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# FY 2023 results



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# Disclaimer

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# Agenda

FY 2023 Highlights

Financial Review

Outlook & Closing Remarks

Q&A



# FY 2023 Highlights

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# Resilient full-year 2023 results relative to guidance amid ongoing destocking; cash preservation, efficiency, and agility key priorities



## FY 2023 HIGHLIGHTS

Resilient full-year 2023 results relative to guidance

Ongoing challenging market dynamics, characterized by weak end-market demand, slower-than-expected industry-wide destocking, and adverse weather conditions

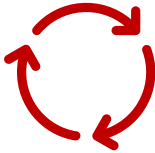


Proactive measures undertaken to streamline operating structures, refine resource management, and preserve cash

Positive FCF generation in H2 2023 - FY 2023 FCF much better than guidance, supporting net debt reduction and improved liquidity headroom



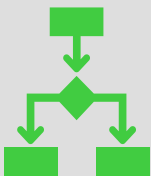
Market uncertainty persists in 2024

Operational flexibility and cash preservation remain guiding principles in 2024 along with agility to capitalize on end-market growth when it returns

# Positive results from 2023-implemented countermeasures to preserve profitability and enhance positioning

	FY 2023	FY 2024
 Development & industrialization processes	<ul style="list-style-type: none"><li>• Redefined and designed New Product Introduction (NPI) process</li><li>• Resource management tied to NPI</li></ul>	<ul style="list-style-type: none"><li>• Operational start of NPI</li><li>• Focus on cost control and faster time-to-market</li></ul>
 Capacity utilization	<ul style="list-style-type: none"><li>• Comprehensive review of existing assets</li><li>• Optimization of capacity allocation to better utilize existing capacity</li></ul>	<ul style="list-style-type: none"><li>• Continuing to monitor effective asset management (essential maintenance, repurposing, etc.)</li><li>• Assessment of additional insourcing projects</li></ul>
 Change management	<ul style="list-style-type: none"><li>• Streamlined middle management structures</li><li>• Sales reorganization with focus on target markets</li></ul>	<ul style="list-style-type: none"><li>• New organizational and agile reporting lines</li><li>• Continuous improvement in indirect areas</li></ul>

# Cost control and constant cash preservation

		FY 2023	FY 2024
	Cost control	<ul style="list-style-type: none"><li>FTE reduced by 111 employees</li><li>Strict approach to new hires</li><li>Optimization of overhead costs</li></ul>	<ul style="list-style-type: none"><li>Maintaining labor capacity with a flexible approach to working hours</li><li>Better talent management (promotions) to foster leaner organization</li><li>Further reduction in overhead costs</li></ul>
	Capex preservation	<ul style="list-style-type: none"><li>Focus on Capex</li></ul>	<ul style="list-style-type: none"><li>Strict control of all Capex at board level, regardless of size</li></ul>
	Financial benefits	<ul style="list-style-type: none"><li>Cost savings realized in FY 2023</li><li>Capex savings from improved capacity utilization</li><li>Positive FCF generation in H2 2023; FY 2023 FCF much better than guidance – supporting low net debt</li></ul>	<ul style="list-style-type: none"><li>Full benefits from 2023 measures expected in 2024</li><li>Further savings expected from 2024 measures underway</li><li>Reduction in operational expenses</li></ul>



