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

FORM 10-Q

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

For the quarterly period ended October 3, 2026

OR

☐ **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 001-08174

DUCOMMUN INCORPORATED

(Exact name of registrant as specified in its charter)

Delaware	**95-0693330**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
600 Anton Boulevard, Suite 1100, Costa Mesa, California	**92626-7100**
(Address of principal executive offices)	**(Zip code)**

Registrant's telephone number, including area code: (657) 335-3665

N/A

(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $.01 par value per share	**DCO**	**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 ☒ No ☐

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). Yes ☒ No ☐

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	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of October 29, 2026, the registrant had 15,124,087 shares of common stock outstanding.

DUCOMMUN INCORPORATED AND SUBSIDIARIES

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FORWARD-LOOKING STATEMENTS AND RISK FACTORS

This Quarterly Report on Form 10-Q ("Form 10-Q") contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be preceded by, followed by or include words such as "could," "may," "believe," "expect," "anticipate," "plan," "estimate," "would," or similar expressions. These statements are based on the beliefs and assumptions of our management at the time such statements are made. Generally, forward-looking statements include information concerning our possible or assumed future actions, events or results of operations. Forward-looking statements specifically include, without limitation, the information in this Form 10-Q regarding: future revenues, earnings, cash flow, revenue recognition, uses of cash and other measures of financial performance, projections or expectations for future operations, including costs to complete contracts, goodwill impairment evaluations, useful life of intangible assets, unrecognized tax benefits and effective tax rate, possible labor disruptions, the imposition of tariffs, environmental remediation costs, insurance recoveries, industry trends and expectations, including ramp up times for build rates, our plans with respect to restructuring activities, capital expenditures, completed acquisitions, future acquisitions and dispositions, and expected business opportunities that may be available to us.

Although we believe that the expectations reflected in the forward-looking statements are based on reasonable assumptions, these forward-looking statements are subject to numerous factors, risks and uncertainties that could cause actual outcomes and results to be materially different from those projected. We cannot guarantee future results, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. All written and oral forward-looking statements made in connection with this Form 10-Q that are attributable to us or persons acting on our behalf are expressly qualified in their entirety by the "Risk Factors" contained within Part I, Item 1A of our Amendment No. 1 to our Annual Report on Form 10-K for the year ended December 31, 2025 ("2025 Form 10-K/A").

There can be no assurance that other factors will not affect the accuracy of these forward-looking statements or that our actual results will not differ materially from the results anticipated in such forward-looking statements. While it is impossible to identify all such factors, some factors that could cause actual results to differ materially from those estimated by us include, but are not limited to, those factors or conditions described under Risk Factors contained within Part I, Item 1A of our 2025 Form 10-K/A and the following:

- the considerable amount of cash needed to run our business and its impact on our ability to service our indebtedness;
- our indebtedness could limit our financing options;
- the covenants in our credit facilities impose restrictions that may limit our operating and financial flexibility;
- the typical trading volume of our common stock may affect an investor's ability to sell significant stock holdings in the future without negatively impacting our stock price;
- our amount of debt may require us to raise additional capital to fund acquisitions;
- our end-use markets are cyclical;
- we depend on a select base of industries and customers;
- a significant portion of our business depends on the U.S. government defense spending, which could be impacted by a prolonged U.S. federal government shutdown;
- exports of certain of our products and our production facility in Guaymas, Mexico are subject to various export control regulations and authorizations for proposed sales to certain foreign customers;
- existing and new tariffs imposed by the U.S. administration or foreign governments could impact the operation and conduct of our business outside the United States, including our production facility in Mexico, the sale of products to customers outside the United States and the import of raw materials and equipment from suppliers outside the United States;
- contracts with some of our customers give them a variety of rights that are unfavorable to us and the OEMs (as defined below) to whom we provide products and services, including the ability to terminate a contract at any time for convenience;
- further consolidation in the aerospace industry could adversely affect our business;
- risks related to our ability to execute our growth strategy, which includes evaluating select acquisitions;

- we may not be successful in achieving expected operating efficiencies and sustaining or improving operating expense reductions, and may experience business disruptions associated with restructuring, performance center consolidations, realignment, cost reduction, and other strategic initiatives;
- risks related to enhanced design, product development, manufacturing, supply chain project management and other skills will be required as we move up the value chain to become a more value added supplier;
- risks associated with operating and conducting our business outside the United States;
- customer pricing pressures could reduce the demand and/or price for our products and services;
- our products and processes are subject to risk of obsolescence as a result of changes in technology and evolving industrial and regulatory standards;
- we may not have the ability to renew facilities leases on terms favorable to us, and relocation of operations present risks due to business interruptions;
- we may be subject to litigation, other legal proceedings, indemnity and product liability claims, including claims that could exceed the limits of our insurance coverage and subrogation claims asserted by third-party insurers, including the Mexican-based carrier of the entity that initiated a lawsuit against us in federal court in California for losses incurred during the June 2020 fire in Guaymas, Mexico, which may become material;
- our operations are subject to numerous extensive, complex, costly and evolving laws, regulations and restrictions, including the Defense Contract Audit Agency and cybersecurity requirements;
- we are subject to a number of procurement laws with which we must comply;
- risks associated with unanticipated changes in our tax provision or exposure to additional income tax liabilities;
- possible goodwill and other asset impairments could result in substantial charges;
- the risk of environmental liabilities and our sustainability responsibilities;
- risks associated with our ability to implement changes in estimates when bidding on fixed-price contracts;
- risks related to the identified material weakness in our internal control over financial reporting;
- risks related to the restatement of our prior consolidated financial statements;
- risks related to our ability to accurately report our financial results, including fully remediating any material weakness on a timely basis, or prevent fraud if our internal control over financial reporting is not effective;
- risks related to our dependence upon our ability to attract and retain key personnel;
- risks associated with labor disruptions and the ability of our suppliers to meet the quality and delivery expectations of our customers;
- risks related to our reliance on our suppliers to meet quality and delivery expectations of our customers;
- risks associated with cybersecurity preparedness and attacks;
- risks related to assertions by third parties of violations of intellectual property rights or the inability to successfully enjoin the misappropriation of our intellectual property rights; and
- damage or destruction of our facilities caused by natural disasters could affect our financial results.

We caution the reader that undue reliance should not be placed on any forward-looking statements, which speak only as of the date of this Form 10-Q. We do not undertake any duty or responsibility to update any of these forward-looking statements to reflect events or circumstances after the date of this Form 10-Q, except as required by law.

PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

Ducommun Incorporated and Subsidiaries
Condensed Consolidated Balance Sheets
(Unaudited)
(Dollars in thousands, except share and per share data)

	October 3, 2026	December 31, 2025
Assets		
Current Assets		
Cash and cash equivalents	$ 39,212	$ 45,289
Accounts receivable, net of allowance for credit losses of $1,604 and $1,802 at October 3, 2026 and December 31, 2025, respectively	163,158	124,442
Contract assets	275,737	249,845
Inventories	195,761	182,788
Production cost of contracts	6,886	7,178
Assets held for sale	5,690	—
Other current assets	20,063	16,442
Total Current Assets	706,507	625,984
Property and Equipment, Net of Accumulated Depreciation of $187,326 and $196,508 at October 3, 2026 and December 31, 2025, respectively	101,402	107,223
Operating Lease Right-of-Use Assets	53,999	40,077
Goodwill	244,600	244,600
Intangibles, Net	120,293	132,839
Deferred Income Taxes	4,358	15,500
Other Assets	23,148	20,192
Total Assets	$ 1,254,307	$ 1,186,415
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable	$ 97,808	$ 74,653
Contract liabilities	81,591	40,694
Accrued and other liabilities	40,848	51,071
Operating lease liabilities	6,842	7,817
Current portion of long-term debt	5,000	5,000
Total Current Liabilities	232,089	179,235
Long-Term Debt, Less Current Portion	245,242	298,790
Non-Current Operating Lease Liabilities	49,775	34,223
Other Long-Term Liabilities	14,166	12,686
Total Liabilities	541,272	524,934
Commitments and Contingencies (Notes 9, 11)		
Shareholders' Equity		
Common Stock - $0.01 par value; 35,000,000 shares authorized; 15,124,087 and 14,949,671 shares issued and outstanding at October 3, 2026 and December 31, 2025, respectively	151	149
Additional Paid-In Capital	250,240	248,482
Retained Earnings	450,510	406,304
Accumulated Other Comprehensive Income	12,134	6,546
Total Shareholders' Equity	713,035	661,481
Total Liabilities and Shareholders' Equity	$ 1,254,307	$ 1,186,415

See accompanying notes to Condensed Consolidated Financial Statements.

Ducommun Incorporated and Subsidiaries
Condensed Consolidated Statements of Operations
(Unaudited)
(Dollars and shares in thousands, except per share amounts)

	Three Months Ended		Nine Months Ended	
	October 3, 2026	September 27, 2025	October 3, 2026	September 27, 2025
		(As Restated)		(As Restated)
Net Revenues	$ 227,023	$ 214,422	$ 660,537	$ 607,706
Cost of Sales	161,453	155,472	475,834	445,329
Gross Profit	65,570	58,950	184,703	162,377
Selling, General and Administrative Expenses	39,775	34,009	114,857	113,702
Restructuring Charges	—	583	—	1,617
Litigation Settlement and Related Costs, Net	—	99,675	—	99,675
Operating Income (Loss)	25,795	(75,317)	69,846	(52,617)
Interest Expense, Net	(3,083)	(2,927)	(10,615)	(9,198)
Other Income, Net	—	—	—	1,746
Pension Plan Settlement Loss	(3,872)	—	(3,872)	—
Income (Loss) Before Taxes	18,840	(78,244)	55,359	(60,069)
Income Tax Expense (Benefit)	4,949	(17,417)	11,153	(13,398)
Net Income (Loss)	$ 13,891	$ (60,827)	$ 44,206	$ (46,671)
Earnings (Loss) Per Share				
Basic earnings (loss) per share	$ 0.92	$ (4.06)	$ 2.92	$ (3.13)
Diluted earnings (loss) per share	$ 0.89	$ (4.06)	$ 2.84	$ (3.13)
Weighted-Average Number of Common Shares Outstanding				
Basic	15,156	14,978	15,117	14,925
Diluted	15,559	14,978	15,581	14,925

See accompanying notes to Condensed Consolidated Financial Statements.

Ducommun Incorporated and Subsidiaries
Condensed Consolidated Statements of Comprehensive Income (Loss)
(Unaudited)
(Dollars in thousands)

	Three Months Ended		Nine Months Ended	
	October 3, 2026	September 27, 2025	October 3, 2026	September 27, 2025
		(As Restated)		(As Restated)
Net Income (Loss)	$ 13,891	$ (60,827)	$ 44,206	$ (46,671)
Other Comprehensive Income (Loss), Net of Tax:				
Amortization of actuarial losses and prior service costs and settlement charges, net of tax expense of $492 and $6 for the three months ended October 3, 2026 and September 27, 2025, respectively, and $505 and $19 for the nine months ended October 3, 2026 and September 27, 2025, respectively.	1,489	19	1,528	58
Change in net unrealized gains (losses) on cash flow hedges, net of tax expense (benefit) of $843 and $(203) for the three months ended October 3, 2026 and September 27, 2025, respectively, and $1,223 and $(1,388) for the nine months ended October 3, 2026 and September 27, 2025, respectively.	2,800	(687)	4,060	(4,619)
Other Comprehensive Income (Loss), Net of Tax	4,289	(668)	5,588	(4,561)
Comprehensive Income (Loss)	$ 18,180	$ (61,495)	$ 49,794	$ (51,232)

See accompanying notes to Condensed Consolidated Financial Statements.

Ducommun Incorporated and Subsidiaries
Condensed Consolidated Statements of Changes in Shareholders' Equity
(Unaudited)
(Dollars in thousands)

	Shares Outstanding	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balance at December 31, 2024	**14,781,218**	**$ 148**	**$ 224,933**	**$ 443,657**	**$ 11,384**	**$ 680,122**
Net income (As restated)	—	—	—	14,156	—	14,156
Other comprehensive loss, net of tax	—	—	—	—	(3,893)	(3,893)
Employee stock purchase plan	24,412	1	1,293	—	—	1,294
Stock options exercised	6,610	—	270	—	—	270
Stock awards vested	202,881	2	(2)	—	—	—
Stock repurchased related to the exercise of stock options and stock awards vested	(92,324)	(2)	(5,643)	—	—	(5,645)
Stock-based compensation (As restated)	—	—	19,456	—	—	19,456
Balance at June 28, 2025 (As Restated)	**14,922,797**	**149**	**240,307**	**457,813**	**7,491**	**705,760**
Net loss (As restated)	—	—	—	(60,827)	—	(60,827)
Other comprehensive loss, net of tax	—	—	—	—	(668)	(668)
Employee stock purchase plan	20,447	—	1,188	—	—	1,188
Stock options exercised	1,400	—	54	—	—	54
Stock awards vested	3,356	1	(1)	—	—	—
Stock repurchased related to the exercise of stock options and stock awards vested	(2,165)	(1)	(191)	—	—	(192)
Stock-based compensation (As restated)	—	—	3,901	—	—	3,901
Balance at September 27, 2025 (As Restated)	**14,945,835**	**$ 149**	**$ 245,258**	**$ 396,986**	**$ 6,823**	**$ 649,216**
Balance at December 31, 2025	**14,949,671**	**$ 149**	**$ 248,482**	**$ 406,304**	**$ 6,546**	**$ 661,481**
Net income	—	—	—	30,315	—	30,315
Other comprehensive income, net of tax	—	—	—	—	1,299	1,299
Employee stock purchase plan	18,039	—	1,373	—	—	1,373
Stock options exercised	27,483	1	1,110	—	—	1,111
Stock awards vested	267,834	3	(3)	—	—	—
Stock repurchased related to the exercise of stock options and stock awards vested	(136,247)	(2)	(18,714)	—	—	(18,716)
Compensation clawback	(27,516)	—	(2,870)	—	—	(2,870)
Stock-based compensation	—	—	16,445	—	—	16,445
Balance at July 4, 2026	**15,099,264**	**151**	**245,823**	**436,619**	**7,845**	**690,438**
Net income	—	—	—	13,891	—	13,891
Other comprehensive income, net of tax	—	—	—	—	4,289	4,289
Employee stock purchase plan	13,294	—	1,281	—	—	1,281
Stock options exercised	25,000	—	822	—	—	822
Stock awards vested	3,007	—	—	—	—	—
Stock repurchased related to the exercise of stock options and stock awards vested	(16,478)	—	(3,271)	—	—	(3,271)
Stock-based compensation	—	—	5,585	—	—	5,585
Balance at October 3, 2026	**15,124,087**	**$ 151**	**$ 250,240**	**$ 450,510**	**$ 12,134**	**$ 713,035**

See accompanying notes to Condensed Consolidated Financial Statements.

Ducommun Incorporated and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(Unaudited)
(Dollars in thousands)

	Nine Months Ended	
	October 3, 2026	September 27, 2025
		(As Restated)
Cash Flows from Operating Activities		
Net Income (Loss)	$ 44,206	$ (46,671)
Adjustments to Reconcile Net Income (Loss) to		
Net Cash Provided by Operating Activities:		
Depreciation and amortization	25,133	25,195
Non-cash operating lease cost	6,416	6,631
Stock-based compensation expense	22,356	24,855
Deferred income taxes	9,899	(15,547)
Provision for credit losses	(198)	10
Gain on sale of property and other assets	—	(1,746)
Litigation settlement and related costs, net	—	97,667
Other, net	(1,120)	909
Changes in Assets and Liabilities:		
Accounts receivable	(38,518)	(1,563)
Contract assets	(25,892)	(46,592)
Inventories	(12,973)	2,271
Production cost of contracts	(16)	790
Other assets	(1,970)	(67)
Accounts payable	23,547	10,011
Contract liabilities	40,897	5
Operating lease liabilities	(5,523)	(5,888)
Accrued and other liabilities	(8,779)	(8,988)
Net Cash Provided by Operating Activities	**77,465**	**41,282**
Cash Flows from Investing Activities		
Purchases of property and equipment	(12,308)	(11,172)
Proceeds from sale of property and other assets	—	1,979
Proceeds from sale of assets	117	138
Net Cash Used in Investing Activities	**(12,191)**	**(9,055)**
Cash Flows from Financing Activities		
Borrowings from senior secured revolving credit facility	—	25,000
Repayments of senior secured revolving credit facility	(50,000)	(33,800)
Repayments of term loan	(3,750)	(6,250)
Other financing activities, net	(201)	(279)
Net cash paid upon issuance of common stock under stock plans	(17,400)	(3,119)
Net Cash Used in Financing Activities	**(71,351)**	**(18,448)**
Net (Decrease) Increase in Cash and Cash Equivalents	(6,077)	13,779
Cash and Cash Equivalents at Beginning of Period	45,289	37,139
Cash and Cash Equivalents at End of Period	**$ 39,212**	**$ 50,918**

See accompanying notes to Condensed Consolidated Financial Statements.

Ducommun Incorporated and Subsidiaries
Notes to Condensed Consolidated Financial Statements (Unaudited)

Note 1. Summary of Significant Accounting Policies

Description of Business

We are a leading designer and manufacturer of and provider of manufacturing solutions for high-performance products often used in high-cost-of failure applications primarily in the aerospace and defense ("A&D"), industrial, medical, and other industries (collectively, "Industrial"). Our operations are organized into two primary businesses: Electronic Systems segment ("Electronic Systems") and Structural Systems segment ("Structural Systems"), each of which is a reportable operating segment. Electronic Systems designs, engineers and manufactures high-reliability electronic and electromechanical products used in worldwide technology-driven markets including A&D and Industrial end-use markets. Electronic Systems' product offerings primarily range from prototype development to complex assemblies. Structural Systems designs, engineers and manufactures large, complex contoured aerostructure components and assemblies and supplies composite and metal bonded structures and assemblies. Structural Systems' products are primarily used on commercial aircraft, military fixed-wing aircraft, military and commercial rotary-wing aircraft, and military ground vehicles. All reportable operating segments generally follow the same accounting principles.

