# Corvane Industries

Management report · August 2026

| REVENUE | NET INCOME | CASH | NET INCOME, YEAR TO DATE |
|---|---|---|---|
| **$36.03M** | **$1.51M** | **$71.18M** | **$7.98M** |
| up $2.31M (7%) vs Jul | up $1.06M (230%) vs Jul | down $1.87M (3%) vs Jul | down $3.19M (29%) vs budget |

## HIGHLIGHTS

- Revenue was $282.23M for January to August across the five companies.
- Net income is $3.19M under budget year to date. Two items explain it: a pump order that slipped at Manufacturing, and a legal settlement at the parent in June that no budget carried.
- Corvane Connect is $2.02M ahead of budget, with subscriptions growing faster than planned and hiring behind plan.
- Aftermarket Services is $1.60M ahead, on parts sales well over budget.

### Net income against budget, year to date, by company

- Corvane Manufacturing LLC: −$4.32M. Pump sales $4.79M under budget, and a steel tariff raised cost of sales.
- Corvane Industries, Inc. (parent): −$2.51M. A legal settlement in June, plus higher litigation and consulting fees.
- Corvane Connect LLC: +$2.02M. Subscriptions ahead of budget, hiring behind plan.
- Corvane Aftermarket Services LLC: +$1.60M. Parts sales ahead of budget.
- Corvane Distribution LLC: On budget.

PROFIT AND LOSS

## Biggest movers against last month

| $ THOUSANDS | AUG 2026 | JUL 2026 | CHANGE VS JUL | % CHANGE |
|---|---|---|---|---|
| Equipment Revenue | 17,968 | 15,890 | **2,078** | **13%** |
| Cost of sales | 19,826 | 18,947 | **880** | **5%** |
| Other expenses | 1,117 | 784 | **333** | **42%** |
| Aftermarket Revenue | 8,930 | 8,789 | **141** | **2%** |
| Personnel | 8,834 | 8,727 | **107** | **1%** |

## Combined profit and loss

| $ THOUSANDS | AUG 2026 | | | YEAR TO DATE | | |
|---|---|---|---|---|---|---|
| | ACTUAL | BUDGET | CHANGE VS BUDGET | ACTUAL | BUDGET | CHANGE VS BUDGET |
| Revenue | 36,029 | 35,913 | **116** | 282,233 | 284,308 | **(2,075)** |
| Equipment Revenue | 17,968 | 18,333 | **(364)** | 141,648 | 146,951 | **(5,304)** |
| Aftermarket Revenue | 8,930 | 8,576 | **354** | 70,392 | 67,759 | **2,634** |
| Distribution Revenue | 4,886 | 4,864 | **22** | 38,924 | 38,695 | **229** |
| Software Revenue | 4,027 | 3,919 | **108** | 29,556 | 29,126 | **430** |
| Other Operating Revenue | 217 | 222 | **(4)** | 1,713 | 1,778 | **(64)** |
| Cost of sales | 19,826 | 19,408 | **419** | 155,630 | 154,556 | **1,074** |
| Cost of sales | 19,826 | 19,408 | **419** | 155,630 | 154,556 | **1,074** |
| **Gross profit** | **16,202** | **16,505** | **(303)** | **126,602** | **129,752** | **(3,150)** |
| Expenses | 13,608 | 13,905 | **(297)** | 111,347 | 110,542 | **804** |
| Personnel | 8,834 | 9,286 | **(453)** | 68,925 | 72,105 | **(3,180)** |
| Facilities | 917 | 915 | **2** | 7,328 | 7,320 | **8** |
| Travel & Entertainment | 865 | 874 | **(9)** | 7,026 | 6,992 | **34** |
| Technology | 855 | 761 | **94** | 6,515 | 6,088 | **427** |

