



Cal-Maine Foods Reports Results for Second Quarter Fiscal 2025

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RIDGELAND, Miss.--(BUSINESS WIRE)--Jan. 7, 2025-- 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 second quarter of fiscal 2025 (thirteen weeks) ended November 30, 2024.

Second Quarter Fiscal 2025 Highlights

- Quarterly net sales of \$954.7 million
- Quarterly net income of \$219.1 million, or \$4.47 per diluted share
- Quarterly record for total dozens sold and specialty dozens sold
- Cash dividend of approximately \$73.0 million, or approximately \$1.49 per share, pursuant to the Company's established dividend policy

Overview

Sherman Miller, president and chief executive officer of Cal-Maine Foods, stated, "Cal-Maine Foods delivered a very strong financial and operating performance in the second quarter of fiscal 2025. Robust demand for shell eggs resulted in a significant increase in dozens sold for the quarter, which included the seasonal boost leading up to the Thanksgiving holiday and sales from our latest acquisition completed in June. Our results also reflect higher market prices, which have continued to rise this fiscal year as supply levels of shell eggs have been restricted due to recent outbreaks of highly pathogenic avian influenza ("HPAI"). Our team did an outstanding job in managing our production as well as making outside purchases in order to meet the needs of our valued customers. We were fortunate to have the ability to leverage our significant scale and benefit from recent acquisitions, which have helped support our production capacity in this challenging supply environment.

"As demand continues to outpace supply, we remain focused on making additional strategic investments to expand our operations. We currently have approximately \$60 million in new capital projects directed to the expansion of our cage-free capacity, including the \$40 million in projects that we announced in October. The projects include the addition of five new cage-free layer houses and two pullet houses across the Company's locations in Florida, Georgia, Utah and Texas. Upon completion, we expect the projects to provide additional production capacity for approximately 1.1 million cage-free layer hens and 250,000 pullets by late summer 2025. We are also investing \$15 million to expand our egg products processing facility in Blackshear, Georgia, to add extended shelf-life liquid egg products. We expect our processing plant and hatchery in Dexter, Missouri, that we acquired and repurposed for use in shell egg production, will be online in our next fiscal quarter. We have been working with local contract growers and have commitments for approximately 1.2 million additional free-range hens by fall 2025.

"Acquisitions and joint ventures have complemented our strong organic growth and provided new market opportunities for Cal-Maine Foods. We will continue to focus on acquiring operations that align with our strategic objectives, looking at critical factors including geographic relevance, operating synergies, product portfolio expansion, proximity to customers and potential financial returns. Our growth strategy is also focused on the expansion of our egg products offerings, including hard-cooked eggs from our MeadowCreek operations and other ready-to-eat products offered through our previously announced strategic investment in Crepini, which includes egg wraps, protein pancakes, crepes and wrap-ups in our product portfolio. Importantly, we have a strong balance sheet and the financial flexibility to make the right investments to support our growth strategy," added Miller.

Sales Performance & Operating Highlights

Max Bowman, vice president and chief financial officer of Cal-Maine Foods, added, "For the second quarter of fiscal 2025, our net sales were \$954.7 million compared with \$523.2 million for the same period last year. The higher sales were primarily driven by an increase in the net average selling price of shell eggs as well as an increase in total dozens sold.

"For the second fiscal quarter, we sold 329.8 million dozens shell eggs compared with 288.2 million dozens for the second quarter of fiscal 2024. Sales of conventional eggs totaled 209.6 million dozens, compared with 192.5 million dozens for the prior-year period, an increase of 8.9%. We saw over 25% quarterly growth in our specialty egg volumes as sales totaled 120.2 million dozens sold for the second quarter of fiscal 2025 compared with 95.7 million dozens sold for the prior-year period.

"Net income attributable to Cal-Maine Foods for the second quarter of fiscal 2025 was \$219.1 million, or \$4.47 per diluted share, compared with \$17.0 million, or \$0.35 per diluted share, for the second quarter of fiscal 2024.

"Overall, our second quarter farm production costs per dozen were 8.5% lower compared to the prior-year period, primarily due to more favorable commodity pricing for key feed ingredients. For the second quarter of fiscal 2025, feed costs per dozen were down 12.8% compared with the second quarter of fiscal 2024. Our costs for outside egg purchases increased significantly quarter-over-quarter, primarily due to higher shell egg prices and the increased dozens of shell eggs we purchased for customers during the higher seasonal demand cycle while the nation experienced lower supply due to HPAI.

"Current indications for corn and soybean supply project a favorable stocks-to-use ratio similar to today's prevailing levels for the remainder of fiscal 2025. However, as we continue to face uncertain external forces, including weather patterns and global supply chain disruptions, price volatility could remain," said Bowman.

