# ARXIS

## Second Quarter 2026 Earnings Presentation

July 30, 2026




# Forward-Looking Statements & Non-GAAP Financial Measures

This presentation (the “Presentation”) includes statements that are forward-looking statements within the meaning of applicable securities laws. All statements other than statements of historical facts are forward-looking statements. Forward-looking statements may be identified by the use of words such as “may,” “might,” “will,” “would,” “could,” “should,” “forecast,” “intend,” “seek,” “target,” “anticipate,” “believe,” “expect,” “estimate,” “plan,” “outlook,” and “project” and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. Such statements are subject to risks and uncertainties, and actual results may differ materially from those expressed or implied in the forward-looking statements due to various factors, including, but not limited to, the following: the concentration of our business on the aerospace and defense industries; the unique business risks of supplying products to companies contracting with the U.S. government; the significant competition that we face; our industry’s rapid change; any decline or lower-than-anticipated growth of the markets into which we sell our products and services; cost overruns; the availability and pricing of certain components and raw materials from suppliers; inflation; our products may not operate as intended; our decentralized organizational structure; our indebtedness and the restrictive covenants under the agreements governing our indebtedness; our ability to comply with the extensive governmental regulation to which we are subject; our ability to maintain our government or industry approvals; product liability lawsuits and product recalls; and our ability to obtain, maintain, protect and enforce our intellectual property and proprietary rights on which our business depends. Investors should not rely on these forward-looking statements. Any forward-looking statements presented herein are made only as of the date of this Presentation, and Arxis, Inc. (the “Company”) does not undertake any obligation to update or revise any forward-looking statements, except as required by law. Additional information regarding these and other risks and uncertainties that could cause actual results to differ materially from the Company’s expectations is included in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2026. Except as required by law, we do not undertake any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments, or otherwise. This presentation is a high-level summary of our fiscal Q2 financial results. For more information, refer to our press release dated July 29, 2026, and filings with the SEC.

Non-GAAP Financial Measures Disclosure

This presentation, and today’s conference call remarks, contain non-Generally Accepted Accounting Principles (GAAP) financial measures (as defined by SEC Regulation G), such as “Adjusted EBITDA,” “Adjusted EBITDA margin,” and “Free Cash Flow” which should be considered supplemental to, not a substitute for, or superior to, the financial measure calculated in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP financial measures. For reconciliations of the non-GAAP measures included herein to the most directly comparable GAAP measures, see the Appendix to this Presentation. While management believes that these non-GAAP financial measures may be useful in evaluating the financial performance of Arxis, this information should be considered supplemental and is not a substitute for financial information prepared in accordance with GAAP.

Management recognizes that these non-GAAP financial measures have limitations, including that they may be calculated differently by other companies or may be used under different circumstances or for different purposes, thereby affecting their comparability from company to company. To compensate for these and the other limitations discussed below, management does not consider these measures in isolation from or as alternatives to the comparable financial measures determined in accordance with U.S. GAAP. Readers should review the reconciliations below and should not rely on any single financial measure to evaluate our business. The reasons we use these non-GAAP financial measures and the reconciliations to their most directly comparable U.S. GAAP financial measures follow.

Unless otherwise noted, tables are presented in U.S. dollars in thousands. Certain columns and rows within tables may not add due to the use of rounded numbers. Percentages presented in this report are calculated from the underlying numbers in thousands.

