



Tyson

—
Q3 Fiscal 2021

Supplemental Information
August 9, 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 COVID-19 global pandemic and associated responses thereto have had an adverse impact on our business and operations, and the extent that the COVID-19 pandemic continues to impact us will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, the speed and effectiveness of vaccine and treatment developments and their deployment, and public adoption rates of COVID-19 vaccines and their effectiveness against emerging variants of COVID-19, including the Delta variant; (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.

Q3 2021: strong performance in a strong protein market

1. Retail brands continued to gain market share
2. Foodservice recovery extends beyond QSRs
3. Diverse portfolio delivered earnings growth
4. Deleveraging actions strengthened our financial position
5. Invested capital to support future growth



Taking action with an eye to the future




1. Leveraging portfolio diversity to drive consistent results
2. Working to deliver a best-in-class team member experience
3. Improving the reliability of our supply for customers
4. Accelerating actions to improve our competitive position in Chicken
5. Continuing to strengthen optionality and allocate capital with discipline



Leveraging portfolio diversity to drive consistent results


Sales

 **25%**
3Q21 vs. 3Q20

 **8%**
YTD21 vs. YTD20

Adjusted Operating Income¹

 **81%**
3Q21 vs. 3Q20

 **49%**
YTD21 vs. YTD20

Adjusted Earnings Per Share¹

 **93%**
3Q21 vs. 3Q20

 **61%**
YTD21 vs. YTD20

Our Priorities

1 | Go-to-supplier for customers and consumers **2** | Most sought after place to work **3** | Operationally excellent

¹ 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.

Delivering a best-in-class team member experience

Health, safety, and wellness resources

- **Health and safety is our top priority**
- **Requiring all U.S. team members to be fully vaccinated by November 1**
- Investing in health clinics and wellness programs

Competitive wage and benefit offerings

- **Increasing wage rates based upon analytics around labor dynamics**
- Supporting flexible scheduling and creative production schedules
- Investing in leadership and career development
- Piloting childcare and transportation offerings at select locations
- Part-time labor strategies

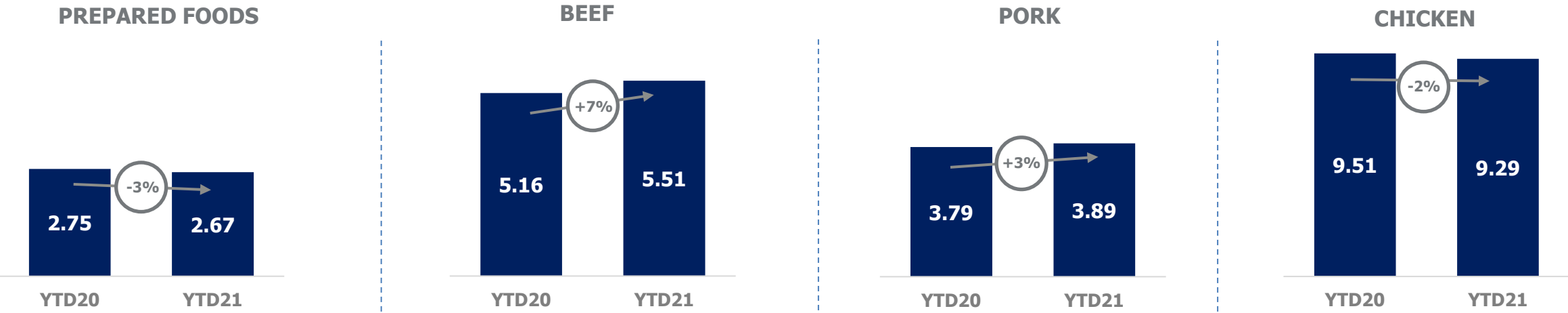
Investing in automation and technology

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

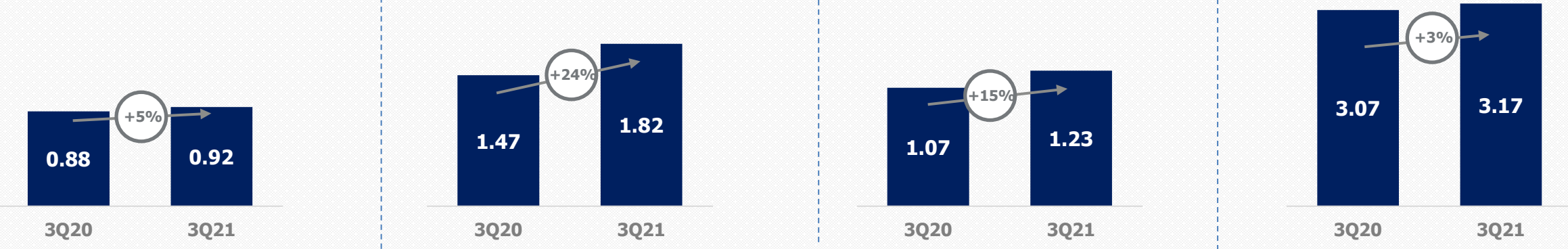
Aggressive action to address and mitigate labor challenges

Focused on improving reliability of supply for our customers

YTD21 Volume¹ (billion pounds)



3Q21 Volume¹ (billion pounds)



Driving capacity utilization and expansion to address demand

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

Imperatives for improving Chicken operating results



Employer of Choice



Improve Operational Performance



Serve our Customers

Actions

- ✓ Competitive wage rates
- ✓ Improved team member experience through innovative benefits offerings
- ✓ Upward Academy programs designed to teach team members critical language and life skills

- ✓ Deployed new male to regain competitive hatch
- ✓ Ramping-up Humboldt
- ✓ Prioritizing labor to run higher value-added

- ✓ Delivering on-time, in-full
- ✓ Sustaining retail value-added market share gains
- ✓ Leading foodservice recovery
- ✓ Reduce risk in pricing models

Target Outcomes

↓ Outside meat purchases ↑ Capacity utilization ↑ Customer Fill Rates

↑ **5-7% by mid-FY22**
Adj Operating Income Margin

Accelerating actions to drive execution excellence

Current State



Operations

Labor and supply challenges have lowered capacity utilization across our segments and facilities



Warehousing & Logistics

Disparate network and processes are not optimized



Sales & Marketing

Customers are asking for greater supply agility and reliability



Enabling Functions

Latent opportunities to integrate and transform enabling functions

Future State

- AI-enabled demand planning
- Plant automation for difficult and hard-to-fill roles
- Asset footprint optimized
- Reduced complexity with streamlined product offerings

- Digitized transportation and warehouse management
- Optimized distribution network
- Maximized direct plant shipments

- Demand sensing technology
- Advanced trade analytics/optimization
- Digital engagement with customers and consumers
- Insights-driven consumer solutions

- Agile, best-in-class processes in procurement, finance, innovation, and human resources

