

LAND O'LAKES, INC.
CONSOLIDATED BALANCE SHEETS

	June 30, 2021	December 31, 2020
	(Unaudited)	
	(\$ in thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 67,745	\$ 778,221
Receivables, net	2,467,381	2,009,661
Inventories	1,904,476	1,950,353
Prepaid assets	326,629	1,262,342
Other current assets	340,778	175,973
Total current assets	5,107,009	6,176,550
Investments	357,989	331,455
Property, plant and equipment, net	1,436,664	1,520,359
Goodwill	591,320	565,613
Other intangibles, net	374,290	398,292
Other assets	234,608	193,767
Total assets	\$ 8,101,880	\$ 9,186,036
LIABILITIES AND EQUITIES		
Current liabilities:		
Notes and short-term obligations	\$ 342,491	\$ 193,639
Current portion of long-term debt	138,481	139,123
Accounts payable	1,455,871	1,719,273
Customer advances	292,571	1,744,719
Accrued liabilities	1,221,673	843,247
Patronage refunds and other member equities payable	92,184	117,994
Total current liabilities	3,543,271	4,757,995
Long-term debt	941,691	947,280
Employee benefits and other liabilities	517,841	520,029
Commitments and contingencies	—	—
Equities:		
Preferred Stock	747,645	747,645
Common stock	703	695
Additional paid-in capital	302,788	301,672
Member equities	1,256,110	1,258,508
Retained earnings	967,197	885,249
Accumulated other comprehensive loss	(226,727)	(245,837)
Total Land O'Lakes, Inc. equity	3,047,716	2,947,932
Noncontrolling interests	51,361	12,800
Total equities	3,099,077	2,960,732
Total liabilities and equities	\$ 8,101,880	\$ 9,186,036

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
	(\$ in thousands)			
Net sales	\$ 4,047,715	\$ 3,544,989	\$ 7,974,696	\$ 7,307,927
Cost of sales	3,684,198	3,211,485	7,183,141	6,629,654
Gross profit	<u>363,517</u>	<u>333,504</u>	<u>791,555</u>	<u>678,273</u>
Selling, general and administrative	282,242	258,555	557,556	548,235
Earnings from operations	<u>81,275</u>	<u>74,949</u>	<u>233,999</u>	<u>130,038</u>
Interest expense, net	14,521	15,538	26,483	28,375
Other (income) expense, net	(6,436)	1,834	(6,487)	3,667
Equity in earnings of affiliated companies	<u>(33,920)</u>	<u>(30,537)</u>	<u>(41,366)</u>	<u>(29,679)</u>
Earnings before income taxes	<u>107,110</u>	<u>88,114</u>	<u>255,369</u>	<u>127,675</u>
Income tax expense	7,455	6,508	19,715	9,350
Net earnings	<u>99,655</u>	<u>81,606</u>	<u>235,654</u>	<u>118,325</u>
Less: net earnings attributable to noncontrolling interests	395	693	1,063	828
Net earnings attributable to Land O'Lakes, Inc.	<u>\$ 99,260</u>	<u>\$ 80,913</u>	<u>\$ 234,591</u>	<u>\$ 117,497</u>
Applied to:				
Member equities				
Allocated patronage	\$ 62,281	\$ 42,603	\$ 124,045	\$ 84,048
Deferred equities	(755)	12,971	726	(9,182)
	<u>61,526</u>	<u>55,574</u>	<u>124,771</u>	<u>74,866</u>
Retained earnings	37,734	25,339	109,820	42,631
	<u>\$ 99,260</u>	<u>\$ 80,913</u>	<u>\$ 234,591</u>	<u>\$ 117,497</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,	
	2021	2020	2021	2020
	(\$ in thousands)			
Net earnings	\$ 99,655	\$ 81,606	\$ 235,654	\$ 118,325
Other comprehensive earnings, net of tax				
Pension and other postretirement adjustments, net of tax	3,846	3,597	7,692	7,195
Cash flow hedge adjustments, net of tax	(599)	(661)	4,443	(9,260)
Foreign currency translation adjustments, net of tax	11,766	5,362	7,009	(17,839)
Total other comprehensive earnings (loss)	15,013	8,298	19,144	(19,904)
Comprehensive earnings	114,668	89,904	254,798	98,421
Less: comprehensive earnings (loss) attributable to noncontrolling interests	3,410	837	982	(281)
Comprehensive earnings attributable to Land O'Lakes, Inc.	<u>\$ 111,258</u>	<u>\$ 89,067</u>	<u>\$ 253,816</u>	<u>\$ 98,702</u>

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

	For the six months ended June 30,	
	2021	2020
	(\$ in thousands)	
Cash Flows from operating activities:		
Net earnings	\$ 235,654	\$ 118,325
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	124,713	122,137
Amortization of deferred financing costs	731	731
Non-cash patronage income	(2,542)	(2,856)
Deferred income tax expense	4,956	—
Equity in (earnings) losses of affiliated companies	(41,366)	(29,679)
Dividends from investments in affiliated companies	17,400	17,152
Other	(9,205)	(423)
Changes in assets and liabilities, net of acquisitions and divestitures:		
Receivables	(450,440)	(331,631)
Inventories	47,570	292,117
Prepays and other current assets	949,083	984,094
Accounts payable	(223,127)	(392,800)
Customer advances	(1,455,729)	(1,340,941)
Accrued liabilities	228,354	143,402
Other assets	(13,492)	615
Other liabilities	(27,939)	(7,272)
Net cash used by operating activities	(615,379)	(427,029)
Cash Flows from investing activities:		
Additions to property, plant and equipment	(67,434)	(71,571)
Acquisitions, net of cash acquired	—	(213)
Investments in affiliates	(1,428)	(4,550)
Net proceeds from divestiture of businesses	10,000	—
Net proceeds from sale of investments	—	1,500
Proceeds from sale of property, plant and equipment	7,033	6,131
Change in notes receivable	(9,747)	(8,461)
Other	15	(79)
Net cash used by investing activities	(61,561)	(77,243)
Cash Flows from financing activities:		
Increase in short-term debt	146,555	410,113
Proceeds from issuance of long-term debt	521	1,291
Principal payments on long-term debt and capital lease obligations	(7,318)	(1,121)
Cash patronage and payments for redemption of member equities	(151,914)	(152,587)
Preferred stock dividends paid	(28,662)	(28,662)
Other	(303)	(4,184)
Net cash (used by) provided by financing activities	(41,121)	224,850
Effect of exchange rate changes on cash and cash equivalents	7,585	(2,984)
Net decrease in cash and cash equivalents	(718,061)	(279,422)
Cash and cash equivalents at beginning of the period	778,221	335,714
Cash and cash equivalents at end of the period	\$ 67,745	\$ 53,308
Supplementary Disclosure of Cash Flow Information		
Cash paid during periods for:		
Interest	\$ 31,558	\$ 38,412
Income taxes	3,951	1,552