

LAND O'LAKES, INC.
CONSOLIDATED BALANCE SHEETS

	June 30, 2022	December 31, 2021
	(Unaudited)	
	(\$ in thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 61,841	\$ 506,792
Receivables, net	2,808,459	2,341,699
Inventories	2,366,054	2,008,538
Prepaid assets	136,752	1,624,830
Other current assets	445,416	148,500
Total current assets	5,818,522	6,630,359
Investments	413,170	364,631
Property, plant and equipment, net	1,384,940	1,422,971
Goodwill	573,043	573,740
Other intangibles, net	332,008	353,135
Other assets	215,582	215,186
Total assets	\$ 8,737,265	\$ 9,560,022
LIABILITIES AND EQUITIES		
Current liabilities:		
Notes and short-term obligations	\$ 623,479	\$ 227,426
Current portion of long-term debt	185,214	183,714
Accounts payable	1,702,945	1,714,379
Customer advances	236,422	1,998,985
Accrued liabilities	1,450,822	952,528
Patronage refunds and other member equities payable	130,145	132,169
Total current liabilities	4,329,027	5,209,201
Long-term debt	793,307	793,336
Employee benefits and other liabilities	438,498	439,633
Commitments and contingencies	—	—
Equities:		
Preferred Stock	747,645	747,645
Common stock	708	723
Additional paid-in capital	303,306	302,788
Member equities	1,248,300	1,272,700
Retained earnings	1,003,360	929,811
Accumulated other comprehensive loss	(177,405)	(188,181)
Total Land O'Lakes, Inc. equity	3,125,914	3,065,486
Noncontrolling interests	50,519	52,366
Total equities	3,176,433	3,117,852
Total liabilities and equities	\$ 8,737,265	\$ 9,560,022

LAND O'LAKES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Net sales	\$ 4,863,806	\$ 4,047,715	\$ 9,883,845	\$ 7,974,696
Cost of sales	4,533,429	3,684,198	9,079,551	7,183,141
Gross profit	<u>330,377</u>	<u>363,517</u>	<u>804,294</u>	<u>791,555</u>
Selling, general and administrative	291,925	282,242	583,037	557,556
Earnings from operations	<u>38,452</u>	<u>81,275</u>	<u>221,257</u>	<u>233,999</u>
Interest expense, net	8,875	14,521	18,413	26,483
Other income, net	(581)	(6,436)	(6,276)	(6,487)
Equity in earnings of affiliated companies	<u>(42,647)</u>	<u>(33,920)</u>	<u>(56,937)</u>	<u>(41,366)</u>
Earnings before income taxes	72,805	107,110	266,057	255,369
Income tax expense	<u>4,066</u>	<u>7,455</u>	<u>18,665</u>	<u>19,715</u>
Net earnings	<u>68,739</u>	<u>99,655</u>	<u>247,392</u>	<u>235,654</u>
Less: net earnings attributable to noncontrolling interests	155	395	1,609	1,063
Net earnings attributable to Land O'Lakes, Inc.	<u>\$ 68,584</u>	<u>\$ 99,260</u>	<u>\$ 245,783</u>	<u>\$ 234,591</u>
Applied to:				
Member equities				
Allocated patronage	\$ 63,527	\$ 62,281	\$ 166,719	\$ 124,045
Deferred equities	<u>(20,188)</u>	<u>(755)</u>	<u>(24,205)</u>	<u>726</u>
	43,339	61,526	142,514	124,771
Retained earnings	<u>25,245</u>	<u>37,734</u>	<u>103,269</u>	<u>109,820</u>
	<u>\$ 68,584</u>	<u>\$ 99,260</u>	<u>\$ 245,783</u>	<u>\$ 234,591</u>

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Net earnings	\$ 68,739	\$ 99,655	\$ 247,392	\$ 235,654
Other comprehensive earnings				
Pension and other postretirement adjustments, net of income taxes	2,850	3,846	5,700	7,692
Cash flow hedge adjustments, net of income taxes	2,273	(599)	8,587	4,443
Foreign currency translation adjustments, net of income taxes	(29,171)	11,766	(5,801)	7,009
Total other comprehensive earnings	(24,048)	15,013	8,486	19,144
Comprehensive earnings	44,691	114,668	255,878	254,798
Less: comprehensive earnings (losses) attributable to noncontrolling interests	(7,979)	3,295	(775)	982
Comprehensive earnings attributable to Land O'Lakes, Inc.	<u>\$ 52,670</u>	<u>\$ 111,373</u>	<u>\$ 256,653</u>	<u>\$ 253,816</u>

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

	For the six months ended June 30,	
	2022	2021
Cash Flows from operating activities:		
Net earnings	\$ 247,392	\$ 235,654
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	122,512	124,713
Amortization of deferred financing costs	582	731
Non-cash patronage income	(4,221)	(2,542)
Deferred income tax expense	(4,238)	4,956
Equity in earnings of affiliated companies	(56,937)	(41,366)
Dividends from investments in affiliated companies	18,486	17,400
Other	(12,455)	(9,205)
Changes in assets and liabilities, net of acquisitions and divestitures:		
Receivables	(485,295)	(450,440)
Inventories	(362,386)	47,570
Prepays and other current assets	1,462,224	949,083
Accounts payable	(9,367)	(223,127)
Customer advances	(1,761,713)	(1,455,729)
Accrued liabilities	284,434	228,354
Other assets	(1,747)	(13,492)
Other liabilities	(26,931)	(27,939)
Net cash used by operating activities	(589,660)	(615,379)
Cash Flows from investing activities:		
Additions to property, plant and equipment	(71,793)	(67,434)
Investments in affiliates	(260)	(1,428)
Net proceeds from divestiture of businesses	—	10,000
Proceeds from sale of property, plant and equipment	11,429	7,033
Change in notes receivable	12,049	(9,747)
Other	23	15
Net cash used by investing activities	(48,552)	(61,561)
Cash Flows from financing activities:		
Increase (decrease) in short-term debt	396,661	146,555
Proceeds from issuance of long-term debt	—	521
Principal payments on long-term debt and capital lease obligations	(1,441)	(7,318)
Cash patronage and payments for redemption of member equities	(170,219)	(151,914)
Preferred stock dividends paid	(28,662)	(28,662)
Other	(30)	(303)
Net cash provided by (used by) financing activities	196,309	(41,121)
Effect of exchange rate changes on cash and cash equivalents	(3,048)	7,585
Net decrease ¹ in cash and cash equivalents	(441,903)	(718,061)
Cash and cash equivalents at beginning of the period	506,792	778,221
Cash and cash equivalents at end of the period	\$ 61,841	\$ 67,745
Supplementary Disclosure of Cash Flow Information		
Cash paid during periods for:		
Interest	\$ 29,581	\$ 31,558
Income taxes	11,946	3,951