

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

FORM 10-Q

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended December 31, 2024

OR

- 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
(State or other jurisdiction of
incorporation or organization)

11-2014231
(I.R.S. Employer
Identification No.)

4500 Biscayne Blvd., Suite 340, Miami, FL 33137
(Address of principal executive offices)

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

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

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, \$.025 par value	EVI	NYSE American

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: Common Stock, \$.025 par value per share – 12,755,642 shares outstanding as of February 4, 2025.

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

EVI Industries, Inc. and Subsidiaries
 Condensed Consolidated Statements of Operations
 (In thousands, except per share data) (Unaudited)

	For the six months ended December 31,		For the three months ended December 31,	
	2024	2023	2024	2023
Revenues	\$ 186,336	\$ 179,438	\$ 92,711	\$ 91,364
Cost of sales	129,959	127,340	65,189	64,958
Gross profit	56,377	52,098	27,522	26,406
Selling, general and administrative expenses	48,998	46,530	25,132	23,455
Operating income	7,379	5,568	2,390	2,951
Interest expense, net	1,152	1,593	670	823
Income before income taxes	6,227	3,975	1,720	2,128
Provision for income taxes	1,867	1,352	591	787
Net income	\$ 4,360	\$ 2,623	\$ 1,129	\$ 1,341
Net earnings per share – basic	\$ 0.29	\$ 0.18	\$ 0.08	\$ 0.09
Net earnings per share – diluted	\$ 0.29	\$ 0.17	\$ 0.07	\$ 0.09

See Notes to Condensed Consolidated Financial Statements

EVI Industries, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(In thousands, except as otherwise noted)

ASSETS	December 31, 2024 (Unaudited)	June 30, 2024
Current assets		
Cash	\$ 3,905	\$ 4,558
Accounts receivable, net of allowance for expected credit losses of \$2.6 million and \$2.1 million, respectively	46,663	40,932
Inventories, net	50,487	47,901
Vendor deposits	2,835	1,657
Contract assets	978	1,222
Other current assets	8,231	5,671
Total current assets	113,099	101,941
Equipment and improvements, net	14,648	13,950
Operating lease assets	8,207	8,078
Intangible assets, net	24,124	22,022
Goodwill	79,473	75,102
Other assets	9,251	9,566
Total assets	\$ 248,802	\$ 230,659

See Notes to Condensed Consolidated Financial Statements

EVI Industries, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(In thousands, except share and per share data)

LIABILITIES AND
SHAREHOLDERS' EQUITY

	December 31, 2024 (Unaudited)	June 30, 2024
Current liabilities		
Accounts payable and accrued expenses	\$ 31,240	\$ 30,904
Accrued employee expenses	10,779	11,370
Customer deposits	26,247	24,419
Current portion of operating lease liabilities	3,426	3,110
Total current liabilities	71,692	69,803
Deferred tax liabilities, net	5,537	5,498
Long-term operating lease liabilities	5,644	5,849
Long-term debt, net	27,920	12,903
Total liabilities	110,793	94,053
Commitments and contingencies (Note 11)		
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; 12,974,816 shares issued at December 31, 2024 and 12,868,709 shares issued at June 30, 2024, including shares held in treasury	324	322
Additional paid-in capital	108,857	106,540
Treasury stock, 219,905 shares at December 31, 2024 and 184,672 shares at June 30, 2024, at cost	(5,122)	(4,439)
Retained earnings	33,950	34,183
Total shareholders' equity	138,009	136,606
Total liabilities and shareholders' equity	\$ 248,802	\$ 230,659

See Notes to Condensed Consolidated Financial Statements

EVI Industries, Inc. and Subsidiaries
Condensed Consolidated Statements of Shareholders' Equity
(In thousands, except share and per share data) (Unaudited)

	Six months ended December 31, 2024							
	Common Stock		Additional Paid-in Capital	Treasury Stock		Retained Earnings	Total	
	Shares	Amount		Shares	Cost			
Balance at June 30, 2024	12,868,709	\$ 322	\$ 106,540	184,672	\$ (4,439)	\$ 34,183	\$ 136,606	
Share repurchases	—	—	—	35,233	(683)	—	(683)	
Vesting of restricted shares	102,462	2	(2)	—	—	—	—	
Issuance of shares under employee stock plan	3,645	—	56	—	—	—	56	
Amount of dividends paid (0.31 per share)	—	—	—	—	—	(4,593)	(4,593)	
Stock compensation	—	—	2,263	—	—	—	2,263	
Net income	—	—	—	—	—	4,360	4,360	
Balance at December 31, 2024	12,974,816	\$ 324	\$ 108,857	219,905	\$ (5,122)	\$ 33,950	\$ 138,009	

	Three months ended December 31, 2024							
	Common Stock		Additional Paid-in Capital	Treasury Stock		Retained Earnings	Total	
	Shares	Amount		Shares	Cost			
Balance at September 30, 2024	12,903,061	\$ 323	\$ 107,606	197,624	\$ (4,693)	\$ 32,821	\$ 136,057	
Share repurchases	—	—	—	22,281	(429)	—	(429)	
Vesting of restricted shares	68,110	1	(1)	—	—	—	—	
Issuance of shares under employee stock plan	3,645	—	56	—	—	—	56	
Stock compensation	—	—	1,196	—	—	—	1,196	
Net income	—	—	—	—	—	1,129	1,129	
Balance at December 31, 2024	12,974,816	\$ 324	\$ 108,857	219,905	\$ (5,122)	\$ 33,950	\$ 138,009	

See Notes to Condensed Consolidated Financial Statements

EVI Industries, Inc. and Subsidiaries
Condensed Consolidated Statements of Shareholders' Equity
(In thousands, except share and per share data) (Unaudited)

