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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

**FORM 10-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 28, 2023

OR

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

Commission File Number: 0-19681

**JOHN B. SANFILIPPO & SON, INC.**

(Exact Name of Registrant as Specified in its Charter)

Delaware

( State or other jurisdiction of  
incorporation or organization)

1703 North Randall Road

Elgin, Illinois

(Address of principal executive offices)

**36-2419677**

(I.R.S. Employer  
Identification No.)

**60123-7820**

(Zip Code)

(847) 289-1800

Registrant's telephone number, including area code

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value per share	JBSS	The NASDAQ Stock Market LLC (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, 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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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 in Rule 12b-2 of the Exchange Act). Yes  No

As of January 25, 2024, 9,002,660 shares of the Registrant's Common Stock, \$0.01 par value per share and 2,597,426 shares of the Registrant's Class A Common Stock, \$0.01 par value per share, were outstanding.

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**PART I—FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**JOHN B. SANFILIPPO & SON, INC.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(Uaudited)  
(Dollars in thousands, except share and per share amounts)

	For the Quarter Ended	December 28, 2023	December 29, 2022	For the Twenty-Six Weeks Ended	December 28, 2023	December 29, 2022
Net sales	\$ 291,222	\$ 274,328	\$ 525,327	\$ 526,929		
Cost of sales	233,283	217,826	410,366	419,784		
Gross profit	57,939	56,502	114,961	107,145		
Operating expenses:						
Selling expenses	21,001	21,830	42,993	39,812		
Administrative expenses	11,563	10,208	22,016	20,455		
Bargain purchase gain, net	(2,226)	—	(2,226)	—		
Total operating expenses	30,338	32,038	62,783	60,267		
Income from operations	27,601	24,464	52,178	46,878		
Other expense:						
Interest expense including \$175, \$189, \$353 and \$382 to related parties	1,055	615	1,282	1,276		
Rental and miscellaneous expense, net	260	311	616	713		
Pension expense (excluding service costs)	350	348	700	697		
Total other expense, net	1,665	1,274	2,598	2,686		
Income before income taxes	25,936	23,190	49,580	44,192		
Income tax expense	6,765	6,283	12,821	11,740		
Net income	<u>\$ 19,171</u>	<u>\$ 16,907</u>	<u>\$ 36,759</u>	<u>\$ 32,452</u>		
Other comprehensive income:						
Amortization of actuarial loss included in net periodic pension cost	—	7	—	14		
Income tax expense related to pension adjustments	—	(2)	—	(3)		
Other comprehensive income, net of tax	—	5	—	11		
Comprehensive income	<u>\$ 19,171</u>	<u>\$ 16,912</u>	<u>\$ 36,759</u>	<u>\$ 32,463</u>		
Net income per common share-basic	<u>\$ 1.65</u>	<u>\$ 1.46</u>	<u>\$ 3.17</u>	<u>\$ 2.81</u>		
Net income per common share-diluted	<u>\$ 1.64</u>	<u>\$ 1.45</u>	<u>\$ 3.15</u>	<u>\$ 2.79</u>		

*The accompanying unaudited notes are an integral part of these consolidated financial statements.*

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**JOHN B. SANFILIPPO & SON, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(Uunaudited)  
(Dollars in thousands, except share and per share amounts)

	December 28, 2023	June 29, 2023	December 29, 2022
<b>ASSETS</b>			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 1,975	\$ 1,948	\$ 620
Accounts receivable, less allowance for doubtful accounts of \$370, \$283 and \$318	77,416	72,734	72,433
Inventories	197,335	172,936	173,075
Prepaid expenses and other current assets	13,040	6,812	11,693
<b>TOTAL CURRENT ASSETS</b>	<b>289,766</b>	<b>254,430</b>	<b>257,821</b>
PROPERTY, PLANT AND EQUIPMENT:			
Land	13,365	9,150	9,150
Buildings	114,708	104,150	102,840
Machinery and equipment	286,317	261,706	254,013
Furniture and leasehold improvements	5,310	5,275	5,312
Vehicles	790	729	614
Construction in progress	3,960	7,123	9,877
	424,450	388,133	381,806
Less: Accumulated depreciation	276,987	267,336	259,597
	147,463	120,797	122,209
Rental investment property, less accumulated depreciation of \$14,843, \$14,439 and \$14,036	14,280	14,684	15,087
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<b>161,743</b>	<b>135,481</b>	<b>137,296</b>
Intangible assets, net	6,584	6,658	7,561
Deferred income taxes	562	3,592	2,608
Goodwill	11,750	11,750	12,030
Operating lease right-of-use assets	6,867	6,427	2,593
Other assets	7,187	6,949	6,021
<b>TOTAL ASSETS</b>	<b>\$ 484,459</b>	<b>\$ 425,287</b>	<b>\$ 425,930</b>

*The accompanying unaudited notes are an integral part of these consolidated financial statements.*

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**JOHN B. SANFILIPPO & SON, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(Uunaudited)  
(Dollars in thousands, except share and per share amounts)

	December 28, 2023	June 29, 2023	December 29, 2022
<b>LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>			
<b>CURRENT LIABILITIES:</b>			
Revolving credit facility borrowings	\$ 32,052	\$ —	\$ 22,805
Current maturities of long-term debt, net, including related party debt of \$704, \$672 and \$642	704	672	1,497
Accounts payable	62,955	42,680	49,342
Bank overdraft	1,500	285	1,970
Accrued payroll and related benefits	17,479	27,572	14,953
Other accrued expenses	13,601	14,479	13,495
<b>TOTAL CURRENT LIABILITIES</b>	<b>128,291</b>	<b>85,688</b>	<b>104,062</b>
<b>LONG-TERM LIABILITIES:</b>			
Long-term debt, less current maturities, net, including related party debt of \$6,742, \$7,102 and \$7,446	6,742	7,102	7,446
Retirement plan	27,338	26,653	29,132
Long-term operating lease liabilities, net of current portion	5,141	4,771	1,472
Long-term workers' compensation liabilities	7,291	7,321	7,459
Other	2,419	1,545	696
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>48,931</b>	<b>47,392</b>	<b>46,205</b>
<b>TOTAL LIABILITIES</b>	<b>177,222</b>	<b>133,080</b>	<b>150,267</b>
<b>COMMITMENTS AND CONTINGENCIES</b>			
<b>STOCKHOLDERS' EQUITY:</b>			
Class A Common Stock, convertible to Common Stock on a per share basis, cumulative voting rights of ten votes per share, \$.01 par value; 10,000,000 shares authorized, 2,597,426 shares issued and outstanding	26	26	26
Common Stock, non-cumulative voting rights of one vote per share, \$.01 par value; 17,000,000 shares authorized, 9,120,560, 9,076,326 and 9,072,068 shares issued	91	91	91
Capital in excess of par value	133,432	131,986	130,731
Retained earnings	175,096	161,512	148,488
Accumulated other comprehensive loss	(204)	(204)	(2,469)
Treasury stock, at cost; 117,900 shares of Common Stock	(1,204)	(1,204)	(1,204)
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>307,237</b>	<b>292,207</b>	<b>275,663</b>
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	<b>\$ 484,459</b>	<b>\$ 425,287</b>	<b>\$ 425,930</b>

*The accompanying unaudited notes are an integral part of these consolidated financial statements.*

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**JOHN B. SANFILIPPO & SON, INC.**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
(Uunaudited)  
(Dollars in thousands, except share and per share amounts)

	Class A				Capital in			Accumulated Other Comprehensiv e Loss			Treasury Stock	Total		
	Common Stock		Common Stock		Excess of Par Value	Retained Earnings								
	Shares	Amount	Shares	Amount										
Balance, June 29, 2023	2,597,426	\$ 26	9,076,326	\$ 91	\$ 131,986	\$ 161,512	\$ (204)	\$ (1,204)	\$ 292,207					
Net income					17,588					17,588				
Cash dividends (\$2.00 per share)						(23,175)				(23,175)				
Equity award exercises			14,605	—	—	—				—				
Stock-based compensation expense					747					747				
Balance, September 28, 2023	2,597,426	\$ 26	9,090,931	\$ 91	\$ 132,733	\$ 155,925	\$ (204)	\$ (1,204)	\$ 287,367					
Net income					19,171					19,171				
Equity award exercises, net of shares withheld for employee taxes			29,629	—	(684)					(684)				
Stock-based compensation expense					1,383					1,383				
Balance, December 28, 2023	<u>2,597,426</u>	<u>\$ 26</u>	<u>9,120,560</u>	<u>\$ 91</u>	<u>\$ 133,432</u>	<u>\$ 175,096</u>	<u>\$ (204)</u>	<u>\$ (1,204)</u>	<u>\$ 307,237</u>					
Class A				Capital in			Accumulated Other Comprehensiv e Loss			Treasury Stock		Total		
Common Stock				Shares	Amount	Shares	Amount	Excess of Par Value	Retained Earnings					
Balance, June 30, 2022	2,597,426	\$ 26	9,047,359	\$ 90	\$ 128,800	\$ 153,589	\$ (2,480)	\$ (1,204)	\$ 278,821					
Net income						15,545				15,545				
Cash dividends (\$2.25 per share)						(25,981)				(25,981)				
Pension liability amortization, net of income tax expense of \$1									6	6				
Stock-based compensation expense					772					772				
Balance, September 29, 2022	2,597,426	\$ 26	9,047,359	\$ 90	\$ 129,572	\$ 143,153	\$ (2,474)	\$ (1,204)	\$ 269,163					
Net income					16,907					16,907				
Cash dividends (\$1.00 per share)					(11,572)					(11,572)				
Pension liability amortization, net of income tax expense of \$2									5	5				
Equity award exercises, net of shares withheld for employee taxes			24,709	1	(356)					(355)				
Stock-based compensation expense					1,515					1,515				
Balance, December 29, 2022	<u>2,597,426</u>	<u>\$ 26</u>	<u>9,072,068</u>	<u>\$ 91</u>	<u>\$ 130,731</u>	<u>\$ 148,488</u>	<u>\$ (2,469)</u>	<u>\$ (1,204)</u>	<u>\$ 275,663</u>					

*The accompanying unaudited notes are an integral part of these consolidated financial statements.*

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**JOHN B. SANFILIPPO & SON, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Uunaudited)  
(Dollars in thousands)

	For the Twenty-Six Weeks Ended	
	December 28, 2023	December 29, 2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$ 36,759	\$ 32,452
Depreciation and amortization	11,715	10,099
Loss on disposition of assets, net	140	19
Deferred income tax expense	2,280	628
Stock-based compensation expense	2,130	2,287
Bargain purchase gain, net	(2,226)	—
Change in assets and liabilities:		
Accounts receivable, net	(4,542)	(2,822)
Inventories	11,101	32,020
Prepaid expenses and other current assets	(2,942)	(1,885)
Accounts payable	20,557	1,492
Accrued expenses	(10,077)	(1,794)
Income taxes receivable	(4,180)	(2,523)
Other long-term assets and liabilities	132	721
Other, net	325	258
Net cash provided by operating activities	61,172	70,952
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of property, plant and equipment	(10,882)	(11,420)
Business acquisitions, net	(58,974)	(3,500)
Other, net	(53)	(56)
Net cash used in investing activities	(69,909)	(14,976)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net short-term borrowings (repayments)	32,052	(17,634)
Debt issue costs	(316)	—
Principal payments on long-term debt	(328)	(1,984)
Increase in bank overdraft	1,215	1,756
Dividends paid	(23,175)	(37,553)
Taxes paid related to net share settlement of equity awards	(684)	(356)
Net cash provided by (used in) financing activities	8,764	(55,771)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents, beginning of period	1,948	415
Cash, end of period	<u>\$ 1,975</u>	<u>\$ 620</u>

*The accompanying unaudited notes are an integral part of these consolidated financial statements.*

**JOHN B. SANFILIPPO & SON, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)  
(Dollars in thousands, except where noted and per share data)

**Note 1 – Basis of Presentation and Description of Business**

As used herein, unless the context otherwise indicates, the terms "we", "us", "our" or "Company" collectively refer to John B. Sanfilippo & Son, Inc. and our wholly-owned subsidiary, JBSS Ventures, LLC. Our fiscal year ends on the final Thursday of June each year, and typically consists of fifty-two weeks (four thirteen-week quarters). Additional information on the comparability of the periods presented is as follows:

- References herein to fiscal 2024 and fiscal 2023 are to the fiscal year ending June 27, 2024 and the fiscal year ended June 29, 2023, respectively.
- References herein to the second quarter of fiscal 2024 and fiscal 2023 are to the quarters ended December 28, 2023 and December 29, 2022, respectively.
- References herein to the first half or first twenty-six weeks of fiscal 2024 and fiscal 2023 are to the twenty-six weeks ended December 28, 2023 and December 29, 2022, respectively.

We are one of the leading processors and distributors of peanuts, pecans, cashews, walnuts, almonds and other nuts in the United States. These nuts are sold under our *Fisher*, *Orchard Valley Harvest*, *Squirrel Brand* and *Southern Style Nuts* brand names and under a variety of private brands. We also market and distribute, and in most cases, manufacture or process, a diverse product line of food and snack products, including peanut butter, almond butter, cashew butter, candy and confections, snack and trail mixes, nutrition bars, snack bars, snack bites, sunflower kernels, dried fruit, corn snacks, chickpea snacks, sesame sticks, other sesame snack products and baked cheese snack products under our brand names, including *Just the Cheese*, and under private brands. Finally, with our recent acquisition of assets relating to the snack bars business from TreeHouse Foods, Inc., which was completed in the current second quarter of fiscal 2024, we are able to offer our private brand customers a complete portfolio of snack bars. Our products are sold through three primary distribution channels, including food retailers in the consumer channel, commercial ingredient users and contract packaging customers.

The accompanying unaudited financial statements fairly present the consolidated statements of comprehensive income, consolidated balance sheets, consolidated statements of stockholders' equity and consolidated statements of cash flows, and reflect all adjustments, consisting only of normal recurring adjustments which are necessary for the fair statement of the results of the interim periods. Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses.

The interim results of operations are not necessarily indicative of the results to be expected for a full year. The balance sheet data as of June 29, 2023 was derived from audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States of America ("GAAP"). Accordingly, these unaudited financial statements and related notes should be read in conjunction with the audited consolidated financial statements and notes thereto included in our 2023 Annual Report on Form 10-K for the fiscal year ended June 29, 2023.

**Note 2 – Lakeville Acquisition**

On September 29, 2023, we completed the acquisition of certain assets from TreeHouse Foods, Inc. (the "Seller") relating to its snack bars business. The acquired assets include inventory, a manufacturing facility and related equipment located in Lakeville, Minnesota, and product formulas (the "Lakeville Acquisition"). The initial purchase price was approximately \$61,546 in cash, subject to certain post-closing adjustments. Following the closing, we received payment from the Seller of \$2,572 for purchase price adjustments related to the actual inventory and fixed assets acquired, for a revised purchase price of \$58,974, net. The purchase price for the Lakeville Acquisition was primarily funded from borrowings under the Credit Facility as amended by the Second Amendment (defined below).

The Lakeville Acquisition accelerates our strategy within the growing snack bar category and diversifies our product offerings. It also allows us to offer private brand customers a complete portfolio of snack bars, including fruit and grain, crunchy, protein, sweet and salty and chewy bars that complement internally developed nutrition bars. The Lakeville Acquisition has been accounted for as a business combination in accordance with ASC Topic 805, "Business Combinations".

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The following table summarizes the preliminary amounts allocated to the fair values of certain assets acquired at the acquisition date:

Inventories	\$	35,500
Property, plant and equipment		25,600
Identifiable intangible assets:		
Product formulas		850
Total assets acquired	\$	<u>61,950</u>

Property, plant and equipment represent a manufacturing facility and related equipment located in Lakeville, Minnesota. The fair value for the property was primarily determined using a market approach. The fair values for the machinery and equipment were determined using a combination of the direct and indirect cost approaches, along with the market approach. All assets will be depreciated on a straight-line basis over their estimated remaining useful lives as determined in accordance with our accounting policies.

The product formulas asset represents the value of these formulas designed to replicate the taste, texture and appearance of branded snack bars. The fair value of the product formulas was determined using the income approach through a relief from royalty method analysis. We are amortizing formulas over a weighted average life of 5.4 years.

There were no recognized or unrecognized material contingencies associated with the acquired business.

The \$61,950 fair value of the identifiable assets acquired exceeded the total purchase price of \$58,974. Accordingly, this acquisition resulted in a bargain purchase and we recognized a gain of \$2,226, net of taxes, which is reported in the caption "Bargain purchase gain, net" in our consolidated financial results for the quarter and twenty-six weeks ended December 28, 2023. We believe the Lakeville Acquisition resulted in a bargain purchase gain because the Seller was motivated to divest such snack bars business, as its performance no longer supported the Seller's long-term growth targets.

