RNS Number : 4988Y
Somero Enterprises Inc.
09 September 2025

9 September 2025

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

Interim Results for the six months ended 30 June 2025

Challenging market conditions; long-term drivers intact, guidance reaffirmed

Financial Highlights	**H1 2025 US**	**H1 2024 US**	**% Change**
Revenue	39.8m	51.8m	-23%
Adjusted EBITDA(1,2)	6.4m	12.4m	-48%
Adjusted EBITDA margin(1,2)	15.9%	23.8%	-790bps
Profits before tax	4.9m	10.6m	-54%
Adjusted net income(1,3)	3.3m	8.0m	-59%
Diluted adjusted net income per share(1,3)	0.06	0.14	-57%
Cash flow from operations	4.1m	2.9m	41%
Net cash(4)	24.6m	20.8m	18%
Interim dividend per share	0.04	0.08	-50%

- **Disciplined approach to H1**: against a challenging market backdrop
- **US the key headwind**: North America revenue -18% due to dampened project starts and investment confidence linked to tariffs, elevated interest rates and restrictive immigration policies as previously reported
- **Softer international trading**: Europe -51% reflecting customer caution amid US and geopolitical uncertainty; Australia -34% as sales volumes normalize against a backdrop of skilled labor shortages and tightened monetary policy; ROW -11% primarily due to reduced Latin America volumes
- **However, demand drivers remain intact**: onshoring, data infrastructure, equipment electrification, EV/battery facilities, manufacturing, warehousing and logistics, and power generation
- **High bidding activity and healthy project backlogs**: reported by customers
- **Strong new product contribution**: delivered US 4.2m revenue, up 36%
- **Cost action taken**: partly offsetting impact of lower revenues on profitability
- **Operating cashflow improvement**: aided by favorable timing of collections
- **Unchanged FY25 guidance**: Trading is expected to strengthen in the second half of the year, supported by seasonal uplift and contributions from new products. Revenues of c. US 90.0m, EBITDA of c. US 18.0m, and year-end cash of c. US 24.0m.

Operational Highlights

- **Key leadership appointments**:
  - **Bob Scheuer as Chairman**, bringing deep knowledge of Somero and Fortune 500 leadership experience
  - **Tim Averkamp as Chief Executive Officer**, with 30 years of international experience in global construction machinery and equipment innovation
- **New product launch**:
  - **The SRS-4e** in January, Somero's first electric-powered Boomed Laser Screed
  - **The Hammerhead** in H2, expanding Somero's reach beyond its traditional base into the expansive mid-range concrete contractor segment
  - **The S-15EZ** in H2, a next-generation mid-sized Boomed Screed
- **Updated strategic framework**: to guide the Company's next phase of growth

Notes:

1. The Company uses non-US GAAP financial measures to provide supplemental information regarding the Company's operating performance. See further information regarding non-GAAP measures below.

2. Adjusted EBITDA as used herein is a calculation of the Company's net income plus tax provision, interest expense, interest income, foreign exchange loss, other expense, depreciation, amortization stock-based compensation and non-cash lease expense.

3. Adjusted net income as used herein is a calculation of net income plus amortization of intangibles and excluding the tax impact of stock option and RSU settlements and other special items.

4. Net cash is defined as cash and cash equivalents less borrowings under bank obligations exclusive of deferred financing costs.

Tim Averkamp of Somero, said:

"I am proud of how the Company has navigated the challenges presented by the first half of the year. While macroeconomic uncertainty weighed on performance, our disciplined focus on operational efficiency and the enduring nature of our long-term growth drivers position us well for recovery as market conditions stabilize.

"The introduction of three new products this year - including our first electric-powered laser screed - underscores our commitment to long-term growth and innovation. With two more new products set to debut in the second half, we continue to broaden our customer reach and deepen our international presence.

"We are encouraged by the underlying resilience of our core markets and expect performance to strengthen as macroeconomic challenges begin to subside. With an eye on the future, I'm pleased with the early developments to refresh our long-term strategic framework which is focused on driving resilience today and positioning the business to capture the substantial opportunities ahead. Our history of operational discipline and adaptability gives us confidence that we will emerge from this period stronger, more agile, and better prepared to seize future opportunities."

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Notes to Editors:

Somero Enterprises provides industry-leading concrete-leveling equipment, training, education and support to customers in over 90 countries. The Company's cutting-edge technology allows its customers to install high-quality horizontal concrete floors faster, flatter and with fewer people. Somero® equipment that incorporates laser-technology and wide-placement methods is used to place and screed the concrete slab in all building types and has been specified for use in a wide range of commercial construction projects for numerous global blue-chip companies.

Somero pioneered the Laser Screed® market in 1986 and has maintained its market-leading position by continuing to focus on bringing new products to market and developing patent-protected proprietary designs. In addition to its products, Somero offers customers unparalleled global service, technical support, training and education, reflecting the Company's emphasis on helping its customers achieve their business and profitability goals, a key differentiator to its peers.

For more information, visit www.somero.com

Chairman's and Chief Executive Officer's Statement

<u>Overview</u>

The Board is pleased with the Company's ability to respond swiftly and decisively to external pressures, preserving profitability while remaining steadfast in executing its long-term growth strategy of introducing new products and further penetrating international markets. The Board is pleased with the overall performance in H1 2025 given the scale, persistence, and global nature of the macroeconomic challenges affecting trading.

Revenue was US 39.8m (H1 2024: US 51.8m), a 23% decline, with most markets and product categories contributing. The Company's flexible cost structure enabled rapid adjustment to lower volumes, helping deliver adjusted EBITDA of US 6.4m (H1 2024: US 12.4m) with a margin of 15.9% (H1 2024: 23.8%). Pricing actions and efficiency gains partially offset unabsorbed overhead in the period, supporting a healthy gross margin of 52.8% (H1 2024: 54.6%).

Cash flow was US 4.1m (H1 2024: US2.9m), benefiting from timing of collections and lower capital outlays, translating to a cash balance of US 24.6m at 30 June 2025 after paying a US 7.1m dividend in May. Inventory build-up was primarily attributable to new products and lower sales, but with trading expected to strengthen in H2, supported by normal seasonality and contributions from two new products, full-year inventory levels are expected to moderate.

Regional Review

North America

North American sales declined 18% to US31.8m (H1 2024: US38.8m), primarily driven by lower sales of Boomed and Ride-on screeds. Revenue from direct sales to new customers represented 15% of total H1 revenue in the region (2024: 23%). Customers continue to report healthy bidding and robust backlogs, however project starts, as previously reported, continue to be subdued. Despite this, underlying demand in the non-residential market remains positive, supported by long-term structural trends. Furthermore, the worsening shortage of skilled labor is increasing the need for automation and productivity improvements, which in turn continues to drive demand for our products.