# Arxis Performance Update

## Q2 2026 Financial Highlights

| Revenue | Adjusted EBITDA(1) | Adjusted EBITDA Margin(1) |
|---|---|---|
| **$501M** | **$211M** | **42.2%** |
| ▲ 25% | ▲ 38% | ▲ 390 bps |
| Year-over-Year | Year-over-Year | Year-over-Year |

## CY 2026 Guidance

**Increasing Guidance**

Revenue

**$1,960M - $1,980M**

▲ +100M

Vs. prior midpoint

Adjusted EBITDA(2)

**$790M - $800M**

▲ +70M

Vs. prior midpoint

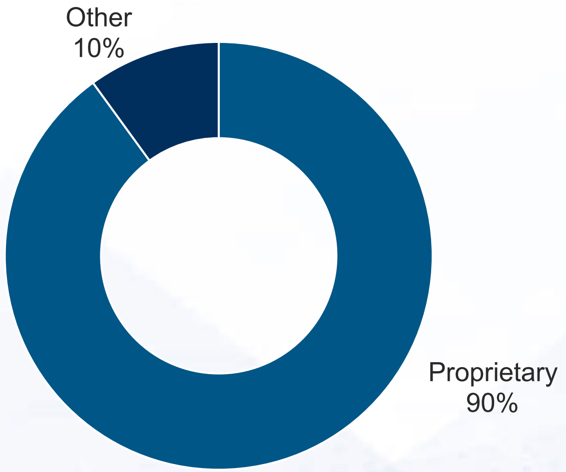
(1) Additional detail on non-GAAP financial measures, including reconciliations, is provided in the appendix.
(2) Arxis has not reconciled its full year 2026 guidance related to Adjusted EBITDA and Adjusted EBITDA margins to its most directly comparable forward-looking GAAP financial measure because such information is not available, and management cannot reliably predict all of the necessary components of such GAAP measure without unreasonable effort or expense.

# Premier Supplier of Proprietary Engineered Components

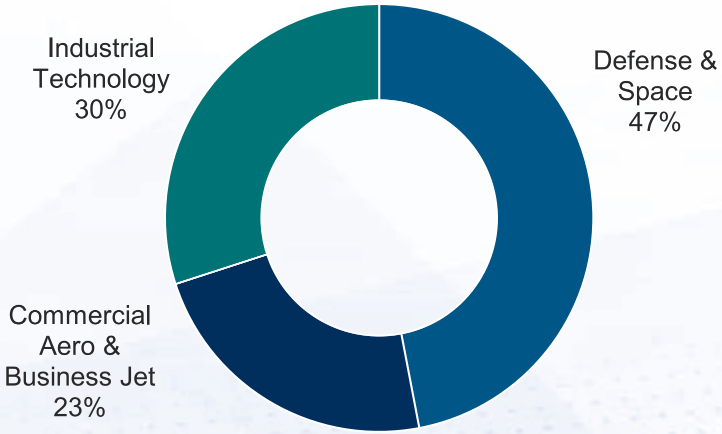
## Common Business Model Attributes Across Arxis

- **Custom, Highly-Engineered Solutions**
- **Design Into Mission-Critical Applications**
- **Outsized Value-to-Cost Ratio**
- **Cutting-Edge Performance at the Extreme**

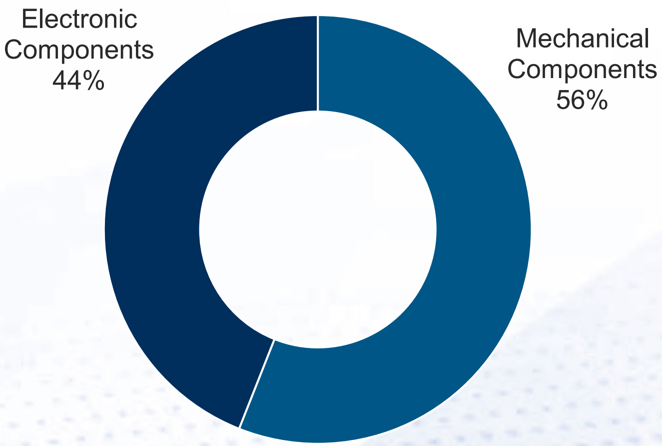
## Product IP(1), (2)




## End Market Mix(1)



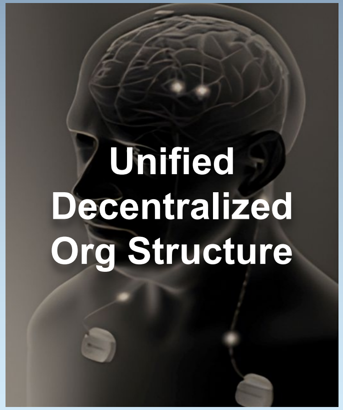

## Segment Breakdown(1)




(1) As a percentage of Revenue for the fiscal year ended December 31, 2025.
(2) Proprietary defined as products that are uniquely designed, developed, and owned by Arxis, often protected by patents, trade secrets, or exclusive manufacturing processes.

