



**Tyson**



**Q2 Fiscal 2021**

Supplemental Information

May 10, 2021

# Forward-Looking Statements

Certain information in this presentation 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 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 outbreak of the COVID-19 global pandemic and associated responses has had, and is expected to continue to have, an adverse impact on our business and operations; (ii) our ability to make effective acquisitions or joint ventures and successfully integrate newly acquired businesses into existing operations; (iii) the effectiveness of our financial fitness program; (iv) the implementation of an enterprise resource planning system; (v) access to foreign markets together with foreign economic conditions, including currency fluctuations, import/export restrictions and foreign politics; (vi) cyber incidents, security breaches or other disruptions of our information technology systems; (vii) risks associated with our failure to consummate favorable acquisition transactions or integrate certain acquisitions' operations; (viii) the Tyson Limited Partnership's ability to exercise significant control over the Company; (ix) 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; (x) 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; (xi) 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; (xii) changes in consumer preference and diets and our ability to identify and react to consumer trends; (xiii) effectiveness of advertising and marketing programs; (xiv) significant marketing plan changes by large customers or loss of one or more large customers; (xv) our ability to leverage brand value propositions; (xvi) 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; (xvii) issues related to food safety, including costs resulting from product recalls, regulatory compliance and any related claims or litigation; (xviii) 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; (xix) adverse results from litigation; (xx) risks associated with leverage, including cost increases due to rising interest rates or changes in debt ratings or outlook; (xxi) impairment in the carrying value of our goodwill or indefinite life intangible assets; (xxii) our participation in multiemployer pension plans; (xxiii) volatility in capital markets or interest rates; (xxiv) risks associated with our commodity purchasing activities; (xxv) the effect of, or changes in, general economic conditions; (xxvi) impacts on our operations caused by factors and forces beyond our control, such as natural disasters, fire, bioterrorism, pandemics or extreme weather; (xxvii) failure to maximize or assert our intellectual property rights; (xxviii) effects related to changes in tax rates, valuation of deferred tax assets and liabilities, or tax laws and their interpretation; (xxix) the effectiveness of our internal control over financial reporting, including identification of additional material weaknesses; and (xxx) the other risks and uncertainties detailed from time to time in our filings with the Securities and Exchange Commission.

# Strong first half results demonstrate operational agility



1. Advancing the health, safety, and wellness of our global team members
2. Capitalizing on strengthening protein and consumer fundamentals
3. Driving growth through innovation and retail excellence
4. Making progress on key priorities for shareholder value creation

# Sustained focus on team member health and safety



## Scaling COVID-19 vaccine deployment efforts

- On-going collaboration with Matrix Medical as well as state and local health departments to coordinate vaccination events
- Over **42,000 team members vaccinated** since vaccine deployment started in February
- Have offered on-site vaccination clinics at more than **100 locations in more than 30 states**



## Expanding company health, safety, and wellness resources

- Launched first of seven health clinics for team members and their families in Newbern, Tennessee
- Pilot clinic project represents the expansion of the company's We Care workplace safety program to include overall team member health and wellness



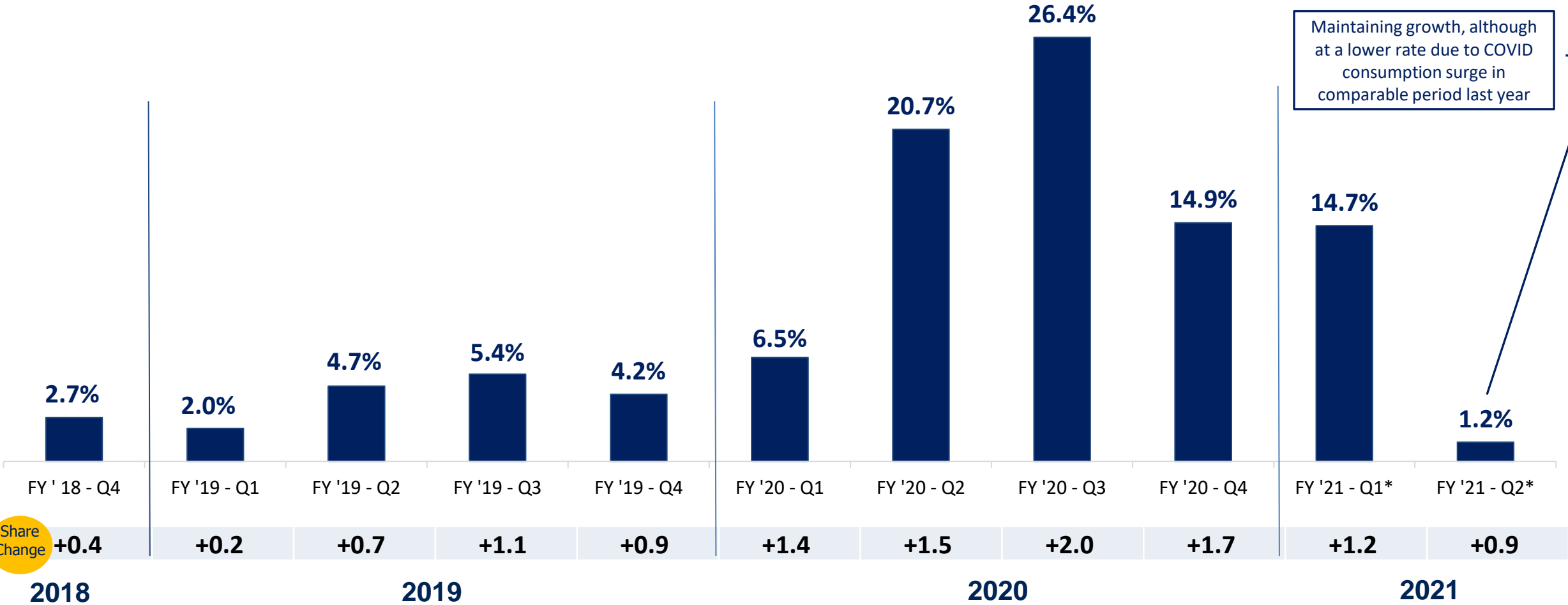
## Implementing COVID-19 monitoring and testing protocols

- "Always-on" testing strategy with thousands of team members being tested each week
- Continued investment in personal protective equipment
- Site certification pilot program developed by Matrix Medical in collaboration with Cleveland Clinic

**Team member health and safety will continue to be our top priority**

# Track record of retail growth and share gains

Percent volume change for Tyson Core Business Lines



**Tyson core business lines have posted 11 consecutive quarters of growth**

Source: NielsenIQ, Connect System, Total U.S. xAOC, EQ Volume Sales vs. YAG, quarterly ending 04/03/2021  
 \*Tyson FY21 quarters have been adjusted to accurately reflect change vs YAG due to the 53 wk Fiscal '20. Otherwise, Nielsen reported relative to change vs. YAG is off by a week

# Robust product innovation driven by consumer insights

## Raised & Rooted



## Jimmy Dean Breakfast Nuggets



## Private Label Chicken Sandwich



- Plant-based patties, sausages, and ground products deliver taste with less saturated fat

- Jimmy Dean brand leadership in breakfast offerings paired with nugget production capabilities to deliver a protein-dense offering that supplements existing breakfast portfolio

- Restaurant-style chicken sandwich with microwave performance

**Driving meaningful innovation that responds to consumer trends**

# Navigating a complex consumer landscape

## Protein consumption remains strong

54%

of consumers say they are **deliberately adding protein** to their daily diet<sup>1</sup>

20%

of consumers say they are **eating animal protein more often** than they were a year ago<sup>2</sup>

## Foodservice industry on the road to recovery

~76%

of U.S. states at 75%+ restaurant capacity<sup>3</sup>

% at least somewhat comfortable<sup>4</sup>....