	13 Weeks Ended		26 Weeks Ended	
	November 30, 2024	December 2, 2023	November 30, 2024	December 2, 2023
Dozen Eggs Sold (000)	329,844	288,173	639,823	561,299
Conventional Dozen Eggs Sold (000)	209,597	192,462	409,586	373,992
Specialty Dozen Eggs Sold (000)	120,247	95,711	230,237	187,307
Dozen Eggs Produced (000)	288,036	265,101	554,875	515,457
% Specialty Sales (dozen)	36.5	% 33.2	% 36.0	% 33.4
% Specialty Sales (dollars)	31.7	% 43.7	% 33.0	% 45.7
Net Average Selling Price (per dozen)	\$ 2.740	\$ 1.730	\$ 2.572	\$ 1.661
Net Average Selling Price Conventional Eggs (per dozen)	\$ 2.943	\$ 1.458	\$ 2.690	\$ 1.353
Net Average Selling Price Specialty Eggs (per dozen)	\$ 2.387	\$ 2.277	\$ 2.362	\$ 2.277
Feed Cost (per dozen)	\$ 0.483	\$ 0.554	\$ 0.488	\$ 0.575

HPAI & Table Egg Supply Outlook

Outbreaks of HPAI have continued to occur in United States poultry flocks. In calendar 2024, 38.4 million commercial layer hens and 1.8 million pullets were depopulated due to HPAI. Approximately 13.6 million commercial layer hens and 500,000 pullets were depopulated in December 2024 alone.

The Cal-Maine Foods facilities in Kansas and Texas which experienced HPAI in fiscal 2024 are now fully operational.

The Company remains dedicated to robust biosecurity programs across its locations; however, no farm is immune from HPAI. HPAI is currently widespread in the wild bird population worldwide. The extent of possible future outbreaks in commercial laying hens, with heightened risk during migration seasons, cannot be predicted. The widely reported spread of HPAI in dairy cattle increases risks to our operations and those of other egg producers. According to the U.S. Centers for Disease Control and Prevention, the human health risk to the U.S. public from the HPAI virus 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, "Without question, we have recently faced significant challenges within our Company and the entire egg industry due to the ongoing outbreaks of HPAI. While we recognize and address these risks, we are steadfast in our efforts to effectively manage our operations and promote responsible and sustainable production. We remain focused on optimizing the aspects of our business that we can control and continue to extend our leadership role in supporting the nation's food supply. We have a proven operating model and growth strategy focused on expanding our shell egg production capacity and product mix, both organically and through strategic acquisitions. We continue to expand our egg products portfolio, which will enable us to leverage our existing distribution channels and extend our reach in foodservice and retail marketplaces. We believe Cal-Maine Foods is well positioned for continued growth with our leading production scale, fully integrated operations and broad distribution capabilities. We remain focused on providing exceptional service and quality products to meet the dynamic needs of our excellent customer base. We look forward to the opportunities ahead for Cal-Maine Foods."

Dividend Payment

For the second quarter of fiscal 2025, Cal-Maine Foods will pay a cash dividend of approximately \$1.49 per share to holders of its Common Stock 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 February 13, 2025, to holders of record on January 29, 2025.

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 nation and sells most of its shell eggs throughout the majority 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 current 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 recent or future acquisitions 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 changes 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 conflicts in Israel and surrounding areas and attacks on shipping in the Red Sea. 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.

CAL-MAINE FOODS, INC. AND SUBSIDIARIES

FINANCIAL HIGHLIGHTS

(Unaudited)

(In thousands, except per share amounts)

SUMMARY STATEMENTS OF INCOME

	13 Weeks Ended		26 Weeks Ended	
	November 30, 2024	December 2, 2023	November 30, 2024	December 2, 2023
Net sales	\$ 954,671	\$ 523,234	\$ 1,740,542	\$ 982,578
Cost of sales	598,629	432,104	1,137,282	846,015
Gross profit	356,042	91,130	603,260	136,563
Selling, general and administrative	77,633	76,578	139,565	128,824
Loss on involuntary conversions	10	-	156	-
(Gain) loss on disposal of fixed assets	338	318	(1,479)	262
Operating income	278,061	14,234	465,018	7,477
Other income, net	10,900	7,884	21,896	15,374

Income before income taxes	288,961	22,118	486,914	22,851
Income tax expense	70,602	5,540	118,965	5,862
Net income	218,359	16,578	367,949	16,989
Less: Loss attributable to noncontrolling interest	(705)	(431)	(1,091)	(946)
Net income attributable to Cal-Maine Foods, Inc.	\$ 219,064	\$ 17,009	\$ 369,040	\$ 17,935

Net income per common share:

Basic	\$ 4.49	\$ 0.35	\$ 7.57	\$ 0.37
Diluted	\$ 4.47	\$ 0.35	\$ 7.54	\$ 0.37

Weighted average shares outstanding:

Basic	48,765	48,690	48,762	48,691
Diluted	48,970	48,866	48,953	48,854

CAL-MAINE FOODS, INC. AND SUBSIDIARIES

FINANCIAL HIGHLIGHTS

(Unaudited)

(In thousands)

SUMMARY BALANCE SHEETS

November 30, 2024 June 3, 2023

ASSETS

Cash and short-term investments	\$ 797,183	\$ 812,377
Receivables, net	317,751	162,442
Inventories, net	299,365	261,782
Prepaid expenses and other current assets	10,296	5,238
Current assets	1,424,595	1,241,839
Property, plant and equipment, net	975,603	857,234

Other noncurrent assets	89,901	85,688
Total assets	\$ 2,490,099	\$ 2,184,761

LIABILITIES AND STOCKHOLDERS' EQUITY

Accounts payable and accrued expenses	\$ 187,738	\$ 189,983
Dividends payable	73,013	37,760
Current liabilities	260,751	227,743
Deferred income taxes and other liabilities	177,865	159,975
Stockholders' equity	2,051,483	1,797,043
Total liabilities and stockholders' equity	\$ 2,490,099	\$ 2,184,761

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Source: Cal-Maine Foods, Inc.