

**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 September 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 November 3, 2025, the registrant had 31,548,153 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)

	September 30, 2025 (unaudited)	December 31, 2024
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 27,805	\$ 18,317
Accounts receivable, net	174,787	127,281
Inventories	14,795	14,485
Prepaid expenses and other current assets	20,111	12,387
Total current assets	237,498	172,470
Property, plant and equipment, net	87,658	80,892
Intangible assets, net	38,450	39,708
Goodwill	183,725	181,442
Deferred income taxes	5,066	6,267
Other assets	43,859	42,259
Total assets	\$ 596,256	\$ 523,038
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	\$ 18,375	\$ 11,128
Accrued expenses and other current liabilities	87,858	85,233
Current portion of long-term debt	13,035	11,591
Current portion of finance lease obligations	6,079	5,317
Income taxes payable	444	1,656
Total current liabilities	125,791	114,925
Long-term debt, net of current portion	189,235	158,056
Obligations under finance leases, net of current portion	14,635	15,162
Deferred income taxes	2,880	1,973
Other long-term liabilities	35,889	34,027
Total liabilities	368,430	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, 31,548,153 and 31,010,375 shares issued and outstanding	480	402
Additional paid-in capital	255,297	250,832
Accumulated earnings (deficit)	2,955	(9,984)
Accumulated other comprehensive loss	(31,328)	(42,682)
Total Mistras Group, Inc. stockholders' equity	227,404	198,568
Non-controlling interests	422	327
Total equity	227,826	198,895
Total liabilities and equity	\$ 596,256	\$ 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
(in thousands, except per share data)

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Revenue	\$ 195,549	\$ 182,694	\$ 542,569	\$ 556,909
Cost of revenue	131,826	128,064	372,851	392,956
Depreciation	5,530	5,725	16,688	17,556
Gross profit	58,193	48,905	153,030	146,397
Selling, general and administrative expenses	33,478	33,200	108,923	105,632
Reorganization and other costs	1,764	2,143	7,802	4,219
Environmental expense	199	—	1,257	—
Legal settlement and insurance recoveries, net	—	(868)	—	(808)
Research and engineering	210	241	778	816
Depreciation and amortization	2,161	2,331	6,473	7,170
Income from operations	20,381	11,858	27,797	29,368
Other income	—	(1,479)	—	(1,479)
Interest expense	3,381	4,303	10,944	13,145
Income before provision for income taxes	17,000	9,034	16,853	17,702
Provision for income taxes	3,797	2,618	3,692	3,909
Net income	13,203	6,416	13,161	13,793
Less: net income attributable to noncontrolling interests, net of taxes	95	15	222	28
Net income attributable to Mistras Group, Inc.	<u>\$ 13,108</u>	<u>\$ 6,401</u>	<u>\$ 12,939</u>	<u>\$ 13,765</u>
Net income per common share:				
Basic	\$ 0.42	\$ 0.21	\$ 0.41	\$ 0.45
Diluted	\$ 0.41	\$ 0.20	\$ 0.41	\$ 0.44
Weighted-average common shares outstanding:				
Basic	31,543	31,002	31,361	30,895
Diluted	31,880	31,660	31,920	31,513

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
(in thousands)

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Net income	\$ 13,203	\$ 6,416	\$ 13,161	\$ 13,793
Other comprehensive income:				
Foreign currency translation adjustments	\$ (2,985)	\$ 4,161	\$ 11,227	\$ (1,684)
Comprehensive income	10,218	10,577	24,388	12,109
Less: net income attributable to noncontrolling interest	95	15	222	28
Less: Foreign currency translation adjustments attributable to noncontrolling interests	—	—	(127)	—
Comprehensive income attributable to Mistras Group, Inc.	<u>\$ 10,123</u>	<u>\$ 10,562</u>	<u>\$ 24,293</u>	<u>\$ 12,081</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 earnings (deficit)	Accumulated other comprehensive loss	Total Mistras Group, Inc. stockholders' equity	Non-controlling interests	Total equity
	Shares	Amount						
Balance at June 30, 2025	31,538	\$ 465	\$ 253,879	\$ (10,153)	\$ (28,343)	\$ 215,848	\$ 327	\$ 216,175
Net income	—	—	—	13,108	—	13,108	95	13,203
Other comprehensive loss, net of tax	—	—	—	—	(2,985)	(2,985)	—	(2,985)
Share-based payments	—	—	1,465	—	—	1,465	—	1,465
Net settlement of restricted stock units	10	15	(47)	—	—	(32)	—	(32)
Balance at September 30, 2025	<u>31,548</u>	<u>\$ 480</u>	<u>\$ 255,297</u>	<u>\$ 2,955</u>	<u>\$ (31,328)</u>	<u>\$ 227,404</u>	<u>\$ 422</u>	<u>\$ 227,826</u>
Balance at June 30, 2024	30,977	\$ 385	\$ 248,524	\$ (21,578)	\$ (34,181)	\$ 193,150	\$ 324	\$ 193,474
Net income	—	—	—	6,401	—	6,401	15	6,416
Other comprehensive income (loss), net of tax	—	—	—	—	4,161	4,161	—	4,161
Share-based payments	—	—	1,492	—	—	1,492	—	1,492
Net settlement of restricted stock units	30	—	—	—	—	—	—	—
Balance at September 30, 2024	<u>31,007</u>	<u>\$ 385</u>	<u>\$ 250,016</u>	<u>\$ (15,177)</u>	<u>\$ (30,020)</u>	<u>\$ 205,204</u>	<u>\$ 339</u>	<u>\$ 205,543</u>
	Nine months ended							
	Common stock		Additional paid-in capital	Accumulated earnings (deficit)	Accumulated other comprehensive loss	Total Mistras Group, Inc. stockholders' equity	Non-controlling interests	Total equity
	Shares	Amount						
Balance at December 31, 2024	31,010	\$ 402	\$ 250,832	\$ (9,984)	\$ (42,682)	\$ 198,568	\$ 327	\$ 198,895
Net income	—	—	—	12,939	—	12,939	222	13,161
Other comprehensive income (loss), net of tax	—	—	—	—	11,354	11,354	(127)	11,227
Share-based payments	—	—	6,067	—	—	6,067	—	6,067
Net settlement of restricted stock units	538	78	(1,602)	—	—	(1,524)	—	(1,524)
Balance at September 30, 2025	<u>31,548</u>	<u>\$ 480</u>	<u>\$ 255,297</u>	<u>\$ 2,955</u>	<u>\$ (31,328)</u>	<u>\$ 227,404</u>	<u>\$ 422</u>	<u>\$ 227,826</u>
Balance at December 31, 2023	30,598	\$ 305	\$ 247,165	\$ (28,942)	\$ (28,336)	\$ 190,192	\$ 311	\$ 190,503
Net income	—	—	—	13,765	—	13,765	28	13,793
Other comprehensive income (loss), net of tax	—	—	—	—	(1,684)	(1,684)	—	(1,684)
Share-based payments	—	—	4,256	—	—	4,256	—	4,256
Net settlement of restricted stock units	409	80	(1,405)	—	—	(1,325)	—	(1,325)
Balance at September 30, 2024	<u>31,007</u>	<u>\$ 385</u>	<u>\$ 250,016</u>	<u>\$ (15,177)</u>	<u>\$ (30,020)</u>	<u>\$ 205,204</u>	<u>\$ 339</u>	<u>\$ 205,543</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)

	Nine months ended September 30,	
	2025	2024
Cash flows from operating activities		
Net income	\$ 13,161	\$ 13,793
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	23,161	24,726
Deferred income taxes	2,287	(2,026)
Share-based compensation expense	6,067	4,256
Bad debt provision for troubled customers, net of recoveries	901	681
Foreign currency loss (gain)	2,420	(23)
Other	(1,226)	(1,493)
Changes in operating assets and liabilities, net of effect of acquisitions and dispositions		
Accounts receivable	(44,230)	(11,979)
Inventories	(5)	431
Prepaid expenses and other assets	(7,158)	(39)
Accounts payable	6,679	(3,583)
Accrued expenses and other liabilities	171	(138)
Income taxes payable	(1,385)	(135)
Net cash provided by operating activities	843	24,471
Cash flows from investing activities		
Purchase of property, plant and equipment	(18,534)	(14,315)
Purchase of intangible assets	(3,166)	(3,832)
Proceeds from sale of equipment	2,736	995
Net cash used in investing activities	(18,964)	(17,152)
Cash flows from financing activities		
Repayment of finance lease obligations	(4,419)	(4,183)
Repayment of long-term debt	(8,441)	(6,537)
Proceeds from revolver	74,000	53,500
Repayment of revolver	(33,400)	(47,701)
Taxes paid related to net share settlement of share-based awards	(1,524)	(1,326)
Net cash provided by (used in) financing activities	26,216	(6,247)
Effect of exchange rate changes on cash and cash equivalents	1,393	1,642
Net change in cash and cash equivalents	9,488	2,714
Cash and cash equivalents at beginning of period	18,317	17,646
Cash and cash equivalents at end of period	\$ 27,805	\$ 20,360
Supplemental disclosure of cash paid		
Interest, net	\$ 10,070	\$ 12,595
Income taxes, net of refunds	\$ 6,874	\$ 4,406
Noncash investing and financing		
Equipment acquired through finance lease obligations	\$ 4,393	\$ 3,642

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 global leader in technology-enabled industrial asset integrity solutions, serving critical industries including oil & gas, aerospace & defense, power & utilities, manufacturing, and civil infrastructure.

The Company provides a diversified portfolio of products and services, ranging from advanced non-destructive testing ("NDT") and pipeline inspections to real-time condition monitoring, maintenance planning, and specialized engineering, powered by a proprietary management software suite that centralizes integrity data for predictive analytics and benchmark analysis. With a long-standing track record of innovation and deep industry expertise, the Company helps clients reduce risk, extend asset life, and optimize operational performance.

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 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 continue to monitor the impact tariffs or trade barriers may have on our business, 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. The tariffs have not had a material effect on our business or results of operations to date in 2025, but could result in additional costs to us and could impact the import of materials by our customers which are inspected by us.

In the third quarter of 2025, the price of crude oil continued to decline due to multiple macroeconomic and geopolitical forces. The decline in crude oil prices has had an adverse impact on field related services that the Company provides to the oil and gas sector, which could continue if prices remain low.

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 Unaudited 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. 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, 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. This change in presentation had no impact to revenue, income from operations, income before provision for income taxes, provision for income taxes, net income, earnings 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 were adjusted for this change. The impacts of the update to the presentation of certain indirect costs on the Company's Unaudited Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2024 are reflected below under the "Effect of change" columns.

	Three Months Ended September 30, 2024		
	As Previously Reported	Effect of change	As Adjusted
Cost of revenue	\$ 122,392	\$ 5,672	\$ 128,064
Gross profit	54,577	(5,672)	48,905
Selling, general and administrative expenses	38,872	(5,672)	33,200

	Nine Months Ended September 30, 2024		
	As Previously Reported	Effect of change	As Adjusted
Cost of revenue	\$ 377,570	\$ 15,386	\$ 392,956
Gross profit	161,783	(15,386)	146,397
Selling, general and administrative expenses	121,018	(15,386)	105,632

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 September 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 22.3% and 29.0% for the three months ended September 30, 2025 and 2024, respectively. The Company's effective income tax rate was approximately 21.9% and 22.1% for the nine months ended September 30, 2025 and 2024, respectively.

The effective income tax rate for the three months ended September 30, 2025, was higher than the statutory rate primarily due to the impact of foreign currency losses. The effective income tax rate for the three months ended September 30, 2024, was higher than the statutory rate primarily due to the impact of an unfavorable discrete item related to stock compensation.

The effective income tax rate for the nine months ended September 30, 2025, was higher than the statutory rate primarily due to the impact of foreign currency losses. The effective income tax rate for the nine months ended September 30, 2024, was higher 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. These tax reform provisions include the extension and modification of certain provisions of the Tax Cuts and Jobs Act and is effective for calendar year 2025. The changes include, but are not limited to, immediate expensing of domestic research and development expenditure, the restoration of 100% bonus depreciation, and an EBITDA-based interest expense limitation. These provisions did not have a material impact on the Company's financial statements for the three or nine months ended September 30, 2025.

Recent Accounting Pronouncements

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. The Company does not expect ASU 2023-09 to have a significant impact on its annual consolidated financial statements and related disclosures.

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.

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

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 were scheduled to become effective for the Company beginning with the year ended December 31, 2025. However, in response to various legal challenges, the SEC voluntarily stayed the rules on April 4, 2024, and ended its defense of the rules in response to the pending legal challenges. The company continues to monitor any developments regarding these rules and the expected timing for compliance.