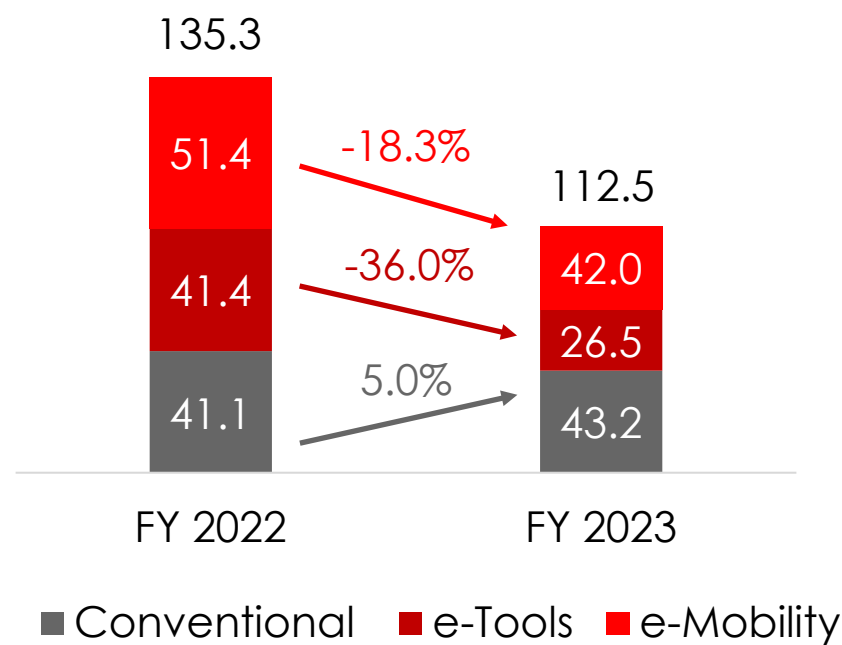
# Financial Review

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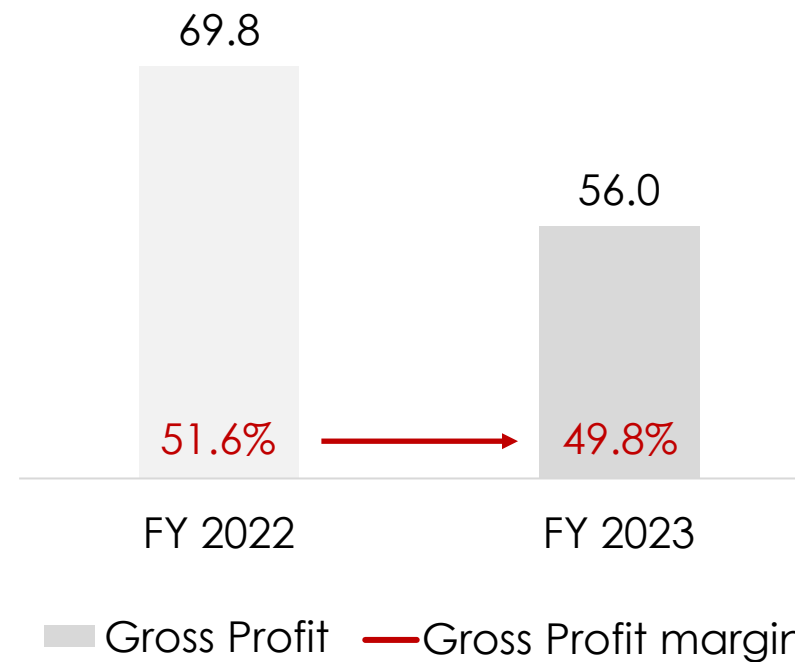
# Revenue and profitability impacted by lower e-Mobility and e-Tools demand

Revenue (in EUR million)



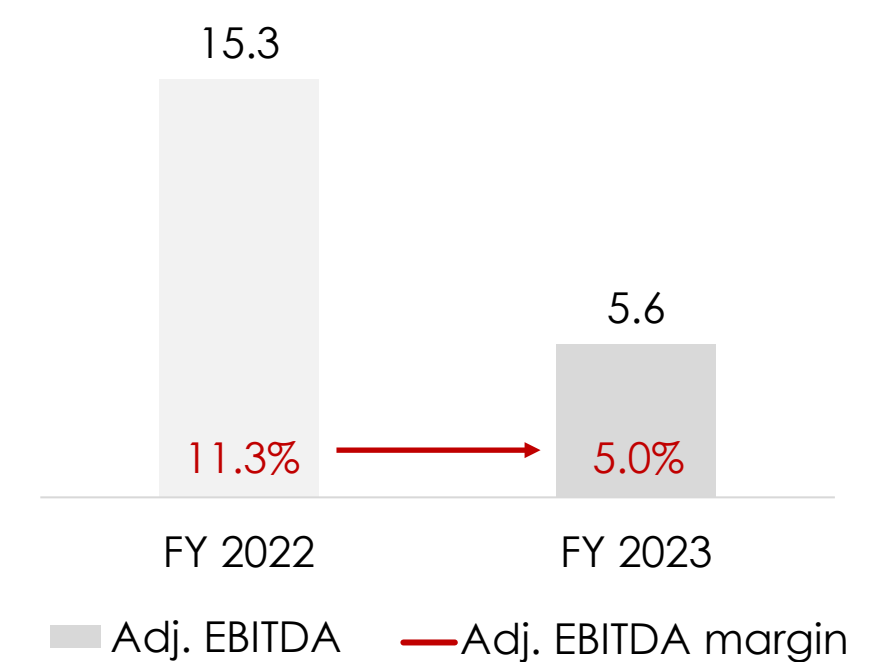
- e-Mobility
  - Industry-wide destocking environment
  - Higher EHV slightly compensated
- e-Tools
  - Construction industry's sensitivity to high-interest rates and weather-related factors in gardening
- Conventional
  - Improved supply chains supporting uptick in revenue in H1 2023

