

The Marzetti Company



FY26 Q2 Earnings Presentation

Fiscal Period Ended December 31, 2025

February 3, 2026

Safe Harbor Statement

This presentation was prepared by The Marzetti Company for information purposes only and is not an offer or solicitation with respect to the purchase or sale of Company securities. We desire to take advantage of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995 (the "PSLRA"). Any statements concerning the Company's future performance included in this presentation or made orally to the recipients of this presentation are "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. Management believes these forward-looking statements to be reasonable; however, you should not place undue reliance on such statements that are based on current expectations. For example, fluctuations in the market price of material or freight costs or general economic conditions for domestic consumers, over which we have no control, may significantly influence our financial results. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update such forward-looking statements. More detailed statements regarding significant events that could affect our financial results are included in our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q as filed with the Securities and Exchange Commission and available at investors.marzetticompany.com

Information Regarding non-GAAP Financial Measures

The Marzetti Company prepares its consolidated financial statements in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"). However, from time to time, the corporation may present in its public statements, presentations, 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 in the Appendix to this presentation. The corporation's 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.

FY26 Q2 Highlights

- Consolidated net sales increased 1.7% to \$518.0 million. Excluding \$8.2 million in non-core sales attributed to a temporary supply agreement ("TSA") with Winland Foods, Inc., Adjusted Consolidated Net Sales* increased 0.1% to \$509.8 million.
- Gross Profit improved \$4.5 million or 3.4% to a second quarter record of \$137.3 million
- Operating Income declined \$0.5 million or 0.6% to \$75.2 million, including the unfavorable impact of \$1.7 million in restructuring and impairment charges. Note that prior year operating income was unfavorably impacted by \$1.6 million in acquisition-related SG&A costs.
- EPS (diluted) improved \$0.37 to \$2.15
 - In the current-year quarter, the restructuring and impairment charges, primarily due to the impairment of manufacturing equipment, reduced net income by \$0.05 per diluted share
 - In the prior-year quarter, the noncash settlement charge attributed to the termination of the company's legacy pension plans reduced net income by \$0.39 per diluted share and the acquisition-related costs reduced net income by \$0.05 per diluted share.
- Returned \$1.00 cash dividend per share, a 5.3% increase over the prior year

Note: The TSA commenced in March 2025 and is expected to conclude during the quarter ending March 31, 2026

*See Appendix page A-1 for a reconciliation of our non-GAAP measures to their most comparable GAAP financial measures

Retail Segment Highlights

Retail segment Net Sales declined 1.1% to \$277.5 million, while volume (measured in pounds shipped) declined 3.1%

- The 1.1% decline 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 included continued growth from our category-leading New York Bakery™ frozen garlic bread products and expanding distribution for our licensed Texas Roadhouse® dinner rolls
- Circana data showed solid performance for several of our core brands and licensed items for the 13 weeks ending December 28, 2025



Retail Category Highlights

Category	Brand		\$ Sales and Share Highlights
Frozen Garlic Bread		New York Bakery™	New York Bakery grew sales 8.4%, adding 300 basis points of market share, to a category-leading 44.6%
Frozen Dinner Rolls		Texas Roadhouse® Sister Schubert's®	Licensed Texas Roadhouse and Sister Schubert's combined to grow 7.1%, resulting in a market share increase of 40 basis points, to a category-leading 60.8%
Shelf Stable Sauces & Condiments		Chick-fil-A®	<p>Chick-fil-A sauces grew 6.7%, well ahead of the category's 1.0% decline, resulting in 13 basis points of share growth</p> <p>Chick-fil-A sauces benefited from expanded distribution into the club channel, that began during our fiscal fourth quarter ended June 30</p>
Produce Dips		Marzetti®	Marzetti brand dips increased 0.3%, adding 130 basis points of market share, to a category-leading 75.5%

Source:

Circana

Time period:

13 weeks ending 12/28/25

Foodservice Segment Highlights

Foodservice segment Net Sales grew 5.2% to \$240.4 million.

