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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K**

☒ **Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the fiscal year ended September 30, 2025

☐ **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 001-32833

TransDigm Group Incorporated

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

41-2101738

(I.R.S. Employer Identification No.)

1350 Euclid Avenue, Suite 1600, Cleveland, Ohio

(Address of principal executive offices)

44115

(Zip Code)

(216) 706-2960

(Registrant's telephone number, including area code)

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

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

Title of each class:	Trading Symbol:	Name of each exchange on which registered:
Common Stock, \$0.01 par value	TDG	New York Stock Exchange

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

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 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, or 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	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-Accelerated Filer	<input type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>
Emerging Growth Company	<input type="checkbox"/>		

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the voting and non-voting common stock held by non-affiliates of the registrant as of March 28, 2025, based upon the last sale price of such voting and non-voting common stock on that date, was \$76,426,902,522.

The number of shares outstanding of TransDigm Group Incorporated's common stock, par value \$.01 per share, was 56,318,584 as of October 31, 2025.

Documents incorporated by reference: Certain sections of the registrant's definitive Proxy Statement to be filed in connection with its 2026 Annual Meeting of Shareholders expected to be held on March 5, 2026 are incorporated by reference into Part III of this Annual Report on Form 10-K.

[Table of Contents](#)**U.S. military spending is dependent upon the U.S. defense budget.**

The military and defense market is significantly dependent upon government budget trends, particularly the DOD budget. In addition to normal business risks, our supply of products to the U.S. Government is subject to unique risks largely beyond our control. DOD budgets could be negatively impacted by several factors, including, but not limited to, a change in defense spending policy as a result of the presidential election or otherwise, the U.S. Government's budget deficits, spending priorities, the cost of sustaining the U.S. military presence internationally and possible political pressure to reduce U.S. Government military spending, each of which could cause the DOD budget to remain unchanged or to decline. A significant decline in U.S. military expenditures could result in a reduction in the amount of our products sold to the various agencies and buying organizations of the U.S. Government.

Our stock price may be volatile, and an investment in our common stock could suffer a decline in value.

There has been significant volatility in the market price and trading volume of equity securities, which is unrelated to the operating performance of the companies issuing the securities. These market fluctuations may negatively affect the market price of our common stock. Shareholders may not be able to sell their shares at or above the purchase price due to fluctuations in the market price of our common stock. Such changes could be caused by changes in our operating performance or prospects, including possible changes due to the cyclical nature of the aerospace industry and other factors such as fluctuations in OEM and aftermarket ordering, which could cause short-term swings in profit margins. Or such changes could be unrelated to our operating performance, such as changes in market conditions affecting the stock market generally or the stocks of aerospace companies or changes in the outlook for our common stock, such as changes to or the confidence in our business strategy, changes to or confidence in our management, or expectations for future growth of the Company.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

We have established a risk-based cybersecurity and information security program ("program") designed to assess, identify, and manage material risks from cybersecurity threats. Our cybersecurity risk management process includes policies that specify the requirements for technical security controls, monitoring systems, tools and services from third-party providers, and employee training and awareness. Our cybersecurity risk management process also includes regular independent audits across our operating units. Management oversees our cybersecurity risk management process in order to assess and manage material risks from cybersecurity threats identified by both internal and external threat intelligence. Our program monitors and evaluates risks from cybersecurity threats, and we aim to adapt our program and related processes accordingly.

The multi-layered framework on which our cybersecurity and information security program is built incorporates cybersecurity standards and certain requirements of the National Institute of Standards and Technology ("NIST") Special Publication 800-171—Protecting Controlled Unclassified Information in Non-Federal Systems and Organizations—along with other legal and regulatory requirements. However, this does not mean that we meet any particular technical standards, specifications, or requirements, but rather that we use NIST and other cybersecurity standards as a guide to help us identify, assess, and manage cybersecurity risks relevant to our business.

