at some point.

Ken Zaslow: Can you talk about the mix opportunity within chicken? I think there's a—you know, you keep on talking about the value-added. How much mix opportunity is there in chicken, and then, what is the pace and contribution over time?

Tom Hayes: Yeah, this is an interesting one, and I'll tie this to, you know, we stopped—we're not going to talk about normalized ranges in our business anymore because it sort of hems us into. And it's both an internal conversation, by the way, and an external conversation. If one of our business units does really well and they say hey, we're ringing the bell above our normalized range, well, that maybe could put them in a position where they're thinking boy, I don't need to necessarily push to the next level, because I'm hitting what our normalized ranges are.

So, we want to just give guidance to our investors on an annual basis and say here's where we think things are going, here are the headwinds, here are the tailwinds. Here we are in the cycles, you know, for the commoditized businesses. And so, for chicken in particular, it's a never-ending, never-ending approach, so I don't have a view that because the range was 9 to 11 before, we'll do around 10 this year, that we should just stick around that number. We want to continue to expand margins while we're growing, and so how we grow is by changing that mix.

We're definitely doing, and you've seen it, a lot more innovation of frozen in particular. Frozen for chicken was typically outside of the case, where we have our Any'tizers business, is just whole frozen birds. It could be Cornish hens or frozen small birds, and we're moving that into a space where it's branded—you know, Tyson poultry—plus vegetables, plus a starch, and so innovation is going to be key to continue to move that up the curve. But that's an example of we will continue to take every part of the business that's either been under-marketed or under-appreciated, address it to improve margins that are sustainable, and that's—I don't see there's necessarily an end in sight on that.

Ken Zaslow: Can you also—just continuing on the chain, can you talk about the new product innovation and where you are on that, and what successes you've had? And then, as you lead into that, talk about how the new product successes is going in prepared foods, or migrate to prepared foods from there as well.

Tom Hayes: Sure, yeah, new products, I would say we had a hiccup with one new product, and it was the—I'll start with a challenge we had, which is the Tyson frozen Any'tizers wings. So I talked about it on the call. We downsized that package. We took it from a larger size, larger count, to a smaller count, because we had consumer insights that that's what they wanted. And it's the right thing to do. We're going to make higher margins on—going forward. But we took the volume down. The units were fine, but the volume was down. And on top of that, Super Bowl, our demand during the Super Bowl was less. A lot of questions about why that is, but it just was. And we have now a great runway ahead of us, and that was one new product move that was a little bumpy for the quarter.

Going forward, you know, it's not what we presented in the PowerPoint slides that went along with the earnings call, but it's the chicken that I talked about, Any'tizers, that is a big platform for us in new products. But then, bridging to the prepared, it's the constant move from, you know, where we are today to less ingredients, less processed, and you know, being focused on the perimeter of the grocery store, so fresh—and in some cases, that is including frozen these days, but predominantly fresh—and you know, making sure that we take those advantages that we have in the perimeter and in the deli section, and move those to, actually, the food service area, too. The nice thing about Tyson is we have consumers in food service, consumers in retail, and we get insights wherever the consumers live, and we're using those to drive innovation and prepared at the same time.

Ken Zaslow: Within prepared foods, can you talk about the integration of AdvancePierre, how that's going? And more importantly, can you provide anecdotes of what has changed in prepared foods, so kind of telling the story of how it's actually evolving within that organization? I know the numbers are the numbers, but—

Tom Hayes: Yeah. I'll talk about the latter part. Maybe Stewart will talk about how you feel the integration is going, coming in from the outside, seeing how things are running, the projects, and give your perspective.

Stewart Glendinning: Sure. Yeah, so I mean, look, my view is I think that when I arrived, AdvancePierre was sort of really sitting to the side. There's a couple of observations I see here. First of all, as Sally Grimes, who runs that business, has done a terrific job of pulling together a single team. When you look at the way that the business is operating right now, it is operating as a single company in a powerful way.

Recently, we pulled both companies, Hillshire and AdvancePierre, onto a single set of systems, so customers are able to order from the same place. That's not only a cost savings to us, but also, a very, very big operational benefit. And the last thing I'd point to is that we're really seeing the cost synergies come through, right, and that's the best evidence of good integration that you can get. Those cost synergies are dropping to the bottom line. We've set an aggressive goal. We announced in the quarter that we're hitting that goal, and you can see the impact of that when you look at the history of the margins of that business. They have grown steeply, and we've indicated that there's still more

growth to come, and those synergies are a big part of that.