**93%** Ordering from a restaurant to take elsewhere

**72%** Eating outside at a restaurant

**55%** Eating inside a restaurant

## Retail consumption levels likely to stick for some time

29%

of consumers say they are **continuing to stock up on food & beverage**<sup>4</sup>

50%

of consumers say they are still **eating more at home**<sup>4</sup>

60%

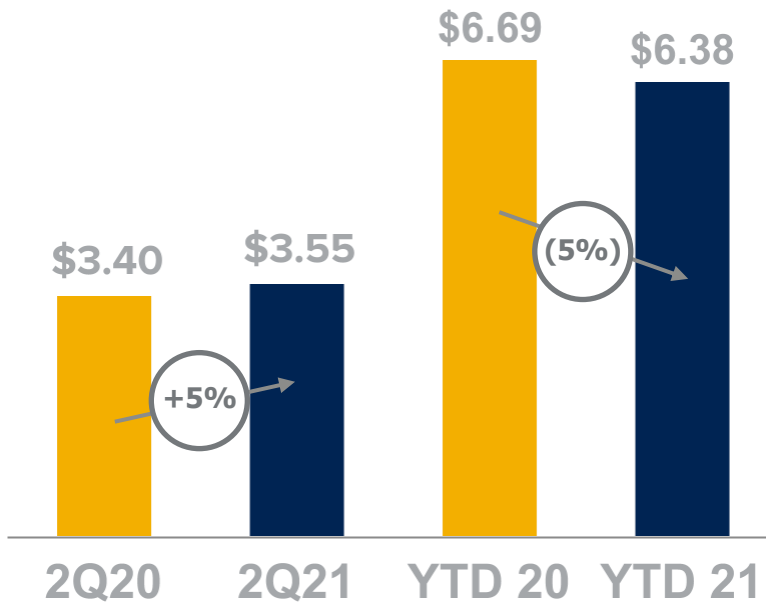
of consumers say they are **enjoying preparing more meals at home**<sup>4</sup>

**Consumer behaviors will evolve at the pace of recovery**

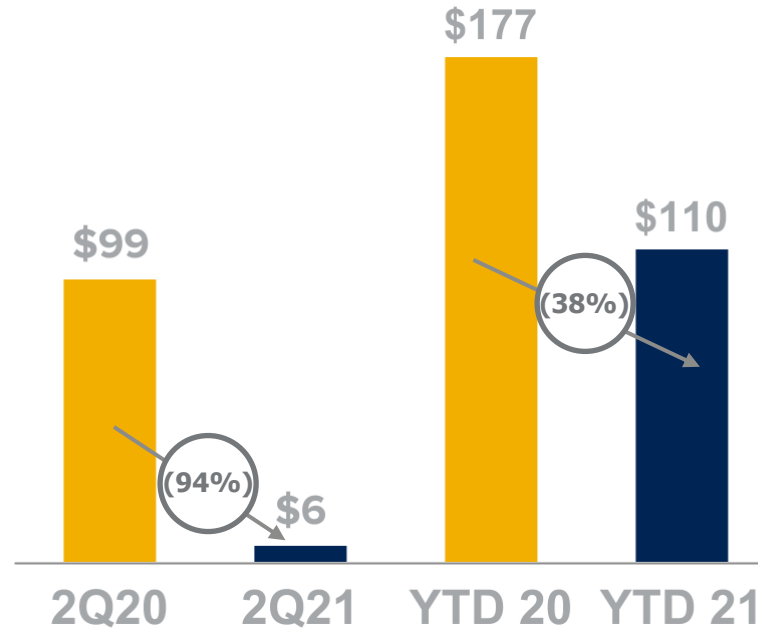
# Chicken Financial Results

Second Quarter and First Half 2021 vs Comparable Periods

## SALES (in billions of dollars)



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



## KEY HIGHLIGHTS

- Sales volume declined due to production inefficiencies related to labor availability and severe winter weather
- Average sales price up due to favorable mix and overall market conditions
- Operating income down due to higher feed ingredient costs, grow-out expenses, and outside meat purchases in 2Q21 (+\$195 million) and 1H21 (+\$240 million), as well as production inefficiencies and direct incremental expenses related to COVID-19
- Net derivative gains for 2Q21 and 1H21 were \$40 million and \$110 million, respectively, compared to the prior period



Sales Development	Volume		Price <sup>2</sup>		Adj Operating Margin <sup>1</sup>			
					2Q20	2Q21	1H20	1H21
2Q21 vs. 2Q20	↓	(3.2%)	↑	7.8%	2.9%	0.2%	2.6%	1.6%
1H21 vs. 1H20	↓	(5.1%)	↑	5.3%				

<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.  
<sup>2</sup> Average Price Change for the Chicken Segment and Total Company for the first six months of fiscal 2021 excludes a \$320 million legal contingency accrual recognized as a reduction to Sales.

# Imperatives for improving Chicken operating results



## Employer of Choice



## Improve Operational Performance



## Serve our Customers

### Tailwinds

- › Increasing team member pay, benefits, flexible scheduling, and other job attributes
- › Realizing improved applicant flow
- › Continued investment in automation and technology to supplement workforce

- › Achieved improvements related to yield, mix, spend, and labor in second quarter
- › Expect improvement in these focus areas to accelerate in second half

- › Executing pricing actions to recover inflationary raw material costs
- › Customer-centric organizational realignment to improve speed and agility of our sales teams

### Headwinds

- › High rates of employee turnover and absenteeism
- › Tight national labor supply in response to government stimulus and unemployment benefits

- › Continued production inefficiency, including winter storm impacts
- › Higher feed ingredient, grow-out expenses and outside meat purchases
- › Hatchability and fertility impacts
- › Freight and transportation costs

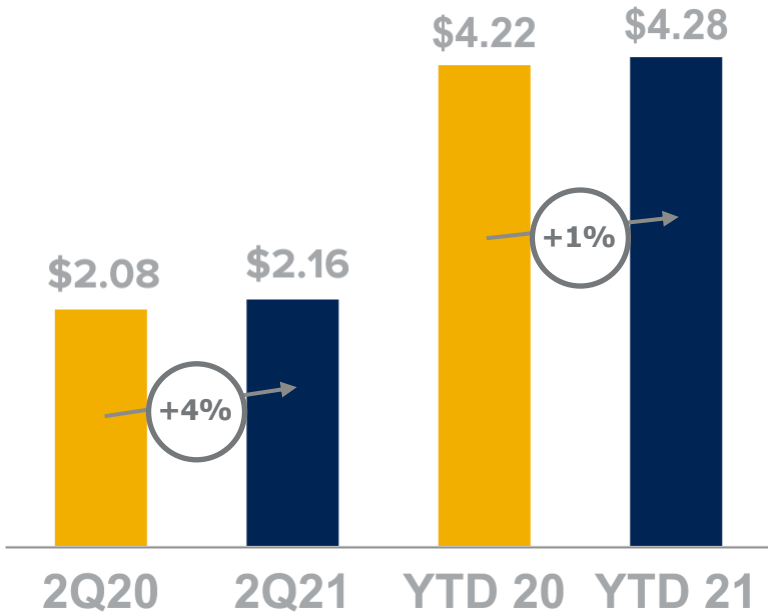
- › Opportunities to maximize production and meet incremental customer needs still exist
- › Order fulfillment recovering relative to pre-COVID levels, but still not optimal

