



May 8, 2025

# Q1 2025 Earnings Report

# Safe Harbor Statement and Other Matters

## Forward-Looking and Cautionary Statements

Certain statements contained in this press release are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements include but are not limited to the impacts of foreign currency exchange risks and recently announced U.S. foreign tariffs and changes to U.S. trade policy on our business and financial results, and additional operational and strategic actions that we expect or seek to take in furtherance of our strategies and activities to enhance our financial results and future growth. Such forward-looking statements relate to MISTRAS' financial results and estimates, products and services, business model, operational and strategic initiatives to improve operating leverage, strategy, growth opportunities, profitability and competitive position, and other matters. These forward-looking statements generally use words such as "future," "possible," "potential," "targeted," "anticipate,"

"believe," "estimate," "expect," "intend," "plan," "predict," "project," "will," "may," "should," "could," "would" and other similar words and phrases. Such statements are not guarantees of future performance or results and will not necessarily be accurate indications of the times at, or by which, such performance or results will be achieved, if at all. These statements are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in these statements. A list, description and discussion of these and other risks and uncertainties can be found in the "Risk Factors" section of the Company's Annual Report on Form 10-K for the year ended December 31, 2024 filed with the U.S. Securities and Exchange Commission filed on March 11, 2025, as updated by our reports on Form 10-Q and Form 8-K. The forward-looking statements are made as of the date hereof, and MISTRAS undertakes no obligation to update such statements as a result of new information, future events or otherwise.

## Use of Non-GAAP Financial Measures

In addition to financial information prepared in accordance with generally accepted accounting principles in the U.S. (GAAP), this press release also contains adjusted financial measures that are not prepared in accordance with GAAP and that we believe provide investors and management with supplemental information relating to the Company's operating performance and trends that facilitate comparisons between periods and with respect to trends and projected information. The term "Adjusted EBITDA" used in this release is a financial measure not calculated in accordance with GAAP and is defined by the Company as net income attributable to MISTRAS Group, Inc. plus: interest expense, provision for income taxes, depreciation and amortization, share-based compensation expense, certain acquisition related costs (including transaction due diligence costs and adjustments to the fair value of contingent consideration), foreign exchange (gain) loss, non-cash impairment charges, reorganization and other costs and, if applicable, certain additional special items which are noted. A reconciliation of Adjusted EBITDA to Net Income (Loss) as computed under GAAP is set forth in a table attached to this press release. The Company also uses the term "free cash flow", a non-GAAP financial measure the Company defines as cash provided by operating activities less capital expenditures (which is classified as

an investing activity). The Company additionally uses the terms: "Segment and Total Company Income (Loss) from Operations (GAAP) to Income (Loss) from Operations before Special Items (non-GAAP)", "Net Income (Loss) (GAAP) and Diluted EPS (GAAP) to Net Income Excluding Special Items (non-GAAP) and Diluted EPS Excluding Special Items (non-GAAP)" which reconciles the non-GAAP amounts to the GAAP financial measure. This press release also includes the term "net debt", a non-GAAP financial measure which the Company defines as the sum of the current and long-term portions of long-term debt, less cash and cash equivalents. Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measures are also set forth in tables attached to this press release. Each of these non-GAAP financial measures has material limitations as a performance or liquidity measure and should not be considered alternatives to Net Income (Loss) or any other measures derived in accordance with GAAP. Because Income (loss) from operations before special items and other non-GAAP financial measures used in this press release may not be calculated in the same manner by all companies, these measures may not be comparable to other similarly-titled measures used by other companies.

# Key Q1 2025 Priorities

## Leadership Talent Evaluation

Two senior executives within Data Solutions focused on growth

New Head of Marketing

New HSE, Compliance & Quality Leader

New Head of IT & Digital

## Cost Re-Calibration to Revenue Levels

Continuing to review all operational aspects of our portfolio

Working collaboratively with our customers to review scope and breadth of services and associated return

## Growth Strategies/ Optimization of Services

Accelerated expansion across our core industries

Emphasis on integrated solutions

Leveraging depth of offerings, including data analytics and monitoring technologies

Officially launches MISTRAS Data Solutions brand, consolidating our data-centric services, software, and technologies

# Driving The Future Of Asset Protection With Data Analytical Solutions

## Leading the Digital Transformation of Asset Protection

Making asset integrity data-driven, analytical, and insightful

Value-added data analytical solutions have high profit margins while saving our customers money

Embedding solutions throughout the data value chain creates opportunities for long-term client partnerships



