

Armanino Foods of Distinction, Inc. Reports the Highest First Quarter Profits in Company's History

PLEASANTON, Calif. - Armanino Foods of Distinction, Inc. (OTCQX: AMNF) reported its highest quarterly profits ever for the first quarter ending March 31, 2025.

Net sales for the first quarter of 2025 were \$16,978,865 compared to \$15,720,317 for the same period last year, an increase of 8%. Income before taxes for Q1 2025 was \$5,290,611 compared to \$3,115,981 for the same quarter in 2024, an increase of 70%. Net income for Q1 2025 was \$3,936,215 (or \$0.1243 per share), compared to \$2,318,160 (or \$0.0723 per share) for the same quarter a year ago, an increase of 70% (or 72% on a per share basis enhanced by the buyback of 385,177 shares of common stock repurchased in Q1 2025).

Working capital as of March 31, 2025 was \$25,510,009, down from \$26,138,978 on December 31, 2024, a decrease of 2%. This decrease was due to returning more cash to shareholders via higher dividends and stock repurchases under the Company's stock buyback program.

Edgar Estonina, CFO as well as acting President and CEO, stated, "We continue to shatter our year over year performance thanks to our margin improvement efforts. Specifically, we have maintained discipline in executing our sales strategies including the acquisition of new customers and the expansion of sales of our core products into new markets. We also benefited from year over year improvements in our operational efficiencies, and better procurement of raw materials. Operating margins this quarter were aided by a significant non-cash reduction in phantom stock compensation expense, reversing the elevated levels recorded over the past year. The after-tax benefit was a material contributor to the improvement in SG&A as a percentage of sales."

Douglas Nichols, Chairman of the Board, added, "On behalf of the Board, I extend our sincere appreciation to all Armanino employees-and in particular to our acting CEO Edgar Estonina, along with our accounting, sales, and production teams-for their outstanding performance this quarter. Despite navigating a period of significant transition-including the appointment of a new CEO, engagement of a PCAOB-registered independent auditor-all while operating in a volatile business climate, our team remained focused and once again delivered record-breaking results. Their dedication and resilience reflect the strength of Armanino's culture and operational excellence."

Estonina concluded, "We remain somewhat cautious in the near term as we believe there is some indication of a slowdown, particularly in the restaurant industry. Furthermore, we are closely monitoring global trends regarding US and international tariffs to assess the impact so that we can plan and act accordingly. To help mitigate these potential risks, we will seek further operational efficiencies in pursuit of improving our low-cost structure and continue to pursue competitive pricing on our supplies and raw materials. Management remains confident in the Company's financial position. We remain committed to making appropriate investments to grow sales with a focus on new products, new markets, operational efficiencies, and potential acquisitions."

Armanino Foods of Distinction, Inc. is an international food company that manufactures and markets frozen Italian specialty food items such as pestos, sauces and filled pastas to the foodservice, retail, and industrial markets. In addition to a classic Basil Pesto, Armanino offers other flavors such as Cilantro, Dried Tomato & Garlic, Roasted Red Bell Pepper, Southwest Chipotle, Artichoke, Roasted Garlic, Light Basil Pesto, Chimichurri, Harissa, Bolognese, Alfredo sauce, Creamy Garlic, and Romesco. Armanino's organic line includes classic Basil Pesto. Armanino Foods also offers cheese shakers, frozen pastas, meatballs, and prepared meals.

Armanino Foods of Distinction, Inc.
Results for Quarter Ended March 31 – Unaudited

	2025	2024
NET SALES	\$ 16,978,865	\$ 15,720,317
COST OF GOODS SOLD	\$ 9,398,839	\$ 9,689,977
GROSS PROFIT	\$ 7,580,026	\$ 6,030,340
OPERATING EXPENSES:		
General, Administrative, and selling	\$ 1,015,522	\$ 1,433,945
Salaries & Wages	\$ 1,313,159	\$ 1,534,676
Commissions	\$ 242,571	\$ 229,165
Total Operating Expenses	\$ 2,571,251	\$ 3,197,785
INCOME FROM OPERATIONS	\$ 5,008,775	\$ 2,832,555
OTHER INCOME (EXPENSE)	\$ 281,836	\$ 283,426
INCOME BEFORE INCOME TAXES	\$ 5,290,611	\$ 3,115,981
INCOME TAX EXPENSE, NET	\$ 1,354,396	\$ 797,821
NET INCOME	\$ 3,936,215	\$ 2,318,160
Basic/Diluted Income Per Common Share	\$ 0.1243	\$ 0.0723
Weighted Average Common Shares Outstanding	\$ 31,676,076	\$ 32,065,365

