UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2026

OR

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

For the transition period from __________ to

Commission File Number: 001-38894

Mayville Engineering Company, Inc.
(Exact Name of Registrant as Specified in its Charter)

Wisconsin **(State or other jurisdiction of incorporation or organization)**	**39-0944729** **(I.R.S. Employer Identification No.)**
135 S. 84th Street, Suite 300 **Milwaukee, Wisconsin** **(Address of principal executive offices)**	**53214** **(Zip Code)**

Registrant's telephone number, including area code: (414) 381-2860

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, no par value	**MEC**	**New York Stock Exchange**

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

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

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

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

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of July 31, 2026, the registrant had 25,500,331 shares of common stock, no par value per share, outstanding.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain matters discussed in this Quarterly Report on Form 10-Q contain forward-looking statements that involve risks and uncertainties, such as statements related to future events, business strategy, future performance, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek," "anticipate," "plan," "continue," "estimate," "expect," "may," "will," "project," "predict," "potential," "targeting," "intend," "could," "might," "should," "believe" and similar expressions or their negative. Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward-looking statements are based on management's belief, based on currently available information, as to the outcome and timing of future events. These statements involve estimates, assumptions, known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those expressed in such forward-looking statements. Mayville Engineering Company, Inc. (MEC, the Company, we, our, us or similar terms) believes the expectations reflected in the forward-looking statements contained in this Quarterly Report on Form 10-Q are reasonable, but no assurance can be given that these expectations will prove to be correct. Forward-looking statements should not be unduly relied upon.

Important factors that could cause actual results or events to differ materially from those expressed in forward-looking statements include, but are not limited to, those described in "Risk Factors" in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2025, filed with the Securities and Exchange Commission (the SEC) on March 4, 2026, as such may be amended or supplemented in Part II, Item 1A of our subsequently filed Quarterly Reports on Form 10-Q (including this report) and the following:

- Macroeconomic conditions, including inflation, elevated interest rates, labor availability, material cost pressures, trade policy uncertainty and inconsistent customer demand, have had, and may continue to have, a negative impact on our business, financial condition, cash flows and results of operations (including future uncertain impacts);
- risks relating to developments in the industries in which our customers operate;
- risks related to scheduling production accurately and maximizing efficiency;
- our ability to realize net sales represented by our awarded business;
- failure to compete successfully in our markets;
- our ability to maintain our manufacturing, engineering and technological expertise;
- the loss of any of our large customers or the loss of their respective market shares;
- risks related to entering new markets;
- our ability to recruit and retain our key executive officers, managers and trade-skilled personnel;
- macroeconomic conditions impacting datacenter & critical power end-market demand;
- volatility in the prices or availability of raw materials critical to our business;
- manufacturing risks, including delays and technical problems, issues with third-party suppliers, environmental risks and applicable statutory and regulatory requirements;
- our ability to successfully identify or integrate acquisitions;
- geopolitical and economic developments, including foreign trade relations and associated tariffs;
- our ability to develop new and innovative processes and gain customer acceptance of such processes;

- risks related to our information technology systems and infrastructure;
- results of legal disputes, including product liability, intellectual property infringement and other claims;
- risks associated with our capital-intensive industry;
- risks related to our employee stock ownership plan's treatment as a tax-qualified retirement plan; and
- our ability to satisfy our current obligations under existing indebtedness.

These factors are not necessarily all of the important factors that could cause actual results or events to differ materially from those expressed in forward-looking statements. Other unknown or unpredictable factors could also cause actual results or events to differ materially from those expressed in the forward-looking statements. All forward-looking statements attributable to us are qualified in their entirety by this cautionary statement. Forward-looking statements speak only as of the date hereof. We undertake no obligation to update or revise any forward-looking statements after the date on which any such statement is made, whether as a result of new information, future events or otherwise, except as required by federal securities laws.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

Mayville Engineering Company, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(in thousands, except share amounts)
(unaudited)

	June 30, 2026	December 31, 2025
ASSETS		
Cash and cash equivalents	$ 2,203	$ 1,502
Receivables, net of allowances for doubtful accounts of $690 at June 30, 2026 and $577 at December 31, 2025	77,213	57,551
Inventories, net	69,280	59,398
Tooling in progress	4,137	4,746
Prepaid expenses and other current assets	6,608	5,217
Total current assets	159,441	128,414
Property, plant and equipment, net	152,859	149,996
Assets held for sale	3,082	1,402
Goodwill	140,452	140,246
Intangible assets, net	105,020	111,280
Operating lease assets	26,216	30,473
Other long-term assets	1,505	1,829
Total assets	$ 588,575	$ 563,640
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable	$ 64,729	$ 52,377
Current portion of operating lease obligation	6,922	6,729
Accrued liabilities:		
Salaries, wages, and payroll taxes	6,837	2,753
Bonuses and deferred compensation	4,241	2,170
Other current liabilities	11,130	10,740
Total current liabilities	93,859	74,769
Bank revolving credit notes	125,718	202,525
Operating lease obligation, less current maturities	22,106	25,572
Deferred compensation, less current portion	5,407	5,240
Deferred income tax liability	6,998	11,298
Other long-term liabilities	9,003	3,499
Total liabilities	263,091	322,903
Commitments and contingencies (see Note 9)		
Common shares, no par value, 75,000,000 authorized, 27,684,120 shares issued at June 30, 2026 and 22,505,704 at December 31, 2025	—	—
Additional paid-in-capital	303,794	208,777
Retained earnings	41,706	51,976
Treasury shares at cost, 2,187,334 shares at June 30, 2026 and December 31, 2025	(20,016)	(20,016)
Total shareholders' equity	325,484	240,737
Total liabilities and shareholders' equity	$ 588,575	$ 563,640

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

Mayville Engineering Company, Inc. and Subsidiaries
Condensed Consolidated Statements of Comprehensive Income (Loss)
(in thousands, except share amounts and per share data)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Net sales	$ 162,981	$ 132,328	$ 307,761	$ 267,907
Cost of sales	145,284	118,704	279,107	238,755
Amortization of intangible assets	3,140	1,733	6,270	3,466
Bonuses and deferred compensation	4,845	1,525	9,650	4,850
Other selling, general and administrative expenses	9,324	10,290	18,489	19,182
Impairment of long-lived assets	—	—	1,544	—
Income (loss) from operations	388	76	(7,299)	1,654
Interest expense	(3,475)	(1,398)	(7,137)	(2,965)
Loss on extinguishment of debt	—	—	(134)	—
Income (loss) before taxes	(3,087)	(1,322)	(14,570)	(1,311)
Income tax expense (benefit)	(992)	(225)	(4,300)	(234)
Net income (loss) and comprehensive income (loss)	$ (2,095)	$ (1,097)	(10,270)	(1,077)
Earnings (loss) per share:				
Basic	$ (0.09)	$ (0.05)	$ (0.48)	$ (0.05)
Diluted	$ (0.09)	$ (0.05)	$ (0.48)	$ (0.05)
Weighted average shares outstanding:				
Basic	22,767,889	20,514,496	21,612,917	20,517,579
Diluted	22,767,889	20,699,151	21,612,917	20,718,822

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

Mayville Engineering Company, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	$ (10,270)	$ (1,077)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	15,913	15,619
Amortization	6,270	3,466
Allowance for doubtful accounts	113	46
Inventory excess and obsolescence reserve	921	(187)
Stock-based compensation expense	2,302	2,108
Loss (Gain) on disposal of property, plant and equipment	(4)	5
Impairment of long-lived assets	1,544	—
Deferred compensation	(415)	732
Loss on extinguishment of debt	134	—
Non-cash lease expense	3,141	2,644
Other non-cash adjustments	(181)	141
Changes in operating assets and liabilities:		
Accounts receivable	(19,775)	(1,593)
Inventories	(10,803)	996
Tooling in progress	609	983
Prepaids and other current assets	(859)	(168)
Accounts payable	12,446	7,390
Deferred income taxes	(4,300)	(1,075)
Operating lease obligations	(3,325)	(2,596)
Accrued liabilities	5,215	(4,127)
Net cash provided by (used in) operating activities	(1,325)	23,307
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(12,263)	(5,408)
Proceeds from sale of property, plant and equipment	6	6
Net cash used in investing activities	(12,257)	(5,402)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank revolving credit notes	890,101	560,363
Payments on bank revolving credit notes	(966,908)	(570,808)
Proceeds from stock offering	93,884	—
Payments of financing costs	(398)	(793)
Shares withheld for employees' taxes	(1,169)	(1,335)
Purchase of treasury stock	—	(4,607)
Payments on finance leases	(1,227)	(725)
Net cash provided by (used in) financing activities	14,283	(17,905)
Net increase (decrease) in cash and cash equivalents	701	—
Cash and cash equivalents at beginning of period	1,502	206
Cash and cash equivalents at end of period	$ 2,203	$ 206

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

Mayville Engineering Company, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Six Months Ended June 30,	
	2026	2025
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 6,981	$ 3,208
Cash paid for income taxes	$ 436	$ 2,301
Non-cash property, plant and equipment	$ 1,735	$ 1,129

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

Mayville Engineering Company, Inc. and Subsidiaries
Condensed Consolidated Statements of Shareholders' Equity
(in thousands)
(unaudited)

	Shareholders' Equity			
	Additional Paid-in-Capital	Treasury Shares	Retained Earnings	Total
Balance as of December 31, 2025	$ 208,777	$ (20,016)	$ 51,976	$ 240,737
Net income (loss)	—	—	(8,175)	(8,175)
Stock-based compensation	795	—	—	795
Restricted stock units net of employee tax withholding	(1,171)	—	—	(1,171)
Balance as of March 31, 2026	$ 208,401	$ (20,016)	$ 43,801	$ 232,186
Net income (loss)	—	—	(2,095)	(2,095)
Stock-based compensation	1,507	—	—	1,507
Stock offering	93,884	—	—	93,884
Restricted stock units net of employee tax withholding	2	—	—	2
Balance as of June 30, 2026	$ 303,794	$ (20,016)	$ 41,706	$ 325,484

	Shareholders' Equity			
	Additional Paid-in-Capital	Treasury Shares	Retained Earnings	Total
Balance as of December 31, 2024	$ 207,076	$ (15,409)	$ 60,086	$ 251,753
Net income (loss)	—	—	20	20
Share repurchases	—	(1,747)	—	(1,747)
Stock-based compensation	1,101	—	—	1,101
Restricted stock units net of employee tax withholding	(1,170)	—	—	(1,170)
Balance as of March 31, 2025	$ 207,007	$ (17,156)	$ 60,106	$ 249,957
Net income (loss)	—	—	(1,097)	(1,097)
Purchase of treasury stock	—	(2,860)	—	(2,860)
Stock-based compensation	1,007	—	—	1,007
Stock options exercised net of employee tax withholding	(164)	—	—	(164)
Balance as of June 30, 2025	$ 207,850	$ (20,016)	$ 59,009	$ 246,843

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

Mayville Engineering Company, Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
(in thousands except share amounts, per share data, years and ratios)
(unaudited)

Note 1. Basis of presentation

The interim unaudited Condensed Consolidated Financial Statements of Mayville Engineering Company, Inc. and subsidiaries (MEC, the Company, we, our, us or similar terms) presented here have been prepared in accordance with the accounting principles generally accepted in the United States of America (GAAP) and with instructions to Form 10-Q and Article 10 of Regulation S-X. They reflect all adjustments which are, in the opinion of management, necessary for a fair presentation of the results of operations and financial position for the interim unaudited periods presented. All intercompany balances and transactions have been eliminated in consolidation.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted. These interim unaudited Condensed Consolidated Financial Statements should be read in conjunction with the Company's consolidated financial statements and notes thereto for the year ended December 31, 2025, included in the Company's Annual Report on Form 10-K. A summary of the Company's significant accounting policies is included in the Company's 2025 financial statements in the Annual Report on Form 10-K. The Company followed these policies in preparation of the interim unaudited Condensed Consolidated Financial Statements except for new accounting pronouncements adopted as described below.

