
9M 2024 results

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Disclaimer

This report contains forward-looking statements. These statements are based on current experience, estimates and projections of the Management Board and the information available at the time this report was prepared. They are not guarantees of future performance and results and are subject to risks and uncertainties that are beyond hGears' ability to control or predict, such as future market conditions, regulatory changes, or the behavior of other market participants, for instance. These and other factors can cause the actual results, performance and financial position to deviate significantly from the estimates stated herein. hGears does not assume any obligation to update the forward-looking statements contained in this report. Certain numerical data, financial information and market data, including percentages, in this document have been rounded according to established commercial standards. Furthermore, in tables and charts, these rounded figures may not add up exactly to the totals contained in the respective tables and charts.

9M 2024 Highlights



Further deterioration in e-Bike and [e]-Mobility; focus on cash preservation whilst adapting cost structures

- The overall slowdown experienced in 3Q24 led to 9M24 results that are below expectations
- Market conditions have become even more demanding; destocking continues to drag down the e-Bike business division, while [e]-Mobility experienced a slowdown
- The sequential improvement of the e-Tools business area continues with a fourth consecutive quarterly increase in 3Q24
- hGears continued to adapt and refine structures to enhance resilience, while the focus remains on cash preservation
- Robust balance sheet and adequate financial manoeuvrability to weather the storm
- The 2024 guidance has recently been updated and reflects current conditions; mid-term guidance under review

