Fortaco Group Holdco Plc's Business Review January–September 2025: Net sales and profitability trend improved during the latest quarter

Fortaco Group Holdco Plc's Business Review 26 November 2025 at 14:00 p.m. EET

This release is a summary of Fortaco Group Holdco Plc's Business Review for January–September 2025. The full release is attached and available on our website at https://investors.fortacogroup.com.

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

Financial highlights: July–September 2025

Reported financials

- Order intake was EUR 77.1 (70.3) million.
- Net sales were EUR 79.7 (73.3) million. Net sales increased due to gradually improving market during the review period, although Fortaco completed certain divestments after the comparison period.
- Recurring EBITDA was EUR 4.3 (3.7) million, i.e. 5.4 (5.0) per cent of net sales. Ramp-up costs impacting EBITDA in Gliwice, Poland, amounted to EUR -1.7 million. Recurring EBITDA excluding ramp-up costs in Gliwice amounted to EUR 6.0 million, i.e. 7.5 per cent of net sales.
- EBITDA was EUR 3.9 (1.8) million, i.e. 4.9 (2.4) 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 Jászberény, Hungary and Kalajoki & Sepänkylä, Finland, which have been divested during 2024 as well as the marine and energy business in Gruza, Serbia, divested in 2025.

- Order intake was EUR 77.1 (66.6) million.
- Net sales were EUR 79.7 (69.0) million. Net sales increased due to gradually improving market during the review period.
- Recurring EBITDA was EUR 4.3 (3.6) million, i.e. 5.4 (5.3) per cent of net sales. Ramp-up costs impacting EBITDA in Gliwice, Poland, amounted to EUR -1.7 million during the period. Recurring EBITDA excluding ramp-up costs in Gliwice amounted to EUR 6.0 million, i.e. 7.5 per cent of net sales.
- EBITDA was EUR 3.9 (1.7) million, i.e. 4.9 (2.5) per cent of net sales.

Financial highlights: January–September 2025

Reported financials

- Order intake was EUR 268.2 (275.8) million.
- Net sales were EUR 251.1 (280.1) million. Net sales decreased due to continued soft market environment during the first half of the year and divestments completed after the comparison period.
- Recurring EBITDA was EUR 10.2 (14.7) million, i.e. 4.1 (5.3) per cent of net sales. Ramp-up costs impacting EBITDA in Gliwice, Poland, amounted to EUR -5.2 million. Recurring EBITDA, excluding ramp-up costs in Gliwice amounted to EUR 15.4 million, i.e. 6.1 per cent of net sales.
- EBITDA was EUR 8.0 (7.8) million, i.e. 3.2 (2.8) 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 Jászberény, Hungary and Kalajoki & Sepänkylä, Finland, which have been divested during 2024 as well as the marine and energy business in Gruza, Serbia, divested in 2025.

- Order intake was EUR 264.9 (254.1) million.
- Net sales were EUR 249.0 (257.8) million. Net sales decreased due to continued soft market environment during the first half of the year.
- Recurring EBITDA was EUR 10.4 (16.2) million, i.e. 4.2 (6.4) per cent of net sales. Ramp-up costs impacting EBITDA in Gliwice, Poland, amounted to EUR -5.2 million. Recurring EBITDA excluding ramp-up costs in Gliwice amounted to EUR 15.7 million, i.e. 6.3 per cent of net sales.
- EBITDA was EUR 8.3 (8.7) million, i.e. 3.3 (3.4) per cent of net sales.

Operational highlights

- Group-wide performance improvement programme focused on identifying and executing both profitability and cashflow improvement opportunities continued with full focus and is expected to deliver results as planned as year 2025 progresses. A new programme with even wider scope has been started, with focus on delivering profitability and cash flow improvements during 2026.
- Structural investments in Narva (Estonia), Holic (Slovakia) and Gliwice (Poland) were completed, and operations were started. The start-up and ramp-up phase of the Gliwice investment is impacting profitability negatively in 2025.
- On 23 May 2025, Fortaco Oy, a subsidiary of Fortaco Group Holdco Plc, signed an agreement on the sale of its Serbian subsidiary and its marine and energy business in Gruza, to Entec Evotec AS. The transaction was completed on 11 June 2025.
- Fortaco completed the reorganisation of its financing, including the extension of the maturity of the bond debt by two years, EUR 20 million of new equity to further strengthen the balance sheet and the liquidity position, other favourable amendments to the terms and conditions of the bond contributing to cash-flow improvements in 2025 and 2026 as well as extending the maturity of the EUR 7.5 million super senior revolving credit facility by two years.