| $ THOUSANDS | AUG 2026 ACTUAL | AUG 2026 BUDGET | AUG 2026 CHANGE VS BUDGET | YEAR TO DATE ACTUAL | YEAR TO DATE BUDGET | YEAR TO DATE CHANGE VS BUDGET |
|---|---|---|---|---|---|---|
| Depreciation & Amortization | 639 | 639 | – | 5,112 | 5,112 | – |
| Marketing | 557 | 549 | **9** | 5,291 | 5,200 | **91** |
| Professional Fees | 433 | 358 | **75** | 7,032 | 3,553 | **3,479** |
| Insurance | 243 | 243 | – | 1,944 | 1,944 | – |
| General & Administrative | 148 | 156 | **(8)** | 1,192 | 1,237 | **(45)** |
| Research & Development | 117 | 124 | **(7)** | 983 | 992 | **(9)** |
| Intercompany | – | – | – | – | – | – |
| **Net ordinary income** | **2,594** | **2,600** | **(6)** | **15,256** | **19,210** | **(3,954)** |
| Other income | 37 | 45 | **(8)** | 356 | 360 | **(4)** |
| Other income | 37 | 45 | **(8)** | 356 | 360 | **(4)** |
| Other expenses | 1,117 | 1,090 | **27** | 7,636 | 8,401 | **(765)** |
| Other expenses | 1,117 | 1,090 | **27** | 7,636 | 8,401 | **(765)** |
| **Net income** | **1,514** | **1,555** | **(41)** | **7,976** | **11,169** | **(3,193)** |
| **Net margin** | **4.2%** | **4.3%** | **–0.1 pts** | **2.8%** | **3.9%** | **–1.1 pts** |
| **EBITDA** | **3,593** | **3,599** | **(6)** | **23,248** | **27,202** | **(3,954)** |
| **EBITDA margin** | **10.0%** | **10.0%** | **–0.0 pts** | **8.2%** | **9.6%** | **–1.3 pts** |

## Consolidated budget against actual $ thousands

| | ACTUAL AUG 26 | BUDGET AUG 26 | VARIANCE FAV (UNFAV) | VAR % AUG 26 | ACTUAL YTD 26 | BUDGET YTD 26 | VARIANCE FAV (UNFAV) | VAR % YTD 26 |
|---|---|---|---|---|---|---|---|---|
| Revenue | 36,029 | 35,913 | 116 | 0% | 282,233 | 284,308 | (2,075) | (1%) |
| Cost of sales | 19,826 | 19,408 | (419) | (2%) | 155,630 | 154,556 | (1,074) | (1%) |
| **Gross profit** | **16,202** | **16,505** | **(303)** | **(2%)** | **126,602** | **129,752** | **(3,150)** | **(2%)** |
| Expenses | 13,608 | 13,905 | 297 | 2% | 111,347 | 110,542 | (804) | (1%) |
| **Net ordinary income** | **2,594** | **2,600** | **(6)** | **(0%)** | **15,256** | **19,210** | **(3,954)** | **(21%)** |
| Other income | 37 | 45 | (8) | (17%) | 356 | 360 | (4) | (1%) |
| Other expenses | 1,117 | 1,090 | (27) | (3%) | 7,636 | 8,401 | 765 | 9% |
| **Net income** | **1,514** | **1,555** | **(41)** | **(3%)** | **7,976** | **11,169** | **(3,193)** | **(29%)** |
| **Net income before tax** | **1,992** | **2,046** | **(53)** | **(3%)** | **10,495** | **14,696** | **(4,201)** | **(29%)** |
| **EBITDA** | **3,593** | **3,599** | **(6)** | **(0%)** | **23,248** | **27,202** | **(3,954)** | **(15%)** |

Against Budget 2026. Variances are favourable when positive.

## Net income, budget to actual $ thousands

| | AUG 26 MONTH | YTD 26 TO AUG 26 |
|---|---|---|
| **Budgeted net income** | **1,555** | **11,169** |
| Corvane Manufacturing LLC | (473) | **(4,324)** |
| Corvane Industries, Inc. | (51) | **(2,511)** |
| Corvane Connect LLC | 295 | **2,023** |
| Corvane Aftermarket Services LLC | 216 | **1,599** |
| Corvane Distribution LLC | (28) | **20** |
| **Actual net income** | **1,514** | **7,976** |

Each step is a company's actual less its budget, as it moves net income; open one for its lines and accounts.

