



CAL-MAINE FOODS, INC

**Burkenroad Reports Investment Conference
April 22, 2016**

FORWARD-LOOKING STATEMENTS

Statements contained in this presentation regarding expected operating results, acquisition transactions and other events are forward-looking statements that involve risk and uncertainties. Actual future events or results may differ materially from these statements. You are referred to the documents filed by Cal-Maine Foods, Inc. with the Securities and Exchange Commission, including the Company's annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. These filings identify important risk factors and other uncertainties that could cause actual results to differ from those contained in the forward-looking statements.

CAL-MAINE FOODS PROFILE

We are the largest producer and marketer of shell eggs in the United States

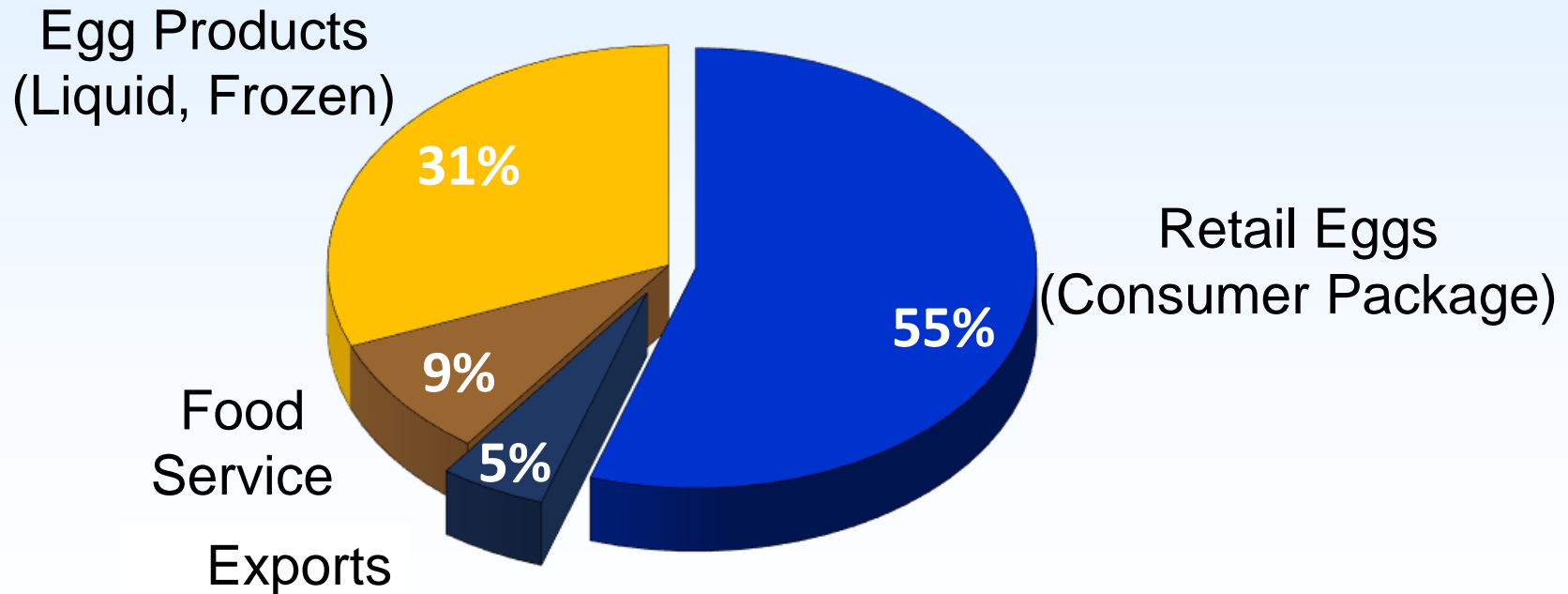
- Founded in 1957 in Jackson, Mississippi
- Acquired Ralston-Purina egg operations in 1972
- Completed 18 acquisitions since 1989
- Fully-integrated egg producer
- Since 1996, publicly traded on NASDAQ under symbol “CALM”
- FY 2015 U.S. fresh shell egg market share - 23 percent
- Achieved record sales of \$1.6 billion in FY 2015
- FY 2015 sales up 9.4 percent
- YTD 2016 sales up 36.9 percent

KEY INVESTMENT POINTS

- **Largest egg producer and marketer in the United States**
- **Efficient, state-of-the-art operations**
- **Solid customer base of leading retail and food service companies**
- **Strong consumer demand for eggs**
- **Leading producer and marketer of high-margin specialty eggs**
- **Solid financial position**
- **Proven management team**

THE U.S. EGG INDUSTRY

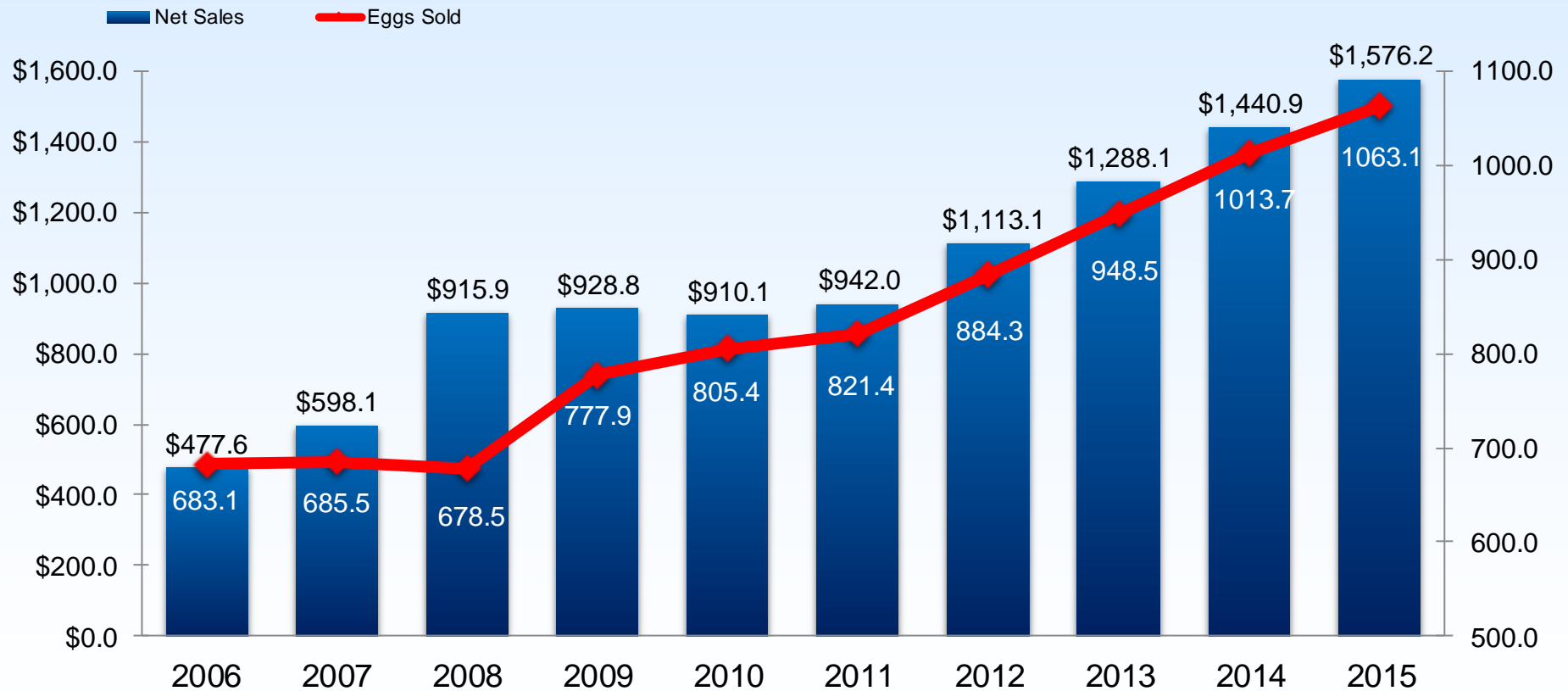
In calendar year 2014, the United States produced about 86 billion eggs, or approximately 10 percent of the world egg supply.