Net sales of \$28,692 and a loss before income taxes of \$3,957 from the closing of the Lakeville Acquisition on September 29, 2023 are included in our consolidated financial results as of December 28, 2023. The Company also incurred acquisition-related costs of \$161 and \$665 for the quarter and twenty-six weeks ended December 28, 2023, respectively. These costs are included in Administrative expenses.

The following reflects the unaudited pro forma results of operations of the Company as if the Lakeville Acquisition had taken place at the beginning of fiscal 2023. This pro forma information does not purport to represent what the Company's actual results would have been if the Lakeville Acquisition had occurred as of the date indicated or what such results would be for any future periods.

	For the Quarter Ended		For the Twenty-Six Weeks Ended	
	December 28, 2023	December 29, 2022	December 28, 2023	December 29, 2022
Pro forma net sales	\$ 291,222	\$ 313,870	\$ 565,640	\$ 608,754
Pro forma net income	18,883	16,697	33,335	29,797
Pro forma diluted earnings per share	\$ 1.62	\$ 1.44	\$ 2.86	\$ 2.56

These unaudited pro forma results have been calculated after applying our accounting policies and adjusting the results of the Lakeville Acquisition to reflect elimination of transaction costs and the bargain purchase gain and to record additional interest expense and cost of sales that would have been incurred, assuming the fair value adjustment to inventory had been applied from July 1, 2022, net of related income taxes in respect of pro forma net income and diluted earnings per share performance. The impact to the above pro forma information of incremental depreciation and amortization expense is insignificant and therefore excluded from the calculation of pro forma results.

Since the Lakeville Acquisition, we continue to operate in a single reportable operating segment that consists of selling various nut and nut-related products and snacks through three sales distribution channels. Revenues from the Lakeville Acquisition are primarily in our consumer distribution channel.

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### **Note 3 – Revenue Recognition**

We recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services. For each customer contract, a five-step process is followed in which we identify the contract, identify performance obligations, determine the transaction price, allocate the contract transaction price to the performance obligations, and recognize the revenue when (or as) the performance obligation is transferred to the customer.

#### *When Performance Obligations Are Satisfied*

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account for revenue recognition. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The Company's performance obligations are primarily for the delivery of raw and processed recipe and snack nuts, nut butters and trail mixes.

Our customer contracts do not include more than one performance obligation. If a contract were to contain more than one performance obligation, we are required to allocate the contract's transaction price to each performance obligation based on its relative standalone selling price. The standalone selling price for each distinct good is generally determined by directly observable data.

Revenue recognition is generally completed at a point in time when product control is transferred to the customer. For virtually all of our revenues, control transfers to the customer when the product is shipped or delivered to the customer based upon applicable shipping terms. This allows the customer to then direct the use and obtain substantially all of the remaining benefits from the asset at that point in time. Therefore, the timing of our revenue recognition requires little judgment.

#### *Variable Consideration*

Some of our products are sold through specific incentive programs including, but not limited to, promotional allowances, volume and customer rebates, in-store display incentives and marketing allowances to consumer and some commercial ingredient customers. The ultimate cost of these programs is dependent on certain factors such as actual purchase volumes or customer activities. It is also dependent on significant management judgment when determining estimates. The Company accounts for these programs as variable consideration and recognizes a reduction in revenue (and a corresponding reduction in the transaction price) in the same period as the underlying program based upon the terms of the specific arrangements.

Trade promotions, consisting primarily of customer pricing allowances, merchandising funds and consumer coupons, are also offered through various programs to customers and consumers. A provision for estimated trade promotions is recorded as a reduction of revenue (and a reduction in the transaction price) in the same period when the sale is recognized. Revenues are also recorded net of expected customer deductions which are provided for based upon past experiences. Evaluating these estimates requires management judgment.

We generally use the most likely amount method to determine the variable consideration. We believe there will not be significant changes to our estimates of variable consideration when any related uncertainties are resolved with our customers. The Company reviews and updates its estimates and related accruals of variable consideration and trade promotions at least quarterly based on the terms of the agreements and historical experience. Any uncertainties in the ultimate resolution of variable consideration due to factors outside of the Company's influence are typically resolved within a short timeframe. Therefore, no additional constraint on the variable consideration is required.

#### *Contract Balances*

Contract assets or liabilities result from transactions with revenue recorded over time. If the measure of remaining rights exceeds the measure of the remaining performance obligations, the Company records a contract asset. Conversely, if the measure of the remaining performance obligations exceeds the measure of the remaining rights, the Company records a contract liability. There was no contract asset balance for any periods presented. The Company generally does not have material deferred revenue or contract liability balances arising from transactions with customers.

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### *Disaggregation of Revenue*

Revenue disaggregated by sales channel is as follows:

Distribution Channel	For the Quarter Ended		For the Twenty-Six Weeks Ended	
	December 28, 2023	December 29, 2022	December 28, 2023	December 29, 2022
Consumer	\$ 241,362	\$ 224,513	\$ 425,696	\$ 421,060
Commercial Ingredients	27,712	28,419	55,847	59,926
Contract Packaging	22,148	21,396	43,784	45,943
Total	<u>\$ 291,222</u>	<u>\$ 274,328</u>	<u>\$ 525,327</u>	<u>\$ 526,929</u>

### **Note 4 – Leases**

#### *Description of Leases*

We lease equipment used in the transportation of goods in our warehouses, as well as a limited number of automobiles and a small warehouse near our Bainbridge, Georgia facility. Our leases generally do not contain non-lease components and do not contain any explicit guarantees of residual value. Our leases for warehouse transportation equipment generally require the equipment to be returned to the lessor in good working order.

Through a review of our contracts, we determine if an arrangement is a lease at inception and analyze the lease to determine if it is operating or finance. Operating lease right-of-use assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease right-of-use assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most of our leases do not provide an implicit rate, we use our incremental collateralized borrowing rate based on the information available at the commencement date in determining the present value of lease payments. Implicit rates are used when readily determinable. None of our leases currently contain options to extend the term. In the event of an option to extend the term of a lease, the lease term used in measuring the liability would include options to extend or terminate the lease if it is reasonably certain that the Company will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the respective lease term. Our leases have remaining terms of up to 5.5 years.

It is our accounting policy not to apply lease recognition requirements to short term leases, defined as leases with an initial term of 12 months or less. As such, leases with an initial term of 12 months or less are not recorded in the Consolidated Balance Sheets. We have also made the policy election to not separate lease and non-lease components for all leases.

The following table provides supplemental information related to operating lease right-of-use assets and liabilities:

	December 28, 2023	June 29, 2023	December 29, 2022	Affected Line Item in Consolidated Balance Sheets
<b>Assets</b>				
Operating lease right-of-use assets	\$ 6,867	\$ 6,427	\$ 2,593	<i>Operating lease right-of-use assets</i>
Total lease right-of-use assets	<u>\$ 6,867</u>	<u>\$ 6,427</u>	<u>\$ 2,593</u>	
<b>Liabilities</b>				
Current:				
Operating leases	\$ 1,751	\$ 1,729	\$ 1,166	<i>Other accrued expenses</i>
Noncurrent:				
Operating leases	5,141	4,771	1,472	<i>Long-term operating lease liabilities</i>
Total lease liabilities	<u>\$ 6,892</u>	<u>\$ 6,500</u>	<u>\$ 2,638</u>	

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The following tables summarize the Company's total lease costs and other information arising from operating lease transactions:

	For the Quarter Ended		For the Twenty-Six Weeks Ended	
	December 28, 2023	December 29, 2022	December 28, 2023	December 29, 2022
Operating lease costs <sup>(a)</sup>	\$ 719	\$ 541	\$ 1,389	\$ 1,015
Variable lease costs <sup>(b)</sup>	33	58	(141)	115
<b>Total lease cost</b>	<b>\$ 752</b>	<b>\$ 599</b>	<b>\$ 1,248</b>	<b>\$ 1,130</b>

(a)Includes short-term leases which are immaterial.

(b)Variable lease costs consist of sales tax and lease overtime charges.

	For the Twenty-Six Weeks Ended	
	December 28, 2023	December 29, 2022
<b>Operating cash flows information:</b>		
Cash paid for amounts included in measurements for lease liabilities	\$ 1,210	\$ 807
<b>Non-cash activity:</b>		
Right-of-use assets obtained in exchange for new operating lease obligations	\$ 1,320	\$ 1,049
December 28, 2023	June 29, 2023	December 29, 2022
Weighted average remaining lease term (in years)	4.2	4.4
Weighted average discount rate	6.9 %	6.7 %
		3.0
		5.2 %

Maturities of operating lease liabilities as of December 28, 2023 are as follows:

Fiscal Year Ending		
June 27, 2024 (excluding the twenty-six weeks ended December 28, 2023)	\$ 1,159	
June 26, 2025	1,954	
June 25, 2026	1,742	
June 24, 2027	1,455	
June 29, 2028	1,285	
June 28, 2029	346	
Thereafter	—	
Total lease payment	7,941	
Less imputed interest	(1,049)	
<b>Present value of operating lease liabilities</b>	<b>\$ 6,892</b>	

At December 28, 2023, the Company has additional operating leases of approximately \$425 that have not yet commenced and therefore are not reflected in the Consolidated Balance Sheet and tables above. The leases are scheduled to commence in the third quarter of fiscal 2024 with initial lease terms ranging from 3 to 6 years.

### *Lessor Accounting*

We lease office space in our four-story office building located in Elgin, Illinois. As a lessor, we retain substantially all of the risks and benefits of ownership of the investment property and under Topic 842: *Leases* we continue to account for all of our leases as operating leases. Lease agreements may include options to renew. We accrue fixed lease income on a straight-line basis over the terms of the leases. There is generally no variable lease consideration and an immaterial amount of non-lease components such as recurring utility and storage fees. Leases between related parties are immaterial.

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Leasing revenue is as follows:

	For the Quarter Ended		For the Twenty-Six Weeks Ended	
	December 28, 2023	December 29, 2022	December 28, 2023	December 29, 2022
Lease income related to lease payments	\$ 533	\$ 403	\$ 977	\$ 805

The future minimum, undiscounted fixed cash flows under non-cancelable tenant operating leases for each of the next five years and thereafter are as follows:

<b>Fiscal Year Ending</b>	
June 27, 2024 (excluding the twenty-six weeks ended December 28, 2023)	\$ 1,029
June 26, 2025	1,477
June 25, 2026	972
June 24, 2027	930
June 29, 2028	328
June 28, 2029	336
Thereafter	1,478
	<u>\$ 6,550</u>

## **Note 5 – Inventories**

Inventories consist of the following:

	December 28, 2023	June 29, 2023	December 29, 2022
Raw material and supplies	\$ 81,564	\$ 65,430	\$ 75,002
Work-in-process and finished goods	115,771	107,506	98,073
<b>Total</b>	<b>\$ 197,335</b>	<b>\$ 172,936</b>	<b>\$ 173,075</b>

## **Note 6 – Goodwill and Intangible Assets**

Identifiable intangible assets that are subject to amortization consist of the following:

	December 28, 2023	June 29, 2023	December 29, 2022
Customer relationships	\$ 21,350	\$ 21,350	\$ 21,370
Brand names	17,070	17,070	17,070
Product formulas	850	-	-
Non-compete agreement	300	300	300
	39,570	38,720	38,740
Less accumulated amortization:			
Customer relationships	(20,356)	(19,834)	(19,311)
Brand names	(12,314)	(11,955)	(11,598)
Product formulas	(40)	-	-
Non-compete agreement	(276)	(273)	(270)
	(32,986)	(32,062)	(31,179)
<b>Net intangible assets</b>	<b>\$ 6,584</b>	<b>\$ 6,658</b>	<b>\$ 7,561</b>

Customer relationships are being amortized on an accelerated basis. The brand names remaining to be amortized consist of the *Squirrel Brand*, *Southern Style Nuts* and *Just the Cheese* brand names.

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Total amortization expense related to intangible assets, which is classified in administrative expense in the Consolidated Statement of Comprehensive Income, was \$482 and \$924 for the quarter and twenty-six weeks ended December 28, 2023, respectively. Amortization expense for the remainder of fiscal 2024 is expected to be approximately \$762 and expected amortization expense the next five fiscal years is as follows:

Fiscal Year Ending	
June 26, 2025	\$ 1,374
June 25, 2026	1,038
June 24, 2027	863
June 29, 2028	685
June 28, 2029	496

Our net goodwill at December 28, 2023 was comprised of \$9,650 from the Squirrel Brand acquisition completed in fiscal 2018 and \$2,100 from the *Just the Cheese* brand acquisition completed in fiscal 2023. The changes in the carrying amount of goodwill since June 30, 2022 are as follows:

Gross goodwill balance at June 30, 2022	\$ 18,416
Accumulated impairment losses	(8,766)
Net goodwill balance at June 30, 2022	9,650
Goodwill acquired during fiscal 2023	2,100
Net balance at June 29, 2023	11,750
Goodwill acquired during fiscal 2024	-
Net balance at December 28, 2023	<u>\$ 11,750</u>

### **Note 7 – Credit Facility**

Our Second Amendment to the Amended and Restated Credit Agreement (the "Second Amendment") dated September 29, 2023 provides for a \$150,000 senior secured revolving credit facility (the "Credit Facility"), which was increased from \$117,500, to provide extra available capacity for our short-term working capital requirements due to the Lakeville Acquisition. The Second Amendment also extends the maturity of the Credit Facility to September 29, 2028 and allows the Company to pay up to \$100,000 in dividends per year, subject to meeting availability tests. The Credit Facility is secured by substantially all our assets other than machinery and equipment, real property and fixtures.

At December 28, 2023, we had \$114,155 of available credit under the Credit Facility which reflects borrowings of \$32,052 and reduced availability as a result of \$3,793 in outstanding letters of credit. As of December 28, 2023, we were in compliance with all financial covenants under the Credit Facility.

### **Note 8 – Earnings Per Common Share**

The following table presents the reconciliation of the weighted average shares outstanding used in computing basic and diluted earnings per share:

	For the Quarter Ended December 28, 2023	For the Twenty-Six Weeks Ended December 28, 2023	For the Twenty-Six Weeks Ended December 29, 2022
Weighted average number of shares outstanding – basic	11,611,409	11,567,068	11,603,185
Effect of dilutive securities:			
Restricted stock units	56,146	57,594	67,964
Weighted average number of shares outstanding – diluted	<u>11,667,555</u>	<u>11,624,662</u>	<u>11,671,149</u>
			<u>11,620,887</u>

There were no anti-dilutive awards excluded from the computation of diluted earnings per share for any periods presented.

**Note 9 – Stock-Based Compensation Plans**

At our annual meeting of stockholders on November 2, 2023, our stockholders approved a new equity incentive plan (the “2023 Omnibus Plan”) under which awards of options and stock-based awards may be made to employees, officers or non-employee directors of our Company. A total of 747,065 shares of Common Stock are authorized for grants of awards thereunder, which may be in the form of options, restricted stock, restricted stock units (“RSUs”), stock appreciation rights (SARs”), performance shares, performance units, Common Stock or dividends and dividend equivalents.

The total number of shares of Common Stock with respect to which options or SARs may be granted in any calendar year to any participant may not exceed 500,000 shares (this limit applies separately with respect to each type of award). Additionally, for awards of restricted stock, RSUs, performance shares or other stock-based awards that are intended to qualify as performance-based compensation: (i) the total number of shares of Common Stock that may be granted in any calendar year to any participant may not exceed 250,000 shares (this limit applies separately to each type of award) and (ii) the maximum amount that may be paid to any participant for awards that are payable in cash or property other than Common Stock in any calendar year is \$5,000.

During the second quarter of fiscal 2024, there were 56,168 RSUs awarded to employees and non-employee members of the Board of Directors. The vesting period is generally three years for awards to employees and one year for awards to non-employee directors.

The following is a summary of RSU activity for the first twenty-six weeks of fiscal 2024:

Restricted Stock Units	Shares	Weighted Average Grant Date Fair Value
Outstanding at June 29, 2023	155,012	\$ 67.87
Granted <sup>(a)</sup>	56,168	\$ 85.55
Vested <sup>(b)</sup>	(51,707)	\$ 72.10
Forfeited	(621)	\$ 72.58
Outstanding at December 28, 2023	<u>158,852</u>	<u>\$ 72.73</u>

(a) The number of RSUs granted includes 8,031 RSUs with performance conditions for which the performance criteria had yet to be achieved. The final number of shares that will eventually be earned and vest has not yet been determined.

(b) The number of RSUs vested includes shares that were withheld on behalf of employees to satisfy statutory tax withholding requirements.

At December 28, 2023, there were 26,653 RSUs outstanding that were vested but deferred.

