# HF Foods Reports Full Year 2025 and Fourth Quarter Results

March 16, 2026

*Net Revenue increased 2.2% to $1,228.3 million for the Full Year 2025*

*GAAP Net Loss decreased 18.3% to $39.3 million for the Full Year 2025*

*Adjusted Net Income increased 20.9% to $16.9 million for the Full Year 2025*

*Adjusted EBITDA increased 6.9% to $ $45.0 million for Full Year 2025*

LAS VEGAS, March 16, 2026 (GLOBE NEWSWIRE) -- HF Foods Group Inc. (NASDAQ: HFFG) ("HF Foods" or the "Company"), a leading distributor of international foodservice solutions to Asian restaurants and other businesses across the United States, today announced results for the fourth quarter and year ended December 31, 2025.

**Full Year and Fourth Quarter 2025 Financial Results**

| *(In thousands, except per share amounts)* | Year Ended December 31, 2025 | Change over Prior Year | Three Months Ended December 31, 2025 | Change over Prior Year |
|---|---|---|---|---|
| **GAAP Measures** | | | | |
| Net revenue | $ 1,228,282 | $ 26,615 | $ 308,023 | $ 2,741 |
| Gross profit | $ 207,576 | $ 2,382 | $ 51,076 | $ (1,079) |
| Net loss | $ (39,311) | $ 8,791 | $ (37,417) | $ 6,524 |
| Loss per share | $ (0.73) | $ 0.19 | $ (0.70) | $ 0.13 |
| **Non-GAAP Measures** | | | | |
| Adjusted EBITDA[(1)] | $ 44,955 | $ 2,914 | $ 9,589 | $ (4,884) |
| Adjusted net income[(2)] | $ 16,887 | $ 2,919 | $ 2,683 | $ (3,379) |
| Adjusted earnings per share[(2)] | $ 0.32 | $ 0.06 | $ 0.05 | $ (0.06) |

(1) Adjusted EBITDA is defined as net loss before interest expense, interest income, income taxes and depreciation and amortization, further adjusted to exclude certain unusual, non-cash, or non-recurring expenses.

(2) Adjusted net income and adjusted earnings per share are based on net income attributable to HF Foods Group Inc.

**Management Commentary**

"In 2025, we made meaningful progress on our comprehensive transformation plan, delivering solid sales and Adjusted EBITDA growth even as the broader foodservice industry faced headwinds," said Felix Lin, President and Chief Executive Officer of HF Foods. "Throughout the year we achieved significant operational milestones including consolidating our call centers operations, completing our full ERP implementation, and advancing key facility initiatives in Atlanta, Charlotte, and Chicago that will unlock substantial cross-selling opportunities in high-growth markets. We remain focused on driving operational efficiency, capturing organic growth through network optimization and cross-selling, and selectively pursuing M&A opportunities that strengthen our unmatched competitive position as a leading distributor in the growing Asian specialty food category. With our transformation foundation now largely in place, we are excited about the opportunity ahead of us, and confident in our ability to deliver long-term value for our shareholders."

**Full Year 2025 Results**

Net revenue was $1.23 billion for the full year 2025 compared to $1.20 billion in the prior year, an increase of $26.6 million, or 2.2%. The increase was primarily attributable to volume growth and pricing improvement in Seafood and Meat & Poultry and volume growth in Commodity, partially offset by volume decreases within other categories.

Gross profit was $207.6 million, a slight increase compared to $205.2 million in the prior year. The gross profit increase was attributable to increased net revenue partially offset by increased costs. Gross profit margin slightly decreased to 16.9% compared to 17.1% in the prior year period.

Distribution, selling and administrative expenses increased by $3.7 million, or 1.9%, in 2025, compared to the prior year mainly due to an increases in depreciation, occupancy, auto & truck, insurance, and non-recurring transformation expenses, partially offset by a decrease in professional fees. Distribution, selling and administrative expenses as a percentage of net revenue remained relatively consistent at 16.4% in 2025 compared to 16.5% in the prior year.

Net loss improved to $39.3 million compared to net loss of $48.1 million in the prior year. The improvement was primarily driven by a $6.1 million improvement in loss from operations and a $7.9 million favorable change in income taxes, including the impact of the lower goodwill impairment charge compared to the prior year. These favorable items were partially offset by the absence of the $5.5 million non-recurring gain recognized in the prior year from the lease guarantee liability termination and a $3.6 million year-over-year increase in interest rate swap fair value expense. Following

the 2025 impairment, the Company has no remaining goodwill.

