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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 6, 2026

energy recovery®

Energy Recovery, Inc.
(Exact Name of Registrant as Specified in its Charter)

Delaware	001-34112	01-0616867
(State or Other Jurisdiction of Incorporation)	*(Commission File Number)*	*(I.R.S. Employer Identification No.)*

1717 Doolittle Dr., San Leandro, CA 94577
(Address of Principal Executive Offices) (Zip Code)

510-483-7370
(Registrant's telephone number, including area code)

Not applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, $0.001 par value per share	**ERII**	**The Nasdaq Stock Market LLC**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

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. ¨

Item 2.02 Results of Operations and Financial Condition

On May 6, 2026, Energy Recovery, Inc. (the "Company") issued an earnings press release announcing its financial results for the first quarter ended March 31, 2026. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference in its entirety.

The information in this report (including Exhibit 99.1) is being furnished pursuant to Item 2.02 and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On May 6, 2026, the Company announced that David Moon, President and Chief Executive Officer of the Company, has notified the Board of Directors (the "Board") of his intention to retire following the appointment of his replacement. Mr. Moon will remain as President and Chief Executive Officer until a successor is appointed and has committed to support the Company in an advisory capacity during the transition period for as long as is deemed necessary by the Board. The Company has begun a search for Mr. Moon's successor.

On May 4, 2026, Mike Mancini, Chief Financial Officer of the Company, submitted his resignation to the Company effective as of May 6, 2026. His resignation was accepted by the Company. Mr. Mancini's decision to resign is not related to any financial or accounting issue or any disagreement with the Company on any matter relating to the Company's operations, policies, or practices.

On May 6, 2026, the Company announced that Aidan Ryan, 42, has been appointed as the Interim Chief Financial Officer. Mr. Ryan joined the Company in 2024 in his current role as Vice President of Finance. Prior to joining the Company, Mr. Ryan was Head of Finance for two years at Astranis Space Technologies Corp., a telecommunications satellite company where he was instrumental in long-term strategy development and execution to guide profitable growth. Previous roles include private equity and hedge fund investing. Mr. Ryan holds an MBA from the Wharton School at the University of Pennsylvania and a bachelors degree from the University of Michigan.

Mr. Ryan's compensation as Interim Chief Financial Officer is set forth in that certain offer letter dated, May 4, 2026 (the "Employment Letter"). Pursuant to the terms of the Employment Letter, Mr. Ryan will (i) continue to receive his current base salary of $327,600 and continue to be eligible for an annual bonus from 0%-35%, (ii) receive an additional monthly stipend of $12,000 for the period during which Mr. Ryan serves in the position of Interim Chief Financial Officer, (iii) receive a one-time restricted stock unit award under the Energy Recovery, Inc. 2020 Incentive Plan (the "Incentive Plan") with a fair value of $215,000. The restricted stock unit award will vest, if at all, over a ten-month period, with 60% vesting on the six-month anniversary of the vesting commencement date, and the remaining 40% vesting ratably on each of the 7, 8, 9, and 10 month anniversary of the vesting commencement date. The vesting commencement date will be May 5, 2026 and the restricted stock unit award will be subject to the terms and conditions of the Incentive Plan, award agreement and notice of grant. The Incentive Plan is filed as Exhibit 10.13 to the Company's 2025 Annual Report on Form 10-K, filed with the Securities and Exchange Commission (the "SEC") on February 25, 2026. Mr. Ryan will remain eligible to participate in the Company's comprehensive benefits programs. Mr. Ryan's employment with the Company remains "at will".

A copy of the Employment Letter is filed hereto as Exhibit 10.1, and is incorporated by reference. The foregoing description of the Employment Letter is subject to, and qualified in its entirety by, the Employment Letter.

There are no family relationships between Mr. Ryan and any of the executive officers or directors of the Company, and there are no arrangements or understandings between Mr. Ryan and any other person pursuant to which he was appointed as an officer of the Company. There are no actual or proposed related party transactions with Mr. Ryan that are reportable under Item 5.02 of Form 8-K and Item 404(a) of Regulation S-K.

