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 June 28, 2025

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 0-7087

ASTRONICS CORPORATION
(Exact name of registrant as specified in its charter)

New York **(State or other jurisdiction of incorporation or organization)**	**16-0959303** **(IRS Employer Identification Number)**
130 Commerce Way, East Aurora, New York **(Address of principal executive offices)**	**14052** **(Zip code)**

(716) 805-1599

(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, $.01 par value per share	ATRO	The NASDAQ Stock Market LLC

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

NOT APPLICABLE
(Former name, former address and former fiscal year, if changed since last report)

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, 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 (Section 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 definition of “large accelerated filer”, “accelerated filer”, “non-accelerated filer”, “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐	Accelerated filer ☒	Emerging growth company ☐
Non-accelerated filer ☐	Smaller Reporting 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 ☒

As of August 1, 2025, 35,406,237 shares of common stock were outstanding consisting of31,073,829 shares of common stock ($.01 par value) and4,332,408 shares of Class B common stock ($.01 par value).

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Part I – Financial Information

Item 1. Financial Statements

ASTRONICS CORPORATION
Consolidated Condensed Balance Sheets
June 28, 2025 with Comparative Figures for December 31, 2024
(Unaudited)
(In thousands)

	June 28, 2025	December 31, 2024
Current Assets:		
Cash and Cash Equivalents	$ 13,460	$ 9,285
Restricted Cash	—	9,143
Accounts Receivable, Net of Allowance for Estimated Credit Losses	187,270	191,446
Inventories	194,311	199,741
Prepaid Expenses and Other Current Assets	23,668	16,557
Total Current Assets	418,709	426,172
Property, Plant and Equipment, Net of Accumulated Depreciation	83,207	80,687
Operating Right-of-Use Assets	32,025	23,609
Other Assets	7,917	7,763
Intangible Assets, Net of Accumulated Amortization	46,687	52,477
Goodwill	58,143	58,056
Total Assets	$ 646,688	$ 648,764
Current Liabilities:		
Accounts Payable	$ 45,969	$ 42,960
Current Operating Lease Liabilities	5,041	4,697
Accrued Expenses and Other Current Liabilities	59,712	81,004
Customer Advance Payments and Deferred Revenue	27,161	27,491
Total Current Liabilities	137,883	156,152
Long-term Debt	159,276	168,669
Long-term Operating Lease Liabilities	31,494	20,508
Other Liabilities	46,464	47,338
Total Liabilities	375,117	392,667
Shareholders' Equity:		
Common Stock	381	380
Accumulated Other Comprehensive Loss	(1,404)	(3,863)
Other Shareholders' Equity	272,594	259,580
Total Shareholders' Equity	271,571	256,097
Total Liabilities and Shareholders' Equity	$ 646,688	$ 648,764

See notes to Consolidated Condensed Financial Statements.

ASTRONICS CORPORATION
Consolidated Condensed Statements of Operations
Three and Six Months Ended June 28, 2025 with Comparative Figures for 2024
(Unaudited)
(In thousands, except per share data)

	Six Months Ended		Three Months Ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Sales	$ 410,614	$ 383,188	$ 204,678	$ 198,114
Cost of Products Sold	296,938	280,106	151,851	142,546
Gross Profit	113,676	103,082	52,827	55,568
Research and Development Expenses	22,639	27,537	11,572	14,214
Selling, General and Administrative Expenses	73,142	66,329	36,497	33,804
Income from Operations	17,895	9,216	4,758	7,550
Other (Income) Expense, Net	(377)	871	(190)	435
Interest Expense, Net of Interest Income	6,247	11,615	3,097	5,856
Income (Loss) Before Income Taxes	12,025	(3,270)	1,851	1,259
Provision for (Benefit from) Income Taxes	1,183	(1,625)	537	(274)
Net Income (Loss)	$ 10,842	$ (1,645)	$ 1,314	$ 1,533
Earnings (Loss) Per Share:				
Basic	$ 0.31	$ (0.05)	$ 0.04	$ 0.04
Diluted	$ 0.30	$ (0.05)	$ 0.04	$ 0.04

See notes to Consolidated Condensed Financial Statements.

ASTRONICS CORPORATION

Consolidated Condensed Statements of Comprehensive Income (Loss)

Three and Six Months Ended June 28, 2025 with Comparative Figures for 2024

(Unaudited)

(In thousands)

	Six Months Ended		Three Months Ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Net Income (Loss)	$ 10,842	$ (1,645)	$ 1,314	$ 1,533
Other Comprehensive Income (Loss):				
Foreign Currency Translation Adjustments	2,931	(924)	2,179	(168)
Retirement Liability Adjustment – Net of Tax	(472)	562	(236)	281
Total Other Comprehensive Income (Loss)	2,459	(362)	1,943	113
Comprehensive Income (Loss)	$ 13,301	$ (2,007)	$ 3,257	$ 1,646

See notes to Consolidated Condensed Financial Statements.

ASTRONICS CORPORATION
Consolidated Condensed Statements of Cash Flows
Six Months Ended June 28, 2025 with Comparative Figures for 2024
(Unaudited)
(In thousands)

	Six Months Ended	
	June 28, 2025	June 29, 2024
Cash Flows from Operating Activities:		
Net Income (Loss)	$ 10,842	$ (1,645)
Adjustments to Reconcile Net Income (Loss) to Cash Flows from Operating Activities:		
Non-cash items:		
Depreciation and Amortization	10,966	12,531
Amortization of Deferred Financing Fees	1,214	1,695
Provisions for Non-cash Losses on Inventory and Receivables	2,941	2,415
Equity-based Compensation Expense	3,902	4,642
Deferred Tax Benefit	(1,125)	—
Operating Lease Non-cash Expense	3,174	2,562
Simplification Initiative-related Non-cash Charges	6,229	—
Non-Cash 401K Contribution and Quarterly Bonus Accrual	—	3,454
Non-Cash Annual Stock Bonus Accrual	—	1,448
Other	(601)	1,827
Changes in Operating Assets and Liabilities Providing (Using) Cash:		
Accounts Receivable	5,803	(15,281)
Inventories	(1,498)	(11,398)
Accounts Payable	2,957	(4,661)
Accrued Expenses	(17,064)	9,255
Customer Advance Payments and Deferred Revenue	(859)	(4,280)
Income Taxes	(10,505)	(4,487)
Operating Lease Liabilities	(2,302)	(2,447)
Supplemental Retirement Plan Liabilities	(202)	(209)
Other Assets and Liabilities	(864)	356
Net Cash from Operating Activities	13,008	(4,223)
Cash Flows from Investing Activities:		
Capital Expenditures	(6,710)	(3,394)
Net Cash from Investing Activities	(6,710)	(3,394)
Cash Flows from Financing Activities:		
Proceeds from Long-term Debt	1,143	15,392
Principal Payments on Long-term Debt	(11,143)	(9,498)
Stock Award Activity	(1,730)	(3,172)
Financing-related Costs	(740)	(1,837)
Other	(76)	(80)
Net Cash from Financing Activities	(12,546)	805
Effect of Exchange Rates on Cash	1,280	(109)
Decrease in Cash and Cash Equivalents and Restricted Cash	(4,968)	(6,921)
Cash and Cash Equivalents and Restricted Cash at Beginning of Period	18,428	11,313
Cash and Cash Equivalents and Restricted Cash at End of Period	$ 13,460	$ 4,392
Supplemental Disclosure of Cash Flow Information		
Interest Paid	$ 2,967	$ 9,909
Income Taxes Paid, Net of Refunds	$ 12,848	$ 2,526

See notes to Consolidated Condensed Financial Statements.

ASTRONICS CORPORATION

Consolidated Condensed Statements of Shareholders' Equity

Three and Six Months Ended June 28, 2025 with Comparative Figures for 2024

(Unaudited)

(In thousands)

	Six Months Ended		Three Months Ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Common Stock				
Beginning of Period	$ 329	$ 314	$ 333	$ 318
Net Shares Issued to Fund Bonus Obligations	—	3	—	1
Net Issuance of Common Stock for Restricted Stock Units ("RSUs")	1	1	—	—
Class B Stock Converted to Common Stock	7	2	4	1
End of Period	337	320	337	320
Convertible Class B Stock				
Beginning of Period	51	59	48	58
Class B Stock Converted to Common Stock	(7)	(2)	(4)	(1)
End of Period	44	57	44	57
Additional Paid in Capital				
Beginning of Period	144,149	129,544	144,764	134,066
Equity-based Compensation Expense and Net Exercise of Stock Options, including ESPP	3,902	4,642	1,557	1,840
Gross Shares Issued to Fund Bonus Obligations	—	6,281	—	2,107
Tax Withholding Related to Issuance of RSUs and Shares for Bonus Obligations	(1,730)	(3,177)	—	(723)
End of Period	146,321	137,290	146,321	137,290
Accumulated Comprehensive Loss				
Beginning of Period	(3,863)	(9,426)	(3,347)	(9,901)
Foreign Currency Translation Adjustments	2,931	(924)	2,179	(168)
Retirement Liability Adjustment – Net of Taxes	(472)	562	(236)	281
End of Period	(1,404)	(9,788)	(1,404)	(9,788)
Retained Earnings				
Beginning of Period	192,208	209,753	201,736	205,899
Net Income (Loss)	10,842	(1,645)	1,314	1,533
Reissuance of Treasury Shares for 401K Contribution	—	(1,330)	—	(654)
End of Period	203,050	206,778	203,050	206,778
Treasury Stock				
Beginning of Period	(76,777)	(80,726)	(76,777)	(78,717)
Net Issuance to Fund 401K Obligation	—	3,949	—	1,940
End of Period	(76,777)	(76,777)	(76,777)	(76,777)
Total Shareholders' Equity	$ 271,571	$ 257,880	$ 271,571	$ 257,880

See notes to Consolidated Condensed Financial Statements.

ASTRONICS CORPORATION

Consolidated Condensed Statements of Shareholders' Equity, Continued

Three and Six Months Ended June 28, 2025 with Comparative Figures for 2024

(Unaudited)

(In thousands)

	Six Months Ended		Three Months Ended	
(Shares)	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Common Stock				
Beginning of Period	32,871	31,402	33,301	31,832
Net Shares Issued to Fund Bonus Obligations	—	218	—	74
Net Issuance of Common Stock for RSUs	143	114	—	7
Class B Stock Converted to Common Stock	729	290	442	111
End of Period	33,743	32,024	33,743	32,024
Convertible Class B Stock				
Beginning of Period	5,086	5,952	4,799	5,773
Class B Stock Converted to Common Stock	(729)	(290)	(442)	(111)
End of Period	4,357	5,662	4,357	5,662
Treasury Stock				
Beginning of Period	2,694	2,833	2,694	2,762
Net Shares Issued to Fund 401K Obligation	—	(139)	—	(68)
End of Period	2,694	2,694	2,694	2,694

See notes to Consolidated Condensed Financial Statements.

