Northern Technologies International Corporation Reports Financial Results for Fourth Quarter and Full Year Fiscal 2026

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Fiscal 2026 Consolidated Net Sales Increased 13.9% Year-Over-Year to a Record $95,982,000, Driven by Growth Across ZERUST® Industrial, ZERUST® Oil and Gas and Natur-Tec®

Fourth Quarter Consolidated Net Sales Up 18.6% Year-Over-Year to a Quarterly Record $26,461,000, Driven by Strong ZERUST Industrial and Natur-Tec Demand

Company Focused on Accelerating Sales Growth and Improving Operating Profitability

MINNEAPOLIS, Nov. 19, 2026 (GLOBE NEWSWIRE) -- Northern Technologies International Corporation (NASDAQ: NTIC), a leading developer of corrosion inhibiting products and services, as well as bio-based and certified compostable (fully biodegradable) polymer resin compounds, today reported its financial results for the fourth quarter and fiscal year ended August 31, 2026.

“Fiscal 2026 was a year of strong global demand, with record annual net sales of approximately $96 million and continued momentum across our core businesses. These results reflect the strength of our product lines, longstanding customer relationships, and established global footprint,” said Gautam Ramdas, President and CEO of NTIC.
“Since becoming CEO in September 2026, I have focused on deepening engagement with our customers, aligning our organization around the growth opportunities ahead, and strengthening collaboration with our global joint venture partners to unlock new avenues for cooperation. Equally important has been reinforcing our technology and innovation capabilities to support our long-term growth ambitions. These early engagements have strengthened my confidence in NTIC’s foundation and our ability to capitalize on the opportunities ahead.”

“As we enter fiscal 2027, we are focused on taking NTIC to the next level by accelerating growth and translating that growth into stronger profitability. A key area of emphasis will be leveraging our proprietary technologies and deep corrosion prevention expertise to deliver innovative, engineered solutions that address increasingly complex customer needs. We also see meaningful opportunities to expand our ZERUST industrial business, drive further growth in ZERUST oil and gas, and broaden adoption of our Natur-Tec solutions. Combined with greater operational discipline and a continued focus on efficiency, we believe these initiatives can support sustainable, profitable growth and create meaningful long-term value for our stockholders. I am excited about the opportunities ahead and look forward to updating stockholders on our progress,” concluded Mr. Ramdas.

NTIC’s consolidated net sales increased 18.6% to $26,461,000 during the three months ended August 31, 2026, compared to $22,315,000 for the three months ended August 31, 2025. The year-over-year increase in fourth quarter sales was primarily driven by increased sales and demand for ZERUST® industrial and Natur-Tec® products, partially offset by lower ZERUST® oil and gas sales. For the full year ended August 31, 2026, consolidated net sales increased 13.9% to $95,982,000, compared to $84,234,000 for the same period last year. NTIC China net sales increased 13.1% to $18,372,000 for fiscal 2026, compared to $16,240,000 for fiscal 2025.

The following tables set forth NTIC’s net sales by product category for the three months and fiscal year ended August 31, 2026 and 2025, by segment:

	Three Months Ended August 31,				
	2026	% of Net Sales	2025	% of Net Sales	% Change
ZERUST® industrial net sales	$ 17,658,879	66.7%	$ 14,204,997	63.7%	24.3%
ZERUST® oil & gas net sales	2,477,236	9.4%	2,966,943	13.3%	(16.5%)
Total ZERUST® net sales	$ 20,136,115	76.1%	$ 17,171,940	77.0%	17.3%
Total Natur-Tec® net sales	6,324,576	23.9%	5,143,512	23.0%	23.0%
Total net sales	$ 26,460,691	100.0%	$ 22,315,452	100.0%	18.6%