Our cybersecurity and information security program is led by the Company's Vice President of Cybersecurity ("VPoC") who reports to our Chief Financial Officer. Our VPoC has served as a technology leader of cybersecurity, information security, infrastructure, and operational functions for over 35 years. The VPoC is supported by the Incident Response Team ("IRT"), a management committee made up of the Co-Chief Operating Officers, Chief Financial Officer, and executives in legal, finance, IT, and audit. The IRT supports the VPoC in assessing and managing risks from cybersecurity threats and in the event of a cybersecurity incident, provides oversight and leadership with respect to incident response.

As adopted by our businesses, which has been overseen by our corporate executive team, we have a cybersecurity incident response plan that outlines our policies and procedures to identify, respond to, and recover from cybersecurity threats and cybersecurity incidents. Our businesses are required to conduct regular exercises of their incident response plan as part of our program.

In the event of a potentially material cybersecurity incident, as determined by the VPoC with support from legal, as needed, the IRT is notified through an established escalation protocol. The Chair of the Audit Committee is also notified and briefed, and meetings of the Audit Committee and/or full Board of Directors would be held as appropriate. We maintain a relationship with third-party forensic vendor(s) available for incident response and investigation. Additionally, we maintain cybersecurity insurance.

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The Company's Board of Directors oversees our enterprise risk management ("ERM") program and has delegated the primary responsibility for its oversight, which includes oversight of cybersecurity risk, to the Audit Committee. The Audit Committee is informed of material risks from cybersecurity threats through regular discussion with management regarding cybersecurity risk mitigation and cybersecurity incident management. Executive management, including our VPoC, regularly presents to the Audit Committee regarding cybersecurity matters, including program updates, key metrics, and developments.

The ERM program inventories and classifies key risk areas. We employ a methodology for scoring the risks based on the probability and impact of individual risks and discuss and implement countermeasures to address the risks.

Based on the information we have as of the date of this Annual Report on Form 10-K, we do not believe any risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, have materially affected or are reasonably likely to materially affect our business strategy, results of operations or financial condition. For further information about risks related to cybersecurity threats, refer to Item 1A. "Risk Factors."

ITEM 2. PROPERTIES

Our corporate headquarters is located in Cleveland, Ohio. We maintain approximately 120 manufacturing facilities. Most of our manufacturing facilities are comprised of manufacturing, distribution and engineering functions, and most facilities have certain administrative functions, including management, sales and finance and are a combination of leased and owned. The facilities are situated in 25 states within the United States and in 14 other countries. Our properties consist of sales and administrative offices and distribution centers as well as manufacturing plants. None of our facilities are individually material to our operations.

Management believes that our machinery, plants and offices are in satisfactory operating condition and that it will have sufficient capacity to meet foreseeable future needs without incurring significant additional capital expenditures.

ITEM 3. LEGAL PROCEEDINGS

The Company is involved in various claims and legal actions arising in the ordinary course of business. We believe that the outcome of these matters will not have a material adverse effect on our financial position, results of operations, or cash flows. From time to time, we are involved in matters that involve governmental authorities as a party under federal, state and local laws that have been enacted or adopted regulating the discharge of materials into the environment or primarily for the purpose of protecting the environment. We will report such matters that exceed, or that we reasonably believe may exceed, \$1 million or more in monetary sanctions. While the Company is currently involved in certain legal proceedings, it believes the results of these proceedings will not have a material adverse effect on its financial condition, results of operations, or cash flows.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common stock is traded on the New York Stock Exchange, or NYSE, under the ticker symbol "TDG."

Holders

As of October 16, 2025, there were 27 stockholders of record of our common stock and approximately 908,000 beneficial stockholders, which includes an estimated number of stockholders who have their shares held in their accounts by banks and brokers.

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On August 20, 2025, the Company's Board of Directors authorized and declared a special cash dividend of \$90.00 on each outstanding share of common stock and cash dividend equivalent payments on eligible vested options outstanding under its stock option plans. The total cash payment, funded by a combination of \$5,000 million in new senior secured and unsecured debt and existing cash on hand, related to the special dividend and dividend equivalents was approximately \$5,232 million in September 2025.

