
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 7, 2026

StandardAero, Inc.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-42298
(Commission File Number)

30-1138150
(IRS Employer
Identification No.)

6710 North Scottsdale Road, Suite 250
Scottsdale, Arizona
(Address of Principal Executive Offices)

85253
(Zip Code)

Registrant's Telephone Number, Including Area Code:
(480) 377 3100

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.01 per share	SARO	The New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

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.

Item 2.02 Results of Operations and Financial Condition.

On May 7, 2026, StandardAero Inc. (the “Company”) issued a press release announcing its financial results for the fiscal quarter ended March 31, 2026. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K (the “Current Report”).

The information contained in this Item 2.02 of this Current Report, including Exhibit 99.1 attached hereto, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing made by the Company under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly provided by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) The following exhibit relates to Item 2.02 and shall be deemed to be furnished, and not filed:

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated May 7, 2026
104	Cover Page Interactive Data File (embedded within the Inline XBRL 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 hereunto duly authorized.

STANDARD AERO, INC.

Date: May 7, 2026

By: /s/ Daniel Satterfield
Daniel Satterfield
Chief Financial Officer

STANDARDAERO ANNOUNCES FIRST QUARTER 2026 RESULTS

Double-digit Revenue Growth Across All End Markets

SCOTTSDALE, Ariz.--(BUSINESS WIRE)-- StandardAero (NYSE: SARO) announced results today for the three months ended March 31, 2026 ("First Quarter 2026").

First Quarter 2026 Highlights

- Revenue increased 13.3% year-over-year to \$1,626.9 million
- Net Income was \$79.9 million; Diluted GAAP EPS was \$0.24, Net Income as a percentage of Revenue was 4.9%
- Adjusted Diluted EPS was \$0.33 up from \$0.29 in the prior year's quarter
- Adjusted EBITDA increased \$4.9 million year-over-year to \$203.2 million; Adjusted EBITDA Margin was 12.5%
- Cash Flow used in Operations was (\$119.6) million; Free Cash Flow for the quarter was (\$133.7) million
- Announced acquisition of Unified Turbines
- Increasing FY26 Revenue, Adjusted EBITDA and Adjusted EPS guidance

"StandardAero's first quarter performance provides a solid foundation for continued momentum in 2026," said Russell Ford, StandardAero's Chairman and Chief Executive Officer. "We delivered double-digit revenue growth across all three of our end markets, supported by sustained strength in commercial aerospace, accelerating bookings momentum in our military end market, and excellent execution on our business aviation platforms. Our Component Repair Services segment delivered double-digit Adjusted EBITDA growth, demonstrating the attractive margin profile in that segment and the continued success of our component repair strategy."

"Consistent with our commitment to this strategy, we also announced the acquisition of Unified Turbines, which adds important hot section component repair capabilities and further strengthens our broader CRS offering. In addition, we purchased approximately 2.0 million shares of our common stock for an aggregate purchase price of \$60.1 million under our share repurchase program, reflecting our disciplined approach to capital allocation."

Mr. Ford continued, "With robust demand, a diversified end market mix, leading positions on critical engine platforms and a strategically designed global footprint, we believe StandardAero is well positioned to perform across a range of economic environments, including periods of broader macroeconomic uncertainty and elevated jet fuel prices. These strengths, combined with disciplined capital allocation and continued investment in our growth programs, give us confidence in our ability to deliver another year of double-digit earnings growth. As a result, we are raising our full year 2026 guidance."

First Quarter 2026 Consolidated Results

Revenue for the First Quarter 2026 was \$1,626.9 million, an increase of \$191.3 million, or 13.3%, from \$1,435.6 million for the prior year period. The increase was driven by strong demand for our services and products across all three major end markets. The Business Aviation end market grew 19.6% compared to the prior year period, the Commercial Aerospace end market grew 11.4% compared to the prior year period, and the Military and Helicopter end market grew 10.3%, compared to the prior year period.