Nature of Operations

Mayville Engineering Company, Inc. (MEC) is a leading U.S.-based, vertically-integrated, value-added manufacturing partner providing a full suite of manufacturing solutions from concept to production, including design, prototyping and tooling, fabrication, aluminum extrusion, coating, assembly and aftermarket components. Our customers operate in diverse end markets, including heavy- and medium-duty commercial vehicles, datacenter & critical power, construction & access equipment, powersports, agriculture, military and other end markets. Founded in 1945 and headquartered in Milwaukee, Wisconsin, we are a leading Tier I U.S. supplier of highly engineered components to original equipment manufacturer (OEM) customers with leading positions in their respective markets. The Company maintains 27 facilities, of which 22 are in operation, located in Arkansas, Illinois, Michigan, Mississippi, North Carolina, Ohio, Pennsylvania, Virginia, and Wisconsin. Our engineering expertise and technical know-how allow us to add value through every product redevelopment cycle.

Our one operating segment focuses on producing metal components that are used in a broad range of heavy- and medium-duty commercial vehicles, datacenter & critical power, construction & access equipment, powersports, agricultural, military and other products.

Recently Adopted Accounting Pronouncements

In September 2025, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) 2025-06, *Intangibles – Goodwill and Other-Internal-Use Software,* amending Accounting Standards Codification (ASC) 350. The amendment removes all references to prescriptive and sequential software development stages. In addition, the amendment also requires consideration of whether there is significant uncertainty associated with the development activities of the software during evaluation of a probable-to-complete recognition threshold. ASU 2025-06 is effective for interim and annual periods beginning after December 15, 2027. Entities may adopt the guidance using either a prospective approach (including a modified transition approach) or retrospective approach. Early adoption is permitted. The Company has early adopted ASU 2025-06 on a prospective basis, as of January 1, 2026. The adoption of ASU 2025-06 did not have a material impact on the Company's consolidated financial statements.

In December 2025, the FASB issued ASU 2025-12, *Codification Improvements*. The ASU addresses 33 items, representing the changes to the Codification that (1) clarify, (2) correct errors, or (3) make minor improvements. Generally, the amendments in this update are not intended to result in significant changes for most entities. The ASU is effective for interim reporting periods within annual reporting periods beginning after December 15, 2026. Early adoption is permitted. The Company adopted this standard as of January 1, 2026, and the amendments have been applied on a prospective basis. Adoption of ASU 2025-12 did not have a material impact on the Company's consolidated financial statements.

Recently Issued Accounting Standards Not Yet Adopted

In November 2024, the FASB issued ASU 2024-03, *Expense Disaggregation Disclosures,* amending ASC 220, *Income Statement – Reporting Comprehensive Income.* The amendment requires an entity to provide a disclosure within the financial statement footnotes showing the disaggregation of certain expenses included in relevant expense captions on the consolidated income statement, with a qualitative description of the amounts that are not separately disaggregated quantitatively. The guidance also requires disclosure of the total amount of selling expenses and, in annual reporting periods, an entity's definition of selling expenses. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and for interim periods beginning after December 15, 2027. The guidance is applied on a prospective basis, with a retrospective option and allows for early adoption. The Company is evaluating the potential impact of this guidance on the consolidated financial statements.

In December 2025, the FASB issued ASU 2025-11, *Interim Reporting* - *Narrow-Scope Improvements*, amending ASC 270. The ASU clarifies interim disclosure requirements and the applicability of ASC 270. The objective of the amendments is to provide further clarity about the current interim disclosure requirements. The ASU is effective for interim reporting periods within annual reporting periods beginning after December 15, 2027. Adoption of this ASU can be applied either on a prospective or a retrospective approach. Early adoption is permitted. The Company is evaluating the potential impact of this guidance on the condensed consolidated financial statements.

Note 2. Acquisition

On July 1, 2025, the Company acquired 100% of the membership interests of Accu-Fab, LLC (Accu-Fab). The acquisition was consummated in accordance with the terms of the Purchase Agreement, dated May 23, 2025, among the Company, Accu-Fab and Tide Rock YieldCo, LLC (the Seller). The purchase price of the acquisition was $140,500, subject to customary adjustments for the amount of cash, indebtedness, net working capital and certain expenses of Accu-Fab as of the closing. The acquisition of Accu-Fab was structured as a stock purchase for accounting purposes. As of the closing of the acquisition, after taking into account the estimated adjustments, the Company paid the Seller a preliminary total net consideration of $141,185. The Company financed the acquisition by borrowing under its amended and restated credit agreement, as amended, as described in Note 4 – Debt, in the Notes to the Condensed Consolidated Financial Statements.

With locations in Wheeling, Illinois and Raleigh, North Carolina, Accu-Fab is a vertically integrated manufacturing partner providing technology driven, cutting edge metal fabrication solutions to large OEMs. Accu-Fab offers value-added services including design, engineering, sheet metal fabrication and integration and specialized finishing. The acquisition enhances MEC's strategic position by broadening its customer base and accelerating its entry into the rapidly growing datacenter & critical power infrastructure end markets.

The Company accounted for the acquisition using the acquisition method of accounting in accordance with ASC 805, *Business Combinations*, with MEC being the acquiring entity. Transaction costs related to the acquisition were expensed as incurred within other selling, general, and administrative expenses, and totaled zero and $1,548 for the three months ended June 30, 2026 and 2025, respectively. For the six months ended June 30, 2026 and 2025, transaction costs related to the acquisition were zero and $2,378, respectively.

The aggregate purchase price has been allocated to the assets acquired and liabilities assumed based on their estimated fair values as of the acquisition date. The estimate of the excess purchase price over the estimated fair value of net tangible assets acquired was allocated to identifiable intangible assets and goodwill. The Company engaged an independent third party to assist with the identification and valuation of the acquired assets, including intangible assets. Management made significant estimates and assumptions when determining the fair value of assets acquired and liabilities assumed. These estimates include, but were not limited to, discount rates, projected future net sales, projected future expected cash flows, useful lives, attrition rates and growth rates. These measures are based on significant Level 3 inputs not observable in the market.

The Company estimated the fair value of net assets acquired based on information available during the measurement period and as of June 30, 2026, the valuation process to determine the fair values of the net assets acquired during the measurement period was complete. During the three months ended June 30, 2026 the Company recorded a purchase accounting adjustment to other current liabilities relating to property tax accruals. This adjustment resulted in a $206 increase in other current liabilities with a corresponding increase in acquired goodwill. The fair value of the assets acquired and liabilities assumed were as follows:

	Balance Sheet Allocation As of December 31, 2025	Measurement Period Adjustments	Balance Sheet Allocation As of June 30, 2026
Cash and cash equivalents	$ 1,123	$ —	$ 1,123
Accounts receivable, net	14,118	—	14,118
Inventory	4,594	—	4,594
Prepaid expenses and other current assets	256	—	256
Property, plant and equipment	9,811	—	9,811
Operating lease assets	4,031	—	4,031
Intangible assets			
Customer relationships (1)	67,000	—	67,000
Non-compete agreements (1)	2,200	—	2,200
Other long-term assets	7	—	7
Goodwill	47,596	206	47,802
Total assets acquired	150,736	206	150,942
Accounts payable	(4,101)	—	(4,101)
Lease liabilities, current	(1,246)	—	(1,246)
Accrued liabilities:			
Salaries, wages, and payroll taxes	(726)	—	(726)
Bonuses and deferred compensation	(305)	—	(305)
Other current liabilities	(275)	(206)	(481)
Lease liabilities, non-current	(2,786)	—	(2,786)
Other long-term liabilities	(220)	—	(220)
Total liabilities assumed	(9,659)	(206)	(9,865)
Total consideration	$ 141,077	$ —	$ 141,077

(1) Customer relationships and non-compete agreements have a useful life of fourteen and two years, respectively.

The Company believes that the information gathered provides a reasonable basis for estimating the fair values of assets acquired and liabilities assumed.

Pro Forma Financial Information (Unaudited)

In accordance with ASC 805, the following unaudited pro forma combined results of operations have been prepared and presented to give effect to the Accu-Fab acquisition as if it had occurred on January 1, 2025, the beginning of the comparable period, applying certain assumptions and pro forma adjustments. These pro forma adjustments primarily relate to the estimated depreciation expense associated with the fair value of the acquired property, plant and equipment, amortization of identifiable intangible assets, interest expense related to additional debt needed to fund the acquisition and the tax impact of these adjustments. Additionally, the pro forma adjustments exclude non-recurring expenses related to transaction costs, which were expensed as incurred, and include the sale of stepped-up inventory. The unaudited pro forma consolidated results are provided for illustrative purposes only, are not indicative of the Company's actual consolidated results of operations or consolidated financial position and do not reflect any revenue and operating synergies or cost savings that may result from the acquisition.

	Three Months Ended June 30, 2025	Six Months Ended June 30, 2025
Net sales	$ 150,016	$ 301,881
Net income	$ 1,495	$ 2,888

Note 3. Select balance sheet data

Inventory

Inventories are stated at the lower of cost, determined on the first-in, first-out method, or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. Work-in-process and finished goods are valued at production costs consisting of material, labor and overhead.

