



## Foraco International reports Q4 2024

Toronto, Ontario/Marseille, France – February 18, 2025 - Foraco International SA (TSX: FAR) ("Foraco" or the "Company"), a leading global provider of drilling services, is pleased to announce its results for the fourth quarter ended December 31, 2024. All amounts are denominated in US Dollars (US\$) unless otherwise stated.

### Q4 2024 Financial Highlights:

- **Revenue:** US\$60.8 million, compared to US\$86.6 million in Q4 2023. Asia Pacific achieved its third consecutive record quarter, while North America maintained a robust level, though slightly lower due to year-end contract phasing. In other regions, revenue was affected by the continued decline in Junior mining activity due to financing constraints, the exit from Russia, and unfavorable foreign exchange variations.
- **EBITDA:** US\$10.4 million, representing 17.1% of revenue, or US\$ 13.9 million representing 22.9% of revenue excluding one-off items, compared to US\$18.7 million (21.6% of revenue) in Q4 2023, reflecting the Company's proactive operational adjustments, including workforce optimization and a significant reduction in SG&A expenses.

### Full-Year 2024 Financial Highlights:

- **Revenue:** US\$293.5 million, compared to a record US\$370.1 million in 2023. The two main regions, North America and Australia, achieved record performances. In other regions, the slowdown was primarily driven by (i) a decline in demand from junior customers (US\$39.6 million), (ii) the impact of the strategic exit from Russia and other unstable jurisdictions (US\$22.9 million), and (iii) adverse foreign exchange variations (US\$9.2 million).
- **EBITDA:** US\$60.5 million (20.6% of revenue), or US\$ 66.6 million (22.7% of revenue) excluding one-off items, compared to US\$86.7 million (23.4% of revenue) in 2023. This performance underscores the resilience of operations, strong contract execution, proactive workforce adjustments, stringent cost control, and a significant reduction in SG&A expenses.
- **Net Profit attributable to equity holders :** US\$27.8 compared to US\$28.7 million in 2023.
- **Net Debt:** Reduced to US\$60.9 million, down from US\$65.2 million as of December 31, 2023, despite higher working capital requirements driven by certain delays in receivables collection.

Tim Bremner, CEO of Foraco, commented:

"2024 was a year of resilience and strategic moves for Foraco. We achieved record performance in our core markets, North America and Australia, while other regions faced headwinds due to a decline in the junior segment, the exit from Russia as well as other unstable jurisdictions, and adverse foreign exchange variations. Despite these challenges, we are pleased to report that our net result attributed to shareholders' equity remained stable year over year. This performance reaffirms the validity of our strategy, focusing on stable jurisdictions and servicing top-tier customers. At the end of 2024, our order backlog for FY 2025 stood at US\$200.6 million, compared to US\$236.1 million last year. Order confirmations on long-term contracts tend to be delayed and over shorter durations and we are expecting a somewhat slower start for the first half of 2025."

Fabien Sevestre, CFO of Foraco, added:

"We are pleased to report that our financial metrics remained relatively unaffected by the reduction in revenue. We adapted our operational workforce to market conditions, reduced our SG&A expenses and generated a 22.7% EBITDA margin excluding one off costs compared to 23.4% last year. Free cash flow was 10.4 US\$ million notwithstanding a US\$10.0 million delay in collection of receivables at year end. Net debt was reduced by 6.6% year-over-year at US\$60.5 million. These achievements reflect disciplined financial management and a focus on strengthening operational efficiency. While challenges persist, we are confident in our ability to navigate the evolving market landscape and preserve value to our shareholders."

## Income Statement

(In thousands of US\$) (unaudited)	Three-month period ended December 31,		Year ended December 31	
	2024	2023	2024	2023
	<b>Revenue</b>	<b>60,824</b>	<b>86,590</b>	<b>293,453</b>
<b>Gross profit (1)</b>	<b>11,262</b>	<b>19,918</b>	<b>63,056</b>	<b>93,862</b>
<i>As a percentage of sales</i>	<i>18.5%</i>	<i>23.0%</i>	<i>21.5%</i>	<i>25.4%</i>
<b>EBITDA</b>	<b>10,375</b>	<b>18,726</b>	<b>60,481</b>	<b>86,671</b>
<i>As a percentage of sales</i>	<i>17.1%</i>	<i>21.6%</i>	<i>20.6%</i>	<i>23.4%</i>
<b>Operating profit</b>	<b>6,124</b>	<b>13,469</b>	<b>42,546</b>	<b>66,708</b>
<i>As a percentage of sales</i>	<i>10.1%</i>	<i>15.6%</i>	<i>14.5%</i>	<i>18.0%</i>
<b>Net profit for the period</b>	<b>2,079</b>	<b>2,494</b>	<b>26,085</b>	<b>33,916</b>
Attributable to:				
Equity holders of the Company	3,361	2,415	27,811	28,714
Non-controlling interests	(1,282)	79	(1,726)	5,202
<b>EPS (in US cents)</b>				
Basic	3.40	2.45	28.18	29.07
Diluted	3.35	2.41	27.76	28.57