	Fiscal Year Ended August 31,				
	2026	% of Net Sales	2025	% of Net Sales	% Change
ZERUST® industrial net sales	$ 62,475,017	65.1%	$ 55,170,693	65.5%	13.2%
ZERUST® oil & gas net sales	9,756,298	10.2%	7,317,704	8.7%	33.3%
Total ZERUST® net sales	$ 72,231,315	75.3%	$ 62,488,397	74.2%	15.6%
Total Natur-Tec® net sales	23,750,641	24.7%	21,746,077	25.8%	9.2%
Total net sales	$ 95,981,956	100.0%	$ 84,234,474	100.0%	13.9%

Net sales at NTIC's joint ventures, which are not consolidated with NTIC's financial results, increased 4.0% to $25,351,000 during the three months ended August 31, 2026, compared to $24,388,000 for the three months ended August 31, 2025. NTIC's total income from joint venture operations decreased 27.7% to $1,567,000 during the three months ended August 31, 2026, compared to $2,168,000 during the three months ended August 31, 2025. The $601,000 decrease in total income from joint venture operations was primarily due to lower fees for services provided to joint ventures, following the modification of fees at EXCOR and Acobal, and lower profitability at EXCOR. For the full fiscal year 2026, NTIC's joint venture operating income was $8,436,000, compared to joint venture operating income of $8,545,000 for the prior fiscal year. Net sales of NTIC's joint ventures were $100,074,000 for full fiscal year 2026, compared to $91,236,000 for the prior fiscal year, an increase of 9.7%.

Gross profit, as a percentage of net sales, decreased 256 basis points to 35.0% for fiscal 2026, from 37.6% for fiscal 2025. The decrease was primarily due to: (i) higher raw material costs, including resin and solvents, that were only partly recovered through price increases; (ii) lower selling prices on certain Natur-Tec® products; and (iii) a lower-margin sales mix.

Operating expenses, as a percentage of net sales, for the fourth quarter of fiscal 2026 were 39.0%, compared to 43.5% for the same period last fiscal year. For the full fiscal year 2026, operating expenses, as a percent of net sales, were 41.4%, compared to 44.7% for the same period last fiscal year. Operating expenses for the three and twelve months ended August 31, 2026 increased 6.4% and 5.5%, respectively. These increases were primarily due to strategic investments in ZERUST® oil and gas marketing and sales efforts, including personnel expenses and the corresponding benefits, as well as increased travel and professional fees.

NTIC recognized $1,140,000 in other income during the twelve months ended August 31, 2025, due to the receipt of a cash employee retention credit payment. No other income was recognized during the twelve months ended August 31, 2026.

Income before income tax expense was $1,791,000 for fiscal 2026, compared to $3,031,000 for fiscal 2025. NTIC's effective income tax rate increased to 86.3% for fiscal year 2026, from 67.5% in the prior fiscal year. The increase primarily reflects lower pre-tax income relative to income taxes incurred at NTIC's profitable foreign subsidiaries, which are taxed at statutory rates that exceed the U.S. rate in certain jurisdictions (notably Brazil and India) and bear withholding taxes on royalty and dividend payments. NTIC also recorded no income tax benefit on its U.S. pre-tax loss, as a full valuation allowance is maintained against its U.S. deferred tax assets. These items were partially offset by non-taxable equity income from NTIC's international joint ventures and research and development tax credits. As a result, NTIC's effective tax rate was unusually high and volatile for fiscal year 2026. Although management expects the effective tax rate to normalize in future periods when additional profits are recognized in North American operations, no assurance can be provided that it will.

Net loss attributable to NTIC for the fourth quarter of fiscal 2026 was $642,000, or $0.07 per diluted share, compared to a net loss attributable to NTIC of $1,100,000, or $0.12 per diluted share, for the same period last fiscal year. For the full fiscal year ended August 31, 2026, net loss attributable to NTIC was $703,000, or $0.07 per diluted share, compared to net income attributable to NTIC of $18,000, or $0.00 per diluted share, for last fiscal year.

