**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**
**Washington, D.C. 20549**

# Form10-Q

**(Mark One)**

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended December 31, 2025**

**or**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from to**

**Commission file number 000-04065**

# The Marzetti Company

**(Exact name of registrant as specified in its charter)**

| **Ohio** | **13-1955943** |
|---|---|
| **(State or other jurisdiction of incorporation or organization)** | **(I.R.S. Employer Identification No.)** |
| **380 Polaris Parkway Suite 400 Westerville Ohio** | **43082** |
| **(Address of principal executive offices)** | **(Zip Code)** |

**(614) 224-7141**
**(Registrant's telephone number, including area code)**

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol | Name of each exchange on which registered |
|---|---|---|
| Common Stock, without par value | MZTI | NASDAQ Global Select Market |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | |
|---|---|---|---|
| Large accelerated filer | ☒ | Accelerated filer | ☐ |
| Non-accelerated filer | ☐ | Smaller reporting company | ☐ |
| | | Emerging growth company | ☐ |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of January 9, 2026, there were approximately 27,423,000 shares of Common Stock, without par value, outstanding.

**THE MARZETTI COMPANY AND SUBSIDIARIES**
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## PART I – FINANCIAL INFORMATION

**Item 1.** ***Condensed Consolidated Financial Statements***

**THE MARZETTI COMPANY AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED BALANCE SHEETS**
**(UNAUDITED)**

| (Amounts in thousands, except share data) | December 31, 2025 | June 30, 2025 |
|---|---|---|
| **ASSETS** | | |
| **Current Assets:** | | |
| Cash and equivalents | **$ 201,584** | $ 161,476 |
| Receivables | **103,787** | 95,817 |
| Inventories: | | |
| Raw materials | **45,948** | 42,547 |
| Finished goods | **116,636** | 126,754 |
| Total inventories | **162,584** | 169,301 |
| Other current assets | **23,458** | 17,037 |
| Total current assets | **491,413** | 443,631 |
| **Property, Plant and Equipment:** | | |
| Property, plant and equipment-gross | **993,116** | 968,014 |
| Less accumulated depreciation | **452,313** | 433,471 |
| Property, plant and equipment-net | **540,803** | 534,543 |
| **Other Assets:** | | |
| Goodwill | **222,772** | 222,772 |
| Operating lease right-of-use assets | **49,047** | 52,227 |
| Other noncurrent assets | **24,824** | 21,551 |
| **Total** | **$ 1,328,859** | $ 1,274,724 |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | |
| **Current Liabilities:** | | |
| Accounts payable | **$ 123,378** | $ 117,962 |
| Accrued liabilities | **57,284** | 68,332 |
| Total current liabilities | **180,662** | 186,294 |
| **Noncurrent Operating Lease Liabilities** | **38,767** | 42,720 |
| **Other Noncurrent Liabilities** | **21,354** | 13,100 |
| **Deferred Income Taxes** | **55,249** | 34,115 |
| **Commitments and Contingencies** | | |
| **Shareholders' Equity:** | | |
| Preferred stock-authorized 3,050,000 shares; outstanding-none | | |
| Common stock-authorized 75,000,000 shares; outstanding-December 31, 2025-27,423,042 shares; June 30, 2025-27,533,599 shares | **164,086** | 160,886 |
| Retained earnings | **1,680,838** | 1,628,487 |
| Accumulated other comprehensive income | **931** | 961 |
| Common stock in treasury, at cost | **(813,028)** | (791,839) |
| Total shareholders' equity | **1,032,827** | 998,495 |
| **Total** | **$ 1,328,859** | $ 1,274,724 |

See accompanying notes to condensed consolidated financial statements.

**THE MARZETTI COMPANY AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**
**(UNAUDITED)**

| (Amounts in thousands, except per share data) | Three Months Ended December 31, | | Six Months Ended December 31, | |
|---|---|---|---|---|
| | **2025** | 2024 | **2025** | 2024 |
| **Net Sales** | **$ 517,953** | $ 509,301 | **$ 1,011,425** | $ 975,859 |
| **Cost of Sales** | **380,693** | 376,533 | **755,346** | 732,267 |
| **Gross Profit** | **137,260** | 132,768 | **256,079** | 243,592 |
| **Selling, General and Administrative Expenses** | **60,409** | 57,107 | **118,825** | 112,067 |
| **Restructuring and Impairment Charges** | **1,667** | — | **2,810** | — |
| **Operating Income** | **75,184** | 75,661 | **134,444** | 131,525 |
| **Pension Settlement Charge** | **—** | (13,968) | **—** | (13,968) |
| **Other, Net** | **1,158** | 1,541 | **2,687** | 3,560 |
| **Income Before Income Taxes** | **76,342** | 63,234 | **137,131** | 121,117 |
| **Taxes Based on Income** | **17,263** | 14,241 | **30,870** | 27,423 |
| **Net Income** | **$ 59,079** | $ 48,993 | **$ 106,261** | $ 93,694 |
| **Net Income Per Common Share:** | | | | |
| Basic | **$ 2.15** | $ 1.78 | **$ 3.87** | $ 3.40 |
| Diluted | **$ 2.15** | $ 1.78 | **$ 3.86** | $ 3.40 |
| | | | | |
| **Weighted Average Common Shares Outstanding:** | | | | |
| Basic | **27,401** | 27,480 | **27,428** | 27,468 |
| Diluted | **27,415** | 27,495 | **27,454** | 27,487 |

See accompanying notes to condensed consolidated financial statements.

**THE MARZETTI COMPANY AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**
**(UNAUDITED)**

| | Three Months Ended December 31, | | Six Months Ended December 31, | |
|---|---|---|---|---|
| (Amounts in thousands) | **2025** | 2024 | **2025** | 2024 |
| **Net Income** | **$ 59,079** | $ 48,993 | **$ 106,261** | $ 93,694 |
| **Other Comprehensive (Loss) Income:** | | | | |
| **Defined Benefit Pension and Postretirement Benefit Plans:** | | | | |
| Net loss arising during the period, before tax | — | (1,549) | — | (1,549) |
| Pension settlement charge, before tax | — | 13,968 | — | 13,968 |
| Amortization of (gain) loss, before tax | **(15)** | 133 | **(30)** | 265 |
| Amortization of prior service credit, before tax | **(4)** | (46) | **(9)** | (91) |
| **Total Other Comprehensive (Loss) Income, Before Tax** | **(19)** | 12,506 | **(39)** | 12,593 |
| **Tax Attributes of Items in Other Comprehensive (Loss) Income:** | | | | |
| Net loss arising during the period, tax | — | 362 | — | 362 |
| Pension settlement charge, tax | — | (3,264) | — | (3,264) |
| Amortization of (gain) loss, tax | **3** | (32) | **7** | (62) |
| Amortization of prior service credit, tax | **1** | 11 | **2** | 21 |
| **Total Tax Benefit (Expense)** | **4** | (2,923) | **9** | (2,943) |
| **Other Comprehensive (Loss) Income, Net of Tax** | **(15)** | 9,583 | **(30)** | 9,650 |
| **Comprehensive Income** | **$ 59,064** | $ 58,576 | **$ 106,231** | $ 103,344 |

See accompanying notes to condensed consolidated financial statements.

**THE MARZETTI COMPANY AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(UNAUDITED)**

| | Six Months Ended December 31, | |
|---|---|---|
| **(Amounts in thousands)** | **2025** | 2024 |
| **Cash Flows From Operating Activities:** | | |
| Net income | **$ 106,261** | $ 93,694 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Impacts of noncash items: | | |
| Depreciation and amortization | **34,247** | 29,406 |
| Deferred income taxes and other changes | **23,999** | (1,144) |
| Stock-based compensation expense | **5,281** | 4,915 |
| Restructuring and impairment charges | **1,392** | — |
| Pension plan activity | **—** | 14,253 |
| Changes in operating assets and liabilities: | | |
| Receivables | **(7,970)** | (3,590) |
| Inventories | **6,717** | 6,082 |
| Other current assets | **(7,164)** | 159 |
| Accounts payable and accrued liabilities | **(4,636)** | (16,265) |
| Net cash provided by operating activities | **158,127** | 127,510 |
| **Cash Flows From Investing Activities:** | | |
| Payments for property additions | **(33,299)** | (28,660) |
| Proceeds from sale of property | **705** | — |
| Other-net | **(7,219)** | (4,045) |
| Net cash used in investing activities | **(39,813)** | (32,705) |
| **Cash Flows From Financing Activities:** | | |
| Payment of dividends | **(53,910)** | (51,125) |
| Purchase of treasury stock | **(21,189)** | (1,443) |
| Tax withholdings for stock-based compensation | **(2,081)** | (1,597) |
| Principal payments for finance leases | **(1,026)** | (1,010) |
| Net cash used in financing activities | **(78,206)** | (55,175) |
| Net change in cash and equivalents | **40,108** | 39,630 |
| Cash and equivalents at beginning of year | **161,476** | 163,443 |
| Cash and equivalents at end of period | **$ 201,584** | $ 203,073 |
| **Supplemental Disclosure of Operating Cash Flows:** | | |
| Net cash payments for income taxes | **$ 13,726** | $ 20,913 |

See accompanying notes to condensed consolidated financial statements.

