



For further information:  
Contact: Rebecca Lentz  
(651) 355-4579  
[rebecca.lentz@chsinc.com](mailto:rebecca.lentz@chsinc.com)

## CHS Reports \$125.4 Million in Second Quarter Net Income

St. Paul, Minnesota (April 8, 2020) – CHS Inc., the nation’s leading agribusiness cooperative, today reported net income of \$125.4 million for the second quarter of fiscal year 2020 that ended Feb. 29, 2020. This compares to net income of \$248.8 million in the second quarter of fiscal year 2019.

The company reported revenues of \$6.6 billion for the second quarter of fiscal year 2020 compared to revenues of \$6.5 billion for the second quarter of fiscal year 2019. In the first six months of fiscal year 2020, CHS reported net income of \$303.3 million compared to net income of \$596.3 million in the first six months of fiscal year 2019.

“Today our top focus is on our core value of safety—including the health and safety of our employees, farmers, our owners, our customers, our local cooperatives and the communities where we live and work around the world—as we all navigate the impact of COVID-19,” said Jay Debertin, president and CEO of CHS Inc. “The investments we’ve made in our infrastructure connect farmers and local cooperatives to the inputs and services they need during this busy spring season. This crop needs to get planted. Farmers will get this crop planted. And we will be there to be part of it as we support them and our communities.”

### Second Quarter Fiscal 2020 Business Segment Results

The following segment results were reported for the second quarter of fiscal year 2020 as compared to the second quarter of fiscal year 2019.

#### Energy

Pretax earnings of \$138.9 million in the second quarter of fiscal year 2020 compared to \$306.6 million for the second quarter of fiscal year 2019 reflect:

- Less advantageous market conditions in our refined fuels business that drove lower margins, due to a combination of lower crack spreads and decreased crude oil differentials on heavy Canadian crude oil, which is processed by our refineries.
- Recognition of a gain contingency credit during the second quarter of fiscal year 2019 that did not recur during fiscal year 2020.

## Ag

Pretax loss of \$20.8 million in second quarter of fiscal year 2020 compared to pretax loss of \$62.4 million in the second quarter of fiscal year 2019 reflects:

- A strong wheat crop and improved weather conditions that contributed to improved results.
- Poor weather conditions in fiscal year 2019 and ongoing global trade tensions that continued to negatively impact volumes and margins within agricultural markets.

## Nitrogen Production

Pretax earnings of \$5.7 million in the second quarter of fiscal year 2020 compared to pretax earnings of \$10.7 million in the second quarter of fiscal year 2019 reflect:

- Lower equity income from our investment in CF Nitrogen due to decreased market pricing of urea and urea ammonium nitrate, which are produced and sold by CF Nitrogen, of which CHS has partial ownership.

## Corporate and Other

Pretax earnings of \$4.0 million in the second quarter of fiscal year 2020 compared to pretax earnings of \$7.0 million in the second quarter of fiscal year 2019 reflect:

- Non-operating gains recognized during the second quarter of fiscal year 2019 that did not recur in the second quarter of fiscal year 2020.
- Decreased income from our financing and hedging business due to lower interest rates and lower commissions, respectively.

### CHS Inc. Earnings\* by Segment (in thousands \$)

	Three Months Ended		Six Months Ended	
	February 29, 2020	February 28, 2019	February 29, 2020	February 28, 2019
Energy	\$ 138,921	\$ 306,585	\$ 301,074	\$ 539,046
Ag	(20,845)	(62,398)	(34,707)	17,920
Nitrogen Production	5,741	10,712	22,191	34,391
Corporate and Other	4,007	6,956	24,667	37,730
Income before income taxes	127,824	261,855	313,225	629,087
Income tax expense	2,130	13,551	8,794	33,668
Net income	125,694	248,304	304,431	595,419
Net income (loss) attributable to noncontrolling interests	247	(462)	1,102	(851)
Net income attributable to CHS Inc.	\$ 125,447	\$ 248,766	\$ 303,329	\$ 596,270

\*Earnings is defined as income (loss) before income taxes.

CHS Inc. ([www.chsinc.com](http://www.chsinc.com)) is a leading global agribusiness owned by farmers, ranchers and cooperatives across the United States. Diversified in energy, agronomy, grains and foods, CHS is committed to creating connections to empower agriculture, helping its farmer-owners, customers and other stakeholders grow their businesses through its domestic and global operations. CHS supplies energy, crop nutrients, seed, crop protection products, grain marketing services, production and agricultural services, animal nutrition products, foods and food ingredients, and risk management services. The company operates petroleum refineries and pipelines and manufactures, markets and distributes Cenex® brand refined fuels, lubricants, propane and renewable energy products.

*This document contains and other CHS Inc. publicly available documents contain, and CHS officers and representatives may from time to time make, "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Report Act of 1995. Forward-looking statements can be identified by words such as "anticipate," "intend," "plan," "goal," "seek," "believe," "project," "estimate," "expect," "strategy," "future," "likely," "may," "should," "will" and similar references to future periods. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on CHS current beliefs, expectations and assumptions regarding the future of its businesses, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of CHS control. CHS actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not place undue reliance on any of these forward-looking statements. Important factors that could cause CHS actual results and financial condition to differ materially from those indicated in the forward-looking statements are discussed or identified in CHS filings made with the U.S. Securities and Exchange Commission, including in the "Risk Factors" discussion in Item 1A of CHS Annual Report on Form 10-K for the fiscal year ended August 31, 2019, and Part II, Item IA of CHS Quarterly Report on Form 10-Q for the quarterly period ended February 29, 2020. Any forward-looking statements made by CHS in this document are based only on information currently available to CHS and speak only as of the date on which the statement is made. CHS undertakes no obligation to update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise except as required by applicable law.*