**Controllable improvement opportunities in progress**

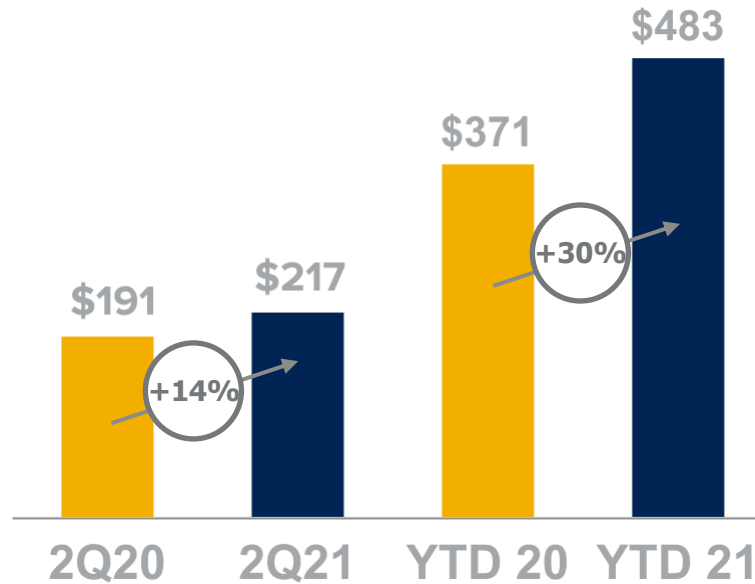
# Prepared Foods Financial Results

Second Quarter and First Half 2021 vs Comparable Periods

## SALES (in billions of dollars)



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



## KEY HIGHLIGHTS

- Sales volume down as growth in the retail channel was offset by a reduction in foodservice, as well as a challenging labor and supply environment
- Average sales price increased due to favorable product mix and the pass through of increased raw material costs
- Operating income increased due to lower commercial spend and favorable product mix, partially offset by increased operating and raw materials costs
- Net derivative gains for 2Q and 1H were \$35 million and \$45 million, respectively, compared to the prior period



### Sales Development

	Volume	Price
2Q21 vs. 2Q20	↓ (4.2%)	↑ 8.2%
1H21 vs. 1H20	↓ (6.6%)	↑ 8.0%

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

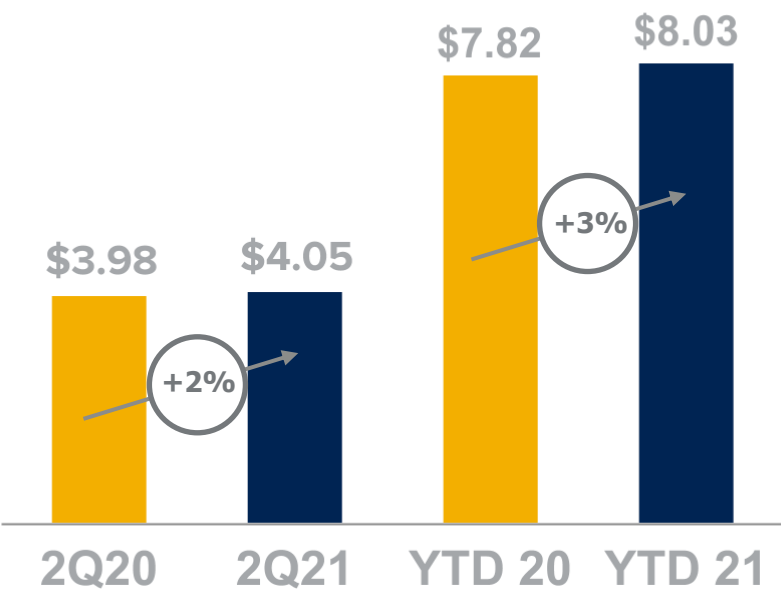
	2Q20	2Q21	1H20	1H21
	9.2%	10.0%	8.8%	11.3%

<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.

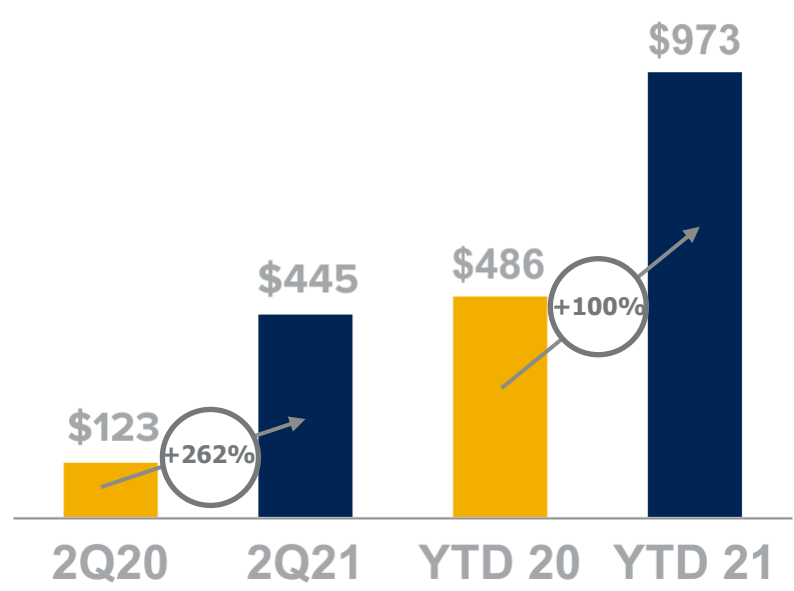
# Beef Financial Results

Second Quarter and First Half 2021 vs Comparable Periods

## SALES (in billions of dollars)



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



## KEY HIGHLIGHTS

- Sales volume was down during 2Q21 due to severe winter weather and a challenging labor environment. Sales volume was relatively flat during 1H21, as 2Q21 impacts were partially offset by strong domestic and export demand as well as impact of production facility fire during 1Q20
- Higher average sales prices and operating income during 2Q21 attributable to continued strong demand for beef products
- Operating income increased in 2Q21 and 1H21 due to strong demand, partially offset by production inefficiencies and direct incremental expenses related to COVID-19
- Net derivative gains for 2Q21 and 1H21 were \$60 million and \$50 million, respectively, compared to the prior period

