

2026

ANNUAL REPORT

Fiscal Year Ended June 30, 2026

NYSE American: EVI | www.evi-ind.com

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended June 30, 2026

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

For the transition period from _____ to _____

Commission file number 001-14757

EVI Industries, Inc.	
(Exact name of registrant as specified in its charter)	
Delaware	11-2014231
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
4500 Biscayne Blvd., Suite 340, Miami, Florida	33137
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code 305-402-9300

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, $0.025 par value	EVI	NYSE American

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act.
Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).
Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐
Non-accelerated filer ☐
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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes ☐ No ☒

The aggregate market value as of December 31, 2025 of the registrant's common stock, the only class of voting or non-voting common equity of the registrant, held by non-affiliates of the registrant was approximately $159,823,590, based on the closing price of the registrant's common stock on the NYSE American on that date.

The number of outstanding shares of the registrant's common stock as of September 3, 2026 was 12,878,532.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement relating to its 2026 Annual Meeting of Stockholders are incorporated by reference into Part III of this Form 10-K.

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TERMS USED IN THIS REPORT

Unless the context otherwise requires, references to the "Company" or "EVI" in this Annual Report on Form 10-K (this "Report") refer to EVI Industries, Inc., collectively with its subsidiaries. References in this Report to "fiscal 2026" or any period thereof refer to the Company's fiscal year ended June 30, 2026 or the applicable period thereof, as the case may be. References in this Report to "fiscal 2025" or any period thereof refer to the Company's fiscal year ended June 30, 2025 or the applicable period thereof, as the case may be.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

Certain statements in this Report are "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. When used in this Report, words such as "may," "should," "could," "seek," "believe," "expect," "anticipate," "estimate," "project," "intend," "strategy" and similar expressions are intended to identify forward looking statements. Forward looking statements may relate to, among other things, events, conditions and trends that may affect the future plans, operations, business, strategies, operating results, financial position and prospects of the Company. Forward looking statements are subject to a number of known and unknown risks and uncertainties that may cause actual results, trends, performance or achievements of the Company, or industry trends and results, to differ materially from the future results, trends, performance or achievements expressed or implied by such forward looking statements. These risks and uncertainties include, among others, those associated with: general economic and business conditions in the United States and other countries where the Company operates or where the Company's customers or suppliers are located; economic uncertainty, including as it relates to governmental measures such as tariffs, legislation and judicial decisions with respect thereto, and their effect on global trading markets, the availability and pricing of products, credit markets, industry conditions, economic conditions generally or otherwise on the Company and its business, costs and results; industry conditions and trends; credit market volatility; risks related to supply chain delays and disruptions and their impact on the Company's business and results, including the Company's ability to deliver products and services to its customers on a timely basis; risks relating to inflation and other price increases (including due to the imposition of tariffs), and their impact on the Company's business, costs and results (including that, if desired, the Company may not be able to successfully increase the price of its products and services to offset such costs, in whole or in part, and that price increases may result in reduced demand for the Company's products and services); risks related to labor shortages and increases in the costs of labor, and the impact thereof on the Company, including its ability to deliver products, provide services or otherwise meet customers' expectations; risks related to interest rate increases, including the impact thereof on the cost of the Company's indebtedness and the Company's ability to raise capital if deemed necessary or advisable; risks associated with international relations and international hostilities, including any escalation or worsening thereof, and their impact on economic conditions; the Company's ability to implement its business and growth strategies and plans, including changes thereto; risks and uncertainties associated with the Company's "buy-and-build" growth strategy, including, without limitation, that the Company may not be successful in identifying or consummating acquisitions or other strategic transactions, integration risks, risks related to indebtedness incurred by the Company in connection with the financing of acquisitions and other strategic transactions, dilution experienced by the Company's existing stockholders as a result of the issuance of shares of the Company's common stock in connection with acquisitions or other strategic transactions (or for other purposes), risks related to the business, operations and prospects of acquired businesses, risks that suppliers of the acquired business may not consent to the transaction or otherwise continue its relationship with the acquired business following the transaction and the impact that the loss of any such supplier may have on the results of the Company and the acquired business, risks that the Company's goals or expectations with respect to acquisitions and other strategic transactions may not be met, and risks related to the accounting for acquisitions; risks related to the Company's new consumer garment care services division, including that the Company's expansion into the consumer garment care services industry may not be successful, operational and other risks related to the consumer garment care services industry, and risks related to the anticipated size of, and opportunity within, the consumer garment care services industry, including its total addressable market, the applicability and success of the Company's growth strategy in that industry, and that the Company may not realize or benefit from, to the extent anticipated or at all, the expected strategic, competitive, and financial advantages of leveraging the Company's commercial laundry capabilities, infrastructure, and supply relationships; risks relating to the impact of pricing concessions and other measures which the Company may take from time to time in connection with its expansion efforts and pursuit of market share growth, including that they may not be successful and may adversely impact the Company's gross margin and other financial results; technology changes; competition, including the Company's ability to compete effectively and the impact that

competition may have on the Company and its results, including the prices which the Company may charge for its products and services and on the Company's profit margins, and competition for qualified employees; risks relating to the Company's relationships with its principal suppliers and customers, including the impact of the loss of any such relationship; risks that equipment sales may not result in the ancillary benefits anticipated, including that they may not lead to increases in customers (or a stronger relationship with customers) or higher gross margin sales of parts, accessories, supplies, and technical services related to the equipment, and the risk that the benefit of lower gross margin equipment sales under longer-term contracts will not outweigh the possible short-term impact to gross margin; the risk that the Company's service operations may not expand; risks related to the Company's indebtedness; the availability, terms and deployment of debt and equity capital if needed for expansion or otherwise; risks of cybersecurity threats or incidents, including the potential misappropriation or use of assets or confidential information, corruption of data or operational disruptions; environmental risks, including potential liabilities and litigation; changes in, or the failure to comply with, government regulation, including environmental regulations; litigation risks, including the costs of defending litigation and the impact of any adverse ruling; the availability and cost of inventory purchased by the Company, and the risk that inventory management initiatives may not be successful; the relative value of the United States dollar to currencies in the countries in which the Company's customers, suppliers and competitors are located, including, in particular, that a weaker U.S. dollar would result in increased costs, which in turn would negatively affect the Company's operating results; risks relating to the recognition of revenue, including the amount and timing thereof (including potential delays resulting from, among other circumstances, delays in installation (including due to delays in construction or the preparation of the customer's facilities) or in receiving required supplies) and that orders in the Company's backlog may not be fulfilled as or when expected; risks related to the adoption of new accounting standards and their impact on the Company's financial statements and results; risks that the Company's decentralized operating model, and that product, end-user and geographic diversity, may not result in the benefits anticipated and may change over time; risks related to organic growth initiatives and market share and other growth strategies, including that they may not result in the benefits anticipated; risks that investments, initiatives and expenses, including, without limitation, investments in acquired businesses and modernization initiatives, expenses associated with the Company's implementation of its enterprise resource planning system and field service platform, and other investments, initiatives and expenses, may not result in the benefits anticipated; the Company's exposure with respect to its cash balances in depositary accounts in excess of the $250,000 in maximum Federal Deposit Insurance Corporation ("FDIC") insurance coverage; dividends may not be paid in the future; and other economic, competitive, governmental, technological and other risks and factors discussed elsewhere in this Report, including, without limitation, in the "Risk Factors" section hereof, and in the Company's other filings with the Securities and Exchange Commission (the "SEC"). Many of these risks and factors are beyond the Company's control. Further, past performance and perceived trends may not be indicative of future results. The Company cautions that the foregoing factors are not exclusive. The reader should not place undue reliance on any forward looking statement, which speaks only as of the date made. The Company does not undertake to, and specifically disclaims any obligation to, update, revise or supplement any forward looking statement, whether as a result of changes in circumstances, new information, subsequent events or otherwise, except as may be required by law.

PART I

ITEM 1. BUSINESS.

General

The Company was incorporated under the laws of the State of Delaware on June 13, 1963.

The Company, through its wholly-owned subsidiaries, is a value-added distributor, and provides advisory and technical services. Through its vast sales organization, the Company provides its customers with planning, designing, and consulting services related to their commercial laundry operations. The Company sells and/or leases its customers commercial laundry equipment, specializing in washing, drying, finishing, material handling, water heating, power generation, and water reuse applications. In support of the suite of products it offers, the Company sells related parts and accessories. Additionally, through the Company's robust network of commercial laundry technicians, the Company provides its customers with installation, maintenance, and repair services.

The Company's customers include government, institutional, industrial, commercial and retail customers. Product purchases made by customers range from parts and accessories, to single or multiple units of equipment, to large complex systems. The Company also provides its customers with the services described above.

The Company's growth strategy includes the pursuit of organic growth initiatives and a "buy-and-build" growth strategy. The Company's "buy-and-build" growth strategy includes (i) the consideration and pursuit of acquisitions and other strategic transactions which management believes may complement the Company's existing business or otherwise offer growth opportunities for, or benefit, the Company and (ii) the implementation of a growth culture at acquired businesses based on the exchange of ideas and business concepts among the management teams of the Company and the acquired businesses as well as through certain additional initiatives, which may include investments in additional sales and service personnel, new product lines, enhanced service operations and capabilities, new and improved facilities, and advanced technologies. See "Buy-and-Build Growth Strategy" below for additional information regarding the Company's "buy-and-build" growth strategy.

The Company seeks to maintain a culture designed to reward performance through a variety of performance-based pay, commission programs, cash incentives, and stock-based equity programs. Stock-based plans include a voluntary employee stock purchase plan and an equity compensation plan under which restricted stock and other equity awards may be granted. The Company's equity compensation plan is designed to promote long-term performance, as well as to create long-term employee retention and continuity of leadership, and align the interests of management and employees with the long-term success of the Company. The Company believes that its restricted stock program promotes this culture and long-term performance because restricted stock grants generally provide for long-term vesting, including in certain cases entirely at the end of the recipient's career (age 62 or later).

As of June 30, 2026, the Company reported its results of operations through a single operating and reportable segment.

During July 2026, the Company announced its plans to expand into the consumer garment care services industry and, in connection therewith, the Company entered into a definitive agreement to acquire Miami, Florida-based Sudsies, Inc. ("Sudsies"), a well-established operator in the garment care sector and one of South Florida's premier garment care businesses. The acquisition of Sudsies was consummated on September 1, 2026 for a total purchase price of $37.4 million, which is subject to post-closing adjustments. The Company has established a new division, which will be a separate operating and reportable segment, for its consumer garment care services operations and investments. The expansion into the consumer garment care services industry marks the Company's first dedicated expansion beyond the commercial laundry distribution and service industry since the Company began executing its "buy-and-build" growth strategy in 2016. This planned expansion is based on the Company's belief that consumer garment care, which is a multibillion dollar industry, represents a compelling long-term opportunity. The consumer garment care services industry serves an essential market has historically displayed steady, recurring demand, and is served by thousands of independent, often family-owned businesses. As consumers place growing value on quality, convenience, and service experience, the Company sees a significant opportunity to build a leading consumer garment care business of national scale.

Available Information

The Company files Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q, files or furnishes Current Reports on Form 8-K, files or furnishes amendments to those reports, and files proxy and information statements with the SEC. These reports and statements, as well as beneficial ownership reports filed by the Company's officers and directors and beneficial owners of 10% or more of the Company's common stock, may be accessed free of charge on the SEC's website at http://www.sec.gov and, as soon as reasonably practicable after such materials are electronically filed with, or furnished to, the SEC, on the Company's website at http://www.evi-ind.com. The information contained on or connected to the Company's website is not incorporated by reference into, or otherwise a part of, this Report. Further, references to the website URL of the Company in this Report are intended to be inactive textual references only.

Products and Services

The Company sells and/or leases its customers commercial laundry equipment, specializing in washing, drying, finishing, material handling, water heating, power generation, and water reuse applications. In support of the suite of products it offers, the Company sells related parts and accessories. Additionally, through the Company's robust network of commercial laundry technicians, the Company provides its customers with installation, maintenance, and repair services.

The commercial and industrial laundry equipment distributed by the Company includes washroom, finishing, material handling, and mechanical equipment such as washers and dryers, tunnel systems and vended machines, many of which are designed to reduce utility and water consumption. Finishing equipment distributed by the Company includes sheet feeders, flatwork ironers, automatic sheet folders, and stackers. Material handling equipment distributed by the Company includes conveyor and rail systems. Mechanical equipment distributed by the Company includes boilers, hot water/steam systems, power generation products, water purification, reuse and recycling systems and air compressors. Boiler products distributed by the Company include high efficiency, low emission steam boilers, steam systems and hot water systems that are used in the laundry and dry cleaning industry for temperature control, heating, pressing and de-wrinkling, and in the healthcare industry, food and beverage industry, and other industrial markets, for sterilization, product sealing and other purposes. The Company also sells replacement parts and accessories for the products it distributes.

The Company seeks to position and price its products to appeal to customers in each of the high-end, mid-range and value-priced markets, as the products are generally offered in a wide range of price points to address the needs of a diverse customer base. The Company believes that its portfolio of products affords the Company's customers a "one-stop shop" for commercial, industrial and vended laundry and dry cleaning machines, boilers and accessories and that, as a result, the Company is able to attract and support potential customers who can choose from the Company's broad product line.

In addition to its distribution of products, the Company also provides installation, maintenance and repair services to its customers. The Company believes its services are competitively priced.

As previously described, on September 1, 2026, the Company acquired Sudsies, which marked the Company's entry into the consumer garment care services industry providing cleaning, alteration, and repair services directly to consumers.

Buy-and-Build Growth Strategy

As described above, in addition to its pursuit of organic growth initiatives, the Company's growth strategy includes a "buy-and-build" growth strategy. The "buy" component of the strategy includes the consideration and pursuit of acquisitions and other strategic transactions which management believes would complement the Company's existing business or otherwise offer growth opportunities for, or benefit, the Company. The Company is disciplined and conservative in its consideration of acquisitions and generally seeks to identify opportunities that fit certain financial and strategic criteria. The "build" component of the strategy involves implementing a growth culture at acquired businesses based on the exchange of ideas and business concepts among the management teams of the Company and the acquired businesses as well as through certain initiatives, which may include investments in additional sales and service personnel, new product lines, enhanced service operations and capabilities, new and improved facilities, and advanced technologies. Depending on the size of the acquisition and other factors, including market conditions at the time, the Company purchases the acquired businesses using cash and/or stock consideration consisting of shares of the Company's common stock. The Company believes the issuance of stock consideration in transactions aligns the interests of the

sellers of the acquired businesses with the interests of the Company's other stockholders. The sellers as well as other key individuals at the acquired businesses may also be provided with the opportunity to own shares of the Company's common stock through equity-based plans of the Company.

Acquisitions are generally effected by the Company through an existing or newly-formed subsidiary which acquires (whether by an asset purchase, stock purchase or merger) and operates the acquired business following the transaction. The Company, indirectly through its subsidiary, also assumes certain of the liabilities of the acquired business. The financial position, including assets and liabilities, and results of operations of the acquired businesses following the respective closing dates of the acquisitions are included in the Company's consolidated financial statements.

See "Management's Discussion and Analysis of Financial Condition and Results of Operations" included as Part II, Item 7 of this Report and Note 3 to the Consolidated Financial Statements included in Item 8 of this Report for additional information about the acquisitions consummated by the Company during fiscal 2025 and fiscal 2026. The post-acquisition financial condition and results of Sudsies, which was acquired by the Company on September 1, 2026 and marked the Company's entry into the consumer garment care services industry, will be included in the Company's consolidated financial statements beginning in the quarter ending September 30, 2026.

Customers and Markets

The Company's customer base consists of approximately 55,000 customers located primarily in the United States, Canada, the Caribbean, and Latin America. No single customer accounted for more than 10% of the Company's revenues for fiscal 2026 or fiscal 2025.

The Company's commercial and industrial laundry equipment and related products are sold or leased to a wide range of customers, including, but not limited to, vended laundry facilities, industrial laundry facilities, government institutions, correctional facilities, hospitals, hospital combines, nursing homes, veterinary clinics, professional sports franchises, educational institutions, hotels, motels, food and beverage establishments, cruise lines, and specialized users.

Historically, the Company has not noted any significant seasonality.

Sales, Marketing and Customer Support

The Company employs sales personnel to market its products in the United States, Canada, the Caribbean, and Latin America. The Company has exclusive and nonexclusive distribution rights to market its products. Orders for equipment and replacement parts and accessories are generally obtained by telephone, and e-mail inquiries originated by the customer or by the Company, from existing customer relationships and from newly formed customer relationships. The Company supports its sales and leasing activities through its websites and by advertising online and in trade publications, participating in trade shows and engaging in regional promotions and incentive programs.

The Company seeks to establish customer satisfaction by offering:

- an experienced sales and service organization;
- comprehensive product offerings;
- competitive pricing;
- maintenance of comprehensive and well-stocked inventories of equipment, replacement parts and accessories, often with same day or overnight availability;
- design and layout services;
- installation, maintenance and repair services;
- on-site training performed by factory trained technicians; and
- toll-free support lines and technical websites to address customer service problems.

The Company trains its employees to provide service and customer support. The Company uses in-person classroom training, instructional videos and vendor sponsored seminars to educate employees about product information. In addition, the Company's technical staff has prepared training manuals, written in English and Spanish,

relating to specific training procedures. The Company's technical personnel are retrained as the Company believes to be necessary, including in connection with the development of new technology.

Foreign Sales

Foreign sales do not represent a significant portion of the Company's business. The Company's revenues from foreign sales relate principally to sales of commercial and industrial laundry and dry cleaning equipment and boilers to Canada, the Caribbean, and Latin America. All of the Company's foreign sales require the customer to make payment in United States dollars. The Company's sales to foreign buyers may be affected by the strength of the United States economy relative to the countries where its customers are located. The Company had no foreign exchange contracts outstanding at June 30, 2026 or 2025. As discussed elsewhere in this Report, including in "Item 1A. Risk Factors," foreign sales may also be impacted by governmental measures, including trade policies, barriers and tariffs.

Sources of Supply

The Company purchases commercial and industrial laundry products, dry cleaning machines, boilers and other products for distribution from a number of domestic and foreign manufacturers and suppliers. The major manufacturers of the products sold by the Company are American Dryer Corporation, Chicago Dryer Company, Cleaver Brooks Inc., Girbau S.A., Dexter Laundry, Inc., Fulton Thermal Corp., Maytag Corporation, Pellerin Milnor Corporation, Unipress Corporation, Softrol Systems, Inc., Fagor Commercial, Inc., and Whirlpool Corporation. Purchases from four manufacturers accounted for a total of approximately 71% and 72% of the Company's product purchases for fiscal 2026 and 2025, respectively. No other manufacturers accounted for more than 10% of product purchases during fiscal 2026 or fiscal 2025. The Company believes that it has good working relationships with its current manufacturers and suppliers. The Company has contracts with several of the manufacturers and suppliers of the products which the Company sells and has established, long-standing relationships with most of its manufacturers and suppliers. The Company believes that such relationships provide the Company with certain competitive advantages, including exclusivity for certain products in certain areas and, in certain cases, favorable pricing and other terms. While the Company has generally not experienced difficulty in purchasing products it distributes, the effects of, and uncertainties surrounding, international tariffs could result in disruption in fulfilling orders and increases in product costs.

The Company purchases products from a number of foreign suppliers. The Company's purchases from foreign suppliers may be affected by the strength of the United States dollar relative to the currencies of the countries where its suppliers are located. Particularly, a weaker U.S. dollar would result in increased costs, which in turn would negatively affect the Company's operating results. The Company has, at times in the past, paid certain suppliers in Euros. The Company had no foreign exchange contracts outstanding at June 30, 2026 or 2025. As discussed elsewhere in this Report, including in "Item 1A. Risk Factors," foreign purchases may also be impacted by governmental measures, including trade policies, barriers and tariffs.

In connection with certain business acquisitions, the business relationship between the acquired business and its principal supplier ceased. As a result, the businesses distributed other brands from one or more of the Company's other suppliers. The Company does not believe that any such brand switches have had a material adverse impact on the Company as a whole. However, there is no assurance that the Company or any of its acquired businesses will maintain its relationships with any of its suppliers, and the loss of certain of these relationships, including the loss of a relationship with a principal supplier and any inability to successfully mitigate the effect of the loss of such supplier, could adversely affect the Company's business and results. See also "The Company's business and results may be adversely affected if the Company does not maintain its relationships with its significant suppliers or customers" under "Item 1A. Risk Factors" below.

Due to special options and features on most of the larger and more expensive equipment ordered by customers, in most instances, the Company purchases the equipment distributed by it after its receipt of orders from its customers. However, from time to time, including in fiscal 2026 and fiscal 2025, the Company purchased inventory in advance to take advantage of favorable pricing at the time or for other purposes, including to support the Company's sales growth initiatives in new distribution territories and in support of growth initiatives related to the establishment of new manufacturer and supplier distribution relationships. The Company also maintains an inventory of more standardized and smaller-sized equipment that often requires more rapid delivery to meet customer needs.

Competition

The commercial and industrial laundry and boiler distribution business is highly competitive and fragmented, with over 500 full-line or partial-line equipment distributors in the United States. The Company's management believes that no one competitor has a major share of the market, substantially all competitors are independently owned, and, with the exception of several regional distributors, distributors operate primarily in local markets. In the United States, the Company's primary competition is from a number of independently owned distributors and certain foreign manufacturers which own distribution businesses operating in North America. In foreign markets, the Company also competes with several independently owned distributors and manufacturer-owned distribution businesses. Competition is based primarily on a distributor's ability to effectively plan and design optimal commercial and industrial laundry facilities, competitive pricing, representation of reliable and high-quality products, in-house installation, maintenance, and repair services, available and on-time delivery of equipment, parts, and accessories, and the ability to provide continuous support services to the customer. The Company seeks to compete in these areas by employing experienced and successful professionals, by offering a comprehensive product line, by employing a robust network of qualified installation and service technicians, by maintaining optimized inventories of equipment, parts, and accessories at well-located facilities and on service vehicles, by investing in advanced technologies designed to improve the customer experience, and by expansion of its suite of value-added services.

Research and Development

The Company's research and development efforts and expenses are generally immaterial as most of the Company's products are distributed for manufacturers that perform their own research and development.