	Six months ended December 31, 2023							
	<i>Common Stock</i>		<i>Additional Paid-in Capital</i>	<i>Treasury Stock</i>		<i>Retained Earnings</i>	<i>Total</i>	
	<i>Shares</i>	<i>Amount</i>		<i>Shares</i>	<i>Cost</i>			
Balance at June 30, 2023	12,711,558	\$ 318	\$ 101,225	134,001	\$ (3,195)	\$ 32,608	\$ 130,956	
Share repurchases	—	—	—	45,851	(1,144)	—	(1,144)	
Vesting of restricted shares	130,773	3	(3)	—	—	—	—	
Issuances of shares under employee stock plan	2,636	—	63	—	—	—	63	
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	—	—	2,924	—	—	—	2,924	
Net income	—	—	—	—	—	2,623	2,623	
Balance at December 31, 2023	12,853,588	\$ 321	\$ 104,438	179,852	\$ (4,339)	\$ 31,160	\$ 131,580	

	Three months ended December 31, 2023							
	<i>Common Stock</i>		<i>Additional Paid-in Capital</i>	<i>Treasury Stock</i>		<i>Retained Earnings</i>	<i>Total</i>	
	<i>Shares</i>	<i>Amount</i>		<i>Shares</i>	<i>Cost</i>			
Balance at September 30, 2023	12,754,532	\$ 319	\$ 103,309	146,826	\$ (3,509)	\$ 33,890	\$ 134,009	
Share repurchases	—	—	—	33,026	(830)	—	(830)	
Vesting of restricted shares	96,420	2	(2)	—	—	—	—	
Issuances of shares under employee stock plan	2,636	—	63	—	—	—	63	
Amount of dividends paid (0.28 per share)	—	—	—	—	—	(4,071)	(4,071)	
Stock compensation	—	—	1,068	—	—	—	1,068	
Net income	—	—	—	—	—	1,341	1,341	
Balance at December 31, 2023	12,853,588	\$ 321	\$ 104,438	179,852	\$ (4,339)	\$ 31,160	\$ 131,580	

See Notes to Condensed Consolidated Financial Statements

EVI Industries, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(In thousands) (Unaudited)

	For the six months ended	
	December 31, 2024	December 31, 2023
Operating activities:		
Net income	\$ 4,360	\$ 2,623
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	3,107	3,000
Amortization of debt discount	17	17
Provision for expected credit losses	602	283
Non-cash lease expense	(18)	49
Stock compensation	2,263	2,924
Inventory reserve	647	274
Provision (benefit) for deferred income taxes	39	(19)
Other	(104)	25
(Increase) decrease in operating assets:		
Accounts receivable	(5,952)	3,910
Inventories	(518)	3,193
Vendor deposits	(1,178)	562
Contract assets	244	(2,388)
Other assets	(2,100)	1,269
(Decrease) increase in operating liabilities:		
Accounts payable and accrued expenses	(7)	(4,172)
Accrued employee expenses	(591)	104
Customer deposits	1,365	(349)
Contract liabilities	—	(447)
Net cash provided by operating activities	2,176	10,858
Investing activities:		
Capital expenditures	(2,124)	(2,376)
Cash paid for acquisitions, net of cash acquired	(10,485)	(987)
Net cash used by investing activities	(12,609)	(3,363)
Financing activities:		
Dividends paid	(4,593)	(4,071)
Proceeds from long-term debt	45,000	35,500
Debt repayments	(30,000)	(39,500)
Repurchases of common stock in satisfaction of employee tax withholding obligations	(683)	(1,144)
Issuances of common stock under employee stock purchase plan	56	63
Net cash provided (used) by financing activities	9,780	(9,152)
Net decrease in cash	(653)	(1,657)
Cash at beginning of period	4,558	5,921
Cash at end of period	\$ 3,905	\$ 4,264

See Notes to Condensed Consolidated Financial Statements

EVI Industries, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(In thousands) (Unaudited)

	For the six months ended	
	December 31, 2024	December 31, 2023
Supplemental disclosures of cash flow information:		
Cash paid during the period for interest	\$ 1,017	\$ 1,578
Cash paid during the period for income taxes	\$ 1,090	\$ 3,631
Supplemental disclosures of non-cash financing activities:		
Issuances of common stock for acquisitions	\$ —	\$ 229

See Notes to Condensed Consolidated Financial Statements

EVI Industries, Inc. and Subsidiaries
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024
(Unaudited)

Note (1) - General: The accompanying unaudited condensed consolidated financial statements include the accounts of EVI Industries, Inc. and its subsidiaries (the “Company”). All material intercompany balances and transactions have been eliminated in consolidation.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial statements and the instructions to Form 10-Q and Article 10 of Regulation S-X related to interim period financial statements. Accordingly, the accompanying unaudited condensed consolidated financial statements do not include certain information and footnotes required by GAAP for complete financial statements. However, in management’s opinion, the accompanying unaudited condensed consolidated financial statements contain all adjustments (consisting of normal recurring accruals and adjustments) which are necessary in order to state fairly the Company’s results of operations, financial position, shareholders’ equity and cash flows as of and for the periods presented. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year or any other future period. The unaudited condensed consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements and related notes, including the Summary of Significant Accounting Policies, included in the Company’s Annual Report on Form 10-K for the fiscal year ended June 30, 2024. The June 30, 2024 balance sheet information contained herein was derived from the Company’s audited consolidated financial statements as of that date included in the Company’s Annual Report on Form 10-K for the fiscal year ended June 30, 2024.

The preparation of the Company’s unaudited condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The estimates and assumptions made may not prove to be correct, and actual results could differ from the estimates.

The Company, through its wholly-owned subsidiaries, is a value-added distributor, and provides advisory and technical services. 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’s growth strategy includes organic growth initiatives and business acquisitions pursuant to the Company’s “buy-and-build” growth strategy.

Note (2) – Summary of Significant Accounting Policies: There have been no material changes to the Company’s significant accounting policies from those described in Note 2 to the Company’s audited consolidated financial statements included in the Company’s Annual Report on Form 10-K for the fiscal year ended June 30, 2024.

