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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2026

OR

o 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 001-43102



Forgent Power Solutions, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**39-3386651**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
11500 Dayton Parkway Dayton, MN	**55369**
(Address of Principal Executive Offices)	(Zip Code)

(763) 588-0536
Registrant's telephone number, including area code

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value $0.00001 per share	FPS	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 x No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes x No o

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	o	Accelerated filer	o
Non-accelerated filer	x	Smaller reporting company	o
		Emerging growth company	o

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.

o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes o No x

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class of Common Stock	Number of Shares Outstanding
Class A Common Stock, $0.00001 par value per share	274,527,094 shares outstanding as of November 5, 2026
Class B Common Stock, $0.00001 par value per share	29,901,795 shares outstanding as of November 5, 2026

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements that are based on our management's beliefs and assumptions and on information currently available to our management. Forward-looking statements include information concerning our possible or assumed future results of operations, business strategies, technology developments, financing and investment plans, dividend policy, competitive position, industry and regulatory environment, potential growth opportunities and the effects of competition. Forward-looking statements include statements that are not historical facts and can be identified by terms such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "seek," "should," "will," "would," or similar expressions and the negatives of those terms.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Given these uncertainties, you should not place undue reliance on forward-looking statements. Also, forward-looking statements represent our management's beliefs and assumptions only as of the date of this Quarterly Report on Form 10-Q. You should read this report and the documents that we have filed as exhibits hereto completely and with the understanding that our actual future results may be materially different from what we expect.

Important factors that could cause actual results to differ materially from our expectations include: changes in demand for, or supply of, electrical distribution equipment and related pricing; changes in the prices of raw materials and in labor costs, and our ability to pass those changes on to our customers; the pace of investment in new data centers and construction activity, notwithstanding potential regulatory developments and opposition to data center development; changes in government policies, including the imposition of additional duties, tariffs and other charges on imports and exports; disruptions to our supply chain and distribution networks, including problems with outside vendors, subcontractors and third-party suppliers; delays or interruptions in the operations of our manufacturing campuses; completion of our expansion project; the conversion of amounts included in our backlog into revenue and profits in the amount and on the timeframe we anticipate; competition; product liability claims and other failures of our products; long sales cycles and unpredictable order changes; changing efficiency standards; doing more business with larger customers who demand contracting terms less favorable to us; concentration of our sales with fewer customers; our ability to attract and retain key personnel; changes in technology or customer preferences; unexpected events, such as natural disasters, geopolitical conflicts, pandemics, a volatile global economic environment, inflation, high interest rates and a potential recession; the integration of our business acquisitions; environmental, health and safety laws and regulations; our indebtedness; and the other factors discussed in the Company's filings with the SEC, including in the "Risk Factors" section of the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2026.

Except as required by law, we assume no obligation to update these forward-looking statements, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

TABLE OF CONTENTS

		Page
	Part I - FINANCIAL INFORMATION	
Item 1.	Financial Statements (Unaudited)	
	Condensed Consolidated Balance Sheets	1
	Condensed Consolidated Statements of Operations	2
	Condensed Consolidated Statements of Changes in Stockholders' / Members' Equity	3
	Condensed Consolidated Statements of Cash Flows	4
	Notes to the Condensed Consolidated Financial Statements	6
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	23
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	35
Item 4.	Controls and Procedures	35
	Part II - OTHER INFORMATION	
Item 1.	Legal Proceedings	36
Item 1A.	Risk Factors	36
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	36
Item 3.	Defaults Upon Senior Securities	36
Item 4.	Mine Safety Disclosures	36
Item 5.	Other Information	36
Item 6.	Exhibits	37
SIGNATURES		38

Part I - FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

FORGENT POWER SOLUTIONS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(in thousands, except par value)

	September 30, 2026	June 30, 2026
Assets		
Current Assets		
Cash and cash equivalents	$ 199,916	$ 97,477
Accounts receivable, net	380,161	329,628
Inventory, net	346,218	249,817
Prepaid and other current assets	143,598	141,169
Total Current Assets	1,069,893	818,091
Property and equipment, net	230,868	204,957
Operating lease right of use assets, net	108,740	108,432
Goodwill	516,629	516,629
Other intangible assets, net	283,143	289,490
Deferred tax assets	465,152	280,971
Other assets	11,414	12,195
Total Assets	$ 2,685,839	$ 2,230,765
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	$ 166,159	$ 130,453
Accrued expenses	126,661	122,356
Deferred revenue	423,267	263,859
Operating lease liabilities, current portion	9,594	8,626
Long-term debt, current portion	6,000	6,000
Total Current Liabilities	731,681	531,294
Long-term debt, net of discount and deferred financing costs, less current portion	575,340	576,175
Payable pursuant to the Tax Receivable Agreement	483,027	338,925
Operating lease liabilities, less current portion	112,924	112,970
Total Liabilities	1,902,972	1,559,364
Commitments and Contingencies (Note 20)		
Stockholders' Equity		
Preferred stock, $0.00001 par value; 20,000 shares authorized; none issued and outstanding	—	—
Class A common stock, $0.00001 par value; 2,000,000 shares authorized; 274,527 issued and outstanding	3	2
Class B common stock, $0.00001 par value; 100,000 shares authorized; 29,902 issued and outstanding	—	1
Additional paid-in capital	582,802	484,994
Retained earnings	127,564	79,320
Total Stockholders' Equity Attributable to Forgent Power Solutions, Inc.	710,369	564,317
Non-controlling interests	72,498	107,084
Total Stockholders' Equity	782,867	671,401
Total Liabilities and Stockholders' Equity	$ 2,685,839	$ 2,230,765

See Accompanying Notes to Condensed Consolidated Financial Statements.

FORGENT POWER SOLUTIONS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(in thousands, except per share)

	Three Months Ended September 30,	
	2026	**2025**
Revenues	$ 478,566	$ 283,274
Cost of Revenues	320,287	185,322
Gross Profit	158,279	97,952
Operating Expenses		
Selling, general, and administrative expenses	71,965	53,583
Depreciation and amortization	7,132	13,206
Total Operating Expenses	79,097	66,789
Income from Operations	79,182	31,163
Other Income (Expense)		
Interest expense	(9,829)	(13,873)
Interest income	954	905
Other income (expense)	(148)	295
Total Other Expense, net	(9,023)	(12,673)
Income Before Tax Expense	70,159	18,490
Income Tax Expense	(15,336)	(2,934)
Net Income	54,823	15,556
Less: net income attributable to non-controlling interests	6,579	5,543
Net Income Attributable to Forgent Power Solutions, Inc.	$ 48,244	$ 10,013

	Three Months Ended September 30,	
	2026	**2025**
Earnings per share of Class A common stock:		
Basic	$ 0.18	N/A
Diluted	$ 0.18	N/A
Weighted average shares of Class A common stock outstanding:		
Basic	273,736	N/A
Diluted	274,070	N/A

See Accompanying Notes to Condensed Consolidated Financial Statements.

FORGENT POWER SOLUTIONS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' / MEMBERS' EQUITY (UNAUDITED)
(in thousands, except share amounts)

For the three months ended September 30, 2026

	Class A Common Stock		Class B Common Stock					
	Shares	Amount	Shares	Amount	Additional Paid-In Capital	Retained Earnings	Non-Controlling Interests	Total Stockholders' Equity
Balance at June 30, 2026	259,971,169	$ 2	44,457,720	$ 1	$ 484,994	$ 79,320	$ 107,084	$ 671,401
Issuance of Class A common stock sold in follow-on offering, net of underwriting discounts	14,555,925	1	—	—	695,409	—	—	695,410
Purchase of Opco LLC Interests and Class B common stock related to follow-on offering	—	—	(14,555,925)	(1)	(695,409)	—	—	(695,410)
Deferred tax adjustments related to Tax Receivable Agreement related to follow-on offerings	—	—	—	—	44,602	—	—	44,602
Net income	—	—	—	—	—	48,244	6,579	54,823
Equity-based compensation	—	—	—	—	13,884	—	—	13,884
Deferred offering costs	—	—	—	—	(1,843)	—	—	(1,843)
Reallocation of non-controlling interests	—	—	—	—	41,165	—	(41,165)	—
Balance at September 30, 2026	274,527,094	$ 3	29,901,795	$ —	$ 582,802	$ 127,564	$ 72,498	$ 782,867

For the three months ended September 30, 2025

	Members' Equity	Non-Controlling Interests	Total Members' Equity
Balance at June 30, 2025	$ 374,534	$ 198,752	$ 573,286
Equity-based compensation	560	—	560
Distributions	(1,440)	—	(1,440)
Net income	10,013	5,543	15,556
Balance at September 30, 2025	$ 383,667	$ 204,295	$ 587,962

See Accompanying Notes to Condensed Consolidated Financial Statements.

FORGENT POWER SOLUTIONS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(in thousands)

	Three Months Ended September 30,	
	2026	**2025**
Cash Flows from Operating Activities		
Net income	$ 54,823	$ 15,556
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	11,978	15,884
Amortization / write off of discounts and deferred financing costs	714	999
Deferred taxes	4,523	975
Provision (recovery) for credit losses	675	(320)
Provision for slow-moving and excess inventory	2,400	1,148
Equity-based compensation	13,884	560
Loss on disposal/sale of assets	165	—
Reduction in carrying amount of ROU asset, operating leases	1,684	2,264
Changes in assets and liabilities:		
Accounts receivable	(51,208)	(29,005)
Inventory	(98,801)	(27,487)
Prepaid and other assets	(3,070)	(4,679)
Accounts payable	35,706	17,826
Accrued expenses	4,304	19,565
Deferred revenue	159,408	(5,898)
Lease liabilities, operating leases	(1,070)	(1,453)
Net Cash Provided by Operating Activities	136,115	5,935
Cash Flows from Investing Activities		
Purchases of property and equipment	(31,706)	(29,889)
Net Cash Used in Investing Activities	(31,706)	(29,889)
Cash Flows from Financing Activities		
Proceeds from issuance of Class A common stock sold in follow-on offering, net of underwriting discounts and commissions	695,409	—
Purchase of Opco LLC Interests from Existing Shareholders with proceeds from follow-on offering	(695,409)	—
Payments on long-term debt	(1,500)	(1,293)
Debt financing costs	—	(204)
Distribution to member	—	(1,440)
Deferred offering costs	(1,843)	(3,060)
Net Cash Used in Financing Activities	(3,343)	(5,997)
Net Increase (Decrease) in Cash, Cash Equivalents, and Restricted Cash	101,066	(29,951)
Cash, Cash Equivalents, and Restricted Cash - Beginning of Period	121,713	111,322
Cash, Cash Equivalents, and Restricted Cash - End of Period	$ 222,779	$ 81,371

FORGENT POWER SOLUTIONS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED) (continued)
(in thousands)

	Three Months Ended September 30,	
	2026	**2025**
Supplemental Cash Flows Information:		
Cash paid for interest	$ 9,094	$ 13,061
Cash paid for taxes	$ 3,448	$ 949
Non-cash financing activities:		
Recording of deferred tax assets related to exchanges of Class B common stock to Class A common stock	$ 188,704	$ —
Recording of amounts payable pursuant to tax receivable agreement	$ 144,102	$ —

See Accompanying Notes to Condensed Consolidated Financial Statements.