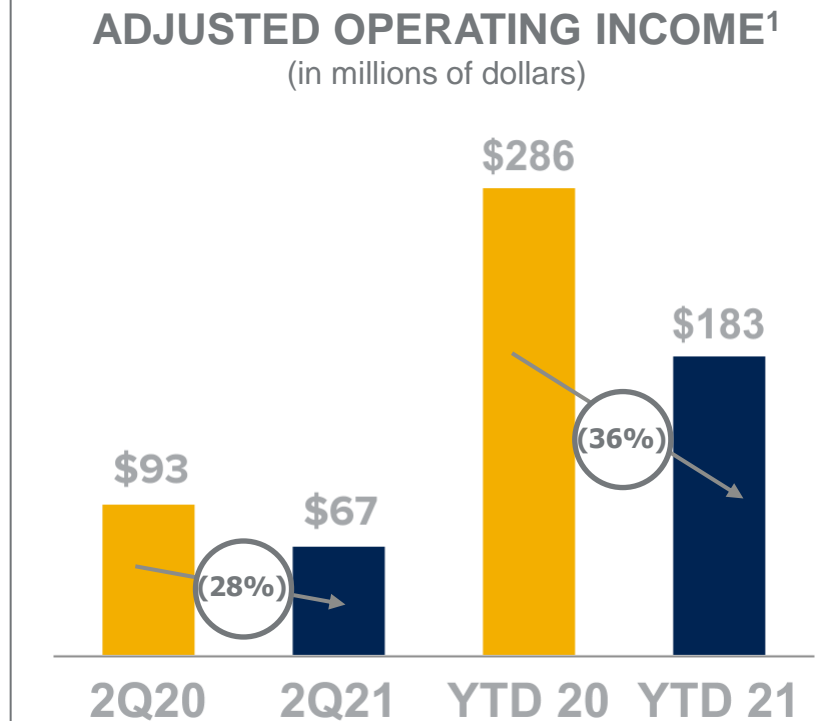
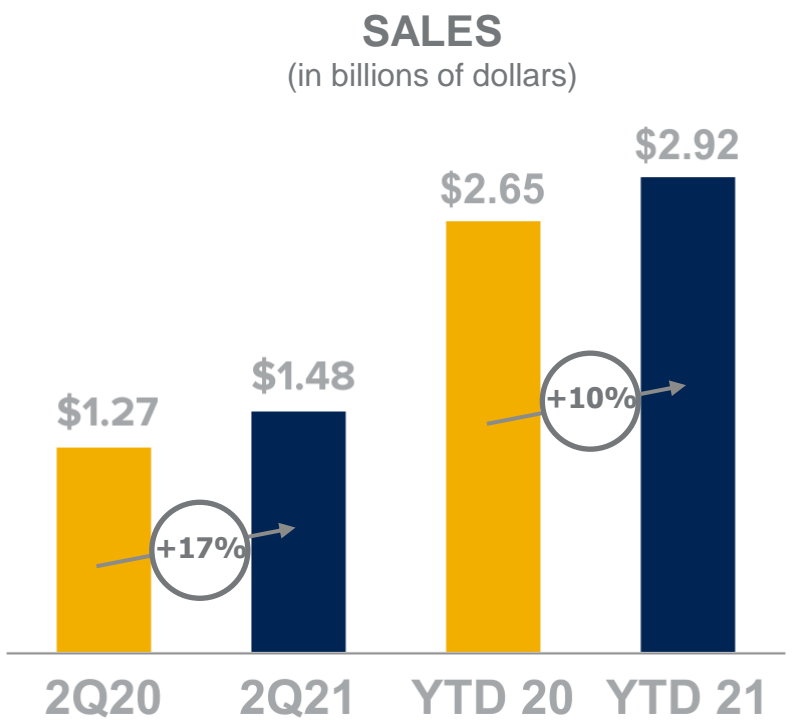


Sales Development	Volume	Price	Adj Operating Margin <sup>1</sup>								
2Q21 vs. 2Q20	↓ (5.8)%	↑ 7.5%	<table border="1"> <thead> <tr> <th>2Q20</th> <th>2Q21</th> <th>1H20</th> <th>1H21</th> </tr> </thead> <tbody> <tr> <td>3.1%</td> <td>11.0%</td> <td>6.2%</td> <td>12.1%</td> </tr> </tbody> </table>	2Q20	2Q21	1H20	1H21	3.1%	11.0%	6.2%	12.1%
2Q20	2Q21	1H20	1H21								
3.1%	11.0%	6.2%	12.1%								
1H21 vs. 1H20	↓ (0.3)%	↑ 3.1%									

<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.

# Pork Financial Results

Second Quarter and First Half 2021 vs Comparable Periods



- ### KEY HIGHLIGHTS
- Sales volume down during 2Q21 and 1H21 primarily due to severe winter weather, partially offset by strong demand
  - Average sales price increased during 2Q21 and 1H21 due to strong demand
  - Operating income decreased during 2Q21 and 1H21 primarily due to production inefficiencies and direct incremental expenses related to COVID-19
  - Net derivative losses for 2Q21 and 1H21 of \$50 million and \$70 million, respectively, compared to the prior period

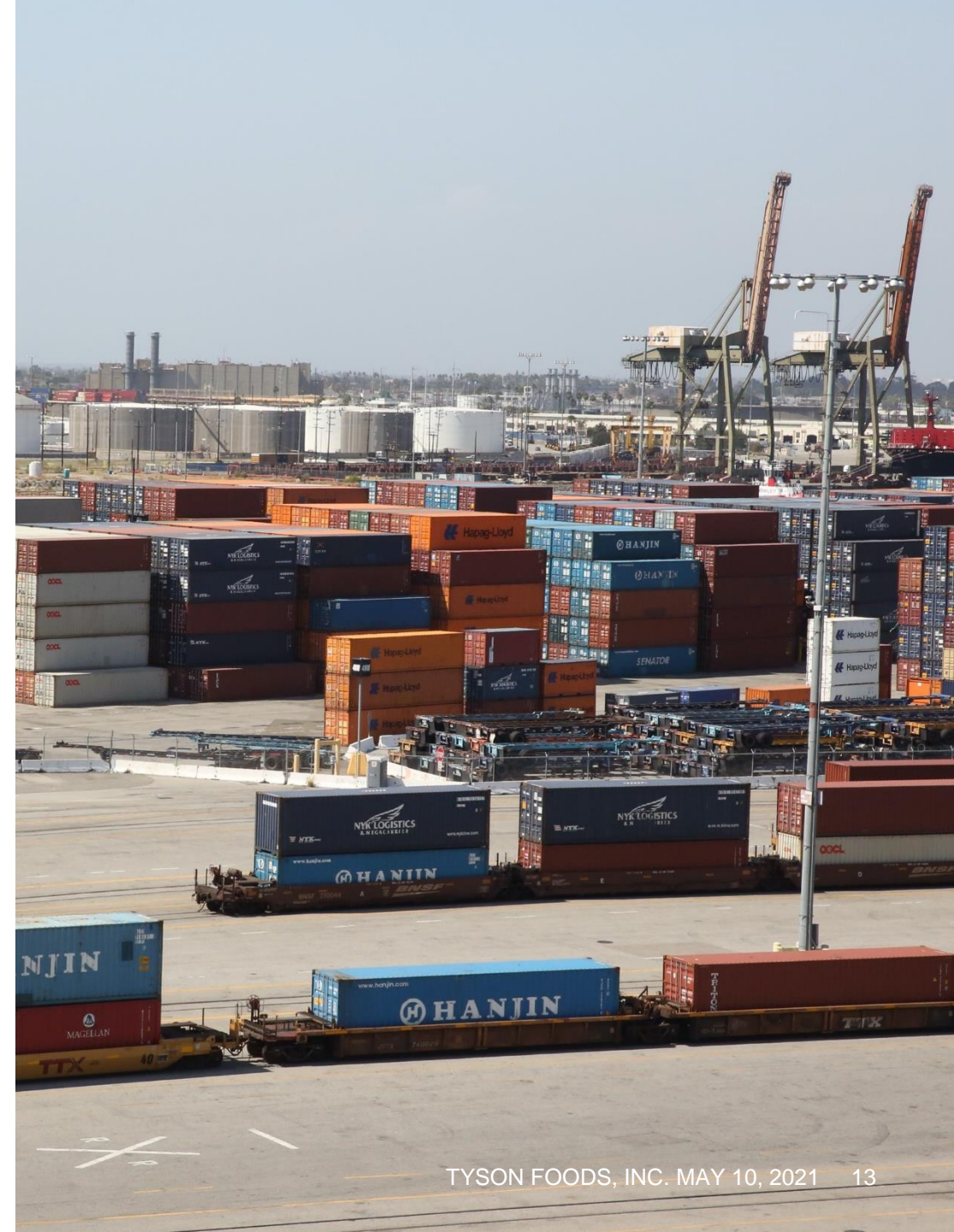


<u>Sales Development</u>	<u>Volume</u>	<u>Price</u>	<u>Adj Operating Margin<sup>1</sup></u>			
			<u>2Q20</u>	<u>2Q21</u>	<u>1H20</u>	<u>1H21</u>
2Q21 vs. 2Q20	(0.5%)	17.2%	7.3%	4.5%	10.8%	6.3%
1H21 vs. 1H20	(1.7%)	12.0%				

<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.