The following table summarizes compensation expense charged to earnings for all equity compensation plans for the periods presented:

	For the Quarter Ended		For the Twenty-Six Weeks Ended	
	December 28, 2023	December 29, 2022	December 28, 2023	December 29, 2022
Stock-based compensation expense	\$ 1,383	\$ 1,515	\$ 2,130	\$ 2,287

As of December 28, 2023, there was \$6,763 of total unrecognized compensation expense related to non-vested RSUs granted under our stock-based compensation plans. We expect to recognize that cost over a weighted average period of 1.7 years.

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**Note 10 – Retirement Plan**

The Supplemental Employee Retirement Plan (“Retirement Plan”) is an unfunded, non-qualified deferred compensation plan that will provide eligible participants with monthly benefits upon retirement, disability or death, subject to certain conditions. The monthly benefit is based upon each participant’s earnings and his or her number of years of service. The components of net periodic benefit cost are as follows:

	For the Quarter Ended		For the Twenty-Six Weeks Ended	
	December 28, 2023	December 29, 2022	December 28, 2023	December 29, 2022
Service cost	\$ 63	\$ 201	\$ 126	\$ 401
Interest cost	350	341	700	683
Amortization of loss	—	7	—	14
Net periodic benefit cost	<u>\$ 413</u>	<u>\$ 549</u>	<u>\$ 826</u>	<u>\$ 1,098</u>

The components of net periodic benefit cost other than the service cost component are included in the line item “Pension expense (excluding service costs)” in the Consolidated Statements of Comprehensive Income.

**Note 11 – Accumulated Other Comprehensive Loss**

The table below sets forth the changes to accumulated other comprehensive loss (“AOCL”) for the twenty-six weeks ended December 28, 2023 and December 29, 2022. These changes are all related to our defined benefit pension plan.

Changes to AOCL <sup>(a)</sup>	For the Twenty-Six Weeks Ended	
	December 28, 2023	December 29, 2022
Balance at beginning of period	\$ (204)	\$ (2,480)
Other comprehensive income before reclassifications	—	—
Amounts reclassified from accumulated other comprehensive loss	—	14
Tax effect	—	(3)
Net current-period other comprehensive income	—	11
Balance at end of period	<u>\$ (204)</u>	<u>\$ (2,469)</u>

(a) Amounts in parenthesis indicate debits/expense.

The reclassifications out of AOCL for the quarter and twenty-six weeks ended December 28, 2023 and December 29, 2022 were as follows:

Reclassifications from AOCL to Earnings <sup>(b)</sup>	For the Quarter Ended		For the Twenty-Six Weeks Ended		Affected Line Item Consolidated Statements of Comprehensive Income
	December 28, 2023	December 29, 2022	December 28, 2023	December 29, 2022	
Amortization of defined benefit pension items:					
Unrecognized net loss	\$ —	\$ (7)	\$ —	\$ (14)	Pension expense (excluding service costs)
Tax effect	—	2	—	3	Income tax expense
Amortization of defined pension items, net of tax	<u>\$ —</u>	<u>\$ (5)</u>	<u>\$ —</u>	<u>\$ (11)</u>	

(b) Amounts in parenthesis indicate debits to expense. See Note 10 – “Retirement Plan” above for additional details.

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### **Note 12 – Commitments and Contingent Liabilities**

We are currently a party to various legal proceedings in the ordinary course of business. While management presently believes that the ultimate outcomes of these proceedings, individually and in the aggregate, will not materially affect our Company's financial position, results of operations or cash flows, legal proceedings are subject to inherent uncertainties, and unfavorable outcomes could occur. Unfavorable outcomes could include substantial monetary damages in excess of any appropriate accruals, which management has established. Were such unfavorable final outcomes to occur, there exists the possibility of a material adverse effect on our financial position, results of operations and cash flows.

### **Note 13 – Fair Value of Financial Instruments**

The Financial Accounting Standards Board defines fair value as the price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The guidance establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels:

Level 1	– Quoted prices in active markets that are accessible at the measurement date for identical assets and liabilities.
Level 2	– Observable inputs other than quoted prices in active markets. For example, quoted prices for similar assets or liabilities in active markets or quoted prices for identical assets or liabilities in inactive markets.
Level 3	– Unobservable inputs for which there is little or no market data available.

The carrying values of cash, trade accounts receivable and accounts payable approximate their fair values at each balance sheet date because of the short-term maturities and nature of these balances.

The carrying value of our revolving credit facility borrowings approximates fair value at each balance sheet date because interest rates on this instrument approximate current market rates (Level 2 criteria) and because of the short-term maturity and nature of this balance. In addition, there has been no significant change in our inherent credit risk.

The following table summarizes the carrying value and fair value estimate of our current and long-term debt, excluding unamortized debt issuance costs:

	December 28, 2023	June 29, 2023	December 29, 2022
Carrying value of current and long-term debt:	\$ 7,446	\$ 7,774	\$ 8,944
Fair value of current and long-term debt:	6,654	7,421	8,118

The estimated fair value of our long-term debt was determined using a market approach based upon Level 2 observable inputs, which estimates fair value based on interest rates currently offered on loans with similar terms to borrowers of similar credit quality or broker quotes. In addition, there have been no significant changes in the underlying assets securing our long-term debt.

### **Note 14 – Recent Accounting Pronouncements**

There were no recent accounting pronouncements adopted in the current fiscal year.

There are no recent accounting pronouncements that have been issued and not yet adopted that are expected to have a material impact on our Consolidated Financial Statements.

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

#### **OVERVIEW**

The following discussion and analysis should be read in conjunction with the unaudited Consolidated Financial Statements and the Notes to Consolidated Financial Statements.

Our fiscal year ends on the final Thursday of June each year, and typically consists of fifty-two weeks (four thirteen-week quarters). Additional information on the comparability of the periods presented is as follows:

- References herein to fiscal 2024 and fiscal 2023 are to the fiscal year ending June 27, 2024 and the fiscal year ended June 29, 2023, respectively.
- References herein to the second quarter of fiscal 2024 and fiscal 2023 are to the quarters ended December 28, 2023 and December 29, 2022, respectively.
- References herein to the first half or first twenty-six weeks of fiscal 2024 and fiscal 2023 are to the twenty-six weeks ended December 28, 2023 and December 29, 2022, respectively.

As used herein, unless the context otherwise indicates, the terms "we", "us", "our" or "Company" collectively refer to John B. Sanfilippo & Son, Inc. and our wholly-owned subsidiary, JBSS Ventures, LLC.

We are one of the leading processors and distributors of peanuts, pecans, cashews, walnuts, almonds and other nuts in the United States. These nuts are sold under our *Fisher*, *Orchard Valley Harvest*, *Squirrel Brand* and *Southern Style Nuts* brand names and under a variety of private brands. We also market and distribute, and in most cases, manufacture or process, a diverse product line of food and snack products, including peanut butter, almond butter, cashew butter, candy and confections, snack and trail mixes, nutrition bars, snack bars, snack bites, sunflower kernels, dried fruit, corn snacks, chickpea snacks, sesame sticks, other sesame snack products and baked cheese snack products under our brand names, including *Just the Cheese*, and under private brands. We distribute our products in the consumer, commercial ingredients and contract packaging distribution channels.

Our Long-Range Plan defines our future growth priorities and focuses on growing our non-branded business across key customers, as well as transforming *Fisher*, *Orchard Valley Harvest* and *Squirrel Brand* into leading brands while increasing distribution and diversifying our portfolio into high growth snacking segments. We will execute on our Long-Range Plan by providing non-branded customer value-added solutions based on our extensive industry and consumer expertise with innovative products such as our newly developed product line of private brand nutrition bars which were introduced during fiscal 2023. We will grow our branded business by reaching new consumers via product expansion and packaging innovation, expanding distribution across current and alternative channels, diversifying our product offerings and focusing on new ways for consumers to buy our products, including sales via e-commerce platforms. This Long-Range Plan also contemplates increasing our sales through product innovation and targeted, opportunistic acquisitions, such as the acquisition of the *Just the Cheese* brand completed during fiscal 2023 and the recent Lakeville Acquisition completed during the current second quarter, which expanded our ability to produce private brand snack bars and allows us to provide our private brand customers with a complete snack bar portfolio.

We will continue to focus our promotional and advertising activity to invest in our brands to achieve growth. We intend to execute an omnichannel approach to win in key categories including recipe nuts, snack nuts, trail mix and other snacking categories. We continue to see e-commerce growth across our branded portfolio and anticipate taking various actions with the goal of maintaining that growth across a variety of established and emerging platforms. We will continue to face the ongoing challenges specific to our business, such as food safety and regulatory issues and the maintenance and growth of our customer base for branded and private brand products. See the information referenced in Part II, Item 1A — "Risk Factors" of this report for additional information about our risks, challenges and uncertainties.

We face a number of challenges in the future, which include integrating the recent Lakeville Acquisition into our existing business, the impacts of ongoing inflation in food prices, elevated interest rates that reduce economic growth, consumers reducing their purchases in the snack and nut category, including branded nut products, potential for economic downturn in the markets in which we operate and continued supply chain challenges. We continue to experience a tight labor market which has led to increased labor costs.

#### ***Inflation and Consumer Trends***

We face changing industry trends as consumers' purchasing preferences evolve. Due to the current inflationary environment, we have seen higher selling prices at retail. These higher prices across our categories and the broader food market, coupled with an actual or

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potential economic downturn and tightening of consumer finances due to inflation or a variety of other reasons, are causing consumers to purchase fewer snack products. We have seen this through the decline in the recipe and snack nut categories since fiscal 2023 and into fiscal 2024, as consumers shift their preferences to private brands or lower priced nuts or purchase snack products outside the snack and nut and trail mix category. With the inflationary environment, we are also seeing signs of consumers shifting to more value-focused retailers, such as mass merchandising retailers, club stores and dollar stores, not all of which we distribute or sell to.

### **Supply Chain and Transportation**

In the first half of fiscal 2024, we faced supply chain challenges related to certain raw material shortages, extended lead-times, supplier capacity constraints and inflationary pressures. While we do not have direct exposure to suppliers in Russia, Ukraine or Israel, the conflicts in these regions could continue to result in volatile commodity markets, supply chain disruptions and increased costs. Global supply chain pressures have eased, but we continue to see negative impacts related to macro-economics, geo-political unrest, growing political instability and climate-related events. Overall packaging and ingredient inflation appears to be leveling off but is expected to remain above historical levels. We anticipate pricing relief in some areas in the current fiscal year, if and as shortages decrease and supply chains improve. However, we expect that some costs may remain above historical levels or unpredictable for a longer period.

While we have seen stabilization in truckload capacity and volume at U.S. ports and improvements with driver hiring, there are still warehouse and dock staff shortages and fuel and energy concerns due to continued unrest abroad coupled with persistent inflation. Instability and prices in the transportation industry may increase further into the remainder of fiscal 2024 due to the bankruptcy of a major U.S.-based trucking company. Fuel prices that were at record highs during spring and summer 2022 have continued to decrease, yet still remain volatile and unpredictable. While there are indicators of transportation cost improvement, and despite our mitigation of some of the transportation shortages, we may continue to face an unpredictable transportation environment. There is no guarantee that our mitigation strategies will continue to be effective, that any transportation capacity easing will continue or that transportation prices will return to more normalized levels.

We have remained agile by proactively identifying risks, modifying inventory plans and diversifying our supplier base to mitigate risk of customer order shortages and maintain our supply chain. We continue to proactively manage our business in response to the evolving global economic environment and related uncertainty and intend to take steps to mitigate impacts to our supply chain. If these supply chain pressures continue, or we cannot obtain the transportation and labor services needed to fulfill customer orders, such shortages and supply chain issues could have an unfavorable impact on net sales and our operations during fiscal 2024. Additionally, as costs increase due to these issues or due to overall inflationary pressures, there is an additional risk of not being able to pass (in part or in full) such potential cost increases onto our customers or in a timely manner. If we cannot align costs with prices for our products, our operating performance could be adversely impacted.

## QUARTERLY HIGHLIGHTS

Our net sales of \$291.2 million for the second quarter of fiscal 2024 increased \$16.9 million, or 6.2%, from our net sales of \$274.3 million for the second quarter of fiscal 2023. Net sales for the first twenty-six weeks of fiscal 2024 decreased by \$1.6 million, or 0.3%, to \$525.3 million compared to the first twenty-six weeks of fiscal 2023.

Sales volume, measured as pounds sold to customers, increased 11.8% compared to the second quarter of fiscal 2023. Sales volume for the first twenty-six weeks of fiscal 2024 increased 2.3% compared to the first twenty-six weeks of fiscal 2023.

Gross profit increased \$1.4 million, and our gross profit margin, as a percentage of net sales, decreased to 19.9% for the second quarter of fiscal 2024 compared to 20.6% for the second quarter of fiscal 2023. Gross profit increased \$7.8 million, and our gross profit margin increased to 21.9% from 20.3% for the first twenty-six weeks of fiscal 2024 compared to the first twenty-six weeks of fiscal 2023.

Total operating expenses for the second quarter of fiscal 2024 decreased by \$1.7 million, or 5.3%, compared to the second quarter of fiscal 2023. As a percentage of net sales, total operating expenses in the second quarter of fiscal 2024 decreased to 10.4% from 11.7% for the second quarter of fiscal 2023. Total operating expenses for the first twenty-six weeks of fiscal 2024 increased by \$2.5 million, or 4.2%, compared to the first twenty-six weeks of fiscal 2023. As a percentage of net sales, total operating expenses for the first twenty-six weeks of fiscal 2024 increased to 12.0% from 11.4% for the first twenty-six weeks of fiscal 2023.

The total value of inventories on hand at the end of the second quarter of fiscal 2024 increased \$24.3 million, or 14.0%, in comparison to the total value of inventories on hand at the end of the second quarter of fiscal 2023.

We have seen acquisition costs for all major tree nuts, other than walnuts, remain flat or decrease, and we have seen acquisition costs for peanuts increase modestly in the 2023 crop year (which falls into our current 2024 fiscal year). We completed procurement of inshell walnuts during the first half of fiscal 2024. During the third quarter, we will determine the final prices to be paid to the walnut growers based upon current market prices and other factors such as crop size and export demand. We have estimated the liability to our walnut growers and our walnut inventory costs using currently available information. Any difference between our estimated liability and the actual final liability will be determined during the third quarter of fiscal 2024 and will be recognized in our financial results at that time.

## RESULTS OF OPERATIONS

### Net Sales

In the second quarter of fiscal 2024, our net sales increased 6.2% to \$291.2 million compared to net sales of \$274.3 million for the second quarter of fiscal 2023, primarily due to the Lakeville Acquisition, which closed on the first day of our current second quarter and increased quarterly net sales by approximately \$28.7 million. Sales volume, which is defined as pounds sold to customers, increased 11.8%, also due to the Lakeville Acquisition. The Lakeville Acquisition increased our quarterly sales volume by 11.6 million pounds, or 14.4%, over the second quarter of fiscal 2023. Sales volume for the second quarter, excluding the impact of the Lakeville Acquisition, decreased 2.6% and weighted average sales price per pound decreased 1.7% as we continue to navigate a challenging operating environment characterized by elevated retail selling prices and cautious consumers.

For the first twenty-six weeks of fiscal 2024 our net sales were \$525.3 million, a decrease of \$1.6 million, or 0.3%, compared to the same period of fiscal 2023. Excluding the impact of the Lakeville Acquisition, net sales decreased 5.7% to \$496.6 million, which was primarily attributable to a 4.9% decline in sales volume. In addition to the decline in sales volume, a 0.8% decrease in weighted average selling price per pound also contributed to the decline in net sales.

The following table summarizes sales by product type as a percentage of total gross sales. The information is based upon gross sales, rather than net sales, because certain adjustments, such as promotional discounts, are not allocable to product type.

Product Type	For the Quarter Ended		For the Twenty-Six Weeks Ended	
	December 28, 2023	December 29, 2022	December 28, 2023	December 29, 2022
Peanuts & Peanut Butter	16.3%	16.6%	18.0%	17.8%
Pecans	14.2	17.5	12.0	14.1
Cashews & Mixed Nuts	17.7	20.6	19.1	20.4
Walnuts	5.3	6.8	5.1	6.3
Almonds	7.4	8.3	8.2	8.7
Trail & Snack Mixes	23.4	24.2	25.5	26.4
Snack Bars	9.8	—	5.7	—
Other	5.9	6.0	6.4	6.3
Total	100.0%	100.0%	100.0%	100.0%

The following table shows a comparison of net sales by distribution channel (dollars in thousands):

Distribution Channel	December 28, 2023	Percentage of Total	For the Quarter Ended		\$ Change	% Change
			December 29, 2022	Percentage of Total		
Consumer <sup>(1)</sup>	\$ 241,362	82.9%	\$ 224,513	81.8%	\$ 16,849	7.5%
Commercial Ingredients	27,712	9.5	28,419	10.4	(707)	(2.5)
Contract Packaging	22,148	7.6	21,396	7.8	752	3.5
Total	\$ 291,222	100.0%	\$ 274,328	100.0%	\$ 16,894	6.2%

(1) Sales of branded products were approximately 22% and 26% of total consumer sales during the second quarter of fiscal 2024 and fiscal 2023, respectively.