- Tom Hayes: Excellent. And so, the last piece I'd add is just the culture is—with what APF has done with our total team is sort of injected more urgency around some things, and I would say on the customer-branded side, given us faith that we can actually make money in those categories, and also drive our own branded categories. So brand bias, broad customer-focused either way to bring growth, and they were excellent at that, and they're having a big impact on the entire system.
- Ken Zaslow: And how long do you think the synergy opportunity—I know you've stated your synergies, but is there potential for them to either be higher than that, or the duration to be longer than that? And what would drive the extension of either one of those?
- Tom Hayes: Yeah, you know, synergies are a funny thing. You plan to save a bunch of money out of the gate, but it should never be hey, look, at the end of year three, we're done talking about it. It's a continuous effort because things change. The consumer changes, and you know, there's going to be mix shifts in the business. What I would say is what we haven't talked a lot about is how is the full distribution network being impacted, and we are making capital investments against that that are good returns for us and our share owners. We're doing things like thinking about the whole plant structure. What are we doing for automation? And so, there's going to be, beyond the three-year period that we've called out, more cost savings—I wouldn't call them synergies, necessarily—cost savings coming out of the business ongoing.
- Really, it's harder for us to think about AdvancePierre and the legacy businesses separately today, because they have been so integrated, almost out of the box. I would say the personnel and our team member integration was one of the highlights as people came together. We really don't have one side or the other side now. It's one team.
- Stewart Glendinning: Yeah, Ken, I would just say one of the things, you know, coming in from the outside that I really liked about the approach that Tom has driven here, and Tom coined this phrase, financial fitness, and it's all about getting the cost out and keeping it out. I think it's pretty simple. It wasn't well, we're going to take this cost out, you know, just in this sort of integration effort. It was we're going to take cost out of our entire enterprise, and we're going to look for opportunities across the enterprise to share ideas. So, as I've come in, I've seen a very, very rich bench of ideas to take cost out, some of which are related to the acquisition, which of course are very helpful, but more encouraging, broadly across the business.
- Ken Zaslow: Moving to pork, you guys actually had an interesting comment on the call that 2019 will be supportive of strong operating environment. Can you talk about how you think the evolution of the pork margins will be, not just now and how much difficulty will you have in the summer, but more importantly, how will it look in 2019 and beyond? That would be helpful.
- Tom Hayes: Yeah, it's always hard to predict the business well into the future. I guess certainly with the commoditized businesses, as we go through cycles, we do want to talk openly about our view on cycles. I don't know that we've done that a lot, or as much, in the past.

You know, clearly, what's happening on pork, more industry capacity coming on that needs to have more supply, and the imbalance of that creates some turbulence in our P&L. And the reason why we said what we said on the call was that we know that, given what the intentions are today and the discussions we're having with our producers, is that there will be a lot of hogs available in the fall. And, you know, in this business, there's a part of our businesses that is just based on the spread, and there's a part that we're trying to margin up at the same time. But based on having more hogs available going into the fall, that sets up well for a nice margin structure for kicking into our fiscal '19. So that's—we go in with I think a strong momentum, and then, sort of playing the year out, we see, you know, more balance. Our prediction is more balance being achieved, and when we're balanced, that's when we make money. So that's the reason for the comments.

Ken Zaslow: In the beef business, one would say you're probably seeing pretty off the margins right now. Can you talk about where we are in the cattle cycle, what the duration of these margins will be, and how comfortable are you with the outlook for beef?

Tom Hayes: Yeah. I'll spin on that, and then I want Stewart to talk about the beef business, too, because he's very excited about the beef business. You know, it is a cash generation machine. Right now, we know we're in a good cycle, and we can see the animals that are going to be coming, you know, based on the lifecycle of cattle, what's going to be coming to the market out into 2020. And so, when we get there, depending upon what pasture conditions are, who knows, we could go for another three years, four years. That part of it, nobody knows. We have no idea, you know, what that prediction is going to be.

What drives, you know, cycles typically is you have a massive drought. The animals come to market, which is still good for us in that environment. Then, once you get through that, then you have a rebuilding period, and if we don't have animals to process, that's not good for us.

So, chapter two: We like the beef business because today generates, you know, a tremendous amount of cash. You know, there are always questions about so what's the long-term future of beef. Let's just settle right now that it is an excellent business for our share owners, as we use the proceeds to invest in more stable earnings in other parts of the business or in that business, but other parts of the business for sure, prepared and chicken, like we did with this acquisition. And, Stewart, just riff a little bit on beef, if you don't mind.

