

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 8-K**

**Current Report Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

**Date of Report (Date of Earliest Event Reported): February 7, 2019**

**Tyson Foods, Inc.**

(Exact name of Registrant as specified in its charter)

**Delaware**

(State of incorporation or organization)

**001-14704**

(Commission File Number)

**71-0225165**

(IRS Employer Identification No.)

**2200 West Don Tyson Parkway, Springdale, AR 72762-6999  
(479) 290-4000**

(Address, including zip code, and telephone number, including area code, of  
Registrant's principal executive offices)

**Not applicable**

(Former name, former address and former fiscal year, if applicable)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions ( *see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 2.02. Results of Operations and Financial Condition**

On February 7, 2019, Tyson Foods, Inc. issued a press release announcing results of operations for its first quarter ended December 29, 2018. The press release is furnished herewith as Exhibit 99.1 and incorporated by reference herein.

*Limitation on Incorporation by Reference*

In accordance with general instruction B.2 of Form 8-K, the information in this report, including exhibits, is furnished pursuant to Items 2.02 and 9.01 and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section.

**Item 9.01. Financial Statements and Exhibits**

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	<a href="#"><u>Press release, dated February 7, 2019, announcing the results of operations of Tyson Foods, Inc. for its first quarter ended December 29, 2018</u></a>

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TYSON FOODS, INC.

Date: February 7, 2019

By: /s/ Stewart Glendinning

Name: Stewart Glendinning

Title: Executive Vice President and Chief Financial Officer



**TYSON FOODS REPORTS STRONG FIRST QUARTER FISCAL 2019 RESULTS  
PREPARED FOODS POSTS RECORD Q1 MARGIN; FISCAL YEAR 2019 GUIDANCE REAFFIRMED**

**Springdale, Arkansas – February 7, 2019** – Tyson Foods, Inc. (NYSE: TSN), one of the world’s largest food companies and a recognized leader in protein with leading brands including *Tyson, Jimmy Dean, Hillshire Farm, Ball Park, Wright, Aidells, ibp* and *State Fair* , today reported the following results:

(in millions, except per share data)

	<b>First Quarter</b>	
	<b>2019</b>	<b>2018</b>
Sales	\$ 10,193	\$ 10,229
Operating Income	807	922
Net Income	552	1,632
Less: Net Income Attributable to Noncontrolling Interests	1	1
Net Income Attributable to Tyson	<u>\$ 551</u>	<u>\$ 1,631</u>
Net Income Per Share Attributable to Tyson	\$ 1.50	\$ 4.40
Adjusted <sup>1</sup> Operating Income	\$ 841	\$ 945
Adjusted <sup>1</sup> Net Income Per Share Attributable to Tyson	\$ 1.58	\$ 1.81

<sup>1</sup> Adjusted operating income and adjusted net income per share attributable to Tyson, or Adjusted EPS, are non-GAAP financial measures and are explained and reconciled to a comparable GAAP measure at the end of this release. Adjusted net income per share attributable to Tyson guidance is provided on a non-GAAP basis because certain information necessary to calculate such measure on a GAAP basis is unavailable, dependent on future events outside of our control and cannot be predicted without unreasonable efforts by the Company. A further explanation of providing non-GAAP guidance is included at the end of this release.

**First Quarter Highlights**

- **GAAP EPS of \$1.50, down 66% from record prior year (prior year included a one-time tax benefit of \$2.68)**
- **Adjusted EPS of \$1.58, down 13% from record prior year**
- **GAAP operating income of \$807 million; Adjusted operating income of \$841 million**
- **Total Company GAAP operating margin of 7.9%; Adjusted operating margin of 8.3%**
- **Record Prepared Foods GAAP operating margin of 12.3% and record Adjusted operating margin of 12.5%**
- **Closed the Keystone Foods acquisition on November 30, 2018**
- **Repurchased 1.4 million shares for \$83 million**

**Guidance**

- **Reaffirming Adjusted<sup>1</sup> EPS guidance for fiscal 2019 of \$5.75-\$6.10.**

“Our diversified business model continues to set Tyson Foods apart,” said Noel White, Tyson’s president and chief executive officer. “The Prepared Foods and Beef segments delivered strong results in our fiscal first quarter, while the Pork and Chicken segments performed well given market conditions. We’re proud of the growth Prepared Foods has achieved in the past five years and the role it has played in stabilizing volatility while growing earnings. Moving forward, we will remain focused on growing Prepared Foods as well as our value-added and international businesses.

