

24 April 2025

**Somero Enterprises, Inc.**  
("Somero" or "the Company")

**Trading Update**

Somero® provides the following update on trading for the three months ended 31 March 2025 and on expectations for FY 2025 results.

**Market conditions and Q1 2025 trading**

Non-residential construction in the US, the Company's largest market, remains active, supported by demand from end markets including manufacturing, warehousing and logistics, data centers, chip factories, and electric vehicle and battery plants. However, recent developments in international trade relations and US immigration policies have heightened global uncertainty. This has exacerbated an already challenging selling environment in the US, where elevated interest rates remain the primary factor causing project delays and pauses, alongside broader macroeconomic pressures.

While customers continue to report robust bidding levels and healthy project backlogs, economic uncertainty and a lack of clarity around the timing of project starts or resumptions are impacting capital investment decisions. As a result, trading in Q1 was weaker than expected.

**Cost actions**

In response to the softer trading environment and consistent with Somero's agile operating model, the Company has initiated a targeted operational workforce reduction of approximately 15%. This restructuring, effective immediately, is limited to areas directly affected by lower sales volumes and does not currently impact customer-facing teams, future growth functions or administrative support. Together with a reduction in variable expenses and tighter cost controls, these actions are expected to partly offset the profitability impact of lower revenues in 2025. Management will continue to monitor commercial activities and will reassess its cost structure as required.

**Updated FY 2025 guidance**

In light of these market dynamics, and assuming trading conditions remain the same through 2025, Somero now expects:

- Revenues of approximately US 105.0m (previous market consensus estimate: US 113.6m)
- EBITDA of approximately US 24.0m (previous market consensus estimate: US 28.6m)
- Year-end cash of approximately US 28.0m (previous market consensus estimate: US 31.2m)

**Tim Averkamp, CEO of Somero, said:**

*"Somero has successfully navigated challenging market conditions many times before, and we are taking measured, proactive steps to do so again. Our flexible operating model allows us to respond decisively to near-term uncertainty while continuing to invest in product innovation and other strategic initiatives that underpin future growth."*

*"The fundamental demand drivers in our core markets remain intact, and we believe the actions we are taking now will position us to emerge stronger as conditions improve. Supported by a strong balance sheet, we remain focused on executing our growth strategy and are confident in Somero's long-term prospects."*

***This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014 as retained as part of UK law by virtue of the European Union (Withdrawal) Act 2018 as amended. Upon the publication of this Announcement, this inside information is now considered to be in the public domain.***

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