Basis of Presentation

The unaudited condensed consolidated financial statements include the accounts of Ducommun Incorporated and its subsidiaries ("Ducommun," the "Company," "we," "us" or "our"), after eliminating intercompany balances and transactions. The December 31, 2025 unaudited condensed consolidated balance sheet data was derived from audited financial statements, but does not contain all disclosures required by accounting principles generally accepted in the United States of America ("GAAP").

Our significant accounting policies were described in Part IV, Item 15(a)1, "Note 1. Summary of Significant Accounting Policies" in our Amendment No. 1 to our Annual Report on Form 10-K for the year ended December 31, 2025 ("2025 Form 10-K/A"). The financial information included in this Quarterly Report on Form 10-Q ("Form 10-Q") should be read in conjunction with the 2025 Form 10-K/A.

In the opinion of management, all adjustments, including recurring accruals, have been made that are necessary to fairly state our unaudited condensed consolidated financial position, statements of operations, comprehensive income, changes in shareholders' equity, and cash flows in accordance with GAAP for the periods covered by this Form 10-Q. The results of operations for the three and nine months ended October 3, 2026 are not necessarily indicative of the results to be expected for the full year ending December 31, 2026.

Our fiscal quarters end on the Saturday closest to the end of March, June and September for the first three fiscal quarters of each year, and on December 31 for our fourth fiscal quarter. As a result of using fiscal quarters for the first three quarters combined with leap years, our first and fourth fiscal quarters can range between 12 1/2 weeks to 13 1/2 weeks while the second and third fiscal quarters remain at a constant 13 weeks per fiscal quarter.

Certain reclassifications have been made to prior period amounts to conform to the current year's presentation.

Use of Estimates

Certain amounts and disclosures included in the unaudited condensed consolidated financial statements require management to make estimates and judgments that affect the amounts of assets, liabilities (including contract liabilities), revenues and expenses, and related disclosures of contingent assets and liabilities. These estimates are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Pension Plan Settlement Loss

Our Board of Directors ("Board") approved the termination of the Ducommun Aerostructures, Inc. Collective Bargaining Employees' Pension Plan ("Pension Plan"), a U.S. defined benefit plan, effective as of May 14, 2026. On September 29, 2026, we paid $24.0 million from existing Pension Plan assets to effectively settle the remaining Pension Plan liabilities of $24.3 million through the execution of an agreement to transfer all future liabilities and related administration of the Pension Plan as of December 1, 2026, by purchasing annuities from United of Omaha Life Insurance Company, a subsidiary of Mutual of Omaha Company ("Mutual of Omaha"), subject to the customary review of the participant information of the 445 former employees in the Pension Plan. Further, we have remaining Pension Plan assets of $2.1 million as of October 3, 2026,

$0.3 million of which will be used to pay the final Pension Plan annuity payments, with the remaining amount used for customary administrative fees to complete the termination of the Pension Plan. Any residual Pension Plan assets will be paid to Mutual of Omaha to be distributed to the eligible participants in the Pension Plan.

As a result of the settlement of the Pension Plan, we recorded $3.9 million of pre-tax charges, with $2.0 million reclassified from accumulated other comprehensive income on a pre-tax basis, which was recorded as pension plan settlement loss, partially offset by related tax benefits of $0.9 million, in our condensed consolidated statements of operations during the three months ended October 3, 2026. See Note 10.

Assets Held For Sale

Assets and liabilities to be disposed of by sale are classified as "held for sale" if their carrying amounts are principally expected to be recovered through a sale transaction rather than through continuing use. The classification occurs when the disposal group is available for immediate sale and sale is probable. These criteria are generally met when an agreement to sell exists, or management has committed to a plan and believes it is probable the assets will be sold within one year. As previously disclosed, we ceased operations of our Monrovia performance center in 2025, which is part of the previously announced 2022 Restructuring Plan. During the three months ended October 3, 2026, management committed to a plan and believes it is probable the Monrovia, California facility (consisting only of land, building, and building improvements) ("Monrovia Property") with a net book value of $5.7 million and is part of our Structural Systems segment, will be sold within one year and thus, we met the criteria for assets held for sale as of our quarter ended October 3, 2026. See Note 3.

Compensation Clawback

As disclosed in the 2025 Form 10-K/A, we restated our audited consolidated financial statements for the years ended December 31, 2025 and 2024 and our unaudited quarterly financial information for each quarter in the year ended December 31, 2025, among other periods (collectively, the "Affected Periods"). This restatement (the "Restatement") resulted from the identification of an error in our historical consolidated financial statements for the Affected Periods, namely that the Company did not apply the proper accounting for changes made in April 2024 to the retirement provision in the Company's performance stock unit and restricted stock unit award agreements and did not record stock-based compensation expense in the correct periods for retirement eligible employees. The primary impact of the Restatement was a decrease to net income and an increase to stock-based compensation across the Affected Periods. See Note 2.

Pursuant to the Company's Second Amended and Restated Clawback Policy, the Restatement required a recovery analysis of incentive-based compensation received by the Company's covered executives (which also impacted certain other employees) ("Affected Individuals") during the recovery period. As a result of the Restatement and its impact on certain financial statement measures, various performance metrics underlying some of the previously granted and vested incentive-based compensation awards to the Affected Individuals were adjusted downwards. Accordingly, during the quarter ended July 4, 2026, excess compensation related to such awards was recovered from the Affected Individuals subject to the policy in the form of cash or returned Company common stock ("Common Stock"), in an aggregate amount of $5.0 million. Specifically, the Company received $4.0 million in Common Stock and $1.0 million in cash from the Affected Individuals to fully satisfy their recovery obligations. The $4.0 million fair value of Common Stock returned was based on the closing stock price on the date such shares were returned.

During the quarter ended July 4, 2026, the clawback payments up to the amount of stock-based compensation expense previously recognized of $2.4 million and bonus expense of $1.5 million were recorded as a reduction within selling, general, and administrative expenses within the condensed consolidated statements of income and the $1.1 million excess of previously recognized compensation expense was recorded to additional paid-in capital. Further, we recognized $4.0 million in treasury stock associated with the clawback payments, which were subsequently retired during the quarter ended July 4, 2026.

Supplemental Cash Flow Information

	(Dollars in thousands) Nine Months Ended	
	October 3, 2026	September 27, 2025
Interest paid, net	$ 9,677	$ 6,728
Taxes (refunded) paid, net	$ (461)	$ 2,096
Non-cash activities:		
Purchases of property and equipment not paid	$ 114	$ 573
Common stock received with fair value in excess of original compensation related to compensation clawback	$ 1,046	$ —

Earnings Per Share

Basic earnings per share is computed by dividing income available to common shareholders by the weighted-average number of common shares outstanding in each period. Diluted earnings per share is computed by dividing income available to common shareholders by the weighted-average number of common shares outstanding, plus any potentially dilutive shares that could be issued if exercised or converted into common stock in each period.

The net income (loss) and weighted-average common shares outstanding used to compute earnings per share were as follows:

	(Dollars and shares in thousands, except per share data) Three Months Ended		(Dollars and shares in thousands, except per share data) Nine Months Ended	
	October 3, 2026	September 27, 2025	October 3, 2026	September 27, 2025
		As Restated		As Restated
Net income (loss)	$ 13,891	$ (60,827)	$ 44,206	$ (46,671)
Weighted-average number of common shares outstanding				
Basic weighted-average common shares outstanding	15,156	14,978	15,117	14,925
Dilutive potential common shares	403	—	464	—
Diluted weighted-average common shares outstanding	15,559	14,978	15,581	14,925
Earnings (loss) per share				
Basic	$ 0.92	$ (4.06)	$ 2.92	$ (3.13)
Diluted	$ 0.89	$ (4.06)	$ 2.84	$ (3.13)

Potentially dilutive stock awards, as shown below, were excluded from the computation of diluted earnings per share because their inclusion would have been anti-dilutive. However, these awards may be potentially dilutive common shares in the future.

	(In thousands) Three Months Ended		(In thousands) Nine Months Ended	
	October 3, 2026	September 27, 2025	October 3, 2026	September 27, 2025
Stock options and stock units	1	385	1	344

Fair Value

Assets and liabilities that are measured, recorded or disclosed at fair value on a recurring basis are categorized using the fair value hierarchy. The fair value hierarchy has three levels based on the reliability of the inputs used to determine the fair value. Level 1, the highest level, refers to the values determined based on quoted prices in active markets for identical assets. Level 2 refers to fair values estimated using significant observable inputs. Level 3, the lowest level, includes fair values estimated using significant unobservable inputs.

We have money market funds of $20.2 million and $0.6 million as of October 3, 2026 and December 31, 2025, respectively, which are included as cash and cash equivalents and are Level 1 financial instruments. We also have forward interest rate swap agreements and the fair value of the forward interest rate swap agreements was determined using pricing models that use observable market inputs as of the balance sheet date, a Level 2 measurement.

There were no transfers between Level 1, Level 2, or Level 3 financial instruments in the three and nine months ended October 3, 2026.

Cash and Cash Equivalents

Cash and cash equivalents include all cash on hand, money market instruments with original maturities of three months or less, and investments with original maturities of three months or less. We extinguish liabilities and reduce cash when the creditor receives our payment, and we are relieved of our obligation for the liability, which generally occurs when our bank clears the payment. These assets are valued at cost, which approximates fair value, which we classify as Level 1. See Fair Value above.

Derivative Instruments

We recognize derivative instruments on our unaudited condensed consolidated balance sheets at their fair value. On the date that we enter into a derivative contract, we designate the derivative instrument as a fair value hedge, a cash flow hedge, or a derivative instrument that will not be accounted for using hedge accounting methods. In November 2021, we entered into forward interest rate swap agreements with an aggregate notional amount of $150.0 million, all with an effective date of January 2024 ("Forward Interest Rate Swaps"), to manage our exposure to interest rate movements on a portion of our debt. At the time we entered into the Forward Interest Rate Swaps, there was a high probability of forecasted interest payments on our debts occurring and the swaps were highly effective in offsetting those interest payments; therefore, we elected to apply cash flow hedge accounting. In July 2022, as a result of refinancing all our existing debt, which allowed borrowing based on a Secured Overnight Financing Rate ("SOFR"), we were required to complete an amendment of the Forward Interest Rate Swaps from One Month London Interbank Offered Rate ("LIBOR") to One Month Term SOFR ("Amended Forward Interest Rate Swaps"), which occurred on the same day. After the transition of the Forward Interest Rate Swaps and debt to SOFR was completed, we determined the hedging relationships were still highly effective as of the amendment date. See Note 4 and Note 8. As of October 3, 2026, all of our derivative instruments were designated as cash flow hedges.

We record changes in the fair value of a derivative instrument that is highly effective and that is designated and qualifies as a cash flow hedge in other comprehensive income (loss), net of tax until our earnings are affected by the variability of cash flows of the underlying hedged item. We report changes in the fair values of derivative instruments that are not designated or do not qualify for hedge accounting in current period earnings. We classify cash flows from derivative instruments in the unaudited condensed consolidated statements of cash flows in the same category as the item being hedged or on a basis consistent with the nature of the instrument. See Note 4.

When we determine that a derivative instrument is not highly effective as a hedge, we discontinue hedge accounting prospectively. In all situations in which we discontinue hedge accounting and the derivative instrument remains outstanding, we will carry the derivative instrument at its fair value on our unaudited condensed consolidated balance sheets and recognize subsequent changes in its fair value in our current period earnings.

Inventories

Inventories are stated at the lower of cost or net realizable value with cost being determined using a moving average cost basis for raw materials and actual cost for work-in-process and finished goods. The majority of our inventory is charged to cost of sales as raw materials are allocated to a customer order. Inventoried costs include raw materials, outside processing, direct labor and allocated overhead, adjusted for any abnormal amounts of idle performance center expense, freight, handling costs, and wasted materials (spoilage) incurred. We assess the inventory carrying value and reduce it, if necessary, to its net realizable value based on customer orders on hand, and internal demand forecasts using management's best estimates given information currently available. The majority of our revenues are recognized over time, however, for revenue contracts where revenue is recognized using the point in time method, inventory is not reduced until control of the goods transfers to our customer. Our ending inventory consists of raw materials, work-in-process, and finished goods.

Accumulated Other Comprehensive Income

Accumulated other comprehensive income, as reflected on the unaudited condensed consolidated balance sheets under the equity section, was comprised of cumulative pension and retirement liability adjustments, net of tax, and change in net unrealized gains and losses on cash flow hedges, net of tax.

Revenue Recognition

Our customers typically engage us to manufacture products based on designs and specifications provided by the end-use customer. In some instances, this requires the building of tooling and manufacturing first article inspection products (prototypes) before volume manufacturing. Contracts with our customers generally include a termination for convenience clause.

We have a significant number of contracts that are started and completed within the same year, as well as contracts derived from long-term agreements and programs that can span several years. We recognize revenue under ASC 606, "Revenue from

Contracts with Customers" ("ASC 606"), which utilizes a five-step model.

The definition of a contract for us is typically defined as a customer purchase order as this is when we achieve an enforceable right to payment. The majority of our contracts are firm fixed-price contracts. The deliverables within a customer purchase order are analyzed to determine the number of performance obligations. In addition, at times, in order to achieve economies of scale and based on our customer's forecasted demand, we may build in advance of receiving a purchase order from our customer. When that occurs, we would not recognize revenue until we have received the customer purchase order.

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account under ASC 606. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, control is transferred and the performance obligation is satisfied. The majority of our contracts have a single performance obligation as the promise to transfer the individual goods or services are highly interrelated or met the series guidance. For contracts with multiple performance obligations, we allocate the contract transaction price to each performance obligation using our best estimate of the standalone selling price of each distinct good or service in the contract. The primary method used to estimate the standalone selling price is the expected cost plus a margin approach, under which we forecast our expected costs of satisfying a performance obligation and then add an appropriate margin for that distinct good or service.

We manufacture most products to customer specifications, and the products cannot be easily modified for another customer. As such, these products are deemed to have no alternative use once we have allocated the raw materials to a customer order. In the event the customer invokes a termination for convenience clause, we would be entitled to costs incurred to date plus a reasonable profit. Contract costs typically include labor, materials, overhead, and when applicable, subcontractor costs. For most of our products, we are building assets with no alternative use and have enforceable right to payment, and thus, we recognize revenue using the over time method.

The majority of our performance obligations are satisfied over time as work progresses. Typically, revenue is recognized over time using an input measure (i.e., costs incurred to date relative to total estimated costs at completion, also known as cost-to-cost plus reasonable profit) to measure progress. Our typical revenue contract is a firm fixed price contract, and the cost of raw materials could make up a significant amount of the total costs incurred. As such, we believe using the total costs incurred input method would be the most appropriate method. While the cost of raw materials could make up a significant amount of the total costs incurred, there is a direct relationship between our inputs and the transfer of control of goods or services to the customer.

For contracts with performance obligations being satisfied at a point in time, revenue is recognized when control of the goods or services transfers to our customer. For contracts with shipping terms at origin, we made the accounting policy election that allows us to account for shipping and handling activities as a fulfillment cost instead of being an additional promised service. A portion of the transaction price is not allocated to the shipping service; however, the cost of shipping and handling are accrued when the related revenue is recognized.

Contract estimates, known as "estimates at completion," are based on various assumptions to project the outcome of future events that can span multiple months or years. These assumptions include, among others, actual gross profits on the same or similar products manufactured previously; labor productivity and availability; the complexity of the work to be performed; the cost and availability of materials; overhead cost rates; and the performance of subcontractors. As a significant change in one or more of these estimates could affect the progress completed (and related profitability) on our contracts, we review and update our contract-related estimates on a regular basis. We recognize such adjustments under the cumulative catch-up method. Under this method, the impact of the adjustment is recognized in the period the adjustment is identified. In any given reporting period, we have a large number of active contracts, which we have defined as a customer purchase order, and changes in estimates may occur on a significant number of these contracts. Given the significant number of contracts that we may have at any given point in time, the varied nature of products produced under such contracts, and the different assumptions, facts and circumstances associated with each individual contract, and the fact that such changes at the contract level are typically not material, we disclose cumulative catch-up adjustments on a net basis.

Net cumulative favorable and unfavorable catch-up adjustments to contracts had the following impact on our operating results:

	(Dollars in thousands) Three Months Ended		(Dollars in thousands) Nine Months Ended	
	October 3, 2026	September 27, 2025	October 3, 2026	September 27, 2025
Total net revenues	$ (1,561)	$ (515)	$ (6,936)	$ (640)
Operating income	$ (1,561)	$ (515)	$ (6,936)	$ (640)

Payments under long-term contracts may be received before or after revenue is recognized. When revenue is recognized before we bill our customer, a contract asset is created for the work performed but not yet billed. Similarly, when we receive payment before revenue is recognized, a contract liability is created for the advance or progress payment. When a contract liability and a contract asset exist on the same contract, we report it on a net basis.

