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 September 30, 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 1-6747

The Gorman-Rupp Company

(Exact name of registrant as specified in its charter**)**

Ohio	**34-0253990**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
600 South Airport Road, Mansfield, Ohio	**44903**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code (419) 755-1011

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 Shares, without par value	GRC	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 such files). 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. (Check one):

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 ☒

On October 26, 2026 there were 26,410,243 common shares, without par value, of The Gorman-Rupp Company outstanding.

The Gorman-Rupp Company
Three and Nine Months Ended September 30, 2026 and 2025

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)

THE GORMAN-RUPP COMPANY
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(Dollars in thousands, except per share amounts)	**2026**	**2025**	**2026**	**2025**
Net sales	$ 193,254	$ 172,825	$ 555,912	$ 515,818
Cost of products sold	128,730	122,405	373,421	359,013
Gross profit	64,524	50,420	182,491	156,805
Selling, general and administrative expenses	27,543	25,856	81,462	77,002
Amortization expense	3,080	3,087	9,239	9,289
Operating income	33,901	21,477	91,790	70,514
Interest expense	(4,316)	(5,787)	(13,942)	(17,980)
Other income (expense), net	246	(357)	(380)	(1,282)
Income before income taxes	29,831	15,333	77,468	51,252
Provision for income taxes	7,120	3,989	17,485	11,983
Net income	$ 22,711	$ 11,344	$ 59,983	$ 39,269
Earnings per share	$ 0.86	$ 0.43	$ 2.27	$ 1.49
Average number of shares outstanding	26,410,243	26,312,842	26,386,043	26,289,471

See notes to consolidated financial statements (unaudited).

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(Dollars in thousands)	**2026**	**2025**	**2026**	**2025**
Net income	$ 22,711	$ 11,344	$ 59,983	$ 39,269
Other comprehensive income (loss), net of tax:				
Cumulative translation adjustments	(198)	(121)	(1,832)	5,212
Cash flow hedging activity	230	18	1,089	(906)
Pension and postretirement medical liability adjustments	179	228	524	670
Other comprehensive income (loss)	211	125	(219)	4,976
Comprehensive income	$ 22,922	$ 11,469	$ 59,764	$ 44,245

See notes to consolidated financial statements (unaudited).

THE GORMAN-RUPP COMPANY
CONSOLIDATED BALANCE SHEETS

(Dollars in thousands)	(unaudited) **September 30, 2026**	**December 31, 2025**
Assets		
Current assets:		
Cash and cash equivalents	$ 59,302	$ 35,083
Accounts receivable, net	109,014	88,378
Inventories, net	84,904	96,457
Prepaid and other	8,267	13,776
Total current assets	261,487	233,694
Property, plant and equipment, net	133,420	134,131
Other assets	23,104	22,192
Other intangible assets, net	202,828	212,066
Goodwill	257,899	257,972
Total assets	$ 878,738	$ 860,055
Liabilities and equity		
Current liabilities:		
Accounts payable	$ 34,610	$ 25,885
Payroll and employee related liabilities	35,470	22,612
Commissions payable	6,709	7,048
Deferred revenue and customer deposits	9,566	7,658
Current portion of long-term debt	—	23,125
Accrued expenses	10,587	12,284
Total current liabilities	96,942	98,612
Pension benefits	3,840	5,149
Postretirement benefits	25,279	24,803
Long-term debt, net of current portion	250,232	284,406
Other long-term liabilities	41,314	32,362
Total liabilities	417,607	445,332
Equity:		
Common shares, without par value:		
Authorized - 35,000,000 shares;		
Outstanding - 26,410,243 shares at September 30, 2026 and 26,312,842 shares at December 31, 2025 (after deducting treasury shares of 638,553 and 735,954, respectively), at stated capital amounts	5,165	5,144
Additional paid-in capital	12,757	11,456
Retained earnings	463,804	418,499
Accumulated other comprehensive (loss)	(20,595)	(20,376)
Total equity	461,131	414,723
Total liabilities and equity	$ 878,738	$ 860,055

See notes to consolidated financial statements (unaudited).

THE GORMAN-RUPP COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(Dollars in thousands)	Nine Months Ended September 30, 2026	2025
Cash flows from operating activities:		
Net income	$ 59,983	$ 39,269
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	21,591	20,820
LIFO expense	2,531	4,266
Pension expense	1,489	2,076
Stock based compensation	4,329	2,850
Contributions to pension plans	(2,154)	(2,113)
Amortization of debt issuance fees	886	886
Other	241	247
Changes in operating assets and liabilities:		
Accounts receivable, net	(21,100)	(3,085)
Inventories, net	8,063	2,662
Accounts payable	8,923	7,926
Commissions payable	(253)	65
Deferred revenue and customer deposits	1,938	610
Income taxes	15,449	4,152
Accrued expenses and other	(300)	2,137
Benefit obligations	13,294	8,462
Net cash provided by operating activities	114,910	91,230
Cash flows from investing activities:		
Capital additions	(14,687)	(12,533)
Other	360	85
Net cash used for investing activities	(14,327)	(12,448)
Cash flows from financing activities:		
Cash dividends	(15,035)	(14,586)
Treasury share repurchases	(2,649)	(1,152)
Payments to banks for borrowings	(58,000)	(45,000)
Other	(92)	(90)
Net cash used for financing activities	(75,776)	(60,828)
Effect of exchange rate changes on cash	(588)	770
Net increase in cash and cash equivalents	24,219	18,724
Cash and cash equivalents:		
Beginning of period	35,083	24,213
End of period	$ 59,302	$ 42,937

See notes to consolidated financial statements (unaudited).

THE GORMAN-RUPP COMPANY
CONSOLIDATED STATEMENTS OF EQUITY (UNAUDITED)

	Nine Months Ended September 30, 2026					
(Dollars in thousands, except share and per share amounts)	Common Shares		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total
	Shares	Dollars				
Balances December 31, 2025	26,312,842	$ 5,144	$ 11,456	$ 418,499	$ (20,376)	$ 414,723
Net income				17,840		17,840
Other comprehensive loss					(488)	(488)
Stock based compensation, net	128,551	28	677	472		1,177
Treasury share repurchases	(40,558)	(9)	(2,491)	(149)		(2,649)
Cash dividends - $0.19 per share				(4,999)		(4,999)
Balances March 31, 2026	26,400,835	$ 5,163	$ 9,642	$ 431,663	$ (20,864)	$ 425,604
Net income				19,432		19,432
Other comprehensive income					58	58
Stock based compensation, net	9,408	2	1,322	34		1,358
Treasury share repurchases					-	-
Cash dividends - $0.19 per share				(5,018)		(5,018)
Balances June 30, 2026	26,410,243	$ 5,165	$ 10,964	$ 446,111	$ (20,806)	$ 441,434
Net income				22,711		22,711
Other comprehensive income					211	211
Stock based compensation, net			1,793			1,793
Cash dividends - $0.19 per share				(5,018)		(5,018)
Balances September 30, 2026	26,410,243	$ 5,165	$ 12,757	$ 463,804	$ (20,595)	$ 461,131

