

Foraco International SA Reports Q4 & FY 2025 Audited Results

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Increased Activity QoQ and Record Backlog Providing Strong Visibility for 2026 and Beyond

[Foraco International SA](#) (TSX: FAR) ("Foraco" or the "Company"), a leading global provider of drilling services, today reported its financial results for the three-month and year ended December 31, 2025. All amounts are expressed in US dollars (US\$) unless otherwise stated.

Q4 2025 Highlights:

- Revenue: US\$ 63.1 million, compared to US\$ 60.8 million in Q4 2024, up 4% QoQ
- EBITDA: US\$ 10.4 million (17 % of revenue) stable compared to Q4 2024
- Net profit: US\$ 2.3 million compared to US\$2.1 million in Q4 2024, up 10% QoQ
- Record order backlog:
 - US\$404.4 million at year-end 2025, vs US\$220.5 million at year-end 2024, up 83% YoY
 - US\$228.5 million to be executed in FY 2026, vs US\$200.8 million in FY 2025, up 14% YoY

Management Comments

Tim Bremner, Chief Executive Officer of Foraco, stated, "In Q4 2025, South America was the Group's main growth driver, with revenue nearly doubling year-on-year on the back of new long-term contracts, while North America and Asia Pacific were impacted by the early seasonal break in drilling operations compared to last year.

FY 2025 was a transition year for the Group. During the period we successfully strengthened the Group's commercial activity, which resulted in a record backlog at year-end. We also reinforced our management structure, gained new clients mainly in gold, capitalized on our water segment, relocated assets across regions, redeployed the company within Canada and developed the United States.

As at December 31, 2025, the order backlog for continuing operations reached a record level of US\$ 404.4 million, compared with US\$ 220.5 million as at December 31, 2024. With most major mobilizations now completed, the Group enters FY 2026 with a solid operational base, supporting a progressive recovery in performance."

Fabien Sevestre, Chief Financial Officer of Foraco, added, "During the quarter, we secured and began executing several long-term contracts in key regions. Capital expenditure was executed to support these contracts and longer-term growth. Throughout Q4 and FY 2025, we maintained strict financial discipline. We generated positive free cash flow and secured financing lines to support growth. We preserved a solid balance sheet, with full compliance with financial covenants. Cost control remained strict. Working capital was stable at US\$ 0.6 million, reflecting sound management.

All the above enhances revenue visibility for FY 2026 and supports improved cash conversion."

Income Statement

(In thousands of US\$) (unaudited)	Three-month period ended		Year ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Revenue	63,100	60,824	258,191	293,453
Gross profit (1)	10,111	11,262	45,963	63,056
As a percentage of sales	16.0 %	18.5 %	17.8 %	21.5 %
EBITDA	10,423	10,375	45,668	60,481
As a percentage of sales	16.5 %	17.1 %	17.7 %	20.6 %
Operating profit	5,121	6,124	10,611	34,669
As a percentage of sales	8.1 %	10.1 %	4.1 %	11.8 %
Net profit for the period	2,314	2,079	14,822	26,085
Attributable to:				
Equity holders of the Company	2,188	3,361	15,572	27,811
Non-controlling interests	126	(1,282)	(750)	(1,726)
EPS (in US cents)				
Basic	2.22	3.40	15.82	28.18
Diluted	2.19	3.35	15.60	27.76

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

Highlights - Q4 2025

Revenue

- Total revenue in Q4 2025 was US\$63.1 million, compared to US\$60.8 million in Q4 2024. Growth was driven by EMEA and South America, with revenues increasing by 15% and 95%, respectively. This performance was partly offset by lower activity in Asia-Pacific and North America, reflecting an earlier seasonal break in drilling operations compared to last year.
- The rig utilization rate in Q4 2025 was 40% compared to 35% in Q4 2024.

