

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 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 June 30, 2025

Or

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

For the transition period from \_\_ to \_\_

Commission file number 001-34481

**Mistras Group, Inc.**

*(Exact name of registrant as specified in its charter)*

**Delaware** **22-3341267**  
*(State or other jurisdiction of incorporation or organization)* *(I.R.S. Employer Identification No.)*

**195 Clarksville Road**  
**Princeton Junction, New Jersey** **08550**  
*(Address of principal executive offices)* *(Zip Code)*

**(609) 716-4000**  
*(Registrant's telephone number, including area code)*

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

<i>Title of each class</i>	<i>Trading Symbol(s)</i>	<i>Name of each exchange on which registered</i>
Common Stock, \$0.01 par value	MG	New York Stock Exchange

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, a 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 type="checkbox"/>	Accelerated filer	<input checked="" 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 August 6, 2025, the registrant had 31,538,050 shares of common stock outstanding.



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## PART I—FINANCIAL INFORMATION

## ITEM 1. Financial Statements

**Mistras Group, Inc. and Subsidiaries**  
**Unaudited Condensed Consolidated Balance Sheets**  
*(in thousands, except share and per share data)*

	June 30, 2025 (unaudited)	December 31, 2024
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 19,957	\$ 18,317
Accounts receivable, net	159,823	127,281
Inventories	15,118	14,485
Prepaid expenses and other current assets	18,409	12,387
Total current assets	213,307	172,470
Property, plant and equipment, net	85,909	80,892
Intangible assets, net	39,571	39,708
Goodwill	185,125	181,442
Deferred income taxes	6,693	6,267
Other assets	40,438	42,259
Total assets	\$ 571,043	\$ 523,038
<b>LIABILITIES AND EQUITY</b>		
Current Liabilities		
Accounts payable	\$ 18,238	\$ 11,128
Accrued expenses and other current liabilities	90,482	85,233
Current portion of long-term debt	13,069	11,591
Current portion of finance lease obligations	5,677	5,317
Income taxes payable	1,028	1,656
Total current liabilities	128,494	114,925
Long-term debt, net of current portion	176,345	158,056
Obligations under finance leases, net of current portion	15,894	15,162
Deferred income taxes	2,216	1,973
Other long-term liabilities	31,919	34,027
Total liabilities	354,868	324,143
Commitments and contingencies (Note 13)		
Equity		
Preferred stock, 10,000,000 shares authorized	—	—
Common stock, \$0.01 par value, 200,000,000 shares authorized, 31,538,050 and 31,010,375 shares issued and outstanding	465	402
Additional paid-in capital	253,879	250,832
Accumulated deficit	(10,153)	(9,984)
Accumulated other comprehensive loss	(28,343)	(42,682)
Total Mistras Group, Inc. stockholders' equity	215,848	198,568
Non-controlling interests	327	327
Total equity	216,175	198,895
Total liabilities and equity	\$ 571,043	\$ 523,038

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.

**Mistras Group, Inc. and Subsidiaries**  
**Unaudited Condensed Consolidated Statements of Income (Loss)**  
*(in thousands, except per share data)*

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
<b>Revenue</b>	\$ 185,405	\$ 189,773	\$ 347,020	\$ 374,215
Cost of revenue	125,739	132,536	241,025	264,892
Depreciation	5,721	5,897	11,158	11,831
<b>Gross profit</b>	53,945	51,340	94,837	97,492
Selling, general and administrative expenses	39,793	36,181	75,445	72,431
Reorganization and other costs	2,951	518	6,038	2,076
Environmental expense	518	—	1,058	—
Legal settlement and insurance recoveries, net	—	60	—	60
Research and engineering	269	231	568	575
Depreciation and amortization	1,986	2,391	4,312	4,839
<b>Income from operations</b>	8,428	11,959	7,416	17,511
Interest expense	4,239	4,413	7,563	8,842
<b>Income (loss) before provision (benefit) for income taxes</b>	4,189	7,546	(147)	8,669
Provision (benefit) for income taxes	1,063	1,173	(105)	1,292
<b>Net income (loss)</b>	3,126	6,373	(42)	7,377
Less: net income attributable to noncontrolling interests, net of taxes	109	4	127	13
<b>Net income (loss) attributable to Mistras Group, Inc.</b>	<u>\$ 3,017</u>	<u>\$ 6,369</u>	<u>\$ (169)</u>	<u>\$ 7,364</u>
<b>Net income (loss) per common share</b>				
Basic	\$ 0.10	\$ 0.21	\$ —	\$ 0.24
Diluted	\$ 0.10	\$ 0.20	\$ —	\$ 0.23
<b>Weighted-average common shares outstanding:</b>				
Basic	31,439	30,979	31,268	30,842
Diluted	31,693	31,293	31,268	31,358

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.

**Mistras Group, Inc. and Subsidiaries**  
**Unaudited Condensed Consolidated Statements of Comprehensive Income (Loss)**  
*(in thousands)*

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Net income (loss)	\$ 3,126	\$ 6,373	\$ (42)	\$ 7,377
Other comprehensive income:				
Foreign currency translation adjustments	\$ 11,739	\$ (1,616)	\$ 14,212	\$ (5,845)
Comprehensive income	14,865	4,757	14,170	1,532
Less: net income attributable to noncontrolling interest	109	4	127	13
Less: Foreign currency translation adjustments attributable to noncontrolling interests	(118)	—	(127)	—
Comprehensive income attributable to Mistras Group, Inc.	<u>\$ 14,874</u>	<u>\$ 4,753</u>	<u>\$ 14,170</u>	<u>\$ 1,519</u>

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.

**Mistras Group, Inc. and Subsidiaries**  
**Unaudited Condensed Consolidated Statements of Equity**  
*(in thousands)*

	Three months ended							
	Common stock		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive loss	Total Mistras Group, Inc. stockholders' equity	Non-controlling interests	Total Equity
	Shares	Amount						
<b>Balance at March 31, 2025</b>	31,326	\$ 406	\$ 251,629	\$ (13,170)	\$ (40,200)	\$ 198,665	\$ 336	\$ 199,001
Net income	—	—	—	3,017	—	3,017	109	3,126
Other comprehensive income (loss), net of tax	—	—	—	—	11,857	11,857	(118)	11,739
Share-based payments	—	—	2,323	—	—	2,323	—	2,323
Net settlement of restricted stock units	212	59	(73)	—	—	(14)	—	(14)
<b>Balance at June 30, 2025</b>	<u>31,538</u>	<u>\$ 465</u>	<u>\$ 253,879</u>	<u>\$ (10,153)</u>	<u>\$ (28,343)</u>	<u>\$ 215,848</u>	<u>\$ 327</u>	<u>\$ 216,175</u>
<b>Balance at March 31, 2024</b>	30,911	\$ 328	\$ 247,329	\$ (27,947)	\$ (32,565)	\$ 187,145	\$ 320	\$ 187,465
Net income	—	—	—	6,369	—	6,369	4	6,373
Other comprehensive loss, net of tax	—	—	—	—	(1,616)	(1,616)	—	(1,616)
Share-based payments	—	—	1,536	—	—	1,536	—	1,536
Net settlement of restricted stock units	66	57	(341)	—	—	(284)	—	(284)
<b>Balance at June 30, 2024</b>	<u>30,977</u>	<u>\$ 385</u>	<u>\$ 248,524</u>	<u>\$ (21,578)</u>	<u>\$ (34,181)</u>	<u>\$ 193,150</u>	<u>\$ 324</u>	<u>\$ 193,474</u>
	Six months ended							
	Common stock		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive loss	Total Mistras Group, Inc. stockholders' equity	Non-controlling interests	Total Equity
	Shares	Amount						
<b>Balance at December 31, 2024</b>	31,010	\$ 402	\$ 250,832	\$ (9,984)	\$ (42,682)	\$ 198,568	\$ 327	\$ 198,895
Net loss	—	—	—	(169)	—	(169)	127	(42)
Other comprehensive income (loss), net of tax	—	—	—	—	14,339	14,339	(127)	14,212
Share-based payments	—	—	4,602	—	—	4,602	—	4,602
Net settlement of restricted stock units	528	63	(1,555)	—	—	(1,492)	—	(1,492)
<b>Balance at June 30, 2025</b>	<u>31,538</u>	<u>\$ 465</u>	<u>\$ 253,879</u>	<u>\$ (10,153)</u>	<u>\$ (28,343)</u>	<u>\$ 215,848</u>	<u>\$ 327</u>	<u>\$ 216,175</u>
<b>Balance at December 31, 2023</b>	30,598	\$ 305	\$ 247,165	\$ (28,942)	\$ (28,336)	\$ 190,192	\$ 311	\$ 190,503
Net income	—	—	—	7,364	—	7,364	13	7,377
Other comprehensive loss, net of tax	—	—	—	—	(5,845)	(5,845)	—	(5,845)
Share-based payments	—	—	2,764	—	—	2,764	—	2,764
Net settlement of restricted stock units	379	80	(1,405)	—	—	(1,325)	—	(1,325)
<b>Balance at June 30, 2024</b>	<u>30,977</u>	<u>\$ 385</u>	<u>\$ 248,524</u>	<u>\$ (21,578)</u>	<u>\$ (34,181)</u>	<u>\$ 193,150</u>	<u>\$ 324</u>	<u>\$ 193,474</u>

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.

**Mistras Group, Inc. and Subsidiaries**  
**Unaudited Condensed Consolidated Statements of Cash Flows**  
*(In Thousands)*

	Six months ended June 30,	
	2025	2024
<b>Cash flows from operating activities</b>		
Net (loss) income	\$ (42)	\$ 7,377
Adjustments to reconcile net loss to net cash provided by (used in) operating activities		
Depreciation and amortization	15,470	16,670
Deferred income taxes	(48)	(1,513)
Share-based compensation expense	4,602	2,764
Bad debt provision for troubled customers, net of recoveries	553	414
Foreign currency loss (gain)	3,155	(789)
Other	(712)	(306)
Changes in operating assets and liabilities, net of effect of acquisitions and dispositions		
Accounts receivable	(28,384)	(19,103)
Inventories	(206)	(88)
Prepaid expenses and other assets	(6,306)	(6,064)
Accounts payable	6,376	(2,920)
Accrued expenses and other liabilities	2,325	8,537
Income taxes payable	(402)	136
<b>Net cash (used in) provided by operating activities</b>	<b>(3,619)</b>	<b>5,115</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(10,002)	(9,599)
Purchase of intangible assets	(2,292)	(2,404)
Proceeds from sale of equipment	878	786
<b>Net cash used in investing activities</b>	<b>(11,416)</b>	<b>(11,217)</b>
<b>Cash flows from financing activities</b>		
Repayment of finance lease obligations	(3,027)	(2,832)
Repayment of long-term debt	(5,171)	(3,831)
Proceeds from revolver	47,000	33,500
Repayment of revolver	(22,400)	(20,250)
Taxes paid related to net share settlement of share-based awards	(1,492)	(1,326)
<b>Net cash provided by financing activities</b>	<b>14,910</b>	<b>5,261</b>
Effect of exchange rate changes on cash and cash equivalents	1,765	372
<b>Net change in cash and cash equivalents</b>	<b>1,640</b>	<b>(469)</b>
Cash and cash equivalents at beginning of period	18,317	17,646
Cash and cash equivalents at end of period	\$ 19,957	\$ 17,177
<b>Supplemental disclosure of cash paid</b>		
Interest, net	\$ 6,908	\$ 8,349
Income taxes, net of refunds	\$ 6,776	\$ 1,508
<b>Noncash investing and financing</b>		
Equipment acquired through finance lease obligations	\$ 3,731	\$ 2,099

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.

**Mistras Group, Inc. and Subsidiaries**  
**Notes to Unaudited Condensed Consolidated Financial Statements**  
(tabular dollars and shares in thousands, except per share data)

## 1. Description of Business and Basis of Presentation

### *Description of Business*

Mistras Group, Inc., together with its subsidiaries (the "Company"), is a leading "one source" multinational provider of integrated technology-enabled asset protection solutions helping to maximize the safety and operational uptime for civilization's most critical industrial and civil assets.

Backed by an innovative, data-driven asset protection portfolio, proprietary technologies and decades-long legacy of industry leadership, the Company helps customers with asset-intensive infrastructure in the oil and gas, aerospace and defense, industrials, power generation and transmission (including alternative and renewable energy), other process industries and infrastructure, research and engineering and other industries towards achieving and maintaining operational excellence. By supporting these organizations that help fuel our vehicles and power our society; inspecting components that are trusted for commercial, defense, and space craft; building real-time monitoring equipment to enable safe travel across bridges; and helping to propel sustainability, the Company helps the world at large.