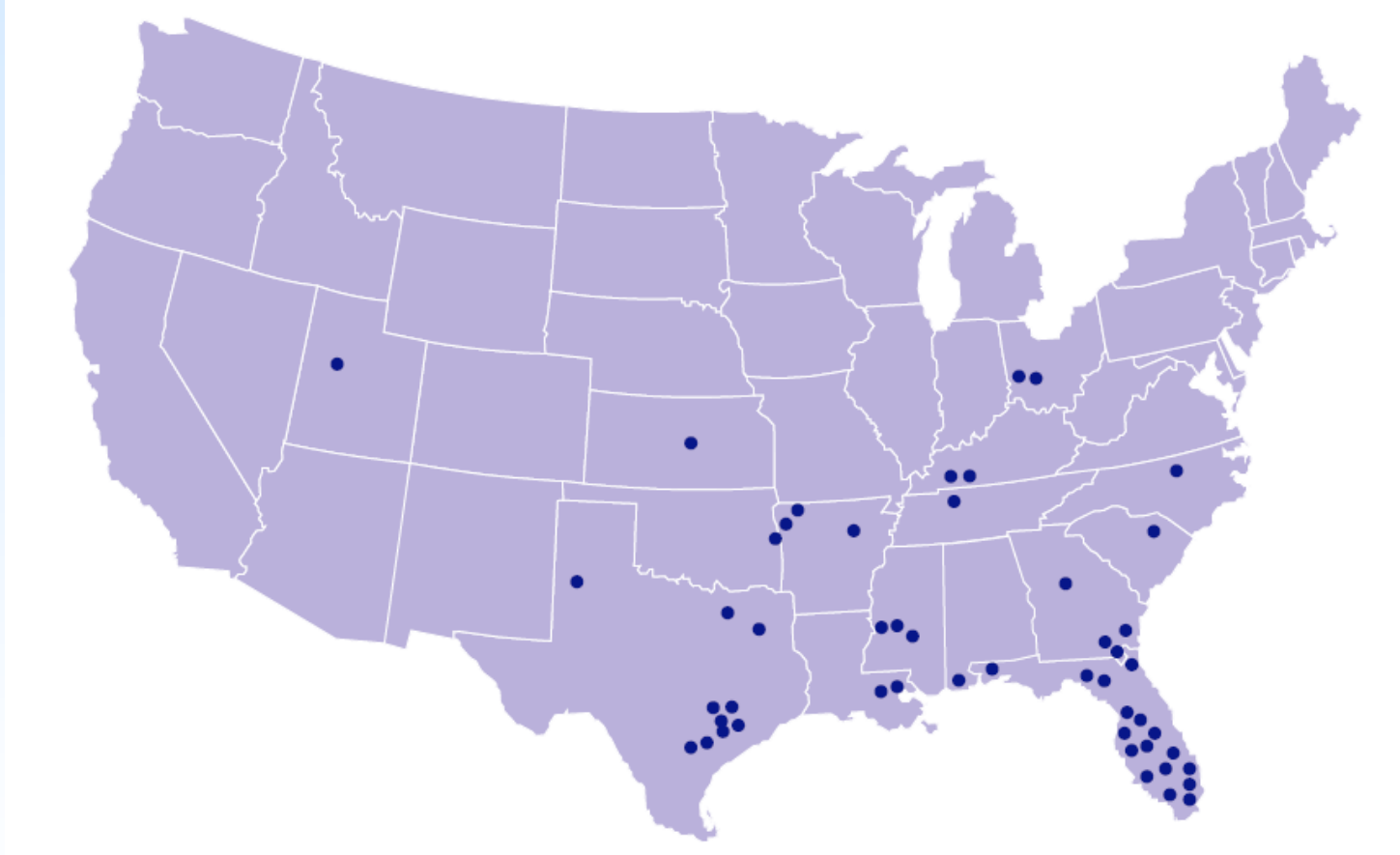
SALES REFLECT STRONG DEMAND

Cal-Maine Annual Net Sales (\$ in millions)

Total Shell Eggs Sold (in millions of dozens)