ASTRONICS CORPORATION
Notes to Consolidated Condensed Financial Statements
June 28, 2025
(Unaudited)

1) Basis of Presentation

The accompanying unaudited statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments, consisting of normal recurring accruals, considered necessary for a fair presentation have been included.

Operating Results

The results of operations for any interim period are not necessarily indicative of results for the full year. Operating results for the six months ended June 28, 2025, are not necessarily indicative of the results that may be expected for the year ending December 31, 2025.

The balance sheet on December 31, 2024, has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by U.S. GAAP for complete financial statements.

For further information, refer to the Consolidated Financial Statements and the notes thereto included in Astronics Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2024, filed with the Securities and Exchange Commission ("SEC") on March 5, 2025 (the "2024 10-K").

Description of the Business

Astronics Corporation ("Astronics" or the "Company") is a leading provider of advanced technologies to the global aerospace, defense, and electronics industries. Our products and services include advanced, high-performance electrical power generation, distribution and seat motion systems, lighting and safety systems, avionics products, systems and certification, aircraft structures and automated test systems.

We have principal operations in the United States ("U.S."), Canada and France, as well as engineering offices in Ukraine and India.

The Company has two reportable segments, Aerospace and Test Systems. The Aerospace segment designs and manufactures products for the global aerospace and defense industry. Our Test Systems segment designs, develops, manufactures and maintains automated test systems that support the aerospace and defense, communications and mass transit industries as well as training and simulation devices for both commercial and military applications.

Restricted Cash

Under the provisions of the ABL Revolving Credit Facility (as defined and discussed below in Note 7, Long-term Debt and Notes Payable), the Company has a cash dominion arrangement with the banking institution for its accounts within the United States whereby daily cash receipts are contractually utilized to pay down outstanding balances, if any, on the ABL Revolving Credit Facility. Account balances that have not yet been applied to the ABL Revolving Credit Facility are classified as restricted cash in the accompanying Consolidated Condensed Balance Sheets. The following table provides a reconciliation of cash and restricted cash included in Consolidated Condensed Balance Sheets to the amounts included in the Consolidated Condensed Statements of Cash Flows.

(In thousands)	June 28, 2025	June 29, 2024
Cash and Cash Equivalents	$ 13,460	$ 2,857
Restricted Cash	—	1,535
Total Cash and Restricted Cash Shown in Statements of Cash Flows	$ 13,460	$ 4,392

Trade Accounts Receivable and Contract Assets

The allowance for estimated credit losses is based on the Company's assessment of the collectability of customer accounts. The Company regularly reviews the allowance by considering factors such as the age of the receivable balances, historical experience, credit quality, current economic conditions, and reasonable and supportable forecasts of future economic conditions that may affect a customer's ability to pay.

The changes in allowances for estimated credit losses for the three and six months ended June 28, 2025 and June 29, 2024 consisted of the following:

	Six Months Ended		Three Months Ended	
(In thousands)	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Balance at Beginning of the Period	$ 2,377	$ 9,193	$ 2,291	$ 8,596
Bad Debt Expense, Net of Recoveries	(105)	398	23	312
Write-off Charges Against the Allowance and Other Adjustments	(1,430)	(8,096)	(1,472)	(7,413)
Balance at End of the Period	$ 842	$ 1,495	$ 842	$ 1,495

Write-offs in the three and six months ended June 29, 2024 include $7.5 million of accounts receivable related with a non-core contract manufacturing customer, which was reserved for in 2023.

On February 4, 2025, the Company entered into a factoring agreement with Citibank, N.A. under which we can sell certain receivables resulting from sales to a certain customer. The arrangement is designed to provide the Company with an immediate cash advance on eligible receivables, up to a limit of $45.0 million per year, as restricted by the terms of our ABL Revolving Credit Facility. The Company did not utilize the factoring agreement during the three and six months ended June 28, 2025.

Simplification Initiatives

In the second quarter of 2025, the Company initiated simplification activities in the Aerospace segment, including costs related to footprint rationalization and portfolio shaping. Restructuring charges, including impairments of inventory and other long-lived assets, were recorded as a result of these simplification initiatives. In the three and six months ended June 28, 2025, the Company recorded $5.8 million and $0.4 million in simplification initiative charges to Cost of Products Sold and Selling, General and Administrative Expenses, respectively, in the accompanying Consolidated Condensed Statements of Operations.

Research and Development Expenses

Research and development costs are expensed as incurred and include salaries, benefits, consulting, material costs, and depreciation. During the first quarter of 2025, the Company changed its financial statement presentation of research and development costs. These costs were previously included within Cost of Products Sold and were a factor in arriving at Gross Profit. Research and development expenses, which amounted to $14.2 million and $27.5 million for the three and six months ended June 29, 2024, respectively, have been reclassified from Cost of Products Sold to a separate line item below Gross Profit in the accompanying Consolidated Condensed Statements of Operations. All periods presented have been revised to reflect this presentation.

Valuation of Goodwill and Long-Lived Assets

The Company tests goodwill at the reporting unit level on an annual basis or more frequently if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount.

Long-lived assets are evaluated for recoverability whenever adverse effects or changes in circumstances indicate that the carrying value may not be recoverable. The recoverability test consists of comparing the undiscounted projected cash flows with the carrying amount. Should the carrying amount exceed undiscounted projected cash flows, an impairment loss would be recognized to the extent the carrying amount exceeds fair value.

As of June 28, 2025 and June 29, 2024, the Company concluded that no indicators of impairment relating to intangible assets or goodwill existed and an interim test was not performed in the six-month periods then ended.

Foreign Currency Translation

The aggregate foreign currency transaction gain or loss included in operations was immaterial for the three and six months ended June 28, 2025 and June 29, 2024.

New or Recent Accounting Pronouncements

We consider the applicability and impact of all ASUs. There have been no new applicable accounting pronouncements or changes in accounting pronouncements during the three months ended June 28, 2025 as compared with the recent accounting pronouncements described in the 2024 10-K. ASUs not disclosed were assessed and determined to be either not applicable or had or are expected to have minimal impact on our financial statements and related disclosures.

2) Revenue

On June 28, 2025, we had $645.4 million of remaining performance obligations, which we refer to as total backlog. We expect to recognize approximately $481.3 million of our outstanding performance obligations as revenue over the next twelve months and the balance thereafter.

The Company's contract assets and contract liabilities consist primarily of costs and profits in excess of billings and billings in excess of cost and profits, respectively.The following table presents the beginning and ending balances of contract assets and contract liabilities:

(In thousands)	Contract Assets		Contract Liabilities	
Beginning Balance, January 1, 2025	$	54,171	$	28,171
Ending Balance, June 28, 2025	$	50,213	$	27,823

The decrease in contract assets reflects $8.3 million in revisions of estimated costs to complete certain long-term mass transit Test contracts, which was recorded during the six months ended June 28, 2025, partially offset by the net impact of new revenue recognized in excess of billings exceeding billing of previously unbilled revenue during the period. The revisions resulted in reduced revenue recognized during the six months ended June 28, 2025 due to lower estimates of the percentage of work completed on the programs. The decrease in contract liabilities reflects the net impact of revenue recognized in excess of new customer advances or deferred revenues recorded.

The Company recognized $9.9 million and $9.0 million during the three months ended and $17.8 million and $15.2 million during the six months ended June 28, 2025 and June 29, 2024, respectively, in revenues that were included in the contract liability balance at the beginning of the period.

The Company recognizes an asset for certain, material costs to fulfill a contract if it is determined that the costs relate directly to a contract or an anticipated contract that can be specifically identified, generate or enhance resources that will be used in satisfying performance obligations in the future, and are expected to be recovered. Such costs are amortized on a systematic basis that is consistent with the transfer to the customer of the goods to which the asset relates. Start-up costs are expensed as incurred. Capitalized fulfillment costs are included in Inventories in the accompanying Consolidated Condensed Balance Sheets. Should future orders not materialize or it is determined the costs are no longer probable of recovery, the capitalized costs are written off. The Company's capitalized fulfillment costs amounted to $ 5.7 million and $8.3 million on June 28, 2025 and December 31, 2024, respectively. Amortization of fulfillment costs recognized within Cost of Products Sold was $ 0.1 million and $2.7 million for the three months and $3.4 million and $3.0 million for the six months ended June 28, 2025 and June 29, 2024, respectively.

The following table presents our revenue disaggregated by Market Segments as follows:

	Six Months Ended				Three Months Ended			
(In thousands)	June 28, 2025		June 29, 2024		June 28, 2025		June 29, 2024	
Aerospace Segment								
Commercial Transport	$	283,115	$	249,829	$	145,573	$	128,399
Military Aircraft		60,696		41,860		27,433		24,781
General Aviation		33,613		38,566		18,370		19,015
Other		7,577		10,326		2,250		4,748
Aerospace Total		385,001		340,581		193,626		176,943
Test Systems Segment								
Government & Defense		25,613		42,607		11,052		21,171
Test Systems Total		25,613		42,607		11,052		21,171
Total	$	410,614	$	383,188	$	204,678	$	198,114

The following table presents our revenue disaggregated by Product Lines as follows:

(In thousands)	Six Months Ended June 28, 2025	Six Months Ended June 29, 2024	Three Months Ended June 28, 2025	Three Months Ended June 29, 2024
Aerospace Segment				
Electrical Power & Motion	$ 195,246	$ 173,452	$ 95,166	$ 90,328
Lighting & Safety	102,670	88,241	52,999	46,454
Avionics	65,284	54,565	37,050	28,971
Systems Certification	7,904	7,812	2,836	3,364
Structures	6,320	6,185	3,325	3,078
Other	7,577	10,326	2,250	4,748
Aerospace Total	385,001	340,581	193,626	176,943
Test Systems	25,613	42,607	11,052	21,171
Total	$ 410,614	$ 383,188	$ 204,678	$ 198,114

3) Inventories

Inventories consisted of the following:

(In thousands)	June 28, 2025	December 31, 2024
Finished Goods	$ 28,276	$ 27,941
Work in Progress	34,395	31,927
Raw Material	131,640	139,873
	$ 194,311	$ 199,741

The Company recorded a $5.8 million reduction in inventory in the three and six months ended June 28, 2025 in connection with simplification initiatives as further discussed in Note 1, Basis of Presentation.