“In the first quarter, we completed the acquisition of Keystone Foods. I’m pleased with the progress of the integration and remain confident Keystone will play an important role as we execute our growth strategy, particularly with strategic customers and in key international markets.

“Fiscal 2019 holds many opportunities for Tyson Foods. Global protein demand remains strong, and we are well positioned to meet the demand with our diversified business model and differentiated portfolio. Our cash flow and strong balance sheet support our capital commitments and our growth strategy. Our team is focused on the success of our stakeholders, and I am confident in our ability to deliver on our fiscal 2019 outlook of \$5.75-6.10 adjusted earnings per share while enabling long-term, sustainable growth.”

**SEGMENT RESULTS (in millions)**

<b>Sales</b> <i>(for the first quarter ended December 29, 2018, and December 30, 2017)</i>				
	<b>First Quarter</b>			
	<b>2019</b>	<b>2018</b>	<b>Volume Change</b>	<b>Avg. Price Change</b>
<b>Beef</b>	\$ 3,926	\$ 3,886	(0.9)%	1.9 %
<b>Pork</b>	1,179	1,283	(3.6)%	(4.6)%
<b>Chicken</b>	3,115	2,997	17.0 %	(13.1)%
<b>Prepared Foods</b>	2,149	2,292	(12.9)%	6.7 %
<b>Other</b>	143	88	7.3 %	56.5 %
<b>Intersegment Sales</b>	(319)	(317)	n/a	n/a
<b>Total</b>	<b>\$ 10,193</b>	<b>\$ 10,229</b>	<b>3.3 %</b>	<b>(3.7)%</b>

<b>Operating Income (Loss)</b> <i>(for the first quarter ended December 29, 2018, and December 30, 2017)</i>				
	<b>First Quarter</b>			
	<b>2019</b>	<b>2018</b>	<b>Operating Margin</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>Beef</b>	\$ 305	\$ 256	7.8%	6.6%
<b>Pork</b>	95	151	8.1%	11.8%
<b>Chicken</b>	160	272	5.1%	9.1%
<b>Prepared Foods</b>	265	256	12.3%	11.2%
<b>Other</b>	(18)	(13)	n/a	n/a
<b>Total</b>	<b>\$ 807</b>	<b>\$ 922</b>	<b>7.9%</b>	<b>9.0%</b>

Note: On November 30, 2018, we acquired Keystone Foods. The post-acquisition results from operations of this business are included in our Chicken segment for Keystone's domestic operations and Other for Keystone's International business. In fiscal 2018, we acquired Tecumseh Poultry, LLC and American Proteins, Inc. The post-acquisition results from operations of these businesses are included in our Chicken segment. In fiscal 2018, we also completed the sale of four non-protein businesses as part of our strategic focus on protein brands. All of these businesses were part of our Prepared Foods segment and included Sara Lee® Frozen Bakery, Kettle, Van's®, and TNT Crust. Additionally, in the first quarter of fiscal 2019, we adopted a new defined benefit and other postretirement accounting standard that required retrospective adjustment of prior periods. Accordingly, total Company and Prepared Foods operating income and adjusted operating income for the first quarter of fiscal 2018 were reduced by \$5 million.

**Adjusted Segment Results (in millions)**

<b>Adjusted Operating Income (Loss) (Non-GAAP)</b> <i>(for the first quarter ended December 29, 2018, and December 30, 2017)</i>				
	<b>First Quarter</b>			
	<b>2019</b>	<b>2018</b>	<b>Adjusted Operating Margin (Non-GAAP)</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>Beef</b>	\$ 305	\$ 257	7.8%	6.6%
<b>Pork</b>	95	152	8.1%	11.8%
<b>Chicken</b>	173	281	5.6%	9.4%
<b>Prepared Foods</b>	268	268	12.5%	11.7%
<b>Other</b>	—	(13)	n/a	n/a
<b>Total</b>	<b>\$ 841</b>	<b>\$ 945</b>	<b>8.3%</b>	<b>9.2%</b>

Note: Adjusted operating income is a non-GAAP financial measure and is explained and reconciled to a comparable GAAP measure at the end of this release.

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.