Net income for the First Quarter 2026 was \$79.9 million, as compared to net income of \$62.9 million for the prior year period, a 27.0% year-over-year growth rate.

Adjusted EBITDA for the First Quarter 2026 was \$203.2 million, an increase of \$4.9 million, or 2.5%, from \$198.2 million for the prior year period. The increase reflects continued growth in volume and pricing, as well as productivity improvements, offset by the timing of engine shipments. Adjusted EBITDA margin of 12.5% declined 130 basis points compared to 13.8% in the prior year period, primarily due to mix and the continued ramp in LEAP and CFM56 DFW.

First Quarter 2026 Segment Results

Engine Service

Engine Services segment revenue for the First Quarter 2026 was \$1,447.1 million, an increase of \$178.8 million, or 14.1%, from

\$1,268.3 million for the prior year period. The increase was driven primarily by a strong ramp in our growth platforms, including LEAP and CFM56, along with continued momentum on other key commercial, military, and business aviation platforms.

Engine Services Segment Adjusted EBITDA for the First Quarter 2026 was \$178.6 million, an increase of \$4.6 million, or 2.7%, from \$174.0 million for the prior year period. The increase was driven by volume and productivity gains, partially offset by the timing of engine shipments in the quarter. Segment Adjusted EBITDA Margin of 12.3% decreased 140 basis points compared to 13.7% in the prior year period driven by mix including the ramp in LEAP and CFM56 DFW, compared to the previous year's period.

Component Repair Services Segment

Component Repair Services segment revenue for the First Quarter 2026 was \$179.7 million, an increase of \$12.4 million, or 7.4%, from \$167.3 million for the prior year period. The increase was driven by continued robust demand on key commercial aerospace products, partially offset by softness in the military end market from the delayed effect of the U.S. Government shutdown in the previous quarter.

Component Repair Services Segment Adjusted EBITDA for the First Quarter 2026 was \$52.4 million, an increase of \$5.0 million, or 10.6%, from \$47.4 million for the prior year period. Segment Adjusted EBITDA margins increased 90 basis points to 29.2% from 28.3% in the prior year period, driven by pricing, mix and improved productivity.

Full Year 2026 Guidance

StandardAero is updating its full year 2026 guidance:

Full Year 2026	(\$ in millions)
Revenue¹ (increase)	\$6,325 to \$6,450
Engine Services ¹ (increase)	\$5,550 to \$5,650
Component Repair Services	\$775 to \$800
Adjusted EBITDA (increase)	\$875 to \$905
Engine Services Segment (increase)	\$760 to \$780
Component Repair Services Segment	\$220 to \$230
Free Cash Flow	\$270 to \$300
Adjusted Earnings Per Share (increase)	\$1.40 to \$1.50

End Market Revenue Growth Assumptions

Commercial Aerospace ²	Low-Double Digit to Mid-Teens YoY Growth
Military & Helicopter (increase)	Low-Double Digit YoY Growth
Business Aviation (increase)	High-Single Digit to Low-Double Digit YoY Growth

StandardAero has not reconciled its full year 2026 guidance related to Adjusted EBITDA, Free Cash Flow or Adjusted EPS to its most directly comparable forward looking GAAP financial measure because such information is not available, and management cannot reliably predict all of the necessary components of such GAAP measure without unreasonable effort or expense.

Conference Call and Webcast Information

StandardAero management will host a conference call today, [May 7], 2026, at 5:00 PM ET, to discuss its results in more detail. The conference call will be broadcast live via webcast, and the webcast and accompanying slide presentation can be accessed by visiting the Events section on StandardAero's investor relations website at <https://ir.standardaero.com/news-events/events>. The conference call may also be accessed by dialing (877) 407-9762 or (201) 689-8538 for telephone access to the live call. Please click [here](#) for international toll-free access numbers.

¹ Includes effect from the elimination of \$300 to \$400 million in material pass-through revenue

² Excludes effect from the elimination of \$300 to \$400 million in material pass-through revenue

For those unable to listen to the live conference call, a replay will be available after the call through the archived webcast in the Events section of the StandardAero's investor relations website or by dialing (877) 660-6853 or (201) 612-7415. The access code for the replay is 13759396. The replay will be available until 11:59 PM ET on May 21, 2026.