2. Revenue

The Company derives the majority of its revenue by providing services on a time and materials basis, which 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 Company'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 the Company's 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 September 30, 2025	North America	International	Products & Systems	Corp/Elim	Total
Oil & Gas	\$ 97,484	\$ 8,125	\$ 60	\$ —	\$ 105,669
Aerospace & Defense	17,675	6,395	137	—	24,207
Industrials	15,469	6,773	360	—	22,602
Power Generation & Transmission	10,074	3,714	696	—	14,484
Other Process Industries	4,722	4,014	38	—	8,774
Infrastructure, Research & Engineering	5,285	3,610	1,674	—	10,569
Petrochemical	3,694	15	—	—	3,709
Other	6,206	2,875	1,071	(4,617)	5,535
Total	<u>\$ 160,609</u>	<u>\$ 35,521</u>	<u>\$ 4,036</u>	<u>\$ (4,617)</u>	<u>\$ 195,549</u>

Three Months Ended September 30, 2024	North America	International	Products & Systems	Corp/Elim	Total
Oil & Gas	\$ 90,460	\$ 9,040	\$ 3	\$ —	\$ 99,503
Aerospace & Defense	16,181	5,663	42	—	21,886
Industrials	12,285	6,749	478	—	19,512
Power Generation & Transmission	8,029	3,081	544	—	11,654
Other Process Industries	7,836	3,900	79	—	11,815
Infrastructure, Research & Engineering	5,189	2,744	797	—	8,730
Petrochemical	3,806	198	—	—	4,004
Other	6,059	2,287	1,333	(4,089)	5,590
Total	<u>\$ 149,845</u>	<u>\$ 33,662</u>	<u>\$ 3,276</u>	<u>\$ (4,089)</u>	<u>\$ 182,694</u>

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Nine Months Ended September 30, 2025	North America	International	Products & Systems	Corp/Elim	Total
Oil & Gas	\$ 275,849	\$ 28,714	\$ 486	\$ —	\$ 305,049
Aerospace & Defense	48,530	19,690	393	—	68,613
Industrials	38,804	20,887	1,085	—	60,776
Power Generation & Transmission	22,618	6,796	1,516	—	30,930
Other Process Industries	17,100	12,930	46	—	30,076
Infrastructure, Research & Engineering	12,447	10,192	3,211	—	25,850
Petrochemical	9,329	126	—	—	9,455
Other	12,826	8,477	3,130	(12,613)	11,820
Total	\$ 437,503	\$ 107,812	\$ 9,867	\$ (12,613)	\$ 542,569

Nine Months Ended September 30, 2024	North America	International	Products & Systems	Corp/Elim	Total
Oil & Gas	\$ 289,843	\$ 31,841	\$ 240	\$ —	\$ 321,924
Aerospace & Defense	48,152	18,092	100	—	66,344
Industrials	33,047	18,480	1,478	—	53,005
Power Generation & Transmission	18,953	6,017	1,569	—	26,539
Other Process Industries	26,132	12,337	155	—	38,624
Infrastructure, Research & Engineering	14,286	7,762	1,901	—	23,949
Petrochemical	11,467	900	—	—	12,367
Other	14,708	5,543	4,417	(10,511)	14,157
Total	\$ 456,588	\$ 100,972	\$ 9,860	\$ (10,511)	\$ 556,909

Revenue per key geographic location was as follows:

Three Months Ended September 30, 2025	North America	International	Products & Systems	Corp/Elim	Total
United States	\$ 134,481	\$ 549	\$ 1,294	\$ (1,352)	\$ 134,972
Other Americas	24,342	95	121	(1,539)	23,019
Europe	1,301	34,571	826	(1,726)	34,972
Asia-Pacific	485	306	1,795	—	2,586
Total	\$ 160,609	\$ 35,521	\$ 4,036	\$ (4,617)	\$ 195,549

Three Months Ended September 30, 2024	North America	International	Products & Systems	Corp/Elim	Total
United States	\$ 124,194	\$ 402	\$ 1,658	\$ (1,457)	\$ 124,797
Other Americas	25,108	2,008	107	(577)	26,646
Europe	343	29,458	850	(1,655)	28,996
Asia-Pacific	200	1,794	661	(400)	2,255
Total	\$ 149,845	\$ 33,662	\$ 3,276	\$ (4,089)	\$ 182,694

Nine Months Ended September 30, 2025	North America	International	Products & Systems	Corp/Elim	Total
United States	\$ 377,825	\$ 4,797	\$ 3,935	\$ (2,831)	\$ 383,726
Other Americas	54,959	2,941	349	(5,170)	53,079
Europe	2,946	98,485	2,027	(4,111)	99,347
Asia-Pacific	1,773	1,589	3,556	(501)	6,417
Total	\$ 437,503	\$ 107,812	\$ 9,867	\$ (12,613)	\$ 542,569

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Nine Months Ended September 30, 2024	North America	International	Products & Systems	Corp/Elim	Total
United States	\$ 384,522	\$ 1,129	\$ 4,800	\$ (3,181)	\$ 387,270
Other Americas	66,829	6,224	960	(3,602)	70,411
Europe	2,107	89,304	2,081	(3,116)	90,376
Asia-Pacific	3,130	4,315	2,019	(612)	8,852
Total	<u>\$ 456,588</u>	<u>\$ 100,972</u>	<u>\$ 9,860</u>	<u>\$ (10,511)</u>	<u>\$ 556,909</u>

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 Unaudited Condensed 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 Unaudited Condensed 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 nine months ended September 30, 2025 and 2024 that was included in the contract liability balance at the beginning of the year was \$6.8 million and \$6.2 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 884,000 shares were available for future grants as of September 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 of \$9.06, the closing price of the Company's common stock on the New York Stock Exchange (the "NYSE") on the grant date of January 6, 2025. These stock options can be exercised any time on or after January 6, 2026, and expire ten years after the grant date of January 6, 2025, subject to certain exceptions as to the vesting and expiration in case of termination of employment, death or disability.

On September 8, 2025, Natalia Shuman, President and Chief Executive Officer of the Company, was awarded options to purchase 35,000 shares of the Company's common stock, pursuant to the approval of the Compensation Committee. The options have an exercise price of \$9.71, the closing price of the Company's common stock on the NYSE on the grant date of September 8, 2025. The options can be exercised any time on or after September 8, 2026, and expire ten years after the grant date of September 8, 2025, in each case subject to certain exceptions as to the vesting and expiration in case of termination of employment, death or disability.

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

	Nine Months Ended September 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	435	\$ 9.14	—	\$ —
Exercised	—	\$ —	—	\$ —
Expired or forfeited	—	\$ —	—	\$ —
Outstanding at end of period:	685	\$ 7.76	250	\$ 5.36

The Company recognized \$0.5 million of share-based compensation expense within Reorganization and other costs on the Company's Unaudited Condensed Consolidated Statements of Income during the three months ended September 30, 2025 related to the stock options that were granted in the first quarter of 2025. The Company recognized \$1.5 million of share-based compensation expense within Reorganization and other costs on the Company's Unaudited Condensed Consolidated Statements of Income during the nine months ended September 30, 2025 related to the stock options that were granted in the first quarter of 2025. \$0.5 million of share-based compensation expense related to stock options that were granted in the first quarter of 2025 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):

	Nine months ended September 30,	
	2025	2024
Awards issued	72	60
Grant date fair value of awards issued	\$ 571	\$ 549

Restricted Stock Unit Awards

On September 8, 2025, Natalia Shuman was awarded 25,000 restricted stock units ("RSUs") pursuant to the approval of the Compensation Committee. The RSUs vest in three equal annual installments on the first three anniversary dates of the grant date of September 8, 2025. Upon vesting, each RSU is converted into one share of the Company's common stock. The terms of the award are consistent with the standard terms of RSU awards for senior officers of the Company.

For the three months ended September 30, 2025 and September 30, 2024, the Company recognized share-based compensation expense within Selling, general and administrative expenses related to RSU awards of \$0.7 million and \$1.6 million, respectively. For the nine months ended September 30, 2025 and September 30, 2024, the Company recognized share-based compensation expense within Selling, general and administrative expenses related to RSU awards of \$2.8 million and \$3.9 million, respectively. For the nine months ended September 30, 2025, the Company recognized share-based compensation expense within Reorganization and other costs related to RSU awards of \$0.5 million. As of September 30, 2025, there was \$6.2 million of unrecognized compensation costs related to RSU awards, which is expected to be recognized over a remaining weighted-average period of 2.4 years. Upon vesting, RSUs 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.

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

	Nine months ended September 30,	
	2025	2024
Restricted stock awards vested	592	461
Fair value of awards vested	\$ 5,628	\$ 4,184

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

	Nine months ended September 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	395	\$ 9.36	726	\$ 8.52
Vested	(592)	\$ 9.51	(461)	\$ 9.08
Forfeited	(218)	\$ 8.53	(179)	\$ 8.39
Outstanding at end of period:	<u>816</u>	<u>\$ 8.72</u>	<u>1,270</u>	<u>\$ 8.39</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 2025, the Compensation Committee is using the following three performance metrics for PRsU awards.

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 2024, the Compensation Committee utilized the same metrics as 2025 PRsUs, but with different 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:

	Nine months ended September 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	(203)	\$ 8.76	(187)	\$ 8.76
Released	(3)	\$ 9.84	—	\$ —
Forfeited	(22)	\$ 7.21	—	\$ —
Outstanding at end of period:	<u>404</u>	<u>\$ 9.91</u>	<u>168</u>	<u>\$ 9.18</u>

Performance condition adjustments during the nine months ended September 30, 2025 decreased the PRSUs outstanding at the end of the period by approximately 203,000 units based on forecasted results for 2025 as compared to performance metrics determined by the Compensation Committee.

For the three months ended September 30, 2025 and September 30, 2024, the Company recognized aggregate share-based compensation expense related to the awards described above of approximately \$0.3 million and \$0.0 million, respectively. For the nine months ended September 30, 2025 and September 30, 2024, the Company recognized aggregate share-based compensation expense related to the awards described above of approximately \$0.9 million and \$0.3 million, respectively. At September 30, 2025, there was \$2.9 million of total unrecognized compensation costs related to approximately 404,000 non-vested PRSUs, which is expected to be recognized over a remaining weighted-average period of 2.6 years.

4. Earnings per Share

Basic earnings per share is computed by dividing net income by the weighted-average number of shares outstanding during the period. Diluted earnings per share is computed by dividing net income 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 per share:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Basic earnings per share				
Numerator:				
Net income attributable to Mistras Group, Inc.	\$ 13,108	\$ 6,401	\$ 12,939	\$ 13,765
Denominator:				
Weighted average common shares outstanding	31,543	31,002	31,361	30,895
Basic earnings per share	\$ 0.42	\$ 0.21	\$ 0.41	\$ 0.45
Diluted earnings per share:				
Numerator:				
Net income attributable to Mistras Group, Inc.	\$ 13,108	\$ 6,401	\$ 12,939	\$ 13,765
Denominator:				
Weighted average common shares outstanding	31,543	31,002	31,361	30,895
Dilutive effect of stock options outstanding ⁽¹⁾	99	120	102	103
Dilutive effect of restricted stock units outstanding ⁽¹⁾	238	538	457	515
	<u>31,880</u>	<u>31,660</u>	<u>31,920</u>	<u>31,513</u>
Diluted earnings per share	\$ 0.41	\$ 0.20	\$ 0.41	\$ 0.44

⁽¹⁾For the three months ended September 30, 2025, 388,000 shares, related to stock options and 165,000 shares, related to RSUs were anti-dilutive and therefore were excluded from the calculation of diluted earnings per share. For the nine months ended September 30, 2025, 379,000 shares, related to stock options and 227,000 shares, related to RSUs were anti-dilutive and therefore were excluded from the calculation of diluted earnings per share.

5. Accounts Receivable, net

Accounts receivable consisted of the following (in thousands):

	September 30, 2025	December 31, 2024
Trade accounts receivable - billed	\$ 140,186	\$ 108,563
Trade accounts receivable - unbilled	37,839	21,331
Allowance for credit losses	<u>(3,238)</u>	<u>(2,613)</u>
Accounts receivable, net	<u>\$ 174,787</u>	<u>\$ 127,281</u>

Trade accounts receivables - unbilled are generally billed in the subsequent quarter to their revenue recognition. The Company considers Trade accounts receivables - unbilled as short-term in nature as they are normally converted to Trade accounts receivables - billed 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):

	September 30, 2025	December 31, 2024
Raw materials and consumable supplies	\$ 9,841	\$ 8,321
Work in progress	1,143	1,018
Finished goods	3,811	5,146
Inventories	<u>\$ 14,795</u>	<u>\$ 14,485</u>

7. Property, Plant and Equipment, net

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

	Useful Life (Years)	September 30, 2025	December 31, 2024
Land		\$ 2,469	\$ 2,429
Buildings and improvements	30-40	22,114	27,973
Office furniture and equipment	5-8	16,979	16,768
Machinery and equipment	5-7	307,831	274,907
		<u>349,393</u>	<u>322,077</u>
Accumulated depreciation and amortization		(261,735)	(241,185)
Property, plant and equipment, net		<u>\$ 87,658</u>	<u>\$ 80,892</u>

Depreciation expense for the three months ended September 30, 2025 and 2024 was approximately \$6.0 million and \$6.1 million, respectively.

Depreciation expense for the nine months ended September 30, 2025 and 2024 was \$18.1 million and \$18.9 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	2,283	—	—	2,283
Balance at September 30, 2025	<u>\$ 183,725</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 183,725</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 did not identify any changes in circumstances that would indicate the carrying value of goodwill may not be recoverable. Additionally, through September 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)	September 30, 2025			December 31, 2024		
		Gross Amount	Accumulated Amortization	Net Carrying Amount	Gross Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	5-18	\$ 109,044	\$ (95,608)	\$ 13,436	\$ 107,704	\$ (92,220)	\$ 15,484
Software/Technology	3-15	61,317	(36,595)	24,722	57,414	(33,930)	23,484
Covenants not to compete	2-5	12,362	(12,357)	5	12,391	(12,371)	20
Other	2-12	10,188	(9,901)	287	10,218	(9,498)	720
Total		\$ 192,911	\$ (154,461)	\$ 38,450	\$ 187,727	\$ (148,019)	\$ 39,708

Amortization expense for the three months ended September 30, 2025 and 2024 was approximately \$1.7 million and \$1.9 million, respectively.