We record provisions for the total anticipated losses on contracts, considering total estimated costs to complete the contract compared to total anticipated revenues, in the period in which such losses are identified. The provisions for estimated losses on contracts require us to make certain estimates and assumptions, including those with respect to the future revenue under a contract and the future cost to complete the contract. Our estimate of the future cost to complete a contract may include assumptions as to changes in manufacturing efficiency, operating and material costs, and our ability to resolve claims and assertions with our customers. If any of these or other assumptions and estimates do not materialize in the future, we may be required to adjust the provisions for estimated losses on contracts. The provision for estimated losses on contracts is included as part of contract liabilities on the unaudited condensed consolidated balance sheets. As of October 3, 2026 and December 31, 2025, the provision for estimated losses on contracts were $7.1 million and $7.0 million, respectively. It is reasonably possible we may incur additional losses in the future.

Production cost of contracts includes non-recurring production costs, such as design and engineering costs, and tooling and other special-purpose machinery necessary to build parts as specified in a contract. Production costs of contracts are recorded to cost of sales using the over time revenue recognition model. We review the value of the production cost of contracts on a quarterly basis to ensure when added to the estimated cost to complete, the value is not greater than the estimated realizable value of the related contracts. As of October 3, 2026 and December 31, 2025, production cost of contracts were $6.9 million and $7.2 million, respectively.

Contract Assets and Contract Liabilities

Contract assets consist of our right to payment for work performed but not yet billed. Contract assets are transferred to accounts receivable when we bill our customers. We bill our customers when we ship the products and meet the shipping terms within the revenue contract. Contract liabilities consist of advance or progress payments received from our customers prior to the time transfer of control occurs plus the estimated losses on contracts. When a contract liability and a contract asset exist on the same contract, we report it on a net basis.

Contract assets and contract liabilities from revenue contracts with customers are as follows:

	(Dollars in thousands)	
	October 3, 2026	December 31, 2025
Contract assets	$ 275,737	$ 249,845
Contract liabilities	$ 81,591	$ 40,694

The increase in our contract assets as of October 3, 2026 compared to December 31, 2025 was primarily due to a net increase of products in work in process in the current period.

The increase in our contract liabilities as of October 3, 2026 compared to December 31, 2025 was primarily due to a net increase of advance or progress payments received from our customers in the current period. We recognized $20.0 million of the contract liabilities as of December 31, 2025 as revenues during the nine months ended October 3, 2026.

Performance obligations are defined as customer placed purchase orders (“POs”) with firm fixed price and firm delivery dates. Our remaining performance obligations as of October 3, 2026 totaled $1,286.2 million. Of the remaining performance obligations as of October 3, 2026, we anticipate recognizing an estimated 70% of our remaining performance obligations as revenue during the next 12 months with the remaining performance obligations being recognized in the subsequent 12 months.

Revenue by Category

In addition to the revenue categories disclosed above, the following table reflects our revenue disaggregated by major end-use market:

	(Dollars in thousands) Three Months Ended		(Dollars in thousands) Nine Months Ended	
	October 3, 2026	September 27, 2025	October 3, 2026	September 27, 2025
		(As Restated)		(As Restated)
Consolidated Ducommun				
Military and space	$ 118,609	$ 127,837	$ 359,992	$ 355,909
Commercial aerospace	97,200	76,135	270,530	224,920
Industrial	11,214	10,450	30,015	26,877
Total	$ 227,023	$ 214,422	$ 660,537	$ 607,706
Electronic Systems				
Military and space	$ 86,956	$ 95,825	$ 269,679	$ 263,182
Commercial aerospace	31,442	18,994	78,944	53,979
Industrial	11,214	10,450	30,015	26,877
Total	$ 129,612	$ 125,269	$ 378,638	$ 344,038
Structural Systems				
Military and space	$ 31,653	$ 32,012	$ 90,313	$ 92,727
Commercial aerospace	65,758	57,141	191,586	170,941
Total	$ 97,411	$ 89,153	$ 281,899	$ 263,668

Recent Accounting Pronouncements

New Accounting Pronouncements Adopted in 2026

In July 2025, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2025-05, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets," which provides a practical expedient on assessing credit losses that assumes that current conditions as of the balance sheet date do not change for the remaining life of the asset. The new guidance is effective for fiscal years beginning after December 15, 2025, which is our annual period beginning January 1, 2026, and interim reporting periods within those annual reporting periods. Early adoption is permitted in both interim and annual reporting periods in which financial statements have not yet been issued or made available for issuance. The adoption of this accounting standard did not have a material impact on our unaudited condensed consolidated financial statements.

Recently Issued Accounting Pronouncements

In December 2025, the FASB issued ASU 2025-12, "Accounting Standards Update Codification Improvements," which addresses 33 issues such as (1) clarify the calculation of earnings per share when a loss from continuing operations exists, (2) update references to capitalization guidance for environmental remediation costs, and (3) remove other than temporary impairment guidance. The new guidance is effective for fiscal years beginning after December 15, 2026, which is our annual period beginning January 1, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted. We are evaluating the impact of this standard.

In December 2025, the FASB issued ASU 2025-11, "Interim Reporting (Topic 270): Narrow-Scope Improvements," which improves the navigability of the required interim disclosures and clarifying when that guidance is applicable. The amendments also provide additional guidance on what disclosures should be provided in interim reporting periods. The amendments can be applied either (1) prospectively or (2) retrospectively to any or all periods presented in the financial statements. The new guidance is effective for interim reporting periods within annual reporting periods beginning after December 15, 2027, which is our interim period beginning January 1, 2028. Early adoption is permitted. We are evaluating the impact of this standard.

In November 2025, the FASB issued ASU 2025-09, "Derivatives and Hedging (Topic 815): Hedge Accounting Improvements" ("ASU 2025-09"), which clarifies certain aspects of the guidance on hedge accounting and to address several incremental hedge accounting issues arising from the global reference rate reform initiative. It will more closely align

accounting with the economics of an entity's risk management activities. The new guidance is effective for fiscal years beginning after December 15, 2026, which is our annual period beginning January 1, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted on any date on or after the issuance of ASU 2025-09. We are evaluating the impact of this standard.

In September 2025, the FASB issued ASU 2025-06, "Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software," which removes all references to prescriptive and sequential software development stages. Therefore, an entity is required to start capitalizing software costs when i) management has authorized and committed to funding the software project, and ii) it is probable that the project will be completed and the software will be used to perform the function intended. The new guidance is effective for fiscal years beginning after December 15, 2027, which is our annual period beginning January 1, 2028, and interim reporting periods within those annual reporting periods. Early adoption is permitted as of the beginning of an annual reporting period. We are evaluating the impact of this standard.

In January 2025, the FASB issued ASU 2025-01, "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date," which clarifies that all public business entities should initially adopt the disclosure requirements in the final annual reporting period beginning after December 15, 2026, and interim reporting periods within annual reporting periods beginning after December 15, 2027. The new guidance is effective for fiscal years beginning after December 15, 2026, which is our annual period beginning January 1, 2027, and interim reporting periods beginning after December 15, 2027, which will be our interim period beginning January 1, 2028. Early adoption of ASU 2024-03 (described below) is permitted. We are evaluating the impact of this standard in conjunction with ASU 2024-03 below.

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" ("ASU 2024-03"), which requires additional information about specific expense categories in the notes to the financial statements at interim and annual reporting periods. The new guidance is effective for fiscal years beginning after December 15, 2026, which is our annual period beginning January 1, 2027, and interim reporting periods beginning after December 15, 2027, which will be our interim period beginning January 1, 2028. Early adoption is permitted. The amendments in ASU 2024-03 should be applied either (1) prospectively to financial statements issued for reporting periods after the effective date, or (2) retrospectively to any or all prior periods presented in the financial statements. We are evaluating the impact of this standard.

In October 2023, the FASB issued ASU 2023-06, "Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative," which incorporates updates to the Accounting Standards Codification ("Codification") to align certain Securities and Exchange Commission ("SEC") disclosure requirements. The amendments impact a variety of topics but are relatively narrow in nature. For entities required to comply with the SEC's existing disclosure requirements, the effective date for each amendment will be the effective date of the removal of the disclosure requirement from SEC Regulation S-X or SEC Regulation S-K, with early adoption prohibited. The amendments should be applied prospectively. If by June 30, 2027, the SEC has not removed the applicable requirement from Regulation S-X or Regulation S-K, the pending content of the related amendment will be removed from the Codification and will not become effective for any entity. We are evaluating the impact of this standard.

Note 2. Restatement

As disclosed in our 2025 Form 10-K/A for the year ended December 31, 2025, we restated our audited consolidated financial statements for the year ended December 31, 2025, and our unaudited quarterly financial information for each quarter in the year ended December 31, 2025 (the "Affected Periods"), among other periods, and corrected certain other immaterial items that were previously identified and concluded as immaterial, individually and in the aggregate, to its financial statements during the Affected Periods as further described below.

While preparing the first quarter of 2026 consolidated financial statements, management identified an error in our historical consolidated financial statements for the Affected Periods relating to the timing of stock-based compensation expense recognition (the "Error"). In particular, the Company did not apply the proper accounting for changes made in April 2024 to the retirement provision in the Company's performance stock unit and restricted stock unit award agreements and did not record stock-based compensation expense in the correct periods for retirement eligible employees. As a result of the changes to the stock unit award agreements in April 2024, the stock-based compensation expense for any employee eligible for retirement on or before the grant date should have been accelerated and fully recognized on the grant date. Further, the stock-based compensation expense related to employees expected to become retirement eligible during the vesting period should have been accelerated and recognized from the grant date through the retirement eligible date instead of being recognized over the typical vesting period applicable to other employees. The correction for the Error impacted (i) selling, general and administrative expenses, (ii) accrued and other liabilities, (iii) other long-term liabilities, and (iv) additional paid-in capital.

Additionally, the Company corrected certain immaterial items that were previously corrected out of period and that were previously identified and concluded as immaterial, individually and in the aggregate, to its consolidated financial statements during the Affected Periods. These items primarily related to (i) revenue and cost of sales being recognized in the wrong period, which also impacted accounts receivable, contract assets, inventory, and other current assets (ii) employee compensation and benefits costs being recorded in the wrong period which also impacted accrued and other liabilities and other long-term liabilities, and (iii) incorrect netting of contract liabilities against contract assets. In addition, the tax effects of these adjustments impacted other current assets and deferred income taxes.

For the three and nine months ended September 27, 2025, the primary impact of the restatement on the unaudited condensed consolidated statements of changes in shareholders' equity was an increase (decrease) to net income of $3.6 million and $(5.3) million, respectively, and a (decrease) increase to stock-based compensation expense of $(1.8) million and $7.2 million, respectively.

This Quarterly Report on Form 10-Q ("Form 10-Q") for the quarter ended October 3, 2026 includes the impact of the restatement on the comparative unaudited quarterly financial information for the three and nine months ended September 27, 2025.

The account balances labeled "As Previously Reported" in the following tables for the three and nine months ended September 27, 2025 represent the previously reported unaudited balances in our Form 10-Q for the three and nine months ended September 27, 2025. The effects of the prior period errors on our unaudited condensed consolidated financial statements are as follows (dollars in thousands, except share and per share data):

Unaudited Condensed Consolidated Balance Sheets:	September 27, 2025		
	As Previously Reported	Adjustments (B)	As Restated
Assets			
Current Assets			
Cash and cash equivalents	$ 50,918	$ —	$ 50,918
Accounts receivable, net of allowance for credit losses of $2,039 at September 27, 2025	111,269	—	111,269
Contract assets	248,402	(1,335)	247,067
Inventories	192,817	1,902	194,719
Production cost of contracts	5,685	—	5,685
Other current assets	72,259	5	72,264
Total Current Assets	681,350	572	681,922
Property and Equipment, Net of Accumulated Depreciation of $202,781 at September 27, 2025	107,361	—	107,361
Operating Lease Right-of-Use Assets	42,173	—	42,173
Goodwill	244,600	—	244,600
Intangibles, Net	137,027	—	137,027
Deferred Income Taxes	18,172	1,151 (A)	19,323
Other Assets	17,887	—	17,887
Total Assets	$ 1,248,570	$ 1,723	$ 1,250,293
Liabilities and Shareholders' Equity			
Current Liabilities			
Accounts payable	$ 85,281	$ —	$ 85,281
Contract liabilities	34,450	—	34,450
Accrued and other liabilities	194,227	90 (A)	194,317
Operating lease liabilities	7,796	—	7,796
Current portion of long-term debt	12,500	—	12,500
Total Current Liabilities	334,254	90	334,344
Long-Term Debt, Less Current Portion	215,046	—	215,046
Non-Current Operating Lease Liabilities	36,129	—	36,129
Other Long-Term Liabilities	14,096	1,462 (A)	15,558
Total Liabilities	599,525	1,552	601,077
Commitments and Contingencies			
Shareholders' Equity			
Common Stock - $0.01 par value; 35,000,000 shares authorized; 14,945,835 shares issued and outstanding at September 27, 2025	149	—	149
Additional Paid-In Capital	229,980	15,278 (A)	245,258
Retained Earnings	412,093	(15,107)	396,986
Accumulated Other Comprehensive Income	6,823	—	6,823
Total Shareholders' Equity	649,045	171	649,216
Total Liabilities and Shareholders' Equity	$ 1,248,570	$ 1,723	$ 1,250,293

Note A: The correction for the Error impacted (i) accrued and other liabilities by less than $0.1 million, (ii) other long-term liabilities by $1.4 million, and (iii) additional paid-in capital by $15.3 million. The impact to income taxes was immaterial. See description of the Error in the paragraphs above.

Note B: The correction for the other adjustments aside from the Error. Additionally, the impact of the Error and other adjustments on retained earnings. See the paragraphs above for a description of the other adjustments.

Unaudited Condensed Consolidated Statements of Operations:	Three Months Ended September 27, 2025			Nine Months Ended September 27, 2025		
	As Previously Reported	Adjustments (B)	As Restated	As Previously Reported	Adjustments (B)	As Restated
Net Revenues	$ 212,558	$ 1,864	$ 214,422	$ 608,932	$ (1,226)	$ 607,706
Cost of Sales	156,083	(611)	155,472	447,122	(1,793)	445,329
Gross Profit	56,475	2,475	58,950	161,810	567	162,377
Selling, General and Administrative Expenses	36,267	(2,258) (A)	34,009	106,820	6,882 (A)	113,702
Restructuring Charges	583	—	583	1,617	—	1,617
Litigation Settlement and Related Costs, Net	99,675	—	99,675	99,675	—	99,675
Operating Loss	(80,050)	4,733	(75,317)	(46,302)	(6,315)	(52,617)
Interest Expense	(2,927)	—	(2,927)	(9,198)	—	(9,198)
Other Income, Net	—	—	—	1,746	—	1,746
Loss Before Taxes	(82,977)	4,733	(78,244)	(53,754)	(6,315)	(60,069)
Income Tax Benefit	(18,531)	1,114 (A)	(17,417)	(12,372)	(1,026) (A)	(13,398)
Net Loss	$ (64,446)	$ 3,619	$ (60,827)	$ (41,382)	$ (5,289)	$ (46,671)
Loss Per Share						
Basic loss per share	$ (4.30)		$ (4.06)	$ (2.77)		$ (3.13)
Diluted loss per share	$ (4.30)		$ (4.06)	$ (2.77)		$ (3.13)
Weighted-Average Number of Common Shares Outstanding						
Basic	14,978		14,978	14,925		14,925
Diluted	14,978		14,978	14,925		14,925

Note A: The correction for the Error impacted selling, general and administrative expenses by $(1.8) million and $7.2 million for the three and nine months ended September 27, 2025, respectively. The impact to income taxes was immaterial. See description of the Error in the paragraphs above.

Note B: The correction for the other adjustments aside from the Error. See the paragraphs above for a description of the other adjustments.

Unaudited Condensed Consolidated Statements of Comprehensive Loss:	Three Months Ended September 27, 2025			Nine Months Ended September 27, 2025		
	As Previously Reported	Adjustments	As Restated	As Previously Reported	Adjustments	As Restated
Net Loss	$ (64,446)	$ 3,619	$ (60,827)	$ (41,382)	$ (5,289)	$ (46,671)
Other Comprehensive Loss, Net of Tax:						
Amortization of actuarial losses and prior service costs, net of tax of $6 and $19 for the three and nine months ended September 27, 2025, respectively.	19	—	19	58	—	58
Change in net unrealized losses on cash flow hedges, net of tax benefit of $203 and $1,388 for the three and nine months ended September 27, 2025.	(687)	—	(687)	(4,619)	—	(4,619)
Other Comprehensive Loss, Net of Tax	(668)	—	(668)	(4,561)	—	(4,561)
Comprehensive Loss	$ (65,114)	$ 3,619	$ (61,495)	$ (45,943)	$ (5,289)	$ (51,232)

Unaudited Condensed Consolidated Statement of Cash Flows:	Nine Months Ended September 27, 2025		
	As Previously Reported	Adjustments (B)	As Restated
Cash Flows from Operating Activities			
Net Loss	$ (41,382)	$ (5,289) (A)	$ (46,671)
Adjustments to Reconcile Net Loss to			
Net Cash Provided by Operating Activities:			
Depreciation and amortization	25,195	—	25,195
Non-cash operating lease cost	6,631	—	6,631
Stock-based compensation expense	17,511	7,344 (A)	24,855
Deferred income taxes	(14,563)	(984)	(15,547)
Provision for credit losses	10	—	10
Gain on sale of property and other assets	(1,746)	—	(1,746)
Litigation settlement and related costs, net	97,667	—	97,667
Other	909	—	909
Changes in Assets and Liabilities:			
Accounts receivable	(1,563)	—	(1,563)
Contract assets	(47,818)	1,226	(46,592)
Inventories	4,064	(1,793)	2,271
Production cost of contracts	790	—	790
Other assets	(67)	—	(67)
Accounts payable	10,011	—	10,011
Contract liabilities	5	—	5
Operating lease liabilities	(5,888)	—	(5,888)
Accrued and other liabilities	(8,484)	(504) (A)	(8,988)
Net Cash Provided by Operating Activities	**41,282**	**—**	**41,282**
Cash Flows from Investing Activities			
Purchases of property and equipment	(11,172)	—	(11,172)
Proceeds from sale of property and other assets	1,979	—	1,979
Proceeds from sale of assets	138	—	138
Net Cash Used in Investing Activities	**(9,055)**	**—**	**(9,055)**
Cash Flows from Financing Activities			
Borrowings from senior secured revolving credit facility	25,000	—	25,000
Repayments of senior secured revolving credit facility	(33,800)	—	(33,800)
Repayments of term loan	(6,250)	—	(6,250)
Repayments of other debt	(279)	—	(279)
Net cash paid upon issuance of common stock under stock plans	(3,119)	—	(3,119)
Net Cash Used in Financing Activities	**(18,448)**	**—**	**(18,448)**
Net Increase in Cash and Cash Equivalents	13,779	—	13,779
Cash and Cash Equivalents at Beginning of Period	37,139	—	37,139
Cash and Cash Equivalents at End of Period	**$ 50,918**	**$ —**	**$ 50,918**

Note A: The correction for the Error impacted (i) selling, general and administrative expenses which impacted net loss by $7.2 million, (ii) accrued and other liabilities by less than $0.1 million, and (iii) other long-term liabilities by less than $(0.1) million. The impact of income taxes was immaterial. See description of the Error in the paragraphs above.