Armanino Foods of Distinction, Inc.
Net Working Capital – Unaudited

	March 31, 2025	December 31, 2024
CURRENT ASSETS:		
Cash & Cash Equivalent	\$ 23,838,756	\$ 28,164,306
Accounts Receivable, Net	\$ 11,021,722	\$ 8,578,692
Prepaid Expenses	\$ 733,140	\$ 920,859
Inventories, net	\$ 5,529,754	\$ 4,366,676
Total Current Assets	\$ 41,123,372	\$ 42,030,532
CURRENT LIABILITIES:		
Accounts Payable	\$ 3,863,638	\$ 2,010,650
Contract Liabilities	\$ 4,397,939	\$ 4,404,813
Accrued Payroll and Payroll Taxes	\$ 789,131	\$ 1,828,422
Phantom Stock Liability	\$ 1,959,305	\$ 3,664,971
Operating Lease Liability ST	\$ 682,491	\$ 682,491
Dividends Payable	\$ 1,259,873	\$ 1,158,101
Income Taxes Payable	\$ 2,660,987	\$ 2,142,106
Total Current Liabilities	\$ 15,613,364	\$ 15,891,554
Net Working Capital	\$ 25,510,009	\$ 26,138,978

Armanino Foods of Distinction, Inc.
Summary of Common Stock Repurchased –
Unaudited

	Shares of Common Stock Repurchased	Total Repurchase	Weighted Avg Price/Share
Q1-2025 Common Stock Repurchased	385,177	\$ 2,948,928	\$ 7.66
Q2-2025 Common Stock Repurchased (to date through 4/30/25)	59,689	\$ 459,950	\$ 7.71

Cautionary Statements Regarding Forward-Looking Information:

The declaration of cash dividends in the future, pursuant to the Company's dividend policy, is subject to final determination each quarter by the Board of Directors based on a number of factors, including the Company's financial performance and its available cash resources. For this reason, as well as others, there can be no assurance that dividends in the future will be equal or similar to the amount described in this press release or that the Board of Directors will not decide to suspend or discontinue the payment of cash dividends in the future.

Statements in this news release regarding our expectations and beliefs about our future financial performance and

trends in our markets are "forward- looking statements" as defined in the Private Securities Litigations Reform Act of 1995. Forward-looking statements often include the words "believe," "expect," "anticipate," "intend," "plan," "estimate," "project," or words of similar meaning, or future or conditional verbs such as "will," "would," "should," "could," or "may."

The forward-looking statements in this news release regarding our future financial performance are based on current information and because our business is subject to several risks and uncertainties, actual operating results in the future may differ significantly from the future financial performance expected at the current time. Those risks and uncertainties may include, among others: economic factors affecting consumer confidence and discretionary spending and reducing the consumption of food prepared away from home; the extent and duration of the negative impact of the COVID-19 pandemic and its consequences on the Company; cost inflation/deflation and commodity volatility; competition; reliance on third party suppliers and interruption of product supply or increases in product costs; changes in the Company's relationships with customers and group purchasing organizations; the Company's ability to increase or maintain the highest margin portions of the Company's business; achievement of expected benefits from cost savings initiatives; increases in fuel costs; changes in consumer eating habits; cost and pricing structures and other governmental regulation, including actions taken by national, state and local governments to contain and/or respond to the COVID-19 pandemic and its consequences; product recalls and product liability claims; and our reputation in the industry. The forward-looking statements contained in this press release speak only as of the date of this press release and are based on information and estimates available to the Company at this time. We undertake no obligation to update or revise any forward-looking statements, except as may be required by law.

View source version on businesswire.com: <https://www.businesswire.com/news/home/20250505068041/en/>

For further information, please contact:

Edgar Estonina

CFO

(510) 441-9300

AMNF@armaninofoods.com

5/5/2025 3:05:00 PM