The Company enhances value for its clients by integrating asset protection throughout supply chains and centralizing integrity data through a suite of Industrial Internet of Things ("IoT")-connected digital software and monitoring solutions, including OneSuite™, which serves as an ecosystem platform, pulling together all of the Company's software and data services capabilities, for the benefit of its customers.

The Company's core capabilities also include non-destructive testing ("NDT") field inspections enhanced by advanced robotics, laboratory quality control, laboratory materials services, shop laboratory assurance testing, sensing technologies and NDT equipment, asset and mechanical integrity engineering services, and light mechanical maintenance and access services.

The Company has three operating segments. Our segments are as follows:

- *North America*: This segment provides asset protection solutions predominantly in North America, with the largest concentration in the United States, followed by Canada, consisting primarily of NDT, inspection, mechanical and engineering services that are used to evaluate the safety, structural integrity and reliability of critical energy, industrial and public infrastructure and commercial aerospace components. Software, digital and data services are included in this segment.
- *International*: This segment offers services, products and systems similar to those of the other segments to select markets within Europe, the Middle East, Africa, Asia and South America, but not to customers in China and South Korea, which are served by the Products and Systems segment.
- *Products and Systems*: This segment designs, manufactures, sells, installs and services the Company's asset protection products and systems, including equipment and instrumentation, predominantly in the United States.

### *Recent Developments*

We may continue to experience increased costs associated with tariffs or trade barriers, including recent U.S. tariffs imposed or threatened to be imposed on China, Canada, Mexico and other countries and any retaliatory actions taken by such countries. We will continue to monitor market conditions and respond accordingly.

### *Basis of Presentation*

The Unaudited Condensed Consolidated Financial Statements contained in this report have been prepared in conformity with U.S. generally accepted accounting principles ("GAAP") and Securities and Exchange Commission ("SEC") guidance allowing for reduced disclosure for interim periods. In the opinion of management, the Unaudited Condensed Consolidated Financial Statements include all adjustments, which are of a normal recurring nature, necessary for a fair presentation of the results for the interim periods of the years ending December 31, 2025 and December 31, 2024.

**Mistras Group, Inc. and Subsidiaries**  
**Notes to Unaudited Condensed Consolidated Financial Statements**  
(tabular dollars and shares in thousands, except per share data)

Certain items included in these statements are based on management's estimates. Actual results may differ from those estimates. The results of operations for any interim period are not necessarily indicative of the results expected for the year. The accompanying Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the notes to the Audited Consolidated Financial Statements contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2024 (the "2024 Annual Report").

***Principles of Consolidation***

The accompanying Unaudited Condensed Consolidated Financial Statements include the accounts of Mistras Group, Inc. as well as its wholly-owned subsidiaries, majority-owned subsidiaries and consolidated variable interest entities (VIE). For consolidated subsidiaries in which the Company's ownership interest is less than 100%, the non-controlling interests are reported in stockholders' equity in the accompanying Condensed Consolidated Balance Sheets. The non-controlling interests in net results, net of tax, is classified separately in the accompanying Unaudited Condensed Consolidated Statements of Income (Loss). All significant intercompany accounts and transactions have been eliminated in consolidation.

***Change in Accounting Principle***

Certain amounts in prior periods have been reclassified to conform to the current year presentation. The impacts of the reclassifications are shown in the tables below. Any reclassifications not shown below did not have a material effect on the Company's financial condition or results of operations as previously reported.

***Change in Classification of Certain Expenses from Selling, General and Administrative Expenses to Cost of Revenue***

Beginning on January 1, 2025, the Company changed the presentation of certain costs on its Unaudited Condensed Consolidated Statements of Income (Loss), which include costs incurred at the Company's operational labs as well as the costs for certain personnel that indirectly support the Company's delivery of services. This voluntary change in classification of certain overhead and personnel costs, which were determined to be directly related to the Company's delivery of services, resulted in a decrease in Selling, general and administrative expenses and an offsetting increase in Cost of revenue. The Company believes this presentation is preferable as it will provide greater transparency regarding its Cost of revenue and better align with how the business is managed.

This change in classification has been applied retrospectively to all periods presented and affects Selling, general and administrative expenses; Cost of revenue; and Gross profit on the Company's Unaudited Condensed Consolidated Statements of Income (Loss). This change in presentation had no impact to Revenue, Income (loss) from operations, Income (loss) before provision (benefit) for income taxes, Provision (benefit) for income taxes, Net income (loss), Earnings (loss) per common share, or other components of equity, net assets or cash flows. In addition, Selling, general and administrative expenses and Other Expenses information disclosed in Note 14 Segment Disclosure was updated for this change. The impacts of the update to the presentation of certain indirect costs on the Company's Condensed Consolidated Financial Statements for the three and six month periods ended June 30, 2024 are reflected below under the "Effect of change" columns.

	Three Months Ended June 30, 2024		
	As Previously Reported	Effect of change	As Adjusted
Cost of revenue	\$ 127,760	\$ 4,776	\$ 132,536
Gross profit	56,116	(4,776)	51,340
Selling, general and administrative expenses	40,957	(4,776)	36,181

	Six Months Ended June 30, 2024		
	As Previously Reported	Effect of change	As Adjusted
Cost of revenue	\$ 255,179	\$ 9,713	\$ 264,892
Gross profit	107,205	(9,713)	97,492
Selling, general and administrative expenses	82,144	(9,713)	72,431

**Mistras Group, Inc. and Subsidiaries**  
**Notes to Unaudited Condensed Consolidated Financial Statements**  
(tabular dollars and shares in thousands, except per share data)

**Significant Accounting Policies**

The Company's significant accounting policies are disclosed in Note 1—*Summary of Significant Accounting Policies and Practices* in the 2024 Annual Report. On an ongoing basis, the Company evaluates its estimates and assumptions, including among other things, those related to revenue recognition, long-lived assets, goodwill and acquisitions. Since the date of the 2024 Annual Report, there have been no material changes to the Company's significant accounting policies.

**Income Taxes**

Income taxes are accounted for under the asset and liability method. We recognize deferred tax assets and liabilities at enacted income tax rates for the temporary differences between the financial reporting bases and the tax bases of our assets and liabilities. Any effects of changes in income tax rates or tax laws are included in the provision for income taxes in the period of enactment. Our net deferred tax assets primarily consist of net operating loss carry forwards, or NOLs. A valuation allowance is provided if it is more likely than not that some or all of a deferred income tax asset will not be realized. A current tax liability or asset is recognized for the estimated taxes payable or refundable on tax returns for the current and prior years.

As of June 30, 2025, management concluded that it is more likely than not that a substantial portion of the Company's deferred tax assets will be realized.

We recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate resolution.

The Company's effective income tax rate was approximately 25.4% and 15.5% for the three months ended June 30, 2025 and 2024, respectively. The Company's effective income tax rate was approximately 71.4% and 14.9% for the six months ended June 30, 2025 and 2024, respectively.

The effective income tax rate for the three months ended June 30, 2025, was higher than the statutory rate primarily due to the impact of a favorable discrete item related to stock compensation. The effective income tax rate for the three months ended June 30, 2024, was lower than the statutory rate primarily due to the impact of a favorable discrete item related to stock compensation.

The effective income tax rate for the six months ended June 30, 2025, was higher than the statutory rate primarily due to the impact of a favorable discrete item related to stock compensation. The effective income tax rate for the six months ended June 30, 2024, was lower than the statutory rate primarily due to the reversal of valuation allowances.

On July 4, 2025, H.R.1, commonly referred to as the One Big Beautiful Bill Act ("OBBBA"), was enacted, which includes a broad range of tax reform provisions. We are currently evaluating the impact of the OBBBA.

**Recent Accounting Pronouncements**

In November 2023, the Financial Accounting Standards Board ("FASB") issued ASU 2023-07, Segment Reporting (Topic 280) to expand the disclosures about a public entity's reportable segments and address requests from investors for additional, more detailed information about a reportable segment's expenses. The new standard is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. We adopted the provisions of this ASU in the fourth quarter of 2024 and applied the provisions retrospectively to each period presented in the consolidated financial statements. Adoption of the new standard did not have a material impact on our condensed consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740) to enhance the transparency and decision usefulness of income tax disclosures, primarily related to the rate reconciliation and income taxes paid disclosures. The new standard is effective for fiscal years beginning after December 15, 2024. We are currently evaluating the impacts this standard will have on our disclosures.

**Mistras Group, Inc. and Subsidiaries**  
**Notes to Unaudited Condensed Consolidated Financial Statements**  
(tabular dollars and shares in thousands, except per share data)

On November 4, 2024, the FASB issued ASU 2024-03, Income Statement - Reporting Comprehensive Income (Topic 220): Expense Disaggregation Disclosures, to require disaggregation of certain expense captions into specified categories in disclosures within the notes of the financial statements. The standard is effective for fiscal years beginning after December 31, 2026 and early adoption is permitted. The guidance is required to be applied prospectively and amendments in the ASU may be applied prospectively or retrospectively. We are currently evaluating the impacts this standard will have on our disclosures.

On March 6, 2024, the SEC adopted the final rule under SEC Release No. 33-11275, The Enhancement and Standardization of Climate-Related Disclosures for Investors, which will require registrants to provide certain climate-related information in their registration statements and periodic reports. The required disclosures will include, but are not limited to, specific disclosures about climate-related risks and their actual or likely material impacts on the registrant's business, strategy, and outlook; the governance of climate-related risks and relevant risk management processes; Scope 1 and 2 greenhouse gas (GHG) emissions, if material or included in announced emission targets; certain climate-related financial statement metrics and related disclosures in a note to the audited financial statements; and information about climate-related targets and goals. The rules are effective on a rolling basis for various fiscal years, beginning for the Company with annual reports for the year ending December 31, 2025. However, in response to various legal challenges, the SEC voluntarily stayed the rules on April 4, 2024, which may impact the ultimate effective date of the rules. We will continue to monitor any developments on these rules and expected timing for compliance.

## 2. Revenue

The Company derives the majority of its revenue by providing services on a time and material basis, and are short-term in nature. The Company accounts for revenue in accordance with ASC Topic 606, *Revenue from Contracts with Customers*.

### ***Performance Obligations***

The Company provides highly integrated and bundled inspection services to its customers. The majority of the Company's contracts have a single performance obligation as the promise to transfer the individual goods or services is not separately identifiable from other promises in the contracts and is, therefore, not distinct. For contracts with multiple performance obligations, the Company allocates the contract's transaction price to each performance obligation using the Company's best estimate of the standalone selling price of each distinct good or service in the contract. The primary method used to estimate standalone selling price is a relative selling price based on price lists.

Contract modifications are not routine in the performance of the Company's contracts. Generally, when contracts are modified, the modification is to account for changes in scope to the goods and services that are provided. In most instances, contract modifications are for goods or services that are distinct, and, therefore, are accounted for as a separate contract.

The Company's performance obligations are satisfied over time as work progresses or at a point in time. The majority of the Company's revenue is recognized over time as work progresses for the Company's service deliverables, which includes providing testing, inspection and mechanical services to our customers. Revenue is recognized over time, based on time and material incurred to date which best portrays the transfer of control to the customer. The Company also utilizes an available practical expedient that provides for revenue to be recognized in an amount that corresponds directly with the value to the customer of the entity's performance completed to date. Fixed fee arrangements are determined based on expected labor, material, and overhead to be consumed on fulfillment of such services. For these arrangements, revenue is recognized on a cost-to-cost method tracked on an input basis.

The majority of our revenue recognized at a point in time is related to product sales when the customer obtains control of the asset, which is generally upon shipment to the customer. Contract costs include labor, material and overhead.

The Company expects any significant remaining performance obligations to be satisfied within one year.

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**Contract Estimates**

The majority of the Company's revenues are short-term in nature. The Company enters into master service agreements ("MSA"s) with customers that specify an overall framework and contract terms. The actual contracting to provide services or furnish products are triggered by a work order, purchase order, or some similar document issued pursuant to a MSA which sets forth the scope of services and/or identifies the products to be provided. From time-to-time, the Company may enter into longer-term contracts, which can range from several months to several years. Revenue on certain contracts is recognized as work is performed based on total costs incurred to date in relation to the total estimated costs for the performance of the contract at completion. This includes contract estimates of costs to be incurred for the performance of the contract. Cost estimation is based upon the professional knowledge and experience of the Company's project managers, engineers and financial professionals. Factors that are considered in estimating the work to be completed include the availability of materials, the effect of any delays in the Company's project performance and the recoverability of any claims. Whenever revisions of estimates, contract costs and/or contract values indicate that the contract costs will exceed estimated revenues, thus creating a loss, a provision for the total estimated loss is recorded in that period.

