FOOD, BEVERAGE, AND AGRIBUSINESS QUARTERLY UPDATE

SUBSECTOR SPOTLIGHT: TREE FRUIT & NUT MARKET

ARMORY SECURITIES I Q2 2026

MARKET OVERVIEW

ARMORY'S FOOD, BEVERAGE, AND AGRICULTURE COVERAGE

BROAD SECTOR EXPERTISE. FOCUSED INSIGHTS.

OUR COVERAGE UNIVERSE

TREE FRUIT & NUT

Growers, processors, and marketers

BEVERAGE ALCOHOL

Wineries & vineyards, craft breweries, distilleries and contract manufacturers

FOOD PROCESSING & INGREDIENTS

Processing, value-added and ingredients

PRIVATE LABEL & CO-MANUFACTURING

Retail brands, contract packing, and co-manufacturing

POULTRY, DAIRY & PROTEIN

Producers, processors, and branded protein companies

NURSERY & AG INPUTS

Nurseries, crop inputs, and protection

AGTECH & SPECIALTY AG

Technology, data, and specialty cultivation

BETTER-FOR-YOU / BRANDED FOOD & BEVERAGE

Health & wellness, better-for you branded food and non-alcoholic beverage

KEY MARKET THEMES

Demand remains resilient, driven by strong long-term global consumption trends, increasing health awareness and continued expansion of private label offerings

Cost and resource pressures persist, with elevated labor, input, water and energy costs continuing to impact margins across the value chain

Financing markets remain selective, with capital available for high-quality assets, though disciplined underwriting continues to shape deal activity

Restructuring activity is increasing, as elevated leverage and ongoing margin pressure drive more restructurings and operational realignments across the sector

SECTOR SPOTLIGHT: TREE FRUIT & NUT

This quarter's publication takes a deeper look at tree crop dynamics, including supply and demand trends, commodity pricing, restructuring activity, and recent transactions

MARKET OVERVIEW

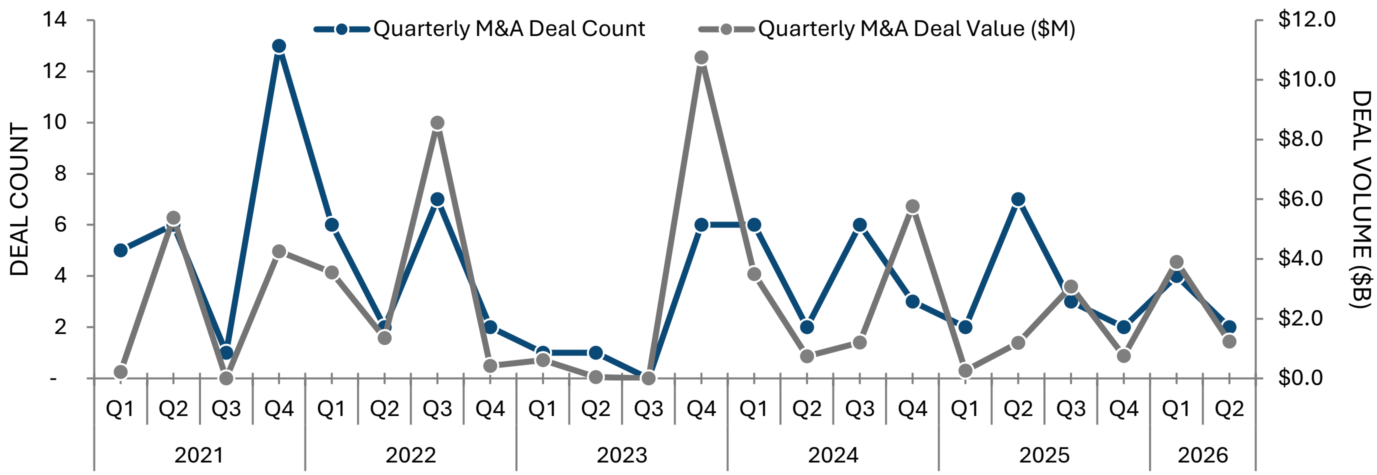
FOOD, BEVERAGE, AND AGRICULTURE M&A ACTIVITY IS CONSTRAINED AMID MARGIN PRESSURE AND UNCERTAINTY