**THE MARZETTI COMPANY AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY**
**(UNAUDITED)**

| | Six Months Ended December 31, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Common Stock Outstanding | | Retained Earnings | Accumulated Other Comprehensive Income | Treasury Stock | Total Shareholders' Equity |
| (Amounts in thousands, except per share data) | Shares | Amount | | | | |
| Balance, June 30, 2025 | 27,534 | $ 160,886 | $ 1,628,487 | $ 961 | $ (791,839) | $ 998,495 |
| **Net income** | | | **47,182** | | | **47,182** |
| **Postretirement benefit losses, net of $(5) tax effect** | | | | **(15)** | | **(15)** |
| **Cash dividends - common stock ($0.95 per share)** | | | **(26,318)** | | | **(26,318)** |
| **Purchase of treasury stock** | **(6)** | | | | **(1,137)** | **(1,137)** |
| **Stock-based plans** | **20** | **(2,081)** | | | | **(2,081)** |
| **Stock-based compensation expense** | | **2,645** | | | | **2,645** |
| **Balance, September 30, 2025** | **27,548** | **$ 161,450** | **$ 1,649,351** | **$ 946** | **$ (792,976)** | **$ 1,018,771** |
| **Net income** | | | **59,079** | | | **59,079** |
| **Postretirement benefit losses, net of $(4) tax effect** | | | | **(15)** | | **(15)** |
| **Cash dividends - common stock ($1.00 per share)** | | | **(27,592)** | | | **(27,592)** |
| **Purchase of treasury stock** | **(123)** | | | | **(20,052)** | **(20,052)** |
| **Stock-based plans** | **(2)** | **—** | | | | **—** |
| **Stock-based compensation expense** | | **2,636** | | | | **2,636** |
| **Balance, December 31, 2025** | **27,423** | **$ 164,086** | **$ 1,680,838** | **$ 931** | **$ (813,028)** | **$ 1,032,827** |

See accompanying notes to condensed consolidated financial statements.

**THE MARZETTI COMPANY AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (continued)**
**(UNAUDITED)**

| | Six Months Ended December 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| (Amounts in thousands, except per share data) | Common Stock Outstanding | | Retained Earnings | Accumulated Other Comprehensive (Loss) Income | Treasury Stock | Total Shareholders' Equity |
| | Shares | Amount | | | | |
| Balance, June 30, 2024 | 27,527 | $ 153,616 | $ 1,564,642 | $ (8,640) | $ (783,846) | $ 925,772 |
| Net income | | | 44,701 | | | 44,701 |
| Net pension and postretirement benefit gains, net of $20 tax effect | | | | 67 | | 67 |
| Cash dividends - common stock ($0.90 per share) | | | (24,866) | | | (24,866) |
| Purchase of treasury stock | (7) | | | | (1,440) | (1,440) |
| Stock-based plans | 46 | (1,551) | | | | (1,551) |
| Stock-based compensation expense | | 2,369 | | | | 2,369 |
| Balance, September 30, 2024 | 27,566 | $ 154,434 | $ 1,584,477 | $ (8,573) | $ (785,286) | $ 945,052 |
| Net income | | | 48,993 | | | 48,993 |
| Pension settlement charge, net of $3,264 tax effect | | | | 10,704 | | 10,704 |
| Other net pension and postretirement benefit losses, net of $(341) tax effect | | | | (1,121) | | (1,121) |
| Cash dividends - common stock ($0.95 per share) | | | (26,259) | | | (26,259) |
| Purchase of treasury stock | — | | | | (3) | (3) |
| Stock-based plans | 6 | (46) | | | | (46) |
| Stock-based compensation expense | | 2,546 | | | | 2,546 |
| Balance, December 31, 2024 | 27,572 | $ 156,934 | $ 1,607,211 | $ 1,010 | $ (785,289) | $ 979,866 |

See accompanying notes to condensed consolidated financial statements.

**Note 1 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The accompanying unaudited condensed consolidated financial statements include the accounts of The Marzetti Company and our wholly-owned subsidiaries, collectively referred to as "we," "us," "our," "registrant" or the "Company" and have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and SEC Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In our opinion, the interim condensed consolidated financial statements reflect all adjustments necessary for a fair presentation of the results of operations and financial position for such periods. All such adjustments reflected in the interim condensed consolidated financial statements are considered to be of a normal recurring nature. Intercompany transactions and accounts have been eliminated in consolidation. The results of operations for any interim period are not necessarily indicative of results for the full year. Accordingly, these condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto contained in our 2025 Annual Report on Form 10-K. Unless otherwise noted, the term "year" and references to a particular year pertain to our fiscal year, which begins on July 1 and ends on June 30; for example, 2026 refers to fiscal 2026, which is the period from July 1, 2025 to June 30, 2026.

***Subsequent Event***

On February 2, 2026, we entered into a definitive agreement to acquire Bachan's, Inc., the rapidly growing Japanese Barbecue Sauce brand known for its authentic, clean-label products. The purchase price is $400 million, subject to customary adjustments, and we intend to fund the acquisition with cash on hand and additional financing. The transaction is expected to close prior to our fiscal year end date of June 30, 2026, subject to the receipt of required regulatory approvals and other customary closing conditions.

***Property, Plant and Equipment***

Property, plant and equipment are recorded at cost, except for those acquired as part of a business combination, which are recorded at fair value at the time of purchase. We use the straight-line method of computing depreciation for financial reporting purposes based on the estimated useful lives of the corresponding assets. Purchases of property, plant and equipment included in Accounts Payable and excluded from the property additions and the change in accounts payable in the Condensed Consolidated Statements of Cash Flows were as follows:

| | December 31, | |
|---|---|---|
| | **2025** | 2024 |
| Construction in progress in Accounts Payable | **$ 3,762** | $ 5,902 |

***Deferred Software Costs***

Capitalized software costs are amortized on a straight-line basis over the estimated useful life. Amortization expense was $0.9 million and $0.7 million for the three months ended December 31, 2025 and 2024, respectively. Amortization expense was $1.7 million and $1.4 million for the six months ended December 31, 2025 and 2024, respectively. The following table summarizes the components of capitalized software costs, excluding any costs that are fully amortized:

| | **December 31, 2025** | June 30, 2025 |
|---|---|---|
| Capitalized Software Costs - Gross | **$ 18,438** | $ 17,258 |
| Capitalized Software Costs - Accumulated Amortization | **(7,911)** | (6,237) |
| Capitalized Software Costs - Net | **$ 10,527** | $ 11,021 |
| | | |
| Capitalized Software Costs - Net in Other Current Assets | **$ 3,543** | $ 3,358 |
| Capitalized Software Costs - Net in Other Noncurrent Assets | **$ 6,984** | $ 7,663 |

***Accrued Compensation and Employee Benefits***

Accrued compensation and employee benefits included in Accrued Liabilities was $21.9 million and $33.8 million at December 31, 2025 and June 30, 2025, respectively.

***Earnings Per Share***

Earnings per share ("EPS") is computed based on the weighted average number of shares of common stock and common stock equivalents (restricted stock awards, restricted stock units, stock-settled stock appreciation rights and performance units) outstanding during each period. Unvested shares of restricted stock awards granted to employees are considered participating securities since employees receive nonforfeitable dividends prior to vesting and, therefore, are included in the earnings allocation in computing EPS under the two-class method. Basic EPS excludes dilution and is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding during the period. Diluted EPS is computed by dividing income available to common shareholders by the diluted weighted average number of common shares outstanding during the period, which includes the dilutive potential common shares associated with nonparticipating restricted stock awards, restricted stock units, stock-settled stock appreciation rights and performance units.

Basic and diluted net income per common share were calculated as follows:

| | Three Months Ended December 31, | | Six Months Ended December 31, | |
|---|---|---|---|---|
| | **2025** | 2024 | **2025** | 2024 |
| Net income | **$ 59,079** | $ 48,993 | **$ 106,261** | $ 93,694 |
| Net income available to participating securities | **(121)** | (136) | **(218)** | (260) |
| Net income available to common shareholders | **$ 58,958** | $ 48,857 | **$ 106,043** | $ 93,434 |
| | | | | |
| Weighted average common shares outstanding – basic | **27,401** | 27,480 | **27,428** | 27,468 |
| Incremental share effect from: | | | | |
| Nonparticipating restricted stock awards | **—** | 3 | **3** | 4 |
| Restricted stock units | **5** | — | **12** | — |
| Stock-settled stock appreciation rights | **—** | 2 | **—** | 3 |
| Performance units | **9** | 10 | **11** | 12 |
| Weighted average common shares outstanding – diluted | **27,415** | 27,495 | **27,454** | 27,487 |
| | | | | |
| Net income per common share – basic | **$ 2.15** | $ 1.78 | **$ 3.87** | $ 3.40 |
| Net income per common share – diluted | **$ 2.15** | $ 1.78 | **$ 3.86** | $ 3.40 |

***Accumulated Other Comprehensive Income (Loss)***

The following table presents the amounts reclassified out of accumulated other comprehensive income (loss) by component:

| | Three Months Ended December 31, | | Six Months Ended December 31, | |
|---|---|---|---|---|
| | **2025** | 2024 | **2025** | 2024 |
| Accumulated other comprehensive income (loss) at beginning of period | **$ 946** | $ (8,573) | **$ 961** | $ (8,640) |
| Defined Benefit Pension Plan Items: | | | | |
| Net loss arising during the period | **—** | (1,549) | **—** | (1,549) |
| Settlement charge | **—** | 13,968 | **—** | 13,968 |
| Amortization of unrecognized net loss | **—** | 147 | **—** | 294 |
| Postretirement Benefit Plan Items: | | | | |
| Amortization of unrecognized net gain | **(15)** | (14) | **(30)** | (29) |
| Amortization of prior service credit | **(4)** | (46) | **(9)** | (91) |
| Total other comprehensive (loss) income, before tax | **(19)** | 12,506 | **(39)** | 12,593 |
| Total tax benefit (expense) | **4** | (2,923) | **9** | (2,943) |
| Other comprehensive (loss) income, net of tax | **(15)** | 9,583 | **(30)** | 9,650 |
| Accumulated other comprehensive income at end of period | **$ 931** | $ 1,010 | **$ 931** | $ 1,010 |

***Significant Accounting Policies***

There were no changes to our Significant Accounting Policies from those disclosed in our 2025 Annual Report on Form 10-K.