Item 8.01 Other Events

On May 6, 2026, the Company announced that the Board of the Company authorized the Company to repurchase up to $25.0 million of outstanding shares of its common stock, $0.001 par value per share, pursuant to a new share repurchase program (the "May 2026 Authorization"). Under the May 2026 Authorization, the Company may repurchase shares through open market trades, block trades and/or privately negotiated transactions, in compliance with applicable state and federal securities laws. The timing and amounts of any purchases will be at management's discretion and depend on a variety of factors, including business, economic and market conditions, regulatory requirements, prevailing stock prices and other considerations. The share repurchase program does not obligate the Company to acquire any specific number of shares in any period, and may be expanded, extended, modified or discontinued at any time without prior notice. The Company will launch the May 2026 Authorization in the second quarter of fiscal year 2026 and purchases will occur over the next 12 months. The Company expects to fund the repurchases with cash on hand.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit Number	Description
10.1	Offer Letter to Aidan Ryan
99.1	Press release of Energy Recovery, Inc., dated May 6, 2026, to report its financial results for the first quarter ended March 31, 2026.

SIGNATURE

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 hereunto duly authorized.

Date: May 6, 2026

Energy Recovery, Inc.

By: /s/ William Yeung
William Yeung
Chief Legal Officer

Exhibit 10.1

May 4, 2026

Mr. Aidan Ryan
Via email: aryan@energyrecovery.com

Re: Interim Appointment as Chief Financial Officer

Dear Aidan:

We are pleased to confirm the details of your appointment as Interim Chief Financial Officer. While serving in this role, you will report to David Moon, President & CEO, and continue to be remote based with regular travel to headquarters in San Leandro, California, and subject to the following terms and conditions.

Start Date and Salary. Your appointment to this role will be May 4, 2026. Your base annualized salary will remain at $327,600.15 and your bonus target will remain at 35%. While serving in this role, you will receive an additional monthly stipend of $12,000, less deductions authorized or required by law. The stipend will be paid only during the period you are actively serving as Interim Chief Financial Officer and will cease immediately upon the conclusion of the interim assignment for any reason.

Additional Equity Grant. As part of this interim assignment, you will receive an additional equity award worth approximately $215,000 in Restricted Stock Units ("RSUs") under the Company's 2020 Incentive Plan. The RSUs will vest over ten months: sixty percent (60%) will become vested and distributed to you on the six-month anniversary of your vesting commencement date, as long as you remain employed and in continuous service in any role with the company up to that date. The remaining portion of the grant will vest in equal monthly amounts over the following four months, provided you are still employed and in continuous service in any role with the company. The vesting commencement date, which is typically the date your appointment is announced publicly by the company, will be specified in your RSU award agreement.

Change of Control. For the avoidance of doubt, you remain a Participant in the Company's Change in Control Plan ("CCP"), as amended.

Termination for Convenience. For the avoidance of doubt, you remain a Participant in the Company's Severance Plan, as amended.

Employment Status. Although your status may change, your employment with the Company remains "at will", meaning that either you or the Company will be entitled to terminate your employment at any time and for any reason, with or without cause. Any contrary representations which may have been made to you are superseded by this offer letter. In addition, although your job duties, compensation, benefits, as well as the Company's personnel policies and procedures may change in the future, the "at will" nature of your employment may not be changed.

Exhibit 10.1

Please accept this interim appointment as of the start date set forth above by signing your name and setting forth the agreed start date below. Then return this letter to me by May 6, 2026. If your acceptance is not received by this date, we shall assume that you have declined the offer and it shall be null and void. Please call me if you have any questions regarding the information outlined herein.

Sincerely,

/s/ David Moon
David Moon
President and Chief Executive Officer

I hereby accept the foregoing terms of the interim assignment and acknowledge that no representations, offer, or commitments, other than those contained herein, have been issued, given, or made to me whatsoever. I understand that this agreement does not constitute a guarantee of employment for a fixed period.