Amortization expense for the nine months ended September 30, 2025 and 2024 was \$5.1 million and \$5.8 million, respectively.

10. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following:

	September 30, 2025	December 31, 2024
Accrued salaries, wages and related employee benefits	\$ 31,690	\$ 27,990
Accrued workers' compensation and health benefits	3,180	4,898
Deferred revenue	8,148	8,096
Pension accrual	2,245	2,458
Right-of-use liability - Operating	11,384	11,375
Other accrued expenses	31,211	30,416
Total	\$ 87,858	\$ 85,233

11. Long-Term Debt

Long-term debt consisted of the following:

	September 30, 2025	December 31, 2024
Senior credit facility	\$ 100,250	\$ 59,650
Senior secured term loan, net of unamortized debt issuance costs of \$0.2 million and \$0.3 million, respectively	99,810	107,545
Other	2,210	2,452
Total debt	202,270	169,647
Less: Current portion	(13,035)	(11,591)
Long-term debt, net of current portion	\$ 189,235	\$ 158,056

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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 \$99.8 million as of September 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 September 30, 2025, the Company had borrowings of \$200.1 million and a total of \$3.4 million of letters of credit outstanding under the Credit Agreement. The Company has capitalized costs associated with debt modifications of \$0.6 million as of September 30, 2025, which are 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 September 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.

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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 September 30, 2025, there was an aggregate of approximately \$2.2 million outstanding, payable at various times through 2030.

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, except as stated below, 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, 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 ("the DEQ Proceeding") filed by the State of Arizona and the Arizona Department of Environmental Quality (collectively "DEQ"). The DEQ Proceeding, 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 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 is seeking unspecified penalties and costs in connection with the DEQ Proceeding.

The Superior Court held a hearing in 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 judgment: (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 and Mistras Arizona 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 that the improvements were completed, which the DEQ

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then inspected. Following the DEQ site visit, Mistras Arizona commenced its chrome plating operations on April 28, 2025. Mistras Arizona has been and intends to continue complying with the Superior Court's ruling. In the meantime, the DEQ Proceeding is ongoing.

It is probable that additional remediation costs, as well as fines and penalties will be imposed related to the DEQ Proceeding. However, the Company is unable to estimate the range of loss that it may incur and whether these amounts will be material to the Company.

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.

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 September 30, 2025 is approximately \$2.2 million, which was 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, reorganization and environmental costs, legal settlements and recoveries, 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 September 30, 2025

	Segment					
	North America	International	Products and Systems	Total Reportable Segments	Corporate and eliminations	Total
Revenue	\$ 160,609	\$ 35,521	\$ 4,036	\$ 200,166	\$ (4,617)	\$ 195,549
Selling, general & administrative expenses	20,377	6,856	918	28,151	5,327	33,478
Other Expenses	117,479	24,827	2,067	144,373	(2,683)	141,690
Income (loss) from operations	<u>\$ 22,753</u>	<u>\$ 3,838</u>	<u>\$ 1,051</u>	<u>\$ 27,642</u>	<u>\$ (7,261)</u>	<u>\$ 20,381</u>

For the three months ended September 30, 2024

	Segment					
	North America	International	Products and Systems	Total Reportable Segments	Corporate and eliminations	Total
Revenue	\$ 149,845	\$ 33,662	\$ 3,276	\$ 186,783	\$ (4,089)	\$ 182,694
Selling, general & administrative expenses	18,056	7,334	831	26,221	6,979	33,200
Other Expenses	114,334	24,550	1,775	140,659	(3,023)	137,636
Income (loss) from operations	<u>\$ 17,455</u>	<u>\$ 1,778</u>	<u>\$ 670</u>	<u>\$ 19,903</u>	<u>\$ (8,045)</u>	<u>\$ 11,858</u>

For the nine months ended September 30, 2025

	Segment					
	North America	International	Products and Systems	Total Reportable Segments	Corporate and eliminations	Total
Revenue	\$ 437,503	\$ 107,812	\$ 9,867	\$ 555,182	\$ (12,613)	\$ 542,569
Selling, general & administrative expenses	62,061	21,923	2,538	86,522	22,401	108,923
Other Expenses	329,416	76,966	5,615	411,997	(6,148)	405,849
Income (loss) from operations	<u>\$ 46,026</u>	<u>\$ 8,923</u>	<u>\$ 1,714</u>	<u>\$ 56,663</u>	<u>\$ (28,866)</u>	<u>\$ 27,797</u>

For the nine months ended September 30, 2024

	Segment					
	North America	International	Products and Systems	Total Reportable Segments	Corporate and eliminations	Total
Revenue	\$ 456,588	\$ 100,972	\$ 9,860	\$ 567,420	\$ (10,511)	\$ 556,909
Selling, general & administrative expenses	57,289	22,169	2,727	82,185	23,447	105,632
Other Expenses	349,557	74,255	5,654	429,466	(7,557)	421,909
Income (loss) from operations	<u>\$ 49,742</u>	<u>\$ 4,548</u>	<u>\$ 1,479</u>	<u>\$ 55,769</u>	<u>\$ (26,401)</u>	<u>\$ 29,368</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 can be seen on the Unaudited Condensed Consolidated Statement of Income. Products and Systems segment revenue was comprised of approximately \$0.6 million and \$0.9 million of sales to the International segment, which were eliminated upon consolidation, for the three months ended September 30, 2025 and September 30, 2024, respectively. Products and Systems segment revenue was comprised of approximately \$2.4 million and \$2.8 million of sales to the International segment, which were eliminated upon consolidation, for the nine months ended September 30, 2025 and September 30, 2024, respectively. Intersegment revenue related to sales between other segments was immaterial for each of the three and nine month periods ended September 30, 2025 and September 30, 2024.

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

	September 30, 2025	December 31, 2024
Intangible assets, net		
North America	\$ 28,869	\$ 30,869
International	1,116	1,377
Products and Systems	801	946
Corporate and eliminations	7,664	6,516
Total	<u>\$ 38,450</u>	<u>\$ 39,708</u>

	<u>September 30, 2025</u>	<u>December 31, 2024</u>
Total assets		
North America	\$ 441,233	\$ 390,052
International	119,385	97,546
Products and Systems	10,260	11,280
Corporate and eliminations	25,378	24,160
Total	<u>\$ 596,256</u>	<u>\$ 523,038</u>

	<u>September 30, 2025</u>	<u>December 31, 2024</u>
Long-lived assets		
North America	\$ 273,715	\$ 268,608
International	26,490	24,822
Products and Systems	882	1,049
Corporate and eliminations	8,746	7,563
Total	<u>\$ 309,833</u>	<u>\$ 302,042</u>

Refer to Note 2 - **Revenue**, for revenue by geographic area for the three and nine months ended September 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 nine months ended September 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 recent U.S federal government shutdown, 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

The Company is a global leader in technology-enabled industrial asset integrity solutions, serving critical industries including oil & gas, aerospace & defense, power & utilities, manufacturing, and civil infrastructure.

The Company provides a diversified portfolio of products and services, ranging from advanced non-destructive testing ("NDT") and pipeline inspections to real-time condition monitoring, maintenance planning, and specialized engineering, powered by a proprietary management software suite that centralizes integrity data for predictive analytics and benchmark analysis. With a long-standing track record of innovation and deep industry expertise, the Company helps clients reduce risk, extend asset life, and optimize operational performance.

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 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.

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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 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 September 30, 2025, our cash balance was approximately \$27.8 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. 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 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.

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We continue to monitor the impact that tariffs or trade barriers may have on our business, 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. The tariffs have not had a material effect on our business or results of operations to date in 2025, but they could result in additional costs to us and could impact the import of materials by our customers which are inspected by us.

In the third quarter of 2025, the price of crude oil continued to decline due to multiple macroeconomic and geopolitical forces. The decline in crude oil prices has had an adverse impact on our field related services that we provide to the oil and gas sector, which could continue if prices remain low.

Note About Non-GAAP Measures

The Company prepares its consolidated financial statements in accordance with GAAP. In this MD&A under the heading "Income from Operations", the non-GAAP financial performance measure "Income from operations before special items" is used for each of our three operating segments, "Corporate and Eliminations" and the "Total Company", with tables reconciling the measure to a financial measure under GAAP. This presentation excludes from "Income from Operations" (a) reorganization and other costs, which includes items such as severance, labor relations matters and asset and lease termination costs, (b) environmental expense, which relates to costs associated with the environmental matter at the Phoenix lab operated by Mistras Arizona, as described in Note 13 to the Unaudited Condensed Consolidated Financial Statements in this Quarterly Report, and (c) legal settlement and insurance recoveries, net. 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. 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 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 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 or any other measures derived in accordance with GAAP. Because Income 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 nine months ended September 30, 2025 and 2024 were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenue	\$ 195,549	\$ 182,694	\$ 542,569	\$ 556,909
Gross profit	58,193	48,905	153,030	146,397
<i>Gross profit as a % of Revenue</i>	<i>29.8 %</i>	<i>26.8 %</i>	<i>28.2 %</i>	<i>26.3 %</i>
Income from operations	20,381	11,858	27,797	29,368
<i>Income from operations as a % of Revenue</i>	<i>10.4 %</i>	<i>6.5 %</i>	<i>5.1 %</i>	<i>5.3 %</i>
Income before provision for income taxes	17,000	9,034	16,853	17,702
Net income	13,203	6,416	13,161	13,793
Net income attributable to Mistras Group, Inc.	\$ 13,108	\$ 6,401	\$ 12,939	\$ 13,765

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Revenue

Revenue was \$195.5 million for the three months ended September 30, 2025, an increase of \$12.9 million, or 7.0%, compared with the three months ended September 30, 2024.

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

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Revenue				
North America	\$ 160,609	\$ 149,845	\$ 437,503	\$ 456,588
International	35,521	33,662	107,812	100,972
Products and Systems	4,036	3,276	9,867	9,860
Corporate and eliminations	(4,617)	(4,089)	(12,613)	(10,511)
Total	\$ 195,549	\$ 182,694	\$ 542,569	\$ 556,909

Three Months

In the three months ended September 30, 2025, total revenue increased 7.0% versus the prior year comparable period due predominantly to a mid-single-digit organic increase driven by increases in the Oil and Gas and Power Generation markets. North America segment revenue increased 7.2%, driven predominantly by increases in the Oil and Gas and Power Generation markets as a result of strong turnaround activity and market demand. International segment revenue increased 5.5%, due predominantly to a mid-single-digit favorable impact of foreign exchange rates. Products and Systems segment revenue increase by 23.2%, due to increased sales volume and shipments as compared to the prior year comparable period.

Oil and gas customer revenue comprised approximately 54% of total revenue for the three months ended September 30, 2025 and 2024, respectively. Aerospace and defense customer revenue comprised approximately 12% of total revenue for the three months ended September 30, 2025 and 2024, respectively. The Company's top ten customers comprised approximately 36% of total revenue for the three months ended September 30, 2025, as compared to 35% for the three months ended September 30, 2024, with no customer accounting for 10% or more of total revenue in either three-month period.

Nine Months

In the nine months ended September 30, 2025, total revenue decreased 2.6% versus the prior year comparable period due predominantly to a low single-digit organic decrease. North America segment revenue decreased 4.2%, driven predominantly by a decrease in our Oil and Gas market revenue due to multiple macroeconomic and geopolitical forces which slowed global oil demand growth and consequently, the demand for inspection services from Oil and Gas market customers. International segment revenue increased 6.8%, due predominantly to low single-digit organic growth and low single-digit favorable impact of foreign exchange rates. Products and Systems segment revenue was flat as compared to the prior year comparable period.

Oil and gas customer revenue comprised approximately 56% and 58% of total revenue for the nine months ended September 30, 2025 and 2024, respectively. Aerospace and defense customer revenue comprised approximately 13% and 12% of total revenue for the nine months ended September 30, 2025 and 2024, respectively. The Company's top ten customers comprised approximately 36% of total revenue for the nine months ended September 30, 2025 and 2024, respectively, with no customer accounting for 10% or more of total revenue in either nine-month period.

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	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenue by type				
Field Services	\$ 125,873	\$ 127,246	\$ 359,532	\$ 388,129
Laboratories	16,838	15,014	47,549	49,147
Data Analytical Solutions	19,600	17,876	51,911	51,757
Other	33,238	22,558	83,577	67,876
Total	\$ 195,549	\$ 182,694	\$ 542,569	\$ 556,909

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 our properties. Field Services revenue decreased by \$1.4 million for the three months ended September 30, 2025 as compared to the three months ended September 30, 2024 and decreased by \$28.6 million for the nine months ended September 30, 2025 as compared to the nine months ended September 30, 2024, primarily due to decreases in sales volume in our oil and gas, industrials and infrastructure, and research and engineering end markets within our North America segment and our oil and gas end market within our International segment.

Laboratory revenue is comprised of quality assurance inspections of components and materials at our in-house laboratory facilities. Laboratory revenue increased by \$1.8 million for the three months ended September 30, 2025 as compared to the three months ended September 30, 2024 primarily due to increased sales volumes in our aerospace and defense end market in our North America segment. Laboratory revenue decreased by \$1.6 million for the nine months ended September 30, 2025 as compared to the nine months ended September 30, 2024, primarily due to lower volumes in our laboratory testing inspection services as compared to the prior year comparable period.

