UNIVERSITY OF OREGON
Investment Group

Cal-Maine Foods, Inc.

$CALM

November 21st, 2021

Target

Rating	Outperform
Current Price	$41.13
Price Target	$53.06
Implied Upside	29.00%
Action Recommended	Hold Position

Key Statistics

52 Week Price Range	$30.74 - $46.66
50-Day Moving Average	$40.25
Estimated Beta	0.41
Dividend Yield	-
Market Capitalization	$2.46B
3-Year Revenue CAGR	26.56%

Trading Statistics

Diluted Shares Outstanding	44.06M
Average Volume (3-Month)	14.70M
Institutional Ownership	83.06%
Inside Ownership	1.49%
EV/EBITDA (LTM)	(48.81x)

Margins and Ratios

Gross Margin (LTM)	11.91%
EBITDA Margin (LTM)	2.46%
Net Margin (LTM)	0.15%
Debt to Enterprise Value	(0.03x)

Covering Analysts:

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Tyler Owens – towens03@uoregon.edu

Cal-Maine Foods, Inc.

Investment Thesis

Recommendation

Our allocation to Cal-Maine Foods in the Alumni fund is a small contributor to the underperformance of the consumer benchmark. Given the high projected growth and inflationary pressures on the poultry industry, I am recommending a hold of our Alumni funds position in $CALM.

Inflationary Pressure

Higher demand for poultry products going into 2022 as a result of the supply shocks and price cuts at the wholesale level caused by the pandemic. Inflationary pressures and a rekindling of demand pose a strong rebound in the FY2022.

Leading Poultry Producer

Cal-Maine has solidified their position as the largest producer and supply of USDA Grade A conventional eggs in the United States since 2014. Have 43% of market share by flock size and own the most farms nationwide in FY2021.

Shifting to Specialty Eggs

Since 2008 Cal-Maine has launched initiatives of converting their conventional egg sales to 100% cage-free production by 2026. They are closing their positions in Red Valley River Farm, LL in FY2022 and have, proposed over $80 million in further acquisitions in the coming future.

Five-Year Stock Chart

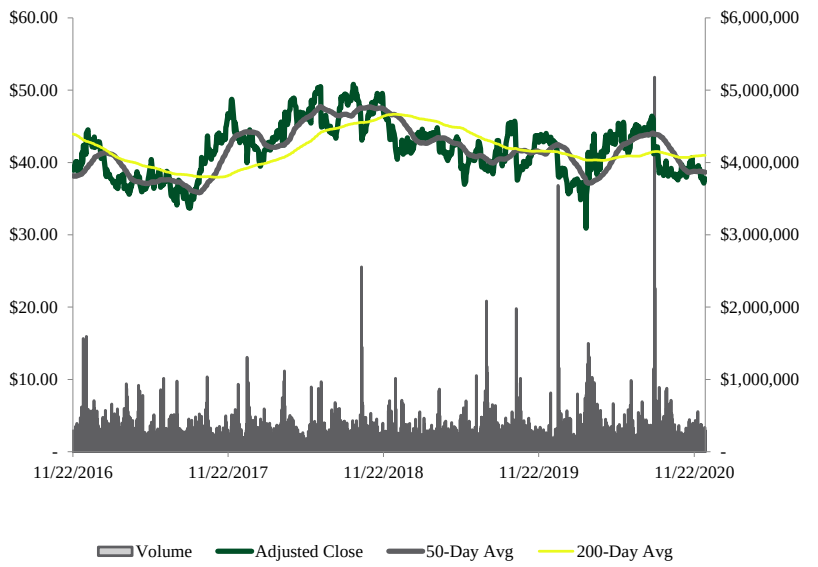
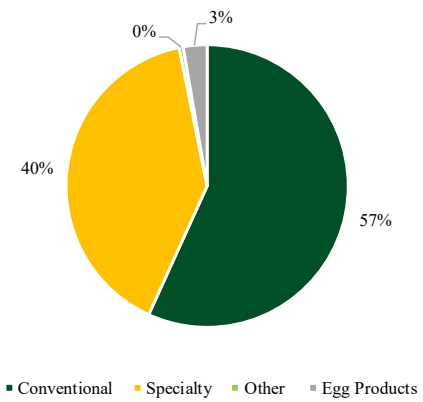
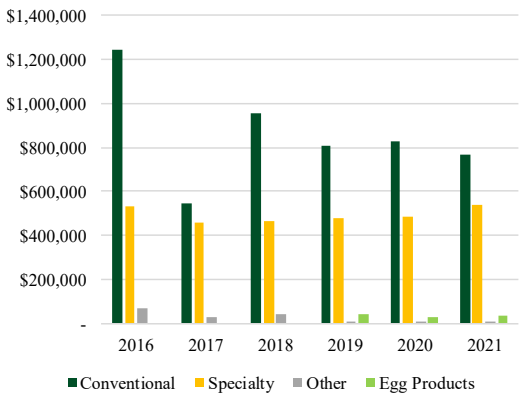


Figure 1: Revenue Dissagregation



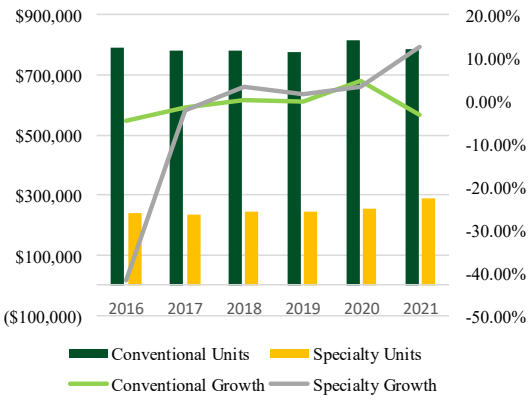
Source: SEC Filings

Figure 2: Historical Revenue (Thousands)



Source: SEC Filings

Figure 3: Revenue (Thou.) vs. Unit Sales (Dozens of Thou.)



Source: SEC Filings

Business Overview

General Overview

Cal-Maine Foods is the largest producer and distributor of shell eggs in the United States. Their operations include the production, marketing and distribution of shell eggs to customers across the southwestern, southeastern, mid-western and mid-Atlantic regions of the United States. The company was founded in 1957 by Fred R. Adams, Jr. and is headquartered in Ridgeland, Mississippi. Majority of sales are conventional and specialty eggs to wholesalers or retailers such as Walmart which accounted for roughly 33% of their unit sales in 2021. Cal-Maine's objective is to be the most sustainable producer and reliable supplier of consistent, high quality fresh shell eggs and egg products in the country with the intent of prioritizing specialty egg production to accomplish complete cage-free production by 2026.

Segment Overview

Conventional Shell Eggs – 56.8% of Revenue

Conventional shell egg sales represented 56.8% of revenue in fiscal 2021. The shell egg production involves the laying of common USDA Grade A eggs that you typically see in retail stores. The prices of conventional shell eggs are volatile due to the seasonal demand cycles from consumers, but the unit sales historically trends in-line with the population growth of the regions Cal-Maine operates in. For projections on egg prices, they use the industry known Urner Barry pricing model. With 90.5% of egg production being from company owned facilities and the 8.5% being outsourced, most of the costs facing Cal-Maine surround the maintenance of flocks. These operations consist of breeding, feeding, testing the flocks in addition to the costs of storing, packaging, and transportation of shell eggs. This segment represented 56.8%, 61.4%, 59.5%, and 63.7% of Cal-Maine's revenue in fiscal years 2021, 2020, 2019 and 2018. Majority of the customers are large wholesale and retail outlets such as Walmart, which accounted for 48.6% of revenue in fiscal year 2021.

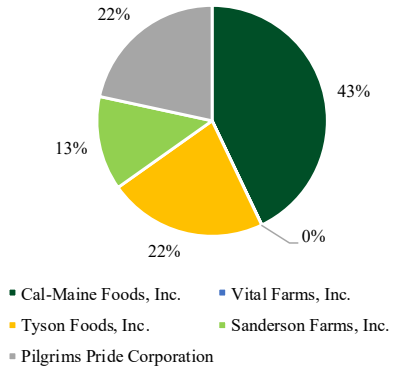
Specialty Shell Eggs – 40% of Revenue

Cal-Maine is one of the largest specialty egg producers in the United States with nutritionally enhanced, cage-free, organic and brown eggs classifying as specialty sales. USDA grade marked consumer packages labeled as cage free are laid by hens that are able to roam vertically and horizontally in indoor houses and have access to fresh food or water. Cal-Maine has also publicly announced its goal to offer cage-free eggs exclusively on or before 2026. This implies higher costs of maintaining flocks and increases the human capital required to operate such environments. Prices of specialty eggs are historically less volatile than the prices for conventional shell eggs but are contractual arranged directly with customers. Specialty egg sales represented roughly 40.0%, 35.9%, 35.1% and 31.1% of revenue in fiscal years 2021, 2020, 2019 and 2018.

Egg Products – 2.7% of Revenue

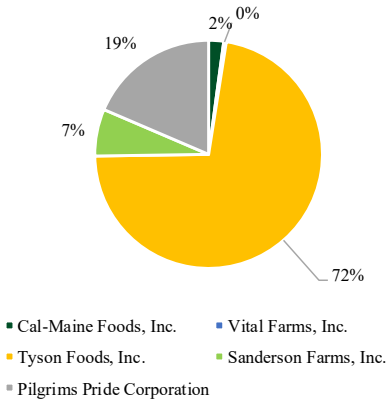
The egg products represented a small portion of total revenue, but involves shell eggs being broken into a solid, liquid, frozen or dried form. The sales of these

Figure 4: Market Share by Flock Size



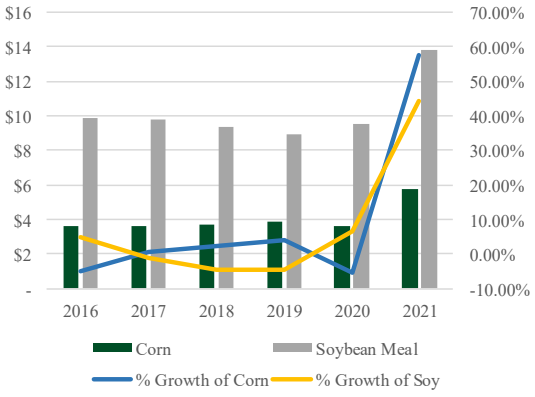
Source: Poultry Magazine

Figure 5: Market Share by LTM Revenue (Thousands)



Source: SEC Filings

Figure 6: % Growth of Feed Prices



Source: Statista

products are typically to institutional foodservices and food manufacturing sectors across the United States. These sales are also contractually negotiated prices that vary from customer-to-customer dependent upon bulk of order. The subsidiaries that directly sell these products are American Egg Products, LLC located in Georgia and Texas Egg Products, LLC located in Texas with costs implications for these sales generally involve the extraction, processing, and packaging of egg products.

Industry

The shell egg production industry is highly concentrated between firms that offer competitive prices which fluctuate on a seasonal basis. Corporations are sensitive to the capabilities of their flock's production, consumer demand trends, and the costs of operations. All of these factors can easily influence the end pricing of shell eggs. There are also a variety of external factors that can alter end price such as outbreaks or natural whether events. COVID-19 has increased the volatility in prices among the industry as high protein diets were widely advertised and improved the national popularity during the at home stock up periods. There has also been an increase in labor costs as the pandemic has catalyzed labor shortages and forced increasing wages. In 2015 the avian influenza outbreak impacted 12% of flocks across the nation causing supply constraints and price hikes, requiring flocks to output higher volumes of shell eggs. Feed costs alone represent 55-58% of the production costs which increases in tandem with the total flock's size. During these times of build up there can subsequently be an oversupply of eggs which is followed by lower prices.

The consumption of eggs has historically grown with the population growth of the regions in which sales are conducted. The general demand for eggs is inelastic with respect to demand and supply shocks from a variety of external factors. The pandemic impacted national demand due to increased costs from supply constraints and increased feed costs, resulting in a decrease of 2.38% in national egg consumption. The avian influenza had decreased egg consumption with much of the negative publicity facing poultry producing causing the 3.8% fall according to the USDA. Going forward the rising costs in labor and commodity prices of soy and corn meal could pose problems for the egg production industry in the short term, but with much of the public rewarding high protein diets the consumer could be more willing to cover these costs.

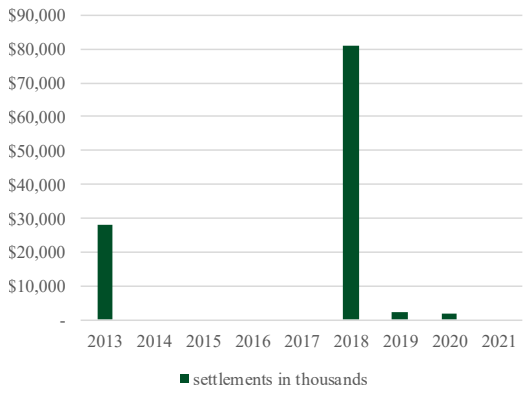
The strategy that Cal-Maine and its competitors follow are through acquisitions in order to attain market share through flock size. The largest ten producers owned 53% of layers in the United States during 2021, with 54% market share the year prior. With the industries growth in revenue and costs being generally stable, the top strategy for additional market share comes from acquisitions of other poultry producing farms offering similar egg products. Firms are also looking at investments in the manufacturing process to decrease storing, packaging, and transportation costs.

Macro factors

Price of Feed

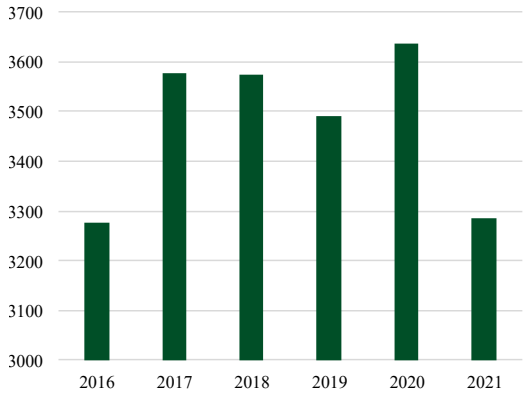
Feed costs are the primary component in Cal-Maine's cost of goods sold representing roughly 58.2% in the fiscal 2021 farm production costs. Historically feed cost has represented 55.4%, 57.0%, and 52.3% in 2020, 2019 and 2018. These costs fluctuate in relation to the future purchase prices of corn and soybean meal from contractual agreements that work as a lock-in purchase. Cal-Maine

Figure 7: Settlements (in Thousands, negative means profit)



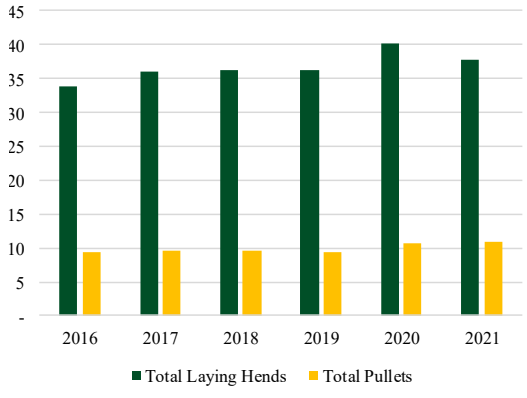
Source: SEC Filings

Figure 8: Employee Count



Source:SEC Filings

Figure 9: Population of Cal-Maine Facilties (in millions)



Source: SEC Filings

Foods considers this a hedge against the volatility of future feed prices and as a critical factor in keeping a sufficient supply on hand at any one time. Feed is a critical factor in the nutritional value of shell eggs and the general well-being of the chickens, Cal-Maine formulates their feed and produces at the feed mills located near the production plants. Currently there is 1.8 million tons of feed on hand in addition to the 1.6 million tons manufactured, with the capacity to store 152 thousand tons of corn and soybean meal. This is to supply a flock's size of 37.8 million layers and 10.8 million pullets and breeders (largest in the United States). The prices of corn and soybean meal are expected to decrease as they have been increasing with inflation in 2021, guidance has forecasted a drop between 7.2% and 5.3% in 2022 respectively.