Service Marks and Tradenames

The Company is the owner of certain service marks in the United States. The Company intends to use and protect its service marks, tradenames and other intellectual property, as necessary.

Compliance with Environmental and Other Government Laws and Regulations

Over the past several decades, federal, state, local and foreign governments have enacted environmental protection laws in response to public concerns about the environment. A number of industries, including the commercial and industrial dry cleaning and laundry equipment industries, are subject to these evolving laws and implementing regulations. As a supplier to the industry, the Company serves customers who are primarily responsible for compliance with environmental regulations. Among the United States federal laws that the Company believes are applicable to the industry are the Comprehensive Environmental Response, Compensation and Liability Act of 1980, which provides for the investigation and remediation of hazardous waste sites, the Resource Conservation and Recovery Act of 1976, as amended, which regulates the generation and transportation of hazardous waste as well as its treatment, storage and disposal, and the Occupational Safety and Health Act of 1970, which regulates exposure to toxic substances and other health and safety hazards in the workplace. In addition, most states and a number of local jurisdictions have environmental protections which are at least as stringent as the federal laws.

As previously described, on September 1, 2026, the Company acquired Sudsies, which marked the Company's expansion into the consumer garment care services industry. Garment care operations have historically, and may continue to involve, the use, storage, handling and disposal of chemicals and other substances that may be hazardous or otherwise regulated under federal, state and local environmental laws and regulations, including perchloroethylene ("PCE" or "perc"), a solvent historically used in the industry. These laws and regulations govern, among other matters, the use, storage, handling, transportation, release and disposal of hazardous substances and wastes and the investigation and remediation of contaminated soil, groundwater and other environmental media. The Company may incur significant costs or liabilities arising from actual or alleged releases of PCE or other hazardous substances at properties that the Company owns, leases or operates, or at third-party locations to which wastes from the Company's operations have been transported for treatment, storage or disposal. Contamination may result from current operations, historical practices, accidental spills or releases, leaking equipment or storage systems, waste disposal practices, activities of prior owners or operators, or other circumstances outside of the Company's control. In some cases, contamination may not be discovered until years after the underlying activity or release occurred. Certain environmental laws may impose liability for investigation and remediation costs without regard to whether the party responsible for the contamination was negligent or otherwise at fault. As a result, the Company could become responsible for environmental conditions that existed before acquiring, leasing or operating a property that were caused by third parties. The Company could be subject to claims by governmental authorities, landlords, neighboring property owners or

other third parties relating to alleged contamination, exposure to hazardous substances, property damage or other environmental impacts. Environmental laws and regulations, and their interpretation and enforcement, may become more stringent over time, including with respect to the use of PCE and other chemicals used in garment care operations. Compliance with new or more stringent requirements could require the Company to modify its operations, replace equipment or chemicals, implement additional monitoring or environmental controls, conduct investigation or remediation activities, or incur other material expenditures.

The Company is also subject to rules and regulations with respect to its contracts and dealings with government facilities.

Human Capital Resources

As of August 1, 2026, the Company had 900 full and part-time employees. All of the Company's employees are based in the United States. None of the Company's employees are subject to a collective bargaining agreement. The Company believes that its relations with its employees are satisfactory.

The Company believes that it is crucial to continue to attract and retain experienced employees. The Company strives to create a workplace that is diverse, innovative, and safe for its employees. The Company seeks to attract highly qualified and diverse talent and to provide its employees with growth opportunities, competitive compensation and benefits, and a variety of training and development programs.

As described above, the Company seeks to maintain a culture designed to reward performance through a variety of performance-based pay, commission programs, cash incentives, and stock-based equity programs. Stock-based plans include a voluntary employee stock purchase plan and an equity compensation plan under which restricted stock and other equity awards may be granted. The Company's equity compensation plan is designed to promote long-term performance, as well as to create long-term employee retention and continuity of leadership, and align the interests of management and employees with the long-term success of the Company. The Company believes that its restricted stock program promotes this culture and long-term performance because restricted stock grants generally provide for long-term vesting, including in certain cases entirely at the end of the recipient's career (age 62 or later).

In addition, as previously described, the Company uses in-person classroom training, instructional videos and vendor sponsored seminars to educate and train its sales personnel about product information. In addition, the Company's technical staff has prepared training manuals, written in English and Spanish, relating to specific training procedures. The Company's technical personnel are retrained as the Company believes to be necessary, including in connection with the development of new technology.

ITEM 1A. RISK FACTORS.

The Company is subject to various risks and uncertainties, including those described below, which could adversely affect the Company's business, financial condition, results of operations and cash flows, and the value of the Company's common stock. The risks described below are not the only risks faced by the Company. Additional risks not presently known to the Company or other factors that the Company does not presently perceive to present significant risks to the Company may also impair the Company's business, financial condition, results of operations or cash flows, or the value of the Company's common stock. The risks discussed below also include forward looking statements, and actual results and events may differ substantially from those expressed in, or implied by, the forward looking statements. See "Cautionary Note Regarding Forward Looking Statements" preceding Part I, Item 1 of this Report.

Risks Related to the Commercial and Industrial Laundry Distribution and Service Business

Conditions beyond the Company's control can interrupt the Company's supplies, increase its product costs and impair its ability to deliver products and services to its customers.

The Company obtains its products from third-party suppliers. Although purchasing volume can provide benefits when dealing with suppliers, suppliers may not be able to provide the products and supplies that the Company needs in the quantities and at the prices requested, including due to conditions outside of the supplier's control. The Company is also subject to delays caused by interruptions in production and increases in product costs based on conditions outside of the Company's control. These conditions include shortages of qualified labor for suppliers, governmental regulations and measures, including the imposition of tariffs and effects thereof, work slowdowns, work interruptions, strikes or other job actions by employees of suppliers, weather conditions, transportation interruptions, unavailability of fuel or increases in fuel costs, product recalls, competitive demands, civil insurrection or social unrest, terrorist attacks, natural disasters, epidemics, pandemics or other disease outbreaks or catastrophic events. Many of these conditions are outside of the Company's control and could also impair the Company's ability to provide its products and services to its customers or increase the cost of doing so. In recent years, customer demand has outpaced available supply, which has resulted in, and may continue to result in, delays in delivering products or services to the Company's customers, as well as increases in product costs. The inability to obtain adequate supplies of products and/or to timely provide products and services and fulfill the Company's other obligations to its customers, whether as a result of any of the foregoing factors or otherwise, could have an adverse effect on the Company's business, results of operations and financial condition, including, without limitation, if the Company's customers turn to other distributors.

In addition to the foregoing, delays in construction of customers' facilities, whether due to supply or labor shortages or any other factors, have resulted, and may continue to result in, delays in the Company's fulfillment of orders to such facilities, which may adversely impact the Company's operating results and financial condition.

The Company's business and results may be adversely affected if the Company does not maintain its relationships with its significant suppliers or customers.

While the Company purchases the products it distributes from a number of manufacturers and suppliers, purchases from four manufacturers accounted for a total of approximately 71% and 72% of the Company's product purchases for fiscal 2026 and 2025, respectively. The Company believes it has good working relationships with the manufacturers or suppliers from which the Company purchases its products. However, if such relationships deteriorate or the Company is unable to maintain such relationships, including with any of its or its acquired businesses' principal manufacturers or suppliers, the Company's business and results could be materially and adversely impacted. In addition, efforts of the Company and its acquired businesses to mitigate any loss, including brand shifts, may not be successful. Further, the Company does not have contracts with all of its manufacturers, and certain contracts the Company does have are short term agreements and can be terminated on short notice. In addition, suppliers may not comply with the terms of any agreements or may choose to terminate such agreements, allow such agreements to expire without renewal, or seek to revise the agreements on terms which are less favorable to the Company than the prevailing terms, any of which could materially and adversely impact the Company's business and results.

In addition, while the Company distributes its products to various users, including, but not limited to, vended laundry facilities, industrial laundry facilities, government institutions, correctional facilities, hospitals, hospital combines, nursing homes, veterinary clinics, professional sports franchises, educational institutions, hotels, motels, food and

beverage establishments, cruise lines, and specialized users, the Company's operating results and financial condition could be materially adversely impacted if the Company loses a significant customer or fails to meet its customers' expectations.

The products the Company distributes could fail to perform according to specifications or prove to be unreliable, which could damage the Company's customer relationships and industry reputation and result in lawsuits and loss of sales.

The Company's customers require demanding specifications for product performance and reliability. Product defects or other failures to perform to specifications or as expected could result in higher service costs and may damage the Company's customer relationships and industry reputation and/or otherwise negatively impact the Company's business, operations and results. Further, the Company may be subject to lawsuits if, among other things, any of the products it distributes fails to operate properly or causes property or other physical damage.

The Company faces substantial competition.

The commercial and industrial laundry distribution and service business is highly competitive and fragmented, with over 500 full-line or partial-line equipment distributors and service providers in the United States. The Company's management believes that no single competitor of the Company has a major share of the market, substantially all competitors are independently owned, and, with the exception of several regional distributors, distributors operate primarily in local markets. In the United States, the Company's primary competition is from a number of independently owned distributors and certain manufacturers which own distribution businesses operating in North America. In foreign markets, the Company also competes with independently owned distributors and manufacturer-owned distribution businesses. Certain of the Company's competitors may have greater financial and other resources than the Company. In addition, some of the Company's competitors may have less indebtedness than the Company, and therefore may have more cash and working capital available for business purposes other than debt service. The Company's results and financial condition would be materially and adversely impacted if the Company is unable to compete effectively. Further, the Company may not be able to adjust efficiently or effectively or otherwise operate profitably if the competitive environment changes.

The Company also competes for qualified employees and, in light of labor market disruptions, such competition has been more intense and led to increases in the costs of labor. See "Labor shortages and increases in labor costs may have a material adverse impact on the Company's business and results of operations" below.

The Company faces risks related to its foreign purchases and sales.

The Company's revenues from foreign sales relate principally to the Company's sales of commercial and industrial laundry and dry cleaning equipment and boilers to Canada, the Caribbean, and Latin America. All of the Company's foreign sales require the customer to make payment in United States dollars. The Company also purchases products from a number of foreign suppliers. The Company's purchases from foreign suppliers and sales to foreign buyers may be affected by the strength of the United States economy and dollar relative to the economies and currencies of the countries where its customers and suppliers are located. Particularly, a weaker U.S. dollar would result in increased costs, which in turn would negatively affect the Company's operating results. Foreign sales and purchases may also be affected by governmental measures, including trade policies, barriers and tariffs (as discussed under "The Company's business and results may be impacted by international trade policies, including the imposition of tariffs" above).

Further, conducting an international business inherently involves a number of other difficulties, risks and uncertainties, such as:

- export and trade restrictions;
- inconsistent and changing regulatory requirements;
- cultural issues;
- problems in collecting accounts receivable;
- political instability and international hostilities;
- local economic downturns; and
- potentially adverse tax consequences.

Any of the above factors may materially and adversely affect the Company's business, prospects, operating results or financial condition.

Risks Related to Consumer Garment Care Services Business

The Company's expansion into the consumer garment care services industry may not be successful.

As previously described, during July 2026, the Company announced its plans to expand into the consumer garment care services industry and, in connection therewith, the Company entered into a definitive agreement to acquire Sudsies, a well-established operator in the garment care sector and one of South Florida's premier garment care businesses. The acquisition of Sudsies was consummated on September 1, 2026. The expansion into the consumer garment care services industry marks the Company's first dedicated expansion beyond the commercial laundry distribution and service industry since the Company began executing its "buy-and-build" growth strategy in 2016. There is no assurance that the Company's plans and efforts with respect to the consumer garment care services industry will be successful, and these plans and efforts will subject the Company to risks associated with the consumer garment care business, including operational risks and environmental risks (as described in further detail below). There is also no assurance as to the applicability and success of the Company's buy-and-build strategy in the consumer garment care services industry, or the anticipated strategic, competitive, and financial advantages of leveraging the Company's commercial laundry capabilities, infrastructure, and supply relationships. The expansion into the consumer garment care services industry may also divert management's attention from the Company's other operations and entail other risks associated with growth or the pursuit of growth through acquisitions and strategic transactions, including those described in the risk factor entitled "Acquisitions and the Company's pursuit of acquisitions and other strategic transactions subject the Company to a number of risks" below.

Environmental liabilities, including liabilities relating to the use, handling and disposal of hazardous substances and historical contamination.

Garment care operations have historically, and may continue to involve, the use, storage, handling and disposal of chemicals and other substances that may be hazardous or otherwise regulated under federal, state and local environmental laws and regulations, including perchloroethylene ("PCE" or "perc"), a solvent historically used in the industry. These laws and regulations govern, among other matters, the use, storage, handling, transportation, release and disposal of hazardous substances and wastes and the investigation and remediation of contaminated soil, groundwater and other environmental media. The Company may incur significant costs or liabilities arising from actual or alleged releases of PCE or other hazardous substances at properties that the Company owns, leases or operates, or at third-party locations to which wastes from the Company's operations have been transported for treatment, storage or disposal. Contamination may result from current operations, historical practices, accidental spills or releases, leaking equipment or storage systems, waste disposal practices, activities of prior owners or operators, or other circumstances outside of the Company's control. In some cases, contamination may not be discovered until years after the underlying activity or release occurred. Certain environmental laws may impose liability for investigation and remediation costs without regard to whether the party responsible for the contamination was negligent or otherwise at fault. As a result, the Company could become responsible for environmental conditions that existed before acquiring, leasing or operating a property that were caused by third parties. The Company could be subject to claims by governmental authorities, landlords, neighboring property owners or other third parties relating to alleged contamination, exposure to hazardous substances, property damage or other environmental impacts. Environmental laws and regulations, and their interpretation and enforcement, may become more stringent over time, including with respect to the use of PCE and

other chemicals used in garment care operations. Compliance with new or more stringent requirements could require the Company to modify its operations, replace equipment or chemicals, implement additional monitoring or environmental controls, conduct investigation or remediation activities, or incur other material expenditures. The Company cannot predict the nature, scope or cost of future environmental requirements or whether environmental conditions will be identified at any current or future locations or at third-party disposal sites. Any investigation, remediation, compliance measures, governmental enforcement proceedings, fines, penalties, third-party claims or other environmental liabilities could result in significant costs, disrupt operations, adversely affect the value or usability of affected properties and have a material adverse effect on the Company's business, financial condition and results of operations.

General Business Risks

Acquisitions and the Company's pursuit of acquisitions and other strategic transactions subject the Company to a number of risks.

Acquisitions are an important element of the Company's growth strategy. Acquisitions and the Company's efforts with respect thereto involve a number of risks, including, but not limited to:

- the ability to identify and consummate transactions with acquisition targets;
- the successful operation and integration of acquired companies;
- diversion of management's attention from other business functions and operations;
- strain on managerial and operational resources as management tries to oversee larger operations;
- difficulty implementing and maintaining effective internal control over financial reporting at the acquired businesses;
- possible loss of key employees and/or customer or supplier relationships of the acquired business (See "The Company's business and results may be adversely impacted if the Company does not maintain its relationships with its significant suppliers or customers" below); and
- exposure to liabilities of the acquired businesses.

As a result of these or other problems and risks, acquired businesses may not produce the revenues, earnings, cash flows or business synergies anticipated, and the acquired businesses may not perform as expected. Accordingly, the Company may, among other things, incur higher costs and realize lower revenues and earnings than anticipated. The Company may not be able to successfully address these problems, integrate any acquired businesses or generate sufficient revenue to offset the associated costs or other negative effects on its business.

In addition, acquisitions may result in dilutive issuances of the Company's equity securities and the incurrence of debt. See "Risks Related to the Company's Indebtedness - The Company's indebtedness may impact its financial condition and results of operations, and the terms of the Company's indebtedness may place restrictions on the Company" below. Acquisitions may also result in contingent liabilities, or amortization expenses, or impairment of goodwill and/or purchased long-lived assets, and restructuring charges, any of which could adversely impact the Company's financial condition or results. Further, there are risks related to the accounting for acquisitions, including that preliminary valuations are subject to change and any such change may impact the Company's results.

Growth of the Company's business through acquisitions or otherwise may place significant demands on management, as well as on the Company's accounting, financial, information and other systems and on the Company's business. Further, management may not be able to manage the Company's growth effectively or successfully, and the Company's financial, accounting, information and other systems may not be able to successfully accommodate the Company's growth. In addition, the Company's accounting expenses and other professional expenses associated with being a public company have increased as a result of the Company's growth, and such expenses may continue to increase in the future.

Further, the Company may not be successful in consummating acquisitions or other strategic transactions. Expenses related to the Company's pursuit of acquisitions and other strategic transactions may be significant and will be incurred by the Company regardless of whether the underlying acquisition or other strategic transaction is ultimately consummated.

Labor shortages and increases in labor costs may have a material adverse impact on the Company's business and results of operations.

The market for qualified employees is highly competitive. The Company may be unable to continue to attract and retain qualified personnel. In addition, increases in labor costs have resulted in, and may continue to result in, increases in the Company's operating expenses. If labor market disruptions occur and/or labor cost increases continue, the Company's sales or service team could be short staffed and would be more costly to retain, and the Company's ability to meet its customers' demands or expectations could be adversely impacted, any of which could materially adversely affect the Company's business and results of operations.

The Company faces risks associated with environmental and other regulations.

As described above, the Company's business and operations are subject to federal, state, local and foreign environmental and other laws and regulations, including environmental laws governing the discharge of pollutants, the use, handling, generation, storage, transportation, release, and disposal of hazardous materials, substances, and wastes and the investigation and remediation of contaminated sites. As a public company, the Company will also be subject to any rules and regulations of the SEC and any applicable securities exchange concerning environmental and other social issues, which may result in increased costs and compliance efforts. The Company is also subject to rules and regulations with respect to its contracts and dealings with government facilities. The Company may not remain in compliance with all applicable laws and regulations and could be required to incur significant costs as a result of violations of, liabilities under, or efforts to comply with, applicable laws and regulations. In addition, violations may have other adverse implications for the Company, including negative public relations and potential litigation. Further, the Company may incur significant compliance costs in the event of changes to applicable laws and regulations.

The Company's business and results may be impacted by international trade policies, including the imposition of tariffs.

In recent years, the U.S. government has enacted numerous changes to its trade policy, including changes to existing trade agreements and the use of tariffs to enforce trade policy. The tariffs impact various jurisdictions from where the Company sources its products. While the tariffs have not to date had a significant impact on the Company's results, the trade policies are subject to change with limited or no advance notice and certain tariffs have been struck down by the United States Supreme Court. It is uncertain what, if any, impact tariffs or other trade policies, including judicial decisions with respect thereto, may have on the Company in the future, including on its ability to purchase products sourced internationally or the prices thereof. Tariffs could significantly increase the cost of the Company's products and/or limit the availability of those products. While the Company has attempted to mitigate the risks and uncertainties relating to tariffs through supplier negotiations and increasing selling prices, there is no assurance that such efforts will be successful. Further, price increases may result in reduced customer demand. The actual impact of tariffs is subject to a number of factors, including the duration of such tariffs, changes to the countries included in the scope of tariffs, changes to amounts, potential retaliatory tariffs imposed by other countries, judicial decisions with respect to tariffs, and other variables, as well as the success of any actions taken by the Company in connection therewith.

Unexpected events, such as public health issues, natural disasters, geopolitical conflicts, civil unrest, severe weather and terrorist activities, may disrupt the Company's operations and increase its costs.

The outbreak of a pandemic or public health crisis may adversely impact the Company. In addition, the occurrence of other unexpected events, including natural disasters, civil unrest, geopolitical conflicts (including the current conflict in the Middle East) and/or terrorist activities could adversely affect the Company's operations and financial performance, including that the escalation of any conflicts or the expansion of any conflicts to impact additional regions could heighten many of the other risk factors included in this Item 1A.

Damages to, or disruptions at, the Company's facilities or the facilities of a supplier or customer could adversely impact the Company's business, operating results and financial condition.

Although the Company has certain limited protection afforded by insurance, the Company's business, earnings and financial condition could be materially adversely affected if it suffers damages to, or disruptions at, its facilities. Without limiting the generality of the foregoing, the Company's facilities, including those located in Florida, Georgia, North Carolina, Texas and the Northeast United States, are subject to hurricane casualty and flood risk, and facilities in

California are subject to earthquake and wildfire casualty risk. In addition, damages to the facility of a supplier, whether due to, fire, natural disaster or other events, would adversely impact the Company's ability to obtain products from that supplier when expected or at all and, accordingly, may result in delays in the delivery of the Company's products or the provision of its services. Further, damages to the facility of a customer may adversely impact the business of the customer and its need for products or services from the Company or result in delays in the delivery of products or provision of services to the customer. Any of these events may materially and adversely impact the Company's business, operating results and financial condition.

The Company's assets may suffer uninsured losses.

The Company attempts to ensure that its assets, including the equipment and parts that it sells, are adequately insured to cover property and casualty losses as well as any other liabilities to which the Company is reasonably expected to be subject. However, insurance may be expensive or difficult to obtain, and there are certain types of losses, generally catastrophic in nature, such as losses due to wars, acts of terrorism, floods, hurricanes, earthquakes, pollution, fire or environmental disasters or other matters, which are uninsurable or not economically insurable, or may be insured subject to limitations, such as large deductibles or co-payments. In addition, there may in certain cases be questions as to when the risk of loss related to products sold is transferred to the customer. If the equipment suffers a loss and risk of loss is deemed not to have transferred to the customer, the Company may be liable for the loss, which may not be insured. If the Company's insurance coverage is not adequate, or the Company otherwise incurs uninsured losses, the Company's operating results and financial condition would be adversely impacted.

The Company may also be subject to insured losses relating to breaches of its information technology systems. See also "The Company could be negatively affected by cyber or other security threats or other disruptions or failures to maintain the integrity of internal or customer, employee or vendor data" below.

The Company's ability to manage its business and monitor results is highly dependent upon information and communication systems, and a failure of these systems or the Company's ERP implementation could disrupt its business.

The Company is dependent upon a variety of internal computer and telecommunication systems to operate its business, including its enterprise resource planning ("ERP") systems. Any disruptions, delays or deficiencies in the design and/or implementation of the ERP system, or in the performance of legacy systems, particularly any disruptions, delays or deficiencies that impact the Company's operations, could adversely affect the Company's ability to effectively run and manage its information systems. Further, as the Company is dependent upon its ability to gather and promptly transmit accurate information to key decision makers, the Company's business, results of operations and financial condition may be adversely affected if the Company's information systems do not allow the Company to transmit accurate information, even for a short period of time. Failure to properly or adequately address these issues could impact the Company's ability to perform necessary business operations, which could adversely affect the Company's reputation, competitive position, business, results of operations and financial condition.