Note B: The correction for the other adjustments aside from the Error. See description of the other adjustments in the paragraphs above.

Note 3. Restructuring Activities

Summary of 2022 Restructuring Plan

In April 2022, management approved and commenced a restructuring plan that is intended to better position us for stronger performance. The restructuring plan will mainly reduce headcount and consolidate facilities. As a result of this restructuring plan, we analyzed the need to write-down inventory and impair long-lived assets, including operating lease right-of-use assets. While we have completed the restructuring plan and recorded all incurred expenses as of December 31, 2025, we will be making payments related to such plan during 2026. Cumulative through December 31, 2025, we recorded aggregate total charges of $31.4 million.

In the Electronic Systems segment, we recorded less than $0.1 million of other restructuring charges during the three months ended September 27, 2025. We recorded $0.1 million each for severance and benefits that were classified as restructuring charges and other restructuring charges during the nine months ended September 27, 2025. Cumulative through the nine months ended September 27, 2025, we recorded total charges for severance and benefits that were classified as restructuring charges, accelerated depreciation of property and equipment that was classified as restructuring charges, charges for inventory write down that was classified as cost of sales, and other restructuring of $9.6 million, $0.3 million, $0.3 million, and $0.3 million, respectively.

In the Structural Systems segment, we recorded $0.6 million of other restructuring charges during the three months ended September 27, 2025. We recorded (credits) charges of $(0.2) million and $1.6 million during the nine months ended September 27, 2025, for severance and benefits that were classified as restructuring charges and other restructuring charges, respectively. Cumulative through the nine months ended September 27, 2025, we recorded total charges for severance and benefits that were classified as restructuring charges, accelerated depreciation of property and equipment/impairment of property and equipment that was classified as restructuring charges, charges for inventory write down that was classified as cost of sales, and other restructuring of $7.4 million, $2.0 million, $1.8 million, and $9.0 million, respectively.

Our restructuring activities during the nine months ended October 3, 2026 were as follows (in thousands):

	December 31, 2025	Nine Months Ended October 3, 2026				October 3, 2026
	Balance	Charges	Cash Payments	Non-Cash Payments	Change in Estimates	Balance
Severance and benefits	$ 405	$ —	$ (367)	$ —	$ —	$ 38
Other	389	—	(389)	—	—	—
Ending balance	$ 794	$ —	$ (756)	$ —	$ —	$ 38

The restructuring activities accrual for severance and benefits of less than $0.1 million as of October 3, 2026 was included as part of accrued and other liabilities and is expected to be paid during 2026.

Note 4. Derivative Financial Instruments

Cash Flow Hedges

Our cash flow hedges consist of forward interest rate swaps to manage our exposure to interest rate movements on a portion of our debt through January 1, 2031. Our forward interest rate swaps hedge forecasted transactions through January 1, 2031.

The notional amounts of derivative instruments are as follows:

	(Dollars in thousands)	
	October 3, 2026	December 31, 2025
Derivative instruments designated as hedging instruments:		
Interest rate contracts	$ 150,000	$ 150,000

The following table summarizes the fair value and presentation on the unaudited condensed consolidated balance sheets for derivative instruments:

	Balance Sheet Location	(Dollars in thousands) October 3, 2026	December 31, 2025
Derivative instruments designated as hedging instruments:			
Interest rate contracts	Other assets, current	$ 3,886	$ 2,547
	Other assets	12,958	9,271

Accumulated other comprehensive income activities during the nine months ended October 3, 2026 were as follows (in thousands):

	December 31, 2025	Nine Months Ended October 3, 2026		October 3, 2026
	Balance	Changes in Fair Value Recognized	Reclassifications to Income Statement	Balance
Cash flow hedges, before tax totals	$ 11,543	$ 7,492	$ (2,209)	$ 16,826

Unrealized (losses) gains associated with our hedging transactions recognized in other comprehensive income are presented in the following table:

	(Dollars in thousands) Three Months Ended		(Dollars in thousands) Nine Months Ended	
	October 3, 2026	September 27, 2025	October 3, 2026	September 27, 2025
Change in Other Comprehensive Income:				
Interest rate contracts	$ 2,800	$ (687)	$ 4,060	$ (4,619)

We began reclassifying gains/losses associated with our cash flow hedges from accumulated other comprehensive income to the condensed statements of income when the Forward Interest Rate Swaps became effective as of January 1, 2024. We reclassify amounts to income as the hedged item impacts earnings and those amounts are presented in the following table:

	(Dollars in thousands) Three Months Ended		(Dollars in thousands) Nine Months Ended	
	October 3, 2026	September 27, 2025	October 3, 2026	September 27, 2025
Interest rate contracts:				
Interest expense	$ 736	$ 979	$ 2,209	$ 2,905

The pre-tax deferred gains recorded in other comprehensive income that will mature in the next 12 months total $3.9 million.

Note 5. Inventories

Inventories consisted of the following:

	(Dollars in thousands) October 3, 2026	December 31, 2025
Raw materials and supplies	$ 173,934	$ 158,406
Work in process	19,035	19,613
Finished goods	2,792	4,769
Total	$ 195,761	$ 182,788

Note 6. Goodwill

We perform our annual goodwill impairment test as of the first day of the fourth fiscal quarter. If certain factors occur, including significant underperformance of our business relative to expected operating results, significant adverse economic and industry trends, a significant decline in our market capitalization for an extended period of time relative to net book value, a decision to divest individual businesses within a reporting unit, or a decision to group individual businesses differently, we may be required to perform an interim impairment test prior to the fourth quarter.

We may use either a qualitative or quantitative approach when testing a reporting unit's goodwill for impairment. The qualitative approach for potential impairment analysis is performed by evaluating a number of qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit was less than its carrying amount. If the qualitative assessment indicates that it is more-likely-than-not that the fair value of a reporting unit is less than its carrying value, we perform a quantitative assessment.

The quantitative approach for potential impairment analysis is performed by comparing the fair value of a reporting unit to its carrying value, including goodwill. Fair value is estimated by management using a combination of the income approach (which is based on a discounted cash flow model) and market approach. Management's cash flow projections include significant judgments and assumptions, including the amount and timing of expected cash flows, long-term growth rates, and discount rates. The cash flows used in the discounted cash flow model are based on our best estimate of future revenues, gross margins, and adjusted after-tax earnings. If any of these assumptions are incorrect, it will impact the estimated fair value of a reporting unit. The market approach also requires management judgment in selecting comparable companies, business acquisitions and the transaction values observed and its related control premiums.

No material adverse factors/changes have occurred since the fourth quarter of 2025 that would require us to perform another qualitative or quantitative assessment as of our quarter ended October 3, 2026. As such, for the third quarter of 2026, it was also not more likely than not that the fair values of the reporting units were less than their carrying amounts and thus, the respective goodwill amounts were not deemed to be impaired.

The carrying amounts of our goodwill were as follows:

	(Dollars in thousands)		
	Electronic Systems	Structural Systems	Consolidated Ducommun
Gross goodwill	$ 199,157	$ 127,165	$ 326,322
Accumulated goodwill impairment	(81,722)	—	(81,722)
Balance at December 31, 2025	$ 117,435	$ 127,165	$ 244,600
Balance at October 3, 2026	$ 117,435	$ 127,165	$ 244,600

Note 7. Accrued and Other Liabilities

The components of accrued and other liabilities were as follows:

	(Dollars in thousands)	
	October 3, 2026	December 31, 2025
Accrued compensation	$ 31,249	$ 39,161
Accrued income tax and sales tax	89	353
Accrued litigation settlement costs	—	4,085
Other	9,510	7,472
Total	$ 40,848	$ 51,071

Note 8. Long-Term Debt

Long-term debt and the current period interest rates were as follows:

	(Dollars in thousands)	
	October 3, 2026	December 31, 2025
Term loan	$ 196,250	$ 200,000
Revolving credit facility	55,000	105,000
Total debt	251,250	305,000
Less current portion	5,000	5,000
Total long-term debt, less current portion	246,250	300,000
Less debt issuance costs - term loan	1,008	1,210
Total long-term debt, net of debt issuance costs - term loan	$ 245,242	$ 298,790
Debt issuance costs - revolving credit facility [1]	$ 2,539	$ 3,006
Weighted-average interest rate	5.53 %	6.10 %

(1) Included as part of other assets.

In November 2025, we completed a refinancing of our existing debt by entering into a new term loan ("2025 Term Loan") and a new revolving credit facility ("2025 Revolving Credit Facility"). The 2025 Term Loan is a $200.0 million senior secured loan that matures in November 2030. The 2025 Revolving Credit Facility is a $450.0 million senior secured revolving credit facility that matures in November 2030. The 2025 Term Loan replaced the 2022 Term Loan ("2022 Term Loan") which was a $250.0 million senior secured loan. The 2025 Revolving Credit Facility replaced the 2022 Revolving Credit Facility ("2022 Revolving Credit Facility") which was a $200.0 million senior secured revolving credit facility. The 2025 Term Loan and 2025 Revolving Credit Facility, collectively are the new credit facilities ("2025 Credit Facilities"). The 2022 Term Loan and 2022 Revolving Credit Facility, collectively were the 2022 credit facilities that were entered into in July 2022 and would have matured in July 2027 ("2022 Credit Facilities").

The 2025 Term Loan bears interest, at our option, at a rate equal to either (i) Term Secured Overnight Financing Rate ("Term SOFR") plus an applicable margin ranging from 1.250% to 2.125% per year or (ii) Base Rate (defined as the highest of [a] Federal Funds Rate plus 0.50%, [b] Bank of America's prime rate, and [c] Term SOFR plus 1.00%, and if the Base Rate is less than zero percent, it will be deemed zero percent) plus an applicable margin ranging from 0.250% to 1.125% per year, in each case based upon the consolidated total net adjusted leverage ratio. Interest payments are typically paid either on a monthly or quarterly basis, depending on the interest rate selected, on the last business day each month or quarter. In addition, the terms of the 2025 Term Loan require us to make installment payments of 0.625% of the initial outstanding principal balance on a quarterly basis during years one and two, 1.250% during years three and four, and 1.875% during year five, on the last business day of each calendar quarter. Under the 2025 Term Loan, no quarterly amortization payment was required to be paid during the fourth quarter of 2025, instead, it began in the first quarter of 2026. For the three months ended October 3, 2026 and September 27, 2025, we made the required quarterly amortization payments of $1.3 million and $3.1 million, respectively. For the nine months ended October 3, 2026 and September 27, 2025, we made the required quarterly amortization payments of $3.8 million and $6.3 million, respectively. The required quarterly amortization payments due on March 31, 2025, June 30, 2025, and September 30, 2025 were in our second, third, and fourth fiscal quarters of 2025, respectively.

The 2025 Revolving Credit Facility bears interest, at our option, at a rate equal to either (i) Term SOFR plus an applicable margin ranging from 1.250% to 2.125% per year or (ii) Base Rate (defined as the highest of [a] Federal Funds Rate plus 0.50%, [b] Bank of America's prime rate, and [c] Term SOFR plus 1.00%, and if the Base Rate is less than zero percent, it will be deemed zero percent) plus an applicable margin ranging from 0.250% to 1.125% per year, in each case based upon the consolidated total net adjusted leverage ratio. Interest payments are typically paid either on a monthly or a quarterly basis, depending on the interest rate selected, on the last business day each month or quarter. The undrawn portion of the commitment of the 2025 Revolving Credit Facility is subject to a commitment fee ranging from 0.175% to 0.250%, based upon the consolidated total net adjusted leverage ratio, typically paid on a quarterly basis, on the last business day each quarter. However, the 2025 Revolving Credit Facility does not require any principal installment payments.

In conjunction with the closing of the 2025 Credit Facilities, we utilized the entire $200.0 million of proceeds from the 2025 Term Loan combined with drawing down on the 2025 Revolving Credit Facility to pay off our entire debt balance outstanding of $320.0 million under the 2022 Credit Facilities.

As of October 3, 2026, we had $394.8 million of unused borrowing capacity under the 2025 Revolving Credit Facility, after deducting $0.2 million for standby letters of credit.

As of October 3, 2026, we were in compliance with all covenants required under the 2025 Credit Facilities.

The 2025 Term Loan was considered a modification of debt for some lenders and an extinguishment of debt for other lenders, and thus, a loss of $0.3 million was recorded related to the extinguishment. In addition, the new fees incurred of $1.0 million were capitalized and will be amortized to interest expense over the life of the 2025 Term Loan. Further, the remaining debt issuance costs related to the 2022 Term Loan of $0.2 million as of the modification date will be amortized to interest expense over the life of the 2025 Term Loan, using the effective interest method.

The 2025 Revolving Credit Facility that replaced the 2022 Revolving Credit Facility was considered a modification of debt except for the portion related to the creditors that are no longer a part of the 2025 Revolving Credit Facility and in which case, it was considered an extinguishment of debt. As a result, we expensed the portion of the unamortized debt issuance costs related to the 2022 Revolving Credit Facility that was considered an extinguishment of debt of $0.3 million. In addition, the new fees incurred of $2.6 million as part of the 2025 Revolving Credit Facility were capitalized and will be amortized to interest expense over the life of the 2025 Revolving Credit Facility. Further, the remaining debt issuance costs related to the 2022 Revolving Credit Facility of $0.5 million as of the modification date will also be amortized on a straight-line basis to interest expense over the life of the 2025 Revolving Credit Facility.

The 2025 Credit Facilities were entered into by us ("Parent Company") and guaranteed by all of our domestic subsidiaries, other than two subsidiaries that were considered minor ("Subsidiary Guarantors"). The Subsidiary Guarantors jointly and severally guarantee the 2025 Credit Facilities. The Parent Company has no independent assets or operations and, therefore, no consolidating financial information for the Parent Company and its subsidiaries is presented.

In November 2021, we entered into U.S. dollar-one month London Interbank Offered Rate ("LIBOR") forward interest rate swaps designated as cash flow hedges, all with an effective date of January 1, 2024, for an aggregate total notional amount of $150.0 million, weighted average fixed rate of 1.8%, and all terminating on January 1, 2031 ("Forward Interest Rate Swaps"). The Forward Interest Rate Swaps mature on a monthly basis, with fixed amount payer payment dates on the first day of each calendar month, commencing on February 1, 2024 through January 1, 2031. The Forward Interest Rate Swaps were deemed to be highly effective upon entering into the derivative contracts and thus, hedge accounting treatment was utilized. See Note 1 and Note 4 for further information.

In July 2022, as a result of completing a refinancing of our existing debt by entering into the 2022 Credit Facilities, we were required to complete an amendment of the Forward Interest Rate Swaps ("Amended Forward Interest Rate Swaps"). The Forward Interest Rate Swaps were based on U.S. dollar-one month LIBOR and were amended to be based on one month Term SOFR as borrowings using LIBOR were no longer available under the 2022 Credit Facilities. Since this was an amendment of just the reference rate as a result of the cessation of LIBOR, utilizing the guidance under ASU 2020-04, we determined the Amended Forward Interest Rate Swaps as of the amendment date to continue to be highly effective. The Amended Forward Interest Rate Swaps weighted average fixed rate was 1.7% as a result of the difference between U.S. dollar-one month LIBOR and one month Term SOFR.

Note 9. Indemnifications

We have made guarantees and indemnities under which we may be required to make payments to a guaranteed or indemnified party, in relation to certain transactions, including revenue transactions in the ordinary course of business. Additionally, we indemnify our directors and officers to the maximum extent permitted under the laws of the State of Delaware and have a directors and officers insurance policy that may reduce our exposure in certain circumstances and may enable us to recover a portion of future amounts that may be payable, if any. Moreover, in connection with certain performance center leases, we have indemnified our lessors for certain claims arising from the performance center or the lease.

The duration of the guarantees and indemnities varies and, in many cases, is indefinite but subject to applicable statutes of limitations. The majority of guarantees and indemnities do not provide any limitations on the maximum potential future payments we could be obligated to make. Historically, payments related to these guarantees and indemnities have been immaterial. We estimate the fair value of our indemnification obligations as insignificant based on this history and insurance coverage and have, therefore, not recorded any liability for these guarantees and indemnities in the accompanying unaudited condensed consolidated balance sheets.