NTIC's non-GAAP adjusted net loss [(1)], as set forth in the GAAP reconciliation at the end of this release, was $537,000, or $0.06 per diluted share, for the fourth quarter of fiscal 2026, compared to a net loss of $607,000, or $0.06 per diluted share, for the same quarter last fiscal year. For the fiscal year ended August 31, 2026, non-GAAP adjusted net loss was $280,000, or $0.03 per diluted share, compared to a net loss of $12,000, or $0.00 per diluted share, for last fiscal year.

NTIC had working capital of $20,073,000 as of August 31, 2026, including $7,018,000 in cash and cash equivalents and an outstanding revolving line of credit and current portion of term loan balance of $14,161,000, compared to $20,439,000 of working capital as of August 31, 2025, including $7,251,000 in cash and cash equivalents and an outstanding revolving line of credit and current portion of term loan balance of $12,189,000.

During the third quarter of fiscal 2026, the Company committed to a plan to sell its Beachwood, Ohio facility, which has historically been used by the Company's ZERUST ® segment, and reclassified the carrying value of the property, $855,730 as of August 31, 2026, from property, plant and equipment, net, to assets held for sale on the consolidated balance sheet. The purchase and sale agreement entered into following a May 2026 non-binding letter of intent to purchase the property for $1,150,000 in cash was terminated in early September 2026, and the Company resumed marketing the property. On September 10, 2026, the Company signed a new non-binding letter of intent with a different, unrelated buyer to purchase the property for $1,100,000 in cash, and on November 3, 2026 the Company and the buyer entered into a definitive purchase and sale agreement on those terms. The buyer has a 60-day inspection period during which it may terminate the agreement for any reason, and the Company expects the sale of the property to close in the second quarter of fiscal 2027; however, there can be no assurance that the sale will be completed on the terms described or at all.

At August 31, 2026, NTIC had $30,707,000 of investments in joint ventures, of which $18,056,000, or 58.8%, was cash, with the remaining balance mostly made up of other working capital. This is compared to $28,612,000 of investments in joint ventures, of which $14,800,000, or 51.7%, is cash, with the remaining balance mostly made up of other working capital at August 31, 2025.

Conference Call and Webcast

NTIC will host a conference call today at 8:00 a.m. Central Time to review its results of operations for the fourth quarter and full fiscal year 2026 and its outlook, followed by a question-and-answer session. The conference call will be available to interested parties through a webcast. To join the live call and ask a question, a participant must register using the URL below.

https://register-conf.media-server.com/register/BI4b45910c813d4d2da91b95edfc3a9504

Once registered, the participant will receive a dial-in number and unique PIN number to access the call.

The audio-only webcast can be accessed at the following link: **https://edge.media-server.com/mmc/p/xbx34br2**

A link to the webcast is also available on the Investor Relations section of NTIC's webpage. Participants are advised to go to the website at least 15 minutes early to register, download and install any necessary audio software. For those unable to participate in the live webcast, a replay of the webcast will be archived and accessible for approximately one year on the Investor Relations section of NTIC's webpage.

About Northern Technologies International Corporation

Northern Technologies International Corporation develops and markets proprietary, environmentally beneficial products and services in over 65 countries either directly or via a network of subsidiaries, joint ventures, independent distributors and agents. NTIC's primary business is corrosion prevention marketed mainly under the ZERUST® brand. NTIC has been selling its proprietary ZERUST® rust and corrosion inhibiting products and services to the automotive, general industrial, mechanical, mining, agricultural, and retail consumer markets for over 50 years and, more recently, has also expanded into the oil and gas industry. NTIC offers worldwide on-site technical consulting for rust and corrosion prevention issues. NTIC's technical service consultants work directly with the end users of NTIC's products to analyze their specific needs and develop systems to meet their technical requirements. NTIC also markets and sells a portfolio of proprietary bio-based and certified compostable (fully biodegradable) polymer resin compounds and finished products marketed under the Natur-Tec® brand.

