

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

**FORM 10-Q**

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

For the quarterly period ended June 28, 2025

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 001-08174

**DUCOMMUN INCORPORATED**

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of  
incorporation or organization)

95-0693330

(I.R.S. Employer  
Identification No.)

600 Anton Boulevard, Suite 1100, Costa Mesa, California

(Address of principal executive offices)

92626-7100

(Zip code)

Registrant's telephone number, including area code: (657) 335-3665

N/A

(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$.01 par value per share	DCO	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). Yes  No

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

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 30, 2025, the registrant had 14,923,743 shares of common stock outstanding.

## DUCOMMUN INCORPORATED AND SUBSIDIARIES

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## FORWARD-LOOKING STATEMENTS AND RISK FACTORS

This Quarterly Report on Form 10-Q (“Form 10-Q”) contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be preceded by, followed by or include words such as “could,” “may,” “believe,” “expect,” “anticipate,” “plan,” “estimate,” “expect,” “would,” or similar expressions. These statements are based on the beliefs and assumptions of our management at the time such statements are made. Generally, forward-looking statements include information concerning our possible or assumed future actions, events or results of operations. Forward-looking statements specifically include, without limitation, the information in this Form 10-Q regarding: future sales, earnings, cash flow, revenue recognition, uses of cash and other measures of financial performance, projections or expectations for future operations, including costs to complete contracts, goodwill impairment evaluations, useful life of intangible assets, unrecognized tax benefits and effective tax rate, possible labor disruptions, environmental remediation costs, insurance recoveries, industry trends and expectations, including ramp up times for build rates, our plans with respect to restructuring activities, capital expenditures, completed acquisitions, future acquisitions and dispositions and expected business opportunities that may be available to us.

Although we believe that the expectations reflected in the forward-looking statements are based on reasonable assumptions, these forward-looking statements are subject to numerous factors, risks and uncertainties that could cause actual outcomes and results to be materially different from those projected. We cannot guarantee future results, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. All written and oral forward-looking statements made in connection with this Form 10-Q that are attributable to us or persons acting on our behalf are expressly qualified in their entirety by the “Risk Factors” contained within Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2024 (“Form 10-K”).

There can be no assurance that other factors will not affect the accuracy of these forward-looking statements or that our actual results will not differ materially from the results anticipated in such forward-looking statements. While it is impossible to identify all such factors, some factors that could cause actual results to differ materially from those estimated by us include, but are not limited to, those factors or conditions described under Risk Factors contained within Part I, Item 1A of our Form 10-K and the following:

- our level of indebtedness due to the considerable amount of cash needed to run our business;
- our ability to service our indebtedness;
- the covenants in our credit facilities impose restrictions that may limit our operating and financial flexibility;
- we are and may continue to be subject to litigation, other legal proceedings and indemnity claims and face headwinds in pending litigation matters which may become material, including with respect to the Guaymas performance center fire;
- the typical trading volume of our common stock may affect an investor’s ability to sell significant stock holdings in the future without negatively impacting our stock price;
- our amount of debt may require us to raise additional capital to fund acquisitions;
- our end use markets are cyclical and we depend upon a select base of industries and customers;
- a significant portion of our business depends on the U.S. Government defense spending;
- exports of certain of our products and our production facility in Guaymas, Mexico are subject to various export control regulations and authorizations for proposed sales to certain foreign customers;
- contracts with some of our customers give them a variety of rights that are unfavorable to us and the OEMs to whom we provide products and services, including the ability to terminate a contract at any time for convenience;
- further consolidation in the aerospace industry;
- our ability to execute our growth strategy, which includes evaluating select acquisitions;
- labor disruptions and the ability of our suppliers to meet the quality and delivery expectations of our customers;
- we may not be successful in achieving expected operating efficiencies and sustaining or improving operating expense reductions, and may experience business disruptions associated with restructuring, performance center consolidations, realignment, cost reduction, and other strategic initiatives;

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- enhanced design, product development, manufacturing, supply chain project management and other skills will be required as we move up the value chain to become a more value added supplier, and we are dependent upon our ability to attract and retain key personnel;
- risks associated with existing and new tariffs imposed by the U.S. administration or foreign governments potentially impacting the operation and conduct of our business outside the United States, including our production facility in Mexico, sale of products to customers outside the United States and the import of raw materials and equipment from suppliers outside the United States;
- customer pricing pressures could reduce the demand and/or price for our products and services;
- our products and processes are subject to risk of obsolescence as a result of changes in technology and evolving industrial and regulatory standards;
- we may not have the ability to renew facilities leases on terms favorable to us and relocation of operations presents risks due to business interruptions;
- our operations are subject to numerous extensive, complex, costly and evolving laws, regulations and restrictions, including the Defense Contract Audit Agency and cybersecurity requirements;
- we are subject to a number of procurement laws with which we must comply;
- possible goodwill and other asset impairments;
- the risk of environmental liabilities and our environmental, social and governance, and sustainability responsibilities;
- our ability to implement changes in estimates when bidding on fixed-price contracts;
- unanticipated changes in our tax provision or exposure to additional income tax liabilities;
- our ability to accurately report our financial results or prevent fraud if our internal control over financial reporting is not effective;
- cybersecurity attacks;
- assertions by third parties of violations of intellectual property rights; and
- damage or destruction of our facilities caused by natural disasters.

We caution the reader that undue reliance should not be placed on any forward-looking statements, which speak only as of the date of this Form 10-Q. We do not undertake any duty or responsibility to update any of these forward-looking statements to reflect events or circumstances after the date of this Form 10-Q, except as required by law.

**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements**

**Ducommun Incorporated and Subsidiaries**  
**Condensed Consolidated Balance Sheets**  
(Unaudited)

(Dollars in thousands, except share and per share data)

	June 28, 2025	December 31, 2024
<b>Assets</b>		
Current Assets		
Cash and cash equivalents	\$ 37,117	\$ 37,139
Accounts receivable, net of allowance for credit losses of \$2,008 and \$2,630 at June 28, 2025 and December 31, 2024, respectively	119,682	109,716
Contract assets	221,046	200,584
Inventories	197,296	196,881
Production cost of contracts	5,769	6,802
Other current assets	17,327	16,959
Total Current Assets	598,237	568,081
Property and Equipment, Net of Accumulated Depreciation of \$199,238 and \$194,921 at June 28, 2025 and December 31, 2024, respectively	108,943	109,812
Operating Lease Right-of-Use Assets	24,358	28,611
Goodwill	244,600	244,600
Intangibles, Net	141,215	149,591
Deferred Income Taxes	5,066	2,239
Other Assets	18,412	23,167
<b>Total Assets</b>	<b>\$ 1,140,831</b>	<b>\$ 1,126,101</b>
<b>Liabilities and Shareholders' Equity</b>		
Current Liabilities		
Accounts payable	\$ 84,089	\$ 75,784
Contract liabilities	36,971	34,445
Accrued and other liabilities	42,069	44,214
Operating lease liabilities	8,866	8,531
Current portion of long-term debt	12,500	12,500
Total Current Liabilities	184,495	175,474
Long-Term Debt, Less Current Portion	218,084	229,830
Non-Current Operating Lease Liabilities	16,853	21,284
Other Long-Term Liabilities	13,568	16,983
Total Liabilities	433,000	443,571
Commitments and Contingencies (Notes 8, 10)		
Shareholders' Equity		
Common Stock - \$0.01 par value; 35,000,000 shares authorized; 14,922,797 and 14,781,218 shares issued and outstanding at June 28, 2025 and December 31, 2024, respectively	149	148
Additional Paid-In Capital	223,652	217,523
Retained Earnings	476,539	453,475
Accumulated Other Comprehensive Income	7,491	11,384
Total Shareholders' Equity	707,831	682,530
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 1,140,831</b>	<b>\$ 1,126,101</b>

*See accompanying notes to Condensed Consolidated Financial Statements.*

**Ducommun Incorporated and Subsidiaries**  
**Condensed Consolidated Statements of Income**  
(Unaudited)  
(Dollars in thousands, except per share amounts)

	Three Months Ended		Six Months Ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Net Revenues	\$ 202,260	\$ 197,000	\$ 396,374	\$ 387,847
Cost of Sales	148,522	145,761	291,039	289,665
Gross Profit	53,738	51,239	105,335	98,182
Selling, General and Administrative Expenses	35,959	36,061	70,553	69,012
Restructuring Charges	608	1,254	1,034	2,624
Operating Income	17,171	13,924	33,748	26,546
Interest Expense	(3,008)	(3,975)	(6,271)	(7,858)
Other Income	1,746	—	1,746	—
Income Before Taxes	15,909	9,949	29,223	18,688
Income Tax Expense	3,356	2,225	6,159	4,115
Net Income	<u>\$ 12,553</u>	<u>\$ 7,724</u>	<u>\$ 23,064</u>	<u>\$ 14,573</u>
Earnings Per Share				
Basic earnings per share	\$ 0.84	\$ 0.52	\$ 1.55	\$ 0.99
Diluted earnings per share	\$ 0.82	\$ 0.52	\$ 1.52	\$ 0.97
Weighted-Average Number of Common Shares Outstanding				
Basic	14,938	14,775	14,898	14,735
Diluted	15,216	14,961	15,196	14,954

*See accompanying notes to Condensed Consolidated Financial Statements.*

**Ducommun Incorporated and Subsidiaries**  
**Condensed Consolidated Statements of Comprehensive Income**  
(Unaudited)  
(Dollars in thousands)

	Three Months Ended		Six Months Ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Net Income	\$ 12,553	\$ 7,724	\$ 23,064	\$ 14,573
Other Comprehensive (Loss) Income, Net of Tax:				
Amortization of actuarial losses and prior service costs, net of tax of \$7 and \$14 for the three months ended June 28, 2025 and June 29, 2024, respectively, and \$13 and \$28 for the six months ended June 28, 2025 and June 29, 2024, respectively.	19	44	39	86
Change in net unrealized (losses) gains on cash flow hedges, net of tax (benefit) expense of \$(470) and \$65 for the three months ended June 28, 2025 and June 29, 2024, respectively, and \$(1,185) and \$737 for the six months ended June 28, 2025 and June 29, 2024, respectively.	(1,558)	211	(3,932)	2,412
Other Comprehensive (Loss) Income, Net of Tax	(1,539)	255	(3,893)	2,498
Comprehensive Income	<u>\$ 11,014</u>	<u>\$ 7,979</u>	<u>\$ 19,171</u>	<u>\$ 17,071</u>

*See accompanying notes to Condensed Consolidated Financial Statements.*

**Ducommun Incorporated and Subsidiaries**  
**Condensed Consolidated Statements of Changes in Shareholders' Equity**  
(Unaudited)  
(Dollars in thousands)

	Shares Outstanding	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
<b>Balance at December 31, 2023</b>	<b>14,600,766</b>	<b>\$ 146</b>	<b>\$ 206,197</b>	<b>\$ 421,980</b>	<b>\$ 7,771</b>	<b>\$ 636,094</b>
Net income	—	—	—	6,849	—	6,849
Other comprehensive income, net of tax	—	—	—	—	2,243	2,243
Employee stock purchase plan	28,773	—	1,190	—	—	1,190
Stock options exercised	1,625	—	47	—	—	47
Stock awards vested	152,569	2	(2)	—	—	—
Stock repurchased related to the exercise of stock options and stock awards vested	(77,107)	(1)	(3,764)	—	—	(3,765)
Stock-based compensation	—	—	2,889	—	—	2,889
<b>Balance at March 30, 2024</b>	<b>14,706,626</b>	<b>147</b>	<b>206,557</b>	<b>428,829</b>	<b>10,014</b>	<b>645,547</b>
Net income	—	—	—	7,724	—	7,724
Other comprehensive income, net of tax	—	—	—	—	255	255
Stock options exercised	10,322	—	368	—	—	368
Stock awards vested	57,590	—	—	—	—	—
Stock repurchased related to the exercise of stock options and stock awards vested	(27,617)	—	(1,524)	—	—	(1,524)
Stock-based compensation	—	—	3,529	—	—	3,529
<b>Balance at June 29, 2024</b>	<b>14,746,921</b>	<b>\$ 147</b>	<b>\$ 208,930</b>	<b>\$ 436,553</b>	<b>\$ 10,269</b>	<b>\$ 655,899</b>
<b>Balance at December 31, 2024</b>	<b>14,781,218</b>	<b>\$ 148</b>	<b>\$ 217,523</b>	<b>\$ 453,475</b>	<b>\$ 11,384</b>	<b>\$ 682,530</b>
Net income	—	—	—	10,511	—	10,511
Other comprehensive income, net of tax	—	—	—	—	(2,354)	(2,354)
Employee stock purchase plan	24,412	1	1,293	—	—	1,294
Stock awards vested	123,580	1	(1)	—	—	—
Stock repurchased related to the exercise of stock options and stock awards vested	(60,905)	(1)	(3,559)	—	—	(3,560)
Stock-based compensation	—	—	4,586	—	—	4,586
<b>Balance at March 29, 2025</b>	<b>14,868,305</b>	<b>149</b>	<b>219,842</b>	<b>463,986</b>	<b>9,030</b>	<b>693,007</b>
Net income	—	—	—	12,553	—	12,553
Other comprehensive income, net of tax	—	—	—	—	(1,539)	(1,539)
Stock options exercised	6,610	—	270	—	—	270
Stock awards vested	79,301	1	(1)	—	—	—
Stock repurchased related to the exercise of stock options and stock awards vested	(31,419)	(1)	(2,084)	—	—	(2,085)
Stock-based compensation	—	—	5,625	—	—	5,625
<b>Balance at June 28, 2025</b>	<b>14,922,797</b>	<b>\$ 149</b>	<b>\$ 223,652</b>	<b>\$ 476,539</b>	<b>\$ 7,491</b>	<b>\$ 707,831</b>

*See accompanying notes to Condensed Consolidated Financial Statements.*

**Ducommun Incorporated and Subsidiaries**  
**Condensed Consolidated Statements of Cash Flows**  
(Unaudited)  
(Dollars in thousands)