Asset Integrity Mgmt.  
System (AIMS)



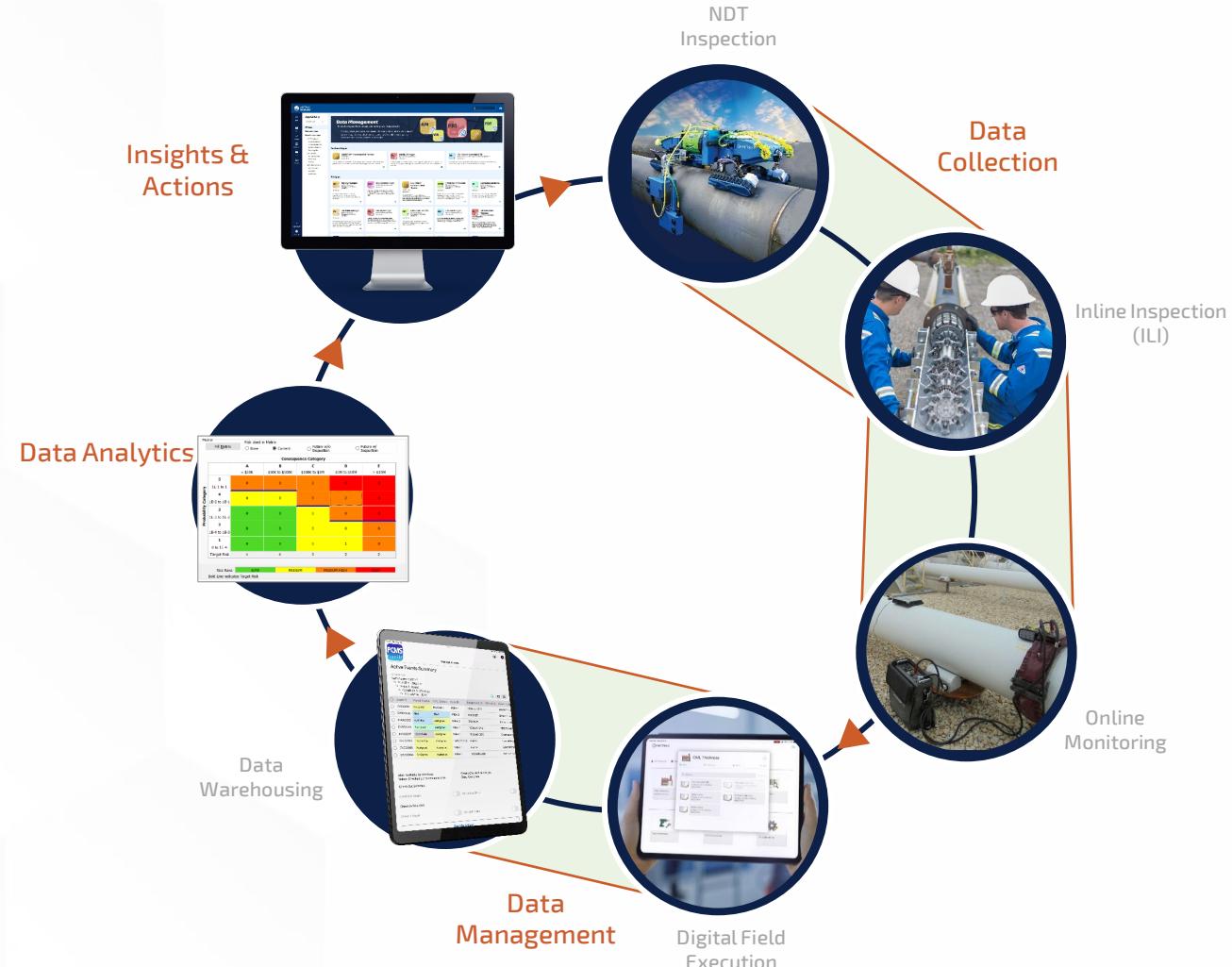
Inline Inspection (ILI)  
& Data Analysis