4) Property, Plant and Equipment

Property, Plant and Equipment consisted of the following:

(In thousands)	June 28, 2025	December 31, 2024
Land	$ 8,664	$ 8,551
Buildings and Improvements	72,968	72,150
Machinery and Equipment	130,119	125,874
Construction in Progress	7,415	3,997
Total Property, Plant and Equipment, Gross	219,166	210,572
Less Accumulated Depreciation	135,959	129,885
Total Property, Plant and Equipment, Net	$ 83,207	$ 80,687

5) Intangible Assets

The following table summarizes acquired intangible assets as follows:

		June 28, 2025		December 31, 2024	
(In thousands)	Weighted Average Life	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Patents	11 years	$ 2,146	$ 2,146	$ 2,146	$ 2,146
Non-compete Agreement	4 years	11,082	11,082	11,082	11,082
Trade Names	10 years	11,473	10,448	11,380	10,351
Completed and Unpatented Technology	9 years	47,977	44,154	47,818	42,617
Customer Relationships	15 years	142,357	100,518	142,065	95,818
Total Intangible Assets	13 years	$ 215,035	$ 168,348	$ 214,491	$ 162,014

All acquired intangible assets other than goodwill and one trade name are being amortized. Amortization expense for acquired intangibles is summarized as follows:

	Six Months Ended		Three Months Ended	
(In thousands)	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Amortization Expense	$ 5,920	$ 6,539	$ 2,945	$ 3,269

Amortization expense for acquired intangible assets expected for 2025 and for each of the next five years is summarized as follows:

(In thousands)	
2025	$ 10,944
2026	$ 9,533
2027	$ 7,825
2028	$ 7,037
2029	$ 5,664
2030	$ 3,583

6) Goodwill

The following table summarizes the changes in the carrying amount of goodwill for the six months ended June 28, 2025:

(In thousands)	December 31, 2024	Foreign Currency Translation	June 28, 2025
Aerospace	$ 36,421	$ 87	$ 36,508
Test Systems	21,635	—	21,635
	$ 58,056	$ 87	$ 58,143

7) Long-term Debt and Notes Payable

The Company amended its asset-based revolving credit facility (the “ABL Revolving Credit Facility”) on July 11, 2024, by entering into the Seventh Amended and Restated Credit Agreement, which set the maximum aggregate amount that the Company can borrow pursuant to the revolving credit line at $200.0 million, with borrowings subject to a borrowing base determined primarily by inventory, accounts receivable, machinery and equipment and real estate.

On November 25, 2024, the Company entered into a second amendment to the ABL Revolving Credit Facility which increased the maximum aggregate amount that the Company can borrow pursuant to the ABL Revolving Credit Facility to $220.0 million from $200.0 million. The maturity date of borrowings under the ABL Revolving Credit Facility is July 11, 2027. The Company and the applicable lenders also agreed in a separate first amendment to increase the amount of unsecured indebtedness the Company is permitted to incur under the ABL Revolving Credit Facility, subject to completion of the Convertible Notes offering (discussed below).

Under the terms of the ABL Revolving Credit Facility, the Company pays interest on the unpaid principal amount of the ABL Revolving Credit Facility at a rate equal to SOFR plus a term SOFR adjustment in the amount of 0.10% per annum (which collectively shall be at least 1.00%) plus an applicable margin ranging from 2.75% to 3.25% determined based upon the Company’s Excess Availability (as defined in the ABL Revolving Credit Facility). The Company is required to pay a quarterly commitment fee under the ABL Revolving Credit Facility on undrawn revolving credit commitments in an amount equal to 0.25% or 0.375% based on the Company’s average excess availability under the ABL Revolving Credit Facility. On June 28, 2025, there was no balance outstanding on the ABL Revolving Credit Facility and there remained $197.8 million available for future borrowings, before our minimum excess availability requirement discussed below. The amount available for future borrowings as of June 28, 2025, is net of $2.3 million in outstanding letters of credit.

Pursuant to the ABL Revolving Credit Facility, the Company is subject to a minimum fixed charge coverage ratio of 1.10 to 1.00. The Company is also required to maintain a minimum excess availability of the greater of 10% of the borrowing base under the ABL Revolving Credit Facility, or $15.0 million. As of June 28, 2025, the Company was in compliance with these covenants.

On December 3, 2024, the Company issued $165.0 million aggregate principal amount of 5.500% Convertible Senior Notes due 2030 (the “Convertible Notes”), which amount includes the additional Convertible Notes issued pursuant to the initial purchasers’ full exercise of their option to purchase additional Convertible Notes. The Convertible Notes bear interest at a rate of 5.500% per annum, payable semi-annually in arrears on March 15 and September 15 of each year, beginning on March 15, 2025. The Convertible Notes will mature on March 15, 2030, unless earlier converted, redeemed or repurchased. The initial conversion rate is 43.6814 shares of common stock per $1,000 principal amount of Convertible Notes, which represent the initial conversion price of $22.89 per share. The Convertible Notes are convertible at the option of the holders at any time on or after December 15, 2029, until the close of business on the second scheduled trading day immediately preceding the maturity date. Upon conversion, the Company will satisfy its conversion obligations by paying and/or delivering, as the case may be, cash, shares of its common stock or a combination of cash and shares of its common stock, at its election. Beginning March 20, 2028, if the Company’s stock price has been at least 130% of the conversion price for a specified period of time, the Convertible Notes may be called at the option of the issuer. After the first quarter of 2025, if the Company’s stock price has been at least 130% of the conversion price for 20 of 30 trading days ending on and including the last trading day of the immediately preceding quarter, the Convertible Notes may be redeemed at the option of the holder. During the fiscal quarter ended June 28, 2025, our stock price met the price trigger defined above, and therefore, holders of our Convertible Notes may convert their notes at their option at any time during our third fiscal quarter ended September 27, 2025. The fair value of the Convertible Notes was approximately $284.0 million and $176.9 million as of June 28, 2025 and December 31, 2024, respectively, based on quoted prices for these instruments in active markets, and is classified as a Level 1 measurement within the fair value hierarchy.

Interest expense was $3.1 million and $5.9 million for the three months ended and $6.2 million and $11.6 million for the six months ended June 28, 2025 and June 29, 2024, respectively. The Company entered into a $90.0 million Term Loan Facility on January 19, 2023, and paid interest at a rate equal to SOFR (which was required to be at least 2.50%) plus 8.75%. The Company refinanced its credit facilities on July 11, 2024, and repaid in full all outstanding indebtedness under the previous term loan dated January 19, 2023.

Debt issuance cost amortization expense was $0.6 million and $0.9 million for the three months ended and $1.2 million and $1.7 million for the six months ended June 28, 2025 and June 29, 2024, respectively. All costs are amortized to interest expense over the term of the respective agreement. Unamortized deferred debt issuance costs associated with the ABL Revolving Credit Facility ($2.4 million and $3.0 million as of June 28, 2025 and December 31, 2024, respectively) are recorded within Other Assets and those associated with the Convertible Notes ($5.7 million and $6.3 million as of June 28, 2025 and December 31, 2024, respectively) are recorded as a reduction of the carrying value of the debt on the Consolidated Condensed Balance Sheets.

Certain of the Company’s subsidiaries are borrowers under the ABL Revolving Credit Facility and the assets of such subsidiaries also secure the obligations under the ABL Revolving Credit Facility. In the event of voluntary or involuntary bankruptcy of the Company or any subsidiary, all unpaid principal and other amounts owing under the credit facilities automatically become due and payable. Other events of default, such as failure to make payments as they become due and breach of financial and other covenants, change of control, cross default under other material debt agreements, and a going concern qualification for any reason other than loan maturity date give the agent the option to declare all such amounts immediately due and payable.

8) Product Warranties

In the ordinary course of business, the Company warrants its products against defects in design, materials, and workmanship typically over periods ranging from twelve to sixty months. The Company determines warranty reserves needed by product line based on experience and current facts and circumstances.

Activity in the warranty accrual, which is included in Accrued Expenses and Other Current Liabilities on the Consolidated Condensed Balance Sheets, is summarized as follows:

	Six Months Ended		Three Months Ended	
(In thousands)	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Balance at Beginning of Period	$ 18,081	$ 9,751	$ 17,611	$ 10,522
Warranties Issued	3,401	3,301	2,494	1,812
Warranties Settled	(2,928)	(1,702)	(1,608)	(956)
Reassessed Warranty Exposure	459	(47)	516	(75)
Balance at End of Period	$ 19,013	$ 11,303	$ 19,013	$ 11,303

9) Income Taxes

The effective tax rates were approximately 29.0% and (21.8)% for the three months ended and 9.8% and 49.7% for the six months ended June 28, 2025 and June 29, 2024, respectively. Beginning with the 2022 tax year, certain research and development costs are required to be capitalized and amortized over sixty months for income tax purposes. The tax rate in the 2025 period was impacted by a valuation allowance applied against the deferred tax asset associated with the research and development costs that are expected to be capitalized and was partially offset by the removal of valuation allowances related to net operating losses and certain timing differences that are expected to reverse during 2025. In addition, the tax rate in the 2025 period was also impacted by state income taxes and the federal research and development credit expected for 2025 and a discrete adjustment to reverse certain federal and state deferred tax liabilities.

The Company records a valuation allowance against the deferred tax assets if and to the extent it is more likely than not that the Company will not recover the deferred tax assets. In evaluating the need for a valuation allowance, the Company weighs all relevant positive and negative evidence, and considers among other factors, historical financial performance, projected future taxable income, scheduled reversals of deferred tax liabilities, the overall business environment, and tax planning strategies. After considering the losses in recent periods and cumulative pre-tax losses in the three-year period ending with the current year, the Company determined that projections of future taxable income could not be relied upon as a source of income to realize its deferred tax assets. However, the Company is relying on a significant portion of its existing deferred tax liabilities for the realizability of deferred tax assets. Accordingly, during the years ended December 31, 2024 and 2023, the Company determined that a portion of its deferred tax assets were not expected to be realizable in the future and the Company continues to maintain the valuation allowance against its deferred tax assets as of June 28, 2025.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was signed into law in the United States. The OBBBA permanently extends and modifies significant provisions enacted in 2017 as part of the Tax Cuts and Jobs Act ("TCJA") that were originally set to expire at the end of 2025. In addition, the OBBBA makes changes to certain U.S. corporate tax provisions, many of which are not in effect until 2026. Changes in tax laws may affect recorded deferred tax assets and deferred tax liabilities and our effective tax rate in the future and the Company is currently evaluating the impacts of the new legislation.

