



Business review

1 January – 30 September 2025

Fortaco Group Holdco Plc



FORTACO

Business review January–September 2025

Unaudited, IFRS

Net sales and profitability trend improved during the latest quarter

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 Gruz, 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
Board of Directors

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Fortaco Group

Fortaco is the leading European full-solution provider for OEMs in the off-highway equipment industries. Pioneering the design and production of assemblies, cabins, steel fabrications, and zero emission solutions, we offer cutting-edge technology for enhanced productivity. We empower off-highway machines to use fossil-free steel and our customers to optimize their operations and move towards a greener future. Fortaco Group has operations in multiple European and Asian business sites and technology hubs, which support our global customers. www.fortacogroup.com

Financial information

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

Part corresponding to IAS 34

Consolidated statement of comprehensive income

EUR 1,000	1.7.–30.9.2025	1.7.–30.9.2024	1.1.–30.9.2025	1.1.–30.9.2024	1.1.–31.12.2024
NET SALES	79,736	73,252	251,103	280,053	356,471
Other operating income	201	493	739	1,222	2,994
Work performed for own purposes and capitalised	22	204	90	351	469
Materials and services	-45,103	-41,866	-141,621	-162,890	-205,670
Employee benefit expenses	-23,065	-22,515	-75,994	-80,594	-103,907
Other operating expenses	-7,849	-7,796	-26,301	-30,301	-42,804
Depreciation, amortisation and impairments	-5,607	-6,043	-17,250	-26,009	-31,740
OPERATING PROFIT (LOSS)	-1,665	-4,271	-9,233	-18,169	-24,187
Finance income	483	355	1,629	1,695	3,214
Finance costs	-6,703	-6,307	-19,982	-21,755	-27,455
PROFIT (LOSS) BEFORE INCOME TAX	-7,885	-10,223	-27,587	-38,228	-48,428
Income tax	181	401	717	404	-111
PROFIT (LOSS) FOR THE PERIOD	-7,704	-9,823	-26,869	-37,824	-48,538
Other comprehensive income					
Items that will never be reclassified to profit or loss					
Actuarial gains / losses from defined benefit plans		25		75	-55
Total items that will never be reclassified to profit or loss, net of tax		25		75	-55
Items that may be subsequently reclassified to profit or loss					
Translation differences	-96	161	111	2,812	215
Cash flow hedges	-9		-9		
Total items that may be subsequently reclassified to profit or loss, net of tax	-105	161	102	2,812	215
Other comprehensive income, net of tax	-105	186	102	2,887	160
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-7,809	-9,637	-26,767	-34,937	-48,378
Profit (loss) for the period attributable to					
Owners of the parent company	-7,704	-9,821	-26,869	-37,821	-48,536

		-2		-3	-3
Non-controlling interests					
Profit (loss) for the period	-7,704	-9,823	-26,869	-37,824	-48,538
Total comprehensive income for the period attributable to					
Owners of the parent company	-7,809	-9,635	-26,767	-34,935	-48,377
Non-controlling interests		-1		-2	-2
Total comprehensive income for the period	-7,809	-9,637	-26,767	-34,937	-48,378
Earnings per share for profit attributable to the ordinary equity holders of the parent company, EUR					
Earnings per share, basic and diluted, EUR	-7.7	-9.8	-26.9	-37.8	-48.5

Consolidated statement of financial position

EUR 1,000	30.9.2025	30.9.2024	31.12.2024
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	42,940	48,187	47,043
Goodwill	20,976	20,976	20,976
Property, plant and equipment	77,028	85,727	87,028
Right-of-use assets	55,659	39,813	47,152
Trade, other receivables and financial assets	6,056	5,080	5,682
Receivables from defined benefit plan	681	629	681
Deferred tax assets	4,915	5,383	4,805
TOTAL NON-CURRENT ASSETS	208,255	205,794	213,366
CURRENT ASSETS			
Inventories	45,359	40,284	37,683
Trade and other receivables	18,242	27,050	20,480
Contract assets		174	
Income tax assets	607	938	1,695
Cash and cash equivalents	34,414	41,331	32,034
TOTAL CURRENT ASSETS	98,622	109,777	91,892
ASSETS HELD FOR SALE	1,000	3,185	1,000
TOTAL ASSETS	307,876	318,757	306,258
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent company			
Share capital	80	80	80
Invested unrestricted equity capital	125,178	105,178	105,178
Funds	-9		
Translation differences	2,852	5,338	2,741
	-102,337	-64,623	-75,467