# A Differentiated Model for Long-Term Growth








Tailwinds + Differentiation + Arxis EDGE

# Executing Our M&A Strategy – Recent Acquisitions

| Acquisition | Segment | Business Overview |
| --- | --- | --- |
| MICRO-TRONICS, INC.<br>*Closed January 2026* | Mechanical Components | Designer and manufacturer of mission-critical, intricate rubber-to-metal-bonded seals and assemblies |
| MAGCANICA<br>*Closed June 2026* | Electronic Components | Designer and manufacturer of proprietary torque sensor technologies |
| BLUE LINE ENGINEERING<br>*Closed July 2026* | Mechanical Components | Designer and manufacturer of high-reliability precision position sensors and motion-control systems |
| OMNETICS CONNECTOR CORPORATION<br>*Expected Q3'26 Close* | Electronic Components | Designer and manufacturer of high-reliability miniature interconnect solutions |

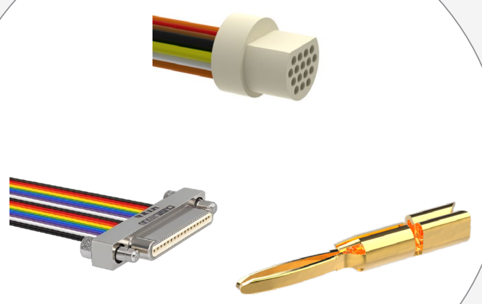
**Consistent Business Model Scores**

- ✓ *Highly engineered custom components*
- ✓ *Proprietary products*
- ✓ *Strong brand equity*
- ✓ *Deep Talent*
- ✓ *Strong Cross-Sell Opportunity*

**35 Acquisitions Since 2019 Demonstrating a Repeatable and Disciplined M&A Strategy**

# Omnetics: The Arxis–Arcline Partnership in Action

ARXIS → OMNETICS CONNECTOR CORPORATION ← ARCLINE



**Operating Expertise**

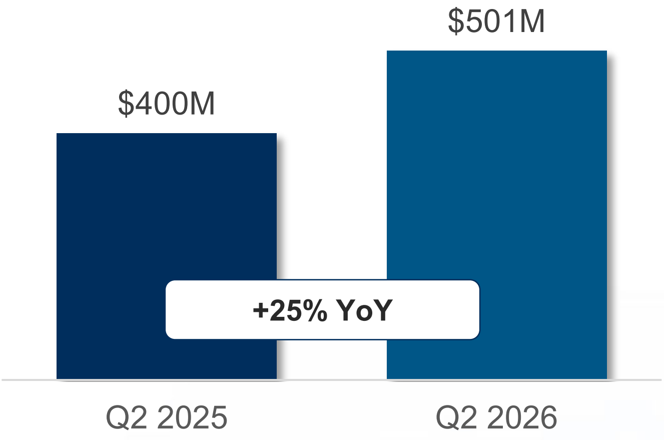
- ✓ Partnered in sourcing the acquisition opportunity
- ✓ Evaluated the strategic and operational fit
- ✓ Assessed engineering, product, and commercial potential
- ✓ Led technical, operational, and customer diligence
- ✓ Identified operational value creation opportunities
- ✓ Developed integration readiness plans