10) Earnings Per Share

The following table sets forth the computation of basic earnings per share:

	Six months ended		Three months ended	
(In thousands, except per share amounts)	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Basic Earnings per Common Share:				
Net Income (Loss) - Basic	$ 10,842	$ (1,645)	$ 1,314	$ 1,533
Weighted Average Shares - Basic	35,347	34,936	35,406	35,007
Basic Earnings per Common Share	$ 0.31	$ (0.05)	$ 0.04	$ 0.04

The following table sets forth the computation of diluted net income (loss) per share:

	Six months ended		Three months ended	
(In thousands, except per share amounts)	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Diluted Earnings per Common Share:				
Net Income (Loss) - Diluted	$ 10,842	$ (1,645)	$ 1,314	$ 1,533
Weighted Average Shares - Basic	35,347	34,936	35,406	35,007
Net Effect of Dilutive Stock Awards	712	—	962	540
Weighted Average Shares - Diluted	36,059	34,936	36,368	35,547
Diluted Earnings per Common Share	$ 0.30	$ (0.05)	$ 0.04	$ 0.04

The Company includes the dilutive effect of shares issuable upon conversion of its Convertible Notes in the calculation of diluted income per share using the if-converted method. The Company has the option for the Convertible Notes to settle the conversion value in any combination of cash or shares, and as such, the maximum number of shares issuable are included in the dilutive share count if the effect would be dilutive. The Company excluded all impacts of the Convertible Notes from the computation of diluted earnings per share as the effect would be anti-dilutive.

Stock options with exercise prices greater than the average market price of the underlying common shares are excluded from the computation of diluted earnings per share because they are out-of-the-money and the effect of their inclusion would be anti-dilutive. The Company incurred a net loss for the six months ended June 29, 2024, therefore all outstanding stock options and unvested restricted stock units were excluded from the computation of diluted loss per share because the effect of their inclusion would be anti-dilutive. The number of common shares excluded from the computation was approximately 399,000 shares as of June 28, 2025 and 1,072,000 shares as of June 29, 2024.

11) Shareholders' Equity

Share Buyback Program

The Company's Board of Directors from time to time authorizes the repurchase of common stock, which allows the Company to purchase shares of its common stock in accordance with applicable securities laws on the open market or through privately negotiated transactions. The Company has the capacity under the currently authorized program to repurchase additional shares of its common stock with a maximum dollar value of $41.5 million.

At-the-Market Equity Offering

On August 8, 2023, the Company initiated an at-the-market equity offering program (the "ATM Program") for the sale from time to time of shares of the Company's common stock, par value $0.01 per share, having an aggregate offering price of up to $30.0 million. During the three and six months ended June 28, 2025 and June 29, 2024, the Company did not sell any shares of our common stock under the ATM Program. As of June 28, 2025, the Company had remaining capacity under the ATM Program to sell shares of common stock having an aggregate offering price up to approximately $8.2 million.

Comprehensive Income (Loss) and Accumulated Other Comprehensive Loss

The components of accumulated other comprehensive loss are as follows:

(In thousands)	June 28, 2025	December 31, 2024
Foreign Currency Translation Adjustments	$ (5,291)	$ (8,222)
Retirement Liability Adjustment – Before Tax	1,605	2,077
Tax Benefit of Retirement Liability Adjustment	2,282	2,282
Retirement Liability Adjustment – After Tax	3,887	4,359
Accumulated Other Comprehensive Loss	$ (1,404)	$ (3,863)

The components of other comprehensive income (loss) are as follows:

	Six Months Ended		Three Months Ended	
(In thousands)	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Foreign Currency Translation Adjustments	$ 2,931	$ (924)	$ 2,179	$ (168)
Retirement Liability Adjustments:				
Reclassifications to Selling, General and Administrative Expenses:				
Amortization of Prior Service Cost	193	193	97	96
Amortization of Net Actuarial (Gains) Losses	(665)	369	(333)	185
Retirement Liability Adjustment	(472)	562	(236)	281
Other Comprehensive Income (Loss)	$ 2,459	$ (362)	$ 1,943	$ 113

12) Sales to Major Customers

The loss of major customers or a significant reduction in business with a major customer would significantly, and negatively impact our sales and earnings. In the three and six months ended June 28, 2025, the Company had no major customers over 10% of consolidated sales. In the three and six months ended June 29, 2024, the Company had one major customer over 10% of consolidated sales primarily in the Aerospace segment. Sales to the Boeing Company ("Boeing") accounted for 11.7% and 11.2% of consolidated sales in the three and six months ended June 29, 2024.

13) Legal Proceedings

One of the Company's subsidiaries is involved in numerous patent infringement actions brought by Lufthansa Technik AG ("Lufthansa") in Germany, the United Kingdom ("UK") and France. The Company is vigorously defending all such litigation and proceedings. Additional information about these legal proceedings can be found in Note 19, Legal Proceedings, to the Consolidated Financial Statements in Item 8, Financial Statements and Supplementary Data, in the 2024 10-K.

The reserve for the German indirect claim and interest was approximately $17.3 million at June 28, 2025 and $17.1 million on December 31, 2024. The Company currently believes it is unlikely that the damages in the German indirect proceedings and related interest will be paid within the next twelve months. Therefore, the liability related to this matter is classified within Other Liabilities (non-current) in the Consolidated Condensed Balance Sheets at June 28, 2025 and December 31, 2024.

In the matter before the UK High Court of Justice, Lufthansa had pleaded its case for monetary compensation at a separate trial which was conducted in October 2024. Both the Company and Lufthansa submitted to the UK High Court of Justice calculations of the estimated profits derived from the reports of the parties' respective financial experts. The account of profits trial judgment was published on February 21, 2025 by the court in the amount of $11.9 million. Such amount was recorded as a liability in the Company's Consolidated Financial Statements as of December 31, 2024. Following a consequential hearing on March 20, 2025, the amount was adjusted upwards by $0.5 million related to the resolution of a provisional item.

There was a further consequential hearing on May 16, 2025 which addressed applications concerning interest on the ordered damages, permission to appeal the court's findings in these matters, as well as the issue of reimbursement of legal fees in the damages phase of the litigation. The Company was ordered to make payments of $5.7 million in relation to interest and $3.5 million for partial reimbursement of Lufthansa's legal costs. The interest amount was recorded in the first quarter, while the legal cost reimbursement was recorded in the second quarter. Both of these items are reflected within Selling, General and Administrative Expenses in the Company's Consolidated Condensed Statement of Operations.

During the three months ended June 28, 2025, the Company made payments totaling $21.6 million, in satisfaction of the liabilities for damages, interest and provisional legal fee reimbursement.

Both the Company and Lufthansa have been granted permission to appeal the rulings by the UK High Court of Justice. The appeals are scheduled to be heard by the UK Court of Appeal in March 2026.

A liability for reimbursement of Lufthansa's legal expenses associated with the UK matter, exclusive of the damages phase, was approximately $1.0 million at June 28, 2025 and December 31, 2024, which is expected to be paid within the next twelve months and, as such, is classified in Accrued Expenses and Other Current Liabilities in the accompanying Consolidated Condensed Balance Sheets as of June 28, 2025 and December 31, 2024.

With respect to the proceeding in France, as previously disclosed, on December 4, 2020, the Court held the French patent invalid for all asserted claims. Lufthansa appealed this judgment. The appeal hearing took place on December 8, 2022, and on

February 24, 2023, the Court upheld the first instance judgment in favor of AES. Lufthansa lodged an appeal before the French Supreme Court. A decision from this Court was rendered on March 19, 2025, remanding the case to the Court of Appeal of Paris for reconsideration of the invalidity of Lufthansa's French patent. A second trial on nullity is scheduled on October 28, 2026 and a ruling by the Court of Appeal of Paris on nullity is not expected before early first quarter 2027. As loss exposure is not probable and estimable at this time, the Company has not recorded any liability with respect to the French matter as of June 28, 2025 or December 31, 2024.

There were no other significant developments in any of these matters during the three months ended June 28, 2025.

Other

On March 23, 2020, Teradyne, Inc. filed a complaint against the Company and its subsidiary, Astronics Test Systems ("ATS") (together, "the Defendants") in the United States District Court for the Central District of California alleging patent and copyright infringement, and certain other related claims. The Defendants moved to dismiss certain claims from the case. On November 6, 2020, the Court dismissed the Company from the case, and also dismissed a number of claims, though the patent and copyright infringement claims remained. In addition, on December 21, 2020, ATS filed a petition for inter partes review ("IPR") with the US Patent Trial and Appeal Board ("PTAB"), seeking to invalidate the subject patent, and on July 21, 2021, the PTAB instituted IPR. The PTAB issued its decision on July 20, 2022, in which it invalidated all of Teradyne's patent claims. Teradyne did not appeal the decision. On December 7, 2023, the District Court granted ATS's motion for summary judgment on its affirmative defense of fair use. The Court subsequently entered final judgment in favor of ATS on December 14, 2023. Teradyne appealed to the United States Court of Appeals for the Ninth Circuit. On January 30, 2025, the Ninth Circuit affirmed the District Court's grant of summary judgment. Teradyne has elected not to pursue an appeal. As such, the summary judgment ruling stands and final judgment in favor of ATS has been entered. This matter is concluded.

Other than these proceedings, we are not party to any significant pending legal proceedings that management believes will result in a material adverse effect on our financial condition or results of operations.

14) Segment Information

The Company reports segment information based on the management approach, which designates the internal reporting used by the Chief Operating Decision Maker ("CODM") for making decisions and assessing performance as the source of the Company's reportable segments. The CODM, which is the Company's Chief Executive Officer, allocates resources and assesses the performance of each operating segment based on historical and potential future product sales, gross margin associated with those sales, and operating profit (loss) before interest, taxes, and corporate expenses. The Company has determined its reportable segments to be Aerospace and Test Systems based on the information used by the CODM.

