

# Fortaco Group Holdco Plc's Financial Statements Bulletin January–December 2024: Declining net sales and profitability driven by weak market fundamentals

Fortaco Group Holdco Plc's Financial Statements Bulletin 28 February 2025 at 4:00 p.m. EET

This release is a summary of Fortaco Group Holdco Plc's Financial Statements Bulletin for January–December 2024. The full release is attached and available on our website at <https://investors.fortacogroup.com>.

Unless otherwise stated, comparison figures in brackets refer to the corresponding period of the previous year.

## Financial highlights: October–December 2024

### Reported financials

*Note: Comparison figures do not include Buisard Cabins for the time period prior to the acquisition on 24 October 2023.*

- Order intake was EUR 76.0 (70.2\*) million.
- Net sales were EUR 76.4 (101.9) million.
- Recurring EBITDA was EUR 3.9 (5.0) million, i.e. 5.1 (4.9) per cent of net sales.
- EBITDA was EUR -0.3 (2.5) million, i.e. -0.4 (2.5) per cent of net sales.

### Financials excluding divested businesses

*Note: The financials presented below are based on the "New Fortaco" scope, i.e. excluding the marine, energy and heavy project businesses in Jaszbereny, Hungary and Kalajoki & Sepänkylä, Finland, which have been divested during 2024. Comparison figures include Buisard Cabins impact as if it had been part of Fortaco whole October–December 2023.*

- Order intake was EUR 76.0 (64.0\*) million.
- Net sales were EUR 76.4 (99.9) million. The decrease in net sales was due to declining market demand.
- Recurring EBITDA was EUR 4.0 (7.3) million, i.e. 5.2 (7.4) per cent of net sales.
- EBITDA was EUR 1.1 (5.1) million, i.e. 1.4 (5.1) per cent of net sales.

\*) Excluding order intake for MauserCABS and Buisard Cabins

## Financial highlights: January–December 2024

### Reported financials

*Note: Figures for MauserCABS are included in comparison figures from September 2023 onwards. Figures for Buisard Cabins are included in comparison figures from 24 October 2023 onwards.*

- Order intake was EUR 351.8 (330.2\*) million.
- Net sales were EUR 356.5 (373.8) million.
- Recurring EBITDA was EUR 18.6 (24.4) million, i.e. 5.2 (6.5) per cent of net sales.
- EBITDA was EUR 7.6 (17.3) million, i.e. 2.1 (4.6) per cent of net sales.

## Financials excluding divested businesses

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- Order intake was EUR 334.4 (305.2\*) million.
- Net sales were EUR 337.8 (428.7) million. The decrease in net sales was due to declining market demand.
- Recurring EBITDA was EUR 20.3 (36.1) million, i.e. 6.0 (8.4) per cent of net sales.
- EBITDA was EUR 9.8 (29.6) million, i.e. 2.9 (6.9) per cent of net sales.

\*) Excluding order intake for MauserCABS and Buisard Cabins

## Operational highlights

- In February 2024, Fortaco announced having started a strategic evaluation of its marine, energy, and heavy project businesses, as these businesses are no longer considered strategic. The strategic evaluation was completed during the third quarter of 2024.
- In March 2024, Fortaco successfully placed a subsequent bond issue of EUR 25.0 million and received an equity injection of EUR 10 million from One Equity Partners, the company's main owner.
- In May 2024, the first part of the strategic review was completed with the sale of the company's heavy project business in Jászberény, Hungary, to Cyclus GmbH and Ask US Management s.r.o. The transaction was completed on 28 June 2024.
- On 22 July 2024, Fortaco announced having signed an agreement to sell its business site in Kalajoki and Sepänkylä in Finland focused on marine and energy business to Componenta, an international technology company and a Finnish contract manufacturer of metal components. The transaction was completed on 1 October 2024.
- On 4 November 2024, Fortaco announced that Lars Hellberg, President and CEO and member of the Board of Directors of the company, had decided to retire and that the Board of Directors had appointed Mika Mahlberg as Chief Operating Officer (COO) as of 1 November 2024 and as interim CEO as of 1 January 2025. At the same time, it was announced that Lars Hellberg would be appointed as a member of Fortaco's Supervisory Board as of 3 January 2025. After the financial year, Mika Mahlberg was appointed President and CEO and member of the Board of Directors as of 3 January 2025.

## Key figures

### Fortaco Group key financials

EUR million unless otherwise noted	10–12/24	10–12/23	1–12/24	1–12/23
Net sales	76.4	101.9	356.5	373.8
EBITDA	-0.3	2.5	7.6	17.3
% of net sales	-0.4%	2.5%	2.1%	4.6%
EBITA	-4.3	-1.5	-7.4	5.0
% of net sales	-5.6%	-1.5%	-2.1%	1.3%
Non-recurring items	4.2	2.5	11.1	7.1
Recurring EBITDA	3.9	5.0	18.6	24.4
% of net sales	5.1%	4.9%	5.2%	6.5%
Recurring EBITA	-0.1	1.0	3.7	12.2
% of net sales	-0.1%	1.0%	1.0%	3.3%

**Balance sheet ratios**

Return on Capital Employed % (ROCE)	-0.1%	2.1%	1.6%	5.7%
Equity ratio %	12.7%	24.8%	12.7%	24.8%
Net debt	150.0	91.2	150.0	91.2
Net gearing %	384.9%	119.9%	384.9%	119.9%
Net debt / last 12 months recurring EBITDA	8.1x	3.7x	8.1x	3.7x

Note: A retrospective correction has been made to exclude impairment costs from EBITA and recurring EBITA impacting all presented periods in the above table.

Financials include MauserCABS since September 2023 and Buisard Cabins since 24 October 2023.