# International Highlights

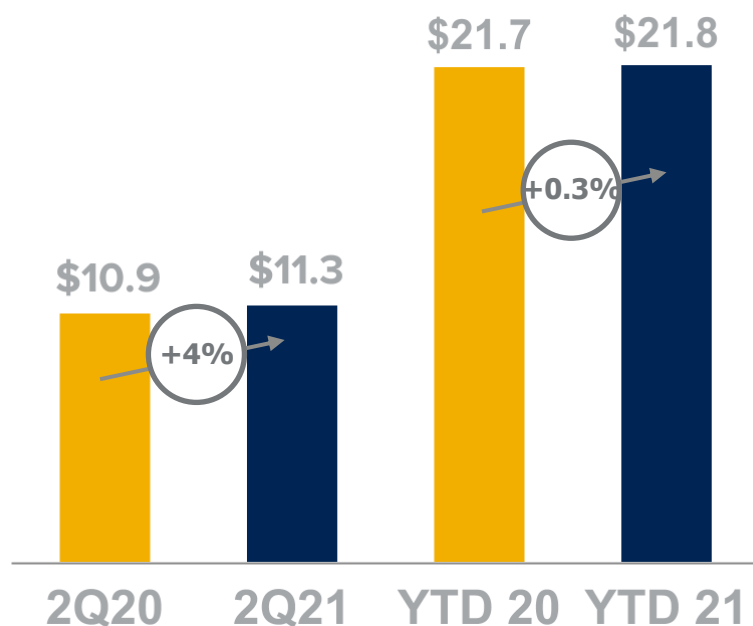
- Value-added capacity expansion initiatives position the International business to deliver future growth and increasing profitability
- Further leverage of One Tyson framework will enable margin accretive collaboration across global production footprint
- Exports from U.S.-based operations continue to play key role in domestic disappearance, supporting farmers and on-shelf prices
- Expanding international capabilities remains fundamental to Tyson's long-term growth strategy



# Total Company Financial Results

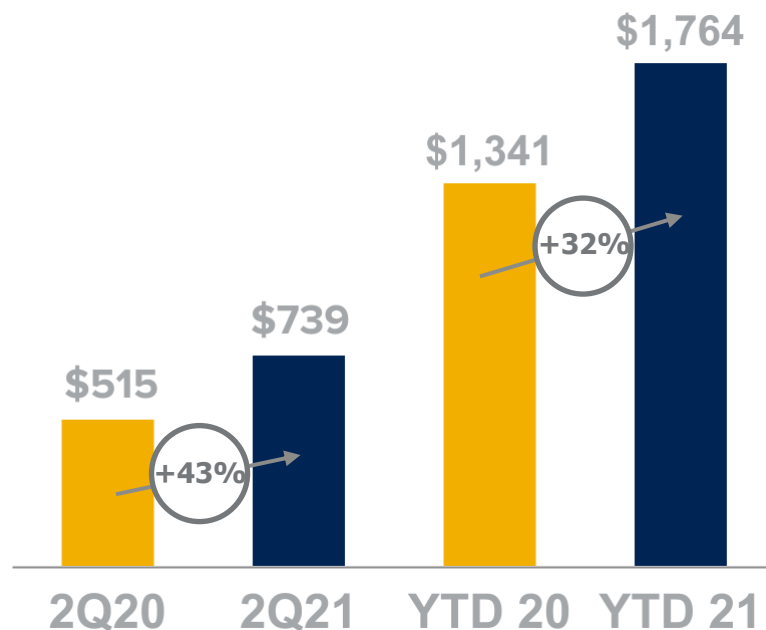
Second Quarter and First Half 2021 vs Comparable Periods

## SALES (in billions of dollars)



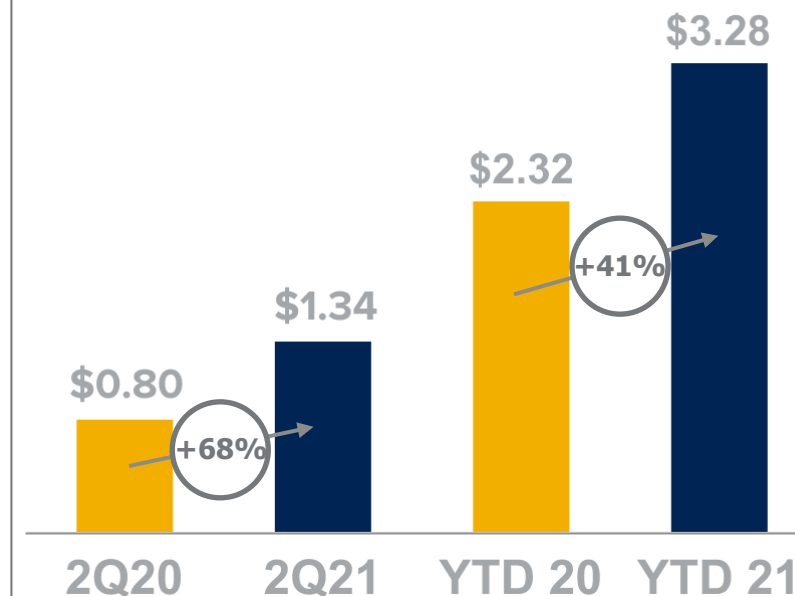
- Volumes down 3.7% in 2Q; down 4.1% 1H21
- Average sales price<sup>2</sup> up 7.5% in 2Q; up 5.8% 1H21
- Reflects impact of \$320 million legal contingency accrual

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



- Higher operating income in Beef and Prepared Foods, partially offset by softer Chicken and Pork segment performance
- Incurred \$215 million of direct incremental COVID-19 costs 1H21

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



- Strong earnings per share performance
- Includes a nearly \$0.12 benefit from cattle supplier fraud restitution in 1H21; 1H20 \$0.11 negative impact; net impact of \$0.23 cents
- Lower interest expense and taxes vs. prior year

<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.  
<sup>2</sup> Average Price Change for the Chicken Segment and Total Company for the first six months of fiscal 2021 excludes a \$320 million legal contingency accrual recognized as a reduction to Sales.

