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

FORM 10-K/A

Amendment No. 1

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

For the fiscal year ended June 30, 2024

☐ **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 ☐	Accelerated filer ☒
Non-accelerated filer ☐	Smaller reporting company ☒
	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant 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, 2023 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 $137,671,636, 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 5, 2024 was12,684,037.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement relating to its 2024 Annual Meeting of Stockholders are incorporated by reference into Part III of this Form 10-K.

EXPLANATORY NOTE

This Amendment No. 1 to the Annual Report on Form 10-K of EVI Industries, Inc. (the "Company") for the fiscal year ended June 30, 2024 (the "Form 10-K") is being filed solely to correct a typographical error in the date of the Report of Independent Registered Public Accounting Firm relating to the consolidated financial statements of the Company appearing in the Form 10-K. Other than this typographical correction, there have been no changes to the financial or other information contained in the Form 10-K as originally filed on September 12, 2024.

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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 2024" or any period thereof refer to the Company's fiscal year ended June 30, 2024 or the applicable period thereof, as the case may be. References in this Report to "fiscal 2023" or any period thereof refer to the Company's fiscal year ended June 30, 2023 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 and suppliers are located, including the potential of a recession; 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, including the current inflationary trend, and the impact of inflation on the Company's costs and its ability to increase the price of its products and services to offset such costs, and on the market 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, and the impact thereof on economic conditions, including supply chain constraints and inflationary trends; 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 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; to the extent applicable, risks relating to the Company's ability to enter into and compete effectively in new industries, as well as risks and trends related to those industries; 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 to the extent anticipated, or at all; 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; 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; 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 the impact it may have 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 other investments, initiatives and expenses, may not result in the benefits anticipated; risks related to the soundness of financial institutions and 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. On December 21, 2018, the Company changed its name from EnviroStar, Inc. to EVI Industries, Inc.

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.

Beginning in 2015, the Company implemented a "buy-and-build" growth strategy which 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).

The Company reports its results of operations through a single operating and reportable segment.

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.

Buy-and-Build Growth Strategy

As described above, in addition to its pursuit of organic growth initiatives, the Company implemented a "buy-and-build" growth strategy in 2015. 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. The Company generally seeks to structure acquisitions to include both cash and stock consideration. The Company believes the issuance of stock consideration aligns the interests of the sellers of the acquired businesses, who the Company generally seeks to maintain to continue to operate 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 a separate wholly-owned subsidiary formed for the purpose of effecting the transaction, whether by an asset purchase or merger, and operating the acquired business following the transaction. The Company, indirectly through its applicable wholly-owned 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 2023 and fiscal 2024, as well as the acquisition consummated by the Company subsequent to the fiscal 2024 year-end.

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 2024 or fiscal 2023.

The Company's commercial and industrial laundry equipment and boilers 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 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

Substantially all of the Company's revenues from foreign activities relate to the sale of commercial and industrial laundry and dry cleaning equipment and boilers to customers in Canada, the Caribbean, and Latin America.

All of the Company's foreign sales require the customer to make payment in United States dollars. Foreign sales may be affected by the strength of the United States dollar relative to the currencies of the countries in which the Company's customers are located, as well as the strength of the economies of the countries in which the Company's customers are located.

Sources of Supply

The Company purchases commercial and industrial laundry products, dry cleaning machines, boilers and other products for distribution from a number of manufacturers and suppliers. The major manufacturers of the products sold by the Company are American Dryer Corporation, Chicago Dryer Company, Cleaver Brooks Inc., Continental Girbau, Inc., Dexter Laundry, Inc., FMB Group, Fulton Thermal Corp., Kannegiesser ETECH, Maytag Corporation, Pellerin Milnor Corporation, Unipress Corporation and Whirlpool Corporation. Purchases from four manufacturers accounted for a total of approximately 73% and 70% of the Company's product purchases for fiscal 2024 and fiscal 2023, respectively. No other manufacturers accounted for more than 10% of product purchases during fiscal 2024 or fiscal 2023. 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, supply chain constraints in recent years have resulted in extended inventory lead times and resulting delays in fulfilling certain orders, as well as increases in product costs.

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 2024 and fiscal 2023, 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, and more recently to acquire inventory in light of supply chain constraints. 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. The Company is also subject to rules and regulations with respect to its contracts and dealings with government facilities.

While there is no assurance that this will be the case, including due to the fact that regulatory requirements or the interpretation or enforcement thereof are subject to change, the Company does not believe that compliance with federal, state, local and foreign environmental and other laws and regulations which have been adopted have had, or will have, a material effect on its capital expenditures, earnings or competitive position.

Human Capital Resources

As of August 1, 2024, the Company had 750 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, in order to compete and succeed in the highly competitive and fragmented commercial and industrial laundry industry, 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 Company's Business and Operations

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.

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, 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.

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, particularly in light of recent labor shortages. 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 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'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 73% and 70% of the Company's product purchases for fiscal 2024 and fiscal 2023, 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" above.

The Company faces risks associated with environmental and other regulation.

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 handling, generation, storage and disposal of hazardous materials, substances, and wastes and the cleanup 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.

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. As previously disclosed, the Company was adversely impacted by the COVID-19 pandemic beginning at the end of the quarter ended March 31, 2020; specifically, due to delays and declines in the placement of customer orders, the completion of equipment and parts installations, and the fulfillment of parts orders. Any future pandemic or public health crisis may have similar or worse effects than those experienced in connection with the COVID-19 pandemic and may exacerbate certain of the other risks set forth herein.

The occurrence of other unexpected events, including natural disasters, civil unrest, geopolitical conflicts (including the current conflict between Ukraine and Russia as well as the 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.

The Company faces risks related to its foreign 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. Foreign sales may be affected by the strength of the United States dollar relative to the currencies of the countries in which customers and competitors are located, as well as the strength of the economies of the countries in which the Company's customers are located.

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

- export and trade restrictions;
- inconsistent and changing regulatory requirements;
- tariffs and other trade barriers;
- 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.

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. The Company is consolidating across a number of its subsidiaries ERP software systems and related processes to perform various functions and improve on the efficiency of the Company's business. This is a lengthy and expensive process that diverts resources from other operations, and may result in cost overruns, project delays or business interruptions.

Any disruptions, delays or deficiencies in the design and/or implementation of the new 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 a party, as borrower, to a syndicated credit agreement (the "Credit Agreement") in the maximum aggregate principal amount of up to $100 million, with an accordion feature to increase the revolving credit facility by up to $40 million for a total of $140 million. A portion of the revolving credit facility is available for swingline loans of up to a sublimit of $5 million and for the issuance of standby letters of credit of up to a sublimit of $10 million. The maturity date of the Credit Agreement is May 6, 2027. The Company had $13.0 million outstanding under the Credit Agreement as of June 30, 2024.

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 Bloomberg Short-Term Bank Yield Index rate (the "BSBY rate") plus a margin that ranges from 1.25% to 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) the BSBY rate plus 100 basis points (such highest rate, the "Base Rate"), plus a margin that ranges from 0.25% to 0.75% depending on the Consolidated Leverage Ratio. Swingline loans bear interest calculated at the Base Rate plus a margin that ranges from 0.25% to 0.75% depending on the Consolidated Leverage Ratio. During November 2023, Bloomberg Index Services Limited announced it will discontinue the BSBY rate on November 15, 2024. Pursuant to the terms of the Credit Agreement, in connection with the discontinuation of the BSBY rate, when determined by the administrative agent under the Credit Agreement, the BSBY rate will be replaced with the Secured Overnight Financing Rate ("SOFR") plus a SOFR adjustment ranging from a minimum of 0.11% to a maximum of 0.43%.

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 57.9% of the issued and outstanding shares of the Company's common stock as of June 30, 2024. 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 14.0 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. While the material weakness in internal control identified as of June 30, 2023 has been remediated (as discussed in further detail under Item 9A (“Controls and Procedures”) of this Report), there can be no assurance that additional material weaknesses will not be identified in the future (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 (as is the case with the exclusion of the businesses acquired by the Company in fiscal 2024 from the scope of management’s report on internal control over financial reporting and the related auditor attestation for this Report), 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 10 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, 2024, the Company has not identified 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, 2024, the Company had a total of 32 warehousing and distribution facilities and administrative facilities located across 19 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 400,000 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 5, 2024, there were approximately 157 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 October 4, 2023, the Company's Board of Directors declared a special cash dividend on the Company's common stock of $0.28 per share (totaling approximately $4.1 million in the aggregate), which was paid on October 26, 2023 to stockholders of record at the close of business on October 16, 2023. No dividends were declared or paid during fiscal year 2023.

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 to be paid on October 7, 2024 to stockholders of record at the close of business on September 26, 2024. 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.

The Company does not have in place any formal share repurchase plans or programs. 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 upon issuance of stock awards, 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 condensed consolidated statements of cash flows and shareholders' equity as they reduce the number of shares that would have been issued upon vesting.

During the quarter ended June 30, 2024, the Company did not repurchase any shares of its common stock.

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.

Beginning in 2015, the Company implemented a "buy-and-build" growth strategy which 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, 2023 ("fiscal 2023") and the fiscal year ended June 30, 2024 ("fiscal 2024").

The Company reports its results of operations through a single operating and reportable segment.

Total revenues for fiscal 2024 decreased by less than 1% compared to fiscal 2023. The decrease in revenues during fiscal 2024 is due primarily to the timing of receipt and delivery of products to customers due to construction or other delays which impacted the ability of certain customers to receive products. Additionally, there were large industrial jobs completed during fiscal 2023 which generated significant revenues. These decreases were offset in part by price increases established throughout the Company's product lines and service offerings aimed at maintaining or increasing margins to cover incremental product and operating cost increases, and revenues generated by businesses acquired by the Company during fiscal 2024 as well as businesses acquired by the Company during fiscal 2023 whose results were consolidated in the Company's financial statements for all of fiscal 2024 as compared to just the period of fiscal 2023 from the respective closing date of the acquisition through the end of fiscal 2023.

Net income for fiscal 2024 decreased by 42% from fiscal 2023. The decrease in net income was attributable primarily to increases in selling, general, and administrative expenses.

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, including increased expenses attributable to the Company's investments for future growth, and expenses in furtherance of the Company's "buy-and-build" growth strategy.

Buy-and Build Growth Strategy

The Company's acquisitions under its "buy-and-build" growth strategy described above during fiscal 2023 and fiscal 2024 were as follows:

During fiscal 2023, the Company acquired Massachusetts-based Aldrich Clean-Tech Equipment Corp., North Carolina-based K&B Laundry Service, LLC, Alabama-based Wholesale Commercial Laundry Equipment Company SE, LLC, and Maryland-based Gluno, Inc. (d/b/a Express Parts and Services). The total consideration for these transactions consisted of $2.4 million in cash and the issuance of 24,243 shares of the Company's common stock.

During fiscal 2024, the Company acquired Pennsylvania-based ALVF, Inc. (d/b/a ALCO Washer Center) and Texas-based Signature Services Corporation (d/b/a Ed Brown Distributors). The total consideration for these transactions consisted of $1.9 million in cash and the issuance of 8,621 shares of the Company's common stock.

The acquired companies 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 a separate wholly-owned subsidiary formed by the Company for the purpose of effecting the transaction, whether by an asset purchase or merger, and operating the acquired business following the transaction. The Company, indirectly through its applicable wholly-owned 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.

