



Calavo Growers, Inc. Announces Second Quarter and Six-Month Period Ended April 30, 2025 Financial Results

6/09/2025

SANTA PAULA, Calif., June 09, 2025 (GLOBE NEWSWIRE) -- [Calavo Growers, Inc.](#) (Nasdaq-GS: CVGW), a global leader in sourcing, packing and distribution of fresh avocados, tomatoes, papayas and processing of guacamole and other avocado products, today reported its financial results for the second fiscal quarter and six-month period ended April 30, 2025.

Second Quarter Financial Overview

- Total net sales were \$190.5 million, a 3.3% increase from the prior year quarter.
 - Fresh segment sales were \$174.7 million, a 4.7% increase from the prior year quarter.
 - Prepared segment sales were \$15.9 million, a 9.9% decrease from the prior year quarter.
- Gross profit was \$18.1 million, an 11.9% decrease from the prior year quarter.
 - Fresh segment gross profit was \$14.1 million, a 13.4% decrease from the prior year quarter.
 - Prepared segment gross profit was \$4.0 million, a 6.3% decrease from the prior year quarter.
- Selling, general, and administrative (SG&A) expenses were \$10.3 million, a 20.9% decrease from the prior year quarter.
- Net income from continuing operations attributable to Calavo Growers, Inc. was \$6.9 million, or \$0.38 per diluted share, compared to \$6.1 million, or \$0.34 per diluted share, in the prior year quarter.
- Adjusted net income was \$7.1 million, or \$0.40 per diluted share, compared to \$9.1 million, or \$0.51 per diluted share, in the prior year quarter.
- Adjusted EBITDA was \$11.4 million, compared to \$13.8 million in the prior year quarter.

Adjusted net income (loss), adjusted net income (loss) per diluted share, and adjusted EBITDA are non-GAAP financial measures. See "Non-GAAP Financial Measures" below.

Second Quarter Highlights for Continuing Operations

- Fresh segment growth was primarily supported by significantly higher average avocado pricing, which more than offset a year-over-year decline in volume.
- Prepared segment net sales decreased primarily due to a decline in sales volume.
- Gross profit per carton improved overall, driven primarily by stronger avocado margins, despite a \$0.9 million negative impact from tariffs levied primarily on United States-Mexico-Canada Agreement (USMCA)-compliant goods sourced from Mexico for the three days they were in effect during March 2025, during the quarter. Total gross profit declined, however, mainly due to lower volumes in both avocados and tomatoes.
- SG&A expenses declined primarily due to reduced professional fees, as well as lower headcount and lower severance costs in the current period.
- The Board of Directors declared a quarterly cash dividend of \$0.20 per share to be paid on July 30, 2025 to shareholders of record on June 30, 2025.

Six-Month Period Ended April 30, 2025 Financial Overview

- Total net sales were \$344.9 million, a 10.6% increase from the prior year period.
 - Fresh segment sales were \$314.4 million, a 12.4% increase from the prior year period.
 - Prepared segment sales were \$30.5 million, a 5.4% decrease from the prior year period.
- Gross profit was \$33.8 million, an 8.0% increase from the prior year period.
 - Fresh segment gross profit was \$26.2 million, a 15.6% increase from the prior year period.
 - Prepared segment gross profit was \$7.6 million, a 11.7% decrease from the prior year period.
- Selling general and administrative expenses were \$20.6 million, a 22.3% decrease from the prior year period.
- Net income from continuing operations attributable to Calavo Growers, Inc. was \$11.3 million, or \$0.63 per diluted share, compared to a loss of \$0.2 million, or \$(0.01) per diluted share, in the prior year period.
- Adjusted net income rose to \$13.1 million, or \$0.73 per diluted share, compared to \$7.7 million, or \$0.43 per diluted share.
- Adjusted EBITDA was \$20.7 million, compared to \$16.9 million in the prior year period.

