
**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 May 31, 2025
OR

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

Commission File No. 1-11288

ENERPAC TOOL GROUP CORP.

(Exact name of registrant as specified in its charter)

Wisconsin
(State of incorporation)

39-0168610
(I.R.S. Employer Id. No.)

**648 N. PLANKINTON AVE., 4TH FLOOR
MILWAUKEE, WISCONSIN 53203**

Mailing address: P. O. Box 3241, Milwaukee, Wisconsin 53201
(Address of principal executive offices)

**N86 W12500 WESTBROOK CROSSING
MENOMONEE FALLS, WISCONSIN 53051**
(Former address of principal executive offices)

(262) 293-1500
(Registrant's telephone number, including area code)

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

<u>Title of each class</u>	<u>Ticker Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Class A common stock, \$0.20 par value per share	EPAC	NYSE

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 emerging growth company. See definition of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☒	Accelerated Filer	☐
Non-accelerated Filer	☐	Smaller reporting company	☐
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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.): Yes ☐ No ☒

The number of shares outstanding of the registrant's Class A Common Stock as of June 23, 2025 was 53,937,328.

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FORWARD-LOOKING STATEMENTS AND CAUTIONARY FACTORS

This quarterly report on Form 10-Q contains certain statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties. The terms “may,” “should,” “could,” “anticipate,” “believe,” “estimate,” “expect,” “objective,” “plan,” “project” and similar expressions are intended to identify forward-looking statements. Such forward-looking statements include statements regarding expected financial results and other planned events, including, but not limited to, anticipated liquidity, anticipated restructuring costs and related savings, anticipated future charges and anticipated capital expenditures. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Therefore, actual future events or results may differ materially from these statements. We disclaim any obligation to publicly update or revise any forward-looking statements as a result of new information, future events or any other reason.

The following is a list of factors, among others, that could cause actual results to differ materially from the forward-looking statements:

- supply chain issues, including shortages of adequate component supply or that increase our costs or cause delays in our ability to fulfill orders;
- failure to estimate customer demand properly may result in or could have an adverse impact on our business and operating results and our relationship with customers;
- the deterioration of, or instability in, the domestic and international economy and challenging end-market conditions, including as a result of geopolitical activity, including but not limited to, the armed conflicts in the Middle East and potential impacts to shipping in that area, as well as the invasion of Ukraine by Russia and international sanctions imposed in response thereto;
- decreased demand from customers in the oil & gas industry, including as a result of significant volatility in oil prices resulting from disruptions in the oil markets, geopolitical activity impacting shipping and imposition of climate-related laws and regulations that disadvantage the oil & gas industry;
- uncertainty over global tariffs or the financial impact of tariffs;

- our ability to maintain operational improvements from our continuous improvement program and from prior restructuring actions;
- logistics challenges, such as global freight capacity shortages, significant increases in freight costs or other delays in our ability to fulfill orders, including as a result of attacks on commercial ships in the Red Sea and adverse weather conditions;
- failure to collect on accounts receivable, including in certain foreign jurisdictions where sales are concentrated to a limited number of distributors or agents;
- risks related to our reliance on independent agents and distributors for the distribution and service of products;
- a significant failure in our information technology (IT) infrastructure, such as unauthorized access to financial and other sensitive data or cybersecurity threats;
- a material disruption at a significant manufacturing facility;
- competition in the markets we serve;
- currency exchange rate fluctuations, export and import restrictions, transportation disruptions or shortages, and other risks inherent in our international operations;
- regulatory and legal developments, including litigation, such as product liability and warranty claims, and contractual exposure to liabilities;
- unfavorable tax law changes may adversely affect results;
- failure to develop new products and the extent of market acceptance of new products and price increases;
- our ability to execute on our growth strategy;
- our ability to successfully identify, consummate and integrate acquisitions and realize anticipated benefits/results from acquired companies as part of our portfolio management process;
- the effects of divestitures and/or discontinued operations, including retained liabilities from, or indemnification obligations with respect to, disposed businesses;
- if the operating performance of our businesses were to fall significantly below normalized levels, the potential for a non-cash impairment charge of goodwill and/or other intangible assets, as they represent a substantial amount of our total assets;
- a global economic recession;
- the impact of elevated interest rates and material, labor, or overhead cost increases;
- our ability to comply with the covenants in our debt agreements and fluctuations in interest rates;
- our ability to attract, develop, and retain qualified employees;
- inadequate intellectual property protection or infringement of the intellectual property of others;
- our ability to access capital markets; and
- other matters, including those of a political, economic, business, competitive and regulatory nature contained from time to time in our U.S. Securities and Exchange Commission ("SEC") filings, including, but not limited to, those factors listed in the "Risk Factors" section within Item 1A of Part I of our Form 10-K for the fiscal year ended August 31, 2024 filed with the SEC on October 21, 2024 (the "fiscal 2024 Annual Report on Form 10-K") and in the "Risk Factors" section within Item 1A of this Quarterly Report on Form 10-Q.

When used herein, the terms "we," "us," "our" and the "Company" refer to Enerpac Tool Group Corp. and its subsidiaries. Reference to fiscal years, such as "fiscal 2025," are to the fiscal year ending on August 31 of the specified year. Enerpac Tool Group Corp. provides free-of-charge access to its Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments thereto, through its website, www.enerpactoolgroup.com, as soon as reasonably practicable after such reports are electronically filed with the SEC.

PART I—FINANCIAL INFORMATION

Item 1—Financial Statements

ENERPAC TOOL GROUP CORP.
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended May 31,		Nine Months Ended May 31,	
	2025	2024	2025	2024
Net sales	\$ 158,661	\$ 150,389	\$ 449,385	\$ 430,796
Cost of products sold	78,758	72,506	221,400	207,188
Gross profit	79,903	77,883	227,985	223,608
Selling, general and administrative expenses	41,125	42,101	124,865	125,041
Amortization of intangible assets	1,235	824	3,625	2,480
Restructuring charges	5,862	1,595	5,862	4,393
Impairment & divestiture charges	—	—	—	147
Operating profit	31,681	33,363	93,633	91,547
Financing costs, net	2,395	3,385	7,535	10,793
Other expense, net	947	544	2,184	2,079
Earnings before income tax expense	28,339	29,434	83,914	78,675
Income tax expense	6,295	6,813	19,246	19,877
Net earnings from continuing operations	22,044	22,621	64,668	58,798
Earnings from discontinued operations, net of income taxes	—	3,157	—	2,535
Net earnings	\$ 22,044	\$ 25,778	\$ 64,668	\$ 61,333
Earnings per share from continuing operations				
Basic	\$ 0.41	\$ 0.42	\$ 1.19	\$ 1.08
Diluted	\$ 0.41	\$ 0.41	\$ 1.18	\$ 1.07
Earnings per share from discontinued operations				
Basic	\$ 0.00	\$ 0.06	\$ 0.00	\$ 0.05
Diluted	\$ 0.00	\$ 0.06	\$ 0.00	\$ 0.05
Earnings per share				
Basic	\$ 0.41	\$ 0.47	\$ 1.19	\$ 1.13
Diluted	\$ 0.41	\$ 0.47	\$ 1.18	\$ 1.12
Weighted average common shares outstanding				
Basic	54,051	54,292	54,230	54,344
Diluted	54,417	54,826	54,679	54,840

The accompanying notes are an integral part of these condensed consolidated financial statements.

ENERPAC TOOL GROUP CORP.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)
(Unaudited)

	Three Months Ended May 31,		Nine Months Ended May 31,	
	2025	2024	2025	2024
Net earnings	\$ 22,044	\$ 25,778	\$ 64,668	\$ 61,333
Other comprehensive income (loss), net of tax				
Foreign currency translation adjustments	20,280	423	5,178	(2,460)
Pension and other postretirement benefit plans	213	146	794	1,206
Cash flow hedges	24	139	42	1,125
Total other comprehensive income (loss), net of tax	20,517	708	6,014	(129)
Comprehensive income	<u>\$ 42,561</u>	<u>\$ 26,485</u>	<u>\$ 70,682</u>	<u>\$ 61,204</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

ENERPAC TOOL GROUP CORP.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share amounts)

	<i>(Unaudited)</i>	
	May 31, 2025	August 31, 2024
ASSETS		
Current assets		
Cash and cash equivalents	\$ 140,506	\$ 167,094
Accounts receivable, net	113,219	104,335
Inventories, net	87,377	72,887
Other current assets	41,479	27,942
Total current assets	382,581	372,258
Property, plant and equipment, net	52,913	40,285
Goodwill	287,630	269,597
Other intangible assets, net	48,241	36,058
Other long-term assets	56,739	59,130
Total assets	<u>\$ 828,104</u>	<u>\$ 777,328</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Current maturities of long-term debt	\$ 6,250	\$ 5,000
Trade accounts payable	45,702	43,368
Accrued compensation and benefits	27,627	25,856
Income taxes payable	3,437	5,321
Other current liabilities	49,004	49,848
Total current liabilities	132,020	129,393
Long-term debt, net	184,627	189,503
Deferred income taxes	7,975	3,696
Pension and postretirement benefit liabilities	8,501	10,073
Other long-term liabilities	56,756	52,684
Total liabilities	389,879	385,349
Shareholders' equity		
Class A common stock, \$0.20 par value per share, authorized 168,000,000 shares, issued 53,960,309 and 54,234,660 shares, respectively	10,792	10,847
Additional paid-in capital	239,739	235,660
Retained earnings	298,078	261,870
Accumulated other comprehensive loss	(110,384)	(116,398)
Stock held in trust	(3,576)	(3,777)
Deferred compensation liability	3,576	3,777
Total shareholders' equity	438,225	391,979
Total liabilities and shareholders' equity	<u>\$ 828,104</u>	<u>\$ 777,328</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