In addition to the foregoing, on July 1, 2024, the Company acquired Florida-based Laundry Pro of Florida, Inc. for total consideration of $5.9 million in cash. The financial position, including assets and liabilities, and results of operations of Laundry Pro of Florida, Inc. following the July 1, 2024 closing date of the acquisition will be included in the Company's consolidated financial statements commencing in the quarter ending September 30, 2024.

See Note 3 to the Consolidated Financial Statements included in Item 8 of this Report for additional information about the acquisitions completed by the Company during fiscal 2023 and fiscal 2024, as well as the subsequent acquisition of Laundry Pro of Florida, Inc.

Consolidated Financial Condition

The Company's total assets decreased from $253.8 million at June 30, 2023 to $230.7 million at June 30, 2024. The decrease in total assets was primarily attributable to a decrease in current assets, as

described below under "Liquidity and Capital Resources." The Company's total liabilities decreased from $122.9 million at June 30, 2023 to $94.1 million at June 30, 2024, primarily due to decreases in accounts payable and long-term debt.

Liquidity and Capital Resources

The Company had approximately $4.6 million of cash at June 30, 2024 compared to $5.9 million of cash at June 30, 2023. The decrease in cash was primarily due to optional debt repayments in excess of borrowings under the Company's credit facility, cash consideration paid in connection with the Company's business acquisitions during fiscal 2024 and capital expenditures, offset in part by increases to 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:	2024	2023
Operating activities	$ 32,652	$ 940
Investing activities	$ (6,816)	$ (5,986)
Financing activities	$ (27,199)	$ 6,993

For fiscal 2024, operating activities provided cash of approximately $32.7 million compared to cash provided by operating activities of approximately $0.9 million in fiscal 2023. The $31.8 million increase in cash provided by operating activities was primarily attributable to decreases in accounts receivable as a result of improved collections and decreases in inventory as result of a tightening supply chain and reduced lead times, offset by decreases in net income and operating liabilities.

Investing activities used cash of approximately $6.8 million during fiscal 2024 compared to approximately $6.0 million in fiscal 2023. The $0.8 million increase in cash used by investing activities is due primarily to a greater amount of cash consideration paid for capital expenditures in fiscal 2024 as compared to fiscal 2023.

Financing activities used cash of approximately $27.2 million in fiscal 2024 compared to cash provided by financing activities of approximately $7.0 million in fiscal 2023. The $34.2 million increase in cash used by financing activities was attributable primarily to optional repayments of borrowings under the Company's credit facility and a cash dividend paid during fiscal 2024.

The Company is a party, as borrower, to a syndicated credit agreement (the "Credit Agreement") in the maximum aggregate principal amount of up to $100 million, with an accordion feature to increase the revolving credit facility by up to $40 million for a total of $140 million. A portion of the revolving credit facility is available for swingline loans of up to a sublimit of $5 million and for the issuance of standby letters of credit of up to a sublimit of $10 million. As of June 30, 2024, $66.0 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 Bloomberg Short-Term Bank Yield Index rate (the "BSBY rate") plus a margin that ranges from 1.25% to 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) the BSBY rate plus 100 basis points (such highest rate, the "Base Rate"), plus a margin that ranges from 0.25% to 0.75% depending on the Consolidated Leverage Ratio. Swingline loans bear interest calculated at the Base Rate plus a margin that ranges from 0.25% to 0.75% depending on the Consolidated Leverage Ratio. During November 2023, Bloomberg Index Services Limited announced it will discontinue the BSBY rate on November 15, 2024. Pursuant to the terms of the Credit Agreement, in connection with the discontinuation of the BSBY rate, when determined by the administrative agent under the Credit Agreement, the BSBY rate will be replaced with the Secured Overnight Financing Rate ("SOFR") plus a SOFR adjustment ranging from a minimum of 0.11% to a maximum of 0.43%.

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, 2024, 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 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 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, 2024, 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 2024 decreased by approximately $0.6 million (less than 1%) from fiscal 2023. The decrease in revenues during fiscal 2024 is due primarily to the timing of receipt and delivery of products to the Company's customers due to construction or other delays which impacted the ability of certain customers to receive products. Additionally, there were large industrial jobs completed during the fiscal 2023 which generated significant revenues. These decreases were offset in part by price increases established throughout the Company's product lines and service offerings aimed at maintaining or

increasing margins to cover incremental product and operating cost increases, and revenues generated by businesses acquired by the Company during fiscal 2024 as well as businesses acquired by the Company during fiscal 2023 whose results were consolidated in the Company's financial statements for all of fiscal 2024 as compared to just the period of fiscal 2023 from the respective closing date of the acquisition through the end of fiscal 2023.

Cost of Sales and Selling, General and Administrative Expenses

	Fiscal Year Ended June 30,	
	2024	2023
As a percentage of revenues:		
Cost of sales, net	70.2%	70.7%
As a percentage of revenues:		
Selling, general and administrative expenses	26.5%	24.6%

Cost of sales, expressed as a percentage of revenues, decreased to 70.2% in fiscal 2024 from 70.7% in fiscal 2023, representing gross margins of 29.8% in fiscal 2024 and 29.3% in fiscal 2023. 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. Longer-term federal government contracts entered into during fiscal 2024 lowered gross margins by 30 basis points.

Selling, general and administrative expenses increased by approximately $6.4 million (7%) in fiscal 2024 compared to fiscal 2023, 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, rent, technology costs, professional fees, and insurance costs to support the Company's growth, and (c) stock compensation, including an increase from the acceleration of the vesting of certain restricted stock awards and restricted stock units in accordance with their terms during fiscal 2024. As a percentage of revenues, selling, general and administrative expenses increased to 26.5% in fiscal 2024 from 24.6% in fiscal 2023.

Interest Expense

Interest expense, net increased by approximately $0.2 million (9%) in fiscal 2024 compared to fiscal 2023. The increase is due primarily to increases in the average outstanding debt balance.

Provision for Income Taxes

The Company's effective income tax rate was 36.4% for fiscal 2024 compared to 30.6% in fiscal 2023. The increase in the effective income tax rate in fiscal 2024 is attributable to an increase in the net impact of permanent book-tax differences resulting primarily from nondeductible compensation and lower net income.

Inflation

Inflation did not have a significant effect on the Company's results during fiscal 2024 or fiscal 2023. However, the Company faces risks relating to inflation, including the current inflationary trend,

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. Monthly base rental payments were $12,000 during the initial term of the lease. The Company exercised its option to renew the lease for the first three-year renewal term, which commenced in October 2021. Base rent for the first renewal term is $19,000 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 $228,000 during fiscal 2024 and fiscal 2023, respectively.

On October 31, 2017, the Company's wholly-owned subsidiary, Tri-State Technical Services, entered into lease agreements pursuant to which it leases a total of 81,000 square feet of warehouse and office space from an affiliate of Matt Stephenson, former President of Tri-State. Monthly base rental payments totaled $21,000 during the initial terms of the leases. Each 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 leases for the first three-year renewal term, which commenced in October 2022. Base rent for the first renewal term is $25,000. In addition to base rent, Tri-State is responsible under the leases for costs related to real estate taxes, utilities, maintenance, repairs and insurance. From May 1, 2023 through May 31, 2024, Tri-State Technical Services also leased an additional 50,000 square feet of space from Mr. Stephenson for a base rental payment of $15,000 per month. Payments under these leases totaled approximately $493,000 and $306,000 during fiscal 2024 and fiscal 2023, 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. Monthly base rental payments under this lease were $26,000 initially. Pursuant to the lease agreement, on January 1, 2019, the lease expanded to cover additional warehouse space and, in connection therewith, monthly base rental payments under this lease increased to $36,000. In addition to base rent, AAdvantage is responsible under the lease for costs related to real estate taxes, utilities, maintenance, repairs and insurance. 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. Base rent for the first renewal term is $40,000 per month. Payments under this lease totaled approximately $464,000 and $432,000 during fiscal 2024 and fiscal 2023, respectively.

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. Monthly base

rental payments were $11,000 during the initial term of the lease. 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. 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. Base rent for the first year of the renewal term is $12,500 per month. Payments under this lease totaled approximately $150,000 and $146,000 during fiscal 2024 and fiscal 2023, 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

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), and the Company's performance obligation is satisfied when control of the product is transferred to the customer. Other contracts contain a combination of equipment sales and services expected to be performed in the near-term, which services are distinct and accounted for as separate performance obligations. 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. 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.

Contract Assets and Liabilities

Contract assets and liabilities are presented in the Company's condensed 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 some 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.

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 on April 1, 2024 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.

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 the debt, indebtedness may make the Company more vulnerable to economic downturns, and the Company's indebtedness subjects the Company to covenants, which may place restrictions on its 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) the BSBY rate plus a margin that ranges from 1.25% to 1.75% depending on the Company's Consolidated Leverage Ratio or (b) the highest of (i) prime, (ii) the federal funds rate plus 50 basis points, and (iii) the BSBY rate plus 100 basis points (such highest rate, the "Base Rate"), plus a margin that ranges from 0.25% to 0.75% depending on the Consolidated Leverage Ratio. During November 2023, Bloomberg Index Services Limited announced it will discontinue the BSBY rate on November 15, 2024. Pursuant to the terms of the Credit Agreement, in connection with the discontinuation of the BSBY rate, when determined by the administrative agent under the Credit Agreement, the BSBY rate will be replaced with the Secured Overnight Financing Rate ("SOFR") plus a SOFR adjustment ranging from a minimum of 0.11% to a maximum of 0.43%. As of June 30, 2024, the Company had approximately $13.0 million of outstanding borrowings under the Credit Agreement, which accrued interest at a weighted average rate of 6.64%. Based on the amounts outstanding at June 30, 2024, a hypothetical 1% increase in daily interest rates would increase the Company's annual interest expense by approximately $130,000.

All of the Company's export sales require the customer to make payment in United States dollars. Accordingly, foreign sales may be affected by the strength of the United States dollar relative to the currencies of the countries in which the Company's customers are located, as well as the strength of the economies of the countries in which the Company's customers are located. The Company has, at times in the past, paid certain suppliers in Euros. The Company had no foreign exchange contracts outstanding at June 30, 2024 or 2023.

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, there recently have been adverse events related to the soundness of financial institutions, including a number of smaller bank failures, 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

Index to Consolidated Financial Statements

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, 2024 and 2023, 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, 2024 and 2023, 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, 2024, 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 12, 2024 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 critical audit matters 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 Recognition – Estimated Costs to Complete

As described in Note 2 to the consolidated financial statements, 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. The cost estimation process for these contracts 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.

We identified the determination of the total estimated cost and progress toward completion of revenue contracts as a critical audit matter. These elements require 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. Auditing these elements involved auditor judgment in evaluating the reasonableness of management's assumptions and estimates over the duration of these contracts.

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

- Performing retrospective review of contracts opened and closed during the year to assess management's historical ability to accurately estimate the cost at completion and investigating reasons for significant changes in a) expected cost at completion, and b) project margins.

- Assessing the reasonableness of the estimated costs to complete for certain open projects through:

  i) Testing the completeness and accuracy of underlying data used in the estimate by evaluating the project budgets and the nature of costs required to complete;

  ii) Confirming total cost incurred and estimated cost to complete with subcontractors; and

  iii) Assessing the nature of activities required to complete open projects.

