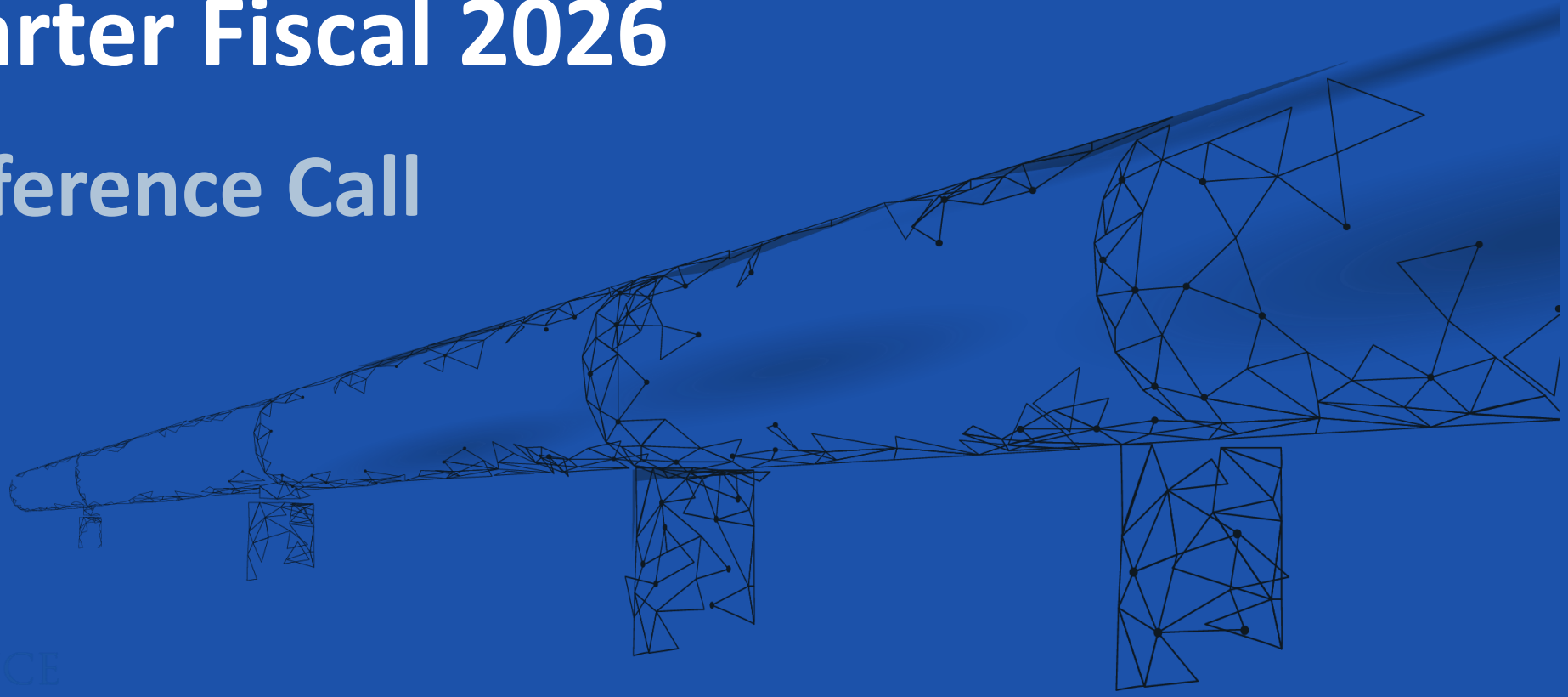
PERMA-PIPE

Second Quarter Fiscal 2026

Earnings Conference Call



NASDAQ: PPIH

PARTNERS IN EXCELLENCE

Anti-Corrosion Coating | Insulation | Containment | Fabrication | Leak Detection

Forward-Looking Statements and Use of Non-GAAP Measures

Chuck Heaton | Vice President, Human Resources

Certain statements contained in this presentation, which can be identified by the use of forward-looking terminology such as “may,” “will,” “expect,” “continue,” “remains,” “intend,” “aim,” “should,” “prospects,” “could,” “future,” “potential,” “believes,” “plans,” “likely,” and “probable,” or the negative thereof or other variations thereon or comparable terminology, constitute “forward-looking statements,” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (“Exchange Act”), and are subject to the safe harbors created thereby. These statements should be considered as subject to the many risks and uncertainties that exist in the Company's operations and business environment. Such risks and uncertainties could cause actual results to differ materially from those projected as a result of many factors, including, but not limited to, the following:

Market Condition Risks: fluctuations in the price of oil and natural gas and its impact on customer order volume for the Company's products; the Company's ability to purchase raw materials at favorable prices and to maintain beneficial relationships with its suppliers, which could result in a shortage of supply, or increased pricing; decreases in government spending on projects using the Company's products, and challenges to the Company's customers' liquidity and access to capital funds;

