Tyson™

3Q Fiscal 2022

Supplemental Information
August 8, 2022

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 2022, other future economic circumstances, industry conditions in domestic and international markets, our performance and financial results (e.g., debt levels, return on invested capital, value-added product growth, capital expenditures, tax rates, access to foreign markets and dividend policy). These forward-looking statements are subject to a number of factors and uncertainties that could cause our actual results and experiences to differ materially from anticipated results and expectations expressed in such forward-looking statements. We wish to caution readers not to place undue reliance on any forward-looking statements, which are expressly qualified in their entirety by this cautionary statement and speak only as of the date made. We undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. Among the factors that may cause actual results and experiences to differ from anticipated results and expectations expressed in such forward-looking statements are the following: (i) the COVID-19 global pandemic and associated responses thereto have had an adverse impact on our business and operations, and the extent that the COVID-19 pandemic continues to impact us will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, public adoption rates of COVID-19 vaccines and their effectiveness against emerging variants of COVID-19, the speed and effectiveness of new vaccine and treatment developments and their deployment, and COVID-19 related impacts on the market, including production delays, labor shortages and increases in costs and inflation; (ii) the effectiveness of our financial excellence programs; (iii) access to foreign markets together with foreign economic conditions, including currency fluctuations, import/export restrictions and foreign politics; (iv) cyber incidents, security breaches or other disruptions of our information technology systems; (v) risks associated with our failure to consummate favorable acquisition transactions or integrate certain acquisitions' operations; (vi) the Tyson Limited Partnership’s ability to exercise significant control over the Company; (vii) fluctuations in the cost and availability of inputs and raw materials, such as live cattle, live swine, feed grains (including corn and soybean meal) and energy; (viii) market conditions for finished products, including competition from other global and domestic food processors, supply and pricing of competing products and alternative proteins and demand for alternative proteins; (ix) outbreak of a livestock disease (such as African swine fever (ASF), avian influenza (AI) or bovine spongiform encephalopathy (BSE)), which could have an adverse effect on livestock we own, the availability of livestock we purchase, consumer perception of certain protein products or our ability to access certain domestic and foreign markets; (x) changes in consumer preference and diets and our ability to identify and react to consumer trends; (xi) effectiveness of advertising and marketing programs; (xii) significant marketing plan changes by large customers or loss of one or more large customers; (xiii) our ability to leverage brand value propositions; (xiv) changes in availability and relative costs of labor and contract farmers and our ability to maintain good relationships with team members, labor unions, contract farmers and independent producers providing us livestock; (xv) issues related to food safety, including costs resulting from product recalls, regulatory compliance and any related claims or litigation; (xvi) compliance with and changes to regulations and laws (both domestic and foreign), including changes in accounting standards, tax laws, environmental laws, agricultural laws and occupational, health and safety laws; (xvii) adverse results from litigation; (xviii) risks associated with leverage, including cost increases due to rising interest rates or changes in debt ratings or outlook; (xix) impairment in the carrying value of our goodwill or indefinite life intangible assets; (xx) our participation in a multiemployer pension plan; (xxi) volatility in capital markets or interest rates; (xxii) risks associated with our commodity purchasing activities; (xxiii) the effect of, or changes in, general economic conditions; (xxiv) impacts on our operations caused by factors and forces beyond our control, such as natural disasters, fire, bioterrorism, pandemics, armed conflicts or extreme weather; (xxv) failure to maximize or assert our intellectual property rights; (xxvi) effects related to changes in tax rates, valuation of deferred tax assets and liabilities, or tax laws and their interpretation; (xxvii) the effectiveness of our internal control over financial reporting, including identification of material weaknesses; and (xxviii) the other risks and uncertainties detailed from time to time in our filings with the Securities and Exchange Commission, including those included under the captions “Risk Factors” and “Management's Discussion and Analysis of Financial Condition and Results of Operations” in our most recent Annual Report on Form 10-K and Quarterly reports on Form 10-Q.

Non-GAAP Financial Measures

This presentation contains the financial measures “EBITDA,” “Adjusted EBITDA,” “Adjusted EPS”, “Adjusted Operating Income” and “Adjusted Operating Margin” which are not calculated in accordance with U.S. GAAP. A reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measure has been provided in the Appendix. Non-GAAP financial measures should be considered in addition to, but not as a substitute for, the Company's reported GAAP results.

Delivered solid operating results for third quarter

1. Delivered high single digit sales growth in the quarter and maintained double digit sales and earnings growth year to date

2. Leveraged diverse protein portfolio, omni-channel capabilities, leading brands and value-added products to deliver results

3. Mitigated cost of goods impacts through productivity actions and disciplined revenue management

4. Improved execution across all segments, with investments in team members and operational excellence showing beneficial impact

5. Investing in team members to drive improved work experience and retention

Double digit sales and earnings growth fiscal YTD

Sales[1]	Adjusted Operating Income[2]	Adjusted Earnings Per Share[2]
↑ 8% 3Q22 vs. 3Q21	↓ 27% 3Q22 vs. 3Q21	↓ 28% 3Q22 vs. 3Q21
↑ 16% YTD22 vs. YTD21	↑ 15% YTD22 vs. YTD21	↑ 19% YTD22 vs. YTD21

Our Priorities

1 | Win with team members

2 | Win with customers and consumers

3 | Win with excellence in execution

[1] Note comparison to 3Q21 and YTD21 is on a GAAP basis and 3Q21 and YTD21 sales reflect a $225 million and $545 million, respectively, of reductions for legal contingency accruals.

[2] 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.

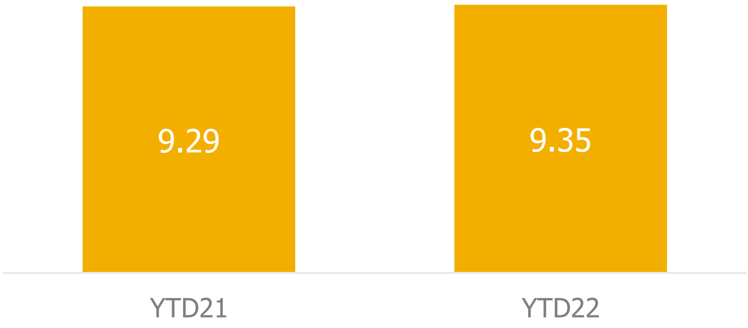
Total YTD Volume

Lower FY22 expectations due to macro-economic environment impacting consumer demand

Volume[1] (billion pounds)

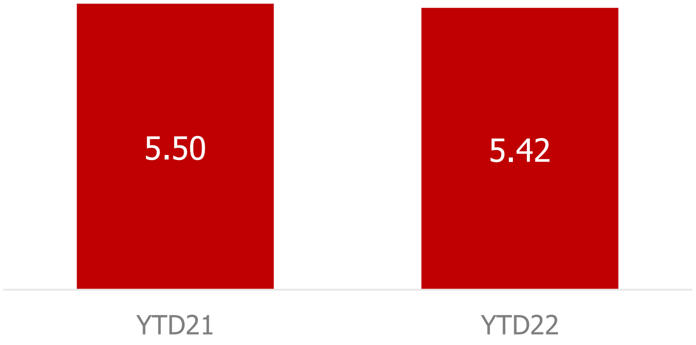
Total Company -1.0%

Chicken +0.7%



Prepared Foods -5.5%

Beef -1.5%



Pork -2.1%

International / Other +11.7%

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[1] Intersegment sales volumes totaling 1.34 billion pounds YTD 22 and 1.26 billion pounds YTD 21 are eliminated from Total Company volumes but are included in total segment volumes and represent an aggregate reduction to volumes relative to the sum of component parts illustrated above