Government Regulations

Cal-Maine Foods faces the risk of changing infrastructure and operating procedures to conform to consumer preferences, customer demands, and new laws which will result in additional costs. Most recently the USDA has required that 66% of the production would have to be in cage-free eggs by 2026 imposing higher input costs due to larger real estate demand and increased environmental living costs for chickens. Currently 27% of Cal-Maine's total egg production comes from cage-free specialty eggs showing the vast disparity in where they need to be in just 4 years. With the costs of conventional egg production ranging from $15 to $20 and the cage-free standard increasing to $45 per bird, underlying costs associated will follow.

Cal-Maine Foods faces additional pricing pressures from regulatory state agencies. On April 23, 2020, the State of Texas imposed a lawsuit against Cal-Maine for the "excessive and exorbitant" prices they charged customers in 2020. There have also been mentionable lawsuits in the past regarding the livelihood of the flock and the production facilities in Cal-Maine's Florida laying plants.

COVID-19

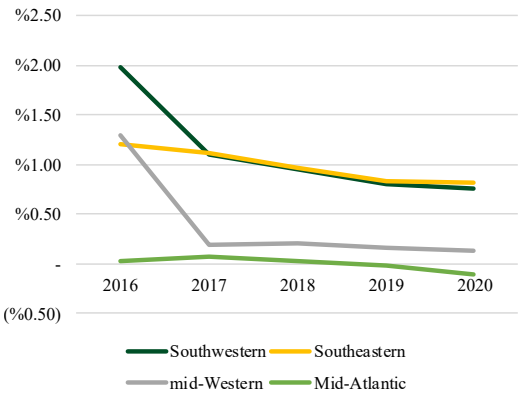
As for most manufacturing companies during the pandemic but specifically labor-intensive industries such as poultry production, labor shortages have been an imposing issue. Cal-Maine Foods reported having 3,286 employees and 2,642 of whom work in the production facilities during fiscal 2021. Although they have not reported an employee head count for the first quarter of 2022, they have mentioned supply chain bottle necks caused by the pandemic in addition to increased wage expenses in the last annual report. During 2020 and on into 2021 the price of feed costs has also risen substantially from $3.64 to $5.73 for corn per bushel, and $319.66 to$ 347.00 for soybean meal per bushel. This underlying price increases have come from supply chain bottle necks in other industries surrounding the external operations of Cal-Maine Foods.

Outbreaks and Pandemics

The most recent out break to effect Cal-Maine's production operations occurred in 2015. The Avian Flu caused the ethnicization of 12% of Cal-Maine's total flock which slowed production and thus increased the volatility in shell egg prices in years following. The outbreak had caused 10% of the total US Chicken population to be wiped out as a result of the influenza. Consumer demand also might change temporarily as negative public precedent has adversely affect sales in prior farm outbreaks. These outbreaks are typically outside the control of employees and managements control, but to take protective measures Cal-Maine tests their

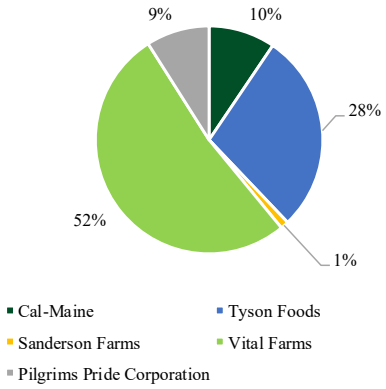
chickens quarterly in addition to providing layers and pullets with vaccination or immunity shots.

Figure 10: Population of Reigons



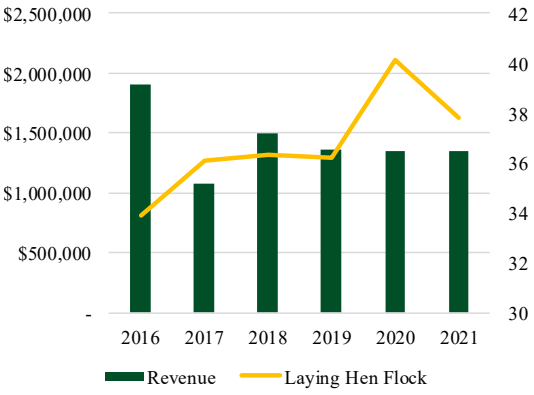
Source: Statista

Figure 11: Market Share by Plant Owned Facilties



Source: Poultry Magazine

Figure 12: Revenue (in Thousands) vs Flock Size (in Millions)



Source: SEC Filings

Population Growth

A mentionable factor that has trended historically with the performance and production of Cal-Maine is the population changes in the regions they operate. With operations taking place in the southwestern, southeastern, mid-western and mid-Atlantic with respective five-year population growth average .901%, .934%, 1.722% and 0.058%. Historically, the population trend has been around 2% as stated in the fiscal 2021 report. Customers of shell eggs in these regions tend to consumer higher amounts of high protein diets including nutritionally enhanced products.

Competition

Driving growth factors involve acquiring other small farms to expand production capabilities and or enhance alternative poultry production processes. It's also common for production plants to hold controlling interests in other farms and plants through co-pack agreements. Competition in poultry production is fierce, with the 52 producers accounting for 87% of production in 2011, and 66 producers controlling 99% of shell production in the 2021. Of the top ten producers, Cal-Maine included, have ownership over approximately 53% of industry layers compared to 66% in 2011. In other words, the top firms have been losing their competitive advantages to smaller farms or production plants offering more competitive pricing according to the Cal-Maine guidance reports. Production sales are typically contracts between customers that are heavily influenced by the shell eggs price, production quantity, and quality.

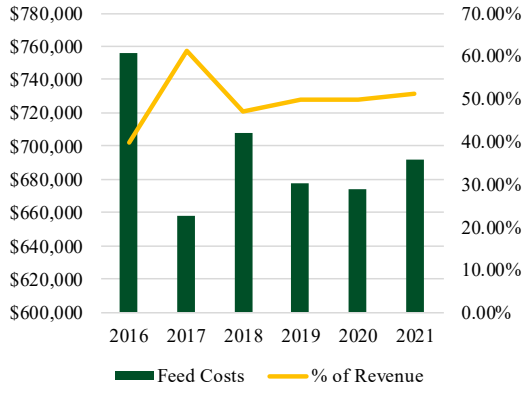
For firms to take a bigger market share going forward, the focus on specialty egg production will be where companies focus their capital. As regulatory agencies such as the EPA, USDA, and FDA have gotten more stringent on flock environments, the shift towards cage-free egg production has been an industry wide push. Cal-Maine's board has announced their intentions of complete production through cage-free hens and pullets by 2026 at the latest. Cal-Maine has recently been acquiring interests in cage-free farms such as Red Valley River Farm, LLC which will be a complete subsidiary by May of 2022. Through selective acquisitions and priority of specialty egg production in key locations, firms are able to grasp more competitive advantages in operational ownership.

Strategic Positioning

"In-Facilities" and Farms

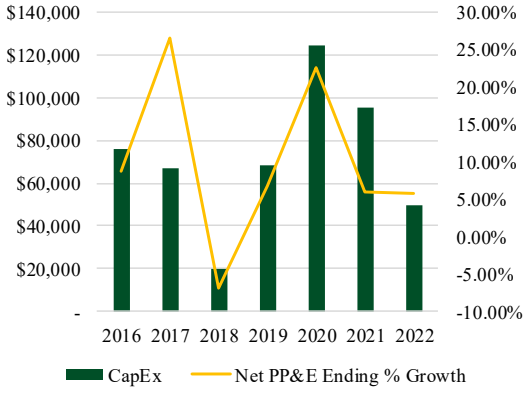
Cal-Maine is the largest egg producer by size of flock with around 44.26 million laying hens. The closest competitor to Cal-Maine is Rose Acre Farms which has 27.60 million laying hens. Since 1989 there have been over 22 acquisitions ranging in size from 160 thousand to 7.5 million layers which have played a huge contribution to Cal-Maine Foods dominance in year over year conventional egg production. Regarding the food preparation operations, they have invested significantly in enhancing the gathering, grading, and packaging of shell eggs. Specifically, this past year they have announced an $18.5 million controlling

Figure 13: Feed Mill Cost (in Thousands)



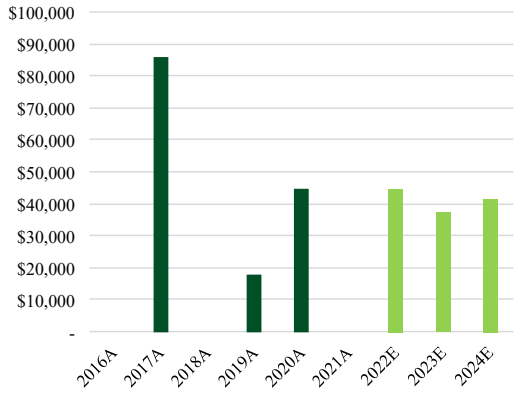
Source: SEC Filings

Figure 14: Net PP&E Ending % Growth vs. CapEx % Growth



Source: SEC Filings

Figure 15: Acquisitions (in Thousands)



Source: SEC Filings

investment interest in MeadowCreek, which is responsible for adding additional property and equipment for operations. With a vertical product line integration Cal-Maine Foods is able to achieve USDA Grade A shell eggs that are wholesaled and retailed for higher prices.

Operations

There are currently 25 feed mills that are responsible for gathering corn and soybean meal to produce and flock feed. This is then distributed to their facilities and co-pack facilities depending on contractual obligations. Managing this cost segment of Cal-Maine's operations are essential as this volatile input represented 58.2% of revenue in 2021.

There are 2 breeding grounds where the flock operations occur, the process begins with the collection of eggs from breeder flocks that are the kept in a temperature-controlled environment for around 21 days before being tested. Pullets are then moved to facilities to continue breeding operations and hens are separated and moved to mill facilities depending on the sex of the chicken.

There is about a four-month transition process between the hens being able to produce shell eggs as they are matured and further tested before going to production facilities. Hens are then moved to cage or cage-free farms where they have useful laying duration of an estimated 2 years. Cal-Maine Foods currently owns 41 of these mill production facilities and 24 pullet facilities.

Eggs are gathered for testing, grading, and packaging in one of the 44 processing and packaging facilities that Cal-Maine Foods operates. This is where majority of the direct labor costs lie with 2,642 of the 3,286 employees working in this segment. Eggs will be recorded in dozens for per amounts and packaged for delivery at this phase.

Distribution

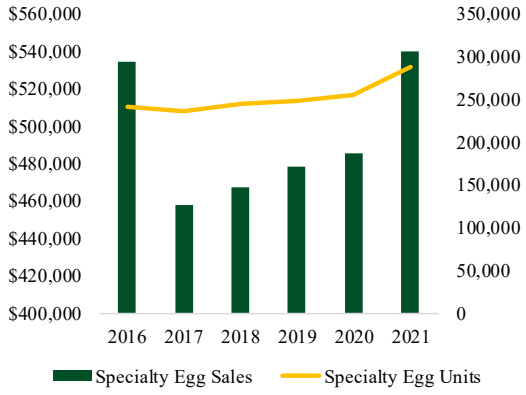
Cal-Maine Foods distributes majority of there egg production to large retailers through its network system of refrigerated storing and delivery though company owned trucks. The biggest of these customers was Walmart which as accounted for 29.8%, 32.1% and 33.7% of revenue in 2021, 2020 and 2019 respectively. Walmart has been a customer of Cal-Maine Foods for over a decade based off the utility of proximity to distribution centers. This increases the efficiency and quality of product for both companies and allows Cal-Maine to offer lower prices than competitors.

Business Growth Strategies

Acquisitions

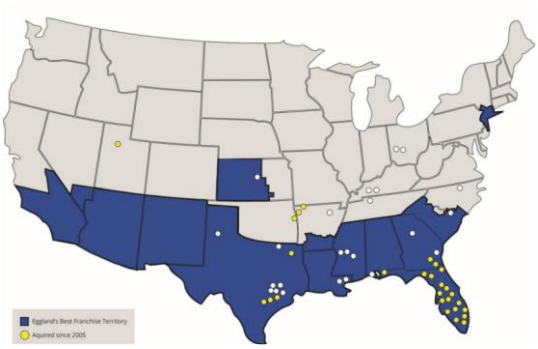
Recently Cal-Maine Foods board has approved over four acquisitions of egg farms which has allowed them to hold a competitive advantage amongst competitors in flock size. In May of 2021 Cal-Maine Foods has acquired the remaining 50% interest in Red Valley River Farms, LLC for $23 million. This will contribute over 1.7 million laying hens and extra pullets' capacity in cage-free environments located in Bogata, Texas. Management guidance hasn't given any notice to future acquisitions of egg farms as they have spent significant capital on cage-free real production over the last 5 years.

Figure 16: SE Revenue (Thou.) vs. Specialty Egg Units (Dozens)



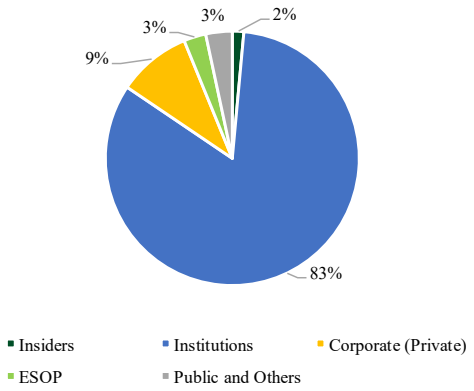
Source: SEC Filings

Figure 17: Map of Operations



Source: Cal-Maine Investor Page

Figure 18: Ownership Dissagregatrion



Source: Sec Filings

Going forward Cal-Maine Foods has shown signs of advancing their manufacturing process through interest holdings such as the MeadowCreek. This October Chairman of the Board Adolphus B. Baker announced an $18.5 million debt or equity interest in the property and equipment for specialty and conventional egg manufacturing. This would further carry out to the property and equipment rights being expected to transfer in 2022. Over the course of the next 3 years management has discussed further interests in acquisitions through a combination of cash on hand, investment, and operating cash flow.

