

August 12, 2025



Optex Systems Holdings, Inc. Announces Financial Highlights for the Three and Nine Months Ended June 29, 2025

RICHARDSON, TX / [ACCESS Newswire](#) / August 12, 2025 / Optex Systems Holdings, Inc. (Nasdaq:OPXS), a leading manufacturer of precision optical sighting systems for domestic and worldwide military and commercial applications, announced financial results for the three and nine months ended June 29, 2025.

Danny Schoening, CEO of Optex Systems Holdings, Inc., commented, "We are proud to announce another record-breaking quarter for revenue, a testament to our unwavering commitment to excellence, reliability, and customer support. This milestone reflects not only our strong operational performance but also the momentum we are building across the business.

"In addition to surpassing previous revenue records, we are excited to report several significant new program wins that expand our footprint in both domestic and international markets. These new awards are the result of our consistent delivery of high-quality products and the trust we have earned as a dependable defense manufacturing partner.

"Our factory performance continues to highlight the strength of our team and the efficiency of our processes. As we celebrate this achievement, we remain focused on sustaining this growth trajectory, investing in innovation, and delivering superior value to our customers and shareholders.

"We thank our employees, customers, and investors for their ongoing support in making this success possible."

Backlog as of June 29, 2025 was \$38.3 million, compared to a backlog of \$45.6 million as of June 30, 2024, representing a decrease of \$7.3 million, or 16.0% from the prior year June period. Subsequent to the period ended June 29, 2025, the Company announced several new awards including a \$2.8 million order for the XM30 program, a \$10.2 million five-year requirement-type contract award for optical sighting systems, and a \$1.6 million order for laser filters, bringing our total backlog to \$45.0 million as of August 5, 2025.

For the three months ended June 29, 2025, our total revenue increased by \$2.1 million, or 22.6%, compared to the prior year period. For the nine months ended June 29, 2025, our total revenue increased by \$5.5 million, or 22.3%, compared to the prior year period. The increase in revenue was primarily driven by higher periscope production levels at the Optex Richardson segment, combined with increased customer demand across both the Optex Richardson and the Applied Optics operating segments.

Consolidated gross profit for the three months ended June 29, 2025 increased by \$0.3

million, or 10.0%, compared to the prior year period. Consolidated gross profit for the nine months ended June 29, 2025 increased by \$1.5 million, or 21.6%, compared to the prior year period. The increase in the most recent three and nine-month period gross profit was primarily attributable to increased revenue and changes in product mix.

Our operating income for the three months ended June 29, 2025 increased by \$0.3 million, or 18.3%, compared to the prior year period. Our operating income for the nine months ended June 29, 2025 increased by \$1.5 million, or 43.8%, compared to the prior year period. The increase in operating income was primarily driven by higher revenue and gross profit.

As of June 29, 2025, Optex Systems Holdings had working capital of \$19.4 million, as compared to \$15.1 million as of September 29, 2024. During the nine months ended June 29, 2025, we generated operating cash of \$5.4 million, primarily driven by increased net income, reductions in inventory and increased accounts payable. During the nine months ended June 29, 2025, we paid \$1.0 million against the credit facility and purchased capital assets of \$0.5 million.

At June 29, 2025, the Company had approximately \$4.9 million in cash and no draws against its revolving credit line. As of June 29, 2025, our outstanding accounts receivable balance was \$4.1 million to be collected during the fourth quarter of fiscal 2025.

Our key performance measures for the three and nine months ended June 29, 2025 and June 30, 2024 are summarized below.

(Thousands)

Metric	Three months ended			Nine months ended		
	Jun 29, 2025	Jun 30, 2024	% Change	Jun 29, 2025	Jun 30, 2024	% Change
Revenue	\$ 11,110	\$ 9,060	22.6 %	\$ 30,038	\$ 24,552	22.3 %
Gross Profit	\$ 3,168	\$ 2,881	10.0 %	\$ 8,658	\$ 7,122	21.6 %
Gross Margin %	28.5 %	31.8 %	(10.4)%	28.8 %	29.0 %	(0.7)%
Operating Income	\$ 1,911	\$ 1,615	18.3 %	\$ 5,065	\$ 3,523	43.8 %
Net Income	\$ 1,510	\$ 1,261	19.7 %	\$ 4,122	\$ 2,754	49.7 %
Adjusted EBITDA (non-GAAP)	\$ 2,125	\$ 1,837	15.7 %	\$ 5,698	\$ 4,224	34.9 %

The table below summarizes our three- and nine-month operating results for the periods ended June 29, 2025 and June 30, 2024, in terms of both the GAAP net income measure and the non-GAAP Adjusted EBITDA measure. We believe that including both measures allows the reader better to evaluate our overall performance.