Highlights for the Six-Month Period Ended April 30, 2025

- Fresh segment growth was driven by favorable pricing that more than offset lower avocado volume, despite a \$0.9 million negative impact from tariffs described above, primarily related to avocados sourced from Mexico, during the quarter.
- Prepared segment sales declines were driven by decreases in volume and average selling price.
- Overall gross profit expansion was driven by improved gross profit per carton in the Fresh segment. Prepared segment gross profit declined primarily due to both lower sales volume and higher fruit costs.
- Selling general and administrative expenses declined primarily due to reduced professional fees, as well as lower headcount and lower severance costs in the current period.

Management Commentary

"Our second fiscal quarter performance reflects the strength of our commercial strategy and disciplined operational execution amid continued volatility in the avocado market. Revenue grew year-over-year, driven by strong pricing performance," said Lee Cole, President and Chief Executive Officer of Calavo Growers, Inc.

Gross profit per avocado carton improved year-over-year, reflecting our disciplined pricing strategy and strong supply chain execution. Total gross profit declined, however, largely due to lower volumes in both tomatoes and avocados.

The most pronounced year-over-year impact came from our tomato business, where gross profit declined sharply due to a substantial decrease in average selling price and volume. This was primarily the result of adverse weather in the Northeast and Midwest, which significantly dampened U.S. demand, coupled with abundant domestic supply that pressured pricing and reduced the need for imported product.

In avocados, reduced volume stemmed from a combination of elevated prices, driven primarily by constrained supply out of Mexico, and USDA inspection delays. Cold weather in February and trade policy uncertainty in March further affected demand patterns.

Looking ahead, we anticipate strong momentum in our Prepared segment during the second half of the year, supported by volume growth from new customer wins and expanded programs with existing accounts. While segment results declined year-over-year in the first half, we believe current initiatives will drive meaningful contribution growth beginning in the third quarter. We also expect continued strength from the California avocado season and remain confident in our ability to maintain pricing power while expanding customer reach. Our fundamentals are solid, our teams are aligned, and we're excited about the opportunities ahead.

Second Quarter 2025 Consolidated Financial Review for Continuing Operations

Total net sales for the second quarter of 2025 were \$190.5 million, compared to \$184.4 million for the second quarter of 2024, representing a 3.3% increase. Fresh segment sales increased \$7.9 million, or 4.7%, driven primarily by a 40.6% increase in average price per carton, which offset a 16.0% decline in volume. Prepared segment sales decreased \$1.7 million, or 9.9%, primarily due to a 10.0% decline in volume.

Fresh segment gross profit declined year-over-year, primarily reflecting lower avocado volumes. While avocado pricing remained strong, reduced tomato sales, primarily due to weaker demand and oversupply, was the primary contributor to the overall decline in segment profit. Tomato performance was impacted by adverse weather in key U.S. markets and elevated domestic supply levels that pressured pricing and reduced import opportunities.

Gross profit for the second quarter was \$18.1 million, or 9.5% of net sales, compared to \$20.5 million and 11.1% of net sales in the same period last year. Fresh segment gross profit declined 13.4% to \$14.1 million, primarily reflecting lower avocado volume, while Prepared segment gross profit decreased 6.3% to \$4.0 million, primarily driven by lower prepared volume.

Selling general and administrative expenses for the second quarter totaled \$10.3 million, or 5.4% of net sales, compared to \$13.0 million, or 7.1% of net sales in the same period last year, representing a \$2.7 million, or 20.9%, reduction. The decrease reflects lower compensation, severance, and professional fees.

Six-Month 2025 Consolidated Financial Review for Continuing Operations

Total net sales for the six months ended April 30, 2025, were \$344.9 million, compared to \$312.0 million for the same period in 2024, representing a 10.6% increase. Fresh segment sales increased \$34.7 million, or 12.4%, primarily driven by a 35.6% increase in average price per carton, partially offset by a 10.7% decline in volume. Prepared segment sales decreased \$1.7 million, or 5.4%, primarily due to a 2.3% decline in volume and a 3.1% decrease in average selling price.

Gross profit for the six-month period was \$33.8 million, or 9.8% of net sales, compared to \$31.3 million and 10.0% of net sales in the same period last year. Fresh segment gross profit increased 15.6% to \$26.2 million, primarily supported by favorable avocado pricing and improved cost control. Tomato gross profit, however, decreased reflecting both lower volume and modestly reduced average selling prices. Tomato demand was pressured by adverse weather conditions and abundant domestic supply, which limited import opportunities and compressed margins during the second quarter.

