Componenta Corporation's business review 1 January–30 September 2026: Net sales and profitability improved

Componenta Corporation stock exchange release, 30 October 2026 at 8 am EET

January–September 2026

- Net sales totalled EUR 100.8 million (EUR 84.5 million)
- EBITDA was EUR 10.5 million (EUR 6.9 million)
- The adjusted EBITDA was EUR 10.7 million (EUR 6.9 million)
- Operating result was EUR 6.2 million (EUR 2.9 million)
- The adjusted operating result was EUR 6.4 million (EUR 2.9 million)
- Cash flow from operating activities was EUR 7.2 million (EUR -0.4 million)

July–September 2026

- Net sales totalled EUR 30.5 million (EUR 24.8 million)
- EBITDA was EUR 2.3 million (EUR 1.9 million)
- The adjusted EBITDA was EUR 2.5 million (EUR 1.9 million)
- Operating result was EUR 0.9 million (EUR 0.6 million)
- The adjusted operating result was EUR 1.1 million (EUR 0.6 million)
- Cash flow from operating activities was EUR 2.8 million (EUR -3.5 million)

The information presented in this business review covers the Componenta Group's performance in January–September 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.

Updated guidance for 2026

Componenta updated its guidance for 2026 on 22 October 2026. Componenta expects the Group's net sales to be EUR 135–138 million and adjusted operating result to be EUR 7.6–8.4 million. The Group's net sales in 2025 were EUR 115.7 million, and its adjusted operating result was EUR 4.3 million.

Sami Sivuranta, President and CEO:

"Componenta performed well during the first nine months of 2026, in line with expectations, and we are very satisfied with the Group's financial development over the review period. Our net sales increased by 19.3% year-on-year, exceeding EUR 100 million. In the third quarter, our EBITDA improved on the comparison period for the ninth consecutive quarter, while our operating result for the year to date reached a good level, standing at 6.1%.

Our order book grew significantly and was up 37.6% on the comparison period. The growth in the order book was supported by positive market recovery and an expected increase in Componenta's market share. The order book was exceptionally strong against our expectations, partly driven by the timing of certain deliveries at the beginning of the fourth quarter. Our customers' confidence is also reflected in Componenta's outlook, which is highly positive, supported in particular by strong demand in the energy and defence equipment sectors, as well as improved visibility.

We have responded to strong market conditions across the energy sector by investing in our capabilities, resources and production capacity. Driven by strong end-customer order books and longer-term demand planning, we are currently working even more closely with our energy sector customers on reserving future capacity and enabling growth.

The outlook for the defence equipment industry has improved further, and several new investments are underway, with phased ramp-ups starting during the past quarter. These investments are related to both new technologies and our capacity, playing our part in supporting the industry's strong growth. The partnership agreement signed in June with the Finnish Defence Forces Logistics Command has further strengthened our cooperation, particularly across critical supply chains for ammunition and explosives.

The outlook for the general mechanical engineering industry has continued its relatively modest recovery. However, the pace of market recovery depends on how each end-customer's own market develops, and the sector's investment appetite remains heavily tied to general market sentiment. Overall, the recovery is expected to continue going forward, driven by a growing backlog of investment across the sector arising from the operational use of machinery and equipment.

Despite tentative signs of growth, the recovery outlook for the agricultural machinery industry remains very modest, partly due to the situation in the Middle East. Both demand for machinery and equipment and overall production volumes have remained at a low level across Europe. General expectations for an industry recovery have been pushed back even further. Componenta is also preparing for very modest sector growth in 2027. A positive driver for industry expectations, however, is the launch of new model series, which will support Componenta's market share growth over the longer term. Currently, the continued weak demand across the sector is being reflected particularly in our foundry operations through capacity utilisation rates that remain relatively low.

During the third quarter, our productivity was slightly weighed down by several new product ramp-ups scheduled for the current year, alongside investments in capacity and resources to prepare for growing demand, especially in the energy and defence equipment sectors. Componenta has successfully met the growing needs of its customers, supported by the Group's excellent service capabilities.

The availability of electricity has remained at a good level, but price fluctuations have continued to be significant. No significant risks are foreseeable regarding the availability of raw materials and supplies, but prolonged geopolitical tensions may cause changes in the market and accelerate inflation. Alongside other impacts, the situation in the Middle East has somewhat contributed to rising transport costs. 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 the availability of materials, and working to ensure the continued reliability of our supply chains.

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

Componenta becomes a partner to the Finnish Defence Forces

On 24 June 2026, Componenta and the Finnish Defence Forces Logistics Command signed a partnership agreement for defence equipment procurement within the ammunition and explosives sector. The agreement is valid until further notice. The partnership agreement does not specify production volumes for the products to be manufactured, and the procurement contracts will be executed separately between the parties. The value of any orders potentially received as a result of the partnership agreement will depend on the equipment requirements and funding of the Finnish Defence Forces' projects. The aim of the partnership agreement is to ensure the availability of the products manufactured by Componenta and to secure military security of supply under all readiness conditions.