/s/ Aidan Ryan May 4, 2026
Aidan Ryan Date

Exhibit 99.1

Energy Recovery Reports its First Quarter 2026 Financial Results and Organizational Updates

SAN LEANDRO, Calif. - May 6, 2026 – Energy Recovery, Inc. (Nasdaq:ERII) ("Energy Recovery", "Company", "we", and "our") today announced its financial results for the first quarter ended March 31, 2026. Management has released a letter to shareholders reviewing business and financial updates from the first quarter and discussing our outlook for 2026. This letter is located under "News and Events" in the "Investors" section on the Energy Recovery website (https://ir.energyrecovery.com/news-events/shareholder-letters).

Key Business Updates

- Today, Energy Recovery is announcing that David Moon, President and Chief Executive Officer of the Company, has notified the Board of Directors (the "Board") of his intention to retire following the appointment of his replacement. Mr. Moon will remain as President and Chief Executive Officer until a successor is appointed and has committed to support the Company in an advisory capacity during the transition period for as long as is deemed necessary by the Board. The Company has begun a search for Mr. Moon's successor.
- The Company is also announcing that Mike Mancini has resigned as Chief Financial Officer, effective today, to pursue a new professional opportunity. Aidan Ryan, current VP of Finance who joined in 2024, has been named Interim Chief Financial Officer. Please refer to the Company's letter to shareholders and Form 8-K for additional information.
- The Board has authorized a new share repurchase plan to purchase up to $25.0 million of common stock over the next 12 months. Since November 2024, the Company has now announced $130.0 million of aggregate share repurchase authorizations.

First Quarter Highlights

- Revenue of $9.7 million, an increase of $1.6 million, as compared to Q1'2025.
- Gross margin of 27.8%, a decrease of 2,750 bps, as compared to Q1'2025 due primarily to $1.6 million of restructuring charges booked to inventory associated with the wind down of the CO_2 retail grocery business, which reduced gross margin by 17%, as well as increased costs related to product and channel mix, pricing, tariffs and indirect manufacturing costs.
- Operating expenses of $17.6 million, an increase of 3.2%, as compared to Q1'2025, due primarily to impairment of goodwill and restructuring charges incurred as part of the wind down of the CO_2 retail grocery business.
- Loss from operations of $14.9 million, a decrease of 18.3%, as compared to Q1'2025, due primarily to impairment of goodwill and restructuring charges incurred as part of the wind down of the CO_2 retail grocery business.
- Net loss of $12.3 million and adjusted EBITDA[(1)] loss of $7.1 million.
- Cash and investments of $92.1 million, which includes cash, cash equivalents, and short- and long-term investments.

Financial Highlights

	Quarter-to-Date		
	Q1'2026	**Q1'2025**	**vs. Q1'2025**
	(In millions, except net loss per share, percentages and basis points)		
Revenue	$9.7	$8.1	up 20%
Gross margin	27.8%	55.3%	down 2750 bps
Operating margin	(153.1%)	(155.8%)	up 270 bps
Net loss	($12.3)	($9.9)	down 24%
Diluted loss per share	($0.23)	($0.18)	down $0.05
Effective tax rate	12.7%	14.0%	
Cash provided by operations	$21.0	$10.7	

Non-GAAP Financial Highlights [1]

	Quarter-to-Date		
	Q1'2026	Q1'2025	vs. Q1'2025
	(In millions, except adjusted net loss per share, percentages and basis points)		
Adjusted operating margin	(83.1%)	(120.4%)	up 3730 bps
Adjusted net loss	($6.0)	($7.0)	up 15%
Adjusted loss per share	($0.11)	($0.13)	up $0.02
Adjusted EBITDA	($7.1)	($8.7)	
Free cash flow	$20.2	$10.5	

(1) Refer to the sections "Use of Non-GAAP Financial Measures" and "Reconciliation of Non-GAAP Financial Measures" for definitions of our non-GAAP financial measures and reconciliations of GAAP to non-GAAP amounts, respectively.