***Recent Accounting Standards***

In November 2023, the Financial Accounting Standards Board ("FASB") issued new accounting guidance related to the disclosure requirements for reportable segments. The new guidance requires enhanced disclosures about significant segment expenses. Additionally, all current annual disclosures about a reportable segment's profit or loss and assets will also be required in interim periods. The new guidance also requires disclosure of the title and position of the Chief Operating Decision Maker ("CODM") and explanation of how the CODM uses the reported measure(s) of segment profit or loss in assessing segment performance and deciding how to allocate resources. The amendments should be applied retrospectively to all prior periods presented in the financial statements. We adopted this guidance for our annual disclosures in fiscal 2025 and for our interim-period disclosures in the first quarter of fiscal 2026. As the guidance only relates to disclosures, there was no impact on our financial position or results of operations. See segment disclosures in Note 7.

In December 2023, the FASB issued new accounting guidance related to the disclosure requirements for income taxes. The new guidance requires annual disclosures in the rate reconciliation table to be presented using both percentages and reporting currency amounts, and this table must include disclosure of specific categories. Additional information will also be required for reconciling items that meet a quantitative threshold. The new guidance also requires enhanced disclosures of income taxes paid, including the amount of income taxes paid disaggregated by federal, state and foreign taxes and the amount of income taxes paid disaggregated by individual jurisdictions that exceed a quantitative threshold. The amendments should be applied on a prospective basis, but retrospective application is permitted. This guidance will be effective for our annual disclosures in fiscal 2026. As the guidance only relates to disclosures, there will be no impact on our financial position or results of operations.

In November 2024, the FASB issued new accounting guidance requiring disclosure of disaggregated income statement expenses. For each relevant expense caption presented on the face of the income statement, the following expense components must be presented in a tabular format within the notes to the financial statements at each interim and annual reporting period: purchases of inventory, employee compensation, depreciation, intangible asset amortization and depletion expense. Certain amounts already required to be disclosed under current GAAP requirements must also be presented in the same disclosure as the new disaggregation requirements. The new guidance also requires disclosure of a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively. Additionally, the total amount of selling expenses must be disclosed, and, in annual reporting periods, our definition of selling expenses must also be provided. The amendments should be applied either prospectively to financial statements issued for reporting periods after the effective date or retrospectively to any or all prior periods presented in the financial statements. This guidance will be effective for our annual disclosures in fiscal 2028 and for our interim-period disclosures in fiscal 2029. As the guidance only relates to disclosures, there will be no impact on our financial position or results of operations.

In July 2025, the FASB issued new accounting guidance related to the measurement of credit losses for accounts receivable and contract assets. In developing reasonable and supportable forecasts as part of estimating credit losses, all entities may elect a practical expedient to assume that current conditions as of the balance sheet date do not change for the remaining life of the asset. An entity that elects the practical expedient should apply the amendment on a prospective basis. This guidance will be effective for us in fiscal 2027, including interim periods. Early adoption is permitted. We are currently evaluating the impact of this guidance.

In September 2025, the FASB issued new accounting guidance related to internal-use software. The amendments remove all references to prescriptive and sequential software development stages. The new guidance requires an entity to start capitalizing software costs when both of the following occur: 1) management has authorized and committed to funding the software project and 2) it is probable that the project will be completed and the software will be used to perform the function intended. The guidance can be applied on a prospective basis, a modified basis for in-process projects or on a retrospective basis. This guidance will be effective for annual reporting periods beginning after December 15, 2027, including interim periods. Early adoption is permitted as of the beginning of an annual reporting period. We adopted this guidance in the first quarter of fiscal 2026 on a prospective basis. The adoption resulted in a change in accounting principle. Additional costs capitalized under this new guidance were not material to our condensed consolidated financial statements. See deferred software costs disclosures in Note 1.

In December 2025, the FASB issued new accounting guidance related to the recognition, measurement and presentation of government grants. The amendments should be applied using a modified prospective approach, a modified retrospective approach or a full retrospective approach. This guidance will be effective for us in fiscal 2030, including interim periods. Early adoption is permitted. We are currently evaluating the impact of this guidance.

**Note 2 – Acquisition**

On February 18, 2025, we completed the acquisition of a sauce and dressing production facility and related real estate in the Atlanta, Georgia area ("Atlanta plant") along with certain equipment and assets contained in the facility from Winland Foods, Inc. This facility will benefit our core sauce and dressing operations through improved operational efficiency, incremental capacity, and closer proximity to certain core customers while enhancing our manufacturing network from a business continuity standpoint. The purchase price of $78.8 million was funded with cash on hand. The results of operations for this facility have been included in our condensed consolidated financial statements from the date of acquisition.

The following table summarizes the purchase price allocation based on the fair value of the net assets acquired.

| **Purchase Price Allocation** | | |
|---|---|---|
| Inventories | **$** | **4,065** |
| Property, plant and equipment | | **60,073** |
| Goodwill (tax deductible) | | **14,401** |
| Other noncurrent assets | | **301** |
| Current liabilities | | **(21)** |
| Net assets acquired | **$** | **78,819** |

**Note 3 – Long-Term Debt**

At December 31, 2025 and June 30, 2025, we had an unsecured credit facility ("Facility") under which we could borrow, on a revolving credit basis, up to a maximum of $150 million at any one time, with potential to expand the total credit availability to $225 million based on consent of the issuing banks and certain other conditions. The Facility expires on March 6, 2029, and all outstanding amounts are then due and payable. Interest is variable based upon formulas tied to SOFR or an alternate base rate defined in the Facility. We must also pay facility fees that are tied to our then-applicable consolidated leverage ratio. Loans may be used for general corporate purposes. Due to the nature of its terms, when we have outstanding borrowings under the Facility, they will be classified as long-term debt.

The Facility contains certain restrictive covenants, including limitations on liens, asset sales and acquisitions. There are two principal financial covenants: an interest expense test that requires us to maintain an interest coverage ratio not less than 2.5 to 1 at the end of each fiscal quarter; and an indebtedness test that requires us to maintain a consolidated leverage ratio not greater than 3.5 to 1, subject to certain exceptions. The interest coverage ratio is calculated by dividing Consolidated EBIT by Consolidated Interest Expense, and the leverage ratio is calculated by dividing Consolidated Net Debt by Consolidated EBITDA. All financial terms used in the covenant calculations are defined more specifically in the Facility.

At December 31, 2025 and June 30, 2025, we had no borrowings outstanding under the Facility. At December 31, 2025 and June 30, 2025, we had $2.6 million of standby letters of credit outstanding, which reduced the amount available for borrowing under the Facility. We paid no interest for the three and six months ended December 31, 2025 and 2024.

**Note 4 – Commitments and Contingencies**

At December 31, 2025, we were a party to various claims and litigation matters arising in the ordinary course of business. Such matters did not have a material effect on the current-year results of operations and, in our opinion, their ultimate disposition is not expected to have a material effect on our consolidated financial statements.

We have a lease commitment with fixed cash payments totaling approximately $159 million for a lease that had not commenced as of December 31, 2025. This lease has an initial term of 15 years for warehousing space in Columbus, Ohio. In accordance with accounting guidance for leases, this commitment is properly excluded from the Condensed Consolidated Balance Sheet as of December 31, 2025. A right-of-use asset and lease liability will be recorded based on the present value of the lease payments when the lease commences in fiscal 2027.

**Note 5 – Goodwill**

Goodwill attributable to the Retail and Foodservice segments was $157.4 million and $65.4 million, respectively, at December 31, 2025 and June 30, 2025.

**Note 6 – Income Taxes**

Prepaid federal income taxes of $5.0 million and $0.1 million were included in Other Current Assets at December 31, 2025 and June 30, 2025, respectively. Accrued state and local income taxes of $0.3 million were included in Accrued Liabilities at December 31, 2025. Prepaid state and local income taxes of $0.6 million were included in Other Current Assets at June 30, 2025.

The One Big Beautiful Bill Act was enacted in July 2025. This legislation included several provisions that impact the timing of certain tax deductions, including domestic research and development expenses and bonus depreciation. We recognized the effects of this legislation in the three months ended September 30, 2025. There was no material impact on our effective tax rate.

**Note 7 – Business Segment Information**

Our financial results are presented as two reportable segments: Retail and Foodservice. Costs that are directly attributable to either Retail or Foodservice are charged directly to the appropriate segment. Costs that are deemed to be indirect, excluding corporate expenses and other unusual significant transactions, are allocated to the two reportable segments using a reasonable methodology that is consistently applied.

Retail - The vast majority of the products we sell in the Retail segment are sold through sales personnel, food brokers and distributors in the United States. We have products typically marketed in the shelf-stable section of the grocery store, which include licensed sauces and dressings, along with our own branded salad dressings and croutons. Within the frozen food section of the grocery store, we sell yeast rolls and garlic breads. We also have placement of products in grocery produce departments through our refrigerated salad dressings, licensed dressings, vegetable dips and fruit dips.