Europe

Sales in Europe were US3.5m (H1 2024: US7.1m), a 51% decline, reflecting weaker market conditions compounded by turbulent trade relations with the US and on-going geopolitical conflicts. Revenue from direct sales to new customers represented 38% of total H1 revenue in the region (2024: 32%). Europe remains one of Somero's key target international markets, with the Company continuing to view the region as offering significant future growth potential despite the near-term headwinds. The 2024 opening of our Belgium service center has enhanced our ability to serve the customers in the region and to meet demand for local machine repair and servicing.

Australia

In Australia, revenue declined 34% to US 2.1m (H1 2024: US3.2m). Revenue from direct sales to new customers represented 25% of total H1 revenue in the region (2024: 62%). The transition from a dealer model to direct sales alongside the addition of key sales and support personnel facilitated the rapid expansion of our in-country product range from 2020 onwards. There was a strong initial uptake, contributing to the exceptional growth seen in recent years. Furthermore, the territory is experiencing severe shortages of skilled tradespeople, persistent inflation and significantly tightened monetary policy to bring inflation back within its target range. While we expect the long-term growth rate in Australia to continue to normalize, there remains opportunity to further deepen market penetration in the region. We continue to focus on growing revenue in this territory by broadening awareness and educating the marketplace on Somero's value proposition.

Rest of World

Our Rest of World region, which includes Latin America, the Middle East, India, Southeast Asia, Korea and China, reported sales of US2.4m (H1 2024: US2.7m), representing an 11% decline. The main contributor to H1 2025 revenues was Latin America, which reported sales of US0.5m compared to US 1.3m in H1 2024. As previously stated, given the relatively small base of business in each region, trading will fluctuate from period to period.

Product Review

H1 2025 revenue performance

- **Boomed screeds**: US 13.3m (down 30%). Long-term demand continues to be supported by drivers including onshoring, data centers and AI infrastructure, EV and battery plants, and US legislation such as the CHIPS Act
- **Ride-on screeds**: US 7.1m (down 35%)
- **3D Profiler System**: US 2.7m (down 37%)
- **Remanufactured machines**: US 3.4m (down 15%)
- **Parts and service**: US 8.5m (down 14%), with most of the decline in North America and a relatively stable performance in Europe supported by the addition of the Belgium service center in 2024

Encouragingly, sales of new products including SRS-4e, SRS-6, S-940e, SkyScreed®, SkyStrip, S-PS50 and Broom + Cure® were US 4.2m, up 36%.

Sales of the SkyScreed 36, originally introduced in 2019, were US0.7m (H1 2024: none). Targeting a new market segment and disrupting established practices, we continue to believe the product has significant long-term potential in the high-rise structural market. As with many of our new products, adoption is expected to be gradual and trading volatile at the beginning of its life. However, each launch reflects years of R&D and direct engagement with customers, giving us confidence that our diversified pipeline is well aligned with future demand. We remain focused on driving market penetration and unlocking the long-term value of these innovations.

New product launches

The Company continues to advance a robust pipeline of innovations designed to open new markets, strengthen its competitive position, and meet changing customer needs. Investment in R&D is a core strategic priority, ensuring Somero is well positioned to capture long-term growth opportunities as the construction industry evolves.

In January, the Company launched the SRS-4e, an electric version of the popular SRS-4 Boomed screed, continuing its electrification journey. Customer feedback has been positive, particularly in Europe where demand for sustainable solutions is more advanced. Electrification remains an important part of our long-term agenda, with our approach guided by customer demand. While uptake is still at an early stage in our industry, we continue to invest selectively to ensure we are well positioned as adoption develops.

Looking ahead to H2, the Hammerhead by Somero will broaden our reach into the mid-range concrete contractor segment with a solution designed for quality, ease of use and affordability. This segment is significantly larger than the Company's traditional commercial customer base and has different needs necessitating a tailored offering.

The third new machine set to launch in H2 is the S-15EZ, the next generation successor to the S-15R mid-sized Boomed screed. Incorporating the latest technologies and features, the S-15EZ offers enhanced maneuverability, quality, and productivity, making it well suited to today's market where pour sizes have been trending down.

Alongside the development of new machines, the Company is also committed to improving current and future products through new technologies and enhancing the overall customer experience. In January, the Company launched a virtual reality simulation training program for the S-22EZ, complete with mobile phone app, giving customers the ability to train anytime, anywhere. This cutting-edge tool reduces costs, improves efficiency, and demonstrates our commitment to using technology to deliver lasting value beyond the machine itself.

Beyond these launches, our product pipeline remains active and forward-looking. We are advancing R&D to deliver new machines that address customer pain points and enhance productivity, introducing technologies to strengthen both current and future products, and exploring opportunities in adjacent markets. Several initiatives are already underway that have the potential to open further growth avenues. While details will be shared in due course, our commitment to innovation ensures that Somero remains well positioned to anticipate customer needs and capture future demand.

Updated Strategic Framework

Against a backdrop of near-term market challenges, the Board has refreshed Somero's long-term strategic framework to reinforce resilience today while at the same time positioning the business to capture the substantial opportunities ahead. The framework is designed to guide the Company through current conditions with focus and discipline, while sharpening execution around areas of highest impact. In the longer term, the framework is intended to drive sustainable growth and ultimately superior shareholder returns.

The framework builds on the Company's proven model, while incorporating fresh perspectives from new leadership. It reflects Somero's ambition to reinforce its foundations, extend its track record of innovation, and broaden its reach. Crucially, it provides a common language and shared focus across the organization, aligning resources and priorities and ensuring everyone at the Company pulls in the same direction.

The updated framework is built around three strategic pillars:

1. **Fortify**: reinforcing Somero's foundation through strengthening operational excellence, delivering best in class customer service and support, and continued investment in people, culture and processes.
2. **Innovate**: driving innovation through new product developments, advancing technologies, refining processes, and discovering better ways to serve our customers. By harnessing customer insight and our industry expertise, we strive to create or acquire solutions that address evolving needs and deliver lasting value both within current markets and as we explore new opportunities.
3. **Amplify**: expanding and scaling Somero's reach into new customer segments, augmenting sales channels, and spreading awareness of the Company's value proposition in existing and adjacent markets through both organic growth initiatives and strategic acquisitions.

Implementation of the framework is now underway, with the broader organization developing initiatives under each pillar. While this work is in its early stages, the framework ensures the organization and its resources are aligned and directed toward the areas with the greatest impact on growth and value creation. As the program progresses, the Board expects to refine priorities and, in time, provide further updates in due course.

