



## Cal-Maine Foods Reports Results for Third Quarter Fiscal 2024

April 2, 2024 at 4:05 PM EDT

RIDGELAND, Miss.--(BUSINESS WIRE)--Apr. 2, 2024-- Cal-Maine Foods, Inc. (NASDAQ: CALM) ("Cal-Maine Foods" or the "Company"), the largest producer and distributor of fresh shell eggs in the United States, today reported results for the third quarter of fiscal 2024 (thirteen weeks) ended March 2, 2024.

### Third Quarter Fiscal Year 2024 Highlights

- Quarterly net sales of \$703.1 million
- Quarterly net income of \$146.4 million, or \$3.01 per basic common share
- Record quarterly sales volume of total dozens sold and specialty dozens sold
- Cash dividend of \$48.9 million, or \$1.00 per share, pursuant to the Company's established dividend policy

### Overview

Sherman Miller, president and chief executive officer of Cal-Maine Foods, stated, "We are very pleased with Cal-Maine Foods' strong financial and operating performance for the third quarter of fiscal 2024. Our sales reflect lower average selling prices compared to a year ago, when the shell egg industry experienced record high market prices due primarily to the impact of highly pathogenic avian influenza ("HPAI") and other market factors resulting in a significant reduction in supply. While the more recent outbreaks of HPAI have also affected supply and caused market prices to move higher, the overall market impact has not been as severe. Fueled by strong demand, our total sales volumes (dozens sold) for the quarter were higher than the third quarter of fiscal 2023 and reached a Company record. Consumer demand for eggs has been strong, especially during the winter holiday season. We have worked hard to meet this demand with a favorable product mix of conventional and specialty eggs, as well as enhanced egg products offerings. Our managers and employees have continued to efficiently run our operations in a challenging environment due to the impact of and ongoing threat of HPAI. Despite the distractions, we have continued to meet the needs of our valued customers.

"In addition to our strong organic growth opportunities, we are pleased with the operational performance and successful integration of our acquisition of assets of Fassio Egg Farms, Inc., located in Erda, Utah outside of Salt Lake City, acquired in our second fiscal quarter. Following the end of the third quarter, we completed the acquisition from Tyson Foods, Inc. (NYSE:TSN) of a recently closed broiler processing plant, hatchery and feed mill located in Dexter, Missouri. We intend to repurpose the acquired assets for use in egg and egg products production. We remain focused on identifying other acquisition opportunities that complement our operating model and further extend our market reach."

### Sales Performance & Operating Highlights

Max Bowman, vice president and chief financial officer of Cal-Maine Foods, added, "For the third quarter of fiscal 2024, our net sales were \$703.1 million compared with \$997.5 million for the same period last year, which was the Company's highest quarterly sales period with record high average selling prices for conventional and specialty eggs. The decline in sales revenue for the third quarter of fiscal 2024 was primarily due to the significant decrease in egg prices compared to a year ago. However, market prices moved higher sequentially in the third fiscal quarter due to both the recent impact of HPAI and normal seasonal fluctuations.

"Our overall sales volumes improved 3.2% compared to the same period last year as we sold 300.8 million dozens compared with 291.4 million dozens for the third quarter of fiscal 2023. Conventional eggs sold reached 192.2 million dozens, up 2.6%, while specialty eggs sold were 108.6 million dozens, a 4.4% increase over the prior-year period. These results represent the highest total dozens sold and highest specialty dozens sold in any quarter for Cal-Maine Foods.

"Net income attributable to Cal-Maine Foods for the third quarter of fiscal 2024 was \$146.7 million, or \$3.00 per diluted share, compared with \$323.2 million, or \$6.62 per diluted share, for the third quarter of fiscal 2023, which was another record for the Company.

"The net average selling price per dozen was \$2.152 for conventional eggs in the third quarter of fiscal 2024, down 41.5% compared with \$3.678 for the prior-year quarter. Net average selling price for specialty eggs was \$2.415 per dozen, compared with \$2.616 per dozen for the third quarter of fiscal 2023, a decline of 7.7%. Specialty dozens sold were 36.1% of total dozens sold in the third quarter of fiscal 2024 compared with 35.7% in the prior-year period.

"We reported operating income of \$162.8 million for the third quarter of fiscal 2024, compared with operating income of \$407.8 million for the prior-year quarter, primarily reflecting lower market prices. However, we benefitted from lower feed ingredient prices compared with the same period a year ago. For the third quarter of fiscal 2024, feed costs per dozen were down 19.9% compared with the third quarter of fiscal 2023. Our other farm production costs were higher primarily due to higher flock amortization and increased facility costs.

