

# Foraco International reports Q3 2025

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[Foraco International SA](#) (TSX: FAR) ("Foraco" or the "Company"), a leading global provider of drilling services, today released its unaudited financial results for the three-month and nine-month periods ended September 30, 2025. All amounts are expressed in US dollars (US\$) unless otherwise stated.

## Q3 2025 Highlights:

- Revenue: US\$ 71.0 million, compared to US\$ 77.7 million in Q3 2024 (-9.0 %)
- Gross margin: US\$ 14.0 million (19.7 % of revenue) vs US\$ 17.1 million (22.0 %) in Q3 2024
- EBITDA: US\$ 14.2 million (20.0 %) vs US\$ 16.1 million (20.8 %) in Q3 2024
- Net profit: US\$ 5.5 million (8 %) vs US\$ 7.7 million (10 %) in Q3 2024

## Financial overview

Total revenue for Q3 2025 was US\$ 71.0 million, compared to US\$ 77.7 million in Q3 2024. At constant exchange rates, revenue decreased by US\$ 5.7 million - a decrease of 7%.

North America: Revenue totaled US\$ 25.6 million, compared to US\$ 35.8 million in Q3 2024. The decrease mainly reflected the completion and deferral of certain Canadian contracts, while new programs in the United States are ramping up and showing encouraging performance.

Asia Pacific: Revenue remained stable at constant exchange rates, totaling US\$ 23.7 million, reflecting a high and sustained level of activity after several quarters of growth driven by consistent customer demand.

South America: Revenue increased 25 % to US\$ 16.4 million, reflecting momentum as operations in all three countries are progressively reaching their targeted performance levels, supported by growing customer demand.

EMEA: Revenue grew 32 % to US\$ 5.4 million, supported by the continued ramp-up of contracts initiated during previous periods.

## Liquidity and Capital Resources

As of September 30, 2025, cash and cash equivalents totaled US\$ 24.9 million, compared to US\$ 24.4 million as of December 31, 2024.

Net debt, including IFRS 16 lease liabilities, stood at US\$ 72.2 million (US\$ 66.2 million at constant exchange rates), compared to US\$ 78.3 million a year earlier despite adverse foreign exchange movements.

## Management Comments

Tim Bremner, Chief Executive Officer of Foraco, stated, "According to the latest S&P Global report, the outlook points to continued growth driven by renewed investment and higher rig utilization. This is further validated by our recent announcement regarding new awards and renewals of long-term contracts for Tier one customers in Canada and Chile with an aggregate amount estimated at US\$140m. As we transition, we delivered a solid Q3 2025, confirming the resilience of our operations. In Canada, activity remained steady as some of our major projects came to an end while others were deferred. In response to this, the Company remained focused to preserve profitability and not compromise future growth opportunities. In Australia, activity remained steady, supported by consistent demand from long-standing customers, while capacity was constrained by an already high utilization rate. In South America, operations in Brazil and Chile are rapidly ramping up under new long-term contracts. In the United States, while in the early stages of developing our business, we delivered encouraging results on new projects by performing well and maintaining a strong relationship with our customers."

gaining momentum with new customers. With a well-balanced presence across mining-friendly jurisdictions, we remain efficient, service quality, and positioning the Company for sustained and profitable growth."

Fabien Sevestre, Chief Financial Officer of Foraco, added, "From a financial perspective, Q3 2025 reflects solid discipline and effective cash management. Working-capital improved significantly compared to the same period last year, which, together with cash generated from operations, contributed to a reduction in net debt from US\$ 78.3 million as of September 30, 2024 to US\$ 72.2 million as of September 30, 2025, despite adverse foreign-exchange movements that negatively impacted net debt by approximately US\$ 6.0 million. Gross margin remained resilient at 19.7 % of revenue, compared with 22.0 % last year, despite lower volumes, reflecting efficient project execution and cost discipline. SG&A expenses were tightly controlled at 6.8 % of revenue, compared with 6.9 % in Q3 2024. Our balance sheet remains robust, and our liquidity position provides the flexibility to continue investing selectively in our fleet and operational improvements to support future growth."