EVI Industries, Inc. and Subsidiaries
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024
(Unaudited)

Note (3) – Recently Issued Accounting Guidance: In November 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures (“ASU 2023-07”), which is designed 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. ASU 2023-07 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 requirements of ASU 2023-07 will be applicable to the Company beginning with the Company’s audited consolidated financial statements for the fiscal year ending June 30, 2025 to be included in the Company’s Annual Report on Form 10-K for such fiscal year. 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”), which is designed to enhance the 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 will be effective on a prospective basis, with retrospective application permitted. The Company is currently evaluating the effect 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 statements upon adoption.

Note (4) – Acquisitions:

On July 1, 2024, the Company completed the acquisition of Laundry Pro of Florida, Inc. (“LPF”), a Florida based distributor of commercial laundry products and a provider of related technical installation and maintenance services to the on-premise and vended laundry segments of the commercial laundry industry. The consideration paid by the Company in connection with the acquisition consisted of \$5.9 million in cash. The Company funded the acquisition with borrowings under its credit facility. Fees and expenses related to the acquisition of LPF, consisting primarily of legal and other professional fees, were not material and are classified as selling, general and administrative expenses in the Company’s consolidated statement of operations for the six months ended December 31, 2024.

The acquisition of LPF was treated for accounting purposes as a purchase of LPF 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 computation of the purchase price consideration and the preliminary allocation of the consideration to the net assets acquired are presented in the following table (in thousands):

EVI Industries, Inc. and Subsidiaries
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024
(Unaudited)

Allocation of purchase price consideration:

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

While, as of the date of this Quarterly Report on Form 10-Q, the Company has finalized its assessment of certain of the assets acquired and liabilities assumed, the Company is continuing its valuation of certain working capital items, including inventories, other assets and accounts payable and accrued expenses, which is subject to adjustment in accordance with the asset purchase agreement. Accordingly, the purchase price allocation set forth above reflects preliminary fair value estimates based on preliminary work and analyses performed by management and is subject to change as additional information to assist in determining the fair value of those assets as of the closing date is obtained during the post-closing measurement period of up to one year.

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

Goodwill is attributable primarily to the assembled workforce acquired, as well as benefits from the increased scale of the Company as a result of the acquisition. The goodwill from the acquisition is deductible for income tax purposes.

On November 1, 2024, the Company completed the acquisition of O'Dell Equipment & Supply, Inc. ("ODL"), an Indiana based distributor of commercial laundry products and a provider of related technical installation and maintenance services to the on-premise and vended laundry segments of the commercial laundry industry. The consideration paid by the Company in connection with the acquisition consisted of \$4.6 million in cash. The Company funded the acquisition with borrowings under its credit facility. Fees and expenses related to the acquisition of ODL, consisting primarily of legal and other professional fees, were not material and are classified as selling, general and administrative expenses in the Company's consolidated statement of operations for the three and six months ended December 31, 2024.

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

EVI Industries, Inc. and Subsidiaries
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024
(Unaudited)

Allocation of purchase price consideration:

Accounts receivable	\$	409
Inventories		1,043
Equipment and improvements		183
Intangible assets		1,750
Accounts payable and accrued expenses		(355)
Customer deposits		(307)
Total identifiable net assets		<u>2,723</u>
Goodwill		1,877
Total	\$	<u><u>4,600</u></u>

While, as of the date of this Quarterly Report on Form 10-Q, the Company has finalized its assessment of certain of the assets acquired and liabilities assumed, the Company is continuing its valuation of certain working capital items, including inventories, other assets and accounts payable and accrued expenses, which is subject to adjustment in accordance with the asset purchase agreement. Accordingly, the purchase price allocation set forth above reflects preliminary fair value estimates based on preliminary work and analyses performed by management and is subject to change as additional information to assist in determining the fair value of those assets as of the closing date is obtained during the post-closing measurement period of up to one year.

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

Goodwill is attributable primarily to the assembled workforce acquired, as well as benefits from the increased scale of the Company as a result of the acquisition. The goodwill from the acquisition is deductible for income tax purposes.

On February 1, 2025, the Company acquired Illinois-based Haiges Machinery, Inc. for total consideration of \$2.0 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.

Note (5) - 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. Basic and diluted earnings per share for the six and three months ended December 31, 2024 and 2023 are computed as follows (in thousands, except per share data):

	For the six months ended December 31,		For the three months ended December 31,	
	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Net income	\$ 4,360	\$ 2,623	\$ 1,129	\$ 1,341
Less: distributed and undistributed income allocated to unvested restricted common stock	617	336	160	172
Net income allocated to EVI Industries, Inc. shareholders	\$ 3,743	\$ 2,287	\$ 969	\$ 1,169
Weighted average shares outstanding used in basic earnings per share	12,712	12,621	12,739	12,659
Dilutive common share equivalents	412	624	443	614
Weighted average shares outstanding used in diluted earnings per share	13,124	13,245	13,182	13,273
Basic earnings per share	\$ 0.29	\$ 0.18	\$ 0.08	\$ 0.09
Diluted earnings per share	\$ 0.29	\$ 0.17	\$ 0.07	\$ 0.09

EVI Industries, Inc. and Subsidiaries
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024
(Unaudited)

During the six and three months ended December 31, 2024, other than 703,109 and 602,995 shares, respectively, of common stock subject to unvested restricted stock awards or restricted stock units, there were no potentially dilutive securities outstanding. During the six and three months ended December 31, 2023, other than 287,338 and 355,964 shares, respectively, of common stock subject to unvested restricted stock awards or restricted stock units, there were no potentially dilutive securities outstanding.