About StandardAero

StandardAero is a leading independent pure-play provider of aerospace engine aftermarket services for fixed and rotary wing aircraft, serving the commercial, military and business aviation end markets. StandardAero provides a comprehensive suite of critical, value-added aftermarket solutions, including engine maintenance, repair and overhaul, engine component repair, on-wing and field service support, asset management and engineering solutions. StandardAero is an NYSE listed company under the ticker symbol SARO. For more information about StandardAero, go to www.standardaero.com.

Investor Relations Contact

Investors@StandardAero.com

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Forward-Looking Statements

This press release contains forward-looking statements that involve substantial risks and uncertainties. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 27A of the Securities Act of 1933, as amended (the "Securities Act"). In some cases, you can identify forward-looking statements by the words "anticipate," "assume," "believe," "continue," "could," "estimate," "expect," "foreseeable," "future," "intend," "may," "might," "objective," "ongoing," "plan," "potential," "predict," "project," "seek," "should," "will," or "would" and/or the negative of these terms, or other comparable terminology intended to identify statements about the future. They appear in a number of places throughout this press release and include statements regarding our intentions, beliefs or current expectations concerning, among other things, results of operations for the fiscal year ended December 31, 2026, financial condition, liquidity, prospects, growth, strategies, the industry in which we operate and other information that is not historical information. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements. Although we believe that we have a reasonable basis for each forward-looking statement contained in this presentation, we cannot assure you that we will achieve or realize these plans, intentions or expectations. Forward-looking statements are inherently subject to risks, uncertainties and assumptions that are difficult to predict or quantify.

Generally, statements that are not historical facts, including statements concerning our possible or assumed future actions, business strategies, events or results of operations, are forward-looking statements. Factors that could cause actual results to differ materially from those forward-looking statements included in this press release include, among others: risks related to conditions that affect the commercial and business aviation industries; decreases in budget, spending or outsourcing by our military end-users; risks from any supply chain disruptions or loss of key suppliers; increased costs of labor, equipment, raw materials, freight and utilities due to inflation; future outbreaks and infectious diseases; risks related to competition in the market in which we participate; loss of an OEM authorization or license; risks related to a significant portion of our revenue being derived from a small number of customers; our ability to remediate effectively the material weaknesses identified in our internal control over financial reporting; our ability to respond to changes in GAAP; our or our third-party partners' failure to protect confidential information; data security incidents or disruptions to our IT systems and capabilities; our ability to comply with laws relating to the handling of information about individuals; changes to, and the impact of, United States tariff and import/export regulations; failure to maintain our regulatory approvals; risks relating to our operations outside of North America; failure to comply with government procurement laws and regulations; any work stoppage, hiring, retention or succession issues with our senior management team and employees; any strains on our resources due to the requirements of being a public company; risks related to our substantial indebtedness; risks related to the ownership of our common stock, including the fact that Carlyle owns a significant amount of our voting power; our success at managing the risks of the foregoing, and the other factors described in our Annual Report on Form 10-K for the year ended December 31, 2025 and our other filings with the SEC.

As a result of these factors, we cannot assure you that the forward-looking statements in this press release will prove to be accurate. You should understand that it is not possible to predict or identify all such factors. We operate in a competitive and rapidly changing environment. New factors emerge from time to time, and it is not possible to predict the impact of all of these factors on our business, financial condition or results of operations.

Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives, plans or cost savings in any specified time frame or at all. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this press release, those results or developments may not be indicative of results or

developments in subsequent periods. We caution you not to place undue reliance on these forward-looking statements. All forward looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the foregoing cautionary statements. Forward-looking statements speak only as of the date of this press release. We do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

Non-GAAP Financial Measures

This press release includes “non-GAAP financial measures,” which are financial measures that either exclude or include amounts that are not excluded or included in the most directly comparable measures calculated and presented in accordance with accounting principles generally accepted in the United States (“GAAP”), including Adjusted EBITDA, Adjusted EBITDA Margin, Net Debt to Adjusted EBITDA, Adjusted Diluted EPS and Free Cash Flow. We use these non-GAAP financial measures to evaluate our business operations.