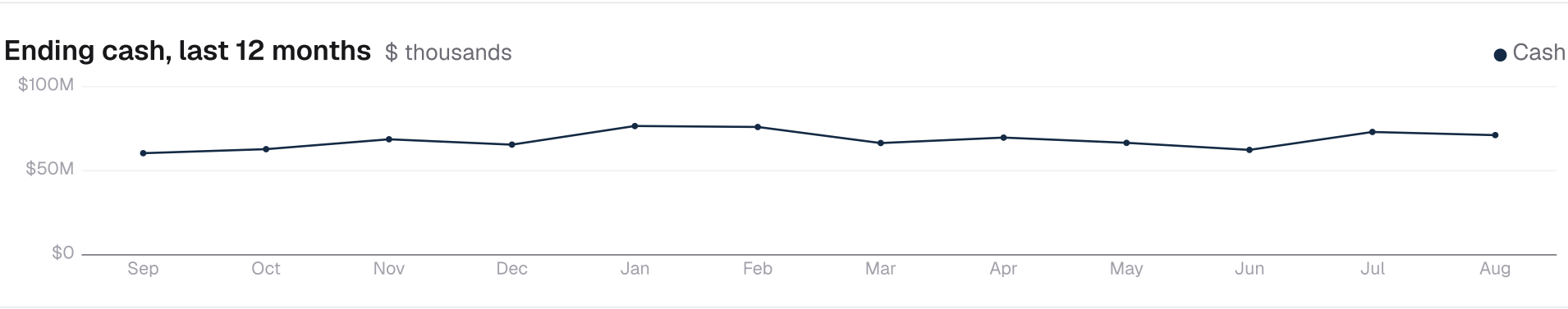
RESULTS BY COMPANY

## Net income by company $ thousands

| | SEP 25 | OCT 25 | NOV 25 | DEC 25 | JAN 26 | FEB 26 | MAR 26 | APR 26 | MAY 26 | JUN 26 | JUL 26 | AUG 26 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Corvane Industries, Inc. | (3,236) | (3,080) | (3,147) | (3,573) | (3,053) | (3,290) | (3,740) | (3,313) | (3,213) | (5,585) | (3,077) | (3,261) |
| Corvane Manufacturing LLC | 3,271 | 2,963 | 3,191 | 4,325 | 1,745 | 2,361 | 4,013 | 1,853 | 2,208 | 3,675 | 1,319 | 2,533 |
| Corvane Aftermarket Services LLC | 2,110 | 2,064 | 2,065 | 2,142 | 2,595 | 2,518 | 2,574 | 2,727 | 2,598 | 2,592 | 2,557 | 2,629 |
| Corvane Connect LLC | (575) | (839) | (552) | (470) | (518) | (475) | (393) | (371) | (700) | (389) | (282) | (299) |
| Corvane Distribution LLC | (143) | (80) | (122) | (200) | (52) | (98) | (48) | (85) | (35) | (100) | (58) | (88) |
| **Total** | **1,427** | **1,029** | **1,434** | **2,223** | **718** | **1,017** | **2,405** | **812** | **858** | **194** | **459** | **1,514** |

A company inside another is shown beneath it and counted once, in its parent.

## BALANCE SHEET AND CASH




### Combined balance sheet

| $ THOUSANDS | AUG 2026 | JUL 2026 | LAST YEAR END | AUG 2025 |
|---|---|---|---|---|
| Total assets | 424,167 | 420,915 | 407,708 | 394,463 |
| Cash | 71,184 | 73,053 | 65,537 | 64,616 |
| Current assets | 117,950 | 113,627 | 114,978 | 106,354 |
| Other assets | 144,973 | 145,190 | 146,476 | 147,092 |
| Fixed assets | 90,060 | 89,044 | 80,717 | 76,401 |
| Total liabilities | 239,425 | 238,072 | 234,023 | 228,430 |
| Current liabilities | 149,076 | 147,787 | 141,083 | 132,751 |
| Long-term liabilities | 90,349 | 90,285 | 92,940 | 95,679 |
| Total equity | 184,742 | 182,843 | 173,686 | 166,033 |
| Equity | 176,766 | 176,381 | 166,550 | 165,010 |
| Net income, year to date | 7,976 | 6,462 | 7,136 | 1,023 |
| **Total liabilities and equity** | **424,167** | **420,915** | **407,708** | **394,463** |