#### Income Statement

(In thousands of US\$) (unaudited)	Three-month period ended September 30,		Nine-month period ended September 30,	
	2025	2024	2025	2024
Revenue	71,018	77,656	195,091	232,629
Gross profit (1)	13,997	17,066	35,852	51,794
As a percentage of sales	19.7 %	22.0 %	18.4 %	22.3 %
EBITDA	14,214	16,142	35,246	50,106
As a percentage of sales	20.0 %	20.8 %	18.1 %	21.5 %
Operating profit	9,194	11,682	21,777	36,422
As a percentage of sales	12.9 %	15.0 %	11.2 %	15.7 %
Net profit for the period	5,467	7,733	12,509	24,007
Attributable to:				
Equity holders of the Company	5,505	7,844	13,385	24,451
Non-controlling interests	(38)	(111)	(876)	(444)
EPS (in US cents)				
Basic	5.56	7.88	12.70	24.80
Diluted	5.49	7.71	12.54	24.28

(1) This line item includes amortization and depreciation expenses related to operations

#### Highlights - Q3 2025

## Revenue

- Total revenue in Q3 2025 was US\$71.0 million, compared to US\$77.7 million in Q3 2024. EMEA and South America delivered growth, with revenue increasing by 32% and 25%, respectively. The Asia-Pacific region remained stable at exchange rates. North America declined by US\$10.3 million mainly due to the discontinuation of certain client projects and delays in starting new contracts.

## Profitability

- Gross margin for Q3 2025, including depreciation within cost of sales, was US\$14.0 million (19.7% of revenue), compared to US\$17.1 million (22.0% of revenue) in Q3 2024. The decrease was mainly driven by the phasing and ramp-up of new contracts which are typically associated with lower initial margins.
- During the quarter, EBITDA amounted to US\$14.2 million (20.0% of revenue) compared to US\$16.1 million (20.8% of revenue) in the prior-year period.
- Net profit for the quarter amounted to US\$5.5 million (8% of the revenue) compared to US\$7.7 million (10% of revenue) in the prior-year period.

## Highlights - YTD Q3 2025

### Revenue

- For the nine-month period ending September 30, 2025 (YTD Q3 2025), the revenue amounted to US\$195.1 million, compared to US\$232.6 million in YTD Q3 2024.

### Profitability

- In YTD Q3 2025, the gross margin, inclusive of depreciation within cost of sales, was US\$35.9 million (or 18.4% of revenue), compared to US\$51.8 million (or 22.3% of revenue) in YTD Q3 2024.
- During the period, EBITDA amounted to US\$35.2 million (or 18.1% of revenue), compared to US\$50.1 million (or 21.5% of revenue) for the same period last year.
- Free Cash Flow for the period was negative at US\$0.6 million, primarily due to working capital needs and capital expenditures required to support the mobilization of new contracts.

### Net debt

- As of September 30, 2025, net debt, including the impact of IFRS 16, was US\$72.2 million or US\$66.2 million at constant exchange rates compared to US\$78.3 million as of September 30, 2024.

## Financial results

### Revenue

(In thousands of US\$) - (unaudited) Q3 2025 % change Q3 2024 YTD Q3 2025 % change YTD Q3 2024

## Reporting segment

Mining	60,831	-9 %	66,724	162,048	-21 %	205,087
Water	10,187	-7 %	10,932	33,043	20 %	27,542
Total revenue	71,018	-9 %	77,656	195,091	-16 %	232,629

## Geographic region

North America	25,564	-29 %	35,817	68,936	-27 %	94,969
Asia Pacific	23,737	-4 %	24,724	68,767	12 %	61,585
South America	16,356	25 %	13,062	37,799	-34 %	56,892
Europe, Middle East and Africa	5,361	32 %	4,053	19,589	2 %	19,183
Total revenue	71,018	-9 %	77,656	195,091	-16 %	232,629

## Q3 2025

Revenue in Q3 2025 was US\$71.0 million, compared to US\$77.7 million in Q3 2024. At constant exchange rates, revenue decreased by US\$5.7 million.

Activity in North America declined by 29% to US\$25.6 million in Q3 2025, compared to US\$35.8 million in Q3 2024. This decrease was primarily driven by the discontinuation of certain client programs and delays in starting new contracts in Canada, partially offset by the successful start-up of new contracts in the United States.