<u>Cashflow and Balance Sheet</u>

Operating cash flow in H1 2025 was US4.1m (H1 2024: US2.9m) benefiting from a decrease in working capital as a result of timing of collections.

Capital expenditure was US0.5m (H1 2024: US1.7m), relating to on-going product software programs and other activities in the ordinary course of business. Dividends of US 7.1m (H1 2024: US11.4m) were paid, reflecting the Company's ongoing commitment to disciplined return of cash to shareholders, alongside US 0.8m share repurchases under the 2024 and 2025 buyback programs.

Net cash at 30 June 2025 was US24.6m (31 December 2024: US29.5m, 30 June 2024: US20.8m) after the dividend payments, leaving the Company with ample liquidity to support operations and strategic investments. The balance sheet remains debt-free with access to an unutilized US 25.0m secured revolving line of credit, providing a strong platform for future growth.

<u>Dividend and Share Buyback Program</u>

Based on the results in H1 2025 and the outlook for the remainder of 2025, we are pleased to report that the Board has declared an interim dividend of US0.04 per share, maintaining a balance between interim and final dividends as in prior years. The dividend, totaling approximately US2.2m, will be payable on 17 October 2025 to shareholders on the register at 19 September 2025. The ex-dividend date is 18 September 2025.

In H1 2025, the Company repurchased a total of 256,734 shares under the Company's ongoing buyback program put in place to offset dilution from equity award schemes. Shares were acquired in line with previously announced program parameters. The Company will make further announcements to the market as and when further repurchases are made.

<u>Our People</u>

On behalf of the Board, we would like to thank all our employees worldwide for their continued commitment

On behalf of the Board, we would like to thank all our employees worldwide for their continued commitment and contribution. The adaptability and dedication of the Somero team remain a core strength, enabling the Company to respond effectively to changing conditions while consistently delivering high-quality products and service to customers. This agility underpins our flexible cost model and supports sustained profitability. The Board and management remain committed to providing a rewarding and challenging environment with opportunities for all employees to grow and succeed.

Outlook

Demand for US non-residential construction remains resilient, supported by positive long-term trends across key end-markets. Global uncertainty - linked to factors including tariffs, persistently high interest rates and restrictive immigration policies - continues to weigh on the pace of projects, however customers report strong levels of bidding activity and healthy backlogs which are expected to extend through year-end.

The Board expects trading to improve in H2 compared with H1, supported by normal seasonality and contributions from new products.

We continue to anticipate full year 2025 revenues of c. US 90.0m, adjusted EBITDA of c. US 18.0m, and year-end net cash of c. US 24.0m.

Bob Scheuer
Non-Executive Chairman

Tim Averkamp
Chief Executive Officer
9 September 2025

FINANCIAL REVIEW

Summary of financial results	**For the six months ended June 30**	
* *unaudited*	**2025**	**2024**
	US 000	**US 000**
	Except per share data	*Except per share data*
Revenue	39,828	51,839
Cost of sales	18,796	23,527
Gross profit	21,032	28,312
Operating expenses		
Selling, marketing and customer support	6,704	8,183
Engineering and product development	1,025	1,347
General and administrative	8,585	7,953
Total operating expenses	16,314	17,483
Operating income	4,718	10,829
Other income (expense)		
Interest expense	(20)	(20)
Interest income	215	194
Foreign exchange impact	(58)	(522)
Other	3	122
Income before income taxes	4,858	10,603
Provision for income taxes	2,266	2,462
Net income	**2,592**	**8,141**
	Per Share	**Per Share**
	US	US
Basic earnings per share	0.05	0.15
Diluted earnings per share	0.05	0.15
Basic adjusted net income per share (1), (2), (4)	0.06	0.15
Diluted adjusted net income per share (1), (2), (4)	0.06	0.14

Diluted adjusted net income per share	[illegible]	[illegible]
Other data		
Adjusted EBITDA (1), (2), (4)	6,352	12,350
Adjusted net income (1), (3), (4)	3,308	8,046
Depreciation expense	1,051	789
Amortization of intangibles	71	71
Capital expenditures	506	1,650

Notes:

1. Adjusted EBITDA and Adjusted net income are not measurements of the Company's financial performance under US GAAP and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with US GAAP or as an alternative to US GAAP cash flow from operating activities as a measure of profitability or liquidity. Adjusted EBITDA and Adjusted net income are presented herein because management believes they are useful analytical tools for measuring the profitability and cash generation of the business. Adjusted EBITDA is also used to determine pricing and covenant compliance under the Company's credit facility and as a measurement for calculation of management incentive compensation. The Company understands that although Adjusted EBITDA is frequently used by securities analysts, lenders, and others in their evaluation of companies, its calculation of Adjusted EBITDA may not be comparable to other similarly titled measures reported by other companies.

2. Adjusted EBITDA as used herein is a calculation of net income plus tax provision, interest expense, interest income, foreign exchange gain (loss), other expense, depreciation, amortization, stock-based compensation, and non-cash lease expense.

3. Adjusted net income as used herein is a calculation of net income plus amortization of intangibles and excluding the tax impact of stock option and RSU settlements and other special items.

4. The Company uses non-US GAAP financial measures to provide supplemental information regarding the Company's operating performance. The non-US GAAP financial measures presented herein should not be considered in isolation from, or as a substitute to, financial measures calculated in accordance with US GAAP. Investors are cautioned that there are inherent limitations associated with the use of each non-US GAAP financial measure. In particular, non-US GAAP financial measures are not based on a comprehensive set of accounting rules or principles, and many of the adjustments to the US GAAP financial measures reflect the exclusion of items that may have a material effect on the Company's financial results calculated in accordance with US GAAP.

Net income to adjusted EBITDA reconciliation and
Adjusted net income reconciliation

** unaudited*

	Six months ended June 30	
	2025	**2024**
	US 000	**US 000**
Adjusted EBITDA reconciliation		
Net income	2,592	8,141
Tax provision	2,266	2,462
Interest expense	20	20
Interest income	(215)	(194)
Foreign exchange impact	58	522
Other	(3)	(122)
Depreciation	1,051	789
Amortization	71	71
Non-cash lease expense	118	183
Stock-based compensation	394	478
Adjusted EBITDA	**6,352**	**12,350**
Adjusted net income reconciliation		
Net income	2,592	8,141
Amortization	71	71
Valuation allowance on deferred tax assets	857	-
Tax impact of stock option & RSU settlements	(212)	(166)
Adjusted net income reconciliation	**3,308**	**8,046**

Notes:

1. Adjusted EBITDA and Adjusted net income are not measurements of the Company's financial performance under US GAAP and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with US GAAP or as an alternative to US GAAP cash flow from operating activities as a measure of profitability or liquidity. Adjusted EBITDA and Adjusted net income are presented herein because management believes they are useful analytical tools for measuring the profitability and cash generation of the business. Adjusted EBITDA is also used to determine pricing and covenant compliance under the Company's credit facility and as a measurement for calculation of management incentive compensation. The Company understands that although Adjusted EBITDA is frequently used by securities analysts, lenders, and others in their evaluation of companies, its calculation of Adjusted EBITDA may not be comparable to other similarly titled measures reported by other companies.