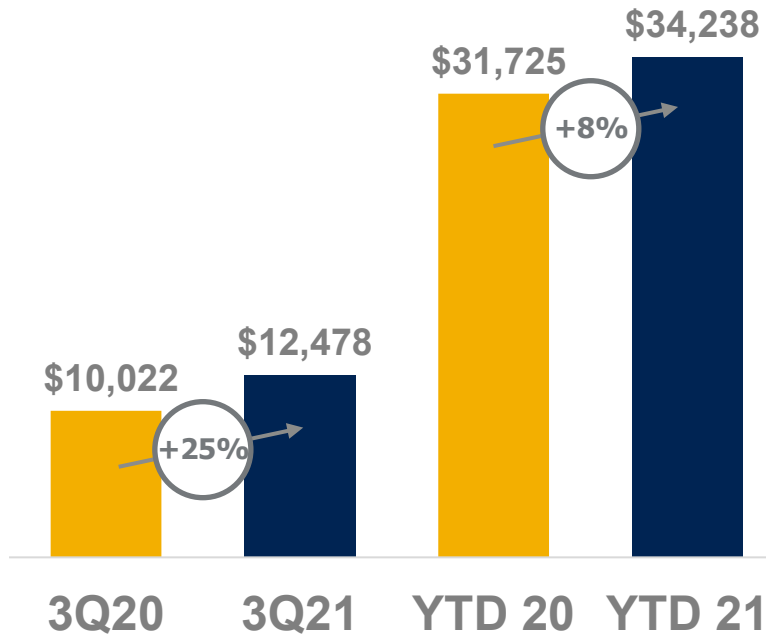
Reshaping and modernizing how we operate

Total Company Financial Results

Third Quarter and YTD 2021 vs Comparable Periods

SALES

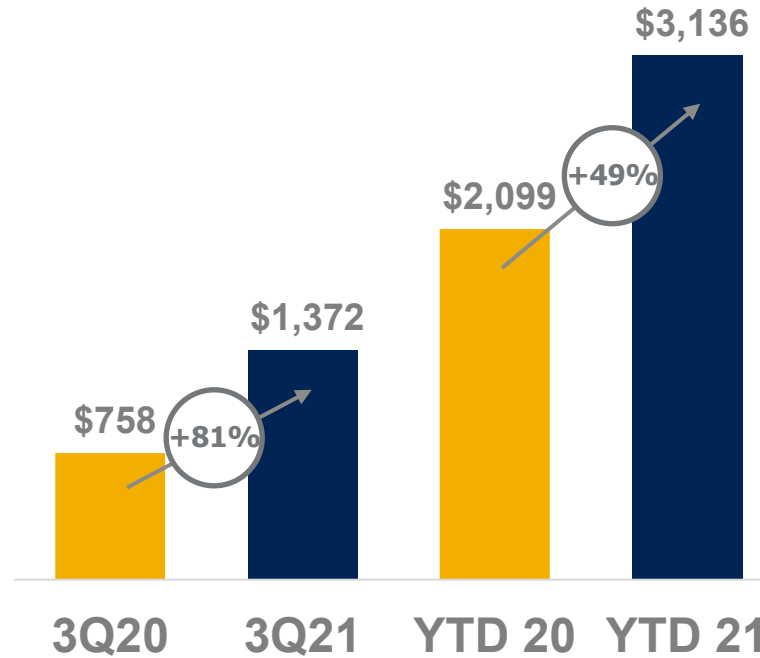
(in millions of dollars)



- Volumes up 9.7% in 3Q and roughly flat YTD 21
- Average sales price² up 17.1% in 3Q and up 9.5% YTD21
- Reflects impact of \$545 million in legal contingency accruals

ADJUSTED OPERATING INCOME¹

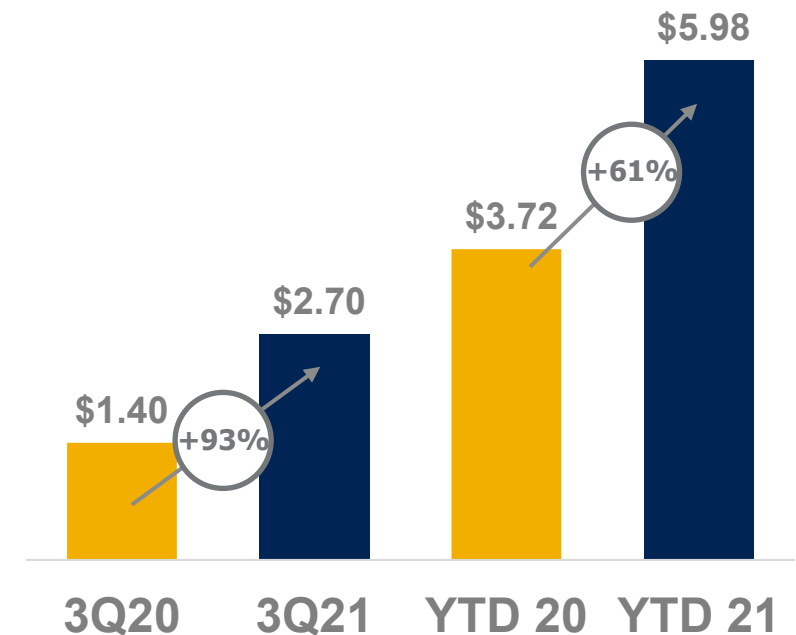
(in millions of dollars)



- Higher operating income in Beef, Chicken, and Prepared Foods, partially offset by softer Pork segment performance
- Incurred \$55 million of direct incremental COVID-19 costs during 3Q21; \$270 million YTD21

ADJUSTED EPS¹

(in dollars per share)



- Strong growth in earnings per share performance
- Includes a nearly \$0.12 benefit from cattle supplier fraud restitution in YTD 21; YTD 20 \$0.11 negative impact; net impact of \$0.23 cents
- Lower interest expense and adjusted effective tax rate vs. prior year

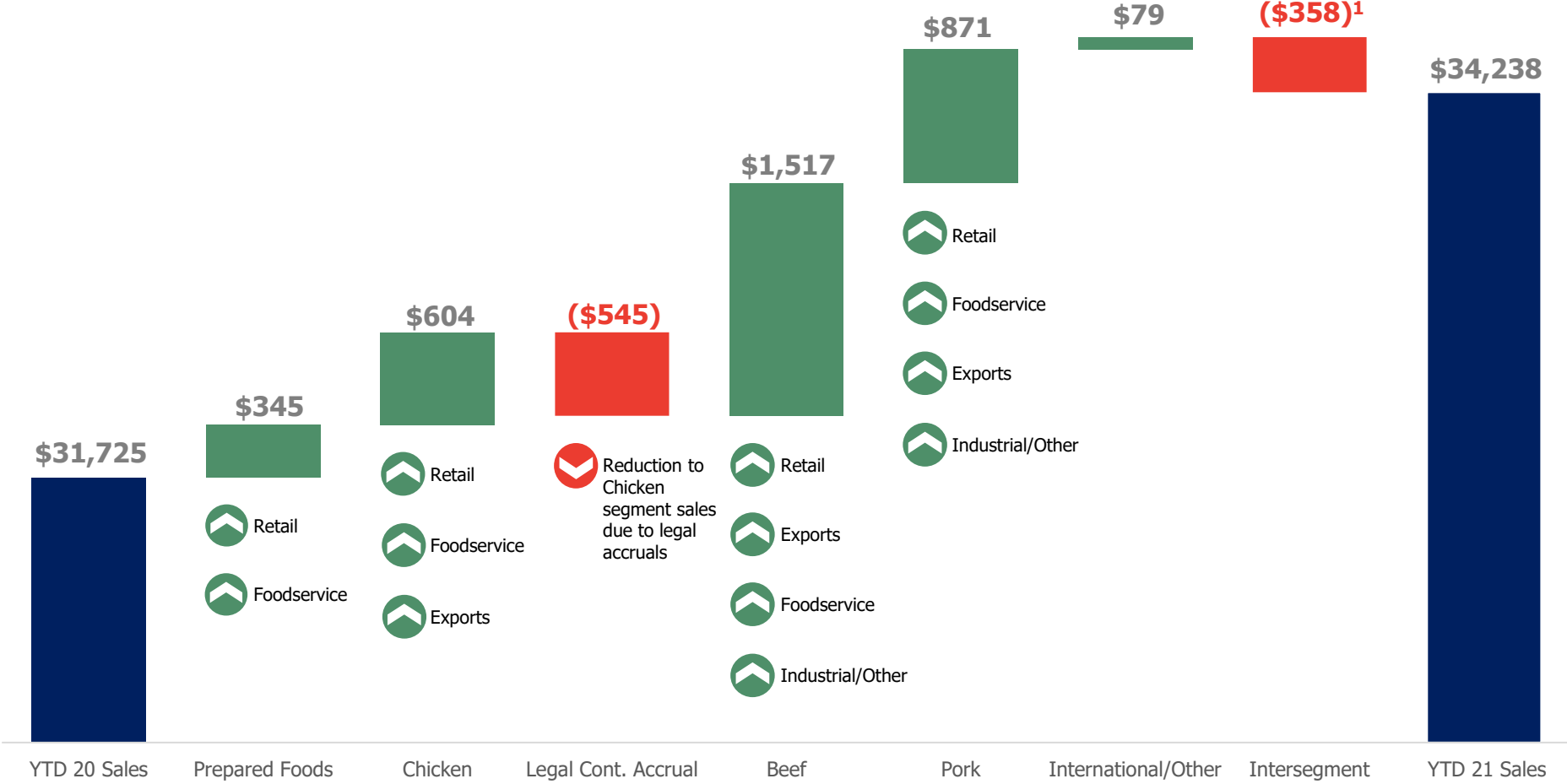
¹ Represents a non-GAAP financial measure. Adjusted EPS, adjusted operating income and adjusted operating margin are explained and reconciled to comparable GAAP measures in the Appendix.