Financial Risks: the Company's ability to maintain compliance with debt covenants, repay its debt and renew or replace expiring credit facilities; the Company's ability to maintain sustained levels of profitability or positive cash flows in the future; the Company's ability to effectively execute its strategic plan and achieve sustained profitability and positive cash flows; the Company's ability to collect on long-term accounts receivable; the Company's ability to interpret and adapt to changes in tax regulations and legislation; the Company's ability to use its net operating loss carryforwards; the Company's inability to establish and maintain effective internal control over financial reporting; changes in estimates which could result in a reduction or elimination of previously recorded revenues and profit in connection with “over time” revenue recognition;

Business Condition Risks: the timing of order receipt, execution, delivery and acceptance for the Company's products; the Company's ability to successfully negotiate progress-billing arrangements on its large-scale contracts; aggressive pricing by existing competitors and the entrance of new competitors in the markets in which the Company operates; the Company's ability to manufacture products free of latent defects and to recover costs from suppliers who provide defective materials; reductions or cancellations of orders included in the Company's backlog; risks and uncertainties specific to the Company's international business operations, including geopolitical risks and tensions involving Iran;

General Risks: the Company's ability to attract and retain senior management and key personnel; the Company's ability to achieve the expected benefits of its growth initiatives; and the impact of cybersecurity threats on the Company's information technology systems.

Shareholders, potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements made herein are made only as of the date of this presentation, and we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. More detailed information about factors that may affect our performance may be found in our filings with the Securities and Exchange Commission, which are available at https://www.sec.gov and under the Investor Center section of our website (http://investors.permapipe.com).

Non-GAAP Measures: this presentation makes use of non-GAAP measures that management considers to be useful and differ from GAAP. These non-GAAP measures should be considered supplemental to corresponding GAAP figures. Refer to the Appendix in this presentation for a reconciliation of the non-GAAP financial measure of adjusted income before tax and income before income tax prepared in accordance with generally accepted accounting principles ("GAAP") for the three and six months ended July 31, 2026, and 2025.

Second Quarter Highlights

Saleh Sagr | President, Chief Executive Officer, and Director

A global leader in pre-insulated piping, anti-corrosion coatings, and leak detection systems. Perma-Pipe delivers mission-critical infrastructure that moves, monitors, and protects energy, water, and thermal systems in demanding environments around the world.

$59.6M

Net sales

Up 24% year over year

$2.5M

Net income to common stock

$0.31 per diluted share, up from $0.10

$142.3M

Quarter-end backlog

Foundation for the second half

1 Ohio facility operational

Ramping production as a growth engine for the North American business.

2 Qatar facility ramping

Positioned to supply the wider MENA region and international markets.

3 $67.8M of new orders

Oil and gas, infrastructure, and a new mission-critical leak detection application.

4 Leak detection momentum

Leak detection demand tracking ahead of plan, pointing to a broader shift from supplying pipe to delivering technology-enabled solutions.

5 Russell Indexes inclusion

Joined the Russell 2000 and Russell 3000 indexes.

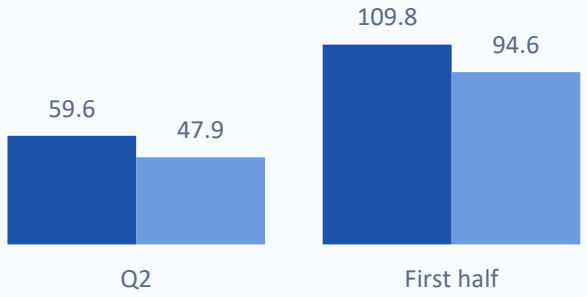
Second Quarter and First Half Fiscal 2026 Performance

Matthew Lewicki | Chief Financial Officer

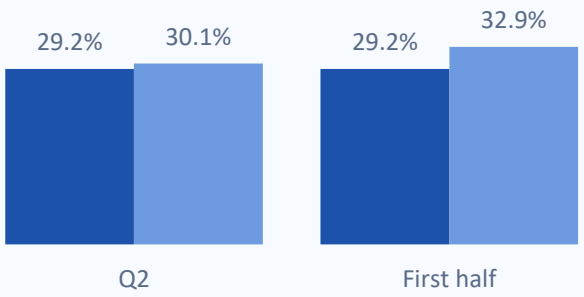
FY2026 **FY2025**

All comparisons against the same period in the prior year. Source: Form 10-Q for the quarter ended July 31, 2026.