## Consolidated cash flow, this month against last $ thousands

| | AUG 26 | JUL 26 | CHANGE | CHANGE % |
|---|---|---|---|---|
| Beginning cash | 73,053 | 62,388 | 10,665 | 17% |
| Net income | 1,514 | 459 | 1,055 | 230% |
| Net income adjustments | (2,994) | 4,218 | (7,212) | (171%) |
| **Operating cash flow** | **(1,480)** | **4,677** | **(6,157)** | **(132%)** |
| **Investing cash flow** | **(800)** | **(957)** | **158** | **16%** |
| **Financing cash flow** | **410** | **6,945** | **(6,535)** | **(94%)** |
| **Change in cash** | **(1,869)** | **10,665** | **(12,534)** | **(118%)** |
| Ending cash | 71,184 | 73,053 | (1,869) | (3%) |

EXPENSES

## Expenses by category, this month against last

| $ THOUSANDS | AUG 2026 | JUL 2026 | CHANGE VS JUL | % CHANGE VS JUL |
|---|---|---|---|---|
| Cost of sales | 19,826 | 18,947 | **880** | **5%** |
| Personnel | 8,834 | 8,727 | **107** | **1%** |
| Facilities | 917 | 931 | **(14)** | **(2%)** |
| Travel & Entertainment | 865 | 862 | **3** | **–** |
| Technology | 855 | 833 | **21** | **3%** |
| Depreciation & Amortization | 639 | 639 | – | – |
| Marketing | 557 | 552 | **5** | **1%** |
| Professional Fees | 433 | 472 | **(39)** | **(8%)** |
| Insurance | 243 | 243 | – | – |
| General & Administrative | 148 | 153 | **(5)** | **(3%)** |
| Research & Development | 117 | 148 | **(31)** | **(21%)** |
| **Total** | **33,435** | **32,507** | **927** | **3%** |

Vendor, customer, class and department detail covers actual months where ledger detail was pulled or uploaded; everything else is shown as "Not split".

FORECAST

## Consolidated full-year forecast $ thousands

| | ACTUAL TO AUG 26 | FORECAST SEP 26–DEC 26 | FY 26 FORECAST | BUDGET FY 26 | VS BUDGET FAV (UNFAV) | FY 25 ACTUAL | VS LAST YEAR FAV (UNFAV) |
|---|---|---|---|---|---|---|---|
| Revenue | 282,233 | 143,386 | **425,619** | 440,167 | (14,548) | 394,032 | 31,586 |
| Cost of sales | 155,630 | 79,643 | **235,274** | 237,165 | 1,891 | 219,622 | (15,651) |
| **Gross profit** | **126,602** | **63,743** | **190,345** | **203,002** | **(12,657)** | **174,410** | **15,935** |
| Expenses | 111,347 | 57,717 | **169,063** | 167,643 | (1,420) | 157,266 | (11,797) |
| **Net ordinary income** | **15,256** | **6,026** | **21,282** | **35,359** | **(14,077)** | **17,144** | **4,138** |
| Other income | 356 | 154 | **510** | 540 | (30) | 536 | (26) |
| Other expenses | 7,636 | 3,487 | **11,123** | 14,122 | 2,999 | 10,544 | (579) |
| **Net income** | **7,976** | **2,693** | **10,669** | **21,777** | **(11,108)** | **7,136** | **3,533** |

The sum of each company's forecast, from its drivers (base scenario). Budget columns count only companies with a budget.

