Cal-Maine Foods, Inc. Announces $82.0 Million for Capital Projects to Expand Company's Cage-Free Production Capabilities

March 30, 2022

RIDGELAND, Miss.--(BUSINESS WIRE)--Mar. 30, 2022-- Cal-Maine Foods, Inc. (NASDAQ: CALM) today announced that its Board of Directors has approved new capital projects to further expand the Company's cage-free egg production capabilities. The Company plans to fund the proposed projects for an estimated total of $82 million through a combination of available cash on hand, investments and operating cash flow.

The proposed projects will include the following Cal-Maine Foods' locations:

- Delta, Utah - four new cage-free layer houses and two pullet house conversions with capacity for approximately 810,000 cage-free layer hens. Work is expected to commence immediately with project completion expected by fall 2023.
- Guthrie, Kentucky - nine cage-free layer house conversions and two pullet house conversions with capacity for approximately 953,000 cage-free layer hens. Work is expected to commence immediately with expected completion by spring 2025.

Commenting on the announcement, Dolph Baker, chairman and chief executive officer of Cal-Maine Foods, Inc., stated, "We are pleased to announce these cage-free expansion projects that will further advance our growth strategy and better serve customers given growing customer and consumer demand and expanding state requirements for cage-free eggs. Cal-Maine Foods is well-positioned as an industry leader in meeting this demand. Including this project, since 2008, we have allocated approximately $625 million in facilities, equipment and related operations expanding our cage-free production and distribution capabilities. This includes approximately $123 million of projects scheduled for completion during the next three years. We are committed to meeting the needs of our valued customers and will continue to identify opportunities to enhance our operations with improved efficiencies to support our anticipated growth."

Cal-Maine Foods, Inc. is primarily engaged in the production, grading, packing, marketing and sale of fresh shell eggs, including conventional, cage-free, organic, pasture-raised, free-range and nutritionally enhanced eggs. The Company, which is headquartered in Ridgeland, Mississippi, is the largest producer and distributor of fresh shell eggs in the United States and sells the majority of its shell eggs in states across the southwestern, southeastern, mid-western and mid-Atlantic regions of the United States.

Statements contained in this press release that are not historical facts are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. The forward-looking statements are based on management's current intent, belief, expectations, estimates and projections regarding our company and our industry. These statements are not guarantees of future performance and involve risks, uncertainties, assumptions and other factors that are difficult to predict and may be beyond our control. The factors that could cause actual results to differ materially from those projected in the forward-looking statements include, among others, (i) the risk factors set forth in the Company's SEC filings (including its Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K), (ii) the risks and hazards inherent in the shell egg business (including disease, pests, weather conditions and potential for recall), (iii) changes in the demand for and market prices of shell eggs and feed costs, (iv) our ability to predict and meet demand for cage-free and other specialty eggs, (v) risks, changes or obligations that could result from our future acquisition of new flocks or businesses and risks or changes that may cause conditions to completing a pending acquisition not to be met, (vi) risks relating to the evolving COVID-19 pandemic, including without limitation increased costs, rising inflation and interest rates and (vii) adverse results in pending litigation matters. SEC filings may be obtained from the SEC or the Company's website , www.calmainefoods.com. Readers are cautioned not to place undue reliance on forward-looking statements because, while we believe the assumptions on which the forward-looking statements are based are reasonable, there can be no assurance that these forward-looking statements will prove to be accurate. Further, the forward-looking statements included herein are only made as of the respective dates thereof, or if no date is stated, as of the date hereof. Except as otherwise required by law, we disclaim any intent or obligation to publicly update these forward-looking statements, whether as a result of new information, future events or otherwise.

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