Any future declaration of special cash dividends on our common stock will be at the discretion of our Board of Directors and will depend upon our results of operations, earnings, capital requirements, financial condition, future prospects, contractual restrictions under the Second Amended and Restated Credit Agreement dated as of June 4, 2014 (the "Credit Agreement") and indentures governing the Notes, the availability of surplus under Delaware law and other factors deemed relevant by our Board of Directors. TD Group is a holding company and conducts all of its operations through direct and indirect subsidiaries. Unless TD Group receives dividends, distributions, advances, transfers of funds or other payments from our subsidiaries, TD Group will be unable to pay any dividends on our common stock in the future. The ability of any subsidiaries to take any of the foregoing actions is limited by the terms of our term loans and indentures and may be limited by future debt or other agreements that we may enter into.

Performance Graph

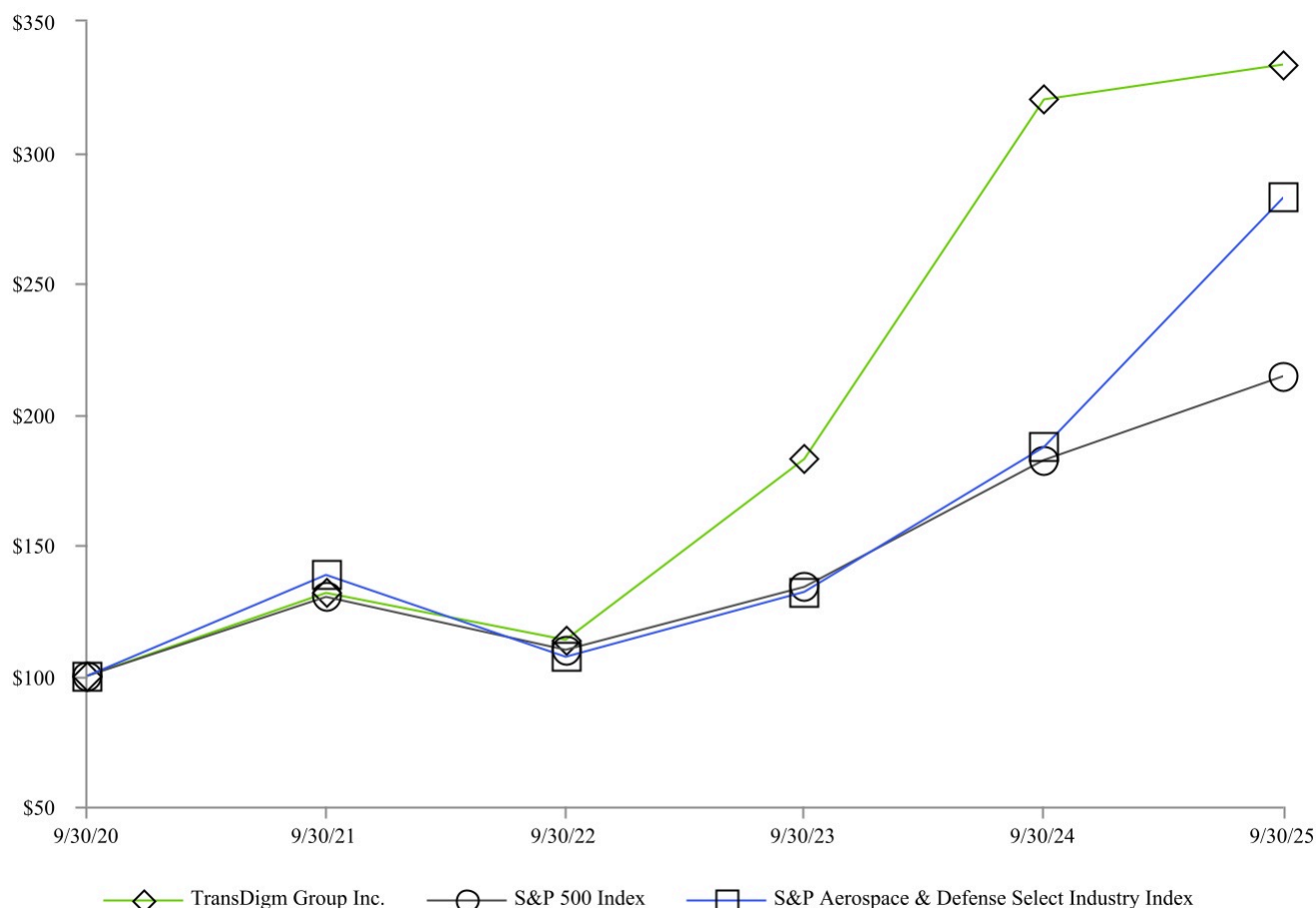
Set forth below is a line graph comparing the cumulative total return of a hypothetical investment in the shares of common stock of TD Group with the cumulative total return of a hypothetical investment in each of the S&P 500 Index and the S&P Aerospace & Defense Select Industry Index. An investment of \$100 (with reinvestment of all dividends) is assumed to have been made in our common stock and in each of the indexes on September 30, 2020, and its relative performance is tracked through September 30, 2025.