STRATEGIC BUYERS REMAIN ACTIVE WHILE HIGHER INPUT COSTS, GLOBAL UNCERTAINTY AND TIGHTER CAPITAL MARKETS CONTINUE TO SHAPE TRANSACTION DYNAMICS

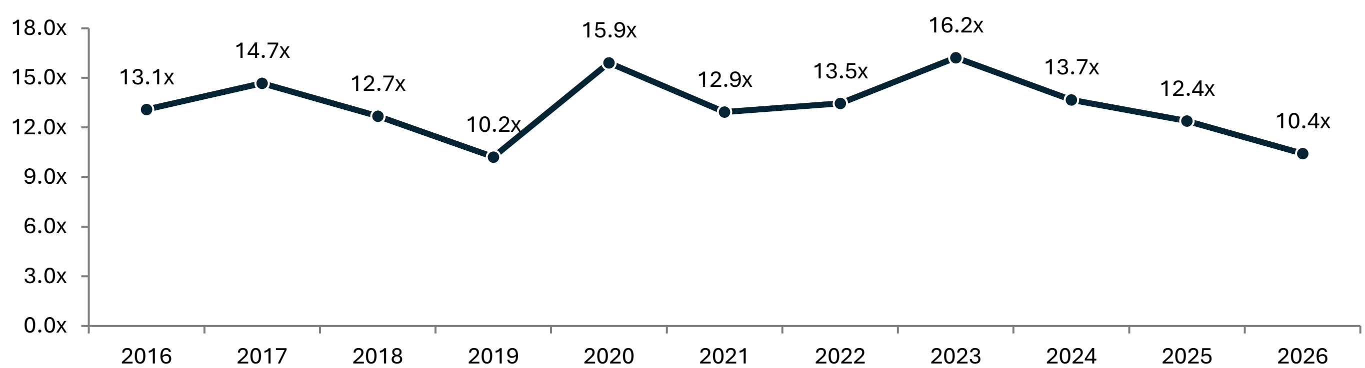
KEY TAKEAWAYS

- **Deal activity moderated in 1H 2026,** with 6 announced transactions through Q2 compared to 10 transactions during the same period in 2025.
- **Valuation multiples declined to 10.4x EV/EBITDA in early 2026,** down from 12.4x in 2025, reflecting a more disciplined transaction environment.
- **Operating environment remains challenging,** with elevated input costs and trade uncertainty impacting margins.
- **Financing markets remain selective,** though available for high-quality assets with strong fundamentals and attractive collateral base. We are continuing to see strong interest in the sector from private debt lenders and select commercial banks seeking to expand their exposure to the sector.

DEAL COUNT AND VALUE [1, 2] (QUARTERLY)



AVG. EV/EBITDA TRANSACTION MULTIPLES [3] (YEARLY)



1) Includes only disclosed values; 2) Includes deals less than $25B transaction value.
3) Avg. EV/Sales capped at ~10x and EV/EBITDA capped at ~20.0x
Note: Includes broader Food and Agriculture Industry
Source: Capital IQ

SUBSECTOR SPOTLIGHT

TREE FRUIT & NUT FUNDAMENTALS REMAIN STRONG, SUPPORTED BY GLOBAL DEMAND AND SUPPLY DISCIPLINE

EXPORT-DRIVEN DEMAND, CONSTRAINED SUPPLY AND PREMIUMIZATION TRENDS CONTINUE TO SUPPORT LONG-TERM INDUSTRY GROWTH; HOWEVER, NEAR-TERM VOLATILITY REMAINS GIVEN RECENT PRICE INSTABILITY AND GLOBAL MARKET UNCERTAINTY

Strong Supply-Demand Fundamentals…

Sustained Global Demand with Structural Depth

- Global tree nut market estimated at ~$60–70B+ with ~5–7% CAGR growth outlook
- Global almond demand exceeded 1.7M metric tons in 2024 (+6.8% YoY)
- Tree nut consumed across 100+ countries, with largest demand centers in U.S., Europe, China, India, and the Middle East
- Private label expansion and produce aisle merchandising driving strong incremental demand