Asia Pacific remained stable at constant exchange rates with revenue reaching US\$23.7 million compared to Q3 2024.

Revenue in South America increased by 25% to US\$16.4 million, compared to US\$13.1 million in Q3 2024. In Chile, the company continued to mobilize new rigs under long-term contracts initiated in the previous quarter. In Brazil, additional long-term contracts were mobilized and revenue doubled compared to Q2 2025. These new projects remain in the learning-curve phase, temporarily impacting both revenue and margins.

In the EMEA region, revenue grew by 32% at US\$5.4 million in Q3 2025, compared to US\$4.1 million in Q3 2024 supported by the start-up of new contracts during the previous period.

Overall, rig utilization rate in Q3 2025 was 38% compared to 40% in Q3 2024.

## YTD Q3 2025

YTD Q3 2025 revenue totaled US\$195.1 million, down from US\$232.6 million in YTD Q3 2024.

In North America, revenue declined by 27%. The decrease was primarily due to the discontinuation of certain client programs and delays in starting new contracts in Canada. In the US, the Company has successfully initiated new contracts.

In Asia Pacific, YTD Q3 2025 revenue amounted to US\$68.8 million, a 12% increase compared to YTD Q3 2024. This growth was primarily attributable to successful operations and the commissioning of new

proprietary rigs.

Revenue in South America totaled US\$37.8 million in YTD Q3 2025, down 34% from US\$56.9 million in YTD Q3 2024. After delays in the mobilization process due to client-driven program rescheduling, the Company started new long-term contracts which are currently in the mobilization and learning curve phases, temporarily impacting both revenue and margins.

In the EMEA region, revenue increased by 2% to US\$19.6 million, compared to 19.2 million in YTD Q3 2024. Excluding the exit from CIS and certain West African countries, revenue increased by US\$5.7 million or 41%.

## Gross profit

(In thousands of US\$) - (unaudited) Q3 2025 % change Q3 2024 YTD Q3 2025 % change YTD Q3 2024

### Reporting segment

Mining	10,741	-21 %	13,616	25,117	-44 %	44,458
Water	3,256	-6 %	3,450	10,735	46 %	7,336
Total gross profit / (loss)	13,997	-18 %	17,066	35,852	-31 %	51,794

### Q3 2025

The Q3 2025 gross margin, including depreciation within cost of sales, was US\$14.0 million (19.7% of revenue) compared to US\$17.1 million (22.0% of revenue) in Q3 2024. The decline in the mining segment's gross margin was primarily due to the phasing and ramp-up of new contracts, which are typically associated with lower initial margins. Gross profit in the water segment slightly increased as a percentage of revenue.

### YTD Q3 2025

The YTD Q3 2025 gross margin including depreciation within cost of sales was US\$35.9 million (18.4% of revenue) compared to US\$51.8 million (22.3% of revenue) in YTD Q3 2024.

## Selling, General and Administrative Expenses

(In thousands of US\$) - (unaudited)	Q3 2025 % change Q3 2024		YTD Q3 2025 % change YTD Q3 2024	
Selling, general and administrative expenses				
	4,803	-11 %	5,384	14,364
			-18 %	17,483

### Q3 2025

SG&A expenses decreased by 11% compared to the prior-year quarter. As a percentage of revenue, SG&A remained stable at 6.8% (6.9% in Q3 2024).

### YTD Q3 2025

SG&A decreased 18% compared to last year. As a percentage of revenue, SG&A remained stable at approximately 7.5% of revenue.

## Operating result

(In thousands of US\$) - (unaudited) Q3 2025 % change Q3 2024 YTD Q3 2025 % change YTD Q3 2024

#### Reporting segment

Mining	6,627	-26 %	8,990	13,514	-57 %	31,139
Water	2,567	-5 %	2,692	8,263	56 %	5,283
Total operating profit / (loss)	9,194	-21 %	11,682	21,777	-40 %	36,422

#### Q3 2025

The operating profit was US\$9.2 million compared to US\$11.7 million in the same quarter last year.

#### YTD Q3 2025

The YTD Q3 2025 operating profit was US\$21.8 million compared to US\$36.4 million in YTD Q3 2024.