² Average Price Change for the Chicken Segment and Total Company excludes \$225 million and \$545 million for the three and nine months ended July 3, 2021, respectively, of legal contingency accruals recognized as a reduction to Sales.

Total Company Sales Bridge

YTD 2021

\$ millions



Highlights

- **Retail** strength contributed over \$1 billion in sales improvement in YTD 21 and over \$300 million in 3Q21
- **Foodservice** sales improved nearly \$1 billion in YTD 21 compared to the same period last year driven by an over \$1.3 billion increase during 3Q21
- **Exports²** were up over \$500 million in YTD 21 compared to the same period last year and over \$400 million during 3Q21 vs. the comparable period
- **Challenging labor environment** impacted volume across segments
- **Selling price** was up across segments partially due to recovery actions to offset inflationary pressure

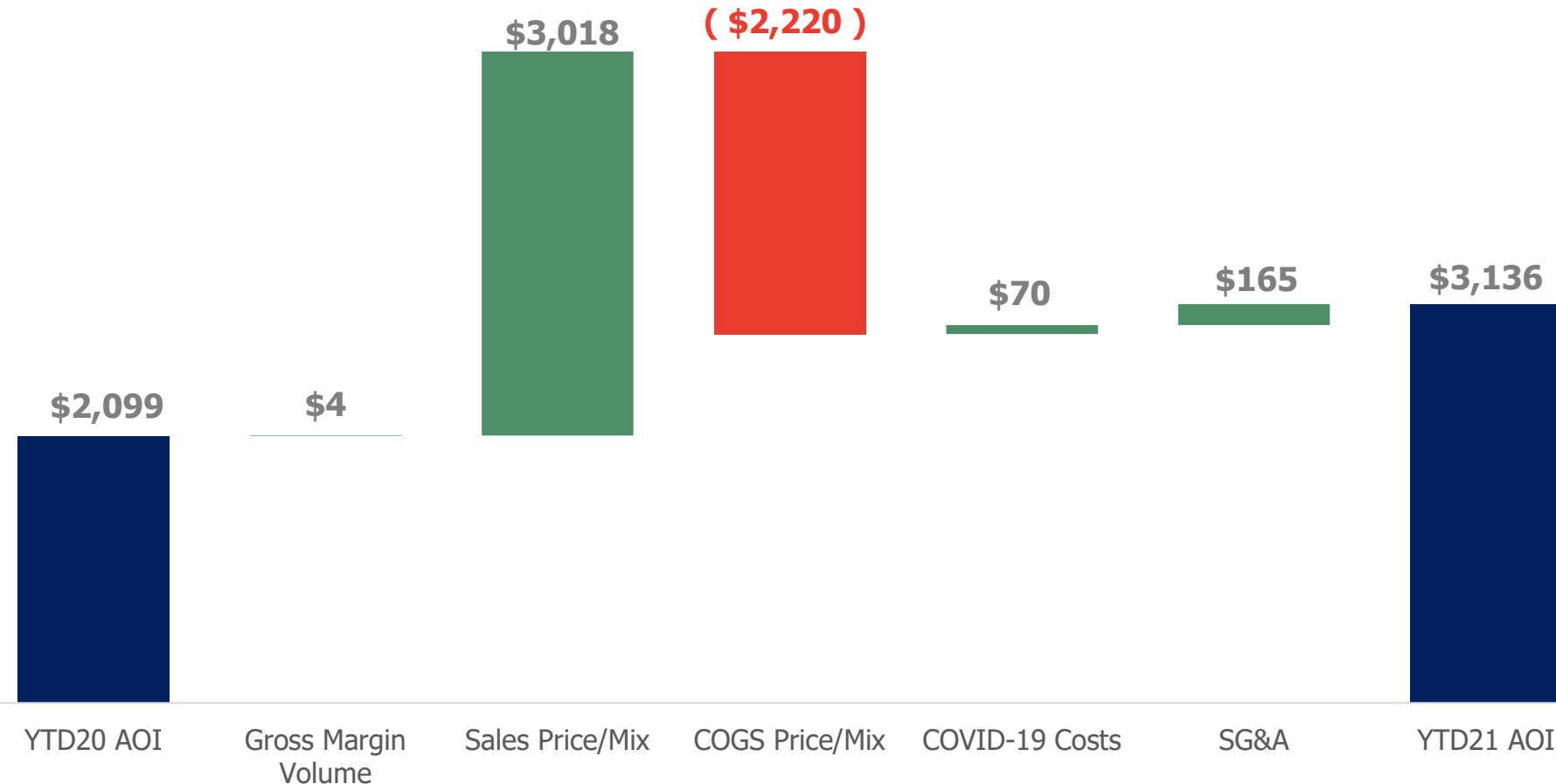
Retail, foodservice, and exports drive sales growth year-to-date

¹ The amount of intersegment sales increased on a year-over-year basis, which is characterized as a reduction to total company sales
² Exports refer to sales of domestically produced products from each of our domestic segments to international markets

Total Company Adjusted Operating Income¹ Bridge

YTD 2021

\$ millions



Highlights

- **Volumes** were roughly flat on a year-to-date basis
- **Price/mix** up substantially due to the recovery of raw material inflation through price plus favorable mix
- **COGS** price/mix up substantially as a result of inflationary raw material and supply chain cost pressures
- **SG&A** benefitted from \$56 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

