



Supplemental Information

3rd Quarter Fiscal 2018

August 6, 2018



Today's Speakers



Tom Hayes
President & CEO



Stewart Glendinning
EVP & CFO



Forward-Looking Statements

Certain information contained in this presentation may constitute forward-looking statements, such as statements relating to expected performance and including, but not limited to, statements appearing in the “Outlook” section and statements relating to adjusted EPS guidance. These forward-looking statements are subject to a number of factors and uncertainties, which could cause our actual results and experiences to differ materially from the 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. 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) 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; (ii) 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; (iii) outbreak of a livestock disease (such as 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; (iv) the integration of AdvancePierre Foods Holdings, Inc.; (v) the effectiveness of our financial fitness program; (vi) the implementation of an enterprise resource planning system; (vii) access to foreign markets together with foreign economic conditions, including currency fluctuations, import/export restrictions and foreign politics; (viii) changes in availability and relative costs of labor and contract growers and our ability to maintain good relationships with employees, labor unions, contract growers and independent producers providing us livestock; (ix) issues related to food safety, including costs resulting from product recalls, regulatory compliance and any related claims or litigation; (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) our ability to leverage brand value propositions; (xiii) risks associated with leverage, including cost increases due to rising interest rates or changes in debt ratings or outlook; (xiv) impairment in the carrying value of our goodwill or indefinite life intangible assets; (xv) 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; (xvi) adverse results from litigation; (xvii) cyber incidents, security breaches or other disruptions of our information technology systems; (xviii) our ability to make effective acquisitions or joint ventures and successfully integrate newly acquired businesses into existing operations; (xix) risks associated with our commodity purchasing activities; (xx) the effect of, or changes in, general economic conditions; (xxi) significant marketing plan changes by large customers or loss of one or more large customers; (xxii) impacts on our operations caused by factors and forces beyond our control, such as natural disasters, fire, bioterrorism, pandemics or extreme weather; (xxiii) failure to maximize or assert our intellectual property rights; (xxiv) our participation in a multiemployer pension plan; (xxv) the Tyson Limited Partnership’s ability to exercise significant control over the Company; (xxvi) effects related to changes in tax rates, valuation of deferred tax assets and liabilities, or tax laws and their interpretation; (xxvii) volatility in capital markets or interest rates; and (xxviii) those factors listed under Item 1A. “Risk Factors” included in our Annual Report filed on Form 10-K for the period ended September 30, 2017.

OUR STRATEGY

**Sustainably Feed the World With the
Fastest Growing Protein Brands**

HOW WE WILL ACHIEVE OUR STRATEGY

Grow.

Our businesses
through
differentiated
capabilities

Deliver.

Ongoing financial
fitness through
continuous
improvement

Sustain.

Our company
and our
world for future
generations



Q3 FY'18

Highlights

- Adjusted EPS^{1,2} of \$1.50
- Record Q3 adjusted operating income¹ of \$816M, up 8% from last year
- Strong operating cash flow of \$1.9B, up 33% from last year
- Record Beef segment adjusted operating income¹ of \$319M
- Realized \$66M of Financial Fitness Program cost savings

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.

²Includes incremental \$0.20 earnings per share due to tax reform

(\$ in millions, except per share data)	Q3 FY'18
Sales	\$10,051
Adjusted Operating Income ¹	\$816
Adjusted Operating Margin ¹	8.1%
Adjusted EPS ¹	\$1.50

Adjusted Operating Income ¹	Q3 FY'18	
	Dollars	ROS%
Beef	\$319	8.0%
Pork	67	5.6%
Chicken	196	6.6%
Prepared Foods	249	11.7%
Other	(15)	n/a
Total	\$816	8.1%



Segment Results – Beef

Q3'18
Adj. Operating Income¹
(\$ in millions)

Dollars

\$319

ROS%

8.0%

Q3'18
Volume +2.7%
Avg. Price -2.8%

Adjusted Operating
Margin¹ Outlook
FY18 & FY19: >6%

¹Represents a non-GAAP financial measure. Q3'18 Adjusted operating income and adjusted operating margin are explained and reconciled to comparable GAAP measures in the Appendix. A further explanation of providing non-GAAP guidance is included in the Appendix.



Segment Results – Pork

Q3'18
Adj. Operating Income¹
(\$ in millions)

Dollars

\$67

ROS%

5.6%

Q3'18
Volume -2.1%
Avg. Price -7.4%

Adjusted Operating
Margin¹ Outlook
FY18 & FY19: ~6%

¹Represents a non-GAAP financial measure. Q3'18 Adjusted operating income and adjusted operating margin are explained and reconciled to comparable GAAP measures in the Appendix. A further explanation of providing non-GAAP guidance is included in the Appendix.