Prepared segment gross profit decreased 11.7% to \$7.6 million, driven by lower sales volume and compressed margins resulting from higher input costs.

Selling, general and administrative expenses for the first half of 2025 totaled \$20.6 million, or 6.0% of net sales, compared to \$26.5 million, or 8.5% of net sales in the prior year period, representing a \$5.9 million, or 22.3%, reduction. The decrease was primarily due to reduced professional fees, as well as headcount and severance costs.

Net income from continuing operations attributable to Calavo Growers, Inc for the six-month period was \$11.3 million, or \$0.63 per diluted share, compared to a loss of \$0.2 million, or \$(0.01) per diluted share, in the same period last year.

Adjusted net income was \$13.1 million, or \$0.73 per diluted share, compared to \$7.7 million, or \$0.43 per diluted share, in the prior-year period.

Adjusted EBITDA was \$20.7 million, compared to \$17.2 million in the prior year period.

Balance Sheet and Liquidity

We ended the second quarter with cash and cash equivalents of \$60.4 million and \$119.8 million in available liquidity. We had no borrowings under our credit facility and had total debt of \$4.7 million consisting of other long-term obligations and finance leases as of April 30, 2025.

Non-GAAP Financial Measures

This press release includes non-GAAP measures EBITDA, adjusted EBITDA, adjusted net income (loss) and adjusted net income (loss) per diluted share, which are not prepared in accordance with U.S. generally accepted accounting principles, or "GAAP." EBITDA is defined as net income (loss) from continuing operations attributable to Calavo Growers, Inc. excluding (1) interest income and expense, (2) income tax (benefit) provision, (3) depreciation and amortization and (4) stock-based compensation expense. Adjusted EBITDA is EBITDA with further adjustments for (1) acquisition-related costs, (2) restructuring-related costs, including certain severance costs, (3) certain litigation, internal investigation and other related costs, (4) foreign currency gain (loss) and, (5) asset impairments, (6) impact of discrete tariff or other tax charges that are distortive to results, and (7) one-time items. We believe adjusted EBITDA affords investors a different view of the overall financial performance of the Company than adjusted net income (loss) and the GAAP measure of net income (loss) from continuing operations. The adjustments to calculate EBITDA and adjusted EBITDA are items recognized and recorded under GAAP in particular periods but might be viewed as not necessarily coinciding with the underlying business operations for the periods in which they are so recognized and recorded.

Adjusted net income (loss) is defined as net income (loss) from continuing operations attributable to Calavo Growers, Inc. excluding (1) acquisition-related costs, (2) restructuring-related costs, including certain severance costs, (3) certain litigation, internal investigation and other related costs, (4) foreign currency loss (gain) (5) asset impairments, (6) impact of discrete tariff or other tax charges that are distortive to results, and (7) one-time items. Adjusted net income (loss) and the related measure of adjusted net income (loss) per diluted share exclude certain items that are recognized and recorded under GAAP in particular periods but might be viewed as not necessarily coinciding with the underlying business operations for the periods in which they are so recognized and recorded. We believe adjusted net income (loss) affords investors a different view of the overall financial performance of the Company than adjusted EBITDA and the GAAP measure of net income (loss) from continuing operations.

Reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures are provided in the financial tables below. Items are considered one-time in nature if they are non-recurring, infrequent or unusual and have not occurred in the past two years or are not expected to recur in the next two years, in accordance with SEC rules. Non-GAAP information should be considered as supplemental in nature and not as a substitute for, or superior to, any measure of performance prepared in accordance with GAAP. None of these metrics are presented as measures of liquidity. The way the Company measures EBITDA, adjusted EBITDA and adjusted net income (loss) may not be comparable to similarly titled measures presented by other companies and may not be identical to corresponding measures used in Company agreements.

About Calavo Growers, Inc.

