Armanino Foods of Distinction (AMNF)

Updated May 25th, 2026 by Prakash Kolli

Key Metrics

Current Price:	$10	**5 Year CAGR Estimate:**	7.0%	**Market Cap:**	$318.08M
Fair Value Price:	$9	**5 Year Growth Estimate:**	8.0%	**Ex-Dividend Date:**	07/17/26
% Fair Value:	114%	**5 Year Valuation Multiple Estimate:**	-2.6%	**Dividend Payment Date:**	07/31/26
Dividend Yield:	2.0%	**5 Year Price Target**	$13	**Years Of Dividend Growth:**	5
Dividend Risk Score:	C	**Sector:**	Consumer Staples	**Rating:**	Hold

Overview & Current Events

Armanino Foods of Distinction traces its history back to the 1880s and is now headquartered in Hayward, California. It had an IPO in 1988. The firm operates primarily in the food service market with a secondary market of retail in the United States. It also sells products in select international markets. Armanino sells its products through food service distributors, such as Sysco, Performance Foods Group, US Foods, Affinity Group, and DOT; and grocery stores, like Safeway, Food4Less, food maxx, Save Mart, Lucky's, and Raley's. It is the largest seller of basil pesto sauces in the United States. It also sells other sauces, pastas, meatballs, and cheeses. Total revenue was $76.1M in 2025.

Armanino Foods reported Q1 FY 2026 results on May 7h, 2026. Companywide revenue increased 8.3% to $18.4M from $17.0M, while net income rose 20.4% to $4.7M or $0.1518 diluted GAAP earnings per share ("EPS") from $3.9 million or $0.1242 EPS on a year-over-year basis. Sales climbed because of organic growth in the food service and international markets, increased customer penetration, and expansion of product distribution. Operating margins expanded 380 bps to 33.3% on a better mix, pricing realization, and operational efficiency.

The company did not provide guidance for 2026. However, the company is expecting growth in its food service and international markets.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$0.13	$0.13	$0.16	$0.20	$0.20	$0.06	$0.18	$0.27	$0.46	$0.60	***$0.56***	***$0.82***
DPS	$0.08	$0.08	$0.09	$0.10	$0.08	$0.11	$0.12	$0.13	$0.15	$0.18	***$0.20***	***$0.27***
Shares[1]	32.1	32.1	32.1	32.1	32.1	32.1	32.1	32.1	32.0	31.3	***31.2***	***30.8***

Armanino Foods is a small consumer packaged foods company with a niche market. However, current management has the company on a growth track. The firm sells nationally, but is only present in 19 states, giving it significant opportunity for expansion, especially since it works with national distributors. The firm is focused on adding restaurants, pizzerias, and quick service restaurants (QSRs), while expanding its product portfolio of sauces and other items, and growing internationally. Next, the firm is pursuing premiumization and customization of its sauces. As a result, we are expecting earnings per share to grow at ~8% annually on average because of organic growth and a lower share count. However, this value may be low if the company's growth plans are successful.

Armanino Foods has paid a dividend for the past 25 years, but it has only had a 5-year streak of increasing it. Reduced sales during the COVID-19 pandemic resulted in a brief cut. The company's capital allocation prioritizes reinvestment, share buybacks, and dividends in that order. The payout ratio is conservative at 36%, leaving room for future increases. It also provides investors with confidence about the dividend safety. We estimate a ~6% growth rate per year over the next 5 years, but this may be low. The firm started a share repurchase program in 2024, and we expect it to continue buybacks.

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[1] Share count in millions.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	12.8	15.3	14.3	14.5	10.9	48.2	18.2	16.7	16.8	16.7	***18.3***	***16.0***
Avg. Yld.	4.8%	4.0%	3.9%	3.5%	3.7%	3.6%	3.7%	2.9%	1.9%	1.7%	***2.0%***	***2.0%***

Armanino Foods' share price is down slightly since our last report. We maintained our fiscal year 2026 earnings estimate to match analyst consensus. Our fair value multiple is 16 times EPS, which is slightly below the 10-year average, accounting for resurgent inflation, low immigration, and a soft economy. The equity is slightly overvalued. Our fair value estimate is now $9. Our 5-year price target is $13.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	61%	62%	56%	50%	40%	175%	67%	49%	32%	30%	***36%***	***33%***