Inventories as of June 30, 2026 and December 31, 2025 consist of:

	June 30, 2026	December 31, 2025
Finished goods and purchased parts	$ 27,984	$ 29,962
Raw materials	27,329	18,876
Work-in-process	13,967	10,560
Total	$ 69,280	$ 59,398

Property, Plant and Equipment

Property, plant and equipment as of June 30, 2026 and December 31, 2025 consist of:

	Useful Lives Years	June 30, 2026	December 31, 2025
Land	Indefinite	$ 2,564	$ 2,564
Land improvements	15-39	3,822	4,769
Building and building improvements	15-39	80,912	80,338
Machinery, equipment and tooling	3-10	341,027	327,976
Vehicles	5	6,043	5,720
Office furniture and fixtures	3-7	26,447	25,577
Construction in progress	N/A	8,569	4,725
Total property, plant and equipment, gross		469,384	451,669
Less accumulated depreciation		316,525	301,673
Total property, plant and equipment, net		$ 152,859	$ 149,996

Depreciation expense was $8,094 and $7,870 for the three months ended June 30, 2026 and 2025, respectively, and $15,913 and $15,619 for the six months ended June 30, 2026 and 2025, respectively.

During the three months ended March 31, 2026, the Company expanded the restructuring plan (the Plan) to include the sale of the building that is currently leased to a non-related party in Fond du Lac, Wisconsin. As part of this action, the Company recorded impairment expense of $375. The remaining net amount of property, plant and equipment associated with the facility was $1,680 which was reclassified to assets held for sale from property, plant and equipment.

During the three months ended June 30, 2026, there were no additional impairment expense recorded. As of June 30, 2026, and December 31, 2025, the Company had assets held for sale of $3,082 and $1,402, respectively.

Goodwil

The following table sets forth the changes in the carrying amount of goodwill as of June 30, 2026. The carrying value of goodwill increased by $206 during the six months ended June 30, 2026, due to a measurement period adjustment related to the acquisition of Accu-Fab.

Balance as of December 31, 2025	$	140,246
Measurement period adjustment		206
Balance as of June 30, 2026	$	140,452

Intangible Assets

The following is a listing of intangible assets, the useful lives in years (amortization period) and accumulated amortization as of June 30, 2026 and December 31, 2025:

		June 30, 2026					
	Useful Lives Years	Gross Carrying Amount		Accumulated Amortization		Net	
Amortizable intangible assets:							
Customer relationships and contracts	9-17	$	163,040	$	69,427	$	93,613
Trade name	10		14,780		11,143		3,637
Developed technology	7		4,962		2,110		2,852
Patents	19		24		17		7
Non-compete agreements	2		2,200		1,100		1,100
Total amortizable intangible assets, net		$	185,006	$	83,797	$	101,209
Non-amortizable brand name	Indefinite		3,811		—		3,811
Total intangible assets, net		$	188,817	$	83,797	$	105,020

		December 31, 2025					
	Useful Lives Years	Gross Carrying Amount		Accumulated Amortization		Net	
Amortizable intangible assets:							
Customer relationships and contracts	9-17	$	163,040	$	64,817	$	98,223
Trade name	10		14,780		10,404		4,376
Developed technology	7		4,962		1,750		3,212
Patents	19		24		16		8
Non-compete agreements	2		2,200		550		1,650
Total amortizable intangible assets, net		$	185,006	$	77,537	$	107,469
Non-amortizable brand name	Indefinite		3,811		—		3,811
Total intangible assets, net		$	188,817	$	77,537	$	111,280

Amortization expense was $3,140 and $1,733 for the three months ended June 30, 2026 and 2025, respectively, and $6,270 and $3,466 for the six months ended June 30, 2026 and 2025, respectively.

Future amortization expense is expected to be as follows:

Year ending December 31,		
2026 (remainder)	$	6,260
2027	$	11,970
2028	$	11,364
2029	$	9,922
2030	$	9,368
Thereafter	$	52,325

Note 4. Debt

Bank Revolving Credit Notes

On June 28, 2023, we entered into an amended and restated credit agreement (the Credit Agreement) with certain lenders and Wells Fargo Bank, National Association, as administrative agent (the Agent).

On June 26, 2025, we entered into the First Amendment to the Credit Agreement (First Amendment) which increased the amount of total allowable borrowings under the revolving credit facility from $250,000 to $350,000, by exercising the previously available $100,000 accordion feature. All other material terms of the Credit Agreement, including applicable interest rates, remained unchanged.

On February 25, 2026, we entered into the Third Amendment to the Credit Agreement (Third Amendment) which lowered the amount of total allowable borrowings under the revolving credit facility from $350,000 to $275,000 and reduced our minimum consolidated interest coverage ratio to 2.75 to 1.00, through the fourth quarter of 2026. The Third Amendment also increased our maximum consolidated leverage ratio to 5.25 to 1.00 for the first and second quarter of 2026, 5.00 to 1.00 for the third quarter of 2026, 4.00 to 1.00 for the fourth quarter of 2026 and 3.50 to 1.00 for 2027 and thereafter. As a result of these financial covenant changes, the interest pricing grid now includes additional interest rate tiers. All other material terms of the Credit Agreement remained unchanged. All amounts borrowed under the Credit Agreement (as amended by the amendments) mature on June 28, 2028.

The Credit Agreement contains usual and customary negative covenants for agreements of this type, including, but not limited to, restrictions on our ability to, subject to certain exceptions, create, incur or assume indebtedness; create, incur, assume or suffer to exist liens; make certain investments; allow our subsidiaries to merge or consolidate with another entity; make certain asset dispositions; pay certain dividends or other distributions to shareholders; enter into transactions with affiliates; enter into sale leaseback transactions; and exceed the limits on annual capital expenditures. The Credit Agreement also requires us to satisfy certain financial covenants, including a minimum consolidated interest coverage ratio of 2.75 to 1.00, as well as a consolidated total leverage ratio not to exceed 5.25 to 1.00.

The Company incurred financing costs of $818 and $397 associated with executing the First Amendment and Third Amendment, respectively. Additionally, upon executing the Third Amendment, the Company incurred a loss on extinguishment of debt of $134 associated with unamortized debt issuance costs from prior amendments to the Credit Agreement during the three and six months ended June 30, 2026. As of June 30, 2026, short-term and long-term balances of $719 and $585, respectively, were recorded in prepaid expenses and other current assets and other long-term assets in the Condensed Consolidated Balance Sheets. These deferred financing costs will be amortized over the remaining duration of the Credit Agreement.

At June 30, 2026, our consolidated total leverage ratio under the Credit Agreement was 2.91 to 1.00 as compared to a covenant maximum of 5.25 to 1.00. At June 30, 2026, our consolidated interest coverage ratio under the Credit Agreement was 3.27 to 1.00 as compared to a covenant minimum of 2.75 to 1.00.

Under the Credit Agreement, interest is payable quarterly at the adjusted secured overnight financing rate (SOFR) plus an applicable margin based on the current consolidated total leverage ratio (which may be adjusted for certain reserve requirements), plus 1.25% to 3.25% depending on the current consolidated total leverage ratio. Under certain circumstances, we may not be able to pay interest based on SOFR. If that happens, we will be required to pay interest at the Base Rate, which is the sum of the higher of (i) the Prime Rate (as publicly announced by the Agent from time to time), (ii) the Federal Funds Rate plus 0.50% and (iii) Adjusted Term SOFR for a one-month tenor in effect on such day plus 1.00%. The interest rate was 6.65% and 5.98% as of June 30, 2026 and December 31, 2025, respectively. Additionally, the agreement has a fee on the average daily unused portion of the aggregate unused revolving commitments. This fee was 0.35% and 0.30% as of June 30, 2026 and December 31, 2025, respectively.

The Company was in compliance with all financial covenants of its Credit Agreement as of June 30, 2026 and December 31, 2025. The amount borrowed on the revolving credit notes was $125,718 and $202,525 as of June 30, 2026 and December 31, 2025, respectively.

In connection with the Credit Agreement: (i) the Company has pledged, subject to certain exceptions, security interests and liens in and on (a) substantially all its respective personal property assets and (b) certain of its respective real property assets, in each case, to secure the Credit Agreement and related obligations; and (ii) certain of the Company's subsidiaries have guaranteed the Company's obligations under the Credit Agreement. The Credit Agreement contains customary events of default. If an event of default under the Credit Agreement occurs, then, the lenders may declare any outstanding obligations under the Credit Agreement to be immediately due and payable and exercise rights and remedies against the pledged collateral.

Other Debt

Additionally, the Company has a Fond du Lac County and Fond du Lac Economic Development Corporation term note (Fond du Lac Term Note). The Fond du Lac Term Note is secured by a security agreement, payable in annual installments of $500 plus interest at 2.00% and is due in full in December 2028. The balance outstanding as of June 30, 2026 and December 31, 2025 was $1,375. As of June 30, 2026 and December 31, 2025, the short-term and long-term balance was $500 and $875, respectively. These balances are recorded in other current liabilities and other long-term liabilities in the Condensed Consolidated Balance Sheets.

Note 5. Leases

The Company has real property operating leases for office and manufacturing space. Operating leases for the Company's personal property consist of leases for office equipment, vehicles, forklifts and storage tanks for bulk gases. The Company recognizes a right-of-use (ROU) asset and a lease liability for operating leases based on the net present value of future minimum lease payments. Lease expense for the Company's operating leases is recognized on a straight-line basis over the lease term, including renewal periods that are considered reasonably certain. The Company has not elected to recognize ROU assets or lease liabilities for leases with a term of twelve months or less.

The Company has finance leases for equipment used throughout its office, manufacturing facilities and vehicles used by employees. The Company recognizes an ROU asset and a lease liability for finance leases based on the net present value of future minimum lease payments. Lease expense for the Company's finance leases are comprised of the amortization of the ROU asset and interest expense recognized based on the effective interest method.

Variable lease expense is related to certain of the Company's real property leases and personal property leases, and it generally consists of property tax and insurance components that are for the benefit of the lessor (real property leases) and variable overage fees (personal property leases) that are remitted as part of the Company's lease payments.

During the three and six months ended June 30, 2026, the Company recorded zero and $1,169 of lease impairment expense associated with the Plan. Refer to Note 19 – Restructuring, in the Notes to the Condensed Consolidated Financial Statements for additional information related to lease impairment expense.