Growth in earnings performance despite inflationary pressures

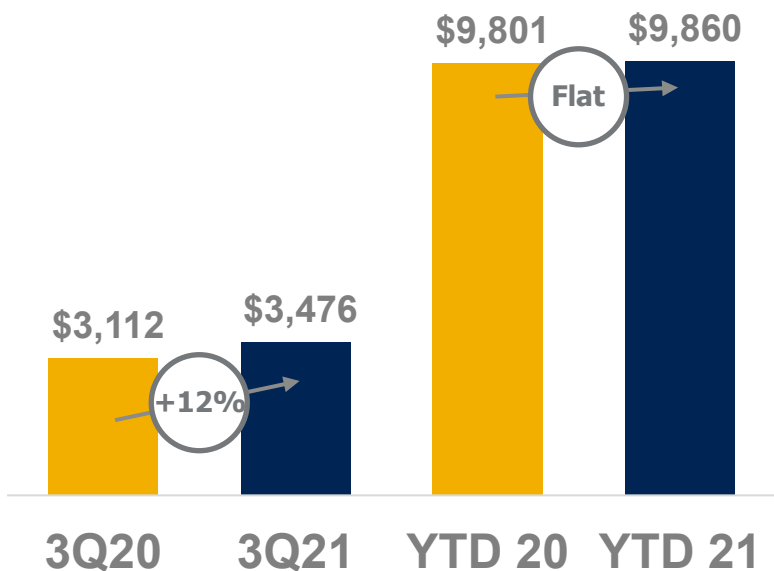
¹ Represents a non-GAAP financial measure. Adjusted EPS, adjusted operating income and adjusted operating margin are explained and reconciled to comparable GAAP measures in the Appendix.

Chicken Financial Results

Third Quarter and YTD 2021 vs Comparable Periods

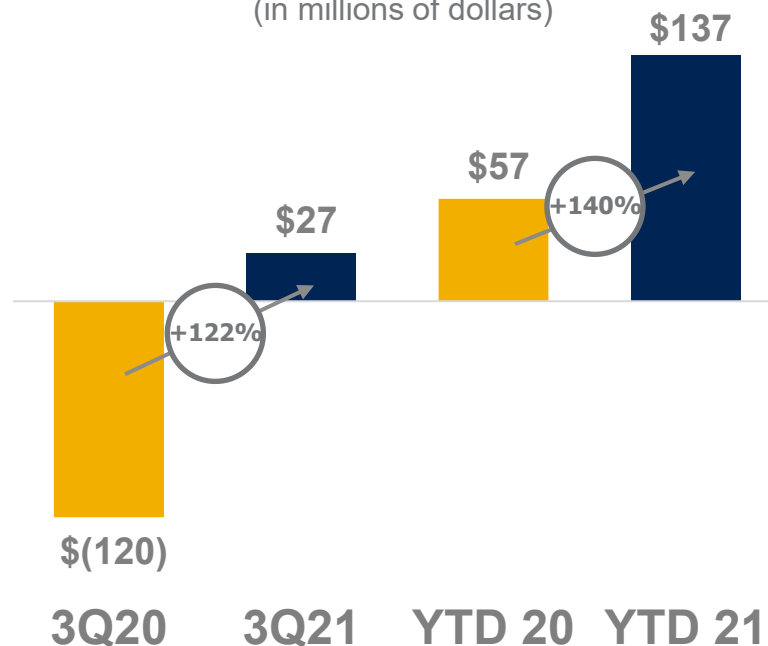
SALES

(in millions of dollars)



ADJUSTED OPERATING INCOME¹

(in millions of dollars)



KEY HIGHLIGHTS

- 3Q21 sales volume increased due to increased demand across channels and improved production efficiencies
- 3Q21 average sales price was up due to favorable market conditions, price recovery to offset inflation, and mix
- YTD 21 operating income increased as improved pricing, mix, and derivative gains offset higher feed ingredient costs, outside meat purchases, and grow-out expenses (collectively a +\$620 million headwind)
- Net derivative gains for 3Q21 and YTD 21 were \$125 million and \$235 million, respectively, compared to the prior period



Sales Development

3Q21 vs. 3Q20
YTD 21 vs. YTD 20

Volume

↑ 3.3%
↓ (2.4%)

Price²

↑ 15.5%
↑ 8.5%

Adj Operating Margin¹

3Q20	3Q21	YTD 20	YTD 21
(3.9%)	0.7%	0.6%	1.3%

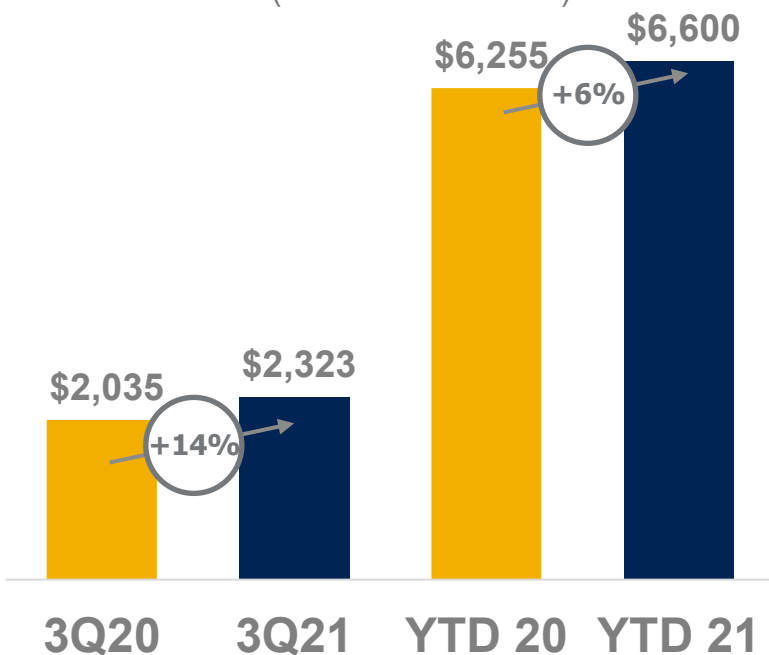
¹ Represents a non-GAAP financial measure. Adjusted EPS, adjusted operating income and adjusted operating margin are explained and reconciled to comparable GAAP measures in the Appendix.

² Average Price Change for the Chicken Segment and Total Company excludes \$225 million and \$545 million for the three and nine months ended July 3, 2021, respectively, of legal contingency accruals recognized as a reduction to Sales.

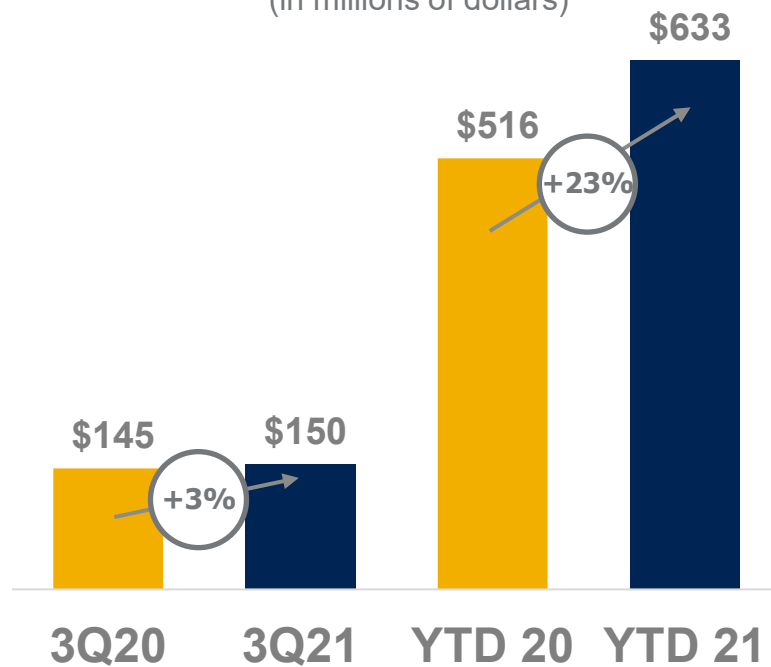
Prepared Foods Financial Results

Third Quarter and YTD 2021 vs Comparable Periods

SALES (in millions of dollars)