In addition, the joint long-term planning of the Defence Forces and Componenta optimises the usability and life cycle costs of ammunition and ensures the long-term and efficient use of resources in a changing operating environment.

Componenta has already completed several transactions with the Finnish Defence Forces in the past. 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 announced the previous orders from the Finnish Defence Forces on 25 August 2025 and 31 May 2024. The combined value of all these orders, including options, is EUR 80.9 million, with deliveries scheduled mainly for 2026–2028.

Order book

Componenta's order book increased by EUR 6.8 million year-on-year and stood at EUR 25.1 million (EUR 18.2 million) at the end of the review period. 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 19% year-on-year to EUR 100.8 million (EUR 84.5 million). The improvement was mainly driven by higher sales volumes as a result of new orders, the ramp-up of new items and the slight recovery in market conditions.

Componenta's net sales over the first nine months of the year were divided between customer industries as follows: machine building 33% (35%), the energy industry 24% (23%), the defence equipment industry 17% (13%), agricultural machinery 16% (18%), forest machinery 5% (6%) and other industries 5% (5%).

Result

The Group's EBITDA increased year-on-year, amounting to EUR 10.5 million (EUR 6.9 million). The adjusted EBITDA was EUR 10.7 million (EUR 6.9 million). The Group's operating result increased year-on-year as well, amounting to EUR 6.2 million (EUR 2.9 million). The adjusted

operating result was EUR 6.4 million (EUR 2.9 million). The adjustments in the EBITDA and operating result for the review period were related to the implementation of the new enterprise resource planning (ERP) system and closely associated systems. There were no adjusting items in the comparison period. The year-on-year improvement in profitability for the review period was mainly driven by higher sales volumes, alongside improvements in operational performance, productivity and quality. In the third quarter, however, productivity was weakened by ramp-ups of new products and investments to meet growing demand. Profitability in the comparison period was burdened by industrial action at the beginning of the year and by the uncertain market situation.

The Group's net financial items totalled EUR -1.4 million (EUR -1.5 million). Net financial items decreased from the previous year despite higher market interest rates, although the volumes of factoring financing increased. The Group's result after financial items was EUR 4.8 million (EUR 1.4 million). Taxes for the review period amounted to EUR 0.9 million (EUR 0.0 million), consisting of the change in deferred tax assets. The Group's net result for the period was EUR 3.9 million (EUR 1.4 million). Basic earnings per share were EUR 0.39 (EUR 0.15) for the review period. Diluted earnings per share were EUR 0.39 (EUR 0.14) 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 14.1 million (EUR 6.0 million). The Group's liquidity has remained at a good level since the end of the review period. At the end of the review period, the Group had committed and unutilised credit facilities totalling EUR 5.0 million (EUR 5.0 million), valid until September 2027. In addition, Componenta has a capital expenditure loan, of which EUR 2.0 million remained undrawn at the end of the review period. Componenta also 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 operating activities in the review period was EUR 7.2 million (EUR -0.4 million). At the end of the review period, the Group's working capital (including inventories and trade receivables, less trade payables) was EUR 9.0 million (EUR 11.3 million). The improvement in cash flow from the comparison period was driven by better profitability. Capital employed in working capital decreased year-on-year, mainly due to an increase in trade payables.

At the end of the review period, the company's invested capital stood at EUR 53.0 million (EUR 43.1 million), and the return on investment was 16.2% (9.3%). The return on equity was 14.2% (7.1%). The Group's equity ratio stood at 46.8% (41.9%) 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 38.6 million (EUR 27.4 million). Its interest-bearing net debt totalled EUR 0.3 million (EUR 9.7 million) at the end of the review period. Its net gearing stood at 0.8% (35.3%) 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.

The Componenta Group's total liabilities on 30 September 2026 stood at EUR 46.6 million (EUR 39.6 million). Long-term liabilities amounted to EUR 11.9 million (EUR 13.5 million), and short-term liabilities totalled EUR 34.7 million (EUR 26.0 million). The Group's liabilities included EUR 5.5 million (EUR 5.7 million) in loans from financial institutions. The Group's other debt items included EUR 16.3 million (EUR 10.2 million) in working capital, EUR 8.9 million (EUR 10.0 million) in lease liabilities related to facilities, machinery and equipment, and EUR 16.0 million (EUR 13.7 million) in other liabilities.

