DAY ON SITE · MANAGEMENT SUMMARY

Conclusion: sales are growing, profit is falling. **€250–400 thousand** of EBITDA a year is hidden in pricing, a bottleneck and overtime.

KEY FACTS

- **Customers:** Germany and Austria, 72% of sales
- **Visit:** 1 day on site, 8:00–14:30
- **Interviewed:** [redacted], managing director, [redacted], production manager
- **Date:** 17 June 2026 · **Prepared by:** Igor Prosenik, Armes

1 Executive summary

€250–400k
estimated annual EBITDA impact, mainly from pricing and the bottleneck

€0.65–0.86m
one-off cash released from work in progress and receivables

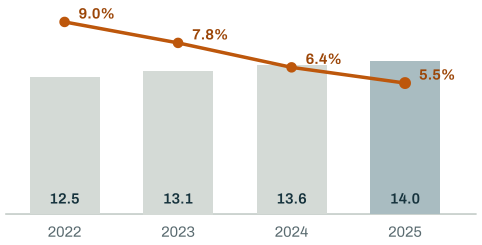
5.5%
EBITDA margin in 2025, three years ago 9.0%

14%
of all hours are overtime, mostly behind the bottleneck

You opened the day by saying: **"Sales keep growing, but we keep ending up with less. We work overtime and we are still late."** The figures prove you right. Since 2022 revenue has grown by 12%, while EBITDA has fallen from €1.13m to €0.77m.

The cause is not in one department. Prices have not followed costs, the bottleneck runs fewer hours than the other machines, and delays are covered with overtime. Each problem is small on its own; together they eat a third of the profit.

Revenue is rising, margin is falling
revenue in €m (bars), EBITDA margin in % (line)



2 Five findings

rough estimate; a diagnostic measures it precisely

01 **The bottleneck runs two shifts, the other machines three**

The 5-axis machining centre is the only machine for 38% of products. It runs two shifts, and a tool change takes 45 minutes on average because tools are only prepared at the machine. One hour on this machine is worth more than an hour anywhere else in the company.

€80–120k
EBITDA a year

02 **Three weeks of work in progress on the floor**

Semi-finished parts pile up in front of the bottleneck. Their estimated value is €0.8m, or 21 days of production. With a pace set by the bottleneck, one week would be enough.

€0.30–0.40m
cash, one-off

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2 Five findings

continued

03 **Prices from 2023, costings from 2021**

Since the last costing, labour costs have risen by 19% and energy by 34%. The three largest customers, 46% of sales, get an 8% discount with no volume commitment. On some products the margin is probably negative.

€150–220k
EBITDA a year

04 **Overtime as the normal way of working**

14% of all hours are overtime, mostly in inspection and packing in the last week of the month, catching up on delays from the bottleneck. Once the bottleneck flows, overtime can be halved.

€20–60k
EBITDA a year

05 **Customers pay 12 days late**

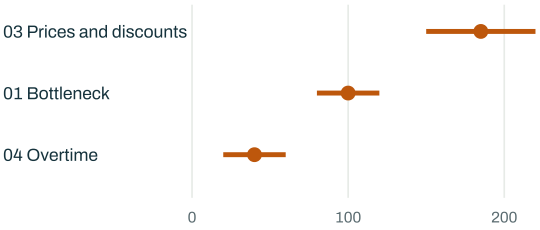
Average payment time is 72 days against an agreed 60. You do not send reminders because you do not want to put customer relationships at risk. Twelve days of delay on €14m of revenue means €0.46m of tied-up cash.

€0.35–0.46m
cash, one-off

3 Where the most value is

estimate range by finding

EBITDA impact, €k a year
dot = midpoint, line = range



One-off cash released, €m
shown separately because it does not increase profit



> The most value is in **prices and discounts**: fast impact, no investment. The bottleneck and overtime are linked and are solved together.

4 · RECOMMENDED NEXT STEP

We recommend a Focused Diagnostic of profitability: new costings, margin by product and customer, and a pricing proposal for your three largest customers.

In five days of work we would measure the actual margin of your 120 most frequent products and prepare the arguments for price negotiations before the new year. We would take on the bottleneck as the second step, because without accurate costings it is not clear which orders should get priority on it.

Questions? Get in touch

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