Data Analytical Solutions revenue is comprised of revenue derived from data software licenses and 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 increased by \$1.7 million for the three months ended September 30, 2025 as compared to the prior year comparable period, and increased by \$0.2 million for the nine months ended September 30, 2025 as compared to the nine months ended September 30, 2024, primarily due to increased 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 our laboratories. Other revenue increased by \$10.7 million for the three months ended September 30, 2025 as compared to the three months ended September 30, 2024 and increased by \$15.7 million for the nine months ended September 30, 2025 as compared to the nine months ended September 30, 2024, primarily due to increased sales within our mixed service offering facilities.

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 \$9.3 million, or 19.0%, in the three months ended September 30, 2025 versus the prior year comparable period primarily due to an improved business mix and operating efficiencies.

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

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	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Gross profit ⁽¹⁾				
North America	\$ 45,103	\$ 37,173	\$ 115,653	\$ 112,423
<i>% of segment revenue</i>	28.1 %	24.8 %	26.4 %	24.6 %
International	11,190	9,912	32,548	29,068
<i>% of segment revenue</i>	31.5 %	29.4 %	30.2 %	28.8 %
Products and Systems	2,192	1,802	5,152	4,836
<i>% of segment revenue</i>	54.3 %	55.0 %	52.2 %	49.0 %
Corporate and eliminations	(292)	18	(323)	70
	<u>\$ 58,193</u>	<u>\$ 48,905</u>	<u>\$ 153,030</u>	<u>\$ 146,397</u>
<i>% of total revenue</i>	29.8 %	26.8 %	28.2 %	26.3 %

⁽¹⁾ 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 Unaudited Condensed Consolidated Statements of Income. 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 29.8% and 26.8% for the three-month periods ended September 30, 2025 and 2024, respectively. Gross profit margin for the North America segment increased by 3.3% for the three months ended September 30, 2025 as compared to the prior year comparable period primarily due to an improved business mix and operating efficiencies. International segment realized a 2.1% increase in gross profit margin to 31.5% for the three months ended September 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 a decrease of 0.7% to 54.3% for the three months ended September 30, 2025 primarily due to a less favorable sales mix as compared to the prior period.

Nine Months

Gross profit margin was 28.2% and 26.3% for the nine-month periods ended September 30, 2025 and 2024, respectively. Gross profit margin for the North America segment realized a 1.8% increase in gross profit margin to 26.4% for the nine months ended September 30, 2025 as compared to the prior year comparable period primarily due to a favorable sales mix and operating efficiencies. International segment realized a 1.4% increase in gross profit margin to 30.2% for the nine months ended September 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 3.2% to 52.2% for the nine months ended September 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 nine months ended September 30, 2025 and 2024 was as follows:

	Three months ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Operating Expenses				
Selling, general and administrative expenses	\$ 33,478	\$ 33,200	\$ 108,923	\$ 105,632
Reorganization and other costs	1,764	2,143	7,802	4,219
Environmental expense	199	—	1,257	—
Legal settlement and insurance recoveries, net	—	(868)	—	(808)
Research and engineering	210	241	778	816
Depreciation and amortization	2,161	2,331	6,473	7,170
	<u>\$ 37,812</u>	<u>\$ 37,047</u>	<u>\$ 125,233</u>	<u>\$ 117,029</u>

Three Months

Operating expenses increased \$0.8 million, or 2.1%, for the three months ended September 30, 2025 compared to the three months ended September 30, 2024. Selling, general and administrative expenses increased \$0.3 million during the three months ended September 30, 2025 compared to the three months ended September 30, 2024, due to strategic investments in our operations, partially offset by ongoing cost management 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 \$0.2 million as compared to the prior year comparable period due to environmental costs incurred during the three months ended September 30, 2025, which were not incurred during the prior year comparable period. Reorganization and other costs decreased by \$0.4 million to \$1.8 million as compared to the prior year comparable period due to ongoing initiatives to reduce overhead costs. Depreciation and amortization decreased by \$0.2 million during the three months ended September 30, 2025 compared to the three months ended September 30, 2024.

Nine Months

Operating expenses increased \$8.2 million, or 7.0%, for the nine months ended September 30, 2025 compared to the nine months ended September 30, 2024. Selling, general and administrative expenses increased \$3.3 million during the nine months ended September 30, 2025 compared to the nine months ended September 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 \$1.3 million as compared to the prior year comparable period due to environmental costs incurred during the nine months ended September 30, 2025, which were not incurred during the prior year comparable period. Reorganization and other costs increased by \$3.6 million to \$7.8 million as compared to the prior year comparable period due to ongoing initiatives to reduce overhead costs, and incremental costs of other related actions. Depreciation and amortization decreased by \$0.7 million during the nine months ended September 30, 2025 compared to the nine months ended September 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 September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
North America:				
Income from operations (GAAP)	\$ 22,753	\$ 17,455	\$ 46,026	\$ 49,742
Reorganization and other costs	283	835	2,754	927
Legal settlement and insurance recoveries, net	—	(868)	—	(808)
Income from operations before special items (non-GAAP)	\$ 23,036	\$ 17,422	\$ 48,780	\$ 49,861
International:				
Income from operations (GAAP)	\$ 3,838	\$ 1,778	\$ 8,923	\$ 4,548
Reorganization and other costs	171	147	441	410
Income from operations before special items (non-GAAP)	\$ 4,009	\$ 1,925	\$ 9,364	\$ 4,958
Products and Systems:				
Income from operations (GAAP)	\$ 1,051	\$ 670	\$ 1,714	\$ 1,479
Reorganization and other costs	—	182	151	184
Income from operations before special items (non-GAAP)	\$ 1,051	\$ 852	\$ 1,865	\$ 1,663
Corporate and Eliminations:				
Loss from operations (GAAP)	\$ (7,261)	\$ (8,045)	\$ (28,866)	\$ (26,401)
Environmental expense	199	—	1,257	—
Reorganization and other costs	1,310	979	4,456	2,698
Loss from operations before special items (non-GAAP)	\$ (5,752)	\$ (7,066)	\$ (23,153)	\$ (23,703)
Total Company:				
Income from operations (GAAP)	\$ 20,381	\$ 11,858	\$ 27,797	\$ 29,368
Environmental expense	199	—	1,257	—
Reorganization and other costs	1,764	2,143	7,802	4,219
Legal settlement and insurance recoveries, net	—	(868)	—	(808)
Income from operations before special items (non-GAAP)	\$ 22,344	\$ 13,133	\$ 36,856	\$ 32,779

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 September 30, 2025, income from operations (GAAP) increased \$8.5 million or 71.9%, compared with the three months ended September 30, 2024, while income from operations before special items (non-GAAP) increased by \$9.2 million, or 70.1%. As a percentage of revenue, income from operations before special items increased by 420 basis points to 11.4% in the three months ended September 30, 2025 compared to 7.2% in the three months ended September 30, 2024.

Nine Months

For the nine months ended September 30, 2025, income from operations (GAAP) decreased \$1.6 million or 5.3%, compared with the nine months ended September 30, 2024, while income from operations before special items (non-GAAP) increased by \$4.1 million, or 12.4%. As a percentage of revenue, income from operations before special items increased by 90 basis points to 6.8% in the nine months ended September 30, 2025 compared to 5.9% in the nine months ended September 30, 2024.

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Interest Expense

Interest expense was approximately \$3.4 million and \$4.3 million for the three months ended September 30, 2025 and 2024, respectively. This decrease of \$0.9 million in interest expense was a result of lower interest rates during the three months ended September 30, 2025 in comparison to the prior year comparable period. Interest expense was approximately \$10.9 million and \$13.1 million for the nine months ended September 30, 2025 and 2024, respectively. This decrease of \$2.2 million in interest expense was a result of lower interest rates during the nine months ended September 30, 2025 in comparison to the prior year comparable period.

Income Taxes

Our effective income tax rate was approximately 22.3% and 29.0% for the three months ended September 30, 2025 and 2024, respectively. Our effective income tax rate was approximately 21.9% and 22.1% for the nine months ended September 30, 2025 and 2024, respectively.

The effective income tax rate for the three months ended September 30, 2025, was higher than the statutory rate primarily due to the impact of foreign currency losses. The effective income tax rate for the three months ended June 30, 2024 was higher than the statutory rate primarily due to the impact of an unfavorable discrete item related to stock compensation.

The effective income tax rate for the nine months ended September 30, 2025, was higher than the statutory rate primarily due to the impact of foreign currency losses. The effective income tax rate for the nine months ended September 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. These tax reform provisions include the extension and modification of certain provisions of the Tax Cuts and Jobs Act. Effective for calendar year 2025. The changes include, but are not limited to, immediate expensing of domestic research and development expenditure, the restoration of 100% bonus depreciation, and an EBITDA-based interest expense limitation. These provisions did not have a material impact on the Company's financial statements for the nine months ended September 30, 2025.

Liquidity and Capital Resources

Cash flows are summarized in the table below:

	Nine months ended September 30,	
	2025	2024
Net cash (used in) provided by:		
Operating activities	\$ 843	\$ 24,471
Investing activities	(18,964)	(17,152)
Financing activities	26,216	(6,247)
Effect of exchange rate changes on cash	1,393	1,642
Net change in cash and cash equivalents	<u>\$ 9,488</u>	<u>\$ 2,714</u>

Cash Flows from Operating Activities

During the nine months ended September 30, 2025, cash provided by operating activities was \$0.8 million, representing a year-over-year decrease of \$23.6 million, or 97%. 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.

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Cash Flows from Investing Activities

During the nine months ended September 30, 2025, cash used in investing activities was \$19.0 million, representing a \$1.8 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 \$26.2 million for the nine months ended September 30, 2025, compared to net cash used in financing activities of \$6.2 million for the nine months ended September 30, 2024. During the nine months ended September 30, 2025, net borrowings of debt were approximately \$32.7 million higher than 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 nine months ended September 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 \$1.4 million in the nine months ended September 30, 2025, compared to an increase of \$1.6 million for the nine months ended September 30, 2024.

Cash Balance and Credit Facility Borrowings

As of September 30, 2025, we had cash and cash equivalents totaling \$27.8 million and \$86.4 million of unused commitments under our Credit Agreement with borrowings of \$200.1 million and \$3.4 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 September 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 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.

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 nine months ended September 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 September 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 September 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)
July 31, 2025	—	\$ —
August 31, 2025	—	\$ —
September 30, 2025	475	\$ 9.78

ITEM 3. Defaults Upon Senior Securities

None.

ITEM 4. Mine Safety Disclosures

Not applicable.

ITEM 5. Other Information

On September 15, 2025, the Company appointed Eileen Coggins as the Company's Executive Vice President and Chief Legal Officer.

Rule 10b5-1 Trading Plans

During the three and nine months ended September 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.

ITEM 6. Exhibits

Exhibit No.	Description
10.1	Option Award Agreement, dated September 8, 2025, between the Company and Natalia Shuman (filed as exhibit 10.1 to Current Report on Form 8-K filed on September 10, 2025 and incorporated herein by reference).
10.2	Restricted Stock Unit Certificate, dated September 8, 2025, between the Company and Natalia Shuman (filed as exhibit 10.1 to Current Report on Form 8-K filed on September 10, 2025 and incorporated herein by reference).
10.3	Option Award Agreement, dated September 15, 2025, between the Company and Eileen Coggins, Executive Vice President and Chief Legal Officer.
10.4	Restricted Stock Unit Certificate, dated September 15, 2025, between the Company and Eileen Coggins, Executive Vice President and Chief Legal Officer.
10.5	Employment Agreement, dated September 15, 2025, between the Company and Eileen Coggins, Executive Vice President and Chief Legal Officer.
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
32.1	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
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: November 6, 2025

**MISTRAS GROUP, INC.
OPTION AWARD AGREEMENT**

This Option Award Agreement (this "Award Agreement"), effective as of the Date of Grant set forth below, represents the grant of an option (the "Option") to purchase shares of common stock, par value \$0.01 per share ("Common Stock"), of Mistras Group, Inc. (the "Company") to Eileen Coggins (the "Participant"), subject to the terms and conditions set forth below. The grant of the Option has been made by the Compensation Committee of the Company's Board of Directors (the "Committee"). The number of shares of Common Stock that may be purchased pursuant to the Option, and the per share exercise price (the "Exercise Price") payable for shares of Common Stock upon exercise of the Option, are set forth in Article I of this Award Agreement.

The grant of the Option pursuant to this Award Agreement is being made pursuant to the terms and provisions of the Mistras Group, Inc. 2016 Long-Term Incentive Plan Amended and Restated as of March 27, 2024 (the "Plan") relating to Options (as the term "Options" is defined in the Plan), which terms and provisions are hereby incorporated into this Award Agreement by this reference, as though fully set forth herein, except as and to the extent expressly provided to the contrary in this Award Agreement. Unless the context herein otherwise requires, the terms defined in the Plan shall have the same meanings herein. A copy of the Plan has been provided to the Participant along with this Award Agreement.

I. STOCK OPTION GRANT AWARD TERMS

The Participant has been granted the Option to purchase shares of Common Stock, subject to the terms and conditions of this Award Agreement, as set forth above and as follows:

Date of Grant:	September 15, 2025
Vesting Date:	September 15, 2026
Exercise Price per Share:	\$
Total Number of Shares Granted:	25,000 shares of Common Stock (the " <u>Shares</u> ")
Total Exercise Price:	\$
Type of Option:	Non-Qualified Stock Option
Expiration Date:	Ten (10) years from Date of Grant

The Option shall become fully vested and exercisable on the Vesting Date set forth above, provided the Participant remains in continuous employment or service with the Company from the Date of Grant through the Vesting Date. The vesting and exercisability of the Option shall fully accelerate so that the Option is fully vested and exercisable in connection with termination of Participant's employment to the extent, and subject to the conditions, described in Section 11(a) of that certain employment agreement between the Company and the Participant dated September 15, 2025, (the "Employment Agreement") and such termination occurs prior to the Vesting Date.