Adjusted EBITDA increased 6.9% to $45.0 million compared to $42.0 million in the prior year, which was due to various items noted in the Adjusted EBITDA table included in "*Appendix A - Non-GAAP Financial Measures"* of this earnings release.

**Fourth Quarter 2025 Results**

Net revenue was $308.0 million for the fourth quarter of 2025 compared to $305.3 million in the prior year period, an increase of $2.7 million, or 0.9%. The increase was primarily attributable to volume growth and pricing improvement in Seafood and volume growth in Commodity, partially offset by volume decrease within other categories.

Gross profit was $51.1 million, a slight decrease compared to $52.2 million in the prior year period. The gross profit decrease was primarily attributable to increased costs partially offset by increased net revenue. Gross profit margin decreased to 16.6% compared to 17.1% in the prior year period.

Distribution, selling and administrative expenses increased by $3.6 million, or 7.5%, compared to the prior year period, primarily due to an increase in insurance, occupancy, and depreciation expense, and non-recurring transformation expenses. Distribution, selling and administrative expenses as a percentage of net revenue increased to 16.8% compared to 15.7% in the prior year period.

Net loss improved to $37.4 million compared to a net loss of $43.9 million in the prior-year period. The improvement was primarily driven by a $6.6 million favorable change in income taxes, a $2.8 million improvement in loss from operations, and a lower goodwill impairment charge compared to the prior-year period. These favorable items were partially offset by a $3.6 million increase in distribution, selling and administrative expenses and by a $2.6 million unfavorable year-over-year change in the fair value of the Company's interest rate swap contracts. Following the 2025 impairment, the Company has no remaining goodwill.

Adjusted EBITDA decreased 33.7% to $9.6 million compared to $14.5 million in the prior year period, which was due to various items noted in the Adjusted EBITDA table included in "*Appendix A - Non-GAAP Financial Measures"* of this earnings release.

**Cash Flow and Liquidity**

Cash provided by operating activities was $25.5 million for the year ended December 31, 2025, compared to cash provided by operating activities of $22.6 million in the prior year period. Net cash provided by operating activities increased by $2.8 million primarily due to an increase in non-cash expense add-backs offset by the timing of working capital outlays mainly for inventory purchases to counter potential tariff increases. As of December 31, 2025, the Company had cash of $8.6 million, checks issued not presented for payment of $1.7 million and access to approximately $61.2 million in additional funds through the $125.0 million line of credit, subject to a borrowing base calculation. The Company has funded working capital and other capital requirements primarily by cash flow from operations and bank loans. Cash is required to pay purchase costs for inventory, salaries, fuel and trucking expenses, selling expenses, rental expenses, income taxes, other operating expenses and to service debts.

**Earnings Call and Webcast**

HF Foods' management team will host a live conference call to discuss its financial results today at 1:30 p.m. PT (4:30 p.m. ET). The link to the webcast will be available on the "Events" section of the Company's Investor Relations website at https://investors.hffoodsgroup.com. Those interested in participating in the live call can dial 1-877-407-0752 or 1-201-389-0912. The webcast will be archived and available for replay.

**About HF Foods Group Inc.**

HF Foods Group Inc. is a leading marketer and distributor of fresh produce, frozen and dry food, and non-food products to primarily Asian restaurants and other foodservice customers throughout the United States. HF Foods aims to supply the increasing demand for Asian American restaurant cuisine, leveraging its nationwide network of distribution centers and its strong relations with growers and suppliers of fresh, high-quality specialty restaurant food products and supplies in the US and Asia. Headquartered in Las Vegas, Nevada, HF Foods trades on Nasdaq under the symbol "HFFG". For more information, please visit www.hffoodsgroup.com.

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**Forward-Looking Statements**

All statements in this news release other than statements of historical facts are, or may be deemed to be, "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and contain our current expectations about our future results. We have attempted to identify any forward-looking statements by using words such as "aims," "continues," "expects," "plans," "will," and other similar expressions. Although we believe that the expectations reflected in all of our forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. Such statements are not guarantees of future performance or events and are subject to known and unknown risks and uncertainties that could cause the Company's actual results, events or financial positions to differ materially from those included within or implied by such forward-looking statements. Such factors include, but are not limited to, risks relating to our ability to consummate our operational transformation plan as anticipated, risks relating to the impact of our operational plan on our sales and efficiencies, risks relating to the impact of demographic trends on demand for the products we distribute, risks related to potential increases in tariff-related costs, statements of assumption underlying any of the foregoing, and other factors including those disclosed under the caption "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2025 and other filings with the SEC. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date made. Except as required by law, we undertake no obligation to disclose any revision to these forward-looking statements.

