

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ending **September 2, 2023**

or

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____

Commission File Number **001-38695**

CAL-MAINE FOODS, INC.

(Exact name of registrant as specified in its charter)

Delaware

64-0500378

(State or other jurisdiction of incorporation or organization)

(I.R.S Employer Identification No.)

1052 Highland Colony Drive, Suite 200, Ridgeland, Mississippi 39157

(Address of principal executive offices)

(Zip Code)

(601) 948-6813

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value per share	CALM	TheNASDAQ Global Select Market

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(c) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

- Large Accelerated filer Accelerated filer
- Non – Accelerated filer Smaller reporting company
- 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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

There were **44,182,613** shares of Common Stock, \$0.01 par value, and **4,800,000** shares of Class A Common Stock, \$0.01 par value, outstanding as of October 3, 2023.

INDEX

	<u>Page Number</u>
Part I. Financial Information	
Item 1. Financial Statements	
Condensed Consolidated Balance Sheets - September 2, 2023 and June 3, 2023	3
Condensed Consolidated Statements of Income - Thirteen Weeks Ended September 2, 2023 and August 27, 2022	4
Condensed Consolidated Statements of Comprehensive Income - Thirteen Weeks Ended September 2, 2023 and August 27, 2022	5
Condensed Consolidated Statements of Cash Flows - Thirteen Weeks Ended September 2, 2023 and August 27, 2022	6
Notes to Condensed Consolidated Financial Statements	7
Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations	16
Item 3. Quantitative and Qualitative Disclosures About Market Risk	24
Item 4. Controls and Procedures	25
Part II. Other Information	
Item 1. Legal Proceedings	26
Item 1A. Risk Factors	26
Item 2. Unregistered Sales of Equity Securities, Use of Proceeds and Repurchases of Equity Securities	26
Item 6. Exhibits	26
Signatures	27

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS
Cal-Maine Foods, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(In thousands, except for par value amounts)
(Unaudited)

	<u>September 2, 2023</u>	<u>June 3, 2023</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 360,343	\$ 292,824
Investment securities available-for-sale	249,619	355,090
Trade and other receivables, net	125,363	120,247
Income tax receivable	33,787	66,966
Inventories	280,801	284,418
Prepaid expenses and other current assets	14,145	5,380
Total current assets	1,064,058	1,124,925
Property, plant & equipment, net	752,580	744,540
Investments in unconsolidated entities	13,978	14,449
Goodwill	44,006	44,006
Intangible assets, net	15,347	15,897
Other long-term assets	10,398	10,708
Total Assets	\$ 1,900,367	\$ 1,954,525
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 117,800	\$ 137,313
Accrued income taxes payable	8,288	8,288
Dividends payable	294	37,130
Total current liabilities	126,382	182,731
Other noncurrent liabilities	9,930	9,999
Deferred income taxes, net	152,725	152,212
Total liabilities	289,037	344,942
Commitments and contingencies - see Note 9		
Stockholders' equity:		
Common stock (\$1 par value):		
Common stock - authorized 20,000 shares, issued 70,261 shares	703	703
Class A convertible common stock - authorized and issued 4,000 shares	48	48
Paid-in capital	73,153	72,112
Retained earnings	1,571,744	1,571,112
Accumulated other comprehensive loss, net of tax	(2,291)	(2,886)
Common stock in treasury at 26,078 shares at September 2, 2023 26,077 shares at June 3, 2023	(30,014)	(30,008)
Total Cal-Maine Foods, Inc. stockholders' equity	1,613,343	1,611,081
Noncontrolling interest in consolidated entity	(2,013)	(1,498)
Total stockholders' equity	1,611,330	1,609,583
Total Liabilities and Stockholders' Equity	\$ 1,900,367	\$ 1,954,525

See Notes to Condensed Consolidated Financial Statements.

Cal-Maine Foods, Inc. and Subsidiaries
Condensed Consolidated Statements of Income
(In thousands, except per share amounts)
(Unaudited)

	<u>Thirteen Weeks Ended</u>	
	<u>September 2, 2023</u>	<u>August 27, 2022</u>
Net sales	\$ 459,344	\$ 658,344
Cost of sales	413,911	440,854
Gross profit	45,433	217,490
Selling, general and administrative	52,246	53,607
(Gain) loss on disposal of fixed assets	(56)	33
Operating income (loss)	(6,757)	163,850
Other income (expense):		
Interest income, net	7,346	903
Royalty income	349	428
Equity income (loss) of unconsolidated entities	(470)	144
Other, net	265	155
Total other income, net	7,490	1,630
Income before income taxes	733	165,480
Income tax expense	322	40,346
Net income	411	125,134
Less: Loss attributable to noncontrolling interest	(515)	(153)
Net income attributable to Cal-Maine Foods, Inc.	<u>\$ 926</u>	<u>\$ 125,287</u>
Net income per common share:		
Basic	<u>\$ 0.02</u>	<u>\$ 2.58</u>
Diluted	<u>\$ 0.02</u>	<u>\$ 2.57</u>
Weighted average shares outstanding:		
Basic	<u>48,690</u>	<u>48,623</u>
Diluted	<u>48,840</u>	<u>48,811</u>

See Notes to Condensed Consolidated Financial Statements.

Cal-Maine Foods, Inc. and Subsidiaries
Condensed Consolidated Statement of Comprehensive Income
(In thousands)
(Unaudited)

	<u>Thirteen Weeks Ended</u>	
	<u>September 2, 2023</u>	<u>August 27, 2022</u>
Net income	\$ 411	\$ 125,134
Other comprehensive income (loss), before tax:		
Unrealized holding gain (loss) on available-for-sale securities, net of reclassification adjustments	786	(997)
Income tax benefit (expense) related to items of other comprehensive income	(191)	243
Other comprehensive income (loss), net of tax	595	(754)
Comprehensive income	1,006	124,380
Less: Comprehensive loss attributable to the noncontrolling interest	(515)	(153)
Comprehensive income attributable to Cal-Maine Foods, Inc.	<u>\$ 1,521</u>	<u>\$ 124,533</u>

See Notes to Condensed Consolidated Financial Statements.

Cal-Maine Foods, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	<u>Thirteen Weeks Ended</u>	
	<u>September 2, 2023</u>	<u>August 27, 2022</u>
Cash flows from operating activities:		
Net income	\$ 411	\$ 125,134
Depreciation and amortization	19,340	17,312
Deferred income taxes	322	(1,324)
Other adjustments, net	<u>3,612</u>	<u>31,690</u>
Net cash provided by operations	23,685	172,812
Cash flows from investing activities:		
Purchases of investment securities	(28,296)	(51,834)
Sales and maturities of investment securities	135,768	20,296
Purchases of property, plant and equipment	(26,666)	(27,662)
Net proceeds from disposal of property, plant and equipment	<u>74</u>	<u>78</u>
Net cash provided by (used in) investing activities	80,880	(59,122)
Cash flows from financing activities:		
Payments of dividends	(36,983)	(36,653)
Purchase of common stock by treasury	(5)	(45)
Principal payments on finance lease	<u>(58)</u>	<u>(55)</u>
Net cash used in financing activities	<u>(37,046)</u>	<u>(36,753)</u>
Net change in cash and cash equivalents	67,519	76,937
Cash and cash equivalents at beginning of period	292,824	59,084
Cash and cash equivalents at end of period	<u>\$ 360,343</u>	<u>\$ 136,021</u>

See Notes to Condensed Consolidated Financial Statements.

Cal-Maine Foods, Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Note 1 - Summary of Significant Accounting Policies

Basis of Presentation

The unaudited condensed consolidated financial statements of Cal-Maine Foods, Inc. and its subsidiaries (the “Company,” “we,” “us,” “our”) have been prepared in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X and in accordance with generally accepted accounting principles in the United States of America (“GAAP”) for interim financial reporting and should be read in conjunction with our Annual Report on Form 10-K for the fiscal year ended June 3, 2023 (the “2023 Annual Report”). These statements reflect all adjustments that are, in the opinion of management, necessary to a fair statement of the results for the interim periods presented and, in the opinion of management, consist of adjustments of a normal recurring nature. Operating results for the interim periods are not necessarily indicative of operating results for the entire fiscal year.