The components of lease expense were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Finance lease cost:				
Amortization of finance lease assets	$ 456	$ 181	$ 746	$ 314
Interest on finance lease liabilities	110	18	173	27
Total finance lease expense	566	199	919	341
Operating lease expense	1,575	1,321	3,141	2,647
Short-term lease expense	184	326	380	477
Variable lease expense	93	49	114	164
Lease income [1]	(379)	(547)	(924)	(1,094)
Total lease expense (income)	$ 2,039	$ 1,348	$ 3,630	$ 2,535

(1) The Company subleased a portion of its Hazel Park, MI and Fond Du Lac, WI facilities during the three and six months ended June 30, 2026 and 2025.

Supplemental information related to leases was as follows:

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Cash paid for amounts included in the measurement of lease liabilities for finance leases:		
Operating cash flows	$ 173	$ 21
Financing cash flows	$ 1,227	$ 725
Cash paid for amounts included in the measurement of lease liabilities for operating leases:		
Operating cash flows	$ 3,876	$ 3,074
Right-of-use assets obtained in exchange for recorded lease obligations:		
Operating leases	$ 52	$ 2,798
Finance leases	$ 8,150	$ 911

Note 6. Employee stock ownership plan

Under the Mayville Engineering Company, Inc. Employee Stock Ownership Plan (ESOP), the Company can make annual discretionary contributions to the trust for the benefit of eligible employees in the form of cash or shares of common stock of the Company subject to the Board of Directors' approval. The Company recorded no ESOP expense for the three and six months ended June 30, 2026 and 2025.

As of January 1, 2025, the Company amended the plan reducing the distribution period from three years to a full distribution on the annual distribution date of the year following separation from the Company.

Additionally, as of January 1, 2025, the in-service diversification percentage allowed increased from 25% at age 50 with 10 years of service to 50% and increased from 50% to 75% at age 55 with 10 years of service.

At various times following death, disability, retirement, termination of employment or the exercise of diversification rights, an ESOP participant is entitled to receive their ESOP account balance in accordance with various distribution methods as permitted under the policies adopted by the ESOP.

As of June 30, 2026 and December 31, 2025, the ESOP shares consisted of 1,557,606 and 1,903,861 in allocated shares, respectively.

Note 7. Retirement plans

The Mayville Engineering Company, Inc. 401(k) Plan (the 401(k) Plan) covers substantially all employees meeting certain eligibility requirements. The 401(k) Plan is a defined contribution plan and is intended for eligible employees to defer tax-free contributions to save for retirement. Employees may contribute up to 50% of their eligible compensation to the 401(k) Plan, subject to the limits of Section 401(k) of the Internal Revenue Code.

The Company provides a 50% match for employee contributions, up to 6%. For the three months ended June 30, 2026 and 2025, the Company's employer match expense was $984 and $801, respectively. The Company's employer match expense for the six months ended June 30, 2026 and 2025 was $1,937 and $1,747, respectively.

Note 8. Income taxes

On a quarterly basis, the Company estimates its effective tax rate for the full fiscal year and records a quarterly income tax provision based on the anticipated rate and adjusted for discrete taxable events that may occur in the quarter. As the year progresses, the Company will refine its estimate based on facts and circumstances by each tax jurisdiction.

Income tax expense (benefit) was ($992) and ($225), and the effective tax rate (ETR) was 32.13% and 17.02% for the three months ended June 30, 2026 and 2025, respectively. Income tax expense (benefit) was ($4,300) and ($234), and the effective tax rate

(ETR) was 29.51% and 17.85% for the six months ended June 30, 2026 and 2025, respectively. The Company's ETR is different from the expected tax rate due to state taxes, non-deductible items, research and development credits and excess tax benefit associated with stock-based compensation items.

Uncertain Tax Positions

Based on the Company's evaluation, there is one unrecognized tax benefit requiring recognition in its financial statements as of June 30, 2026. Any interest and penalties related to uncertain tax positions are recorded in income tax expense (benefit) on the Condensed Consolidated Statements of Comprehensive Income (Loss). The entire balance of unrecognized tax benefits as of June 30, 2026, if recognized, would affect the Company's effective tax rate.

The Company files income tax returns in the United States federal jurisdiction and in various state and local jurisdictions. Federal tax returns for tax years beginning January 1, 2022, and state tax returns for the years beginning January 1, 2021, are open for examination.

Note 9. Commitments and contingencies

Litigation

From time to time, the Company may be involved in various claims and lawsuits, both for and against the Company, arising in the normal course of business. Although the results of litigation and claims cannot be predicted with certainty, in management's opinion, either the likelihood of loss is remote, or any reasonably possible loss associated with the resolution of such proceedings is not expected to have a material adverse impact on the condensed consolidated financial statements.

Note 10. Deferred compensation

The Mayville Engineering Company Deferred Compensation Plan is available for certain employees designated to be eligible to participate by the Company and approved by the Board of Directors. Eligible employees may elect to defer a portion of their compensation for any plan year and the deferral cannot exceed 50% of the participant's base salary and may include the participant's annual short-term cash incentive up to 100%. The participant's election must be made prior to the first day of the plan year.

An employer contribution will be made for each participant to reflect the amount of any reduced allocations to the ESOP and/or 401(k) employer contributions due solely to the participant's deferral amounts, as applicable. In addition, a discretionary amount may be awarded to a participant by the Company.

Deferrals are assumed to be invested in an investment vehicle based on the options made available to the participant (which does not include Company stock).

The deferred compensation plan provides benefits payable upon separation of service or death. Payments are to be made 30 days after date of separation from service, either in a lump-sum payment or up to five annual installments as elected by the participant when the participant first elects to defer compensation.

The deferred compensation plan is non-funded, and all future contributions are unsecured in that the employees have the status of a general unsecured creditor of the Company and the agreements constitute a promise by the Company to make benefit payments in the future. During the three and six months ended June 30, 2026, eligible employees elected to defer compensation of $22 and $153, respectively. Eligible employees elected to defer compensation of $75 and $675 for the three and six months ended June 30, 2025, respectively. As of June 30, 2026 and December 31, 2025, the short-term portion accrued for all benefit years less than twelve months under this plan was $420 and $1,000, respectively, which is included within bonuses and deferred compensation on the Condensed Consolidated Balance Sheets. As of June 30, 2026 and December 31, 2025, the long-term portion accrued for all benefit years greater than twelve months under this plan was $5,407 and $5,240. These amounts include the initial deferral of compensation and were adjusted for changes in the value of investment options chosen by the participants. Total expense for the deferred compensation plan for the three and six months ended June 30, 2026 was $587 and $434, respectively. Total expense for the deferred compensation plan for the three and six months ended June 30, 2025 was $383 and $310, respectively. These expenses are included in bonuses and deferred compensation on the Condensed Consolidated Statements of Comprehensive Income (Loss). Additionally, the Company made cash distributions of $1,000 and $253 for the six months ended June 30, 2026 and 2025, respectively.

Note 11. Self-funded insurance

The Company is self-funded for the medical benefits provided to its employees and their dependents. Healthcare costs are expensed as incurred and are based upon actual claims paid, reinsurance premiums, administration fees and estimated unpaid claims. The Company has an aggregate stop loss limit to mitigate risk. Expenses related to this contract were $6,043 and $3,642 for the three months ended June 30, 2026 and 2025, respectively and $10,654 and $7,772 for the six months ended June 30, 2026 and 2025. An accrued liability of $986 and $891 was recorded as of June 30, 2026 and December 31, 2025, respectively, for estimated unpaid claims and is included within other current liabilities on the Condensed Consolidated Balance Sheets.

Note 12. Segments

The Company operates as a single reporting unit and single reporting segment, and is managed on a consolidated basis. The Company derives revenue from its customers by providing value-added manufacturing solutions ranging from concept to production, including prototyping and tooling, production fabrication, coating, assembly and aftermarket components. The accounting policies of the Company's one operating segment are the same as those described in the summary of significant accounting policies. The Company’s chief operating decision maker (CODM) is regularly provided with and assesses performance for its one operating segment with only the consolidated expenses and net income (loss) as presented in the Condensed Consolidated Statements of Comprehensive Income (Loss).

The CODM uses these performance measures to evaluate the Company's profitability, deciding whether to reinvest profits into the segment or into other parts of the entity, such as acquisitions or to buy back Company common stock and monitor budget versus actual results.

All sales are generated and all assets are located within the United States and the business activities are managed at a consolidated level.

The Company’s President, Chief Executive Officer and Director is the CODM.

Note 13. Fair value of financial instruments

Fair value provides information on what the Company may realize if certain assets were sold or might pay to transfer certain liabilities based upon an exit price. Financial assets and liabilities that are measured and reported at fair value are classified into a three-level hierarchy that prioritizes the inputs used in the valuation process. A financial instrument’s categorization within the valuation hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The hierarchy is based on the observability and objectivity of the pricing inputs as follows:

- Level 1 – Quoted prices in active markets for identical assets or liabilities.
- Level 2 – Significant directly observable data (other than Level 1 quoted prices) or significant indirectly observable data through corroboration with observable market data. Inputs would normally be (i) quoted prices in active markets for similar assets or liabilities, (ii) quoted prices in inactive markets for identical or similar assets or liabilities or (iii) information derived from or corroborated by observable market data. Long-term debt is classified as a Level 2 fair value input.
- Level 3 – Prices or valuation techniques that require significant unobservable data inputs. These inputs would normally be the Company’s own data and judgements about assumptions that market participants would use in pricing the asset or liability.

The following table lists the Company’s financial assets and liabilities accounted for at fair value by the fair value hierarchy:

	Balance at June 30,	Fair Value Measurements at Report Date Using

	2026	(Level 1)	(Level 2)	(Level 3)
Deferred compensation liability	$ 5,826	$ 5,826	$ —	$ —
Total	$ 5,826	$ 5,826	$ —	$ —

	Balance at December 31, 2025	Fair Value Measurements at Report Date Using		
		(Level 1)	(Level 2)	(Level 3)
Deferred compensation liability	$ 6,240	$ 6,240	$ —	$ —
Total	$ 6,240	$ 6,240	$ —	$ —

Fair value measurements for the Company’s cash and cash equivalents are classified based upon Level 1 measurements because such measurements are based upon quoted market prices in active markets for identical assets.

Accounts receivable, accounts payable, long-term debt and accrued liabilities are recorded in the Condensed Consolidated Balance Sheets at cost and approximate fair value.

Deferred compensation liabilities are recorded at amounts due to participants at the time of deferral. Deferrals are invested in an investment vehicle based on the options made available to the participant, considered to be Level 1 or Level 2 on the fair value hierarchy, with the current balance all as Level 1. The change in fair value is recorded in the profit sharing, bonuses and deferred compensation line item on the Condensed Consolidated Statements of Comprehensive Income (Loss). The short-term and long-term balances due to participants are reflected on the current portion of deferred compensation and deferred compensation, less current portion line items, respectively, on the Condensed Consolidated Balance Sheets.