Export-Oriented Market with Strong International Pull

- ~70%+ of U.S. almond shipments exported to international markets historically
- U.S. exports ~600K+ metric tons of almonds annually
- California produces ~80% of global almond supply
- Monthly almond shipments regularly exceed 200M+ lbs (e.g., ~212M lbs in May 2025)
- +11% YoY growth in almond export shipments (Dec 2025)

Favorable Supply Positioning & Market Absorption

- 2025 California almond crop reached ~2.7B lbs (aligned with expectations); 2025 walnut crop revised from 710K tons → ~801K tons (+13%)
- Low carry-in inventories entering 2025 across key nut categories
- Early 2025 walnut harvest showed larger nut size and higher edible yields
- Late-season weather created pricing segmentation (pre- vs. post-rain sales), not oversupply

…Are Shifting Industry Trends

Mass-produced, commoditized desserts	**Premium, experiential desserts & confections**
Artificial ingredients, preservatives	**Clean-label, natural, transparent ingredients**
Carb-heavy, indulgent snacking	**Protein-rich, functional, better-for-you snacks**
Standardized packaged baked goods	**Artisanal, specialty, small-batch bakery**
Traditional, slow innovation cycles	**Tech-enabled food innovation (AI, new ingredients, formats)**
Cost-optimized, globalized supply chains	**Resilient, transparent, localized supply chains**

COMMODITY CASE STUDIES

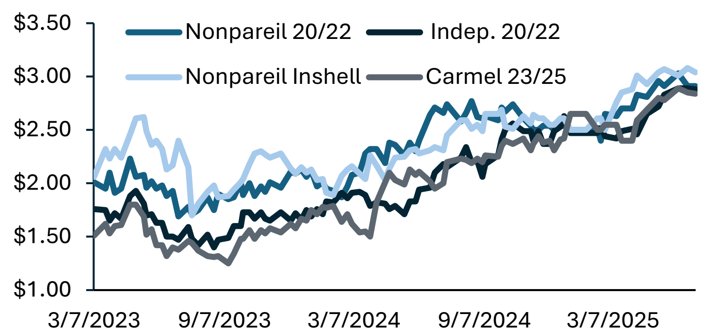
PRICING MOMENTUM ACROSS TREE NUT SUPPORTED BY SUPPLY RATIONALIZATION AND DEMAND RECOVERY

TREE FRUIT & NUT PRICING HAS STRENGTHENED AMID IMPROVING DEMAND DYNAMICS AND TIGHTER SUPPLY CONDITIONS, WITH NEAR-TERM STABILITY EXPECTED

Key Industry Takeaways

- Multi-year oversupply conditions are easing across tree nut categories
- Acreage reductions and grower discipline are tightening supply
- Export demand remains a critical driver of pricing strength
- Pricing recovery is improving grower economics after 2022/2023 trough

ALMONDS: *Pricing Recovers Following Acreage Rationalization*

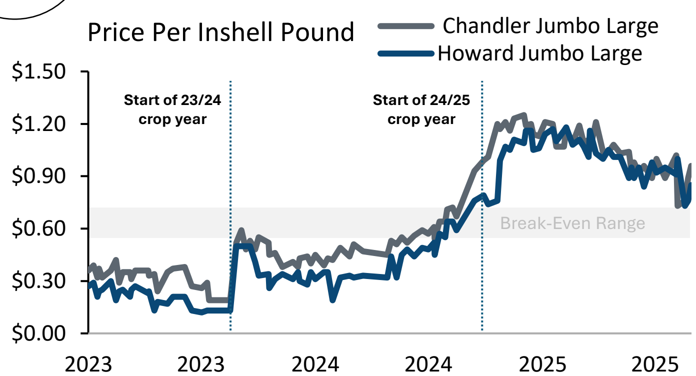


Almond prices have recovered ~60-80% from 2022/2023 lows and are expected to stabilize entering 2026

- California bearing almond acreage forecast to decline ~1.3% in 2026 to ~1.39M acres, but remains ~12% above 2020 levels
- 2024/2025 crop estimated at ~670K inshell tons, nearly 20% below the prior year crop
- U.S. commercial almond production expected to total 2.72B pounds in 2025

Tighter supply conditions are stabilizing pricing after prolonged industry weakness.