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

### Highlights – Q4 2024

#### Revenue

- Q4 2024 revenue totaled US\$60.8 million compared to US\$86.6 million in Q4 2023. Asia Pacific delivered its third consecutive record performance while the revenue in other regions was affected by (i) continued decline in Junior activity due to lack of financing (US\$ 7.0 million), (ii) the exit from Russia (US\$4.8 million), (iii) phasing of contracts with Majors (US\$11 million) and (iv) negative foreign exchange (US\$ 3.0 million).

#### Profitability

- Q4 2024 gross margin including depreciation within cost of sales was US\$ 11.3 million (or 18.5% of revenue) compared to US\$ 19.9 million (or 23% of revenue) in Q4 2023. The Company proactively adjusted its cost structure to align with market conditions, incurring a one-off cost of US\$ 3.5 million.
- During the quarter, EBITDA amounted to US\$ 10.4 million (or 17.1% of revenue) or US\$ 13.9 million (or 22.9% of revenue) excluding one-off costs compared to US\$ 18.7 million (or 21.6% of revenue) in the previous year.
- Net profit for the quarter amounted to US\$2.1 million (3.4% of the revenue) compared to US\$ 2.5 million (2.9% of revenue) in Q4 2023.

### Highlights – FY 2024

#### Revenue

- For the year ended December 31, 2024, the revenue amounted to US\$293.5 million, representing a 21% decrease from a record US\$370.1 million in FY 2023. While the two main regions, North America and Australia delivered record performances, the slowdown is primarily driven by (i) a drop in demand from junior customers (US\$ 39.6 million), (ii) the effect of the strategic exit from Russia and other non-stable jurisdictions (US\$ 22.9 million), and (iii) adverse foreign exchange rates for US\$ 9.2 million.

## Profitability

- In FY 2024 gross margin, including depreciation within cost of sales, was US\$ 63.1 million (or 21.5% of revenue) compared to US\$ 93.9 million (or 25.4% of revenue) in FY 2023. The Company proactively adjusted its cost structure to align with market conditions representing a one off cost of US\$ 6.1 million.
- During FY 2024, EBITDA amounted to US\$ 60.5 million (or 20.6% of revenue) or US\$ 66.6 million (or 22.7% of revenue) excluding one off costs compared to US\$ 86.7 million (or 23.4% of revenue) last year.
- Net profit for FY 2024 amounted to US\$ 26.1 million (9% of the revenue) compared to US\$ 33.9 million (9% of revenue) in FY 2023.

## Net debt

- As of December 31, 2024, the net debt, including the impact of IFRS 16, stood at US\$ 60.9 million, reflecting a reduction from US\$ 65.2 million as of December 31, 2023.

## Financial results

### Revenue

(In thousands of US\$) - (unaudited)	Q4 2024	% change	Q4 2023	FY 2024	% change	FY 2023
<i>Reporting segment</i>						
Mining .....	50,219	-34%	75,877	255,306	-21%	321,697
Water .....	10,605	-1%	10,713	38,147	-21%	48,395
<b>Total revenue .....</b>	<b>60,824</b>	<b>-30%</b>	<b>86,590</b>	<b>293,453</b>	<b>-21%</b>	<b>370,093</b>
<i>Geographic region</i>						
North America .....	23,477	-10%	26,123	118,445	-1%	119,188
Asia-Pacific .....	22,379	38%	16,261	83,964	23%	68,439
South America .....	9,896	-69%	31,796	66,788	-49%	131,884
Europe, Middle East and Africa .....	5,073	-59%	12,411	24,256	-52%	50,582
<b>Total revenue .....</b>	<b>60,824</b>	<b>-30%</b>	<b>86,590</b>	<b>293,453</b>	<b>-21%</b>	<b>370,093</b>

### Q4 2024

Q4 2024 revenue totaled US\$60.8 million, down from US\$86.6 million in Q4 2023. Asia Pacific delivered its third consecutive record performance while the revenue in other regions was affected by (i) continued decline in Junior activity due to lack of financing (US\$ 7.0 million), (ii) the exit from Russia (US\$4.8 million), (iii) phasing of contracts with Majors (US\$11 million) and (iv) negative foreign exchange (US\$ 3.0 million).

