

Componenta Corporation's business review 1 January–30 September 2025: Net sales and EBITDA improved

Componenta Corporation stock exchange release, 30 October 2025 at 8 a.m. EET

January–September 2025

- Net sales totalled EUR 84.5 million (EUR 70.3 million)
- EBITDA was EUR 6.9 million (EUR 3.1 million)
- Adjusted EBITDA was EUR 6.9 million (EUR 3.1 million)
- The operating result was EUR 2.9 million (EUR -0.9 million)
- Cash flow from operating activities was EUR -0.4 million (EUR 1.0 million).

July–September 2025

- Net sales totalled EUR 24.8 million (EUR 20.3 million)
- EBITDA was EUR 1.9 million (EUR 1.2 million)
- Adjusted EBITDA was EUR 1.9 million (EUR 1.2 million)
- The operating result was EUR 0.6 million (EUR -0.1 million)
- Cash flow from operating activities was EUR -3.5 million (EUR -0.8 million).

The information presented in this business review concerns the Componenta Group's performance in January–September 2025 and in the corresponding period in 2024, unless otherwise stated.

This is not an interim report in accordance with the IAS 34 standard. The company complies with half-year reporting in accordance with the Securities Markets Act. For the first three and nine months of the year, the company publishes business reviews containing key information concerning its financial performance.

The financial information presented in this review is unaudited.

Sami Sivuranta, President and CEO:

"We performed above our expectations in the third quarter of 2025, although more extensive maintenance measures were scheduled for the third quarter than for the comparison period. These measures support future growth in production volumes. Our net sales and profitability continued to develop favourably during the review period and were higher than in the comparison period. Our order book has continued to grow, albeit somewhat more moderately than expected.

The momentum in the energy and defence equipment industries has continued to be strong. Demand and production volumes for agricultural machinery and equipment remain exceptionally low across Europe, and expectations of recovery have largely shifted to 2026. This is reflected in continued low capacity utilisation rates in our foundry operations. We have therefore continued to carry out adjustment measures within our units during the third quarter in response to production utilisation rates.

We are increasingly seeing signs of a broader market recovery. Inflation and interest rates have remained at moderate levels, creating favourable conditions for growth to begin.

During 2025, we have started and completed several investments and production development measures across our units. We are thus preparing for growth in demand, capacity needs and order volumes especially in the defence equipment and energy sectors, which will be further accelerated by our successful new sales across sectors. The measures taken are expected to further improve our capabilities and profitability going forward.

Market uncertainty arising from the geopolitical situation and increases in tariffs has extended our customers' average decision-making time from receiving to accepting the offer. However, the direct impact on Componenta of trade policy decisions and continuous changes has remained limited. At the same time, however, despite the postponement of invest decisions, an investment backlog in machinery and equipment is emerging across various industries, which means we expect our order book's development to be positive going forward.

The Group's service capability remained at a high level during the third quarter, and our liquidity remained stable throughout the review period. Inflation has stabilised at a moderate level. There is some uncertainty regarding electricity prices for the coming winter due to changes in EU-level regulation of liquefied natural gas (LNG) storage. No significant risks are foreseen regarding the availability or pricing of raw materials and other materials, but we are actively monitoring market developments, preparing for the positive development of our order book, and working to ensure the continued reliability of our supply chains.

As a contract manufacturer, we will continue to pursue measures to strengthen our market position, and we are working to be the preferred sustainable total supplier to our customers, with a wide offering."

Deal with the Finnish Defence Forces

On August 25, Componenta announced that the Finnish Defence Forces will procure products from Componenta worth EUR 10.4 million. The total value of the deal includes an option of approximately EUR 4.4 million, which must be exercised by December 31, 2026. Deliveries are scheduled for the years 2025–2028.

Order book

Componenta's order book at the end of the review period amounted to EUR 18.2 million (EUR 13.9 million). The order book has increased by EUR 4.0 million since the end of June 2025. The order book contains the orders confirmed to customers for the next two months. The increase in the order book was influenced by the business operations acquired in the last quarter of the previous year, new sales secured by Componenta, and a slight recovery in the market. When comparing the order books of the review period and the comparison period, it should be noted that the order books at the end of the comparison period did not include the new business operations acquired during the last quarter of the previous year.

