

# Acquisition of Echo Lake Foods

April 8, 2025

# Forward-Looking and Cautionary Statements

This presentation 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,” “will,” “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 II Item 1A Risk Factors of our Quarterly Report on Form 10-Q for the quarter ended March 1, 2025 and Part I Item 1A Risk Factors of our Annual Report on Form 10-K for the year ended June 1, 2024, as well as those included in other reports we file from time to time with the SEC (including our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K), (ii) the effect of the potential conversion of all of the Company’s Class A Common Stock into Common Stock and resulting loss by the Company of controlled company status under the rules of The Nasdaq Stock Market on the trading price of the Company’s Common Stock, the ability of the Company to retain and hire key personnel and maintain relationships with its customers and suppliers, and on the Company’s operating results and business generally, (iii) the impact on the trading price of the Company’s Common Stock as a result of the sale or marketing, or potential sale or marketing, of a significant number of shares of the Company’s Common Stock held by the family of our late founder, Fred R. Adams Jr., as part of their potential portfolio diversification efforts, (iv) 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, (v) changes in the demand for and market prices of shell eggs and feed costs, (vi) the impacts and potential future impacts of government, customer and consumer reactions to recent high market prices for eggs, including but not limited to efforts to increase imports of eggs and egg products, pressure to change long-standing pricing frameworks, lower consumer demand for eggs, and the pending Department of Justice investigation, (vii) our ability to predict and meet demand for cage-free and other specialty eggs, (viii) 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, such as the pending acquisition of Echo Lake Foods, Inc. (“Echo Lake Foods”) not to be met, (ix) risks relating to changes in inflation and interest rates, (x) our ability to retain existing customers, acquire new customers and grow our product mix, (xi) adverse results in pending litigation and other legal matters, and (xii) 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 made only 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.

# Forward-Looking and Cautionary Statements

## **Echo Lake Foods Data**

Unless otherwise indicated, data about Echo Lake Foods provided in this presentation, including financial information, has been obtained from Echo Lake Foods' management.

## **Pending Acquisition of Echo Lake Foods**

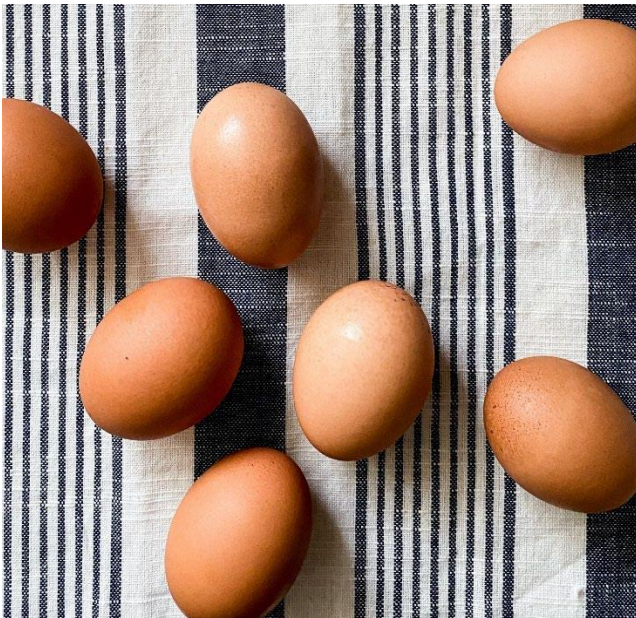
With respect to the pending acquisition of Echo Lake Foods, forward-looking statements include the potential timing of the completion of the transaction, potential synergies, reduction in earnings volatility, margin expansion, financial returns, expanded customer relationships and sales and growth opportunities. Factors that could cause actual results to differ materially from those projected in such forward-looking statements include, among others, (i) conditions to the closing of the proposed transaction may not be satisfied, (ii) antitrust clearance required for the proposed transaction may not be obtained, or required antitrust clearance may delay the proposed transaction or result in the imposition of conditions that could have a material adverse effect on the Company or Echo Lake Foods or cause certain conditions to closing not to be satisfied, which could result in the termination of the acquisition agreement, (iii) the timing of completion of the proposed transaction is uncertain, (iv) the business of the Company or Echo Lake Foods may suffer as a result of uncertainty surrounding the proposed transaction, (v) events, changes or other circumstances could occur that could give rise to the termination of the acquisition agreement, (vi) there are risks related to disruption of management's attention from the ongoing business operations of the Company or Echo Lake Foods due to the proposed transaction, (vii) the announcement or pendency of the proposed transaction could affect the relationships of the Company or Echo Lake Foods with its customers, suppliers, operating results and business generally, including on the ability of the Company or Echo Lake Foods to retain employees and (viii) the Company or Echo Lake Foods may be adversely affected by other economic, business, and/or competitive factors as well as management's response to any of the aforementioned factors. In addition, the Company may experience unexpected challenges in integrating and managing the business of Echo Lake Foods. Integrating Echo Lake Foods' business may be more costly or time consuming than expected. Even if the acquisition is completed and the business of Echo Lake Foods is successfully integrated, the Company may not realize the benefits it expects from the acquisition.