Forward-Looking Statements

Statements contained in this release that are not historical information are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include NTIC's beliefs that it can capitalize on opportunities ahead, accelerate sales growth and translate that growth into stronger profitability in fiscal 2027 by leveraging its proprietary technologies and corrosion prevention expertise, expanding its ZERUST® industrial business, driving further growth in ZERUST® oil and gas and broadening adoption of its Natur-Tec® solutions; NTIC's belief that its initiatives can support sustainable, profitable growth and create meaningful long-term value for stockholders; its expectation that its effective tax rate will normalize in future periods; its expectation that the sale of its Beachwood, Ohio facility will close in the second quarter of fiscal 2027; and other statements that can be identified by words such as "believes," "continues," "expects," "anticipates," "intends," "potential," "outlook," "will," "may," "would," "should," "guidance" or words of similar meaning, and the use of future dates. Such forward-looking statements are based upon the current beliefs and expectations of NTIC's management and are inherently subject to risks and uncertainties that could cause actual results to differ materially from those projected or implied. Such potential risks and uncertainties include, but are not limited to, in no particular order: the effect of geopolitical instability in the Middle East, including the ongoing war between the U.S. and Iran, which has had immediate and substantial effects on global trade, energy markets and financial markets; risks associated with international operations, including NTIC China, exposure to exchange rate fluctuations, tariffs, trade disputes and changes to trade regulation; the health of the U.S. and worldwide economies, including in particular the U.S. automotive industry, decreased exports of automotive products resulting from tariffs between the U.S. and both Mexico and Canada and the evolution towards electric vehicles; the effect of economic uncertainty, recessionary indicators, inflation, increased interest rates and turmoil in the global credit, financial and banking markets or perception thereof; effect of supply chain disruptions; NTIC's noncompliance with a financial covenant under its credit agreement as of the end of its fiscal third and fourth quarters of 2026, the near-term maturity of its revolving credit facility and certain other indebtedness, and its ability to comply with covenants and to renew or refinance its indebtedness on acceptable terms; management transitions; NTIC's limited staffing and aging workforce; dependence on joint ventures, relationships with joint venture partners and their success, including fees and dividend distributions; effect of economic slowdown and political unrest, including the ongoing war between Russia and Ukraine, the ongoing war between the U.S. and Iran and other conflicts in the Middle East; the level of growth in NTIC's markets; NTIC's investments in research and development efforts; acceptance of existing and new products; timing of purchase orders under supply contracts; variability in sales to oil and gas customers and effect on quarterly financial results; increased competition; costs and effects of complying with changes in tax, fiscal, government and other regulatory policies, and rules relating to environmental, health and safety matters; and NTIC's reliance on its intellectual property rights and the absence of infringement of the intellectual property rights of others. More detailed information on these and additional factors which could affect NTIC's operating and financial results is described in NTIC's filings with the Securities and Exchange Commission (SEC), including its annual report on Form 10-K for the fiscal year ended August 31, 2026. NTIC urges all interested parties to read these reports to gain a better understanding of the many business and other risks that it faces. Additionally, NTIC undertakes no obligation to publicly release the results of any revisions to these forward-looking statements, which may be made to reflect events or circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events.

(1) Use of Non-GAAP Financial Measures

In addition to the financial measures prepared in accordance with U.S. generally accepted accounting principles (GAAP), this release contains non-GAAP financial measures, including adjusted net income attributable to NTIC and adjusted net income attributable to NTIC per diluted share. NTIC's reasons for use of these measures, reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measures and other information are included at the end of this release. Non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation or as a substitute for NTIC's financial results prepared in accordance with GAAP.

NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS AS OF AUGUST 31, 2026 (AUDITED) AND
AUGUST 31, 2025 (AUDITED)

	August 31, 2026	August 31, 2025
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 7,018,182	$ 7,250,523
Receivables:		
Trade, less allowance for credit losses of $211,454 and $235,000 as of August 31, 2026 and 2025	19,823,177	18,443,230
Fees for services provided to joint ventures	1,149,608	1,077,552
Income taxes	397,947	340,002
Inventories, net	16,686,616	15,525,230
Prepaid expenses	2,676,536	1,706,279
Assets held for sale	855,730	—
Total current assets	**$ 48,607,796**	**$ 44,342,816**
PROPERTY AND EQUIPMENT, NET	**14,863,900**	**15,183,918**
OTHER ASSETS:		
Investments in joint ventures	30,707,380	28,611,777

Deferred income tax, net	625,088	503,575
Intangible assets, net	8,122,418	8,827,768
Goodwill	4,782,376	4,782,376
Operating lease right of use assets	543,483	493,050
Total other assets	**44,780,745**	**43,218,546**
Total assets	**$ 108,252,441**	**$ 102,745,280**
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Line of credit	$ 11,126,335	$ 9,329,021
Term loan, current portion	3,034,175	2,860,256
Accounts payable	10,263,098	8,044,196
Income taxes payable	472,649	414,304
Accrued liabilities:		
Payroll and related benefits	2,227,069	1,844,817
Other	974,626	1,066,761
Current portion of operating leases	436,475	344,739
Total current liabilities	**28,534,427**	**23,904,094**
LONG-TERM LIABILITIES:		
Deferred income tax, net	1,513,166	1,513,166
Term loans, noncurrent portion	622,993	466,984
Operating leases, less current portion	107,008	148,311
Total long-term liabilities	**$ 2,243,167**	**$ 2,128,461**
COMMITMENTS AND CONTINGENCIES		
EQUITY:		
Preferred stock, no par value; authorized 10,000 shares; none issued and outstanding	—	—
Common stock, $0.02 par value per share; authorized 15,000,000 shares; issued and outstanding 9,556,745 and 9,475,490, as of August 31, 2026 and 2025, respectively	191,135	189,510
Additional paid-in capital	26,741,920	25,056,976
Retained earnings	51,380,561	52,273,469
Accumulated other comprehensive loss	(5,465,778)	(5,371,201)
Stockholders' equity	**72,847,838**	**72,148,754**
Non-controlling interests	4,627,009	4,563,971
Total equity	**77,474,847**	**76,712,725**
Total liabilities and equity	**$ 108,252,441**	**$ 102,745,280**

NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS (THREE MONTHS UNAUDITED; TWELVE MONTHS AUDITED)
FOR THE THREE AND TWELVE MONTHS ENDED AUGUST 31, 2026 AND 2025

	Three Months Ended Aug 31, 2026 (Unaudited)	Three Months Ended Aug 31, 2025 (Unaudited)	Twelve Months Ended Aug 31, 2026 (Audited)	Twelve Months Ended Aug 31, 2025 (Audited)
Net sales	**$ 26,460,691**	**$ 22,315,452**	**$ 95,981,956**	**$ 84,234,474**
Cost of goods sold	17,206,568	13,856,874	62,343,157	52,557,919
Gross profit	**9,254,123**	**8,458,578**	**33,638,799**	**31,676,555**
Joint venture operations:				
Equity in income from joint ventures	505,874	818,419	4,345,834	3,539,056
Fees for services provided to joint ventures	1,061,122	1,349,171	4,090,064	5,006,151
Total joint venture operations	**1,566,996**	**2,167,590**	**8,435,898**	**8,545,207**
Operating expenses:				
Selling expenses	4,776,651	4,749,074	18,509,473	17,820,196
General and administrative expenses	4,233,555	3,679,980	16,319,490	14,792,988
Research and development expenses	1,307,336	1,267,742	4,910,421	5,038,281
Total operating expenses	**10,317,542**	**9,696,796**	**39,739,384**	**37,651,465**
Operating income	**503,577**	**929,372**	**2,335,313**	**2,570,297**
Interest income	85,241	34,510	252,140	308,054
Interest expense	(196,267)	(178,456)	(796,756)	(599,927)
Other income	—	—	—	1,139,756
Other expense	—	(386,785)	—	(386,785)