Calavo Growers, Inc. (Nasdaq: CVGW) is a global leader in the processing and distribution of avocados, tomatoes, papayas and guacamole. Calavo products are sold under the trusted Calavo brand name, proprietary sub-brands, private label and store brands. Founded in 1924, Calavo has a rich culture of innovation, sustainable practices and market growth. The Company serves retail grocery, foodservice, club stores, mass merchandisers, food distributors and wholesalers worldwide. Calavo is headquartered in Santa Paula, California, with facilities throughout the U.S. and Mexico. Learn more about *The Family of Fresh™* at calavo.com.

Safe Harbor Statement

This press release contains statements relating to future events and results of Calavo (including financial projections and business trends) that are "forward-looking statements," as defined in the Private Securities Litigation Reform Act of 1995, that involve risks, uncertainties, and assumptions. These statements are based on our current expectations and are not promises or guarantees. If any of the risks or uncertainties materialize or the assumptions prove incorrect, the results of Calavo may differ materially from those expressed or implied by such forward-looking statements and assumptions. The use of words such as "anticipates," "estimates," "expects," "projects," "intends," "plans" and "believes," among others, generally identify forward-looking statements. All statements, other than statements of historical fact, are statements that could be deemed forward-looking

statements, including, but not limited to, any projections of revenue, gross profit, expenses, income/(loss) from unconsolidated entities, earnings, earnings per share, tax provisions, cash flows and currency exchange rates; the impact of acquisitions or debt or equity investments or other financial items; any statements of the plans, strategies and objectives of management for future operations, including execution of restructuring and integration (including information technology systems integration) plans; any statements regarding current or future macroeconomic trends or events and the impact of those trends and events on Calavo and its financial performance; statements regarding pending internal or external investigations, legal claims or tax disputes; and any statements of expectation or belief; any statements about future risks associated with doing business internationally (including possible restrictive U.S. and foreign governmental actions, such as restrictions on transfers of funds, restrictions as a result of trade protection measures such as import/export/customs duties, tariffs and/or quotas).

Risks and uncertainties that may cause our actual results to be materially different from any future results expressed or implied by the forward-looking statements include, but are not limited to, the following: the ability of our management team to work together successfully; the impact of weather on market conditions; seasonality of our business; sensitivity of our business to changes in market prices of avocados and other agricultural products and other raw materials including fuel, packaging and paper; changes or actions associated with USDA-APHIS and the Mexican Secretary of Agriculture, Secretariat of Agriculture and Rural Development (SADER) phytosanitary regulations (certification regulation for the importation of Hass avocados to the United States); potential disruptions to our supply chain; risks associated with potential future acquisitions, including integration; potential exposure to data breaches and other cyber-attacks on our systems or those of our suppliers or customers; dependence on large customers; dependence on key personnel and access to labor necessary for us to render services; susceptibility to wage inflation; potential for labor disputes; reliance on co-packers for a portion of our production needs; competitive pressures, including from foreign growers; risks of recalls and food-related injuries to our customers; changing consumer preferences; the impact of environmental regulations, including those related to climate change; risks associated with the environment and climate change, especially as they may affect our sources of supply; our ability to develop and transition new products and services and enhance existing products and services to meet customer needs, including but not limited to the new guacamole products referenced in this press release; risks associated with doing business internationally (including possible non-compliance with U.S. and foreign laws applicable to international trade and dealings and possible restrictive U.S. and foreign governmental actions, such as restrictions on transfers of funds and trade protection measures such as import/export/customs duties, tariffs and/or quotas and currency fluctuations); risks associated with receivables from, loans to and/or equity investments in unconsolidated entities; volatility in the value of our common stock; the impact of macroeconomic trends and events; the effects of increased interest rates on our cost of borrowing and consumer purchasing behavior; the resolution of pending internal and external investigations, legal claims and tax disputes, including an assessment imposed by the Mexican Tax Administrative Service (the "SAT") and our defenses against collection activities commenced by the SAT; and our ability to realize the expected expense savings from the sale of the Fresh Cut business.