ENERPAC TOOL GROUP CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Nine Months Ended	
	May 31, 2025	May 31, 2024
Operating Activities		
Net earnings	\$ 64,668	\$ 61,333
Less: Earnings from discontinued operations, net of income taxes	—	2,535
Net earnings from continuing operations	64,668	58,798
Adjustments to reconcile net earnings to net cash provided by operating activities - continuing operations:		
Impairment & divestiture charges	—	147
Depreciation and amortization	10,706	9,970
Stock-based compensation expense	9,525	8,299
Benefit for deferred income taxes	3,782	(4,297)
Amortization of debt issuance costs	440	438
Receivable reserve	—	147
Other non-cash (income) expenses	1,059	3,300
Changes in components of working capital and other, excluding acquisitions and divestitures:		
Accounts receivable	(3,971)	(10,450)
Inventories	(13,058)	(3,769)
Trade accounts payable	(973)	(8,972)
Prepaid expenses and other assets	(9,189)	(5,568)
Income tax accounts	(6,594)	8,305
Accrued compensation and benefits	1,830	(8,542)
Other accrued liabilities	(2,195)	(8,262)
Cash provided by operating activities - continuing operations	56,030	39,544
Cash used in operating activities - discontinued operations	—	(2,586)
Cash provided by operating activities	56,030	36,958
Investing Activities		
Capital expenditures	(16,360)	(4,970)
Cash paid for business acquisitions, net of cash acquired	(26,744)	—
Working capital adjustment from sale of business assets	—	(1,133)
Purchase of business assets	—	(1,402)
Cash used in investing activities - continuing operations	(43,104)	(7,505)
Cash used in investing activities	(43,104)	(7,505)
Financing Activities		
Borrowings on revolving credit facility	14,421	48,000
Principal repayments on revolving credit facility	(14,421)	(64,000)
Principal repayments on term loan	(3,750)	(2,500)
Purchase of treasury shares	(28,594)	(32,691)
Taxes paid related to the net share settlement of equity awards	(7,409)	(3,235)
Stock option exercises & other	1,949	5,200
Payment of cash dividend	(2,167)	(2,178)
Cash used in financing activities - continuing operations	(39,971)	(51,404)
Cash used in financing activities	(39,971)	(51,404)
Effect of exchange rate changes on cash	457	(102)
Net decrease in cash and cash equivalents	(26,588)	(22,053)
Cash and cash equivalents - beginning of period	167,094	154,415
Cash and cash equivalents - end of period	<u>\$ 140,506</u>	<u>\$ 132,362</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Basis of Presentation

General

Enerpac Tool Group Corp. (the "Company") is a premier industrial tools, services, technology and solutions company serving a broad and diverse set of customers in more than 100 countries. The Company has one reportable segment, Industrial Tools & Services ("IT&S"), and an Other operating segment, which does not meet the criteria to be considered a reportable segment.

The accompanying unaudited condensed consolidated financial statements of the Company have been prepared in accordance with United States generally accepted accounting principles ("GAAP") for interim financial reporting and with the instructions of Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. The condensed consolidated balance sheet data as of August 31, 2024 was derived from the Company's audited financial statements but does not include all disclosures required by GAAP. For additional information, including the Company's significant accounting policies, refer to the consolidated financial statements and related footnotes in the Company's fiscal 2024 Annual Report on Form 10-K.

In the opinion of management, all adjustments considered necessary for a fair statement of financial results have been made. Such adjustments consist of only those of a normal recurring nature. Operating results for the three and nine months ended May 31, 2025 are not necessarily indicative of the results that may be expected for the entire fiscal year ending August 31, 2025.

Accumulated Other Comprehensive Loss

The following is a summary of the components included within the Company's accumulated other comprehensive loss (in thousands):

	May 31, 2025	August 31, 2024
Foreign currency translation adjustments	\$ 94,037	\$ 99,215
Pension and other postretirement benefit plans	16,393	17,187
Cash flow hedges	(46)	(4)
Accumulated other comprehensive loss	<u>\$ 110,384</u>	<u>\$ 116,398</u>

Property Plant and Equipment

The following is a summary of the components included within the Company's property, plant and equipment (in thousands):

	May 31, 2025	August 31, 2024
Land, buildings and improvements	\$ 26,847	\$ 14,670
Machinery and equipment	148,930	145,604
Gross property, plant and equipment	175,777	160,274
Less: Accumulated depreciation	(122,864)	(119,989)
Property, plant and equipment, net	<u>\$ 52,913</u>	<u>\$ 40,285</u>

Product Warranty Costs

The Company generally offers its customers an assurance warranty on products sold, although warranty periods may vary by product type and application. The reserve for future warranty claims, which is recorded within the "Other current liabilities" line in the Condensed Consolidated Balance Sheets, is based on historical claim rates and current warranty cost experience. The following is a roll-forward of the changes in product warranty reserves for the nine months ended May 31, 2025 and 2024, respectively (in thousands):

	Nine Months Ended May 31,	
	2025	2024
Beginning balance	\$ 534	\$ 856
Provision for warranties	802	269
Warranty payments and costs incurred	(849)	(547)
Warranty activity for acquired businesses	381	—
Impact of changes in foreign currency rates	37	—
Ending balance	<u>\$ 905</u>	<u>\$ 578</u>

Note 2. Revenue from Contracts with Customers

Nature of Goods and Services

The Company generates its revenue under two principal activities, which are discussed below:

Product Sales: Sales of tools, heavy-lifting solutions, and biomedical textiles are recorded when control is transferred to the customer (i.e., performance obligation has been satisfied). For the majority of the Company's product sales, revenue is recognized at a point in time when control of the product is transferred to the customer, which generally occurs when the product is shipped from the Company to the customer. For certain other products that are highly customized and have a limited alternative use, and for which the Company has an enforceable right of reimbursement for performance completed to date, revenue is recognized over time. We consider the input measure (efforts-expended or cost-to-cost) or output measure as a fair measure of progress for the recognition of over-time revenue associated with these custom products. For a majority of the Company's custom products, machine hours and labor hours (efforts-expended measurement) are used as a measure of progress.

Service & Rental Sales: Service contracts consist of providing highly trained technicians to perform bolting, technical services, machining and joint-integrity work for our customers. These revenues are recognized over time as our customers simultaneously receive and consume the benefits provided by the Company. We consider the input measure (efforts-expended or cost-to-cost) or output measure as a fair measure of progress for the recognition of over-time revenue associated with service contracts. For a majority of the Company's service contracts, labor hours (efforts-expended measurement) is used as the measure of progress when it is determined to be a better depiction of the transfer of control to the customer due to the timing and pattern of labor hours incurred. Revenue from rental contracts (less than a year and non-customized products) is generally recognized ratably over the contract term, depicting the customer's consumption of the benefit related to the rental equipment.

Disaggregated Revenue and Performance Obligations

The Company disaggregates revenue from contracts with customers by reportable segment and product line and by the timing of when goods and services are transferred. See [Note 12, "Segment Information"](#) for information regarding our revenue disaggregation by reportable segment and product line.

The following table presents information regarding revenues disaggregated by the timing of when goods and services are transferred (in thousands):

	Three Months Ended May 31,		Nine Months Ended May 31,	
	2025	2024	2025	2024
Revenues recognized at point in time	\$ 122,478	\$ 117,107	\$ 349,222	\$ 331,634
Revenues recognized over time	36,183	33,282	100,163	99,162
Total	<u>\$ 158,661</u>	<u>\$ 150,389</u>	<u>\$ 449,385</u>	<u>\$ 430,796</u>

Contract Balances

The Company's contract assets and liabilities are as follows (in thousands):

	May 31, 2025	August 31, 2024
Receivables, which are included in accounts receivable, net	\$ 113,219	\$ 104,335
Contract assets, which are included in other current assets	6,681	4,531
Contract liabilities, which are included in other current liabilities	2,210	2,329

Receivables: The Company performs its obligations under a contract with a customer by transferring goods or services in exchange for consideration from the customer. The Company typically invoices its customers as soon as control of an asset is transferred and a receivable for the Company is established. Accounts receivable, net is recorded at face amount of customer receivables less an allowance for doubtful accounts. The Company maintains an allowance for doubtful accounts for expected losses as a result of customers' inability to make required payments. Management evaluates the aging of customer receivable balances, the financial condition of its customers, historical trends and the time outstanding of specific balances to estimate the amount of receivables that may be collected in the future and records the appropriate provision. The allowance for doubtful accounts was \$4.3 million and \$15.9 million at May 31, 2025 and August 31, 2024, respectively. During the three months ended May 31, 2025, the Company wrote-off \$13.2 million of fully reserved receivables related to the payment delinquency of a former agent.

Contract Assets: Contract assets relate to the Company's rights to consideration for work completed but not billed as of the reporting date on contracts with customers. The contract assets are transferred to receivables when the rights become unconditional. The Company has contract assets on contracts that are generally long-term and have revenues that are recognized over time.

Contract Liabilities: As of May 31, 2025, the Company had certain contracts where there were unsatisfied performance obligations and the Company had received cash consideration from customers before the performance obligations were satisfied. The majority of these contracts relate to long-term customer contracts (project durations of greater than three months) and are recognized over time. The Company estimates that substantially all of the \$2.2 million of contract liabilities will be recognized in net sales from satisfying those performance obligations within the next twelve months.