## **Market and Industry Data**

Unless otherwise indicated, certain market and industry data and forecasts used in this presentation were obtained from third party sources and other publicly available information. Data regarding the industries in which we compete, our market position and market share within these industries are inherently imprecise and are subject to significant business, economic and competitive uncertainties beyond our control. In addition, assumptions and estimates about future performance are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those noted above. These and other factors could cause future performance to differ materially from those anticipated by forecasts and other forward-looking statements.



# Cal-Maine Overview



We are the **#1** U.S. producer and distributor of fresh eggs, committed to offering our customers choice in a safe, cost-effective and sustainable manner

## Our Mission

To be the most sustainable producer and reliable supplier of consistent, high-quality fresh eggs and egg products in the United States while demonstrating a **“Culture of Sustainability”** in everything we do

## Our Goal

To help improve the health of millions of our nation’s families by providing an important, low-cost source of egg-based protein, vitamins and minerals

# Competitive Advantages Differentiate Cal-Maine



## Operations Excellence

60+ years of proven operational expertise built around a proprietary Management System and a “Culture of Sustainability”



## Vertical Integration

Asset portfolio focused on broad-reaching production, processing, packaging and distribution capabilities



## Quality Product Choice

Product offerings include numerous nutritious and unprocessed protein choices in both fresh shell eggs and egg products



## Customer Focus

Valued, long-standing relationships in place with diverse, high-quality wholesale, retail and foodservice customers



## Financial Discipline

Clear priority on a strong balance sheet and allocating capital to grow the business, meet evolving customer needs, adjust to market fluctuations and generate returns through cycles

# Financial Discipline for a Cyclical Industry

## Industry Cyclicalty

- Cyclicalty is an inherent aspect of our industry
- Our experienced team is well-equipped to navigate through market fluctuations strategically, operationally and financially

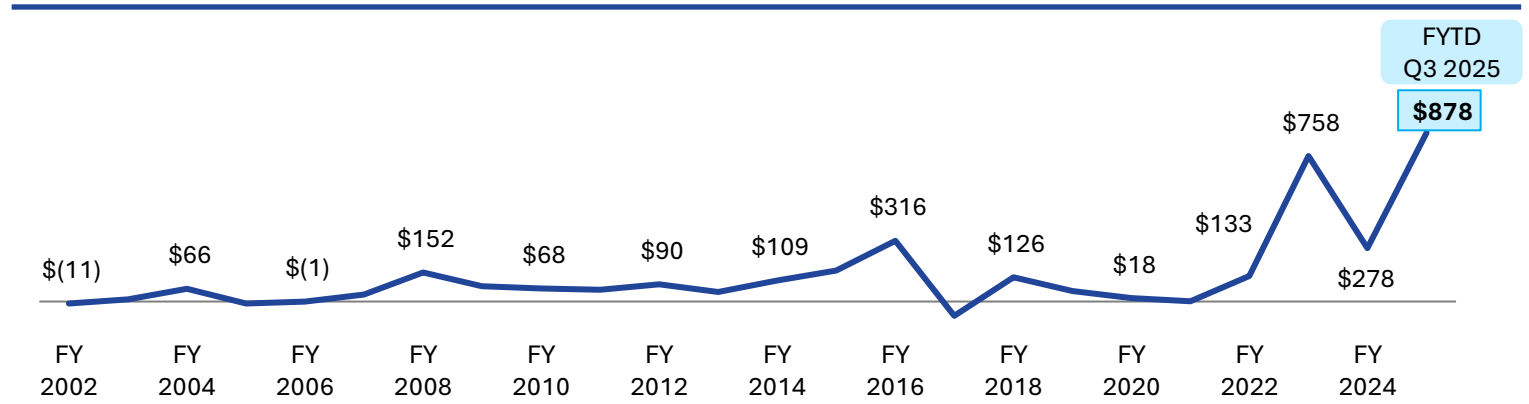
## Financial Strategy Designed For Cyclicalty