For further discussion of these risks and uncertainties and other risks and uncertainties that we face, please see the risk factors described in our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission and any subsequent updates that may be contained in our Quarterly Reports on Form 10-Q and other filings with the Securities and Exchange Commission. Forward-looking statements contained in this press release are made only as of the date of this press release, and we undertake no obligation to update or revise the forward-looking statements, whether because of new information, future events or otherwise.

Investor Contact

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CALAVO GROWERS, INC. CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED) (in thousands)

	April 30, 2025	October 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 60,361	\$ 57,031
Accounts receivable, net of allowances of \$3,399 (2025) and \$3,624 (2024)	57,603	41,909
Inventories	41,625	34,157
Prepaid expenses and other current assets	9,457	9,976
Advances to suppliers	10,277	14,570
Income taxes receivable	936	936
Total current assets	180,259	158,579
Property, plant, and equipment, net	51,058	54,200
Operating lease right-of-use assets	17,610	18,316
Investments in unconsolidated entities	3,004	2,424
Deferred income tax assets	7,473	7,473
Goodwill	10,211	10,211
Other assets	51,838	49,916
	<u>\$ 321,453</u>	<u>\$ 301,119</u>

Liabilities and shareholders' equity

Current liabilities:

Payable to growers	\$	48,568	\$	18,377
Trade accounts payable		6,808		8,742
Accrued expenses		17,491		28,149
Income tax payable		2,002		2,767
Other current liabilities		11,000		11,000
Current portion of operating leases		3,466		3,296
Current portion of finance leases		836		874
Total current liabilities		90,171		73,205

Long-term liabilities:

Long-term portion of operating leases		16,466		17,476
Long-term portion of finance leases		3,873		4,274
Other long-term liabilities		4,384		4,388
Total long-term liabilities		24,723		26,138

Commitments and contingencies

Shareholders' equity:

Common stock (\$0.001 par value, 100,000 shares authorized; 17,841 (2025) and 17,802 (2024) shares issued and outstanding)		18		18
Additional paid-in capital		178,522		177,973
Noncontrolling interest		1,554		1,444
Retained earnings		26,465		22,341
Total shareholders' equity		206,559		201,776
	\$	321,453	\$	301,119

CALAVO GROWERS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(in thousands, except per share amounts)

	Three months ended April 30,		Six months ended April 30,	
	2025	2024	2025	2024
Net sales	\$ 190,546	\$ 184,383	\$ 344,931	\$ 311,989
Cost of sales	172,457	163,845	311,114	280,691
Gross profit	18,089	20,538	33,817	31,298
Selling, general and administrative	10,303	13,020	20,590	26,483
Expenses related to Mexican tax matters	156	202	551	585
Operating income	7,630	7,316	12,676	4,230
Foreign currency (loss) gain	957	(181)	(5)	1,527
Interest income	762	—	1,607	—
Interest expense	(204)	(962)	(417)	(1,786)
Other income, net	613	520	725	720
Income before income taxes and net income (loss) from unconsolidated entities	9,758	6,693	14,586	4,691
Income tax expense	(2,536)	(390)	(3,791)	(963)
Net income (loss) from unconsolidated entities	(282)	204	580	205
Net income from continuing operations	6,940	6,507	11,375	3,933
Net loss from discontinued operations	—	(408)	—	(4,091)
Net income (loss)	6,940	6,099	11,375	(158)
Less: Net income attributable to noncontrolling interest	(90)	(37)	(110)	(47)
Net income (loss) attributable to Calavo Growers, Inc.	\$ 6,850	\$ 6,062	\$ 11,265	\$ (205)

Calavo Growers, Inc.'s net income (loss) per share:

Basic

Continuing Operations	\$ 0.38	\$ 0.36	\$ 0.63	\$ 0.22
Discontinued Operations	\$ —	\$ (0.02)	\$ —	\$ (0.23)
Net income (loss) attributable to Calavo Growers, Inc	\$ 0.38	\$ 0.34	\$ 0.63	\$ (0.01)

Diluted					
Continuing Operations	\$	0.38	\$	0.36	\$ 0.63 \$ 0.22
Discontinued Operations	\$	—	\$	(0.02)	\$ — \$ (0.23)
Net income (loss) attributable to Calavo Growers, Inc	\$	0.38	\$	0.34	\$ 0.63 \$ (0.01)