Fiscal Year

The Company’s fiscal year ends on the Saturday closest to May 31. Each of the three-month periods ended on September 2, 2023 and August 27, 2022 included 13 weeks.

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Investment Securities

The Company has determined that its debt securities are available-for-sale investments. We classify these securities as current because the amounts invested are available for current operations. Available-for-sale securities are carried at fair value, based on quoted market prices as of the balance sheet date, with unrealized gains and losses recorded in other comprehensive income. The amortized cost of debt securities is adjusted for amortization of premiums and accretion of discounts to maturity and is recorded in interest income. The Company regularly evaluates changes to the rating of its debt securities by credit agencies and economic conditions to assess and record any expected credit losses through allowance for credit losses, limited to the amount that fair value was less than the amortized cost basis.

Investments in mutual funds are recorded at fair value and are classified as “Other long-term assets” in the Company’s Condensed Consolidated Balance Sheets. Unrealized gains and losses for equity securities are recorded in other income (expenses) as Other, net in the Company’s Condensed Consolidated Statements of Income.

The cost basis for realized gains and losses on available-for-sale securities is determined by the specific identification method. Gains and losses are recognized in other income (expenses) as Other, net in the Company’s Condensed Consolidated Statements of Income. Interest and dividends on securities classified as available-for-sale are recorded in interest income.

Trade Receivables

Trade receivables are stated at their carrying values, which include a reserve for credit losses. As of September 2, 2023 and June 3, 2023, reserves for credit losses were \$503 thousand and \$579 thousand, respectively. The Company extends credit to customers based on an evaluation of each customer’s financial condition and credit history. Collateral is generally not required. The Company minimizes exposure to counter party credit risk through credit analysis and approvals, credit limits, and monitoring procedures. In determining our reserve for credit losses, receivables are assigned an expected loss based on historical loss information adjusted as needed for economic and other forward-looking factors.

Dividends Payable

We accrue dividends at the end of each quarter according to the Company’s dividend policy adopted by its Board of Directors. The Company pays a dividend to shareholders of its Common Stock and Class A Common Stock on a quarterly basis for each

quarter for which the Company reports net income attributable to Cal-Maine Foods, Inc. computed in accordance with GAAP in an amount equal to one-third (1/3) of such quarterly income. Dividends are paid to shareholders of record as of the 60th day following the last day of such quarter, except for the fourth fiscal quarter. For the fourth quarter, the Company pays dividends to shareholders of record on the 65th day after the quarter end. Dividends are payable on the 15th day following the record date. Following a quarter for which the Company does not report net income attributable to Cal-Maine Foods, Inc., the Company will not pay a dividend 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 dividend policy is subject to periodic review by the Board of Directors.

New Accounting Pronouncements and Policies

No new accounting pronouncement issued or effective during the fiscal year had or is expected to have a material impact on our Consolidated Financial Statements.

Note 2 - Investment Securities

The following represents the Company's investment securities as of September 2, 2023 and June 3, 2023 (in thousands):

September 2, 2023	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
Municipal bonds	\$ 7,915	\$ —	\$ 150	\$ 7,765
Commercial paper	8,913	—	15	8,898
Corporate bonds	128,031	—	1,090	126,941
Certificates of deposits	1,125	—	8	1,117
US government and agency obligations	94,584	—	320	94,264
Asset backed securities	10,683	—	49	10,634
Total current investment securities	\$ 251,251	\$ —	\$ 1,632	\$ 249,619
Mutual funds	\$ 2,181	\$ —	\$ 53	\$ 2,128
Total noncurrent investment securities	\$ 2,181	\$ —	\$ 53	\$ 2,128

June 3, 2023	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
Municipal bonds	\$ 16,571	\$ —	\$ 275	\$ 16,296
Commercial paper	56,486	—	77	56,409
Corporate bonds	139,979	—	1,402	138,577
Certificates of deposits	675	—	—	675
US government and agency obligations	101,240	—	471	100,769
Asset backed securities	13,459	—	151	13,308
Treasury bills	29,069	—	13	29,056
Total current investment securities	\$ 357,479	\$ —	\$ 2,389	\$ 355,090
Mutual funds	\$ 2,172	\$ —	\$ 91	\$ 2,081
Total noncurrent investment securities	\$ 2,172	\$ —	\$ 91	\$ 2,081

Available-for-sale

Proceeds from sales and maturities of investment securities available-for-sale were \$135.8 million and \$20.3 million during the thirteen weeks ended September 2, 2023 and August 27, 2022, respectively. Gross realized gains for the thirteen weeks ended September 2, 2023 and August 27, 2022 were \$2 thousand. Gross realized losses for the thirteen weeks ended September 2, 2023 and August 27, 2022 were \$8 thousand and \$27 thousand, respectively. There were no allowances for credit losses at September 2, 2023 and June 3, 2023.

Index

Actual maturities may differ from contractual maturities as some borrowers have the right to call or prepay obligations with or without penalties. Contractual maturities of current investments at September 2, 2023 are as follows (in thousands):

	Estimated Fair Value
Within one year	\$ 175,963
1-5 years	73,656
Total	<u>\$ 249,619</u>

Noncurrent

There were no sales of noncurrent investment securities during the thirteen weeks ended September 2, 2023 and August 27, 2022.

Note 3 - Fair Value Measurements

The Company is required to categorize both financial and nonfinancial assets and liabilities based on the following fair value hierarchy. The fair value of an asset is the price at which the asset could be sold in an orderly transaction between unrelated, knowledgeable, and willing parties able to engage in the transaction. A liability's fair value is defined as the amount that would be paid to transfer the liability to a new obligor in a transaction between such parties, not the amount that would be paid to settle the liability with the creditor.

- *Level 1* - Quoted prices in active markets for identical assets or liabilities
- *Level 2* - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, including:
 - Quoted prices for similar assets or liabilities in active markets
 - Quoted prices for identical or similar assets in non-active markets
 - Inputs other than quoted prices that are observable for the asset or liability
 - Inputs derived principally from or corroborated by other observable market data
- *Level 3* - Unobservable inputs for the asset or liability that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

The disclosures of fair value of certain financial assets and liabilities that are recorded at cost are as follows:

Cash and cash equivalents, accounts receivable, and accounts payable: The carrying amount approximates fair value due to the short maturity of these instruments.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

In accordance with the fair value hierarchy described above, the following table shows the fair value of financial assets and liabilities measured at fair value on a recurring basis as of September 2, 2023 and June 3, 2023 (in thousands):

September 2, 2023	Level 1	Level 2	Level 3	Balance
Assets				
Municipal bonds	\$ —	\$ 7,765	\$ —	\$ 7,765
Commercial paper	—	8,898	—	8,898
Corporate bonds	—	126,941	—	126,941
Certificates of deposits	—	1,117	—	1,117
US government and agency obligations	—	94,264	—	94,264
Asset backed securities	—	10,634	—	10,634
Mutual funds	2,128	—	—	2,128
Total assets measured at fair value	<u>\$ 2,128</u>	<u>\$ 249,619</u>	<u>\$ —</u>	<u>\$ 251,747</u>

[Index](#)

June 3, 2023	Level 1	Level 2	Level 3	Balance
Assets				
Municipal bonds	\$ —	\$ 16,296	\$ —	\$ 16,296
Commercial paper	—	56,409	—	56,409
Corporate bonds	—	138,577	—	138,577
Certificates of deposits	—	675	—	675
US government and agency obligations	—	100,769	—	100,769
Asset backed securities	—	13,308	—	13,308
Treasury bills	—	29,056	—	29,056
Mutual funds	2,081	—	—	2,081
Total assets measured at fair value	<u>\$ 2,081</u>	<u>\$ 355,090</u>	<u>\$ —</u>	<u>\$ 357,171</u>

Investment securities – available-for-sale classified as Level 2 consist of securities with maturities of three months or longer when purchased. We classified these securities as current because amounts invested are readily available for current operations. Observable inputs for these securities are yields, credit risks, default rates, and volatility.