Segment information and reconciliations to consolidated amounts are as follows:

	Six Months Ended		Three Months Ended	
(In thousands)	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Sales:				
Aerospace	$ 385,035	$ 340,623	$ 193,647	$ 176,948
Less Inter-segment Sales	(34)	(42)	(21)	(5)
Total Aerospace Sales	385,001	340,581	193,626	176,943
Test Systems	25,933	42,607	11,341	21,171
Less Inter-segment Sales	(320)	—	(289)	—
Total Test Systems Sales	25,613	42,607	11,052	21,171
Total Consolidated Sales	410,614	383,188	204,678	198,114
Less[1]				
Cost of Products Sold:				
Aerospace	271,627	242,181	138,735	122,924
	70.6 %	71.1 %	71.7 %	69.5 %
Test Systems	25,311	37,925	13,116	19,622
	98.8 %	89.0 %	118.7 %	92.7 %
Other Segment Items[2]				
Aerospace	73,071	67,023	36,852	34,739
Test Systems	9,235	13,097	4,646	6,885
Operating Profit (Loss) and Margins:				
Aerospace	40,303	31,377	18,039	19,280
	10.5 %	9.2 %	9.3 %	10.9 %
Test Systems	(8,933)	(8,415)	(6,710)	(5,336)
	(34.9)%	(19.8)%	(60.7)%	(25.2)%
Total Operating Profit	31,370	22,962	11,329	13,944
	7.6 %	6.0 %	5.5 %	7.0 %
Deductions from Segment Measure of Operating Profit:				
Interest Expense, Net of Interest Income	6,247	11,615	3,097	5,856
Corporate Expenses and Other	13,098	14,617	6,381	6,829
Income (Loss) Before Income Taxes	$ 12,025	$ (3,270)	$ 1,851	$ 1,259

[1] The significant expenses and amounts presented align with the segment-level information that is regularly provided to the CODM. Inter-segment expenses are included within the amounts shown.

[2] Other segment items include Selling, General and Administrative Expenses, Research and Development Expenses, and sublease and rental income.

(In thousands)	June 28, 2025	December 31, 2024
Total Assets:		
Aerospace	$ 517,145	$ 498,528
Test Systems	111,046	128,828
Corporate	18,497	21,408
Total Assets	$ 646,688	$ 648,764

	Six Months Ended		Three Months Ended	
(In thousands)	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Depreciation and Amortization:				
Aerospace	$ 8,955	$ 9,966	$ 4,457	$ 4,945
Test Systems	1,990	2,453	912	1,202
Corporate	21	112	9	56
Total Depreciation and Amortization	$ 10,966	$ 12,531	$ 5,378	$ 6,203
Capital Expenditures:				
Aerospace	$ 6,525	$ 2,799	$ 4,443	$ 1,329
Test Systems	185	585	162	467
Corporate	—	10	—	—
Total Capital Expenditures	$ 6,710	$ 3,394	$ 4,605	$ 1,796

15) Fair Value

There were no financial assets or liabilities carried at fair value measured on a recurring basis on June 28, 2025 or December 31, 2024.

There were no non-recurring fair value measurements performed in the six months ended June 28, 2025 and June 29, 2024.

Due to their short-term nature, the carrying value of cash and equivalents, accounts receivable, and accounts payable approximate fair value. The carrying value of the Company's variable rate long-term debt instruments also approximates fair value due to the variable rate feature of these instruments. Refer to Note 7, Long-term Debt and Notes Payable, for additional information relating to the fair value of the Company's outstanding fixed-rate Convertible Notes.

16) Subsequent Events

On June 30, 2025, the Company purchased the membership interests of Envoy Aerospace, LLC, located in Aurora, Illinois. Envoy Aerospace is an FAA Organization Designation Authorization ("ODA") services provider. Envoy Aerospace is included in our Aerospace segment. The total purchase price was approximately $ 8.3 million, net of cash acquired and the estimated closing adjustment. Of the purchase price, $4.5 million was paid at the closing date, $2.0 million will be paid inone year from the closing date, and $1.8 million will be paid intwo years from the closing date based on certain milestones. The Company expects to complete a preliminary allocation during the third quarter of 2025. Purchased intangible assets and goodwill are expected to be deductible for tax purposes over 15 years. This transaction was not considered material to the Company's financial position or results of operations.

Item 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(The following should be read in conjunction with Management’s Discussion and Analysis of Financial Condition and Results of Operations contained in the 2024 10-K.)

OVERVIEW

Astronics Corporation, through its subsidiaries, is a leading supplier of advanced technologies and products to the global aerospace and defense industries. Our products and services include advanced, high-performance electrical power generation and distribution systems, seat motion solutions, lighting and safety systems, avionics products, aircraft structures, systems certification, and automated test systems.

We have two reportable segments, Aerospace and Test Systems. Our Aerospace segment has principal operating facilities in the United States, Canada and France and an engineering office in Ukraine. Our Test Systems segment has principal operating facilities in the United States and an engineering office in India.

Our Aerospace segment designs and manufactures products for the global aerospace industry. Product lines include lighting and safety systems, electrical power generation, distribution and seat motion systems, aircraft structures, avionics products, systems certification, and other products. Our primary Aerospace customers are the airframe manufacturers (“OEM”) that build aircraft for the commercial transport, military and general aviation markets, suppliers to those OEMs, aircraft operators such as airlines, suppliers to the aircraft operators, and branches of the U.S. Department of Defense (“USDOD”). Our Test Systems segment designs, develops, manufactures and maintains automated test systems that support the aerospace and defense and mass transit industries as well as training and simulation devices for both commercial and military applications. In the Test Systems segment, Astronics’ products are sold to a global customer base including OEMs and prime government contractors for both electronics and military products.

Our strategy is to increase our value by developing technologies and capabilities, either internally or through acquisition, and using those capabilities to provide innovative solutions to our targeted markets where our technology can be beneficial.

Important factors affecting our growth and profitability are the rate at which new aircraft are produced, government funding and timing of awards of military programs, our ability to have our products designed into new aircraft, the rates at which aircraft owners, including commercial airlines, refurbish or install upgrades to their aircraft and supply chain and labor market pressures. New aircraft build rates and aircraft owners’ spending on upgrades and refurbishments is cyclical and dependent on the strength of the global economy. Once one of our products is designed into a new aircraft, the spare parts business associated thereto is also frequently retained by the Company. Future growth and profitability of the Test Systems business is dependent on developing and procuring new and follow-on business. The nature of our Test Systems business is such that it pursues large, often multi-year, projects. There can be significant periods of time between orders in this business, which may result in large fluctuations of sales and profit levels and backlog from period to period. Test Systems segment customers include the USDOD, prime contractors to the USDOD, mass transit operators and prime contractors to mass transit operators.

Each of the markets that we serve presents opportunities that we expect will provide growth for the Company over the long-term. We continue to look for opportunities in all of our markets to capitalize on our core competencies to expand our existing business and to grow through strategic acquisitions.

The main challenges that we continue to face include varying levels of supply chain pressures, material availability and cost increases (including costs associated with the recent imposition of tariffs by the United States and other countries discussed herein), labor availability and cost, and improving shareholder value through increasing profitability. Increasing profitability is dependent on many things, primarily sales growth, both acquired and organic, and the Company’s ability to pass cost increases along to customers and control operating expenses, and to identify means of creating improved productivity. Sales are driven by increased build rates for existing aircraft, market acceptance and economic success of new aircraft and our products, continued government funding of defense programs, the Company’s ability to obtain production contracts for parts we currently supply or have been selected to design and develop for new aircraft platforms and continually identifying and winning new business for our Test Systems segment.

Reduced aircraft build rates driven by regulatory actions impacting OEM production, a weak economy, aircraft groundings, tight credit markets, reduced air passenger travel, tariffs impacting OEM demand, and an increasing supply of used aircraft on the market would likely result in reduced demand for our products, which will result in lower profits. Reduction of defense spending may result in fewer opportunities for us to compete, which could result in lower profits in the future. Many of our newer development programs are based on new and unproven technology and at the same time we are challenged to develop the technology on a schedule that is consistent with specific programs. Delays in delivery schedules and incremental costs resulting from tariffs and other trade policy matters, supply chain pressures, and labor market pressures have in the past resulted in, and could in the future also result in, lower profits. We will continue to address these challenges by working to improve operating efficiencies and focusing on executing on the growth opportunities currently in front of us.

Our ABL Revolving Credit Facility subjects us to various financial and other affirmative and negative covenants with which we must comply on an ongoing or periodic basis. These include financial covenants pertaining to minimum excess availability requirements and minimum fixed charge coverage ratio requirements. An unexpected decline in our revenues or operating income, including occurring as a result of events beyond our control, could cause us to violate our financial covenants. While the Company expects to remain in compliance with the required financial covenants for the duration of the agreements, any unexpected negative impacts to our business, including as a result of declines in aircraft production rates from expectations or production delays resulting from regulatory actions or labor strikes affecting OEMs, additional supply chain pressures, tariffs and our ability to mitigate tariff effects, the timing of customer orders, our ability to meet customer delivery schedules, or labor availability and cost pressures, could result in lower revenues and reduced financial profits, and, as a result thereof, our inability to satisfy the financial covenants in our ABL Revolving Credit Facility.

Challenges affecting the commercial aviation industry or key participants can adversely impact the demand for our products and services, the timing of orders, deliveries and related payments and other factors. We are monitoring the production levels and anticipated ramp-up at The Boeing Company, and we continue to align with them on production expectations.

We are monitoring the ongoing conflict between Russia and Ukraine and the related export controls and financial and economic sanctions imposed on certain industry sectors, including the aviation sector, and parties in Russia by the U.S., the U.K., the European Union and others. Although the conflict has not resulted in a direct material adverse impact on our business to date, the implications of the Russia and Ukraine conflict in the short-term and long-term are difficult to predict at this time. Factors such as increased energy costs, the availability of certain raw materials for aircraft manufacturers, embargoes on flights from Russian airlines, sanctions on Russian companies, and the stability of Ukrainian customers could impact the global economy and aviation sector.

On July 4, 2025, the One Big Beautiful Bill Act (“OBBBA”) was signed into law in the United States. The OBBBA permanently extends and modifies significant provisions enacted in 2017 as part of the Tax Cuts and Jobs Act (“TCJA”) that were originally set to expire at the end of 2025. In addition, the OBBBA makes changes to certain U.S. corporate tax provisions, many of which are not in effect until 2026. Changes in tax laws may affect recorded deferred tax assets and deferred tax liabilities and our effective tax rate in the future and the Company is currently evaluating the impacts of the new legislation.