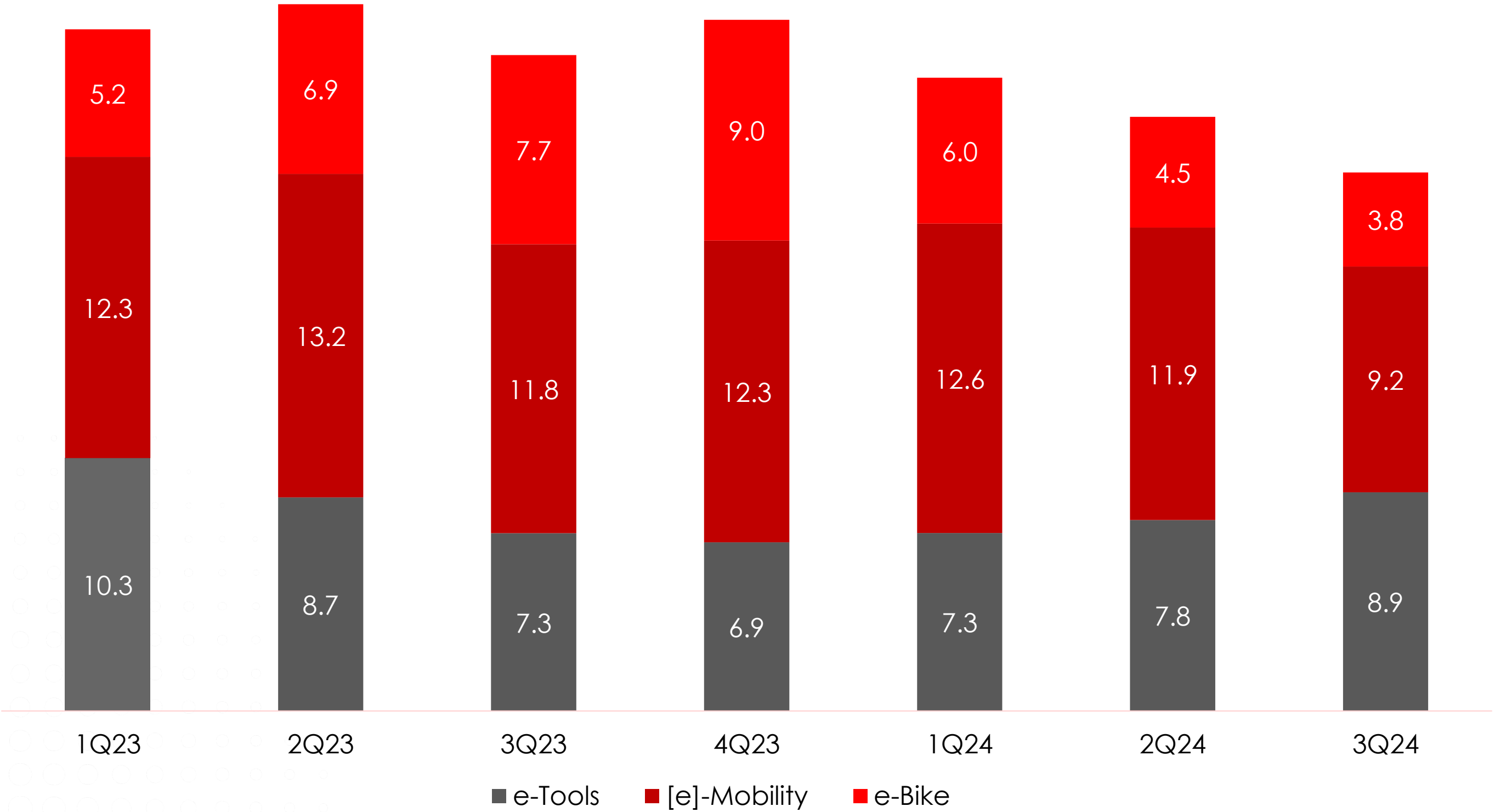


Financial Review

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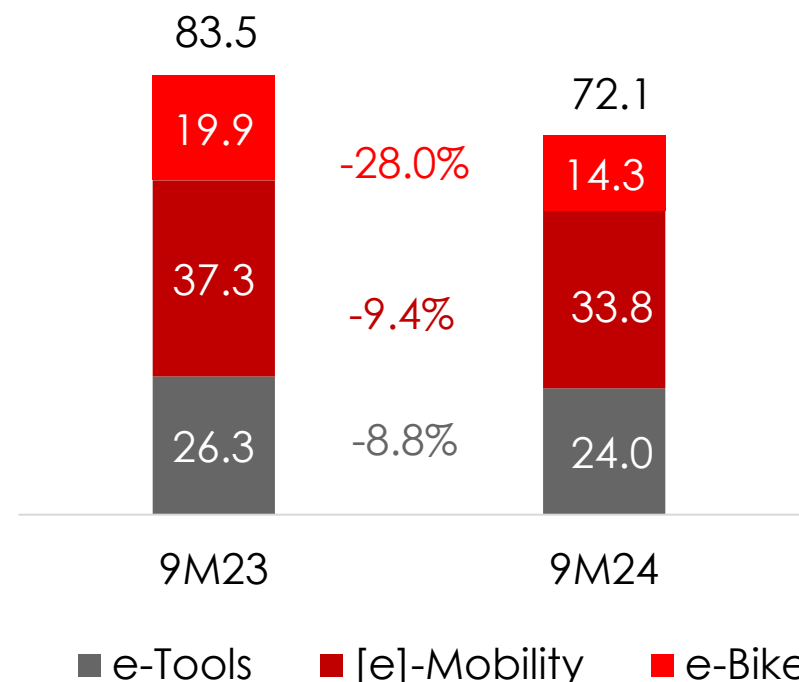
Quarterly development of the business areas

Sales (in EUR million)