"Current indications for corn supply project an overall better stocks-to-use ratio, implying potentially lower prices in the near term. However, as we continue to face uncertain external forces including weather patterns and global supply chain disruptions, price volatility could remain. Soybean meal supply has remained tight relative to demand in the third quarter of fiscal 2024."

	13 Weeks Ended		39 Weeks Ended	
	March 2, 2024	February 25, 2023	March 2, 2024	February 25, 2023
Dozen Eggs Sold (000)	300,779	291,416	862,078	850,819
Conventional Dozen Eggs Sold (000)	192,182	187,357	566,174	555,045
Specialty Dozen Eggs Sold (000)	108,597	104,059	295,904	295,774
Dozen Eggs Produced (000)	259,527	263,174	774,984	782,186
% Specialty Sales (dozen)	36.1	% 35.7	% 34.3	% 34.8
% Specialty Sales (dollars)	38.5	% 28.2	% 42.5	% 29.6
Net Average Selling Price (per dozen)	\$ 2.247	\$ 3.298	\$ 1.866	\$ 2.771
Net Average Selling Price Conventional Eggs (per dozen)	\$ 2.152	\$ 3.678	\$ 1.624	\$ 2.984
Net Average Selling Price Specialty Eggs (per dozen)	\$ 2.415	\$ 2.616	\$ 2.328	\$ 2.369
Feed Cost (per dozen)	\$ 0.544	\$ 0.679	\$ 0.564	\$ 0.677

### HPAI & Table Egg Supply Outlook

Outbreaks of HPAI have continued to occur in U.S. poultry flocks. From November 2023 through January of 2024, the USDA division of Animal and Plant Health Inspection Service reported that approximately 15.7 million commercial layer hens and pullets have been depopulated as a result of HPAI outbreaks.

During the third quarter of fiscal 2024, Cal-Maine Foods experienced an HPAI outbreak within its facilities in Kansas, resulting in depopulation of approximately 1.5 million laying hens and 240,000 pullets. Following the end of the third quarter, on April 1, 2024, one of the Company's facilities located in Parmer County, Texas, tested positive for HPAI, resulting in depopulation of approximately 1.6 million laying hens and 337,000 pullets, or approximately 3.6% of the Company's total flock as of March 2, 2024. Production at the facility has temporarily ceased as the Company follows the protocols prescribed by the USDA. Cal-Maine Foods is working to secure production from other facilities to minimize disruption to its customers.

The Company remains dedicated to robust biosecurity programs across its locations; however, no farm is immune from HPAI. HPAI is still present in the wild bird population and the extent of possible future outbreaks, with heightened risk during the migration seasons, cannot be predicted. According to the U.S. Centers for Disease Control and Prevention, the human health risk to the U.S. public from HPAI viruses is considered to be low. Also, according to the USDA, HPAI cannot be transmitted through safely handled and properly cooked eggs. There is no known risk related to HPAI associated with eggs that are currently in the market and no eggs have been recalled.

### Looking Ahead

Miller added, "We are proud of our ability to manage our operations effectively and deliver favorable results to date for fiscal 2024. Like other producers, we have navigated significant challenges related to HPAI, and we remain diligent in our efforts to mitigate any future risks. We commend our team of managers and employees who have worked through these challenges with minimal disruption to our overall production and distribution. Importantly, we remain committed to meeting the needs of our valued customers with a diverse offering of quality products. Demand for shell eggs has remained strong as consumers look for an affordable and nutritious protein option. Across our operations, we are focused on meeting this demand, as we continue to identify opportunities to extend our market reach. We are also making significant investments in our operations to drive innovation and more efficient production and support our ability to add capacity, including cage-free opportunities. We have a strong balance sheet that provides us with the flexibility to fund our growth initiatives, including potential acquisitions. We believe fiscal 2024 will be another successful year for the Company, and we look forward to the opportunities ahead for Cal-Maine Foods."

