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CONSOLIDATED BALANCE SHEETS

	December 31, 2018	December 31, 2017
	(\$ in thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 201,005	\$ 73,132
Receivables, net	1,857,063	1,902,448
Inventories	2,417,979	2,639,969
Prepaid assets	1,520,307	1,885,769
Other current assets	32,497	15,105
Total current assets	6,028,851	6,516,423
Investments	317,117	311,127
Property, plant and equipment, net	1,490,201	1,411,490
Goodwill	569,994	578,064
Other intangibles, net	474,986	506,725
Other assets	243,227	185,071
Total assets	\$ 9,124,376	\$ 9,508,900
LIABILITIES AND EQUITIES		
Current liabilities:		
Notes and short-term obligations	\$ 186,219	\$ 679,578
Current portion of long-term debt	89,133	24,899
Accounts payable	1,803,833	1,859,421
Customer advances	1,868,864	1,936,086
Accrued liabilities	583,461	566,194
Patronage refunds and other member equities payable	146,575	140,629
Total current liabilities	4,678,085	5,206,807
Long-term debt	985,174	1,056,469
Employee benefits and other liabilities	549,774	522,989
Commitments and contingencies	—	—
Equities:		
Preferred Stock	747,645	552,300
Common stock	751	754
Additional paid-in capital	303,564	307,261
Member equities	1,270,549	1,250,498
Retained earnings	833,606	802,928
Accumulated other comprehensive loss	(261,728)	(218,303)
Total Land O'Lakes, Inc. equity	2,894,387	2,695,438
Noncontrolling interests	16,956	27,197
Total equities	2,911,343	2,722,635
Total liabilities and equities	\$ 9,124,376	\$ 9,508,900

LAND O'LAKES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Year Ended December 31,		
	2018	2017	2016
	(\$ in thousands)		
Net sales	\$ 14,936,208	\$ 13,740,362	\$ 13,233,444
Cost of sales	13,576,020	12,170,316	11,692,196
Gross profit	<u>1,360,188</u>	<u>1,570,046</u>	<u>1,541,248</u>
Selling, general and administrative	1,089,768	1,168,503	1,166,672
Earnings from operations	<u>270,420</u>	<u>401,543</u>	<u>374,576</u>
Interest expense, net	77,906	69,760	64,686
Other expense (income), net	2,589	(171)	1,891
Equity in earnings of affiliated companies	<u>(44,699)</u>	<u>(46,196)</u>	<u>(39,496)</u>
Earnings before income taxes	234,624	378,150	347,495
Income tax (benefit) expense	<u>(20,587)</u>	<u>13,317</u>	<u>27,596</u>
Net earnings	255,211	364,833	319,899
Less: net earnings attributable to noncontrolling interests	726	50,622	74,962
Net earnings attributable to Land O'Lakes, Inc.	<u><u>\$ 254,485</u></u>	<u><u>\$ 314,211</u></u>	<u><u>\$ 244,937</u></u>
Applied to:			
Allocated patronage	\$ 216,529	\$ 218,980	\$ 181,977
Retained earnings	<u>37,956</u>	<u>95,231</u>	<u>62,960</u>
	<u><u>\$ 254,485</u></u>	<u><u>\$ 314,211</u></u>	<u><u>\$ 244,937</u></u>

LAND O'LAKES, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS

	For the Year Ended December 31, 2018		
	2018	2017	2016
	(\$ in thousands)		
Net earnings	\$ 255,211	\$ 364,833	\$ 319,899
Other comprehensive earnings, net of tax			
Pension and other postretirement adjustments, net of income taxes	9,260	(215)	1,348
Cash flow hedge adjustments, net of income taxes	2,089	1,963	1,761
Foreign currency translation adjustments, net of income taxes	(14,885)	4,039	6,682
Total other comprehensive earnings (loss)	(3,536)	5,787	9,791
Comprehensive earnings	251,675	370,620	329,690
Less: comprehensive earnings (loss) attributable to noncontrolling interests	(2,642)	52,523	79,448
Comprehensive earnings attributable to Land O'Lakes, Inc.	<u>\$ 254,317</u>	<u>\$ 318,097</u>	<u>\$ 250,242</u>

LAND O'LAKES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Year Ended December 31,		
	2018	2017	2016
	(\$ in thousands)		
Cash Flows from operating activities:			
Net earnings	\$ 255,211	\$ 364,833	\$ 319,899
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	242,552	210,536	180,022
Amortization of deferred financing costs	1,779	1,783	1,965
Non-cash patronage income	(4,978)	(1,833)	(3,174)
Deferred income tax (benefit) expense	(4,884)	(2,860)	9,931
Multiemployer pension withdrawal and related expenses	72,054	—	—
Equity in earnings of affiliated companies	(44,699)	(46,196)	(39,496)
Dividends from investments in affiliated companies	35,544	37,079	39,119
Other	7,397	2,798	2,644
Changes in assets and liabilities, net of acquisitions and divestitures:			
Receivables	42,819	(92,746)	(123,488)
Inventories	209,727	(357,670)	(106,630)
Prepays and other current assets	372,539	(107,391)	(112,075)
Accounts payable	(69,877)	126,205	63,398
Customer advances	(78,420)	155,401	(89,166)
Accrued liabilities	(450)	(54,242)	(62,162)
Other assets	(53,740)	(4,980)	(1,712)
Other liabilities	(14,962)	(6,578)	20,503
Net cash provided by operating activities	<u>967,612</u>	<u>224,139</u>	<u>99,578</u>
Cash Flows from investing activities:			
Additions to property, plant and equipment	(272,512)	(371,484)	(242,407)
Purchase of intangible assets	—	—	(199,899)
Acquisitions, net of cash acquired	(11,342)	(130,988)	(29,355)
Cash received upon completion of the acquisition of United Suppliers, Inc.	—	51,442	—
Investments in affiliates	(1,679)	(6,398)	(4,916)
Net proceeds from sale of investments	6,218	4,432	5,751
Proceeds from sale of property, plant and equipment	5,530	10,564	26,415
Change in notes receivable	(15,397)	(159,021)	57,643
Other	—	42	1,581
Net cash used by investing activities	<u>(289,182)</u>	<u>(601,411)</u>	<u>(385,187)</u>
Cash Flows from financing activities:			
(Decrease) increase in short-term debt	(484,335)	166,522	365,881
Proceeds from issuance of long-term debt	991	200,115	2,302
Principal payments on long-term debt and capital lease obligations	(4,998)	(8,842)	(161,575)
Cash patronage and payments for redemption of member equities	(194,261)	(148,672)	(187,285)
Proceeds from preferred stock issued	195,345	244,492	112,424
Distributions to noncontrolling interest holders	—	(66,160)	(52,880)
Preferred stock dividends paid	(47,856)	(37,837)	(22,900)
Other	(11,950)	(1,093)	(10,447)
Net cash (used by) provided by financing activities	<u>(547,064)</u>	<u>348,525</u>	<u>45,520</u>
Effect of exchange rate changes on cash and cash equivalents	(3,493)	855	—
Net increase (decrease) in cash and cash equivalents	131,366	(28,747)	(240,089)
Cash and cash equivalents at beginning of the period	73,132	101,024	341,113
Cash and cash equivalents at end of the period	<u>\$ 201,005</u>	<u>\$ 73,132</u>	<u>\$ 101,024</u>