Note 10. Income Taxes

The provision for income taxes is determined using an estimated annual effective tax rate. Our effective tax rate may be subject to fluctuations during the year as new information is obtained, which may affect the assumptions used to estimate the annual effective tax rate, including factors such as expected R&D tax credits, non-deductible book compensation expenses, tax deductions for Foreign Derived Intangible Income, valuation allowances against deferred tax assets, recognition or derecognition of tax benefits related to uncertain tax positions, and changes in or the interpretation of tax laws in jurisdictions where we conduct business. Also, excess tax benefits and tax detriments related to our equity compensation recognized in the unaudited condensed consolidated income statement could result in fluctuations in our effective tax rate period-over-period

depending on the volatility of our stock price, number of restricted or performance stock units that vest, and stock options exercised during the period. We recognize deferred tax assets and liabilities, using enacted tax rates, for temporary differences between the financial reporting basis and the tax basis of our assets and liabilities along with net operating loss and tax credit carryovers.

We record a valuation allowance against our deferred tax assets to reduce the net carrying value to an amount that we believe is more likely than not to be realized. When we establish or reduce our valuation allowances against our deferred tax assets, the provision for income taxes will increase or decrease, respectively, in the period when that determination is made.

We recorded income tax expense of $4.9 million for the three months ended October 3, 2026 compared to an income tax benefit of $17.4 million for the three months ended September 27, 2025. The change to income tax expense from income tax benefit for the third quarter of 2026 compared to the third quarter of 2025 was primarily due to pre-tax income in the third quarter of 2026 compared to a pre-tax loss, driven by litigation settlement and related costs, net of insurance recovery, in the third quarter of 2025 for which we recorded a discrete income tax benefit of $23.0 million.

We recorded income tax expense of $11.2 million for the nine months ended October 3, 2026 compared to an income tax benefit of $13.4 million for the nine months ended September 27, 2025. The change to income tax expense from income tax benefit for the nine months ended October 3, 2026 compared to the nine months ended September 27, 2025 was primarily due to pre-tax income in the nine months ended October 3, 2026 compared to a pre-tax loss, driven by litigation settlement and related costs, net of insurance recovery, in the nine months ended September 27, 2025 for which we recorded a discrete income tax benefit of $23.0 million.

Our total amount of unrecognized tax benefits was $5.6 million and $5.0 million as of October 3, 2026 and December 31, 2025, respectively. If recognized, $3.5 million would affect the effective tax rate. We record interest and penalty charges, if any, related to uncertain tax positions as a component of tax expense and unrecognized tax benefits. The amounts accrued for interest and penalty charges as of October 3, 2026 and December 31, 2025 were not significant.

We file U.S. Federal and state income tax returns. We are subject to examination by the Internal Revenue Service (“IRS”) for tax years after 2021 and by state taxing authorities for tax years after 2020. While we are no longer subject to examination prior to those periods, carryforwards generated prior to those periods may still be adjusted upon examination by the IRS or state taxing authorities if they either have been or will be used in a subsequent period. We believe we have adequately accrued for tax deficiencies or reductions in tax benefits, if any, that could result from the examination and all open audit years.

In July 2025, the U.S. enacted the One Big Beautiful Bill Act (“OBBBA”). Amongst other things, the OBBBA provides for several corporate tax provision changes including restoring the full expensing of qualified property placed in service after January 19, 2025, reinstating the immediate expensing of U.S. research and development expenditures paid or incurred for tax years beginning after December 31, 2024, and changes in the computations of U.S. taxation on international earnings for tax years beginning after December 31, 2025. We completed the assessment of the OBBBA corporate tax provisions as they relate to our financial statements. The enactment of the OBBBA did not have a material impact to our effective tax rate for the three and nine months ended October 3, 2026. However, we expect the OBBBA to decrease our cash tax liability for 2026. We will continue to evaluate the impact of the OBBBA corporate tax provision changes as additional guidance becomes available.

Note 11. Commitments and Contingencies

Guaymas Performance Center Fire

Impact to Performance Center. In June 2020, a fire severely damaged our performance center in Guaymas, Mexico, which is part of our Structural Systems segment. There were no injuries, however, property and equipment, inventories, and tooling in this leased facility were damaged. Our Guaymas performance center, comprised of two buildings with an aggregate total of 62,000 square feet, was severely damaged. The insurance claim for damages to our operating assets and business interruption was deemed final and closed by our insurance company during the three months ended July 1, 2023. The loss of production from the Guaymas performance center was absorbed by our other existing performance centers; however, we have reestablished our operations and are in the process of certification with various customers and ramping up our manufacturing capabilities in a different leased facility with 117,000 square feet in Guaymas.

Guaymas Fire Litigation. A neighboring, non-related manufacturing facility also suffered fire damage during the same time as the fire that severely damaged our Guaymas performance center, and in November 2023, the occupant of the neighboring facility filed suit against us in U.S. District Court for the Central District of California (the “District Court”) seeking unspecified amounts for damages relating to the fire (“Guaymas Fire Litigation”). Subsequent to our quarter ended September 27, 2025, on October 3, 2025, we entered into a binding settlement term sheet (the “Term Sheet”) to resolve the Guaymas Fire Litigation against us. The Term Sheet provides for, among other things, the final dismissal of the Guaymas Fire Litigation against us with prejudice and a release of claims against us in exchange for us issuing a payment of $150.0 million, $56.0 million of which we expected at that time to be funded by our insurance carriers. The Term Sheet also included a mutual release of all the plaintiff’s

past, present, and future claims arising from the fire and an indemnification in favor of us from any future subrogation claims that may be brought by the plaintiff's insurers. Thereafter, on October 17, 2025, we entered into a settlement agreement that memorialized the terms set forth in and superseded the Term Sheet.

We recorded the litigation settlement costs of $150.0 million, which was included as part of the operating loss, and the related accrual which is included as part of accrued and other liabilities during the three months ended September 27, 2025 as such conditions existed as of the end of our fiscal third quarter. In addition, we recorded an insurance receivable of $56.0 million related to the Guaymas Fire Litigation and included as other current assets and on the same line as the litigation settlement costs as the determination that the insurance recovery receivable was probable of collection was based on the terms of the applicable insurance policies, settlement agreement, and communications with our insurance carriers. Our insurance carriers made payments directly to the plaintiff totaling $56.0 million, and on November 24, 2025, we made a payment to the plaintiff of $94.0 million and thus, the $150.0 million settlement liability was extinguished as of December 31, 2025.

Subrogation Claims. Subsequent to our quarter ended September 27, 2025, on October 9, 2025, we also settled an ancillary subrogation claim for $1.4 million. We recorded the litigation settlement costs of $1.4 million, which was included as part of the operating loss, and the related accrual which was included as part of accrued and other liabilities during the three months ended September 27, 2025 as such conditions existed as of the end of our fiscal third quarter. Thereafter, on October 24, 2025, we entered into a settlement agreement that memorialized the terms agreed to on October 9, 2025. We made the $1.4 million payment to the plaintiff during the three months ended December 31, 2025. Further, in connection with the Guaymas Fire Litigation, in July 2024, we received a subrogation demand ("Additional Subrogation Claim") from our landlord's insurer. Subsequent to the fiscal year ended December 31, 2025, on January 7, 2026, we entered into a binding confidential agreement, ("Settlement Agreement") to resolve the Additional Subrogation Claim against us. The Settlement Agreement provides for, among other things, the final dismissal of the Additional Subrogation Claim and a release of all claims against us, with prejudice, in exchange for us issuing a payment of $4.0 million. We recorded this litigation settlement cost, which was included as part of operating loss, and the related accrual, which was included as part of accrued and other liabilities as of December 31, 2025 as such conditions existed as of our fiscal year ended December 31, 2025. We made a payment of $4.0 million on January 14, 2026. While we do not believe there are any remaining subrogation or other claims relating to the Guaymas fire at this time, other than by an insurer of the plaintiff in the Guaymas Fire Litigation based in Mexico for payments issued to its insured for damages allegedly incurred in the Guaymas fire, and which we believe to be time barred, it is possible that we may face additional subrogation claims associated with the Guaymas Fire Litigation in the future.

Our insurance covers damage, up to a capped amount, to the facility, equipment, unfinished inventory, and other assets at replacement cost, finished goods inventory at selling price, as well as business interruption, third party property damage, and recovery related expenses caused by the fire, less our per claim deductible. The anticipated insurance recoveries related to losses and incremental costs incurred are recognized when receipt is probable. The anticipated insurance recoveries in excess of net book value of the damaged operating assets and business interruption are not recorded until all contingencies related to our claim have been resolved.

Groundwater

Structural Systems has been directed by California environmental agencies to investigate and take corrective action for groundwater contamination at our facilities located in El Mirage and Monrovia, California. Based on currently available information, we have established an accrual for the estimated liability for such investigation and corrective action of $2.0 million and $1.5 million as of October 3, 2026 and December 31, 2025, respectively, with $0.5 million included as accrued and other liabilities as of October 3, 2026, with the remaining $1.5 million reflected in other long-term liabilities as of both October 3, 2026 and December 31, 2025 on our unaudited condensed consolidated balance sheets.

Waste Disposal

Structural Systems also faces liability as a potentially responsible party for hazardous waste disposed at landfills located in Casmalia and West Covina, California. Structural Systems and other companies and government entities have entered into consent decrees with respect to these landfills with the United States Environmental Protection Agency and/or California environmental agencies under which certain investigation, remediation and maintenance activities are being performed. Based on currently available information, we preliminarily estimate that the range of our future liabilities in connection with the landfill located in West Covina, California is between $0.4 million and $3.1 million. We have established an accrual for the estimated liability in connection with the West Covina landfill, which had a balance of $0.4 million as of both October 3, 2026 and December 31, 2025, which is reflected in other long-term liabilities on our unaudited condensed consolidated balance sheets. We anticipate an updated estimate will be available over the next 12 to 24 months however, and will update our accrual for the estimated liability at that time, if needed. Our ultimate liability in connection with these matters will depend upon a number of factors, including changes in existing laws and regulations, the design and cost of construction, operation and maintenance activities related to a final remedy, and the allocation of liability among potentially responsible parties.

In the normal course of business, Ducommun and its subsidiaries are defendants in certain other litigation, claims and inquiries,

including matters relating to environmental laws. In addition, Ducommun makes various commitments and incurs contingent liabilities in the ordinary course of business. While it is not feasible to predict the outcome of these matters, Ducommun does not presently expect that any sum it may be required to pay in connection with these matters would have a material adverse effect on its unaudited condensed consolidated financial position, results of operations or cash flows.

Note 12. Business Segment Information

We supply products and services primarily to the aerospace and defense industries. Our subsidiaries are organized into two strategic businesses, Electronic Systems and Structural Systems, each of which is an operating segment as well as a reportable segment. Electronic Systems designs, engineers and manufactures high-reliability electronic and electromechanical products used in worldwide technology-driven markets including A&D and Industrial end-use markets. Structural Systems designs, engineers and manufactures large, complex contoured aerostructure components and assemblies and supplies composite and metal bonded structures and assemblies.

Our chief operating decision maker ("CODM") is the Chairman, President and Chief Executive Officer. The measure used by the CODM to assess segment performance is segment operating income. Monitoring of segment operating income budgeted versus actual results is used for assessing performance of the segment and in establishing management's compensation.

Financial information by reportable segment was as follows:

	(Dollars in thousands) Three Months Ended						(Dollars in thousands) Nine Months Ended					
	October 3, 2026			September 27, 2025			October 3, 2026			September 27, 2025		
	Electronic Systems	Structural Systems	Total	Electronic Systems	Structural Systems	Total	Electronic Systems	Structural Systems	Total	Electronic Systems	Structural Systems	Total
				(As Restated)	(As Restated)	(As Restated)				(As Restated)	(As Restated)	(As Restated)
Consolidated Net Revenues	$ 129,612	$ 97,411	$ 227,023	$ 125,269	$ 89,153	$ 214,422	$ 378,638	$ 281,899	$ 660,537	$ 344,038	$ 263,668	$ 607,706
Less: Significant Expenses												
Cost of sales	87,393	74,060		90,477	64,995		263,217	212,617		248,972	196,357	
Selling, general and administrative expenses	13,473	11,407		11,435	11,431		38,275	34,139		33,630	34,507	
Restructuring charges	—	—		71	512		—	—		242	1,375	
Segment Operating Income	$ 28,746	$ 11,944	40,690	$ 23,286	$ 12,215	35,501	$ 77,146	$ 35,143	112,289	$ 61,194	$ 31,429	92,623
Reconciliation of Profit or Loss (Segment Operating Income)												
Unallocated Amounts:												
Corporate general and administrative expenses[1]			(14,895)			(110,818)			(42,443)			(145,240)
Operating Income (Loss)			25,795			(75,317)			69,846			(52,617)
Interest Expense, Net			(3,083)			(2,927)			(10,615)			(9,198)
Other Income			—			—			—			1,746
Pension Plan Settlement Loss			(3,872)			—			(3,872)			—
Income (Loss) Before Taxes			$ 18,840			$ (78,244)			$ 55,359			$ (60,069)

(1) Includes costs not allocated to either the Electronic Systems or Structural Systems operating segments.

Additional financial information by reportable segment was as follows:

	(Dollars in thousands) Three Months Ended		(Dollars in thousands) Nine Months Ended	
	October 3, 2026	September 27, 2025	October 3, 2026	September 27, 2025
Depreciation and Amortization Expenses				
Electronic Systems	$ 3,578	$ 3,553	$ 10,788	$ 10,694
Structural Systems	4,648	4,670	14,038	14,182
Corporate Administration	115	115	307	319
Total Depreciation and Amortization Expenses	$ 8,341	$ 8,338	$ 25,133	$ 25,195
Capital Expenditures				
Electronic Systems	$ 3,663	$ 1,216	$ 6,725	$ 4,264
Structural Systems	1,670	1,029	4,681	6,272
Corporate Administration	268	109	510	122
Total Capital Expenditures	$ 5,601	$ 2,354	$ 11,916	$ 10,658

Segment assets include assets directly identifiable with each segment. Corporate assets include assets not specifically identified with a business segment, including cash. The following table summarizes our segment assets:

	(Dollars in thousands)	
	October 3, 2026	December 31, 2025
Total Assets		
Electronic Systems	$ 611,398	$ 561,954
Structural Systems	569,277	538,109
Corporate Administration	73,632	86,352
Total Assets	$ 1,254,307	$ 1,186,415
Goodwill and Intangibles		
Electronic Systems	$ 147,672	$ 154,638
Structural Systems	217,221	222,801
Total Goodwill and Intangibles	$ 364,893	$ 377,439

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

Restatement of Previously Issued Financial Statements

As disclosed in our Amendment No. 1 to Annual Report on Form 10-K for the year ended December 31, 2025 ("2025 Form 10-K/A"), we restated our audited consolidated financial statements for the year ended December 31, 2025, and our unaudited quarterly financial information for each quarter in the year ended December 31, 2025 (collectively, the "Affected Periods"), among other periods, and corrected certain other immaterial items that were previously identified and concluded as immaterial, individually and in the aggregate, to its consolidated financial statements during the Affected Periods as further described below.

While preparing the first quarter of 2026 consolidated financial statements, management identified an error in our historical consolidated financial statements for the Affected Periods relating to the timing of stock-based compensation expense recognition (the "Error"). In particular, the Company did not apply the proper accounting for changes made in April 2024 to the retirement provision in the Company's performance stock unit and restricted stock unit award agreements and did not record stock-based compensation expense in the correct periods for retirement eligible employees. As a result of the changes to the stock unit award agreements in April 2024, the stock-based compensation expense for any employee eligible for retirement on or before the grant date should have been accelerated and fully recognized on the grant date. Further, the stock-based compensation expense related to employees expected to become retirement eligible during the vesting period should have been accelerated and recognized from the grant date through the retirement eligible date instead of being recognized over the typical vesting period applicable to other employees. The correction for the Error impacted (i) selling, general and administrative expenses, (ii) accrued and other liabilities, (iii) other long-term liabilities, and (iv) additional paid-in capital.

Additionally, the Company also corrected certain items that were previously corrected out of period and that were previously identified and concluded as immaterial, individually and in the aggregate, to its consolidated financial statements during the Affected Periods. These items primarily related to (i) revenue and cost of sales being recognized in the wrong period, which also impacted accounts receivable, contract assets, inventory, and other current assets (ii) employee compensation and benefits costs being recorded in the wrong period which also impacted accrued and other liabilities and other long-term liabilities, and (iii) incorrect netting of contract liabilities against contract assets. In addition, the tax effects of these adjustments impacted other current assets and deferred income taxes.

See Part I, Item 4 of this Quarterly Report on Form 10-Q for information regarding our controls and procedures.

Overview

Ducommun Incorporated ("Ducommun," "the Company," "we," "us" or "our") is a leading designer and manufacturer of and provider of manufacturing solutions for high-performance products often used in high-cost-of failure applications primarily in the aerospace and defense ("A&D"), industrial, medical, and other industries (collectively, "Industrial"). We differentiate ourselves as a full-service solution-based provider, offering a wide range of value-added products and services in our primary businesses of electronics, structures and integrated solutions. We operate through two primary business segments: Electronic Systems and Structural Systems, each of which is a reportable segment.