/s/ BDO USA, P.C.

We have served as the Company's auditor since 2018.

Miami, Florida

September 12, 2024

EVI Industries, Inc. and Subsidiaries

Consolidated Balance Sheets

(In thousands, except share and per share data)

ASSETS

	June 30, 2024	June 30, 2023
Current assets		
Cash	$ 4,558	$ 5,921
Accounts receivable, net of allowance for expected credit losses	40,932	48,391
Inventories, net	47,901	59,167
Vendor deposits	1,657	2,291
Contract assets	1,222	1,181
Other current assets	5,671	8,547
Total current assets	101,941	125,498
Equipment and improvements, net	13,950	12,953
Operating lease assets	8,078	8,714
Intangible assets, net	22,022	24,128
Goodwill	75,102	73,388
Other assets	9,566	9,166
Total assets	$ 230,659	$ 253,847

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)

LIABILITIES AND SHAREHOLDERS' EQUITY

	June 30, 2024	June 30, 2023
Current liabilities		
Accounts payable and accrued expenses	$ 30,904	$ 38,730
Accrued employee expenses	11,370	10,724
Customer deposits	24,419	23,296
Contract liabilities	-	668
Current portion of operating lease liabilities	3,110	3,027
Total current liabilities	69,803	76,445
Deferred income taxes, net	5,498	5,023
Long-term operating lease liabilities	5,849	6,554
Long-term debt, net	12,903	34,869

Total liabilities		94,053		122,891
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; 12,868,709 shares issued at June 30, 2024 and12,711,558 shares issued at June 30, 2023, including shares held in treasury		322		318
Additional paid-in capital		106,540		101,225
Retained earnings		34,183		32,608
Treasury stock, 184,672 shares, at cost, at June 30, 2024 and134,001 shares, at cost, at June 30, 2023		(4,439)		(3,195)
Total shareholders' equity		136,606		130,956
Total liabilities and shareholders' equity	$	230,659	$	253,847

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,			
		2024		2023
Revenues	$	353,563	$	354,173
Cost of sales		248,310		250,490
Gross profit		105,253		103,683
Selling, general and administrative expenses		93,625		87,177
Operating income		11,628		16,506
Interest expense, net		2,744		2,507
Income before provision for income taxes		8,884		13,999
Provision for income taxes		3,238		4,280
Net income	$	5,646	$	9,719
Net earnings per share – basic	$	0.39	$	0.68
Net earnings per share – diluted	$	0.37	$	0.67

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, 2022	12,650,126	$ 316	$ 97,544	127,801	$ (3,070)	$ 22,889	$ 117,679
Share repurchases	-	-	-	6,200	(125)	-	(125)
Vesting of restricted shares	31,757	1	(1)	-	-	-	-
Issuances of shares under employee stock purchase plan	5,432	-	118	-	-	-	118
Issuances of shares in connection with acquisitions	24,243	1	502	-	-	-	503
Stock compensation	-	-	3,062	-	-	-	3,062
Net income	-	-	-	-	-	9,719	9,719
Balance at June 30, 2023	12,711,558	318	101,225	134,001	(3,195)	32,608	130,956
Share repurchases	-	-	-	50,671	(1,244)	-	(1,244)
Vesting of restricted shares	142,814	4	(4)	-	-	-	-

Issuances of shares under employee stock purchase plan	5,716		-		116	-		-		-		116
Issuances of shares in connection with acquisitions	8,621		-		229	-		-		-		229
Amount of dividends paid ($0.28 per share)	-		-		-	-		-		(4,071)		(4,071)
Stock compensation	-		-		4,974	-		-		-		4,974
Net income	-		-		-	-		-		5,646		5,646
Balance at June 30, 2024	12,868,709	$	322	$	106,540	184,672	$	(4,439)	$	34,183	$	136,606

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,		2024		2023
Operating activities:				
Net income	$	5,646	$	9,719
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization		5,983		6,024
Amortization of debt discount		34		29
Provision for bad debt expense		688		710
Non-cash lease expense		14		93
Stock compensation		4,974		3,062
Inventory reserve		54		(178)
Provision for deferred income taxes		475		357
Other		25		(103)
(Increase) decrease in operating assets:				
Accounts receivable		7,028		(5,664)
Inventories		11,901		(8,302)
Vendor deposits		634		(527)
Contract assets		(41)		338
Other assets		2,476		(4,296)
(Decrease) increase in operating liabilities:				
Accounts payable and accrued expenses		(8,234)		(4,164)
Accrued employee expenses		646		2,114
Customer deposits		1,017		1,567
Contract liabilities		(668)		161
Net cash provided by operating activities		32,652		940
Investing activities:				
Capital expenditures		(4,867)		(3,708)
Cash paid for acquisitions, net of cash acquired		(1,949)		(2,278)
Net cash used by investing activities		(6,816)		(5,986)
Financing activities:				
Dividends paid		(4,071)		-
Proceeds from borrowings		62,500		77,000
Debt repayments		(84,500)		(70,000)
Repurchases of common stock in satisfaction of employee tax withholding obligations		(1,244)		(125)
Issuances of common stock under employee stock purchase plan		116		118
Net cash (used) provided by financing activities		(27,199)		6,993
Net (decrease) increase in cash		(1,363)		1,947
Cash at beginning of year		5,921		3,974
Cash at end of year	$	4,558	$	5,921
Supplemental information:				
Cash paid for interest	$	2,783	$	2,469
Cash paid for income taxes	$	4,575	$	3,099
Supplemental disclosure of non-cash financing activities				
Common stock issued for acquisitions	$	229	$	503

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

EVI Industries, Inc. and Subsidiaries

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.

The Company reports its results of operations through a single operating and reportable segment.

"Buy-and-Build" Growth Strategy

Beginning in 2015, the Company implemented 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.

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 a separate wholly-owned subsidiary formed by the Company for the purpose of effecting the transaction, whether by an asset purchase or merger, and operating the acquired business following the transaction. In connection with each transaction, the Company, indirectly through its applicable wholly-owned 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, 2024 ("fiscal 2024") and the fiscal year ended June 30, 2023 ("fiscal 2023"), as well as the acquisition consummated by the Company subsequent to the fiscal 2024 year-end.

2. Summary of Significant Accounting Policies

Principles of Consolidation

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. 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 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 83% and 85% of the Company's revenue for fiscal 2024 and fiscal 2023, 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 17% and 15% of the Company's revenue for fiscal 2024 and fiscal 2023, 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, 2024 and 2023 consisted of the following (in thousands):

June 30,	2024	2023
Costs incurred on uncompleted contracts	$ 1,795	$ 13,378
Estimated earnings	379	2,268
Less: billings to date	(1,190)	(16,148)
Retainage	238	1,015

Ending balance	$	1,222	$	513

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

June 30,		2024		2023
Contract assets	$	1,222	$	1,181
Contract liabilities		-		(668)
Ending balance	$	1,222	$	513

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. During fiscal 2024, all of the contract liabilities outstanding as of June 30, 2023 were realized.

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 on April 1, 2024 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.

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 doubtful accounts. The provision for doubtful accounts 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 doubtful accounts. The Company's allowance for doubtful accounts was $2.1 million at both June 30, 2024 and June 30, 2023. 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. However, there recently have been adverse events related to the soundness of financial institutions, including a number of smaller bank failures, and 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 average cost, 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 $1.1 million and $994,000 as of June 30, 2024 and 2023, 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, net of accumulated amortization, was $848,000 and $576,000 at June 30, 2024 and 2023, respectively. Computer software amortization expense was $189,000 and $112,000 in fiscal 2024 and fiscal 2023, respectively. Amortization of capitalized software is included in selling, general and administrative expenses in the consolidated statements of operations.

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 on April 1, 2024 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 2024 or fiscal 2023.

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 2024 and fiscal 2023, the Company granted restricted stock awards of 175,801 and 222,672 shares, respectively, and 85,672 and 128,985 restricted stock units, respectively, under the EVI Industries, Inc. 2015 Equity Incentive Plan, as amended (see Note 17). Shares of restricted stock are deemed to constitute a second class of stock for accounting purposes. Basic and diluted earnings per share for fiscal 2024 and fiscal 2023 are computed as follows (in thousands, except per share data):

	For the years ended June 30, 2024	2023
Net income	$ 5,646	$ 9,719

Less: distributed and undistributed income allocated to non-vested restricted common stock	717		1,193
Net income allocated to EVI Industries, Inc. shareholders	$ 4,929	$	8,526
Weighted average shares outstanding used in basic earnings per share	12,650		12,553
Dilutive common share equivalents	568		251
Weighted average shares outstanding used in diluted earnings per share	13,218		12,804
Basic earnings per share	$ 0.39	$	0.68
Diluted earnings per share	$ 0.37	$	0.67

At June 30, 2024, other than 1,475,740 unvested shares subject to restricted stock awards or restricted stock units, there were no potentially dilutive securities outstanding. The remaining 354,610 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, 2023, other than 1,028,963 shares subject to restricted stock

awards or restricted stock units, there were no potentially dilutive securities outstanding. The remaining 732,119 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 73% of the Company's purchases for fiscal 2024 and 70% of the Company's purchases for fiscal 2023.

Advertising Costs

The Company expenses the cost of advertising as of the first date an advertisement is run. The Company incurred approximately $852,000 and $778,000 of advertising costs in fiscal 2024 and fiscal 2023, 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 2024 or fiscal 2023.

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, 2024 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 2024 or fiscal 2023.

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, 2024 or 2023 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.

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 Accounting Guidance

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments," which changes the way companies evaluate credit losses for most financial assets and certain other instruments. For trade and other receivables, held-to-maturity debt securities, loans and other specified instruments, entities are required to use a new forward-looking "expected loss" model to evaluate impairment, potentially resulting in earlier recognition of allowances for losses. The new standard also requires enhanced disclosures, including the requirement to disclose the information used to track credit quality by year of origination for most financing receivables. The guidance was required to be applied using a cumulative-effect transition method. The Company adopted this ASU effective July 1, 2023, the first day of its fiscal year ended June 30, 2024. As a result, the consolidated financial statements for fiscal 2024 are presented under the new standard, while the comparative prior year periods are not adjusted and continue to be reported in accordance with the historical accounting policy. The adoption of this ASU did not have a material impact on the Company's consolidated financial statements.

Trade receivables as of June 30, 2024 were $40.9 million, net of an allowance for expected credit losses of $2.1 million.

The Company measures its allowance for credit losses on trade receivables on a collective (pool) basis when similar risk characteristics exist. Trade receivables are generally pooled based on the type of transaction generating the trade receivable. The Company establishes an estimate for its allowance for credit losses resulting from the failure of customers to make required payments by applying an aging schedule to pools of assets. The Company generally monitors macroeconomic indicators to assess whether adjustments are necessary to reflect current conditions.