Specialty Egg Expansion

Since the turn of the century there has been an increasing consumer shift towards healthier high protein diets. The increased concentration led to the consumers and distributors focus shifting to the environment of the chickens used for production. With the board announcing a complete production process of cage-free eggs by 2026, this has been in central focus of capital allocations. In the past Cal-Maine Foods has faced lawsuit charges for poor layer production environments, also being a huge contributor to the spread of the avian influenza. There are two facilities under construction at the Red Valley Rivers farm that will add an additional capacity for 400,000 laying hens and 210,000 pullets in two floors of farmhouse by May of 2022.

Manufacturing Operations

To reduce the gathering, grading, testing, and packaging of eggs Cal-Maine has invested in manufacturing operations. With $18.5 million being invested through a controlling interest as mentioned earlier into MeadowCreek. With the acquiring of equipment, the capacity to produce conventional and specialty eggs will increase. This aids in managements goal of providing competitive low costs which is reliant on distribution center relationships and low-cost delivery methods.

Management and Employee Relations

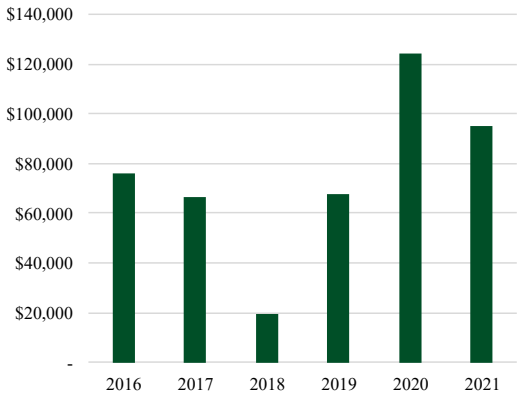
Adolphus B. Baker - Chief Executive Officer and Chairman of the Board

Baker started his career at the firm in 1986 at just 28 years of age under the founder who was his father in-law. Within five years he was elected to the board of directors which he became Chairman of in 2012. Before his role as the Chief Executive Officer he served as Cal-Maine Foods Chief Operating Officer, President and Director of Marketing. Baker got his Bachelor's in Business Administration from the Mississippi State University, and has served as the director of Trustmark National Bank of Jackson, Mississippi since 2007.

Sherman Miller - President and Chief Operating Officer

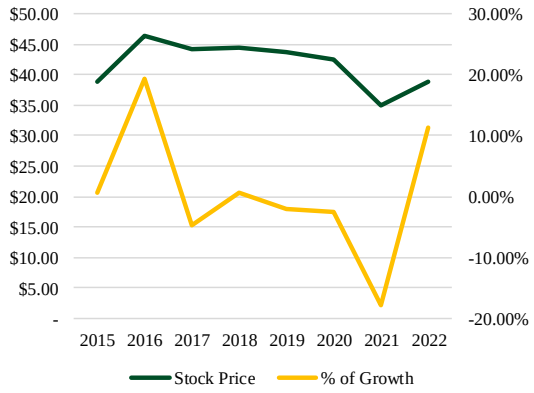
Miller has served as President since 2018 and was elected Chief Operating Officer in May of 2011. He served as vice president of operations after his role at Chase as a General Manager. In 1997 Miller was an intern with Cal-Maine prior to his graduation from Mississippi State University with a Bachelor's Degree in Poultry Science. He is also a member of the board of the US Poultry and Egg Association.

Figure 19: Historical and Projected CapEx (in Thousands)



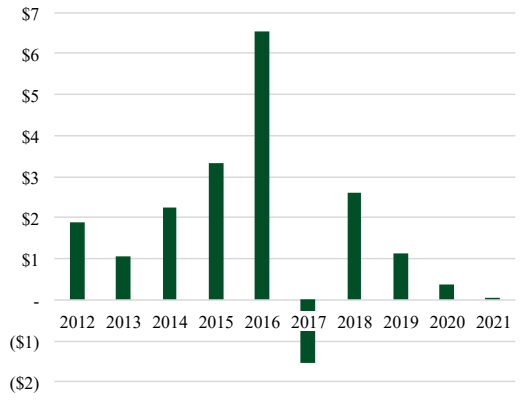
Source: SEC Filings

Figure 20: Stock Performance since Purchase (per dollar)



Source: SEC Filings

Figure 21: Historical EPS



Source: SEC Filings

Max P. Bowman – Vice President and Chief Financial Officer

Max P. Bowman was elected a director and Chief Financial Officer in 2018, previously having served as the Vice-President of Finance. Prior to joining the company, he was Chief Financial Officer of Southern States Utility Trailer Sales, Inc. and H & P Leasing, Inc. from October 2014 until June 2018. Mr. Bowman was co-founder, President and Director of Tenax and Aerospace, LLC. Mr. Bowman also served as a board member and executive officer of WGS Systems, LLC. From 1997 until 2003 he served as the Chief Financial Officer for ChemFirst, Inc. He is a certified public accountant and holds an undergraduate degree in accounting from Mississippi State University.

Management Guidance

Management is focused on continuing to be a low-cost provider of shell eggs located near their customers through investments in product manufacturing lines. Considering the growing customer and legal requirements for cage-free eggs they intend to closely evaluate their recent and future acquisitions near key locations and markets. Cal-Maine is also evaluating the growing need to convert conventional egg production warehouses into cage-free facilities, which implies considerable future costs of restructuring facilities.

Portfolio Strategy

The University of Oregon Investment Group currently holds 61 shares of Cal-Maine Foods in the Alumni Fund representing 1.62% of the portfolio. The stock since its purchase has recorded a 7.74% loss between its update of January 2018 and January of 2022. It was bought at $43.40 per share and is currently trading at $40.07 per share.

The Alumni fund is underweighted in consumer goods and in mid cap securities hence I recommend a buy in light of higher returning mid cap consumer-oriented corporations. In addition to the underperformance of the consumer fund to the Russel 2000 benchmark over the past year, I believe Cal-Maine Foods has been a contributing laggard to the Alumni funds performance.

Recent News

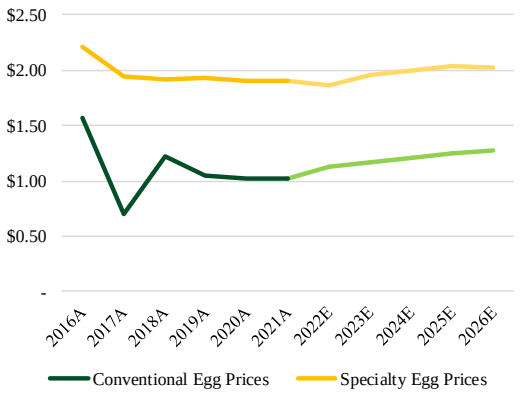
Cal-Maine Foods Approves $23 Million Capital Project to Boost Cage-Free Production in Florida (November 9th, 2021)

Cal-Maine Foods chairman and CEO Adolphus B. Baker approved the acquiring of the remaining 50% interest in Red River Valley Egg Farm, LLC from Rose Acre Farms, Inc. This $48.5 million transaction was to enhance the operations of specialty shell egg production, increasing the flock by 1.7 million laying hens located on 400 acres near Bogata, Texas.

Cal-Maine Announces Strategic Investment in New Egg Products Manufacturing Company (October 4th, 2021)

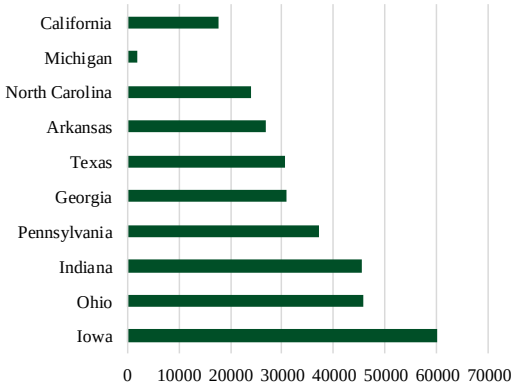
The Cal-Maine Foods board approved the capitalization of MeadowCreek for up $18.5 million in debt and equity to purchase property and equipment with a controlling interest. The management team will be led by Ronald B. Bennet as the preferred provider of specialty and conventional eggs manufacturing egg products.

Figure 22: Average Selling Prices (Average Price Per Dozen)



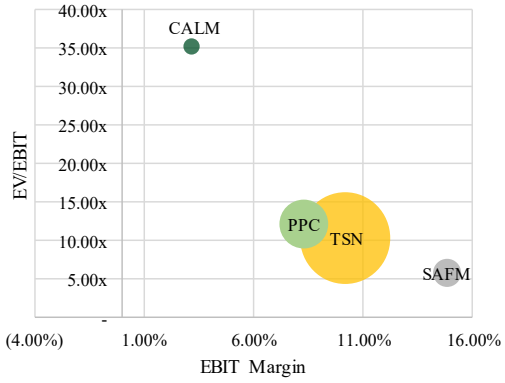
Source: UOIG Spreads

Figure 23: Number of Hens by State (in Thousands)



Source: Statista

Figure 24: EBIT Margin to EV/EBIT



Source: SEC Filings

Cal-Maine Foods, Inc. Interest in Red River Valley Egg Farm, LLC (May 12th, 2021)

Cal-Maine Foods Board of Directors approved a $13 million capital project to expand cage-free production at its Okeechobee, Florida, production facility. This will include two cage-free layer houses and a pullet house with the capacity for 400,000 laying hens and 210,000 pullets. The official construction is reported to start sometime in May of 2022.

Catalysts

Upside

- The increased consumer demand of specialty shell eggs and more specifically cage-free flocks benefit Cal-Maine due to the higher prices that they sell at.
- Consumer demand has remained after the pandemic and with at home meals idolizing high protein meals. There is also increased demand from restaurants and food servicers as the public markets have opened.
- Cal-Maine Foods has the largest flock of any poultry producer in the United States giving them an advantage as most sales will be specialty cage-free by 2026.

Downside

- The feed costs have seen significant rises due to inflationary pressures put on corn and soybean meal caused by the pandemic going from $3.64 to $5.73 for corn, and $319.66 to$ 347.00 for soybean meal.
- Labor shortages and supply chain bottle necks adversely affect the efficiency and low-cost variables that make Cal-Maine Foods competitive with respect to conventional eggs.
- The firm must eventually convert conventional shell egg facilities to cage-free facilities implied large future costs to make the transition possible for their current flock size

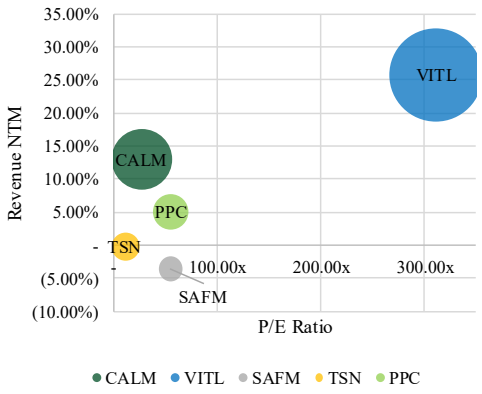
Comparable Analysis – 30%

There are few publicly traded companies aside from Cal-Maine Foods that focus solely on poultry egg production. Some competitors have similar risks and customers, especially in the poultry meat production industry. Regarding the input costs, feed is the primary production costs around the cyclicality of hen cycles which varies with poultry meat production replacing flocks around every 12 weeks. Cal-Maine Foods estimates that the useful laying life of on hen is around 2 years, allowing total flock size to build dramatically higher that competitors. Once the eggs are collected, they are put through production manufacturing plants for the gathering, grading, testing, and packaging of shell eggs, whereas poultry meat is taken to slaughterhouses and further processing cycles in the manufacturing line. The underlying costs implications for the two processes could dramatically vary, hence the lower dependence on comparable analysis when regarding weighting.

Vital Farms, Inc. – 0%

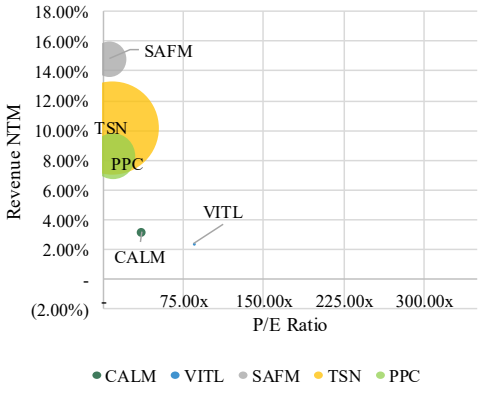
Vital Farms was initially founded on 27 acres of property in 2007 by Matt O-Hayer designed to be a pasture raising farm. The products that they produce are

Figure 25: P/E to Revenue NTM



Source: UOIG Spreads

Figure 26: EBITA to EBITDA Margin



Source: SEC Filings

Figure 27: Comparable Weights

Ticker	Weight
VITL	-
SAFM	15.00%
TSN	30.00%
PPC	55.00%

Source: UOIG Spreads

pasture raised eggs, butter ang ghee operating from a vertically integrated poultry process. VITL has 100 farms based in Texas, Missouri, Arkansas, Tennessee, Oklahoma, Georgia and are solely an outdoor pasture system. This is similar to how CALM operates their cage-free specialty egg production in open farm environments. With much of their costs being driving by feed, Vital Farms faces similar pricing pressures as Cal-Maine Foods. Both firms create their food in house with the traditional corn and soybean meal products making their costs somewhat similar. With Vital Farm's being a new company and trading at aggressive multiples, in addition to only offering one of CALM product lines, I decided to place no weighting for this firm in the comparable analysis.

Sanderson Farms, Inc. – 15%

Sanderson Farms was founded during 1947 in Southern Mississippi, as a vertically integrated poultry processing company. Operations consist of feed manufacturing, hatching, raising the hens and pullets, processing, marketing and distribution. Product lines are processed chicken such as whole, bone-less and pre-cut in addition to partially cooked and marinated chicken. Their customers include retailers, supermarkets, and distributors located in the southeastern, southwestern, northeastern, and western United States. SAFM and CALM have similar cost inputs regarding feed, being the largest of production costs for both companies in addition to vertical integration infrastructure. Although Sanderson Farms might have more exposure to poultry meat market, the risks they face regarding costs and consumer demand are similar, hence why I weighted Sanderson Farms, Inc. at 15% in the comparison analysis.