Note 4 - Inventories

Inventories consisted of the following as of September 2, 2023 and June 3, 2023 (in thousands):

	September 2, 2023	June 3, 2023
Flocks, net of amortization	\$ 165,138	\$ 164,540
Eggs and egg products	27,604	28,318
Feed and supplies	88,059	91,560
	<u>\$ 280,801</u>	<u>\$ 284,418</u>

We grow and maintain flocks of layers (mature female chickens), pullets (female chickens, under 18 weeks of age), and breeders (male and female chickens used to produce fertile eggs to hatch for egg production flocks). Our total flock at September 2, 2023 and June 3, 2023 consisted of approximately 10.0 million and 10.8 million pullets and breeders and 41.9 million and 41.2 million layers, respectively.

Note 5 - Equity

The following reflects equity activity for the thirteen weeks ended September 2, 2023 and August 27, 2022 (in thousands):

	Thirteen Weeks Ended September 2, 2023							
	Cal-Maine Foods, Inc. Stockholders							
	Common Stock				Accum. Other Comp. Loss	Retained Earnings	Noncontrolling Interest	Total
	Class A Amount	Treasury Amount	Paid In Capital					
Balance at June 3, 2023	\$ 703	\$ 48	\$ (30,008)	\$ 72,112	\$ (2,886)	\$ 1,571,112	\$ (1,498)	\$ 1,609,583
Other comprehensive income, net of tax	—	—	—	—	595	—	—	595
Stock compensation plan transactions	—	—	(6)	1,041	—	—	—	1,035
Dividends (\$0.006 per share)								
Common	—	—	—	—	—	(265)	—	(265)
Class A common	—	—	—	—	—	(29)	—	(29)
Net income (loss)	—	—	—	—	—	926	(515)	411
Balance at September 2, 2023	<u>\$ 703</u>	<u>\$ 48</u>	<u>\$ (30,014)</u>	<u>\$ 73,153</u>	<u>\$ (2,291)</u>	<u>\$ 1,571,744</u>	<u>\$ (2,013)</u>	<u>\$ 1,611,330</u>

Thirteen Weeks Ended August 27, 2022

Cal-Maine Foods, Inc. Stockholders								
	Common Stock				Accum. Other Comp. Loss	Retained Earnings	Noncontrolling Interest	Total
	Amount	Class A Amount	Treasury Amount	Paid In Capital				
Balance at May 28, 2022	\$ 703	\$ 48	\$ (28,447)	\$ 67,989	\$ (1,596)	\$ 1,065,854	\$ (206)	\$ 1,104,345
Other comprehensive loss, net of tax	—	—	—	—	(754)	—	—	(754)
Stock compensation plan transactions	—	—	(48)	1,028	—	—	—	980
Dividends (\$0.853 per share)								
Common	—	—	—	—	—	(37,648)	—	(37,648)
Class A common	—	—	—	—	—	(4,094)	—	(4,094)
Net income (loss)	—	—	—	—	—	125,287	(153)	125,134
Balance at August 27, 2022	\$ 703	\$ 48	\$ (28,495)	\$ 69,017	\$ (2,350)	\$ 1,149,399	\$ (359)	\$ 1,187,963

Note 6 - Net Income per Common Share

Basic net income per share is based on the weighted average Common Stock and Class A Common Stock outstanding. Diluted net income per share is based on weighted-average common shares outstanding during the relevant period adjusted for the dilutive effect of share-based awards.

The following table provides a reconciliation of the numerators and denominators used to determine basic and diluted net income per common share (amounts in thousands, except per share data):

	Thirteen Weeks Ended	
	September 2, 2023	August 27, 2022
Numerator		
Net income	\$ 411	\$ 125,134
Less: Loss attributable to noncontrolling interest	(515)	(153)
Net income attributable to Cal-Maine Foods, Inc.	\$ 926	\$ 125,287
Denominator		
Weighted-average common shares outstanding, basic	48,690	48,623
Effect of dilutive restricted shares	150	188
Weighted-average common shares outstanding, diluted	48,840	48,811
Net income per common share attributable to Cal-Maine Foods, Inc.		
Basic	\$ 0.02	\$ 2.58
Diluted	\$ 0.02	\$ 2.57

Note 7 - Revenue from Contracts with Customers

Satisfaction of Performance Obligation

The vast majority of the Company's revenue is derived from agreements with customers based on the customer placing an order for products. Pricing for the most part is determined when the Company and the customer agree upon the specific order, which establishes the contract for that order.

Revenues are recognized in an amount that reflects the net consideration we expect to receive in exchange for the goods. Our shell eggs are sold at prices related to independently quoted wholesale market prices or formulas related to our costs of

production. The Company's sales predominantly contain a single performance obligation. We recognize revenue upon satisfaction of the performance obligation with the customer which typically occurs within days of the Company and the customer agreeing upon the order.

Returns and Refunds

Some of our contracts include a guaranteed sale clause, pursuant to which we credit the customer's account for product that the customer is unable to sell before expiration. The Company records an allowance for expected customer returns using historical return data and comparing to current period sales and accounts receivable. The allowance is recorded as a reduction of sales in the same period the revenue is recognized.

Sales Incentives Provided to Customers

The Company periodically provides incentive offers to its customers to encourage purchases. Such offers include current discount offers (e.g., percentage discounts off current purchases), inducement offers (e.g., offers for future discounts subject to a minimum current purchase), and other similar offers. Current discount offers, when accepted by customers, are treated as a reduction to the sales price of the related transaction, while inducement offers, when accepted by customers, are treated as a reduction to sales price based on estimated future redemption rates. Redemption rates are estimated using the Company's historical experience for similar inducement offers. Current discount and inducement offers are presented as a net amount in "Net sales."

Disaggregation of Revenue

The following table provides revenue disaggregated by product category (in thousands):

	Thirteen Weeks Ended	
	September 2, 2023	August 27, 2022
Conventional shell egg sales	\$ 225,280	\$ 425,589
Specialty shell egg sales	208,681	200,820
Egg products	22,223	27,640
Other	3,160	4,295
	<u>\$ 459,344</u>	<u>\$ 658,344</u>

Contract Costs

The Company can incur costs to obtain or fulfill a contract with a customer. If the amortization period of these costs is less than one year, they are expensed as incurred. When the amortization period is greater than one year, a contract asset is recognized and is amortized over the contract life as a reduction in net sales. As of September 2, 2023 and June 3, 2023, the balance for contract assets was immaterial.

Contract Balances

The Company receives payment from customers based on specified terms that are generally less than 30 days from delivery. There are rarely contract assets or liabilities related to performance under the contract.

Note 8 - Stock Based Compensation

Total stock-based compensation expense was \$1.0 million for the thirteen weeks ended September 2, 2023 and August 27, 2022.

Unrecognized compensation expense as a result of non-vested shares of restricted stock outstanding under the Amended and Restated 2012 Omnibus Long-Term Incentive Plan at September 2, 2023 of \$6.1 million will be recorded over a weighted average period of 1.9 years. Refer to Part II Item 8, Notes to Consolidated Financial Statements and Supplementary Data, Note 14 - Stock Compensation Plans in our 2023 Annual Report for further information on our stock compensation plans.

The Company’s restricted share activity for the thirteen weeks ended September 2, 2023 follows:

	<u>Number of Shares</u>	<u>Weighted Average Grant Date Fair Value</u>
Outstanding, June 3, 2023	294,140	\$ 43.72
Vested	(305)	37.70
Forfeited	<u>(1,329)</u>	<u>44.68</u>
Outstanding, September 2, 2023	<u>292,506</u>	<u>\$ 43.72</u>

Note 9 - Commitments and Contingencies

LEGAL PROCEEDINGS

State of Texas v. Cal-Maine Foods, Inc. d/b/a Wharton; and Wharton County Foods, LLC

On April 23, 2020, the Company and its subsidiary Wharton County Foods, LLC (“WCF”) were named as defendants in State of Texas v. Cal-Maine Foods, Inc. d/b/a Wharton; and Wharton County Foods, LLC, Cause No. 2020-25427, in the District Court of Harris County, Texas. The State of Texas (the “State”) asserted claims based on the Company’s and WCF’s alleged violation of the Texas Deceptive Trade Practices—Consumer Protection Act, Tex. Bus. & Com. Code §§ 17.41-17.63 (“DTPA”). The State claimed that the Company and WCF offered shell eggs at excessive or exorbitant prices during the COVID-19 state of emergency and made misleading statements about shell egg prices. The State sought temporary and permanent injunctions against the Company and WCF to prevent further alleged violations of the DTPA, along with over \$100,000 in damages. On August 13, 2020, the court granted the defendants’ motion to dismiss the State’s original petition with prejudice. On September 11, 2020, the State filed a notice of appeal, which was assigned to the Texas Court of Appeals for the First District. On August 16, 2022, the appeals court reversed and remanded the case back to the trial court for further proceedings. On October 31, 2022, the Company and WCF appealed the First District Court’s decision to the Supreme Court of Texas. On September 29, 2023, the Supreme Court denied the Company’s Petition for Review so the case will be remanded to the trial court for further proceedings. Management believes the risk of material loss related to this matter to be remote.