Becoming the most sought-after place to work through our investments in team members

Objectives

1

Health, safety and wellbeing of our team members

2

Competitive wage and benefit offerings

3

Investing in team member experience

Actions

1. Health, safety and wellbeing of our team members

- Ongoing vaccine booster clinics with continuous monitoring and tracking of data to inform COVID-19 protocols
- Increasing usage of seven new near-site Bright Blue health centers offering health services in rural locations
- Childcare, housing, and transportation pilots
- Certified interpreter program for improved communication and sense of belonging

2. Competitive wage and benefit offerings

- Implemented wage increases
- Increased earned time off and vacation benefits for hourly team members
- Investing $1 million to expand legal and citizenship support
- Investing $60 million in Upward Academy expansion to offer free education for all team members enabling increased accessibility and equity in career pathways
- On or near site medical clinics providing high quality care at low or no cost to team members

3. Investing in team member experience

- Increasing technology and self-service in facilities, and use of data analytics to inform decision-making
- Increased investments in automation for difficult roles
- Supporting flexible scheduling and creative production schedules
- Text-to-apply, career site updates, and application simplification
- Piloting wearable tech, mobile tech, and new tools for demand planning, labor scheduling, and operations

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The Formula to Feed the Future

Reimagining Our People & Community Impact

Create work environments that enable workers to succeed while supporting the growth of our communities.

- Talent Attraction & Development
- Diversity, Equity & Inclusion
- Human Rights & Labor Relations
- Health, Safety & Wellbeing
- Community Investment

Driving Product Responsibility from Farm to Table

Deliver value to consumers with high-quality, sustainable, nutritious protein through leading portfolio.

- Nutrition, Access & Affordability
- Product Quality & Safety
- Product Innovation
- Sustainable Packaging
- Animal Health & Welfare

Working Toward Sustaining Natural Resources & Achieving Net Zero

Drive practices in own operations and supply chains to more sustainably produce protein for a growing population within planetary boundaries.

- Climate Action
- Land Stewardship
- Water Stewardship
- Waste Reduction

All of which is underpinned by a strong foundation of corporate governance, business ethics, supply chain management, and data privacy and cybersecurity.

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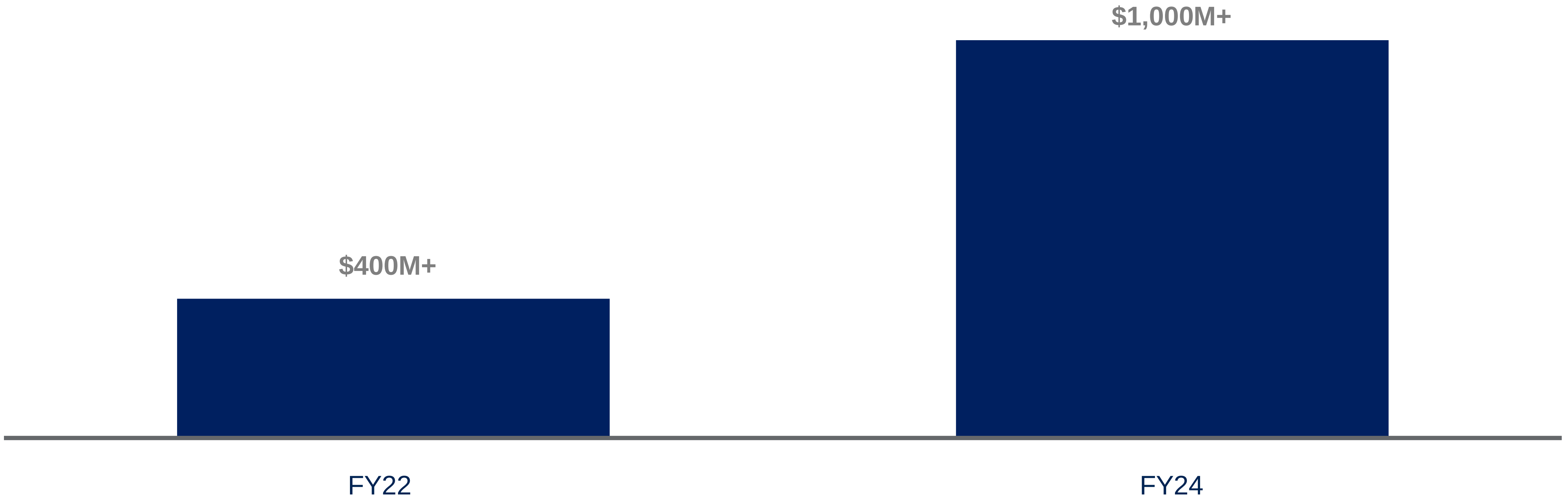
Productivity program savings realization progressing

Targeting $1B+ in productivity gains by end of FY2024 and expect 40%+ delivered by the end of FY2022



Actions will lead to sustainable productivity savings in three key focus areas

Operational & Functional Excellence and Agility

Digital Solutions & Supply Chain

Automation

Strengthening our position as a global protein leader

Imperatives

1	2	3	4	5
Transforming our team member experience	Outpacing the market by enhancing our portfolio and capacity to serve demand growth	Aggressively restoring our competitiveness in Chicken	Driving operational and functional excellence and purposefully investing in digital and automation	Leveraging our financial strength to invest in the business and return cash to shareholders

Actions

1
- Making investments in health, safety, and well-being of team members
- Maintaining competitive wages and innovative benefit offerings like childcare and in-house healthcare
- Investing in team member experience

2
- Expanding capacity to meet market demand
- Leader in majority of our retail core categories, gaining share in bacon and breakfast sausage
- Gaining momentum in foodservice in value-added chicken, breakfast sausage, and bacon

3
- Hatch rate improvement on track
- Double digit sales and triple digit earnings improvement versus YTD21
- Surpassed 6% AOI[1] margin in 3Q22

4
- On track to deliver $400 million+ in productivity savings for the fiscal year 2022
- Accelerating program delivery and employing programmatic approach to automation across organizational operations

5
- Invested $1.3 billion in capital expenditures YTD22
- Returned $1.2 billion in cash to shareholders via dividends and share repurchases through YTD22

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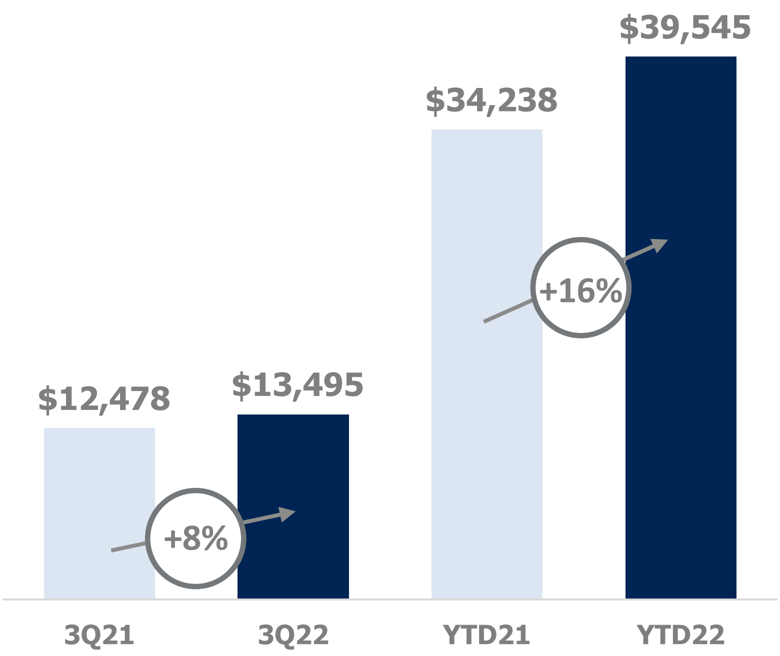
[1] Represents a non-GAAP financial measure. Adjusted operating income and adjusted operating margin are explained and reconciled to comparable GAAP measures in the Appendix.