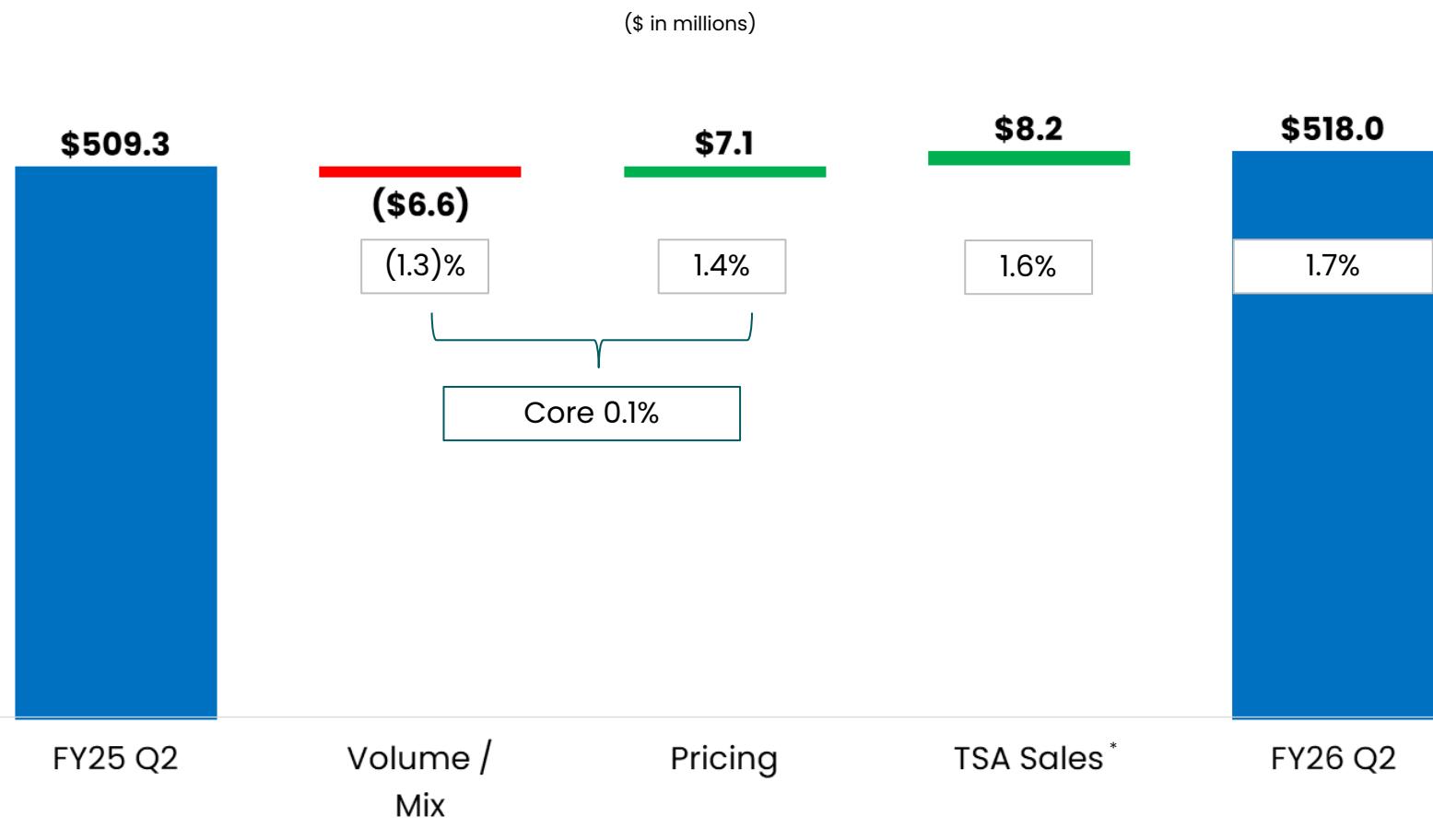
- Excluding the \$8.2 million in non-core sales attributed to the TSA, Adjusted Foodservice Net Sales* advanced 1.6%, while volume (measured in pounds shipped) declined 0.4%
- The Adjusted Net Sales* growth was driven by:
 - Increased demand from some of our national chain customers and Branded Foodservice products
 - Inflationary pricing to offset cost inflation



Note: The TSA commenced in March 2025 and is expected to conclude during the quarter ending March 31, 2026

*See Appendix page A-1 for a reconciliation of our non-GAAP measures to their most comparable GAAP financial measures