Bell et al. v. Cal-Maine Foods et al.

On April 30, 2020, the Company was named as one of several defendants in Bell et al. v. Cal-Maine Foods et al., Case No. 1:20-cv-461, in the Western District of Texas, Austin Division. The defendants include numerous grocery stores, retailers, producers, and farms. Plaintiffs assert that defendants violated the DTPA by allegedly demanding exorbitant or excessive prices for eggs during the COVID-19 state of emergency. Plaintiffs request certification of a class of all consumers who purchased eggs in Texas sold, distributed, produced, or handled by any of the defendants during the COVID-19 state of emergency. Plaintiffs seek to enjoin the Company and other defendants from selling eggs at a price more than 10% greater than the price of eggs prior to the declaration of the state of emergency and damages in the amount of \$10,000 per violation, or \$250,000 for each violation impacting anyone over 65 years old. On December 1, 2020, the Company and certain other defendants filed a motion to dismiss the plaintiffs’ amended class action complaint. The plaintiffs subsequently filed a motion to strike, and the motion to dismiss and related proceedings were referred to a United States magistrate judge. On July 14, 2021, the magistrate judge issued a report and recommendation to the court that the defendants’ motion to dismiss be granted and the case be dismissed without prejudice for lack of subject matter jurisdiction. On September 20, 2021, the court dismissed the case without prejudice. On July 13, 2022, the court denied the plaintiffs’ motion to set aside or amend the judgment to amend their complaint.

On March 15, 2022, plaintiffs filed a second suit against the Company and several defendants in Bell et al. v. Cal-Maine Foods et al., Case No. 1:22-cv-246, in the Western District of Texas, Austin Division alleging the same assertions as laid out in the first complaint. On August 12, 2022, the Company and other defendants in the case filed a motion to dismiss the plaintiffs’ class action complaint. On January 9, 2023, the court entered an order and final judgement granting the Company’s motion to dismiss.

On February 8, 2023, the plaintiffs appealed the lower court’s judgement to the United States Court of Appeals for the Fifth Circuit, Case No. 23-50112. The parties filed their respective appellate briefs, but the court has not ruled on these submissions. Management believes the risk of material loss related to both matters to be remote.

Kraft Foods Global, Inc. et al. v. United Egg Producers, Inc. et al.

As previously reported, on September 25, 2008, the Company was named as one of several defendants in numerous antitrust cases involving the United States shell egg industry. The Company settled all of these cases, except for the claims of certain plaintiffs who sought substantial damages allegedly arising from the purchase of egg products (as opposed to shell eggs). These remaining plaintiffs are Kraft Food Global, Inc., General Mills, Inc., and Nestle USA, Inc. (the “Egg Products Plaintiffs”) and, until a subsequent settlement was reached as described below, The Kellogg Company.

On September 13, 2019, the case with the Egg Products Plaintiffs was remanded from a multi-district litigation proceeding in the United States District Court for the Eastern District of Pennsylvania, In re Processed Egg Products Antitrust Litigation, MDL No. 2002, to the United States District Court for the Northern District of Illinois, Kraft Foods Global, Inc. et al. v. United Egg Producers, Inc. et al., Case No. 1:11-cv-8808, for trial. The Egg Products Plaintiffs allege that the Company and other defendants violated Section 1 of the Sherman Act, 15. U.S.C. § 1, by agreeing to limit the production of eggs and thereby illegally to raise the prices that plaintiffs paid for processed egg products. In particular, the Egg Products Plaintiffs are attacking certain features of the United Egg Producers animal-welfare guidelines and program used by the Company and many other egg producers. The Egg Products Plaintiffs seek to enjoin the Company and other defendants from engaging in antitrust violations and seek treble money damages. On May 2, 2022, the court set trial for October 24, 2022, but on September 20, 2022, the court cancelled the trial date due to COVID-19 protocols and converted the trial date to a status hearing to reschedule the jury trial. A preliminary pre-trial order was filed by the parties on August 22, 2023, and trial is now set for October 17, 2023.

In addition, on October 24, 2019, the Company entered into a confidential settlement agreement with The Kellogg Company dismissing all claims against the Company for an amount that did not have a material impact on the Company’s financial condition or results of operations. On November 11, 2019, a stipulation for dismissal was filed with the court, and on March 28, 2022, the court dismissed the Company with prejudice.

The Company intends to continue to defend the remaining case with the Egg Products Plaintiffs as vigorously as possible based on defenses which the Company believes are meritorious and provable. Adjustments, if any, which might result from the resolution of this remaining matter with the Egg Products Plaintiffs have not been reflected in the financial statements. While management believes that there is still a reasonable possibility of a material adverse outcome from the case with the Egg Products Plaintiffs, at the present time, it is not possible to estimate the amount of monetary exposure, if any, to the Company due to a range of factors, including the following, among others: two earlier trials based on substantially the same facts and legal arguments resulted in findings of no conspiracy and/or damages; this trial will be before a different judge and jury in a different court than prior related cases; there are significant factual issues to be resolved; and there are requests for damages other than compensatory damages (i.e., injunction and treble money damages).

State of Oklahoma Watershed Pollution Litigation

On June 18, 2005, the State of Oklahoma filed suit, in the United States District Court for the Northern District of Oklahoma, against Cal-Maine Foods, Inc. and Tyson Foods, Inc., Cobb-Vantress, Inc., Cargill, Inc., George’s, Inc., Peterson Farms, Inc. and Simmons Foods, Inc., and certain of their affiliates. The State of Oklahoma claims that through the disposal of chicken litter the defendants polluted the Illinois River Watershed. This watershed provides water to eastern Oklahoma. The complaint sought injunctive relief and monetary damages, but the claim for monetary damages was dismissed by the court. Cal-Maine Foods, Inc. discontinued operations in the watershed in or around 2005. Since the litigation began, Cal-Maine Foods, Inc. purchased 100% of the membership interests of Benton County Foods, LLC, which is an ongoing commercial shell egg operation within the Illinois River Watershed. Benton County Foods, LLC is not a defendant in the litigation. We also have a number of small contract producers that operate in the area.

The non-jury trial in the case began in September 2009 and concluded in February 2010. On January 18, 2023, the court entered findings of fact and conclusions of law in favor of the State of Oklahoma, but no penalties were assessed. The court found the defendants liable for state law nuisance, federal common law nuisance, and state law trespass. The court also found the producers vicariously liable for the actions of their contract producers. The court directed the parties to confer in attempt to reach agreement on appropriate remedies. On June 12, 2023, the court ordered the parties to mediate before the Tenth Circuit Chief Judge Deanell Reece Tacha and instructed the parties to file a joint status report 14 days following mediation. While management believes there is a reasonable possibility of a material loss from the case, at the present time, it is not possible to estimate the amount of monetary exposure, if any, to the Company due to a range of factors, including the following, among others: uncertainties inherent in any assessment of potential costs associated with injunctive relief or other penalties based on a decision in a case tried over 13 years ago based on environmental conditions that existed at the time, the lack of guidance from the court as to what might be considered appropriate remedies, the ongoing negotiations and mediation with the State of Oklahoma, and uncertainty regarding what our proportionate share of any remedy would be, although we believe that our share compared to the other defendants is small.

Other Matters

In addition to the above, the Company is involved in various other claims and litigation incidental to its business. Although the outcome of these matters cannot be determined with certainty, management, upon the advice of counsel, is of the opinion that the final outcome should not have a material effect on the Company's consolidated results of operations or financial position.

