hGears Group achieved results in line with expectations in the first half of 2026 and confirms the guidance

FIRST-HALF 2026 HIGHLIGHTS

- Consolidated revenue of EUR 46.8 million, 5.6 % below the previous year
- Revenue growth in [e]-Mobility partially offset the declines in e-Bike and e-Tools
- Adjusted gross profit of EUR 21.0 million, adjusted gross margin of 44.9 %
- Structural and efficiency measures supported profitability; adjusted EBITDA positive at EUR 0.4 million
- Free cash flow improved by EUR 3.4 million year-on-year to EUR 1.1 million; cash and cash equivalents amounted to EUR 7.2 million
- Guidance for fiscal year 2026 confirmed

Schramberg, 12 August 2026 - The hGears Group generated consolidated revenue of EUR 46.8 million and adjusted EBITDA of EUR 0.4 million in the first half of 2026. The results were therefore in line with expectations in a market environment that remained challenging. Revenue growth in [e]-Mobility partially offset the declines in e-Tools and, in particular, e-Bike.

The [e]-Mobility business area increased revenue by 7.0 % to EUR 25.5 million (previous year: EUR 23.8 million). This development was supported in particular by higher customer call-offs in the sports and luxury vehicle segment. Revenue in the e-Bike business area declined by 31.2 % to EUR 5.1 million (previous year: EUR 7.5 million). This was attributable to the high basis of comparison resulting from pull-forward effects in the previous year, persistently weak bicycle production, and the ongoing reduction of inventories along the value chain. Primarily due to lower demand for gardening tools, revenue in e-Tools declined from EUR 18.0 million to EUR 15.9 million.

Adjusted gross profit amounted to EUR 21.0 million in the first half of 2026 (previous year: EUR 22.6 million), and the adjusted gross margin reached 44.9 %, compared with 45.6 % in the previous year. The decline was primarily attributable to the changed product mix. On the cost side, higher energy prices had a negative impact, while lower costs for outsourced production and other material expenses as well as efficiency improvements had a partially offsetting effect.

The structural and efficiency measures implemented supported profitability despite lower volumes and negative net currency effects of approximately EUR 0.4 million. In particular, the adjustment of personnel costs to the lower business volume contributed to this development. Personnel expenses decreased by EUR 1.9 million, or 10.9 %. Adjusted EBITDA was positive at EUR 0.4 million; the adjusted EBITDA margin was 0.8 %.

Free cash flow improved by EUR 3.4 million year-on-year to EUR 1.1 million. Positive effects from the optimization of net working capital were a key contributor. At EUR 1.6 million, investments were slightly above the previous-year level and related, among other things, to new projects. Cash and cash equivalents amounted to EUR 7.2 million as of 30 June 2026. Through the implementation of several financing and liquidity measures, the bridge financing envisaged in the 2025 Annual Report was secured on the basis of the current planning for the second half of the year. The equity ratio was 27.0 %.

Sven Arend, CEO of hGears:

"We managed hGears steadily in the first half of 2026 in a market environment that remained challenging. The positive development of [e]-Mobility and the consistently implemented structural and efficiency measures helped us to keep adjusted EBITDA positive despite the lower business volume and to optimize free cash flow year-on-year. As visibility remains limited, particularly in the e-Bike business area, we will maintain our clear focus on costs, cash flow, and liquidity and confirm our guidance for fiscal year 2026."

OVERVIEW 1H 2026 FIGURES

Group figures (in EUR million)	**1H 2026**	**1H 2025**	**Δ**
Revenue	46.8	49.5	-5.6 %
Adjusted gross profit	21.0	22.6	-6.9 %
Adjusted gross margin	44.9 %	45.6 %	-70 bps
Adjusted EBITDA	0.4	1.1	-67.4 %
Adjusted EBITDA margin	0.8 %	2.2 %	-140 bps
Revenues by business area (in EUR million)	**1H 2026**	**1H 2025**	**Δ**
e-Bike	5.1	7.5	-31.2 %
[e]-Mobility	25.5	23.8	7.0 %
e-Tools	15.9	18.0	-11.8 %

Please note: Figures may be rounded.

OUTLOOK

Based on current market trends and taking ongoing uncertainties into account, the Management Board expects the following for fiscal year 2026:

- Consolidated revenue of EUR 80 million - EUR 90 million
- Adjusted EBITDA of EUR minus 3 million to EUR 0 million
- Free cash flow of EUR minus 5 million to EUR minus 2 million

Contact

hGears AG
Christian Weiz
Brambach 38
78713 Schramberg

T: +49 (7422) 566 222
E: christian.weiz@hgears.com

About hGears

hGears is a global manufacturer of mission-critical high-precision gears and components with a strategic focus on products for e-mobility. The products include gears, shafts and other mission-critical components that are used in electric drive systems for e-bikes and in electric and hybrid vehicles (EHV). In the e-bike sector, hGears AG is a leading European company in the supply of high-precision gear parts and components. The company is thus well positioned to benefit from the growing end markets for e-bikes and EHVs. hGears has three different business areas for which it develops and manufactures high-precision components: e-Bike, [e]-Mobility (primarily for premium and luxury cars, EHVs and powersports vehicles) and e-Tools.

hGears combines over 65 years of experience in advanced steel machining and state-of-the-art sintered metal production. This makes it one of the few companies in the world that can offer its customers both processes. hGears works together with its customers in a "co-development" role to design components and find technologically optimal solutions to satisfy the customer's specifications. hGears' blue-chip customer base includes several major Tier 1 suppliers and original equipment manufacturers (OEMs). The company benefits from long-standing, stable and sustainable relationships with its customers, with many key customers being supplied for more than 20 years.

hGears is headquartered in Schramberg (Germany) and operates worldwide with production facilities in Schramberg (Germany), Padova (Italy) and Suzhou (China). Visit hGears on the Internet at: www.hgears.com