

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event Reported): December 17, 2024

HEICO CORPORATION

(Exact name of registrant as specified in its charter)

Florida

(State or Other Jurisdiction of Incorporation)

001-04604

(Commission File Number)

65-0341002

(I.R.S. Employer Identification Number)

3000 Taft Street, Hollywood, Florida 33021

(Address of Principal Executive Offices) (Zip Code)

(954) 987-4000

(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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 | HEI | New York Stock Exchange |
| Class A Common Stock, \$.01 par value per share | HEIA | New York Stock Exchange |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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

Item 2.02. Results of Operations and Financial Condition.

On December 17, 2024, HEICO Corporation (the "Company") issued a press release announcing its results of operations for the fiscal year ended October 31, 2024. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information furnished pursuant to this Item 2.02, including Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

| <u>Exhibit</u> | <u>Description</u> |
|-----------------------|---|
| 99.1 | Press release dated December 17, 2024 |
| 104 | Cover Page Interactive Data File (embedded within the inline XBRL document) |

SIGNATURE

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 hereunto duly authorized.

HEICO CORPORATION

Date: December 17, 2024

By: /s/ CARLOS L. MACAU, JR.

Carlos L. Macau, Jr.
Executive Vice President - Chief
Financial Officer and Treasurer

December 17, 2024
Victor H. Mendelson (305) 374-1745 ext. 7590
Carlos L. Macau, Jr. (954) 987-4000 ext. 7570

HEICO CORPORATION REPORTS RECORD NET INCOME (UP 35%), OPERATING INCOME (UP 15%) AND NET SALES (UP 8%) FOR THE FOURTH QUARTER OF FISCAL 2024

HOLLYWOOD, FL and MIAMI, FL -- HEICO CORPORATION (NYSE: HEI.A) (NYSE: HEI) today reported net income increased 35% to a record \$139.7 million, or \$.99 per diluted share, in the fourth quarter of fiscal 2024, up from \$103.4 million, or \$.74 per diluted share, in the fourth quarter of fiscal 2023. Net income increased 27% to a record \$514.1 million, or \$3.67 per diluted share, in the fiscal year ended October 31, 2024, up from \$403.6 million, or \$2.91 per diluted share, in the fiscal year ended October 31, 2023.

Net sales increased 8% to a record \$1,013.7 million in the fourth quarter of fiscal 2024, up from \$936.4 million in the fourth quarter of fiscal 2023. Operating income increased 15% to a record \$218.6 million in the fourth quarter of fiscal 2024, up from \$189.4 million in the fourth quarter of fiscal 2023. The Company's consolidated operating margin improved to 21.6% in the fourth quarter of fiscal 2024, up from 20.2% in the fourth quarter of fiscal 2023.

Net sales increased 30% to a record \$3,857.7 million in the fiscal year ended October 31, 2024, up from \$2,968.1 million in the fiscal year ended October 31, 2023. Operating income increased 32% to a record \$824.5 million in the fiscal year ended October 31, 2024, up from \$625.3 million in the fiscal year ended October 31, 2023. The Company's consolidated operating margin improved to 21.4% in the fiscal year ended October 31, 2024, up from 21.1% in the fiscal year ended October 31, 2023.

Our commercial aerospace sales growth has resulted in seventeen consecutive quarters of sequential growth in net sales at the Flight Support Group.

The Company incurred acquisition costs during the fourth quarter of fiscal 2023 related to the Wencor Group ("Wencor") acquisition, which decreased net income attributable to HEICO by approximately \$13.6 million, or \$.10 per diluted share.

EBITDA increased 13% to \$264.0 million in the fourth quarter of fiscal 2024, up from \$234.2 million in the fourth quarter of fiscal 2023. EBITDA increased 32% to \$1,002.2 million in the fiscal year ended October 31, 2024, up from \$758.3 million in the fiscal

year ended October 31, 2023. See our reconciliation of net income attributable to HEICO to EBITDA at the end of this press release.