Note 10 - Subsequent Events

Effective on September 28, 2023, the Company entered into a definitive agreement to acquire substantially all the assets of Fassio Egg Farms, Inc. ("Fassio"), related to its commercial shell egg production and processing business. The assets to be acquired, subject to the completion of this transaction, include commercial shell egg production and processing facilities with a current capacity of approximately 1.2 million laying hens, primarily cage-free, a feed mill, pullets, a fertilizer production and composting operation and land located in Erda, Utah, outside Salt Lake City.

ITEM 2. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following should be read in conjunction with Management’s Discussion and Analysis of Financial Condition and Results of Operations included in Part II Item 7 of the Company’s Annual Report on Form 10-K for its fiscal year ended (the “2023 Annual Report”), and the accompanying financial statements and notes included in Part II Item 8 of the 2023 Annual Report and [Part I Item 1](#) of this Quarterly Report on Form 10-Q (“Quarterly Report”).

This report contains numerous forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 (the “Securities Act”) and Section 21E of the Securities Exchange Act of 1934 (the “Exchange Act”) relating to our business, including estimated future production data, expected construction schedules, projected construction costs, future supply of and demand for our products, potential future corn and soybean price trends, potential future impact of inflation and rising interest rates, potential future impact on our business of new legislation, rules or political outcomes of legal proceedings, and other projected operating data, including anticipated results of operations and financial condition. Such forward-looking statements are identified by the use of words such as “believes,” “expects,” “hopes,” “may,” “should,” “plans,” “projected,” “contemplates,” “anticipates,” or similar words. Actual results could differ materially from those projected in the forward-looking statements. The forward-looking statements are based on management’s current intent, belief, expectations, estimates, and projections regarding the Company and its business. 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 Part I Item 1A of the 2023 Annual Report, the risk factors (if any) set forth in Part II Item 1A Risk Factors and elsewhere in this report as well as those included in other reports we file from time to time with the Securities and Exchange Commission (the “SEC”) (including our 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 product recall, including but not limited to the highly pathogenic avian influenza (“HPAI”) affecting poultry in the United States (“U.S.”), Canada and other countries, (iii) changes in the demand for and market prices of shell eggs, (iv) our ability to predict and meet demand for cage-free and other specialty eggs, (v) risks, obligations and conditions that could result from our future acquisition of new flocks or businesses and risks or changes that could result from our pending acquisition not to be met, (vi) risks relating to increased costs and higher and more volatile increases in, inflation and interest rates, which began in response to market conditions caused in part by the COVID-19 pandemic and which generally have been exacerbated by the Russia-Ukraine War that began in February 2022, (vii) our ability to attract and retain existing customers, acquire new customers and grow our product mix and (viii) adverse results in pending litigation. 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, forward-looking statements included herein are only made as of the date of this report, and we have no obligation to update publicly these forward-looking statements, whether because of new information, future events, or otherwise.

GENERAL

Cal-Maine Foods, Inc. (the “Company,” “we,” “us,” “our”) is primarily engaged in the production, grading, marketing and distribution of fresh shell eggs. Our operations are fully integrated and we have one operating and reporting segment. We are the largest producer and distributor of fresh shell eggs in the U.S. Our total flock of approximately 1.0 million pullets and breeders is the largest in the U.S. We sell most of our shell eggs to a diverse group of customers, including national and regional grocery store chains, club stores, companies servicing independent supermarkets, food service distributors, and egg product consumers located primarily in states across the southern, mid-western and mid-Atlantic regions of the U.S.

Our operating results are materially impacted by market prices for eggs and feed grains (corn and soybean meal), which are highly volatile, independent of each other, and out of our control. Generally, higher market prices for eggs have a positive impact on our financial results while higher market prices for feed grains have a negative impact on our financial results. Although we use a variety of pricing mechanisms in pricing agreements with our customers, we sell most of our shell eggs based on formulas that consider, in varying ways, independently quoted regional wholesale market prices for eggs. We do not set prices for eggs to consumers or set the prices at which eggs are sold to consumers.

Retail sales of shell eggs historically have been highest during the fall and winter months and lowest during the spring and early summer. Prices for shell eggs fluctuate in response to seasonal demand factors and a natural increase in egg prices during the spring and early summer. Historically, shell egg prices tend to increase with the start of the school year and highest prior to holiday periods, particularly Thanksgiving, Christmas and Easter. Consequently, and all other things being equal, we would expect to experience lower selling prices, sales volumes and net income (and may incur net losses) in our first fiscal quarters ending in August/September and May/June, respectively. Because of the seasonal and fluctuations, comparisons of our sales and operating results between different quarters within a single fiscal year are not necessarily meaningful comparisons.

We routinely fill our storage bins during harvest season when prices for feed ingredients are generally lower. To insure availability of feed ingredients, we may enter into contracts for future purchases of corn and soybean meal. In these contracts, we may lock-in the basis portion of our grain purchases several months in advance. Differences between the local cash price for grain and the applicable futures price. A basis contract is a common the grain market that allows us to lock-in a basis level for a specific delivery period and wait to set the futures price date. Furthermore, due to the more limited supply for organic ingredients, we may commit to purchase organic ingredients to help ensure supply. Ordinarily, we do not enter into long-term contracts beyond a year to purchase corn and soybean meal to hedge against increases in the prices of corn and soybean meal. Corn and soybean meal are commodities and are subject to volatile price changes due to weather, various supply and demand factors, transportation and spreads across agricultural, energy and trade policies in the U.S. and internationally, and most recently the Russia-Ukraine war. An important competitive advantage for Cal-Maine Foods is our ability to meet our customers' evolving needs with a product mix of conventional and specialty eggs, including cage-free, organic and other specialty offerings, as well as products we have also enhanced our efforts to provide free-range and pasture-raised eggs that meet consumers' evolving preferences. While a small part of our current business, the free-range and pasture-raised eggs we produce represent attractive offerings to a subset of consumers, and therefore our customers, and help us continue to serve as providers of quality food choices.

CAGE-FREE EGGS

Ten states have passed legislation or regulations mandating minimum space or cage-free requirements for egg production, with implementation of these laws scheduled to take effect from January 2022 to January 2026. These states represent approximately 27% of the U.S. total population according to the 2020 U.S. Census. California, Massachusetts, and Colorado, which collectively represent approximately 16% of the total U.S. population, have cage-free legislation in effect currently. In May 2023, the U.S. Supreme Court upheld as constitutional a California law that requires the sale of only cage-free eggs in that state and regardless of the state in which the eggs are produced. Although we do not sell the majority of our eggs in these ten states, these state laws have impacted egg production nationally.

A significant number of our customers previously announced goals to offer cage-free eggs exclusively on or by the end of 2020. In most cases to availability of supply, affordability and consumer demand, among other contingencies. Some of these customers have recently changed those goals to offer 70% cage-free eggs by the end of 2030. Our customers typically do long-term purchases of specific quantities or types of eggs with us, and as a result, it is difficult to meet their requirements for cage-free eggs. We are focused on adjusting our cage-free production capacity with a goal of meeting the future needs of our customers in light of changing state requirements and our customer's goals. As always, we strive to offer a product mix that aligns with current and anticipated customer purchase decisions. We are engaging with our customers to help them meet their announced goals and needs. We have invested significant capital in recent years to construct cage-free facilities, and we expect our focus for future expansion will continue to include cage-free facilities. Our volume of cage-free egg sales has continued to increase and account for a larger share of our product mix. Cage-free eggs represented approximately 33.0% of our total net shell egg revenue for the first quarter of fiscal year 2024. We understand the importance of our continued ability to provide conventional eggs in order to provide our customers with a variety of egg choices and to address hunger in our communities.

For additional information, see the 2023 Annual Report, Part I Item 1, "Business – Specialty Eggs," "Business – Specialty Eggs" and "Business – Government Regulation," and the first risk factor in Part I Item 1A, "Risk Factors" heading "Legal and Regulatory Risk Factors."