**HF FOODS GROUP INC. AND SUBSIDIARIES**
**CONSOLIDATED BALANCE SHEETS**
**(In thousands)**
**(Unaudited)**

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| **ASSETS** | | |
| **CURRENT ASSETS:** | | |

| | | |
|---|---|---|
| Cash | $ 8,641 | $ 14,467 |
| Accounts receivable, net | 66,237 | 54,346 |
| Inventories | 106,629 | 97,783 |
| Prepaid expenses and other current assets | 9,725 | 11,507 |
| Assets held for sale | 2,768 | — |
| **TOTAL CURRENT ASSETS** | 194,000 | 178,103 |
| Property and equipment, net | 163,397 | 149,572 |
| Operating lease right-of-use assets | 26,049 | 13,944 |
| Long-term investments | 2,144 | 2,350 |
| Customer relationships, net | 126,048 | 136,615 |
| Trademarks, trade names and other intangibles, net | 25,440 | 24,911 |
| Goodwill | — | 38,815 |
| Other long-term assets | 4,451 | 5,681 |
| **TOTAL ASSETS** | $ 541,529 | $ 549,991 |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | |
| **CURRENT LIABILITIES:** | | |
| Checks issued not presented for payment | $ 1,674 | $ 5,687 |
| Line of credit | 55,799 | 57,483 |
| Accounts payable | 74,859 | 50,644 |
| Current portion of long-term debt, net | 6,683 | 5,410 |
| Current portion of obligations under finance leases | 6,425 | 3,797 |
| Current portion of obligations under operating leases | 4,334 | 4,177 |
| Accrued expenses and other liabilities | 14,994 | 18,001 |
| **TOTAL CURRENT LIABILITIES** | 164,768 | 145,199 |
| Long-term debt, net of current portion | 99,436 | 103,324 |
| Obligations under finance leases, non-current | 25,279 | 19,929 |
| Obligations under operating leases, non-current | 22,990 | 10,125 |
| Deferred tax liabilities | 23,808 | 29,392 |
| Other long-term liabilities | 1,662 | 728 |
| **TOTAL LIABILITIES** | 337,943 | 308,697 |
| Commitments and contingencies | | |
| **SHAREHOLDERS' EQUITY:** | | |
| Preferred stock | — | — |
| Common stock | 5 | 5 |
| Treasury stock | (7,750) | (7,750) |
| Additional paid-in capital | 605,838 | 604,235 |
| Accumulated deficit | (396,042) | (357,199) |
| **TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO HF FOODS GROUP INC.** | 202,051 | 239,291 |
| Noncontrolling interests | 1,535 | 2,003 |
| **TOTAL SHAREHOLDERS' EQUITY** | 203,586 | 241,294 |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | $ 541,529 | $ 549,991 |

**HF FOODS GROUP INC. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**
**(In thousands, except share and per share data)**
**(Unaudited)**

| | Three Months Ended December 31, | | Twelve Months Ended December 31, | |
|---|---|---|---|---|
| | **2025** | **2024** | **2025** | **2024** |
| Net revenue | $ 308,023 | $ 305,282 | $ 1,228,282 | $ 1,201,667 |
| Cost of revenue | 256,947 | 253,127 | 1,020,706 | 996,473 |
| Gross profit | 51,076 | 52,155 | 207,576 | 205,194 |
| Distribution, selling and administrative expenses | 51,655 | 48,038 | 201,762 | 198,026 |
| Goodwill impairment charges | 38,815 | 46,303 | 38,815 | 46,303 |
| Loss from operations | (39,394) | (42,186) | (33,001) | (39,135) |
| Other expenses (income): | | | | |
| Interest expense | 3,100 | 2,828 | 11,467 | 11,425 |
| Other (income) expense, net | (232) | (222) | (1,057) | 2,818 |
| Change in fair value of interest rate swap contracts | (46) | (2,652) | 1,870 | (1,693) |
| Lease guarantee income | — | — | — | (5,548) |
| Total other expenses (income), net | 2,822 | (46) | 12,280 | 7,002 |
| Loss before income taxes | (42,216) | (42,140) | (45,281) | (46,137) |