Net sales

Net sales increased by 20.3% from the previous year to EUR 84.5 million (EUR 70.3 million). The increase in net sales was largely attributable to the new business operations acquired in October 2024, won new sales and to a slight recovery in the market. In addition, net sales in the first quarter

were boosted by a pricing adjustment introduced during the previous year, which was based on lower order books and utilisation rates. During the second and third quarters of the review period, increase in net sales was also driven by price increases implemented to offset cost increases resulting from the wage agreement reached in the industrial sector.

Result

The EBITDA for the review period improved from the previous year and amounted to EUR 6.9 million (EUR 3.1 million). The adjusted EBITDA was also EUR 6.9 million (EUR 3.1 million), as there were no items to be adjusted during the review or comparison periods. The improvement in EBITDA was driven by new business operations, increasing volumes, temporary pricing adjustments introduced during the previous year, and better production efficiency and quality factors compared to the previous year. However, the profitability was negatively impacted by cost increases resulting from the wage agreement in the industrial sector, which were offset by corresponding increases in sales prices. The comparison period's profitability was burdened by lower sales volumes, temporarily reduced efficiency and quality due to the ramp-up of new volume products in serial production, and the index development of electricity and main raw materials. Both the review and comparison periods were also affected by industrial action that occurred at the beginning of the year.

Depreciation, amortisation and write-downs in the review period totalled EUR -4.0 million (EUR -4.0 million), of which EUR -1.8 million (EUR -1.6 million) was mainly attributable to leases related to facilities that were capitalised and depreciated in accordance with the IFRS standards. The Group's operating result was EUR 2.9 million (EUR -0.9 million).

The Group's net financial items totalled EUR -1.5 million (EUR -1.8 million). Net financial items decreased slightly from the previous year as a result of lower interest rates, although the volumes of factoring financing increased. The Group's result after financial items was EUR 1.4 million (EUR -2.7 million). Taxes totalled EUR 0.0 million (0.0 million) for the review period. The Group's net result for the period was EUR 1.4 million (EUR -2.7 million). Basic earnings per share were EUR 0.15 (EUR -0.27) for the review period. Diluted earnings per share were EUR 0.14 (EUR -0.27) for the review period.

Balance sheet, financing and cash flow

At the end of the review period, the Group's cash and cash equivalents totalled EUR 6.0 million (EUR 6.4 million). The Group's liquidity remained at a good level throughout the review period. At the end of the review period the Group had EUR 5.0 million (EUR 4.0 million) in committed revolving credit facilities, of which the unused portion amounted to EUR 2.5 million (EUR 2.0 million) valid until September 2027. Componenta also entered into an agreement on a new investment loan of EUR 2 million, which remained fully undrawn at the end of the review period. The maturity of the investment loan is four years. The drawdown period for the loan is twelve months from the signing date of 16 April 2025, followed by a repayment period of 36 months, with standard terms and conditions. The investment loan is intended primarily for ordinary machinery and equipment investments required by the business operations. In addition Componenta has a convertible bond arrangement of up to USD 3.0 million with MPL, a US investor, until 31 December 2027. The arrangement remains fully undrawn, and may be used at the sole discretion of the company.

The Group's net cash flow from operations in the review period was EUR -0.4 million (EUR 1.0 million). At the end of the review period, the Group's working capital (including inventories and trade receivables, less trade payables) was EUR 11.3 million (EUR 8.6 million). The increase in working capital compared to the previous year was due to higher inventory which resulted from preparations for higher volumes and won new sales, in which the responsibility for raw material storage was transferred to Componenta.

At the end of the review period, the company's invested capital stood at EUR 43.1 million (EUR 39.6 million), and the return on investment was 9.3% (-3.0%). The return on equity was 7.1% (-14.6%). The Group's equity ratio stood at 41.9% (40.1%) at the end of the review period. The Group's equity was EUR 27.4 million (EUR 22.9 million). At the end of the review period, net interest-bearing debt totalled EUR 9.7 million (EUR 10.3 million), and net gearing was 35.3% (44.7%). The change in net interest-bearing debt and net gearing was driven by lower amount of interest-bearing debt and larger amount of own equity than in the comparison period.

Componenta Group's total liabilities on 30 October 2025 stood at EUR 39.6 million (EUR 34.7 million). Long-term liabilities amounted to EUR 13.5 million (EUR 11.9 million), and short-term liabilities totalled EUR 26.0 million (EUR 22.8 million). The Group's liabilities included EUR 5.7 million (EUR 6.4 million) in loans from financial institutions. The Group's other debt items included EUR 10.2 million (EUR 7.8 million) in working capital, EUR 10.0 million (EUR 10.3 million) in lease liabilities related to facilities, machinery and equipment, and EUR 13.7 million (EUR 10.2 million) in other liabilities.