Activity in North America decreased by 10% to US\$ 23.5 million in Q4 2024, compared to US\$ 26.1 million in Q4 2023. This decrease of US\$ 2.6 million is mainly attributed to phasing of contracts with Majors.

Asia Pacific marked the best fourth quarter ever at US\$ 22.4 million, a 38% increase compared to Q4 2023. This growth is primarily attributable to successful operations and commissioning of new proprietary rigs.

Revenue in South America dropped to US\$9.9 million, down from last year's record of US\$31.8 million. This decline was mainly due to a lack of financing in the junior mining sector and unusual delays in the tendering process.

In the EMEA region, revenue declined to US\$5.1 million, reflecting the Company's strategic decision to exit unstable jurisdictions, including Russia and certain West African countries.

Overall, rig utilization rate in Q4 2024 was 35% compared to 55% in Q4 2023.

### FY 2024

FY 2024 revenue totaled US\$293.5 million, down from a record US\$370.1 million in FY 2023. While the two main regions, North America and Australia delivered record performances, the slowdown is primarily driven by (i) a drop in demand from junior customers (US\$ 39.5 million), (ii) the effect of the strategic exit from Russia and other non-stable jurisdictions (US\$ 22.9 million), and (iii) adverse foreign exchange rates for US\$ 9.2 million.

North America, the Company's largest region, delivered its best year ever, with a 1% increase in functional currency (a slight decline of 1% in USD). This growth reflects sustained strong operational performance on long-term contracts currently in progress.

In Asia Pacific, the Company's second-largest revenue contributor, FY 2024 revenue amounted to US\$ 84.0 million, marking the best year ever with a 23% increase compared to FY 2023. This growth is primarily attributable to successful operations and the commissioning of new proprietary rigs.

Revenue in South America totaled US\$66.8 million in FY 2024, down 49% from US\$131.9 million in FY 2023. This decline was due to several clients delaying the issuance of orders to remobilize long-term contracts, the impact of the withdrawal of junior companies due to financing challenges and an early winter season affecting high-altitude projects.

In the EMEA region, revenue declined to US\$24.3 million, reflecting the Company's strategic decision to exit unstable jurisdictions, including Russia and certain West African countries.

### Gross profit

(In thousands of US\$) - (unaudited)	<u>Q4 2024</u>	<u>% change</u>	<u>Q4 2023</u>	<u>FY 2024</u>	<u>% change</u>	<u>FY 2023</u>
<i>Reporting segment</i>						
Mining .....	8,105	-54%	17,567	52,564	-35%	81,221
Water .....	<u>3,157</u>	<u>34%</u>	<u>2,351</u>	<u>10,492</u>	<u>-17%</u>	<u>12,642</u>
<b>Total gross profit / (loss) .....</b>	<b><u>11,262</u></b>	<b><u>-43%</u></b>	<b><u>19,918</u></b>	<b><u>63,056</u></b>	<b><u>-33%</u></b>	<b><u>93,863</u></b>

#### Q4 2024

The Q4 2024 gross margin, including depreciation within cost of sales, was US\$ 11.3 million (or 18.5% of revenue) compared to US\$ 19.9 million (or 23% of revenue) in Q4 2023. The Company proactively adjusted its cost structure to align with market conditions representing a one off cost of US\$ 3.5 million.

#### FY 2024

The FY 2024 gross margin including depreciation within cost of sales was US\$ 63.1 million (or 21% of revenue) compared to US\$ 93.9million (or 25% of revenue) in FY 2023. The Company proactively adjusted its cost structure to align with market conditions representing a one-off costs of US\$ 6.1 million.

