UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2025

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: 001-39394

Montrose Environmental Group, Inc.
(Exact Name of Registrant as Specified in its Charter)

Delaware (State or other jurisdiction of incorporation or organization)	**46-4195044** (I.R.S. Employer Identification No.)
5120 Northshore Drive, North Little Rock, Arkansas (Address of principal executive offices)	**72118** (Zip Code)

Registrant's telephone number, including area code: (501) 900-6400

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, par value $0.000004 per share	MEG	The 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, 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 August 1, 2025, the registrant had 35,286,491 shares of common stock, $0.000004 par value per share, outstanding.

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

MONTROSE ENVIRONMENTAL GROUP, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(In thousands, except share data)

	June 30, 2025	December 31, 2024
Assets		
Current assets		
Cash, cash equivalents and restricted cash	$ 10,484	$ 12,935
Accounts receivable, net	160,004	158,883
Contract assets	75,313	52,091
Prepaid and other current assets	15,117	14,090
Total current assets	260,918	237,999
Non-current assets		
Property and equipment, net	61,122	63,776
Operating lease right-of-use asset, net	37,706	39,755
Finance lease right-of-use asset, net	23,825	19,643
Goodwill	468,981	467,789
Other intangible assets, net	139,844	152,756
Other assets	5,688	8,635
Total assets	$ 998,084	$ 990,353
Liabilities, Convertible and Redeemable Series A-2 Preferred Stock and Stockholders' Equity		
Current liabilities		
Accounts payable and other accrued liabilities	$ 66,647	$ 63,704
Accrued payroll and benefits	37,305	34,248
Business acquisitions contingent consideration, current	17,284	26,872
Current portion of operating lease liabilities	11,355	11,345
Current portion of finance lease liabilities	5,483	4,627
Current portion of long-term debt	8,688	17,866
Total current liabilities	146,762	158,662
Non-current liabilities		
Business acquisitions contingent consideration, long-term	7,346	6,255
Other non-current liabilities	7,052	5,550
Deferred tax liabilities, net	16,414	13,312
Conversion option related to Series A-2 Preferred Stock	10,552	20,224
Operating lease liability, net of current portion	28,853	30,880
Finance lease liability, net of current portion	12,490	11,460
Long-term debt, net of deferred financing fees	264,555	204,818
Total liabilities	$ 494,024	$ 451,161
Commitments and contingencies		
Convertible and redeemable series A-2 preferred stock $0.0001 par value		
Authorized, issued and outstanding shares: 5,834 and 11,667 at June 30, 2025 and December 31, 2024, respectively; aggregate liquidation preference of $62.2 million and $122.2 million June 30, 2025 and December 31, 2024, respectively	33,792	92,928
Stockholders' equity:		
Common stock, $0.000004 par value; authorized shares: 190,000,000 at June 30, 2025 and December 31, 2024; issued and outstanding shares: 35,272,236 and 34,309,788 at June 30, 2025 and December 31, 2024, respectively	—	—
Additional paid-in-capital	747,685	721,067
Accumulated deficit	(273,673)	(272,670)
Accumulated other comprehensive loss	(3,744)	(2,133)
Total stockholders' equity	470,268	446,264
Total liabilities, convertible and redeemable series A-2 preferred stock and stockholders' equity	$ 998,084	$ 990,353

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

MONTROSE ENVIRONMENTAL GROUP, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(In thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	**2024**	**2025**	**2024**
Revenues	$ 234,543	$ 173,325	$ 412,377	$ 328,650
Cost of revenues (exclusive of depreciation and amortization shown below)	132,802	104,086	241,208	200,643
Selling, general and administrative expense	73,683	59,239	139,915	116,313
Fair value changes in business acquisition contingencies	354	136	831	242
Depreciation and amortization	12,763	12,515	26,057	24,168
Income (loss) from operations	14,941	(2,651)	4,366	(12,716)
Other income (expense), net	9,171	(924)	8,323	(417)
Interest expense, net	(4,768)	(3,976)	(9,833)	(7,282)
Total other income (expense), net	4,403	(4,900)	(1,510)	(7,699)
Income (loss) before expense from income taxes	19,344	(7,551)	2,856	(20,415)
Income tax expense	988	2,619	3,859	3,112
Net income (loss)	$ 18,356	$ (10,170)	$ (1,003)	$ (23,527)
Equity adjustment from foreign currency translation	(1,258)	35	(1,611)	—
Comprehensive income (loss)	17,098	(10,135)	(2,614)	(23,527)
Convertible and redeemable series A-2 preferred stock dividend	(1,400)	(2,750)	(4,150)	(5,564)
Net income (loss) attributable to common stockholders	16,956	(12,920)	(5,153)	(29,091)
Weighted average common shares outstanding				
Basic	35,206	33,318	34,855	31,850
Diluted	43,455	33,318	34,855	31,850
Net income (loss) per share attributable to common stockholders				
Basic	$ 0.48	$ (0.39)	$ (0.15)	$ (0.91)
Diluted	$ 0.42	$ (0.39)	$ (0.15)	$ (0.91)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

MONTROSE ENVIRONMENTAL GROUP, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CONVERTIBLE AND REDEEMABLE SERIES A-2 PREFERRED STOCK AND STOCKHOLDERS' EQUITY
(In thousands, except share data)

	Convertible and Redeemable Series A-2 Preferred Stock		Common Stock		Additional Paid-In	Accumulated	Accumulated Other Comprehensive	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	Deficit	Income (Loss)	Equity
Balance at December 31, 2023	17,500	$ 152,928	30,190,231	$ —	$ 531,831	$ (210,356)	$ (223)	$ 321,252
Net loss	—	—	—	—	—	(13,357)	—	(13,357)
Stock-based compensation	—	—	—	—	11,272	—	—	11,272
Redemption of Series A-2 preferred stock	(5,833)	(60,000)	—	—	—	—	—	-
Dividend payment to the Series A-2 preferred stockholders	—	—	—	—	(2,814)	—	—	(2,814)
Common stock issuances pursuant to exercises and vesting of equity awards	—	—	171,647	—	487	—	—	487
Acquisitions consideration paid in common stock	—	—	220,734	—	6,580	—	—	6,580
Acquisitions contingent consideration paid in common stock	—	—	35,250	—	1,087	—	—	1,087
Accumulated other comprehensive loss	—	—	—	—	—	—	(35)	(35)
Balance at March 31, 2024	11,667	$ 92,928	30,617,862	$ —	$ 548,443	$ (223,713)	$ (258)	$ 324,472
Net loss	—	—	—	—	—	(10,170)	—	(10,170)
Stock-based compensation	—	—	—	—	11,831	—	—	11,831
Dividend payment to the Series A-2 preferred stockholders	—	—	—	—	(2,750)	—	—	(2,750)
Common stock issuances pursuant to exercises and vesting of equity awards	—	—	39,144	—	888	—	—	888
Issuance of common stock pursuant to follow-on offering	—	—	3,450,000	—	121,776	—	—	121,776
Acquisitions contingent consideration paid in common stock	—	—	61,707	—	2,691	—	—	2,691
Accumulated other comprehensive income	—	—	—	—	—	—	35	35
Balance at June 30, 2024	11,667	$ 92,928	34,168,713	$ —	$ 682,879	$ (233,883)	$ (223)	$ 448,773

	Convertible and Redeemable Series A-2 Preferred Stock		Common Stock		Additional Paid-In	Accumulated	Accumulated Other Comprehensive	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	Deficit	Income (Loss)	Equity
Balance at December 31, 2024	11,667	$ 92,928	34,309,778	$ —	$ 721,067	$ (272,670)	$ (2,133)	$ 446,264
Net loss	—	—	—	—	—	(19,359)	—	(19,359)
Stock-based compensation	—	—	—	—	13,723	—	—	13,723
Dividend payment to the Series A-2 preferred stockholders	—	—	—	—	(2,750)	—	—	(2,750)
Common stock issuances pursuant to exercises and vesting of equity awards	—	—	473,974	—	61	—	—	61
Acquisitions contingent consideration paid in common stock	—	—	323,834	—	6,558	—	—	6,558
Accumulated other comprehensive loss	—	—	—	—	—	—	(353)	(353)
Balance at March 31, 2025	11,667	$ 92,928	35,107,586	$ —	$ 738,659	$ (292,029)	$ (2,486)	$ 444,144
Net income	—	—	—	—	—	18,356	—	18,356
Stock-based compensation	—	—	—	—	10,834	—	—	10,834
Redemption of Series A-2 preferred stock	(5,833)	(60,000)	—	—	—	—	—	—
Adjustment of preferred stock issuance costs	—	864	—	—	(864)	—	—	(864)
Dividend payment to the Series A-2 preferred stockholders	—	—	—	—	(1,400)	—	—	(1,400)
Common stock issuances pursuant to exercises and vesting of equity awards	—	—	132,586	—	16	—	—	16
Acquisitions contingent consideration paid in common stock	—	—	32,064	—	440	—	—	440
Accumulated other comprehensive loss	—	—	—	—	—	—	(1,258)	(1,258)
Balance at June 30, 2025	5,834	$ 33,792	35,272,236	$ —	$ 747,685	$ (273,673)	$ (3,744)	$ 470,268

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

MONTROSE ENVIRONMENTAL GROUP, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	For the Six Months Ended June 30, 2025	2024
Operating activities:		
Net loss	$ (1,003)	$ (23,527)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Provision (recovery) for credit loss	5,482	(659)
Depreciation and amortization	26,057	24,168
Non-cash leases expense	6,119	5,429
Stock-based compensation expense	24,557	23,103
Fair value changes in financial instruments	(8,040)	905
Write off of deferred financing costs	913	—
Deferred income taxes	3,557	3,152
Other operating activities, net	1,671	723
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable and contract assets	(27,379)	(38,021)
Prepaid expenses and other current assets	(1,124)	(1,152)
Accounts payable and other accrued liabilities	(793)	(938)
Accrued payroll and benefits	3,057	(7,940)
Change in operating leases	(5,676)	(6,306)
Other assets	—	(64)
Net cash provided by (used in) operating activities	$ 27,398	$ (21,127)
Investing activities:		
Proceeds from corporate owned and property insurance	—	120
Purchases of property and equipment	(5,117)	(17,928)
Proceeds from the sale of property and equipment	39	2,069
Proprietary software development and other software costs	(2,804)	(1,736)
Purchase price true ups	(50)	—
Minority investments	—	(210)
Cash paid for acquisitions, net of cash acquired	—	(70,252)
Net cash used in investing activities	$ (7,932)	$ (87,937)
Financing activities:		
Proceeds from revolving line of credit	216,025	202,771
Repayment of the revolving line of credit	(174,671)	(199,119)
Repayment of aircraft loan	(564)	(526)
Proceeds from term loan	200,000	50,000
Repayment of term loan	(189,219)	(3,906)
Payment of contingent consideration and other purchase price true ups	(4,400)	(525)
Repayment of finance leases	(6,070)	(3,105)
Payments of deferred financing costs	(2,189)	(348)
Proceeds from issuance of common stock for exercised stock options	77	1,375
Proceeds from issuance of common stock in follow-on offering, net of issuance costs	—	121,776
Proceeds from building sale leaseback	2,500	—
Dividend payment to the series A-2 stockholders	(2,750)	(5,564)
Redemption of series A-2 preferred stock	(60,000)	(60,000)
Net cash provided by (used in) financing activities	$ (21,261)	$ 102,829
Change in cash, cash equivalents and restricted cash	(1,795)	(6,235)
Foreign exchange impact on cash balance	(656)	(100)
Cash, cash equivalents and restricted cash:		
Beginning of year	12,935	23,240
End of period	$ 10,484	$ 16,905

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

	For the Six Months Ended June 30,			
	2025		2024	
Supplemental disclosures of cash flows information:				
Cash paid for interest	$	8,504	$	6,858
Cash paid for income tax	$	3,019	$	699
Supplemental disclosures of non-cash investing and financing activities:				
Accrued purchases of property and equipment	$	152	$	1,217
Property and equipment purchased under finance leases	$	5,145	$	3,243
Common stock issued to acquire new businesses	$	—	$	9,271
Acquisitions unpaid contingent consideration	$	24,630	$	15,946
Acquisitions contingent consideration paid in common stock	$	6,998	$	1,087
Accrued series A-2 preferred stock dividend	$	1,400	$	—

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

MONTROSE ENVIRONMENTAL GROUP, INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except where otherwise indicated)

1. DESCRIPTION OF THE BUSINESS AND BASIS OF PRESENTATION

Description of the Business

Montrose Environmental Group, Inc. ("Montrose" or the "Company") is a corporation formed on November 2013, under the laws of the State of Delaware. The Company has over 120 offices across the United States, Canada, Australia and Europe and approximately 3,500 employees as of June 30, 2025.

Montrose is an environmental services company serving the recurring environmental needs of a diverse client base, including Fortune 500 companies and federal, state and local governments through the following three segments:

Assessment, Permitting and Response segment provides scientific advisory and consulting services to support environmental assessments, environmental emergency response and recovery, toxicology consulting and environmental audits and permits for current operations, facility upgrades, new projects, decommissioning projects and development projects. The Company works closely with clients to navigate the regulatory process at the local, state, provincial and federal levels, to identify the potential environmental and political impacts of their decisions and develop practical mitigation approaches, as needed. In addition to environmental toxicology, and given the Company's expertise in helping businesses plan for and respond to disruptions, the Company's scientists and response teams have helped clients navigate their preparation for and response to emergency response situations.

Measurement and Analysis segment is one of the largest providers of environmental testing and laboratory services in North America. The Company's highly credentialed teams test and analyze air, water and soil to determine concentrations of contaminants, as well as the toxicological impact of contaminants on flora, fauna and human health. The Company's offerings include source and ambient air testing and monitoring, leak detection, and advanced multi-media laboratory services, including air, soil, stormwater, wastewater and drinking water analysis.