Consolidated Results

Laurans A. Mendelson, HEICO's Chairman and CEO, commented on the Company's fourth quarter results stating, "We are proud to announce record consolidated net sales and operating income for the fourth quarter and full fiscal year of fiscal 2024, principally driven by exceptional operating performance at the Flight Support Group and notable contributions from our fiscal 2023 and 2024 acquisitions. Furthermore, these results reflect improved demand across all of the Flight Support Group's product lines resulting in strong 12% organic net sales growth for that operating segment.

Our total debt to net income attributable to HEICO ratio was 4.34x as of October 31, 2024, down from 6.14x as of October 31, 2023. Our net debt to EBITDA ratio was 2.06x as of October 31, 2024, down from 3.04x as of October 31, 2023. See our reconciliation of total debt to net debt at the end of this press release.

Cash flow provided by operating activities increased 39% to \$205.6 million in the fourth quarter of fiscal 2024, up from \$148.4 million in the fourth quarter of fiscal 2023. Cash flow provided by operating activities increased 50% to \$672.4 million in the fiscal year ended October 31, 2024, up from \$448.7 million in the fiscal year ended October 31, 2023.

Over the past few months, our Electronic Technologies Group made several strategic acquisitions, acquiring 70% of SVM Private Limited in November 2024, 87.9% of Mid Continent Controls, Inc. in October 2024, and 92.5% of Marway Power Solutions, Inc. in September 2024. Additionally, in August 2024, our Flight Support Group acquired the Aerial Delivery and Descent Devices divisions of Capewell Aerial Systems ("Capewell"). These acquisitions were funded using cash provided by operating activities, except for Capewell, which was principally funded using proceeds from our revolving credit facility. We expect each of these acquisitions to be accretive to our earnings within the year following the acquisition.

Today, HEICO's Board of Directors declared a semiannual cash dividend of \$.11 per share payable in January 2025. This cash dividend will be HEICO's 93rd consecutive semiannual cash dividend since 1979. The cash dividend confirms our Board of Director's confidence in HEICO's future while continuing to reward our shareholders and retaining sufficient capital to fund our internal growth and acquisitions.

As we look ahead to fiscal 2025, we anticipate net sales growth in both the Flight Support Group and Electronic Technologies Group, driven primarily by organic growth supported by strong demand for the majority of our products. Additionally, we plan to drive growth through our recently completed acquisitions while positioning ourselves to capitalize on potential opportunities from future acquisitions. Our priorities include

advancing the development of new products and services, further expanding market penetration, and maintaining our financial strength and flexibility, all with a strong emphasis on delivering long-term value to our shareholders."

Flight Support Group

Eric A. Mendelson, HEICO's Co-President and President of HEICO's Flight Support Group, commented on the Flight Support Group's record setting fourth quarter results stating, "Continuing on our growth momentum, we achieved record results in both net sales and operating income, with quarterly increases of 15% in net sales and 35% in operating income compared to the fourth quarter of fiscal 2023. These outstanding results were driven by robust 12% organic net sales growth, primarily fueled by a 13% organic increase in our aftermarket replacement parts product line, along with contributions from acquisitions completed in fiscal 2023 and 2024. This represents the seventeenth consecutive quarter of net sales growth for the Flight Support Group.

The Flight Support Group's net sales increased 15% to a record \$691.8 million in the fourth quarter of fiscal 2024, up from \$601.7 million in the fourth quarter of fiscal 2023. The Flight Support Group's net sales increased 49% to a record \$2,639.4 million in the fiscal year ended October 31, 2024, up from \$1,770.2 million in the fiscal year ended October 31, 2023. The Flight Support Group's net sales increase in the fourth quarter and fiscal year ended October 31, 2024 reflects the impact from our fiscal 2023 and 2024 acquisitions and strong organic growth of 12% and 13%, respectively. The organic net sales growth mainly reflects increased demand across all of our product lines.

The Flight Support Group's operating income increased 35% to a record \$154.5 million in the fourth quarter of fiscal 2024, up from \$114.6 million in the fourth quarter of fiscal 2023. The operating income increase principally reflects the previously mentioned net sales growth, decreased acquisition costs and an improved gross profit margin. The improved gross profit margin principally reflects the previously mentioned higher net sales within our aftermarket replacement parts and repair and overhaul parts and services product lines.