Delivered solid results in a challenging environment

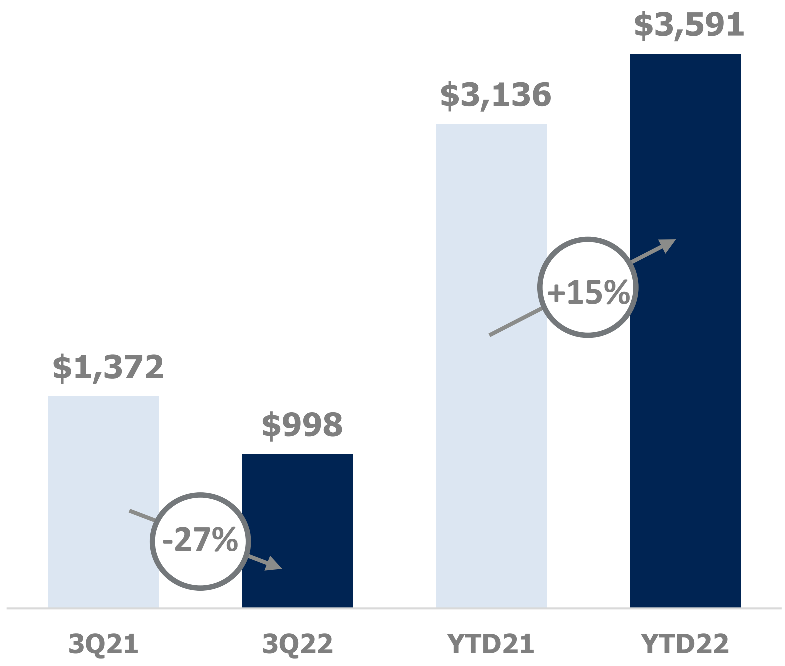
Third Quarter and YTD22 vs Comparable Periods

SALES
(in millions of dollars)



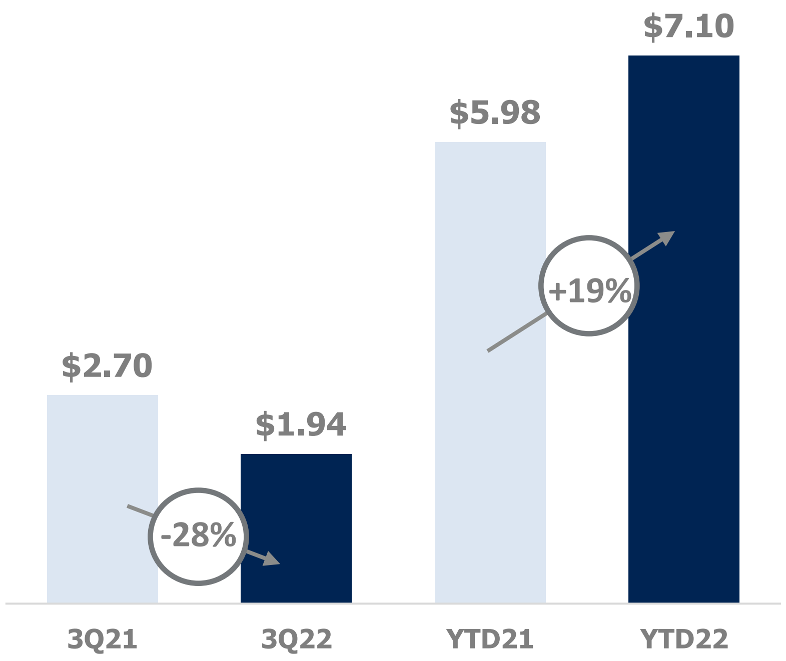
- Volumes down in challenging macroeconomic environment impacting consumer demand
- Average sales price[2] up due to recovery actions to address cost of goods increases
- All segments contributed to YTD sales growth

ADJUSTED OPERATING INCOME[1]
(in millions of dollars)



- YTD, higher average sales price drove improved adjusted operating margin, which was partially offset by higher COGS
- Productivity savings also supported improved operating margins

ADJUSTED EPS[1]
(in dollars per share)



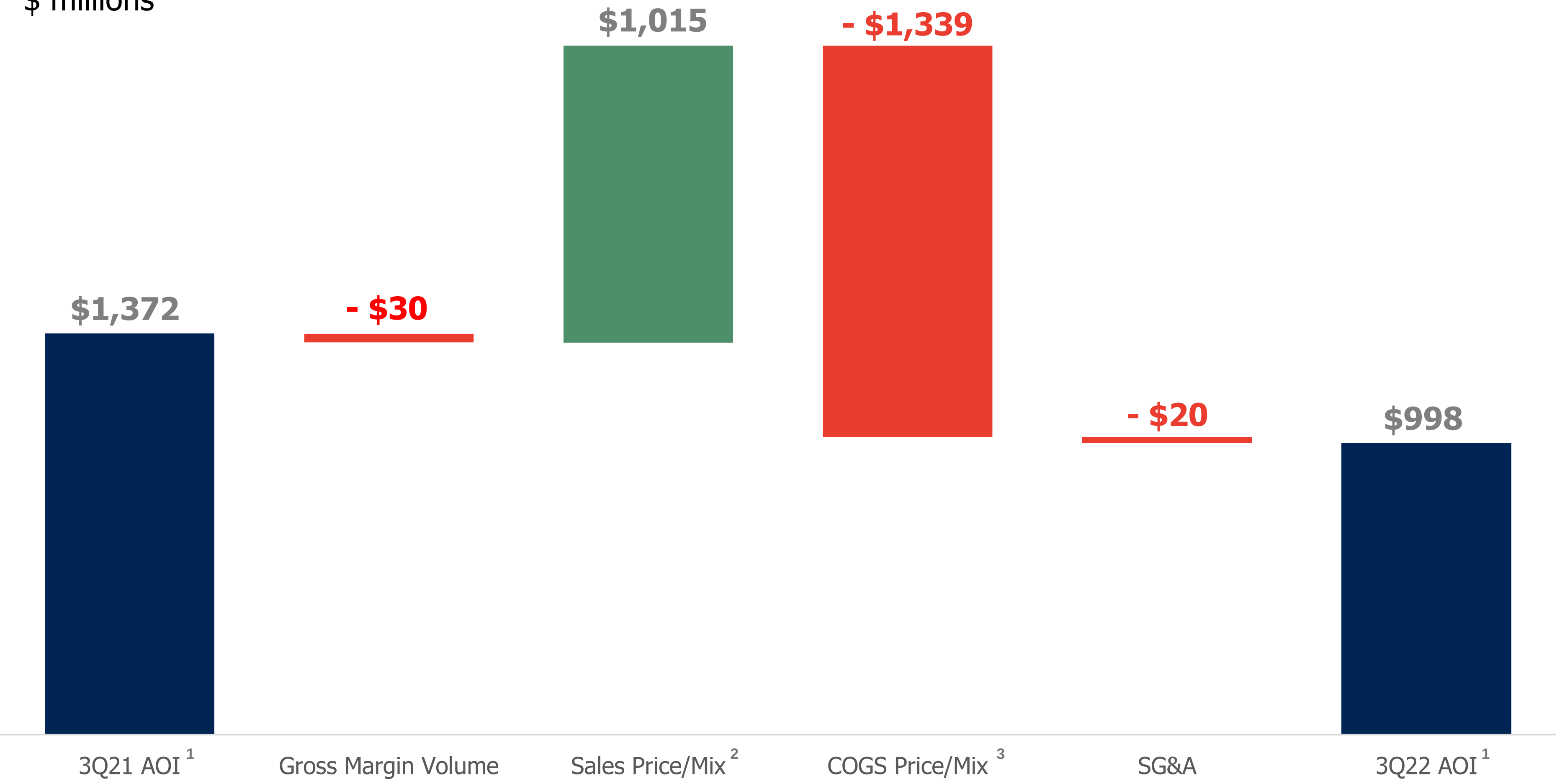
- Lower operating income led to decreased adjusted EPS, compared to the same period last year
- Adjusted EPS benefitted from lower net interest expense