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures ("ASU 2023-07") to enhance segment reporting disclosures. ASU 2023-07 requires disclosure of significant segment expenses that are regularly provided to the chief operating decision maker (CODM) and included within each reported measure of segment profit or loss, as well as disclosure of the total amount and description of other segment items by reportable segment. This ASU also requires disclosure of the title and position of the CODM and an explanation of how the CODM uses the reported measures of segment profit or loss in assessing segment performance and deciding how to allocate resources. All disclosures about a reportable segment's profit or loss and assets that are currently required on an annual basis under Segment Reporting (Topic 280) will also be required for interim periods under ASU 2023-07. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024, with retrospective application. Early adoption is permitted. The Company is currently evaluating the effect of this ASU on its segment disclosures.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to 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 is currently evaluating the effects of this ASU on its income tax 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 2024 Acquisitions

On September 1, 2023, the Company completed the acquisition of ALVF, Inc. (dba ALCO Washer Center) ("ALCO"), a Pennsylvania 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 $987,000 in cash and 8,621 shares of the Company's common stock, with an acquisition date fair value of approximately $229,000. 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 2024. The acquisition was treated for accounting purposes as a purchase of ALCO 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 $793,000 to goodwill, which is expected to be amortized and deductible for tax purposes over15 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 ALCO is included in the Company's consolidated balance sheet as of June 30, 2024 and the results of operations of ALCO since the September 1, 2023 closing date are included in the Company's consolidated financial statements for fiscal 2024.

On June 1, 2024, the Company completed the acquisition of Signature Services Corporation (d/b/a Ed Brown Distributors) ("EBD"), a Texas 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 $963,000 in cash. 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 2024. The acquisition was treated for accounting purposes as a purchase of EBD 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 Company allocated $946,000 to goodwill, which is expected to be amortized and deductible for tax purposes over15 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 EBD is included in the Company's consolidated balance sheet as of June 30, 2024 and the results of operations of EBD since the June 1, 2024 closing date are included in the Company's consolidated financial statements for fiscal 2024.

Fiscal 2023 Acquisitions

On September 1, 2022, the Company completed the acquisitions of Aldrich Clean-Tech Equipment Corp. ("ACT"), a Massachusetts-based distributor of commercial, industrial, and vended laundry products and provider of installation and maintenance services to the new and replacement segments of the commercial, industrial and vended laundry industry, and K&B Laundry Service, LLC ("K&B"), a North Carolina-based distributor of commercial, industrial, and vended laundry products and provider of installation and maintenance services to the new and replacement segments of the commercial, industrial and vended laundry industry. The total consideration for these

two acquisitions consisted of approximately $1.2 million in cash, net of cash acquired, which the Company funded through borrowings under its credit facility. Fees and expenses related to these acquisitions, consisting primarily of legal and other professional fees, totaled approximately $102,000 and are classified as selling, general and administrative expenses in the Company's consolidated statements of operations for fiscal 2023. Each acquisition was treated for accounting purposes as a purchase of the acquired business 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 intangible assets and goodwill. The Company allocated a total of $793,000 to goodwill, which is expected to be amortized and deductible for tax purposes over 15 years. Goodwill is attributable primarily to the assembled workforces, as well as the expected benefits from the increased scale of the Company as a result of these acquisitions. The financial position, including assets and liabilities, of ACT and K&B is included in the Company's consolidated balance sheets as of June 30, 2023 and 2024, and the results of operations of the businesses since the September 1, 2022 closing date are included in the Company's consolidated financial statements for fiscal 2023 and fiscal 2024.

On November 1, 2022, the Company acquired substantially all of the assets of Wholesale Commercial Laundry Equipment Company SE, LLC ("WCL"), an Alabama-based distributor of commercial, industrial, and vended laundry products and provider of installation and maintenance services to the new and replacement segments of the commercial, industrial and vended laundry industry. The consideration paid by the Company in connection with the acquisition consisted of $650,000 in cash and 24,243 shares of the Company's common stock, with an acquisition date fair value of approximately $503,000. 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 2023. The acquisition was treated for accounting purposes as a purchase of the acquired business 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 Company allocated $1,062,000 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 WCL is included in the Company's consolidated balance sheets as of June 30, 2023 and 2024, and the results of operations of WCL since the November 1, 2022 closing date are included in the Company's consolidated financial statements for fiscal 2023 and fiscal 2024.

On June 5, 2023, the Company acquired substantially all of the assets of Gluno, Inc. (d/b/a Express Parts and Services) ("EXP"), a Maryland-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 $550,000 in cash. 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 2023. The acquisition was treated for accounting purposes as a purchase of the acquired business 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 Company allocated $391,000 to goodwill, which is expected to be amortized and deductible for tax purposes over15 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 EXP is included in the Company's consolidated balance sheets as of June 30, 2023 and 2024, and the results of operations of EXP since the June 5, 2023 closing date are included in the Company's consolidated financial statements for fiscal 2023 and fiscal 2024.

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 acquisitions completed by the Company during fiscal 2024 and 2023 as described above, as if the Company had completed each such transaction on July 1, 2022, using the estimated fair values of the assets acquired and liabilities assumed. These unaudited pro forma results are presented for informational purposes only and are not necessarily indicative of what the actual results of operations of the Company would have been if the transactions had occurred on the date assumed, nor are they indicative of future results of operations.

For the year ended
June 30,

(in thousands)	2024 (Unaudited)	2023 (Unaudited)
Revenues	$ 356,260	$ 362,287
Net income	5,816	10,533

The Company's consolidated results of operations for fiscal 2024 include total revenue of approximately $9.7 million and total net income of approximately $599,000 attributable to businesses acquired during fiscal 2024 and fiscal 2023, based on the consolidated effective tax rate. The Company's consolidated results of operations for fiscal 2023 include total revenue of approximately $6.3 million and total net income of approximately $435,000 attributable to businesses acquired during fiscal 2023, 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.

Subsequent Acquisition

On July 1, 2024, the Company acquired Florida-based Laundry Pro of Florida, Inc. for total consideration of $5.9 million in cash. The Company is in the process of determining the respective fair values of the assets acquired and liabilities assumed. The amounts for these items are subject to change as additional information to assist in determining their respective fair values as of the closing date is obtained during the post-closing measurement period of up to one year.

4. Accounts Receivable

Accounts receivable as of June 30, 2024 and 2023 consisted of the following (in thousands):

June 30,	2024	2023
Accounts receivable - trade	$ 43,009	$ 50,455
Allowance for expected credit losses	(2,077)	(2,064)
	$ 40,932	$ 48,391

5. Other Current Assets

Other current assets as of June 30, 2024 and 2023 were comprised of the following (in thousands):

June 30,	2024	2023
Other receivables	$ 799	$ 775
Prepaid insurance	337	822
Net investments in sales type leases - current	1,679	1,580
Other current assets	2,856	5,370
	$ 5,671	$ 8,547

6. Leases

Company as Lessee

As of June 30, 2024, the Company had 32 facilities, consisting of warehouse facilities and administrative offices, financed under operating leases with lease term expirations between 2024 and 2030. Rent expense 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 condensed consolidated balance sheet as of June 30, 2024. 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)*
2025	$ 3,395
2026	2,761
2027	1,470
2028	812
2029	519
Thereafter	633
Total lease payments	$ 9,590
Less: amounts representing interest	631
Present value of lease liabilities	$ 8,959
Less: current portion	3,110
Long-term portion	$ 5,849

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

Operating lease cost	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2023
Operating lease cost (1)	$ 3,995	$ 3,526
Variable lease cost (2)	4,810	3,391
Total lease cost	$ 8,805	$ 6,917

(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, 2024 and 2023.

(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, 2024 and 2023.

The table below presents lease-related terms and discount rates as of June 30, 2024 and 2023:

	June 30, 2024	June 30, 2023
Weighted average remaining lease terms		
Operating leases	3.6 years	4.0 years
Weighted average discount rate		
Operating leases	3.48%	3.45%

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, 2024 and 2023 (in thousands):

	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2023
Cash paid for amounts included in the measurement of lease liabilities:	$ 3,995	$ 3,526
Operating lease right-of-use assets obtained in exchange for operating lease liabilities:	$ 2,955	$ 4,403

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
2025	$ 4,943	$ 3,288	$ 1,655
2026	4,010	2,564	1,446
2027	3,164	1,842	1,322
2028	2,146	1,114	1,032
2029	1,182	561	621
Thereafter	1,338	597	741
			$ 6,817*

* Excludes non-guaranteed residual values of $2.9 million.

The total net investments in sales type leases, including stated residual values, as of June 30, 2024 and June 30, 2023 was $9.7 million and $9.0 million, respectively. The current portion of $1.7 million and $1.6 million is included in other current assets in the consolidated balance sheets as of June 30, 2024 and June 30, 2023, respectively, and the long term portion of $8.0 million and $7.4 million is included in other assets in the consolidated balance sheets as of June 30, 2024 and June 30, 2023, respectively.

7. Equipment and Improvements

Major classes of equipment and improvements as of June 30, 2024 and 2023 consisted of the following (in thousands):

June 30,	2024	2023
Furniture and equipment	$ 18,512	$ 15,247
Leasehold improvements	3,399	2,962
Vehicles	7,427	6,886
	29,338	25,095
Accumulated depreciation and amortization	(15,388)	(12,142)
	$ 13,950	$ 12,953

Depreciation and amortization of equipment and improvements totaled approximately $3.9 million in both fiscal 2024 and 2023 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, 2022	$	71,039
Goodwill from fiscal 2023 acquisitions (as described in Note 3)			2,246
Working capital adjustments (1)			103
	Balance at June 30, 2023	$	73,388
Goodwill from fiscal 2024 acquisitions (as described in Note 3)			1,739
Working capital adjustments (2)			(25)
	Balance at June 30, 2024	$	75,102

(1) Relates to working capital adjustments from business acquisitions consummated by the Company during fiscal 2023.
(2) Relates to working capital adjustments from business acquisitions consummated by the Company during fiscal 2024.

Customer-related intangibles, tradenames and other intangible assets as of June 30, 2024 and 2023 consisted of the following (dollars in thousands):

June 30,	*Estimated Useful Lives (in years)*	2024	2023
Customer-related intangibles	8-10	$ 20,887	$ 20,887
Tradenames	Indefinite	13,005	13,005
Covenants not to compete	5	566	566
License agreements	10	529	529
Trademarks and patents	10-15	176	176
		35,163	35,163
Accumulated amortization		(13,141)	(11,035)
		$ 22,022	$ 24,128

Amortization expense was approximately $2.1 million in both fiscal 2024 and fiscal 2023, and is included in selling, general and administrative expenses in the consolidated statements of operations. As of June 30, 2024, the weighted average remaining estimated useful lives for customer-related intangibles, covenants not to compete, license agreements, and trademarks and patents were 4.3 years, 0 years, 0 years and 0 years, respectively.

Based on the carrying amount of intangible assets as of June 30, 2024, 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, 2029 and thereafter is as follows (in thousands):

Fiscal years ending June 30,		
2025	$	2,102
2026		2,101
2027		1,778
2028		1,256
2029		716
Thereafter		1,064
Total	$	9,017

9. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses as of June 30, 2024 and 2023 were comprised of the following (in thousands):

June 30,	2024	2023
Accounts payable	$ 23,101	$ 26,690
Accrued expenses	6,025	10,080
Sales tax accruals	1,778	1,960
	$ 30,904	$ 38,730

10. Income Taxes

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

Fiscal years ended June 30,	2024	2023
Current		
Federal	$ 2,195	$ 3,137
State	568	786
	2,763	3,923

Fiscal years ended June 30,	2024	2023
Deferred		
Federal	516	220
State	(41)	137
	475	357
	$ 3,238	$ 4,280

The reconciliation of income tax expense computed at the federal statutory tax rate of 21% for the fiscal years ended June 30, 2024 and 2023 to the provision for income taxes is as follows (in thousands):

Fiscal years ended June 30,	2024	2023
Tax at the statutory rate	$ 1,866	$ 2,940
State income taxes, net of federal benefit	422	747
Nondeductible compensation	885	558
Other	65	35
	$ 3,238	$ 4,280
Effective tax rate	36.4%	30.6%

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, 2024 and 2023 were as follows (in thousands):

As of June 30,	2024	2023
Deferred tax assets:		
Allowance for doubtful accounts	$ 281	$ 418
Inventory capitalization	966	1,074
Stock compensation	1,039	1,013
Accrued liabilities	1,581	1,073
Other	163	116
	4,030	3,694
Deferred tax liabilities:		
Goodwill	(5,755)	(4,946)
Depreciation	(2,228)	(2,104)
Intangible assets	(1,348)	(1,472)
Other	(197)	(195)
	(9,528)	(8,717)
Net deferred income tax (liabilities) assets	$ (5,498)	$ (5,023)

As of June 30, 2024, the Company was subject to potential federal and state tax examinations for the tax years including and subsequent to 2019.

