

LAND O'LAKES, INC.
CONSOLIDATED BALANCE SHEETS

	March 31, 2021	December 31, 2020
	(Unaudited)	
	(\$ in thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 388,021	\$ 778,221
Receivables, net	2,762,595	2,009,661
Inventories	1,990,369	1,950,353
Prepaid assets	430,488	1,262,342
Other current assets	295,270	175,973
Total current assets	5,866,743	6,176,550
Investments	331,238	331,455
Property, plant and equipment, net	1,463,712	1,520,359
Goodwill	589,622	565,613
Other intangibles, net	387,189	398,292
Other assets	232,381	193,767
Total assets	\$ 8,870,885	\$ 9,186,036
LIABILITIES AND EQUITIES		
Current liabilities:		
Notes and short-term obligations	\$ 202,458	\$ 193,639
Current portion of long-term debt	140,174	139,123
Accounts payable	1,898,973	1,719,273
Customer advances	822,712	1,744,719
Accrued liabilities	1,114,323	843,247
Patronage refunds and other member equities payable	151,058	117,994
Total current liabilities	4,329,698	4,757,995
Long-term debt	949,839	947,280
Employee benefits and other liabilities	515,445	520,029
Commitments and contingencies	—	—
Equities:		
Preferred Stock	747,645	747,645
Common stock	704	695
Additional paid-in capital	302,788	301,672
Member equities	1,272,374	1,258,508
Retained earnings	943,196	885,249
Accumulated other comprehensive loss	(238,725)	(245,837)
Total Land O'Lakes, Inc. equity	3,027,982	2,947,932
Noncontrolling interests	47,921	12,800
Total equities	3,075,903	2,960,732
Total liabilities and equities	\$ 8,870,885	\$ 9,186,036

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

	For the Three Months Ended	
	March 31,	
	2021	2020
Net sales	\$ 3,926,981	\$ 3,762,938
Cost of sales	3,498,943	3,418,169
Gross profit	<u>428,038</u>	<u>344,769</u>
Selling, general and administrative	275,315	289,681
Earnings from operations	<u>152,723</u>	<u>55,088</u>
Interest expense, net	11,962	12,836
Other expense, net	(52)	1,834
Equity in (earnings) losses of affiliated companies	<u>(7,446)</u>	<u>858</u>
Earnings before income taxes	148,259	39,560
Income tax expense	<u>12,260</u>	<u>2,842</u>
Net earnings	<u>135,999</u>	<u>36,718</u>
Less: net earnings attributable to noncontrolling interests	668	134
Net earnings attributable to Land O'Lakes, Inc.	<u><u>\$ 135,331</u></u>	<u><u>\$ 36,584</u></u>
 Applied to:		
Member equities		
Allocated patronage	\$ 61,764	\$ 41,445
Deferred equities	<u>1,481</u>	<u>(22,153)</u>
	63,245	19,292
Retained earnings	<u>72,086</u>	<u>17,292</u>
	<u><u>\$ 135,331</u></u>	<u><u>\$ 36,584</u></u>

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

	For the Three Months Ended	
	March 31,	
	2021	2020
Net earnings	\$ 135,999	\$ 36,718
Other comprehensive earnings, net of tax		
Pension and other postretirement adjustments, net of tax	3,846	3,598
Cash flow hedge adjustments, net of tax	5,042	(8,599)
Foreign currency translation adjustments, net of tax	(4,773)	(23,201)
Total other comprehensive earnings (loss)	<u>4,115</u>	<u>(28,202)</u>
Comprehensive earnings	140,114	8,516
Less: comprehensive earnings (loss) attributable to noncontrolling interests	(2,444)	(1,119)
Comprehensive earnings attributable to Land O'Lakes, Inc.	<u>\$ 142,558</u>	<u>\$ 9,635</u>

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

For the three months ended March
31,

	2021	2020
	(\$ in thousands)	
Cash Flows from operating activities:		
Net earnings	\$ 135,999	\$ 36,718
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	62,213	60,913
Amortization of deferred financing costs	236	367
Non-cash patronage income	(1,470)	(2,068)
Deferred income tax expense	3,386	—
Equity in (earnings) losses of affiliated companies	(7,446)	858
Dividends from investments in affiliated companies	9,400	7,750
Other	(1,161)	(1,330)
Changes in assets and liabilities, net of acquisitions and divestitures:		
Receivables	(747,561)	(779,841)
Inventories	(41,380)	68,756
Prepays and other current assets	841,377	774,048
Accounts payable	218,034	62,395
Customer advances	(923,068)	(970,034)
Accrued liabilities	161,641	101,759
Other assets	(5,949)	2,589
Other liabilities	(26,499)	(3,985)
Net cash used by operating activities	<u>(322,248)</u>	<u>(641,105)</u>
Cash Flows from investing activities:		
Additions to property, plant and equipment	(37,827)	(41,392)
Acquisitions, net of cash acquired	—	(213)
Investments in affiliates	(1,428)	(4,550)
Net proceeds from sale of investments	—	96
Proceeds from sale of property, plant and equipment	8,442	2,732
Change in notes receivable	(17,004)	(10,640)
Other	1	138
Net cash used by investing activities	<u>(47,816)</u>	<u>(53,829)</u>
Cash Flows from financing activities:		
Increase in short-term debt	9,172	451,643
Proceeds from issuance of long-term debt	—	1,162
Principal payments on long-term debt and capital lease obligations	(313)	(601)
Cash patronage and payments for redemption of member equities	(16,140)	(13,304)
Preferred stock dividends paid	(14,331)	(14,331)
Other	88	(4,140)
Net cash (used by) provided by financing activities	<u>(21,524)</u>	<u>420,429</u>
Effect of exchange rate changes on cash and cash equivalents	1,388	(5,818)
Net decrease in cash and cash equivalents	(391,588)	(274,505)
Cash and cash equivalents at beginning of the period	778,221	335,714
Cash and cash equivalents at end of the period	<u>\$ 388,021</u>	<u>\$ 55,391</u>
Supplementary Disclosure of Cash Flow Information		
Cash paid during periods for:		
Interest	\$ 13,629	\$ 16,868
Income taxes	443	466