**Revenue by Category**

The following series of tables present the Company's disaggregated revenue:

Revenue by industry was as follows:

Three Months Ended June 30, 2025	North America	International	Products & Systems	Corp/Elim	Total
Oil & Gas	\$ 92,634	\$ 9,943	\$ 239	\$ —	\$ 102,816
Aerospace & Defense	16,848	7,014	140	—	24,002
Industrials	11,647	7,597	360	—	19,604
Power Generation & Transmission	9,320	2,097	376	—	11,793
Other Process Industries	5,877	5,172	—	—	11,049
Infrastructure, Research & Engineering	3,461	4,020	579	—	8,060
Petrochemical	3,112	1	—	—	3,113
Other	5,093	3,233	1,046	(4,404)	4,968
Total	<u>\$ 147,992</u>	<u>\$ 39,077</u>	<u>\$ 2,740</u>	<u>\$ (4,404)</u>	<u>\$ 185,405</u>

Three Months Ended June 30, 2024	North America	International	Products & Systems	Corp/Elim	Total
Oil & Gas	\$ 96,356	\$ 12,735	\$ 165	\$ —	\$ 109,256
Aerospace & Defense	16,596	5,697	47	—	22,340
Industrials	11,853	5,878	563	—	18,294
Power Generation & Transmission	7,332	1,254	447	—	9,033
Other Process Industries	10,368	4,504	37	—	14,909
Infrastructure, Research & Engineering	5,125	2,813	695	—	8,633
Petrochemical	3,848	171	—	—	4,019
Other	4,916	1,212	1,419	(4,258)	3,289
Total	<u>\$ 156,394</u>	<u>\$ 34,264</u>	<u>\$ 3,373</u>	<u>\$ (4,258)</u>	<u>\$ 189,773</u>

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Six Months Ended June 30, 2025	North America	International	Products & Systems	Corp/Elim	Total
Oil & Gas	\$ 178,365	\$ 20,589	\$ 426	\$ —	\$ 199,380
Aerospace & Defense	30,855	13,295	256	—	44,406
Industrials	23,335	14,114	725	—	38,174
Power Generation & Transmission	12,544	3,082	820	—	16,446
Other Process Industries	12,378	8,916	8	—	21,302
Infrastructure, Research & Engineering	7,162	6,582	1,537	—	15,281
Petrochemical	5,635	111	—	—	5,746
Other	6,620	5,602	2,059	(7,996)	6,285
<b>Total</b>	<b>\$ 276,894</b>	<b>\$ 72,291</b>	<b>\$ 5,831</b>	<b>\$ (7,996)</b>	<b>\$ 347,020</b>

Six Months Ended June 30, 2024	North America	International	Products & Systems	Corp/Elim	Total
Oil & Gas	\$ 199,383	\$ 22,801	\$ 237	\$ —	\$ 222,421
Aerospace & Defense	31,971	12,429	58	—	44,458
Industrials	20,762	11,731	1,000	—	33,493
Power Generation & Transmission	10,924	2,936	1,025	—	14,885
Other Process Industries	18,296	8,437	76	—	26,809
Infrastructure, Research & Engineering	9,097	5,018	1,104	—	15,219
Petrochemical	7,661	702	—	—	8,363
Other	8,649	3,257	3,083	(6,422)	8,567
<b>Total</b>	<b>\$ 306,743</b>	<b>\$ 67,311</b>	<b>\$ 6,583</b>	<b>\$ (6,422)</b>	<b>\$ 374,215</b>

Revenue per key geographic location was as follows:

Three Months Ended June 30, 2025	North America	International	Products & Systems	Corp/Elim	Total
United States	\$ 129,011	\$ 3,706	\$ 1,268	\$ (3,495)	\$ 130,490
Other Americas	17,202	15	212	(487)	16,942
Europe	979	35,132	450	(388)	36,173
Asia-Pacific	800	224	810	(34)	1,800
<b>Total</b>	<b>\$ 147,992</b>	<b>\$ 39,077</b>	<b>\$ 2,740</b>	<b>\$ (4,404)</b>	<b>\$ 185,405</b>

Three Months Ended June 30, 2024	North America	International	Products & Systems	Corp/Elim	Total
United States	\$ 130,870	\$ 432	\$ 1,542	\$ (209)	\$ 132,635
Other Americas	24,594	1,921	675	(2,787)	24,403
Europe	611	31,183	580	(1,115)	31,259
Asia-Pacific	319	728	576	(147)	1,476
<b>Total</b>	<b>\$ 156,394</b>	<b>\$ 34,264</b>	<b>\$ 3,373</b>	<b>\$ (4,258)</b>	<b>\$ 189,773</b>

Six Months Ended June 30, 2025	North America	International	Products & Systems	Corp/Elim	Total
United States	\$ 243,344	\$ 4,248	\$ 2,641	\$ (1,479)	\$ 248,754
Other Americas	30,617	2,846	228	(3,631)	30,060
Europe	1,645	63,914	1,201	(2,385)	64,375
Asia-Pacific	1,288	1,283	1,761	(501)	3,831
<b>Total</b>	<b>\$ 276,894</b>	<b>\$ 72,291</b>	<b>\$ 5,831</b>	<b>\$ (7,996)</b>	<b>\$ 347,020</b>

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Six Months Ended June 30, 2024	North America	International	Products & Systems	Corp/Elim	Total
United States	\$ 260,328	\$ 728	\$ 3,142	\$ (1,724)	\$ 262,474
Other Americas	41,721	4,216	852	(3,027)	43,762
Europe	1,764	59,846	1,231	(1,461)	61,380
Asia-Pacific	2,930	2,521	1,358	(210)	6,599
Total	\$ 306,743	\$ 67,311	\$ 6,583	\$ (6,422)	\$ 374,215

### **Contract Balances**

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, unbilled receivables (contract assets), and customer advances and deposits (contract liabilities) on the Consolidated Balance Sheets. Amounts are generally billed as work progresses in accordance with agreed-upon contractual terms, generally at periodic intervals (e.g., weekly, bi-weekly or monthly). Generally, billing occurs subsequent to revenue recognition, resulting in contract assets. However, the Company sometimes receives advances or deposits from its customers before revenue is recognized, resulting in contract liabilities. These assets and liabilities are aggregated on an individual contract basis and reported on the Consolidated Balance Sheets at the end of each reporting period within accounts receivable, net or accrued expenses and other current liabilities.

Revenue recognized during the six months ended June 30, 2025 and 2024 that was included in the contract liability balance at the beginning of the year was \$5.3 million and \$4.8 million, respectively. Changes in the contract asset and liability balances during these periods were not materially impacted by any other factors. The Company applies the practical expedient to expense incremental costs incurred related to obtaining a contract when the amortization period of the asset that the Company otherwise would have recognized is one year or less.

### **3. Share-Based Compensation**

The Company grants share-based incentive awards to its eligible employees and non-employee directors under its 2016 Long-Term Incentive Plan (the "2016 Plan"). Awards granted under the 2016 Plan may be in the form of stock options, restricted stock units and other forms of share-based incentives, including performance-based restricted stock units, stock appreciation rights and deferred stock rights. At the annual shareholders meeting on May 14, 2024, the Company's shareholders approved an amendment to increase the total number of shares that may be issued under the 2016 Plan by 1.3 million, for a total of 6.2 million shares that are authorized for issuance under the 2016 Plan, of which approximately 823,000 shares were available for future grants as of June 30, 2025.

#### **Stock Options**

On December 31, 2024, the Compensation Committee (the "Compensation Committee") of the Company's Board of Directors approved the grant to Mr. Stamatakis, of a stock option for the purchase of 375,000 shares of the Company's common stock at an exercise price per share equal to the closing price of the common stock, as reported on the New York Stock Exchange (the "NYSE"), on the grant date of January 6, 2025 (the "Grant Date"). This stock option will vest and become exercisable on the first anniversary of the Grant Date, subject to accelerated vesting and exercisability upon termination of Mr. Stamatakis's employment due to his death or disability. In addition, if Mr. Stamatakis' employment ceases due to his termination by the Company without cause or his resignation with good reason, then pursuant to his employment agreement with the Company, the vesting and exercisability of this stock option will accelerate. The outside expiration date of this stock option is the tenth anniversary of the Grant Date.

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The following table sets forth a summary of stock option activity, weighted-average exercise prices and options outstanding as of June 30, 2025 (in thousands, except per share amounts and years):

	Six Months Ended June 30,			
	2025		2024	
	Common Stock Options	Weighted Average Exercise Price	Common Stock Options	Weighted Average Exercise Price
Outstanding at beginning of period:	250	\$ 5.36	250	\$ 5.36
Granted	375	\$ 9.06	—	\$ —
Exercised	—	\$ —	—	\$ —
Expired or forfeited	—	\$ —	—	\$ —
Outstanding at end of period:	625	\$ 7.58	250	\$ 5.36

The Company recognized \$1.0 million of share-based compensation expense within Reorganization and other costs during the six months ended June 30, 2025 related to the stock options that were granted in the first quarter of 2025. \$1.0 million of share-based compensation expense related to stock options remains unrecognized as of the end of the current period, which is all expected to be recognized during 2025.

***Stock Issuances to Non-Employee Directors***

As part of its compensation program for non-employee directors, the Company issues fully-vested common stock to its non-employee directors. Prior to 2025, the shares of common stock were issued in semi-annual awards during the quarters ended March 31 and September 30. In 2025, non-employee directors received a single award during the quarter ended June 30, 2025. A summary of the fully-vested common stock the Company issued to its non-employee directors, in connection with its non-employee director compensation, is as follows (in thousands):

	Six months ended June 30,	
	2025	2024
Awards issued	72	31
Grant date fair value of awards issued	\$ 571	\$ 274

***Restricted Stock Unit Awards***

For the three months ended June 30, 2025 and June 30, 2024, the Company recognized share-based compensation expense within Selling, general and administrative expenses related to restricted stock unit awards of \$0.9 million and \$1.3 million, respectively. For the six months ended June 30, 2025 and June 30, 2024, the Company recognized share-based compensation expense within Selling, general and administrative expenses related to restricted stock unit awards of \$2.1 million and \$2.3 million, respectively. For the three months ended June 30, 2025, the Company recognized share-based compensation expense within Reorganization and other costs related to restricted stock unit awards of \$0.5 million. As of June 30, 2025, there was \$7.1 million of unrecognized compensation costs related to restricted stock unit awards, which is expected to be recognized over a remaining weighted-average period of 2.6 years. Upon vesting, restricted stock units are generally net share-settled to cover the required withholding tax and the remaining amount is converted into an equivalent number of shares of common stock.

A summary of the vesting activity of restricted stock unit awards, with the respective fair value of the awards, is as follows:

	Six months ended June 30,	
	2025	2024
Restricted stock awards vested	589	461
Fair value of awards vested	\$ 5,596	\$ 4,184

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A summary of the Company's outstanding, non-vested restricted share units is as follows:

	Six months ended June 30,			
	2025		2024	
	Units	Weighted Average Grant-Date Fair Value	Units	Weighted Average Grant-Date Fair Value
Outstanding at beginning of period:	1,231	\$ 8.41	1,184	\$ 8.07
Granted	350	\$ 9.32	726	\$ 8.52
Vested	(589)	\$ 9.51	(461)	\$ 9.08
Forfeited	(141)	\$ 8.55	(56)	\$ 8.49
Outstanding at end of period:	<u>851</u>	<u>\$ 8.65</u>	<u>1,393</u>	<u>\$ 8.38</u>

***Performance Restricted Stock Units***

The Company maintains Performance Restricted Stock Units ("PRsUs") that have been granted to select executives and senior officers, the ultimate payout of which may vary between zero and 200% of the target award, based on the Company's performance over a one-year period based on specific metrics approved by the Compensation Committee of the Board of Directors of the Company.

For 2024, the Compensation Committee used the following three performance metrics for PRsUs awarded in that year.

1. *Free Cash Flow* defined as net cash provided by operating activities less purchases of property, plant, equipment and intangible assets and is subject to adjustments approved by the Compensation Committee.
2. *Adjusted EBITDA* defined as net income attributable to the Company plus: interest expense, provision for income taxes, depreciation and amortization, share-based compensation expense and certain acquisition related costs (including transaction due diligence costs and adjustments to the fair value of contingent consideration), foreign exchange (gain) loss and, if applicable, certain special items which are noted.
3. *Revenue*

For PRsUs awarded in 2025, the Compensation Committee utilized the same metrics as 2024 PRsUs, but with revised performance goals.