- Our financial approach prioritizes operational efficiency, a strong balance sheet and disciplined capital allocation for growth and long-term value creation

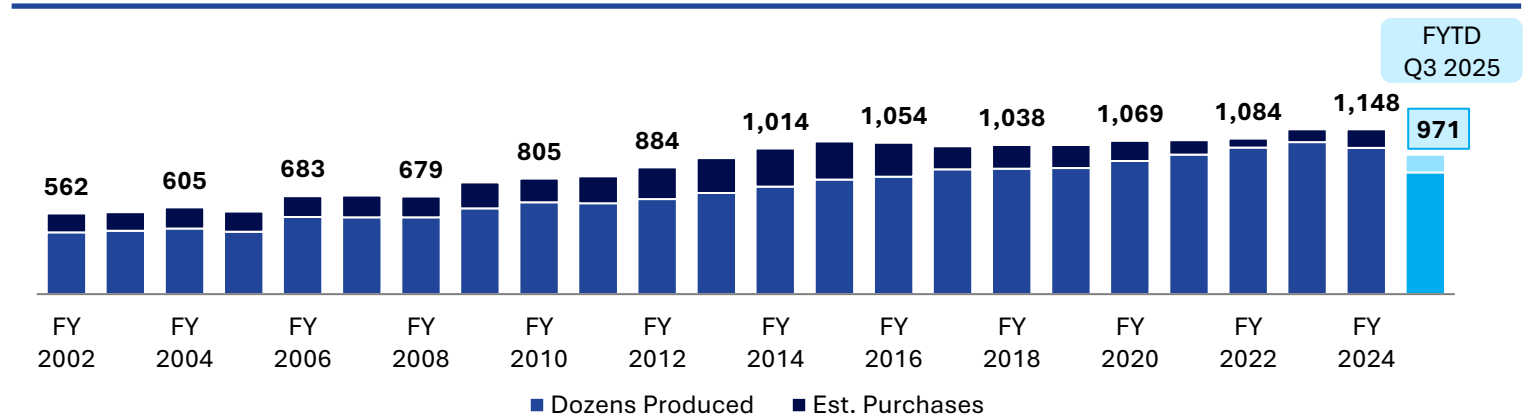
## Commitment to Shareholder Value Creation

- We are committed to delivering value to shareholders through industry cycles
- Our variable dividend policy is transparent, disciplined, and allocates capital to shareholders while preserving capital though cycles

## Net Income (\$mm)



## Shell Eggs Sold (mm dozens)



Cal-Maine Foods

Source: Company filings

Note: YTD FY 2025 represents through Q3 2025.