Certain of the non-GAAP financial measures presented in this press release are supplemental measures of our performance, in the case of Adjusted EBITDA and Adjusted EBITDA Margin, that we believe help investors understand our financial condition and operating results and assess our future prospects. We believe that presenting these non-GAAP financial measures, in addition to the corresponding GAAP financial measures, are important supplemental measures that exclude non-cash or other items that may not be indicative of or are unrelated to our core operating results and the overall health of our company. We believe that these non-GAAP financial measures provide investors greater transparency to the information used by management for its operational decision-making and allow investors to see our results “through the eyes of management.” We further believe that providing this information assists our investors in understanding our operating performance and the methodology used by management to evaluate and measure such performance. We also present Net Debt to Adjusted EBITDA and Free Cash Flow, which are liquidity measures, that we believe are useful to investors because it is also used by our management for measuring our operating cash flow, liquidity and allocating resources. We believe it is important to measure the free cash flows we have generated from operations, after accounting for routine capital expenditures required to generate those cash flows. When read in conjunction with our GAAP results, these non-GAAP financial measures provide a baseline for analyzing trends in our underlying businesses and can be used by management as one basis for financial, operational and planning decisions. Finally, these measures are often used by analysts and other interested parties to evaluate companies in our industry.

We define Adjusted EBITDA as net income (loss) before interest expense, income tax expense (benefit), depreciation and amortization, further adjusted for certain non-cash items that we may record each period, as well as non-recurring items such as acquisition costs, integration and severance costs, refinance fees, business transformation costs and other discrete expenses, when applicable. We define Adjusted EBITDA Margin as Adjusted EBITDA divided by revenue. We define Adjusted Net Income as GAAP Net income, adjusted for certain one-time items that we may record in a period, as well as non-recurring items such as acquisition costs, integration and severance costs, refinance fees, business transformation costs and other discrete expenses, when applicable, adjusted for the tax effect. We define Adjusted EPS as Adjusted Net Income divided by the Total Diluted Shares Outstanding. We believe that Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income and Adjusted EPS are important metrics for management and investors as they remove the impact of items that we do not believe are indicative of our core operating results or the overall health of our company and allows for consistent comparison of our operating results over time and relative to our peers. We define Net Debt to Adjusted EBITDA as long-term debt, less cash and cash equivalents divided by Adjusted EBITDA. We define free cash flow as cash from operating activities less capital expenditures.

Management recognizes that these non-GAAP financial measures have limitations, including that they may be calculated differently by other companies or may be used under different circumstances or for different purposes, thereby affecting their comparability from company to company. In order to compensate for these and the other limitations discussed below, management does not consider these measures in isolation from or as alternatives to the comparable financial measures determined in accordance with GAAP. Readers should review the reconciliations of our non-GAAP financial measures to the corresponding GAAP measures included in this press release and should not rely on any single financial measure to evaluate our business.

We have presented forward-looking statements regarding Adjusted EBITDA, Free Cash Flow and Adjusted Diluted EPS. These non-GAAP financial measures are derived by excluding certain amounts, expenses or income, from the corresponding financial measure determined in accordance with GAAP. The determination of the amounts that are excluded from each non-GAAP financial measure is a matter of management judgment and depends upon, among other factors, the nature of the underlying expense or income amounts recognized in a given period in reliance on the exception provided by item 10(e)(1)(i)(B) of Regulation S-K. We are unable to present a quantitative reconciliation of each forward-looking Adjusted EBITDA, Free Cash Flow and Adjusted Diluted EPS measure to its most directly comparable forward looking GAAP financial measure because such information is not available, and management cannot reliably predict all of the necessary components of such GAAP measure without unreasonable effort or expense. In addition, we believe such reconciliations would imply a degree of precision that would be confusing or misleading to investors. The unavailable information could have a significant impact on the company's future financial results. These non-GAAP financial measures are preliminary estimates and subject to risks and uncertainties, including, among others, changes in connection with quarter-end and year-end adjustments. Any variation between our actual results and the forward-looking non-GAAP financial data set forth above may be material.