The Flight Support Group's operating income increased 53% to a record \$593.1 million in the fiscal year ended October 31, 2024, up from \$387.3 million in the fiscal year ended October 31, 2023. The operating income increase principally reflects the previously mentioned net sales growth, decreased acquisition costs and an improved gross profit margin, partially offset by increased intangible asset amortization expense, increased performance-based compensation expense and the prior year impact from the amendment and termination of a contingent consideration agreement. The improved gross profit margin principally reflects the previously mentioned higher net sales within our aftermarket replacement parts and repair and overhaul parts and services product lines.

The Flight Support Group's operating margin improved to 22.3% in the fourth quarter of fiscal 2024, up from 19.0% in the fourth quarter of fiscal 2023. The increased operating margin principally reflects the previously mentioned lower acquisition costs and improved gross profit margin, as well as higher selling, general and administrative ("SG&A") efficiencies resulting from the previously mentioned net sales growth.

The Flight Support Group's operating margin improved to 22.5% in the fiscal year ended October 31, 2024, up from 21.9% in the fiscal year ended October 31, 2023. The increased operating margin principally reflects the previously mentioned lower acquisition costs and improved gross profit margin, as well as lower performance-based compensation expense as a percentage of net sales, partially offset by the previously mentioned higher intangible asset amortization expense and amendment and termination of a contingent consideration agreement."

Electronic Technologies Group

Victor H. Mendelson, HEICO's Co-President and President of HEICO's Electronic Technologies Group, commented on the Electronic Technologies Group's fourth quarter results stating, "Our quarterly results mainly featured high single-digit organic net sales growth of our space products, offset by lower defense products net sales, which are often lumpy, and slightly lower net sales of our other electronics products. We remain highly optimistic about more sustained growth across the majority of our product lines in fiscal 2025, driven by significantly higher orders and an increased quarter-end record backlog as of October 31, 2024.

The Electronic Technologies Group's net sales were \$336.2 million in the fourth quarter of fiscal 2024, as compared to \$342.5 million in the fourth quarter of fiscal 2023. The net sales decrease principally reflects lower defense and other electronics net sales, partially offset by increased space products net sales and the impact from our fiscal 2024 acquisitions.

The Electronic Technologies Group's net sales increased 3% to a record \$1,263.6 million in the fiscal year ended October 31, 2024, up from \$1,225.2 million in the fiscal year ended October 31, 2023. The net sales increase is mainly attributable to the impact of our fiscal 2023 and 2024 acquisitions and increased organic net sales of our defense and aerospace products, partially offset by lower organic net sales of our other electronics and medical products.

The Electronic Technologies Group's operating income was \$81.8 million in the fourth quarter of fiscal 2024, as compared to \$86.4 million in the fourth quarter of fiscal 2023. The operating income decrease principally reflects a less favorable gross profit margin mainly from the previously mentioned decreased defense and other electronics net sales, partially offset by the previously mentioned increased space products net sales.

The Electronic Technologies Group's operating income increased 1% to a record \$288.2 million in the fiscal year ended October 31, 2024, up from \$285.1 million in the fiscal year ended October 31, 2023. The operating income increase principally reflects the previously mentioned net sales growth and an improved gross profit margin, partially offset by lower SG&A efficiencies. The improved gross profit margin principally reflects the previously mentioned increased defense and aerospace products net sales, partially offset by the previously mentioned decreased other electronics and medical products net sales.

The Electronic Technologies Group's operating margin was 24.3% in the fourth quarter of fiscal 2024, as compared to 25.2% in the fourth quarter of fiscal 2023. The operating margin change principally reflects the previously mentioned less favorable gross profit margin and lower SG&A efficiencies.

The Electronic Technologies Group's operating margin was 22.8% in the fiscal year ended October 31, 2024, as compared to 23.3% in the fiscal year ended October 31, 2023. The operating margin change principally reflects increased SG&A expenses as a percentage of net sales mainly from the previously mentioned lower SG&A efficiencies, which was partially offset by the previously mentioned improved gross profit margin."

