
**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): 8/25/2025



THE DAVEY TREE EXPERT COMPANY

(Exact name of registrant as specified in its charter)

Ohio
(State or other jurisdiction
of incorporation)

000-11917
(Commission
File Number)

34-0176110
(Employer Identification
Number)

**1500 North Mantua Street
P.O. Box 5193
Kent, OH 44240**

(Address of principal executive offices) (Zip Code)

(330) 673-9511

(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(s)	Name of Each Exchange on Which Registered
N/A	N/A	N/A

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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 August 25, 2025, The Davey Tree Expert Company issued its Quarterly Shareholder Report, including abbreviated financial and operating results for the quarter ended June 28, 2025. A copy of the Quarterly Shareholder Report is attached as Exhibit 99.1.

The information contained in this Current Report on Form 8-K, including the exhibit attached hereto, is being furnished and shall not be deemed to be filed for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to liability under that section nor shall it be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, unless such subsequent filing specifically references this Form 8-K.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit Number</u>	<u>Description to Exhibit</u>
<u>99.1</u>	<u>Quarterly Shareholder Report</u>
104	Cover Page Interactive Data File

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.

THE DAVEY TREE EXPERT COMPANY

By: /s/ Joseph R. Paul

Joseph R. Paul, Executive Vice President,
Chief Financial Officer and Assistant Secretary

Date: August 25, 2025

Exhibit 99.1

To Our Shareholders,

We are pleased to report that 2025 is shaping up to be another strong year for the Company. In the second quarter, we achieved record revenues of \$512.4 million, an increase of \$30.8 million, or 6.4%, as compared to the second quarter of 2024. This revenue improvement was led by our Residential/Commercial (R/C) segment, which grew by 8.1%, while the Utility segment posted a 5.1% year-over-year increase. Income from operations for the quarter rose 5.7% to \$49.1 million, up from \$46.4 million in the prior year. Net income increased 10.3%, reaching \$32.7 million.

Revenues for the first half of 2025 reached a record high of \$947.3 million, representing an increase of \$60.8 million, or 6.9 percent, compared to the same period in 2024. This growth was driven by strong performance across both the R/C and Utility segments, which reported year-to-date revenue increases of 8.9 percent and 5.4 percent, respectively. The R/C segment reported \$424.0 million in revenue, an increase of \$34.7 million over the prior year, driven primarily by strong growth in the Commercial Landscape Services and Canadian Residential service lines. The Utility segment generated \$522.0 million in revenue, up from \$495.2 million in the prior year, reflecting continued strength across both Eastern and Western line clearance operations. Both Eastern Utility and Surgery Company have done an excellent job over the past few years diversifying their customer base and developing successful client partnerships.

Income from operations for the first half was \$47.6 million, a slight increase over \$46.7 million in the prior year. Managing expenses remains a priority, and a challenge, as inflationary pressures, Federal spending delays or reductions, and fluctuating tariffs continue to create uncertainty around labor, equipment, repair and material costs. These headwinds affected several service lines, particularly those reliant on government projects or client discretionary spending. Net income for the first six months totaled \$29.5 million, up 7.5% from \$27.4 million in the same period of 2024. The Company remains focused on driving profitable growth, managing costs, and ensuring that pricing strategies pivot to reflect the volatile and unpredictable economic conditions.

Our balance sheet is solid, and our leverage ratios remain in line with historical company averages, even with higher debt levels resulting from our strategic capital investments. As previously discussed, these include the nearly completed Davey SEED (Science, Employee Education and Development) Campus, the ongoing upgrade of the SAP S/4 HANA® enterprise system and the installation of a telematics system in our vehicles to improve employee and community safety. These investments, combined with elevated interest rates, lead to a slight increase in interest expense of \$9.4 million for the first half of 2025 compared to \$9.3 million in 2024. We remain committed to disciplined cash management and continue to prioritize liquidity while making targeted investments that strengthen our infrastructure and position the Company for sustainable, long-term growth.

We are also pleased to announce our new partnership with Principal, who will serve as the Company's Transfer Agent for all stock transactions beginning in 2026. Principal already manages the Company's 401(k) plan, making them a trusted and familiar partner. Effective in January, 2026, shareholders will have access to a secure online platform that will allow them to view, plan, and transact their stock holdings with greater ease. As part of this transition, the Company will no longer issue paper stock certificates. All shares, including prior paper stock certificates, will be recorded electronically within each shareholder's Principal account. This change is designed to enhance our shareholder experience while establishing scalable, modern processes that align with the Company's long-term growth strategy. More information regarding this transition will be shared throughout the coming months.