The Company’s non-financial assets such as goodwill, intangible assets, property, plant, and equipment and leases are re-measured at fair value when there is an indication of impairment and adjusted only when an impairment charge is recognized. As of June 30, 2026 and December 31, 2025, impairment related to these non-financial assets was recognized as $1,547 and zero, respectively.

Note 14. Earnings per share

The Company computes earnings per share in accordance with ASC Topic 260, *Earnings per Share*. In accordance with ASC 260, outstanding options will be considered to have been exercised and outstanding as of the beginning of the period if the average market price of the common stock during the period exceeds the exercise price of the options (they are “in the money”), and the assumed exercise of the options do not have an anti-dilutive impact on earnings per share.

A reconciliation of basic and diluted net income (loss) per share attributable to the Company were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net income (loss) attributable to MEC	$ (2,095)	$ (1,097)	$ (10,270)	$ (1,077)
Weighted average shares outstanding	22,767,889	20,514,496	21,612,917	20,517,579
Basic income (loss) per share	$ (0.09)	$ (0.05)	$ (0.48)	$ (0.05)
Weighted average shares outstanding	22,767,889	20,514,496	21,612,917	20,517,579
Effect of dilutive stock-based compensation	—	184,655	—	201,243
Total potential shares outstanding	22,767,889	20,699,151	21,612,917	20,718,822
Diluted income (loss) per share	$ (0.09)	$ (0.05)	$ (0.48)	$ (0.05)

There were 110,775 and 60,654 options in the money that were excluded in the computation of diluted earnings per share for the three and six months ended June 30, 2026, respectively, that had an anti-dilutive impact on earnings per share.

Note 15. Revenue recognition

Contract Assets and Contract Liabilities

The Company has contract assets and contract liabilities, which are included in tooling in progress and other current liabilities on the Condensed Consolidated Balance Sheets, respectively. Contract assets primarily consist of capitalized costs related to customer-owned tooling contracts, wherein the Company has not yet met performance obligations. Contract liabilities include deferred tooling revenue, where the performance obligation was not met. The performance obligation is satisfied when the tooling is completed and the customer signs off through the Product Part Approval Process or other documented customer acceptance, and the revenue is recognized either at a point in time or over a period of time. Cost of goods sold is recognized and released from the balance sheet when control of the tooling promised under contract is transferred to the customer.

The Company's contracts with customers are short-term in nature; therefore, revenue is typically recognized, billed and collected within a 12-month period. The following table reflects the changes in our contract assets and liabilities during the three months ended June 30, 2026:

	Contract Assets	Contract Liabilities
As of December 31, 2025	$ 4,746	$ 3,315
Net activity	(609)	(699)
As of June 30, 2026	$ 4,137	$ 2,616

During the six months ended June 30, 2026, revenue recognized from deferred revenue that was recorded as a contract liability at the beginning of 2026 was $1,607. During the six months ended June 30, 2025, revenue recognized from deferred revenue that was recorded as a contract liability at the beginning of 2025 was $2,514.

Disaggregated Revenue

The following tables represent a disaggregation of revenue by product category and end market:

	Three Months Ended June 30,		Six Months Ended June 30,	
Product Category	**2026**	**2025**	**2026**	**2025**
Outdoor sports	$ 1,739	$ 2,107	$ 3,329	$ 3,892
Fabrication	95,344	63,956	176,858	131,814
Performance structures	41,839	39,860	86,380	83,194
Tube	19,688	20,560	35,792	37,070
Tank	8,123	9,296	14,836	19,185
Total	166,733	135,779	317,195	275,155
Intercompany sales elimination	(3,752)	(3,451)	(9,434)	(7,248)
Total, net sales	$ 162,981	$ 132,328	$ 307,761	$ 267,907

	Three Months Ended June 30,		Six Months Ended June 30,	
End Market	**2026**	**2025**	**2026**	**2025**
Commercial vehicle	$ 50,826	$ 49,134	$ 89,508	$ 100,010
Datacenter & critical power	29,050	5,039	52,644	9,182
Construction & access	23,135	20,173	43,264	39,698
Powersports	18,452	19,625	41,843	41,875
Agriculture	8,960	9,233	19,341	20,168
Military	6,456	8,342	12,223	16,829
Other	26,102	20,782	48,938	40,145
Total, net sales	$ 162,981	$ 132,328	$ 307,761	$ 267,907

In connection with the acquisition of Accu-Fab, the Company added a new end market category, datacenter & critical power, to its revenue disaggregation. As a result, certain revenue previously reported within the other end market has been reclassified to the datacenter & critical power end market for all periods presented. Specifically, $5,039 and $9,182 of revenue for the three and six months ended June 30, 2025, were reclassified from the other end market to the datacenter & critical power end market to conform to the current period presentation.

Note 16. Concentration of major customers

The following customers accounted for 10% or greater of the Company's recorded net sales or net trade receivables:

	Net Sales		Net Sales		Accounts Receivable	
	Three Months Ended June 30,		Six Months Ended June 30,		As of June 30,	As of December 31,
	2026	2025	2026	2025	2026	2025
Customer						
A	14.4 %	15.5 %	13.5 %	16.1 %	10.4 %	<10 %
B	<10 %	11.3 %	10.3 %	11.0 %	<10 %	<10 %
C	<10 %	<10 %	<10 %	<10 %	<10 %	10.9 %

Note 17. Stock-based compensation

The Mayville Engineering Company, Inc. 2019 Omnibus Incentive Plan provided the Company the ability to grant monetary payments based on the value of its common stock, up to 2,000,000 shares.

On April 20, 2021, shareholders of the Company approved an amendment to the 2019 Omnibus Incentive Plan increasing the number of shares of common stock authorized for issuance by 2,500,000 shares.

The total number of shares of the Company's common stock still available for issuance under the 2019 Omnibus Incentive Plan as of June 30, 2026 is 1,246,827.

The Company recognizes stock-based compensation using the fair value provisions prescribed by ASC 718, *Compensation – Stock Compensation*. Accordingly, compensation costs for awards of stock-based compensation settled in shares are determined based on the fair value of the stock-based instrument at the time of grant and are recognized as expense over the vesting period of the stock-based instrument. Our stock-based compensation consists of stock options, restricted stock units (RSUs) and performance stock units (PSUs). For all types of units, fair value is equivalent to the adjusted closing stock price at the date of the grant.

Cancellations and forfeitures are accounted for as incurred.

Stock-based compensation expense was $1,507 and $1,007 for the three months ended June 30, 2026 and 2025, respectively, and $2,302 and $2,108 for the six months ended June 30, 2026 and 2025, respectively. The Company reports stock-based compensation within bonuses and deferred compensation in the Condensed Consolidated Statements of Comprehensive Income (Loss).

There were no stock options granted by the Company to employees during the three and six months ended June 30, 2026 and 2025. Stock option grants expire 10 years subsequent to the grant date. Stock-based compensation expense related to stock options is calculated by estimating the fair value of non-qualified stock options at the time of grant and is amortized over the stock options' vesting period. All stock options have been fully vested as of June 30, 2026. There were 7,414 stock options exercised during the six months ended June 30, 2026. As of June 30, 2026, 328,300 stock options remained outstanding with a weighted average strike price of $14.44 and a weighted average contractual life of 5.85 years.

The Company granted 39,912 and 58,795 RSUs, during the three months ended June 30, 2026 and 2025, respectively. The Company granted 308,108 and 323,137 RSUs, during the six months ended June 30, 2026 and 2025, respectively. The RSUs granted to employees vest ratably over a three-year period beginning the year subsequent to the grant date. Director awards vest one year subsequent to the grant date.

No PSUs were granted by the Company to employees during the three months ended June 30, 2026 and 2025. The Company granted 185,127 and 169,062 PSUs during the six months ended June 30, 2026 and 2025, respectively. PSUs are earned based on the achievement of pre-determined financial performance goals at the end of a three-year performance measurement period.

The performance goals for the PSUs granted in 2026 are weighted 50% on the three-year average of the Company's Relative Total Shareholder Return and 50% on the Company's adjusted EBITDA target. Relative Total Shareholder Return represents the percentage change in the value of a company's stock over a performance period, including both stock price appreciation and the reinvestment of dividends, compared to a selected peer group or index. Adjusted EBITDA represents net income before interest expense, provision for income taxes, depreciation, amortization and adjusted for items to be determined unusual in nature or infrequent in occurrence for the performance period, as approved by the Compensation Committee. The number of earned PSUs can range from 50% (threshold) to 200% (maximum) of the target award, with no PSUs earned for performance below the threshold level.

The performance goals for the PSUs granted in 2025 are weighted 50% on the three-year average of the Company's Return on Invested Capital (ROIC) and 50% on the Company's adjusted EBITDA target. ROIC represents net operating profit after taxes divided by invested capital. The number of earned PSUs can range from 50% (threshold) to 200% (maximum) of the target award, with no PSUs earned for performance below the threshold level.

Note 18. Common equity

At June 30, 2026 the authorized stock of the Company consisted of 75,000,000 shares of common stock without par value.

Changes in outstanding common shares are summarized as follows:

	Shares Outstanding
Balance as of December 31, 2025	20,318,370
Treasury stock purchases	—
Common stock issued (including stock-based compensation impact) (1)	5,178,416
Balance as of June 30, 2026	25,496,786

	Shares Outstanding
Balance as of December 31, 2024	20,416,908
Treasury stock purchases	(304,136)
Common stock issued (including stock-based compensation impact)	187,205
Balance as of June 30, 2025	20,299,977

(1) On May 21, 2026, the Company completed a common stock offering which resulted in 5,000,000 shares of common stock being issued at a price of $20.00. Proceeds net of underwriting fees and other direct costs from the common stock offering were used to reduce the outstanding balance owed on the Company's revolving credit facility.

Note 19. Restructuring

On August 5, 2025, the Company initiated a restructuring plan (the Plan) designed to reduce fixed costs and optimize its operational footprint. The Plan provided for the consolidation of three warehouses and one manufacturing facility into the Company's other facilities and was completed as of June 30, 2026.

During the three months ended March 31, 2026, the Plan was expanded to include an additional warehouse facility that is currently leased to a non-related party in Fond du Lac, Wisconsin.

During the three months ended June 30, 2026, the Plan was revised to retain the manufacturing facility to help meet demand relating to the datacenter & critical power market. The revised plan did not include any costs related to this facility.

