

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 ended **August 31, 2024**

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

(State or other jurisdiction of incorporation or organization)

64-0500378

(I.R.S Employer Identification No.)

1052 Highland Colony Pkwy, 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	The NASDAQ Global Select Market

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) 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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non – Accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 44,236,582 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 1, 2024.

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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)

	August 31, 2024	June 1, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 181,667	\$ 237,878
Investment securities available-for-sale	571,923	574,499
Trade and other receivables, net	272,092	151,983
Income tax receivable	10,459	10,459
Inventories	293,182	261,782
Prepaid expenses and other current assets	14,156	5,238
Total current assets	1,343,479	1,241,839
Property, plant & equipment, net	960,070	857,234
Investments in unconsolidated entities	11,753	11,195
Goodwill	45,776	45,776
Intangible assets, net	16,175	15,996
Other long-term assets	12,755	12,721
Total Assets	<u>\$ 2,390,008</u>	<u>\$ 2,184,761</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 128,600	\$ 75,862
Accrued wages and benefits	18,961	32,971
Accrued income taxes payable	106,288	43,348
Dividends payable	49,971	37,760
Accrued expenses and other liabilities	21,595	37,802
Total current liabilities	325,415	227,743
Other noncurrent liabilities	36,854	17,109
Deferred income taxes, net	128,676	142,866
Total liabilities	490,945	387,718
Commitments and contingencies - see Note 10		
Stockholders' equity:		
Common stock (\$0.01 par value):		
Common stock - authorized 120,000 shares, issued 70,261 shares	703	703
Class A convertible common stock - authorized and issued 4,800 shares	48	48
Paid-in capital	77,503	76,371
Retained earnings	1,856,405	1,756,395
Accumulated other comprehensive loss, net of tax	(474)	(1,773)
Common stock in treasury at cost – 26,024 shares at August 31, 2024 and 26,022 shares at June 1, 2024	(31,632)	(31,597)
Total Cal-Maine Foods, Inc. stockholders' equity	1,902,553	1,800,147
Noncontrolling interest in consolidated entity	(3,490)	(3,104)
Total stockholders' equity	1,899,063	1,797,043
Total Liabilities and Stockholders' Equity	<u>\$ 2,390,008</u>	<u>\$ 2,184,761</u>

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)

	Thirteen Weeks Ended	
	August 31, 2024	September 2, 2023
Net sales	\$ 785,871	\$ 459,344
Cost of sales	538,653	413,911
Gross profit	247,218	45,433
Selling, general and administrative	61,932	52,246
Loss on involuntary conversions	146	—
Gain on disposal of fixed assets	(1,817)	(56)
Operating income (loss)	186,957	(6,757)
Other income (expense):		
Interest income, net	9,785	7,346
Other, net	1,211	144
Total other income, net	10,996	7,490
Income before income taxes	197,953	733
Income tax expense	48,363	322
Net income	149,590	411
Less: Loss attributable to noncontrolling interest	(386)	(515)
Net income attributable to Cal-Maine Foods, Inc.	\$ 149,976	\$ 926
Net income per common share:		
Basic	\$ 3.08	\$ 0.02
Diluted	\$ 3.06	\$ 0.02
Weighted average shares outstanding:		
Basic	48,761	48,690
Diluted	48,932	48,840

See Notes to Condensed Consolidated Financial Statements.

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

	Thirteen Weeks Ended	
	August 31, 2024	September 2, 2023
Net income	\$ 149,590	\$ 411
Other comprehensive income (loss), before tax:		
Unrealized holding gain on available-for-sale securities, net of reclassification adjustments	1,715	786
Income tax expense related to items of other comprehensive income	(416)	(191)
Other comprehensive income, net of tax	1,299	595
Comprehensive income	150,889	1,006
Less: Comprehensive loss attributable to the noncontrolling interest	(386)	(515)
Comprehensive income attributable to Cal-Maine Foods, Inc.	<u>\$ 151,275</u>	<u>\$ 1,521</u>

See Notes to Condensed Consolidated Financial Statements.

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

	Thirteen Weeks Ended	
	August 31, 2024	September 2, 2023
Cash flows from operating activities:		
Net income	\$ 149,590	\$ 411
Depreciation and amortization	22,048	19,340
Deferred income taxes	(14,605)	322
Other adjustments, net	(39,581)	3,612
Net cash provided by operations	117,452	23,685
Cash flows from investing activities:		
Purchases of investment securities	(202,196)	(28,296)
Sales and maturities of investment securities	209,673	135,768
Acquisition of business	(111,521)	—
Purchases of property, plant and equipment	(35,773)	(26,666)
Net proceeds from disposal of property, plant and equipment	3,946	74
Net cash provided by (used in) investing activities	(135,871)	80,880
Cash flows from financing activities:		
Payments of dividends	(37,758)	(36,983)
Purchase of common stock by treasury	(34)	(5)
Principal payments on finance lease	—	(58)
Net cash used in financing activities	(37,792)	(37,046)
Net change in cash and cash equivalents	(56,211)	67,519
Cash and cash equivalents at beginning of period	237,878	292,824
Cash and cash equivalents at end of period	<u>\$ 181,667</u>	<u>\$ 360,343</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 1, 2024 (the “2024 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 August 31, 2024 and September 2, 2023 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 Available-for-Sale

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.

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 August 31, 2024 and June 1, 2024, reserves for credit losses were \$716 thousand and \$490 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.

Revenue Recognition

The Company recognizes revenue through sale of its products to customers through retail, foodservice and other distribution channels. The majority of the Company's revenue is derived from agreements or contracts with customers based upon the customer ordering its products with a single performance obligation of delivering the product. The Company believes the performance obligation is met upon delivery and acceptance of the product by our customers, which generally occurs upon shipment or delivery to a customer based on terms of the sale. Costs paid to third party brokers to obtain agreements are expensed as the Company's agreements are generally less than one year.