ADJUSTED OPERATING INCOME¹ (in millions of dollars)



KEY HIGHLIGHTS

- 3Q21 sales volume improved due to strong foodservice demand and persistent retail strength
- 3Q21 average sales price increased due to favorable product mix and price recovery to offset inflation
- YTD21 operating income increased due to favorable product mix, increased pricing, and improved productivity, partially offset by increased raw material costs and operating costs
- Net derivative gains for 3Q and YTD were \$15 million and \$60 million, respectively, compared to the prior period



Sales Development

		Volume		Price
3Q21 vs. 3Q20	↑	4.5%	↑	9.7%
YTD 21 vs. YTD 20	↓	(3.0%)	↑	8.5%

Adj Operating Margin¹

	3Q20	3Q21	YTD 20	YTD 21
	7.1%	6.5%	8.2%	9.6%

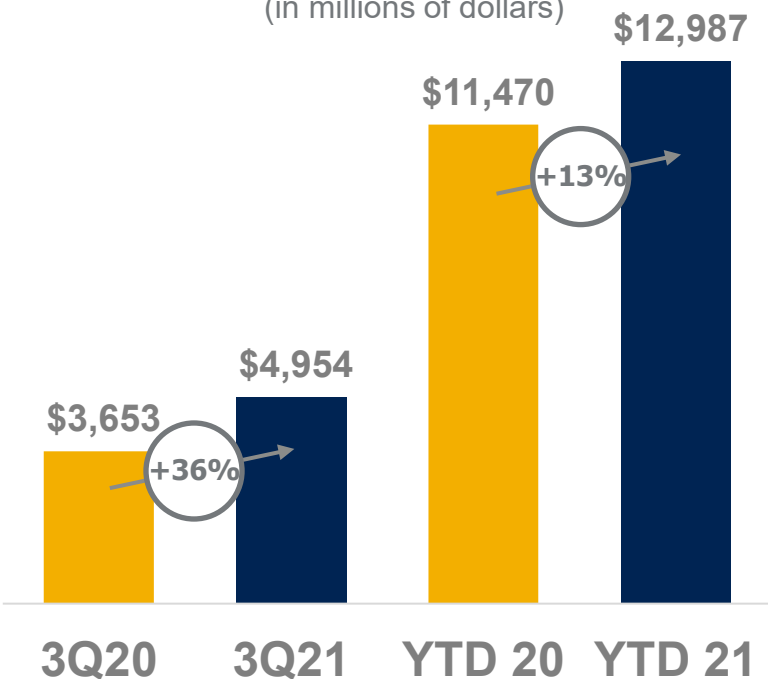
¹ Represents a non-GAAP financial measure. Adjusted EPS, adjusted operating income and adjusted operating margin are explained and reconciled to comparable GAAP measures in the Appendix.

Beef Financial Results

Third Quarter and YTD 2021 vs Comparable Periods

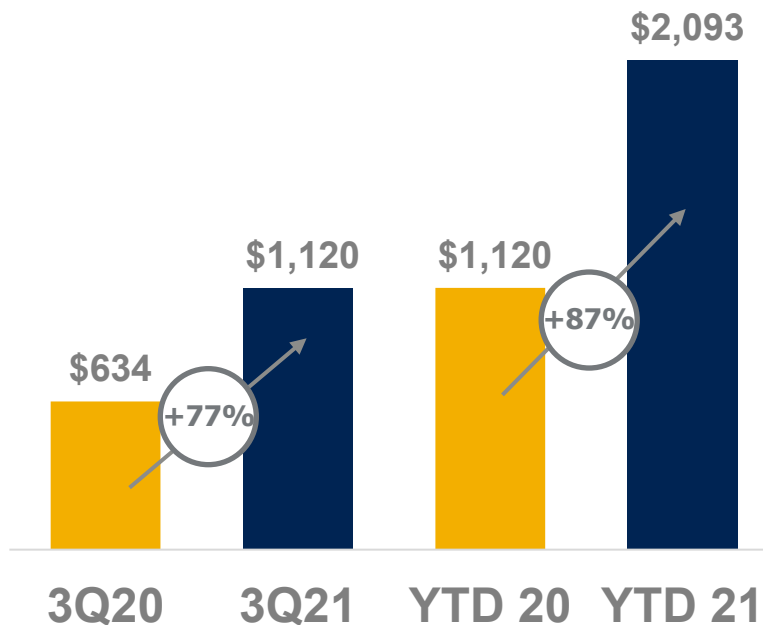
SALES

(in millions of dollars)



ADJUSTED OPERATING INCOME¹

(in millions of dollars)



KEY HIGHLIGHTS

- Sales volume was up during 3Q21 and YTD 21 due to strong demand and a soft comparable period volume due to COVID-19 production disruptions
- Higher average sales prices and operating income during 3Q21 attributable to continued strong demand for beef products
- Operating income increased in 3Q21 and YTD 21 due to strong demand, partially offset by production inefficiencies and direct incremental expenses related to COVID-19

Sales Development

		Volume		Price
3Q21 vs. 3Q20	↑	24.0%	↑	11.6%
YTD 21 vs. YTD 20	↑	6.6%	↑	6.6%

Adj Operating Margin¹

3Q20	3Q21	YTD 20	YTD 21
17.4%	22.6%	9.8%	16.1%



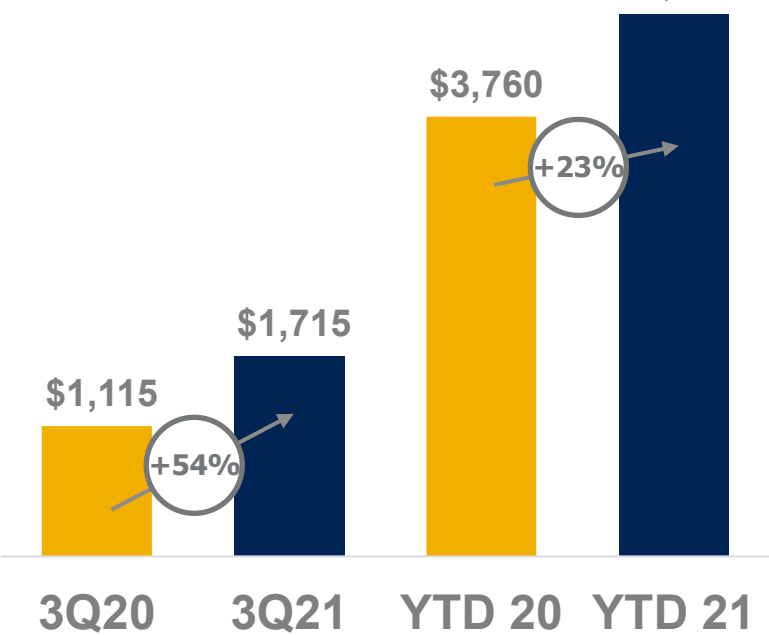
© 2021 Tyson Foods, Inc.