Number of shares used in per share computation:

Basic	17,815	17,800	17,841	17,800
Diluted	17,828	17,872	17,903	17,866

CALAVO GROWERS, INC.
NET SALES AND GROSS PROFIT BY BUSINESS SEGMENT (UNAUDITED)
(in thousands)

	<u>Fresh</u>	<u>Prepared</u>	<u>Total</u>
	(All amounts are presented in thousands)		
Three months ended April 30, 2025			
Net sales	\$ 174,661	\$ 15,885	\$ 190,546
Cost of sales	160,608	11,849	172,457
Gross profit	<u>\$ 14,053</u>	<u>\$ 4,036</u>	<u>\$ 18,089</u>
Three months ended April 30, 2024			
Net sales	\$ 166,755	\$ 17,628	\$ 184,383
Cost of sales	150,525	13,320	163,845
Gross profit	<u>\$ 16,230</u>	<u>\$ 4,308</u>	<u>\$ 20,538</u>
	<u>Fresh</u>	<u>Prepared</u>	<u>Total</u>
	(All amounts are presented in thousands)		
Six months ended April 30, 2025			
Net sales	\$ 314,456	\$ 30,475	\$ 344,931
Cost of sales	288,266	22,848	311,114
Gross profit	<u>\$ 26,190</u>	<u>\$ 7,627</u>	<u>\$ 33,817</u>
Six months ended April 30, 2024			
Net sales	\$ 279,781	\$ 32,208	\$ 311,989
Cost of sales	257,121	23,570	280,691
Gross profit	<u>\$ 22,660</u>	<u>\$ 8,638</u>	<u>\$ 31,298</u>

CALAVO GROWERS, INC.
RECONCILIATION OF ADJUSTED NET INCOME AND ADJUSTED NET INCOME PER DILUTED SHARE (UNAUDITED)
(in thousands, except per share amounts)

The following table presents adjusted net income (loss) and adjusted net income (loss) per diluted share, each a non-GAAP measure, and reconciles them to net income (loss) attributable to Calavo Growers, Inc., and Diluted EPS, which are the most directly comparable GAAP measures. During the first quarter of fiscal 2025, we modified our calculation of Adjusted Net Income and Adjusted EBITDA to remove income (loss) from unconsolidated entities from excluded items. Management believes this change enhances comparability with industry peers and provides a clearer representation of our core operating performance. Prior-period amounts have been recast for comparability where applicable. This adjustment does not impact previously reported GAAP financial results. See "Non-GAAP Financial Measures" earlier in this release.

	<u>Three months ended April 30,</u>		<u>Six months ended April 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Net income from continuing operations	\$ 6,940	\$ 6,507	\$ 11,375	\$ 3,933
Less: Net income attributable to noncontrolling interest	(90)	(37)	(110)	(47)
Net income from continuing operations attributable to Calavo Growers, Inc.	6,850	6,470	11,265	3,886
Non-GAAP adjustments:				
Restructure costs - consulting, management recruiting and severance (a)	—	550	—	1,037
Expenses related to Mexican tax matters (b)	156	202	551	585

Professional fees related to internal investigation and legal settlement and related expenses (c)	248	2,656	925	5,036
Foreign currency loss (gain) (d)	(957)	181	5	(1,527)
Tariffs (e)	941	—	941	—
Tax impact of adjustments (f)	(101)	(936)	(630)	(1,334)
Adjusted net income from continuing operations	<u>\$ 7,137</u>	<u>\$ 9,123</u>	<u>\$ 13,057</u>	<u>\$ 7,683</u>

Calavo Growers, Inc.'s continuing operations per share:

Diluted EPS from continuing operations (GAAP)	<u>\$ 0.38</u>	<u>\$ 0.34</u>	<u>\$ 0.63</u>	<u>\$ (0.01)</u>
Adjusted net income from continuing operations per diluted share	<u>\$ 0.40</u>	<u>\$ 0.51</u>	<u>\$ 0.73</u>	<u>\$ 0.43</u>

Number of shares used in per share computation:

Diluted	<u>17,828</u>	<u>17,872</u>	<u>17,903</u>	<u>17,866</u>
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(a) For the three months ended April 30, 2024, we incurred \$0.6 million in severance and other costs related to the departure of certain members of management. For the six months ended April 30, 2024, we incurred \$0.9 million in severance and other costs and \$0.1 million in stock-based compensation related to the departure of certain members of management.