Fisher branded products were approximately 73% and 75% of branded sales during the second quarter of fiscal 2024 and fiscal 2023, respectively, with Orchard Valley Harvest branded products accounting for the majority of the remaining branded product sales.

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The following table shows a comparison of net sales by distribution channel (dollars in thousands):

Distribution Channel	December 28, 2023	Percentage of Total	For the Twenty-Six Weeks Ended		\$ Change	% Change
			December 29, 2022	Percentage of Total		
Consumer <sup>(1)</sup>	\$ 425,696	81.1%	\$ 421,060	79.9%	\$ 4,636	1.1%
Commercial Ingredients	55,847	10.6	59,926	11.4	(4,079)	(6.8)
Contract Packaging	43,784	8.3	45,943	8.7	(2,159)	(4.7)
Total	<u>\$ 525,327</u>	<u>100.0%</u>	<u>\$ 526,929</u>	<u>100.0%</u>	<u>\$ (1,602)</u>	<u>(0.3)%</u>

(1) Sales of branded products were approximately 21% and 24% of total consumer sales during the first twenty-six weeks of fiscal 2024 and fiscal 2023, respectively. *Fisher* branded products were approximately 69% and 71% of branded sales during the first twenty-six weeks of fiscal 2024 and fiscal 2023, respectively, with *Orchard Valley Harvest* branded products accounting for the majority of the remaining branded product sales.

Net sales in the consumer distribution channel increased \$16.8 million, or 7.5%, and sales volume increased 15.3% in the second quarter of fiscal 2024 compared to the second quarter of fiscal 2023. Excluding the Lakeville Acquisition, net sales in the consumer distribution channel decreased \$11.4 million, or 5.1%, and sales volume decreased 2.8%. Private brand sales volume increased 20.2% driven by the Lakeville Acquisition, whose sales volume is almost exclusively private brand bars. Excluding the Lakeville Acquisition, private brand sales volume decreased 2.3% due to soft consumer demand at a mass merchandising retailer along with fewer seasonal items at another mass merchandising retailer. These decreases were partially offset by increased distribution of seasonal items at a grocery retailer. Sales volume of *Fisher* recipe nuts decreased 12.6% due to soft consumer demand across mass merchandising and grocery retailers and less merchandising activity at several grocery retailers. Sales volume of *Southern Style Nuts* decreased 36.7% from reduced distribution and promotional programs at a club store customer. The above decreases were partially offset by a 15.5% increase in sales volume for *Orchard Valley Harvest*, which was mainly due to increased distribution at a major customer in the non-food sector.

In the first twenty-six weeks of fiscal 2024, net sales in the consumer distribution channel increased \$4.6 million, or 1.1%, and sales volume increased 5.1% compared to the same period of fiscal 2023. Excluding the Lakeville Acquisition, net sales in the consumer distribution channel decreased \$23.6 million, or 5.6%, and sales volume decreased 4.2%. Private brand sales volume increased 7.7% driven by the Lakeville Acquisition. Excluding the Lakeville Acquisition, private brand sales volume decreased 3.7% for the reasons cited in the quarterly comparison above. These decreases were partially offset by increased distribution of seasonal items at a grocery retailer. Sales volume of *Fisher* recipe nuts decreased 12.0% for the reasons already cited in the quarterly comparison above. Sales volume of *Fisher* snack nuts decreased 16.7% due to increased competitive pricing pressures and the discontinuance of a product line at a mass merchandising retailer. Sales volume of *Southern Style Nuts* decreased 36.6% for the reasons already cited in the quarterly comparison above. The above decreases were partially offset by an 8.6% increase in sales volume for *Orchard Valley Harvest* for the reasons already cited in the quarterly comparison above. This increase was partially offset by decreased volume at a foodservice distributor due to competitive pricing pressures.

Net sales in the commercial ingredients distribution channel decreased \$0.7 million, or 2.5%, while sales volume increased 6.5% in the second quarter of fiscal 2024 compared to the second quarter of fiscal 2023. The sales volume increase was mostly driven by a one-time sale associated with the Lakeville Acquisition. Excluding the Lakeville Acquisition, sales volume increased 2.8% primarily due to increased peanut butter sales at several existing foodservice and industrial customers.

In the first twenty-six weeks of fiscal 2024, net sales in the commercial ingredients distribution channel decreased \$4.1 million, or 6.8%, while sales volume was flat compared to the same period of fiscal 2023. Excluding the Lakeville Acquisition, sales volume decreased 1.6% due to a 25.1% decrease in sales volume of peanut crushing stock to peanut oil processors due to reduced peanut shelling.

Net sales in the contract packaging distribution channel increased \$0.8 million, or 3.5%, while sales volume decreased 8.6% in the second quarter of fiscal 2024 compared to the second quarter of fiscal 2023. The decrease in sales volume was primarily due to fewer seasonal items and reduced promotional activity at a major customer and an item discontinuance at another customer.

In the first twenty-six weeks of fiscal 2024, net sales in the contract packaging distribution channel decreased \$2.2 million, or 4.7%, and sales volume decreased 14.3% compared to the same period of fiscal 2023. The sales volume decrease was primarily due to less promotional activity and a seasonal item sold to a major customer in the same quarter of our prior fiscal year that did not recur in the current quarter.

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### **Gross Profit**

Gross profit increased by \$1.4 million, or 2.5%, to \$57.9 million for the second quarter of fiscal 2024 compared to the second quarter of fiscal 2023 due to the higher net sales base. Excluding the Lakeville Acquisition, gross profit increased approximately 7.7%, or \$4.3 million. The increase in gross profit was due to lower commodity acquisition costs for most major tree nuts, increased manufacturing efficiencies, improved product mix and reduced noncompliant inventory. Our gross profit margin, as a percentage of net sales, decreased to 19.9% for the second quarter of fiscal 2024 compared to 20.6% for the second quarter of fiscal 2023 mainly due to the Lakeville Acquisition.

Gross profit was \$115.0 million for the first twenty-six weeks of fiscal 2024 compared to \$107.1 million for the first twenty-six weeks of fiscal 2023. Our gross profit margin, as a percentage of net sales, increased to 21.9% for the first twenty-six weeks of fiscal 2024 compared to 20.3% for the first twenty-six weeks of fiscal 2023. Gross profit and gross profit margin increased primarily due to lower commodity acquisition costs for all major nut commodities except peanuts and was partially offset by the impact of the Lakeville Acquisition, as noted above.

### **Operating Expenses**

Total operating expenses for the second quarter of fiscal 2024 decreased by \$1.7 million, or 5.3%, to \$30.3 million. Operating expenses decreased to 10.4% of net sales for the second quarter of fiscal 2024 compared to 11.7% of net sales for the second quarter of fiscal 2023 primarily due to the \$2.2 million net gain on bargain purchase that occurred in the second quarter of fiscal 2024 due to the Lakeville Acquisition.

Selling expenses for the second quarter of fiscal 2024 were \$21.0 million, a decrease of \$0.8 million, or 3.8%, from the second quarter of fiscal 2023. The decrease was driven primarily by a \$1.2 million decrease in freight expense due to lower freight rates and fewer delivered sales pounds and a \$1.1 million decrease in advertising and consumer insight research expense due to a shift of this expense into our first quarter. These decreases were partially offset by a \$0.6 million increase in outside distribution expense, primarily related to the Lakeville Acquisition, an increase in compensation-related expenses of \$0.3 million and a \$0.3 million increase in insurance expense from increasing medical claims experience.

Administrative expenses for the second quarter of fiscal 2024 increased \$1.4 million, or 13.3%, to \$11.6 million compared to \$10.2 million for the second quarter of fiscal 2023. The increase was due to a \$0.8 million increase in compensation-related expenses, a \$0.4 million increase in charitable food donations and a \$0.3 million increase in consulting expense, primarily related to the Lakeville Acquisition.

Total operating expenses for the first twenty-six weeks of fiscal 2024 increased by \$2.5 million, or 4.2%, to \$62.8 million. Operating expenses increased to 12.0% of net sales for the first twenty-six weeks of fiscal 2024 compared to 11.4% of net sales for the first twenty-six weeks of fiscal 2023. The increase is net of the \$2.2 million net gain on bargain purchase that occurred in the second quarter of fiscal 2024 due to the Lakeville Acquisition.

Selling expenses for the first twenty-six weeks of fiscal 2024 were \$43.0 million, an increase of \$3.2 million, or 8.0%, from the first twenty-six weeks of fiscal 2023. The increase was driven primarily by a \$3.3 million increase in advertising and consumer insight research expense, a \$0.7 million increase in outside distribution expense, of which \$0.4 million was due to the Lakeville Acquisition, an increase in consulting expenses of \$0.4 million and a \$0.3 million increase in customer sample expense related to nutrition bars which launched in the third quarter of fiscal 2023. These increases were offset by a \$2.0 million decrease in freight expense due to lower freight rates and fewer delivered sales pounds.

Administrative expenses for the first twenty-six weeks of fiscal 2024 increased \$1.6 million, or 7.6%, to \$22.0 million compared the first twenty-six weeks of fiscal 2023. The increase was due to a \$0.8 million increase in compensation-related expenses, an increase in charitable food donations of \$0.7 million and an increase in consulting expense of \$0.3 million, primarily related to the Lakeville Acquisition.

### **Income from Operations**

Due to the factors discussed above, income from operations was \$27.6 million, or 9.5% of net sales, for the second quarter of fiscal 2024 compared to \$24.5 million, or 8.9% of net sales, for the second quarter of fiscal 2023.

Due to the factors discussed above, income from operations was \$52.2 million, or 9.9% of net sales, for the first twenty-six weeks of fiscal 2024 compared to \$46.9 million, or 8.9% of net sales, for the first twenty-six weeks of fiscal 2023.

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### **Interest Expense**

Interest expense was \$1.1 million for the second quarter of fiscal 2024 compared to \$0.6 million for the second quarter of fiscal 2023. The increase in interest expense was due to higher average debt levels, primarily due to the Lakeville Acquisition.

Interest expense was \$1.3 million for both the first twenty-six weeks of fiscal 2024 and fiscal 2023.

### **Rental and Miscellaneous Expense, Net**

Net rental and miscellaneous expense was \$0.3 million for both the second quarter of fiscal 2024 and fiscal 2023.

Net rental and miscellaneous expense was \$0.6 million for the first twenty-six weeks of fiscal 2024 and \$0.7 million for the first twenty-six weeks of fiscal 2023.

### **Pension Expense (Excluding Service Costs)**

Pension expense (excluding service costs) was \$0.4 million for the second quarter of fiscal 2024 compared to \$0.3 million for the second quarter of fiscal 2023.

Pension expense (excluding service costs) was \$0.7 million for both the first twenty-six weeks of fiscal 2024 and fiscal 2023.

### **Income Tax Expense**

Income tax expense was \$6.8 million, or 26.1% of income before income taxes, for the second quarter of fiscal 2024 compared to \$6.3 million, or 27.1% of income before income taxes, for the second quarter of fiscal 2023.

Income tax expense was \$12.8 million, or 25.9% of income before income taxes, for the first twenty-six weeks of fiscal 2024 compared to \$11.7 million, or 26.6% of income before income taxes, for the first twenty-six weeks of fiscal 2023.

### **Net Income**

Net income was \$19.2 million, or \$1.65 per common share basic and \$1.64 per common share diluted, for the second quarter of fiscal 2024, compared to \$16.9 million, or \$1.46 per common share basic and \$1.45 per common share diluted, for the second quarter of fiscal 2023.

Net income was \$36.8 million, or \$3.17 per common share basic and \$3.15 per common share diluted, for the first twenty-six weeks of fiscal 2024, compared to \$32.5 million, or \$2.81 per common share basic and \$2.79 per common share diluted, for the first twenty-six weeks of fiscal 2023.

## **LIQUIDITY AND CAPITAL RESOURCES**

### **General**

The primary uses of cash are to fund our current operations, fulfill contractual obligations, pursue our Long-Range Plan through growing our branded and private brand programs, consummate and integrate business acquisitions, return cash to our stockholders through dividends, repay indebtedness and pay amounts owed under the Retirement Plan. Also, various uncertainties, including cost uncertainties, could result in additional uses of cash. The primary sources of cash are results of operations and availability under our Credit Facility. We anticipate that expected net cash flow generated from operations and amounts available pursuant to the Credit Facility will be sufficient to fund our operations for the next twelve months. Our available credit under our Credit Facility has allowed us to devote more funds to promote our products, increase consumer insight capabilities and promotional efforts, reinvest in the Company through capital expenditures, develop new products, pay cash dividends, consummate strategic investments and business acquisitions, such as the Lakeville Acquisition in fiscal 2024 and the acquisition of the *Just the Cheese* brand in fiscal 2023, and explore other growth strategies outlined in our Long-Range Plan.

Cash flows from operating activities have historically been driven by net income but are also significantly influenced by inventory requirements, which can change based upon fluctuations in both quantities and market prices of the various nuts and nut products we buy and sell. Current market trends in nut prices and crop estimates also impact nut procurement.

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The following table sets forth certain cash flow information for the first half of fiscal 2024 and 2023, respectively (dollars in thousands):

	December 28, 2023	December 29, 2022	\$ Change
Operating activities	\$ 61,172	\$ 70,952	\$ (9,780)
Investing activities	(69,909)	(14,976)	(54,933)
Financing activities	8,764	(55,771)	64,535
Total change in cash	<u>\$ 27</u>	<u>\$ 205</u>	<u>\$ (178)</u>

**Operating Activities** Net cash provided by operating activities was \$61.2 million for the first twenty-six weeks of fiscal 2024 compared to net cash provided by operating activities of \$71.0 million for the comparative period of fiscal 2023. The decrease in operating cash flow was primarily due to changes in working capital.

Total inventories were \$197.3 million at December 28, 2023, an increase of \$24.4 million, or 14.1%, from the inventory balance at June 29, 2023, and an increase of \$24.3 million, or 14.0%, from the inventory balance at December 29, 2022. The increase in inventories at December 28, 2023 compared to December 29, 2022 was primarily due to the Lakeville Acquisition which was partially offset by lower quantities of work-in-process and finished goods inventories.

Raw nut and dried fruit input stocks, some of which are classified as work-in-process, increased by 8.1 million pounds, or 14.3%, at December 28, 2023 compared to December 29, 2022 due to higher quantities of walnuts and pecans on hand due to the receipt of the new crop. The weighted average cost per pound of raw nut input stocks on hand at the end of the second quarter of fiscal 2024 decreased 9.8% compared to the end of the second quarter of fiscal 2023 primarily due to lower commodity acquisition costs for all major tree nuts other than walnuts and peanuts.

**Investing Activities** Cash used in investing activities was \$69.9 million during the first twenty-six weeks of fiscal 2024 compared to \$15.0 million for the same period last year. The increase in cash used in investing activities was primarily due to the \$59.0 million net purchase price for the Lakeville Acquisition. This was partially offset by the \$3.5 million purchase price for the acquisition of the *Just the Cheese* brand in the second quarter of fiscal 2023. Capital asset purchases were \$10.9 million during the first twenty-six weeks of fiscal 2024 compared to \$11.4 million for the first twenty-six weeks of fiscal 2023. We expect total capital expenditures for new equipment, facility upgrades, and food safety enhancements, including for our newly acquired bar business in Lakeville, Minnesota, to be approximately \$30.0 million for fiscal 2024. Absent any additional material acquisitions or other significant investments, we believe that cash on hand, combined with cash provided by operations and borrowings available under the Credit Facility, will be sufficient to meet the cash requirements for planned capital expenditures.

**Financing Activities** Cash provided by financing activities was \$8.8 million during the first twenty-six weeks of fiscal 2024 compared to cash used of \$55.8 million for the same period last year. Net borrowings under our Credit Facility were \$32.1 million during the first twenty-six weeks of fiscal 2024 compared to net repayments of \$17.6 million for the first twenty-six weeks of fiscal 2023. The increase in credit facility borrowings was primarily due to funding the Lakeville Acquisition in the current quarter. Dividends paid in the first half of fiscal 2024 were approximately \$14.4 million lower than dividends paid in the same period last year. Long term debt payments in the first half of fiscal 2024 were approximately \$1.7 million lower than payments in the same period last year due to the mortgage that was repaid in full in the third quarter of the fiscal 2023.