2. Adjusted EBITDA as used herein is a calculation of the Company's net income plus tax provision, interest expense, interest income, foreign exchange *gain (loss), other expense, depreciation, amortization, stock-based compensation, and non-cash lease expense.*

3. Adjusted net income as used herein is a calculation of net income plus amortization of intangibles and excluding the tax impact of stock option and RSU settlements and other special items.

4. The Company uses non-US GAAP financial measures in order to provide supplemental information regarding the Company's operating performance. The non-US GAAP financial measures presented herein should not be considered in isolation from, or as a substitute to, financial measures calculated in accordance with US GAAP. Investors are cautioned that there are inherent limitations associated with the use of each non-US GAAP financial measure. In particular, non-US GAAP financial measures are not based on a comprehensive set of accounting rules or principles, and many of the adjustments to the US GAAP financial measures reflect the exclusion of items that may have a material effect on the Company's financial results calculated in accordance with US GAAP.

Revenues

The Company's consolidated revenues decreased by 23% to approximately US39.8m (H1 2024: US51.8m). The Company's revenues consist primarily of sales from Boomed Screed products, which include the S-28EZ, S22-EZ, S-15R, S-10A, SRS-6, SRS-4, and SRS-4e Laser Screed machines, sales from Ride-on Screed products, which are drive through the concrete machines that include the S-485, S-940, S940e, and S-158C Laser Screed machines, remanufactured machines sales, 3-D Profiler Systems, SkyScreed, and Other revenues which consist of revenue from sales of parts and accessories, sales of other equipment, service, training and shipping charges. The overall decrease for the period was primarily driven by lower volume of the Boomed Screeds, particularly the S-28EZ, and 3-D Profiler System.

Boomed Screed sales decreased to approximately US13.3m (H1 2024: US19.0m) as unit volume decreased, Ride-on Screed sales decreased to approximately US7.0m (H1 2024: US10.7m) due to a decrease in volume, remanufactured machine sales decreased to approximately US3.4m (H1 2024: US4.0m) due to a decrease in volume, 3-D Profiler System sales decreased to approximately US2.7m (2024: US4.3m) due to a decrease in volume, SkyScreed sales increased to approximately US0.7m in H1 2025 (no Skyscreed sales in H1 2024). Other revenues decreased to approximately US12.7m (H1 2024: US13.8m) mostly due to a decrease in parts sales. The following table shows the breakdown during the six months ended June 30, 2025 and 2024:

Revenue breakdown by geography	**North America US in millions**		**EMEA(1) US in millions**		**ROW(2) US in millions**		**Total US in millions**			
							2025		**2024**	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**	**Net sales**	**% of Net sales**	**Net sales**	**% of Net sales**
Boomed screeds (3)	11.0	13.6	1.3	3.1	1.0	2.3	13.3	33.4%	19.0	36.7%
Ride-on screeds (4)	4.9	7.3	1.0	1.9	1.1	1.5	7.0	17.6%	10.7	20.7%
Remanufactured machines	3.4	3.3	-	0.6	-	0.1	3.4	8.5%	4.0	7.7%
3D Profiler System	2.3	3.9	-	0.1	0.4	0.3	2.7	6.8%	4.3	8.3%
SkyScreed®	0.4	-	-	-	0.3	-	0.7	1.8%	-	-
Other (5)	9.8	10.7	1.5	1.5	1.4	1.6	12.7	31.9%	13.8	26.6%
Total	31.8	38.8	3.8	7.2	4.2	5.8	39.8	100%	51.8	100%

Notes:

1. EMEA includes Europe, the Middle East, and Scandinavia.

2. ROW includes Australia, Latin America, India, China, Korea, and Southeast Asia

3. Boomed Screeds include the S-22EZ, S-28EZ, S-15R, S-10A, SRS-4, SRS-4e and SRS-6.

4. Ride-on Screeds include the S-940,S-940e, S-485, and S-158C.

5. Other includes parts, accessories, services, and freight, as well as other equipment such as the Somero Line Dragon®, Somero Broom+Cure, STS-11M Topping Spreader, Copperhead, Mini Screed C and S-PS50.

Sales to customers located in North America contributed 80% of total revenue (H1 2024: 75%), sales to customers in EMEA (Europe, Middle East, and Scandinavia) contributed 10% (H1 2024: 14%) and sales to customers in ROW (Southeast Asia, Australia, Latin America, India and China) contributed 10% (H1 2024: 11%).

Sales in North America totaled approximately US31.8m (H1 2024: US38.8m) down 18%, primarily driven by a decrease in both Boomed Screeds and Ride-on Screeds. Sales to customers in EMEA were approximately US decrease in both Boomed Screeds and Ride-on Screeds. Sales to customers in EMEA were approximately US 3.8m (H1 2024: US7.2m) down 47%, driven mostly by a decrease in Boomed Screeds in Europe at US3.5m and to a lesser extent the Middle East. Sales to customers in ROW were approximately US 4.2m (H1 2024: US5.8m) decreasing by 28% driven by a decrease across most product categories in Australia and Latin America.

Regional sales	US in millions H1 2025	H1 2024
North America	31.8	38.8
Europe	3.5	7.1
Australia	2.1	3.2
Rest of World[1]	2.4	2.7
Total	39.8	51.8

Notes:

(1) Includes India, Middle East, China, Southeast Asia, Korea and Latin America.

Gross profit

Gross profit decreased to approximately US 21.0m (2024: US 28.3m), with gross margins decreasing to 52.8% compared to 54.6% in H1 2024, reflecting higher input and logistical costs and lower volume scale, partly offset by a price increase.

Operating expenses

Operating expenses excluding depreciation, amortization and stock-based compensation for H1 2025 were approximately US 15.2m (H1 2024: US16.4m), which is primarily reflective of lower incentive compensation and sales commissions, partly offset by higher expenses related to the new Belgium facility.

Debt

As of June 30, 2025, the Company had no outstanding debt. In August 2022, the Company updated its credit facility to a US 25.0m secured revolving line of credit, with a maturity date of August 2027. The interest rate on the revolving credit line is based on the BSBY Index plus 1.25%. The Company's credit facility is secured by substantially all of its business assets.