### **Summary of Segment Results**

- **Beef** - Sales volume decreased due to a reduction in live cattle processed. Average sales price increased as exports and demand for our beef products remained strong. Operating income increased as we continued to maximize our revenues relative to live fed cattle costs, partially offset by increased operating and labor costs.
- **Pork** - Sales volume decreased as a result of balancing our supply with customer demand during a period of margin compression. The average sales price decrease was associated with lower livestock costs. Operating income was strong, but lower than prior year results due to periods of compressed pork margins caused by excess domestic availability of pork and higher operating and labor costs.
- **Chicken** - Sales volume increased primarily due to incremental volume from business acquisitions. Average sales price decreased due to sales mix primarily associated with the acquisition of a poultry rendering and blending business in the fourth quarter of fiscal 2018. Operating income decreased due to increased operating and labor costs, in addition to higher feed ingredient costs and current market conditions.
- **Prepared Foods** - Sales volume decreased primarily from business divestitures. Excluding the impact of the business divestitures, sales volumes increased slightly. Average sales price increased due to product mix which was positively impacted by business divestitures. Operating income increased due to strong demand for our products and improved product mix, partially offset by increased operating and labor costs.

## Outlook

For fiscal 2019, USDA indicates domestic protein production (beef, pork, chicken and turkey) should increase approximately 3% from fiscal 2018 levels, but we expect domestic availability of protein to increase approximately 2% as export markets should absorb a portion of the increase in production. The following is a summary of the outlook for each of our segments, as well as an outlook for sales, capital expenditures, net interest expense, liquidity and tax rate for fiscal 2019.

Adjusted operating margin guidance is provided below on a non-GAAP basis <sup>2</sup>.

- **Keystone Acquisition** – On November 30, 2018, we completed the acquisition of Keystone Foods business ("Keystone") from Marfrig Global Foods ("Marfrig") for \$2.3 billion in cash, subject to certain adjustments. The acquisition of Keystone, a major supplier to the growing global foodservice industry, is our latest investment in furtherance of our growth strategy and expansion of our value-added protein capabilities. The results from domestic operations of this business are included in our Chicken segment and results from its international operations are included in Other.
- **Thai and European Operations Acquisition** – On February 6, 2019, the Company announced it had reached a definitive agreement to acquire the Thai and European operations of BRF S.A. for \$340 million in cash, subject to certain adjustments. The purchase includes four processing facilities located in Thailand and one processing facility each located in the United Kingdom and the Netherlands. This acquisition builds on our growth strategy to expand offerings of value-added protein in global markets. The transaction is expected to close before the end of our fiscal third quarter 2019 and is subject to customary closing conditions, including regulatory approvals, however, there can be no assurance that the acquisition will close at such time. The impact of this acquisition has been excluded from the outlook.
- **Sales** – For fiscal 2019, we expect sales to grow to approximately \$43 billion due to volume growth and mix, as well as the impact of the Keystone acquisition. Most of the sales growth is expected to occur in our Chicken segment and Other, as well as expected growth in our Prepared Foods segment after excluding the impact of the divestitures.
- **Beef** – We expect industry fed cattle supplies to increase approximately 2% in fiscal 2019 as compared to fiscal 2018. We expect ample supplies in regions where we operate our plants. We believe our Beef segment's adjusted operating margin will be near 7% in fiscal 2019.
- **Pork** – We expect industry hog supplies to increase approximately 2% in fiscal 2019 as compared to fiscal 2018. We believe our Pork segment's adjusted operating margin will be around 6% in fiscal 2019.
- **Chicken** – USDA projects an increase in chicken production of approximately 1% in fiscal 2019 as compared to fiscal 2018. We believe our Chicken segment's adjusted operating margin to exceed 6% in fiscal 2019.
- **Prepared Foods** – We believe our Prepared Foods segment's adjusted operating margin will be 11-12% in fiscal 2019.
- **Other** – Other includes Keystone's international operations, our foreign operations in China, third-party merger and integration costs and corporate overhead related to Tyson New Ventures, LLC. We expect improved results in Other during fiscal 2019 from substantial improvement in our legacy foreign operations as well as from the addition of Keystone's international operations.
- **Capital Expenditures** – For fiscal 2019, we expect capital expenditures to be approximately \$1.5 billion and to scale back to the range of \$1.1 to \$1.3 billion in fiscal 2020. Capital expenditures will include spending for production growth, safety, animal well-being, infrastructure replacements and upgrades, and operational improvements that will result in production and labor efficiencies, yield improvements and sales channel flexibility.
- **Net Interest Expense** – We expect net interest expense to approximate \$450 million for fiscal 2019.
- **Liquidity** – We expect total liquidity, which was approximately \$1.4 billion at December 29, 2018, to remain in line with our minimum liquidity target of \$1.0 billion.
- **Tax Rate** – We expect our adjusted effective tax rate to approximate 23.5% in fiscal 2019.