# Sales Bridge

First Half 2021

\$ millions



## Key Drivers

- **Retail** strength contributed over \$700 million in sales improvement in 1H21 and over \$260 million in 2Q21
- **Foodservice** sales declined over \$400 million in 1H21 compared to the same period last year, but improved \$69 million in 2Q21
- **Foodservice recovery** was evident in 2Q21 in higher Chicken (+\$117 million) and Prepared Foods (+\$10 million) sales versus the same period last year
- **Exports** were up over 5% versus the comparable period, led by Beef (+\$100 million)
- **Challenging labor environment** impacted volume across segments
- **Selling price** was up across segments due in part to strong demand for Beef and Pork, favorable mix and market conditions in Chicken, and favorable mix in Prepared Foods

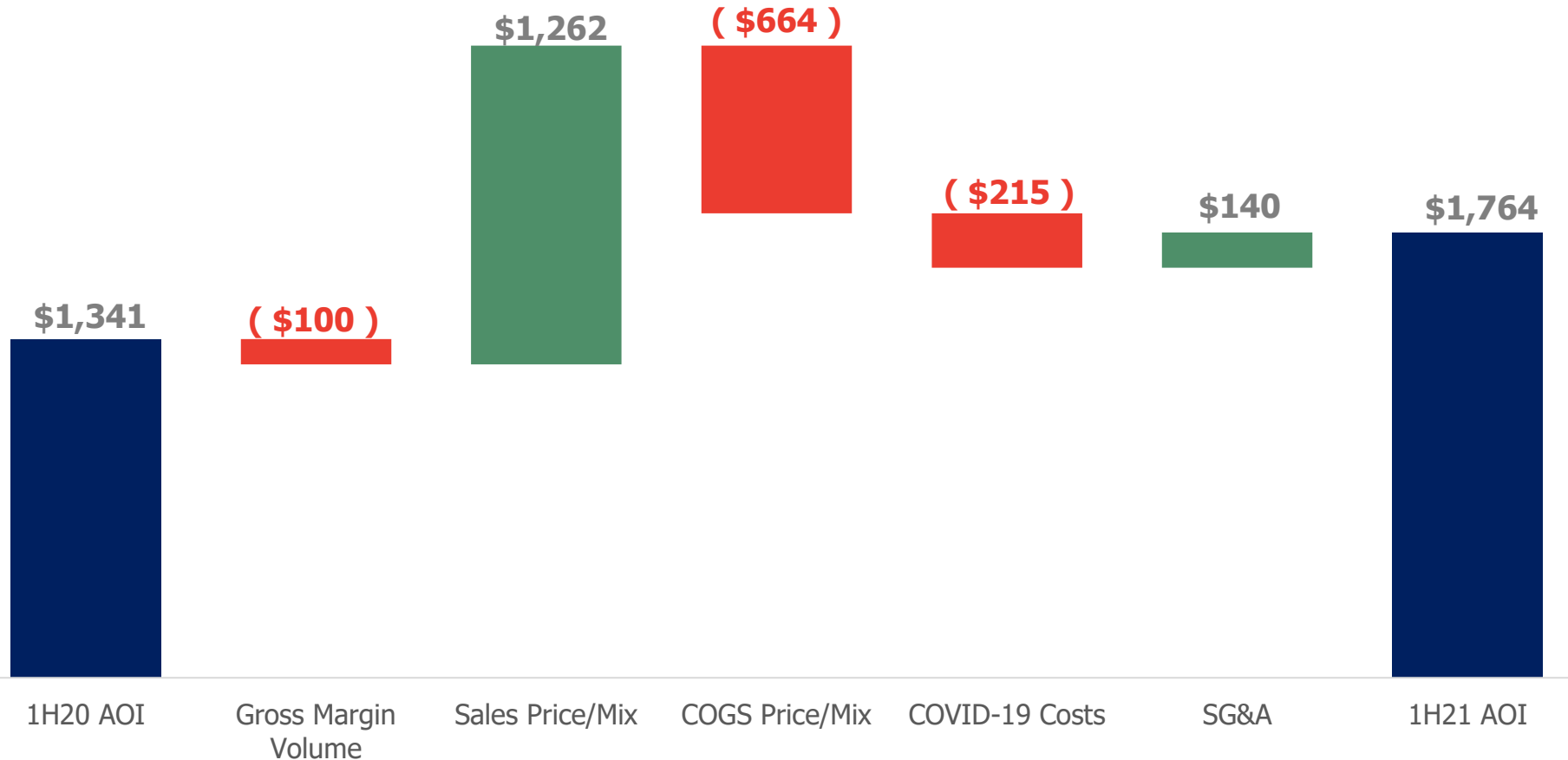
# Retail and export strength drove sales growth in the first half

\* The amount of intersegment sales increased on a year-over-year basis, which is characterized as a reduction to total company sales

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

First Half 2021

\$ millions



## Key Drivers

- **Volumes** lower due to relatively soft but recovering foodservice channel demand
- **Price/mix** up due to the partial recovery of raw material inflation through price and favorable mix
- **COGS** price/mix up substantially as a result of inflationary raw material and supply chain pressures
- **SG&A** benefitted from \$54 million loss in 1Q20 and \$55 million gain from restitution recovered during 1Q21 associated with cattle supplier fraud, and certain reductions in trade spend and T&E as a result of COVID-19

**Offset sharp inflationary pressure to deliver growth**

<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.

# Financial Outlook

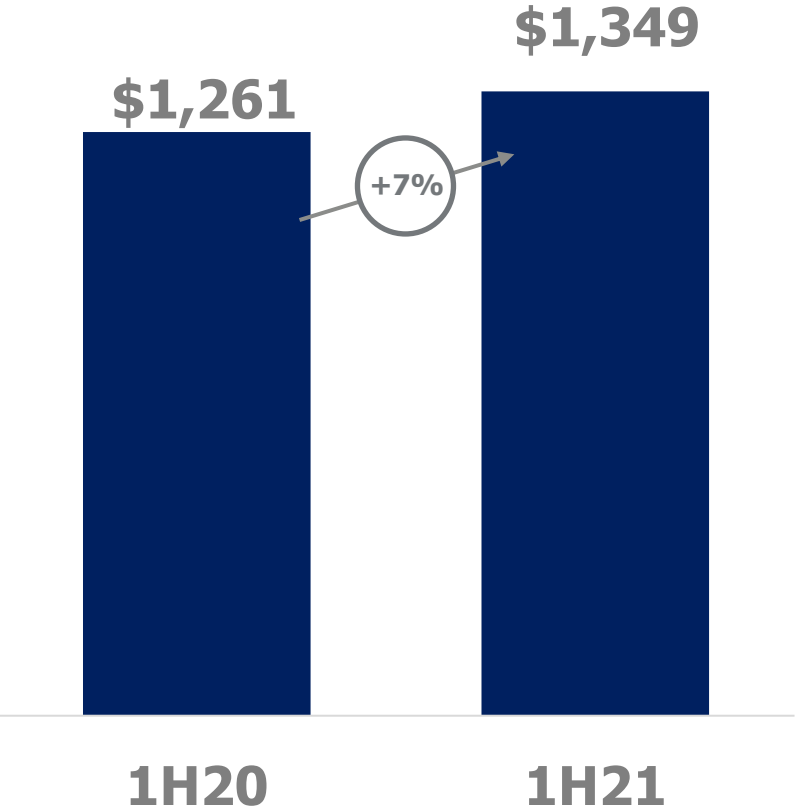
Factor	1H20	1H21	FY 2021 Outlook		Comments
			Prior	Revised	
<b>Sales</b>	\$21.7 billion	\$21.8 billion	\$42 – \$44 billion	<b>\$44 – \$46 billion</b>	Continued strength in beef markets; partial recovery of raw material and supply chain inflation in Beef, Pork, and Chicken
<b>Chicken Adj Operating Margin<sup>1</sup></b>	2.6%	1.6%	Likely down vs. prior year	Unchanged	
<b>Prepared Foods Adj Operating Margin<sup>1</sup></b>	8.8%	11.3%	Up vs. prior year	<b>Flat vs. prior year</b>	Raw material inflation not fully offset by pricing
<b>Beef Adj Operating Margin<sup>1</sup></b>	6.2%	12.1%	Similar to or marginally lower vs. prior year	<b>Up vs. prior year</b>	
<b>Pork Adj Operating Margin<sup>1</sup></b>	10.8%	6.3%	Down vs. prior year	Unchanged	
<b>COVID-19 Costs</b>	\$ -	\$215 million	~\$440 million	<b>~\$365 million</b>	Lower projected costs in Beef and Pork
<b>Capital Expenditures</b>	\$624	\$557	\$1.3 - \$1.5 billion	Unchanged	Lower end of range
<b>Net Interest Expense</b>	\$233	\$216	~\$430 million	<b>~\$420 million</b>	Reflects early payoff of \$1.5B term loan; 2Q21 net repayment of ~\$1B after issuance of new term loan
<b>Adj. Effective Tax Rate</b>	23.6%	23.5%	~23%	Unchanged	
<b>Liquidity</b>	\$2.5B	\$2.6B	>\$1 billion	Unchanged	