Note (6) – Debt: Long-term debt as of December 31, 2024 and June 30, 2024 are as follows (in thousands):

	December 31, 2024	June 30, 2024
Revolving credit facility	\$ 28,000	\$ 13,000
Less: unamortized discount and deferred financing costs	(80)	(97)
Total long-term debt, net	\$ 27,920	\$ 12,903

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. Pursuant to the terms of the Credit Agreement, in connection with the discontinuation of the Bloomberg Short-Term Bank Yield Index rate (the “BSBY rate”), during October 2024, the BSBY rate was replaced as the reference rate under the Credit Agreement by the Secured Overnight Financing Rate (“SOFR”) plus a SOFR adjustment ranging from a minimum of 0.11% to a maximum of 0.43%. As a result, borrowings (other than swingline loans) under the Credit Agreement now bear interest, at a rate, at the Company’s election at the time of borrowing, equal to (a) SOFR plus 0.11% to 0.43%, plus an additional adjustment margin that ranges between 1.25% and 1.75% depending on the Company’s consolidated leverage ratio, which is a ratio of consolidated funded indebtedness to consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) (the “Consolidated Leverage Ratio”) or (b) the highest of (i) prime, (ii) the federal funds rate plus 50 basis points, and (iii) SOFR plus 100 basis points (such highest rate, the “Base Rate”), plus a margin that ranges between 0.25% and 0.75% depending on the Consolidated Leverage Ratio. Swingline loans generally bear interest at the Base Rate plus a margin that ranges between 0.25% and 0.75% depending on the Consolidated Leverage Ratio. The maturity date of the Credit Agreement is May 6, 2027. As of December 31, 2024, the Company had approximately \$28.0 million of outstanding borrowings under the Credit Agreement, which accrued interest at a weighted average rate of 5.88%.

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 December 31, 2024, the Company was in compliance with its covenants under the Credit Agreement and \$58.4 million was available to borrow under the revolving credit facility.

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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.

Note (7) - Leases:

Company as Lessee

As of December 31, 2024, the Company had 34 facilities, consisting of warehouse facilities and administrative offices, financed under operating leases with lease term expirations between 2025 and 2030. Operating lease cost consists of monthly rental payments under the terms of the Company's lease agreements recognized on a straight-line basis. Short-term lease costs were not material during the six or three months ended December 31, 2024 or 2023.

The following table provides details of the Company's future minimum lease payments under operating lease liabilities recorded on the Company's condensed consolidated balance sheet as of December 31, 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,	Total Operating Lease Obligations (in thousands)
2025 (remainder of)	\$ 1,908
2026	3,452
2027	2,114
2028	1,086
2029	374
Thereafter	778
Total minimum lease payments	9,712
Less: amounts representing interest	642
Present value of minimum lease payments	9,070
Less: current portion	3,426
Long-term portion	\$ 5,644

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

	Six months ended December 31,		Three months ended December 31,	
	2024	2023	2024	2023
Operating lease cost				
Operating lease cost (1)	\$ 1,897	\$ 2,036	\$ 941	\$ 1,035
Variable lease cost (2)	2,488	2,218	705	1,143
Total lease cost	\$ 4,385	\$ 4,254	\$ 1,646	\$ 2,178

(1) Expenses are classified as selling, general and administrative expenses in the Company's condensed consolidated statements of operations.

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- (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 condensed consolidated statements of operations.

The table below presents lease-related terms and discount rates as of December 31, 2024:

	December 31, 2024
Weighted average remaining lease terms	
Operating leases	3.3 years
Weighted average discount rate	
Operating leases	3.65 %

The table below presents supplemental cash flow information related to the Company's long-term operating lease liabilities for the six months ended December 31, 2024 and 2023 (in thousands):

	Six months ended December 31,	
	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:	\$ 1,897	\$ 2,036
Operating lease right-of-use assets obtained in exchange for operating lease liabilities:	\$ 1,781	\$ 3,095

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 from 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):

<i>Fiscal years ending June 30,</i>	Total Minimum Lease Payments Receivable	Amortization of Unearned Income	Net Investment in Sales Type Leases
2025 (remainder of)	\$ 2,723	\$ 1,769	\$ 954
2026	4,538	2,942	1,596
2027	3,603	2,191	1,412
2028	2,571	1,413	1,158
2029	1,634	789	845
Thereafter	1,811	869	942
			\$ 6,907*

* Excludes residual values of \$2.8 million.

The total net investments in sales type leases, including stated residual values, was \$9.7 million as of both December 31, 2024 and June 30, 2024. The current portion of \$1.6 million and \$1.7 million is included in other current assets in the condensed consolidated balance sheets as of December 31, 2024 and June 30, 2024, respectively, and the long term portion of \$8.1 million and \$8.0 million is included in other assets in the condensed consolidated balance sheets as of December 31, 2024 and June 30, 2024, respectively.

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Note (8) - Income Taxes: Income taxes are recorded in the Company's quarterly financial statements based on the Company's estimated annual effective income tax rate, subject to adjustment for discrete events, should they occur.

The Company's effective tax rate was 30.0% and 34.4% for the six and three-month periods ended December 31, 2024, respectively, and 34.0% and 37.0% for the six and three-month periods ended December 31, 2023, respectively. The decreases in the effective tax rate are attributable to a decrease in the net impact of permanent book-tax differences resulting primarily from nondeductible compensation.

As of December 31, 2024 and June 30, 2024, the Company had net deferred tax liabilities of approximately \$5.5 million. Consistent with the guidance of the FASB regarding accounting for income taxes, the Company regularly estimates its ability to recover deferred tax assets and establishes a valuation allowance against deferred tax assets to reduce the balance to amounts expected to be recoverable. This evaluation includes the consideration of several factors, including an estimate of the likelihood of generating sufficient taxable income in future periods over which temporary differences reverse, the expected reversal of deferred tax liabilities, past and projected taxable income, and available tax planning strategies. As of December 31, 2024, management believed that it was more-likely-than-not that the results of future operations will generate sufficient taxable income to realize the amount of the Company's deferred tax assets over the periods during which temporary differences reverse.

The Company follows ASC Topic 740-10-25, "Accounting for Uncertainty in Income Taxes" ("ASC 740"). ASC 740 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The Company's accounting for income taxes in accordance with this standard did not result in a material adjustment to the Company's provision for income taxes during the three or six months ended December 31, 2024 or 2023.