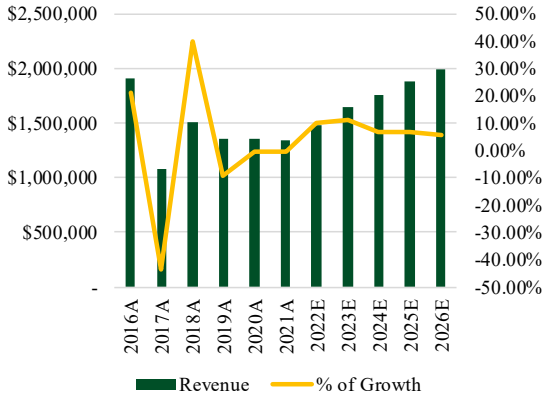
Tyson Foods, Inc. – 30%

TSN is a multinational, vertically integrated producer of chicken, pork and beef. It sells its raw, cooked and value-added meats around the world, and has processing facilities in several other countries. Most of the products it sells are chicken and has many of the same risks associated with operations as CALM. The customers of Tyson are grocery stores and foodservice like Cal-Maine, as well as meat distributors and military commissaries. Much like CALM, Wal-Mart comprises a large portion of its business, comprising over 15% of each company's total business. Tyson is implementing an acquisition growth strategy, having made 5 large acquisitions since 2001. TSN focuses on chicken, and is totally integrated from hatching chicks and manufacturing feed to distributing, making them vulnerable to similar risks, as well as each having Wal-Mart as a large portion of their business. Even though most of its business is comprised of chicken sales, the other meat products diversify the risk more than the other comparable companies, in addition to operating internationally. For these reasons I weighted it moderately at 20%.

Pilgrim's Pride Corporation – 55%

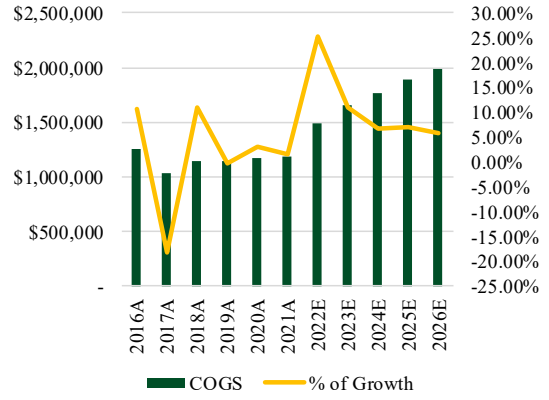
PPC sells fresh chicken, prepared and value-added chicken products such as whole chicken, marinated chicken pieces, fully cooked chicken strips and multiprotein frozen foods. Base in Colorado the company if fully-vertically integrated similar to CALM and incurs some similar risks in regard to costs. However, PPC also exports its meat to 100 countries, and has operation in 5 countries besides the US, exposing it to other risks that Cal-Maine doesn't have to worry about. The customer base is similar to CALM, consisting primarily of

Figure 28: Projected Revenues (in Thousands)



Source: UOIG Spreads

Figure 29: Projected COGS (in Thousands)



Source: UOIG Spreads

Figure 30: Betas

Betas	
1-Year Daily Regressed	0.19
3-Year Daily Regressed	0.41
5-Year Daily Regressed	0.42
1-Year Weekly Regressed	0.06
3-Year Weekly Regressed	0.20
5-Year Weekly Regressed	0.28
1-Year Vasicek	0.55
3-Year Vasicek	0.60
5-Year Vasicek	0.61
Bottom-up	0.62

Source: UOIG Spreads

grocery store chains, wholesale clubs and foodservice companies. Much like Cal-Maine, the company markets its products to different segments of the market through different brands, such as Gold Kist, Country Post and Pierce Chicken. I weighted PPC heaviest due to the similarities in production costs, client base, and the innate risks that CALM shares in their geographical locations.

Discounted Cash Flow Analysis – 70%

Revenue Model:

I projected revenue based of an Egg Units model that stated historical and forecasted egg units and price per dozen. The revenue streams which represent over 90% of revenue are the sales of conventional and specialty eggs segments. Therefore, I did not forecast other revenues and egg product revenues which are the extracts of shell eggs in a liquid, solid or frozen form. Regarding the terminal growth in revenue, I used their 5-year averages for conventional and specialty egg prices and units. I also did a regression analysis with population growth to get the lower 3.24% growth in year 2030. In projected years I also trended the units and price of egg sales towards the increased dependence of specialty egg sales taking a larger portion of revenues. Cal-Maine Foods board has stated their intentions of complete cage-free specialty shell egg production by 2026. Based off historical conventional shell egg demand and their facilities for poultry production, I believe this transition won't take place before the estimated year. This is also assuming the customers such as Walmart are a consistent 25-30% of revenue sales and that contractual arrangements don't subside.

Cost of Goods Sold:

Majority of Cal-Maines's cost of goods sold are feed costs that rely off the contractual price arrangements between corn and soybean meal providers. These are highly volatile commodities and has been worsened by the pandemic, hence the increase in cost of goods sold as forecasted in the next few years. There are also costs associated with the delivery, storage, and distribution of feed to poultry production facilities. I forecasted in the terminal year that the cost of goods sold trend toward the companies historical 5-year average. This takes into account the elevated prices during the last 2 years and the normal prices in 2016-2019. Going forward I believe the same reflection is accurate what the growth in cost of goods sold looks like for Cal-Maine Foods into perpetuity.

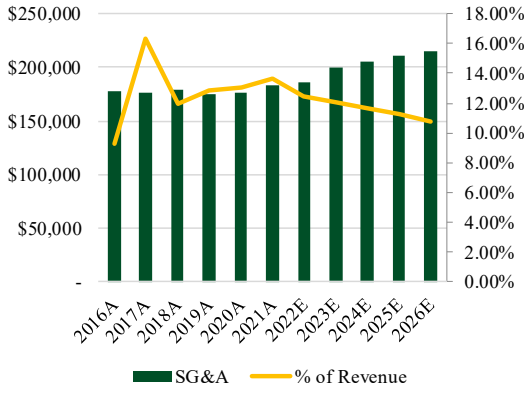
Beta:

The Beta I calculated for Cal-Maine is weighted solely on 5 year daily regressed due to the innate volatility from the COVID-19 pandemic. With supply chains effected differently around the world I feel that weighting it this way is appropriate and falls in line with the weekly beta's seen industry wide, all between .40 and .56. With Cal-Maine's beta at roughly .42 the projection covers both the short-term and long-term perspective of the company without distorting the implied price.

Acquisitions:

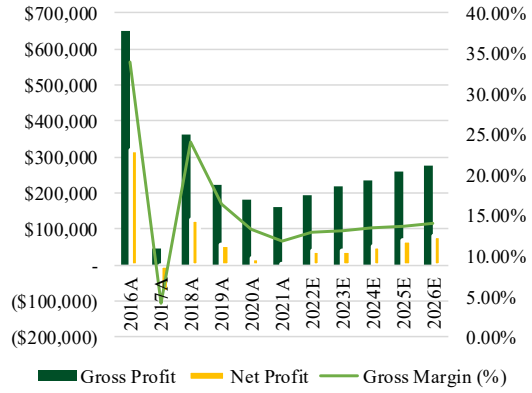
CALM has launched their initiatives for complete cage-free production which requires the transferring of millions of pullets and laying hens. Not only will the inherent operations be costly but the acquiring of farms to carry such populations. I have projected over FY2023 and FY2024 management's decision

Figure 31: Historical and Projected SG&A (in Thousands)



Source: UOIG Spreads

Figure 32: Gross Margins and Net Profit (in Thousands)



Source: UOIG Spreads

Figure 33: Final Valuation

	Target Price	Weight
DCF	57.70	80.00%
COMPS	37.37	20.00%
Implied Share Price	**53.63**	
Current Share Price	**41.13**	
Overvalued	**30.40%**	

Source: UOIG Spreads

to execute on the proposed acquisitions, at roughly $78.16mm. With additional acquisitions on equipment but no specific feedback on their agenda, I have projected historical average acquisitions starting FY2025 at 1.89% of PPE into perpetuity.

Selling, General and Administrative:

Prior to 2016 SG&A average a little less that 9% of revenue, since then it has risen to as high as 13.04% during 2020, and got averaged 13.64% over the duration of fiscal year 2021. Going forward I have projected a trend back to normal levels of 9.12% of revenue, which is trending in line with the growth in SG&A historically and is conservative relative to its rate of change.

Depreciation & Amortization:

CALM uses the straight-line method to depreciate it's assets over there useful lives, which is 15-25 years for buildings and improvements and typically 3-12 years for machinery/equipment. Historically, depreciation has grown in line with the Net Beginning PPE and revenue which is why I have chosen to trend then around their average of 9.00% into perpetuity.

Capital Expenditures:

The firm has spent over $428 million since 2008 on facilities and equipment related to operations expanding cage-free egg production capabilities. The board of directors recently approved the $23.0 million capital project in Okeechobee, Florida. Adding up to 400,000 cage-free hens and 210,000 pullets, construction is planned to be completed by February 1st, 2023. I projected the 5-year average of 16.37% of PP&E for 2021 and trended it up to 18.93% of PP&E in the terminal year.

Tax Rate:

The amount of taxes CALM pays year over year has varied quite dramatically the past decade. With lots of the more recent years being pressured by lawsuits, capital intensive projects, and fluctuating pre-tax earnings, the historical tax rate is difficult to calculate. Due to the Tax Cuts and Jobs Act of 2017, management has continued to use a tax rate of 21% indefinitely.

Recommendation

Cal-Maine Foods has shown the ability to successfully undertake acquisitions in the past while quickly and appropriately integrating them into the operations of the largest shell egg producer in the United States. With the recent expansion of "in-line" processing facilities and conversion to cage-free shell egg production over the coming years, CALM is poised to hold a strong position in the poultry production industry going forward. The board announced further acquisitions in alternative cage-free farms over the next 3 years, and the firm's payoff on its non-controlling interest holdings in 2021 to reach their goal of complete cage-free production by 2026. The final valuation is weighted eighty percent on the DCF, and a twenty percent weighting on the relative valuation, resulting in CALM being undervalued by over 29%, hence I recommend that we hold/rebalance our position in the company for the Alumni Portfolio.

Appendix 1 – Relative Valuation

Relative Valuation

$ in Thousands

Ticker	Company Name	Valuation: Enterprise Value	Valuation: Equity Value	NTM Metric: Revenue	NTM Metric: EBIT	NTM Metric: EBITDA	NTM Metric: Net Income	EV/: Revenue	EV/: EBIT	EV/: EBITDA	Price/: Earnings
CALM	Cal-Maine Foods, Inc.	1,755,231.60	1,812,077.98	1,568,530.63	49,801.12	49,868.21	66,394.02	1.12x	35.24x	35.20x	27.29x
VITL	Vital Farms, Inc.	599,901.95	690,831.99	298,748.00	1,010.00	7,085.00	2,220.00	2.01x	593.96x	84.67x	311.19x
SAFM	Sanderson Farms, Inc.	4,074,387.78	4,191,061.33	4,891,722.51	698,630.00	724,896.20	76,328.00	0.83x	5.83x	5.62x	54.91x
TSN	Tyson Foods, Inc.	39,870,283.84	29,868,283.84	50,216,348.44	3,854,310.52	5,121,633.40	2,695,052.86	0.79x	10.34x	7.78x	11.08x
PPC	Pilgrim's Pride Corporation	10,188,797.87	6,891,143.71	14,441,158.16	835,728.04	1,197,890.60	124,977.90	0.71x	12.19x	8.51x	55.14x
Mean		*13,683,342.86*	*10,410,330.21*	*17,461,994.28*	*1,347,419.64*	*1,762,876.30*	*724,644.69*	*1.09x*	*155.58x*	*26.65x*	*108.08x*
Median		*7,131,592.82*	*5,541,102.52*	*9,666,440.33*	*767,179.02*	*961,393.40*	*100,652.95*	*0.81x*	*11.27x*	*8.15x*	*55.02x*

Weight
-
15.00%
30.00%
55.00%

Statistics Comparison

$ in Thousands

Ticker	Company Name	Leverage: Leverage Ratio	Leverage: Coverage Ratio	Leverage: Debt to EV Ratio	Margins: Gross Margin	Margins: EBIT Margin	Margins: EBITDA Margin	Growth: Revenue NTM	Growth: Revenue NTM +1	Growth: EBITDA NTM	Growth: EBITDA NTM +1
CALM	Cal-Maine Foods, Inc.	(1.14x)	99.55x	(0.03x)	38.09%	3.18%	3.18%	13.01%	5.12%	(238.67%)	70.69%
VITL	Vital Farms, Inc.	(12.88x)	(2.53x)	(0.15x)	32.11%	0.34%	2.37%	25.79%	5.92%	(57.70%)	116.75%
SAFM	Sanderson Farms, Inc.	(0.16x)	(166.70x)	(0.03x)	23.32%	14.28%	14.82%	12.82%	(3.55%)	399.38%	(21.39%)
TSN	Tyson Foods, Inc.	1.93x	(10.04x)	0.25x	11.93%	7.68%	10.20%	6.73%	(0.15%)	(7.01%)	0.26%
PPC	Pilgrim's Pride Corporation	2.74x	(7.09x)	0.32x	9.80%	5.79%	8.29%	19.43%	5.07%	52.00%	10.22%
Mean		*(2.09x)*	*(46.59x)*	*0.10x*	*19.29%*	*7.02%*	*8.92%*	*16.19%*	*1.82%*	*96.67%*	*26.46%*
Median		*0.88x*	*(8.57x)*	*0.11x*	*17.63%*	*6.73%*	*9.25%*	*16.12%*	*2.46%*	*22.49%*	*5.24%*

Financials

$ in Thousands

Ticker	Company Name	NTM Metric: Revenue	NTM Metric: Gross Profit	NTM Metric: EBIT	NTM Metric: EBITDA	NTM Metric: Net Income	Interest Expense	Revenue LTM	Growth: Revenue NTM +1	Growth: EBITDA LTM	Growth: EBITDA NTM +1
CALM	Cal-Maine Foods, Inc.	1,568,530.63	597,523.04	49,801.12	49,868.21	66,394.02	500.28	1,387,910.00	1,648,873.54	(35,961.00)	85,118.21
VITL	Vital Farms, Inc.	298,748.00	95,919.00	1,010.00	7,085.00	2,220.00	(400.00)	237,490.00	316,419.00	16,751.00	15,356.65
SAFM	Sanderson Farms, Inc.	4,891,722.51	1,140,876.46	698,630.00	724,896.20	76,328.00	(4,191.00)	4,336,000.00	4,718,040.00	145,160.00	569,876.72
TSN	Tyson Foods, Inc.	50,216,348.44	5,990,810.36	3,854,310.52	5,121,633.40	2,695,052.86	(383,983.33)	47,049,000.00	50,141,014.35	5,508,000.00	5,134,910.03
PPC	Pilgrim's Pride Corporation	14,441,158.16	1,415,233.50	835,728.04	1,197,890.60	124,977.90	(117,800.00)	12,091,901.00	15,172,734.00	788,073.00	1,320,261.69
Mean		*17,461,994.28*	*2,160,709.83*	*1,347,419.64*	*1,762,876.30*	*724,644.69*	*(126,593.58)*	*15,928,597.75*	*17,587,051.84*	*1,614,496.00*	*1,760,101.27*
Median		*9,666,440.33*	*1,278,054.98*	*767,179.02*	*961,393.40*	*100,652.95*	*(60,995.50)*	*8,213,950.50*	*9,945,387.00*	*466,616.50*	*945,069.21*

Multiple	Implied Price	Weight
EV/Revenue	25.61	25.00%
EV/EBIT	10.94	5.00%
EV/EBITDA	7.75	10.00%
Price/Earnings	60.70	60.00%
Price Target	**44.14**	
Current Price	**41.13**	
Undervaluation	**7.32%**	