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The following performance graph and related information shall not be deemed “soliciting material” nor to be “filed” with the SEC, nor shall such information be incorporated by reference into any future filings under the Securities Act of 1933 or the Securities Exchange Act of 1934, each as amended, except to the extent we specifically incorporate it by reference into such filing.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*

Among TransDigm Group Inc., the S&P 500 Index and S&P Aerospace & Defense Select Industry Index



*\$100 invested on 9/30/2020 in stock or index, including reinvestment of dividends.

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	9/30/2020	9/30/2021	9/30/2022	9/30/2023	9/30/2024	9/30/2025
TransDigm Group Inc.	100.00	131.46	113.58	182.46	320.14	333.54
S&P 500 Index	100.00	130.01	109.89	133.65	182.23	214.30
S&P Aerospace & Defense Select Industry Index	100.00	138.28	107.07	132.01	187.10	282.62

Purchases of Equity Securities by the Issuer or Affiliated Purchaser

No purchases of equity securities were made during the fourth quarter of fiscal 2025. Refer to Note 14, “Stock Repurchase Program,” in the notes to the consolidated financial statements for information on the Company’s stock repurchase program.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read together with TD Group's consolidated financial statements and the related notes included elsewhere in this report. The following discussion may contain predictions, estimates and other forward-looking statements that involve a number of risks and uncertainties, including those discussed under the heading entitled "Risk Factors" included elsewhere in this report. These risks could cause our actual results to differ materially from any future performance suggested below.

Overview

We believe we are a leading global designer, producer and supplier of highly engineered proprietary aerospace components with significant aftermarket content. We seek to develop highly customized products to solve specific needs for aircraft operators and manufacturers. We attempt to differentiate ourselves based on engineering, service and manufacturing capabilities. We believe that our products have strong brand names within the industry and that we have a reputation for high quality, reliability and strong customer support. We believe we have achieved steady, long-term growth in sales and improvements in operating performance we believe that due to our competitive strengths and through execution of our value-driven operating strategy. More specifically, focusing our businesses on our value-driven operating strategy of obtaining profitable new business, carefully controlling the cost structure via productivity and cost improvements and pricing our highly engineered value-added products to fairly reflect the value we provide and the resources required to do so has historically resulted in improvements in gross profit and income from operations over the long-term.

Our selective acquisition strategy has also been an important contribution to the growth of our business. We maintain a selective acquisition strategy, concentrating on proprietary commercial aerospace component businesses with significant aftermarket content where we see a clear path to value creation through the application of our three core value drivers. The integration of acquisitions into our existing businesses combined with implementing our proven operating strategy has historically resulted in improvements in the financial performance of the acquired businesses.

For fiscal year 2025, we generated net sales of \$8,831 million, gross profit of \$5,311 million or 60.1% of net sales, and net income attributable to TD Group of \$2,074 million.

