Armanino Foods Reports Record Second Quarter 2026 Net Sales

Second Quarter Net Sales Increased 8.5% to a record $21.7 Million; Gross Margin Expanded 265 basis points; Gross Profit Increased 14.8%

PLEASANTON, CA / ACCESS Newswire / August 11, 2026 / Armanino Foods of Distinction, Inc. (OTCQX:AMNF), a leading producer and marketer of premium frozen Italian and specialty foods serving foodservice, retail, and industrial customers across North America and select international markets, today announced financial results for the second quarter ended June 30, 2026.

Financial Summary:

$ in millions (excl. EPS)	Three Months Ended June 30,				Six Months Ended June 30,			
	2026	2025	% Change		2026	2025	% Change	
Net Sales	$21.7	$20.0	8.5	%	$40.1	$37.0	8.4	%
Gross Profit	$10.5	$9.1	14.8	%	$19.6	$16.7	17.5	%
Operating Income	$6.4	$6.3	1.4	%	$12.5	$11.3	10.6	%
Net Income	$4.9	$4.9	1.0	%	$9.6	$8.8	9.7	%
Earnings per Share (Diluted)	$0.1581	$0.1544	2.4	%	$0.3098	$0.2788	11.1	%
Non-GAAP Operating Income	$7.3	$6.4	14.9	%	$13.7	$11.4	20.2	%
Non-GAAP Net Income	$5.6	$4.9	13.9	%	$10.5	$8.8	18.8	%
Non-GAAP EPS (Diluted)	$0.1793	$0.1553	15.5	%	$0.3368	$0.2798	20.4	%

Second Quarter 2026 and Recent Business Highlights

- Secured new national account business with **Smoothie King and Wonder**, expanding Armanino's presence with prominent national foodservice customers. At Wonder, following the launch of Armanino's Basil Pesto and Romesco sauces, the Company finalized commercialization of two new salad dressings, Pomegranate Vinaigrette and Royal Miso, scheduled to launch in September.
- Achieved new distribution wins through partner brands in **prepared meals at Walmart and Kroger**, extending the reach of Armanino products into additional consumer channels.
- Delivered a record quarter for the Company's international business, led by strong growth across Asian markets.
- Introduced a new Calabrian Chili sauce, further broadening the Company's portfolio of differentiated, trend-forward products.
- Signed a 15-year lease for a new state-of-the-art manufacturing facility in Mountain House, California that will consolidate ingredient and packaging storage, production and finished goods storage into a single, highly efficient facility incorporating modern production technologies, increased automation and additional capacity for future expansion.
- Repurchased 440,000 shares of the Company's common stock, representing 1.4% of shares outstanding, completing the share repurchase program.

- Attended two leading investor conferences: the D.A. Davidson 2026 Technology & Consumer Conference, held June 11, 2026 in Nashville, Tennessee, and Planet MicroCap Las Vegas, Nevada, held June 17-18, 2026, where CEO Deanna Jurgens hosted one-on-one meetings with institutional investors.

Management Commentary

Deanna Jurgens, President and Chief Executive Officer, commented: "Armanino delivered another strong quarter, with record net sales, gross margin expansion and double-digit growth in non-GAAP operating income and net income.

Our performance was broad-based. We delivered the largest quarter in the history of our international business, saw the start-up of several new national accounts and continued to generate strong momentum across our core foodservice business, including the expansion into large retail accounts. Gross profit increased by 14.8%, significantly outpacing sales growth, while gross margin expanded 265 basis points. Non-GAAP operating income increased by 14.9% and non-GAAP net income increased by 13.9%, reflecting the strength of the underlying business as we simultaneously invest in the people, capabilities and manufacturing infrastructure required to support our next phase of growth.

As I reflect on my first year leading Armanino Foods, I am increasingly confident in the scale of the opportunity ahead of us. Armanino is the market share leader in foodservice pesto with strong profitability, consistent cash generation and a debt-free balance sheet. Together, these strengths give us a powerful business from which to accelerate growth.

Our new Mountain House manufacturing facility will be one of the most important investments in the Company's history. By bringing production, packaging, ingredient handling and finished-goods storage together under one roof, we expect to create a more efficient, automated and scalable operating facility. Importantly, we expect to fund the approximately $20 million dollar investment from cash on hand while maintaining a strong balance sheet.

Looking ahead, our growth priorities are clear: strengthen our leadership in foodservice, expand customer adoption across our broader portfolio of sauces, convert our national accounts pipeline and accelerate international growth. We are building the commercial and operating foundation required to support a substantially larger company, and we believe Armanino is exceptionally well positioned for its next phase of growth."