	Nine Months Ended September 30, 2025					
(Dollars in thousands, except share and per share amounts)	Common Shares		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total
	Shares	Dollars				
Balances December 31, 2024	26,227,540	$ 5,126	$ 9,360	$ 384,757	$ (25,443)	$ 373,800
Net income				12,128		12,128
Other comprehensive income					1,088	1,088
Stock based compensation, net	96,900	21	671	356		1,048
Treasury share repurchases	(30,063)	(7)	(1,024)	(110)		(1,141)
Cash dividends - $0.185 per share				(4,852)		(4,852)
Balances March 31, 2025	26,294,377	$ 5,140	$ 9,007	$ 392,279	$ (24,355)	$ 382,071
Net income				15,797		15,797
Other comprehensive income					3,763	3,763
Stock based compensation, net	18,773	4	943	69		1,016
Treasury share repurchases	(308)		(9)	(2)		(11)
Cash dividends - $0.185 per share				(4,868)		(4,868)
Balances June 30, 2025	26,312,842	$ 5,144	$ 9,941	$ 403,275	$ (20,592)	$ 397,768
Net income				11,344		11,344
Other comprehensive income					125	125
Stock based compensation, net			786			786
Cash dividends - $0.185 per share				(4,866)		(4,866)
Balances September 30, 2025	26,312,842	$ 5,144	$ 10,727	$ 409,753	$ (20,467)	$ 405,157

See notes to consolidated financial statements (unaudited).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(Amounts in tables in thousands of dollars, except for per share amounts)

NOTE 1 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

The accompanying unaudited Consolidated Financial Statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") for interim financial information and in accordance with the instructions to Form 10-Q and do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. The Consolidated Financial Statements include the accounts of The Gorman-Rupp Company (the "Company" or "Gorman-Rupp") and its wholly owned subsidiaries. All significant intercompany accounts and transactions have been eliminated. Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results. In the opinion of management of the Company, all adjustments considered necessary for a fair presentation have been included. Operating results for the three and nine months ended September 30, 2026 are not necessarily indicative of results that may be expected for the year ending December 31, 2026. For further information, refer to the Consolidated Financial Statements and accompanying notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025, from which related information herein has been derived.

Accounting Standards Issued But Not Yet Adopted

The FASB issued ASU 2024-03, Income Statement - Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40). The standard is intended to enhance the transparency of business expenses in commonly presented expense captions. This amendment requires the reporting entity to disclose the following amounts in each relevant income statement expense caption (1) purchases of inventory, (2) employee compensation, (3) depreciation, and (4) intangible asset amortization. The reporting entity also is required to disclose the total amount of selling expense and its definition of selling expenses. The standard is effective for annual periods beginning after December 15, 2026. The standard is required to be applied on a prospective basis, while retrospective application is permitted but not required. The Company is evaluating the impact of the standard on the Company's financial disclosures.

NOTE 2 – REVENUE

The following tables disaggregate total net sales by end market and geographic location:

	End market			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Industrial	$ 34,380	$ 30,974	$ 99,523	$ 90,910
Fire	35,753	31,955	92,876	96,660
Agriculture	27,721	22,985	82,168	68,861
Construction	26,871	23,363	82,908	68,224
Municipal	28,305	26,339	82,036	78,170
Petroleum	5,715	4,716	15,932	15,736
OEM	14,261	12,804	40,185	36,148
Repair parts	20,248	19,689	60,284	61,109
Total net sales	$ 193,254	$ 172,825	$ 555,912	$ 515,818

	Geographic Location			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
United States	$ 145,948	$ 133,082	$ 420,633	$ 390,624
Foreign countries	47,306	39,743	135,279	125,194
Total net sales	$ 193,254	$ 172,825	$ 555,912	$ 515,818

The Company attributes revenues to individual countries based on the customer location to which finished products are shipped. International sales represented approximately 24% and 23% of total net sales for the third quarter of 2026 and 2025, respectively.

On September 30, 2026, the Company had $236.8 million of remaining performance obligations, also referred to as backlog. The Company expects to recognize as revenue substantially all of its remaining performance obligations within one year.

The Company's contract assets and liabilities as of September 30, 2026 and December 31, 2025 were as follows:

	September 30, 2026	December 31, 2025
Contract assets	$ —	$ 634
Contract liabilities	9,566	7,658

Revenue recognized for the nine months ended September 30, 2026 and 2025 that was included in the contract liabilities balance at the beginning of the period was $6.2 million and $6.3 million, respectively.

NOTE 3 - INVENTORIES

LIFO inventories are stated at the lower of cost or market and all other inventories are stated at the lower of cost or net realizable value. Replacement cost approximates current cost and the excess over LIFO cost was approximately $107.1 million and $104.6 million at September 30, 2026 and December 31, 2025, respectively. Allowances for excess and obsolete inventory totaled $9.2 million and $7.3 million at September 30, 2026 and December 31, 2025, respectively. An actual valuation of inventory under the LIFO method is made at the end of each year based on the inventory levels and costs at that time. Interim LIFO calculations are based on management's estimate of expected year-end inventory levels and costs, and are subject to the final year-end LIFO inventory valuation.

Pre-tax LIFO expense was $0.1 million and $1.3 million for the three months ended September 30, 2026 and 2025, respectively, and $2.5 million and $4.3 million for the nine months ended September 30, 2026 and 2025, respectively.

Inventories are comprised of the following:

	September 30, 2026	December 31, 2025
Inventories, net:		
Raw materials and in-process	$ 24,338	$ 26,312
Finished parts	45,452	51,719
Finished products	15,114	18,426
Total net inventories	$ 84,904	$ 96,457

NOTE 4 – PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, net consist of the following:

	September 30, 2026	December 31, 2025
Land	$ 6,101	$ 6,040
Buildings	127,908	125,397
Machinery and equipment	241,123	240,293
	$ 375,132	$ 371,730
Less accumulated depreciation	(241,712)	(237,599)
Property, plant and equipment, net	$ 133,420	$ 134,131

NOTE 5 - PRODUCT WARRANTIES

A liability is established for estimated future warranty and service claims based on historical claims experience and specific product failures. The Company expenses warranty costs directly to Cost of products sold. Changes in the Company's product warranties liability are:

	September 30,	
	2026	2025
Balance at beginning of year	$ 2,551	$ 2,210
Provision	1,414	2,649
Claims	(1,868)	(2,398)
Balance at end of period	$ 2,097	$ 2,461

NOTE 6 - PENSION AND OTHER POSTRETIREMENT BENEFITS

The Company sponsors a defined benefit pension plan ("GR Plan") covering certain domestic employees. Benefits are based on each covered employee's years of service and compensation. The GR Plan is funded in conformity with the funding requirements of applicable U.S. regulations. The GR Plan was closed to new participants effective January 1, 2008. Employees hired after this date, in eligible locations, participate in an enhanced 401(k) plan instead of the GR Plan. Employees hired prior to this date continue to accrue benefits under the GR Plan.

Additionally, the Company sponsors defined contribution pension plans made available to all domestic and Canadian employees. The Company funds the cost of these benefits as incurred.

The Company also sponsors a non-contributory defined benefit postretirement health care plan that provides health benefits to certain domestic and Canadian retirees and eligible spouses and dependent children. The Company funds the cost of these benefits as incurred.