11. Debt

The Company's long-term debt as of June 30, 2024 and 2023 was as follows (in thousands):

	June 30, 2024	June 30, 2023
Revolving Line of Credit	$ 13,000	$ 35,000
Less: unamortized discount and deferred financing costs	(97)	(131)
Total long-term debt	$ 12,903	$ 34,869

The Company is party, as borrower, to a syndicated credit agreement (the "Credit Agreement") which allows for borrowings in the maximum aggregate principal amount of up to $100 million, with an accordion feature to increase the revolving credit facility by up to $40 million for a total of $140 million. A portion of the revolving credit facility is available for swingline loans of up to a sublimit of $5 million and for the issuance of standby letters of credit of up to a sublimit of $10 million. Borrowings (other than swingline loans) under the Credit Agreement currently bear interest, at a rate, at the Company's election at the time of borrowing, equal to (a) the Bloomberg Short-Term Bank Yield Index rate (the "BSBY rate") plus a 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) the BSBY rate 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. During November 2023, Bloomberg Index Services Limited announced it will discontinue the BSBY rate on November 15, 2024. Pursuant to the terms of the Credit Agreement, in connection with the discontinuation of the BSBY rate, when determined by the administrative agent under the Credit Agreement, the BSBY rate will be replaced with the Secured Overnight Financing Rate ("SOFR") plus a SOFR adjustment ranging from a minimum of 0.11% to a maximum of 0.43%. The maturity date of the Credit Agreement is May 6, 2027.

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. At June 30, 2024, the Company was in compliance with its covenants under the Credit Agreement and $66.0 million was available to borrow under the revolving credit facility.

The obligations of the Company under the Credit Agreement are secured 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 condensed 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. Monthly base rental payments were $12,000 during the initial term of the lease. The Company exercised its option to renew the lease for the first three-year renewal term, which commenced in October 2021. Base rent for the first renewal term is $19,000 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 $228,000 during fiscal 2024 and fiscal 2023, respectively.

On October 31, 2017, the Company's wholly-owned subsidiary, Tri-State Technical Services, entered into lease agreements pursuant to which it leases a total of 81,000 square feet of warehouse and office space from an affiliate of Matt Stephenson, former President of Tri-State. Monthly base rental payments totaled $21,000 during the initial terms of the leases. Each 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 leases for the first three-year renewal term, which commenced in October 2022. Base rent for the first renewal term is $25,000. In addition to base rent, Tri-State is responsible under the leases for costs related to real estate taxes, utilities, maintenance, repairs and insurance. From May 1, 2023 through May 31, 2024, Tri-State Technical Services also leased an additional 50,000 square feet of space from Mr. Stephenson for a base rental payment of $15,000 per month. Payments under these leases totaled approximately $493,000 and $306,000 during fiscal 2024 and fiscal 2023, 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. Monthly base rental payments under this lease were $26,000 initially. Pursuant to the lease agreement, on January 1, 2019, the lease expanded to cover additional warehouse space and, in connection therewith, monthly base rental payments under this lease increased to $36,000. In addition to base rent, AAdvantage is responsible under the lease for costs related to real estate taxes, utilities, maintenance, repairs and insurance. 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. Base rent for the first renewal term is $40,000 per month. Payments under this lease totaled approximately $464,000 and $432,000 during fiscal 2024 and fiscal 2023, respectively.

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. Monthly base rental payments were $11,000 during the initial term of the lease. 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. 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. Base rent for the first year of the renewal term is $12,500 per month. Payments under this lease totaled approximately $150,000 and $146,000 during fiscal 2024 and fiscal 2023, 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 2024 or fiscal 2023. As of June 30, 2024, 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. As of June 30, 2024, outstanding performance and payment bonds totaled $1.2 million. No such performance or payment bonds were outstanding at June 30, 2023.

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. Beginning on July 1, 2023, employees are eligible to participate in the plans after six months of service. Prior to July 1, 2023, employees were eligible to participate in the plans after one year of service. The Company contributed approximately $821,000 and $643,000 to the plans during fiscal 2024 and fiscal 2023, 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 October 4, 2023, the Company's Board of Directors declared a special cash dividend on the Company's common stock of $0.28 per share (totaling approximately $4.1 million in the aggregate), which was paid on October 26, 2023 to stockholders of record at the close of business on October 16, 2023. No dividends were declared or paid during fiscal year 2023.

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 to be paid on October 7, 2024 to stockholders of record at the close of business on September 26, 2024.

17. Equity Plan

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. The fair value of awards granted under the Plan is expensed on 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 condensed consolidated statements of operations. Non-cash share-based compensation expense under the Plan totaled $5.0 million and $3.1 million for fiscal 2024 and fiscal 2023, respectively. Included within the non-cash share-based compensation expense for fiscal 2024 is an additional expense of $1.2 million related to the acceleration of vesting of 120,851 restricted stock awards and 30,000 restricted stock units, in each case, pursuant to the terms of the applicable award agreement.

During fiscal 2024, restricted stock awards of a total of 175,801 shares and 85,672 restricted stock units were granted under the Plan. A portion of the restricted stock awards granted during fiscal 2024 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 $4.8 million. A portion of the restricted stock units granted during fiscal 2024 is scheduled to vest ratably over four years and the remainder is scheduled to vest in 4 to 22 years from the date of grant. The total grant date fair value of such restricted stock units was $2.2 million.

During fiscal 2023, restricted stock awards of a total of 222,672 shares and 128,985 restricted stock units were granted under the Plan. A portion of the restricted stock awards granted during fiscal 2023 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 $3.6 million. A portion of the restricted stock units granted during fiscal 2023 is scheduled to vest ratably over four years and the remainder is scheduled to vest in 4 to 40 years from the date of grant. The total grant date fair value of such restricted stock units was $2.1 million.

During fiscal 2024, 107,859 shares of restricted stock awards and 34,955 restricted stock units vested and 50,671 shares of common stock with an aggregate fair market value of $1.2 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 2023, 20,973 shares of restricted stock awards and 10,784 restricted stock units vested and 6,200 shares of common stock with an aggregate fair market value of $125,000 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, 2024, the Company had $21.2 million and $10.3 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 13.1 years and 9.7 years, respectively.

The following is a summary of non-vested restricted stock activity as of, and for the fiscal year ended, June 30, 2024:

	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, 2023	1,227,882	$ 20.56	533,200	$ 24.20
Granted	175,801	27.02	85,672	26.25
Vested	(107,859)	25.04	(34,955)	27.39
Forfeited	-	-	(35,393)	26.05
Non-vested restricted stock outstanding at June 30, 2024	1,295,824	21.06	548,524	24.20

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 2024, 5,716 shares of common stock were purchased under the ESPP for which the Company received net proceeds of $116,000. During fiscal 2023, 5,432 shares of common stock were purchased under the ESPP for which the Company received net proceeds of $118,000.

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, 2024, 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, 2024. 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, 2024.

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, 2024 and its report thereon is included herein.

Remediation of Previously Reported Material Weakness

As disclosed in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2023, in connection with its evaluation of the effectiveness of the Company's internal control over financial reporting as of June 30, 2023, management identified a material weakness in the Company's internal control over financial reporting related to the review and approval of manual journal entries made to the general ledger at certain of the Company's subsidiaries. The material weakness has been remediated by modifying the journal entry process and system role configuration to establish a formal hierarchy of review of journal entries in order to enforce proper segregation of duties. Management evaluated the design and operating effectiveness of the process level controls associated with the remedial actions above. As a result of the remedial actions taken by management throughout the year, management determined that the material weakness was remediated as of June 30, 2024.

Changes in Internal Control over Financial Reporting

Except as described under "Remediation of Previously Reported Material Weakness" above, during the quarter ended June 30, 2024, 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, 2024, 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, 2024, 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, 2024 and 2023, 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 12, 2024 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, FL

September 12, 2024

Item 9B. Other Information.

During the quarter ended June 30, 2024, none of the Company's directors or Section 16 officersadopted 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 2024 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 2024 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, 2024, 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	$-	771,603 (1)
Equity compensation plans not approved by security holders	0	$-	0

Total	0	$-	771,603 (1)

(1) Includes 697,189 shares of the Company's common stock available for issuance under the Company's 2015 Equity Incentive Plan, as amended, and 74,414 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

2024 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 2024 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 2024 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, 2024 and 2023

Consolidated Statements of Operations for the years ended June 30, 2024 and 2023

Consolidated Statements of Shareholders' Equity for the years ended June 30, 2024 and 2023

Consolidated Statements of Cash Flows for the years ended June 30, 2024 and 2023

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(b)(1)*	EVI Industries, Inc. 2015 Equity Incentive Plan, as amended (Incorporated by reference to Appendix A of the Company's Definitive Proxy Statement on Schedule 14A filed with the SEC on November 25, 2020)
10(b)(2)*	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)(3)*	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
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
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, 2024, 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 12, 2024

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 12, 2024
/s/ Robert H. Lazar Robert H. Lazar	Chief Financial Officer (Principal Financial and Accounting Officer)	September 12, 2024
/s/ Dennis Mack Dennis Mack	Director	September 12, 2024
/s/ David Blyer David Blyer	Director	September 12, 2024
/s/ Timothy P. LaMacchia Timothy P. LaMacchia	Director	September 12, 2024
/s/ Hal M. Lucas Hal M. Lucas	Director	September 12, 2024
/s/ Glen Kruger Glen Kruger	Director	September 12, 2024

EVI INDUSTRIES, INC.
INSIDER TRADING POLICY
and Guidelines with Respect to
Transactions in Company Securities

This Insider Trading Policy (the "**Policy**") provides guidelines to employees, officers and directors of EVI Industries, Inc. (the "**Company**"), including those of the Company's subsidiaries, with respect to transactions in the Company's securities. The Company has adopted this policy and the procedures set forth herein to help prevent insider trading and to assist the employees, officers and directors of the Company and its subsidiaries in complying with their obligations under the federal securities laws. Employees, officers and directors are individually responsible to understand and comply with this Policy. Unless set forth to the contrary or the context otherwise requires, references to the "**Company**" in this Policy refer to EVI Industries, Inc. and its subsidiaries. This Policy supplements and, to the extent of any conflict, supersedes the Company's employee handbook and other similar codes, policies and manuals.