Remediation and Reuse segment provides clients with engineering, design, and implementation services, primarily to treat contaminated water, remove contaminants from soil or create renewable energy from waste. The Company's team, including engineers, scientists and consultants, provides these services to assist clients in designing solutions, managing products and mitigating environmental risks and liabilities at their locations. The Company does not own the properties or facilities at which it implements these projects or the underlying liabilities, nor does the Company own material amounts of the equipment used in projects.

Basis of Presentation

The unaudited condensed consolidated financial statements include the operations of the Company and its wholly-owned subsidiaries. These unaudited condensed consolidated financial statements are presented in conformity with accounting principles generally accepted in the United States (U.S. GAAP) and have been prepared pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (SEC) that permit reduced disclosure for interim periods. The unaudited condensed consolidated financial statements include all accounts of the Company and, in the opinion of management, include all recurring adjustments and normal accruals necessary for a fair statement of the Company's financial position, results of operations and cash flows for the dates and periods presented. These unaudited condensed consolidated financial statements should be read in conjunction with the Company's audited financial statements as of and for the year ended December 31, 2024. Results for interim periods are not necessarily indicative of the results to be expected during the remainder of the current year or for any future period. All intercompany transactions, accounts and profits, have been eliminated in the unaudited condensed consolidated financial statements.

Within the unaudited condensed consolidated statements of cash flows certain amounts in the prior period have been reclassified to conform with current period presentation. Prior period amounts for provision (recovery) for credit loss, fair value changes in financial instruments, and deferred income taxes were previously included within other operating activities, net. A prior period amount for prepaid expenses and other current assets was previously included within changes in operating assets and liabilities, net of acquisitions: other assets. These changes had no effect on the Company's results of operations or financial position, and no material impact on the Company's cash flow.

2. SUMMARY OF NEW ACCOUNTING PRONOUNCEMENTS

Recently Issued Accounting Pronouncements Not Yet Adopted

ASU 2023-09 —In December 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2023-09, Improvements to Income Tax Disclosures, which improves the transparency of income tax disclosures by requiring consistent categories and greater disaggregation of information in the rate reconciliation and income taxes paid disaggregated by jurisdiction. It also includes certain other amendments to improve the effectiveness of income tax disclosures. ASU 2023-09 is effective for the Company's fiscal year beginning after December 15, 2024 and allows the use of a prospective or retrospective approach. The Company does not expect the adoption of the standard will have a material impact on its consolidated financial statements.

ASU 2024-03 —In November 2024, the FASB issued ASU 2024-03, Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses (ASU 2024-03), which is intended to improve the disclosures about a public business entity’s expenses and address requests from investors for more detailed information about the types of expenses in commonly presented expense captions (such as cost of sales; selling, general, and administrative expenses; and research and development). ASU 2024-03 is effective for the Company's fiscal year beginning January 1, 2027 and interim periods within fiscal years beginning after December 15, 2027, and allows the use of a prospective or retrospective approach. The Company plans to adopt the standard on January 1, 2027 and is currently evaluating the impact of the adoption of the standard on its consolidated financial statements.

3. REVENUES AND ACCOUNTS RECEIVABLE

The Company’s main revenue sources derive from the following revenue streams:

Assessment, Permitting and Response Revenues are generated from multidisciplinary environmental consulting services. The majority of the contracts are fixed-fee or time-and-material based.

Measurement and Analysis Revenues are generated from emissions sampling, testing and reporting services, leak detection services, ambient air monitoring services and laboratory testing services. The majority of the contracts are fixed-fee or time-and-materials based.

Remediation and Reuse Revenues are generated from engineering, design, implementation and operating and maintenance (O&M) services primarily to treat contaminated water, remove contaminants from soil or create renewable energy from waste. The majority of the contracts are fixed-fee and time-and-materials based. Services on the majority of O&M contracts are provided under long-term fixed-fee contracts.

Disaggregation of Revenue—The Company disaggregates revenue by its operating segments and geographic location**.** The Company believes disaggregating revenue into these categories achieves the disclosure objectives to depict how the nature, amount, and uncertainty of revenue and cash flows are affected by economic factors. Disaggregated revenue disclosures are provided in Note 19.

Contract Balances—The Company presents contract balances for unbilled receivables (contract assets), as well as customer advances, deposits and deferred revenue (contract liabilities) within contract assets and accounts payable and other accrued expenses, respectively, on the unaudited condensed consolidated statements of financial position. Amounts are generally billed at periodic intervals (e.g. weekly, bi-weekly or monthly) as work progresses in accordance with agreed-upon contractual terms. The Company utilizes the practical expedient to not adjust the promised amount of consideration for the effects of a significant financing component for arrangements in which the period between when the Company transfers services to a customer and when the customer pays for those services is one year or less. Amounts recorded as unbilled receivables are generally for services the Company is not entitled to bill based on the passage of time. Under certain contracts, billing occurs subsequent to revenue recognition, resulting in contract assets. The Company sometimes receives advances or deposits from customers before revenue is recognized, resulting in contract liabilities.

The following table presents the Company’s contract balances:

	June 30, 2025	December 31, 2024
Contract assets	$ 75,313	$ 52,091
Contract liabilities	12,511	9,297

Contract assets acquired through business acquisitions amounted to $0.0 million and $2.6 million as of June 30, 2025 and December 31, 2024, respectively.

Revenue recognized during the three and six months ended June 30, 2025, included in the contract liabilities balance at the beginning of the year was $0.3 million and $4.1 million, respectively. The revenue recognized from the contract liabilities consisted of the Company satisfying performance obligations during the normal course of business.

Remaining Unsatisfied Performance Obligations—Remaining unsatisfied performance obligations represent the total dollar value of work to be performed on contracts awarded and in progress. The amount of remaining unsatisfied performance obligations increases with new contracts or additions to existing contracts and decreases as revenue is recognized on existing contracts. Contracts are included in the amount of remaining unsatisfied performance obligations when an enforceable agreement has been reached. As of June 30, 2025 and December 31, 2024, the estimated revenue expected to be recognized in the future related to performance obligations that are unsatisfied was approximately $68.8 million and $77.3 million, respectively. As of June 30, 2025, the Company expected to recognize approximately $51.2 million of this amount as revenue within one year and $17.6 million the year after.

Accounts Receivable, Net—The Company extends non-interest-bearing trade credit to its customers in the ordinary course of business. Accounts receivable, net consisted of the following:

	June 30, 2025	December 31, 2024
Accounts receivable, invoiced	$ 166,715	$ 160,976
Allowance for doubtful accounts	(6,711)	(2,093)
Accounts receivable, net	$ 160,004	$ 158,883

The Company had one customer that exceeded 10.0% of its gross receivables as of June 30, 2025 and none as of December 31, 2024. For the three and six months ended June 30, 2025, the Company had one customer who accounted for more than 10.0% of revenue. For the three and six months ended June 30, 2024 the Company had no customers who accounted for more than 10% of revenue. The Company performs ongoing credit evaluations and based on past collection experience, the Company believes that the receivable balances from its largest customers do not represent a significant credit risk.

From time to time, we may sell certain accounts receivable to a financial institution on a non-recourse basis for cash, less a discount at a rate that approximates the interest rate on our Senior Credit Facility. We have no retained interests in the sold receivables, and only perform collection and administrative functions for the purchaser. We account for these receivable transfers as sales under ASC 860, Transfers and Servicing. Receivables sold during quarter ended June 30, 2025 was $13.4 million. Proceeds from the sale of receivables approximated their book value and are included in operating cash flows on the Consolidated Statements of Cash Flows.

The allowance for doubtful accounts consisted of the following:

	Beginning Balance	Bad Debt Expense (Recovery)	Charged to Allowance	Ending Balance
Six months ended June 30, 2025	$ 2,093	$ 5,482	$ (864)	$ 6,711
Year ended December 31, 2024	2,724	(146)	(485)	2,093

4. PREPAID AND OTHER CURRENT ASSETS

Prepaid and other current assets consisted of the following:

	June 30, 2025	December 31, 2024
Deposits	$ 1,113	$ 1,073
Prepaid expenses	10,851	10,223
Supplies	3,153	2,794
Prepaid and other current assets	$ 15,117	$ 14,090

5. PROPERTY AND EQUIPMENT, NET

Property and equipment, net, consisted of the following:

	June 30, 2025	December 31, 2024
Lab and test equipment	$ 24,111	$ 24,421
Vehicles	6,565	6,360
Equipment	66,178	60,763
Furniture and fixtures	3,279	3,221
Leasehold improvements	15,093	14,029
Aircraft	12,386	12,386
Building	5,748	5,763
	133,360	126,943
Land	1,089	1,089
Construction in progress	1,526	3,993
Less: Accumulated depreciation	(74,853)	(68,249)
Total property and equipment—net	$ 61,122	$ 63,776

Total depreciation expense included in the unaudited condensed consolidated statements of operations was $3.2 million and $6.4 million for the three and six months ended June 30, 2025, respectively, and $4.1 million and $7.0 million for the three and six months ended June 30, 2024, respectively.

6. LEASES

Leases are classified as either finance leases or operating leases based on criteria in Accounting Standard Codification (ASC) 842. The Company has finance leases for its vehicle and equipment leases and operating leases for its real estate space and office equipment leases. The Company's operating and finance leases generally have original lease terms between 1 year and 15 years, and in some instances include one or more options to renew. The Company includes options to extend the lease term in the initial measurement of leases if the options are reasonably certain of being exercised. The Company currently considers some of its renewal options to be reasonably certain to be exercised. Some leases also include early termination options, which can be exercised under specific conditions. The Company does not have material residual value guarantees or restrictive covenants associated with its leases.

Finance and operating right-of-use (ROU) assets represent the right to use an underlying asset for the lease term, and finance and operating lease liabilities represent the obligation to make lease payments arising from the lease.

The Company calculates the present value of its finance and operating leases using an estimated incremental borrowing rate (IBR), which requires judgment. For real estate operating leases, the Company estimates the IBR based on prevailing market rates for collateralized debt in a similar economic environment with similar payment terms and maturity dates commensurate with the terms of the lease. For all other leases, the Company estimates the IBR based on the stated interest rate on the contract. Since many of the inputs used to calculate the rate implicit in the leases are not readily determinable from the lessee's perspective, the Company does not use the implicit interest rate.

Certain leases contain variable payments, these payments are expensed as incurred and not included in the Company's operating lease ROU assets and operating lease liabilities. These amounts primarily include payments for maintenance, utilities, taxes, and insurance and are excluded from the present value of the Company's lease obligations.

The Company does not record operating lease ROU assets or operating lease liabilities for leases with an initial term of 12 months or less. The Company also combines lease and non-lease components on all new or modified operating leases into a single lease component for all classes of assets.

When a lease is terminated before the expiration of the lease term, irrespective of whether the lease is classified as a finance lease or an operating lease, the lessee would derecognize the ROU asset and corresponding lease liability. Any difference would be recognized as a gain or loss related to the termination of the lease. Similarly, if a lessee is required to make any payments or receives any consideration when terminating the lease, it would include such amounts in the determination of the gain or loss upon termination.

Equipment Line of Credit—In May 2024, the Company entered into a $15.0 million equipment leasing facility for the purchase of equipment and related freight, installation costs and taxes paid. Any unused capacity on this equipment leasing facility will expire on February 25, 2026. Interest on leases financed under this facility is based on the SOFR swap rate on or closest to the closing date. Equipment leased through this line of credit met the finance lease criteria as per ASC 842 and accordingly is accounted for as finance lease right-of-use assets and finance lease liabilities.

The components of lease expense were as follows:

	Statement of Operations Location	For the Three Months Ended June 30, 2025	2024
Operating lease cost			
Lease cost	Selling, general and administrative expense	$ 3,098	$ 2,956
Variable lease cost	Selling, general and administrative expense	791	580
Total operating lease cost		$ 3,889	$ 3,536
Finance lease cost			
Amortization of ROU assets	Depreciation and amortization	$ 2,208	$ 1,293
Interest on lease liabilities	Interest expense, net	318	204
Total finance lease cost		$ 2,526	$ 1,497
Total lease cost		$ 6,415	$ 5,033

	Statement of Operations Location	For the Six Months Ended June 30, 2025	2024
Operating lease cost			
Lease cost	Selling, general and administrative expense	$ 6,235	$ 5,950
Variable lease cost	Selling, general and administrative expense	1,590	1,036
Total operating lease cost		$ 7,825	$ 6,986
Finance lease cost			
Amortization of ROU assets	Depreciation and amortization	$ 3,959	$ 2,571
Interest on lease liabilities	Interest expense, net	577	399
Total finance lease cost		$ 4,536	$ 2,970
Total lease cost		$ 12,361	$ 9,956

Supplemental cash flows information related to leases was as follows:

	For the Six Months Ended June 30, 2025	2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows used in operating leases	$ 7,019	$ 6,170
Operating cash flows used for interest related to finance leases	498	399
Financing cash flows used in finance leases	2,751	3,103
Lease liabilities arising from new ROU assets:		
Operating leases	3,659	9,694
Finance leases	4,647	2,666

Weighted average remaining lease terms and weighted average discount rates were:

	June 30, 2025 Operating Leases	Finance Leases
Weighted average remaining lease term (years)	4.3	3.6
Weighted average discount rate	4.9%	6.6%

	June 30, 2024 Operating Leases	Finance Leases
Weighted average remaining lease term (years)	4.4	3.4
Weighted average discount rate	4.4%	6.5%

The following is a schedule by year of the maturities of lease liabilities with original terms in excess of one year:

	Operating Leases	Finance Leases
Remainder of 2025	$ 6,909	$ 3,441
2026	11,914	6,094
2027	8,864	4,978
2028	7,121	3,638
2029	5,182	1,805
2030 and thereafter	4,902	256
Total undiscounted future minimum lease payments	$ 44,892	$ 20,212
Less imputed interest	(4,684)	(2,239)
Total discounted future minimum lease payments	$ 40,208	$ 17,973

7. BUSINESS ACQUISITIONS

During the six months ended June 30, 2025, the Company did not complete any business acquisitions; however, strategic acquisitions remain a core part of the Company's growth strategy.