In addition, the information systems of acquired businesses may not be sufficient to meet the Company's standards or the Company may not be able to successfully convert them to provide acceptable information on a timely and cost-effective basis. Furthermore, the Company must attract and retain qualified personnel to operate its systems, expand and improve them, integrate new programs effectively with its existing programs, and convert to new systems efficiently when required. Any disruption to the Company's business due to such issues, or an increase in costs to cover these issues that is greater than anticipated, could have an adverse effect on the Company's financial results and operations.

The Company could be negatively affected by cyber or other security threats or other disruptions or failures to maintain the integrity of internal or customer, employee or vendor data.

In the ordinary course of its business, the Company processes, transmits and stores sensitive Company information as well as sensitive information, including personal information, about its customers, employees and vendors. The Company's customers, employees and vendors have a high expectation that their personal information will be adequately protected and, accordingly, the integrity and protection of such information is critical to the Company.

The processing, transmission and storage of customer, employee and vendor information requires the appropriate and secure utilization of such information and subjects the Company to risks relating thereto, including risks relating to increased focus regarding the Company's data security compliance. Cyber-attacks, including ransomware, malware and phishing, designed to gain access to sensitive information by breaching systems are constantly evolving. Furthermore, there has been heightened legislative and regulatory focus on data security in the U.S. and abroad, including requirements for varying levels of customer notification in the event of a data breach. These laws are changing rapidly and vary among jurisdictions. Requirements imposed on the Company by the payment card industry surrounding information, security and privacy are also increasingly demanding. The Company will continue its efforts to meet applicable privacy and data security obligations; however, it is possible that certain new obligations may be difficult to meet and could increase the Company's costs. In addition, the Company's systems may be unable to satisfy changing requirements and employee and customer expectations, or may require significant additional investments or time in order to do so. Further, as the risk of cyber-attacks increases, related insurance premiums and the cost of defensive measures may also increase. In addition, the costs to remediate security incidents or breaches that may occur could be material.

Despite the security measures and processes the Company has in place, efforts to protect sensitive Company, customer, employee and vendor information may not be successful in preventing a breach in the Company's systems or detecting and responding to a breach on a timely basis. The Company has experienced threats to, and incidents involving, its systems and information, and while none have been material to date, cyber-attacks are generally becoming more frequent, intense, and sophisticated. As a result of a security incident or breach in the Company's systems, the Company's systems could be interrupted or damaged, and/or sensitive information could be accessed by third parties. The Company's systems may also be disrupted or damaged, and/or sensitive information could be released, due to other system failures, viruses, operator error or inadvertent releases of data. In the event of a data or security breach, the Company's customers, employees or vendors could lose confidence in the Company's ability to protect their information, which could result in the loss of key customers, employees or vendors, or the Company's reputation could otherwise be negatively impacted, any of which may have a material adverse impact on the Company's business or results. In addition, as the regulatory environment relating to the protection of sensitive data becomes stricter, a failure to comply with applicable regulations could potentially subject the Company to fines, penalties, other regulatory sanctions, or lawsuits with the possibility of substantial damages.

In addition, damage or disruption to the Company's systems could adversely impact the Company's ability to manage or operate its business. Further, conversions to new information technology systems require effective change management processes and may result in cost overruns, delays or business interruptions. If the Company's information technology systems are disrupted, become obsolete or do not adequately support the Company's strategic, operational or compliance needs, the Company's business, financial position, results of operations or cash flows may be adversely affected.

The Company could also make faulty decisions if the data it maintains regarding its customers, employees or vendors is inaccurate or incomplete.

Climate change, or legal, regulatory or market measures to address climate change, could have an adverse impact on the Company's business and results of operations.

There is growing concern that carbon dioxide and other greenhouse gases in the atmosphere may have an adverse impact on global temperatures, weather patterns, and the frequency and severity of extreme weather and natural disasters. If such climate change has a negative impact on the economy, the Company's business and results may be adversely impacted, including due to a potential decrease in the availability of, or less favorable pricing for, water or other materials which may adversely impact the supply chain. In addition, natural disasters and extreme weather, including those caused by climate change, could cause disruptions in the Company's operations and supply chains. Furthermore, the increasing concern over climate change may also result in greater local, state, federal, and foreign legal requirements, including requirements to limit greenhouse gas emissions or conserve resources, which may result in cost increases or adverse impacts to the supply chain.

Risks Related to the Company's Indebtedness

The Company's indebtedness may impact its financial condition and results of operations, and the terms of the Company's indebtedness may place restrictions on the Company.

The Company's level of indebtedness may have several important effects on the Company's operations, including, without limitation, that the Company uses cash to satisfy its debt service requirements, that outstanding indebtedness and the Company's leverage position will increase the impact on the Company of negative changes in general economic and industry conditions, as well as competitive pressures, and that the Company's ability to obtain additional financing for acquisitions, working capital or other corporate purposes may be impacted.

The Company is party, as borrower, to a syndicated credit agreement (the "Credit Agreement") in the maximum aggregate principal amount of up to $150 million, with an accordion feature to increase the revolving credit facility by up to $50 million for a total of $200 million. A portion of the revolving credit facility is available for swingline loans of up to a sublimit of $7.5 million and for the issuance of standby letters of credit of up to a sublimit of $15 million. The maturity date of the Credit Agreement is March 26, 2030. The Company had $51.0 million of outstanding borrowings under the Credit Agreement as of June 30, 2026.

Borrowings (other than swingline loans) under the Credit Agreement bear interest, at a rate, at the Company's election at the time of borrowing, equal to (a) the Secured Overnight Financing Rate ("SOFR") plus 0.11% to 0.43%, plus an additional adjustment margin that ranges between 1.25% and 1.75% depending on the Company's consolidated leverage ratio, which is a ratio of consolidated funded indebtedness to consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) (the "Consolidated Leverage Ratio") or (b) the highest of (i) prime, (ii) the federal funds rate plus 50 basis points, and (iii) SOFR plus 100 basis points (such highest rate, the "Base Rate"), plus a margin that ranges between 0.25% and 0.75% depending on the Consolidated Leverage Ratio. Swingline loans generally bear interest at the Base Rate plus a margin that ranges between 0.25% and 0.75% depending on the Consolidated Leverage Ratio.

The Credit Agreement contains covenants applicable to the Company, including financial covenants requiring the Company to comply with maximum leverage ratios and minimum interest coverage ratios, as well as other covenants which may place restrictions on, among other things, liens, investments, indebtedness, fundamental changes, acquisitions, dispositions of property, making specified restricted payments (including cash dividends and stock repurchases that would result in the Company exceeding an agreed to Consolidated Leverage Ratio), and transactions with affiliates.

The Company may incur additional debt financing as determined to be appropriate by management, including in connection with the financing of acquisitions or other strategic transactions or otherwise, which would increase the Company's vulnerability to the risk factors described above related to its level of indebtedness and may place restrictions on the Company similar or in addition to those contained in the Credit Agreement. There is no assurance that the Company will receive any financing which the Company may seek to obtain in the future on acceptable terms or at all, including in the event additional funds are necessary to consummate an acquisition or other strategic transaction or support the Company's business operations.

Risks Related to Ownership of the Company's Common Stock

The Company's management may be deemed to control the Company.

The Company's management, including Henry M. Nahmad, the Company's Chairman, Chief Executive Officer and President, and the Company's Board of Directors through stockholders agreement granting it the right to direct the voting of certain shares issued as consideration in acquisitions, may be deemed to control the Company as a result of their collective voting power over shares representing approximately 52.3% of the issued and outstanding shares of the Company's common stock as of June 30, 2026. Under the Company's Bylaws, directors are elected by a plurality vote and all other matters put to a vote of the Company's stockholders require the affirmative vote of a majority of the shares of the Company's common stock represented at a meeting, in person or by proxy, and entitled to vote on the matter unless a greater percentage is required by applicable law. Consequently, other than in very limited circumstances where a greater vote is required by applicable law, Mr. Nahmad and the other members of the Company's management, without the consent or vote of any other stockholders of the Company, have the voting power to elect directors and approve other actions that require stockholder approval. The interests of the Company's management may conflict with the interests of the Company's other stockholders and also could have the effect of delaying or preventing a change in control of the Company or its management and/or adversely impact the market price of the Company's common stock or the ability of the Company's other stockholders to receive a premium for their shares in connection with any sale of the Company.

Further, as a result of management's controlling voting position with respect to the Company's common stock, the Company is a "controlled company" within the meaning of the listing standards of the NYSE American, on which the Company's common stock is listed. As a "controlled company," the Company is not required under the listing standards of the NYSE American to comply with certain corporate governance requirements set forth therein, including:

- the requirement that a majority of the Company's Board of Directors consists of independent directors;
- the requirement that directors be recommended for nomination by, and other nominating and corporate governance matters be decided solely by, a nominating/corporate governance committee consisting of independent directors; and
- the requirement that executive compensation matters be decided by a compensation committee consisting of independent directors.

While executive compensation matters are determined by a compensation committee comprised solely of independent directors and the Company's Board of Directors is currently comprised of, and has historically generally been comprised of, a majority of independent directors, the Company does not have a standing nominating/corporate governance committee and the Company has in the past from time to time maintained a Board of Directors not comprised of a majority of independent directors. In addition, in the discretion of the Company's Board of Directors, the Company may choose to utilize or continue to utilize any or all of the exceptions in the future. As a result, the Company's stockholders may not have certain of the same protections as a stockholder of other publicly-traded companies which are not "controlled companies" and the market price of the Company's common stock may be adversely affected.

The concentration of ownership with respect to the Company's common stock also results in there being a limited trading volume, which may make it more difficult for stockholders to sell their shares and increase the price volatility of the Company's common stock.

As a "smaller reporting company," the Company may avail itself of reduced disclosure requirements, which may make the Company's common stock less attractive to investors.

Under applicable SEC rules and regulations, the Company is a "smaller reporting company" and will continue to be a "smaller reporting company" for so long as the market value of the Company's common stock held by non-affiliates as of the end of its most recently completed second fiscal quarter is less than $250 million. As a "smaller reporting company," the Company has relied on exemptions from certain disclosure requirements that are applicable to other public companies. The Company may continue to rely on such exemptions for so long as the Company remains a "smaller reporting company." These exemptions include reduced financial disclosure and reduced disclosure obligations regarding executive compensation. The Company's reliance on these exemptions may result in the public finding the Company's common stock to be less attractive and adversely impact the market price of, or trading market for, the Company's common stock.

The issuance of preferred stock and common stock, and the authority of the Company's Board of Directors to approve issuances of preferred stock and common stock, could adversely affect the rights of the Company's stockholders and have an anti-takeover effect.

As permitted by Delaware law, the Company's Board of Directors is authorized under the Company's Certificate of Incorporation, as amended (the "Certificate of Incorporation"), to approve the issuance by the Company of up to 200,000 shares of preferred stock, and to designate the relative rights, preferences and limitations of any preferred stock so issued, in each case, without any action on the part of the Company's stockholders. Currently, no shares of preferred stock are outstanding. In the event that the Company issues preferred stock in the future that has preference over the Company's common stock with respect to the payment of dividends or upon liquidation, dissolution or winding up of the Company, the rights of holders of shares of the Company's common stock may be adversely affected. In addition, the Company is authorized under its Certificate of Incorporation to issue up to 20,000,000 shares of common stock. Inclusive of unvested restricted stock awards, there are currently approximately 14.4 million shares of common stock outstanding. Subject to applicable law and the rules and regulations of the NYSE American, the Company's Board of Directors (or a committee thereof, in the case of shares issued under the Company's equity-based compensation plan) has the power to approve the issuance of any authorized but unissued shares of the Company's common stock, and any such issuances, including, without limitation, those under the Company's equity-based compensation plan or pursuant to any acquisitions or other strategic transactions consummated by the Company or in connection with the financing thereof, would result in dilution to the Company's stockholders. These provisions of the Certificate of Incorporation could also

delay or prevent a change in control of the Company or its management, and could limit the price that investors are willing to pay in the future for shares of the Company's common stock.

General Risks

The Company is subject to risks relating to evaluations of internal control over financial reporting required by Section 404 of the Sarbanes-Oxley Act of 2002

The Company has incurred, and expects to continue to incur, a substantial amount of management time and resources to comply with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002. In this Report, the Company's management has provided an assessment as to the effectiveness of the Company's internal control over financial reporting. In addition, pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002, management's assessment of the effectiveness of the Company's internal control over financial reporting is subject to attestation by the Company's independent registered public accounting firm. This Report includes such attestation. However, there is no assurance that the Company will continue to timely comply with such requirements nor can there be assurance that significant deficiencies and/or material weaknesses will not be identified by management or the Company's independent registered public accounting firm (or, if identified, remedied in a timely fashion or at all), any of which may adversely affect the market price of the Company's common stock. In addition, the Company's compliance efforts will continue to require significant expenditures and devotion of management time, and may divert management's attention from the Company's operations.

In addition, while businesses acquired during the fiscal year covered by the applicable Annual Report on Form 10-K are permitted to be excluded from the scope of management's report on internal control over financial reporting and the related auditor attestation for such Annual Report on Form 10-K, the Company will face challenges and be required to incur expenses in connection with, and devote significant management time to, the internal control over financial reporting of acquired businesses. There is no assurance that any issues, deficiencies, significant deficiencies or material weaknesses in internal controls identified at acquired businesses will be remedied in a timely or cost-efficient manner or at all.

Internal control over financial reporting may not prevent or detect misstatements due to inherent limitations in internal control systems. An internal control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met, and the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. See Item 9A ("Controls and Procedures") of this Report for related discussion.

The Company's success depends on key personnel, the loss of whom could harm the Company's business, operating results and financial condition.

The Company's business is dependent on the active participation of its executive officers, including Henry M. Nahmad and Tom Marks. The loss of the services of any of these individuals could adversely affect the Company's business and prospects. In addition, the Company's success is dependent on its ability to retain and attract additional qualified management and other personnel. Competition for such talent is intense, and the Company may not be successful in attracting and retaining such personnel.

Litigation and legal and regulatory proceedings, the costs of defending the same and the impact of any finding of liability or damages could adversely impact the Company and its financial condition and operating results.

The Company may from time to time become subject to litigation and other legal and regulatory proceedings. Litigation and other legal and regulatory proceedings may require the Company to incur significant expenses, including those relating to legal and other professional fees. In addition, litigation and other legal and regulatory proceedings are inherently uncertain, and adverse outcomes in litigation or other legal proceedings could adversely affect the Company's financial condition and operating results.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

None.

ITEM 1C. CYBERSECURITY.

The Company has established security practices and safeguards designed to help identify and protect against intentional and unintentional misappropriation or corruption of its information technology systems, data, and operational continuity. The Company conducts risk assessments to identify potential cybersecurity threats, which include evaluating the likelihood and potential impact of these threats, identifying system and network vulnerabilities, and assessing the effectiveness of the Company's existing controls. Upon identification and assessment of risks, the Company develops and implements what management believes to be appropriate measures in order to manage these risks, which may involve enhancing security controls, implementing new technologies, training employees, or changing business processes. The Company maintains change management processes, monitoring practices, and data protection measures designed to mitigate cybersecurity risks and regularly test its systems for potential threats. Such processes and practices to assess, identify, and manage cybersecurity incidents are integrated into the Company's overall enterprise risk assessment process.

The Company's information security team, which is led by the Company's Director of Information Technology and also includes the Company's Chief Financial Officer and other members of the Company's internal audit and finance departments, is responsible for assessing and managing the Company's cybersecurity risks and data protection practices. The Company's Director of Information Technology has over 11 years of experience in managing cybersecurity risks and advising on cybersecurity matters.

The Company's Board of Directors is responsible for the oversight of management's efforts to address cybersecurity risks. The Board of Directors has designated the Audit Committee with the responsibility of overseeing and reporting to the Board on management's handling of cybersecurity risk management and on the adequacy and effectiveness of the Company's cybersecurity risk management strategy. Management also updates the Audit Committee and the Board on an on-going basis concerning any significant cybersecurity incidents or risk exposures that have come to management's attention during the conduct of their assessments, the steps management has taken to mitigate such exposures, and any changes to the processes of identifying, assessing, and monitoring cybersecurity threats.

During the fiscal year ended June 30, 2026, the Company did not identify any cybersecurity incidents that have materially affected or are reasonably likely to materially affect the Company, including its business strategy, results of operations or financial condition.

ITEM 2. PROPERTIES.

The Company's principal executive offices are located in Miami, Florida. The Company's principal properties include warehousing and distribution facilities and administrative office space, all of which are leased (generally for terms of three to ten years).

At June 30, 2026, the Company had a total of 35 warehousing and distribution facilities and administrative facilities located across 22 U.S. states. Senior management and support staff are located at the Company's principal executive offices and other administrative offices mostly adjacent to the Company's warehousing and distribution facilities. The facilities have an aggregate of approximately 569,000 square feet of space. The Company believes that its facilities are sufficient to meet the Company's present operating needs.

ITEM 3. LEGAL PROCEEDINGS.

In the ordinary course of business, the Company may from time to time be involved in, or subject to, legal and regulatory claims, proceedings, demands or actions. Litigation and other proceedings are inherently uncertain and the outcome thereof cannot be predicted or determined in advance. In addition, the Company's costs of defending against litigation and other proceedings, demands and actions could be material and would generally be payable by the Company regardless of the merits of the claim. As of the date of filing of this Report, the Company is not aware of any pending legal proceedings to which the Company, including any of its subsidiaries, is a party which is expected to be material to the Company.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

The Company's common stock is traded on the NYSE American under the symbol "EVI."

As of September 2, 2026, there were approximately 140 holders of record of the Company's common stock.

The declaration and payment of cash dividends with respect to the Company's common stock is determined by the Company's Board of Directors based on the Company's financial condition and liquidity needs and other factors deemed relevant by the Company's Board of Directors, and may be subject to restrictions contained in the Company's debt instruments. As described elsewhere in this Report, including under "Liquidity and Capital Resources" in Item 7 of this Report, the Company's Credit Agreement contains certain covenants which may, among other things, restrict the Company's ability to pay dividends, and any future facilities may contain similar or more stringent requirements. The Company's management does not believe that the covenants contained in the Credit Agreement currently materially limit the Company's ability to pay dividends or are reasonably likely to materially limit the Company's ability to pay dividends in the future.

On September 11, 2024, the Company's Board of Directors declared a special cash dividend on the Company's common stock of $0.31 per share (totaling approximately $4.6 million in the aggregate), which was paid on October 7, 2024 to stockholders of record at the close of business on September 26, 2024.

On September 11, 2025, the Company's Board of Directors declared a special cash dividend on the Company's common stock of $0.33 per share to be paid on October 6, 2025 to shareholders of record at the close of business on September 25, 2025.

As described above, future dividends will be considered in light of the Company's financial position and liquidity needs, and other factors deemed relevant by the Company's Board of Directors.

See Part III, Item 12 of this Report for information regarding securities authorized for issuance under the Company's equity-based compensation plans.

Upon request by a recipient of awards granted under the Company's equity incentive plan, the Company may issue shares upon vesting of restricted stock awards or units or upon the issuance of stock awards, in each case, net of the statutory withholding requirements that the Company pays on behalf of its employees. For financial statement purposes, the shares withheld are treated as being repurchased by the Company and are reflected as repurchases in the Company's consolidated statements of cash flows and shareholders' equity as they reduce the number of shares that would have been issued upon vesting.

The following table provides information concerning shares of the Company's common stock repurchased during the quarter ended June 30, 2026:

Period	Total Number of Shares Purchased	Average Price Per Share	Total Number of Shares Purchased as a Part of Publicly Announced Program(2)	Maximum Number of Shares That May Yet Be Purchased Under the Program(2)
April 1 - April 30, 2026	-	$ -	-	-
May 1 - May 31, 2026	1,503	$ 19.39	-	-
June 1 - June 30, 2026	-	$ -	-	-
Total	1,503(1)	19.39	-	-

(1) All shares were treated as repurchased in connection with the issuance of shares upon the vesting of restricted stock units net of statutory tax withholding requirements

(2) As of June 30, 2026. See below for information regarding the share repurchase program which was approved by the Company's Board of Directors during July 2026.

On July 28, 2026, the Company's Board of Directors approved a share repurchase program which authorizes the repurchase of up to $10.0 million of the Company's outstanding common stock. Under the share repurchase program, the Company may repurchase shares of its common stock from time to time in management’s discretion through solicited or unsolicited open market transactions, in privately negotiated transactions, or by other means in accordance with applicable federal securities laws, including through the use of trading plans intended to qualify under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended. The timing, manner, price, and amount of shares which may be repurchased under the program will be at management’s discretion based on market conditions, the trading price of the Company’s common stock, the Company’s financial condition, results of operations and capital requirements, general business conditions, alternative investment opportunities, and other factors deemed relevant by management. The share repurchase program does not obligate the Company to repurchase any specific amount of shares, has no expiration date, and may be modified, suspended or terminated at any time without prior notice at the discretion of the Company’s Board of Directors.

ITEM 6. [RESERVED].

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

General

The following discussion should be read in conjunction with the Company's Consolidated Financial Statements and notes thereto contained in Item 8 of this Report. See also "Cautionary Note Regarding Forward Looking Statements" preceding Part I, Item 1 of this Report.

Overview

The Company, through its wholly-owned subsidiaries, is a value-added distributor, and provides advisory and technical services. Through its vast sales organization, the Company provides its customers with planning, designing, and consulting services related to their commercial laundry operations. The Company sells and/or leases its customers commercial laundry equipment, specializing in washing, drying, finishing, material handling, water heating, power generation, and water reuse applications. In support of the suite of products it offers, the Company sells related parts and accessories. Additionally, through the Company's robust network of commercial laundry technicians, the Company provides its customers with installation, maintenance, and repair services.

The Company's customers include government, institutional, industrial, commercial and retail customers. Product purchases made by customers range from parts and accessories, to single or multiple units of equipment, to large complex systems. The Company also provides its customers with the services described above.