STANDARD AERO, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited)
(In thousands, except share figures)

	March 31, 2026	December 31, 2025
ASSETS		
Current assets:		
Cash	\$ 89,173	\$ 289,717
Accounts receivable (less allowance for expected credit losses of \$13,209 and \$13,484, respectively)	880,032	654,390
Contract assets, net	1,247,285	1,071,703
Inventories	762,632	827,691
Prepaid expenses and other current assets	60,358	42,776
Income tax receivable	25,173	10,182
Total current assets	<u>3,064,653</u>	<u>2,896,459</u>
Property, plant and equipment, net	582,866	579,971
Operating lease right of use asset, net	230,382	222,151
Customer relationships, net	899,653	920,432
Other intangible assets, net	233,987	244,877
Goodwill	1,684,255	1,684,255
Other assets	6,145	6,434
Deferred income tax assets	2,832	2,832
Total assets	<u>\$ 6,704,773</u>	<u>\$ 6,557,411</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 808,938	\$ 679,772
Accrued expenses and other current liabilities	88,890	91,499
Accrued employee costs	92,996	74,008
Operating lease liabilities, current	25,975	22,308
Due to related parties	—	438
Contract liabilities	377,214	411,321
Income taxes payable, current	26,415	13,547
Long-term debt, current portion	23,259	23,444
Total current liabilities	<u>1,443,687</u>	<u>1,316,337</u>
Long-term debt	2,186,498	2,191,161
Operating lease liabilities, non-current	217,511	212,365
Deferred income tax liabilities	154,759	157,206
Income taxes payable, non-current	5,770	5,770
Other non-current liabilities	6,824	7,261
Total liabilities	<u>4,015,049</u>	<u>3,890,100</u>
Commitments and contingencies (Note 10)		
Stockholders' equity		
Common stock (\$0.01 par value, 3,500,000,000 shares authorized; 334,470,264 issued and 332,274,519 outstanding as of March 31, 2026 and 334,461,630 issued and 334,294,245 outstanding as of December 31, 2025)	3,323	3,345
Preferred stock (\$0.01 par value, 100,000,000 shares authorized; no shares were issued)	—	—
Additional paid-in capital	3,961,497	3,958,039
Accumulated deficit	(1,205,974)	(1,285,904)
Accumulated other comprehensive loss	(8,479)	(8,169)
Treasury stock (at cost, 2,195,745 and 176,019 shares as of March 31, 2026 and December 31, 2025)	(60,643)	—
Total stockholders' equity	<u>2,689,724</u>	<u>2,667,311</u>
Total liabilities and stockholders' equity	<u>\$ 6,704,773</u>	<u>\$ 6,557,411</u>

STANDARD AERO, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)
(In thousands, except per share figures)

	Three Months Ended March 31,	
	2026	2025
Revenue	\$ 1,626,857	\$ 1,435,588
Cost of revenue	1,387,485	1,217,858
Selling, general and administrative expense	71,942	64,475
Amortization of intangible assets	24,332	24,332
Operating income	143,098	128,923
Interest expense	38,151	43,791
Income before income taxes	104,947	85,132
Income tax expense	25,017	22,189
Net income	\$ 79,930	\$ 62,943
Earnings per share:		
Basic	\$ 0.24	\$ 0.19
Diluted	\$ 0.24	\$ 0.19
Weighted-average shares of common stock outstanding		
Basic	327,257	328,439
Diluted	333,363	334,162

STANDARD AERO, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(In thousands)