Total restructuring charges related to equipment relocation and footprint optimization within the Plan incurred during the three and six months ended June 30, 2026 were $45 and $917, respectively, recorded in cost of sales in the Condensed Consolidated Statements of Comprehensive Income (Loss). Total cumulative restructuring charges incurred related to equipment relocation and footprint optimization within the Plan are $1,781. Total impairment expense and asset write downs during the three and six months ended June 30, 2026, were zero and $1,544, respectively, recorded in impairment of long-lived assets in the Condensed Consolidated Statements of Comprehensive Income (Loss). Total cumulative restructuring charges incurred related to asset-write downs and related charges within the Plan are $1,670. The Company expects to incur no additional charges under the Plan and considers it complete as of June 30, 2026. In total, the Company incurred restructuring charges of $3,451 related to the execution of the Plan. Changes in accrued restructuring charges during the six months ended June 30, 2026, were as follows:

	Other Expenses
Accrued restructuring costs as of December 31, 2025	$ 359
Expense recognized	917
Cash paid for restructuring expenses	(1,264)
Accrued restructuring costs as of June 30, 2026	$ 12

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Management's Discussion and Analysis of Financial Condition and Results of Operations is intended to assist in the understanding and assessing the trends and significant changes in our results of operations and financial condition. Historical results may not be indicative of future performance. This discussion includes forward-looking statements that reflect our plans, estimates and beliefs. Such statements involve risks and uncertainties. Our actual results may differ materially from those contemplated by these forward-looking statements as a result of various factors, including those set forth in "Risk Factors" in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2025 and "Cautionary Statement Regarding Forward-Looking Statements" in this Quarterly Report on Form 10-Q. This discussion should be read in conjunction with our audited Consolidated Financial Statements and the notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2025 and our unaudited Condensed Consolidated Financial Statements and the notes thereto included in Part I, Item 1 of this Quarterly Report on Form 10-Q. In this discussion, we use certain non-GAAP financial measures. Explanation of these non-GAAP financial measures and reconciliation to the most directly comparable GAAP financial measures are included in this Management's Discussion and Analysis of Financial Condition and Results of Operations. Investors should not consider non-GAAP financial measures in isolation or as substitutes for financial information presented in compliance with GAAP.

All amounts are presented in thousands except share amounts, per share data, years and ratios.

Overview

MEC is a leading U.S.-based vertically-integrated, value-added manufacturing partner providing a full suite of manufacturing solutions from concept to production, including design, prototyping and tooling, fabrication, aluminum extrusion, coating, assembly and aftermarket components. Our customers operate in diverse end markets, including heavy- and medium-duty commercial vehicles, datacenter & critical power, construction & access equipment, powersports, agriculture, military and other end markets. We have developed long-standing relationships with our blue-chip customers based upon our commitment to "Unmatched Excellence".

Our one operating segment focuses on producing metal components that are used in a broad range of heavy- and medium-duty commercial vehicles, datacenter & critical power, construction & access equipment, powersports, agricultural, military and other products.

Macroeconomic Conditions

The broader market dynamics over the past few years have resulted in impacts to the Company including: inflation, elevated interest rates, labor availability, material cost pressures, trade policy uncertainty and inconsistent customer demand. The Company expects some of these dynamics to continue in 2026 and could continue to have an impact on demand, material costs and labor.

How We Assess Performance

Net Sales. Net sales reflect sales of our components and products net of allowances for returns and discounts. In addition to the current macroeconomic conditions, several factors affect our net sales in any given period, including weather, timing of acquisitions and the production schedules of our customers. Net sales are recognized at the time of shipment or at delivery to the customer.

Manufacturing Margins. Manufacturing margins represents net sales less cost of sales. Cost of sales consists of all direct and indirect costs used in the manufacturing process, including raw materials, labor, equipment costs, depreciation, lease expenses, subcontract costs and other directly related overhead costs. Our cost of sales is directly affected by the fluctuations in commodity prices, primarily sheet steel and aluminum, but these changes are largely mitigated by contractual agreements with our customers that allow us to pass through these price variations based upon certain market indexes.

Depreciation and Amortization. We carry property, plant and equipment on our balance sheet at cost, net of accumulated depreciation. Depreciation on property, plant and equipment is computed on a straight-line basis over the estimated useful life of the asset. The periodic expense related to leasehold improvements and intangible assets is depreciation and amortization expense, respectively. Leasehold improvements are depreciated over the lesser of the life of the underlying asset or the remaining lease term. Our intangible assets were recognized as a result of certain acquisitions and are generally amortized on a straight-line basis over the estimated useful lives of the assets.

Other Selling, General and Administrative Expenses. Other selling, general and administrative expenses consist primarily of salaries and personnel costs for our sales and marketing, finance, human resources, information systems, administration and certain other managerial employees and certain corporate level administrative expenses such as audit, accounting, legal and other consulting and professional services, travel and insurance.

Other Key Performance Indicators

EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin and Free Cash Flow

EBITDA represents net income (loss) before interest expense, provision (benefit) for income taxes, depreciation and amortization. EBITDA Margin represents EBITDA as a percentage of net sales for each period.

Adjusted EBITDA represents EBITDA before stock-based compensation expense, loss on extinguishment of debt, CFO transition costs, natural disaster costs, acquisition related costs and restructuring and impairment costs. Adjusted EBITDA Margin represents Adjusted EBITDA as a percentage of net sales for each period.

Free cash flow represents net cash provided by (used in) operating activities less cash flow used in the purchase of property, plant and equipment.

These metrics are supplemental measures of our operating performance that are neither required by, nor presented in accordance with, GAAP. These measures should not be considered as an alternative to net income (loss) or any other performance measure derived in accordance with GAAP as an indicator of our operating performance. We present EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin and Free Cash Flow as management uses these measures as key performance indicators, and we believe they are measures frequently used by securities analysts, investors and other parties to evaluate companies in our industry. These measures have limitations as analytical tools and should not be considered in isolation or as substitutes for analysis of our results as reported under GAAP.

Our calculation of EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin and Free Cash Flow may not be comparable to the similarly named measures reported by other companies. Potential differences between our measures of EBITDA and Adjusted EBITDA compared to other similar companies' measures of EBITDA and Adjusted EBITDA may include differences in capital structure and tax positions.

The following table presents a reconciliation of net income (loss) and comprehensive income (loss), the most directly comparable measure calculated in accordance with GAAP, to EBITDA and Adjusted EBITDA, and the calculation of EBITDA Margin and Adjusted EBITDA Margin for each of the periods presented.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net income (loss) and comprehensive income (loss)	$ (2,095)	$ (1,097)	$ (10,270)	$ (1,077)
Interest expense	3,475	1,398	7,137	2,965
Provision (benefit) for income taxes	(992)	(225)	(4,300)	(234)
Depreciation and amortization	11,234	9,603	22,184	19,086
EBITDA	11,622	9,679	14,751	20,740
Stock-based compensation expense (1)	1,507	1,007	2,302	2,108
Loss on extinguishment of debt (2)	—	—	134	—
CFO transition costs (3)	—	1,148	—	1,148
Natural disaster costs (4)	—	293	—	293
Acquisition related costs (5)	—	1,548	—	2,378
Restructuring and impairment (6)	45	—	2,460	—
Adjusted EBITDA	$ 13,174	$ 13,675	$ 19,647	$ 26,667
Net sales	$ 162,981	$ 132,328	$ 307,761	$ 267,907
EBITDA Margin	7.1 %	7.3 %	4.8 %	7.7 %
Adjusted EBITDA Margin	8.1 %	10.3 %	6.4 %	10.0 %

(1) Non-cash employee compensation based on the value of common stock issued pursuant to the 2019 Omnibus Incentive Plan.

(2) Unamortized debt issuance costs written off as part of the execution of the Third Amendment, attributable to lenders that decreased their capacity in the Credit Agreement.

(3) Costs associated with the separation of the former CFO.

(4) Costs incurred for facility clean-up following tornado damage at one of the Company's locations.

(5) Transaction costs, primarily legal and professional services, related to the acquisition of Accu-Fab.

(6) Restructuring and impairment costs related to the consolidation of four warehouses into the Company's existing facilities.

The following table presents a reconciliation of net cash provided by (used in) operating activities, the most directly comparable measure calculated in accordance with GAAP, to free cash flow for each of the periods presented.

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Net cash provided by (used in) operating activities	$ (1,325)	$ 23,307
Less: Capital expenditures	12,263	5,408
Free cash flow	$ (13,588)	$ 17,899

Free Cash Flow Analysis Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025

Free cash flow for the six months ended June 30, 2026 was ($13,588) as compared to $17,899 for the six months ended June 30, 2025, a decrease of $31,487 or 175.9%. Please see the “Liquidity and Capital Resources” section below for further information.

Consolidated Results of Operations

Three Months Ended June 30, 2026 Compared to Three Months Ended June 30, 2025

	Three Months Ended June 30,				Increase (Decrease)	
	2026		2025			
	Amount	% of Net Sales	Amount	% of Net Sales	Amount Change	% Change
Net sales	$ 162,981	100.0 %	$ 132,328	100.0 %	$ 30,653	23.2 %
Cost of sales	145,284	89.1 %	118,704	89.7 %	26,580	22.4 %
Manufacturing margin	17,697	10.9 %	13,624	10.3 %	4,073	29.9 %
Amortization of intangible assets	3,140	1.9 %	1,733	1.3 %	1,407	81.2 %
Bonuses and deferred compensation	4,845	3.0 %	1,525	1.2 %	3,320	217.7 %
Other selling, general and administrative expenses	9,324	5.7 %	10,290	7.8 %	(966)	(9.4)%
Income from operations	388	0.2 %	76	0.1 %	312	410.5 %
Interest expense	(3,475)	(2.1)%	(1,398)	(1.1)%	2,077	148.6 %
Provision (benefit) for income taxes	(992)	(0.6)%	(225)	(0.2)%	767	340.9 %
Net income (loss) and comprehensive income (loss)	$ (2,095)	(1.3)%	$ (1,097)	(0.8)%	$ 998	91.0 %
EBITDA	$ 11,622	7.1 %	$ 9,679	7.3 %	$ 1,943	20.1 %
Adjusted EBITDA	$ 13,174	8.1 %	$ 13,675	10.3 %	$ (501)	(3.7)%

Net Sales. Net sales were $162,981 for the three months ended June 30, 2026 as compared to $132,328 for the three months ended June 30, 2025, an increase of $30,653, or 23.2%. This increase was driven by organic growth in the Datacenter & Critical Power, Commercial Vehicle, and Construction & Access end markets and the impact of the Accu-Fab acquisition completed in the third quarter of 2025. These increases were partially offset by lower demand in the Powersports, Agriculture and Military end markets.