ACQUISITION

After the end of the fiscal quarter, we entered into a definitive agreement to acquire substantially all the assets of Farms, Inc. ("Fassio"), related to its commercial shell egg production and processing business. The assets to be acquired,

subject to the completion of the transaction, include commercial shell egg production and processing facilities with capacity of approximately 1.2 million laying hens, primarily cage-free, a feed mill, pullets, a fertilizer composting operation and land located in Erda, Utah, outside Salt Lake City. We expect the transaction to close during the first quarter of fiscal 2024, subject to customary closing conditions. Once completed, the acquisition will expand our market in Utah and the western United States.

HPAI; EGG SUPPLY OUTLOOK

The most recent outbreak of highly pathogenic avian influenza (“HPAI”) impacted our business and financial results during the fourth quarter of fiscal 2022 and continuing through the first part of our fourth quarter of fiscal 2023. For more information, see the 2023 Annual Report, Part II Item 7 “Management’s Discussion and Analysis of Financial Results of Operations – HPAI.” While the last occurrence in a commercial egg laying flock was in December 2022, there have been occurrences in other avian populations in the U.S. since then. HPAI is still present in the wild bird population and the extent of possible future outbreaks, particularly during the upcoming fall migration season, cannot be predicted. There have been positive tests for HPAI at any of Cal-Maine Foods’ owned or contracted production facilities as of October 2023. Based on USDA data, we believe that the U.S. layer hen flock, which declined as a result of flock depletions due to HPAI, has largely recovered but remains slightly lower than the five-year average.

Layer hen numbers reported by the USDA as of September 1, 2023, were 318.2 million, which represents an increase of 2.0% as compared with the layer hen inventory a year ago. The USDA also reported that the hatch from April 2023 through August 2023 increased 2.0% as compared with the prior-year period, indicating that layer flocks may continue to increase in the future.

EXECUTIVE OVERVIEW

For the first quarter of fiscal 2024, we recorded a gross profit of \$45.4 million compared to \$217.5 million for the same period of fiscal 2023, with the decrease due primarily to lower conventional shell egg prices and increased labor costs, partially offset by lower production costs due to the decrease in feed ingredient prices.

Our net average selling price per dozen for the first quarter of fiscal 2024 was \$1.589 compared to \$2.275 in the prior-year period. Conventional egg prices per dozen were \$1.241 compared to \$2.368 for the prior-year period, and specialty egg prices were \$2.278 compared to \$2.101 for the prior-year period. Conventional egg prices were lower in the first quarter of fiscal 2024 compared to the prior-year period as overall egg supply recovers from the most recent HPAI outbreak. The average price for the Urner Barry southeast large index for the first quarter of fiscal 2024 decreased 48.7% from the prior-year period. In the first quarter of fiscal 2024, specialty egg prices exceeded conventional egg prices as they did in the first quarter of fiscal 2023, returning to a historically normal relative position. Conventional egg prices generally respond to market conditions because we sell the majority of our conventional shell eggs based on formulas periodically and take into account, in varying ways, independently quoted regional wholesale market prices for shell eggs related to our costs of production. The majority of our specialty eggs are typically sold at prices and terms negotiated with customers and therefore do not fluctuate as much as conventional pricing. For information about historical prices, see Part I Item I of our 2023 Annual Report.

Our total dozens sold decreased 0.8% to 273.1 million dozen shell eggs for the first quarter of fiscal 2024 compared to 275.3 million dozen for the same period of fiscal 2023. For the first quarter of fiscal 2024, conventional dozens sold and specialty dozens sold decreased 4.2% as compared to the same quarter in fiscal 2023. Demand for specialty eggs in the first quarter of fiscal 2024 compared to the same prior year period due primarily to the large decrease in conventional eggs compared to the prior four quarters.

Our farm production costs per dozen produced for the first quarter of fiscal 2024 decreased 1.0%, or \$0.01, compared to the first quarter of fiscal 2023. However, feed costs per dozen produced decreased 10.5% or \$0.07 compared to the first quarter of fiscal 2023 primarily due to reduced corn prices, our primary feed ingredient. For the first quarter of fiscal 2024, the average Chicago Board of Trade (“CBOT”) daily market price was \$5.30 per bushel for corn and \$422 per ton for soybean meal, representing decreases of 20.2% and 7.4%, respectively, compared to the average daily CBOT prices for the same period of the prior year. For information about historical corn and soybean meal prices, see Part I Item I of our 2023 Annual Report.

RESULTS OF OPERATIONS

The following table sets forth, for the periods indicated, certain items from our Condensed Consolidated Statements of Income expressed as a percentage of net sales.

	Thirteen Weeks Ended	
	September 2, 2023	August 27, 2022
Net sales	100.0 %	100.0 %
Cost of sales	90.1 %	67.0 %
Gross profit	9.9 %	33.0 %
Selling, general and administrative	11.3 %	8.1 %
Operating income (loss)	(1.4)%	24.9 %
Total other income, net	1.6 %	0.2 %
Income before income taxes	0.2 %	25.1 %
Income tax expense	0.1 %	6.1 %
Net income	0.1 %	19.0 %
Less: Loss attributable to noncontrolling interest	(0.1)%	— %
Net income attributable to Cal-Maine Foods, Inc.	0.2 %	19.0 %

NET SALES

Total net sales for the first quarter of fiscal 2024 were \$459.3 million compared to \$658.3 million for the same period of fiscal 2023.

Net shell egg sales represented 95.2% and 95.8% of total net sales for the first quarters of fiscal 2024 and 2023, respectively. Shell egg sales classified as “Other” represent sales of miscellaneous byproducts and resale products included with egg operations.

The table below presents an analysis of our conventional and specialty shell egg sales (in thousands, except percentage data):

	Thirteen Weeks Ended			
	September 2, 2023		August 27, 2022	
Total net sales	\$ 459,344		\$ 658,344	
Conventional	\$ 225,280	51.6 %	\$ 425,589	67.5 %
Specialty	208,681	47.7 %	200,820	31.8 %
Egg sales, net	433,961 99.3 %		626,409 99.3 %	
Other	3,160 0.7 %		4,295 0.7 %	
Net shell egg sales	<u>\$ 437,121 100.0 %</u>		<u>\$ 630,704 100.0 %</u>	
Net shell egg sales as a percent of total net sales	95.2 %		95.8 %	
Dozens sold:				
Conventional	181,530	66.5 %	179,712	65.3 %
Specialty	91,596	33.5 %	95,605	34.7 %
Total dozens sold	<u>273,126 100.0 %</u>		<u>275,317 100.0 %</u>	
Net average selling price per dozen:				
Conventional	\$ 1.241		\$ 2.368	
Specialty	\$ 2.278		\$ 2.101	
All shell eggs	\$ 1.589		\$ 2.275	
Egg products sales:				
Egg products net sales	\$ 22,223		\$ 27,640	
Pounds sold	19,353		16,502	
Net average selling price per pound	\$ 1.148		\$ 1.675	

Shell egg net sales

First Quarter – Fiscal 2024 vs. Fiscal 2023

- In the first quarter of fiscal 2024, conventional egg sales decreased \$200.3 million, or 47.1%, compared to the first quarter of fiscal 2023, primarily due to a 47.6% decrease in the prices for conventional eggs, which resulted in a \$204.6 million decrease in net sales, partially offset by a 1.0% increase in the volume of conventional eggs sold, which resulted in a \$4.3 million increase in net sales.
- Conventional egg prices decreased in the first quarter of fiscal 2024 compared to the first quarter of fiscal 2023 as egg supply recovers from the most recent HPAI outbreak that impacted our results primarily during the fourth quarter of fiscal 2022 and continuing through the first part of our fourth quarter of fiscal 2023.
- Specialty egg sales increased \$7.9 million, or 3.9%, in the first quarter of fiscal 2024 compared to the first quarter of fiscal 2023, primarily due to an 8.4% increase in the prices for specialty eggs, which resulted in a \$16.2 million increase in net sales, partially offset by a 4.2% decrease in the volume of specialty eggs sold, which resulted in a \$8.4 million decrease in net sales.
- Net average selling prices of specialty eggs increased in response to higher input costs and market conditions.
- Demand for specialty eggs decreased as conventional egg prices were significantly lower in the first quarter of fiscal 2024 compared to the first quarter of fiscal 2023.
- Cage-free egg revenue for the first quarter of fiscal 2024 represented 33.0% of our total net shell egg revenue versus 19.4% for the same prior year period due to the lower conventional egg prices causing conventional egg revenue to represent a smaller proportion of our total sales.