Non-GAAP Financial Measures

To provide additional information about the Company's results, HEICO has discussed in this press release its EBITDA (calculated as net income attributable to HEICO adjusted for depreciation and amortization expense, net income attributable to noncontrolling interests, interest expense and income tax expense), its net debt (calculated as total debt less cash and cash equivalents), and its net debt to EBITDA ratio (calculated as net debt divided by EBITDA), which are not prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

These non-GAAP measures are included to supplement the Company's financial information presented in accordance with GAAP and because the Company uses such measures to monitor and evaluate the performance of its business and believes the presentation of these measures enhance an investor's ability to analyze trends in the Company's business and to evaluate the Company's performance relative to other companies in its industry. However, these non-GAAP measures have limitations and should not be considered in isolation or as a substitute for analysis of the Company's financial results as reported under GAAP.

These non-GAAP measures are not in accordance with, or an alternative to, measures prepared in accordance with GAAP and may be different from non-GAAP measures used by other companies. In addition, these non-GAAP measures are not based on any comprehensive set of accounting rules or principles. These measures should only be used to evaluate the Company's results of operations in conjunction with their corresponding GAAP measures. Pursuant to the requirements of Regulation G of the

Securities and Exchange Act of 1934, the Company has provided a reconciliation of these non-GAAP measures in the last table included in this press release.

(NOTE: HEICO has two classes of common stock traded on the NYSE. Both classes, the Class A Common Stock (HEI.A) and the Common Stock (HEI), are virtually identical in all economic respects. The only difference between the share classes is the voting rights. The Class A Common Stock (HEI.A) carries 1/10 vote per share and the Common Stock (HEI) carries one vote per share.)

There are currently approximately 83.8 million shares of HEICO's Class A Common Stock (HEI.A) outstanding and 55.0 million shares of HEICO's Common Stock (HEI) outstanding. The stock symbols for HEICO's two classes of common stock on most websites are HEI.A and HEI. However, some websites change HEICO's Class A Common Stock trading symbol (HEI.A) to HEI/A or HEIa.

As previously announced, HEICO will hold a conference call on Wednesday, December 18, 2024 at 9:00 a.m. Eastern Standard Time to discuss its fourth quarter results. Individuals wishing to participate in the conference call should dial: US and Canada (888) 394-8218, International (646) 828-8193, wait for the conference operator and provide the operator with the Conference ID 9881151. A digital replay will be available two hours after the completion of the conference for 14 days. To access the replay, please visit our website at <https://www.heico.com> under the Investors section for details.

HEICO Corporation is engaged primarily in the design, production, servicing and distribution of products and services to certain niche segments of the aviation, defense, space, medical, telecommunications and electronics industries through its Hollywood, Florida-based Flight Support Group and its Miami, Florida-based Electronic Technologies Group. HEICO's customers include a majority of the world's airlines and overhaul shops, as well as numerous defense and space contractors and military agencies worldwide, in addition to medical, telecommunications and electronics equipment manufacturers. For more information about HEICO, please visit our website at <https://www.heico.com>.

Certain statements in this press release constitute forward-looking statements, which are subject to risks, uncertainties and contingencies. HEICO's actual results may differ materially from those expressed in or implied by those forward-looking statements. Factors that could cause such differences include, among others: the severity, magnitude and duration of public health threats, such as the COVID-19 pandemic; our liquidity and the amount and timing of cash generation; lower commercial air travel, airline fleet changes or airline purchasing decisions, which could cause lower demand for our goods and services; product specification costs and requirements, which could cause an increase to our costs to complete contracts; governmental and regulatory demands, export policies and restrictions, reductions in defense, space or homeland security spending by U.S. and/or foreign customers or competition from existing and

new competitors, which could reduce our sales; our ability to introduce new products and services at profitable pricing levels, which could reduce our sales or sales growth; product development or manufacturing difficulties, which could increase our product development and manufacturing costs and delay sales; cybersecurity events or other disruptions of our information technology systems could adversely affect our business; and our ability to make acquisitions, including obtaining any applicable domestic and/or foreign governmental approvals, and achieve operating synergies from acquired businesses; customer credit risk; interest, foreign currency exchange and income tax rates; and economic conditions, including the effects of inflation, within and outside of the aviation, defense, space, medical, telecommunications and electronics industries, which could negatively impact our costs and revenues. Parties receiving this material are encouraged to review all of HEICO's filings with the Securities and Exchange Commission, including, but not limited to filings on Form 10-K, Form 10-Q and Form 8-K. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except to the extent required by applicable law.