In fiscal 2025, demand for air travel remained strong both domestically and internationally. Commercial aftermarket sales increased in fiscal 2025 compared to fiscal 2024 primarily due to the overall demand for air travel resulting in higher flight hours and utilization of passenger and freight aircraft as global air traffic continues to surpass pre-pandemic levels. In recent months, international air traffic growth has been outpacing domestic growth. Passenger load factors remain strong and have reached record levels in recent months in certain markets.

Our commercial transport OEM shipments and revenues generally run ahead of aircraft delivery schedules. Consistent with prior years, our fiscal 2025 shipments were a function of, among other things, the estimated 2025 and 2026 commercial aircraft production rates for Boeing and Airbus. Airline demand for new aircraft remains high and the OEMs are working to increase aircraft production. However, aircraft production rates remain well below pre-pandemic levels as the struggles in the OEM supply chain and labor challenges persist, along with geopolitical challenges, though progress continues to be made in the build rates. Airbus has also encountered difficulties in ramping up production. For fiscal 2025, the impact across TransDigm's operating units was uneven and varied, resulting in consolidated commercial OEM sales decreasing compared to fiscal 2024.

Our defense business fluctuates from year-to-year, and is dependent, to a degree, on government budget constraints, the timing of orders, macro and micro dynamics with respect to the DOD procurement policy and the extent of global conflicts, such as the ongoing geopolitical conflicts. Likewise, delays in government spending outlays and government funding reprioritization can impact demand. For a variety of reasons, the military spending outlook is very uncertain, though recent DOD budgets have trended upwards due to recent geopolitical challenge and conflicts, and current military modernization efforts. Defense sales in fiscal 2025 increased compared to fiscal 2024 primarily due to continued U.S. Government defense spend outlays.

At various points in 2025, the U.S. Government announced new or higher tariffs on goods imported into the U.S. from numerous countries resulting in multiple countries countering with reciprocal tariffs and other actions in response. Negotiations between the U.S. and other countries regarding the tariffs are ongoing and their status continues to evolve. TransDigm is primarily a domestic manufacturer. Because of this, tariffs did not have a significant impact on our fiscal 2025 operating results and we do not expect the tariffs to have a significant impact on our fiscal 2026 operating results. However, we continue to monitor the developments on tariffs and other changes in trade policy for its potential impact on the economic environment and on our business and operating results.

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The following table sets forth, for the periods indicated, certain operating data of the Company, including presentation of the amounts as a percentage of net sales (amounts in millions, except per share data):

	Fiscal Years Ended September 30,			
	2025	% of Net Sales	2024	% of Net Sales
Net sales	\$ 8,831	100.0 %	\$ 7,940	100.0 %
Cost of sales	3,520	39.9 %	3,268	41.2 %
Selling and administrative expenses	945	10.7 %	980	12.3 %
Amortization of intangible assets	201	2.3 %	161	2.0 %
Income from operations	4,165	47.2 %	3,531	44.5 %
Interest expense-net	1,572	17.8 %	1,286	16.2 %
Refinancing costs	11	0.1 %	58	0.7 %
Other income	(47)	(0.5)%	(28)	(0.4)%
Income tax provision	555	6.3 %	500	6.3 %
Income from continuing operations	2,074	23.5 %	1,715	21.6 %
Less: Net income attributable to noncontrolling interests	—	— %	(1)	— %
Net income attributable to TD Group	\$ 2,074	23.5 %	\$ 1,714	21.6 %
Net income applicable to TD Group common stockholders	\$ 1,866 ⁽¹⁾	21.1 %	\$ 1,481 ⁽¹⁾	18.7 %
Earnings per share attributable to TD Group common stockholders:				
Basic and diluted	\$ 32.08 ⁽²⁾		\$ 25.62 ⁽²⁾	
Cash dividends declared per common share	\$ 90.00		\$ 110.00	
Weighted-average shares outstanding—basic and diluted	58.2		57.8	
Other Data:				
EBITDA	\$ 4,568 ⁽³⁾		\$ 3,813 ⁽³⁾	
EBITDA As Defined	\$ 4,760 ⁽³⁾	53.9 %	\$ 4,173 ⁽³⁾	52.6 %

⁽¹⁾ Net income applicable to TD Group common stockholders represents net income attributable to TD Group less special dividends declared or paid on participating securities, including dividend equivalents of \$208 million and \$233 million for the fiscal years ended September 30, 2025 and 2024, respectively.