Timing of Performance Obligations Satisfied at a Point in Time: The Company evaluates when the customer obtains control of the product based on shipping terms, as control will transfer, depending upon such terms, at different points between the Company's manufacturing facility or warehouse and the customer's location. The Company considers control to have transferred upon shipment or delivery because (i) the Company has a present right to payment at that time; (ii) the legal title has been transferred to the customer; (iii) the Company has transferred physical possession of the product to the customer; and (iv) the customer has significant risks and rewards of ownership of the product.

Variable Consideration: The Company estimates whether it will be subject to variable consideration under the terms of the contract and includes its estimate of variable consideration in the transaction price based on the expected value method when it is deemed probable of being realized based on historical experience and trends. Types of variable consideration may include rebates, incentives and discounts, among others, which are recorded as a reduction to net sales at the time when control of a performance obligation is transferred to the customer.

Practical Expedients & Exemptions: The Company elected to expense the incremental cost to obtaining a contract when the amortization period for such contracts would be one year or less. The Company does not disclose the value of unperformed obligations for (i) contracts with an original expected length of one year or less and (ii) contracts for which it recognizes revenue at the amount to which it has the right to invoice for services performed.

Note 3. ASCEND Transformation Program

In March 2022, the Company announced the start of its ASCEND transformation program. ASCEND's key initiatives included accelerating organic growth strategies, improving operational excellence and production efficiency by utilizing a Lean approach, and driving greater efficiency and productivity in selling, general and administrative ("SG&A") expense by better leveraging resources to create a more efficient and agile organization.

Total program expenses were approximately \$3.6 million and \$9.3 million in the three and nine months ended May 31, 2024, respectively, with no expenses in the three and nine months ended May 31, 2025, as the ASCEND program ended at August 31, 2024. Of the total ASCEND program expenses, \$1.5 million and \$3.9 million were recorded within SG&A expenses and approximately \$0.6 million and \$1.0 million were recorded within cost of goods sold for the three and nine months ended May 31, 2024, respectively. Additionally, \$1.6 million and \$4.4 million of ASCEND expenses were recorded within restructuring expenses (see [Note 4, "Restructuring Charges"](#)) for the three and nine months ended May 31, 2024, respectively. The restructuring charges incurred were predominately severance and other employee-related costs. The ASCEND program was completed as of August 31, 2024, with total program costs of \$74.7 million, of which \$18.6 million was restructuring charges.

Note 4. Restructuring Charges

On June 27, 2022, the Company approved a restructuring plan in connection with the initiatives identified as part of the ASCEND transformation program (see [Note 3, "ASCEND Transformation Program"](#)) to drive greater efficiency and productivity in global selling, general and administrative resources. The costs of this plan were predominately severance and other employee-related costs incurred as cash expenditures and impacting both IT&S and Corporate.

The Company recorded \$1.6 million and \$4.4 million of restructuring charges associated with the ASCEND transformation program in the three and nine months ended May 31, 2024. No restructuring charges associated with the ASCEND transformation program were recorded in the three and nine months ended May 31, 2025 as the ASCEND program ended at August 31, 2024 with a total restructuring charge of \$18.6 million.

The following summarizes ASCEND restructuring reserve activity for the IT&S segment and Corporate (in thousands):

	Nine Months Ended May 31, 2025	
	IT&S	Corporate
Balance as of August 31, 2024	\$ 3,527	\$ 197
Cash payments	(3,136)	(197)
Impact of changes in foreign currency rates	(20)	—
Balance as of May 31, 2025	<u>\$ 371</u>	<u>\$ —</u>

	Nine Months Ended May 31, 2024	
	IT&S	Corporate
Balance as of August 31, 2023	\$ 2,238	\$ 74
Restructuring charges	4,126	235
Cash payments	(3,509)	(309)
Balance as of May 31, 2024	<u>\$ 2,855</u>	<u>\$ —</u>

Total ASCEND restructuring charges (inclusive of the Other operating segment) were \$1.6 million and \$4.4 million in the three and nine months ended May 31, 2024, being reported in "Restructuring charges." There were no ASCEND restructuring charges in the three and nine months ended May 31, 2025.

During the three months ended May 31, 2025, in light of the current soft market conditions and another step towards increasing efficiency of its selling, general and administrative spend, the Company incurred restructuring costs of \$5.9 million, of which approximately three-quarters is related to personnel actions and the remainder are charges associated with the Company's former headquarters location. Liabilities for severance are generally to be paid within twelve months.

The following summarizes FY25 Restructuring Plan restructuring reserve activity for the IT&S segment and Corporate (in thousands):

	Nine Months Ended May 31, 2025	
	IT&S	Corporate
Balance as of August 31, 2024	\$ —	\$ —
Restructuring charges	2,493	3,369
Cash payments	—	(415)
Balance as of May 31, 2025	<u>\$ 2,493</u>	<u>\$ 2,954</u>

Note 5. Acquisitions

On September 4, 2024, the Company acquired 100% of the stock of DTA The Smart Move, S.A. ("DTA"), a global leader in the industrial heavy loads transportation industry, designing and manufacturing mobile robotic solutions. The acquisition provides a complement to Enerpac's Heavy Lifting Technology product line and combines the Company's existing focus on vertical lift with DTA's specialization in horizontal movement enabling the Company to provide more comprehensive solutions for customers. The Company acquired all of the assets and assumed certain liabilities of DTA for an initial purchase price of \$26.7 million plus potential earn-out of €12.0 million to be paid at the end of the third year following the acquisition that is tied to the achievement of certain financial objectives with a maximum total purchase price of €36.0 million. The acquisition was funded with both cash on hand and borrowings from our existing credit facility. At May 31, 2025, the Company preliminarily recorded a liability of €2.3 million related to the potential earn-out payment and recognized \$15.0 million of intangible assets made up of amortizable assets including \$1.6 million in tradenames amortizable over three years, \$3.6 million in customer relationship and \$9.8 million in developed technology both amortizable over fourteen years.

The excess of the acquisition purchase price over the fair value assigned to the assets acquired and liabilities assumed was recorded to goodwill. The preliminary value of the assets acquired and liabilities assumed as of acquisition date were as follows (in thousands):

Current assets	\$ 5,624
Property, plant and equipment	2,841
Intangible assets	14,977
Goodwill	14,846
Long term assets	<u>531</u>
Total assets acquired	38,819
Current liabilities	(6,516)
Long term liabilities	<u>(5,559)</u>
Net assets acquired	<u>\$ 26,744</u>

As the Company finalizes the fair value of assets acquired and liabilities assumed, additional purchase price allocation adjustments will be recorded during the measurement period, but not to exceed 12 months following acquisition date. Adjustments in

purchase price allocations may require a change in the amounts allocated to net assets acquired during the periods in which the adjustments are determined.

Note 6. Goodwill, Intangible Assets and Long-Lived Assets

Changes in the gross carrying value of goodwill and intangible assets result from changes in foreign currency exchange rates, business acquisitions, divestitures and impairment charges. The changes in the carrying amount of goodwill for the nine months ended May 31, 2025 are as follows (in thousands):

	IT&S	Other	Total
Balance as of August 31, 2024	\$ 258,388	\$ 11,209	\$ 269,597
DTA Acquisition	14,846	—	14,846
Impact of changes in foreign currency rates	3,187	—	3,187
Balance as of May 31, 2025	<u>\$ 276,421</u>	<u>\$ 11,209</u>	<u>\$ 287,630</u>

The gross carrying value and accumulated amortization of the Company's intangible assets are as follows (in thousands):

	Weighted Average Amortization Period (Years)	May 31, 2025			August 31, 2024		
		Gross Carrying Value	Accumulated Amortization	Net Book Value	Gross Carrying Value	Accumulated Amortization	Net Book Value
Amortizable intangible assets:							
Customer Relationships	14	\$ 114,250	\$ 102,989	\$ 11,261	\$ 109,582	\$ 99,530	\$ 10,052
Patents	13	10,022	9,545	477	9,916	9,408	508
Developed Technology	14	9,986	535	9,451	—	—	—
Trademarks and tradenames	10	4,490	2,818	1,672	2,764	2,308	456
Indefinite lived intangible assets:							
Tradenames	N/A	25,380	—	25,380	25,042	—	25,042
		\$ 164,128	\$ 115,887	\$ 48,241	\$ 147,304	\$ 111,246	\$ 36,058

The Company estimates that amortization expense will be \$0.8 million for the remaining three months of fiscal 2025. Amortization expense for future years is estimated to be: \$3.5 million in fiscal 2026, \$3.4 million in fiscal 2027, \$2.7 million in fiscal 2028, \$2.6 million in fiscal 2029, \$1.7 million in fiscal 2030 and \$8.1 million cumulatively thereafter. The future amortization expense amounts represent estimates and may be impacted by future acquisitions, divestitures, or changes in foreign currency exchange rates, among other causes.

Note 7. Debt

The following is a summary of the Company's long-term indebtedness (in thousands):

	May 31, 2025	August 31, 2024
Senior Credit Facility		
Revolver	\$ —	\$ —
Term Loan	191,250	195,000
Total Senior Indebtedness	191,250	195,000
Less: Current maturities of long-term debt	(6,250)	(5,000)
Debt issuance costs	(373)	(497)
Total long-term debt, less current maturities	<u>\$ 184,627</u>	<u>\$ 189,503</u>

Senior Credit Facility

On September 9, 2022, the Company refinanced its previous senior credit facility with a new \$600 million senior credit facility, comprised of a \$400 million revolving line of credit and a \$200 million term loan, which is scheduled to mature in September 2027. The Company has the option to request up to \$300 million of additional revolving commitments and/or term loans under the new facility, subject to customary conditions, including the commitment of the participating lenders. This facility replaces LIBOR with adjusted term SOFR as the interest rate benchmark and provides for interest rate margins above adjusted term SOFR ranging from 1.125% to 1.875% per annum depending on the Company's net leverage ratio. In addition, a non-use fee is payable quarterly on the average unused amount of the revolving line of credit ranging from 0.15% to 0.3% per annum, based on the Company's net leverage. Borrowings under the credit facility bear interest at adjusted term SOFR plus 1.125% per annum.