## Consolidated forecast by month $ thousands

| | AUG 26 ACTUAL | SEP 26 FORECAST | OCT 26 FORECAST | NOV 26 FORECAST | DEC 26 FORECAST |
|---|---|---|---|---|---|
| Revenue | 36,029 | 35,839 | 35,915 | 35,890 | 35,742 |
| Cost of sales and expenses | 33,435 | 34,333 | 34,408 | 34,383 | 34,236 |
| Other income less other expenses | (1,080) | (833) | (833) | (833) | (833) |
| **Net income** | **1,514** | **673** | **673** | **673** | **673** |
| **Ending cash** | **71,184** | **73,952** | **75,649** | **77,346** | **79,043** |

Ending cash carries net income, adds back depreciation, moves with the days customers take to pay and the days taken to pay suppliers, and includes the loan repayments, distributions and other cash items on the Forecast page.

## Consolidated reforecast against actual $ thousands

| | ACTUAL AUG 26 | REFORECAST AUG 26 | VARIANCE FAV (UNFAV) | VAR % AUG 26 | ACTUAL YTD 26 | REFORECAST YTD 26 | VARIANCE FAV (UNFAV) | VAR % YTD 26 |
|---|---|---|---|---|---|---|---|---|
| Revenue | 36,029 | 36,340 | (312) | (1%) | 282,233 | 282,920 | (687) | (0%) |
| Cost of sales | 19,826 | 19,916 | 90 | 0% | 155,630 | 155,833 | 202 | 0% |
| **Gross profit** | **16,202** | **16,424** | **(222)** | **(1%)** | 126,602 | 127,087 | (485) | (0%) |
| Expenses | 13,608 | 13,699 | 91 | 1% | 111,347 | 111,461 | 115 | 0% |
| **Net ordinary income** | **2,594** | **2,725** | **(131)** | **(5%)** | 15,256 | 15,626 | (370) | (2%) |
| Other income | 37 | 45 | (8) | (17%) | 356 | 373 | (17) | (5%) |
| Other expenses | 1,117 | 1,151 | 33 | 3% | 7,636 | 7,729 | 93 | 1% |
| **Net income** | **1,514** | **1,620** | **(106)** | **(7%)** | 7,976 | 8,270 | (294) | (4%) |
| **Net income before tax** | **1,992** | **2,131** | **(139)** | **(7%)** | 10,495 | 10,882 | (386) | (4%) |
| **EBITDA** | **3,593** | **3,724** | **(131)** | **(4%)** | 23,248 | 23,618 | (370) | (2%) |

Against Q2 Reforecast 2026. Variances are favourable when positive.

## 13-week cash forecast $ thousands

| | WK 1 SEP 4 | WK 2 SEP 11 | WK 3 SEP 18 | WK 4 SEP 25 | WK 5 OCT 2 | WK 6 OCT 9 | WK 7 OCT 16 | WK 8 OCT 23 | WK 9 OCT 30 | WK 10 NOV 6 | WK 11 NOV 13 | WK 12 NOV 20 | WK 13 NOV 27 | TOTAL 13 WKS |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Beginning cash | 71,184 | 69,184 | 72,574 | 68,389 | 71,254 | 69,314 | 72,704 | 70,969 | 74,854 | 73,834 | 76,909 | 75,039 | 78,784 | 71,184 |
| Customer receipts | 8,640 | 8,120 | 8,310 | 8,450 | 8,790 | 8,180 | 8,260 | 8,420 | 8,850 | 8,730 | 8,150 | 8,290 | 7,480 | 108,670 |
| Other receipts | 60 | 40 | 35 | 45 | 60 | 40 | 35 | 45 | 60 | 55 | 40 | 35 | 30 | 580 |
| **Total cash in** | **8,700** | **8,160** | **8,345** | **8,495** | **8,850** | **8,220** | **8,295** | **8,465** | **8,910** | **8,785** | **8,190** | **8,325** | **7,510** | **109,250** |
| Payroll | (5,340) | – | (5,350) | – | (5,360) | – | (5,370) | – | (5,380) | – | (5,390) | – | (5,400) | (37,590) |
| Suppliers and operating costs | (4,180) | (4,560) | (4,470) | (4,310) | (4,240) | (4,610) | (4,420) | (4,350) | (4,290) | (4,540) | (4,430) | (4,360) | (3,890) | (56,650) |
| Rent, insurance and leases | (940) | – | – | – | (940) | – | – | – | – | (940) | – | – | – | (2,820) |
| Capital spending | (240) | (210) | (260) | (230) | (250) | (220) | (240) | (230) | (260) | (230) | (240) | (220) | (200) | (3,030) |
| Income taxes | – | – | (2,450) | – | – | – | – | – | – | – | – | – | – | (2,450) |
| Loan payments | – | – | – | (1,090) | – | – | – | – | – | – | – | – | – | (1,090) |
| **Total cash out** | **(10,700)** | **(4,770)** | **(12,530)** | **(5,630)** | **(10,790)** | **(4,830)** | **(10,030)** | **(4,580)** | **(9,930)** | **(5,710)** | **(10,060)** | **(4,580)** | **(9,490)** | **(103,630)** |
| Net cash flow | (2,000) | 3,390 | (4,185) | 2,865 | (1,940) | 3,390 | (1,735) | 3,885 | (1,020) | 3,075 | (1,870) | 3,745 | (1,980) | 5,620 |
| **Ending cash** | **69,184** | **72,574** | **68,389** | **71,254** | **69,314** | **72,704** | **70,969** | **74,854** | **73,834** | **76,909** | **75,039** | **78,784** | **76,804** | **76,804** |
| Above minimum cash ($60M) | 9,184 | 12,574 | 8,389 | 11,254 | 9,314 | 12,704 | 10,969 | 14,854 | 13,834 | 16,909 | 15,039 | 18,784 | 16,804 | 16,804 |