Economic Environment

The Boeing Company

In its 2025 Annual Report on Form 10-K, The Boeing Company ("Boeing") indicated that in 2025, global air traffic expanded to near historical trend rates on an annual basis. The growth occurred despite a lower than usual contribution from the North America market, which had stagnant demand, particularly in the low-cost space. International demand outpaced domestic demand on an annual basis as the international demand continues to build on the recovery momentum from 2024, including in China, lifting demand for wide-body airplanes. Based on these trends, both single-aisle and wide-body demand remain above current industry supply levels. Overall, Boeing is experiencing strong demand from their airplane customers globally.

Boeing was one of our largest customers in 2025, and the 737 MAX was one of our highest commercial end use market revenue platforms. In early January 2024, the Federal Aviation Administration ("FAA") initiated an investigation into Boeing's quality control system, which was followed by the agency announcing actions to increase its oversight of Boeing as well as not approving production rate increases or additional production lines for the 737 MAX until it was satisfied that Boeing attained full compliance with required quality control procedures. More recently, Boeing announced that the FAA cleared Boeing's plan to raise 737 MAX production from 42 airplanes to 47 airplanes per month. In addition, the FAA recently announced that Boeing can resume issuing airworthiness certificates for its 737 MAX aircraft.

Since Boeing is one of our largest customers, if Boeing is unable to meet the full compliance of the FAA's required quality control procedures, in the near term, it could have a material adverse impact on our business, results of operations and financial condition.

Airbus SE

Airbus SE ("Airbus") is aligned with Boeing's view on international demand as its Global Services Forecast for Asia-Pacific (including China and India) anticipates that total services demand in the region will grow at a 5.2% compound annual growth rate through 2044, reaching an estimated market value of $138.7 billion. This sustained growth is expected to be underpinned by expanding air traffic and fleet growth. The region is also expected to remain the world's fastest growing air travel market, with passenger traffic expected to rise by 4.4% annually, well above the global average of 3.6%.

Jet Fuel Prices

As noted above, Boeing is one of our largest customers, and Boeing, Airbus, and our other customers that are suppliers to the commercial airline industry are being impacted as commercial airline customers are experiencing elevated jet fuel prices due to the conflict in the Middle East, and sustained fuel-cost increases may reduce passenger demand or capacity and affect demand for our products and services. We are monitoring these conditions closely as sustained fuel cost increases and macroeconomic pressures also could negatively affect the financial condition of certain airline customers, particularly low-cost carriers. Given the volatile nature of the situation, the potential impacts to us are subject to change.

U.S. Government Tariffs

Since February 2025, the U.S. government has issued several executive orders ("Executive Orders"), under various statutes, imposing tariffs on imports from most countries with whom the U.S. engages in trade. As such, during 2025, the United States reached bilateral trade agreements that recognize tariff-free trade of products within the scope of the World Trade Organization Agreement on Trade in Civil Aircraft with the United Kingdom, Japan, and the European Union. Moreover, the United States applies a diverse range of reciprocal tariffs to imports originating from countries that have not concluded bilateral trade agreements with the United States. In February 2026, the U.S. Supreme Court struck down the sweeping tariffs that the U.S. government had imposed through the Executive Orders issued pursuant to International Emergency Economic Powers Act ("IEEPA") of 1977. However, the U.S. government subsequently imposed a global tariff of 10% (which could potentially increase to 15%) that went into effect on February 24, 2026, and which would be effective for 150 days unless they are extended by the U.S. Congress. Additionally, in late July 2026, an Executive Order implementing tariffs under Section 301(b) and Section 304(a) of the Trade Act of 1974, as amended, was issued imposing tariffs of 10% to 12.5% on non-exempt goods depending on the country of origin, and from which civil aircraft parts and components and goods qualifying under the United States-Mexico-Canada Agreement are exempt.

If the imposition of current tariff levels is sustained, our profitability, cash flows and the estimates inherent in our financial statements could be negatively affected to the extent we are either unable to claim duty exemptions or are unable to pass on such incremental tariffs to our customers. The actual financial impacts of tariffs are dependent upon various factors, most notably, the scope of goods covered by tariffs, the value of our imports subject to tariffs, the rate of tariffs applied, the timing and duration of tariffs, the implementation of tariff and non-tariff countermeasures by countries subject to U.S. tariffs, and our ability to mitigate the impacts of tariffs by availing ourselves of applicable exemptions. Changes in any of these factors and actual tariff costs incurred could significantly affect the estimates inherent in our financial statements, including those used in our estimates-at-completion ("EACs"), and estimates supporting the recoverability of our inventories, contract assets, intangible assets, and goodwill, and could have a material effect on our results of operations and cash flows in the periods recognized and paid.

U.S. Government Budget

On February 3, 2026, Congress passed and the President signed a spending package providing full-year funding for most federal agencies through September 30, 2026. On September 2, 2026, the President signed a Continuing Resolution maintaining Fiscal Year 2026 funding levels for federal agencies beyond the September 30, 2026 deadline through December 11, 2026. On April 21, 2026, the President's proposed Fiscal Year 2027 defense budget seeking $1.5 trillion was released, consisting of $1.15 trillion in base discretionary budget and $350 billion of mandatory funding through reconciliation. The President submitted a separate supplemental funding request to Congress on June 24, 2026, with approximately $67 billion of the request intended for defense spending, including $21 billion for munitions replenishment. We continue to closely monitor the movement of the requests through Congress.

U.S. Taxation Legislation

In July 2025, the U.S. enacted the One Big Beautiful Bill Act ("OBBBA"), which, among other things, provides a corporate tax provision change in reinstating the immediate expensing of U.S. research and development expenditures paid or incurred for tax years beginning after December 31, 2024. See Note 10 to our unaudited condensed consolidated financial statements included in Part I, Item 1 of this Form 10-Q for further information.

The OBBBA also provides a supplementary $156 billion to the Department of War ("DoW") for obligations through 2029.

Executive Order Regarding Modernizing Defense Acquisitions

In April 2025, the U.S. government issued an executive order requiring, among other things, a DoW review of its Major Defense Acquisition Programs to identify those programs that are 15% behind schedule, 15% over budget, unable to meet key performance parameters, or unaligned with the Secretary of Defense's mission priorities for potential cancellation. Although Ducommun does not, at this time, believe the Executive Order will have a material impact on our business or results of operations, the longer-term ramifications, if any, to Ducommun will depend on a variety of factors including the formulation and implementation of the review criteria in the order, the review timeline, the Secretary of Defense's mission priorities, and future budget determinations based on the results of such review.

Guaymas Fire - Developments

Subsequent to December 31, 2025, in January 2026, we entered into a binding confidential agreement ("Confidential Agreement") to resolve an additional subrogation claim ("Additional Subrogation Claim") against us related to the Guaymas fire. The Confidential Agreement provides for, among other things, the final dismissal of the Additional Subrogation Claim and a release of all claims against us, with prejudice, in exchange for us issuing a payment of $4.0 million. We do not believe there are any remaining subrogation or other claims relating to the Guaymas fire at this time other than by an insurer of the plaintiff in the Guaymas Fire Litigation based in Mexico for payments issued to its insured for damages allegedly incurred in the Guaymas fire, which we believe to be time barred. See Note 11 to our unaudited condensed consolidated financial statements included in Part I, Item 1 of this Form 10-Q for further information.

Third quarter 2026 recap:

- Net revenues of $227.0 million
- Net income of $13.9 million, or 6.1% of net revenues, or $0.89 per diluted share
- Adjusted EBITDA of $39.7 million, or 17.5% of net revenues

Results of Operations

Third Quarter of 2026 Compared to Third Quarter of 2025 (As Restated)

The following table sets forth net revenues, selected financial data, the effective tax (benefit) rate and diluted earnings (loss) per share:

	(Dollars in thousands, except per share data) Three Months Ended				(Dollars in thousands, except per share data) Nine Months Ended			
	October 3, 2026	% of Net Revenues	September 27, 2025	% of Net Revenues	October 3, 2026	% of Net Revenues	September 27, 2025	% of Net Revenues
			(As Restated)	(As Restated)			(As Restated)	(As Restated)
Net Revenues	$ 227,023	100.0 %	$ 214,422	100.0 %	$ 660,537	100.0 %	$ 607,706	100.0 %
Cost of Sales	161,453	71.1 %	155,472	72.5 %	475,834	72.0 %	445,329	73.3 %
Gross Profit	65,570	28.9 %	58,950	27.5 %	184,703	28.0 %	162,377	26.7 %
Selling, General and Administrative Expenses	39,775	17.5 %	34,009	15.8 %	114,857	17.4 %	113,702	18.7 %
Restructuring Charges	—	— %	583	0.3 %	—	— %	1,617	0.3 %
Litigation Settlement and Related Costs, Net	—	— %	99,675	46.5 %	—	— %	99,675	16.4 %
Operating Income (Loss)	25,795	11.4 %	(75,317)	(35.1)%	69,846	10.6 %	(52,617)	(8.7)%
Interest Expense, Net	(3,083)	(1.4)%	(2,927)	(1.4)%	(10,615)	(1.6)%	(9,198)	(1.5)%
Other Income, Net	—	— %	—	— %	—	— %	1,746	0.3 %
Pension Plan Settlement Loss	(3,872)	(1.7)%	—	— %	(3,872)	(0.6)%	—	— %
Income (Loss) Before Taxes	18,840	8.3 %	(78,244)	(36.5)%	55,359	8.4 %	(60,069)	(9.9)%
Income Tax Expense (Benefit)	4,949	nm	(17,417)	nm	11,153	nm	(13,398)	nm
Net Income (Loss)	$ 13,891	6.1 %	$ (60,827)	(28.4)%	$ 44,206	6.7 %	$ (46,671)	(7.7)%
Effective Tax Rate	26.3 %	nm	22.3 %	nm	20.1 %	nm	22.3 %	nm
Diluted Earnings (Loss) Per Share	$ 0.89	nm	$ (4.06)	nm	$ 2.84	nm	$ (3.13)	nm

nm = not meaningful

Net Revenues by End-Use Market and Operating Segment

Net revenues by end-use market and operating segment during the fiscal three and nine months ended October 3, 2026 and September 27, 2025, respectively, were as follows:

	Three Months Ended					Nine Months Ended				
		(Dollars in thousands)		% of Net Revenues			(Dollars in thousands)		% of Net Revenues	
	Change	October 3, 2026	September 27, 2025 (As Restated)	October 3, 2026	September 27, 2025 (As Restated)	Change	October 3, 2026	September 27, 2025 (As Restated)	October 3, 2026	September 27, 2025 (As Restated)
Consolidated Ducommun										
Military and space	$ (9,228)	$ 118,609	$ 127,837	52.3 %	59.6 %	$ 4,083	$ 359,992	$ 355,909	54.5 %	58.6 %
Commercial aerospace	21,065	97,200	76,135	42.8 %	35.5 %	45,610	270,530	224,920	41.0 %	37.0 %
Industrial	764	11,214	10,450	4.9 %	4.9 %	3,138	30,015	26,877	4.5 %	4.4 %
Total	$ 12,601	$ 227,023	$ 214,422	100.0 %	100.0 %	$ 52,831	$ 660,537	$ 607,706	100.0 %	100.0 %
Electronic Systems										
Military and space	$ (8,869)	$ 86,956	$ 95,825	67.1 %	76.5 %	$ 6,497	$ 269,679	$ 263,182	71.2 %	76.5 %
Commercial aerospace	12,448	31,442	18,994	24.2 %	15.2 %	24,965	78,944	53,979	20.9 %	15.7 %
Industrial	764	11,214	10,450	8.7 %	8.3 %	3,138	30,015	26,877	7.9 %	7.8 %
Total	$ 4,343	$ 129,612	$ 125,269	100.0 %	100.0 %	$ 34,600	$ 378,638	$ 344,038	100.0 %	100.0 %
Structural Systems										
Military and space	$ (359)	$ 31,653	$ 32,012	32.5 %	35.9 %	$ (2,414)	$ 90,313	$ 92,727	32.0 %	35.2 %
Commercial aerospace	8,617	65,758	57,141	67.5 %	64.1 %	20,645	191,586	170,941	68.0 %	64.8 %
Total	$ 8,258	$ 97,411	$ 89,153	100.0 %	100.0 %	$ 18,231	$ 281,899	$ 263,668	100.0 %	100.0 %

Net revenues for the three months ended October 3, 2026 were $227.0 million, compared to $214.4 million for the three months ended September 27, 2025. The year-over-year increase in our key end-use markets were primarily due to the following:

- $21.1 million higher revenues in our commercial aerospace end-use markets due to higher rates on large aircraft and other commercial aircraft platforms; partially offset by
- $9.2 million lower revenues in our military and space end-use markets due to lower rates on selected ground vehicle weapon, rotary-wing aircraft, and other military and space platforms, partially offset by higher rates on selected missiles and fixed-wing aircraft platforms.

In addition, revenues for our industrial end-use markets for the three months ended October 3, 2026 increased $0.8 million compared to the three months ended September 27, 2025, mainly due to timing of orders.

Net revenues for the nine months ended October 3, 2026 were $660.5 million, compared to $607.7 million for the nine months ended September 27, 2025. The year-over-year increase in our key end-use markets were primarily due to the following:

- $45.6 million higher revenues in our commercial aerospace end-use markets due to higher rates on selected large aircraft, other commercial aerospace, and rotary-wing aircraft platforms; and
- $4.1 million higher revenues in our military and space end-use markets due to higher rates on selected missiles and fixed-wing aircraft platforms, partially offset by lower rates on selected ground vehicle weapons, radar and electronic warfare, rotary-wing aircraft, naval, and other military and space platforms, along with a classified program.

In addition, revenues for our industrial end-use markets for the nine months ended October 3, 2026 increased $3.1 million compared to the nine months ended September 27, 2025, mainly due to timing of orders.

Net Revenues by Major Customers

A significant portion of our net revenues are from our top ten customers as follows:

	Three Months Ended		Nine Months Ended	
	October 3, 2026	September 27, 2025	October 3, 2026	September 27, 2025
Boeing Company	14.7 %	13.1 %	14.0 %	13.7 %
Northrop Grumman Corporation	3.5 %	6.0 %	4.0 %	5.8 %
RTX Corporation	23.1 %	19.3 %	20.4 %	18.5 %
Total top ten customers [1]	63.9 %	61.8 %	61.1 %	62.5 %

(1) Includes The Boeing Company ("Boeing"), Northrop Grumman Corporation ("Northrop"), and RTX Corporation ("RTX") for the three and nine months ended October 3, 2026 and September 27, 2025.

Boeing, Northrop, and RTX represented the following percentages of total accounts receivable:

	October 3, 2026	December 31, 2025
Boeing	11.6 %	7.3 %
Northrop	13.3 %	13.3 %
RTX	14.3 %	14.7 %

The net revenues and accounts receivable from Boeing, Northrop, and RTX were diversified over a number of commercial, military and space programs and were generated by both operating segments.

Gross Profit

Gross profit consists of net revenues less cost of sales. Cost of sales includes the cost of production of finished products and other expenses related to inventory management, manufacturing quality, and order fulfillment. Gross profit as a percentage of net revenues increased year-over-year with the three months ended October 3, 2026 of 28.9%, compared to the three months ended September 27, 2025 of 27.5% primarily due to higher manufacturing volume and savings from the facility consolidation program, partially offset by higher other manufacturing costs and unfavorable product mix.

Gross profit as a percentage of net revenues increased year-over-year with the nine months ended October 3, 2026 of 28.0%, compared to the nine months ended September 27, 2025 of 26.7% primarily due to higher manufacturing volume and savings from the facility consolidation program, partially offset by unfavorable product mix and higher other manufacturing costs.

Selling, General and Administrative ("SG&A") Expenses

SG&A expenses increased $5.8 million year-over-year in the three months ended October 3, 2026 compared to the three months ended September 27, 2025, primarily due to higher compensation and benefits costs of $2.8 million, higher professional services fees of $1.8 million, and higher other SG&A expenses of $1.0 million.

SG&A expenses increased $1.2 million year-over-year in the nine months ended October 3, 2026 compared to the nine months ended September 27, 2025, primarily due to higher other SG&A expenses of $3.2 million and higher professional services fees of $1.7 million, partially offset by compensation clawback of $3.9 million during the second quarter of 2026, which is a reduction to SG&A expenses.

Restructuring Charges

Restructuring charges decreased $0.6 million and $1.6 million year-over-year in the three and nine months ended October 3, 2026, respectively, compared to the three and nine months ended September 27, 2025, primarily due to the completion as of the prior year ended December 31, 2025, the previously disclosed restructuring plan that was approved and commenced in April 2022. See Note 3 to our unaudited condensed consolidated financial statements included in Part I, Item 1 of this Form 10-Q for further information.

Litigation Settlement and Related Costs, Net

Litigation settlement and related costs, net, decreased $99.7 million year-over-year in each of three and nine months ended October 3, 2026, compared to the three and nine months ended September 27, 2025, primarily due to the prior year entry into a binding settlement agreement to resolve the Guaymas Fire Litigation against us as well as settling an ancillary subrogation claim. See Note 11 to our condensed consolidated financial statements included in Part I, Item 1 of this Form 10-Q for further information.

Interest Expense, Net

Interest expense, net increased $0.2 million and $1.4 million year-over-year in the three and nine months ended October 3, 2026, compared to the three and nine months ended September 27, 2025, respectively, primarily due to a higher outstanding debt balance, partially offset by lower interest rates.

Income Tax Expense (Benefit)

We recorded income tax expense of $4.9 million for the three months ended October 3, 2026 compared to an income tax benefit of $17.4 million for the three months ended September 27, 2025. The change to income tax expense from income tax benefit for the third quarter of 2026 compared to the third quarter of 2025 was primarily due to pre-tax income in the third quarter of 2026 compared to a pre-tax loss, driven by litigation settlement and related costs, net of insurance recovery, in the third quarter of 2025 for which we recorded a discrete income tax benefit of $23.0 million.