On August 16, 2022, the Inflation Reduction Act of 2022 (the "IR Act") was signed into federal law. The IR Act includes the largest-ever U.S. investment committed to combat climate change, allocating \$369 billion to energy security and clean energy programs over 10 years, including provisions incentivizing manufacturing of clean energy equipment. Starting on January 1, 2023, the IR Act imposed a 15% alternative minimum tax (AMT) on corporations with book income in excess of \$1 billion and a 1% federal excise tax on certain stock repurchases. The Company is not expected to be subject to the new AMT requirements, and the 1% federal excise tax imposed by the IR Act is not expected to have a significant impact on the Company's financial statements.

As of December 31, 2024, the Company was subject to potential federal and state tax examinations for the tax years including and subsequent to 2020.

Note (9) – Equity Plans and Dividends:

Equity Incentive Plan

In November 2015, the Company's 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 to 3,000,000 shares. During December 2024, the Company's stockholders approved an amendment to the Plan to, among other things, further increase the number of shares of the Company's common stock authorized for issuance pursuant to awards granted under the Plan to 3,500,000 shares. The fair value of awards granted under the Plan is expensed on a straight-line basis over the vesting period of the awards. Stock compensation expense is included in selling, general and administrative expenses in the Company's condensed consolidated statements of operations.

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During the six months ended December 31, 2024, there were 263,974 restricted stock awards and 100,449 restricted stock units granted under the Plan. During the three months ended December 31, 2024, there were 75,605 restricted stock units granted under the Plan. No restricted stock awards were granted under the Plan during the three months ended December 31, 2024. During the six and three months ended December 31, 2023, 175,801 restricted stock awards and 79,218 restricted stock units were granted under the Plan. There were no restricted stock awards forfeited during either the six or three months ended December 31, 2024 or 2023. There were 2,016 and 1,911 restricted stock units forfeited during the six and three months ended December 31, 2024, respectively. There were 20,485 and 7,952 restricted stock units forfeited during the six and three months ended December 31, 2023, respectively.

For the six and three months ended December 31, 2024, non-cash stock compensation expense related to awards granted under the Plan totaled \$2.3 million and \$1.2 million, respectively. For the six and three months ended December 31, 2023, non-cash stock compensation expense related to awards granted under the Plan totaled \$2.9 million and \$1.1 million, respectively. Included within the non-cash stock compensation expense for the six months ended December 31, 2023 is a \$1.2 million expense related to the acceleration of the 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.

As of December 31, 2024, the Company had \$24.0 million and \$11.3 million of total unrecognized compensation expense related to restricted stock awards and restricted stock units, respectively, granted under the Plan, which is expected to be recognized over the weighted-average period of 12.3 years and 9.61 years, respectively.

The following is a summary of non-vested restricted stock activity as of, and for the six months ended, December 31, 2024:

	Restricted Stock Awards		Restricted Stock Units	
	Shares	Weighted-Average Grant Date Fair Value	Shares	Weighted-Average Grant Date Fair Value
Non-vested awards or units outstanding at June 30, 2024	1,295,824	\$ 21.06	548,524	\$ 24.20
Granted	263,974	16.10	100,449	18.45
Vested	(73,227)	24.17	(29,235)	26.12
Forfeited	—	—	(2,016)	12.14
Non-vested awards or units outstanding at December 31, 2024	1,486,571	\$ 20.03	617,722	\$ 23.21

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 the six and three months ended December 31, 2024, 3,645 shares of common stock were issued under the ESPP for which the Company received net proceeds of \$56,000. During the six and three months ended December 31, 2023, 2,636 shares of common stock were issued under the ESPP for which the Company received net proceeds of \$63,000.

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Dividends

The declaration and payment of cash dividends on the Company's common stock is determined by the Company's Board of Directors based on the Company's financial condition and results, including, but not limited to, cash flow generated by operations and profitability, the Company's prospects and liquidity needs, and other factors deemed relevant by the Company's Board of Directors.

The Company has not historically paid regular dividends on its common stock. However, the Company has from time to time paid special cash dividends on its common stock.

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 (an aggregate of \$4.6 million), which was paid on October 7, 2024 to stockholders of record at the close of business on September 26, 2024.

The payment of dividends, if any, in the future will be in the discretion of the Company's Board of Directors, as described above. The payment of dividends may also 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 2 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 Company's 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.

Note (10) – 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 those 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 was \$19,000 per month. The Company also exercised its option to renew the lease for the second three-year renewal term, which commenced in October 2024. Base rent for the second renewal term is \$21,000 per month. In addition to base rent, Western State Design is responsible under the lease for costs related to real estate taxes, utilities, maintenance, repairs and insurance. Payments under the lease totaled approximately \$118,000 and \$114,000 during the six months ended December 31, 2024 and 2023, respectively, and \$61,000 and \$57,000 during the three months ended December 31, 2024 and 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, which commenced in November 2023. Base rent for the first renewal term is \$40,000 per month. Payments under the lease totaled approximately \$240,000 and \$224,000 during the six months ended December 31, 2024 and 2023, respectively, and \$120,000 and \$116,000 during the three months ended December 31, 2024 and 2023, respectively.

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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, which commenced in November 2023. Base rent for the first year of the renewal term was \$12,500 per month. Base rent for the second year of the renewal term is \$12,750 per month. Payments under this lease totaled approximately \$76,000 and \$74,000 during the six months ended December 31, 2024 and 2023, respectively, and \$38,000 and \$36,000 during the three months ended December 31, 2024 and 2023, respectively.

Note (11) – 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. Outstanding performance bonds totaled \$1.2 million at December 31, 2024 and June 30, 2024.

The Company may from time to time become subject to, or involved in, litigation and other legal proceedings. Litigation and other legal 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 legal proceedings are inherently uncertain, and adverse outcomes in litigation or other legal proceedings could adversely affect the Company's financial condition, cash flows, and operating results.

Note (12) – Goodwill: The changes in the carrying amount of goodwill are as follows (in thousands):

Balance at June 30, 2024	\$	75,102
Goodwill from acquisition (1)		4,267
Working capital adjustments (2)		104
Balance at December 31, 2024	\$	79,473

(1) Relates to the acquisitions of LPF and ODL, which were consummated during the six months ended December 31, 2024, as described in Note 4, "Acquisitions."