CAL-MAINE LOCATIONS



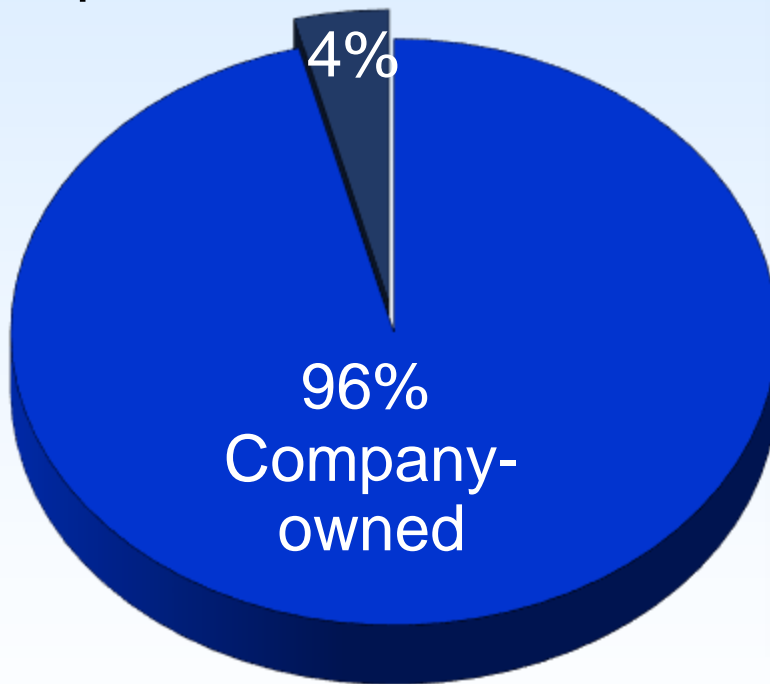
● Cal-Maine Locations

FULLY-INTEGRATED OPERATIONS



EGG PRODUCTION FACILITIES

Contract
production

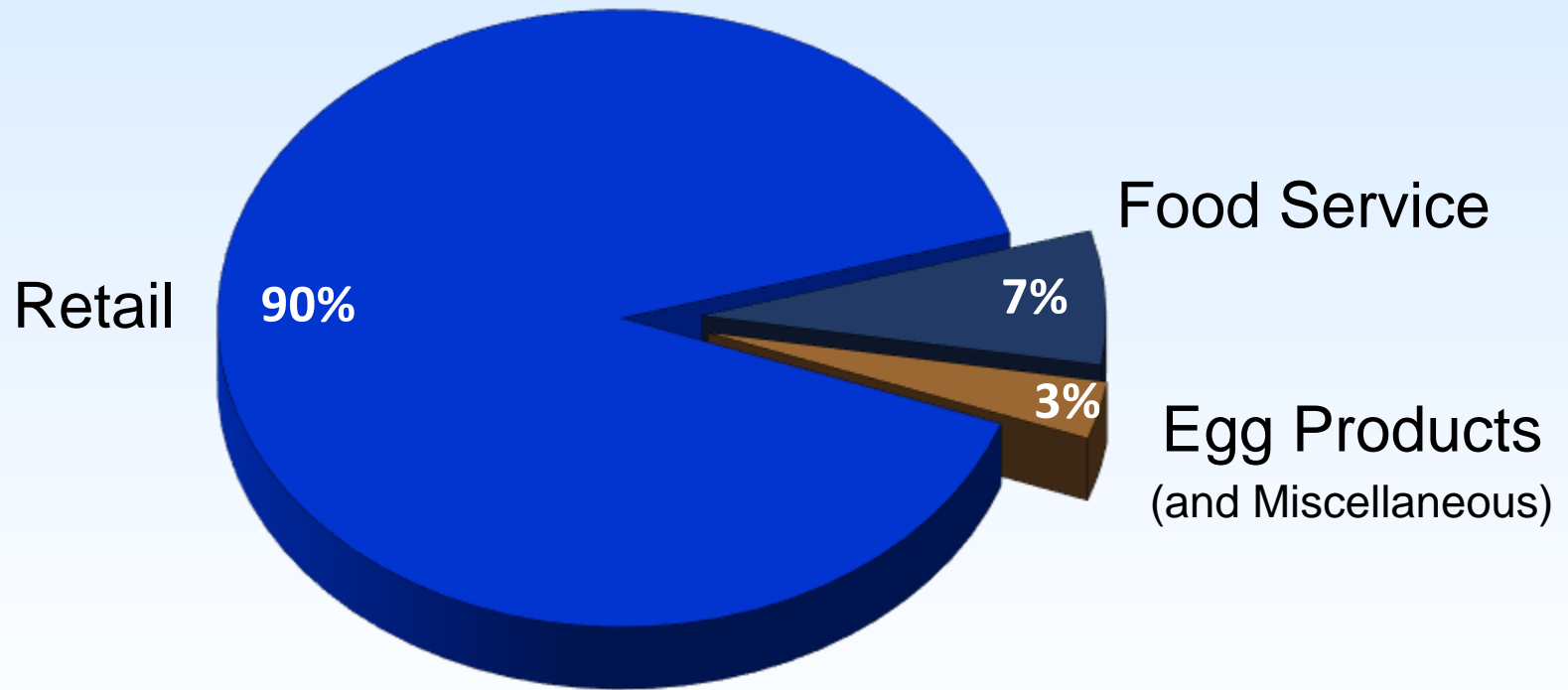


COMPANY-OWNED FACILITIES

- State-of-the-art
- Fully-automated
- Temperature controlled
- Labor efficient
- Located near our customers