	Three Months Ended March 31,	
	2026	2025
Operating activities		
Net income	\$ 79,930	\$ 62,943
Adjustments to reconcile net loss from operations to net cash provided by operating activities:		
Depreciation and amortization	46,461	48,676
Amortization of deferred finance charges and discounts	1,623	1,666
Amortization of interest cap premiums	1,632	2,699
Payment of interest rate cap premiums	(1,727)	(2,747)
Stock compensation expense	3,458	2,045
Loss (gain) from disposals, net	(614)	—
Non-cash lease expense	566	199
Deferred income taxes	(2,260)	(5,751)
Foreign exchange gain (loss), net	354	292
Changes in operating assets and liabilities, net of effect of acquisitions:		
Accounts receivable, net	(225,642)	(152,604)
Contract assets, net	(175,582)	(56,407)
Inventories, net	65,059	(28,824)
Prepaid expenses and other current assets	(19,276)	(22,893)
Accounts payable, accrued expenses and other current liabilities	143,131	126,482
Contract liabilities	(34,107)	7,252
Due to/from related parties	(438)	(649)
Income taxes payable and receivable	(2,123)	(6,365)
Net cash used in operating activities	(119,555)	(23,986)
Investing activities		
Purchase of property, plant and equipment	(15,590)	(25,338)
Payments for purchase of intangible assets	—	(15,000)
Proceeds from disposal of property, plant and equipment	1,406	268
Net cash used in investing activities	(14,184)	(40,070)
Financing activities		
Proceeds from long-term debt	100,000	195,000
Repayment of long-term debt	(106,012)	(90,964)
Repurchase of common stock	(60,064)	—
Repayments of long-term agreements	(158)	(1,602)
Net cash (used in) provided by financing activities	(66,234)	102,434
Effect of exchange rate changes on cash	(571)	(141)
Net increase (decrease) in cash	(200,544)	38,237
Cash at beginning of the period	289,717	102,581
Cash at end of the period	\$ 89,173	\$ 140,818
Supplemental cash flow information:		
Supplemental disclosure of non-cash investing activities:		
Acquisition of property, plant and equipment, liability incurred, but not paid	\$ 3,394	\$ 991
Acquisition of intangible assets, liability incurred but not paid	633	—

Selected financial information for each segment is as follows:

	Three months ended March 31, 2026		
	Engine Services	Component Repair Services	Total Segments
	<i>(in thousands)</i>		
Revenue from external customers	\$ 1,466,579	\$ 160,278	\$ 1,626,857
Intersegment revenue	(19,435)	19,435	—
Total segment revenue	1,447,144	179,713	1,626,857
Other segment items ⁽¹⁾	1,268,511	127,312	1,395,823
Segment Adjusted EBITDA	<u>\$ 178,633</u>	<u>\$ 52,401</u>	<u>\$ 231,034</u>
Corporate ⁽²⁾			27,878
Depreciation and amortization			46,461
Interest expense			38,151
Business transformation costs (LEAP and CFM) ⁽³⁾			6,622
Non-cash stock compensation expense			3,458
Integration costs and severance ⁽⁴⁾			341
Other ⁽⁵⁾			3,176
Income before income taxes			<u>\$ 104,947</u>

⁽¹⁾ Other segment items for each reportable segment primarily includes cost of sales and other selling, general and administrative expenses.

⁽²⁾ Corporate primarily consists of costs related to executive and staff functions, including Information Technology, Human Resources, Legal, Finance, Marketing, Corporate Supply Chain and Corporate Engineering Services finance, which benefit the enterprise as a whole. These costs are primarily related to the general management of these functions on a corporate level and the design and development of programs, policies, and procedures that are then implemented in the individual segments, with each segment bearing its own cost of implementation. The Corporate function also includes expenses associated with the Company's debt.

⁽³⁾ Represents new product industrialization costs with the business transformation of the LEAP 1A/1B engine line in San Antonio, Texas and the expansion of the Company's CFM56 capabilities into Dallas, Texas.