PRsUs are equity-classified and compensation costs related to PRsUs with performance conditions are initially measured using the fair value of the underlying stock at the date of grant. Compensation costs related to the PRsUs with performance conditions are subsequently adjusted for changes in the expected outcomes of the performance conditions. Compensation cost related to the PRsUs with a market condition is not reversed if the market condition is not achieved, provided the employee requisite service has been rendered. Earned PRsUs generally vest ratably in four equal annual installments over the four years following completion of the performance period, for a total requisite service period of up to five years, and have no dividend equivalent rights.

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A summary of the Company's PRSU activity is as follows:

	Six months ended June 30,			
	2025		2024	
	Units	Weighted Average Grant-Date Fair Value	Units	Weighted Average Grant-Date Fair Value
Outstanding at beginning of period:	125	\$ 9.12	60	\$ 9.33
Granted	507	\$ 10.08	295	\$ 8.76
Performance condition adjustments	(127)	\$ 8.76	—	\$ —
Released	(3)	\$ 9.84	—	\$ —
Forfeited	(9)	\$ 3.68	—	\$ —
Outstanding at end of period:	<u>493</u>	<u>\$ 9.93</u>	<u>355</u>	<u>\$ 9.00</u>

For the three months ended June 30, 2025 and June 30, 2024, the Company recognized aggregate share-based compensation expense related to the awards described above of approximately \$0.4 million and \$0.3 million, respectively. For the six months ended June 30, 2025 and June 30, 2024, the Company recognized aggregate share-based compensation expense related to the awards described above of approximately \$0.6 million and \$0.3 million, respectively. At June 30, 2025, there was \$3.9 million of total unrecognized compensation costs related to approximately 493,000 non-vested PRSUs, which is expected to be recognized over a remaining weighted-average period of 2.9 years.

#### 4. Earnings (loss) per Share

Basic earnings (loss) per share is computed by dividing net income (loss) by the weighted-average number of shares outstanding during the period. Diluted earnings (loss) per share is computed by dividing net income (loss) by the sum of (1) the weighted-average number of shares of common stock outstanding during the period, and (2) the dilutive effect of assumed conversion of equity awards using the treasury stock method. With respect to the number of weighted-average shares outstanding (denominator), diluted shares reflect: (i) the exercise of options to acquire common stock to the extent that the options' exercise prices are less than the average market price of common shares during the period and (ii) the pro forma vesting of restricted stock units.

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The following table sets forth the computations of basic and diluted earnings (loss) per share:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
<b>Basic earnings (loss) per share</b>				
Numerator:				
Net income (loss) attributable to Mistras Group, Inc.	\$ 3,017	\$ 6,369	\$ (169)	\$ 7,364
Denominator:				
Weighted average common shares outstanding	31,439	30,979	31,268	30,842
<b>Basic earnings (loss) per share</b>	<b>\$ 0.10</b>	<b>\$ 0.21</b>	<b>\$ —</b>	<b>\$ 0.24</b>
<b>Diluted earnings (loss) per share:</b>				
Numerator:				
Net income (loss) attributable to Mistras Group, Inc.	\$ 3,017	\$ 6,369	\$ (169)	\$ 7,364
Denominator:				
Weighted average common shares outstanding	31,439	30,979	31,268	30,842
Dilutive effect of stock options outstanding <sup>(1)</sup>	91	97	—	93
Dilutive effect of restricted stock units outstanding <sup>(1)</sup>	163	217	—	423
	<u>31,693</u>	<u>31,293</u>	<u>31,268</u>	<u>31,358</u>
<b>Diluted earnings (loss) per share</b>	<b>\$ 0.10</b>	<b>\$ 0.20</b>	<b>\$ —</b>	<b>\$ 0.23</b>

<sup>(1)</sup> For the three months ended June 30, 2025, 375,000 shares, related to stock options and 877,000 shares, related to restricted stock units were anti-dilutive and therefore were excluded from the calculation of diluted earnings (loss) per share. For the six months ended June 30, 2025, 106,000 shares, related to stock options and 867,000 shares, related to restricted stock units were excluded from the calculation of diluted earnings (loss) per share due to the net loss for the period.

## 5. Accounts Receivable, net

Accounts receivable consisted of the following (in thousands):

	June 30, 2025	December 31, 2024
Trade accounts receivable	\$ 162,727	\$ 129,894
Allowance for credit losses	(2,904)	(2,613)
Accounts receivable, net	<u>\$ 159,823</u>	<u>\$ 127,281</u>

The Company had \$41.0 million and \$21.3 million of unbilled revenue accrued as of June 30, 2025 and December 31, 2024, respectively. These amounts are included in the trade accounts receivable balances above. Unbilled revenue is generally billed in the subsequent quarter to their revenue recognition. The Company considers unbilled receivables as short-term in nature as they are normally converted to trade receivables within 90 days, thus future changes in economic conditions will not have a significant effect on the credit loss estimate.

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## 6. Inventories

Inventories consist of the following (in thousands):

	June 30, 2025	December 31, 2024
Raw materials and consumable supplies	\$ 9,771	\$ 8,321
Work in progress	1,036	1,018
Finished goods	4,311	5,146
Inventories	<u>\$ 15,118</u>	<u>\$ 14,485</u>

## 7. Property, Plant and Equipment, net

Property, plant and equipment, net consisted of the following:

	Useful Life (Years)	June 30, 2025	December 31, 2024
Land		\$ 2,470	\$ 2,429
Buildings and improvements	30-40	23,118	27,973
Office furniture and equipment	5-8	16,419	16,768
Machinery and equipment	5-7	302,803	274,907
		<u>344,810</u>	<u>322,077</u>
Accumulated depreciation and amortization		(258,901)	(241,185)
Property, plant and equipment, net		<u>\$ 85,909</u>	<u>\$ 80,892</u>

Depreciation expense for the three months ended June 30, 2025 and 2024 was approximately \$6.1 million and \$6.4 million, respectively.

Depreciation expense for the six months ended June 30, 2025 and 2024 was \$12.1 million and \$12.8 million, respectively.

## 8. Goodwill

Changes in the carrying amount of goodwill by segment is shown below:

	North America	International	Products and Systems	Total
Balance at December 31, 2024	\$ 181,442	\$ —	\$ —	\$ 181,442
Foreign currency translation	3,683	—	—	3,683
Balance at June 30, 2025	<u>\$ 185,125</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 185,125</u>

The Company reviews goodwill for impairment on a reporting unit basis on October 1 of each year and whenever events or changes in circumstances indicate the carrying value of goodwill may not be recoverable.

The Company performed a quantitative annual impairment test as of October 1, 2024 and the Company did not identify any changes in circumstances that would indicate the carrying value of goodwill may not be recoverable. Additionally, through June 30, 2025, the Company did not identify any changes in circumstances that would indicate the carrying value of goodwill may not be recoverable. Significant adverse changes in future periods could negatively affect the Company's key assumptions and may result in future goodwill impairment charges which could be material.

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## 9. Intangible Assets

The gross amount, accumulated amortization and net carrying amount of intangible assets were as follows:

	Useful Life (Years)	June 30, 2025			December 31, 2024		
		Gross Amount	Accumulated Amortization	Net Carrying Amount	Gross Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	5-18	\$ 109,356	\$ (95,242)	\$ 14,114	\$ 107,704	\$ (92,220)	\$ 15,484
Software/Technology	3-15	61,043	(35,933)	25,110	57,414	(33,930)	23,484
Covenants not to compete	2-5	12,396	(12,386)	10	12,391	(12,371)	20
Other	2-12	10,233	(9,896)	337	10,218	(9,498)	720
<b>Total</b>		<b>\$ 193,028</b>	<b>\$ (153,457)</b>	<b>\$ 39,571</b>	<b>\$ 187,727</b>	<b>\$ (148,019)</b>	<b>\$ 39,708</b>

Amortization expense for the three months ended June 30, 2025 and 2024 was approximately \$1.6 million and \$1.9 million, respectively.

Amortization expense for the six months ended June 30, 2025 and 2024 was \$3.4 million and \$3.9 million, respectively.

## 10. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following:

	June 30, 2025	December 31, 2024
Accrued salaries, wages and related employee benefits	\$ 30,820	\$ 27,990
Accrued workers' compensation and health benefits	3,548	4,898
Deferred revenue	9,811	8,096
Pension accrual	2,480	2,458
Right-of-use liability - Operating	11,237	11,375
Other accrued expenses	32,586	30,416
<b>Total</b>	<b>\$ 90,482</b>	<b>\$ 85,233</b>

## 11. Long-Term Debt

Long-term debt consisted of the following:

	June 30, 2025	December 31, 2024
Senior credit facility	\$ 84,250	\$ 59,650
Senior secured term loan, net of unamortized debt issuance costs of \$0.2 million and \$0.3 million, respectively	102,909	107,545
Other	2,255	2,452
<b>Total debt</b>	<b>189,414</b>	<b>169,647</b>
<b>Less: Current portion</b>	<b>(13,069)</b>	<b>(11,591)</b>
<b>Long-term debt, net of current portion</b>	<b>\$ 176,345</b>	<b>\$ 158,056</b>

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**Senior Credit Facility**

On August 1, 2022, the Company entered into a credit agreement (the "Credit Agreement"), which provides the Company with a \$190 million 5-year committed revolving credit facility and a \$125 million term loan with a balance of \$102.9 million as of June 30, 2025. The Credit Agreement permits the Company to borrow up to \$100 million in non-U.S. dollar currencies and to use up to \$20 million of the credit limit for the issuance of letters of credit. Both the revolving line of credit and the term loan under the Credit Agreement have a maturity date of July 30, 2027.

The Credit Agreement has the following key terms, conditions and financial covenants:

- Borrowings bear interest at Secured Overnight Financing Rate ("SOFR") plus a credit spread adjustment and applicable SOFR margin ranging from 1.25% to 2.75%, based upon our Total Consolidated Debt Leverage Ratio (defined below).
  - Total Consolidated Debt Leverage Ratio means the ratio of (a) Total Consolidated Debt to (b) EBITDA (as defined in the Credit Agreement) for the trailing four consecutive fiscal quarters.
  - Total Consolidated Debt means all indebtedness (including subordinated debt) of the Company on a consolidated basis.
- The Company has the benefit of the lowest SOFR margin if its Total Consolidated Debt Leverage Ratio is equal to or less than 1.25 to 1.0, and the margin increases as the ratio increases, to the maximum margin if the ratio is greater than 3.75 to 1.0. The Credit Agreement is secured by liens on substantially all the assets of the Company and certain of its U.S subsidiaries and is guaranteed by those U.S. subsidiaries.
- The Company is required to maintain a Total Consolidated Debt Leverage Ratio of no more than 4.0 to 1.0 at the end of each quarter through June 30, 2023 and stepping down to a maximum permitted ratio of no more than 3.75 to 1.0 for the remainder of the term.
- The Company is required to maintain a Fixed Charge Coverage Ratio of 1.25 to 1.0 for the duration of the Credit Agreement, as defined in the Credit Agreement.
- The Credit Agreement limits the Company's ability to, among other things, create liens, make investments, incur more indebtedness, merge or consolidate, make dispositions of property, pay dividends, make distributions to stockholders or repurchase our stock, enter into a new line of business, enter into transactions with affiliates and enter into burdensome agreements.
- The Credit Agreement does not limit the Company's ability to acquire other businesses or companies except that the acquired business or company must be in the Company's line of business, the Company must be in compliance with the financial covenants on a pro forma basis after taking into account the acquisition, and the Company must provide written notice at least five business days prior to the date of an acquisition of \$10 million or more.
- Quarterly payments on the term loan of \$1.56 million through June 30, 2024, then increasing to \$2.34 million through June 30, 2025, and to \$3.12 million for each quarterly payment thereafter through maturity.

As of June 30, 2025, the Company had borrowings of \$187.2 million and a total of \$3.1 million of letters of credit outstanding under the Credit Agreement. The Company has capitalized costs associated with debt modifications of \$0.7 million as of June 30, 2025, which is included in Other Assets on the Unaudited Condensed Consolidated Balance Sheets and will be amortized into interest expense over the remaining term of the Credit Agreement through July 30, 2027.

As of June 30, 2025, the Company was in compliance with the terms and covenants of the Credit Agreement. The Company continuously monitors compliance with the covenants contained in the Credit Agreement. The Company believes that it is probable that the Company will be able to comply with the financial covenants in the Credit Agreement and that sufficient credit remains available under the Credit Agreement to meet the Company's liquidity needs. However, such matters cannot be predicted with certainty.