Weeks end on Friday. Payroll runs every other Friday, rent, insurance and leases go out in the first week of each month, and the September 15 estimated tax payment and the quarterly term-loan payment are on their dates. Lowest point: week 3 (Sep 18), $68.4M, $8.4M above Corvane's $60M minimum cash.

APPENDIX

## Consolidated cash flow $ thousands

| | SEP 25 | OCT 25 | NOV 25 | DEC 25 | JAN 26 | FEB 26 | MAR 26 | APR 26 | MAY 26 | JUN 26 | JUL 26 | AUG 26 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Beginning cash | 64,616 | 60,437 | 62,815 | 68,704 | 65,537 | 76,561 | 75,997 | 66,476 | 69,678 | 66,576 | 62,388 | 73,053 |
| Net income | 1,427 | 1,029 | 1,434 | 2,223 | 718 | 1,017 | 2,405 | 812 | 858 | 194 | 459 | 1,514 |
| Net income adjustments | (3,422) | 1,522 | (781) | (3,362) | 10,549 | (893) | (9,750) | 2,892 | (3,138) | (2,188) | 4,218 | (2,994) |
| **Operating cash flow** | **(1,995)** | **2,551** | **653** | **(1,139)** | **11,266** | **124** | **(7,345)** | **3,704** | **(2,281)** | **(1,994)** | **4,677** | **(1,480)** |
| **Investing cash flow** | **(1,094)** | **(582)** | **(1,086)** | **(939)** | **(652)** | **(1,099)** | **(1,087)** | **(911)** | **(1,231)** | **(1,104)** | **(957)** | **(800)** |
| **Financing cash flow** | **(1,090)** | **410** | **6,322** | **(1,090)** | **410** | **410** | **(1,090)** | **410** | **410** | **(1,090)** | **6,945** | **410** |
| **Change in cash** | **(4,179)** | **2,379** | **5,889** | **(3,167)** | **11,025** | **(565)** | **(9,521)** | **3,202** | **(3,102)** | **(4,188)** | **10,665** | **(1,869)** |
| Ending cash | 60,437 | 62,815 | 68,704 | 65,537 | 76,561 | 75,997 | 66,476 | 69,678 | 66,576 | 62,388 | 73,053 | 71,184 |

Figures in thousands of dollars; negatives in parentheses.

- From month-end trial balances.
- 60 checks passed before publishing; every trial balance balances.
- Operating cash: net income, adjusted for changes in current assets and liabilities.
- Investing: fixed assets, investments, money lent to affiliates.
- Financing: loans, lines of credit, money borrowed from affiliates, owners in and out.