The Company may be required to make up to $24.6 million in aggregate earn-out payments between the years 2025 and 2027 in connection with certain of its business acquisitions, of which up to $11.5 million may be paid only in cash, up to $2.8 million may be paid only in common stock and up to $10.3 million may be paid, at the Company's option, in cash or common stock.

Transaction costs related to previous business combinations totaled $0.3 million and $1.0 million for the three and six months ended June 30, 2025, respectively, and $1.1 million and $3.6 million for the three and six months ended June 30, 2024, respectively. These costs are expensed within selling, general and administrative expense in the accompanying unaudited condensed consolidated statements of operations.

During the six months ended June 30, 2025, measurement period adjustments of $1.2 million were recorded (Note 8).

Acquisitions Completed During the Year Ended December 31, 2024

Epic Environmental Pty LTD (Epic)—In January 2024, the Company completed the acquisition of Epic by acquiring 100% of its common stock. Epic is an environmental consultancy, based in Brisbane, Australia, and serving clients across Australia.

Two Dot Consulting, LLC (2DOT)—In February 2024, the Company completed the acquisition of 2DOT by acquiring 100% of its membership interests. 2DOT is a leading environmental consultancy in the Rocky Mountain and adjacent regions, and is based in Denver, Colorado.

Engineering & Technical Associates, Inc. (ETA)—In April 2024, the Company acquired substantially all of the assets of ETA. ETA is a niche consulting firm focusing on providing process safety management, process hazardous analysis, and other safety-focused services to industrial clients throughout the United States.

Paragon Soil and Environmental Consulting Inc. (Paragon)—In May 2024, the Company completed the acquisition of Paragon by acquiring 100% of its ownership and interest. Paragon is an environmental consulting firm that provides services for clients across western Canada.

Spirit Environmental, LLC. (Spirit)—In July 2024, the Company completed the acquisition of Spirit by acquiring 100% of its membership interests. Spirit is a leading environmental consultant specializing in air permitting and compliance services across the central U.S. Spirit is based in Houston, Texas.

Origins Laboratory, Inc. (Origins)—In September 2024, the Company acquired substantially all of the assets of Origins. Origins is an accredited environmental analytical testing laboratory based in Denver, Colorado.

For the acquisitions completed during the six months ended June 30, 2024, the results of operations since the acquisition dates have been combined with those of the Company. The Company's unaudited condensed consolidated statement of operations for the three and six months ended June 30, 2024 includes revenue of $7.7 million and $11.6 million, respectively, and pre-tax income of $1.1 million and $2.4 million, respectively, related to these acquisitions.

Supplemental Unaudited Pro-Forma—The unaudited consolidated financial information summarized in the following table gives effect to all acquisitions completed in 2024 assuming they occurred on January 1, 2024. These unaudited consolidated pro-forma operating results do not assume any impact from revenue, cost or other operating synergies that are expected or may have been realized as a result of the acquisitions. These unaudited consolidated pro forma operating results include results from certain acquired companies that have not been audited and whose accounting policies prior to acquisition may differ from those of the Company. As a result, these unaudited consolidated pro forma operating results may not be comparable to revenues and earnings had these consolidated pro forma results been audited and consistent accounting policies applied. These unaudited consolidated pro-forma operating results are presented for illustrative purposes only and are not indicative of the operating results that would have been achieved had the acquisitions occurred on January 1, 2024 nor does the information project results for any future period. Please refer to the Company's 2024 Form 10-K for information regarding the 2024 acquisitions.

	For the Three Months Ended June 30,					
	2025			2024		
	As reported	Acquisitions Pro-Forma (Unaudited)	Consolidated Pro-Forma (Unaudited)	As reported	Acquisitions Pro-Forma (Unaudited)	Consolidated Pro-Forma (Unaudited)
Revenues	$ 234,543	$ —	$ 234,543	$ 173,325	$ 9,885	$ 183,210
Net (loss) income	$ 18,356	$ —	$ 18,356	$ (10,170)	$ 4,033	$ (6,137)

	For the Six Months Ended June 30,					
	2025			2024		
	As reported	Acquisitions Pro-Forma (Unaudited)	Consolidated Pro-Forma (Unaudited)	As reported	Acquisitions Pro-Forma (Unaudited)	Consolidated Pro-Forma (Unaudited)
Revenues	$ 412,377	$ —	$ 412,377	$ 328,650	$ 20,617	$ 349,267
Net (loss) income	$ (1,003)	$ —	$ (1,003)	$ (23,527)	$ 6,417	$ (17,110)

8. GOODWILL AND INTANGIBLE ASSETS

Amounts related to goodwill are as follows:

	Assessment, Permitting and Response	Measurement and Analysis	Remediation and Reuse	Total
Balance as of December 31, 2024	$ 205,231	$ 118,860	$ 143,698	$ 467,789
Acquisitions measurement period adjustments, net of foreign currency translation	1,096	220	(124)	1,192
Balance as of June 30, 2025	$ 206,327	$ 119,080	$ 143,574	$ 468,981

Amounts related to finite-lived intangible assets are as follows:

June 30, 2025	Gross Balance	Accumulated Amortization	Total Intangible Assets —Net
Customer relationships	$ 265,132	$ 150,053	$ 115,079
Covenants not to compete	41,536	35,217	6,319
Trade names	25,972	24,600	1,372
Proprietary software	30,857	24,938	5,919
Patent	17,479	6,324	11,155
Total other intangible assets, net	$ 380,976	$ 241,132	$ 139,844

December 31, 2024	Gross Balance	Accumulated Amortization	Total Intangible Assets —Net
Customer relationships	$ 264,477	$ 138,787	$ 125,690
Covenants not to compete	41,758	33,898	7,860
Trade names	25,939	23,375	2,564
Proprietary software	28,428	23,489	4,939
Patent	17,479	5,776	11,703
Total other intangible assets, net	$ 378,081	$ 225,325	$ 152,756

Intangible assets with finite lives are stated at cost, less accumulated amortization and impairment losses, if any. These intangible assets are amortized using the straight-line method over the estimated useful lives of the assets.

Amortization expense was $7.3 million and $15.7 million for the three and six months ended June 30, 2025, respectively, and $7.1 million and $14.6 million for the three and six months ended June 30, 2024, respectively.

Future amortization expense is estimated to be as follows for each of the five following years and thereafter:

December 31,	
2025 (remaining)	$ 14,378
2026	25,492
2027	24,231
2028	18,555
2029	12,407
Thereafter	44,781
Total	$ 139,844

9. ACCOUNTS PAYABLE AND OTHER ACCRUED LIABILITIES

Accounts payable and other accrued liabilities consisted of the following:

	June 30, 2025	December 31, 2024
Accounts payable	$ 35,638	$ 33,424
Accrued expenses	13,570	16,190
Other business acquisitions purchase price obligations	415	568
Contract liabilities	12,511	9,297
Other current liabilities	4,513	4,225
Total accounts payable and other accrued liabilities	$ 66,647	$ 63,704

10. ACCRUED PAYROLL AND BENEFITS

Accrued payroll and benefits consisted of the following:

	June 30, 2025	December 31, 2024
Accrued bonuses	$ 16,580	$ 14,433
Accrued paid time off	4,238	4,214
Accrued payroll	12,215	11,969
Accrued other	4,272	3,632
Total accrued payroll and benefits	$ 37,305	$ 34,248

11. INCOME TAXES

The Company calculates its interim income tax provision in accordance with ASC Topic 270, Interim Reporting (ASC 270), and ASC 740, Income Taxes. The Company's effective tax rate (ETR) from continuing operations was 5.1% and 135.1% for the three and six months ended June 30, 2025, respectively, and (45.3)% and (16.8)% for the three and six months ended June 30, 2024, respectively. Income tax expense recorded by the Company during the three and six months ended June 30, 2025 was $1.0 million and $3.9 million, respectively. Income tax expense recorded by the Company during the three and six months ended June 30, 2024 was $2.6 million and $3.1 million, respectively. The difference between the ETR and federal statutory rate of 21.0% is primarily attributable to items recorded for U.S. GAAP but permanently disallowed for U.S. federal income tax purposes, U.S. Global Intangible Low-taxed Income inclusions, recognition of a U.S. federal and state valuation allowance and state and foreign income tax provisions.

A valuation allowance is recorded when it is more-likely-than-not some of the Company's deferred tax assets may not be realized. Significant judgment is applied when assessing the need for a valuation allowance and the Company considers future taxable income, reversals of existing deferred tax assets and liabilities and ongoing prudent and feasible tax planning strategies, in making such assessment. As of June 30, 2025, the Company's U.S. federal, state and various foreign net deferred tax assets are not more-likely-than-not to be realized and a full valuation allowance is maintained with respect to such jurisdictions.

The Company records uncertain tax positions in accordance with ASC 740, on the basis of a two-step process in which (i) the Company determines whether it is more likely than not a tax position will be sustained on the basis of the technical merits of such position and (ii) for those tax positions meeting the more-likely-than-not recognition threshold, the Company would recognize the largest amount of tax benefit that is more than 50.0% likely to be realized upon ultimate settlement with the related tax authority. The Company has determined it has no uncertain tax positions as of June 30, 2025. The Company classifies interest and penalties recognized on uncertain tax positions as a component of income tax expense.

Subsequent to the end of the second quarter, the One Big Beautiful Bill Act (OBBB Act) was enacted on July 4, 2025 in the United States. The OBBB Act includes several significant provisions, including re-establishing a 100% bonus depreciation deduction, re-establishing rules in calculating business interest expense limitations pursuant to §163(j), changes to the calculation of international tax inclusions, and removing the capitalization requirements for domestic research or experimental (R&E) expenditures paid or incurred in tax years beginning after December 31, 2024. We are currently in process of evaluating the impact of the OBBB Act on our financial results.

12. DEBT

Debt consisted of the following:

	June 30, 2025	December 31, 2024
Term loan facility	$ 200,000	$ 189,218
Revolving line of credit	66,545	25,191
Aircraft loan	8,709	9,272
Less deferred debt issuance costs	(2,011)	(997)
Total debt	$ 273,243	$ 222,684
Less current portion of long-term debt	(8,688)	(17,866)
Long-term debt, less current portion	$ 264,555	$ 204,818

Deferred Financing Costs—Costs relating to debt issuance have been deferred and are netted against the underlying debt balance. These costs are amortized to interest expense over the terms of the underlying debt instruments.

2021 Credit Facility—On April 27, 2021, the Company entered into a Senior Secured Credit Agreement providing for a $300.0 million credit facility comprised of a $175.0 million term loan and a $125.0 million revolving line of credit (2021 Credit Facility), and used a portion of the proceeds from the 2021 Credit Facility to repay all amounts outstanding under the prior credit facility. The revolving line of credit portion of the 2021 Credit Facility included a $20.0 million sublimit for the issuance of letters of credit. Subject to certain exceptions, all amounts under the 2021 Credit Facility were to become due on April 27, 2026. The Company had the option to borrow incremental term loans or request an increase in the aggregate commitments under the revolving line of credit up to an aggregate amount of $150.0 million subject to the satisfaction of certain conditions.

In February 2024, the Company partially exercised its option to request an increase in the aggregate commitments to provide an additional $100.0 million credit availability under the 2021 Credit Facility, comprised of an additional $50.0 million term loan (Additional Term Loan) and an additional $50.0 million in availability under the revolving line of credit.

In February 2025, the 2021 Credit Facility was paid in full via proceeds from the 2025 Credit Facility, as described below. The resulting write-off of the remaining unamortized debt issuance costs from the 2021 Credit Facility amounted to $0.9 million. Total loss on debt extinguishments is recorded in interest expense-net within the condensed consolidated statement of operations for the six months ended June 30, 2025.

2025 Credit Facility—On February 26, 2025, the Company entered into an Amended and Restated Senior Secured Credit Agreement providing for a $500.0 million credit facility comprised of a $200.0 million term loan and a $300.0 million revolving line of credit (2025 Credit Facility), and used a portion of the proceeds from the 2025 Credit Facility to repay all amounts outstanding under the 2021 Credit Facility. The revolving line of credit under the 2025 Credit Facility includes a $20.0 million sublimit for the issuances of letters of credit. Subject to certain exceptions, all amounts under the 2025 Credit Facility will become due on February 26, 2030. The Company has the option to borrow incremental term loans, or request an increase in aggregate commitments under the revolving line of credit up to an aggregate amount of $200.0 million, subject to the satisfaction of certain conditions.

The 2025 Credit Facility term loan must be repaid in quarterly installments, and shall amortize at a rate of 1.25% per quarter beginning December 31, 2025 through December 31, 2029, with final payment and amortization on February 26, 2030.

The 2025 Credit Facility term loan and the revolving line of credit bear interest subject to the applicable spread based on the Company's leverage ratio and SOFR as follows:

Pricing Tier	Consolidated Leverage Ratio	Senior Credit Facilities SOFR Spread	Senior Credit Facilities Base Rate Spread	Commitment Fee	Letter of Credit Fee
1	≥ 3.75x to 1.0	2.50 %	1.50 %	0.25 %	2.50 %
2	< 3.75x to 1.0 but ≥ 3.25 to 1.0	2.25	1.25	0.23	2.25
3	<3.25x to 1.0 but ≥ 2.50 to 1.0	2.00	1.00	0.20	2.00
4	<2.50x to 1.0 but ≥ 1.75 to 1.0	1.75	0.75	0.15	1.75
5	<1.75x to 1.0	1.50	0.50	0.15	1.50

The 2025 Credit Facility includes a number of covenants imposing certain restrictions on the Company's business, including, among other things, restrictions on the Company's ability, subject to certain exceptions and baskets, to incur indebtedness, incur liens on its assets, agree to any additional negative pledges, pay dividends or repurchase stock, limit the ability of its subsidiaries to pay dividends or distribute assets, make investments, enter into any transaction of merger or consolidation, liquidate, wind-up or dissolve, or convey any part of its business, assets or property, or acquire the business, property or assets of another person, enter into sale and leaseback transactions, enter into certain transactions with affiliates, engage in any material line of business substantially different from those engaged on the closing date, modify the terms of indebtedness subordinated to the loans incurred under the 2025 Credit Facility and modify the terms of its organizational documents. The 2025 Credit Facility permits certain restricted payments, including common stock repurchases, subject to a maximum pro-forma leverage ratio of 3.00 times, and minimum pro-forma fixed charge coverage ratio of 1.25 times and no event of default. The 2025 Credit Facility also includes financial covenants which require the Company to remain below a maximum total net leverage ratio of 4.00 times until the fiscal quarter ending March 31, 2026, stepping down to 3.75 times thereafter, and a minimum fixed charge coverage ratio of 1.25 times.