Revenues are recognized in an amount that reflects the net consideration we expect to receive in exchange for delivery of the products. The Company periodically offers sales incentives or other programs such as rebates, discounts, coupons, volume-based incentives, guaranteed sales and other programs. The Company records an estimated allowance for costs associated with these programs, which is recorded as a reduction in revenue at the time of sale using historical trends and projected redemption rates of each program. The Company regularly reviews these estimates and any difference between the estimated costs and actual realization of these programs would be recognized the subsequent period.

Business Combinations

The Company applies the acquisition method of accounting, which requires that once control is obtained, all the assets acquired and liabilities assumed, including amounts attributable to noncontrolling interests, are recorded at their respective fair values at the date of acquisition. We determine the fair values of identifiable assets and liabilities internally, which requires estimates and the use of various valuation techniques. When a market value is not readily available, our internal valuation methodology considers the remaining estimated life of the assets acquired and what management believes is the market value for those assets.

We typically use the income method approach for intangible assets acquired in a business combination. Significant estimates in valuing certain intangible assets include, but are not limited to, the amount and timing of future cash flows, growth rates, discount rates and useful lives. The excess of the purchase price over fair values of identifiable assets and liabilities is recorded as goodwill.

Loss Contingencies

Certain conditions may exist as of the date the consolidated financial statements are issued that may result in a loss to the Company but which will only be resolved when one or more future events occur or fail to occur. The Company's management and its legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates it is probable that a material loss has been incurred and the amount of the liability can be estimated, the estimated liability would be accrued in the Company's consolidated financial statements. If the assessment indicates a potentially material loss contingency is not probable, but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, would be disclosed. Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the nature of the guarantee would be disclosed.

The Company expenses the costs of litigation as they are incurred.

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 - Acquisition

Effective June 28, 2024, the Company acquired substantially all of the commercial shell egg production, processing and egg products breaking facilities of ISE America, Inc. and certain of its affiliates (“ISE”). The assets acquired included commercial shell egg production and processing facilities with a capacity at the time of acquisition of approximately 4.7 million laying hens, including 1.0 million cage-free, and 1.2 million pullets, feed mills, approximately 4,000 acres of land, inventories and an egg products breaking facility. The acquired assets also include an extensive customer distribution network across the Northeast and Mid-Atlantic states, and production operations in Maryland, New Jersey, Delaware and South Carolina. The Company accounted for the acquisition as a business combination.

Pending the finalization of the Company’s valuation, the following table summarizes the consideration paid for the ISE assets and the amounts of assets acquired and liabilities assumed recognized at the acquisition date (in thousands):

Cash consideration paid	\$	111,521
Recognized amounts of identifiable assets acquired and liabilities assumed		
Inventories	\$	20,547
Property, plant and equipment		90,572
Intangible assets		710
Liabilities assumed		(308)
Total identifiable net assets	\$	111,521

Inventories consisted primarily of flock, feed ingredients, packaging, and egg inventory. Flock inventory was valued at carrying value as management believes that its carrying value best approximates its fair value. Feed ingredients, packaging and egg inventory were all valued based on market prices as of June 28, 2024.

Property, plant and equipment were valued utilizing the cost approach which is based on replacement or reproduction costs of the assets and subtracting any depreciation resulting from physical deterioration and/or functional or economic obsolescence.

Intangible assets consisted primarily of customer lists acquired. Customers lists were valued using the income method approach.

Note 3 - Investment Securities

The following represents the Company’s investment securities as of August 31, 2024 and June 1, 2024 (in thousands):

August 31, 2024	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
Municipal bonds	\$ 4,280	\$ —	\$ 15	\$ 4,265
Commercial paper	86,698	5	—	86,703
Corporate bonds	288,383	547	—	288,930
Certificates of deposits	5,086	11	—	5,097
US government and agency obligations	148,399	—	7	148,392
Asset backed securities	2,877	—	8	2,869
Treasury bills	35,668	—	1	35,667
Total current investment securities	\$ 571,391	\$ 563	\$ 31	\$ 571,923

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June 1, 2024	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
Municipal bonds	\$ 4,100	\$ —	\$ 41	\$ 4,059
Commercial paper	137,856	—	121	137,735
Corporate bonds	233,289	—	697	232,592
Certificates of deposits	3,505	—	14	3,491
US government and agency obligations	154,520	—	251	154,269
Asset backed securities	3,154	—	30	3,124
Treasury bills	39,239	—	10	39,229
Total current investment securities	<u>\$ 575,663</u>	<u>\$ —</u>	<u>\$ 1,164</u>	<u>\$ 574,499</u>

Available-for-sale

Proceeds from sales and maturities of investment securities available-for-sale were \$209.7 million and \$135.8 million during the thirteen weeks ended August 31, 2024 and September 2, 2023, respectively. Gross realized gains for the thirteen weeks ended August 31, 2024 and September 2, 2023 were \$11 thousand and \$2 thousand, respectively. There were no gross realized losses for the thirteen weeks ended August 31, 2024. Gross realized losses for the thirteen weeks ended September 2, 2023 were \$8 thousand. There were no allowances for credit losses at August 31, 2024 and June 1, 2024.

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 August 31, 2024 are as follows (in thousands):

	Estimated Fair Value
Within one year	\$ 365,628
1-5 years	206,295
Total	<u>\$ 571,923</u>

Note 4 - 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 August 31, 2024 and June 1, 2024 (in thousands):

August 31, 2024	Level 1	Level 2	Level 3	Balance
Assets				
Municipal bonds	\$ —	\$ 4,265	\$ —	\$ 4,265
Commercial paper	—	86,703	—	86,703
Corporate bonds	—	288,930	—	288,930
Certificates of deposits	—	5,097	—	5,097
US government and agency obligations	—	148,392	—	148,392
Asset backed securities	—	2,869	—	2,869
Treasury bills	—	35,667	—	35,667
Total assets measured at fair value	\$ —	\$ 571,923	\$ —	\$ 571,923
Liabilities				
Contingent consideration	\$ —	\$ —	\$ 6,500	\$ 6,500
Total liabilities measured at fair value	\$ —	\$ —	\$ 6,500	\$ 6,500
June 1, 2024	Level 1	Level 2	Level 3	Balance
Assets				
Municipal bonds	\$ —	\$ 4,059	\$ —	\$ 4,059
Commercial paper	—	137,735	—	137,735
Corporate bonds	—	232,592	—	232,592
Certificates of deposits	—	3,491	—	3,491
US government and agency obligations	—	154,269	—	154,269
Asset backed securities	—	3,124	—	3,124
Treasury bills	—	39,229	—	39,229
Total assets measured at fair value	\$ —	\$ 574,499	\$ —	\$ 574,499
Liabilities				
Contingent consideration	\$ —	\$ —	\$ 6,500	\$ 6,500
Total liabilities measured at fair value	\$ —	\$ —	\$ 6,500	\$ 6,500

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.