	Six Months Ended	
	June 28, 2025	June 29, 2024
<b>Cash Flows from Operating Activities</b>		
Net Income	\$ 23,064	\$ 14,573
Adjustments to Reconcile Net Income to		
Net Cash Provided by Operating Activities:		
Depreciation and amortization	16,857	16,598
Non-cash operating lease cost	4,402	4,164
Stock-based compensation expense	11,703	8,286
Deferred income taxes	(1,654)	(2,586)
Provision for credit losses	10	357
Gain on sale of property and other assets	(1,746)	—
Other	408	428
Changes in Assets and Liabilities:		
Accounts receivable	(9,976)	(2,250)
Contract assets	(20,462)	(32,628)
Inventories	(415)	(2,630)
Production cost of contracts	820	1,429
Other assets	(542)	3,669
Accounts payable	9,083	4,873
Contract liabilities	2,526	(3,458)
Operating lease liabilities	(4,087)	(4,060)
Accrued and other liabilities	(6,810)	(4,951)
<b>Net Cash Provided by Operating Activities</b>	<b>23,181</b>	<b>1,814</b>
<b>Cash Flows from Investing Activities</b>		
Purchases of property and equipment	(9,082)	(8,292)
Proceeds from sale of property and other assets	1,979	—
Proceeds from sale of assets	100	—
<b>Net Cash Used in Investing Activities</b>	<b>(7,003)</b>	<b>(8,292)</b>
<b>Cash Flows from Financing Activities</b>		
Borrowings from senior secured revolving credit facility	25,000	20,000
Repayments of senior secured revolving credit facility	(33,800)	(20,000)
Repayments of term loan	(3,125)	(3,125)
Repayments of other debt	(193)	(172)
Net cash paid upon issuance of common stock under stock plans	(4,082)	(3,683)
<b>Net Cash Used in Financing Activities</b>	<b>(16,200)</b>	<b>(6,980)</b>
Net Decrease in Cash and Cash Equivalents	(22)	(13,458)
Cash and Cash Equivalents at Beginning of Period	37,139	42,863
<b>Cash and Cash Equivalents at End of Period</b>	<b>\$ 37,117</b>	<b>\$ 29,405</b>

*See accompanying notes to Condensed Consolidated Financial Statements.*

**Ducommun Incorporated and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**

**Note 1. Summary of Significant Accounting Policies**Description of Business

We are a leading global provider of innovative, value-added proprietary products and manufacturing solutions for high-performance products and high-cost-of-failure applications used primarily in the aerospace and defense (“A&D”), industrial, medical and other industries (collectively, “Industrial”). Our operations are organized into two primary businesses: the Electronic Systems segment (“Electronic Systems”) and the Structural Systems segment (“Structural Systems”), each of which is a reportable operating segment. Electronic Systems designs, engineers and manufactures high-reliability electronic and electromechanical products used in worldwide technology-driven markets including A&D and Industrial end-use markets. Electronic Systems’ product offerings primarily range from prototype development to complex assemblies. Structural Systems designs, engineers and manufactures large, complex contoured aerostructure components and assemblies and supplies composite and metal bonded structures and assemblies. Structural Systems’ products are primarily used on commercial aircraft, military fixed-wing aircraft, and military and commercial rotary-wing aircraft. Both reportable operating segments follow the same accounting principles.

Basis of Presentation

The unaudited condensed consolidated financial statements include the accounts of Ducommun Incorporated and its subsidiaries (“Ducommun,” the “Company,” “we,” “us” or “our”), after eliminating intercompany balances and transactions. The December 31, 2024 condensed consolidated balance sheet data was derived from audited financial statements, but does not contain all disclosures required by accounting principles generally accepted in the United States of America (“GAAP”).

Our significant accounting policies were described in Part IV, Item 15(a)(1), “Note 1. Summary of Significant Accounting Policies” in our Annual Report on Form 10-K for the year ended December 31, 2024 (“2024 Form 10-K”). The financial information included in this Quarterly Report on Form 10-Q (“Form 10-Q”) should be read in conjunction with the 2024 Form 10-K.

In the opinion of management, all adjustments, including recurring accruals, have been made that are necessary to fairly state our condensed consolidated financial position, statements of income, comprehensive income, changes in shareholders’ equity, and cash flows in accordance with GAAP for the periods covered by this Form 10-Q. The results of operations for the three and six months ended June 28, 2025 are not necessarily indicative of the results to be expected for the full year ending December 31, 2025.

Our fiscal quarters end on the Saturday closest to the end of March, June and September for the first three fiscal quarters of each year, and on December 31 for our fourth fiscal quarter. As a result of using fiscal quarters for the first three quarters combined with leap years, our first and fourth fiscal quarters can range between 12 1/2 weeks to 13 1/2 weeks while the second and third fiscal quarters remain at a constant 13 weeks per fiscal quarter.

Certain reclassifications have been made to prior period amounts to conform to the current year’s presentation.

Use of Estimates

Certain amounts and disclosures included in the unaudited condensed consolidated financial statements require management to make estimates and judgments that affect the amounts of assets, liabilities (including contract liabilities), revenues and expenses, and related disclosures of contingent assets and liabilities. These estimates are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Subsequent Event

Subsequent to our three months ended June 28, 2025, on July 4, 2025, the U.S. enacted the One Big Beautiful Bill Act (“OBBBA”) which among other things, provides a corporate tax provision change in reinstating the immediate expensing of U.S. research and development expenditures paid or incurred for tax years beginning after December 31, 2024. We are evaluating the impact of the OBBBA to our financial statements and will begin reflecting its effects in the third quarter of 2025. We do not expect the new provisions of the OBBBA to have a material impact to income tax expense for 2025. However, we expect the OBBBA to decrease our cash tax liability for 2025. See Note 9.

Sale of Property

On June 3, 2025, we sold our Berryville, Arkansas facility (consisted of land, building, and building improvements) (“Berryville Property”) for \$2.0 million, which was part of our Electronic Systems segment. This asset group was classified as assets held for sale as part of other current assets at the end of the first quarter of 2025, which is the quarter when manufacturing activities had ceased and the asset was ready for sale. The total carrying value of the land, building, and building improvements was \$0.8 million and thus, we recognized a gain of \$1.2 million. See Note 2.

Unsolicited Non-Binding Indication of Interest

In April 2024, our Board of Directors (“BOD”) confirmed receipt of the first unsolicited non-binding indication of interest dated April 1, 2024 (“First IOI”) from Albion River LLC (“Albion”), a private direct investment firm. Albion expressed interest in acquiring all the outstanding shares of Ducommun for \$60.00 per share in cash. Later in April 2024, we issued a press release responding to the First IOI that the BOD had unanimously determined it was not in the best interests of Ducommun and Ducommun shareholders to pursue further discussions regarding the proposal.

In July 2024, our BOD received an unsolicited revised non-binding indication of interest from Albion (“Second IOI”), to acquire all outstanding shares of Ducommun for \$65.00 per share in cash. Later in July 2024, we issued a press release responding to the Second IOI that the BOD had unanimously determined it was not in the best interests of Ducommun and Ducommun shareholders to pursue further discussions regarding the revised proposal.

In November 2024, Albion filed a Schedule 13D/A with the SEC stating that it no longer intended to maintain an active role with Ducommun and that it had reduced its stock ownership to 737,992 shares of our common stock. On February 10, 2025, Albion filed a Schedule 13G/A with the SEC reporting that Albion had liquidated its holdings and no longer owned any shares of Ducommun as of December 31, 2024.

Supplemental Cash Flow Information

	(Dollars in thousands)	
	Six Months Ended	
	June 28, 2025	June 29, 2024
Interest paid, net	\$ 4,191	\$ 7,372
Taxes paid, net	\$ 1,523	\$ 4,001
Non-cash activities:		
Purchases of property and equipment not paid	\$ 309	\$ 479

Earnings Per Share

Basic earnings per share are computed by dividing income available to common shareholders by the weighted-average number of common shares outstanding in each period. Diluted earnings per share is computed by dividing income available to common shareholders by the weighted-average number of common shares outstanding, plus any potentially dilutive shares that could be issued if exercised or converted into common stock in each period.

The net income and weighted-average common shares outstanding used to compute earnings per share were as follows:

	(Dollars in thousands, except per share data)		(Dollars in thousands, except per share data)	
	Three Months Ended		Six Months Ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Net income	\$ 12,553	\$ 7,724	\$ 23,064	\$ 14,573
Weighted-average number of common shares outstanding				
Basic weighted-average common shares outstanding	14,938	14,775	14,898	14,735
Dilutive potential common shares	278	186	298	219
Diluted weighted-average common shares outstanding	15,216	14,961	15,196	14,954
Earnings per share				
Basic	\$ 0.84	\$ 0.52	\$ 1.55	\$ 0.99
Diluted	\$ 0.82	\$ 0.52	\$ 1.52	\$ 0.97

Potentially dilutive stock awards, as shown below, were excluded from the computation of diluted earnings per share because their inclusion would have been anti-dilutive. However, these awards may be potentially dilutive common shares in the future.

	(In thousands)		(In thousands)	
	Three Months Ended		Six Months Ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Stock options and stock units	—	51	2	56

### Fair Value

Assets and liabilities that are measured, recorded or disclosed at fair value on a recurring basis are categorized using the fair value hierarchy. The fair value hierarchy has three levels based on the reliability of the inputs used to determine the fair value. Level 1, the highest level, refers to the values determined based on quoted prices in active markets for identical assets. Level 2 refers to fair values estimated using significant observable inputs. Level 3, the lowest level, includes fair values estimated using significant unobservable inputs.

We have money market funds which are included as cash and cash equivalents. We also have forward interest rate swap agreements and the fair value of the forward interest rate swap agreements was determined using pricing models that use observable market inputs as of the balance sheet date, a Level 2 measurement.

There were no transfers between Level 1, Level 2, or Level 3 financial instruments in the three months ended June 28, 2025.

### Cash and Cash Equivalents

Cash equivalents consist of highly liquid instruments purchased with original maturities of three months or less. These assets are valued at cost, which approximates fair value, and we classify as Level 1. See Fair Value above.

### Derivative Instruments

We recognize derivative instruments on our condensed consolidated balance sheets at their fair value. On the date that we enter into a derivative contract, we designate the derivative instrument as a fair value hedge, a cash flow hedge, or a derivative instrument that will not be accounted for using hedge accounting methods. In November 2021, we entered into forward interest rate swap agreements with an aggregate notional amount of \$150.0 million, all with an effective date of January 2024 (“Forward Interest Rate Swaps”), to manage our exposure to interest rate movements on a portion of our debt. At the time we entered into the Forward Interest Rate Swaps, there was a high probability of forecasted interest payments on our debts occurring and the swaps were highly effective in offsetting those interest payments; therefore, we elected to apply cash flow hedge accounting. In July 2022, as a result of refinancing all our existing debt, which allowed borrowing based on a Secured Overnight Financing Rate (“SOFR”), we were required to complete an amendment of the Forward Interest Rate Swaps from One Month London Interbank Offered Rate (“LIBOR”) to One Month Term SOFR (“Amended Forward Interest Rate Swaps”), which occurred on the same day. After the transition of the Forward Interest Rate Swaps and debt to SOFR was completed, we determined the hedging relationships were still highly effective as of the amendment date. See Note 3 and Note 7. As of June 28, 2025, all of our derivative instruments were designated as cash flow hedges.

We record changes in the fair value of a derivative instrument that is highly effective and that is designated and qualifies as a cash flow hedge in other comprehensive income (loss), net of tax until our earnings are affected by the variability of cash flows of the underlying hedged item. We report changes in the fair values of derivative instruments that are not designated or do not qualify for hedge accounting in current period earnings. We classify cash flows from derivative instruments in the condensed consolidated statements of cash flows in the same category as the item being hedged or on a basis consistent with the nature of the instrument. See Note 3.

When we determine that a derivative instrument is not highly effective as a hedge, we discontinue hedge accounting prospectively. In all situations in which we discontinue hedge accounting and the derivative instrument remains outstanding, we will carry the derivative instrument at its fair value on our condensed consolidated balance sheets and recognize subsequent changes in its fair value in our current period earnings.

### Inventories

Inventories are stated at the lower of cost or net realizable value with cost being determined using a moving average cost basis for raw materials and actual cost for work-in-process and finished goods. The majority of our inventory is charged to cost of sales as raw materials are placed into production. Inventoried costs include raw materials, outside processing, direct labor and allocated overhead, adjusted for any abnormal amounts of idle performance center expense, freight, handling costs, and wasted materials (spoilage) incurred. We assess the inventory carrying value and reduce it, if necessary, to its net realizable value based

on customer orders on hand, and internal demand forecasts using management's best estimates given information currently available. The majority of our revenues are recognized over time, however, for revenue contracts where revenue is recognized using the point in time method, inventory is not reduced until it is shipped or transfer of control to the customer has occurred. Our ending inventory consists of raw materials, work-in-process, and finished goods.

#### Accumulated Other Comprehensive Income

Accumulated other comprehensive income, as reflected on the condensed consolidated balance sheets under the equity section, was comprised of cumulative pension and retirement liability adjustments, net of tax, and change in net unrealized gains and losses on cash flow hedges, net of tax.

#### Revenue Recognition

Our customers typically engage us to manufacture products based on designs and specifications provided by the end-use customer. This requires the building of tooling and manufacturing first article inspection products (prototypes) before volume manufacturing. Contracts with our customers generally include a termination for convenience clause.

We have a significant number of contracts that are started and completed within the same year, as well as contracts derived from long-term agreements and programs that can span several years. We recognize revenue under ASC 606, "Revenue from Contracts with Customers" ("ASC 606"), which utilizes a five-step model.

The definition of a contract for us is typically defined as a customer purchase order as this is when we achieve an enforceable right to payment. The majority of our contracts are firm fixed-price contracts. The deliverables within a customer purchase order are analyzed to determine the number of performance obligations. In addition, at times, in order to achieve economies of scale and based on our customer's forecasted demand, we may build in advance of receiving a purchase order from our customer. When that occurs, we would not recognize revenue until we have received the customer purchase order.

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account under ASC 606. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, control is transferred and the performance obligation is satisfied. The majority of our contracts have a single performance obligation as the promise to transfer the individual goods or services are highly interrelated or met the series guidance. For contracts with multiple performance obligations, we allocate the contract transaction price to each performance obligation using our best estimate of the standalone selling price of each distinct good or service in the contract. The primary method used to estimate the standalone selling price is the expected cost plus a margin approach, under which we forecast our expected costs of satisfying a performance obligation and then add an appropriate margin for that distinct good or service.

We manufacture most products to customer specifications, and the product cannot be easily modified for another customer. As such, these products are deemed to have no alternative use once the manufacturing process begins. In the event the customer invokes a termination for convenience clause, we would be entitled to costs incurred to date plus a reasonable profit. Contract costs typically include labor, materials, overhead, and when applicable, subcontractor costs. For most of our products, we are building assets with no alternative use and have enforceable right to payment, and thus, we recognize revenue using the over time method.

The majority of our performance obligations are satisfied over time as work progresses. Typically, revenue is recognized over time using an input measure (i.e., costs incurred to date relative to total estimated costs at completion, also known as cost-to-cost plus reasonable profit) to measure progress. Our typical revenue contract is a firm fixed price contract, and the cost of raw materials could make up a significant amount of the total costs incurred. As such, we believe using the total costs incurred input method would be the most appropriate method. While the cost of raw materials could make up a significant amount of the total costs incurred, there is a direct relationship between our inputs and the transfer of control of goods or services to the customer.