Provision for income taxes

The provision for income taxes decreased to approximately US2.3m, at an overall effective tax rate of 47%, compared to a provision of approximately US 2.5m in H1 2024, at an overall effective tax rate of 23%. The increase in overall effective tax rate is due to a valuation allowance placed on foreign deferred tax assets.

Earnings per share

Basic earnings per share represents income available to common stockholders divided by the weighted average number of shares outstanding during the period. Diluted earnings per share reflect additional common shares that would have been outstanding if dilutive potential common shares had been issued, as well as any adjustments to income that would result from the assumed issuance. Potential common shares that may be issued by the Company relate to outstanding stock options and restricted stock units. Earnings per common share has been computed based on the following:

	Six months ended June 30 2025 US 000	2024 US 000
Income available to stockholders	2,592	8,141
Basic weighted shares outstanding	54,814,372	55,296,172
Net dilutive effect of stock options and restricted stock units	781,228	617,468
Diluted weighted average shares outstanding	55,595,601	55,913,640

	Per Share US	Per Share US
Basic earnings per share	0.05	0.15
Diluted earnings per share	0.05	0.15
Basic adjusted net income per share	0.06	0.15
Diluted adjusted net income per share	0.06	0.14

Consolidated Balance Sheets

As of June 30, 2025 and December 31, 2024

As of June 30, 2025

	2025 * *unaudited* **US 000**	**As of December 31, 2024** **US 000**
Assets		
Current assets:		
Cash and cash equivalents	24,628	29,486
Accounts receivable - net of allowance for credit losses of US 1,294 in 2025 and US 1,194 in 2024	3,905	9,251
Inventories - net	24,406	18,816
Prepaid expenses and other current assets	1,707	2,576
Income tax receivable	817	1,286
Total current assets	55,463	61,415
Accounts receivable, non-current - net	613	567
Property, plant, and equipment - net	26,225	26,763
Financing lease right-of-use assets - net	576	546
Operating lease right-of-use assets - net	2,162	2,224
Intangible assets - net	907	978
Goodwill	3,294	3,294
Deferred tax asset	1,145	1,982
Other assets	254	347
Total assets	**90,639**	**98,116**
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	3,389	3,544
Accrued expenses	5,486	7,409
Financing lease liability - current	259	229
Operating lease liability - current	342	332
Total current liabilities	9,476	11,514
Financing lease liability - long-term	270	247
Operating lease liability - long-term	1,888	1,967
Other liabilities	81	87
Total liabilities	**11,715**	**13,815**
Stockholders' equity		
Preferred stock, US .001 par value, 50,000,000 shares authorized, no shares issued and outstanding	-	-
Common stock, US .001 par value, 80,000,000 shares authorized, 54,690,333 and 54,908,160 shares issued on June 30, 2025 and December 31, 2024, respectively, and 54,665,540 and 54,908,160 shares outstanding on June 30, 2025 and December 31, 2024, respectively	26	26
Less: treasury stock, 24,793 shares as of June 30, 2025 and 0 shares as of December 31, 2024 at cost	(84)	-
Additional paid in capital	10,150	10,947
Retained earnings	70,803	75,334
Other comprehensive loss	(1,971)	(2,006)
Total stockholders' equity	**78,924**	**84,301**
Total liabilities and stockholders' equity	**90,639**	**98,116**

See Notes to unaudited consolidated financial statements.

Consolidated Statements of Comprehensive Income

For the six months ended June 30, 2025 and 2024

* *unaudited*

	Six months ended June 30	
	2025 **US 000** *Except per share data*	**2024** **US 000** *Except per share data*
Revenue	39,828	51,839
Cost of sales	18,796	23,527
Gross profit	21,032	28,312
Operating expenses		
Sales, marketing, and customer support	6,704	8,183
Engineering and product development	1,025	1,347
General and administrative	8,585	7,953
Total operating expenses	16,314	17,483
Operating income	4,718	10,829
Other income (expense)		
Interest expense	(20)	(20)
Interest income	215	194
Foreign exchange impact	(58)	(522)
Other	3	122
Income before income taxes	4,858	10,603
Provision for income taxes	2,266	2,462
Net income	2,592	8,141

Net income	2,592	8,141
Other comprehensive income		
Cumulative translation adjustment	35	335
Comprehensive income	2,627	8,476
Earnings per common share		
Earnings per share - basic	0.05	0.15
Earnings per share - diluted	0.05	0.15
Weighted average number of common shares outstanding		
Basic	54,814,372	55,296,172
Diluted	55,595,601	55,913,640

See Notes to unaudited consolidated financial statements.

Consolidated Statements of Changes in Stockholders' Equity
For the six months ended June 30, 2025
** unaudited*

	Common stock			Treasury stock				
	Shares	**Amount US 000**	**Additional paid-in capital US 000**	**Shares**	**Amount US 000**	**Retained earnings US 000**	**Other Comprehensive loss US 000**	**Total Stockholders' equity US 000**
Balance - December 31, 2024	54,908,160	26	10,947	-	-	75,334	(2,006)	84,301
Cumulative translation adjustment	-	-	-	-	-	-	35	35
Net income	-	-	-	-	-	2,592	-	2,592
Stock-based compensation	-	-	394	-	-	-	-	394
Dividend	-	-	-	-	-	(7,123)	-	(7,123)
Cancellation of treasury stock	(231,941)	-	(737)	(231,941)	737	-	-	-
RSUs settled for cash	-	-	(454)	-	-	-	-	(454)
Share buyback	-	-		256,734	(821)	-	-	(821)
New shares issued	14,114	-	-	-	-	-	-	-
Balance - June 30, 2025	54,690,333	26	10,150	24,793	(84)	70,803	(1,971)	78,924

See Notes to unaudited consolidated financial statements.

Consolidated Statements of Cash Flows
For the six months ended June 30, 2025 and 2024
**unaudited*

	Six months ended June 30	
	2025 US 000	**2024 US 000**
Cash flows from operating activities:		
Net income	2,592	8,141
Adjustments to reconcile net income to net cash provided by operating activities:		
Deferred taxes	837	(694)
Depreciation and amortization	1,122	860
Non-cash lease expense	118	183
Provision for credit losses (recoveries)	100	(203)
Stock-based compensation	394	478
(Gain)/loss on sale of property and equipment	(7)	(37)
Working capital changes:		
Accounts receivable	5,200	315
Inventories	(5,590)	(4,741)
Prepaid expenses and other current assets	869	222
Other assets	93	(104)
Accounts payable, accrued expenses and other liabilities	(2,066)	(1,533)
Income tax receivable	[illegible]	

Income tax receivable	469	-
Net cash provided by operating activities	4,131	2,887
Cash flows from investing activities:		
Property, plant, and equipment purchases	(506)	(1,650)
Net cash used in investing activities	(506)	(1,650)
Cash flows from financing activities:		
Payment of dividend	(7,123)	(11,373)
RSUs settled for cash	(454)	(713)
Payments under financing leases	(120)	(120)
Share buy back	(821)	(1,915)
Net cash used in financing activities	(8,518)	(14,121)
Effect of exchange rates on cash and cash equivalents	35	335
Net decrease in cash and cash equivalents	(4,858)	(12,549)
Cash and cash equivalents:		
Beginning of period	29,486	33,311
End of period	24,628	20,762

See Notes to unaudited consolidated financial statements.