¹ 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.

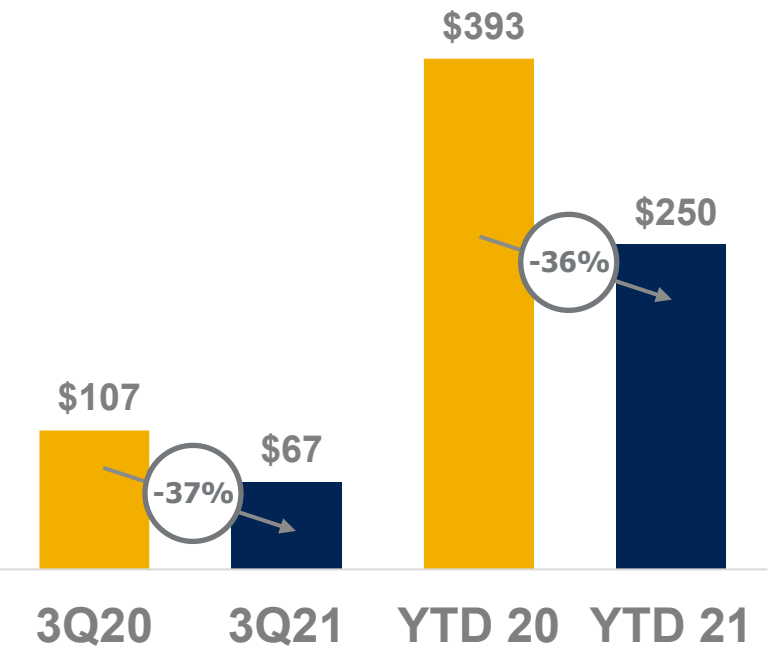
Pork Financial Results

Third Quarter and YTD 2021 vs Comparable Periods

SALES (in millions of dollars)



ADJUSTED OPERATING INCOME¹ (in millions of dollars)



KEY HIGHLIGHTS

- Sales volume increased due to increased live hogs processed and strong global demand, partially offset by the challenging labor environment
- Average sales price increased during 3Q21 and YTD 21 due to strong demand and increased live hog costs
- Operating income decreased during 3Q21 and YTD 21 primarily due to production inefficiencies, tight hog supply relative to industry capacity, and direct incremental expenses related to COVID-19
- Net derivative losses for 3Q21 and YTD 21 of \$45 million and \$115 million, respectively, compared to the prior period

Sales Development		Volume	Price	Adj Operating Margin ¹			
				3Q20	3Q21	YTD 20	YTD 21
3Q21 vs. 3Q20	↑	14.5%	↑ 39.3%	9.6%	3.9%	10.5%	5.4%
YTD 21 vs. YTD 20	↑	2.9%	↑ 20.3%				



¹ 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.

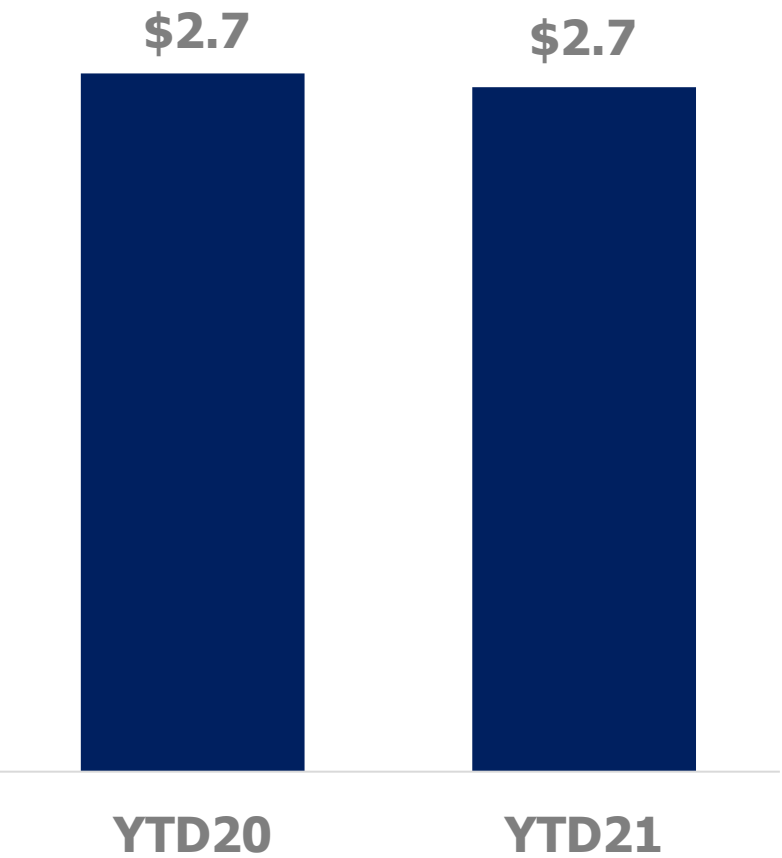
Financial Outlook

Factor	YTD 20	YTD 21	FY 2021 Outlook		Comments
			Prior	Revised	
Sales	\$31.7 billion	\$34.2 billion	\$44 – \$46 billion	\$46 – \$47 billion	<ul style="list-style-type: none"> Commercial initiatives to offset inflationary pressure and grain cost headwinds Continued strength in Beef
Chicken Adj Operating Margin¹	0.6%	1.3%	Likely down vs. prior year	Unchanged	
Prepared Foods Adj Operating Margin¹	8.2%	9.6%	Flat vs. prior year	Unchanged	
Beef Adj Operating Margin¹	9.8%	16.1%	Up vs. prior year	Unchanged	
Pork Adj Operating Margin¹	10.5%	5.4%	Down vs. prior year	Unchanged	
COVID-19 Costs	\$340 million	\$270 million	~\$365 million	~\$325 million	<ul style="list-style-type: none"> Certain COVID-19 costs becoming structural
Capital Expenditures	\$907 million	\$859 million	\$1.3 – \$1.5 billion	Unchanged	<ul style="list-style-type: none"> Lower end of range
Net Interest Expense	\$352 million	\$319 million	~\$420 million	Unchanged	
Adj. Effective Tax Rate	22.6%	23.0%	~23%	~22.5%	
Liquidity	\$3.1 billion	\$3.4 billion	>\$1 billion	Unchanged	<ul style="list-style-type: none"> \$1.2 billion pre-tax proceeds from pet treat divestiture 4Q payoff of \$0.5 billion 2021 senior notes

¹Represents 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

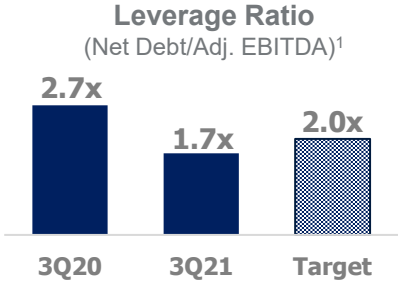
Focused Capital Deployment to Drive Shareholder Return

OPERATING CASH FLOW (in billions of dollars)