<sup>2</sup> The Company is not able to reconcile its full-year fiscal 2019 adjusted operating margin guidance to its full-year fiscal 2019 projected GAAP operating margin 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. Adjusted operating margin should not be considered a substitute for operating margin or any other measure 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.

**TYSON FOODS, INC.**  
**CONSOLIDATED CONDENSED STATEMENTS OF INCOME**  
(In millions, except per share data)  
(Unaudited)

	Three Months Ended	
	December 29, 2018	December 30, 2017
Sales	\$ 10,193	\$ 10,229
Cost of Sales	8,838	8,786
Gross Profit	1,355	1,443
Selling, General and Administrative	548	521
Operating Income	807	922
Other (Income) Expense:		
Interest income	(2)	(2)
Interest expense	99	88
Other, net	(3)	(6)
Total Other (Income) Expense	94	80
Income before Income Taxes	713	842
Income Tax Expense (Benefit)	161	(790)
Net Income	552	1,632
Less: Net Income Attributable to Noncontrolling Interests	1	1
Net Income Attributable to Tyson	\$ 551	\$ 1,631
Weighted Average Shares Outstanding:		
Class A Basic	294	296
Class B Basic	70	70
Diluted	366	371
Net Income Per Share Attributable to Tyson:		
Class A Basic	\$ 1.54	\$ 4.54
Class B Basic	\$ 1.39	\$ 4.09
Diluted	\$ 1.50	\$ 4.40
Dividends Declared Per Share:		
Class A	\$ 0.450	\$ 0.375
Class B	\$ 0.405	\$ 0.338
Sales Growth	(0.4)%	
Margins: (Percent of Sales)		
Gross Profit	13.3 %	14.1 %
Operating Income	7.9 %	9.0 %
Net Income Attributable to Tyson	5.4 %	16.0 %
Effective Tax Rate	22.6 %	(93.8)%

**TYSON FOODS, INC.**  
**CONSOLIDATED CONDENSED BALANCE SHEETS**  
(In millions)  
(Unaudited)

	December 29, 2018	September 29, 2018
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 400	\$ 270
Accounts receivable, net	1,892	1,723
Inventories	3,777	3,513
Other current assets	232	182
<b>Total Current Assets</b>	<b>6,301</b>	<b>5,688</b>
Net Property, Plant and Equipment	7,018	6,169
Goodwill	10,814	9,739
Intangible Assets, net	7,441	6,759
Other Assets	761	754
<b>Total Assets</b>	<b>\$ 32,335</b>	<b>\$ 29,109</b>
<b>Liabilities and Shareholders' Equity</b>		
Current Liabilities:		
Current debt	\$ 3,917	\$ 1,911
Accounts payable	1,962	1,694
Other current liabilities	1,551	1,426
<b>Total Current Liabilities</b>	<b>7,430</b>	<b>5,031</b>
Long-Term Debt	8,075	7,962
Deferred Income Taxes	2,330	2,107
Other Liabilities	1,241	1,198
<b>Total Tyson Shareholders' Equity</b>	<b>13,127</b>	<b>12,803</b>
Noncontrolling Interests	132	8
<b>Total Shareholders' Equity</b>	<b>13,259</b>	<b>12,811</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 32,335</b>	<b>\$ 29,109</b>

**TYSON FOODS, INC.**  
**CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS**  
(In millions)  
(Unaudited)

	Three Months Ended	
	December 29, 2018	December 30, 2017
Cash Flows From Operating Activities:		
Net income	\$ 552	\$ 1,632
Depreciation and amortization	250	229
Deferred income taxes	18	(967)
Other, net	64	29
Net changes in operating assets and liabilities	(16)	203
Cash Provided by Operating Activities	<u>868</u>	<u>1,126</u>
Cash Flows From Investing Activities:		
Additions to property, plant and equipment	(318)	(296)
Purchases of marketable securities	(15)	(12)
Proceeds from sale of marketable securities	15	9
Acquisitions, net of cash acquired	(2,141)	(226)
Proceeds from sale of business	—	125
Other, net	10	(22)
Cash Used for Investing Activities	<u>(2,449)</u>	<u>(422)</u>
Cash Flows From Financing Activities:		
Payments on debt	(12)	(429)
Proceeds from issuance of debt	1,807	—
Borrowings on revolving credit facility	—	655
Payments on revolving credit facility	—	(650)
Proceeds from issuance of commercial paper	5,538	5,728
Repayments of commercial paper	(5,406)	(5,824)
Purchases of Tyson Class A common stock	(83)	(164)
Dividends	(134)	(108)
Stock options exercised	3	63
Other, net	(2)	—
Cash (Used for) Provided by Financing Activities	<u>1,711</u>	<u>(729)</u>
Effect of Exchange Rate Changes on Cash	—	—
Increase (Decrease) in Cash and Cash Equivalents	130	(25)
Cash and Cash Equivalents at Beginning of Year	270	318
Cash and Cash Equivalents at End of Period	<u>\$ 400</u>	<u>\$ 293</u>