Exercise Period:

The Option shall be exercisable by the Participant (or the Participant's estate or legal representative upon the Participant's death) at any time from and after the Vesting Date (or earlier, if pursuant to the terms of this Award Agreement or the Plan, the Option is exercisable earlier) and up to and including the earliest of (i) the Expiration Date set forth above, (ii) 90 days following termination of the Participant's employment or service with the Company for any reason other than death, "Disability" (as defined in the Employment Agreement) or "Cause", (iii) one year following termination of the Participant's employment or service with the Company by reason the Participant's death or by the Company on account of the Participant's "Disability" or (iv) immediately upon termination of the Participant's employment if the Participant's employment is terminated by the Company for Cause (or the date the Participant's employment ceases, if at such time there exist grounds for a termination for Cause); provided that, notwithstanding the foregoing, all of the provisions of Article 9 of the Plan (Change in Control) shall be applicable to the Option. Any portion of the Option that is not vested and exercisable on the date of the Participant's termination of employment or service will immediately terminate. Notwithstanding the provisions herein, in no event may the Option be exercised after the expiration of its stated term or before it becomes vested and exercisable.

II. ADDITIONAL TERMS

1. Exercise of Option.

(a) Method of Exercise. The Option shall be exercisable by delivery of an exercise notice or in a manner and pursuant to such procedures as the Committee may determine (the "Exercise Notice"), which shall state the election to exercise the Option, the number of Shares with respect to which the Option is being exercised (the "Exercised Shares"), and such other representations as may be required by the Company. The Exercise Notice shall be accompanied by payment of the aggregate Exercise Price as to all Exercised Shares, together with any applicable tax withholding. The Option shall be deemed to be exercised upon receipt by the Company of the Exercise Notice accompanied by the aggregate Exercise Price, together with any applicable tax withholding.

(b) Compliance with Law. No Shares shall be issued pursuant to the exercise of the Option unless such issuance and such exercise comply with applicable laws.

2. Method of Payment. Payment of the aggregate Exercise Price shall be by any of the following, or a combination thereof, at the election of the Participant:

- (c) (i) cash, check, bank draft, electronic funds transfer or money order payable to the Company;
- (d) (ii) by delivery to the Company (either by actual delivery or attestation) of already-owned shares of Common Stock provided that such shares (x) shall be valued at Fair Market Value on the date of exercise, and (y) must be owned free and clear of any liens, claims, encumbrances or security interests;
- (e) (iii) by payment to the Company pursuant to a broker-assisted cashless exercise program established and maintained by the Company in connection with the Plan; or
- (f) (iv) by a "net exercise" pursuant to which the Company will reduce the number of shares of Common Stock issued upon exercise of the Option by the largest whole number of shares necessary to satisfy the Exercise Price, with such shares of Common Stock being valued at Fair Market Value as of the date of exercise, provided, that the Participant must pay any remaining balance of the aggregate Exercise Price not satisfied by the "net exercise" in another form of payment set forth herein.

3. Nontransferability. Except as otherwise permitted by the Committee in accordance with the Plan, the Option is not assignable or transferable other than to a beneficiary designated to receive the Option upon the Participant's death or by will or the laws of descent and distribution, and the Option shall be exercisable during the lifetime of the Participant only by the Participant (or, in the event of the Participant's incapacity, the Participant's legal representative or guardian). Any attempt by the Participant or any other person claiming against, through or under the Participant to cause the Option or any part of it to be transferred or assigned in any manner and for any purpose not permitted hereunder or under the Plan shall be null and void and without effect upon the Company, the Participant or any other person.

4. Rights as a Stockholder. No Shares shall be sold, issued or delivered hereunder until full payment for such Shares has been made (including, for this purpose, satisfaction of the applicable withholding tax). The Participant shall have no rights as a stockholder with respect to any Shares covered by the Option unless and until the Option is exercised and the Shares covered by the exercise of the Option are issued in the name of the Participant. Except as otherwise specified, no adjustment shall be made for dividends or distributions of other rights for which the record date is prior to the date such Shares are issued.

5. Tax Withholding. The Company reserves the right to withhold, in accordance with applicable laws, from any consideration payable or property transferable to the Participant (including any Shares issuable to the Participant upon the exercise of the Option), any taxes required to be withheld by federal, state or local law as a result of the grant or exercise of the Option or the sale or other disposition of the Shares. If the amount of any consideration payable to the Participant is insufficient to pay such taxes or if no consideration is payable to the Participant, upon the request of the Company, the Participant will pay to the Company an amount sufficient for the Company to satisfy any federal, state or local tax withholding requirements

applicable to and as a condition to the exercise of the Option or the sale or other disposition of the Shares issued upon the exercise of the Option. The minimum required withholding obligations may be settled with the Shares.

6. Entire Agreement; Governing Law. This Award Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes any and all prior undertakings and agreements of the Company and the Participant with respect to the subject matter hereof. This Award Agreement may not be amended except by means of a writing signed by the Company and the Participant, and, for the avoidance of doubt, if any provision of the Plan that is incorporated by reference herein and applicable to the Option is amended, and such amendment would adversely affect the Participant's interest, then such amended provision shall not be given effect hereunder unless reflected in a writing signed by the Company and the Participant. This Award Agreement is governed by the internal substantive laws but not the choice of law rules of the State of Delaware.

7. No Guarantee of Continued Service. THE PARTICIPANT ACKNOWLEDGES AND AGREES THAT THIS AWARD AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREUNDER DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE IN ANY WAY WITH THE PARTICIPANT'S RIGHT OR THE RIGHT OF THE COMPANY TO TERMINATE THE PARTICIPANT'S RELATIONSHIP WITH THE COMPANY AT ANY TIME, WITH OR WITHOUT CAUSE.

8. Administration. The Option, this Award Agreement and the rights of the Participant hereunder are subject to such rules and regulations as the Committee may adopt for administration of the Plan. Consistent with Article 3 of the Plan, it is expressly understood that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate to the administration of the Option and this Award Agreement, all of which shall be binding upon the Participant and his successors.

9. Successors. This Agreement shall be binding upon, and inure to the benefit of, any successor or successors of the Company, the Participant and any beneficiary of the Participant.

10. Electronic Delivery of Documents. The Participant authorizes the Company and its affiliates to deliver electronically any prospectuses or other documentation related to the Option and any other compensation or benefit plan or arrangement in effect from time to time (including, without limitation, periodic reports, proxy statements or other documents that are required to be delivered to participants in such arrangements pursuant to federal or state laws, rules or regulations). For this purpose, electronic delivery will include, without limitation, delivery by means of e-mail or e-mail notification that such documentation is available on the Company's intranet site or the website of a third-party administrator designated by the Company. Upon written request, the Company will provide to the Participant a paper copy of any document also delivered to the Participant electronically. The authorization described in this paragraph may be revoked by the Participant at any time by written notice to the Company.

[Signature Page Follows]

The Participant hereby accepts the Option subject to all of the terms and provisions of this Award Agreement.

PARTICIPANT

MISTRAS GROUP, INC

_____ By: _____

Signature Page to Option Award Agreement — Eileen Coggins

MISTRAS GROUP, INC.
RESTRICTED STOCK UNIT CERTIFICATE

Granted To: Eileen Coggins

Total Units: 15,000 Grant Date: September 15, 2025

Vesting Dates: 1/3 on September 15 of 2026, 2027 and 2028

1. Award. In accordance with the Mistras Group, Inc. 2016 Long-Term Incentive Plan Amended and Restated as of March 27, 2024 (the “Plan”), Mistras Group, Inc. (the “Company”) has made an award to you of restricted stock units (the “RSUs”). Each RSU, upon vesting, will become one share of the Company’s common stock. The award and the RSUs are subject to the provisions of the Plan and, to the extent not prohibited by the Plan, the terms and conditions of this certificate. Capitalized terms that are used but not defined in this certificate shall have the meanings ascribed to them by the Plan.

2. Vesting of RSUs. Except as otherwise provided herein or the Plan, the Units will vest in three (3) equal annual installments, with 1/3 of the Units vesting on each of the dates set forth above. The vesting of the RSUs is cumulative, but shall not exceed 100% of the RSUs subject to this certificate. If the foregoing schedule will result in fractional shares, the number of RSUs that vest will be rounded down to the nearest whole RSU. The RSUs will fully vest on the third anniversary of the Grant Date if you are employed by or providing service to the Company on such date, except as otherwise provided in this certificate or the Plan. -All vesting is subject to your continuous employment or other service with the Company from the Grant Date until the applicable Vesting Date, except as otherwise provided in this certificate or in the Plan.

3. Termination of Employment; Forfeiture of Unvested RSUs. Unless the Committee, acting in its sole and absolute discretion, determines otherwise, upon the termination of your employment and other service with the Company (“Termination of Employment”), you will forfeit all right, title and interest in the unvested RSUs, unless your Termination of Employment is as a result of (i) your death or termination by the Company on account of your Disability, in which case Section 4 below shall control, (ii) termination by the Company other than for Cause, death or Disability or you resign for Good Reason, in which case Section 5 below shall control, or (iii) as expressly set forth in the Plan, such as in connection with a Change in Control.

4. Vesting Upon Death or Disability. Upon Termination of Employment by the Company following your Disability (as defined in your Employment Agreement) or death, all unvested RSUs shall vest and, in the case of your death, the shares represented by such RSUs shall be distributed to your heirs.

5. Termination without Cause/Resignation for Good Reason. Upon Termination of your Employment by the Company on account of any reason other than for Cause, death or your Disability or you resign for Good Reason as described in Section 11(a) of that certain employment agreement between the Company and you. dated September 15, 2025 (the

“Employment Agreement”), and provided that the conditions of Section 11(a) of the Employment Agreement are met, all unvested RSUs shall vest.

6. Transfer Restrictions. You may not sell, assign, transfer, pledge, hedge, hypothecate, encumber or dispose of in any way (whether by operation of law or otherwise) any unvested RSUs, and unvested RSUs shall not be subject to execution, attachment or similar process. Any attempt by you or any other person claiming against, through or under you to cause unvested RSUs to be transferred or assigned in any manner and for any purpose not permitted hereunder or under the Plan shall be null and void and without effect upon the Company, you or any other person.

7. No Ownership of Stock; No Dividends or Voting Rights. The RSUs do not represent shares of the Company’s common stock, and no dividends or other distributions will be payable on unvested RSUs, and you will not have any voting rights with respect to the unvested RSUs.

8. Issuance of Shares Upon Vesting. If, as and when any RSU becomes vested, and subject to the satisfaction of applicable withholding and other legal requirements, the vested RSU becomes void and you shall own one share of common stock of the Company for each vested RSU within sixty (60) days following the date that the RSUs become vested, unless a delay is required pursuant to Section 11.2 of the Plan.

9. Withholding. The vesting of RSUs covered by this certificate shall be subject to and conditioned upon the satisfaction by you of applicable tax withholding obligations. The Company may require you or you may elect, in accordance with procedures set up by the Committee, to remit an amount sufficient to satisfy applicable withholding taxes or deduct or withhold such amount from any payments otherwise owed to you. By accepting this award, you expressly authorizes the Company to deduct from any compensation or any other payment of any kind due to you, including withholding shares issued in exchange for vested RSUs, for the amount of any federal, state, local or foreign taxes required by law to be withheld in connection with the vesting of RSUs; provided, however, that the value of the RSUs withheld shall be at the minimum withholding amount required by law.

10. Provisions of the Plan and the Committee’s Authority Control. This certificate is subject to all the terms, conditions and provisions of the Plan, and to the rules, regulations and interpretations as may be established or made by the Committee acting within the scope of its authority and responsibility under the Plan. A copy of the Plan is available to you and may be obtained from the Company’s Corporate Secretary at the Company’s corporate headquarters. The applicable provisions of the Plan shall govern in any situation where this certificate is silent or where the applicable provisions of this certificate are contrary to or not reconcilable with such Plan provisions. The Committee shall have complete discretion in the exercise of its rights, powers, and duties with respect to the award represented by this certificate. Any interpretation or construction of any provision of, and the determination of any question arising under, this certificate shall be made by the Committee in its discretion and such exercise shall be final, conclusive, and binding.

11. No Employment Rights. Nothing contained herein or in the Plan shall confer upon you any right of continued employment or other service with the Company or interfere in any way with the right of the Company at any time to terminate your employment or other service with the Company or to increase, decrease or otherwise adjust your compensation and any other terms and conditions of your employment or other service.

12. Section 409A of the Code. Sections 9.4 and 11.2 of the Plan are hereby incorporated herein.

13. Successors. This certificate shall be binding upon, and inure to the benefit of, any successor or successors of the Company, you and any of your beneficiaries.

14. Entire Understanding. This certificate and the terms of the Plan constitute the entire terms of the award represented by this certificate and may not be amended, except as provided in the Plan, other than by a written instrument executed by the Company and you.

15. Governing Law. All rights and obligations under this certificate shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to its principles of conflict of laws.

[Signature page follows]

Mistras Group, Inc.