**Guidance for 2025**

Fortaco does not provide guidance for the financial year 2025.

**President & CEO Mika Mahlberg's comments**

The year 2024 was challenging for Fortaco due to continued market headwind. In most of our market segments, order intake decreased clearly from 2023 due to general uncertainty in the market as well as high interest rates impacting end customers' willingness to invest.

Our comparable net sales for the full year decreased by 21 per cent from the previous year to EUR 338 (429) million. Our comparable net sales for the fourth quarter decreased by 23 per cent to EUR 76 (100) million.

Our comparable recurring EBITDA for 2024 amounted to EUR 20.3 (36.1) million or 6.0 (8.7) per cent of net sales. EBITDA weakened primarily due to decreased net sales and postponement in ramping up a certain new investment and low profitability of a certain lately acquired business. In addition, the company had a significant amount of non-recurring items related to, among other things, the strategic evaluation of our marine, energy, and heavy project businesses, our profitability improvement programme, and growth-focused investments we made in 2024. These non-recurring items also burdened our cash flow. We foresee substantially lower amount of non-recurring items in 2025. After having completed the structural organic investments in Poland, Estonia and Slovakia, we foresee getting back to a normalised level of investments enabling further increasing productivity and maintenance of our asset base.

**Our customers trust our quality and delivery accuracy**

Regardless of the decline in net sales and lower profitability, I am happy that our delivery accuracy and our quality have remained on a high level, for which we have received positive feedback from our customers. The dip in volume has had different impacts on different business units, and in some business sites, earnings capacity developed positively despite the decreased volumes.

**Profitability improvement continues**

In early 2024, we launched an extensive business and margin improvement programme targeting reductions in fixed costs, improved pricing and volumes as well as EBITDA and working capital, and other improvements in profitability and cash flow.

In June, we sold our heavy project business in Jászberény, Hungary, to Cyclus GmbH and Ask US Management s.r.o, and in October, our marine industry and energy businesses located in Kalajoki and Sepänkylä, Finland, were sold to Componenta. With these divestments, we finalised the strategic evaluation of our marine, energy and heavy project businesses announced in February 2024.

During the last quarter of the year, we further intensified our profitability improvement programme due to the market situation, which continued to be challenging. The intensified Fortaco 25 programme did not yet impact our result for 2024; the impact of the additional measures will become visible as the year 2025 progresses. Relying on our strong main owner, we will continue our efforts to improve Fortaco's profitability

in 2025. Additionally, we and our main owner are assessing options to further improve our liquidity and strengthen our capital structure.

### **Sustainable development programme**

In 2024, we have prepared Fortaco Group's climate programme and prepared for EU's corporate sustainability reporting (CSRD). We also expanded our Zero Emissions product portfolio and took a major step towards the role of an integrated solution provider by expanding our operations into integrated thermal management (ITM). We are active in the green transition, and one of our strategic targets is to make the heavy off-highway industry emission-free. Our customers continue to show increasing interest in sustainability matters.

### **We expect the market to remain weak**

We expect the market demand to remain weak at least till the latter part of the second half of 2025 except for certain market segments such as the mining and defence industries. We are focusing on improving the earnings capacity and profitability of our current business. We continue to be committed to our strategy and have expanded our customer base in line with our strategy while making use of our entire offering for our customers. We are now primarily focusing on improving our profitability during the current market downturn. We are therefore for the time being only very selectively engaging in M&A activities.

### **Trust in the future**

I have now been the President & CEO of Fortaco for two months. The industry the company operates in is already familiar to me, and I look forward to working together with our customers and developing new business opportunities for Fortaco's future success. Heavy off-highway equipment manufacturers want more and more to rely on business partners in the production of different cabins and steel structures or assembly operation as they improve the efficiency of their own production. When the market eventually turns towards growth, Fortaco will be well-positioned to grow alongside its customers.

My predecessor Lars Hellberg retired on 1 January 2025 and became a member of Fortaco's Supervisory Board, participating in the company's strategic initiatives. I want to thank Lars for his commitment and excellent work in steering Fortaco for the past 11 years. The company has established its position as the European technology leader in off-highway vehicle cabins and steel structure components.

My warmest thanks to our customers and our owner for the trust they have shown us and for the entire Fortaco personnel for their efforts in the challenging year 2024.

### **Events after the review period**

As announced on 4 November 2024, Lars Hellberg, former President & CEO of Fortaco Group, retired on 1 January 2025, and Mika Mahlberg started as the new President & CEO on the same day. Connected to this change, Lars Hellberg was nominated as a member of the Supervisory Board as of 3 January 2025, and stepped down simultaneously from his Board of Directors position. Mika Mahlberg was nominated to be a member of the Board of Directors as of 3 January 2025 onwards. As of 3 January 2025, the members of Fortaco's Supervisory have been Panu Routila (Chairman), Lars Hellberg, Marc Lindhorst, Sebastian Schatton, and Markus Sjöholm.

### **Financial reporting in 2025**

In 2025, Fortaco publishes the following financial reports:

- Business Review January–March 2025 on Wednesday 28 May 2025
- Half-Year Review January–June 2025 on Friday 29 August 2025
- Business Review January–September 2025 on Wednesday 26 November 2025

## **Board of Directors**

### **Further information**

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### **Fortaco Group**

Fortaco is the leading strategic partner in Europe to the heavy off-highway equipment and marine industries, providing premium offerings, like zero-emission solutions and technology, vehicle cabins, steel fabrications, and assemblies. Fortaco Group has operations in multiple European and Asian business sites and technology hubs, which support our global customers. [www.fortacogroup.com](http://www.fortacogroup.com)