Appendix 2 – Discounted Cash Flows Valuation

Discounted Cash Flow Analysis						Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4								
$ in Thousands	2016A	2017A	2018A	2019A	2020A	8/29/2020A	11/28/2020A	2/27/2021A	5/29/2021A	2021A	8/29/2021A	11/28/2021A	2/28/2022E	5/31/2022E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Total Revenue	1,908,650.00	1,074,513.00	1,502,932.00	1,361,188.00	1,351,609.00	292,781.00	347,328.00	359,080.00	349,798.00	1,348,987.00	331,704.00	357,995.80	386,799.70	411,165.92	1,487,665.42	1,650,276.83	1,760,723.90	1,882,807.43	1,989,413.45	2,038,889.06	2,084,511.06	2,076,655.53	2,110,020.50
% YoY Growth	*NA*	*(43.70%)*	*39.87%*	*(9.43%)*	*(0.70%)*	*NA*	*NA*	*NA*	*NA*	*(0.19%)*	*13.29%*	*3.07%*	*7.72%*	*17.54%*	*10.28%*	*10.93%*	*6.69%*	*6.93%*	*5.66%*	*2.49%*	*2.24%*	*(0.38%)*	*1.61%*
Cost of Goods Sold	1,260,576.00	1,028,963.00	1,141,886.00	1,138,329.00	1,172,021.00	276,017.00	288,877.00	311,563.00	311,869.00	1,188,326.00	325,059.00	300,716.48	324,911.75	345,379.37	1,296,066.60	1,433,360.06	1,524,621.90	1,625,343.38	1,712,097.56	1,749,271.28	1,782,886.68	1,770,662.51	1,793,517.42
% Revenue	*66.05%*	*95.76%*	*75.98%*	*83.63%*	*86.71%*	*94.27%*	*83.17%*	*86.77%*	*89.16%*	*88.09%*	*98.00%*	*84.00%*	*84.00%*	*84.00%*	*87.12%*	*86.86%*	*86.59%*	*86.33%*	*86.06%*	*85.80%*	*85.53%*	*85.27%*	*85.00%*
Gross Profit	**648,074.00**	**45,550.00**	**361,046.00**	**222,859.00**	**179,588.00**	**16,764.00**	**58,451.00**	**47,517.00**	**37,929.00**	**160,661.00**	**6,645.00**	**57,279.33**	**61,887.95**	**65,786.55**	**191,598.83**	**216,916.78**	**236,102.00**	**257,464.04**	**277,315.89**	**289,617.78**	**301,624.38**	**305,993.01**	**316,503.07**
Gross Margin	*33.95%*	*4.24%*	*24.02%*	*16.37%*	*13.29%*	*5.73%*	*16.83%*	*13.23%*	*10.84%*	*11.91%*	*2.00%*	*16.00%*	*16.00%*	*16.00%*	*12.88%*	*13.14%*	*13.41%*	*13.67%*	*13.94%*	*14.20%*	*14.47%*	*14.73%*	*15.00%*
Selling General and Administrative Expense	177,760.00	176,032.00	179,316.00	174,795.00	176,237.00	43,965.00	43,873.00	47,656.00	48,449.00	183,943.00	46,525.00	40,023.93	47,228.24	52,224.13	186,001.30	199,354.05	205,250.65	211,520.46	215,084.43	211,811.77	207,736.63	198,172.38	192,433.87
% Revenue	*9.31%*	*16.38%*	*11.93%*	*12.84%*	*13.04%*	*15.02%*	*12.63%*	*13.27%*	*13.85%*	*13.64%*	*14.03%*	*11.18%*	*12.21%*	*12.70%*	*12.50%*	*12.08%*	*11.66%*	*11.23%*	*10.81%*	*10.39%*	*9.97%*	*9.54%*	*9.12%*
Loss on disposal of fixed assets	(1,563.00)	3,664.00	473.00	33.00	82.00	23.00	99.00	354.00	2,506.00	2,982.00	(213.00)	(139.30)	(52.63)	48.09	(356.84)	843.70	1,148.87	1,494.48	1,860.10	2,194.35	2,537.89	2,821.66	3,165.03
% Revenue	*(0.08%)*	*0.34%*	*0.03%*	*0.00%*	*0.01%*	*0.01%*	*0.03%*	*0.10%*	*0.72%*	*0.22%*	*(0.06%)*	*(0.04%)*	*(0.01%)*	*0.01%*	*0.04%*	*0.05%*	*0.07%*	*0.08%*	*0.09%*	*0.11%*	*0.12%*	*0.14%*	*0.15%*
Legal Settlement Expense	-	-	80,750.00	2,250.00	2,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% Revenue	*-*	*-*	*5.37%*	*0.17%*	*0.15%*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Earnings Before Interest & Taxes	**471,877.00**	**(134,146.00)**	**100,507.00**	**45,781.00**	**1,269.00**	**(27,224.00)**	**14,479.00**	**(493.00)**	**(13,026.00)**	**(26,264.00)**	**(39,667.00)**	**17,394.70**	**14,712.34**	**13,514.32**	**5,954.36**	**16,719.03**	**29,702.47**	**44,449.11**	**60,371.36**	**75,611.66**	**91,349.85**	**104,998.98**	**120,904.17**
% Revenue	*24.72%*	*(12.48%)*	*6.69%*	*3.36%*	*.09%*	*(9.30%)*	*4.17%*	*(.14%)*	*(3.72%)*	*(1.95%)*	*(11.96%)*	*4.86%*	*3.80%*	*3.29%*	*.40%*	*1.01%*	*1.69%*	*2.36%*	*3.03%*	*3.71%*	*4.38%*	*5.06%*	*5.73%*
Interest Expense	1,156.00	318.00	265.00	644.00	498.00	71.00	64.00	70.00	8.00	213.00	58.00	82.75	111.18	141.32	393.25	660.11	704.29	753.12	795.77	815.56	833.80	830.66	844.01
% Revenue	*0.06%*	*0.03%*	*0.02%*	*0.05%*	*0.04%*	*0.02%*	*0.02%*	*0.02%*	*0.00%*	*0.02%*	*0.02%*	*0.02%*	*0.03%*	*0.03%*	*0.04%*	*0.04%*	*0.04%*	*0.04%*	*0.04%*	*0.04%*	*0.04%*	*0.04%*	*0.04%*
Net Interest (Income)	(4,314.00)	(3,103.00)	(3,697.00)	(7,978.00)	(4,962.00)	(925.00)	(664.00)	(661.00)	(578.00)	(2,828.00)	(232.00)	(231.69)	(231.24)	(230.63)	(925.56)	(1,517.24)	(2,142.13)	(2,850.28)	(3,602.98)	(4,298.61)	(5,014.37)	(5,612.72)	(6,330.06)
% Revenue	*(0.23%)*	*(0.29%)*	*(0.25%)*	*(0.59%)*	*(0.37%)*	*(0.32%)*	*(0.19%)*	*(0.18%)*	*(0.17%)*	*(0.21%)*	*(0.07%)*	*(0.13%)*	*(0.20%)*	*(0.26%)*	*(0.06%)*	*(0.09%)*	*(0.12%)*	*(0.15%)*	*(0.18%)*	*(0.21%)*	*(0.24%)*	*(0.27%)*	*(0.30%)*
Other Expenses (Income)	(12,214.00)	(17,067.00)	(13,398.00)	(17,690.00)	(14,326.00)	(773.00)	(774.00)	(11,734.00)	(419.00)	(13,700.00)	(5,571.00)	(4,855.14)	(7,813.86)	(12,507.67)	(30,747.67)	(33,970.71)	(36,097.13)	(38,442.70)	(40,453.13)	(41,288.83)	(42,038.54)	(41,706.62)	(42,200.41)
% Revenue	*(0.64%)*	*(1.59%)*	*(0.89%)*	*(1.30%)*	*(1.06%)*	*(0.26%)*	*(0.22%)*	*(3.27%)*	*(0.12%)*	*(1.02%)*	*(1.68%)*	*(1.36%)*	*(2.02%)*	*(3.04%)*	*(2.07%)*	*(2.06%)*	*(2.05%)*	*(2.04%)*	*(2.03%)*	*(2.03%)*	*(2.02%)*	*(2.01%)*	*(2.00%)*
Earnings Before Taxes	487,249.00	(114,294.00)	117,337.00	70,805.00	20,059.00	(25,597.00)	15,853.00	11,832.00	(12,037.00)	(9,949.00)	(33,922.00)	22,398.78	22,646.26	26,111.30	37,234.34	51,546.87	67,237.44	84,988.96	103,631.71	120,383.54	137,568.97	151,487.66	168,590.64
% Revenue	*25.53%*	*(10.64%)*	*7.81%*	*5.20%*	*1.48%*	*(8.74%)*	*4.56%*	*3.30%*	*(3.44%)*	*(0.74%)*	*(10.23%)*	*6.26%*	*5.85%*	*6.35%*	*2.50%*	*3.12%*	*3.82%*	*4.51%*	*5.21%*	*5.90%*	*6.60%*	*7.29%*	*7.99%*
Less Taxes (Benefits)	169,202.00	(39,867.00)	(8,859.00)	15,743.00	1,731.00	(6,126.00)	3,762.00	(1,716.00)	(7,929.00)	(12,009.00)	(15,838.00)	4,703.74	4,755.72	5,483.37	(895.17)	10,824.84	14,119.86	17,847.68	21,762.66	25,280.54	28,889.48	31,812.41	35,404.03
Tax Rate	*34.73%*	*34.88%*	*(7.55%)*	*22.23%*	*8.63%*	*23.93%*	*23.73%*	*(14.50%)*	*65.87%*	*120.71%*	*46.69%*	*21.00%*	*21.00%*	*21.00%*	*21.00%*	*21.00%*	*21.00%*	*21.00%*	*21.00%*	*21.00%*	*21.00%*	*21.00%*	*21.00%*
Net Income	**318,047.00**	**(74,427.00)**	**126,196.00**	**55,062.00**	**18,328.00**	**(19,471.00)**	**12,091.00**	**13,548.00**	**(4,108.00)**	**2,060.00**	**(18,084.00)**	**17,695.03**	**17,890.55**	**20,627.93**	**38,129.51**	**40,722.02**	**53,117.58**	**67,141.28**	**81,869.05**	**95,103.00**	**108,679.48**	**119,675.25**	**133,186.60**
Net Margin	*16.66%*	*(6.93%)*	*8.40%*	*4.05%*	*1.36%*	*(6.65%)*	*3.48%*	*3.77%*	*(1.17%)*	*.15%*	*(5.45%)*	*4.94%*	*4.63%*	*5.02%*	*2.56%*	*2.47%*	*3.02%*	*3.57%*	*4.12%*	*4.66%*	*5.21%*	*5.76%*	*6.31%*
Add Back: Depreciation and Ammortization	44,592.00	49,113.00	54,026.00	54,650.00	58,103.00	14,744.00	14,561.00	15,086.00	15,086.00	59,477.00	17,389.00	13,510.92	13,440.46	13,347.26	57,687.64	60,956.47	64,111.34	68,155.09	72,494.56	77,059.31	81,590.84	86,037.04	90,115.32
Add Back: Net Interest*(1-Tax Rate)	(2,061.35)	(1,813.56)	(3,691.12)	(5,703.34)	(4,078.78)	(649.62)	(457.62)	(676.71)	(194.53)	541.45	(92.76)	(117.67)	(94.85)	(70.56)	(420.53)	(677.13)	(1,135.89)	(1,656.76)	(2,217.70)	(2,751.61)	(3,302.65)	(3,777.83)	(4,333.98)
Operating Cash Flow	**360,577.65**	**(27,127.56)**	**176,530.88**	**104,008.66**	**72,352.23**	**(5,376.62)**	**26,194.38**	**27,957.29**	**10,783.47**	**62,078.45**	**(787.76)**	**31,088.29**	**31,236.17**	**33,904.63**	**95,396.63**	**101,001.36**	**116,093.03**	**133,639.62**	**152,145.91**	**169,410.70**	**186,967.68**	**201,934.46**	**218,967.94**
% Revenue	*18.89%*	*(2.52%)*	*11.75%*	*7.64%*	*5.35%*	*(1.84%)*	*7.54%*	*7.79%*	*3.08%*	*4.60%*	*(.24%)*	*8.68%*	*8.08%*	*8.25%*	*6.41%*	*6.12%*	*6.59%*	*7.10%*	*7.65%*	*8.31%*	*8.97%*	*9.72%*	*10.38%*
Current Assets	274,911.00	301,670.26	286,561.64	275,548.76	316,990.18	306,870.07	348,856.96	369,207.85	329,827.74	329,827.74	347,829.43	333,907.02	348,056.64	360,831.26	360,831.26	382,113.27	403,232.03	426,450.46	445,611.83	451,610.37	456,543.75	449,696.36	451,738.05
% Revenue	*14.40%*	*28.08%*	*19.07%*	*20.24%*	*23.45%*	*104.81%*	*100.44%*	*102.82%*	*94.29%*	*24.45%*	*104.86%*	*93.27%*	*89.98%*	*87.76%*	*24.25%*	*23.15%*	*22.90%*	*22.65%*	*22.40%*	*22.15%*	*21.90%*	*21.65%*	*21.41%*
Current Liabilities	67,131.00	59,853.00	87,209.00	73,211.00	92,182.00	76,885.00	93,143.00	99,851.00	89,191.00	89,191.00	96,709.00	76,822.85	67,538.23	89,755.65	89,755.65	94,320.17	98,438.33	102,929.61	106,304.32	106,447.16	106,285.86	103,365.37	102,479.52
% Revenue	*3.52%*	*5.57%*	*5.80%*	*5.38%*	*6.82%*	*26.26%*	*26.82%*	*27.81%*	*25.50%*	*6.61%*	*29.16%*	*21.46%*	*17.46%*	*21.83%*	*6.03%*	*5.72%*	*5.59%*	*5.47%*	*5.34%*	*5.22%*	*5.10%*	*4.98%*	*4.86%*
Net Working Capital	**207,780.00**	**241,817.26**	**199,352.64**	**202,337.76**	**224,808.18**	**229,985.07**	**255,713.96**	**269,356.85**	**240,636.74**	**240,636.74**	**251,120.43**	**257,084.16**	**280,518.41**	**271,075.60**	**271,075.60**	**287,793.10**	**304,793.70**	**323,520.84**	**339,307.52**	**345,163.21**	**350,257.89**	**346,330.99**	**349,258.52**
% Revenue	*10.89%*	*22.50%*	*13.26%*	*14.86%*	*16.63%*	*78.55%*	*73.62%*	*75.01%*	*68.79%*	*17.84%*	*75.71%*	*71.81%*	*72.52%*	*65.93%*	*18.22%*	*17.44%*	*17.31%*	*17.18%*	*17.06%*	*16.93%*	*16.80%*	*16.68%*	*16.55%*
Change in Working Capital	*2,030.44*	34,037.26	(42,464.62)	2,985.12	22,470.42	5,176.89	25,728.89	13,642.89	(28,720.11)	15,828.56	10,483.69	5,963.73	23,434.25	(9,442.81)	30,438.86	16,717.49	17,000.61	18,727.14	15,786.67	5,855.69	5,094.69	(3,926.91)	2,927.54
Capital Expenditures	76,125.00	66,657.00	19,671.00	67,989.00	124,178.00	25,338.00	27,035.00	21,423.00	21,273.00	95,069.00	11,233.00	9,988.08	8,780.35	19,489.26	49,490.70	59,290.77	67,943.15	77,663.18	87,353.20	94,949.91	102,620.17	107,758.21	115,103.06
% Revenue	*3.99%*	*6.20%*	*1.31%*	*4.99%*	*9.19%*	*8.65%*	*7.78%*	*5.97%*	*6.08%*	*7.05%*	*3.39%*	*2.79%*	*2.27%*	*4.74%*	*3.33%*	*3.59%*	*3.86%*	*4.12%*	*4.39%*	*4.66%*	*4.92%*	*5.19%*	*5.46%*
Acquisitions	-	85,822.00	-	17,889.00	44,650.00	-	-	-	-	-	44,823.00	-	-	-	44,823.00	37,090.25	41,486.46	39,157.94	36,382.63	33,064.28	29,060.02	24,360.75	18,924.22
% Revenue	*-*	*7.99%*	*-*	*1.31%*	*3.30%*	*-*	*-*	*-*	*-*	*-*	*13.51%*	*-*	*-*	*-*	*3.01%*	*2.25%*	*2.36%*	*2.08%*	*1.83%*	*1.62%*	*1.39%*	*1.17%*	*0.90%*
Unlevered Free Cash Flow	**284,452.65**	**(213,643.82)**	**199,324.50**	**15,145.54**	**(118,946.19)**	**(35,891.51)**	**(26,569.51)**	**(7,108.60)**	**18,230.58**	**(48,819.11)**	**(67,327.45)**	**15,136.47**	**(978.44)**	**23,858.18**	**(29,355.93)**	**(12,097.16)**	**(10,337.19)**	**(1,908.65)**	**12,623.41**	**35,540.82**	**50,192.80**	**73,742.41**	**82,013.13**
Discounted Free Cash Flow												**14,989.17**	**(959.49)**	**23,168.37**		**(11,296.72)**	**(9,282.87)**	**(1,648.23)**	**10,482.83**	**28,381.80**	**38,544.72**	**54,456.75**	**58,240.98**
Discount Period												0.25	0.50	0.75		1.75	2.75	3.75	4.75	5.75	6.75	7.75	8.75
EBITDA	**516,469.00**	**(85,033.00)**	**154,533.00**	**100,431.00**	**59,372.00**	**(12,480.00)**	**29,040.00**	**14,593.00**	**2,060.00**	**33,213.00**	**(22,278.00)**	**30,905.62**	**28,152.80**	**26,861.59**	**63,642.00**	**77,675.50**	**93,813.81**	**112,604.20**	**132,865.92**	**152,670.97**	**172,940.70**	**191,036.02**	**211,019.49**
EBITDA Margin	*27.06%*	*(7.91%)*	*10.28%*	*7.38%*	*4.39%*	*(4.26%)*	*8.36%*	*4.06%*	*.59%*	*2.46%*	*(6.72%)*	*8.63%*	*7.28%*	*6.53%*	*4.28%*	*4.71%*	*5.33%*	*5.98%*	*6.68%*	*7.49%*	*8.30%*	*9.20%*	*10.00%*
EBITDA Growth	*NA*	*(116.46%)*	*(281.73%)*	*(35.01%)*	*(40.88%)*	*NA*	*NA*	*NA*	*NA*	*1512.28%*	*78.51%*	*6.42%*	*92.92%*	*1203.96%*	*136.93%*	*22.05%*	*20.78%*	*20.03%*	*17.99%*	*14.91%*	*13.28%*	*10.46%*	*10.46%*
NOPAT	**302,675.00**	**(94,279.00)**	**109,366.00**	**30,038.00**	**(462.00)**	**(21,098.00)**	**10,717.00**	**1,223.00**	**(5,097.00)**	**(14,255.00)**	**(23,829.00)**	**12,690.95**	**9,956.62**	**8,030.95**	**6,849.53**	**5,894.19**	**15,582.61**	**26,601.43**	**38,608.70**	**50,331.11**	**62,460.37**	**73,186.57**	**85,500.14**
Growth	*NA*	*(131.15%)*	*(216.00%)*	*(72.53%)*	*(101.54%)*	*NA*	*NA*	*NA*	*NA*	*179.67%*	*12.94%*	*18.42%*	*714.11%*	*(257.56%)*	*(14.71%)*	*(13.95%)*	*164.37%*	*70.71%*	*45.14%*	*30.36%*	*24.10%*	*17.17%*	*16.82%*
Invested Capital																							
Initial Invested Capital	942,931.00	976,494.44	1,113,897.70	1,037,078.08	1,071,291.20	1,204,486.62	1,220,257.51	1,258,460.40	1,278,440.29	1,204,486.62	1,255,907.18	1,305,057.87	1,305,057.87	1,323,832.01	1,255,907.18	1,322,972.10	1,375,114.15	1,437,433.03	1,504,826.20	1,571,854.14	1,628,664.71	1,683,848.75	1,726,003.75
Capital Expenditures	76,125.00	66,657.00	19,671.00	67,989.00	124,178.00	25,338.00	27,035.00	21,423.00	21,273.00	95,069.00	11,233.00	9,988.08	8,780.35	19,489.26	49,490.70	59,290.77	67,943.15	77,663.18	87,353.20	94,949.91	102,620.17	107,758.21	115,103.06
% Growth	*NA*	*(12.44%)*	*(70.49%)*	*245.63%*	*82.64%*	*NA*	*NA*	*NA*	*NA*	*(23.44%)*	*(55.67%)*	*(63.05%)*	*(59.01%)*	*(8.38%)*	*(47.94%)*	*19.80%*	*14.59%*	*14.31%*	*12.48%*	*8.70%*	*8.08%*	*5.01%*	*6.82%*
Acquisitions	-	85,822.00	-	17,889.00	44,650.00	-	-	-	-	-	44,823.00	-	-	-	44,823.00	37,090.25	41,486.46	39,157.94	36,382.63	33,064.28	29,060.02	24,360.75	18,924.22
% Growth	*NA*	*NA*	*(100.00%)*	*NA*	*149.59%*	*NA*	*NA*	*NA*	*NA*	*(100.00%)*	*NA*	*NA*	*NA*	*NA*	*NA*	*(17.25%)*	*11.85%*	*(5.61%)*	*(7.09%)*	*(9.12%)*	*(12.11%)*	*(16.17%)*	*(22.32%)*
Change in Working Capital	2,030.44	34,037.26	(42,464.62)	2,985.12	22,470.42	5,176.89	25,728.89	13,642.89	(28,720.11)	15,828.56	10,483.69	5,963.73	23,434.25	(9,442.81)	30,438.86	16,717.49	17,000.61	18,727.14	15,786.67	5,855.69	5,094.69	(3,926.91)	2,927.54
% Growth	*NA*	*1576.35%*	*(224.76%)*	*(107.03%)*	*652.75%*	*NA*	*NA*	*NA*	*NA*	*(29.56%)*	*102.51%*	*(76.82%)*	*71.77%*	*(67.12%)*	*92.30%*	*(45.08%)*	*1.69%*	*10.16%*	*(15.70%)*	*(62.91%)*	*(13.00%)*	*(177.08%)*	*(174.55%)*
Depreciation and Amortization	44,592.00	49,113.00	54,026.00	54,650.00	58,103.00	14,744.00	14,561.00	15,086.00	15,086.00	59,477.00	17,389.00	13,510.92	13,440.46	13,347.26	57,687.64	60,956.47	64,111.34	68,155.09	72,494.56	77,059.31	81,590.84	86,037.04	90,115.32
% Growth	*NA*	*10.14%*	*10.00%*	*1.15%*	*6.32%*	*NA*	*NA*	*NA*	*NA*	*2.36%*	*17.94%*	*(7.21%)*	*(10.91%)*	*(11.53%)*	*(3.01%)*	*5.67%*	*5.18%*	*6.31%*	*6.37%*	*6.30%*	*5.88%*	*5.45%*	*4.74%*
Ending Invested Capital	976,494.44	1,113,897.70	1,037,078.08	1,071,291.20	1,204,486.62	1,220,257.51	1,258,460.40	1,278,440.29	1,255,907.18	1,255,907.18	1,305,057.87	1,307,498.77	1,323,832.01	1,320,531.20	1,322,972.10	1,375,114.15	1,437,433.03	1,504,826.20	1,571,854.14	1,628,664.71	1,683,848.75	1,726,003.75	1,772,843.24
ROIC	**32.10%**	**(9.65%)**	**9.82%**	**2.90%**	**(0.04%)**	**(1.75%)**	**0.88%**	**0.10%**	**(0.40%)**	**(1.18%)**	**(1.90%)**	**0.97%**	**0.76%**	**0.61%**	**0.55%**	**0.45%**	**1.13%**	**1.85%**	**2.57%**	**3.20%**	**3.84%**	**4.35%**	**4.95%**
Growth	*NA*	*(130.08%)*	*(201.69%)*	*(70.50%)*	*(101.49%)*	*NA*	*NA*	*NA*	*NA*	*2644.32%*	*8.32%*	*10.72%*	*685.05%*	*(252.16%)*	*(146.08%)*	*(18.31%)*	*154.35%*	*63.31%*	*38.64%*	*24.80%*	*19.77%*	*13.33%*	*13.97%*
Reinvestment Rate	**6.02%**	**(126.61%)**	**(82.25%)**	**49.58%**	**(25646.20%)**	**(70.12%)**	**347.92%**	**681.24%**	**457.67%**	**(242.47%)**	**(182.54%)**	**(19.27%)**	**109.83%**	**(197.08%)**	**528.58%**	**305.24%**	**166.34%**	**107.17%**	**67.30%**	**29.39%**	**19.64%**	**(0.76%)**	**4.08%**
Growth	*NA*	*(2202.97%)*	*(35.03%)*	*(160.27%)*	*(51828.23%)*	*NA*	*NA*	*NA*	*NA*	*(99.05%)*	*160.34%*	*(105.54%)*	*(83.88%)*	*(143.06%)*	*(318.00%)*	*(42.25%)*	*(45.51%)*	*(35.57%)*	*(37.20%)*	*(56.34%)*	*(33.16%)*	*(103.87%)*	*(636.99%)*