(b) For the three months ended April 30, 2025 and 2024, we incurred \$0.2 million of professional fees related to the Mexican tax matters. For the six months ended April 30, 2025 and 2024, we incurred \$0.6 million of professional fees related to the Mexican tax matters.

(c) For the three months ended April 30, 2025 and 2024, we incurred \$0.2 million and \$2.7 million of professional fee expenses related to the FCPA investigation in Mexico. For the six months ended April 30, 2025 and 2024, we incurred \$0.9 million and \$5.0 million of professional fee expenses related to the FCPA investigation in Mexico.

(d) Foreign currency remeasurement gains, net of losses, were \$1.0 million and \$0 for the three- and six-month periods ended April 30, 2025, compared to a net loss of \$0.2 million for the three-month period ended April 30, 2024 and a net gain of \$1.5 million for the six-month periods ended April 30, 2024.

(e) For the three and six months ended April 30, 2025, we incurred \$0.9 million in costs for tariffs that were levied primarily on United States-Mexico-Canada Agreement (USMCA)-compliant goods sourced from Mexico over a three-day period (March 4, 2025 through March 6, 2025) before being lifted. Because of the abrupt and unanticipated nature of this discrete event, we were unable to pass the added cost on to customers and we believe this expense was distortive to our results for the periods ended April 30, 2025. This amount represents only the expense of this discrete 3-day tariff event and does not include other tariffs paid by the Company during the reported periods.

(f) Tax impact of non-GAAP adjustments are based on effective year-to-date tax rates.

CALAVO GROWERS, INC.
RECONCILIATION OF EBITDA AND ADJUSTED EBITDA (UNAUDITED)
(in thousands)

The following table presents EBITDA and adjusted EBITDA, each a non-GAAP measure, and reconciles them to net income (loss) attributable to Calavo Growers, Inc., which is the most directly comparable GAAP measure. During the first quarter of fiscal 2025, we modified our calculation of Adjusted Net Income and Adjusted EBITDA to remove income (loss) from unconsolidated entities from excluded items. Management believes this change enhances comparability with industry peers and provides a clearer representation of our core operating performance. Prior-period amounts have been recast for comparability where applicable. This adjustment does not impact previously reported GAAP financial results. See "Non-GAAP Financial Measures" earlier in this release.

	Three months ended April 30,		Six months ended April 30,	
	2025	2024	2025	2024
Net income from continuing operations	\$ 6,940	\$ 6,507	\$ 11,375	\$ 3,933
Less: Net income attributable to noncontrolling interest	(90)	(37)	(110)	(47)
Net income from continuing operations attributable to Calavo Growers, Inc.	6,850	6,470	11,265	3,886
Interest Income	(762)	(115)	(1,607)	(240)
Interest Expense	204	962	417	1,786
Provision for Income Taxes	2,536	390	3,791	963
Depreciation and Amortization	1,859	2,078	3,801	4,110
Stock-Based Compensation	323	456	595	1,348
EBITDA from continuing operations	<u>\$ 11,010</u>	<u>\$ 10,241</u>	<u>\$ 18,262</u>	<u>\$ 11,853</u>

Adjustments:

Restructure costs - consulting, management recruiting and severance

(a)	—	480	—	967
Expenses related to Mexican tax matters (b)	156	202	551	585
Professional fees related to internal investigation and legal settlement and related expenses (c)	248	2,656	925	5,036

Foreign currency loss (gain) (d)	(957)	181	5	(1,527)
Tariffs (e)	941	—	941	—
Adjusted EBITDA from continuing operations	<u>\$ 11,398</u>	<u>\$ 13,760</u>	<u>\$ 20,684</u>	<u>\$ 16,914</u>

See prior page for footnote references