The facility contains financial covenants requiring the Company to not permit (i) the net leverage ratio, determined as of the end of each of its fiscal quarters, to exceed 3.75 to 1.00 (or, at the Company's election and subject to certain conditions, 4.25 to 1.00 for the covenants period during which certain material acquisitions occur and the next succeeding four testing periods) or (ii) the interest coverage ratio, determined as of the end of each of its fiscal quarters, to be less than 3.00 to 1.00. Borrowings under the facility are secured by substantially all personal property assets of the Company and its domestic subsidiary guarantors (other than certain specified excluded assets) and certain of the equity interests of certain subsidiaries of the Company. The Company was in compliance with all covenants under the credit facility at May 31, 2025.

At May 31, 2025, there were \$191.3 million in borrowings outstanding under the term loans, no borrowings outstanding under the revolving line of credit and \$398.5 million available for borrowing under the revolving line of credit facility after reduction for \$1.5 million of outstanding letters of credit issued under the facility.

Note 8. Fair Value Measurements

The Company assesses the inputs used to measure the fair value of financial assets and liabilities using a three-tier hierarchy. Level 1 inputs include unadjusted quoted prices for identical instruments and are the most observable. Level 2 inputs include quoted prices for similar assets and observable inputs such as interest rates, foreign currency exchange rates, commodity rates and yield curves. Level 3 inputs are not observable in the market and include management's own judgments about the assumptions market participants would use in pricing an asset or liability.

The fair value of the Company's cash and cash equivalents, accounts receivable, accounts payable and variable rate long-term debt approximated book value at both May 31, 2025 and August 31, 2024 due to their short-term nature and the fact that the interest rates approximated market rates. Foreign currency exchange contracts and interest rate swaps are recorded at fair value. The fair value of the Company's foreign currency exchange contracts was a net asset of less than \$0.1 million and a net liability of \$0.3 million at May 31, 2025 and August 31, 2024, respectively.

The fair value of the Company's interest rate swap and net investment hedge was an asset of less than \$0.1 million and \$3.3 million at May 31, 2025, respectively, and an asset of less than \$0.1 million and a liability of \$1.6 million at August 31, 2024, respectively, (see [Note 9, "Derivatives"](#), for further information on the Company's interest rate swap and net investment hedge.) The fair value of all derivative contracts were based on quoted inactive market prices and therefore classified as Level 2 within the valuation hierarchy.

Note 9. Derivatives

All derivatives are recognized in the balance sheet at their estimated fair value. The Company does not enter into derivatives for speculative purposes. Changes in the fair value of derivatives (not designated as hedges) are recorded in earnings along with the gain or loss on the hedged asset or liability.

The Company is exposed to market risk for changes in foreign currency exchange rates due to the global nature of its operations. In order to manage this risk, the Company utilizes foreign currency exchange contracts to reduce the exchange rate risk associated with recognized non-functional currency balances. The effects of changes in exchange rates are reflected concurrently in earnings for both the fair value of the foreign currency exchange contracts and the related non-functional currency asset or liability. These derivative gains and losses offset foreign currency gains and losses from the related revaluation of non-functional currency assets and liabilities (amounts included in "Other expense, net" in the Condensed Consolidated Statements of Earnings). The U.S. dollar equivalent notional value of these short duration foreign currency exchange contracts was \$9.7 million and \$15.6 million at May 31, 2025 and August 31, 2024, respectively. The fair value of outstanding foreign currency exchange contracts was a net asset of less than \$0.1 million and net liability of \$0.3 million at May 31, 2025 and August 31, 2024, respectively. Net foreign currency loss (gain) (included in "Other expense, net" in the Condensed Consolidated Statements of Earnings) related to these derivative instruments are as follows (in thousands):

	Three Months Ended May 31,		Nine Months Ended May 31,	
	2025	2024	2025	2024
Foreign currency loss (gain)	\$ 200	\$ 84	\$ (124)	\$ 482

During December 2022, the Company entered into an interest rate swap, with a maturity date of November 30, 2025, for the notional amount of \$60.0 million at a fixed interest rate of 4.022% to hedge the floating interest rate of the Company's term loan. The interest rate swap was designated and qualified as a cash flow hedge. The Company uses the interest rate swap for the management of interest rate risk exposure, as the interest rate swap effectively converts a portion of the Company's debt from a floating rate to a fixed rate.

The Company records the fair value of the interest rate swap as an asset or liability on its balance sheet. The change in the fair value of the interest rate swap, a net gain of less than \$0.1 million for both the three and nine months ended May 31, 2025, and a net gain of \$0.2 million and \$0.1 million for the three and nine months ended May 31, 2024, respectively, is recorded in other comprehensive income.

The Company also uses interest-rate derivatives to hedge portions of our net investments in non-U.S. subsidiaries (net investment hedge) against the effect of exchange rate fluctuations on the translation of foreign currency balances to the U.S. dollar. For derivatives that are designated and qualify as a net investment hedge in a foreign operation, the net gains or losses attributable to the hedge changes are recorded in other comprehensive income (loss) where they offset gains and losses recorded on our net investments where the entity has non-U.S. dollar functional currency. During December 2022, the Company entered into a cross-currency swap designated as a net investment hedge with a notional amount of \$30.5 million. On October 28, 2024, the Company entered into an incremental cross-currency swap designated as a net investment hedge with a notional amount of \$14.1 million. The change in the fair value of the net investment hedges, a net loss of \$3.2 million and \$2.5 million for the three and nine months ended May 31, 2025, respectively, and a net loss of \$0.9 million and net gain of \$0.2 million for the three and nine months ended May 31, 2024, respectively, is recorded in other comprehensive income.

Note 10. Earnings per Share and Shareholders' Equity

The Company's Board of Directors has authorized the repurchase of shares of the Company's common stock under publicly announced share repurchase programs. Since the inception of the initial share repurchase program in fiscal 2012, the Company has repurchased 30,742,231 shares of common stock for \$867.5 million. In March 2022, the Company's Board of Directors approved a new share repurchase program authorizing the repurchase of a total of 10,000,000 shares of the Company's outstanding common stock.

In December 2023, the Company's Board of Directors authorized the retirement of the Company's repurchased shares. The Company repurchased and retired 1,165,767 shares for \$32.7 million in the nine months ended May 31, 2024 and 660,050 shares for \$28.6 million in the nine months ended May 31, 2025. The maximum number of shares that may yet be purchased under the program is 2,056,999 shares.

The reconciliation between basic and diluted earnings per share is as follows (in thousands, except per share amounts):

	Three Months Ended May 31,		Nine Months Ended May 31,	
	2025	2024	2025	2024
Numerator:				
Net earnings from continuing operations	\$ 22,044	\$ 22,621	\$ 64,668	\$ 58,798
Earnings from discontinued operations, net of income taxes	—	3,157	—	2,535
Net earnings	<u>\$ 22,044</u>	<u>\$ 25,778</u>	<u>\$ 64,668</u>	<u>\$ 61,333</u>
Denominator:				
Weighted average common shares outstanding - basic	54,051	54,292	54,230	54,344
Net effect of dilutive securities - stock based compensation plans	366	534	449	496
Weighted average common shares outstanding - diluted	<u>54,417</u>	<u>54,826</u>	<u>54,679</u>	<u>54,840</u>
Earnings per share from continuing operations				
Basic	\$ 0.41	\$ 0.42	\$ 1.19	\$ 1.08
Diluted	\$ 0.41	\$ 0.41	\$ 1.18	\$ 1.07
Earnings per share from discontinued operations				
Basic	\$ 0.00	\$ 0.06	\$ 0.00	\$ 0.05
Diluted	\$ 0.00	\$ 0.06	\$ 0.00	\$ 0.05
Earnings per share:*				
Basic	\$ 0.41	\$ 0.47	\$ 1.19	\$ 1.13
Diluted	\$ 0.41	\$ 0.47	\$ 1.18	\$ 1.12
Anti-dilutive securities from stock based compensation plans (excluded from earnings per share calculation)	188	1	143	128

*The total of Earnings per share from continuing operations and Earnings per share from discontinued operations may not equal Earnings per share due to rounding.