Gross Profit (in EUR million)



- Gross Profit and Gross Profit margin
  - Lower volumes led to inefficiencies
  - Stop-and-start costs

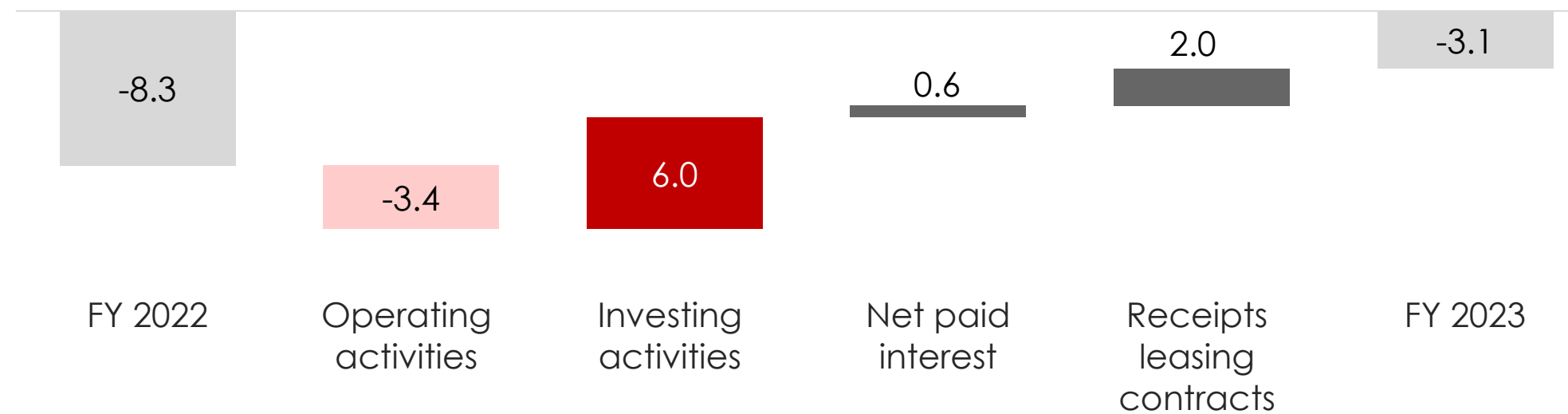
Adjusted EBITDA (in EUR million)



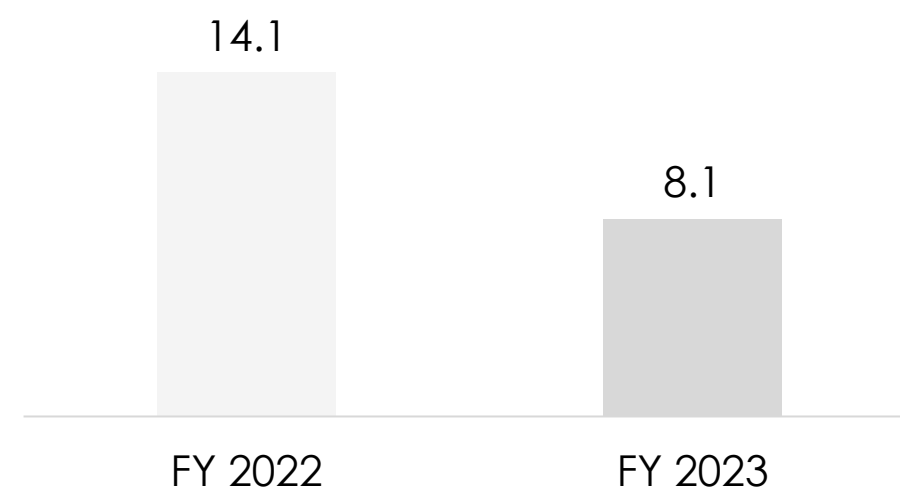
- Adjusted EBITDA
  - Constraints in capitalizing on operating leverage
  - Organizational streamlining