The Company deferred $2.2 million of debt issuance costs related to the 2025 Credit Facility in the first quarter of 2025. Quarterly installment repayments for the term loan under the 2025 Credit Facility will commence in the fourth quarter of 2025. For the three and six months ended June 30, 2024 quarterly term loan installment repayments under the 2021 Credit Facility were $0.6 million and $3.9 million, respectively.

As of June 30, 2025 and December 31, 2024, the Company's consolidated total leverage ratio (as defined in the 2025 and 2021 Credit Facility, respectively) was 2.5 times and 2.1 times, respectively, and the Company was in compliance with all covenants under the 2025 and 2021 Credit Facility.

The 2025 Credit Facility requires customary mandatory prepayments of the term loan and revolver and cash collateralization of letters of credit, subject to customary exceptions, including 100.0% of the proceeds of debt not permitted by the 2025 Credit Facility, 100.0% of the proceeds of certain dispositions, subject to customary reinvestment rights, where applicable, and 100.0% of insurance or condemnation proceeds, subject to customary reinvestment rights, where applicable. The 2025 Credit Facility also includes customary events of default and related acceleration and termination rights.

The weighted average interest rate on the 2025 Credit Facility and 2021 Credit Facility for the six months ended June 30, 2025, before giving effect to the impact of the interest rate swaps, was 6.2% and after giving effect to the impact of the interest rate swaps, was 5.4%. The weighted average interest rate on the 2021 Credit Facility for the six months ended June 30, 2024, before giving effect to the impact of the interest rate swaps, was 7.4% and after giving effect to the impact of the interest rate swaps, was 3.4%.

The Company's obligations under the 2025 Credit Facility are guaranteed by certain of the Company's existing and future direct and indirect subsidiaries, and such obligations are secured by substantially all of the Company's assets, including the capital stock or other equity interests in those subsidiaries.

As of June 30, 2025, the Company had the following interest rate swap agreements in place:

Effective date	Expiration date	Notional amount	Fixed rate	Floating rate
5/30/2023	4/27/2026	$ 70,000,000	3.880%	USD-SOFR
6/5/2024	6/27/2027	$ 80,000,000	3.270%	USD-SOFR
4/1/2025	4/27/2028	$ 50,000,000	3.625%	USD-SOFR

Loan and Aircraft Security Agreement—On May 18, 2023, the Company entered into a Loan and Aircraft Security Agreement to finance $10.9 million of the purchase a new aircraft (Aircraft Loan). The Aircraft Loan must be repaid in 60 monthly consecutive installments and all outstanding amounts will become due on May 18, 2028. The Aircraft Loan bears interest subject to 1-month Term SOFR and a coupon of 1.86%. The entire principal balance may be prepaid in full subject to a 3.0%, 2.0% and 1.0% prepayment fee if paid prior to the first, second and third anniversary of the loan, respectively. The aircraft serves as collateral security for the Aircraft Loan.

The following is a schedule of the aggregate annual maturities of long-term debt (excluding current portion) presented on the unaudited condensed consolidated statement of financial position as of June 30, 2025, before deferred debt issuance cost of $2.0 million, based on the terms of the 2025 Credit Facility and the Aircraft Loan:

	2025 Credit Facility			
	Term Loan	Revolver	Aircraft Loan	Total
2026	$ 5,000	$ —	$ 626	$ 5,626
2027	10,000	—	1,318	11,318
2028	10,000	—	577	10,577
2029	10,000	—	5,000	15,000
2030	157,500	66,545	—	224,045
Total	$ 192,500	$ 66,545	$ 7,521	$ 266,566

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following financial instruments are measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	June 30, 2025	December 31, 2024
Interest rate swap (1)	$ —	$ 1,544
Total Assets	$ —	$ 1,544
Business acquisitions contingent consideration, current	$ 17,284	$ 26,872
Business acquisitions contingent consideration, long-term	$ 7,346	$ 6,255
Conversion option	$ 10,552	$ 20,224
Interest rate swap (1)	$ (88)	$ —
Total Liabilities	$ 35,094	$ 53,351

(1) Included in other non-current liabilities and other assets in the unaudited condensed consolidated statement of financial position as of June 30, 2025 and audited condensed consolidated statement of financial position as of December 31, 2024, respectively.

The estimated fair value amounts shown above are not necessarily indicative of the amounts that the Company would realize upon disposition, nor do they indicate the Company's intent or ability to dispose of the financial instrument.

The following table sets forth the Company's financial instruments that were measured at fair value on a recurring basis:

	Interest Rate Swap	Total Assets	Business Acquisitions Contingent Consideration, Current	Business Acquisitions Contingent Consideration, Long-term	Conversion Option Related to Series A-2 Preferred Stock	Interest Rate Swap	Total Liabilities
Balance as of December 31, 2023	$ 3,461	$ 3,461	$ 3,592	$ 2,448	$ 19,017	$ —	$ 25,057
Acquisitions	—	—	4,976	6,137		—	11,113
Changes in fair value included in earnings	(353)	(353)	59	184	553	—	796
Payment of contingent consideration payable	—	—	(1,450)	—		—	(1,450)
Reclass of long term to short term contingent liabilities	—	—	(826)	826		—	—
Balance as of June 30, 2024	$ 3,108	$ 3,108	$ 6,351	$ 9,595	$ 19,570	$ —	$ 35,516
Balance as of December 31, 2024	$ 1,544	$ 1,544	$ 26,872	$ 6,255	$ 20,224	$ —	$ 53,351
Changes in fair value included in earnings	(1,544)	(1,544)	(252)	1,104	(9,672)	(88)	(8,908)
Payment of contingent consideration payable	—	—	(10,897)	—		—	(10,897)
Reclass of long term to short term contingent liabilities	—	—	13	(13)		—	—
Measurement period adjustment	—	—	1,548	—	—	—	1,548
Balance as of June 30, 2025	$ —	$ —	$ 17,284	$ 7,346	$ 10,552	$ (88)	$ 35,094

14. COMMITMENTS AND CONTINGENCIES

Leases—The Company leases office facilities over various terms expiring through 2034. Certain of these operating leases contain rent escalation clauses. The Company also has office equipment leases that expire through 2030 (Note 6 and 12).

Other Commitments—The Company has commitments under the 2025 Credit Facility, its Aircraft Loan, its equipment line of credit and its lease obligations (Note 6 and 12). The Company has entered into a purchase contract to purchase a total of $4.9 million of equipment over the course of 7 years that commenced on July 1, 2024, subject to a minimum spending requirement per year, measured from the commencement date and each anniversary thereof. The minimum spend requirement is $0.2 million, $0.4 million, and $0.9 million for 2025, 2026, and 2027, respectively, with the remainder subject to mutual agreement after the first three years. The amount purchased for the three and six months ended June 30, 2025 was $0.2 million.

Contingencies—The Company is subject to purchase price contingencies related to earn-outs associated with certain acquisitions (Note 7 and 13).

Legal—In the normal course of business, the Company is at times subject to pending and threatened legal actions. In management's opinion, the potential loss resulting from the resolution of these matters is not expected to have a material effect on the unaudited condensed consolidated results of operations, financial position or cash flows of the Company.

15. CONVERTIBLE AND REDEEMABLE SERIES A-2 PREFERRED STOCK

On April 13, 2020, the Company entered into an agreement to issue 17,500 shares of the Convertible and Redeemable Series A-2 Preferred Stock with a par value of $0.0001 per share and a detachable warrant to purchase shares of the Company's common stock with a 10-year life, in exchange for gross proceeds of $175.0 million, net of $1.3 million debt issuance costs. The Convertible and Redeemable Series A-2 Preferred Stock warrants were exercised in full on July 30, 2020. Dividends on the Convertible and Redeemable Series A-2 Preferred Stock accrued through the date of the Company's initial public offering on July 23, 2020, and were added to the principal balance outstanding as of that date. All dividends on the Convertible and Redeemable Series A-2 Preferred Stock after that date have been paid in cash. The Company accrued dividends on shares of the Convertible and Redeemable Series A-2 Preferred Stock of $1.4 million and paid dividends of $2.8 million during the three months ended June 30, 2025 and June 30, 2024. The Company paid dividends of $2.8 million and accrued dividends of $1.4 million during the six months ended June 30, 2025 and paid dividends of $5.6 million during the six months ended June 30, 2024.

The Convertible and Redeemable Series A-2 Preferred Stock terms include the following: (i) no mandatory redemption, (ii) no stated value cash repayment obligation other than in the event of certain defined liquidation events, (iii) only redeemable at the Company's option, (iv) convertible into common stock beginning in April 2024 at a 15.0% discount to the common stock market price (with a limit of $60.0 million in stated value of Convertible and Redeemable Series A-2 Preferred Stock eligible to be converted in any 60-day period prior to the seventh anniversary of issuance and the amount of stated value of the Convertible and Redeemable Series A-2 Preferred Stock eligible for conversion limited to $60.0 million during year 5 and $120.0 million (which includes the aggregate amount of the stated value of the Convertible and Redeemable Series A-2 Preferred Stock and any accrued but unpaid dividends added to such stated value of any shares of Convertible and Redeemable Series A-2 Preferred Stock converted in year 5) during year 6), (v) 9.0% dividend rate per year with required quarterly cash payments, (vi) in an event of noncompliance, the dividend rate shall increase to 12.0% per annum for the first 90-day period from and including the date the noncompliance event occurred, and thereafter shall increase to 14.0% per annum, (vii) debt incurrence test ratio of 4.5 times, and (viii) minimum repayment amount of $25.0 million.

The Company may, at its option on any one or more dates, redeem all or a minimum portion (the lesser of (i) $25.0 million in aggregate stated value of the Convertible and Redeemable Series A-2 Preferred Stock and (ii) all of the Convertible and Redeemable Series A-2 Preferred Stock then outstanding) of the outstanding Convertible and Redeemable Series A-2 Preferred Stock in cash. In January 2024, the Company redeemed $60.0 million in aggregate stated value of the outstanding Convertible and Redeemable Series A-2 Preferred Stock with cash. On April 1, 2025, the Company redeemed $60.0 million in aggregate stated value of the outstanding Series A-2 Preferred Stock with cash on hand and borrowings under the 2025 Credit Facility. As of June 30, 2025, the principle balance of the Convertible and Redeemable Series A-2 Preferred Stock issued and outstanding was $62.2 million, or 5,834 shares.

The Convertible and Redeemable Series A-2 Preferred Stock does not meet the definition of a liability pursuant to "ASC 480- Distinguishing Liabilities from Equity." However, as (i) the instrument is redeemable upon a change of control as defined in the certificate of designations governing the terms of the Convertible and Redeemable Series A-2 Preferred Stock, and (ii) the Company cannot assert it would have sufficient authorized and unissued shares of common stock to settle all future conversion requests due to the variable conversion terms, the instrument is redeemable upon the occurrence of events that are not solely within the control of the Company, and therefore the Company classifies the Convertible and Redeemable Series A-2 Preferred Stock as mezzanine equity. Subsequent adjustment of the carrying value of the instrument is required if the instrument is probable of becoming redeemable. As of June 30, 2025, the Company has determined that a change of control is not probable. Additionally, as of June 30, 2025, the Company has determined that it is not probable that there will be a future conversion request that the Company is unable to settle with authorized and issued shares based on the Company's current stock price and available shares as well as the Company's monitoring efforts to ensure there are a sufficient number of shares available to settle any conversion request. Therefore, as of June 30, 2025, the Company has determined that the instrument is not probable of becoming redeemable, and does not believe subsequent adjustment of the carrying value of the instrument will be necessary.

The Convertible and Redeemable Series A-2 Preferred Stock contains a conversion option of the preferred shares to shares of common stock beginning in April 2024. As of June 30, 2025 and December 31, 2024, this conversion embedded feature had a net fair value of $10.6 million and $20.2 million, respectively. The change in net fair value of $(10.0) million and $(9.7) million for the three and six months ended June 30, 2025, respectively, and $0.5 million and $0.6 million for the three and six months ended June 30, 2024, respectively, was recorded to other (income) expense.

See Note 22.

16. STOCKHOLDERS' EQUITY

Employee Equity Incentive Plans

The Company has two plans under which stock-based awards have been issued: (i) the Montrose Amended & Restated 2017 Stock Incentive Plan (2017 Plan) and (ii) the Montrose Amended & Restated 2013 Stock Option Plan (2013 Plan) (collectively the Plans).

The following number of shares were authorized to be issued and available for grant:

	June 30, 2025		
	2017 Plan	2013 Plan	Total
Shares authorized to be issued	8,911,649	2,035,219	10,946,868
Shares available for grant[(1)]	1,902,947	—	1,902,947

	June 30, 2024		
	2017 Plan	2013 Plan	Total
Shares authorized to be issued	7,538,276	2,036,219	9,574,495
Shares available for grant[(1)]	1,677,508	—	1,677,508

(1) In January 2025 and January 2024 the Board of Directors ratified the addition of 1,372,373 and 1,207,563 shares of common stock, respectively, to the number of shares available for issuance under the 2017 Plan pursuant to the annual increase provision of such plan. Unless the Board of Directors determines otherwise, additional annual increases will be effective on each January 1, through January 1, 2027. The 2017 Plan permits the company to settle awards, if and when vested, in cash at its discretion. Pursuant to the terms of the 2017 Plan, the number of shares authorized for issuance thereunder will only be reduced with respect to shares of common stock actually issued upon exercise or settlement of an award. Shares of common stock subject to awards that have been canceled, expired, forfeited or otherwise not issued under an award and shares of common stock subject to awards settled in cash do not count as shares of common stock issued under the 2017 Plan. Shares available for grant as of March 31, 2024 exclude awards of stock appreciation rights approved in December 2021 that were subject to vesting based on the achievement of certain market conditions (2021 Performance SARs), which had not yet been achieved when these awards were cancelled, effective as of December 31, 2024. See footnote 1 to the table in Common Stock Reserved for Future Issuance in Note 18 below for additional information on stock appreciation rights.