Contingent consideration classified as Level 3 consists of the potential obligation to pay an earnout to the sellers of Fassio Egg Farms, Inc. contingent on the acquired business meeting certain return on profitability milestones over a three-year period, commencing on the date of the acquisition in the second quarter of fiscal 2024. The fair value of the contingent consideration is estimated using a discounted cash flow model. Key assumptions and unobservable inputs that require significant judgement used in the estimate include weighted average cost of capital, egg prices, projected revenue and expenses over which the contingent considered is measured, and the probability assessments with respect to the likelihood of achieving the forecasted projections.

Note 5 - Inventories

Inventories consisted of the following as of August 31, 2024 and June 1, 2024 (in thousands):

	August 31, 2024	June 1, 2024
Flocks, net of amortization	\$ 169,497	\$ 149,985
Eggs and egg products	30,800	25,217
Feed and supplies	92,885	86,580
	<u>\$ 293,182</u>	<u>\$ 261,782</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 August 31, 2024 and June 1, 2024 consisted of approximately 10.9 million and 11.8 million pullets and breeders and 46.7 million and 39.9 million layers, respectively.

Note 6 - Equity

The following reflects equity activity for the thirteen weeks ended August 31, 2024 and September 2, 2023 (in thousands):

	Thirteen Weeks Ended August 31, 2024							
	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 June 1, 2024	\$ 703	\$ 48	\$ (31,597)	\$ 76,371	\$ (1,773)	\$ 1,756,395	\$ (3,104)	\$ 1,797,043
Other comprehensive income, net of tax	—	—	—	—	1,299	—	—	1,299
Stock compensation plan transactions	—	—	(35)	1,132	—	—	—	1,097
Dividends (\$1.019 per share)								
Common	—	—	—	—	—	(45,075)	—	(45,075)
Class A common	—	—	—	—	—	(4,891)	—	(4,891)
Net income (loss)	—	—	—	—	—	149,976	(386)	149,590
Balance at August 31, 2024	<u>\$ 703</u>	<u>\$ 48</u>	<u>\$ (31,632)</u>	<u>\$ 77,503</u>	<u>\$ (474)</u>	<u>\$ 1,856,405</u>	<u>\$ (3,490)</u>	<u>\$ 1,899,063</u>

Thirteen Weeks Ended September 2, 2023

Cal-Maine Foods, Inc. Stockholders								
Common Stock								
	Amount	Class A Amount	Treasury Amount	Paid In Capital	Accum. Other Comp. Loss	Retained Earnings	Noncontrolling Interest	Total
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	\$ 703	\$ 48	\$ (30,014)	\$ 73,153	\$ (2,291)	\$ 1,571,744	\$ (2,013)	\$ 1,611,330

Note 7 - 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	
	August 31, 2024	September 2, 2023
Numerator		
Net income	\$ 149,590	\$ 411
Less: Loss attributable to noncontrolling interest	(386)	(515)
Net income attributable to Cal-Maine Foods, Inc.	\$ 149,976	\$ 926
Denominator		
Weighted-average common shares outstanding, basic	48,761	48,690
Effect of dilutive restricted shares	171	150
Weighted-average common shares outstanding, diluted	48,932	48,840
Net income per common share attributable to Cal-Maine Foods, Inc.		
Basic	\$ 3.08	\$ 0.02
Diluted	\$ 3.06	\$ 0.02

Note 8 - Revenue from Contracts with Customers

Net revenue is primarily generated through the sales of shell eggs and egg products. The Company’s shell egg product offerings include specialty and conventional shell eggs. Specialty shell eggs include cage-free, organic, brown, free-range, pasture-raised and nutritionally enhanced eggs. Conventional shell egg sales represent all other shell egg sales not sold as specialty shell eggs.

The Company’s egg products offerings include liquid and frozen egg products and hard-cooked eggs. Liquid and frozen egg products are primarily sold to the institutional, foodservice and food manufacturing sectors. Hard-cooked eggs are sold primarily within the foodservice and retail channels.

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

	Thirteen Weeks Ended	
	August 31, 2024	September 2, 2023
Conventional shell egg sales	\$ 484,736	\$ 225,280
Specialty shell egg sales	256,777	208,681
Egg products	35,175	22,223
Other	9,183	3,160
	<u>\$ 785,871</u>	<u>\$ 459,344</u>

Note 9 - Stock Based Compensation

Total stock-based compensation expense was \$1.1 million and \$1.0 million for the thirteen weeks ended August 31, 2024 and September 2, 2023, respectively.

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 August 31, 2024 of \$6.3 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 2024 Annual Report for further information on our stock compensation plans.

The Company’s restricted share activity for the thirteen weeks ended August 31, 2024 follows:

	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding, June 1, 2024	277,954	\$ 49.38
Vested	(2,057)	44.72
Forfeited	(1,682)	54.64
Outstanding, August 31, 2024	<u>274,215</u>	<u>\$ 49.38</u>

Note 10 - 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 of Texas denied the Company's Petition for Review and remanded to the trial court for further proceedings. The district court entered a pre-trial order scheduling pre-trial proceedings and tentatively setting a trial date for August 11, 2025. Management believes the risk of material loss related to this matter 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 alleged 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 attacked certain features of the United Egg Producers animal-welfare guidelines and program used by the Company and many other egg producers.