Contract estimates, known as "estimates at completion," are based on various assumptions to project the outcome of future events that can span multiple months or years. These assumptions include among others, actual gross profits on the same or similar products manufactured previously; labor productivity and availability; the complexity of the work to be performed; the cost and availability of materials; overhead cost rates; and the performance of subcontractors. As a significant change in one or more of these estimates could affect the progress completed (and related profitability) on our contracts, we review and update our contract-related estimates on a regular basis. We recognize such adjustments under the cumulative catch-up method. Under this method, the impact of the adjustment is recognized in the period the adjustment is identified. In any given reporting period, we have a large number of active contracts, which we have defined as a customer purchase order, and changes in estimates may occur on a significant number of these contracts. Given the significant number of contracts that we may have at any given point in time, the varied nature of products produced under such contracts, and the different assumptions, facts and circumstances associated with each individual contract, and the fact that such changes at the contract level are typically not material, we disclose cumulative catch-up adjustments on a net basis.

Net cumulative favorable (unfavorable) catch-up adjustments to contracts had the following impact on our operating results:

	(Dollars in thousands)		(Dollars in thousands)	
	Three Months Ended		Six Months Ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Total net revenues	\$ (1,016)	\$ 387	\$ (125)	\$ (1,548)
Operating income	\$ (1,016)	\$ 387	\$ (125)	\$ (1,548)

Payments under long-term contracts may be received before or after revenue is recognized. When revenue is recognized before we bill our customer, a contract asset is created for the work performed but not yet billed. Similarly, when we receive payment before we ship our products to our customer and have met the shipping terms, a contract liability is created for the advance or progress payment. When a contract liability and a contract asset exist on the same contract, we report it on a net basis.

We record provisions for the total anticipated losses on contracts, considering total estimated costs to complete the contract compared to total anticipated revenues, in the period in which such losses are identified. The provisions for estimated losses on contracts require us to make certain estimates and assumptions, including those with respect to the future revenue under a contract and the future cost to complete the contract. Our estimate of the future cost to complete a contract may include assumptions as to changes in manufacturing efficiency, operating and material costs, and our ability to resolve claims and assertions with our customers. If any of these or other assumptions and estimates do not materialize in the future, we may be required to adjust the provisions for estimated losses on contracts. The provision for estimated losses on contracts is included as part of contract liabilities on the condensed consolidated balance sheets. As of June 28, 2025 and December 31, 2024, the provision for estimated losses on contracts were \$4.3 million and \$4.7 million, respectively. It is reasonably possible we may incur additional losses in the future.

Production cost of contracts includes non-recurring production costs, such as design and engineering costs, and tooling and other special-purpose machinery necessary to build parts as specified in a contract. Production costs of contracts are recorded to cost of sales using the over time revenue recognition model. We review the value of the production cost of contracts on a quarterly basis to ensure when added to the estimated cost to complete, the value is not greater than the estimated realizable value of the related contracts. As of June 28, 2025 and December 31, 2024, production cost of contracts were \$5.8 million and \$6.8 million, respectively.

#### Contract Assets and Contract Liabilities

Contract assets consist of our right to payment for work performed but not yet billed. Contract assets are transferred to accounts receivable when we bill our customers. We bill our customers when we ship the products and meet the shipping terms within the revenue contract. Contract liabilities consist of advance or progress payments received from our customers prior to the time transfer of control occurs plus the estimated losses on contracts. When a contract liability and a contract asset exist on the same contract, we report it on a net basis.

Contract assets and contract liabilities from revenue contracts with customers are as follows:

	(Dollars in thousands)	
	June 28, 2025	December 31, 2024
Contract assets	\$ 221,046	\$ 200,584
Contract liabilities	\$ 36,971	\$ 34,445

The increase in our contract assets as of June 28, 2025 compared to December 31, 2024 was primarily due to a net increase of products in work in process in the current period.

The increase in our contract liabilities as of June 28, 2025 compared to December 31, 2024 was primarily due to a net increase of advance or progress payments received from our customers in the current period. We recognized \$10.7 million of the contract liabilities as of December 31, 2024 as revenues during the six months ended June 28, 2025.

Performance obligations are defined as customer placed purchase orders (“POs”) with firm fixed price and firm delivery dates. Our remaining performance obligations as of June 28, 2025 totaled \$906.0 million. Of the remaining performance obligations as of June 28, 2025, we anticipate recognizing an estimated 70% of our remaining performance obligations as revenue during the next 12 months with the remaining performance obligations being recognized in the remainder of 2026 and beyond.

### Revenue by Category

In addition to the revenue categories disclosed above, the following table reflects our revenue disaggregated by major end-use market:

	(Dollars in thousands)		(Dollars in thousands)	
	Three Months Ended		Six Months Ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
<b>Consolidated Ducommun</b>				
Military and space	\$ 117,056	\$ 100,538	\$ 230,572	\$ 199,467
Commercial aerospace	77,674	86,643	149,375	166,560
Industrial	7,530	9,819	16,427	21,820
Total	<u>\$ 202,260</u>	<u>\$ 197,000</u>	<u>\$ 396,374</u>	<u>\$ 387,847</u>
<b>Electronic Systems</b>				
Military and space	\$ 83,790	\$ 69,987	\$ 168,562	\$ 142,492
Commercial aerospace	18,908	21,634	34,985	44,667
Industrial	7,530	9,819	16,427	21,820
Total	<u>\$ 110,228</u>	<u>\$ 101,440</u>	<u>\$ 219,974</u>	<u>\$ 208,979</u>
<b>Structural Systems</b>				
Military and space	\$ 33,266	\$ 30,551	\$ 62,010	\$ 56,975
Commercial aerospace	58,766	65,009	114,390	121,893
Total	<u>\$ 92,032</u>	<u>\$ 95,560</u>	<u>\$ 176,400</u>	<u>\$ 178,868</u>

### Recent Accounting Pronouncements

#### *New Accounting Pronouncements Adopted in 2025*

In March 2024, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2024-02, “Codification Improvements - Amendments to Remove References to the Concepts Statements,” which removed references to various FASB Concepts Statements and updates technical corrections such as conforming amendments, clarification to guidance, simplifications to wording or the structure of guidance, and other minor improvements. The new guidance is effective for fiscal years beginning after December 15, 2024, which is our annual period beginning January 1, 2025. The adoption of this accounting standard did not have a material impact on our condensed consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures,” which provides more transparency about tax information primarily related to the rate reconciliation and the income taxes paid. The new guidance is effective for fiscal years beginning after December 15, 2024, which is our annual period beginning January 1, 2025. The adoption of this accounting standard did not have a material impact on our condensed consolidated financial statements.

#### *Recently Issued Accounting Pronouncements*

In January 2025, the FASB issued ASU 2025-01, “Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date,” which clarifies that all public business entities should initially adopt the disclosure requirements in the final annual reporting period beginning after December 15, 2026, and interim reporting periods within annual reporting periods beginning after December 15, 2027. The new guidance is effective for fiscal years beginning after December 15, 2026, which is our annual period beginning January 1, 2027, and interim reporting periods beginning after December 15, 2027, which will be our interim period beginning January 1, 2028. Early adoption of ASU 2024-03 (described below) is permitted. We are evaluating the impact of this standard in conjunction with ASU 2024-03 below.

In November 2024, the FASB issued ASU 2024-03, “Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses,” which requires additional information about specific expense categories in the notes to the financial statements at interim and annual reporting periods. The new guidance is effective for fiscal years beginning after December 15, 2026, which is our annual period beginning January 1, 2027, and interim reporting periods beginning after December 15, 2027, which will be our interim period beginning

January 1, 2028. Early adoption is permitted. The amendments in ASU 2024-03 should be applied either 1) prospectively to financial statements issued for reporting periods after the effective date, or 2) retrospectively to any or all prior periods presented in the financial statements. We are evaluating the impact of this standard.

In October 2023, the FASB issued ASU 2023-06, “Disclosure Improvements: Codification Amendments in Response to the SEC’s Disclosure Update and Simplification Initiative,” which incorporates updates to the Accounting Standards Codification (“Codification”) to align certain Securities and Exchange Commission (“SEC”) disclosure requirements. The amendments impact a variety of topics but are relatively narrow in nature. For entities required to comply with the SEC’s existing disclosure requirements, the effective date for each amendment will be the effective date of the removal of the disclosure requirement from SEC Regulation S-X or SEC Regulation S-K, with early adoption prohibited. The amendments should be applied prospectively. If by June 30, 2027, the SEC has not removed the applicable requirement from Regulation S-X or Regulation S-K, the pending content of the related amendment will be removed from the Codification and will not become effective for any entity. We are evaluating the impact of this standard.

## Note 2. Restructuring Activities

### Summary of 2022 Restructuring Plan

In April 2022, management approved and commenced a restructuring plan that is intended to better position us for stronger performance. The restructuring plan will mainly reduce headcount and consolidate facilities. As a result of this restructuring plan, we analyzed the need to write-down inventory and impair long-lived assets, including operating lease right-of-use assets. During the three and six months ended June 28, 2025, we recorded total charges, net of \$0.6 million and \$1.0 million, respectively. Cumulative through the six months ended June 28, 2025, we recorded aggregate total charges of \$30.2 million (\$2.1 million of which was recorded as cost of sales). As of June 28, 2025, we estimate the remaining amount of charges related to this initiative will be \$0.5 million to \$1.0 million of total pre-tax restructuring charges during 2025 for facility consolidation related expenses.

In the Electronics Systems segment, we recorded \$0.1 million of other restructuring charges during the three months ended of June 28, 2025. We recorded \$0.1 million each for severance and benefits that were classified as restructuring charges and other restructuring charges during the six months ended June 28, 2025. Cumulative through the six months ended June 28, 2025, we recorded total charges for severance and benefits that were classified as restructuring charges, accelerated depreciation of property and equipment that was classified as restructuring charges, charges for inventory write down that was classified as cost of sales, and other restructuring of \$9.6 million, \$0.3 million, \$0.3 million, and \$0.3 million, respectively.

In the Structural Systems segment, we recorded charges of \$0.5 million during the three months ended June 28, 2025 for other restructuring charges. We recorded (credits) charges of (\$0.2) million and \$1.0 million during the six months ended June 28, 2025, for severance and benefits that were classified as restructuring charges and other restructuring charges, respectively. Cumulative through the six months ended June 28, 2025, we recorded total charges for severance and benefits that were classified as restructuring charges, accelerated depreciation of property and equipment/impairment of property and equipment that was classified as restructuring charges, charges for inventory write down that was classified as cost of sales, and other restructuring of \$7.4 million, \$2.0 million, \$1.8 million, and \$8.4 million, respectively.

Our restructuring activities during the six months ended June 28, 2025 were as follows (in thousands):

	December 31, 2024	Six Months Ended June 28, 2025				June 28, 2025
	Balance	Charges	Cash Payments	Non-Cash Payments	Change in Estimates	Balance
Severance and benefits	\$ 1,543	\$ 56	\$ (721)	\$ —	\$ (170)	\$ 708
Other	389	1,147	(1,089)	—	—	447
Ending balance	\$ 1,932	\$ 1,203	\$ (1,810)	\$ —	\$ (170)	\$ 1,155

The restructuring activities accrual for severance and benefits and other of \$1.2 million as of June 28, 2025 was included as part of accrued and other liabilities and is expected to be paid out during 2025.

## Note 3. Derivative Financial Instruments

### Cash Flow Hedges

Our cash flow hedges consists of forward interest rate swaps to manage our exposure to interest rate movements on a portion of our debt through January 1, 2031. Our forward interest rate swaps hedge forecasted transactions through January 1, 2031.

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The notional amounts of derivative instruments are as follows:

	(Dollars in thousands)	
	June 28, 2025	December 31, 2024
<b>Derivative instruments designated as hedging instruments:</b>		
Interest rate contracts	\$ 150,000	\$ 150,000

The following table summarizes the fair value and presentation on the condensed consolidated balance sheets for derivative instruments:

	Balance Sheet Location	(Dollars in thousands)	
		June 28, 2025	December 31, 2024
<b>Derivative instruments designated as hedging instruments:</b>			
Interest rate contracts	Other assets, current	\$ 3,203	\$ 3,576
	Other assets	9,802	14,606

Accumulated other comprehensive income activities during the six months ended June 28, 2025 were as follows (in thousands):

	December 31, 2024	Six Months Ended June 28, 2025		June 28, 2025
	Balance	Changes in Fair Value Recognized	Reclassifications to Income Statement	Balance
Cash flow hedges, before tax totals	\$ 17,831	\$ (3,190)	\$ (1,926)	\$ 12,715

Unrealized (losses) gains associated with our hedging transactions recognized in other comprehensive income are presented in the following table:

	(Dollars in thousands) Three Months Ended		(Dollars in thousands) Six Months Ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
<b>Change in Other Comprehensive Income:</b>				
Interest rate contracts	\$ (1,558)	\$ 211	\$ (3,932)	\$ 2,412

We began reclassifying gains/losses associated with our cash flow hedges from accumulated other comprehensive income to the condensed statements of income when the Forward Interest Rate Swaps became effective as of January 1, 2024. We reclassify amounts to income as the hedged item impacts earnings and those amounts are presented in the following table:

	(Dollars in thousands) Three Months Ended		(Dollars in thousands) Six Months Ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
<b>Interest rate contracts:</b>				
Interest expense	\$ 979	\$ 1,358	\$ 1,926	\$ 2,698

The pre-tax deferred gains recorded in other comprehensive income that will mature in the next 12 months total \$3.1 million.

**Note 4. Inventories**

Inventories consisted of the following:

	(Dollars in thousands)	
	June 28, 2025	December 31, 2024
Raw materials and supplies	\$ 164,965	\$ 158,865
Work in process	26,388	32,082
Finished goods	5,943	5,934
Total	<u>\$ 197,296</u>	<u>\$ 196,881</u>

**Note 5. Goodwill**

We perform our annual goodwill impairment test as of the first day of the fourth quarter. If certain factors occur, including significant underperformance of our business relative to expected operating results, significant adverse economic and industry trends, significant decline in our market capitalization for an extended period of time relative to net book value, a decision to divest individual businesses within a reporting unit, or a decision to group individual businesses differently, we may be required to perform an interim impairment test prior to the fourth quarter.

We may use either a qualitative or quantitative approach when testing a reporting unit's goodwill for impairment. The qualitative approach for potential impairment analysis is performed by evaluating a number of qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit was less than its carrying amount. If the qualitative assessment indicates that it is more-likely-than-not that the fair value of a reporting unit is less than its carrying value, we perform a quantitative assessment.

The quantitative approach for potential impairment analysis is performed by comparing the fair value of a reporting unit to its carrying value, including goodwill. Fair value is estimated by management using a combination of the income approach (which is based on a discounted cash flow model) and market approach. Management's cash flow projections include significant judgments and assumptions, including the amount and timing of expected cash flows, long-term growth rates, and discount rates. The cash flows used in the discounted cash flow model are based on our best estimate of future revenues, gross margins, and adjusted after-tax earnings. If any of these assumptions are incorrect, it will impact the estimated fair value of a reporting unit. The market approach also requires management judgment in selecting comparable companies, business acquisitions and the transaction values observed and its related control premiums.