Stewart Glendinning: All right, so look, when I came into the job, first order of business for me was to just get out and meet some investors and understand the lay of the land, what people's questions. The one question that kept coming up was, you know, what are you going to do about the beef business? And certainly, when you look at the margin structure of the beef business, it's the lowest in our portfolio. As Tom mentioned, one of the reasons why we dropped this idea of normalized margins is going on and on about making 1 to 3 percent in a year when you're making 6 percent doesn't seem to make much sense, right? It does—it is, on its face, obviously, this is a business that has some cyclical to it, but I don't think we need to be prisoners to this 1 to 3 percent.

When you look at the business itself, there are opportunities for that business to margin up, and the place that I would look as an example is what you might see in a grocery

store. So you go to the grocery store, you see a guy come out with a white coat, a little bit of blood on his coat. Of course, he's putting out the trays of meat. That service is changing dramatically, and what's happening there is that grocery stores no longer want to employ a guy in the back who's chopping up the meat. That's a service that's growing very aggressively for us. The margins in that business are much better than the margins in our base business. So there's an example of where our guys are pushing in.

If you look at the branded products that we're driving, you know, grass-fed beef, when you go back to our call, we said that those products, those branded products, attribute-based products, are growing at four times the market. So, there are places that we are pushing in, inside our business, to change the profile of the beef business and to bring more stability to the numbers.

But even if you sort of pull back from all of that and say, okay, what's really underlying here, coming into the business, of course, I took stock. I looked back over a period of five and ten years to say what's this business really been generating for us. And you might argue whether the allocation of assets is right between pork and beef, since those were bought at the same time. If you put those two businesses together and you look at the business over a five- or ten-year time, which we could all argue is well beyond a normal cycle, if there is such a thing, then you will see that the returns on that business have been absolutely good for our shareholders.

So, I wouldn't get caught up—maybe the last point on this is that I have noticed investors getting a little bit caught up on well, this is holding back your multiple, blah, blah, blah. Actually, yes, our multiple is a reflection of the mix of the businesses that we have. That doesn't make them inherently bad businesses. I could have a very high multiple business with an absolutely lousy return. This is a business that has a lower multiple, in which we see the opportunity to improve the return.

Ken Zaslow: I'm going to take a couple questions from the iPad. How does cross-price elasticity of different proteins factor into your capacity and capital plans?

Tom Hayes: We don't let it factor into the long term, unless we're facing some sort of a structural issue. We wouldn't decide to build a plant based on something that happens, you know, here in the next couple of quarters. There is a lot of interaction between our products, as you can well imagine. When ground beef is cheap, it kind of steals from chicken a little bit, and vice versa. When chicken's cheap, it takes from pork. I mean, there is some movement in the category, so that is what drives us to do exactly what Stewart has been talking about, is to focus on attribute-based. Those businesses, there's not one that's growing less than 20 percent, and so some are—you mentioned on the call—are growing 75 percent-ish. Small base, but those growth numbers, you know, you compound that year-over-year, and it's meaningful.

So, that is one of the beauties of Tyson. There are many, but that is one. That is, we move between categories. The consumer is going to face our products in the store, whatever sort of animal protein there is. Increasingly, it may be plant-based protein. But we want to grow the business on the back of great innovation against protein, and the interaction is something that we pay careful attention to. We have tremendous analytics. We have a revenue price management group that interacts with customers, because by the way,

customers want to make the most of money, too. So, we're constantly focused on how product moves at the retail and food service level, and so, yeah, we are paying attention to that, for sure.

Stewart Glendinning: Maybe just one more comment: You know, when you look at price elasticity, to the extent that there's interaction, it's not sort of devastating interaction. In other words, sort of, if you have 50 percent swing in the kind of margins, right? So on that basis, actually, when I look at the kind of capital projects that are coming through for approval, they aren't the sort of projects where you really look at it and say gee, should I do this one or that one, or which way is meat going to go. Actually, when you look at the list of projects that are coming through, I've been really pleased by the returns that I'm seeing in the organic projects that are being submitted to us, and it's one of the reasons why we said that we wanted to up the amount of CapEx spend this year.