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 trial of this case began on October 17, 2023. On December 1, 2023, the jury returned a decision awarding the Egg Products Plaintiffs \$17.8 million in damages. If the jury's decision is ultimately upheld, the defendants would be jointly and severally liable for treble damages, or \$53.3 million, subject to credit for the Kellogg settlement described above and certain other settlements with previous settling defendants, plus the Egg Product Plaintiffs' reasonable attorneys' fees. This decision is not final and remains subject to appeals by the parties. During our second fiscal quarter of 2024, we recorded an accrued expense of \$19.6 million in selling, general and administrative expenses in the Company's Condensed Consolidated Statements of Income and classified as other noncurrent liabilities in the Company's Condensed Consolidated Balance Sheets. The accrual represents our estimate of the Company's proportional share of the reasonably possible ultimate damages award, excluding the Egg Product Plaintiffs' attorneys' fees that we believe would be approximately offset by the credits noted above. We have entered into a judgment allocation and joint defense agreement with the other major producer defendant remaining in the case, and are in discussions with other defendants regarding their contributions. Our accrual may change in the future based on the outcome of those discussions. Our accrual may also be revised in whole or in part in the future to the extent we are successful in further proceedings in the litigation. On November 29, 2023, the defendants, including the Company, filed a motion for judgment as a matter of law in their favor, known as a directed verdict, notwithstanding the jury's decision. The court denied this motion on September 30, 2024. The Company is evaluating the court's September 30, 2024 order and intends to continue to vigorously defend the claims asserted by the Egg Products Plaintiffs.

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 retired Tenth

Circuit Chief Judge Deanell Reece Tacha, but the mediation was unsuccessful. On June 26, 2024, the district court denied defendants' motion to dismiss the case. On September 13, 2024, a status hearing was held and the court scheduled an evidentiary hearing for December 3, 2024, to determine whether any legal remedy is available based on the now 14 year old record and changed circumstances of the Illinois River watershed. On September 20, 2024, the defendants filed motions to certify an interlocutory appeal and stay further proceedings pending appeal to the United States Court of Appeals for the Tenth Circuit. The court has not ruled on these motions. 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 14 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 litigation 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 11 - Subsequent Events

Effective on September 9, 2024, the Company completed a strategic investment with Crepini LLC, establishing a new egg products and prepared foods venture. Crepini LLC, founded in 2007, grew its brand throughout the United States and Mexico featuring egg wraps, protein pancakes, crepes, and wrap-ups, which are sold online and in over 3,500 retail stores. The new entity, located in Hopewell Junction, New York, operates as Crepini Foods LLC ("Crepini"). The Company capitalized Crepini with approximately \$6.75 million in cash to purchase additional equipment and other assets and fund working capital in exchange for a 51% interest in the new venture. Crepini LLC contributed its existing assets and business in exchange for a 49% interest in the new venture.

ITEM 2. MANAGEMENT'S 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 June 1, 2024 (the "2024 Annual Report"), and the accompanying financial statements and notes included in Part II Item 8 of the 2024 Annual Report and in [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 shell egg and egg products business, including estimated future production data, expected construction schedules, projected construction costs, potential future supply of and demand for our products, potential future corn and soybean price trends, potential future impact on our business of the resurgence in United States ("U.S.") commercial table egg layer flocks of highly pathogenic avian influenza ("HPAI"), potential future impact on our business of inflation and changing interest rates, potential future impact on our business of new legislation, rules or policies, potential outcomes of legal proceedings, including loss contingency accruals and factors that may result in changes in the amounts recorded, 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," "intends," "expects," "hopes," "may," "should," "plans," "projected," "contemplates," "anticipates," or similar words. Actual outcomes or 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 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 Part I Item 1A Risk Factors of the 2024 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 current outbreak of HPAI 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 acquisition of new flocks or businesses and risks or changes that may cause conditions to completing a pending acquisition not to be met, (vi) risks relating to 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. 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 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 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, packaging, marketing and distribution of fresh shell eggs. Our operations are fully integrated and we have one operating and reportable segment. We are the largest producer and distributor of fresh shell eggs in the U.S. Our total flock of approximately 46.7 million layers and 10.9 million pullets and breeders is the largest in the U.S. We sell our shell eggs and egg products to a diverse group of customers, including national and regional grocery store chains, club stores, companies servicing independent supermarkets in the U.S., foodservice distributors and egg product customers throughout the majority of the U.S. and aim to maintain efficient, state-of-the-art operations located close to our customers.

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 conventional shell eggs based on formulas that consider, in varying ways, independently quoted regional wholesale market prices for shell eggs or formulas related to our costs of production which include the cost of corn and soybean meal. We do not sell eggs directly 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 summer months. Prices for shell eggs fluctuate in response to seasonal demand factors and a natural increase in egg production during the spring and early summer. Historically, shell egg prices tend to increase with the start of the school year and tend to be 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 and fourth fiscal quarters ending in August/September and May/June, respectively. Because of the seasonal and quarterly 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 ensure continued availability of feed ingredients, we may enter into contracts for future purchases of corn and soybean meal, and as part of these contracts, we may lock-in the basis portion of our grain purchases several months in advance. Basis is the difference between the local cash price for grain and the applicable futures price. A basis contract is a common transaction in the grain market that allows us to lock-in a basis level for a specific delivery period and wait to set the futures price at a later date. Furthermore, due to the more limited supply for organic ingredients, we may commit to purchase organic ingredients in advance to help ensure supply. Ordinarily, we do not enter into long-term contracts beyond a year to purchase corn and soybean meal or 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 storage costs, speculators, agricultural, energy and trade policies in the U.S. and internationally, and global instability that could disrupt the supply chain.

An important competitive advantage for Cal-Maine Foods is our ability to meet our customers' evolving needs with a favorable mix of branded and private-label products of conventional and specialty eggs, including cage-free, organic, brown, free-range, pasture-raised and nutritionally-enhanced eggs as well as egg products.

CAGE-FREE EGGS

Ten states have passed legislation or regulations mandating minimum space or cage-free requirements for egg production or mandated the sale of only cage-free eggs and egg products in their states, with implementation of these laws ranging from January 2022 to January 2030. These states represent approximately 27% of the U.S. total population according to the 2020 U.S. Census. California, Massachusetts, Colorado, Oregon, Washington, and Nevada, which collectively represent approximately 20% of the total estimated U.S. population, have cage-free legislation currently in effect.