No material adverse factors/changes have occurred since the fourth quarter of 2024 that would require us to perform another qualitative or quantitative assessment as of our quarter ended June 28, 2025. As such, for the second quarter of 2025, it was also not more likely than not that the fair values of the reporting units were less than their carrying amounts and thus, the respective goodwill amounts were not deemed to be impaired.

The carrying amounts of our goodwill were as follows:

	(Dollars in thousands)		
	Electronic Systems	Structural Systems	Consolidated Ducommun
Gross goodwill	\$ 199,157	\$ 127,165	\$ 326,322
Accumulated goodwill impairment	(81,722)	—	(81,722)
Balance at December 31, 2024	<u>\$ 117,435</u>	<u>\$ 127,165</u>	<u>\$ 244,600</u>
Balance at June 28, 2025	<u>\$ 117,435</u>	<u>\$ 127,165</u>	<u>\$ 244,600</u>

**Note 6. Accrued and Other Liabilities**

The components of accrued and other liabilities were as follows:

	(Dollars in thousands)	
	June 28, 2025	December 31, 2024
Accrued compensation	\$ 27,548	\$ 35,915
Accrued income tax and sales tax	4,426	669
Other	10,095	7,630
Total	\$ 42,069	\$ 44,214

**Note 7. Long-Term Debt**

Long-term debt and the current period interest rates were as follows:

	(Dollars in thousands)	
	June 28, 2025	December 31, 2024
Term loan	\$ 231,250	\$ 234,375
Revolving credit facility	—	8,800
Total debt	231,250	243,175
Less current portion	(12,500)	(12,500)
Total long-term debt, less current portion	218,750	230,675
Less debt issuance costs - term loan	(666)	(845)
Total long-term debt, net of debt issuance costs - term loan	\$ 218,084	\$ 229,830
Debt issuance costs - revolving credit facility <sup>(1)</sup>	\$ 1,007	\$ 1,258
Weighted-average interest rate	6.11 %	7.25 %

(1) Included as part of other assets.

In July 2022, we completed a refinancing of all our existing debt by entering into a new term loan (“2022 Term Loan”) and a new revolving credit facility (“2022 Revolving Credit Facility”). The 2022 Term Loan is a \$250.0 million senior secured loan that matures on July 14, 2027. The 2022 Revolving Credit Facility is a \$200.0 million senior secured revolving credit facility that matures on July 14, 2027. The 2022 Term Loan and 2022 Revolving Credit Facility, collectively, represent our credit facilities (“2022 Credit Facilities”).

The 2022 Term Loan bears interest, at our option, at a rate equal to either (i) Term Secured Overnight Financing Rate (“Term SOFR”) plus an applicable margin ranging from 1.375% to 2.375% per year or (ii) Base Rate (defined as the highest of [a] Federal Funds Rate plus 0.50%, [b] Bank of America’s prime rate, and [c] Term SOFR plus 1.00%, and if the Base Rate is less than zero percent, it will be deemed zero percent) plus an applicable margin ranging from 0.375% to 1.375% per year, in each case based upon the consolidated total net adjusted leverage ratio. Interest payments are typically paid either on a monthly or quarterly basis, depending on the interest rate selected, on the last business day each month or quarter. In addition, the 2022 Term Loan requires quarterly amortization payments of 0.625% during year one and year two, 1.250% during year three and year four, and 1.875% during year five of the original outstanding principal balance of the 2022 Term Loan amount, on the last business day each quarter. The required quarterly amortization payments began in the fourth quarter of 2022.

The 2022 Revolving Credit Facility bears interest, at our option, at a rate equal to either (i) Term SOFR plus an applicable margin ranging from 1.375% to 2.375% per year or (ii) Base Rate (defined as the highest of [a] Federal Funds Rate plus 0.50%, [b] Bank of America’s prime rate, and [c] Term SOFR plus 1.00%, and if the Base Rate is less than zero percent, it will be deemed zero percent) plus an applicable margin ranging from 0.375% to 1.375% per year, in each case based upon the consolidated total net adjusted leverage ratio. Interest payments are typically paid on a monthly or quarterly basis, depending on the interest rate selected, on the last business day each month or quarter. The undrawn portion of the commitment of the 2022 Revolving Credit Facility is subject to a commitment fee ranging from 0.175% to 0.275%, based upon the consolidated total net adjusted leverage ratio, typically paid on a quarterly basis, on the last business day each quarter. However, the 2022 Revolving Credit Facility does not require any principal installment payments.

In conjunction with the closing of the 2022 Credit Facilities, we utilized the entire \$250.0 million of proceeds from the 2022 Term Loan plus our existing cash on hand to pay off our entire debt balance outstanding of \$254.2 million under our prior credit facilities.

For the three months ended June 28, 2025 and June 29, 2024, we made the required quarterly amortization payments on the 2022 Term Loan of \$3.1 million and \$1.6 million, respectively. For each of the six months ended June 28, 2025 and June 29, 2024, we made the required quarterly amortization payments on the 2022 Term Loan of \$3.1 million. The required quarterly amortization payments due on March 31, 2025 and June 30, 2025 were in our second and third fiscal quarters of 2025, respectively.

As of June 28, 2025, we had \$199.8 million of unused borrowing capacity under the 2022 Revolving Credit Facility, after deducting \$0.2 million for standby letters of credit.

As of June 28, 2025, we were in compliance with all covenants required under the 2022 Credit Facilities.

The 2022 Term Loan was considered a modification of debt for some lenders and an extinguishment of debt for other lenders, and thus, a loss of \$0.2 million was recorded related to the extinguishment. In addition, the new fees incurred of \$0.8 million were capitalized and will be amortized over the life of the 2022 Term Loan. Further, the remaining debt issuance costs related to the prior term loans of \$1.0 million as of the modification date will be amortized over the life of the 2022 Term Loan, using the effective interest method.

The 2022 Revolving Credit Facility that replaced the prior revolving credit facility was considered a modification of debt except for the portion related to the creditor that is no longer a part of the 2022 Revolving Credit Facility and, in which case, it was considered an extinguishment of debt. As a result, we expensed the portion of the unamortized debt issuance costs related to the prior revolving credit facility that was considered an extinguishment of debt of \$0.1 million. In addition, the new fees incurred of \$1.7 million as part of the 2022 Revolving Credit Facility were capitalized and will be amortized over the life of the 2022 Revolving Credit Facility. Further, the remaining debt issuance costs related to the prior revolving credit facility of \$0.8 million as of the modification date will also be amortized over the life of the 2022 Revolving Credit Facility.

The 2022 Credit Facilities were entered into by us (“Parent Company”) and guaranteed by all of our domestic subsidiaries, other than two subsidiaries that were considered minor (“Subsidiary Guarantors”). The Subsidiary Guarantors jointly and severally guarantee the 2022 Credit Facilities. The Parent Company has no independent assets or operations, and therefore, no consolidating financial information for the Parent Company and its subsidiaries is presented.

In May 2023, we completed a public offering of our common stock resulting in net proceeds of \$85.1 million. We utilized the net proceeds plus cash on hand to pay down \$85.2 million on the 2022 Revolving Credit Facility that was utilized to complete the acquisition of BLR Aerospace, L.L.C. in April 2023.

In November 2021, we entered into derivative contracts, U.S. dollar-one month LIBOR forward interest rate swaps designated as cash flow hedges, all with an effective date of January 1, 2024, for an aggregate total notional amount of \$150.0 million, weighted average fixed rate of 1.8%, and all terminating on January 1, 2031 (“Forward Interest Rate Swaps”). The Forward Interest Rate Swaps mature on a monthly basis, with fixed amount payer payment dates on the first day of each calendar month, commencing on February 1, 2024 through January 1, 2031. The Forward Interest Rate Swaps were deemed to be highly effective upon entering into the derivative contracts, and thus, hedge accounting treatment was utilized. Since the Amended Forward Interest Rate Swaps (as defined below) were not effective until January 1, 2024, we only recorded the changes in fair value of the derivative instruments that were highly effective and that were designated and qualified as cash flow hedges in other comprehensive income through December 31, 2023. See Note 1 and Note 3 for further information.

In July 2022, as a result of completing a refinancing of our existing debt, we were required to complete an amendment of the Forward Interest Rate Swaps (“Amended Forward Interest Rate Swaps”). The Forward Interest Rate Swaps were based on U.S. dollar-one month LIBOR and were amended to be based on one month Term SOFR as borrowings using LIBOR were no longer available under the 2022 Credit Facilities. Since this was an amendment of just the reference rate as a result of the cessation of LIBOR, utilizing the guidance under ASU 2020-04, we determined the Amended Forward Interest Rate Swaps as of the amendment date to continue to be highly effective. The Amended Forward Interest Rate Swaps weighted average fixed rate is 1.7%, as a result of the difference between U.S. dollar-one month LIBOR and one month Term SOFR.

#### **Note 8. Indemnifications**

We have made guarantees and indemnities under which we may be required to make payments to a guaranteed or indemnified party, in relation to certain transactions, including revenue transactions in the ordinary course of business. Additionally, we indemnify our directors and officers to the maximum extent permitted under the laws of the State of Delaware and have a directors and officers insurance policy that may reduce our exposure in certain circumstances and may enable us to recover a portion of future amounts that may be payable, if any. Moreover, in connection with certain performance center leases, we have indemnified our lessors for certain claims arising from the performance center or the lease.

The duration of the guarantees and indemnities varies and, in many cases, is indefinite but subject to applicable statutes of limitations. The majority of guarantees and indemnities do not provide any limitations on the maximum potential future payments we could be obligated to make. Historically, payments related to these guarantees and indemnities have been

immaterial. We estimate the fair value of our indemnification obligations as insignificant based on this history and insurance coverage and have, therefore, not recorded any liability for these guarantees and indemnities in the accompanying condensed consolidated balance sheets.

#### **Note 9. Income Taxes**

The provision for income taxes is determined using an estimated annual effective tax rate. Our effective tax rate may be subject to fluctuations during the year as new information is obtained, which may affect the assumptions used to estimate the annual effective tax rate, including factors such as expected R&D tax credits, non-deductible book compensation expenses, tax deductions for Foreign Derived Intangible Income, valuation allowances against deferred tax assets, recognition or derecognition of tax benefits related to uncertain tax positions, and changes in or the interpretation of tax laws in jurisdictions where we conduct business. Also, excess tax benefits and tax detriments related to our equity compensation recognized in the condensed consolidated income statement could result in fluctuations in our effective tax rate period-over-period depending on the volatility of our stock price, number of restricted or performance stock units that vests, and stock options exercised during the period. We recognize deferred tax assets and liabilities, using enacted tax rates, for temporary differences between the financial reporting basis and the tax basis of our assets and liabilities along with net operating loss and tax credit carryovers.

We record a valuation allowance against our deferred tax assets to reduce the net carrying value to an amount that we believe is more likely than not to be realized. When we establish or reduce our valuation allowances against our deferred tax assets, the provision for income taxes will increase or decrease, respectively, in the period when that determination is made.

We recorded income tax expense of \$3.4 million for the three months ended June 28, 2025 compared to \$2.2 million for the three months ended June 29, 2024. The increase in income tax expense for the second quarter of 2025 compared to the second quarter of 2024 was primarily due to higher pre-tax income in the second quarter of 2025 compared to the second quarter of 2024.

We recorded income tax expense of \$6.2 million for the six months ended June 28, 2025 compared to \$4.1 million for the six months ended June 29, 2024. The increase in income tax expense for the six months ended June 28, 2025 compared to the six months ended June 29, 2024 was primarily due to higher pre-tax income in the six months ended June 28, 2025 compared to the six months ended June 29, 2024.

Our total amount of unrecognized tax benefits was \$4.9 million and \$4.5 million as of June 28, 2025 and December 31, 2024, respectively. If recognized, \$2.9 million would affect the effective tax rate. We record interest and penalty charges, if any, related to uncertain tax positions as a component of tax expense and unrecognized tax benefits. The amounts accrued for interest and penalty charges as of June 28, 2025 and December 31, 2024 were not significant. As a result of statute of limitations set to expire in the fourth quarter of 2025, we expect decreases to our unrecognized tax benefits of approximately \$0.5 million in the next twelve months.

We file U.S. Federal and state income tax returns. We are subject to examination by the Internal Revenue Service (“IRS”) for tax years after 2020 and by state taxing authorities for tax years after 2019. While we are no longer subject to examination prior to those periods, carryforwards generated prior to those periods may still be adjusted upon examination by the IRS or state taxing authorities if they either have been or will be used in a subsequent period. We believe we have adequately accrued for tax deficiencies or reductions in tax benefits, if any, that could result from the examination and all open audit years.

On July 4, 2025, the U.S. enacted the OBBBA. Amongst other things, the OBBBA provides for several corporate tax provision changes including restoring the full expensing of qualified property placed in service after January 19, 2025, reinstating the immediate expensing of U.S. research and development expenditures paid or incurred for tax years beginning after December 31, 2024, and changes in the computations of U.S. taxation on international earnings for tax years beginning after December 31, 2025. We are evaluating the impact of the OBBBA to our financial statements and will begin reflecting its effects in the third quarter of 2025. We do not expect the new provisions of the OBBBA to have a material impact to income tax expense for 2025. However, we expect the OBBBA to decrease our cash tax liability for 2025.

#### **Note 10. Commitments and Contingencies**

##### ***California’s Wage and Hour Laws Complaint***

In December 2020, a representative action under California’s Private Attorneys General Act was filed against us in the Superior Court for the State of California, County of San Bernardino. We received service of process of this complaint in January 2021. The complaint alleged violations of California’s wage and hour laws relating to our current and former employees and sought attorney’s fees and penalties. We vigorously refuted and defended these claims, and reached a tentative settlement of \$0.8 million during the fourth quarter 2021, which was subject to court approval. Thus, we recorded accrued liabilities of \$0.8 million as of December 31, 2021. During the second quarter of 2022, additional factual information was identified resulting in an increase in the amount of the tentative settlement to \$0.9 million. Therefore, we recorded an additional accrued

liabilities of \$0.1 million for a total accrued liabilities amount of \$0.9 million as of the end of the second quarter of 2022, which amount remained unchanged as of December 31, 2022 as we were awaiting final court approval of this settlement. Subsequent to final court approval and payment of the \$0.9 million in January 2023, during the third quarter of 2023 and upon plaintiff's motion, the court re-opened the settlement agreement to determine whether the class list captured all affected employees. While we appealed that determination, the appellate court upheld the trial court's decision, and the case was returned to the trial court for the parties to re-examine the class list. Subsequent to our quarter ended June 28, 2025, and as a result of the re-examination of the class list, additional affected employees were identified and a tentative settlement was reached that will result in an additional net payment of \$0.3 million, subject to court approval and which is estimated to be payable in late 2025 or early 2026. Thus, we recorded accrued liabilities of \$0.3 million during the second quarter of 2025.