The following tables present the components of net periodic benefit costs:

	Pension Benefits		Postretirement Benefits	
	Three Months Ended September 30,		Three Months Ended September 30,	
	2026	2025	2026	2025
Service cost	$ 402	$ 454	$ 220	$ 202
Interest cost	718	745	327	310
Expected return on plan assets	(895)	(818)	—	—
Amortization of prior service cost	—	—	(19)	(19)
Recognized actuarial loss (gain)	219	303	13	(8)
Net periodic benefit cost (a)	$ 444	$ 684	$ 541	$ 485

	Pension Benefits		Postretirement Benefits	
	Nine Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Service cost	$ 1,350	$ 1,440	$ 660	$ 605
Interest cost	2,147	2,245	981	931
Expected return on plan assets	(2,653)	(2,482)	—	—
Amortization of prior service cost	—	—	(56)	(56)
Recognized actuarial loss (gain)	645	873	39	(26)
Net periodic benefit cost (a)	$ 1,489	$ 2,076	$ 1,624	$ 1,454

(a) The components of net periodic cost other than the service cost component are included in Other income (expense), net in the Consolidated Statements of Income.

NOTE 7 – ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The components of Accumulated other comprehensive income (loss) as reported in the Consolidated Balance Sheets are:

	Currency Translation Adjustments	Deferred Gain (Loss) on Cash Flow Hedging	Pension and OPEB Adjustments	Accumulated Other Comprehensive (Loss) Income
Balance at December 31, 2025	$ (6,948)	$ (970)	$ (12,458)	$ (20,376)
Reclassification adjustments	—	379	232	611
Current period benefit (charge)	(1,832)	1,055	458	(319)
Income tax benefit (charge)	—	(345)	(166)	(511)
Balance at September 30, 2026	$ (8,780)	$ 119	$ (11,934)	$ (20,595)

	Currency Translation Adjustments	Deferred Gain (Loss) on Cash Flow Hedging	Pension and OPEB Adjustments	Accumulated Other Comprehensive (Loss) Income
Balance at December 31, 2024	$ (12,712)	$ (103)	$ (12,628)	$ (25,443)
Reclassification adjustments	—	(306)	295	(11)
Current period benefit (charge)	5,212	(883)	584	4,913
Income tax benefit (charge)	—	283	(209)	74
Balance at September 30, 2025	$ (7,500)	$ (1,009)	$ (11,958)	$ (20,467)

NOTE 8 – COMMON SHARE REPURCHASES

The Company has a share repurchase program with the authorization to purchase up to $50.0 million of the Company's common shares. As of September 30, 2026, the Company had $48.1 million available for repurchase under the share repurchase program. During the nine-month period ending September 30, 2026, the Company repurchased 40,558 common shares at an average cost per share of $65.32 for a total of $2.6 million in the surrender of common shares to cover taxes in connection with the vesting of stock awards, which were not part of the share repurchase program. During the nine-month period ending September 30, 2025, the Company repurchased 30,371 common shares at an average cost per share of $37.92 for a total of $1.2 million in the surrender of common shares to cover taxes in connection with the vesting of stock awards, which were not part of the share repurchase program.

NOTE 9 – FINANCING ARRANGEMENTS

Debt consisted of:

	September 30, 2026	December 31, 2025
Senior Secured Credit Agreement	$ 222,750	$ 280,750
Credit Facility	—	—
6.40% Note Agreement	30,000	30,000
Total debt	252,750	310,750
Unamortized discount and debt issuance fees	(2,518)	(3,219)
Total debt, net	250,232	307,531
Less: current portion of long-term debt	—	(23,125)
Total long-term debt, net	$ 250,232	$ 284,406

The carrying value of long term debt, including the current portion, approximates fair value as the variable interest rates approximate rates available to other market participants with comparable credit risk, and interest rates as of September 30, 2026 were approximately the same as interest rates at the time the fixed rate agreement was executed.

Amended and Restated Senior Secured Credit Agreement

On May 31, 2024, the Company entered into an Amended and Restated Senior Secured Credit Agreement (the "Amended and Restated Senior Credit Agreement") with several lenders, which amended, extended, and restated the Company's previous Senior Secured Credit Agreement, dated as of May 31, 2022. The Amended and Restated Senior Credit Agreement provides for a term loan facility in an aggregate principal amount of $370 million (the "Senior Term Loan Facility"), a revolving credit facility in an aggregate principal amount of up to $100 million (the "Credit Facility"), a letter of credit sub-facility in the aggregate available amount of up to $30 million, as a sublimit of the Credit Facility, and a swing line sub-facility in the aggregate available amount of up to $20 million, as a sublimit of the Credit Facility. The obligations of the Company under the Amended and Restated Senior Credit Agreement are secured by a first priority lien on substantially all of its personal property, and guaranteed by certain of the Company's direct, wholly-owned subsidiaries (the "Guarantors"), which guarantees are secured by a first priority lien in substantially all of the Guarantors' personal property.

The Amended and Restated Senior Credit Agreement has a maturity date of May 31, 2029, with the Senior Term Loan Facility requiring quarterly installment payments commencing on September 30, 2024 and continuing on the last day of each consecutive December, March, June and September thereafter. The Company has made payments in excess of the required minimum installment payments, which have been applied to future required minimum quarterly installment payments. As a result, the Company does not have any required quarterly installment payments due under the Senior Term Loan Facility within the next 12 months.

At the option of the Company, borrowings under the Senior Term Loan Facility and under the Credit Facility bear interest at either a base rate or at an Adjusted Term SOFR Rate (as defined in the Amended and Restated Senior Credit Agreement), plus the applicable margin, which ranges from 0.5% to 1.25% for base rate loans and 1.50% to 2.25% for Adjusted Term SOFR Rate loans. The applicable margin is

based on the Company's total leverage ratio. At September 30, 2026, the applicable interest rate under the Amended and Restated Senior Secured Credit Agreement was Adjusted Term SOFR plus 1.75%, or 5.8%.

The Amended and Restated Senior Credit Agreement requires the Company to maintain a consolidated total net leverage ratio not to exceed 3.50 to 1.00 for the four consecutive fiscal quarter periods ending December 31, 2025 and each of the four consecutive fiscal quarter periods ending thereafter.

The Amended and Restated Senior Credit Agreement requires the Company to maintain an interest coverage ratio of not less than 3.00 to 1.00 for any four consecutive fiscal quarter period.

The Amended and Restated Senior Credit Agreement contains customary affirmative and negative covenants, including among others, limitations on the Company and its subsidiaries with respect to the incurrence of liens and indebtedness, dispositions of assets, mergers, transaction with affiliates, and the ability to make or pay dividends in excess of certain thresholds.

The Amended and Restated Senior Credit Agreement also contains customary provisions requiring certain mandatory prepayments, including, among others, prepayments of the net cash proceeds from any non-ordinary course sale of assets, and net cash proceeds of any non-permitted indebtedness.