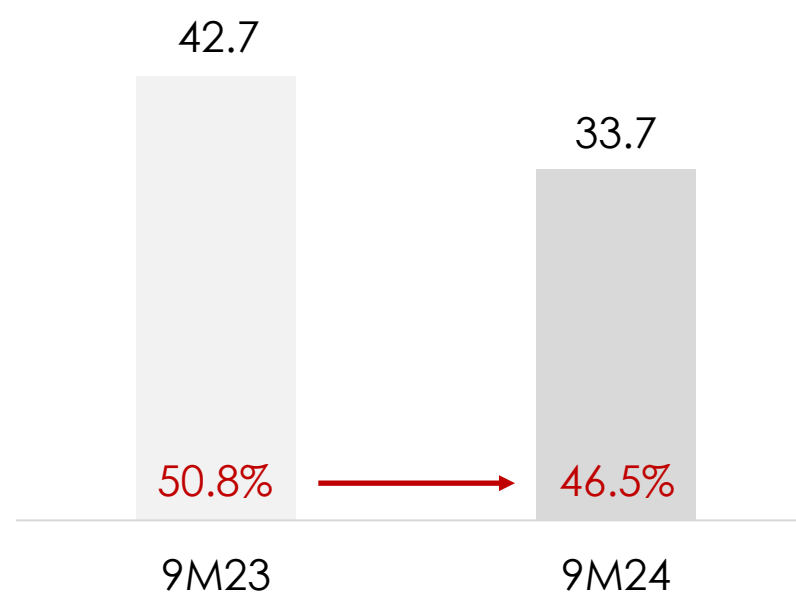


Market conditions have become even more demanding; destocking in e-Bike ongoing and [e]-Mobility slowing but e-Tools is recovering

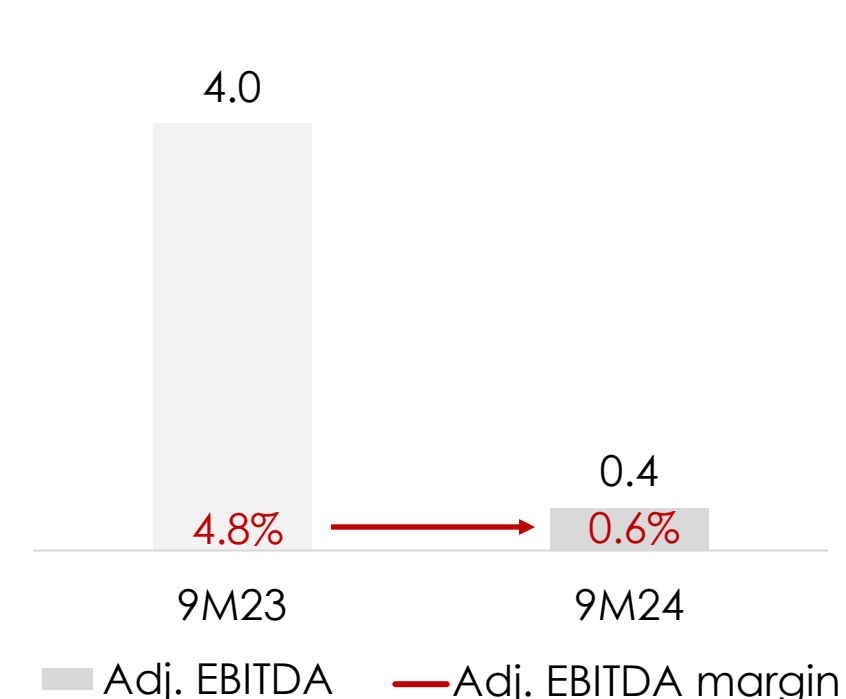
Sales (in EUR million)



Adj. Gross Profit (in EUR million)



Adj. EBITDA (in EUR million)