### Selling, General and Administrative Expenses

(In thousands of US\$) - (unaudited)	<u>Q4 2024</u>	<u>% change</u>	<u>Q4 2023</u>	<u>FY 2024</u>	<u>% change</u>	<u>FY 2023</u>
Selling, general and administrative expenses	5,138	-20%	6,449	22,621	-17%	27,154

#### Q4 2024

SG&A decreased 20% compared to the same quarter last year. As a percentage of revenue, SG&A remained stable at approximately 8.0% of revenue.

#### FY 2024

SG&A decreased 17% 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)	<u>Q4 2024</u>	<u>% change</u>	<u>Q4 2023</u>	<u>FY 2024</u>	<u>% change</u>	<u>FY 2023</u>
<i>Reporting segment</i>						
Mining .....	3,863	-68%	12,112	35,003	-39%	57,830
Water.....	<u>2,261</u>	<u>67%</u>	<u>1,357</u>	<u>7,543</u>	<u>-15%</u>	<u>8,879</u>
<b>Total operating profit / (loss) .....</b>	<b><u>6,124</u></b>	<b><u>-55%</u></b>	<b><u>13,469</u></b>	<b><u>42,546</u></b>	<b><u>-36%</u></b>	<b><u>66,709</u></b>

### Q4 2024

The operating profit was US\$ 6.1 million compared to US\$ 13.5 million in the same quarter last year.

### FY 2024

The FY 2024 operating profit was US\$ 42.5 million compared to US\$ 66.7 million in FY 2023. On March 15, 2024, the Company finalized the sale of its 50 % stake in Eastern Drilling Company (EDC) Russia. This transaction generated a net profit of US\$ 2.1 million recorded in other operating income and expense within operating profit.

### Financial position

The following table provides a summary of the Company's cash flows for FY 2024 and FY 2023:

(In thousands of US\$)	<u>FY 2024</u>	<u>FY 2023</u>
<b>Cash generated by operations before working capital requirements</b>	<b>60,482</b>	<b>86,671</b>
Working capital requirements	(10,467)	(5,038)
Income tax paid	(13,793)	(12,194)
Purchase of equipment in cash	(18,871)	(26,135)
<b>Free Cash Flow before debt servicing</b>	<b>17,351</b>	<b>43,304</b>
Proceeds from / (repayment of) debt	(10,574)	(20,434)
Interests paid	(6,993)	(14,224)
Acquisition of treasury shares	(1,231)	(1,475)
Deconsolidation of EDC Russia	(2,076)	-
Dividends paid to Company's shareholders	(4,544)	-
Dividends paid to non-controlling interests	(330)	(2,035)
<b>Net cash generated / (used in) financing activities</b>	<b>(25,748)</b>	<b>(38,168)</b>
<b>Net cash variation</b>	<b>(8,397)</b>	<b>5,136</b>
Foreign exchange differences	(1,529)	(256)
<b>Variation in cash and cash equivalents</b>	<b><u>(9,926)</u></b>	<b><u>4,880</u></b>
<b>Cash and cash equivalents at the end of the period</b>	<b><u>24,363</u></b>	<b><u>34,289</u></b>

In FY 2024, the cash generated from operations before working capital requirements amounted to US\$ 60.5 million compared to US\$ 86.7 million in FY 2023.

During the same period, the working capital requirements reached US\$ 10.5 million increasing compared to the same period last year, primarily due to delays in collection of receivables at closing date representing US\$ 10 million.

During the period, Capex totaled US\$ 18.9 million in cash compared to US\$ 26.1 million in FY 2023. Capex primarily relates to the acquisition of rigs, major rig overhauls, ancillary equipment and rods. Three large rigs were added to the fleet during the period.

### 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 2024.

### 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 payable related to acquisitions, net of cash and cash equivalents.

Reconciliation of the EBITDA is as follows:

(In thousands of US\$) (unaudited)	<u>Q4 2024</u>	<u>Q4 2023</u>	<u>FY 2024</u>	<u>FY 2023</u>
Operating profit / (loss) .....	6,124	13,469	42,546	66,708
Depreciation expense .....	4,054	5,156	17,432	19,591
Non-cash employee share-based compensation.....	198	102	504	372
<b>EBITDA</b> .....	<b><u>10,375</u></b>	<b><u>18,726</u></b>	<b><u>60,481</u></b>	<b><u>86,671</u></b>

### Conference call and webcast

On February 18, 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/d2Bo85Lxzva>

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 21 countries across five continents. For more information about Foraco, visit [www.foraco.com](http://www.foraco.com).

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