Income before income tax expense	**392,551**	**398,641**	**1,790,697**	**3,031,395**
Income tax expense	812,937	1,141,473	1,546,258	2,045,002
Net income (loss)	**(420,386)**	**(742,832)**	**244,439**	**986,393**
Net income attributable to non-controlling interests	221,999	356,734	947,619	968,774
Net (loss) income attributable to NTIC	**$ (642,385)**	**$ (1,099,566)**	**$ (703,180)**	**$ 17,619**
Net (loss) income attributable to NTIC per common share — basic	$ (0.07)	$ (0.12)	$ (0.07)	$ 0.00
Net (loss) income attributable to NTIC per common share — diluted	$ (0.07)	$ (0.12)	$ (0.07)	$ 0.00
Weighted average common shares outstanding — basic	9,516,320	9,474,834	9,496,974	9,476,085
Weighted average common shares outstanding — diluted	9,516,320	9,497,165	9,496,974	9,639,676

NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION AND SUBSIDIARIES
RECONCILIATION OF GAAP TO NON-GAAP MEASURES
(UNAUDITED, IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

The accompanying press release contains certain non-GAAP financial measures, including adjusted net (loss) income attributable to NTIC and adjusted net (loss) income attributable to NTIC per diluted share, which are not calculated or presented in accordance with accounting principles generally accepted in the United States (GAAP). These non-GAAP financial measures are supplemental information and in addition to the financial measures presented in the accompanying release that are calculated and presented in accordance with GAAP. NTIC uses non-GAAP financial measures as supplemental measures of performance and believes these measures facilitate operating performance comparisons from period to period and company to company by factoring out potential differences caused by non-recurring, unusual or infrequent charges not related to NTIC's regular, ongoing business. NTIC also believes that the presentation of certain non-GAAP financial measures provides useful information to investors in evaluating the company's operations, period over period. Such non-GAAP financial measures should not be considered superior to, as a substitute for, or as an alternative to, and should be considered in conjunction with, the GAAP financial measures presented in the release. The non-GAAP financial measures in the accompanying release may differ from similar measures used by other companies.

The following is a reconciliation of NTIC's reported net (loss) income attributable to NTIC and reported net (loss) income attributable to NTIC per diluted common share to adjusted net (loss) income attributable to NTIC and adjusted net (loss) income attributable to NTIC per diluted common share, in each case, as adjusted to exclude the contribution from the receipt of an employee retention credit payment, customs classification adjustment and related penalties, and amortization of customer relationship intangible assets.

	Three Months Ended August 31,		Twelve Months Ended August 31,	
	2026	**2025**	**2026**	**2025**
Net (loss) income, as reported	$ (642,385)	$ (1,099,566)	$ (703,180)	$ 17,619
Adjustments for adjusted net (loss) income:				
Other income from ERC	-	-	-	(1,139,756)
Bonus expense impact from ERC	-	-	-	300,000
Customs classification adjustment and related penalties (China)	-	386,785	-	386,785
Amortization of customer relationship intangibles	105,783	105,783	423,132	423,132
Non-GAAP adjusted net loss	$ (536,602)	$ (606,998)	$ (280,048)	$ (12,220)
Weighted average shares outstanding (diluted)	9,516,320	9,497,165	9,496,974	9,639,676
Diluted net (loss) income per share, as reported	(0.068)	(0.116)	(0.074)	0.002
Adjustments for adjusted net (loss) income, net of tax impact, per diluted share[1]	0.011	0.052	0.045	(0.003)
Non-GAAP adjusted net loss per diluted share	$ (0.056)	(0.064)	$ (0.029)	(0.001)

[1] Includes adjustments related to the items noted above, net of tax

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