Guidance for 2025 unchanged

Componenta expects the Group's net sales and adjusted EBITDA to improve from the previous year. The Group's net sales in 2024 were EUR 97.1 million, and its adjusted EBITDA was EUR 4.9 million.

The development of customers' sales volumes, poor availability of raw materials, increases in the prices of raw materials and electricity, and the general economic situation, labour market situation and competitive climate may affect business outlooks. The development of sales and profitability involves uncertainties because of increased geopolitical tensions. Increasing customs duties may have a negative impact on Componenta's operations indirectly through customers. An unfavourable development of the geopolitical situation may also have a negative impact on the financial market, sales volumes, the availability and price development of raw materials and electricity, and the availability of foreign labour, all of which increase forecasting uncertainty.

Key figures	Jan 1–Sep 30, 2025	Jan 1–Sep 30, 2024	Change, %	Jan 1–Dec 31, 2024
Net sales, EUR thousand	84,498	70,259	20.3	97,145
EBITDA, EUR thousand	6,943	3,137	121.3	7 854*
Adjusted EBITDA, EUR thousand	6,943	3,137	121.3	4,930
Operating result, EUR thousand	2,904	-888	427.1	2 562*
Operating result, %	3.4	-1.3	364.4	2,6*
Result after financial items, EUR thousand	1,421	-2,654	153.5	204
Net result, EUR thousand	1,421	-2,656	153.5	204

Basic earnings per share, EUR	0.15	-0.27	153.4	0.02
Diluted earnings per share, EUR	0.14	-0.27	151.7	0.02
Cash flow from operating activities, EUR thousand	-355	1,027	-134.6	8,232
Interest-bearing net debt, EUR thousand	9,663	10,264	-5.9	5,472
Net gearing, %	35.3	44.7	-21.2	21.2
Return on equity, %	7.1	-14.6	148.7	0.8
Return on investment, %	9.3	-3.0	416.0	6.6
Equity ratio, %	41.9	40.1	4.4	41.3
Capital expenditure incl. lease liabilities, EUR thousand	3,230	1,931	67.3	6,732
Number of personnel at the end of the period, incl. leased workers	677	636	6.4	689
Average number of personnel during the period, incl. leased workers	676	623	8.4	639
Order book at the end of the period, EUR thousand	18,214	13,918	30.9	16,682

* The EBITDA and operating result for the financial year 2024 includes a non-recurring income of EUR 2.9 million from non-operating activities from the acquisition of the Kalajoki factory and Sepänkylä machining and service center businesses.

Risks and business-related uncertainties

The most significant risks related to Componenta's business operations are risks associated with the operating environment (competitive situation, prices, commodities and the environment), risks related to business operations (customers, suppliers, productivity, production processes, labour market disruptions, contracts, product liability, personnel and information security) and financing risks (availability, liquidity, counterparty, currency, interest rate and credit).

The availability of certain raw materials such as recycled steel, pig iron, structural steel, aluminium and energy at competitive prices, as well as the uninterrupted supply of energy, is essential for the Group's business operations. Market prices for electricity remained at a reasonable level on average during the review period, although the price variation is very high on a daily and hourly basis.

Because of increased geopolitical tensions, the availability of raw materials and other materials may involve uncertainties in Componenta's operational activities. In addition, global challenges with the availability of certain components for customers may lead to production disruptions in our end-customers' plants and thereby affect Componenta's sales volumes in the short term. However, from Componenta's point of view, the situation is stable at the moment.

To ensure the availability of raw materials and other materials, Componenta actively engages in discussions with its suppliers, continuously updates its needs forecast and optimises its inventory levels to meet longer-term demand, closely monitors the situation of its suppliers and market changes, and responds to these changes as necessary.

Componenta has no significant and immediate risk concentrations related to Russia, Ukraine or the Middle East among its customers or suppliers of goods. Componenta has no operations of its own in Russia, Ukraine or the Middle East. The Russian war of aggression has had an impact on

the general price development and availability of raw materials such as structural steel and pig iron, and on the development of energy prices. The war has had an indirect impact on the supply chains of Componenta's manufacturers of steel materials and wholesalers through the price development and availability of iron ore and coal, for example. The continuation of the wars and an unfavourable development of the geopolitical situation can continue to have a negative impact on the financial market, sales volumes, the availability and price development of raw materials and energy and the availability of foreign labour, which increases uncertainty in terms of forecasts. Any increases in import duties may have an adverse impact on Componenta's business operations both directly through purchases of raw materials and other materials and indirectly through customers. Componenta delivers hardly any components directly to the United States.