Retained earnings

Total equity attributable to owners of the parent company	25,764	45,973	32,531
Non-controlling interests			
TOTAL EQUITY	25,764	45,973	32,531
NON-CURRENT LIABILITIES			
Deferred tax liabilities	17,154	17,629	17,895
Borrowings	130,826	130,122	128,769
Borrowings from related parties	6,929	5,858	6,441
Other liabilities	5,880	5,554	5,372
Lease liabilities	42,818	30,697	37,175
Provisions	944	1,189	1,494
Liabilities from defined benefit plan	2,927	3,606	3,003
TOTAL NON-CURRENT LIABILITIES	207,478	194,654	200,149
CURRENT LIABILITIES			
Borrowings	3,030	4,919	5,439
Trade and other payables	65,310	65,157	59,496
Lease liabilities	4,430	6,291	7,581
Provisions	1,402	1,074	860
Contract liabilities		107	
Income tax liabilities	463	196	203
TOTAL CURRENT LIABILITIES	74,635	77,744	73,578
LIABILITIES DIRECTLY ASSOCIATED WITH THE ASSETS HELD FOR SALE		385	
TOTAL LIABILITIES	282,113	272,784	273,728
TOTAL EQUITY AND LIABILITIES	307,876	318,757	306,258

Consolidated statement of cash flow

EUR 1,000	1.7.–30.9.2025	1.7.–30.9.2024	1.1.–30.9.2025	1.1.–30.9.2024	1.1.–31.12.2024
Cash flow from operating activities					
PROFIT (LOSS) FOR THE PERIOD	-7,704	-9,823	-26,869	-37,824	-48,538
Depreciation, amortisation and impairments	5,607	6,043	17,250	26,009	31,740
Gains and losses on sale of property, plant and equipment and other non-current assets	-7	-149	21	936	439
Share of profit accounted for using the equity method					
Financial income and expenses	6,248	5,942	18,390	20,168	24,333
Income tax	-181	-401	-717	-404	111
Other adjustments	-57	52	-238	1,671	904
Change in working capital					
Increase / decrease in inventories	-3,566	-330	-9,667	3,348	5,957
Increase / decrease in trade and other receivables	2,139	10,795	650	1,360	8,143
Increase / decrease in interest free trade payables	-4,832	-12,142	10,119	-12,290	-16,433

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Change in provisions	118	62	34	104	4
Interest paid	-1,330	-4,905	-10,501	-13,667	-16,907
Interest received	119	-46	369	-45	27
Other financial items	-750	-812	-2,903	-3,968	-3,832
Income tax paid	-105	85	1,220	-510	-958
Total cash flow from operating activities	-4,302	-5,628	-2,843	-15,113	-15,010
Cash flow from investing activities					
Investments in property, plant and equipment and intangible assets	-4,022	-4,172	-6,793	-10,499	-15,604
Disposal of property, plant and equipment and intangible assets	70	51	1,284	1,250	2,322
Acquisition of subsidiaries reduced with the cash and cash equivalents at the acquisition moment		84		84	74
Disposal of subsidiaries increased with the cash and cash equivalents at the acquisition moment		-3	-1,187	-321	-321
Used collateral deposit				50	50
Dividends received					
Cash flow from investing activities	-3,953	-4,039	-6,697	-9,436	-13,480
Cash flow from financing activities					
Proceeds from issue of share capital			20,000	10,000	10,000
Proceeds from loans	9,000	6,423	15,098	36,563	39,456
Repayments from current loans	-12,831	-1,875	-21,143	-2,986	-7,863
Repayments of non-current borrowings	-187	-309	-801	-1,497	-1,193
Repayments of leasing liabilities	3,542	-1,240	-1,029	-5,815	-7,877
Granted loans		-3,000		-3,000	-4,500
Total cash flow from financing activities	-476	-1	12,125	33,265	28,023
Change in cash and cash equivalents	-8,731	-9,668	2,585	8,717	-467
Cash and cash equivalents at the beginning of the period	43,316	50,989	32,034	32,420	32,420
Effects of exchange rate changes on cash and cash equivalents	-171	10	-205	194	81
Cash and cash equivalent at the end of the period	34,414	41,331	34,414	41,331	32,034

Consolidated statement of changes in equity

Equity attributable to owners of the parent company 30.9.2025

EUR 1,000	Share capital	Invested unrestricted equity reserve	Other reserves	Translation differences	Profit (loss) for period	Total	Non-controlling interests	Total equity
EQUITY 1.1.2025	80	105,178		2,741	-75,467	32,531		32,531
Comprehensive income								
Profit/loss for the period					-26,869	-26,869		-26,869
Cash flow hedges			-9			-9		-9
Translation differences				111		111		111
TOTAL COMPREHENSIVE INCOME			-9	111	-26,869	-26,767		-26,767
Investments		20,000				20,000		20,000
Changes in equity total		20,000	-9	111	-26,869	-6,767		-6,767
TOTAL EQUITY 30.9.2025	80	125,178	-9	2,852	-102,336	25,764		25,764