⁽²⁾ Earnings per share is calculated by dividing net income applicable to TD Group common stockholders by the basic and diluted weighted average common shares outstanding. Figures in the table may not recalculate exactly due to rounding. Earnings per share is calculated using unrounded numbers.

⁽³⁾ Refer to “Non-GAAP Financial Measures” in this discussion and analysis for additional information and limitations regarding these non-GAAP financial measures, including a reconciliation to the comparable U.S. GAAP financial measure.

[Table of Contents](#)**Changes in Results of Operations****Fiscal year ended September 30, 2025 compared with fiscal year ended September 30, 2024****Total Company**

- **Net Sales.** Net organic sales and acquisition sales and the related dollar and percentage changes for the fiscal years ended September 30, 2025 and 2024 were as follows (amounts in millions):

	Fiscal Years Ended		Change	% Change Net Sales
	September 30, 2025	September 30, 2024		
Organic sales	\$ 8,510	\$ 7,895	\$ 615	7.7 %
Acquisition sales	321	45	276	3.5 %
Net sales	<u>\$ 8,831</u>	<u>\$ 7,940</u>	<u>\$ 891</u>	<u>11.2 %</u>

Organic sales represent net sales from existing businesses owned by the Company, excluding sales from acquisitions. Acquisition sales represent net sales from acquired businesses for the period up to one year from the respective acquisition date. We believe this measure provides investors with a supplemental understanding of underlying sales trends by providing sales growth on a consistent basis. Refer to Note 2, "Acquisitions," in the notes to the consolidated financial statements included herein for information on the Company's recent acquisitions.

The increase in organic sales of \$615 million for the fiscal year ended September 30, 2025 compared to the fiscal year ended September 30, 2024 is primarily related to increases in defense and commercial aftermarket.

- **Cost of Sales and Gross Profit.** Cost of sales increased by \$252 million or 7.7%, to \$3,520 million for the fiscal year ended September 30, 2025 compared to \$3,268 million for the fiscal year ended September 30, 2024. Cost of sales and the related percentage of net sales for the fiscal years ended September 30, 2025 and 2024 were as follows (amounts in millions):

	Fiscal Years Ended		Change	% Change
	September 30, 2025	September 30, 2024		
Cost of sales - excluding costs below	\$ 3,536	\$ 3,241	\$ 295	9.1 %
% of net sales	40.0 %	40.8 %		
Non-cash stock and deferred compensation expense	15	21	(6)	(28.6)%
% of net sales	0.2 %	0.3 %		
Inventory step-up amortization	10	21	(11)	(52.4)%
% of net sales	0.1 %	0.3 %		
Foreign currency losses	10	20	(10)	(50.0)%
% of net sales	0.1 %	0.3 %		
Loss contract amortization	(51)	(35)	(16)	(45.7)%
% of net sales	(0.6)%	(0.4)%		
Total cost of sales	<u>\$ 3,520</u>	<u>\$ 3,268</u>	<u>\$ 252</u>	<u>7.7 %</u>
% of net sales	<u>39.9 %</u>	<u>41.2 %</u>		
Gross profit (Net sales less Total cost of sales)	<u>\$ 5,311</u>	<u>\$ 4,672</u>	<u>\$ 639</u>	<u>13.7 %</u>
Gross profit percentage (Gross profit / Net sales)	<u>60.1 %</u>	<u>58.8 %</u>		

Cost of sales during the fiscal year ended September 30, 2025 decreased as a percentage of net sales. This was primarily driven by the application of our three core value-driven operating strategy (obtaining profitable new business, continually improving our cost structure and providing highly engineered value-added products to customers) coupled with fixed overhead costs spread over higher production volume.