Segment Results – Chicken

Q3'18 Adj. Operating Income ¹ (\$ in millions)	
<u>Dollars</u>	<u>ROS%</u>
\$196	6.6%

Q3'18
Volume ~Flat
Avg. Price +3.7%

Adjusted Operating
Margin¹ Outlook
FY18 & FY19: ~8%

¹Represents a non-GAAP financial measure. Q3'18 Adjusted operating income and adjusted operating margin are explained and reconciled to comparable GAAP measures in the Appendix. A further explanation of providing non-GAAP guidance is included in the Appendix.



Segment Results – Prepared Foods

Q3'18 Record Adj. Operating Income ¹ (\$ in millions)	
<u>Dollars</u>	<u>ROS%</u>
\$249	11.7%

Q3'18 Volume +2.7% Avg. Price +6.8%

Adjusted Operating Margin ¹ Outlook FY18 & FY19: >11%

¹Represents a non-GAAP financial measure. Q3'18 Adjusted operating income and adjusted operating margin are explained and reconciled to comparable GAAP measures in the Appendix. A further explanation of providing non-GAAP guidance is included in the Appendix.



Total Company Outlook¹

Sales

FY18: \$40-41B

FY19: \$42B

FY19 topline growth of ~3% over FY18

CapEx

FY18: \$1.2-1.3B

FY19: ~\$1.6B

FY18 Adjusted EPS

\$5.70-6.00^{2,3}



Beef

Adjusted
Operating Margin
FY 18 & FY19:
>6%



Pork

Adjusted
Operating Margin
FY18 & FY19:
~6%



Chicken

Adjusted
Operating Margin
FY 18 & FY19:
~8%



Prepared Foods

Adjusted
Operating Margin
FY 18 & FY19:
>11%

¹Does not include expected other operating loss of approximately \$60 million in fiscal 2018.

²Projected Adjusted EPS as of 8/6/18. Represents a non-GAAP financial measure. Adjusted EPS is explained and reconciled to comparable GAAP measures in the Appendix. A further explanation of providing non-GAAP guidance is included in the Appendix.

³Includes incremental earnings per share of ~\$0.77 due to tax reform



Core 9 and Total Tyson Dollar Performance

Dollar Sales % Chg. among top 10 branded food companies > \$5B

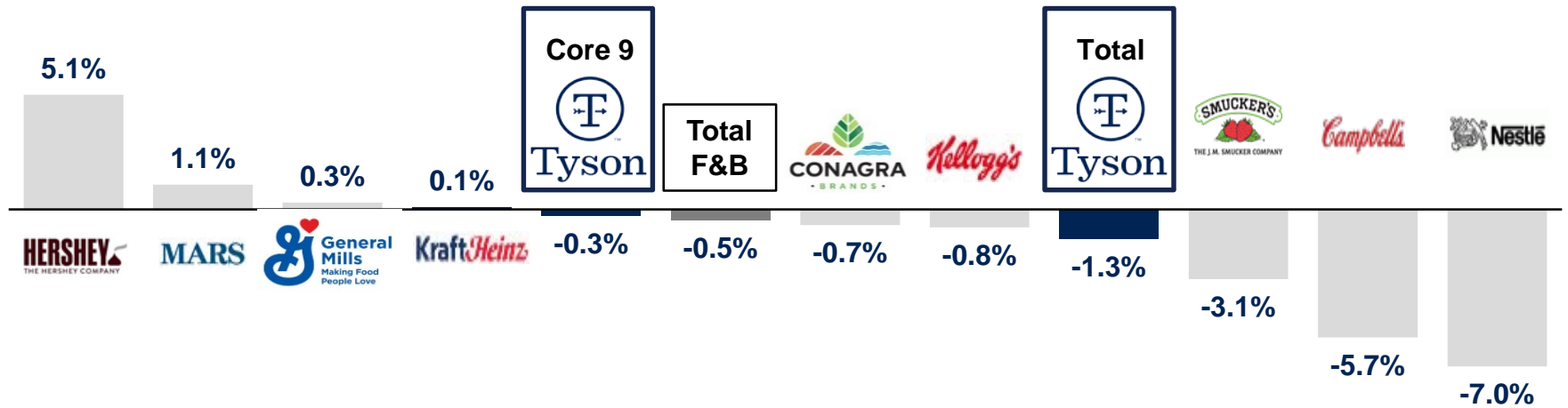


Source: IRI Total U.S. Multi-Outlet (x Costco) Volume Sales 52 weeks ending 7/01/2018
Product = Total Edible + Pet Food, Tyson = Tyson + Nature Raised Farms + AdvancePierre