Forward-Looking Statements

Certain matters discussed in this press release and on the conference call are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are based on information currently available to the Company and on management's beliefs, assumptions, estimates, or projections and are not guarantees of future events or results. Potential risks and uncertainties include risks relating to the future demand for the Company's products, risks relating to performance by our customers and third-party partners, risks relating to the timing of revenue, and any other factors that may have been discussed herein regarding the risks and uncertainties of the Company's business, and the risks discussed under "Risk Factors" in the Company's Form 10-K filed with the U.S. Securities and Exchange Commission ("SEC") for the year ended December 31, 2025, as well as other reports filed by the Company with the SEC from time to time. Because such forward-looking statements involve risks and uncertainties, the Company's actual results may differ materially from the predictions in these forward-looking statements. All forward-looking statements are made as of today, and the Company assumes no obligation to update such statements.

Use of Non-GAAP Financial Measures

This press release includes certain non-GAAP financial measures, including adjusted operating margin, adjusted net loss, adjusted loss per share, adjusted EBITDA and free cash flow. Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial position, or cash flows that either exclude or include amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with generally accepted accounting principles in the United States of America, or GAAP. These non-GAAP financial measures do not reflect a comprehensive system of accounting, differ from GAAP measures with the same captions, and may differ from non-GAAP financial measures with the same or similar captions that are used by other companies. As such, these non-GAAP measures should be considered as a supplement to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. The Company uses these non-GAAP financial measures to analyze its operating performance and future prospects, develop internal budgets and financial goals, and to facilitate period-to-period comparisons. The Company believes these non-GAAP financial measures reflect an additional way of viewing aspects of its operations that, when viewed with its GAAP results, provide a more complete understanding of factors and trends affecting its business.

Notes to the Financial Results

- *Adjusted operating margin* is a non-GAAP financial measure that the Company defines as loss from operations which excludes i) stock-based compensation; ii) restructuring charges, iii) restructuring - inventory reserve, iv) impairment of long-lived assets, and v) impairment of goodwill, divided by revenues.
- *Adjusted net loss* is a non-GAAP financial measure that the Company defines as net loss which excludes i) stock-based compensation; ii) restructuring charges; iii) restructuring - inventory reserve, iv) impairment of long-lived assets; v) impairment of goodwill and vi) the applicable tax effect of the excluded items including the stock-based compensation discrete tax item.
- *Adjusted loss per share* is a non-GAAP financial measure that the Company defines as net loss, which excludes i) stock-based compensation; ii) restructuring charges; iii) restructuring - inventory reserve, iv) impairment of long-lived assets; v) impairment of goodwill and vi) the applicable tax effect of the excluded items including the stock-based compensation discrete tax item, divided by basic shares outstanding.
- *Adjusted EBITDA* is a non-GAAP financial measure that the Company defines as net loss which excludes i) depreciation and amortization; ii) stock-based compensation; iii) restructuring charges; iv) restructuring - inventory reserve, v) impairment of long-lived assets; vi) impairment of goodwill vii) other income, net, such as interest income and other non-operating income, net; and viii) benefit from income taxes.
- *Free cash flow* is a non-GAAP financial measure that the Company defines as net cash provided by operating activities less capital expenditures.

Conference Call to Discuss Financial Results

LIVE CONFERENCE Q&A CALL:

Wednesday, May 6, 2026, 2:00 PM PT / 5:00 PM ET

US / Canada Toll-Free: +1 (877) 709-8150

Local / International Toll: +1 (201) 689-8354

CONFERENCE Q&A CALL REPLAY:

Available approximately three hours after conclusion of the live call.

Expiration: Saturday, June 6, 2026

US / Canada Toll-Free: +1 (877) 660-6853

Local / International Toll: +1 (201) 612-7415

Access code: 13760218

Investors may also access the live call and the replay over the internet on the "Events" page of the Company's website located at https://ir.energyrecovery.com/news-events/ir-calendar.

Disclosure Information

Energy Recovery uses the investor relations section on its website as means of complying with its disclosure obligations under Regulation FD. Accordingly, investors should monitor Energy Recovery's investor relations website in addition to following Energy Recovery's press releases, SEC filings, and public conference calls and webcasts.