# Cal-Maine to Acquire Echo Lake Foods

- All-cash acquisition for \$258mm Enterprise Value, excluding benefit of tax asset
  - Represents an acquisition multiple of 5.5x EV / Adj. EBITDA (excluding synergies)
- Echo Lake Foods produces, packages, markets and distributes ready-to-eat egg products and breakfast foods, including Waffles, Pancakes, Scrambled Eggs, Frozen Cooked Omelets, Egg Patties, Toast and Diced Eggs
  - Scale & Profitability: \$242mm Annual Revenue | 19% Adj. EBITDA margin
  - Strong Track Record: Five-year Revenue and Adjusted EBITDA CAGR of 9 - 10%<sup>1</sup>
- Echo Lake Foods will operate as a stand-alone component of Cal-Maine's integrated operations
  - Kathy Brodhagen, CEO of Echo Lake, will join Cal-Maine as President of Echo Lake
- Transaction has been approved by both companies' Boards of Directors and is not subject to shareholder approval
  - Anticipate closing by the end of FY2025, following completion of regulatory approvals and subject to customary closing conditions

# Compelling Strategic Logic & Financial Returns

## Compelling Strategic Logic

- Allows Cal-Maine to enter the large, growing and highly stable value-added food portion of the egg category
- Expands strategic customer relationships with retail, quick service restaurant and other foodservice customers
- Leverages extensive sales and supply chain distribution capabilities

## Attractive Financial Returns

- Provides access to additional long-term growth opportunities, while reducing earnings volatility
- Expected significant synergies from egg purchasing and other operational efficiencies
- Expected to be at least mid-single digit accretive to Cal-Maine Foods earnings starting in FY26, with a return on equity in excess of our cost of capital

***Transaction will drive significant shareholder value creation***



# Combining Capabilities Creates Tremendous Value for Our Shareholders and Customers



- **History of successful acquisitions**, with 25 companies acquired over last 35 years
- **Largest producer and distributor** of fresh shell eggs in the United States with a broad reach of production, processing, packaging & distribution capabilities
- **Long track record** of delivering performance in a cyclical industry
- **Wide range of quality choices** in shell egg category
- **Long-standing relationships** with diverse, high-quality retail, wholesale and foodservice customers
- Nimble, **well-capitalized balance sheet** to support growth initiatives
- Tenured management team with **deep industry experience**



- **Diversified product portfolio** across egg, pancake, waffle, and toast categories
- Deep and **long-standing relationships** with key customers
- Significant **innovation capabilities** – flavor flexibility, custom inclusions, packaging options and baking & freezing expertise
- Dedicated, **state-of-the-art manufacturing facilities**
- Exceptional management team with **significant experience across value-added foods**

# Echo Lake Foods is a Leader in Value-Added Breakfast Egg Offerings

## Company Overview

- Echo Lake Foods is a premier manufacturer of frozen foods, particularly egg products and breakfast-style entrees
  - Echo Lake was founded in 1941 and has been operated under the current ownership since 1981
- Many of Echo Lake’s customers are blue-chip and Fortune 500 companies
  - Primary sales channels include restaurants, convenience stores, frozen food manufacturers and distributors
- Echo Lake has 4 manufacturing facilities strategically located across the