The Company's growth strategy includes the pursuit of organic growth initiatives and a "buy-and-build" growth strategy. The Company's "buy-and-build" growth strategy includes (i) the consideration and pursuit of acquisitions and other strategic transactions which management believes may complement the Company's existing business or otherwise offer growth opportunities for, or benefit, the Company and (ii) the implementation of a growth culture at acquired businesses based on the exchange of ideas and business concepts among the management teams of the Company and the acquired businesses as well as through certain additional initiatives, which may include investments in additional sales and service personnel, new product lines, enhanced service operations and capabilities, new and improved facilities, and advanced technologies. See "Buy-and-Build Growth Strategy" below for information regarding business acquisitions consummated during the fiscal year ended June 30, 2025 ("fiscal 2025") and the fiscal year ended June 30, 2026 ("fiscal 2026").

As of June 30, 2026, the Company reported its results of operations through a single operating and reportable segment.

During July 2026, the Company announced its plans to expand into the consumer garment care services industry and, in connection therewith, the Company entered into a definitive agreement to acquire Miami, Florida-based Sudsies, Inc. ("Sudsies"), a well-established operator in the garment care sector and one of South Florida's premier garment care businesses. The acquisition of Sudsies was consummated on September 1, 2026 for a total purchase price of $37.4 million, which is subject to post-closing adjustments. The Company has established a new division, which will be a separate operating and reportable segment, for its consumer garment care services operations and investments. The expansion into the consumer garment care services industry marks the Company's first dedicated expansion beyond the commercial laundry distribution and service industry since the Company began executing its "buy-and-build" growth strategy in 2016. This planned expansion is based on the Company's belief that consumer garment care, which is a multibillion dollar industry, represents a compelling long-term opportunity. The consumer garment care services industry serves an essential market has historically displayed steady, recurring demand, and is served by thousands of independent, often family-owned businesses. As consumers place growing value on quality, convenience, and service experience, the Company sees a significant opportunity to build a leading consumer garment care business of national scale.

Total revenues for fiscal 2026 increased by 15% compared to fiscal 2025. The increase was attributable to revenues generated by businesses acquired by the Company during fiscal 2025 and 2026.

Net income for fiscal 2026 increased by 3% from fiscal 2025. The increase in net income was primarily attributable to increases in revenue (as described above) and gross margin, partially offset by increases in selling, general, and administrative expenses, interest expense, and income taxes.

The Company's operating expenses consist primarily of (a) selling, general and administrative expenses, primarily salaries, and commissions and marketing expenses that are variable and correlate to changes in sales, (b) expenses related to the operation of warehouse facilities, including a fleet of installation and service vehicles, and facility rent, which are payable mostly under non-cancelable operating leases, and (c) operating expenses at the parent company, including compensation expenses, fees for professional services, expenses associated with being a public company and investments and other expenses in furtherance of the Company's "buy-and-build" growth strategy and other growth and optimization initiatives.

Buy-and Build Growth Strategy

The Company's acquisitions under its "buy-and-build" growth strategy described above during fiscal 2025 and fiscal 2026 were as follows:

During fiscal 2025, the Company acquired Florida-based Laundry Pro of Florida, Inc., Indiana-based O'Dell Equipment & Supply, Inc., Illinois-based Haiges Machinery, Inc., and Wisconsin-based Girbau North America, Inc. The total consideration for these transactions was $51.0 million, consisting of $54.8 million in cash, net of cash acquired, and the settlement of acquirer receivables of $3.8 million.

During fiscal 2026, the Company acquired New York-based ASN Laundry Group and Ohio-based Belenky, Inc. The total consideration for these transactions consisted of $3.9 million, consisting of $3.1 million in cash and $0.8 million in amounts payable to the sellers as of June 30, 2026.

The companies acquired during fiscal 2026 and 2025 generally distribute commercial, industrial, and vended laundry products and provide installation and maintenance services to the new and replacement segments of the commercial, industrial and vended laundry industry. Acquisitions are generally effected by the Company through an existing or newly-formed subsidiary which acquires (whether by an asset purchase, stock purchase or merger) and operates the acquired business following the transaction. The Company, indirectly through its subsidiary, also assumes certain of the liabilities of the acquired business. The financial position, including assets and liabilities, and results of operations of the acquired businesses following the respective closing dates of the acquisitions are included in the Company's consolidated financial statements.

As previously described, on September 1, 2026, the Company acquired Sudsies, which marked the Company's entry into the consumer garment care service industry. The total consideration paid in the transaction was $37.4 million in cash, which is subject to post-closing adjustments. The financial position, including assets and liabilities, and results of operations of Sudsies following the September 1, 2026 closing date of the acquisition will be included in the Company's consolidated financial statements commencing in the quarter ending September 30, 2026.

See Note 3 to the Consolidated Financial Statements included in Item 8 of this Report for additional information about the acquisitions described above.

Consolidated Financial Condition

The Company's total assets decreased from $307.0 million at June 30, 2025 to $304.5 million at June 30, 2026. The decrease in total assets was primarily attributable to a decrease in current assets, partially offset by an increase in equipment and improvements and goodwill. The Company's total liabilities decreased from $163.6 million at June 30, 2025 to $154.4 million at June 30, 2026, primarily due to decreases in accounts payable, customer deposits, and long-term debt.

Liquidity and Capital Resources

The Company had approximately $6.8 million of cash at June 30, 2026 compared to $8.9 million of cash at June 30, 2025. The decrease in cash was primarily due to cash consideration paid in connection with business acquisitions, capital expenditures, a dividend payment, and optional payments on the Company's credit facility, offset in part by cash generated from operations. The Company's primary sources of cash are sales of products and services, and

borrowings under its credit facility. The Company's primary uses of cash are purchases of the products sold by the Company, employee related costs, and the cash consideration paid in connection with business acquisitions.

The following table summarizes the Company's Consolidated Statements of Cash Flows (in thousands):

	Fiscal Year Ended June 30,	
Net cash provided (used) by:	2026	2025
Operating activities	$ 20,606	$ 21,265
Investing activities	$ (14,334)	$ (51,786)
Financing activities	$ (8,350)	$ 34,815

For fiscal 2026, operating activities provided cash of approximately $20.6 million compared to cash provided by operating activities of approximately $21.3 million in fiscal 2025. The $0.7 million decrease in cash provided by operating activities was primarily attributable to decreases in accounts payable, accrued expenses, and customer deposits, offset in part by decreases in accounts receivable and increases in depreciation and amortization, and provision for deferred income taxes.

Investing activities used cash of approximately $14.3 million during fiscal 2026 compared to approximately $51.8 million in fiscal 2025. The $37.5 million decrease in cash used by investing activities is due primarily to a greater amount of cash consideration paid in connection with business acquisitions in fiscal 2025 as compared to fiscal 2026.

Financing activities used cash of approximately $8.4 million in fiscal 2026 compared to cash provided by financing activities of approximately $34.8 million in fiscal 2025. The $43.2 million decrease in cash provided by financing activities was attributable primarily to an increase in borrowings under the Company's credit facility to fund the Company's acquisitions in fiscal 2025.

The Company is party, as borrower, to a syndicated credit agreement (the "Credit Agreement"). The Credit Agreement allows for borrowings in the maximum aggregate principal amount of up to $150 million, with an accordion feature to increase the revolving credit facility by up to $50 million for a total of $200 million. A portion of the revolving credit facility is available for swingline loans of up to a sublimit of $7.5 million and for the issuance of standby letters of credit of up to a sublimit of $15 million. The maturity date of the Credit Agreement is March 26, 2030. As of June 30, 2026, $52.2 million was available to borrow under the revolving credit facility.

Borrowings (other than swingline loans) under the Credit Agreement bear interest, at a rate, at the Company's election at the time of borrowing, equal to (a) the Secured Overnight Financing Rate ("SOFR") plus 0.11% to 0.43%, plus an additional adjustment margin that ranges between 1.25% and 1.75% depending on the Company's consolidated leverage ratio, which is a ratio of consolidated funded indebtedness to consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) (the "Consolidated Leverage Ratio") or (b) the highest of (i) prime, (ii) the federal funds rate plus 50 basis points, and (iii) SOFR plus 100 basis points (such highest rate, the "Base Rate"), plus a margin that ranges between 0.25% and 0.75% depending on the Consolidated Leverage Ratio. Swingline loans generally bear interest at the Base Rate plus a margin that ranges between 0.25% and 0.75% depending on the Consolidated Leverage Ratio. As of June 30, 2026, the Company had approximately $51.0 million of outstanding borrowings under the Credit Agreement, which accrued interest at a weighted average rate of 5.24%.

The Credit Agreement contains certain covenants, including financial covenants requiring the Company to comply with maximum leverage ratios and minimum interest coverage ratios. The Credit Agreement also contains other provisions which may restrict the Company's ability to, among other things, dispose of or acquire assets or businesses, incur additional indebtedness, make certain investments and capital expenditures, pay dividends, repurchase shares and enter into transactions with affiliates. As of June 30, 2026, the Company was in compliance with its covenants under the Credit Agreement.

The obligations of the Company under the Credit Agreement are collateralized by substantially all of the assets of the Company and certain of its subsidiaries, and are guaranteed, jointly and severally, by certain of the Company's subsidiaries.

On July 28, 2026, the Company's Board of Directors approved a share repurchase program which authorizes the repurchase of up to $10.0 million of the Company's outstanding common stock. Under the share repurchase program,

the Company may repurchase shares of its common stock from time to time in management's discretion through solicited or unsolicited open market transactions, in privately negotiated transactions, or by other means in accordance with applicable federal securities laws, including through the use of trading plans intended to qualify under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended. The timing, manner, price, and amount of shares which may be repurchased under the program will be at management's discretion based on market conditions, the trading price of the Company's common stock, the Company's financial condition, results of operations and capital requirements, general business conditions, alternative investment opportunities, and other factors deemed relevant by management. The share repurchase program does not obligate the Company to repurchase any specific amount of shares, has no expiration date, and may be modified, suspended or terminated at any time without prior notice at the discretion of the Company's Board of Directors.

The Company believes that its existing cash, anticipated cash from operations and funds available under the Company's Credit Agreement will be sufficient to fund its operations and anticipated capital expenditures for at least the next twelve months from the filing of this Report, and the foreseeable future thereafter. The Company may also seek to raise funds through the issuance of equity and/or debt securities or the incurrence of additional secured or unsecured indebtedness, including in connection with acquisitions or other transactions pursued by the Company as part of its "buy-and-build" growth strategy.

Off-Balance Sheet Financing

As of June 30, 2026, the Company had no off-balance sheet financing arrangements within the meaning of Item 303(a)(4) of Regulation S-K.

Results of Operations

Revenues

Revenues for fiscal 2026 increased by approximately $56.7 million (15%) from fiscal 2025. The increase was primarily attributable to revenues generated by businesses acquired by the Company during fiscal 2025 and fiscal 2026.

Cost of Sales and Selling, General and Administrative Expenses

	Fiscal Year Ended June 30,	
	2026	2025
As a percentage of revenues:		
Cost of sales, net	68.5%	69.6%
As a percentage of revenues:		
Selling, general and administrative expenses	28.0%	26.8%

Cost of sales, expressed as a percentage of revenues, decreased to 68.5% in fiscal 2026 from 69.6% in fiscal 2025, representing gross margins of 31.5% in fiscal 2026 and 30.4% in fiscal 2025. The decrease in cost of sales as a percentage of revenues and increase in gross margin were primarily attributable to favorable changes in product and customer mix. The increase in gross margin is also attributable to the Company's efforts to drive higher quality sales opportunities from promoting solution selling as a value-added distributor.

Selling, general and administrative expenses increased by approximately $20.4 million (20%) in fiscal 2026 compared to fiscal 2025, primarily due to (a) operating expenses of acquired businesses, including additional operating expenses at the acquired businesses in pursuit of future growth and in connection with the Company's optimization initiatives, (b) increases in salary, stock compensation, rent, technology costs, professional fees, and insurance costs to support the Company's growth, and (c) depreciation and amortization. As a percentage of revenues, selling, general and administrative expenses increased to 28.0% in fiscal 2026 from 26.8% in fiscal 2025.

Interest Expense

Interest expense, net increased by approximately $1.2 million (44%) in fiscal 2026 compared to fiscal 2025 as the average outstanding debt balances were higher in fiscal 2026, partially offset by decreases in the effective interest rate incurred on outstanding borrowings.

Provision for Income Taxes

The Company's effective income tax rate was 34.5% for fiscal 2026 compared to 32.0% in fiscal 2025. The increase in the effective income tax rate in fiscal 2026 is attributable to an increase in the net impact of permanent book-tax differences resulting primarily from nondeductible compensation, partially offset by decreases in the Company's taxable presence in the jurisdictions where the Company operates.

Inflation

Inflation did not have a significant effect on the Company's results during fiscal 2026 or fiscal 2025. However, the Company faces risks relating to inflation and other price increases (including due to the imposition of tariffs), which may have an adverse impact on the market for the Company's products and services, including that there is no assurance that the Company will be able to effectively increase the price of its products and services to offset increased costs.

Transactions with Related Parties

Certain of the Company's subsidiaries lease warehouse and office space from one or more of the principals (or former principals) of the Company or its subsidiaries. These leases include the following:

On October 10, 2016, the Company's wholly-owned subsidiary, Western State Design, entered into a lease agreement pursuant to which it leases 17,600 square feet of warehouse and office space from an affiliate of Dennis Mack, a director and employee of the Company, and Tom Marks, Executive Vice President, Business Development and President of the West Region of the Company. The lease had an initial term of five years and provides for two successive three-year renewal terms at the option of the Company. The Company exercised its option to renew the lease for the first three-year renewal term, which commenced in October 2021, and the second three-year renewal term, which commenced in October 2024. Base rent for the first renewal term was $19,000 per month. Base rent for the second renewal term is $21,000 per month. In addition to base rent, Western State Design is responsible under the lease for costs related to real estate taxes, utilities, maintenance, repairs and insurance. Payments under this lease totaled approximately $252,000 and $244,000 during fiscal 2026 and fiscal 2025, respectively.

On November 1, 2018, the Company's wholly-owned subsidiary, AAdvantage Laundry Systems, entered into a lease agreement pursuant to which it leases warehouse and office space from an affiliate of Mike Zuffinetti, former Chief Executive Officer of AAdvantage. Pursuant to the lease agreement, on January 1, 2019, the lease expanded to cover additional warehouse space. The lease had an initial term of five years and provides for two successive three-year renewal terms at the option of the Company. The Company exercised its option to renew the lease for the first three-year renewal term, which commenced in November 2023. Base rent for the initial term was $36,000 per month. Base rent for the first renewal term is $40,000 per month. In addition to base rent, AAdvantage is responsible under the lease for costs related to real estate taxes, utilities, maintenance, repairs and insurance. Payments under this lease totaled approximately $480,000 during fiscal 2026 and fiscal 2025.

On November 3, 2020, the Company's wholly-owned subsidiary, Yankee Equipment Systems, entered into a lease agreement pursuant to which it leases a total of 12,500 square feet of warehouse and office space from an affiliate of Peter Limoncelli, President of Yankee Equipment Systems. The lease had an initial term of three years and provides for three successive three-year renewal terms at the option of the Company. The Company exercised its option to renew this lease for the first three-year renewal term, which commenced in November 2023. Base rent for the initial term was $11,000 per month. Base rent for the first year of the renewal term was $12,500 per month. Base rent for the second year of the renewal term is $12,750 per month. Base rent for the third year of the renewal term is $13,000 per month. In addition to base rent, Yankee Equipment Systems is responsible under the lease for costs related to real estate taxes, utilities, maintenance, repairs and insurance. Payments under this lease totaled approximately $155,000 and $152,000 during fiscal 2026 and fiscal 2025, respectively.

Critical Accounting Estimates

Use of Estimates

In connection with the preparation of its financial statements in accordance with generally accepted accounting principles in the United States of America ("GAAP"), the Company makes estimates and assumptions, including those that affect the reported amounts of assets and liabilities, contingent assets and liabilities, and the reported amounts of revenues and expenses during the reported periods. Estimates and assumptions made may not prove to be correct, and

actual results may differ from the estimates. The accounting estimates that the Company has identified as critical to its business operations and to an understanding of the Company's financial statements are set forth below. The critical accounting estimates discussed below are not intended to be a comprehensive list of all of the Company's accounting policies. In many cases, the accounting treatment of a particular transaction is specifically dictated by GAAP, with no need for management's judgment in their application. There are also areas in which management's judgment in selecting any available alternative would not produce a materially different result.

Revenue Recognition

Performance Obligations and Revenue Over Time

From time to time, the Company enters into longer-termed contracts which provide for the sale of equipment by the Company and the provision by the Company of related installation and construction services. The installation on these types of contracts is usually completed within six to twelve months. The Company recognizes a portion of its revenue over time using the cost-to-cost measure of progress, which measures a contract's progress toward completion based on the ratio of actual contract costs incurred to date to the Company's estimated costs at completion adjusted for uninstalled materials, as necessary. Significant judgment may be required by management in the cost estimation process for these contracts, which is based on the knowledge and experience of the Company's project managers, subcontractors and financial professionals. Changes in job performance and job conditions are factors that influence estimates of the total contract transaction price, total costs to complete those contracts and the Company's revenue recognition. The determination of the total estimated cost and progress toward completion requires management to make significant estimates and assumptions. Total estimated costs to complete projects include various costs such as direct labor, material and subcontract costs. Changes in these estimates can have a significant impact on the revenue recognized each period. From time to time, the Company also enters into maintenance and service contracts. These longer-term contracts, maintenance and service contracts have a single performance obligation where revenue is recognized over time using the cost-to-cost measure of progress, which best depicts the continuous transfer of control of goods or services to the customer.

The Company measures revenue, including shipping and handling fees charged to customers, as the amount of consideration it expects to be entitled to receive in exchange for its products or services, net of any taxes collected from customers and subsequently remitted to governmental authorities. Costs associated with shipping and handling activities performed after the customer obtains control are accounted for as fulfillment costs.

Revenue from products transferred to customers at a point in time is recognized when obligations under the terms of the contract with the Company's customer are satisfied, which generally occurs with the transfer of control upon shipment.

Revenues that are recognized over time include (i) longer-termed contracts that include an equipment purchase with installation and construction services, (ii) maintenance contracts, and (iii) service contracts.

Goodwill

The Company evaluates goodwill for impairment annually or more frequently when an event occurs or circumstances change that indicate that the carrying value may not be recoverable. Goodwill is tested for impairment at the reporting unit level by first performing a qualitative assessment to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying value. If the reporting unit does not pass the qualitative assessment, then the reporting unit's carrying value is compared to its fair value. If the fair value is determined to be less than the carrying value, a second step is performed to measure the amount of impairment loss. This step compares the current implied goodwill in the reporting unit to its carrying amount. If the carrying amount of the goodwill exceeds the implied goodwill, an impairment is recorded for the excess. The identification and measurement of goodwill impairment involves the estimation of the fair value of the reporting unit and involves uncertainty because management must use judgment in determining appropriate assumptions to be used in the measurement of fair value. The Company performed its annual impairment test in the fourth quarter of fiscal 2026 and determined there was no impairment.

Customer Relationships, Tradenames and Other Intangible Assets

Customer relationships, tradenames, non-competes, and other intangible assets are stated at cost less accumulated amortization. These assets with a finite-life are amortized on a straight-line basis over the estimated future periods to be benefited (5-10 years). The estimates of fair value of the Company's indefinite-lived intangibles are based

on information available as of the date of the assessment and take into account management's assumptions about expected future cash flows and other valuation techniques. The Company reviews the recoverability of intangible assets that are amortized based primarily upon an analysis of undiscounted cash flows from the intangible assets. In the event the expected future cash flows become less than the carrying amount of the assets, an impairment loss would be recorded in the period the determination is made based on the fair value of the related assets.

Business Combinations

The determination of the fair value of net assets acquired in a business combination requires estimates and judgments of future cash flow expectations for the acquired business and the related identifiable tangible and intangible assets. Fair values of net assets acquired are calculated using expected cash flows and industry-standard valuation techniques. Consideration paid generally consists of cash and, from time to time, shares of the Company's common stock.

Due to the time required to gather and analyze the necessary data for each acquisition, GAAP provides a "measurement period" of up to one year from the date of acquisition in which to finalize these fair value determinations. During the measurement period, preliminary fair value estimates may be revised if new information is obtained about the facts and circumstances existing as of the date of the acquisition, or based on the final net assets and working capital of the acquired business, as prescribed in the applicable purchase agreement. Such adjustments may result in the recognition of, or an adjustment to the fair values of, acquisition-related assets and liabilities and/or consideration paid, and are referred to as "measurement period" adjustments. Measurement period adjustments are recorded to goodwill. Other revisions to fair value estimates, including those relating to facts and circumstances that occur subsequent to the date of the acquisition, are reflected as income or expense, as appropriate.

Significant changes in the assumptions or estimates for a particular acquisition or in the underlying acquisition-related valuations, including the expected profitability or cash flows of an acquired business or assumptions related to the existence or amount of the acquired assets or assumed liabilities, could result in materially different estimates of the fair value of the net assets acquired in the acquisition, which could positively or negatively affect the Company's financial results in future periods.

Income Taxes

The Company follows Financial Accounting Standards Board ("FASB") ASC Topic 740, "Income Taxes" ("ASC 740"). Under the asset and liability method of ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributed to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under ASC 740, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. If it is determined that it is more likely than not that some portion of a deferred tax asset will not be realized, a valuation allowance is recognized.

Significant judgment is required in developing the Company's provision for income taxes, deferred tax assets and liabilities, and any valuation allowances that might be required against the deferred tax assets. Management evaluates the Company's ability to realize its deferred tax assets on a quarterly basis and adjusts its valuation allowance when it believes that it is more likely than not that the asset will not be realized.

See Note 10 to the Consolidated Financial Statements included in Item 8 of this Report for additional information regarding income taxes.

Recently Issued Accounting Guidance

See Note 2 to the Consolidated Financial Statements included in Item 8 of this Report for a description of *Recently Issued Accounting Guidance*.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Market risk is defined as the risk of loss arising from adverse changes in market valuations resulting from interest rate risk, foreign currency exchange rate risk, commodity price risk and equity price risk. The Company's primary market risk is interest rate risk.