HEICO CORPORATION**Condensed Consolidated Statements of Operations (Unaudited)**

(in thousands, except per share data)

| | Three Months Ended October 31, | |
|---|---------------------------------------|----------------------|
| | 2024 | 2023 |
| Net sales | \$1,013,665 | \$936,447 |
| Cost of sales | 619,773 | 572,004 |
| Selling, general and administrative expenses | 175,246 | 174,995 |
| Operating income | 218,646 | 189,448 |
| Interest expense | (35,406) | (43,423) |
| Other income | 646 | 1,040 |
| Income before income taxes and noncontrolling interests | 183,886 | 147,065 |
| Income tax expense | 33,000 | 33,500 |
| Net income from consolidated operations | 150,886 | 113,565 |
| Less: Net income attributable to noncontrolling interests | 11,198 | 10,139 |
| Net income attributable to HEICO | <u>\$139,688</u> | <u>\$103,426</u> (a) |
| Net income per share attributable to HEICO shareholders: | | |
| Basic | \$1.01 | \$.75 (a) |
| Diluted | \$.99 | \$.74 (a) |
| Weighted average number of common shares outstanding: | | |
| Basic | 138,655 | 138,162 |
| Diluted | 140,536 | 139,774 |

| | Three Months Ended October 31, | |
|--------------------------------|---------------------------------------|------------------|
| | 2024 | 2023 |
| Operating segment information: | | |
| Net sales: | | |
| Flight Support Group | \$691,780 | \$601,665 |
| Electronic Technologies Group | 336,233 | 342,537 |
| Intersegment sales | (14,348) | (7,755) |
| | <u>\$1,013,665</u> | <u>\$936,447</u> |
| Operating income: | | |
| Flight Support Group | \$154,513 | \$114,604 |
| Electronic Technologies Group | 81,814 | 86,380 |
| Other, primarily corporate | (17,681) | (11,536) |
| | <u>\$218,646</u> | <u>\$189,448</u> |
| Depreciation and amortization: | | |
| Flight Support Group | \$25,255 | \$24,003 |
| Electronic Technologies Group | 18,715 | 19,032 |
| Corporate | 715 | 693 |
| | <u>\$44,685</u> | <u>\$43,728</u> |

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HEICO CORPORATION**Condensed Consolidated Statements of Operations (Unaudited)**

(in thousands, except per share data)

| | Fiscal Year Ended October 31, | |
|---|--------------------------------------|-------------------------|
| | 2024 | 2023 |
| Net sales | \$3,857,669 | \$2,968,105 |
| Cost of sales | 2,355,943 | 1,814,617 |
| Selling, general and administrative expenses | 677,271 | 528,149 |
| Operating income | 824,455 | 625,339 |
| Interest expense | (149,313) | (72,984) |
| Other income | 2,444 | 2,928 |
| Income before income taxes and noncontrolling interests | 677,586 | 555,283 |
| Income tax expense | 118,500 (b) | 110,900 (c) |
| Net income from consolidated operations | 559,086 | 444,383 |
| Less: Net income attributable to noncontrolling interests | 44,977 | 40,787 |
| Net income attributable to HEICO | <u>\$514,109 (b)</u> | <u>\$403,596 (c)(d)</u> |
| Net income per share attributable to HEICO shareholders: | | |
| Basic | \$3.71 (b) | \$2.94 (c)(d) |
| Diluted | \$3.67 (b) | \$2.91 (c)(d) |
| Weighted average number of common shares outstanding: | | |
| Basic | 138,455 | 137,185 |
| Diluted | 140,198 | 138,905 |

| | Fiscal Year Ended October 31, | |
|--------------------------------|--------------------------------------|--------------------|
| | 2024 | 2023 |
| Operating segment information: | | |
| Net sales: | | |
| Flight Support Group | \$2,639,354 | \$1,770,185 |
| Electronic Technologies Group | 1,263,626 | 1,225,222 |
| Intersegment sales | (45,311) | (27,302) |
| | <u>\$3,857,669</u> | <u>\$2,968,105</u> |
| Operating income: | | |
| Flight Support Group | \$593,074 | \$387,297 |
| Electronic Technologies Group | 288,193 | 285,053 |
| Other, primarily corporate | (56,812) | (47,011) |
| | <u>\$824,455</u> | <u>\$625,339</u> |
| Depreciation and amortization: | | |
| Flight Support Group | \$98,793 | \$55,656 |
| Electronic Technologies Group | 73,725 | 71,774 |
| Corporate | 2,813 | 2,613 |
| | <u>\$175,331</u> | <u>\$130,043</u> |