Midwest

Innovation



Egg, Pancake, and Waffle Expertise



Custom Inclusions



Goods Variety



Packaging Options



Flavor Flexibility



Baking & Freezing Expertise

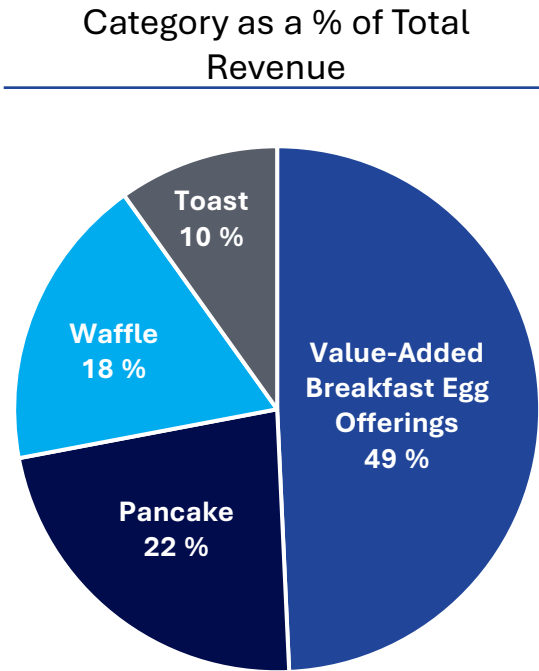
## Category and Financial Overview

**2024A Revenue**

\$242mm

**2024A Adj. EBITDA**

\$47mm

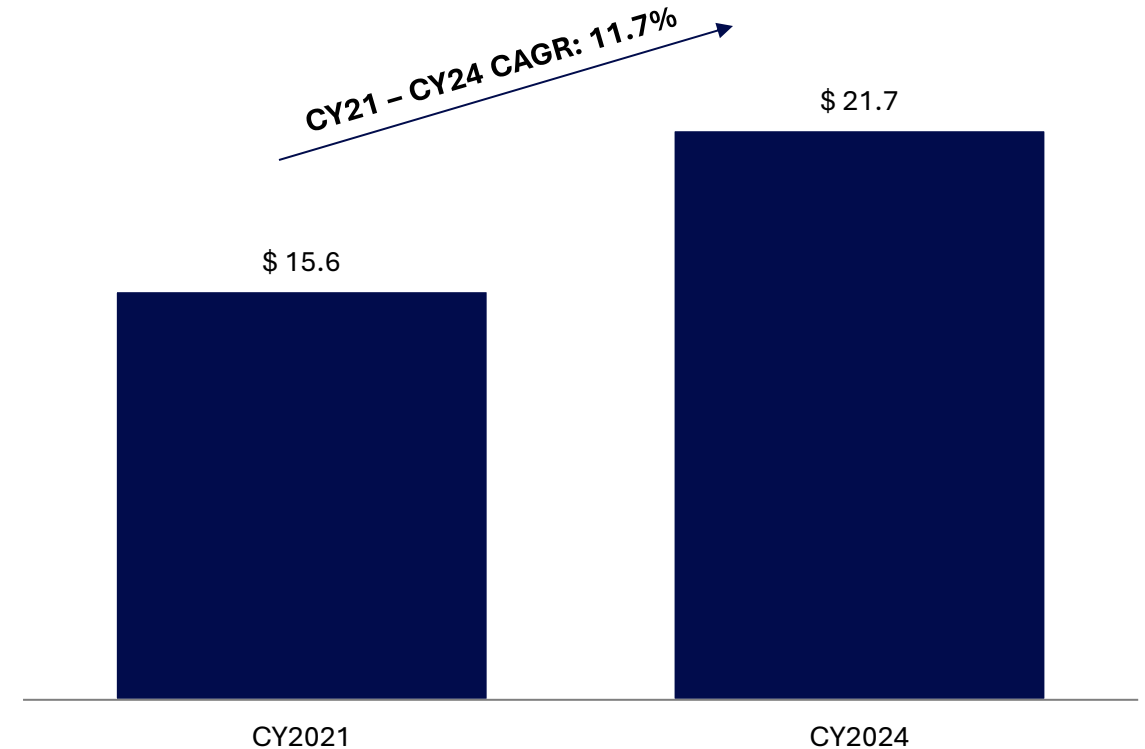


# Prepared Breakfast Is a Large and Growing Market

## Overview and Trends

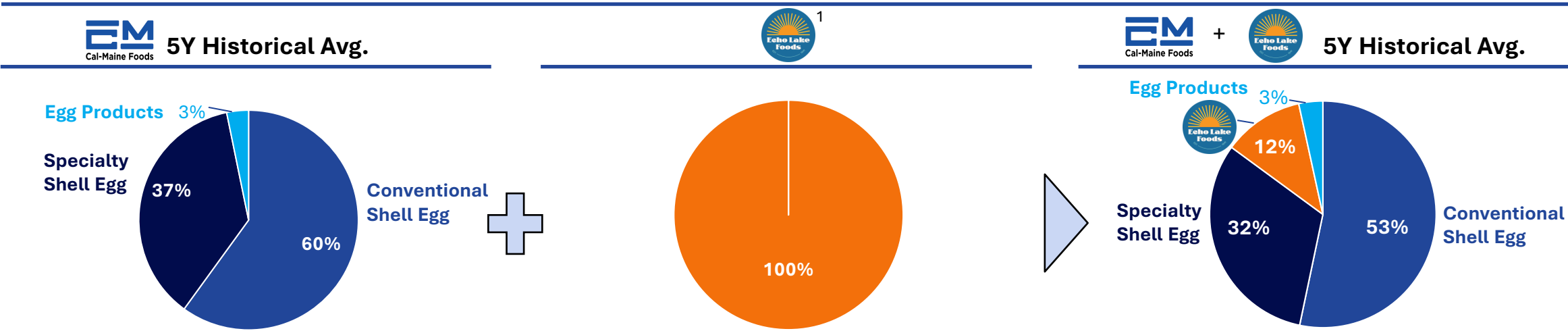
- U.S. Prepared Breakfast Food market size is ~\$21.7bn<sup>1</sup>
- The breakfast food industry has benefitted from changing consumer preferences and an increase in health consciousness as more people choose eggs as a high-protein breakfast option
- Echo Lake's focus on frozen food is well aligned with increased purchasing by customers, particularly fast food restaurants
  - Value seeking behavior has led consumers to increasingly choose frozen food for the breakfast daypart