Applicability of Policy

This Policy applies to all transactions in the Company's securities, including common stock, restricted stock, restricted stock units, options and warrants to purchase common stock or other securities of the Company, and any other debt or equity securities which the Company may issue from time to time, such as bonds, preferred stock and convertible debentures (in each case, including each class or series thereof), as well as to derivative securities relating to the Company's securities, whether or not issued by the Company, such as exchange-traded options. It applies to all directors, officers and employees of the Company and its subsidiaries and, with respect to each such person, members of their immediate families who reside with them or anyone else who lives in their household and family members who live elsewhere but whose transactions in Company securities are directed by such employees, officers and directors or subject to their influence and control (collectively referred to as "**Family Members**"). In addition, this Policy applies to entities, including corporations, limited liability companies, partnerships and trusts, over which any person listed in the preceding sentence has control. This Policy also imposes specific blackout period and pre-clearance procedures on directors, officers and certain other designated employees.

Definition of Material Nonpublic Information

It is not possible to define all categories of material information. However, information should be regarded as material if there is a substantial likelihood that it would be considered important to a reasonable investor in making a voting decision or an investment decision to buy, hold or sell securities. Any information that could be expected to affect the market price of the Company's securities, whether such information is positive or negative, should be considered material. Because trading that receives scrutiny will be evaluated after the fact with the benefit of hindsight, questions as to the materiality of particular information should be resolved in favor of materiality, and trading should be avoided. Officers, directors and certain other employees are subject to the blackout period provisions described in Section 7.

While it may be difficult under this standard to determine whether particular information is material, there are various categories of information that are particularly sensitive and, as a general rule, should always be considered material. Examples of such information may include, without limitation:

- financial results, especially quarterly and year-end earnings;
- projections of future earnings or losses;
- significant changes in financial performance or liquidity;
- news of a pending or proposed merger or acquisition, or a tender offer or exchange offer;
- news of a significant purchase or sale of property or assets;
- changes in dividend policies or the declaration of a dividend, distribution or stock split;
- the authorization or offering of additional debt or equity securities;
- material financial or other issues being experienced;
- plans to repurchase securities or retire indebtedness;
- changes in executive management;
- significant new products or services, or plans to enter significant new businesses or industries;
- the gain or loss of a substantial customer or supplier;
- significant supply problems;
- significant pricing changes;
- actions of regulatory agencies;
- the institution of significant litigation or regulatory proceedings or investigations; and
- impending bankruptcy or financial liquidity problems.

"**Material Nonpublic Information**" is material information has not been publicly disclosed. The information may be about the Company or any of its subsidiaries. It may also

information that you learn about another company through your employment, such as information about current or prospective customers or suppliers or potential transactions.

Information is considered to be available to the public only (a) after it has been released to the public through appropriate channels (e.g., by means of a press release or securities filing) and (b) enough time has elapsed to permit the investment market to absorb and evaluate the information. Once information has been released to the public, information will normally be regarded as absorbed and evaluated on the second business day after it is made public, as described in further detail below. You may determine whether information that you know has been disclosed by the Company in its public filings, which are available at www.sec.gov.

Statement of Policy

General Policy

It is the policy of the Company to oppose the unauthorized disclosure of any nonpublic information acquired in the workplace, the use of Material Nonpublic Information in securities trading and any other violation of applicable securities laws.

Specific Policies

1. No Trading on Material Nonpublic Information. No employee, officer or director of the Company or any of its subsidiaries and no Family Member of any such person (or entity subject to the control of any such Person) shall engage in any transaction involving a purchase or sale of the Company's securities, including any offer to purchase or offer to sell (other than pursuant to a trading plan that complies with SEC Rule 10b5-1 pre-cleared by the Company's Chief Financial Officer (as described in further detail under "Rule 10b5-1 Trading Plans" below), who will act as the Company's Insider Trading Compliance Officer), during any period commencing with the date that he or she possesses Material Nonpublic Information and ending at the close of business on the second business day following the date of public disclosure of that information, or at such time as such nonpublic information is no longer material.. If, for example, the Company were to make an announcement disclosing Material Nonpublic Information on a Tuesday, persons who possessed such Material Nonpublic Information shall not be permitted to trade in the Company's securities until Friday and provided that all other conditions to trading in the Company's securities set forth herein have been satisfied. As a result, you may, from time to time, have to forego a proposed transaction in the Company's securities even if you planned to make the transaction before learning of the Material Nonpublic Information and even you may suffer an economic loss or forego anticipated profit by waiting.

2. No Tipping; Confidentiality of Nonpublic Information. No employee, officer or director of the Company or any of its subsidiaries and no Family Member of any such person (or

entity subject to the control of any such Person) shall disclose or pass on ("**tip**") Material Nonpublic Information to any other person, except as provided below, or make recommendations or express opinions on the basis of Material Nonpublic Information as to trading in the Company's securities. Nonpublic information, including Material Nonpublic Information, relating to the Company is the property of the Company and may only be disclosed to those within the Company who "need to know" such information in order to carry out their duties on behalf of the Company. If there is any doubt as to whether information can be disclosed or whether a person seeking the information has a legitimate business need to know, then the Company's Chief Financial Officer should be consulted prior to disclosure. The unauthorized disclosure of nonpublic information is forbidden.

Potential Criminal and Civil Liability
and/or Disciplinary Action

3. Liability for Insider Trading. Any person who engages in a transaction in the Company's securities at a time when they have knowledge of Material Nonpublic Information may be subject to penalties and sanctions, including:

- up to 20 years in jail;
- a criminal fine of up to $5,000,000;
- a civil penalty of up to $1,000,000 or, if greater, 3 times the profit gained or loss avoided; and
- Securities and Exchange Commission ("**SEC**") civil enforcement injunctions.

4. Liability for Tipping. Any person who tips ("**tippers**") a third party (commonly referred to as a "**tippee**") may also be liable for improper transactions by tippees to whom they have tipped Material Nonpublic Information or to whom they have made recommendations or expressed opinions on the basis of such information as to trading in securities. Tippers and tippees would be subject to the same penalties and sanctions as described above, and the SEC has imposed large penalties even when the tipper or tippee did not profit from the trading. The SEC and stock exchanges use sophisticated electronic surveillance techniques to uncover insider trading.

5. Control Persons. The Company and its supervisory personnel, if they fail to take appropriate steps to prevent illegal insider trading, may in certain circumstances, be subject to the following penalties:

- a civil penalty of up to 3 times the profit gained or loss avoided as a result of the employee's violation; and
- a criminal penalty of up to $25,000,000.

6. Possible Company-Imposed Disciplinary Actions. Officers and employees of the Company who violate this Policy may also be subject to disciplinary action by the Company, which may include, without limitation, termination of employment.

Mandatory Guidelines

7. Trading Blackout Periods. To ensure compliance with this Policy and applicable federal securities laws, and to avoid even the appearance of trading on the basis of inside information, officers, directors and all employees in the accounting and finance departments of the Company or otherwise has access to information concerning the financial performance or statements of the Company or any of its subsidiaries (collectively, "**Designated Insiders**"), Family Members of Designated Insiders and entities over which a Designated Insider has control shall, except as expressly set forth to the contrary herein, be prohibited in conducting transactions involving the purchase or sale of the Company's securities during the period commencing on the fifth calendar day before the end of any fiscal quarter or year and, in each case, ending at the close of business on the second business day following the date of public disclosure of the financial results for such fiscal quarter or year. If such public disclosure occurs on a business day before the markets close, then that day shall be considered the first business day. If such public disclosure occurs after the markets close on a business day, then the date of public disclosure shall not be considered the first business day following the date of public disclosure.

In addition to the regular blackout periods described above, the Company disclose other potentially material information by means of a press release, SEC filing on Form 8-K or other means designed to achieve widespread dissemination of the information. Trades are unlikely to be pre-cleared while the Company is in the process of assembling the information to be released and until the information has been released and fully absorbed by the market, as previously described. The Company generally will not disclose the reason for additional blackout periods, and no person made aware of the existence of any additional blackout period shall disclose the existence of the blackout period to any other person.

The Sarbanes-Oxley Act of 2002 also requires the Company to prohibit all purchases, sales or transfers of the Company's securities by directors and executive officers during a pension fund blackout period. A pension fund blackout period exists whenever 50% or more of the plan participants are unable to conduct transactions in their accounts for more than three consecutive business days. These blackout periods typically occur when there is a change in the retirement plan's trustee, record keeper or investment manager. You will be notified when these restricted trading periods are instituted.

The purpose behind the imposition of blackout periods is to help establish a diligent effort to avoid any improper transactions. Trading in the Company's securities outside a blackout period should not be considered a "safe harbor", and all employees, officers and directors and other

persons subject to this Policy should use good judgment at all times. Even outside a blackout period, any person possessing Material Nonpublic Information concerning the Company should not engage in any transactions in the Company's securities until such information has been known publicly for at least two business day after the date of announcement. Each person is individually responsible at all times for compliance with the prohibitions against insider trading.

8. Pre-clearance of Trades. The Company has determined that all officers and directors of the Company and any other officer or employee of a Company subsidiary designated by the Company's Chief Financial Officer as being subject to this Section 8 (following written notice of such designation to such person), Family Members of each of the foregoing persons, and entities controlled by any of the foregoing persons or their Family Members shall not trade in the Company's securities without first complying with the Company's "pre-clearance" process. Each person subject to the pre-clearance process must contact the Company's Chief Financial Officer not less than two business days prior to commencing any transaction in the Company's securities. This pre-clearance requirement applies to any transaction or transfer involving the Company's securities, including a stock plan transaction such as an option exercise, or a gift, transfer to a trust or any other transfer. Prior to effecting any such transaction, the transaction must have first been pre-cleared by the Company's Chief Financial Officer, even if two business days have passed since the pre-clearance request was made. For the avoidance of doubt, the Company is not under any obligation to approve a transaction submitted for pre-clearance. To facilitate the pre-clearance process, the Company has prepared a pre-clearance form, attached hereto as Exhibit A, to be completed and provided to the Company's Chief Financial Officer for his or her review.

Any person subject to this Section 8 who wishes to implement a trading plan under SEC Rule 10b5-1 must first pre-clear the plan with the Company's Chief Financial Officer. See "Rule 10b5-1 Trading Plans" below for additional information.

Certain Exceptions

9. Stock Option Exercises. The Company considers that the exercise of stock options under the Company's equity incentive plans (but not the sale of the underlying stock) to be exempt from this Policy. This Policy does apply, however, to any sale of stock as part of a broker-assisted "cashless" exercise of an option, or any market sale for the purpose of generating the cash needed to pay the exercise price of an option.

10. 401(k) Plan. Purchases of Company stock in the Company's 401(k) plan, if any, resulting from periodic contributions of money to the plan pursuant to payroll deduction elections are exempt from this Policy. This Policy does apply, however, to certain elections that may be made under the 401(k) plan, including (a) an election to increase or decrease the percentage of periodic contributions that will be allocated to the Company stock fund, if any, (b) an election to make an intra-plan transfer of an existing account balance into or out of the Company stock fund,

(c) an election to borrow money against a 401(k) plan account if the loan will result in a liquidation of some or all of a participant's Company stock fund balance and (d) an election to pre-pay a plan loan if the pre-payment will result in allocation of loan proceeds to the Company stock fund.