A significant number of our customers have announced goals to either exclusively offer cage-free eggs or significantly increase the volume of cage-free egg sales in the future, subject in most cases to availability of supply, affordability and consumer demand, among other contingencies. Our customers typically do not commit to long-term purchases of specific quantities or types of eggs with us, and as a result, it is difficult to accurately predict customer 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 acquire and 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 egg revenue represented approximately 25.6% of our total net shell egg revenue for the first quarter of fiscal year 2025. At the same time, 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 2024 Annual Report, Part I Item 1, "Business – Specialty Eggs," "Business – Growth Strategy" and "Business – Government Regulation," and the first risk factor in Part I Item 1A, "Risk Factors" under the sub-heading "Legal and Regulatory Risk Factors."

ACQUISITIONS

During the first quarter of fiscal 2025, we acquired substantially all the commercial shell egg production, processing and egg products breaking assets of ISE America, Inc. and certain of its affiliates ("ISE"). The assets acquired included commercial shell egg production and processing facilities with a capacity at the time of acquisition of approximately 4.7 million laying hens, including 1.0 million cage-free, and 1.2 million pullets, feed mills, approximately 4,000 acres of land, inventories and an egg products breaking facility. The acquired assets also include an extensive customer distribution network across the Northeast and Mid-Atlantic states, and production operations in Maryland, New Jersey, Delaware and South Carolina. These production assets are our first in Maryland, New Jersey and Delaware. We believe this acquisition provides us with an opportunity to

significantly enhance our market reach in the Northeast and Mid-Atlantic states. See further discussion in [Note 2 – Acquisition](#) of the Notes to Condensed Consolidated Financial Statements included in this Quarterly Report.

In second quarter 2024, we acquired the assets of Fassio Egg Farms, Inc. (“Fassio”), related to its commercial shell egg production and processing business. Fassio owned and operated commercial shell egg production and processing facilities with a capacity at the time of acquisition 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. This acquisition provided us with an opportunity to expand our market presence in Utah and the western U.S., particularly for cage-free eggs. In fourth quarter 2024, we acquired a broiler processing plant, hatchery and feed mill in Dexter, Missouri that were closed by Tyson Foods, Inc. in 2023 and that we are repurposing for use in shell egg and egg products production.

Following the end of first quarter 2025, we announced that we completed a strategic investment with Crepini, LLC, establishing a new egg products and prepared foods venture. See further discussion in Note 11 – Subsequent Events of the Notes to Condensed Consolidated Financial Statements included in this Quarterly Report

HPAI

Outbreaks of HPAI have continued to occur in U.S. poultry flocks. From the resurgence beginning in November 2023 until the last reported case in commercial layer hens in July 2024, approximately 33.1 million commercial laying hens and pullets have been depopulated.

During the third and fourth quarters of fiscal 2024, we experienced HPAI outbreaks within our facilities located in Kansas and Texas, resulting in total depopulation of approximately 3.1 million laying hens and 577,000 pullets. Both locations have been cleared by the USDA to resume operations. Repopulation began during the first quarter of fiscal 2025 and is expected to be completed before calendar year end.

We remain dedicated to robust biosecurity programs across our locations; however, no farm is immune from HPAI. HPAI is currently widespread in the wild bird population worldwide. The extent of possible future outbreaks, with heightened risk during the migration seasons, and more recent HPAI events, which have been directly linked to dairy cattle operations, cannot be predicted. 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. For additional information, see the 2024 Annual Report, Part II Item 7 “Management’s Discussion and Analysis of Financial Condition and Results of Operations – HPAI.”

EXECUTIVE OVERVIEW

For the first quarter of fiscal 2025, we recorded a gross profit of \$247.2 million, compared to \$45.4 million, for the same period of fiscal 2024, primarily driven by an increase in the net average selling price of shell eggs as well as an increase in total dozens sold. In the first quarter of fiscal 2025, we sold a record amount of total shell eggs and specialty shell eggs, reflecting favorable demand for shell eggs during most of the quarter. Our results were also positively impacted by lower feed costs and our recent acquisitions discussed above.

Our net average selling price per dozen for the first quarter of fiscal 2025 was \$2.392 compared to \$1.589 in the prior-year period. Conventional egg prices per dozen were \$2.424 compared to \$1.241 for the prior-year period, and specialty egg prices per dozen were \$2.335 compared to \$2.278 for the prior-year period. Egg prices in the first quarter of fiscal 2025 were elevated compared to the prior-year period primarily due to the resurgence of HPAI outbreaks, which decreased supply, among other factors. According to the USDA, the monthly average size of the layer hen flock from June through August (which most closely aligns with our first fiscal quarter) 2024 was approximately 305 million hens, which was a decrease of 9 million layers, or 2.9%, compared to the same period in the prior year. The daily average price for the Umer Barry southeast large index for the first quarter of fiscal 2025 increased 125.6% from the comparable period in the prior year and was volatile during the quarter with a low of \$2.54 and a high of \$4.63 at the end of the quarter. Subsequent to quarter-end, prices have dropped significantly. For more information about historical shell egg prices, see Part I Item I of our 2024 Annual Report.

Our dozens sold for the first quarter of fiscal 2025 increased 13.5% compared to fiscal 2024. We had an increase in production capacity with the acquisitions of the commercial shell egg production and processing business of ISE during the first quarter of fiscal 2025 and Fassio during the second quarter of fiscal 2024, which was partially offset by the temporary decrease in production due to the HPAI outbreaks at our facilities in Kansas and Texas during the third and fourth quarters of fiscal 2024.

Our farm production costs per dozen produced for the first quarter of fiscal 2025 decreased 11.7%, or \$0.12 compared to the prior year period, primarily due to lower feed costs. Feed costs per dozen produced decreased 17.3%, or \$0.10, compared to the first quarter of fiscal 2024, primarily due to lower feed ingredient prices. For information about historical corn and soybean meal prices, see Part I Item I of our 2024 Annual Report. Our egg purchases and other (including changes in inventory) costs increased \$107.7 million quarter-over-quarter, primarily due to higher shell egg prices as well as an increase in dozens purchased due to the loss of production caused by the HPAI outbreaks at our facilities as described above .

