

Foraco International S.a. - Q1 2026 Results

13:00 Uhr | [CNW](#)

Strong revenue growth driven by new contracts

Foraco International S.A. (TSX: FAR) today reported unaudited financial results for the three-month period ended March 31, 2026.

Q1 2026 Highlights:

- Revenue totaled US\$66.3 million, up 20.4% compared to Q1 2025, with growth across nearly all regions, particularly in Canada, the United States and South America.
- Gross margin was 10.7%, compared to 14.1% in Q1 2025, reflecting the ramp-up phase of approximately US\$15 million of new contracts not yet at full operating capacity, representing clear margin upside.
- EBITDA reached US\$7.4 million (11.1% margin), compared to US\$7.0 million (12.8%) in Q1 2025 which was impacted by approximately US\$2.0M, attributable to the ramp-up phase on new projects.
- Five new rigs were deployed under long-term contracts during the quarter, strengthening the Group's operational capacity and supporting future growth.

Tim Bremner, Chief Executive Officer, stated:

"We delivered strong revenue growth in the first quarter of 2026, driven by the mobilization of new contracts and sustained demand across our main markets. As expected, the combination of the ramp-up phase of new contracts and the restart of projects temporarily impacted margins, particularly in South America.

During the quarter, we deployed five new rigs under long-term contracts, further enhancing our capacity and visibility. At the same time, our workforce increased by 16% year-over-year to support this expansion.

Macroeconomic tailwinds remain strong with near record commodity prices for gold and copper, free cash generation for development and capital formation for developers and explorers. We believe that all key industry indicators such as record backlog, high utilization rates, and additional rigs scheduled for mobilization in the coming months, are present to reach improved operational performance."

Fabien Sevestre, Chief Financial Officer of Foraco, added:

"EBITDA for the quarter reached US\$7.4 million, supported by strong activity levels. Margins reflect the temporary impact of new contracts in ramp-up phase, with approximately US\$15 million of revenue not yet at full operating efficiency, representing clear potential for margin improvement in the coming quarters.

We continued to invest in our development, with capital expenditures totaling US\$9.9 million, primarily to support the deployment of new rigs under long-term contracts. These investments are expected to contribute to increased activity from the second quarter onward.

To support this growth, additional financing was secured during the period. We remain focused on closely managing working capital, which is expected to progressively convert into cash."

Income Statement

(In thousands of US\$) (unaudited)	Three month period ended March 31,	
	2026	2025
Revenue	66,255	55,010
Gross profit (1)	7,089	7,729
As a percentage of sales	10.7 %	14.1 %
EBITDA	7,375	7,027
As a percentage of sales	11.1 %	12.8 %
Operating profit	2,059	2,894
As a percentage of sales	3.1 %	5.3 %
Net profit for the period	94	1,027
Attributable to:		
Equity holders of the Company	645	1,544
Non-controlling interests	(551)	(517)
EPS (in US cents)		
Basic	0.66	1.57
Diluted	0.65	1.54

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

Highlights - Q1 2026

Revenue

- Revenue in Q1 2026 totaled US\$66.3 million, up 20.4% compared to Q1 2025, with growth across nearly all regions, particularly in Canada, the United States and South America.
- The rig utilization rate in Q1 2026 was 40% compared to 30% in Q1 2025.

Profitability

- Gross margin for Q1 2026, including depreciation within cost of sales, was US\$7.1 million, representing 10.7% of revenue, compared to US\$7.7 million, or 14.1% of revenue, in Q1 2025. The year-on-year decrease reflects the mobilization of significant new contracts during the period, which typically generate lower margins in their initial phases.

- During the quarter, EBITDA amounted to US\$7.4 million (11.1% of revenue) compared to US\$7.0 million (12.8% in the prior-year period).
- Net profit for the quarter amounted to US\$0.1 million compared to US\$1.0 million in the prior-year period.

Net debt

- As of March 31, 2026, net debt, including the impact of IFRS 16, was US\$90.9 million compared to US\$71.1 million at December 31, 2025 as additional working capital and Capex financing was secured during the quarter to support

Financial results

Revenue

(In thousands of US\$) - (unaudited) Q1 2026 % change Q1 2025

Reporting segment

Mining	57,009	30 %	43,738
Water	9,246	-18 %	11,272
Total revenue	66,255	20 %	55,010

Geographic region

North America	25,081	39 %	18,099
Asia Pacific	14,071	-31 %	20,393
South America	20,006	98 %	10,118
Europe, Middle East and Africa	7,097	11 %	6,400
Total revenue	66,255	20 %	55,010

Q1 2026

Revenue in Q1 2026 was US\$66.3 million, compared to US\$55.0 million in Q1 2025.