Unfortunately, we weren't able to spend at quite the rate we wanted to, but we had a long list of double-digit return projects that are ready to go, and I think that's a great place to be. And none of that has any kind of conflict of, you know, do I do this one or that one, based on price elasticity.

Ken Zaslow: How would you measure—you know, we're kind of winding down here. How would you measure your success in three years?

Tom Hayes: Total shareholder return, total shareholder return, and total shareholder return.

Ken Zaslow: And how would you achieve that?

Tom Hayes: Yeah, as Stewart said, you know, we do get a lot of questions about the multiple. We want the stock price to continue to go up. We want a better multiple. We'd love to have a higher multiple, but we're focused on total shareholder return. Our dividends in 2015 were \$0.40; we're \$1.20 now. You know, we have continued to buy back stock where it makes sense, and we will. We'll use all the leverage. As Stewart rightfully points out, we have all the levers at our disposal versus, you know, just looking we're going to trade off between one or another. We are a very cash-rich company.

So, this past three years, if you look at the consumer set, we're 100 percent total shareholder return over the last three years, smokes any of our other peers. We want to continue to replicate that. We want to make the right investments so we can do it for you and ourselves. That is definitely, I think, what differentiates us, and what's going to be a measure of our success over the next three years are the same thing that it has been: Growing the value-added volume, making sure that we continue to grow EPS. We want to grow share in the categories. We want to lead share growth in the categories where we compete. We want to make really smart investments. We don't want to make investments that are, you know, a 25 times multiple where we can never generate any value in that acquisition. And we're going to take smart moves to continue to get the best total shareholder return in the food space, and I'd argue, beyond food.

Ken Zaslow: Is there anything that would prevent you from growing earnings in 2019 or 2020 that we should think about?

- Tom Hayes: You know, there's always headwinds and tailwinds, and start with our objective, which is probably, I would say, different than in the past, where we sort of lived in the commodity space and sort of appreciated the ebbs and flows of the business. We love the commodity businesses we're in for the moment, and we want to continue to support them to the extent that they contribute to growing earnings, year in and year out. For '19, we see a good environment; we just do. Everything that is sort of setting up today tells us that '19 will be another year of growth, both top and bottom line, and EPS. So, we're not going to quantify that yet, right, because we're still too early, but to the extent that you're wondering how we feel about it, please be clear, we think '19 is going to be another growth year for Tyson.
- Ken Zaslow: Given the capital projects and the acquisition, is there any impediment to restarting the share repurchase program?
- Stewart Glendinning: Well, I mean, I would—I get this question frequently, Ken, and let me be clear. We've never stopped the share buyback program, right? The reason that Tom says we're pulling all of the capital levers at the same time is because it's true. When you look back at the last number of years at this company, very large acquisitions have been made, which has taken the leverage up. We have expanded the dividend substantially, as Tom called out. We at the same time have been buying back stock to offset all the long-term incentive programs, and buying stock on top of that. So there's nothing, really, that's changed in our environment that would cause us to say that we aren't able to continue to do that at the same time.
- And, by the way, I left one item out, and that's we ramped up our CapEx, you know, at the same time. So, we'll continue to make choices that are in the best interest of shareholders. I don't see any reason why we won't be pulling all of the levers, all at the same time.
- Ken Zaslow: Great, and my final question will be, when I think about the next couple of years, the capital investments that you're making, can you talk about what ones you're making and what the return would be in the incremental earnings, not today, but in three to four years, and how to kind of put a framework on it to ensure that you will grow over the next couple of years? How do we think about that? And I'll leave it there.
- Tom Hayes: I'll start. We're going for, you know, 3 times WACC, so cash-on-cash returns for our investors, 3 times WACC. What we end up delivering, based on the mix of maintenance and projects that are delivering high returns will mix out something below that for sure, but that's our goal. IT systems, we are doing a tremendous amount of work on IT to put our entire infrastructure on the cloud. We have made tremendous progress, as Stewart mentioned, combining AdvancePierre and Hillshire, which was a big deal in terms of getting there, so that's a big capital investment. We certainly are building capacity in chicken. You've heard \$300 million investment in Tennessee. And, as Stewart called out, just a lot of other capital projects. We probably need to spend some capital against the case-ready beef and pork business, because that is, as Stewart called out, growing very fast. So, those are sort of the big areas, and we're not done acquiring, either, so that will certainly be a use of our funds.
- Ken Zaslow: Great. With that, we'll end there. Thank you very much.

Tom Hayes: Awesome. Thanks, Ken. Great questions.