	(Thousands)			
	Three months ended		Nine months ended	
	June 29, 2025	June 30, 2024	June 29, 2025	June 30, 2024
Net Income (GAAP)	\$ 1,510	\$ 1,261	\$ 4,122	\$ 2,754
Add:				
Federal Income Tax Expense	401	337	931	737
Depreciation and Amortization	131	132	386	341
Stock Compensation	83	90	247	360
Interest (Income) Expense	-	17	12	32
Adjusted EBITDA - Non GAAP	\$ 2,125	\$ 1,837	\$ 5,698	\$ 4,224

Adjusted EBITDA has limitations and should not be considered in isolation or a substitute for performance measures calculated under GAAP. This non-GAAP measure excludes certain cash expenses that we are obligated to make. In addition, other companies in our industry may calculate Adjusted EBITDA differently than we do or may not calculate it at all, which limits the usefulness of Adjusted EBITDA as a comparative measure.

Our net income increased by \$0.2 million to \$1.5 million for the three months ended June 29, 2025, as compared to net income of \$1.3 million for the prior year period. Our adjusted EBITDA increased by \$0.3 million to \$2.1 million for the three months ended June 29, 2025, as compared to adjusted EBITDA of \$1.8 million for the prior year period.

Our net income increased by \$1.3 million to \$4.1 million for the nine months ended June 29, 2025, as compared to net income of \$2.8 million for the prior year period. Our adjusted EBITDA increased by \$1.5 million to \$5.7 million for the nine months ended June 29, 2025, as compared to adjusted EBITDA of \$4.2 million for the prior year period.

The increase in net income and adjusted EBITDA for the most recent three and nine-month periods compared to the prior year periods is primarily driven by increased revenue and gross profit.

We currently do not anticipate any significant material risks as a result of the recent tariff uncertainties or China's stranglehold on rare earths. Our defense products are primarily sourced domestically, but those which are imported are generally not subject to tariff or duties. We produce some commercial optical assemblies with selective components sourced from Taiwan; however, our current customer backlog is covered with existing material in inventory. We anticipate any future orders for these commercial products will be subject to

revised pricing inclusive of any potential tariff impact.

Highlights of the Consolidated and Segment Results of Operations have been prepared in accordance with GAAP. These financial highlights do not include all information and disclosures required in the consolidated financial statements and footnotes and should be read in conjunction with our Quarterly Report on Form 10Q for the three and nine months ended June 29, 2025 filed with the SEC on August 12, 2025.

Optex Systems Holdings, Inc.
Condensed Consolidated Balance Sheets

	(Thousands, except share and per share data)	
	June 29, 2025	September 29, 2024
	(Unaudited)	
ASSETS		
Cash and Cash Equivalents	\$ 4,871	\$ 1,009
Accounts Receivable, Net	4,140	3,764
Inventory, Net	14,514	14,863
Contract Asset	155	219
Prepaid Expenses	469	217
	<u>24,149</u>	<u>20,072</u>
Current Assets		
	1,475	1,292
Property and Equipment, Net		
Other Assets		
Deferred Tax Asset	852	947
Intangible Assets, Net	845	951
Right-of-use Asset	1,836	2,233
Security Deposits	23	23

Other Assets	3,556	4,154

Total Assets	\$ 29,180	\$ 25,518

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities

Accounts Payable	\$ 1,778	\$ 1,177
Credit Facility	-	1,000
Operating Lease Liability	645	638
Federal Income Taxes Payable	-	74
Accrued Expenses	1,227	1,258
Accrued Selling Expense	169	237
Accrued Warranty Costs	173	52
Contract Loss Reserves	423	259
Customer Advance Deposits	285	255

Current Liabilities	4,700	4,950
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Other Liabilities

Operating Lease Liability, net of current portion	1,346	1,760

Other Liabilities	1,346	1,760

Total Liabilities	6,046	6,710
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Commitments and Contingencies

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Stockholders' Equity

Common Stock - (\$0.001 par, 2,000,000,000 authorized, 6,912,919 and 6,873,938 shares issued and outstanding, respectively)

7 7

Additional Paid in Capital

21,669 21,465

Retained Earnings (Accumulated Deficit)

1,458 (2,664)

Stockholders' Equity

23,134 18,808

Total Liabilities and Stockholders' Equity

\$ 29,180 \$ 25,518

The accompanying notes in our Quarterly Report on Form 10Q for the three and nine months ended June 29, 2025 filed with the SEC on August 12, 2025 are an integral part of these financial statements.