**TYSON FOODS, INC.**  
**EBITDA Reconciliations**  
(In millions)  
(Unaudited)

	Three Months Ended		Fiscal Year Ended	Twelve Months Ended
	December 29, 2018	December 30, 2017	September 29, 2018	December 29, 2018
Net income	\$ 552	\$ 1,632	\$ 3,027	\$ 1,947
Less: Interest income	(2)	(2)	(7)	(7)
Add: Interest expense	99	88	350	361
Add: Income tax expense (benefit)	161	(790)	(282)	669
Add: Depreciation	184	175	723	732
Add: Amortization (a)	63	51	210	222
<b>EBITDA</b>	<b>\$ 1,057</b>	<b>\$ 1,154</b>	<b>\$ 4,021</b>	<b>\$ 3,924</b>

Adjustments to EBITDA:

Add: One-time cash bonus to frontline employees	\$ —	\$ —	\$ 109	\$ 109
Add: Keystone purchase accounting and acquisition related costs (b)	26	—	—	26
Add: Impairments net of realized gain associated with the divestiture of non-protein businesses (c)	—	4	68	64
Add: Restructuring and related charges	8	19	59	48
<b>Total Adjusted EBITDA</b>	<b>\$ 1,091</b>	<b>\$ 1,177</b>	<b>\$ 4,257</b>	<b>\$ 4,171</b>

Total gross debt	\$ 9,873	\$ 11,992
Less: Cash and cash equivalents	(270)	(400)
Less: Short-term investments	(1)	(1)
<b>Total net debt</b>	<b>\$ 9,602</b>	<b>\$ 11,591</b>

Ratio Calculations:

Gross debt/EBITDA	2.5x	3.1x
Net debt/EBITDA	2.4x	3.0x
Gross debt/Adjusted EBITDA	2.3x	2.9x
Net debt/Adjusted EBITDA	2.3x	2.8x

- (a) Excludes the amortization of debt issuance and debt discount expense of \$3 million for the three months ended December 29, 2018, and December 30, 2017, and \$10 million for the fiscal year ended September 29, 2018, and for the twelve months ended December 29, 2018, as it is included in interest expense.
- (b) Keystone acquisition and integration costs for the fiscal year 2019 included \$11 million of purchase accounting adjustments and \$15 million acquisition related costs.
- (c) The fiscal year ended September 29, 2018, included \$101 million of impairments, net of realized gains, related to the divestiture of non-protein businesses. The adjustment for the three months ended December 30, 2017 includes a \$26 million impairment 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.

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 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 limits 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 generally accepted accounting principles (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.

**TYSON FOODS, INC.**  
**EPS Reconciliations**  
(In millions, except per share data)  
(Unaudited)

	First Quarter			
	Pretax Impact		EPS Impact	
	2019	2018	2019	2018
Reported net income per share attributable to Tyson			\$ 1.50	\$ 4.40
Add: Restructuring and related charges	\$ 8	\$ 19	0.02	0.04
Add: Impairment net of a realized gain associated with the divestiture of non-protein businesses (a)	\$ —	\$ 4	—	0.05
Add: Keystone purchase accounting and acquisition related costs (b)	\$ 26	\$ —	0.06	—
Less: Tax benefit from remeasurement of net deferred tax liabilities at lower enacted tax rates	\$ —	\$ —	—	(2.68)
Adjusted net income per share attributable to Tyson			<u>\$ 1.58</u>	<u>\$ 1.81</u>

- (a) EPS impact for the first quarter of fiscal 2018 includes a \$26 million impairment 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 \$0.05 impact to EPS.
- (b) Keystone purchase accounting and acquisition related costs for the first quarter of 2019 included an \$11 million purchase accounting adjustment for the fair value step-up of inventory and \$15 million of acquisition related costs.