On May 22, 2025, Foraco sold its 50% stake in its Kazakh subsidiary, Eastern Drilling Company LLP, generating a net gain of US\$289 thousand, which was recorded under "Other Operating Income" in the Company's consolidated financial statements for the nine-month period ended September 30, 2025.

#### Financial position

The following table provides a summary of the Company's cash flows for YTD Q3 2025 and YTD Q3 2024:

(In thousands of US\$)	YTD Q3 2025	YTD Q3 2024
Cash generated by operations before working capital requirements	35,245	50,106
Working capital requirements	(6,835)	(22,951)
Income tax paid	(10,258)	(10,629)
Purchase of equipment in cash	(14,460)	(13,863)
Free Cash Flow before debt servicing	3,692	2,664
Proceeds from / (repayment of) long-term debt	(9,585)	(10,128)
Proceeds / (Repayment) of working capital financing	11,204	9,280
Interests paid	(4,312)	(5,342)
Acquisition of treasury shares	(1,117)	(802)
Deconsolidation of EDC Russia & Kazakhstan	(5)	(2,076)
Dividends paid to Company's shareholders	-	(4,544)
Dividends paid to non-controlling interests	-	(330)
Net cash generated / (used in) financing activities	(3,815)	(13,942)
Net cash variation	(123)	(11,278)
Foreign exchange differences	698	(531)
Variation in cash and cash equivalents	576	(11,809)
Cash and cash equivalents at the end of the period	24,938	22,479

In YTD Q3 2025, the cash generated from operations before working capital requirements amounted to US\$35.2 million compared to US\$50.1 million in YTD Q3 2024.

During the same period, working capital requirements were US\$6.8 million, a decrease compared to the same period last year, primarily driven by tightened control on working capital management and the reduction in activity.

During the period, Capex totaled US\$14.5 million in cash compared to US\$13.9 million in YTD Q3 2024. Capex primarily relates to new rigs, and the acquisition of ancillary equipment and rods to support new contracts.

## Strategy

The Company's strategy is to assist its customers in exploring or managing their deposits throughout the

entire cycle, with a special focus on the life of mine activity. The Company intends to continue developing and growing its services across the world with a focus on stable jurisdictions, high tech drilling services, optimal commodities mix including battery metals and gold - with a significant presence in water related drilling services - and a gradual implementation of remote-controlled rigs and other advanced digital applications. The Company expects to execute its strategy primarily through organic growth and targeted acquisitions.

The Company addressed the environmental, social and governance (ESG) requirements, and implemented a pragmatic and measurable approach to ESG with quantitative KPIs to maximize improvement and efficiencies.

Currency exchange rates.

The exchange rates for the periods under review are provided in the Management's Discussion and Analysis of Q3 2025.

Non-IFRS measures

EBITDA represents Net income before interest expense, income taxes, depreciation, amortization and non-cash share based compensation expenses. EBITDA is a non-IFRS quantitative measure used to assist in the assessment of the Company's ability to generate cash from its operations. The Company believes that the presentation of EBITDA is useful to investors because it is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in the drilling industry. EBITDA is not defined in IFRS and should not be considered to be an alternative to Profit for the period or Operating profit or any other financial metric required by such accounting principles.

Net debt corresponds to the current and non-current portions of borrowings and the consideration of payables related to acquisitions, net of cash and cash equivalents. The Company's lease obligations are included in the net debt calculation.

Reconciliation of the EBITDA is as follows:

(In thousands of US\$)	Q3 2025	Q3 2024	YTD Q3 2025	YTD Q3 2024
(unaudited)				
Operating profit / (loss)	9,194	11,682	21,777	36,422
Depreciation expense	4,891	4,358	13,029	13,378
Non-cash employee share-based compensation	129	102	441	306
EBITDA	14,214	16,142	35,246	50,106

Conference call and webcast

On October 30, 2025, Company Management will conduct a conference call at 10:00 am Eastern Time to review the financial results. The call will be hosted by Tim Bremner, CEO, and Fabien Sevestre, CFO.

You can join the call by dialing 1-888-699-1199 or 1-416-945-7677. You will be put on hold until the conference call begins. A live audio webcast of the Conference Call will also be available

<https://app.webinar.net/zNprypYZK1l>

An archived replay of the webcast will be available for 90 days.