6.40% Note Agreement

On May 31, 2024, the Company entered into a Note Agreement (the "6.40% Note Agreement") whereby the Company issued $30.0 million aggregate principal amount of 6.40% senior secured notes (the "6.40% Notes"). The Company's obligations under the 6.40% Notes are secured by a first priority lien on substantially all of its personal property, and guaranteed by each of the Guarantors, which guarantees are secured by a first priority lien in substantially all of the Guarantors' personal property. The liens granted under the 6.40% Notes are equal in priority to those granted pursuant to the Amended and Restated Senior Credit Agreement.

The 6.40% Note Agreement has a maturity date of May 31, 2031 and interest is payable semiannually on the last day of May and November in each year.

The 6.40% Note Agreement includes representations, warranties, covenants and events of default, substantially consistent with those contained in the Amended and Restated Senior Credit Agreement.

Other

The Company was in compliance with all debt covenants as of September 30, 2026.

Interest Rate Derivatives

During the fourth quarter of 2022, the Company entered into interest rate swaps that hedge interest payments on its SOFR borrowing. All swaps have been designated as cash flow hedges. The following table summarizes the notional amounts, related rates and remaining terms of interest swap agreements as of September 30, 2026 and December 31, 2025:

	Notional Amount		Average Fixed Rate		
	September 30, 2026	December 31, 2025	September 30, 2026	December 31, 2025	Term
Interest rate swaps	$ 122,500	$ 135,625	4.1%	4.1%	Extending to May 2027

The fair value of the Company's interest rate swaps was a receivable of $0.2 million as of September 30, 2026 and a payable of $1.3 million as of December 31, 2025. The fair value was based on inputs other than quoted prices in active markets for identical assets that are observable either directly or indirectly and therefore considered level 2. The mark-to-market effect of interest rate swap agreements that are considered effective as hedges has been included in Accumulated Other Comprehensive Loss. The interest rate swap agreements held by the Company on September 30, 2026 are expected to continue to be effective hedges through the end of their respective terms.

The following table summarizes the fair value of derivative instruments as recorded in the Consolidated Balance Sheets:

	September 30, 2026	December 31, 2025
Assets		
Prepaid and Other	$ 157	$ —
Liabilities:		
Accrued expenses	-	(847)
Other long-term liabilities	-	(430)
Total derivatives	$ 157	$ (1,277)

The following table summarizes total gains (losses) recognized on derivatives:

Derivatives in Cash Flow Hedging Relationships	Amount of (Loss) Gain Recognized in AOCI on Derivatives			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Interest rate swaps	$ 185	$ 125	$ 1,055	$ (883)

The effects of derivative instruments on the Company's Consolidated Statements of Income are as follows:

Location of (Loss) Gain Reclassed from AOCI into Income (Effective Portion)	Amount of (Loss) Gain Reclassed from AOCI into Income (Effective Portion)			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Interest expense	$ (119)	$ 101	$ (379)	$ 306

Note 10 – BUSINESS SEGMENT INFORMATION

The Company operates in one business segment comprising the design, manufacture and sale of pumps and pump systems. The Company's products are used in water, wastewater, construction, industrial, petroleum, original equipment, agriculture, fire suppression, heating, ventilation and air conditioning (HVAC), military and other liquid-handling applications.

The pumps and pump systems are marketed in the United States and worldwide through a broad network of distributors, through manufacturers' representatives (for sales to many original equipment manufacturers), through third-party distributor catalogs, and by direct sales. International sales are made primarily through foreign distributors and representatives.

The Company's chief operating decision maker ("CODM") is its chief executive officer, who reviews financial information presented on a consolidated basis. The CODM uses consolidated operating income and net income to assess financial performance and allocate resources. These financial metrics are used by the CODM to make key operating decisions, such as the allocation of capital between reinvestment in the business, the payment of dividends, paying down debt, and/or acquisitions. The measure of segment assets is reported on the balance sheet as total consolidated assets.

The following table presents selected financial information with respect to the Company's single operating segment:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Net sales	$ 193,254	$ 172,825	$ 555,912	$ 515,818
Less:				
Cost of Material	91,327	85,375	261,359	249,972
Labor	22,729	21,799	67,606	63,847
Overhead	14,674	15,231	44,457	45,194
Selling	12,742	12,556	38,509	36,678
General and administrative	14,801	13,300	42,952	40,324
Amortization expense	3,080	3,087	9,239	9,289
Operating Income	33,901	21,477	91,790	70,514
Other income (expense):				
Interest expense	(4,316)	(5,787)	(13,942)	(17,980)
Other income (expense)	246	(357)	(380)	(1,282)
Income before income taxes	29,831	15,333	77,468	51,252
Provision from income taxes	7,120	3,989	17,485	11,983
Net income	$ 22,711	$ 11,344	$ 59,983	$ 39,269

The Company sells to approximately 140 countries around the world. The Company attributes revenues to individual countries based on the customer location to which finished products are shipped. The following tables disaggregate total net sales by geographic location:

	Geographic Location			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
United States	$ 145,948	$ 133,082	$ 420,633	$ 390,624
Foreign countries	47,306	39,743	135,279	125,194
Total net sales	$ 193,254	$ 172,825	$ 555,912	$ 515,818

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(Dollars in thousands, except for per share amounts)

The following discussion and analysis of the Company's financial condition and Results of Operations should be read in conjunction with the Consolidated Financial Statements, and notes thereto, and the other financial data included elsewhere in this Quarterly Report on Form 10-Q. The following discussion should also be read in conjunction with the Company's audited Consolidated Financial Statements and accompanying notes, and Management's Discussion and Analysis of Financial Condition and Results of Operations included in its Annual Report on Form 10-K for the year ended December 31, 2025.

Executive Overview

The Gorman-Rupp Company ("we", "our", "Gorman-Rupp" or the "Company") is a leading designer, manufacturer and international marketer of pumps and pump systems for use in diverse water, wastewater, construction, dewatering, industrial, petroleum, original equipment, agriculture, fire suppression, heating, ventilating and air conditioning (HVAC), military and other liquid-handling applications. The Company attributes its success to long-term product quality, applications and performance combined with timely delivery and service, and continually seeks to develop initiatives to improve performance in these key areas.

We regularly invest in training for our employees, in new product development and in modern manufacturing equipment, technology and facilities all designed to increase production efficiency and capacity and drive growth by delivering innovative solutions to our customers. We believe that the diversity of our markets is a major contributor to the generally stable financial growth we have produced historically.

During the third quarter of 2025, based on changes to the agriculture market, we sought to optimize our National Pump Company (NPC) footprint by reducing the number of operating facilities from six to three. The footprint optimization improved profitability by lowering our fixed operating costs with minimal impact on sales. We transitioned the NPC facility in Olive Branch, MS to our Patterson Pump Company to continue to support growth in the HVAC market. During the third quarter of 2025 we recognized $3.0 million in one-time facility optimization costs including inventory rationalization, severance, and facility costs.

For the first nine months of 2026, net sales were $555.9 million, an increase of 7.8%, or $40.1 million, compared to the first nine months of 2025. Net income was $60.0 million, or $2.27 per share, compared to net income of $39.3 million, or $1.49 per share, for the same period last year. Adjusted earnings per share for the first nine months of 2026 and 2025 were $2.27 and $1.58, respectively (see "Non-GAAP Financial Information" below). Total debt decreased $58.0 million during the first nine months of 2026.