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(tabular dollars and shares in thousands, except per share data)

### ***Other debt***

The Company's other debt includes bank financing provided at the local subsidiary level used to support working capital requirements and fund capital expenditures. At June 30, 2025, there was an aggregate of approximately \$2.3 million outstanding, payable at various times through 2030. Monthly payments range from \$0.7 thousand to \$16.9 thousand and interest rates range from 0.4% to 3.5%.

### **12. Fair Value Measurements**

The Company performs fair value measurements in accordance with the guidance provided by ASC 820, *Fair Value Measurements and Disclosures*. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It also establishes a three level hierarchy that prioritizes the inputs used to measure fair value.

#### ***Financial instruments not measured at fair value on a recurring basis***

The Company has evaluated current market conditions and borrower credit quality and has determined that the carrying value of its long-term debt approximates fair value. The fair value of the Company's notes payable and finance lease obligations approximates their carrying amounts based on anticipated interest rates which management believes would currently be available to the Company for similar issuances of debt.

### **13. Commitments and Contingencies**

#### ***Legal Proceedings and Government Investigations***

The Company is periodically involved in lawsuits, investigations and claims. While uncertainties exist with respect to the ultimate resolution of lawsuits, investigations and claims asserted against it, the Company, based on currently available information, does not believe that any currently pending or threatened legal proceeding to which the Company is a party, or is likely to become a party, including those proceedings identified in this Note 13, will have a material adverse effect on its business, results of operations, cash flows or financial condition. The costs incurred by the Company to defend lawsuits, investigations and claims and amounts the Company pays to other parties because of these matters may be covered by insurance in some circumstances.

#### **Litigation and Commercial Claims**

The Company and a subsidiary of the Company, Mistras Arizona Inspection Services LLC ("Mistras Arizona"), are subject to a lawsuit filed by the State of Arizona and the Arizona Department of Environmental Quality (collectively "DEQ"). The lawsuit, captioned *State of Arizona v. Mistras Group, Inc., Mistras Arizona Inspection Services, LLC and Naiman Phoenix, Ltd.*, was originally filed on February 27, 2024, in the Superior Court of the State of Arizona for Maricopa County, CV 2024-003866 (the "DEQ Complaint"). The DEQ Complaint alleges various violations of Arizona environmental laws and regulations by the Company and Mistras Arizona in connection with the operation by Mistras Arizona of its testing facility in Phoenix, Arizona. The DEQ Complaint seeks, through injunctive relief, the closing of a chromic acid plating line at the testing facility, implementation of a site assessment plan approved by the DEQ, and corrective and remedial action to bring the testing facility into compliance with laws and regulations. In addition, the DEQ Complaint seeks unspecified penalties and costs.

The Superior Court held a hearing September 2024 regarding the DEQ's request for a preliminary injunction. On October 23, 2024, the Superior Court issued a ruling, which declined to issue the preliminary injunction requested by the DEQ, but imposed the following conditions on the Company and Mistras Arizona unless and until modified by the Superior Court or entry of a final judgement: (1) the Company and Mistras Arizona are prohibited from releasing or permitting any release of chromic acid from the facility; (2) within a reasonable time, the Company and Mistras Arizona must complete improvements to the testing facility designed to prevent future discharges of chromium or chromic acid; (3) the Company must notify the DEQ upon completion of the improvement to enable the DEQ to conduct an inspection; and (4) the Company and Mistras Arizona are prohibited from engaging in any chrome plating operations at the testing facility until they notify the DEQ that the improvements have been completed. The DEQ may seek relief if it determines that the improvements are not sufficient to prevent discharges. In April 2025, Mistras Arizona notified the DEQ of its completed improvements, and the DEQ inspected the improvements. Following the DEQ site visit, Mistras Arizona commenced its chrome plating operations on April 28, 2025.

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The Company intends to continue complying with the Superior Court's ruling. This matter is still in the relatively early stages, including as to factual and expert discovery. It is probable that remediation costs, fines and penalties may be imposed related to this lawsuit. However, the Company is unable to estimate the range of loss that it may incur.

In addition, Mistras Arizona's operations in Phoenix are located at a leased site within the footprint of the Motorola 52nd Street Superfund Site (the "Motorola Site"). Mistras Arizona received a General Notice Letter from the US Environmental Protection Agency (the "EPA"), dated May 21, 2024, informing Mistras Arizona that the EPA has identified it as a potentially responsible party in relation to the Motorola Site. On April 29, 2025, the Company received a notice from the EPA requesting information regarding the improvements and other matters related to Phoenix testing facility. Mistras Arizona provided the EPA with the requested information in July 2025.

As it relates to this lawsuit, the recorded probable losses remain an estimate, and actual costs arising from this matter could materially differ depending on the actual costs incurred as well as the availability of additional insurance coverage.

#### ***Pension Related Contingencies***

Certain of the Company's subsidiaries had significant reductions in their unionized workers in 2018. The collective bargaining agreements for the employees of these subsidiaries required contributions for these employees to two national multi-employer pension funds. The reduction in employees resulted in one of the Company's subsidiaries incurring a complete withdrawal to one of the pension funds under the Employee Retirement Income Security Act of 1974 ("ERISA"), which was fully satisfied in 2019. The Company has determined that the subsidiary is likely to incur partial or complete withdrawal liability to the other pension fund. The balance of the estimated total amount of this potential liability as of June 30, 2025 is approximately \$2.5 million, which were incurred in 2018 and 2019.

#### **14. Segment Disclosure**

The Company's three operating segments, which are also the Company's reportable segments, are:

- *North America*: This segment provides asset protection solutions predominantly in North America, with the largest concentration in the United States, followed by Canada, consisting primarily of NDT, inspection, mechanical and engineering services that are used to evaluate the safety, structural integrity and reliability of critical energy, industrial and public infrastructure and commercial aerospace components. Software, digital and data services are included in this segment.
- *International*: This segment offers services, products and systems similar to those of the other segments to select markets within Europe, the Middle East, Africa, Asia and South America, but not to customers in China and South Korea, which are served by the Products and Systems segment.
- *Products and Systems*: This segment designs, manufactures, sells, installs and services the Company's asset protection products and systems, including equipment and instrumentation, predominantly in the United States.

Costs incurred for general corporate services, including finance, legal, and certain other costs that are provided to the segments are reported within Corporate and eliminations. Sales to the International segment from the Products and Systems segment and subsequent sales by the International segment of the same items are recorded and reflected in the operating performance of both segments. Additionally, engineering charges and royalty fees charged to the North America and International segments by the Products and Systems segment are reflected in the operating performance of each segment.

The chief operating decision maker ("CODM") reviews financial information at the operating segment level to allocate resources and to assess the operating results and financial performance for each operating segment. For the year ended December 31, 2024, our CODM was identified as Manny Stamatakis, the Interim Chief Executive Officer, because he has final authority over performance assessment and resource allocation decisions. Beginning January 1, 2025, our CODM was identified as Natalia Shuman, upon her appointment as our Chief Executive Officer effective January 1, 2025, as she has final authority over performance assessment and resource allocation decisions. Our segments are based on the type and concentration of customers served, service requirements, methods of distribution and major product lines.

Segment income (loss) from operations is the primary performance measure used by the CODM to evaluate segment performance and allocate resources, including considering budget-to-actual variances and prior year-to-actual variances on a monthly basis in accordance with GAAP under ASC 280, Segment Reporting. Segment income (loss) from operations for each of the Company's reportable segments are comprised of revenue, selling, general & administrative expenses, and "other expenses." "Other expenses" include cost of revenue, bad debt provision for troubled customers, goodwill impairment charges, reorganization and environmental costs, legal settlements and recoveries, acquisition-related expenses, depreciation and amortization and research and engineering.

Corporate and other assets are comprised principally of cash, deposits, property, plant and equipment, domestic deferred taxes, deferred charges and other assets. Corporate loss from operations consists of administrative charges related to corporate personnel and other charges that cannot be readily identified for allocation to a particular segment. These items of our operating profit are managed centrally at the corporate level and are excluded from the measure of segment income reviewed by the CODM, as well as the measure of segment performance used for incentive compensation purposes.

The accounting policies of the reportable segments are the same as those described in Note 1 - *Description of Business and Basis of Presentation*.

Selected consolidated financial information by segment for the periods shown was as follows. Income (loss) from operations by operating segment includes intercompany transactions, which are eliminated in Corporate and eliminations.

**For the three months ended June 30, 2025**

	<b>Segment</b>					
	<b>North America</b>	<b>International</b>	<b>Products and Systems</b>	<b>Total Reportable Segments</b>	<b>Corporate and eliminations</b>	<b>Total</b>
Revenue	\$ 147,992	\$ 39,077	\$ 2,740	\$ 189,809	\$ (4,404)	\$ 185,405
Selling, general & administrative expenses	20,944	7,860	782	29,586	10,207	39,793
Other Expenses	110,290	27,213	1,622	139,125	(1,941)	137,184
Income (loss) from operations	<u>\$ 16,758</u>	<u>\$ 4,004</u>	<u>\$ 336</u>	<u>\$ 21,098</u>	<u>\$ (12,670)</u>	<u>\$ 8,428</u>

**For the three months ended June 30, 2024**

	<b>Segment</b>					
	<b>North America</b>	<b>International</b>	<b>Products and Systems</b>	<b>Total Reportable Segments</b>	<b>Corporate and eliminations</b>	<b>Total</b>
Revenue	\$ 156,394	\$ 34,264	\$ 3,373	\$ 194,031	\$ (4,258)	\$ 189,773
Selling, general & administrative expenses	19,263	7,435	952	27,650	8,531	36,181
Other Expenses	118,404	25,182	1,926	145,512	(3,879)	141,633
Income (loss) from operations	<u>\$ 18,727</u>	<u>\$ 1,647</u>	<u>\$ 495</u>	<u>\$ 20,869</u>	<u>\$ (8,910)</u>	<u>\$ 11,959</u>

**For the six months ended June 30, 2025**

	Segment					
	North America	International	Products and Systems	Total Reportable Segments	Corporate and eliminations	Total
Revenue	\$ 276,894	\$ 72,291	\$ 5,831	\$ 355,016	\$ (7,996)	\$ 347,020
Selling, general & administrative expenses	41,683	15,066	1,620	58,369	17,076	75,445
Other Expenses	211,938	52,140	3,548	267,626	(3,467)	264,159
Income (loss) from operations	<u>\$ 23,273</u>	<u>\$ 5,085</u>	<u>\$ 663</u>	<u>\$ 29,021</u>	<u>\$ (21,605)</u>	<u>\$ 7,416</u>

**For the six months ended June 30, 2024**

	Segment					
	North America	International	Products and Systems	Total Reportable Segments	Corporate and eliminations	Total
Revenue	\$ 306,743	\$ 67,311	\$ 6,583	\$ 380,637	\$ (6,422)	\$ 374,215
Selling, general & administrative expenses	39,271	14,834	1,896	56,001	16,430	72,431
Other Expenses	235,185	49,706	3,878	288,769	(4,496)	284,273
Income (loss) from operations	<u>\$ 32,287</u>	<u>\$ 2,771</u>	<u>\$ 809</u>	<u>\$ 35,867</u>	<u>\$ (18,356)</u>	<u>\$ 17,511</u>

The tables above only reconcile to income (loss) from operations as our measure of segment profitability and the remainder of the reconciliation to net income (loss) can be seen on the Unaudited Condensed Consolidated Statement of Income (Loss). Products and Systems segment revenue was comprised of approximately \$0.5 million and \$1.0 million of sales to the International segment, which were eliminated upon consolidation, for the three months ended June 30, 2025 and June 30, 2024, respectively. Products and Systems segment revenue was comprised of approximately \$1.5 million and \$1.8 million of sales to the International segment, which were eliminated upon consolidation, for the six months ended June 30, 2025 and June 30, 2024, respectively. Intersegment revenue related to sales between other segments was immaterial for each of the three and six month periods ended June 30, 2025 and June 30, 2024.

Selected consolidated financial information by segment for the periods shown was as follows: (with intercompany transactions eliminated in Corporate and eliminations):

	June 30, 2025	December 31, 2024
<b>Intangible assets, net</b>		
North America	\$ 30,100	\$ 30,869
International	1,120	1,377
Products and Systems	822	946
Corporate and eliminations	7,529	6,516
	<u>\$ 39,571</u>	<u>\$ 39,708</u>

	<u>June 30, 2025</u>	<u>December 31, 2024</u>
<b>Total assets</b>		
North America	\$ 416,056	\$ 390,052
International	117,504	97,546
Products and Systems	10,892	11,280
Corporate and eliminations	26,591	24,160
	<u>\$ 571,043</u>	<u>\$ 523,038</u>

	<u>June 30, 2025</u>	<u>December 31, 2024</u>
<b>Long-lived assets</b>		
North America	\$ 273,403	\$ 268,608
International	27,589	24,822
Products and Systems	902	1,049
Corporate and eliminations	8,711	7,563
	<u>\$ 310,605</u>	<u>\$ 302,042</u>

Refer to Note 2 - **Revenue**, for revenue by geographic area for the three and six months ended June 30, 2025 and 2024.