We recorded income tax expense of $11.2 million for the nine months ended October 3, 2026 compared to an income tax benefit of $13.4 million for the nine months ended September 27, 2025. The change to income tax expense from income tax benefit for the nine months ended October 3, 2026 compared to the nine months ended September 27, 2025 was primarily due to pre-tax income in the nine months ended October 3, 2026 compared to a pre-tax loss, driven by litigation settlement and related costs, net of insurance recovery, in the nine months ended September 27, 2025 for which we recorded a discrete income tax benefit of $23.0 million.

Our total amount of unrecognized tax benefits was $5.6 million and $5.0 million as of October 3, 2026 and December 31, 2025, respectively. If recognized, $3.5 million would affect the effective tax rate. We record interest and penalty charges, if any, related to uncertain tax positions as a component of tax expense and unrecognized tax benefits. The amounts accrued for interest and penalty charges as of October 3, 2026 and December 31, 2025 were not significant.

We file U.S. Federal and state income tax returns. We are subject to examination by the Internal Revenue Service (“IRS”) for tax years after 2021 and by state taxing authorities for tax years after 2020. While we are no longer subject to examination prior to those periods, carryforwards generated prior to those periods may still be adjusted upon examination by the IRS or state taxing authorities if they either have been or will be used in a subsequent period. We believe we have adequately accrued for tax deficiencies or reductions in tax benefits, if any, that could result from the examination and all open audit years.

In July 2025, the U.S. enacted the OBBBA. Amongst other things, the OBBBA provides for several corporate tax provision changes including restoring the full expensing of qualified property placed in service after January 19, 2025, reinstating the immediate expensing of U.S. research and development expenditures paid or incurred for tax years beginning after December 31, 2024, and changes in the computations of U.S. taxation on international earnings for tax years beginning after December 31, 2025. We completed the assessment of the OBBBA corporate tax provisions as they relate to our financial statements. The enactment of the OBBBA did not have a material impact to our effective tax rate for the three and nine months ended October 3, 2026. However, we expect the OBBBA to decrease our cash tax liability for 2026. We will continue to evaluate the impact of the OBBBA corporate tax provision changes as additional guidance becomes available.

Net Income (Loss) and Earnings (Loss) per Share

Net income, net income as a percentage of revenues, and earnings per diluted share for the three months ended October 3, 2026 were $13.9 million, or 6.1% of revenues, or $0.89 per diluted share, respectively, compared to a net loss, net loss as a percentage of revenues, and loss per share for the three months ended September 27, 2025 of $60.8 million, or 28.4% of revenues, or $4.06 per share, respectively. The increase in net income for the three months ended October 3, 2026 compared to the three months ended September 27, 2025 was primarily due to higher litigation settlement and related costs, net, of $99.7 million in the prior year period discussed above that did not reoccur in the current period and higher gross profit of $6.6 million, partially offset by higher income tax expense of $22.4 million, higher SG&A expenses of $5.8 million, and higher pension plan settlement loss of $3.9 million.

Net income, net income as a percentage of revenues, and earnings per diluted share for the nine months ended October 3, 2026 were $44.2 million, or 6.7% of revenues, or $2.84 per diluted share, respectively, compared to a net loss, net loss as a percentage of revenues, and loss per share of $46.7 million, or 7.7% of revenues, or $3.13 per share, respectively, for the nine months ended September 27, 2025. The increase in net income for the nine months ended October 3, 2026 compared to the nine months ended September 27, 2025 was primarily due to higher litigation settlement and related costs, net, of $99.7 million in the prior year period discussed above that did not reoccur in the current period and higher gross profit of $22.3 million, partially offset by higher income tax expense of $24.6 million.

Business Segment Performance

We report our financial performance based upon our two reportable operating segments: Electronic Systems and Structural Systems. The results of operations differ between our reportable operating segments due to differences in competitors, customers, extent of proprietary deliverables and performance. The following table summarizes our business segment performance for the three and nine months ended October 3, 2026 and September 27, 2025:

	Three Months Ended					Nine Months Ended				
	%	(Dollars in thousands)		% of Net Revenues		%	(Dollars in thousands)		% of Net Revenues	
	Change	October 3, 2026	September 27, 2025	October 3, 2026	September 27, 2025	Change	October 3, 2026	September 27, 2025	October 3, 2026	September 27, 2025
			(As Restated)		(As Restated)			(As Restated)		(As Restated)
Net Revenues										
Electronic Systems	3.5 %	$ 129,612	$ 125,269	57.1 %	58.4 %	10.1 %	$ 378,638	$ 344,038	57.3 %	56.6 %
Structural Systems	9.3 %	97,411	89,153	42.9 %	41.6 %	6.9 %	281,899	263,668	42.7 %	43.4 %
Total Net Revenues	5.9 %	$ 227,023	$ 214,422	100.0 %	100.0 %	8.7 %	$ 660,537	$ 607,706	100.0 %	100.0 %
Segment Operating Income										
Electronic Systems		$ 28,746	$ 23,286	22.2 %	18.6 %		$ 77,146	$ 61,194	20.4 %	17.8 %
Structural Systems		11,944	12,215	12.3 %	13.7 %		35,143	31,429	12.5 %	11.9 %
		40,690	35,501				112,289	92,623		
Corporate General and Administrative Expenses [1]		(14,895)	(110,818)	(6.6)%	(51.7)%		(42,443)	(145,240)	(6.4)%	(23.9)%
Total Operating Income (Loss)		$ 25,795	$ (75,317)	11.4 %	(35.1)%		$ 69,846	$ (52,617)	10.6 %	(8.7)%
Adjusted EBITDA										
Electronic Systems										
Operating Income		$ 28,746	$ 23,286				$ 77,146	$ 61,194		
Depreciation and Amortization		3,578	3,553				10,788	10,694		
Stock-Based Compensation Expense [2]		117	71				325	294		
Restructuring Charges		—	71				—	242		
		32,441	26,981	25.0 %	21.5 %		88,259	72,424	23.3 %	21.1 %
Structural Systems										
Operating Income		11,944	12,215				35,143	31,429		
Depreciation and Amortization		4,648	4,670				14,038	14,182		
Stock-Based Compensation Expense [3]		82	60				253	381		
Restructuring Charges		—	512				—	1,375		
		16,674	17,457	17.1 %	19.6 %		49,434	47,367	17.5 %	18.0 %
Corporate General and Administrative Expenses [1]										
Operating Loss		(14,895)	(110,818)				(42,443)	(145,240)		
Depreciation and Amortization		115	115				307	319		
Stock-Based Compensation Expense [4]		5,386	3,957				21,778	24,180		
Compensation Clawback		—	—				(3,870)	—		
Litigation Settlement and Related Costs, Net		—	99,675				—	99,675		
		(9,394)	(7,071)				(24,228)	(21,066)		
Adjusted EBITDA		$ 39,721	$ 37,367	17.5 %	17.4 %		$ 113,465	$ 98,725	17.2 %	16.2 %
Capital Expenditures										
Electronic Systems		$ 3,663	$ 1,216				$ 6,725	$ 4,264		
Structural Systems		1,670	1,029				4,681	6,272		
Corporate Administration		268	109				510	122		
Total Capital Expenditures		$ 5,601	$ 2,354				$ 11,916	$ 10,658		

(1) Includes costs not allocated to either the Electronic Systems or Structural Systems operating segments.

(2) The three and nine months ended October 3, 2026 included $0.1 million and $0.2 million, respectively, of stock-based compensation expense recorded as cost of sales. The three and nine months ended September 27, 2025 each included $0.1 million of stock-based compensation expense recorded as cost of sales.

(3) The three and nine months ended October 3, 2026 included $0.1 million and $0.2 million, respectively, of stock-based compensation expense recorded as cost of sales. The three and nine months ended September 27, 2025 included less than $0.1 million and $0.2 million, respectively, of stock-based compensation expense recorded as cost of sales.

(4) The three and nine months ended October 3, 2026 included zero and $0.3 million, respectively, of stock-based compensation expense for awards with both performance and market conditions that will be settled in cash. The three and nine months ended September 27, 2025 included $0.2 million and $1.4 million, respectively, of stock-based compensation expense for awards with both performance and market conditions that will be settled in cash.

Electronic Systems

Electronic Systems net revenues in the three months ended October 3, 2026 compared to the three months ended September 27, 2025 increased $4.3 million primarily due to the following in our key end-use markets:

- $12.4 million higher revenues in our commercial aerospace end-use markets due to higher rates on large aircraft and other commercial aerospace platforms; partially offset by
- $8.9 million lower revenues in our military and space end-use markets due to lower rates on other military and space, selected radar and naval platforms, partially offset by higher rates on selected fixed-wing aircraft and missiles platforms.

In addition, revenues for our industrial end-use markets for the three months ended October 3, 2026 increased $0.8 million compared to the three months ended September 27, 2025, mainly due to timing of orders.

Electronic Systems net revenues in the nine months ended October 3, 2026 compared to the nine months ended September 27, 2025 increased $34.6 million primarily due to the following in our key end-use markets:

- $25.0 million higher revenues in our commercial aerospace end-use markets due to higher rates on large aircraft and other commercial aerospace platforms; and
- $6.5 million higher revenues in our military and space end-use markets due to higher rates on selected fixed-wing aircraft and missiles platforms, partially offset by lower rates on radar and electronic warfare, other military and space, and naval platforms, along with a classified program.

In addition, revenues for our industrial end-use markets for the nine months ended October 3, 2026 increased $3.1 million compared to the nine months ended September 27, 2025, mainly due to timing of orders.

Electronic Systems segment operating income in the three months ended October 3, 2026 compared to the three months ended September 27, 2025 increased $5.5 million, primarily due to higher manufacturing volume, partially offset by higher other manufacturing costs.

Electronic Systems segment operating income in the nine months ended October 3, 2026 compared to the nine months ended September 27, 2025 increased $16.0 million, primarily due to higher manufacturing volume and lower other manufacturing costs, partially offset by unfavorable product mix.

Structural Systems

Structural Systems net revenues in the three months ended October 3, 2026 compared to the three months ended September 27, 2025 increased $8.3 million primarily due to the following:

- $8.6 million higher revenues in our commercial aerospace end-use markets due to higher rates on selected large aircraft and other commercial aerospace platforms; partially offset by
- $0.4 million lower revenues in our military and space end-use markets due to lower rates on selected rotary-wing aircraft and ground vehicle weapons platforms, partially offset by higher rates on selected missiles and fixed-wing platforms.

Structural Systems net revenues in the nine months ended October 3, 2026 compared to the nine months ended September 27, 2025 increased $18.2 million primarily due to the following:

- $20.6 million higher revenues in our commercial aerospace end-use markets due to higher rates on selected large aircraft and rotary-wing aircraft platforms; partially offset by
- $2.4 million lower revenues in our military and space end-use markets due to lower rates on selected rotary-wing aircraft and ground vehicle weapons platforms, partially offset by higher rates on selected missiles and fixed-wing aircraft platforms.

The Structural Systems segment operating income in the three months ended October 3, 2026 compared to the three months ended September 27, 2025 decreased $0.3 million, primarily due to higher other manufacturing costs and unfavorable product mix, partially offset by higher manufacturing volume and savings from the facility consolidation program.

The Structural Systems segment operating income in the nine months ended October 3, 2026 compared to the nine months ended September 27, 2025 increased $3.7 million, primarily due to higher manufacturing volume and savings from the facility consolidation program, partially offset by unfavorable product mix and higher other manufacturing costs.

In June 2020, a fire severely damaged our performance center in Guaymas, Mexico, which is part of our Structural Systems segment. The loss of production from the Guaymas performance center was absorbed by our other existing performance centers, however, we have reestablished our operations and are in the process of certification with various customers and ramping up our manufacturing capabilities in a different leased facility in Guaymas. We have insurance coverage up to a capped amount, less our deductible. The insurance claim for damages to our operating assets and business interruption was deemed final and closed by our insurance company during the three months ended July 1, 2023.

A neighboring, non-related manufacturing facility, also suffered fire damage during the same time as the fire that severely damaged our Guaymas performance center and, in November 2023, the occupant of the neighboring facility filed suit against us in U.S. District Court for the Central District of California seeking unspecified amounts for damages relating to the fire. Subsequent to our quarter ended September 27, 2025, on October 3, 2025, we entered into a binding settlement term sheet (the "Term Sheet") to resolve the Guaymas fire litigation against us. The Term Sheet provides for, among other things, the final dismissal of the Guaymas fire litigation against us with prejudice and a release of claims against us in exchange for us issuing a payment of $150.0 million, $56.0 million of which at that time was expected to be funded by our insurance carriers. Also subsequent to our quarter ended September 27, 2025, on October 9, 2025, we settled an ancillary subrogation claim related to the fire for $1.4 million. Further, subsequent to the fiscal year ended December 31, 2025, on January 7, 2026, we settled another ancillary subrogation claim related to the fire for $4.0 million. See Note 11 to our unaudited condensed consolidated financial statements included in Part I, Item 1 of this Form 10-Q for further information.

Corporate General and Administrative ("CG&A") Expenses

CG&A expenses decreased $95.9 million for the three months ended October 3, 2026 compared to the three months ended September 27, 2025, primarily due to litigation settlement and related costs, net, of $99.7 million in the prior year discussed above that did not reoccur in the current period, partially offset by higher compensation and benefits costs of $1.9 million, higher professional services fees of $1.1 million, and higher other CG&A expenses of $0.7 million.

CG&A expenses decreased $102.8 million for the nine months ended October 3, 2026 compared to the nine months ended September 27, 2025, primarily due to litigation settlement and related costs, net, of $99.7 million in the prior year discussed above that did not reoccur in the current period, compensation clawback of $3.9 million recorded in the second quarter of 2026, which is a reduction to CG&A expenses, and lower compensation and benefits costs of $1.3 million, partially offset by higher professional services fees of $1.8 million.

Non-GAAP Financial Measures

Adjusted earnings before interest, taxes, depreciation, amortization, stock-based compensation expense, and restructuring charges ("Adjusted EBITDA") were $39.7 million and $37.4 million for the three months ended October 3, 2026 and September 27, 2025, respectively.

When viewed with our financial results prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and accompanying reconciliations, we believe Adjusted EBITDA provides additional useful information that clarifies and enhances the understanding of the factors and trends affecting our past performance and future prospects. We define this measure, explain how it is calculated and provide a reconciliation of this measure to the most comparable GAAP measure in the table below. Adjusted EBITDA and the related financial ratios, as presented in this Quarterly Report on Form 10-Q ("Form 10-Q"), are supplemental measures of our performance that are not required by, or presented in accordance with, GAAP. They are not a measurement of our financial performance under GAAP and should not be considered as alternatives to net income or any other performance measures derived in accordance with GAAP, or as an alternative to net cash provided by operating activities as measures of our liquidity. The presentation of these measures should not be interpreted to mean that our future results will be unaffected by unusual or nonrecurring items.

We use Adjusted EBITDA as a non-GAAP operating performance measure internally as a complementary financial measure to evaluate the performance and trends of our businesses. We present Adjusted EBITDA and the related financial ratios, as applicable, because we believe that measures such as these provide useful information with respect to our ability to meet our operating commitments.

Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations include:

- It does not reflect our cash expenditures, future requirements for capital expenditures or contractual commitments;
- It does not reflect changes in, or cash requirements for, our working capital needs;
- It does not reflect the significant interest expense or the cash requirements necessary to service interest or principal payments on our debt;

- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA does not reflect any cash requirements for such replacements;
- It is not adjusted for all non-cash income or expense items that are reflected in our statements of cash flows;
- It does not reflect the impact on earnings of charges resulting from matters unrelated to our ongoing operations; and
- Other companies in our industry may calculate Adjusted EBITDA differently from us, limiting its usefulness as a comparative measure.

As a result of these limitations, Adjusted EBITDA and the related financial ratios should not be considered as measures of discretionary cash available to us to invest in the growth of our business or as a measure of cash that will be available to us to meet our obligations. You should compensate for these limitations by relying primarily on our GAAP results and using Adjusted EBITDA only as supplemental information. See our unaudited condensed consolidated financial statements contained in this Form 10-Q.

Even with the limitations above, we believe that Adjusted EBITDA is useful to an investor in evaluating our results of operations as this measure:

- Is widely used by investors to measure a company's operating performance without regard to items excluded from the calculation of such terms, which can vary substantially from company to company depending upon accounting methods and book value of assets, capital structure and the method by which assets were acquired, among other factors;
- Helps investors to evaluate and compare the results of our operations from period to period by removing the effect of our capital structure from our operating performance; and
- Is used by our management team for various other purposes in presentations to our Board of Directors as a basis for strategic planning and forecasting.

The following financial items have been added back to or subtracted from our net income when calculating Adjusted EBITDA:

- Interest expense, net may be useful to investors for determining current cash flow;
- Income tax expense may be useful to investors because it represents the taxes which may be (receivable) payable for the period and the change in deferred taxes during the period, and may (increase) reduce cash flow available for use in our business;
- Depreciation may be useful to investors because it generally represents the wear and tear on our property and equipment used in our operations;
- Amortization expense may be useful to investors because it represents the estimated attrition of our acquired customer base and the diminishing value of product rights;
- Stock-based compensation may be useful to our investors for determining current cash flow;
- Restructuring charges may be useful to our investors in evaluating our core operating performance;
- Gain on sale of property and other assets may be useful to our investors in evaluating our core operating performance;
- Compensation clawback may be useful to our investors in evaluating our core operating performance;
- Litigation settlement and related costs, net, may be useful to our investors in evaluating our core operating performance; and
- Pension plan settlement loss may be useful to our investors in evaluating our core operating performance.