## Market Size

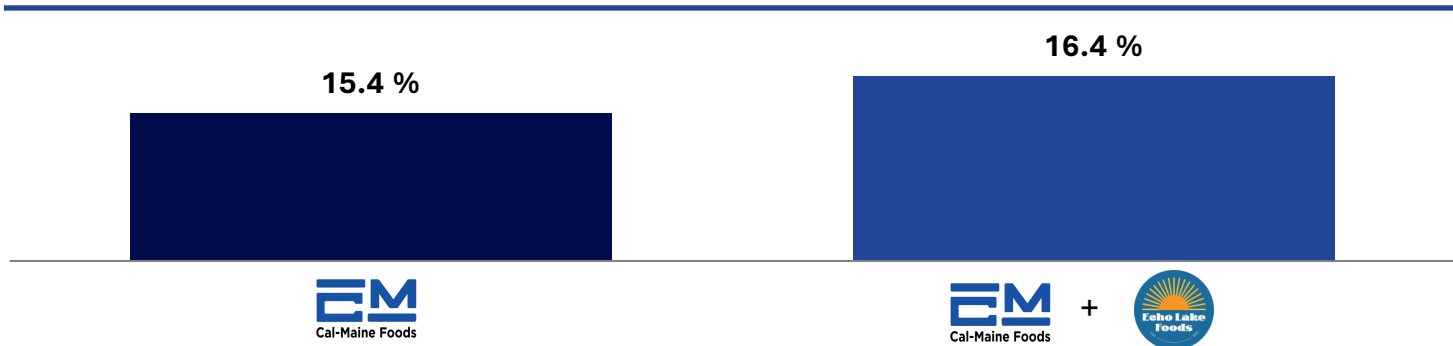


# Echo Lake will Provide Revenue Diversification and Margin Accretion

## Pro Forma 5Y Historical Avg. Business Mix



## 5Y Avg. Historical Adj. EBITDA Margin<sup>2</sup>



Estimated potential incremental synergy opportunity driven by egg purchasing efficiencies

# Financial Impact

- **Financial profile** – provides access to additional long-term growth opportunities, while reducing earnings volatility and generating synergies
- **Earnings accretion and returns** – anticipate at least mid-single digit accretion to earnings starting in FY2026 and a return on equity in excess of our cost of capital
- **Transaction financing and capital return** – all-cash acquisition that maintains balance sheet strength to support:
  - Organic and inorganic investments
  - Dividend policy
  - Recently announced share repurchase program

***Committed to robust financial position which supports growth initiatives***



# Notice Regarding Non-GAAP Financial Measures

In addition to U.S. GAAP financial measures, this presentation contains and may refer to certain non-GAAP financial measures. These non-GAAP financial measures are in addition to, not a substitute for or superior to, measures of financial performance prepared in accordance with GAAP. These non-GAAP financial measures should not be considered replacements for, and should be read together with, the most comparable GAAP financial measures. Reconciliations to the most directly comparable GAAP financial measures are included in the Appendix if the reconciliation is not presented on the page on which the measure is published.