Optex Systems Holdings, Inc.
Condensed Consolidated Statements of Operations
(Unaudited)

(Thousands, except share and per share data)

	Three months ended		Nine months ended	
	June 29, 2025	June 30, 2024	June 29, 2025	June 30, 2024
Revenue	\$ 11,110	\$ 9,060	\$ 30,038	\$ 24,552
Cost of Sales	7,942	6,179	21,380	17,430
Gross Profit	3,168	2,881	8,658	7,122
General and Administrative Expense	1,257	1,266	3,593	3,599

Operating Income	1,911	1,615	5,065	3,523
Interest Expense	-	17	12	32
Income Before Taxes	1,911	1,598	5,053	3,491
Income Tax Expense, net	401	337	931	737
Net Income	\$ 1,510	\$ 1,261	\$ 4,122	\$ 2,754
Basic income per share	\$ 0.22	\$ 0.19	\$ 0.60	\$ 0.41
Weighted Average Common Shares Outstanding - basic	6,884,429	6,799,807	6,856,776	6,744,997
Diluted income per share	\$ 0.22	\$ 0.18	\$ 0.60	\$ 0.40
Weighted Average Common Shares Outstanding - diluted	6,929,625	6,888,208	6,911,817	6,812,431

The accompanying notes in our Quarterly Report on Form 10Q for the three and nine months ended June 29, 2025 filed with the SEC on August 12, 2025 are an integral part of these financial statements.

ABOUT OPTEX SYSTEMS

Optex, which was founded in 1987, is a Richardson, Texas based ISO 9001:2015 certified concern, which manufactures optical sighting systems and assemblies, primarily for Department of Defense (DOD) applications. Its products are installed on various types of U.S. military land vehicles, such as the Abrams and Bradley fighting vehicles, Light Armored and Armored Security Vehicles, and have been selected for installation on the Stryker family of vehicles. Optex also manufactures and delivers numerous periscope configurations, rifle and surveillance sights, and night vision optical assemblies. Optex delivers its products both

directly to the military services and to prime contractors. For additional information, please visit the Company's website at www.optexsys.com.

Safe Harbor Statement

This press release contains certain forward-looking statements, as that term is defined in the Private Securities Litigation Reform Act of 1995, including those relating to the products and services described herein. You can identify these statements by the use of the words "may," "will," "could," "should," "would," "plans," "expects," "anticipates," "continue," "estimate," "project," "intend," "likely," "forecast," "probable," and similar expressions.

These forward-looking statements represent our expectations, beliefs, intentions or strategies concerning future events, including, but not limited to, any statements regarding growth strategy; product and development programs; financial performance and financial condition (including revenue, net income, profit margins and working capital); customer demand; orders and backlog; expected timing of contract deliveries to customers and corresponding revenue recognition; increases in the cost of materials and labor; costs remaining to fulfill contracts; contract loss reserves; labor shortages; follow-on orders; supply chain challenges; the continuation of historical trends; the sufficiency of our cash balances for future liquidity and capital resource needs; the expected impact of changes in accounting policies on our results of operations, financial condition or cash flows; anticipated problems and our plans for future operations; and the economy in general or the future of the defense industry.

These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected or anticipated. Such risks and uncertainties include, but are not limited to, continued funding of defense programs and military spending, the timing of such funding, general economic and business conditions, including unforeseen weakness in the Company's markets, effects of continued geopolitical unrest and regional conflicts, competition, changes in technology and methods of marketing, delays in completing engineering and manufacturing programs, changes in customer order patterns, changes in product mix, continued success in technological advances and delivering technological innovations, changes in the U.S. Government's interpretation of federal procurement rules and regulations, changes in spending due to policy changes in any new federal presidential administration, market acceptance of the Company's products, shortages in components, production delays due to performance quality issues with outsourced components, inability to fully realize the expected benefits from acquisitions and restructurings or delays in realizing such benefits, challenges in integrating acquired businesses and achieving anticipated synergies, changes to export regulations, increases in tax rates, changes to generally accepted accounting principles, difficulties in retaining key employees and customers, unanticipated costs under fixed-price service and system integration engagements, changes in the market for microcap stocks regardless of growth and value and various other factors beyond our control.

You must carefully consider any such statement and should understand that many factors could cause actual results to differ from the Company's forward-looking statements. These factors include inaccurate assumptions and a broad variety of other risks and uncertainties, including some that are known and some that are not. No forward-looking statement can be guaranteed and actual future results may vary materially. The Company does not assume the obligation to update any forward-looking statement. You should carefully evaluate such

statements in light of factors described in the Company's filings with the SEC, especially on Forms 10-K, 10-Q and 8-K. In various filings the Company has identified important factors that could cause actual results to differ from expected or historic results. You should understand that it is not possible to predict or identify all such factors. Consequently, you should not consider any such list to be a complete list of all potential risks or uncertainties.

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SOURCE: Optex Systems Holdings, Inc.

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