The following table illustrates the changes in the balances of each component of shareholders' equity for the nine months ended May 31, 2025 (in thousands):

	Common Stock		Additional Paid-in Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Stock Held in Trust	Deferred Compensation Liability	Total Shareholders' Equity
	Issued Shares	Amount							
Balance at August 31, 2024	54,235	\$ 10,847	\$ 235,660	\$ —	\$261,870	\$ (116,398)	\$(3,777)	\$ 3,777	\$ 391,979
Net earnings	—	—	—	—	21,723	—	—	—	21,723
Other comprehensive loss, net of tax	—	—	—	—	—	(9,676)	—	—	(9,676)
Stock contribution to employee benefit plans and other	2	—	91	—	—	—	—	—	91
Vesting of equity awards	186	37	(37)	—	—	—	—	—	—
Cash dividend (\$0.04 per share)	—	—	—	—	3	—	—	—	3
Stock based compensation expense	—	—	3,345	—	—	—	—	—	3,345
Stock option exercises	87	18	1,310	—	—	—	—	—	1,328
Tax effect related to net share settlement of equity awards	—	—	(6,405)	—	—	—	—	—	(6,405)
Stock issued to, acquired for and distributed from rabbi trust	—	—	—	—	—	—	3	(3)	—
Treasury stock repurchased and retired	(110)	(22)	—	—	(4,357)	—	—	—	(4,379)
Balance at November 30, 2024	54,400	10,880	233,964	—	279,239	(126,074)	(3,774)	3,774	398,009
Net earnings	—	—	—	—	20,901	—	—	—	20,901
Other comprehensive loss, net of tax	—	—	—	—	—	(4,827)	—	—	(4,827)
Stock contribution to employee benefit plans and other	2	—	97	—	—	—	—	—	97
Vesting of equity awards	73	14	(14)	—	—	—	—	—	—
Stock based compensation expense	—	—	2,841	—	—	—	—	—	2,841
Stock option exercises	2	1	37	—	—	—	—	—	38
Tax effect related to net share settlement of equity awards	—	—	(996)	—	—	—	—	—	(996)
Stock issued to, acquired for and distributed from rabbi trust	2	1	90	—	—	—	199	(199)	91
Treasury stock repurchased and retired	(220)	(44)	—	—	(10,132)	—	—	—	(10,176)
Balance at February 28, 2025	54,259	10,852	236,019	—	290,008	(130,901)	(3,575)	3,575	405,978
Net earnings	—	—	—	—	22,044	—	—	—	22,044
Other comprehensive income, net of tax	—	—	—	—	—	20,517	—	—	20,517
Stock contribution to employee benefit plans and other	5	1	116	—	—	—	—	—	117
Stock based compensation expense	—	—	3,340	—	—	—	—	—	3,340
Stock option exercises	11	2	276	—	—	—	—	—	278
Tax effect related to net share settlement of equity awards	—	—	(9)	—	—	—	—	—	(9)
Stock issued to, acquired for and distributed from rabbi trust	15	3	(3)	—	—	—	(1)	1	—
Treasury stock repurchased and retired	(330)	(66)	—	—	(13,974)	—	—	—	(14,040)
Balance at May 31, 2025	53,960	\$ 10,792	\$ 239,739	\$ —	\$298,078	\$ (110,384)	\$(3,576)	\$ 3,576	\$ 438,225

The following table illustrates the changes in the balances of each component of shareholders' equity for the nine months ended May 31, 2024 (in thousands):

	Common Stock		Additional Paid-in Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Stock Held in Trust	Deferred Compensation Liability	Total Shareholders' Equity
	Issued Shares	Amount							
Balance at August 31, 2023	83,761	\$ 16,752	\$ 220,472	\$(800,506)	\$ 1,011,112	\$ (121,210)	\$(3,484)	\$ 3,484	\$ 326,620
Net earnings	—	—	—	—	17,738	—	—	—	17,738
Other comprehensive income, net of tax	—	—	—	—	—	370	—	—	370
Stock contribution to employee benefit plans and other	2	—	51	—	—	—	—	—	51
Vesting of equity awards	118	23	(23)	—	—	—	—	—	—
Cash dividend (\$0.04 per share)	—	—	—	—	21	—	—	—	21
Treasury stock repurchases	—	—	—	(26,116)	—	—	—	—	(26,116)
Stock based compensation expense	—	—	2,717	—	—	—	—	—	2,717
Stock option exercises	83	17	2,193	—	—	—	—	—	2,210
Tax effect related to net share settlement of equity awards	—	—	(2,025)	—	—	—	—	—	(2,025)
Stock issued to, acquired for and distributed from rabbi trust	3	1	89	—	—	—	(92)	92	90
Balance at November 30, 2023	83,967	16,793	223,474	(826,622)	1,028,871	(120,840)	(3,576)	3,576	321,676
Net earnings	—	—	—	—	17,817	—	—	—	17,817
Other comprehensive loss, net of tax	—	—	—	—	—	(1,207)	—	—	(1,207)
Stock contribution to employee benefit plans and other	1	—	35	—	—	—	—	—	35
Vesting of equity awards	105	21	(21)	—	—	—	—	—	—
Stock based compensation expense	—	—	2,810	—	—	—	—	—	2,810
Stock option exercises	21	5	472	—	—	—	—	—	477
Tax effect related to net share settlement of equity awards	—	—	(953)	—	—	—	—	—	(953)
Stock issued to, acquired for and distributed from rabbi trust	26	5	258	—	—	—	(201)	201	263
Treasury stock repurchases	—	—	—	(3,992)	—	—	—	—	(3,992)
Treasury stock retired	(29,867)	(5,973)	—	830,614	(824,641)	—	—	—	—
Balance at February 29, 2024	54,253	10,851	226,075	—	222,047	(122,047)	(3,777)	3,777	336,926
Net earnings	—	—	—	—	25,778	—	—	—	25,778
Other comprehensive income, net of tax	—	—	—	—	—	708	—	—	708
Stock contribution to employee benefit plans and other	2	1	74	—	—	—	—	—	75
Vesting of equity awards	14	2	(2)	—	—	—	—	—	—
Stock based compensation expense	—	—	2,772	—	—	—	—	—	2,772
Stock option exercises	92	18	2,213	—	—	—	—	—	2,231
Tax effect related to net share settlement of equity awards	—	—	(136)	—	—	—	—	—	(136)
Treasury stock repurchased and retired	(72)	(14)	—	—	(2,569)	—	—	—	(2,583)
Balance at May 31, 2024	54,289	\$ 10,858	\$ 230,996	\$ —	\$ 245,256	\$ (121,339)	\$(3,777)	\$ 3,777	\$ 365,771

Note 11. Income Taxes

The Company's global operations, acquisition activity (as applicable) and specific tax attributes provide opportunities for continuous global tax planning initiatives to maximize tax credits and deductions. Comparative earnings before income taxes, income tax expense and effective income tax rates from continuing operations are as follows (dollars in thousands):

	Three Months Ended		Nine Months Ended	
	May 31, 2025	May 31, 2024	May 31, 2025	May 31, 2024
Earnings before income tax expense	\$ 28,339	\$ 29,434	\$ 83,914	\$ 78,675
Income tax expense	6,295	6,813	19,246	19,877
Effective income tax rate	22.2 %	23.1 %	22.9 %	25.3 %

The Company's earnings from continuing operations before income taxes include earnings from both U.S. and foreign jurisdictions. As several foreign tax rates are higher than the U.S. tax rate of 21%, the annual effective tax rate is impacted by foreign rate differentials, withholding taxes, losses in jurisdictions where no benefit can be realized, and various aspects of the U.S. Tax Cuts and Jobs Act, such as the Global Intangible Low-Taxed Income and Foreign-Derived Intangible Income provisions.

The effective tax rate for the three months ended May 31, 2025 was 22.2%, compared to 23.1% for the comparable prior-year period. The effective tax rate in each time period was impacted by year-to-date losses and deductions in jurisdictions where no tax benefit can be realized. The lower effective tax rate for the three months ended May 31, 2025 was primarily driven by the more favorable impact of uncertain tax position releases related to statute expirations and lower withholding tax related to current year distributions in comparison to the prior period. Both the current and prior-year period effective income tax rates include the impact of non-recurring items.

Note 12. Segment Information

The Company is a global manufacturer of a broad range of industrial products and solutions. The IT&S reportable segment is primarily engaged in the design, manufacture and distribution of branded hydraulic and mechanical tools and in providing services and tool rental to the infrastructure; industrial maintenance; repair and operations; oil & gas; mining; alternative and renewable energy; civil construction and other markets. The Other segment is included for purposes of reconciliation of the respective balances below to the condensed consolidated financial statements.

The following tables summarize financial information by reportable segment and product line (in thousands):

	Three Months Ended May 31,		Nine Months Ended May 31,	
	2025	2024	2025	2024
Net Sales by Reportable Segment & Product Line				
IT&S Segment				
Product	\$ 124,308	\$ 117,742	\$ 344,274	\$ 330,606
Service & Rental	29,066	28,194	89,950	87,187
	153,374	145,936	434,224	417,793
Other Segment	5,287	4,453	15,161	13,003
	<u>\$ 158,661</u>	<u>\$ 150,389</u>	<u>\$ 449,385</u>	<u>\$ 430,796</u>
Operating Profit (Loss)				
IT&S Segment	\$ 40,293	\$ 41,048	\$ 117,021	\$ 114,028
Other Segment	2,083	1,253	4,702	3,144
Corporate	(10,695)	(8,938)	(28,090)	(25,625)
	<u>\$ 31,681</u>	<u>\$ 33,363</u>	<u>\$ 93,633</u>	<u>\$ 91,547</u>

	May 31, 2025	August 31, 2024
Assets		
IT&S Segment	\$ 666,889	\$ 613,797
Other Segment	25,074	26,533
Corporate	136,141	136,998
	<u>\$ 828,104</u>	<u>\$ 777,328</u>

In addition to the impact of changes in foreign currency exchange rates, the comparability of segment and product line information is impacted by acquisition/divestiture activities, impairment and divestiture charges, restructuring costs and related benefits. Corporate assets, which are not allocated, principally represent cash and cash equivalents, property, plant and equipment, Right of Use ("ROU") assets, capitalized debt issuance costs and deferred income taxes.

Note 13. Commitments and Contingencies

The Company had outstanding letters of credit of \$5.6 million and surety bonds of \$3.8 million at May 31, 2025 and \$4.4 million of letters of credit and \$3.8 million of surety bonds at August 31, 2024, the majority of which relate to commercial contracts and self-insured workers' compensation programs.

As part of the Company's global sourcing strategy, we have entered into agreements with certain suppliers that require the supplier to maintain minimum levels of inventory to support certain products for which we require a short lead time to fulfill customer orders. We have the ability to notify the supplier that they no longer need maintain the minimum level of inventory should we discontinue manufacturing of a product during the contract period; however, we must purchase the remaining minimum inventory levels the supplier was required to maintain within a defined period of time.