Financial Performance – Net Sales



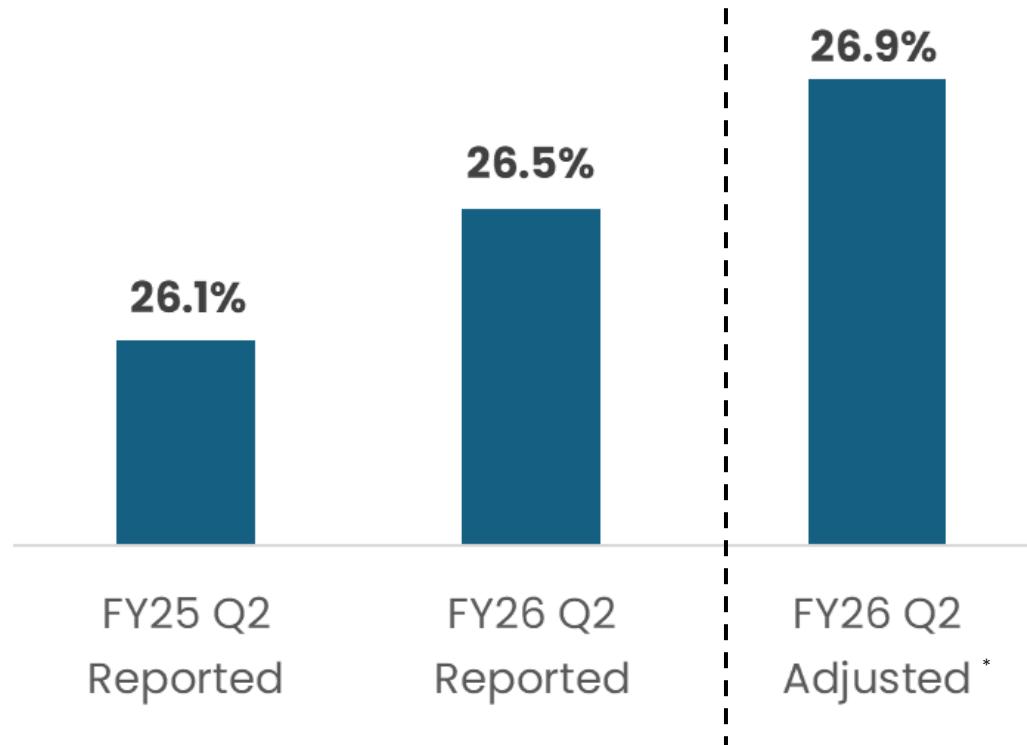
Values may not foot due to rounding

* Incremental Foodservice sales associated with the Winland Foods TSA

Financial Performance – Gross Margin

Reported Gross Margin increased to 26.5%, while Adjusted Gross Margin* improved to 26.9%, driven by:

- Ongoing cost savings programs
- Inflationary pricing to offset cost inflation

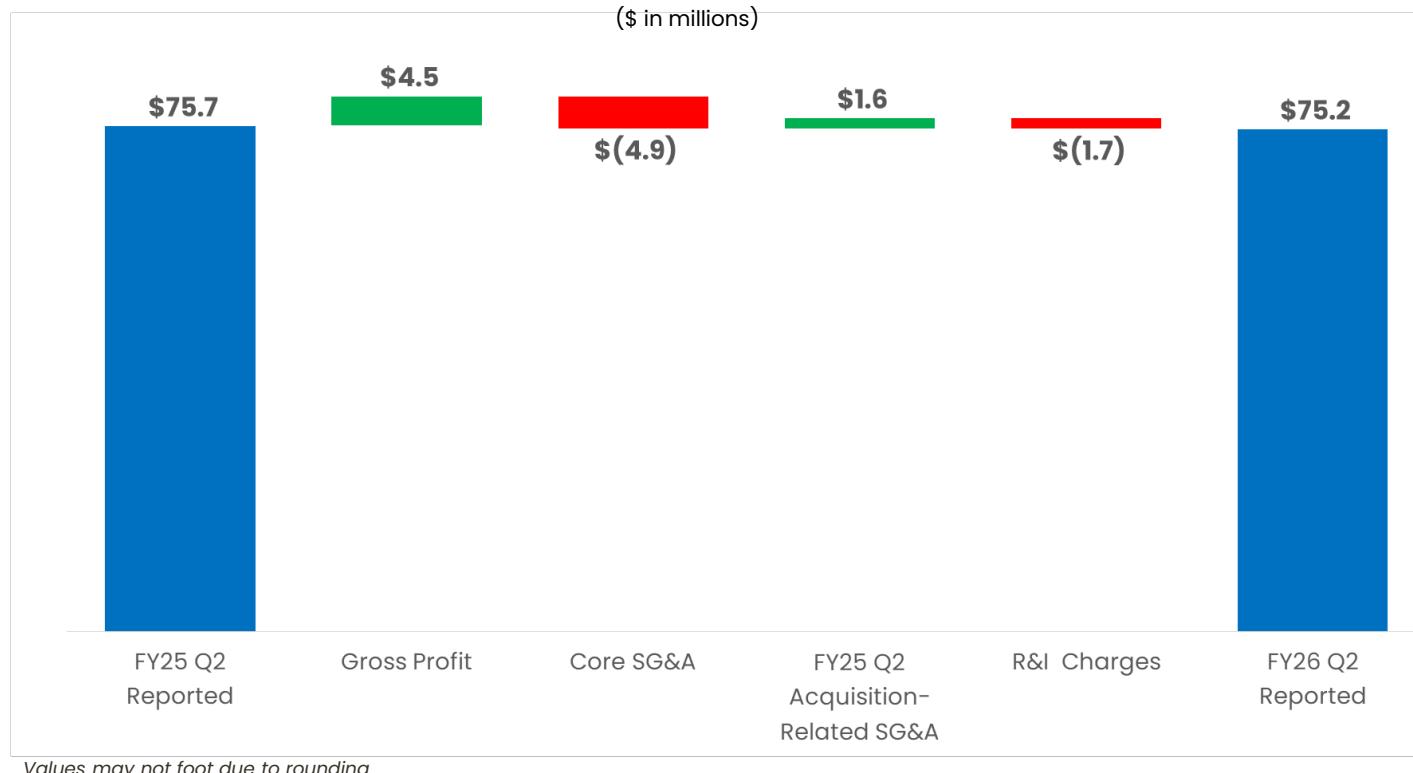


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Financial Performance – Operating Income

Operating Income declined \$0.5 million to \$75.2 million, due to:

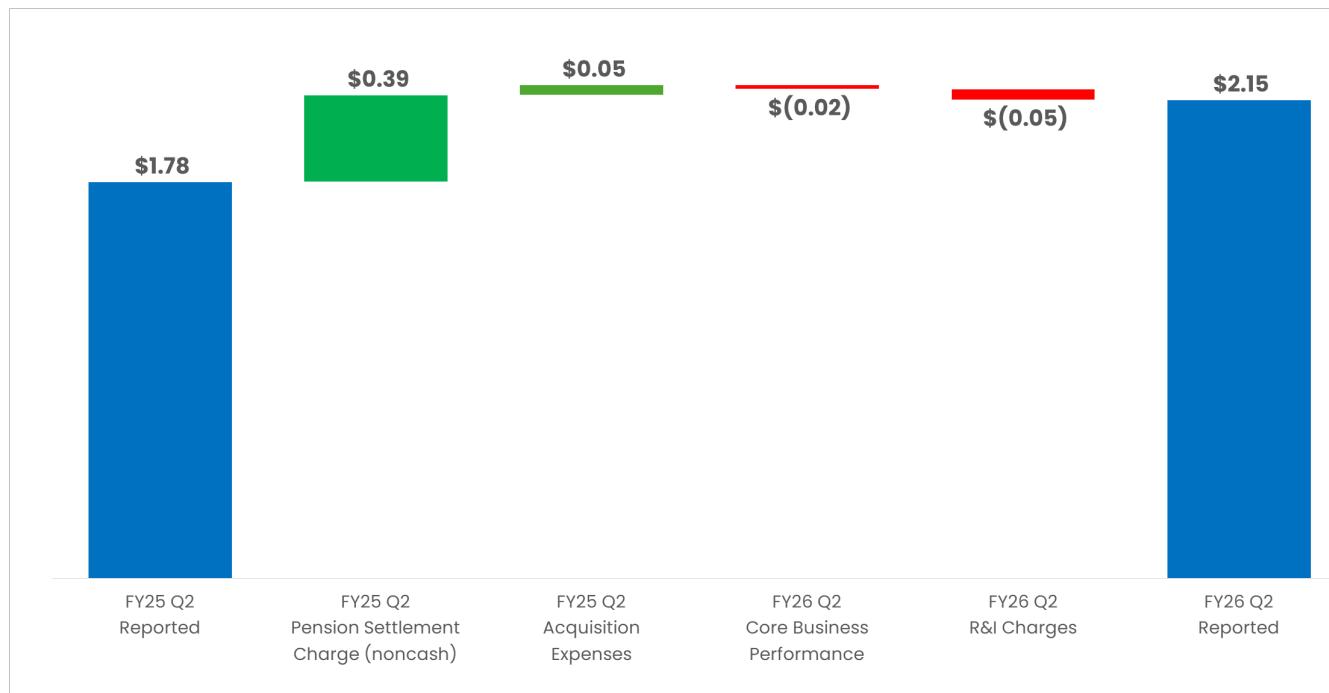
- Higher gross profit driven by our cost savings programs and Inflationary pricing to balance cost inflation, offset by
- Increased core SG&A expense to support the growth of our Retail brands
- Restructuring and Impairment Charges resulting primarily from the impairment of manufacturing equipment