Profitability

- Gross margin for Q4 2025, including depreciation within cost of sales, was US\$10.1 million, representing 16.0% of revenue, compared to US\$11.3 million, or 18.5% of revenue, in Q4 2024. The decrease primarily reflects the ramp-up of new contracts, which typically carry lower margins during their initial phases.
- During the quarter, EBITDA amounted to US\$10.4 million (16.5% of revenue) compared to US\$10.4 million (17.1% of revenue) in the prior year period.
- Net profit for the quarter amounted to US\$2.3 million (3.7% of the revenue) compared to US\$2.1 million (3.4% of revenue) in the prior year period.

Highlights - FY 2025

Revenue

For the year ended December 31, 2025, the revenue amounted to US\$258.2 million compared to US\$293.5 million in FY 2024.

Profitability

- In FY 2025, the gross margin, inclusive of depreciation within cost of sales, was US\$46.0 million (or 17.8% of revenue), compared to US\$63.1 million (or 21.5% of revenue) in FY 2024.
- During the period, EBITDA amounted to US\$45.7 million (or 17.7% of revenue), compared to US\$60.5 million (or 20.6% of revenue) for the same period last year.
- Free Cash Flow before debt service for the period was positive at US\$7.4 million, including a significant US\$ 7.5 million capital expenditures required to support the mobilization of new contracts for the coming year.

Net debt

- As of December 31, 2025, net debt, including the impact of IFRS 16, was US\$71.1 million or US\$64.6 million at constant exchange rates compared to US\$60.9 million as of December 31, 2024

Backlog

- As at December 31, 2025, the Company's order backlog for continuing operations was US\$ 404.4 million of which US\$ 228.5 million is expected to be executed during FY 2026. By comparison, as at December 31, 2024, the order backlog for continuing operations was US\$ 220.5 million of which US\$ 200.6 million was expected to be executed during FY 2025.

Financial results

Revenue

(In thousands of US\$) - (unaudited) Q4 2025 % change Q4 2024 FY 2025 % change FY 2024

Reporting segment

Mining	51,585	3 %	50,219	213,632	-16 %	255,306
Water	11,515	9 %	10,605	44,559	17 %	38,147
Total revenue	63,100	4 %	60,824	258,191	-12 %	293,453

Geographic region

North America	20,397	-13 %	23,477	89,335	-25 %	118,445
Asia Pacific	17,546	-22 %	22,379	86,313	3 %	83,964
South America	19,333	95 %	9,896	57,131	-14 %	66,788
Europe, Middle East and Africa	5,824	15 %	5,073	25,413	5 %	24,256
Total revenue	63,100	4 %	60,824	258,191	-12 %	293,453

Q4 2025

Revenue in Q4 2025 was US\$63.1 million, compared to US\$60.8 million in Q4 2024. At constant exchange rates, revenue increased by US\$5.0 million (+8.2%).

Activity in North America decreased by 13% to US\$20.4 million in Q4 2025, compared to US\$23.5 million in Q4 2024. This decrease was primarily driven by the discontinuation of certain client programs in Canada partially offset by the start-up of new contracts in the United States.

Asia Pacific decreased by 22% compared to Q4 2024 due to the earlier seasonal break in drilling operations compared to last year.

Revenue in South America increased by 95% to US\$19.3 million, compared to US\$9.9 million in Q4 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 increased by 60% compared to Q4 2024. These new projects remain in the learning-curve phase, temporarily impacting both revenue and margins.

In the EMEA region, revenue grew by 15% at US\$5.8 million in Q4 2025, compared to US\$5.1 million in Q4 2024 supported by the start-up of new contracts during the previous period.

Overall, rig utilization rate in Q4 2025 was 40% compared to 35% in Q4 2024.

FY 2025

FY 2025 revenue totaled US\$258.2 million, down from US\$293.5 million in FY 2024.

In North America, revenue declined by 25%. 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 begun operations and secured new long-term contracts to mobilize in 2026.

In Asia Pacific, FY 2025 revenue amounted to US\$86.3 million, a 3% increase (6% excluding adverse foreign exchange) compared to FY 2024. This growth was primarily attributable to successful operations and the commissioning of new proprietary rigs.