WALNUTS: *Export Pricing Improved Following Market Weakness*



U.S. walnut export prices have increased ~70% from mid-2023 lows

- Walnut prices increased during the 2023/24 and 2024 crop years following historically depressed pricing in 2022/23
- U.S. walnut export price averaged $1.40 per pound (in-shell) from Sep. 2024 – Jul. 2025
- California's share of global walnut production has decreased from ~60% to ~25% amid competition from China and Chile

Improving export pricing and normalized supply dynamics are supporting healthier grower margins

1) Agri Pulse, StrataMarkets, USDA NASS, Terrain. Almond and walnut pricing and industry commentary.
2) USDA NASS, May 12, 2026, Crop Production Report – Almonds Bearing Acreage, Yield, and Production – State and United States: 2025 and Forecasted May 1, 2026.
3) USDA NASS, May 12, 2026, Crop Production Report – Fruits and Nuts Production in Domestic Units – United States: 2025 and 2026.
4) Agronometrics, AgWest Farm Credit. Apple and pear industry commentary.

COMMODITY CASE STUDIES

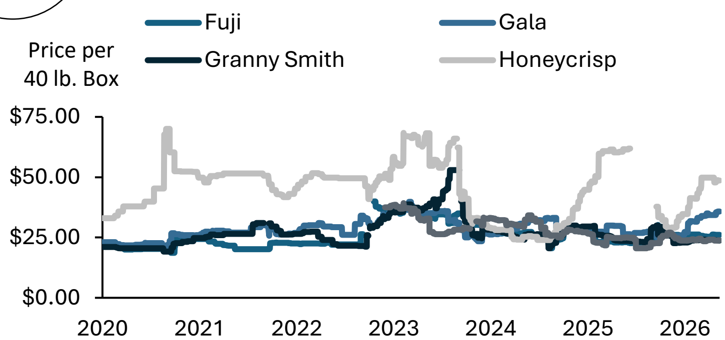
PRICING MOMENTUM ACROSS TREE FRUIT & NUT SUPPORTED BY SUPPLY DISCIPLINE AND DEMAND RECOVERY

TREE FRUIT & NUT PRICING HAS STRENGTHENED AMID IMPROVING DEMAND DYNAMICS AND TIGHTER SUPPLY CONDITIONS, WITH NEAR-TERM STABILITY EXPECTED

Key Industry Takeaways

- Pricing and demand are stable across key apple varieties
- Sufficient inventories entering the 2026/2027 season
- Labor availability and cost remain key operational considerations
- Production outlook remains consistent with long-term fundamentals

WASHINGTON APPLES: *Steady Production and Challenging Operating Conditions*



Apple prices improved during early 2026 across Gala, Cosmic Crisp, and Honeycrisp varieties. However, prices have not kept pace with higher labor and operating costs.

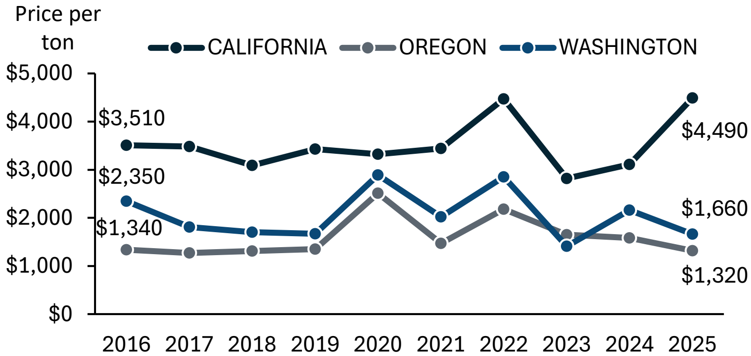
Commercial U.S. apple production totaled approximately 11.1B pounds in 2025

Inventories entering the 2026/2027 marketing season were expected to be average to slightly above average

Industry commentary cited labor availability and H2A and local labor costs as major operational challenges

11.1B pounds U.S. Commercial Apple Production 2025

CHERRIES: *Rising Costs and Farm Consolidation Reshape the Industry*



Strong pricing has not fully offset rising labor and input costs, contributing to consolidation and continued pressure on smaller growers.

