

Componenta Corporation's business review 1 January–31 March 2026: Net sales and profitability improved

Componenta Corporation stock exchange release, 8 May 2026 at 8 am EEST

January–March 2026

- Net sales totalled EUR 33.1 million (EUR 28.8 million)
- EBITDA was EUR 3.4 million (EUR 2.4 million)
- The adjusted EBITDA was EUR 3.4 million (EUR 2.4 million)
- Operating result was EUR 2.0 million (EUR 1.1 million)
- The adjusted operating result was EUR 2.0 million (EUR 1.1 million)
- Cash flow from operating activities was EUR -1.2 million (EUR -1.1 million)

The information presented in this business review concerns the Componenta Group's performance in January–March 2026 and in the corresponding period in 2025, 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 are pleased with our financial performance in the first quarter of 2026, which continued last year's strong positive momentum. Our net sales increased by 15% year-on-year, and the review period marked the seventh consecutive quarter with an EBITDA higher than in the comparison period.

Our order book increased clearly from the comparison period and was more than 30% higher than in the previous year. The situation in the energy industry and the defence equipment industry remains very strong, with a positive market outlook. The outlook for the general machine building industry has also improved, and companies' capital expenditure decisions are gradually materialising as incoming orders and in our customers' longer-term production plans.

The demand for machinery and equipment in the agricultural and forest machinery industry, along with production volumes, remains low across Europe, and despite a slow increase in growth, expectations for recovery are focused on the latter part of the year. This continues to be highlighted by the low capacity utilisation rate in our foundry business operations. At the same time, the unstable situation in the Middle East and the acceleration of general inflation have added uncertainty, particularly to the near-term outlook for the agricultural machinery industry.

The impacts for Componenta of the geopolitical situation, tariffs, trade policy decisions and constant changes have so far been limited. At the same time, however, despite the postponement of capital expenditure decisions, a capital expenditure backlog in machinery and equipment is emerging across various industries, which means we expect our order book's development to be positive going forward.

During the review period, we continued to actively implement development measures and capital expenditure across our units to prepare for increasing demand, higher capacity needs and the general growth in order books, particularly in the defence equipment and energy sectors. Our successful new sales are expected to contribute to our future net sales growth as a result of our customers' product launches and market recovery.

The Group's service capability remained at a strong level in the first quarter of the year. The availability of electricity has remained at a good level, but price fluctuations have continued to be significant. No major risks are currently evident in the availability of raw materials and other materials, but a prolonged situation in the Middle East could lead to changes in the market environment. We are actively monitoring the development of our order book, the progress of market recovery, the geopolitical situation and the impact of tariff and trade mechanisms on pricing and availability, 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."

Purchase by the Defence Forces

On 23 March 2026, Componenta announced that the Finnish Defence Forces would purchase products from Componenta to a total value of EUR 20.5 million. Componenta published its previous orders from the Finnish Defence Forces on 25 August 2025 and 31 May 2024. The total value of all these orders is EUR 80.9 million, including options, and their deliveries are mainly scheduled between 2026 and 2028.

Order book

Componenta's order book increased by EUR 5.7 million year-on-year and stood at EUR 23.1 million (EUR 17.4 million) at the end of the review period. The order book increased by EUR 3.5 million from the end of the previous quarter. The order book contains the orders confirmed with customers for the next two months. The increase in the order book from the previous year was driven by new sales secured by Componenta and a slight recovery in the market.

Net sales

Net sales increased by 15% from the previous year to EUR 33.1 million (EUR 28.8 million). The improvement was mainly driven by higher sales volumes as a result of new orders and the slight recovery in market conditions.

Result

The Group's EBITDA increased during the review period, amounting to EUR 3.4 million (EUR 2.4 million). Adjusted EBITDA totalled EUR 3.4 million (EUR 2.4 million), as there were no items requiring adjustment during the review period or comparison period. The improvement in EBITDA from the comparison period was driven by higher sales volumes than in the previous year, as well as by productivity and quality factors in production. EBITDA in the comparison period was burdened by labour action at the beginning of the year and by the uncertain market situation.

The Group's operating result increased from the previous year, amounting to EUR 2.0 million (EUR 1.1 million). The adjusted operating result was EUR 2.0 million (EUR 1.1 million), as there were no items requiring adjustment during the review period or comparison period.