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	
	August 31, 2024	September 2, 2023
Net sales	100.0 %	100.0 %
Cost of sales	68.5 %	90.1 %
Gross profit	31.5 %	9.9 %
Selling, general and administrative	7.9 %	11.3 %
Gain on disposal of fixed assets	(0.2) %	— %
Operating income (loss)	23.8 %	(1.4) %
Total other income, net	1.4 %	1.6 %
Income before income taxes	25.2 %	0.2 %
Income tax expense	6.2 %	0.1 %
Net income	19.0 %	0.1 %
Less: Loss attributable to noncontrolling interest	— %	(0.1) %
Net income attributable to Cal-Maine Foods, Inc.	19.0 %	0.2 %

NET SALES

Total net sales for the first quarter of fiscal 2025 were \$785.9 million compared to \$459.3 million for the same period of fiscal 2024.

Net shell egg sales represented 95.5% and 95.2% of total net sales for the first quarters of fiscal 2025 and 2024, respectively. The Company's shell egg offerings, for both branded and private-label products, include specialty and conventional shell eggs. Specialty shell eggs include cage-free, organic, brown, free-range, pasture-raised and nutritionally enhanced eggs. Conventional shell eggs sales represent all other shell egg sales not sold as specialty shell eggs. Shell egg sales classified as "Other" represent sales of miscellaneous byproducts and resale products included with our shell egg operations.

The Company's egg products offerings include liquid and frozen egg products and hard-cooked eggs.

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

	Thirteen Weeks Ended			
	August 31, 2024		September 2, 2023	
Total net sales	\$ 785,871		\$ 459,344	
Conventional	\$ 484,736	64.6 %	\$ 225,280	51.6 %
Specialty	256,777	34.2 %	208,681	47.7 %
Egg sales, net	741,513	98.8 %	433,961	99.3 %
Other	9,183	1.2 %	3,160	0.7 %
Net shell egg sales	<u>\$ 750,696</u>	<u>100.0 %</u>	<u>\$ 437,121</u>	<u>100.0 %</u>
Net shell egg sales as a percent of total net sales	95.5 %		95.2 %	
Dozens sold:				
Conventional	199,989	64.5 %	181,530	66.5 %
Specialty	109,990	35.5 %	91,596	33.5 %
Total dozens sold	<u>309,979</u>	<u>100.0 %</u>	<u>273,126</u>	<u>100.0 %</u>
Net average selling price per dozen:				
Conventional	\$ 2.424		\$ 1.241	
Specialty	\$ 2.335		\$ 2.278	
All shell eggs	\$ 2.392		\$ 1.589	
Egg products sales:				
Egg products net sales	\$ 35,175		\$ 22,223	
Pounds sold	21,051		19,353	
Net average selling price per pound	\$ 1.671		\$ 1.148	

Shell egg net sales

First Quarter – Fiscal 2025 vs. Fiscal 2024

- In the first quarter of fiscal 2025, conventional egg sales increased \$259.5 million, or 115.2%, compared to the first quarter of fiscal 2024, primarily due to a 95.3% increase in the prices for conventional eggs, which resulted in a \$236.6 million increase in net sales, and a 10.2% increase in the volume of conventional eggs sold, which resulted in a \$22.9 million increase in net sales. Results for the first quarter of 2025 were positively impacted by our recent acquisitions discussed above.
- Specialty egg sales increased \$48.1 million, or 23.0%, in the first quarter of fiscal 2025 compared to the first quarter of fiscal 2024, primarily due to an 20.1% increase in the volume of specialty eggs sold, which resulted in a \$41.9 million increase in net sales and a 2.5% increase in prices for specialty eggs, which resulted in a \$6.3 million increase in net sales.
- Demand for specialty eggs increased in the first quarter of fiscal 2025 as conventional egg prices rose. Our sales volume benefited as we sold 20.1% more specialty eggs by volume in the first quarter of fiscal 2025 versus the prior-year period. Additionally, demand continues to be impacted by cage-free requirements becoming effective for Nevada, Oregon and Washington on January 1, 2024.
- See “Executive Overview” above for additional discussion.

Egg products net sales

First Quarter – Fiscal 2025 vs. Fiscal 2024

- Egg products net sales increased \$13.0 million, or 58.3%, for the first quarter of fiscal 2025 compared to the same period of fiscal 2024, primarily due to a 45.6% selling price increase, which had a \$11.0 million positive impact on net sales.

- Our egg products net average selling price increased in the first quarter of fiscal 2025, compared to the first quarter of fiscal 2024, as the supply of shell eggs used to produce egg products was lower due to the impact of HPAI.

COST OF SALES

Cost of sales consists of costs directly related to producing, processing and packing shell eggs, purchases of shell eggs from outside sources, processing and packing of liquid and frozen egg products and other non-egg costs. Farm production costs are those costs incurred at the egg production facility, including feed, facility (including labor), hen amortization and other related farm production costs.

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

	Thirteen Weeks Ended		
	August 31, 2024	September 2, 2023	%
Cost of Sales:			
Farm production	\$ 241,701	\$ 253,507	(4.7) %
Processing, packaging, and warehouse	91,711	81,906	12.0
Egg purchases and other (including change in inventory)	168,449	60,797	177.1
Total shell eggs	501,861	396,210	26.7
Egg products	36,792	17,701	107.9
Total	\$ 538,653	\$ 413,911	30.1 %
Farm production costs (per dozen produced)			
Feed	\$ 0.494	\$ 0.597	(17.3) %
Other	\$ 0.421	\$ 0.439	(4.1) %
Total	\$ 0.915	\$ 1.036	(11.7) %
Outside egg purchases (average cost per dozen)	\$ 2.83	\$ 1.65	71.5 %
Dozens produced	266,839	250,365	6.6 %
Percent produced to sold	86.1%	91.7%	(6.1) %

Farm Production

First Quarter – Fiscal 2025 vs. Fiscal 2024

- Feed costs per dozen produced decreased 17.3% in the first quarter of fiscal 2025 compared to the first quarter of fiscal 2024. This decrease was primarily due to lower prices for corn and soybean meal, our primary feed ingredients. The decrease in feed cost per dozen resulted in a decrease in cost of sales of \$27.5 million for the first quarter of fiscal 2025 compared to the prior period quarter.
- For the first quarter of fiscal 2025, the average Chicago Board of Trade (“CBOT”) daily market price was \$4.03 per bushel for corn and \$340 per ton of soybean meal, representing decreases of 24.0% and 19.5%, respectively, as compared to the average CBOT daily market prices for the first quarter of fiscal 2024.
- Other farm production costs decreased primarily due to lower flock amortization. Feed costs reached their peak in the second quarter of fiscal 2023 and have since trended downward. Lower costs result in lower capitalized values of the flocks during the grow out phase, which reduced amortization cost over time.