### **Real Estate Matters**

In August 2008, we completed the consolidation of our Chicago-based facilities into our Elgin headquarters ("Elgin Site"). The Elgin Site includes both an office building and a warehouse. We are currently attempting to find additional tenants for the available space in the office building at the Elgin Site. Until additional tenant(s) are found, we will not receive the benefit of rental income associated with such space. Approximately 65% of the rentable area in the office building is currently vacant. Approximately 29% of the rentable area has not been built-out. There can be no assurance that we will be able to lease the unoccupied space and further capital expenditures will likely be necessary to lease the remaining space.

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### ***Financing Arrangements***

On February 7, 2008, we entered into the Former Credit Agreement (as defined below) with a bank group (the "Bank Lenders") providing a \$117.5 million revolving loan commitment and letter of credit subfacility.

On March 5, 2020, we entered into an Amended and Restated Credit Agreement (the "Amended and Restated Credit Agreement") which amended and restated our Credit Agreement (the "Former Credit Agreement"). The Amended and Restated Credit Agreement provided for a \$117.5 million senior secured revolving credit facility with the same borrowing capacity, interest rates and applicable margin as the Former Credit Agreement and extended the term of the Former Credit Agreement from July 7, 2021 to March 5, 2025.

The Amended and Restated Credit Facility is secured by substantially all of our assets other than machinery and equipment, real property.

On May 8, 2023, we entered into the First Amendment to our Amended and Restated Credit Facility (the "First Amendment") which replaced the London interbank offered rate (LIBOR) interest rate option with the Secured Overnight Financing Rate ("SOFR"). The First Amendment updated the accrued interest rate to a rate based on SOFR plus an applicable margin based upon the borrowing base calculation, ranging from 1.35% to 1.85%.

On September 29, 2023, we entered into the Second Amendment to our Amended and Restated Credit Facility, which (among other things) increased the amount available to borrow under the Credit Facility to \$150.0 million, increased from \$117.5 million, extended the maturity date to September 29, 2028 (from March 5, 2025) and allows the Company to pay up to \$100 million in dividends per year, subject to meeting availability tests.

### ***Credit Facility***

At our election, borrowings under the Credit Facility currently accrue interest at either (i) a rate determined pursuant to the administrative agent's prime rate plus an applicable margin determined by reference to the amount of loans which may be advanced under the borrowing base calculation, ranging from 0.25% to 0.75% or (ii) a rate based on SOFR plus an applicable margin as noted above.

At December 28, 2023, the weighted average interest rate for the Credit Facility was 7.2%. The terms of the Credit Facility contain covenants that, among other things, require us to restrict investments, indebtedness, acquisitions and certain sales of assets and limit annual cash dividends or distributions, transactions with affiliates, redemptions of capital stock and prepayment of indebtedness (if such prepayment, among other things, is of a subordinate debt). If loan availability under the borrowing base calculation falls below \$25.0 million, we will be required to maintain a specified fixed charge coverage ratio, tested on a monthly basis, until loan availability equals or exceeds \$25.0 million for three consecutive months. All cash received from customers is required to be applied against the Credit Facility. The Bank Lenders have the option to accelerate and demand immediate repayment of our obligations under the Credit Facility in the event of default on the payments required under the Credit Facility, a change in control in the ownership of the Company, non-compliance with the financial covenant or upon the occurrence of other defaults by us under the Credit Facility. As of December 28, 2023, we were in compliance with all covenants under the Credit Facility and we currently expect to be in compliance with the financial covenant in the Credit Facility for the foreseeable future. At December 28, 2023, we had \$114.2 million of available credit under the Credit Facility. If this entire amount were borrowed at December 28, 2023, we would still be in compliance with all restrictive covenants under the Credit Facility.

### ***Selma Property***

In September 2006, we sold our Selma, Texas properties (the "Selma Properties") to two related party partnerships for \$14.3 million and are leasing them back. The selling price was determined by an independent appraiser to be the fair market value which also approximated our carrying value. The lease for the Selma Properties has a ten-year term at a fair market value rent with three five-year renewal options. In September 2015, we exercised two of the five-year renewal options which extended the lease term to September 2026. The lease extension also reduced the monthly lease payment on the Selma Properties, beginning in September 2016, to reflect then current market conditions. At the end of each five-year renewal option, the base monthly lease amounts are reassessed, and the monthly payments increased to \$114 beginning in September 2021. One five-year renewal option remains. Also, we have an option to purchase the Selma Properties from the owner at 95% (100% in certain circumstances) of the then fair market value, but not less than the original \$14.3 million purchase price. The provisions of the arrangement are not eligible for sale-leaseback accounting and the \$14.3 million was recorded as a debt obligation. No gain or loss was recorded on the Selma Properties transaction. As of December 28, 2023, \$7.4 million of the debt obligation was outstanding.

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***Critical Accounting Policies and Estimates***

For information regarding our Critical Accounting Policies and Estimates, see the "Critical Accounting Policies and Estimates" section of "Item 7 – Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Form 10-K for the fiscal year ended June 29, 2023.

***Recent Accounting Pronouncements***

Refer to Note 14 – "Recent Accounting Pronouncements" of the Notes to Consolidated Financial Statements, contained in Part I, Item 1 of this form 10-Q, for a discussion of recently issued and adopted accounting pronouncements.

#### FORWARD LOOKING STATEMENTS

Some of the statements in this release are forward-looking. These forward-looking statements may be generally identified by the use of forward-looking words and phrases such as "will", "intends", "may", "believes", "anticipates", "should" and "expects" and are based on the Company's current expectations or beliefs concerning future events and involve risks and uncertainties. Consequently, the Company's actual results could differ materially. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information, future events or other factors that affect the subject of these statements, except where expressly required to do so by law. Among the factors that could cause results to differ materially from current expectations are: (i) sales activity for the Company's products, such as a decline in sales to one or more key customers, or to customers or in the nut category generally, in some or all channels, a change in product mix to lower price products, a decline in sales of private brand products or changing consumer preferences, including a shift from higher margin products to lower margin products; (ii) changes in the availability and costs of raw materials and ingredients and the impact of fixed price commitments with customers; (iii) the ability to pass on price increases to customers if commodity costs rise and the potential for a negative impact on demand for, and sales of, our products from price increases; (iv) the ability to measure and estimate bulk inventory, fluctuations in the value and quantity of the Company's nut inventories due to fluctuations in the market prices of nuts and bulk inventory estimation adjustments, respectively; (v) the Company's ability to appropriately respond to, or lessen the negative impact of, competitive and pricing pressures; (vi) losses associated with product recalls, product contamination, food labeling or other food safety issues, or the potential for lost sales or product liability if customers lose confidence in the safety of the Company's products or in nuts or nut products in general, or are harmed as a result of using the Company's products; (vii) the ability of the Company to control costs (including inflationary costs) and manage shortages in areas such as inputs, transportation and labor; (viii) uncertainty in economic conditions, including the potential for inflation or economic downturn, leading to adverse changes in consumer demand; (ix) the timing and occurrence (or nonoccurrence) of other transactions and events which may be subject to circumstances beyond the Company's control; (x) the adverse effect of labor unrest or disputes, litigation and/or legal settlements, including potential unfavorable outcomes exceeding any amounts accrued; (xi) losses due to significant disruptions at any of our production or processing facilities or employee unavailability due to labor shortages; (xii) the ability to implement our Long-Range Plan, including growing our branded and private brand product sales, diversifying our product offerings (including by the launch of new products) and expanding into alternative sales channels; (xiii) technology disruptions or failures or the occurrence of cybersecurity incidents or breaches; (xiv) the inability to protect the Company's brand value, intellectual property or avoid intellectual property disputes; (xv) our ability to manage the impacts of changing weather patterns on raw material availability due to climate change; and (xvi) our ability to operate and integrate the acquired snack bar related assets of TreeHouse and realize efficiencies and synergies from such acquisition.

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

There has been no material change in our assessment of our sensitivity to market risk since our presentation set forth in Part I - Item 7A "Quantitative and Qualitative Disclosures About Market Risk," in our Annual Report on Form 10-K for the fiscal year ended June 29, 2023.

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

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)) as of December 28, 2023. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of December 28, 2023, the Company's disclosure controls and procedures were effective.

In connection with the evaluation by our management, including our Chief Executive Officer and Chief Financial Officer, there were no changes in our internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)) during the quarter ended December 28, 2023 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**

For a discussion of legal proceedings, see Note 12 – "Commitments and Contingent Liabilities" in Part I, Item 1 of this Form 10-Q.

### **Item 1A. Risk Factors**

In addition to the other information set forth in this report on Form 10-Q, you should also consider the factors, risks and uncertainties which could materially affect our Company's business, financial condition or future results as discussed in Part I, Item 1A – "Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended June 29, 2023. There were no significant changes to the risk factors identified on the Form 10-K for the fiscal year ended June 29, 2023 during the second quarter of fiscal 2024.

See Part I, Item 2 — "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources" in this Form 10-Q, and see Part II, Item 7 — "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources" in the Company's Annual Report on Form 10-K for the fiscal year ended June 29, 2023.

### **Item 5. Other Information**

#### ***Rule 10b5-1 Trading Arrangement***

During the quarter ended December 28, 2023, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted, terminated or modified a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K).

### **Item 6. Exhibits**

The exhibits filed herewith are listed in the exhibit index below.

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**EXHIBIT INDEX**  
(Pursuant to Item 601 of Regulation S-K)

Exhibit No.	Description
2.1	<a href="#">Asset Purchase Agreement, dated as of September 5, 2023, by and among John B. Sanfilippo &amp; Son, Inc. and TreeHouse Foods, Inc., Bay Valley Foods, LLC and TreeHouse Private Brands, Inc. (incorporated by reference from Exhibit 2.1 to the Form 8-K filed on September 8, 2023)</a>
3.1	<a href="#">Restated Certificate of Incorporation of the Company (incorporated by reference from Exhibit 3.1 to the Form 10-Q for the quarter ended March 24, 2005)</a>
3.2	<a href="#">Amended and Restated Bylaws of the Company (incorporated by reference from Exhibit 3.2 to the Form 10-K for the fiscal year ended June 25, 2015)</a>
*10.1	<a href="#">Amended and Restated John B. Sanfilippo &amp; Son, Inc. Split-Dollar Insurance Agreement Number Two among Michael J. Valentine, as trustee of the Valentine Life Insurance Trust, Mathias Valentine, Mary Valentine and the Company, dated December 31, 2003 (incorporated by reference from Exhibit 10.35 to the Form 10-Q for the quarter ended December 25, 2003)</a>
*10.2	<a href="#">Amendment, dated February 12, 2004, to Amended and Restated John B. Sanfilippo &amp; Son, Inc. Split-Dollar Insurance Agreement Number Two among Michael J. Valentine, as trustee of the Valentine Life Insurance Trust, Mathias Valentine, Mary Valentine and the Company, dated December 31, 2003 (incorporated by reference from Exhibit 10.47 to the Form 10-Q for the quarter ended March 25, 2004)</a>
*10.3	<a href="#">Restated Supplemental Retirement Plan (incorporated by reference from Exhibit 10.16 to the Form 10-K for the fiscal year ended June 28, 2007)</a>
*10.4	<a href="#">Form of Indemnification Agreement (incorporated by reference from Exhibit 10.01 to the Form 8-K filed on May 5, 2009)</a>
*10.5	<a href="#">2014 Omnibus Incentive Plan (incorporated by reference from Exhibit 4.1 to the Registration Statement on Form S-8 filed on October 28, 2014)</a>
*10.6	<a href="#">Amendment No. 1 to the 2014 Omnibus Incentive Plan (incorporated by reference from Exhibit 10.12 to the Form 10-K for the year ended June 30, 2016)</a>
*10.7	<a href="#">Form of Non-Employee Director Restricted Stock Unit Award Agreement (non-deferral) under 2014 Omnibus Plan (fiscal 2021, 2022 and 2023 awards cycle) (incorporated by reference from Exhibit 10.38 to the Form 10-Q for the quarter ended December 24, 2015)</a>
*10.8	<a href="#">Form of Non-Employee Director Restricted Stock Unit Award Agreement (deferral) under 2014 Omnibus Plan (fiscal 2021 and 2022 awards cycle) (incorporated by reference from Exhibit 10.39 to the Form 10-Q for the quarter ended December 24, 2015)</a>
*10.9	<a href="#">Form of Employee Restricted Stock Unit Award Agreement under 2014 Omnibus Plan (fiscal 2021 and 2022 awards cycle) (incorporated by reference from Exhibit 10.10 to the Form 10-Q for the quarter ended December 24, 2020)</a>
*10.10	<a href="#">Form of Employee Restricted Stock Unit Award Agreement under 2014 Omnibus Plan (fiscal 2023 awards cycle) (incorporated by reference from Exhibit 10.10 to the Form 10-Q for the quarter ended December 29, 2022)</a>
*10.11	<a href="#">2023 Omnibus Incentive Plan (incorporated by reference from Annex A to the form DEF 14A filed on September 12, 2023)</a>
*10.12	<a href="#">Amended and Restated Sanfilippo Value Added Plan, dated August 23, 2023 (incorporated by reference from Exhibit 10.12 to the Form 10-Q for the quarter ended September 28, 2023)</a>
*10.13	<a href="#">Form of Non-Employee Director Restricted Stock Unit Award Agreement under 2023 Omnibus Plan (fiscal 2024 awards cycle)</a>
*10.14	<a href="#">Form of Employee Restricted Stock Unit Award Agreement under 2023 Omnibus Plan (fiscal 2024 awards cycle)</a>
*10.15	<a href="#">Form of Employee Performance Restricted Stock Unit Award Agreement under 2023 Omnibus Plan (fiscal 2024 awards cycle)</a>

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Exhibit No.	Description
10.16	<a href="#">Amended and restated Credit Agreement dated as of March 5, 2020, by and among John B. Sanfilippo &amp; Son, Inc., Wells Fargo Capital Finance, LLC (f/k/a WFF), as a lender and the administrative agent, and Southwest Georgia Farm Credit, ACA, as a lender. (incorporated by reference from Exhibit 10.1 to the Form 8-K filed on March 11, 2020)</a>
10.17	<a href="#">First Amendment to Amended and Restated Credit Agreement dated as of May 8, 2023 (incorporated by reference from Exhibit 10.13 to the Form 10-K filed on August 23, 2023)</a>
10.18	<a href="#">Second Amendment to Amended and Restated Credit Agreement dated as of September 29, 2023 (incorporated by reference from Exhibit 10.1 to the Form 8-K filed on October 2, 2023)</a>
*10.19	<a href="#">Amended and Restated John B. Sanfilippo &amp; Son, Inc. Split-Dollar Insurance Agreement Number One among John E. Sanfilippo, as trustee of the Jasper and Marian Sanfilippo Irrevocable Trust, dated September 23, 1990, Jasper B. Sanfilippo, Marian R. Sanfilippo and Registrant, dated December 31, 2003 (incorporated by reference from Exhibit 10.34 to the Form 10-Q for the quarter ended December 25, 2003)</a>
*10.20	<a href="#">Amendment, dated February 12, 2004, to Amended and Restated John B. Sanfilippo &amp; Son, Inc. Split-Dollar Insurance Agreement Number One among John E. Sanfilippo, as trustee of the Jasper and Marian Sanfilippo Irrevocable Trust, dated September 23, 1990, Jasper B. Sanfilippo, Marian R. Sanfilippo and Registrant, dated December 31, 2003 (incorporated by reference from Exhibit 10.46 to the Form 10-Q for the quarter ended March 25, 2004)</a>
*10.21	<a href="#">Split-Dollar Insurance Agreement Notice of Termination and Purchase Agreement, by and among John B. Sanfilippo &amp; Son, Inc., John E. Sanfilippo, on behalf of and as sole trustee of the Jasper and Marian Sanfilippo Irrevocable Trust, dated September 23, 1990 and Marian R. Sanfilippo, dated December 24, 2021. (incorporated by reference from Exhibit 10.15 to the Form 10-Q for the quarter ended March 24, 2022)</a>
*10.22	<a href="#">Amendment No. 1 to the Split-Dollar Insurance Agreement Notice of Termination and Purchase Agreement, by and among John B. Sanfilippo &amp; Son, Inc., John E. Sanfilippo, on behalf of and as sole trustee of the Jasper and Marian Sanfilippo Irrevocable Trust, dated September 23, 1990 and Marian R. Sanfilippo, dated February 21, 2022. (incorporated by reference from Exhibit 10.16 to the Form 10-Q for the quarter ended March 24, 2022)</a>
*10.23	<a href="#">Separation Benefits &amp; General Release Agreement, effective June 29, 2023, between John B. Sanfilippo &amp; Son, Inc. and Shayn E. Wallace (incorporated by reference from Exhibit 10.1 to the Form 8-K filed on June 30, 2023)</a>
*10.24	<a href="#">Retirement Agreement and General Release, dated January 23, 2023 by and between John B. Sanfilippo &amp; Son, Inc. and Michael Valentine (incorporated by reference from Exhibit 10.20 to the Form 10-Q for the quarter ended March 30, 2023)</a>
*10.25	<a href="#">Nonqualified Deferred Compensation Plan Adoption Agreement of the Company dated as of November 22, 2022 (incorporated by reference from Exhibit 10.18 to the Form 10-Q for the quarter ended December 29, 2022)</a>
*10.26	<a href="#">John B. Sanfilippo &amp; Son, Inc. Nonqualified Deferred Compensation Plan dated as of November 22, 2022 (incorporated by reference from Exhibit 10.19 to the Form 10-Q for the quarter ended December 29, 2022)</a>
31.1	<a href="#">Certification of Jeffrey T. Sanfilippo pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, as amended</a>
31.2	<a href="#">Certification of Frank S. Pellegrino pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, as amended</a>
32.1	<a href="#">Certification of Jeffrey T. Sanfilippo pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, as amended</a>
32.2	<a href="#">Certification of Frank S. Pellegrino pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, as amended</a>
101.INS	Inline eXtensible Business Reporting Language (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	Inline XBRL Taxonomy Extension Schema With Embedded Link Base Documents
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

\* Indicates a management contract or compensatory plan or arrangement.