FORGENT POWER SOLUTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. Organization and Nature of Business

Forgent Power Solutions, Inc. (the "Company") was incorporated in Delaware on July 21, 2025 for the purpose of completing an initial public offering ("IPO") of its Class A common stock, par value $0.00001 per share ("Class A common stock") and related transactions in order to continue the business of Forgent Power Solutions LLC ("Opco"). After the IPO, the Company became a holding company in an umbrella partnership C corporation ("Up-C") structure and a sole managing member of Opco with its only material asset consisting of limited liability company interests of Opco ("Opco LLC Interests"). For further discussion of our IPO and related reorganization transactions, which were completed on February 6, 2026, see Note 1, "Organization and Nature of Business" in our Annual Report on Form 10-K for the fiscal year ended June 30, 2026.

The Company designs, manufactures and sells electrical distribution equipment used in data centers, the power grid and industrial facilities. The Company specializes in producing custom products that are "engineered-to-order" for technically demanding applications. Major product categories of electrical distribution equipment that the Company sells include automatic transfer switches, dry type transformers, electrical houses, generator connection cabinets, liquid filled transformers, panelboards, power distribution units, power skids, remote power panels, switchboards, switchgear, and tap boxes. The Company also provides on-site commissioning and maintenance services for its products.

Follow-On Offering

On July 6, 2026, the Company completed a follow-on offering consisting of 14,555,925 shares of Class A common stock offered by the Company and 29,094,075 shares of Class A common stock offered by the Selling Stockholders, at a public offering price of $49.00 per share.

The Company received $695.4 million in proceeds from this follow-on offering, net of underwriting discounts and commissions, which was used to indirectly purchase 14,555,925 Opco LLC Interests, and Opco utilized the net proceeds it received from the sale of Opco LLC Interests to the Company to redeem Opco LLC Interests from Forgent Parent II LP and Forgent Parent III LP (the "Existing Opco LLC Owners").

The Company did not retain any of the proceeds from the sale of Class A common stock by the Selling Stockholders related to this follow-on offering. As a result of this follow-on offering, as of September 30, 2026, the Company owned 90.18% of Opco.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The accompanying condensed consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The Company uses the U.S. dollar as its functional currency. Gains and losses from foreign currency transactions are included in cost of revenues and are not material to the condensed consolidated financial statements.

Principles of Consolidation

The condensed consolidated financial statements include the accounts of Forgent Power Solutions, Inc. and its subsidiaries. The Company consolidates Opco as a variable interest entity in accordance with Accounting Standards Codification ("ASC") Topic 810, Consolidation ("ASC 810"). A parent of Forgent Parent I LP has the contractual right to appoint a majority of the board of managers of Opco, which has power over Opco, including making all significant economic decisions of Opco, and Forgent Intermediate II LLC owns a majority of the economic interests in Opco. The assets and liabilities of Opco represent substantially all of the Company's assets and liabilities with the exception of restricted cash, certain income tax balances, and the payable pursuant to the Tax Receivable Agreement.

All intercompany balances and transactions have been eliminated in consolidation.

FORGENT POWER SOLUTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Non-controlling Interests

The non-controlling interests on the condensed consolidated statement of operations represent the portion of earnings or loss attributable to the economic interest in the Company's subsidiary, Opco, held by the Existing Opco LLC Owners. Non-controlling interests on the condensed consolidated balance sheet represent the portion of net assets of the Company attributable to the Existing Opco LLC Owners, based on the portion of the Opco LLC Interests owned by such unit holders. As of September 30, 2026, the non-controlling interests were 9.82%.

Unaudited Interim Financial Information

The accompanying condensed consolidated balance sheet as of September 30, 2026, the condensed consolidated statements of operations, changes in stockholders'/members' equity, and cash flows for the three months ended September 30, 2026 and 2025 are unaudited. The unaudited interim financial statements have been prepared on the same basis as the audited annual financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary for the fair statement of the Company's financial position as of September 30, 2026 and the results of its operations and its cash flows for the three months ended September 30, 2026 and 2025. The financial data and other information disclosed in these notes related to the three months ended September 30, 2026 and 2025 are also unaudited. The results for the three months ended September 30, 2026 are not necessarily indicative of results to be expected for the year ending June 30, 2027, any other interim periods, or any future year or period. The consolidated balance sheet as of June 30, 2026 included herein was derived from the audited financial statements as of that date. Certain disclosures have been condensed or omitted from the interim condensed consolidated financial statements. These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") on September 15, 2026 (the "2026 Form 10-K").

There have been no changes to the Company's significant accounting policies described in the Company's 2026 Form 10-K that have had a material impact on its condensed consolidated financial statements and related notes.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include estimated profit on contracts recognized over time measured using the input method, variable consideration on revenue, allowance for credit losses, reserve for excess and obsolete inventory, warranty liability, incremental borrowing rates on operating leases, income taxes, uncertain tax positions, fair value of net assets acquired, liabilities assumed and equity-based consideration issued in a business combination, equity-based compensation, useful lives of property and equipment, useful lives of intangible assets, and the payable related to the tax receivable agreement.

Concentrations of Credit Risk

The Company has cash and cash equivalents deposited at certain financial institutions which, at times, may exceed the limits provided by the Federal Deposit Insurance Corporation. The Company has not experienced any losses on such amounts and believes it is not subject to significant credit risk related to cash balances.

During the three months ended September 30, 2026, the Company had no customers whose revenues were greater than 10% of revenues. During the three months ended September 30, 2025 the Company had two customers whose revenues were greater than 10% of revenues. These customers represented approximately 13% and 11% of revenues and 7% and 11% of accounts receivable, respectively.

Cash and Cash Equivalents

The Company considers cash and cash equivalents to include cash on hand, cash held in demand deposit accounts, and all highly liquid financial instruments purchased with a maturity of three months or less.

FORGENT POWER SOLUTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Restricted Cash

Restricted cash is included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the condensed consolidated statements of cash flows. Restricted cash is restricted as to withdrawal or use under the Opco LLC Agreement for future payments under the Tax Receivable Agreement (described below) and totaled $22.9 million as of September 30, 2026.

A reconciliation of cash, cash equivalents, and restricted cash to the condensed consolidated statements of cash flows is as follows (in thousands):

	As of September 30,	
	2026	**2025**
Cash and cash equivalents	$ 199,916	$ 81,371
Restricted cash included in prepaid and other current assets	22,863	—
Total cash, cash equivalents, and restricted cash	$ 222,779	$ 81,371

Fair Value

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company follows a fair value hierarchy which requires the Company to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Three levels of inputs may be used to measure fair value, as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity that are significant to the fair value of the assets or liabilities.

The fair values of the Company's cash and cash equivalents, accounts receivable, and accounts payable approximate their carrying values due to their short maturities. The long-term debt is Level 2 in the fair value hierarchy, and the carrying value of the Senior Secured Debt approximates its fair value, as it is based on current market rates at which the Company could borrow funds with similar terms.

3. Recently Issued Accounting Pronouncements Not Yet Adopted

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, requiring public entities to disclose additional information about specific expense categories in the notes to the financial statements on an interim and annual basis. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and for interim periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2024-03 on its consolidated financial statements and related disclosures.

Management does not believe that any other recently issued, but not yet effective, accounting standards, if currently adopted, would have a material effect on the Company's condensed consolidated financial statements.

FORGENT POWER SOLUTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

4. Accounts Receivable, net

Accounts receivable, net consisted of the following (in thousands):

	September 30, 2026	June 30, 2026
Accounts receivable	$ 384,936	$ 333,728
Less: allowance for credit losses	(4,775)	(4,100)
Accounts receivable, net	$ 380,161	$ 329,628

5. Inventory, net

Inventory, net consisted of the following (in thousands):

	September 30, 2026	June 30, 2026
Raw materials	$ 295,321	$ 210,484
Work in process	37,758	23,242
Finished goods	22,712	24,665
Less: allowance for slow-moving and excess inventory	(9,573)	(8,574)
Inventory, net	$ 346,218	$ 249,817

6. Property and Equipment, net

Property and equipment, net consisted of the following (in thousands):

	Estimated Useful Lives (Years)	September 30, 2026	June 30, 2026
Machines and equipment	3-10	$ 93,968	$ 87,833
Leasehold improvements	7-10	78,101	73,344
Vehicles	5	1,655	1,426
Furniture and fixtures	3-7	5,165	3,980
Software	3-7	5,095	3,941
Construction in progress	—	76,755	58,807
		260,739	229,331
Less: accumulated depreciation		(29,871)	(24,374)
Property and equipment, net		$ 230,868	$ 204,957

Construction in progress is primarily related to the expansion of both new and currently leased manufacturing campuses. These assets will be placed in service and reclassified to machinery and equipment and leasehold improvements when the related projects are complete.

Depreciation expense for the three months ended September 30, 2026 and 2025 was $5.6 million and $3.1 million, respectively. During the three months ended September 30, 2026, $4.8 million and $0.8 million were allocated to cost of revenues and operating expenses, respectively. During the three months ended September 30, 2025, $2.8 million and $0.3 million were allocated to cost of revenues and operating expenses, respectively.

FORGENT POWER SOLUTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

7. Goodwill and Other Intangible Assets, net

Goodwill

Goodwill totaled $516.6 million as of both September 30, 2026 and June 30, 2026 and relates to prior acquisitions.

Other Intangible Assets

Other intangible assets, net consisted of the following (in thousands):

	Estimated Useful Lives (Years)	September 30, 2026	June 30, 2026
Amortizable:			
Costs:			
Customer relationships	12-15	$ 213,202	$ 213,202
Trade names	3-15	125,579	125,579
Backlog	1-2	68,454	68,454
Noncompete agreements	5	8,854	8,854
Trademarks	10	94	94
Total amortizable intangibles		416,183	416,183
Accumulated amortization:			
Customer relationships		(37,127)	(33,458)
Trade names		(22,799)	(20,566)
Backlog		(68,454)	(68,454)
Noncompete agreements		(4,651)	(4,208)
Trademarks		(9)	(7)
Total accumulated amortization		(133,040)	(126,693)
Other intangible assets, net		$ 283,143	$ 289,490

Amortization expense for the three months ended September 30, 2026 and 2025 was $6.3 million and $12.8 million, respectively.