⁽⁴⁾ Represents integration costs incurred, including any facility or platform consolidation associated with the integration of an acquisition that does not meet capitalization criteria and severance related to reduction in workforce or acquisitions. Examples of integration costs may include lease breakage or run-off fees, consulting costs, demolition costs or training costs.

⁽⁵⁾ Represents professional fees related to business transformation, secondary offering costs and quarterly management fees payable to Carlyle Investment Management L.L.C. and Beamer Investment Inc. under consulting services agreements, representation and warranty insurance costs associated with acquisitions, that are the result of other, non-comparable events to measure operating performance as these events arise outside of the Company's ordinary course of continuing operations.

	Three months ended March 31, 2025		
	Engine Services	Component Repair Services	Total Segments
	<i>(in thousands)</i>		
Revenue from external customers	\$ 1,286,276	\$ 149,312	\$ 1,435,588
Intersegment revenue	(17,963)	17,963	—
Total segment revenue	1,268,313	167,275	1,435,588
Other segment items ⁽¹⁾	1,094,304	119,914	1,214,218
Segment Adjusted EBITDA	<u>\$ 174,009</u>	<u>\$ 47,361</u>	<u>\$ 221,370</u>
Corporate ⁽²⁾			23,143
Depreciation and amortization			48,676
Interest expense			43,791
Business transformation costs (LEAP and CFM) ⁽³⁾			12,917
Stock compensation ⁽⁴⁾			2,045
Integration costs and severance ⁽⁵⁾			1,380
Other ⁽⁶⁾			4,286
Income before income taxes			<u>\$ 85,132</u>

⁽¹⁾ Other segment items for each reportable segment primarily includes cost of sales and other selling, general and administrative expenses.

⁽²⁾ Corporate primarily consists of costs related to executive and staff functions, including Information Technology, Human Resources, Legal, Finance, Marketing, Corporate Supply Chain and Corporate Engineering Services finance, which benefit the enterprise as a whole. These costs are primarily related to the general management of these functions on a corporate level and the design and development of programs, policies, and procedures that are then implemented in the individual segments, with each segment bearing its own cost of implementation. The Corporate function also includes expenses associated with the Company's debt.

⁽³⁾ Represents new product industrialization costs with the business transformation of the LEAP 1A/1B engine line in San Antonio, Texas and the expansion of the Company's CFM56 capabilities into Dallas, Texas.

⁽⁴⁾ Represents non-cash stock compensation expense associated with awards issued under 2019 Long-Term Incentive Plan in connection with Carlyle's ownership.

⁽⁵⁾ Represents integration costs incurred, including any facility or platform consolidation associated with the integration of an acquisition that does not meet capitalization criteria and severance related to reduction in workforce or acquisitions. Examples of integration costs may include lease breakage or run-off fees, consulting costs, demolition costs or training costs.

⁽⁶⁾ Represents professional fees related to business transformation, secondary offering costs and quarterly management fees payable to Carlyle Investment Management L.L.C. and Beamer Investment Inc. under consulting services agreements, representation and warranty insurance costs associated with acquisitions, that are the result of other, non-comparable events to measure operating performance as these events arise outside of our ordinary course of continuing operations.

The following table presents a reconciliation of net income and net income margin to Adjusted EBITDA and Adjusted EBITDA Margin, respectively:

	Three Months Ended March 31,	
	2026	2025
	<i>(in thousands, except percentages)</i>	
Net income	\$ 79,930	\$ 62,943
Income tax expense	25,017	22,189
Depreciation and amortization	46,461	48,676
Interest expense	38,151	43,791
Business transformation costs (LEAP and CFM) ⁽¹⁾	6,622	12,917
Non-cash stock compensation expense	3,458	2,045
Integration costs and severance ⁽²⁾	341	1,380
Secondary offering costs	1,350	—
Other ⁽³⁾	1,826	4,286
Adjusted EBITDA	\$ 203,156	\$ 198,227
Revenue	\$ 1,626,857	\$ 1,435,588
Net income margin	4.9%	4.4%
Adjusted EBITDA Margin	12.5%	13.8%