CONSOLIDATED RESULTS OF OPERATIONS

	Six Months Ended		Three Months Ended	
($ in thousands)	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Sales	$ 410,614	$ 383,188	$ 204,678	$ 198,114
Gross Profit (sales less cost of products sold)	$ 113,676	$ 103,082	$ 52,827	$ 55,568
Gross Margin	27.7 %	26.9 %	25.8 %	28.0 %
Research and Development Expenses	$ 22,639	$ 27,537	$ 11,572	$ 14,214
Selling, General and Administrative Expenses (“SG&A”)	$ 73,142	$ 66,329	$ 36,497	$ 33,804
SG&A Expenses as a Percentage of Sales	17.8 %	17.3 %	17.8 %	17.1 %
Interest Expense, Net	$ 6,247	$ 11,615	$ 3,097	$ 5,856
Effective Tax Rate	9.8 %	49.7 %	29.0 %	(21.8)%
Net Income (Loss)	$ 10,842	$ (1,645)	$ 1,314	$ 1,533

A discussion by segment can be found in “Segment Results of Operations” in this MD&A.

CONSOLIDATED SECOND QUARTER RESULTS

Growth in sales were driven by the Aerospace segment’s continued strength in demand primarily from the Commercial Transport market. Aerospace sales increased $16.7 million, or 9.4%, which more than offset a $10.1 million decline in Test Systems sales. Consolidated sales were negatively impacted by $6.4 million due to revisions of estimated costs to complete certain long-term mass transit contracts in the Test Systems segment.

Consolidated cost of products sold in the second quarter of 2025 was $151.9 million, compared with $142.5 million in the same prior-year period. The increase was primarily due to higher sales volume. Additionally, simplification initiatives in the

Aerospace segment, including costs related to footprint rationalization and product portfolio shaping activities, resulted in $5.8 million in charges within cost of products sold during the quarter. Both periods reflect the change in presentation for research & development expenses ("R&D"), which is now identified as an expense item on the income statement below gross profit.

In the second quarter of 2025, the $2.7 million increase in selling, general and administrative expenses ("SG&A") is primarily attributable to a $3.5 million legal fee reimbursement charge relating to the patent infringement dispute in the UK, partially offset by a $1.7 million decrease in litigation-related legal expenses. R&D was down $2.6 million reflecting the timing of projects.

As a result of the refinancing in December 2024 which resulted in a lower average interest rate, interest expense was down $2.8 million. Tax expense in the quarter was $0.5 million compared with a tax benefit of $0.3 million in the prior-year period.

Consolidated net income of $1.3 million, or $0.04 per diluted share, compares with net income of $1.5 million, or $0.04 per diluted share, in the prior-year period.

Bookings of $177.0 million in the quarter resulted in a book-to-bill ratio of 0.86:1. For the trailing twelve months, bookings totaled $841.8 million and the book-to-bill ratio was 1.02:1. Backlog at the end of the quarter was $645.4 million.

CONSOLIDATED YEAR-TO-DATE RESULTS

Growth in sales were driven by the Aerospace segment due to continued strength in demand primarily from the Commercial Transport and Military Aircraft markets. Aerospace sales increased $44.4 million, or 13.0%, which more than offset the $17.0 million decline in Test Systems sales. Consolidated sales were negatively impacted by $8.3 million, resulting from revisions of estimated costs to complete certain long-term mass transit contracts in the Test Systems segment.

Consolidated cost of products sold in the first half of 2025 was $296.9 million, compared with $280.1 million in the same prior-year period. The increase was primarily due to higher sales volume. Additionally, simplification initiatives in the Aerospace segment, including costs related to footprint rationalization and product portfolio shaping activities, resulted in $5.8 million in charges within cost of products sold during the quarter. Both periods reflect the change in presentation for R&D, which is now identified as an expense item on the income statement below gross profit.

In the first half of 2025, the $6.8 million increase in SG&A included a $9.7 million reserve adjustment relating to a patent infringement dispute in the UK. This included a $0.5 million increase to the original damages award reserve of $11.9 million, $5.7 million in interest expense related to the damages award, and a $3.5 million legal fee reimbursement charge. This increase was partially offset by a $2.4 million decrease in litigation-related legal expenses. R&D was down $4.9 million reflecting the timing of projects.

As a result of the lower outstanding borrowings and the reduced cost of debt resulting from the refinancing in December 2024, interest expense was down $5.4 million, or 46.2%. Tax expense in the first half of 2025 was $1.2 million compared with a tax benefit of $1.6 million in the prior-year period. Tax expense in the first half of 2025 was partially offset by a $1.1 million discrete adjustment to reverse certain federal and state deferred tax liabilities.

Stronger profitability and lower interest expense resulted in consolidated net income of $10.8 million, or $0.30 per diluted share, up from the net loss of $1.6 million, or $0.05 per diluted share, in the same prior-year period.

Bookings of $456.8 million in the first half of 2025 resulted in a book-to-bill ratio of 1.11:1.

SEGMENT RESULTS OF OPERATIONS

Operating profit, as presented below, is sales less cost of products sold and other operating expenses, excluding interest expense, other corporate expenses and other non-operating sales and expenses. Cost of products sold and other operating expenses are directly identifiable to the respective segment. Operating profit is reconciled to income (loss) before income taxes in Note 14, Segment Information, to the Consolidated Condensed Financial Statements in Item 1, Financial Statement, of this report.

AEROSPACE SEGMENT

($ in thousands)	Six Months Ended June 28, 2025	Six Months Ended June 29, 2024	Three Months Ended June 28, 2025	Three Months Ended June 29, 2024
Sales	$ 385,035	$ 340,623	$ 193,647	$ 176,948
Less Inter-segment Sales	(34)	(42)	(21)	(5)
Total Aerospace Sales	$ 385,001	$ 340,581	$ 193,626	$ 176,943
Operating Profit	$ 40,303	$ 31,377	$ 18,039	$ 19,280
Operating Margin	10.5 %	9.2 %	9.3 %	10.9 %
Aerospace Sales by Market				
(In thousands)				
Commercial Transport	$ 283,115	$ 249,829	$ 145,573	$ 128,399
Military Aircraft	60,696	41,860	27,433	24,781
General Aviation	33,613	38,566	18,370	19,015
Other	7,577	10,326	2,250	4,748
	$ 385,001	$ 340,581	$ 193,626	$ 176,943
Aerospace Sales by Product Line				
(In thousands)				
Electrical Power & Motion	$ 195,246	$ 173,452	$ 95,166	$ 90,328
Lighting & Safety	102,670	88,241	52,999	46,454
Avionics	65,284	54,565	37,050	28,971
Systems Certification	7,904	7,812	2,836	3,364
Structures	6,320	6,185	3,325	3,078
Other	7,577	10,326	2,250	4,748
	$ 385,001	$ 340,581	$ 193,626	$ 176,943

(In thousands)	June 28, 2025	December 31, 2024
Total Assets	$ 517,145	$ 498,528
Backlog	$ 570,913	$ 537,563

AEROSPACE SECOND QUARTER RESULTS

Aerospace segment sales of $193.6 million increased $16.7 million, or 9.4%. Sales in the Commercial Transport market increased $17.2 million, or 13.4%. Growth was primarily related to increased demand by airlines for cabin power and inflight entertainment & connectivity (“IFEC”) products. Military Aircraft sales increased $2.7 million, or 10.7%, to $27.4 million, driven by increased demand for lighting and safety products. General Aviation sales decreased $0.6 million, or 3.4%, to $18.4 million due to lower airframe power sales. Other sales decreased $2.5 million as the Company is winding down its non-core contract manufacturing arrangements.

Aerospace segment operating profit of $18.0 million, or 9.3% of sales, decreased over the prior-year period as a result of the previously discussed $6.2 million charge related to simplification initiatives, a $3.5 million legal fee reimbursement charge related to the UK patent dispute, and a $1.0 million warranty expense true-up related to a new product launch that requires a field modification. These were partially offset by a $1.5 million decrease in litigation-related expenses.

Aerospace bookings were $150.6 million for a book-to-bill ratio of 0.78:1. Backlog for the Aerospace segment was a $570.9 million at quarter end.

AEROSPACE YEAR-TO-DATE RESULTS

Aerospace segment sales of $385.0 million increased $44.4 million, or 13.0%. Sales in the Commercial Transport market increased $33.3 million, or 13.3%. Growth was primarily related to increased demand by airlines for cabin power and IFEC products. Military Aircraft sales increased $18.8 million, or 45.0%, to $60.7 million, driven by progress on the FLRAA program and increased demand for lighting and safety products. General Aviation sales decreased $5.0 million, or 12.8%, to $33.6 million due to lower VVIP and airframe power sales.

Aerospace segment operating profit of $40.3 million, or 10.5% of sales, improved over the prior-year period resulting from leverage gained on higher volume and improving production efficiencies and a $2.8 million decrease in litigation-related expenses, partially offset by the previously discussed $9.7 million true-up in legal reserves related to the UK patent dispute and $6.5 million in simplification initiatives.

Aerospace bookings were $418.4 million for a book-to-bill ratio of 1.09:1.

TEST SYSTEMS SEGMENT

	Six Months Ended		Three Months Ended	
($ in thousands)	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Sales	$ 25,933	$ 42,607	$ 11,341	$ 21,171
Less Inter-segment Sales	(320)	—	(289)	—
Total Test Systems Sales	$ 25,613	$ 42,607	$ 11,052	$ 21,171
Operating Loss	$ (8,933)	$ (8,415)	$ (6,710)	$ (5,336)
Operating Margin	(34.9)%	(19.8)%	(60.7)%	(25.2)%

All Test Systems sales are to the Government and Defense Market.

(In thousands)	June 28, 2025	December 31, 2024
Total Assets	$ 111,046	$ 128,828
Backlog	$ 74,454	$ 61,666

TEST SYSTEMS SECOND QUARTER RESULTS

Test Systems segment sales were $11.1 million, down $10.1 million from the comparator quarter in 2024. Segment sales were negatively impacted by $6.4 million due to revisions of estimated costs to complete certain long-term mass transit Test contracts. The revisions resulted in reduced revenue recognized in the period due to lower estimates of the percentage of work completed on the programs.