Incoming orders for the first nine months of 2026 were $562.2 million, or an increase of 2.2%, compared to the same period in 2025. The Company's backlog of orders was $236.8 million at September 30, 2026 compared to $244.0 million at December 31, 2025, and $234.2 million at September 30, 2025.

On October 22, 2026, the Board of Directors authorized the payment of a quarterly dividend of $0.20 per share on the common stock of the Company, payable December 10, 2026, to shareholders of record as of November 13, 2026. This will mark the 307th consecutive quarterly dividend paid by The Gorman-Rupp Company.

The Company currently expects to continue its exceptional history of paying regular quarterly dividends and increased annual dividends. However, any future dividends will be reviewed individually and declared by our Board of Directors at its discretion, dependent on our assessment of the Company's financial condition and business outlook at the applicable time.

Outlook

We are very pleased with our third-quarter results, which included record net sales, gross margin, and earnings per share. This marks the third consecutive quarter with record earnings per share and the second consecutive quarter with record sales. Our sales growth was broad-based with all of our markets showing growth over the same quarter last year. Our margins remained strong as increased volumes drove leverage on labor, overhead and SG&A expenses. These operating improvements, together with lower interest expense, contributed to record earnings and strong cash generation. Solid operating cash flow allowed us to reduce total debt by $58.0 million during the first nine months of the year while also continuing to invest in the business. Incoming orders and backlog remain healthy, and our diverse markets and strong financial position provide a solid foundation as we enter the fourth quarter.

Three Months Ended September 30, 2026 vs. Three Months Ended September 30, 2025

Net Sales

The following table presents the Company's disaggregated net sales by its end markets:

	Three Months Ended September 30,			
	2026	2025	$ Change	% Change
Industrial	$ 34,380	$ 30,974	$ 3,406	11.0%
Fire	35,753	31,955	3,798	11.9%
Agriculture	27,721	22,985	4,736	20.6%
Construction	26,871	23,363	3,508	15.0%
Municipal	28,305	26,339	1,966	7.5%
Petroleum	5,715	4,716	999	21.2%
OEM	14,261	12,804	1,457	11.4%
Repair parts	20,248	19,689	559	2.8%
Total net sales	$ 193,254	$ 172,825	$ 20,429	11.8%

Net sales for the third quarter of 2026 were $193.3 million compared to net sales of $172.8 million for the third quarter of 2025, an increase of 11.8%, or $20.4 million. Sales increased across all of our markets driven by volume growth as well as price increases taken in the first quarter of 2026. Sales increased $4.7 million in the agriculture market, $3.5 million in the construction market, and $3.4 million in the industrial market in each case due in part to improvement across Fill-Rite's sales channels. Sales in the construction market also benefited from increased sales of rental equipment and industrial sales benefited from increased HVAC demand. Sales increased $3.8 million in the fire suppression market due to increased international sales. In addition, sales increased $2.0 million in the municipal market, $1.4 million in the OEM market, $1.0 million in the petroleum market, and $0.6 million in the repair market.

Cost of Products Sold and Gross Profit

	Three Months Ended September 30,			
	2026	2025	$ Change	% Change
Cost of products sold	$ 128,730	$ 122,405	$ 6,325	5.2%
% of Net sales	*66.6%*	*70.8%*		
Gross Margin	*33.4%*	*29.2%*		

Gross profit was $64.5 million for the third quarter of 2026, resulting in gross margin of 33.4%, compared to gross profit of $50.4 million and gross margin of 29.2% for the same period in 2025. Gross profit for the third quarter of 2025 included $2.7 million of one-time facility optimization costs. The 420 basis point increase in gross margin was driven by a 190 basis point improvement in labor and overhead expense (130 basis points driven by leverage on increased sales and 60 basis points driven by favorable medical expenses), a 160 basis point improvement from 2025 facility optimization costs that did not recur, and a 70 basis point reduction in LIFO expense.

Selling, General and Administrative (SG&A) Expenses

	Three Months Ended September 30,			
	2026	2025	$ Change	% Change
Selling, general and administrative expenses	$ 27,543	$ 25,856	$ 1,687	6.5%
% of Net sales	*14.3%*	*15.0%*		

Selling, general and administrative ("SG&A") expenses were $27.5 million and improved to 14.3% of net sales for the third quarter of 2026 compared to $25.9 million and 15.0% of net sales for the same period in 2025. The decrease in SG&A expense as a percent of net sales was driven by improved leverage on SG&A expenses from increased sales.

Operating Income

	Three Months Ended September 30,			
	2026	**2025**	**$ Change**	**% Change**
Operating Income	$ 33,901	$ 21,477	$ 12,424	57.8%
% of Net sales	*17.5%*	*12.4%*		

Operating income was $33.9 million for the third quarter of 2026, resulting in an operating margin of 17.5%, compared to operating income of $21.5 million and an operating margin of 12.4% for the same period in 2025. Operating income for the third quarter of 2025 included $3.0 million of one-time facility optimization costs. The 510 basis point increase in operating margin was driven by a 420 basis point improvement in gross margin as well as a 90 basis point improvement in leverage on SG&A and amortization.

Interest Expense

	Three Months Ended September 30,			
	2026	**2025**	**$ Change**	**% Change**
Interest Expense	$ 4,316	$ 5,787	$ (1,471)	(25.4%)
% of Net sales	*2.2%*	*3.3%*		

Interest expense was $4.3 million for the third quarter of 2026 compared to $5.8 million for the same period in 2025. The decrease in interest expense was due primarily to a decrease in outstanding debt.

Net Income

	Three Months Ended September 30,			
	2026	**2025**	**$ Change**	**% Change**
Income before income taxes	$ 29,831	$ 15,333	$ 14,498	94.6%
% of Net sales	*15.4%*	*8.9%*		
Income taxes	$ 7,120	$ 3,989	$ 3,131	78.5%
Effective tax rate	*23.9%*	*26.0%*		
Net income	$ 22,711	$ 11,344	$ 11,367	100.2%
% of Net sales	*11.8%*	*6.6%*		
Earnings per share	$ 0.86	$ 0.43	$ 0.43	100.0%

The Company's effective tax rate was 23.9% for the third quarter of 2026 compared to 26.0% for the third quarter of 2025. The 26.0% tax rate for the third quarter 2025 was driven by unfavorable discrete adjustments made in the third quarter of 2025 and by changes in U.S. tax regulations passed under the One Big Beautiful Bill Act. The updated tax regulations accelerated temporary tax benefits that reduced our foreign tax benefits and made the benefits permanent, thus increasing our effective tax rate in third quarter of 2025. The resulting impact to the effective tax rate in the third quarter of 2025 was more significant than the impact to the 2025 year to date period as the quarter included a true-up of year to date activity.

Net income was $22.7 million, or $0.86 per share, for the third quarter of 2026 compared to net income of $11.3 million, or $0.43 per share, in the third quarter of 2025. Adjusted earnings per share for the third quarter of 2026 and 2025 were $0.86 and $0.52, respectively. Adjusted earnings per share is a non-GAAP financial measure, see "Non-GAAP Financial Information" below.