**Investment Expertise**

- ✓ Partnered in sourcing the acquisition opportunity
- ✓ Contributed investment expertise
- ✓ Partnered on financial and commercial diligence
- ✓ Collaborated on transaction structuring and execution
- ✓ Aligned on long-term value creation objectives

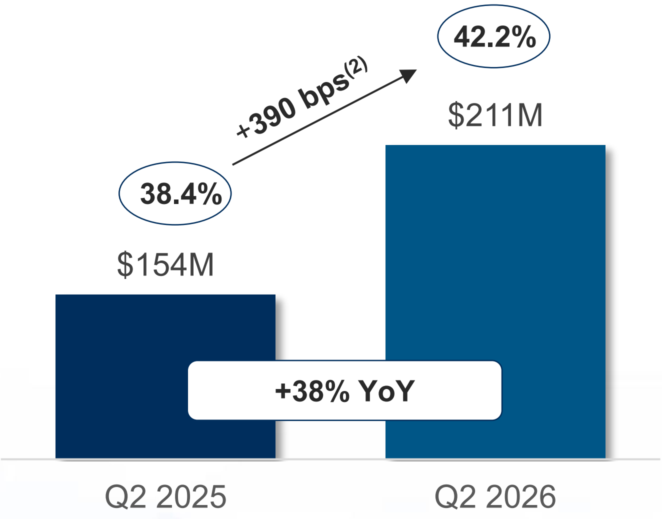
# Q2 2026 Financial Results

## Revenue



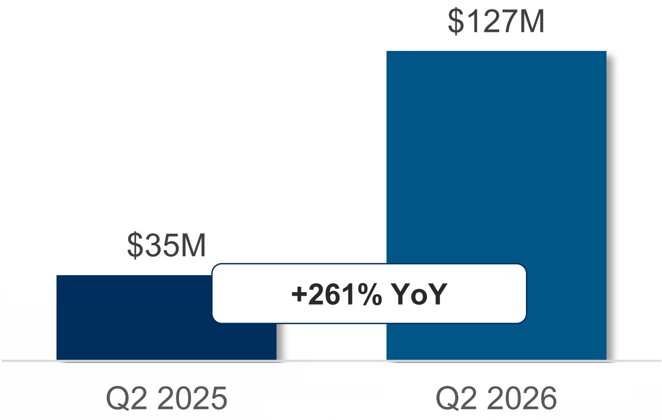

- Revenue increased **+25%** YoY
  - **21%** organic growth
  - **4%** contribution from acquisitions
- Double digit growth across all three end markets

## Adjusted EBITDA[1]




- Continued operational improvements
- Volume leverage and pricing
- 58% incremental EBITDA margins