Manufacturing Margins. Manufacturing margins were $17,697 for the three months ended June 30, 2026 as compared to $13,624 for the three months ended June 30, 2025, an increase of $4,073, or 29.9%. Manufacturing margin percentages were 10.9% for the three months ended June 30, 2026, as compared to 10.3% for the three months ended June 30, 2025, an increase of 60 basis points. The increase was primarily driven by higher margin sales contribution from the Accu-Fab acquisition and improved capacity utilization as several legacy end markets demand improved. This increase was partially offset by project launch costs and higher costs associated with ongoing workforce expansion to support demand.

Amortization of Intangible Assets. Amortization of intangible assets was $3,140 for the three months ended June 30, 2026, as compared to $1,733 for the three months ended June 30, 2025, an increase of $1,407 or 81.2%. The increase was due to amortization expense associated with identifiable intangible assets from the Accu-Fab acquisition. Refer to Note 2 – Acquisition, for additional information related to these identifiable intangible assets.

Bonuses and Deferred Compensation Expenses. Bonuses and deferred compensation expenses were $4,845 for the three months ended June 30, 2026 as compared to $1,525 for the three months ended June 30, 2025, an increase of $3,320, or 217.7%.

The increase was driven by higher bonus accruals aligning with Company financial performance and the addition of employees associated with the Accu-Fab acquisition.

Other Selling, General and Administrative Expenses. Other SG&A expenses were $9,324 for the three months ended June 30, 2026 as compared to $10,290 for the three months ended June 30, 2025, a decrease of $966, or 9.4%. The decrease was primarily attributable non-recurring executive transition expenses and Accu-Fab acquisition-related costs in the prior year, partially offset by incremental SG&A expenses associated with the acquisition.

Interest Expense. Interest expense was $3,475 for the three months ended June 30, 2026 as compared to $1,398 for the three months ended June 30, 2025, an increase of $2,077, or 148.6%. The increase was due to increased average borrowings and interest rate under the Company's revolving credit facility and the timing of debt repayments made during the period.

Provision (Benefit) for Income Taxes. Income tax expense (benefit) was ($992) for the three months ended June 30, 2026 as compared to ($225) for the three months ended June 30, 2025. The increase in benefit of $767 is primarily due to a greater pre-tax loss in the current year period compared to the pre-tax loss in the prior year period. Refer to Note 8 – Income Taxes of the Condensed Consolidated Financial Statements for further details.

Due to the factors described in the preceding paragraphs, net income (loss) and comprehensive income (loss), Adjusted EBITDA, Adjusted EBITDA Margin and EBITDA Margin decreased while EBITDA increased during the three months ended June 30, 2026 as compared to the three months ended June 30, 2025.

Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025

	Six Months Ended June 30,				Increase (Decrease)	
	2026		2025			
	Amount	% of Net Sales	Amount	% of Net Sales	Amount Change	% Change
Net sales	$ 307,761	100.0 %	$ 267,907	100.0 %	$ 39,854	14.9 %
Cost of sales	279,107	90.7 %	238,755	89.1 %	40,352	16.9 %
Manufacturing Margin	28,654	9.3 %	29,152	10.9 %	(498)	(1.7)%
Amortization of intangible assets	6,270	2.0 %	3,466	1.3 %	2,804	80.9 %
Bonuses and deferred compensation	9,650	3.1 %	4,850	1.8 %	4,800	99.0 %
Other selling, general and administrative expenses	18,489	6.0 %	19,182	7.2 %	(693)	(3.6)%
Impairment of long-lived assets	1,544	0.5 %	—	— %	1,544	NM
Income from operations	(7,299)	(2.4)%	1,654	0.6 %	(8,953)	(541.3)%
Interest expense	(7,137)	(2.3)%	(2,965)	(1.1)%	4,172	140.7 %
Loss on extinguishment of debt	(134)	(0.0)%	—	— %	(134)	NM %
Provision (benefit) for income taxes	(4,300)	(1.4)%	(234)	(0.1)%	4,066	1,737.6 %
Net income (loss) and comprehensive income (loss)	$ (10,270)	(3.3)%	$ (1,077)	(0.4)%	$ 9,193	853.5 %
EBITDA	$ 14,751	4.8 %	$ 20,740	7.7 %	$ (5,989)	(28.9)%
Adjusted EBITDA	$ 19,647	6.4 %	$ 26,667	10.0 %	$ (7,020)	(26.3)%

Net Sales. Net sales were $307,761 for the six months ended June 30, 2026 as compared to $267,907 for the six months ended June 30, 2025, an increase of $39,854, or 14.9%. This increase was driven by organic growth in the Datacenter & Critical Power and Construction & Access end markets and the impact of the Accu-Fab acquisition completed in the third quarter of 2025. These increases were partially offset by lower demand in the Agriculture and Military end markets.

Manufacturing Margins. Manufacturing margins were $28,654 for the six months ended June 30, 2026 as compared to $29,152 for the six months ended June 30, 2025, a decrease of $498, or 1.7%. Manufacturing margin percentages were 9.3% for the six months ended June 30, 2026, as compared to 10.9% for the six months ended June 30, 2025, a decrease of 160 basis points. The decrease was primarily driven by non-recurring restructuring costs, project launch costs related to the Datacenter & Critical Power end market and lower capacity utilization due to softer demand primarily within the Commercial Vehicle end market, partially offset by higher margin sales contribution from the Accu-Fab acquisition.

Amortization of Intangible Assets. Amortization of intangible assets was $6,270 for the six months ended June 30, 2026, as compared to $3,466 for the six months ended June 30, 2025, an increase of $2,804 or 80.9%. The increase was due to amortization expense associated with identifiable intangible assets from the Accu-Fab acquisition. Refer to Note 2 – Acquisition, for additional information related to these identifiable intangible assets.

Bonuses and Deferred Compensation Expenses. Bonuses and deferred compensation expenses were $9,650 for the six months ended June 30, 2026 as compared to $4,850 for the six months ended June 30, 2025, an increase of $4,800, or 99.0%. The increase was driven by a one-time cash bonus in connection with the successful completion of the acquisition of Accu-Fab in July 2025 and higher bonus accruals aligning with Company financial performance and the addition of employees associated with the Accu-Fab acquisition.

Other Selling, General and Administrative Expenses. Other SG&A expenses were $18,489 for the six months ended June 30, 2026 as compared to $19,182 for the six months ended June 30, 2025, a decrease of $693, or 3.6%. The decrease was primarily attributable to non-recurring executive transition expenses and Accu-Fab acquisition-related costs in the prior year, partially offset by incremental SG&A expenses associated with the acquisition.

Impairment of Long-Lived Assets. During the six months ended June 30, 2026, as part of the Company's restructuring plan (the Plan) designed to reduce fixed costs and optimize its operational footprint, in January 2026, the Company fully exited four warehouses. As the assets are no longer in use, an impairment was recorded for the entirety of the ROU asset balance in relation to these facilities.

Interest Expense. Interest expense was $7,137 for the six months ended June 30, 2026 as compared to $2,965 for the six months ended June 30, 2025, an increase of $4,172, or 140.7%. The increase was due to increased average borrowings and interest rate under the Company's revolving credit facility and the timing of debt repayment during the six months ended June 30, 2026.

Provision (Benefit) for Income Taxes. Income tax expense (benefit) was ($4,300) for the six months ended June 30, 2026 as compared to ($234) for the six months ended June 30, 2025. The increase in benefit of $4,066 is primarily due to greater pre-tax loss in the current year period compared to the pre-tax loss in the prior year period. Refer to Note 8 – Income Taxes of the Condensed Consolidated Financial Statements for further details.

Due to the factors described in the preceding paragraphs, net income (loss) and comprehensive income (loss), EBITDA, EBITDA Margin, Adjusted EBITDA and Adjusted EBITDA Margin decreased during the six months ended June 30, 2026 as compared to the six months ended June 30, 2025.

Liquidity and Capital Resources

Cash Flows Analysis

	Six Months Ended June 30,		Increase (Decrease)	
	2026	2025	$ Change	% Change
Net cash provided by (used in) operating activities	$ (1,325)	$ 23,307	(24,632)	(105.7)%
Net cash used in investing activities	(12,257)	(5,402)	(6,855)	(126.9)%
Net cash provided by (used in) financing activities	14,283	(17,905)	32,188	179.8 %
Net change in cash	$ 701	$ —	$ 701	

Operating Activities. Cash used in operating activities was $1,325 for the six months ended June 30, 2026, as compared to cash provided by operating activities of $23,307 for the six months ended June 30, 2025. The decrease of $24,632 in cash provided by (used in) operating activities was primarily due to lower net income (loss) adjusted for reconciling items and a higher use of cash driven by an increase in inventory and accounts receivable supporting higher sales volumes. This was partially offset by an increase in cash provided by higher in accounts payables and accrued liabilities.

Investing Activities. Cash used in investing activities was $12,257 for the six months ended June 30, 2026, as compared $5,402 for the six months ended June 30, 2025. The $6,855 increase in cash used in investing activities was driven by an increase in capital investments needed to support rapidly accelerating demand in the Datacenter & Critical Power end market.

Financing Activities. Cash provided by financing activities was $14,283 for the six months ended June 30, 2026, as compared to cash used in financing activities of $17,905 for the six months ended June 30, 2025. The increase of $32,188 in cash provided by financing activities was primarily driven by proceeds received from the Company's stock offering, partially offset by payments on the Company's revolving credit facility that exceeded borrowings during the period.

Amended and Restated Credit Agreement

On June 28, 2023, we entered into an amended and restated credit agreement (the Credit Agreement) with certain lenders and Wells Fargo Bank, National Association, as administrative agent (the Agent).

On June 26, 2025, we entered into the First Amendment which increased the amount of total allowable borrowings under the revolving credit facility from $250,000 to $350,000, by exercising the previously available $100,000 accordion feature. All other material terms of the Credit Agreement, including applicable interest rates, remained unchanged.

On February 25, 2026, we entered into the Third Amendment which lowered the amount of total allowable borrowings under the revolving credit facility from $350,000 to $275,000 and reduced our minimum consolidated interest coverage ratio to 2.75 to 1.00, through the fourth quarter of 2026. The Third Amendment also increased our maximum consolidated leverage ratio to 5.25 to 1.00 for the first and second quarter of 2026, 5.00 to 1.00 for the third quarter of 2026, 4.00 to 1.00 for the fourth quarter of 2026 and 3.50 to 1.00 for 2027 and thereafter. As a result of these financial covenant changes, the interest pricing grid now includes additional interest rate tiers. All other material terms of the Credit Agreement remained unchanged. All amounts borrowed under the Credit Agreement mature on June 28, 2028.