# Echo Lake Reconciliation of Adj. EBITDA and Adj. EBITDA Margin

| \$ in mm                           | FY19          | FY20          | FY21          | FY22          | FY23          | FY24          |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Revenue</b>                     | <b>\$ 151</b> | <b>\$ 128</b> | <b>\$ 165</b> | <b>\$ 343</b> | <b>\$ 274</b> | <b>\$ 242</b> |
| <b>Net Income</b>                  | <b>\$ 15</b>  | <b>\$ 8</b>   | <b>\$ 19</b>  | <b>\$ 74</b>  | <b>\$ 36</b>  | <b>\$ 31</b>  |
| Add: Interest Expense (Income)     | 1             | 1             | 1             | 1             | 0             | (0)           |
| Add: Income Tax Expense            | 0             | 0             | 0             | 0             | 0             | 0             |
| Add: Depreciation and Amortization | 11            | 11            | 12            | 14            | 14            | 15            |
| <b>EBITDA</b>                      | <b>\$ 27</b>  | <b>\$ 20</b>  | <b>\$ 32</b>  | <b>\$ 90</b>  | <b>\$ 50</b>  | <b>\$ 45</b>  |
| Add: Adjustments <sup>1</sup>      | 5             | 4             | 3             | 15            | 13            | 2             |
| <b>Adjusted EBITDA</b>             | <b>\$ 31</b>  | <b>\$ 24</b>  | <b>\$ 35</b>  | <b>\$ 104</b> | <b>\$ 64</b>  | <b>\$ 47</b>  |
| <i>% Adj. EBITDA Margin</i>        | 20.6 %        | 18.7 %        | 21.4 %        | 30.4 %        | 23.3 %        | 19.4 %        |
| <i>% Net Income Margin</i>         | 9.9 %         | 6.1 %         | 11.5 %        | 21.7 %        | 13.0 %        | 12.7 %        |

**5Y Avg. Adj. EBITDA  
Margin<sup>2</sup>: 22.6%**

# Cal-Maine Reconciliation of Adj. EBITDA and Adj. EBITDA Margin

| \$ in mm                           | FY19            | FY20            | FY21            | FY22            | FY23            | FY24            |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Revenue</b>                     | <b>\$ 1,361</b> | <b>\$ 1,352</b> | <b>\$ 1,349</b> | <b>\$ 1,777</b> | <b>\$ 3,146</b> | <b>\$ 2,326</b> |
| <b>Net Income</b>                  | <b>\$ 54</b>    | <b>\$ 18</b>    | <b>\$ 2</b>     | <b>\$ 133</b>   | <b>\$ 758</b>   | <b>\$ 278</b>   |
| Add: Interest Expense (Income)     | 1               | 0               | 0               | 0               | 1               | 1               |
| Add: Income Tax Expense            | 16              | 2               | (12)            | 34              | 242             | 84              |
| Add: Depreciation and Amortization | 55              | 58              | 59              | 68              | 72              | 80              |
| <b>EBITDA</b>                      | <b>\$ 125</b>   | <b>\$ 79</b>    | <b>\$ 50</b>    | <b>\$ 235</b>   | <b>\$ 1,073</b> | <b>\$ 442</b>   |
| Add: Adjustments <sup>1</sup>      | 2               | 0               | 0               | 0               | 4               | 26              |
| <b>Adjusted EBITDA</b>             | <b>\$ 128</b>   | <b>\$ 79</b>    | <b>\$ 50</b>    | <b>\$ 235</b>   | <b>\$ 1,076</b> | <b>\$ 468</b>   |
| <i>% Adj. EBITDA Margin</i>        | <i>9.4 %</i>    | <i>5.8 %</i>    | <i>3.7 %</i>    | <i>13.2 %</i>   | <i>34.2 %</i>   | <i>20.1 %</i>   |
| <i>% Net Income Margin</i>         | <i>4.0 %</i>    | <i>1.4 %</i>    | <i>0.2 %</i>    | <i>7.5 %</i>    | <i>24.1 %</i>   | <i>11.9 %</i>   |

**5Y Avg. Adj. EBITDA  
Margin<sup>2</sup>: 15.4%**