Egg products net sales

First Quarter – Fiscal 2024 vs. Fiscal 2023

- Egg products net sales decreased \$5.4 million, or 19.6%, for the first quarter of fiscal 2024 compared to the first quarter of fiscal 2023, primarily due to a 31.5% selling price decrease, which had a \$10.2 million negative impact on net sales.
- Our egg products net average selling price decreased in the first quarter of fiscal 2024, compared to the first quarter of fiscal 2023 as the supply of shell eggs used to produce egg products recovers from the most recent HPAI outbreak.

COST OF SALES

Costs of sales for the first quarter of fiscal 2024 were \$413.9 million compared to \$440.9 million for the same period of fiscal 2023.

The following table presents the key variables affecting our cost of sales (in thousands, except cost per dozen data):

	Thirteen Weeks Ended		
	September 2, 2023	August 27, 2022	Change %
Cost of Sales:			
Farm production	\$ 253,507	\$ 266,651	(4.9)%
Processing, packaging, and warehouse	81,906	81,417	0.6
Egg purchases and other (including change in inventory)	60,797	68,298	(11.0)
Total shell eggs	396,210	416,366	(4.8)
Egg products	17,701	24,488	(27.7)
Total	\$ 413,911	\$ 440,854	(6.1)%
Farm production costs (per dozen produced)			
Feed	\$ 0.597	\$ 0.667	(10.5)%
Other	\$ 0.439	\$ 0.379	15.8 %
Total	\$ 1.036	\$ 1.046	(1.0)%
Outside egg purchases (average cost per dozen)	\$ 1.65	\$ 2.57	(35.8)%
Dozens produced	250,356	257,654	(2.8)%
Percent produced to sold	91.7%	93.6%	(2.0)%

Farm Production

First Quarter – Fiscal 2024 vs. Fiscal 2023

- Feed costs per dozen produced decreased 10.5% in the first quarter of fiscal 2024 compared to the first quarter of fiscal 2023. This decrease was primarily due to lower prices for corn, our primary feed ingredient. Basis levels for soybean meal were lower in our areas of operations compared to our prior year first fiscal quarter. The decrease in feed cost per dozen resulted in a decrease in cost of sales of \$17.5 million for the first quarter of fiscal 2024 compared to the prior period quarter.
- For the first quarter of fiscal 2024, the average daily CBOT market price was \$5.30 per bushel for corn and \$4.22 per bushel for soybean meal, representing decreases of 20.2% and 7.4%, respectively, as compared to the average daily CBOT prices of \$6.61 per bushel for corn and \$4.56 per bushel for soybean meal in the first quarter of fiscal 2023.
- Other farm production costs increased primarily due to higher flock amortization and facility costs. Flock amortization increased primarily from higher capitalized feed costs as well as higher amortization costs from an increase in cage-free production. Cage-free dozens sold increased 12.6% in the first quarter of fiscal 2024 compared to the first quarter of fiscal 2023.

Index

- Facility costs increased due primarily to increased labor costs. Labor costs increased 16.5% compared to the first quarter of fiscal 2023 primarily due to increase in contract labor in response to labor shortages.

Current indications for corn project an overall better stocks-to-use ratio; however, until this year's harvest is complete, outside factors remain uncertain (including weather patterns and the Russia-Ukraine war and its effect on the market); volatility could remain. Soybean meal supply has remained tight relative to demand in the first quarter of fiscal 2024.

Processing, packaging, and warehouse

First Quarter – Fiscal 2024 vs. Fiscal 2023

- Processing, packaging, and warehouse costs remained relatively consistent compared to the first quarter of fiscal 2023. On a per dozen basis, costs in this category increased due to the decrease in processing volume.

Egg purchases and other (including change in inventory)

First Quarter – Fiscal 2024 vs. Fiscal 2023

- Costs in this category decreased primarily due to lower shell egg prices as the average cost per dozen of purchases decreased 35.8% compared to first quarter of fiscal 2023. The decrease was partially offset by an increase in the volume of outside egg purchases, causing the percentage of produced to sold to decrease to 91.7% from 93.6%.

GROSS PROFIT

Gross profit for the first quarter of fiscal 2024 was \$45.4 million compared to \$217.5 million for the same period of fiscal 2023. The decrease of \$172.1 million was primarily due to lower conventional egg prices and increased labor costs, partially offset by lower farm production costs due to the decrease in feed ingredient prices.

SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES

Selling, general, and administrative (“SGA”) expenses include costs of marketing, distribution, accounting and overhead. The following table presents an analysis of our SGA expenses (in thousands):

	<u>Thirteen Weeks Ended</u>			
	<u>September 2, 2023</u>	<u>August 27, 2022</u>	<u>\$ Change</u>	<u>% Change</u>
Specialty egg expense	\$ 12,005	\$ 13,067	\$ (1,062)	(8.1)%
Delivery expense	17,691	19,916	(2,225)	(11.2)%
Payroll, taxes and benefits	12,066	10,987	1,079	9.8 %
Stock compensation expense	1,040	1,025	15	1.5 %
Other expenses	9,444	8,612	832	9.7 %
Total	<u>\$ 52,246</u>	<u>\$ 53,607</u>	<u>\$ (1,361)</u>	<u>(2.5)%</u>

First Quarter – Fiscal 2024 vs. Fiscal 2023

Specialty egg expense

- Specialty egg expense decreased primarily due to a reduction in franchise fees to Egghand's Best, Inc. as well as reduced sales volume of specialty eggs.

Delivery expense

- The decreased delivery expense is primarily due to a decrease in fuel and contract trucking expenses in the first quarter of fiscal 2024 compared to the first quarter of fiscal 2023.

Payroll, taxes and benefits expense

- The increase in payroll, taxes and benefits expense is due to an increase in salaries and wages compared to the first quarter of fiscal year 2023.

Other expense

- The increase in other expense is primarily due an increase in legal fees in the first quarter of fiscal 2024 compared to the first quarter of fiscal 2023.

OPERATING INCOME (LOSS)

For the first quarter of fiscal 2024, we recorded operating loss of \$6.8 million compared to operating income of \$163.9 million for the same period of fiscal 2023.

OTHER INCOME (EXPENSE)

Total other income (expense) consists of items not directly charged or related to operations, such as interest income and royalty income, equity income or loss of unconsolidated entities, and patronage income, among other items.

For the first quarter of fiscal 2024, we earned \$7.5 million of interest income compared to \$1.1 million for the same period of fiscal 2023. The increase resulted from significantly higher investment balances and higher interest rates. The comparable interest expense of \$142 thousand and \$148 thousand for the first quarters ended September 2, 2023 and August 27, 2022, respectively.

INCOME TAXES

For the first quarter of fiscal 2024, pre-tax income was \$733 thousand compared to \$165.5 million for the same period. We recorded income tax expense of \$322 thousand for the first quarter of fiscal 2024, which reflects an effective tax rate of 43.9%. Income tax expense was \$40.3 million for the comparable period of fiscal 2023, which reflects an effective tax rate of 24.4%. The increase in the effective tax rate for first quarter of fiscal 2024 is primarily due to the loss of noncontrolling interest. Taxable income for the first quarter of fiscal 2024 was \$1.2 million and excludes the loss of noncontrolling interest of \$515 thousand, which represents an effective tax rate of 25.7%.

At September 2, 2023, the Company had an income tax receivable of \$33.8 million compared to an income tax receivable of \$67.0 million at June 3, 2023. The change is primarily due to receipt during the first quarter of fiscal 2024 of a \$33.2 million federal tax refund plus associated federal interest income related to the carryback of fiscal 2021 taxable net operating losses.

Our effective tax rate differs from the federal statutory income tax rate due to state income taxes, certain federal tax credits and items included in income for financial reporting purposes that are not included in taxable income for purposes of including tax exempt interest income, certain nondeductible expenses and net income or loss attributable to noncontrolling interest.