8. Supplemental Balance Sheet Information

Prepaid and other current assets consisted of the following (in thousands):

	September 30, 2026	June 30, 2026
Vendor deposits	$ 64,779	$ 62,972
Prepaid expenses	24,843	23,651
Restricted cash	22,863	24,236
Contract assets	20,037	20,038
Other	11,076	10,272
Prepaid and other current assets	$ 143,598	$ 141,169

FORGENT POWER SOLUTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Accrued expenses consisted of the following (in thousands):

	September 30, 2026	June 30, 2026
Accrued compensation	$ 28,223	$ 46,005
Accrued commissions	6,467	5,421
Accrued rebates	3,235	2,452
Accrued taxes	20,573	16,028
Accrued warranties	10,603	10,446
Accrued interest	836	793
Accrued purchases	28,472	14,143
Accrued legal and accounting fees	3,769	3,345
Other accrued expenses	24,483	23,723
Accrued expenses	$ 126,661	$ 122,356

9. Long-Term Debt

Long-term debt consisted of the following (in thousands):

	September 30, 2026	June 30, 2026
Term Loan Facility	$ 597,000	$ 598,500
Revolving Facility	—	—
Less: discount and deferred financing costs	(15,660)	(16,325)
Total debt, net of discount and deferred financing costs	581,340	582,175
Less: current portion	(6,000)	(6,000)
Long-term debt, net current portion	$ 575,340	$ 576,175

Senior Credit Agreement

On December 19, 2025, our wholly owned subsidiaries Forgent Power LLC (f/k/a Forgent Intermediate IV LLC), a Delaware limited liability company (the "Parent Borrower"), and Forgent Intermediate III LLC ("Holdings") and certain other of our wholly owned subsidiaries (together with the Parent Borrower, collectively, the "Borrowers") entered into a senior credit agreement (the "Senior Credit Agreement") with the lenders and issuing banks party thereto and Jefferies Finance LLC, as administrative agent and as collateral agent, consisting of (a) an initial term loan credit facility in an original principal amount equal to $600 million (the "2025 Term Loan Facility" and the loans thereunder, the "2025 Term Loans") and (b) a revolving credit facility with commitments in an original principal amount equal to $250 million, including a $50 million sublimit for letters of credit and a $25 million sublimit for swingline loans (the "Revolving Facility").

The 2025 Term Loan Facility was issued at a 1% discount, resulting in net proceeds of approximately $594 million.

On June 23, 2026, Holdings and the Borrowers entered into Amendment No. 1 to the Senior Credit Agreement ("Amendment No. 1"), pursuant to which, among other things, (1) the Borrowers refinanced in full the outstanding term loans under the 2025 Term Loan Facility with a new tranche of term loans in an aggregate original principal amount of $600 million (the 2025 Term Loan Facility, as amended, the "Term Loan Facility" and the loans thereunder, the "Term Loans") at a lower interest rate compared to the 2025 Term Loans, and (2) the interest rates applicable to the loans under the Revolving Facility (together with the Term Loan Facility, collectively, the "Senior Credit Facilities") were decreased. The refinancing of the 2025 Term Loan Facility was effected through a combination of cashless rollovers by certain existing lenders and borrowings from new lenders.

FORGENT POWER SOLUTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

The Term Loan Facility matures on December 19, 2032, and the Revolving Facility matures on December 19, 2030. As of September 30, 2026, no amounts were outstanding under the Revolving Facility, and $597 million was outstanding under the Term Loan Facility.

The obligations of the Borrowers under the Senior Credit Agreement are guaranteed by the Guarantors (as defined in the Senior Credit Agreement) and are secured by first priority security interests on all or substantially all of the Loan Parties' (as defined in the Senior Credit Agreement) assets (subject to certain customary exceptions).

Interest Rate

As of September 30, 2026, the Senior Credit Facilities bore interest based on, at the option of the Parent Borrower, (1) a "base rate" (defined as the highest rate of: a) the NYFRB in effect on such day plus 0.5%, b) the one-month Term SOFR, a forward-looking interest rate benchmark derived from the secured overnight financing rate as administered by the Federal Reserve Bank of New York (after giving effect to a 0.00% per annum floor), plus 1% per annum, and c) the prime rate) plus a margin of 1.25% per annum or (2) Term SOFR, subject to a 0.00% per annum floor for the applicable interest period, plus a margin of 2.25% per annum.

The effective interest rate on the Company's outstanding borrowings under the Senior Credit Facilities was approximately 6.73% as of September 30, 2026.

Voluntary Prepayments; Repayments of Principal

Subject to certain notice requirements, the Borrowers may voluntarily prepay outstanding loans under the Senior Credit Agreement, in whole or in part, subject to payment of (1) customary "breakage" costs with respect to Term SOFR loans prepaid on any date other than the last day of the applicable interest period and (2) in the case of Term Loans only, in connection with a Repricing Transaction (as defined in the Senior Credit Agreement) occurring within six months after June 23, 2026, a 1.00% prepayment premium.

The Term Loans amortize at an annual rate of 1.00% of the original principal amount thereof, payable in quarterly installments, with the balance due at maturity. The Term Loans are also subject to mandatory prepayments with the proceeds of certain asset sales, insurance proceeds, and debt issuances, subject in the case of asset sale and insurance mandatory prepayments, to a customary reinvestment right. In addition, an annual mandatory prepayment of the Term Loans is required with a portion of the Parent Borrower's excess cash flow, subject to a de minimis threshold and certain deductions.

Certain Covenants, Representations, and Warranties

The Senior Credit Agreement contains customary affirmative covenants (including reporting obligations and transactions with affiliates) and negative covenants and requires the Parent Borrower and certain of its subsidiaries (and, in certain cases, Holdings) to make customary representations and warranties in connection with credit extensions under the Revolving Facility. With respect to the negative covenants, these restrictions include, among other things and subject to certain exceptions, thresholds and qualifications (certain of which are based on the Parent Borrower's Consolidated Adjusted EBITDA (as defined in the Senior Credit Agreement)), limitations on the ability of the Parent Borrower and certain of its subsidiaries (and, in certain cases, Holdings) to:

- incur or guarantee additional indebtedness;
- create liens;
- pay dividends or make other distributions in respect of equity of the Parent Borrower;
- make certain prepayments in respect of certain material payment-subordinated debt;
- enter into burdensome agreements with negative pledge clauses or restrictions on subsidiary distributions;
- make investments, including acquisitions, loans and advances;
- consolidate, merge, liquidate or dissolve; and
- sell, transfer, or otherwise dispose of assets.

FORGENT POWER SOLUTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

In addition, the Senior Credit Agreement includes a springing financial covenant for the benefit of the Revolving Facility that will be tested on the last day of any fiscal quarter only if the aggregate outstanding amount of revolving credit borrowings under the Senior Credit Agreement (excluding, for the avoidance of doubt, all undrawn letters of credit) exceeds 40% of the aggregate amount of revolving credit commitments as of the last day of any fiscal quarter. If such condition is met, the financial covenant requires the Parent Borrower to maintain a ratio of consolidated first lien debt to consolidated Adjusted EBITDA (as defined in the Senior Credit Agreement) no greater than 7.50 to 1.00 on the last day of such fiscal quarter.

Events of Default

The Senior Credit Agreement contains customary events of default, subject in certain circumstances to specified grace periods, thresholds and exceptions, including, among others, payment defaults, cross-defaults to certain material indebtedness, covenant defaults, material inaccuracy of representations and warranties, bankruptcy events, material judgments, material events related to the Employee Retirement Income Security Act of 1974, as amended, and change of control. If an event of default occurs, the lenders will be entitled to take various actions, including acceleration of the loans and termination of the commitments under the Senior Credit Agreement, foreclosure on collateral and all other remedial actions available to a secured creditor. Failure to pay certain amounts owing under the Senior Credit Agreement when due may result in an increased interest rate equal to 2.00% per annum plus the interest rate otherwise applicable to the relevant overdue loan or letter of credit disbursement (or, in the case of any overdue premium or fee, the interest rate otherwise applicable to revolving loans that are ABR loans).

Interest Expense

Interest expense for the three months ended September 30, 2026 was $9.8 million, which included amortization / write-off of discounts and deferred financing costs of $0.7 million. Interest expense for the three months ended September 30, 2025 was $13.9 million, which included amortization / write-off of discounts and deferred financing costs of $1.0 million.

10. Income Taxes

The Company is taxed as a subchapter C corporation and, therefore, is subject to federal, state and local income taxes. The Company's sole material asset is its investment in Opco, which is a limited liability company that is taxed as a partnership for U.S. federal and certain state and local income tax purposes. Opco includes disregarded entities whose net taxable income and related tax credits, if any, are passed through to its members and included in the members' tax returns, along with a subchapter C corporation and foreign entities whose net taxable income is subject to federal, state and foreign taxes. Opco's disregarded entities are subject to and report an entity-level tax in various states.

A significant portion of the earnings allocated to the non-controlling interest holders is not subject to federal and state income taxes by the Company. As a result, the Company's effective tax rate can differ materially from the statutory rate, depending on the ownership percentage of the non-controlling interests.

Income tax expense was $15.3 million and $2.9 million for the three months ended September 30, 2026 and 2025, respectively. Our effective income tax rate for the three months ended September 30, 2026 and 2025 was 21.9% and 15.9%, respectively. For the three months ended September 30, 2026, our effective income tax rate differed from the federal statutory rate of 21% primarily due to state tax expense, partially offset by our non-controlling interest not being subject to income taxes, and the use of R&D credits. For the three months ended September 30, 2025, the effective income tax rate differed from the federal statutory rate primarily due to a large portion of our non-controlling interest not being subject to income taxes and the use of R&D credits.

In calculating the provision for interim income taxes, in accordance with ASC Topic 740, an estimated annual effective tax rate is applied to year-to-date ordinary income. At the end of each interim period, the Company estimates the effective tax rate expected to be applicable for the full fiscal year.

FORGENT POWER SOLUTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For annual periods, the Company accounts for income taxes using the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that the deferred tax assets will be realized. Deferred tax assets and liabilities are calculated by applying existing tax laws and the rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the year of the enacted rate change.

The Company accounts for uncertainty in income taxes using a recognition and measurement threshold for tax positions taken or expected to be taken in a tax return, which are subject to examination by federal and state taxing authorities. The tax benefit from an uncertain tax position is recognized when it is more likely than not that the position will be sustained upon examination by taxing authorities based on the technical merits of the position. The amount of the tax benefit recognized is the largest amount of the benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The effective tax rate and the tax basis of assets and liabilities reflect management's estimates of the ultimate outcome of various tax uncertainties. The Company recognizes penalties and interest related to uncertain tax positions within the income tax expense line in the accompanying condensed consolidated statements of operations.

The Company files U.S. federal, certain state, and foreign income tax returns. The income tax returns of the Company are subject to examination by U.S. federal, state, and foreign taxing authorities for various time periods, depending on those jurisdictions' rules, generally after the income tax returns are filed.

11. Payable Pursuant to the Tax Receivable Agreement

In connection with our IPO, the Company entered into a Tax Receivable Agreement ("TRA") with Forgent Parent I LP, Forgent Parent II LP, Forgent Parent III LP, and Forgent Parent IV LP (collectively, the "Continuing Equity Owners") that provides for the payment by the Company to such Continuing Equity Owners of 85% of the benefits, that the Company realizes, or is deemed to realize, as a result of (i) future redemptions funded by the Company or exchanges of Opco LLC Interests for the Company's Class A common stock, and (ii) the Company's allocable share of existing tax basis acquired in its IPO and other tax benefits related to entering into the TRA.

During the three months ended September 30, 2026, the Company indirectly redeemed an aggregate of 14,555,925 Opco LLC Interests, which resulted in an increase in the tax basis of the Company's investment in Opco, subject to the provisions of the TRA. As a result of these redemptions, during the three months ended September 30, 2026, the Company recognized an increase to its deferred tax assets (net of valuation allowance) in the amount of $188.7 million, and corresponding TRA liabilities of $144.1 million.