Eileen Coggins

By: _____

Signature Page to Restricted Stock Unit Certificate – Eileen Coggins

EMPLOYMENT AGREEMENT

This Employment Agreement (the "**Agreement**") is entered into on [DATE] between Mistras Group, Inc., a Delaware corporation (such entity or its successor, the "**Company**"), and Eileen Coggins ("**Executive**").

Recital

WHEREAS, this Agreement sets forth the terms and conditions of the Company's employment of Executive.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties agree as follows:

1. **Employment.** The Company shall employ Executive and Executive shall be employed by the Company upon the terms and conditions set forth in this Agreement.
2. **Term.** Executive's employment pursuant to this Agreement will commence on September 15, 2025 or such other date agreed between the parties (the "**Effective Date**") and will continue until terminated in accordance with Section 10 hereof.
3. **Position and Duties; Full Time Commitment.**

(a) Executive shall initially serve as the Executive Vice President and Chief Legal Officer of the Company, and then at such time as determined by the Company, but not later than by January 1, 2026, shall instead serve as the Executive Vice President, General Counsel and Secretary of the Company, and, in such positions, Executive will report to the President and Chief Executive Officer of the Company and carry out such duties and responsibilities as are customarily performed by persons in Executive's positions generally for public companies within the industry, and such other duties and responsibilities as the President and Chief Executive Officer or the Executive Chairman of the Company's Board of Directors may reasonably assign to Executive from time to time.

(b) Executive agrees to devote Executive's full business time and best efforts to the performance of Executive's duties and responsibilities hereunder and in furtherance of the Company's interests and will not engage in any other employment, consulting or business services; provided that Executive may engage in charitable activities so long as such activities do not interfere with the performance of Executive's duties and responsibilities hereunder.

4. **Company Policies.** Executive will comply with all policies of the Company in effect from time to time, including (without limitation) policies regarding ethics, personal conduct, stock ownership, securities trading, compensation clawbacks and hedging and pledging of securities.
5. **Place of Performance.** Executive will work at the Company's Princeton Junction, New Jersey headquarters; provided however, that Executive will be required to travel from time to time for business purposes.
6. **Salary.** Executive's position with the Company is a full-time exempt position. The Company will pay Executive a salary (the "**Base Salary**") at an initial annual rate of \$415,000, payable in accordance with the Company's standard payroll schedule and subject to applicable deductions and withholdings. The amount of the Base Salary shall be reviewed on an annual basis in conjunction with an annual performance assessment of Executive and may be increased or decreased from time to time by the Compensation Committee of the Company's Board of Directors (the "**Compensation Committee**").
7. **Annual Incentive Awards.**

(a) For each calendar year (other than calendar year 2025) during Executive's employment, Executive will have the opportunity to earn an annual incentive award under the Company's "executive annual incentive plan" (sometimes referred to as the "bonus plan") applicable to senior executives generally, with Executive's annual incentive target opportunity amount (and range of potential payouts, if any) for each calendar year (other than calendar year 2025) to be set by the Compensation Committee. Any annual incentive award that is earned by Executive will be payable consistent with the Company's regular payroll practices applicable to annual incentive awards for senior executives generally. The actual amount that will be earned will depend upon the extent to which performance targets established by the Compensation Committee under the bonus plan are or are not achieved. Except as otherwise expressly provided in Section 11(a), payment of any otherwise earned annual incentive award will be conditioned on Executive's continued employment with the Company through the date that annual incentive awards are paid to senior executives generally with respect to the applicable year.

(b) For calendar year 2025, Executive will have the opportunity to earn an annual incentive award under the Company's previously established "executive annual incentive plan" (sometimes, as noted above, referred to as the "bonus plan") applicable to senior executives generally for calendar year 2025, but with the amount of any payment on account thereof to be pro-rated and computed as follows: first, the target amount (prior to the following proration) shall be equal to 100% of the Base Salary (and with the actual award amount (the "nominal amount"), if any and prior to the following proration, ranging from 0 to 200% of the target amount, depending upon the extent to which performance targets previously established by the Compensation Committee under the annual incentive plan for calendar year 2025 are or are not achieved, and with the weightings among such performance targets applied in the same manner for Executive); and second, the actual payment amount, if any, shall be pro-rated to equal the product of the nominal amount multiplied by a fraction the numerator of which is the number of days from and including the Effective Date to and including December 31, 2025 and the denominator of which is three hundred sixty-five (365). Except as otherwise expressly provided in Section 11(a), payment of any otherwise earned annual incentive award for the 2025 calendar year will be conditioned on Executive's continued employment with the Company through the date that annual incentive awards are paid to senior executives generally with respect to the 2025 calendar year.

8. **Long-Term Equity Incentive Grants.**

(a) On the Effective Date, as a material inducement for Executive to accept employment with the Company, Executive shall be granted, on a one-time basis, a nonqualified stock option to purchase up to 25,000 shares of the Company's common stock, with an exercise price per share of the Company's common stock (a "**Share**") equal to the closing price of the Shares on the New York Stock Exchange on the grant date, which will be Executive's first day as an employee of the Company (collectively, the "**2025 Option**"), provided that the 2025 Option shall vest on the first anniversary of the Effective Date, conditioned upon the continued employment of Executive on such vesting date, except as otherwise provided in Section 11 below. Except as provided for in this Section 8(a) and in Section 11 below, the 2025 Option will be subject to the terms of a customary option agreement and approval by the Compensation Committee.

(b) On the Effective Date, as a material inducement for Executive to accept employment with the Company, Executive shall be granted, on a one-time basis, a contingent right that represents the right to receive up to fifteen thousand (15,000) Shares in the future (collectively, the "**Initial RSUs**"), provided that the Initial RSUs shall vest in three (3) equal installments on each of the first three (3) anniversary dates of the Effective Date, conditioned upon the continued employment of Executive on each such vesting dates, except as otherwise provided in Section 11 below. Except as provided for in this Section 8(b) and in Section 11 below, the Initial RSUs shall be subject to the terms of a customary restricted stock unit agreement and approval by the Compensation Committee.

(c) The Executive is eligible to participate in the Company's Long-Term Incentive Plan (as amended or replaced from time to time, the "**LTIP**"). For each calendar year (other than calendar year 2025) during Executive's employment, Executive will be eligible to receive a grant of performance-based equity, which, as

of the Effective Date, is contemplated to be in the form of performance-based Restricted Stock Unit Awards ("**Performance-Based RSUs**") under the LTIP as in effect from time to time. Executive's performance-based target equity opportunity amount (and range of potential payouts, if any) for each calendar year (other than calendar year 2025) will be set by the Compensation Committee and will be dependent upon the extent to which performance targets established by the Compensation Committee are or are not achieved for such year. The Compensation Committee shall establish all terms and conditions and make all determinations regarding such equity incentive award opportunity, consistent with the terms of the LTIP, which in all events shall control.

(d) For calendar year 2025, Executive will be eligible to receive a number of performance-based Restricted Stock Units under the LTIP as follows: first, any issuance of Restricted Stock Units to Executive for calendar year 2025 ("**2025 RSUs**") will be contingent upon, and a direct function of, the extent to which the previously established performance targets applicable to performance-based equity for senior executives generally for calendar year 2025 are or are not achieved (and with the weightings among such performance targets applied in the same manner for Executive); second, the target dollar amount of the 2025 RSUs (prior to the following proration) shall be equal to 100% of the Base Salary (and with the actual award amount, if any and prior to proration, ranging from 0 to 200% of the target dollar amount, depending upon the extent to which such previously established performance targets for calendar year 2025 are or are not achieved); third, the actual award amount (the "nominal amount"), if any, shall be pro-rated to equal the product of the nominal amount multiplied by a fraction the numerator of which is the number of days from and including the Effective Date to and including December 31, 2025 and the denominator of which is three hundred sixty-five (365); and fourth, the resulting dollar amount shall be converted into a number of earned 2025 RSUs using the Company's valuation methodology for conversions generally applicable to other senior executives.

(e) Any earned 2025 RSUs shall vest in four equal installments on each of the first four anniversary dates of the Earned Date (as defined below), subject to the continued employment of Executive on such vesting dates and except as otherwise provided in Section 11 and the LTIP. Except as provided for in this Section 8(e) and in Section 11 below, the Performance-Based RSUs and 2025 RSUs shall be subject to the terms of the LTIP, including Article 6 and Article 9 thereof. The "**Earned Date**" in respect of Performance-Based RSUs and 2025 RSUs, as applicable, shall be the date on which the Committee (as defined in the LTIP) or its designee has determined the achievement levels in respect thereof.

(f) Each equity award described herein will be subject to additional terms and conditions, not inconsistent with this Agreement, as specified by the administrator of the applicable equity plan and memorialized in a separate award agreement.

9. **Benefits; Business Expenses.**

(a) Executive shall be entitled to participate in Company benefit plans that are generally available to other employees of the Company of similar rank and tenure, in accordance with and subject to the terms and conditions of such plans, as in effect from time to time. Executive shall be eligible to enroll in the Company's medical, dental, prescription drug and vision plan effective as of Executive's first day of employment with the Company, in accordance with the terms of such plans, and also to enroll in the Company's supplemental life insurance and dependent life insurance plans, in each case, in accordance with the terms of the applicable plans. Moreover, on the first day of the month following three (3) months of continuous employment, Executive may elect to participate in the Company's 401(k) Salary Savings plan. Executive will be eligible for vacation under the Paid Time Off Policy for other Company executives. In addition, as of the date of this Agreement, the Company offers eligible employees basic life insurance, accidental death and dismemberment (AD&D) insurance, short-term and long-term disability insurance and identity theft protection at no additional cost. Notwithstanding the foregoing, Executive will not participate in the Company's Executive Severance Plan nor any other severance plan, policy or arrangement maintained by the Company or its affiliates.

(b) The Company will pay or reimburse Executive for all reasonable business expenses incurred or paid by Executive in the performance of Executive's duties and responsibilities for the Company in accordance with the expense reimbursement policies of the Company, as may be amended from time to time.

(c) For each calendar year during Executive's employment, Executive shall receive an annual vehicle allowance of \$10,100, which shall be paid ratably in accordance with the Company's standard payroll schedule and subject to applicable deductions and withholdings; provided that the annual vehicle allowance will be pro-rated for calendar year 2025. Executive acknowledges that (except for "excess business mileage" and parking and toll expenses incurred in business travel-related outside of normal commuting, which shall be reimbursable in accordance with Section 9(b)) the annual vehicle allowance is inclusive of all fuel, insurance, maintenance and other costs and expenses associated with Executive's acquisition (whether by lease or otherwise) and maintenance of Executive's selected vehicle and that payments on account of the annual vehicle allowance may result in Executive's receipt of additional taxable income.

10. **Termination.**

(a) Executive's employment hereunder shall terminate on the earliest of: (i) on the date set forth in a written notice to Executive from the Company that Executive's employment with the Company has been or will be terminated, (ii) on the date not less than thirty (30) days following written notice from Executive to the Company that Executive is resigning from the Company, (iii) on the date of Executive's death, or (iv) on the date set forth in a written notice to Executive from the Company that Executive's employment is terminated on account of Executive's Disability, as determined by the Company. Notwithstanding the foregoing, in the event that- Executive gives notice of termination to the Company, the Company may unilaterally accelerate the date of termination and such acceleration shall not constitute a termination by the Company for purposes of this Agreement.

(b) Upon cessation of Executive's employment for any reason, unless otherwise consented to in writing by the Company, Executive will resign immediately from any and all officer, director and other positions Executive then holds with the Company and its affiliates and agrees to execute such documents as may be requested by the Company to confirm that resignation.

(c) Upon any cessation of Executive's employment with the Company, Executive will be entitled only to such compensation and benefits as described in Section 11 below.

(d) Executive agrees that, following any cessation of Executive's employment and subject to reimbursement of Executive's reasonable expenses, Executive will cooperate with the Company and its counsel with respect to any matter (including litigation, investigations, or governmental proceedings) in which Executive was in any way involved during Executive's employment with the Company. Executive agrees to render such cooperation in a timely manner on reasonable notice from the Company, provided the Company exercises reasonable efforts to limit and schedule the need for Executive's cooperation so as not to materially interfere with Executive's other professional obligations.

(e) Executive agrees that, upon any cessation of Executive's employment, Executive will deliver to the Company (and will not retain in Executive's possession or control, or deliver to anyone else) all property and equipment of the Company, including without limitation (i) all keys, books, records, computer hardware, software, cellphones, access cards, credit cards and identification, and (ii) all other Company materials (including copies thereof), including without limitation any records, data, notes, reports, proposals, lists or correspondence.

11. **Rights Upon Termination.**

(a) **Termination without Cause or Resignation for Good Reason.** If Executive's employment by the Company ceases due to a termination by the Company without Cause (as defined in Section 14) or a resignation by Executive for Good Reason (as defined in Section 14):

(i) the Company shall pay to Executive all accrued and unpaid Base Salary through the date of such cessation of employment at the time such Base Salary would otherwise be paid according to the Company's usual payroll practices;

(ii) the Company shall pay to Executive any business expenses that were incurred prior to the date of such cessation of employment but not reimbursed and that are otherwise eligible for reimbursement;

(iii) to the extent then unpaid, the Company shall pay to Executive the annual incentive award (if any) earned with respect to the calendar year ended immediately prior to the date of such cessation of employment;

(iv) the Company shall make twelve (12) monthly severance payments to Executive, with each payment equal to one-twelfth (1/12) of the Base Salary as in effect immediately prior to such cessation of employment (or, if such cessation is due to the Good Reason described in clause (ii) of that definition, the Base Salary in effect immediately prior to such material diminution); provided, however, if the cessation of Executive's employment with the Company is due to a termination by the Company without Cause or a resignation by Executive for Good Reason occurs within ninety (90) days preceding or twelve (12) months after the date of a Change in Control, then in lieu of the foregoing, the number of monthly severance payments shall be changed to eighteen (18), with each payment equal to one-eighteenth (1/18) of 150% of the Base Salary as in effect immediately prior to such cessation of employment (or, if such cessation is due to the Good Reason described in clause (ii) of that definition, the Base Salary in effect immediately prior to such material diminution).