CAL-MAINE CUSTOMERS



TOP 10 CUSTOMERS

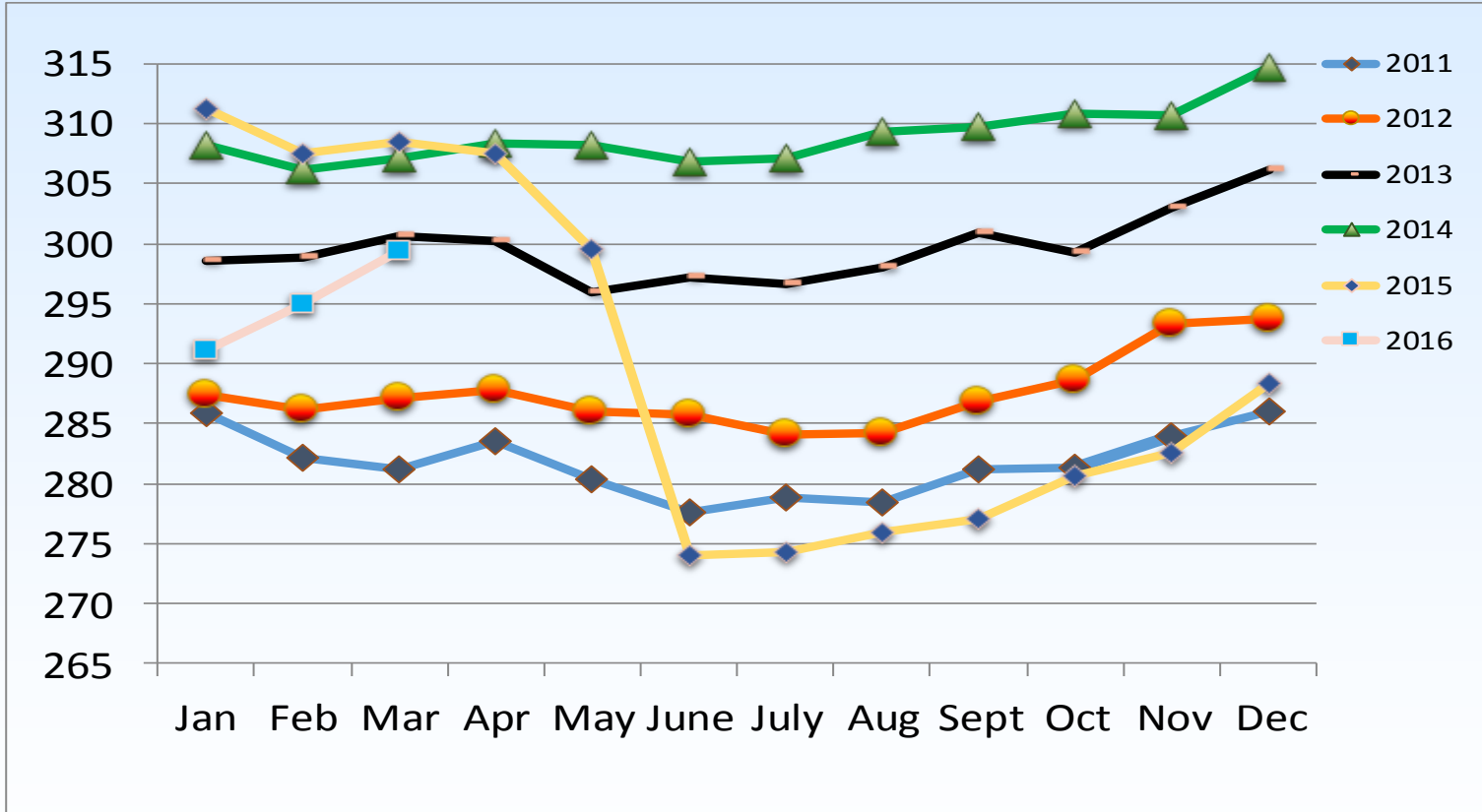
	<u>% Fiscal 2015 Sales</u>
1. Walmart and Sam's Club	25.7%
2. H.E. Butt Co.	9.3%
3. CCF Brands	8.7%
4. Publix Super Markets	8.4%
5. Food Lion	
6. Eggs America (Sysco, US Foodservice, etc.)	
7. Topco	
8. McLane	
9. Costco	
10. Shoprite	
Total Top 10 customers	67.9%

Avian Influenza

- Outbreak in the upper Midwestern United States with over 40 million laying hens and pullets affected
- 12% reduction in the national laying flock

MONTHLY HEN INVENTORY

Million Hens First Day of Month



Source: USDA Chicken and Egg Report as Revised March 2016

ANNUAL EGG PRICES

Urner-Barry Southeastern Regional Large Egg Market Price (per dozen eggs)

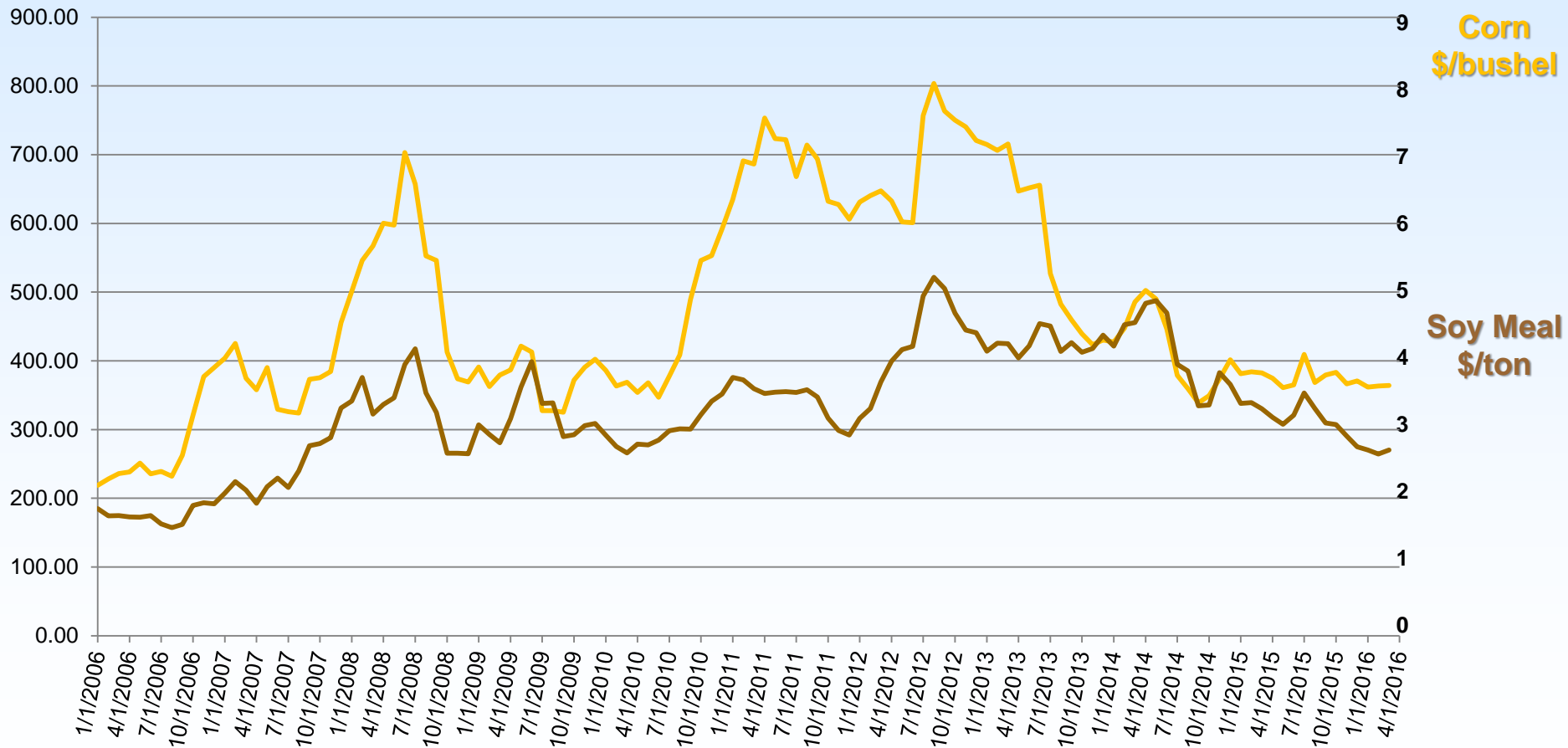


(Monthly average by fiscal year)