Current indications for corn project an overall better stocks-to-use ratio implying potentially lower prices in the near term; however, as long as outside factors remain uncertain (including weather patterns and global supply chain disruptions), volatility could remain.

Processing, packaging, and warehouse

First Quarter – Fiscal 2025 vs. Fiscal 2024

- Processing, packaging, and warehouse costs increased 12.0% compared to the first quarter of fiscal 2024 due to a 7.5% increase in the volume of processed dozens as well as an increase in costs of packaging materials.

Egg purchases and other (including change in inventory)

First Quarter – Fiscal 2025 vs. Fiscal 2024

- Costs in this category increased primarily due to higher shell egg prices as the average cost per dozen of outside egg purchases increased 71.5% compared to first quarter of fiscal 2024, as well as an increase of 67.5% in dozens purchased due to the loss of production caused by the HPAI outbreaks at our facilities in Kansas and Texas in the third and fourth quarters of fiscal 2024.

GROSS PROFIT

Gross profit, as a percentage of net sales, was 31.5% for the first quarter of fiscal 2025 compared to 9.9% for the same period of fiscal 2024. The increase was primarily due to higher net average selling price as well as lower feed ingredient prices, partially offset by the increase in volume and price of outside egg purchases.

SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES

Selling, general, and administrative (“SGA”) expenses include costs of delivery, marketing, and other general and administrative expenses. Delivery expense includes contract trucking expense and all costs to maintain and operate our fleet of trucks to deliver products to customers including the related payroll expenses. Marketing expense includes franchise fees that are submitted to Eggland’s Best, Inc. to support the EB brand, brokerage and commission fees, and other general marketing expenses such as payroll expenses for our in-house sales team. Other general and administrative expenses include corporate payroll related expenses and other general corporate overhead costs. The following table presents an analysis of our SGA expenses (in thousands):

	Thirteen Weeks Ended			
	August 31, 2024	September 2, 2023	\$ Change	% Change
Delivery expense	\$ 21,064	\$ 17,691	\$ 3,373	19.1 %
Marketing expense	14,352	12,463	1,889	15.2 %
Other general and administrative expenses	26,516	22,092	4,424	20.0 %
Total	\$ 61,932	\$ 52,246	\$ 9,686	18.5 %

First Quarter – Fiscal 2025 vs. Fiscal 2024

Delivery expense

- The increased delivery expense is primarily due to an increase in dozens sold in the first quarter of fiscal 2025 compared to the first quarter of fiscal 2024.

Marketing expense

- The increase in marketing expense is primarily due to an increase in franchise fees as specialty egg sales increased compared to the first quarter of fiscal 2024.

Other general and administrative expense

- The increase in other general and administrative expense is primarily due to costs associated with the acquisition of ISE assets that occurred during the first quarter of fiscal 2025 as well as an increase in insurance costs.

OPERATING INCOME (LOSS)

For the first quarter of fiscal 2025, we recorded operating income of \$187.0 million compared to an operating loss of \$6.8 million for the same period of fiscal 2024.

OTHER INCOME (EXPENSE)

Total other income (expense) consists of items not directly charged or related to operations, such as interest income and expense, equity in income or loss of unconsolidated entities, and patronage income, among other items. Patronage dividends are paid to us from our membership in the EB cooperative.

For the first quarter of fiscal 2025, we earned \$9.9 million of interest income compared to \$7.5 million for the same period of fiscal 2024, primarily due to higher average cash and cash equivalents and investment securities available-for-sale balances and yields. The Company recorded interest expense of \$160 thousand and \$142 thousand for the first quarters ended August 31, 2024 and September 2, 2023, respectively.

INCOME TAXES

For the first quarter of fiscal 2025, our pre-tax income was \$198.0 million, compared to \$733 thousand for the first quarter of fiscal 2024. Income tax expense of \$48.4 million was recorded for first quarter 2025 with an effective tax rate of 24.4%. For first quarter 2024, income tax expense was \$322 thousand with an effective tax rate of 43.9%. The higher effective tax rate for first quarter of fiscal 2024 is primarily due to the loss attributable to our noncontrolling interest. Taxable income for the first quarter of fiscal 2024 was \$1.2 million and excludes the loss attributable to noncontrolling interest of \$515 thousand, which represents an effective tax rate of 25.7%.

Items causing our effective tax rate to differ from the federal statutory income tax rate of 21% are state income taxes, certain federal tax credits and certain items included in income or loss for financial reporting purposes that are not included in taxable income or loss for income tax purposes, 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 August 31, 2024 was \$150.0 million, or \$3.08 per basic and \$3.06 per diluted common share, compared to net income attributable to Cal-Maine Foods, Inc. of \$926 thousand, or \$0.02 per basic and diluted common share, for the same period of fiscal 2024.

LIQUIDITY AND CAPITAL RESOURCES

Working Capital and Current Ratio

Our working capital was \$1.0 billion at both August 31, 2024 and June 1, 2024. The calculation of working capital is defined as current assets less current liabilities. Our current ratio was 4.1 at August 31, 2024, compared with 5.5 at June 1, 2024. The current ratio is calculated by dividing current assets by current liabilities.