Appendix 3 – Revenue Model

Revenue Model						Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4								
$ in Thousands	2016A	2017A	2018A	2019A	2020A	8/29/2020A	11/28/2020A	2/27/2021A	5/29/2021A	2021A	8/29/2021A	11/28/2021E	2/28/2022E	5/31/2022E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Conventional Egg Sales	1,243,377.00	548,858.00	956,909.00	810,306.00	830,278.00	155,384.00	201,725.00	203,189.00	205,987.00	766,285.00	182,549.00	199,652.39	223,298.15	250,564.03	856,063.57	934,767.95	992,942.81	1,064,948.62	1,153,177.07	1,183,887.16	1,209,212.46	1,228,733.66	1,242,110.39
% Growth	*17.40%*	*(55.86%)*	*74.35%*	*(15.32%)*	*2.46%*	*27.77%*	*7.90%*	*(3.39%)*	*(33.85%)*	*(7.71%)*	*17.48%*	*(1.03%)*	*9.90%*	*21.64%*	*11.72%*	*9.19%*	*6.22%*	*7.25%*	*8.28%*	*0.01%*	*2.14%*	*1.61%*	*1.09%*
% of Total Revenue	*65.14%*	*51.08%*	*63.67%*	*59.53%*	*61.43%*	*53.07%*	*58.08%*	*56.59%*	*58.89%*	*56.80%*	*55.03%*	*55.77%*	*57.73%*	*60.94%*	*57.54%*	*56.64%*	*56.39%*	*56.56%*	*57.97%*	*58.07%*	*58.01%*	*59.17%*	*58.87%*
Specialty egg sales	534,754.00	457,617.00	467,469.00	478,057.00	485,465.00	129,245.00	134,082.00	145,210.00	131,243.00	539,780.00	138,657.00	146,740.92	153,454.36	149,402.21	588,254.48	666,269.35	723,881.57	775,255.19	794,676.09	813,095.27	832,453.05	804,547.07	824,703.35
% Growth	*28.51%*	*(14.42%)*	*2.15%*	*2.26%*	*1.55%*	*16.22%*	*15.70%*	*16.15%*	*(1.58%)*	*11.19%*	*7.28%*	*9.44%*	*5.68%*	*13.84%*	*8.98%*	*13.26%*	*8.65%*	*7.10%*	*2.51%*	*2.32%*	*2.38%*	*(3.35%)*	*2.51%*
% of Total Revenue	*28.02%*	*42.59%*	*31.10%*	*35.12%*	*35.92%*	*44.14%*	*38.60%*	*40.44%*	*37.52%*	*40.01%*	*41.80%*	*40.99%*	*39.67%*	*36.34%*	*39.54%*	*40.37%*	*41.11%*	*41.18%*	*39.95%*	*39.88%*	*39.94%*	*38.74%*	*39.09%*
Other specialty egg sales	10,533.00	10,423.00	8,943.00	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% Growth	*(10.50%)*	*(1.04%)*	*(14.20%)*	*(100.00%)*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*
% of Total Revenue	*0.55%*	*0.97%*	*0.60%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co-pack specialty shell egg sales	49,282.00	32,689.00	26,092.00	26,112.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% Growth	*13.86%*	*(33.67%)*	*(20.18%)*	*0.08%*	*(100.00%)*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*
% of Total Revenue	*2.58%*	*3.04%*	*1.74%*	*1.92%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	70,704.00	24,926.00	43,519.00	5,205.00	4,452.00	1,447.00	1,589.00	1,583.00	1,571.00	6,190.00	1,132.00	1,297.50	1,294.12	1,306.68	5,030.30	5,469.95	6,051.95	5,789.30	5,773.09	5,833.13	5,956.79	5,921.64	6,143.11
% Growth	*54.11%*	*(64.75%)*	*74.59%*	*(88.04%)*	*(14.47%)*	*26.05%*	*81.81%*	*53.99%*	*12.05%*	*39.04%*	*(21.77%)*	*14.62%*	*(0.26%)*	*0.97%*	*(18.74%)*	*8.74%*	*10.64%*	*(4.34%)*	*(0.28%)*	*1.04%*	*2.12%*	*(0.59%)*	*3.74%*
% of Total Revenue	*3.70%*	*6.58%*	*1.66%*	*3.20%*	*0.33%*	*0.49%*	*0.46%*	*0.44%*	*0.45%*	*0.46%*	*0.34%*	*0.36%*	*0.33%*	*0.32%*	*0.34%*	*0.33%*	*0.34%*	*0.31%*	*0.29%*	*0.29%*	*0.29%*	*0.29%*	*0.29%*
Egg Products				41,508.00	31,414.00	6,705.00	9,932.00	9,098.00	10,997.00	36,732.00	9,366.00	10,305.00	8,753.07	9,893.00	38,317.07	43,769.59	37,847.56	36,814.32	35,787.20	36,073.50	36,888.76	37,453.16	37,063.65
% Growth	*NA*	*NA*	*NA*	*NA*	*(24.32%)*	*(6.89%)*	*27.38%*	*(1.24%)*	*52.65%*	*16.93%*	*39.69%*	*3.76%*	*(15.06%)*	*13.02%*	*4.32%*	*14.23%*	*(13.53%)*	*(2.73%)*	*(2.79%)*	*0.80%*	*2.26%*	*1.53%*	*(1.04%)*
% of Total Revenue	*NA*	-	-	*3.05%*	*2.32%*	*2.29%*	*2.86%*	*2.53%*	*3.14%*	*2.72%*	*2.82%*	*2.88%*	*2.26%*	*2.41%*	*2.58%*	*2.65%*	*2.15%*	*1.96%*	*1.80%*	*1.77%*	*1.77%*	*1.80%*	*1.76%*
Total Revenue	**1,908,650.00**	**1,074,513.00**	**1,502,932.00**	**1,361,188.00**	**1,351,609.00**	**292,781.00**	**347,328.00**	**359,080.00**	**349,798.00**	**1,348,987.00**	**331,704.00**	**357,995.80**	**386,799.70**	**411,165.92**	**1,487,665.42**	**1,650,276.83**	**1,760,723.90**	**1,882,807.43**	**1,989,413.45**	**2,038,889.06**	**2,084,511.06**	**2,076,655.53**	**2,110,020.50**
% Growth	*NA*	*(43.70%)*	*39.87%*	*(9.43%)*	*(.70%)*	*21.40%*	*11.49%*	*3.90%*	*(22.84%)*	*(.19%)*	*13.29%*	*3.07%*	*7.72%*	*17.54%*	*10.28%*	*10.93%*	*6.69%*	*6.93%*	*5.66%*	*2.49%*	*2.24%*	*(.38%)*	*1.61%*