Foodservice - The vast majority of the products we sell in the Foodservice segment are sold through sales personnel, food brokers and distributors in the United States. Most of the products we sell in the Foodservice segment are custom-formulated sauces, salad dressings, frozen breads and yeast rolls. The majority of our Foodservice sales are products sold under private label to national chain restaurant accounts. We also manufacture and sell various branded Foodservice products to distributors. Finally, within this segment, we are manufacturing and selling certain salad dressing and sauce products under a temporary supply agreement ("TSA") resulting from the Atlanta plant acquisition. The TSA sales commenced in March 2025 and are expected to conclude during the quarter ending March 31, 2026.

Our Chief Operating Decision Maker ("CODM") is our Chief Executive Officer. Our CODM evaluates segment performance based on net sales and operating income. On a monthly basis, our CODM reviews results in comparison to the annual operating plan ("AOP"), the latest forecast and prior-year results. Resource allocation decisions are primarily made through the forecasting process, including development of the AOP. As many of our products are similar between our two segments, our procurement, manufacturing, warehousing and distribution activities are substantially integrated across our operations in order to maximize efficiency and productivity. Consequently, we do not prepare, and our CODM does not review, separate balance sheets or property additions for the reportable segments. As such, our external reporting does not include the presentation of identifiable assets or depreciation and amortization separately by reportable segment.

The following table sets forth net sales disaggregated by class of similar products for the Retail and Foodservice segments:

| | Three Months Ended December 31, | | Six Months Ended December 31, | |
|---|---|---|---|---|
| | **2025** | 2024 | **2025** | 2024 |
| **Retail** | | | | |
| Shelf-stable dressings, sauces and croutons | **$ 92,403** | $ 103,584 | **$ 196,523** | $ 204,609 |
| Frozen breads | **138,886** | 129,262 | **229,510** | 213,161 |
| Refrigerated dressings, dips and other | **46,236** | 47,906 | **99,337** | 102,553 |
| Total Retail net sales | **$ 277,525** | $ 280,752 | **$ 525,370** | $ 520,323 |
| **Foodservice** | | | | |
| Dressings and sauces | **$ 169,510** | $ 167,598 | **$ 344,616** | $ 337,937 |
| Frozen breads and other | **62,733** | 60,951 | **122,563** | 117,599 |
| Other dressings and sauces for TSA | **8,185** | — | **18,876** | — |
| Total Foodservice net sales | **$ 240,428** | $ 228,549 | **$ 486,055** | $ 455,536 |
| Total net sales | **$ 517,953** | $ 509,301 | **$ 1,011,425** | $ 975,859 |

The following table provides an additional disaggregation of Foodservice net sales by type of customer:

| | Three Months Ended December 31, | | Six Months Ended December 31, | |
|---|---|---|---|---|
| | **2025** | 2024 | **2025** | 2024 |
| **Foodservice** | | | | |
| National accounts | **$ 177,399** | $ 175,785 | **$ 361,231** | $ 351,732 |
| Branded and other | **54,844** | 52,764 | **105,948** | 103,804 |
| Other dressings and sauces for TSA | **8,185** | — | **18,876** | — |
| Total Foodservice net sales | **$ 240,428** | $ 228,549 | **$ 486,055** | $ 455,536 |

The following tables provide financial information attributable to our reportable segments, including significant segment expenses, as well as certain amounts not allocated among our reportable segments. Net sales are predominately domestic. All intercompany transactions have been eliminated. Nonallocated corporate expenses include various expenses of a general corporate nature and costs related to certain divested or closed nonfood operations.

| **For The Three Months Ended December 31, 2025** | **Retail** | **Foodservice** | **Total** |
|---|---|---|---|
| Net Sales | **$ 277,525** | **$ 240,428** | **$ 517,953** |
| Cost of Sales | **188,798** | **191,895** | |
| Selling, General and Administrative Expenses | **25,969** | **10,338** | |
| Restructuring and Impairment Charges [1] | **—** | **1,406** | |
| Total Segment Operating Income | **$ 62,758** | **$ 36,789** | **$ 99,547** |
| Nonallocated Corporate Expenses | | | **24,102** |
| Nonallocated Restructuring and Impairment Charges [2] | | | **261** |
| Operating Income | | | **$ 75,184** |
| Other, Net | | | **1,158** |
| Income Before Income Taxes | | | **$ 76,342** |

(1) Foodservice restructuring and impairment charges in 2026 resulted from the impairment of manufacturing equipment.
(2) Nonallocated restructuring and impairment charges in 2026 resulted from the closure of our Milpitas, California sauce and dressing manufacturing facility.

| For The Three Months Ended December 31, 2024 | Retail | Foodservice | Total |
|---|---|---|---|
| Net Sales | $ 280,752 | $ 228,549 | $ 509,301 |
| Cost of Sales | 188,100 | 188,433 | |
| Selling, General and Administrative Expenses | 23,615 | 9,792 | |
| Total Segment Operating Income | $ 69,037 | $ 30,324 | $ 99,361 |
| Nonallocated Corporate Expenses | | | 23,700 |
| Operating Income | | | $ 75,661 |
| Pension Settlement Charge | | | (13,968) |
| Other, Net | | | 1,541 |
| Income Before Income Taxes | | | $ 63,234 |

| **For The Six Months Ended December 31, 2025** | **Retail** | **Foodservice** | **Total** |
|---|---|---|---|
| Net Sales | **$ 525,370** | **$ 486,055** | **$ 1,011,425** |
| Cost of Sales | **363,073** | **392,273** | |
| Selling, General and Administrative Expenses | **48,928** | **20,819** | |
| Restructuring and Impairment Charges (1) | **—** | **1,406** | |
| Total Segment Operating Income | **$ 113,369** | **$ 71,557** | **$ 184,926** |
| Nonallocated Corporate Expenses | | | **49,078** |
| Nonallocated Restructuring and Impairment Charges (2) | | | **1,404** |
| Operating Income | | | **$ 134,444** |
| Other, Net | | | **2,687** |
| Income Before Income Taxes | | | **$ 137,131** |

(1) Foodservice restructuring and impairment charges in 2026 resulted from the impairment of manufacturing equipment.
(2) Nonallocated restructuring and impairment charges in 2026 resulted from the closure of our Milpitas, California sauce and dressing manufacturing facility.

| For The Six Months Ended December 31, 2024 | Retail | Foodservice | Total |
|---|---|---|---|
| Net Sales | $ 520,323 | $ 455,536 | $ 975,859 |
| Cost of Sales | 352,213 | 380,054 | |
| Selling, General and Administrative Expenses | 42,898 | 20,849 | |
| Total Segment Operating Income | $ 125,212 | $ 54,633 | $ 179,845 |
| Nonallocated Corporate Expenses | | | 48,320 |
| Operating Income | | | $ 131,525 |
| Pension Settlement Charge | | | (13,968) |
| Other, Net | | | 3,560 |
| Income Before Income Taxes | | | $ 121,117 |

The following table sets forth reconciliations of our reportable segments' total identifiable assets to the consolidated totals and our reportable segments' total depreciation and amortization expenses to the consolidated totals:

| | December 31, 2025 | June 30, 2025 |
|---|---|---|
| **Identifiable Assets** [1] | | |
| Retail & Foodservice [2] | **$ 1,089,901** | $ 1,083,381 |
| Corporate | **238,958** | 191,343 |
| Total | **$ 1,328,859** | $ 1,274,724 |

| | Three Months Ended December 31, | | Six Months Ended December 31, | |
|---|---|---|---|---|
| | **2025** | 2024 | **2025** | 2024 |
| **Depreciation and Amortization** | | | | |
| Retail & Foodservice [2] | **$ 15,987** | $ 13,751 | **$ 31,303** | $ 26,833 |
| Corporate | **1,551** | 1,298 | **2,944** | 2,573 |
| Total | **$ 17,538** | $ 15,049 | **$ 34,247** | $ 29,406 |

(1) Long-lived assets are predominately domestic. Retail and Foodservice identifiable assets include those assets used in our operations and other intangible assets allocated to purchased businesses, most notably goodwill. The composition of our Retail and Foodservice identifiable assets at December 31, 2025 is generally consistent with that of June 30, 2025. Corporate assets consist principally of cash and equivalents. The increase in Corporate identifiable assets from June 30, 2025 to December 31, 2025 reflects higher cash and equivalents, as well as an increase in prepaid federal income taxes.
(2) As discussed above, we do not present identifiable assets or depreciation and amortization separately by reportable segment.

**Note 8 – Stock-Based Compensation**

Our shareholders previously approved the Lancaster Colony Corporation 2015 Omnibus Incentive Plan (the "2015 Plan"). As the 2015 Plan expired in November 2025, we obtained shareholder approval of The Marzetti Company 2025 Omnibus Incentive Plan (the "2025 Plan") at our November 2025 Annual Meeting of Shareholders. The 2025 Plan will not affect any currently outstanding equity awards granted under the 2015 Plan. The 2025 Plan reserved 1,500,000 common shares for issuance to our employees and directors. All awards granted under these plans will be exercisable at prices not less than fair market value as of the date of the grant. The vesting period for awards granted under these plans varies as to the type of award granted, and the maximum term of these awards is seven years.

As permitted under the 2015 Plan, we made an initial grant of restricted stock units in August 2025. These restricted stock units will vest 3 years after the grant date. Dividend equivalents earned during the vesting period will be paid at the time the units vest.

Our restricted stock units compensation expense was $0.5 million for the three months ended December 31, 2025. Year-to-date restricted stock units compensation expense was $0.7 million for the current-year period. At December 31, 2025, there was $6.3 million of unrecognized compensation expense related to restricted stock units that we will recognize over a weighted-average period of 2 years.