The Company's indebtedness subjects the Company to interest rate risk. Interest rates are subject to the influence of economic conditions generally, both domestic and foreign, and also to the monetary and fiscal policies of the United States and its agencies, particularly the Federal Reserve. The nature and timing of any changes in such policies or general economic conditions and the effect they may have on the Company are unpredictable. The Company's indebtedness may also have other important impacts on the Company, including that the Company will be required to utilize cash flow to service its debt, indebtedness may make the Company more vulnerable to economic downturns, and the terms of the Company's indebtedness include certain covenants, which may place restrictions on the Company's operations and activities, including its ability to pay dividends and take certain other actions. Interest on borrowings under the Company's Credit Agreement accrue at a rate, at the Company's election at the time of borrowing, equal to (a) SOFR plus 0.11% to 0.43%, plus an additional adjustment margin that ranges between 1.25% and 1.75% depending on the Company's consolidated leverage ratio, which is a ratio of consolidated funded indebtedness to consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) (the "Consolidated Leverage Ratio") or (b) the highest of (i) prime, (ii) the federal funds rate plus 50 basis points, and (iii) SOFR plus 100 basis points (such highest rate, the "Base Rate"), plus a margin that ranges between 0.25% and 0.75% depending on the Consolidated Leverage Ratio. Swingline loans generally bear interest at the Base Rate plus a margin that ranges between 0.25% and 0.75% depending on the Consolidated Leverage Ratio. As of June 30, 2026, the Company had approximately $51.0 million of outstanding borrowings under the Credit Agreement, which accrued interest at a weighted average rate of 5.24%. Based on the amounts outstanding at June 30, 2026, a hypothetical 1% increase in daily interest rates would increase the Company's annual interest expense by approximately $510,000.

The Company's revenues from foreign sales relate principally to sales of commercial and industrial laundry and dry cleaning equipment and boilers to Canada, the Caribbean, and Latin America. All of the Company's foreign sales require the customer to make payment in United States dollars. The Company also purchases products from a number of foreign suppliers. The Company's purchases from foreign suppliers and sales to foreign buyers may be affected by the strength of the United States dollar relative to the currencies of the countries where its customers and suppliers are located. Particularly, a weaker U.S. dollar would result in increased costs, which in turn would negatively affect the Company's operating results. The Company has, at times in the past, paid certain suppliers in Euros. The Company had no foreign exchange contracts outstanding at June 30, 2026 or 2025. As discussed elsewhere in this Report, including in "Item 1A. Risk Factors," foreign sales and purchases may also be impacted by governmental measures, including trade policies, barriers and tariffs.

The Company's cash is maintained in bank accounts which bear interest at prevailing interest rates. While depositary accounts are covered by Federal Deposit Insurance Corporation ("FDIC") insurance and the Company does not currently believe that it is exposed to significant credit risk due to the financial position of the banks in which the Company's cash is held, and the Company has exposure to the extent its cash balances exceed the current $250,000 in maximum FDIC coverage.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

EVI Industries, Inc. and Subsidiaries

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Report of Independent Registered Public Accounting Firm

Shareholders and Board of Directors
EVI Industries, Inc.
Miami, Florida

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of EVI Industries, Inc. (the "Company") as of June 30, 2026 and 2025, the related consolidated statements of operations, shareholders' equity, and cash flows for each of the years then ended, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at June 30, 2026 and 2025, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of June 30, 2026, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and our report dated September 8, 2026 expressed an unqualified opinion thereon.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing separate opinions on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue Transactions

As described in Note 2 to the consolidated financial statements, the Company generates revenue primarily from contracts for the sale of equipment and parts to customers, which may include installation services. Revenue is recognized on these contracts when control transfers to the Company's customers via shipment of products or provision of services and the Company has the right to receive consideration for these products and services.

We identified revenue recognition attributable to contracts for the sale of equipment and parts to customers, which may include installation, as a critical audit matter. Auditing whether and when the sale of equipment and parts transferred to

customers including installation was especially challenging due to the extent of audit effort required to evaluate the large volume of transactions.

The primary procedures we performed to address this critical audit matter included:

- Testing the design and operating effectiveness of certain controls over revenue recognition relating to whether and when control of equipment and parts sold, including installation, were transferred to customers.

- Testing revenue transactions on a sample basis by evaluating whether and when control of the equipment and parts sold, including installation, was transferred to customers by obtaining and inspecting: (i) contracts, (ii) invoices, and (iii) shipping documents or evidence of installation, where applicable.

/s/ BDO USA, P.C.
We have served as the Company's auditor since 2018.
Miami, Florida
September 8, 2026

EVI Industries, Inc. and Subsidiaries

Consolidated Balance Sheets

(In thousands, except share and per share data)

	June 30, 2026	June 30, 2025
ASSETS		
Current assets		
Cash	$ 6,774	$ 8,852
Accounts receivable, net of allowance for expected credit losses	56,797	60,494
Inventories, net	66,271	66,059
Vendor deposits	1,267	1,396
Contract assets	632	289
Other current assets	9,258	8,346
Total current assets	140,999	145,436
Equipment and improvements, net	20,099	17,772
Operating lease assets	10,685	10,751
Intangible assets, net	28,859	30,875
Goodwill	93,934	91,667
Other assets	9,919	10,527
Total assets	$ 304,495	$ 307,028

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

EVI Industries, Inc. and Subsidiaries

Consolidated Balance Sheets

(In thousands, except share and per share data)

	June 30, 2026	June 30, 2025
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	$ 47,577	$ 50,963
Accrued employee expenses	14,511	15,398
Customer deposits	20,094	24,316
Contract liabilities	-	408
Current portion of operating lease liabilities	3,899	3,778
Total current liabilities	86,081	94,863
Deferred income taxes, net	9,081	7,691
Long-term operating lease liabilities	8,190	7,997
Long-term debt	51,000	53,000
Total liabilities	154,352	163,551
Commitments and contingencies (Note 14)		
Shareholders' equity		
Preferred stock, $1.00 par value; authorized shares – 200,000; none issued and outstanding	-	-
Common stock, $.025 par value; authorized shares – 20,000,000; 13,151,783 shares issued at June 30, 2026 and 12,983,872 shares issued at June 30, 2025 including shares held in treasury	329	325
Additional paid-in capital	116,690	111,219
Treasury stock, 276,087 shares, at cost, at June 30, 2026 and 221,879 shares, at cost, at June 30, 2025	(6,699)	(5,155)
Retained earnings	39,823	37,088
Total shareholders' equity	150,143	143,477
Total liabilities and shareholders' equity	$ 304,495	$ 307,028

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

EVI Industries, Inc. and Subsidiaries

Consolidated Statements of Operations

(in thousands, except per share data)

	For the year ended June 30,	
	2026	2025
Revenues	$ 446,570	$ 389,830
Cost of sales	305,846	271,482
Gross profit	140,724	118,348
Selling, general and administrative expenses	125,012	104,580
Operating income	15,712	13,768
Interest expense, net	3,937	2,743
Income before provision for income taxes	11,775	11,025
Provision for income taxes	4,057	3,527
Net income	$ 7,718	$ 7,498
Net earnings per share – basic	$ 0.51	$ 0.50
Net earnings per share – diluted	$ 0.48	$ 0.49

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

EVI Industries, Inc. and Subsidiaries

Consolidated Statements of Shareholders' Equity

(In thousands, except share data)

	Common Stock		Additional Paid-in	Treasury Stock		Retained	
	Shares	*Amount*	*Capital*	*Shares*	*Cost*	*Earnings*	*Total*
Balance at June 30, 2024	12,868,709	$ 322	$ 106,540	184,672	$ (4,439)	$ 34,183	$ 136,606
Share repurchases	-	-	-	37,207	(716)	-	(716)
Vesting of restricted shares	108,236	3	(3)	-	-	-	-
Issuances of shares under employee stock purchase plan	6,927	-	124	-	-	-	124
Amount of dividends paid ($0.31 per share)	-	-	-	-	-	(4,593)	(4,593)
Stock compensation	-	-	4,558	-	-	-	4,558
Net income	-	-	-	-	-	7,498	7,498
Balance at June 30, 2025	12,983,872	325	111,219	221,879	(5,155)	37,088	143,477
Share repurchases	-	-	-	54,208	(1,544)	-	(1,544)
Vesting of restricted shares	157,671	4	(4)	-	-	-	-
Issuances of shares under employee stock purchase plan	10,240	-	177	-	-	-	177
Amount of dividends paid ($0.33 per share)	-	-	-	-	-	(4,983)	(4,983)
Stock compensation	-	-	5,298	-	-	-	5,298
Net income	-	-	-	-	-	7,718	7,718
Balance at June 30, 2026	13,151,783	$ 329	$ 116,690	276,087	$ (6,699)	$ 39,823	$ 150,143

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

EVI Industries, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

(In thousands)

Years ended June 30,	2026	2025
Operating activities:		
Net income	$ 7,718	$ 7,498
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	8,109	6,692
Amortization of debt discount	-	54
Provision for expected credit losses	1,102	1,052
Non-cash lease expense	(50)	143
Stock compensation	5,298	4,558
Inventory reserve	303	182
Provision (benefit) for deferred income taxes	1,390	(821)
Other	24	(87)
(Increase) decrease in operating assets:		
Accounts receivable	3,080	(11,058)
Inventories	(253)	211
Vendor deposits	138	261
Contract assets	(343)	1,157
Other assets	1,106	(735)
(Decrease) increase in operating liabilities:		
Accounts payable and accrued expenses	(1,383)	10,272
Accrued employee expenses	(887)	2,220
Customer deposits	(4,338)	(742)
Contract liabilities	(408)	408
Net cash provided by operating activities	20,606	21,265
Investing activities:		
Capital expenditures	(7,152)	(4,861)
Cash paid for acquisitions, net of cash acquired	(7,182)	(46,925)
Net cash used by investing activities	(14,334)	(51,786)
Financing activities:		
Dividends paid	(4,983)	(4,593)
Proceeds from borrowings	83,000	106,000
Debt repayments	(85,000)	(66,000)
Repurchases of common stock in satisfaction of employee tax withholding obligations	(1,544)	(716)
Issuances of common stock under employee stock purchase plan	177	124
Net cash (used) provided by financing activities	(8,350)	34,815
Net (decrease) increase in cash	(2,078)	4,294
Cash at beginning of year	8,852	4,558
Cash at end of year	$ 6,774	$ 8,852
Supplemental information:		
Cash paid for interest	$ 3,866	$ 2,500
Cash paid for income taxes	$ 4,630	$ 2,976
Supplemental disclosure of non-cash investing activities		
Amounts owed to sellers in connection with acquisitions	$ 676	$ 4,181

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

Notes to Consolidated Financial Statements

1. General

Nature of Business

EVI Industries, Inc., indirectly through its subsidiaries (EVI Industries, Inc. and its subsidiaries, collectively, the "Company"), is a value-added distributor, and provides advisory and technical services to customers located primarily in the United States, Canada, the Caribbean, and Latin America. Through its sales organization, the Company provides its customers with planning, designing, and consulting services related to their commercial laundry operations. The Company sells and/or leases its customers commercial laundry equipment, specializing in washing, drying, finishing, material handling, water heating, power generation, and water reuse applications. In support of the suite of products it offers, the Company sells related parts and accessories. Additionally, through the Company's network of commercial laundry technicians, the Company provides its customers with installation, maintenance, and repair services.

The Company's customers include government, institutional, industrial, commercial and retail customers. Product purchases made by customers range from parts and accessories, to single or multiple units of equipment, to large complex systems. The Company also provides its customers with the services described above.

As of June 30, 2026 the Company reported its results of operations through a single operating and reportable segment.

During July 2026, the Company announced its plans to expand into the consumer garment care services industry and, in connection therewith, the Company entered into a definitive agreement to acquire Miami, Florida-based Sudsies, Inc. ("Sudsies"), a well-established operator in the garment care sector and one of South Florida's premier garment care businesses. The acquisition was consummated on September 1, 2026. See ""Buy-and-Build" Growth Strategy" below for additional information regarding the acquisition of Sudsies. The Company has established a new division, which will be a separate operating and reportable segment, for its consumer garment care services operations and investments.

"Buy-and-Build" Growth Strategy

The Company's growth strategy includes the pursuit of organic growth initiatives and a "buy-and-build" growth strategy. The "buy" component of the strategy includes the consideration and pursuit of acquisitions and other strategic transactions which management believes would complement the Company's existing business or otherwise offer growth opportunities for, or benefit, the Company. The "build" component of the strategy involves implementing a growth culture at acquired businesses based on the exchange of ideas and business concepts among the management teams of the Company and the acquired businesses as well as through certain initiatives, which may include investments in additional sales and service personnel, new product lines, enhanced service operations and capabilities, new and improved facilities, and advanced technologies.

Historically the businesses acquired by the Company generally distribute commercial, industrial, and vended laundry products and provide installation and maintenance services to the new and replacement segments of the commercial, industrial and vended laundry industry. Acquisitions are generally effected by the Company through an existing or newly-formed subsidiary which acquires (whether by an asset purchase, stock purchase or merger) and operates the acquired business following the transaction. The Company, indirectly through its subsidiary, also assumes certain of the liabilities of the acquired business. The financial position, including assets and liabilities, and results of operations of the acquired businesses following the respective closing dates of the acquisitions are included in the Company's consolidated financial statements.

See Note 3 for information about the acquisitions consummated by the Company during the

fiscal year ended June 30, 2026 (“fiscal 2026”) and the fiscal year ended June 30, 2025 (“fiscal 2025”).

On September 1, 2026, the Company acquired Sudsies, which marked the Company's entry into the consumer garment care services industry. The total purchase price paid in the transaction was $37.4 million in cash, which is subject to post-closing adjustments. Because the acquisition occurred subsequent to June 30, 2026 and shortly before the issuance of these consolidated financial statements, the initial accounting for the transaction is incomplete as of the date of this filing. Accordingly, the Company has not yet determined the fair values of the assets acquired and liabilities assumed, including the amount of goodwill and identifiable intangible assets. The Company expects to complete the purchase price allocation during the measurement period. The financial position, including assets and liabilities, and results of operations of Sudsies following the September 1, 2026 closing date of the acquisition will be included in the Company’s consolidated financial statements commencing in the quarter ending September 30, 2026.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements and accompanying notes were prepared in accordance with accounting principles generally accepted in the United States (“GAAP”).

The accompanying consolidated financial statements include the accounts of EVI Industries, Inc. and its subsidiaries, all of which are wholly-owned. All significant intercompany transactions and balances have been eliminated in consolidation.

Revenue Recognition

The Company recognizes revenue, net of sales taxes, when a sales arrangement with a customer exists (sales contract, purchase or sales order, or other indication of an arrangement), the transaction price is fixed and determinable, and the Company has satisfied the performance obligation(s) per the sales arrangement.

Performance Obligations and Revenue Over Time

Revenue primarily consists of revenues from the sale or leasing of commercial and industrial laundry and dry cleaning equipment and steam and hot water boilers manufactured by others; the sale of related replacement parts and accessories; and the provision of installation and maintenance services. The Company generates revenue primarily from the sale of equipment and parts to customers. Therefore, the majority of the Company’s contracts are short-term in nature and have a single performance obligation (to deliver products), which is satisfied when control of the product is transferred to the customer. Other contracts contain a combination of equipment sales with a service such as connection of the equipment, which is expected to be performed in the near-term. Such services are distinct and accounted for as separate performance obligations. The Company allocates the transaction price to each performance obligation based on its relative standalone selling price out of the total consideration of the contract. Judgment may be required by management to identify the distinct performance obligations within each contract. Revenue is recognized on these contracts when control transfers to the Company’s customers via shipment of products or provision of services and the Company has the right to receive consideration for these products and services.

Additionally, from time to time, the Company enters into longer-termed contracts which provide for the sale of equipment by the Company and the provision by the Company of related installation and construction services. The installation on these types of contracts is usually completed within six to twelve months. The Company recognizes a portion of its revenue over time using the cost-to-cost measure of progress, which measures a contract’s progress toward completion based on the ratio of actual contract costs incurred to date to the Company’s estimated costs at completion adjusted for uninstalled materials, as necessary. Judgment may be required by management in the cost estimation process for these contracts, which is based on the knowledge and experience of the Company’s project managers, subcontractors and

financial professionals. Changes in job performance and job conditions are factors that influence estimates of the total contract transaction price, total costs to complete those contracts and the Company's revenue recognition. The determination of the total estimated cost and progress toward completion requires management to make significant estimates and assumptions. Total estimated costs to complete projects include various costs such as direct labor, material and subcontract costs. Changes in these estimates can have a significant impact on the revenue recognized each period. From time to time, the Company also enters into maintenance contracts and ad hoc maintenance and installation service contracts. These longer-term contracts, and maintenance and service contracts have a single performance obligation where revenue is recognized over time using the cost-to-cost measure of progress, which best depicts the continuous transfer of control of goods or services to the customer.

The Company measures revenue, including shipping and handling fees charged to customers, as the amount of consideration it expects to be entitled to receive in exchange for its goods or services, net of any taxes collected from customers and subsequently remitted to governmental authorities. Costs associated with shipping and handling activities performed after the customer obtains control are accounted for as fulfillment costs and are not promised services that have to be further evaluated under revenue recognition standards.

Revenue from products transferred to customers at a point in time include commercial and vended laundry parts and equipment sales and accounted for approximately 88% and 87% of the Company's revenue for fiscal 2026 and fiscal 2025, respectively. Revenue from products transferred to customers at a point in time is recognized when obligations under the terms of the contract with the Company's customer are satisfied, which generally occurs with the transfer of control upon shipment.

The Company's products are typically sold with a manufacturer's warranty. Accordingly, warranty expense and product returns have not been significant.

Revenues that are recognized over time include (i) longer-termed contracts that include equipment purchased with installation and construction services, (ii) maintenance contracts, and (iii) service contracts. Revenue from products and services that are recognized over time accounted for approximately 12% and 13% of the Company's revenue for fiscal 2026 and fiscal 2025, respectively.

Contract Assets and Liabilities

Contract assets and liabilities are presented in the Company's consolidated balance sheets. Contract assets consist of unbilled amounts resulting from sales under longer-term contracts when the cost-to-cost method of revenue recognition is utilized and revenue recognized exceeds the amount billed to the customer. As noted above, the cost estimation process for these contracts may require significant judgment by management. The Company typically receives progress payments on sales under longer-term contracts as work progresses, although for certain contracts, the Company may be entitled to receive an advance payment. Contract assets also include retainage. Retainage represents a portion of the contract amount that has been billed, but for which the contract allows the customer to retain a portion of the billed amount (generally, from 5% to 20% of contract billings) until final contract settlement. Retainage amounts are generally classified as current assets within the Company's consolidated balance sheets. Retainage that has been billed, but is not due until completion of performance and acceptance by customers, is generally expected to be collected within one year. Contract liabilities consist of advanced payments, billings in excess of costs incurred and deferred revenue.

Costs, estimated earnings and billings on longer-term contracts when the cost-to-cost method of revenue recognition is utilized as of June 30, 2026 and 2025 consisted of the following (in thousands):

June 30,	2026	2025
Costs incurred on uncompleted contracts	$ 3,924	$ 275
Estimated earnings	335	147
Less: billings to date	(3,627)	(647)
Retainage	-	106
Ending balance	$ 632	$ (119)

These amounts are included in the Company's consolidated balance sheets under the following captions (in thousands):

June 30,	2026	2025
Contract assets	$ 632	$ 289
Contract liabilities	-	(408)
Ending balance	$ 632	$ (119)

Contract liabilities are generally associated with contracts with durations of less than one year. Accordingly, such amounts are expected to be realized during the subsequent year.

The Company does not account for significant financing components if the period between the time when the transfer of the product or service to the customer occurs and when the customer pays for that service or product will be one year or less. The Company does not disclose the value of remaining performance obligations for contracts with an original expected period of one year or less or performance obligations for which the Company recognizes revenue at the amount that it has the right to invoice for services performed.

Goodwill

Goodwill is recorded when the purchase price paid for an acquisition exceeds the fair value of net assets acquired in a business combination. The Company evaluates goodwill for impairment annually or more frequently when an event occurs or circumstances change that indicate that the carrying value may not be recoverable. Goodwill is tested for impairment at the reporting unit level by first performing a qualitative assessment to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying value. If the reporting unit does not pass the qualitative assessment, then the reporting unit's carrying value is compared to its fair value. If the fair value is determined to be less than the carrying value, a second step is performed to measure the amount of impairment loss. This step compares the current implied goodwill in the reporting unit to its carrying amount. If the carrying amount of the goodwill exceeds the implied goodwill, an impairment is recorded for the excess. The identification and measurement of goodwill impairment involves the estimation of the fair value of the reporting unit and involves uncertainty because management must use judgment in determining appropriate assumptions to be used in the measurement of fair value. The Company performed its annual impairment test in the fourth quarter of fiscal 2026 using the qualitative assessment to evaluate relevant events and circumstances such as macroeconomic conditions, cost factors, financial performance, and others. The Company has concluded that there was no impairment of goodwill in fiscal 2026 or fiscal 2025.

Accounts Receivable

Accounts receivable are customer obligations due under what management believes to be customary trade terms. Invoices are typically due upon receipt, however, the Company may grant extended payment terms, typically 30 days, for certain customers. The Company sells its products primarily to hospitals, nursing homes, government institutions, laundry plants, hotels, motels, vended laundry facilities and distributors and dry cleaning stores and chains. The Company performs continuing credit evaluations of its customers' financial condition and depending on the terms of credit, the amount of the credit granted and management's history with a customer, the Company may require the customer to grant a security interest in the purchased equipment as collateral for the receivable. Management reviews accounts receivable on a regular basis to determine whether it is probable that any amounts are impaired. The Company includes any balances that are deemed probable to be impaired in its overall

allowance for expected credit losses. The provision for expected credit losses is recorded in selling, general and administrative expenses in the consolidated statements of operations. If customary attempts to collect a receivable are not successful, the receivable is then written off against the allowance for expected credit losses. The Company's allowance for expected credit losses was $3.2 million and $3.1 million at June 30, 2026 and June 30, 2025, respectively. Actual write-offs may vary from the recorded allowance.