As of September 30, 2026, the total amount due under the TRA was $483.0 million, and the Company has yet to make its first TRA payment.

12. Operating Leases

The following table summarizes the right of use assets and lease liabilities (in thousands):

	September 30, 2026	June 30, 2026
Operating right of use assets	$ 108,740	$ 108,432
Operating lease liabilities, current portion	$ 9,594	$ 8,626
Operating lease liabilities, net of current portion	112,924	112,970
Operating lease liabilities	$ 122,518	$ 121,596

FORGENT POWER SOLUTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

The details of the Company's lease expense were as follows (in thousands):

	Three Months Ended September 30,	
	2026	**2025**
Operating lease expense	$ 5,378	$ 5,161
Variable lease expense	849	494
Short-term lease expense	228	377
Total operating lease expense	$ 6,455	$ 6,032

Supplemental cash flow and other information related to operating leases were as follows (in thousands):

	Three Months Ended September 30,	
	2026	**2025**
Operating cash flows from operating leases	$ 5,746	$ 5,216
Non-cash activities:		
Operating lease liabilities from obtaining right of use assets	$ 1,992	$ —

13. Revenues

The Company has four principal offerings:

Custom Products

Custom products include products designed for a specific project or application, involving significant consultation between our in-house engineering team and the customer. Each custom product identified and deliverable in a contract represents a distinct performance obligation within a sales contract. The Company recognizes revenue from custom products either over time, primarily using the output method, or at the point in time when control is transferred to the customer. Revenue is recognized over time using the output method when the manufactured products do not have alternative use and the Company has an enforceable right to payment. The output method is measured based on the units manufactured, which management believes best depicts the extent of transfer of control to the customer. For custom products sold that do not meet the criteria to be recognized over time, revenue is recognized at a point in time when control transfers to the customer, which generally occurs when the custom products have been shipped or delivered to the customer, depending on shipping terms.

Powertrain Solutions

Powertrain solutions include combinations of custom products that are integrated together, skidded together, or designed to work together as a system. Each powertrain solution identified and deliverable in a contract represents a distinct performance obligation within a sales contract. The Company recognizes revenue for the sale of powertrain solutions either over time, primarily using the input method, or at a point in time when control has transferred to the customer. Revenue is recognized over time using the input method when the manufactured products do not have alternative use and the Company has an enforceable right to payment. The input method is measured based on costs incurred relative to total estimated project costs. For powertrain solutions that do not meet the criteria to be recognized over time, revenue is recognized at a point in time when control transfers to the customer, which generally occurs when the products have been shipped or delivered to the customer, depending on shipping terms.

FORGENT POWER SOLUTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Standard Products

Standard products include common designs that are suitable for basic applications and are typically stocked by distributors. Each standard product identified and deliverable in a contract represents a distinct performance obligation within a sales contract. The Company recognizes revenue for the sale of standard products at a point in time when control has been transferred to the customer which generally occurs when the products have been shipped or delivered to the customer, depending on shipping terms.

Services

Services include installation, repair, maintenance, and commissioning. Services revenue is generally recognized over time as the services are provided, using the input method of costs incurred in relation to the estimated contract costs to complete, or straight-line for stand-ready contracts, because the customer simultaneously receives and consumes the benefit as we perform the services.

Disaggregation of Revenues

The following table disaggregates revenues by principal offering and timing of transfer of control (in thousands):

	Three Months Ended September 30,	
	2026	**2025**
Revenues by principal offering:		
Custom products	$ 353,947	$ 205,170
Powertrain solutions	106,084	65,411
Standard products	10,673	9,026
Services	7,862	3,667
Revenues	$ 478,566	$ 283,274
Revenues by timing of recognition:		
Over-time revenues	$ 274,580	$ 162,223
Point-in-time revenue	203,986	121,051
Revenues	$ 478,566	$ 283,274

Contract Balances

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, unbilled receivables (contract assets), retainage (contract assets), other contract assets, and deferred revenue (contract liabilities) on the consolidated balance sheets, recorded on a contract-by-contract basis at the end of each reporting period. The Company's contract balances consisted of the following (in thousands):

	Location on the Consolidated Balance Sheets	**September 30, 2026**	**June 30, 2026**
Billed accounts receivable	Accounts receivable, net	$ 225,133	$ 232,197
Retainage	Accounts receivable, net	$ 2,906	$ 2,906
Unbilled receivables	Accounts receivable, net	$ 152,122	$ 94,525
Contract assets	Prepaid and other current assets	$ 20,037	$ 20,038
Deferred revenue	Deferred revenue	$ 423,267	$ 263,859

The majority of the Company's contract amounts are billed as work progresses in accordance with agreed-upon contractual terms, which generally coincide with the shipment of one or more phases of the project. Billing sometimes occurs subsequent to revenue recognition, resulting in unbilled receivables. The changes in unbilled receivables relate to fluctuations in the timing of billings for the Company's revenue recognized over-time.

Certain contracts contain retainage provisions. Retainage represents a contract asset for the portion of the contract price earned by the Company for work performed but held for payment by the customer as a form of security until the Company obtains specified milestones. The Company typically bills retainage amounts as work is performed. Retainage provisions are not considered a significant financing component because they are intended to protect the customer in the event that some or all of the obligations under the contract are not completed. The changes in retainage relate to fluctuations in the timing of retainage billings and achievement of specified milestones.

The Company also receives deferred revenue in the form of customer deposits. The customer deposits are short term as the related performance obligations are typically fulfilled within 12 months. The changes in deferred revenue relate to fluctuations in the timing of customer deposits and completion of performance obligations. During the three months ended September 30, 2026, the Company recognized $93.6 million in revenues from deferred revenue recorded as of June 30, 2026. During the three months ended September 30, 2025, the Company recognized $54.8 million in revenues from deferred revenue recorded as of June 30, 2025.

14. Stockholders' Equity

Amendment and Restatement of Certificate of Incorporation

On February 4, 2026, the Company's certificate of incorporation was amended and restated to, among other things, provide for the (i) authorization of 2,000,000,000 shares of Class A common stock; (ii) authorization of 100,000,000 shares of Class B common stock; (iii) authorization of 20,000,000 shares of preferred stock with a par value of $0.00001 per share that may be issued from time to time by the Company's board of directors in one or more series; and (iv) establishment of a classified board of directors, divided into three classes, each of whose members will serve for staggered terms.

Holders of Class A common stock and Class B common stock are entitled to one vote per share and, except as otherwise required, will vote together as a single class on all matters on which stockholders generally are entitled to vote. Holders of Class B common stock are not entitled to receive dividends and will not be entitled to receive any distributions upon the liquidation, dissolution or winding up of the Company. Shares of Class B common stock may only be issued to the extent necessary to maintain the one-to-one ratio between the number of Opco LLC Interests held by the Existing Opco LLC Owners and their permitted transferees and the number of shares of Class B common stock held by the Existing Opco LLC Owners and their permitted transferees. Shares of Class B common stock are transferable only together with an equal number of Opco LLC Interests. Shares of Class B common stock will be canceled on a one-for-one basis if an Existing Opco LLC Owner elects to redeem their Opco LLC Interests in exchange for, at the Company's election, newly issued shares of Class A common stock or cash.

The Company must, at all times, maintain a one-to-one ratio between the number of shares of Class A common stock issued by the Company and the number of Opco LLC Interests owned by the Company (subject to certain exceptions for treasury shares and shares underlying certain convertible or exchangeable securities).

The Company's board of directors is authorized to direct the Company to issue shares of preferred stock in one or more series in its discretion to determine the number and designation of such series and the powers, rights, preferences, privileges, and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges, and liquidation preferences, of each series of preferred stock. As of September 30, 2026, no series of preferred stock have been issued.

FORGENT POWER SOLUTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

15. Non-Controlling Interests

On July 6, 2026, the Company used net proceeds from the follow-on offering to indirectly redeem 14,555,925 Opco LLC Interests from the Existing Opco LLC Owners. As of September 30, 2026, the Company owned 90.18% of Opco.

The following table summarizes the effects of the changes in ownership in Opco on the Company's equity (in thousands):

	Three Months Ended September 30, 2026
Net income attributable to non-controlling interest	$ 6,579
Transfers to non-controlling interests:	
Decrease from reallocation of non-controlling interest	(41,165)
Change from net income attributable to/from non-controlling interest and transfers to non-controlling interest	$ (34,586)

Issuance of Additional Opco LLC Interests

Under the Opco LLC Agreement, the Company is required to cause Opco to issue additional Opco LLC Interests to the Company when the Company issues additional shares of Class A common stock. Other than as it relates to the issuance of Class A common stock in connection with an equity incentive program, the Company must contribute to Opco net proceeds and property, if any, received by the Company with respect to the issuance of such additional shares of Class A common stock. The Company must cause Opco to issue a number of Opco LLC Interests equal to the number of shares of Class A common stock issued such that, at all times, the number of Opco LLC Interests held by the Company equals the number of outstanding shares of Class A common stock.

Distributions for Taxes

As a limited liability company (treated as a partnership for income tax purposes), Opco does not incur significant federal, state or local income taxes, as these taxes are primarily the obligations of its members. As authorized by the Opco LLC Agreement, Opco is required to distribute cash, to the extent that Opco has cash available, on a pro rata basis, to its members to the extent necessary to cover the members' tax liabilities, if any, with respect to each member's share of Opco taxable earnings. Opco makes such tax distributions to its members quarterly, based on the single highest marginal tax rate applicable to its members applied to projected year-to-date taxable income, with a final accounting once actual taxable income or loss has been determined. There were no tax distributions made to non-controlling Opco LLC Interests holders during the three months ended September 30, 2026.

Other Distributions

Pursuant to the Opco LLC Agreement, the Company has the right to determine when distributions will be made to Opco LLC members and the amount of any such distributions. If the Company authorizes a distribution, such distribution will be made to the members of the Opco LLC (including the Company) pro rata in accordance with the percentages of their respective Opco LLC units.

16. Earnings per Share

Basic earnings per share is computed by dividing net income attributable to the Company by the weighted-average number of shares of Class A common stock outstanding during the period. Diluted earnings per share is computed by adjusting the net income available to the Company and the weighted average shares outstanding to give effect to potentially dilutive securities. The Company's restricted stock units are considered stock equivalents for this purpose.

Earnings per share is presented only for the period from after the IPO, which was completed on February 6, 2026. The Company's current capital structure is not reflective of the capital structure of Opco prior to the IPO and related reorganization transactions. Therefore, earnings per share has not been presented for the three months ended September 30, 2025.