| | | | | |
|---|---|---|---|---|
| Income tax expense (benefit) | (4,799) | 1,801 | (5,970) | 1,965 |
| Net Loss | (37,417) | (43,941) | (39,311) | (48,102) |
| Less: net (loss) income attributable to noncontrolling interests | (119) | (47) | (468) | 409 |
| Net loss attributable to HF Foods Group Inc. | $ (37,298) | $ (43,894) | $ (38,843) | $ (48,511) |
| | | | | |
| Loss per common share - basic | $ (0.70) | $ (0.83) | $ (0.73) | $ (0.92) |
| Loss per common share - diluted | $ (0.70) | $ (0.83) | $ (0.73) | $ (0.92) |
| | | | | |
| Weighted average shares - basic | 53,043,832 | 52,737,645 | 52,946,655 | 52,552,490 |
| Weighted average shares - diluted | 53,043,832 | 52,737,645 | 52,946,655 | 52,552,490 |

**HF FOODS GROUP INC. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(In thousands)**
**(Unaudited)**

| | Twelve Months Ended December 31, 2025 | 2024 |
|---|---|---|
| **Cash flows from operating activities:** | | |
| **Net loss** | $ (39,311) | $ (48,102) |
| **Adjustments to reconcile net loss to net cash provided by operating activities:** | | |
| Depreciation and amortization expense | 28,382 | 26,677 |
| Goodwill impairment charges | 38,815 | 46,303 |
| Gain from disposal of property and equipment | (115) | (12) |
| Credit for expected credit losses | (357) | (103) |
| Deferred tax (benefit) expense | (5,584) | 364 |
| Change in fair value of interest rate swap contracts | 1,870 | (1,693) |
| Stock-based compensation | 1,759 | 2,088 |
| Non-cash lease expense | 5,124 | 3,992 |
| Lease guarantee income | — | (5,548) |
| Other non-cash (income) expense | (280) | 1,169 |
| **Changes in operating assets and liabilities:** | | |
| Accounts receivable | (11,227) | (6,421) |
| Accounts receivable - related parties | (307) | 10 |
| Inventories | (8,846) | 7,835 |
| Prepaid expenses and other current assets | 1,782 | (1,362) |
| Other long-term assets | 967 | 942 |
| Checks issued not presented for payment | (4,013) | 1,193 |
| Accounts payable | 23,703 | (1,025) |
| Accounts payable - related parties | 332 | (345) |
| Operating lease liabilities | (4,207) | (4,040) |
| Accrued expenses and other liabilities | (3,007) | 714 |
| **Net cash provided by operating activities** | 25,480 | 22,636 |
| **Cash flows from investing activities:** | | |
| Purchase of property and equipment | (18,918) | (12,547) |
| Purchase of intangible assets | (1,661) | — |
| Proceeds from sale of property and equipment | 206 | 48 |
| Contribution to equity method investee | — | (49) |
| **Net cash used in investing activities** | (20,373) | (12,548) |
| **Cash flows from financing activities:** | | |
| Payments for tax withholding related to vested stock awards | (156) | (175) |
| Proceeds from line of credit | 1,446,483 | 1,476,106 |
| Repayment of line of credit | (1,448,100) | (1,477,240) |
| Proceeds from issuance of debt | 4,200 | — |
| Repayment of long-term debt | (6,856) | (5,470) |
| Payment of debt financing costs | (213) | — |
| Repayment of obligations under finance leases | (6,291) | (3,574) |
| Cash distribution to shareholders | — | (500) |
| **Net cash used in financing activities** | (10,933) | (10,853) |
| **Net decrease in cash** | (5,826) | (765) |
| **Cash at beginning of the period** | 14,467 | 15,232 |
| **Cash at end of the period** | $ 8,641 | $ 14,467 |

**Appendix A**
**Non-GAAP Financial Measures**

**Three and Year Ended December 31, 2025 and 2024**
**(Unaudited)**

Discussion of our financial results includes certain non-GAAP financial measures, including EBITDA, Adjusted EBITDA, non-GAAP net income (loss) attributable to HF Foods Group Inc. and non-GAAP EPS ("earnings per share"), that we believe provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing our financial performance with other companies in the same industry, many of which present similar non-GAAP financial measures to investors. The definitions of EBITDA, Adjusted EBITDA, non-GAAP net income (loss) attributable to HF Foods Group Inc. and non-GAAP EPS may not be the same as similarly titled measures used by other companies in the industry. EBITDA, Adjusted EBITDA, non-GAAP net income (loss) attributable to HF Foods Group Inc. and non-GAAP EPS are not defined under GAAP and are subject to important limitations as analytical tools and should not be considered in isolation or as substitutes for analysis of our financial results as reported under GAAP.