U.S. cherry production forecast at ~403K MT in 2025/26, down ~3% from prior year

Washington lost more than 3,700 farms between 2017 and 2022, highlighting ongoing consolidation across agriculture

Rising labor and operating costs continue to pressure grower profitability despite periods of strong pricing

403K metric tons U.S. Cherry Production (2025/26)

1) Agronometrics, USDA, AGMRC, Spherical Insights, Farm Progress, RDFTV, Fresh Plaza, Aginfo
2) Strata Markets, Apple Market Reports and Pricing Commentary (2025–2026)
3) USDA NASS, Crop Production Report – Fruits and Nuts: Production in Domestic Units (May 12, 2026)
4) USDA NASS, Crop Production 2025 Summary (January 2026)
5) Strata Markets, Industry Interviews and Market Commentary (2025–2026)

SUBSECTOR SPOTLIGHT

NOTABLE RECENT TREE FRUIT & NUT TRANSACTIONS

STRATEGIC, PRIVATE EQUITY AND RESTRUCTURING ACTIVITY CONTINUE TO SHAPE THE MARKET

Date	Company	Buyer / Investor	Deal Type	Transaction Size	Situation Overview
Jun-26	Mariani Nut Company		Refinancing	$65M	Mariani is a leading processor and marketer of premium tree nut products; Armory was engaged to assist the Company with refinancing its existing credit facility on more favorable terms following a strong rebound in operating performance and improved market conditions
Apr-26	nügredient solutions	Guardian Capital Partners	Acquisition	Confidential	Nügredient Solutions, a leading developer and manufacturer of specialty nut- and plant-based ingredient solutions, was acquired by Guardian Capital Partners. The investment is expected to support a vertically integrated sourcing, formulation, and manufacturing platform serving CPG and foodservice customers across North America
Apr-26	Olam Agri	SALIC	Divestiture	$1.8B	Olam Food Ingredients has completed a ~$1.8 billion divestiture of its global almond business, one of the largest vertically integrated almond platforms globally
Apr-26	Mixon Farms	Confidential	Acquisition	Confidential	Mixon Farms is a leading U.S. blueberry production and packing platform operating in southeast Georgia, producing more than 8 million pounds of blueberries annually. Armory Securities served as exclusive financial advisor to Mixon Farms in its sale to an agriculture investment fund
Jun-25	8th Avenue Food & Provisions	Post Holdings, Inc.	Acquisition	$880M	8th Avenue Food & Provisions is a leading private label manufacturer of nut butters, snack nuts and trail mix products, and its ~$880 million sale to Post Holdings highlights continued strategic interest in scaled nut platforms and the attractiveness of the category to strategic buyers
May-25	Touchstone	Setton Farms	Acquisition	$25M	Setton Farms, in partnership with Wildflower Partners, acquired Touchstone Pistachio Company, a Central Valley-based pistachio processor, to expand its processing capacity and strengthen its position as a leading vertically integrated grower and processor in the U.S.
Oct-24	National Raisin Company	Sutil	Acquisition	Confidential	National Raisin, a leading supplier of dried fruit ingredients and private label products, was acquired by Chile-based Empresas Sutil in October 2024, highlighting continued strategic interest in scaled, value-added dried fruit processing platforms with diversified sourcing capabilities and blue-chip customer relationships
Aug-24	Andersen & Sons Shelling		Liquidation	-	Andersen & Sons Shelling entered receivership and is pursuing liquidation following liquidity pressures, driving the reallocation of customer relationships and processing volumes across the market. The disruption has created an opportunity for other processors to capture displaced volumes and benefit from incremental share gains
Aug-23	Cache Creek Foods	Meherrin / Severn Peanut	Acquisition	Confidential	Cache Creek Foods, a manufacturer of premium tree nut butters, powders, and value-added nut ingredients used in plant-based food and beverage applications, was acquired by Severn Peanut Co. in August 2023, highlighting continued strategic interest in scaled nut ingredient platforms serving the growing dairy alternative and plant-based categories