(2) Represents working capital adjustments related to the acquisitions of ALCO Washer Center and Ed Brown Distributors, each of which was consummated by the Company during the fiscal year ended June 30, 2024.

Item 2. Management’s Discussion and Analysis of Financial Conditions and Results of Operations.

Forward Looking Statements

Certain statements in this Quarterly Report on Form 10-Q are “forward looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. When used in this Quarterly Report on Form 10-Q, 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; 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 and optimization 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 depository 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 in the Company's filings with the Securities and Exchange Commission (the "SEC"), including, without limitation, in the "Risk Factors" section of the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2024. 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.

Company Overview

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

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

The Company's operating expenses consist primarily of (a) selling, general and administrative expenses, which are comprised primarily of 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, other expenses associated with being a public company, and expenses in furtherance of the Company's "buy-and-build" growth strategy.

Growth Strategy

During 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 Company generally seeks to structure acquisitions to include both cash and stock consideration. Acquisitions are effected through a wholly-owned subsidiary which acquires the business or assets of the acquired company, whether by an asset purchase or merger, and operates 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. As described in greater detail in Note 4 to the unaudited condensed consolidated financial statements included in Item 1 of this Quarterly Report on Form 10-Q, on July 1, 2024, the Company acquired Florida-based Laundry Pro of Florida, Inc. (“LPF”) for total consideration of \$5.9 million in cash and, on November 1, 2024, the Company acquired Indiana-based O’Dell Equipment & Supply, Inc. (“ODL”) for total consideration of \$4.6 million in cash. The financial position, including assets and liabilities, of LPF and ODL are included in the Company’s consolidated balance sheet as of December 31, 2024 and the results of operations of LPF and ODL since the respective closing dates of the acquisitions of such companies are included in the Company’s consolidated financial statements for the six and three months ended December 31, 2024. On February 1, 2025, the Company acquired Illinois-based Haiges Machinery, Inc. for total consideration of \$2.0 million in cash. The financial position, including assets and liabilities, and results of operations of Haiges Machinery, Inc. following the February 1, 2025 closing date of the acquisition will be included in the Company’s consolidated financial statements commencing in the quarter ending March 31, 2025.

The “build” component of the Company’s “buy-and-build” growth 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 pursues market share growth using a variety of strategies aimed at increasing the installed base of the wide range of commercial laundry equipment the Company represents. Certain market share growth tactics may, from time to time, result in lower gross margins. However, the Company believes that a greater installed base of equipment strengthens the Company’s existing customer relationships and may lead to increases in the total number of customers, consequently creating a larger and stronger customer base to which the Company may sell products and services. These may include the sale or provision of certain higher margin products and services and any additional products and services which the Company may offer or sell from time to time as a result of any business acquisitions, the sale or lease of complementary products, and expansion of its service operations. From time to time, the Company also enters into longer-term contracts, including to fulfill large complex laundry projects for divisions of the federal government, where the nature of, and competition for, such contracts may result in a lower gross margin as compared to other equipment sales. Despite the potential for a lower gross margin from such longer-term contracts, the Company believes that the long-term benefit from the increase in its installed equipment will outweigh the possible short-term impact to gross margin.

Further, as a value-added distributor and a provider of technical services in the commercial laundry industry, the Company partners with its customers to plan, design, install, and maintain their commercial laundry operations. The nature of the Company’s business not only requires an experienced and well-trained sales organization to procure customer orders, but also requires proper, timely, and cost-effective installation ranging from single units of equipment to complex multimillion dollar laundry systems. Such installations also require coordination and collaboration with the Company’s customers and any third parties they may retain. Consequently, the recognition of revenue may from time to time be impacted by delays in construction and/or the preparation of customer facilities for the installation of purchased commercial laundry equipment and systems. This may result in decreased revenue and profit in a current period but a source of future revenue and profit through the ultimate fulfillment of the orders.

Recent Accounting Pronouncements

Refer to Note 3 to the unaudited condensed consolidated financial statements included in Item 1 of this Quarterly Report on Form 10-Q for a description of *Recently Issued Accounting Guidance*.

Results of Operations

Six and Three-Month Period Ended December 31, 2024 Compared to the Six and Three-Month Period Ended December 31, 2023

Revenues

Revenues for the six and three-month periods ended December 31, 2024 increased \$6.9 million, or 4%, and \$1.3 million, or 1%, respectively, compared to the same periods of the prior fiscal year. The increases in revenue were primarily attributable to price increases established throughout the Company's product lines and service offerings aimed at maintaining or increasing margins to cover incremental product and operating costs, as well as the revenues generated by the businesses acquired by the Company during fiscal 2023 and the six-month period ended December 31, 2024.

Gross Profit

Gross profit for the six and three-month periods ended December 31, 2024 increased \$4.3 million, or 8%, and \$1.1 million, or 4%, respectively, compared to the same periods of the prior fiscal year. The increases were primarily the result of the increased revenues described above. Gross margins slightly increased from 29.0% for the six-month period ended December 31, 2023 to 30.3% for the six-month period ended December 31, 2024 and from 28.9% for the three-month period ended December 31, 2023 to 29.7% for the three-month period ended December 31, 2024, primarily due to more favorable product and customer mix in the current periods.

Selling, General and Administrative Expenses

Operating expenses increased \$2.5 million, or 5%, and \$1.7 million, or 7%, for the six and three-month periods ended December 31, 2024, respectively, compared to the same periods of the prior fiscal year. The increases were primarily attributable 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 selling costs, including commissions, from increases in commissionable revenues during the current periods, and (c) increases in other expenses such as technology costs, insurance costs, and professional fees.

Interest Expense, Net

Interest expense for the six and three-month periods ended December 31, 2024 was \$1.2 million and \$670,000, respectively, compared to \$1.6 million and \$823,000 for the six and three-month periods ended December 31, 2023, respectively. The decreases in interest expense were attributable primarily to decreases in the average outstanding balance and the effective interest rate incurred on outstanding borrowings.