**Mistras Group, Inc. and Subsidiaries**  
**Management's Discussion and Analysis of Financial Condition and Results of Operations**  
*(tabular dollars are in thousands)*

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

The following Management's Discussion and Analysis ("MD&A") provides a discussion of our results of operations and financial position for the three and six months ended June 30, 2025 and 2024. The MD&A should be read together with our Unaudited Condensed Consolidated Financial Statements and related notes included in Item 1 in this Quarterly Report on Form 10-Q (the "Quarterly Report") and our audited consolidated financial statements and related notes included in our 2024 Annual Report. Unless otherwise specified or the context otherwise requires, "Mistras," "the Company," "we," "us" and "our" refer to Mistras Group, Inc. and its consolidated subsidiaries. The MD&A includes the following sections:

- Forward-Looking Statements
- Overview
- Note about Non-GAAP Measures
- Consolidated Results of Operations
- Liquidity and Capital Resources
- Critical Accounting Policies and Estimates

**Forward-Looking Statements**

This Quarterly Report contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934 ("Exchange Act"). Such forward-looking statements include those that express plans, anticipation, intent, contingency, goals, targets or future development and/or otherwise are not statements of historical fact. These forward-looking statements are based on our current expectations and projections about future events and they are subject to risks and uncertainties known and unknown that could cause actual results and developments to differ materially from those expressed or implied in such statements.

In some cases, you can identify forward-looking statements by terminology, such as "goals," or "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," "may," "could," "should," "would," "predicts," "appears," "projects," or the negative of such terms or other similar expressions. You are urged not to place undue reliance on any such forward-looking statements, any of which may turn out to be wrong due to inaccurate assumptions, various risks, uncertainties or other factors known and unknown. Factors that could cause or contribute to differences in results and outcomes from those in our forward-looking statements, including any impacts from the imposition of tariffs or other trade restrictions, changes to the U.S. trade policy and impacts from the implementation of our new ERP (as defined below) system, include, without limitation, those discussed in the "Business—Forward-Looking Statements," and "Risk Factors" sections of our 2024 Annual Report as well as those discussed in this Quarterly Report and in our other filings with the SEC. In addition, there are various developments discussed below which could create risks and uncertainty about our business, results of operations or liquidity.

**Overview**

We are a leading "one source" multinational provider of integrated technology-enabled asset protection solutions, helping to maximize the safety and operational uptime for civilization's most critical industrial and civil assets.

Backed by an innovative, data-driven asset protection portfolio, proprietary technologies, and a decades-long legacy of industry leadership, the Company helps customers with asset-intensive infrastructure in the oil and gas, aerospace and defense, industrials, power generation and transmission (including alternative and renewable energy), other process industries and infrastructure, research and engineering and other industries towards achieving and maintaining operational excellence. By supporting these organizations that help fuel our vehicles and power our society; inspecting components that are trusted for commercial, defense, and space craft; building real-time monitoring equipment to enable safe travel across bridges; and helping to propel sustainability, the Company helps the world at large.

The Company enhances value for its clients by integrating asset protection throughout supply chains and centralizing integrity data through a suite of Industrial Internet of Things ("IoT")-connected digital software and monitoring solutions, including OneSuite™, which serves as an ecosystem platform, pulling together all of the Company's software and data services capabilities, for the benefit of its customers.

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The Company's core capabilities also include non-destructive testing ("NDT") field inspections enhanced by advanced robotics, laboratory quality control and assurance testing, sensing technologies and NDT equipment, asset and mechanical integrity engineering services, and light mechanical maintenance and access services.

Our operations consist of three reportable segments: North America, International, and Products and Systems.

- *North America* provides asset protection solutions predominantly in North America, with the largest concentration in the United States, followed by Canada, consisting primarily of NDT, inspection, mechanical and engineering services that are used to evaluate the safety, structural integrity and reliability of critical energy, industrial and public infrastructure and commercial aerospace components. Software, digital and data services are included in this segment.
- *International* offers services, products and systems similar to those of the other segments to select markets within Europe, the Middle East, Africa, Asia and South America, but not to customers in China and South Korea, which are served by the Products and Systems segment.
- *Products and Systems* designs, manufactures, sells, installs and services the Company's asset protection products and systems, including equipment and instrumentation, predominantly in the United States.

Given the role our solutions play in enhancing the safe and efficient operation of infrastructure, we have historically provided a majority of our solutions to our customers on a regular, recurring basis. We perform these services largely at our customers' facilities, while primarily servicing our aerospace customers at our network of state-of-the-art, in-house laboratories. These solutions typically include NDT and inspection services, and can also include a wide range of mechanical services, including heat tracing, pre-inspection insulation stripping, coating applications, re-insulation, engineering assessments and long-term condition-monitoring. Under this business model, many customers outsource their inspection to us on a "run and maintain" basis. We have established long-term relationships as a critical solutions provider to many of the leading companies with asset-intensive infrastructure in our target markets. These markets include companies in the oil and gas, aerospace and defense, industrials, power generation and transmission (including alternative and renewable energy), other process industries and infrastructure, research and engineering and other industries.

We have focused on providing our advanced asset protection solutions to our customers using proprietary, technology-enabled software and testing instruments, including those developed by our Products and Systems segment. We have made numerous acquisitions in the past in an effort to grow our base of experienced, certified personnel, expand our service lines and technical capabilities, increase our geographical reach, complement our existing offerings, and leverage our fixed costs. We have increased our capabilities and the size of our customer base through the development of applied technologies and managed support services, organic growth and the integration of acquired companies. These acquisitions have provided us with additional service lines, technologies, resources and customers which we believe enhance our advantages over our competition.

We believe long-term growth can be realized in our target markets. Our level of business and financial results are impacted by world-wide macro- and micro-economic conditions generally, as well as those within our target markets. Among other things, we expect the timing of our oil and gas customers inspection spend to be impacted by oil price fluctuations.

We have continued providing our customers with an innovative asset protection software ecosystem through our OneSuite platform. The software platform offers functions of our software and services brands as integrated apps on a cloud environment. OneSuite serves as a single access portal for customers' data activities and provides access to 90 plus applications being offered on one centralized platform.

### ***Recent Developments***

Our cash position and liquidity remains strong. As of June 30, 2025, our cash balance was approximately \$20.0 million and, with our Credit Agreement, provides us with significant liquidity.

As discussed above in Note 1 - Description of Business and Basis of Presentation, we changed the presentation of certain costs incurred at our operational labs as well as for certain lab personnel on our Unaudited Condensed Consolidated Statements of Income (Loss). This voluntary change in classification of certain overhead and personnel costs, which were determined to be directly related to the delivery of our services, resulted in a decrease in from Selling, general and administrative expenses and

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an offsetting increase in Cost of revenue. We believe this presentation is preferable as it will provide greater transparency regarding our cost of revenue and better align with how our business is managed.

The Company is currently unable to predict with certainty the overall impact of continuing inflationary pressures or increased costs due to the imposition of tariffs and other trade barriers or changes to U.S. trade policy may have on its business, results of operations or liquidity or in other ways which the Company cannot yet determine. The Company's European operations are currently experiencing higher energy costs, among other increased costs, due in part to the on-going war between Russia and Ukraine and the conflicts in the Middle East between Israel and Hamas and between Israel and Iran. The Company will continue to monitor market conditions and respond accordingly.

**Note About Non-GAAP Measures**

The Company prepares its consolidated financial statements in accordance with GAAP. In this MD&A under the heading "Income (loss) from Operations", the non-GAAP financial performance measure "Income (loss) from operations before special items" is used for each of our three operating segments, the Corporate segment and the "Total Company", with tables reconciling the measure to a financial measure under GAAP. This presentation excludes from "Income (loss) from Operations" (a) transaction expenses related to acquisitions, such as professional fees and due diligence costs, (b) the net changes in the fair value of acquisition-related contingent consideration liabilities, (c) impairment charges, (d) reorganization and other costs, which includes items such as severance, labor relations matters and asset and lease termination costs and (e) other special items. These adjustments have been excluded from the GAAP measure because these expenses and credits are not related to our or any individual segment's core business operations. The acquisition related costs and special items can be a net expense or credit in any given period. Our management uses this non-GAAP measure as a measure of operating performance and liquidity to assist in comparing performance from period to period on a consistent basis, as a measure for planning and forecasting overall expectations and for evaluating actual results against such expectations. We believe investors and other users of our financial statements benefit from the presentation of this non-GAAP measure in evaluating our performance. Income (loss) before special items excludes the identified adjustments, which provides additional tools to compare our core business operating performance on a consistent basis and measure underlying trends and results in our business. Income (loss) before special items is not used to determine incentive compensation for executives or employees, nor is it a replacement for the reported GAAP financial performance and/or necessarily comparable to the non-GAAP financial measures of other companies. Any measure that eliminates the foregoing items has material limitations as a performance or liquidity measure and should not be considered alternatives to net income (loss) or any other measures derived in accordance with GAAP. Because Income (loss) from operations before special items may not be calculated in the same manner by all companies, this measure may not be comparable to other similarly titled measures used by other companies.

**Results of Operations**

Condensed consolidated results of operations for the three and six months ended June 30, 2025 and 2024 were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<b>Revenue</b>	\$ 185,405	\$ 189,773	\$ 347,020	\$ 374,215
<b>Gross profit</b>	53,945	51,340	94,837	97,492
<i>Gross profit as a % of Revenue</i>	29.1 %	27.1 %	27.3 %	26.1 %
<b>Income from operations</b>	8,428	11,959	7,416	17,511
<i>Income from operations as a % of Revenue</i>	4.5 %	6.3 %	2.1 %	4.7 %
<b>Income (loss) before provision (benefit) for income taxes</b>	4,189	7,546	(147)	8,669
<b>Net income (loss)</b>	3,126	6,373	(42)	7,377
<b>Net income (loss) attributable to Mistras Group, Inc.</b>	\$ 3,017	\$ 6,369	\$ (169)	\$ 7,364

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*(tabular dollars are in thousands)*

## Revenue

Revenue was \$185.4 million for the three months ended June 30, 2025, a decrease of \$4.4 million, or 2.3%, compared with the three months ended June 30, 2024.

Revenue by segment for the three and six months ended June 30, 2025 and 2024 were as follows:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
<b>Revenue</b>				
North America	\$ 147,992	\$ 156,394	\$ 276,894	\$ 306,743
International	39,077	34,264	72,291	67,311
Products and Systems	2,740	3,373	5,831	6,583
Corporate and eliminations	(4,404)	(4,258)	(7,996)	(6,422)
<b>Total</b>	<b>\$ 185,405</b>	<b>\$ 189,773</b>	<b>\$ 347,020</b>	<b>\$ 374,215</b>

### Three Months

In the three months ended June 30, 2025, total revenue decreased 2.3% versus the prior year comparable period due predominantly to a low single-digit organic decrease driven by voluntary laboratory consolidations. North America segment revenue decreased 5.4%, driven predominantly by a decrease in our Oil and Gas market revenue and declines in demand in other key markets due to macroeconomic factors such as uncertainties driven by continuing inflationary pressures and increased costs due to the imposition of tariffs. International segment revenue increased 14.0%, due predominantly to high single-digit organic growth and mid-single-digit favorable impact of foreign exchange rates. Products and Systems segment revenue decreased by 18.8%, due to decreased sales volume and shipments as compared to the prior year comparable period.

Oil and gas customer revenue comprised approximately 55% and 58% of total revenue for the three months ended June 30, 2025 and 2024, respectively. Aerospace and defense customer revenue comprised approximately 13% and 12% of total revenue for the three months ended June 30, 2025 and 2024, respectively. The Company's top ten customers comprised approximately 35% of total revenue for the three months ended June 30, 2025, as compared to 35% for the three months ended June 30, 2024, with no customer accounting for 10% or more of total revenue in either three-month period.