The Company is a party to various legal proceedings that have arisen in the normal course of business. These legal proceedings include regulatory matters, product liability, breaches of contract, employment, personal injury and other disputes. The Company has recorded reserves for loss contingencies based on the specific circumstances of each case. Such reserves are recorded when it is probable a loss has been incurred and can be reasonably estimated. The Company maintains a policy to exclude from such reserves an estimate of legal defense costs. In the opinion of management, resolution of these contingencies is not expected to have a material adverse effect on the Company's financial position, results of operations or cash flows.

Additionally, in fiscal 2019, the Company provided voluntary self-disclosures to both Dutch and U.S. authorities related to sales of products and services linked to the Crimea region of Ukraine, which sales potentially violated European Union and U.S. sanctions provisions. Although the U.S. investigation closed without further implication, the Dutch investigation continued. The Dutch Investigator concluded his investigation in March 2022 and provided the results to the Public Prosecutor's office for review. Specifically, the Investigator concluded that the sales transactions violated EU sanctions. The conclusion in the Investigator's report was consistent with the Company's understanding of what could be stated in the report and supported the Company to record an expense in the fiscal year-ended August 31, 2021, representing the low end of a reasonable range of financial penalties the Company may incur as no other point within the range was deemed more probable. The matter remains subject to further legal proceedings in the Netherlands. The Company has not adjusted its estimate of financial penalties as a result of the status of legal proceedings in the nine months ended May 31, 2025. While there can be no assurance of the ultimate outcome of the matter, the Company currently believes that there will be no material adverse effect on the Company's financial position, results of operations or cash flows from this matter.

Note 14. Leases

The Company has operating leases for real estate, vehicles, manufacturing equipment, IT equipment and office equipment (the Company does not have any significant financing leases). Our leases typically range in term from 3 to 15 years and may contain renewal options for periods up to 5 years at our discretion. Operating leases are recorded as operating lease ROU assets in "Other long-term assets" and operating lease liabilities in "Other current liabilities" and "Other long-term liabilities" of the Condensed Consolidated Balance Sheets. There have been no material changes to our operating lease ROU assets and operating lease liabilities during the nine months ended May 31, 2025.

The components of lease expense were as follows (in thousands):

	Three Months Ended May 31,		Nine Months Ended May 31,	
	2025	2024	2025	2024
Lease Cost:				
Operating lease cost	\$ 2,981	\$ 3,193	\$ 9,150	\$ 9,379
Short-term lease cost	371	452	1,250	1,561
Variable lease cost	278	582	2,355	2,233

Supplemental cash flow and other information related to leases were as follows (in thousands):

	Nine Months Ended May 31,	
	2025	2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 9,234	\$ 9,086
Right-of-use assets obtained in exchange for new lease liabilities:		
Operating leases	4,105	2,940

Item 2 – Management’s Discussion and Analysis of Financial Condition and Results of Operations

Enerpac Tool Group Corp. is a premier industrial tools, services, technology, and solutions provider serving a broad and diverse set of customers and end markets for mission-critical applications in more than 100 countries. Enerpac Tool Group's businesses are global leaders in providing high pressure hydraulic tools, controlled force products and solutions for precise positioning of heavy loads that help customers safely and reliably tackle some of the most challenging jobs around the world. The Company was founded in 1910 and is headquartered in Milwaukee, Wisconsin. The Company has one reportable segment, the Industrial Tools & Services Segment ("IT&S"). The IT&S segment is primarily engaged in the design, manufacture and distribution of branded hydraulic and mechanical tools and in providing services and tool rental to the refinery/petrochemical; general industrial; industrial maintenance, repair and operations ("MRO"), machining & manufacturing; power generation, infrastructure, mining and other markets. Financial information related to the Company's reportable segment is included in [Note 12, "Segment Information"](#) in the notes to the condensed consolidated financial statements. The Company has an Other operating segment, which does not meet the criteria to be considered a reportable segment.

Our businesses provide an array of products and services across multiple markets and geographies, which results in significant diversification. The IT&S segment and the Company are well-positioned to drive shareholder value through a sustainable business strategy built on well-established brands, broad global distribution and end markets, clear focus on the core tools and services business and disciplined capital deployment.

Our Business Model

Our long-term goal is to create sustainable returns for our shareholders through above-market growth in our core business, expanding our margins, generating strong cash flow, and being disciplined in the deployment of our capital. We intend to grow through execution of our organic growth strategy, focused on key vertical markets that benefit from long-term macro trends, driving customer driven innovation, expansion of our digital ecosystem to acquire and engage customers, and an expansion in emerging markets such as Asia Pacific. In addition to organic growth, we also focus on margin expansion through operational efficiency techniques, including lean, continuous improvement and 80/20, to drive productivity and lower costs, as well as optimizing our selling, general and administrative expenses through consolidation and shared service implementation. We also apply these techniques and pricing actions to offset commodity increases and inflationary pricing. Finally, cash flow generation is critical to achieving our financial and long-term strategic objectives. We believe driving profitable growth and margin expansion will result in cash flow generation, which we seek to supplement through minimizing primary working capital. We intend to allocate the cash flow that results from the execution of our strategy in a disciplined way toward investment in our businesses, maintaining our strong balance sheet, disciplined M&A and opportunistically returning capital to shareholders. We anticipate the compounding effect of reinvesting in our business will fuel further growth and profitable returns.

General Business Update

In March 2022, the Company announced the start of its ASCEND transformation program. ASCEND's key initiatives included accelerating organic growth strategies, improving operational excellence and production efficiency by utilizing a Lean approach, and driving greater efficiency and productivity in selling, general and administrative ("SG&A") expense by better leveraging resources to create a more efficient and agile organization.

In October 2023, the Company announced that during fiscal 2023, the Company had realized approximately \$54 million of annual operating profit from execution of the ASCEND program and would no longer be breaking out the ASCEND benefit from results. The ASCEND program was completed as of August 31, 2024, with total program costs of \$75 million, of which \$19 million related to restructuring charges.

Results of Operations

The following table sets forth our results of continuing operations (dollars in millions, except per share amounts):

Results from Continuing Operations ⁽¹⁾	Three Months Ended May 31,				Nine Months Ended May 31,			
	2025		2024		2025		2024	
Net sales	\$ 159	100 %	\$ 150	100 %	\$ 449	100 %	\$ 431	100 %
Cost of products sold	79	50 %	73	48 %	221	49 %	207	48 %
Gross profit	80	50 %	78	52 %	228	51 %	224	52 %
Selling, general and administrative expenses	41	26 %	42	28 %	125	28 %	125	29 %
Amortization of intangible assets	1	1 %	1	1 %	4	1 %	2	1 %
Restructuring charges	6	4 %	2	1 %	6	1 %	4	1 %
Impairment & divestiture charges	—	— %	—	— %	—	— %	—	— %
Operating profit	32	20 %	33	22 %	94	21 %	92	21 %
Financing costs, net	2	2 %	3	2 %	8	2 %	11	3 %
Other expense, net	1	1 %	1	0 %	2	0 %	2	— %
Earnings before income tax expense	28	18 %	29	20 %	84	19 %	79	18 %
Income tax expense	6	4 %	7	5 %	19	4 %	20	5 %
Net earnings	\$ 22	14 %	\$ 23	15 %	\$ 65	14 %	\$ 59	14 %
Diluted earnings per share from continuing operations	\$ 0.41		\$ 0.41		\$ 1.18		\$ 1.07	

⁽¹⁾ Results are from continuing operations and exclude the financial results of previously divested businesses reported as discontinued operations. The summation of the individual components may not equal the total due to rounding. Period to period differences between line items included in the table may differ from the amount presented below due to rounding.

Consolidated net sales for the three months ended May 31, 2025 were \$159 million an increase of \$8 million, or 6%, compared to the prior-year comparable period. The effect of the weakening U.S. dollar on foreign currency rates compared to the prior-year period favorably impacted sales by \$1 million, or 1%, and the first quarter acquisition of DTA favorably impacted sales by \$5 million, or 3%. This resulted in an organic sales growth of approximately 2% in the quarter. Management refers to sales adjusted to exclude the impact of these items (foreign currency changes and recent acquisitions and divestitures) as "organic sales". In the three months ended May 31, 2025, product sales grew \$7 million, or 6%, while foreign currency favorably impacted sales by \$1 million, or 1%, and the acquisition of DTA (which falls under our Heavy Lifting Technology ("HLT") product line within the product sales activity) favorably impacted product sales by \$5 million, or 4%, resulting in organic product sales growth of 1% over the prior-year quarter. In the third quarter of fiscal 2024 we saw net sales recovery in our Other product sales from the temporary shipment delays related to contract negotiations that impacted the second quarter of fiscal 2024. Even with this recovery in the third quarter of fiscal 2024, in the third quarter of fiscal 2025, we saw strong year-over-year growth at \$1 million, or 19%. Service sales were up \$1 million, or 3%, year-over-year, with a minimal unfavorable impact of foreign currency; therefore, organic sales growth was also 3%. Gross profit as a percent of sales decreased to 50.4%, compared to 51.8% in the third quarter of fiscal 2024; the decrease in gross profit margin is due to continued pressure in our service business and the inclusion of DTA. Operating profit for the third quarter of fiscal year 2025 was \$32 million, a decrease of \$2 million compared to the third quarter of fiscal 2024. The decrease in operating profit was mainly driven by the increase in restructuring expense which was partially offset by the gross profit increase resulting from the year-over-year sales increase.