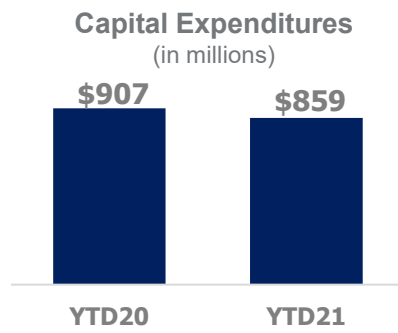
BUILD FINANCIAL STRENGTH

Manage leverage level to hit long-term target



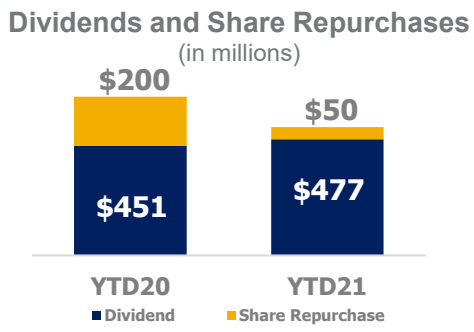
INVEST IN OUR BUSINESS

Disciplined investments to modernize and expand capacity



RETURN CASH TO SHAREHOLDERS

Committed to returning cash to shareholders through dividends and share repurchases



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

Investor Day 2021

Wednesday,
September 15, 2021
9:00am – noon EDT



Appendix

Additional Financial Highlights

Third Quarter 2021

- **Liquidity of \$3.4 billion at 07/03/21**
- **Leverage of 1.7x net debt-to-adjusted EBITDA¹**
- **Net interest expense of \$103 million**
- **Adjusted effective tax rate of 22.5%**
- **Capital expenditures \$302 million**
- **Dividend payment of \$159 million**
- **Share repurchases of \$16 million**



¹Represents 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



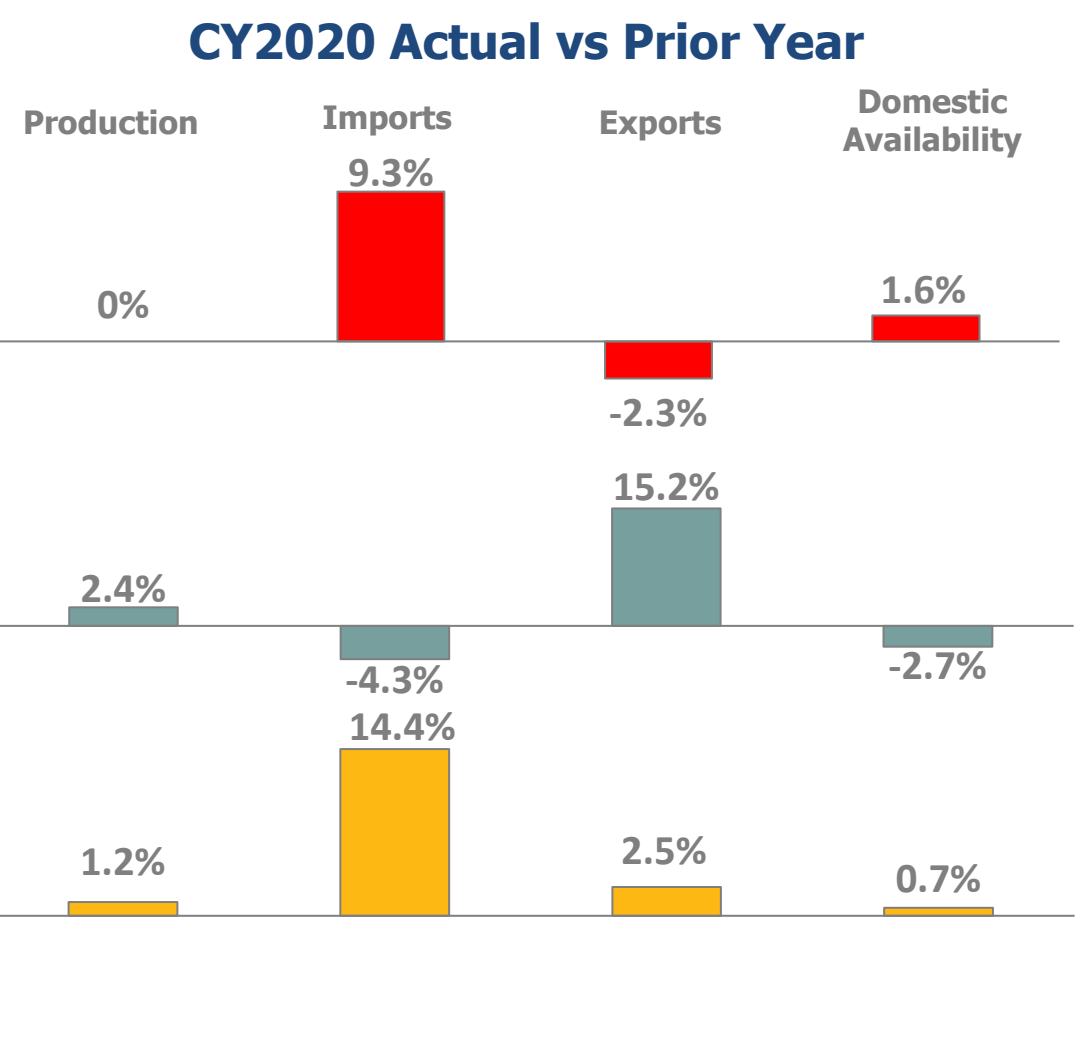
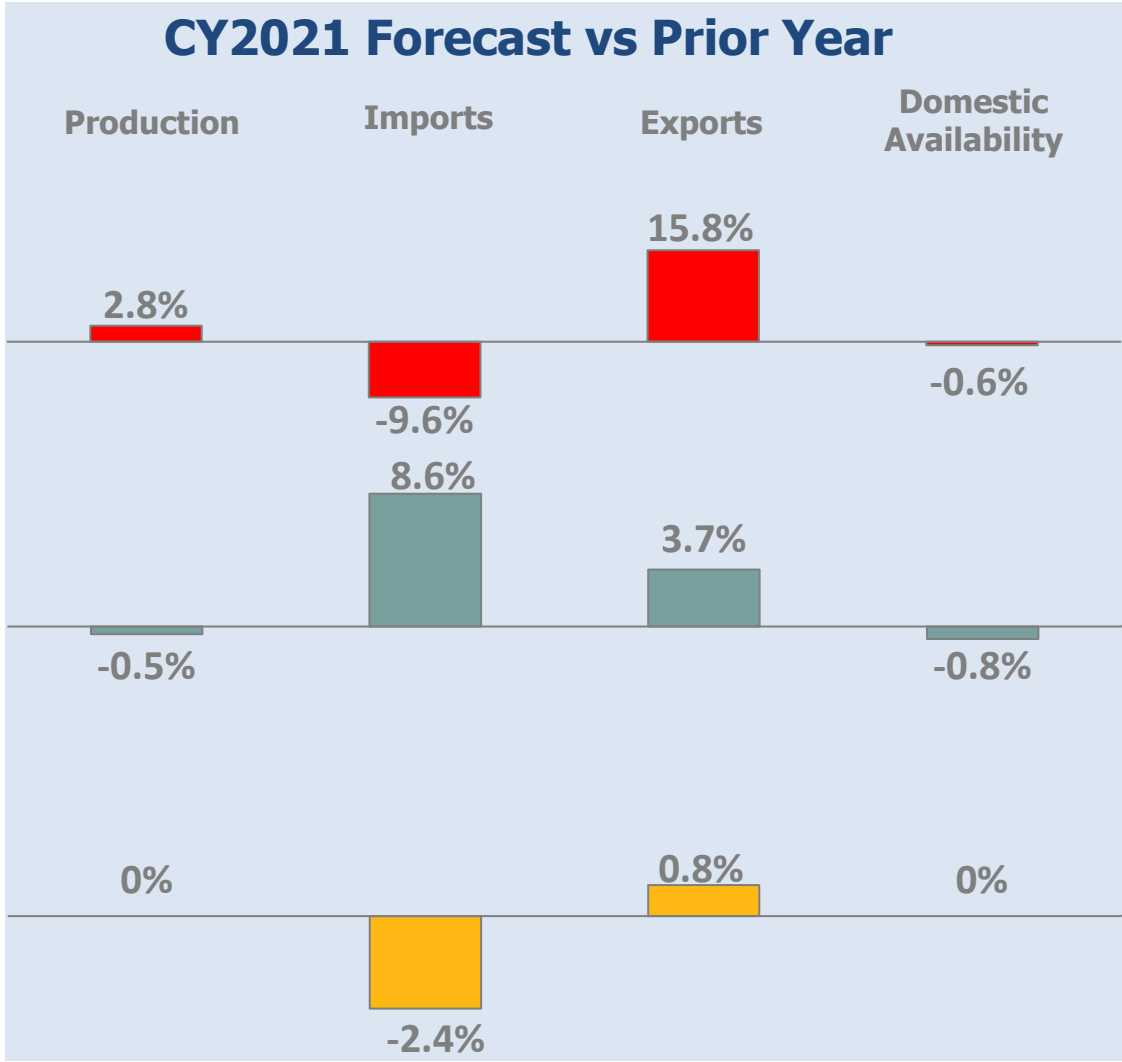
Beef