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 2019 Adjusted EPS guidance to its full-year fiscal 2019 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.

**TYSON FOODS, INC.**  
**Operating Income Reconciliation**  
(In millions)  
(Unaudited)

<b>Adjusted Operating Income (Loss)</b> <i>(for the first quarter ended December 29, 2018)</i>						
	<b>Beef</b>	<b>Pork</b>	<b>Chicken</b>	<b>Prepared Foods</b>	<b>Other</b>	<b>Total</b>
Reported operating income (loss)	\$ 305	\$ 95	\$ 160	\$ 265	\$ (18)	\$ 807
Add: Restructuring and related charges	—	—	5	3	—	8
Add: Keystone purchase accounting and acquisition related costs	—	—	8	—	18	26
Adjusted operating income (loss)	\$ 305	\$ 95	\$ 173	\$ 268	\$ —	\$ 841

<b>Adjusted Operating Income (Loss)</b> <i>(for the first quarter ended December 30, 2017)</i>						
	<b>Beef</b>	<b>Pork</b>	<b>Chicken</b>	<b>Prepared Foods</b>	<b>Other</b>	<b>Total</b>
Reported operating income (loss)	\$ 256	\$ 151	\$ 272	\$ 256	\$ (13)	\$ 922
Add: Restructuring and related charges	1	1	9	8	—	19
Add: Impairment net of a realized gain associated with the divestitures of non-protein businesses	—	—	—	4	—	4
Adjusted operating income (loss)	\$ 257	\$ 152	\$ 281	\$ 268	\$ (13)	\$ 945

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.

Tyson Foods Inc. (NYSE: TSN) is one of the world's largest food companies and a recognized leader in protein. Founded in 1935 by John W. Tyson and grown under three generations of family leadership, the company has a broad portfolio of products and brands like Tyson®, Jimmy Dean®, Hillshire Farm®, Ball Park®, Wright®, Aidells®, ibp® and State Fair®. Tyson Foods innovates continually to make protein more sustainable, tailor food for everywhere it's available and raise the world's expectations for how much good food can do. Headquartered in Springdale, Arkansas, the company had 121,000 team members at September 29, 2018. Through its Core Values, Tyson Foods strives to operate with integrity, create value for its shareholders, customers, communities and team members and serve as a steward of the animals, land and environment entrusted to it. Visit [www.tysonfoods.com](http://www.tysonfoods.com).

A conference call to discuss the Company's financial results will be held at 9 a.m. Eastern Thursday, February 7, 2019. Participants may pre-register for the call at <http://dpregrister.com/10126742>. Callers who pre-register will be given a conference passcode and unique PIN to gain immediate access to the call and bypass the live operator. Participants may pre-register at any time, including up to and after the call has started. Those without internet access or who are unable to pre-register may dial-in by calling toll free 1-844-890-1795 or international toll 1-412-717-9589.

A live webcast, including slides, will be available on the Tyson Foods Investor Relations website at <http://ir.tyson.com>. The webcast also can be accessed by using the direct link <https://event.on24.com/wcc/r/1891637/C3A75D7EF56B187875DC125D95F0F2ED>. A replay of the call will be available until March 7, 2019, toll free at 1-877-344-7529, international toll 1-412-317-0088 or Canada toll free 855-669-9658. The replay access code is 10126742. Financial information, such as this news release, as well as other supplemental data, can be accessed from the Company's web site at <http://ir.tyson.com>.

To download TSN's free investor relations app, which offers access to SEC filings, news releases, transcripts, webcasts and presentations, please visit the [App Store](#) or <https://itunes.apple.com/us/app/tyson-foods-investor-relations/id92427754?ls=1&mt=8> for iPhone, and iPad or [Google Play](#) for Android mobile devices at <https://play.google.com/store/apps/details?id=com.theirapp.tyson>.

### Forward-Looking Statements

Certain information in this report constitutes forward-looking statements. Such forward-looking statements include, but are not limited to, current views and estimates of our outlook for fiscal 2019, 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) 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 processed 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 acquisitions; (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; (xxviii) risks associated with our failure to integrate Keystone Foods' operations or to realize the targeted cost savings, revenues and other benefits of the acquisition; and (xxix) those factors listed under Item 1A. "Risk Factors" included in our Annual Report filed on Form 10-K for the period ended September 29, 2018.

Media Contact: Gary Mickelson, 479-290-6111

Investor Contact: Jon Kathol, 479-290-4235

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