# Cash preservation activities reflected in improved Free Cash Flow

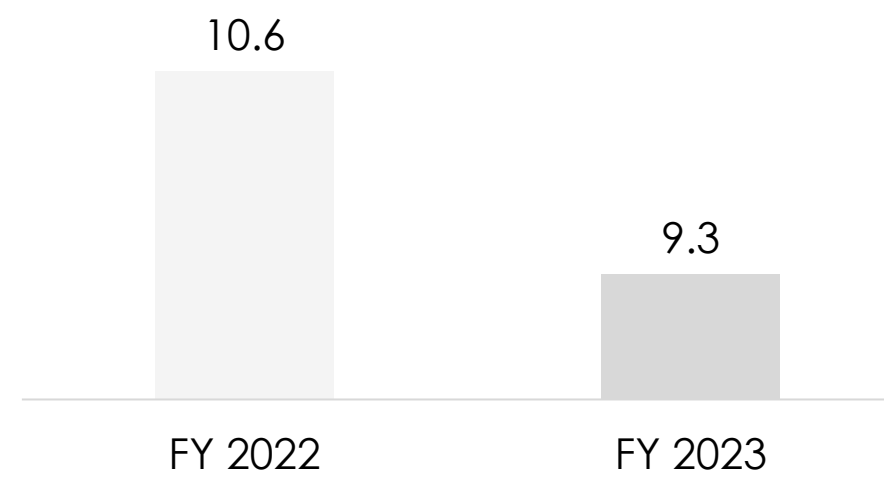
## Free Cash Flow bridge (in EUR million)



## Capital expenditure (in EUR million)



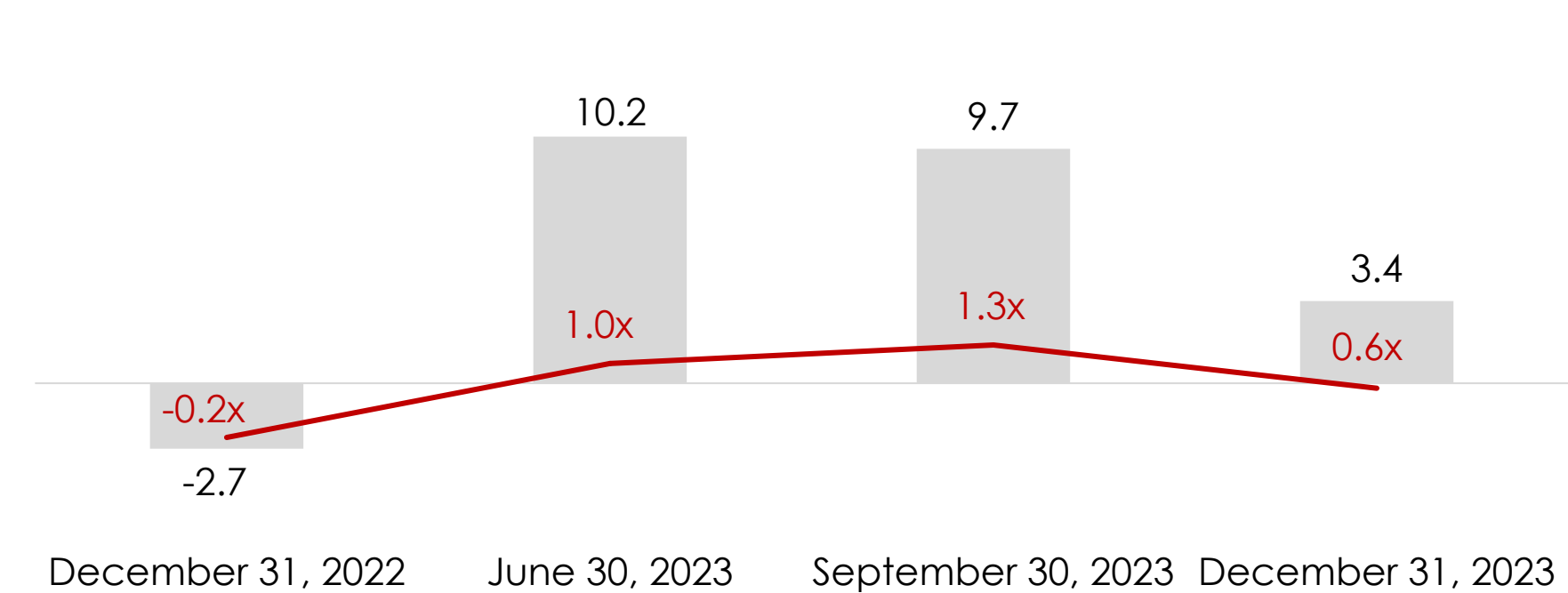
## Working capital (in EUR million)



