

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

**TYSON FOODS, INC.**  
**CONSOLIDATED STATEMENTS OF INCOME**

		Three years ended September 28, 2019		
		in millions, except per share data		
		2019	2018	2017
Sales	\$	42,405	\$ 40,052	\$ 38,260
Cost of Sales		37,383	34,956	33,198
Gross Profit		5,022	5,096	5,062
Selling, General and Administrative		2,195	2,064	2,141
Operating Income		2,827	3,032	2,921
Other (Income) Expense:				
Interest income		(11)	(7)	(7)
Interest expense		462	350	279
Other, net		(55)	(56)	21
Total Other (Income) Expense		396	287	293
Income before Income Taxes		2,431	2,745	2,628
Income Tax Expense (Benefit)		396	(282)	850
Net Income		2,035	3,027	1,778
Less: Net Income Attributable to Noncontrolling Interests		13	3	4
Net Income Attributable to Tyson	\$	2,022	\$ 3,024	\$ 1,774
Weighted Average Shares Outstanding:				
Class A Basic		293	295	296
Class B Basic		70	70	70
Diluted		366	369	370
Net Income Per Share Attributable to Tyson:				
Class A Basic	\$	5.67	\$ 8.44	\$ 4.94
Class B Basic	\$	5.10	\$ 7.59	\$ 4.45
Diluted	\$	5.52	\$ 8.19	\$ 4.79

See accompanying notes.

**TYSON FOODS, INC.**  
**CONSOLIDATED BALANCE SHEETS**

September 28, 2019, and September 29, 2018  
in millions, except share and per share data  
2019 2018

<b>Assets</b>			
Current Assets:			
Cash and cash equivalents	\$	484	\$ 270
Accounts receivable, net		2,173	1,723
Inventories		4,108	3,513
Other current assets		404	182
Total Current Assets		7,169	5,688
Net Property, Plant and Equipment		7,282	6,169
Goodwill		10,844	9,739
Intangible Assets, net		7,037	6,759
Other Assets		765	754
Total Assets	\$	33,097	\$ 29,109
<b>Liabilities and Shareholders' Equity</b>			
Current Liabilities:			
Current debt	\$	2,102	\$ 1,911
Accounts payable		1,926	1,694
Other current liabilities		1,485	1,426
Total Current Liabilities		5,513	5,031
Long-Term Debt		9,830	7,962
Deferred Income Taxes		2,356	2,107
Other Liabilities		1,172	1,198
Commitments and Contingencies (Note 20)			
Shareholders' Equity:			
Common stock (\$0.10 par value):			
Class A-authorized 900 million shares, issued 378 million shares		38	38
Convertible Class B-authorized 900 million shares, issued 70 million shares		7	7
Capital in excess of par value		4,378	4,387
Retained earnings		13,787	12,329
Accumulated other comprehensive gain (loss)		(117)	(15)
Treasury stock, at cost – 82 million shares at September 28, 2019 and September 29, 2018		(4,011)	(3,943)
Total Tyson Shareholders' Equity		14,082	12,803
Noncontrolling Interests		144	8
Total Shareholders' Equity		14,226	12,811
Total Liabilities and Shareholders' Equity	\$	33,097	\$ 29,109

See accompanying notes.