Cash

The Company's cash is maintained in bank accounts which bear interest at prevailing interest rates and are covered by Federal Deposit Insurance Corporation ("FDIC") insurance. The Company has not historically experienced any losses in its cash accounts and does not currently believe that it is exposed to significant credit risk due to the financial position of the banks in which the Company's cash is held. The Company monitors the strength and credit worthiness of financial institutions in which it holds its cash. The Company has exposure to the extent its cash balances exceed the current $250,000 in maximum FDIC coverage.

Inventories

Inventories consist principally of equipment inventories and spare part inventories. Equipment inventories are valued at the lower of cost, determined on the specific identification method, or net realizable value. Spare part inventories are valued at the lower of cost, determined on average cost or first-in first-out method, or net realizable value. Lower of cost or net realizable value adjustments are recorded in cost of goods sold in the consolidated statement of operations. The Company records a reserve for aging or slow-moving inventory.

The Company established reserves of approximately $1.5 million and $1.2 million as of June 30, 2026 and 2025, respectively, against slow moving inventory.

Vendor Deposits

Vendor deposits represent advances made to the Company's vendors for specialized inventory on order.

Equipment, Improvements and Depreciation

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are calculated on straight-line methods over useful lives of five to seven years for furniture and equipment, five years for vehicles, and the shorter of ten years or the remaining lease term (including renewal periods that are deemed reasonably assured) for leasehold improvements. Depreciation and amortization of property and equipment is included in selling, general and administrative expenses in the consolidated statements of operations. Repairs and maintenance costs are expensed as incurred.

Software Capitalization

The Company capitalizes certain costs related to the acquisition and development of internal use software, including implementation costs incurred in a cloud computing arrangement, during the application development stages of projects. The Company amortizes these costs using the straight-line method over the estimated useful life of the software, typically seven years. Costs incurred during the preliminary project or the post-implementation/operation stages of the project are expensed as incurred. Capitalized computer software, included as a component of equipment and improvements, net and other assets, in the accompanying consolidated balance sheets, was $2.0 million and $1.3 million at June 30, 2026 and 2025, respectively. Computer software amortization expense was $274,000 and $168,000 in fiscal 2026 and fiscal 2025, respectively. Amortization of capitalized software is included in selling, general and administrative expenses in the consolidated statements of operations.

Business Combinations

Business combinations are accounted for at fair value. Acquisition costs are expensed as incurred. Measurement period adjustments are made in the period in which the amounts are determined and the current period income effect of such adjustments will be calculated as if the adjustments had been completed as of the acquisition date. All changes that do not qualify as measurement period adjustments are also included in current period earnings. The accounting for business combinations requires estimates and judgment as to expectations for future cash flows of the acquired business, and the allocation of those cash flows to identifiable intangible assets, in determining the estimated fair value for assets acquired and liabilities assumed. The fair values assigned to tangible and intangible assets acquired and liabilities assumed are based

on estimates and assumptions, as well as other information compiled by the Company, including valuations that utilize customary valuation procedures and techniques. If the actual results differ from the estimates and judgments used in these estimates, the amounts recorded in the financial statements could result in a possible impairment of the intangible assets and goodwill, require acceleration of the amortization expense of finite-lived intangible assets, or the recognition of additional consideration which would be expensed.

Customer-Related Intangibles, Tradenames and Other Intangible Assets

Finite- lived intangibles are amortized over their estimated useful life while indefinite-lived intangibles and goodwill are not amortized. Customer-related intangibles, non-compete, and other finite-lived intangible assets are stated at cost less accumulated amortization, and are amortized on a straight-line basis over the estimated future periods to be benefited (5-10 years). The estimates of fair value of the Company's indefinite-lived intangibles and long-lived assets are based on information available as of the date of the assessment and takes into account management's assumptions about expected future cash flows and other valuation techniques. Amortization of finite-lived intangibles is included in selling, general and administrative expenses in the consolidated statements of operations. The Company also evaluates indefinite-lived intangible assets each reporting period to determine whether events and circumstances continue to support an indefinite useful life. The Company performed its annual impairment test in the fourth quarter of fiscal 2026 using the qualitative assessment to evaluate relevant events and circumstances such as macroeconomic conditions, cost factors, financial performance, and others. Based on the assessment, the Company determined there was no impairment.

Asset Impairments

The Company periodically reviews the carrying amounts of its long-lived assets, including property, plant and equipment and finite-lived intangible assets, for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted cash flows expected to be generated by the asset. If an asset is considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of are reported at the lower of their carrying amount or fair value less estimated costs to sell. The Company has concluded that there was no impairment of long-lived assets in fiscal 2026 or fiscal 2025.

Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Management evaluates these estimates on an ongoing basis. Estimates which may be particularly significant to the Company's consolidated financial statements include those relating to the determination of impairment of assets (including goodwill and intangible assets), the useful life of property and equipment, the recoverability of deferred income tax assets, allowances for expected credit losses, intangible assets, estimates to complete on contracts where revenue is recognized over time, the carrying value of inventories and long-lived assets, and the timing of revenue recognition. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the recognition of revenues and expenses and the carrying value of assets and liabilities that are not readily apparent from other sources. Assumptions and estimates may, however, prove to have been incorrect, and actual results may differ from these estimates.

Earnings Per Share

The Company computes earnings per share using the two-class method. The two-class method of computing earnings per share is an earnings allocation formula that determines earnings per share for common stock and any participating securities according to dividends declared (whether paid or unpaid) and participation rights in undistributed earnings. Shares of the Company's common stock subject to unvested restricted stock awards and restricted stock units are considered participating securities because they contain a non-forfeitable right to cash dividends (in the case of restricted stock awards) or dividend equivalents (in the case of restricted stock units) paid prior to vesting or forfeiture, if any, irrespective of whether the awards or units ultimately vest. During fiscal 2026 and fiscal 2025, the Company granted restricted stock awards of 182,493 and 263,974 shares, respectively, and 96,960 and 139,122 restricted stock units, respectively. Shares of restricted stock are deemed to constitute a second class of stock for accounting purposes. Basic and diluted earnings per share for fiscal 2026 and fiscal 2025 are computed as follows (in thousands, except per share data):

	For the years ended June 30,	
	2026	2025
Net income	$ 7,718	$ 7,498
Less: distributed and undistributed income allocated to non-vested restricted common stock	1,147	1,073
Net income allocated to EVI Industries, Inc. shareholders	$ 6,571	$ 6,425
Weighted average shares outstanding used in basic earnings per share	12,836	12,734
Dilutive common share equivalents	766	425
Weighted average shares outstanding used in diluted earnings per share	13,602	13,159
Basic earnings per share	$ 0.51	$ 0.50
Diluted earnings per share	$ 0.48	$ 0.49

At June 30, 2026, other than 1,905,736 unvested shares subject to restricted stock awards or restricted stock units, there were no potentially dilutive securities outstanding. The remaining 321,730 shares of restricted common stock were not included in the calculation of diluted earnings per share because their impact was anti-dilutive. At June 30, 2025, other than 1,445,267 shares subject to restricted stock awards or restricted stock units, there were no potentially dilutive securities outstanding. The remaining 609,591 shares of restricted common stock were not included in the calculation of diluted earnings per share because their impact was anti-dilutive.

Supplier Concentration

The Company purchases laundry, dry cleaning equipment, boilers and other products from a number of manufacturers and suppliers. Purchases from four manufacturers accounted for a total of approximately 71% and 72% of the Company's product purchases for fiscal 2026 and 2025, respectively.

Advertising and Marketing Costs

The Company expenses the cost of advertising and marketing as incurred. The Company incurred approximately $2.2 million and $1.0 million of advertising and marketing costs in fiscal 2026 and fiscal 2025, respectively, which are included in selling, general and administrative expenses in the consolidated statements of operations.

Shipping and Handling

Shipping and handling costs associated with inbound freight are capitalized to inventories and relieved through cost of sales as inventories are sold. Shipping and handling costs associated with the delivery of products are included in selling, general and administrative expenses.

Fair Value of Certain Current Assets and Current Liabilities

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. The inputs used to measure fair value are prioritized based on a three-level hierarchy. The three levels of inputs used to measure fair value are as follows:

- Level 1 - Quoted prices in active markets for identical assets and liabilities.
- Level 2 - Observable inputs other than quoted prices included in Level 1. This includes dealer and broker quotations, bid prices, quoted prices for similar assets and liabilities in active markets, or other inputs that are observable or can be corroborated by observable market data.
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The Company has no assets or liabilities that are adjusted to fair value on a recurring basis. The Company did not have any assets or liabilities measured at fair value on a nonrecurring basis, other than assets and liabilities from acquisitions, during fiscal 2026 or fiscal 2025.

The Company's cash, accounts receivable and accounts payable are reflected in the accompanying consolidated financial statements at cost, which approximated estimated fair value, using Level 1 inputs. Cash is maintained with various high-quality financial institutions and have original maturities of three months or less. Accounts receivable and accounts payable approximate their fair value due to the short term nature of such accounts. The fair value of the Company's indebtedness was estimated using Level 2 inputs based on quoted prices for those or similar debt instruments using applicable interest rates as of June 30, 2026 and approximated the carrying value of such debt because it accrues interest at variable rates that are repriced frequently. This approximates fair value based on the variable interest rate.

Customer Deposits

Customer deposits represent advances paid by or amounts billed to customers when placing orders for equipment with the Company, in advance of delivery.

Net Investment in Sales Type Leases

The Company derives a portion of its revenue from leasing arrangements. Such arrangements provide for monthly payments covering the equipment sales, maintenance, and interest. These arrangements meet the criteria to be accounted for as sales type leases. Accordingly, the equipment sale is recognized upon delivery of the system and acceptance by the customer. Upon the recognition of revenue, an asset is established for the investment in sales type leases. Maintenance revenue and interest are recognized monthly over the lease term.

Income Taxes

The Company recognizes income taxes using the asset and liability method. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributed to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. If it is determined that it is more likely than not that some portion of a deferred tax asset will not be realized, a valuation allowance is recognized.

Judgment is required in developing the Company's provision for income taxes, deferred tax assets and liabilities, and any valuation allowances that might be required against the deferred tax assets. Management evaluates the Company's ability to realize its deferred tax assets on a quarterly basis and adjusts the valuation allowance when it believes that it is more likely than not that the asset will not be realized. There were no valuation allowance adjustments during fiscal 2026 or fiscal 2025.

The Company accounts for uncertainty in income taxes using a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount which is more than 50% likely of being realized upon ultimate settlement. The Company considers many factors when evaluating and estimating its tax positions and tax benefits, which may require periodic adjustments and which may not accurately reflect actual outcomes. The Company does not believe that there are any material unrecognized tax benefits as of June 30, 2026 or 2025 related to tax positions taken on its income tax returns. The Company's policy is to classify interest and penalties related to unrecognized tax benefits, if and when required, as part of interest expense and general and administrative expense, respectively, in the consolidated statements of operations.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was enacted in the U.S. The OBBBA includes significant provisions, such as the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act, modifications to the international tax framework and the restoration of favorable tax treatment for certain business provisions. The legislation has multiple effective dates, with certain provisions to be effective in fiscal 2026. The OBBBA permanently reinstated 100% bonus depreciation for qualified property acquired after January 19, 2025. As a result, the Company recognized a reduction in current income tax expense related to the accelerated deduction of qualifying capital expenditures, with a corresponding increase in deferred tax liabilities associated with the difference between the tax basis and financial reporting basis of the related assets.

Leases

Company as Lessee

The Company leases warehouse and distribution facilities and administrative office space, generally for terms of three to ten years.

The Company recognizes the lease payments under its short-term leases (which are defined as leases with a term of twelve months or less) in profit or loss on a straight-line basis over the lease term. The Company follows this accounting policy for all classes of underlying assets. In addition, variable lease payments in the period in which the obligation for those payments is incurred are not included in the recognition of a lease liability or right-of-use asset.

Right- of-use assets represent the Company's right to use an underlying asset for the lease term, and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Right-of-use assets and liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term. When available, the Company uses the rate implicit in the lease to discount lease payments to present value. However, certain of the Company's leases do not provide a readily determinable implicit rate. For such leases, the Company estimates the incremental borrowing rate to discount lease payments based on information available at lease commencement. The Company uses instruments with similar characteristics when calculating its incremental borrowing rates.

The Company has options to extend certain of its operating leases for additional periods of time and the right to terminate several of its operating leases prior to their contractual expirations, in each case, subject to the terms and conditions of the lease. The lease term consists of the non-cancellable period of the lease and the periods covered by Company options to extend the lease when management considers it reasonably certain that the Company will exercise such options. The Company's lease agreements do not contain residual value guarantees. The Company has elected to not separate non-lease components from the associated lease component for all underlying classes of assets with lease and non-lease components.

Recently Issued

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to

Accounting Guidance

Income Tax Disclosures ("ASU 2023-09") to enhance transparency and decision usefulness of income tax disclosures. ASU 2023-09 requires greater standardization and disaggregation of categories within an entity's tax rate reconciliation disclosure, as well as disclosure of income taxes paid by jurisdiction, among other requirements. ASU 2023-09 is effective for annual periods beginning after December 15, 2024, with early adoption permitted. ASU 2023-09 is effective on a prospective basis, with retrospective application permitted. The Company prospectively adopted ASU 2023-09, effective for the fiscal year ended June 30, 2026, and accordingly is providing enhanced tax rate reconciliation disclosures herein. See Note 10, "Income Taxes."

In November 2024, the FASB issued ASU 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40) ("ASU 2024-03"), to enhance the transparency and clarity of the components of specific expense categories in the income statement. ASU 2024-03 requires disclosure of additional information about specific expense categories underlying certain income statement expense line items. In January 2025, the FASB issued ASU 2025-01, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date, which clarified the effective date of ASU 2024-03. ASU 2024-03 will be effective for the Company's annual financial statements beginning in the fiscal year ending June 30, 2028. The Company is currently evaluating the impact of this accounting standard on its financial statement presentation and its related disclosures.

Management does not believe that accounting standards and updates which have been issued but are not yet effective will have a material impact on the Company's consolidated financial position, results of operations or cash flows upon adoption.

3. Acquisitions

Fiscal 2026 Acquisitions

ASN Acquisition

On August 1, 2025, the Company acquired ASN Laundry Group ("ASN"), a New York-based distributor of commercial laundry products and a provider of related technical installation and maintenance services. The consideration paid by the Company in connection with the acquisition consisted of $0.5 million in cash. In addition, the Company assumed $0.1 million of accrued liabilities of ASN in connection with the transaction. Fees and expenses related to the acquisition, consisting primarily of legal and other professional fees, were not material and are classified as selling, general and administrative expenses in the Company's consolidated statement of operations for fiscal 2026.

The acquisition was treated for accounting purposes as a purchase of ASN using the acquisition method of accounting in accordance with Accounting Standards Codification ("ASC") 805, Business Combinations ("ASC *805*"), pursuant to which the consideration paid by the Company was allocated to the acquired assets and assumed liabilities, in each case, based on their respective fair values as of the closing date, with the excess of the consideration transferred over the fair value of the net assets acquired being allocated to goodwill. The Company allocated $0.6 million to goodwill, which is expected to be amortized and deductible for tax purposes over 15 years.

Goodwill is attributable primarily to the assembled workforce, as well as the expected benefits from the increased scale of the Company as a result of the acquisition. The financial position, including assets and liabilities, of ASN is included in the Company's consolidated balance sheet as of June 30, 2026 and the results of operations of ASN since the August 1, 2025 closing date are included in the Company's consolidated financial statements for fiscal 2026.

BEL Acquisition

On February 28, 2026, the Company acquired substantially all of the assets of Belenky, Inc. ("BEL"), an Ohio-based distributor of commercial laundry products and a provider of related technical installation and maintenance services to the on-premise and vended laundry segments of the commercial laundry industry. The consideration paid by the Company in connection with the acquisition consisted of $2.5 million in cash, including a $0.1 million payment made during the three months ended June 30, 2026, and $0.7 million in amounts payable to the seller. The Company funded the acquisition with borrowings under its credit facility. Fees and expenses related to the acquisition of BEL, consisting primarily of legal and other professional fees, were not material.

The acquisition of BEL was treated for accounting purposes as a purchase of BEL using the acquisition method of accounting in accordance with ASC 805, pursuant to which the consideration paid by the Company was allocated to the acquired assets and assumed liabilities, in each case, based on their respective fair values as of the closing date, with the excess of the consideration transferred over the fair value of the net assets acquired being allocated to goodwill. The computation of the purchase price consideration and the allocation of the consideration to the net assets acquired are presented in the following table (in thousands):

Allocation of purchase price consideration:		
Accounts receivable	$	485
Inventories		255
Equipment and improvements		138
Intangible assets		1,130
Accounts payable and accrued expenses		(410)
Customer deposits		(116)
Total identifiable net assets		1,482
Goodwill		1,707
Total	$	3,189

As of the date of this Annual Report on Form 10-K, the Company is continuing its valuation of intangible assets and certain working capital adjustments, which is subject to adjustment in accordance with the asset purchase agreement. Accordingly, the purchase price allocation set forth above reflects preliminary fair value estimates based on preliminary work and analyses performed by management and is subject to change as additional information to assist in determining the fair value of those assets as of the closing date is obtained during the post-closing measurement period of up to one year.

Intangible assets consist of $280,000 allocated to the Belenky trade name and $850,000 allocated to customer-related intangible assets. The Belenky trade name is indefinite-lived and therefore not subject to amortization. The Belenky trade name will be evaluated for impairment annually, or more frequently if an event occurs or circumstances change that indicate that it may be impaired, by comparing its fair value to its carrying amount to determine if a write-down to fair value is required. Customer-related intangible assets will be amortized over 10 years.

Goodwill is attributable primarily to the assembled workforce acquired, as well as benefits from the increased scale of the Company as a result of the acquisition. The goodwill from the acquisition is deductible for income tax purposes. The financial position, including assets and liabilities, of BEL is included in the Company's consolidated balance sheet as of June 30, 2026 and the results of operations of BEL since the February 28, 2026 closing date are included in the Company's consolidated financial statements for fiscal 2026.

Fiscal 2025 Acquisitions

LPF Acquisition

On July 1, 2024, the Company completed the asset acquisition of Laundry Pro of Florida, Inc. ("LPF"), a Florida based distributor of commercial laundry products and a provider of related technical installation and maintenance services to the on-premise and vended laundry segments of the commercial laundry industry. The consideration paid by the Company in connection with the acquisition consisted of $5.9 million in cash. The Company funded the acquisition with borrowings under its credit facility. Fees and expenses related to the acquisition of LPF, consisting primarily of legal and other professional fees, were not material and are classified as selling, general and administrative expenses in the Company's consolidated statement of operations for fiscal 2025.

The acquisition of LPF was treated for accounting purposes as a purchase of LPF using the acquisition method of accounting in accordance with ASC 805, pursuant to which the consideration paid by the Company was allocated to the acquired assets and assumed liabilities, in each case, based on their respective fair values as of the closing date, with the excess of the consideration transferred over the fair value of the net assets acquired being allocated to goodwill. The computation of the purchase price consideration and the allocation of the consideration to the net assets acquired are presented in the following table (in thousands):

Allocation of purchase price consideration:		
Inventories	$	1,672
Other assets		145
Equipment and improvements		380
Intangible assets		1,470
Accounts payable and accrued expenses		(16)
Customer deposits		(156)
Total identifiable net assets		3,495
Goodwill		2,390
Total	$	5,885

Intangible assets consist of $550,000 allocated to the Laundry Pro of Florida trade name and $920,000 allocated to customer-related intangible assets. The Laundry Pro of Florida trade name is indefinite-lived and therefore not subject to amortization. The Laundry Pro of Florida trade name will be evaluated for impairment annually, or more frequently if an event occurs or circumstances change that indicate that it may be impaired, by comparing its fair value to its carrying amount to determine if a write-down to fair value is required. Customer-related intangible assets are being amortized over 10 years.

Goodwill is attributable primarily to the assembled workforce acquired, as well as benefits from the increased scale of the Company as a result of the acquisition. The goodwill from the acquisition is deductible for income tax purposes. The financial position, including assets and liabilities, of LPF is included in the Company's consolidated balance sheet as of June 30, 2025 and 2026, and the results of operations of LPF since the July 1, 2024 closing date are included in the Company's consolidated financial statements for fiscal 2025 and 2026.

ODL Acquisition

On November 1, 2024, the Company completed the asset acquisition of O'Dell Equipment & Supply, Inc. ("ODL"), an Indiana based distributor of commercial laundry products and a provider of related technical installation and maintenance services to the on-premise and vended laundry segments of the commercial laundry industry. The consideration paid by the Company in connection with the acquisition consisted of $4.5 million in cash, net of working capital adjustments. The Company funded the acquisition with borrowings under its credit facility. Fees and expenses related to the acquisition of ODL, consisting primarily of legal and other professional fees, were not material and are classified as selling, general and administrative expenses in the Company's consolidated statement of operations for fiscal 2025.

The acquisition of ODL was treated for accounting purposes as a purchase of ODL using the acquisition method of accounting in accordance with ASC 805, pursuant to which the consideration paid by the Company was allocated to the acquired assets and assumed liabilities, in each case, based on their respective fair values as of the closing date, with the excess of the consideration transferred over the fair value of the net assets acquired being allocated to goodwill. The computation of the purchase price consideration and the allocation of the consideration to the net assets acquired are presented in the following table (in thousands):

Allocation of purchase price consideration:	
Accounts receivable	$ 409
Inventories	1,032
Equipment and improvements	183
Intangible assets	1,750
Accounts payable and accrued expenses	(361)
Customer deposits	(307)
Total identifiable net assets	2,706
Goodwill	1,753
Total	$ 4,459

Intangible assets consist of $530,000 allocated to the O'Dell Equipment & Supply trade name and $1,220,000 allocated to customer-related intangible assets. The O'Dell Equipment & Supply trade name is indefinite-lived and therefore not subject to amortization. The O'Dell Equipment & Supply trade name will be evaluated for impairment annually, or more frequently if an event occurs or circumstances change that indicate that it may be impaired, by comparing its fair value to its carrying amount to determine if a write-down to fair value is required. Customer-related intangible assets are being amortized over 10 years.

Goodwill is attributable primarily to the assembled workforce acquired, as well as benefits from the increased scale of the Company as a result of the acquisition. The goodwill from the acquisition is deductible for income tax purposes. The financial position, including assets and liabilities, of ODL is included in the Company's consolidated balance sheet as of June 30, 2025 and 2026, and the results of operations of ODL since the November 1, 2024 closing date are included in the Company's consolidated financial statements for fiscal 2025 and 2026.