VOLATILE FEED INGREDIENT PRICES

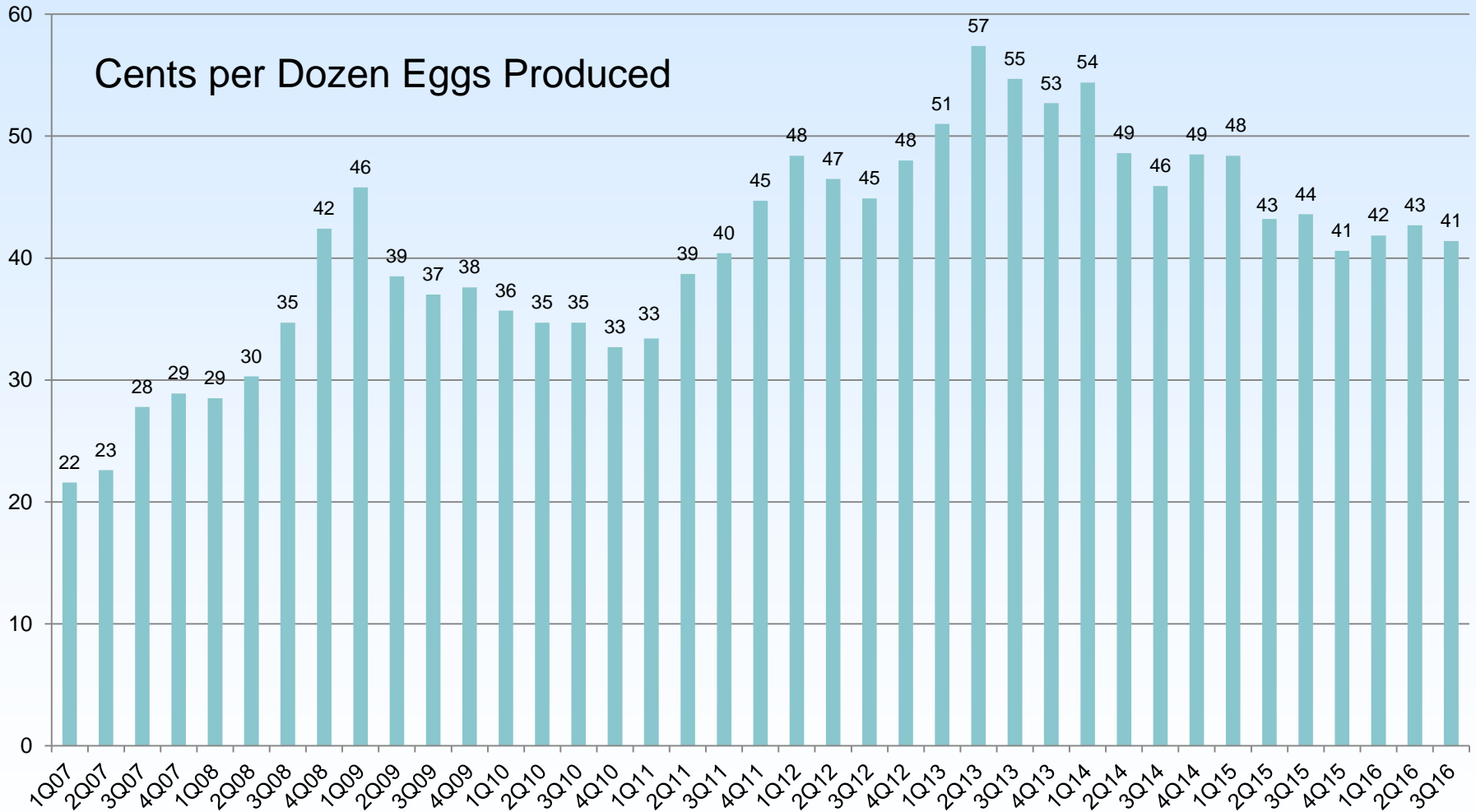
Soy Bean Meal Dollars per Ton

Corn Dollars per Bushel



(Monthly average)

FEED COSTS



GROWTH STRATEGY

- Pursue acquisitions of existing shell egg production and processing facilities
- Enhance production capacity and efficiency
- Increase value-added specialty egg business

GROWTH STRATEGY

Pursue acquisition opportunities

- Leverage solid track record with completion of 18 acquisitions since 1989
- Extend ability to identify, execute and integrate additional operations
- Expand capabilities in existing markets and broaden geographic reach
- Enhance national presence and strengthen customer relationships

ACQUISITION OPPORTUNITIES

Top U.S. Egg Producers

Company	Total Layers	Company	Total Layers	Company	Total Layers
Cal-Maine Foods	36,380	RW Sauder	3,570	Morning Fresh Farms	1,500
Rose Acre Farms	25,590	Mahard Egg Farms	3,100	Latham Farms (L&R)	1,450
Michael Foods	13,450	Dixie Egg/Foodonics	3,090	Egg Innovations	1,400
Hillandale Farms	12,500	Cooper Farms	3,060	Simpson's Eggs	1,370
Trillium Farm	11,400	S & R Egg Farms	2,860	Pearl Valley Eggs	1,350
Rembrandt	11,060	Esbenshade Farms	2,850	J.S. West/JEM Eggs	1,340
Midwest Poultry	9,200	Creighton Bros.	2,850	Wilcox Farms	1,300
Hickman's Egg	9,200	Konos Inc.	2,390	Sunrise Farms Inc.	1,200
Daybreak Foods	8,000	Braswell Foods	2,280	Pine Hill Egg Ranch	1,150
Weaver Brothers	7,800	Sunrise Acres Egg Farm	2,100	Iowa Cage-free	1,120
Prairie Star Farms	7,240	Forsman Farms	2,030	Demler Enterprises	1,100
Sparboe Farms	7,000	CHS(Hamilton Farm)	2,000	Hertzfield Poultry Farms	1,100
Herbruck's Poultry	6,890	Giroux's Poultry Farm	2,000	Wenger Feeds/Dutchland	780
Fremont Farms	6,400	Mercer Landmark	1,960	Hillside Poultry Farms Inc.	770
ISE America	6,240	Kreher's Eggs	1,800	Arkansas Egg Co.	600
Centrum Valley	6,100	Heritage PMS/LaValle	1,800	Sunrise Farms	600
Opal Foods	5,400	Country Charm Eggs	1,750	SKS Enterprises	500
Kreider Farms	4,900	Minnich Poultry	1,660	Vital Farms	400
Wabash Valley	4,900	Berne Hi-Way Hatchery	1,600	Dakota Layers	0
Center Fresh	4,800	Hemmelgarn & Sons	1,600		
Gemperle Farms	4,650	Oakdell Egg/Ritewood	1,600		
National Food Corp	4,190	Schipper Eggs	1,550		
				Total	281,820