Foreign exchange rates continue to fluctuate; the loss is primarily attributable to the continued weakening of the U.S. dollar. Loss contract amortization fluctuates primarily based on the rate of actual to forecasted shipments of the products covered under the onerous contract.

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- **Selling and Administrative Expenses.** Selling and administrative expenses decreased by \$35 million to \$945 million for the fiscal year ended September 30, 2025. The related percentage of net sales for the fiscal years ended September 30, 2025 and 2024 were as follows (amounts in millions):

	Fiscal Years Ended		Change	% Change
	September 30, 2025	September 30, 2024		
Selling and administrative expenses - excluding costs below	\$ 779	\$ 738	\$ 41	5.6 %
% of net sales	8.8 %	9.3 %		
Non-cash stock and deferred compensation expense	142	196	(54)	(27.6)%
% of net sales	1.6 %	2.5 %		
Acquisition transaction and integration-related expenses	24	46	(22)	(47.8)%
% of net sales	0.3 %	0.6 %		
Total selling and administrative expenses	\$ 945	\$ 980	\$ (35)	(3.6)%
% of net sales	10.7 %	12.3 %		

The decrease in non-cash stock and deferred compensation expense is primarily attributable to the appreciation of the stock price at a higher rate in fiscal 2024 compared to fiscal 2025, as the stock price is a key input used to determine the Black-Scholes fair value for the non-cash stock compensation expense, and lower deferred compensation expense.

- **Interest Expense-net.** Interest expense-net includes interest on borrowings outstanding, amortization of debt issuance costs, original issue discount, revolving credit facility fees, finance leases, interest income and the impact of interest rate swaps, caps and collars designated and qualifying as cash flow hedges. Interest expense-net increased \$286 million, or 22.2%, to \$1,572 million for the fiscal year ended September 30, 2025 from \$1,286 million for the fiscal year ended September 30, 2024. The increase in interest expense-net was primarily due to an increase in outstanding borrowings (refer to Note 10, "Debt" in the notes to the consolidated financial statements for information on our debt) and a decrease in interest income. The weighted average interest rate for cash interest payments on total borrowings outstanding was 6.3% for the fiscal years ended September 30, 2025 and September 30, 2024.
- **Income Tax Provision.** Income tax expense as a percentage of income before income taxes was approximately 21.1% for the fiscal year ended September 30, 2025 compared to 22.6% for the fiscal year ended September 30, 2024. Refer to Note 12, "Income Taxes", in the notes to the consolidated financial statements included herein for additional information.
- **Earnings per Share.** Basic and diluted earnings per share was \$32.08 for the fiscal year ended September 30, 2025 and \$25.62 for the fiscal year ended September 30, 2024. Net income attributable to TD Group for the fiscal year ended September 30, 2025 of \$2,074 million was decreased by dividend equivalents of \$208 million, or \$3.58 per share, resulting in net income applicable to TD Group common stockholders of \$1,866 million. Net income attributable to TD Group for the fiscal year ended September 30, 2024 of \$1,714 million was decreased by dividend equivalents of \$233 million, or \$4.02 per share, resulting in net income applicable to TD Group common stockholders of \$1,481 million.

Business Segments

- **Segment Net Sales.** Net sales by segment for the fiscal years ended September 30, 2025 and 2024 were as follows (amounts in millions):

	Fiscal Years Ended September 30,				Change	% Change
	2025	% of Net Sales	2024	% of Net Sales		
Power & Control	\$ 4,559	51.6 %	\$ 3,966	49.9 %	\$ 593	15.0 %
Airframe	4,112	46.6 %	3,809	48.0 %	303	8.0 %
Non-aviation	160	1.8 %	165	2.1 %	(5)	(3.0)%
Net sales	\$ 8,831	100.0 %	\$ 7,940	100.0 %	\$ 891	11.2 %

Net sales for the Power & Control segment increased \$593 million primarily from increases in organic sales in defense, commercial aftermarket and commercial OEM.

Net sales for the Airframe segment increased \$303 million primarily from increases in organic sales in defense and commercial aftermarket.