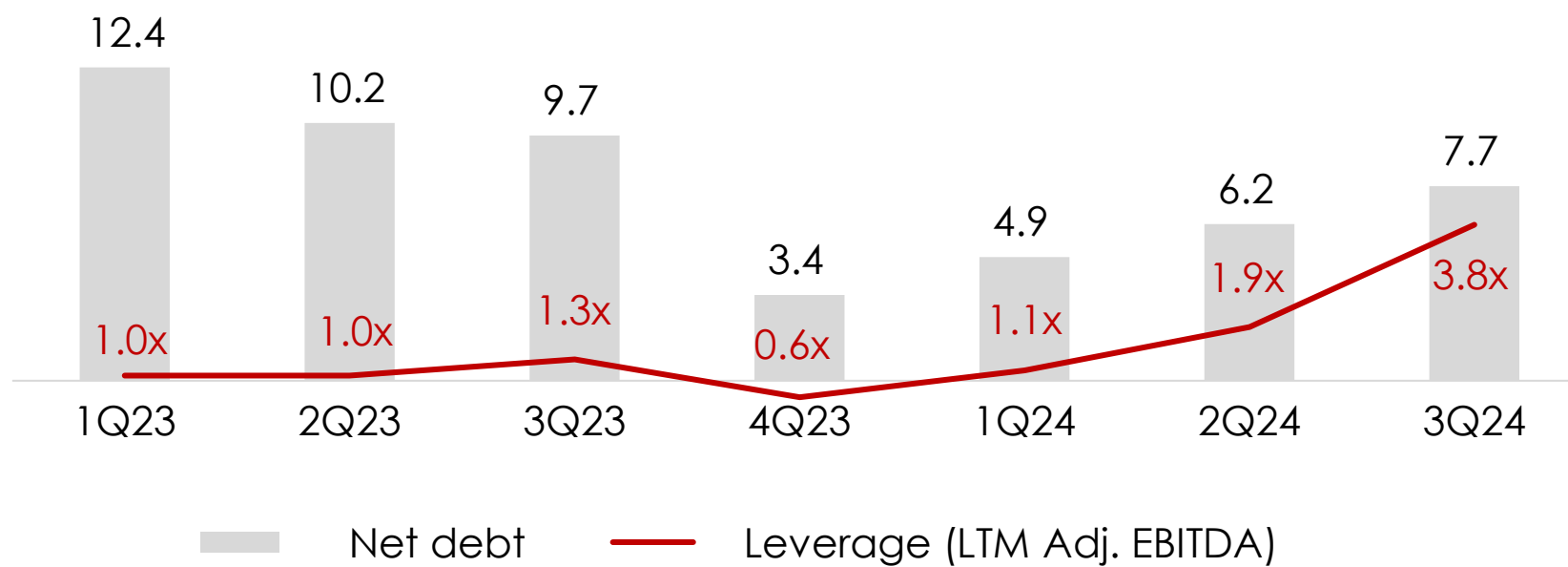
- e-Bike
 - Industry-wide destocking ongoing
 - Still no signs of recovery
- [e]-Mobility
 - EHV and ICE demand weakened
 - Projects delayed
- e-Tools
 - Stabilization seems to materialize
 - Sequential recovery at low levels

- Adj. Gross profit and adj. Gross profit margin
 - Adjusted Gross profit margin stable at 1H24 levels – improvement measures in place
 - Low volumes continue to cause inefficiencies (operating leverage, stop-and-start costs)
 - Negative mix effect

- Adjusted EBITDA
 - Adj. EBITDA reflects first capacity adjustments
 - Personnel expenses decline by EUR 2.5 million yoy
 - Net other operating expenses decline by EUR 2.8 million yoy
 - Optimization of operating structures and refining of resource management

Robust balance sheet and adequate financial manoeuvrability

Net Debt (in EUR million) and Leverage



- Equity ratio 9M24 52.5%
- Net debt & liquidity
 - Cash and cash equivalents amount to EUR 19.2 million
 - Net debt remains at low levels; below previous year in absolute terms
 - High net debt/EBITDA multiple result of temporary low profitability

Liquidity (in EUR million)

Items

as of 30 September 2024

Cash and cash equivalents

19.2



Outlook & Closing Remarks

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Guidance for 2024 and mid-term targets

2024 Guidance

Revenue

EUR 90 – 95 million

Adjusted EBITDA

EUR minus 1 – plus 1 million

Free Cash Flow

negative EUR 5 – 2 million

Mid-term outlook...

Revenue

Under review

Transition to a sustainable and electrified world ongoing

Long-term prospects intact



Q&A

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