Test Systems segment operating loss was $6.7 million, compared with an operating loss of $5.3 million in the second quarter of 2024. The revisions to the estimated costs to complete had a $6.9 million detrimental impact to operating income and masked the savings realized from recent restructuring activities. Test Systems continues to be negatively affected by mix and under absorption of fixed costs at current volume levels.

Test Systems bookings were $26.4 million for a book-to-bill ratio of 2.39:1. Backlog for the Test Systems segment was $74.5 million at quarter end.

TEST SYSTEMS YEAR-TO-DATE RESULTS

Test Systems segment sales were $25.6 million, down $17.0 million from 2024. Segment sales were negatively impacted by $8.3 million due to revisions of estimated costs to complete certain long-term mass transit Test contracts. The revisions resulted in reduced revenue recognized in the period due to lower estimates of the percentage of work completed on the programs.

Test Systems segment operating loss was $8.9 million, compared with an operating loss of $8.4 million in the same prior-year period. The revisions to the estimated costs to complete had a $8.8 million detrimental impact to operating income and masked the savings realized from recent restructuring activities. Test Systems continues to be negatively affected by mix and under absorption of fixed costs at current volume levels.

Test Systems bookings were $38.4 million for a book-to-bill ratio of 1.50:1.

LIQUIDITY AND CAPITAL RESOURCES

Operating Activities:

Cash provided by operating activities totaled $13.0 million for the first six months of 2025, as compared with $4.2 million cash used for operating activities during the same period in 2024. Cash flow from operating activities increased compared with the same period of 2024 primarily the result of higher cash earnings resulting from higher net income and improved working capital management. Cash provided by operating activities in the first six months of 2025 included $21.6 million in payments related to the UK patent dispute and $12.8 million in net income tax payments.

Investing Activities:

Cash used for investing activities was $6.7 million for the first six months of 2025 compared with $3.4 million in cash used for investing activities in the same period of 2024 representing capital expenditures for each period. The higher level of capital expenditures relates to the ongoing facility expansion activities.

Financing Activities:

Cash used for financing activities totaled $12.5 million for the first six months of 2025, as compared with cash provided by financing activities of $0.8 million during the same prior-year period. The Company made net payments under its credit facilities of $10.0 million in the first six months of 2025 compared with net borrowings of $5.9 million in the same prior-year period.

The Company amended its asset-based revolving credit facility (the "ABL Revolving Credit Facility") on July 11, 2024, by entering into the Seventh Amended and Restated Credit Agreement, which set the maximum aggregate amount that the Company can borrow pursuant to the revolving credit line at $200.0 million, with borrowings subject to a borrowing base determined primarily by inventory, accounts receivable, machinery and equipment and real estate.

On November 25, 2024, the Company entered into a second amendment to the ABL Revolving Credit Facility which increased the maximum aggregate amount that the Company can borrow pursuant to the ABL Revolving Credit Facility to $220.0 million from $200.0 million. The maturity date of borrowings under the ABL Revolving Credit Facility is July 11, 2027. The Company and the applicable lenders also agreed in a separate first amendment to increase the amount of unsecured indebtedness the Company is permitted to incur under the ABL Revolving Credit Facility, subject to completion of the Convertible Notes offering (discussed below).

Under the terms of the ABL Revolving Credit Facility, the Company pays interest on the unpaid principal amount of the ABL Revolving Credit Facility at a rate equal to SOFR plus a term SOFR adjustment in the amount of 0.10% per annum (which collectively shall be at least 1.00%) plus an applicable margin ranging from 2.75% to 3.25% determined based upon the Company's Excess Availability (as defined in the ABL Revolving Credit Facility). The Company is required to pay a quarterly commitment fee under the ABL Revolving Credit Facility on undrawn revolving credit commitments in an amount equal to 0.25% or 0.375% based on the Company's average excess availability under the ABL Revolving Credit Facility. On June 28, 2025, there was no balance outstanding on the ABL Revolving Credit Facility and there remained $197.8 million available for future borrowings, before our minimum excess availability requirement discussed below. The amount available for future borrowings as of June 28, 2025, is net of $2.3 million in outstanding letters of credit.

Pursuant to the ABL Revolving Credit Facility, the Company is subject to a minimum fixed charge coverage ratio of 1.10 to 1.00. The Company is also required to maintain a minimum excess availability of the greater of 10% of the borrowing base under the ABL Revolving Credit Facility, or $15.0 million. As of June 28, 2025, the Company was in compliance with these covenants.

On December 3, 2024, the Company issued $165.0 million aggregate principal amount of 5.500% Convertible Senior Notes due 2030 (the "Convertible Notes"), which amount includes the additional Convertible Notes issued pursuant to the initial purchasers' full exercise of their option to purchase additional Convertible Notes. The Convertible Notes bear interest at a rate of 5.500% per annum, payable semi-annually in arrears on March 15 and September 15 of each year, beginning on March 15, 2025. The Convertible Notes will mature on March 15, 2030, unless earlier converted, redeemed or repurchased. The initial conversion rate is 43.6814 shares of common stock per $1,000 principal amount of Convertible Notes, which represent the initial conversion price of $22.89 per share. The Convertible Notes are convertible at the option of the holders at any time on or after December 15, 2029, until the close of business on the second scheduled trading day immediately preceding the maturity date. Upon conversion, the Company will satisfy its conversion obligations by paying and/or delivering, as the case may be, cash, shares of its common stock or a combination of cash and shares of its common stock, at its election. Beginning March 20, 2028, if the Company's stock price has been at least 130% of the conversion price for a specified period of time, the Convertible Notes may be called at the option of the issuer. After the first quarter of 2025, if the Company's stock price has been at least 130% of the conversion price for 20 of 30 trading days ending on and including the last trading day of the immediately preceding quarter, the Convertible Notes may be redeemed at the option of the holder. During the fiscal quarter ended June 28, 2025, our stock price met the price trigger defined above, and therefore, holders of our Convertible Notes may convert their notes at their option at any time during our third fiscal quarter ended September 27, 2025. The fair value of the

Convertible Notes was approximately $284.0 million and $176.9 million as of June 28, 2025 and December 31, 2024, respectively, based on quoted prices for these instruments in active markets, and is classified as a Level 1 measurement within the fair value hierarchy.

Interest expense was $3.1 million and $5.9 million for the three months ended and $6.2 million and $11.6 million for the six months ended June 28, 2025 and June 29, 2024, respectively. The Company entered into a $90.0 million Term Loan Facility on January 19, 2023, and paid interest at a rate equal to SOFR (which was required to be at least 2.50%) plus 8.75%. The Company refinanced its credit facilities on July 11, 2024, and repaid in full all outstanding indebtedness under the previous term loan dated January 19, 2023.

Debt issuance cost amortization expense was $0.6 million and $0.9 million for the three months ended and $1.2 million and $1.7 million for the six months ended June 28, 2025 and June 29, 2024, respectively. All costs are amortized to interest expense over the term of the respective agreement. Unamortized deferred debt issuance costs associated with the ABL Revolving Credit Facility ($2.4 million and $3.0 million as of June 28, 2025 and December 31, 2024, respectively) are recorded within Other Assets and those associated with the Convertible Notes ($5.7 million and $6.3 million as of June 28, 2025 and December 31, 2024, respectively) are recorded as a reduction of the carrying value of the debt on the Consolidated Condensed Balance Sheets.

Certain of the Company's subsidiaries are borrowers under the ABL Revolving Credit Facility and the assets of such subsidiaries also secure the obligations under the ABL Revolving Credit Facility. In the event of voluntary or involuntary bankruptcy of the Company or any subsidiary, all unpaid principal and other amounts owing under the credit facilities automatically become due and payable. Other events of default, such as failure to make payments as they become due and breach of financial and other covenants, change of control, cross default under other material debt agreements, and a going concern qualification for any reason other than loan maturity date give the agent the option to declare all such amounts immediately due and payable.

On August 8, 2023, the Company initiated an at-the-market equity offering program (the "ATM Program") for the sale from time to time of shares of the Company's common stock, par value $0.01 per share, having an aggregate offering price of up to $30.0 million. During the three and six months ended June 28, 2025, and June 29, 2024, the Company did not sell any shares of its common stock under the ATM Program. As of June 28, 2025, the Company had remaining capacity under the ATM Program to sell shares of common stock having an aggregate offering price up to approximately $8.2 million.

Cash on hand at the end of the quarter was $13.5 million. Net debt was $151.5 million, compared with $156.6 million at the end of 2024.

Lufthansa Technik AG ("Lufthansa") filed actions in Germany, the United Kingdom ("UK") and France. These matters are more fully discussed in Note 13, Legal Proceedings, to the Consolidated Condensed Financial Statements in Item 1, Financial Statements, of this report.

The Company expects its cash flow from operations will provide sufficient cash flows to fund operations, including payment of any further amounts related to the Lufthansa matters. The Company paid $21.6 million ordered liabilities for damages, interest and legal fee reimbursement related to the UK matter in the second quarter of 2025. The Company may also evaluate various actions and alternatives to enhance its profitability and cash generation from operating activities, which could include manufacturing efficiency initiatives, cost-reduction measures, working with vendors and suppliers to reduce lead times and expedite shipment of critical components, and working with customers to expedite receivable collections. The Company may also utilize available capacity under the ABL Revolving Credit Facility.

Our ability to maintain sufficient liquidity and comply with financial debt covenants is highly dependent upon achieving expected operating results. Failure to achieve expected operating results could have a material adverse effect on our liquidity, our ability to obtain financing or access our existing financing, and our operations in the future and could allow our debt holders to demand payment of all outstanding amounts.

OFF BALANCE SHEET ARRANGEMENTS

We do not have any material off balance sheet arrangements that have or are reasonably likely to have a material future effect on our results of operations or financial condition.

BACKLOG

The Company's backlog on June 28, 2025 was $645.4 million compared with $599.2 million on December 31, 2024 and $626.4 million on June 29, 2024.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Our contractual obligations and commitments have not changed materially from the disclosures in our 2024 10-K except as set forth below.

MARKET RISK

Although the majority of our sales, expenses, and cash flows are transacted in U.S. dollars, we have exposure to changes in foreign currency exchange rates related primarily to the Euro and the Canadian dollar. The Company believes that the impact of changes in foreign currency exchange rates on its business and financial results for the three and six months ended June 28, 2025 was not significant.