11. Employee Stock Purchase Plan. Purchases of Company stock in the Company's employee stock purchase plan resulting from periodic contributions of money to the plan pursuant to the elections made at the time of enrollment in the plan are exempt from this Policy. Purchases of Company stock resulting from lump sum contributions to the plan are also exempt, provided that the participant elected to participate by lump-sum payment at the beginning of the applicable enrollment period. This Policy does apply, however, to a participant's election to participate in or increase his or her participation in the plan, and to a participant's sales of Company stock purchased pursuant to the plan.

12. Dividend Reinvestment Plan. Purchases of Company stock under the Company's dividend reinvestment plan, if any, resulting from reinvestment of dividends paid on Company securities are exempt from this Policy. This Policy does apply, however, to voluntary purchases of Company stock that result from additional contributions a participant chooses to make to the plan, and to a participant's election to participate in the plan or increase his level of participation in the plan. This Policy also applies to his or her sale of any Company stock purchased pursuant to the plan.

13. Rule 10b5-1 Trading Plans. The blackout period restrictions described above do not apply to transactions under a pre-existing written plan, contract or instruction that satisfies the conditions of Rule 10b5-1, as in effect at such time ("Rule 10b5-1"), under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Each Rule 10b5-1 trading plan (and all modifications thereto) must be reviewed and approved in advance by the Chief Financial Officer of the Company and satisfy the conditions of Rule 10b5-1. Without limiting the generality of the foregoing, a person may only enter into a Rule 10b5-1 trading plan in good faith at a time when the person does not possess Material Nonpublic Information, and the person must make representations in the plan certifying as to the same. The person must also act in good faith with respect to the plan throughout its duration. In addition, Rule 10b5-1 trading plans are required to include "cooling-off periods" compliant with SEC rules and regulations. Specifically, trades under plans entered into by directors and officers may not commence until the later of: (a) 90 days after the adoption of the plan; or (b) two business days following the disclosure of the Company's financial results in a Form 10-Q for the fiscal quarter in which the plan was adopted (or a Form 10-K if the plan was adopted during the Company's fourth fiscal quarter), in any event, subject to a maximum of 120 days after the plan's adoption. Trades under plans entered into by all other persons may not commence until 30 days after the plan's adoption. Any change to the amount, price, or timing of the purchase or sale of securities under the plan (including, without limitation, a change to a written formula or algorithm, or computer program affecting these terms) shall be

deemed to constitute a termination of such plan and the adoption of a new plan, triggering the restart of the applicable "cooling-off period" described above.

Unless otherwise approved by the Chief Financial Officer of the Company in accordance with this Policy: (i) a person may not enter into, modify or terminate a Rule 10b5-1 trading plan during a blackout period; (ii) following the termination of a Rule 10b5-1 trading plan, the person must wait at least fifteen days before entering into a new Rule 10b5-1 trading plan; (iii) when a person has a Rule 10b5-1 trading plan in effect, such person shall be prohibited from buying or selling the Company's securities outside of the plan; and (iv) a person shall not be permitted to have multiple Rule 10b5-1 trading plans in operation simultaneously. In addition, no person shall be permitted to enter into more than one Rule 10b5-1 trading plan designed to effect purchases or sales of the total amount of securities subject to the plan as a single transaction in any 12-month period.

With respect to any purchase or sale under a Rule 10b5-1 trading plan, the third party effecting transactions under the plan should be instructed to send duplicate confirmations of all such transactions to the Chief Financial Officer of the Company.

The Company will be required to report in its Form 10-Qs and Form 10-Ks any adoption or termination of a Rule 10b5-1 trading plan (including any deemed termination and adoption upon a material modification of a plan, as described above) by any of the Company's directors or officers during the last fiscal quarter. Accordingly, in addition to obtaining the prior approval by the Chief Financial Officer of the Company, any director or officer who enters into or modifies or terminates a Rule 10b5-1 trading plan shall promptly notify the Company's Chief Financial Officer in writing of the effectiveness of such plan or the modification or termination thereof, as the case may be.

Section 16 Liability - Directors and Officers

Certain officers and all directors of the Company must also comply with the reporting obligations and limitations on short-swing profit transactions set forth in Section 16 of the Exchange Act. The practical effect of these provisions is that any officer or director who purchases and sells the Company's securities within a six-month period must disgorge all profits to the Company whether or not he or she had knowledge of any Material Nonpublic Information. Under these provisions, and so long as certain other criteria are met, neither the receipt of stock, restricted stock, restricted stock units or stock options under the Company's equity incentive plans, nor the exercise of options, the vesting of restricted stock units or the receipt of stock under the Company's employee stock purchase plan, dividend reinvestment plan or the Company's 401(k) retirement plan, if applicable, is deemed a purchase that can be matched against a sale for Section 16(b) short-swing profit disgorgement purposes; however, the sale of any such shares so obtained is a sale for these purposes. Moreover, no such officer or director may ever make a short sale of the Company's stock which is unlawful under Section 16(c) of the Exchange Act. **The rules on recovery of short-**

swing profits are absolute and do not depend on whether a person has Material Nonpublic Information.

Gifts

A gift of Company securities, including to a family member, family trust, or charitable organization, is subject to this Policy, including, without limitation, that gifts may not be made during a blackout period.

Publicly Traded Options

A transaction in options is, in effect, a bet on the short-term movement of the Company's stock and therefore creates the appearance that the employee, officer or director is trading based on inside information. Transactions in options also may focus the trader's attention on short-term performance at the expense of the Company's long-term objectives. Accordingly, transactions in puts, calls or other derivative securities, on an exchange or in any other organized market, are prohibited. Option positions arising from certain types of hedging transactions are governed by the section below entitled "Hedging or Monetization Transactions."

Hedging or Monetization Transactions

Certain forms of hedging or monetization transactions, such as zero-cost collars and forward sale contracts, allow an employee, officer or director to lock in much of the value of his or her stock holdings, often in exchange for all or part of the potential for upside appreciation in the stock. These transactions would allow an employee, officer or director to continue to own the covered securities, but without the full risks and rewards of ownership. When that occurs, their interests and the interests of the Company and its stockholders may be misaligned and may signal a message to the trading market that may not be in the best interests of the Company and its stockholders at the time it is conveyed. Accordingly, hedging transactions and all other forms of monetization transactions are prohibited.

Margin Accounts and Pledges

Securities held in a margin account may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Similarly, securities pledged (or hypothecated) as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. A margin sale or foreclosure sale may occur at a time when the pledgor is aware of Material Nonpublic Information or otherwise is not permitted to trade in Company securities pursuant to blackout period restrictions. Thus, employees, officers and directors are prohibited from pledging Company securities as collateral for a loan. Additionally, shares of Company stock may not be held in a margin account.

Post-Termination Transactions

This Policy continues to apply to transactions in the Company's securities even after an employee, officer or director has resigned or terminated employment. If the person who resigns or separates from the Company is in possession of Material Nonpublic Information at that time, he or she may not trade in Company securities until that information has become public by means of any authorized disclosure or is no longer material.

A Special Note to Affiliates

Affiliates of the Company are reminded that, in addition to compliance with this Policy, you are also required to comply with the provisions of Rule 144 of the Securities Act of 1933, as amended, in any sales or dispositions of Company securities. For purposes of this Policy, we will generally deem you to be an affiliate of the Company and therefore subject to Rule 144 if you are an officer, director or 10% or greater stockholder of the Company or hold the title of Executive Vice President or a higher title at any subsidiary of the Company.

Applicability of Policy to Inside Information Regarding Other Companies

This Policy and the guidelines described herein also apply to Material Nonpublic Information relating to other companies, including the Company's customers, vendors or suppliers ("**business partners**"), when that information is obtained in the course of employment with, or other services performed on behalf of, the Company. Civil and criminal penalties, and termination of employment or other disciplinary action, may result from trading on inside information regarding the Company's business partners. All directors, officers and employees should treat Material Nonpublic Information about the Company's business partners with the same care required with respect to information related directly to the Company.

Communications with the Public

The Company is subject to the SEC's Regulation FD and must avoid selective disclosure of Material Nonpublic Information. The Company seeks to release material information in a manner that is designed to achieve broad public dissemination of the information immediately upon its release. Only executive officers who have been authorized to engage in communications with the public may disclose information to the public regarding the Company and its business activities and financial affairs. The public includes, without limitation, research analysts, portfolio managers, financial and business reporters, news media and investors. In addition, because of the risks associated with the exchange of information through such communications media, employees are strictly prohibited from posting or responding to messages containing information regarding the Company on Internet "bulletin boards," Internet "chat rooms" or in similar online forums or

other social medial platforms. Employees who inadvertently disclose any Material Nonpublic Information must immediately advise the Company's Chief Financial Officer so the Company can assess its obligations under Regulation FD and other applicable securities laws.

Inquiries and Assistance; Individual Responsibility

Any person who has any questions about this Policy or about specific transactions shall direct those questions to the Company's Chief Financial Officer. However, every employee, officer and director, and other person subject to this Policy, has the individual responsibility to comply with this Policy, regardless of whether a transaction is executed outside a blackout period or is pre-cleared by the Company.

While the restrictions and procedures set forth herein are intended to help avoid inadvertent instances of improper insider trading, the ultimate responsibility for adhering to this Policy and avoiding improper transactions rests with you and, therefore, it is imperative that you use good judgment with respect to all your transactions in Company securities.

Exhibit A

EVI INDUSTRIES, INC.
PRE-CLEARANCE REQUEST FORM

To: EVI Industries, Inc. (the "Company")
Attn: Chief Financial Officer

From: [Print Name]

Re: Proposed transaction in the Company's securities

This is to advise you that the undersigned intends to execute a transaction in the Company's securities on ____________, 20_____ and thereafter until the trading window shall close and does hereby request that the Company pre-clear the transaction as required by the Company's Insider Trading Policy (the "Policy").

The general nature of the proposed transaction is as follows (use separate sheet if necessary):
____

The undersigned represents that he or she is not in possession of Material Nonpublic Information (as defined in the Policy) about the Company and will not enter into the transaction if the undersigned comes into possession of Material Nonpublic Information about the Company between the date hereof and the date on which the transaction is effected.

The undersigned has read and understands the Policy and certifies that the above proposed transaction will not violate the Policy and is subject to written approval by the Company's Chief Financial Officer even if two business days have passed since the date of this request.

The undersigned agrees to advise the Company promptly if, as a result of future developments, any of the foregoing information becomes inaccurate or incomplete in any respect. The undersigned understands that the Company may require additional information about the proposed transaction, and agrees to provide such information upon request.

Dated: _______ , 20__

Very truly yours,

____
[Print Name]

Approved on behalf of the Company on __________, 20__*

By:________________________
Name:______________________
Title: Chief Financial Officer

* To be completed by the Company's Chief Financial Officer if the transaction is approved, which decision shall be in the Company's sole discretion

EXHIBIT 21

Subsidiaries of EVI Industries, Inc.