Adjusted EBITDA was $41.8 million and 21.6% of sales for the third quarter of 2026 compared to $32.3 million and 18.7% of sales for the third quarter of 2025. Adjusted EBITDA is a non-GAAP financial measure, see "Non-GAAP Financial Information" below.

Nine Months Ended September 30, 2026 vs. Nine Months Ended September 30, 2025

Net Sales

The following table presents the Company's disaggregated net sales by its end markets:

	Nine Months Ended September 30,			
	2026	2025	$ Change	% Change
Industrial	$ 99,523	$ 90,910	$ 8,613	9.5%
Fire	92,876	96,660	(3,784)	(3.9%)
Agriculture	82,168	68,861	13,307	19.3%
Construction	82,908	68,224	14,684	21.5%
Municipal	82,036	78,170	3,866	4.9%
Petroleum	15,932	15,736	196	1.2%
OEM	40,185	36,148	4,037	11.2%
Repair parts	60,284	61,109	(825)	(1.4%)
Total net sales	$ 555,912	$ 515,818	$ 40,094	7.8%

Net sales for the first nine months of 2026 were $555.9 million compared to net sales of $515.8 million for the first nine months of 2025, an increase of 7.8%, or $40.1 million. Sales increased in the majority of our markets including a sales increase of $14.7 million in the construction market due to increased demand in mining and sales of rental equipment, $13.3 million in the agriculture market due to broad-based improvement across Fill-Rite's sales channels, $8.6 million in the industrial market due to increased domestic investment, $4.0 million in the OEM market, $3.9 million in the municipal market, and $0.2 million in the petroleum market. Offsetting these increases were a decrease of $3.8 million in the fire suppression market and a decrease of $0.8 million in the repair market.

Cost of Products Sold and Gross Profit

	Nine Months Ended September 30,			
	2026	2025	$ Change	% Change
Cost of products sold	$ 373,421	$ 359,013	$ 14,408	4.0%
% of Net sales	*67.2%*	*69.6%*		
Gross Margin	*32.8%*	*30.4%*		

Gross profit was $182.5 million for the first nine months of 2026, resulting in gross margin of 32.8%, compared to gross profit of $156.8 million and gross margin of 30.4% for the same period in 2025. Gross profit for the first nine months of 2025 included $2.7 million of one-time facility optimization costs. The 240 basis point increase in gross margin included a 100 basis point improvement in margin on material (30 basis points of which was attributable to a decrease in LIFO expense), a 90 basis point improvement in leverage on labor and overhead expense resulting from increased sales, and a 50 basis point improvement from 2025 facility optimization costs that did not recur.

Selling, General and Administrative (SG&A) Expenses

	Nine Months Ended September 30,			
	2026	2025	$ Change	% Change
Selling, general and administrative expenses	$ 81,462	$ 77,002	$ 4,460	5.8%
% of Net sales	*14.7%*	*14.9%*		

SG&A expenses were $81.5 million and improved to 14.7% of net sales for the first nine months of 2026 compared to $77.0 million and 14.9% of net sales for the same period in 2025. SG&A expenses increased due to increased incentive based payroll expenses, higher advertising expenses, and increased freight out costs driven by increased sales. The decrease in SG&A expense as a percent of net sales was driven by improved leverage on SG&A expenses from increased sales.

Operating Income

	Nine Months Ended September 30,			
	2026	2025	$ Change	% Change
Operating Income	$ 91,790	$ 70,514	$ 21,276	30.2%
% of Net sales	*16.5%*	*13.7%*		

Operating income was $91.8 million for the first nine months of 2026, resulting in an operating margin of 16.5%, compared to operating income of $70.5 million and an operating margin of 13.7% for the same period in 2025. Operating income for the first nine months of 2025 included $3.0 million of one-time facility optimization costs. The 280 basis point increase in operating margin was driven by a 240 basis point improvement in gross margin as well as a 40 basis point improvement in leverage on SG&A and amortization.

Interest Expense

	Nine Months Ended September 30,			
	2026	2025	$ Change	% Change
Interest Expense	$ 13,942	$ 17,980	$ (4,038)	(22.5%)
% of Net sales	*2.5%*	*3.5%*		

Interest expense was $13.9 million for the first nine months of 2026 compared to $18.0 million for the same period in 2025. The decrease in interest expense was primarily due to a decrease in outstanding debt.

Net Income

	Nine Months Ended September 30,			
	2026	2025	$ Change	% Change
Income before income taxes	$ 77,468	$ 51,252	$ 26,216	51.2%
% of Net sales	*13.9%*	*9.9%*		
Income taxes	$ 17,485	$ 11,983	$ 5,502	45.9%
Effective tax rate	*22.6%*	*23.4%*		
Net income	$ 59,983	$ 39,269	$ 20,714	52.7%
% of Net sales	*10.8%*	*7.6%*		
Earnings per share	$ 2.27	$ 1.49	$ 0.78	52.3%

The Company’s effective tax rate was 22.6% for the first nine months of 2026 compared to 23.4% for the first nine months of 2025.

Net income was $60.0 million, or $2.27 per share, for the first nine months of 2026 compared to net income of $39.3 million, or $1.49 per share, for the first nine months of 2025. Adjusted earnings per share for the first nine months of 2026 and 2025 were $2.27 per share and $1.58 per share, respectively. Adjusted earnings per share is a non-GAAP financial measure, see "Non-GAAP Financial Information" below.

Adjusted EBITDA was $115.5 million and 20.8% of net sales for the first nine months of 2026 compared to $97.3 million and 18.9% of net sales for the first nine months of 2025. Adjusted EBITDA is a non-GAAP financial measure, see "Non-GAAP Financial Information" below.

Non-GAAP Financial Information

The discussion of Results of Operations above includes certain non-GAAP financial data and measures such as adjusted earnings, adjusted earnings per share, and adjusted earnings before interest, taxes, depreciation and amortization (“Adjusted EBITDA”). Adjusted earnings is earnings excluding 2025 facility optimization costs. Adjusted earnings per share is earnings per share excluding 2025 facility optimization costs per share. Adjusted EBITDA is net income (loss) excluding interest, taxes, depreciation and amortization, adjusted to exclude 2025 facility optimization costs, and non-cash LIFO expense. Management utilizes these adjusted financial data and measures to assess comparative operations against those of prior periods without the distortion of non-comparable factors. The inclusion of these adjusted

measures should not be construed as an indication that the Company's future results will be unaffected by unusual or infrequent items or that the items for which the Company has made adjustments are unusual or infrequent or will not recur. Further, the impact of the LIFO inventory costing method can cause results to vary substantially from company to company depending upon whether they elect to utilize LIFO and depending upon which LIFO method they may elect. The Gorman-Rupp Company believes that these non-GAAP financial data and measures also will be useful to investors in assessing the strength of the Company's underlying operations and liquidity from period to period. These non-GAAP financial measures are not intended to replace GAAP financial measures, and they are not necessarily standardized or comparable to similarly titled measures used by other companies. Provided below is a reconciliation of adjusted earnings, adjusted earnings per share, and adjusted EBITDA to its corresponding GAAP financial measure, which includes a description of actual adjustments made in the current period and the corresponding prior period.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Adjusted earnings:				
Net income – GAAP basis	$ 22,711	$ 11,344	$ 59,983	$ 39,269
Facility optimization costs	—	2,309	—	2,309
Non-GAAP adjusted earnings	$ 22,711	$ 13,653	$ 59,983	$ 41,578