Reconciliations of net income to Adjusted EBITDA and the presentation of Adjusted EBITDA as a percentage of net revenues were as follows:

	(Dollars in thousands) Three Months Ended		(Dollars in thousands) Nine Months Ended	
	October 3, 2026	September 27, 2025	October 3, 2026	September 27, 2025
		(As Restated)		(As Restated)
Net income (loss)	$ 13,891	$ (60,827)	$ 44,206	$ (46,671)
Interest expense, net	3,083	2,927	10,615	9,198
Income tax expense (benefit)	4,949	(17,417)	11,153	(13,398)
Depreciation	4,068	4,037	12,280	12,305
Amortization	4,273	4,301	12,853	12,890
Stock-based compensation expense [1]	5,585	4,088	22,356	24,855
Restructuring charges	—	583	—	1,617
Gain on sale of property and other assets	—	—	—	(1,746)
Compensation clawback	—	—	(3,870)	—
Litigation settlement and related costs, net	—	99,675	—	99,675
Pension plan settlement loss	3,872	—	3,872	—
Adjusted EBITDA	$ 39,721	$ 37,367	$ 113,465	$ 98,725
Net income (loss) as a % of net revenues	6.1 %	(28.4)%	6.7 %	(7.7)%
Adjusted EBITDA as a % of net revenues	17.5 %	17.4 %	17.2 %	16.2 %

(1) The three and nine months ended October 3, 2026 included zero and $0.3 million, respectively, of stock-based compensation expense for awards with both performance and market conditions that will be settled in cash. The three and nine months ended September 27, 2025 included $0.2 million and $1.4 million, respectively, of stock-based compensation expense for awards with both performance and market conditions that will be settled in cash. The three and nine months ended October 3, 2026 included $0.1 million and $0.4 million, respectively, of stock-based compensation expense recorded as cost of sales. The three and nine months ended September 27, 2025 included $0.1 million and $0.3 million, respectively, of stock-based compensation expense recorded as cost of sales.

Remaining Performance Obligations

Under generally accepted accounting principles ("GAAP") of the United States, Accounting Standards Codification 606 ("ASC 606"), we define performance obligations as customer placed purchase orders ("PO") with firm fixed price and firm delivery dates. The unrecognized revenue on a PO is the remaining performance obligation ("RPO"). POs are subject to delivery delays or program cancellations, which are beyond our control. As such, RPO is affected by timing differences in the placement of customer orders and tends to be concentrated in several programs to a greater extent than our net revenues.

	(Dollars in thousands)		
	Change	October 3, 2026	December 31, 2025
Consolidated Ducommun			
Military and space	$ 174,876	$ 867,595	$ 692,719
Commercial aerospace	2,310	404,484	402,174
Industrial	2,957	14,104	11,147
Total	$ 180,143	$ 1,286,183	$ 1,106,040
Electronic Systems			
Military and space	$ 141,796	$ 634,040	$ 492,244
Commercial aerospace	25,001	74,536	49,535
Industrial	2,957	14,104	11,147
Total	$ 169,754	$ 722,680	$ 552,926
Structural Systems			
Military and space	33,080	$ 233,555	$ 200,475
Commercial aerospace	(22,691)	329,948	352,639
Total	$ 10,389	$ 563,503	$ 553,114

Liquidity and Capital Resources

Available Liquidity

Total debt, the weighted-average interest rate, cash and cash equivalents and available credit facilities were as follows:

	(Dollars in millions)	
	October 3, 2026	December 31, 2025
Total debt, including long-term portion	$ 251.3	$ 305.0
Weighted-average interest rate on debt	5.53 %	6.10 %
Term Loan interest rate	5.13 %	5.81 %
Cash and cash equivalents	$ 39.2	$ 45.3
Unused Revolving Credit Facility	$ 394.8	$ 344.8

Credit Facilities

On November 24, 2025, we completed a refinancing of our existing debt by entering into a new senior secured term loan ("2025 Term Loan") and a new revolving credit facility ("2025 Revolving Credit Facility"). The 2025 Term Loan is a $200.0 million senior secured loan that matures in November 2030. The 2025 Revolving Credit Facility is a $450.0 million senior secured revolving credit facility that matures on November 24, 2030. The 2025 Term Loan replaced the 2022 Term Loan ("2022 Term Loan") which was a $250.0 million senior secured loan. The 2025 Revolving Credit Facility replaced the 2022 Revolving Credit Facility ("2022 Revolving Credit Facility") which was a $200.0 million senior secured revolving credit facility. The 2025 Term Loan and 2025 Revolving Credit Facility, collectively, are the new credit facilities ("2025 Credit Facilities"). The 2022 Term Loan and 2022 Revolving Credit Facility, collectively, were the 2022 credit facilities that were entered into in July 2022 and would have matured in July 2027 ("2022 Credit Facilities"). The terms of the 2025 Term Loan require us to make installment payments of 0.625% of the initial outstanding principal balance on a quarterly basis during years one and two, 1.250% during years three and four, and 1.875% during year five, on the last business day of each calendar quarter. The terms of the 2025 Revolving Credit Facility do not require us to make installment payments. However, the undrawn portion of the commitment of the 2025 Revolving Credit Facility is subject to a commitment fee ranging from 0.175% to 0.250%, based upon the consolidated total net adjusted leverage ratio. As of October 3, 2026, we were in compliance with all covenants required under the 2025 Credit Facilities. See Note 8 to our unaudited condensed consolidated financial statements included in Part I, Item 1 of this Form 10-Q for further information.

For the three months ended October 3, 2026 and September 27, 2025, we made the required quarterly amortization payments of $1.3 million and $3.1 million, respectively. For the nine months ended October 3, 2026 and September 27, 2025, we made the required quarterly amortization payments of $3.8 million and $6.3 million, respectively. The required quarterly amortization payments due on March 31, 2025, June 30, 2025, and September 30, 2025 were in our second, third, and fourth fiscal quarters of 2025, respectively. We made no voluntary prepayments on our term loans during each of the three and nine months ended October 3, 2026 and September 27, 2025.

Subrogation Claim

Subsequent to the fiscal year ended December 31, 2025, on January 7, 2026, we entered into a binding confidential agreement ("Settlement Agreement") to resolve the Additional Subrogation Claim against us. The Settlement Agreement provides for, among other things, the final dismissal of the Additional Subrogation Claim and a release of all claims against us, with prejudice, in exchange for us issuing a payment of $4.0 million. We made the $4.0 million payment on January 14, 2026. See Note 11 to our unaudited condensed consolidated financial statements included in Part I, Item 1 of this Form 10-Q for further information.

Derivatives

In November 2021, we entered into U.S. dollar-one month London Interbank Offered Rate ("LIBOR") forward interest rate swaps designated as cash flow hedges, all with an effective date of January 1, 2024, for an aggregate total notional amount of $150.0 million, weighted average fixed rate of 1.8%, and all terminating on January 1, 2031 ("Forward Interest Rate Swaps"). The Forward Interest Rate Swaps mature on a monthly basis, with fixed amount payer payment dates on the first day of each calendar month, commencing on February 1, 2024 through January 1, 2031. Thus, the interest rate is fixed on $150 million of our debt. See Note 1, Note 4, and Note 8 to our unaudited condensed consolidated financial statements included in Part I, Item 1 of this Form 10-Q for further information.

In July 2022, as a result of completing a refinancing of our existing debt, we were required to complete an amendment of the Forward Interest Rate Swaps ("Amended Forward Interest Rate Swaps"). The Forward Interest Rate Swaps were based on U.S. dollar-one month LIBOR and were amended to be based on one month Term Secured Overnight Financing Rate ("SOFR") as

borrowings using LIBOR were no longer available under the 2022 Credit Facilities. The Amended Forward Interest Rate Swaps weighted average fixed rate is 1.7%, as a result of the difference between U.S. dollar-one month LIBOR and one month Term SOFR. See Note 1, Note 4, and Note 8 to our unaudited condensed consolidated financial statements included in Part I, Item 1 of this Form 10-Q for further information.

Capital Expenditures

We expect to spend a total of $20.0 million to $22.0 million for capital expenditures in 2026 financed by cash generated from operations, principally to support new contract awards in Electronic Systems and Structural Systems. As part of our strategic plan to become a supplier of higher-level assemblies and win new contract awards, additional up-front investment in tooling will be required for newer programs which have higher engineering content and higher levels of complexity in assemblies.

Transaction Activity

We believe the ongoing aerospace and defense subcontractor consolidation makes acquisitions an increasingly important component of our future growth. We will continue to make prudent acquisitions and capital expenditures for manufacturing equipment and facilities to support long-term contracts for commercial and military aircraft and defense programs.

Properties

We monitor our asset base, including the market dynamics of the properties we own, and we may sell such properties and/or enter into sale-leaseback transactions. Such transactions would provide cash for various capital deployment options.

Short Term Liquidity

We continue to depend on operating cash flow and the availability of our 2025 Credit Facilities to provide short-term liquidity. Cash generated from operations and bank borrowing capacity is expected to provide sufficient liquidity to meet our obligations during the next twelve months from the date of issuance of these financial statements.

Cash Flow Summary

Net cash provided by operating activities for the nine months ended October 3, 2026 was $77.5 million compared to $41.3 million for the nine months ended September 27, 2025. The higher net cash provided by operating activities during the first nine months of 2026 was mainly due to higher net income, higher contract liabilities as a result of higher progress payments, and higher accounts payable, partially offset by higher accounts receivable, higher contract assets, and higher inventories.

Net cash used in investing activities was $12.2 million for the nine months ended October 3, 2026, compared to $9.1 million in the nine months ended September 27, 2025. The higher net cash used in investing activities during the first nine months of 2026 was mainly due to higher purchases of property and equipment.

Net cash used in financing activities was $71.4 million for the nine months ended October 3, 2026, compared to $18.4 million for the nine months ended September 27, 2025. The higher net cash used in financing activities during the first nine months of 2026 was mainly due to higher net repayments on our senior secured revolving credit facility and higher net cash paid upon issuance of common stock under stock plans.

Off-Balance Sheet Arrangements

Our off-balance sheet arrangements consist of operating and finance leases not recorded as a result of the practical expedients utilized, right of offset of industrial revenue bonds and associated failed sales-leasebacks on property and equipment, and indemnities, none of which we believe may have a material current or future effect on our financial condition, liquidity, capital resources, or results of operations.

Critical Accounting Policies

The preparation of our unaudited condensed consolidated financial statements in accordance with accounting principles generally accepted in the United States requires estimation and judgment that affect the reported amounts of net revenues, expenses, assets and liabilities. For a description of our critical accounting policies, please refer to “Critical Accounting Policies” in Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of our 2025 Form 10-K/A. There have been no material changes in any of our critical accounting policies during the three months ended October 3, 2026.

Recent Accounting Pronouncements

See “Part I, Item 1. Ducommun Incorporated and Subsidiaries—Notes to Condensed Consolidated Financial Statements—Note 1. Summary of Significant Accounting Policies—Recent Accounting Pronouncements” for further information.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our main market risk exposure relates to changes in U.S. interest rates on our outstanding long-term debt. At October 3, 2026, we had total borrowings of $251.3 million under our 2025 Credit Facilities.

The 2025 Term Loan bears interest, at our option, at a rate equal to either (i) Term Secured Overnight Financing Rate ("Term SOFR") plus an applicable margin ranging from 1.250% to 2.125% per year or (ii) Base Rate (defined as the highest of [a] Federal Funds Rate plus 0.50%, [b] Bank of America's prime rate, and [c] Term SOFR plus 1.00%, and if the Base Rate is less than zero percent, it will be deemed zero percent) plus an applicable margin ranging from 0.250% to 1.125% per year, in each case based upon the consolidated total net adjusted leverage ratio.

The 2025 Revolving Credit Facility bears interest, at our option, at a rate equal to either (i) Term SOFR plus an applicable margin ranging from 1.250% to 2.125% per year or (ii) Base Rate (defined as the highest of [a] Federal Funds Rate plus 0.50%, [b] Bank of America's prime rate, and [c] Term SOFR plus 1.00%, and if the Base Rate is less than zero percent, it will be deemed zero percent) plus an applicable margin ranging from 0.250% to 1.125% per year, in each case based upon the consolidated total net adjusted leverage ratio.

A hypothetical 10% increase or decrease in the interest rate would have an immaterial impact on our financial condition and results of operations.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended ("Exchange Act") and have concluded that as of October 3, 2026 due to the material weakness in our internal control over financial reporting described below, our disclosure controls and procedures were not effective.

Material Weakness in Internal Control Over Financial Reporting

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

As previously disclosed in our 2025 Form 10-K/A, we identified a material weakness whereby we did not design and maintain effective controls to review the terms of employee stock award plan documents to ensure that stock-based compensation expense is recorded completely and accurately. The material weakness resulted in the restatement of the consolidated financial statements as of and for the years ended December 31, 2025 and 2024, and the unaudited condensed consolidated financial statements as of and for the quarters ended June 29, 2024 and September 28, 2024, and all fiscal quarters within 2025, as well as the revision to the condensed financial statements as of and for the quarter ended March 30, 2024, related to stock-based compensation expense included as part of selling, general and administrative expense, accrued and other liabilities, other long-term liabilities, and additional paid-in capital. Additionally, this material weakness could result in misstatements to stock-based compensation expense and related disclosures that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected.

Management's Remediation Activities for Previously Identified Material Weakness in Internal Control Over Financial Reporting

The Company's management, with oversight from the Company's Audit Committee, has completed the design and implementation of the remediation plan in response to the identified material weakness described above. Specifically, the Company designed and implemented a periodic review over any changes to employee stock award plan documents, including review of the documentation of the appropriate accounting treatment of the revised terms and conditions, as applicable.

This material weakness will not be considered remediated until the applicable remedial controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively. The Company believes the above measures will remediate the material weakness identified.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting during the quarter ended October 3, 2026.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

See Note 11 to our unaudited condensed consolidated financial statements included in Part I, Item 1 of this Form 10-Q for a description of our legal proceedings.

Item 1A. Risk Factors

See Part I, Item 1A of our Amendment No. 1 to our Annual Report on Form 10-K for the year ended December 31, 2025 ("2025 Form 10-K/A") for a discussion of our risk factors. There have been no material changes during the three months ended October 3, 2026 to the risk factors disclosed in our 2025 Form 10-K/A for the year ended December 31, 2025.

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

Not applicable.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit No.	Description
3.1	Restated Certificate of Incorporation filed with the Delaware Secretary of State on May 29, 1990. Incorporated by reference to Exhibit 3.1 to Form 10-K for the year ended December 31, 1990.
3.2	Certificate of Amendment of Certificate of Incorporation filed with the Delaware Secretary of State on May 27, 1998. Incorporated by reference to Exhibit 3.2 to Form 10-K for the year ended December 31, 1998.
3.3	Amended and Restated Bylaws of Ducommun Incorporated, dated as of November 5, 2024. Incorporated by reference to Exhibit 3.1 to Form 8-K filed on November 7, 2024.
31.1	Certification of Principal Executive Officer.
31.2	Certification of Principal Financial Officer.
32	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document with Embedded Linkbase Documents - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

		DUCOMMUN INCORPORATED
		(Registrant)
Date: November 5, 2026	By:	/s/ Stephen G. Oswald
		Stephen G. Oswald
		Chairman, President and Chief Executive Officer
		(Principal Executive Officer)
Date: November 5, 2026	By:	/s/ Suman B. Mookerji
		Suman B. Mookerji
		Senior Vice President, Chief Financial Officer
		(Principal Financial and Principal Accounting Officer)

EXHIBIT 31.1

Certification of Principal Executive Officer
Pursuant to Section 302 of the
Sarbanes-Oxley Act of 2002

I, Stephen G. Oswald, certify that:

1. I have reviewed this Quarterly Report of Ducommun Incorporated (the "registrant") on Form 10-Q for the period ended October 3, 2026;
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(s) 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f), and 15d-15(f)) 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. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    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(s) 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.

Date: November 5, 2026

/s/ Stephen G. Oswald
Stephen G. Oswald
Chairman, President and Chief Executive Officer

EXHIBIT 31.2

Certification of Principal Financial Officer
Pursuant to Section 302 of the
Sarbanes-Oxley Act of 2002

I, Suman B. Mookerji, certify that:

1. I have reviewed this Quarterly Report of Ducommun Incorporated (the "registrant") on Form 10-Q for the period ended October 3, 2026;
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(s) 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), 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. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    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(s) 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.

Date: November 5, 2026

/s/ Suman B. Mookerji
Suman B. Mookerji
Senior Vice President, Chief Financial Officer

EXHIBIT 32

Certification Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to Section 906 of
the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Ducommun Incorporated (the "Company") on Form 10-Q for the period ending October 3, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stephen G. Oswald, Chairman, President and Chief Executive Officer of the Company, certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

By: /s/ Stephen G. Oswald
Stephen G. Oswald
Chairman, President and Chief Executive Officer
November 5, 2026

In connection with the Quarterly Report of Ducommun Incorporated (the "Company") on Form 10-Q for the period ending October 3, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Suman B. Mookerji, Senior Vice President, Chief Financial Officer of the Company, certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

By: /s/ Suman B. Mookerji
Suman B. Mookerji
Senior Vice President, Chief Financial Officer
November 5, 2026

The foregoing certification is accompanying the Form 10-Q solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and is not being filed as part of the Form 10-Q or as a separate disclosure document.