#### ***Groundwater***

Structural Systems has been directed by California environmental agencies to investigate and take corrective action for groundwater contamination at our facilities located in El Mirage and Monrovia, California. Based on currently available information, we have established an accrual for the estimated liability for such investigation and corrective action of \$1.5 million at both June 28, 2025 and December 31, 2024, which is reflected in other long-term liabilities on our condensed consolidated balance sheets.

#### ***Waste Disposal***

Structural Systems also faces liability as a potentially responsible party for hazardous waste disposed at landfills located in Casmalia and West Covina, California. Structural Systems and other companies and government entities have entered into consent decrees with respect to these landfills with the United States Environmental Protection Agency and/or California environmental agencies under which certain investigation, remediation and maintenance activities are being performed. Based on currently available information, we preliminarily estimate that the range of our future liabilities in connection with the landfill located in West Covina, California is between \$0.4 million and \$3.1 million. We have established an accrual for the estimated liability in connection with the West Covina landfill, which had a balance of \$0.4 million as of both June 28, 2025 and December 31, 2024, which is reflected in other long-term liabilities on our condensed consolidated balance sheets. We anticipate an updated estimate will be available over the next 12 to 24 months however, and will update our accrual for the estimated liability at that time, if needed. Our ultimate liability in connection with these matters will depend upon a number of factors, including changes in existing laws and regulations, the design and cost of construction, operation and maintenance activities related to a final remedy, and the allocation of liability among potentially responsible parties.

#### ***Guaymas Performance Center Fire***

*Impact to Performance Center.* In June 2020, a fire severely damaged our performance center in Guaymas, Mexico, which is part of our Structural Systems segment. There were no injuries, however, property and equipment, inventories, and tooling in this leased facility were damaged. Our Guaymas performance center, comprised of two buildings with an aggregate total of 62,000 square feet, was severely damaged. The insurance claim for damages to our operating assets and business interruption was deemed final and closed by our insurance company during the three months ended July 1, 2023. The loss of production from the Guaymas performance center was absorbed by our other existing performance centers; however, we have reestablished our operations and are in the process of certification with various customers and ramping up our manufacturing capabilities in a different leased facility with 117,000 square feet in Guaymas.

*Guaymas Fire Litigation.* A neighboring, non-related manufacturing facility also suffered fire damage during the same time as the fire that severely damaged our Guaymas performance center, and in November 2023, the occupant of the neighboring facility filed suit against us in U.S. District Court for the Central District of California (the "District Court") seeking unspecified amounts for damages relating to the fire ("Guaymas Fire Litigation"). Discovery was completed in July 2025. Subsequent to our quarter ended June 28, 2025, the parties participated in a mediation session held on August 4, 2025. Additionally, a hearing was held on August 5, 2025 in District Court on summary judgment motions and for a determination on the applicability of Mexican law to the case, which is expected to impact the amount of damages the plaintiff may be able to recover from us if we are ultimately held responsible. Rulings on both issues are expected later this year.

*Subrogation Claims.* In connection with the Guaymas Fire Litigation, in July 2024, we received a subrogation demand from our landlord's insurer, who also serves as one of our excess carriers, and with whom we have since entered into an informed consent and conflict of waiver agreement. Furthermore, during the second quarter of 2025, one of the plaintiff's insurers intervened in the case asserting a subrogation claim against us for amounts paid to our former neighbor for damages incurred from the fire. It is possible that we may face additional subrogation claims associated with the Guaymas Fire Litigation in the future.

While ultimate responsibility for the fire and damages to our former neighbor's facility are still undetermined, we continue to defend these matters vigorously. As there are numerous legal issues yet to be resolved in connection with these matters, no amount of loss is reasonably estimable at this time. If we are ultimately deemed to be responsible or partly responsible, it is

possible we could incur a loss in excess of our insurance coverage limits, which could be material to our cash flow, liquidity, or financial results.

Our insurance covers damage, up to a capped amount, to the facility, equipment, unfinished inventory, and other assets at replacement cost, finished goods inventory at selling price, as well as business interruption, third party property damage, and recovery related expenses caused by the fire, less our per claim deductible. The anticipated insurance recoveries related to losses and incremental costs incurred are recognized when receipt is probable. The anticipated insurance recoveries in excess of net book value of the damaged operating assets and business interruption are not recorded until all contingencies related to our claim have been resolved.

In the normal course of business, Ducommun and its subsidiaries are defendants in certain other litigation, claims and inquiries, including matters relating to environmental laws. In addition, Ducommun makes various commitments and incurs contingent liabilities in the ordinary course of business. While it is not feasible to predict the outcome of these matters, Ducommun does not presently expect that any sum it may be required to pay in connection with these matters would have a material adverse effect on its condensed consolidated financial position, results of operations or cash flows.

#### Note 11. Business Segment Information

We supply products and services primarily to the aerospace and defense industries. Our subsidiaries are organized into two strategic businesses, Electronic Systems and Structural Systems, each of which is an operating segment as well as a reportable segment. Electronic Systems designs, engineers and manufactures high-reliability electronic and electromechanical products used in worldwide technology-driven markets including A&D and Industrial end-use markets. Structural Systems designs, engineers and manufactures large, complex contoured aerostructure components and assemblies and supplies composite and metal bonded structures and assemblies.

Our chief operating decision maker (“CODM”) is the Chairman, President and Chief Executive Officer. The measure used by the CODM to assess segment performance is segment operating income. Monitoring of segment operating income budgeted versus actual results is used for assessing performance of the segment and in establishing management’s compensation.

Financial information by reportable segment was as follows:

	(Dollars in thousands) Three Months Ended						(Dollars in thousands) Six Months Ended					
	June 28, 2025			June 29, 2024			June 28, 2025			June 29, 2024		
	Electronic Systems	Structural Systems	Total	Electronic Systems	Structural Systems (1)	Total	Electronic Systems	Structural Systems	Total	Electronic Systems	Structural Systems (1)	Total
Consolidated Net Revenues	\$110,228	\$92,032	\$202,260	\$101,440	\$95,560	\$197,000	\$219,974	\$176,400	\$396,374	\$208,979	\$178,868	\$387,847
Less: Significant Expenses												
Cost of sales	77,710	70,812		73,641	71,265		158,495	132,544		151,359	137,451	
Selling, general and administrative expenses	11,454	11,160		10,993	11,625		22,194	23,076		21,386	24,968	
Restructuring charges	81	527		—	2,111		171	863		459	3,022	
Segment Operating Income	\$ 20,983	\$ 9,533	30,516	\$ 16,806	\$ 10,559	27,365	\$ 39,114	\$ 19,917	59,031	\$ 35,775	\$ 13,427	49,202
<i>Reconciliation of Profit or Loss (Segment Operating Income)</i>												
<i>Unallocated Amounts:</i>												
Corporate general and administrative expenses <sup>(2)</sup>			(13,345)			(13,441)			(25,283)			(22,656)
Operating Income			17,171			13,924			33,748			26,546
Interest Expense			(3,008)			(3,975)			(6,271)			(7,858)
Other Income			1,746			—			1,746			—
Income Before Taxes			\$ 15,909			\$ 9,949			\$ 29,223			\$ 18,688

(1) Structural systems restructuring charges for the three and six months ended ended June 29, 2024 each included \$0.9 million recorded as cost of sales.

(2) Includes costs not allocated to either the Electronic Systems or Structural Systems operating segments.

Additional financial information by reportable segment was as follows:

	(Dollars in thousands) Three Months Ended		(Dollars in thousands) Six Months Ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
<b>Depreciation and Amortization Expenses</b>				
Electronic Systems	\$ 3,575	\$ 3,662	\$ 7,141	\$ 7,294
Structural Systems	4,596	4,547	9,512	9,209
Corporate Administration	102	36	204	95
<b>Total Depreciation and Amortization Expenses</b>	<b>\$ 8,273</b>	<b>\$ 8,245</b>	<b>\$ 16,857</b>	<b>\$ 16,598</b>
<b>Capital Expenditures</b>				
Electronic Systems	\$ 783	\$ 1,143	\$ 3,048	\$ 1,939
Structural Systems	3,129	1,353	5,243	2,877
Corporate Administration	—	723	13	3,148
<b>Total Capital Expenditures</b>	<b>\$ 3,912</b>	<b>\$ 3,219</b>	<b>\$ 8,304</b>	<b>\$ 7,964</b>

Segment assets include assets directly identifiable with each segment. Corporate assets include assets not specifically identified with a business segment, including cash. The following table summarizes our segment assets:

	(Dollars in thousands)	
	June 28, 2025	December 31, 2024
<b>Total Assets</b>		
Electronic Systems	\$ 529,444	\$ 507,428
Structural Systems	543,706	551,213
Corporate Administration	67,681	67,460
<b>Total Assets</b>	<b>\$ 1,140,831</b>	<b>\$ 1,126,101</b>
<b>Goodwill and Intangibles</b>		
Electronic Systems	\$ 159,282	\$ 163,926
Structural Systems	226,533	230,265
<b>Total Goodwill and Intangibles</b>	<b>\$ 385,815</b>	<b>\$ 394,191</b>

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

### Overview

Ducommun Incorporated (“Ducommun,” “the Company,” “we,” “us” or “our”) is a leading global provider of engineering and manufacturing services for high-performance products and high-cost-of failure applications used primarily in the aerospace and defense (“A&D”), industrial, medical and other industries (collectively, “Industrial”). We differentiate ourselves as a full-service solution-based provider, offering a wide range of value-added products and services in our primary businesses of electronics, structures and integrated solutions. We operate through two primary business segments: Electronic Systems and Structural Systems, each of which is a reportable segment.

### *Economic Environment*

Changes in the macroeconomic environment, including volatility with respect to global trade policy, interest rates, and financial markets, can lead to economic uncertainty, an economic downturn or recession and impact the demand for our products and services as well as our supply chain. We continue to pursue strategic and operational initiatives to help address these macroeconomic pressures.

### *The Boeing Company*

The Boeing Company (“Boeing”) is one of our largest customers and was notified by the Federal Aviation Administration (“FAA”) in early January 2024 that the FAA had initiated an investigation into Boeing’s quality control system. This notification was followed by the FAA announcing actions to increase its oversight of Boeing as well as not approving production rate increases or additional production lines for the 737 MAX until it is satisfied that Boeing is in full compliance with required quality control procedures. In addition, in July 2024, Boeing also pleaded guilty to conspiracy fraud charges, which may result in additional external oversight on its manufacturing and quality control process. Further, in Boeing’s Q1 2025 Quarterly Report on Form 10-Q, it stated various countries have announced plans for and/or have already implemented new or modified tariffs (discussed further below). Boeing’s first quarter results reflect its best estimate of the impacts of the tariffs enacted as of March 31, 2025, and certain potential mitigations. These tariffs and any retaliatory actions from other countries could have a material impact on Boeing’s financial position, results of operations and/or cash flows. In April 2025, certain customers in China informed Boeing they will not accept deliveries. Since Boeing is one of our largest customers, if Boeing is unable to meet the full compliance of the Federal Aviation Administration’s required quality control procedures, along with the tariffs (already imposed or will be imposed), it could have a material adverse impact on our business, results of operations and financial condition.

### *U.S. Government Tariffs*

Since February 2025, the U.S. government has issued several executive orders imposing tariffs on imports from most countries with whom the U.S. engages in trade (“Tariff EOs”). In response to the Tariff EOs, China, the European Union and Canada have announced, and in some cases imposed, counter tariffs on goods that are imported from the U.S. Our business imports various goods that may be subject to tariffs from certain countries covered by the Tariff EOs and we also supply goods to customers who may import those goods into a country which may consider counter tariffs and other actions. If the imposition of current tariff levels is sustained, our profitability, cash flows and the estimates inherent in our financial statements could be negatively affected to the extent we are either unable to claim duty exemptions or are unable to pass on such incremental tariffs to our customers. The actual financial impacts of tariffs are dependent upon various factors, most notably, the scope of goods covered by tariffs, the value of our imports subject to tariffs, the rate of tariffs applied, the timing and duration of tariffs, the implementation of tariff and non-tariff countermeasures by countries subject to U.S. tariffs, and our ability to mitigate the impacts of tariffs by availing ourselves of applicable exemptions. Changes in any of these factors and actual tariff costs incurred could significantly affect the estimates inherent in our financial statements, including those used in our estimates-at-completion (“EACs”), and estimates supporting the recoverability of our inventories, contract assets, intangible assets, and goodwill, and could have a material effect on our results of operations and cash flows in the periods recognized and paid.

### *U.S. Government Budget*

On March 15, 2025, the U.S. President signed a continuing resolution (“CR”) under which U.S. government Departments and Agencies will continue to operate through September 30, 2025, the end of the U.S. government’s fiscal year. The CR funds the government at fiscal year 2024 levels with certain exceptions, including the addition of approximately \$6 billion to the Department of Defense (“DoD”) budget. Although Congress provided guidelines to the Executive Branch, the CR generally permits individual Departments and Agencies to determine the areas and programs to fund. As a result, while the impact of the CR on Ducommun ultimately will depend on those funding decisions, Ducommun currently does not expect that the CR will materially impact our business or results of operations.

On July 4, 2025, the U.S. enacted the One Big Beautiful Bill Act (“OBBBA”), which, among other things, provides a corporate tax provision change in reinstating the immediate expensing of U.S. research and development expenditures paid or incurred for

tax years beginning after December 31, 2024. See Note 1 and Note 9 to our condensed consolidated financial statements included in Part I, Item 1 of this Form 10-Q for further information

The OBBBA also provides a supplementary \$156 billion to the DoD for obligations through 2029. Congress has also begun deliberations on the U.S. President's budget request for fiscal year 2026.

*Executive Order Regarding Modernizing Defense Acquisitions*

On April 9, 2025, the U.S. government issued an executive order requiring, among other things, a DoD review of its Major Defense Acquisition Programs to identify those programs that are 15% behind schedule, 15% over budget, unable to meet key performance parameters, or unaligned with the Secretary of Defense's mission priorities for potential cancellation. Although Ducommun does not, at this time, believe the Executive Order will have a material impact on our business or results of operations, the longer-term ramifications, if any, to Ducommun will depend on a variety of factors including the formulation and implementation of the review criteria in the order, the review timeline, the Secretary of Defense's mission priorities, and future budget determinations based on the results of such review.

