



Cal-Maine Foods, Inc. Announces Acquisition of Egg Production Assets of ISE America, Inc.

June 28, 2024

RIDGELAND, Miss.--(BUSINESS WIRE)--Jun. 28, 2024-- Cal-Maine Foods, Inc. (NASDAQ: CALM) ("Cal-Maine Foods" or the "Company") today announced the Company has completed the acquisition of substantially all the assets of ISE America, Inc. and certain affiliates ("ISE") for approximately \$110 million. Cal-Maine Foods is funding the acquisition with available cash on hand. The acquired ISE assets include commercial shell egg production and processing facilities with current capacity 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.

Commenting on the announcement, Sherman Miller, president and chief executive officer of Cal-Maine Foods, Inc., stated, "We are excited about the opportunity to significantly enhance our market reach in the Northeast and Mid-Atlantic states with the acquisition of these assets from ISE. The added production and distribution capabilities will allow us to serve new customers and expand capacity, particularly in the Northeast, which is largely a new territory for Cal-Maine Foods. We are also acquiring production assets for the first time in Maryland, New Jersey and Delaware. ISE has a long history in the egg production business and enjoys a solid reputation in the marketplace. We will continue to honor this important legacy as we build new connections and customer relationships. Cal-Maine Foods has a strong record of driving value from our acquired operations with a proven operating model. We welcome the dedicated ISE operations team to the Cal-Maine Foods family and look forward to a successful integration. Working together, we have a unique opportunity to deliver greater value to both our customers and shareholders."

About Cal-Maine Foods

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

Forward Looking Statements

Statements contained in this press release that are not historical facts are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. The forward-looking statements are based on management's current intent, belief, expectations, estimates and projections regarding our company and our industry. These statements are not guarantees of future performance and involve risks, uncertainties, assumptions and other factors that are difficult to predict and may be beyond our control. The factors that could cause actual results to differ materially from those projected in the forward-looking statements include, among others, (i) the risk factors set forth in the Company's SEC filings (including its Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K), (ii) the risks and hazards inherent in the shell egg business (including disease, pests, weather conditions and potential for recall), including but not limited to the most recent outbreak of highly pathogenic avian influenza affecting poultry in the U.S., Canada and other countries that was first detected in commercial flocks in the U.S. in February 2022 and that first impacted our flocks in December 2023, (iii) changes in the demand for and market prices of shell eggs and feed costs, (iv) our ability to predict and meet demand for cage-free and other specialty eggs, (v) risks, changes or obligations that could result from our future acquisition of new flocks or businesses and risks or changes that may cause conditions to completing a pending acquisition not to be met, (vi) risks relating to increased costs and higher and potentially further increases in inflation and interest rates, (vii) our ability to retain existing customers, acquire new customers and grow our product mix, (viii) adverse results in pending litigation matters, and (ix) global instability including as a result of the war in Ukraine, the Israel-Hamas conflict and attacks on shipping in the Red Sea. SEC filings may be obtained from the SEC or the Company's website, www.calmainefoods.com. Readers are cautioned not to place undue reliance on forward-looking statements because, while we believe the assumptions on which the forward-looking statements are based are reasonable, there can be no assurance that these forward-looking statements will prove to be accurate. Further, the forward-looking statements included herein are only made as of the respective dates thereof, or if no date is stated, as of the date hereof. Except as otherwise required by law, we disclaim any intent or obligation to publicly update these forward-looking statements, whether as a result of new information, future events or otherwise.

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Source: Cal-Maine Foods, Inc.