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**SIGNATURE**

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 on February 1, 2024.

JOHN B. SANFILIPPO & SON, INC.

By

/s/ FRANK S. PELLEGRINO

Frank S. Pellegrino  
Chief Financial Officer, Executive  
Vice President, Finance and Administration

John B. Sanfilippo & Son, Inc. 2023 Omnibus Incentive Plan

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## Restricted Stock Unit Award Agreement

[Insert Date]

[Insert Name of Participant]

In accordance with the terms of the John B. Sanfilippo & Son, Inc. 2023 Omnibus Incentive Plan (the "Plan"), pursuant to action of the Board of John B. Sanfilippo & Son, Inc. (the "Company"), the Company hereby grants to you (the "Recipient"), subject to the terms and conditions set forth in this Restricted Stock Unit Award Agreement (including Annex A hereto) (the "RSU Award Agreement"), Restricted Stock Units as set forth below.

Unless otherwise specified, capitalized terms used herein or in Annex A shall have the meanings specified in the Plan. The terms and conditions of the Plan are incorporated by reference and govern except to the extent that, when permitted by the Plan, this RSU Award Agreement provides otherwise.

Each RSU corresponds to one Share and is an unfunded and unsecured promise by the Company to deliver such Share on a future date as set forth herein. Until such delivery, you only have the rights of a general unsecured creditor of the Company and not as a stockholder with respect to the Shares underlying your RSUs.

Number of RSUs Granted: [#]

Date of Grant: [xx/xx/yyyy]

Period of Restriction: Date of Grant through the date of the Company's fiscal Annual Meeting of stockholders.

Share Payment Date: Each RSU will convert to the right to receive one Share on the day following the date the Period of Restriction ends (including due to accelerated vesting as contemplated in Annex A) with respect to that RSU, with the Share being delivered to the Recipient as soon as administratively possible thereafter (but no later than 60 days thereafter).

### **RSUs are subject to cancellation as provided herein (including Annex A) and the Plan.**

Further terms and conditions of your Award of RSUs are set forth in Annex A, which is an integral part of this RSU Award Agreement.

By accepting this Award, you hereby acknowledge the receipt of a copy of this RSU Award Agreement, including Annex A, and a copy of the Plan and agree to be bound by all terms and provisions hereof (including those in Annex A) and thereto.

John B. Sanfilippo & Son, Inc.

Recipient:

Print Name:

Annex A

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## Restricted Stock Unit Award Agreement

**Further Terms and Conditions of Award.** It is understood and agreed that the Award of RSUs evidenced by the RSU Award Agreement to which this is annexed is subject to the following additional terms and conditions:

**1. Termination of Service.** Upon the Recipient's Termination of Service, unvested RSUs (i.e., RSUs for which the Period of Restriction has not lapsed) shall be treated as follows:

**a. Death or Disability** – If the Recipient's Termination of Service is on account of death or Disability, then all of the unvested RSUs shall immediately become nonforfeitable and the restrictions with respect to such RSUs shall lapse as of the date of death or the date the Compensation and Human Resources Committee (the "Committee") determines that the Disability occurred, as applicable.

**b. Retirement** – If the Recipient's Termination of Service is on account of Retirement, then all unvested RSUs shall immediately become nonforfeitable and the restrictions with respect to such RSUs shall lapse as of the date of such Termination of Service.

**c. Any Other Reason** – If the Recipient's Termination of Service is on account of any other reason, then all unvested RSUs shall be cancelled as of the end of the day of such Termination of Service.

**2. Fractional Shares.** If any calculation of Shares to be awarded or to be cancelled or to be released from restrictions or limitations would result in a fraction, any fraction of 0.5 or greater will be rounded to one, and any fraction of less than 0.5 will be rounded to zero.

**3. Ratification of Actions.** By accepting the RSU Award or other benefit under the Plan, the Recipient and each person claiming under or through him shall be conclusively deemed to have indicated the Recipient's acceptance and ratification of, and consent to, any action taken under the Plan or the RSU Award by the Company, the Board or the Committee.

**4. Notices.** Any notice hereunder to the Company shall be addressed to the head of the Company's Human Resources Department, and any notice hereunder to Recipient shall be addressed to him or her at the address contained in the Company's records, subject to the right of either party to designate at any time hereafter in writing some other address.

**5. Nontransferability.** Recipient may not sell, transfer, assign, pledge or otherwise dispose of the RSUs covered by this RSU Award Agreement, other than by will or by the laws of descent and distribution.

**6. Governing Law and Severability.** This RSU Award Agreement shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required. To the extent not preempted by Federal law, the RSU Award Agreement will be governed by and construed in accordance with the laws of the State of Delaware, without regard to conflicts of law provisions. The provisions

of this RSU Award Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

**7. Definitions.** Capitalized terms not otherwise defined in the RSU Award Agreement or in this Annex A attached thereto shall have the meanings given them in the Plan.

**8. Code Section 409A.** It is intended that this RSU Award Agreement will either comply with or be exempt from Code Section 409A to the extent applicable, and the Plan and the RSU Award Agreement shall be interpreted and construed on a basis consistent with such intent. The RSU Award Agreement may be amended in any respect deemed necessary (including retroactively) by the Committee in order to preserve compliance with (or exemption from) Code Section 409A. The preceding shall not be construed as a guarantee of any particular tax effect for any benefits or amounts paid pursuant to this RSU Award Agreement.

**9. Waiver.** The Recipient and every person claiming under or through the Recipient hereby waives to the fullest extent permitted by applicable law any right to a trial by jury with respect to any litigation directly or indirectly arising out of, under, or in connection with the Plan or this RSU Award Agreement issued pursuant to the Plan.

**10. Interpretation.** The Committee shall have final authority to interpret and construe the Plan and this RSU Award Agreement and Annex A and to make any and all determinations thereunder, and its decision shall be binding and conclusive upon the Recipient and his/her legal representative in respect of any questions arising under the Plan or this RSU Award Agreement and Annex A.

**11. Securities Laws.** The Recipient acknowledges that certain restrictions under state or federal securities laws may apply with respect to the Shares underlying the RSUs granted pursuant to this RSU Award Agreement, even after the Shares have been delivered to the Recipient. Specifically, Recipient acknowledges that, to the extent he or she is an "affiliate" of the Company (as that term is defined by the Securities Act of 1933), the Shares underlying the RSUs granted pursuant to this RSU Award Agreement are subject to certain trading restrictions under applicable securities laws (including particularly the Securities and Exchange Commission's Rule 144). Recipient hereby agrees to execute such documents and take such actions as the Company may reasonably require with respect to state and federal securities laws and any restrictions on the resale of such shares which may pertain under such laws.

**12. Data Collection.** The Recipient hereby explicitly and unambiguously consents to the collection, use, holding and transfer, in electronic or other form, of his or her personal data as described in this RSU Award Agreement by the Company for the exclusive purpose of implementing, administering and managing the Recipient's participation in the Plan. The Recipient understands that the Company may hold certain personal information about the Recipient, including his or her name, home address and telephone number, date of birth, social security number or other identification number, salary, nationality, job title, any Shares held in the Company, details of all options or any other entitlement to Shares awarded, cancelled, exercised, vested, unvested or outstanding in the Recipient's favor, for the purpose of implementing, administering and managing the Plan ("Data"). Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan. The Recipient may request a list with the names and addresses of any recipients of the

Data by contacting the head of the Company's Human Resources Department. The Recipient authorizes any such third parties to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his or her participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom the Recipient may elect to deposit any shares acquired upon settlement of the RSUs. Data will be held only as long as is necessary to implement, administer and manage the Recipient's participation in the Plan. The Recipient may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the head of the Company's Human Resources Department. Refusing or withdrawing his or her consent may affect the Recipient's ability to participate in the Plan. For more information on the consequences of a refusal to consent or withdrawal of consent, the Recipient may contact the head of the Company's Human Resources Department.

John B. Sanfilippo & Son, Inc. 2023 Omnibus Incentive Plan

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## Restricted Stock Unit Award Agreement

[Insert Date]

[Insert Name of Participant]

In accordance with the terms of the John B. Sanfilippo & Son, Inc. 2023 Omnibus Incentive Plan (the "Plan"), pursuant to action of the Compensation and Human Resources Committee (the "Committee") of the Board of John B. Sanfilippo & Son, Inc. (the "Company"), the Company hereby grants to you (the "Recipient"), subject to the terms and conditions set forth in this Restricted Stock Unit Award Agreement (including Annex A hereto) (the "RSU Award Agreement"), Restricted Stock Units as set forth below.

Unless otherwise specified, capitalized terms used herein or in Annex A shall have the meanings specified in the Plan. The terms and conditions of the Plan are incorporated by reference and govern except to the extent that, when permitted by the Plan, this RSU Award Agreement provides otherwise.

Each RSU corresponds to one Share and is an unfunded and unsecured promise by the Company to deliver such Share on a future date as set forth herein. Until such delivery, you only have the rights of a general unsecured creditor of the Company and not as a stockholder with respect to the Shares underlying your RSUs.

Number of RSUs Granted: **[#]**

Date of Grant: **[xx/xx/yyyy]**

Period of Restriction: **Date of Grant through [xx/xx/yyyy]**

Share Payment Date: **Each RSU will convert to the right to receive one Share on the day following the date the Period of Restriction ends (including due to accelerated vesting as contemplated in Annex A) with respect to that RSU, with the Share being delivered to the Recipient as soon as administratively possible thereafter (but no later than 60 days thereafter), or as may be required pursuant to Section 3 of Annex A.**

**RSUs are subject to cancellation as provided herein (including Annex A) and the Plan.**

Further terms and conditions of your Award of RSUs are set forth in Annex A, which is an integral part of this RSU Award Agreement.

By accepting this Award, you hereby acknowledge the receipt of a copy of this RSU Award Agreement, including Annex A, and a copy of the Plan and agree to be bound by all terms and provisions hereof (including those in Annex A) and thereto.

John B. Sanfilippo & Son, Inc.

Recipient:

Print Name:

Annex A

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## Restricted Stock Unit Award Agreement

**Further Terms and Conditions of Award.** It is understood and agreed that the Award of RSUs evidenced by the RSU Award Agreement to which this is annexed is subject to the following additional terms and conditions:

**1. Termination of Service.** Notwithstanding anything to the contrary contained in Article 13 of the Plan, upon the Recipient's Termination of Service, unvested RSUs (i.e., RSUs for which the Period of Restriction has not lapsed) shall be treated as follows:

- a. Death or Disability** – If the Recipient's Termination of Service is on account of death or Disability, then all of the unvested RSUs shall immediately become nonforfeitable and the restrictions with respect to such RSUs shall lapse as of the date of death or the date the Committee determines that the Disability occurred, as applicable.
- b. Normal Retirement with Proper Advance Notice** – If the Recipient's Termination of Service is on account of Normal Retirement (as defined below) and the Recipient provided at least 365 days advance written notice of the Recipient's intent to exercise this Normal Retirement provision to the head of the Company's Human Resources Department, then all unvested RSUs shall immediately become nonforfeitable and the restrictions with respect to such RSUs shall lapse as of the date of such Termination of Service. For the purposes of this RSU Award Agreement, "Normal Retirement" shall mean the Recipient's Termination of Service, other than death or Disability, after the date the Recipient has (i) been continuously employed by the Company or any Subsidiary of the Company for at least seven (7) years and (ii) achieved the age of at least 62.
- c. Early Retirement with Proper Advance Notice** – If the Recipient's Termination of Service is on account of Early Retirement (as defined below) and the Recipient provided at least 365 days advance written notice to the head of the Company's Human Resources Department of the Recipient's intent to exercise this Early Retirement provision, then the restrictions with respect to such RSUs shall lapse as of the date of such Termination of Service with respect to the number of RSUs subject to this RSU Award Agreement multiplied by a fraction (which shall not be greater than 1), the numerator of which is the number of whole months that have elapsed from the Date of Grant to the date of Termination of Service and the denominator of which is 36. The remainder of the RSUs shall be cancelled as of the date of the Participant's Termination of Service. For the purposes of this RSU Award Agreement, "Early Retirement" shall mean the Recipient's Termination of Service, other than death or Disability, after the date the Recipient has (i) been continuously employed by the Company or any Subsidiary of the Company for at least ten (10) years and (ii) achieved the age of at least 55.
- d. Normal Retirement or Early Retirement without Proper Advance Notice** – If the Recipient's Termination of Service is on account of Normal Retirement or Early

Retirement and the Recipient failed to provide at least 365 days advance written notice to the head of the Company's Human Resources Department in accordance with this RSU Award Agreement, then all unvested RSUs shall be cancelled as of the end of the day of such Termination of Service unless the Committee, in its sole discretion, determines that all or some portion of such unvested RSUs shall become nonforfeitable and the restrictions with respect to such RSUs shall lapse as of the date of Normal Retirement or Early Retirement.

**e. Any Other Reason** – If the Recipient's Termination of Service is on account of any other reason, then all unvested RSUs shall be cancelled as of the end of the day of such Termination of Service.

**2. [Reserved].**

**3. Six-Month Delay Due to Code Section 409A.** Notwithstanding anything else herein to the contrary, if Recipient is a "specified employee" for purposes of Code Section 409A at the time of the Recipient's Termination of Service and if an exception under Code Section 409A does not apply, any payment to the Recipient under this RSU Award Agreement that is payable on account of a Termination of Service (other than death or Disability) shall be delayed until six (6) months after the Recipient's Termination of Service (other than death or Disability) as required by Code Section 409A. Normal and Early Retirements with proper notice may be subject to this six-month delay.

**4. Fractional Shares.** If any calculation of Shares to be awarded or to be cancelled or to be released from restrictions or limitations would result in a fraction, any fraction of 0.5 or greater will be rounded to one, and any fraction of less than 0.5 will be rounded to zero.

**5. Tax Withholding.** With respect to the minimum statutory tax withholding required upon the date the Period of Restriction ends or as otherwise required by applicable law, the Company may satisfy such withholding requirements by (a) withholding from other wages, compensation and amounts otherwise owed to the Recipient or, (b) at the written election of the Participant, by withholding Shares upon the date that the restrictions lapse to such RSUs, in whole or in part, but only with regard to that portion of the RSUs for which the Period of Restriction has ended. Unless the withholding of such Shares is not allowed under applicable tax or securities law or has materially adverse accounting consequences, the Recipient may elect, in writing, for the Company to withhold additional Shares beyond the number required to satisfy the minimum statutory tax withholding, up to the maximum applicable federal and state tax rates. If the obligation for any taxes is satisfied by withholding in Shares, for tax purposes, the Recipient is deemed to have been issued the full number of Shares subject to the RSUs, notwithstanding that a number of the Shares are so withheld.

**6. Ratification of Actions.** By accepting the RSU Award or other benefit under the Plan, the Recipient and each person claiming under or through him shall be conclusively deemed to have indicated the Recipient's acceptance and ratification of, and consent to, any action taken under the Plan or the RSU Award by the Company, the Board or the Committee.

**7. Notices.** Any notice hereunder to the Company shall be addressed to the head of the Company's Human Resources Department, and any notice hereunder to Recipient shall be addressed to him or her at the address contained in the Company's records, subject to the right of either party to designate at any time hereafter in writing some other address.

**8. Nontransferability.** Recipient may not sell, transfer, assign, pledge or otherwise dispose of the RSUs covered by this RSU Award Agreement, other than by will or by the laws of descent and distribution.

**9. No Employment Rights.** This RSU Award Agreement does not provide Recipient with any rights to continued employment with the Company or a Subsidiary. The Company and its Subsidiaries reserve the right to terminate Recipient's employment at any time, with or without cause.