Revenue in South America totaled US\$57.1 million in FY 2025, down 14% from US\$66.8 million in FY 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 5% to US\$25.4 million, compared to 24.3 million in FY 2024. Excluding the exit from CIS and certain West African countries, revenue increased by US\$6.7 million or 43%.

Gross profit

(In thousands of US\$) - (unaudited) Q4 2025 % change Q4 2024 FY 2025 % change FY 2024

Reporting segment

Mining	6,734	-17 %	8,105	31,850	-39 %	52,564
Water	3,377	7 %	3,158	14,113	35 %	10,492
Total gross profit / (loss)	10,111	-10 %	11,262	45,963	-27 %	63,056

Q4 2025

The Q4 2025 gross margin, including depreciation within cost of sales, was US\$10.1 million (16.0% of revenue) compared to US\$11.3 million (18.5% of revenue) in Q4 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.

FY 2025

The FY 2025 gross margin including depreciation within cost of sales was US\$46.0 million (17.8% of revenue) compared to US\$63.1 million (21.5% of revenue) in FY 2024.

Selling, General and Administrative Expenses

(In thousands of US\$) - (unaudited) Q4 2025 % change Q4 2024 FY 2025 % change FY 2024

Selling, general and administrative expenses	4,990	-3 %	5,138	19,354	-14 %	22,621
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Q4 2025

SG&A expenses decreased by 3% compared to the prior-year quarter. As a percentage of revenue, SG&A decreased to 7.9% (8.4% in Q4 2024).

FY 2025

SG&A decreased 14% 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) Q4 2025 % change Q4 2024 FY 2025 % change FY 2024

Reporting segment

Mining	2,655	-31 %	3,863	16,168	-54 %	35,003
Water	2,467	9 %	2,262	10,730	42 %	7,543
Total operating profit / (loss)	5,121	-16 %	6,124	26,898	-37 %	42,546

Q4 2025

The operating profit was US\$5.1 million compared to US\$6.1 million in the same quarter last year.

FY 2025

The FY 2025 operating profit was US\$26.9 million compared to US\$42.5 million in FY 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 December 31, 2025.

Financial position

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

(In thousands of US\$)	FY 2025	FY 2024
Cash generated by operations before working capital requirements	45,667	60,482
Working capital requirements	(595)	(10,467)
Income tax paid	(14,974)	(13,793)
Purchase of equipment in cash	(22,744)	(18,871)
Free Cash Flow before debt servicing	7,354	17,531
Proceeds from / (repayment of) long-term debt	(5,252)	(11,079)
Proceeds / (Repayment) of working capital financing	7,136	505
Interests paid	(5,761)	(6,993)
Acquisition of treasury shares	(1,559)	(1,231)
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	(5,441)	(25,748)
Net cash variation	1,913	(8,397)
Foreign exchange differences	1,028	(1,529)
Variation in cash and cash equivalents	2,941	(9,926)
Cash and cash equivalents at the end of the period	27,303	24,363

In FY 2025, the cash generated from operations before working capital requirements amounted to US\$45.7 million compared to US\$60.5 million in FY 2024.

During the same period, working capital requirements were US\$0.6 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\$22.7 million in cash compared to US\$18.9 million in FY 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 Q4 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\$)	Q4 2025	Q4 2024	FY 2025	FY 2024
(unaudited)				
Operating profit / (loss)	5,121	6,124	26,898	42,546
Depreciation expense	5,117	4,054	18,146	17,432
Non-cash employee share-based compensation	184	198	625	504
EBITDA	10,423	10,375	45,668	60,481

Conference call and webcast

On March 2, 2026, Company Management will conduct a conference call at 10:30 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/PZXEKwm9ejW>

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

About Foraco International SA

Foraco International SA (TSX: FAR) is a leading global mineral drilling services company that provides a comprehensive and reliable service offering in mining and water projects. Supported by its founding values of integrity, innovation and involvement, Foraco has grown into the third largest global drilling enterprise with a presence in 16 countries across five continents. For more information about Foraco, visit www.foraco.com.

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SOURCE Foraco International SA

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