[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 $545 million nine months ended July 3, 2021 of legal contingency accruals recognized as a reduction to Sales.

Margin compression in Beef partially offset by margin expansion in Chicken and productivity savings

Third Quarter 2022

$ millions



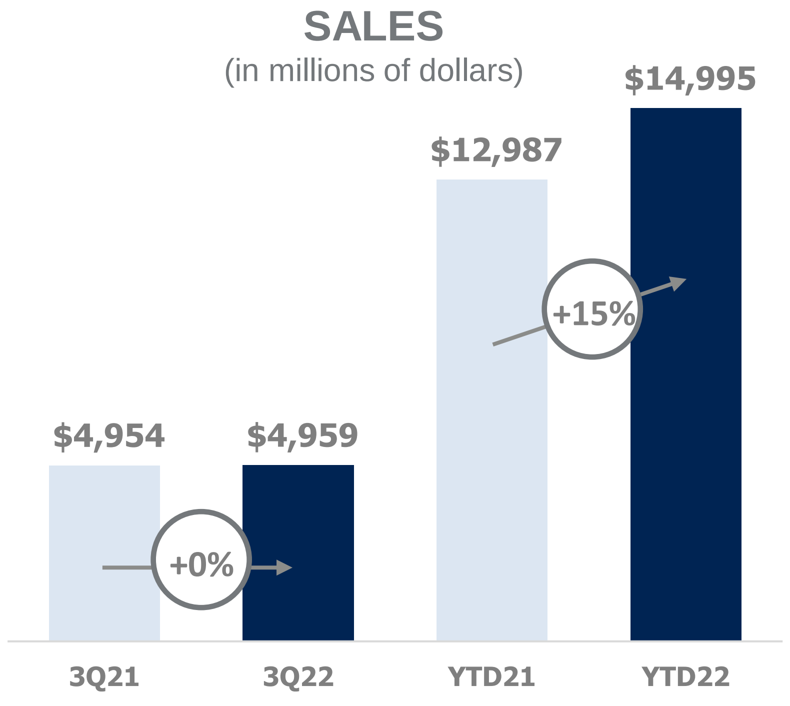
Highlights

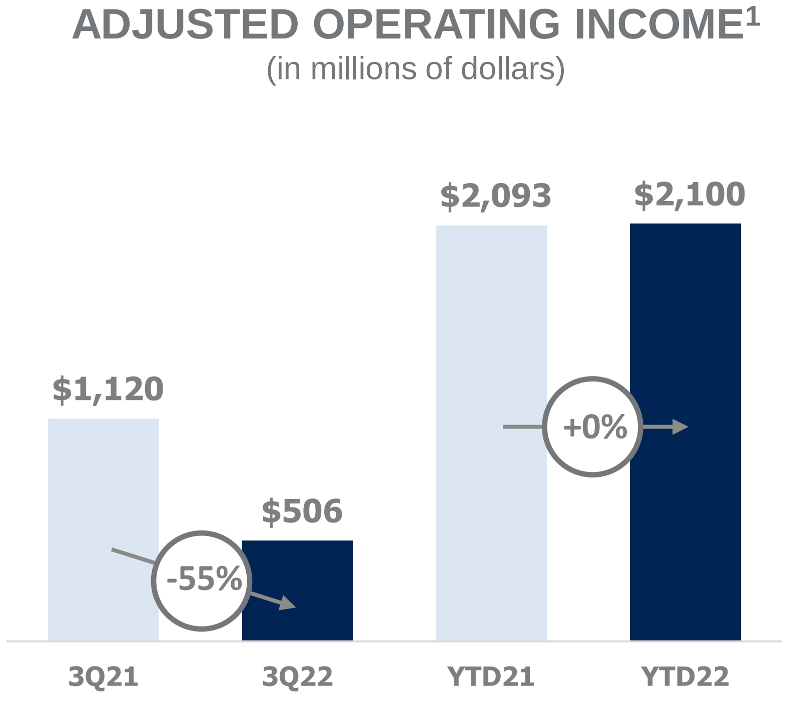
- **Volumes** decreased due to declines in Prepared Foods, Pork and Chicken partially offset by growth in Beef
- **Sales Price/mix** increased primarily due to the current cost of goods environment and recovery of rapidly rising costs
- **COGS** price/mix up due to raw material, labor and supply chain cost pressures
- **SG&A** reflects increased investment in marketing, advertising and promotional spend to support our brands
- Productivity savings had a positive impact on margins

[1] Represents a non-GAAP financial measure. Adjusted operating income is explained and reconciled to comparable GAAP measures in the Appendix.
[2] Excludes the impact of $225 million of legal contingency accruals recognized in the third quarter of fiscal 2021 as a reduction to Sales.
[3] Excludes the impacts of production facilities fire insurance proceeds, net of costs incurred of $35 million in the third quarter of fiscal 2022, $4 million of charges related to the China plant relocation and $81 million of legal contingency accruals recorded as an increase to Cost of Sales in the third quarter of fiscal 2021.