Layers in Production, December 31, 2015, in thousands

Source: Egg Industry Magazine – February 2016

DELTA EGG FARM

- Cal-Maine Foods acquired remaining 50 percent membership interest in Delta Egg Farm, LLC, from Sunbest Foods of Iowa, a Moark, LLC, affiliate.
- Acquisition effective March 1, 2014, at purchase price of \$17.0 million.*
- Delta Egg Farm, LLC, now wholly-owned subsidiary of Cal-Maine Foods.
 - 1.2 Million Hen Production Capacity and Feed Mill – Delta, Utah
 - 0.4 Million Organic Egg Production Capacity – Chase, Kansas

**For the third quarter of fiscal 2014, the Company recorded a non-recurring, non-cash gain of \$4.0 million in other income for the excess of the purchase price over the carrying value of the Company's 50 percent investment in the joint venture. This gain is non-taxable, and therefore resulted in a \$1.5 million reduction to the Company's income tax expense for the third quarter of fiscal 2014. Additionally, the Company recorded a \$3.7 million decrease to deferred income tax liabilities related to the tax basis of the equity investment in the joint venture.*

GROWTH STRATEGY

Enhance production capacity and efficiency

- Over \$160 million of capital projects currently underway
- Projects in Kansas, Kentucky, Texas, Arkansas, Georgia and Florida will increase Cage-Free and Organic capacity
- Projects in Texas, Florida and Georgia will increase non-specialty capacity
- Project in Utah will increase California compliant capacity up to 620,000 hens, with a net 345,000 additional hens
- Will add approximately 2 million additional hens to fiscal year end numbers

RED RIVER VALLEY EGG FARM, LLC

Cal-Maine Foods and Rose Acre Farms have entered a production joint venture to build a shell egg production complex near Bogata, Red River County, Texas

- Features Rose Acre Farms' patent-pending cage-free aviary designs and systems
- Provides for capacity of approximately 1.8 million laying hens, with permits for up to 2.9 million hens
- Creates 80-100 new jobs in local community
- Fully online in early 2017
- Enhances ability to meet growing demand for cage-free and other specialty eggs

GROWTH STRATEGY

Increase value-added specialty egg business

- Offer nutritionally enhanced eggs, cage-free and organic eggs
- Meet consumer demand in rapidly growing segment
- Benefit from higher and less cyclical selling prices
- As of Q3 FY 2016, represented 24.9 percent of dozens sold and 29.6 percent of sales revenue



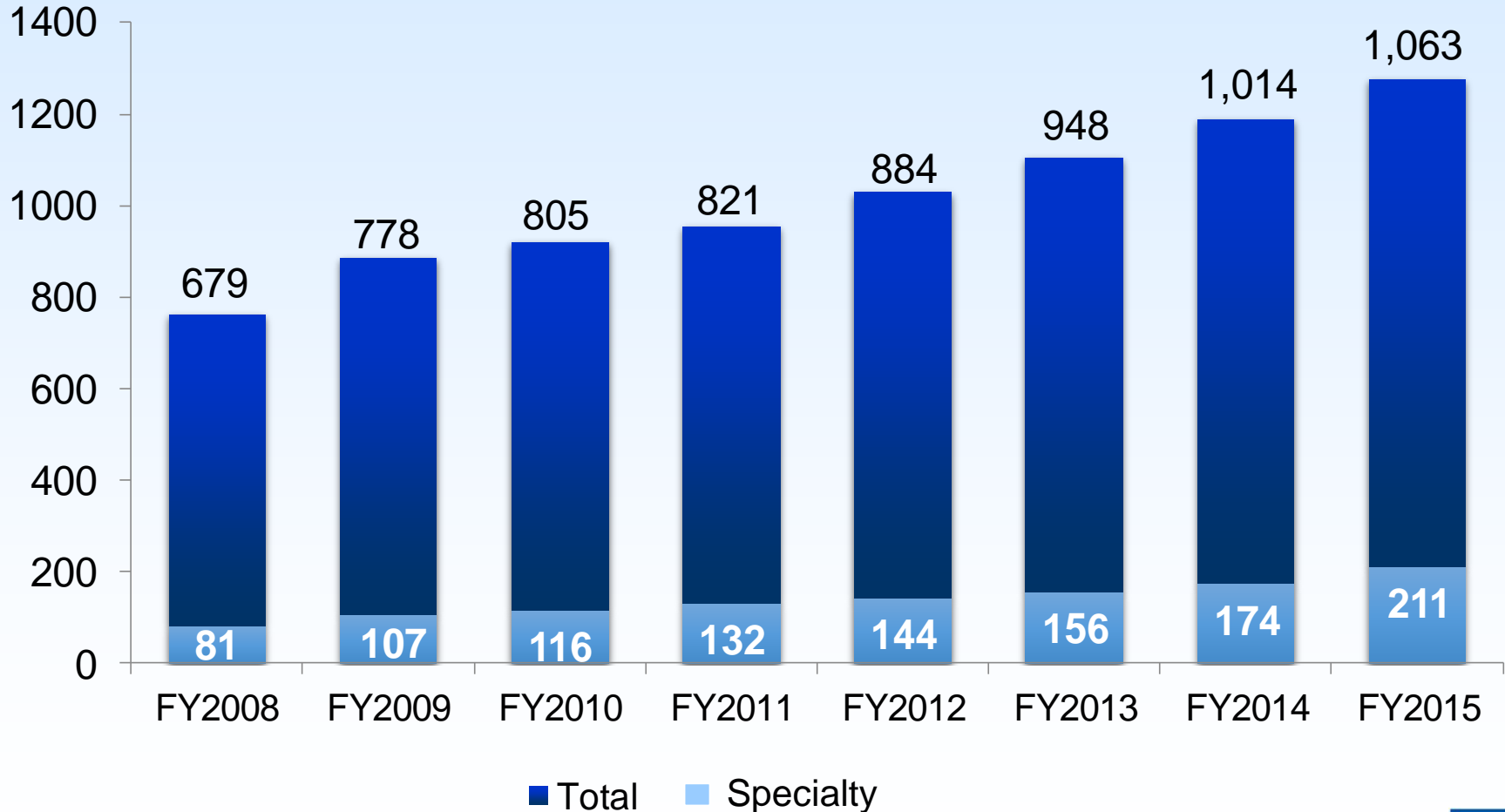
JOINT VENTURE

On July 25, 2014, Cal-Maine Foods, Inc. entered into a joint venture with Hickman's Egg Ranch, Inc. to form Southwest Specialty Eggs, LLC