17. NET INCOME (LOSS) PER SHARE

Basic net income (loss) per share is computed by dividing net loss attributable to common stockholders by the weighted average number of common shares outstanding during each period. The Convertible and Redeemable Series A-2 Preferred Stock is considered a participating security during the applicable period. Net losses are not allocated to the Convertible and Redeemable Series A-2 stockholders, as they were not contractually obligated to share in the Company's losses.

Diluted net income (loss) per share is computed by dividing net income (loss) attributable to common stockholders by the weighted average number of common and dilutive common equivalent shares outstanding for the period using the treasury-stock method or the if-converted method. Potentially dilutive shares are comprised of awards of restricted stock (RSAs), restricted stock units (RSUs), stock appreciation rights (SARs) and shares of common stock underlying stock options outstanding under the Company's stock incentive plans, as applicable. During the six months ended June 30, 2025 and the three and six months ended June 30, 2024 there is no difference in the number of shares used to calculate basic and diluted shares outstanding during the applicable period due to the Company's net loss attributable to common stockholders and potentially dilutive shares being anti-dilutive.

The following table summarizes the computation of basic and diluted net income (loss) per share attributable to common stockholders of the Company:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net income (loss)	$ 18,356	$ (10,170)	$ (1,003)	$ (23,527)
Convertible and Redeemable Series A-2 Preferred Stock dividend	(1,400)	(2,750)	(4,150)	(5,564)
Net income (loss) attributable to common stockholders	16,956	(12,920)	(5,153)	(29,091)
Weighted average common shares outstanding				
Weighted average common shares outstanding - basic	35,206	33,318	34,855	31,850
Effect of dilutive stock options	1,103	—	—	—
Effect of dilutive restricted stock	3,259	—	—	—
Effect of dilutive Series A-2 Preferred Stock	3,887	—	—	—
Diluted	43,455	33,318	34,855	31,850
Net income (loss) per share attributable to common stockholders				
Basic	$ 0.48	$ (0.39)	$ (0.15)	$ (0.91)
Diluted	$ 0.42	$ (0.39)	$ (0.15)	$ (0.91)

The following common stock equivalents were excluded from the calculation of diluted net loss per share attributable to common stockholders for the six months ended June 30, 2025 because their effect would have been anti-dilutive:

	June 30,	
	2025 (1)	2024 (1)
Stock options	3,504,440	3,179,129
Restricted stock	3,259,117	2,579,982
Series A-2 Preferred Stock (2)	5,353,478	3,317,141
SARs (3)	—	3,000,000

(1) Includes 2,307,646 and 6,782,913 common stock equivalents that are out of the money as of June 30, 2025 and June 30, 2024, respectively.
(2) The share increase is due to a higher number of common stock equivalents related to the Series A-2 Preferred Stock conversion option due to lower share price of the Company's common stock of $21.89 as of June 30, 2025, compared to $44.56 as of June 30, 2024, partially offset by the decrease in aggregate stated value of the outstanding Series A-2 Preferred Stock as of June 30, 2025 as compared to June 30, 2024.
(3) 2021 Performance SARs were cancelled effective as of December 31, 2024.

18. STOCK-BASED PLANS AND COMPENSATION

There were no stock-based compensation expenses related to the 2013 Plan in the three and six months ended June 30, 2025 and 2024. Total stock-based compensation expense related to the 2017 Plan was as follows:

	Three Months Ended June 30,						
	2025			2024			
	Options	RSUs	Total	Options	RSUs	SARs	Total
Cost of revenue	$ 210	$ 961	$ 1,171	$ 355	$ 845	$ —	$ 1,200
Selling, general and administrative expense	253	9,410	9,663	787	7,554	2,290	10,631
Total	$ 463	$ 10,371	$ 10,834	$ 1,142	$ 8,399	$ 2,290	$ 11,831

	Six Months Ended June 30,						
	2025			2024			
	Options	RSUs	Total	Options	RSUs	SARs	Total
Cost of revenue	$ 399	$ 3,043	$ 3,442	$ 629	$ 1,482	$ —	$ 2,111
Selling, general and administrative expense	503	20,612	21,115	1,576	14,836	4,580	20,992
Total	$ 902	$ 23,655	$ 24,557	$ 2,205	$ 16,318	$ 4,580	$ 23,103

As of June 30, 2025 and June 30, 2024, there was $65.1 million and $109.6 million, respectively, of total unrecognized stock-based compensation expense related to unvested options, restricted stock and SARs granted under the Plans. Such unrecognized expense is expected to be recognized over a weighted-average 2.1 year period. The 2021 Performance SARs were cancelled effective as of December 31, 2024, and as such, there was no related expense in the three and six months ended June 30, 2025.

Montrose Amended & Restated 2017 Stock Incentive Plan

Restricted Stock Awards and Restricted Stock Units

RSAs and RSUs activity was as follows:

	Six Months Ended June 30,			
	2025		2024	
	Shares	Weighted-Average Grant Date Fair Value	Shares	Weighted-Average Grant Date Fair Value
Beginning outstanding shares	2,617,059		2,468,722	
Granted	1,298,765	$ 17.65	289,155	$ 40.58
Forfeited/ cancelled	(59,042)	$ 28.85	(27,953)	$ 37.62
Vested	(597,665)	$ 26.80	(149,942)	$ 37.49
Ending outstanding shares	3,259,117		2,579,982	

Options

The following summarizes the options activity of the 2017 Plan:

	Options to Purchase Common Stock	Weighted-Average Exercise Price per Share	Weighted Average Grant Date Fair Value per Share	Weighted Average Remaining Contract Life (in Years)	Aggregate Intrinsic Value of In-The-Money Options
Outstanding as of December 31, 2023	2,516,272	$ 30.92	$ 15.95	7.0	$ 13,825
Forfeited/ cancelled	(48,765)	38.87	—	—	—
Expired	(19,720)	45.55	—	—	—
Exercised	(47,948)	27.05	—	—	663
Outstanding as of June 30, 2024	2,399,839	$ 30.72	$ 16.27	7.0	$ 14,488
Outstanding as of December 31, 2024	2,345,207	$ 30.62	16.32	6.0	776
Forfeited/ cancelled	(35,795)	41.32	—	—	—
Expired	(50,150)	36.06	—	—	—
Outstanding as of June 30, 2025	2,259,262	$ 30.33	$ 16.32	5.5	$ 4,355
Exercisable as of June 30, 2025	2,006,686	$ 28.92		5.3	$ 4,355

Stock Appreciation Rights— As of June 30, 2024, there were 3,000,000 2021 Performance SARs outstanding under the 2017 Plan. These SARs represented the right to receive, upon exercise, a payment equal to the excess of (a) the fair market value of one share of the Company's common stock, over (b) an exercise price of $66.79, payable, at the Company's election, in cash or shares of common stock. The 2021 Performance SARs were cancelled effective December 31, 2024 and all remaining unamortized expense was recognized at the effective time of cancellation.

Montrose Amended & Restated 2013 Stock Option Plan

The following summarizes the activity of the 2013 Plan:

	Options to Purchase Common Stock	Weighted-Average Exercise Price per Share	Weighted Average Grant Date Fair Value per Share	Weighted Average Remaining Contract Life (in Years)	Aggregate Intrinsic Value of In-The-Money Options
Outstanding as of December 31, 2023	792,191	$ 6.40	$ 2.16	2.4	$ 20,380
Exercised	(12,901)	6.08			
Outstanding as of June 30, 2024	779,290	$ 6.41	$ 2.20	1.9	$ 29,730
Outstanding as of December 31, 2024	680,889	$ 6.49	2.51	1.5	8,211
Expired	(1,000)	6.03	—	—	—
Exercised	(8,895)	8.59	—	—	10,351
Outstanding as of June 30, 2025	670,994	$ 6.46	$ 2.51	1.0	$ 10,351
Exercisable as of June 30, 2025	670,994	$ 6.46		1.0	$ 10,351

Common Stock Reserved for Future Issuances—The Company has reserved certain stock of its authorized but unissued common stock for possible future issuance in connection with the following:

	June 30, 2025	June 30, 2024
Montrose 2013 Stock Incentive Plan	670,994	779,290
Montrose 2017 Stock Incentive Plan[(1)]	7,421,326	9,657,329
	8,092,320	10,436,619

(1) In January 2025 and 2024, the Board of Directors ratified the addition of 1,372,373 and 1,207,563 shares of common stock, respectively, to the number of shares available for issuance under the 2017 Plan pursuant to the annual increase provision of such plan. Unless the Board of Directors determines otherwise, additional annual increases will be effective on each January 1, through January 1, 2027. The 2017 Plan permits the company to settle awards, if and when vested, in cash at its discretion. Pursuant to the terms of the 2017 Plan, the number of shares authorized for issuance thereunder will only be reduced with respect to shares of common stock actually issued upon exercise or settlement of an award. Shares of common stock subject to awards that have been canceled, expired, forfeited or otherwise not issued under an award and shares of common stock subject to awards settled in cash do not count as shares of common stock issued under the 2017 Plan. The Company expects to have sufficient shares available under the 2017 Plan to satisfy the future settlement of outstanding awards. Shares reserved for future issuance as of June 30, 2024 include 3,000,000 shares underlying the 3,000,000 2021 Performance SARs, which were cancelled effective as of December 31, 2024.

19. SEGMENT INFORMATION

The Company has six operating units that aggregate into three reportable segments: Assessment, Permitting and Response, Measurement and Analysis, and Remediation and Reuse. These segments are monitored separately by management for performance against budget and prior year and are consistent with internal financial reporting. The Company's operating segments are organized based upon primary services provided, the nature of the production process, types of customers, methods used to distribute the products, and the nature of the regulatory environment. Refer to Note 1 for description of each reportable segment.

Our Chief Executive Officer, who serves as the Chief Operating Decision Maker (CODM), reviews Segment Adjusted EBITDA in the annual budget and forecasting process. The CODM considers budget-to-actual variances on a quarterly basis when making decisions about the allocation of Company resources depending on the needs of each segment and the availability of resources. Segment Adjusted EBITDA is the calculated Company's Earnings before Interest, Tax, Depreciation and Amortization (EBITDA), adjusted to exclude certain transactions such as stock-based compensation, acquisition costs, and fair value changes in financial instruments, amongst others. The CODM does not review segment assets as a measure of segment performance.

Corporate and Other includes costs associated with general corporate overhead (including executive, legal, finance, safety, human resources, marketing and IT related costs) that are not directly related to supporting operations. Overhead costs that are directly related to supporting operations (such as insurance, software, licenses, shared services and payroll processing costs) are allocated to the operating segments on a basis that reasonably approximates an estimate of the use of these services, and are included in Segment Expenses in the table below.

Segment Revenues, Segment Expenses and Segment Adjusted EBITDA were as follows:

	Three Months Ended June 30,					
	2025			2024		
(in thousands)	Segment Revenues	Segment Expenses	Segment Adjusted EBITDA	Segment Revenues	Segment Expenses	Segment Adjusted EBITDA
Assessment, Permitting and Response	$ 103,943	$ 76,388	$ 27,555	$ 53,444	$ 40,823	$ 12,621
Measurement and Analysis	62,795	44,497	18,298	54,812	42,453	12,359
Remediation and Reuse	67,805	57,775	10,030	65,069	56,140	8,929
Total Reportable Segments	$ 234,543		$ 55,883	$ 173,325		$ 33,909

	Six Months Ended June 30,					
	2025			2024		
(in thousands)	Segment Revenues	Segment Expenses	Segment Adjusted EBITDA	Segment Revenues	Segment Expenses	Segment Adjusted EBITDA
Assessment, Permitting and Response	$ 157,063	$ 118,936	$ 38,127	$ 112,024	$ 83,123	$ 28,901
Measurement and Analysis	121,825	89,754	32,071	100,306	81,443	18,863
Remediation and Reuse	133,489	117,532	15,957	116,320	102,380	13,940
Total Reportable Segments	$ 412,377		$ 86,155	$ 328,650		$ 61,704

Presented below is a reconciliation of the Company's segment measure to income (loss) before expense from income taxes:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Total Reportable Segments	$ 55,883	$ 33,909	$ 86,155	$ 61,704
Corporate and Other	(16,298)	(10,593)	(27,540)	(21,466)
Interest expense, net	(4,768)	(3,976)	(9,833)	(7,282)
Depreciation and amortization	(12,763)	(12,515)	(26,057)	(24,168)
Stock-based compensation	(10,834)	(11,831)	(24,557)	(23,103)
Acquisition costs (1)	(325)	(1,082)	(1,036)	(3,607)
Fair value changes in financial instruments	9,256	(1,202)	8,040	(905)
Fair value changes in business acquisition contingencies	(354)	(136)	(831)	(242)
Expenses related to financing transactions	(297)	(95)	(274)	(239)
Discontinued Specialty Lab(2)	—	—	—	(596)
Other losses or expenses(3)	(156)	(30)	(1,211)	(511)
Income (loss) before expense from income taxes	$ 19,344	$ (7,551)	$ 2,856	$ (20,415)

(1) Includes financial and tax diligence, consulting, legal, valuation, accounting, travel and acquisition-related incentives related to our acquisition and integration activity.
(2) Amounts consist of operating losses before depreciation related to the Discontinued Specialty Lab.
(3) The three and six months ended June 30, 2025 consist primarily of non-recurring costs incurred to restructure the Company's renewable energy business, third party expenses associated with the independent review and analysis of assertions in a short seller report regarding the Company, and costs to centralize certain back-office functions. The three and six months ended June 30, 2024 consists of costs associated with a lease abandonment.

