

Air Industries Group
Third Quarter 2025 Conference Call
November 17, 2025

Presenters

Luciano Melluzzo - President & CEO

Scott Glassman - CFO, Principal Accounting Officer & Secretary

Operator

Hello, and welcome to the Air Industries Group Third Quarter 2025 Earnings Conference Call. At this time, all participants are on a listen only mode. A brief question and answer session will follow the formal presentation. If you would like to ask a question during that time, please press star, one on your telephone keypad. If you require operator assistance during the conference, please press star, zero.

This call may contain forward-looking statements as defined in Section 27A of the Securities Act of 1933 as amended, including statements regarding, among other things, the company's business strategy and growth strategy. Expressions which identify forward-looking statements speak only as of the date the statement is made. These forward-looking statements are based largely on our company's expectations and are subject to a number of risks and uncertainties, some of which are beyond our control and cannot be predicted or quantified.

Future developments and actual results could differ materially from those set forth and contemplated by or underlying the forward-looking statements. In light of these risks and uncertainties, there can be no assurance that the forward-looking information will prove to be accurate. This call does not constitute an offer to purchase any securities nor a solicitation of a proxy, consent, authorization or agent designation with respect to a meeting of the company's shareholders.

At this time, I would like to turn the call over to Lou Melluzzo, President and CEO. Please go ahead, sir.

Luciano Melluzzo

Thank you, Donna. Good morning. Before we begin, I'd like to note that, given the level of detail in our press release and Form 10-Q, we'll keep our prepared remarks brief. We will, of course, take a few questions at the end if anybody has them.

Now on to the numbers, but before I turn the call over to Scott, I do want to let you know that, on our consolidated balance sheet, we are reflecting all of our credit facility and subordinated debt as current. Our credit facility matures at the end of December of 2025, and our related party subordinated notes mature on July 1, 2026. At this time, I can't comment further other than to say that the company is actively engaged in a constructive discussion with all lenders regarding

potential refinancing or extension of these obligations. I encourage you to refer to our Form 10-Q for more details on the status of these notes and related disclosures.

With that, I'll turn the call over to Scott for the numbers. Scott?

Scott Glassman

Thank you, Lou, and good morning, everyone. Our results for the third quarter of 2025 showed a meaningful improvement compared to both the first two quarters of this year and the third quarter of 2024. Net sales for the three months ended September 30, 2025 were \$10.3 million. Gross profit was \$2.3 million or 22.3% of sales. This is a strong improvement, reflecting the benefits of our cost reduction initiatives earlier this year.

Our operating income came in at \$316,000, our net loss for the quarter was just \$44,000 or \$0.01 per share compared to a loss of \$404,000 in Q3 of 2024. Adjusted EBITDA for the nine months ended September 30 was \$2.7 million, up nearly 5% from the prior year.

Let me touch briefly on the balance sheet. Our total debt has increased by approximately \$2.4 million. Inventories increased by \$5.6 million, reflecting our investment in work in process inventory and materials to support future deliveries. Accounts receivable has decreased by \$2.1 million and accounts payable has increased by approximately \$2 million.

With that, I will turn the call back over to Lou.

Luciano Melluzzo

Thanks, Scott. As you heard, our third quarter performance showed measurable improvements in profitability and operational discipline. While we remain focused on completing our ongoing lender discussions and finalizing the right capital structure for the future, we are confident in the strength of our core business.

We continue to benefit from strong backlog levels and a healthy demand from both existing and new customers. Our focus remains squarely on execution, cost control and driving shareholder value. We look forward to a strong finish to fiscal 2025 and continued momentum into 2026. Thank you for your time and support.

Donna, with that, I would like to open the line to questions and answers, if you may.

Operator

Thank you. The floor is now open for questions. If you would like to ask a question, please press star, one on your telephone keypad at this time. A confirmation tone will indicate that your line is in the question queue. You may press star, two if you would like to remove your question from the queue. For participants using speaker equipment, it may be necessary to pick up the handset before pressing the star keys. Again, that's star, one to register a question at this time. One moment please while we poll for questions.

Again, that's star, one to register a question at this time.

Mr. Melluzzo, we're showing no questions in queue at this time. I would like to turn the floor back over to you for closing comments.

Luciano Melluzzo

Thank you, Donna. Thank you all for taking the time to be on the call today and for your continued interest in Air Industries Group. We look forward to updating you on the progress of our ongoing operations on the next call. Thank you all for joining. Donna, you may end the call.

Operator

Thank you. Ladies and gentlemen, this concludes today's event. You may disconnect your lines at this time, and enjoy the rest of your day.