Financial Performance – EPS Bridge (Diluted)

EPS (diluted) improved \$0.37 to \$2.15

- In the prior-year quarter, the noncash settlement charge attributed to the termination of the company's legacy pension plans reduced earnings per share by \$0.39 per diluted share and acquisition-related costs reduced earnings per share by \$0.05 per diluted share
- In the current-year quarter, core business performance reduced earnings per share by \$0.02 per diluted share and the restructuring and impairment charges primarily related to the impairment of manufacturing equipment reduced earnings per share by \$0.05 per diluted share



Values may not foot due to rounding

Cash Flow and Balance Sheet Highlights

- FY26 Q2 payments for property additions totaled \$17.7 million
- We anticipate FY26 capital expenditures between \$75 and \$85 million
- Cash dividend of \$1.00 per share paid on December 31, an increase of 5.3% versus the prior year – enduring streak of annual dividend increases stands at 63 years
- We repurchased \$20.1 million of common stock in FY26 Q2
- Our financial position remains strong as of FY26 Q2 – debt free and \$202 million in cash

FY26 Outlook

- We will continue to support the three pillars of our growth plan:
 - Accelerate core business growth
 - Simplify our supply chain to reduce costs and grow margins
 - Expand our core with focused M&A and strategic licensing
- 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
- Foodservice segment sales are expected to be supported by select quick-service restaurant customers in our mix of national chain restaurant accounts

FY26 Outlook (continued)

- We will continue to monitor external factors, including U.S. economic performance and consumer behavior, that may impact the demand for our products
- In aggregate, we anticipate a modest level of input cost inflation for the remainder of FY26 that we plan to offset through contractual pricing and our ongoing cost savings programs as we remain focused on continued margin improvement
- Supply chain is well-positioned to cost effectively support the growth of our key customers in FY26 and beyond

APPENDIX

Reconciliation of GAAP to non-GAAP

Net Sales and Gross Margin

Three Months Ended December 31, 2025				
	Adjusted			
<u>(Unaudited, Dollars in Thousands)</u>	Reported	TSA-Related	(non-GAAP)	
<u>Consolidated</u>				
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%	0.0%	26.9%	
<u>Foodservice</u>				
Foodservice Net Sales	\$ 240,428	\$ 8,185	\$ 232,243	

Note: 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 a temporary supply agreement ("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 table above presents 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 months ended December 31, 2025.

Reconciliation of GAAP to non-GAAP Operating Income

<u>(Unaudited, Dollars in Thousands)</u>	Three Months Ended December 31		Change
	2025	2024	
Reported Operating Income	\$ 75,184	\$ 75,661	\$ (477) -0.6%
SG&A Expenses - Acquisition Costs	\$ -	\$ 1,620	\$ (1,620) -100.0%
Restructuring and Impairment Charges	\$ 1,667	\$ -	\$ 1,667 N/M
Adjusted Operating Income (non-GAAP)	<u>\$ 76,851</u>	<u>\$ 77,281</u>	<u>\$ (430)</u> -0.6%

Note: 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 adjustments in the reconciliation above reflects restructuring and impairment charges primarily related to the impairment of manufacturing equipment and incremental SG&A expenses in the prior year attributed to the Atlanta production facility acquisition. The table above presents a reconciliation between operating income as reported in accordance with GAAP and Adjusted Operating Income for the three months ended December 31, 2025, and 2024.