The following table presents revenues by geographic location:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
United States	$ 199,011	$ 137,012	$ 344,947	$ 265,854
Canada	27,699	28,597	52,348	49,878
Other international	7,833	7,716	15,082	12,918
Total revenue	$ 234,543	$ 173,325	$ 412,377	$ 328,650

The following table presents long-lived assets by geographic location:

	June 30, 2025	December 31, 2024
United States	$ 55,087	$ 57,730
Canada	4,900	5,070
Other international	1,135	976
Total property and equipment—net	$ 61,122	$ 63,776

20. RELATED-PARTY TRANSACTIONS

The Company did not have any material related party transactions during the three and six months ended June 30, 2025 and June 30, 2024.

21. DEFINED CONTRIBUTION PLAN

On January 1, 2014, the Company established the Montrose Environmental Group 401(k) Savings Plan (the 401(k) Savings Plan). As of June 30, 2025, and December 31, 2024, plan participants may defer up to 85.0% of their eligible wages for the year, up to the Internal Revenue Service dollar limit and catch-up contribution allowed by law. The Company provided employer matching contributions equal to 100.0% of the first 3.0% of the participant's compensation and 50.0% of the participant's elective deferrals that exceed 3.0% but do not exceed 5.0% of the participant's compensation. Employer contributions under the 401(k) Savings Plan were $2.4 million and $5.2 million for the three and six months ended June 30, 2025, respectively, and $8.9 million and $11.6 million for the three and six months ended June 30, 2024, respectively.

22. SUBSEQUENT EVENTS

On July 1, 2025, the Company redeemed the remaining $62.2 million in aggregate stated value of the outstanding Series A-2 Preferred Stock and paid $1.4 million accrued dividends in cash. The Company funded the redemption with cash on hand and borrowings under the 2025 Credit Facility. The remaining $10.6 million of fair value of the conversion option was recorded in other income.

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. These forward-looking statements relate to matters such as our industry, business strategy, goals and expectations concerning our market position, future operations, margins, profitability, capital expenditures, liquidity, capital resources and other financial and operating information. We use words such as "anticipate," "assume," "believe," "contemplate," "continue," "could," "estimate," "expect," "future," "intend," "may," "plan," "position," "potential," "predict," "project," "seek," "should," "target," "will" and similar terms and phrases to identify forward-looking statements in this filing. All of our forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that we are expecting, including:

- general global economic, business and other conditions, including inflationary and interest rate pressures and tariffs and other trade tensions, the cyclical nature of our industry and the significant fluctuations in events that impact our business;
- the parts of our business that depend on difficult to predict natural or manmade events and the fluctuations in our revenue and customer concentration as a result thereof;
- the highly competitive nature of our business;
- our ability to execute on our acquisition strategy and successfully integrate and realize benefits from our acquisitions;
- any failure in or breach of our networks and systems or other forms of cyber-attack;
- our ability to promote and develop our brands;
- our ability to maintain and expand our client base;
- our ability to maintain necessary accreditations and other authorizations in varying jurisdictions;
- significant environmental governmental regulation and liabilities;
- our ability to attract and retain qualified managerial and skilled technical personnel;
- safety-related issues;
- allegations regarding compliance with professional standards, duties and statutory obligations and our ability to provide accurate results;
- the lack of formal long-term agreements with many of our clients;
- our ability to adapt to changing technology, industry standards or regulatory requirements, including emerging environmental, social and governance requirements;
- government clients and contracts;
- our ability to maintain our prices and manage costs;
- our ability to protect our intellectual property or claims that we infringe on the intellectual property rights of others;
- laws and regulations regarding handling of confidential information;
- our international operations;
- product related risks; and
- additional factors discussed in our filings with the Securities and Exchange Commission, or the SEC.

The forward-looking statements in this Quarterly Report on Form 10-Q are based on historical performance and management's current plans, estimates and expectations in light of information currently available to us and are subject to uncertainty and changes in circumstances. There can be no assurance that future developments affecting us will be those that we have anticipated. Actual results or outcomes may differ materially from these expectations due to changes in global, regional or local political, economic, business, competitive, market, regulatory and other factors, many of which are beyond our control, as well as the other factors described in Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024 filed with the SEC on March 3, 2025, or the 2024 Form 10-K, as supplemented in Part II, Item 1A. "Risk Factors" in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, or the Q1 2025 Form 10-Q.

Additional factors or events that could cause our actual results or outcomes to differ may also emerge from time to time, and it is not possible for us to predict all of them. In addition, historical, current and forward-looking sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove to be incorrect, our actual results or outcomes may vary in material respects from what we may have expressed or implied by any forward-looking statement and, therefore, you should not regard any forward-looking statement as a representation or warranty by us or any other person that we will successfully achieve the expectation, plan or objective expressed in such forward-looking statement in any specified time frame, or at all. We caution that you should not place undue reliance on any of our forward-looking statements. Any forward-looking statement made by us speaks only as of the date on which we make it. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by applicable securities laws.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our historical audited and unaudited consolidated financial statements and related notes and other information included elsewhere in this filing and our other filings with the SEC, including our unaudited condensed consolidated financial statements and the accompanying notes as of and for the three and six months ended June 30, 2025 and June 30, 2024 included in Part I, Item 1. “Financial Statements” in this Quarterly Report on Form 10-Q. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from such forward-looking statements. Factors that could cause or contribute to those differences include, but are not limited to, those identified below and those discussed in the section entitled “Forward-Looking Statements”, and elsewhere in this filing and our other filings with the SEC, including in Item 1A. Risk Factors in the 2024 Form 10-K and Part II, Item 1A. Risk Factors in the Q1 2025 Form 10-Q.

Overview

Since our inception in 2012, our mission has been to help clients and communities meet their environmental goals and needs. According to data derived from a 2024 Environmental Industry Study prepared by Environmental Business International, Inc., or EBI, which we commissioned, the global environmental industry is estimated to be approximately $1.6 trillion, with $540.0 billion concentrated in the United States.

Our Segments

We provide environmental services to our clients through three business segments—Assessment, Permitting and Response, Measurement and Analysis and Remediation and Reuse. For more information on each of our operating segments, see Item 1. “Business” in the 2024 Form 10-K.

Assessment, Permitting and Response

Assessment, Permitting and Response segment provides scientific advisory and consulting services to support environmental assessments, environmental emergency response and recovery, toxicology consulting and environmental audits and permits for current operations, facility upgrades, new projects, decommissioning projects and development projects. We work closely with clients to navigate the regulatory process at the local, state, provincial and federal levels, identify the potential environmental and political impacts of their decisions and develop practical mitigation approaches, as needed. In addition to environmental toxicology, and given our expertise in helping businesses plan for and respond to disruptions, our scientists and response teams have helped clients navigate their preparation for and response to emergency response situations.

Measurement and Analysis

Measurement and Analysis segment is one of the largest providers of environmental testing and laboratory services in North America. Our highly credentialed teams test and analyze air, water and soil to determine concentrations of contaminants, as well as the toxicological impact of contaminants on flora, fauna and human health. Our offerings include source and ambient air testing and monitoring, leak detection, and advanced multi-media laboratory services, including air, soil, stormwater, wastewater and drinking water analysis.

Remediation and Reuse

Remediation and Reuse segment provides clients with engineering, design, and implementation services, primarily (i) treatment technologies which treat contaminated water or create renewable energy from waste, or (ii) soil remediation. Our employees, including engineers, scientists and consultants, provide these services to assist our clients in designing solutions, managing products and mitigating environmental risks and liabilities at their locations. We do not own the properties or facilities at which we implement these projects or the underlying liabilities, nor do we own material amounts of the equipment used in projects.

These operating segments have been structured and organized to align with how we view and manage the business with the full lifecycle of our clients’ targeted environmental concerns and needs in mind. Within each segment, we cover similar service offerings, regulatory frameworks, internal operating structures and client types. Corporate activities not directly related to segment performance, including general corporate expenses, interest and taxes, are reported separately.

Key Factors that Affect Our Business and Our Results

Our operating results and financial performance are influenced by a variety of internal and external trends and other factors. Some of the more important factors are discussed briefly below.

Acquisitions

Although we have temporarily paused acquisitions, we have been, and expect to continue to be, an acquisitive company. Acquisitions have expanded our environmental service capabilities across all three segments, our access to technology, as well as our geographic reach in the United States, Canada, Europe and Australia. The table below sets forth the number of acquisitions completed, revenues generated by and the percentage of total revenues attributable to those acquisitions completed during the three and six months ended June 30, 2025 and June 30, 2024:

	Three Months Ended June 30,		Six Months Ended June 30,	
(Revenues in thousands)	2025	2024	2025	2024
Acquisitions completed	—	2	—	4
Revenues attributable to acquisitions completed in the period	$ —	$ 7,700	$ —	$ 11,600
Percentage of revenues	0.0%	4.4%	0.0%	3.5%

Revenues from acquired companies exclude intercompany revenues from revenue synergies realized between business lines within operating segments, as these are eliminated at the consolidated segment and Company level. We expect our revenue growth to continue to be driven in significant part by acquisitions. See Note 7 to our unaudited condensed consolidated financial statements included in Part I, Item 1. “Financial Statements.”

As a result of our acquisitions, goodwill and other intangible assets represent a significant proportion of our total assets, and amortization of intangible assets has historically been a significant expense. Our historical financial statements also include other acquisition-related costs, including costs relating to external legal support, diligence and valuation services and other transaction and integration-related matters. In addition, in any year gains and losses from changes in the fair value of business acquisition contingencies such as earn-outs could be significant. The amount of each for the three and six months ended June 30, 2025 and June 30, 2024, was:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	2025	2024	2025	2024
Amortization expense	$ 7,326	$ 7,137	$ 15,716	$ 14,566
Acquisition-related costs	325	1,082	1,036	3,607
Fair value changes in business acquisition contingencies	(354)	(136)	(831)	(242)

We expect that amortization of identifiable intangible assets and other acquisition-related costs, assuming we continue to acquire, will continue to be significant.

During the three months ended June 30, 2025, we made contingent consideration payments of $4.0 million in cash related to earn-out payments for Epic Environmental Pty Ltd (Epic). During the three months ended June 30, 2024 no contingent consideration payments were made.

During the six months ended June 30, 2025, we made the contingent consideration payments of $10.6 million for Epic and SensibleIoT, LLC (Sensible), of which $4.0 million was paid in cash, and the remaining $6.6 million was paid in the Company's common stock. During the six months ended June 30, 2024, we made earn-out payments of $1.5 million in connection with our acquisition of Huco Consulting, Inc., of which, $0.4 million was paid in cash, and the remaining $1.1 million in the Company's common stock.

In connection with certain of our acquisitions, we may make up to $24.6 million in aggregate earn-out payments between the years 2025 and 2027, of which up to $11.5 million may be paid only in cash, up to $2.8 million may be paid only in common stock and up to $10.3 million may be paid, at our option, in cash or common stock. See Note 7 to our unaudited condensed consolidated financial statements included in Part I, Item 1. “Financial Statements.”

Organic Growth

We define organic growth as the change in revenues excluding revenues from (i) our environmental emergency response business, (ii) acquisitions for the first twelve months following the date of acquisition, and (iii) businesses held for sale, disposed of or discontinued. Management uses organic growth as one of the means by which it assesses our results of operations. Organic growth is not, however, a measure of revenue growth calculated in accordance with U.S. generally accepted accounting principles, or GAAP, and should be considered in conjunction with revenue growth calculated in accordance with GAAP. We have grown organically over the long term and expect to continue to do so.

Revenue Mix

Our segments and our business lines within each segment generate different levels of profitability and, accordingly, shifts in the mix of revenues between segments can impact our consolidated reported net income or loss, net income or loss margin, Segment Adjusted EBITDA and

Segment Adjusted EBITDA margin from quarter to quarter and year to year. Inter-company revenues between business lines within segments have been eliminated. See Note 19 to our unaudited condensed consolidated financial statements included in Part 1, Item 1 “Financial Statements.”

Our revenues and certain expenses, including selling, general and administrative expense, vary from period to period due primarily to changes in organic growth, the incremental contribution from recent acquisitions and strategic decisions we may make from time to time. When we refer to changes driven by organic growth, we are referring to the contribution from businesses that have been part of Montrose for more than 12 months, with certain limited exclusions as discussed in greater detail above. In a given reporting period, when we refer to revenue changes driven by acquisitions, we are referring to the revenue contribution from any acquisition from its closing date through the first 12 months of that acquisition, at which point any subsequent revenue contribution therefrom would be organic.

Financing Costs

Total debt at June 30, 2025 was $273.2 million net of deferred debt issuance costs, which was an increase of $50.6 million compared to December 31, 2024. The increase is primarily driven by the additional usage of our revolving line of credit, under which borrowings increased by $41.4 million, including in connection with the $60.0 million partial redemption of the series A-2 preferred stock in April 2025, which was partially funded by incremental borrowings under our revolving credit facility, and the refinanced term loan in connection with the 2025 Credit Facility, which increased the aggregate amount outstanding by approximately $10.8 million.

Interest expense, net was $4.8 million and $9.8 million in the three and six months ended June 30, 2025, respectively, and $4.0 million and $7.3 million in the three and six months ended June 30, 2024, respectively. We expect interest expense to remain a significant cost as we continue to leverage our credit facility to support our operations and future acquisitions.

In February 2025, we refinanced our 2021 Credit Facility and replaced it with a new 2025 Credit Facility. See Note 12 to our unaudited condensed consolidated financial statements included in Part 1, Item 1 “Financial Statements” and “Liquidity and Capital Resources.”

Corporate and Operational Infrastructure Investments

Our historical operating results reflect the impact of our ongoing investments in our corporate infrastructure to support our growth. We have made and expect to continue to make investments in our business platform that we believe have laid the foundation for continued growth. Investments in logistics, quality, risk management, sales and marketing, safety, human resources, research and development, finance and information technology and other areas enable us to support continued growth. These investments should allow us to improve our margins over time.