### Dividend Payment

For the third quarter of fiscal 2024, Cal-Maine Foods will pay a cash dividend of approximately \$1.00 per share to holders of its common and Class A common stock. Pursuant to Cal-Maine Foods' variable dividend policy, for each quarter in which the Company reports net income, the Company pays a cash dividend to shareholders in an amount equal to one-third of such quarterly income. Following a quarter for which the Company does not report net income, the Company will not pay a dividend with respect to that quarter or for a subsequent profitable quarter until the Company is profitable on a cumulative basis computed from the date of the most recent quarter for which a dividend was paid. The amount paid per share will vary based on the number of outstanding shares on the record date. The dividend is payable on May 16, 2024, to holders of record on May 1, 2024.

### About Cal-Maine Foods

Cal-Maine Foods, Inc. is primarily engaged in the production, grading, packaging, marketing and distribution of fresh shell eggs, including conventional, cage-free, organic, brown, free-range, pasture-raised 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.

## Forward Looking Statements

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), including but not limited to the most recent outbreak of highly pathogenic avian influenza affecting poultry in the U.S., Canada and other countries that was first detected in commercial flocks in the U.S. in February 2022 and that first impacted our flocks in December 2023, (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 increased costs, and higher and potentially further increases in inflation and interest rates, (vii) our ability to retain existing customers, acquire new customers and grow our product mix, (viii) adverse results in pending litigation matters, and (ix) global instability, including as a result of the war in Ukraine, the Israel-Hamas conflict and attacks on shipping in the Red Sea. SEC filings may be obtained from the SEC or the Company's website, [www.calmainefoods.com](http://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.

## CAL-MAINE FOODS, INC. AND SUBSIDIARIES

### FINANCIAL HIGHLIGHTS

(Unaudited)

(In thousands, except per share amounts)

### SUMMARY STATEMENTS OF INCOME

	13 Weeks Ended		39 Weeks Ended	
	March 2, 2024	February 25, 2023	March 2, 2024	February 25, 2023
Net sales	\$ 703,076	\$ 997,493	\$ 1,685,654	\$ 2,457,537
Cost of sales	484,504	534,467	1,330,519	1,459,172
Gross profit	218,572	463,026	355,135	998,365
Selling, general and administrative	66,020	58,489	194,844	170,048
Gain on involuntary conversions	(9,929 )	(3,220 )	(9,929 )	(3,220 )
(Gain) loss on disposal of fixed assets	(306 )	(26 )	(44 )	36
Operating income	162,787	407,783	170,264	831,501
Other income, net	22,372	17,104	37,746	21,134

Income before income taxes	185,159	424,887	208,010	852,635
Income tax expense	38,796	102,118	44,658	206,438
Net income	146,363	322,769	163,352	646,197
Less: Loss attributable to noncontrolling interest	(349 )	(450 )	(1,295 )	(896 )
Net income attributable to Cal-Maine Foods, Inc.	\$ 146,712	\$ 323,219	\$ 164,647	\$ 647,093

Net income per common share:

Basic	\$ 3.01	\$ 6.64	\$ 3.38	\$ 13.31
Diluted	\$ 3.00	\$ 6.62	\$ 3.37	\$ 13.25

Weighted average shares outstanding:

Basic	48,727	48,653	48,702	48,634
Diluted	48,884	48,842	48,865	48,832

**CAL-MAINE FOODS, INC. AND SUBSIDIARIES**

**FINANCIAL HIGHLIGHTS**

(Unaudited)

(In thousands)

**SUMMARY BALANCE SHEETS**

**March 2, 2024    June 3, 2023**

ASSETS

Cash and short-term investments	\$ 694,843	\$ 647,914
Receivables, net	246,622	187,213
Inventories, net	269,244	284,418
Prepaid expenses and other current assets	6,883	5,380
Current assets	1,217,592	1,124,925

Property, plant and equipment, net	826,573	744,540
Other noncurrent assets	89,364	85,060
Total assets	\$ 2,133,529	\$ 1,954,525

LIABILITIES AND STOCKHOLDERS' EQUITY

Accounts payable and accrued expenses	\$ 166,798	\$ 145,601
Dividends payable	48,891	37,130
Current liabilities	215,689	182,731
Deferred income taxes and other liabilities	196,881	162,211
Stockholders' equity	1,720,959	1,609,583
Total liabilities and stockholders' equity	\$ 2,133,529	\$ 1,954,525

View source version on [businesswire.com](https://www.businesswire.com/news/home/20240402210813/en/): <https://www.businesswire.com/news/home/20240402210813/en/>

Sherman Miller, President and CEO  
Max P. Bowman, Vice President and CFO  
(601) 948-6813

Source: Cal-Maine Foods, Inc.