Volume improvement in Beef continues as margins remain strong

Third Quarter and YTD22 vs Comparable Periods





HIGHLIGHTS

- Sales volume increased in the quarter due to higher head throughput and carcass weights
- Average sales price slightly decreased in the quarter as the cutout price lowered due to softer consumer demand for premium cuts of beef
- Operating income in the quarter decreased as live cattle cost increasing and revenue decreasing led to a narrowing of the spread
- Increase in live cattle costs of approximately $480 million in the third quarter and $1.5 billion year to date

Sales Development		Volume		Price
3Q22 vs. 3Q21	↑	1.3%	↓	(1.2)%
YTD22 vs. YTD21	↓	(1.5)%	↑	17.0%

Adj Operating Margin[1]

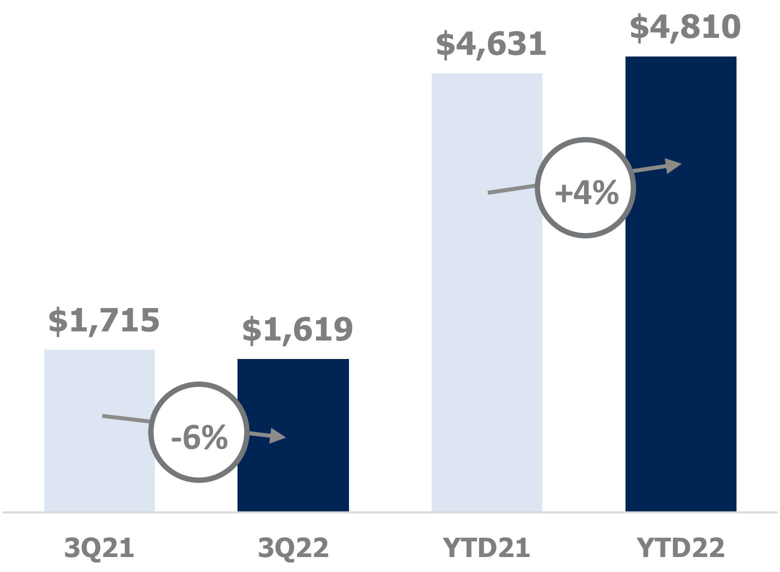
3Q21	3Q22	YTD21	YTD22
22.6%	10.2%	16.1%	14.0%

[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 challenged by hog supply and global demand headwinds

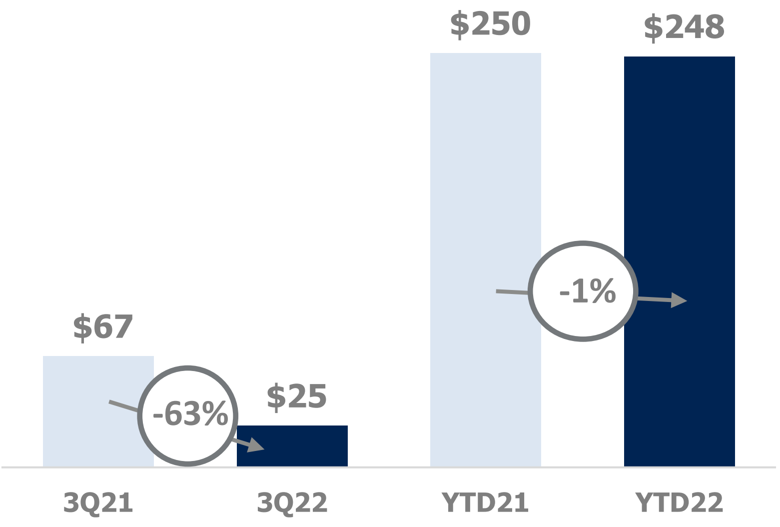
Third Quarter and YTD22 vs Comparable Periods

SALES
(in millions of dollars)



Sales Development		Volume		Price
3Q22 vs. 3Q21	↓	(1.7)%	↓	(3.9)%
YTD22 vs. YTD21	↓	(2.1)%	↑	6.0%

ADJUSTED OPERATING INCOME[1]
(in millions of dollars)



Adj Operating Margin[1]

3Q21	3Q22	YTD21	YTD22
3.9%	1.5%	5.4%	5.2%

HIGHLIGHTS

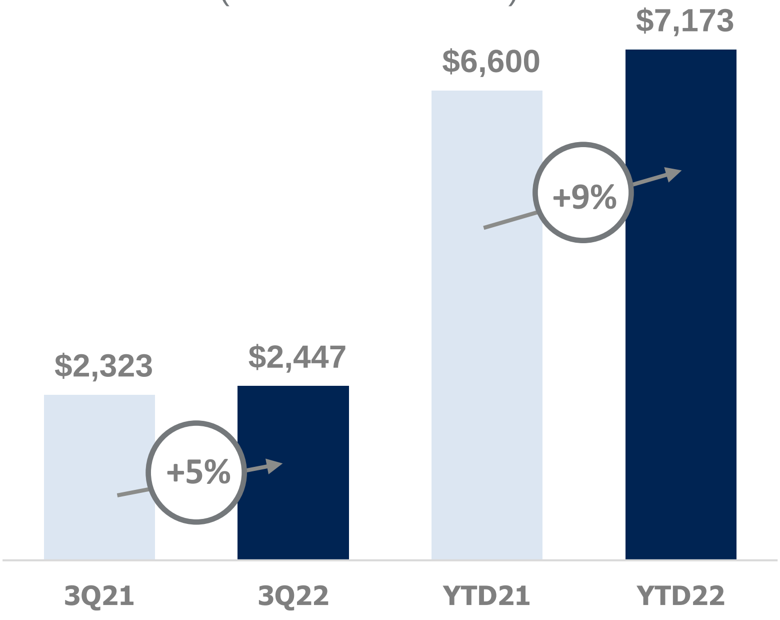
- Sales volume decreased in the quarter due to limited hog supply and lower export demand
- Average sales price decreased in the quarter due to soft export and retail demand
- Operating income decreased in the quarter due to compressed pork margins
- Increase in live hog costs of $180 million year to date

[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.

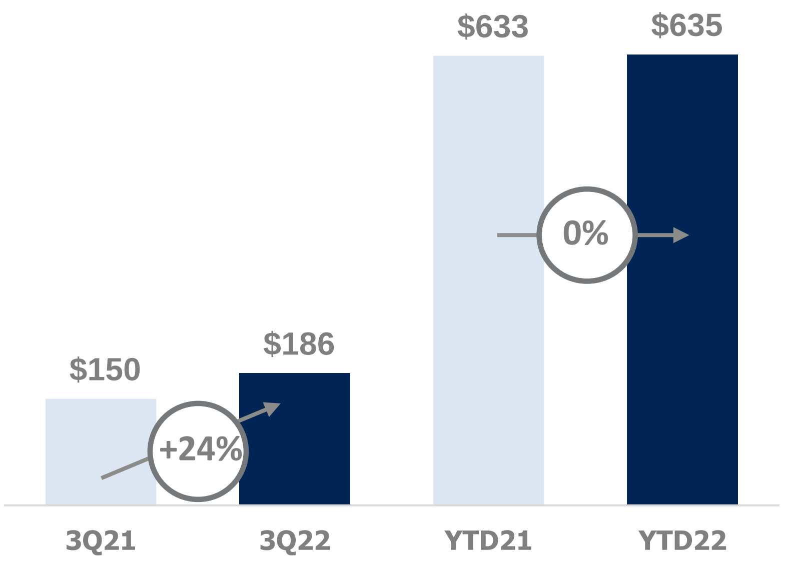
Prepared Foods overcoming challenging cost environment

Third Quarter and YTD22 vs Comparable Periods

SALES
(in millions of dollars)



ADJUSTED OPERATING INCOME[1]
(in millions of dollars)



HIGHLIGHTS

- Sales volume decreased in the quarter due to impacts of increased pricing, uneven foodservice recovery, and the sale of our Pet Treats business
- Average sales price in the quarter increased due to a disciplined, strategic approach to revenue management in an inflationary environment
- Operating income increased in the quarter due to higher average sales prices partially offset by inflationary cost increases