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Adjusted earnings per share:				
Earnings per share – GAAP basis	$ 0.86	$ 0.43	$ 2.27	$ 1.49
Facility optimization costs	—	0.09	—	0.09
Non-GAAP adjusted earnings per share	$ 0.86	$ 0.52	$ 2.27	$ 1.58

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Adjusted EBITDA:				
Net income –GAAP basis	$ 22,711	$ 11,344	$ 59,983	$ 39,269
Interest expense	4,316	5,787	13,942	17,980
Provision for income taxes	7,120	3,989	17,485	11,983
Depreciation and amortization expense	7,519	6,883	21,591	20,820
Non-GAAP earnings before interest, taxes, depreciation and amortization	41,666	28,003	113,001	90,052
Facility optimization costs	—	2,960	—	2,960
Non-cash LIFO expense	137	1,343	2,531	4,266
Non-GAAP adjusted EBITDA:	$ 41,803	$ 32,306	$ 115,532	$ 97,278

Liquidity and Capital Resources

Our primary sources of liquidity are cash generated from operations and borrowings under our Credit Facility. Cash and cash equivalents totaled $59.3 million at September 30, 2026. The Company had an additional $99.9 million available under the revolving credit facility after deducting $0.1 million in outstanding letters of credit primarily related to customer orders. We believe we have adequate liquidity from funds on hand and borrowing capacity to execute our financial and operating strategy, as well as comply with debt obligations and financial covenants, for at least the next 12 months. The Company has made payments on the Senior Term Loan Facility in excess of the required minimum installment payments and, as a result, has no required quarterly installment payments due on the Senior Term Loan Facility within the next 12 months.

As of September 30, 2026, the Company had $252.8 million in total debt outstanding with $222.8 million due in 2029 and $30.0 million due in 2031. The Company was in compliance with its debt covenants, including limits on additional borrowings and maintenance of certain operating and financial ratios, at September 30, 2026 and December 31, 2025. See "Note 9 – Financing Arrangements" in the Notes to Consolidated Financial Statements included in this Form 10-Q for a further description of our outstanding debt.

Capital expenditures for the first nine months of 2026 were $14.7 million and consisted primarily of machinery and equipment. Capital expenditures for the full-year 2026 are presently planned to be approximately $22.0 - $24.0 million primarily for machinery and equipment, and are expected to be financed through cash from operations.

On October 22, 2026, the Board of Directors authorized the payment of a quarterly dividend of $0.20 per share on the common stock of the Company, payable December 10, 2026, to shareholders of record as of November 13, 2026. This will mark the 307th consecutive quarterly dividend paid by The Gorman-Rupp Company. The Company currently expects to continue its exceptional history of paying regular quarterly dividends and increased annual dividends. However, any future dividends will be reviewed individually and declared by our Board of Directors at its discretion, dependent on our assessment of the Company's financial condition and business outlook at the applicable time.

The Board of Directors has authorized a share repurchase program of up to $50.0 million of the Company's common shares. The actual number of shares repurchased will depend on prevailing market conditions, alternative uses of capital and other factors, and will be determined at management's discretion. The Company is not obligated to make any purchases under the program, and the program may be suspended or discontinued at any time. As of September 30, 2026, the Company had $48.1 million available for repurchase under the share repurchase program.

Financial Cash Flow

	Nine Months Ended September 30,	
	2026	**2025**
Beginning of period cash and cash equivalents	$ 35,083	$ 24,213
Net cash provided by operating activities	114,910	91,230
Net cash used for investing activities	(14,327)	(12,448)
Net cash used for financing activities	(75,776)	(60,828)
Effect of exchange rate changes on cash	(588)	770
Net increase (decrease) in cash and cash equivalents	$ 24,219	$ 18,724
End of period cash and cash equivalents	$ 59,302	$ 42,937

The increase in cash provided by operating activities in the first nine months of 2026 compared to the same period last year was primarily due to increased net income as well as an increase in taxes payable, a decrease in inventory and an increase in benefit obligations, partially offset by an increase in accounts receivable during the nine months ended September 30, 2026 compared to the same period last year.

During the first nine months of 2026, investing activities of $14.3 million consisted of capital expenditures for machinery and equipment. During the first nine months of 2025, investing activities of $12.4 million consisted of capital expenditures for machinery and equipment.

Net cash used for financing activities of $75.8 million for the first nine months of 2026 primarily consisted of payments on bank borrowings of $58.0 million, dividend payments of $15.0 million, and $2.6 million of payments in the surrender of common shares to cover taxes upon the vesting of stock awards. Net cash used for financing activities of $60.8 million for the first nine months of 2025 primarily consisted of net payments on bank borrowings of $45.0 million, dividend payments of $14.6 million, and $1.2 million of payments in the surrender of common shares to cover taxes upon the vesting of stock awards.

Critical Accounting Policies

Our critical accounting policies are described in Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, and in the notes to our Consolidated Financial Statements for the year ended December 31, 2025 contained in our Annual Report on Form 10-K for the year ended December 31, 2025. Any new accounting policies or updates to existing accounting policies as a result of new accounting pronouncements have been discussed in the notes to our Consolidated Financial Statements in this Quarterly Report on Form 10-Q. The application of our critical accounting policies may require management to make judgments and estimates about the amounts reflected in the Consolidated Financial Statements. Management uses historical experience and all available information to make these estimates and judgments, and different amounts could be reported using different assumptions and estimates.

Cautionary Note Regarding Forward-Looking Statements

In connection with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, The Gorman-Rupp Company provides the following cautionary statement: This Form 10-Q contains various forward-looking statements based on assumptions concerning The Gorman-Rupp Company's operations, future results and prospects. These forward-looking statements are based on current expectations

about important economic, political, and technological factors, among others, and are subject to risks and uncertainties, which could cause the actual results or events to differ materially from those set forth in or implied by the forward-looking statements and related assumptions.