Borrowings under the Credit Agreement bear interest at a fluctuating SOFR plus an applicable margin based on the current consolidated total leverage ratio (which may be adjusted for certain reserve requirements), plus 1.25% to 3.25% depending on the current Consolidated Total Leverage Ratio (as defined in the Credit Agreement). Under certain circumstances, we may not be able to pay interest based on SOFR. If that happens, we will be required to pay interest at the Base Rate, which is the sum of the higher of (i) the Prime Rate (as publicly announced by the Agent from time to time), (ii) the Federal Funds Rate plus 0.50% and (iii) Adjusted Term SOFR for a one-month tenor in effect on such day plus 1.00%.

At June 30, 2026, the interest rate on outstanding borrowings under the Revolving Loan was 6.65%. After accounting for our debt covenants, we had availability of $108,505 under the revolving credit facility at June 30, 2026.

We must pay a commitment fee of 0.20% to 0.35% per annum on the average daily unused portion of the aggregate unused revolving commitments under the Credit Agreement. At June 30, 2026, this fee was 0.35%. We must also pay fees as specified in the Fee Letter (as defined in the Credit Agreement) and with respect to any letters of credit issued under the Credit Agreement.

The Credit Agreement contains usual and customary negative covenants for agreements of this type, including, but not limited to, restrictions on our ability to, subject to certain exceptions, create, incur or assume indebtedness; create, incur, assume or suffer to exist liens; make certain investments; allow our subsidiaries to merge or consolidate with another entity; make certain asset dispositions; pay certain dividends or other distributions to shareholders; enter into transactions with affiliates; enter into sale leaseback transactions; and exceed the limits on annual capital expenditures. The Credit Agreement also requires us to satisfy certain financial covenants, including a minimum consolidated interest coverage ratio of 2.75 to 1.00, as well as a consolidated total leverage ratio not to exceed 5.25 to 1.00. As of June 30, 2026, under the terms of the Credit Agreement, our interest coverage ratio was 3.27 to 1.00 and our consolidated total leverage ratio was 2.91 to 1.00.

The Credit Agreement includes customary events of default, including, among other things, payment default, covenant default, breach of representation or warranty, bankruptcy, cross-default, material ERISA events, material money judgment, and failure to maintain subsidiary guarantees. If an event of default occurs, the Agent will be entitled to take various actions, including the acceleration of amounts due under the Credit Agreement, termination of the credit facility, and all other actions permitted to be taken by a secured creditor.

Other Debt

Additionally, the Company has a Fond du Lac County and Fond du Lac Economic Development Corporation term note (Fond du Lac Term Note). The Fond du Lac Term Note is secured by a security agreement, payable in annual installments of $500 plus interest at 2.00% and is due in full in December 2028. The balance outstanding as of June 30, 2026 and December 31, 2025 was $1,375. As of June 30, 2026, the short-term and long-term balance of $500 and $875, respectively. These balances are recorded in other current liabilities and other long-term liabilities in the Condensed Consolidated Balance Sheets.

Capital Requirements and Sources of Liquidity

During the six months ended June 30, 2026 and 2025, our capital expenditures were $11,755 and $5,408 respectively. The increase of $6,347 was driven by an increase in capital investments needed to support rapidly accelerating demand in the Datacenter & Critical Power end market. Capital expenditures for the full year 2026 are expected to be between $25,000 and $35,000.

We have historically relied upon cash available through credit facilities, in addition to cash from operations, to finance our working capital requirements and to support our growth. We regularly monitor potential capital sources, including equity and debt financings, in an effort to meet our planned capital expenditures and liquidity requirements. Our future success will be highly dependent on our ability to access outside sources of capital. We will continue to have access to the availability currently provided under the Credit Agreement as long as we remain compliant with the financial covenants. Based on our estimates at this time, we expect to be in compliance with these financial covenants through 2026 and the foreseeable future.

We believe that our operating cash flow and available borrowings under the Credit Agreement are sufficient to fund our operations for 2026 and beyond. However, future cash flows are subject to a number of variables, and additional capital expenditures will be required to conduct our operations. There can be no assurance that operations and other capital resources will provide cash in sufficient amounts to maintain planned or future levels of capital expenditures. In the event we make one or more acquisitions and the amount of capital required is greater than the amount we have available for acquisitions at that time, we could be required to reduce the expected level of capital expenditures and/or seek additional capital. If we seek additional capital, we may do so through borrowings under the Credit Agreement, joint ventures, asset sales, offerings of debt or equity securities or other means. We cannot guarantee that this additional capital will be available on acceptable terms or at all. If we are unable to obtain the funds we need, we may not be able to complete acquisitions that may be favorable to us or finance the capital expenditures necessary to conduct our operations.

Contractual Obligations

The following table presents our obligations and commitments to make future payments under contracts and contingent commitments at June 30, 2026:

		Payments Due by Period			
	Total	2026 (Remainder)	2027 – 2028	2029 – 2030	Thereafter
Long-term debt principal payment obligations (1)	$ 127,093	$ 500	$ 126,593	$ —	$ —
Forecasted interest on debt payment obligations (2)	23,026	5,755	17,271	—	—
Finance lease obligations (3)	10,803	1,358	4,960	3,976	508
Operating lease obligations (3)	31,635	3,916	14,263	9,066	4,390
Total	$ 192,557	$ 11,529	$ 163,088	$ 13,042	$ 4,898

(1) Principal payments under the Company's Credit Agreement, which expires in June 2028 and the Fond du Lac Term Note, which is due in December 2028.

(2) Forecasted interest on debt obligations are based on the debt balance, interest rate and unused fee of the Company's revolving credit facility and debt balance and interest rate of the Company's Fond du Lac Term Note.

(3) See Note 5 – Leases in the Notes to Condensed Consolidated Financial Statements for additional information.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to market risk from changes in customer forecasts, interest rates, and to a lesser extent, commodities. To reduce such risks, we selectively use financial instruments and other proactive management techniques.

Customer Forecasts

The use and consumption of our components, products and services fluctuates depending on order forecasts we receive from our customers. These order forecasts can change dramatically from quarter-to-quarter dependent upon the respective markets that our customers provide products in.

Interest Rate Risk

We are exposed to interest rate risk on certain of our short- and long-term debt obligations used to finance our operations and acquisitions. We have SOFR-based floating rate borrowings under the Credit Agreement, which exposes us to variability in interest payments due to changes in the referenced interest rates.

The amount borrowed under the revolving credit facility under the Credit Agreement was $125,718 with an interest rate of 6.65% as of June 30, 2026. Please see “Liquidity and Capital Resources – Amended and Restated Credit Agreement” in Part I, Item 2 and Note 4 in the Notes to the Condensed Consolidated Financial Statements of this Quarterly Report on Form 10-Q for more specifics.

A hypothetical 100-basis-point increase in interest rates would have resulted in an additional $941 of interest expense based on our variable rate debt at June 30, 2026. We do not use derivative financial instruments to manage interest risk or to speculate on future changes in interest rates. A rise in interest rates could negatively affect our cash flow.

Commodity Risk

We source a wide variety of materials and components from a network of suppliers. Commodity raw materials, such as steel, aluminum, copper, paint and paint chemicals, and other production costs are subject to price fluctuations, which could have a negative impact on our results. We strive to pass along such commodity price increases to customers to avoid profit margin erosion and in many cases utilize contracts with those customers to mitigate the impact of commodity raw material price fluctuations. As of June 30, 2026, we did not have any commodity hedging instruments in place.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed in the reports we file or submit under the Securities Exchange Act of 1934, as amended (the Exchange Act), is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow for timely decisions regarding required disclosure. In designing disclosure controls and procedures, our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. The design of any disclosure controls and procedures also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired objectives.

As of June 30, 2026, we carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of June 30, 2026. Management believes the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q fairly present, in all material respects, our financial position, results of operations and cash flows as of the dates presented, and for the periods ended on such dates, in conformity with accounting principles generally accepted in the United States of America (GAAP).

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the six months ended June 30, 2026 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

We are not currently a party to any material litigation proceedings. From time to time, however, we may be a party to litigation and subject to claims incident to the ordinary course of business. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

Item 1A. Risk Factors

There have been no material changes to the risk factors previously disclosed in Part I, Item 1A, “Risk Factors,” in our Annual Report on Form 10-K for the year ended December 31, 2025, which was filed with the SEC on March 4, 2026.

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

The table below sets forth information with respect to purchases we made of shares of our common stock during the quarter ended June 30, 2026:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (1)
April 2026	—	$ —	—	$ 14,497,519
May 2026	—	$ —	—	$ 14,497,519
June 2026	—	$ —	—	$ 14,497,519
Total	—		—	

(1) On October 26, 2023, the Board of Directors approved a new share repurchase program of up to $25 million of shares through 2026. The new share repurchase program replaced the prior program.

Item 5. Other Information

During the six months ended June 30, 2026, no director or Section 16 officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408 of Regulation S-K.

Item 6. Exhibits.

The exhibits listed in the Exhibit Index below are filed as part of this Quarterly Report on Form 10-Q.

EXHIBIT INDEX

Exhibit Number	Description
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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.

MAYVILLE ENGINEERING COMPANY, INC.

Date: August 5, 2026

By: /s/ Jagadeesh A. Reddy
Jagadeesh A. Reddy
President, Chief Executive Officer and Director

By: /s/ Rachele M. Lehr
Rachele M. Lehr
Chief Financial Officer

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jagadeesh A. Reddy, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Mayville Engineering Company, Inc.;

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

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

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

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

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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

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

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

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

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

Date: August 5, 2026

By: /s/ Jagadeesh A. Reddy
Jagadeesh A. Reddy
President & Chief Executive Officer

Exhibit 31.2

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Rachele M. Lehr, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Mayville Engineering Company, Inc.;

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

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

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

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

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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

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

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

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

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

Date: August 5, 2026 By: /s/ Rachele M. Lehr

Rachele M. Lehr
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**

In connection with the Quarterly Report on Form 10-Q of Mayville Engineering Company, Inc. (the "Company") for the period ended June 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Jagadeesh A. Reddy, as President and Chief Executive Officer of the Company, and Rachele M. Lehr, as Chief Financial Officer of the Company, each hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

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

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

Date: August 5, 2026

By: /s/ Jagadeesh A. Reddy
Jagadeesh A. Reddy
President & Chief Executive Officer

By: /s/ Rachele M. Lehr
Rachele M. Lehr
Chief Financial Officer