The Group's net financial items totalled EUR -0.4 million (EUR -0.5 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 1.5 million (EUR 0.5 million). Taxes totalled EUR -0.3 million (0.0 million) for the review period. The Group's net result for the period was EUR 1.2 million (EUR 0.5 million). Basic earnings per share were EUR 0.12 (EUR 0.05) for the review period. Diluted earnings per share were EUR 0.12 (EUR 0.05) 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 10.5 million (EUR 6.3 million). The Group's liquidity has remained at a good level after the end of the review period. At the end of the review period, the company had committed and unused credit facilities totalling EUR 5.0 million (EUR 4.0 million), valid until September 2027. The EUR 2.0 million capital expenditure loan agreed with Avida in April 2025 remained fully undrawn at the end of the review period. 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 -1.2 million (EUR -1.1 million). At the end of the financial year, the Group's working capital (including inventories and trade receivables, less trade payables) was EUR 11.4 million (EUR 8.3 million). Compared to previous year, cash flow weakened and capital tied up in working capital increased, mainly due to higher inventory levels built to support growing sales volumes.

At the end of the financial year, the company's invested capital stood at EUR 51.0 million (EUR 40.2 million), and the return on investment was 15.7% (10.5%). The return on equity was 13.7% (7.5%). The Group's equity ratio stood at 46.6% (40.6%) at the end of the review period. The improvement was mainly driven by favourable earnings performance and the deferred tax assets recognised at the end of the previous financial year. The Group's equity was EUR 35.7 million (EUR 26.3 million). Its interest-bearing net debt totalled EUR 4.8 million (EUR 7.6 million) at the end of the review period. Its net gearing stood at 13.5% (28.7%) at the end of the review period. The change in net interest-bearing debt and net gearing was driven by a better cash position than in the comparison period.

Componenta Group's total liabilities on 31 March 2026 stood at EUR 43.5 million (EUR 39.8 million). Long-term liabilities amounted to EUR 12.8 million (EUR 11.6 million), and short-term liabilities totalled EUR 30.7 million (EUR 28.2 million). The Group's liabilities included EUR 5.5 million (EUR 3.8 million) in loans from financial institutions. The Group's other debt items included EUR 12.2 (11.8) million in working capital, EUR 9.9 (10.1) million in lease liabilities related to facilities, machinery and equipment, and EUR 15.9 (14.1) million in other liabilities.

Guidance for 2026 unchanged

Componenta expects the Group's net sales and adjusted operating result to improve from previous year. The Group's net sales in 2025 were EUR 115.7 million, and its adjusted operating result was EUR 4.3 million.

Key figures	Jan 1–Mar 31, 2026	Jan 1–Mar 31, 2025	Change, %	Jan 1–Dec 31, 2025
Net sales, EUR thousand	33,136	28,847	14.9	115,732
EBITDA, EUR thousand	3,387	2,377	42.5	9,731
Adjusted EBITDA, EUR thousand	3,387	2,377	42.5	9,731
Operating result, EUR thousand	1,957	1,057	85.2	4,335
Operating result, %	5.9	3.7	61.3	3.7
Adjusted operating result, EUR thousand	1,957	1,057	85.2	4,335
Result after financial items, EUR thousand	1,517	520	191.9	2,366
Net result, EUR thousand	1,202	492	144.3	8,039
Basic earnings per share, EUR	0.12	0.05	141.1	0.83
Diluted earnings per share, EUR	0.12	0.05	140.2	0.79
Cash flow from operating activities, EUR thousand	-1,244	-1,053	18.1	7,280
Interest-bearing net debt, EUR thousand	4,821	7,556	-36.2	2,186
Net gearing, %	13.5	28.7	-52.9	6.4
Return on equity, %	13.7	7.5	81.8	26.7
Return on investment, %	15.7	10.5	48.6	9.8
Equity ratio, %	46.6	40.6	14.7	46.5
Capital expenditure incl. lease liabilities, EUR thousand	1,483	978	51.5	3,808
Number of personnel at the end of the period, incl. leased workers	702	675	4.1	676
Average number of personnel during the period, incl. leased workers	694	680	2.1	675
Order book at the end of the period, EUR thousand	23,117	17,438	32.6	19,587

Risks and business-related uncertainties

The most significant risks associated with Componenta's business operations are related to the business environment, operations and financing. Risks related to the business environment include competitive and pricing risks, commodity risks and environmental risks. Risks related to business operations include, for example, the following: customer and supplier dependencies; productivity, production and process risks; labour market disruptions; contractual and product liability risks; and risks related to personnel, information security and cybersecurity. Financing risks are related to liquidity and the availability of financing, as well as to counterparty, currency, interest rate and credit risks.