**Second quarter 2025 recap:**

- Net revenues of \$202.3 million
- Net income of \$12.6 million, or 6.2% of net revenues, or \$0.82 per diluted share
- Adjusted EBITDA of \$32.4 million, or 16.0% of net revenues

**Results of Operations**
**Second Quarter of 2025 Compared to Second Quarter of 2024**

The following table sets forth net revenues, selected financial data, the effective tax rate and diluted earnings per share:

	(Dollars in thousands, except per share data) Three Months Ended				(Dollars in thousands, except per share data) Six Months Ended			
	June 28, 2025	% of Net Revenues	June 29, 2024	% of Net Revenues	June 28, 2025	% of Net Revenues	June 29, 2024	% of Net Revenues
Net Revenues	\$ 202,260	100.0 %	\$ 197,000	100.0 %	\$ 396,374	100.0 %	\$ 387,847	100.0 %
Cost of Sales	148,522	73.4 %	145,761	74.0 %	291,039	73.4 %	289,665	74.7 %
Gross Profit	53,738	26.6 %	51,239	26.0 %	105,335	26.6 %	98,182	25.3 %
Selling, General and Administrative Expenses	35,959	17.8 %	36,061	18.3 %	70,553	17.8 %	69,012	17.8 %
Restructuring Charges	608	0.3 %	1,254	0.6 %	1,034	0.3 %	2,624	0.7 %
Operating Income	17,171	8.5 %	13,924	7.1 %	33,748	8.5 %	26,546	6.8 %
Interest Expense	(3,008)	(1.5)%	(3,975)	(2.0)%	(6,271)	(1.5)%	(7,858)	(2.0)%
Other Income	1,746	0.9 %	—	— %	1,746	0.4 %	—	— %
Income Before Taxes	15,909	7.9 %	9,949	5.1 %	29,223	7.4 %	18,688	4.8 %
Income Tax Expense	3,356	nm	2,225	nm	6,159	nm	4,115	nm
Net Income	\$ 12,553	6.2 %	\$ 7,724	3.9 %	\$ 23,064	5.8 %	\$ 14,573	3.8 %
Effective Tax Rate	21.1 %	nm	22.4 %	nm	21.1 %	nm	22.0 %	nm
Diluted Earnings Per Share	\$ 0.82	nm	\$ 0.52	nm	\$ 1.52	nm	\$ 0.97	nm

nm = not meaningful

## Net Revenues by End-Use Market and Operating Segment

Net revenues by end-use market and operating segment during the fiscal three and six months ended June 28, 2025 and June 29, 2024, respectively, were as follows:

	Three Months Ended					Six Months Ended				
	Change	(Dollars in thousands)		% of Net Revenues		Change	(Dollars in thousands)		% of Net Revenues	
		June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024		June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
<b>Consolidated Ducommun</b>										
Military and space	\$ 16,518	\$ 117,056	\$ 100,538	57.9 %	51.0 %	\$ 31,105	\$ 230,572	\$ 199,467	58.2 %	51.4 %
Commercial aerospace	(8,969)	77,674	86,643	38.4 %	44.0 %	(17,185)	149,375	166,560	37.7 %	43.0 %
Industrial	(2,289)	7,530	9,819	3.7 %	5.0 %	(5,393)	16,427	21,820	4.1 %	5.6 %
Total	\$ 5,260	\$ 202,260	\$ 197,000	100.0 %	100.0 %	\$ 8,527	\$ 396,374	\$ 387,847	100.0 %	100.0 %
<b>Electronic Systems</b>										
Military and space	\$ 13,803	\$ 83,790	\$ 69,987	76.0 %	69.0 %	\$ 26,070	\$ 168,562	\$ 142,492	76.6 %	68.2 %
Commercial aerospace	(2,726)	18,908	21,634	17.2 %	21.3 %	(9,682)	34,985	44,667	15.9 %	21.4 %
Industrial	(2,289)	7,530	9,819	6.8 %	9.7 %	(5,393)	16,427	21,820	7.5 %	10.4 %
Total	\$ 8,788	\$ 110,228	\$ 101,440	100.0 %	100.0 %	\$ 10,995	\$ 219,974	\$ 208,979	100.0 %	100.0 %
<b>Structural Systems</b>										
Military and space	\$ 2,715	\$ 33,266	\$ 30,551	36.1 %	32.0 %	\$ 5,035	\$ 62,010	\$ 56,975	35.2 %	31.9 %
Commercial aerospace	(6,243)	58,766	65,009	63.9 %	68.0 %	(7,503)	114,390	121,893	64.8 %	68.1 %
Total	\$ (3,528)	\$ 92,032	\$ 95,560	100.0 %	100.0 %	\$ (2,468)	\$ 176,400	\$ 178,868	100.0 %	100.0 %

Net revenues for the three months ended June 28, 2025 were \$202.3 million, compared to \$197.0 million for the three months ended June 29, 2024. The year-over-year increase in our key end-use markets were primarily due to the following:

- \$16.5 million higher revenues in our military and space end-use markets due to higher rates on a classified program, selected missile, rotary-wing aircraft, and radar platforms; partially offset by
- \$9.0 million lower revenues in our commercial aerospace end-use markets due to lower revenues from Boeing and lower rates on rotary-wing aircraft platforms.

In addition, revenues for our industrial end-use markets for the three months ended June 28, 2025 decreased \$2.3 million compared to the three months ended June 29, 2024, mainly due to our selective pruning of non-core business.

Net revenues for the six months ended June 28, 2025 were \$396.4 million, compared to \$387.8 million for the six months ended June 29, 2024. The year-over-year increase in our key end-use markets were primarily due to the following:

- \$31.1 million higher revenues in our military and space end-use markets due to higher rates on selected missile, classified program, radar, and rotary-wing aircraft, and electronic warfare platforms; partially offset by
- \$17.2 million lower revenues in our commercial aerospace end-use markets due to lower revenues from Boeing 737 MAX and in-flight entertainment products, and lower rates on rotary-wing aircraft platforms, partially offset by growth in selected business jet platforms.

In addition, revenues for our industrial end-use markets for the six months ended June 28, 2025 decreased \$5.4 million compared to the six months ended June 29, 2024, mainly due to our selective pruning of non-core business.

## Net Revenues by Major Customers

A significant portion of our net revenues are from our top ten customers as follows:

	Three Months Ended		Six Months Ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Boeing Company	7.3 %	9.1 %	7.5 %	8.6 %
Lockheed Martin Corporation	4.9 %	5.6 %	5.2 %	5.2 %
Northrop Grumman Corporation	6.0 %	5.2 %	5.7 %	5.1 %
RTX Corporation	18.4 %	16.4 %	19.1 %	15.6 %
Spirit AeroSystems Holdings, Inc.	7.2 %	6.6 %	6.6 %	6.3 %
Viasat, Inc.	5.0 %	3.2 %	3.7 %	3.5 %
Total top ten customers <sup>(1)</sup>	63.4 %	56.8 %	61.5 %	55.6 %

(1) Includes The Boeing Company (“Boeing”), Lockheed Martin Corporation (“Lockheed”), Northrop Grumman Corporation (“Northrop”), RTX Corporation (“RTX”), Spirit AeroSystems Holdings, Inc. (“Spirit”), and Viasat, Inc. (“Viasat”) for the three and six months ended June 28, 2025 and June 29, 2024.

Boeing, Lockheed, Northrop, RTX, Spirit, and Viasat represented the following percentages of total accounts receivable:

	June 28, 2025	December 31, 2024
Boeing	6.9 %	8.0 %
Lockheed	2.3 %	1.9 %
Northrop	5.4 %	2.7 %
RTX	15.3 %	15.6 %
Spirit	6.7 %	4.4 %
Viasat	4.7 %	3.1 %

The net revenues and accounts receivable from Boeing, Lockheed, Northrop, RTX, Spirit, and Viasat were diversified over a number of commercial, military and space programs and were generated by both operating segments.

## Gross Profit

Gross profit consists of net revenues less cost of sales. Cost of sales includes the cost of production of finished products and other expenses related to inventory management, manufacturing quality, and order fulfillment. Gross profit as a percentage of net revenues increased year-over-year with the three months ended June 28, 2025 of 26.6%, compared to the three months ended June 29, 2024 of 26.0% primarily due to lower other manufacturing costs and lower restructuring charges as a result of nearing the completion of the wind down of our Monrovia performance center, partially offset by unfavorable product mix and lower manufacturing volume.

Gross profit as a percentage of net revenues increased year-over-year with the six months ended June 28, 2025 of 26.6%, compared to the six months ended June 29, 2024 of 25.3% primarily due to lower other manufacturing costs and lower restructuring charges as a result of nearing the completion of the wind down of our Monrovia performance center, partially offset by unfavorable product mix.

## Selling, General and Administrative (“SG&A”) Expenses

SG&A expenses decreased \$0.1 million year-over-year in the three months ended June 28, 2025 compared to the three months ended June 29, 2024, primarily due to lower professional services fees of \$0.9 million, partially offset by higher other SG&A expenses of \$0.6 million.

SG&A expenses increased \$1.5 million year-over-year in the six months ended June 28, 2025 compared to the six months ended June 29, 2024, primarily due to higher compensation and benefits expense of \$2.0 million.

## Restructuring Charges

Restructuring charges decreased \$1.5 million and \$2.4 million (including \$0.9 million recorded as cost of sales in both periods) year-over-year in the three and six months ended June 28, 2025, compared to the three and six months ended June 29, 2024, respectively, primarily due to the winding down of the previously disclosed restructuring plan that was approved and commenced in April 2022. See Note 2 for further information.

### Interest Expense

Interest expense decreased \$1.0 million and \$1.6 million year-over-year in the three and six months ended June 28, 2025, compared to the three and six months ended June 29, 2024, respectively, primarily due to lower interest rates along with a lower debt balance.

### Income Tax Expense

We recorded income tax expense of \$3.4 million for the three months ended June 28, 2025 compared to \$2.2 million for the three months ended June 29, 2024. The increase in income tax expense for the second quarter of 2025 compared to the second quarter of 2024 was primarily due to higher pre-tax income in the second quarter of 2025 compared to the second quarter of 2024.

We recorded income tax expense of \$6.2 million for the six months ended June 28, 2025 compared to \$4.1 million for the six months ended June 29, 2024. The increase in income tax expense for the six months ended June 28, 2025 compared to the six months ended June 29, 2024 was primarily due to higher pre-tax income in the six months ended June 28, 2025 compared to the six months ended June 29, 2024.

Our total amount of unrecognized tax benefits was \$4.9 million and \$4.5 million as of June 28, 2025 and December 31, 2024, respectively. If recognized, \$2.9 million would affect the effective tax rate. We record interest and penalty charges, if any, related to uncertain tax positions as a component of tax expense and unrecognized tax benefits. The amounts accrued for interest and penalty charges as of June 28, 2025 and December 31, 2024 were not significant. As a result of statute of limitations set to expire in the fourth quarter of 2025, we expect decreases to our unrecognized tax benefits of approximately \$0.5 million in the next twelve months.

We file U.S. Federal and state income tax returns. We are subject to examination by the Internal Revenue Service (“IRS”) for tax years after 2020 and by state taxing authorities for tax years after 2019. While we are no longer subject to examination prior to those periods, carryforwards generated prior to those periods may still be adjusted upon examination by the IRS or state taxing authorities if they either have been or will be used in a subsequent period. We believe we have adequately accrued for tax deficiencies or reductions in tax benefits, if any, that could result from the examination and all open audit years.

On July 4, 2025, the U.S. enacted the OBBBA. Amongst other things, the OBBBA provides for several corporate tax provision changes including restoring the full expensing of qualified property placed in service after January 19, 2025, reinstating the immediate expensing of U.S. research and development expenditures paid or incurred for tax years beginning after December 31, 2024, and changes in the computations of U.S. taxation on international earnings for tax years beginning after December 31, 2025. We are evaluating the impact of the OBBBA to our financial statements and will begin reflecting its effects in the third quarter of 2025. We do not expect the new provisions of the OBBBA to have a material impact to income tax expense for 2025. However, we expect the OBBBA to decrease our cash liability for 2025.

### Net Income and Earnings per Share

Net income, net income as a percentage of revenues, and earnings per share for the three months ended June 28, 2025 were \$12.6 million, or 6.2% of revenues, or \$0.82 per diluted share, respectively, compared to \$7.7 million, or 3.9% of revenues, or \$0.52 per diluted share, respectively, for the three months ended June 29, 2024. The increase in net income for the three months ended June 28, 2025 compared to the three months ended June 29, 2024 was primarily due to higher gross profit of \$2.5 million, higher other income of \$1.7 million, and lower restructuring charges of \$1.5 million (the prior year included \$0.9 million recorded as cost of sales), partially offset by higher income tax expense of \$1.1 million.

Net income, net income as a percentage of revenues, and earnings per share for the six months ended June 28, 2025 were \$23.1 million, or 5.8% of revenues, or \$1.52 per diluted share, respectively, compared to \$14.6 million, or 3.8% of revenues, or \$0.97 per diluted share, respectively, for the six months ended June 29, 2024. The increase in net income for the six months ended June 28, 2025 compared to the six months ended June 29, 2024 was primarily due to higher gross profit of \$7.2 million, lower restructuring charges of \$2.4 million (the prior year included \$0.9 million recorded as cost of sales), and higher other income of \$1.7 million, partially offset by higher income tax expense of \$2.0 million and higher SG&A expenses of \$1.5 million.