Second Quarter 2026 Financial Results

Net sales increased by 8.5% to a record $21.7 million, compared to $20.0 million in the prior year quarter. Growth reflected continued strength across the Company's foodservice, national accounts and international businesses.

Gross profit increased by 14.8% to $10.5 million, while gross margin expanded 265 basis points to 48.3%, as compared to 45.6% in the same period last year. The margin expansion was driven by favorable product mix, trade reduction, and operational efficiencies.

Operating expenses were $4.1 million, compared to $2.8 million in the prior-year quarter. The increase primarily reflected incremental costs associated with the Company's new manufacturing facility and planned facility transition, along with strategic investments in leadership talent and capabilities to support future growth.

Operating income was $6.4 million, compared to $6.3 million in the prior year quarter, representing operating margin of 29.5%.

Net income was $4.9 million, or $0.1581 per diluted share, compared to $4.9 million, or $0.1544 per diluted share in the prior year quarter.

Introduction of Non-GAAP Financial Measures

Beginning with the second quarter of 2026, the Company is introducing non-GAAP operating income and non-GAAP net income in addition to its results reported in accordance with generally accepted accounting principles (GAAP).

Management believes these measures provide investors with additional insight into the Company's underlying operating performance during a period in which Armanino is incurring incremental costs associated with the planned relocation and transition to its new manufacturing facility.

The Company's non-GAAP results also exclude stock-based compensation expense associated with the equity incentive program introduced in 2025. Although stock-based compensation is an important component of the Company's compensation strategy, it is a non-cash expense, and management believes excluding it from these supplemental measures provides greater visibility into operating performance and enhances comparability across reporting periods.

For the second quarter of 2026:

- Non-GAAP operating income increased 14.9% to $7.3 million.
- Non-GAAP net income increased 13.9% to $5.6 million.

Non-GAAP net income reflects the tax effect of the excluded items using the Company's applicable reported tax rate. Reconciliations of GAAP operating income to non-GAAP operating income and GAAP net income to non-GAAP net income are included in the financial tables accompanying this release.

Capital Allocation and Balance Sheet

The Company ended the quarter with $27.3 million in cash and cash equivalents and no debt.

During the quarter, Armanino returned $6.0 million to shareholders, including $1.6 million in cash dividends and $4.5 million through share repurchases. This completed the $12 million share repurchase program authorized by the Board of Directors in 2024 and 2025.

The Company expects to begin the buildout of its new Mountain House manufacturing facility during the third quarter of 2026 and is targeting the transition of production from its current facilities during the second quarter of 2027.

The total investment is expected to be approximately $20 million and will be funded from cash on hand. The new facility is expected to provide increased automation, improved operating efficiency, consolidated storage and production capabilities and additional capacity to support the Company's long-term growth.

Annual Meeting Update

The Company will hold its **2026 Annual Meeting of Shareholders virtually on September 16, 2026, at 9:00 a.m. Pacific time**.

Shareholders are encouraged to review the Company's proxy materials carefully upon receipt. The proxy materials will include information regarding the matters to be considered at the Annual Meeting, instructions for voting shares and information regarding participation in the virtual meeting.

The Company encourages all eligible shareholders to vote their shares in advance of the Annual Meeting using one of the voting methods described in the proxy materials.

Q2 Conference Call and Webcast

Management will host an investor conference call at 4:30 p.m. Eastern time on Tuesday, August 11, 2026, to discuss the Company's second quarter fiscal 2026 financial results, provide a corporate update, and conclude with Q&A from telephone participants. To participate, please use the following information:

Q2 FY2026 Earnings Conference Call

Date: Tuesday, August 11, 2026

Time: 4:30 p.m. Eastern time
U.S. Dial-in: 1-877-451-6152
International: 1-201-389-0879
Webcast: AMNF Q2 FY2026 Earnings Conference Call

Please join at least five minutes before the start of the call to ensure timely participation.

A telephonic replay of the conference call will also be available through August 25, 2026. To listen, please call 1-844-512-2921 within the United States and Canada or 1-412-317-6671 when calling internationally, using replay pin number 13761668. A webcast replay will also be available using the webcast link above.

About Armanino Foods of Distinction, Inc.

Armanino Foods of Distinction, Inc. (OTCQX:AMNF) is a leading producer and marketer of premium frozen Italian and specialty foods serving retail, foodservice and industrial customers across North America and select international markets. Best known for its top selling Basil Pesto, the Company's product line spans a wide variety of sauces and stuffed pasta dishes, chiefly produced in a British Retail Consortium Global Standards Grade AA facility with rigorous quality systems and scalable packaging formats to meet customer needs. To learn more, please visit the Company's website at armaninofoods.com.

Cautionary Statements Regarding Forward-Looking Information

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; 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. 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.