Core 9 and Total Tyson Volume Performance

Volume sales % change among top 10 branded food companies >\$5B



Source: IRI Total U.S. Multi-Outlet (x Costco), Volume Sales, 52 weeks ending 7/1/2018
Includes Total Edible + Pet Food, Tyson = Tyson + Nature Raised Farms + AdvancePierre



Innovation – Protein-Packed Brands



Morning
Protein on
the Move



Take a
Bite Out
of Summer



Breakfast
Without
Bread
Carbs

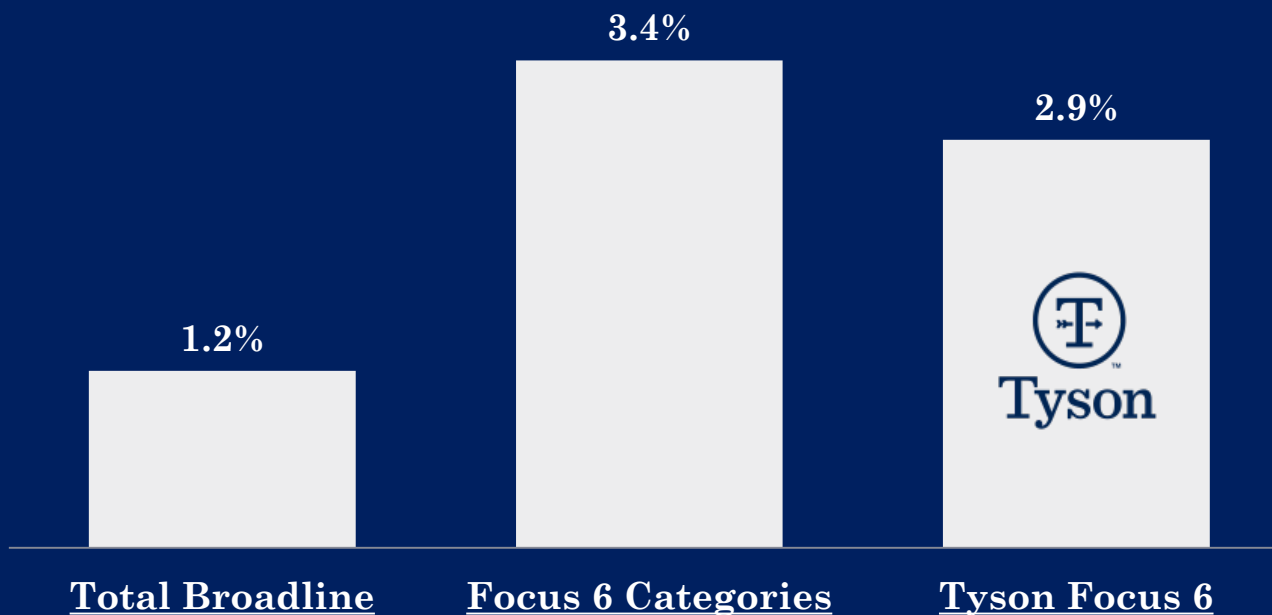


Delicious
Dinner
Made
Simple

Foodservice Broadline Volume Performance



Volume % Change vs.
Year Ago (L52)



*NPD SupplyTrack © data, 52 weeks ending May 2018
Excludes Large Chain and Operator Label data
Focus Six = Chicken Value Added, Breakfast Sausage, Dinner Sausage, Peperoni Pizza Topping, Bacon, Philly Steak
Tyson = Tyson, AdvancePierre and Original Philly*

OUR STRATEGY

**Sustainably Feed the World With the
Fastest Growing Protein Brands**

HOW WE WILL ACHIEVE OUR STRATEGY

Grow.

Our businesses
through
differentiated
capabilities

Deliver.

Ongoing financial
fitness through
continuous
improvement

Sustain.