## Free Cash Flow[1]



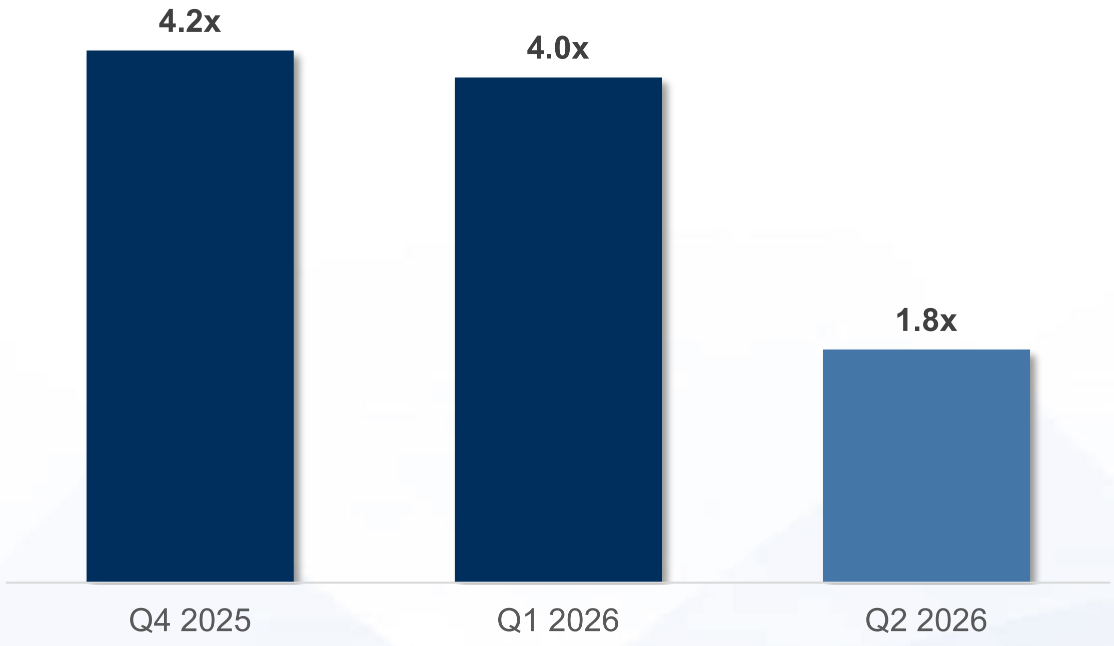

- Strong earnings and improved net working capital
- Q1 timing-related items beginning to normalize

**Strong revenue growth, operating leverage, and free cash flow generation**

(1) Additional detail on non-GAAP financial measures, including reconciliations, is provided in the appendix.
(2) Basis point changes are calculated using unrounded Adjusted EBITDA margin percentages and may not reconcile to displayed percentages due to rounding

# Capital Structure Update

**Net Leverage(1)**
**(Net Debt / Adj. EBITDA(1))**




## Financial flexibility to support disciplined M&A and growth

- Paid down $946M Term Loan B in April with portion of IPO proceeds
- Repriced Term Loan B at 25 bps lower spread, reducing annual cash interest expense by approximately $5 million
- Leverage below 2.0x as of 6/30/26
- $1.1 billion total available liquidity ($495M cash, $400M undrawn revolver, and $201M available delayed draw term loan)
- Strong free cash flow generation further enhances acquisition capacity

(1) Additional detail on non-GAAP financial measures, including reconciliations, is provided in the appendix.

# Full Year 2026 Guidance

| | Current Guidance | Prior Guidance | Vs. Prior Guidance[3] |
|---|---|---|---|
| **Revenue** | **$1,960M - $1,980M**<br>23% - 24% reported YoY%<br>20% - 21% organic[2] YoY% | **$1,860M - $1,880M**<br>17% - 18% reported YoY %<br>14% -16% organic[2] YoY % | **+$100M**<br>5% increase |
| **Adj. EBITDA[1]** | **$790M - $800M**<br>~40.4% margin<br>38% - 40% reported YoY% | **$720M - $730M**<br>~38.8% margin<br>26% - 28% reported YoY% | **+$70M**<br>+160 bps margin |

(1) Arxis has not reconciled its full year 2026 guidance related to Adjusted EBITDA and Adjusted EBITDA margins to its most directly comparable forward-looking GAAP financial measure because such information is not available, and management cannot reliably predict all of the necessary components of such GAAP measure without unreasonable effort or expense.
(2) Management organic revenue growth estimate, includes industry volume, new business volume and price realization.
(3) Change compared to prior guidance midpoint

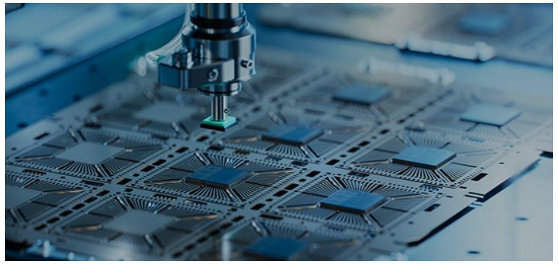
# Full Year 2026 End Market Assumptions

**2026 Arxis Assumed Growth by End Market[1]**

Defense & Space
*47% of revenue[2]*

Commercial Aerospace
*23% of revenue[2]*

Industrial Technology
*30% of revenue [2]*



**Approximately 20% organic[1] growth across all three end markets**

(1) Management organic revenue growth estimate, includes industry volume, new business volume and price realization.
(2) For the fiscal year ended December 31, 2025.