HMI Acquisition

On February 1, 2025, the Company completed the asset acquisition of Haiges Machinery, Inc. ("HMI"), an Illinois based distributor of commercial laundry products and a provider of related technical installation and maintenance services to the on-premise and vended laundry segments of the commercial laundry industry. The consideration paid by the Company in connection with the acquisition consisted of $2.1 million in cash, net of cash acquired. The Company funded the acquisition with borrowings under its credit facility. Fees and expenses related to the acquisition of HMI, consisting primarily of legal and other professional fees, were not material and are classified as selling, general and administrative expenses in the Company's consolidated statement of operations for fiscal 2025.

The acquisition of HMI was treated for accounting purposes as a purchase of HMI using the acquisition method of accounting in accordance with ASC 805, pursuant to which the consideration paid by the Company was allocated to the acquired assets and assumed liabilities, in each case, based on their respective fair values as of the closing date, with the excess of the consideration transferred over the fair value of the net assets acquired being allocated to goodwill. The computation of the purchase price consideration and the allocation of the consideration to the net assets acquired are presented in the following table (in thousands):

Allocation of purchase price consideration:		
Accounts receivable	$	219
Inventories		689
Equipment and improvements		307
Intangible assets		230
Other assets		44
Accounts payable and accrued expenses		(80)
Customer deposits		(121)
Total identifiable net assets		1,288
Goodwill		825
Total	$	2,113

Intangible assets consist of $90,000 allocated to the Haiges Machinery trade name and $140,000 allocated to customer-related intangible assets. The Haiges Machinery trade name is indefinite-lived and therefore not subject to amortization. The Haiges Machinery trade name will be evaluated for impairment annually, or more frequently if an event occurs or circumstances change that indicate that it may be impaired, by comparing its fair value to its carrying amount to determine if a write-down to fair value is required. Customer-related intangible assets are being amortized over 10 years.

Goodwill is attributable primarily to the assembled workforce acquired, as well as benefits from the increased scale of the Company as a result of the acquisition. The goodwill from the acquisition is deductible for income tax purposes. The financial position, including assets and liabilities, of HMI is included in the Company's consolidated balance sheet as of June 30, 2025 and 2026, and the results of operations of HMI since the February 1, 2025 closing date are included in the Company's consolidated financial statements for fiscal 2025 and 2026.

GNA Acquisition

On April 1, 2025, the Company completed the acquisition of Girbau North America, Inc. ("GNA"), a Wisconsin based master distributor of commercial laundry products and a provider of related technical installation and maintenance services to the on-premise and vended laundry segments of the commercial laundry industry. The consideration in connection with the acquisition of $38.4 million consisted of approximately $42.2 million in cash (net of cash acquired), including a $4.2 million payment made during the three months ended December 31, 2025 which prior to December 31, 2025 was recorded as an amount payable to the seller, net of approximately $3.8 million for the effective settlement of acquirer receivables. The Company funded the acquisition with borrowings under its credit facility. Fees and expenses related to the acquisition of GNA, consisting primarily of legal and other professional fees, were approximately $300,000 and are classified as selling, general and administrative expenses in the Company's consolidated statement of operations for fiscal 2025.

The acquisition of GNA was treated for accounting purposes as a purchase of GNA using the acquisition method of accounting in accordance with ASC 805, pursuant to which the consideration paid by the Company was allocated to the acquired assets and assumed liabilities, in each case, based on their respective fair values as of the closing date, with the excess of the consideration transferred over the fair value of the net assets acquired being allocated to goodwill. The computation of the purchase price consideration and the allocation of the consideration to the net assets acquired are presented in the following table (in thousands):

Allocation of purchase price consideration:		
Accounts receivable	$	8,878
Inventories		15,158
Other current assets		1,124
Equipment and improvements		2,474
Intangible assets		7,700
Other assets		1,684
Accounts payable and accrued expenses		(6,885)
Customer deposits		(55)
Deferred tax liabilities		(3,014)
Total identifiable net assets		27,064
Goodwill		11,359
Total	$	38,423

Intangible assets consist of $7.7 million allocated to customer-related intangible assets being amortized over 10 years.

Goodwill is attributable primarily to the assembled workforce acquired, as well as benefits from the increased scale of the Company as a result of the acquisition. The financial position, including assets and liabilities, of GNA is included in the Company's consolidated balance sheet as of June 30, 2025 and 2026, and the results of operations of GNA since the April 1, 2025 closing date are included in the Company's consolidated financial statements for fiscal 2025 and 2026.

Supplemental Pro Forma Results of Operations

The following unaudited supplemental pro forma information presents the results of operations of the Company, after giving effect to the above-described acquisitions completed by the Company during fiscal 2026 and fiscal 2025. As permitted by ASC 805-10-50-2, the following unaudited supplemental pro forma information does not give effect to the acquisition of ODL because it was impracticable to provide such information for the periods presented due to the lack of availability of meaningful financial statements of ODL that comply with GAAP.

The following unaudited supplemental pro forma information was prepared as if the acquisitions were consummated on July 1, 2024. The unaudited supplemental pro forma information set forth below reflects adjustments based on currently available information and assumptions made by management. While management believes the assumptions made are reasonable under the circumstances, they may not prove to be accurate. The unaudited pro forma information set forth below is presented for informational purposes only and is not necessarily indicative of what the actual results of operations of the Company would have been if the acquisitions had occurred on the date assumed, nor is it indicative of future results of operations.

	For the year ended June 30,	
(in thousands)	2026 (Unaudited)	2025 (Unaudited)
Revenues	$ 450,816	$ 438,553
Net income	7,754	8,345

The Company's consolidated results of operations for fiscal 2026 and 2025 include total revenue of approximately $86.5 million and $18.4 million, respectively, and total net income of approximately $2.4 million and $0.6 million, respectively, attributable to businesses acquired during fiscal 2026 and 2025, based on the consolidated effective tax rate. These results of acquired businesses do not include the effects of acquisition costs or interest expense associated with consideration paid for the acquisitions.

4. Accounts Receivable Accounts receivable as of June 30, 2026 and 2025 consisted of the following (in thousands):

June 30,	2026	2025
Accounts receivable - trade	$ 59,965	$ 63,572
Allowance for expected credit losses	(3,168)	(3,078)
	$ 56,797	$ 60,494

5. Other Current Assets Other current assets as of June 30, 2026 and 2025 were comprised of the following (in thousands):

June 30,	2026	2025
Other receivables	$ 1,097	$ 539
Prepaid insurance	356	459
Net investments in sales type leases - current	1,859	1,769
Other current assets	5,946	5,579
	$ 9,258	$ 8,346

6. Leases

Company as Lessee

As of June 30, 2026, the Company had 34 facilities, consisting of warehouse facilities and administrative offices, financed under operating leases with lease term expirations between 2026 and 2031. Operating lease cost consists of monthly rental payments under the terms of the Company's lease agreements recognized on a straight-line basis.

The following table sets forth the Company's future minimum lease payments under operating lease liabilities recorded on the Company's consolidated balance sheet as of June 30, 2026. The table below does not include commitments that are contingent on events or other factors that are currently uncertain or unknown.

Fiscal years ending June 30,	Maturity of Operating Lease Liabilities *(in thousands)*
2027	$ 4,352
2028	3,243
2029	2,408
2030	2,001
2031	922
Thereafter	167
Total lease payments	$ 13,093
Less: amounts representing interest	1,004
Present value of lease liabilities	$ 12,089
Less: current portion	3,899
Long-term portion	$ 8,190

The table below presents additional information related to the Company's operating leases (in thousands):

Operating lease cost	Fiscal year ended June 30, 2026	Fiscal year ended June 30, 2025
Operating lease cost (1)	$ 4,542	$ 3,967
Variable lease cost (2)	5,542	5,016
Total lease cost	$ 10,084	$ 8,983

(1) Expenses are classified within selling, general and administrative expenses in the Company's consolidated statements of operations for the fiscal years ended June 30, 2026 and 2025.

(2) Certain of the Company's subsidiaries lease space at locations where (i) they install laundry equipment and customers pay for the use of equipment and (ii) the leased space is paid for as part of a revenue sharing arrangement. These expenses are classified within cost of sales in the Company's consolidated statements of operations for the fiscal years ended June 30, 2026 and 2025.

The table below presents lease-related terms and discount rates as of June 30, 2026 and 2025:

	June 30, 2026	June 30, 2025
Weighted average remaining lease terms		
Operating leases	3.65 years	3.74 years
Weighted average discount rate		
Operating leases	4.34%	4.10%

The table below presents supplemental cash flow information related to the Company's long-term operating lease liabilities for the fiscal years ended June 30, 2026 and 2025 (in thousands):

	Fiscal year ended June 30, 2026	Fiscal year ended June 30, 2025
Cash paid for amounts included in the measurement of lease liabilities:	$ 4,542	$ 3,967
Operating lease right-of-use assets obtained in exchange for operating lease liabilities:	$ 3,854	$ 6,197

Company as Lessor

The Company derives a portion of its revenue from equipment leasing arrangements. Such arrangements provide for monthly payments covering the equipment provided, maintenance, and interest. These arrangements meet the criteria to be accounted for as sales type leases. Accordingly, revenue related to the provision of the equipment is recognized upon delivery of the equipment and its acceptance by the customer. Upon the recognition of such revenue, an asset is established for the investment in sales type leases. Maintenance revenue and interest are recognized monthly over the lease term.

The future minimum lease payments receivable for sales type leases are as follows (in thousands):

Fiscal years ending June 30,	Total Minimum Lease Payments to be Received	Amortization of Unearned Income	Net Investment in Sales Type Leases
2027	$ 5,129	$ 3,255	$ 1,874
2028	3,847	2,389	1,458
2029	2,894	1,616	1,278
2030	1,963	1,023	940
2031	1,195	578	617
Thereafter	1,162	502	660
			$ 6,827*

* Excludes non-guaranteed residual values of $2.6 million.

The total net investments in sales type leases, including stated residual values, as of June 30, 2026 and June 30, 2025 was $9.4 million and $9.8 million, respectively. The current portion of $1.9 million and $1.8 million is included in other current assets in the consolidated balance sheets as of June 30, 2026 and June 30, 2025, respectively, and the long term portion of $7.5 million and $8.0 million is included in other assets in the consolidated balance sheets as of June 30, 2026 and June 30, 2025, respectively.

7. Equipment and Improvements

Major classes of equipment and improvements as of June 30, 2026 and 2025 consisted of the following (in thousands):

June 30,	2026	2025
Furniture and equipment	$ 29,148	$ 23,586
Building and leasehold improvements	4,528	4,387
Vehicles	8,697	8,282
	42,373	36,255
Accumulated depreciation and amortization	(22,274)	(18,483)
	$ 20,099	$ 17,772

Depreciation and amortization of equipment, vehicles, and improvements totaled approximately $5.0 million in fiscal 2026 compared to $4.2 million in fiscal 2025 and is recorded in selling, general and administrative expenses.

8. Goodwill and Intangible Assets

The changes in the carrying amount of goodwill are as follows (in thousands):

Balance at June 30, 2024	$ 75,102
Goodwill from fiscal 2025 acquisitions (as described in Note 3)	16,352
Goodwill from other acquisitions (1)	126
Working capital adjustments (2)	87
Balance at June 30, 2025	$ 91,667
Goodwill from fiscal 2026 acquisitions (as described in Note 3)	2,291
Working capital adjustments (3)	(24)
Balance at June 30, 2026	$ 93,934

(1) Relates to other, smaller-scale acquisitions consummated during fiscal 2025.
(2) Relates to working capital adjustments from business acquisitions consummated by the Company during fiscal 2024.
(3) Relates to working capital adjustments from business acquisitions consummated by the Company during fiscal 2025.

Customer-related intangibles and tradenames as of June 30, 2026 and 2025 consisted of the following (dollars in thousands):

June 30,	*Estimated Useful Lives (in years)*	2026	2025
Customer-related intangibles	8-10	$ 31,897	$ 31,047
Tradenames	Indefinite	14,455	14,175
		46,352	45,222
Accumulated amortization		(17,493)	(14,347)
		$ 28,859	$ 30,875

Amortization expense was approximately $3.1 million in fiscal 2026 compared to approximately $2.5 million in fiscal 2025, and is included in selling, general and administrative expenses in the consolidated statements of operations. As of June 30, 2026, the weighted average remaining estimated useful lives for customer-related intangibles was 7.0 years.

Based on the carrying amount of intangible assets as of June 30, 2026, and assuming no future impairment of the underlying assets, the estimated future amortization at the end of each fiscal year in the five-year period ending June 30, 2031 and thereafter is as follows (in thousands):

Fiscal years ending June 30,	
2027	$ 2,879
2028	2,357
2029	1,817
2030	1,617
2031	1,439
Thereafter	4,295
Total	$ 14,404

9. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses as of June 30, 2026 and 2025 were comprised of the following (in thousands):

June 30,	2026	2025
Accounts payable	$ 35,704	$ 37,942
Accrued expenses	8,947	11,080
Sales tax accruals	2,926	1,941
	$ 47,577	$ 50,963

10. Income Taxes

The following are the components of income taxes provision (benefit) (in thousands):

Fiscal years ended June 30,	2026	2025
Current		
Federal	$ 2,310	$ 3,200
State	357	1,148
	2,667	4,348
Deferred		
Federal	1,170	(638)
State	220	(183)
	1,390	(821)
	$ 4,057	$ 3,527

In accordance with ASU 2023-09, the following table summarizes differences between income tax expense (benefit) at the statutory federal income tax rate and as presented on the consolidated statements of operations (dollars in thousands):

Fiscal years ended June 30,	2026		2025	
Tax at the statutory rate	$ 2,473	21.0%	$ 2,313	21.0%
State income taxes, net of federal benefit (1)	445	3.8%	745	6.8%
Nondeductible compensation	906	7.7%	518	4.7%
Other	233	2.0%	(49)	-0.5%
Effective income tax	$ 4,057	34.5%	$ 3,527	32.0%

(1) State taxes in California and Illinois accumulated to over 50% of the tax effect in this category.

Deferred income taxes reflect the net tax effect of temporary differences between the basis of assets and liabilities for financial reporting purposes and the basis used for income tax purposes. Significant components of the Company's current and noncurrent deferred tax assets and liabilities as of June 30, 2026 and 2025 were as follows (in thousands):

As of June 30,	2026	2025
Deferred tax assets:		
Allowance for credit losses	$ 468	$ 472
Other reserves	1,166	1,048
Inventory capitalization	980	1,303
Stock compensation	1,602	1,325
Accrued liabilities	2,115	1,958
Lease liabilities	3,004	2,912
Other	301	263
	9,636	9,281
Deferred tax liabilities:		
Goodwill	(8,108)	(6,984)
Inventory method changes	(913)	(1,366)
Depreciation	(3,754)	(2,701)
Intangible assets	(2,915)	(3,189)
Right of use assets	(2,716)	(2,732)
Other	(311)	-
	(18,717)	(16,972)
Net deferred income tax (liabilities) assets	$ (9,081)	$ (7,691)

A reconciliation of the income tax paid by jurisdiction is as follows:

Income taxes paid, net of refunds	For the Year Ended June 30, 2026 *(in thousands)*
U.S. federal	$ 3,611
U.S state and local (1)	1,019
Total tax payments	$ 4,630

(1) The amount of income taxes paid, net of refunds, does not meet the 5% disaggregation threshold.

As of June 30, 2026, the Company was subject to potential federal and state tax examinations for the tax years including and subsequent to 2021.

11. Debt

The Company's long-term debt as of June 30, 2026 and 2025 was as follows (in thousands):

	June 30, 2026	June 30, 2025
Long-term debt	$ 51,000	$ 53,000

The Company is party, as borrower, to a syndicated credit agreement (the "Credit Agreement"). The Credit Agreement allows for borrowings in the maximum aggregate principal amount of up to $150 million, with an accordion feature to increase the revolving credit facility by up to $50 million for a total of $200 million. A portion of the revolving credit facility is available for swingline loans of up to a sublimit of $7.5 million and for the issuance of standby letters of credit of up to a sublimit of $15 million. The maturity date of the Credit Agreement is March 26, 2030. As of June 30, 2026, $52.2 million was available to borrow under the revolving credit facility.

Borrowings (other than swingline loans) under the Credit Agreement bear interest, at a rate, at the Company's election at the time of borrowing, equal to (a) the Secured Overnight Financing Rate ("SOFR") plus 0.11% to 0.43%, plus an additional adjustment margin that ranges between 1.25% and 1.75% depending on the Company's consolidated leverage ratio, which is a ratio of consolidated funded indebtedness to consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) (the "Consolidated Leverage Ratio") or (b) the highest of (i) prime, (ii) the federal funds rate plus 50 basis points, and (iii) SOFR plus 100 basis points (such highest rate, the "Base Rate"), plus a margin that ranges between 0.25% and 0.75% depending on the Consolidated Leverage Ratio. Swingline loans generally bear interest at the Base Rate plus a margin that ranges between 0.25% and 0.75% depending on the Consolidated Leverage Ratio. As of June 30, 2026, the Company had approximately $51.0 million of outstanding borrowings under the Credit Agreement, which accrued interest at a weighted average rate of 5.24%.

The Credit Agreement contains certain covenants, including financial covenants requiring the Company to comply with maximum leverage ratios and minimum interest coverage ratios. The Credit Agreement also contains other provisions which may restrict the Company's ability to, among other things, dispose of or acquire assets or businesses, incur additional indebtedness, make certain investments and capital expenditures, pay dividends, repurchase shares and enter into transactions with affiliates. As of June 30, 2026, the Company was in compliance with its covenants under the Credit Agreement.

The obligations of the Company under the Credit Agreement are collateralized by substantially all of the assets of the Company and certain of its subsidiaries, and are guaranteed, jointly and severally, by certain of the Company's subsidiaries.

The carrying value of the Company's long-term debt reported in the consolidated balance sheets herein approximates its fair value since it bears interest at variable rates approximating market rates.

12. Related Party Transactions

Certain of the Company's subsidiaries lease warehouse and office space from one or more of the principals (or former principals) of the Company or its subsidiaries. These leases include the following:

On October 10, 2016, the Company's wholly-owned subsidiary, Western State Design, entered into a lease agreement pursuant to which it leases 17,600 square feet of warehouse and office space from an affiliate of Dennis Mack, a director and employee of the Company, and Tom Marks, Executive Vice President, Business Development and President of the West Region of the Company. The lease had an initial term of five years and provides for two successive three-year renewal terms at the option of the Company. The Company exercised its option to renew the lease for the first three-year renewal term, which commenced in October 2021, and the second three-year renewal term, which commenced in October 2024. Base rent for the first renewal term was $19,000 per month. Base rent for the second renewal term is $21,000 per month. In addition to base rent, Western State Design is responsible under the lease for costs related to real estate taxes, utilities, maintenance, repairs and insurance. Payments under this lease totaled approximately $252,000 and $244,000 during fiscal 2026 and fiscal 2025, respectively.

On November 1, 2018, the Company's wholly-owned subsidiary, AAdvantage Laundry Systems, entered into a lease agreement pursuant to which it leases warehouse and office space from an affiliate of Mike Zuffinetti, former Chief Executive Officer of AAdvantage. Pursuant to the lease

agreement, on January 1, 2019, the lease expanded to cover additional warehouse space. The lease had an initial term of five years and provides for two successive three-year renewal terms at the option of the Company. The Company exercised its option to renew the lease for the first three-year renewal term, which commenced in November 2023. Base rent for the initial term was $36,000 per month. Base rent for the first renewal term is $40,000 per month. In addition to base rent, AAdvantage is responsible under the lease for costs related to real estate taxes, utilities, maintenance, repairs and insurance. Payments under this lease totaled approximately $480,000 during fiscal 2026 and fiscal 2025.

On November 3, 2020, the Company's wholly-owned subsidiary, Yankee Equipment Systems, entered into a lease agreement pursuant to which it leases a total of 12,500 square feet of warehouse and office space from an affiliate of Peter Limoncelli, President of Yankee Equipment Systems. The lease had an initial term of three years and provides for three successive three-year renewal terms at the option of the Company. The Company exercised its option to renew this lease for the first three-year renewal term, which commenced in November 2023. Base rent for the initial term was $11,000 per month. Base rent for the first year of the renewal term was $12,500 per month. Base rent for the second year of the renewal term is $12,750 per month. Base rent for the third year of the renewal term is $13,000 per month. In addition to base rent, Yankee Equipment Systems is responsible under the lease for costs related to real estate taxes, utilities, maintenance, repairs and insurance. Payments under this lease totaled approximately $155,000 and $152,000 during fiscal 2026 and fiscal 2025, respectively.

13. Concentrations of Credit Risk

The Company believes that concentrations of credit risk with respect to trade receivables are limited due to the Company's large customer base. Also, based on the Company's credit evaluation, trade receivables are often collateralized by the equipment sold. No single customer or contract accounted for more than 10% of the Company's revenues for fiscal 2026 or fiscal 2025. As of June 30, 2026, there were no accounts receivable due from any customer which accounted for greater than 10% of the Company's accounts receivable.

14. Commitments and Contingencies

In the ordinary course of business, certain of the Company's contracts require the Company to provide performance and payment bonds related to projects in process. These bonds are intended to provide a guarantee to the customer that the Company will perform under the terms of the contract and that the Company will pay subcontractors and vendors. If the Company fails to perform under the contract or pay subcontractors and vendors, the customer may demand that the surety make payments or provide services under the bond. The Company is required to reimburse the surety for expenses or outlays it incurs. No such performance bonds were outstanding at June 30, 2026. As of June 30, 2025, outstanding performance and payment bonds totaled $1.2 million.

The Company may from time to time become subject to litigation and other legal and regulatory proceedings. Litigation and other proceedings may require the Company to incur significant expenses, including those relating to legal and other professional fees, as well as damages or other payments. Litigation and other proceedings are inherently uncertain, and adverse outcomes in litigation or other proceedings could adversely affect the Company's financial condition, cash flows, and operating results.

15. Retirement Plan

The Company has participatory deferred compensation plans under which it matches 50% of employee contributions up to 6% of an eligible employee's yearly compensation on a discretionary basis. Employees are eligible to participate in the plans after six months of service. The Company contributed approximately $875,000 and $833,000 to the plans during fiscal 2026 and fiscal 2025, respectively. The plans are qualified plans under Section 401(k) of the Internal Revenue Code.