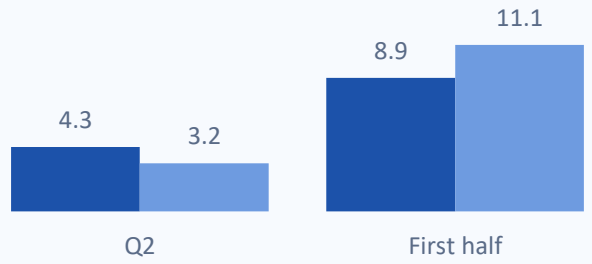
Net sales ($M)



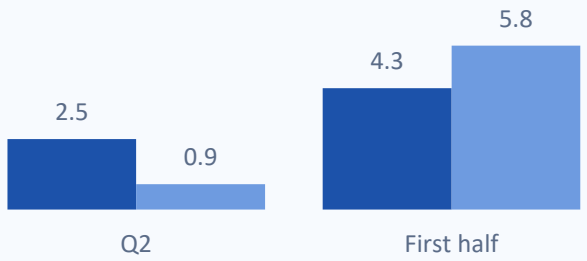
Gross margin (%)



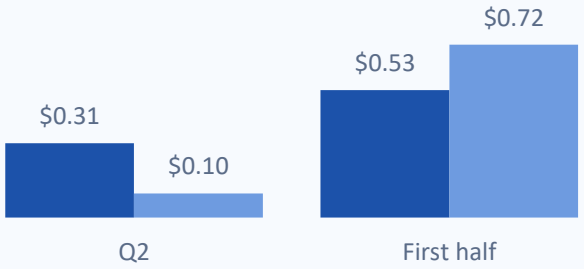
Income from operations ($M)



Net income to common stock ($M)



Diluted EPS ($)



What the shape shows

- Second-quarter earnings are all higher year over year, with net income to common stock rising to $2.5 million.
- First-half operating income and net income are lower year over year, reflecting a $3.9 million second-quarter receivable charge.
- Gross margin is flat in the quarter and lower year to date on Q1 mix, Ohio start-up; the prior-year quarter carried a $2.0 million CEO transition charge.

Balance Sheet, Liquidity, and Cash Flow

Matthew Lewicki | Chief Financial Officer

$31.8M

Cash and cash equivalents

From $18.7M at year-end

$4.3M

Net debt

From $13.8M at year-end

$13.3M

Operating cash flow, six months

Versus a $1.3M use of cash

Total debt $36.1M, versus $32.5M at year-end **Restricted cash** $3.0M

Capital expenditures $3.2M for the first six months

Backlog ($M)

Grown $20.7M since fiscal year-end



Backlog represents awards held under contract. Substantially all is expected to be completed within the next twelve months, with approximately 40% to 50% expected to convert to revenue in the third quarter.

New Global Credit Facility

JPMorgan Chase | Closed August 25, 2026

$75.0M	Revolving credit facility
$14.0M	Term loan facility
$50.0M	Incremental capacity
$30.0M	Letter of credit availability

Momentum into the Second Half

Saleh Sagr | President, Chief Executive Officer, and Director

The opportunities before Perma-Pipe are broader and greater than ever before, as is the company's capacity to pursue and win them. We are confident in our ability to convert them into sustainable growth and long-term value for our shareholders.

Digital Infrastructure

Building on U.S. strength to extend into Canada and the Middle East, supported by a new Middle East award.

Leak Detection Scale-Up

Formalizing relationships with select equipment manufacturers to embed sensing technology in their offerings.

District Heating & Cooling

Pursuing multi-year service agreements pairing installed systems with ongoing monitoring and support.

Oil & Gas

Saudi Aramco qualification of a new product line, alongside a recovery in Canadian market activity.

Jordan MOU with Welspun

National Water Carrier program as the anchor, Welspun complements our existing capabilities, plus a manufacturing platform for the wider Levant.

MENA, a Vector for Sustainable Growth

Perma-Pipe positioning as an in-region source ahead of multi-year, multi-sector opportunities.



Question and Answer Session

Thank You!

Saleh Sagr | President, Chief Executive Officer, and Director

Our Employees

For their hard work and dedication around the world.

Our Customers and Partners

For their trust in Perma-Pipe.

Our Shareholders

For their continued confidence in the company.

"Together, we are building a company that delivers results today while creating sustainable value for the future."

We look forward to continuing this dialogue with you and to updating you on our progress next quarter.

Appendix: Adjusted Income Before Income Tax (Non-GAAP)

Reconciliation of GAAP to non-GAAP

(in thousands)	Q2 FY2026	Q2 FY2025	1H FY2026	1H FY2025
Income before income taxes (GAAP)	3,869	2,751	7,790	10,187
Non-recurring customer charge	3,952	—	3,952	—
Ohio start-up costs	512	—	731	—
Acceleration of executive compensation	—	2,018	—	2,018
Other one-time charges	—	88	—	88
Adjusted income before income taxes (non-GAAP)	**8,334**	**4,857**	**12,474**	**12,293**

Adjusted income before income tax is a non-GAAP financial measure. Management believes it allows investors to more effectively evaluate the Company's operating performance and to identify trends by excluding items that are variable or infrequent in nature. It should be considered supplemental to, and not a substitute for, income before income taxes determined in accordance with GAAP. Adjustments comprise a non-recurring customer receivable charge and start-up costs at the Company's new Ohio facility in fiscal 2026, and the acceleration of certain executive compensation and other one-time charges in fiscal 2025. GAAP income before income taxes is drawn from the Condensed Consolidated Statements of Operations in the Form 10-Q for the quarter ended July 31, 2026.