(v) the Company shall pay to Executive a lump sum cash payment equal to a pro rata portion of the annual incentive award, if any, that Executive would have earned for the calendar year of Executive's termination based on achievement of the applicable performance targets for such year (the "**Terminal Award**") and, for the avoidance of doubt, if and to the extent that any portion of such achievement is based on subjective or judgmental factors, the Compensation Committee's determination of the extent of such achievement (if any) shall be final and binding. The pro-rated portion of the Terminal Award shall be determined by multiplying the Terminal Award by a fraction, the numerator of which is the number of days during which Executive was employed by the Company in the calendar year of Executive's termination of employment and the denominator of which is three hundred sixty-five (365). Notwithstanding the foregoing, if the cessation of Executive's employment with the Company is due to a termination by the Company without Cause or a resignation by Executive for Good Reason occurs within ninety (90) days preceding or twelve (12) months after the date of a Change in Control, then in lieu of the foregoing, Executive shall receive 1.50 times Executive's "base amount," which "base amount" for Executive as of the Effective Date shall mean Executive's annual incentive award target amount for the calendar year of Executive's termination of employment; provided, however, that the formulation of the "base amount" is subject to change if the formulation for the base amount for similarly situated executives who experience a qualifying termination within a specified time window of a Change in Control is hereafter changed to something other than "annual incentive award target amount" for the calendar year of employment termination. Unless the payment is required to be delayed pursuant to Section 12 below, the payment shall be made on the date that annual incentive awards are paid to similarly situated executives (or if later, the Settlement Date (as defined below)), but in no event later than two-and-a-half months following the end of the calendar year in which Executive's termination date occurs.

(vi) if, immediately before the cessation of Executive's employment, Executive participates (other than pursuant to COBRA) in a Company group health plan, then, for the twelve (12) months following the date of such cessation (or, if sooner, if Executive becomes eligible to obtain coverage under another employer plan), the Company will provide COBRA continuation coverage under such plan to Executive and Executive's spouse at the Company's expense, if and to the extent they or either of them shall have elected and shall be entitled to receive COBRA continuation coverage, and Executive shall provide immediate notice to the

Company of such election and the date of such entitlement. If Executive is employed with an employer who provides healthcare benefits to its employees, and Executive is eligible to enroll in such healthcare benefits at any time during the severance twelve (12) month period, the Company shall no longer cover the cost of COBRA under this section when Executive first becomes eligible for such benefits and Executive shall be responsible for the full cost of COBRA benefits if Executive continues on COBRA. Executive shall notify the Company if Executive becomes employed as provided in the previous sentence within two (2) weeks of such employment. The Company may impute income to Executive in an amount determined by the Company, in its sole discretion, to the extent the Company determines that such imputation of income is necessary to mitigate the risk of penalties and/or taxes to Executive or the Company, or to otherwise comply with applicable law; and

(vii) Executive will immediately vest solely in (1) all of the 2025 Option and the Initial RSUs that have not vested on such cessation date and (2) those Performance-Based RSUs and/or 2025 RSUs earned prior to the date of such cessation of employment and that (but for such cessation of employment) are scheduled to vest during (but not after) the one-year period following such cessation date; and, except as provided in the foregoing clauses (1) and (2), all other unvested and/or unearned Shares and equity-based awards then held by Executive will remain outstanding and held in suspense for ninety (90) days following such termination and (I) if a Change of Control occurs within such ninety (90) day period, then, in such circumstances only, those Shares and equity-based incentive awards shall become fully vested, with any performance-based equity awards then otherwise subject to an open performance period (as of the later of the termination or Change in Control) being deemed earned at the target amount established by the Company in connection with the grant of the applicable performance-based equity awards and (II) if a Change of Control does not occur within such ninety (90) day period, those Shares and equity-based awards shall be forfeited on such ninetieth (90th) day.

Except as and solely to the extent otherwise provided in this Section 11(a), all compensation and benefits will cease at the time of Executive's cessation of employment and the Company will have no further liability or obligation by reason of such cessation of employment. The payments and benefits described in this Section 11(a) are in lieu of, and are not in addition to, any other severance plans, policies or arrangements maintained by the Company, including but not limited to severance arrangements in Company plans applicable to other executives. Notwithstanding any provision of this Agreement, the payments and benefits described in Section 11(a)(iii) - 11(a)(vii) are conditioned on Executive's execution and delivery to the Company and the expiration of all applicable statutory revocation periods, by the 60th day following the effective date of Executive's cessation of employment, of a general release of claims against the Company and its affiliates in a form and manner satisfactory to the Company (the "**Release**") and on Executive's continued compliance with the provisions of Section 15 below.

Subject to Section 12 below (to the extent applicable) and provided the Release requirement described above has been timely satisfied: (x) the payment described in Section 11(a)(iii) will be paid on the later of the sixty- fifth (65) day following Executive's cessation of employment (the "**Settlement Date**") or the date such annual incentive award would have otherwise been paid, absent Executive's cessation of employment, but in no event later than March 15 of the year following the year to which such annual incentive award relates; and (y) the payments described in Section 11(a)(iv) will commence to be paid on the Settlement Date, provided that the initial payment will include any payments that, but for the above-described timing rule, would have otherwise been paid since the date of Executive's related cessation of employment.

(b) **Other Terminations.** If Executive's employment with the Company ceases for any reason other than as described in Section 11(a) above (including but not limited to (i) termination by the Company for Cause, (ii) resignation by Executive without Good Reason, (iii) termination as a result of Executive's Disability (as defined in Section 14), or (iv) Executive's death), then the Company's obligation to Executive will be limited solely to the payment of accrued and unpaid Base Salary through the date of such cessation of employment and payment of any business expenses that were previously incurred but not reimbursed and are

otherwise eligible for reimbursement. Except as otherwise provided by COBRA, all compensation and benefits will cease at the time of such cessation of employment and the Company will have no further liability or obligation by reason of such termination; and, for the avoidance of doubt, all unvested and/or unearned equity and equity-based awards then held by Executive (including, without limitation, the 2025 Option, Initial RSUs, 2025 RSUs and Performance-Based RSUs) will be forfeited; provided, however, that notwithstanding the foregoing, but without limiting Section 11(a), if Executive's employment with the Company ceases as a result of a termination by the Company as a result of Executive's Disability or because of Executive's death then any then unvested Initial RSUs shall thereupon vest. The foregoing will not be construed to limit Executive's right to payment or reimbursement for claims incurred prior to the date of such termination under any insurance contract funding an employee benefit plan or arrangement of the Company in accordance with the terms of such insurance contract.

12. **Section 409A.**

(a) The parties intend for this Agreement to comply with or be exempt from Section 409A of the Code, and all provisions of this Agreement will be interpreted and applied accordingly. Nonetheless, the Company does not guaranty the tax treatment of any compensation payable to Executive.

(b) Notwithstanding anything to the contrary in this Agreement, to the extent necessary to facilitate compliance with Section 409A of the Code, no portion of the benefits or payments to be made under Section 11(A) above will be payable until Executive has a "separation from service" from the Company within the meaning of Section 409A of the Code. In addition, to the extent compliance with the requirements of Treas. Reg. § 1.409A-3(i)(2) (or any successor provision) is necessary to avoid the application of an additional tax under Section 409A of the Code to payments due to Executive upon or following Executive's "separation from service," then notwithstanding any other provision of this Agreement (or any otherwise applicable plan, policy, agreement or arrangement), any such payments that are otherwise due within six months following Executive's "separation from service" (taking into account the preceding sentence of this paragraph) will be deferred without interest and paid to Executive in a lump sum immediately following that six month period. This paragraph should not be construed to prevent the application of Treas. Reg. § 1.409A-1(b)(9)(iii) (or any successor provision) to amounts payable hereunder. For purposes of the application of Section 409A of the Code, each payment under this Agreement is a separate payment and each payment in a series of installments will be deemed a separate payment.

(c) Notwithstanding anything in this Agreement to the contrary, to the extent an expense, reimbursement or in-kind benefit provided to Executive pursuant to this Agreement or otherwise constitutes a "deferral of compensation" within the meaning of Section 409A of the Code: (i) the amount of expenses eligible for reimbursement or in-kind benefits provided to Executive during any calendar year will not affect the amount of expenses eligible for reimbursement or in-kind benefits provided to Executive in any other calendar year, (ii) the reimbursements for expenses for which Executive is entitled to be reimbursed shall be made on or before the last day of the calendar year following the calendar year in which the applicable expense is incurred, and (iii) the right to payment or reimbursement or in-kind benefits hereunder may not be liquidated or exchanged for any other benefit.

13. **Section 280G.** Notwithstanding any contrary provision of this Agreement (or any plan, policy, agreement or other arrangement covering Executive), if any payment, right or benefit paid, provided or due to Executive, whether pursuant to this Agreement or otherwise (each, a "**Payment**," and collectively, the "**Total Payments**"), would subject Executive to the excise tax imposed by Section 4999 of the Code (the "**Excise Tax**"), then the Total Payments will be reduced to the minimum extent necessary to avoid the imposition of the Excise Tax, but only if (i) the amount of such Total Payments, as so reduced, is greater than or equal to (ii) the amount of such Total Payments without reduction (in each case, determined by the Company on an after-tax basis). Any reduction of the Total Payments required by this paragraph will be implemented by determining the Parachute Ratio (as defined below and determined by the Company) for each Payment and then by reducing the Payments in order, beginning with the Payment with the highest Parachute Ratio. For Payments with the same Parachute Ratio, later Payments will be reduced before earlier Payments. For

Payments with the same Parachute Ratio and the same time of payment, each Payment will be reduced proportionately. For purposes of this paragraph, "**Parachute Ratio**" means a fraction,

(x) the numerator of which is the value of the applicable Payment, as calculated for purposes of Section 280G of the Code, and (y) the denominator of which is the economic value of the applicable Payment.

14. **Certain Definitions.** For purposes of this Agreement:

(a) "**Cause**" means any of the following: (i) failure of Executive to perform Executive's duties and responsibilities to the Company (other than by reason of Executive's physical or mental illness, incapacity or disability), which has continued for more than thirty (30) days following written notice of such non-performance from the Company; (ii) misconduct by Executive in connection with the performance of Executive's duties and responsibilities to the Company, including, without limitation, a breach of fiduciary duties or a misappropriation of funds or property; (iii) the commission by Executive of any felony; (iv) the commission by Executive of a misdemeanor involving moral turpitude, deceit, dishonesty or fraud; (v) any conduct by Executive that would reasonably be expected to result in injury or reputational harm to the Company or any of its subsidiaries and affiliates;

(vi) a breach by Executive of any agreement with the Company or its affiliates, which breach is not cured (if curable) within thirty (30) days after the delivery of written notice thereof (provided that if any such agreement includes a cure period and if such cure period is less than thirty (30) days, such shorter cure period shall apply); (vii) a violation by Executive of the Company's written employment policies, which violation is not cured (if curable) within thirty

(30) days after the delivery of written notice thereof (provided that if any such policies include a cure period and if such cure period is less than thirty (30) days, such shorter cure period shall apply); or (viii) Executive's failure to cooperate with a *bona fide* internal investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the Company to cooperate, or the willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the inducement of others to fail to cooperate or to produce documents or other materials in connection with such investigation. In regard to each of those clauses in this definition of "Cause" that afford Executive a "cure right," such cure right shall apply solely to the first failure, breach or violation by Executive that gives rise to the cure right and shall not apply to any repeat or subsequent failure, breach or violation involving similar actions or omissions, whether or not related to the first failure, breach or violation. For avoidance of doubt, a termination of Executive's employment due to Executive's Disability will not constitute a termination without Cause.

(b) "**Change in Control**" has the meaning given to this term in the Company's 2016 Long-Term Incentive Plan, as in effect on the Effective Date.

(c) "**Code**" means the Internal Revenue Code of 1986, as amended.

(d) "**Disability**" means a condition entitling Executive to benefits under the Company's long term disability plan, policy or arrangement; provided, however, that if no such plan, policy or arrangement is then maintained by the Company and applicable to Executive, "**Disability**" will mean Executive's inability to perform Executive's duties under this Agreement due to a mental or physical condition (other than alcohol or substance abuse) that can be expected to result in death or that can be expected to last (or has already lasted) for a continuous period of 90 days or more, or for 120 days in any 180 consecutive-day period. Termination as a result of a Disability will not be construed as a termination by the Company "without Cause."