HEICO CORPORATION

Footnotes to Condensed Consolidated Statements of Operations (Unaudited)

- (a) During the fourth quarter of fiscal 2023, the Company incurred acquisition costs related to the Wencor acquisition, which decreased net income attributable to HEICO by approximately \$13.6 million, or \$.10 per basic and diluted share.
- (b) During the first quarter of fiscal 2024, the Company recognized a \$13.6 million discrete tax benefit from stock option exercises, which, net of noncontrolling interests, increased net income attributable to HEICO by \$13.3 million, or \$.10 per basic and diluted share.
- (c) During the first quarter of fiscal 2023, the Company recognized a \$6.2 million discrete tax benefit from stock option exercises, which, net of noncontrolling interests, increased net income attributable to HEICO by \$6.1 million, or \$.04 per basic and diluted share.
- (d) During the fiscal year ended October 31, 2023, the Company incurred acquisition costs related to the Wencor and Exxelia International SAS acquisitions, which decreased net income attributable to HEICO by approximately \$21.5 million, or \$.16 per basic share and \$.15 per diluted share.

HEICO CORPORATION**Condensed Consolidated Balance Sheets (Unaudited)**

(in thousands)

| | October 31, 2024 | October 31, 2023 |
|---|---------------------------|---------------------------|
| Cash and cash equivalents | \$162,103 | \$171,048 |
| Accounts receivable, net | 538,487 | 509,075 |
| Contract assets | 112,235 | 111,702 |
| Inventories, net | 1,170,949 | 1,013,680 |
| Prepaid expenses and other current assets | 78,518 | 49,837 |
| Total current assets | <u>2,062,292</u> | <u>1,855,342</u> |
| Property, plant and equipment, net | 339,034 | 321,848 |
| Goodwill | 3,380,295 | 3,274,327 |
| Intangible assets, net | 1,334,774 | 1,357,281 |
| Other assets | 476,427 | 386,265 |
| Total assets | <u><u>\$7,592,822</u></u> | <u><u>\$7,195,063</u></u> |
| Short-term and current maturities of long-term debt | \$4,107 | \$17,801 |
| Other current liabilities | 659,744 | 647,541 |
| Total current liabilities | <u>663,851</u> | <u>665,342</u> |
| Long-term debt, net of current maturities | 2,225,267 | 2,460,277 |
| Deferred income taxes | 114,156 | 131,846 |
| Other long-term liabilities | 525,986 | 379,640 |
| Total liabilities | <u>3,529,260</u> | <u>3,637,105</u> |
| Redeemable noncontrolling interests | 366,156 | 364,807 |
| Shareholders' equity | 3,697,406 | 3,193,151 |
| Total liabilities and equity | <u><u>\$7,592,822</u></u> | <u><u>\$7,195,063</u></u> |

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HEICO CORPORATION**Condensed Consolidated Statements of Cash Flows (Unaudited)**

(in thousands)