About Energy Recovery

Energy Recovery (Nasdaq: ERII) designs and manufactures world-class energy-saving technology for critical infrastructure that communities rely on every day, driving a more resilient and sustainable future. Grounded in more than 30 years of leadership in the desalination industry, today we use our proprietary pressure exchanger technology to help customers in multiple industries improve their operations and lower their emissions. Headquartered in the San Francisco Bay Area, we operate manufacturing and R&D facilities throughout California, with sales and on-site technical support available globally. For more information, please visit www.energyrecovery.com

Contact

Investor Relations
ir@energyrecovery.com

ENERGY RECOVERY, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

		March 31, 2026		December 31, 2025
		(In thousands)		
ASSETS				
Cash, cash equivalents and investments	$	92,142	$	83,283
Accounts receivable and contract assets		40,642		78,286
Inventories, net		30,886		24,260
Prepaid expenses and other assets		3,383		3,416
Property, equipment and operating leases		19,955		20,635
Goodwill		11,128		12,790
Deferred tax assets and other assets		10,852		8,844
TOTAL ASSETS	**$**	**208,988**	**$**	**231,514**
LIABILITIES AND STOCKHOLDERS' EQUITY				
Liabilities				
Accounts payable, accrued expenses, and other liabilities, current	$	13,680	$	13,784
Contract liabilities and other liabilities, non-current		2,178		2,109
Lease liabilities		8,845		9,429
Total liabilities		**24,703**		**25,322**
Stockholders' equity		**184,285**		**206,192**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$**	**208,988**	**$**	**231,514**

ENERGY RECOVERY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended March 31,	
	2026	**2025**
	(In thousands, except per share data)	
Revenue	**$ 9,706**	**$ 8,065**
Cost of revenue	5,372	3,607
Restructuring - inventory reserve	1,632	—
Gross profit	**2,702**	**4,458**
Operating expenses		
General and administrative	6,455	8,574
Sales and marketing	5,119	4,906
Research and development	2,789	3,001
Restructuring charges	1,536	539
Impairment of goodwill	1,662	—
Total operating expenses	**17,561**	**17,020**
Loss from operations	**(14,859)**	**(12,562)**
Other income, net	833	1,079
Loss before income taxes	**(14,026)**	**(11,483)**
Benefit from income taxes	(1,775)	(1,603)
Net loss	**$ (12,251)**	**$ (9,880)**
Net loss per share		
Basic and diluted	$ (0.23)	$ (0.18)
Number of shares used in per share calculations		
Basic and diluted	52,660	54,902

ENERGY RECOVERY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31,	
	2026	2025
	(In thousands)	
Cash flows from operating activities:		
Net loss	$ (12,251)	$ (9,880)
Non-cash adjustments	4,269	1,427
Net cash provided by operating assets and liabilities	29,019	19,131
Net cash provided by operating activities	**21,037**	**10,678**
Cash flows from investing activities:		
Net investment in marketable securities	(6,805)	12,855
Capital expenditures	(814)	(191)
Proceeds from sales of fixed assets	13	10
Net cash (used in) provided by investing activities	**(7,606)**	**12,674**
Cash flows from financing activities:		
Net proceeds from issuance of common stock	—	1,092
Tax payment for employee shares withheld	(682)	(476)
Repurchase of common stock and payment of excise tax	(10,694)	(4,490)
Net cash used in financing activities	**(11,376)**	**(3,874)**
Effect of exchange rate differences	(15)	33
Net change in cash, cash equivalents and restricted cash	**$ 2,040**	**$ 19,511**
Cash, cash equivalents and restricted cash, end of period	**$ 50,116**	**$ 49,268**

ENERGY RECOVERY, INC.
SUPPLEMENTAL FINANCIAL INFORMATION
(Unaudited)

Channel Revenue

	Three Months Ended March 31,		
	2026	2025	vs. 2025
	(In thousands, except percentages)		
Original equipment manufacturer	$ 6,588	$ 4,001	up 65%
Aftermarket	2,754	4,028	down 32%
Megaproject	364	36	up 911%
Total revenue	**$ 9,706**	**$ 8,065**	**up 20%**