FORGENT POWER SOLUTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

The following table sets forth reconciliations of the numerators and denominators used to compute basic and diluted net income per share of Class A common stock for the three months ended September 30, 2026 (in thousands, except per share amounts):

	Three Months Ended September 30, 2026
Numerator:	
Net income attributable to Forgent Power Solutions, Inc. - basic	$ 48,244
Add: Net income impact from assumed redemption of all Opco LLC Interests to common stock	—
Net income attributable to Forgent Power Solutions, Inc. - diluted	$ 48,244
Denominator:	
Weighted average shares of Class A common stock outstanding - basic	273,736
Dilutive effects of:	
Opco LLC Interests that are exchangeable to common stock	—
Unvested restricted stock units	334
Unvested stock options	—
Weighted average shares of Class A common stock outstanding - diluted	274,070
Earnings per share of Class A common stock - basic	$ 0.18
Earnings per share of Class A common stock - diluted	$ 0.18

For the three months ended September 30, 2026, the reallocation of net income attributable to non-controlling interest from the assumed conversion of Opco LLC Interests has been excluded along with the dilutive effect of stock options and Opco LLC Interests to the weighted average shares of Class A common stock outstanding - dilutive as it was antidilutive.

17. Equity-Based Compensation

Pre-IPO Equity-Based Compensation

The Company accounts for equity grants to employees as equity-based compensation under ASC 718. The incentive units granted to employees are incentive units of Forgent Parent I LP, Forgent Parent II LP, and Forgent Parent III LP. Incentive units contain various vesting provisions, as defined in the unit agreements. Incentive units also vest upon certain performance criteria as defined in the unit agreement. Vested units do not forfeit upon termination and represent a residual interest in a partnership. Holders of the incentive units are entitled to distributions on vested awards in accordance with their respective distribution waterfall. Equity-based compensation cost is measured at the grant date fair value and is recognized on a straight-line basis over the requisite service period, including those units with graded vesting with a corresponding credit to member's equity as a capital contribution. The incentive units issued to employees are measured at fair value on the grant date using an option pricing model. The Company utilizes the estimated weighted average of the expected fund life dependent on various exit scenarios to estimate the expected term of the awards. Expected volatility is based on the average of historical and implied volatility of a set of comparable companies, adjusted for size and leverage. The risk-free rates are based on the yields of U.S. Treasury instruments with comparable terms. Actual results may vary depending on the assumptions applied within the model.

During the three months ended September 30, 2026 and 2025, the Company recognized $10.7 million and $0.6 million, respectively, in equity-based compensation. As of September 30, 2026, the Company had $12.0 million of unrecognized compensation costs which are expected to be recognized over a weighted average period of 1.3 years. For the three months ended September 30, 2026 and 2025, forfeitures were immaterial.

FORGENT POWER SOLUTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Restricted Stock Units

In February 2026, the Company's then-existing stockholder approved the 2026 Incentive Award Plan (the "Incentive Plan"), which became effective in connection with the IPO. The Incentive Plan is administered by the Compensation Committee. The Company's board of directors has the authority to amend and modify the Incentive Plan, subject to any stockholder approval. Under the Incentive Plan, the Company can issue restricted stock units ("RSUs") to certain of its directors, officers, and employees. These RSUs generally vest annually over one to three years.

The following table summarizes the RSU activity for the three months ended September 30, 2026:

	Restricted Stock Units	Weighted Average Price
Unvested at beginning of period	694,991	$ 27.55
Granted	522,157	$ 30.48
Forfeited	—	$ —
Vested	(13,522)	$ 29.27
Unvested at end of period	1,203,626	$ 28.80

For the three months ended September 30, 2026, the Company recognized $3.0 million in RSU-related compensation. As of September 30, 2026, the Company had $28.7 million of unrecognized RSU compensation costs, which is expected to be recognized over a weighted-average period of 2.5 years.

Stock Options

In September 2026, under the Incentive Plan, the Company's Compensation Committee approved the issuance of stock option grants to certain of the Company's executive management. The stock options vest annually over three years of the anniversary of the award and are exercisable within a 10-year period from the date of the grant. Activity for the Stock Options for the three months ended September 30, 2026 was as follows:

	Stock Options	Weighted Average Exercise Price
Unvested at beginning of period	—	$ —
Granted	481,833	$ 29.27
Forfeited	—	$ —
Vested	—	$ —
Unvested at end of period	481,833	$ 29.27

The Company estimates the fair value of stock options on the grant date using the Black-Scholes option-pricing model. The Black-Scholes option-pricing model requires estimates of highly subjective assumptions, which greatly affect the fair value of each stock option. The assumptions used to estimate the fair value of stock options granted during the three months ended September 30, 2026 were as follows:

	September 30, 2026
Fair value	$14.58
Stock price	$29.27
Risk-free interest rate	4.55%
Expected life (years)	6
Annualized equity volatility	45.00%

For the three months ended September 30, 2026, the Company recognized $0.2 million in stock option-related compensation. As of September 30, 2026, the Company had $6.8 million of unrecognized stock option compensation costs, which is expected to be recognized over a weighted-average period of 2.9 years.

FORGENT POWER SOLUTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

18. Segment Reporting

The Company is organized and operates as one reportable segment, which carries out business activities related to the design, development, manufacturing, and marketing of products and services. The Company's chief operating decision maker ("CODM"), the Chief Executive Officer, reviews operating results and profitability metrics at a consolidated entity level for purposes of making resource allocation decisions and for evaluating financial performance.

The CODM assesses performance of the Company and decides how to allocate resources based on net income (loss) that is also reported on the consolidated statements of operations. Significant segment expenses are consistent with those presented on the consolidated statements of operations. The measure of segment assets is reported on the consolidated balance sheets as total assets, and total capital expenditures, depreciation, and amortization are reported on the consolidated statements of cash flows. The CODM is involved in determining and reviewing projected net income and income from operations as part of the annual operating plan process. Throughout the year, the CODM considers forecast to actual results and variances on a monthly and quarterly basis to allocate resources for the Company.

The following table presents selected financial information with respect to the Company's single reportable segment as follows (in thousands):

	Three Months Ended September 30,	
	2026	**2025**
Revenues	$ 478,566	$ 283,274
Cost of Revenues	320,287	185,322
Gross Profit	158,279	97,952
Operating Expenses		
Selling, general and administrative expenses	71,965	53,583
Depreciation and amortization	7,132	13,206
Total operating expenses	79,097	66,789
Income from Operations	79,182	31,163
Total Other Expense, net	(9,023)	(12,673)
Income Tax Expense	(15,336)	(2,934)
Net Income	$ 54,823	$ 15,556

19. Related Party Transactions

Operating Leases

The Company incurred rent expenses totaling $0.5 million and $0.8 million for the three months ended September 30, 2026 and 2025, respectively, related to related party operating leases for properties owned by the former owners. As of September 30, 2026 and June 30, 2026, the Company had related party operating lease right of use assets totaling $3.4 million and $3.5 million and operating lease liabilities totaling $3.4 million and $3.6 million, respectively. See Note 12, "Operating Leases" for further information.

Sponsor Fees and Expenses

During the three months ended September 30, 2026, the Company did not incur any sponsor fees and expenses from Neos Partners, LP. During the three months ended September 30, 2025, the Company incurred sponsor fees and expenses from Neos Partners, LP totaling $6.6 million. As of both September 30, 2026 and June 30, 2026, the Company had no outstanding payables to the private equity sponsor.

FORGENT POWER SOLUTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Revenue from Related Parties

The Company earned revenue from other portfolio companies controlled by Neos Partners, LP totaling $0.2 million and $0.5 million for the three months ended September 30, 2026 and 2025, respectively. As of September 30, 2026 and June 30, 2026, the Company had receivables totaling $0.4 million and $0.4 million, respectively, due from other portfolio companies.

Expenses from Related Parties

The Company incurred expenses from other portfolio companies controlled by Neos Partners, LP totaling $1.4 million and $0.2 million for the three months ended September 30, 2026 and 2025, respectively. As of September 30, 2026 and June 30, 2026, the Company had $0.9 million and $1.4 million, respectively, of outstanding payables due to the other portfolio companies controlled by Neos Partners, LP.

20. Commitments and Contingencies

Legal Proceedings

The Company is from time to time subject to legal proceedings and claims, which arise in the normal course of its business. In the opinion of management and legal counsel, the amount of losses that may be sustained, if any, would not have a material effect on the financial position, results of operations or cash flows of the Company.

Tariffs

In February 2026, the U.S. Supreme Court issued a ruling invalidating certain tariffs previously imposed under the International Emergency Economic Powers Act (“IEEPA”). In March 2026, the Court of International Trade further ruled that U.S. Customs and Border Protection (“CBP”) must refund IEEPA tariffs that were previously collected. As of September 30, 2026, the Company paid tariffs imposed under IEEPA totaling $6.0 million and claimed tariff reimbursements for the same amount. During the three months ended September 30, 2026, the Company received $5.6 million of IEEPA tariff refunds, of which $1.4 million was recognized as a net reduction to cost of revenues on the consolidated statements of operations for the three months ended September 30, 2026. As of September 30, 2026, the Company had no remaining receivable balance for potential IEEPA tariff refunds.

Surety Bonds

We provide surety bonds to various parties as required for certain transactions initiated during the ordinary course of business to guarantee our performance in accordance with contractual or legal obligations. As of September 30, 2026, the maximum potential payment obligation with regard to surety bonds was $40.1 million.

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

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") should be read in conjunction with our unaudited condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q ("Quarterly Report") and our audited consolidated financial statements and the related notes included in our Annual Report on Form 10-K for the fiscal year ended June 30, 2026. In addition to historical financial information, the following discussion and analysis contains forward-looking statements that involve risks, uncertainties, and assumptions about our business and operations. Our actual results and timing of selected events may differ materially from those anticipated in these forward-looking statements as a result of many factors, including those discussed under the sections of this Quarterly Report captioned "Special Note Regarding Forward-Looking Statements" and "Risk Factors." Additionally, our historical results are not necessarily indicative of the results that may be expected for any period in the future.

This MD&A contains the presentation of non-GAAP measures, including Adjusted EBITDA, Adjusted Net Income, and Adjusted EPS, because they provide the Company and readers of this Quarterly Report with additional insight into our operational performance relative to earlier periods and relative to our competitors. We do not intend for these non-GAAP measures to be substitutes for any GAAP financial information. Readers of this Quarterly Report should use Adjusted EBITDA, Adjusted Net Income, and Adjusted EPS only in conjunction with Net Income, the most comparable GAAP financial measure. Reconciliations to the most comparable GAAP measures are provided in "—Non-GAAP Financial Measures."

Overview

We are a leading designer and manufacturer of electrical distribution equipment used in data centers, the power grid and energy-intensive industrial facilities. Demand for our products is growing rapidly as (i) companies accelerate investment in data centers to meet the computational requirements for cloud computing and artificial intelligence ("AI"), (ii) independent power producers build new generation capacity to satisfy rising electricity demand, (iii) utilities upgrade and expand transmission & distribution ("T&D") infrastructure to address rapid load growth and (iv) manufacturers reshore their factories to secure their supply chains and mitigate the impact of tariffs.

Electrical distribution equipment is essential for delivering electricity safely and efficiently from power plants to homes, businesses and industrial facilities and between equipment and devices within buildings. Every power plant, utility grid, data center, manufacturing facility and commercial building requires electrical distribution equipment to operate. Because distributing electricity safely and within the parameters required for the application where it is used is fundamental, purchases of electrical distribution equipment for new facilities or to replace equipment that is at the end of its useful life are rarely, if ever, optional. Additionally, because electrical distribution equipment has a high consequence of failure, including lost revenue, equipment damage and even serious injury or death, we believe customers prioritize reliability and safety over price when they select which products to purchase.