### Six Months

In the six months ended June 30, 2025, total revenue decreased 7.3% versus the prior year comparable period due predominantly to a high single-digit organic decrease. North America segment revenue decreased 9.7%, driven predominantly by a decrease in our Oil and Gas market revenue and declines in demand in other key markets due to macroeconomic factors such as uncertainties driven by continuing inflationary pressures and increased costs due to the imposition of tariffs. International segment revenue increased 7.4%, due predominantly to mid-single-digit organic growth and low single-digit favorable impact of foreign exchange rates. Products and Systems segment revenue decreased by 11.4%, due to decreased sales volume and shipments as compared to the prior year comparable period.

Oil and gas customer revenue comprised approximately 57% and 59% of total revenue for the six months ended June 30, 2025 and 2024, respectively. Aerospace and defense customer revenue comprised approximately 13% and 12% of total revenue for the six months ended June 30, 2025 and 2024, respectively. The Company's top ten customers comprised approximately 37% of total revenue for the six months ended June 30, 2025, as compared to 35% for the six months ended June 30, 2024, with no customer accounting for 10% or more of total revenue in either six-month period.

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The Company has retrospectively reclassified certain Oil and Gas sub-category revenues for each quarterly period in 2024 and the first quarter of 2025 in order to conform the classification with the current period presentation. Total Oil and Gas sub-category revenues were unchanged in total in each quarterly period and for the full year ended December 31, 2024 and for the quarter ended March 31, 2025. The table below presents the reclassified balances for each quarterly period in the prior year and the first quarter of 2025.

	2024 Quarterly Revenues			
	Three months ended March 31,	Three months ended June 30,	Three months ended September 30,	Three months ended December 31,
<b>Oil and Gas Revenue by sub-category</b>				
Upstream	\$ 39,514	\$ 41,013	\$ 40,756	\$ 36,753
Midstream	18,533	20,786	20,790	20,033
Downstream	55,118	47,457	37,957	40,212
<b>Total</b>	<b>\$ 113,165</b>	<b>\$ 109,256</b>	<b>\$ 99,503</b>	<b>\$ 96,998</b>

	2025 Quarterly Revenues
	Three months ended March 31,
<b>Oil and Gas Revenue by sub-category</b>	
Upstream	\$ 36,820
Midstream	15,341
Downstream	44,403
<b>Total</b>	<b>\$ 96,564</b>

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<b>Oil and Gas Revenue by sub-category</b>				
Upstream	\$ 38,180	\$ 41,013	\$ 75,000	\$ 80,527
Midstream	18,575	20,786	33,916	39,319
Downstream	46,061	47,457	90,464	102,575
<b>Total</b>	<b>\$ 102,816</b>	<b>\$ 109,256</b>	<b>\$ 199,380</b>	<b>\$ 222,421</b>

Oil and gas upstream customer revenue decreased approximately \$5.5 million, or 7%, for the six months ended June 30, 2025 as compared to the six months ended June 30, 2024, and \$2.8 million, or 7%, for the three months ended June 30, 2025 as compared to the three months ended June 30, 2024, due primarily to market share losses and decreased exploration activity as compared to the prior year comparable period.

Midstream customer revenues decreased approximately \$5.4 million, or 14%, for the six months ended June 30, 2025 as compared to the six months ended June 30, 2024, and \$2.2 million, or 11%, for the three months ended June 30, 2025 as compared to the three months ended June 30, 2024, due to decreased pipe inspection services as compared to the prior year comparable period.

Downstream customer revenue decreased \$12.1 million, or 12%, for the six months ended June 30, 2025 as compared to the six months ended June 30, 2024, and \$1.4 million, or 3%, for the three months ended June 30, 2025 as compared to the three months ended June 30, 2024, primarily due to decreased customer turnarounds in the current year that were delayed in the prior year comparable period.

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	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<b>Revenue by type</b>				
Field Services	\$ 123,484	\$ 134,528	\$ 233,659	\$ 260,883
Shop Laboratories	15,682	16,938	30,711	34,133
Data Analytical Solutions	18,330	18,342	32,311	33,881
Other	27,909	19,965	50,339	45,318
<b>Total</b>	<b>\$ 185,405</b>	<b>\$ 189,773</b>	<b>\$ 347,020</b>	<b>\$ 374,215</b>

In presenting the allocation of revenue by type in the table above, management makes certain assumptions in its allocation of revenue from laboratories that provide more than one type of service. The allocation methodology and assumptions made are consistent for the years presented.

Field Services revenue is comprised of revenue derived primarily by technicians performing asset inspections and maintenance services for our customers at locations other than Mistras properties. Field Services revenue decreased by \$11.0 million for the three months ended June 30, 2025 as compared to the three months ended June 30, 2024 and decreased by \$27.2 million for the six months ended June 30, 2025 as compared to the six months ended June 30, 2024, primarily due to decreases in sales volume in our oil and gas, industrials and infrastructure, research and engineering end markets within our North America segment and oil and gas end market within our International segment.

Shop Laboratory revenue is comprised of quality assurance inspections of components and materials at our Mistras in-house laboratory facilities. Shop Laboratory revenue decreased by \$1.3 million for the three months ended June 30, 2025 as compared to the three months ended June 30, 2024 and decreased by \$3.4 million for the six months ended June 30, 2025 as compared to the six months ended June 30, 2024, primarily due to decreased sales volumes in our aerospace and defense end market in our North America and International segments.

Data Analytical Solutions revenue is comprised of revenue derived from data software sales & subscriptions, implementation services and analytics which offer insights and generate value from asset protection. Data Analytical Solutions revenue is derived from work performed by our employees in our facilities, or at customer locations. Data Analytical Solutions revenue remained flat for the three months ended June 30, 2025 as compared to the prior year comparable period. Data Analytical Solutions revenue decreased by \$1.6 million for the six months ended June 30, 2025 as compared to the six months ended June 30, 2024, primarily due to decreased sales volume within PCMS and other Data Analytical Solutions offerings within our North America segment.

Other revenue is comprised of locations that perform both asset inspection services and testing of components and materials at in-house Mistras laboratories. Other revenue increased by \$7.9 million for the three months ended June 30, 2025 as compared to the three months ended June 30, 2024 and increased by \$5.0 million for the six months ended June 30, 2025 as compared to the six months ended June 30, 2024, primarily due to increased sales within the defense sector within the North America segment.

### Gross Profit

Gross profit, which reflects the reclassification of certain overhead and personnel costs from selling, general and administrative expenses to cost of revenue (see Note 1 - Description of Business and Basis of Presentation), increased by \$2.6 million, or 5.1%, in the three months ended June 30, 2025 versus the prior year comparable period primarily due to an improved business mix and operating efficiencies.

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Gross profit by segment for the three and six months ended June 30, 2025 and 2024 was as follows:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
<b>Gross profit <sup>(1)</sup></b>				
North America	\$ 40,384	\$ 39,874	\$ 70,549	\$ 75,250
<i>% of segment revenue</i>	27.3 %	25.5 %	25.5 %	24.5 %
International	12,270	9,890	21,358	19,157
<i>% of segment revenue</i>	31.4 %	28.9 %	29.5 %	28.5 %
Products and Systems	1,337	1,555	2,960	3,036
<i>% of segment revenue</i>	48.8 %	46.1 %	50.8 %	46.1 %
Corporate and eliminations	(46)	21	(30)	49
	\$ 53,945	\$ 51,340	\$ 94,837	\$ 97,492
<i>% of total revenue</i>	29.1 %	27.1 %	27.3 %	26.1 %

<sup>(1)</sup> As noted in Note 1, the Company changed the presentation of certain costs incurred at its operational labs as well as the costs for certain personnel that indirectly support the Company's delivery of services on its Consolidated Statements of Income (Loss). This voluntary change in classification of certain overhead and employee costs, which, were determined to be directly related to the Company's delivery of services, resulted in a decrease in Selling, general and administrative expenses and an offsetting increase in Cost of revenue. The impact on gross profit of this change in classification for the year ended December 31, 2024 was approximately \$20.9 million.

#### *Three Months*

Gross profit margin was 29.1% and 27.1% for the three-month periods ended June 30, 2025 and 2024, respectively. Gross profit margin for the North America segment increased by 1.8% during the three months ended June 30, 2025 as compared to the prior year comparable period primarily due to an improved business mix and operating efficiencies. International segment realized a 2.5% increase in gross profit margin to 31.4% during the three months ended June 30, 2025 as compared to the prior year comparable period primarily due to a favorable sales mix in the current year period. Products and Systems segment gross margin had an increase of 2.7% in gross profit margin to 48.8% during the three months ended June 30, 2025 primarily due to a favorable sales mix as compared to the prior period.

#### *Six Months*

Gross profit margin was 27.3% and 26.1% for the six-month periods ended June 30, 2025 and 2024, respectively. Gross profit margin for the North America segment realized a 1.0% increase in gross profit margin to 25.5% during the six months ended June 30, 2025 as compared to the prior year comparable period primarily due to a favorable sales mix and operating efficiencies. International segment realized a 1.0% increase in gross profit margin to 29.5% during the six months ended June 30, 2025 as compared to the prior year comparable period primarily due to a favorable sales mix. Products and Systems segment gross margin had an increase of 4.7% in gross profit margin to 50.8% during the six months ended June 30, 2025 primarily due to a favorable sales mix as compared to the prior period.

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## Operating Expenses

Operating expenses for the three and six months ended June 30, 2025 and 2024 was as follows:

	Three months ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(\$ in thousands)			
<b>Operating Expenses</b>				
Selling, general and administrative expenses	\$ 39,793	\$ 36,181	\$ 75,445	\$ 72,431
Reorganization and other costs	2,951	518	6,038	2,076
Environmental expense	518	—	1,058	—
Legal settlement and insurance recoveries, net	—	60	—	60
Research and engineering	269	231	568	575
Depreciation and amortization	1,986	2,391	4,312	4,839
	<b>\$ 45,517</b>	<b>\$ 39,381</b>	<b>\$ 87,421</b>	<b>\$ 79,981</b>
<i>% of total revenue</i>	<i>24.6 %</i>	<i>20.8 %</i>	<i>25.2 %</i>	<i>21.4 %</i>

### Three Months

Operating expenses increased \$6.1 million, or 15.6%, for the three months ended June 30, 2025 compared to the three months ended June 30, 2024. Selling, general and administrative expenses increased \$3.6 million during the three months ended June 30, 2025 compared to the three months ended June 30, 2024, due to adverse foreign exchange impact, partially offset by ongoing cost containment activities. As discussed in Note 1 - Description of Business and Basis of Presentation, Selling, general and administrative expenses reflect the classification change for certain overhead and personnel costs from Selling, general and administrative expenses to Cost of revenue. Environmental expense increased by \$0.5 million as compared to the prior year comparable period due to environmental costs incurred during the three months ended June 30, 2025, which were not incurred during the prior year comparable period. Reorganization and other costs increased by \$2.4 million to \$3.0 million as compared to the prior year comparable period due to continued calibration of the Company's headcount and other related costs. Depreciation and amortization decreased \$0.4 million during the three months ended June 30, 2025 compared to the three months ended June 30, 2024.

### Six Months

Operating expenses increased \$7.4 million, or 9%, for the six months ended June 30, 2025 compared to the six months ended June 30, 2024. Selling, general and administrative expenses increased \$3.0 million during the six months ended June 30, 2025 compared to the six months ended June 30, 2024, due to an unfavorable foreign exchange impact as compared to the prior year comparable period, partially offset by continued cost discipline and our focus on the calibration of our overhead costs relative to revenue achieved. As discussed in Note 1 - Description of Business and Basis of Presentation, Selling, general and administrative expenses reflect the classification change for certain overhead and personnel costs from Selling, general and administrative expenses to Cost of revenue. Environmental expense increased by \$1.1 million as compared to the prior year comparable period due to environmental costs incurred during the six months ended June 30, 2025, which were not incurred during the prior year comparable period. Reorganization and other costs increased by \$4.0 million to \$6.0 million as compared to the prior year comparable period due to continued calibration of the Company's headcount and other related costs. Depreciation and amortization decreased by \$0.5 million during the six months ended June 30, 2025 compared to the six months ended June 30, 2024.