- (1) Represents new product industrialization costs with the business transformation of the LEAP 1A/1B engine line in San Antonio, Texas and the expansion of the Company's CFM56 capabilities into Dallas, Texas.
- (2) Represents integration costs incurred, including any facility or platform consolidation associated with the integration of an acquisition that does not meet capitalization criteria and severance related to reduction in workforce or acquisitions. Examples of integration costs may include lease breakage or run-off fees, consulting costs, demolition costs or training costs.
- (3) Represents other costs not recurring in the ordinary course of business including professional fees related to business transformation and quarterly management fees payable to Carlyle Investment Management L.L.C. and Beamer Investment Inc. under consulting services agreements, representation and warranty insurance costs associated with acquisitions, and other non-comparable events to measure operating performance as these events arise outside of the Company's ordinary course of continuing operations.

The following table presents a reconciliation of Debt to Net Debt and Net Debt to Adjusted EBITDA:

	March 31,	March 31,
	2026	2025
	<i>(in millions, except percentages)</i>	
2024 Term Loan Facilities	\$ 2,221.9	\$ 2,244.4
2024 Revolving Credit Facility	—	110.0
Finance leases	18.1	18.3
Other	1.0	1.1
Debt	2,241.0	2,373.8
Less Cash	89.2	140.8
Net Debt	\$ 2,151.8	\$ 2,233.0
LTM Adjusted EBITDA	\$ 813.1	\$ 723.3
Net Debt to Adjusted EBITDA	2.6x	3.1x

The following table presents revenue by segment, Segment Adjusted EBITDA and Segment Adjusted EBITDA Margin:

	Three Months Ended March 31,	
	2026	2025
	<i>(in thousands, except percentages)</i>	
Engine Services		
Segment Revenue	\$ 1,447,144	\$ 1,268,313
Segment Adjusted EBITDA	\$ 178,633	\$ 174,009
Segment Adjusted EBITDA Margin	12.3%	13.7%
Component Repair Services		
Segment Revenue	\$ 179,713	\$ 167,275
Segment Adjusted EBITDA	\$ 52,401	\$ 47,361
Segment Adjusted EBITDA Margin	29.2%	28.3%

The following table presents a reconciliation of Cash Flow from Operations to Free Cash Flow:

	Three Months Ended March 31,	
	2026	2025
	<i>(in thousands)</i>	
Net cash used in operating activities	\$ (119,555)	\$ (23,986)
Purchase of property, plant and equipment	(15,590)	(25,338)
Payments for purchase of intangible assets	—	(15,000)
Proceeds from disposal of property, plant and equipment	1,406	268
	(14,184)	(40,070)
Free cash flow	\$ (133,739)	\$ (64,056)

	Three months ended March 31, 2026	
	\$	EPS
	<i>(in millions, except per share data)</i>	
Net income/Diluted EPS	\$ 79.9	\$ 0.24
Business transformation costs (LEAP and CFM)	6.6	0.02
Stock compensation	3.5	0.01
Integration costs and severance	0.3	0.00
Secondary offering costs	1.3	0.00
Professional services fees and other	1.8	0.01
One-offs included in adjusted EBITDA add-back	13.5	0.04
Amortization of acquired intangibles	24.3	0.07
Tax adjustment	(9.2)	(0.03)
Adjusted Net Income/Adjusted Diluted EPS	\$ 108.5	\$ 0.33

	Three months ended March 31, 2025	
	\$	EPS
	<i>(in millions, except per share data)</i>	
Net income/Diluted EPS	\$ 62.9	\$ 0.19
Business transformation costs (LEAP and CFM)	12.9	0.04
Stock compensation	2.0	0.01
Integration costs and severance	1.4	0.00
Professional services fees and other	4.3	0.01
One-offs included in adjusted EBITDA add-back	20.6	0.06
Amortization of acquired intangibles	24.3	0.07
Tax adjustment	(11.2)	(0.03)
Adjusted Net Income/Adjusted Diluted EPS	\$ 96.6	\$ 0.29