Major product categories of electrical distribution equipment that we manufacture and sell include automatic transfer switches ("ATS"), dry type transformers, electrical houses ("eHouse"), generator connection cabinets, liquid filled transformers, panelboards, power distribution units ("PDU"), power skids, remote power panels ("RPP"), switchboards, switchgear, and tap boxes.

We sell Custom Products, Powertrain Solutions, and Standard Products. Our Custom Products are designed for a specific project or application, involve significant consultation between our in-house engineering team and the customer and are typically produced in small quantities. Our Powertrain Solutions are combinations of Custom Products that are integrated together, skidded together, or designed to work together as a system. Our Standard Products leverage common designs that are suitable for basic applications and are typically manufactured in large quantities. We also provide on-site commissioning and maintenance services for our products.

We specialize in manufacturing Custom Products and Powertrain Solutions that are "engineered-to-order" for technically demanding applications, including data center power distribution, utility substations and energy-intensive manufacturing. Demand for customized electrical distribution equipment is increasing as data centers, independent power producers, utilities and other customers seek to address varying power quality and availability, stringent uptime requirements, challenging form factors and environments, demanding thermal management requirements, integration with other equipment and systems, evolving regulatory requirements and safety considerations and rising construction costs and labor scarcity.

Our customers include technology, power, utility and industrial companies who purchase from us directly; intermediaries such as original equipment manufacturers ("OEMs") and integrators who incorporate our products into systems that they sell; contractors that build data centers, power plants and T&D infrastructure; and electrical products distributors.

We are a U.S. company. Our principal manufacturing campuses are located in Minnesota, Texas, Maryland, California, and Mexico.

Recent Developments

On July 6, 2026, the Company completed a follow-on offering consisting of 14,555,925 shares of Class A common stock offered by the Company and 29,094,075 shares of Class A common stock offered by the Selling Stockholders, at a public offering price of $49.00 per share.

From this follow-on offering, the Company received $695.4 million in proceeds, net of underwriting discounts and commissions, which was used to indirectly purchase 14,555,925 Opco LLC Interests, and Opco utilized the net proceeds it received from the sale of Opco LLC Interests to the Company to redeem Opco LLC Interests from the Existing Opco LLC Owners. The Company did not retain any of the proceeds from the sale of Class A common stock by the Selling Stockholders.

Performance Measures

The primary financial metrics we use to evaluate our overall performance and to track the business results from year to year are Revenues, Net Income, Adjusted EBITDA, Adjusted Net Income, and Adjusted EPS.

In managing our business and assessing financial performance, we supplement the information provided by the consolidated financial statements with other operating metrics. These operating metrics are utilized by our management to evaluate our business, measure our performance, identify trends affecting our business, and formulate projections.

We present non-GAAP performance measures as we believe it is appropriate for investors to consider adjusted financial measures in addition to results in accordance with GAAP.

These non-GAAP financial measures provide supplemental information and should not be considered replacements for results in accordance with GAAP. Management uses non-GAAP financial measures internally for planning and forecasting purposes and in its decision-making processes related to the operations of our company. We believe these measures provide meaningful information to us and investors because they enhance the understanding of our operating performance, ability to generate cash, and the trends of our business. Additionally, we believe investors benefit from having access to the same financial measures that management uses in evaluating our operations. For more information about the non-GAAP measures that we use, reasons for doing so, definitions for our non-GAAP financial measures, and required reconciliations, see "—Non-GAAP Financial Measures" below.

The following table sets forth a summary of our financial highlights for the periods indicated (in thousands):

	Three Months Ended September 30,	
	2026	2025
Revenues	$ 478,566	$ 283,274
Net Income	$ 54,823	$ 15,556
Adjusted EBITDA[(1)]	$ 104,896	$ 65,100
Adjusted Net Income[(1)]	$ 72,004	$ 39,318
Diluted EPS	$ 0.18	N/A
Adjusted EPS[(1)]	$ 0.24	N/A

(1) Adjusted EBITDA, Adjusted Net Income, and Adjusted EPS are non-GAAP financial measures. See "—Non-GAAP Financial Measures" below for additional information about Adjusted EBITDA and Adjusted Net Income and for reconciliations of such measures to net income, the most directly comparable GAAP financial measures.

Key Factors Affecting Our Performance

We believe our financial performance, results of operations and future success depend on a number of factors that present significant opportunities for us, but also pose risks and challenges, including those described below and in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2026.

Data Center Construction Activity

We derive a significant portion of our revenues from products used in data centers, and demand for our products depends, in part, on continued investment in digital infrastructure generally and data centers specifically. Investment in data centers is subject to a number of factors, including the frequency and nature of innovations, whether or not developing or implementing those innovations requires new physical infrastructure, and the availability of capital to fund investments in that infrastructure.

Infrastructure Investment

Demand for our products depends in part on the level of investment in new data centers, manufacturing facilities, power plants and T&D infrastructure, which is subject to business and economic cycles. We typically see greater demand for our products when the economy is growing, interest rates are stable or falling and government policy stimulates domestic investment because these conditions encourage businesses to invest in their facilities. We typically see less demand for our products when the economy is contracting and interest rates are rising.

Offering Mix

The profit margins we earn can vary significantly based on the type of product we sell, the level of customization, the size of the order and other factors. We typically earn higher profit margins on engineered-to-order Custom Products and Powertrain Solutions than on Standard Products. Our overall profit margins can vary between quarters based on offering mix in the period. Our profit margins can also vary based on the amount of revenue from services that we generate as a percentage of our total revenues in the period.

Capacity Utilization

Our industry is currently capacity constrained in many product categories. Higher capacity utilization gives us and our competitors greater pricing power as well as additional leverage on our fixed costs. We believe we are more vertically integrated than many of our competitors so we typically benefit when products or components that we make in-house, but that many of our competitors must purchase, such as medium voltage switchgear and transformers, are in short supply. Changes in the level of capacity utilization in our factories and across our industry can influence the pricing of our products and increase or decrease our profit margins in the period.

Cost of Raw Material and Labor Inputs

Our largest expenses for purchases of key raw materials are electrical steel, carbon steel, copper, aluminum, and other key raw materials used to manufacture our products. Steel and copper are subject to significant price volatility. The cost of raw materials that we purchase, as well as the cost of components that we manufacture in Mexico and ship to the United States, can also be impacted directly or indirectly by the imposition of tariffs on foreign imports to the United States or geopolitical events that disrupt our supply chain. Our profit margins are impacted by, among other things, our ability to pass increases in the cost of our raw materials on to our customers, including any tariffs, and to manage the level of raw material inventory that we hold. In addition, the cost of hourly labor to produce our products, the rate that we add new employees, and our total number of employees has impacted, and may in the future impact, our profit margins. The cost of labor is influenced by the availability of labor, prevailing wages in the areas where our plants are located and other factors. While we have not experienced any significant adverse impact on our business from raw material price volatility, tariffs, supply chain disruptions or labor shortages, any of these factors could have a significant adverse impact on our business in the future. In addition, we may need to hire more personnel than we currently anticipate to support our operations and growth initiatives, and any resulting increases in labor costs could adversely affect our margins and operating results.

Key Components of Our Results of Operations

The following discussion describes certain line items in our consolidated statements of operations.

Revenues

We generate revenues primarily from the sale of electrical distribution equipment. Major categories of electrical distribution equipment that we sell include ATSs, dry type transformers, eHouses, generator connection cabinets, liquid filled transformers, panelboards, PDUs, power skids, RPPs, switchboards, switchgear and tap boxes. We typically sell our products pursuant to purchase orders or sales contracts that specify price, design specifications, delivery dates and warranty for the products being purchased, among other things. Purchase orders and sales contracts can range in value from several thousand to millions of dollars.

Our revenue is affected by changes in the volume and price of products purchased by our customers. Volume is driven by the demand for our products while price is determined by product type, design specifications, lead-time, the level of customization, end market, availability of supply and strength of competitors' product offerings.

Our revenue growth is dependent on: continued growth in the end markets we serve, including the Data Center, Grid and Industrial markets; our ability to expand our manufacturing capacity to meet demand; and our ability to develop and introduce new and innovative products that address the changing technology and performance requirements of our customers.

Cost of Revenues and Gross Profit

Cost of revenues consists primarily of product costs and fixed overhead. Product costs include purchased materials and labor as well as costs related to shipping, tariffs, customer support and product warranty. Fixed overhead includes facilities cost and depreciation of testing and manufacturing equipment which are not directly affected by sales volume. Labor costs in our cost of revenues include both direct labor costs as well as costs attributable to any individuals whose activities relate to the transformation of raw materials or components into finished goods and the transportation of finished goods to the customer. Our product costs are affected by: our sales volume; the cost of raw materials, including electrical steel, carbon steel, copper, aluminum, and other key raw materials; the cost of components, including circuit breakers, accessories and gauges; technological innovation; economies of scale; and improvements in production processes and automation. We do not currently hedge against changes in the price of raw materials.

Gross profit may vary from quarter to quarter and is primarily affected by our sales volume, product costs, product mix, customer mix, end market mix, and seasonality. We have increased and expect to continue to increase our manufacturing headcount in connection with the expansion of our business. The rate at which we add new manufacturing employees and the period of time it takes to train them and for them to reach full productivity has and can in the future impact our gross profit.

Operating Expenses

Operating expenses consist of selling, general and administrative expenses, transaction costs and depreciation and amortization. We expect to continue to invest substantial resources to support our growth and anticipate our operating expenses will increase in absolute dollar amounts for the foreseeable future.

Selling, General and Administrative Expenses

Selling, general and administrative expenses consist primarily of salaries, share-based compensation, employee benefits and payroll taxes related to our executives, sales, finance and accounting, human resources, IT, engineering and legal organizations, travel expenses, facilities costs, marketing expenses, bad debt expense and fees for professional services. Professional services consist of audit, legal, tax, insurance, IT and other costs. We have increased and expect to continue to increase our sales and marketing personnel in connection with the expansion of our business. We also expect to incur additional expenses related to becoming publicly traded, including additional directors' and officers' liability insurance, director fees, additional expenses associated with complying with the reporting requirements of the SEC, transfer agent fees, costs relating to additional accounting, legal and administrative personnel, increased auditing, tax and legal fees, stock exchange listing fees and other public company expenses.

Depreciation

Depreciation in our operating expenses consists of costs associated with property and equipment not used in the manufacturing of our products. We expect that as we continue to grow both our revenues and our general and administrative personnel, we will require additional property and equipment to support this growth resulting in additional depreciation expenses.

Amortization

Amortization of intangibles consists of customer relationships, trade names, backlog, and non-compete agreements over their expected period of use.

Non-Operating Expenses

Interest Expense

Interest expense consists of interest and other charges paid in connection with our long-term debt.

Interest Income

Interest income consists of income received on our cash and cash equivalents invested in money market accounts or similar short-term investments.

Income Taxes

We are subject to federal, state and local income taxes in the United States and foreign taxes.