<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

# Focused Capital Deployment to Drive Shareholder Return

First Half 2021

## OPERATING CASH FLOW (in millions of dollars)



### BUILD FINANCIAL STRENGTH

- Long-term leverage target of 2.0x Net Debt/ EBITDA<sup>1</sup>



### INVEST IN OUR BUSINESS

- Disciplined investments to modernize and expand capacity



### RETURN CASH TO SHAREHOLDERS

- Committed to returning cash to shareholders through dividends and share repurchases



<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.

# Tyson Has the Right Ingredients for Future Growth



**Key priorities to unlock long-term shareholder value**

# Appendix

# Additional Financial Highlights

Second Quarter 2021

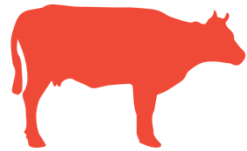
- **Liquidity of \$2.6 billion at 04/03/21**
- **Leverage of 2x net debt-to-adjusted EBITDA<sup>1</sup>**
- **Net term loan repayment of \$1 billion during 2Q**
- **Net interest expense of \$108 million**
- **Adjusted effective tax rate of 23.5%**
- **Capital expenditures \$268 million**
- **Dividend payment of \$159 million**
- **Share repurchases of \$17 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

# Constructive protein fundamentals reinforce results

Percent change versus prior period



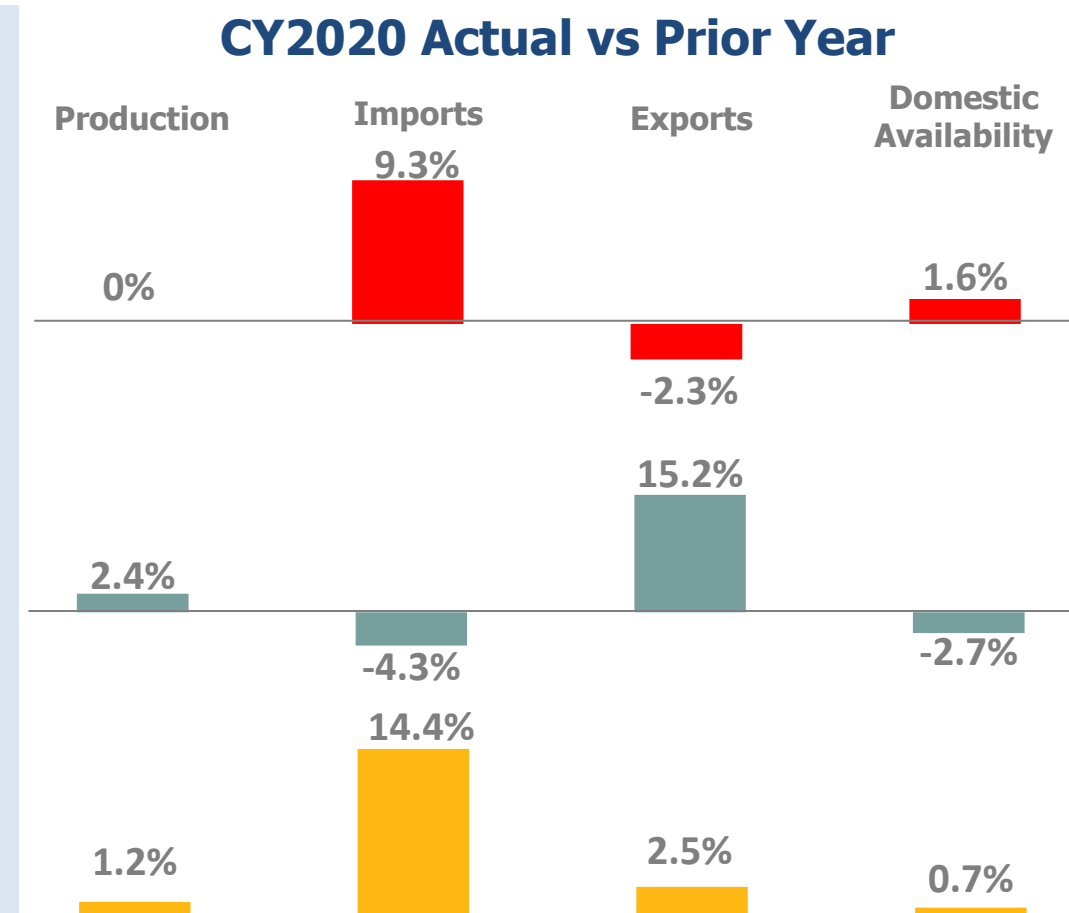
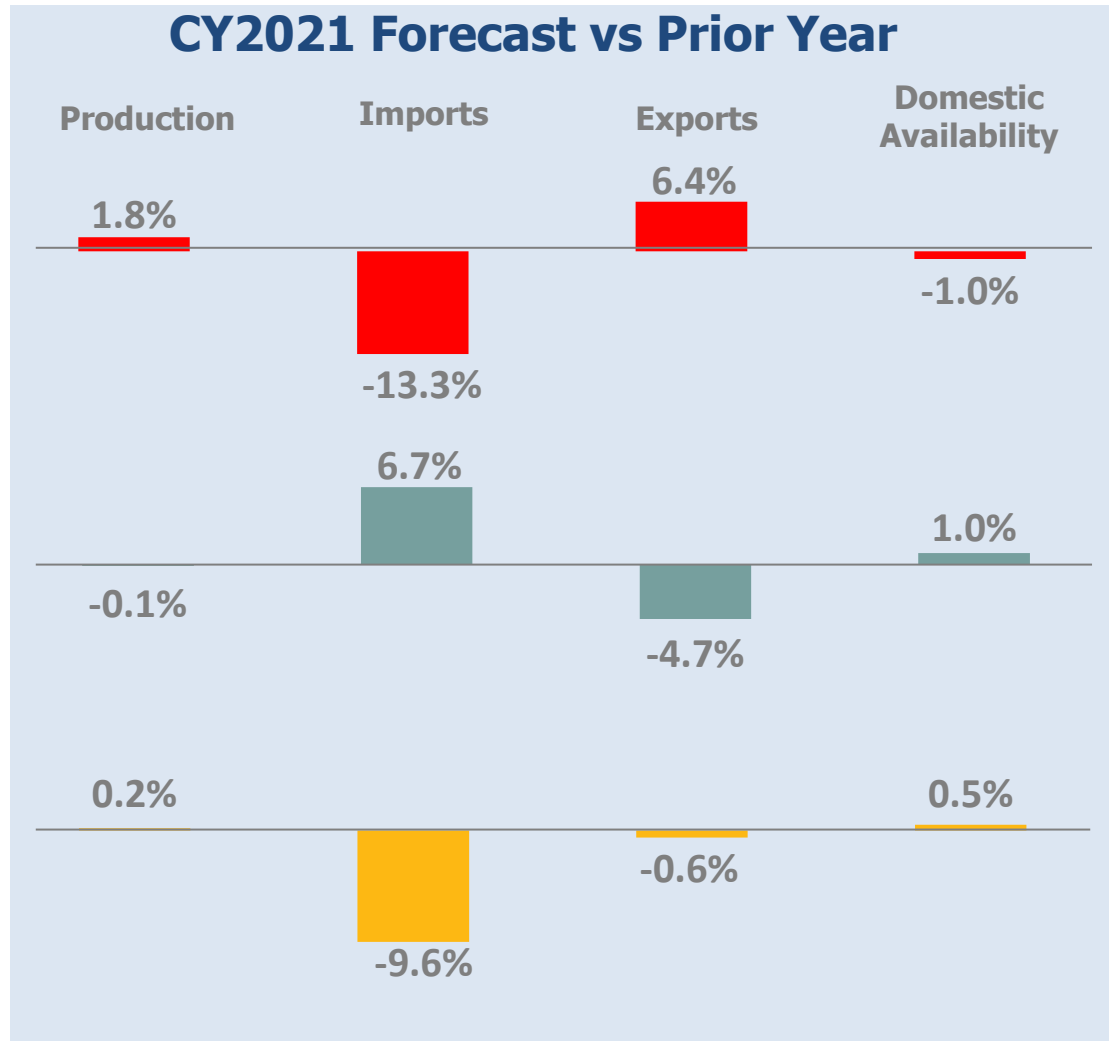
Beef