Notes to the Consolidated Financial Statements

As of June 30, 2025 and December 31, 2024

1. Organization and description of business

Nature of business

Somero Enterprises, Inc. (the "Company" or "Somero") designs, assembles, remanufactures, sells, and distributes concrete leveling, contouring, and placing equipment, related parts and accessories, and training services worldwide. Somero's Operations and Support Offices are located in Michigan, USA with Global Headquarters and Training Facilities in Florida, USA. Sales and service offices are in Chesterfield, England; Kampenhout, Belgium; Melbourne, Australia and New Delhi, India.

2. Summary of significant accounting policies

Basis of presentation

The consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America.

Principles of consolidation

The consolidated financial statements include the accounts of Somero Enterprises, Inc., and its subsidiaries. All significant intercompany transactions and accounts have been eliminated in consolidation.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and cash equivalents

Cash includes cash on hand, cash in banks, and temporary investments with a maturity of three months or less when purchased. The Company maintains deposits in a number of financial institutions globally, which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation ("FDIC"). The Company has not experienced any losses related to amounts in excess of FDIC limits.

Restricted Cash

Restricted cash of approximately US 329,000 and US 320,000 is included in "Cash and cash equivalents" on the consolidated balance sheet as of June 30, 2025 and December 31, 2024. This represents cash deposited by the Company into a guaranteed deposit account and designated as collateral for the building lease in Australia and Belgium, in accordance with the lease agreement.

Accounts receivable and allowances for credit losses

Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of accounts receivable. The Company's accounts receivable are derived from revenue earned from a diverse group of customers. The Company performs credit evaluations of its commercial customers and maintains an allowance for credit losses based upon the expected ability to collect accounts receivable. Allowances, if necessary, are established for amounts determined to be uncollectible based on specific identification and historical experience. As of June 30, 2025 and December 31, 2024, the allowance for credit losses was approximately US 1,294,000 and US 1,194,000, respectively. Provision for credit losses (recovery) for the six months ended June 30, 2025 and 2024, was approximately US100,000 and US (203,000), respectively. The opening balance of accounts receivable on January 1, 2024 was US9,266,000, which includes US 431,000 of non-current accounts receivable.

Inventories

Inventories are stated using the first in, first out ("FIFO") method, at the lower of cost or net realizable value ("NRV"). Provision for potentially obsolete or slow-moving inventory is made based on management's analysis of inventory levels and future sales forecasts. As of June 30, 2025 and December 31, 2024, the provision for obsolete and slow-moving inventory was approximately US 1,118,000 and US 1,163,000, respectively.

Intangible assets and goodwill

Intangible assets consist primarily of customer relationships, trademarks, and patents, and are carried at their fair value when acquired, less accumulated amortization. Intangible assets are amortized using the straight-line method over a period of three to twelve years, which is their estimated period of economic benefit.

Goodwill is not amortized but is subject to impairment tests on an annual basis, and the Company has chosen December 31 as its periodic assessment date. Goodwill represents the excess cost of the business combination over the Company's interest in the fair value of the identifiable assets and liabilities. Goodwill arose from the Company's prior sale from Dover Corporation to The Gores Group in 2005 and the purchase of the Line Dragon, LLC business assets in January 2019. The Company did not incur a goodwill impairment loss for the periods ended June 30, 2025 nor December 31, 2024.

Revenue recognition

The Company generates revenue by selling equipment, parts, accessories, service agreements and training. The Company recognizes revenue for equipment, parts, and accessories when it satisfies the performance obligation of transferring the control to the customer. For product sales where shipping terms are FOB shipping point, revenue is recognized upon shipment. For arrangements which include FOB destination shipping terms, revenue is recognized upon delivery to the customer. The Company recognizes the revenue for service agreements and training once the service or training has occurred.

As of June 30, 2025 and December 31, 2024, there were approximately US543,000 and US 520,000, respectively, of extended service agreement liabilities. The opening balance of extended service agreement liabilities on January 1, 2024 was US 600,000. During the six months ended June 30, 2025 and 2024, approximately US 313,000 and US 363,000, respectively, of revenue was recognized related to the amounts recorded as liabilities on the balance sheets in the prior year (deferred contract revenue).

As of June 30, 2025 and December 31, 2024, there were approximately US757,000 and US 505,000, respectively, in customer deposit liabilities for advance payments received during the period for contracts expected to ship following the end of the period. The opening balance of customer deposit liabilities for advance payments received on January 1, 2024 was US1,635,000. As of June 30, 2025 and December 31, 2024, there are no significant contract costs such as sales commissions or costs deferred. Interest income on financing arrangements is recognized as interest accrues, using the effective interest method.

Warranty liability

The Company provides warranties on all equipment sales ranging from 60 days to three years, depending on the product. Warranty liabilities are estimated net of the warranty passed through to the Company from vendors, based on specific identification of issues and historical experience.

	US 000
Balance, January 1, 2024	(1,290)
Warranty charges	497
Accruals	(394)
Balance, December 31, 2024	(1,187)
Balance, January 1, 2025	(1,187)
Warranty charges	150
Accruals	(226)
Balance, June 30, 2025	(1,263)

Property, plant, and equipment

Property, plant, and equipment is stated at cost, net of accumulated depreciation and amortization. Land is not depreciated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which is 31.5 to 40 years for buildings (depending on the nature of the building), 15 years for improvements, and 3 to 10 years for machinery and equipment.

Income taxes

The Company determines income taxes using the asset and liability approach. Tax laws require items to be included in tax filings at different times than the items are reflected in the consolidated financial statements. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax basis and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Deferred tax assets are reduced by a valuation allowance, if necessary, to the extent that it appears more likely than not that such assets will be unrecoverable.

The Company evaluates tax positions that have been taken or are expected to be taken in its tax returns and records a liability for uncertain tax positions. This involves a two-step approach to recognizing and measuring uncertain tax positions. First, tax positions are recognized if the weight of available evidence indicates that it is more likely than not that the position will be sustained upon examination, including resolution of related appeals or litigation processes, if any. Second, the tax position is measured as the largest amount of tax benefit that has a greater than 50% likelihood of being realized upon settlement.