Consolidated net sales for the nine months ended May 31, 2025 were \$449 million compared to \$431 million in the nine months ended May 31, 2024, an increase of \$19 million, or 4%. The effect of the foreign currency rate impact in the first nine months of the

year had a minimal unfavorable impact on sales, while the impact of the DTA acquisition favorably impacted sales by \$11 million, or 3%, resulting in year-to-date organic sales growth of 2%. Product sales for the nine months ended May 31, 2025 were \$344 million compared to \$331 million in the prior-year comparable period, an increase of \$14 million, or 4%, with nearly flat impact of foreign currency and a \$11 million, or 3%, favorable impact of DTA sales, resulting in Product sales organic growth of 1% for the first nine months of the fiscal year. The growth in product sales was driven by strong performance in our HLT product line. Service sales for the nine months ended May 31, 2025 increased \$3 million, or 3%, compared to the nine months ended May 31, 2024, with foreign currency unfavorably impacting sales by \$1 million, or 1%, resulting in organic growth of \$4 million, or 4%. Year-to-date 2025 gross profit margin was 50.7%, approximately 120 basis points lower than the prior-year period, due to unfavorable sales mix within both product and service, but also the mix between product and service compared to the first nine months of fiscal 2024 and the inclusion of DTA. Operating profit for the first nine months of fiscal year 2025 was \$94 million, an increase of \$2 million compared to the first nine months of fiscal 2024. The increase in operating profit was mainly driven by sales growth.

Segment Results

IT&S Segment

The IT&S segment is a global supplier of branded hydraulic and mechanical tools and services to a broad array of end markets, including refinery/petrochemical; general industrial; industrial MRO; machining & manufacturing; power generation; infrastructure; mining; and other markets. Our primary products include branded tools, cylinders, pumps, hydraulic torque wrenches, highly engineered heavy lifting technology solutions and other tools (Product product line). The segment provides maintenance and manpower services on customer assets to meet their specific needs and rental services for certain of our products (Service & Rental product line). The following table sets forth the results of operations for the IT&S segment (dollars in millions):

	Three Months Ended May 31,		Nine Months Ended May 31,	
	2025	2024	2025	2024
Net sales	\$ 153	\$ 146	\$ 434	\$ 418
Operating profit	40	41	117	114
Operating profit %	26.3 %	28.1 %	26.9 %	27.3 %

IT&S segment net sales for the third quarter of fiscal 2025 increased by \$7 million, or 5%, compared to the third quarter of fiscal 2024. The weakening of the U.S. dollar on foreign currency rates compared to three months ended May 31, 2024 favorably impacted sales by \$1 million, or 1%, and the first quarter acquisition of DTA favorably impacted sales by \$5 million, or 3%. This resulted in an organic sales growth of 1% in the quarter. The organic sales increase is driven by a focused effort by our commercial organization. Operating profit for the three months ended May 31, 2025 was \$40 million, compared to \$41 million in the same period of the prior year.

IT&S segment net sales for the nine months ended May 31, 2025 increased by \$16 million, or 4%, compared to the nine months ended May 31, 2024. The strengthening U.S. dollar on foreign currency rates compared to the nine months ended May 31, 2024 had a minimal unfavorable impact on sales, and the acquisition of DTA favorably impacted sales by \$11 million, or 3%, resulting in an organic sales increase of 2%. The organic sales increase related to strong sales within our HLT product line in Americas and APAC, partially offset by standard product sales remaining flat compared to the nine months ended May 31, 2024. Operating profit for the nine months ended May 31, 2025 was \$117 million, an increase of \$3 million year-over-year primarily due to an increase in sales.

Corporate

Corporate expenses were \$11 million and \$9 million for the third quarter of fiscal 2025 and 2024, respectively, and were \$28 million and \$26 million for the nine months ended May 31, 2025 and 2024, respectively. The increase in expense in the third quarter was driven by higher personnel charges.

Financing Costs, net

Net financing costs were \$2 million and \$3 million in the three months ended May 31, 2025 and 2024, respectively. For the nine months ended May 31, 2025 and 2024, net financing costs were \$8 million and \$11 million, respectively. Financing costs decreased due to a mix of lower debt balances and lower interest rates.

Income Tax Expense

The Company's global operations, acquisition activity (as applicable) and specific tax attributes provide opportunities for continuous global tax planning initiatives to maximize tax credits and deductions. Comparative earnings before income taxes, income tax expense and effective income tax rates from continuing operations are as follows (dollars in millions):

	Three Months Ended May 31,		Nine Months Ended May 31,	
	2025	2024	2025	2024
Earnings before income tax expense	\$ 28	\$ 29	\$ 84	\$ 79
Income tax expense	6	7	19	20
Effective income tax rate	22.2 %	23.1 %	22.9 %	25.3 %

The Company's earnings from continuing operations before income taxes include earnings from both U.S. and foreign jurisdictions. As several foreign tax rates are higher than the U.S. tax rate of 21%, the annual effective tax rate is impacted by foreign rate differentials, withholding taxes, losses in jurisdictions where no benefit can be realized, and various aspects of the U.S. Tax Cuts and Jobs Act, such as the Global Intangible Low-Taxed Income and Foreign-Derived Intangible Income provisions.

The effective tax rate for the three months ended May 31, 2025 was 22.2%, compared to 23.1% for the comparable prior-year period. The effective tax rate in each time period was impacted by year-to-date losses and deductions in jurisdictions where no tax benefit can be realized. The lower effective tax rate for the three months ended May 31, 2025 was primarily driven by the more favorable impact of uncertain tax position releases related to statute expirations and lower withholding tax related to current year distributions in comparison to the prior period. Both the current and prior-year period effective income tax rates include the impact of non-recurring items.

Cash Flows and Liquidity

At May 31, 2025, we had \$141 million of cash and cash equivalents, of which \$107 million was held by our foreign subsidiaries and \$34 million was held domestically. The following table summarizes our cash flows provided by operating, investing and financing activities (dollars in millions):

	Nine Months Ended May 31,	
	2025	2024
Cash provided by operating activities	\$ 56	\$ 37
Cash used in investing activities	(43)	(8)
Cash used in financing activities	(40)	(51)
Effect of exchange rate changes on cash	—	—
Net decrease in cash and cash equivalents	\$ (27)	\$ (22)

Net cash provided by operating activities was \$56 million and \$37 million for the nine months ended May 31, 2025 and 2024, respectively. The \$19 million year-over-year variance is driven by higher earnings, lower annual incentive compensation payments made in the first quarter compared to the prior-year period and the non-recurrence of payments and funds received for legal settlements related to discontinued operations.

Net cash used in investing activities was \$43 million and \$8 million for the nine months ended May 31, 2025 and 2024, respectively. This increased use of cash was due to the payment of \$27 million for the acquisition of DTA and increased capital expenditures relating to build-out costs for the Company's new headquarters location in Milwaukee.

Net cash used in financing activities was \$40 million and \$51 million for the nine months ended May 31, 2025 and 2024, respectively. The \$11 million decrease in net cash used in financing activities for the nine months ended May 31, 2025 was driven by \$17 million of higher net revolver and term loan payments and \$4 million of lower share repurchases due to fewer shares being repurchased in the current-year period, partially offset by \$7 million less in taxes paid with respect to equity awards, net of proceeds from the exercise of stock options.

On September 9, 2022, the Company refinanced its previous senior credit facility with a \$600 million senior credit facility, comprised of a \$400 million revolving line of credit and a \$200 million term loan, which is scheduled to mature in September 2027. The Company has the option to request up to \$300 million of additional revolving commitments and/or term loans under the new facility, subject to customary conditions, including the commitment of the participating lenders. The senior credit facility contains restrictive covenants and financial covenants. See [Note 7, "Debt"](#) in the notes to the condensed consolidated financial statements for further details regarding the senior credit facility.

At May 31, 2025, there were no borrowings and \$398 million available under the revolving line of credit facility after reduction for \$2 million of outstanding letters of credit issued under the senior credit facility. The Company was in compliance with all covenants under the senior credit facility at May 31, 2025.

We believe that the revolving credit line, combined with our existing cash on hand and anticipated operating cash flows, will be adequate to meet operating, debt service, acquisition and capital expenditure funding requirements for the foreseeable future.

Primary Working Capital Management

We use primary working capital as a percentage of sales (PWC %) as a key metric of working capital management. We define this metric as the sum of net accounts receivable and net inventory less accounts payable, divided by the past three months sales annualized. The following table shows a comparison of primary working capital (dollars in millions):

	May 31, 2025	PWC%	August 31, 2024	PWC%
Accounts receivable, net	\$ 113	18 %	\$ 104	16 %
Inventory, net	87	14 %	73	12 %
Accounts payable	(46)	(7)%	(43)	(7)%
Net primary working capital	<u>\$ 155</u>	<u>24 %</u>	<u>\$ 134</u>	<u>21 %</u>

Commitments and Contingencies

Given our desire to allocate cash flow and revolver availability to fund growth initiatives, we have historically leased most of our facilities and some operating equipment. We lease certain facilities, computers, equipment and vehicles under various operating lease agreements, generally over periods ranging from one to twenty years. Under most arrangements, we pay the property taxes, insurance, maintenance and expenses related to the leased property. Many of our leases include provisions that enable us to renew the leases at contractually agreed rates or, less commonly, based upon market rental rates on the date of expiration of the initial leases.

We had outstanding letters of credit of \$6 million and surety bonds of \$4 million at May 31, 2025 and \$4 million of letters of credit and \$4 million of surety bonds at August 31, 2024, the majority of which relate to commercial contracts and self-insured workers' compensation programs.