- Net cash flow from operating activities
  - Lower EBITDA due to lower volumes and lack of operational leverage
  - Working Capital reduction
- Net cash flow for investing activities
  - Carry over investments in H1 2023
  - Strong reduction of Capex in H2 2023
- Net paid interest
  - Higher interest payments due to increase in EURIBOR
- Receipts leasing contracts
  - Significant reduction of Capex acquired with leasing

# Robust Balance Sheet and sufficient financial manoeuvrability

## Net Debt and leverage position (in EUR million)



- Net Debt & Liquidity
  - Net Debt reduction due to improved free cash flow profile
  - Execution of purchasing option for land and building in Germany for EUR 2.3 million
  - Cash and cash equivalents amount to EUR 26.6 million

## Liquidity headroom (in EUR million)

Items	as of December 31, 2023
Cash and cash equivalents	26.6
RCF commitments (undrawn)	40.0
Availability	66.6



# Outlook & Closing Remarks

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# Mid-term outlook – promising markets to drive growth

## Current market overview

### e-Bike:

- In 2024 destocking ongoing, therefore subdued demand
- Strong upside potential – positive long-term prospects unabated

### [e]-Mobility:

- Significant market potential for e-drive components and fast growth of full electric systems
- Demand for Premium and Luxury cars to remain resilient

### e-Tools:

- Inventory destocking
- Recovery in the construction sector
- Electrification of outdoor products

## 2024 Operational priorities

- 01.** Resource management
- 02.** Cost control initiatives
- 03.** Asset utilization
- 04.** Working capital management
- 05.** Project Management

# Guidance 2024 reflects ongoing market uncertainty

## 2024 Guidance

**Revenue**

EUR 100 – 110 million

**Adjusted EBITDA**

EUR 1 – 3 million

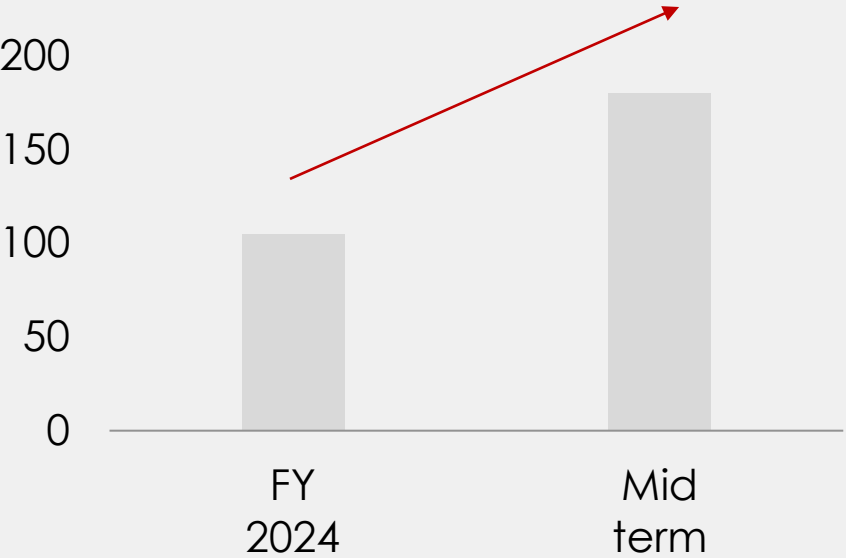
**Free Cash Flow**

neg. EUR 0 – 3 million

## Mid-term outlook...

**Revenue**

EUR 150 - 180 million





# Q&A

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