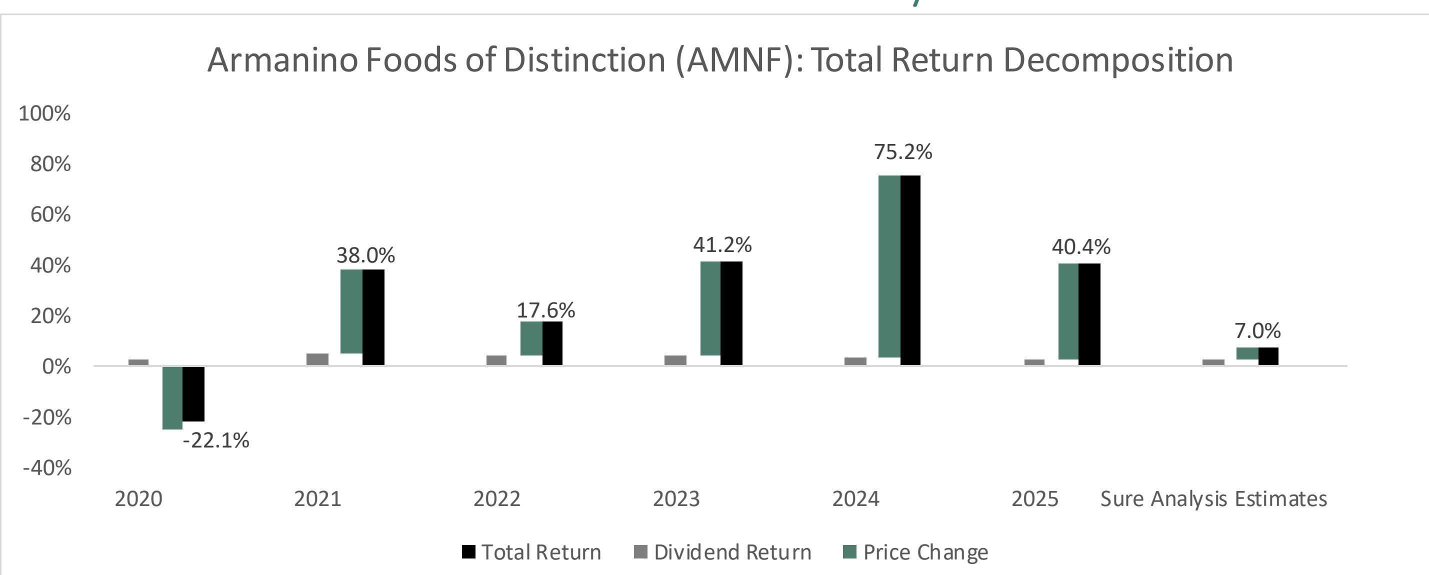
Armanino Foods' main competitive advantage is its focus on basil pesto and other sauces. The firm has decades of leadership in this niche market, and its products are known for their quality and consistency. Next, the company's leadership has experience in food service at much larger companies. That said, the firm is not recession resistant. Although it operates in the consumer defensive sector, the food service business is cyclical. During economic downturns or times of rising inflation, restaurant sales slow. During the pandemic, the top and bottom lines compressed substantially.

Armanino Foods has no long-term debt, which is another competitive advantage. At the end of Q1 2026, it had $30.9M of cash on hand.

Final Thoughts & Recommendation

At present, we are forecasting 7.0% annualized total return over the next five years from a dividend yield of 2.0%, 8% EPS growth, and -2.6% P/E multiple contraction. Armanino Foods is performing well under its current management. Both sales and EPS have grown at a rapid clip for the past two years. The firm is also increasing the dividend and buying back shares. Moreover, dividend safety is bolstered by a conservative payout ratio and no debt. However, the company is a niche player, and global events have created uncertainty for cost inputs. We maintain our 'hold' rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	36	39	42	43	32	44	58	64	69	76
Gross Profit	9	10	12	12	6	11	13	17	24	31
Gross Margin	26.4%	26.7%	27.7%	27.8%	17.7%	24.5%	22.8%	26.2%	35.1%	40.7%
SG&A Exp.	3	3	4	4	3	4	4	6	6	7
D&A Exp.	0	0	1	1	1	1	1	1	1	1
Operating Profit	6	7	8	8	2	7	9	11	18	24
Op. Margin	17.8%	18.2%	19.2%	19.2%	7.2%	16.2%	15.3%	17.5%	26.3%	31.3%
Net Profit	4	5	6	6	2	6	7	9	15	19
Net Margin	11.8%	13.0%	15.0%	15.2%	6.4%	13.1%	11.4%	13.8%	21.1%	24.7%
Free Cash Flow	3	0	5	5	6	6	2	16	15	13
Income Tax	2	2	2	2	0	1	2	3	5	6

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	15	22	25	29	26	36	39	44	53	57
Cash & Equivalents	5	6	8	9	10	12	11	22	28	30
Acc. Receivable	5	6	6	6	5	9	7	8	9	12
Inventories	3	4	4	5	3	5	12	5	4	5
Goodwill & Int.	0	0	0	0	0	0	0	0	0	0
Total Liabilities	3	7	7	7	5	12	13	14	17	13
Accounts Payable	1	2	2	2	1	3	3	2	2	5
Long-Term Debt	0	4	3	3	1	2	2	1	1	0
Total Equity	12	15	18	21	21	23	26	31	36	43
LTD/E Ratio	0.01	0.25	0.16	0.13	0.05	0.12	0.10	0.07	0.04	0.02

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	28.9%	27.3%	26.3%	24.1%	7.4%	18.5%	17.7%	21.0%	30.1%	34.4%
Return on Equity	37.0%	37.6%	38.0%	32.8%	9.6%	26.0%	26.8%	31.0%	43.8%	47.4%
ROIC	36.2%	33.0%	31.7%	28.6%	8.8%	24.0%	24.2%	28.6%	41.6%	46.1%
Shares Out.	32.1	32.1	32.1	32.1	32.1	32.1	32.1	32.0	31.3	31.3
Revenue/Share	1.11	1.22	1.30	1.33	0.99	1.37	1.80	1.98	2.16	2.43
FCF/Share	0.09	0.01	0.17	0.16	0.17	0.19	0.06	0.49	0.46	0.42

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.