

30 July 2025

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

Trading Update

Somero® provides the following update on trading ahead of announcing its results for the six-month period ending 30 June 2025 on 9 September 2025.

Market conditions and H1 2025 trading

Long-term demand drivers in non-residential construction remain intact - including onshoring, data infrastructure (processing, data centers and chip plants), equipment electrification, EV and battery facilities, manufacturing, warehousing and logistics, and power generation - and Somero's customers continue to report high bidding activity and strong backlogs. However, the market pressures and global uncertainty highlighted previously, including the ongoing effects of tariffs, restrictive immigration policies and persistently high interest rates, continue to weigh heavily on activity.

In Somero's largest market, the US, the subdued pace of project starts has caused caution over investment decisions, impacting trading and leading to a weaker-than-expected June, historically a strong month and a key indicator of momentum entering H2. International markets have also slowed as they await clarity on potential trade deals.

H1 2025 trading is therefore expected to be lower than the comparable period in 2024, and FY 2025 performance is expected to fall below the guidance issued on 24 April. H2 2025 is anticipated to be stronger than H1, supported by normal seasonality and contributions from two new products, the Hammerhead by Somero and the next generation S-15EZ Boomed Screed.

The Hammerhead is designed for a broad customer segment that works on small to medium-scale concrete projects, both residential and non-residential, where productivity and affordability are prioritized. The S-15EZ Boomed Screed is geared to medium to large-sized projects, a popular segment, and incorporates the latest technology and features that improve usability and performance.

Cost actions

In response to the softer trading environment and consistent with Somero's agile operating model, the Company has initiated further cost reduction measures totaling US 3.0m on an annualized basis. These include a limited workforce reduction across both operational and non-operational departments, cuts to variable expenses, and tighter cost controls. Combined with the cost reduction announced in the 24 April trading update, total proforma annualized savings now amount to US 6.0m. These actions are expected to partly offset the impact of lower revenues on profitability in 2025.

Updated FY 2025 guidance

In light of these market dynamics, and assuming current conditions persist throughout the remainder of the year, Somero now expects:

- Revenues of approximately US 90.0m (previous guidance: US 105.0m)
- EBITDA of approximately US 18.0m (previous guidance: US 24.0 m)
- Year-end cash of approximately US 24.0m (previous guidance: US 28.0m)

Longer-term outlook and updated strategic framework

Despite near-term headwinds, the Board remains confident in Somero's medium and long-term opportunity. The underlying demand and growing pipeline for large, high-specification buildings - where efficiently placed, laser leveled concrete floors are fundamental requirements - is only expected to strengthen. This will inevitably support a recovery in project starts and capital investment as economic conditions improve.

As the clear market leader, with a strong balance sheet, a proven record of navigating challenging conditions, and a steadfast commitment to innovation guided by close customer engagement, Somero is well positioned to benefit as market momentum returns. To ensure the business takes full advantage of the opportunity, the Board is finalizing an updated strategic framework, which will be shared alongside the H1 2025 results.

Tim Averkamp, CEO of Somero, said:

"While ongoing market uncertainty has resulted in project start delays and soft trading, we are confident in our ability to adapt and emerge strongly when conditions normalize. Encouragingly, our customers report increasing bidding activity, which coupled with broader end-market tailwinds, supports our confidence in the medium-term outlook.

"In line with our flexible operating model, we've taken further steps to reduce costs while staying focused on our long-term objectives. We are excited to introduce the new Hammerhead and S-15EZ, two key innovative, customer-driven product offerings, in the second half of 2025, and look forward to sharing our long-term strategic framework, which will guide our next phase of growth, in September."

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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