- Acquired Egg-Land's Best franchise for state of Arizona
- Licensed to sell Egg-Land's Best® and Land O'Lakes® branded specialty eggs and other premium brands
- Added southern California markets and Clark County and Las Vegas, Nevada, in September 2014
- Expanded market reach in specialty egg sales

SPECIALTY EGG SALES

Dozen Eggs Sold (in millions)



RETAIL EGG MARKET ANALYSIS*

	Dollars	Dozens
Total Fresh Eggs	+23.8%	+0.5%
Total Specialty Eggs	+29.6%	+14.6%
Nutrient Enhanced Eggs	+23.9%	+9.2%
Cage Free Eggs	+33.7%	+20.2%
Organic Eggs	+39.0%	+32.6%

52 weeks ending December 19, 2015, compared with same period for prior year

Source:

nielsen

KEY STRENGTHS

Low Cost Producer

- Fully-integrated operations located in 16 states
- Focused on automation throughout the supply chain

Favorable Consumer Demand Trends

- Eggs taste great and provide an affordable and convenient source of protein

Attractive Growth Profile

- Solid track record of internal growth and acquisitions
- Increasing sales of high-margin specialty eggs

Solid Customer Base

- Leading names of retail and institutional food service customers

Strong Balance Sheet

- Solid financial position supports future growth

FINANCIAL HIGHLIGHTS- FY2015*

- **Fiscal Year 2015 Annual Sales - \$1.6 billion**
- **Fiscal Year 2015 EBITDA - \$288 million**
- **Working Capital - \$377 million**
- **Total Debt - \$51 million**
- **Debt to EBITDA - .18:1**

*Reported for fiscal year ended May 30, 2015

INCOME STATEMENT – YTD FY2016

(Unaudited; in thousands except per share amounts)

	<u>39 Weeks Ended</u>	
	<u>February 27, 2016</u>	<u>February 28, 2015</u>
Net sales	\$1,605,630	\$1,173,117
Gross profit	607,394	286,327
Operating income	472,038	168,785
Other income	14,143	7,585
Income before income taxes	486,181	176,370
Net income	\$ 316,417	\$ 115,140
Net income per common share:		
Basic	\$ 6.57	\$ 2.39
Diluted	\$ 6.54	\$ 2.38
Weighted average shares outstanding:		
Basic	48,177	48,134
Diluted	48,359	48,416

OPERATING HIGHLIGHTS – YTD FY2016

	<u>39 Weeks Ended</u>	
	<u>February 27, 2016</u>	<u>February 28, 2015</u>
Dozen Eggs Sold (000)	800,520	798,203
Dozen Eggs Produced (000)	620,356	597,080
% Specialty Egg Sales (Dozen)	24.9%	21.5%
% Specialty Sales (Dollars)	29.6%	29.7%
Net Average Selling Price (Dozen)	\$ 1.919	\$ 1.415
Net Avg Selling Price Specialty Egg (Doz)	\$ 2.279	\$ 1.972
Feed Cost (Dozen)	\$ 0.420	\$ 0.450

BALANCE SHEET HIGHLIGHTS

(Unaudited; in thousands)

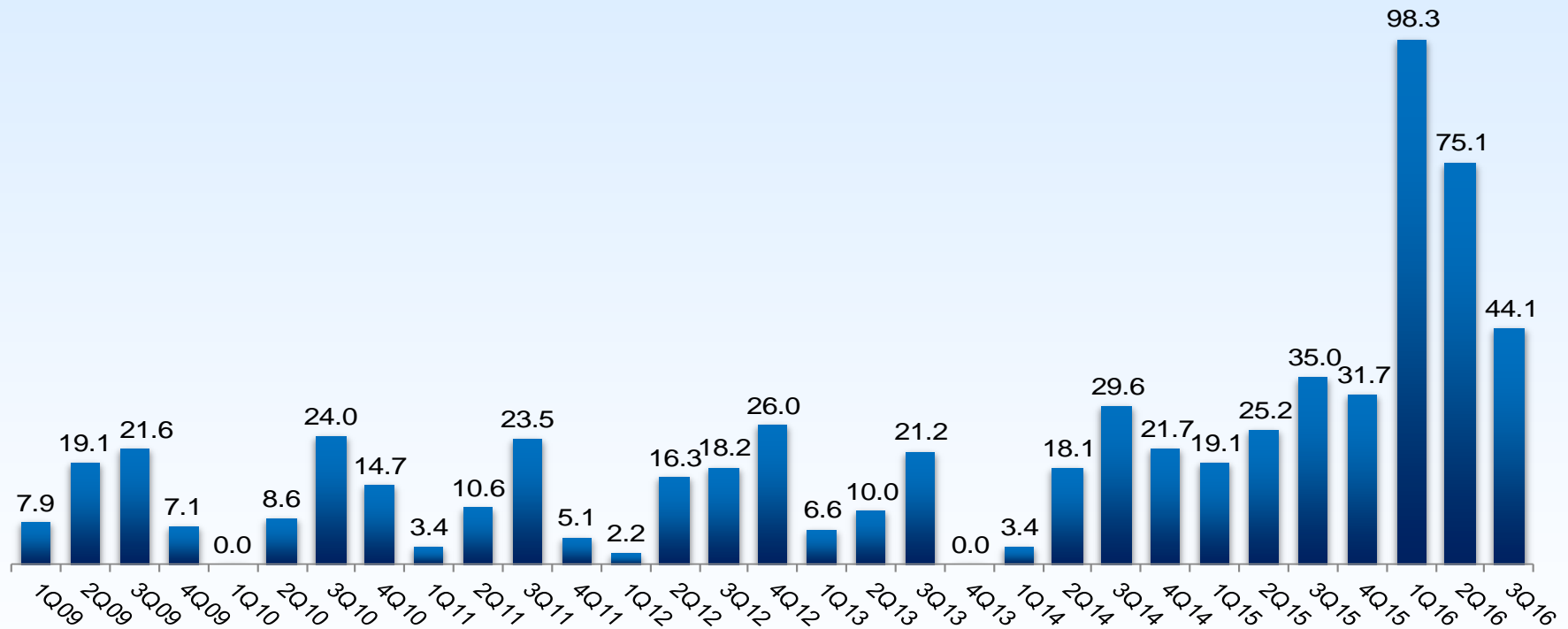
	February 27, <u>2016</u>	May 30, <u>2015</u>
Cash and short-term investments	\$ 387,049	\$ 258,628
Total assets	\$ 1,124,232	\$ 928,653
Long-term debt, less current maturities	\$ 21,081	\$ 40,795
Shareholders' equity	\$ 916,016	\$704,562
Working capital	\$ 526,641	\$377,027
Debt to Capital	.02:1	.06:1