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**Income (loss) from Operations**

The following table shows a reconciliation of the income from operations to income (loss) from operations before special items for each of our three segments, Corporate and Elimination and for the Company in total:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
	(\$ in thousands)		(\$ in thousands)	
<b>North America:</b>				
Income from operations (GAAP)	\$ 16,758	\$ 18,727	\$ 23,273	\$ 32,287
Reorganization and other costs	1,113	92	2,471	92
Legal settlement and insurance recoveries, net	—	60	—	60
Income from operations before special items (non-GAAP)	\$ 17,871	\$ 18,879	\$ 25,744	\$ 32,439
<b>International:</b>				
Income from operations (GAAP)	\$ 4,004	\$ 1,647	\$ 5,085	\$ 2,771
Reorganization and other costs	92	161	270	263
Income from operations before special items (non-GAAP)	\$ 4,096	\$ 1,808	\$ 5,355	\$ 3,034
<b>Products and Systems:</b>				
Income from operations (GAAP)	\$ 336	\$ 495	\$ 663	\$ 809
Reorganization and other costs	—	—	151	2
Income from operations before special items (non-GAAP)	\$ 336	\$ 495	\$ 814	\$ 811
<b>Corporate and Eliminations:</b>				
Loss from operations (GAAP)	\$ (12,670)	\$ (8,910)	\$ (21,605)	\$ (18,356)
Environmental expense	518	—	1,058	—
Reorganization and other costs	1,746	265	3,146	1,719
Loss from operations before special items (non-GAAP)	\$ (10,406)	\$ (8,645)	\$ (17,401)	\$ (16,637)
<b>Total Company:</b>				
Income from operations (GAAP)	\$ 8,428	\$ 11,959	\$ 7,416	\$ 17,511
Environmental expense	518	—	1,058	—
Reorganization and other costs	2,951	518	6,038	2,076
Legal settlement and insurance recoveries, net	—	60	—	60
Income from operations before special items (non-GAAP)	\$ 11,897	\$ 12,537	\$ 14,512	\$ 19,647

See section *Note About Non-GAAP Measures* in this Quarterly Report for an explanation of the use of non-GAAP measurements.

**Three Months**

For the three months ended June 30, 2025, income from operations (GAAP) decreased \$3.5 million or 29.5%, compared with the three months ended June 30, 2024, while income from operations before special items (non-GAAP) decreased by \$0.6 million, or 5.1%. As a percentage of revenue, income from operations before special items decreased by 20 basis points to 6.4% in the three months ended June 30, 2025 compared to 6.6% in the three months ended June 30, 2024.

**Six Months**

For the six months ended June 30, 2025, income from operations (GAAP) decreased \$10.1 million or 58%, compared with the six months ended June 30, 2024, while income from operations before special items (non-GAAP) decreased by \$5.1 million, or 26%. As a percentage of revenue, income from operations before special items decreased by 110 basis points to 4.2% in the six months ended June 30, 2025 compared to 5.3% in the six months ended June 30, 2024.

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### Interest Expense

Interest expense was approximately \$4.2 million and \$4.4 million for the three months ended June 30, 2025 and 2024, respectively. This decrease of \$0.2 million in interest expense was a result of lower debt balances during the three months ended June 30, 2025 in comparison to the prior year comparable period. Interest expense was approximately \$7.6 million and \$8.8 million for the six months ended June 30, 2025 and 2024, respectively. This decrease of \$1.2 million in interest expense was a result of lower debt balances during the six months ended June 30, 2025 in comparison to the prior year comparable period.

### Income Taxes

Our effective income tax rate was approximately 25.4% and 15.5% for the three months ended June 30, 2025 and 2024, respectively. Our effective income tax rate was approximately 71.4% and 14.9% for the six months ended June 30, 2025 and 2024, respectively.

The effective income tax rate for the three months ended June 30, 2025, was higher than the statutory rate primarily due to the impact of a favorable discrete item related to stock compensation. The effective income tax rate for the three months ended June 30, 2024 was lower than the statutory rate primarily due to the impact of a favorable discrete item related to stock compensation.

The effective income tax rate for the six months ended June 30, 2025, was higher than the statutory rate primarily due to the impact of a favorable discrete item related to stock compensation. The effective income tax rate for the six months ended June 30, 2024, was lower than the statutory rate primarily due to the reversal of valuation allowances.

Income tax expense varies as a function of pre-tax income and the level of non-deductible expenses, such as certain amounts of meals and entertainment expense, valuation allowances, and other permanent differences. It is also affected by discrete items that may occur in any given year but are not consistent from year to year. Our effective income tax rate may fluctuate over the next few years due to many variables including the amount and future geographic distribution of our pre-tax income, changes resulting from our acquisition strategy, and increases or decreases in our permanent differences.

On July 4, 2025, H.R.1, commonly referred to as the One Big Beautiful Bill Act ("OBBBA"), was enacted, which includes a broad range of tax reform provisions. We are currently evaluating the impact of the OBBBA.

### Liquidity and Capital Resources

Cash flows are summarized in the table below:

	Six months ended June 30,	
	2025	2024
Net cash (used in) provided by:		
Operating activities	\$ (3,619)	\$ 5,115
Investing activities	(11,416)	(11,217)
Financing activities	14,910	5,261
Effect of exchange rate changes on cash	1,765	372
Net change in cash and cash equivalents	<u>\$ 1,640</u>	<u>\$ (469)</u>

### Cash Flows from Operating Activities

During the six months ended June 30, 2025, cash used in operating activities was \$3.6 million, representing a year-on-year decrease of \$8.7 million, or 171%. This decrease was primarily attributable to an increase in days sales outstanding and movements in working capital, as compared to the prior year comparable period. Specifically, during the second quarter of 2025, we had a buildup in unbilled accounts receivable and a delay in invoicing related to our conversion to a new enterprise resource planning ("ERP") system effective as of April 1, 2025. Although unbilled and billed accounts receivable balances

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increased during the period ended June 30, 2025 related to the ERP implementation, we expect a reduction in these balances over the remainder of the year.

#### **Cash Flows from Investing Activities**

During the six months ended June 30, 2025, cash used in investing activities was \$11.4 million, representing a \$0.2 million increase compared to the prior year comparable period, primarily attributable to increased expenditures for property, plant, and equipment.

#### **Cash Flows from Financing Activities**

Net cash provided by financing activities was \$14.9 million for the six months ended June 30, 2025, compared to net cash provided by financing activities of \$5.3 million for the six months ended June 30, 2024. During the six months ended June 30, 2025, net borrowings of debt were approximately \$9.8 million higher than compared to the prior year comparable period resulting in net debt borrowings during the period. The increase in net cash provided by financing activities is partially offset by \$0.2 million more in taxes paid related to net share settlement of share-based awards during the six months ended June 30, 2025.

#### **Effect of Exchange Rate Changes on Cash and Cash Equivalents**

The effect of exchange rate changes on our cash and cash equivalents was an increase of \$1.8 million in the six months ended June 30, 2025, compared to an increase of \$0.4 million for the six months ended June 30, 2024.

#### **Cash Balance and Credit Facility Borrowings**

As of June 30, 2025, we had cash and cash equivalents totaling \$20.0 million and \$102.6 million of unused commitments under our Credit Agreement with borrowings of \$187.2 million and \$3.1 million of letters of credit outstanding. We finance operations primarily through our existing cash balances, cash collected from operations, bank borrowings and capital lease financing. We believe these sources are sufficient to fund our operations for the foreseeable future.

As of June 30, 2025, we were in compliance with the terms of the Credit Agreement and will continuously monitor our compliance with the covenants contained in the Credit Agreement.

The terms of our Credit Agreement are described in Note **11 - Long-Term Debt** of the Notes to the Unaudited Condensed Consolidated Financial Statements, under the heading "*Senior Credit Facility*".

#### **Contractual Obligations**

There have been no significant changes in our contractual obligations and outstanding indebtedness as disclosed in the 2024 Annual Report.

#### **Off-balance Sheet Arrangements**

During the six months ended June 30, 2025, we did not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

### **Critical Accounting Policies and Estimates**

There have been no significant changes to our critical accounting policies and estimates from the information provided in Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” included in the 2024 Annual Report.

### **ITEM 3. Quantitative and Qualitative Disclosures about Market Risk**

There have been no significant changes to our quantitative and qualitative disclosures about market risk as discussed in Part II, Item 7A “Quantitative and Qualitative Disclosures About Market Risk,” included in the 2024 Annual Report.

### **ITEM 4. Controls and Procedures**

#### **Evaluation of Disclosure Controls and Procedures**

Pursuant to Rule 13a-15(b) under the Exchange Act, our management carried out an evaluation, under the supervision and with the participation of our President and Chief Executive Officer and our Senior Executive Vice President, Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls (as defined in Rule 13a-15(e) of the Exchange Act) and procedures. Based upon that evaluation, our President and Chief Executive Officer and our Senior Executive Vice President, Chief Financial Officer concluded that, as of June 30, 2025, our disclosure controls and procedures were effective.

#### **Changes in Internal Control over Financial Reporting**

There have been no changes in our internal control over financial reporting during the quarter ended June 30, 2025 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II—OTHER INFORMATION

### ITEM 1. Legal Proceedings

See Note 13 - *Commitments and Contingencies* to the Notes to Unaudited Condensed Consolidated Financial Statements included in this Quarterly Report for a description of our legal proceedings. There have been no material legal proceedings and no material developments with regard to any matters disclosed under Part I, Item 3 "Legal Proceedings" in our 2024 Annual Report, except as disclosed herein under Note 13 - *Commitments and Contingencies* to the Notes to the Unaudited Condensed Consolidated Financial Statements.

#### ITEM 1.A. Risk Factors

In addition to the other information set forth in this Quarterly Report, you should carefully consider the risk factors discussed under the "Risk Factors" section included in our 2024 Annual Report. There have been no material changes to the risk factors previously disclosed in the 2024 Annual Report.

### ITEM 2. Unregistered Sale of Equity Securities and Use of Proceeds

#### (a) Sales of Unregistered Securities

None.

#### (b) Use of Proceeds from Public Offering of Common Stock

None.

#### (c) Repurchases of Our Equity Securities

The following table sets forth the shares of our common stock we acquired during the quarter as a result of the surrender of shares by employees to satisfy tax withholding obligations in connection with the vesting or settlement of restricted stock units.

Month Ending	Total Number of Shares (or Units) Purchased	Average Price Paid per Share (or Unit)
April 30, 2025	—	\$ —
May 31, 2025	1,800	\$ 7.44
June 30, 2025	—	\$ —

### ITEM 3. Defaults Upon Senior Securities

None.

### ITEM 4. Mine Safety Disclosures

Not applicable.

### ITEM 5. Other Information

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

During the three and six months ended June 30, 2025, none of the Company's directors or officers, as defined in Section 16 of the Securities Exchange Act of 1934, adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K of the Securities Exchange Act of 1934.

During the three and six months ended June 30, 2025, the Company did not adopt, terminate or modify a Rule 10b5-1 trading arrangement.

**ITEM 6. Exhibits**

<b>Exhibit No.</b>	<b>Description</b>
<a href="#">31.1</a>	<a href="#">Certification of Chief Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.</a>
<a href="#">31.2</a>	<a href="#">Certification of Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.</a>
<a href="#">32.1</a>	<a href="#">Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Schema Document
101.CAL	Inline XBRL Calculation Linkbase Document
101.LAB	Inline XBRL Labels Linkbase Document
101.PRE	Inline XBRL Presentation Linkbase Document
101.DEF	Inline XBRL Definition Linkbase Document

**Signatures**

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.

**MISTRAS GROUP, INC.**

By: /s/ Edward J. Prajzner

Edward J. Prajzner

Senior Executive Vice President and Chief Financial Officer

(Principal Financial and Accounting Officer and duly authorized officer)

Date: August 11, 2025

**CERTIFICATION PURSUANT TO RULE 13A-14(a) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

I, Natalia Shuman-Fabbri, certify that:

1. I have reviewed this report on Form 10-Q of Mistras Group, Inc.;
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.

Date: August 11, 2025

/s/ Natalia Shuman-Fabbri

Natalia Shuman-Fabbri  
President and Chief Executive Officer  
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO RULE 13A-14(a) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

I, Edward J. Prajzner, certify that:

1. I have reviewed this report on Form 10-Q of Mistras Group, Inc.;
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.

Date: August 11, 2025

/s/ Edward J. Prajzner

Edward J. Prajzner

Senior Executive Vice President and Chief Financial Officer

(Principal Financial Officer and Principal Accounting Officer)

**CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Each of the undersigned hereby certifies, for the purposes of section 1350 of chapter 63 of title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in his capacity as an officer of Mistras Group, Inc. (the "Company"), that, to his knowledge, the Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2025 (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company. This written statement is being furnished to the Securities and Exchange Commission as an exhibit to the Report.

Dated: August 11, 2025

/s/ Natalia Shuman-Fabbri

Natalia Shuman-Fabbri  
President and Chief Executive Officer  
(Principal Executive Officer)

/s/ Edward J. Prajzner

Edward J. Prajzner  
Senior Executive Vice President and Chief Financial Officer  
(Principal Financial Officer and Principal Accounting Officer)