We use non-GAAP financial measures to supplement our GAAP financial results. Management uses EBITDA, defined as net income (loss) before interest expense, interest income, income taxes, and depreciation and amortization to measure operating performance. In addition, management uses Adjusted EBITDA, defined as net income (loss) before interest expense, interest income, income taxes, and depreciation and amortization, further adjusted to exclude certain unusual, non-cash, or non-recurring expenses. We believe that Adjusted EBITDA is less susceptible to variances in actual performance resulting from non-recurring expenses, and other non-cash charges, provides useful information for our investors and is more reflective of other factors that affect our operating performance.

We believe non-GAAP net income (loss) attributable to HF Foods Group Inc. and non-GAAP EPS are useful measures of operating performance because these measures exclude certain items not reflective of our core operating performance. Non-GAAP net income (loss) attributable to HF Foods Group Inc. is defined as net income (loss) attributable to HF Foods Group Inc. adjusted for amortization of intangibles, change in fair value of interest rate swaps, stock based compensation, transaction related costs, transformational project costs and certain unusual, non-cash, or non-recurring expenses. We believe that non-GAAP net income (loss) attributable to HF Foods Group Inc. and non-GAAP EPS facilitates period-over-period comparisons and provides additional clarity for investors to better evaluate our operating results. We present EBITDA, Adjusted EBITDA, non-GAAP net income (loss) attributable to HF Foods Group Inc. and non-GAAP EPS in order to provide supplemental information that we consider relevant for the readers of our consolidated financial statements included elsewhere in its reports filed with the SEC, including its most recent Annual Report on Form 10-K, and such information is not meant to replace or supersede U.S. GAAP measures. Reconciliations of the non-GAAP financial measures to their most comparable GAAP financial measures are included in the schedules attached to this press release.

**HF FOODS GROUP INC. AND SUBSIDIARIES**
**RECONCILIATION OF NET LOSS TO EBITDA AND ADJUSTED EBITDA**
**(In thousands)**
**(Unaudited)**

| | Three Months Ended December 31, | | |
|---|---|---|---|
| | 2025 | 2024 | Change |
| Net loss | $ (37,417) | $ (43,941) | $ 6,524 |
| Interest expense, net | 3,100 | 2,828 | 272 |
| Income tax benefit | (4,799) | 1,801 | (6,600) |
| Depreciation and amortization | 7,113 | 6,745 | 368 |
| EBITDA | (32,003) | (32,567) | 564 |
| Change in fair value of interest rate swap contracts | (46) | (2,652) | 2,606 |
| Stock-based compensation expense | 141 | 127 | 14 |
| Goodwill impairment charges | 38,815 | 46,303 | (7,488) |
| Business transformation costs[(1)] | 1,179 | 43 | 1,136 |
| Other non-routine expense[(2)] | 929 | 290 | 639 |
| Executive transition and organizational redesign[(3)] | 574 | 2,929 | (2,355) |
| Adjusted EBITDA | $ 9,589 | $ 14,473 | $ (4,884) |

| | Twelve Months Ended December 31, | | |
|---|---|---|---|
| | 2025 | 2024 | Change |
| Net loss | $ (39,311) | $ (48,102) | $ 8,791 |
| Interest expense, net | 11,431 | 11,425 | 6 |
| Income tax (benefit) expense | (5,970) | 1,965 | (7,935) |
| Depreciation and amortization | 28,382 | 26,677 | 1,705 |
| EBITDA | (5,468) | (8,035) | 2,567 |
| Lease guarantee income | — | (5,548) | 5,548 |
| Change in fair value of interest rate swap contracts | 1,870 | (1,693) | 3,563 |
| Stock-based compensation expense | 1,759 | 2,088 | (329) |
| Goodwill impairment charges | 38,815 | 46,303 | (7,488) |
| Business transformation costs[(1)] | 3,637 | 1,223 | 2,414 |
| SEC settlement | — | 3,900 | (3,900) |
| Other non-routine expense[(2)] | 1,378 | 874 | 504 |
| Executive transition and organizational redesign[(3)] | 2,964 | 2,929 | 35 |
| Adjusted EBITDA | $ 44,955 | $ 42,041 | $ 2,914 |

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**(1)** Represents costs associated with the launch and continued implementation of strategic projects including supply chain management. improvements and technology infrastructure initiatives.