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. In the review period, the market prices for electricity were at times above average, and price variation at the daily and hourly levels was significant. Higher geopolitical tensions may increase uncertainty regarding the availability of raw materials and other materials, even within Componenta's own operational activities. In addition, global challenges with the availability of certain components for customers may lead to production disruptions for end-customers 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 dialogue with its suppliers, continuously updates its needs forecasts, optimises its inventory levels to meet longer-term demand and closely monitors the situation of its suppliers and market developments.

Componenta has no significant or immediate risk concentrations related to Russia, Ukraine or the Middle East among its customers or suppliers of goods, and the company has no operations in these regions. 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 manufacturers of steel materials and wholesalers through the price development and availability of iron ore and coal, for example. Going forward, a deterioration in the geopolitical situation may affect the financial market, sales volumes, the availability and price development of raw materials and energy, and the availability of foreign labour, which increases forecasting uncertainty. Any increases in import duties may have a direct impact on Componenta's business operations through purchases of raw materials and other materials, and an indirect impact through customers. However, 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 working capital than expected. 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, procurement and supply chains and the related processes and systems. The company is also closely monitoring developments in the labour market. Due to the central role of information technology, the quality, accuracy and availability of information are essential in Componenta's operations. If materialised, IT and cybersecurity risks may cause operational disruptions, loss or distortion of data and interruptions to operations, which may affect product availability. Componenta pays particular attention to cybersecurity and also monitors the situation of its suppliers and customers.

Componenta continuously monitors the liquidity and counterparty risk. The financing of the company is based on income financing, factoring arrangements, committed loans from financial institutions, credit facilities and convertible bond arrangements. At the end of the review period, the company had committed and unused credit facilities totalling EUR 5.0 million (EUR 4.0 million), valid until September 2027; a EUR 2.0 million undrawn capital expenditure loan; and a convertible bond arrangement of up to USD 3.0 million with MPL, a US investor, until 31 December 2027. The bond arrangement remains fully undrawn and may be used at the sole discretion of the company.

However, the termination or non-renewal of these arrangements could create uncertainty regarding the Group's liquidity. It is the company's view that the Group will continue to have access to debt financing from the market if necessary. The Group's liquidity was at a good level at the end of the review period.

Componenta's 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%. The covenants are reviewed twice a year, on 30 June and 31 December. On 31 December 2025, Componenta's financial situation fulfilled all the covenants included in the loan agreements. However, unfavourable EBITDA development over a rolling 12-month period can cause a covenant breach.

Events after the review period

In April 2026, Componenta agreed with Avida to increase the previously agreed EUR 2 million capital expenditure loan by EUR 1 million to a total of EUR 3 million, and the drawdown period was extended until December 2027. In connection with this, EUR 1 million of the loan was drawn down.

Alternative performance measure

Componenta presents the adjusted EBITDA and the adjusted operating result as alternative performance measures, intended to illustrate the company's operational profitability excluding non-recurring items. The alternative performance measures improve the comparability of reporting periods. The adjusted EBITDA or the adjusted operating result do not include income or expenses related to corporate or structural arrangements. Componenta has reported its adjusted EBITDA since the fourth quarter of 2024 and adjusted operating result since the 2025 financial statements. In the review period, adjusted EBITDA and adjusted operating result corresponded to reported EBITDA and operating result.

Webcast

President and CEO Sami Sivuranta will present the business review to investors, analysts and the media in a webcast on 8 May 2026 at 10.00 am. 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-q1-2026>.

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COMPONENTA CORPORATION

Sami Sivuranta
President and CEO

For further information, please contact:

Sami Sivuranta, President and CEO, tel. +358 10 403 2200

Marko Karppinen, CFO, tel. +358 10 403 2101

Distribution:

NASDAQ Helsinki

Main media

www.componenta.com

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 the Nasdaq Helsinki. www.componenta.com