Our restricted stock awards compensation expense was $1.2 million and $1.4 million for the three months ended December 31, 2025 and 2024, respectively. Year-to-date restricted stock awards compensation expense was $2.6 million for the current-year period compared to $2.8 million for the prior-year period. At December 31, 2025, there was $4.5 million of unrecognized compensation expense related to restricted stock awards that we will recognize over a weighted-average period of 1 year.

Our performance units compensation expense was $1.0 million and $1.1 million for the three months ended December 31, 2025 and 2024, respectively. Year-to-date performance units compensation expense was $2.0 million for the current-year period compared to $2.1 million for the prior-year period. At December 31, 2025, there was $7.2 million of unrecognized compensation expense related to performance units that we will recognize over a weighted-average period of 2 years.

**Item 2.** ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

*Our fiscal year begins on July 1 and ends on June 30. Unless otherwise noted, references to "year" pertain to our fiscal year; for example, 2026 refers to fiscal 2026, which is the period from July 1, 2025 to June 30, 2026.*

*The following discussion should be read in conjunction with our condensed consolidated financial statements and the notes thereto, all included elsewhere in this report, and our 2025 Annual Report on Form 10-K.*

*We prepare our consolidated financial statements in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"). We have also presented Adjusted Consolidated Net Sales, Adjusted Foodservice Net Sales, Adjusted Cost of Sales, Adjusted Gross Profit, Adjusted Gross Margin and Adjusted Operating Income, each of which is considered a non-GAAP financial measure, to supplement the financial information included in this report. Refer to the "Reconciliation of GAAP to non-GAAP Financial Measures" section below for additional information and reconciliations of these non-GAAP financial measures to their most directly comparable GAAP financial measures.*

*The forward-looking statements in this section and other parts of this report involve risks, uncertainties and other factors, including statements regarding our plans, objectives, goals, strategies, and financial performance. Our actual results could differ materially from the results anticipated in these forward-looking statements due to these factors. For more information, see the section below entitled "Forward-Looking Statements."*

**OVERVIEW**

***Business Overview***

The Marzetti Company is a manufacturer and marketer of specialty food products for the retail and foodservice channels.

Our financial results are presented as two reportable segments: Retail and Foodservice. Costs that are directly attributable to either Retail or Foodservice are charged directly to the appropriate segment. Costs that are deemed to be indirect, excluding corporate expenses and other unusual significant transactions, are allocated to the two reportable segments using a reasonable methodology that is consistently applied.

Over 95% of our products are sold in the United States. Foreign operations and export sales have not been significant in the past and are not expected to be significant in the future based upon existing operations. We do not have any fixed assets located outside of the United States.

Our business has the potential to achieve future growth in sales and profitability due to attributes such as:

- leading Retail market positions in several product categories with a high-quality perception;
- recognized innovation in Retail products;
- a broad customer base in both Retail and Foodservice accounts;
- well-regarded culinary expertise among Foodservice customers;
- long-standing Foodservice customer relationships that help to support strategic licensing opportunities in Retail;
- demonstrated success with strategic licensing programs in Retail through both new and established relationships in the foodservice industry;
- recognized leadership in Foodservice product development;
- experience in integrating complementary business acquisitions; and
- historically strong cash flow generation that supports growth opportunities.

Our goal is to grow both Retail and Foodservice segment sales over time by:

- introducing new products and expanding distribution;
- leveraging the strength of our Retail brands to increase current product sales;
- expanding Retail growth through strategic licensing agreements;
- continuing to rely upon the strength of our reputation in Foodservice product development and quality; and
- acquiring complementary businesses.

With respect to long-term growth, we continually evaluate the future opportunities and needs for our business specific to our plant infrastructure, production capacity, IT platforms and initiatives to support and strengthen our operations. Recent examples of resulting strategic actions include:

- the acquisition of a sauce and dressing production facility in the Atlanta, Georgia area in February 2025; and
- the closure of our sauce and dressing production facility in Milpitas, California during the quarter ended September 30, 2025.

**RESULTS OF CONSOLIDATED OPERATIONS**

| (Dollars in thousands, except per share data) | Three Months Ended December 31, | | Change | | Six Months Ended December 31, | | Change | |
|---|---|---|---|---|---|---|---|---|
| | 2025 | 2024 | | | 2025 | 2024 | | |
| Net Sales | **$ 517,953** | $ 509,301 | **$ 8,652** | **1.7 %** | **$ 1,011,425** | $ 975,859 | **$ 35,566** | **3.6 %** |
| Cost of Sales | **380,693** | 376,533 | **4,160** | **1.1 %** | **755,346** | 732,267 | **23,079** | **3.2 %** |
| Gross Profit | **137,260** | 132,768 | **4,492** | **3.4 %** | **256,079** | 243,592 | **12,487** | **5.1 %** |
| Gross Margin | **26.5 %** | 26.1 % | | | **25.3 %** | 25.0 % | | |
| Selling, General and Administrative Expenses | **60,409** | 57,107 | **3,302** | **5.8 %** | **118,825** | 112,067 | **6,758** | **6.0 %** |
| Restructuring and Impairment Charges | **1,667** | — | **1,667** | **N/M** | **2,810** | — | **2,810** | **N/M** |
| Operating Income | **75,184** | 75,661 | **(477)** | **(0.6)%** | **134,444** | 131,525 | **2,919** | **2.2 %** |
| Operating Margin | **14.5 %** | 14.9 % | | | **13.3 %** | 13.5 % | | |
| Pension Settlement Charge | **—** | (13,968) | **13,968** | **100.0 %** | **—** | (13,968) | **13,968** | **100.0 %** |
| Other, Net | **1,158** | 1,541 | **(383)** | **(24.9)%** | **2,687** | 3,560 | **(873)** | **(24.5)%** |
| Income Before Income Taxes | **76,342** | 63,234 | **13,108** | **20.7 %** | **137,131** | 121,117 | **16,014** | **13.2 %** |
| Taxes Based on Income | **17,263** | 14,241 | **3,022** | **21.2 %** | **30,870** | 27,423 | **3,447** | **12.6 %** |
| Effective Tax Rate | **22.6 %** | 22.5 % | | | **22.5 %** | 22.6 % | | |
| Net Income | **$ 59,079** | $ 48,993 | **$ 10,086** | **20.6 %** | **$ 106,261** | $ 93,694 | **$ 12,567** | **13.4 %** |
| Diluted Net Income Per Common Share | **$ 2.15** | $ 1.78 | **$ 0.37** | **20.8 %** | **$ 3.86** | $ 3.40 | **$ 0.46** | **13.5 %** |

***Net Sales***

Consolidated net sales for the three months ended December 31, 2025 increased 1.7% to $518.0 million versus $509.3 million last year, reflecting higher net sales for the Foodservice segment, as partially offset by lower net sales for the Retail segment. Net sales for both segments were unfavorably impacted by core volume declines and favorably impacted by inflationary pricing. Foodservice segment net sales benefited from incremental sales attributed to a temporary supply agreement ("TSA") resulting from our acquisition of a sauce and dressing production facility located in Atlanta, Georgia ("Atlanta plant"). The acquisition was completed in February 2025. The TSA sales commenced in March 2025 and are expected to conclude during the quarter ending March 31, 2026. Breaking down the 1.7% increase in consolidated net sales as summarized in the table below, lower core volumes and product mix accounted for a decrease of approximately 130 basis points, the net pricing impact accounted for an increase of approximately 140 basis points, and incremental sales attributed to the TSA added approximately 160 basis points. Excluding all sales attributed to the TSA, Adjusted Consolidated Net Sales for the three months ended December 31, 2025 increased 0.1% to $509.8 million.

Consolidated net sales for the six months ended December 31, 2025 increased 3.6% to $1,011.4 million versus $975.9 million last year, reflecting higher net sales for both the Retail and Foodservice segments driven by a more favorable product mix in our Retail segment, inflationary pricing in both segments and incremental Foodservice sales attributed to the TSA. Breaking down the 3.6% increase in consolidated net sales as summarized in the table below, changes in core volumes and product mix accounted for an increase of approximately 30 basis points, the net pricing impact accounted for an increase of approximately 140 basis points, and incremental sales attributed to the TSA added approximately 190 basis points. Excluding all sales attributed to the TSA, Adjusted Consolidated Net Sales for the six months ended December 31, 2025 increased 1.7% to $992.5 million.

| Breakdown of % Change in Consolidated Net Sales | Three Months Ended December 31, 2025 | | Six Months Ended December 31, 2025 | |
|---|---|---|---|---|
| Change in Core Sales Volume / Mix | **$ (6,590)** | **(1.3)%** | **$ 3,154** | **0.3 %** |
| Net Pricing Impact | **7,057** | **1.4** | **13,536** | **1.4** |
| Incremental Sales for Temporary Supply Agreement (TSA) | **8,185** | **1.6** | **18,876** | **1.9** |
| Total Change in Net Sales | **$ 8,652** | **1.7 %** | **$ 35,566** | **3.6 %** |

Consolidated sales volumes, measured in pounds shipped, increased 0.3% for the three months ended December 31, 2025. Excluding the impact of all sales attributed to the TSA, adjusted sales volumes decreased 1.5%.

Consolidated sales volumes, measured in pounds shipped, increased 2.1% for the six months ended December 31, 2025. Excluding the impact of all sales attributed to the TSA, adjusted sales volumes were flat.

See discussion of net sales by segment following the discussion of "Earnings Per Share" below.

***Gross Profit***

Consolidated gross profit for the three months ended December 31, 2025 increased $4.5 million to a second quarter record $137.3 million. Consolidated gross profit benefited from our cost savings programs while inflationary pricing served to offset cost inflation. Reported gross margin improved 40 basis points while Adjusted Gross Margin increased 80 basis points.