Such uncertainties include, but are not limited to, our estimates of future earnings and cash flows, general economic conditions and supply chain conditions and any related impact on costs and availability of materials, retention of supplier and customer relationships and key employees, and the ability to service and repay indebtedness. Other factors include, but are not limited to: company specific risk factors including (1) loss of key personnel; (2) intellectual property security; (3) growth through acquisitions; (4) the Company's indebtedness and how it may impact the Company's financial condition and the way it operates its business; (5) impairment in the value of intangible assets, including goodwill; (6) defined benefit pension plan settlement expense; (7) LIFO inventory method; and (8) family ownership of common equity; and general risk factors including (9) continuation of the current and projected future business environment; (10) highly competitive markets; (11) availability and costs of raw materials and labor; (12) cybersecurity threats; (13) artificial intelligence risk and challenges that can impact our business; (14) compliance with, and costs related to, a variety of import and export laws and regulations; (15) the impact of U.S. trade policy, including resulting tariffs; (16) environmental compliance costs and liabilities; (17) exposure to fluctuations in foreign currency exchange rates; (18) conditions in foreign countries in which The Gorman-Rupp Company conducts business; (19) changes in our tax rates and exposure to additional income tax liabilities; and (20) risks described from time to time in our reports filed with the Securities and Exchange Commission. Except to the extent required by law, we do not undertake and specifically decline any obligation to review or update any forward-looking statements or to publicly announce the results of any revisions to any of such statements to reflect future events or developments or otherwise.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to various market risks, including changes in foreign currency exchange rates and interest rates. Exposure to foreign exchange rate risk is due to certain costs and revenue being denominated in currencies other than one of the Company's subsidiaries functional currency. The Company is also exposed to market risk as the result of changes in interest rates which may affect the cost of financing. We continually monitor these risks and regularly develop appropriate strategies to manage them. Accordingly, from time to time, we may enter into certain derivative or other financial instruments. These financial instruments are used to mitigate market exposure and are not used for trading or speculative purposes.

Interest Rate Risk

The results of operations are exposed to changes in interest rates primarily with respect to borrowings under the Company's Senior Term Loan Facility and Credit Facility. Borrowings under the Senior Term Loan Facility and Credit Facility may be made either at (i) a base rate plus the applicable margin, which ranges from 0.50% to 1.25%, or at (ii) an Adjusted Term SOFR Rate, plus the applicable margin, which ranges from 1.5% to 2.25%. At September 30, 2026, the Company had $222.8 million in borrowings under the Senior Term Loan Facility and no borrowings under the Credit Facility. As of September 30, 2026, the applicable interest rates under the Senior Secured Credit Agreement were Adjusted Term SOFR plus 1.75% or 5.8%. See Note 9 "Financing Arrangements" in the notes to our Consolidated Financial Statements.

To reduce the exposure to changes in the market rate of interest, effective October 31, 2022, the Company entered into interest rate swap agreements for a portion of the Senior Term Loan Facility. Terms of the interest rate swap agreements require the Company to receive a fixed interest rate and pay a variable interest rate. The interest rate swap agreements are designated as a cash flow hedge, and as a result, the mark-to-market gains or losses will be deferred and included as a component of accumulated other comprehensive income (loss) and reclassified to interest expense in the period during which the hedged transactions affect earnings. See "Derivative Financial Instruments" and "Interest Rate Derivatives" in the Notes to our Consolidated Financial Statements.

The Company estimates that a hypothetical increase of 100 basis points in interest rates would increase interest expense by approximately $1.0 million on an annual basis.

Foreign Currency Risk

The Company's foreign currency exchange rate risk is limited primarily to the Euro, Canadian Dollar, South African Rand and British Pound. The Company manages its foreign exchange risk principally through invoicing customers in the same currency as is used in the market of the source of products. The foreign currency transaction gains (losses) for the nine months ended September 30, 2026 and 2025 were ($0.1) million and ($0.3) million respectively, and are reported within Other (expense) income, net on the Consolidated Statements of Income.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company maintains a set of disclosure controls and procedures designed to ensure that information required to be disclosed by the Company in reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms. The Company's disclosure controls and procedures are also designed to ensure that information required to be disclosed in Company reports filed under the Securities Exchange Act of 1934 is accumulated and communicated to the Company's management, including the principal executive officer and the principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

An evaluation was carried out under the supervision and with the participation of the Company's management, including the principal executive officer and the principal financial officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of the end of the period covered by this report on Form 10-Q. Based on that evaluation, the principal executive officer and the principal financial officer have concluded that the Company's disclosure controls and procedures were effective as of September 30, 2026.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting that occurred during the last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

There are no material changes from the legal proceedings previously reported in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

ITEM 1A. RISK FACTORS

In addition to the information set forth in this report, you should carefully consider the risk factors disclosed in Item 1A of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES, USE OF PROCEEDS, AND ISSUER PURCHASES OF EQUITY SECURITIES

On October 29, 2021, the Company announced a share repurchase program of up to $50.0 million of the Company's common shares. Shares may be repurchased from time to time by the Company through a variety of methods, which may include open-market transactions, pre-set trading plans designed in accordance with Rule 10b5-1, privately negotiated transactions, accelerated share repurchase transactions, or any combination of such methods. The actual number of shares repurchased will depend on prevailing market conditions, alternative uses of capital and other factors, and will be determined at management's discretion. The Company is not obligated to make any purchases under the program, and the program may be suspended or discontinued at any time. The program does not have an expiration date. As reflected in the table below, the Company made no repurchases of its common shares during the third quarter of 2026.

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced program	Approximate dollar value of shares that may yet be purchased under the program
July 1 to July 31, 2026	—	—	—	$ 48,067
August 1 to August 31, 2026	—	—	—	48,067
September 1 to September 30, 2026	—	—	—	48,067
Total	—	—	—	$ 48,067

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

During the quarter ended September 30, 2026, no director or officer of the Company adopted or terminated any Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement, each as defined in Item 408 of Regulation S-K.

ITEM 6. EXHIBITS

Exhibit 31.1	Certification of Scott A. King, President and Chief Executive Officer, Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit 31.2	Certification of Ronald F. Stoops, Chief Financial Officer, Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit 32	Certification pursuant to 18 U.S.C Section 1350, as adopted Pursuant to Section 906 of The Sarbanes-Oxley Act of 2002
Exhibit 101	Financial statements from the Quarterly Report on Form 10-Q of The Gorman-Rupp Company for the quarter ended September 30, 2026, formatted in Inline eXtensible Business Reporting Language (XBRL): (i) the Consolidated Statements of Income, (ii) the Consolidated Statements of Comprehensive Income, (iii) the Consolidated Balance Sheets, (iv) the Consolidated Statements of Cash Flows, (v) the Consolidated Statements of Equity, and (vi) the Notes to Consolidated Financial Statements.
Exhibit 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.

The Gorman-Rupp Company
(Registrant)

Date: October 26, 2026

By: /s/Ronald F. Stoops
Ronald F. Stoops
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 31.1

CERTIFICATIONS

I, Scott A. King, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Gorman-Rupp Company;

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

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

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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 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: October 26, 2026

/s/Scott A. King

Scott A. King
President and Chief Executive Officer
The Gorman-Rupp Company
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATIONS

I, Ronald F. Stoops, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Gorman-Rupp Company;

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

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

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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 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: October 26, 2026

/s/Ronald F. Stoops

Ronald F. Stoops
Chief Financial Officer
The Gorman-Rupp Company
(Principal 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 The Gorman-Rupp Company on Form 10-Q for the quarter ended September 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company certifies, pursuant to 18 U. S. C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to such officer's knowledge:

(1) The Report fully complies with the requirements of Section 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended; and

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

Date: October 26, 2026

/s/Scott A. King
Scott A. King
President and Chief Executive Officer
(Principal Executive Officer)

/s/Ronald F. Stoops
Ronald F. Stoops
Chief Financial Officer
(Principal Financial Officer)

The foregoing certification is being furnished solely pursuant to 18 U. S. C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.