**(2)** Includes legal and consulting costs related to various corporate projects and other strategic initiatives.

**(3)** Includes severance and related expenses for the Company's transition of executive officers and organizational redesign.

**HF FOODS GROUP INC. AND SUBSIDIARIES**
**RECONCILIATION OF NET INCOME (LOSS) ATTRIBUTABLE TO HF FOODS GROUP INC.**
**TO NON-GAAP NET INCOME AND NON-GAAP EPS ATTRIBUTABLE TO HF FOODS GROUP INC.**
**(In thousands, except per share amounts)**
**(Unaudited)**

The following tables present our non-GAAP net income (loss) and non-GAAP EPS for the three and year ended December 31, 2025 and 2024 respectively, as well as reconciliations of each measure to their nearest GAAP equivalents:

| | Three Months Ended December 31, | | |
|---|---|---|---|
| | 2025 | 2024 | Change |
| Net loss attributable to HF Foods Group Inc. | $ (37,298) | $ (43,894) | $ 6,596 |
| Amortization of intangibles and deferred financing costs | 4,001 | 4,070 | (69) |
| Change in fair value of interest rate swaps | (46) | (2,652) | 2,606 |
| Stock-based compensation expense | 141 | 127 | 14 |
| Goodwill impairment charges | 38,815 | 46,303 | (7,488) |
| Business transformation costs[1] | 1,179 | 43 | 1,136 |
| Other non-routine expense[2] | 929 | 290 | 639 |
| Executive transition and organizational redesign[3] | 574 | 2,929 | (2,355) |
| Aggregate adjustment for income taxes[4] | (5,612) | (1,154) | (4,458) |
| Non-GAAP net income attributable to HF Foods Group Inc. | $ 2,683 | $ 6,062 | $ (3,379) |
| GAAP diluted loss per common share attributable to HF Foods | $ (0.70) | $ (0.83) | $ 0.13 |
| EPS difference[5] | 0.75 | 0.94 | (0.19) |
| Non-GAAP diluted earnings per common share attributable to HF Foods[5] | $ 0.05 | $ 0.11 | $ (0.06) |
| Non-GAAP diluted weighted average number of shares (in thousands)[5] | 53,510 | 52,997 | |

| | Twelve Months Ended December 31, | | |
|---|---|---|---|
| | 2025 | 2024 | Change |
| Net loss attributable to HF Foods Group Inc. | $ (38,843) | $ (48,511) | $ 9,668 |
| Amortization of intangibles and deferred financing costs | 15,892 | 16,280 | (388) |
| Lease guarantee income | — | (5,548) | 5,548 |
| Change in fair value of interest rate swaps | 1,870 | (1,693) | 3,563 |
| Stock-based compensation expense | 1,759 | 2,088 | (329) |
| Goodwill impairment charges | 38,815 | 46,303 | (7,488) |
| Business transformation costs[1] | 3,637 | 1,223 | 2,414 |
| SEC settlement | — | 3,900 | (3,900) |
| Other non-routine expense[2] | 1,378 | 874 | 504 |
| Executive transition and organizational redesign[3] | 2,964 | 2,929 | 35 |
| Aggregate adjustment for income taxes[4] | (10,585) | (3,877) | (6,708) |
| Non-GAAP net income attributable to HF Foods Group Inc. | $ 16,887 | $ 13,968 | $ 2,919 |
| GAAP diluted loss per common share attributable to HF Foods | $ (0.73) | $ (0.92) | $ 0.19 |
| EPS difference[5] | 1.05 | 1.18 | (0.13) |
| Non-GAAP diluted earnings per common share attributable to HF Foods[5] | $ 0.32 | $ 0.26 | $ 0.06 |
| Non-GAAP diluted weighted average number of shares (in thousands)[5] | 53,459 | 52,790 | |

(1) Represents costs associated with the launch and continued implementation of strategic projects including supply chain management improvements and technology infrastructure initiatives.

(2) Includes legal and consulting costs related to various corporate projects and other strategic initiatives.

(3) Includes severance and related expenses for the Company's transition of executive officers and organizational redesign.

(4) Represents the income tax impact of non-GAAP adjustments, calculated using a normalized annual effective tax rate of 24% applied to adjusted pre-tax earnings for the fourth quarters of 2025 and 2024, excluding permanent items related to goodwill impairment and SEC settlement charges.

(5) EPS difference and diluted non-GAAP earnings per share are calculated by dividing our non-GAAP net income attributable to HF Foods by our non-GAAP diluted weighted average number of shares.