Pork



Poultry



**Tight supply coupled with strong demand is driving higher cutout**

<sup>1</sup> Source: USDA WASDE forecast and reported data as of April 2021; Domestic Availability = Production – Net Exports + Δ in Inventory; Percent change calculated using production lbs. or carcass wt. equivalent in million pounds

# EPS Reconciliations

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

	Second Quarter				Six 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			\$ 1.30	\$ 1.03			\$ 2.58	\$ 2.41
Add: China plant relocation charge <sup>1</sup>	\$ 19	\$ —	0.04	—	\$ 19	\$ —	0.04	—
Add: Legal contingency accrual	\$ —	\$ —	—	—	\$ 320	\$ —	0.67	—
(Less)/Add: Beef production facility fire insurance proceeds, net of costs	\$ —	\$ —	—	—	\$ (6)	\$ 16	(0.01)	0.03
Add: Restructuring and related charges	\$ —	\$ —	—	—	\$ —	\$ 52	—	0.11
Less: Gain from pension plan terminations	\$ —	\$ (110)	—	(0.23)	\$ —	\$ (110)	—	(0.23)
Adjusted net income per share attributable to Tyson			\$ 1.34	\$ 0.80			\$ 3.28	\$ 2.32

<sup>1</sup> Relates to a plant relocation from a government land expropriation and includes accelerated depreciation and team member related charges.

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, except per share data (Unaudited)

	Six Months Ended		Fiscal Year Ended	Twelve Months Ended
	April 3, 2021	March 28, 2020	October 3, 2020	April 3, 2021
Net Income	\$ 949	\$ 888	\$ 2,071	\$ 2,132
Less: Interest income	(4)	(6)	(10)	(8)
Add: Interest expense	220	239	485	466
Add: Income tax expense	291	274	593	610
Add: Depreciation	463	438	900	925
Add: Amortization (a)	132	138	278	272
EBITDA	\$ 2,051	\$ 1,971	\$ 4,317	\$ 4,397
Adjustments to EBITDA:				
Add: China plant relocation charge	\$ 19	\$ —	\$ —	\$ 19
Add: Legal contingency accrual	320	—	—	320
Add: Restructuring and related charges	—	52	75	23
Add/(Less): Beef production facility fire costs, net of insurance proceeds	(6)	16	1	(21)
Less: Gain from pension plan terminations	—	(110)	(116)	(6)
Less: Impact of additional week in fiscal 2020	—	—	(96)	(96)
Total Adjusted EBITDA	\$ 2,384	\$ 1,929	\$ 4,181	\$ 4,636
Total gross debt			11,339	10,364
Less: Cash and cash equivalents			(1,420)	(877)
Less: Short-term investments			—	—
Total net debt			\$ 9,919	\$ 9,487
Ratio Calculations:				
Gross debt/EBITDA			2.6x	2.4x
Net debt/EBITDA			2.3x	2.2x
Gross debt/Adjusted EBITDA			2.7x	2.2x
Net debt/Adjusted EBITDA			2.4x	2.0x

(a) Excludes the amortization of debt issuance and debt discount expense of \$9 million for the six months ended April 3, 2021, \$5 million for the six months ended March 28, 2020, \$14 million for the twelve months ended October 3, 2020, and \$18 million for the twelve months ended April 3, 2021 as it is included in interest expense.

# Segment Operating Income Reconciliations

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

Adjusted Segment Operating Income (Loss)												
<i>(for the second quarter ended April 3, 2021)</i>												
	Beef		Pork		Chicken		Prepared Foods		International/Other	Total		
Reported operating income (loss)	\$	445	\$	67	\$	6	\$	217	\$	(15)	\$	720
Add: China plant relocation charge <sup>1</sup>		—		—		—		—		19		19
Adjusted operating income	\$	445	\$	67	\$	6	\$	217	\$	4	\$	739

Adjusted Segment Operating Income (Loss)												
<i>(for the six months ended April 3, 2021)</i>												
	Beef		Pork		Chicken		Prepared Foods		International/Other	Total		
Reported operating income	\$	973	\$	183	\$	(210)	\$	483	\$	(4)	\$	1,425
Add: Legal contingency accrual		—		—		320		—		—		320
Add: China plant relocation charge <sup>1</sup>		—		—		—		—		19		19
Adjusted operating income	\$	973	\$	183	\$	110	\$	483	\$	15	\$	1,764

<sup>1</sup> Relates to a plant relocation from a government land expropriation and includes accelerated depreciation and team member related charges recorded in cost of sales.

Adjusted operating income and adjusted operating margin 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 operating margin 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 operating margin 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 operating margin. Further, we believe that adjusted operating income and adjusted operating margin are useful measures because they improve comparability of results of operations from period to period. Adjusted operating income and adjusted operating margin should not be considered as substitutes for operating income, operating margin 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 operating margin may not be comparable to similarly titled measures reported by other companies.

# Segment Operating Income Reconciliations

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

Adjusted Segment Operating Income (Loss)							
<i>(for the six months ended March 28, 2020)</i>							
	Beef	Pork	Chicken	Prepared Foods	International/Other	Total	
Reported operating income	\$ 465	\$ 284	\$ 156	\$ 349	\$ 19	\$ 1,273	
Add: Restructuring and related charges	5	2	21	22	2	52	
Add: Beef production facility fire costs, net of insurance proceeds	16	—	—	—	—	16	
Adjusted operating income	\$ 486	\$ 286	\$ 177	\$ 371	\$ 21	\$ 1,341	

Note: Restructuring and related charges consisted of \$9 million recorded in cost of sales and \$43 million was recorded to selling, general and administrative. Beef production facility fire costs were recorded to cost of sales.

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