## Business Segment Performance

We report our financial performance based upon our two reportable operating segments: Electronic Systems and Structural Systems. The results of operations differ between our reportable operating segments due to differences in competitors, customers, extent of proprietary deliverables and performance. The following table summarizes our business segment performance for the three and six months ended June 28, 2025 and June 29, 2024:

	Three Months Ended					Six Months Ended				
	% Change	(Dollars in thousands)		% of Net Revenues		% Change	(Dollars in thousands)		% of Net Revenues	
		June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024		June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
<b>Net Revenues</b>										
Electronic Systems	8.7 %	\$ 110,228	\$ 101,440	54.5 %	51.5 %	5.3 %	\$ 219,974	\$ 208,979	55.5 %	53.9 %
Structural Systems	(3.7)%	92,032	95,560	45.5 %	48.5 %	(1.4)%	176,400	178,868	44.5 %	46.1 %
Total Net Revenues	2.7 %	\$ 202,260	\$ 197,000	100.0 %	100.0 %	2.2 %	\$ 396,374	\$ 387,847	100.0 %	100.0 %
<b>Segment Operating Income</b>										
Electronic Systems		\$ 20,983	\$ 16,806	19.0 %	16.6 %		\$ 39,114	\$ 35,775	17.8 %	17.1 %
Structural Systems		9,533	10,559	10.4 %	11.0 %		19,917	13,427	11.3 %	7.5 %
		30,516	27,365				59,031	49,202		
Corporate General and Administrative Expenses <sup>(1)</sup>		(13,345)	(13,441)	(6.6)%	(6.8)%		(25,283)	(22,656)	(6.4)%	(5.8)%
Total Operating Income		\$ 17,171	\$ 13,924	8.5 %	7.1 %		\$ 33,748	\$ 26,546	8.5 %	6.8 %
<b>Adjusted EBITDA</b>										
Electronic Systems										
Operating Income		\$ 20,983	\$ 16,806				\$ 39,114	\$ 35,775		
Depreciation and Amortization		3,575	3,662				7,141	7,294		
Stock-Based Compensation Expense <sup>(2)</sup>		146	91				223	171		
Restructuring Charges		81	—				171	459		
		24,785	20,559	22.5 %	20.3 %		46,649	43,699	21.2 %	20.9 %
Structural Systems										
Operating Income		9,533	10,559				19,917	13,427		
Depreciation and Amortization		4,596	4,547				9,512	9,209		
Stock-Based Compensation Expense <sup>(3)</sup>		142	70				321	156		
Restructuring Charges		527	2,111				863	3,022		
Inventory Purchase Accounting Adjustments		—	291				—	1,082		
		14,798	17,578	16.1 %	18.4 %		30,613	26,896	17.4 %	15.0 %
Corporate General and Administrative Expenses <sup>(1)</sup>										
Operating Loss		(13,345)	(13,441)				(25,283)	(22,656)		
Depreciation and Amortization		102	36				204	95		
Stock-Based Compensation Expense <sup>(4)</sup>		6,068	3,867				11,159	7,959		
Professional Fees Related to Unsolicited Non-Binding Acquisition Offer		—	1,374				—	1,374		
		(7,175)	(8,164)				(13,920)	(13,228)		
Adjusted EBITDA		\$ 32,408	\$ 29,973	16.0 %	15.2 %		\$ 63,342	\$ 57,367	16.0 %	14.8 %
<b>Capital Expenditures</b>										
Electronic Systems		\$ 783	\$ 1,143				\$ 3,048	\$ 1,939		
Structural Systems		3,129	1,353				5,243	2,877		
Corporate Administration		—	723				13	3,148		
Total Capital Expenditures		\$ 3,912	\$ 3,219				\$ 8,304	\$ 7,964		

(1) Includes costs not allocated to either the Electronic Systems or Structural Systems operating segments.

- (2) The three and six months ended June 28, 2025 each included \$0.1 million of stock-based compensation expense recorded as cost of sales. The three and six months ended June 29, 2024 each included less than \$0.1 million of stock-based compensation expense recorded as cost of sales.
- (3) The three and six months ended June 28, 2025 each included \$0.1 million of stock-based compensation expense recorded as cost of sales. The three and six months ended June 29, 2024 included less than \$0.1 million and \$0.1 million, respectively, of stock-based compensation expense recorded as cost of sales.
- (4) The three and six months ended June 28, 2025 included \$0.6 million and \$1.4 million, respectively, of stock-based compensation expense for awards with both performance and market conditions that will be settled in cash. The three and six months ended June 29, 2024 included \$0.5 million and \$1.9 million, respectively, of stock-based compensation expense for awards with both performance and market conditions that will be settled in cash.

### Electronic Systems

Electronic Systems net revenues in the three months ended June 28, 2025 compared to the three months ended June 29, 2024 increased \$8.8 million primarily due to the following in our key end-use markets:

- \$13.8 million higher revenues in our military and space end-use markets due to higher rates on selected missiles, classified program, radar, and fixed-wing aircraft platforms, partially offset by lower rates on electronic warfare platforms; partially offset by
- \$2.7 million lower revenues in our commercial aerospace end-use markets due to lower in-flight entertainment revenues and lower rates on large aircraft platforms.

In addition, revenues for our industrial end-use markets for the three months ended June 28, 2025 decreased \$2.3 million compared to the three months ended June 29, 2024 mainly due to our selective pruning of non-core business.

Electronic Systems net revenues in the six months ended June 28, 2025 compared to the six months ended June 29, 2024 increased \$11.0 million primarily due to the following in our key end-use markets:

- \$26.1 million higher revenues in our military and space end-use markets due to higher rates on selected missiles, classified program, radar, fixed-wing aircraft, and electronic warfare platforms, partially offset by lower rates on selected rotary-wing aircraft platforms; partially offset by
- \$9.7 million lower revenues in our commercial aerospace end-use markets due to lower in-flight entertainment revenues and lower rates on large aircraft platforms.

In addition, revenues for our industrial end-use markets for the six months ended June 28, 2025 decreased \$5.4 million compared to the six months ended June 29, 2024 mainly due to our selective pruning of non-core business.

Electronic Systems segment operating income in the three months ended June 28, 2025 compared to the three months ended June 29, 2024 increased \$4.2 million primarily due to favorable product mix, higher manufacturing volume, and lower other manufacturing costs.

Electronic Systems segment operating income in the six months ended June 28, 2025 compared to the six months ended June 29, 2024 increased \$3.3 million primarily due to favorable product mix.

### Structural Systems

Structural Systems net revenues in the three months ended June 28, 2025 compared to the three months ended June 29, 2024 decreased \$3.5 million primarily due to the following:

- \$6.2 million lower revenues in our commercial aerospace end-use markets due to lower revenues from Boeing; partially offset by
- \$2.7 million higher revenues in our military and space end-use markets due to higher rates on selected rotary-wing aircraft platforms, partially offset by lower rates on selected fixed-wing aircraft platforms.

Structural Systems net revenues in the six months ended June 28, 2025 compared to the six months ended June 29, 2024 decreased \$2.5 million primarily due to the following:

- \$7.5 million lower revenues in our commercial aerospace end-use markets due to lower revenues from Boeing 737 MAX and lower rates on rotary-wing aircraft platforms, partially offset by growth in selected business jet platforms; partially offset by
- \$5.0 million higher revenues in our military and space end-use markets due to higher rates on selected rotary-wing aircraft platforms, partially offset by lower rates on selected fixed-wing aircraft platforms.

The Structural Systems segment operating income in the three months ended June 28, 2025 compared to the three months ended June 29, 2024 decreased \$1.0 million primarily due to unfavorable product mix and lower manufacturing volume, partially offset by lower other manufacturing costs and lower restructuring charges as a result of nearing the completion of the wind down of our Monrovia

performance center.

The Structural Systems segment operating income in the six months ended June 28, 2025 compared to the six months ended June 29, 2024 increased \$6.5 million primarily due to lower other manufacturing costs and lower restructuring charges as a result of nearing the completion of the wind down of our Monrovia performance center, partially offset by unfavorable product mix.

In June 2020, a fire severely damaged our performance center in Guaymas, Mexico, which is part of our Structural Systems segment. The loss of production from the Guaymas performance center was absorbed by our other existing performance centers, however, we have reestablished our operations and are in the process of certification with various customers and ramping up our manufacturing capabilities in a different leased facility in Guaymas. We have insurance coverage up to a capped amount, less our deductible. The insurance claim for damages to our operating assets and business interruption was deemed final and closed by our insurance company during the three months ended July 1, 2023.

A neighboring, non-related manufacturing facility, also suffered fire damage during the same time as the fire that severely damaged our Guaymas performance center and, in November 2023, the occupant of the neighboring facility filed suit against us in U.S. District Court for the Central District of California seeking unspecified amounts for damages relating to the fire. See Note 10 to our condensed consolidated financial statements included in Part I, Item 1 of this Form 10-Q for further information.

#### Corporate General and Administrative (“CG&A”) Expenses

CG&A expenses decreased \$0.1 million for the three months ended June 28, 2025 compared to the three months ended June 29, 2024, primarily due to lower professional services fees of \$1.0 million, partially offset by higher compensation and benefits costs of \$0.6 million.

CG&A expenses increased \$2.6 million for the six months ended June 28, 2025 compared to the six months ended June 29, 2024, primarily due to higher compensation and benefits costs of \$2.3 million and higher other corporate expenses of \$1.3 million, partially offset by lower professional services fees of \$0.9 million.

#### **Non-GAAP Financial Measures**

Adjusted earnings before interest, taxes, depreciation, amortization, stock-based compensation expense, restructuring charges, and inventory purchase accounting adjustments (“Adjusted EBITDA”) were \$32.4 million and \$30.0 million for the three months ended June 28, 2025 and June 29, 2024, respectively.

When viewed with our financial results prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and accompanying reconciliations, we believe Adjusted EBITDA provides additional useful information that clarifies and enhances the understanding of the factors and trends affecting our past performance and future prospects. We define this measure, explain how it is calculated and provide a reconciliation of this measure to the most comparable GAAP measure in the table below. Adjusted EBITDA and the related financial ratios, as presented in this Quarterly Report on Form 10-Q (“Form 10-Q”), are supplemental measures of our performance that are not required by, or presented in accordance with, GAAP. They are not a measurement of our financial performance under GAAP and should not be considered as alternatives to net income or any other performance measures derived in accordance with GAAP, or as an alternative to net cash provided by operating activities as measures of our liquidity. The presentation of these measures should not be interpreted to mean that our future results will be unaffected by unusual or nonrecurring items.

We use Adjusted EBITDA as a non-GAAP operating performance measure internally as a complementary financial measure to evaluate the performance and trends of our businesses. We present Adjusted EBITDA and the related financial ratios, as applicable, because we believe that measures such as these provide useful information with respect to our ability to meet our operating commitments.

Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations include:

- It does not reflect our cash expenditures, future requirements for capital expenditures or contractual commitments;
- It does not reflect changes in, or cash requirements for, our working capital needs;
- It does not reflect the significant interest expense or the cash requirements necessary to service interest or principal payments on our debt;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA does not reflect any cash requirements for such replacements;
- It is not adjusted for all non-cash income or expense items that are reflected in our statements of cash flows;
- It does not reflect the impact on earnings of charges resulting from matters unrelated to our ongoing operations; and

- Other companies in our industry may calculate Adjusted EBITDA differently from us, limiting its usefulness as a comparative measure.

As a result of these limitations, Adjusted EBITDA and the related financial ratios should not be considered as measures of discretionary cash available to us to invest in the growth of our business or as a measure of cash that will be available to us to meet our obligations. You should compensate for these limitations by relying primarily on our GAAP results and using Adjusted EBITDA only as supplemental information. See our condensed consolidated financial statements contained in this Form 10-Q.

Even with the limitations above, we believe that Adjusted EBITDA is useful to an investor in evaluating our results of operations as this measure:

- Is widely used by investors to measure a company's operating performance without regard to items excluded from the calculation of such terms, which can vary substantially from company to company depending upon accounting methods and book value of assets, capital structure and the method by which assets were acquired, among other factors;
- Helps investors to evaluate and compare the results of our operations from period to period by removing the effect of our capital structure from our operating performance; and
- Is used by our management team for various other purposes in presentations to our Board of Directors as a basis for strategic planning and forecasting.

The following financial items have been added back to or subtracted from our net income when calculating Adjusted EBITDA:

- Interest expense may be useful to investors for determining current cash flow;
- Income tax expense may be useful to investors because it represents the taxes which may be payable for the period and the change in deferred taxes during the period, and may reduce cash flow available for use in our business;
- Depreciation may be useful to investors because it generally represents the wear and tear on our property and equipment used in our operations;
- Amortization expense may be useful to investors because it represents the estimated attrition of our acquired customer base and the diminishing value of product rights;
- Stock-based compensation may be useful to our investors for determining current cash flow;
- Restructuring charges may be useful to our investors in evaluating our core operating performance;
- Professional fees related to unsolicited non-binding acquisition offer may be useful to our investors in evaluating our core operating performance;
- Purchase accounting inventory step-ups may be useful to our investors as they do not necessarily reflect the current or on-going cash charges related to our core operating performance; and
- Gain on sale of property and other assets may be useful to our investors in evaluating our core operating performance.

Reconciliations of net income to Adjusted EBITDA and the presentation of Adjusted EBITDA as a percentage of net revenues were as follows:

	(Dollars in thousands)		(Dollars in thousands)	
	Three Months Ended		Six Months Ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Net income	\$ 12,553	\$ 7,724	\$ 23,064	\$ 14,573
Interest expense	3,008	3,975	6,271	7,858
Income tax expense	3,356	2,225	6,159	4,115
Depreciation	3,991	4,038	8,268	8,054
Amortization	4,282	4,207	8,589	8,544
Stock-based compensation expense <sup>(1)</sup>	6,356	4,028	11,703	8,286
Restructuring charges <sup>(2)</sup>	608	2,111	1,034	3,481
Professional fees related to unsolicited non-binding acquisition offer	—	1,374	—	1,374
Inventory purchase accounting adjustments	—	291	—	1,082
Gain on sale of property and other assets	(1,746)	—	(1,746)	—
Adjusted EBITDA	\$ 32,408	\$ 29,973	\$ 63,342	\$ 57,367
Net income as a % of net revenues	6.2 %	3.9 %	5.8 %	3.8 %
Adjusted EBITDA as a % of net revenues	16.0 %	15.2 %	16.0 %	14.8 %

(1) The three and six months ended June 28, 2025 included \$0.6 million and \$1.4 million, respectively, of stock-based compensation expense for awards with both performance and market conditions that will be settled in cash. The three and six months ended June 29, 2024 included \$0.5 million and \$1.9 million, respectively, of stock-based compensation expense for awards with both performance and market conditions that will be settled in cash. The three and six months ended June 28, 2025 each included \$0.2 million of stock-based compensation expense recorded as cost of sales. The three and six months ended June 29, 2024 each included \$0.1 million of stock-based compensation expense recorded as cost of sales.

(2) Restructuring charges for the three and six months ended June 29, 2024 each included \$0.9 million recorded as cost of sales.

### Backlog

We define backlog as customer placed purchase orders (“POs”) and long-term agreements (“LTAs”) with firm fixed price and expected delivery dates of 24 months or less. The majority of the LTAs do not meet the definition of a contract under ASC 606, and thus, the backlog amount disclosed below may or may not be greater than the remaining performance obligations amount disclosed in Note 1 to our condensed consolidated financial statements included in Part I, Item 1 of this Form 10-Q. Backlog is subject to delivery delays or program cancellations, which are beyond our control. Backlog is affected by timing differences in the placement of customer orders and tends to be concentrated in several programs to a greater extent than our net revenues.