**TYSON FOODS, INC.**  
**CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY**

Three years ended September 28, 2019  
in millions

	2019		2018		2017	
	Shares	Amount	Shares	Amount	Shares	Amount
Class A Common Stock:						
Balance at beginning of year	378	\$ 38	378	\$ 38	364	\$ 36
Issuance of Class A common stock	—	—	—	—	14	2
Balance at end of year	378	38	378	38	378	38
Class B Common Stock:						
Balance at beginning and end of year	70	7	70	7	70	7
Capital in Excess of Par Value:						
Balance at beginning of year		4,387		4,378		4,355
Stock-based compensation		(9)		9		23
Balance at end of year		4,378		4,387		4,378
Retained Earnings:						
Balance at beginning of year		12,329		9,776		8,348
Net income attributable to Tyson		2,022		3,024		1,774
Dividends		(564)		(458)		(346)
Reclass from Accumulated Other Comprehensive Income (Loss), Net of Tax <sup>(1)</sup>		—		(13)		—
Balance at end of year		13,787		12,329		9,776
Accumulated Other Comprehensive Income (Loss), Net of Tax:						
Balance at beginning of year		(15)		16		(45)
Other Comprehensive Income (Loss)		(102)		(44)		61
Reclass to Retained Earnings <sup>(1)</sup>		—		13		—
Balance at end of year		(117)		(15)		16
Treasury Stock:						
Balance at beginning of year	82	(3,943)	80	(3,674)	73	(3,093)
Purchase of Class A common stock	4	(252)	6	(427)	14	(860)
Stock-based compensation	(4)	184	(4)	158	(7)	279
Balance at end of year	82	(4,011)	82	(3,943)	80	(3,674)
Total Shareholders' Equity Attributable to Tyson		\$ 14,082		\$ 12,803		\$ 10,541
Equity Attributable to Noncontrolling Interests:						
Balance at beginning of year		\$ 8		\$ 18		\$ 16
Net income attributable to noncontrolling interests		13		3		4
Distributions to noncontrolling interest		(3)		(3)		(2)
Business combination and other		126		(10)		—
Total Equity Attributable to Noncontrolling Interests		\$ 144		\$ 8		\$ 18
Total Shareholders' Equity		\$ 14,226		\$ 12,811		\$ 10,559

<sup>(1)</sup> Reclass from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Tax Act, following adoption of the applicable new accounting standard for the fiscal year ended September 29, 2018.

See accompanying notes.

**TYSON FOODS, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

Three years ended September 28, 2019

in millions

	2019	2018	2017
Cash Flows From Operating Activities:			
Net income	\$ 2,035	\$ 3,027	\$ 1,778
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation	819	723	642
Amortization	279	220	119
Deferred income taxes	92	(865)	(39)
Gain on dispositions of businesses	(17)	(42)	—
Impairment of assets	94	175	214
Stock-based compensation expense	77	69	92
Other, net	(20)	(58)	(57)
(Increase) decrease in accounts receivable	(226)	(2)	(55)
(Increase) decrease in inventories	(214)	(207)	(246)
Increase (decrease) in accounts payable	(55)	(44)	61
Increase (decrease) in income taxes payable/receivable	(254)	111	55
Increase (decrease) in interest payable	47	(3)	16
Net changes in other operating assets and liabilities	(144)	(141)	19
Cash Provided by Operating Activities	2,513	2,963	2,599
Cash Flows From Investing Activities:			
Additions to property, plant and equipment	(1,259)	(1,200)	(1,069)
Purchases of marketable securities	(64)	(42)	(79)
Proceeds from sale of marketable securities	63	37	61
Acquisitions, net of cash acquired	(2,462)	(1,474)	(3,081)
Proceeds from sale of businesses	170	797	—
Other, net	88	(24)	4
Cash Used for Investing Activities	(3,464)	(1,906)	(4,164)
Cash Flows From Financing Activities:			
Proceeds from issuance of debt	4,634	1,148	5,444
Payments on debt	(3,208)	(1,307)	(3,159)
Borrowings on revolving credit facility	1,135	1,755	1,810
Payments on revolving credit facility	(1,065)	(1,755)	(2,110)
Proceeds from issuance of commercial paper	17,722	21,024	8,138
Repayments of commercial paper	(17,327)	(21,197)	(7,360)
Payment of AdvancePierre TRA liability	—	—	(223)
Purchases of Tyson Class A common stock	(252)	(427)	(860)
Dividends	(537)	(431)	(319)
Stock options exercised	99	102	154
Other, net	(30)	(14)	15
Cash Provided by (Used for) Financing Activities	1,171	(1,102)	1,530
Effect of Exchange Rate Change on Cash	(6)	(3)	4
Increase (decrease) in Cash and Cash Equivalents	214	(48)	(31)
Cash and Cash Equivalents at Beginning of Year	270	318	349
Cash and Cash Equivalents at End of Year	\$ 484	\$ 270	\$ 318

See accompanying notes.