Segment Activity

	Three Months Ended March 31,									
	2026					2025				
	Desalination	Wastewater	Emerging Technologies	Corporate	Total	Desalination	Wastewater	Emerging Technologies	Corporate	Total
	(In thousands)									
Revenue	**$ 8,907**	**$ 601**	**$ 198**	**$ —**	**$ 9,706**	**$ 7,759**	**$ 305**	**$ 1**	**$ —**	**$ 8,065**
Cost of revenue	4,942	370	60	—	**5,372**	3,382	179	46	—	**3,607**
Restructuring - inventory reserve	—	—	1,632	—	**1,632**	—	—	—	—	**—**
Gross profit (loss)	**3,965**	**231**	**(1,494)**	**—**	**2,702**	**4,377**	**126**	**(45)**	**—**	**4,458**
Operating expenses										
General and administrative	756	981	348	4,370	**6,455**	845	728	755	6,246	**8,574**
Sales and marketing	2,485	1,163	858	613	**5,119**	2,108	1,037	1,270	491	**4,906**
Research and development	1,616	136	1,037	—	**2,789**	849	329	1,823	—	**3,001**
Restructuring charges	335	18	1,140	43	**1,536**	107	103	123	206	**539**
Impairment of goodwill	—	—	1,662	—	**1,662**	—	—	—	—	**—**
Total operating expenses	**5,192**	**2,298**	**5,045**	**5,026**	**17,561**	**3,909**	**2,197**	**3,971**	**6,943**	**17,020**
Operating income (loss)	**$ (1,227)**	**$ (2,067)**	**$ (6,539)**	**$ (5,026)**	**(14,859)**	**$ 468**	**$ (2,071)**	**$ (4,016)**	**$ (6,943)**	**(12,562)**
Other income, net					833					1,079
Loss before income taxes					**$ (14,026)**					**$ (11,483)**

Stock-based Compensation

	Three Months Ended March 31,	
	2026	2025
	(In thousands)	
Stock-based compensation expense charged to:		
Cost of revenue	$ 98	$ 148
General and administrative	969	870
Sales and marketing	671	679
Research and development	225	266
Total stock-based compensation expense	**$ 1,963**	**$ 1,963**

ENERGY RECOVERY, INC.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES [1]
(Unaudited)

This press release includes certain non-GAAP financial information because we plan and manage our business using such information. The following table reconciles the GAAP financial information to the non-GAAP financial information.

	Quarter-to-Date	
	Q1'2026	**Q1'2025**
	(In millions, except shares, per share and percentages)	
Operating margin	**(153.1)%**	**(155.8)%**
Stock-based compensation	20.2	24.3
Restructuring charges	15.8	6.7
Impairment of long-lived assets	—	4.4
Restructuring - inventory reserve	16.8	—
Impairment of goodwill	17.1	—
Adjusted operating margin	**(83.1)%**	**(120.4)%**
Net loss	**$ (12.3)**	**$ (9.9)**
Stock-based compensation	2.0	2.0
Restructuring charges [2]	1.3	0.5
Impairment of long-lived assets [2]	—	0.3
Restructuring - inventory reserve[2]	1.4	—
Impairment of goodwill [2]	1.4	—
Stock-based compensation discrete tax item	0.1	0.1
Adjusted net loss	**$ (6.0)**	**$ (7.0)**
Net loss per share	**$ (0.23)**	**$ (0.18)**
Adjustments to net loss per share [3]	0.12	0.05
Adjusted loss per share	**$ (0.11)**	**$ (0.13)**
Net loss	**$ (12.3)**	**$ (9.9)**
Stock-based compensation	2.0	2.0
Depreciation and amortization	1.0	1.0
Restructuring charges	1.5	0.5
Impairment of long-lived assets	—	0.4
Restructuring - inventory reserve	1.6	—
Impairment of goodwill	1.7	—
Other income, net	(0.8)	(1.1)
Benefit from income taxes	(1.8)	(1.6)
Adjusted EBITDA	**$ (7.1)**	**$ (8.7)**
Free cash flow		
Net cash provided by operating activities	$ 21.0	$ 10.7
Capital expenditures	(0.8)	(0.2)
Free cash flow	**$ 20.2**	**$ 10.5**

(1) Amounts may not total due to rounding.
(2) Amounts presented are net of tax.
(3) Refer to the sections “Use of Non-GAAP Financial Measures” for description of items included in adjustments.