Asset Protection  
Software Hub

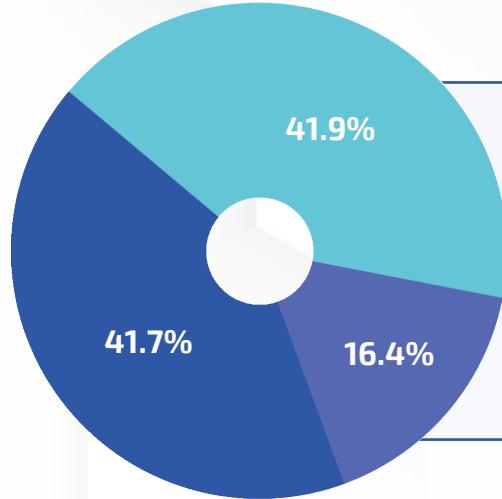


Pipeline Data Mgmt.  
& Analysis



# Oil & Gas End Market

(In thousands)



## Revenue

Quarter ended March 31, 2025

Upstream	\$40.3
Midstream	\$15.8
Downstream	\$40.5
<b>Total Oil &amp; Gas</b>	<b>\$96.6</b>

## Key Growth Factors

- Modest spring turn around season with robust fall season anticipated
- Leveraging proprietary technological advancements
- Integrating data analytics for field services under Mistras Data Solutions brand
- Strengthening commercial acumen and prowess with robust bid activity
- Hiring of strategic operational leadership roles

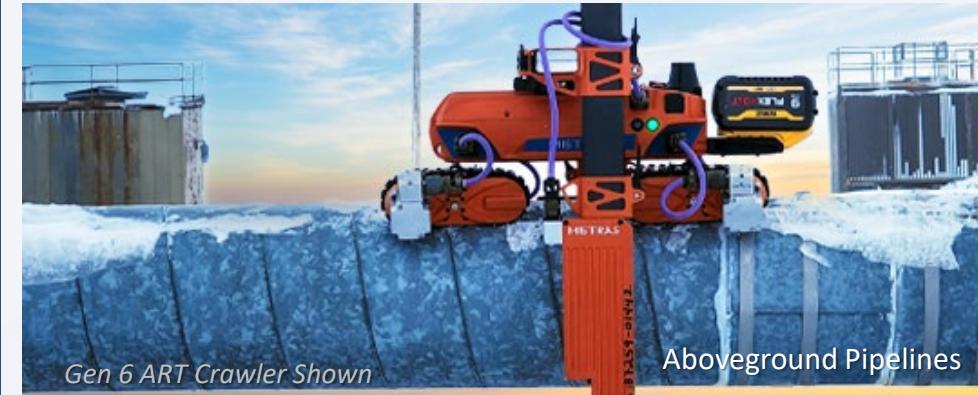
## Technology Enabled Asset Integrity



ConocoPhillips



Exxon



# In-Lab Testing

## Integrated Aerospace & Defense Testing Platform

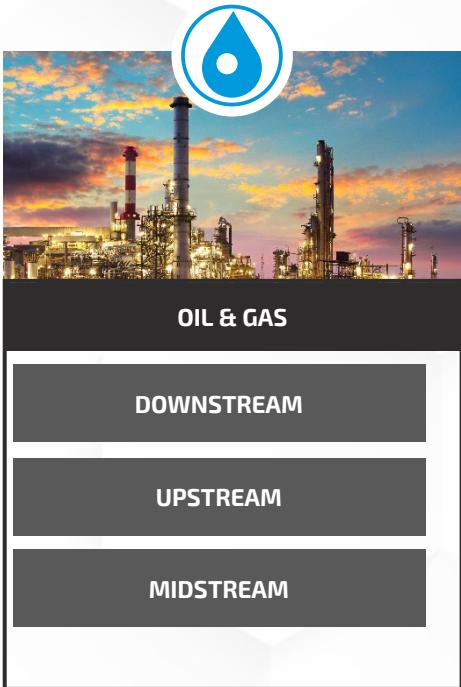
- Innovative, progressive model centralizes manufacturing process – everything between forging and final machining
- Long-term partnerships with commercial and private space customers
- Integrated in lab platform to help customers accelerate time to launch, meet the highest quality standards, and reduce risk
- Appointed new Senior Vice President focused on scaling



# One-Source for Asset Integrity



## WHO WE HELP



## HOW WE HELP

MISTRAS' Field Inspection, Data Analytical Solutions and In-Lab Testing empower customers to prioritize mechanical integrity programs, maximize uptime and ensure safety

### FIELD



### DATA



### IN-LAB



#### TRUSTED PARTNER

MISTRAS supports over 7,000 customers worldwide, including blue-chip global industry leaders

# Revenue by industry and sub-industry

(In millions)

