

29 January 2026

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

Trading Update

Solid H2 trading supported by seasonality and new product contribution

Somero® provides the following update on trading for the financial year ended 31 December 2025.

Trading

The Board is pleased to report improved trading in H2 2025, as anticipated, supported by an uplift in second half seasonality and the positive impact of new and next-generation product launches. It expects the Company to report FY 2025 revenue of approximately US 88.9m (2024: US 109.2m), in line with previous guidance and market expectations, with H2 revenues up 23.4% on H1 to 49.1m.

Customer response to products launched in the second half of the year has been positive. The next generation S-15EZ and the new Hammerhead Laser Screed, designed for quality, simplicity and affordability, targeting the low- to mid-range concrete contractor segment, collectively contributed approximately US 13.0m. A strong finish to the year was supported by excellent operational performance in fulfilling customer orders globally, alongside continued focus on cost efficiency.

Demand for US non-residential construction was mixed, with positive support from long-term trends across key end-markets, but this has not fully translated into customer purchases. Customers report improved levels of bidding activity and healthy backlogs entering FY 2026, albeit with continuing uncertainty linked to tariffs, interest rates, restrictive immigration policies and ongoing geopolitical conflicts. The Board expects to report FY 2025 North America revenues of US 68.1m (2024: US 82.2m).

Revenues in Europe, the Company's second largest market, improved in H2 2025 compared to H1, and the Board expects to report revenues of US 8.9m (2024: US 14.6m). While trading continued to be impacted by the same macro-economic and geopolitical headwinds, competitive pressures and US-related uncertainty reported previously, Europe remains a priority international market. The Company is focused on strengthening its presence there through increasing market awareness, optimizing product and pricing for local markets, and expanding its dealer network.

Australian revenues are anticipated to represent a decline of 15% to US 5.6m (2024: US 6.6m). Following a period of exceptional growth post the transition from a dealer model to direct sales and aided by the addition of key sales and support personnel, trading in Australia appears to be normalizing to more sustainable levels.

In the Rest of World segment, which comprises regions that each contribute modest revenue and therefore are susceptible to volatility period-to-period, the Board expects to report overall relatively consistent sales at US 6.3m (2024: US 5.8m). Improvement in the Middle East and India was offset by declines in Latin America and Southeast Asia.

In FY 2025, parts and service revenue, including accessories sold with machines, declined 11% to US 17.0m (2024: US 19.1m), a smaller decrease than overall revenue, reflecting the Company's strategic drive to grow recurring revenue, including the establishment of the Belgium Sales and Service Center and other supporting initiatives.

The Board expects the Company to report FY 2025 adjusted EBITDA of US 17.5m, in line with previous guidance and market expectations. Year-end cash is anticipated to be better than expected at US 33.2m, as a result of elevated advance customer deposits, the favorable impact of new US tax legislation, and lower than expected capital expenditures and interim dividend payout. These estimates remain subject to any audit adjustments.

Strategic Progress

The Company has made encouraging progress in delivering against the long-term strategic framework it outlined at the half-year, with initiatives developed across the organization and implementation underway. More detail on progress against our strategic pillars of 'Fortify, Innovate, and Amplify' will be provided in the FY 2025 results.

Outlook

The Board anticipates continued market volatility in FY 2026. While there are early signs of improving customer confidence, uncertainty persists.

The Company's strategic initiatives, including expanding the product range to address the broader mid-range concrete contractor segment, are expected to make meaningful contributions to FY 2026 trading. Against this, sales of large-line Boomed Screeds have continued to trend down from the elevated levels in 2021, with large scale projects continuing to be adversely affected by interest rates, tariffs, and reduced warehouse sizes for final mile delivery.

With consideration of these factors, the Board expects overall trading in FY 2026 to be broadly similar to that of FY 2025, with commensurate profits and cash generation.

The Board remains confident in the long-term, underlying drivers for Somero's products which, coupled with the recently implemented strategic initiatives, renders Somero agile to react to shifting market dynamics. With clear global market leadership, a strong financial position and a commitment to innovation, the Board believes it is well placed to capture demand when market activity strengthens.

Somero's final results for 2025 are scheduled for release on 10 March 2026.

Tim Averkamp, CEO of Somero, said:

"FY 2025 closed out strongly as expected against a backdrop of persistent near-term uncertainty. We are pleased with the performance of our newer products which are broadening our addressable market and gaining traction in the US and European markets.

Customers are more optimistic about 2026 but remain cautious. We are staying close to them and to our teams around the world, delivering with discipline and consistency, preserving margins and continuing to invest in product development.

Somero has weathered extended periods of market softness before and our priorities are clear. We are focused on protecting the core strength of the business, continuing to invest in our product and technology pipeline, and building the commercial platform to accelerate growth when market conditions improve."

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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