Equity attributable to owners of the parent company 30.9.2024

EUR 1,000	Share capital	Invested unrestricted equity reserve	Other reserves	Translation differences	Profit (loss) for period	Total	Non-controlling interests	Total equity
EQUITY 1.1.2024	80	95,178		2,527	-26,757	71,028	103	71,131
Comprehensive income								
Profit/loss for the period					-37,821	-37,821	-3	-37,824
Translation differences				2,811	75	2,886	1	2,887
TOTAL COMPREHENSIVE INCOME				2,811	-37,746	-34,935	-2	-34,937
Transactions with owners of the parent company								
Investments		10,000				10,000		10,000
Transactions with non-controlling interests					-120		-102	-222
Changes in equity total		10,000		2,811	-37,866	-15,300	-103	-15,300
TOTAL EQUITY 30.9.2024	80	105,178		5,338	-64,623	45,973	0	45,973

Equity attributable to owners of the parent company 31.12.2024

EUR 1,000	Share capital	Invested unrestricted equity reserve	Translation differences	Profit (loss) for period	Total	Non-controlling interests	Total equity
EQUITY 1.1.2024	80	95,178	2,527	-26,757	71,028	103	71,131
Comprehensive income							
Profit/loss for the period				-48,536	-48,536	-3	-48,538
Translation differences			214		214	1	215
Actuarial gains/losses from defined benefit plans				-55	-55		-55
TOTAL COMPREHENSIVE INCOME			214	-48,591	-48,377	-2	-48,378
Transactions with shareholders of parent company							
Investments		10,000			10,000		10,000
Changes in subsidiary ownership shares				-120	-120	-102	-222
Changes in equity total		10,000	214	-48,711	-38,497	-103	-38,600
TOTAL EQUITY 31.12.2024	80	105,178	2,741	-75,467	32,531		32,531

Notes to the business review

In February 2024, Fortaco announced having begun a strategic evaluation of its marine, energy and heavy project businesses.

On 10 May 2024, as a part of the evaluation, Fortaco announced having signed an agreement to sell its heavy products project business in Jászberény, Hungary. In 2023, Fortaco Zrt. had net sales of EUR 23 million, and the business was clearly loss-making. The company employs 250 people. The divestment of Fortaco Zrt. was completed on 28 June 2024.

As another part of the strategic evaluation, on 4 July 2024, Fortaco announced that Fortaco Group Holdco Plc's subsidiary, Fortaco Oy, had signed an agreement to sell its marine and energy business in Kalajoki and Sepänkylä in Finland to Componenta, an international technology company and a Finnish contract manufacturer of metal components. The total purchase price is approximately EUR 2.8 million. The business transaction was completed on 1 October 2024, and the related real estate transaction was completed after the reporting period on 1 October 2025.

On 23 May 2025, Fortaco announced having signed an agreement to sell its subsidiary in Serbia and thereby its marine and energy focused Business Site Gruza to Entec Evotec AS. The transaction was closed on 11 June 2025.

Assets held for sale and related liabilities on 30 September 2025

EUR 1,000	Carrying amount 30.9.2025
ASSETS	
Current assets	
Intangible assets	75
Tangible assets	925
Total non-current assets	1,000
Assets held for sale	1,000
LIABILITIES	
Liabilities held for sale	0

Formulas of alternative performance measures

EBITDA	Operating profit + depreciation + amortisation + impairments
EBITA	Operating profit + amortisation + impairments
Recurring EBITDA	Operating profit + depreciation + amortisation + impairments +/- non-recurring items
Recurring EBITA	Operating profit + amortisation + impairments +/- non-recurring items
Non-recurring items	Certain costs or income not related to the ordinary course of business, including restructuring costs, strategic development projects and transaction costs
Return of Capital Employed % (ROCE)	Recurring EBITA (annualised) / (total assets – current liabilities)
Equity ratio	(Equity + subordinated shareholder loans) / total assets
Net debt	Current and non-current interest-bearing liabilities + M&A liabilities - total liquidity
Net gearing	Net gearing = net debt / (total equity + subordinated shareholder loans)

Reconciliation of Alternative Performance Measures

The following table sets forth a reconciliation of the Alternative Performance Measures as of the dates and for the periods indicated.

MEUR	7-9/25	7-9/24	1-9/25	1-9/24	1-12/24	Last 12 months
EBIT	-1,7	-4,3	-9,2	-18,2	-24,2	-15,3
Amortisation and impairments of intangible assets	1,4	2,5	5,0	15,0	16,8	6,7
EBITA	-0,2	-1,8	-4,3	-3,1	-7,4	-8,5
Depreciation	4,2	3,6	12,3	11,0	14,9	16,2
EBITDA	3,9	1,8	8,0	7,8	7,6	7,7
Non-recurring items						
Transaction costs	0,0	0,1	0,7	2,3	2,9	1,4
Other non-recurring items	0,3	1,8	1,4	4,6	8,1	4,9
Non-recurring items, total	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
Recurring EBITA	0,1	0,1	-2,1	3,7	3,7	-2,2