Seasonality

Because demand for environmental services is not driven by specific or predictable patterns in one or more fiscal quarters, our business is better assessed based on annual results. Additionally, due to the field-based nature of certain of our services, weather patterns generally impact our field-based teams’ ability to operate in the winter months. As a result, our operating results in our Measurement and Analysis segment and our Remediation and Reuse segment, experience some quarterly variability with generally lower revenues and lower earnings in the first and fourth quarters and typically higher overall revenues and earnings in the second and third quarters. As we continue to grow and expand into new geographies and service lines, quarterly variability in our Measurement and Analysis and Remediation and Reuse segments may deviate from historical trends.

Earnings Volatility

In addition to the impact of seasonality on earnings, our emergency response business exposes us to potentially significant revenue and earnings fluctuations tied to large environmental emergency response projects following an incident or natural disaster or more broad scale events. Total revenue from emergency response related services was $48.5 million and $12.9 million for the three months ended June 30, 2025 and 2024, respectively, and $62.4 million and $28.6 million for the six months ended June 30, 2025 and 2024, respectively. The higher than normal emergency response revenue in the second quarter of 2025 was primarily driven by one large emergency response project. Demand for environmental emergency response services remains difficult to predict and as a result, revenues and earnings in the current and prior years may not be indicative of future results, making those periods particularly difficult comparisons for future periods. Earnings volatility is also driven by the timing of large projects, particularly in our Remediation and Reuse segment, and the impact of acquisitions. As a result of these factors, and because demand for environmental services is not driven by specific or predictable patterns in one or more fiscal quarters, our business is better assessed based on annual results.

Results of Operations

The Three And Six Months Ended June 30, 2025 Compared to the Three And Six Months Ended June 30, 2024

(in thousands, except per share data)	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Revenues	$ 234,543	$ 173,325	$ 412,377	$ 328,650
Cost of revenues (exclusive of depreciation and amortization)	132,802	104,086	241,208	200,643
Selling, general and administrative expense	73,683	59,239	139,915	116,313
Fair value changes in business acquisition contingencies	354	136	831	242
Depreciation and amortization	12,763	12,515	26,057	24,168
Income (loss) from operations	14,941	(2,651)	4,366	(12,716)
Other income (expense), net	9,171	(924)	8,323	(417)
Interest expense, net	(4,768)	(3,976)	(9,833)	(7,282)
Income (loss) before income taxes	19,344	(7,551)	2,856	(20,415)
Income tax expense	988	2,619	3,859	3,112
Net income (loss)	18,356	(10,170)	(1,003)	(23,527)
Series A-2 dividend payment	(1,400)	(2,750)	(4,150)	(5,564)
Net income (loss) attributable to common stockholders	$ 16,956	$ (12,920)	$ (5,153)	$ (29,091)
Weighted average common shares outstanding				
Basic	35,206	33,318	34,855	31,850
Diluted	43,455	33,318	34,855	31,850
Net income (loss) per share attributable to common stockholders				
Basic	$ 0.48	$ (0.39)	$ (0.15)	$ (0.91)
Diluted	$ 0.42	$ (0.39)	$ (0.15)	$ (0.91)

Revenues

(in thousands, except %)	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Change $	Change %	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024	Change $	Change %
Revenues	$ 234,543	$ 173,325	$ 61,218	35.3%	$ 412,377	$ 328,650	$ 83,727	25.5%

Revenue for the three months ended June 30, 2025 increased $61.2 million or 35.3% as compared to the three months ended June 30, 2024. The increase was primarily driven by $35.6 million higher emergency response revenue, strong organic growth of $17.1 million driven primarily by the Assessment, Permitting and Response and Measurement and Analysis segments, and $9.1 million of additional revenue from acquisitions. Environmental emergency response revenues were $48.5 million in the three months ended June 30, 2025, compared to $12.9 million in the three months ended June 30, 2024.

Revenue for the six months ended June 30, 2025 increased $83.7 million or 25.5% as compared to the six months ended June 30, 2024. The increase was primarily driven by a $33.8 million higher emergency response revenue, strong organic growth of $28.4 million across all three segments, and $22.5 million of additional revenue from acquisitions. Revenue from environmental response was $62.4 million in the six months ended June 30, 2025 compared to $28.6 million in the six months ended June 30, 2024.

See "—Segment Results of Operations" below for revenue by segment analysis.

Cost of Revenues

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
(in thousands, except %)	2025	2024	$	%	2025	2024	$	%
Cost of revenues (exclusive of depreciation and amortization)	$ 132,802	$ 104,086	$ 28,716	27.6%	$ 241,208	$ 200,643	$ 40,565	20.2%
Cost of revenue as a % of revenue	56.6%	60.1%			58.5%	61.1%		

Cost of revenues consists of all direct costs required to provide services, including fixed and variable direct labor costs, equipment purchases, and rental and other outside services, field and lab supplies, vehicle costs and travel-related expenses. Variable costs of revenues generally follow the same trends as revenue, while fixed costs tend to change primarily as a result of acquisitions.

Cost of revenues for the three months ended June 30, 2025 compared to the three months ended June 30, 2024 increased by $28.7 million or 27.6% driven primarily by the increase in revenues. Cost of revenues as a percentage of revenue for the three months ended June 30, 2025 was 56.6%, compared to 60.1% for the three months ended June 30, 2024. This improvement was driven primarily by high margin emergency response revenues in our Assessment, Permitting and Response segment and operating leverage across all business lines within our Measurement and Analysis businesses.

Cost of revenues for the six months ended June 30, 2025 compared to the six months ended June 30, 2024 increased by $40.6 million or 20.2% driven primarily by the increase in revenues. Cost of revenues as a percentage of revenue for the six months ended June 30, 2025 was 58.5%, compared to 61.1% for the six months ended June 30, 2024. This improvement was a result of similar drivers as those in the three months ended June 30, 2025.

Selling, General and Administrative Expense

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
(in thousands, except %)	2025	2024	$	%	2025	2024	$	%
Selling, general and administrative expense	$ 73,683	$ 59,239	$ 14,444	24.4%	$ 139,915	$ 116,313	$ 23,602	20.3%

Selling, general and administrative expense consists of general corporate overhead, including executive, legal, finance, safety, risk management, human resource, marketing and information technology related costs, as well as indirect operational costs of labor, rent, insurance and stock-based compensation.

Selling, general and administrative expense for the three months ended June 30, 2025 compared to the three months ended June 30, 2024 increased $14.4 million or 24.4% primarily due to an increase of $8.9 million in labor costs, mainly driven by a $6.0 million increase in bonus accrual as a result of better than expected performance in the second quarter, and a $4.8 million increase in bad debt expense primarily driven by aged receivables from the City of Tustin. Selling, general and administrative expense as a percentage of revenues decreased to 31.4% from 34.2% in the comparable period.

Selling, general and administrative expense for the six months ended June 30, 2025 compared to the six months ended June 30, 2024 increased $23.6 million or 20.3% primarily due to an increase of $14.9 million in labor costs mainly driven by a $7.9 million increase in bonus accrual, and a $6.1 million increase in bad debt expense, driven by the same factor described above. Selling, general and administrative expense as a percentage of revenues decreased to 33.9% from 35.4% in the comparable period.

See Part I, Item 3. “Quantitative and Qualitative Disclosures About Market Risk” for additional information regarding the impact of inflation on our business.

Depreciation and Amortization

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
(in thousands, except %)	2025	2024	$	%	2025	2024	$	%
Depreciation and amortization	$ 12,763	$ 12,515	$ 248	2.0%	$ 26,057	$ 24,168	$ 1,889	7.8%

The increase in depreciation of property and equipment and the amortization of intangible assets and finance leases in both the three and six months ended June 30, 2025 was primarily driven by higher property and equipment balances during the applicable periods. See Notes 5 and 6 to our unaudited condensed consolidated financial statements included in Part 1, Item 1. “Financial Statements.”

Other Income (Expense), Net

(in thousands, except %)	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Change $	Change %	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024	Change $	Change %
Other income (expense), net	$ 9,171	$ (924)	$ 10,095	(1093%)	$ 8,323	$ (417)	$ 8,740	(2096%)

Other income (expense), net for the three months ended June 30, 2025 was comprised of a fair value gain of $10.0 million related to the Series A-2 preferred stock conversion option, partially offset by losses of $0.7 million related to a fair value adjustment on our interest rate swaps. Other income (expense), net for the three months ended June 30, 2024 was comprised of losses related to fair value adjustments on our interest rate swaps of $0.7 million and the Series A-2 preferred stock conversion option of $0.5 million, partially offset by $0.3 million of other non-operating income.

Other income (expense), net for the six months ended June 30, 2025 was comprised of a fair value gain of $9.7 million related to the Series A-2 preferred stock conversion option, partially offset by losses of $1.6 million related to a fair value adjustment on our interest rate swaps. Other income (expense), net for the six months ended June 30, 2024 was comprised of losses related to fair value adjustments on the Series A-2 preferred stock conversion option of $0.6 million and on our interest rate swaps of $0.4 million, partially offset by $0.5 million of other non-operating income.

See Notes 13 and 15 to our unaudited condensed consolidated financial statements included in Part 1, Item 1. “Financial Statements.”

Interest Expense, Net

(in thousands, except %)	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Change $	Change %	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024	Change $	Change %
Interest expense, net	$ (4,768)	$ (3,976)	$ (792)	19.9%	$ (9,833)	$ (7,282)	$ (2,551)	35.0%

Interest expense, net for the three and six months ended June 30, 2025 and 2024 increased primarily as a result of higher interest rates and higher debt balances. Interest expense in the six months ended June 30, 2025 was also impacted by the write off of deferred debt issuance costs of $0.9 million as a result of the refinancing of our senior credit facility in February 2025.

Weighted average interest rates as of June 30, 2025 and June 30, 2024 were 6.2% and 7.4%, respectively. See “—Key Factors that Affect Our Business and Our Results—Financing Costs” and Notes 12 and 13 to our unaudited condensed consolidated financial statements included in Part I, Item 1. “Financial Statements.”

Income Tax Expense

(in thousands, except %)	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Change $	Change %	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024	Change $	Change %
Income tax expense	$ 988	$ 2,619	$ (1,631)	(62.3%)	$ 3,859	$ 3,112	$ 747	24.0%

The income tax expense for the three months ended June 30, 2025 decreased compared to the three months ended June 30, 2024 primarily as a result of the tax expense having previously been recorded as of Q1 2025 as a result of an overall increase in pretax book income compared to that recorded as of June 30, 2024.

The income tax expense for the six months ended June 30, 2025 increased compared to the six months ended June 30, 2024 primarily as a result of an overall increase in the net deferred tax liability recorded as of June 30, 2025 relative to June 30, 2024, in addition to an increase in pretax book income as of June 30, 2025 relative to June 30, 2024.

Segment Results of Operations

The Three And Six Months Ended June 30, 2025 Compared to the Three And Six Months Ended June 30, 2024

	Three Months Ended June 30,					
	2025			2024		
(in thousands, except %)	Segment Revenues	Segment Adjusted EBITDA[(1)]	Segment Adjusted EBITDA Margin[(2)]	Segment Revenues	Segment Adjusted EBITDA[(1)]	Segment Adjusted EBITDA Margin[(2)]
Assessment, Permitting and Response	$ 103,943	$ 27,555	26.5%	$ 53,444	$ 12,621	23.6%
Measurement and Analysis	62,795	18,298	29.1	54,812	12,359	22.5
Remediation and Reuse	67,805	10,030	14.8	65,069	8,929	13.7
Total Reportable Segments	$ 234,543	$ 55,883	23.8%	$ 173,325	$ 33,909	19.6%
Corporate and Other		$ (16,298)	(6.9)%		$ (10,593)	(6.1)%

	Six Months Ended June 30,					
	2025			2024		
(in thousands, except %)	Segment Revenues	Segment Adjusted EBITDA[(1)]	Segment Adjusted EBITDA Margin[(2)]	Segment Revenues	Segment Adjusted EBITDA[(1)]	Segment Adjusted EBITDA Margin[(2)]
Assessment, Permitting and Response	$ 157,063	$ 38,127	24.3%	$ 112,024	$ 28,901	25.8%
Measurement and Analysis	121,825	32,071	26.3	100,306	18,863	18.8
Remediation and Reuse	133,489	15,957	12.0	116,320	13,940	12.0
Total Reportable Segments	$ 412,377	$ 86,155	20.9%	$ 328,650	$ 61,704	18.8%
Corporate and Other		$ (27,540)	(6.7)%		$ (21,466)	(6.5)%

(1) For purposes of evaluating segment profit, the Company's Chief Operating Decision Maker reviews Segment Adjusted EBITDA as a basis for making the decisions to allocate resources and assess performance. See Note 19 to our unaudited condensed consolidated financial statements included in Part I, Item 1. "Financial Statements."

(2) Represents Segment Adjusted EBITDA as a percentage of segment revenues.

Revenues

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
(in thousands, except %)	2025	2024	$	%	2025	2024	$	%
Assessment, Permitting and Response	$ 103,943	$ 53,444	$ 50,499	94.5%	$ 157,063	$ 112,024	$ 45,039	40.2%
Measurement and Analysis	62,795	54,812	7,983	14.6	121,825	100,306	21,519	21.5
Remediation and Reuse	67,805	65,069	2,736	4.2	133,489	116,320	17,169	14.8
Total Reportable Segments	$ 234,543	$ 173,325	$ 61,218	35.3%	$ 412,377	$ 328,650	$ 83,727	25.5%

Assessment, Permitting and Response segment revenues for the three and six months ended June 30, 2025 increased compared to the three and six months ended June 30, 2024 due to an increase in revenues from environmental emergency responses of $35.6 million and $33.8 million, respectively, organic growth within our non-response consulting and advisory services of $12.0 million and $5.4 million, respectively, and $2.8 million and $5.8 million, respectively, from acquisitions.