Revenue by Industry	For the quarter ended March 31		Revenue by Sub-industry		
	2025	2024		2025	2024
Oil & Gas	<b>\$96.6</b>	\$113.2	Upstream	<b>\$40.3</b>	\$41.8
Aerospace & Defense	<b>\$20.4</b>	\$22.1	Midstream	<b>\$15.8</b>	\$21.4
Industrials	<b>\$18.6</b>	\$15.2	Downstream	<b>\$40.5</b>	\$50.0
Power Gen & Transmission	<b>\$4.6</b>	\$5.8	<b>Total Oil &amp; Gas</b>	<b>\$96.6</b>	<b>\$113.2</b>
Other Process Industries	<b>\$10.3</b>	\$11.9			
Infrastructure, R&D & Eng	<b>\$7.2</b>	\$6.6			
Petrochemical	<b>\$2.6</b>	\$4.3			
Other	<b>\$1.3</b>	\$5.3			
<b>Total</b>	<b>\$161.6</b>	<b>\$184.4</b>			

# Key Consolidated Income Statement Metrics

(In millions)

For the quarter ended March 31

	2025	2024
Revenue	\$161.6	\$184.4
Gross Profit	\$40.9	\$46.2
Gross Margin	25.3%	25.0%
Selling, General and Administrative Expenses	\$35.7	\$36.3
Reorganization and Other Costs	\$3.1	\$1.6
Interest Expense	\$3.3	\$4.4
Net (Loss) Income	(\$3.2)	\$1.0
Adjusted EBITDA (Non-GAAP)	\$12.0	\$16.2

## Q1 2025 Highlights:

Gross Profit Margin Increase of  +30 bps  
SG&A Decrease of -1.7%  \$0.6

# Key Cash Flow and Debt Balances

(In millions)

Net cash provided by operating activities (GAAP)	
2025	2024
<b>\$5.6</b>	<b>\$0.6</b>

For the quarter ended March 31

## Free Cash Flow (Non-GAAP)

2025	2024
<b>(\$0.2)</b>	<b>(\$5.3)</b>

For the quarter ended March 31

Debt	2025	2024
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<b>Total Gross Debt (GAAP)</b>	<b>\$171.9</b>	<b>\$169.6</b>
Less: Cash and cash equivalents	<b>\$(18.5)</b>	<b>\$(18.3)</b>
<b>Total Net Debt (non-GAAP)</b>	<b>\$153.4</b>	<b>\$151.3</b>

For the quarters ended March 31 & December 31

## Q1 2025 Highlights:

Net Cash from Operating activities  **\$5.0**  
 Free Cash Flow Increase of  **\$5.1**

# Historical Growth Trajectory

For the years ended December 31

## Historical Revenues

(In millions)

**\$687.4**

**2022**

**\$705.5**

**2023**

**\$729.6**

**2024**

## Adjusted EBITDA\*

(In millions)

**\$58.1**

**2022**

**\$65.7**

**2023**

**\$82.5**

**2024**

Adjusted EBITDA % of Revenue

\*See supplemental slide for adjusted EBITDA reconciliation and important disclosures regarding MISTRAS' use of this non-GAAP financial measure

# Questions?



## Contact Us



Corporate Headquarters  
195 Clarksville Road  
Princeton Junction, NJ 08550



+1-833-MISTRAS



[investors@mistrasgroup.com](mailto:investors@mistrasgroup.com)

# EBITDA Supplemental Bridge

(In millions)

	For the years ended December 31		
	2022	2023	2024
Net income (loss) attributable to Mistras Group Inc.	\$6.5	(\$17.5)	\$18.9
Interest Expense	\$10.5	\$16.8	\$17.1
Provision (benefit ) for income taxes	\$2.7	(\$1.2)	\$5.3
Depreciation and amortization	\$33.3	\$34.1	\$33.0
Share-based compensation expense	\$5.3	\$5.1	\$5.1
Goodwill Impairment charges	-	\$13.8	-
Reorganization and other related costs, net	\$0.2	\$12.3	\$5.5
Legal settlement and insurance recoveries, net	(\$1.0)	\$1.1	(\$0.8)
Acquisition-related expense, net	\$0.1	-	-
Loss on debt modification	\$0.7	-	-
Environmental expense	-	-	\$1.7
Other income	-	-	(\$1.5)
Bad debt provision for troubled customers, net of recoveries	-	-	-
Foreign exchange (gain) loss	(\$0.2)	\$1.3	(\$1.8)
<b>Adjusted EBITA</b>	<b>\$58.1</b>	<b>\$65.8</b>	<b>\$82.5</b>