Sales Development		Volume[2]		Price
3Q22 vs. 3Q21	↓	(8.5)%	↑	13.8%
YTD22 vs. YTD21	↓	(5.5)%	↑	14.2%

Adj Operating Margin[1]

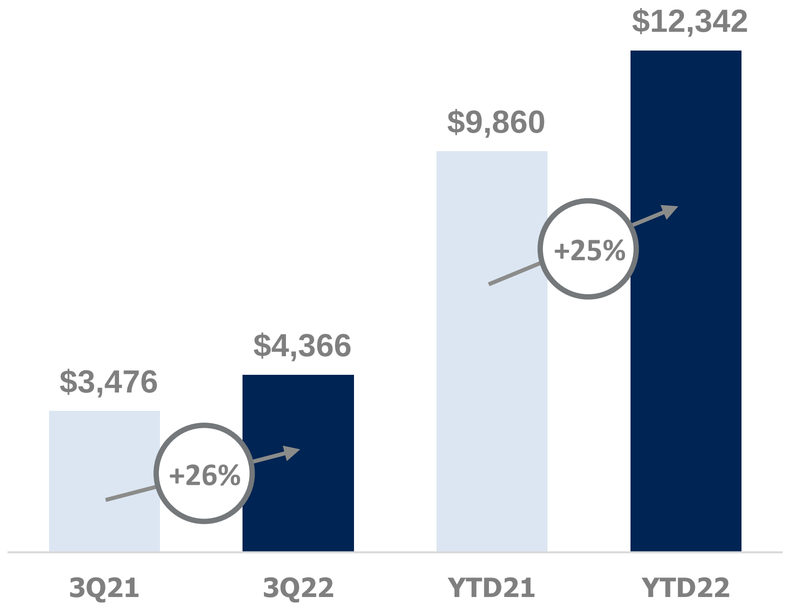
3Q21	3Q22	YTD21	YTD22
6.5%	7.6%	9.6%	8.9%

[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] The reduction in volume is due in part to the divestiture of the Pet Treats business in Q4 of fiscal 2021.

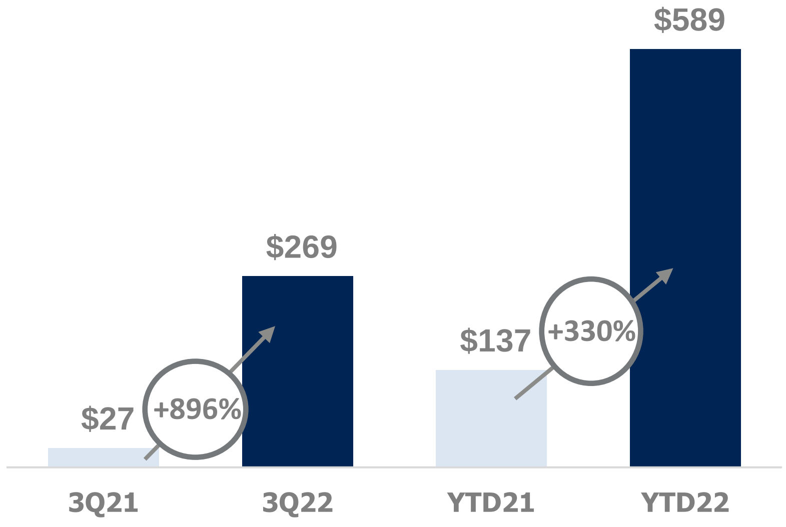
Sequential operational improvement continues in Chicken

Third Quarter and YTD22 vs Comparable Periods

SALES
(in millions of dollars)



ADJUSTED OPERATING INCOME[1]
(in millions of dollars)



HIGHLIGHTS

- Sales volume decreased in the quarter due to a reduction in rendering volumes resulting from a fire in 4Q21 and lower outside meat purchases
- Average sales price increased in the quarter driven by pricing related to rising input costs
- Operating income increased in the quarter primarily due to higher average sales price partially offset by impacts of inflationary market conditions
- Operating costs[3] were up $423 million in the third quarter and $1.5B YTD
- Feed ingredient, grow-out, and outside meat purchases were up $595 million YTD

Sales Development		Volume		Price
3Q22 vs. 3Q21	↓	(2.1)%	↑	20.1%
YTD22 vs. YTD21	↑	0.7%	↑	17.9%

Adj Operating Margin[1]

3Q21	3Q22	YTD21	YTD22
0.7%	6.2%	1.3%	4.8%

[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 of legal contingency accruals recognized as a reduction to Sales in Q3 2021 & YTD, respectively.
[3] Represents total Cost of Sales and Selling, General and Administrative expenses excluding the impacts of costs related to a fire at a chicken facility, net of insurance proceeds of $8 million in the third quarter of fiscal 2022 recognized in Cost of Sales, $26 million of insurance proceeds, net of costs incurred year to date fiscal 2022 recognized in Cost of Sales and $81 million of legal contingency accruals in the third quarter of fiscal 2021 recognized in Cost of Sales.

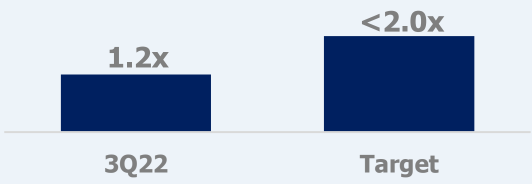
Investment in our business and return of cash to shareholders supported by steady cash generation

OPERATING CASH FLOW
(in billions of dollars)

BUILD FINANCIAL STRENGTH

Manage our leverage ratio to be at or below our long-term target

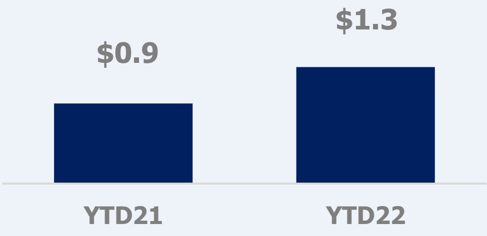
Leverage Ratio
(Net Debt/Adj. EBITDA)[1]



INVEST IN OUR BUSINESS

Disciplined investments to modernize and expand capacity and support growth

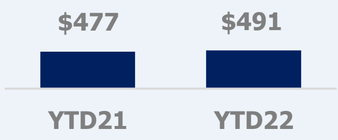
Capital Expenditures
(in billions)



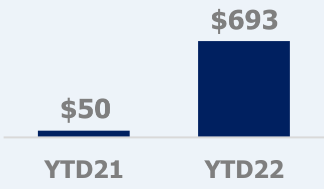
RETURN CASH TO SHAREHOLDERS

Committed to returning cash to shareholders through dividends and share repurchases

Dividends
(in millions)



Share Repurchases
(in millions)



[1] Represents a non-GAAP financial measure. Net debt/adjusted EBTIDA is explained and reconciled to comparable GAAP measures in the Appendix.