Our independent stock valuation firm, Management Planning Inc., determined that our market price, effective June 30, 2025, increased to \$25.50 from our year-end price of \$24.10 or 5.8%, which, from a historical perspective, is quite a significant mid-year move. While the increase was driven partially by our improved year over year performance, the strong performance of our peer group in the first 6 months of 2025 also played a large role in the new evaluation. Additionally, I am pleased to announce that at the July Board of Directors meeting the Board approved a dividend of \$0.025 per share for the third quarter of 2025.

As we begin the second half of 2025, I want to thank our employees for their continued hard work and dedication. Our employees are the foundation of our company and the cornerstone of our success. The professionalism demonstrated by our operational teams, administration, and field teams truly reflects our core values. Looking ahead, we remain focused on disciplined execution, cost management, strong financial performance, and an uncompromising commitment to safety. There is a lot of important work to be done in the second half of the year, and I am confident in our team's ability to deliver.

For additional information and news on the Company, please go to:

<https://www.davey.com/shareholders>

Thank you all for your continued support.

Patrick M. Covey

Chairman, President and Chief Executive Officer

Abbreviated Interim Financial Data (Unaudited)

(In thousands, except per share data)

	Three Months Ended		Six Months Ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Operating Statement Data:				
Revenues	\$ 512,445	\$ 481,654	\$ 947,281	\$ 886,463
Costs and expenses:				
Operating	321,321	300,306	617,253	581,085
Selling	85,603	81,511	166,956	151,487
General and administrative	39,036	37,370	79,636	75,861
Depreciation and amortization	19,333	17,371	37,901	33,779
Gain on sale of assets, net	(1,982)	(1,382)	(2,015)	(2,461)
Income from operations	49,134	46,478	47,550	46,712
Interest expense	(4,980)	(5,222)	(9,362)	(9,289)
Interest income	756	998	1,308	1,524
Other, net	424	(2,169)	(1,292)	(3,533)
Income before income taxes	45,334	40,085	38,204	35,414
Income taxes	12,564	10,365	8,692	7,969
Net income	\$ 32,770	\$ 29,720	\$ 29,512	\$ 27,445
Net income per share:				
Basic	\$.81	\$.72	\$.72	\$.65
Diluted	\$.78	\$.68	\$.69	\$.63
Weighted average shares outstanding:				
Basic	40,584	41,414	41,009	41,922
Diluted	42,224	43,388	42,586	43,846
Dividends per share	\$.025	\$.025	\$.050	\$.050
Balance Sheet Data:				
	June 28, 2025	December 31, 2024		
Cash and accounts receivable	\$ 444,465	\$ 414,548		
Current:				
Assets	546,215	538,953		
Liabilities	294,944	322,481		
Net working capital	\$ 251,271	\$ 216,472		
Long-term debt	\$ 397,695	\$ 338,655		
Other long-term liabilities	375,980	377,275		
Total equity	375,722	369,140		
Total assets	\$ 1,444,341	\$ 1,407,551		
Common shares, net outstanding	40,265	40,474		

This information and other statements by the Company may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. These statements relate to future events or our future financial performance. In some cases, forward-looking statements may be identified by terminology such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” “continue” or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors that may cause our or our industry’s actual results, levels of activity, performance or achievements to differ materially from what is expressed or implied in these forward-looking statements.

Forward-looking statements are subject to a number of risks and uncertainties, and actual performance or results could differ materially from that anticipated by any forward-looking statements. Factors that may adversely impact our actual results include the effects on us, or our customers or vendors, of epidemics, pandemics, severe weather events, terrorism, other external events and natural disasters, including wildfires in California and other areas, our ability to attract and retain a sufficient number of qualified employees and management, our liability risk exposure under contracts and cost and availability of adequate insurance coverage or our self-insurance accruals, seasonality and weather-dependence of our business (other than tree services to utility customers), litigation and third-party and governmental regulatory claims, competition, increases in fuel prices, general and local economic conditions, credit and financial markets, and any impact on our customers’ spending, pricing for our services, and collections of accounts receivable, cyber and other disruptions of our information technology systems, governmental regulations, including climate, environmental, social, governance, health care, immigration and data privacy, and cost of compliance or resulting liabilities and penalties, damage to our reputation, foreign currency fluctuations, no established market for our stock, and such additional factors that are discussed in “Part I - Item 1A. Risk Factors.” of our annual report on Form 10-K for the year ended December 31, 2024, and in our subsequent filings with the Securities and Exchange Commission. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. We are under no duty to update any of the forward-looking statements.