16. Shareholders' Equity

The declaration and payment of cash dividends with respect to the Company's common stock is determined by the Company's Board of Directors based on the Company's financial condition and liquidity needs and other factors deemed relevant by the Company's Board of Directors. In addition, the Company's Credit Agreement contains certain covenants which may, among other things, restrict the Company's ability to pay dividends, and any future facilities may contain similar or more stringent requirements.

On September 11, 2024, the Company's Board of Directors declared a special cash dividend on the Company's common stock of $0.31 per share (totaling approximately $4.6 million in the aggregate), which was paid on October 7, 2024 to stockholders of record at the close of business on September 26, 2024

On September 11, 2025, the Company's Board of Directors declared a special cash dividend on the Company's common stock of $0.33 per share (totaling approximately $5.0 million in the aggregate), which was paid on October 6, 2025 to stockholders of record at the close of business on September 25, 2025.

17. Equity Plan; Share Repurchase Program

Equity Incentive Plan

During 2015, the Company's board of directors and stockholders approved the Company's 2015 Equity Incentive Plan (the "Plan"). During December 2020, the Company's stockholders approved an amendment to the Plan to increase the number of shares of the Company's common stock authorized for issuance pursuant to awards granted under the Plan from 1,500,000 shares to 3,000,000 shares. During December 2024, the Company's stockholders approved an amendment to the Plan to, among other things, further increase the number of shares of the Company's common stock authorized for issuance pursuant to awards granted under the Plan to 3,500,000 shares. Pursuant to the terms of the 2015 Plan, as of November 13, 2025, the tenth anniversary of the effective date of the 2015 Plan, no further awards may be granted under the 2015 Plan.

In December 2025, the Company's stockholders approved the Company's 2025 Equity Incentive Plan (the "2025 Plan" and, together with the 2015 Plan, the "Plans"). The terms of the 2025 Plan are substantially similar to the terms of the 2015 Plan, providing for a broad array of awards, including stock awards, restricted stock awards, restricted stock units, stock options, stock appreciation rights, performance awards, and other awards, including cash awards. A total of 3,000,000 shares of the Company's common stock are authorized for issuance pursuant to awards granted under the 2025 Plan.

The fair value of awards granted under the Plans is expensed on a straight-line basis over the vesting period of the awards. Share-based compensation expense is included in selling, general and administrative expenses in the Company's consolidated statements of operations. Non-cash share-based compensation expense under the Plans totaled $5.3 million and $4.6 million for fiscal 2026 and fiscal 2025, respectively.

During fiscal 2026, restricted stock awards of a total of 182,493 shares and a total of 96,960 restricted stock units were granted under the Plans. A portion of the restricted stock awards granted during fiscal 2026 is scheduled to vest ratably over four years and the remainder is scheduled to vest in 10 years from the date of grant. The total grant date fair value, determined by using the closing stock price on the date of grant, of such restricted stock awards was $5.1 million. A portion of the restricted stock units granted during fiscal 2026 is scheduled to vest ratably over four years and the remainder is scheduled to vest in 4 to 29 years from the date of grant. The total grant date fair value of such restricted stock units was $2.8 million.

During fiscal 2025, restricted stock awards of a total of 263,974 shares and 139,122 restricted

stock units were granted under the 2015 Plan. A portion of the restricted stock awards granted during fiscal 2025 is scheduled to vest ratably over four years and the remainder is scheduled to vest in 10 years from the date of grant. The total grant date fair value, determined by using the closing stock price on the date of grant, of such restricted stock awards was $4.2 million. A portion of the restricted stock units granted during fiscal 2025 is scheduled to vest ratably over four years and the remainder is scheduled to vest in 4 to 19 years from the date of grant. The total grant date fair value of such restricted stock units was $2.6 million.

During fiscal 2026, 112,299 shares of restricted stock awards and 45,372 restricted stock units vested and 54,208 shares of common stock with an aggregate fair market value of $1.5 million were withheld as payment in lieu of cash to satisfy tax withholding obligations in connection with the vesting of such restricted stock.

During fiscal 2025, 73,277 shares of restricted stock awards and 35,009 restricted stock units vested and 37,207 shares of common stock with an aggregate fair market value of $0.7 million were withheld as payment in lieu of cash to satisfy tax withholding obligations in connection with the vesting of such restricted stock.

As of June 30, 2026, the Company had $24.3 million and $11.8 million of total unrecognized compensation expense related to non-vested restricted stock awards and restricted stock units, respectively, which is expected to be recognized over the weighted-average period of 10.9 years and 9.0 years, respectively.

The following is a summary of non-vested restricted stock activity as of, and for the fiscal year ended, June 30, 2026:

	Restricted Stock Awards		Restricted Stock Units	
	Shares	Weighted-Average Grant Date Fair Value	Shares	Weighted-Average Grant Date Fair Value
Non-vested restricted stock outstanding at June 30, 2025	1,486,571	$ 20.03	644,333	$ 22.93
Granted	182,493	$ 28.22	96,960	29.11
Vested	(112,299)	$ 22.02	(45,372)	23.20
Forfeited	-	$ -	(4,863)	20.45
Non-vested restricted stock outstanding at June 30, 2026	1,556,765	20.85	691,058	23.79

Employee Stock Purchase Plan

During 2017, the Company's stockholders approved the Company's 2017 Employee Stock Purchase Plan (the "ESPP"). Subject to the terms and conditions thereof, the ESPP allows eligible employees the opportunity to purchase shares of the Company's common stock at a 5% discount. The ESPP provides for six-month offering periods ending on December 31 and June 30 of each year. During fiscal 2026, 10,240 shares of common stock were purchased under the ESPP for which the Company received net proceeds of $177,000. During fiscal 2025, 6,927 shares of common stock were purchased under the ESPP for which the Company received net proceeds of $124,000.

Share Repurchase Program

On July 28, 2026, the Company's Board of Directors approved a share repurchase program which authorizes the repurchase of up to $10.0 million of the Company's outstanding common stock. Under the share repurchase program, the Company may repurchase shares of its common stock from time to time in management's discretion through solicited or unsolicited open market transactions, in privately negotiated transactions, or by other means in accordance with applicable federal securities laws, including through the use of trading plans intended to qualify under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended. The timing, manner, price, and amount of shares which may be repurchased under the program will be at management's discretion based on market conditions, the trading price of the Company's common stock, the Company's financial condition, results of operations and capital requirements, general business conditions, alternative investment opportunities, and other factors deemed relevant by management. The share repurchase program does not obligate the Company to repurchase any specific amount of shares, has no expiration date, and may be modified, suspended or terminated at any time without prior notice at the discretion of the Company's Board of Directors.

18. Segment Reporting

As of June 30, 2026, the Company had one operating and reporting segment: commercial laundry, which includes the distribution of commercial laundry equipment, related parts, supplies, and service. The segment is managed on a consolidated basis, with the CEO serving as the chief operating decision maker (the "CODM"). On a monthly basis, the CODM reviews financial information presented on a consolidated basis and uses consolidated operating income and net income to assess performance and allocate resources.

Significant expenses within operating income and net income include cost of sales and selling, general and administrative expenses, which are each separately presented in the consolidated statements of income. Other segment items within net income include interest and income taxes.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 9A. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this Report, management of the Company, with the participation of the Company's principal executive officer and principal financial officer, evaluated the effectiveness of the Company's "disclosure controls and procedures" (as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")). Based on that evaluation, the Company's principal executive officer and principal financial officer concluded that, as of June 30, 2026, the Company's disclosure controls and procedures were effective to ensure that information required to be disclosed in the reports that the Company files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and is accumulated and communicated to the Company's management, including the Company's principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

The Company's management, including the Company's principal executive officer and principal financial officer, does not expect that the Company's disclosure controls and procedures and internal control over financial reporting will prevent all errors and improper conduct. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that it will detect or uncover failures within the Company to disclose material information otherwise required to be set forth in the Company's periodic reports or that the objectives of the control system will otherwise be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of improper conduct, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons or by the collusion of two or more people. Further, the design of any control system is based in part upon assumptions about the likelihood of future events, and there can be no assurance that any such design will succeed in achieving its stated goals under all potential future conditions.

Management's Report on Internal Control over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate "internal control over financial reporting" (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act). "Internal control over financial reporting" means a process designed by, or under the supervision of, a company's principal executive and principal financial officers, and effected by the company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and includes those policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company, (ii) provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with GAAP, and that receipts and expenditures of the company are being made only in accordance with authorizations of the company's management and directors, and (iii) provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the company's financial statements.

Because of inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, the projection of any evaluation of effectiveness to future periods is subject to the risk that controls

may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

The Company's management, with the participation of the Company's principal executive officer and principal financial officer, evaluated the effectiveness of the Company's internal control over financial reporting as of June 30, 2026. This evaluation was conducted using the criteria set forth by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission in the 2013 Internal Control – Integrated Framework. This evaluation included review of the documentation of controls, evaluation of the design effectiveness of controls, testing of the operating effectiveness of controls and a conclusion on this evaluation. Based on its evaluation, the Company's management concluded that the Company's internal control over financial reporting was effective as of June 30, 2026.

BDO USA, P.C. ("BDO"), the Company's independent registered public accounting firm, has audited the Company's internal control over financial reporting as of June 30, 2026 and its report thereon is included herein.

Changes in Internal Control over Financial Reporting

During the quarter ended June 30, 2026, there were no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

Shareholders and Board of Directors
EVI Industries, Inc.
Miami, Florida

Opinion on Internal Control over Financial Reporting

We have audited EVI Industries, Inc.'s (the "Company's") internal control over financial reporting as of June 30, 2026, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO criteria"). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of June 30, 2026, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of June 30, 2026 and 2025, the related consolidated statements of operations, shareholders' equity, and cash flows for each of the years then ended, and the related notes and our report dated September 8, 2026 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Item 9A, Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit of internal control over financial reporting in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ BDO USA, P.C.
Miami, Florida
September 8, 2026

ITEM 9B. OTHER INFORMATION.

During the quarter ended June 30, 2026, none of the Company's directors or Section 16 officers adopted or terminated a Rule 10b5-1 trading plan or a "non-Rule 10b5-1 trading arrangement," as defined in Item 408(a) of Regulation S-K.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS.

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

The information required by Item 10 of Form 10-K will be provided by incorporating the information required under such item by reference to the Company's Definitive Proxy Statement with respect to the Company's 2026 Annual Meeting of Stockholders, if filed with the SEC within 120 days after the end of the fiscal year covered by this Report, or, alternatively, by amendment to this Report filed with the SEC under cover of Form 10-K/A no later than the end of such 120-day period.

ITEM 11. EXECUTIVE COMPENSATION.

The information required by Item 11 of Form 10-K will be provided by incorporating the information required under such item by reference to the Company's Definitive Proxy Statement with respect to the Company's 2026 Annual Meeting of Stockholders, if filed with the SEC within 120 days after the end of the fiscal year covered by this Report, or, alternatively, by amendment to this Report filed with the SEC under cover of Form 10-K/A no later than the end of such 120-day period.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

Equity Compensation Plan Information

The following table sets forth information, as of June 30, 2026, with respect to compensation plans under which shares of the Company's common stock are authorized for issuance.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights *(a)*	Weighted-average exercise price of outstanding options, warrants and rights *(b)*	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) *(c)*
Equity compensation plans approved by security holders	0	$-	3,585,054 (1)
Equity compensation plans not approved by security holders	0	$-	0
Total	0	$-	3,585,054 (1)

(1) Includes 3,527,807 shares of the Company's common stock available for issuance under the Company's 2025 Equity Incentive Plan and 57,247 shares of the Company's common stock available for issuance under the Company's 2017 Employee Stock Purchase Plan.

Other Information

The remaining information required by Item 12 of Form 10-K will be provided by incorporating such information by reference to the Company's Definitive Proxy Statement with respect to the Company's 2026 Annual Meeting of Stockholders, if filed with the SEC within 120 days after the end of the fiscal year covered by this Report, or, alternatively, by amendment to this Report filed with the SEC under cover of Form 10-K/A no later than the end of such 120-day period.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

The information required by Item 13 of Form 10-K will be provided by incorporating the information required under such item by reference to the Company's Definitive Proxy Statement with respect to the Company's 2026 Annual Meeting of Stockholders, if filed with the SEC within 120 days after the end of the fiscal year covered by this Report, or, alternatively, by amendment to this Report filed with the SEC under cover of Form 10-K/A no later than the end of such 120-day period.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

The information required by Item 14 of Form 10-K will be provided by incorporating the information required under such item by reference to the Company's Definitive Proxy Statement with respect to the Company's 2026 Annual Meeting of Stockholders, if filed with the SEC within 120 days after the end of the fiscal year covered by this Report, or, alternatively, by amendment to this Report filed with the SEC under cover of Form 10-K/A no later than the end of such 120-day period.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) Documents filed as part of this Report:

(1) Financial Statements. The following consolidated financial statements of the Company and its subsidiaries are included in Part II, Item 8 of this Report.

Report of Independent Registered Public Accounting Firm
Consolidated Balance Sheets at June 30, 2026 and 2025
Consolidated Statements of Operations for the years ended June 30, 2026 and 2025
Consolidated Statements of Shareholders' Equity for the years ended June 30, 2026 and 2025
Consolidated Statements of Cash Flows for the years ended June 30, 2026 and 2025
Notes to Consolidated Financial Statements

(2) Financial Statement Schedules. All financial statement schedules have been omitted because the information is either not applicable or not required or because the information is included in the Company's consolidated financial statements or the related notes to consolidated financial statements.

(3) Exhibits. The following exhibits are either filed as a part of or furnished with this Report, or are incorporated into this Report by reference to documents previously filed by the Company with the SEC, as indicated below:

Exhibit No.	Description
3(a)(1)	Certificate of Incorporation of the Company, as filed with the Secretary of State of the State of Delaware on June 13, 1963 (Incorporated by reference to Exhibit 3.1(a) to the Company's Current Report on Form 8-K filed with the SEC on November 13, 2009)
3(a)(2)	Certificate of Amendment to the Certificate of Incorporation of the Company, as filed with the Secretary of State of the State of Delaware on March 27, 1968 (Incorporated by reference to Exhibit 3.1(b) to the Company's Current Report on Form 8-K filed with the SEC on November 13, 2009)
3(a)(3)	Certificate of Amendment to the Certificate of Incorporation of the Company, as filed with the Secretary of State of the State of Delaware on November 4, 1983 (Incorporated by reference to Exhibit 3.1(c) to the Company's Current Report on Form 8-K filed with the SEC on November 13, 2009)
3(a)(4)	Certificate of Amendment to the Certificate of Incorporation of the Company, as filed with the Secretary of State of the State of Delaware on November 5, 1986 (Incorporated by reference to Exhibit 3.1(d) to the Company's Current Report on Form 8-K filed with the SEC on November 13, 2009)
3(a)(5)	Certificate of Change of Location of Registered Office and of Agent, as filed with the Secretary of State of the State of Delaware on December 31, 1986 (Incorporated by reference to Exhibit 3.1(e) to the Company's Current Report on Form 8-K filed with the SEC on November 13, 2009)
3(a)(6)	Certificate of Amendment to the Company's Certificate of Incorporation, as filed with the Secretary of State of the State of Delaware on October 30, 1998 (Incorporated by reference to Exhibit 3.1(f) to the Company's Current Report on Form 8-K filed with the SEC on November 13, 2009)
3(a)(7)	Certificate of Amendment to the Company's Certificate of Incorporation, as filed with the Secretary of State of the State of Delaware on November 5, 1999 (Incorporated by reference to Exhibit 3.1(g) to the Company's Current Report on Form 8-K filed with the SEC on November 13, 2009)
3(a)(8)	Certificate of Amendment to the Company's Certificate of Incorporation, as filed with the Secretary of State of the State of Delaware on November 13, 2009 (Incorporated by reference to Exhibit 3.1(h) to the Company's Current Report on Form 8-K filed with the SEC on November 13, 2009)
3(a)(9)	Certificate of Amendment to the Company's Certificate of Incorporation, as filed with the Secretary of State of the State of Delaware on November 30, 2016 (Incorporated by reference to Appendix A of the Company's Definitive Proxy Statement on Schedule 14A filed with the SEC on October 28, 2016)
3(a)(10)	Certificate of Amendment to the Company's Certificate of Incorporation, as filed with the Secretary of State of the State of Delaware on December 21, 2018 (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on December 21, 2018)
3(b)	Amended and Restated By-Laws of the Company (Incorporated by reference to Exhibit 3(b) to the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2020 filed with the SEC on September 14, 2020)
4(a)	Specimen Common Stock Certificate (Incorporated by reference to Exhibit 4 to the Company's Annual Report

	on Form 10-K for the fiscal year ended June 30, 2016 filed with the SEC on September 20, 2016)
4(b)	Description of the Company's Securities (Incorporated by reference to Exhibit 4(g) to the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2021 filed with the SEC on September 13, 2019)
10(a)(1)	Credit Agreement, dated as of November 2, 2018, by and among the Company, as Borrower, certain subsidiaries of the Company party thereto, as Guarantors, Bank of America, N.A, as Administrative Agent, Swingline Lender and L/C Issuer, Merrill Lynch, Pierce, Fenner & Smith Incorporated and U.S. Bank National Association, as Joint Lead Arrangers, Merrill Lynch Pierce, Fenner & Smith Incorporated, as Sole Bookrunner, and other lender parties thereto (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on November 7, 2018)
10(a)(2)	First Amendment to Credit Agreement dated as of May 6, 2022 by and among the Company, certain subsidiaries of the Company party thereto, as Guarantors, the lenders identified on the signature pages thereto and Bank of America, N.A., as Administrative Agent (Incorporated by reference to Exhibit 10.01 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2022 filed with the SEC on May 10, 2022)
10(a)(3)	Annex A to First Amendment to Credit Agreement dated as of May 6, 2022 by and among the Company, certain subsidiaries of the Company party thereto, as Guarantors, the lenders identified on the signature pages thereto and Bank of America, N.A., as Administrative Agent (Incorporated by reference to Exhibit 10.02 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2022 filed with the SEC on May 10, 2022)
10(a)(4)	Second Amendment to Credit Agreement and Joinder Agreement dated as of March 26, 2025 by and among the Company, certain subsidiaries of the Company identified on the signature pages thereto, as Guarantors, Bank of America, N.A., as Administrative Agent, Swingline Lender and L/C Issuer, and the lenders identified on the signature pages thereto (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on March 28, 2025)
10(b)(1)*	EVI Industries, Inc. 2015 Equity Incentive Plan, as amended (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on December 13, 2024)
10(b)(2)*	EVI Industries, Inc. 2025 Equity Incentive Plan, (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on December 15, 2025)
10(b)(3)*	Form of Notice of Grant and Restricted Stock Agreement (Incorporated by reference to Exhibit 10(e)(2) to the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2017 filed with the SEC on September 28, 2017)
10(b)(4)*	Form of Notice of Grant and Stock Option Agreement (Incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed with the SEC on November 17, 2015)
10(c)*	EVI Industries, Inc. 2017 Employee Stock Purchase Plan (Incorporated by reference to Appendix A of the Company's Definitive Proxy Statement on Schedule 14A filed with the SEC on October 30, 2017)
19	Insider Trading Policy (Incorporated by reference to Exhibit 19 to Amendment No. 1 to the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2024 filed with the SEC on September 13, 2024)
21	Subsidiaries of the Company
23	Consent of BDO USA, P.C.
31(a)	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31(b)	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32(a)+	Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32(b) +	Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
97	Policy for the Recovery of Erroneously Awarded Compensation (Incorporated by reference to Exhibit 97 to Amendment No. 1 to the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2024 filed with the SEC on September 13, 2024)
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	The cover page of the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2026, formatted in Inline XBRL (included within Exhibit 101 attachments)

* Indicates management contract or compensatory plan or arrangement.

+ Indicates that document is furnished, not filed, with this Report. All other exhibits not so indicated are filed with this Report.

ITEM 16. FORM 10-K SUMMARY.

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

EVI Industries, Inc.

Dated: September 8, 2026

By: /s/ Henry M. Nahmad
Henry M. Nahmad
Chairman, Chief Executive Officer and President

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Capacity	Date
/s/ Henry M. Nahmad Henry M. Nahmad	Chairman, Chief Executive Officer (Principal Executive Officer) and President	September 8, 2026
/s/ Robert H. Lazar Robert H. Lazar	Chief Financial Officer (Principal Financial and Accounting Officer)	September 8, 2026
/s/ Dennis Mack Dennis Mack	Director	September 8, 2026
/s/ David Blyer David Blyer	Director	September 8, 2026
/s/ Timothy P. LaMacchia Timothy P. LaMacchia	Director	September 8, 2026
/s/ Hal M. Lucas Hal M. Lucas	Director	September 8, 2026
/s/ Glen Kruger Glen Kruger	Director	September 8, 2026

EVI Industries, Inc.

Directors

Henry M. Nahmad
Chairman of the Board, President &
Chief Executive Officer

Dennis Mack
Former President
Western State Design

David Blyer
President & Chief Executive Officer
Arreva LLC

Glen Kruger
Managing Director, Technology & Services
Investment Banking
Raymond James & Associates

Timothy LaMacchia
Retired Ernst & Young Partner

Hal M. Lucas
Partner
Lucas Savitz P.L.

Executive Officers

Henry M. Nahmad
Chairman of the Board, President &
Chief Executive Officer

Robert H. Lazar
Chief Financial Officer & Chief
Accounting Officer

Thomas Marks
Executive Vice President,
Business Development &
President of West Region

Registrar & Transfer Agent
Computershare Trust Company, N.A.

Independent Registered Public Accounting Firm
BDO USA, P.C.
Miami, FL

Other Available Information

A copy of the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2026, as filed with the Securities and Exchange Commission, is available without charge to interested stockholders upon a written request to:

EVI Industries, Inc.
4500 Biscayne Boulevard, Suite 340
Miami, FL 33137
Attn: Chief Financial Officer

The Company's website at www.evi-ind.com offers information about the Company, including its annual, quarterly, and current reports and news releases. The Company's website and the information contained on, or connected to, the website are not incorporated into, and are not a part of, this annual report.