Stock-based compensation

The Company recognizes the cost of employee services received in exchange for an award of equity instruments in the consolidated financial statements over the period the employee is required to perform the services in exchange for the award (presumptively the vesting period). The Company measures the cost of employee services in exchange for an award based on the grant-date fair value of the award. Compensation expense related to stock-based payments was approximately US 394,000 and US 478,000 for the six months ended June 30, 2025 and 2024, respectively. In addition, the Company settled approximately US 454,000 and US 713,000 in restricted stock units for cash during the six months ended June 30, 2025 and 2024, respectively.

Transactions in and translation of foreign currency

The functional currency for the Company's subsidiaries outside the United States is the applicable local currency. The preparation of the consolidated financial statements requires the translation of these financial statements to USD. Balance sheet amounts are translated at period-end exchange rates and the statement of comprehensive income accounts are translated at average rates. The resulting gains or losses are charged directly to accumulated other comprehensive income. The Company is also exposed to market risks related to fluctuations in foreign exchange rates because some sales transactions, and some assets and liabilities of its foreign subsidiaries, are denominated in foreign currencies other than the designated functional currency. Gains and losses from transactions are included as foreign exchange impact in the accompanying consolidated statements of comprehensive income.

Comprehensive income

Comprehensive income is the combination of reported net income and other comprehensive income ("OCI").

OCI is changes in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources not included in net income.

Earnings per share

Basic earnings per share represents income available to common stockholders divided by the weighted average number of common shares outstanding during the year. Diluted earnings per share reflect additional common shares that would have been outstanding if dilutive potential common shares had been issued using the treasury stock method. Potential common shares that may be issued by the Company relate to outstanding stock options and restricted stock units.

Earnings per common share have been computed based on the following:

	Six months ended June 30	
	2025 **US 000**	**2024** **US 000**
Net income	2,592	8,141
Basic weighted shares outstanding	54,814,372	55,296,172
Net dilutive effect of stock options and restricted stock units	781,228	617,468
Diluted weighted average shares outstanding	55,595,601	55,913,640

Fair value

The carrying values of cash and cash equivalents, accounts receivable, accounts payable, and other current assets and liabilities approximate fair value because of the short-term nature of these instruments.

3. Inventories

Inventories consisted of the following:

	June 30, 2025 US 000	**December 31, 2024 US 000**
Raw material	11,086	10,229
Finished goods and work in process	9,851	5,974
Remanufactured	3,469	3,607
Total	24,406	18,816

4. Goodwill and intangible assets

Goodwill represents the excess of the cost of a business combination over the fair value of the net assets acquired. The Company is required to test goodwill for impairment, at the reporting unit level, annually and when events or circumstances indicate the fair value of a unit may be below its carrying value.

The following table reflects other intangible assets:

		Weighted average Amortization Period	**June 30, 2025 US 000**	**December 31, 2024 US 000**
Capitalized cost	Patents	12 years	19,247	19,247
	Intangible Assets		7,434	7,434
			26,681	26,681
Accumulated amortization	Patents	12 years	18,866	18,819
	Intangible Assets		6,908	6,884
			25,774	25,703
Net carrying costs	Patents	12 years	381	428
	Intangible Assets		526	550
			907	978

Amortization expense associated with the intangible assets in each of the six months ended June 30, 2025 and 2024 was approximately US 71,000 and US 71,000, respectively. The amortization expense for each of the next 5 years will be approximately US 142,000 and the remaining amortization thereafter will be approximately US 197,000.

5. Property, plant, and equipment

Property, plant, and equipment consist of the following:

	June 30,	**December 31,**

	2025 US 000	2024 US 000
Land	864	864
Building and improvements	26,356	26,291
Machinery and equipment	10,203	9,794
	37,423	36,949
Less: accumulated depreciation and amortization	(11,198)	(10,186)
	26,225	26,763

Depreciation expense for the six months ended June 30, 2025 and 2024 was approximately US 1,051,000 and US 789,000, respectively.

6. Line of credit

In August 2022, the Company updated its credit facility to a US25.0m secured revolving line of credit, with a maturity date of August 2027. The interest rate on the revolving credit line is based on the BSBY Index plus 1.25%. The Company's credit facility is secured by substantially all its business assets. No amounts were drawn under the secured revolving line of credit as of June 30, 2025 and December 31, 2024.

Interest expense for the six months ended June 30, 2025 and 2024 was approximately US 19,500 and US 19,900, respectively, and relates primarily to interest costs on leased vehicles.

7. Retirement program

The Company has a savings and retirement plan for its employees, which is intended to qualify under Section 401(k) of the Internal Revenue Code ("IRC"). This savings and retirement plan provides for voluntary contributions by participating employees, not to exceed maximum limits set forth by the IRC. The Company's matching contributions vest immediately. The Company contributed approximately US 539,000 and US 563,000 to the savings and retirement plan during the six months ended June 30, 2025 and 2024, respectively.

8. Leases

The Company leases property, vehicles, and equipment under leases accounted for as operating and finance leases. The leases have remaining lease terms of less than 1 year to 8 years, some of which include options for renewal. The exercise of these renewal options is at the sole discretion of the Company. The right-of-use assets and related liabilities presented on the Consolidated Balance Sheets, reflect management's current expectations regarding the exercise of renewal options. The components for lease expense were as follows:

	Six Months Ended June 30, 2025 US 000	Six Months Ended June 30, 2024 US 000
Operating lease cost	279	260
Finance lease cost:		
Amortization of right-of-use assets	118	183
Interest on lease liabilities	19	12
Total finance lease cost	137	195

As of June 30, 2025, the weighted average remaining lease term for finance and operating leases was 2.7 years and 6.4 years, respectively, and the weighted average discount rate was 8.8% and 6.0%, respectively. As of June 30, 2024, the weighted average remaining lease term for finance and operating leases was 1.5 years and 6.3 years, respectively, and the weighted average discount rate was 4.7% and 5.1%, respectively.