Income Taxes

The Company's effective tax rate was 30.0% and 34.4% for the six and three-month periods ended December 31, 2024, respectively, compared to 34.0% and 37.0% for the six and three-month periods ended December 31, 2023, respectively. The decreases in the effective tax rate are attributable to a decrease in the net impact of permanent book-tax differences resulting primarily from nondeductible compensation.

Net Income

Net income for the six and three-month periods ended December 31, 2024 was \$4.4 million and \$1.1 million, respectively, compared to net income of \$2.6 million and \$1.3 million for the six and three-month periods ended December 31, 2023, respectively. The increase in net income for the six months ended December 31, 2024 was attributable to the increases in revenue and gross profit, partially offset by increased operating expenses, while the decrease in net income for the three months ended December 31, 2024 was attributable to increases in operating expenses, partially offset by higher gross profit, all as described in further detail above.

Consolidated Financial Condition

The Company's total assets increased from \$230.7 million at June 30, 2024 to \$248.8 million at December 31, 2024. The increase in total assets was primarily attributable to an increase in current assets, including inventory, other current assets, vendor deposits, and accounts receivable, as described under "Liquidity and Capital Resources - Working Capital" below. The increase in total assets was also attributable to an increase in intangible assets and goodwill resulting from acquisitions during the six months ended December 31, 2024. The Company's total liabilities increased from \$94.1 million at June 30, 2024 to \$110.8 million at December 31, 2024, which was primarily attributable to an increase in long-term debt.

Liquidity and Capital Resources

For the six-month period ended December 31, 2024, cash decreased by approximately \$0.7 million compared to a decrease of approximately \$1.7 million during the six-month period ended December 31, 2023. The Company's primary sources of cash are sales 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.

Working Capital

Working capital increased from \$32.1 million at June 30, 2024 to \$41.4 million at December 31, 2024, primarily reflecting increases in accounts receivable related to increased sales and the timing of customer payments, increases in inventory primarily due to the inventory of acquired businesses, increases in vendor deposits for future sales, and increases in prepaid expenses, such as insurance, partially offset by increases in customer deposits related to future sales.

Cash Flows

The following table summarizes the Company's cash flow activity for the six months ended December 31, 2024 and 2023 (in thousands):

	Six Months Ended December 31,	
	2024	2023
Net cash provided (used) by:		
Operating activities	\$ 2,176	\$ 10,858
Investing activities	\$ (12,609)	\$ (3,363)
Financing activities	\$ 9,780	\$ (9,152)

The individual items contributing to cash flow changes for the periods presented are detailed in the unaudited condensed consolidated statements of cash flows included in Item 1 of this Quarterly Report on Form 10-Q.

Operating Activities

For the six months ended December 31, 2024, operating activities provided cash of \$2.2 million compared to \$10.9 million of cash provided by operating activities during the six months ended December 31, 2023. This \$8.7 million decrease in cash provided by operating activities was primarily attributable to changes in working capital partially offset by an increase in net income. The changes in working capital include decreases in cash provided by operating activities from changes in operating assets such as accounts receivable, inventories, contract assets, prepaid expenses, and vendor deposits, partially offset by increases to the cash provided by operating activities from changes in accounts payable, contract assets, and customer deposits.

Investing Activities

Net cash used in investing activities increased \$9.2 million to \$12.6 million during the six months ended December 31, 2024 compared to \$3.4 million during the six months ended December 31, 2023. Cash paid for acquisitions increased \$9.5 million and capital expenditures decreased \$252,000 during the six months ended December 31, 2024 compared to the six months ended December 31, 2023.

Financing Activities

For the six months ended December 31, 2024, financing activities provided cash of \$9.8 million compared to \$9.2 million of cash used by financing activities during the six months ended December 31, 2023. This \$19.0 million increase in cash provided by financing activities was primarily attributable to an increase in debt borrowings of \$9.5 million and a decrease in debt payments of \$9.5 million during the six months ended December 31, 2024 compared to the six months ended December 31, 2023.

Revolving Credit Agreement

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. Pursuant to the terms of the Credit Agreement, in connection with the discontinuation of the Bloomberg Short-Term Bank Yield Index rate (the "BSBY rate"), during October 2024, the BSBY rate was replaced as the reference rate under the Credit Agreement by the Secured Overnight Financing Rate ("SOFR") plus a SOFR adjustment ranging from a minimum of 0.11% to a maximum of 0.43%. As a result, borrowings (other than swingline loans) under the Credit Agreement now bear interest, at a rate, at the Company's election at the time of borrowing, equal to (a) SOFR plus 0.11% to 0.43%, plus an additional adjustment margin that ranges between 1.25% and 1.75% depending on the Company's consolidated leverage ratio, which is a ratio of consolidated funded indebtedness to consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) (the "Consolidated Leverage Ratio") or (b) the highest of (i) prime, (ii) the federal funds rate plus 50 basis points, and (iii) SOFR plus 100 basis points (such highest rate, the "Base Rate"), plus a margin that ranges between 0.25% and 0.75% depending on the Consolidated Leverage Ratio. Swingline loans generally bear interest at the Base Rate plus a margin that ranges between 0.25% and 0.75% depending on the Consolidated Leverage Ratio. 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 December 31, 2024, the Company was in compliance with its covenants under the Credit Agreement and \$58.4 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 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 and thereafter. The Company may also seek to raise funds through the issuance of equity and/or debt securities in public or private transactions 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.

Inflation

Inflation did not have a significant effect on the Company's results during any of the reported periods. 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 those 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 was \$19,000 per month. The Company also exercised its option to renew the lease for the second three-year renewal term, which commenced in October 2024. Base rent for the second renewal term is \$21,000 per month. In addition to base rent, Western State Design is responsible under the lease for costs related to real estate taxes, utilities, maintenance, repairs and insurance. Payments under the lease totaled approximately \$118,000 and \$114,000 during the six months ended December 31, 2024 and 2023, respectively, and \$61,000 and \$57,000 during the three months ended December 31, 2024 and 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, which commenced in November 2023. Base rent for the first renewal term is \$40,000 per month. Payments under the lease totaled approximately \$240,000 and \$224,000 during the six months ended December 31, 2024 and 2023, respectively, and \$120,000 and \$116,000 during the three months ended December 31, 2024 and 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, which commenced in November 2023. Base rent for the first year of the renewal term was \$12,500 per month. Base rent for the second year of the renewal term is \$12,750 per month. Payments under this lease totaled approximately \$76,000 and \$74,000 during the six months ended December 31, 2024 and 2023, respectively, and \$38,000 and \$36,000 during the three months ended December 31, 2024 and 2023, respectively.