Results of Operations

The following tables set forth our consolidated results of operations for the periods presented. This information is derived from our accompanying consolidated financial statements included elsewhere in this Quarterly Report and prepared in accordance with GAAP. The period-to-period comparisons of our historical results are not necessarily indicative of the results that may be expected in the future, including for the reasons described above under "—Key Factors Affecting Our Performance."

	Three Months Ended September 30,			
	2026	2025	Increase / Decrease	% Change
(in thousands, except change data)				
Revenues	$ 478,566	$ 283,274	$ 195,292	69 %
Cost of Revenues	320,287	185,322	134,965	73 %
Gross Profit	158,279	97,952	60,327	62 %
Operating Expenses				
Selling, general and administrative expenses	71,965	53,583	18,382	34 %
Depreciation and amortization	7,132	13,206	(6,074)	(46)%
Total Operating Expenses	79,097	66,789	12,308	18 %
Income from Operations	79,182	31,163	48,019	154 %
Other Income (Expense)				
Interest expense	(9,829)	(13,873)	4,044	(29)%
Interest income	954	905	49	5 %
Other income (expense)	(148)	295	(443)	(150)%
Total Other Expense, net	(9,023)	(12,673)	3,650	(29)%
Income Before Tax Expense	70,159	18,490	51,669	279 %
Income Tax Expense	(15,336)	(2,934)	(12,402)	423 %
Net Income	54,823	15,556	39,267	252 %
Less: net income attributable to non-controlling interest	6,579	5,543	1,036	19 %
Net Income Attributable to Forgent Power Solutions, Inc.	$ 48,244	$ 10,013	$ 38,231	382 %

Comparison of Operations for the Three Months Ended September 30, 2026 and 2025

Revenues

Revenues for the three months ended September 30, 2026 were $478.6 million as compared to $283.3 million for the three months ended September 30, 2025. The increase in revenues was driven by increases in sales of Custom Products and Powertrain Solutions, attributable to growing demand for our products across our end markets and leveraging additional capacity added at all campuses to meet customer demand.

Cost of Revenues

Cost of revenues for the three months ended September 30, 2026 were $320.3 million as compared to $185.3 million for the three months ended September 30, 2025. The increase in cost of revenues was primarily driven by an increase in material and labor costs related to higher sales volumes and an increase in fixed overhead costs, including depreciation expense related to the expansion of our manufacturing campuses. Cost of revenues as a percentage of revenues increased primarily as a result of under-absorbed labor costs related to accelerated headcount growth, under-absorbed fixed overhead relating to new campuses ramping toward their target production rates, and one-time startup costs at new campuses.

Operating Expenses:

Selling, General, and Administrative

Selling, general, and administrative expenses for the three months ended September 30, 2026 were $72.0 million as compared to $53.6 million for the three months ended September 30, 2025. The increase in selling, general, and administrative expenses was primarily driven by an increase in payroll expenses of $20.5 million, which included accelerated equity-based compensation related to severance of $8.1 million, partially offset by a decrease in professional services expenses of $6.0 million.

Depreciation

Depreciation for the three months ended September 30, 2026 was $0.8 million as compared to $0.3 million for the three months ended September 30, 2025. The increase in depreciation was primarily driven by an increase in property and equipment in the current fiscal year.

Amortization

Amortization of intangibles for the three months ended September 30, 2026 was $6.3 million as compared to $12.8 million for the three months ended September 30, 2025. The decrease in amortization was driven by intangible assets from certain acquisitions being fully amortized during the prior fiscal year.

Interest Expense

Interest expense for the three months ended September 30, 2026 was $9.8 million as compared to $13.9 million for the three months ended September 30, 2025. The decrease in interest expense was primarily driven by lower interest rates in the current year.

Interest Income

Interest income for the three months ended September 30, 2026 was $1.0 million as compared to $0.9 million for the three months ended September 30, 2025.

Income Tax Expense

Income tax expense was $15.3 million and $2.9 million for the three months ended September 30, 2026 and 2025, respectively. Our effective income tax rate for the three months ended September 30, 2026 and 2025 was 21.9% and 15.9%, respectively. For the three months ended September 30, 2026, our effective income tax rate differed from the federal statutory rate of 21% primarily due to state tax expense, partially offset by our non-controlling interest not being subject to income taxes, and the use of R&D credits.

Net Income

As a result of the factors discussed above, net income for the three months ended September 30, 2026 was $54.8 million compared to $15.6 million for the three months ended September 30, 2025.

Non-GAAP Financial Measures

We present non-GAAP performance measures as we believe it is appropriate for investors to consider adjusted financial measures in addition to results in accordance with GAAP.

These non-GAAP financial measures provide supplemental information and should not be considered replacements for results in accordance with GAAP. Management uses non-GAAP financial measures internally for planning and forecasting purposes and in its decision-making processes related to the operations of our Company. We believe these measures provide meaningful information to us and investors because they enhance the understanding of our operating performance, ability to generate cash, and the trends of our business. Additionally, we believe investors benefit from having access to the same financial measures that management uses in evaluating our operations.

The primary limitation of these measures is they exclude the financial impact of items that would otherwise either increase or decrease our reported results. This limitation is best addressed by using these non-GAAP financial measures in combination with the most directly comparable GAAP financial measures in order to better understand the amounts, character, and impact of any increase or decrease in reported amounts. These non-GAAP financial measures may not be comparable to similarly titled measures reported by other companies, which limits their usefulness as a comparative measure.

Among other limitations, Adjusted EBITDA, Adjusted Net Income, and Adjusted EPS do not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments and do not reflect the impact of certain cash charges resulting from matters we consider not to be indicative of our ongoing operations. Adjusted EBITDA, Adjusted Net Income, and Adjusted EPS also do not reflect income tax expense or benefit.

Because of these limitations, Adjusted EBITDA, Adjusted Net Income, and Adjusted EPS should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. We compensate for these limitations by relying primarily on our GAAP results and using Adjusted EBITDA, Adjusted Net Income, and Adjusted EPS on a supplemental basis. You should review the reconciliations of net income (loss) to Adjusted EBITDA, Adjusted Net Income, and Adjusted EPS respectively below and not rely on any single financial measure to evaluate our business.

Our non-GAAP financial measures include:

- Adjusted EBITDA – We define Adjusted EBITDA as net income (loss) plus or minus (i) interest expense, (ii) interest income, (iii) income tax benefit (expense), (iv) depreciation expense, (v) amortization of intangibles, (vi) equity-based compensation, (vii) sponsor fees and expenses, (viii) public company readiness costs, (ix) earnout expenses, (x) non-recurring integration and consulting fees, and (xi) investment banking fees and expenses.
- Adjusted Net Income – We define Adjusted Net Income as net income (loss) attributable to Forgent Power Solutions, Inc. plus or minus (i) net income impact from assumed exchange of Class B common stock to Class A common stock as of the beginning of the earliest period presented, (ii) amortization of intangibles, (iii) amortization of deferred financing costs, (iv) equity-based compensation, (v) sponsor fees and expenses, (vi) public company readiness costs, (vii) earnout expenses, (viii) non-recurring integration and consulting fees, (ix) investment banking fees and expenses, and (x) tax impact of adjustments.
- Adjusted EPS – We define Adjusted EPS as Adjusted Net Income divided by the diluted weighted average shares of Class A common shares outstanding for the applicable period, which assumes the exchange of all outstanding Class B common shares for Class A common shares as of the beginning of the earliest period presented.

Adjusted EBITDA

Adjusted EBITDA is intended as a supplemental measure of performance that is neither required by, nor presented in accordance with, GAAP. We present Adjusted EBITDA because we believe it assists investors and analysts in comparing our performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance.

In addition, we use Adjusted EBITDA (i) in evaluating management's performance when determining incentive compensation, (ii) to evaluate the effectiveness of our business strategies and (iii) because our debt agreements use a similar metric to measure our compliance with certain covenants.

The table below reconciles Net Income (the most directly comparable GAAP measure) to Adjusted EBITDA (a non-GAAP measure) for the periods presented (in thousands):

	Three Months Ended September 30,	
	2026	**2025**
Net Income	$ 54,823	$ 15,556
Interest expense	9,829	13,873
Interest income	(954)	(905)
Income tax expense	15,336	2,934
Depreciation expense	5,631	3,106
Amortization of intangibles	6,347	12,778
Equity-based compensation	13,884	560
Sponsor fees and expenses[(1)]	—	6,600
Public company readiness costs[(2)]	—	1,402
Earnout expenses[(3)]	—	5,400
Non-recurring integration and consulting fees[(4)]	—	3,796
Adjusted EBITDA	$ 104,896	$ 65,100

(1) Represents fees and expense reimbursements paid to our Sponsor.

(2) Represents non-recurring professional services fees we incurred in connection with readying the Company for our initial public offering and statutory SEC reporting, as well as certain non-recurring recruiting costs.

(3) Represents non-recurring earnout amounts accrued to certain sellers in connection with business acquisitions.

(4) Represents non-recurring professional services fees we incurred in connection with certain post-acquisition activities, including valuation, technical accounting, and integration consulting services.

Adjusted Net Income

Adjusted Net Income is intended as a supplemental measure of performance that is neither required by, nor presented in accordance with, GAAP. We present Adjusted Net Income because we believe it assists investors and analysts in comparing our performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. In addition, we use Adjusted Net Income to evaluate the effectiveness of our business strategies.

The table below reconciles Net Income Attributable to Forgent Power Solutions, Inc. (the most directly comparable GAAP measure) to Adjusted Net Income (a non-GAAP measure) for the periods presented (in thousands):

	Three Months Ended September 30,	
	2026	**2025**
Net Income Attributable to Forgent Power Solutions, Inc.	$ 48,244	$ 10,013
Net income impact from pro forma conversion of Class B common stock to Class A common stock[(1)]	6,579	5,543
Adjustment to the provision for income tax[(2)]	(1,336)	(522)
Tax effected net income	53,487	15,034
Amortization of intangibles	6,347	12,778
Amortization / write off of discounts and deferred financing costs	714	999
Equity-based compensation	13,884	560
Sponsor fees and expenses[(3)]	—	6,600
Public company readiness costs[(4)]	—	1,402
Earnout expenses[(5)]	—	5,400
Non-recurring integration and consulting fees[(6)]	—	3,796
Tax impact of adjustments[(7)]	(2,428)	(7,251)
Adjusted Net Income	$ 72,004	$ 39,318

(1) Reflects net income to Class A common shares from pro forma exchange of corresponding shares of our Class B common shares held by the Existing Opco LLC Owners (as defined in Note 1, "Organization and Nature of Business" of the Notes to the Condensed Consolidated Financial Statements).

(2) The Company is subject to U.S. Federal income taxes, in addition to state and local taxes with respect to its allocable share of any net taxable income of Opco. The adjustment to the provision for income tax reflects the effective tax rates below, assuming the Company owns 100% of the Opco LLC Interests units.

	Three Months Ended September 30,	
	2026	**2025**
Statutory U.S. Federal income tax rate	21.00 %	21.00 %
State and local taxes (net of federal benefit)	2.88 %	2.64 %
Permanent items, including valuation adjustment	(0.28)%	(0.23)%
Effective income tax rate for Adjusted Net Income	23.60 %	23.41 %

(3) Represents fees and expense reimbursements paid to our Sponsor.

