

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 15, 2018

AIR INDUSTRIES GROUP

(Exact Name of Registrant as Specified in its Charter)

Nevada
State of
Incorporation

001-35927
Commission
File Number

80-0948413
IRS Employer
Identification Number

360 Motor Parkway, Suite 100, Hauppauge, NY 11788
(Address of Principal Executive Offices)

Registrant's telephone number: (631) 881-4920

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 (see General Instruction A.2. below):

- 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))

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.**Item 7.01 Regulation FD Disclosure**

On May 15, 2018, Air Industries Group (the “Company”) issued a press release announcing its financial results for the quarter ended March 31, 2018, and announced that it will host a conference call to discuss the results for that quarterly period on Wednesday, May 16, 2018, at 4:30 p.m. Eastern Time. A copy of the press release is filed as Exhibit 99.1 to this report. See Exhibit 99.1 for information concerning dial-in access.

The information in this Form 8-K, including Exhibit 99.1 attached hereto, shall not be deemed as “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”), or otherwise subject to the liability of such Section, nor shall it be deemed incorporated by reference in any filing by us under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing, unless expressly incorporated by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.**(d) Exhibits.****Exhibit No. Description**

99.1 [Text of press release dated May 15, 2018 issued by Air Industries Group.](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: May 16, 2018

AIR INDUSTRIES GROUP

By: /s/ Michael Recca
Michael Recca
Chief Financial Officer



May 15, 2018: 05:00 PM EST

Air Industries Group Announces Solid 2018 First Quarter Results as Management Continues to Drive Revenue while Focusing on Profitability.

Hauppauge, NY -- (Globe Newswire) – May 15, 2018 – Air Industries Group (NYSE AMEX: AIRI):

Air Industries Group (“Air Industries” or the “Company”), an integrated manufacturer of precision equipment assemblies and components for leading aerospace and defense prime contractors, in conjunction with the filing of its March 30, 2018 Form 10Q with the Securities and Exchange Commission (“SEC”), announces today, its Fiscal 2018 First Quarter results.

The First Quarter of 2018 Adjusted EBITDA was slightly positive and exceeded the Company’s guidance previously issued on April 19, 2018. The solid financial results reflect managements’ ability to meet customer demands while focusing on profitability.

Sale of Welding Metallurgy Inc.

As announced on March 21, 2018, the Company has entered into a definitive sale agreement (subject to conditions) to sell Welding Metallurgy Inc. (“WMI”) As such, the results of WMI are excluded from continuing operations and are reported as discontinued operations. Management continues to anticipate closing this transaction by the end of the 2nd Quarter.

First Quarter Fiscal 2018 Highlights From Continuing Operations

- Consolidated net sales were \$12.24 million in the First Quarter of 2018 and were similar to prior year’s comparative results of \$12.26 million (excluding sales related to AMK which was sold in the First Quarter of 2017). This reflects an increase in sales at Complex Machining offset slightly by a decrease at Sterling.
 - Consolidated gross profit from operations was \$2.0 million which represents a decrease of \$0.52 million as compared to First Quarter of fiscal 2018. This decrease was primarily the result of a difference in the product mix of sales from Complex Machining partially offset by cost reduction and productivity initiatives that were successfully completed. The Company’s cost reductions will continue throughout Fiscal 2017.
 - Operating expenses were \$2.62 million or a slight increase compared to \$2.46 million achieved in fiscal 2017 First Quarter.
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- Adjusted EBITDA from continuing operating operations was \$0.236 million reflecting the successful steps the Company has taken on its path to profitability. Adjusted EBITDA is a non-GAAP financial measure which is reconciled to the most directly comparable GAAP financial measure.
- Funded Backlog was \$101 million.
- Liquidity continues to improve as Management diligently manages working capital in order to execute on Backlog and focus on profitability.

New management remains focused on meeting customer needs and profitability and continues to believe in continuing quarterly improvements in Adjusted EBITDA through fiscal 2018. Mr. Lou Melluzzo, CEO of Air Industries said, “We continue to execute on our existing Backlog, managing working capital, increasing our inventory turnover, improving operating efficiencies, reducing costs, and delivering for our customers.”

Investor Conference Call

Management will host a conference call on Wednesday, May 16th at 4:30PM EST.

Conference Toll-Free Number – 1-866-564-7431
Conference ID – 788 3973
Passcode – 948 743

ABOUT AIR INDUSTRIES GROUP

Air Industries Group (AIRI) is an integrated manufacturer of precision equipment assemblies and components for leading aerospace and defense prime contractors.

Certain matters discussed in this press release are 'forward-looking statements' intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. In particular, the Company's statements regarding trends in the marketplace, future revenues, earnings and Adjusted EBITDA, the ability to realize firm backlog and projected backlog, cost cutting measures, potential future results and acquisitions, are examples of such forward-looking statements. The forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, the timing of projects due to variability in size, scope and duration, the inherent discrepancy in actual results from estimates, projections and forecasts made by management, regulatory delays, changes in government funding and budgets, and other factors, including general economic conditions, not within the Company's control. The factors discussed herein and expressed from time to time in the Company's filings with the Securities and Exchange Commission could cause actual results and developments to be materially different from those expressed in or implied by such statements. The forward-looking statements are made only as of the date of this press release and the Company undertakes no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.

Adjusted EBITDA

The Company uses Adjusted EBITDA, a Non-GAAP financial measure as defined by the SEC, as a supplemental profitability measure because management finds it useful to understand and evaluate results, excluding the impact of non-cash depreciation and amortization charges, stock based compensation expenses, and nonrecurring expenses and outlays, prior to consideration of the impact of other potential sources and uses of cash, such as working capital items. This calculation may differ in method of calculation from similarly titled measures used by other companies and may be different than the EBITDA calculation used by our lenders for purposes of determining compliance with our financial covenants. This Non-GAAP measure may have limitations when understanding performance as it excludes the financial impact of transactions such as interest expense necessary to conduct the Company's business and therefore are not intended to be an alternative to financial measure prepared in accordance with GAAP. The Company has not quantitatively reconciled its forward looking Adjusted EBITDA target to the most directly comparable GAAP measure because such items such as amortization of stock-based compensation and interest expense, which are specific items that impact these measures, have not yet occurred, are out of the Company's control, or cannot be predicted. For example, quantification of stock-based compensation is not possible as it requires inputs such as future grants and stock prices which are not currently ascertainable.

Reconciliation of GAAP to Adjusted EBITDA:

	Three Months Ended March 31,	
	2018	2017
Net Loss	\$ (1,468,000)	\$ (1,154,000)
Gain on Sale of Subsidiary	—	(451,000)
Loss from Discontinued Operations	92,000	—
Adjusted Loss	(1,376,000)	(1,605,000)
Interest Expense	777,000	893,000
Depreciation of property and equipment	722,000	728,000
Amortization of intangible assets	38,000	304,000
Income Taxes paid	2,000	—
Non-cash compensation expense	83,000	(73,000)
Deferred gain on sale of real estate	(10,000)	(10,000)
Adjusted Ebitda	\$ 236,000	\$ 237,000

Contact Information

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