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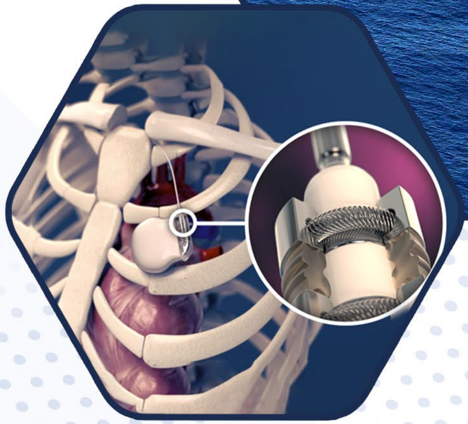
# Appendix



# Additional 2026 Inputs

| | 2026 |
|---|---|
| Capital Expenditures | $63M |
| Interest Expense | $130M[(1)] |
| Effective Tax Rate | 29.0% - 30.0% |
| Depreciation & Amortization | $206M |
| Share-Based Compensation | $155M |
| Tax Receivable Agreement (TRA) Expense | $13M |
| Convertible Common Stock Compensation Expense | $16M |
| Common Shares Outstanding | 417M shares[(2)] |

(1) Interest expense excludes impact of Loss on Debt Extinguishment from April debt repayment
(2) As of June 30, 2026; does not include potentially dilutive shares for the Company’s convertible common stock and outstanding restricted stock units (RSUs).

# Non-GAAP reconciliations

**<u>Adjusted EBITDA and Adjusted EBITDA Margin % (non-GAAP)</u>**

Adjusted EBITDA is defined as net income (loss), adjusted to exclude interest expense, net, income tax expense (benefit), depreciation and amortization, acquisition and integration costs, restructuring costs, transaction and other deal related expenses, share-based compensation expense, and other items that management does not consider indicative of the Company's core operating performance. Management defines Adjusted EBITDA Margin as Adjusted EBITDA divided by Revenue. We believe that Adjusted EBITDA and Adjusted EBITDA margin are important metrics for management and investors as they remove the impact of items that we do not believe are indicative of our core operating results or the overall health of our company and allows for consistent comparison of our operating results over time and relative to our peers.

**<u>Free Cash Flow (non-GAAP)</u>**

Free Cash Flow is defined as net cash provided by (used in) operating activities less capital expenditures. We believe this measure allows management and investors to evaluate the capacity of our operations to generate cash that is available to service debt and make strategic investments and acquisitions.

**<u>Net Leverage (non-GAAP)</u>**

Net Leverage is defined as net debt divided by Adjusted EBITDA for the trailing twelve-month period. Net debt is calculated as total debt, less cash and cash equivalents. We believe this measure allows us to evaluate our capital structure, indebtedness, and ability to service debt.