Cash Flows from Operating Activities

For the thirteen weeks ended August 31, 2024, \$117.5 million in net cash was provided by operating activities, compared to \$23.7 million provided by operating activities for the comparable period in fiscal 2024. The increase in cash flow from operating activities resulted primarily from higher net average selling prices per dozen as well as a decrease in feed ingredient costs compared to the prior-year period.

Cash Flows from Investing Activities

For the thirteen weeks ended August 31, 2024, \$135.9 million was used in investing activities, primarily due to the acquisition of assets of ISE, and purchases of property, plant and equipment. This compares to \$80.9 million provided by investing activities in the same period of fiscal 2024, primarily due to sales and maturities of investment securities. Sales and maturities of investment securities were \$209.7 million in first quarter of fiscal 2025 and purchases of investment securities were \$202.2 million during the period. Sales and maturities of investment securities were \$135.8 million in the first quarter fiscal 2024 while purchases of investment securities were \$28.3 million during the period. The increase in sales and maturities of investment securities is primarily due to the maturities of short-term investments during first quarter 2025. Purchases of property, plant and equipment were \$35.8 million and \$26.7 million in the first quarters of fiscal 2025 and 2024, respectively, primarily reflecting progress on our construction projects.

Cash Flows from Financing Activities

We paid dividends of \$37.8 million for the thirteen weeks ended August 31, 2024 compared to \$37.0 million in the same prior-year period.

As of August 31, 2024, cash decreased \$56.2 million since June 1, 2024, compared to an increase of \$67.5 million during the same period of fiscal 2024. The decrease is primarily due to the acquisition of assets of ISE during the first quarter of fiscal 2025.

Credit Facility

We had no long-term debt outstanding at August 31, 2024 or June 1, 2024. On November 15, 2021, we entered into a credit agreement that provides for a senior secured revolving credit facility (the “Credit Facility”), in an initial aggregate principal amount of up to \$250 million with a five-year term. As of August 31, 2024, no amounts were borrowed under the Credit Facility. We have \$4.7 million in outstanding standby letters of credit issued under our Credit Facility for the benefit of certain insurance companies. Refer to Part II Item 8, Notes to Consolidated Financial Statements and Supplementary Data, Note 10 - Credit Facility included in our 2024 Annual Report for further information regarding our long-term debt.

Dividends

In accordance with our variable dividend policy, we will pay a cash dividend totaling approximately \$50.0 million, or approximately \$1.019 per share, to holders of our Common Stock and Class A Common Stock with respect to our first fiscal quarter of 2025. The amount paid per share will vary based on the number of outstanding shares on the record date. The dividend is payable on November 14, 2024 to holders of record on October 30, 2024.

Material Cash Requirements

Material cash requirements for operating activities primarily consist of feed ingredients, processing, packaging and warehouse costs, employee related costs, and other general operating expenses, which we expect to be paid from our cash from operations and cash and investment securities on hand for at least the next 12 months. While volatile egg prices and feed ingredient costs, among other things, make long-term predictions difficult, we have substantial liquid assets and availability under our Credit Facility to fund future operating requirements.

Our material cash requirements for capital expenditures consist primarily of our construction projects to increase our cage-free production capacity. We continue to monitor the increasing demand for cage-free eggs and to engage with our customers in efforts to achieve a smooth transition toward their announced timelines for cage-free egg sales. The following table presents material construction projects approved as of August 31, 2024 (in thousands):

Project(s) Type	Projected Completion	Projected Cost	Spent as of August 31, 2024	Remaining Projected Cost
Cage-Free Layer & Pullet Houses	Fiscal 2025	\$ 81,429	\$ 73,945	\$ 7,484
Dexter, MO Processing and Hatchery Renovations	Fiscal 2025	6,204	4,704	1,500
Feed Mills	Fiscal 2026	16,593	4,565	12,028
Cage-Free Layer & Pullet Houses	Fiscal 2026	135,905	115,420	20,485
		<u>\$ 240,131</u>	<u>\$ 198,634</u>	<u>\$ 41,497</u>

We believe our current cash balances, investments, projected cash flows from operations, and available borrowings under our Credit Facility will be sufficient to fund our capital expenditure cash needs for at least the next 12 months and to fund our capital commitments currently in place thereafter.

IMPACT OF RECENTLY ISSUED/ADOPTED ACCOUNTING STANDARDS

For information on changes in accounting principles and new accounting policies, see [Note 1 - Summary of Significant Accounting Policies](#) of 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 2024 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 August 31, 2024 from the information provided in Part II Item 7A, Quantitative and Qualitative Disclosures About Market Risk in our 2024 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 by us in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Based on an evaluation of our disclosure controls and procedures conducted by our Chief Executive Officer and Chief Financial Officer, together with other financial officers, such officers concluded that our disclosure controls and procedures were effective as of August 31, 2024 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 August 31, 2024 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 2024 Annual Report, Part I Item 3 Legal Proceedings, and Part II Item 8, Notes to Consolidated Financial Statements and Supplementary Data, Note 16 - Commitments and Contingencies, and (ii) in this Quarterly Report in [Note 10 - Commitments and Contingencies](#) of the Notes to Condensed Consolidated Financial Statements, 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 2024 Annual Report.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table is a summary of our first quarter 2025 share repurchases:

Period	Issuer Purchases of Equity Securities		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
	Total Number of Shares Purchased (1)	Average Price Paid per Share		
06/02/24 to 06/29/24	—	\$ —	—	—
06/30/24 to 07/27/24	502	66.86	—	—
07/28/24 to 08/31/24	—	—	—	—
	502	\$ 66.86	—	—

(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 reference to Exhibit 3.1 in the Registrant's Form 8-K, filed July 20, 2018)
3.2	Amended and Restated Bylaws of the Registrant (incorporated by reference to Exhibit 3.2 in the Registrant's Form 10-K, filed July 23, 2024)
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 1, 2024

/s/ Max P. Bowman

Max P. Bowman

Vice President, Chief Financial Officer
(Principal Financial Officer)

Date: October 1, 2024

/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, not 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; and
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 1, 2024

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, not 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; and
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 1, 2024

**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 August 31, 2024 (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 1, 2024