Egg Units						Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4								
(dozens in thousands)	2016A	2017A	2018A	2019A	2020E	8/29/2020A	11/28/2020A	2/27/2021A	5/29/2021A	2021E	8/29/2021A	11/28/2021E	2/28/2022E	5/31/2022E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Conventional Egg Sales	791,058.00	778,538.00	780,362.00	778,052.00	813,255.00	195,238.00	201,317.00	203,070.00	185,821.00	785,446.00	184,487.00	190,206.10	201,200.01	214,157.29	790,050.40	803,399.57	825,839.38	858,018.65	900,919.58	941,460.97	979,119.40	1,013,388.58	1,043,790.24
% Growth	*(4.78%)*	*(1.58%)*	*0.23%*	*(0.30%)*	*4.52%*	*0.17%*	*0.88%*	*(1.09%)*	*(12.95%)*	*0.95%*	*(5.51%)*	*3.10%*	*5.78%*	*6.44%*	*0.59%*	*1.69%*	*2.79%*	*3.90%*	*5.00%*	*4.50%*	*4.00%*	*3.50%*	*3.00%*
Average Price Per Dozen	*$1.57*	*$0.70*	*$1.23*	*$1.04*	*$1.02*	*$0.80*	*$1.00*	*$1.00*	*$1.11*	*$1.02*	*$0.99*	*$1.05*	*$1.11*	*$1.17*	*$1.12*	*$1.16*	*$1.20*	*$1.24*	*$1.28*	*$1.26*	*$1.24*	*$1.21*	*$1.19*
Revenues	*$1,243,377.00*	*$548,858.00*	*$956,909.00*	*$810,306.00*	*$830,278.00*	*$155,384.00*	*$201,725.00*	*$203,189.00*	*$205,987.00*	*$766,285.00*	*$182,549.00*	*$199,652.39*	*$223,298.15*	*$250,564.03*	*$856,063.57*	*$934,767.95*	*$992,942.81*	*$1,064,948.62*	*$1,153,177.07*	*$1,183,887.16*	*$1,209,212.46*	*$1,228,733.66*	*$1,242,110.39*
Specialty egg sales	241,603.00	236,067.00	244,022.00	247,614.00	255,895.00	68,756.00	72,334.00	76,645.00	70,030.00	287,765.00	74,898.00	78,795.62	81,915.81	79,286.32	314,895.76	339,933.34	361,940.79	380,027.05	393,404.01	407,566.55	422,565.00	413,648.88	429,532.99
% Growth	*14.72%*	*(2.29%)*	*3.37%*	*1.47%*	*3.34%*	*15.54%*	*17.70%*	*16.18%*	*(11.26%)*	*10.32%*	*8.93%*	*5.20%*	*3.96%*	*(3.21%)*	*9.43%*	*7.95%*	*6.47%*	*5.00%*	*3.52%*	*3.60%*	*3.68%*	*(2.11%)*	*3.84%*
Average Price Per Dozen	*$2.21*	*$1.94*	*$1.92*	*$1.93*	*$1.90*	*$1.88*	*$1.85*	*$1.89*	*$1.87*	*$1.90*	*$1.85*	*$1.86*	*$1.87*	*$1.88*	*$1.86*	*$1.96*	*$2.00*	*$2.04*	*$2.02*	*$2.00*	*$1.97*	*$1.95*	*$1.92*
Revenues	*$534,754.00*	*$457,617.00*	*$467,469.00*	*$478,057.00*	*$485,465.00*	*$129,245.00*	*$134,082.00*	*$145,210.00*	*$131,243.00*	*$539,780.00*	*$138,657.00*	*$146,740.92*	*$153,454.36*	*$149,402.21*	*$588,254.48*	*$666,269.35*	*$723,881.57*	*$775,255.19*	*$794,676.09*	*$813,095.27*	*$832,453.05*	*$804,547.07*	*$824,703.35*
Co-pack specialty shell egg sales	20,936.00	16,525.00	13,329.00	13,234.00	-					-	-	-	-	-	-	-	-	-	-	-	-	-	-
% Growth	*(3.57%)*	*(21.07%)*	*(19.34%)*	*(0.71%)*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Average Price Per Dozen	*$0.50*	*$1.98*	*$1.96*	*$1.97*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenues	*$49,282.00*	*$32,689.00*	*$26,092.00*	*$26,112.00*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Units	**1,053,597.00**	**1,031,130.00**	**1,037,713.00**	**1,038,900.00**	**1,069,150.00**	**263,994.00**	**273,651.00**	**279,715.00**	**255,851.00**	**1,073,211.00**	**259,385.00**	**269,001.72**	**283,115.82**	**293,443.61**	**1,104,946.15**	**1,143,332.91**	**1,187,780.16**	**1,238,045.70**	**1,294,323.59**	**1,349,027.52**	**1,401,684.40**	**1,427,037.46**	**1,473,323.23**
% Growth	*(0.89%)*	*(2.13%)*	*0.64%*	*0.11%*	*2.91%*	*3.76%*	*4.84%*	*3.11%*	*(5.69%)*	*0.38%*	*(1.75%)*	*3.71%*	*5.25%*	*3.65%*	*276.54%*	*3.47%*	*3.89%*	*4.23%*	*4.55%*	*4.23%*	*3.90%*	*1.81%*	*3.24%*
Avg. Price per Dozen	*$1.81*	*$1.04*	*$1.45*	*$1.31*	*$1.26*	*$1.11*	*$1.27*	*$1.28*	*$1.37*	*$1.26*	*$1.28*	*$1.33*	*$1.37*	*$1.40*	*$1.35*	*$1.44*	*$1.48*	*$1.52*	*$1.54*	*$1.51*	*$1.49*	*$1.46*	*$1.43*