Our company
and our
world for future
generations



Appendix

3rd Quarter Fiscal 2018 Non-GAAP Reconciliations

EPS Reconciliations

In millions, except per share data
(Unaudited)



	Third Quarter				Nine Months Ended June 30, 2018			
	Pretax Impact		EPS Impact		Pretax Impact		EPS Impact	
	2018	2017	2018	2017	2018	2017	2018	2017
Reported net income per share attributable to Tyson			\$ 1.47	\$ 1.21			\$ 6.72	\$ 3.72
Add: One-Time Cash Bonus to Frontline Employees	-	-	-	-	109	-	0.22	-
Add: Restructuring and related charges	14	-	0.03	-	45	-	0.09	-
Add: Impairment net of a realized gain associated with the divestiture of non-protein businesses (a)	-	-	-	-	79	-	0.26	-
Add: San Diego Prepared Foods Operation Impairment	-	-	-	-	-	52	-	0.09
Add: AdvancePierre purchase accounting and acquisition related costs (b)	-	77	-	0.14	-	77	-	0.14
Less: Tax benefit from remeasurement of net deferred tax liabilities at lower enacted tax rates	-	-	-	-	-	-	(2.71)	-
Less: Tax benefit related to expected sale of a non-protein business	-	-	-	(0.07)	-	-	-	(0.07)
Adjusted net income per share attributable to Tyson			\$ 1.50	\$ 1.28			\$ 4.58	\$ 3.88

(a) EPS impact for the nine months of fiscal 2018 includes \$101 million of impairments related to the expected sale of a non-protein business net of a \$22 million realized pretax gain associated with the sale of a non-protein business, which combined on an after-tax basis resulted in a \$0.26 impact to EPS.

(b) AdvancePierre purchase accounting and acquisition related costs includes a \$24 million purchase accounting adjustment for the fair value step-up of inventory, \$35 million of acquisition related costs and \$18 million of acquisition bridge financing fees.

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.

Adjusted EPS guidance is provided on a non-GAAP basis. The Company is not able to reconcile its full-year fiscal 2018 Adjusted EPS guidance to its full-year fiscal 2018 projected GAAP EPS guidance because certain information necessary to calculate such measure 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 amount of future adjustments, which could be significant, the Company is unable to provide a reconciliation of this measure without unreasonable effort.

Segment Operating Income and Operating Margin Reconciliations



In millions
(Unaudited)

Adjusted Segment Operating Income (Loss)							
<i>(for the third quarter ended June 30, 2018)</i>							
	Beef	Pork	Chicken	Prepared Foods	Other	Intersegment Sales	Total
Sales	\$ 3,993	\$ 1,197	\$ 2,973	\$ 2,132	\$ 75	\$ (319)	\$ 10,051
Reported operating income (loss)	\$ 318	\$ 67	\$ 189	\$ 243	\$ (15)	\$ -	\$ 802
Add: Restructuring and related charges	1	-	7	6	-	-	14
Adjusted operating income (loss)	\$ 319	\$ 67	\$ 196	\$ 249	\$ (15)	\$ -	\$ 816
Reported operating margin %	8.0%	5.6%	6.4%	11.4%	n/a	n/a	8.0%
Adjusted operating margin %	8.0%	5.6%	6.6%	11.7%	n/a	n/a	8.1%

Adjusted Segment Operating Income (Loss)							
<i>(for the nine months ended June 30, 2018)</i>							
	Beef	Pork	Chicken	Prepared Foods	Other	Intersegment Sales	Total
Sales	\$ 11,560	\$ 3,745	\$ 8,929	\$ 6,571	\$ 245	\$ (997)	\$ 30,053
Reported operating income (loss)	\$ 666	\$ 285	\$ 692	\$ 627	\$ (43)	\$ -	\$ 2,227
Add: One-time cash bonus to frontline employees	27	12	51	19	-	-	109
Add: Restructuring and related charges	\$ 3	\$ 1	\$ 22	\$ 19	\$ -	\$ -	\$ 45
Add: Impairment net of a realized gain associated with the divestiture of non-protein businesses (a)	-	-	-	79	-	-	79
Adjusted operating income (loss)	\$ 696	\$ 298	\$ 765	\$ 744	\$ (43)	\$ -	\$ 2,460
Reported operating margin %	5.8%	7.6%	7.8%	9.5%	n/a	n/a	7.4%
Adjusted operating margin %	6.0%	8.0%	8.6%	11.3%	n/a	n/a	8.2%

(a) Operating income impact for the nine months of fiscal 2018 includes \$101 million of impairments related to the expected sale of a non-protein business net of a \$22 million realized pretax gain associated with the sale of a non-protein business.

Adjusted operating income is presented as a supplementary measure of our operating performance that is not required by, or presented in accordance with, GAAP. We use adjusted operating income as an internal performance measurement and as one criterion for evaluating our performance relative to that of our peers. We believe adjusted operating income is meaningful to our investors to enhance their understanding of our operating 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 operating income. Further, we believe that adjusted operating income is a useful measure because it improves comparability of results of operations from period to period. Adjusted operating income should not be considered as a substitute for operating income 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 may not be comparable to similarly titled measures reported by other companies.