CASH USE PRIORITIES

- Variable Dividend
1/3 of Net Income Paid Quarterly
- Acquisition of Existing Capacity

CASH DIVIDENDS PAID*

*Cents per share, as adjusted for October 31, 2014, two-for-one stock split



STOCK OWNERSHIP & FLOAT

Holdings as of July 17, 2015

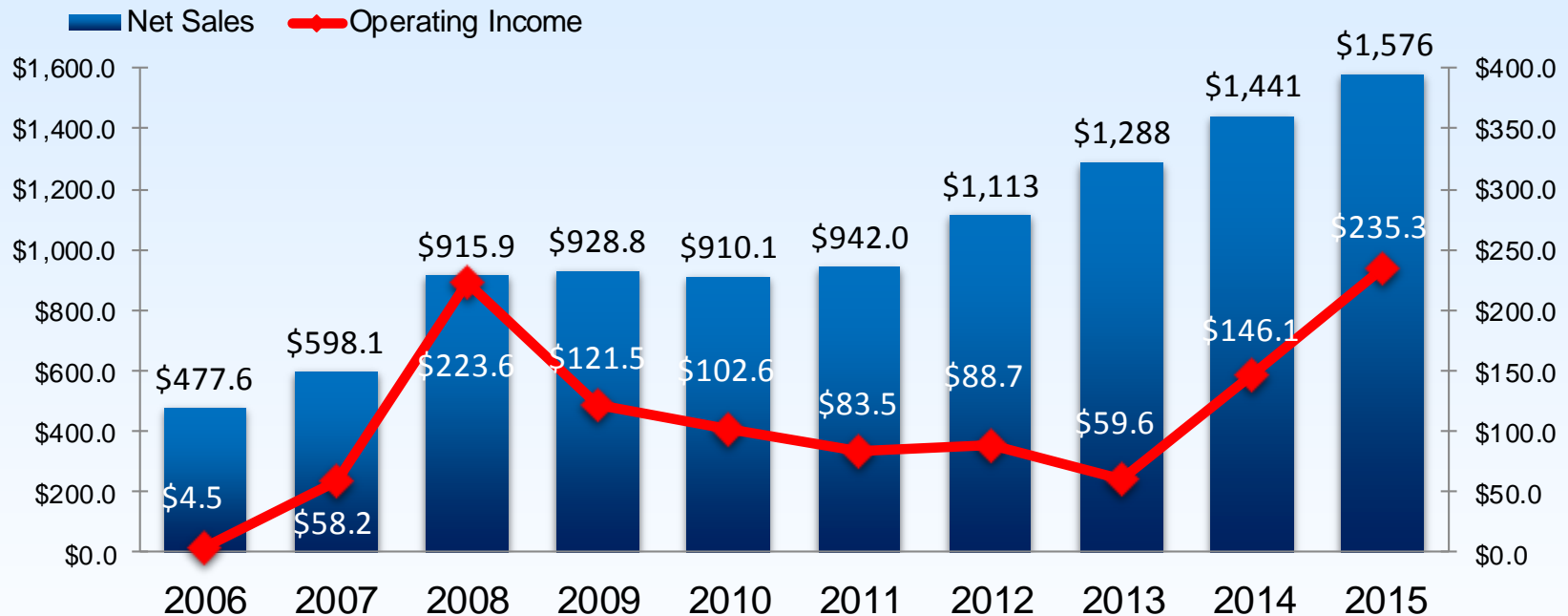
Ownership	Shares Outstanding	% of Total
Shares Owned by Adams Family (Excludes ESOP)	15,127,702	31.2%
Shares Owned by Other Insiders (Excludes ESOP)	1,976,535	4.1%
Shares Owned by ESOP	2,485,583	5.1%
Public Float	28,908,640	59.6%
Total Outstanding Shares	48,497,844	100.0%

KEY INVESTMENT POINTS

- **Largest egg producer and marketer in the United States**
- **Efficient, state-of-the-art operations**
- **Solid customer base of leading retail and food service companies**
- **Strong consumer demand for eggs**
- **Growing market for high-margin specialty eggs**
- **Solid financial position**
- **Proven management team**

FINANCIAL SUMMARY

Annual Net Sales and Operating Income (\$ in millions)



FY 2013 Operating Income of \$87.6 million excluding litigation settlement

Dozen Eggs Sold (In millions)	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Dozen Eggs Sold	683	685	679	778	805	821	884	948	1,014	1,063

INCOME STATEMENT – FY 2013-2015

(Unaudited; in thousands except per share amounts)

	<u>FY2015</u>	<u>FY2014</u>	<u>FY2013</u>
Net sales	\$1,576,128	\$1,440,907	\$1,288,104
Gross profit	395,721	302,764	214,549
Operating income	235,335	146,052	59,593
Other income (expense)	11,214	15,790	15,975
Income before income taxes	246,549	161,842	75,568
Net income ⁽¹⁾	\$ 161,254	\$ 109,207	\$ 50,423
Net income per common share ⁽¹⁾⁽²⁾ :			
Basic	\$ 3.35	\$ 2.27	\$ 1.05
Diluted	\$ 3.33	\$ 2.26	\$ 1.05
Weighted average shares outstanding ⁽²⁾ :			
Basic	48,136	48,095	47,967
Diluted	48,437	48,297	48,088

(1) See next slide for explanation of one-time items for fiscal 2013.

(2) As adjusted for October 31, 2014, two-for-one stock split

NET INCOME - FY 2013

- Results for fiscal 2013 include a one-time charge of \$17.0 million, or \$0.35 per basic share, after tax, related to the settlement of a direct purchaser class claim against the Company.
- Excluding the one-time item described above, net income for fiscal 2013 was \$67.5 million, or \$1.41 per basic share.

OPERATING HIGHLIGHTS – FY2015

	May 30, <u>2015</u>	May 31, <u>2014</u>
Dozen Eggs Sold (000)	1,063,086	1,013,696
Dozen Eggs Produced (000)	798,842	750,302
% Specialty Egg Sales (Dozen)	19.8%	17.2%
% Specialty Sales (Dollars)	27.2%	24.3%
Net Average Selling Price (Dozen)	\$ 1.429	\$ 1.362
Net Average Selling Price Specialty Egg (Dozen)	\$ 1.976	\$ 1.934
Feed Cost (Dozen)	\$ 0.439	\$ 0.493