(4) Represents non-recurring professional services fees we incurred in connection with readying the Company for our initial public offering and statutory SEC reporting, as well as certain non-recurring recruiting costs.

(5) Represents non-recurring earnout amounts accrued to certain sellers in connection with business acquisitions.

(6) Represents non-recurring professional services fees we incurred in connection with certain post-acquisition activities, including valuation, technical accounting and integration consulting services.

(7) Represents the estimated tax impact of all Adjusted Net Income add-backs, excluding those which represent permanent differences between book versus tax.

Adjusted EPS

Adjusted EPS is intended as a supplemental measure of performance that is neither required by, nor presented in accordance with, GAAP. We present Adjusted EPS because we believe it assists investors and analysts in comparing our performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance.

In addition, we use Adjusted EPS (i) in evaluating management's performance when determining incentive compensation and (ii) to evaluate the effectiveness of our business strategies.

The table below reconciles Weighted Average Shares Outstanding (the most directly comparable GAAP measure) to Adjusted Diluted Weighted Average Shares Outstanding for the periods presented (in thousands, except per share amounts):

	Three Months Ended September 30,	
	2026	**2025**
Weighted average shares of Class A common stock outstanding - basic	273,736	N/A [(a)]
Assumed exchange of Class B common stock to Class A common stock	30,693	N/A [(a)]
Dilutive effect of restricted stock units	334	N/A [(a)]
Dilutive effect of stock options	—	N/A [(a)]
Adjusted diluted weighted average shares outstanding	304,763	N/A [(a)]
Adjusted Net Income	$ 72,004	N/A [(a)]
Adjusted EPS	$ 0.24	N/A [(a)]

[(a)] This Non-GAAP measure is not applicable for this period, as the Company's initial public offering had not yet occurred.

Liquidity and Capital Resources

The following table shows our cash flows from operating activities, investing activities and financing activities for the stated periods (in thousands):

	Three Months Ended September 30,	
	2026	**2025**
Net cash provided by operating activities	$ 136,115	$ 5,935
Net cash used in investing activities	(31,706)	(29,889)
Net cash used in financing activities	(3,343)	(5,997)
Increase (decrease) in cash, cash equivalents, and restricted cash	$ 101,066	$ (29,951)

We finance our operations primarily with operating cash flows and short and long-term borrowings. Our ability to generate positive cash flow from operations is dependent upon the amount of income from operations that we generate before amortization expense and other non-cash items. Based on our past performance and current expectations, we believe operating cash flows will be sufficient to meet our future cash needs for the next twelve months. Our revolving credit facility provides an additional source of liquidity to fund operations.

As of September 30, 2026, our cash and cash equivalents were $199.9 million. Net working capital as of September 30, 2026 was $338.2 million.

As of September 30, 2026, we had outstanding borrowings, net of discount and deferred financing fees of $581.3 million, $6.0 million of which was due to be paid in the next 12 months, and $246.4 million available for additional borrowings under our line of credit.

The Company's credit facilities require the Company to comply with specified financial and non-financial covenants including limitations related to incurring liens, secured debt, and certain other financing arrangements. The Company was in compliance with these covenants as of September 30, 2026.

Operating Activities

For the three months ended September 30, 2026, cash provided by operating activities was $136.1 million. Cash provided by operating activities was primarily driven by net income of $54.8 million. Cash provided by operating activities was favorably impacted by $36.0 million of net non-cash items, including $12.0 million of depreciation and amortization and $0.7 million of amortization / write-off of discounts and deferred financing costs. Cash flow from operations for the three months ended September 30, 2026 was increased by $45.3 million for working capital items, including sources of cash from accounts payable of $35.7 million primarily related to inventory purchases, $4.3 million in accrued expenses, and $159.4 million in deferred revenue related to favorable timing of customer deposits and milestone payments, partially offset by uses of cash of $51.2 million for accounts receivable resulting from increased revenues and $98.8 million for inventory to support orders in backlog.

For the three months ended September 30, 2025, cash provided by operating activities was $5.9 million. Cash provided by operating activities was primarily driven by net income of $15.6 million. Cash provided by operating activities was favorably impacted by $21.5 million of net non-cash items, including $15.9 million of depreciation and amortization. Cash flow from operations for the three months ended September 30, 2025 was decreased by $31.1 million for working capital items, including uses of cash of $29.0 million for accounts receivable resulting from increased revenues, $27.5 million for inventory to support orders in backlog, and a reduction in deferred revenue of $5.9 million, partially offset by sources of cash from accounts payable of $17.8 million primarily related to inventory purchases and accrued expenses of $19.6 million primarily related to compensation and sponsor fees.

Investing Activities

For the three months ended September 30, 2026 and 2025, cash used in investing activities of $31.7 million and $29.9 million, respectively, was primarily related to purchases of property and equipment for our capacity expansion.

Financing Activities

For the three months ended September 30, 2026, cash used in financing activities was $3.3 million, of which $1.5 million related to payments on the Term Loan Facility.

For the three months ended September 30, 2025, cash used in financing activities was $6.0 million, of which $1.3 million related to payments on the 2023 Debt Facilities, $3.1 million related to deferred offering costs, and $0.2 million related to deferred financing costs.

Debt Obligations

For a discussion of our debt obligations, see Note 9, “Long-Term Debt” in our condensed consolidated financial statements included elsewhere in this Quarterly Report.

Surety Bonds

For a discussion of our surety bond obligations see Note 20, “Commitments and Contingencies” in our condensed consolidated financial statements included elsewhere in this Quarterly Report.

Product Warranties

For a discussion of our product warranties, see Note 2, “Summary of Significant Accounting Policies—Warranty Liability” within our Annual Report on Form 10-K dated for the fiscal year ended June 30, 2026.

Recent Accounting Pronouncements

For a discussion of our recent accounting pronouncements, see Note 3, “Recently Issued Accounting Pronouncements Not Yet Adopted” in our condensed consolidated financial statements included elsewhere in this Quarterly Report.

Critical Accounting Estimates

For a discussion of our critical accounting estimates, see “Critical Accounting Estimates” within our Annual Report on Form 10-K for the fiscal year ended June 30, 2026. There have been no material changes to these estimates during the period.

FORGENT POWER SOLUTIONS, INC.
PART I - FINANCIAL INFORMATION

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes in our market risk exposures or in our risk management policies as disclosed in our Annual Report on Form 10-K for the fiscal year ended June 30, 2026.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of such date. Our disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes to our internal control over financial reporting that occurred during the three months ended September 30, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

FORGENT POWER SOLUTIONS, INC.
PART II - OTHER INFORMATION

Part II - OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we are subject to various legal proceedings and claims, either asserted or unasserted, which arise in the ordinary course of business. While the outcome of these matters cannot be predicted with certainty, we do not believe that the outcome of any of these matters, individually or in the aggregate, will have a material adverse effect on our consolidated financial condition, results of operations, or cash flows. Refer to Part I. Item 1. Note 20, "Commitments and Contingencies" of "Notes to Condensed Consolidated Financial Statements" for additional information.

Item 1A. Risk Factors

Investing in our common stock involves a high degree of risk. For a detailed discussion of the risks that affect our business, please refer to the section titled "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended June 30, 2026. There have been no material changes to our risk factors as previously disclosed in the Annual Report.

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

There were no unregistered sales of equity during the quarter ended September 30, 2026.

During the quarter ended September 30, 2026, pursuant to the terms of the Exchange Agreement entered into in connection with our IPO, certain Continuing Equity Owners exchanged 14,555,925 LLC Units together with an equal number of shares of Class B common stock for 14,555,925 newly-issued shares of Class A common stock. These shares of Class A common stock were issued in reliance on an exemption from registration pursuant to Section 4(a)(2) of the Securities Act of 1933.

Item 3. Defaults Upon Senior Securities

None

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

(c) Rule 10b5-1 Trading Plans and Non-Rule 10b5-1 Trading Arrangements

During the three months ended September 30, 2026, none of our directors or officers adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

FORGENT POWER SOLUTIONS, INC.
PART II - OTHER INFORMATION

Item 6. Exhibits

Exhibit No.	Description	SEC Document Reference
3.1	Amended and Restated Certificate of Incorporation of Forgent Power Solutions, Inc.	Incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form S-8 filed on February 4, 2026.
3.2	Amended and Restated Bylaws of Forgent Power Solutions, Inc.	Incorporated by reference to Exhibit 3.2 to the Company's Registration Statement on Form S-8 filed on February 4, 2026.
31.1	Certification of Principal Executive Officer pursuant to Rule 13a–14(a) and Rule 15d–14(a) of the Securities Exchange Act of 1934, as amended.	Filed herewith.
31.2	Certification of Principal Financial Officer pursuant to Rule 13a–14(a) and Rule 15d–14(a) of the Securities Exchange Act of 1934, as amended.	Filed herewith.
32.1	Certification of Principal Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Furnished herewith.
32.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Furnished herewith.
101	Inline XBRL file set for the Consolidated Financial Statements and accompanying notes in Part I, Item 1, "Financial Statements" and for the information under Part II, Item 5, "Other Information" of this Quarterly Report on Form 10-Q.	Filed herewith.
104	Inline XBRL for the cover page of this Quarterly Report on Form 10-Q, included in the Exhibit 101 Inline XBRL file set.	Filed herewith.

* Denotes compensatory plan, contract or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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 on November 12, 2026.

Forgent Power Solutions, Inc.

Date: November 12, 2026

By: /s/ Gary J. Niederpruem
Gary J. Niederpruem
Chief Executive Officer

Date: November 12, 2026

By: /s/ Amy Ard
Amy Ard
Chief Financial Officer

CERTIFICATION UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Gary J. Niederpruem, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Forgent Power Solutions, Inc.;

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

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

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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. Paragraph intentionally omitted pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a);

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

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

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

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

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

November 12, 2026

/s/ Gary J. Niederpruem
Gary J. Niederpruem
Chief Executive Officer and Director
(Principal Executive Officer)

CERTIFICATION UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Amy Ard, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Forgent Power Solutions, Inc.;

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

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

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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. Paragraph intentionally omitted pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a);

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

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

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

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

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

November 12, 2026

/s/ Amy Ard
Amy Ard
Chief Financial Officer
(Principal Financial Officer)

CERTIFICATION UNDER SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Gary J. Niederpruem, Chief Executive Officer and Director of Forgent Power Solutions, Inc. (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. the Quarterly Report on Form 10-Q of the Company for the period ended September 30, 2026 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

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

November 12, 2026

/s/ Gary J. Niederpruem
Gary J. Niederpruem
Chief Executive Officer and Director
(Principal Executive Officer)

CERTIFICATION UNDER SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Amy Ard, Chief Financial Officer of Forgent Power Solutions, Inc. (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. the Quarterly Report on Form 10-Q of the Company for the period ended September 30, 2026 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

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

November 12, 2026

/s/ Amy Ard
Amy Ard
Chief Financial Officer
(Principal Financial Officer)