The increase in revenue in the Mining segment reflects favorable market conditions, supported by long-term contracts initiated at the end of 2025 and during the period. Water activity declined by 18%, primarily due to contract phasing compared to the prior year.

Activity in North America increased by 39% to US\$25.1 million in Q1 2026, compared to US\$18.1 million in Q1 2025. This growth was primarily driven by the mobilization of new contracts in Canada and the United States during the period.

Asia Pacific decreased by 31% compared to Q1 2025 mainly due to the phasing of contracts.

Revenue in South America increased by 98% to US\$20.0 million, compared to US\$10.1 million in Q1 2025. In Chile, the Company continued to mobilize new rigs under long-term contracts. In Brazil, additional long-term contracts were mobilized and revenue increased by 80% compared to Q1 2025. The ramp-up phase of these contracts temporarily weighed on margins, reflecting the normal learning curve associated with significant operational deployments.

In the EMEA region, revenue grew by 11% to US\$7.1 million in Q1 2026, compared to US\$6.4 million in Q1

2025 supported by new contracts mobilized during H2 2025.

Overall, rig utilization rate in Q1 2026 was 40% compared to 30% in Q1 2025.

Gross profit

(In thousands of US\$) - (unaudited) Q1 2026 % change Q1 2025

Reporting segment

Mining	4,516	12 %	4,040
Water	2,573	-30 %	3,689
Total gross profit	7,089	-8 %	7,729

Q1 2026

Gross margin for Q1 2026, including depreciation within cost of sales, was US\$7.1 million (10.7% of revenue) compared to US\$7.7 million (14.1% of revenue) in Q1 2025. The year-on-year decrease reflects the mobilization of significant new long term contracts during the period, which typically generate lower margins in their initial phases.

Selling, General and Administrative Expenses

(In thousands of US\$) - (unaudited) Q1 2026 % change Q1 2025

Selling, general and administrative expenses	5,030	4 %	4,835
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Q1 2026

SG&A expenses increased by 4% compared to the prior-year quarter. As a percentage of revenue, SG&A decreased to 7.6% from 8.8% in Q1 2025.

Operating result

(In thousands of US\$) - (unaudited) Q1 2026 % change Q1 2025

Reporting segment

Mining	188	-4 %	195
Water	1,871	-31 %	2,699
Total operating profit	2,059	-29 %	2,894

Q1 2026

The operating profit was US\$2.1 million compared to US\$2.9 million in the same quarter last year.

Financial position

The following table provides a summary of the Company's cash flows for Q1 2026 and Q1 2025:

(In thousands of US\$)	Q1 2026	Q1 2025
Cash generated by operations before working capital requirements	7,375	7,027
Working capital requirements	(14,774)	(7,829)
Income tax paid	(878)	(1,960)
Purchase of equipment in cash	(9,882)	(3,296)
Free Cash Flow before debt servicing	(18,159)	(6,058)
Proceeds from / (repayment of) long-term debt	2,834	(1,666)
Proceeds / (Repayment) of working capital financing	5,361	6,056
Interests paid	(1,435)	(990)
Acquisition of treasury shares	(617)	(396)
Net cash generated / (used in) financing activities	6,143	3,004
Net cash variation	(12,016)	(3,054)
Foreign exchange differences	235	527
Variation in cash and cash equivalents	(11,781)	(2,528)
Cash and cash equivalents at the end of the period	15,522	21,385

In Q1 2026, the cash generated from operations before working capital requirements amounted to US\$7.4 million compared to US\$7.0 million in Q1 2025.

During the same period, working capital requirements were US\$14.8 million, an increase compared to the same period last year, primarily driven by increased activity and the ramp-up of new contracts.

During the period, capital expenditures totaled US\$9.9 million in cash, compared to US\$3.3 million in Q1 2025. Capex primarily relates to five new rigs, as well as ancillary equipment and rods associated with long-term contracts secured in 2025, which contributed to the record order book of US\$404 million as of December 31, 2025.

During the period, the Group secured new financing arrangements to support its investment program and working capital needs, including a US\$4.7 million loan to finance capital expenditures and a US\$4.0 million credit line in the United States dedicated to working capital.

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 Q1 2026.

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\$)	Q1 2026	Q1 2025
(unaudited)		
Operating profit / (loss)	2,059	2,894
Depreciation expense	5,159	3,983
Non-cash employee share-based compensation	157	150
EBITDA	7,375	7,027

Conference call and webcast

On April 30, 2026, Company Management will conduct a conference call at 9:00 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/g9VrZWzdP2E>

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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