Maintaining sales guidance on lowered volume expectation

	YTD21	YTD22	FY2022 Guidance[2] Prior Indication	FY2022 Guidance[2] Revised Indication
Sales	$34.2 billion	$39.5 billion	$52 – $54 billion	Unchanged
Volume	0.1%	(1.0)%	1 – 2% growth	Flat
Chicken AOI Margin[1]	1.3%	4.8%	5 – 7%	Unchanged
Prepared Foods AOI Margin[1]	9.6%	8.9%	8 – 10%	Unchanged
Beef AOI Margin[1]	16.1%	14.0%	11 – 13%	Unchanged
Pork AOI Margin[1]	5.4%	5.2%	5 – 7%	3 – 5%
Capital Expenditures	$859 million	$1,323 million	$2.0 billion	$1.9 billion
Net Interest Expense	$319 million	$272 million	~$360 million	~$350 million
Effective Tax Rate[3]	22.9%	22.1%	~23%	~22.5%
Net Debt-to-Adj. EBITDA	1.9x	1.2x	<2.0x	Unchanged

[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] The Company is not able to reconcile its full-year fiscal 2022 projected adjusted results to its fiscal 2022 projected GAAP results because certain information necessary to calculate such measures on a GAAP basis is unavailable or dependent on the timing of future events outside of our control. Therefore, because of the uncertainty and variability of the nature of the number of future adjustments, such as legal contingency accruals and other significant items which could be significant, the Company is unable to provide a reconciliation for these forward-looking non-GAAP measures without unreasonable effort. Adjusted operating margin should not be considered a substitute for operating margin or any other measures of financial performance reported in accordance with GAAP. Investors should rely primarily on the Company's GAAP results and use non-GAAP financial measures only supplementally in making investment decisions.

[3] The effective tax rate for FY22 includes the impact of approximately $36 million related to the tax benefit from remeasurement of net deferred tax liabilities at lower enacted state tax rates recorded in1Q22. The FY2022 guidance effective tax rate is presented on an adjusted basis, and therefore, excludes the impact of this benefit.

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Q & A

Donnie King
President & CEO

Stewart Glendinning
EVP & CFO

Shane Miller
Group President,
Fresh Meats

Noelle O'Mara
Group President,
Prepared Foods

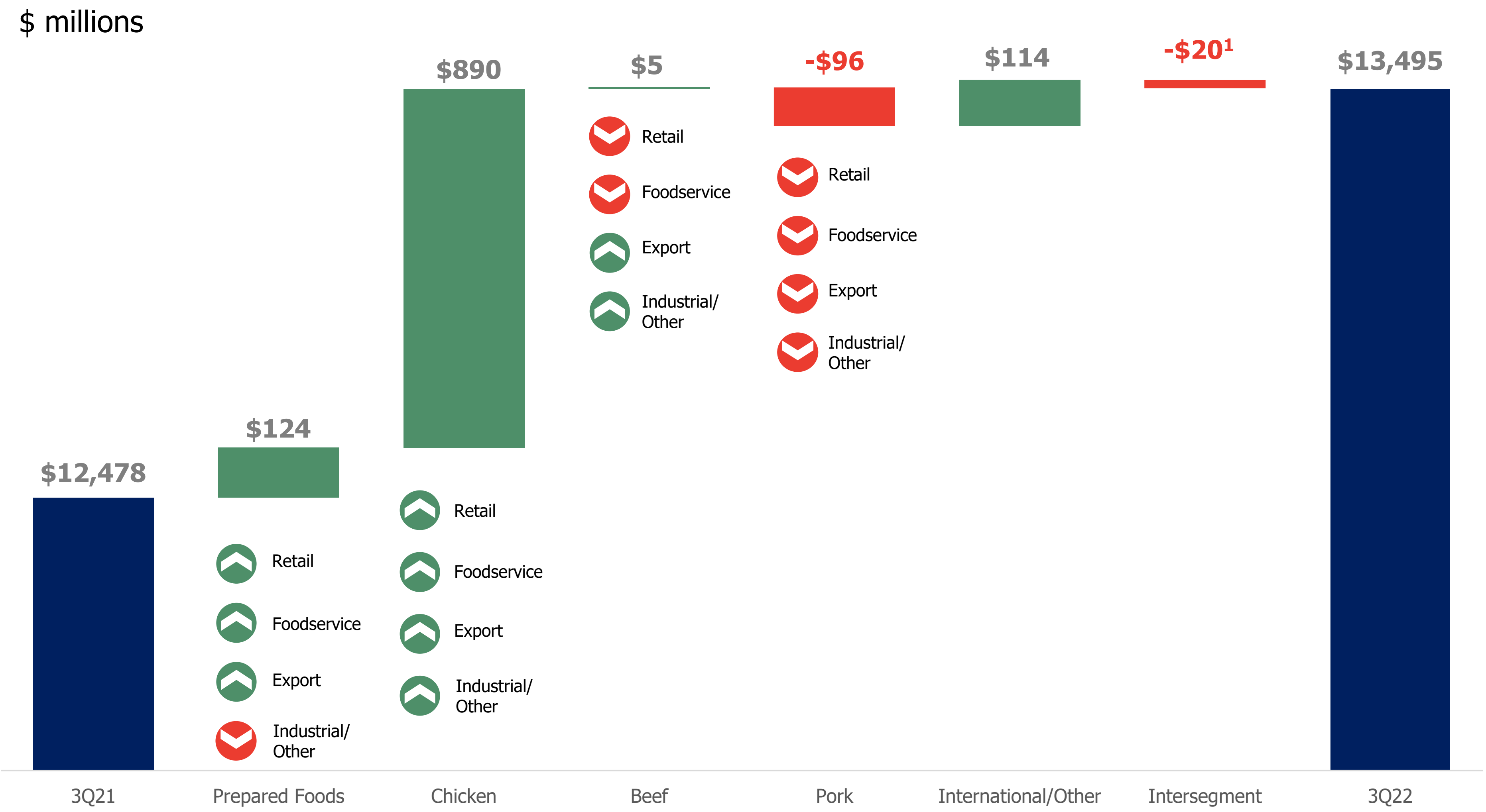
David Bray
Group President,
Poultry

Chris Langholz
President,
International

Appendix

Sales improved in total and across all channels

Third Quarter 2022



[1] The amount of intersegment sales increased on a year-over-year basis, which is a reduction to total company sales

[2] Includes sales to international markets for internationally produced products or export sales of domestically produced products

Channel Highlights

- **Retail** sales improved by $173 million in the quarter, led by increases in Chicken up $389 million and Prepared Foods up $53 million
- **Foodservice** drove $165 million in increased sales in the quarter, led by Chicken up $115 million and Prepared Foods up $67 million
- **International**[2] increased $339 million, led by Beef, International/Other and Chicken. Pork export sales down due to decreased foreign demand from strong dollar.
- **Industrial and other** improved $340 million

EPS Reconciliations

$ in millions, except per share data (Unaudited)

	Third Quarter				Nine Months Ended			
	Pretax Impact		EPS Impact		Pretax Impact		EPS Impact	
	2022	2021	2022	2021	2022	2021	2022	2021
Reported net income per share attributable to Tyson (GAAP EPS)			$ 2.07	$ 2.05			$ 7.42	$ 4.63
Add: China plant relocation[1]	$ —	$ 4	—	0.01	$ —	$ 23	—	0.05
Add: Legal contingency accruals[2]	$ —	$ 306	—	0.64	$ —	$ 626	—	1.31
Less: Production facilities fire insurance proceeds, net of costs[3]	$ (67)	$ —	(0.13)	—	$ (107)	$ (6)	(0.22)	(0.01)
Less: Remeasurement of net deferred tax liabilities at lower enacted state tax rates	$ —	$ —	—	—	$ —	$ —	(0.10)	—
Adjusted net income per share attributable to Tyson (Adjusted EPS)			$ 1.94	$ 2.70			$ 7.10	$ 5.98

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.