# Adjusted EBITDA and Margin Reconciliation

| *(in thousands, except percentages)* | Three Months Ended June 30, 2026 | Three Months Ended June 30, 2025 | Six Months Ended June 30, 2026 | Six Months Ended June 30, 2025 | Year Ended December 31, 2025 |
|---|---|---|---|---|---|
| Net income (loss) | $ (4,909) | $ (29,256) | $ 48,400 | $ (33,580) | $ 45,989 |
| Interest expense, net | 39,427 | 57,356 | 83,385 | 125,616 | 220,316 |
| Income tax expense (benefit) | 3,495 | 58,342 | 19,198 | 55,840 | 16,325 |
| Depreciation and amortization | 52,028 | 49,099 | 103,556 | 98,093 | 200,111 |
| Acquisition and integration costs[1] | 715 | 1,214 | 1,437 | 19,963 | 23,313 |
| Restructuring costs[2] | — | 738 | 270 | 2,475 | 3,772 |
| Transaction and other deal related expenses[3] | 1,819 | 4,074 | 9,044 | 4,955 | 12,695 |
| Share-based compensation expense[4] | 107,111 | 2,206 | 109,591 | 4,536 | 27,259 |
| Other non-recurring adjustments[5] | 11,812 | 9,901 | 11,812 | 9,901 | 21,524 |
| **Adjusted EBITDA** | **$ 211,498** | **$ 153,674** | **$ 386,693** | **$ 287,799** | **$ 571,304** |
| Revenue | $ 500,728 | $ 400,444 | $ 959,586 | $ 780,523 | $ 1,591,020 |
| **Adjusted EBITDA Margin** | **42.2%** | **38.4%** | **40.3%** | **36.9%** | **35.9%** |

(1) Represents costs incurred to integrate acquired businesses and product lines into our operations, facility relocation costs, rebranding, system implementation costs and employee expenses related to acquisitions. This also includes amortization expenses of inventory step-up recorded in connection with purchase accounting of acquired

(2) Represents severance, facility consolidation/closure costs and other charges associated with restructuring programs.

(3) Represents third-party transaction-related costs for acquisitions comprising deal fees, legal, financial and tax due diligence expenses and valuation costs that are required

(4) Represents the compensation expense under our share-based plans and deferred compensation plans. Includes $7.5 million for employer taxes related to vested RSUs for the three and six months ended June 30, 2026.

(5) Represents other income and expense adjustments that are non-recurring, non-operational or not reflective of core performance, such as loss on disposal of assets, commercial commitments or legal settlements, income from transition services agreements and non-operational pension impacts. Includes $13.3 million of expense related to the Convertible-Related Tax Receivable Agreement for the three and six months ended June 30, 2026.

# Free Cash Flow Reconciliation

| *(in thousands)* | Three Months Ended June 30, 2026 | Three Months Ended June 30, 2025 | Six Months Ended June 30, 2026 | Six Months Ended June 30, 2025 |
|---|---|---|---|---|
| Net cash provided by operating activities | $ 137,885 | $ 47,843 | $ 174,354 | $ 68,605 |
| Less: | | | | |
| Capital expenditures | (10,587) | (12,600) | (22,290) | (21,395) |
| **Free Cash Flow** | **$ 127,298** | **$ 35,244** | **$ 152,064** | **$ 47,210** |

# Net Leverage Reconciliation

| *(in thousands, except multiples)* | June 30, 2026 | March 31, 2026 | December 31, 2025 |
|---|---|---|---|
| Total debt | $ 1,718,137 | $ 2,652,495 | $ 2,633,312 |
| Add: Unamortized deferred financing costs | 15,523 | 27,225 | 28,159 |
| Less: Cash and cash equivalents | (494,693) | (238,918) | (250,303) |
| Total net debt | $ 1,238,967 | $ 2,440,802 | $ 2,411,168 |
| Net income[(1)] | 127,969 | 103,622 | 45,989 |
| Adjusted EBITDA[(2)] | 670,198 | 612,374 | 571,304 |
| Total debt to net income | 13.4x | 25.6x | 57.3x |
| **Net Leverage** | **1.8x** | **4.0x** | **4.2x** |

[(1)] Represents Net income for the trailing twelve-month period. Net income for the trailing twelve-month period ended June 30, 2026, is calculated as Net income for the year ended December 31, 2025, less Net income (loss) for the six months ended June 30, 2025, plus Net income for the six months ended June 30, 2026.

[(2)] Represents Adjusted EBITDA for the trailing twelve-month period. Adjusted EBITDA for the trailing twelve-month period ended June 30, 2026, is calculated as Adjusted EBITDA for the year ended December 31, 2025, less Adjusted EBITDA for the six months ended June 30, 2025, plus Adjusted EBITDA for the six months ended June 30, 2026.