(e) "**Good Reason**" means: (i) a reduction in the Base Salary that exceeds ten percent (10%) of the Base Salary as in effect immediately prior to the reduction (excluding, however, the impact of across-the-board salary reductions similarly affecting other senior executives of the Company); (ii) an annual cash incentive target opportunity amount set at less than 40% of the Base Salary (excluding however the impact of across-the-board reductions to annual incentive target opportunity amounts similarly affecting other senior executives of the Company); (iii) an annual equity incentive target opportunity amount (as measured using the same valuation methodology generally applicable to other senior executives) set at less than 70% of Base Salary (excluding,

however, the impact of across-the-board reductions to equity incentive target opportunity amounts similarly affecting other senior executives of the Company); (iv) a Company mandated relocation of Executive's principal place of employment to a location that is more than 50 miles from Princeton Junction, New Jersey; or (v) the material breach of this Agreement by the Company; provided, however, that no such event will constitute Good Reason unless (x) Executive provides the Company with written objection to such event within thirty (30) days after the initial occurrence thereof, (y) such event is not reversed or corrected by the Company within thirty (30) days of its receipt of such written objection, and (z) Executive separates from service within thirty (30) days following the expiration of that cure period.

15. **Restrictive Covenants.**

(a) **Access to Secret and Confidential Information.** The Company has furnished and shall furnish to Executive secret and confidential information with respect to the Company and its affiliates (collectively "**Secret and Confidential Information**"), to which Executive would not otherwise have access and of which Executive would not otherwise have knowledge. Secret and Confidential Information includes, without limitation, technical and business information, whether patentable or not, which is of a confidential, trade secret or proprietary character, and which is either developed by Executive alone, with other or by others;

lists of customers; identity of customers; identity of prospective customers; contract terms; bidding information and strategies; pricing methods or information; computer software; computer software methods and documentation; hardware; methods of operation; the procedures, forms and techniques used in servicing accounts; and other information or documents that the Company or any of its affiliates requires to be maintained in confidence for its or their continued business success.

(b) **Non-Disclosure of Secret and Confidential Information.**

(i) Executive shall not, during the period of Executive's employment with the Company or at any time thereafter, disclose to anyone, including, without limitation, any person, firm, corporation, or other entity, or publish, or use for any purpose, any Secret and Confidential Information, except as properly required in the ordinary course of the Company's business or as directed and authorized by the Company or as required by court order, law or subpoena, or other legal compulsion to disclose, it being understood that information that is known generally in the industry or is otherwise available to the public (other than as a result of a violation of Executive's obligation under this Section 15), shall not be considered Secret and Confidential Information.

(ii) Notwithstanding the foregoing, pursuant to 18 U.S.C. Section 1833(b), Executive shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that: **(A)** is made in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or **(B)** is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

(iii) Similarly, notwithstanding anything herein to the contrary, Executive understands that this Agreement will not (1) prohibit Executive from making reports of possible violations of federal law or regulation to any governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934, as amended, or Section 806 of the Sarbanes-Oxley Act of 2002, or of any other whistleblower protection provisions of federal law or regulation, or (2) require notification or prior approval by the Company of any such report; provided that, Executive is not authorized to disclose communications with counsel that were made for the purpose of receiving legal advice or that contain legal advice or that are protected by the attorney work product or similar privilege.

(c) **Duty to Return Company Documents and Property.** Upon the termination of Executive's employment with the Company for any reason, Executive shall immediately return and deliver to the Company any and all papers, books, records, documents, memoranda and manuals, e-mail, electronic or magnetic

recordings or data, including all copies thereof, belonging to the Company or relating to its business, in Executive's possession or control, whether prepared by Executive or others. If at any time after the termination of employment, Executive determines that Executive has any Secret and Confidential Information in Executive's possession or control, Executive shall immediately return to the Company all such Secret and Confidential Information, including all copies and portions thereof.

(d) **Inventions.** Any and all writings, computer software, inventions, improvements, processes, procedures and/or techniques which Executive may make, conceive, discover, or develop, either solely or jointly with any other person or persons, at any time during the term of Executive's employment, whether at the request or upon the suggestion of the Company or otherwise, which relate to or are useful in connection with any business now or hereafter carried on or contemplated by the Company, including developments or expansions of its present fields of operations, shall be the sole and exclusive property of the Company. Executive shall take all actions necessary so that the Company can prepare and present applications for copyright or letters patent therefor, and can secure such copyright or letters patent wherever possible, as well as reissue renewals, and extensions thereof, and can obtain the record title to such copyright or patents. Executive shall not be entitled to any additional or special compensation or reimbursement regarding any such writings, computer software, inventions, improvements, processes, procedures and techniques. Executive acknowledges that the Company from time to time may have agreements with other persons or entities which impose obligations or restrictions on the Company regarding inventions made during the course of work thereunder or regarding the confidential nature of such work. Executive shall be bound by all such obligations and restrictions and take all action necessary to discharge the obligations of the Company.

(e) **Non-Solicitation and Non-Competition Restrictions.** To protect the Company's Secret and Confidential Information, and in the event of Executive's termination of employment for any reason whatsoever, whether by Executive or the Company, Executive will be subject to the following restrictive covenants during and for the stated period following the termination of Executive's employment.

(i) **Non-Competition.** During Executive's employment by the Company and for twelve (12) months following the cessation of Executive's employment with the Company for any reason, or eighteen (18) months if the cessation of Executive's employment occurs within ninety (90) days preceding or twelve (12) months after the date of a Change in Control, Executive shall not, without the prior written consent of the Company, knowingly or intentionally (1) personally engage in Competitive Activities (as defined below) or (2) work for, own, manage, operate, control, or participate in the ownership, management, operation, or control of, or provide consulting or advisory services to, any person, partnership, firm, corporation, institution or other entity engaged in Competitive Activities, or any company or person affiliated with such person or entity engaged in Competitive Activities; provided that Executive's purchase or holding, for investment purposes, of securities of a publicly traded company shall not constitute "ownership" or "participation in the ownership" for purposes of this paragraph so long as such equity interest in any such company is not more than 2% of the value of the outstanding stock or 2% of the outstanding voting securities of said publicly traded company. For the avoidance of doubt, this Section 15(e)(i) shall not prohibit Executive from being employed by, or providing services to, a consulting firm, provided that Executive does not personally engage in Competitive Activities or provide consulting or advisory services to any individual, partnership, firm, corporation, institution or other entity engaged in Competitive Activities, or any person entity affiliated with such individual, partnership, firm, corporation, institution or other entity engaged in Competitive Activities

(ii) **Competitive Activities.** For the purposes hereof, the term "**Competitive Activities**" means activities relating to products or services of the same or similar type as the products or services which are sold (or, pursuant to an existing business plan, will be sold) to paying customers of the Company or any of its subsidiaries. Notwithstanding the previous sentence, an activity shall not be treated as a Competitive Activity if the geographic marketing area of the relevant products or services does not overlap with the geographic marketing area for the applicable products and services of the Company and its subsidiaries

(iii) **Interference With Business Relations.** For twelve (12) months following the cessation of Executive's employment with the Company for any reason, or eighteen (18) months if the cessation of

Executive's employment occurs within ninety (90) days preceding or twelve (12) months after the date of a Change in Control, Executive shall not, without the prior written consent of the Company, knowingly or intentionally, directly or indirectly: (1) recruit, induce or solicit any individual who is or who, within the preceding six (6) months, was a non-clerical employee of the Company (including any of its subsidiaries) for employment or for retention as a consultant or service provider, or hire any such individual; or (2) solicit or induce any client, customer, or prospect of the Company (including any subsidiary of the Company) (x) to cease being, or not to become, a customer of the Company (or any such subsidiary), or (y) to divert any business of such customer or prospect from the Company (or any such subsidiary).

(f) **Reformation.** If a court concludes that any time period and/or the geographic area specified in Section 15(e) is unenforceable, then the time period will be reduced by the number of months, or the geographic area will be reduced by the elimination of the overbroad portion, or both, as the case may be, so that the restrictions may be enforced in the geographic area and for the time to the fullest extent permitted by law.

(g) **Remedies.** Executive acknowledges and agrees that, in view of the nature of the Company's business, the restrictions contained in this Section 15 of the Agreement are reasonable and necessary to protect the Company's legitimate business interests and that any violation of these restrictions would result in irreparable injury to the Company. In the event of a breach or a threatened breach by Executive of any restrictive covenant contained

herein, the Company shall be entitled to a temporary restraining order and injunctive relief restraining Executive from the commission of any breach, and to recover the Company's attorneys' fees, costs and expenses related to the breach or threatened breach. Nothing contained herein shall be construed as prohibiting the Company from pursuing any other remedies available to it for any breach or threatened breach, including, without limitation, the other remedies specified in this Agreement and/or the recovery of money damages, attorneys' fees, and costs. These covenants and restrictions shall each be construed as independent of any other provisions in the Agreement, and the existence of any claim or cause of action by Executive against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of such covenants and restrictions.

(h) **Severability.** Should a court determine that any paragraph or sentence, or any portion of a paragraph or sentence of this Section 15 is invalid, unenforceable or void, this determination shall not have the effect of invalidating the remainder of the paragraph, sentence or any other provision of this Section 15. Further, it is intended that the court should construe this Section 15 by limiting and reducing it only to the extent necessary to be enforceable under then applicable law, taking into account the intent of the parties.

(i) **Future Employment.** If, before the expiration of the period covered by Section 15(e)(iii) hereof, Executive seeks or is offered employment or engagement by any other company, firm, person or entity, Executive shall provide a copy of this Section 15 to the prospective service recipient before accepting employment with that prospective employer.

16. **No Duty to Mitigate.** Except as otherwise specifically provided herein, Executive's entitlement to payments or benefits upon or following the termination of Executive's employment will not be subject to mitigation or a duty to mitigate by Executive.

17. **No Conflicting Agreements.** Executive represents and warrants that Executive is not a party to or otherwise bound by any agreement or restriction that could conflict with, or be violated by, the performance of Executive's duties to the Company or Executive's obligations under this Agreement. Executive will not use or misappropriate any intellectual property, trade secrets or confidential information belonging to any third party.

18. **Taxes.** All compensation payable to Executive is subject to reduction to reflect applicable withholding and payroll taxes and other deductions required by law. Executive hereby acknowledges that the Company does not have a duty to design its compensation policies in a manner that minimizes Executive's tax liabilities, and Executive does not make any claim against the Company or its board of directors related to tax liabilities arising from Executive's compensation.

19. **Entire Agreement; Assignment; Amendment.**

(a) This Agreement, including the exhibits, schedules and other documents referred to herein, constitutes the final and entire agreement of the parties with respect to the matters covered hereby and supersedes any prior and/or contemporaneous agreements, arrangements discussions, negotiations, representations or understandings (whether written, oral or implied) relating to the subject matter hereof; and, for the avoidance of doubt, Executive confirms there are no agreements, arrangements, discussions, negotiations, representations or understandings between Executive and the Company, or any affiliates of the Company, not referred to herein.

(b) The rights and obligations of Executive hereunder are personal and may not be assigned. The Company may assign this Agreement, and its rights and obligations hereunder, to any entity to which the Company transfers substantially all of its assets (or an affiliate thereof). Notwithstanding any other provision of this Agreement, any such assignment of this Agreement by the Company will not entitle Executive to severance benefits under Section 11(a) or otherwise, whether or not Executive accepts employment with the assignee.

(c) This Agreement may be amended or modified only by a written instrument signed by a duly authorized officer of the Company and Executive.

20. **Arbitration.** In the event of any dispute under the provisions of this Agreement or otherwise regarding Executive's employment or compensation (other than a dispute in which the primary relief sought is an injunction or other equitable remedy, such as an action to enforce compliance with Section 15), the parties shall be required to have the dispute, controversy or claim settled by arbitration in Princeton Junction, New Jersey in accordance with the National Rules for the Resolution of Employment Disputes then in effect of the American Arbitration Association ("**AAA**"), by one arbitrator mutually agreed upon by the parties (or, if no agreement can be reached within thirty

(30) days after names of potential arbitrators have been proposed by the AAA, then by one arbitrator having relevant experience who is chosen by the AAA). Any award or finding will be confidential. The arbitrator may not award attorneys' fees to either party unless a statute or contract at issue specifically authorizes such an award. Any award entered by the arbitrators will be final, binding and non-appealable and judgment may be entered thereon by either party in accordance with applicable law in any court of competent jurisdiction. This arbitration provision will be specifically enforceable. Each party will be responsible for its own expenses relating to the conduct of the arbitration (including reasonable attorneys' fees and expenses) and will share equally the fees of the arbitrator.

21. **Notices.** All notices, demands or other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered in person, by e-mail or fax, by United States mail, certified or registered with return receipt requested, or by a nationally recognized overnight courier service, or otherwise actually delivered: (a) if to Executive, at the most recent address contained in the Company's personnel files; (b) if to the Company, to the attention of its Legal Department at the address of its principal executive office; or (c) or at such other address as may have been furnished by such person in writing to the other party. Any such notice, demand or communication shall be deemed given on the date given, if delivered in person, e-mailed or faxed, on the date received, if given by registered or certified mail, return receipt requested or by overnight delivery service, or three days after the date mailed, if otherwise given by first class mail, postage prepaid.

22. **Headings.** The headings of the sections of this Agreement are inserted for convenience only and shall not affect the meaning of this Agreement.

23. **Governing Law.** This Agreement shall be governed by and construed in accordance with the internal laws of the State of New Jersey, without regard to its choice of law provisions.

24. **Counterparts.** This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but all of which taken together will constitute one and the same Agreement.

[Signature Page Follows]

This Agreement has been executed and delivered on the date first above written.

MISTRAS GROUP, INC.

By:

Name:

Title: President and Chief Executive Officer

EXECUTIVE

Eileen Coggins

Eileen Coggins

**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: November 6, 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: November 6, 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 September 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: November 6, 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)