We are also subject to certain contingencies with respect to legal proceedings and regulatory matters which are described in [Note 13, "Commitments and Contingencies"](#) in the notes to the condensed consolidated financial statements. While there can be no assurance of the ultimate outcome of these matters, the Company believes that there will be no material adverse effect on the Company's results of operations, financial position or cash flows.

Contractual Obligations

Our contractual obligations have not materially changed at May 31, 2025 from what was previously disclosed in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" under the heading "Contractual Obligations" in the fiscal 2024 Annual Report on Form 10-K.

Critical Accounting Estimates

Management has evaluated the accounting estimates used in the preparation of the Company's condensed consolidated financial statements and related notes and believe those estimates to be reasonable and appropriate. Certain of these accounting estimates are considered by management to be the most critical in understanding judgments involved in the preparation of our condensed consolidated financial statements and uncertainties that could impact our results of operations, financial position and cash flow. For information about more of the Company's policies, methodology and assumptions related to critical accounting policies refer to the Critical Accounting Policies in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," included in the fiscal 2024 Annual Report on Form 10-K.

Item 3 – Quantitative and Qualitative Disclosures about Market Risk

The diverse nature of our business activities necessitates the management of various financial and market risks, including those related to changes in interest rates, foreign currency exchange rates and commodity costs.

Interest Rate Risk: As of May 31, 2025, long-term debt consisted of no borrowing under the revolving line of credit (variable rate debt) and \$191 million of term loan debt bearing interest based on SOFR (variable rate). An interest-rate swap effectively converts the SOFR-based rate of \$60 million of term borrowings under our credit facility to a fixed rate. A ten percent increase in the average costs of our variable rate debt would have resulted in less than \$1 million of an increase in financing costs for the three months ended May 31, 2025.

Foreign Currency Risk: We maintain operations in the U.S. and various foreign countries. Our more significant non-U.S. operations are located in Australia, the Netherlands, the United Kingdom, United Arab Emirates and China, and we have foreign currency risk relating to receipts from customers, payments to suppliers and intercompany transactions denominated in foreign currencies. Under certain conditions, we enter into hedging transactions (primarily foreign currency exchange contracts) that enable us to mitigate the potential adverse impact of foreign currency exchange rate risk (see [Note 9, “Derivatives”](#) in the notes to the consolidated financial statements for further information). We do not engage in trading or other speculative activities with these transactions, as established policies require that these hedging transactions relate to specific currency exposures.

The strengthening of the U.S. dollar against most currencies can have an unfavorable impact on our results of operations and financial position as foreign denominated operating results are translated into U.S. dollars. To illustrate the potential impact of changes in foreign currency exchange rates on the translation of our results of operations, quarterly sales and operating profit were re-measured assuming a ten percent decrease in all foreign exchange rates compared with the U.S. dollar. Using this assumption, quarterly sales would have been lower by \$7 million and operating profit would have been lower by less than \$1 million for the three months ended May 31, 2025. This sensitivity analysis assumes that each exchange rate would change in the same direction relative to the U.S. dollar and excludes the potential effects that changes in foreign currency exchange rates may have on sales levels or local currency prices. Similarly, a ten percent decline in foreign currency exchange rates versus the U.S. dollar would result in a \$37 million reduction to equity (accumulated other comprehensive loss) as of May 31, 2025, as a result of non-U.S. dollar denominated assets and liabilities being translated into U.S. dollars, our reporting currency.

Commodity Cost Risk: We source a wide variety of materials and components from a network of global suppliers. While such materials are typically available from numerous suppliers, commodity raw materials, such as steel and plastic resin, are subject to price fluctuations, which could have a negative impact on our results. We strive to pass along such commodity price increases to customers to avoid profit margin erosion.

Item 4 – Controls and Procedures

Evaluation of Disclosure Controls and Procedures.

Under the supervision and with the participation of our senior management, including our chief executive officer and chief financial officer, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), as of the end of the period covered by this quarterly report (the “Evaluation Date”). Based on this evaluation, our chief executive officer and chief financial officer concluded as of the Evaluation Date that our disclosure controls and procedures were effective such that the information relating to the Company, including consolidated subsidiaries, required to be disclosed in our SEC reports (i) is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and (ii) is accumulated and communicated to the Company’s management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). There have been no changes in our internal control over financial reporting that occurred during the quarter ended May 31, 2025 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1A – Risk Factors

In addition to the other information set forth in this report and in our other filings with the SEC, investors should carefully consider our risk factors, which could materially affect our business, financial condition, or operating results. Except as set forth below, as of the date of this report, there are no material changes or updates to the risk factors previously disclosed in Part I, Item 1A "Risk Factors" in the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2024.

Geopolitical actions and terrorist activities may cause the economic conditions in the U.S. or abroad to deteriorate, which could harm our business.

Terrorist or other attacks against targets in the U.S. or abroad, rumors or threats of war, other geopolitical activity, including in response to military action by the United States involving Iran, as well as other armed conflicts in the Middle East, those caused by the Russia-Ukraine conflict, or any conflict or threatened conflict between China and Taiwan, may cause trade relations and general economic conditions in the U.S. or abroad to deteriorate. The occurrence of any of these events could result in a prolonged economic slowdown or recession in the U.S. or in other areas and could have a significant impact on our business, financial condition or results of operations.

Uncertainty over global tariffs, or the financial impact of tariffs, may negatively affect our results.

Changes in U.S. domestic and global tariff frameworks have increased our costs of producing goods and resulted in additional risks to our supply chain. We have developed and implemented strategies to mitigate previously implemented and, in some cases, proposed tariff increases, but there is no assurance we will be able to continue to mitigate prolonged tariffs. Recently, the U.S. government has imposed significant tariffs impacting a wide variety of goods across multiple countries and indicated that additional tariffs may be imposed in the near future. In response, some countries have announced or imposed tariffs on goods made in the U.S. These actions could depress demand for our products or increase the cost to manufacture our products, which may affect the competitiveness of our products relative to manufacturers not affected by such actions, which could have a material adverse effect on our business, financial condition, results of operations and cash flow.

Item 2 – Unregistered Sales of Equity Securities and Use of Proceeds

The Company's Board of Directors has authorized the repurchase of shares of the Company's common stock under publicly announced share repurchase programs. Since the inception of the initial share repurchase program in fiscal 2012, the Company has repurchased 30,742,231 shares of common stock for \$867 million. In March 2022, the Company's Board of Directors approved a new share repurchase program authorizing the repurchase of a total of 10,000,000 shares of the Company's outstanding common stock.

In December 2023, the Company's Board of Directors authorized the retirement of the Company's repurchased shares. The Company repurchased and retired 1,165,767 shares for \$32.7 million in the nine months ended May 31, 2024 and 660,050 shares for \$28.6 million in the nine months ended May 31, 2025. The maximum number of shares that may yet be purchased under the program is 2,056,999 shares.

Period	Shares Repurchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares That May Yet Be Purchased Under the Program
March 1 to March 31, 2025	180,333	\$ 44.83	180,333	2,207,189
April 1 to April 30, 2025	148,113	38.64	148,113	2,059,076
May 1 to May 31, 2025	2,077	39.93	2,077	2,056,999
	<u>330,523</u>	<u>\$ 42.03</u>	<u>330,523</u>	

Item 5 – Other Information

On May 13, 2025, E. James Ferland, the Company's non-executive Chair of the Board of Directors, entered into a new "Rule 10b5-1 trading arrangement" (as defined in Item 408 of Regulation S-K). Mr. Ferland's Rule 10b5-1 trading arrangement, which is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act, provides for the potential exercise of vested stock options (which, if not exercised, would expire on January 19, 2026) and the associated sale of up to 4,224 shares of our common stock obtained upon the exercise of such stock options, between August 12, 2025 and January 16, 2026.

On May 13, 2025, Paul E. Sternlieb, the Company's President and Chief Executive Officer and a member of its Board of Directors, entered into a new "Rule 10b5-1 trading arrangement" (as defined in Item 408 of Regulation S-K). Mr. Sternlieb's Rule 10b5-1 trading arrangement, which is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act,

provides for the sale of up to 2,700 shares of our common stock between September 2, 2025 and March 31, 2026 and is intended to fund income tax liability arising from the vesting of restricted stock awards granted to Mr. Sternlieb.

On May 15, 2025, Benjamin J. Topercer, the Company's Executive Vice President and Chief Human Resources Officer, entered into a new "Rule 10b5-1 trading arrangement" (as defined in Item 408 of Regulation S-K). Mr. Topercer's Rule 10b5-1 trading arrangement, which is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act, provides for the sale of up to 2,800 shares of our common stock between August 13, 2025 and March 13, 2026 and is intended to fund income tax liability arising from the vesting of restricted stock awards granted to Mr. Topercer.

Item 6 – Exhibits

Exhibit	Description	Incorporated Herein By Reference To	Filed Herewith	Furnished Herewith
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002		X	
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002		X	
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002			X
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002			X
101	The following materials from the Enerpac Tool Group Corp. Form 10-Q for the three and nine months ended May 31, 2025 and 2024 formatted in Inline Extensible Business Reporting Language (Inline XBRL): (i) the Condensed Consolidated Statements of Earnings, (ii) the Condensed Consolidated Statements of Comprehensive Income, (iii) the Condensed Consolidated Balance Sheets, (iv) the Condensed Consolidated Statements of Cash Flows and (v) the Notes to the Condensed Consolidated Financial Statements.		X	
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in the Interactive Data Files submitted as Exhibit 101)			

SIGNATURE

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.

ENERPAC TOOL GROUP CORP.

(Registrant)

Date: June 27, 2025

By:

/S/ DARREN M. KOZIK

Darren M. Kozik

*Executive Vice President and Chief Financial Officer
(Principal Financial Officer)*