| | Fiscal Year Ended October 31, | |
|---|--------------------------------------|--------------------|
| | 2024 | 2023 |
| Operating Activities: | | |
| Net income from consolidated operations | \$559,086 | \$444,383 |
| Depreciation and amortization | 175,331 | 130,043 |
| Share-based compensation expense | 18,775 | 15,475 |
| Employer contributions to HEICO Savings and Investment Plan | 17,617 | 15,276 |
| Impairment of intangible assets | 7,500 | — |
| Deferred income tax benefit | (22,002) | (26,531) |
| Decrease in accrued contingent consideration, net | (9,884) | (686) |
| Payment of contingent consideration | (6,203) | (6,299) |
| Amendment and termination of contingent consideration agreement | — | (9,057) |
| Increase in accounts receivable | (20,815) | (65,595) |
| Decrease (increase) in contract assets | 1,294 | (11,642) |
| Increase in inventories | (132,934) | (124,782) |
| Increase in current liabilities, net | 32,492 | 79,059 |
| Other | 52,113 | 9,091 |
| Net cash provided by operating activities | <u>672,370</u> | <u>448,735</u> |
| Investing Activities: | | |
| Acquisitions, net of cash acquired | (219,293) | (2,421,788) |
| Capital expenditures | (58,261) | (49,434) |
| Investments related to HEICO Leadership Compensation Plan | (19,910) | (18,892) |
| Other | 4,264 | 5,647 |
| Net cash used in investing activities | <u>(293,200)</u> | <u>(2,484,467)</u> |
| Financing Activities: | | |
| Proceeds from issuance of senior unsecured notes | — | 1,189,452 |
| (Payments) borrowings on revolving credit facility, net | (235,000) | 975,000 |
| Distributions to noncontrolling interests | (34,318) | (36,591) |
| Redemptions of common stock related to stock option exercises | (29,912) | (14,847) |
| Cash dividends paid | (29,069) | (27,370) |
| Acquisitions of noncontrolling interests | (26,567) | (2,733) |
| Payment of contingent consideration | (24,797) | (12,610) |
| Payments on short-term debt, net | (13,924) | (1,593) |
| Debt issuance costs | — | (10,060) |
| Proceeds from stock option exercises | 7,951 | 6,713 |
| Other | (3,757) | (312) |
| Net cash (used in) provided by financing activities | <u>(389,393)</u> | <u>2,065,049</u> |
| Effect of exchange rate changes on cash | <u>1,278</u> | <u>2,227</u> |
| Net (decrease) increase in cash and cash equivalents | (8,945) | 31,544 |
| Cash and cash equivalents at beginning of year | <u>171,048</u> | <u>139,504</u> |
| Cash and cash equivalents at end of year | <u>\$162,103</u> | <u>\$171,048</u> |

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HEICO CORPORATION
Non-GAAP Financial Measures (Unaudited)
(in thousands, except ratios)

| EBITDA Calculation | Three Months Ended October 31, | |
|---|---------------------------------------|------------------|
| | 2024 | 2023 |
| Net income attributable to HEICO | \$139,688 | \$103,426 |
| Plus: Depreciation and amortization | 44,685 | 43,728 |
| Plus: Net income attributable to noncontrolling interests | 11,198 | 10,139 |
| Plus: Interest expense | 35,406 | 43,423 |
| Plus: Income tax expense | 33,000 | 33,500 |
| EBITDA ^(a) | <u>\$263,977</u> | <u>\$234,216</u> |

| EBITDA Calculation | Fiscal Year Ended October 31, | |
|---|--------------------------------------|------------------|
| | 2024 | 2023 |
| Net income attributable to HEICO | \$514,109 | \$403,596 |
| Plus: Depreciation and amortization | 175,331 | 130,043 |
| Plus: Net income attributable to noncontrolling interests | 44,977 | 40,787 |
| Plus: Interest expense | 149,313 | 72,984 |
| Plus: Income tax expense | 118,500 | 110,900 |
| EBITDA ^(a) | <u>\$1,002,230</u> | <u>\$758,310</u> |

| Net Debt Calculation | October 31, 2024 | October 31, 2023 |
|--|-------------------------|-------------------------|
| Total debt | \$2,229,374 | \$2,478,078 |
| Less: Cash and cash equivalents | (162,103) | (171,048) |
| Net debt ^(a) | <u>\$2,067,271</u> | <u>\$2,307,030</u> |
| Total debt | \$2,229,374 | \$2,478,078 |
| Net income attributable to HEICO | \$514,109 | \$403,596 |
| Total debt to net income attributable to HEICO ratio | <u>4.34</u> | <u>6.14</u> |
| Net debt | \$2,067,271 | \$2,307,030 |
| EBITDA | \$1,002,230 | \$758,310 |
| Net debt to EBITDA ratio ^(a) | <u>2.06</u> | <u>3.04</u> |

(a) See the "Non-GAAP Financial Measures" section of this press release.