Armory Advised Transactions

FIRM OVERVIEW

ARMORY'S RECENT TRANSACTION EXPERIENCE

Project Century Sale of Premium Nut Ingredient Company Pending **Financial Advisor to Company**	MARIANI NUT COMPANY $60,000,000 Senior Secured Credit Facility $5,000,000 Unsecured Bridge Term Loan **Financial Advisor to Mariani Nut Co.**	MIXON FARMS has been sold **M&A Advisor to Mixon Farms**	COPPER CANE WINES & SPIRITS Senior Secured Credit Facility Belle Glos, Napa Valley Quilt, Böen, Threadcount **Financial Advisor to Copper Cane**	Everde Growers Ch.11 §363 Asset Sale & Refinancing $130,000,000 **Financial Advisor to Everde Growers**
National Raisin Company has been sold to Sutil Empresas **Financial Advisor to National Raisin**	Cache Creek Foods has been acquired by Meherrin | Severn Peanut **Financial Advisor to Cache Creek Foods**	Yucatan Guacamole *a subsidiary of* Lifecore Biomedical has been acquired by Flagship | CREO Capital Partners **Financial Advisor to Lifecore Biomedical**	Rack & Riddle Equity investment from SBJ Capital **Financial Advisor to Rack & Riddle**	Olive Oil & Vinegar *a subsidiary of* Lifecore Biomedical has been acquired by Colavita **Financial Advisor to Lifecore Biomedical**
BrightView Tree Company has been acquired by Devil Mountain Wholesale Nursery **Financial Advisor to Brightview Tree Company**	Ready Roast Nut Co Financial Advisory **Financial Advisor to Ready Roast**	Confidential Fruit Cider Producer Operational Assessment **Financial Advisor to Company**	Prima Wawona Buyside Advisory DavidsonKempner **Financial Advisor to Davidson Kempner**	Confidential Nut Harvesting Equipment Manufacturer Operational Assessment **Financial Advisor to Company**

Food, Beverage & Agriculture Leadership

Doug McDonald
Senior Managing Director

Doug McDonald – *Senior Managing Director*

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Doug has over 25 years of investment banking experience with over 100 completed mergers and acquisitions, financing and restructuring advisory transactions. He co-heads Armory's Food, Beverage and Agribusiness industry coverage. Prior to the founding of Armory, he was employed with other senior professionals from Armory in the restructuring and special situations group at Seaport Group Securities, LLC and Oppenheimer & Co., Inc. Prior to joining this team, he worked at Lehman Brothers and at Kerlin Capital Group where he executed over $9 billion of financing and M&A transactions for financial sponsors, business services and food industry companies. In 2014, he was named a top 40 under 40 Dealmaker in the M&A, financing and restructuring industry by M&A Advisor. Doug is a FINRA-registered Securities Principal (Series 24, 79TO, SIE, 7 and 63). Doug earned an M.B.A. from The Anderson School at UCLA and a B.A. in Economics from Stanford University.

Nicole Nugent
Managing Director

Nicole Nugent – *Managing Director*

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Nicole Nugent has over 25 years of experience advising middle-market companies on a wide range of transactions, including mergers and acquisitions, private and public equity and debt offerings, restructurings, and valuations, with a focus on the Food, Beverage and Agribusiness industries. Prior to joining Armory, Nicole served as CFO for Wings&Arrow, a leading beverage producer in the rapidly growing Beyond Beer segment. Before joining Wings&Arrow, Nicole was a Managing Director in the Food, Beverage & Agribusiness group at Cascadia Capital and before that was the Co-Head of Investment Banking at First Beverage Group, where she advised numerous brands across the beverage alcohol and non-alcohol segments. Before joining First Beverage, Nicole was a Managing Director in Consumer Investment Banking at Imperial Capital, where she executed numerous restructuring, leveraged finance, and merger & acquisition engagements. Nicole began her banking career at Citigroup and also spent time at Bear Stearns and Banc of America Securities. Nicole has an MBA and B.A. in Economics from UCLA, and a Graduate Diploma from the London School of Economics.

ARMORY

ABOUT ARMORY SECURITIES

Armory Securities is an independent middle-market investment bank providing M&A, financing, restructuring and strategic advisory services through sector-specialized expertise, differentiated operating insight and a track record spanning $25+ billion across 200+ transactions

An Award-Winning Team

$25B+

Total transaction value since 2008

175+

Diverse engagements with strong track record of successful outcomes

12

Dedicated industry groups leveraging sector-specific knowledge

5

Armory offices across the U.S., with a national footprint in key cities

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