1 Relates to a plant relocation from a government land expropriation and includes accelerated depreciation and team member related charges recognized as an increase of Cost of Sales.
2 Legal contingency accruals included $225 million recognized as a reduction to sales and $81 million recognized as an increase of Cost of Sales in the third quarter of fiscal 2021 and $545 million recognized as a reduction of Sales and $81 million recognized as an increase of Cost of Sales in the first nine months of fiscal year 2021.
3 Relates to fires at production facilities in Chicken in the fourth quarter of fiscal 2021 and Beef in the fourth quarter of fiscal 2019. Amount includes insurance proceeds, net of costs incurred, of $35 million recognized in Cost of Sales and $32 million net proceeds recognized in Other, net for the three months ended July 2, 2022 and $53 million recognized in Cost of Sales and $54 million net proceeds recognized in Other, net for the nine months ended July 2, 2022.

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EBITDA Reconciliations

$ in millions, except per share data (Unaudited)

	Nine Months Ended		Fiscal Year Ended	Twelve Months Ended
	July 2, 2022	July 3, 2021	October 2, 2021	July 2, 2022
Net Income	$ 2,712	$ 1,702	$ 3,060	$ 4,070
Less: Interest income	(10)	(6)	(8)	(12)
Add: Interest expense	282	325	428	385
Add: Income tax expense	771	504	981	1,248
Add: Depreciation	699	697	934	936
Add: Amortization[1]	186	198	261	249
EBITDA	$ 4,640	$ 3,420	$ 5,656	$ 6,876
Adjustments to EBITDA:				
Less: Gain on sale of business	$ —	$ —	$ (784)	$ (784)
Add: China plant relocation charge[2]	—	23	27	4
Add: Legal contingency accruals[3]	—	626	626	—
(Less)/Add: Production facilities fire insurance proceeds, net of costs[7]	(107)	(6)	17	(84)
Less: Defined benefit plan gains	—	—	(34)	(34)
Total Adjusted EBITDA	$ 4,533	$ 4,063	$ 5,508	$ 5,978
Total gross debt			9,348	8,328
Less: Cash and cash equivalents			(2,507)	(1,056)
Less: Short-term investments			—	—
Total net debt			$ 6,841	$ 7,272
Ratio Calculations:				
Gross debt/EBITDA			1.7x	1.2x
Net debt/EBITDA			1.2x	1.1x
Gross debt/Adjusted EBITDA			1.7x	1.4x
Net debt/Adjusted EBITDA			1.2x	1.2x

EBITDA is defined as net income before interest, income taxes, depreciation and amortization. Net debt to EBITDA (Adjusted EBITDA) represents the ratio of our debt, net of cash, cash equivalents and short-term investments, to EBITDA (and to Adjusted EBITDA). EBITDA, Adjusted EBITDA, net debt to EBITDA and net debt to Adjusted EBITDA are presented as supplemental financial measurements in the evaluation of our business. Adjusted EBITDA is a tool intended to assist our management and investors in comparing our performance on a consistent basis for purposes of business decision-making by removing the impact of certain items that management believes do not directly reflect our core operations on an ongoing basis.

We believe the presentation of these financial measures helps management and investors to assess our operating performance from period to period, including our ability to generate earnings sufficient to service our debt, enhances understanding of our financial performance and highlights operational trends. These measures are widely used by investors and rating agencies in the valuation, comparison, rating and investment recommendations of companies; however, the measurements of EBITDA (and Adjusted EBITDA) and net debt to EBITDA (and to Adjusted EBITDA) may not be comparable to those of other companies, which may limit their usefulness as comparative measures. EBITDA (and Adjusted EBITDA) and net debt to EBITDA (and to Adjusted EBITDA) are not measures required by or calculated in accordance with GAAP and should not be considered as substitutes for net income or any other measure of financial performance reported in accordance with GAAP or as a measure of operating cash flow or liquidity. EBITDA (and Adjusted EBITDA) is a useful tool for assessing, but is not a reliable indicator of, our ability to generate cash to service our debt obligations because certain of the items added to net income to determine EBITDA (and Adjusted EBITDA) involve outlays of cash. As a result, actual cash available to service our debt obligations will be different from EBITDA (and Adjusted EBITDA). Investors should rely primarily on our GAAP results and use non-GAAP financial measures only supplementally in making investment decisions.

1 Excludes the amortization of debt issuance and debt discount expense of $7 million for the nine months ended July 2, 2022, $11 million for the nine months ended July 3, 2021, $19 million for the fiscal year ended October 2, 2021, and $15 million for the twelve months ended July 2, 2022 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 recognized as an increase of Cost of Sales.
3 Legal contingency accruals included $545 million recognized as a reduction of Sales and $81 million recognized as an increase of Cost of Sales in the first nine months and full fiscal 2021.
4 Relates to fires at production facilities in Chicken in the fourth quarter of fiscal 2021 and Beef in the fourth quarter of fiscal 2019. Amount includes $53 million of net proceeds recognized in Cost of Sales and $54 million net proceeds recognized in Other, net for the nine months ended July 2, 2022 and $23 million net expense recognized in Cost of Sales and $6 million net proceeds recognized in Other, net for fiscal 2021.

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Segment Operating Income Reconciliations

$ in millions (Unaudited)

Adjusted Segment Operating Income (Loss) *(for the third quarter ended July 2, 2022)*						
	Beef	**Pork**	**Chicken**	**Prepared Foods**	**International/Other**	**Total**
Reported operating income	$ 533	$ 25	$ 277	$ 186	$ 12	$ 1,033
Less: Production facilities fire insurance proceeds, net of costs[1]	(27)	—	(8)	—	—	(35)
Adjusted operating income	$ 506	$ 25	$ 269	$ 186	$ 12	$ 998

Adjusted Segment Operating Income *(for the nine months ended July 2, 2022)*						
	Beef	**Pork**	**Chicken**	**Prepared Foods**	**International/Other**	**Total**
Reported operating income	$ 2,127	$ 248	$ 615	$ 635	$ 19	$ 3,644
Less: Production facilities fire insurance proceeds, net of costs[1]	(27)	—	(26)	—	—	(53)
Adjusted operating income	$ 2,100	$ 248	$ 589	$ 635	$ 19	$ 3,591

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.

1 Relates to fires at production facilities in Chicken in the fourth quarter of fiscal 2021 and Beef in the fourth quarter of fiscal 2019. Amount includes insurance proceeds, net of costs incurred, of $35 million recognized in Cost of Sales and $32 million net proceeds recognized in Other, net for the three months ended July 2, 2022 and $53 million recognized in Cost of Sales and $54 million net proceeds recognized in Other, net for the nine months ended July 2, 2022.

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Segment Operating Income Reconciliations

$ in millions (Unaudited)

Adjusted Segment Operating Income *(for the third quarter ended July 3, 2021)*												
		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 *(for the nine months ended July 3, 2021)*												
		Beef		Pork		Chicken		Prepared Foods		International/Other		Total
Reported operating income (loss)	$	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

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.

1 Legal contingency accruals included $225 million recognized as a reduction to sales and $81 million recognized as an increase of Cost of Sales in the third quarter of fiscal 2021 and $545 million recognized as a reduction of Sales and $81 million recognized as an increase of Cost of Sales in the first nine months of fiscal year 2021.

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

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