The cost risk associated with raw materials is mainly managed through index-based price agreements, based on which the sales prices of products are updated in response to changes in the prices of raw materials for the next quarter. An increase in raw material prices may tie up more cash than expected into working capital. In terms of commercial risks, future volumes may be weakened by customers switching to cheaper alternatives due to price competition.

Componenta's business operations depend on the reliability of production plants, supply and delivery channels and the related processes and systems. Componenta is also closely monitoring developments in the labour market. The quality, accuracy and availability of information are extremely important, as information technology plays a significant role in the operations of Componenta and its suppliers and customers. If materialised, IT and cybersecurity risks may expose Componenta to disruptions and interruptions in operations and the loss or distortion of data, which may lead to interruptions in product availability. Componenta pays close attention to cybersecurity risks and monitors its customers' situations and notifications.

Componenta continuously monitors the liquidity and counterparty risk. The financing of the company's business operations is based on income financing, factoring arrangements, committed loans from financial institutions, revolving credit facilities in force until September 2027 and the convertible bond arrangement established in May 2024. Any termination or non-renewal of factoring arrangements or revolving credit facilities can create uncertainties for Componenta's liquidity. It is the company's view that the Group will continue to have access to debt financing from the market if necessary. In addition, if materialised, the counterparty risk may cause uncertainties in terms of Componenta's liquidity. The Group's liquidity was at a good level at the end of the review period. During the review period, Componenta entered into an agreement on extending and increasing its revolving credit facilities by EUR 1 million. Consequently, the Group had EUR 5.0 million (EUR 4.0 million) in committed revolving credit facilities, of which the unused portion amounted to EUR 2.5 million (EUR 2.0 million). Componenta also entered into an agreement on a new investment loan of EUR 2 million, which remained fully undrawn at the end of the review period. Componenta has a convertible bond arrangement of up to USD 3.0 million with MPL, a US investor, until 31 December 2027. The arrangement remains fully undrawn, and may be used at the sole discretion of the company.

Componenta's revolving credit facilities and working capital loans include the following financial covenants: net interest-bearing debt / rolling 12-month EBITDA no higher than 3.0, and an equity ratio of at least 25%. In accordance with the agreed terms, the covenants are reviewed semi-annually on 30 June and 31 December, and are valid for as long as the liability or amount related to the loan agreements is outstanding or undrawn. On 30 June 2025, Componenta's financial

situation fulfilled all the covenants included in the loan agreements. Unfavourable EBITDA development over a rolling 12-month period can cause a covenant breach.

Events after the review period

On October 1, 2025, Componenta acquired the properties used by its Kalajoki and Sepänkylä operations from Fortaco Oy. The final purchase price paid was EUR 940 thousand, consisting of the agreed EUR 1 million purchase price minus the rent paid by Componenta for the period from October 1, 2024, to October 1, 2025. Componenta financed the acquisition through its operating cash flow and available credit facilities

Alternative performance measure

Componenta reports adjusted EBITDA as an alternative performance measure. Adjusted EBITDA reflects genuine operational profitability, excluding non-recurring items, as a basis for performance management and improves the comparability of reporting periods. Adjusted EBITDA does not include income or expenses generated as a result of corporate or structural arrangements. Componenta has reported adjusted EBITDA since the fourth quarter of 2024 as a result of a one-off transaction implemented during that period. In January–September 2025 and the comparison period January–September 2024, the adjusted EBITDA equalled the EBITDA for the respective periods.

Webcast

President and CEO Sami Sivuranta will present the business review to investors, analysts and the media in a webcast on 30 October 2025 at 10.00 am EET. The event will be conducted in Finnish. The webcast can be followed on the company's website at www.componenta.com, or through <https://live.esf.fi/componenta-q3-2025>.

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COMPONENTA CORPORATION

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Componenta Corporation is an international technology company and Finland's leading contract manufacturer in the machine building industry. Sustainability and customers' needs are at the core of the company's extensive technology portfolio. Componenta produces components for its global customers, which are manufacturers of machinery and equipment. The company's shares are listed on Nasdaq Helsinki. www.componenta.com