The decrease in backlog was primarily in the military and space and commercial aerospace end-use markets. \$714.0 million of total backlog is expected to be delivered over the next 12 months. The following table summarizes our backlog as of June 28, 2025 and December 31, 2024:

		(Dollars in thousands)	
	Change	June 28, 2025	December 31, 2024
<b><u>Consolidated Ducommun</u></b>			
Military and space	\$ (32,205)	\$ 592,580	\$ 624,785
Commercial aerospace	(11,825)	404,080	415,905
Industrial	1,083	21,212	20,129
Total	<u>\$ (42,947)</u>	<u>\$ 1,017,872</u>	<u>\$ 1,060,819</u>
<b><u>Electronic Systems</u></b>			
Military and space	\$ (24,627)	\$ 434,919	\$ 459,546
Commercial aerospace	449	76,740	76,291
Industrial	1,083	21,212	20,129
Total	<u>\$ (23,095)</u>	<u>\$ 532,871</u>	<u>\$ 555,966</u>
<b><u>Structural Systems</u></b>			
Military and space	\$ (7,578)	\$ 157,661	\$ 165,239
Commercial aerospace	(12,274)	327,340	339,614
Total	<u>\$ (19,852)</u>	<u>\$ 485,001</u>	<u>\$ 504,853</u>

**Liquidity and Capital Resources****Available Liquidity**

Total debt, the weighted-average interest rate, cash and cash equivalents and available credit facilities were as follows:

	(Dollars in millions)	
	June 28, 2025	December 31, 2024
Total debt, including long-term portion	\$ 231.3	\$ 243.2
Weighted-average interest rate on debt	6.11 %	7.25 %
Term Loan interest rate	5.78 %	7.02 %
Cash and cash equivalents	\$ 37.1	\$ 37.1
Unused Revolving Credit Facility	\$ 199.8	\$ 191.0

In July 2022, we completed a refinancing of all our existing debt by entering into a new term loan (“2022 Term Loan”) and a new revolving credit facility (“2022 Revolving Credit Facility”). The 2022 Term Loan is a \$250.0 million senior secured loan that matures on July 14, 2027. The 2022 Revolving Credit Facility is a \$200.0 million senior secured revolving credit facility that matures on July 14, 2027. The 2022 Term Loan and 2022 Revolving Credit Facility, collectively, represent our new credit facilities (“2022 Credit Facilities”). In conjunction with the closing of the 2022 Credit Facilities, we utilized the entire \$250.0 million of proceeds from the 2022 Term Loan plus our existing cash on hand to pay off our entire debt balance outstanding of \$254.2 million under our prior credit facilities. At the same leverage ratio, the interest rate spread in the 2022 Credit Facilities is lower than the interest rate spread under our prior credit facilities. Interest payments are typically paid either on a monthly or quarterly basis, depending on the interest rate selected, on the last business day each month or quarter. In addition, the 2022 Term Loan requires quarterly amortization payments of 0.625% during year one and year two, 1.250% during year three and year four, and 1.875% during year five of the original outstanding principal balance of the 2022 Term Loan amount, on the last business day each quarter. Further, the undrawn portion of the commitment of the 2022 Revolving Credit Facility is subject to a commitment fee ranging from 0.175% to 0.275%, based upon the consolidated total net adjusted leverage ratio, typically paid on a quarterly basis, on the last business day each quarter. However, the 2022 Revolving Credit Facility does not require any principal installment payments. As of June 28, 2025, we were in compliance with all covenants required under the 2022 Credit Facilities. See Note 7 to our condensed consolidated financial statements included in Part I, Item 1 of this Form 10-Q for further information.

For the three months ended June 28, 2025 and June 29, 2024, we made the required quarterly amortization payments on the 2022 Term Loan of \$3.1 million and \$1.6 million, respectively. For each of the six months ended June 28, 2025 and June 29, 2024, we made the required quarterly amortization payments on the 2022 Term Loan of \$3.1 million. The required quarterly amortization payments due on March 31, 2025 and June 30, 2025 were in our second and third fiscal quarters of 2025, respectively. We made no voluntary prepayments on our term loans during each of the three and six months ended June 28, 2025 and June 29, 2024.

In April 2022, we approved and commenced a restructuring plan that will position us for stronger performance. The restructuring plan will mainly reduce headcount and consolidate facilities. As a result of this restructuring plan, we analyzed the need to write-down inventory and impair long-lived assets, including operating lease right-of-use assets. As of June 28, 2025, we estimate the remaining amount of charges related to this initiative will be \$0.5 million to \$1.0 million of total pre-tax restructuring charges during 2025 for facility consolidation related expenses. The restructuring accrual for severance and benefits and other of \$1.2 million as of June 28, 2025 are expected to be paid out during 2025. On an annualized basis, we anticipate these restructuring actions will result in total cost savings of \$11.0 million to \$13.0 million. See Note 2 to our condensed consolidated financial statements included in Part I, Item 1 of this Form 10-Q for further information.

In November 2021, we entered into derivative contracts, U.S. dollar-one month LIBOR forward interest rate swaps designated as cash flow hedges, all with an effective date of January 1, 2024, for an aggregate total notional amount of \$150.0 million, weighted average fixed rate of 1.8%, and all terminating on January 1, 2031 (“Forward Interest Rate Swaps”). The Forward Interest Rate Swaps mature on a monthly basis, with fixed amount payer payment dates on the first day of each calendar month, commencing on February 1, 2024 through January 1, 2031. See Note 1, Note 3, and Note 7 to our condensed consolidated financial statements included in Part I, Item 1 of this Form 10-Q for further information.

In July 2022, as a result of completing a refinancing of our existing debt, we were required to complete an amendment of the Forward Interest Rate Swaps (“Amended Forward Interest Rate Swaps”). The Forward Interest Rate Swaps were based on U.S. dollar-one month LIBOR and were amended to be based on one month Term SOFR as borrowings using LIBOR are no longer available under the 2022 Credit Facilities. The Amended Forward Interest Rate Swaps weighted average fixed rate is 1.7%, as a result of the difference between U.S. dollar-one month LIBOR and one month Term SOFR. See Note 1, Note 3, and Note 7 to our condensed consolidated financial statements included in Part I, Item 1 of this Form 10-Q for further information.

We expect to spend a total of \$23.0 million to \$25.0 million for capital expenditures in 2025 financed by cash generated from operations, principally to support new contract awards in Electronic Systems and Structural Systems. As part of our strategic plan to become a supplier of higher-level assemblies and win new contract awards, additional up-front investment in tooling will be required for newer programs which have higher engineering content and higher levels of complexity in assemblies.

We believe the ongoing aerospace and defense subcontractor consolidation makes acquisitions an increasingly important component of our future growth. We will continue to make prudent acquisitions and capital expenditures for manufacturing equipment and facilities to support long-term contracts for commercial and military aircraft and defense programs.

We monitor our asset base, including the market dynamics of the properties we own, and we may sell such properties and/or enter into sale-leaseback transactions. Such transactions would provide cash for various capital deployment options.

We continue to depend on operating cash flow and the availability of our 2022 Credit Facilities to provide short-term liquidity. Cash generated from operations and bank borrowing capacity is expected to provide sufficient liquidity to meet our obligations during the next twelve months from the date of issuance of these financial statements.

### **Cash Flow Summary**

Net cash provided by operating activities for the six months ended June 28, 2025 was \$23.2 million compared to \$1.8 million for the six months ended June 29, 2024. The higher net cash provided by operating activities during the first six months of 2025 was mainly due to a smaller increase in contract assets, higher net income, and higher accounts payable, partially offset by higher accounts receivable.

Net cash used in investing activities was \$7.0 million for the six months ended June 28, 2025, compared to \$8.3 million in the six months ended June 29, 2024. The lower net cash used in investing activities during the first six months of 2025 was mainly due to proceeds from the sale of our Berryville, Arkansas facility. See Note 1 to our condensed consolidated financial statements included in Part I, Item 1 of this Form 10-Q for further information.

Net cash used in financing activities was \$16.2 million for the six months ended June 28, 2025, compared to \$7.0 million for the six months ended June 29, 2024. The higher net cash used in financing activities during the first six months of 2025 was mainly due to higher repayments on our revolving credit facility.

### **Off-Balance Sheet Arrangements**

Our off-balance sheet arrangements consist of operating and finance leases not recorded as a result of the practical expedients utilized, right of offset of industrial revenue bonds and associated failed sales-leasebacks on property and equipment, and indemnities, none of which we believe may have a material current or future effect on our financial condition, liquidity, capital resources, or results of operations.

### **Critical Accounting Policies**

The preparation of our condensed consolidated financial statements in accordance with accounting principles generally accepted in the United States requires estimation and judgment that affect the reported amounts of net revenues, expenses, assets and liabilities. For a description of our critical accounting policies, please refer to “Critical Accounting Policies” in Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of our 2024 Annual Report on Form 10-K. There have been no material changes in any of our critical accounting policies during the three months ended June 28, 2025.

### **Recent Accounting Pronouncements**

See “Part I, Item 1. Ducommun Incorporated and Subsidiaries—Notes to Condensed Consolidated Financial Statements—Note 1. Summary of Significant Accounting Policies—Recent Accounting Pronouncements” for further information.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

Our main market risk exposure relates to changes in U.S. interest rates on our outstanding long-term debt. At June 28, 2025, we had total borrowings of \$231.3 million under our 2022 Credit Facilities.

The 2022 Term Loan bears interest, at our option, at a rate equal to either (i) Term Secured Overnight Financing Rate (“Term SOFR”) plus an applicable margin ranging from 1.375% to 2.375% per year or (ii) Base Rate (defined as the highest of [a] Federal Funds Rate plus 0.50%, [b] Bank of America’s prime rate, and [c] Term SOFR plus 1.00%, and if the Base Rate is less than zero percent, it will be deemed zero percent) plus an applicable margin ranging from 0.375% to 1.375% per year, in each case based upon the consolidated total net adjusted leverage ratio.

The 2022 Revolving Credit Facility bears interest, at our option, at a rate equal to either (i) Term SOFR plus an applicable margin ranging from 1.375% to 2.375% per year or (ii) Base Rate (defined as the highest of [a] Federal Funds Rate plus 0.50%, [b] Bank of America’s prime rate, and [c] Term SOFR plus 1.00%, and if the Base Rate is less than zero percent, it will be

deemed zero percent) plus an applicable margin ranging from 0.375% to 1.375% per year, in each case based upon the consolidated total net adjusted leverage ratio.

A hypothetical 10% increase or decrease in the interest rate would have an immaterial impact on our financial condition and results of operations.

#### **Item 4. Controls and Procedures**

##### Disclosure Controls and Procedures

The Company's chief executive officer ("CEO") and chief financial officer ("CFO") have conducted an evaluation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934) and concluded that such disclosure controls and procedures were effective as of the end of the period covered by this report.

##### Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the three months ended June 28, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## **PART II. OTHER INFORMATION**

### **Item 1. Legal Proceedings**

See Note 10 to our condensed consolidated financial statements included in Part I, Item 1 of this Form 10-Q for a description of our legal proceedings.

### **Item 1A. Risk Factors**

See Part I, Item 1A of our Annual Report on Form 10-K (“Form 10-K”) for the year ended December 31, 2024 for a discussion of our risk factors. Other than the risk factor below, there have been no material changes during the three months ended June 28, 2025 to the risk factors disclosed in our Form 10-K for the year ended December 31, 2024.

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

Not applicable.

### **Item 3. Defaults Upon Senior Securities**

Not applicable.

### **Item 4. Mine Safety Disclosures**

Not applicable.

### **Item 5. Other Information**

On August 6, 2025, the Board of Directors approved and adopted an updated and revised Code of Business Conduct and Ethics (the “Code”). This Code applies to all employees, officers, and directors of the Company and its subsidiaries.

The revisions reflect the Company’s commitment to honest and ethical conduct by, among other things, (i) designating a “Purpose” section, which outlines the Company’s unwavering commitment to moral integrity, (ii) updating the provisions related to bribery and corruption and fraudulent activity, (iii) adding detailed descriptions and guidelines to explain conflicts of interests and added a point of contact, (iv) reinforcing that all employees must comply with the Company’s Insider Trading Policy, and (v) describing “whistleblower” programs and other protected communications and adding reference to the Company’s Ethics Hotline number and internal audit department.

Additionally, the updated Code includes various clarifying, stylistic and non-substantive changes. The revisions do not materially alter the responsibilities and obligations outlined in the previous Code, nor do they imply any waiver of its provisions.

**Item 6. Exhibits**

**Exhibit**

**No. Description**

3.1 Restated Certificate of Incorporation filed with the Delaware Secretary of State on May 29, 1990. Incorporated by reference to Exhibit 3.1 to Form 10-K for the year ended December 31, 1990.

[3.2 Certificate of Amendment of Certificate of Incorporation filed with the Delaware Secretary of State on May 27, 1998. Incorporated by reference to Exhibit 3.2 to Form 10-K for the year ended December 31, 1998.](#)

[3.3 Amended and Restated Bylaws of Ducommun Incorporated, dated as of November 5, 2024. Incorporated by reference to Exhibit 3.1 to Form 8-K filed on November 7, 2024.](#)

[31.1 Certification of Principal Executive Officer.](#)

[31.2 Certification of Principal Financial Officer.](#)

[32 Certification 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 with Embedded Linkbase Documents - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL

104 Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

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\* Indicates an executive compensation plan or arrangement.

SIGNATURES

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

Date: August 7, 2025

DUCOMMUN INCORPORATED  
\_\_\_\_\_  
(Registrant)  
By: /s/ Stephen G. Oswald  
\_\_\_\_\_  
Stephen G. Oswald  
Chairman, President and Chief Executive Officer  
(Principal Executive Officer)

Date: August 7, 2025

By: /s/ Suman B. Mookerji  
\_\_\_\_\_  
Suman B. Mookerji  
Senior Vice President, Chief Financial Officer  
(Principal Financial and Principal Accounting Officer)

**Certification of Principal Executive Officer  
Pursuant to Section 302 of the  
Sarbanes-Oxley Act of 2002**

I, Stephen G. Oswald, certify that:

1. I have reviewed this Quarterly Report of Ducommun Incorporated (the “registrant”) on Form 10-Q for the period ended June 28, 2025;
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(s) 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(s) 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 7, 2025

/s/ Stephen G. Oswald

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Stephen G. Oswald

Chairman, President and Chief Executive Officer

**Certification of Principal Financial Officer  
Pursuant to Section 302 of the  
Sarbanes-Oxley Act of 2002**

I, Suman B. Mookerji, certify that:

1. I have reviewed this Quarterly Report of Ducommun Incorporated (the “registrant”) on Form 10-Q for the period ended June 28, 2025;
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(s) 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(s) 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 7, 2025

/s/ Suman B. Mookerji

Suman B. Mookerji

Senior Vice President, Chief Financial Officer

**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 of Ducommun Incorporated (the "Company") on Form 10-Q for the period ending June 28, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stephen G. Oswald, Chairman, President and Chief Executive Officer of the Company, certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my 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.

By: /s/ Stephen G. Oswald

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Stephen G. Oswald  
Chairman, President and Chief Executive Officer  
August 7, 2025

In connection with the Quarterly Report of Ducommun Incorporated (the "Company") on Form 10-Q for the period ending June 28, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Suman B. Mookerji, Senior Vice President, Chief Financial Officer of the Company, certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my 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.

By: /s/ Suman B. Mookerji

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Suman B. Mookerji  
Senior Vice President, Chief Financial Officer  
August 7, 2025

The foregoing certification is accompanying the Form 10-Q solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and is not being filed as part of the Form 10-Q or as a separate disclosure document.