Consolidated gross profit for the six months ended December 31, 2025 increased $12.5 million to $256.1 million. Consolidated gross profit benefited from our cost savings programs. Reported gross margin improved 30 basis points while Adjusted Gross Margin increased 80 basis points.

***Selling, General and Administrative Expenses***

Selling, general and administrative ("SG&A") expenses for the three months ended December 31, 2025 increased 5.8% to $60.4 million compared to $57.1 million in the prior-year period. This increase was primarily driven by higher marketing costs as we invested to support our Retail brands. SG&A expenses in the prior year included $1.6 million in incremental expenditures attributed to the Atlanta plant acquisition.

SG&A expenses for the six months ended December 31, 2025 increased 6.0% to $118.8 million compared to $112.1 million in the prior year. This increase primarily reflects higher marketing costs as we invested to support the continued growth of our Retail brands, in addition to increased expenditures for compensation and benefits.

***Restructuring and Impairment Charges***

In April 2025, we committed to a plan to close our sauce and dressing production facility in Milpitas, California as part of our ongoing strategic initiative to better optimize our manufacturing network. Production at the facility concluded in August 2025. In the three and six months ended December 31, 2025, we recorded restructuring and impairment charges of $0.3 million and $1.4 million, respectively, related to this closure. These charges consisted of one-time termination benefits and other closing costs. The operations of this facility were not classified as discontinued operations as the closure did not represent a strategic shift that would have a major effect on our operations or financial results.

During the three and six months ended December 31, 2025, we also recorded a noncash impairment charge of $1.4 million related to manufacturing equipment. This charge was reflected in our Foodservice segment.

***Operating Income***

Operating income decreased $0.5 million to $75.2 million for the three months ended December 31, 2025. The lower level of operating income reflects the increased SG&A expenses and the impact of the $1.7 million in restructuring and impairment charges, as partially offset by the higher gross profit. Excluding the current-year restructuring and impairment charges and the prior-year acquisition costs, Adjusted Operating Income decreased $0.4 million to $76.9 million.

Operating income grew $2.9 million to $134.4 million for the six months ended December 31, 2025 due to the increase in gross profit, as partially offset by the higher SG&A expenses and the impact of the $2.8 million in restructuring and impairment charges. Excluding the current-year restructuring and impairment charges and the prior-year acquisition costs, Adjusted Operating Income increased $4.1 million to $137.3 million.

See discussion of operating results by segment following the discussion of "Earnings Per Share" below.

***Pension Settlement Charge***

Prior to November 30, 2024, we sponsored multiple defined benefit pension plans that covered certain former employees under collective bargaining contracts related to closed or sold operations. All these plans were previously frozen. In August 2024, our Board of Directors approved the merger of all five pension plans and the termination of the resulting merged plan. The merged plan was terminated effective November 30, 2024. Lump sum distributions and annuity purchases from a highly rated insurance company were completed in December 2024. As a result of the pension termination, we incurred a one-time noncash settlement charge of $14.0 million for the three and six months ended December 31, 2024.

***Taxes Based on Income***

Our effective tax rate was 22.5% and 22.6% for the six months ended December 31, 2025 and 2024, respectively. For the six months ended December 31, 2025 and 2024, our effective tax rate varied from the statutory federal income tax rate as a result of the following factors:

| | Six Months Ended December 31, | |
|---|---|---|
| | **2025** | 2024 |
| Statutory rate | **21.0 %** | 21.0 % |
| State and local income taxes | **1.9** | 1.4 |
| Net windfall tax benefits - stock-based compensation | **(0.2)** | (0.1) |
| Other | **(0.2)** | 0.3 |
| **Effective rate** | **22.5 %** | 22.6 % |

We include the tax consequences related to stock-based compensation within the computation of income tax expense. We may experience increased volatility to our income tax expense and resulting net income dependent upon, among other variables, the price of our common stock and the timing and volume of share-based payment award activity such as employee exercises of stock-settled stock appreciation rights and vestings of restricted stock awards, restricted stock units and performance units. For the six months ended December 31, 2025 and 2024, the impact of net windfall tax benefits from stock-based compensation reduced our effective tax rate by 0.2% and 0.1%, respectively.

***Earnings Per Share***

As influenced by the factors discussed above, diluted net income per share for the second quarter of 2026 totaled $2.15, as compared to $1.78 per diluted share in the prior year. For the three months ended December 31, 2025, restructuring and impairment charges reduced diluted earnings per share by $0.05. For the three months ended December 31, 2024, the pension settlement charge reduced diluted earnings per share by $0.39 and costs related to the planned Atlanta plant acquisition reduced diluted earnings per share by $0.05.

For the six months ended December 31, 2025, diluted net income per share totaled $3.86, as compared to $3.40 per diluted share in the prior year. For the six months ended December 31, 2025, restructuring and impairment charges reduced diluted earnings per share by $0.08. For the six months ended December 31, 2024, the pension settlement charge reduced diluted earnings per share by $0.39 and costs related to the planned Atlanta plant acquisition reduced diluted earnings per share by $0.05.

Diluted weighted average common shares outstanding have remained relatively stable for the current and prior-year periods ended December 31.

**RESULTS OF OPERATIONS - SEGMENTS**

***Retail Segment***

| | Three Months Ended December 31, | | | Six Months Ended December 31, | | |
|---|---|---|---|---|---|---|
| **(Dollars in thousands)** | **2025** | 2024 | **Change** | **2025** | 2024 | **Change** |
| **Net Sales** | **$ 277,525** | $ 280,752 | **$ (3,227) (1.1)%** | **$ 525,370** | $ 520,323 | **$ 5,047 1.0 %** |
| **Operating Income** | **$ 62,758** | $ 69,037 | **$ (6,279) (9.1)%** | **$ 113,369** | $ 125,212 | **$ (11,843) (9.5)%** |
| **Operating Margin** | **22.6 %** | 24.6 % | | **21.6 %** | 24.1 % | |

For the three months ended December 31, 2025, Retail segment net sales decreased 1.1% to $277.5 million from the prior-year total of $280.8 million. The decrease in Retail segment net sales reflected lower sales volumes partially offset by some inflationary pricing. Note that the 1.1% decrease in Retail segment net sales compares to strong prior-year growth of 6.3% and reflects softer demand during the timeframe of the U.S. government shutdown. Retail segment highlights include continued growth from our category-leading New York Bakery™ frozen garlic bread products, including our recently introduced gluten-free Texas Toast, and expanding distribution for our licensed Texas Roadhouse® dinner rolls. Retail segment sales volumes, measured in pounds shipped, decreased 3.1%.

For the six months ended December 31, 2025, Retail segment net sales increased 1.0% to $525.4 million compared to the prior-year total of $520.3 million. Net sales for our category-leading New York Bakery™ frozen garlic bread products, including our recently introduced gluten-free Texas Toast, were a strong contributor to the higher sales. Our Retail segment's licensing program also remained a source for growth in the quarter led by expanding distribution of our Texas Roadhouse® dinner rolls. The Chick-fil-A® sauce we began shipping into the club channel in late fiscal 2025 also delivered incremental sales. Retail segment sales volumes, measured in pounds shipped, decreased 0.2%.

For the three months ended December 31, 2025, Retail segment operating income decreased 9.1% to $62.8 million driven by the unfavorable impacts of the lower sales volumes, inflationary costs and higher marketing spend, as partially offset by our cost savings programs.

For the six months ended December 31, 2025, Retail segment operating income decreased 9.5% to $113.4 million due to inflationary costs and higher marketing spend, as partially offset by our cost savings programs.

***Foodservice Segment***

| | Three Months Ended December 31, | | | | Six Months Ended December 31, | | | |
|---|---|---|---|---|---|---|---|---|
| **(Dollars in thousands)** | **2025** | 2024 | **Change** | | **2025** | 2024 | **Change** | |
| **Net Sales** | **$ 240,428** | $ 228,549 | **$ 11,879** | **5.2 %** | **$ 486,055** | $ 455,536 | **$ 30,519** | **6.7 %** |
| **Operating Income** | **$ 36,789** | $ 30,324 | **$ 6,465** | **21.3 %** | **$ 71,557** | $ 54,633 | **$ 16,924** | **31.0 %** |
| **Operating Margin** | **15.3 %** | 13.3 % | | | **14.7 %** | 12.0 % | | |

For the three months ended December 31, 2025, Foodservice segment net sales grew 5.2% to $240.4 million compared to $228.5 million in the prior-year period driven by increased demand from several of our national chain restaurant account customers, increased sales for our branded Foodservice products, and the benefit of inflationary pricing. Excluding all sales attributed to the TSA resulting from the February 2025 Atlanta plant acquisition, Adjusted Foodservice Net Sales increased 1.6%. Foodservice segment sales volumes, measured in pounds shipped, increased 2.7%. Excluding all TSA sales, adjusted Foodservice sales volumes decreased 0.4%.

For the six months ended December 31, 2025, Foodservice segment net sales increased 6.7% to $486.1 million from the prior-year total of $455.5 million driven by increased demand from several of our national chain restaurant account customers and the benefit of inflationary pricing. Excluding all sales attributed to the TSA, Adjusted Foodservice Net Sales increased 2.6%. Foodservice segment sales volumes, measured in pounds shipped, increased 3.5%. Excluding all TSA sales, adjusted Foodservice sales volumes were flat.

For the three months ended December 31, 2025, Foodservice segment operating income increased 21.3% to $36.8 million driven by our cost savings programs, inflationary pricing, and the benefit of recent IT investments to support a more optimized trade spend system, as partially offset by some modest cost inflation.