Measurement and Analysis segment revenues for the three and six months ended June 30, 2025 increased compared to the three and six months ended June 30, 2024 as a result of strong organic growth of $4.9 million and $13.4 million, respectively, and additional revenue from acquisitions of $3.7 million and $9.2 million, respectively.

Remediation and Reuse segment revenues for the three and six months ended June 30, 2025 increased compared to the three and six months ended June 30, 2024, as a result of organic growth of $0.2 million and $9.6 million, respectively, and additional revenue from acquisitions of $2.5 million and $7.6 million, respectively.

Segment Adjusted EBITDA

(in thousands, except %)	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Change $	Change Margin %	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024	Change $	Change Margin %
Assessment, Permitting and Response	$ 27,555	$ 12,621	$ 14,934	2.9%	$ 38,127	$ 28,901	$ 9,226	(1.5)%
Measurement and Analysis	18,298	12,359	5,939	6.6	32,071	18,863	13,208	7.5
Remediation and Reuse	10,030	8,929	1,101	1.1	15,957	13,940	2,017	(0.0)
Total Reportable Segments	$ 55,883	$ 33,909	$ 21,974	4.3%	$ 86,155	$ 61,704	$ 24,451	2.1%
Corporate and Other	$ (16,298)	$ (10,593)	$ (5,705)		$ (27,540)	$ (21,466)	$ (6,074)	

Assessment, Permitting and Response Segment Adjusted EBITDA for the three and six months ended June 30, 2025 increased compared to the three and six months ended June 30, 2024 primarily as a result of higher revenues. Segment Adjusted EBITDA margin increased for the three months ended June 30, 2025 due to higher margin emergency response projects, and decreased for the six months ended June 30, 2025 due to project mix, when compared to prior year period.

Measurement and Analysis Segment Adjusted EBITDA, for the three and six months ended June 30, 2025 increased compared to the three and six months ended June 30, 2024 as a result of higher revenues driven by organic growth and higher Segment Adjusted EBITDA margin driven by the benefits of improved operating performance.

Remediation and Reuse Segment Adjusted EBITDA for the three and six months ended June 30, 2025 increased compared to the three and six months ended June 30, 2024 due to higher revenues.

Corporate and other costs for the three and six months ended June 30, 2025 when compared to the three and six months ended June 30, 2024 increased primarily due to higher bonus accrual of $5.1 million and $6.0 million, respectively, driven in part by an outperformance in the second quarter of 2025, as well as higher outside service costs of $0.9 million related to an IT migration, and, in the three months ended June 30, 2025, the timing of audit expenses.

Liquidity and Capital Resources

Liquidity describes the ability of a company to generate sufficient cash flows to meet the cash requirements of its business operations, including working capital needs, debt service, acquisitions, other commitments and contractual obligations. We consider liquidity in terms of cash flows from operations and other sources, including availability under our credit facility, and their sufficiency to fund our operating and investing activities.

Our principal sources of liquidity have been borrowings under our credit facilities, other borrowing arrangements, proceeds from the issuance of common and preferred stock and cash generated by operating activities. Historically, we have financed our operations and acquisitions from a combination of cash generated from operations, periodic borrowings under senior secured credit facilities, and proceeds from the issuance of common and preferred stock. Our primary cash needs are for day to day operations, to fund working capital requirements, to fund our acquisition strategy and any related cash earn-out obligations, to pay interest and principal on our indebtedness and to make capital expenditures. Historically, our cash needs also included the payment of dividends on our Series A-2 preferred stock. Additionally, in connection with certain acquisitions, we agree to earn-out provisions and other purchase price adjustments that may require future payments. We may make up to $24.6 million in aggregate earn-out payments between the years 2025 and 2027 in connection with the acquisitions of Sensible, Vandrensning, Epic, Spirit and Origins, of which up to $11.5 million may be paid only in cash, up to $2.8 million may be paid only in common stock and up to $10.3 million may be paid in cash or, at our option, in common stock. See Note 7 to our unaudited condensed consolidated financial statements included in Part 1, Item 1. "Financial Statements." As of June 30, 2025, we had $232.3 million available under the 2025 Credit Facility (without giving effect to any outstanding letters of credit, and subject to borrowing base limitations), and $10.5 million of cash on hand. In April and July 2025, we redeemed the remaining $122.2 million in aggregate stated value of the outstanding Series A-2 Preferred Stock using cash and borrowings under our revolving line of credit.

We expect to continue to fund our liquidity requirements, including any cash earn-out payments that may be required in connection with acquisitions, through cash generated from operations and borrowings under our credit facility. We believe these sources will be sufficient to fund our cash needs for the short- and long-term.

Cash Flows

The following table summarizes our cash flows for the periods presented:

	Six Months Ended June 30,	
(in thousands)	2025	2024
Net cash provided by (used in):		
Operating activities	$ 27,398	$ (21,127)
Investing activities	(7,932)	(87,937)
Financing activities	(21,261)	102,829
Change in cash, cash equivalents and restricted cash	$ (1,795)	$ (6,235)

Operating Activities

Cash flows from operating activities can fluctuate from period-to-period as earnings, working capital needs and the timing of payments for contingent consideration, taxes, bonus payments and other operating items impact reported cash flows.

For the six months ended June 30, 2025, net cash provided by operating activities was $27.4 million compared to net cash used in operating activities of $21.1 million for the six months ended June 30, 2024. The period-over-period increase of $48.5 million was primarily due to an increase in cash earnings before non-cash items of $22.5 million for the six months ended June 30, 2025 compared to the same period of the prior year, and improved working capital performance, reflecting a $21.9 million lower cash outflow compared to the prior year.

Working capital (which excludes contingent consideration payments and changes in right-of-use assets) increased by $26.2 million in the six months ended June 30, 2025, primarily due to a seasonal increase in accounts receivable of $27.4 million, partially offset by a $3.1 million increase in accrued payroll.

Working capital increased by $48.1 million in the six months ended June 30, 2024, primarily due to an increase in account receivable of $38.0 million and a $7.9 million decrease in accrued payroll.

Investing Activities

For the six months ended June 30, 2025, net cash used in investing activities was $7.9 million, driven by cash paid for the purchases of property and equipment of $5.1 million, and $2.8 million in proprietary software development costs.

For the six months ended June 30, 2024, net cash used in investing activities was $87.9 million, driven by cash paid for the acquisitions of Epic, 2DOT, ETA, and Paragon, net of cash acquired of $70.3 million, as well as $17.9 million in purchases of property and equipment, and $1.7 million in proprietary software development costs.

Financing Activities

For the six months ended June 30, 2025, net cash used in financing activities was $21.3 million. Cash used in financing activities was driven by repayments of borrowing of $364.5 million, a partial redemption of the Series A-2 preferred stock of $60.0 million, a payment for contingent consideration of $4.4 million, repayments of finance leases of $6.1 million, dividends on the Series A-2 preferred stock of $2.8 million, and payment of financing cost of $2.0 million, partially offset by borrowing under our credit facility of $416.0 million.

For the six months ended June 30, 2024, net cash provided by financing activities was $102.8 million. Cash provided by financing activities was driven by net proceeds from the issuance of common stock through a public offering of $121.8 million, proceeds from the issuance of an additional term loan of $50.0 million and proceeds from the exercise of stock options of $1.4 million, partially offset by a partial redemption of the Series A-2 preferred stock of $60.0 million, dividends on the Series A-2 preferred stock of $5.6 million, and aggregate repayments made on our term loan, finance leases and aircraft loan of $7.5 million.

Credit Facilities

See Note 12 to our unaudited condensed consolidated financial statements included in Part I, Item 1. “Financial Statements.”

Series A-2 Preferred Stock

See Notes 15 and 22 to our unaudited condensed consolidated financial statements included in Part I, Item 1. “Financial Statements.”

Stock Repurchase Program

On May 7, 2025, the Company announced that its Board of Directors has approved a stock repurchase program of up to $40.0 million. The repurchase program does not have a set expiration date. The Company did not make any stock repurchases in the three months ended June 30, 2025.

Critical Accounting Policies and Estimates

Our 2024 Form 10-K includes a summary of the critical accounting policies and estimates we believe are the most important to aid in understanding our financial results. There have been no material changes to those critical accounting policies and estimates as disclosed therein, other than as described in Note 2 to our unaudited condensed consolidated financial statements included in Part I, Item 1. “Financial Statements.”

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Interest Rate Risk

We have market risk exposure arising from changes in interest rates on our credit facility, which bears interest at rates that are benchmarked subject to the Company’s leverage ratio and SOFR. Based on our overall interest rate exposure to variable rate debt outstanding as of June 30, 2025, which factors in our interest rate swaps on $200.0 million of debt, a 1.0% increase or decrease in interest rates on the term loan, aircraft loan, and revolving line of credit would impact our annual income (loss) before income taxes by approximately $0.8 million.

Inflation Risk

We experienced, and continue to experience, higher labor and significantly higher travel and other direct costs in the fiscal years ended December 31, 2023 and December 31, 2024 as a result of inflation, particularly in our Measurement and Analysis and Remediation and Reuse segments. In the six months ended June 30, 2025, we also experienced, and continue to experience, higher labor costs as a result of inflation. We believe we have successfully raised prices in businesses with short term contracts to offset these inflationary effects. We also have and are continuing to raise prices on medium term (one to four quarter) contracts as these contracts are renewed or new contracts are won, and as a result have been able to offset much of the impact of inflation to date. We expect to continue to raise prices if direct costs continue to increase, and although inflation has increased our Selling, general and administrative expense in the six months ended June 30, 2025, we do not believe over a longer period of time that inflation will have a material effect on our business, financial condition or results of operations. If our costs were to become subject to additional and unanticipated significant sustained inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could adversely affect our business, financial condition and results of operations.

Foreign Exchange Risk

Foreign exchange risk exposure arises because we conduct a portion of our business in currencies not denominated in U.S. dollars, most notably in, Canada, Australia and Europe. Our exposure to this risk has increased significantly due to our acquisitions of Paragon and Matrix in Canada, EPIC in Australia, and to a lesser extent, Vandrensning in Europe. As such, our future operating results are exposed to changes in exchange rates. When the U.S. dollar weakens against foreign currencies, the dollar value of revenues denominated in foreign currencies increases. When the U.S. dollar strengthens, the opposite situation occurs. Additionally, the translation of certain foreign denominated assets and liabilities into U.S. dollars, and the collection or payment of previously recognized assets and liabilities can be positively or negatively affected by changes in exchange rates. A 1.0% increase or decrease in the U.S. dollar exchange rate would impact revenues by approximately $1.6 million and would have a negligible impact on annual net (loss) income.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(b) under the Exchange Act, our management, including our Chief Executive Officer and Chief Financial Officer, carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act), as of June 30, 2025, the end of the period covered by this Quarterly Report on Form 10-Q. Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that, as of June 30, 2025, the end of the period covered by this Quarterly Report on Form 10-Q, our disclosure controls and procedures were effective at the reasonable assurance level.

Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that occurred during the quarter ended June 30, 2025, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our system of internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well designed or operated, can provide only reasonable, but not absolute, assurance that the objectives of the system of internal control are met. The design of our control system reflects the fact that there are resource constraints, and that the benefits of such control system must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control failures and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the intentional acts of individuals, by collusion of two or more people, or by management override of the controls. The design of any system of controls is also based in part on certain assumptions about the likelihood of future events, and there can be no assurance that the design of any particular control will always succeed in achieving its objective under all potential future conditions.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we are subject to various legal proceedings that arise in the normal course of our business activities, including those involving labor and employment, anti-discrimination, commercial disputes and other matters. We are not a party to any litigation the outcome of which, if determined adversely to us, would individually or in the aggregate be reasonably expected to have a material adverse effect on our results of operations or financial position. Regardless of outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

Item 1A. Risk Factors.

There have been no material changes to our risk factors from the risk factors disclosed in our 2024 Form 10-K, as supplemented by the Q1 2025 Form 10-Q. The risks described in those filings, in addition to the other information set forth in this Quarterly Report on Form 10-Q, are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

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

On May 1, 2025, we issued an aggregate of 2,888 shares and 29,176 shares of common stock to the former owners of Epic and ETA, respectively, as purchase price consideration related to earnout payment and deferred purchase price payment, respectively. These issuances of common stock were exempt from the registration requirements of the Securities Act pursuant to Section 4(a)(2) thereof as transactions by an issuer not involving any public offering.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit Number	Description
3.1	Certificate of Amendment of Amended and Restated Certificate of Incorporation of Montrose Environmental Group, Inc., filed on May 9, 2025.[a]
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Principal Financial Officer 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
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
104*	Cover Page Interactive Data File – The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2025 is formatted in Inline XBRL (included as Exhibit 101)

* Filed herewith.
** Exhibit is furnished and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.
[a] Previously filed on May 9, 2025 as an exhibit to the Company's Current Report on Form 8-K and incorporated herein by reference.

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.

	Montrose Environmental Group, Inc.
Date: August 7, 2025	By: /s/ Allan Dicks
	Allan Dicks
	Chief Financial Officer

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Vijay Manthripragada, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Montrose Environmental Group, Inc.;

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

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

4. The registrant's other certifying officer(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: August 7, 2025

By: /s/ **Vijay Manthripragada**
Vijay Manthripragada
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Allan Dicks, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Montrose Environmental Group, Inc.;

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

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

4. The registrant's other certifying officer(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: August 7, 2025

By: /s/ **Allan Dicks**

Allan Dicks
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

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 Montrose Environmental Group, Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Vijay Manthripragada, 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:

(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.

Date: August 7, 2025

By: /s/ **Vijay Manthripragada**
Vijay Manthripragada
Chief Executive Officer
(Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to Montrose Environmental Group, Inc. and will be retained by Montrose Environmental Group, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

**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 Montrose Environmental Group, Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Allan Dicks, 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:

(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.

Date: August 7, 2025

By: /s/ **Allan Dicks**
Allan Dicks
Chief Financial Officer
(Principal Financial Officer)

A signed original of this written statement required by Section 906 has been provided to Montrose Environmental Group, Inc. and will be retained by Montrose Environmental Group, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.