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Armanino Foods of Distinction, Inc.
Unaudited Condensed Consolidated Statements of Operations

$ and shares in millions, except per share amounts	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net Sales	$21.7	$20.0	$40.1	$37.0
Cost of goods sold	11.2	10.9	20.5	20.3
Gross profit	10.5	9.1	19.6	16.7
Operating expenses:				
General, administrative and selling expense	2.0	1.1	3.6	2.1
Salaries & wages	1.8	1.3	2.9	2.6
Commissions	0.3	0.4	0.6	0.6
Total operating expenses	4.1	2.8	7.1	5.4
Income from operations	6.4	6.3	12.5	11.3
Other Income / (Expense)	0.3	0.2	0.6	0.5
Income before income taxes	6.7	6.6	13.1	11.9
Income taxes	1.8	1.7	3.4	3.1
Net income	$4.9	$4.9	$9.6	$8.8
Earnings per common and equivalent shares:				
Basic earnings per share	$0.1587	$0.1544	$0.3112	$0.2788
Weighted average common shares outstanding	30.9	31.4	31.0	31.5
Diluted earnings per share	$0.1581	$0.1544	$0.3098	$0.2788
Weighted average common shares outstanding assuming dilution	31.0	31.4	31.1	31.5

Armanino Foods of Distinction, Inc.
Unaudited Condensed Consolidated Balance Sheets

$ in millions	As of	
	June 30, 2026	December 31, 2025
ASSETS		
Cash and cash equivalents	$27.3	$ 29.5

Accounts receivable, net	11.6	11.8
Inventories, net	6.1	4.7
Prepaid Expenses and Other Current Assets	0.6	0.7
Total Current Assets	45.5	46.7
Property and Equipment, Net	7.8	8.6
Deposits	0.3	0.1
Operating lease right of use asset	10.9	0.7
Goodwill	0.4	0.4
Trademarks	0.1	0.1
Total Non-Current Assets	19.5	9.9
TOTAL ASSETS	**$ 65.0**	**$ 56.6**
LIABILITIES AND STOCKHOLDER'S EQUITY		
Accounts Payable	$ 3.1	$ 4.7
Contract Liabilities	1.1	2.3
Accrued Payroll and Payroll Taxes	0.9	1.4
Phantom Stock Liability	0.9	2.2
Operating Lease Liability ST	0.6	0.7
Dividends Payable	1.6	1.6
Total Current Liabilities	8.2	12.8
Operating Lease Liability LT	10.2	0.1
Deferred Tax Liability LT	0.8	0.6
Total Non-Current Liabilities	11.0	0.6
Total Liabilities	19.2	13.4
Common Stock	2.8	2.8
Treasury Stock	(12.0)	(7.5)
Additional Paid-In Capital	0.9	0.3
Retained Earnings	54.1	47.6
Total Stockholder's Equity	45.8	43.1

TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	**$ 65.0**	**$ 56.6**

Use of Non-GAAP Measures

In preparing the Company's non-GAAP operating income and non-GAAP net income, the Company excluded items that either have a non-recurring impact on our financial performance or which, in the judgment of our management, are not reflective of our underlying business performance. The items excluded from our non-GAAP operating income, non-GAAP net income and non-GAAP EPS include:

- Plant relocations costs such as accelerated depreciation of leasehold improvements, rent expense and employee retention bonuses.
- Expenses related to our equity compensation

The Company's non-GAAP measures may be calculated differently and are therefore not comparable to similar measures by other companies. Therefore, investors should consider non-GAAP measures in addition to, and not as a substitute for, or superior to, measures of financial performance in accordance with GAAP. For a definition and reconciliation of income from operations to non-GAAP income from operations and net income to non-GAAP net income, their corresponding GAAP measure, please see the reconciliation table shown below.

Reconciliation of GAAP to Non-GAAP Metrics

$ and shares in millions, except per share amounts	Quarter Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
GAAP income from operations	$ 6.4	$ 6.3	$ 12.5	$ 11.3
Facility relocation costs	0.6	0.0	0.6	0.0
Stock-based compensation expense	0.3	0.0	0.6	0.0
Non-GAAP income from operations	**7.3**	**6.4**	**13.7**	**11.4**
GAAP net income (1)	$ 4.9	$ 4.9	$ 9.6	$ 8.8
Facility relocation costs	0.4	0.0	0.4	0.0
Stock-based compensation expense	0.2	0.0	0.4	0.0
Non-GAAP net income	**5.6**	**4.9**	**10.5**	**8.8**
Non-GAAP diluted earnings per share	$ 0.1793	$ 0.1553	$ 0.3368	$ 0.2798

Notes:
(1) Non-GAAP net income assumed to be taxed at GAAP rate.

SOURCE: Armanino Foods of Distinction, Inc.