Maturities of lease liabilities represent the remaining six months for 2025 and the full 12 months of each successive period as follows:

	Operating Leases US 000	Finance Leases US 000
2025	242	158
2026	484	200
2027	484	143
2028	363	82
2029	277	17
Thereafter	833	-
Total	2,683	600
Less imputed interest	(453)	(71)
Total	2,230	529

9. Supplemental cash flow and non-cash financing disclosures

	Six months ended June 30	
	2025 US 000	2024 US 000
Cash paid for interest	20	20
Cash paid for taxes	1,108	4,475
Finance lease liabilities arising from obtaining right-of-use assets	54	153
Operating lease liabilities arising from obtaining right-of-use assets	(69)	869

10. Business and credit concentration

The Company's line of business could be significantly impacted by, among other things, the state of the general economy, the Company's ability to continue to protect its intellectual property rights, and the potential future growth of competitors. Any of the foregoing may significantly affect management's estimates and the Company's performance. On June 30, 2025 and December 31, 2024, the Company had two customers which represented 17% and three customers that represented 19% of total accounts receivable, respectively.

11. Commitments and contingencies

The Company has entered into employment agreements with certain members of senior management. The terms of these are for renewable one-year periods and include non-compete and non-disclosure provisions as well as provide for defined severance payments in the event of termination or change in control.

The Company is also subject to various unresolved legal actions which arise in the normal course of its business. Although it is not possible to predict with certainty the outcome of these unresolved legal actions or the range of possible losses, the Company believes these unresolved legal actions will not have a material effect on its consolidated financial statements.

12. Income taxes

The Company's total effective tax rate for the six months ended June 30, 2025 was 47%. The Company is subject to US federal income tax with a statutory rate of 21%, as well as income tax of multiple state and foreign jurisdictions. The increase in overall effective tax rate is due to a valuation allowance placed on foreign deferred tax assets of 857,000. The Company was formed in 2005. The statute of limitations for all federal, foreign, and state income tax matters for tax years from 2019 forward is still open. The Company has no federal, foreign, or state income tax returns currently under examination.

As of June 30, 2025, and December 31, 2024 the Company had income tax receivable of approximately US 817,000 and US 1,286,000, respectively.

On June 30, 2025, the Company had approximately US1,145,000 in non-current net deferred tax assets recorded on its balance sheet. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all the deferred tax assets will not be realized. The ultimate realization of the deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible.

13. Revenues by geographic region and segment reporting

The Company sells its products to customers throughout the world. The Company operates as a single reportable segment for financial reporting purposes. While revenue is disaggregated by geography, the business in managed and evaluated as a single operating segment by the Chief Operating Decision Maker ("CODM"). This is because all geographic regions provide the same types of products and services to a similar customer base, and the CODM assesses financial performance and allocates resources on a consolidated basis rather than by individual geography.

In making key decisions and allocating resources, the CODM primarily evaluates the Company's consolidated profitability, with a focus on EBITDA, as this metric provides a comprehensive view of operational performance. Revenue by geography is reviewed to identify trends, but profitability remains the primary measure of performance.

The accounting policies are the same in all geographies as described in the summary of significant accounting policies. The chief operating decision maker assesses performance and decides how to allocate resources based on profitability reported on the income statement.

The following table shows the breakdown by geography during the six months ended June 30, 2025 and 2024:

US 000	North America		Europe		Australia		ROW (1)		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Boomed screeds (2)	11,027	13,610	1,315	3,130	630	1,536	292	768	13,264	19,044
Ride-on screeds (3)	4,878	7,331	949	1,865	333	682	908	772	7,068	10,650
Remanufactured machines	3,402	3,304	-	618	-	-	-	144	3,402	4,066
3-D Profiler System	2,327	3,857	-	110	352	306	-	-	2,679	4,273
SkyScreed	350	-	-	-	316	-	-	-	666	-
Other (5)	9,832	10,733	1,216	1,337	517	707	1,184	1,029	12,749	13,806
Total	31,816	38,835	3,480	7,060	2,148	3,231	2,384	2,713	39,828	51,839

1. ROW includes Latin America, India, China, Middle East, Korea, and Southeast Asia.

2. Boomed Screeds include the S-28EZ, S-22EZ, S-15R, S-10A, SRS-6, SRS-4 and SRS-4e.

3. Ride-on Screeds include the S-940, S-940e, S-485, and S-158C.

4. Other includes parts, accessories, services and freight, as well as other equipment such as the SkyStrip®, Somero Broom + Cure®, STS-11M Topping Spreader, STS-11HC Topping Spreader, Copperhead, Somero Line Dragon®, Mini Screed C and S-PS50.

14. Share buyback

In February 2025 and 2024, the Board authorized on-market share buyback programs for such number of its listed shares of common stock as are equal to US 2,000,000 for each program. The maximum price paid per common share was no more than the higher of 105 percent of the average middle market closing price of common share for the five business days preceding the date of the share buyback, the price of the last independent trade and the highest current independent purchase bid. As of June 30, 2025, the Company purchased 57,089 shares of common stock for an aggregate value of US 190,000 pursuant to the share buyback program authorized in 2025, and 199,645 shares of common stock for an aggregate value of US 631,000, which completed the share buyback program authorized in 2024. The Company estimates the share buyback program authorized in 2025 will be completed by the end of 2025. In connection with the Company's share buyback programs authorized in 2025 and 2024, 231,941 shares held in treasury were cancelled in 2025.

14. Subsequent events

In preparing the consolidated financial statements, the Company has evaluated all subsequent events and transactions for potential recognition or disclosure through September 9, 2025, the date the consolidated financial statements were available for issuance.

Dividend

The Board declared an interim dividend for the six months ended June 30, 2025 of 4.0 US cents per share. This dividend will be paid on October 17, 2025 to shareholders on the register as of September 19, 2025.

All dividends, including both ordinary and supplemental, have the option of being paid in two currencies, GBP, and USD. In addition, there is also the option of being paid by check or through CREST for either currency or additionally via BACS for GBP payments. If no election is made, dividends will be paid in USD and via Check. If shareholders wish to change their current currency or payment methods, forms are available through Computershare Investor Services PLC at
https://www-uk.computershare.com/Investor/#Help/PrintableForms

Distribution amount:	0.04 cents per share
Ex-dividend date:	18 September 2025
Dividend record date:	19 September 2025
Final day for currency election:	3 October 2025
Payment date:	17 October 2025

All dividends have the option of being paid in either GBP or USD. Payments in USD can be paid by Check or through Crest. Payments in GBP can be paid via Check, Crest and BACS. The default option if no election is made will be for a USD payment via check. Should shareholders wish to change their current currency or payment methods, forms are available through Computershare Investor Services PLC at
https://www uk.computershare.com/Investor/#Help/PrintableForms

If shares are held as Depositary Interests through a broker or nominee, the holding company must be contacted and advised of the payment preferences. Such requests are subject to the terms and conditions of the broker or nominee.

Additional information on currency election and tax withholding can be found at: https://investors.somero.com/aim-rule-26. Shareholders can also contact Computershare Investor Services PLC by telephone at +44 (0370) 702 0000 or email via webcorres@computershare.co.uk.