Critical Accounting Estimates

In connection with the preparation of its financial statements, the Company makes estimates and assumptions, including those that affect the reported amounts of assets and liabilities, contingent assets and liabilities, and 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 policies that the Company has identified as critical to its business operations and to an understanding of the Company's financial statements remain unchanged from those described in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2024.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

The Company's indebtedness subjects the Company to interest rate risk. Interest rates are subject to the influence of economic conditions generally, both domestic and foreign, and also to the monetary and fiscal policies of the United States and its agencies, particularly the Federal Reserve. The nature and timing of any changes in such policies or general economic conditions and the effect they may have on the Company are unpredictable. The Company's indebtedness may also have other important impacts on the Company, including that the Company will be required to utilize cash flow to service its debt, indebtedness may make the Company more vulnerable to economic downturns, and the Company's indebtedness subjects the Company to covenants and may place restrictions on its operations and activities, including its ability to pay dividends and take certain other actions. As of December 31, 2024, interest on borrowings under the Company's Credit Agreement accrued at a rate, at the Company's election at the time of borrowing, equal to (a) SOFR plus 0.11% to 0.43%, plus an additional adjustment margin that ranges between 1.25% and 1.75% depending on the Company's consolidated leverage ratio, which is a ratio of consolidated funded indebtedness to consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) (the "Consolidated Leverage Ratio") or (b) the highest of (i) prime, (ii) the federal funds rate plus 50 basis points, and (iii) SOFR plus 100 basis points (such highest rate, the "Base Rate"), plus a margin that ranged between 0.25% and 0.75% depending on the Consolidated Leverage Ratio. Swingline loans generally bear interest at the Base Rate plus a margin that ranges between 0.25% and 0.75% depending on the Consolidated Leverage Ratio. As of December 31, 2024, the Company had approximately \$28.0 million of outstanding borrowings under the Credit Agreement with a weighted average interest rate of 5.88%. Based on the amount outstanding at December 31, 2024, a hypothetical 1% increase in daily interest rates would increase the Company's annual interest expense by approximately \$280,000.

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 December 31, 2024 or June 30, 2024.

The Company's cash is maintained in bank accounts which bear interest at prevailing interest rates. While depositary accounts are covered by 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 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

The Company maintains 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")) designed to ensure that information required to be disclosed in reports filed or submitted by the Company under the Exchange Act is recorded, processed, summarized and reported within time periods specified in the SEC's rules and forms and is accumulated and communicated to management, including the Company's principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. As of the end of the period covered by this Quarterly Report on Form 10-Q, 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 disclosure controls and procedures. Based on that evaluation, the Company's principal executive officer and principal financial officer concluded that, as of December 31, 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.

Changes in Internal Control over Financial Reporting

During the quarter ended December 31, 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.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, the Company is involved in, or subject to, legal and regulatory claims, proceedings, demands or actions arising in the ordinary course of business. There have been no material changes with respect to such matters from the disclosure included in the "Legal Proceedings" section of the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2024.

Item 1A. Risk Factors

There have been no material changes in the risk factors that the Company faces from those disclosed in the "Risk Factors" section of the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2024.

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

The Company does not have in place any formal share repurchase plan or program. Upon request by a recipient of awards granted under the Company's equity incentive plan, the Company may issue shares upon the vesting of restricted stock awards or restricted stock units or the grant of stock awards net of the statutory tax 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. The following table provides information concerning shares of the Company's common stock treated as repurchased during the quarter ended December 31, 2024 in connection with the issuance of shares upon the vesting of restricted stock awards or restricted stock units net of statutory tax withholding requirements:

Period	Total Number of Shares Purchased	Average Price Per Share	Total Number of Shares Purchased as a Part of Publicly Announced Programs	Maximum Number of Shares That May Yet Be Purchased Under the Program
October 1 – October 31, 2024	17,816	\$ 19.35	—	—
November 1 – November 30, 2024	3,810	18.72	—	—
December 1 – December 31, 2024	655	18.81	—	—
Total	<u>22,281</u>	\$ 19.23	<u>—</u>	<u>—</u>

During the quarter ended December 31, 2024, the Company did not repurchase any shares other than shares treated as repurchased upon the vesting of restricted stock awards or restricted stock units net of statutory tax withholding requirements as described and set forth above.

Item 5. Other Information.

During the quarter ended December 31, 2024, none of the Company's directors or officers (as defined in Rule 16a-1 under the Exchange Act) adopted or terminated a Rule 10b5-1 trading plan or a non-Rule 10b5-1 trading arrangement (as defined in Item 408(a) of Regulation S-K).

Item 6. Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
*10.01	<u>EVI Industries, Inc. 2015 Equity Incentive Plan, as Amended (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on December 13, 2024)</u>
*31.01	<u>Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
*31.02	<u>Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
+32.01	<u>Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
+32.02	<u>Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
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

* Filed with this Quarterly Report on Form 10-Q.

+ Furnished with this Quarterly Report on Form 10-Q.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: February 10, 2025

EVI Industries, Inc.

By: /s/ Robert H. Lazar
Robert H. Lazar
Chief Financial Officer

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 quarterly report on Form 10-Q 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
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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: February 10, 2025

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

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 quarterly report on Form 10-Q 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
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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: February 10, 2025

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

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 Quarterly Report on Form 10-Q of EVI Industries, Inc. (the "Company") for the quarter ended December 31, 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.

February 10, 2025

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

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 Quarterly Report on Form 10-Q of EVI Industries, Inc. (the "Company") for the quarter ended December 31, 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.

February 10, 2025

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