NET INCOME ATTRIBUTABLE TO CAL-MAINE FOODS, INC.

Net income attributable to Cal-Maine Foods, Inc. for the first quarter ended September 2, 2023, was \$926 million, or \$0.02 per basic and \$0.02 per diluted common share, compared to net income attributable to Cal-Maine Foods, Inc. of \$125.3 million, or \$2.57 per diluted common share for the same period of fiscal 2023.

LIQUIDITY AND CAPITAL RESOURCES

Working Capital and Current Ratio

Our working capital at September 2, 2023 was \$937.7 million, compared to \$942.2 million at June 3, 2023. The working capital is defined as current assets less current liabilities. Our current ratio was 8.4 at September 2, 2023, compared to 6.2 at June 3, 2023. The current ratio is calculated by dividing current assets by current liabilities.

Cash Flows from Operating Activities

For the thirteen weeks ended September 2, 2023, \$23.7 million in net cash was provided by operating activities, compared to \$173.8 million provided by operating activities for the comparable period in fiscal 2023. The decrease in cash provided by operating activities resulted primarily from lower selling prices for conventional eggs compared to the prior-year period.

Cash Flows from Investing Activities

We continue to invest in our facilities, with \$26.7 million used to purchase or construct property, plant and equipment for the thirteen weeks ended September 2, 2023, compared to \$27.7 million in the same period of fiscal 2023. Sales and investments in securities were \$135.8 million in the first quarter of fiscal 2024, compared to \$20.3 million in fiscal 2023. The

increase in sales and maturities of investment securities is primarily due to the maturities of short-term investments during the

Cash Flows from Financing Activities

We paid dividends of \$37.0 million for the thirteen weeks ended September 2, 2023 compared to \$36.7 million in the prior year period.

As of September 2, 2023, cash increased \$67.5 million since June 3, 2023, compared to an increase of \$76.9 million during the same period of fiscal 2023.

Credit Facility

We had no long-term debt outstanding at September 2, 2023 or June 3, 2023. On November 15, 2021, we entered into an agreement that provides for a senior secured revolving credit facility (the "Credit Facility"), in an initial aggregate amount of up to \$250 million with a five-year term. As of September 2, 2023, no amounts were borrowed under the Credit Facility. We have \$4.3 million in outstanding standby letters of credit issued under our Credit Facility for the benefit of certain companies. Refer to Part II Item 8, Notes to Consolidated Financial Statements and Supplementary Data, Note 10, Credit Facility included in our 2023 Annual Report for further information regarding our long-term debt.

Material Cash Requirements

We continue to monitor the increasing demand for cage-free eggs and to engage with our customers in efforts to support a transition toward their announced timelines for cage-free egg sales. The following table presents material projects approved as of September 2, 2023 (in thousands):

Project(s) Type	Projected Completion	Projected Cost	Spent as of September 2, 2023	Remaining Projected Cost
Cage-Free Layer & Pullet Houses	Fiscal 2024	54,702	23,221	31,481
Cage-Free Layer & Pullet Houses	Fiscal 2025	40,099	29,471	10,628
Feed Mill	Fiscal 2025	10,800	36	10,764
Cage-Free Layer & Pullet Houses	Fiscal 2026	38,883	24,623	14,260
Cage-Free Layer & Pullet Houses	Fiscal 2027	56,923	24,311	32,612
		<u>\$ 201,407</u>	<u>\$ 101,662</u>	<u>\$ 99,745</u>

We believe our current cash balances, investments, cash flows from operations, and Credit Facility will be sufficient to fund our cash needs for at least the next 12 months.

IMPACT OF RECENTLY ISSUED/ADOPTED ACCOUNTING STANDARDS

For information on changes in accounting principles and new accounting policies, see [Summary of Significant Accounting Policies](#) in the Notes to Condensed Consolidated Financial Statements included in this Quarterly Report.

CRITICAL ACCOUNTING ESTIMATES

Critical accounting estimates are those estimates made in accordance with U.S. generally accepted accounting principles that involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on our financial condition or results of operations. There have been no changes to our critical accounting estimates identified in our 2023 Annual Report.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in our exposure to market risk during the thirteen weeks ended September 2, 2023. Information provided in Part II Item 7A Quantitative and Qualitative Disclosures About Market Risk in our 2023 Annual Report.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Our disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures are designed to ensure that information required to be disclosed by us in the reports we submit under the Exchange Act is accumulated and communicated to management, including our principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding disclosure. Based on an evaluation of our disclosure controls and procedures conducted by our Chief Executive Officer, together with other financial officers, such officers concluded that our disclosure controls and procedures were effective as of September 2, 2023 at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting that occurred during the quarter ended September 2, 2023 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Refer to the discussion of certain legal proceedings involving the Company and/or its subsidiaries in (i) our 2023 Report, Part I Item 3 Legal Proceedings, and Part II Item 8, Notes to Consolidated Financial Statements and Supplemental Notes 16, Commitments and Contingencies, and (ii) in this Quarterly Report, [Part II Item 8, Notes to Consolidated Financial Statements and Supplemental Notes 16, Commitments and Contingencies](#), which discussions are incorporated herein by reference.

ITEM 1A. RISK FACTORS

There have been no material changes in the risk factors previously disclosed in the Company’s 2023 Annual Report.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES, USE OF PROCEEDS, AND ISSUER PURCHASES OF EQUITY SECURITIES

The following table is a summary of our first quarter 2024 share repurchases:

Issuer Purchases of Equity Securities				
Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans Or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
06/04/23 to 07/01/23	—	\$ —	—	—
07/02/23 to 07/29/23	106	44.75	—	—
07/30/23 to 09/02/23	—	—	—	—
	<u>106</u>	<u>\$ 44.75</u>	<u>—</u>	<u>—</u>

(1) As permitted under our Amended and Restated 2012 Omnibus Long-Term Incentive Plan, these shares were withheld by us to satisfy tax withholding obligations for employees in connection with the vesting of restricted common stock.

ITEM 6. EXHIBITS

Exhibits No.	Description
3.1	Second Amended and Restated Certificate of Incorporation of the Registrant (incorporated by Exhibit 3.1 in the Registrant’s Form 8-K, filed July 20, 2018)
3.2	Composite Bylaws of the Company (incorporated by reference to Exhibit 3.2 in the Registrant’s Form 8-K, filed March 2, 2013, filed April 5, 2013)
31.1*	Rule 13a-14(a) Certification of the Chief Executive Officer
31.2*	Rule 13a-14(a) Certification of the Chief Financial Officer
32**	Section 1350 Certification of the Chief Executive Officer and the Chief Financial Officer
101.SCH*+	Inline XBRL Taxonomy Extension Schema Document
101.CAL*+	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*+	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*+	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*+	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)
*	Filed herewith as an Exhibit.
**	Furnished herewith as an Exhibit.
+	Submitted electronically with this Quarterly Report.

SIGNATURES

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, thereunto duly authorized.

CAL-MAINE FOODS, INC.
(Registrant)

Date: October 3, 2023

/s/ Max P. Bowman

Max P. Bowman
Vice President, Chief Financial Officer
(Principal Financial Officer)

Date: October 3, 2023

/s/ Matthew S. Glover

Matthew S. Glover
Vice President – Accounting
(Principal Accounting Officer)

Certification
Pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934,
As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Sherman L. Miller, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cal-Maine Foods, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Sherman L. Miller

 Sherman L. Miller

President and Chief Executive Officer

Date: October 3, 2023

Certification
Pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934,
As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Max P. Bowman, certify that

1. I have reviewed this Quarterly Report on Form 10-Q of Cal-Maine Foods, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Max P. Bowman

Max P. Bowman

Vice President and Chief Financial Officer

Date: October 3, 2023

**Certifications Pursuant to 18 U.S.C. §1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

Solely for the purposes of complying with 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, we, the undersigned Chief Executive Officer and Chief Financial Officer of Cal-Maine Foods, Inc. (the Company), hereby certify, based on our knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarter ended September 2, 2023 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Sherman L. Miller

Sherman L. Miller
President and Chief Executive Officer

/s/ Max P. Bowman

Max P. Bowman
Vice President and Chief Financial Officer

Date: October 3, 2023