Key figures	Jan 1–Sep 30, 2026	Jan 1–Sep 30, 2025	Change, %	Jan 1–Dec 31, 2025
Net sales, EUR thousand	100,801	84,498	19.3	115,732
EBITDA, EUR thousand	10,525	6,943	51.6	9,731
Adjusted EBITDA, EUR thousand	10,724	6,943	54.5	9,731
Operating result, EUR thousand	6,178	2,904	112.8	4,335
Operating result, %	6.1	3.4	78.3	3.7
Adjusted operating result	6,377	2,904	119.6	4,335
Result after financial items, EUR thousand	4,827	1,421	239.8	2,366
Net result, EUR thousand	3,881	1,421	173.2	8,039
Basic earnings per share, EUR	0.39	0.15	169.7	0.83
Diluted earnings per share, EUR	0.39	0.14	178.3	0.79
Cash flow from operating activities, EUR thousand	7,198	-355	2,126.6	7,280
Interest-bearing net debt, EUR thousand	322	9,663	-96.7	2,186
Net gearing, %	0.8	35.3	-97.6	6.4
Return on equity, %	14.2	7.1	99.2	26.7
Return on investment, %	16.2	9.3	73.0	9.8
Equity ratio, %	46.8	41.9	11.9	46.5
Capex incl. lease liabilities, EUR thousand	5,713	3,230	76.9	3,808
Number of personnel at the end of the period incl. leased personnel	752	677	11.1	676
Average number of personnel incl. leased personnel	718	676	6.3	675
Order book, EUR thousand	25,057	18,214	37.6	19,587

Componenta is planning to simplify its Group structure

According to the preliminary plan, Componenta Manufacturing Oy will sell its business operations through a business transfer to its sister company, Componenta Castings Oy, on 31 December 2026. The arrangement constitutes a transfer of business under the Finnish Employment Contracts Act, whereby all employees of Componenta Manufacturing Oy will transfer to the service of the transferee as existing employees. Subject to the completion of the arrangement, Componenta Castings Oy's name will be changed to better reflect the company's business operations. Under this planned intra-Group arrangement, all operational business will be centralised into a single company. The aim is to enhance customer service so that, going forward, customers will deal with only one Componenta Group company delivering products and services. In addition, simplifying the Group structure will reduce the administrative burden and enable the more flexible use of resources.

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. During the review period, market prices for electrical energy showed significant volatility on a daily and hourly basis. Higher geopolitical tensions may increase uncertainty regarding the availability of raw materials and supplies, even within Componenta's own operational activities. In addition, global challenges with the availability of materials 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 supplies, 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, including an escalation or prolongation of the conflict in the Middle East, 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 supplies, 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.

The significance of hybrid influence and physical security risks has grown following changes in the geopolitical operating environment. Potential security threats could impact personnel safety, production continuity, information security or operational capabilities. The likelihood of major disruptions is currently assessed to be low, but their potential impact could be substantial.

The company continuously monitors the liquidity and counterparty risk. The company's financing 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 unutilised credit facilities totalling EUR 5.0 million (EUR 5.0 million), which are valid until September 2027; furthermore, an investment loan of EUR 3.0 million, of which EUR 2.0 million remained undrawn at the end of the review period; and a convertible bond arrangement of up to USD 3.0 million agreed with a US investor, which is available at the company's sole discretion, remains fully unutilised and is valid until 31 December 2027. In the company's view, the Group has access to debt financing from the market even in the unlikely event that any of the current financing arrangements were to expire. 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 30 June 2026, 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.

Alternative performance measure

In its half-year financial report for 2026, Componenta changed the calculation principles for its alternative performance measures so that expenses related to the implementation of the new enterprise resource planning (ERP) system and closely related systems are adjusted out of EBITDA and the operating result. This change improves the comparability of the reporting periods.

The company 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. Neither measure includes income or expenses related to corporate acquisitions, divestments or restructuring, nor expenses related to the implementation of the new ERP system or closely related systems.

EUR million	1 Jan to 30 Sep 2026	1 Jan to 30 Sep 2025	1 Jul to 30 Sep 2026	1 Jul to 30 Sep 2025
EBITDA	10.5	6.9	2.3	1.9
Adjusted EBITDA	10.7	6.9	2.5	1.9
Operating result	6.2	2.9	0.9	0.6
Adjusted operating result	6.4	2.9	1.1	0.6

During the review period, expenses related to the ERP implementation amounted to EUR 0.2 million. The total costs of implementing the new ERP system are estimated at around EUR 2.5 million. As this is a cloud-based system, its implementation costs are mainly recognised through the income statement, with only a portion eligible for capitalisation as an investment on the balance sheet. The roll-out of the new system will take place in phases, and the costs are expected to be incurred during 2026–2028. The system is expected to increase the efficiency of Componenta's operations and introduce artificial intelligence (AI) capabilities to all the functions managed through the system.

Webcast

President and CEO Sami Sivuranta will present the business review to investors, analysts and the media in a webcast on 30 October 2026 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-q3-2026.

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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 the Nasdaq Helsinki. www.componenta.com