For the six months ended December 31, 2025, Foodservice segment operating income increased 31.0% to $71.6 million driven by our cost savings programs, inflationary pricing, and a more favorable sales mix, as partially offset by some modest cost inflation.

***Corporate Expenses***

For the three months ended December 31, 2025, corporate expenses totaled $24.1 million, a slight increase from the prior-year period total of $23.7 million.

For the six months ended December 31, 2025, corporate expenses totaled $49.1 million, a slight increase from the prior-year period total of $48.3 million.

**LOOKING FORWARD**

Looking forward to the back half of our fiscal year, excluding any impact from the planned acquisition of Bachan's, Inc., we anticipate Retail segment sales will continue to benefit from our expanding licensing program led by Texas Roadhouse® dinner rolls in addition to investments in innovation and growth for our own brands. Note that with this year's earlier Easter holiday, we anticipate some Retail segment sales to be pulled forward into our fiscal third quarter. In the Foodservice segment, we expect sales to be supported by select quick-service restaurant customers in our mix of national chain restaurant accounts, while external factors, including U.S. economic performance and consumer behavior, may impact demand. With respect to our input costs, in aggregate we anticipate a modest level of inflation for the remainder of the fiscal year that we plan to offset through contractual pricing and our cost savings programs as we remain focused on continued margin improvement.

We will continue to periodically reassess our allocation of capital to ensure that we maintain adequate operating flexibility while providing appropriate levels of cash returns to our shareholders.

**FINANCIAL CONDITION**

***Cash Flows***

For the six months ended December 31, 2025, net cash provided by operating activities totaled $158.1 million, as compared to $127.5 million in the prior-year period. This increase was primarily due to the change in deferred income taxes resulting from tax timing benefits of the One Big Beautiful Bill Act, which was enacted in July 2025. Higher net income was offset by the impact of the prior-year noncash pension settlement charge.

Cash used in investing activities for the six months ended December 31, 2025 was $39.8 million, as compared to $32.7 million in the prior year. This increase primarily reflects a higher level of payments for property additions in the current year.

Cash used in financing activities for the six months ended December 31, 2025 of $78.2 million increased from the prior-year total of $55.2 million. This increase primarily reflects higher levels of share repurchases, as well as higher dividend payments.

***Liquidity and Capital Resources***

Under our unsecured revolving credit facility ("Facility"), we may borrow up to a maximum of $150 million at any one time. We had no borrowings outstanding under the Facility at December 31, 2025. At December 31, 2025, we had $2.6 million of standby letters of credit outstanding, which reduced the amount available for borrowing under the Facility. The Facility expires in March 2029, and all outstanding amounts are then due and payable. Interest is variable based upon formulas tied to SOFR or an alternate base rate defined in the Facility. We must also pay facility fees that are tied to our then-applicable consolidated leverage ratio. Loans may be used for general corporate purposes. Due to the nature of its terms, when we have outstanding borrowings under the Facility, they will be classified as long-term debt.

The Facility contains certain restrictive covenants, including limitations on liens, asset sales and acquisitions, and financial covenants relating to interest coverage and leverage. At December 31, 2025, we were in compliance with all applicable provisions and covenants of this facility, and we exceeded the requirements of the financial covenants by substantial margins. At December 31, 2025, there were no events that would constitute a default under this facility.

We currently expect to remain in compliance with the Facility's covenants for the foreseeable future. However, a default under the Facility could accelerate the repayment of any then outstanding indebtedness and limit our access to $75 million of additional credit available under the Facility. Such an event could require a reduction in or curtailment of cash dividends or share repurchases, reduce or delay beneficial expansion or investment plans, or otherwise impact our ability to meet our obligations when due.

We believe that cash provided by operating activities and our existing balances in cash and equivalents, in addition to that available under the Facility, should be adequate to meet our core liquidity needs over the next 12 months, including the projected levels of capital expenditures and dividend payments. The planned acquisition of Bachan's, Inc. will be funded by a combination of cash on hand and additional financing, the details of which will be provided in a subsequent filing. If we were to borrow outside of the Facility under current market terms, our average interest rate may increase and have an adverse effect on our results of operations. Based on our current plans and expectations, we believe our capital expenditures for 2026 could total between $75 and $85 million.

Beyond the next 12 months, we expect that cash provided by operating activities will be the primary source of liquidity. This source, combined with our existing balances in cash and equivalents and amounts available under the Facility, is expected to be sufficient to meet our overall cash requirements.

We have various contractual and other obligations that are appropriately recorded as liabilities in our condensed consolidated financial statements. Certain other contractual obligations are not recognized as liabilities in our condensed consolidated financial statements. Examples of such obligations are commitments to purchase raw materials or packaging inventory that has not yet been received as of December 31, 2025, lease commitments that have not yet commenced as of December 31, 2025, and purchase orders and longer-term purchase arrangements related to the procurement of services, including IT service agreements, and property, plant and equipment. The majority of these obligations, other than lease commitments, is expected to be due within one year.

**RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES**

We prepare our consolidated financial statements in accordance with GAAP. However, from time to time, we may present in our public statements, press releases and SEC filings, non-GAAP financial measures such as Adjusted Consolidated Net Sales, Adjusted Foodservice Net Sales, Adjusted Cost of Sales, Adjusted Gross Profit, Adjusted Gross Margin and Adjusted Operating Income. Management considers such non-GAAP financial measures to provide useful supplemental information to investors in facilitating year-over-year comparisons by removing non-recurring items or other items that management believes do not directly reflect the underlying operations. Management uses these non-GAAP measures in the preparation of our annual operating plan and for our monthly analysis of operating results. Reconciliations of the non-GAAP measures to the most comparable GAAP financial measures are provided below. Our definitions of these non-GAAP measures may differ from similarly titled measures used by other companies. These non-GAAP measures should be considered supplemental to, and not a substitute for, financial information prepared in accordance with GAAP.

Adjusted Consolidated Net Sales, Adjusted Foodservice Net Sales, Adjusted Cost of Sales, Adjusted Gross Profit and Adjusted Gross Margin are non-GAAP financial measures that exclude non-core sales and cost of sales attributed to the TSA made in connection with our February 2025 acquisition of Winland's Atlanta-based sauce and dressing production facility. The TSA sales are included in the reported net sales for our Foodservice segment and did not contribute meaningfully to gross profit. The TSA sales commenced in March 2025 and are expected to conclude during the quarter ending March 31, 2026. The following tables present a reconciliation between net sales, cost of sales, gross profit and gross margin as reported in accordance with GAAP and Adjusted Consolidated Net Sales, Adjusted Foodservice Net Sales, Adjusted Cost of Sales, Adjusted Gross Profit and Adjusted Gross Margin for the three and six month periods ended December 31, 2025.

| | Three Months Ended December 31, 2025 | | |
|---|---|---|---|
| (Dollars in thousands) | Reported | TSA-Related | Adjusted (non-GAAP) |
| **Consolidated** | | | |
| Net Sales | $ 517,953 | $ 8,185 | $ 509,768 |
| Cost of Sales | 380,693 | 8,185 | 372,508 |
| Gross Profit | $ 137,260 | $ — | $ 137,260 |
| Gross Margin | 26.5 % | — % | 26.9 % |
| | | | |
| **Foodservice Segment** | | | |
| Foodservice Net Sales | $ 240,428 | $ 8,185 | $ 232,243 |

| | Six Months Ended December 31, 2025 | | |
|---|---|---|---|
| (Dollars in thousands) | Reported | TSA-Related | Adjusted (non-GAAP) |
| **Consolidated** | | | |
| Net Sales | $ 1,011,425 | $ 18,876 | $ 992,549 |
| Cost of Sales | 755,346 | 18,876 | 736,470 |
| Gross Profit | $ 256,079 | $ — | $ 256,079 |
| Gross Margin | 25.3 % | — % | 25.8 % |
| | | | |
| **Foodservice Segment** | | | |
| Foodservice Net Sales | $ 486,055 | $ 18,876 | $ 467,179 |

Adjusted Operating Income is a non-GAAP financial measure that excludes certain items affecting comparability, which can impact the analysis of our underlying core business performance and trends. The following table presents a reconciliation between operating income as reported in accordance with GAAP and Adjusted Operating Income for the three and six month periods ended December 31, 2025 and 2024. The $1.7 million adjustment in the reconciliation below for the three months ended December 31, 2025 includes $1.4 million in restructuring and impairment charges related to the impairment of manufacturing equipment. The remaining $0.3 million in restructuring and impairment charges for the three-month period are attributed to the closure of our sauce and dressing production facility in Milpitas, California. The $2.8 million adjustment in the reconciliation below for the six months ended December 31, 2025 consists of the $1.4 million in charges for the aforementioned impairment of manufacturing equipment with the remaining $1.4 million attributed to the restructuring and impairment charges resulting from the closure of our sauce and dressing production facility in Milpitas, California. The prior-year adjustment for the three and six months ended December 31, 2024 reflects incremental SG&A expenses attributed to the Atlanta production facility acquisition.

| | Three Months Ended December 31, | | | | Six Months Ended December 31, | | | |
|---|---|---|---|---|---|---|---|---|
| **(Dollars in thousands)** | **2025** | 2024 | **Change** | | **2025** | 2024 | **Change** | |
| Reported Operating Income | **$ 75,184** | $ 75,661 | **$ (477)** | **(0.6)%** | **$ 134,444** | $ 131,525 | **$ 2,919** | **2.2 %** |
| SG&A Expenses - Acquisition Costs | **—** | 1,620 | **(1,620)** | **(100.0)%** | **—** | 1,620 | **(1,620)** | **(100.0)%** |
| Restructuring and Impairment Charges | **1,667** | — | **1,667** | **N/M** | **2,810** | — | **2,810** | **N/M** |
| Adjusted Operating Income (non-GAAP) | **$ 76,851** | $ 77,281 | **$ (430)** | **(0.6)%** | **$ 137,254** | $ 133,145 | **$ 4,109** | **3.1 %** |

**CRITICAL ACCOUNTING POLICIES**

There have been no changes in critical accounting policies from those policies disclosed in our 2025 Annual Report on Form 10-K.