**10. Trade Secrets and Confidential Information.** Recipient shall not at any time directly or indirectly, either during or after the term of employment with the Company, divulge any Trade Secrets (as defined below) or any Confidential Information (as defined below) to any other person or business entity, nor use or permit the use of any Trade Secrets or any Confidential Information, other than on behalf of the Company and pursuant to the discharge of the responsibilities of Recipient as an employee. Upon the cessation of Recipient's employment with the Company under any circumstances, Recipient shall promptly tender to the Company all documents, lists, records, cellular devices, computers, computer stored media and data (with accompanying passwords) and any other items, and reproductions thereof, of any kind in Recipient's possession or control containing Trade Secrets or Confidential Information. Recipient agrees to carefully guard (a) the Trade Secrets and Confidential Information and (b) similar information owned by others (including customers and vendors) which Recipient knows the Company is obligated by contract or other duty to keep confidential.

**a. Trade Secrets** – As used herein, the term "Trade Secrets" shall include any information that derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons or business entities who can obtain economic value from its disclosure or use. As used herein, Trade Secrets shall not include information which is known, or shall become known through no fault of the Recipient, to the public or generally known within the industry of businesses comparable to the Company. All Trade Secrets imparted to Recipient by the Company, or otherwise obtained by Recipient, at any time, relating to the Company's business operations, product data, customer or prospect lists or information, procurement data or practices, customer specification information and related data, pricing and cost data, marketing information, computer programs, business strategies, information regarding products under research and development, recipes, product formulae, manufacturing processes and any other such proprietary and confidential information is revealed and entrusted to Recipient in confidence, solely in connection with and for the purpose of employment on behalf of the Company. Recipient agrees that Trade Secrets are and remain the sole property of the Company.

**b. Confidential Information** – As used herein, the term "Confidential Information" shall include Trade Secrets and all other confidential and/or proprietary information that does not rise to the level of Trade Secrets that is imparted, revealed and/or entrusted to Recipient by the Company in confidence. Confidential Information that is not Trade Secrets includes, but is not limited to, information regarding the Company's operations, procurement processes, product information regarding products under research and development, methods of doing business, supplier and

grower information, and accounting and legal information. As used herein, Confidential Information shall not include any information that is (a) generally known within the industry of businesses comparable to the Company or to the public, other than as a result of the breach of this RSU Award Agreement by Recipient or any breach of confidentiality obligations or other duties by third parties, (b) made legitimately available to Recipient by a third party without breach of any confidentiality obligation or other duty, or (c) required by law or legal process to be disclosed; provided that Recipient shall give prompt written notice to the Company of such requirement, disclose no more information than is so required, and cooperate with any attempts by the Company to obtain a protective order or similar treatment. All Confidential Information imparted to Recipient by the Company, or otherwise obtained by Recipient, at any time, is revealed and entrusted to Recipient in confidence, solely in connection with and for the purpose of employment on behalf of the Company. Recipient agrees that Confidential Information is and remains the sole property of the Company.

**c. Notice of Immunity** – Pursuant to the Defend Trade Secrets Act of 2016, Recipient understands that: Recipient shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of Trade Secrets that are made in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney, in each case, solely for the purpose of reporting or investigating a suspected violation of law. Recipient shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of Trade Secrets that are made in a complaint or other document that is filed in a lawsuit or other proceeding, if such filing is made under seal. Recipient who files a lawsuit for retaliation by the Company for reporting a suspected violation of law may disclose Trade Secrets to the attorney of Recipient and use the Trade Secrets information in the court proceeding if Recipient (a) files any document containing the Trade Secrets under seal, and (b) does not disclose the Trade Secrets, except pursuant to court order.

#### **11. Non-Solicitation and Non-Disparagement.**

**a. Restrictions as to Solicitation of Employees** – Recipient agrees that, during his employment with the Company and for a period of 12 months from the cessation of Recipient's employment with the Company for any reason, including retirement, voluntary resignation, cessation as a result of performance or for or without cause, Recipient shall not solicit, hire or cause to be hired any employees of the Company for employment in any line of business or attempt to induce or encourage any such employee to leave the employ of the Company. Recipient also agrees not to make such solicitations indirectly. Recipient also shall not, directly or indirectly, aid or assist any other person, firm, corporation or other business entity in performing any of the aforesaid acts. This applies to actions Recipient may take in any capacity, including, but not limited to, as proprietor, partner, joint venturer, stockholder, member, director, manager, officer, trustee, principal, agent, servant, employee, or in any other capacity. It is agreed this restriction is reasonable and necessary to protect the goodwill and confidential information of the Company.

**b. Non-Disparagement** – Recipient agrees not to willingly or knowingly make any statement or criticism that would reasonably be expected to cause the Company's customers, suppliers or other business partners embarrassment, humiliation or otherwise cause or contribute to the Company's customers, suppliers or other business partners being held in disrepute by the public or by the customers, suppliers, other business partners or employees of the Company, except as required by law. Recipient agrees not to willingly or knowingly make any statement or criticism that would reasonably be expected to cause the Company embarrassment, humiliation or otherwise cause or contribute to the Company being held in disrepute by the public or the customers, suppliers, other business partners or employees of the Company, or otherwise disparage or harm the reputation of the Company. However, nothing in this RSU Award Agreement will be construed to prohibit Recipient from filing a charge with, reporting possible violations to, or participating or cooperating with any governmental agency or entity, including but not limited to the Equal Employment Opportunity Commission, the Department of Justice, the Securities and Exchange Commission, Congress, or any agency Inspector General, or making other disclosures that are protected under the whistleblower, anti-discrimination or antiretaliation provisions of federal, state or local law or regulation; provided, that Recipient may not disclose Company information that is protected by the attorney-client privilege, except as expressly authorized by law; provided further, Recipient does not need the prior authorization of the Company to make any such reports or disclosures, and Recipient is not required to notify the Company that Recipient has made such reports or disclosures.

**12. Cooperation.** At any time subsequent to the cessation of Recipient's employment with the Company for any reason, Recipient agrees to cooperate fully with the Company in the defense, prosecution or conduct of any claims, actions, investigations, or reviews now in existence or which may be initiated in the future against, involving or on behalf of the Company or any Subsidiary which relate to events or occurrences that transpired during Recipient's employment with the Company ("Matters"). Recipient's cooperation in connection with such Matters will include, but not be limited to, being available for telephone conferences with outside counsel and/or personnel of the Company, being available for interviews, depositions and/or to act as a witness on behalf of the Company, if reasonably requested. The Company will reimburse Recipient for all reasonable out-of-pocket expenses incurred by Recipient in connection with such cooperation with respect to such Matters.

**13. Remedies.** Recipient understands and agrees that money damages would not be a sufficient remedy for any breach of this RSU Award Agreement and that if Recipient should breach, or threaten to commit a breach, of any of the provisions of this RSU Award Agreement, the Company is entitled to seek equitable relief, including injunction and specific performance, as a remedy of such breach, in each case without any requirement to post a bond or other surety. Such remedies shall not be deemed to be the exclusive remedies for a breach of this RSU Award Agreement, but shall be in addition to all other remedies available at law or equity to the Company. The restrictions contained in this RSU Award Agreement do not supersede or reduce any rights that the Company may have pursuant to Federal or State law pertaining to any Trade Secrets or Confidential Information and, in the event that any such law provides greater protections with respect to any Trade Secrets or Confidential Information than the protections contained in this RSU Award Agreement, such greater protections shall apply.

**14. Governing Law and Severability.** This RSU Award Agreement shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required. To the extent not preempted by Federal law, the RSU Award Agreement will be governed by and construed in accordance with the laws of the State of Delaware, without regard to conflicts of law provisions. The provisions of this RSU Award Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

**15. Definitions.** Capitalized terms not otherwise defined in the RSU Award Agreement or in this Annex A attached thereto shall have the meanings given them in the Plan.

**16. Code Section 409A.** It is intended that this RSU Award Agreement will either comply with or be exempt from Code Section 409A to the extent applicable, and the Plan and the RSU Award Agreement shall be interpreted and construed on a basis consistent with such intent. The RSU Award Agreement may be amended in any respect deemed necessary (including retroactively) by the Committee in order to preserve compliance with (or exemption from) Code Section 409A. The preceding shall not be construed as a guarantee of any particular tax effect for any benefits or amounts deferred or paid pursuant to this RSU Award Agreement.

**17. Waiver.** The Recipient and every person claiming under or through the Recipient hereby waives to the fullest extent permitted by applicable law any right to a trial by jury with respect to any litigation directly or indirectly arising out of, under, or in connection with the Plan or this RSU Award Agreement issued pursuant to the Plan.

**18. Interpretation.** The Committee shall have final authority to interpret and construe the Plan and this RSU Award Agreement and Annex A and to make any and all determinations thereunder, and its decision shall be binding and conclusive upon the Recipient and his/her legal representative in respect of any questions arising under the Plan or this RSU Award Agreement and Annex A.

**19. Securities Laws.** The Recipient acknowledges that certain restrictions under state or federal securities laws may apply with respect to the Shares underlying the RSUs granted pursuant to this RSU Award Agreement, even after the Shares have been delivered to the Recipient. Specifically, Recipient acknowledges that, to the extent he or she is an "affiliate" of the Company (as that term is defined by the Securities Act of 1933), the Shares underlying the RSUs granted pursuant to this RSU Award Agreement are subject to certain trading restrictions under applicable securities laws (including particularly the Securities and Exchange Commission's Rule 144). Recipient hereby agrees to execute such documents and take such actions as the Company may reasonably require with respect to state and federal securities laws and any restrictions on the resale of such shares which may pertain under such laws.

**20. Compensation Recovery.** This RSU Award Agreement shall be subject to any compensation recovery policy adopted by the Company, including any policy required to comply with applicable law or listing standards, as such policy may be amended from time to time in the sole discretion of the Company. As consideration for and by accepting the RSUs, the Recipient agrees that all prior equity awards made by the Company to the Recipient shall become subject to the terms and conditions of the provisions of this Section 20.

**21. Data Collection.** The Recipient hereby explicitly and unambiguously consents to the collection, use, holding and transfer, in electronic or other form, of his or her personal data as described in this RSU Award Agreement by the Company for the exclusive purpose of implementing, administering and managing the Recipient's participation in the Plan. The Recipient understands that the Company may hold certain personal information about the Recipient, including his or her name, home address and telephone number, date of birth, social security number or other identification number, salary, nationality, job title, any Shares held in the Company, details of all options or any other entitlement to Shares awarded, cancelled, exercised, vested, unvested or outstanding in the Recipient's favor, for the purpose of implementing, administering and managing the Plan ("Data"). Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan. The Recipient may request a list with the names and addresses of any recipients of the Data by contacting the head of the Company's Human Resources Department. The Recipient authorizes any such third parties to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his or her participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom the Recipient may elect to deposit any shares acquired upon settlement of the RSUs. Data will be held only as long as is necessary to implement, administer and manage the Recipient's participation in the Plan. The Recipient may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the head of the Company's Human Resources Department. Refusing or withdrawing his or her consent may affect the Recipient's ability to participate in the Plan. For more information on the consequences of a refusal to consent or withdrawal of consent, the Recipient may contact the head of the Company's Human Resources Department.

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John B. Sanfilippo & Son, Inc. 2023 Omnibus Incentive Plan

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## Performance Restricted Stock Unit Award Agreement

[Insert Date]

[Insert Name of Participant]

In accordance with the terms of the John B. Sanfilippo & Son, Inc. 2023 Omnibus Incentive Plan (the "Plan"), pursuant to action of the Compensation and Human Resources Committee (the "Committee") of the Board of John B. Sanfilippo & Son, Inc. (the "Company"), the Company hereby grants to you (the "Recipient"), subject to the terms and conditions set forth in this Performance Restricted Stock Unit Award Agreement (including Annexes A and B hereto) (the "PSU Award Agreement"), Restricted Stock Units subject to performance vesting ("PSUs"), as set forth below.

Unless otherwise specified, capitalized terms used in this PSU Award Agreement shall have the meanings specified in the Plan. The terms and conditions of the Plan are incorporated by reference and govern except to the extent that, when permitted by the Plan, this PSU Award Agreement provides otherwise.

Each PSU corresponds to one Share and is an unfunded and unsecured promise by the Company to deliver such Share on a future date as set forth herein, subject to the terms and conditions set forth herein. Until such delivery, you only have the rights of a general unsecured creditor of the Company and not as a stockholder with respect to the Shares underlying your PSUs.

Number of PSUs Granted: **Target number of PSUs [#] (the "Target PSUs"), subject to adjustment as set forth in Annex B.**

Date of Grant: **[□].**

Vesting Date: **As defined in Section 1 of Annex B hereto.**

Performance Period: **[□]**

Share Payment Date: **As set forth in Section 5 of Annex B hereto.**

Dividend Equivalents: **During the period from the first day after the Vesting Date through the Share Payment Date, each vested PSU shall include a right to Dividend Equivalents, if any, in respect of such period and for which the applicable record date occurs during such period. Such Dividend Equivalents shall be paid to the Recipient on a current basis (less applicable withholding). "Dividend Equivalents" are a right to receive an amount equal to the dividends or property distributions that would have been made in respect of each Share underlying an PSU**

(other than dividends or distributions of securities to the extent covered in Section 4.4 of the Plan) for the period described above. For the avoidance of doubt, no Dividend Equivalents are granted with respect to any dividend record date prior to the Vesting Date.

**PSUs are subject to cancellation as provided herein (including Annexes A and B) and the Plan.**

Further terms and conditions of your Award of PSUs are set forth in Annexes A and B, which are integral parts of this PSU Award Agreement.

By accepting this Award, you hereby acknowledge the receipt of a copy of this PSU Award Agreement, including Annexes A and B, and a copy of the Plan and agree to be bound by all terms and provisions hereof (including those in Annexes A and B) and thereto.

John B. Sanfilippo & Son, Inc.

Recipient:

\_\_\_\_\_  
Print Name:

Annex A

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## Performance Restricted Stock Unit Award Agreement

**Further Terms and Conditions of Award.** It is understood and agreed that the Award of PSUs evidenced by the PSU Award Agreement to which this is annexed is subject to the following additional terms and conditions:

**1. Termination of Service.** Notwithstanding anything to the contrary contained in Article 13 of the Plan, upon the Recipient's Termination of Service, unvested PSUs shall be treated as follows:

**a. Death or Disability** – If the Recipient's Termination of Service is on account of death or Disability, the PSUs shall not be cancelled and instead shall remain eligible to vest notwithstanding such Termination of Service and shall remain subject to adjustment pursuant to Annex B.

**b. Normal Retirement with Proper Advance Notice** – If the Recipient's Termination of Service is on account of Normal Retirement (as defined below) and the Recipient provided at least 365 days advance written notice of the Recipient's intent to exercise this Normal Retirement provision to the head of the Company's Human Resources Department, then all unvested PSUs shall remain eligible to vest notwithstanding such Termination of Service and shall remain subject to adjustment pursuant to Annex B. For the purposes of this PSU Award Agreement, "Normal Retirement" shall mean the Recipient's Termination of Service, other than death or Disability, after the date the Recipient has (i) been continuously employed by the Company or any Subsidiary of the Company for at least seven (7) years and (ii) achieved the age of at least 62.

**c. Early Retirement with Proper Advance Notice** – If the Recipient's Termination of Service is on account of Early Retirement (as defined below) and the Recipient provided at least 365 days advance written notice to the head of the Company's Human Resources Department of the Recipient's intent to exercise this Early Retirement provision, then a pro-rated portion of the unvested PSUs shall remain eligible to vest notwithstanding such Termination of Service, with the proration determined by multiplying the number of PSUs granted by a fraction (which shall not be greater than 1), the numerator of which is the number of whole months that the Recipient was in service during the Performance Period and the denominator of which is 36. The prorated, unvested PSUs shall remain subject to adjustment pursuant to Annex B. The remainder of the PSUs shall be cancelled as of the date of the Participant's Termination of Service. For the purposes of this PSU Award Agreement, "Early Retirement" shall mean the Recipient's Termination of Service, other than death or Disability, after the date the Recipient has (i) been continuously employed by the Company or any Subsidiary of the Company for at least ten (10) years and (ii) achieved the age of at least 55.

**d.Normal Retirement or Early Retirement without Proper Advance Notice** – If the Recipient's Termination of Service is on account of Normal Retirement or Early Retirement and the Recipient failed to provide at least 365 days advance written notice to the head of the Company's Human Resources Department in accordance with this PSU Award Agreement, then all unvested PSUs shall be cancelled as of the end of the day of such Termination of Service unless the Committee, in its sole discretion, determines that all or some portion of such unvested PSUs shall remain eligible to vest notwithstanding such Termination of Service and (if the Committee so determines) shall remain subject to adjustment pursuant to Annex B.