The future impacts of U.S. trade policies, treaties, and tariffs and their residual effects, including economic uncertainty, inflationary environment, and disruption within the global supply chain, and aerospace industry, on our business remain uncertain. As we cannot predict what actions may ultimately be taken with respect to tariffs or trade relations between the United States and China, Malaysia or other countries, what products may be subject to such actions, what actions may be taken by the other countries in retaliation, and what actions we may be able to take to address and mitigate such tariffs, the ultimate financial impact on our results cannot be reasonably estimated but could be material. The impact of tariffs on its business and financial results for the three and six months ended June 28, 2025 was not significant.

CRITICAL ACCOUNTING POLICIES

Refer to Note 2, Revenue, to the Consolidated Condensed Financial Statements in Item 1, Financial Statements, of this report for the Company's critical accounting policies with respect to revenue recognition. For a complete discussion of the Company's other critical accounting policies, refer to the 2024 10-K.

RECENT ACCOUNTING PRONOUNCEMENTS

Refer to Note 1, Basis of Presentation, to the Consolidated Condensed Financial Statements in Item 1, Financial Statements, of this report.

FORWARD-LOOKING STATEMENTS

Information included or incorporated by reference in this report that does not consist of historical facts, including statements accompanied by or containing words such as "may," "will," "should," "believes," "expects," "expected," "intends," "plans," "projects," "approximate," "estimates," "predicts," "potential," "outlook," "forecast," "anticipates," "presume," and "assume," and other words and terms of similar meaning, including their negative counterparts, are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements are not guarantees of future performance and are subject to several factors, risks and uncertainties, the impact or occurrence of which could cause actual results to differ materially from the expected results described in the forward-looking statements. Certain of these factors, risks and uncertainties are discussed in the sections of this report entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations." New factors, risks and uncertainties may emerge from time to time that may affect the forward-looking statements made herein. Given these factors, risks and uncertainties, investors should not place undue reliance on forward-looking statements as predictive of future results. Except as may be required by law, we disclaim any obligation to update the forward-looking statements made in this report to reflect any change in our expectations with regard thereto, or any changes in events, conditions or circumstances on which any such statement is based.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The disclosure above under the heading "Market Risk" in Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations," of this report is incorporated by reference into this Item 3.

Item 4. Controls and Procedures

a. Evaluation of Disclosure Controls and Procedures

The Company's management, with the participation of the Company's Chief Executive Officer (its Principal Executive Officer) and Chief Financial Officer (its Principal Financial and Principal Accounting Officer), has evaluated the effectiveness of the Company's disclosure controls and procedures as of June 28, 2025. Based on that evaluation, the Company's management, including our Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of June 28, 2025.

b. Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

Except as described below, there have been no material developments from the legal proceedings as previously disclosed in Note 19, Legal Proceedings, to the Consolidated Financial Statements in Item 8, Financial Statements and Supplementary Data, of the 2024 10-K.

Currently, we are involved in legal proceedings relating to an allegation of patent infringement and, based on rulings to date we have concluded that losses related to these proceedings are probable. For a discussion of contingencies related to legal proceedings as of June 28, 2025, see Note 13, Legal Proceedings, to the Consolidated Condensed Financial Statements in Item 1, Financial Statements, of this report.

Item 1A. Risk Factors

In addition to other information set forth in this report, you should carefully consider the factors discussed in Part I, Item 1A, "Risk Factors," in the 2024 10-K, which could materially affect our business, financial condition or results of operations. Our risk factors have not changed materially from those risk factors previously disclosed in our 2024 10-K, except as set forth below. The risks described in this report and in the 2024 10-K are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or results of operations.

Trade policies, treaties, and tariffs could materially adversely affect our business. Our business is dependent on the availability of raw materials and components for our products, particularly electrical components common in the semiconductor industry. There is continued uncertainty about the future relationship between the United States and various other countries, most significantly China, with respect to trade policies, treaties, tariffs, and taxes.

The U.S. government has made, and continues to make, significant changes in U.S. trade policy and has taken certain actions that could negatively impact U.S. trade, including imposing tariffs on certain goods imported into the United States. In retaliation, China has implemented, and continues to evaluate imposing, additional tariffs on a wide range of American products, and other countries, including Canada and Mexico, have done the same. There is also a concern that the imposition of additional tariffs by the United States could result in the adoption of additional tariffs by other countries as well, leading to a global trade war. These developments, or the perception that any of them could occur, could materially adversely affect global economic conditions and the stability of global financial markets, and could significantly reduce global trade and, in particular, trade between the impacted nations and the United States. In addition, these developments may cause the Company's customers to reduce their operating or capital expenditure budgets or forgo expansion plans or projects, which could cause them to defer, reduce, or forgo purchases of the Company's products or services.

More specifically, the uncertainty with respect to U.S. trade policy includes: (i) the possibility of further altering of the existing tariffs or penalties on products manufactured outside of the United States; (ii) the effects stemming from the removal of such previously imposed tariffs; (iii) subsequent tariffs imposed by the United States on any other countries; and (iv) potential tariffs imposed by trading partners on U.S. exports. The institution of trade tariffs on items imported by us from other countries could increase our costs, either directly from tariffs incurred on foreign-produced products and components we directly purchase and import into the U.S. or indirectly as a result of our suppliers passing increased tariff-related costs onto us in the form of product and component price increases, which, in either such case, could have a negative impact on our business. If we attempt to renegotiate prices with suppliers or diversify our supply chain in response to tariffs, such efforts may not yield immediate results or may be ineffective. We may also consider increasing prices to customers; however, this could reduce the competitiveness of our products and adversely affect sales. If we fail to manage these dynamics successfully, our gross margins and profitability could be materially adversely affected.

We cannot predict what actions may ultimately be taken with respect to tariffs or trade relations between the United States and China or other countries, what products may be subject to such actions, or what actions may be taken by the other countries in retaliation. Any further deterioration in the relations between the United States and China could exacerbate these actions and lead to additional governmental intervention in global trade markets.

We also cannot predict whether, and to what extent, there may be changes to international trade agreements or whether new or additional quotas, duties, tariffs, exchange controls or other restrictions on our products will be changed or imposed. In addition, an open conflict or war across any region could affect our ability to obtain raw materials. For example, the current military conflict between Russia and Ukraine, and related sanctions, export controls or other actions that may be initiated by nations, including the United States, the European Union or Russia (e.g., potential cyberattacks, disruption of energy flows, etc.) or potential sanctions or relevant export controls related to China or Taiwan could adversely affect our business and/or our supply chain or our business partners or customers in other countries beyond Russia and Ukraine. Although we currently maintain alternative sources for raw materials, if we are unable to source our products from the countries where we wish to purchase them, either because of the occurrence or threat of wars or other conflicts, regulatory changes or for any other reason, or if the cost of doing so increases, it could materially adversely affect our business, financial condition and results of operations. Disruptions in the supply of raw materials and components could temporarily impair our ability to manufacture our products for our customers or require us to pay higher prices to obtain these raw materials or components from other sources, which could materially adversely affect our business and our results of operations.

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

The following table summarizes our purchases of our common stock for the three months ended June 28, 2025:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that may yet be Purchased Under the Plans or Program[1]
March 30, 2025 - April 26, 2025	—	$ —	—	$ 41,483,815
April 27, 2025 - May 24, 2025	—	$ —	—	$ 41,483,815
May 25, 2025 - June 28, 2025	—	$ —	—	$ 41,483,815

[1] On September 17, 2019, the Company's Board of Directors authorized an additional share repurchase program. This program authorizes Company repurchases of up to $50 million of our common stock. Cumulative repurchases under this plan were approximately 310,000 shares at a cost of $8.5 million before the 10b5-1 plan associated with the share repurchase program was terminated on February 3, 2020.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Securities Trading Plans of Directors and Officers

(c) During the three months ended June 28, 2025, no director or officer of the Companyadopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

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Item 6. Exhibits

Exhibit 10.1	Amendment to the Amended and Restated 2017 Long Term Incentive Plan, incorporated by reference to Exhibit A to the registrant’s Definitive Proxy Statement on Schedule 14A for the 2025 Annual Meeting of Shareholders, as filed with the SEC on April 9, 2025
Exhibit 31.1*	Section 302 Certification - Chief Executive Officer
Exhibit 31.2*	Section 302 Certification - Chief Financial Officer
Exhibit 32**	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
Exhibit 101*	The financial statements from the Company’s Quarterly Report on Form 10-Q for the three months ended June 28, 2025, formatted in Inline XBRL
Exhibit 101.INS*	Inline XBRL Instance Document
Exhibit 101.SCH*	Inline XBRL Taxonomy Extension Schema Document
Exhibit 101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
Exhibit 101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
Exhibit 101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
Exhibit 101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
Exhibit 104*	Cover Page Interactive Data File (the cover page Inline XBRL tags are embedded within the Inline XBRL document)

* Filed herewith.

** Furnished herewith.

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.

ASTRONICS CORPORATION
(Registrant)

Date: August 7, 2025

By: /s/ Nancy L. Hedges
Nancy L. Hedges
Vice President and Chief Financial Officer
(Principal Financial and Principal Accounting Officer)

Exhibit 31.1

SECTION 302 CERTIFICATION

Certification of Chief Executive Officer pursuant to Exchange Act rule 13a-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Peter J. Gundermann, President and Chief Executive Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Astronics Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing 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: August 7, 2025

/s/ Peter J. Gundermann

Peter J. Gundermann
President and Chief Executive Officer

Exhibit 31.2

SECTION 302 CERTIFICATION

Certification of Chief Financial Officer pursuant to Exchange Act Rule 13a-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Nancy L. Hedges, Vice President and Chief Financial Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Astronics Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing 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: August 7, 2025

/s/ Nancy L. Hedges

Nancy L. Hedges
Vice President and Chief Financial Officer

Exhibit 32

Certification pursuant to
18 U.S.C. Section 1350,
as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officers of Astronics Corporation (the "Company") hereby certify that:

The Company's Quarterly Report on Form 10-Q for the quarter ended June 28, 2025 fully complies with the requirements of section 13(a) or 15(d) of the Securities and Exchange Act of 1934 and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 7, 2025	/s/ Peter J. Gundermann
	Peter J. Gundermann
	Title: Chief Executive Officer
August 7, 2025	/s/ Nancy L. Hedges
	Nancy L. Hedges
	Title: Chief Financial Officer

This certification shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent specifically incorporated by the Company into such filing.