**RECENT ACCOUNTING PRONOUNCEMENTS**

Recent accounting pronouncements and their impact on our consolidated financial statements are disclosed in Note 1 to the condensed consolidated financial statements.

**FORWARD-LOOKING STATEMENTS**

We desire to take advantage of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995 (the "PSLRA"). This Quarterly Report on Form 10-Q contains various "forward-looking statements" within the meaning of the PSLRA and other applicable securities laws. Such statements can be identified by the use of the forward-looking words "anticipate," "estimate," "project," "believe," "intend," "plan," "expect," "hope" or similar words. These statements discuss future expectations; contain projections regarding future developments, operations or financial conditions; or state other forward-looking information. Such statements are based upon assumptions and assessments made by us in light of our experience and perception of historical trends, current conditions, expected future developments and other factors we believe to be appropriate. These forward-looking statements involve various important risks, uncertainties and other factors that could cause our actual results to differ materially from those expressed in the forward-looking statements. Actual results may differ as a result of factors over which we have no, or limited, control including, without limitation, the specific influences outlined below. Management believes these forward-looking statements to be reasonable; however, one should not place undue reliance on such statements that are based on current expectations. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update such forward-looking statements, except as required by law.

Items which could impact these forward-looking statements include, but are not limited to:

- the ability to successfully close the Bachan's, Inc. transaction, integrate the acquired business, and achieve operational and financial performance objectives;
- efficiencies in plant operations and our overall supply chain network;
- price and product competition;
- the success and cost of new product development efforts;
- the lack of market acceptance of new products;
- changes in demand for our products, which may result from changes in consumer behavior or loss of brand reputation or customer goodwill;
- the impact of customer store brands on our branded retail volumes;

- the impact of any laws and regulatory matters affecting our food business, including any additional requirements imposed by the federal, state or local government;
- the extent to which good-fitting business acquisitions are identified, acceptably integrated, and achieve operational and financial performance objectives;
- inflationary pressures resulting in higher input costs;
- changes in our cash flow or use of cash in various business activities;
- fluctuations in the cost and availability of ingredients and packaging;
- adverse changes in freight, energy or other costs of producing, distributing or transporting our products;
- the reaction of customers or consumers to pricing actions we take to offset inflationary costs;
- adverse changes in trade policies, including increased tariffs, retaliatory trade measures, or other trade restrictions;
- dependence on key personnel and changes in key personnel;
- adequate supply of labor for our manufacturing facilities;
- stability of labor relations;
- geopolitical events that could create unforeseen business disruptions and impact the cost or availability of raw materials and energy;
- dependence on a wide array of critical third parties to support our operations, including contract manufacturers, distributors, logistics providers and IT vendors;
- cyber-security incidents, information technology disruptions, and data breaches;
- the potential for loss of larger programs or key customer relationships;
- capacity constraints that may affect our ability to meet demand or may increase our costs;
- failure to maintain or renew license agreements;
- the possible occurrence of product recalls or other defective or mislabeled product costs;
- maintenance of competitive position with respect to other manufacturers;
- the outcome of any litigation or arbitration;
- the effect of consolidation of customers within key market channels;
- significant shifts in consumer demand and disruptions to our employees, communities, customers, supply chains, production planning, operations, and production processes resulting from the impacts of epidemics, pandemics or similar widespread public health concerns and disease outbreaks;
- changes in estimates in critical accounting judgments; and
- certain other factors, including the information disclosed in our discussion of risk factors under Item 1A of our 2025 Annual Report on Form 10-K.

**Item 3.** ***Quantitative and Qualitative Disclosures About Market Risk***

Our market risks have not changed materially from those disclosed in our 2025 Annual Report on Form 10-K.

**Item 4.** ***Controls and Procedures***

(a) *Evaluation of Disclosure Controls and Procedures.* As of the end of the period covered by this Quarterly Report on Form 10-Q, our management, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")). Based upon this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2025 to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is 1) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and 2) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, in a manner that allows timely decisions regarding required disclosure.

(b) *Changes in Internal Control Over Financial Reporting.* No changes were made to our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II – OTHER INFORMATION

### Item 1. Legal Proceedings

We are required to disclose certain environmental matters when a governmental authority is a party to the proceedings and such proceedings involve potential monetary sanctions that we reasonably believe will be in excess of an applied threshold not to exceed $1 million. We are using a threshold of $1 million as we believe this amount is reasonably designed to result in disclosure of such proceedings that are material to our business or financial condition. Applying this threshold, there are no environmental matters to disclose in this Form 10-Q.

### Item 1A. Risk Factors

There have been no material changes to the risk factors disclosed under Item 1A in our 2025 Annual Report on Form 10-K.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(c) In November 2010, our Board of Directors approved a share repurchase authorization of 2,000,000 common shares, of which 954,817 common shares remained authorized for future repurchases at December 31, 2025. Purchases under the share repurchase authorization may be made from time to time in the open market, in privately negotiated transactions, block trades, accelerated share repurchase transactions, purchases through 10b5-1 trading plans, or by any combination of such methods. The timing and amount of any repurchases pursuant to the share repurchase authorization will be determined based on market conditions, share price and other factors. This share repurchase authorization does not have a stated expiration date. In the second quarter, we made the following repurchases of our common stock:

| Period | Total Number of Shares Purchased | | Average Price Paid Per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans | Maximum Number of Shares that May Yet be Purchased Under the Plans |
|---|---|---|---|---|---|
| October 1-31, 2025[1] | 61,086 | $ | 164.41 | 61,086 | 1,016,438 |
| November 1-30, 2025 | — | $ | — | — | 1,016,438 |
| December 1-31, 2025[1] | 61,621 | $ | 162.42 | 61,621 | 954,817 |
| **Total** | 122,707 | $ | 163.41 | 122,707 | 954,817 |

(1) Includes 261 shares in October 2025 and 53 shares in December 2025 that were repurchased in satisfaction of tax withholding obligations arising from the vesting of restricted stock awards granted to employees under the Lancaster Colony Corporation 2015 Omnibus Incentive Plan.

### Item 5. Other Information

*Rule 10b5-1 Trading Arrangements.* On November 25, 2025, Thomas K. Pigott, Vice President, Chief Financial Officer and Assistant Secretary, adopted a Rule 10b5-1 plan (the "Rule 10b5-1 Plan") intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act of 1934. The Rule 10b5-1 Plan provides for the sale of a limited number of shares of the Company's common stock, pursuant to the terms of the Rule 10b5-1 Plan. The actual number of shares to be sold under the Rule 10b5-1 Plan will be determined, in part, based on a cap on the net proceeds from their sale and is not determinable at this time. The Rule 10b5-1 Plan expires on December 31, 2026, or upon the earlier completion of the sale of the maximum number of shares subject to the Rule 10b5-1 Plan. During the second quarter of fiscal 2026, no other director or Section 16 officer adopted or terminated any "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as such terms are defined under Item 408(a) of Regulation S-K.

### Item 6. Exhibits

See Index to Exhibits below.

### INDEX TO EXHIBITS

| Exhibit Number | Description |
|---|---|
| 10.1 | The Marzetti Company 2025 Omnibus Incentive Plan (incorporated by reference to Appendix A to the Corporation's Definitive Proxy Statement (000-04065), filed October 20, 2025). |
| 10.2 | Form of Restricted Stock Unit Award Agreement for Directors under The Marzetti Company 2025 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K (000-04065), filed November 20, 2025). |

| Exhibit Number | Description |
|---|---|
| 10.3 | Form of Restricted Stock Unit Award Agreement for Employees and Consultants under The Marzetti Company 2025 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K (000-04065), filed November 20, 2025). |
| 31.1[(a)] | Certification of CEO under Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2[(a)] | Certification of CFO under Section 302 of the Sarbanes-Oxley Act of 2002 |
| 32[(b)] | Certification of CEO and CFO under Section 906 of the Sarbanes-Oxley Act of 2002 |
| 101.INS[(a)] | XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document |
| 101.SCH[(a)] | Inline XBRL Taxonomy Extension Schema Document |
| 101.CAL[(a)] | Inline XBRL Taxonomy Extension Calculation Linkbase Document |
| 101.DEF[(a)] | Inline XBRL Taxonomy Extension Definition Linkbase Document |
| 101.LAB[(a)] | Inline XBRL Taxonomy Extension Label Linkbase Document |
| 101.PRE[(a)] | Inline XBRL Taxonomy Extension Presentation Linkbase Document |
| 104[(a)] | The cover page of The Marzetti Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2025, formatted in Inline XBRL (included within Exhibit 101 attachments) |

(a) Filed herewith

(b) Furnished herewith

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE MARZETTI COMPANY

(Registrant)

Date: February 3, 2026

By: /s/ DAVID A. CIESINSKI

David A. Ciesinski
*President, Chief Executive Officer and Director*
*(Principal Executive Officer)*

Date: February 3, 2026

By: /s/ THOMAS K. PIGOTT

Thomas K. Pigott
*Vice President, Chief Financial Officer and Assistant Secretary*
*(Principal Financial and Accounting Officer)*