Pork



Poultry



Tight supply coupled with strong demand is driving higher cutout

1 Source: USDA WASDE forecast and reported data as of July 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)

	Third Quarter				Nine Months Ended			
	Pretax Impact		EPS Impact		Pretax Impact		EPS Impact	
	2021	2020	2021	2020	2021	2020	2021	2020
Reported net income per share attributable to Tyson (GAAP EPS)			\$ 2.05	\$ 1.44			\$ 4.63	\$ 3.85
Add: China plant relocation charge ¹	\$ 4	\$ —	0.01	—	\$ 23	\$ —	0.05	—
Add: Legal contingency accruals ²	\$ 306	\$ —	0.64	—	\$ 626	\$ —	1.31	—
(Less)/Add: Beef production facility fire insurance proceeds, net of costs	\$ —	\$ (15)	—	(0.03)	\$ (6)	\$ 1	(0.01)	—
Add: Restructuring and related charges	\$ —	\$ —	—	—	\$ —	\$ 52	—	0.11
Less: Gain from pension plan terminations	\$ —	\$ (6)	—	(0.01)	\$ —	\$ (116)	—	(0.24)
Adjusted net income per share attributable to Tyson (Adjusted EPS)			\$ 2.70	\$ 1.40			\$ 5.98	\$ 3.72

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

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

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)

	Nine Months Ended		Fiscal Year Ended		Twelve Months Ended	
	July 3, 2021	June 27, 2020	October 3, 2020	July 3, 2021		
Net Income	\$ 1,702	\$ 1,414	\$ 2,071	\$ 2,359		
Less: Interest income	(6)	(9)	(10)	(7)		
Add: Interest expense	325	361	485	449		
Add: Income tax expense	504	413	593	684		
Add: Depreciation	697	662	900	935		
Add: Amortization ¹	198	204	278	272		
EBITDA	\$ 3,420	\$ 3,045	\$ 4,317	\$ 4,692		
Adjustments to EBITDA:						
Add: China plant relocation charge ²	\$ 23	\$ —	\$ —	\$ 23		
Add: Legal contingency accruals ³	626	—	—	626		
Add: Restructuring and related charges	—	52	75	23		
Add/(Less): Beef production facility fire costs, net of insurance proceeds	(6)	1	1	(6)		
Less: Gain from pension plan terminations	—	(116)	(116)	—		
Less: Impact of additional week in fiscal 2020	—	—	(96)	(96)		
Total Adjusted EBITDA	\$ 4,063	\$ 2,982	\$ 4,181	\$ 5,262		
Total gross debt			11,339	10,352		
Less: Cash and cash equivalents			(1,420)	(1,613)		
Less: Short-term investments			—	—		
Total net debt			\$ 9,919	\$ 8,739		
Ratio Calculations:						
Gross debt/EBITDA			2.6x	2.2x		
Net debt/EBITDA			2.3x	1.9x		
Gross debt/Adjusted EBITDA			2.7x	2.0x		
Net debt/Adjusted EBITDA			2.4x	1.7x		

¹ Excludes the amortization of debt issuance and debt discount expense of \$11 million for the nine months ended July 3, 2021, \$10 million for the nine months ended June 27, 2020, \$14 million for the twelve months ended October 3, 2020, and \$15 million for the twelve months ended July 3, 2021 as it is included in interest expense.

² Relates to a plant relocation from a government land expropriation and includes accelerated depreciation and team member related charges.

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

Segment Operating Income Reconciliations

\$ in millions (Unaudited)

Adjusted Segment Operating Income (Loss)						
<i>(for the third quarter ended July 3, 2021)</i>						
	Beef	Pork	Chicken	Prepared Foods	International/Other	Total
Reported operating income (loss)	\$ 1,120	\$ 67	\$ (279)	\$ 150	\$ 4	\$ 1,062
Add: Legal contingency accruals ¹	—	—	306	—	—	306
Add: China plant relocation charge ²	—	—	—	—	4	4
Adjusted operating income	\$ 1,120	\$ 67	\$ 27	\$ 150	\$ 8	\$ 1,372

Adjusted Segment Operating Income (Loss)						
<i>(for the nine months ended July 3, 2021)</i>						
	Beef	Pork	Chicken	Prepared Foods	International/Other	Total
Reported operating income	\$ 2,093	\$ 250	\$ (489)	\$ 633	\$ —	\$ 2,487
Add: Legal contingency accruals ¹	—	—	626	—	—	626
Add: China plant relocation charge ²	—	—	—	—	23	23
Adjusted operating income	\$ 2,093	\$ 250	\$ 137	\$ 633	\$ 23	\$ 3,136

¹ Legal contingency accruals included \$545 million recognized as a reduction of Sales and \$81 million recognized as an increase of Cost of Sales.

² 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 (Unaudited)

Adjusted Segment Operating Income (Loss)							
<i>(for the three months ended June 27, 2020)</i>							
	Beef	Pork	Chicken	Prepared Foods	International/Other	Total	
Reported operating income	\$ 649	\$ 107	\$ (120)	\$ 145	\$ (8)	\$ 773	
Less: Beef production facility fire costs, net of insurance proceeds	(15)	—	—	—	—	(15)	
Adjusted operating income (loss)	\$ 634	\$ 107	\$ (120)	\$ 145	\$ (8)	\$ 758	

Adjusted Segment Operating Income (Loss)							
<i>(for the nine months ended June 27, 2020)</i>							
	Beef	Pork	Chicken	Prepared Foods	International/Other	Total	
Reported operating income	\$ 1,114	\$ 391	\$ 36	\$ 494	\$ 11	\$ 2,046	
Add: Restructuring and related charges	5	2	21	22	2	52	
Add: Beef production facility fire costs, net of insurance proceeds	1	—	—	—	—	1	
Adjusted operating income	\$ 1,120	\$ 393	\$ 57	\$ 516	\$ 13	\$ 2,099	

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.

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.