Appendix 4 – Working Capital Model

Days per Period	365	365	365	366	365	90	91	91	91	363	92	91	92	92	367	365	365	365	365	365	365	365	365
Working Capital Model						Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4									
$ in Thousands	2016A	2017A	2018A	2019A	2020A	8/29/2020A	11/28/2020A	2/27/2021A	5/29/2021A	2021A	8/29/2021A	11/28/2021E	2/28/2022E	5/31/2022E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Total Revenue	**1,908,650.00**	**1,074,513.00**	**1,502,932.00**	**1,361,188.00**	**1,351,609.00**	**292,781.00**	**347,328.00**	**359,080.00**	**349,798.00**	**1,348,987.00**	**331,704.00**	**357,995.80**	**386,799.70**	**411,165.92**	**1,487,665.42**	**1,650,276.83**	**1,760,723.90**	**1,882,807.43**	**1,989,413.45**	**2,038,889.06**	**2,084,511.06**	**2,076,655.53**	**2,110,020.50**
Cost of Goods Sold	**1,260,576.00**	**1,028,963.00**	**1,141,886.00**	**1,138,329.00**	**1,172,021.00**	**276,017.00**	**288,877.00**	**311,563.00**	**311,869.00**	**1,188,326.00**	**325,059.00**	**300,716.48**	**324,911.75**	**345,379.37**	**1,296,066.60**	**1,433,360.06**	**1,524,621.90**	**1,625,343.38**	**1,712,097.56**	**1,749,271.28**	**1,782,886.68**	**1,770,662.51**	**1,793,517.42**
Current Assets																							
Working Cash	38,173.00	21,490.26	30,058.64	27,223.76	27,032.18	27,019.07	27,005.96	26,992.85	26,979.74	26,979.74	27,673.13	28,366.52	29,059.92	29,753.31	29,753.31	33,005.54	35,214.48	37,656.15	39,788.27	40,777.78	41,690.22	41,533.11	42,200.41
% of Revenue	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*9.23%*	*7.78%*	*7.52%*	*7.71%*	*2.00%*	*8.34%*	*7.92%*	*7.51%*	*7.24%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*
Accounts Receivable	79,278.00	117,200.00	85,839.00	71,760.00	98,375.00	83,816.00	117,278.00	130,314.00	79,066.00	79,066.00	84,437.30	90,270.46	94,484.47	98,322.28	98,322.28	109,522.71	116,698.52	124,625.22	131,507.43	134,599.44	137,428.73	136,729.02	138,741.07
Days Sales Outstanding A/R	*15.16*	*39.81*	*20.85*	*19.30*	*26.57*	*25.76*	*30.73*	*33.02*	*20.57*	*21.28*	*23.42*	*22.95*	*22.47*	*22.00*	*24.26*	*24.22*	*24.19*	*24.16*	*24.13*	*24.10*	*24.06*	*24.03*	*24.00*
% of Revenue	*4.15%*	*10.91%*	*5.71%*	*5.27%*	*7.28%*	*28.63%*	*33.77%*	*36.29%*	*22.60%*	*5.86%*	*25.46%*	*25.22%*	*24.43%*	*23.91%*	*6.61%*	*6.64%*	*6.63%*	*6.62%*	*6.61%*	*6.60%*	*6.59%*	*6.58%*	*6.58%*
Inventory	154,799.00	160,692.00	168,644.00	172,237.00	187,216.00	189,222.00	199,262.00	207,739.00	218,375.00	218,375.00	226,470.00	207,300.05	216,721.78	225,247.42	211,891.00	232,675.57	244,357.21	257,160.49	267,368.66	269,579.48	271,096.47	265,599.38	265,342.30
Days Inventory Outstanding	*44.82*	*57.00*	*53.91*	*55.38*	*58.30*	*61.70*	*62.77*	*60.68*	*63.72*	*66.71*	*64.10*	*62.73*	*61.37*	*60.00*	*60.00*	*59.25*	*58.50*	*57.75*	*57.00*	*56.25*	*55.50*	*54.75*	*54.00*
% of Revenue	*8.11%*	*14.95%*	*11.22%*	*12.65%*	*13.85%*	*64.63%*	*57.37%*	*57.85%*	*62.43%*	*16.19%*	*68.27%*	*57.91%*	*56.03%*	*54.78%*	*14.24%*	*14.10%*	*13.88%*	*13.66%*	*13.44%*	*13.22%*	*13.01%*	*12.79%*	*12.58%*
Prepaid Expenses	2,661.00	2,288.00	2,020.00	4,328.00	4,367.00	6,813.00	5,311.00	4,162.00	5,407.00	5,407.00	9,249.00	7,969.99	7,790.47	7,508.25	7,508.25	6,909.45	6,961.83	7,008.59	6,947.48	6,653.67	6,328.33	5,834.85	5,454.26
Days Prepaid Expense Outstanding	*0.77*	*0.81*	*0.65*	*1.39*	*1.36*	*2.22*	*1.67*	*1.22*	*1.58*	*1.65*	*2.62*	*2.41*	*2.21*	*2.00*	*1.85*	*1.76*	*1.67*	*1.57*	*1.48*	*1.39*	*1.30*	*1.20*	*1.11*
% of Revenue	*0.14%*	*0.21%*	*0.13%*	*0.32%*	*0.32%*	*2.33%*	*1.53%*	*1.16%*	*1.55%*	*0.40%*	*2.79%*	*2.23%*	*2.01%*	*1.83%*	*0.50%*	*0.42%*	*0.40%*	*0.37%*	*0.35%*	*0.33%*	*0.30%*	*0.28%*	*0.26%*
Total Current Assets	**274,911.00**	**301,670.26**	**286,561.64**	**275,548.76**	**316,990.18**	**306,870.07**	**348,856.96**	**369,207.85**	**329,827.74**	**329,827.74**	**347,829.43**	**333,907.02**	**348,056.64**	**360,831.26**	**347,474.84**	**382,113.27**	**403,232.03**	**426,450.46**	**445,611.83**	**451,610.37**	**456,543.75**	**449,696.36**	**451,738.05**
% of Revenue	*14.40%*	*28.08%*	*19.07%*	*20.24%*	*23.45%*	*104.81%*	*100.44%*	*102.82%*	*94.29%*	*24.45%*	*104.86%*	*93.27%*	*89.98%*	*87.76%*	*23.36%*	*23.15%*	*22.90%*	*22.65%*	*22.40%*	*22.15%*	*21.90%*	*21.65%*	*21.41%*
Current Liabilities																							
Accounts Payable	36,262.00	30,629.00	37,840.00	39,210.00	55,904.00	76,885.00	93,143.00	99,851.00	52,784.00	52,784.00	96,709.00	76,822.85	67,538.23	56,311.85	*56,311.85*	57,074.24	58,760.60	60,566.31	61,612.06	60,715.29	59,604.59	56,934.08	55377.92149
Days Payable Outstanding	*10.50*	*10.86*	*12.10*	*12.61*	*17.41*	*25.07*	*29.34*	*29.16*	*15.40*	*16.12*	*27.37*	*23.25*	*19.12*	*15.00*	*15.00*	*14.53*	*14.07*	*13.60*	*13.14*	*12.67*	*12.20*	*11.74*	*11.27*
% of Revenue	*1.90%*	*2.85%*	*2.52%*	*2.88%*	*4.14%*	*26.26%*	*26.82%*	*27.81%*	*15.09%*	*3.91%*	*29.16%*	*21.46%*	*17.46%*	*13.70%*	*3.79%*	*3.46%*	*3.34%*	*3.22%*	*3.10%*	*2.98%*	*2.86%*	*2.74%*	*2.62%*
Accrued Charges	23,198.00	15,809.00	18,967.00	22,914.00	23,277.00	-	-	-	23,812.00	23,812.00	-	-	-	20,833.00	20,833.00	23,130.03	24,564.35	26,146.25	27,498.74	28,051.78	28,545.98	28,305.69	28625.92
Days Charges Outstanding	*6.72*	*5.61*	*6.06*	*7.37*	*7.25*	-	-	-	*6.95*	*7.27*	-	-	-	*5.55*	*5.90*	*5.89*	*5.88*	*5.87*	*5.86*	*5.85*	*5.84*	*5.83*	5.83
% of Revenue	*1.22%*	*1.47%*	*1.26%*	*1.68%*	*1.72%*	-	-	-	*6.81%*	*1.77%*	-	-	-	*5.07%*	*1.40%*	*1.40%*	*1.40%*	*1.39%*	*1.38%*	*1.38%*	*1.37%*	*1.36%*	*1.36%*
Income Taxes Payable	-	-	17,446.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Days Taxes Outstanding	-	-	*5.58*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
% of Revenue	-	-	*1.16%*	-	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Liabilities	7,671.00	13,415.00	12,956.00	11,087.00	13,001.00	-	-	-	12,595.00	12,595.00	-	-	-	12,610.80	12,610.80	14,115.90	15,113.38	16,217.06	17,193.52	17,680.10	18,135.29	18,125.60	18475.69
Days Taxes Outstanding	*1.47*	*4.56*	*3.15*	*2.98*	*3.51*	-	-	-	*3.28*	*3.39*	-	-	-	*2.82*	*3.57*	*3.59*	*3.62*	*3.64*	*3.67*	*3.69*	*3.71*	*3.74*	*3.76*
% of Revenue	*0.40%*	*1.25%*	*0.86%*	*0.81%*	*0.96%*	-	-	-	*3.60%*	*0.93%*	-	-	-	*3.07%*	*0.85%*	*0.85%*	*0.85%*	*0.86%*	*0.86%*	*0.87%*	*0.87%*	*0.87%*	*0.88%*
Total Current Liabilities	**67,131.00**	**59,853.00**	**87,209.00**	**73,211.00**	**92,182.00**	**76,885.00**	**93,143.00**	**99,851.00**	**89,191.00**	**89,191.00**	**96,709.00**	**76,822.85**	**67,538.23**	**89,755.65**	**89,755.65**	**94,320.17**	**98,438.33**	**102,929.61**	**106,304.32**	**106,447.16**	**106,285.86**	**103,365.37**	**102,479.52**
% of Revenue	*(96.48%)*	*(94.43%)*	*(94.20%)*	*(94.62%)*	*(93.18%)*	*(73.74%)*	*(73.18%)*	*(72.19%)*	*(74.50%)*	*(93.39%)*	*(70.84%)*	*(78.54%)*	*(82.54%)*	*(78.17%)*	*(93.97%)*	*(94.28%)*	*(94.41%)*	*(94.53%)*	*(94.66%)*	*(94.78%)*	*(94.90%)*	*(95.02%)*	*(95.14%)*
Net Working Capital	207,780.00	241,817.26	199,352.64	202,337.76	224,808.18	229,985.07	255,713.96	269,356.85	240,636.74	240,636.74	251,120.43	257,084.16	280,518.41	271,075.60	257,719.18	287,793.10	304,793.70	323,520.84	339,307.52	345,163.21	350,257.89	346,330.99	349,258.52
Change in Working Capital		34,037.26	(42,464.62)	2,985.12	22,470.42	5,176.89	25,728.89	13,642.89	(28,720.11)	15,828.56	10,483.69	5,963.73	23,434.25	(9,442.81)	(13,356.42)	30,073.91	17,000.61	18,727.14	15,786.67	5,855.69	5,094.69	(3,926.91)	2,927.54
Long Term Assets																							
Net PP&E Beginning	358,790.00	390,323.00	493,689.00	459,334.00	490,562.00	601,287.00	611,881.00	624,355.00	630,692.00	601,287.00	636,879.00	675,546.00	672,023.16	667,363.05	636,879.00	673,505.06	708,929.61	754,247.88	802,913.92	854,155.18	905,110.06	955,199.41	1,001,281.33
Capital Expenditures	76,125.00	66,657.00	19,671.00	67,989.00	124,178.00	25,338.00	27,035.00	21,423.00	21,273.00	95,069.00	11,233.00	9,988.08	8,780.35	19,489.26	49,490.70	59,290.77	67,943.15	77,663.18	87,353.20	94,949.91	102,620.17	107,758.21	115,103.06
% of Revenue	*3.99%*	*6.20%*	*1.31%*	*4.99%*	*9.19%*	*8.65%*	*7.78%*	*5.97%*	*6.08%*	*7.05%*	*3.39%*	*2.79%*	*2.27%*	*4.74%*	*3.33%*	*3.59%*	*3.86%*	*4.12%*	*4.39%*	*4.66%*	*4.92%*	*5.19%*	*5.46%*
% of Net PP&E Beginning	*21.22%*	*17.08%*	*3.98%*	*14.80%*	*25.31%*	*4.21%*	*4.42%*	*3.43%*	*3.37%*	*15.81%*	*1.76%*	*1.48%*	*1.31%*	*2.92%*	*7.77%*	*8.80%*	*9.58%*	*10.30%*	*10.88%*	*11.12%*	*11.34%*	*11.28%*	*18.93%*
Acquisitions	-	85,822.00	-	17,889.00	44,650.00	-	-	-	-	-	44,823.00		-	-	44,823.00	37,090.25	41,486.46	39,157.94	36,382.63	33,064.28	29,060.02	24,360.75	18,924.22
% of Revenue	*0.00%*	*7.99%*	*0.00%*	*1.31%*	*3.30%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*13.51%*	*0.00%*	*0.00%*	*0.00%*	*3.01%*	*2.25%*	*2.36%*	*2.08%*	*1.83%*	*1.62%*	*1.39%*	*1.17%*	*0.90%*
% of Net PP&E Beginning	*0.00%*	*21.99%*	*0.00%*	*3.89%*	*9.10%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*7.04%*	*0.00%*	*0.00%*	*0.00%*	*7.04%*	*5.51%*	*5.85%*	*5.19%*	*4.53%*	*3.87%*	*3.21%*	*2.55%*	*1.89%*
Depreciation and Amortization	44,592.00	49,113.00	54,026.00	54,650.00	58,103.00	14,744.00	14,561.00	15,086.00	15,086.00	59,477.00	17,389.00	13,510.92	13,440.46	13,347.26	57,687.64	60,956.47	64,111.34	68,155.09	72,494.56	77,059.31	81,590.84	86,037.04	90,115.32
% of Net PP&E Beginning	*12.43%*	*12.58%*	*10.94%*	*11.90%*	*11.84%*	*2.45%*	*2.38%*	*2.42%*	*2.39%*	*9.89%*	*2.73%*	*2.00%*	*2.00%*	*2.00%*	*9.06%*	*9.05%*	*9.04%*	*9.04%*	*9.03%*	*9.02%*	*9.01%*	*9.01%*	*9.00%*
Net PP&E Ending	390,323.00	493,689.00	459,334.00	490,562.00	601,287.00	611,881.00	624,355.00	630,692.00	636,879.00	636,879.00	675,546.00	672,023.16	667,363.05	673,505.06	673,505.06	708,929.61	754,247.88	802,913.92	854,155.18	905,110.06	955,199.41	1,001,281.33	1,045,193.28
Total Current Assets & Net PP&E	**665,234.00**	**795,359.26**	**745,895.64**	**766,110.76**	**918,277.18**	**918,751.07**	**973,211.96**	**999,899.85**	**966,706.74**	**966,706.74**	**1,023,375.43**	**1,005,930.18**	**1,015,419.69**	**1,034,336.31**	**1,020,979.89**	**1,091,042.88**	**1,157,479.91**	**1,229,364.37**	**1,299,767.01**	**1,356,720.43**	**1,411,743.16**	**1,450,977.68**	**1,496,931.33**
% of Revenue	*34.85%*	*74.02%*	*49.63%*	*56.28%*	*67.94%*	*313.80%*	*280.20%*	*278.46%*	*276.36%*	*71.66%*	*308.52%*	*280.99%*	*262.52%*	*251.56%*	*68.63%*	*66.11%*	*65.74%*	*65.29%*	*65.33%*	*66.54%*	*67.73%*	*69.87%*	*70.94%*

Appendix 5 – Discounted Cash Flows Valuation Assumptions

Discounted Free Cash Flow Assumptions			
Tax Rate	21.00%	Terminal Growth Rate	1.86%
Risk Free Rate	1.56%	Terminal Value	3,211,963.59
Beta	0.41	PV of Terminal Value	2,280,950.70
Market Risk Premium	5.82%	Sum of PV Free Cash Flows	205,077.32
% Equity	103.24%	Firm Value	2,486,028.02
% Debt	(3.24%)	Total Debt	2,133.00
Cost of Debt	4.33%	Other Claims on Value	106,996.00
CAPM	3.97%	Cash & Cash Equivalents	58,979.39
WACC	3.99%	Market Capitalization	2,435,878.41
Terminal Risk Free Rate	2.02%	Fully Diluted Shares	44,057.33
Terminal CAPM	4.43%	Implied Price	55.29
Terminal WACC	4.46%	Current Price	41.13
		Undervalued	34.42%

	Target Price	Weight
Discounted Cash Flow (WACC)	55.29	80.00%
Trading Comparables	44.14	20.00%
Implied Share Price	**53.06**	
Current Share Price	**41.13**	
Overvalued	**29.00%**	

Considerations	
Current Reinvestment Rate	10358.44%
Reinvestment Rate in Year 2030	14.14%
Implied Return on Capital in Perpetuity	13.16%
Terminal Value as a % of Total	91.75%
Implied Multiple in Year 2030	15.22x
Terminal COGS Margin	88.67%
Free Cash Flow Growth Rate in Year 2030	11.22%
Net Working Capital	Positive
Growth in ROIC	High Growth
Growth in Reinvestment Rate	Low Growth

Betas	
1-Year Daily Regresed	0.19
3-Year Daily Regressed	0.41
5-Year Daily Regressed	0.42
1-Year Weekly Regressed	0.06
3-Year Weekly Regressed	0.20
5-Year Weekly Regressed	0.28
1-Year Vasicek	0.55
3-Year Vasicek	0.60
5-Year Vasicek	0.61
Bottom-up	0.62

Appendix 6 –Sensitivity Analysis

Implied Price

Adjusted Beta \ Terminal Growth Rate	1.04%	1.54%	2.04%	2.54%	3.04%
0.41	42.46	49.34	59.05	73.79	98.87
0.51	34.85	39.49	45.67	54.28	67.15
0.61	29.25	32.55	36.76	42.32	49.99
0.71	24.97	27.41	30.43	34.26	39.27
0.81	21.61	23.47	25.71	28.47	31.96

Undervalued/(Overvalued)

Adjusted Beta \ Terminal Growth Rate	1.04%	1.54%	2.04%	2.54%	3.04%
0.41	3.23%	19.95%	43.56%	79.41%	140.38%
0.51	(15.28%)	(3.99%)	11.03%	31.98%	63.26%
0.61	(28.88%)	(20.85%)	(10.61%)	2.90%	21.55%
0.71	(39.28%)	(33.35%)	(26.01%)	(16.70%)	(4.51%)
0.81	(47.47%)	(42.95%)	(37.49%)	(30.77%)	(22.30%)

Implied Price

WACC \ Terminal Growth Rate	1.04%	1.54%	2.04%	2.54%	3.04%
3.27%	45.21	52.55	62.92	78.68	105.54
4.27%	41.55	48.30	57.83	72.32	97.00
5.27%	38.21	44.42	53.19	66.52	89.23
6.27%	35.17	40.88	48.96	61.23	82.13
7.27%	32.39	37.66	45.09	56.40	75.66

Undervalued/(Overvalued)

WACC \ Terminal Growth Rate	1.04%	1.54%	2.04%	2.54%	3.04%
3.27%	9.92%	27.76%	52.97%	91.30%	156.61%
4.27%	1.02%	17.42%	40.59%	75.83%	135.85%
5.27%	(7.09%)	8.00%	29.31%	61.72%	116.94%
6.27%	(14.49%)	(0.60%)	19.03%	48.86%	99.69%
7.27%	(21.24%)	(8.45%)	9.63%	37.12%	83.95%

Implied Price

Terminal COGS Margin \ Terminal Growth Rate	1.04%	1.54%	2.04%	2.54%	3.04%
86.67%	42.56	49.46	59.23	74.07	99.35
87.67%	42.56	49.46	59.23	74.07	99.35
88.67%	42.56	49.46	59.23	74.07	99.35
89.67%	42.56	49.46	59.23	74.07	99.35
90.67%	42.56	49.46	59.23	74.07	99.35

Undervalued/(Overvalued)

Terminal COGS Margin \ Terminal Growth Rate	1.04%	1.54%	2.04%	2.54%	3.04%
86.67%	3.47%	20.26%	44.00%	80.08%	141.56%
87.67%	3.47%	20.26%	44.00%	80.08%	141.56%
88.67%	3.47%	20.26%	44.00%	80.08%	141.56%
89.67%	3.47%	20.26%	44.00%	80.08%	141.56%
90.67%	3.47%	20.26%	44.00%	80.08%	141.56%

Implied Price

Tax Rate \ Terminal Growth Rate	1.04%	1.54%	2.04%	2.54%	3.04%
19.00%	4259.9%	4952.1%	5930.5%	7418.9%	9956.6%
20.00%	4257.8%	4949.3%	5926.6%	7412.9%	9945.9%
21.00%	4255.7%	4946.5%	5922.6%	7406.8%	9935.3%
22.00%	4253.6%	4943.7%	5918.7%	7400.8%	9924.6%
23.00%	4251.5%	4940.9%	5914.8%	7394.8%	9914.0%

Undervalued/(Overvalued)

Tax Rate \ Terminal Growth Rate	1.04%	1.54%	2.04%	2.54%	3.04%
19.00%	3.57%	20.40%	44.19%	80.38%	142.08%
20.00%	3.52%	20.33%	44.09%	80.23%	141.82%
21.00%	3.47%	20.26%	44.00%	80.08%	141.56%
22.00%	3.42%	20.20%	43.90%	79.94%	141.30%
23.00%	3.37%	20.13%	43.81%	79.79%	141.04%

Appendix 8 – Sources

CALM Company Presentations
CALM Earnings Calls
CALM Investor Relations
CALM Press Releases
CapitalIQ
FDA Statistics
IBIS World
National Chicken Council
Poultry Production Magazine 2021
SEC Filings
Statista
Urner Barry
Wall Street Journal

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