Name of Subsidiary	State of Incorporation or Organization
Steiner Atlantic, LLC	Florida
Dryclean USA License, LLC	Florida
Dryclean USA Development, LLC	Florida
Biz Brokers International, LLC	Florida
Western State Design, Inc.	Delaware
Martin-Ray Laundry Systems, LLC	Delaware
Tri-State Technical Services, LLC	Delaware
AAdvantage Laundry Systems, LLC	Delaware
Industrial Laundry Services Equipment, LLC	Florida
Scott Equipment, LLC	Delaware
Washington Automated, LLC	Washington
WA Acquisition, LLC	Delaware
Skyline Equipment, LLC	Delaware
Worldwide Laundry, LLC	Delaware
PAC Industries, LLC	Pennsylvania
Professional Laundry Systems, LLC	Delaware
Large Equipment, LLC	Tennessee
TN Ozone, LLC	Tennessee
Commercial Laundry Equipment Company, LLC	Delaware
Yankee Equipment Systems, LLC	Delaware
Consolidated Laundry Equipment, LLC	Delaware
Central Equipment Company, LLC	Delaware
SPYNR, LLC	Delaware
Clean Designs, LLC	Delaware

EXHIBIT 23

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-208082, 333-222242 and 333-251640) of EVI Industries, Inc. (the Company) of our reports dated September 12, 2024, relating to the consolidated financial statements and the effectiveness of the Company’s internal control over financial reporting, which appear in this Annual Report on Form 10-K.

/s/ BDO USA, P.C.

Miami, Florida
September 12, 2024

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Henry M. Nahmad, certify that:

1. I have reviewed this annual report on Form 10-K of EVI Industries, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 12, 2024

/s/ Henry M. Nahmad
Henry M. Nahmad
Principal Executive Officer

EXHIBIT 31(b)

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert H. Lazar, certify that:

1. I have reviewed this annual report on Form 10-K of EVI Industries, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 12, 2024

/s/ Robert H. Lazar
Robert H. Lazar
Principal Financial Officer

EXHIBIT 32(a)

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K ofEVI Industries, Inc. (the “Company”) for the fiscal year ended June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Henry M. Nahmad, Principal Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

September 12, 2024

/s/ Henry M. Nahmad
Henry M. Nahmad
Principal Executive Officer

EXHIBIT 32(b)

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K ofEVI Industries, Inc. (the “Company”) for the fiscal year ended June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Robert H. Lazar, Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

September 12, 2024

/s/ Robert H. Lazar
Robert H. Lazar
Principal Financial Officer

EXHIBIT 97

EVI INDUSTRIES, INC.

POLICY FOR THE
RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

A. OVERVIEW

In accordance with Section 811 of the NYSE American Company Guide (and any successor or replacement section or rules of the NYSE American, or any comparable rules or regulations of any other national securities exchange or association on which the Company's Class A Common Stock or Class B Common Stock (or any other securities of the Company) may be listed from time to time) (the ***"Exchange Rules"***) and Rule 10D-1 of the Securities Exchange Act of 1934, as amended (the ***"Exchange Act"***), the Board of Directors (the ***"Board"***) of EVI Industries, Inc., a Delaware corporation (the "***Company***"), has adopted this Policy (this "***Policy***") to provide for the recovery of erroneously awarded Incentive-based Compensation from Executive Officers in accordance with the terms hereof. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in Section C below.

B. EFFECTIVE DATE; APPLICABILITY

The Company shall comply with this Policy for all Incentive-based Compensation Received by Executive Officers on or after October 2, 2023 (the "***Effective Date***"). This Policy applies to all Incentive-based Compensation Received by a person: (i) after beginning service as an Executive Officer; (ii) who served as an Executive Officer at any time during the performance period for the applicable Incentive-based Compensation; (iii) while the Company has a class of securities listed on a national securities exchange or a national securities association; and during the three completed fiscal years immediately preceding the date that the Company is required to prepare an Accounting Restatement and, if applicable, any transition period within or immediately following those three completed fiscal years that results from a change in the Company fiscal year (provided, however, that a transition period between the last day of the Company's previous fiscal year end and the first day of its new fiscal year that comprises a period of nine to twelve months would be deemed a completed fiscal year). For these purposes, the date that the Company is required to prepare an Accounting Restatement is the earlier to occur of: (a) the date that the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement, and (b) the date that a court, regulator, or other legally authorized body directs the Company to prepare an Accounting Restatement.

This Policy shall be binding and enforceable against all Executive Officers and, to the extent required by applicable law, rule or regulation, their beneficiaries, heirs, executors, administrators and other legal representatives.

For the avoidance of doubt, the Company's obligation to recover Erroneously Awarded Compensation is not dependent on if or when restated financial statements are filed.

C. CERTAIN DEFINED TERMS USED HEREIN

For purposes of this Policy, the following capitalized terms shall have the meanings set forth below.

(1) ***"Accounting Restatement"*** means an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws,

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including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

(2) ***"Erroneously Awarded Compensation"*** means, with respect to each Executive Officer in connection with an Accounting Restatement, the excess of the amount of Incentive-based Compensation subject to this Policy Received by such Executive Officer over the amount of Incentive-based Compensation that otherwise would have been Received by such Executive Officer had the Incentive-based Compensation been determined based on the restated amounts, computed without regard to any taxes paid. For Incentive-based Compensation based on the Company's stock price or total shareholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in the applicable Accounting Restatement: (i) the amount of Erroneously Awarded Compensation shall be determined by the Committee (as defined below) based on a reasonable estimate of the effect of the Accounting Restatement on the Company's stock price or total shareholder return upon which the Incentive-based Compensation was Received; and (ii) the Company shall maintain documentation of the determination of such estimate and provide the relevant documentation as required to the NYSE American (and/or other applicable national securities exchange or association).

(3) ***"Executive Officer"*** means the Company's president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president of the Company in charge of a principal business unit, division or function (such as sales, administration, or finance), any other officer who performs a policy-making function, or any other person who performs similar policymaking functions for the Company. Executive officers of the Company's parent(s), if any, or subsidiaries are deemed executive officers of the Company if they perform such policy making functions for the Company. For the avoidance of doubt, the inclusion of a person as an Executive Officer for purposes of this policy shall not, in and of itself, result in such person being deemed an executive officer of the Company for any other law, including securities law, rule, policy or purpose.

(4) ***"Financial Reporting Measures"*** means (i) measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, (ii) all other measures that are derived wholly or in part from such measures, (iii) stock price and (iv) total shareholder return. For the avoidance of doubt, a Financial Reporting Measure need not be presented in the Company's financial statements or included in a filing with the SEC.

(5) ***"Incentive-based Compensation"*** means any compensation that is granted, earned or vested based wholly or in part upon the attainment of a Financial Reporting Measure.

(6) ***"Received"*** means, with respect to any Incentive-based Compensation, actual or "deemed" receipt. For these purposes, Incentive-based Compensation shall be deemed Received in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive-based Compensation award is attained, even if the payment or grant of the Incentive-based Compensation to the Executive Officer occurs after the end of that period.

D. RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

(1) In the event of an Accounting Restatement, the Company will reasonably promptly recover the Erroneously Awarded Compensation Received as follows:

(i) Subject to Section D(2) below, after an Accounting Restatement, the Compensation Committee (if composed entirely of independent directors, or in the absence of such a committee, a majority of independent directors serving on the Board) (the ***"Committee"***), with the assistance of such advisors and other persons as it may deem necessary or advisable, shall determine the amount of any Erroneously Awarded Compensation Received by each Executive Officer and shall

promptly provide each applicable Executive Officer with a written notice setting forth (a) the amount of any Erroneously Awarded Compensation and a calculation thereof and (b) a statement requiring that the Executive Officer repay such amount to the Company in cash (unless an alternative means for satisfying the payment is permitted by applicable law, rule or regulation and mutually agreed to by the Committee and the Executive Officer) by the due date specified in such written notice (which shall be no less than ten and no more than 30 days after the date of the written notice (unless an earlier or later due date is permitted by applicable law, rule or regulation and mutually agreed to by the Committee and the Executive Officer).

(ii) To the extent that the Executive Officer has already reimbursed the Company for any Erroneously Awarded Compensation Received under any duplicative recovery obligations established by the Company or applicable law, rule or regulation, any such reimbursed amount may be credited to the amount of Erroneously Awarded Compensation that is subject to recovery under this Policy.

(iii) To the extent that an Executive Officer fails to repay all Erroneously Awarded Compensation to the Company when due, the Company shall take all actions reasonable and appropriate to recover such Erroneously Awarded Compensation from the applicable Executive Officer. The applicable Executive Officer shall be required to reimburse the Company for any and all reasonable expenses (including legal fees) incurred by the Company in recovering such Erroneously Awarded Compensation in accordance with the immediately preceding sentence.

(2) Notwithstanding anything herein to the contrary, the Company shall not be required to take the actions contemplated by Section B(1) above if the Committee determines that (a) recovery would be impracticable and (b) any of the following two conditions are met:

(i) The direct expenses paid to a third party to assist in enforcing the Policy would exceed the amount to be recovered. Before making this determination, the Company must make a reasonable attempt to recover the Erroneously Awarded Compensation, document such attempt(s) and provide such documentation to the NYSE American (and/or other applicable national securities exchange or association); or

(ii) Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of Section 401(a)(13) or Section 411(a) of the Internal Revenue Code of 1986, as amended, and regulations thereunder.

E. DISCLOSURE REQUIREMENTS

The Company shall file all disclosures with respect to this Policy in accordance with the requirements of U.S. securities laws, including the disclosure required in or by applicable SEC filings.

F. PROHIBITION ON INDEMNIFICATION; NO CONTRARY AGREEMENTS

The Company is prohibited from indemnifying any Executive Officer or former Executive Officer against the loss of Erroneously Awarded Compensation.

The Company shall not enter into any agreement that exempts any Incentive-based Compensation that is granted, paid or awarded to an Executive Officer from the application of this Policy or that waives the Company's right to recovery of any Erroneously Awarded Compensation, and this Policy shall supersede any such agreement (whether entered into before, on or after the Effective Date). Any employment agreement, equity award agreement, compensatory plan or any other agreement or arrangement with an Executive Officer (whether entered into before, on or after the Effective Date) shall be deemed to include, as a condition to the grant of any benefit thereunder, an agreement by the Executive Officer to abide by the terms of this Policy.

G. ADMINISTRATION AND INTERPRETATION

This Policy shall be administered by the Committee, and any determinations made by the Committee shall be final and binding. The Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy and for the Company's compliance with the Exchange Rules, Rule 10D-1 and any other applicable law, rule or regulation.

H. AMENDMENT

The Board may amend this Policy from time to time in its discretion and shall amend this Policy as it deems necessary.

I. OTHER RECOVERY RIGHTS

Any right of recovery under this Policy is in addition to, and not in lieu of, any other remedies or rights of recovery that may be available to the Company under applicable law, rule or regulation, or pursuant to the terms of any policy of the Company or any provision in any employment agreement, equity award agreement, compensatory plan, or other agreement or arrangement.

[Attestation and Acknowledgement of Executive Officers Follows]

ATTESTATION AND ACKNOWLEDGEMENT OF
EVI INDUSTRIES, INC.
POLICY FOR THE RECOVERY
OF ERRONEOUSLY AWARDED COMPENSATION

By my signature below, (i) I acknowledge and agree that I have received, read and understand the attached Policy for the Recovery of Erroneously Awarded Compensation (the ***"Policy"***) of EVI Industries, Inc. (the "***Company***") and (ii) I hereby agree to abide by all of the terms of the Policy both during and after my employment with the Company in accordance with the terms of the Policy, including, without limitation, by promptly repaying or returning to the Company any Erroneously Awarded Compensation (as defined in the Policy) determined in accordance with the terms of the Policy.

Signature:______________________________________

Printed Name:____________________________________

Date:____