**e.Any Other Reason** – If the Recipient's Termination of Service is on account of any other reason, then all unvested PSUs shall be cancelled as of the end of the day of such Termination of Service.

**2.[Reserved].**

**3.Six-Month Delay Due to Code Section 409A.** Notwithstanding anything else herein to the contrary, if Recipient is a "specified employee" for purposes of Code Section 409A at the time of the Recipient's Termination of Service and if an exception under Code Section 409A does not apply, any payment to the Recipient under this PSU Award Agreement that is payable on account of a Termination of Service (other than death or Disability) shall be delayed until six (6) months after the Recipient's Termination of Service (other than death or Disability) as required by Code Section 409A. Normal and Early Retirements with proper notice may be subject to this six-month delay.

**4.Fractional Shares.** If any calculation of Shares to be awarded or to be cancelled or to be released from restrictions or limitations would result in a fraction, any fraction of 0.5 or greater will be rounded to one, and any fraction of less than 0.5 will be rounded to zero.

**5.Tax Withholding.** With respect to the minimum statutory tax withholding required upon the Vesting Date or as otherwise required by applicable law, the Company may satisfy such withholding requirements by (a) withholding from other wages, compensation and amounts otherwise owed to the Recipient or, (b) at the written election of the Participant, by withholding Shares otherwise deliverable in connection with the applicable PSU, in whole or in part. Unless the withholding of such Shares is not allowed under applicable tax or securities law or has materially adverse accounting consequences, the Recipient may elect, in writing, for the Company to withhold additional Shares beyond the number required to satisfy the minimum statutory tax withholding, up to the maximum applicable federal and state tax rates. If the obligation for any taxes is satisfied by withholding in Shares, for tax purposes, the Recipient is deemed to have been issued the full number of Shares subject to the PSUs, notwithstanding that a number of the Shares are so withheld.

**6.Ratification of Actions.** By accepting the PSU Award or other benefit under the Plan, the Recipient and each person claiming under or through him shall be conclusively deemed to have indicated the Recipient's acceptance and ratification of, and consent to, any action taken under the Plan or the PSU Award by the Company, the Board or the Committee.

**7.Notices.** Any notice hereunder to the Company shall be addressed to the head of the Company's Human Resources Department, and any notice hereunder to Recipient shall be

addressed to him or her at the address contained in the Company's records, subject to the right of either party to designate at any time hereafter in writing some other address.

**8. Nontransferability.** Recipient may not sell, transfer, assign, pledge or otherwise dispose of the PSUs covered by this PSU Award Agreement, other than by will or by the laws of descent and distribution.

**9. No Employment Rights.** This PSU Award Agreement does not provide Recipient with any rights to continued employment with the Company or a Subsidiary. The Company and its Subsidiaries reserve the right to terminate Recipient's employment at any time, with or without cause.

**10. Trade Secrets and Confidential Information.** Recipient shall not at any time directly or indirectly, either during or after the term of employment with the Company, divulge any Trade Secrets (as defined below) or any Confidential Information (as defined below) to any other person or business entity, nor use or permit the use of any Trade Secrets or any Confidential Information, other than on behalf of the Company and pursuant to the discharge of the responsibilities of Recipient as an employee. Upon the cessation of Recipient's employment with the Company under any circumstances, Recipient shall promptly tender to the Company all documents, lists, records, cellular devices, computers, computer stored media and data (with accompanying passwords) and any other items, and reproductions thereof, of any kind in Recipient's possession or control containing Trade Secrets or Confidential Information. Recipient agrees to carefully guard (a) the Trade Secrets and Confidential Information and (b) similar information owned by others (including customers and vendors) which Recipient knows the Company is obligated by contract or other duty to keep confidential.

**a. Trade Secrets** – As used herein, the term "Trade Secrets" shall include any information that derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons or business entities who can obtain economic value from its disclosure or use. As used herein, Trade Secrets shall not include information which is known, or shall become known through no fault of the Recipient, to the public or generally known within the industry of businesses comparable to the Company. All Trade Secrets imparted to Recipient by the Company, or otherwise obtained by Recipient, at any time, relating to the Company's business operations, product data, customer or prospect lists or information, procurement data or practices, customer specification information and related data, pricing and cost data, marketing information, computer programs, business strategies, information regarding products under research and development, recipes, product formulae, manufacturing processes and any other such proprietary and confidential information is revealed and entrusted to Recipient in confidence, solely in connection with and for the purpose of employment on behalf of the Company. Recipient agrees that Trade Secrets are and remain the sole property of the Company.

**b. Confidential Information** – As used herein, the term "Confidential Information" shall include Trade Secrets and all other confidential and/or proprietary information that does not rise to the level of Trade Secrets that is imparted, revealed and/or entrusted to Recipient by the Company in confidence. Confidential Information that is not Trade Secrets includes, but is not limited to, information regarding the

Company's operations, procurement processes, product information regarding products under research and development, methods of doing business, supplier and grower information, and accounting and legal information. As used herein, Confidential Information shall not include any information that is (a) generally known within the industry of businesses comparable to the Company or to the public, other than as a result of the breach of this PSU Award Agreement by Recipient or any breach of confidentiality obligations or other duties by third parties, (b) made legitimately available to Recipient by a third party without breach of any confidentiality obligation or other duty, or (c) required by law or legal process to be disclosed; provided that Recipient shall give prompt written notice to the Company of such requirement, disclose no more information than is so required, and cooperate with any attempts by the Company to obtain a protective order or similar treatment. All Confidential Information imparted to Recipient by the Company, or otherwise obtained by Recipient, at any time, is revealed and entrusted to Recipient in confidence, solely in connection with and for the purpose of employment on behalf of the Company. Recipient agrees that Confidential Information is and remains the sole property of the Company.

**c. Notice of Immunity** – Pursuant to the Defend Trade Secrets Act of 2016, Recipient understands that: Recipient shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of Trade Secrets that are made in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney, in each case, solely for the purpose of reporting or investigating a suspected violation of law. Recipient shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of Trade Secrets that are made in a complaint or other document that is filed in a lawsuit or other proceeding, if such filing is made under seal. Recipient who files a lawsuit for retaliation by the Company for reporting a suspected violation of law may disclose Trade Secrets to the attorney of Recipient and use the Trade Secrets information in the court proceeding if Recipient (a) files any document containing the Trade Secrets under seal, and (b) does not disclose the Trade Secrets, except pursuant to court order.

#### **11. Non-Solicitation and Non-Disparagement.**

**a. Restrictions as to Solicitation of Employees** – Recipient agrees that, during his employment with the Company and for a period of 12 months from the cessation of Recipient's employment with the Company for any reason, including retirement, voluntary resignation, cessation as a result of performance or for or without cause, Recipient shall not solicit, hire or cause to be hired any employees of the Company for employment in any line of business or attempt to induce or encourage any such employee to leave the employ of the Company. Recipient also agrees not to make such solicitations indirectly. Recipient also shall not, directly or indirectly, aid or assist any other person, firm, corporation or other business entity in performing any of the aforesaid acts. This applies to actions Recipient may take in any capacity, including, but not limited to, as proprietor, partner, joint venturer, stockholder, member, director, officer, manager, trustee, principal, agent, servant, employee, or in any other capacity. It is agreed this restriction is reasonable and necessary to protect the goodwill and confidential information of the Company.

**b. Non-Disparagement** – Recipient agrees not to willingly or knowingly make any statement or criticism that would reasonably be expected to cause the Company's customers, suppliers or other business partners embarrassment, humiliation or otherwise cause or contribute to the Company's customers, suppliers or other business partners being held in disrepute by the public or by the customers, suppliers, other business partners or employees of the Company, except as required by law. Recipient agrees not to willingly or knowingly make any statement or criticism that would reasonably be expected to cause the Company embarrassment, humiliation or otherwise cause or contribute to the Company being held in disrepute by the public or the customers, suppliers, other business partners or employees of the Company, or otherwise disparage or harm the reputation of the Company. However, nothing in this PSU Award Agreement will be construed to prohibit Recipient from filing a charge with, reporting possible violations to, or participating or cooperating with any governmental agency or entity, including but not limited to the Equal Employment Opportunity Commission, the Department of Justice, the Securities and Exchange Commission, Congress, or any agency Inspector General, or making other disclosures that are protected under the whistleblower, anti-discrimination or antiretaliation provisions of federal, state or local law or regulation; provided, that Recipient may not disclose Company information that is protected by the attorney-client privilege, except as expressly authorized by law; provided further, Recipient does not need the prior authorization of the Company to make any such reports or disclosures, and Recipient is not required to notify the Company that Recipient has made such reports or disclosures.

**12. Cooperation.** At any time subsequent to the cessation of Recipient's employment with the Company for any reason, Recipient agrees to cooperate fully with the Company in the defense, prosecution or conduct of any claims, actions, investigations, or reviews now in existence or which may be initiated in the future against, involving or on behalf of the Company or any Subsidiary which relate to events or occurrences that transpired during Recipient's employment with the Company ("Matters"). Recipient's cooperation in connection with such Matters will include, but not be limited to, being available for telephone conferences with outside counsel and/or personnel of the Company, being available for interviews, depositions and/or to act as a witness on behalf of the Company, if reasonably requested. The Company will reimburse Recipient for all reasonable out-of-pocket expenses incurred by Recipient in connection with such cooperation with respect to such Matters.

**13. Remedies.** Recipient understands and agrees that money damages would not be a sufficient remedy for any breach of this PSU Award Agreement and that if Recipient should breach, or threaten to commit a breach, of any of the provisions of this PSU Award Agreement, the Company is entitled to seek equitable relief, including injunction and specific performance, as a remedy of such breach, in each case without any requirement to post a bond or other surety. Such remedies shall not be deemed to be the exclusive remedies for a breach of this PSU Award Agreement, but shall be in addition to all other remedies available at law or equity to the Company. The restrictions contained in this PSU Award Agreement do not supersede or reduce any rights that the Company may have pursuant to Federal or State law pertaining to any Trade Secrets or Confidential Information and, in the event that any such law provides greater protections with respect to any Trade Secrets or Confidential Information than the protections contained in this PSU Award Agreement, such greater protections shall apply.

**14. Governing Law and Severability.** This PSU Award Agreement shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required. To the extent not preempted by Federal law, the PSU Award Agreement will be governed by and construed in accordance with the laws of the State of Delaware, without regard to conflicts of law provisions. The provisions of this PSU Award Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

**15. Definitions.** Capitalized terms not otherwise defined in the PSU Award Agreement or in this Annex A attached thereto shall have the meanings given them in the Plan.

**16. Code Section 409A.** It is intended that this PSU Award Agreement will either comply with or be exempt from Code Section 409A to the extent applicable, and the Plan and the PSU Award Agreement shall be interpreted and construed on a basis consistent with such intent. The PSU Award Agreement may be amended in any respect deemed necessary (including retroactively) by the Committee in order to preserve compliance with (or exemption from) Code Section 409A. The preceding shall not be construed as a guarantee of any particular tax effect for any benefits or amounts deferred or paid pursuant to this PSU Award Agreement.

**17. Waiver.** The Recipient and every person claiming under or through the Recipient hereby waives to the fullest extent permitted by applicable law any right to a trial by jury with respect to any litigation directly or indirectly arising out of, under, or in connection with the Plan or this PSU Award Agreement issued pursuant to the Plan.

**18. Interpretation.** The Committee shall have final authority to interpret and construe the Plan and this PSU Award Agreement and Annexes A and B and to make any and all determinations thereunder, and its decision shall be binding and conclusive upon the Recipient and his/her legal representative in respect of any questions arising under the Plan or this PSU Award Agreement and Annexes A and B.

**19. Securities Laws.** The Recipient acknowledges that certain restrictions under state or federal securities laws may apply with respect to the Shares underlying the PSUs granted pursuant to this PSU Award Agreement, even after the Shares have been delivered to the Recipient. Specifically, Recipient acknowledges that, to the extent he or she is an "affiliate" of the Company (as that term is defined by the Securities Act of 1933), the Shares underlying the PSUs granted pursuant to this PSU Award Agreement are subject to certain trading restrictions under applicable securities laws (including particularly the Securities and Exchange Commission's Rule 144). Recipient hereby agrees to execute such documents and take such actions as the Company may reasonably require with respect to state and federal securities laws and any restrictions on the resale of such shares which may pertain under such laws.

**20. Compensation Recovery.** This PSU Award Agreement shall be subject to any compensation recovery policy adopted by the Company, including any policy required to comply with applicable law or listing standards, as such policy may be amended from time to time in the sole discretion of the Company. As consideration for and by accepting the PSUs, the Recipient agrees that all prior equity awards made by the Company to the Recipient shall become subject to the terms and conditions of the provisions of this Section 20.

**21. Data Collection.** The Recipient hereby explicitly and unambiguously consents to the collection, use, holding and transfer, in electronic or other form, of his or her personal data as described in this PSU Award Agreement by the Company for the exclusive purpose of implementing, administering and managing the Recipient's participation in the Plan. The Recipient understands that the Company may hold certain personal information about the Recipient, including his or her name, home address and telephone number, date of birth, social security number or other identification number, salary, nationality, job title, any Shares held in the Company, details of all options or any other entitlement to Shares awarded, cancelled, exercised, vested, unvested or outstanding in the Recipient's favor, for the purpose of implementing, administering and managing the Plan ("Data"). Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan. The Recipient may request a list with the names and addresses of any recipients of the Data by contacting the head of the Company's Human Resources Department. The Recipient authorizes any such third parties to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his or her participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom the Recipient may elect to deposit any shares acquired upon settlement of the PSUs. Data will be held only as long as is necessary to implement, administer and manage the Recipient's participation in the Plan. The Recipient may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the head of the Company's Human Resources Department. Refusing or withdrawing his or her consent may affect the Recipient's ability to participate in the Plan. For more information on the consequences of a refusal to consent or withdrawal of consent, the Recipient may contact the head of the Company's Human Resources Department.

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Annex B

## Performance Restricted Stock Unit Award Agreement

**Further Terms and Conditions of Award.** It is understood and agreed that the Award of PSUs evidenced by the PSU Award Agreement to which this Annex B applies is subject to the following additional terms and conditions:

**1. Vesting and Cancellation.** Achievement of the following performance goals will result in cliff vesting of the PSUs, adjusted as set forth below, on the date following the Performance Period on which the Committee meets and determines if and to what extent the performance goals set forth below have been achieved (the "Vesting Date"). Except as set forth in Annex A, unvested PSUs shall be cancelled upon the Recipient's Termination of Service prior to the Vesting Date.

**2. Performance Criteria.** Upon completion of the Performance Period, the number of Target PSUs shall be adjusted (including to zero, if applicable) by multiplying the number of Target PSUs by the Total Performance Percentage. "Total Performance Percentage" means . Any calculation of Total Performance Percentage (and each component thereof) shall be rounded to the nearest hundredth of a percentage point (i.e. 1.496% would round to 1.50%).

**3. [Reserved for Performance Conditions]**

**4. [Reserved for Performance Conditions]**

**5. Award Settlement.** Subject to the Plan, as soon as reasonably practicable following the Vesting Date, but in no event later than the fifteenth day of the third month following the end of the Performance Period (the "Share Payment Date"), the Company shall deliver to the Participant one (1) share of Common Stock for each vested PSU, as adjusted pursuant to this Annex B, to the extent not otherwise cancelled pursuant to the terms of this PSU Award Agreement.

CERTIFICATION

I, Jeffrey T. Sanfilippo, certify that:

1. I have reviewed this Report on Form 10-Q of John B. Sanfilippo & Son, Inc. for the quarter ended December 28, 2023;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

February 1, 2024

/s/ Jeffrey T. Sanfilippo  
Jeffrey T. Sanfilippo  
Chairman of the Board and  
Chief Executive Officer

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CERTIFICATION

I, Frank S. Pellegrino, certify that:

1. I have reviewed this Report on Form 10-Q of John B. Sanfilippo & Son, Inc. for the quarter ended December 28, 2023;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

February 1, 2024

/s/ Frank S. Pellegrino  
Frank S. Pellegrino  
Chief Financial Officer, Executive Vice President, Finance and Administration

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CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of John B. Sanfilippo & Son, Inc. (the "Company") on Form 10-Q for the quarter ended December 28, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jeffrey T. Sanfilippo, Chief Executive Officer and Chairman of the Board, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that based on my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

February 1, 2024

/s/ Jeffrey T. Sanfilippo  
Jeffrey T. Sanfilippo  
Chief Executive Officer and Chairman of the Board

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CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of John B. Sanfilippo & Son, Inc. (the "Company") on Form 10-Q for the quarter ended December 28, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Frank S. Pellegrino, Chief Financial Officer, Executive Vice President, Finance and Administration, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that based on my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

February 1, 2024

/s/ Frank S. Pellegrino  
Frank S. Pellegrino  
Chief Financial Officer, Executive Vice President, Finance and Administration

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