Key figures

Fortaco Group's key financials

EUR million unless otherwise noted	7–9/25	7–9/24	1–9/25	1–9/24	1–12/24	Last 12 months
Net sales	79.7	73.3	251.1	280.1	356.5	327.5
EBITDA	3.9	1.8	8.0	7.8	7.6	7.7
% of net sales	4.9%	2.4%	3.2%	2.8%	2.1%	2.4%
EBITA	-0.2	-1.8	-4.3	-3.1	-7.4	-8.5
% of net sales	-0.3%	-2.5%	-1.7%	-1.1%	-2.1%	-2.6%
Non-recurring items	0.4	1.9	2.2	6.9	11.1	6.3
Recurring EBITDA	4.3	3.7	10.2	14.7	18.6	14.1
% of net sales	5.4 %	5.0%	4.1 %	5.3%	5.2%	4.3 %
Recurring EBITA	0.1	0.1	-2.1	3.7	3.7	-2.2
% of net sales	0.2 %	0.1%	-0.8 %	1.3%	1.0%	-0.7 %
Financial position						
Return on Capital Employed % (ROCE)	0.2%	0.1%	-1.2%	2.1%	1.6%	-0.9%
Equity ratio %	10.6%	16.3%	10.6%	16.3%	12.7%	10.6%
Net debt	149.7	134.2	149.7	134.2	150.0	149.7
Net gearing %	457.8 %	259.0%	457.8 %	259.0%	384.9%	457.8 %

Net debt / last 12 months recurring EBITDA	10.6x	6.8x	10.6x	6.8x	8.1x	10.6x

Guidance for 2025

Fortaco estimates that its net sales will be in a range of EUR 335–350 (last year EUR 332 million, excluding divested businesses) million and recurring EBITDA in a range of EUR 20–23 million in 2025 (last year EUR 20 million excluding divested businesses).

President & CEO Mika Mahlberg's comments

As we had estimated earlier this year, in the third quarter of 2025, the market situation showed signs of recovery, although there are significant differences in demand volumes between different market segments. The recovery of the market situation was also reflected in our comparable order intake, which increased by 16 per cent during the quarter compared to the corresponding period last year and amounted to EUR 77.1 million.

Our comparable net sales for July–September increased by 16% year on year and totalled EUR 79.7 (69.0) million. Operational profitability also improved. Our recurring EBITDA was EUR 4.3 (3.7) million, or 5.4% (5.0%) of net sales. The result continued to be significantly burdened by the ramp-up costs of the business unit in Gliwice, Poland, but this was offset by the increase in net sales and the Fortaco 25 performance improvement programme, which have resulted in a positive development in the profitability and cash flow of our core business.

The long-term outsourcing trend of OEMs continued in the third quarter, and we started contract manufacturing for several new strategic customers. In August, our Kurikka business unit in Finland also received NATO's AQAP-2110 certificate, which is NATO's quality standard for defence sector partners. Thanks to the certificate, we strengthen our position as a reliable preferred partner in demanding projects in the defence segment.

We continue our performance improvement programme

Next year, we will continue our determined efforts to improve profitability. We are currently planning the Fortaco 26 programme, which will continue and expand our current performance improvement programme throughout the Group.

Although market uncertainty continues, for example due to the US tariff policy, we believe that the market will continue to pick up cautiously during the rest of the year. However, the visibility of most of our customers does not extend beyond six months, so the outlook for next year is still uncertain. The market has been in a deep rut and has not yet returned to normal levels, although the trend is reversing.

The development of our sustainability programme continued

In the third quarter, we continued to advance our sustainability programme, for example by developing our climate programme. We set climate targets and prepared a transition plan and assessed climate risks and related economic impacts.

We also strive for responsible sourcing by promoting the use of more sustainable materials. Supplier Assurance is our preferred external rating platform used by many of our key customers. Our score has increased from around 60 in 2023 to around 80 in 2025 (the highest possible score is 100), and based on the results, we are ahead of both country-specific and industry-specific average results.

I would like to thank all Fortaco employees for their dedicated work and our partners for their smooth cooperation, as well as our customers and principal shareholder for the trust they have shown.

Events after the review period

On 1 October 2025, Fortaco completed the divestment of real estate used by its former marine and energy business in Kalajoki and Sepänkylä in Finland to Componenta. The purchase price was EUR 940 thousand. The divestment was the final part of the divestment of the marine and energy business in Kalajoki and Sepänkylä in Finland to Componenta, which was announced on 22 July 2024 and closed on 1 October 2024.

On 10 October 2025, Fortaco concluded an agreement, whereby it received without a consideration a long-term loan receivable of EUR 5.9 million (principal) from the sole shareholder of Fortaco Group, OEP 81 B.V. The agreement was a positive conclusion of a commercial dialogue between Fortaco Group, its shareholder and a certain seller of one of the previously conducted acquisitions.

Financial reporting in 2026

In 2026, Fortaco Group Holdco Plc will publish the following financial reviews:

- Financial Statements Bulletin for the year 2025 on Friday 27 February 2026
- Business Review January–March 2026 on Friday 29 May 2026
- Half-Year Review January–June 2026 on Friday 28 August 2026
- Business Review January–September 2026 on Friday 27 November 2026

Fortaco Group Holdco Plc
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Fortaco Group

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